



# KAMAZZ 2030

**Strategy of KAMAZZ PTC  
for the Period Until the Year 2030**



**Dear shareholders, employees, partners and customers of KAMAZ,**

I am privileged to present to you Strategy KAMAZ-2030 which is ushering in a new phase in our Company's development.

In the cardinally changed geopolitical and macroeconomic conditions, KAMAZ Group has successfully adapted itself to the new environment and the new challenges.

Production of KAMAZ vehicles has been continuing in non-stop mode, concurrent to re-design of the model range to fit a different component base, updating the composition of business partners, re-orientation of logistic routes.

The core task has been accomplished: re-start of K5 generation truck production with better technical performance traits and consumer qualities.

The time has come to define the goals and actions for further development aimed at consolidating the leadership of KAMAZ Group in the Russian commercial vehicle industry, expanding the business segments, upgrading the production facilities and speeding up innovative developments.

Against the backdrop of the market's high volatility, sustainability and efficiency of the business will be enhanced through transformation of the Company's business model with customers being provided with holistic transport solutions and services including a broad spectrum of digitization tools.

Undivided attention in the Strategy of KAMAZ is being paid to the issues of environmental and low carbon development, the social policy, improvement of the corporate governance system.

Throughout its history, KAMAZ has been famous for its smart ways of finding answers to any challenges and getting out of predicaments emerging still stronger and updated. The future will be what we make it.

Kind regards and confident of our success,

Chairman of the Management Board,  
General Director of KAMAZ PTC



Sergey A. Kogogin

# KAMAZ is Leader of the Russian Commercial Vehicle Industry



**No. 1**  
IN THE RUSSIAN MARKET\*

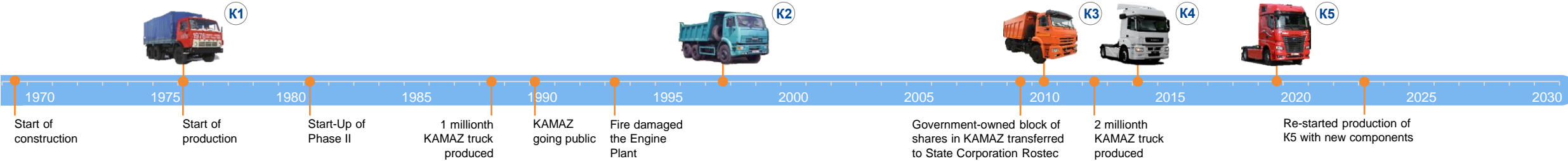
**>200**  
DEALERSHIPS IN THE RUSSIAN FEDERATION

**>30**  
EXPORT COUNTRIES

**128**  
KAMAZ GROUP COMPANIES\*

**57 THND.**  
EMPLOYEES IN KAMAZ GROUP

**19**  
WINS IN DAKAR RALLY



### Manufacturing assets

#### Main industrial facilities

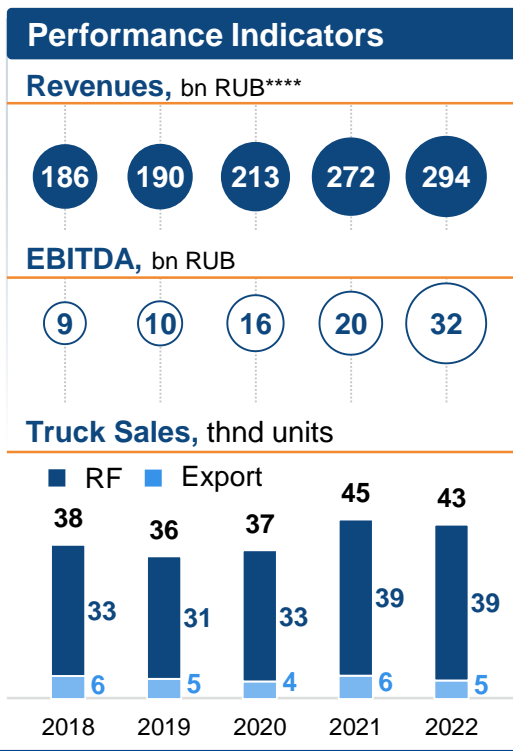
- Truck Assembly Plant
- Engine Plant
- Foundry
- Forge
- Press and Stamping Plant
- Repair and Tooling Plant
- Spare Parts and Components Plant

#### Production of vehicles and components

- NEFAZ PTC
- Tuymazi Concrete Pump Trucks PTC
- TRUCKS VOSTOK RUS LLC
- Tutaev Motor Works PTC
- United Automotive Technologies JSC
- KAMA DIESEL JSC
- ZF KAMA LLC
- KAMAZ Brake Systems LLC
- Federal Mogul Naberezhnye Chelny LLC
- Palfinger Kama Cylinders LLC
- Crane Center KAMAZ LLC

### CV Product Line\*\*\*

- KAMAZ**
  - KAMAZ trucks and chassis
- NEFAZ**
  - public transport
  - body superstructures for trucks
  - trailers and semi-trailers
- TZA**
  - concrete mixer trucks
  - trailers and semi-trailers
- TRUCKS VOSTOK RUS**
  - COMPASS trucks and chassis



