

# DAIMLER

December 2018  
Corporate Presentation



# Contents

## **Group Financials**

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Outlook

Daimler Group Strategy

Funding

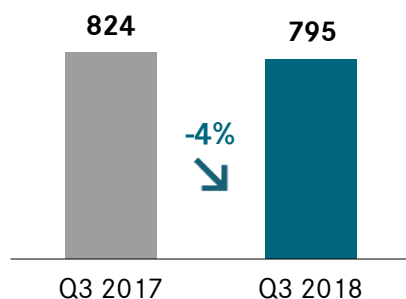
Appendix



# Highlights of Q3 2018

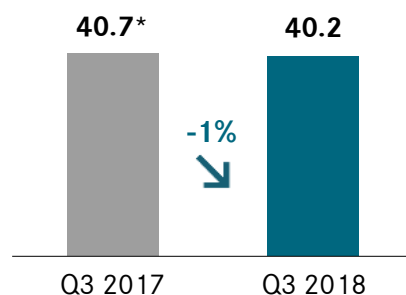
## Unit sales

- in thousands of units -



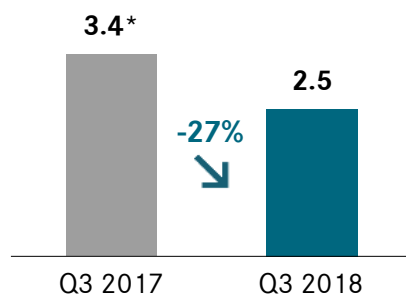
## Revenue

- in billions of euros -



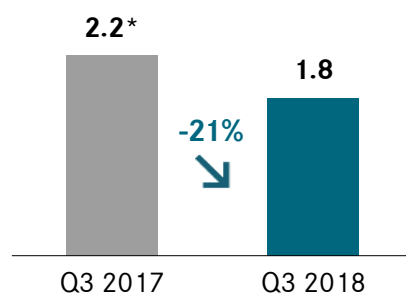
## EBIT

- in billions of euros -



## Net profit

- in billions of euros -



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World premiere of the new, fully-electric EQC\*\*

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Presentation of the new A-Class sedan, B-Class and GLE

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World premiere of the new Mercedes-Benz Actros with Active Drive Assist

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Presentation of Mercedes-Benz eActros and eCitaro, FUSO eCanter, E-FUSO Vision One, Thomas Built Buses Jouley at the IAA

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Mercedes-Benz Vans opens new Sprinter plant in South Carolina for the North American market

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Daimler Financial Services is set to become a partner and investor in used-vehicle platform heycar

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Board of Management and Supervisory Board of Daimler AG approve new divisional structure of the Group

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\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* electricity consumption combined: 22.2 kWh/100 km; CO<sub>2</sub> emissions combined: 0 g/km, preliminary figures (for further information see page 13)

# Support of the German federal government's concept for cleaner air

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Mercedes-Benz offers an exchange premium for diesel vehicles up to €10,000 in 14 priority regions in Germany

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The trade-in program will be supplemented by attractive financing and leasing offers

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The package of measures builds on the existing plan to strengthen the future of the Diesel engine that has been in effect since July 2017

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Daimler will also participate in a federal government's hardware retrofit program of which the exact specifications are still to be clarified

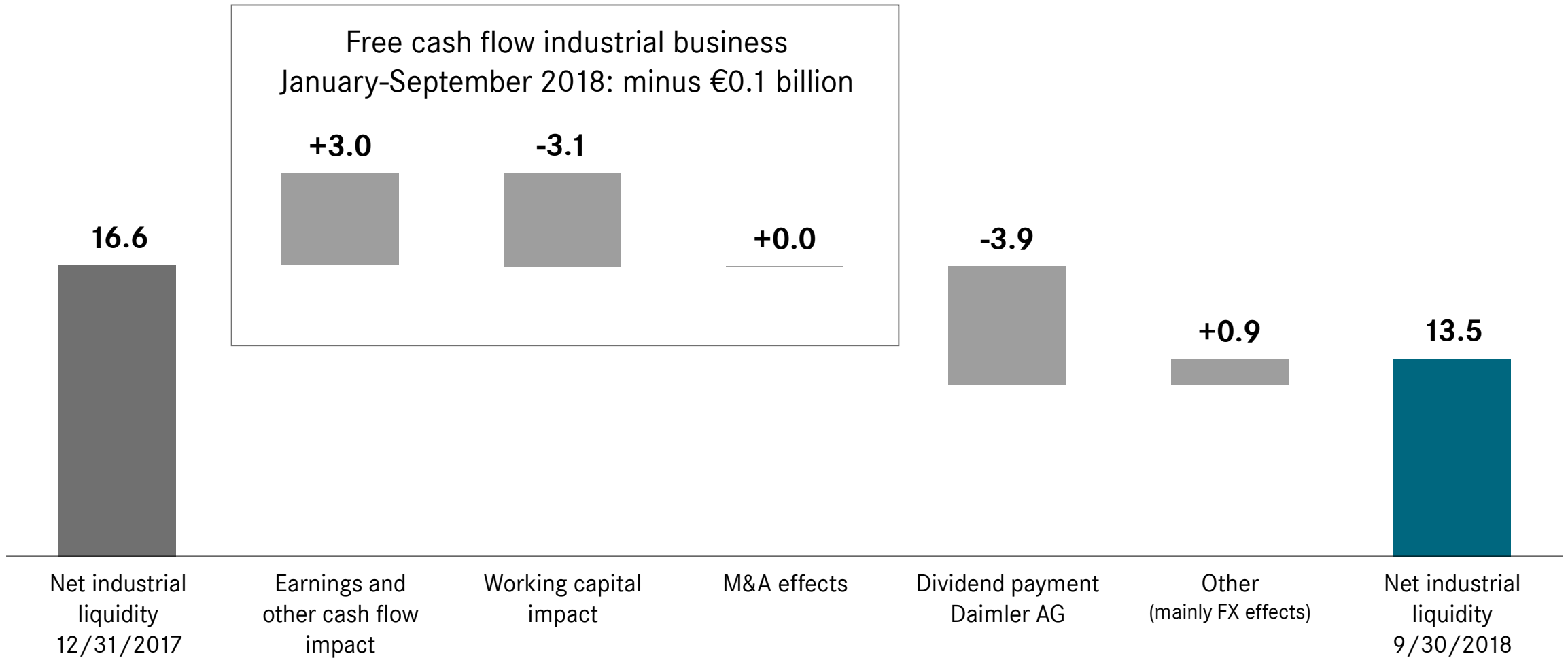
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The measures further improve air quality while ensuring that car drivers retain their individual mobility

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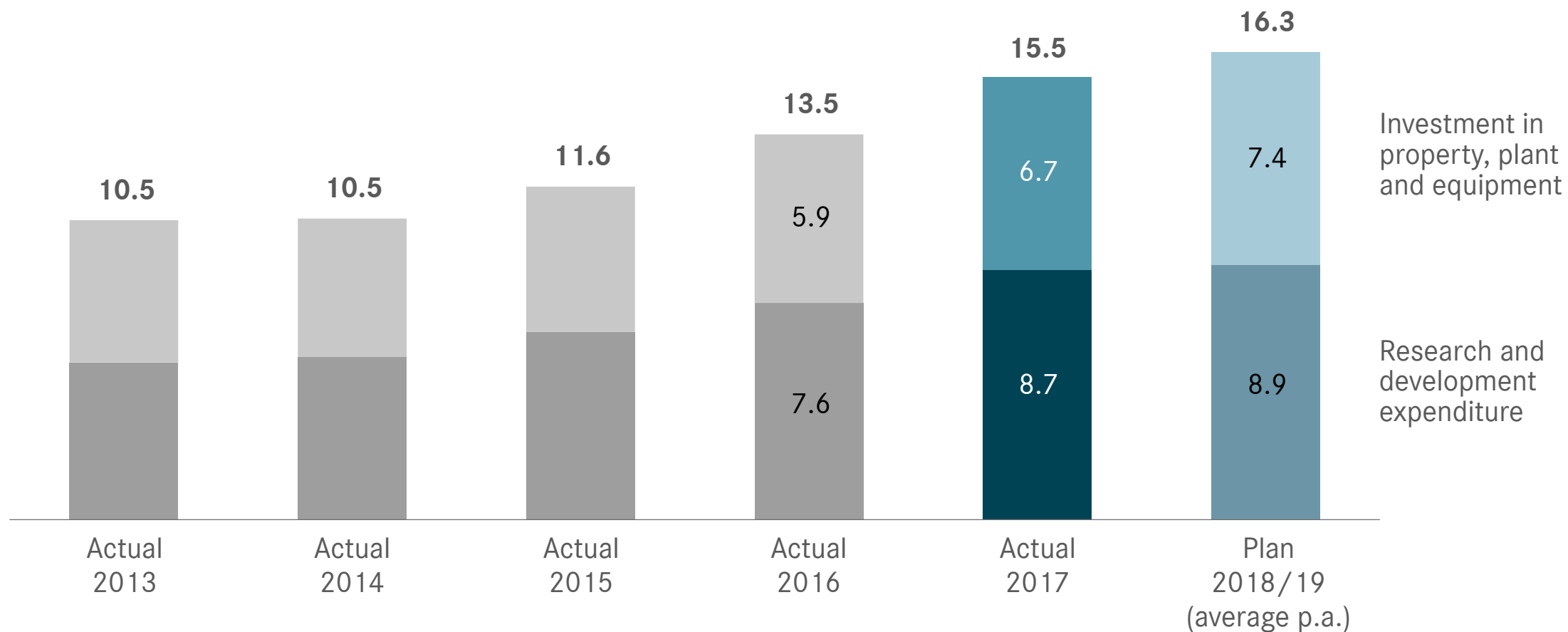
# High level of net liquidity

- in billions of euros -



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

- in billions of euros -



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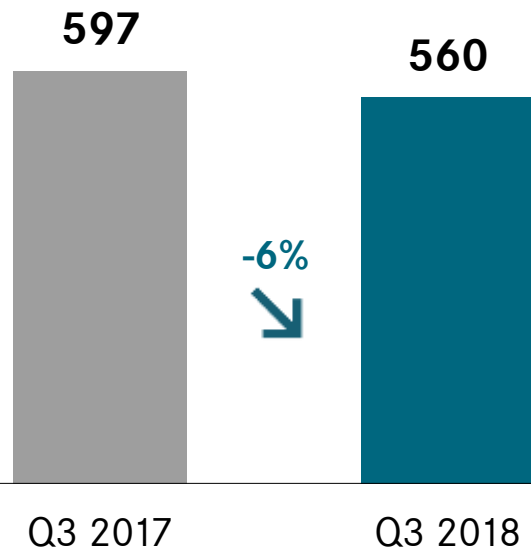
Appendix



# Mercedes-Benz Cars

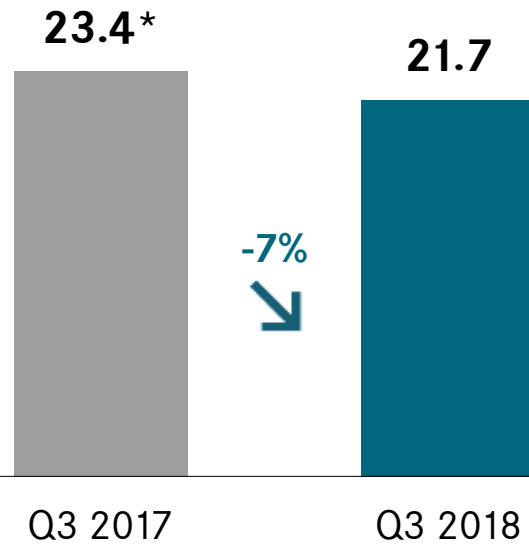
## Unit sales

- in thousands of units -



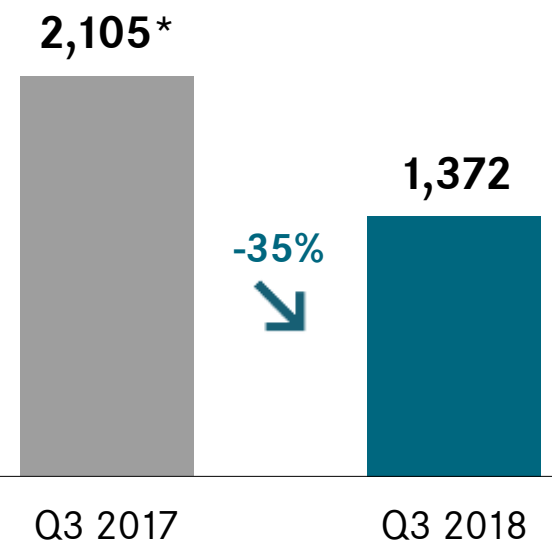
## Revenue

- in billions of euros -



## EBIT

- in millions of euros -

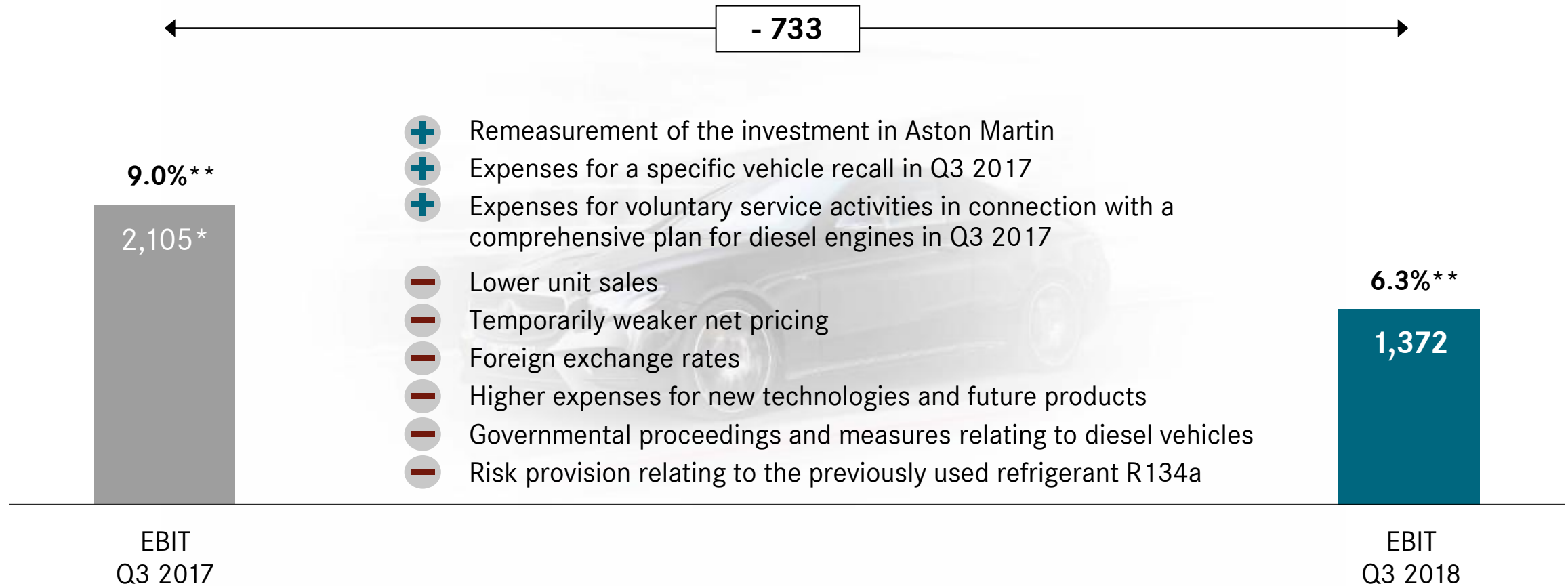


\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)



# Mercedes-Benz Cars: EBIT

- in millions of euros -

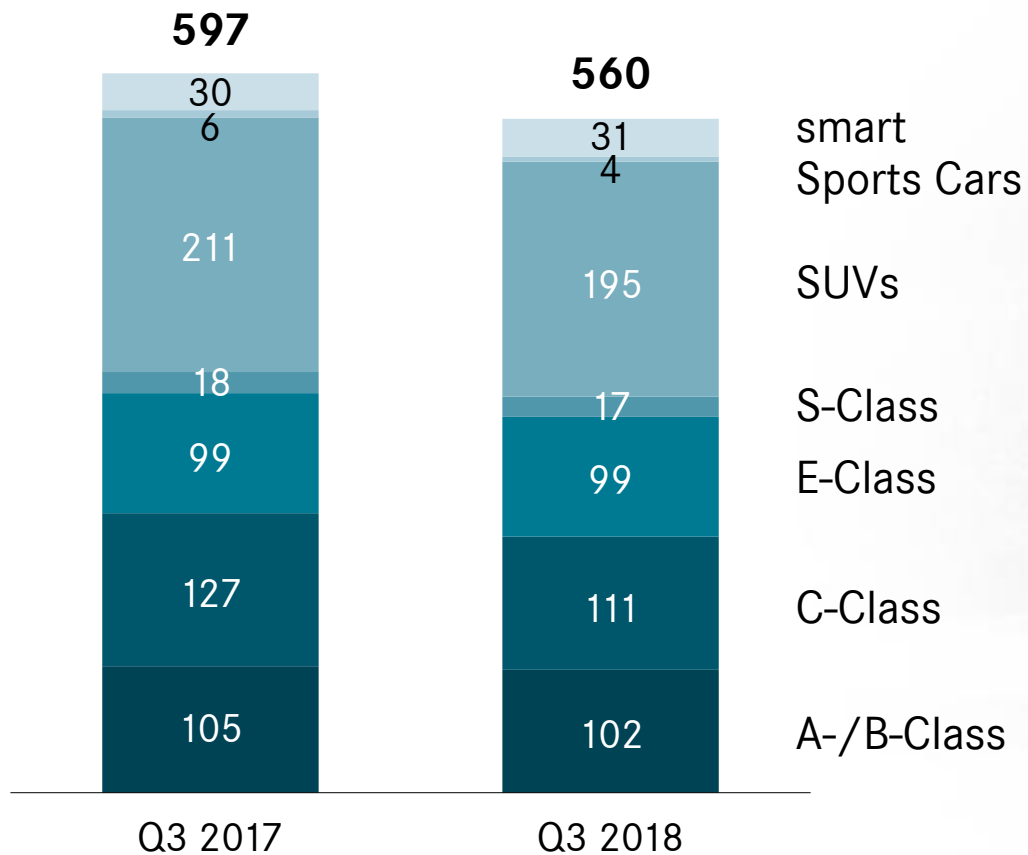


\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

# Mercedes-Benz Cars: sales decrease due to delivery delays and model changes of A- and C-Class

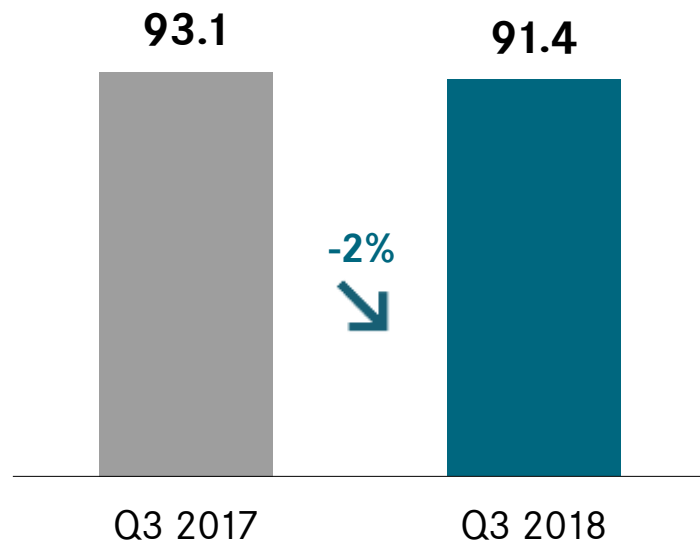
- in thousands of units -



# Mercedes-Benz Vans

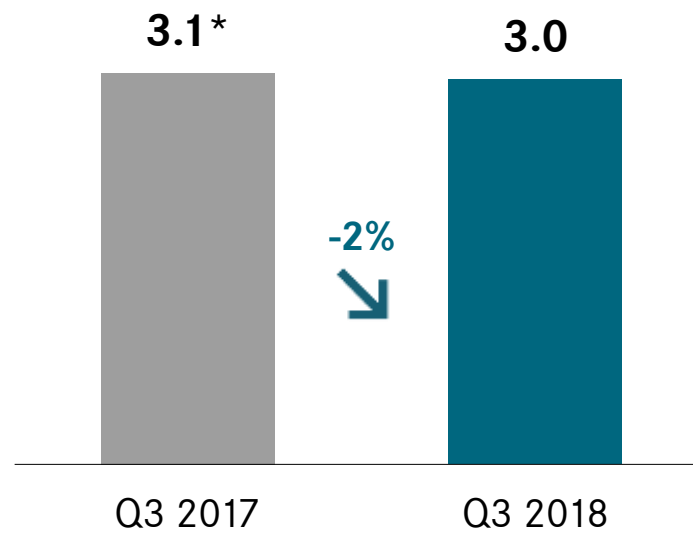
## Unit sales

- in thousands of units -



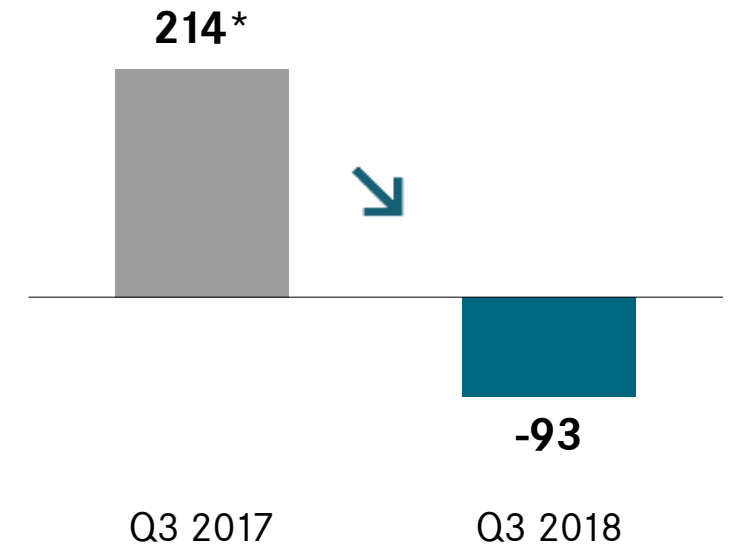
## Revenue

- in billions of euros -



## EBIT

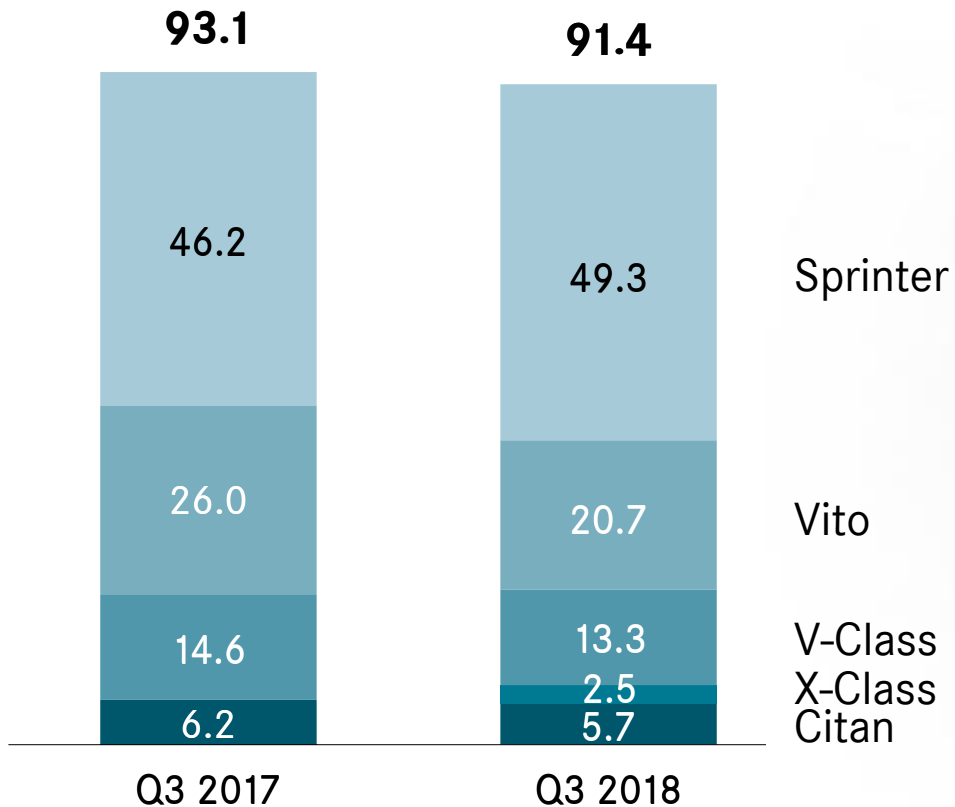
- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

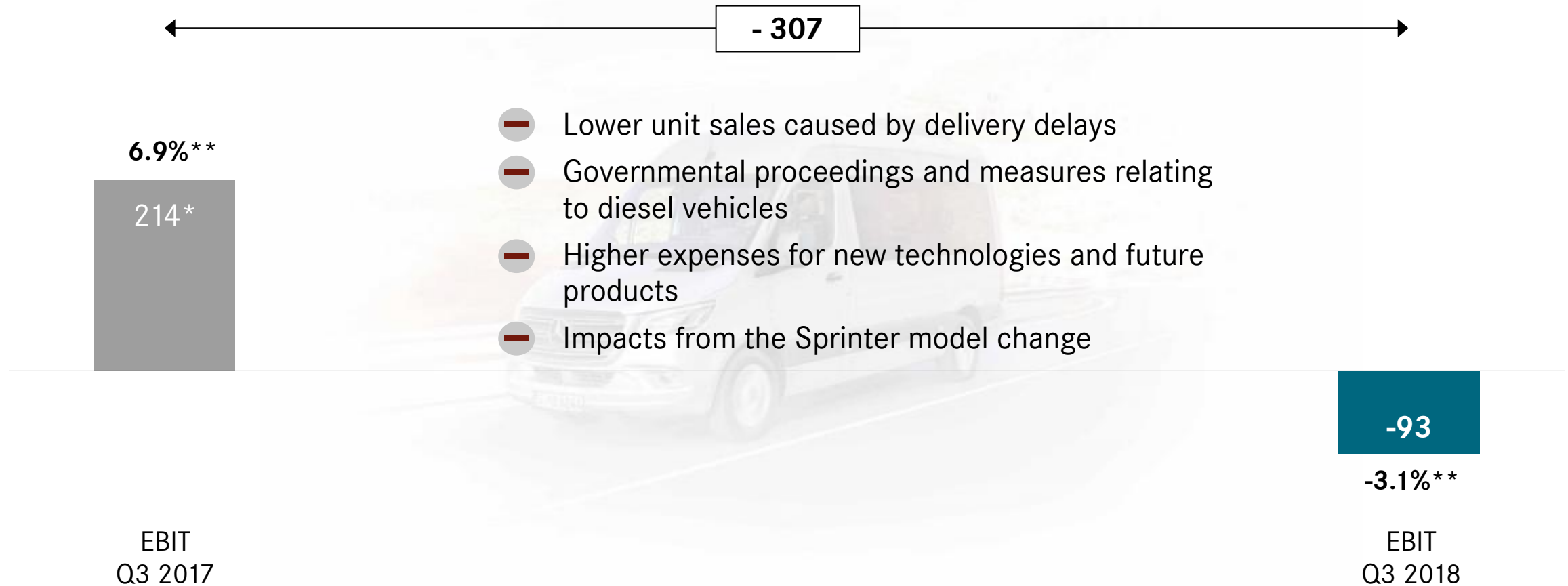
# Mercedes-Benz Vans: sales decrease by 2% mainly due to temporary delivery delays

