

DAIMLER AG
FY DISCLOSURE 2019

**INVESTORS & ANALYSTS
CONFERENCE**

February 11, 2020



DAIMLER AG

KEY MESSAGES

Mercedes-Benz safeguarded No.1 position in luxury segment, sales recovery in second half of year accomplished

Underlying performance in line with 2019 Capital Market Day outlook; material adjustments booked

Net Industrial Liquidity: target of >10 bn. euros achieved

Strategy set for carbon-neutral mobility & transport

Measures initiated to reduce cost and increase cash; focus on Free Cash Flow and capital allocation

2020 outlook confirmed

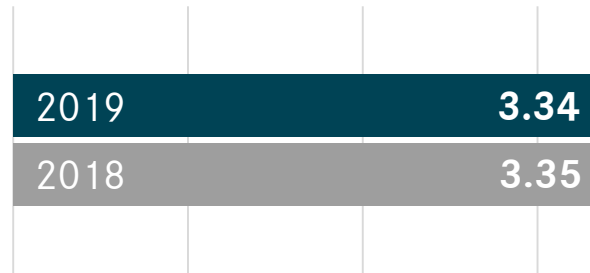
A blurred, 3D-rendered Daimler logo in a metallic blue color, set against a background of a brushed metal surface. The logo is slightly out of focus, creating a sense of depth and texture.

DAIMLER AG

KEY FIGURES

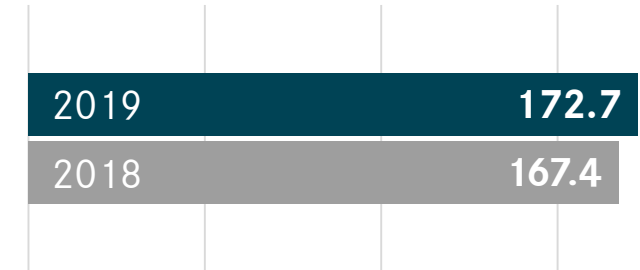
SALES

in million units



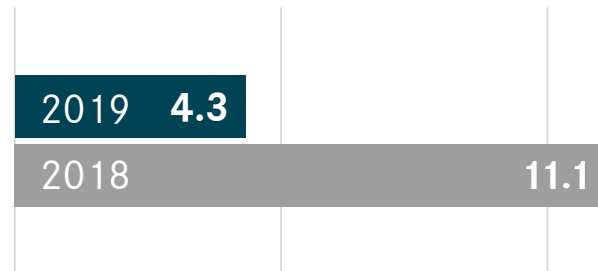
REVENUE

in billion euros



EBIT

in billion euros



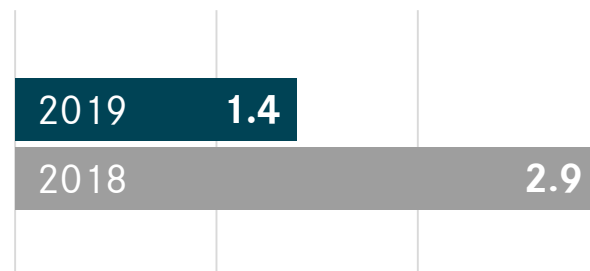
EBIT adjusted

in billion euros



FREE CASH FLOW

in billion euros



FREE CASH FLOW adjusted

in billion euros



I.
Review 2019



MERCEDES-BENZ CARS HIGHLIGHTS 2019

Mercedes-Benz leading luxury car brand;
first time ever No.1 in premium segment in China

Ramping-up supply of high-demand vehicles;
significantly reduced inventories in Q4

Committed to carbon-neutral mobility: “Ambition 2039” defined,
all-new EQC introduced to the market, battery production ramp-up

smart: all-electric; new business model for next-
generation products - cooperation with Geely

Cash generation and performance improvement:
program in place, targets identified, measures
initiated, plan established to cap funding



Mercedes-Benz EQC 400 4MATIC: combined power consumption:
20.8 - 19.7 kWh/100 km; combined CO₂ emissions: 0 g/km

MERCEDES-BENZ CARS FINANCIALS

SALES

in million units

2019	2.39
2018	2.38

REVENUE

in billion euros

2019	93.9
2018	93.1

EBIT

in billion euros

2019	3.4
2018	7.2

EBIT adjusted

in billion euros

2019	5.8
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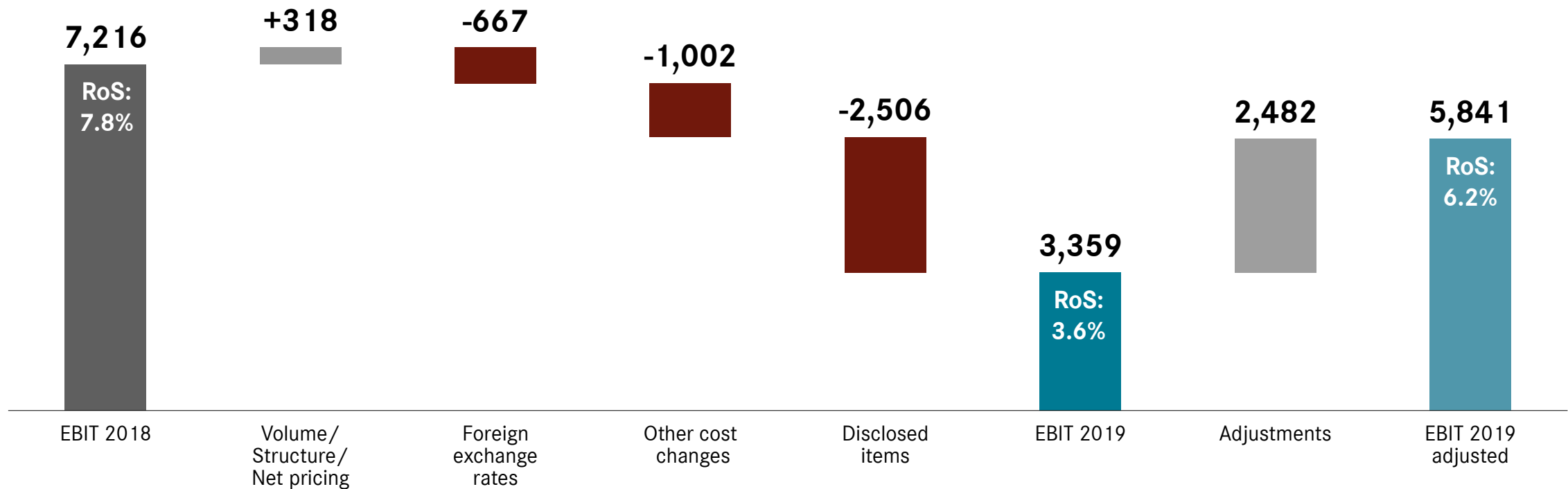


MERCEDES-BENZ CARS

EBIT & RoS

in million euros

- + Net pricing
- Foreign exchange rates
- Higher expenses for new technologies and product costs
- Valuation Aston Martin
- Governmental and legal proceedings and measures relating to diesel vehicles
- Expenses in connection with Takata airbags



MERCEDES-BENZ VANS HIGHLIGHTS 2019

Continued sales growth to new record level

New V-Class introduced and all-new EQV presented;
series production of eSprinter started; development
of new electric product in small-van segment

Industrial situation stabilized

Efficiency measures initiated

Streamlining product portfolio: End of production X-Class

Financial performance impacted by material adjustments



Mercedes-Benz EQV 300: combined power consumption: 27.0 kWh/100 km;
combined CO₂ emissions: 0 g/km; provisional figures

MERCEDES-BENZ VANS FINANCIALS

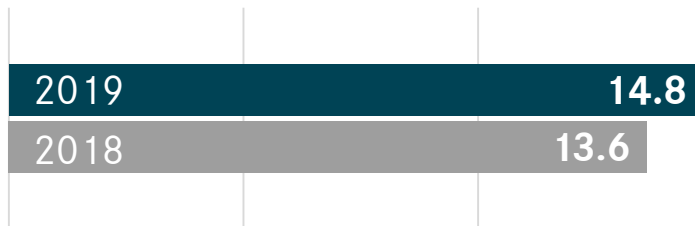
SALES

in thousand units



REVENUE

in billion euros



EBIT

in billion euros



EBIT adjusted

in billion euros

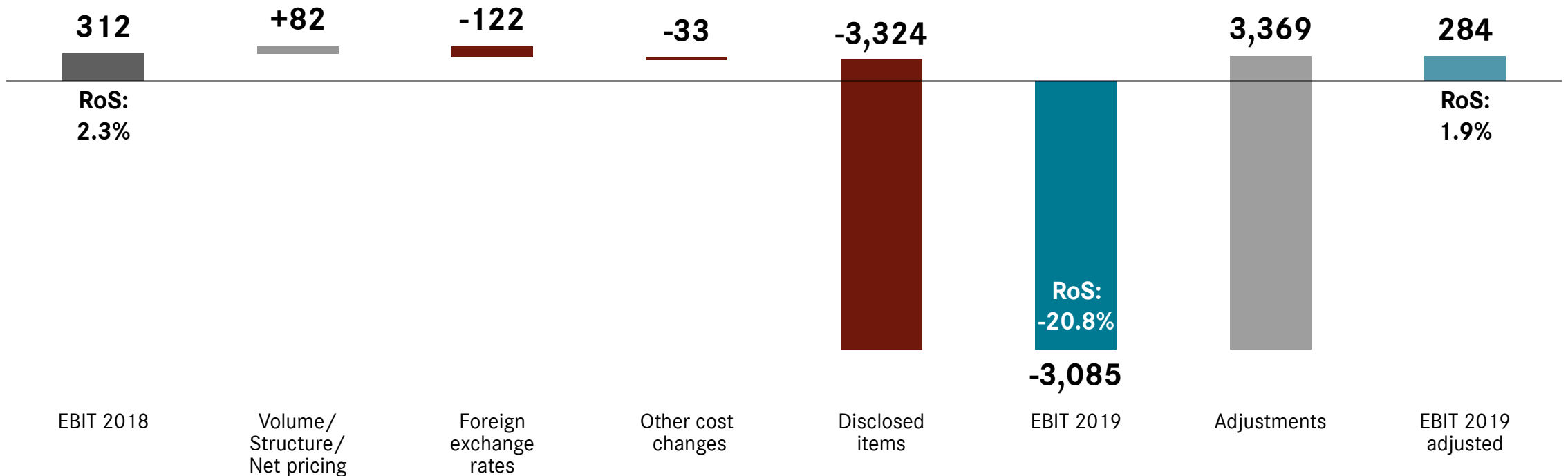


MERCEDES-BENZ VANS

EBIT & RoS

in million euros

- + Higher unit sales
- + Model mix
- Foreign exchange rates
- Higher expenses for new products and product-related cost
- Governmental and legal proceedings and measures relating to diesel vehicles
- Product portfolio review and prioritization
- Expenses in connection with Takata airbags



DAIMLER TRUCKS HIGHLIGHTS 2019

Daimler Trucks world's leading truck manufacturer

Strong performance in NAFTA despite softening market in Q4/2019

Launch of new Actros, "Truck of the year"

EU market weakened faster than expected in Q4/2019; first effects from efficiency programs at MB Trucks EU

Goal of carbon-neutral transport set; electric trucks of all classes are tested in customer use

Start of development and testing of fully autonomous trucks on public roads in the U.S.



