

Eaton Mobility Group – Market Status

04/25/2025

Corneliu Bogdan



Powering Business Worldwide

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Agenda

- Eaton Overview
- The Economy - Big picture
- Areas driving freight (consumer, housing, auto, tariffs)
- Truck trends – Class 8 sales, inventories, backlog
- 2025 Aftermarket



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Who is Eaton?

We are an **intelligent power management** company doing business in more than **160 countries** with annual sales of over **\$23.2 billion USD**.

We make what matters work.*



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Eaton's Mobility Group Global Operations

- **\$3.5B in 2023 sales**
 - Vehicle Group: \$2.9 Billion
 - eMobility: \$0.6 Billion
- **37 global facilities**
- **13,000+ employees**
- Joint Ventures with Cummins, Nittan, and Fast Gear
- Headquarters: Southfield, Michigan
- Regional Headquarters:
 - North America: Southfield, Michigan
 - South America: Valinhos, Brazil
 - EMEA: Turin, Italy
 - APAC: Shanghai, China



Notes:

- Does not include joint venture production locations
- R&D locations are counted in the number of facilities



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Eaton Mobility Group

A portfolio of technologies for all propulsion systems



Transmissions *Light, Medium, and Heavy-Duty Truck*



TVS® technology *EGR Pump, Fuel Cell compressor, Supercharger*



Power electronics, distribution and protection

Low and High Voltage Systems

- *Switches, Displays, and Controls*
- *Inverters, DC/DC Converters, and On-Board Chargers*



Clutches *Light, Medium, and Heavy-Duty Truck*



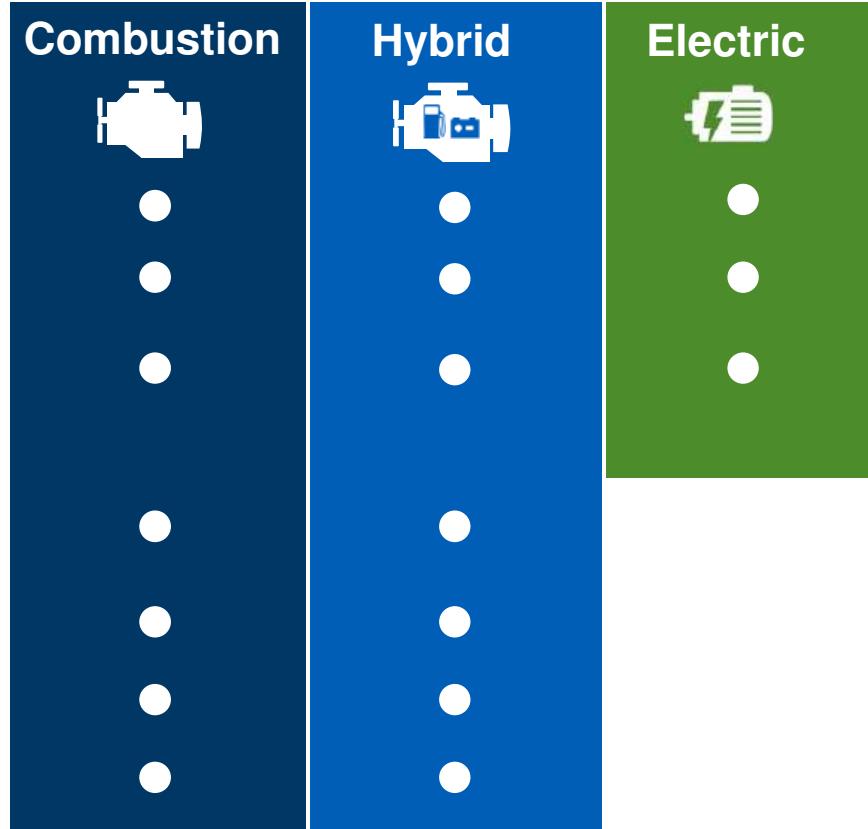
Torque Control *Limited Slip, Locking, and Smart Differentials*