- in thousands of units -



# Mercedes-Benz Vans: EBIT

- in millions of euros -



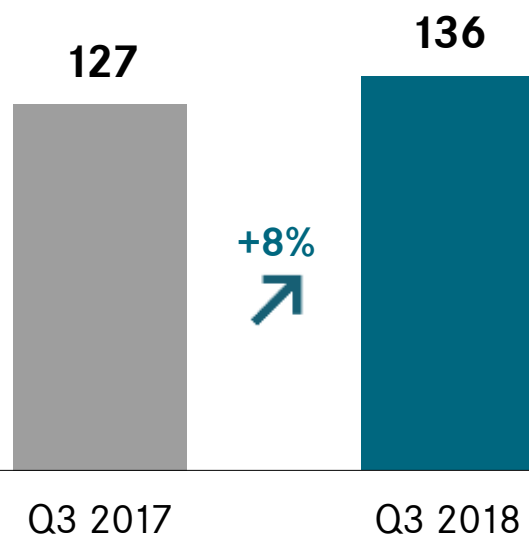
\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

# Daimler Trucks

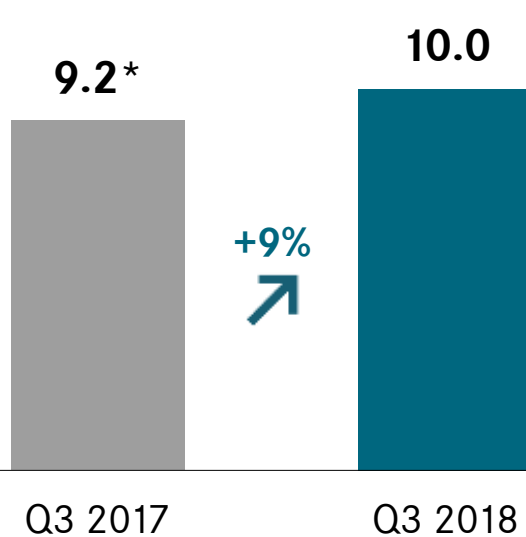
## Unit sales

- in thousands of units -



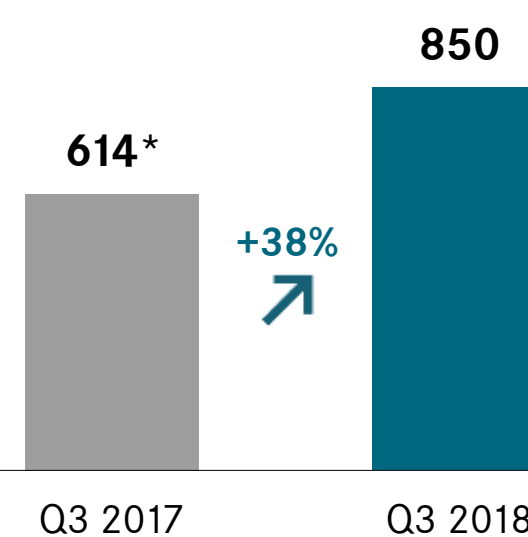
## Revenue

- in billions of euros -



## EBIT

- in millions of euros -

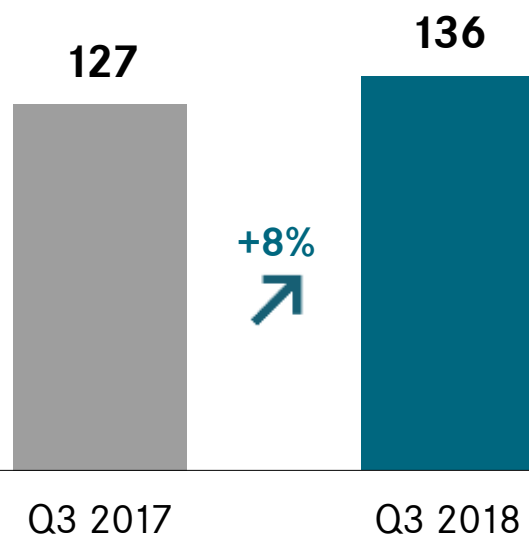


\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

# Daimler Trucks

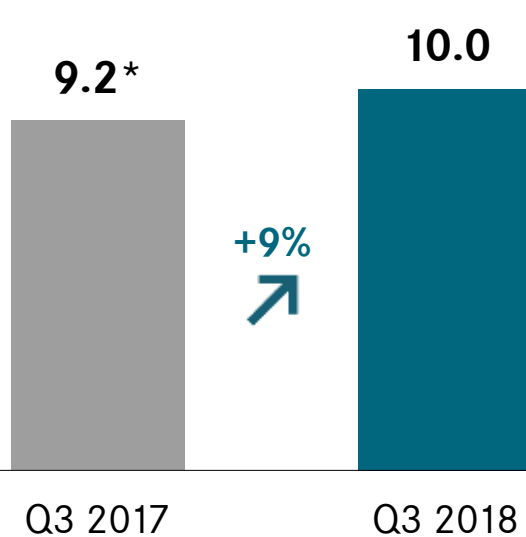
## Unit sales

- in thousands of units -



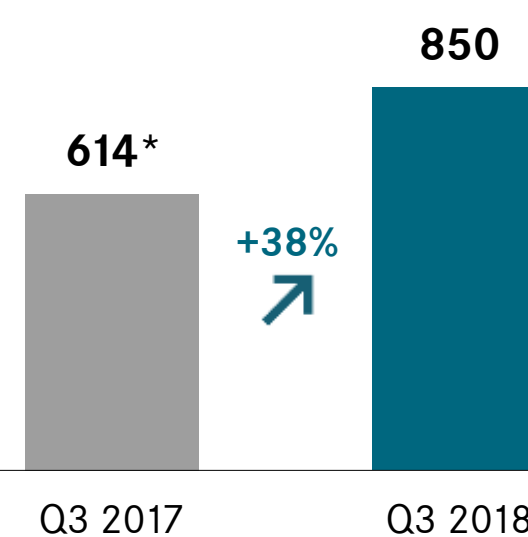
## Revenue

- in billions of euros -



## EBIT

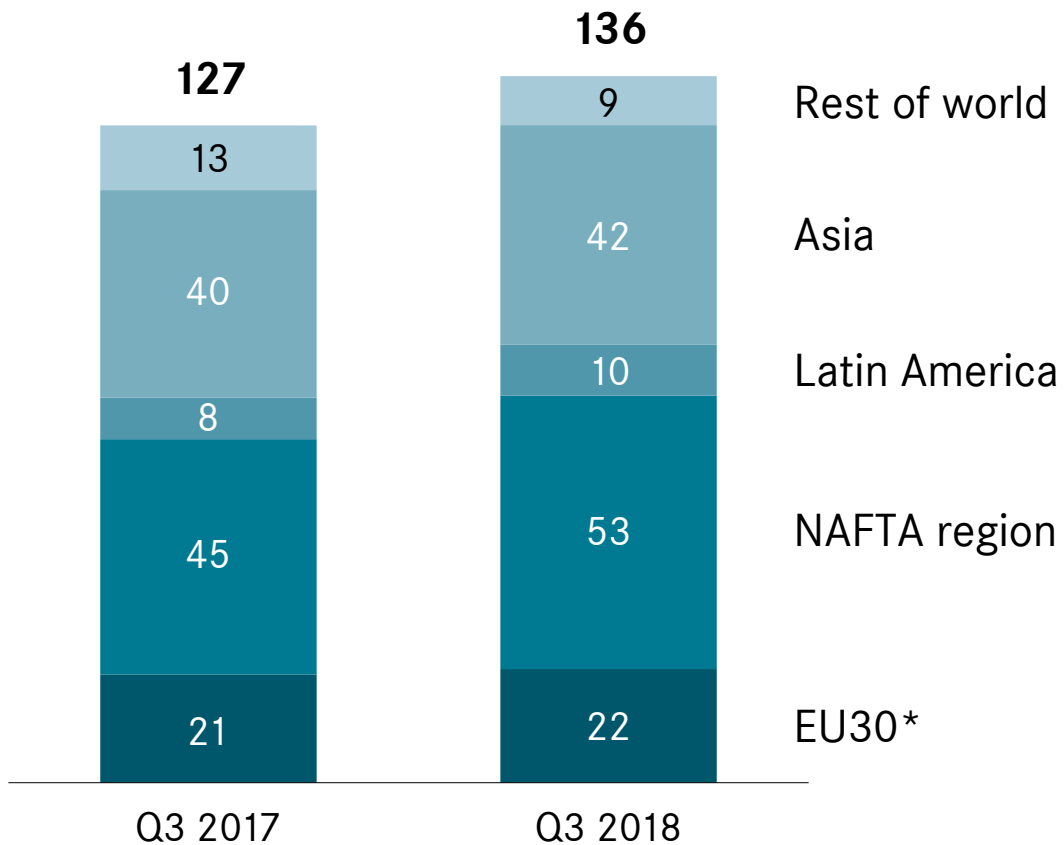
- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

# Daimler Trucks: sales increase by 8% mainly driven by NAFTA region

- in thousands of units -



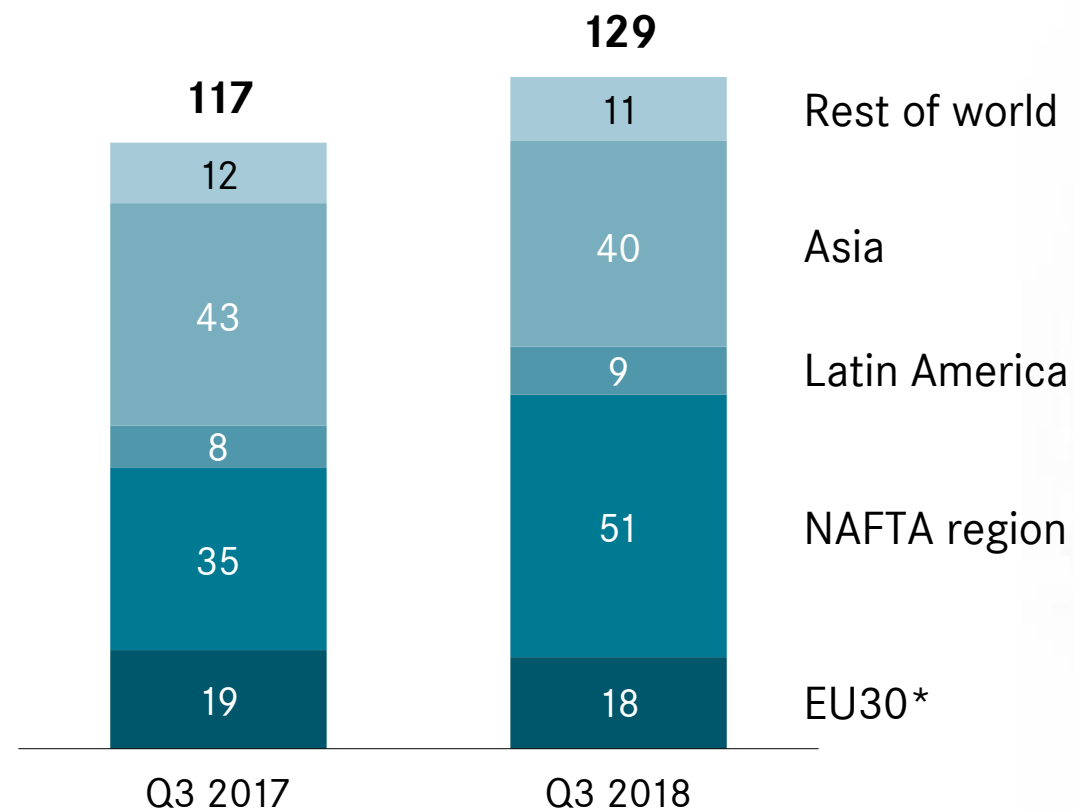
\* European Union, Switzerland and Norway





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

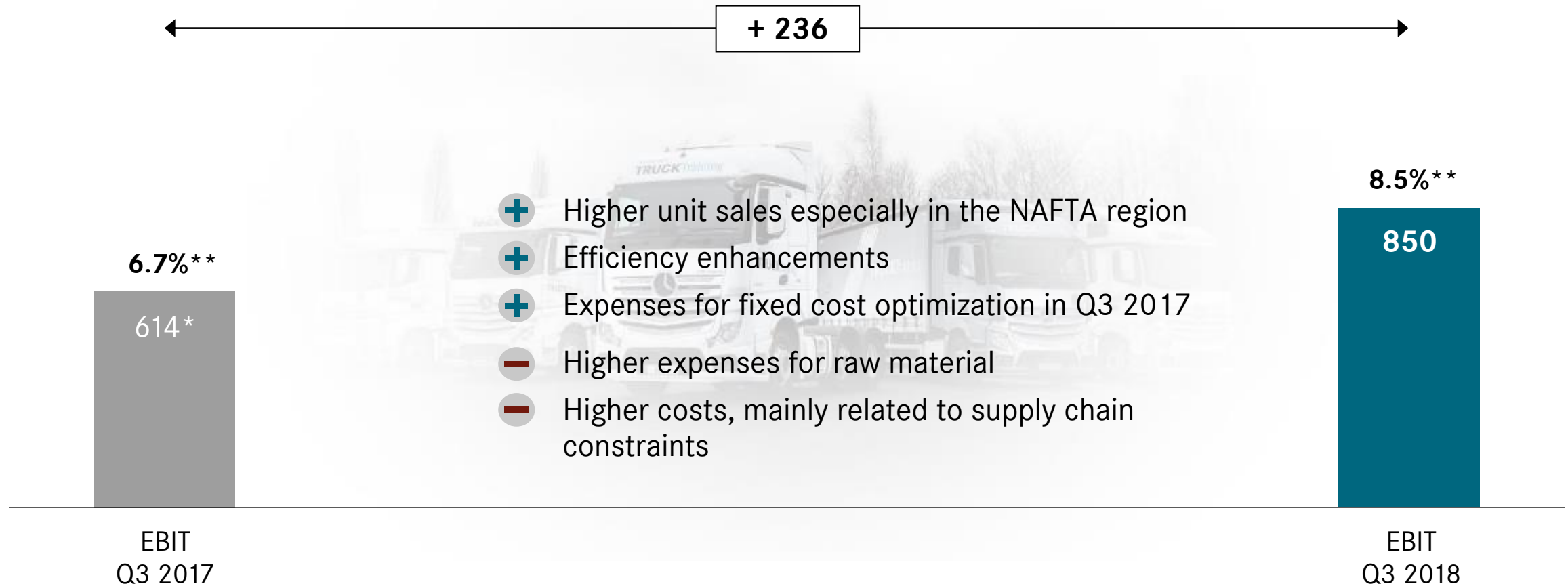
- in thousands of units -



\* European Union, Switzerland and Norway

# Daimler Trucks: EBIT

- in millions of euros -



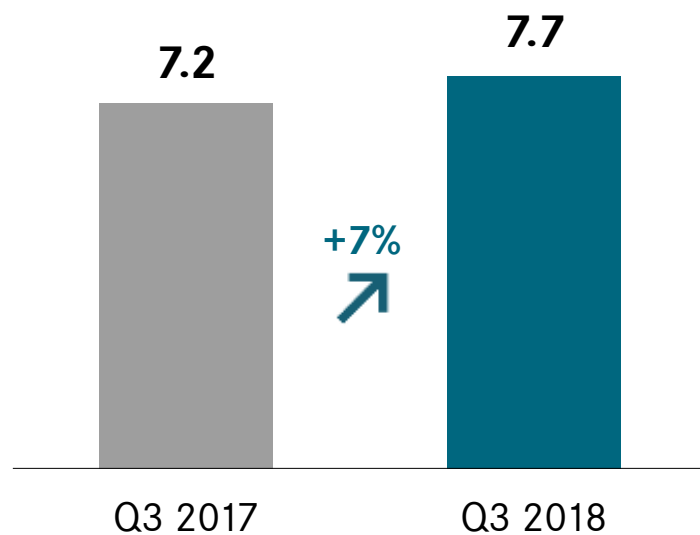
\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

# Daimler Buses

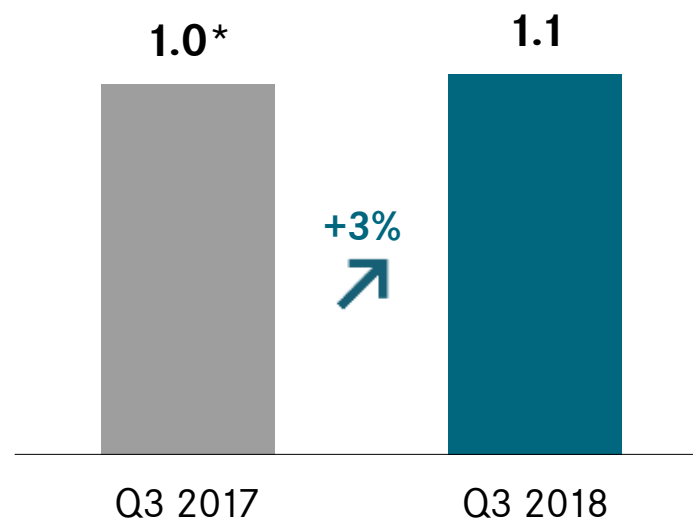
## Unit sales

- in thousands of units -



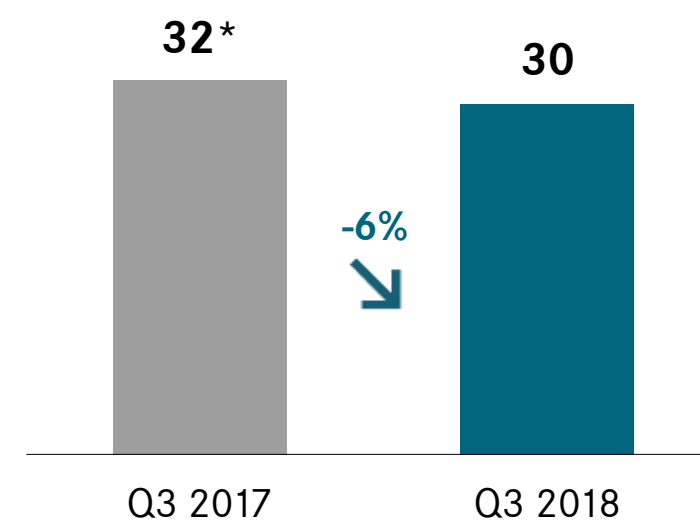
## Revenue

- in billions of euros -



## EBIT

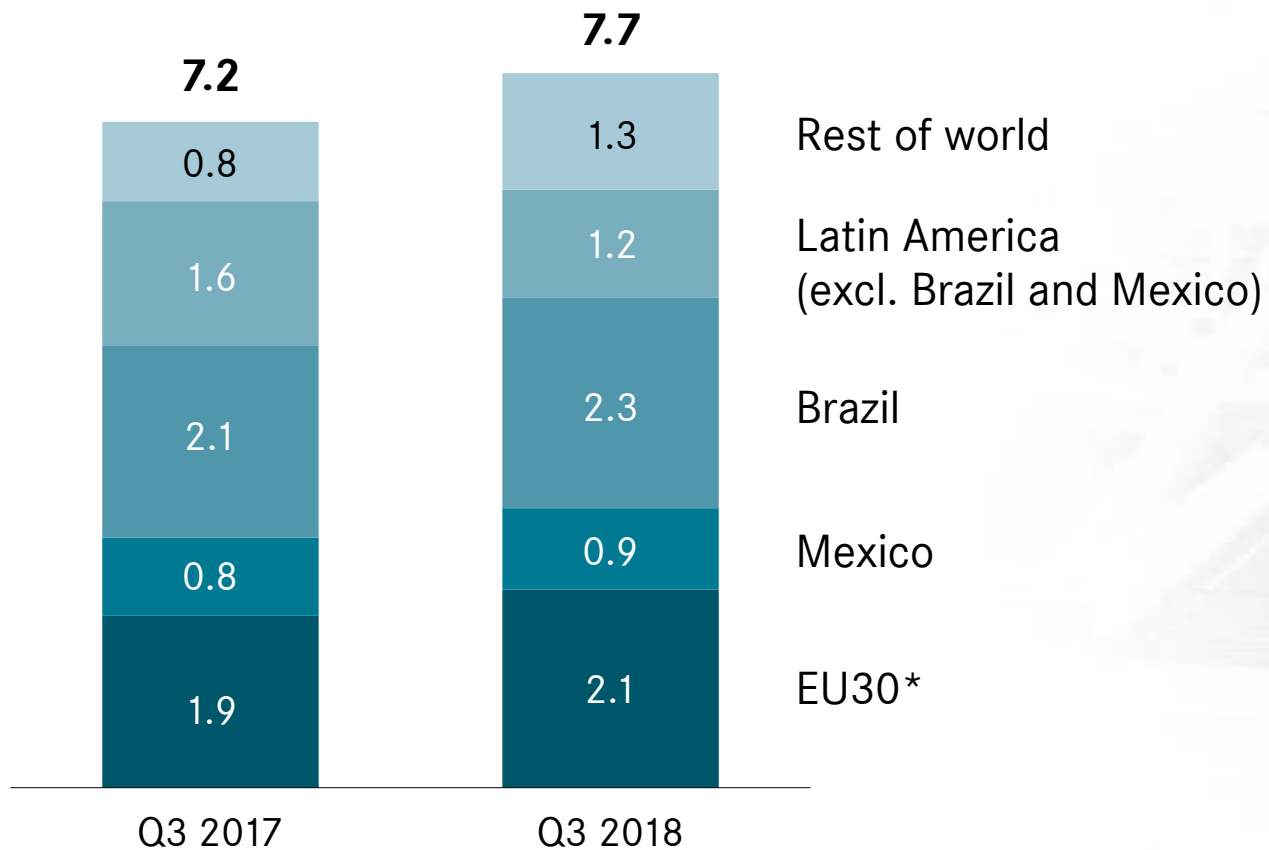
- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

# Daimler Buses: higher unit sales in Brazil and India

- in thousands of units -

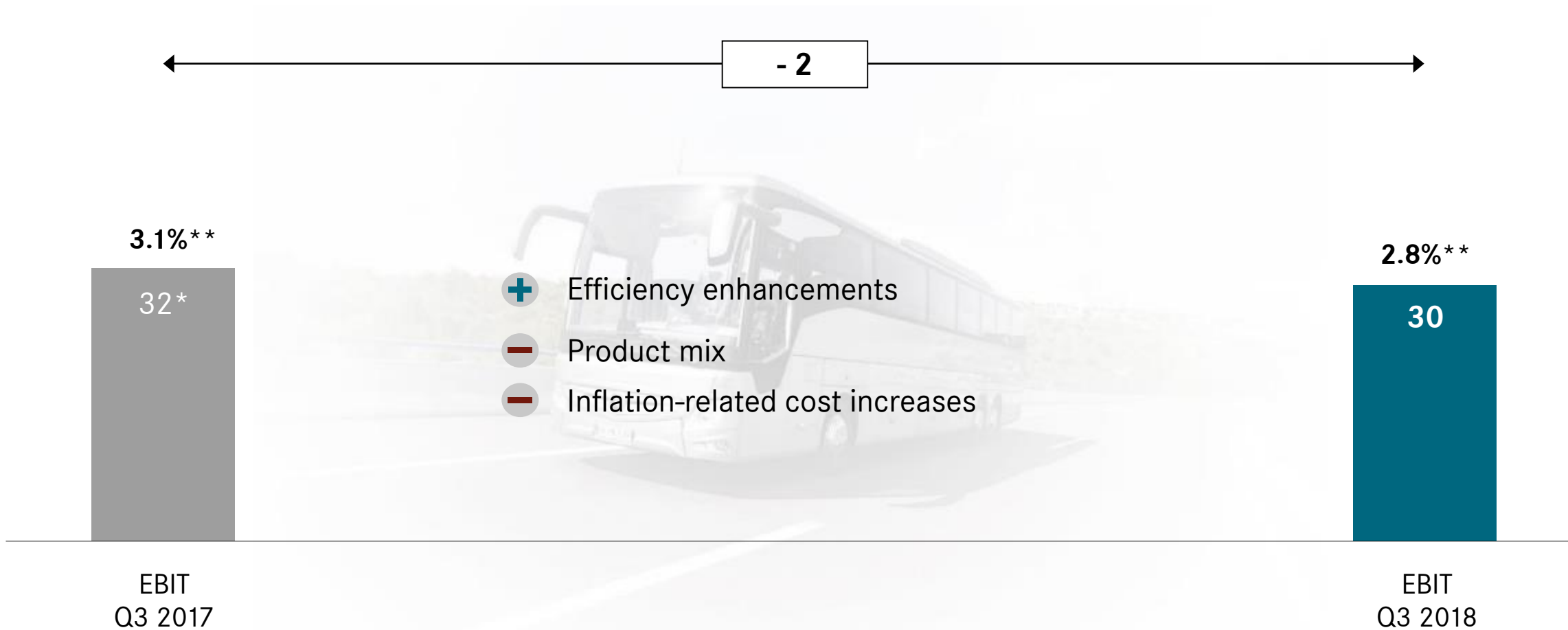


\* European Union, Switzerland and Norway



# Daimler Buses: EBIT

- in millions of euros -



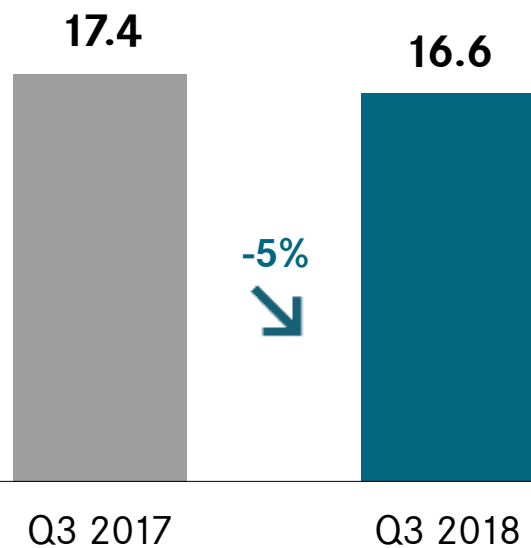
\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

