

DAIMLER

Annual Press Conference 2017



DAIMLER

Annual Press Conference

Dr. Dieter Zetsche
Chairman of the Board of Management of Daimler AG
Head of Mercedes-Benz Cars

February 2, 2017

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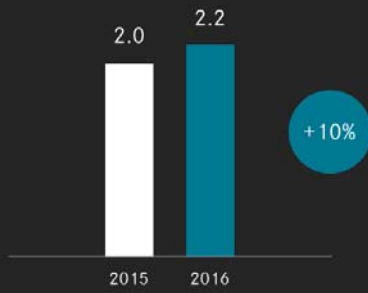
Group financials

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Mercedes-Benz Cars

No. 1 premium brand!



Mercedes-Benz Cars group sales in m units

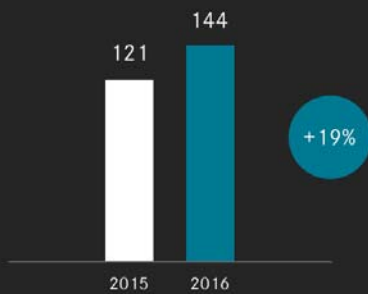
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smart

Portfolio electrified



smart group sales in k units

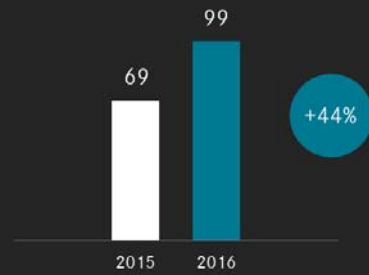
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Mercedes-AMG Driving Performance



Mercedes-AMG retail sales in k units

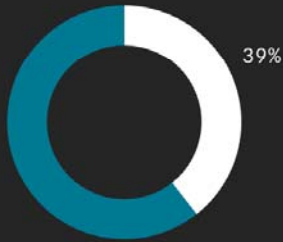


Daimler Trucks Challenging environment



Change in Daimler Trucks group sales vs. prior year

Freightliner New Cascadia



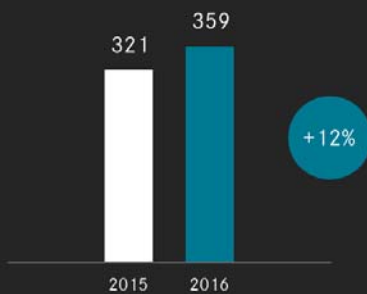
Market share Daimler Trucks in NAFTA Class 6-8

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Mercedes-Benz Vans Record year



Mercedes-Benz Vans group sales in k units

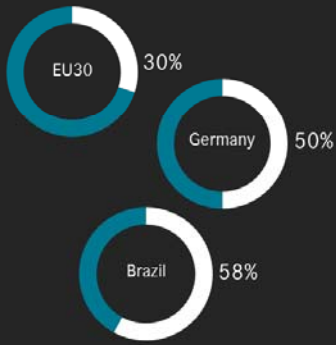
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Daimler Buses

Market leader



Daimler Buses market shares in %, based on estimates in certain markets

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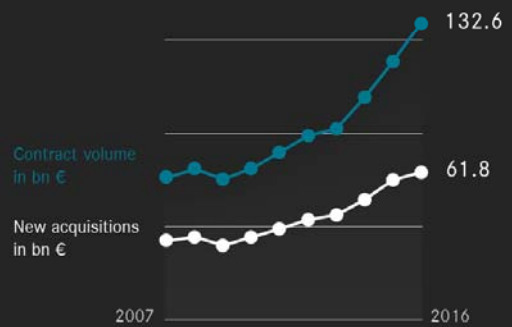
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Daimler Financial Services

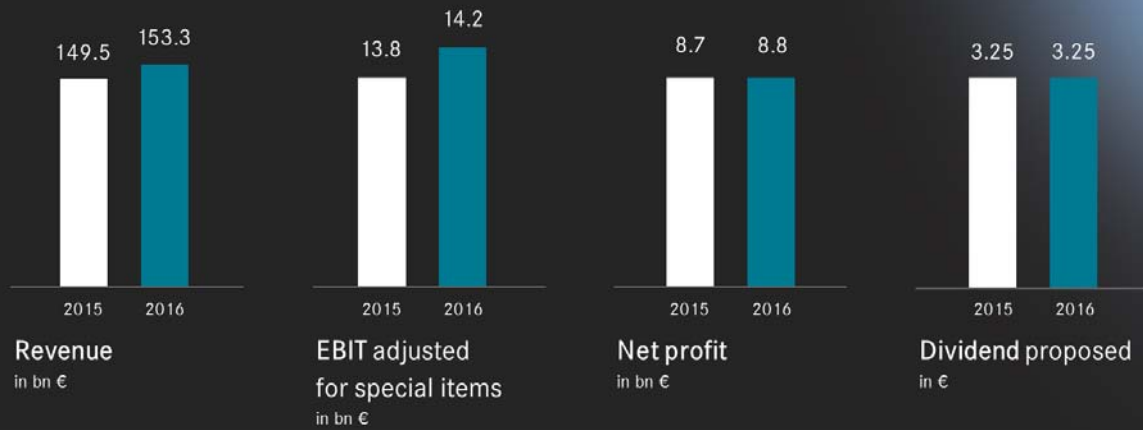
Strong business growth



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Daimler 2016

Financial results



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Bodo Uebber
Member of the Board of Management
Finance & Controlling and Daimler Financial Services

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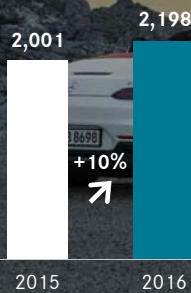
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Mercedes-Benz Cars: continued business growth based on strong product portfolio

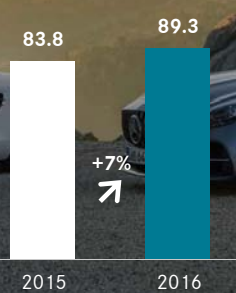
Unit sales

- in thousands of units -



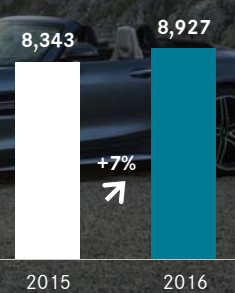
Revenue

- in billions of euros -



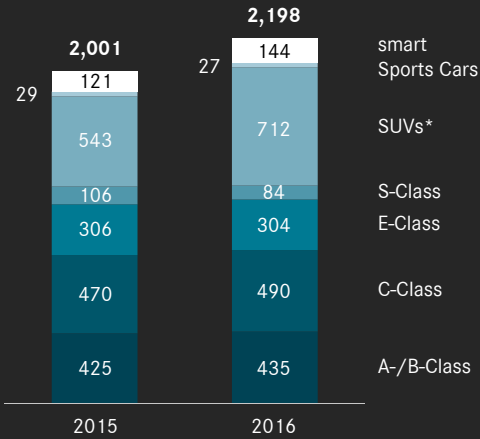
EBIT adjusted for special items

- in millions of euros -



Mercedes-Benz Cars: significant sales increase reflecting our strong product line-up

- in thousands of units -



* incl. GLA

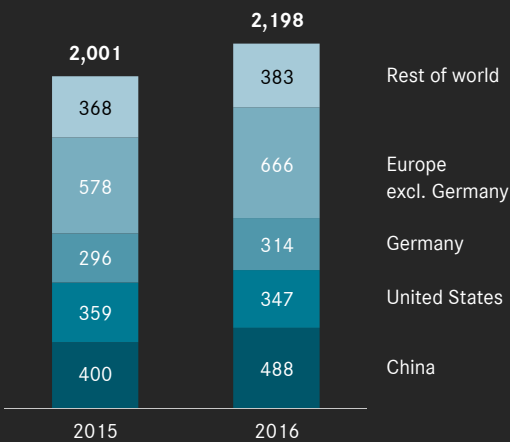
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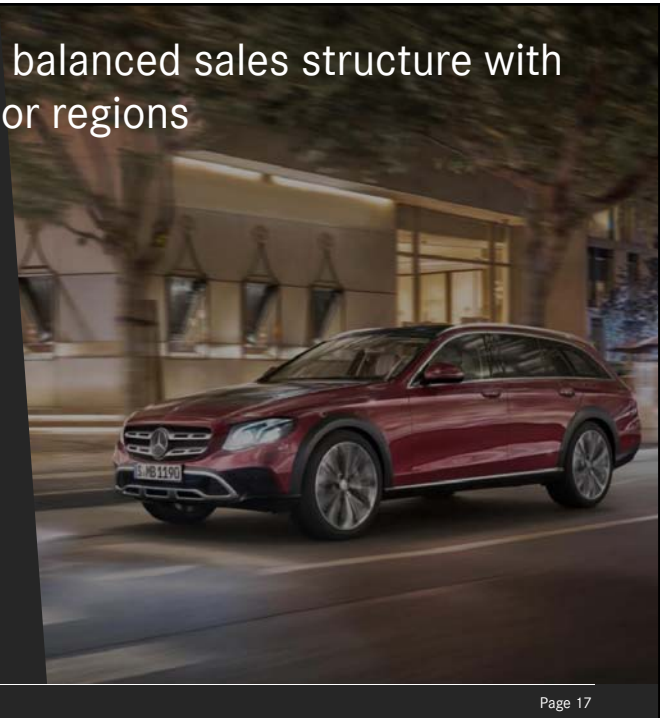
Mercedes-Benz Cars: globally balanced sales structure with strong development in all major regions