Fuel Emissions *Controls and Vapor Recovery*



Valvetrain *Engine Valves, Valve Actuation, Cylinder Deactivation*



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Vehicle Platforms



Light Vehicle



Medium Duty



Heavy Duty



Bus



Off Highway

110+ years of technology-focused product evolution

Providing efficient solutions across all vehicle platforms

Internal Combustion



Hybrid



Electric

Fuel emissions

Valve actuation

Engine valves

Clutches

48V converters

HV Power electronics

EV charging infrastructure

Transmissions



Eyelet
Terminals

48V
Inverter

Infinity Connectors
and busbars

Power
protection

Low voltage power
controls & distribution

TVS
Supercharger

Contract
manufacturing

Engine brake

Fuel tank
isolation valve

EV Gearing

EV Transmissions

HV Power distribution

Innovative products across the entire propulsion spectrum

Eaton's CV Aftermarket Solutions

110+ years of technology-focused product evolution

Clutches, Parts and Reman units for manual transmissions



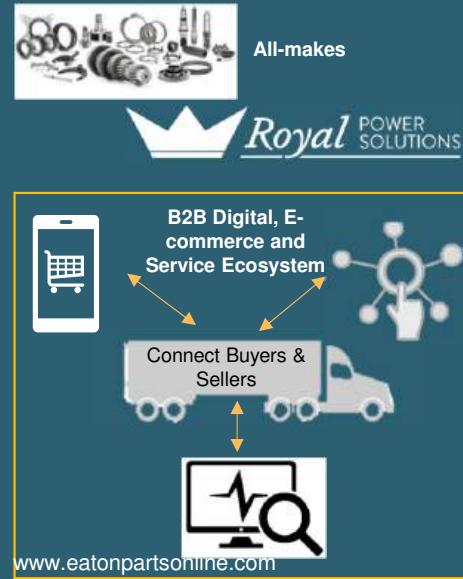
Parts and Service tools for the growing population of AMTs



Mobile hydraulic power components



Future Opportunities Driving Differentiation



Eaton's evolution as parts and technology partner to offer complete aftermarket solutions



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The Economy

BREAKING Jamie Dimon says a recession is 'likely outcome' from Trump's tariff turmoil.

5 THINGS TO KNOW THIS MORNING 

ECONOMY

Jamie Dimon says a recession is 'likely outcome' from Trump's tariff turmoil

PUBLISHED WED, APR 6 2025 8:31 AM EDT | UPDATED 4 MIN AGO

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 **Jeff Cox**
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JPMorgan Chase CEO Jamie Dimon said Wednesday he sees the U.S. economy likely headed to recession as President Donald Trump's tariffs roil financial markets.

With the trade war between the U.S. and China intensifying, stocks and bonds sold off aggressively again in morning trade. Stock market futures slumped and bond yields spiked amid concerns over financial and economic stability brought on by the tit-for-tat exchange between the two nations.

"I think probably that's a likely outcome, because markets, I mean, when you see a 2000-point decline [in the Dow Jones Industrial Average], it sort of feeds on itself, doesn't it," Dimon said on Fox Business' "Mornings With Maria" show. "It makes you feel like you're losing money in your 401(k), you're losing money in your pension. You've got to cut back."

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GPIX **GPIQ**

J.P.Morgan

Global Economic Research

There will be blood

By Bruce Kasman, Jahangir Aziz, Joseph Lupton, Nora Szentivanyi
Click [here](#) for the full document and disclaimers

- Liberation Day imposes large tariffs aimed at eliminating bilateral US merchandise trade deficits
- If sustained, this year's ~22%-point tariff increase would be the largest US tax hike since 1968
- Tariff shock to be magnified by retaliation, supply chain disruptions, and a sentiment shock
- **The risk of recession in the global economy this year is raised to 60%, up from 40% earlier**
- Scenario where rest of world muddles through a US recession possible but less likely than global downturn
- Recession risks to be tracked through sliding MEI and US household purchasing power
- More fiscal and monetary easing expected but will only modestly cushion the shock
- **The big risk: US policies generate lasting supply-side damage**