**KAMAZ is a global brand of the world automobile industry, the mainstay of the country's transport security**

**We are creating vehicles and developing efficient services thus providing optimal transport solutions to customers**

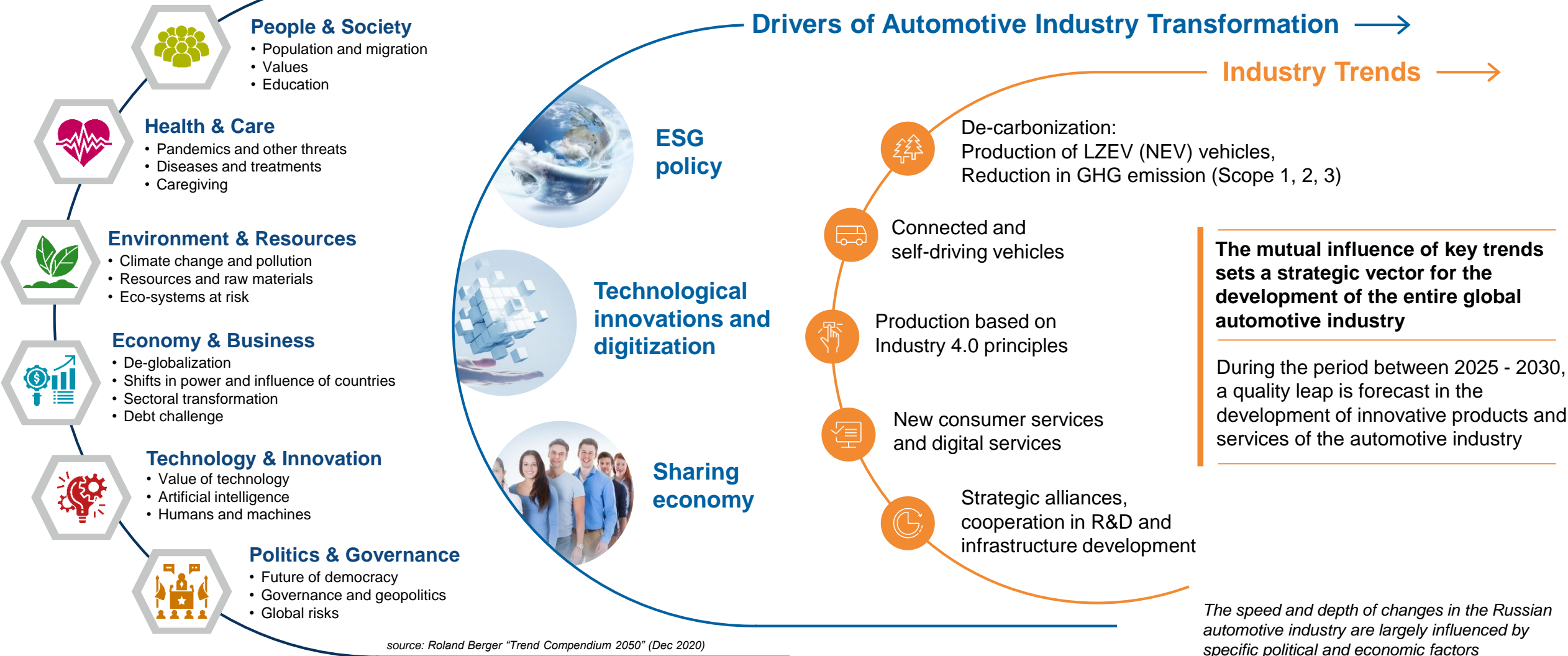
**KAMAZ is a socially responsible company which is molding a system of sustainable development for employees, partners and society**



