

# DAIMLER

## Q1 2019 Results

Bodo Uebber

Member of the Board of Management

Finance & Controlling and Daimler Financial Services

April 26, 2019

# Contents

**Results for Q1 2019**

Outlook for 2019

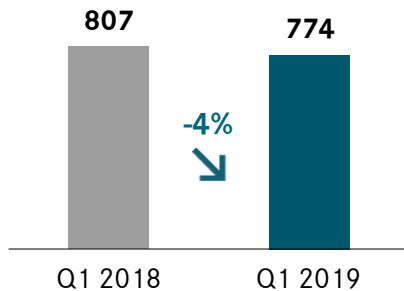
Development at the divisions



# Highlights of Q1 2019

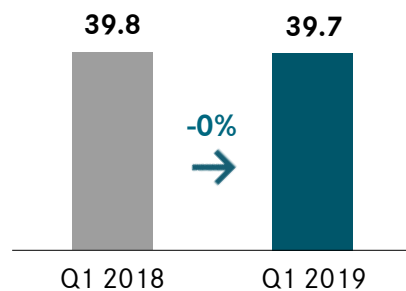
## Unit sales

in thousands of units



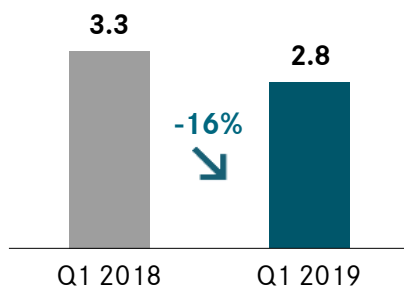
## Revenue

in billions of euros



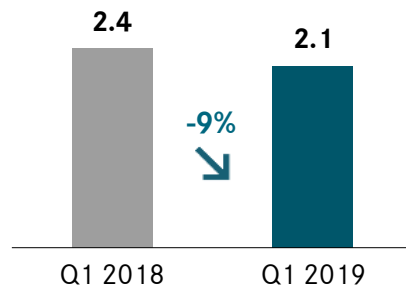
## EBIT

in billions of euros



## Net profit

in billions of euros



---

World premiere of the new CLA Coupe and CLA Shooting Brake

---

---

Presentation of the upgraded GLC and GLC Coupe

---

---

World premiere of the Vision URBANETIC and the Concept EQV as response to mobility questions of the future

---

---

Daimler and Geely Holding form global joint venture to develop smart

---

---

Daimler Trucks and Torc Robotics create technology powerhouse for automated trucks

---

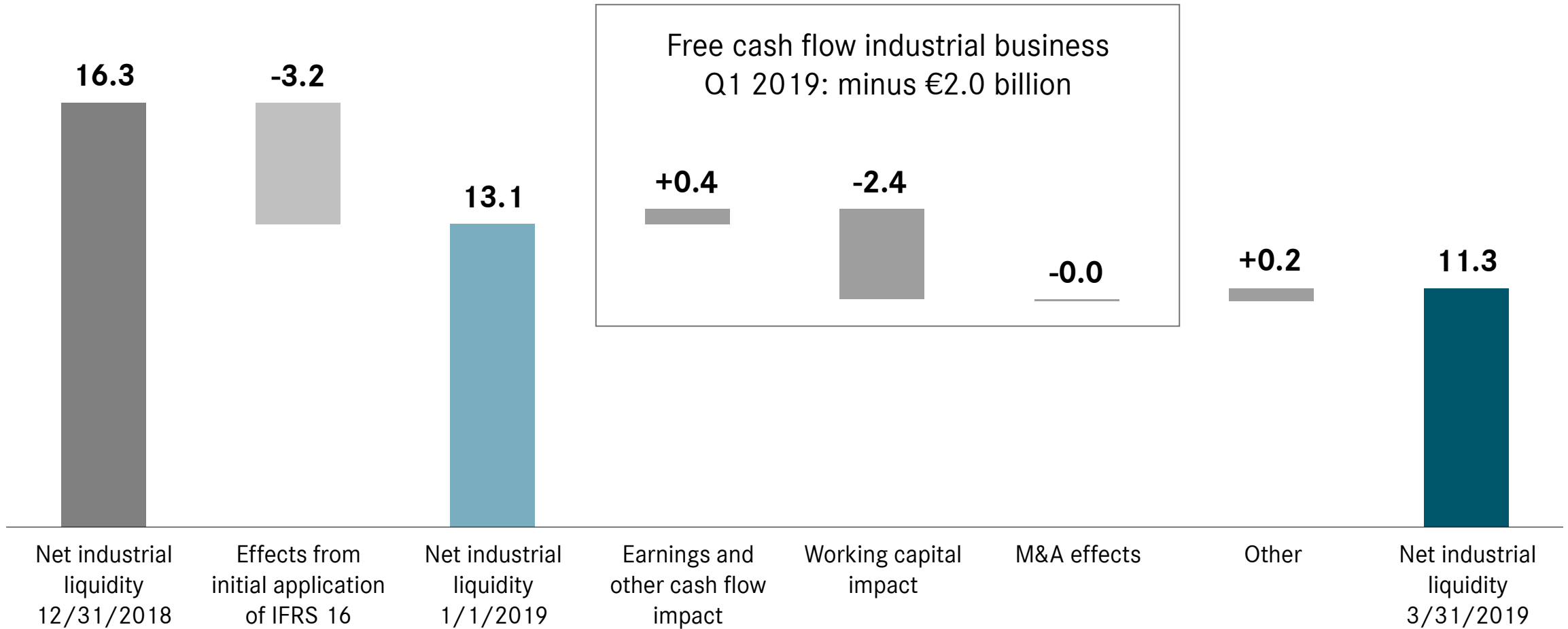
---

Daimler AG and BMW Group are pooling their mobility services to create a new global player in the field of urban mobility

---

# High level of net liquidity

in billions of euros



# Net liquidity impacted by initial application of IFRS 16 and higher working capital

---

Impact of €3.2 billion due to initial application of IFRS 16 for lessee accounting: Recognition of right-of-use assets and lease liabilities leads to a one-time increase of financing liabilities stated in the balance sheet

---

Working capital increase of €2.4 billion impacted free cash flow of the industrial business

---

Higher working capital is mainly caused by increases in the level of finished and unfinished goods at all automotive divisions, resulting primarily from model changeovers, production ramp-up and delivery delays as well as market developments

---

# Key balance sheet and financial figures

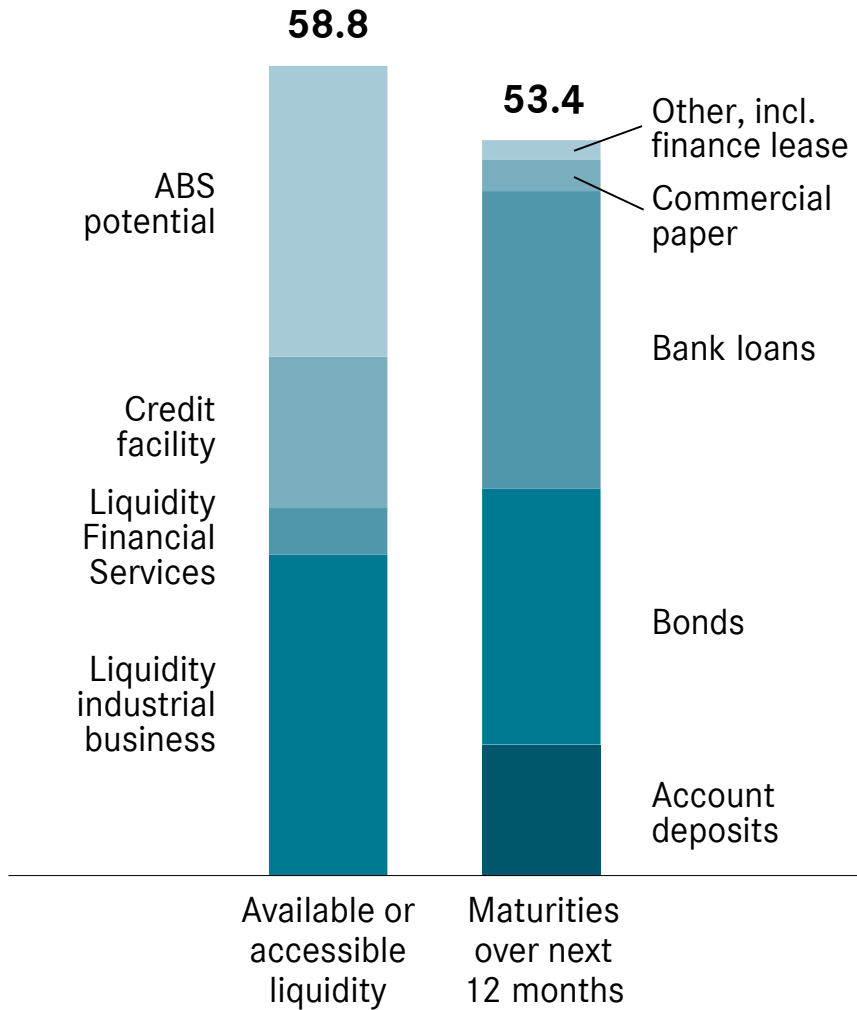
in billions of euros

<b>Daimler Group</b>	Dec. 31, 2018	March 31, 2019
Equity ratio	22.2%	<b>21.6%</b>
Gross liquidity	25.4	<b>26.7</b>
Funded status of pension obligations	-6.2	<b>-6.9</b>
<i>Funding ratio</i>	<i>80%</i>	<b>79%*</b>
<b>Industrial business</b>		
Equity ratio	42.8%	<b>39.2%</b>
Net liquidity	16.3	<b>11.3</b>
Free cash flow (January-March)	1.8	<b>-2.0</b>