# Daimler Financial Services

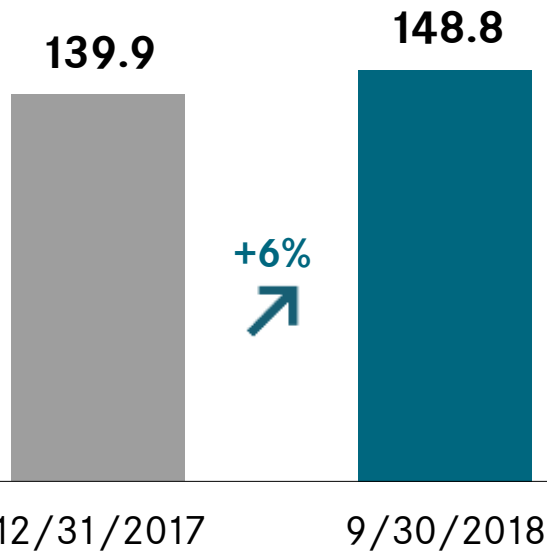
## New business

- in billions of euros -



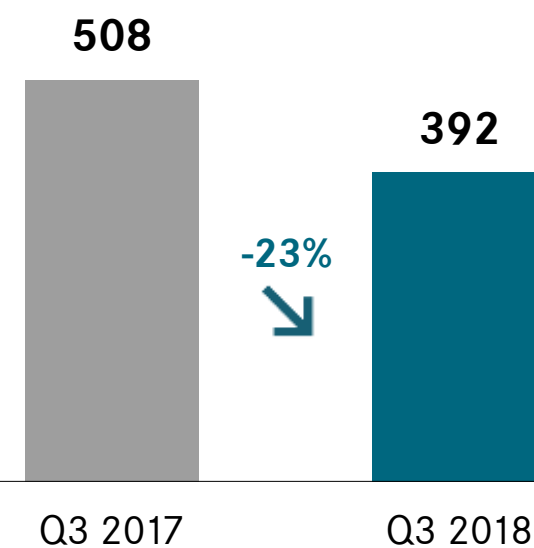
## Contract volume

- in billions of euros -



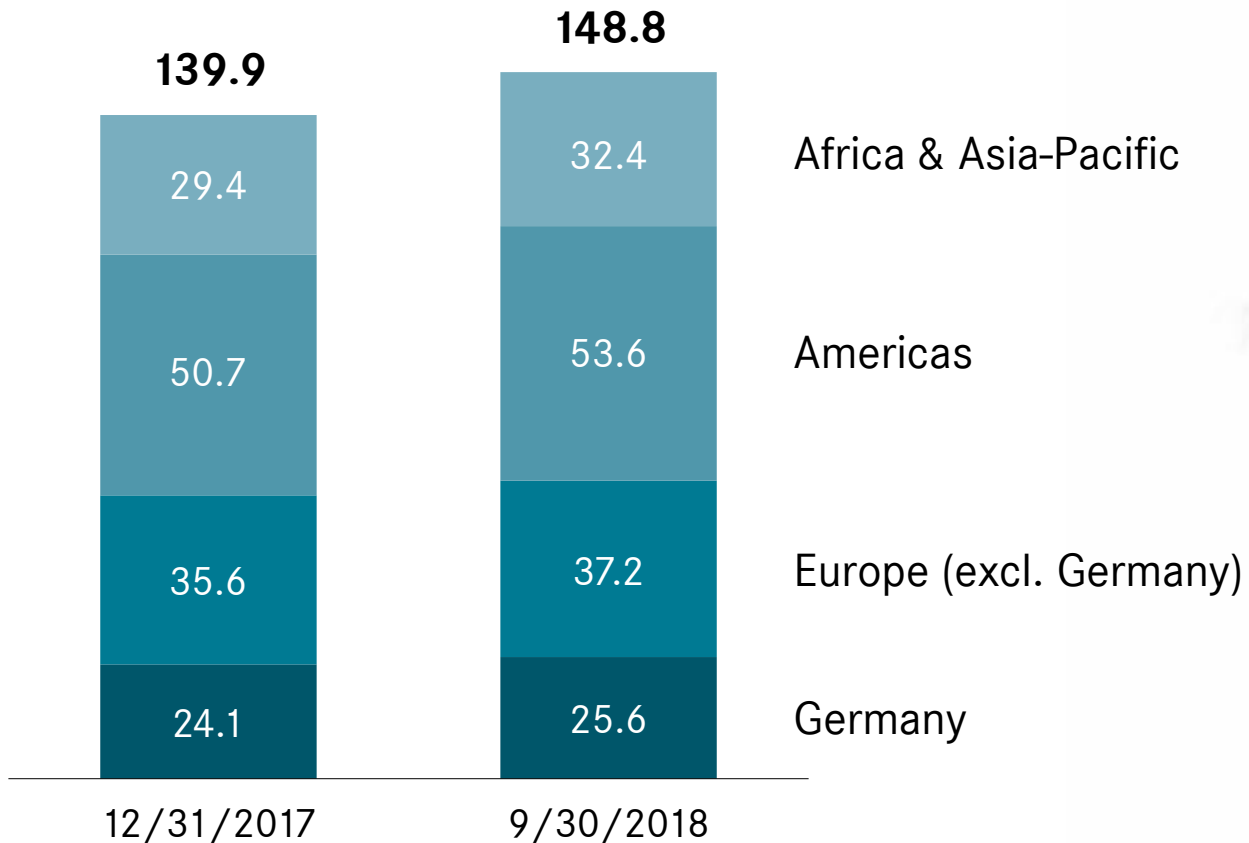
## EBIT

- in millions of euros -



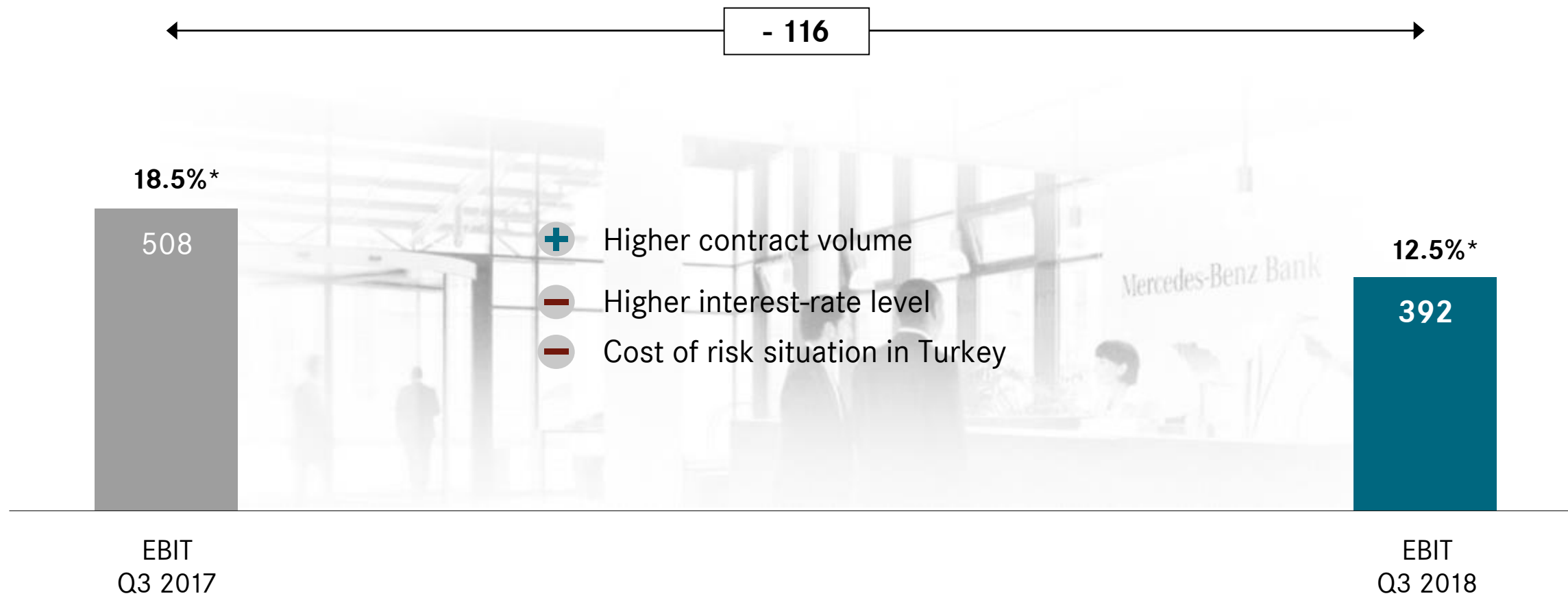
# Daimler Financial Services: further increase in contract volume to 148.8 billion euros

- in billions of euros -



# Daimler Financial Services: EBIT

- in millions of euros -



\* Return on equity



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# Assumptions for automotive markets in 2018

Car markets	Global	around +2%
	Europe	slight growth
	USA	around the prior-year level
	China	slight growth
Medium- and heavy-duty truck markets	NAFTA region	significant growth
	EU30	slight growth
	Japan*	slight decrease
	Brazil	significant growth from low level
	Indonesia*	positive development
Van markets	EU30	slight growth
	USA	slight growth
Bus markets	EU30	slight growth
	Brazil	significant growth

\* including light-duty trucks

# 2018 sales outlook



Mercedes-Benz Cars

## **Unit sales around the prior-year level**

Supported by wide range of attractive and innovative vehicles  
Further growth in China



Daimler Trucks

## **Significantly higher unit sales**

Significant growth in NAFTA region, Brazil, Indonesia and India  
Slight growth in EU30 region; unit sales around the prior-year level in Japan



Mercedes-Benz Vans

## **Significantly higher unit sales**

Slight growth in EU30 region, significant growth in China and the United States  
Growth momentum from new X-Class and new Sprinter



Daimler Buses

## **Significantly higher unit sales**

Maintain market leadership in core markets  
Significant sales increase in EU30 region and further growth in Latin America

# 2018 outlook for EBIT

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## DAIMLER

**We expect Group EBIT for FY 2018 to be significantly below the prior-year level based on the following expectations for divisional EBIT:**

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Mercedes-Benz Cars

Significantly below the prior-year level

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Daimler Trucks

Significantly above the prior-year level

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Mercedes-Benz Vans

Significantly below the prior-year level

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Daimler Buses

Significantly below the prior-year level

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Daimler Financial Services

Significantly below the prior-year level

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We have set the course for a successful future

Profitable CORE business



Strategic CASE business



COMPANY structure



CULTURE change



# Mercedes-Benz Cars & Vans



# Exciting and promising future ahead of us

**CORE**  **Electric** 

**Connected**  **Autonomous** 

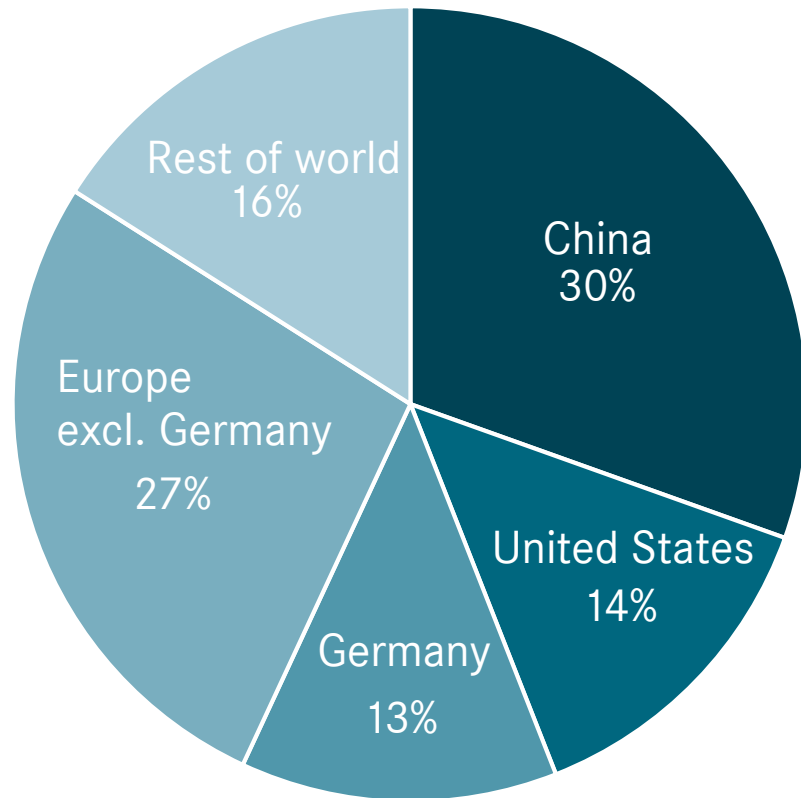
**CORE Mercedes-Benz Electric**  
**Connected Cars & Vans Autonomous**

The image features a central Mercedes-Benz logo surrounded by four strategic pillars: CORE (represented by car and SUV icons), Electric (represented by an electric car icon), Connected (represented by a cloud icon), and Autonomous (represented by an autonomous driving icon). The background is a collage of four images: a silver SUV driving on a road, a blue electric car at night, a car's interior dashboard with a globe on the screen, and a 3D rendering of an autonomous vehicle on a city street.



# Mercedes-Benz Cars: globally balanced sales structure with strong development especially in China

- in % of unit sales -

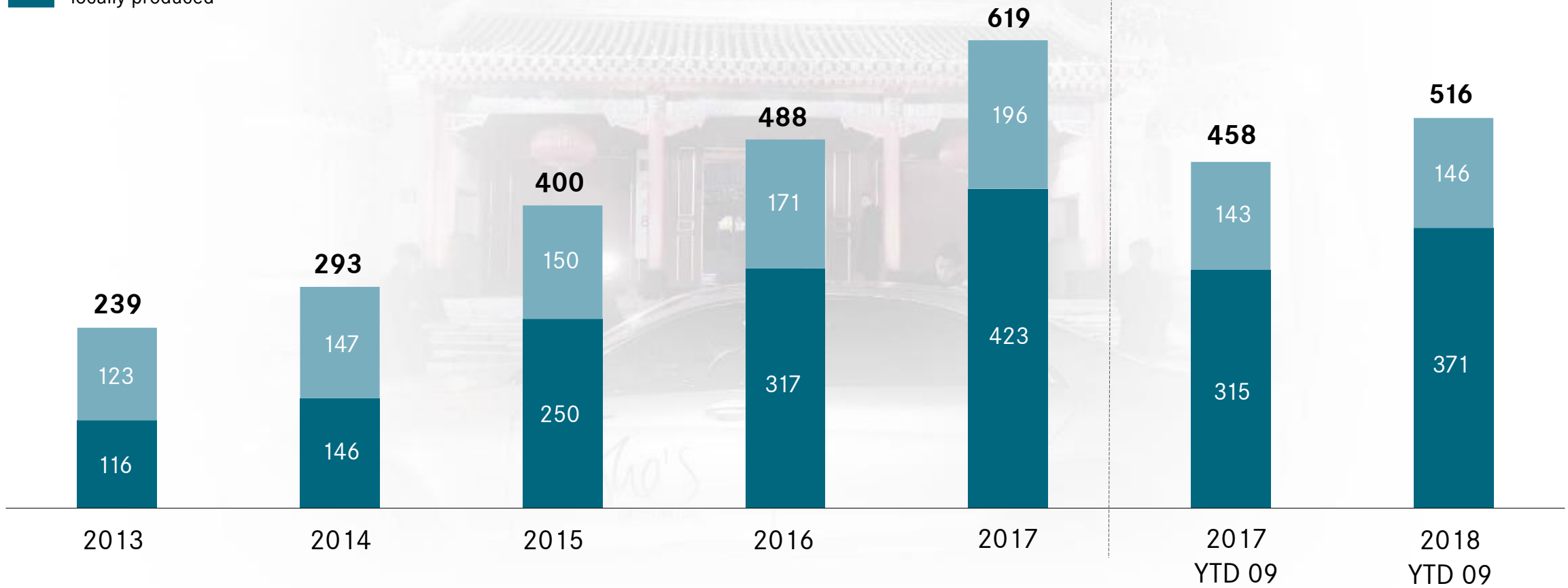
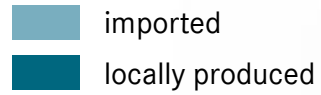


Q3 2018



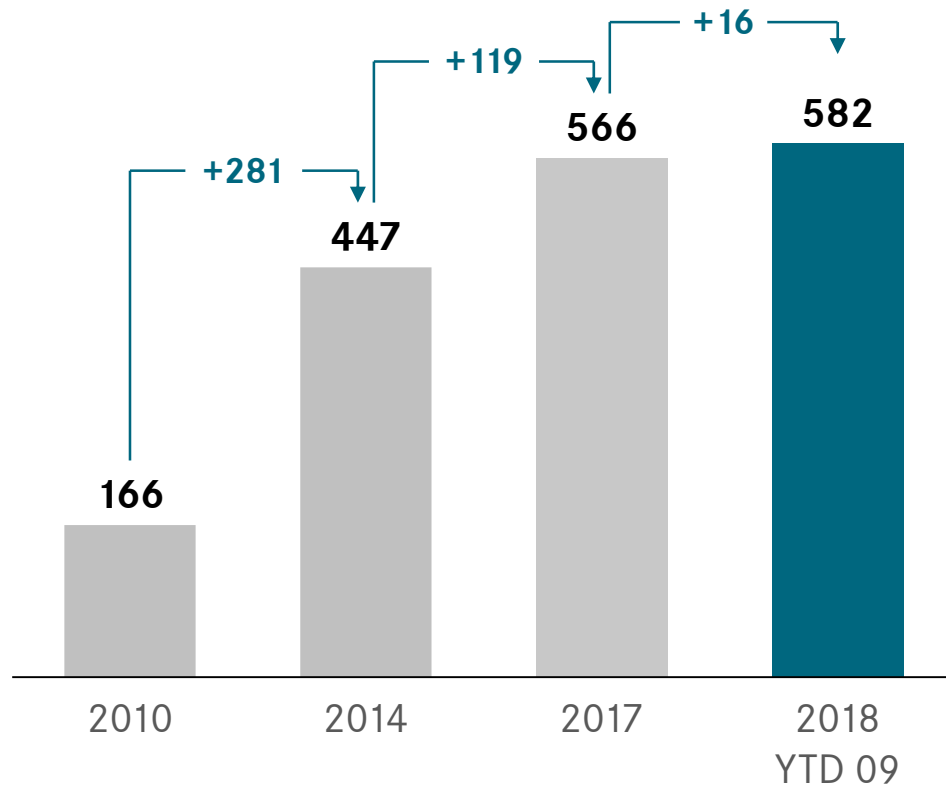
# Mercedes-Benz Cars in China: continued strong sales growth with higher share of locally produced vehicles

- in thousands of units -



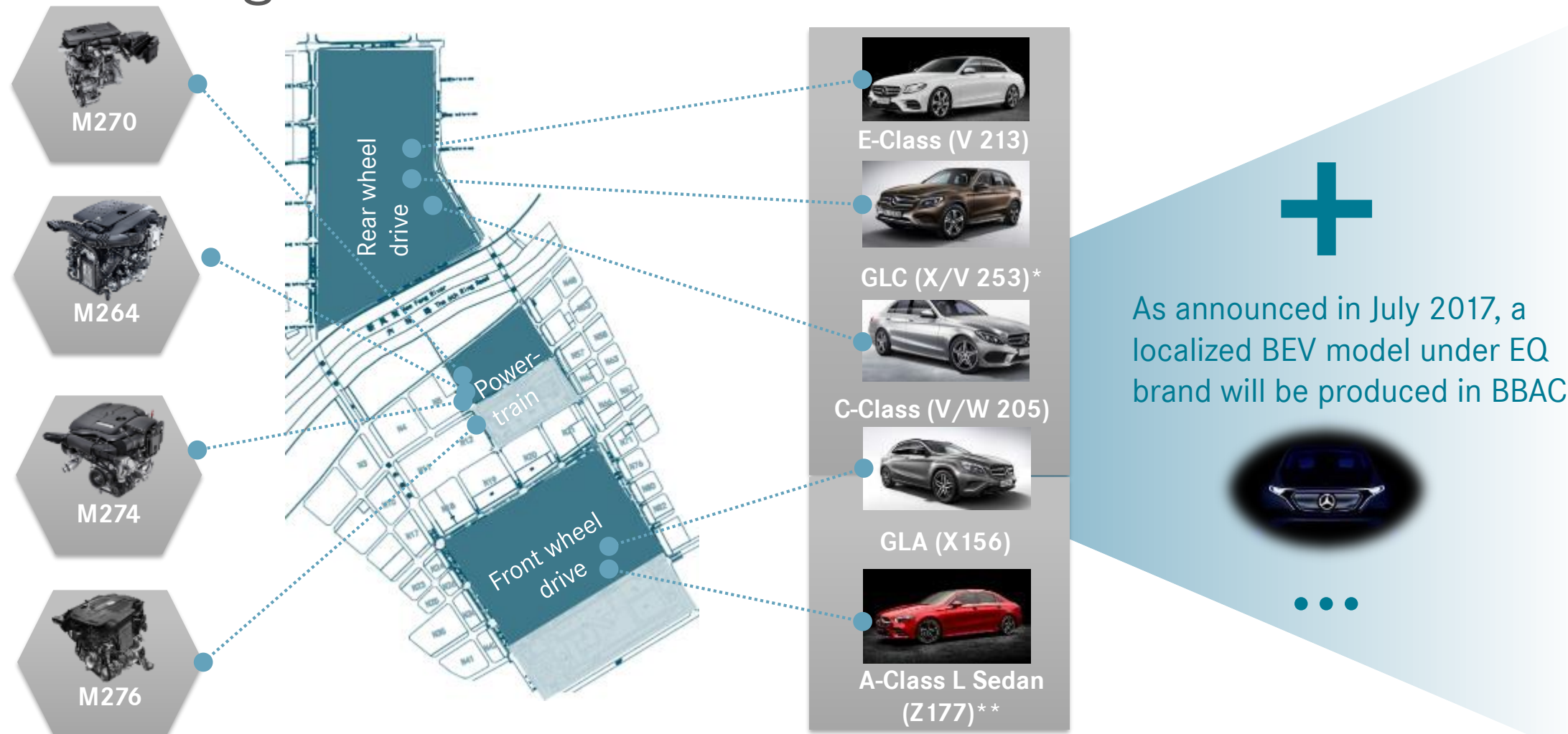
# Mercedes-Benz Network Development in China

Number of Outlets



Region	Dealer#
North	175
South	136
East	172
West	99

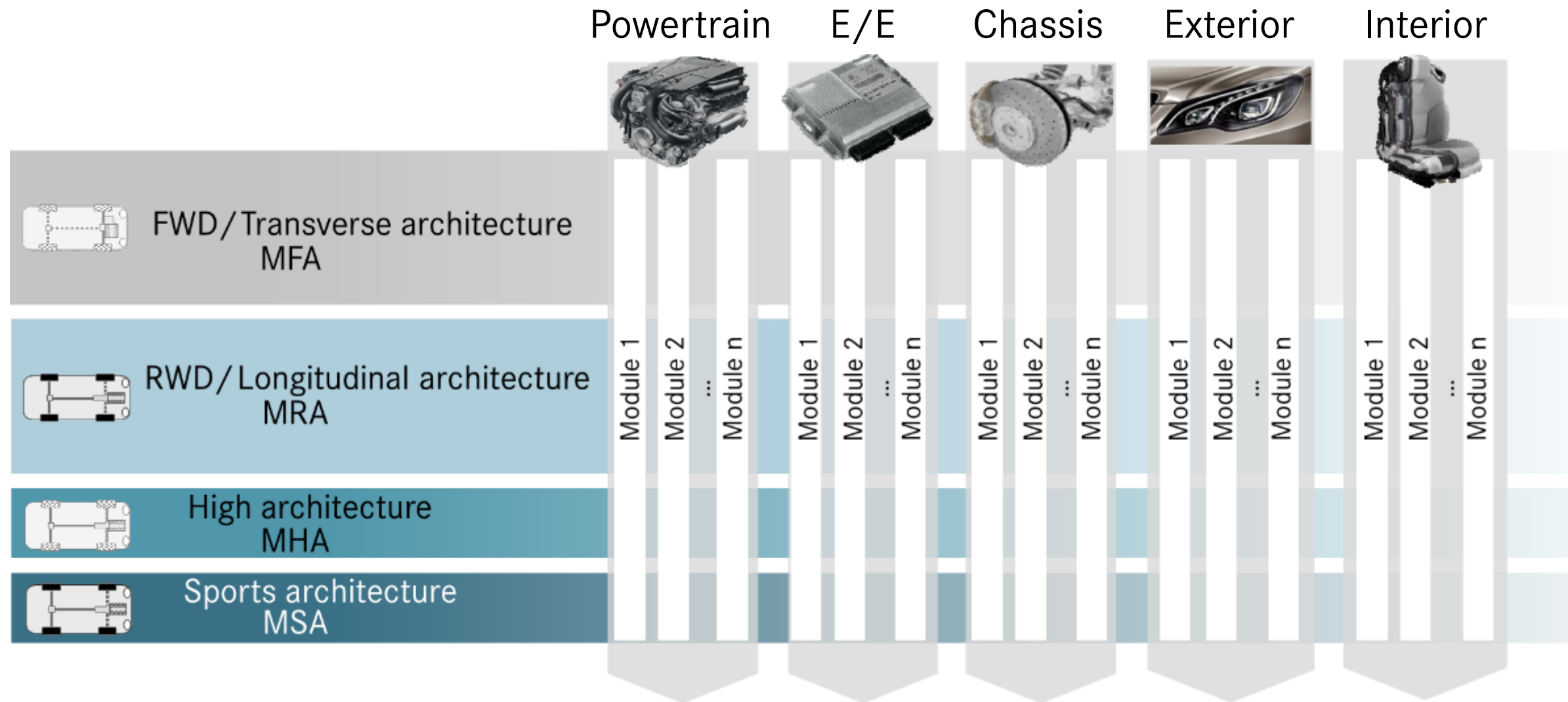
# Made in China for China: we're producing five car models and four engine models at BBAC



\* GLC (X/V 253): X253 end of production and V253 start of production at BBAC on Sep. 19<sup>th</sup> 2018.