## Macro-factors and Processes →

## Drivers of Automotive Industry Transformation →

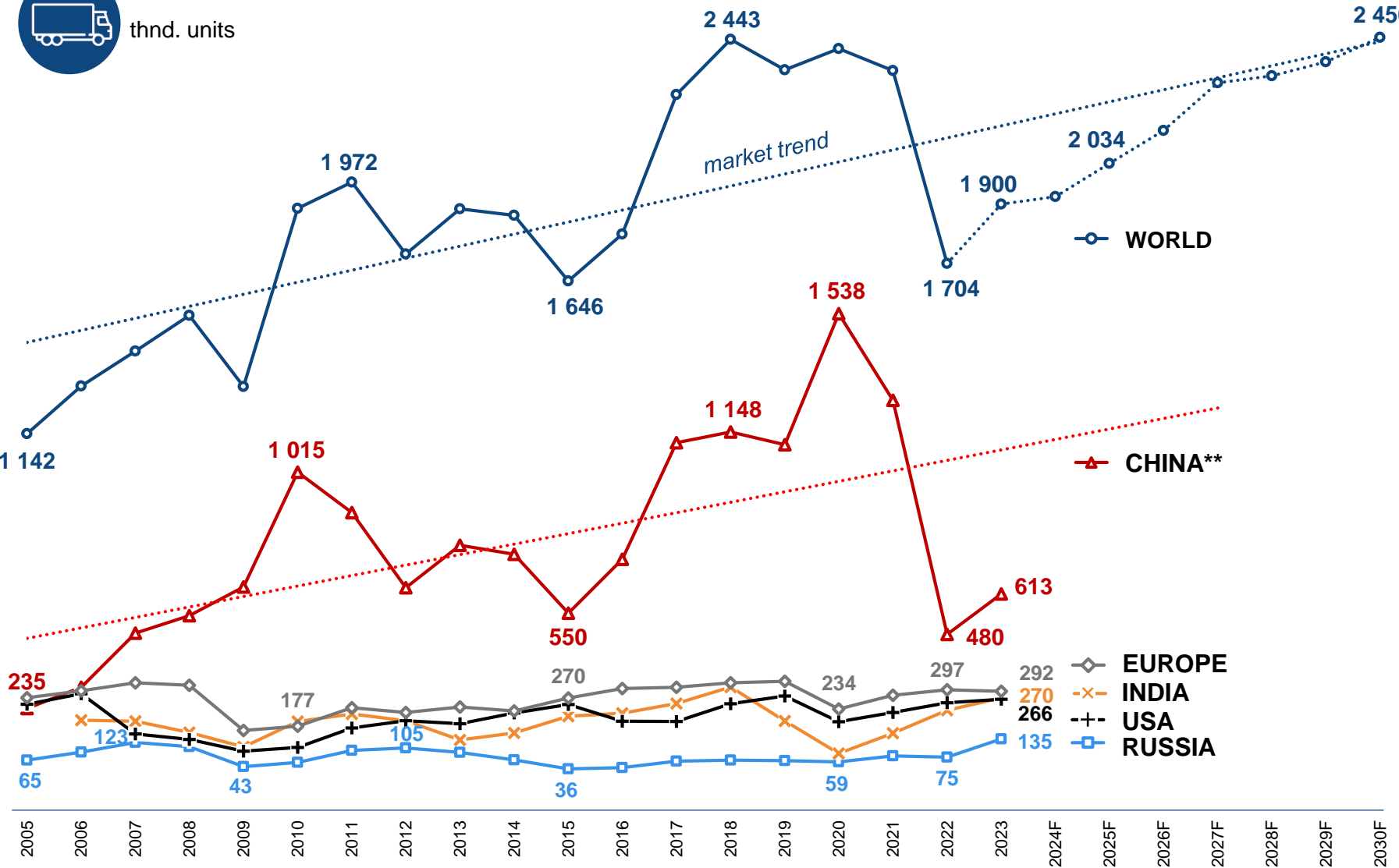
## Industry Trends →



# Trend Development in the Global Truck Market\*



thnd. units



**Global truck market** has been growing at CAGR of (2005 - 2022)  $\approx$  2.4%

**Covid-19 pandemic, shortage of chips, decline in demand in China** have had a negative impact on the global truck industry

**Truck market resumed growth** in 2023. By 2030, world sales are projected to have reached the level of **2.5 mln.** trucks

**Asian Region,** thanks to the Chinese and Indian markets, has reached **more than 40%** of the world truck market

**EU and USA truck markets,** during the last decade, have been averaging  $\approx$  200-300 thnd.units. The European market has been exceeding the US market

**Russian market** at the stage of recovery growth,  $\approx$  4% of the world truck market

# Ranking of Country Markets and Truck Producers (2022)



## TOP-20 Heavy Duty Truck Markets, thnd. units.

MDT / HDT Market Ratio    Market size 2022/2021    Market size in 2022    Average market volume for 2013-2022

Rank	Country	MDT / HDT Market Ratio	Market size 2022/2021	Market size in 2022	Average market volume for 2013-2022
1	China	18%	-62%	480	943
2	USA	87%	15%	254	218
3	India	53%	49%	230	190
4	Brazil	n/d	-1%	98	69
5	Russia	17%	-5%	75	64
6	Germany	38%	-1%	55	60
7	France	12%	2%	40	41
8	UK	29%	9%	34	35
9	Turkey	n/d	25%	32	22
10	Poland	9%	7%	32	24
11	Canada	n/d	6%	30	29
12	Japan	88%	-33%	30	43
13	Indonesia	194%	0%	29	23
14	Mexico	34%	30%	26	23
15	Italy	18%	6%	22	17
16	Spain	15%	14%	20	18
17	Iran	n/d	150%	18	12
18	South-Afr.R.	39%	9%	15	13
19	Australia	52%	15%	15	13
20	Netherlands	10%	17%	12	12

**Chinese market**  
has retained global leadership despite the 62% decline

**Indian market**  
has been showing vibrant growth since 2020 catching up to the US

**Russian market**  
1-th place in Europe, TOP-5 world's largest markets



## TOP-20 Truck Producers, thnd. units

Revenues bn. EUR    Output 2022/2021    Heavy duty trucks (HDT)    Medium duty trucks (MDT)

