



# Volkswagen Truck & Bus and Navistar Strategic Alliance Update

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**VOLKSWAGEN  
TRUCK & BUS**



**Andreas Renschler**

Member of the Board of Management  
Volkswagen AG,  
Chief Executive Officer  
Volkswagen Truck & Bus GmbH

**NAVISTAR<sup>®</sup>**



**Troy Clarke**

Chairman, President and  
Chief Executive Officer

# Four Pillars of Strategic Alliance

1 Equity investment



Volkswagen Truck & Bus currently has a **16.94% equity stake** in Navistar

2

Strategic technology and supply cooperation



The two companies are **collaborating on technology** for powertrain systems, as well as other advanced technologies

3

Procurement joint venture



The **procurement joint venture** was formed to pursue joint global sourcing opportunities

4

Governance



Andreas Renschler and Matthias Gründler serve on Navistar's board of directors



8 teams made up of employees representing all brands within Navistar and Volkswagen Truck & Bus, pursuing 13 major projects

### Alliance opportunities

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- Powertrain systems
- Advanced driver assistance systems
- “Connected vehicle” solutions
- Cabin and chassis components
- Fuel efficiency technologies

### Actions

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- Pursuing common electric powertrain system for medium-duty trucks
- Joint development of next generation fully integrated heavy powertrains
- Moving to a global connected vehicle platform for OnCommand Connection and RIO



### Medium-duty e-truck

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- Using Volkswagen Truck & Bus common electric powertrain
- Leveraging Volkswagen Truck & Bus e-competence with Navistar's trucking expertise
- Reduced R&D time thanks to technology transfer
- Class 6/7 truck with sufficient packaging space
- Ideal for short distances
- Pre-empting the next round of greenhouse gas emission regulations

Addressing the demand for e-trucks

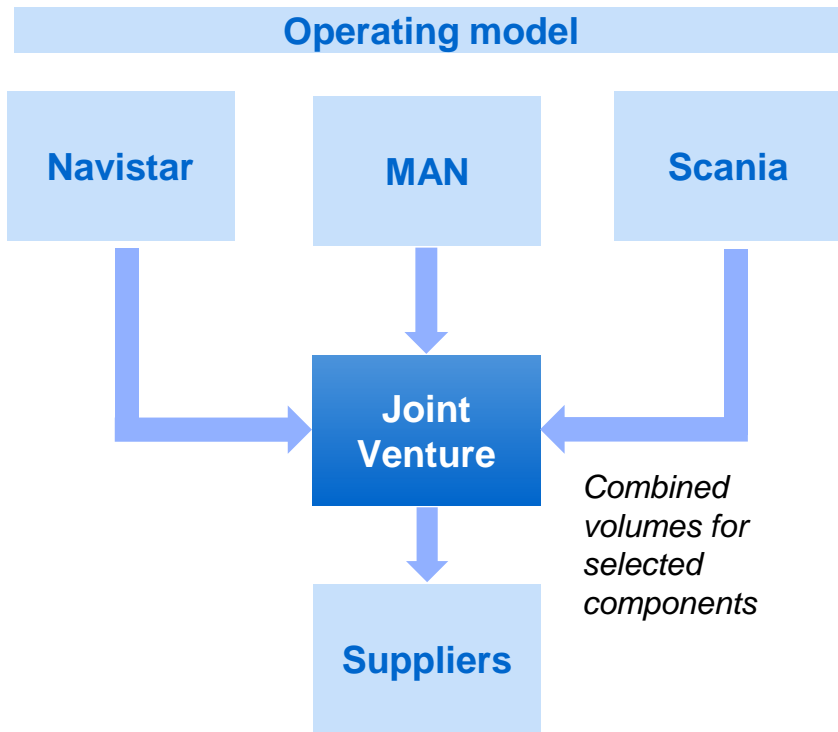
## 2 Technology and Supply Collaboration



### VOLKSWAGEN TRUCK & BUS PLATFORM

Creating the world's largest global ecosystem for commercial vehicles

### 3 Procurement Joint Venture



On track to delivering long-term savings goals

#### JV opportunities

- Offer new global opportunities for suppliers
- Create economies of scale to yield cost savings for both companies

#### Actions

- Strong start in first six months
  - Met with more than 250 existing and new suppliers
  - Held Supplier Symposium in June
- 150 supplier activities identified
  - Negotiations with suppliers of components that account for in excess of \$1B of annual purchase value
  - 40 supplier contracts completed
- Suppliers recognize worldwide opportunity