Reuters World ▾ Business ▾ Markets ▾ Sustainability ▾ Legal ▾ Breakingviews ▾ Technology ▾ Investigations M

Goldman Sachs raises odds of US recession to 45%, second hike in a week

By Reuters

April 7, 2025 10:29 AM EDT - Updated 2 days ago

The Market

S&P 500



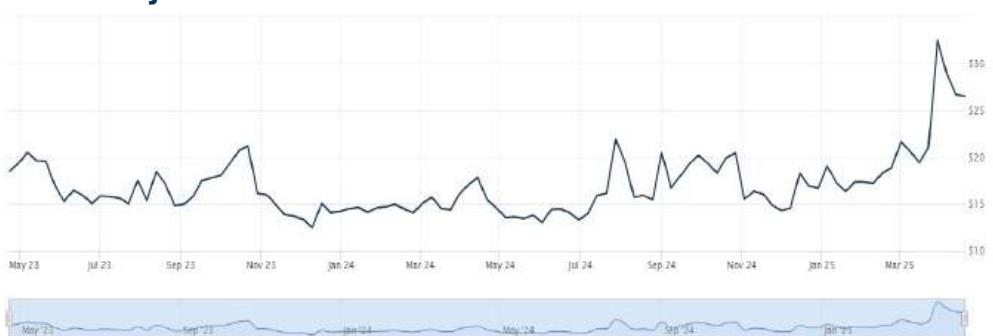
Stock Market

- S&P 500 pull back 18.5% from Feb 19 peak
- Publicly traded trucking index down 29% from Nov 5 election day vs a 9% decline in the S&P 500
- Volatility index at two year high
- Penty of worries for the market to digest – tariffs strategy, economic policy uncertainty, tax policy, trade imbalances
- Market telegraphing uncertainty and growth concerns

DJ Trucking Index



Volatility Index



Source: WSJ ([S&P 500 Index Advanced Charting | SPX](#))

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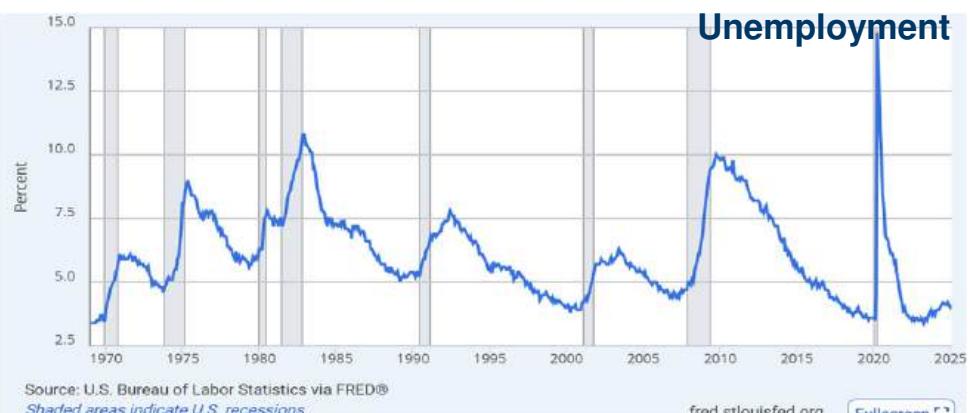
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Economic Indicators



Economic Indicators

- Inflation decline Jul'22 to Dec'23 but range bound for over a year now - 2.8% y/y in Feb / 3.1% y/y "core"
- Conference Board Consumer Confidence Index® dropping - March sees 4th consecutive monthly decline
- Job market still solid
 - 228k jobs added in March
 - Unemployment @ 4.2%,
 - Only two other times (1999 and 2000) in last 55 years