- unit sales in thousands -



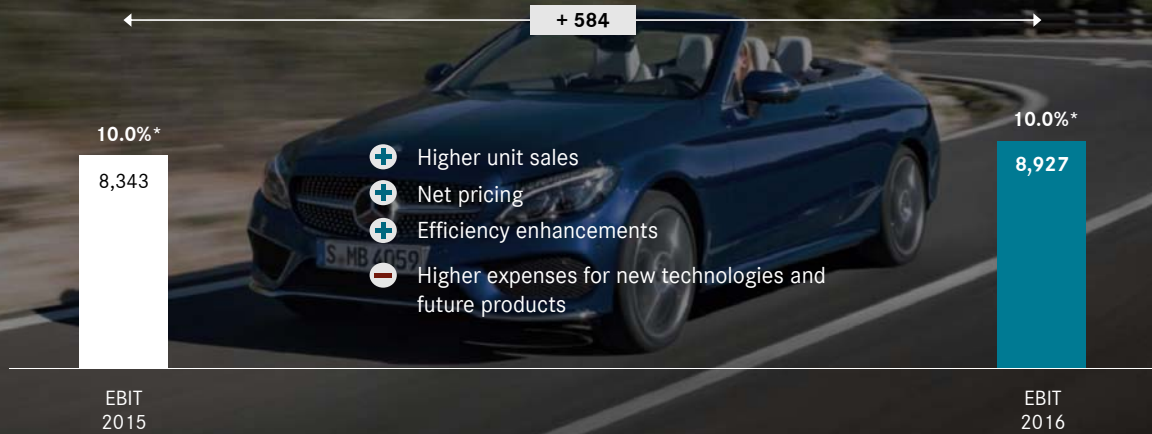
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Mercedes-Benz Cars: EBIT adjusted for special items

- in millions of euros -



* return on sales

Daimler Trucks: financials significantly impacted by headwinds in many of our truck markets

Unit sales

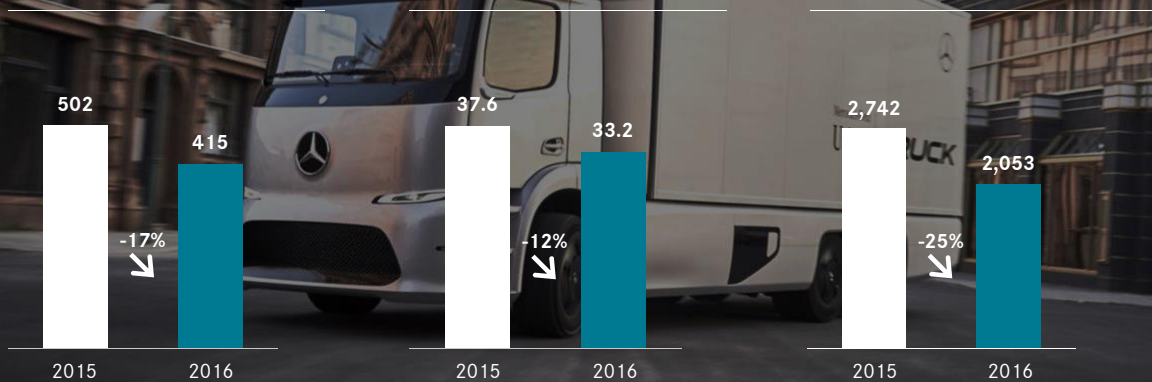
- in thousands of units -

Revenue

- in billions of euros -

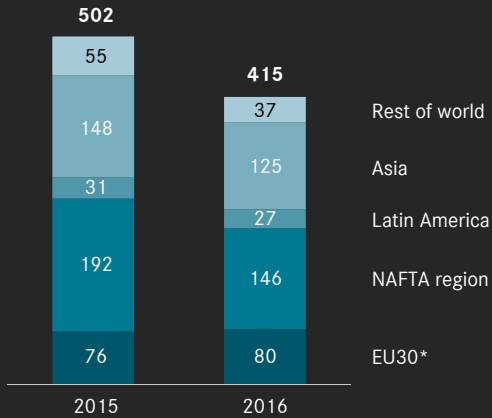
EBIT adjusted for special items

- in millions of euros -



Daimler Trucks: sales decrease mainly driven by NAFTA region, Turkey and Middle East

- in thousands of units -



* European Union, Switzerland and Norway

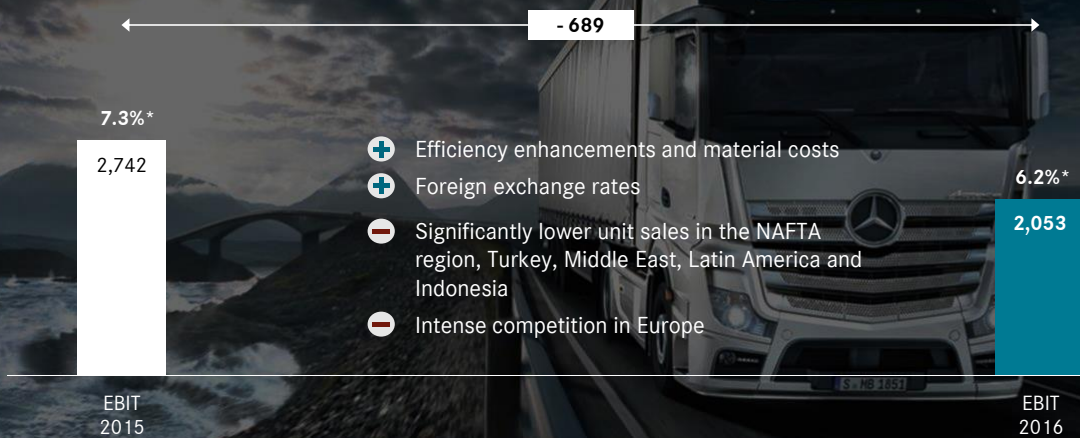
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Daimler Trucks: EBIT adjusted for special items

- in millions of euros -



* return on sales

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- 689

7.3%*

2,742

EBIT
2015

- + Efficiency enhancements and material costs
- + Foreign exchange rates
- Significantly lower unit sales in the NAFTA region, Turkey, Middle East, Latin America and Indonesia
- Intense competition in Europe