DAIMLER TRUCKS FINANCIALS

SALES

in thousand units



REVENUE

in billion euros



EBIT

in billion euros

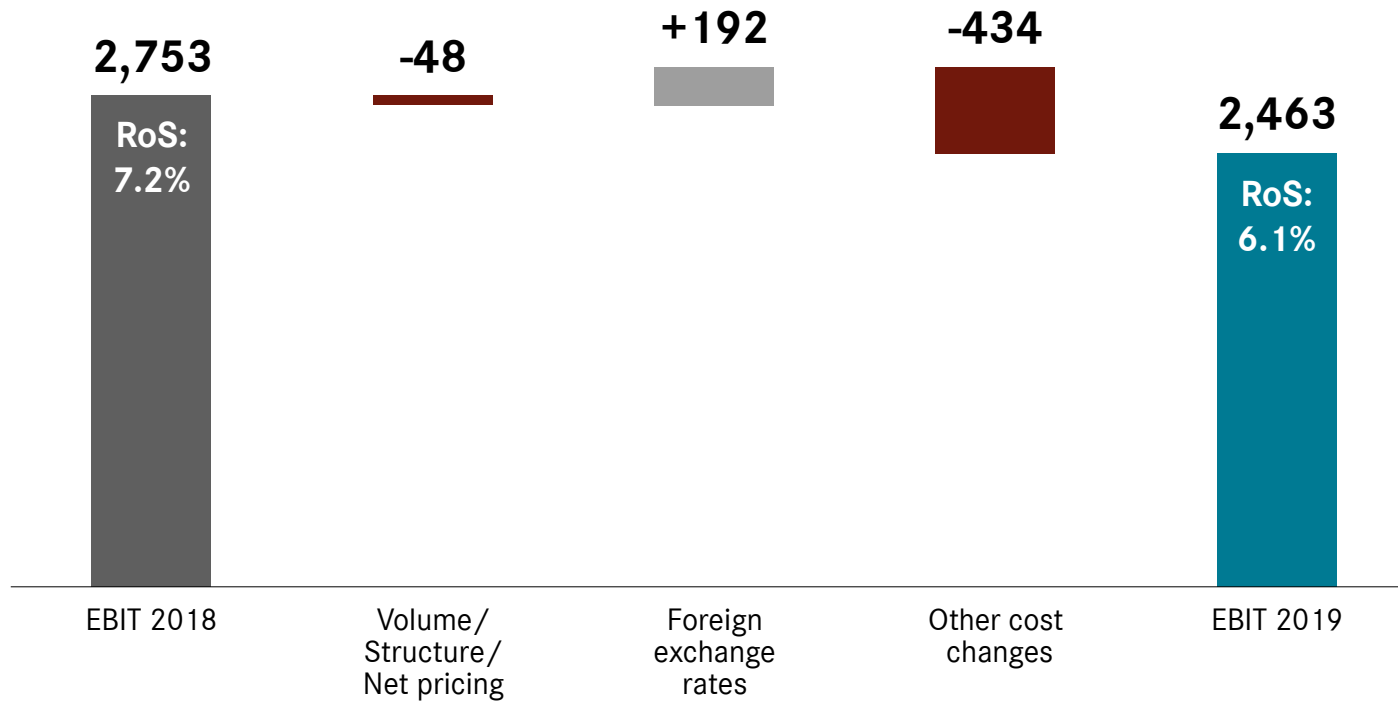


DAIMLER TRUCKS

EBIT & RoS

in million euros

- + Higher unit sales in NAFTA region supported by positive foreign exchange rates
- Lower unit sales especially in the EU30 and Asia region
- Valuation adjustments for used trucks
- Higher expenses for new technologies and capacity adjustments



DAIMLER BUSES HIGHLIGHTS 2019

Daimler Buses continues to be industry benchmark in profitability

Maintained leading position in our core markets

Serving high demand for our electric city bus eCitaro

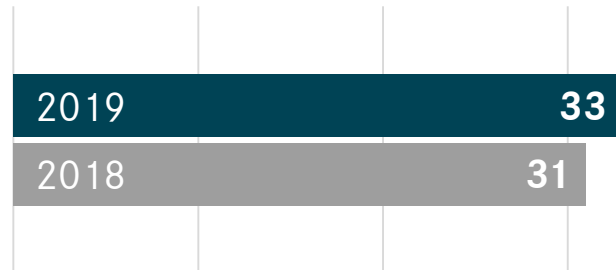
Delivered on target margin; continued efficiency effort



DAIMLER BUSES FINANCIALS

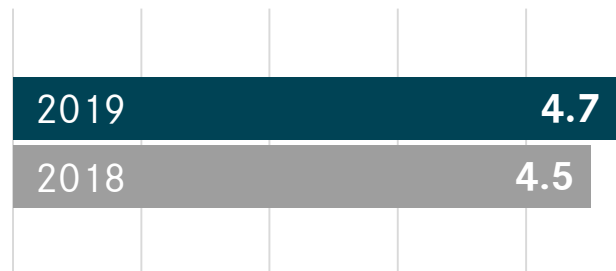
SALES

in thousand units



REVENUE

in billion euros



EBIT

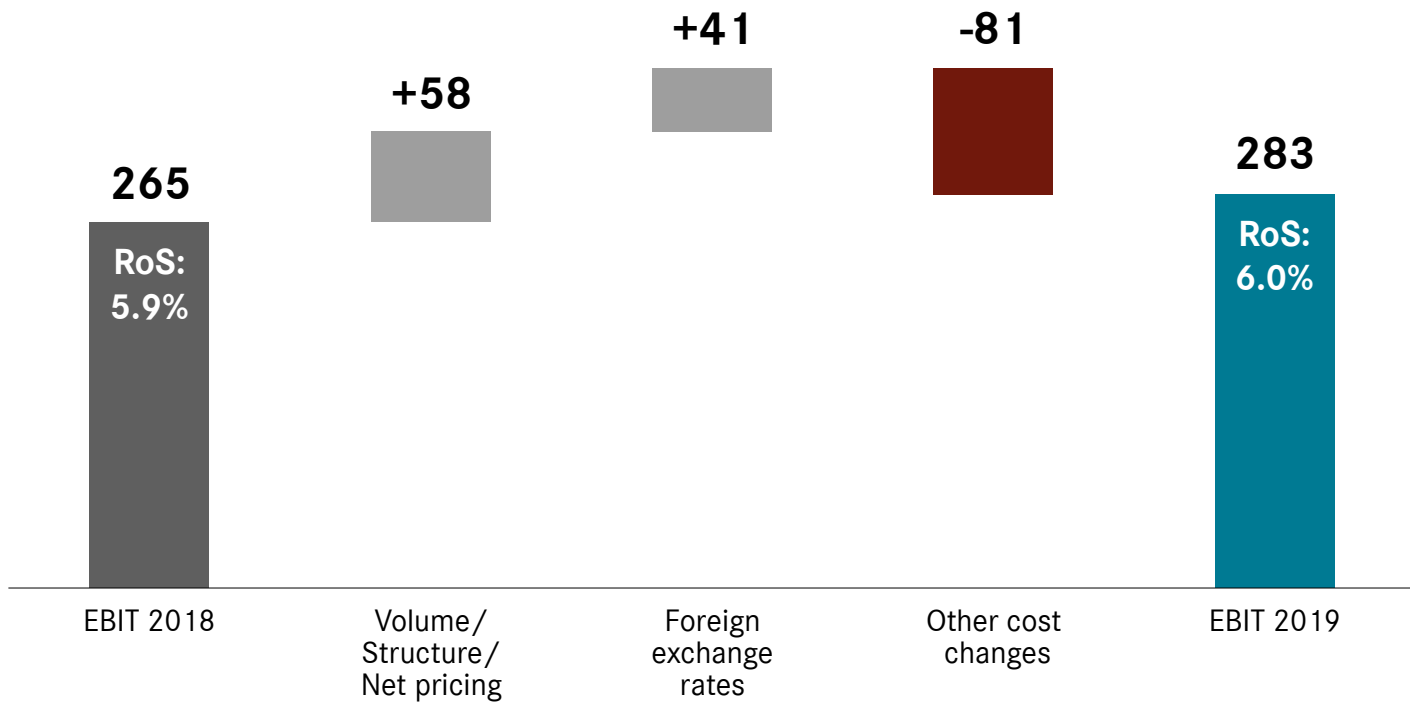
in million euros



DAIMLER BUSES EBIT & RoS

in million euros

- + Higher unit sales
- + Foreign exchange rates
- Lower capitalization of development costs



DAIMLER MOBILITY HIGHLIGHTS 2019

Continued strong support of industrial business:
Financing about half of new vehicle sales

Prudent risk management

Maintained attractive returns despite higher
equity demands due to regulatory requirements