\*\* A-Class L Sedan (Z177): Start of production end of Oct. 2018.

# With vehicle architecture and modular strategy, we aim at being more cost efficient, faster and more flexible

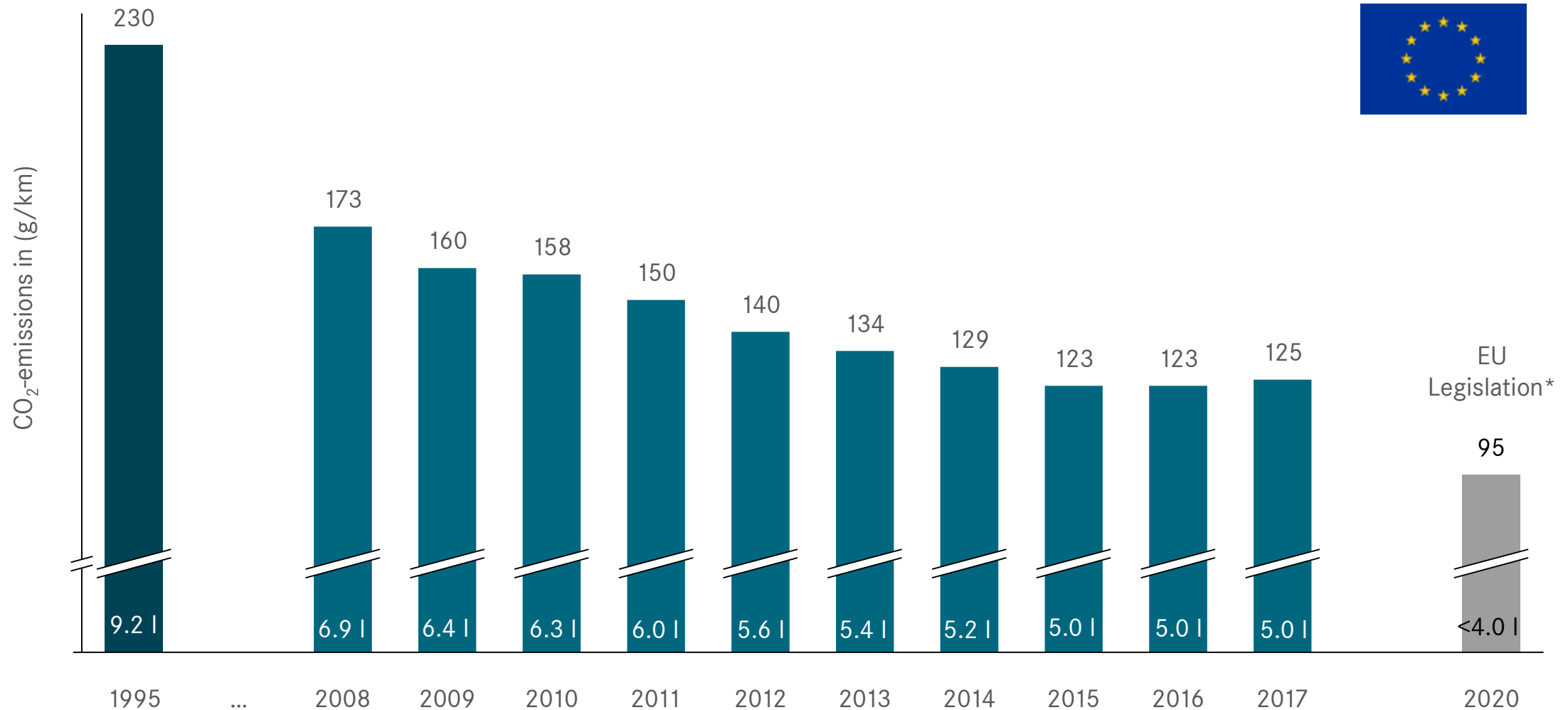


# High degree of modularity of the entire drive train



# Development of CO<sub>2</sub> emissions

Average CO<sub>2</sub>-emissions in g/km Mercedes-Benz Cars fleet in Europe



\* Target value for average weight of European fleet.

# Overview CO<sub>2</sub> reduction measures

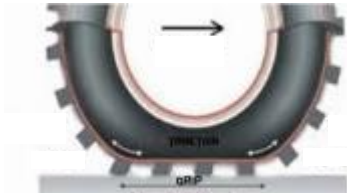
## CO<sub>2</sub> measures in and on the vehicle



Aerodynamics



Energy recovery



Rolling resistance



Eco-Mode, Intelligent Drive



Weight



Energy efficient operational strategy

## CO<sub>2</sub> measures ICE powertrain



Efficient high-tech diesel and gasoline engines

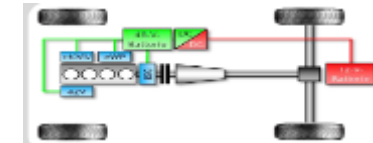


Efficient transmissions



Efficient ancillary units

## Electrification of powertrain



48V-starting system (e.g. ISG)



PHEV



Long Range PHEV



BEV



FCEV

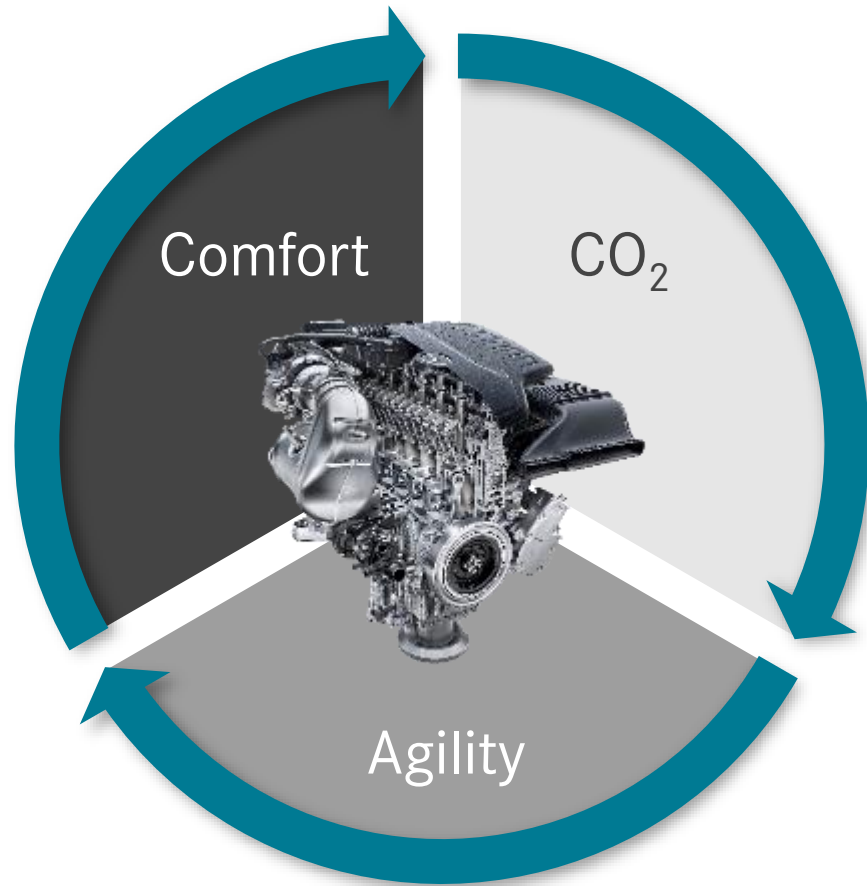
0%

Degree of electrification

100%



# 48 Volt electrification: Several advantages regarding CO<sub>2</sub> and comfort

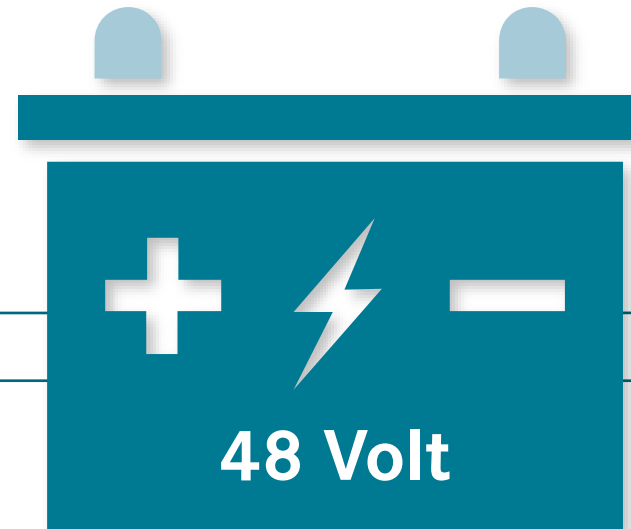


## NVH

Calm starting of automatic start-stop function

## Integrated starter-generator

Combined performance with CO<sub>2</sub>-reduced hybrid functions



## Turbocharger

Innovative boost concept with two-stage turbocharger and electric supercharger

## Air conditioning

AC works without running engine

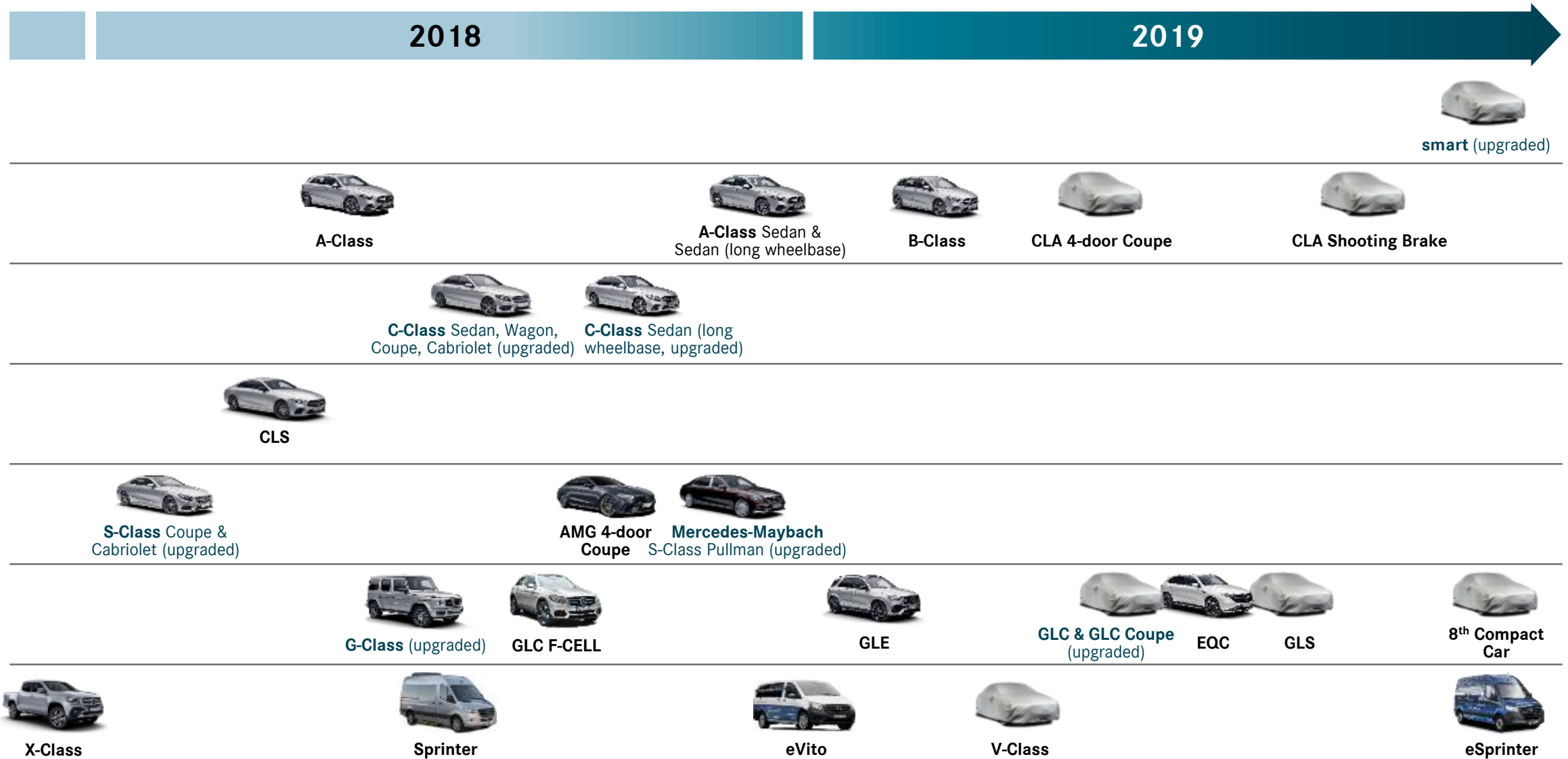
# Hybrid offensive as further step to reach CO<sub>2</sub> targets

## Example **560 e Plug-in-Hybrid**



Fuel consumption combined: 2,1 l/100 km, CO<sub>2</sub>-emissions combined: 49 g/km, weighted power consumption: 15.5 kWh/100 km, all-electric range of around 50 kilometers.

# Mercedes-Benz Cars and Vans: continued product offensive

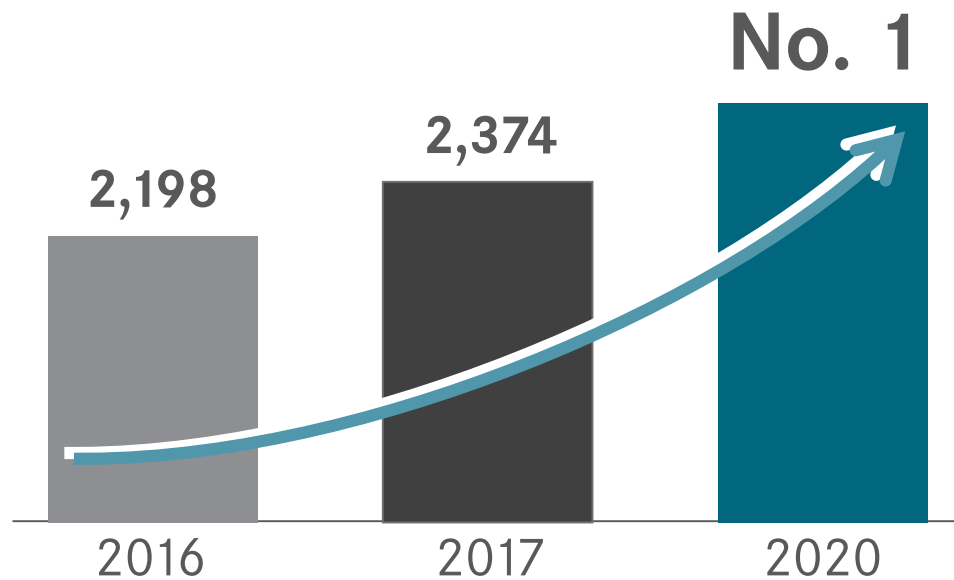


# Our target: remain No.1 premium car brand

achieved already in 2016!

## Sales target

In thousand units

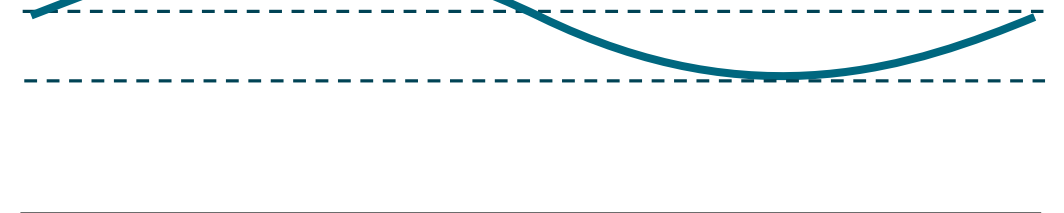


## Profitability target

Return on Sales in %

# 8-10%

Corridor during transition phase



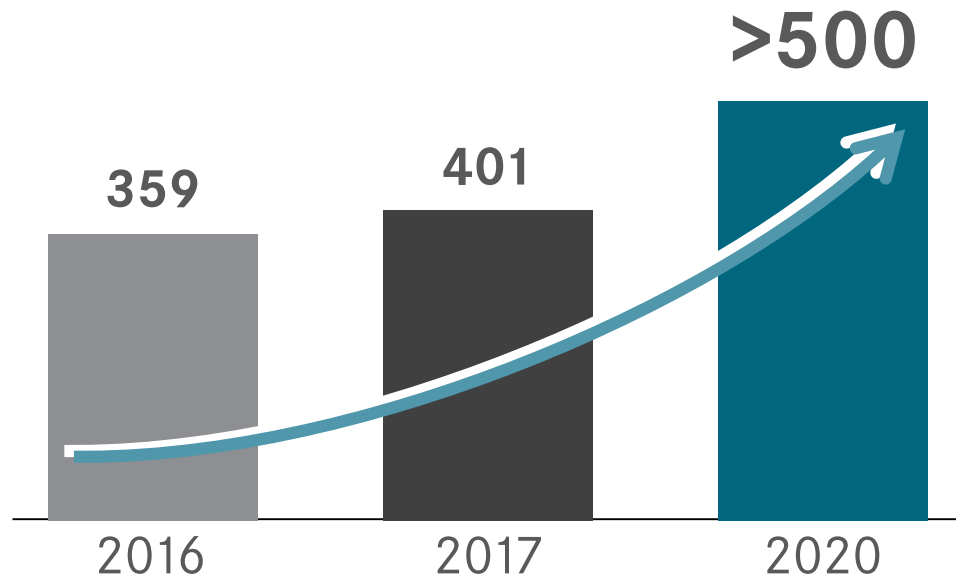
# New Sprinter plant in North Charleston - Amazon becomes the world's largest Sprinter customer



# Our target: No 1 provider of holistic transport and mobility solutions

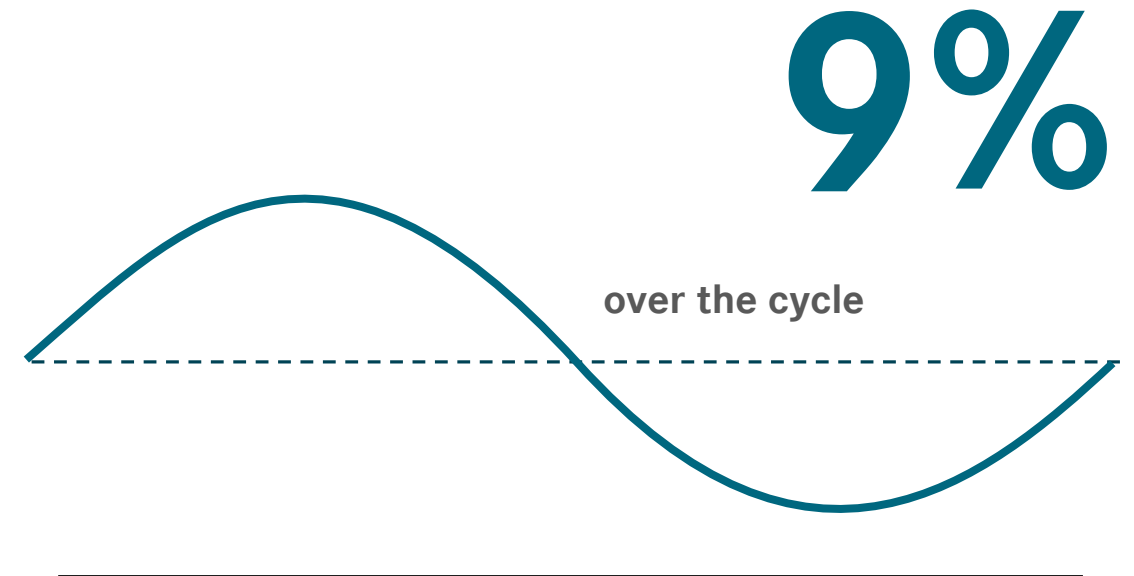
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# CASE trends leading to fundamental changes in the automotive industry





# Revolution in the cockpit: Mercedes-Benz User Experience



Touch Controls



Touchscreen

Hey  
Mercedes



Speech Control



# Connect - Anytime. Anywhere.




# 2.5

Mercedes *me*  
million  
connected vehicles

# Development steps towards fully automated driving

- Currently offered by MB & legally permissible -

**Level 1  
Driver Assistance**



Single control functions such as speed selection, braking or lane keeping are automated.

Driver in charge.


**Level 2  
Partial Automation**



More than one control function is automated under certain conditions.

Driver expected to take care of all remaining aspects of the dynamic driving task.


**Level 3  
Conditional Automation**



Vehicle can perform the dynamic driving task under **certain conditions**.

Driver expected to respond to requests to take control.


**Level 4  
High Automation**



Vehicle can perform all dynamic driving tasks within a **certain use case**.

Driver **not** expected to take control.

**Level 5  
Full Automation**



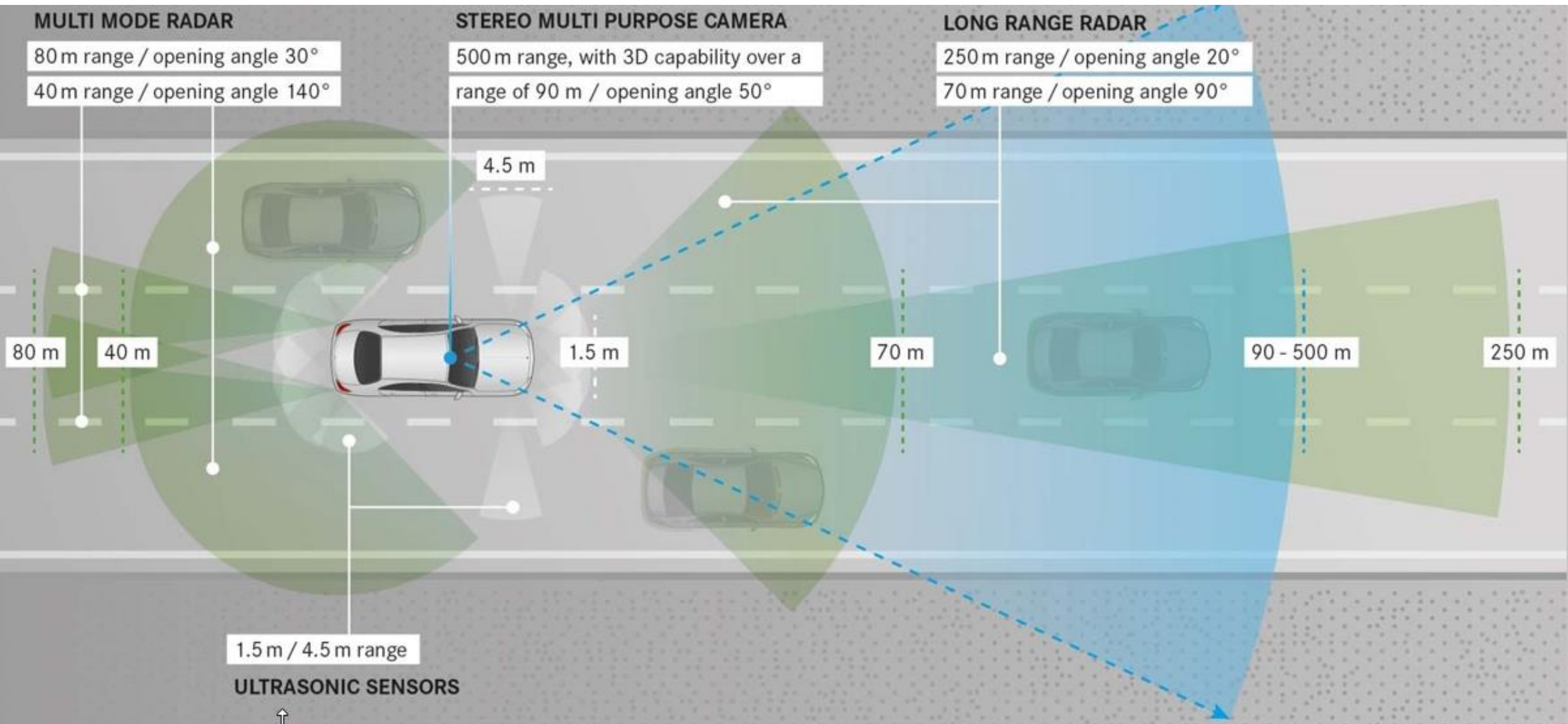
Vehicle can perform **all** dynamic driving tasks that can also be managed by a human driver.

No driver needed.