\* mainly driven by a reduction of discount rates

# Financial flexibility over a 12-month period

in billions of 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

---

Available or short-term accessible liquidity is higher than the total maturities over the next 12 months

---

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

# Unit sales by division

in thousands of units

	Q1 2018	Q1 2019	% change
<b>Daimler Group</b>	806.9	<b>773.8</b>	-4
of which			
Mercedes-Benz Cars	594.3	<b>555.3</b>	-7
Daimler Trucks	113.8	<b>115.9</b>	+2
Mercedes-Benz Vans	93.0	<b>97.0</b>	+4
Daimler Buses	5.7	<b>5.5</b>	-4



# Revenue by division

in billions of euros

	Q1 2018	Q1 2019	% change
<b>Daimler Group</b>	39.8	<b>39.7</b>	-0
of which			
Mercedes-Benz Cars	23.0	<b>21.2</b>	-8
Daimler Trucks	8.6	<b>9.5</b>	+11
Mercedes-Benz Vans	3.1	<b>3.4</b>	+9
Daimler Buses	0.9	<b>0.8</b>	-8
Daimler Financial Services	6.3	<b>6.9</b>	+10

# Revenue by region

in billions of euros

	Q1 2018	Q1 2019	% change
<b>Daimler Group</b>	39.8	<b>39.7</b>	-0
of which			
Europe	16.4	<b>16.6</b>	+1
<i>of which Germany</i>	6.0	<b>6.4</b>	+7
NAFTA	10.6	<b>11.6</b>	+9
<i>of which United States</i>	9.1	<b>10.1</b>	+12
Asia	10.3	<b>9.0</b>	-13
<i>of which China*</i>	5.2	<b>4.4</b>	-15
Other markets	2.4	<b>2.5</b>	+4

\* excluding revenue of not fully consolidated companies

# EBIT by division

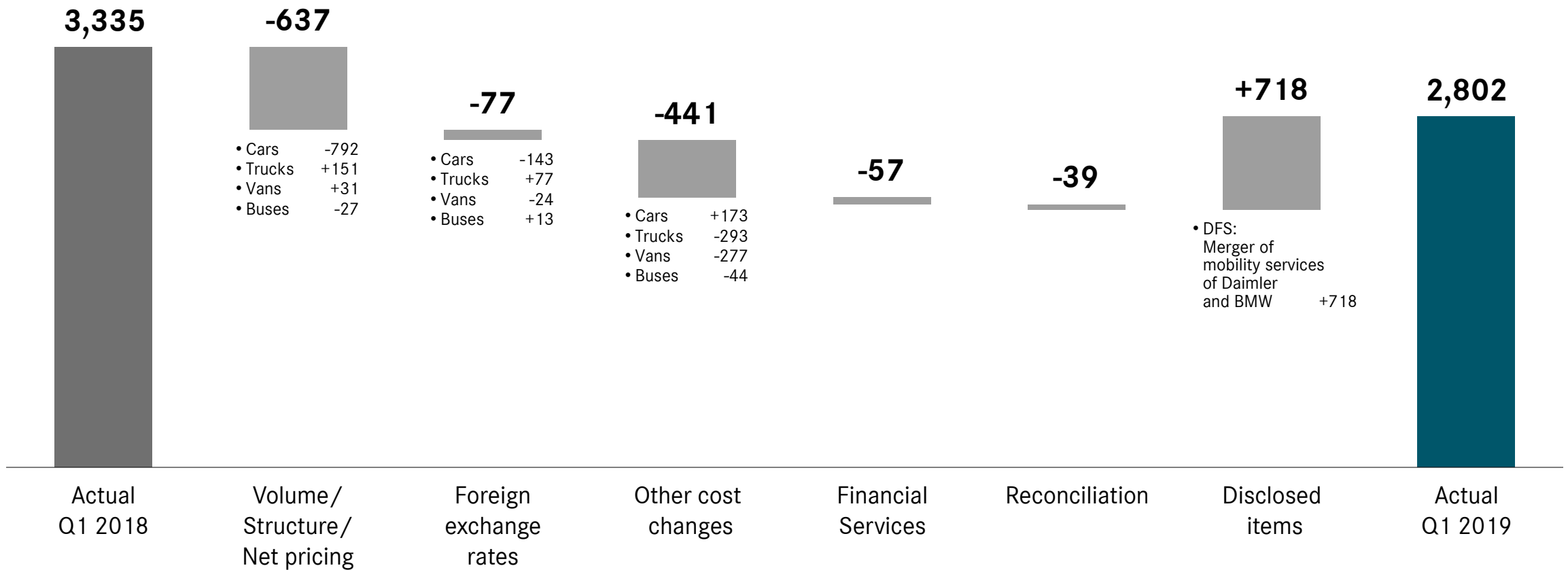
EBIT in millions of euros; RoS/RoE in %

	Q1 2018		Q1 2019	
	EBIT	RoS/RoE*	EBIT	RoS/RoE*
<b>Daimler Group</b>	3,335	8.3	<b>2,802</b>	<b>4.9</b>
of which				
Mercedes-Benz Cars	2,060	9.0	<b>1,298</b>	<b>6.1</b>
Daimler Trucks	647	7.5	<b>582</b>	<b>6.1</b>
Mercedes-Benz Vans	172	5.6	<b>-98</b>	<b>-2.9</b>
Daimler Buses	37	4.4	<b>-21</b>	<b>-2.7</b>
Daimler Financial Services	548	17.9	<b>1,209</b>	<b>35.7</b>
Reconciliation	-129	-	<b>-168</b>	<b>-</b>

\* Return on sales for automotive business, return on equity for Daimler Financial Services; Daimler Group excluding Daimler Financial Services

# Group EBIT in Q1 2019

in millions of euros



# Mercedes-Benz Cars: product highlights

World premiere of the new CLA Coupe and CLA Shooting Brake





# Mercedes-Benz Cars: product highlights

Market launch of the new B-Class





# Mercedes-Benz Cars: product highlights

Presentation of the next generation of the GLC SUV and GLC Coupe





# Mercedes-Benz Cars: product highlights

Shortly before its market launch, the fully-electric EQC\* is undergoing final tests



\* Combined electricity consumption: 20.8 to 19.7 kWh/100 km; combined CO<sub>2</sub> emissions: 0 g/km.

Electricity consumption and range were determined on the basis of Regulation 692/2008/EC. Power consumption and range are dependent on the vehicle configuration (, in particular on the selection of the maximum speed limit).



# Daimler Trucks: product highlights

Daimler Trucks and Torc Robotics join forces to bring highly automated trucks on roads





# Daimler Trucks: product highlights

Delivery of the first FUSO eCanter to Penske Truck Leasing for urban delivery





# Mercedes-Benz Vans: product highlights

Presentation of the upgraded V-Class at the Geneva International Motor Show





# Mercedes-Benz Vans: product highlights

World premiere of the Concept EQV, the first purely battery-electric people mover in the premium segment





# Mercedes-Benz Vans: product highlights

Presentation of the Vision URBANETIC at the CES in Las Vegas



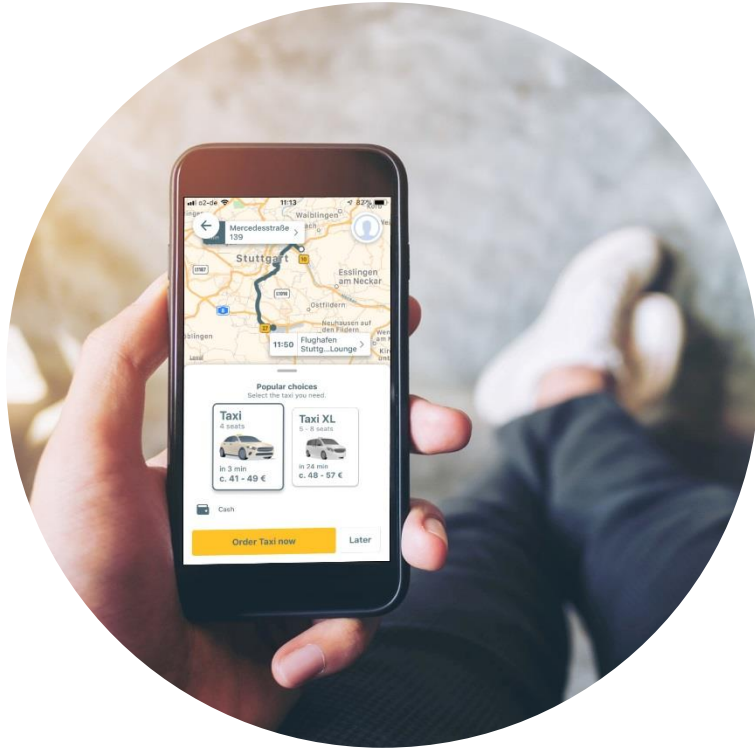


# Daimler Buses: product highlights

Presentation of the Setra TopClass S 531 DT double-decker and the Mercedes-Benz Safety Coach Turismo at the Bus2Bus show in Berlin



# Daimler Financial Services: creating one of the leading providers of urban mobility



31 million

Daimler mobility service customers  
at the end of 2018



Mobility joint ventures with BMW

including ride hailing, car sharing, parking,  
on-demand multimodal mobility and charging



# YOUR NOW Joint Ventures

## The Mobility Powerhouse

Q1 2019

SHARENOW ✓

FREENOW ✓

REACHNOW ✓

PARKNOW ✓

CHARGENOW ✓

CAR 2GO

Xmytaxi  
hive  
clever

kapten  
BEAT

moovel  
ReachNow

Park-line  
ParkNow RingGo  
ParkMobile

DIGITAL CHARGING SOLUTIONS

DriveNow

Interactions in millions	124.2	9.2	53.2	7.7	54.1*	0.06
Customers** in millions	>66	>4	24.4	6.7	30.9*	0.02
Cities**	>1,200	30	>110	20	>1,200*	n/a
GMV RR*** in bn €	3.2*					



\* For U.S. entity of PARK, March 2019 figure estimated \*\* Partially, data summation w/o consideration of possible redundancies \*\*\* Gross merchandise value run rate based on figures of previous month



# Daimler Mobility Services: developments in Q1 2019

## Cooperation Management



## Autonomous Services



## Daimler Payment Solutions



## Urban Mobility Concepts



## Portfolio Management



## Digital Mobility Solutions



- » **Mpay** integration platform has just been launched for the remaining 13 of total 32 markets worldwide of the Mercedes me connect Store.
- » An **Urban Mobility Team** has been formed at DMS in order to create a comprehensive mobility ecosystem.
- » **Geely** and DMS will form a premium ride-hailing **joint venture** in China. The 50:50 JV will be headquartered in Hangzhou. The JV will provide ride-hailing mobility services in several Chinese cities using premium vehicles including but not limited to Mercedes-Benz vehicles.
- » The minority investment **Careem** will become a wholly-owned subsidiary of UBER. The Transaction is expected to close in 2020.