Rank	Company	Revenues bn. EUR	Output 2022/2021	Heavy duty trucks (HDT)	Medium duty trucks (MDT)
1	DAIMLER Daimler Truck	50,9	19%	320	181
2	VOLVO Volvo	44,5	15%	197	16
3	TRATON Traton	40,3	3%	182	51
4	CNHTC CNHTC	8,4	-45%	151	1
5	PACCAR Paccar	27,4	12%	145	41
6	Dongfeng Dongfeng	5,5	-55%	117	8
7	FAW FAW	5,4	-63%	108	15
8	SHAANXI Shaanxi	n/d	-40%	105	
9	TATA Tata	0,8	8%	84	23
10	Ashok Leyland Ashok Leyland	4,6	67%	82	19
11	FOTON Beiqi Foton	6,6	-36%	65	30
12	IVECO Iveco	14,4	24%	47	13
13	HINO Toyota (Hino)	10,9	-10%	46	43
14	KAMAZ KAMAZ	4,0	-3%	42	1
15	ISUZU Isuzu	22,2	-16%	27	51
16	Chengdu Dayun Chengdu Dayun	n/d	-48%	16	13
17	JAC JAC	5,1	-56%	16	15
18	VECV VECV	n/d	23%	16	41
19	HONGYAN SAIC-Hongyan	n/d	-72%	13	
20	HYUNDAI Hyundai	n/d	8%	13	18

Daimler Truck, Volvo, Traton regained **leadership in the industry in 2022**

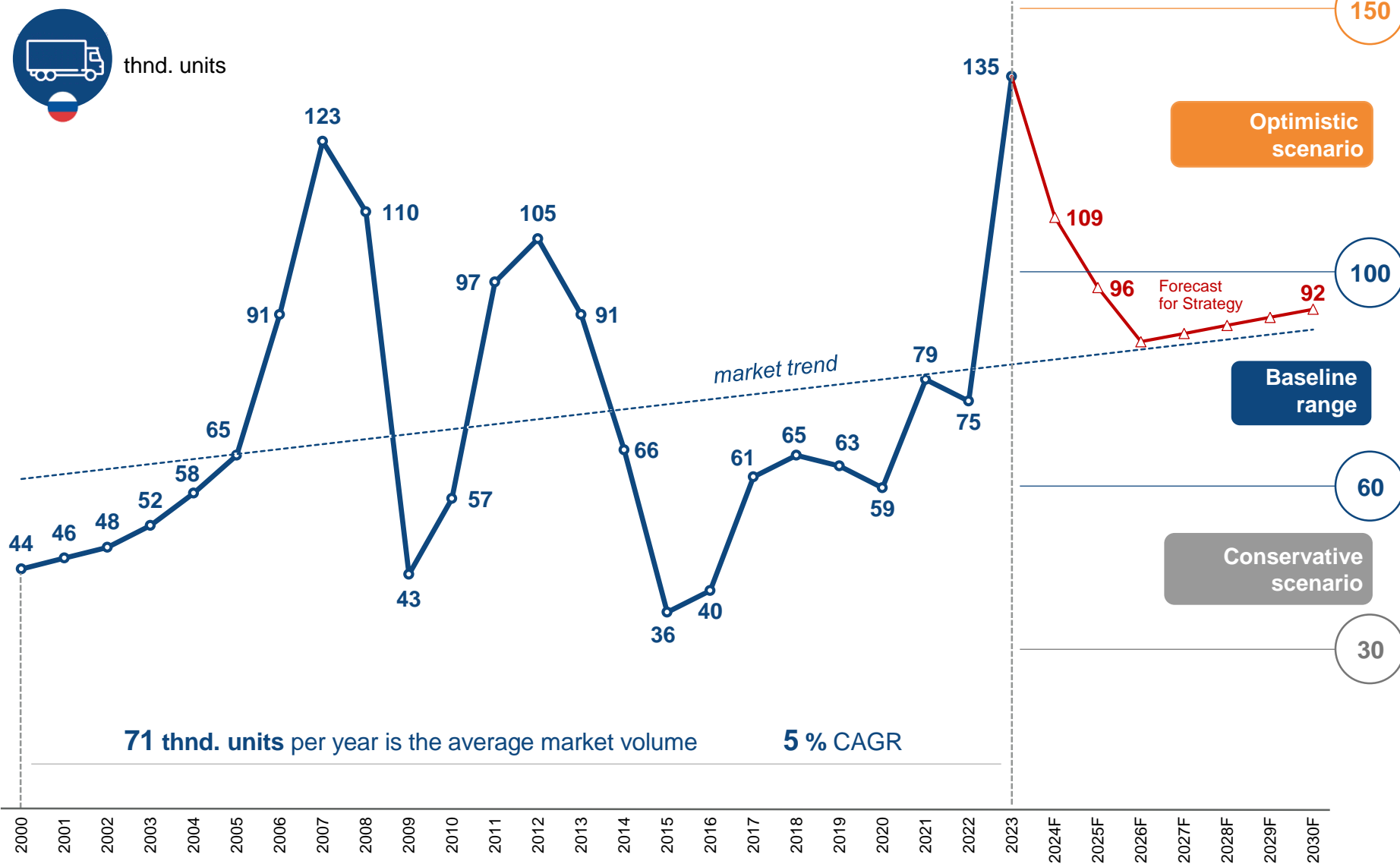
**Among TOP-20** truck manufacturers, there are 8 Chinese companies