Autonomous Driving

+ enabler for new & complementary mobility services

# Sensors for Driver Assistance Package



# HD MAP for highly automated driving and HERE cooperation

- The HD Live Map is a mandatory part for the HAD\* system for planning and positioning
- The HD Map is the only sensor that delivers context information and a long road horizon
- Close strategic cooperation with HERE for:
  - map content, format, accuracy, coverage,
  - quality assurance, maintenance and
  - update concept



\*highly automated driving

- illustrative examples -

# In the future - driver controlled and system controlled

## Driver controlled



Safety technologies and automated systems, which are situational activated by the driver

## System controlled



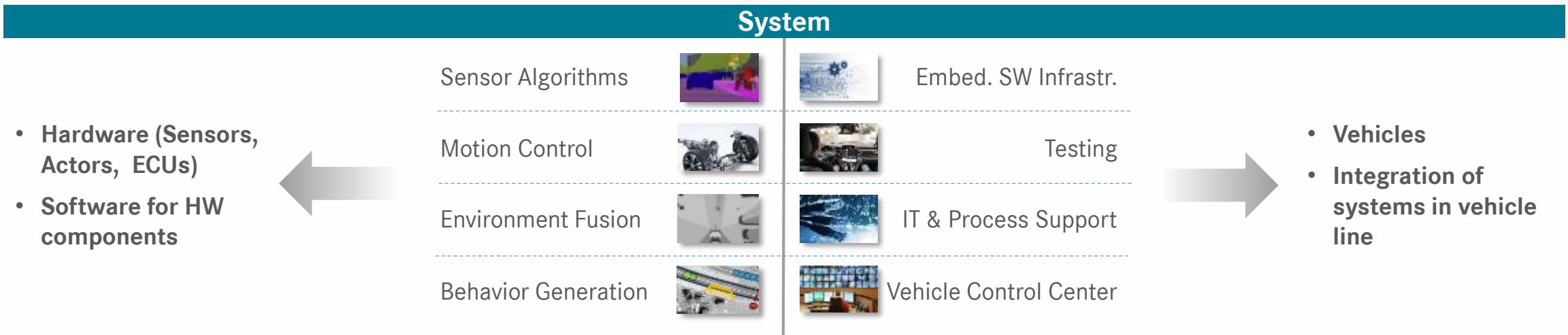
Automated systems, which drive the vehicle from the starting point to the destination

# Bundling of our forces with Bosch

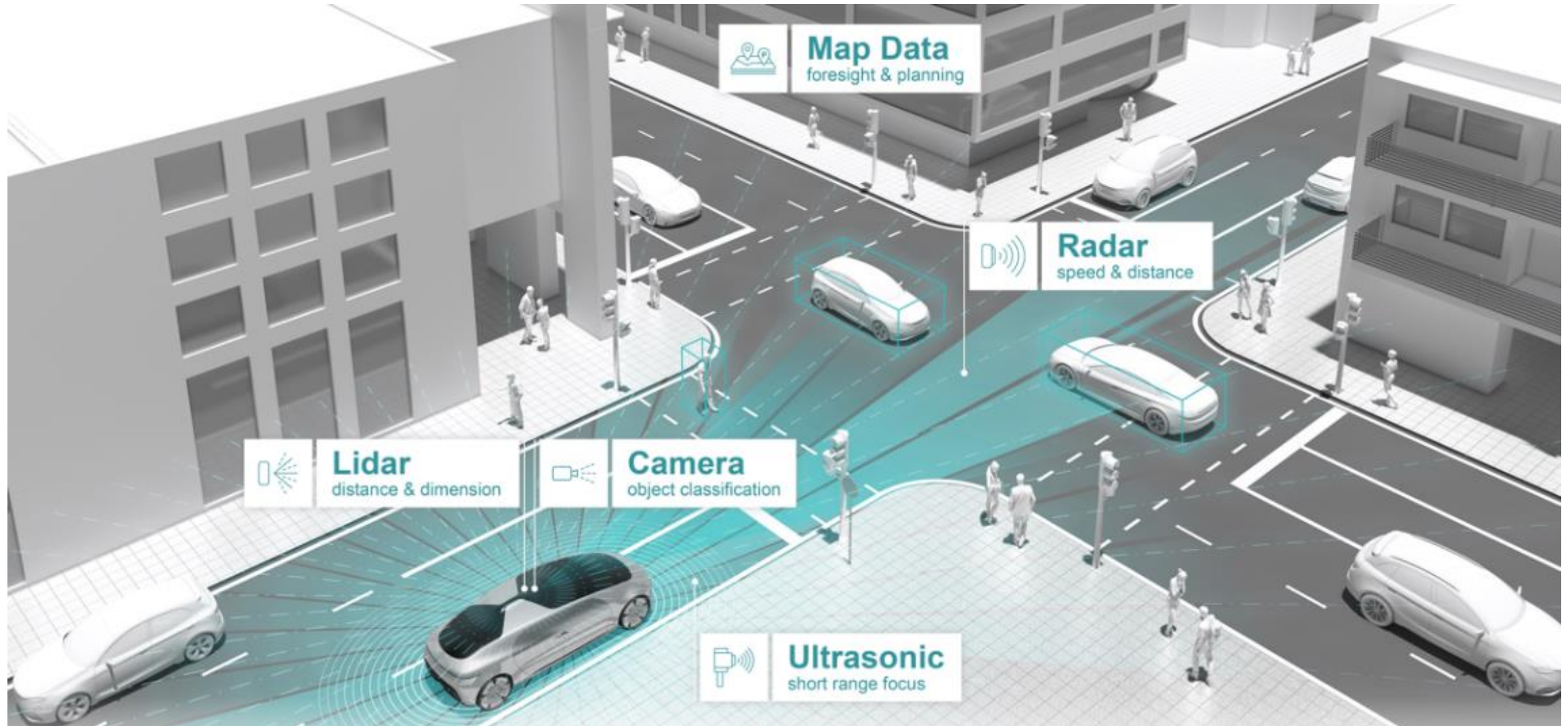
**Aim: To put automated driving and driverless cars on the road in urban environments by early in the next decade.**

**Bosch**

**DAIMLER**



# Californian metropolis will become first pilot testing city for automated driving in 2019



# Vision URBANETIC – autonomous driving platform with cargo or people-mover body





# EQ - Electric Intelligence. The new brand for electric mobility as part of our brand portfolio.



AMG



PERFORMANCE LUXURY



MAYBACH



ULTIMATE LUXURY



Mercedes-Benz



MODERN LUXURY



EQ



PROGRESSIVE LUXURY

HOT

COOL

# We are on our way to emission-free mobility



High-tech combustion engines

Plug-in hybrids

Performance hybrids

Electric vehicles with battery or fuel cell

# Pushing ahead with our electric vehicle offensive

- **€10 billion** investment into e-mobility fleet
- Above 130 electrified alternatives by 2022
- Thereof more than **10 BEV** vehicle types
- In **each series of Mercedes-Benz** at least one electrified version
- BEV volume share between **15% and 25%** until 2025
- smart **fully electric** in EU/USA until 2020
- **New brand EQ** for electric mobility
- Implementation of **charging infrastructure** in Europe via joint venture “IONITY”



# World premiere of the new fully-electric EQC\*



Power consumption (NEDC)	22.2* kWh/100 km
Range (NEDC)	more than 450* km
Output	300 kW (408 hp)
Peak torque	765 Nm
Top speed	180 km/h (governed)
Acceleration 0-100 km/h	5.1 s
Battery	Lithium-ion
Battery energy content (NEDC)	80 kWh
Battery weight	650 kg

\* electricity consumption combined: 22.2 kWh/100 km; CO2 emissions combined: 0 g/km, preliminary figures (figures on electricity consumption and CO2 emissions are preliminary and calculated by Technical Service. Figures on range are likewise preliminary. EC type approval and conformity certification with official figures are not yet available. The official figures may vary from those stated.)

# smart fully electric in Europe & US by 2020



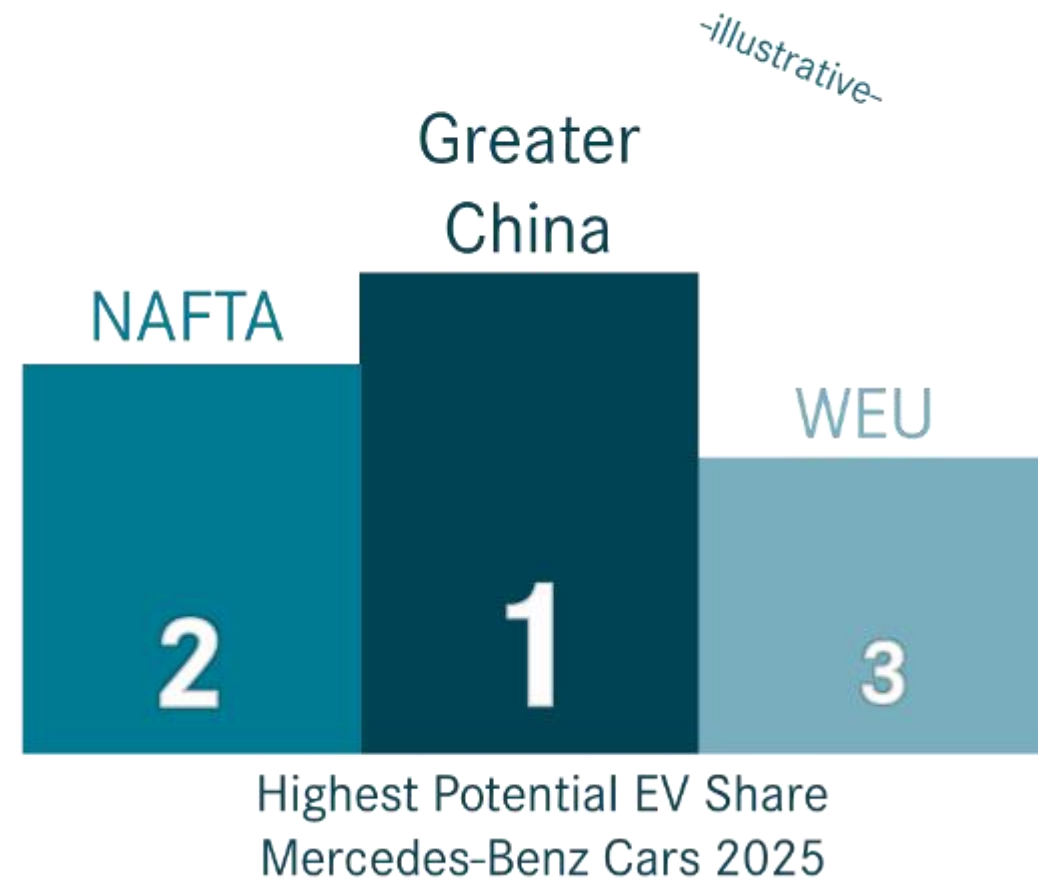
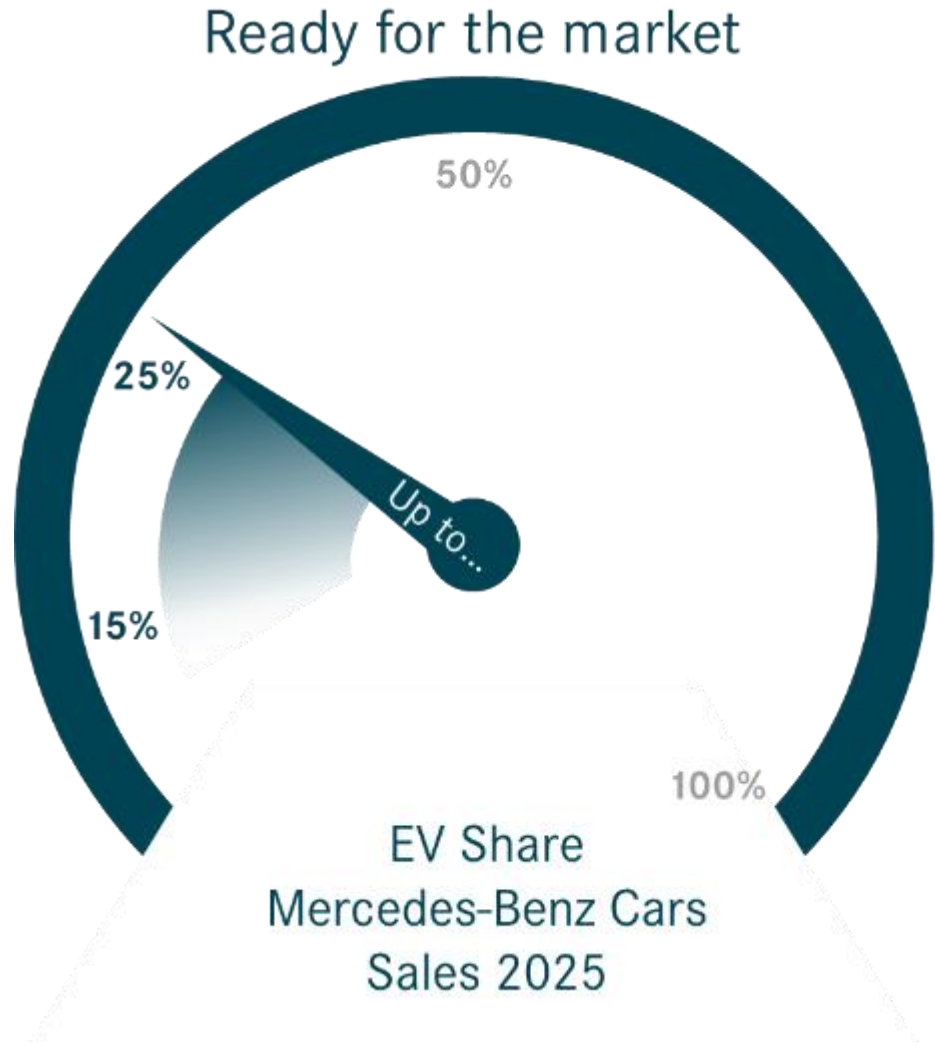
smart EQ fortwo: power consumption combined: 13,0-12,9 kWh/100km; CO<sub>2</sub>-emission combined: 0 g/km  
smart EQ forfour: power consumption combined: 13,2-13,1 kWh/100km; CO<sub>2</sub>-emission combined: 0 g/km

# eVito: Electrically powered, mid-sized van has been available to order since the end of 2017

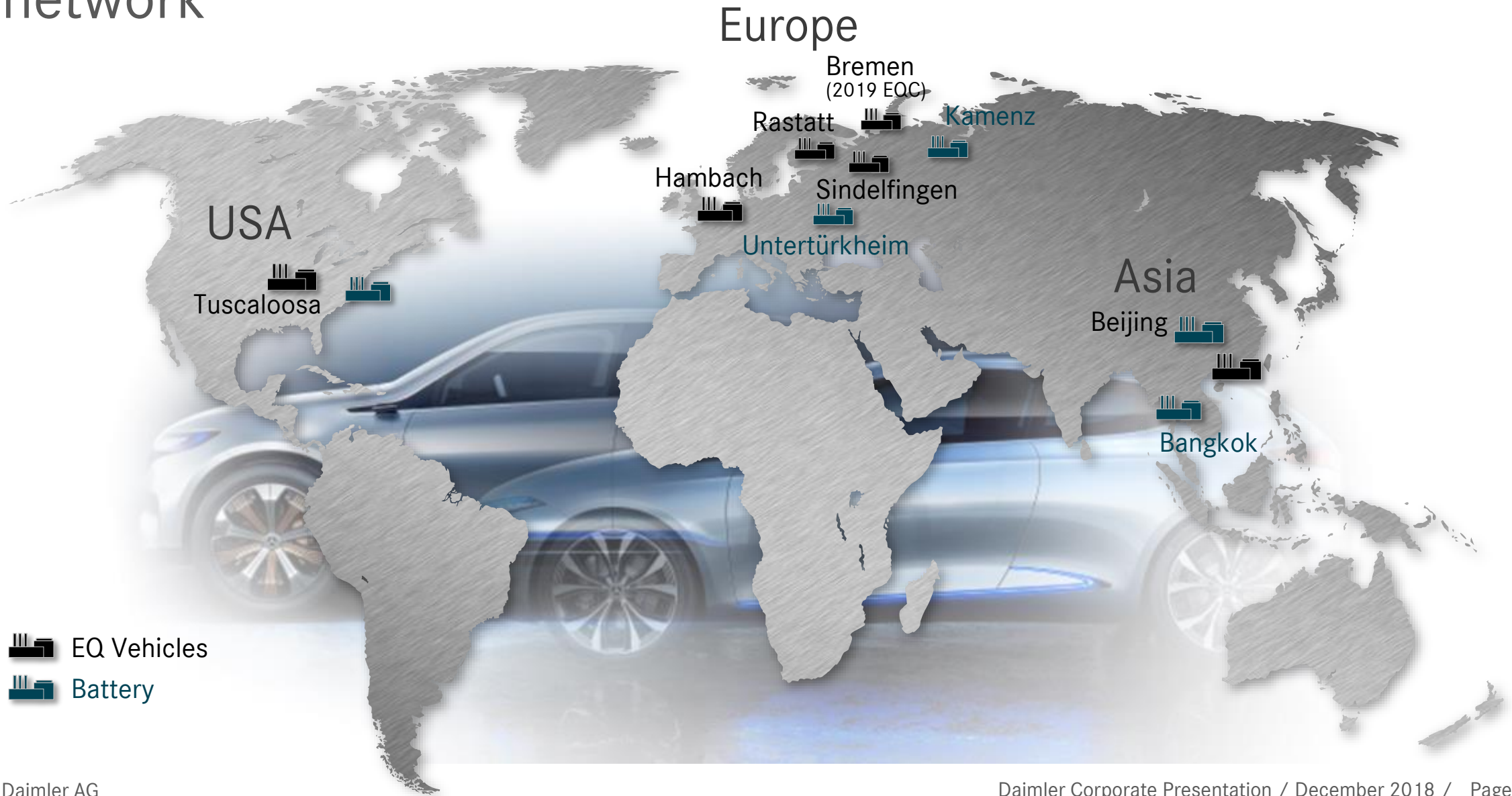
- Ecosystem to electrify commercial fleets
- Range of up to 150 km
- Designed for inner-city delivery, commercial and passenger transport





# Ambitious definition of our EV market targets



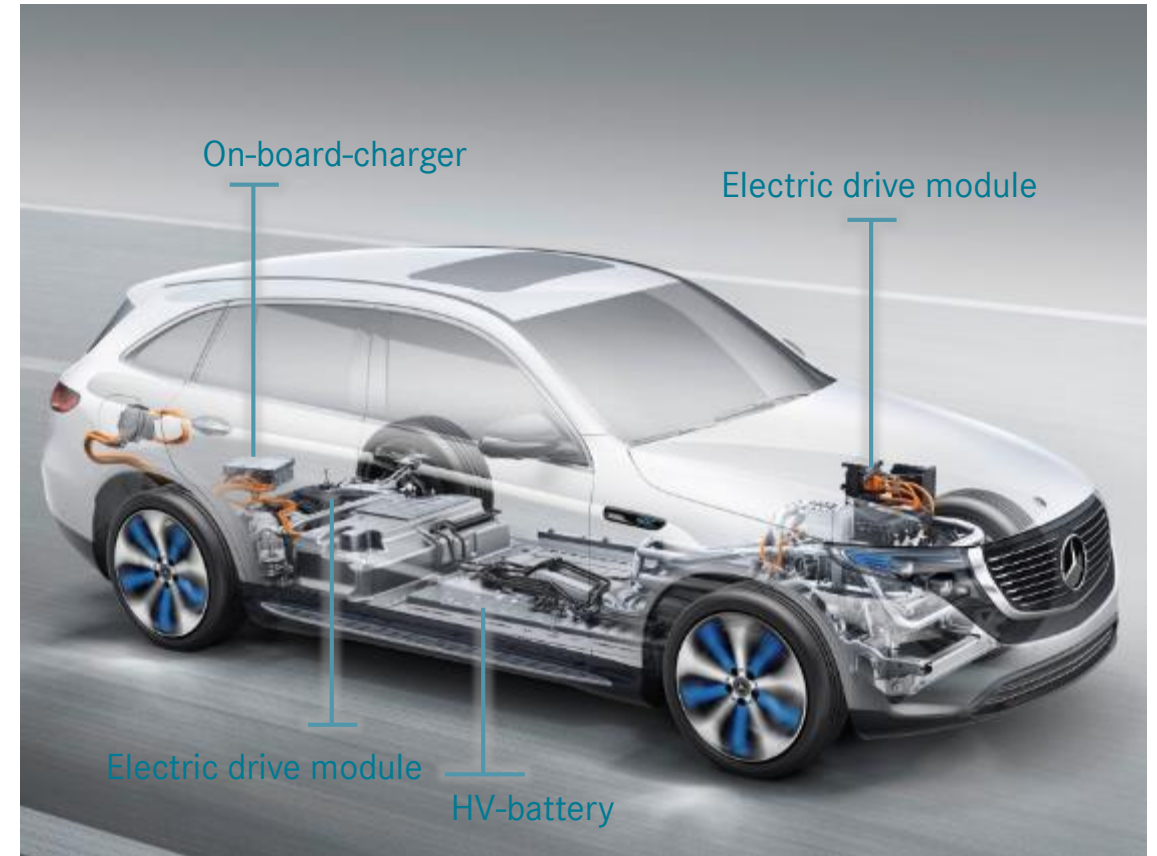
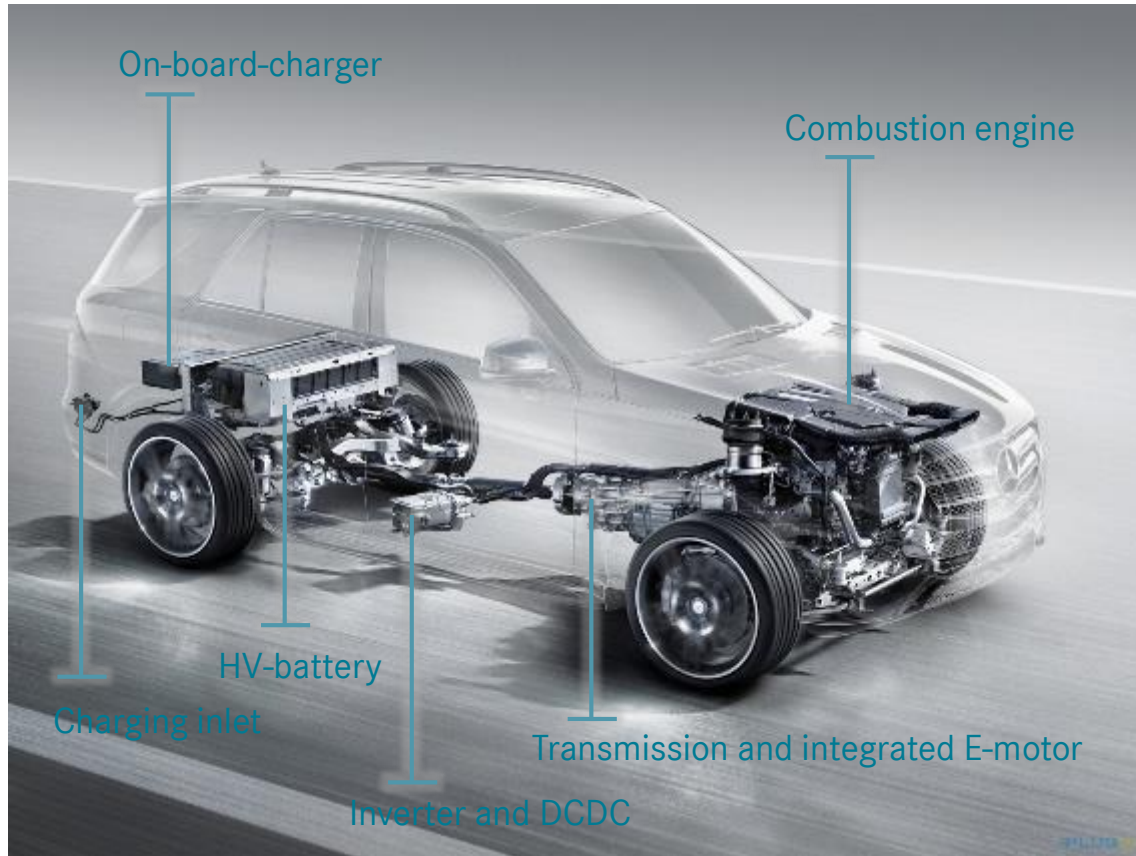
# Flexible integration of e-mobility in global production network



 EQ Vehicles  
 Battery

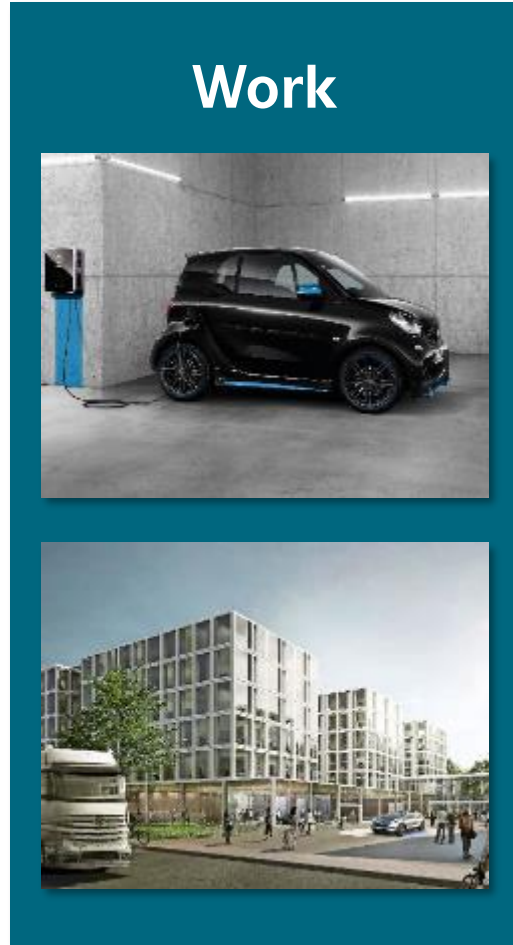
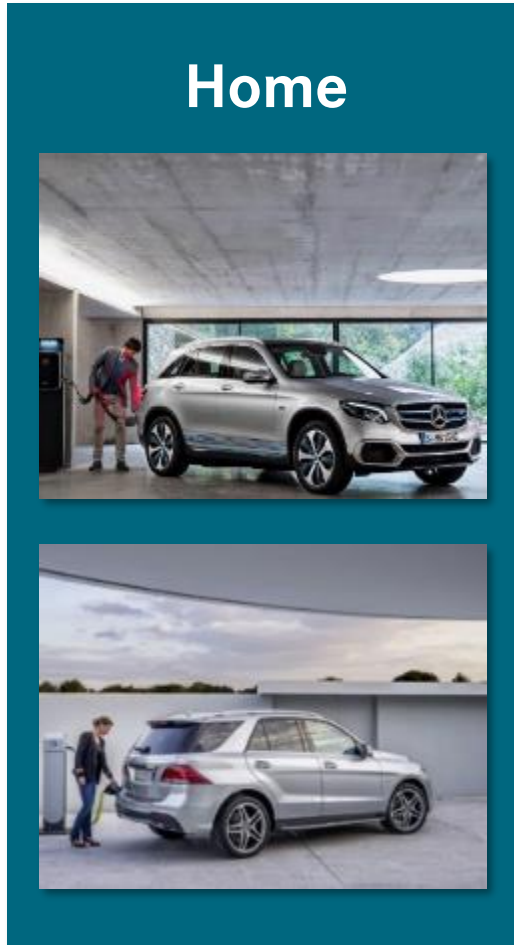


# Flexible architecture to integrate all types of electrified powertrains



Illustration

# Charging network together with partners improve customer experience



Mercedes-Benz GLC F-CELL: Preproduction model

Mercedes-Benz GLE 500 e 4MATIC: comb. fuel consumption: 3.7-3.3 l/100km; comb. power consumption: 18.0-16.7 kWh/100km; CO2 emissions combined: 84-78 g/km

smart EQ fortwo: combined power consumption: 13.5-13.0 kWh/100km; CO2 emissions combined: 0 g/km