# Contents

Results for Q1 2019

**Outlook for 2019**

Development at the divisions



# Mercedes-Benz Cars and Vans: continued product offensive

2019



**B-Class**



**CLA 4-door Coupe**



**CLA Shooting Brake**



**smart  
(upgraded)**



**GLE**



**GLC & GLC Coupe  
(upgraded)**



**EQC**



**GLS**



**GLB**



**eVito**



**V-Class  
(upgraded)**



**eSprinter**

# Assumptions for automotive markets in 2019

Car markets	Global	around the prior-year level
	Europe	around the prior-year level
	USA	slight decrease
	China	slight decrease
Medium- and heavy-duty truck markets	NAFTA region	around the prior-year level
	EU30	around the prior-year level
	Japan*	around the prior-year level
	Brazil	significant growth
	Indonesia*	stable development
Van markets	EU30	slight growth in the midsize and large segment
	USA	around the prior-year level
Bus markets	EU30	slight growth
	Brazil	slight growth

\* including light-duty trucks

# 2019 sales outlook



Mercedes-Benz Cars

## **Slightly higher unit sales**

Success based on attractive and innovative model portfolio  
Strong momentum from a dozen new and upgraded vehicles



Daimler Trucks

## **Slightly higher unit sales**

Slight growth in NAFTA and EU30 region, increases in Brazil and India  
Unit sales around the prior-year level in Japan, decreases in Turkey and Indonesia



Mercedes-Benz Vans

## **Slightly higher unit sales**

Growth in the United States and in EU30 region  
Additional momentum from the new Sprinter



Daimler Buses

## **Significantly higher unit sales**

Slight growth in EU30 region, significant growth in India  
Unit sales around the prior-year level in Latin America

# 2019 outlook for Group EBIT and divisional RoS/RoE

## DAIMLER

**We expect Group EBIT for FY 2019 to be slightly above the prior-year level**



Mercedes-Benz Cars

Return on sales in the range of 6 to 8%



Daimler Trucks

Return on sales in the range of 7 to 9%



Mercedes-Benz Vans

Return on sales in the range of 0 to 2%



Daimler Buses

Return on sales in the range of 5 to 7%



Daimler Financial Services

Return on equity in the range of 17 to 19%\*

\* Including significant one-time valuation and earnings effects from the merger of the mobility services of Daimler and BMW.



# Contents

Results for Q1 2019

Outlook for 2019

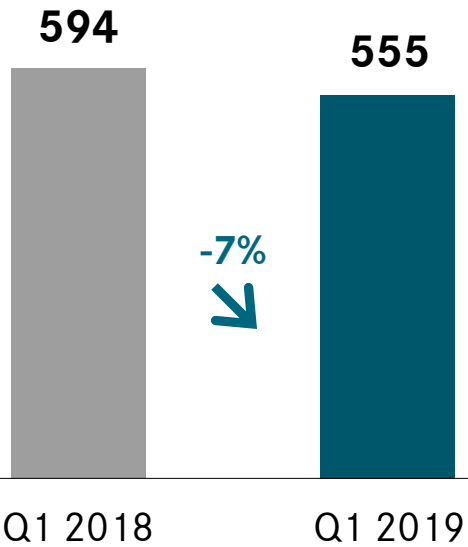
**Development at the divisions**



# Mercedes-Benz Cars

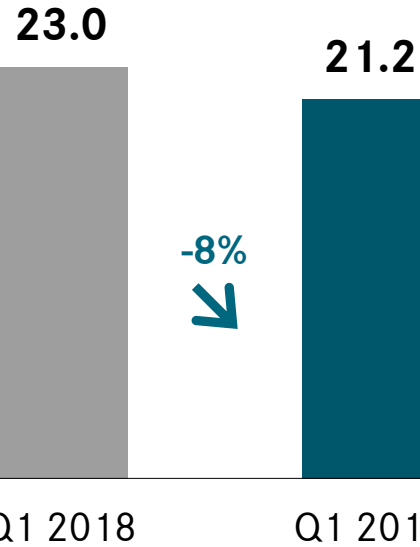
## Unit sales

in thousands of units



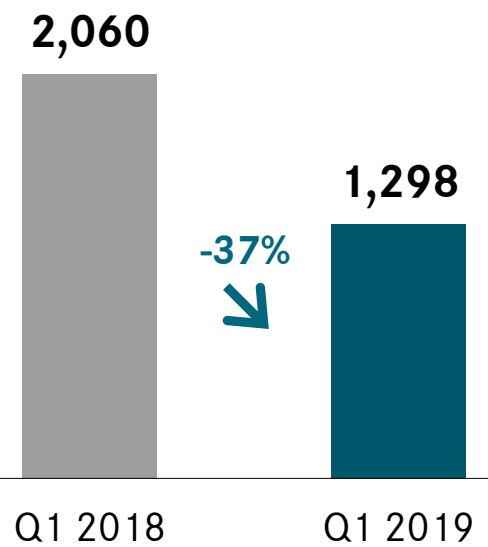
## Revenue

in billions of euros



## EBIT

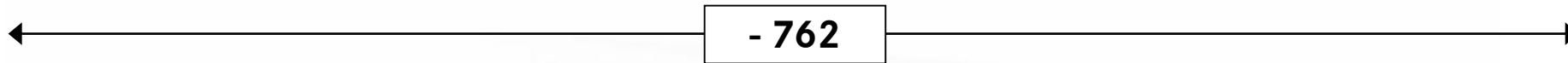
in millions of euros





# Mercedes-Benz Cars: EBIT

in millions of euros



9.0%\*

2,060

EBIT  
Q1 2018

- Lower unit sales and less favorable model mix
- Net pricing
- Foreign exchange rates
- Higher expenses for new technologies and future products