Start of YOUR NOW joint ventures
and prioritization of mobility services

Driving efficiency and digitalization



DAIMLER MOBILITY FINANCIALS

NEW BUSINESS

in billion euros



CONTRACT VOLUME

in billion euros



EBIT

in billion euros



EBIT adjusted

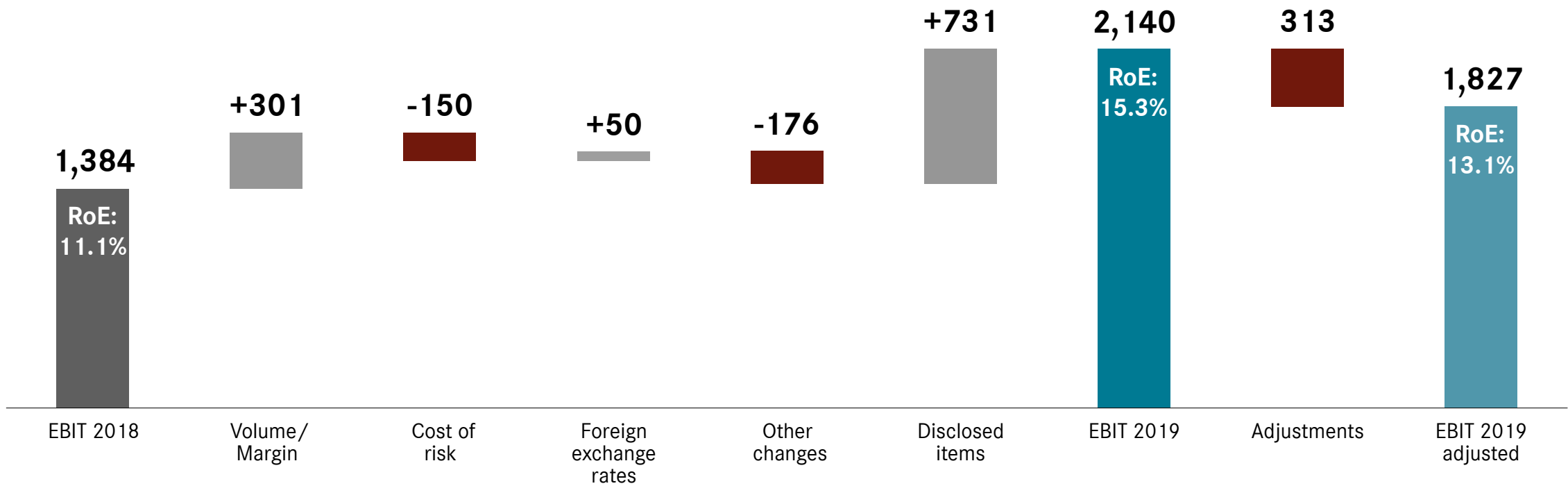
in billion euros



DAIMLER MOBILITY EBIT & RoE

in million euros

- + Higher contract volume
- + Settlement of the Toll Collect arbitration proceedings in 2018
- Normalization of cost of risk
- + Merger of mobility services of Daimler and BMW
- Realignment of the YOUR NOW group



DAIMLER ParentCo. **HIGHLIGHTS & ACTIONS 2019**

New group structure established

Role of ParentCo. redefined: focus on governance, capital allocation & access to financial market

Streamlining initiated, reduction of administrative cost and staff in 2019 vs. 2018



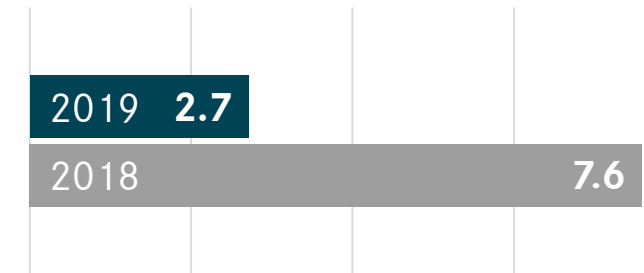
DAIMLER

DAIMLER 2019 GROUP FINANCIALS

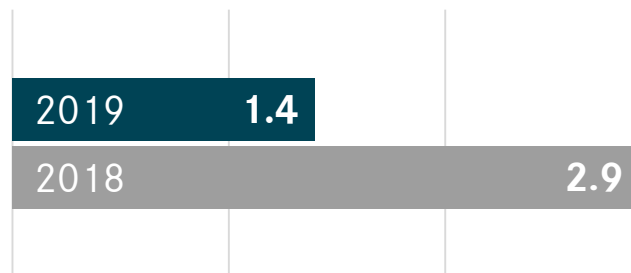
EBIT
in billion euros



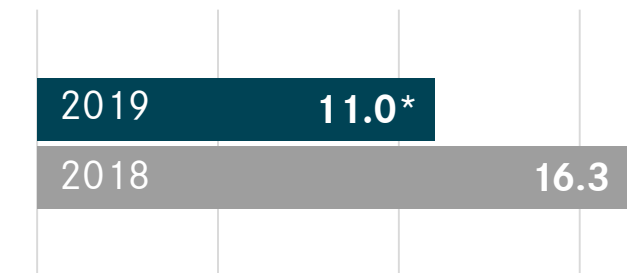
**NET
PROFIT**
in billion euros



**FREE
CASH FLOW**
in billion euros



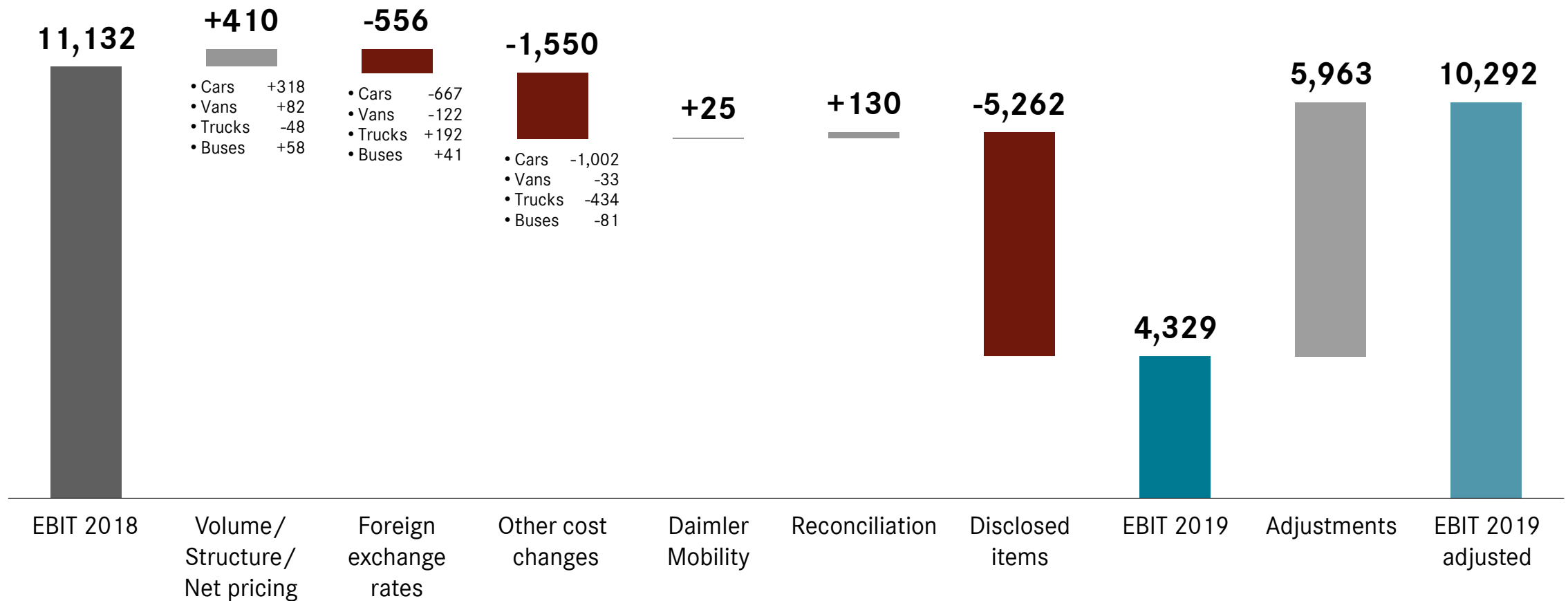
**NET
INDUSTRIAL
LIQUIDITY**
in billion euros