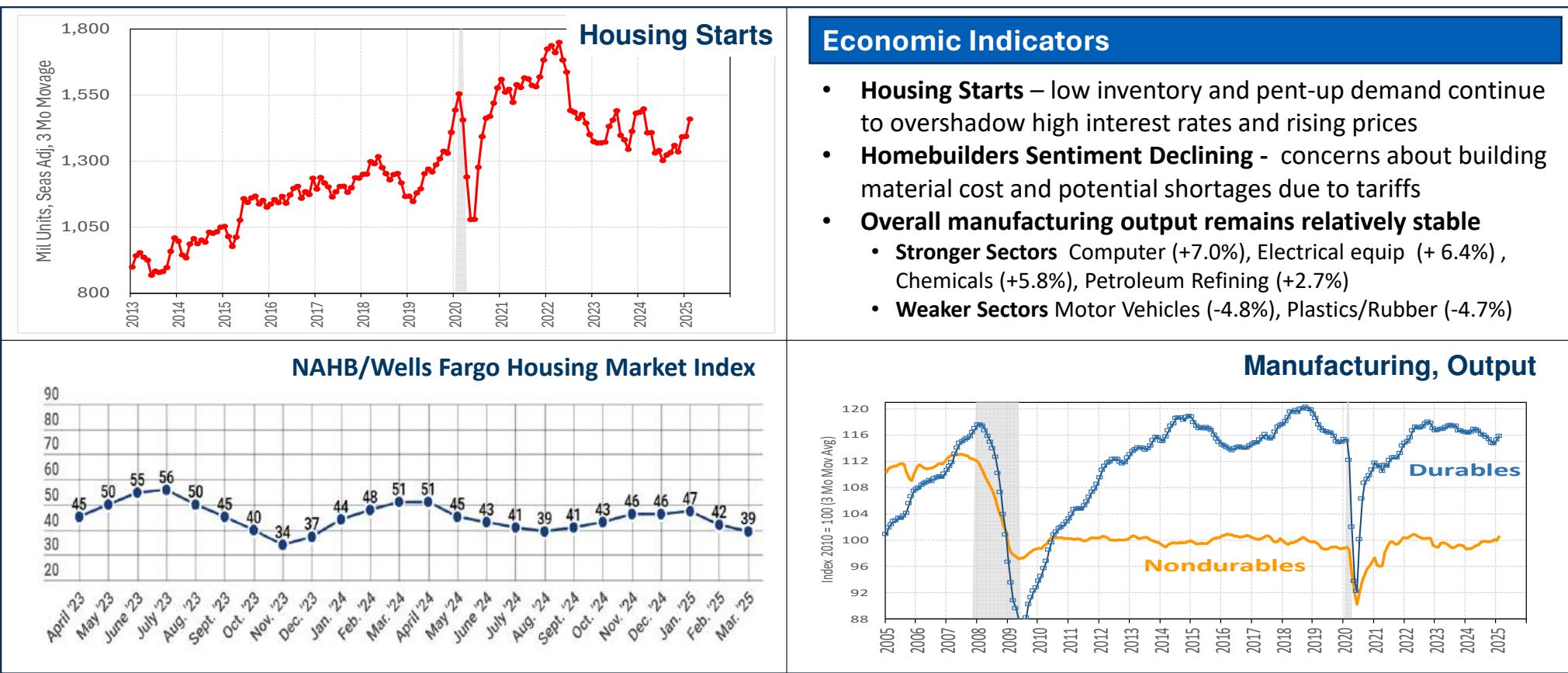


Source: Federal Reserve, The Conference Board, US Bureau of Labor Statistics

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Economic Indicators

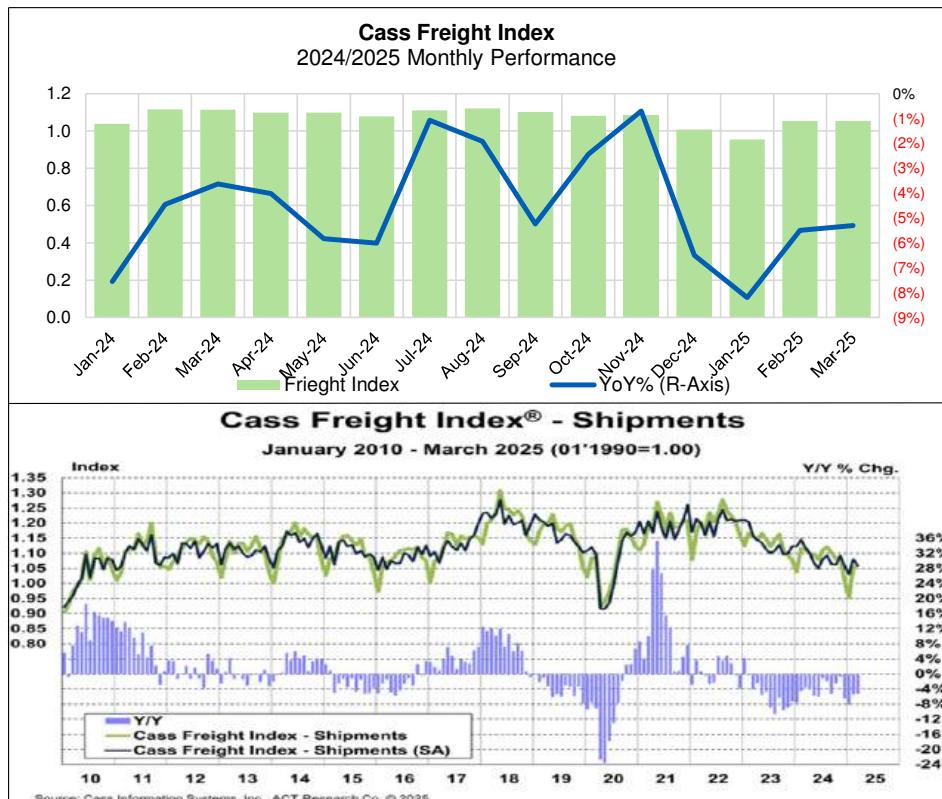


Source: National Association of Home Builders, Wells Fargo, The Conference Board, US Bureau of Labor Statistics

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NA Truck Aftermarket Key Trends