6.1%\*

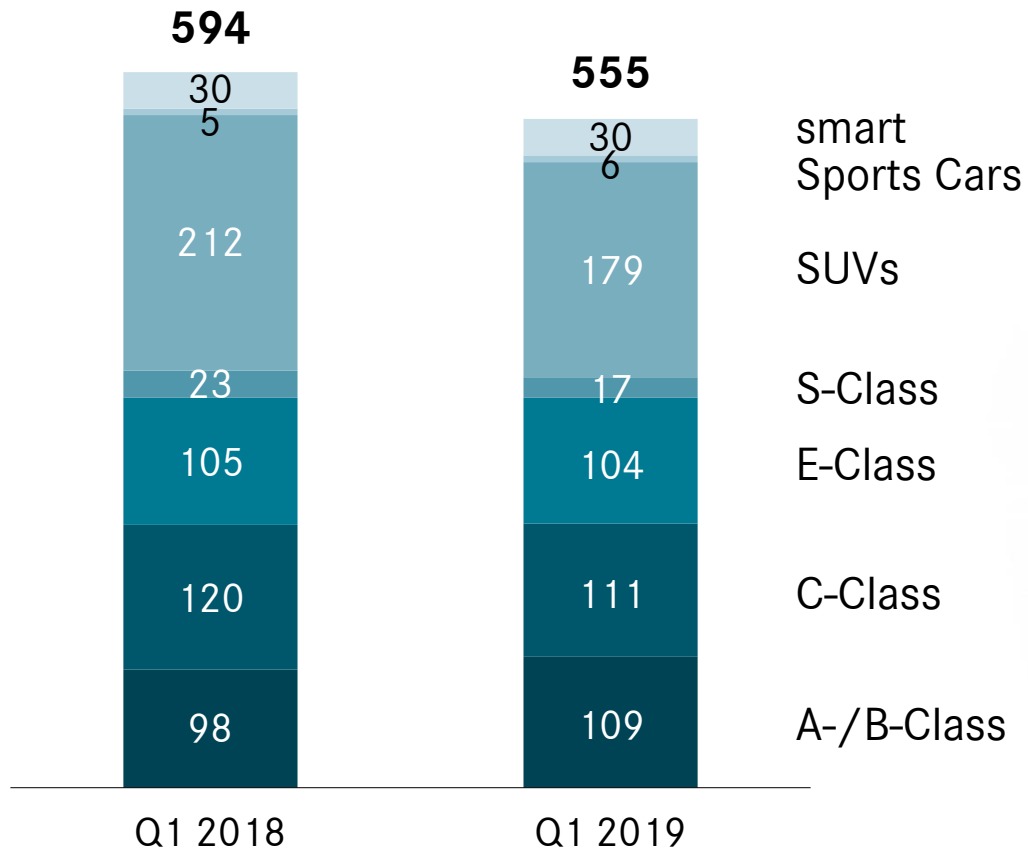
1,298

EBIT  
Q1 2019

\* Return on sales

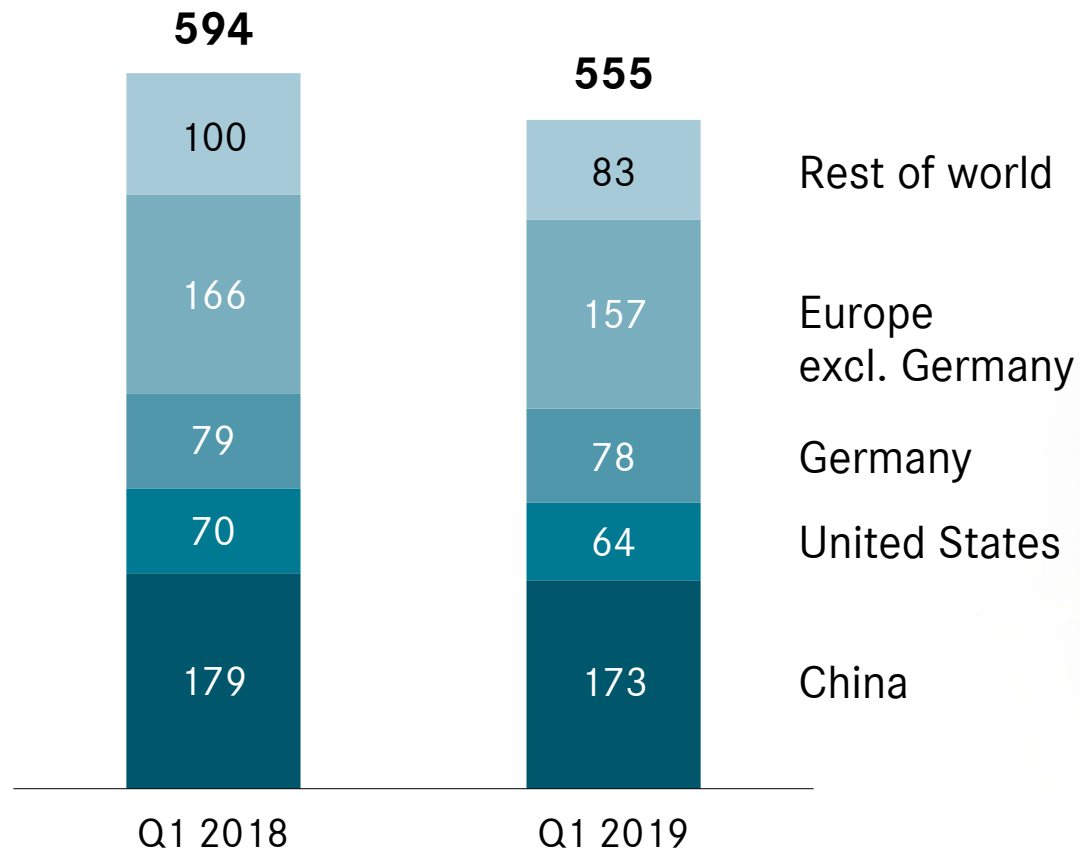
# Mercedes-Benz Cars: sales decrease due to life cycle effects and model changes

in thousand of units



# Mercedes-Benz Cars: globally balanced sales structure

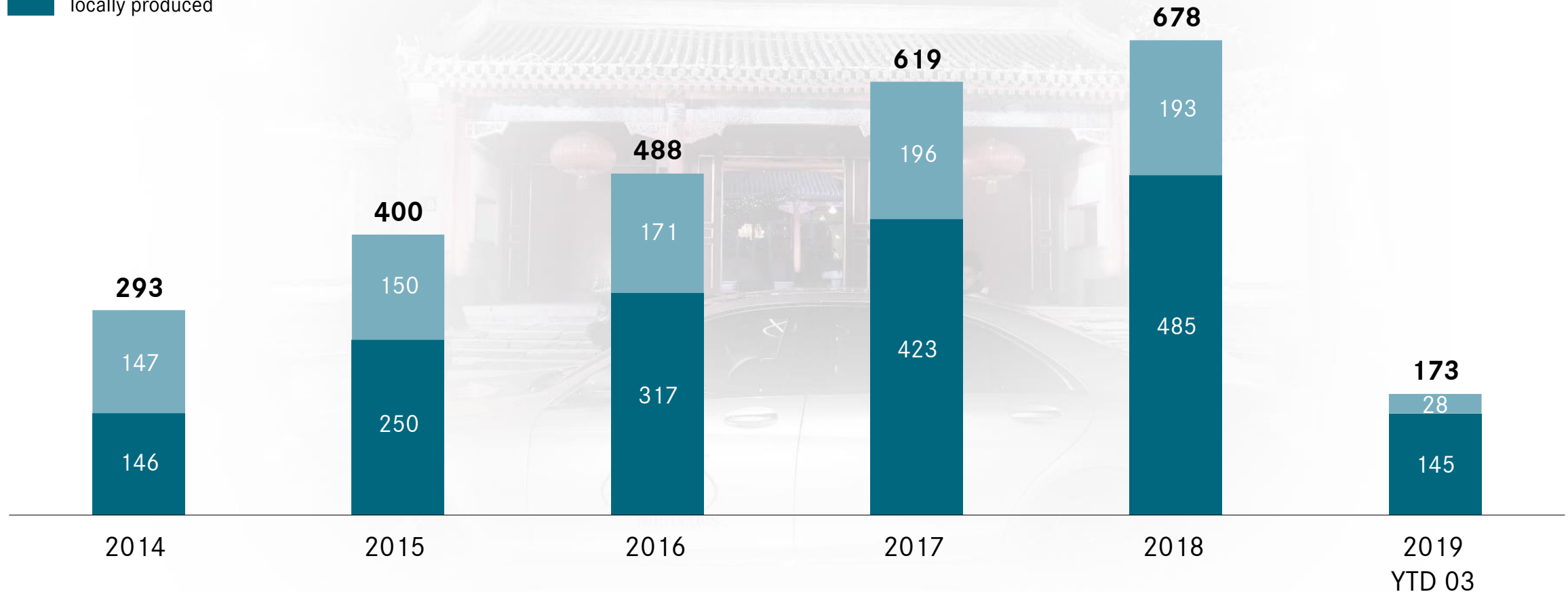
in thousands of units



# Mercedes-Benz Cars in China: continued strong sales with increasing share of locally produced vehicles

in thousands of units

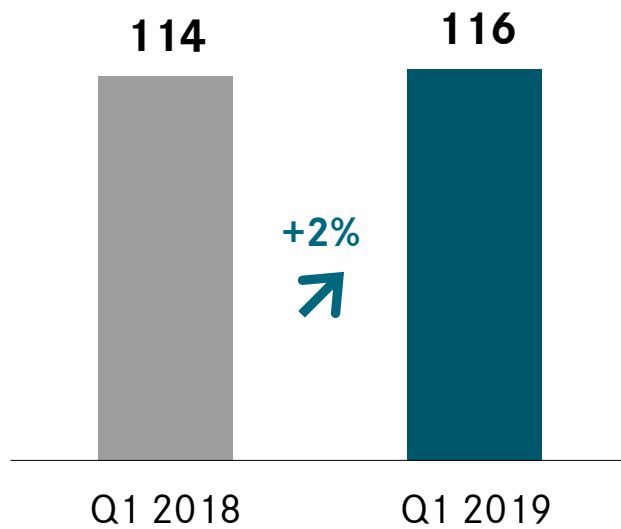
imported  
locally produced



# Daimler Trucks

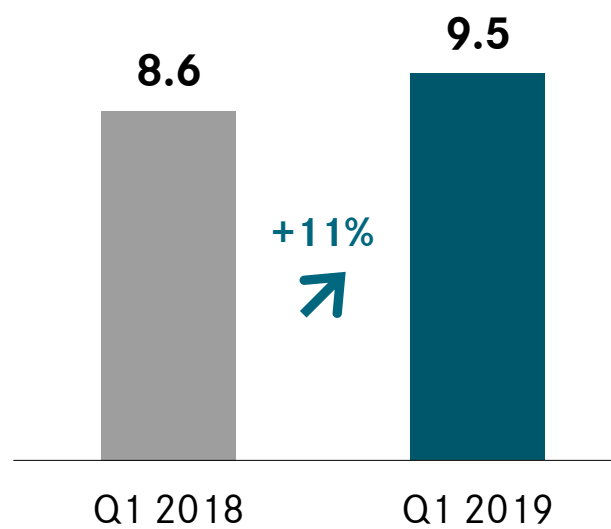
## Unit sales

in thousands of units



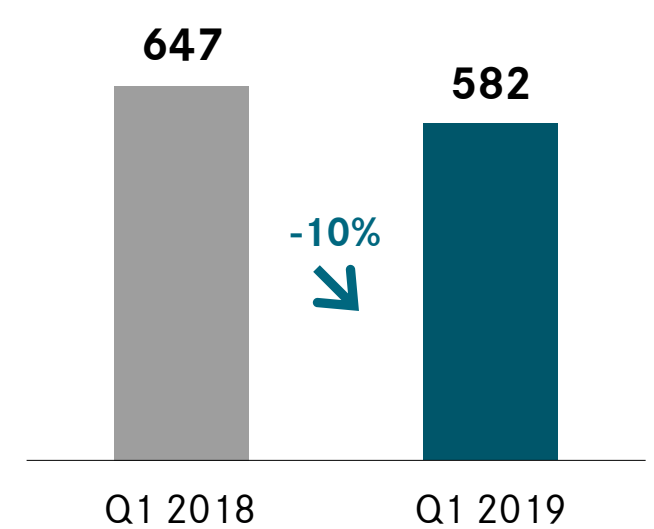
## Revenue

in billions of euros



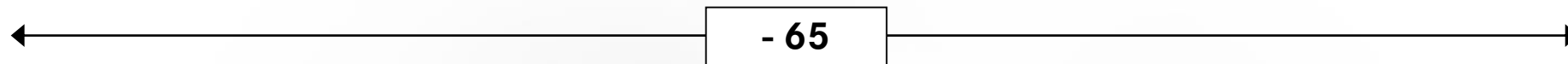
## EBIT

in millions of euros



# Daimler Trucks: EBIT

in millions of euros



7.5%\*

647

EBIT  
Q1 2018

- + Higher unit sales especially in the NAFTA region
- + Foreign exchange rates
- Higher expenses for new technologies and future products
- Higher costs, mainly related to raw material and supply chain constraints
- Valuation of provisions