* -3.2 bn. € resulting from initial application of IFRS 16

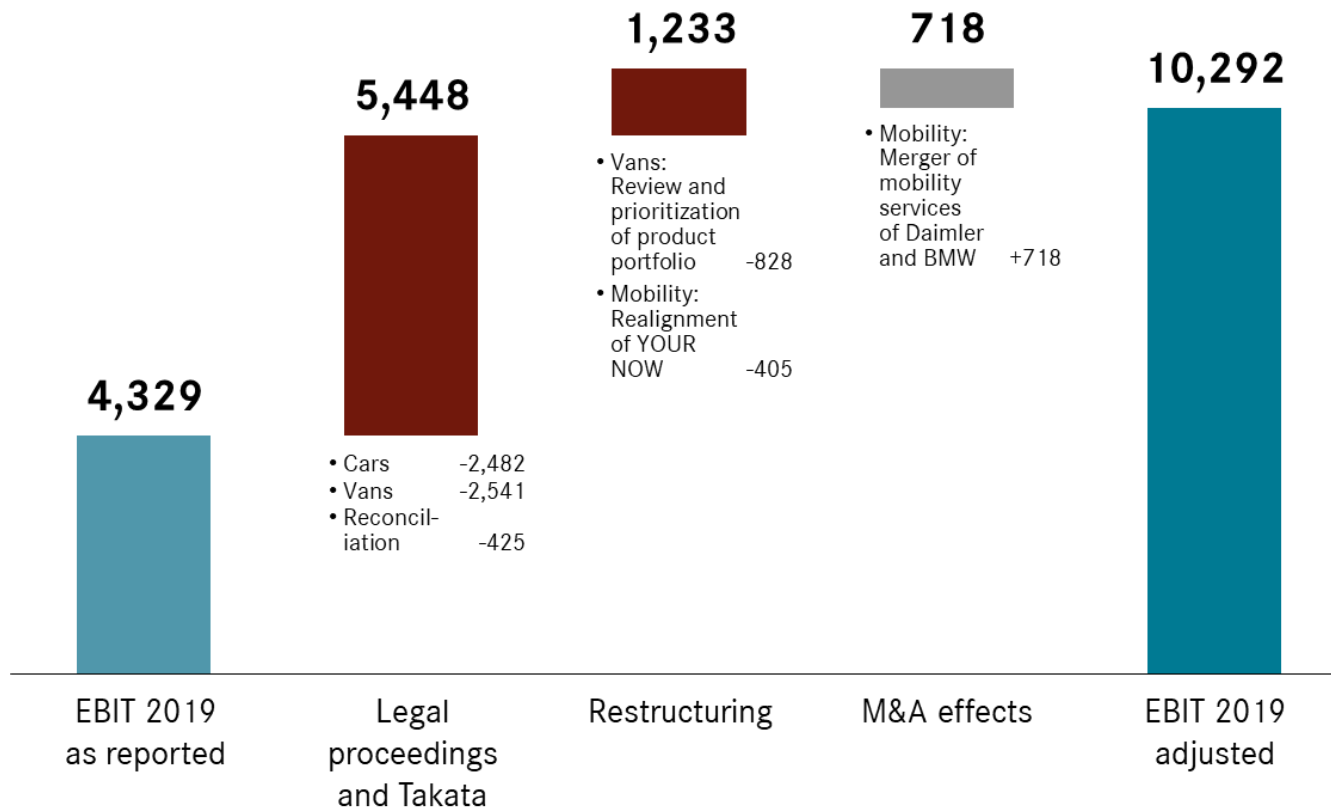
DAIMLER 2019 GROUP EBIT

in million euros



DAIMLER 2019 ADJUSTMENTS IN GROUP EBIT

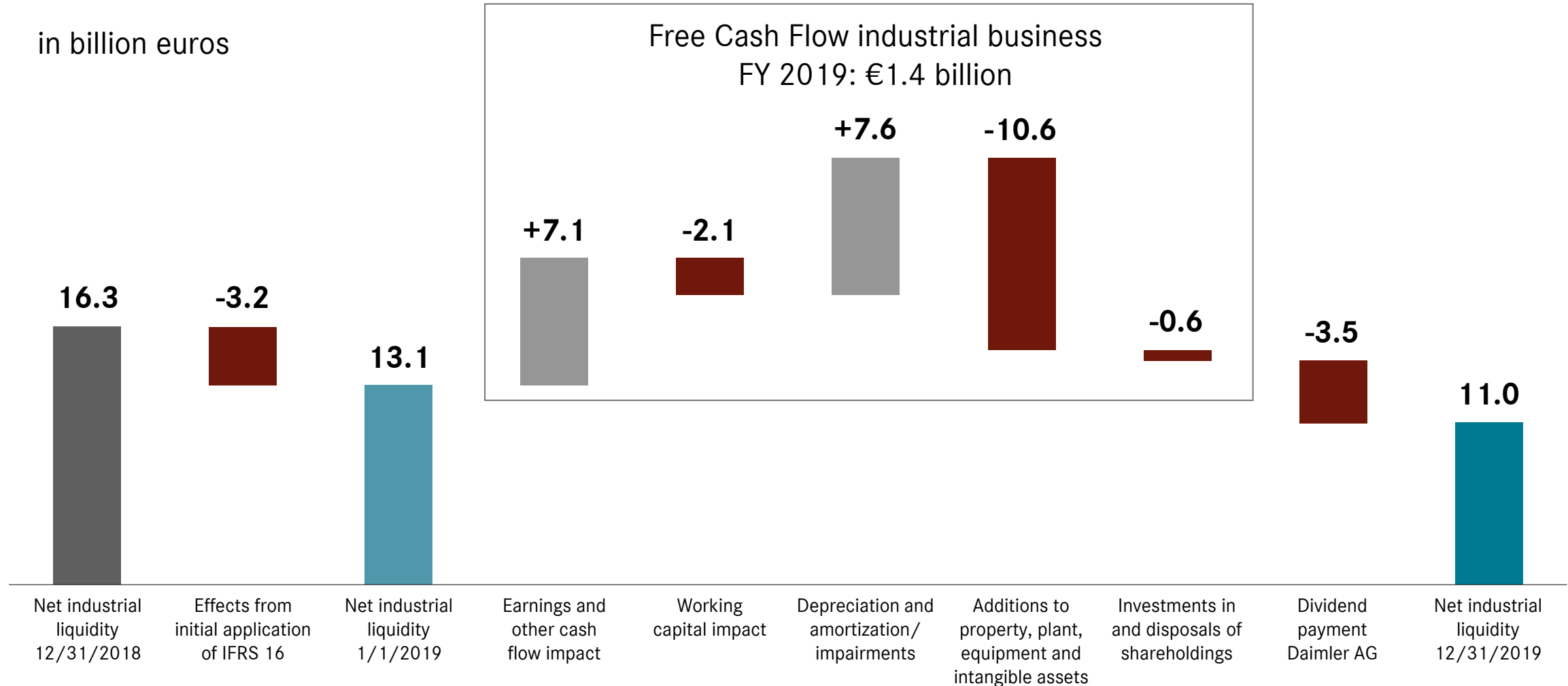
in million euros



DAIMLER 2019

NET INDUSTRIAL LIQUIDITY

in billion euros



DAIMLER 2019 DIVIDEND

NET PROFIT

in billion euros



EARNINGS PER SHARE

in euros



DIVIDEND

proposed in euros



II. Outlook 2020





2020 OUTLOOK DIVISIONS

Key assumptions

FX headwinds; no additional tariffs, no impact from Brexit; moderate GDP growth; no major political and economic crisis; No major Corona virus impact, stable penetration rate, interest rate & regulatory environment; sales in line with luxury segment; significant truck market slowdown US/EMEA

Sales

Cars	Slight decrease
Vans	Slight decrease
Trucks	Slight decrease
Buses	Slight increase

Return on Sales (adjusted*)

Mercedes-Benz Cars & Vans	4 to 5%
Daimler Trucks & Buses	5%
Daimler Mobility (RoE)	12%

Cash Conversion Rate** (adjusted)

Cars & Vans	0.7 to 0.9x
Trucks & Buses	0.8 to 1.0x

* The adjustments include material adjustments if they lead to significant effects in a reporting period. These material adjustments relate in particular to legal proceedings and related measures, restructuring measures and M&A matters.

** Adjusted Cash Flow before Interest and Taxes (CFBIT) divided by adjusted EBIT.



2020 OUTLOOK GROUP

Daimler Group EBIT	Significant increase
Free Cash Flow (industrial business)	Significant increase*
Investment in PP&E and R&D expenditure	At prior-year level

* excluding possible expenses relating to legal and governmental proceedings

III. 2020 Agenda

1. Business performance
2. Electrification
3. Digitalization
4. Leadership





1. BUSINESS PERFORMANCE

CASH & COST MEASURES

Total investment in 2020 capped at 2019 level

Aggressive material cost savings targets,
e.g. cumulative RoS effect of 3% at Cars by 2022;
2020 target on track

Streamline product portfolio,
e.g. end of production X-Class in May

Variable cost reduction, e.g. 250 million euros at MB
Trucks Europe by 2022; significant progress in 2020



1. BUSINESS PERFORMANCE PERSONNEL COST REDUCTION

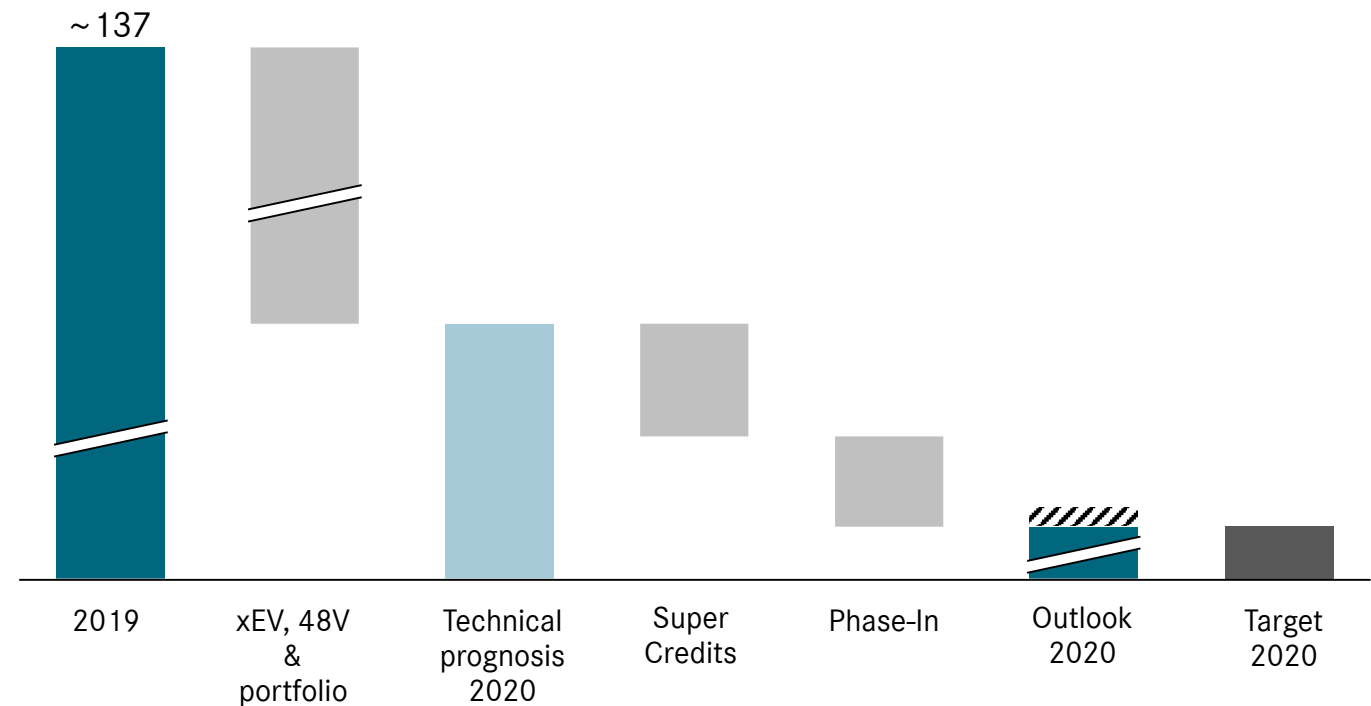
1.4 billion euros savings by 2022; headcount targets have been defined in each division; management positions to be reduced by 10%

Measures agreed upon with social partners: termination offers, early retirement offers, more appealing part-time, reduction of working hours

Additional measures: restrictive re-staffing for fluctuation, reduction of temporary work and 40-hour contracts

2. ELECTRIFICATION ROADMAP EU CO₂ COMPLIANCE

CO₂ g/km, M1 fleet (Cars & Vans), NEDC



Mercedes-Benz EQC 400 4MATIC: combined power consumption: 20.8 - 19.7 kWh/100 km; combined CO₂ emissions: 0 g/km

2. ELECTRIFICATION EXPANDING xEV PORTFOLIO



Ramp-up of EQC production to meet high demand; smart from now on EV only; market launch EQV this summer; world premiere EQA later this year.