6.2%*

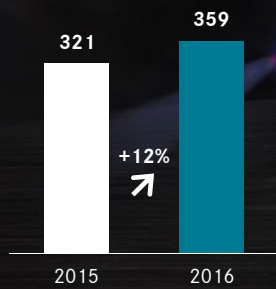
2,053

EBIT
2016

Mercedes-Benz Vans: strong development based on very successful products

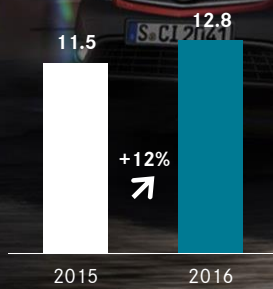
Unit sales

- in thousands of units -



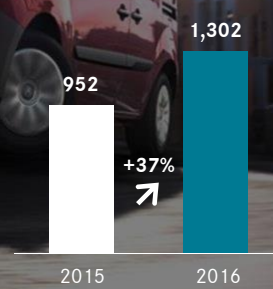
Revenue

- in billions of euros -



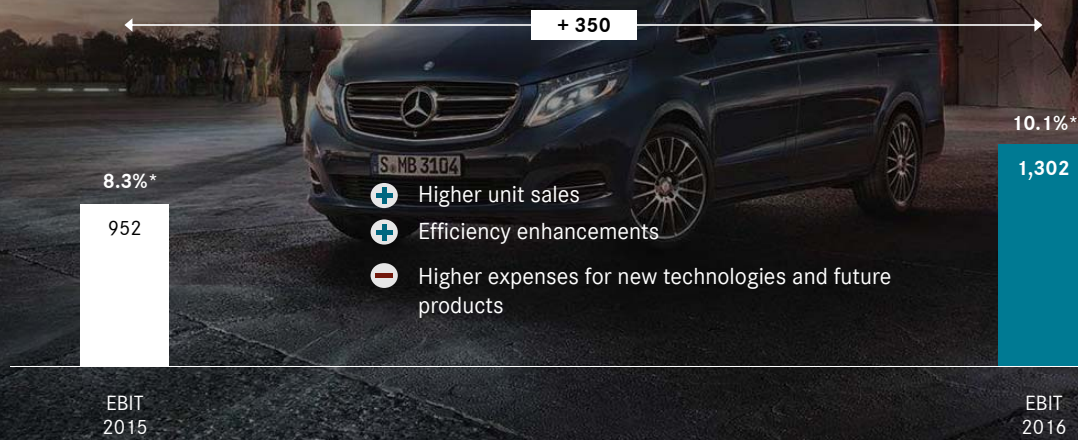
EBIT adjusted for special items

- in millions of euros -



Mercedes-Benz Vans: EBIT adjusted for special items

- in millions of euros -

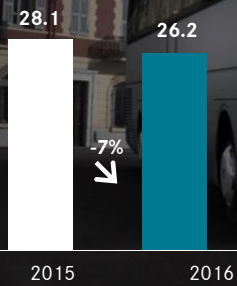


* return on sales

Daimler Buses: strong EBIT improvement despite difficult situation in Brazil and Turkey

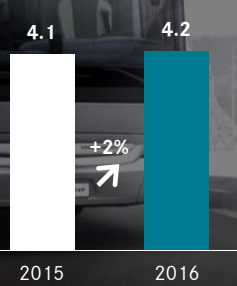
Unit sales

- in thousands of units -



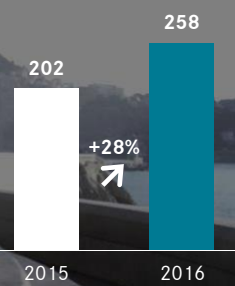
Revenue

- in billions of euros -



EBIT adjusted for special items

- in millions of euros -



Daimler Buses: EBIT adjusted for special items

- in millions of euros -

← + 56 →



- + Higher unit sales and better model mix in EU30
- + Efficiency enhancements
- + Foreign exchange rates
- Lower unit sales in Latin America and Turkey
- Inflation-related cost increases
- Higher expenses for new products and technologies

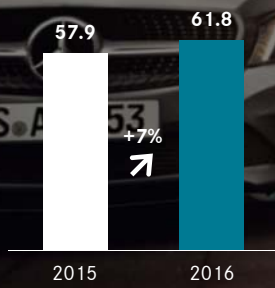


* return on sales

Daimler Financial Services: further business growth

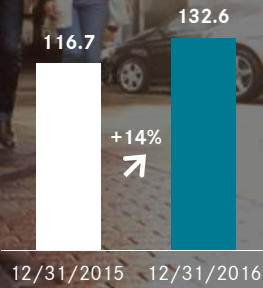
New business

- in billions of euros -



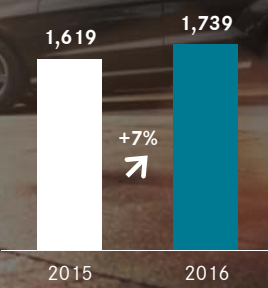
Contract volume

- in billions of euros -



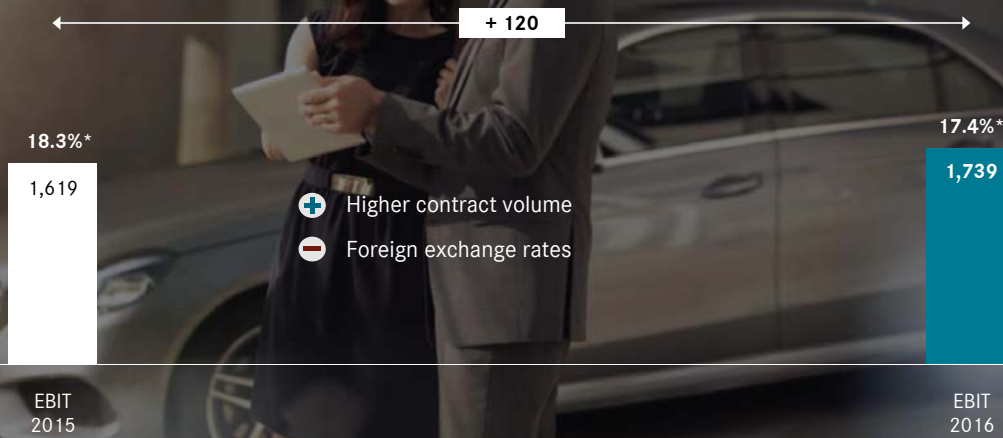
EBIT

- in millions of euros -



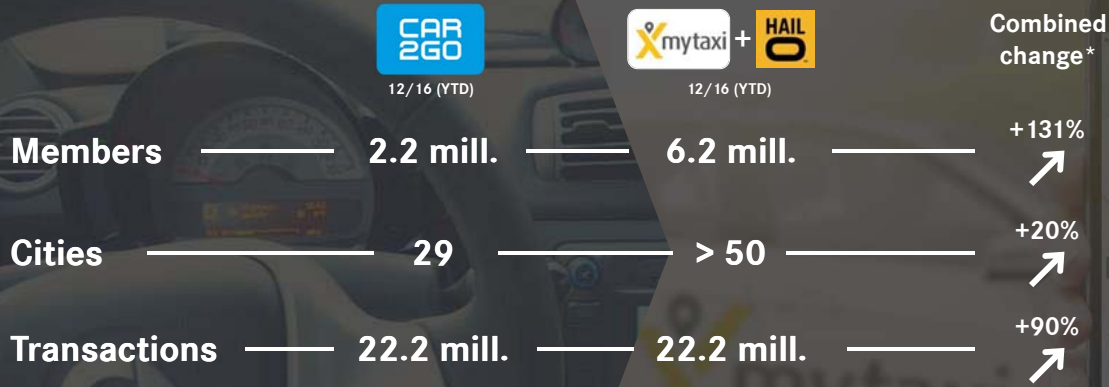
Daimler Financial Services: EBIT

- in millions of euros -



* return on equity

Forging ahead with increasing business in Mobility Services



* car2go and mytaxi combined 12/16 (YTD) vs. 12/15 (YTD)



FLIXBUS



BLACKLANE



MOOVEL

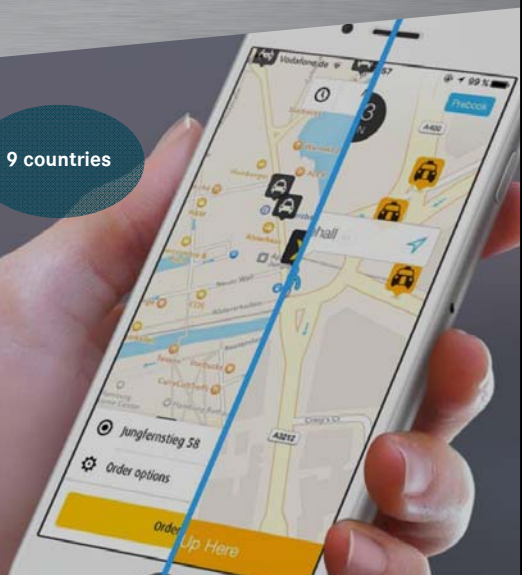
mytaxi and Hailo create Europe's largest taxi e-hailing company



The two innovative leaders in the field of taxi e-hailing are joining forces

Customers enjoy various forms of mobility with a transparent overview and easy-to-pay services

Another strategic step in making Daimler Financial Services a leader of mobility solutions and platforms