6.1%\*

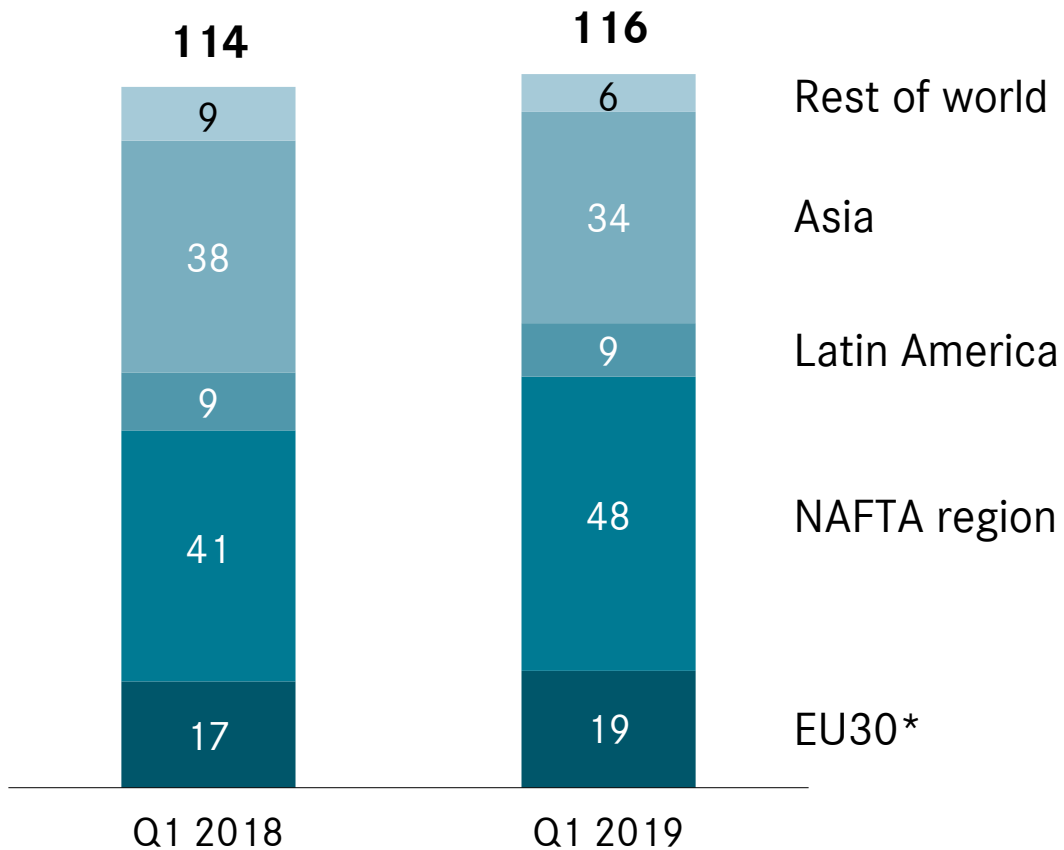
582

EBIT  
Q1 2019

\* Return on sales

# Daimler Trucks: sales increase by 2% mainly driven by NAFTA region

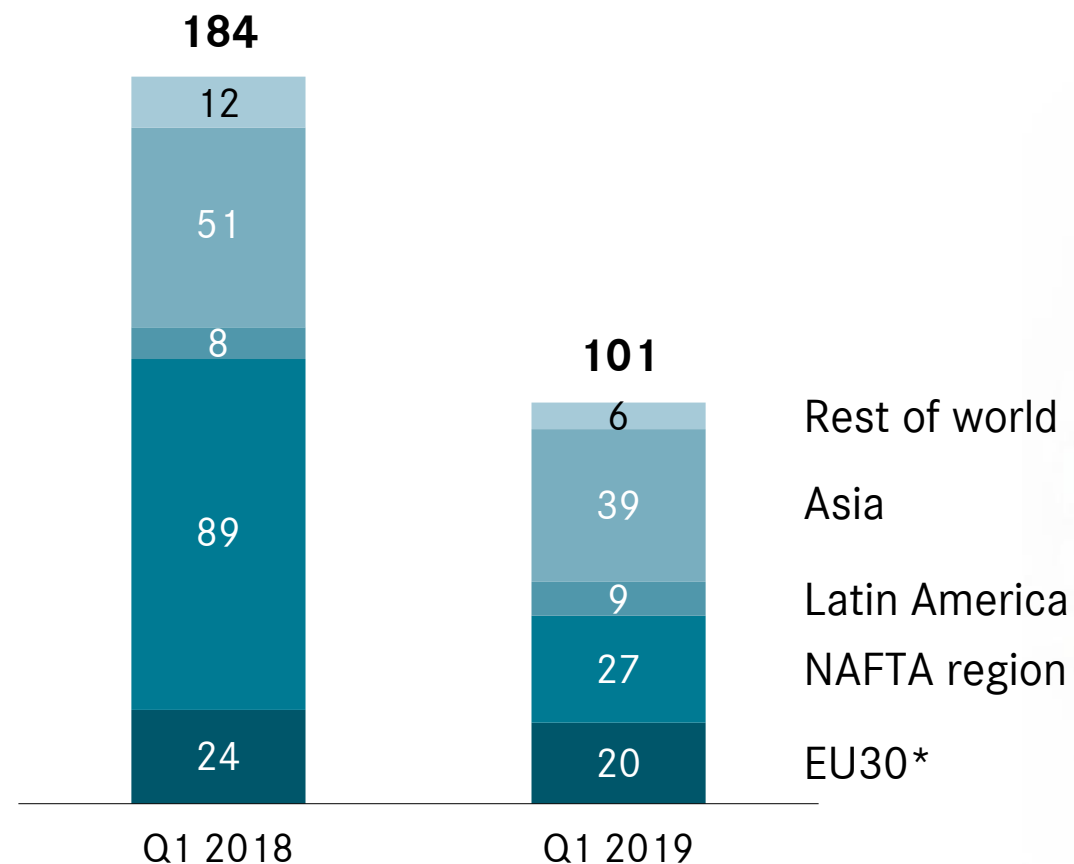
in thousands of units



\* European Union, Switzerland and Norway

# Daimler Trucks: significant decrease in incoming orders mainly driven by NAFTA region

in thousands of units



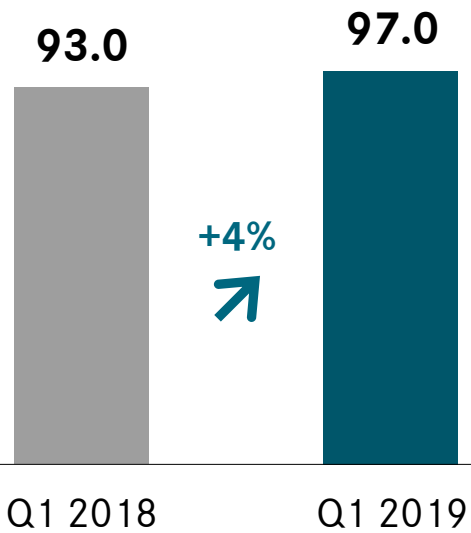
\* European Union, Switzerland and Norway



# Mercedes-Benz Vans

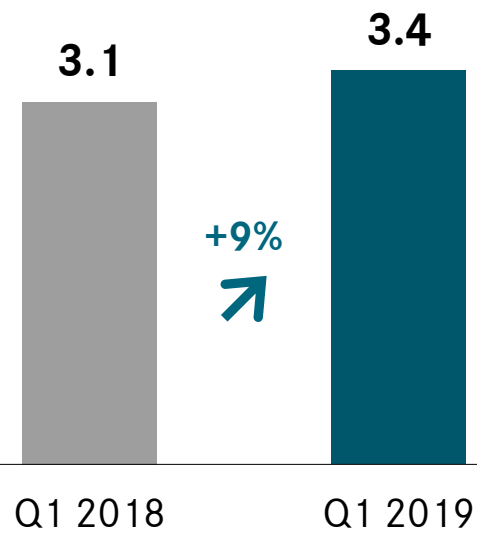
## Unit sales

in thousands of units



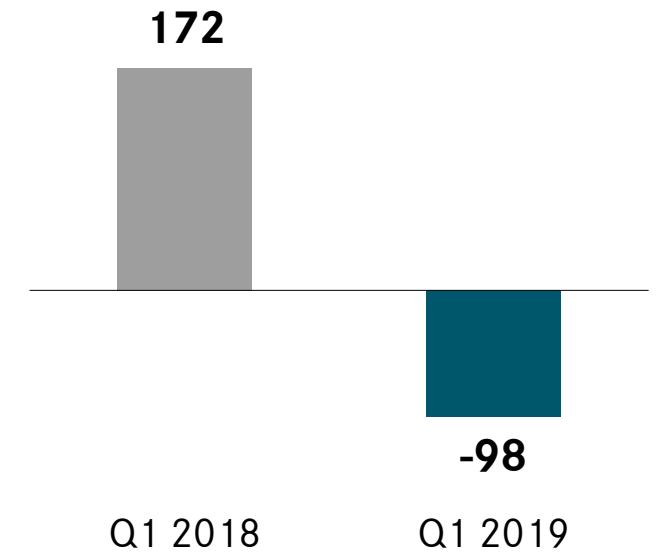
## Revenue

in billions of euros



## EBIT

in millions of euros



# Mercedes-Benz Vans: EBIT

in millions of euros

- 270

5.6%\*

172

EBIT  
Q1 2018

- + Higher unit sales
- Expenses related to the adjustment of production capacities in Argentina and Russia
- Higher expenses for new technologies and future products
- Warranty and goodwill costs
- Foreign exchange rates
- Governmental proceedings and measures relating to diesel vehicles