# Daimler Trucks & Buses



# Our answers to master future challenges

**CORE** 

**Electric** 

**Connected** 

**Autonomous** 

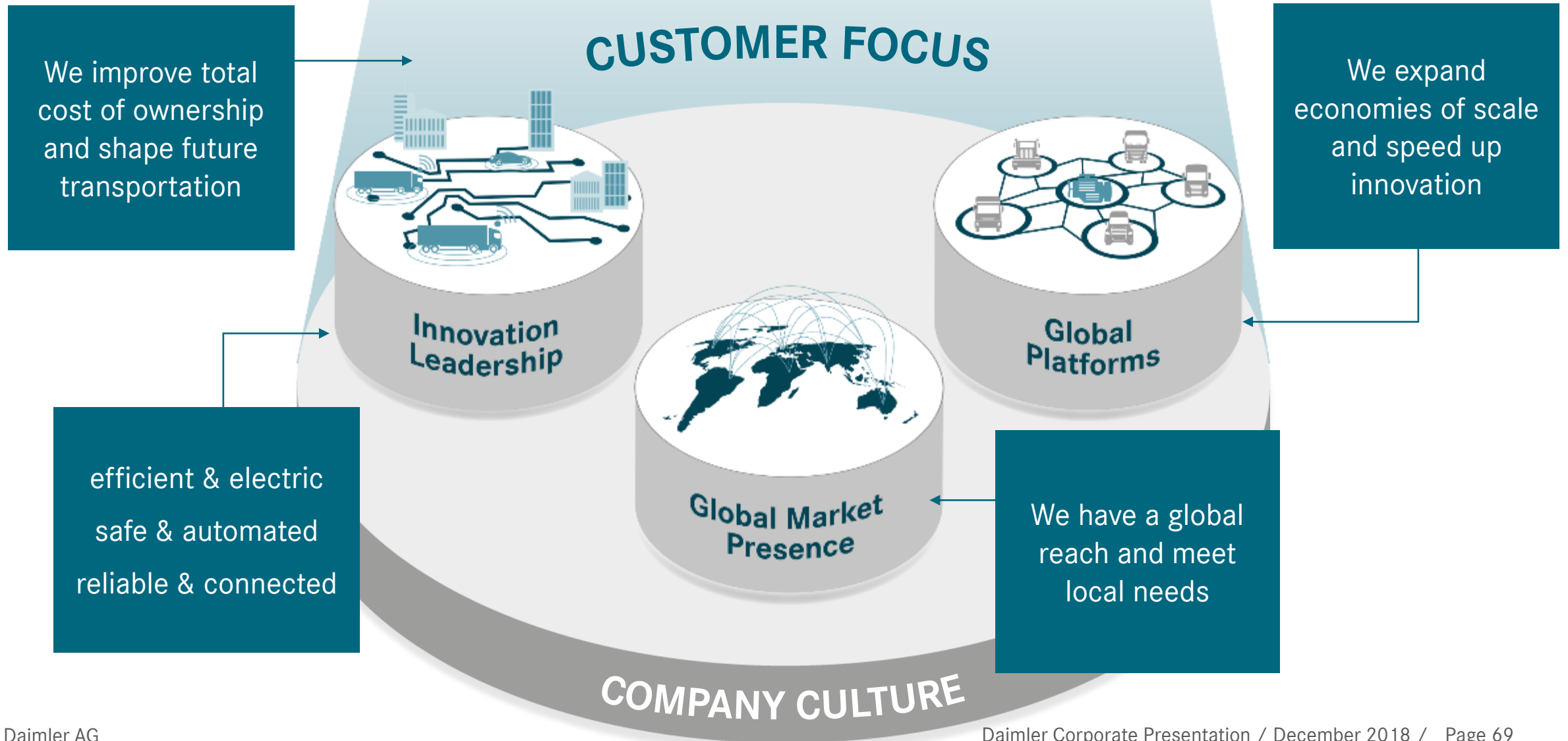
**CORE** **Electric** **Connected** **Autonomous**

**Daimler** **Freightliner** **Western Star**

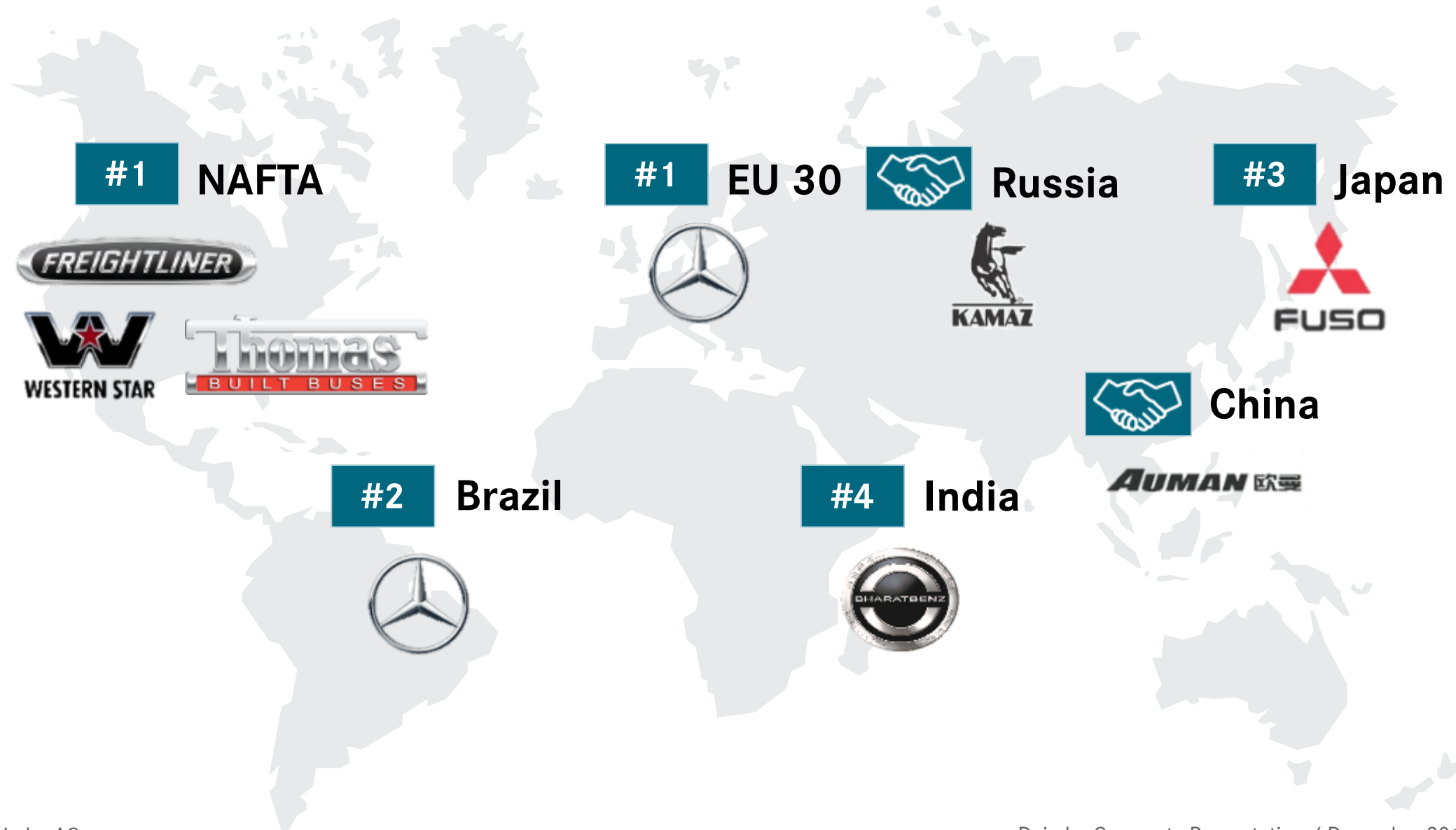
**Trucks & Buses**

**Connected**

# Our Strategy @ Daimler Trucks



# Strong brands and strong market positions around the world



# CHINA: We are well prepared to tap into the biggest market

**Biggest market** of commercial vehicles and promising **growth perspective**.



## Product Launches 2017



EST-A



EST



ETX



GTL

**Strong, committed partnership with Foton**



Market **shifting** towards **premium segment** and **new technologies**.



Our Joint venture BFDA delivers **strong sales**. Over **100k** trucks **sold** in 2017.



# Our Mission: Make our customers more successful

## Best-in-class products in all regions



## Customer experience as differentiator



Service and  
Parts Network



Continuous Process  
Improvement



Customer-focused  
product development

## Services beyond the hardware



Extended Warranty  
& Service Products



Connectivity &  
Uptime



End-to-End Support  
& Consulting

Measurable Benefits



Ease of Doing Business



Trusted Partner



# Efficiency: improving our customers' bottom line

**Europe:** Mercedes-Benz Actros



Fuel reduction **up to -3%\*** on motor-ways and **up to -5%\*** on rural routes

\*Fuel reductions compared to previous model

**NAFTA:** Freightliner New Cascadia



Fuel reduction **up to -8%\***  
Next efficiency step **by 2019**







**Japan:** FUSO Super Great



Fuel reduction **up to -15%\***  
Complete efficiency **makeover**

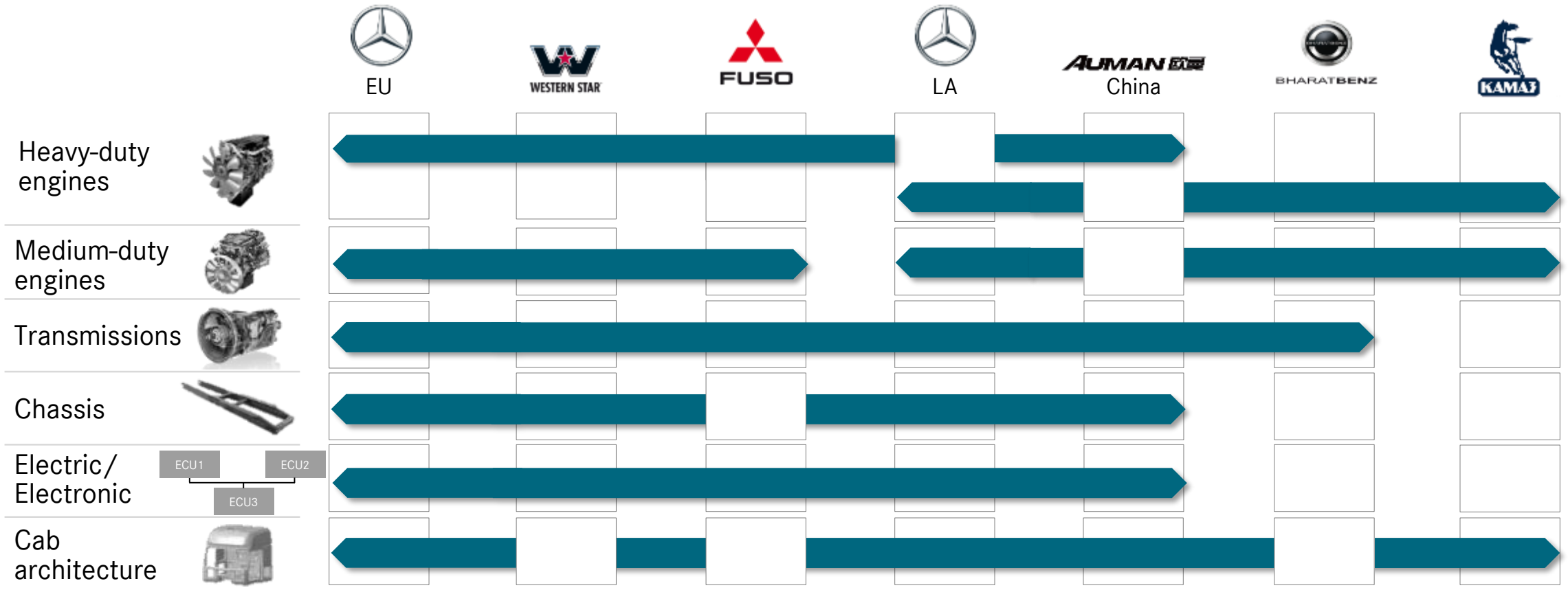
# Safe: We offer leading safety assistance systems



<p><b>Active Brake Assist 5</b> Brakes to full stop for pedestrians.</p>		<p><b>soon</b></p>	<p><b>soon</b></p>
<p><b>Active Brake Assist 4</b> Detects moving pedestrians.</p>			
<p><b>Sideguard Assist</b> Detects pedestrians and cyclists.</p>		<p><b>soon</b></p>	

# Global Platforms:

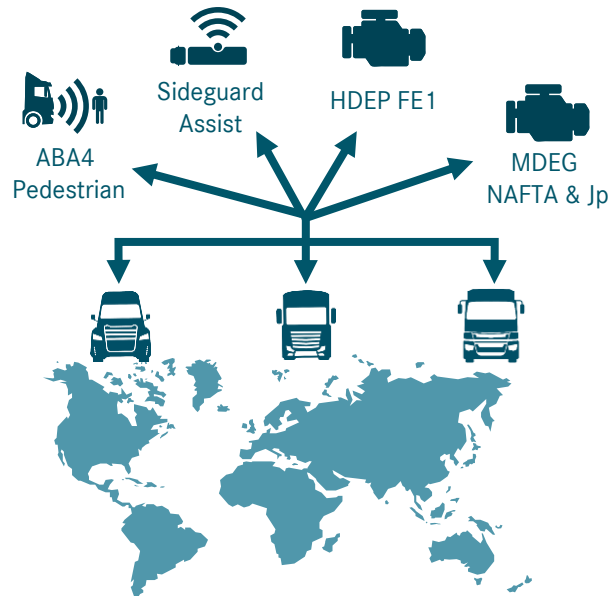
## Leveraging our global scale in technology & cost



# Global platforms are a great competitive advantage

- they achieve several goals at the same time:

## Speed of Innovation



Global platforms enable fast rollout of innovations

## Economies of Scale



Global platforms can secure pass-car-like volumes.

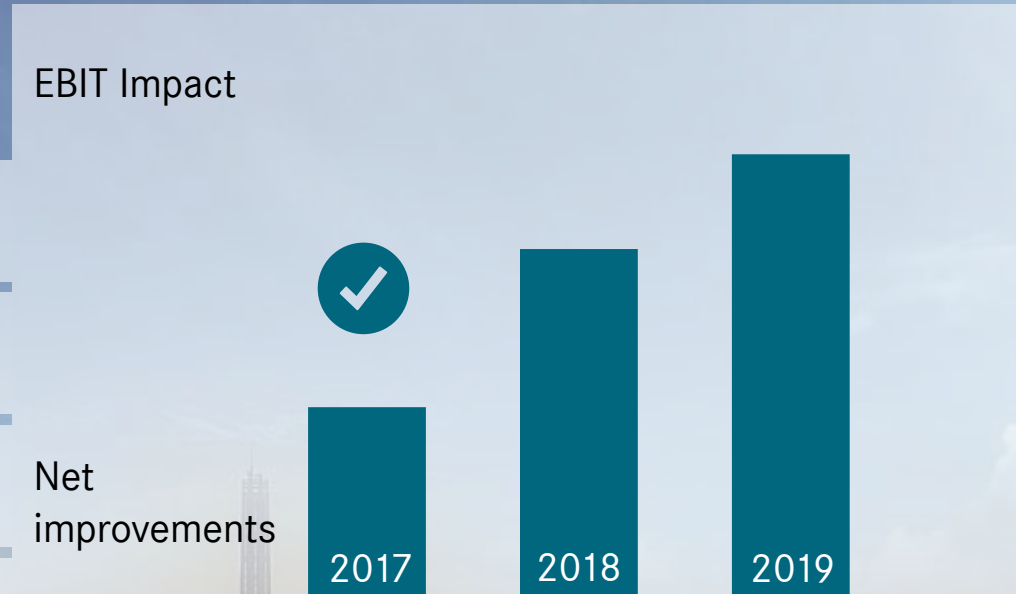
## R&D Efficiency



Common base development in an efficient R&D network.

# Daimler Trucks is setting the stage for a total of >1,400 mn € improvement fully effective in 2019

- |   |                           |
|---|---------------------------|
| 1 | Growth & Customer focus   |
| 2 | Global optimized network  |
| 3 | Cost reduction initiative |
| 4 | Stream                    |

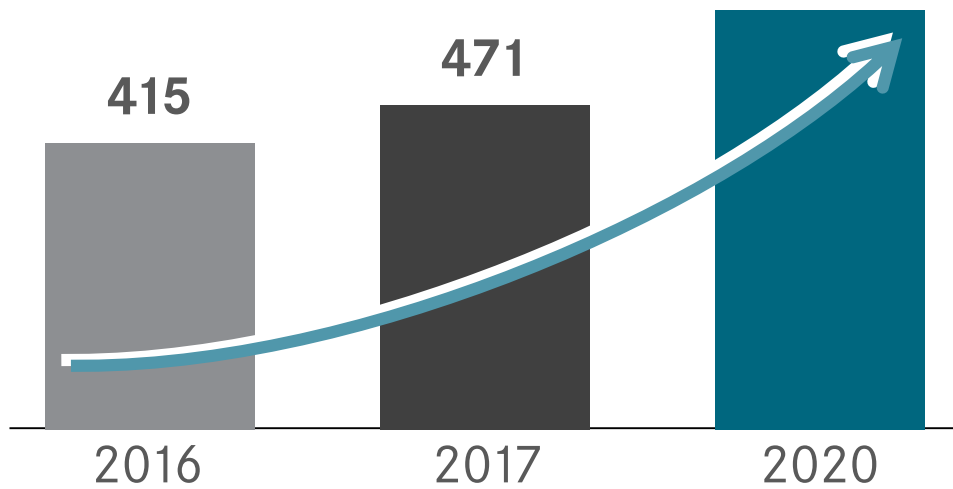


Net improvements  
**>1,400 mn €**  
Fully effective in 2019

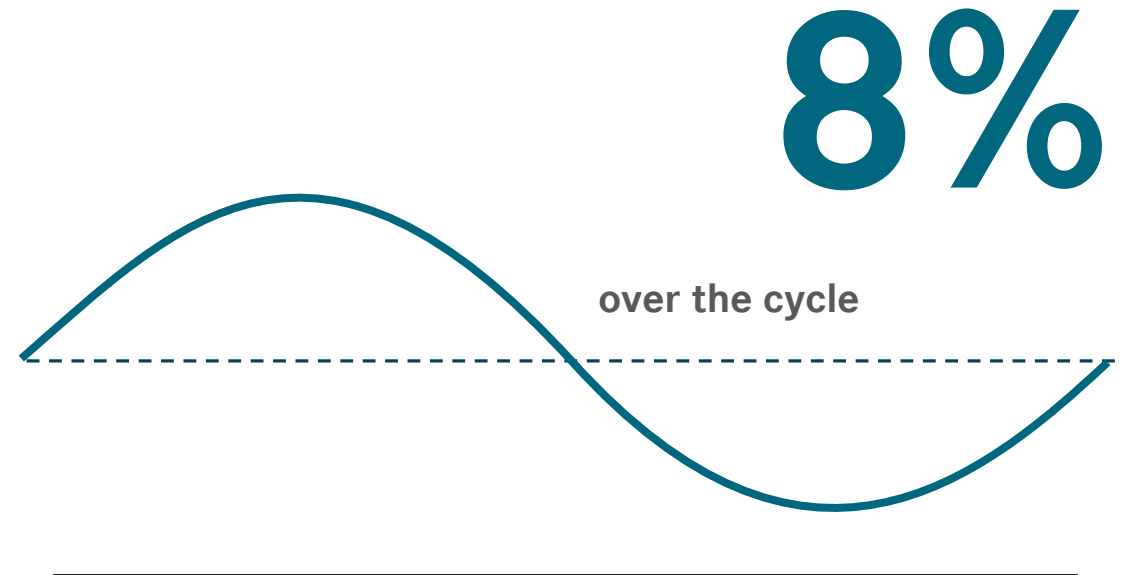


# Sticking to our target: leader in the truck industry

**Sales target**  
In thousand units



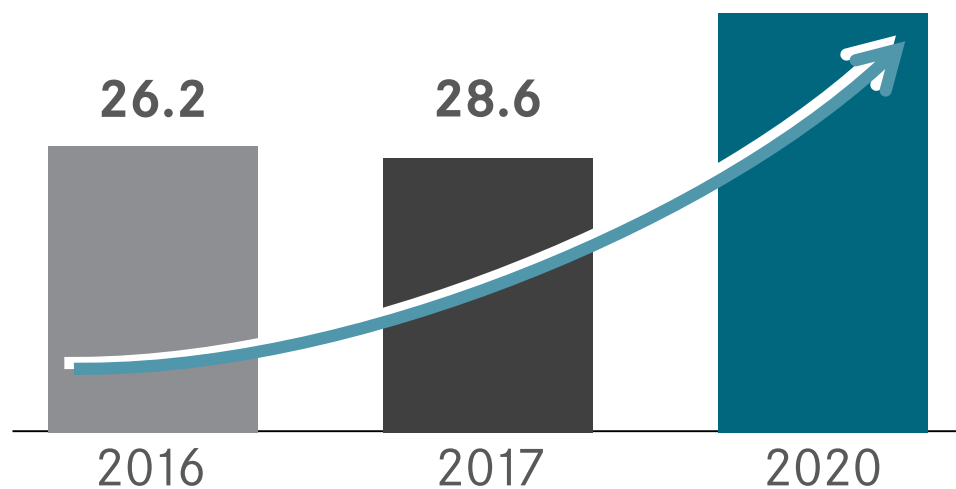
**Profitability target**  
Return on Sales in %



# Our target: No 1 in the global bus business

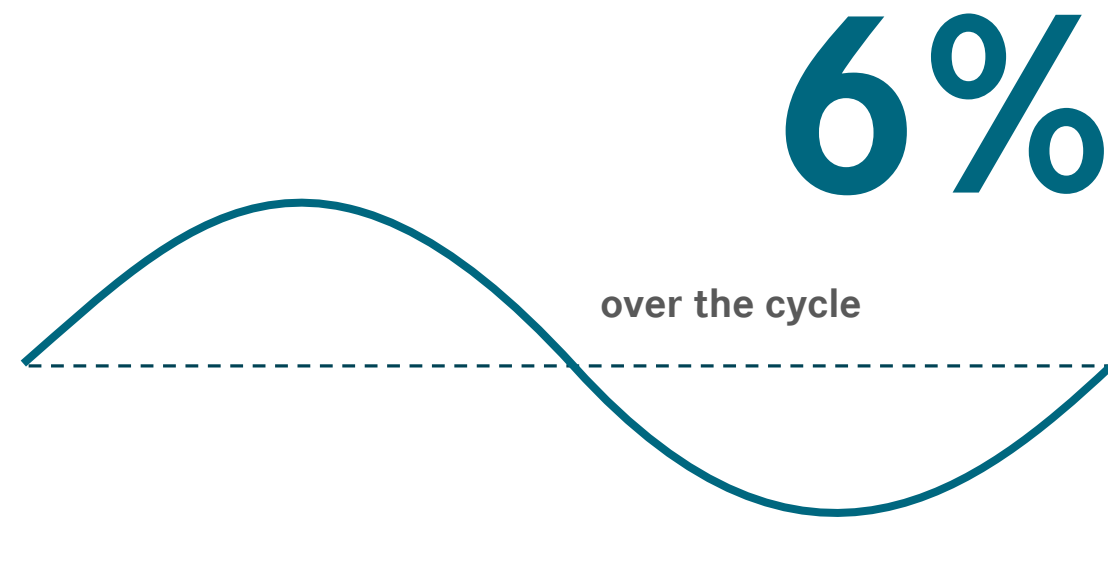
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Our invest in future technologies in 2018 and 2019 @ DT

**Total R&D investment**  
(2018 – 2019)



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**> 2.5 bn €**

**Investment in Connectivity, Automated, Electric**  
(2018-2019)



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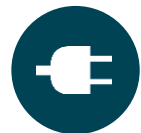
**> 500 mn €**



# We make a lot of progress in future technologies



Connected



Electric



Automated



Gain Headline



Gain Knowledge



Gain Business

TRUCKCONNECT  
MB Uptime  DETROIT CONNECT  
FLEET BOARD

This panel illustrates the 'Connected' technology category. It features a light blue background with a dark teal bottom section containing logos for TRUCKCONNECT, MB Uptime, DETROIT CONNECT, and FLEET BOARD. Three horizontal dashed lines align with the 'Gain Headline', 'Gain Knowledge', and 'Gain Business' categories on the left.

This panel illustrates the 'Electric' technology category. It features a light blue background with images of various electric trucks and a bus. Three horizontal dashed lines align with the 'Gain Headline', 'Gain Knowledge', and 'Gain Business' categories on the left.

Platooning  
Active Safety

This panel illustrates the 'Automated' technology category. It features a light blue background with images of trucks in a platoon and icons representing active safety. Three horizontal dashed lines align with the 'Gain Headline', 'Gain Knowledge', and 'Gain Business' categories on the left.