More than 20 Plug-In hybrid variants by 2020; comprehensive roll-out of 48V technology

Ramping-up battery production on track: 9 factories in 7 locations on 3 continents

xEV share more than quadrupling in 2020 (2 to 9%); sales of 48V vehicles more than doubling



3. DIGITALIZATION WE MAKE OUR CLAIM IN THE DIGITAL REALM

Rollout of latest MBUX system across entire fleet. New S-Class will raise the bar also in connectivity

Thinking the car inside out:
Concept defined for software-driven architecture

Development of comprehensive operating system underway

Growing importance of software and electronics supporting scale at Daimler Trucks

4. LEADERSHIP DRIVING TRANSFORMATION



We continue to drive cultural change across Daimler with Leadership 20X

In line with new group structure we push empowerment, transparency & accountability

Stronger focus on performance culture also reflected in cash flow component in management compensation



VISION  AVTR

IV. Appendix



DAIMLER 2019

UNIT SALES BY DIVISION

in thousand units

	2018	2019	% change
Daimler Group	3,352.4	3,345.0	-0
of which			
Mercedes-Benz Cars	2,382.8	2,385.4	+0
Mercedes-Benz Vans	421.4	438.4	+4
Daimler Trucks	517.3	488.5	-6
Daimler Buses	30.9	32.6	+6

DAIMLER 2019

REVENUE BY DIVISION

in billion euros

	2018	2019	% change
Daimler Group	167.4	172.7	+3
of which			
Mercedes-Benz Cars	93.1	93.9	+1
Mercedes-Benz Vans	13.6	14.8	+9
Daimler Trucks	38.3	40.2	+5
Daimler Buses	4.5	4.7	+5
Daimler Mobility	26.3	28.6	+9

DAIMLER 2019

REVENUE BY REGION

in billion euros

	2018	2019	% change
Daimler Group	167.4	172.7	+3
of which			
Europe	68.5	69.5	+2
<i>of which Germany</i>	24.8	26.3	+6
NAFTA	48.0	52.2	+9
<i>of which United States</i>	41.2	45.4	+10
Asia	40.6	40.7	+0
<i>of which China*</i>	19.8	19.0	-4
Other markets	10.3	10.4	+1

* excluding revenue of not fully consolidated companies

DAIMLER 2019

EBIT BY DIVISION

EBIT in million euros; RoS/RoE in %

	2018		2019	
	EBIT	RoS/RoE*	EBIT	RoS/RoE*
Daimler Group	11,132	6.9	4,329	1.5
of which				
Mercedes-Benz Cars	7,216	7.8	3,359	3.6
Mercedes-Benz Vans	312	2.3	-3,085	-20.8
Daimler Trucks	2,753	7.2	2,463	6.1
Daimler Buses	265	5.9	283	6.0
Daimler Mobility	1,384	11.1	2,140	15.3
Reconciliation	-798	-	-831	-

* Return on sales for automotive business, return on equity for Daimler Mobility; Daimler Group excluding Daimler Mobility

DAIMLER 2019

EBIT BY DIVISION

EBIT in million euros; RoS/RoE in %

	Q4 2018		Q4 2019	
	EBIT	RoS/RoE*	EBIT	RoS/RoE*
Daimler Group	2,669	5.8	388	0.8
of which				
Mercedes-Benz Cars	1,883	7.3	1,310	4.9
Mercedes-Benz Vans	81	2.0	-1,050	-24.5
Daimler Trucks	710	6.8	382	3.9
Daimler Buses	132	8.6	119	8.2
Daimler Mobility	378	12.0	87	2.4
Reconciliation	-515	-	-460	-

* Return on sales for automotive business, return on equity for Daimler Mobility; Daimler Group excluding Daimler Mobility

DAIMLER 2019

RECONCILIATION OF EBIT REPORTED TO EBIT ADJUSTED

in million euros

	Mercedes-Benz Cars	Mercedes-Benz Vans	Daimler Trucks	Daimler Buses	Daimler Mobility	Reconciliation	Daimler Group
EBIT as reported 2019	3,359	-3,085	2,463	283	2,140	-831	4,329
Legal proceedings and related measures, as well as Takata	2,482	2,541	-	-	-	425	5,448
Restructuring measures	-	828	-	-	405	-	1,233
M&A transactions	-	-	-	-	-718	-	-718
EBIT adjusted 2019	5,841	284	2,463	283	1,827	-406	10,292

DAIMLER 2019

KEY BALANCE SHEET AND FINANCIAL FIGURES

in billion euros

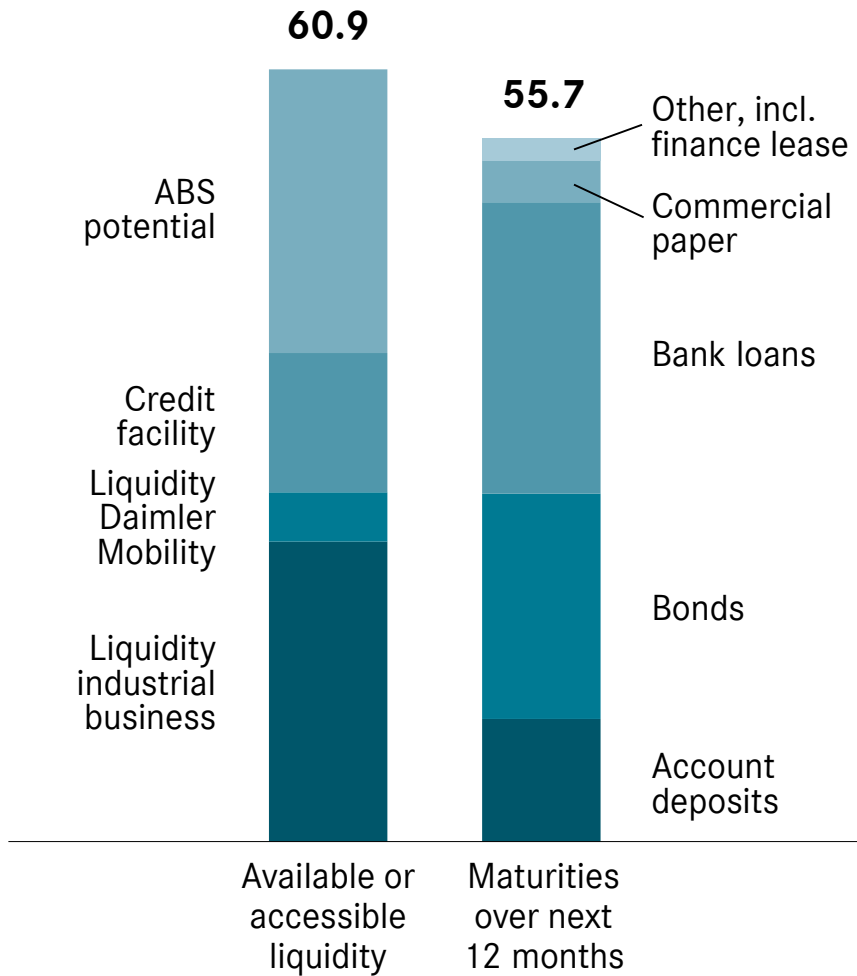
Daimler Group	Dec. 31, 2018	Dec. 31, 2019
Equity ratio	22.2%	20.5%
Gross liquidity	25.4	27.5
Funded status of pension obligations	-6.2	-8.4
<i>Funding ratio</i>	80%	77%*
Industrial business		
Equity ratio	42.8%	36.7%
Net liquidity	16.3	11.0
Free cash flow (January-December)	2.9	1.4

* mainly driven by a reduction of discount rates

DAIMLER 2019

FINANCIAL FLEXIBILITY OVER A 12-MONTH PERIOD

in billion euros



The financial flexibility provides support to mitigate risk and volatility through a balanced mix of funding instruments and clear principles

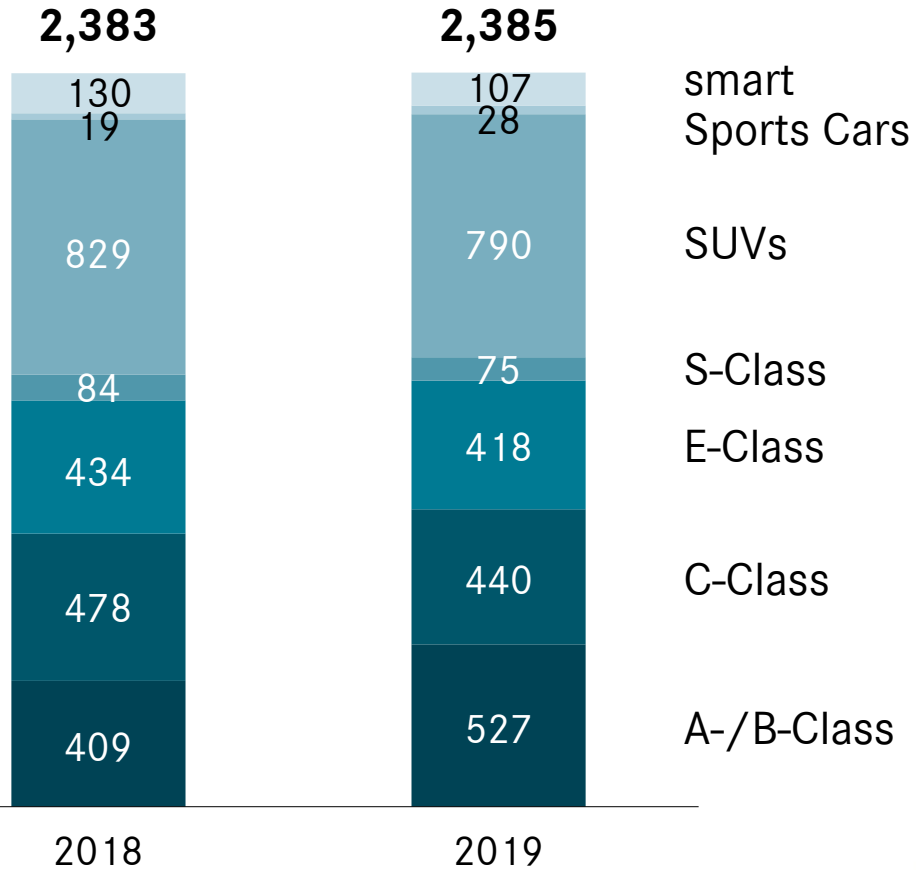
Daimler follows a financial management to safeguard our A-rating and thus our attractive refinancing conditions

A high financial flexibility is a key support to our A-Rating

The current liquidity position reflects the volatile market environment, the currently required high investments for our future business model and the required financial flexibility for our business