-98

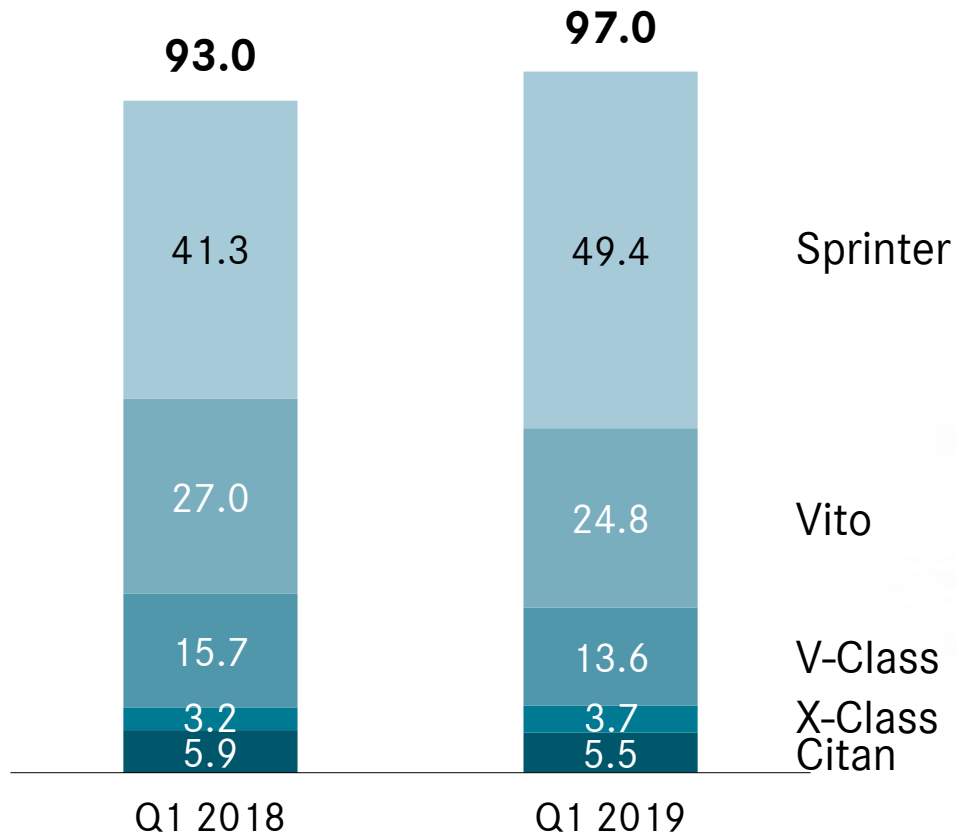
-2.9%\*

EBIT  
Q1 2019

\* Return on sales

# Mercedes-Benz Vans: sales increase by 4% mainly due to higher demand for the Sprinter

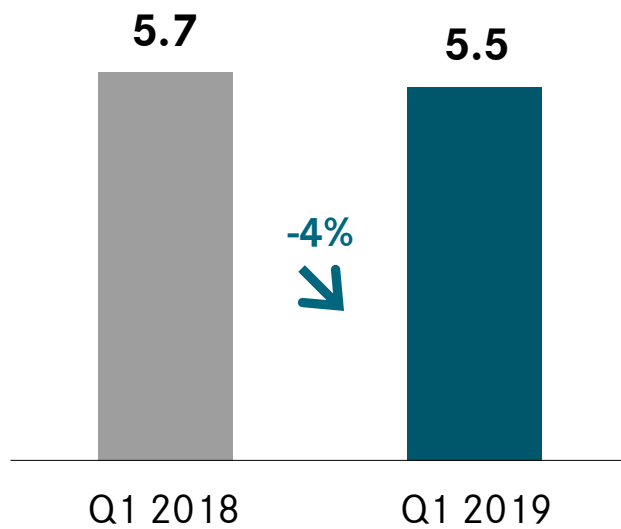
in thousands of units



# Daimler Buses

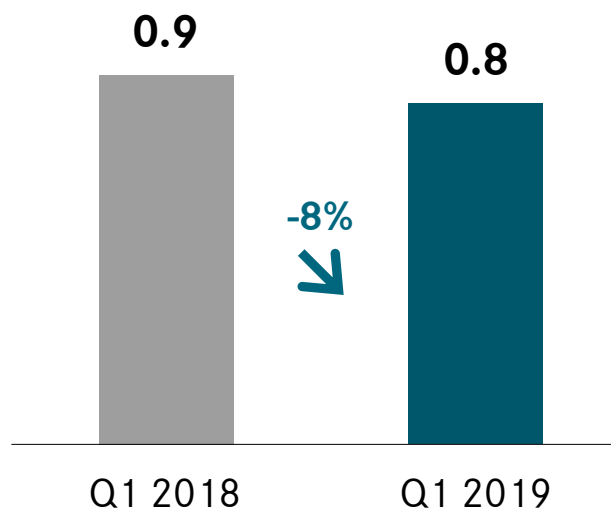
## Unit sales

in thousands of units



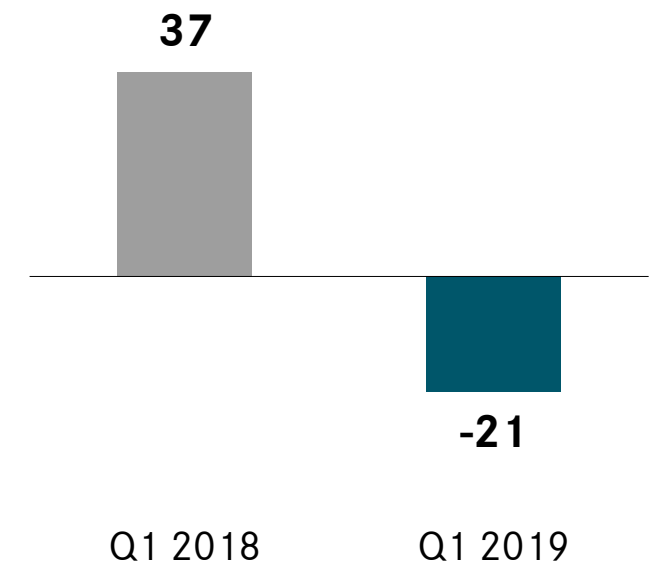
## Revenue

in billions of euros



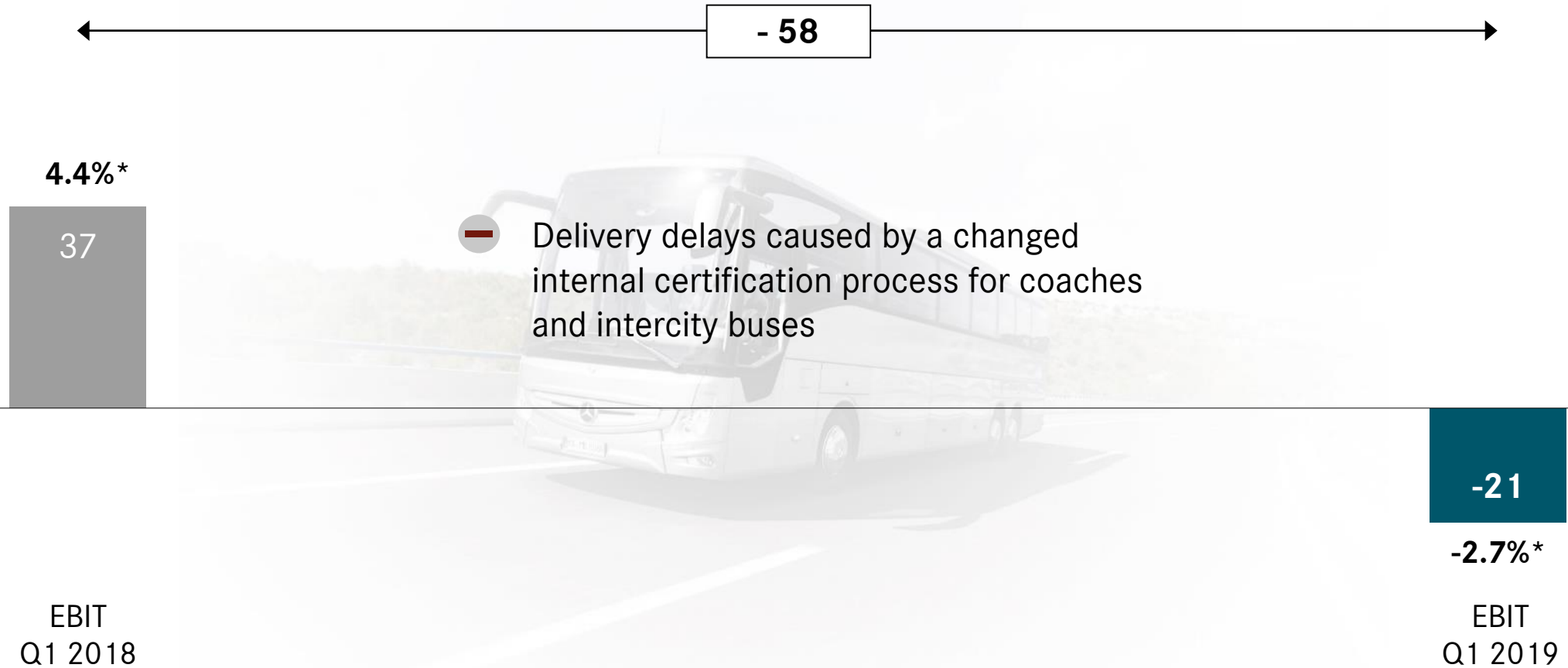
## EBIT

in millions of euros



# Daimler Buses: EBIT

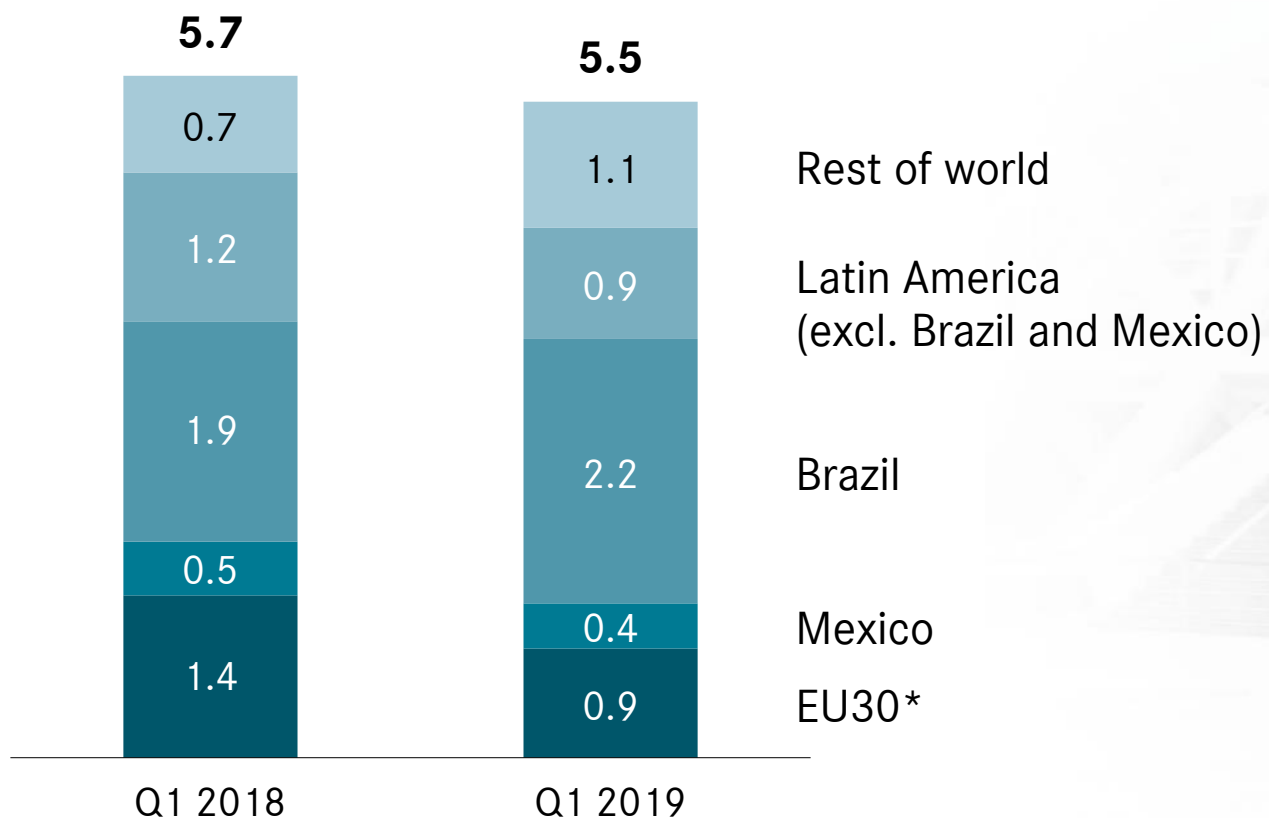
in millions of euros



\* Return on sales

# Daimler Buses: sales decrease by 4% despite higher demand in Brazil and India

in thousands of units