# Connected: Daimler trucks are online in every region



Mercedes-Benz  
Uptime

**FLEET  
BOARD**

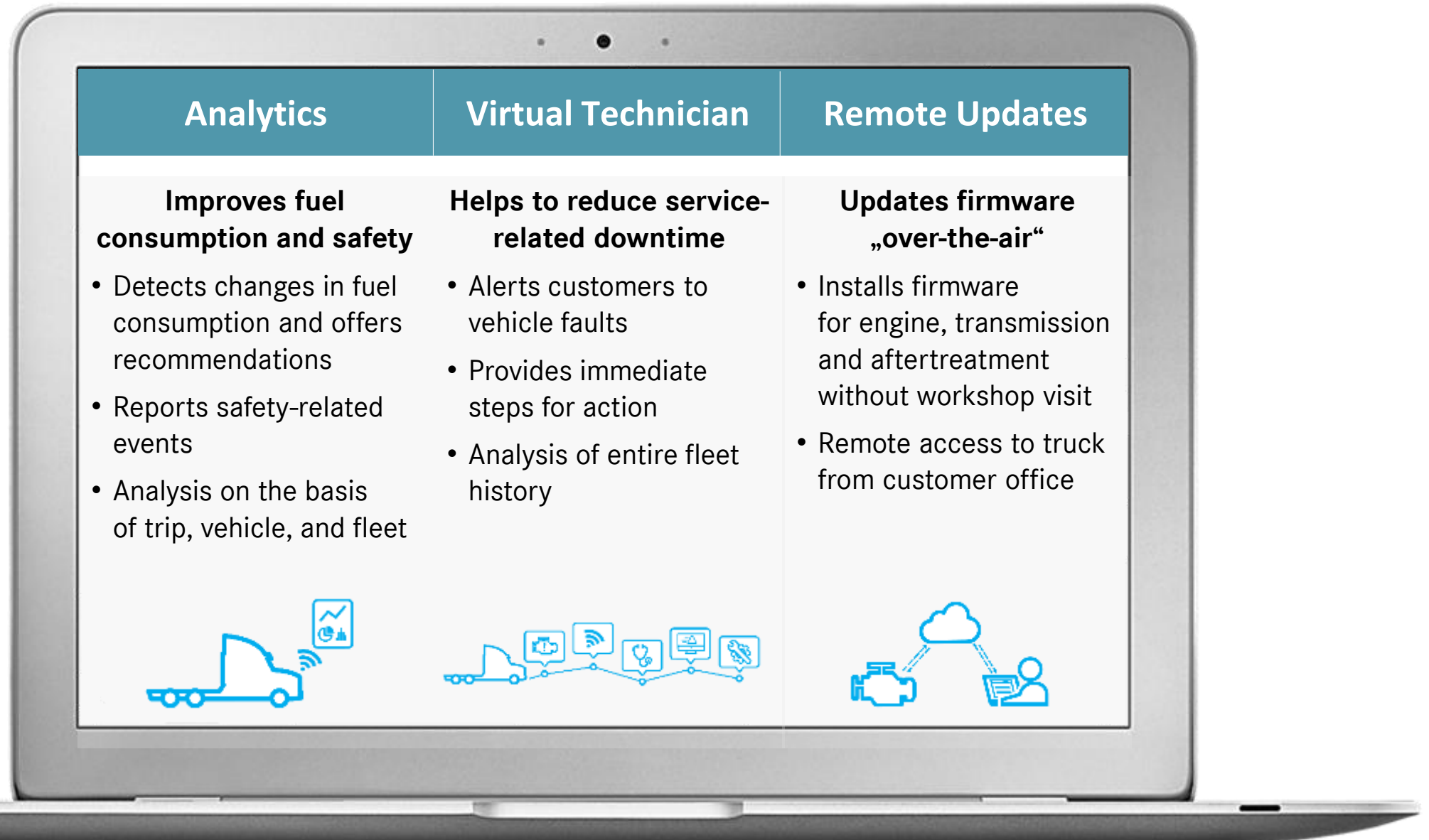


 **DETROIT  
CONNECT**



**TRUCKCONNECT**

# Connected: Detroit Connect boosts logistics performance



# We are pioneering automated trucking for many years

**Mercedes-Benz  
Future Truck 2025**



**Freightliner  
Inspiration Truck**



**Test license for  
German autobahn**



**Automated  
snow clearance**



**Platooning trials  
in entire triad**



2014

2015

2016 – 2018

# The road map towards the fully automated truck

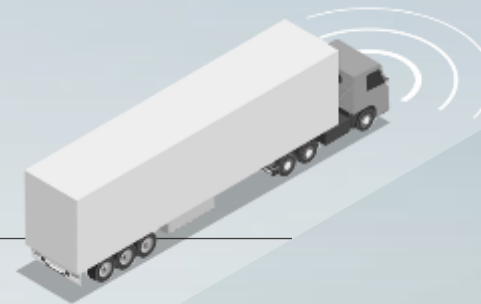


LEVEL **5** Full automation

LEVEL **4** High automation

LEVEL **3** Conditional automation

LEVEL **2** Partial automation



LEVEL **1** Function-specific automation

LEVEL **0** Driver

TODAY

FUTURE

# Electric: We have been the pioneers for many years

2014-2017:  
FUSO eCanter  
fleet tests in Europe



09/2016:  
Mercedes-Benz eActros prototype,  
FUSO eCanter in new design



09/2017:  
FUSO eCanter  
market launch



11/2017:  
World premiere of Thomas  
Built Buses Jouley



06/2018:  
Presentation of Freightliner  
eCascadia and eM2



09/2010:  
First prototype  
of FUSO eCanter



07/2016:  
Mercedes-Benz eActros  
technology concept



07/2017:  
Start of production  
FUSO eCanter



10/2017:  
New brand E-FUSO  
and heavy-duty  
e-truck Vision One



09/2018:  
First handover of  
Mercedes-Benz eActros  
to customers

# Electric, locally emission-free and quiet: Our battery-powered commercial vehicles for urban areas



**Thomas Built Buses  
Jouley**

**2017:** World premiere  
**2018:** Innovation fleet  
**2019:** Small series

**Mercedes-Benz  
eActros**

**2016:** World premiere  
**2018:** Innovation fleet  
**~2021:** Market introduction

**FUSO  
eCanter**

**2014:** Innovation fleet  
**2017:** Market introduction  
**End of decade:** Large series

**Freightliner  
eCascadia & eM2**

**2018:** World premiere  
**2019:** Innovation fleet  
**2021:** Market introduction

# Freightliner eCascadia and eM2: leading the charge



eCASCADIA			
730	550	250	
HP PEAK	kWh USABLE CAPACITY	MILES OF RANGE	% CHARGE < 90 MIN
eM2			
480	325	230	
HP PEAK	kWh USABLE CAPACITY	MILES OF RANGE	% CHARGE < 60 MIN



# The all-electric Citaro: Emission-free through the city

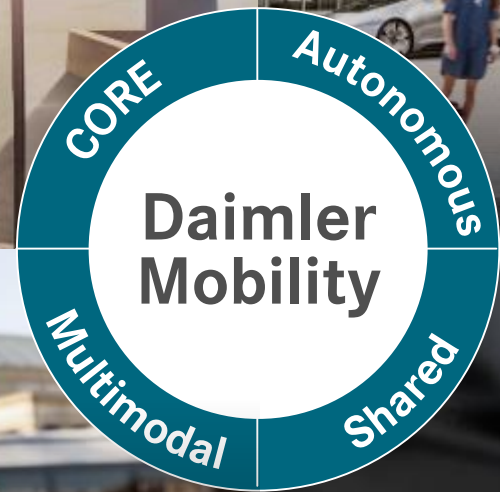
- Modular design of battery packs allows range to be tailored
- Innovative thermal management
- eMobility system:
  - eConsulting before procurement
  - eMobility service of brand OMNIplus
- World premiere IAA Commercial Vehicle Sept. 2018



# Daimler Financial Services



# Daimler Mobility – We move you



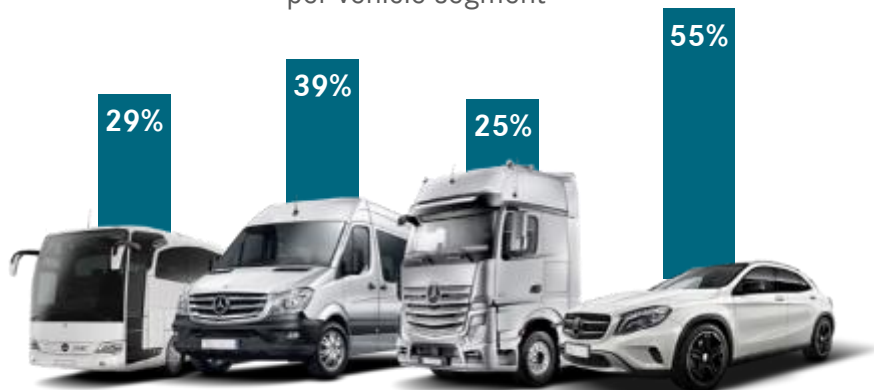
# We offer a broad variety of financial and mobility services



WE FINANCE NEARLY  
EVERY SECOND VEHICLE  
SOLD BY DAIMLER



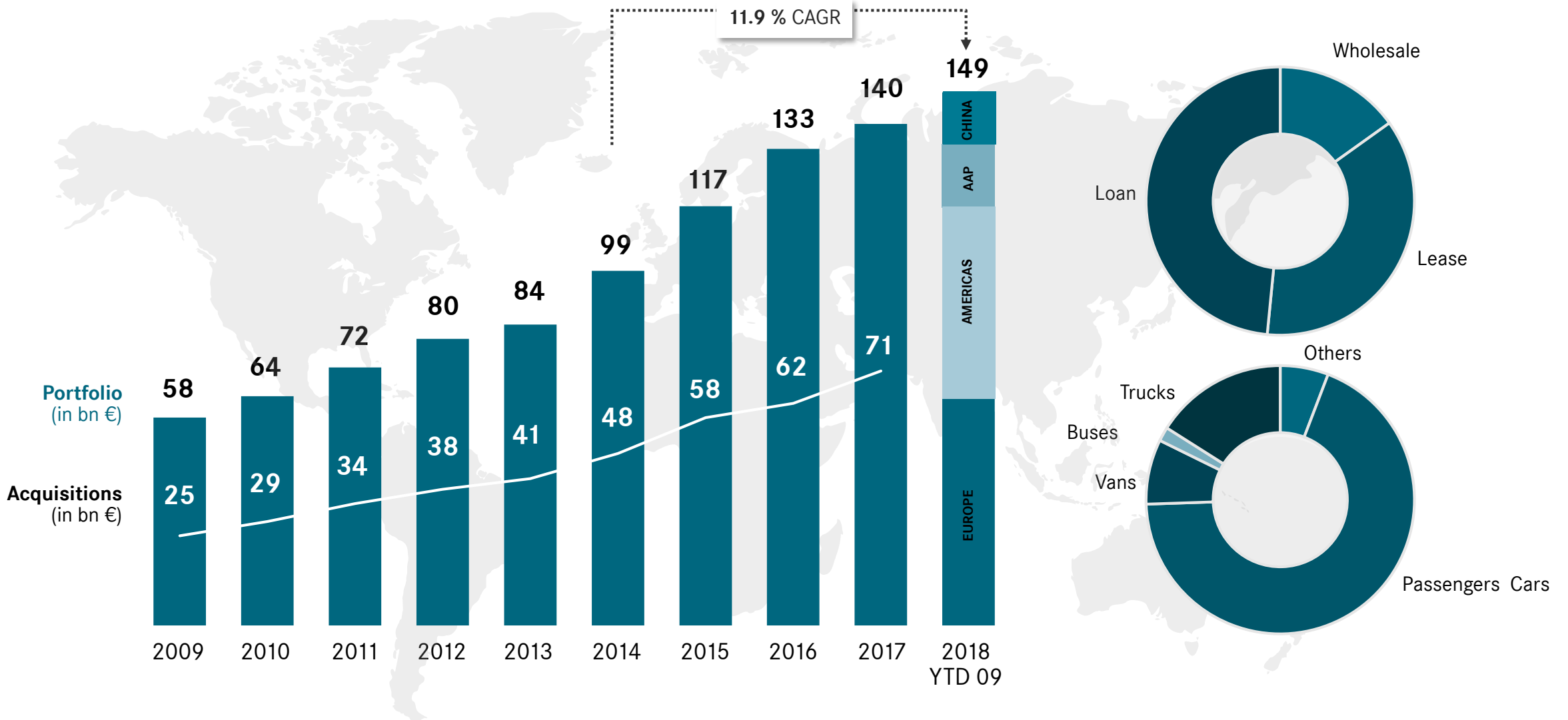
Penetration rates  
per vehicle segment



Global penetration rate DFS in Q3 2018

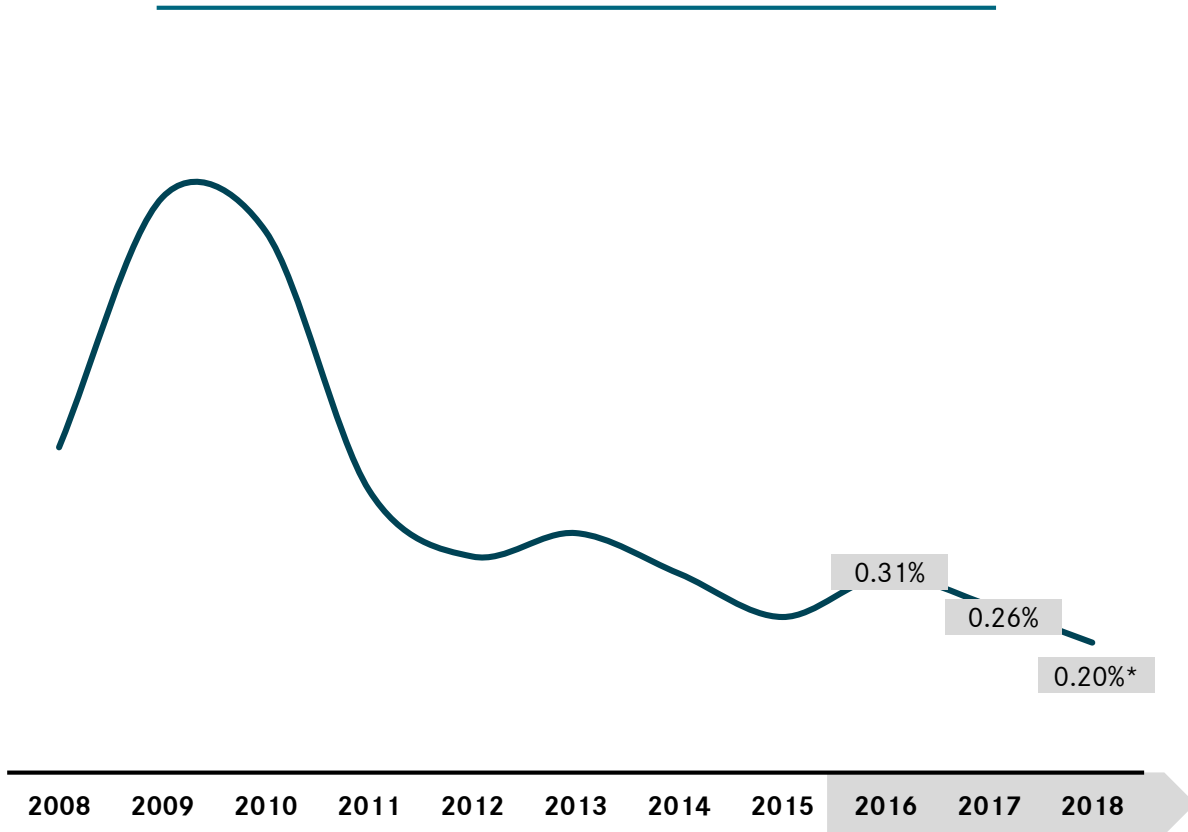
~49%

# We operate in over 40 countries and we have successfully grown our portfolio in over the years

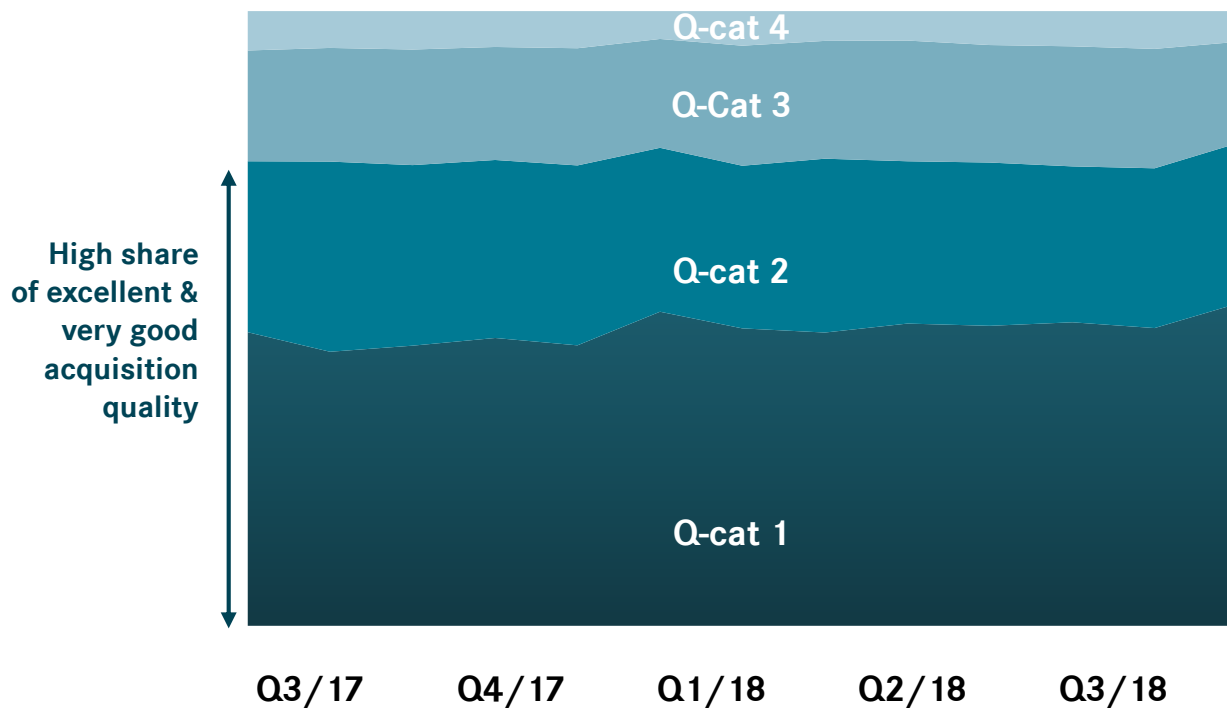


# Our portfolio will continue to perform on an excellent level, based on our outstanding acquisition quality

## NET CREDIT LOSSES



## QUALITY OF ACQUISITIONS BY CATEGORY

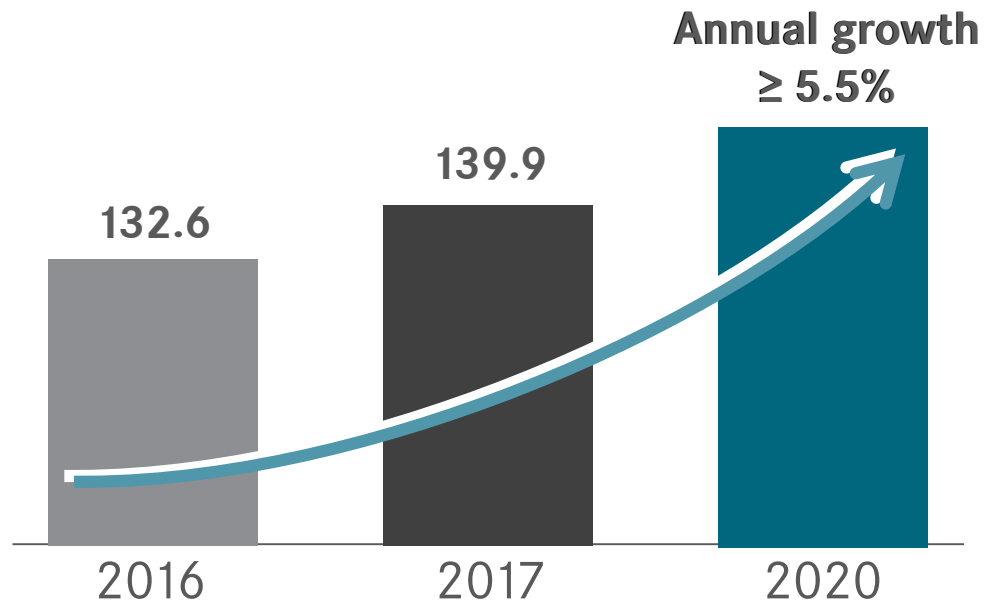


\*Annualized September 2018 figure

# Our target: best financial and mobility services provider

## Portfolio target

in billions of EUR



## Profitability target

Return on Equity in %

**> 17%**



# Our Customers mobility needs will change



**TODAY**

**BUYING**

(car-based) mobility as a **product**

Enabler: Finance & Lease



**TOMORROW**

**CONSUMING**

(car-based) mobility as a **service**

Enabler: Finance & Lease

Daimler Financial Services represents the S in CASE

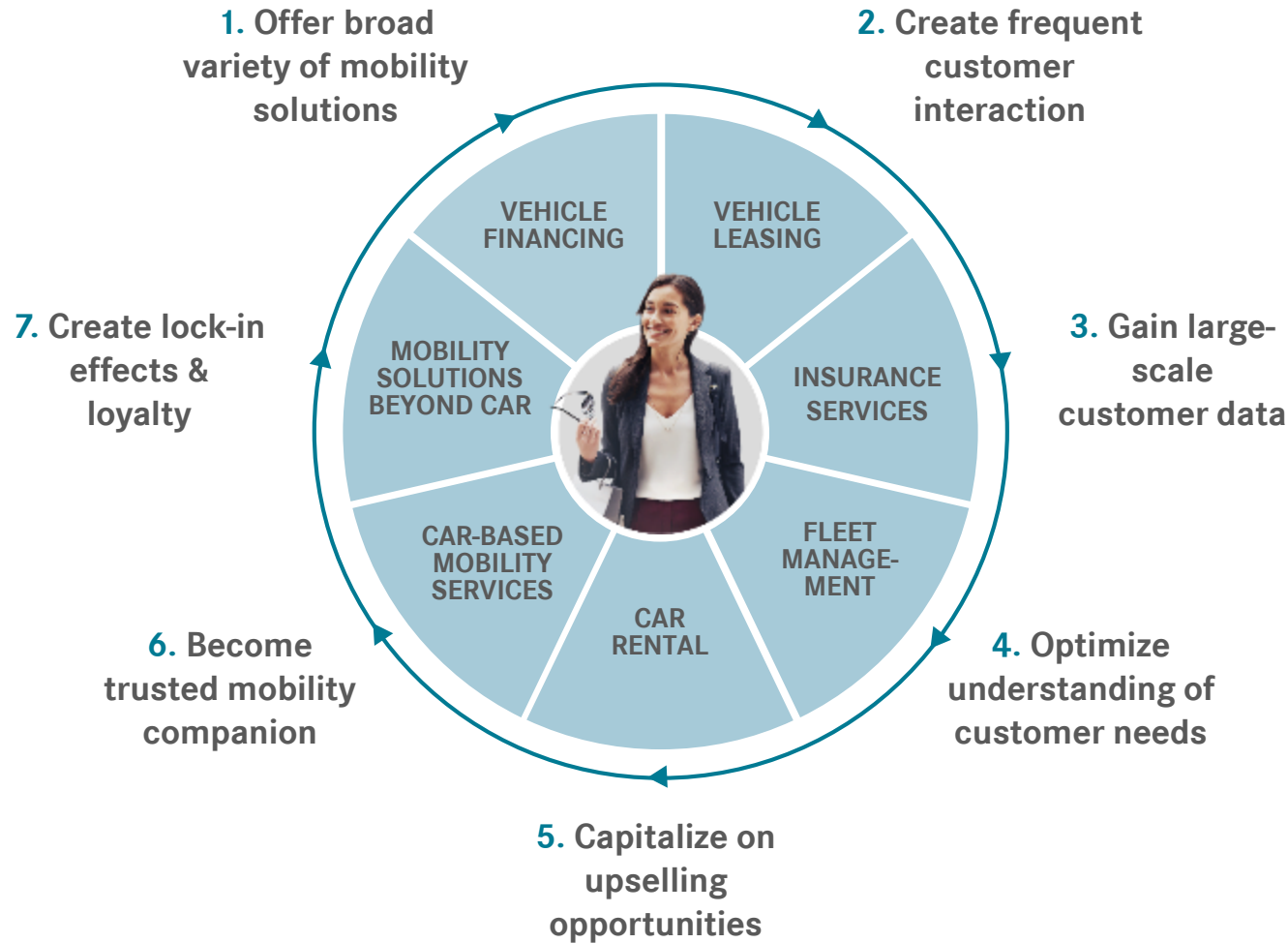


SERVICES

S

SHARED

# We aim to build a holistic mobility ecosystem



“DFS’ AMBITION IS TO BECOME AN ENTIRELY **CUSTOMER-CENTRIC**, FULLY **DIGITIZED**, INTEGRATED **FINANCIAL & MOBILITY** SERVICES PROVIDER, OPERATING IN THE MOST **EFFICIENT** WAY.”