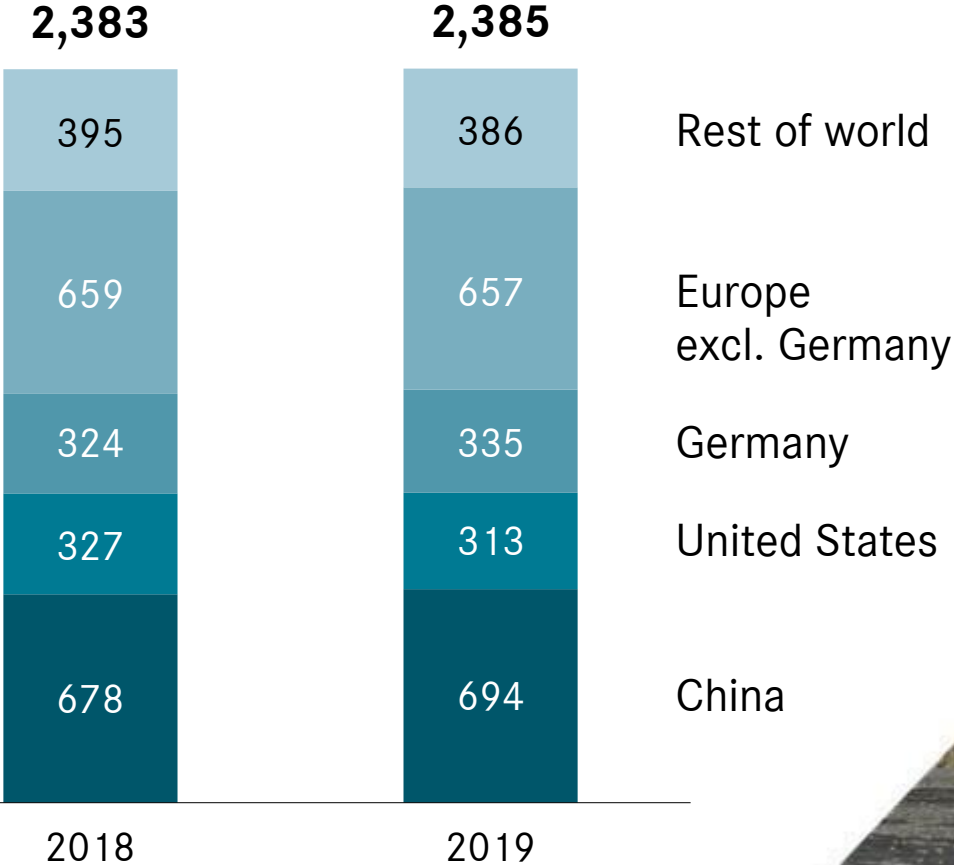
MERCEDES-BENZ CARS UNIT SALES BY SEGMENTS

in thousand units



MERCEDES-BENZ CARS UNIT SALES BY REGIONS

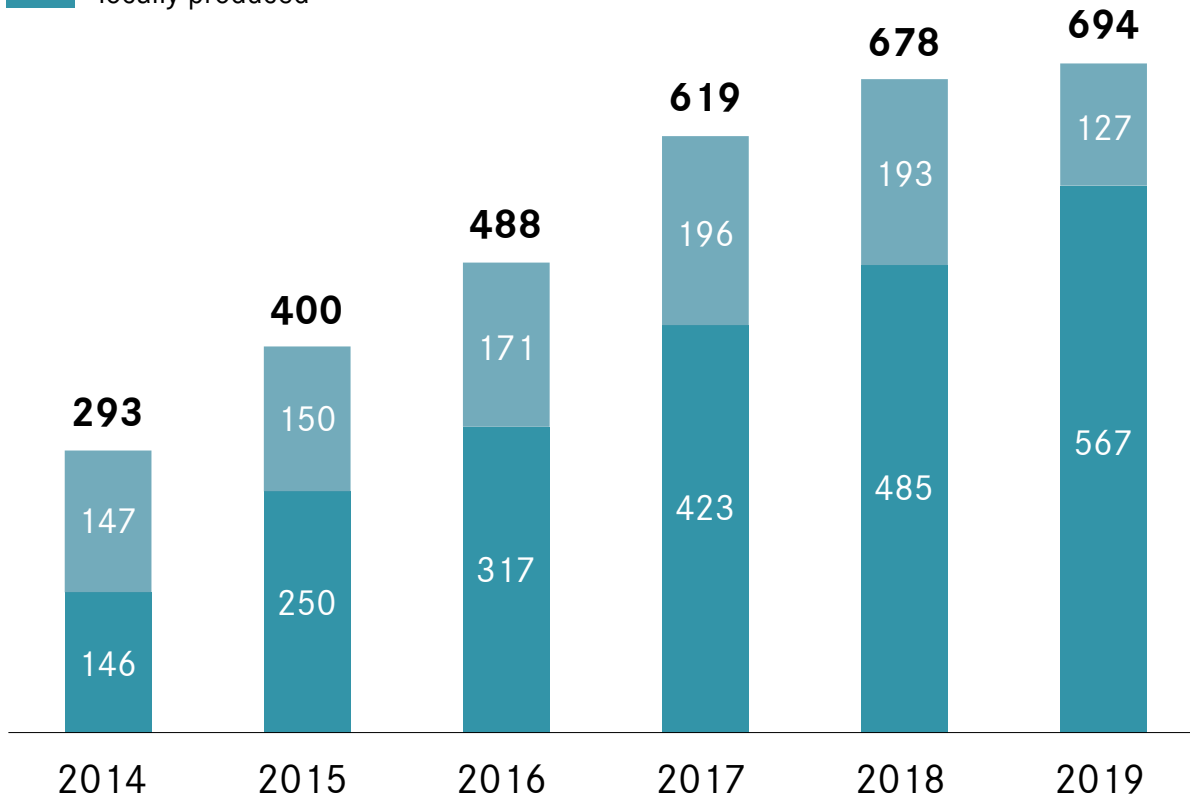
in thousand units



MERCEDES-BENZ CARS UNIT SALES IN CHINA

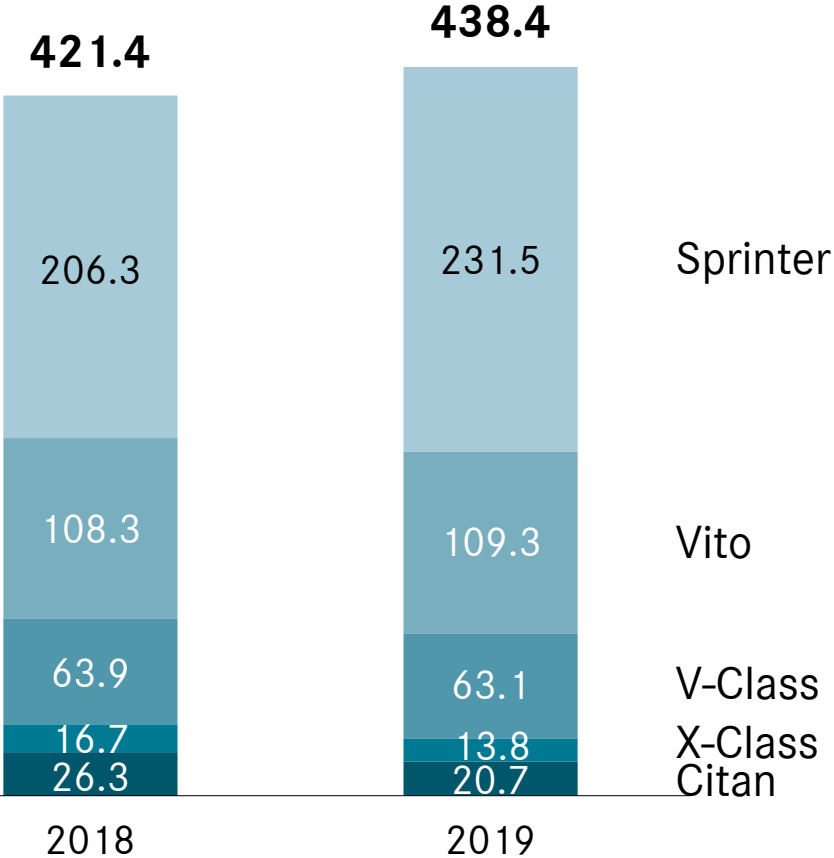
in thousand units

imported
locally produced



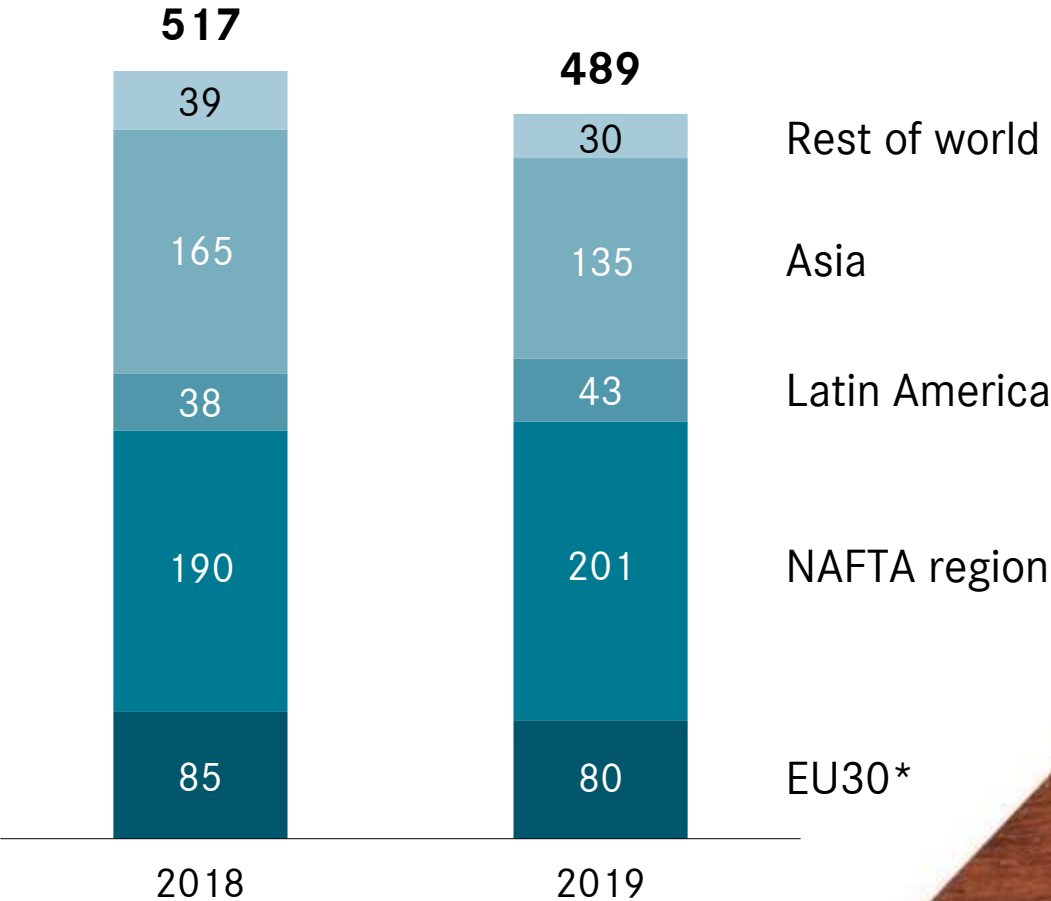