**KAMAZ** holds the **14-th position**, ahead of Isuzu and several Chinese producers

# Trend Development in the Russian Truck Market



thnd. units



71 thnd. units per year is the average market volume

5 % CAGR

150

Optimistic scenario

- sustainable high growth of the Russian economy;
- growth of cargo transportation by road;
- increase in demand subsidization, incl. demand for natural gas-powered vehicles
- state support for the development of the automotive industry, incl. the localization of components

100

## Demand is driven by the need for truck fleet renewal

Heavy truck fleet in Russia	1.9 mln units
Truck fleet renewal	4 % per annum
Average truck age	16 years

Baseline range

60

Conservative scenario





- recession/stagnation of the Russian economy;
- stiffening sanctions impact;
- reduction in transportation by truck;
- reduced demand stimulation and state support for the automotive industry

30



# KAMAZ

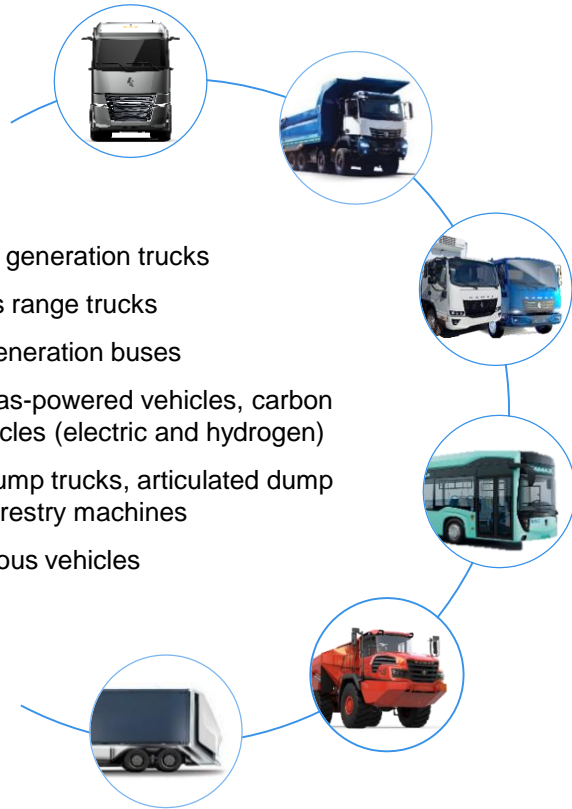
is the leader of the Russian automotive industry providing world level innovative transport solutions

	2022A	2030F
 <b>Revenues, bn RUB</b>	<b>294</b>	<b>806</b>
 <b>Truck Sales, thnd. units.</b>	<b>43</b>	<b>60</b>
 <b>Sales Share abroad, %</b>	<b>11</b>	<b>16</b>
 <b>EBITDA, %</b>	<b>11</b>	<b>9</b>

Baseline Forecast

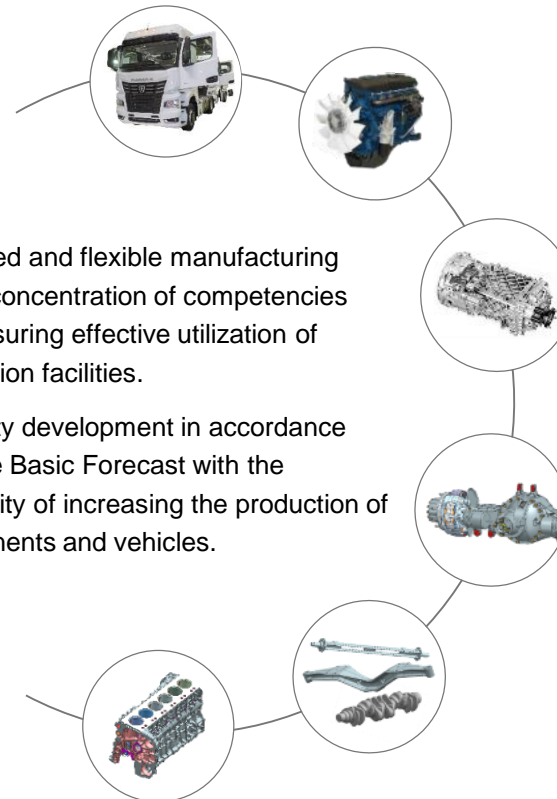


## Product development



- K3+, K5+ generation trucks
- Compass range trucks
- A4, A5 generation buses
- natural gas-powered vehicles, carbon zero vehicles (electric and hydrogen)
- mining dump trucks, articulated dump trucks, forestry machines
- autonomous vehicles

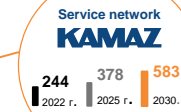
## Technological development



Balanced and flexible manufacturing with a concentration of competencies and ensuring effective utilization of production facilities.

Capacity development in accordance with the Basic Forecast with the possibility of increasing the production of components and vehicles.