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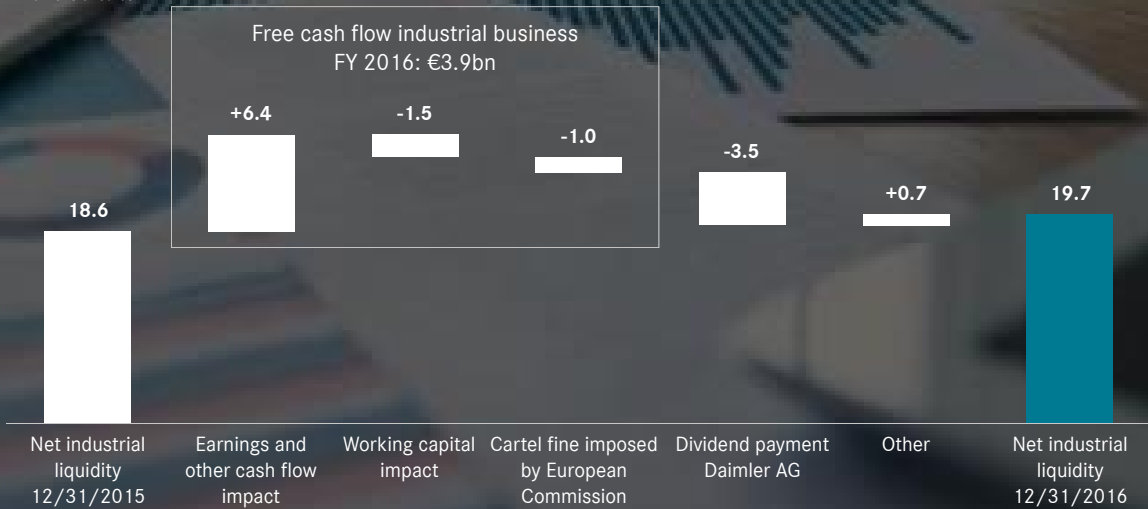
Key figures

	2015	2016
Unit sales (in thousands of units)	2,853	2,998
Revenue	149.5	153.3
EBIT		
as reported	13.2	12.9
adjusted for special items	13.8	14.2
Net profit	8.7	8.8
Free cash flow of the industrial business	4.0	3.9
Earnings per share (in euros)	7.87	7.97
Dividend per share (in euros)	3.25	3.25

in billions of euros

Continued high level of net industrial liquidity

- in billions of euros -

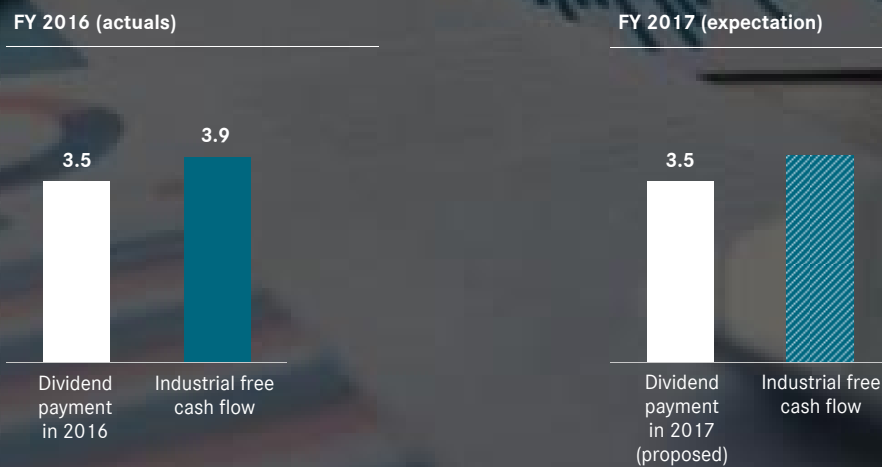


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Free cash flow of industrial business for 2017 expected to be in the magnitude of 2016 and above dividend payment

- in billions of euros -

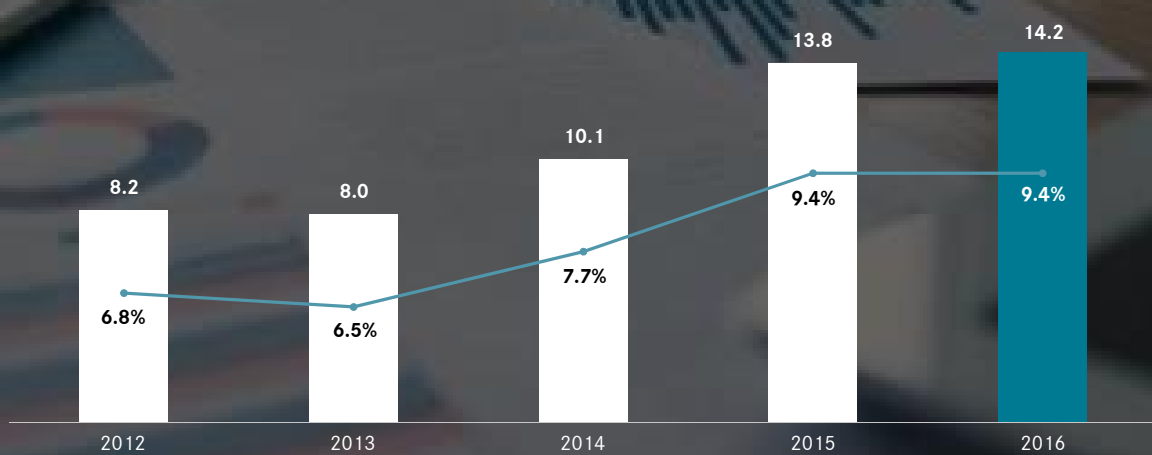


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Development of EBIT and RoS adjusted for special items*

- EBIT in billions of euros; RoS in % -

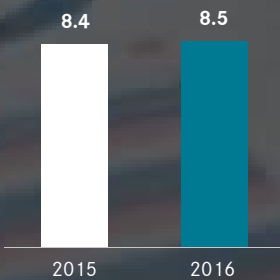


* EBIT adjusted for special items of Daimler Group; return on sales adjusted for special items of Daimler Group excluding Daimler Financial Services

Dividend at high level based on strong net profit

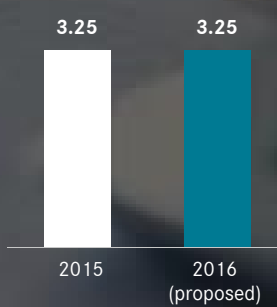
Net profit*

- in billions of euros -



Dividend per share

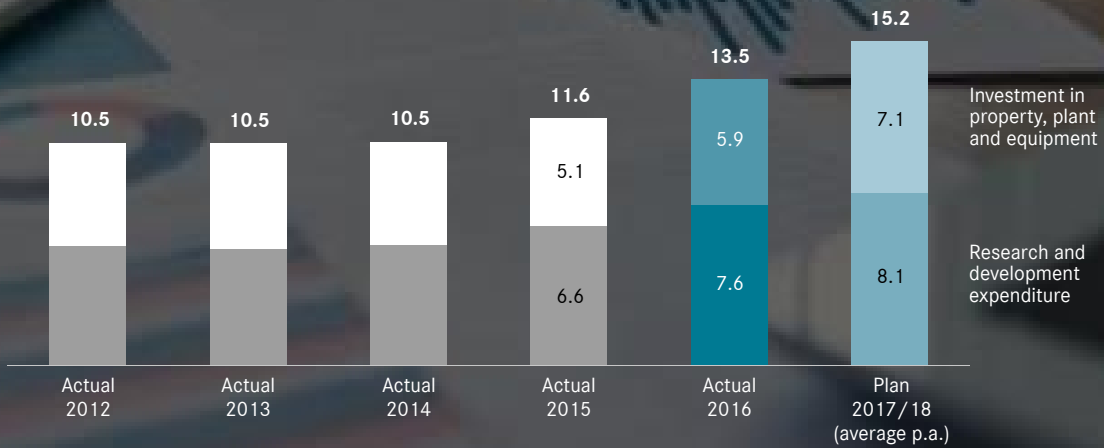
- in euros -



* attributable to shareholders of Daimler AG

Further investment growth as a basis for profitable growth and development of future mobility

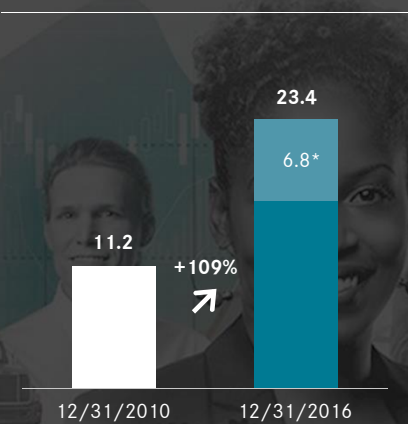
- in billions of euros -



Attractive employer

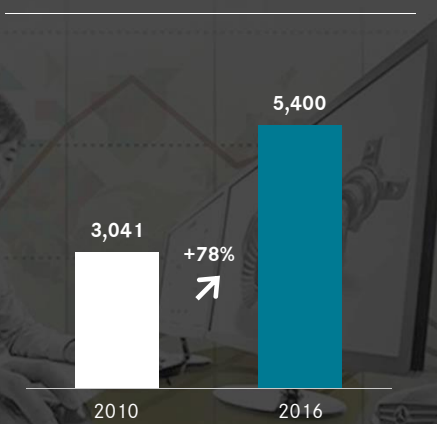
Fair value of pension plan assets

- in billions of euros -



Profit sharing**

- in euros -



* related to extraordinary contributions to the German pension fund assets in 2011, 2014, 2015 and 2016
 ** paid out to each eligible employee of Daimler AG for the respective financial year