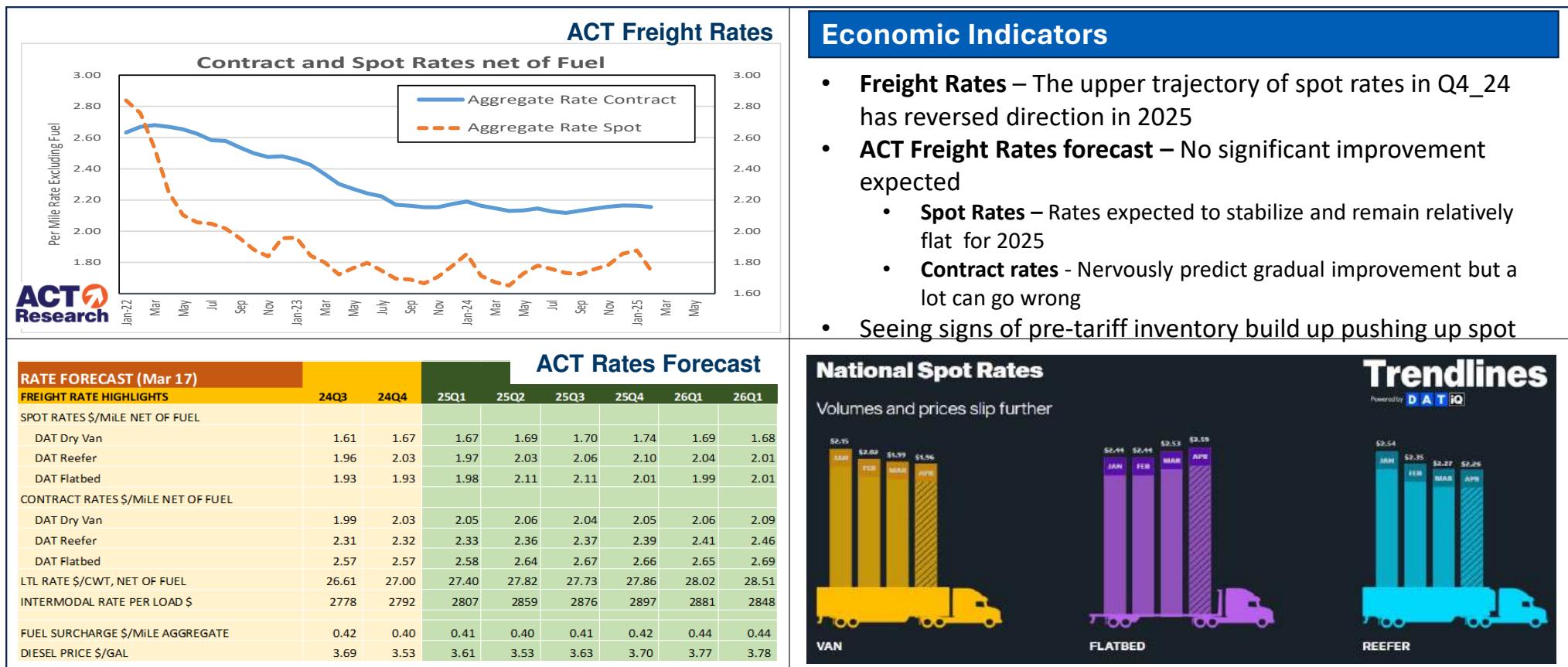


Cass Freight Index

- **The index** - provides a measure of the North American freight market
- **Q1 performance** - February was a rebound month for freight with a 10.5% MoM increase but is still (5.5%) below 2024 levels. March levels remained flat to prior month but decline in shipments narrowed to 5.3% on a YoY basis
- **Q2 Forecast** – The demand for freight is expected to relatively flat. The recent 90-day pause on most reciprocal tariffs will likely lead to more pre-tariff shipping in Q2 which will support freight for near term conditions
- **2025 Forecast** – Freight is expected to remain soft for most of the remaining 2025. Government policy of tariffs and specifically China will most likely extend the for-hire freight recession as higher prices reduce goods affordability and consumers' real incomes

Source: Cass Info Systems Inc.