## Development of sales, services, new businesses



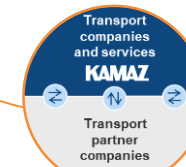
Expansion of KAMAZ dealer and service network

Increasing sales of commercial vehicles with life cycle contracts

Developing spare parts sales, service support and logistics

Diversification products with high added value

Transport services and eco-system of services

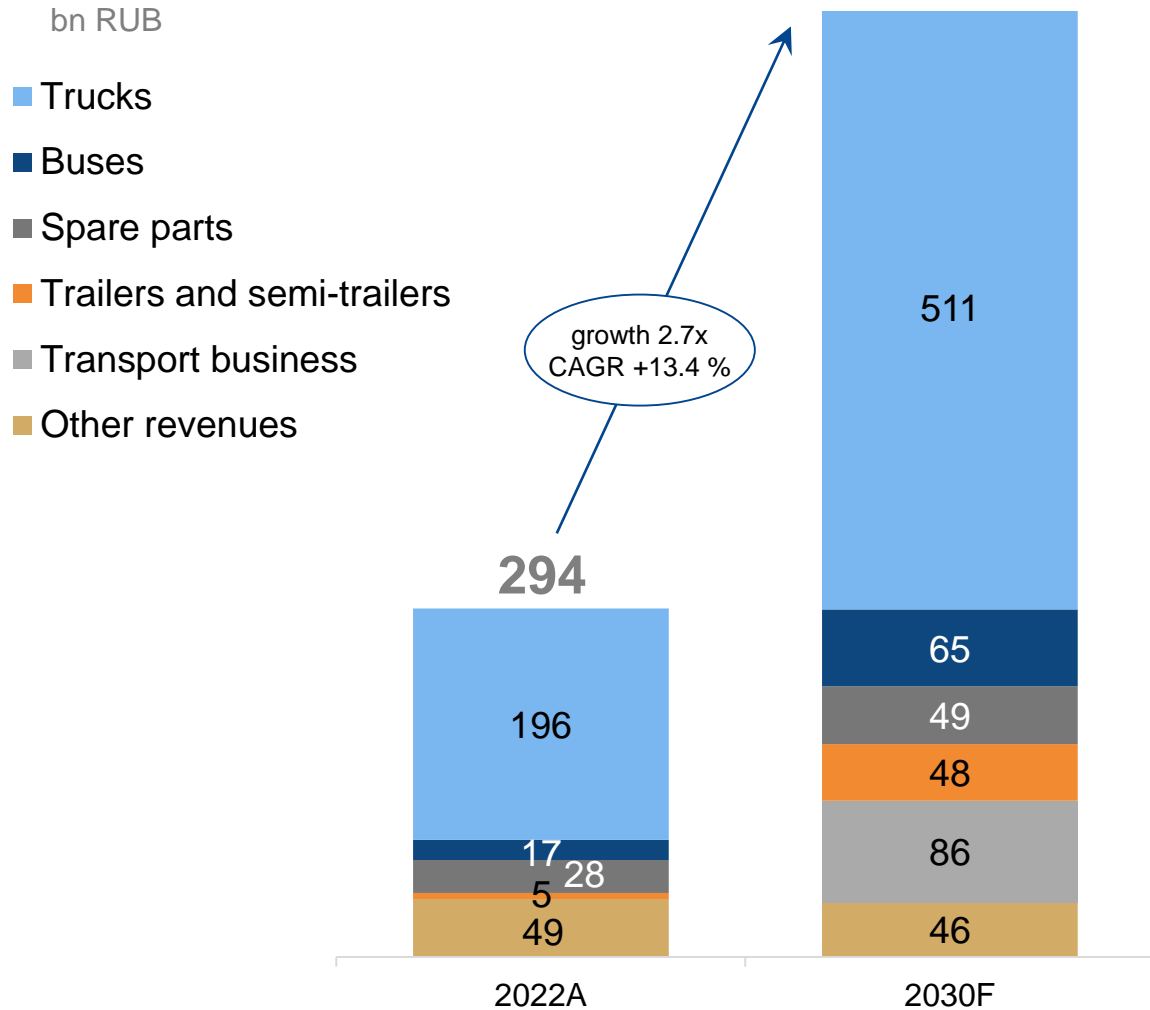


### Priority Investment Programs:

”R&D” (including innovative components), “Re-Engineering 2.0”, “Development of Sales and New Businesses”.

The total volume of investments is 381 bn. Rbls\*, trend development of investments is at the level of 6 – 9 % of annual revenue.

# Trend Development and Breakdown of Revenues



- Sale of trucks is the key line of KAMAZ's business making up 2/3 of the Company's revenue
- The growth of bus sales is based on an active state policy for the development of environmentally friendly public transport
- Increased sales of spare parts are achieved by growing market share in the spare parts market, development of service programs, and the growth of the K5 trucks fleet
- Development of new areas of business (transport business, mining dump trucks, etc.) produces a synergy and increases the sustainability of the Company's business



KAMAZ supports the UN Policy and Goals of Sustainable Development while identifying 8 focus goals to achieving which KAMAZ is making its greatest contribution

Ensure sustainable consumption and production patterns			Take urgent action to combat climate change and its impacts
Build resilient infrastructure, promote sustainable industrialization and foster innovation			Make cities inclusive, safe, resilient and sustainable
Ensure access to water and sanitation for all			Promote inclusive and sustainable economic growth, employment and decent work for all
Ensure healthy lives and promote well-being for all and at all ages			Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

## Key Elements of KAMAZ Sustainable Development System



**Code of Corporate Ethics** lays down norms and regulations for the activities of the Company and its employees based on the sustainable development principles.