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Dr. Dieter Zetsche
Chairman of the Board of Management of Daimler AG
Head of Mercedes-Benz Cars

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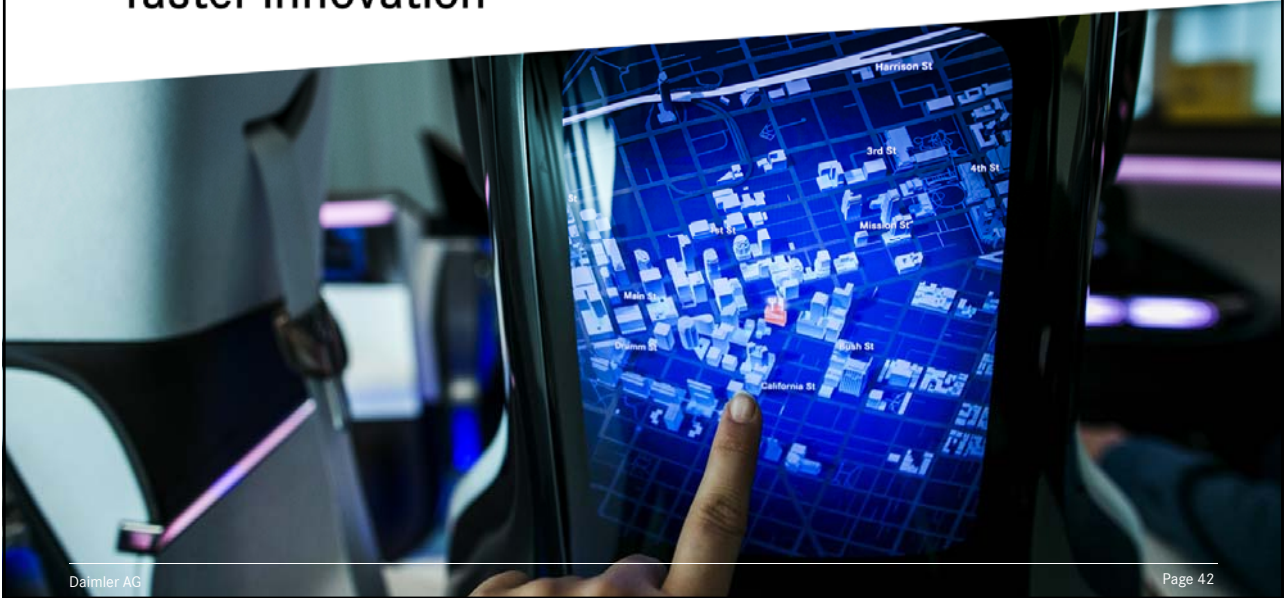
Guidance





Building a comprehensive
ecosystem

Stronger collaboration for
faster innovation



Mercedes-Benz
Urban | **eTRUCK**

The future of
transportation



Digital solutions at Daimler Trucks



The future of logistics

Mercedes-Benz
Vision **VAN**

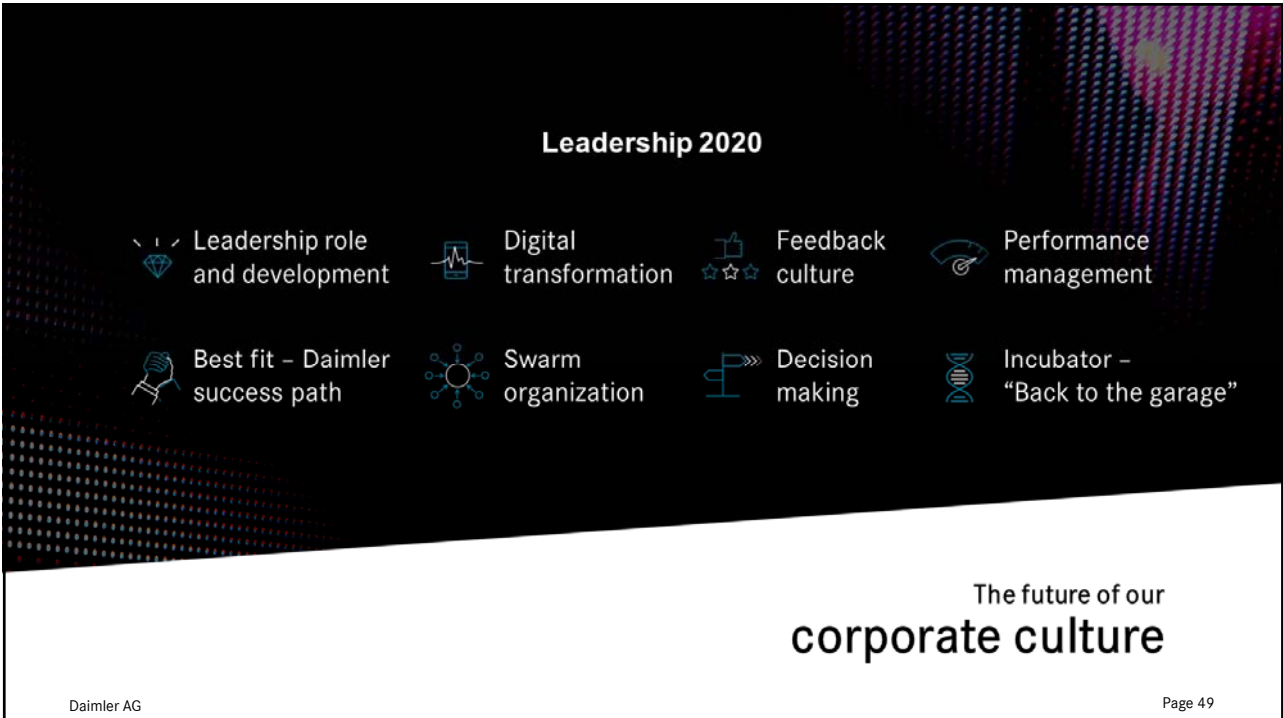


Turning the van into a data center on wheels



The future of public transport

Mercedes-Benz
Future **BUS**



Leadership 2020

Leadership role and development

Digital transformation

Feedback culture

Performance management

Best fit – Daimler success path

Swarm organization

Decision making

Incubator – “Back to the garage”

The future of our corporate culture

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2017 sales outlook



Mercedes-Benz Cars
**Slightly higher
unit sales**

Mercedes-Benz Vans
**Slightly higher unit
sales**

Daimler Trucks
**Unit sales around
the prior-year level**

Daimler Buses
**Significantly higher
unit sales**

2017 EBIT outlook



Mercedes-Benz Cars
Significantly above
the prior-year level

Mercedes-Benz Vans
Significantly below the
prior-year level

Daimler Trucks
Slightly below the
prior-year level

Daimler Buses
Slightly above the
prior-year level

Daimler Financial Services
In the magnitude
of the prior year

We expect Daimler Group EBIT to increase slightly

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Appendix

Strong financial and balance sheet figures support our financial strength and A-rating

Daimler Group	Dec. 31, 2015	Dec. 31, 2016
Equity ratio	23.6%	22.9%
Gross liquidity	18.2	21.7
Funded status of pension obligations	-7.4	-7.8
Industrial business		
Equity ratio	44.2%	44.7%
Net liquidity	18.6	19.7
Free cash flow	4.0	3.9

in billions of euros

Continuing dynamic sales development of passenger cars and vans

	2015	2016	% change
Daimler Group	2,853.0	2,998.4	+5
of which			
Mercedes-Benz Cars	2,001.4	2,198.0	+10
Daimler Trucks	502.5	415.1	-17
Mercedes-Benz Vans	321.0	359.1	+12
Daimler Buses	28.1	26.2	-7

in thousands of units

Revenue by division

	2015	2016	% change
Daimler Group	149.5	153.3	+3
of which			
Mercedes-Benz Cars	83.8	89.3	+7
Daimler Trucks	37.6	33.2	-12
Mercedes-Benz Vans	11.5	12.8	+12
Daimler Buses	4.1	4.2	+2
Daimler Financial Services	19.0	20.7	+9
Contract volume of Daimler Financial Services*	116.7	132.6	+14

in billions of euros

* figures as of December 31, 2015 and December 31, 2016

Daimler AG

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Revenue by region

	2015	2016	% change
Daimler Group	149.5	153.3	+3
of which			
Europe	58.2	63.4	+9
<i>of which Germany</i>	22.0	23.5	+7
NAFTA	47.7	45.0	-6
<i>of which United States</i>	41.9	39.2	-7
Asia	33.7	35.6	+5
<i>of which China*</i>	14.7	16.0	+9
Other markets	9.8	9.3	-5