NA Truck Aftermarket Key Trends

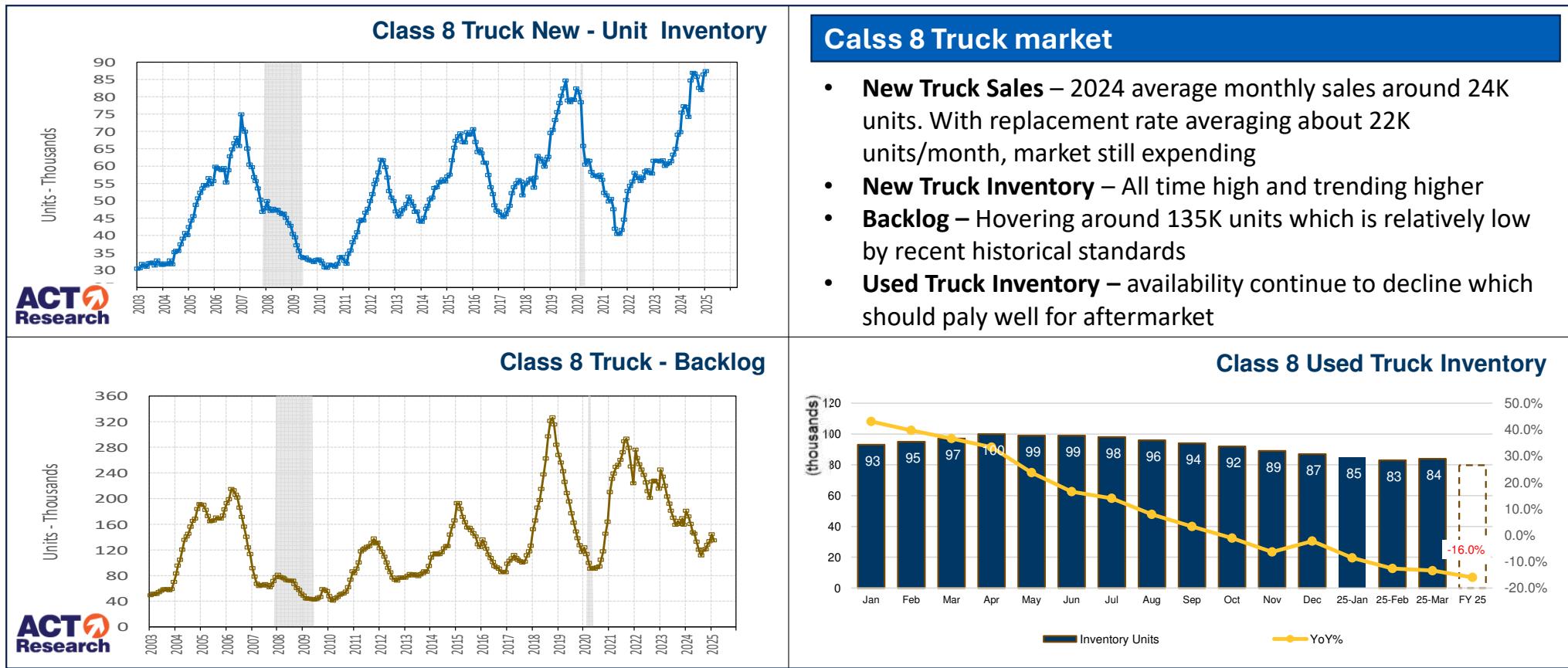


Source: ACT Research and DAT Freight & Analytics (<https://www.dat.com/trendlines>).

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NA Truck Aftermarket Key Trends



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Source: ACT Research, CMVC

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2025 Aftermarket - To early to tell



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Trump trade war is wrecking hope for 2025 US trucking rebound

By Lisa Baertlein

April 24, 2025 9:03 AM EDT · Updated 7 hours ago



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Tariffs Could Reduce Car Sales By 2 Million in U.S. and Canada in 2025

If the current tariffs stay in place until 2035, annual sales of passenger cars could drop by around seven million units compared with more than 20 million now.

By Jack Fitzgerald Published: Apr 21, 2025



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Trump administration opens national security probe into imported commercial trucks

By David Shepardson

April 23, 2025 7:18 PM EDT · Updated 20 hours ago



Trade war fallout: Cancellations of Chinese freight ships begin as bookings plummet

PUBLISHED WED, APR 16 2025 1:38 PM EDT | UPDATED THU, APR 17 2025 9:20 AM EDT



Lori Ann LaRocco
@LORIANNLAROCO

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KEY POINTS

- The number of canceled sailings of freight vessels out of China is picking up as ocean carriers attempt to manage a pullback in orders due to the trade war and tariffs.

THE WALL STREET JOURNAL

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ECONOMY | HOUSING

Home Sales in March Fell 5.9%, Biggest Drop Since 2022

Many buyers, spooked by rising economic uncertainty, stayed away from the housing market during the start of the crucial spring season

By Nicole Friedman Updated April 24, 2025 3:32 pm ET

Source: Reuters, WSJ, CNBC, Car and Driver



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2025 Aftermarket – What to Watch

- **Trump 2.0 roller coaster ride - Will it stop or do we continue to have fun?**
- **Steel, aluminum & USMCA tariffs - How do CV OEMs respond and shift production?**
- **Inflation vs Employment – Can the Fed balance and open the door to interest rate cuts?**
- **Housing and Oil - Will rate sensitive manufacturing & housing resume growth?**
- **Financial markets and Dollar Strength – Will the severe market swings continue or stop?**