MERCEDES-BENZ VANS UNIT SALES BY SEGMENTS

in thousand units



DAIMLER TRUCKS UNIT SALES BY REGIONS

in thousand units

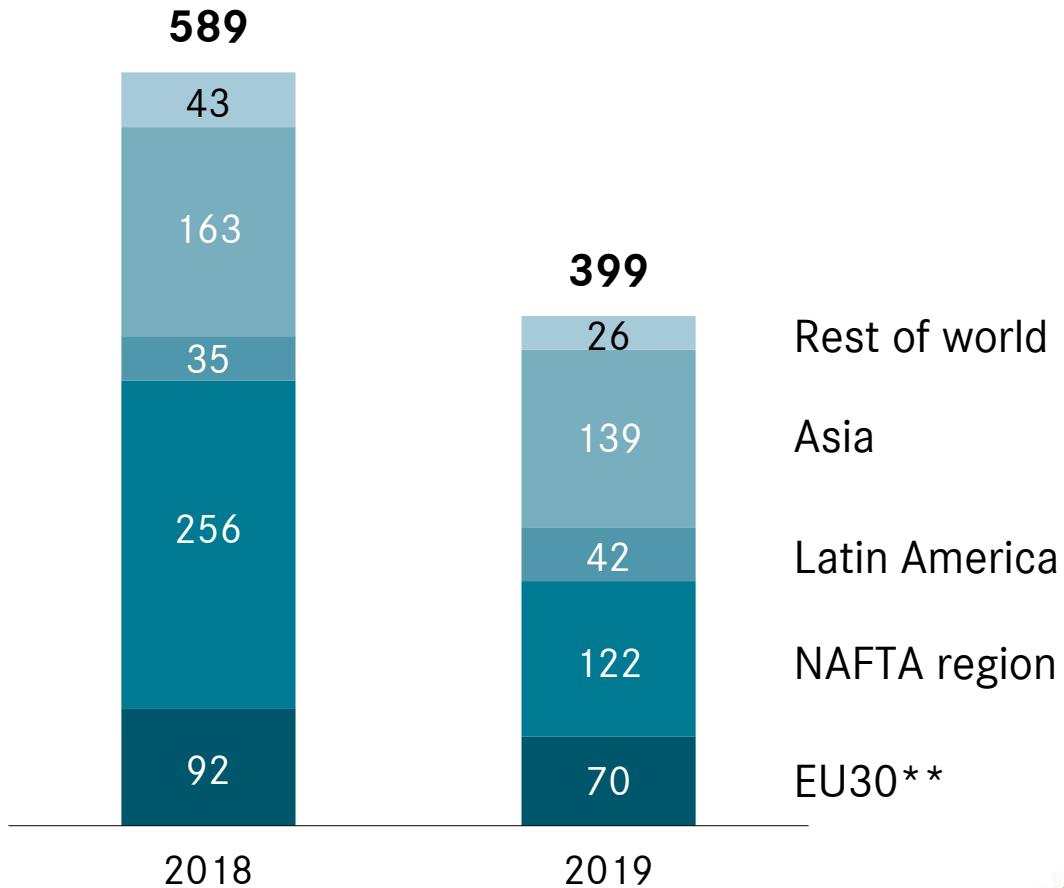


* European Union, Switzerland and Norway



DAIMLER TRUCKS INCOMING ORDERS*

in thousand units

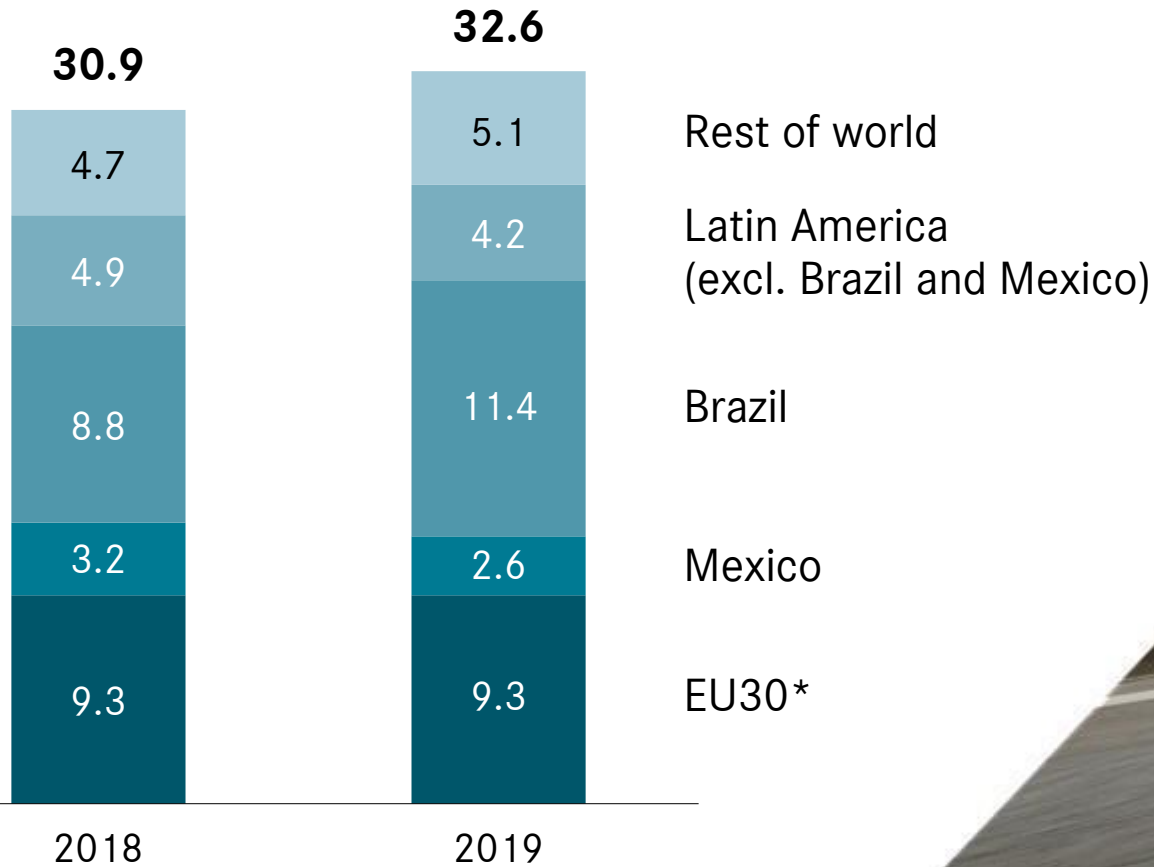


* net order intake, adjusted for cancellations ** European Union, Switzerland and Norway