in billions of euros

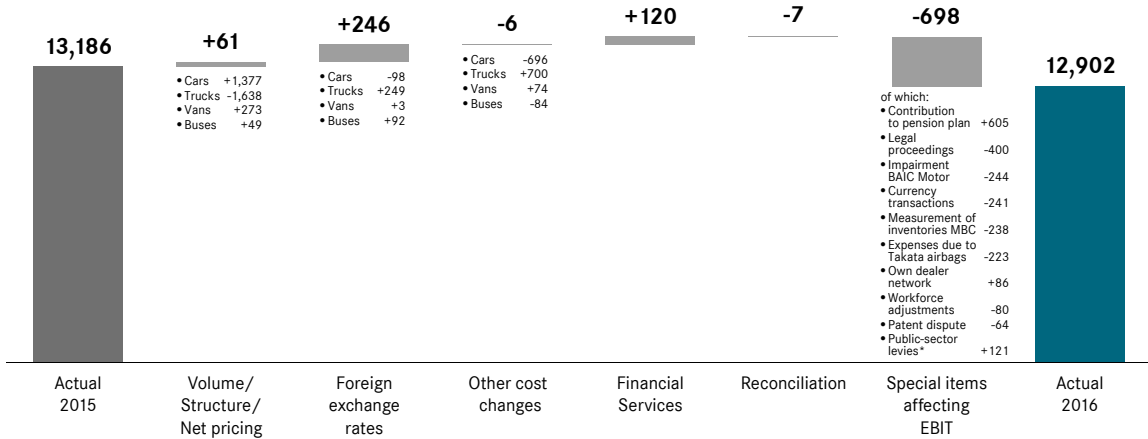
* excluding revenue of not fully consolidated companies

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Group EBIT in 2016

- in millions of euros -



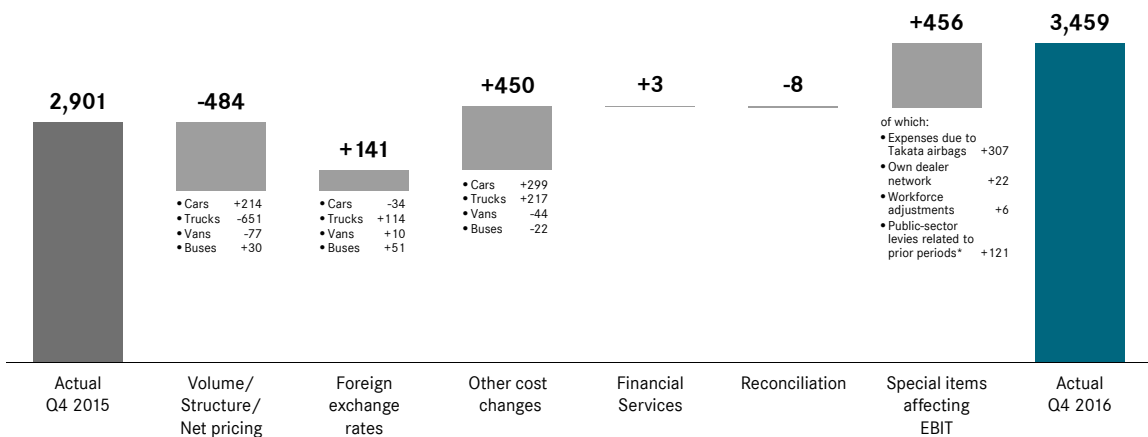
* in 2015

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Group EBIT in Q4 2016

- in millions of euros -



* in Q4 2015

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EBIT by division

- EBIT in millions of euros; RoS in % -	2015		2016	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	13,186	8.9	12,902	8.4
of which				
Mercedes-Benz Cars	7,926	9.5	8,112	9.1
Daimler Trucks	2,576	6.9	1,948	5.9
Mercedes-Benz Vans	880	7.7	1,170	9.1
Daimler Buses	214	5.2	249	6.0
Daimler Financial Services	1,619	-	1,739	-
Reconciliation	-29	-	-316	-

* return on sales; Daimler Group excluding Daimler Financial Services

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Special items affecting EBIT (I)

	Q4		Full year	
	2015	2016	2015	2016
Mercedes-Benz Cars				
Restructuring of own dealer network	-49	-53	-64	+33
Relocation of headquarters of MBUSA	-9	-	-19	-
Sale of real estate in the United States	-	-	+87	-
Expenses in connection with Takata airbags	-300	-20	-300	-480
Public-sector levies related to prior periods	-121	-	-121	-
Profit/loss in connection with remeasurement of inventories	-	-	-	-238
Settlement in connection with patent dispute	-	-	-	-64
Daimler Trucks				
Workforce adjustments	-23	-8	-58	-91
Restructuring of own dealer network	-24	-10	-47	-14
Sale of Atlantis Foundries	-6	-	-61	-

in millions of euros

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Special items affecting EBIT (II)

	Q4		Full year	
	2015	2016	2015	2016
Mercedes-Benz Vans				
Restructuring of own dealer network	-18	-8	-29	-11
Relocation of headquarters of MBUSA	-1	-	-3	-
Expenses in connection with Takata airbags	-40	-13	-40	-83
Workforce adjustments in Germany	-	-8	-	-38
Daimler Buses				
Restructuring of own dealer network	-2	-	-4	0
Sale of investment in New MCI Holdings Inc.	+16	-	+16	-
Workforce adjustments	-	-1	-	-9
Reconciliation				
Expenses related to legal proceedings	-	-	-	-400
Impairment of investment in BAIC Motor	-	-	-	-244
Losses from currency transactions (not allocated to business operations)	-	-	-	-241
Contribution of shares of Renault and Nissan to pension plan assets	-	-	-	+605

in millions of euros

EBIT adjusted for special items in FY 2016

	2015		2016	
	EBIT	RoS*	EBIT	RoS*
- EBIT in millions of euros; RoS in % -				
Daimler Group	13,829	9.4	14,243	9.4
of which				
Mercedes-Benz Cars	8,343	10.0	8,927	10.0
Daimler Trucks	2,742	7.3	2,053	6.2
Mercedes-Benz Vans	952	8.3	1,302	10.1
Daimler Buses	202	4.9	258	6.2
Daimler Financial Services	1,619	-	1,739	-
Reconciliation	-29	-	-36	-

* return on sales; Daimler Group excluding Daimler Financial Services

EBIT adjusted for special items in Q4 2016

- EBIT in millions of euros; RoS in % -	Q4 2015		Q4 2016	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	3,478	8.7	3,580	9.0
of which				
Mercedes-Benz Cars	2,154	9.6	2,634	11.0
Daimler Trucks	684	6.8	365	4.3
Mercedes-Benz Vans	297	8.5	185	5.3
Daimler Buses	20	1.7	78	6.1
Daimler Financial Services	387	-	390	-
Reconciliation	-64	-	-72	-

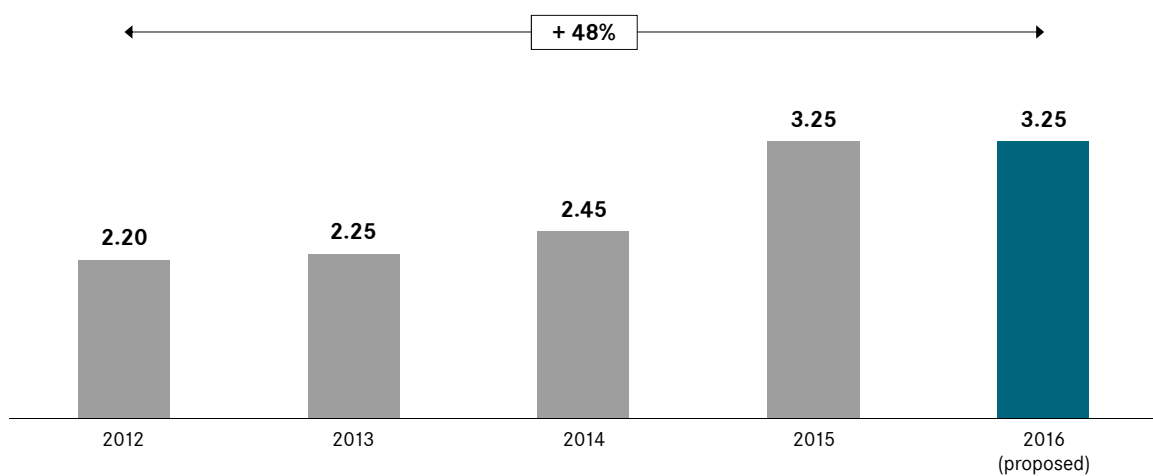
* return on sales; Daimler Group excluding Daimler Financial Services