**Strategy KAMAZ-2030** establishes the long term goals for the Company's development in the area of ecology, social activities and corporate governance.



**Sustainable Development Report** presents the Company's performance in all aspects of the ESG-agenda and the targets for the next planning period.



Compliance with 100% standards for acceptable environmental impact, rational use and reduction of resource consumption.

- Greenhouse gas emissions - **30%\***
- Share of waste for landfill - **22%\*\***
- Water usage - **16%\*\***

**Environmental**



Fair compensation system.  
Comfortable and safe working conditions, worthy social security.  
Systemic training and personnel development.  
Purposeful career guidance and mentorship.

- Staff turnover < **10%**
- Engagement ~ **80%**
- High-quality workplace infrastructure ~ **95%**

**Social**



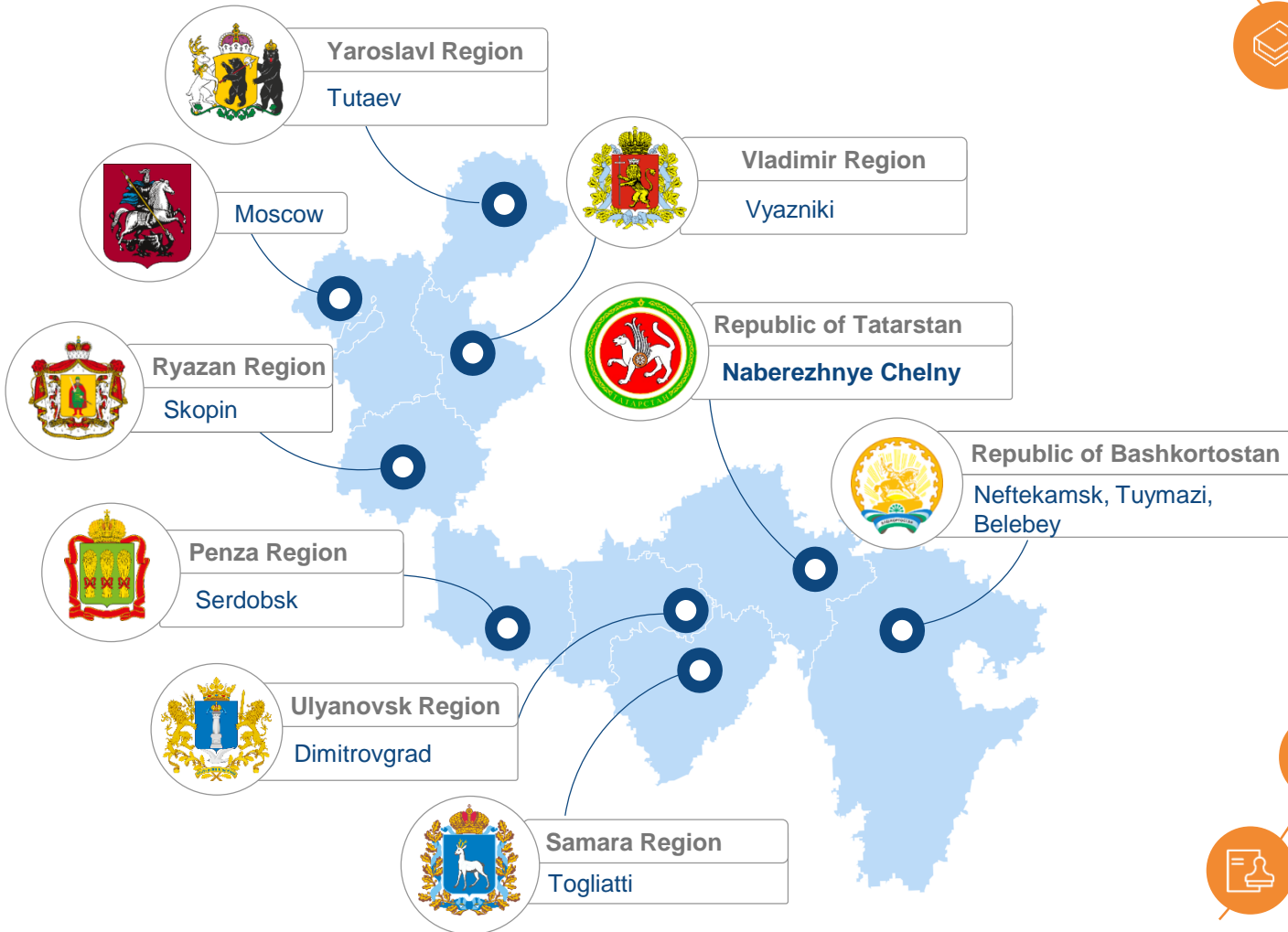
Improving the management system to ensure sustainable development and increase the investor appeal of KAMAZ Group.