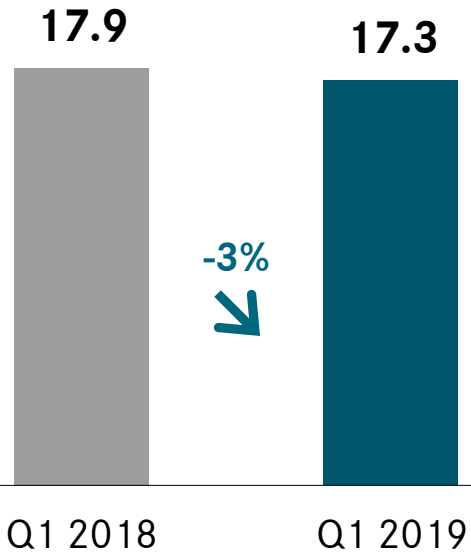


\* European Union, Switzerland and Norway

# Daimler Financial Services

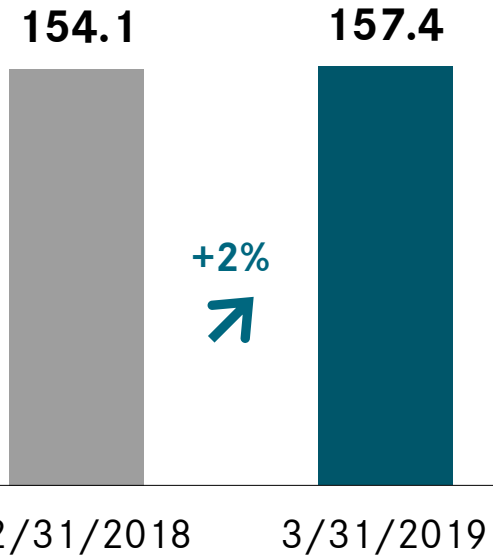
## New business

in billions of euros



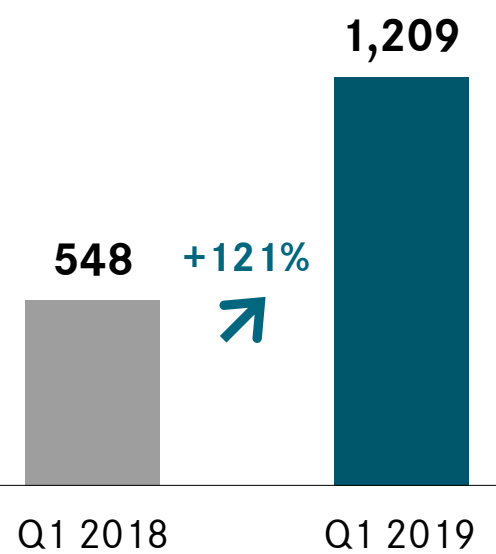
## Contract volume

in billions of euros



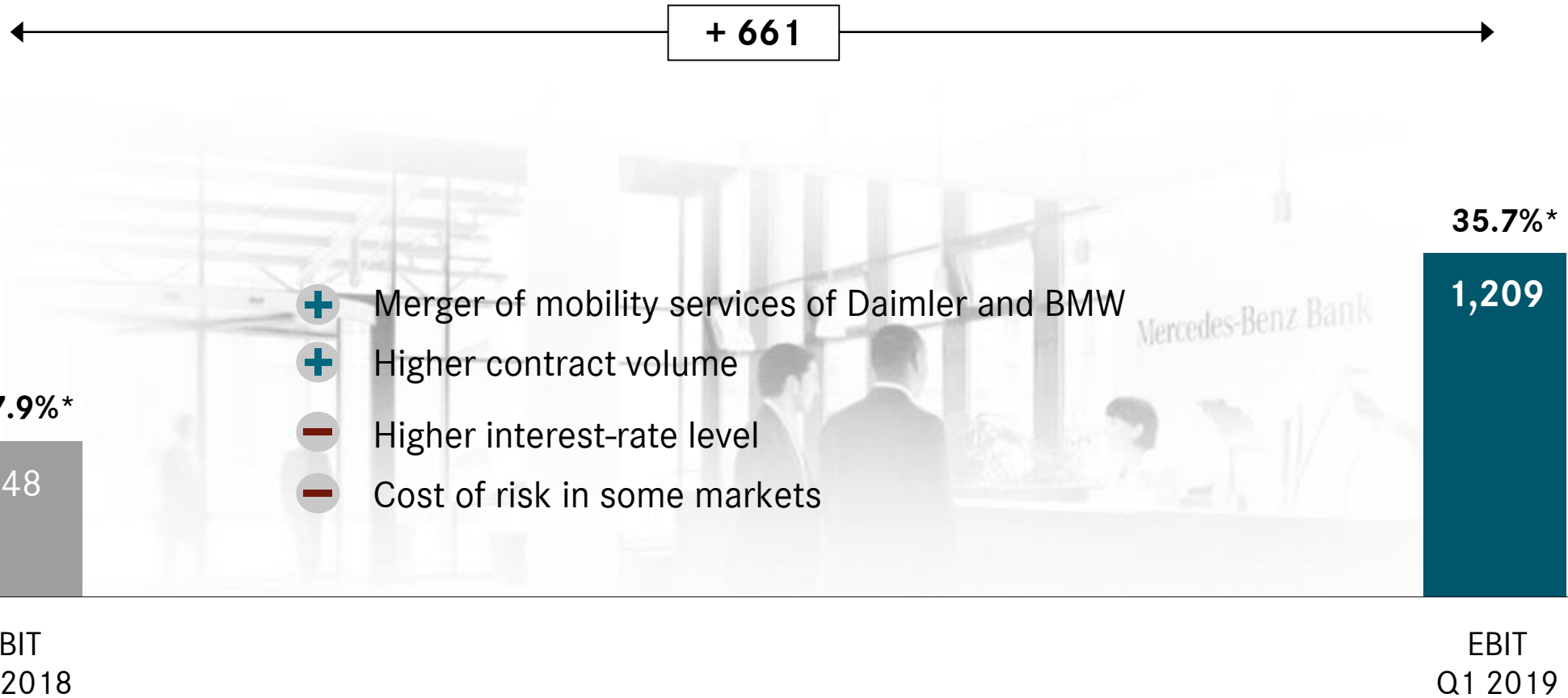
## EBIT

in millions of euros



# Daimler Financial Services: EBIT

in millions of euros

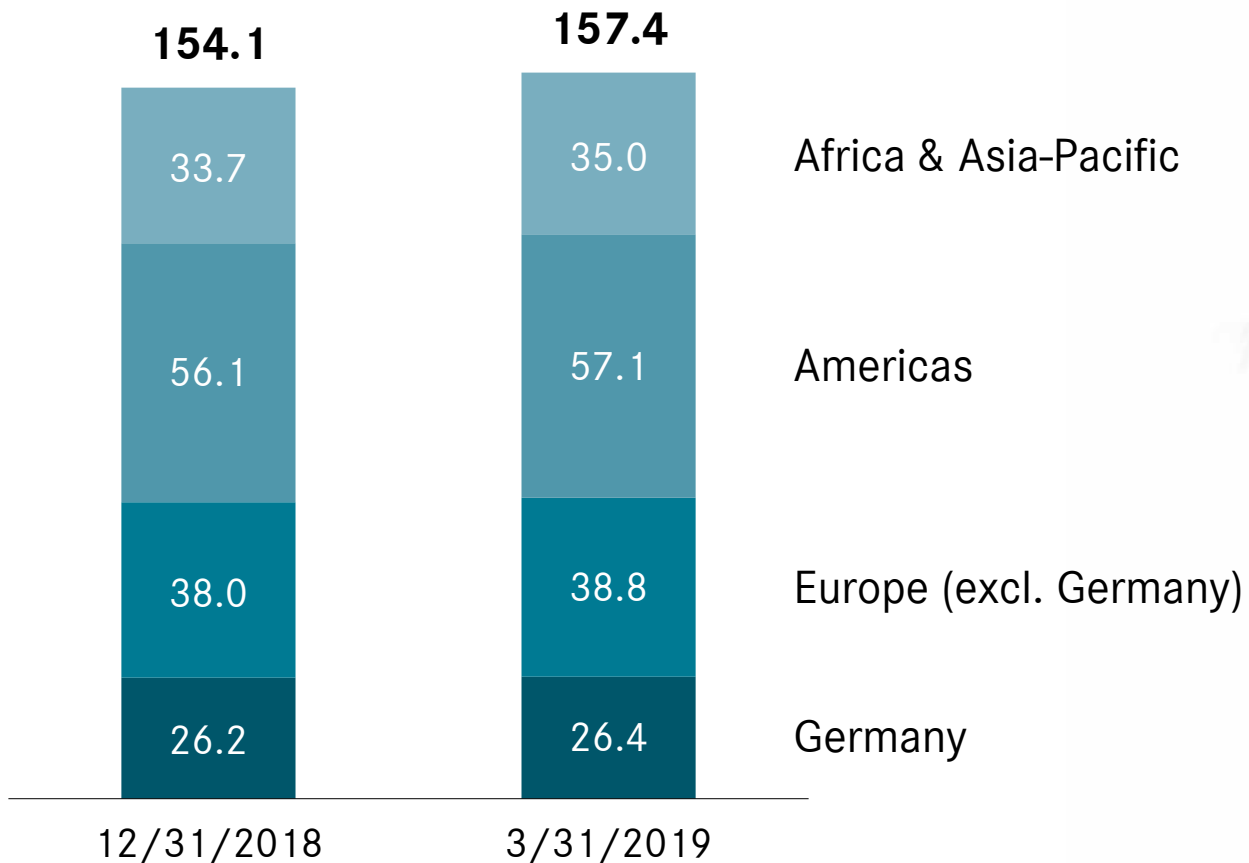


\* Return on equity

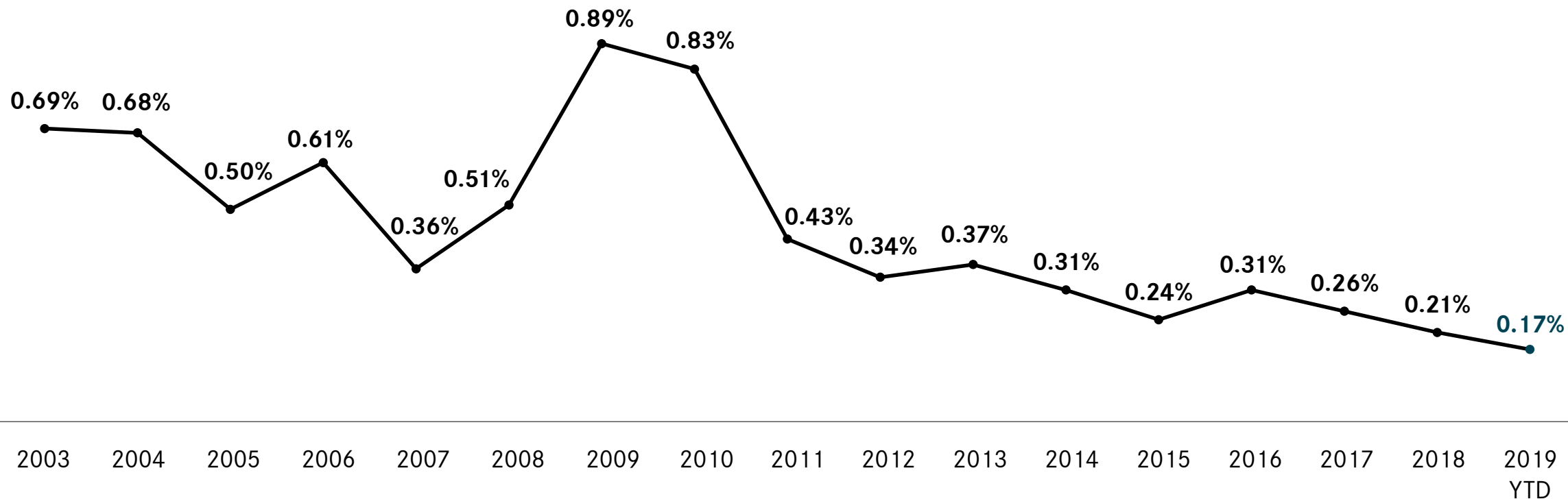


# Daimler Financial Services: slight increase in contract volume

in billions of euros



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



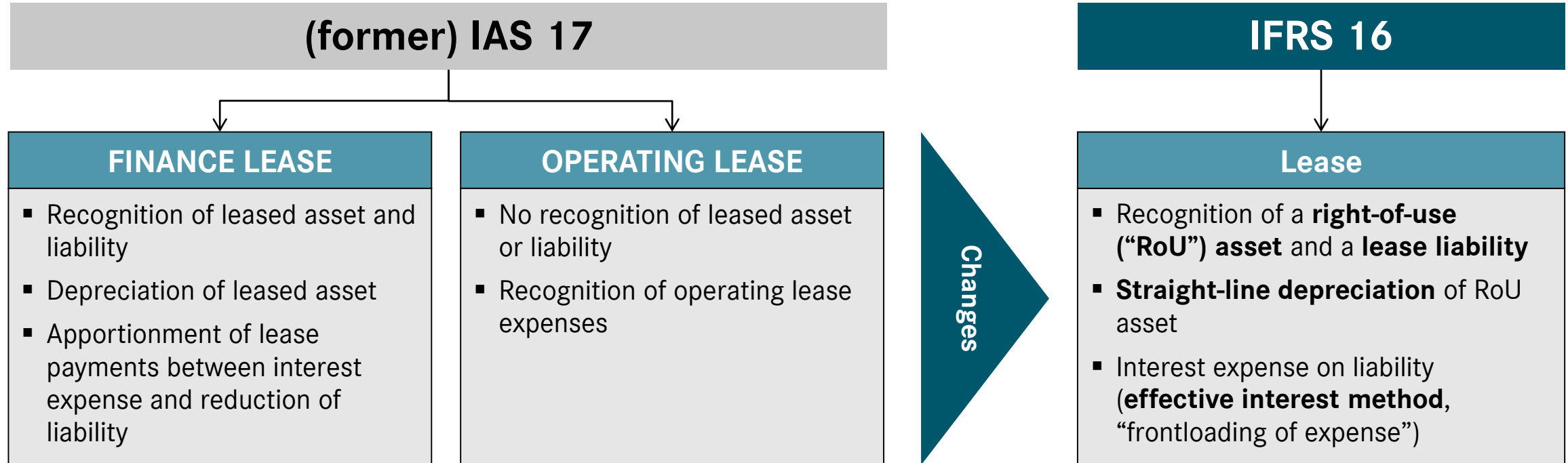
\* as a percentage of portfolio, subject to credit risk

# DAIMLER

## Q1 2019 Results

### Appendix

# Initial application of IFRS 16



- IFRS 16 is a new standard regarding primarily lessee accounting. Lessor accounting is principally not affected.
- Daimler will apply IFRS 16 for the first time for the financial year beginning January 1, 2019.
- No restatement of Financial Statements 2018 (modified retrospective approach).
- Daimler used simplifications available under IFRS 16 for transition (e.g. right-of-use asset is principally recognized with the same amount as the lease liability).

# Disclaimer

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 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.