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Development of dividend per share

- in euros -



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Assumptions for automotive markets in 2017

Car markets	Global	↗	+1 to 2%
	Europe	↗	slight growth
	USA	→	around the prior-year level
	China	↗	slight growth
Medium- and heavy-duty truck markets	NAFTA region	↘	around -5%, with Class 8 weaker than Class 6-8
	EU30	↘	slight decrease
	Japan*	↘	around -5%
	Brazil	↗	slight growth from low level
	Indonesia*	→	around the prior-year level
Van markets	EU30	↗	slight growth
	USA	→	around the prior-year level
Bus markets	EU30	↗	slight growth
	Brazil	↗	significant growth from low level

* including light-duty trucks

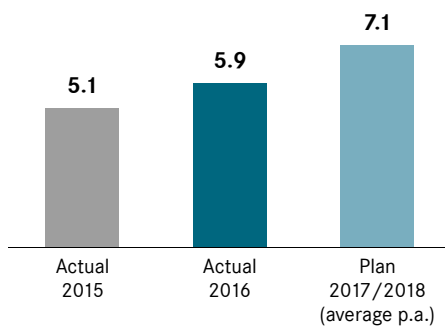
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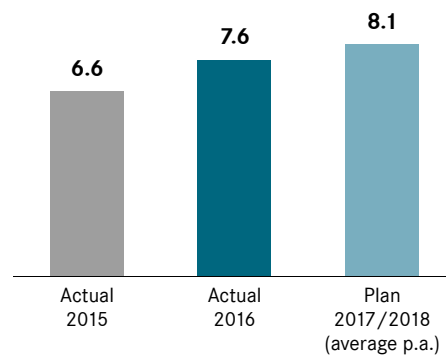
Capital expenditure / Research and development

- in billions of euros -

Investment in property, plant and equipment



Research and development expenditure



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Capital expenditure / Research and development

	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2015	Actual 2016	Plan* 2017-2018	Actual 2015	Actual 2016	Plan* 2017-2018
Daimler Group	5.1	5.9	7.1	6.6	7.6	8.1
of which						
Mercedes-Benz Cars	3.6	4.1	5.2	4.7	5.7	6.1
Daimler Trucks	1.1	1.2	1.2	1.3	1.3	1.3
Mercedes-Benz Vans	0.2	0.4	0.6	0.4	0.4	0.5
Daimler Buses	0.1	0.1	0.1	0.2	0.2	0.2
Daimler Financial Services	0.03	0.04	0.03	-	-	-

in billions of euros

* average p.a.

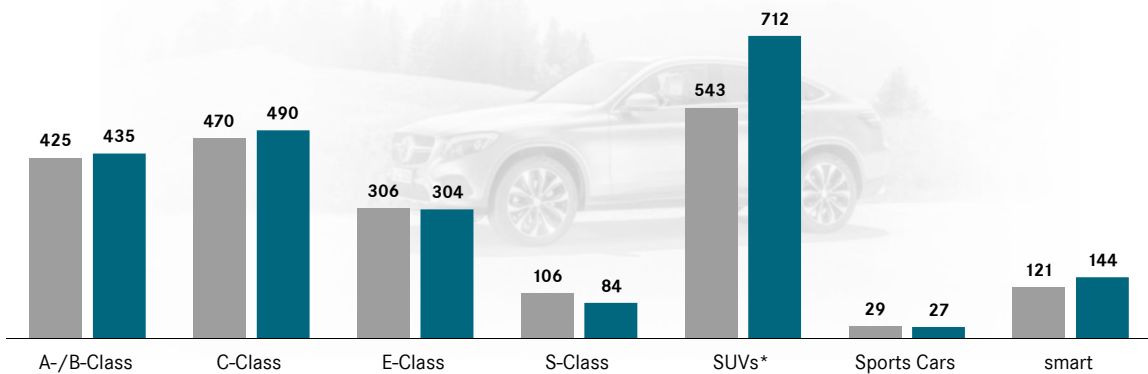
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Mercedes-Benz Cars: sales increase to 2,198,000 units (+ 10%) reflecting our strong product line-up

- in thousands of units -

2015
2016



* incl. GLA

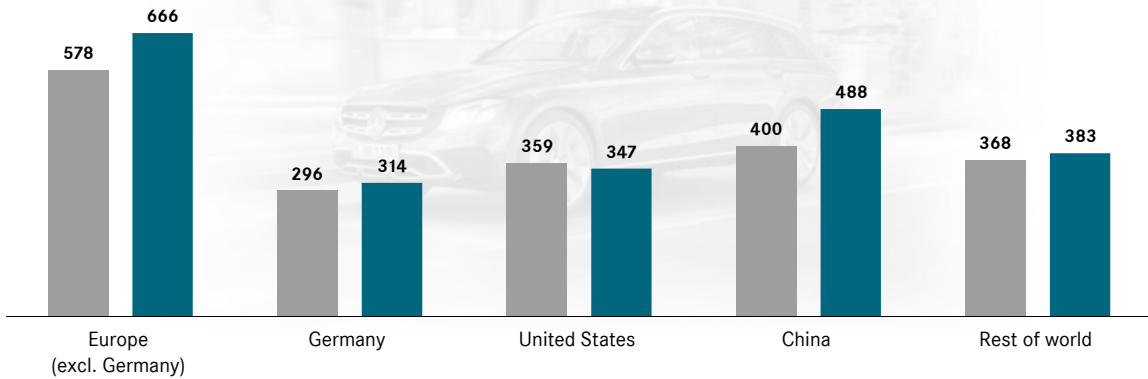
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Mercedes-Benz Cars: globally balanced sales structure with strong development in all major regions

- in thousands of units -

2015
2016



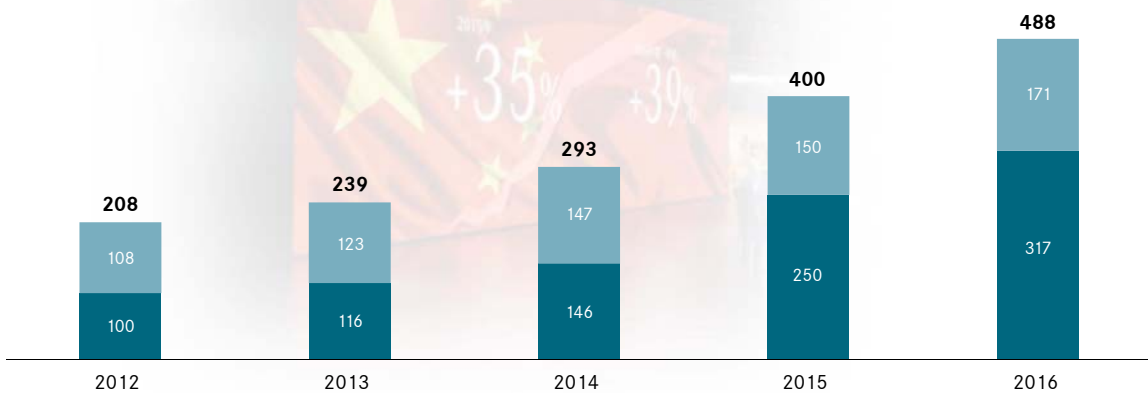
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Mercedes-Benz Cars in China: huge sales growth with increasing share of locally produced vehicles

- in thousands of units -

imported
locally produced



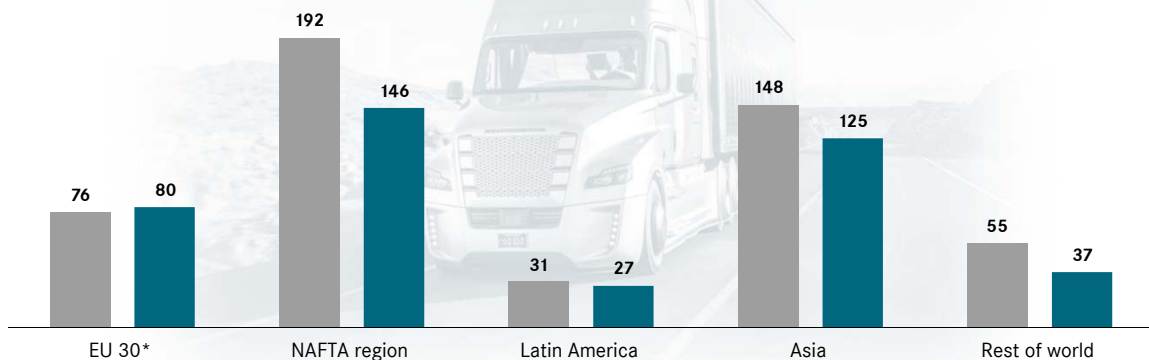
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Daimler Trucks: sales decrease to 415,000 units (-17%) mainly driven by NAFTA region, Turkey and Middle East