DAIMLER BUSES UNIT SALES BY REGIONS

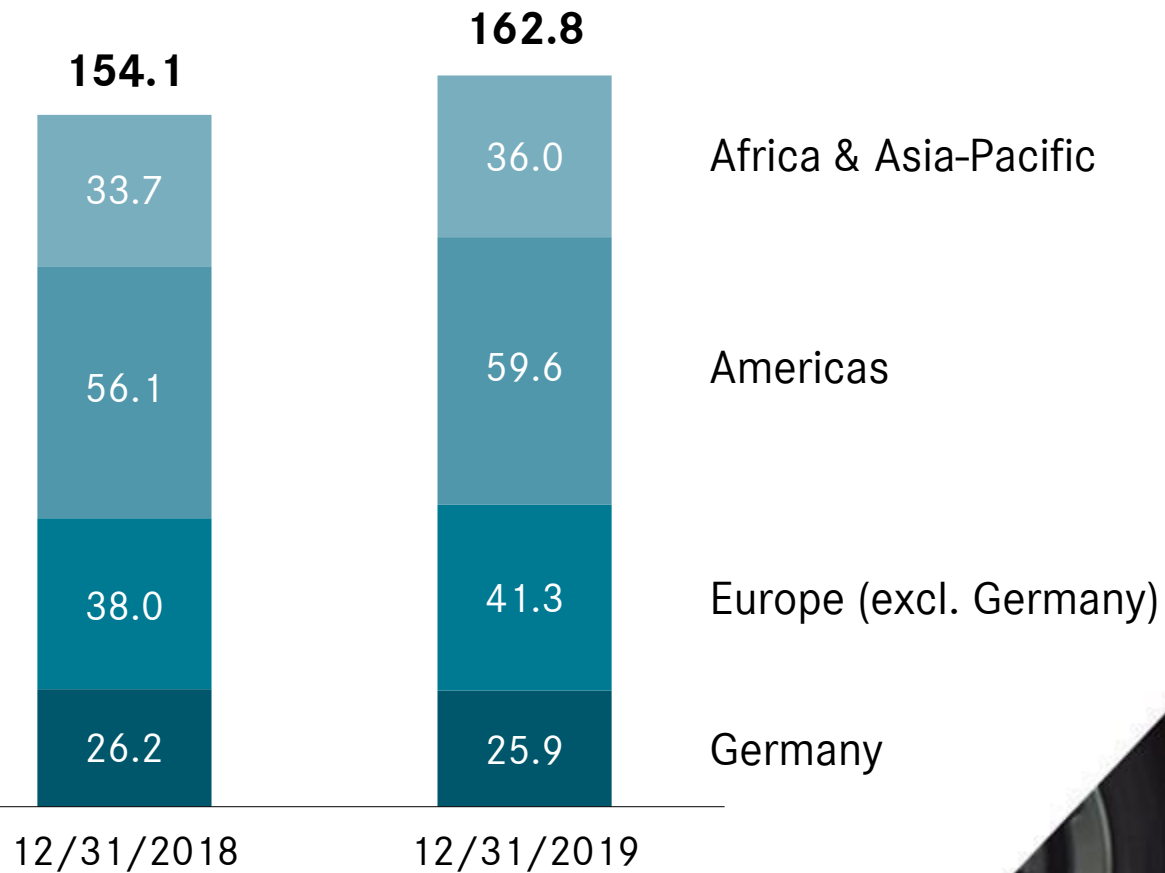
in thousand units



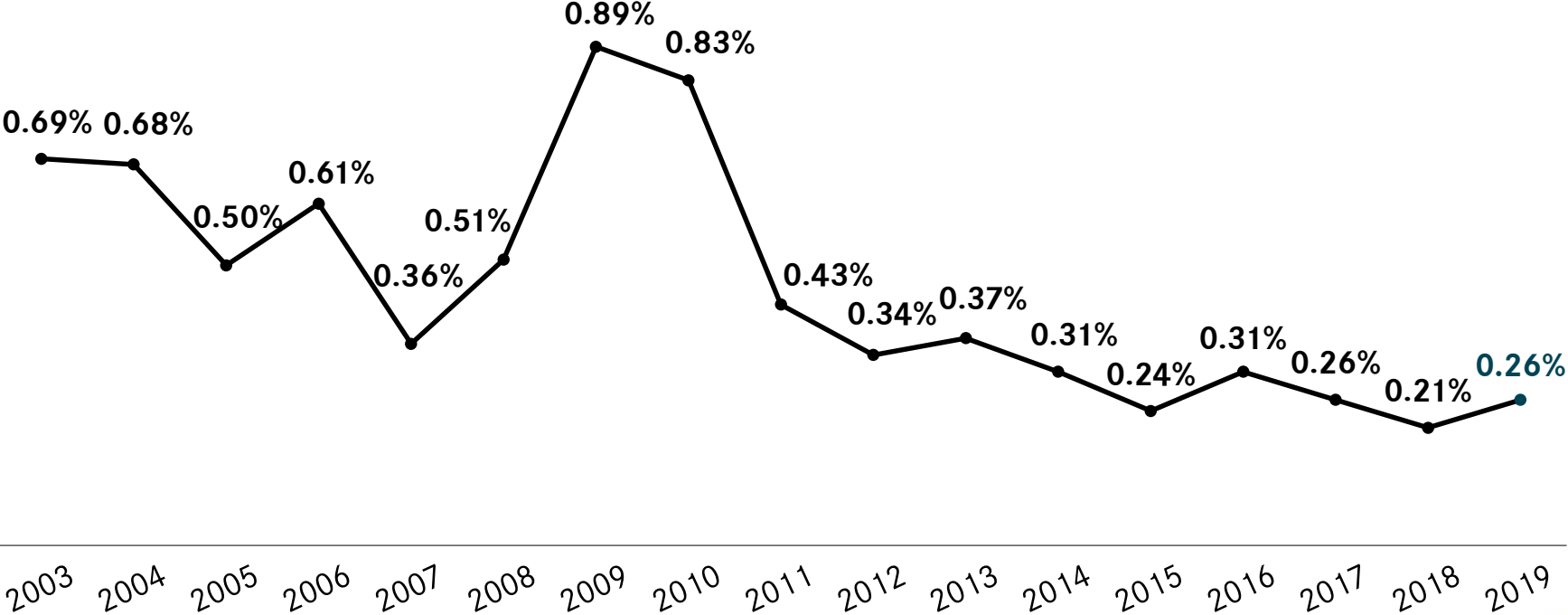
* European Union, Switzerland and Norway

DAIMLER MOBILITY CONTRACT VOLUME

in billion euros



DAIMLER MOBILITY NET CREDIT LOSSES*



* as a percentage of portfolio, subject to credit risk

DAIMLER MOBILITY YOUR NOW JOINT VENTURES

YOURNOW ✓

	12/2019 YTD	1. FREE NOW & REACH NOW		2. SHARE NOW	3. PARK NOW & CHARGE NOW	
Interactions in millions	588	286	33.5	34.4	234*	0.30
Customers** in millions	>90	41.4	7.5	>4	37.9*	0.04
Cities**	>1,300	151	20	27	>1,300*	n/a
GMV RR*** in bn €	3.8					

* For U.S. entity of PARK NOW, December 2019 figure preliminary ** Partially, data summation w/o consideration of possible redundancies *** Gross merchandise value run rate based on figures of December 2019

2020 OUTLOOK

ASSUMPTIONS FOR AUTOMOTIVE MARKETS

CAR MARKETS	Global	around the prior-year level
	Europe	around the prior-year level
	USA	slight decrease
	China	around the prior-year level
VAN MARKETS	EU30	around the prior-year level
	USA	slight growth
HEAVY-DUTY TRUCK MARKETS	NAFTA region	significant decrease
	EU30	significant decrease
	Japan	significant decrease
	Brazil	around the prior-year level
BUS MARKETS	EU30	slight decrease
	Brazil	slight decrease

2020 OUTLOOK

UNIT SALES

Mercedes-Benz Cars



SLIGHTLY LOWER UNIT SALES

More than half a dozen new and upgraded vehicles
Continuation of the electric mobility offensive

Mercedes-Benz Vans



SLIGHTLY LOWER UNIT SALES

Daimler Trucks



SLIGHTLY LOWER UNIT SALES

Normalization of major truck markets

Daimler Buses



SLIGHTLY HIGHER UNIT SALES

Maintain leadership in most important core markets

2020 OUTLOOK

REVENUE

DAIMLER

REVENUE AT THE PRIOR-YEAR LEVEL

**Mercedes-Benz
Cars & Vans**

REVENUE AT THE PRIOR-YEAR LEVEL



**Daimler
Trucks & Buses**

SIGNIFICANT DECREASE IN REVENUE



Daimler Mobility

REVENUE AT THE PRIOR-YEAR LEVEL



2020 OUTLOOK

GROUP EBIT AND DIVISIONAL ROS/ROE

DAIMLER

WE EXPECT GROUP EBIT FOR FY 2020 TO BE SIGNIFICANTLY ABOVE THE PRIOR-YEAR LEVEL

Mercedes-Benz Cars & Vans



RETURN ON SALES ADJUSTED: 4 TO 5%

Daimler Trucks & Buses



RETURN ON SALES ADJUSTED: 5%

Daimler Mobility



RETURN ON EQUITY ADJUSTED: 12%

2020 OUTLOOK

CAPITAL ALLOCATION

INVESTMENT IN PP&E AND R&D EXPENDITURE	Daimler Group	At the prior-year level
FREE CASH FLOW	Industrial business	Significantly above prior-year level*
CASH CONVERSION RATE ADJUSTED	Cars & Vans	0.7x to 0.9x
	Trucks & Buses	0.8x to 1.0x

* excluding possible expenses relating to legal and governmental proceedings

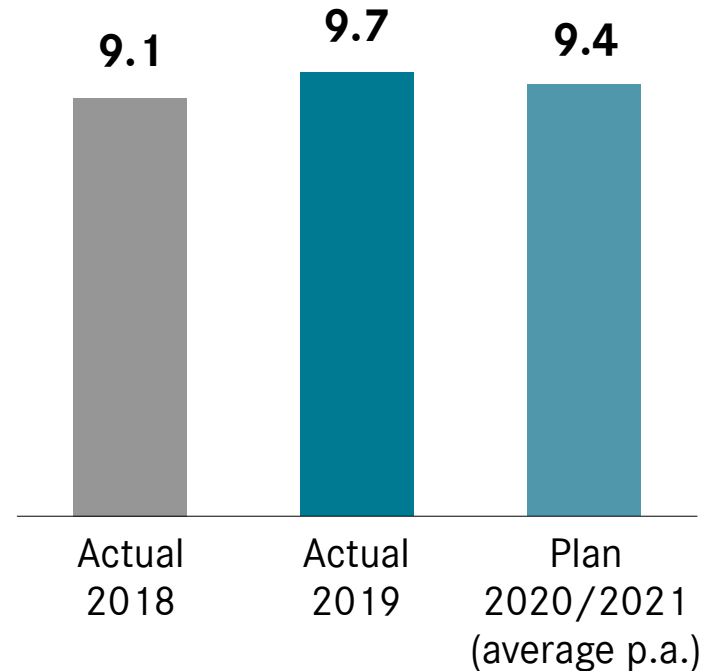
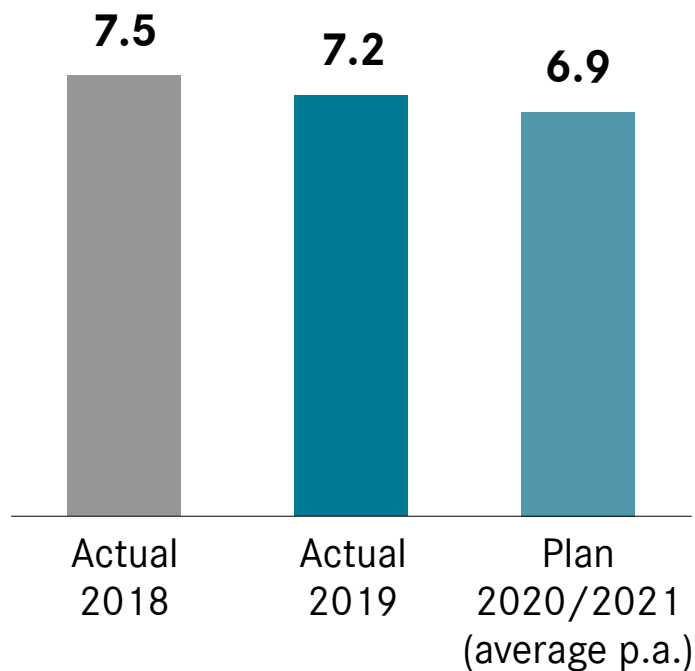
DAIMLER 2019

CAPITAL EXPENDITURE / RESEARCH AND DEVELOPMENT

in billion euros

Investment in property, plant and equipment

Research and development expenditure



DAIMLER 2019

CAPITAL EXPENDITURE / RESEARCH AND DEVELOPMENT

in billion euros

	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2018	Actual 2019	Plan* 2020-2021	Actual 2018	Actual 2019	Plan* 2020-2021
Daimler Group	7.5	7.2	6.9	9.1	9.7	9.4
of which						
Mercedes-Benz Cars & Vans	6.2	5.9	5.7	7.6	8.1	7.7
Daimler Trucks & Buses	1.2	1.1	1.1	1.5	1.7	1.7
Daimler Mobility	0.06	0.09	0.07	–	–	–

* average p.a.

DAIMLER 2019

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, pandemics, 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 and tariff regulations; 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.