- Providing for no less than **1/3** independent directors on the Board of Directors
- **Regular participation** in the Anti-Corruption Rating of Russian Business
- **Unified standards** of corporate governance in no less than **90%** organizations of KAMAZ Group

**Corporate governance**



**KAMAZ is pursuing an active social policy in all the regions where the Group's companies have a presence**



## Developing secondary and secondary vocational education

Synchronizing and accelerating the practice oriented and target training of young specialists for KAMAZ Group



## Modern training of engineering staff

Shaping high quality engineering elite to create advanced national developments in automotive industry



## Supporting technological entrepreneurship

Quick verification and support of employees' and students' business ideas, assistance in arranging the financing



## Social projects

Supporting the projects aimed at sporting, creative, intellectual, children's and volunteer activities



## Trade union movement

Constructive interaction and support for development of the Trade Union Organization of KAMAZ PTC



## Non-government pension insurance

Expanding the number of beneficiaries and co-financing the non-state pension insurance programs with participation of Non-Government Pension Fund "First Industrial Alliance"



## Urban infrastructure

Participation in improving the housing, transport and social infrastructure in the cities where KAMAZ has a presence



## Legislative initiatives

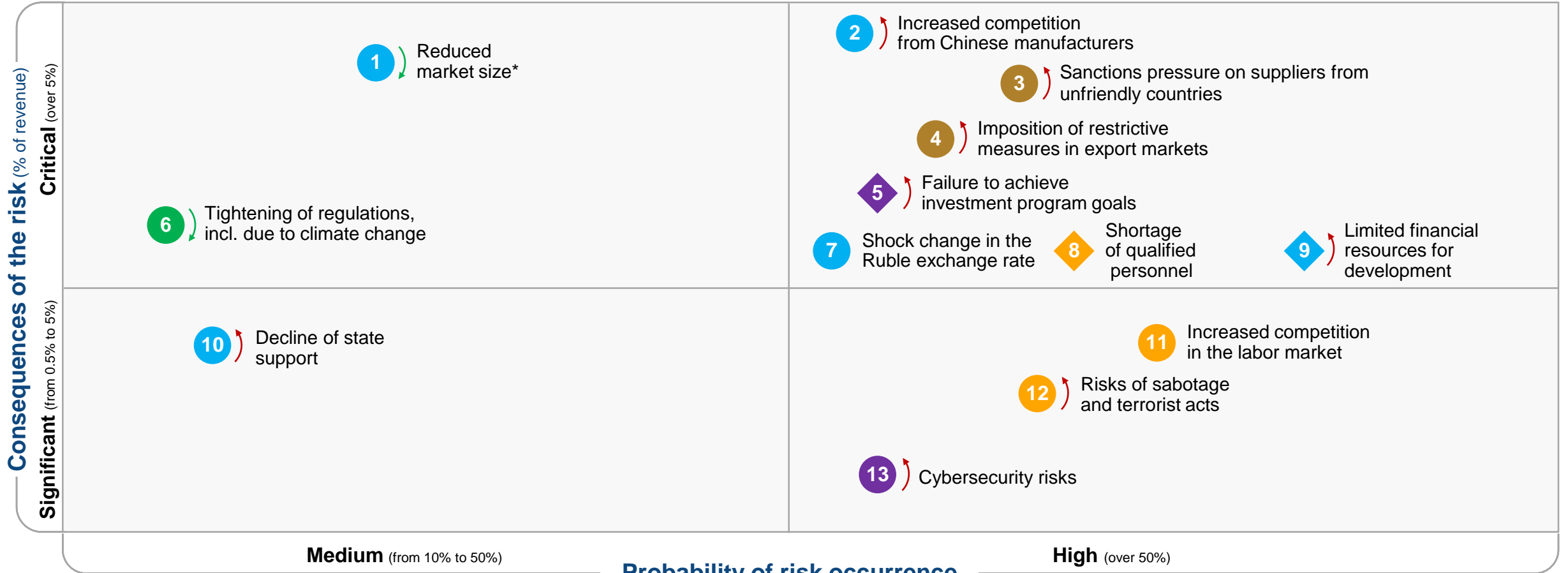
Support and promotion of the initiatives aimed at changing the Federal and regional normative and legal landscape

# Key Risks



✓ The influence and likelihood of political and technological risks have increased significantly.  
The significance of the risks of sabotage, terrorist acts and cybersecurity risks has increased.

◇ Internal risks  
○ External risks



**Categories of risks:**

- Economic risks
- Political and legislative risks
- Social risks
- Technological risks
- Environmental risks

**Change in estimation (relative to the year 2019)**

decrease ↘ increase ↗

The Strategy of KAMAZ PTC for the period until the year 2030 (Strategy KAMAZ-2030) comprises the public and the non-public sections.

The information presented in this document includes forward-looking statements and data. All the consequences connected with the use of this document shall be attributable exclusively to the liability of the persons who have made such decisions.

KAMAZ provides for the possibility of revising the Strategy due to significant changes in the external business environment, the emergence of new opportunities for the company's development, other significant factors.

The public version of Strategy KAMAZ-2030 is posted at the website of KAMAZ PTC: [kamaz.ru/about/development/strategy](https://kamaz.ru/about/development/strategy)