- in thousands of units -

2015
2016



* European Union, Switzerland and Norway

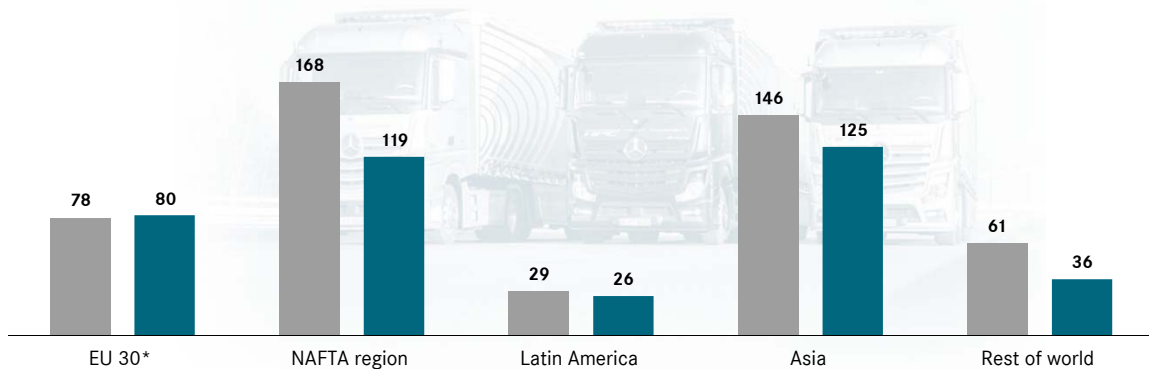
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Daimler Trucks: incoming orders below prior-year level due to weak demand in NAFTA region, Turkey and Middle East

- in thousands of units -

2015
2016



* European Union, Switzerland and Norway

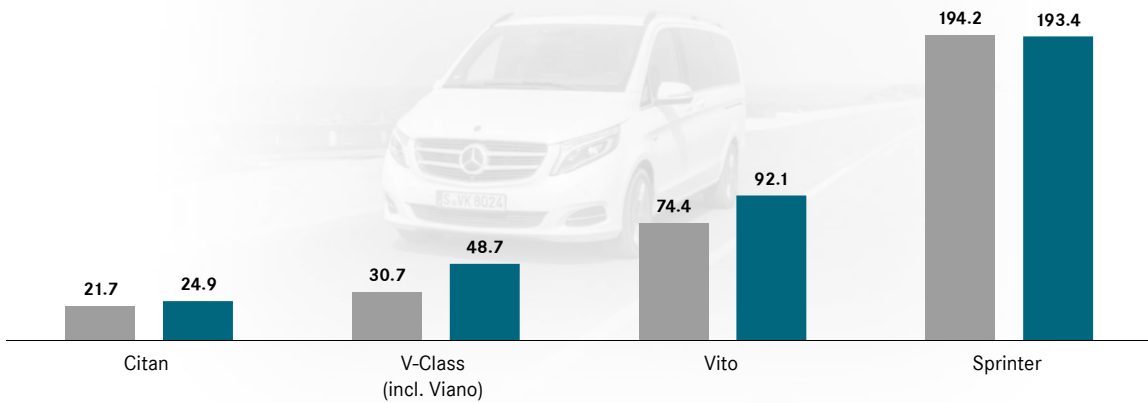
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Mercedes-Benz Vans: sales increase to 359,100 units (+12%) due to market success of mid-size vans

- in thousands of units -

2015
2016



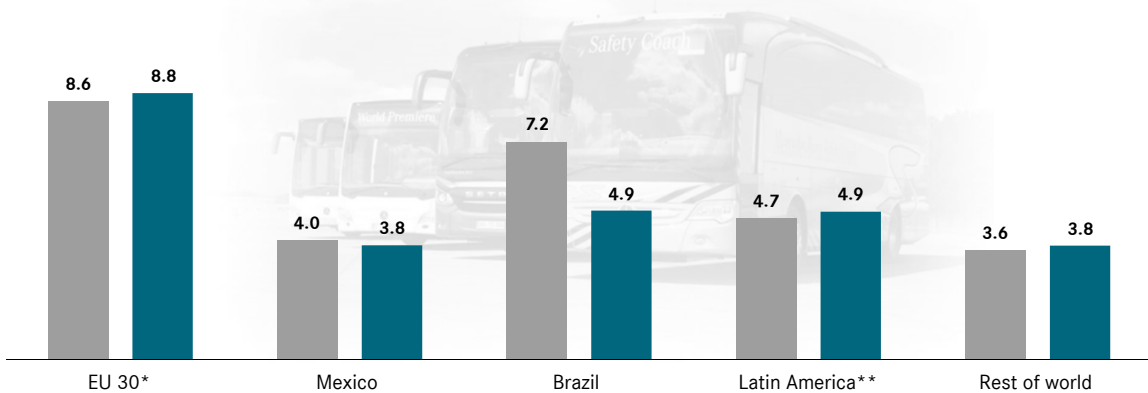
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Daimler Buses: sales decrease to 26,200 units (-7%) mainly due to difficult economic situation in Brazil

- in thousands of units -

2015
2016



* European Union, Switzerland and Norway
** excluding Brazil and Mexico

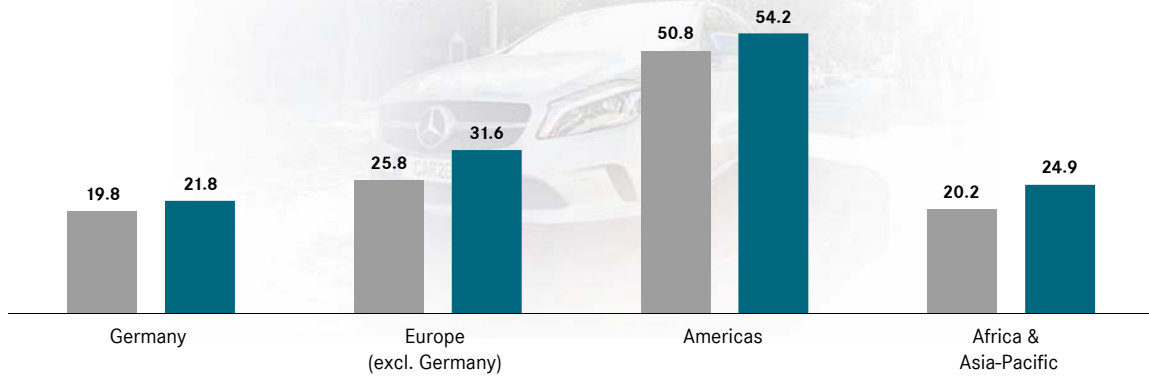
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Daimler Financial Services: further increase in contract volume to 132.6 billion euros (+14%)

- in billions of euros -

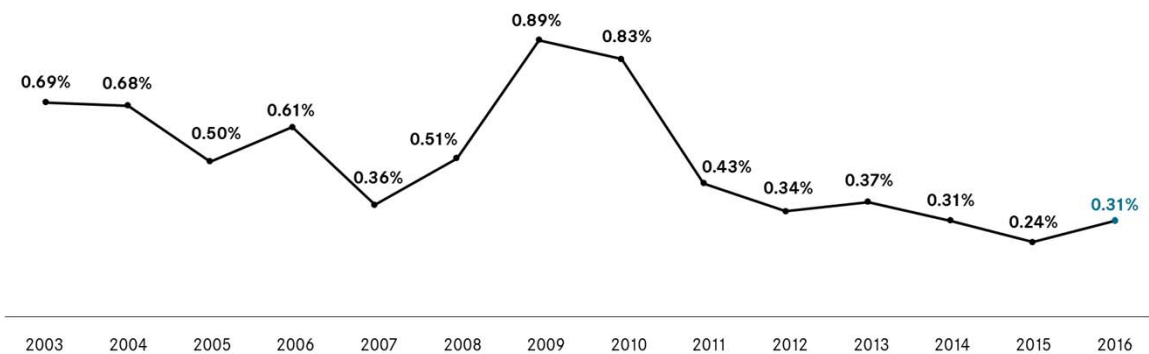
12/31/2015
12/31/2016



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Daimler Financial Services: net credit losses* at low level due to disciplined risk approach



* as a percentage of portfolio, subject to credit risk

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Thank you.

Disclaimer

The figures in this document are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.