# AUTOGRAVITY is a showcase example for digital financing



## TOP FACTS AUTOGRAVITY Q3 2018

- 2.5 million users
- Top-ranked Android & Apple app
- Over \$3.8 bn in total finance requests since launch

## Daimler investment rationale behind AutoGravity engagement

### LEAD THE DIGITIZATION OF THE INDUSTRY

BY LAUNCHING DISRUPTIVE APPROACH TOWARDS AUTOMOTIVE FINANCING

### PROVIDE OUTSTANDING CUSTOMER EXPERIENCES

BY OFFERING FIRST-OF-ITS-KIND COMPARISON APP FOR VEHICLE SHOPPING AND FINANCING

### BUILD ADDITIONAL ASSET-LIGHT REVENUE SOURCES

BY BUILDING COMMISSION-BASED PLATFORM BUSINESS

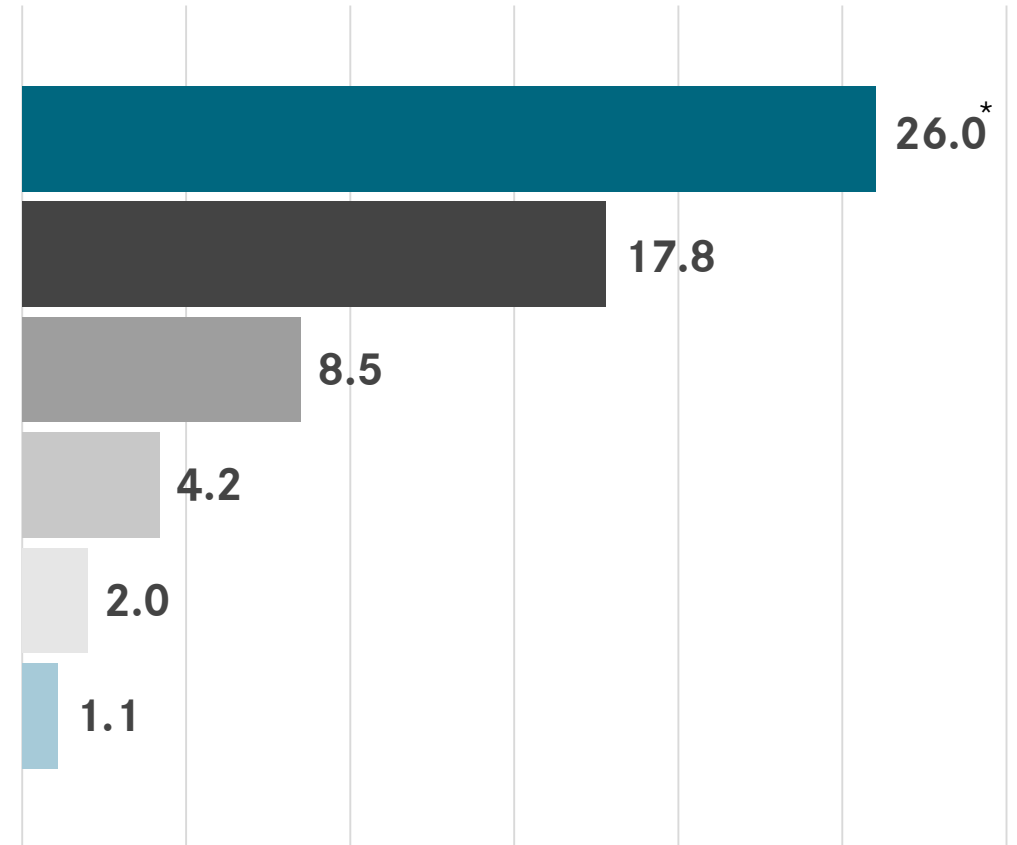
### MAINTAIN CUSTOMER CONTACT AND ENABLE GROWTH

WHILE RELIEVING DAIMLER BALANCE SHEET VIA THIRD PARTY FINANCING



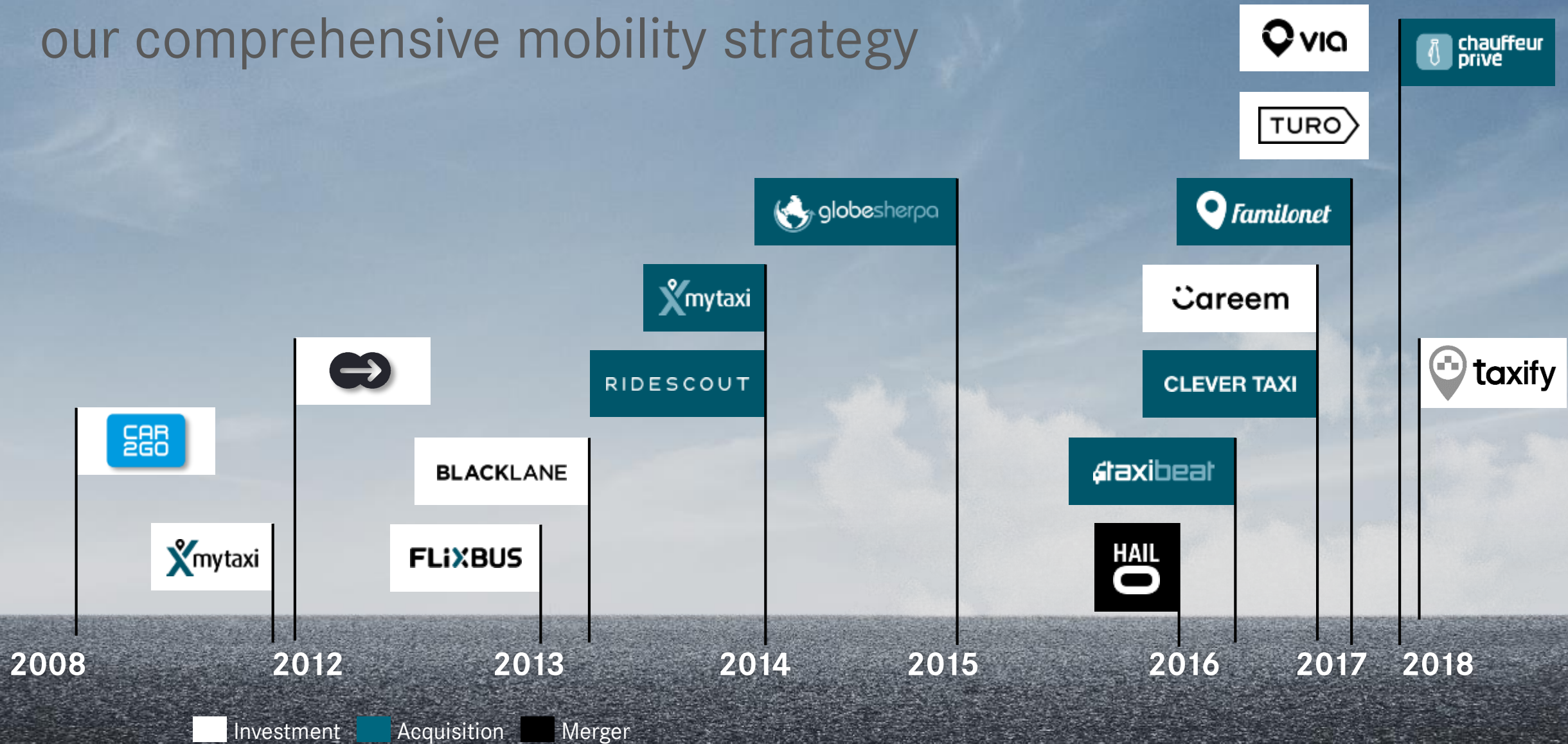
# Daimler Mobility Services

Total customers in m



\*Q3 2018

# The expansion of our footprint is a result of our comprehensive mobility strategy



# Three main pillars of our mobility business



The Ride-Hailing Group contains the brands mytaxi, Beat, Clever Taxi and Chauffeur Privé with **16.9 mn customers**, available in over **110 cities within 15 countries**. In Europe a mytaxi hail is accepted every second by one of mytaxi's 100,000+ drivers.



The **worldwide leading** free floating carsharing concept. The car2go service is used by **3.4 mn customers** with **14,000 vehicles** at numerous locations in Europe, North America and Asia.

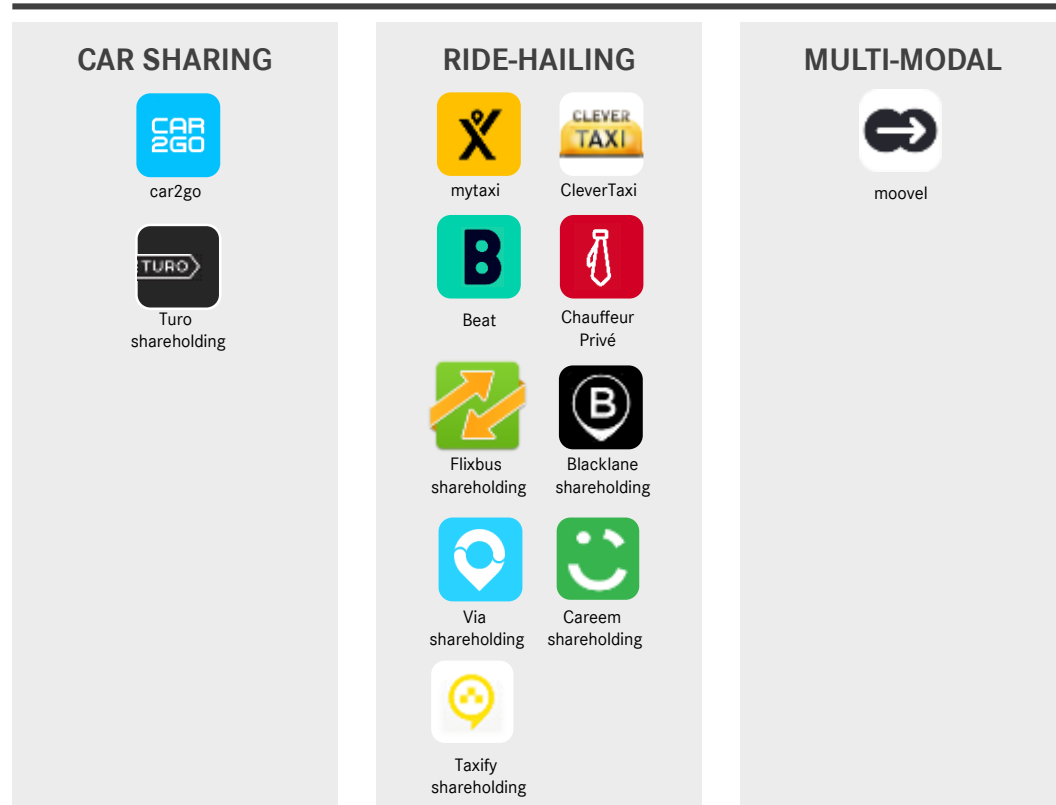


moovel **radically simplifies individual mobility** by combining & offering innovative mobility services to more than **5.7 mn users** worldwide via our services: ticketing apps, on-demand shuttle service, fare connect.



# Daimler Mobility Services: our current portfolio is a strong starting point to conquer the customer interface

## DAIMLER MOBILITY SERVICES BUSINESS PORTFOLIO\*



**26.0**mn  
CUSTOMERS

**126.7**mn  
INTERACTIONS

**130**  
CITIES

## STRATEGIC TARGETS



### GENERATE NEW REVENUE

BY ENTERING A THREE-DIGIT BILLION USD MARKET

### EXTEND DAIMLER ECOSYSTEM

BY OFFERING ONE-STOP SHOPPING

### PREPARE FOR THE FUTURE

BY BUILDING CUSTOMER BASE AND SKILLS

### GROW CUSTOMER BASE

BY ADRESSING THEIR FINANCE & MOBILITY NEEDS



# Combining forces with BMW: We are bringing together complementary pieces

#DriveNow

FREE-FLOATING CAR SHARING IN EU

ReachNow

CAR-AS-A-SERVICE OFFERING IN NA

ChargeNow

ELECTRIC CHARGING SERVICES

ParkNow

MOBILE PARKING SOLUTIONS

WORLD LEADER IN FREE-FLOATING CAR SHARING



LEADING RIDE-HAILING APP IN EUROPE

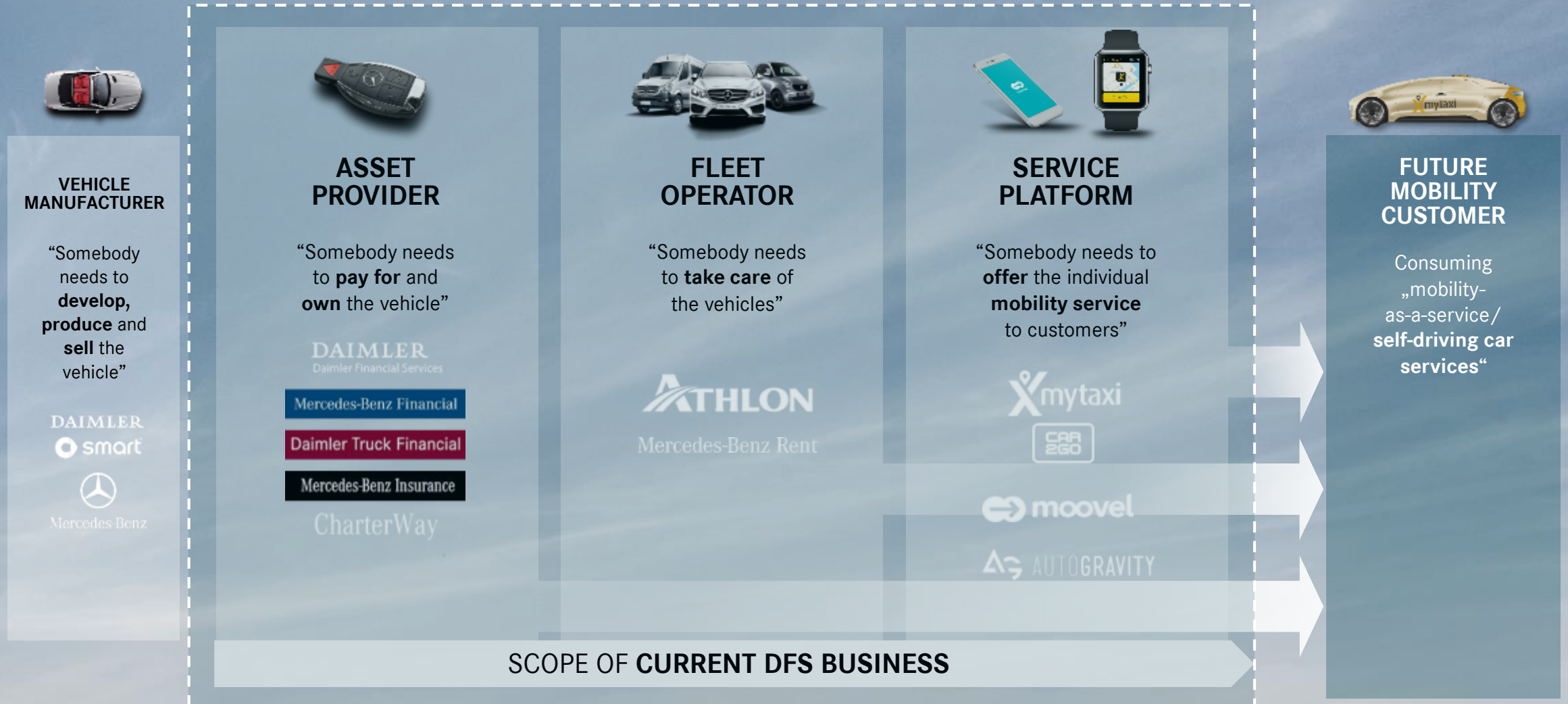


INNOVATIVE SOLUTIONS FOR URBAN MOBILITY

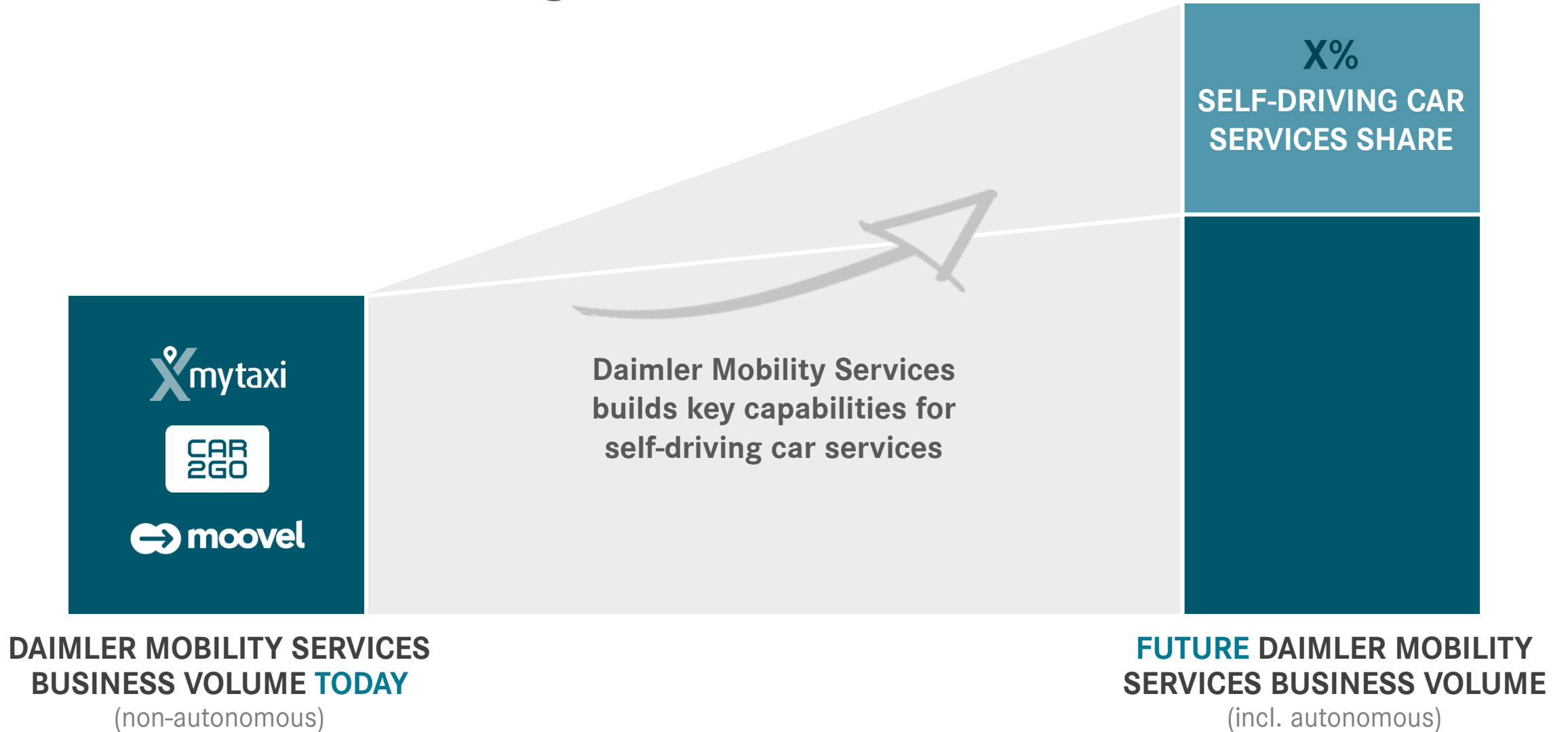


Subject to antitrust approval

# Our business is strongly future oriented



# Our current mobility services will be the entry point for tomorrow's self-driving car services



# Self-driving technology will likely increase the demand for shared mobility services

Self-driving car services will ...

...DELIVER A **UNIQUE CUSTOMER EXPERIENCE**

...ENHANCE **TRAFFIC SAFETY**

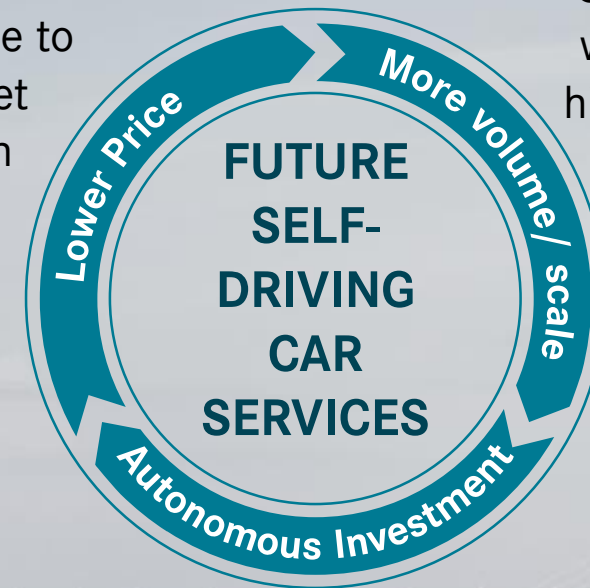
...IMPROVE **QUALITY OF LIFE IN CITIES**

...PROVIDE A HUGE **MARKET OPPORTUNITY**

Leading to a reinforcing cycle of mobility services

**Prices** will decrease due to higher fleet utilization

**Customer demand** will increase due to higher attractiveness



Increasing need for **self-driving car services**



is providing on-demand shuttle services



- **LAUNCHED BY SSB** IN 06/2018 (SUCCESSFUL MOOVEL PILOT FROM 12/2017-05/2018)
- FLEET & STAFF PROVIDED BY SSB, **TECHNOLOGY** PROVIDED BY MOOVEL
- **DEEP INTEGRATION** INTO PUBLIC TRANSPORT SYSTEM (TARIFF, BRAND, INTERMODALITY)
- **FIRST SERVICE OF ITS KIND** IN GERMANY WITH „LINIENGENEHMIGUNG“ (PBFÜ)
- DEVELOPED WITHIN **LESS THAN 1 YEAR**, INCL. MACHINE LEARNING AND OWN IP
- WE COMPLETELY **OWN THE SOURCE CODE** AT MOOVEL

# Daimler Group Strategy

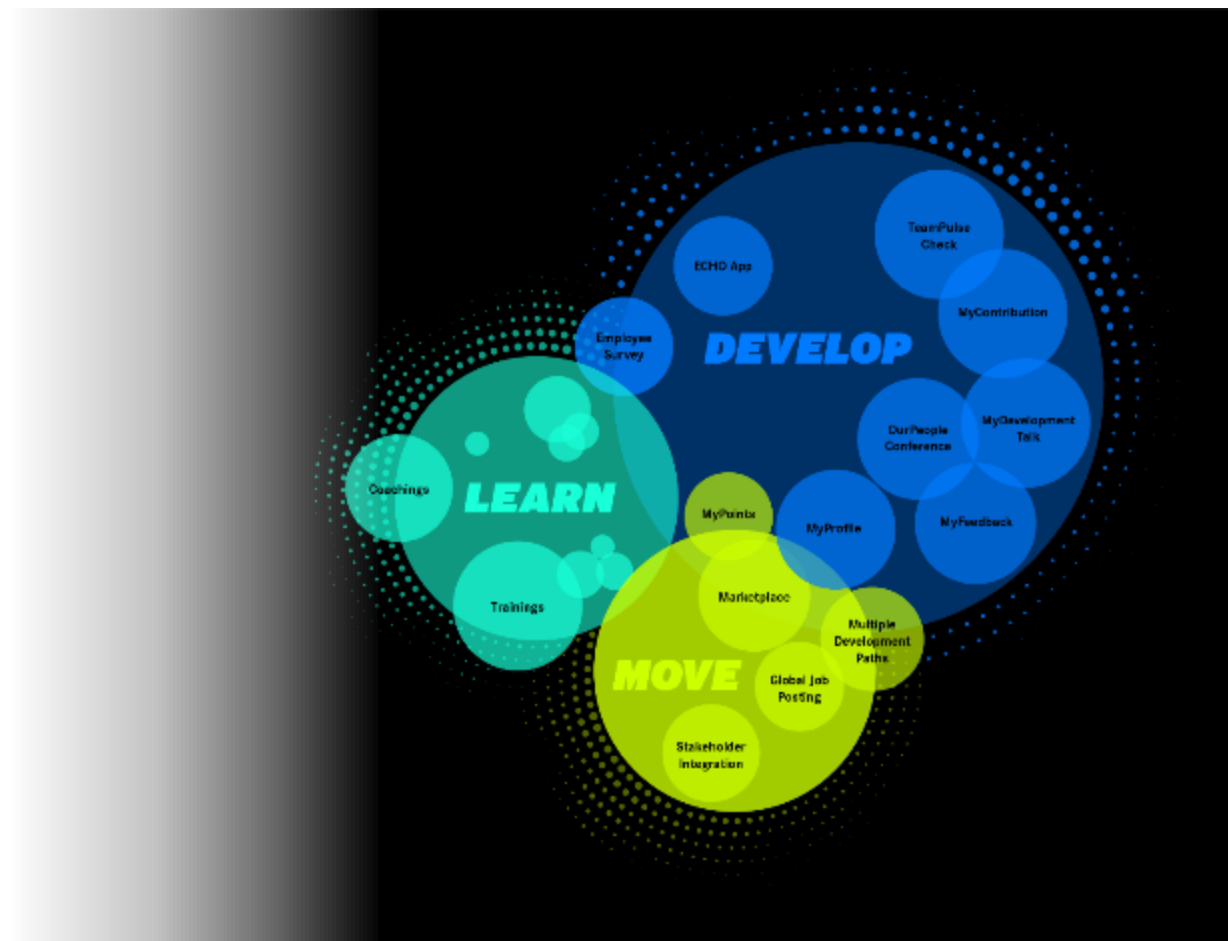
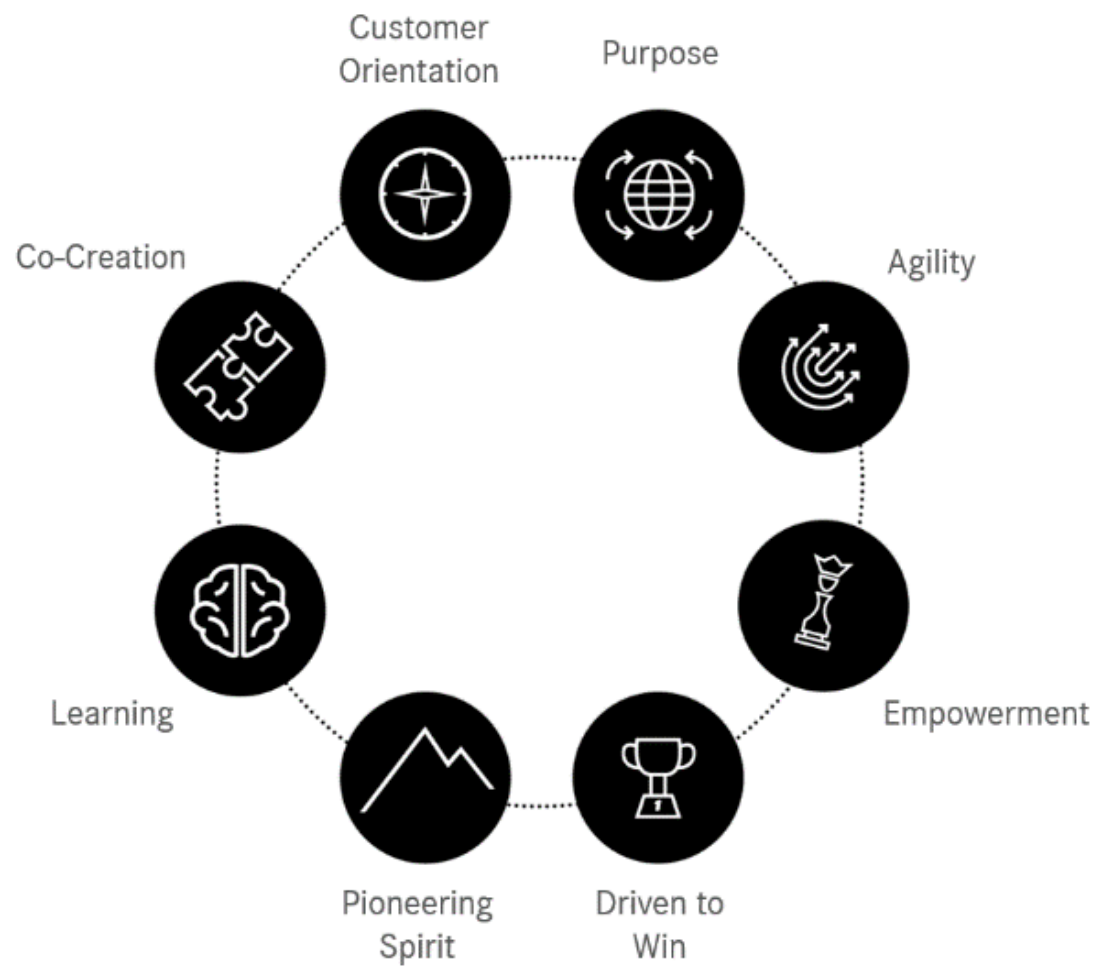
## Culture



Our success is rooted in a strong and evolving culture



# Transforming the Mindset





# Daimler Group Strategy

Company



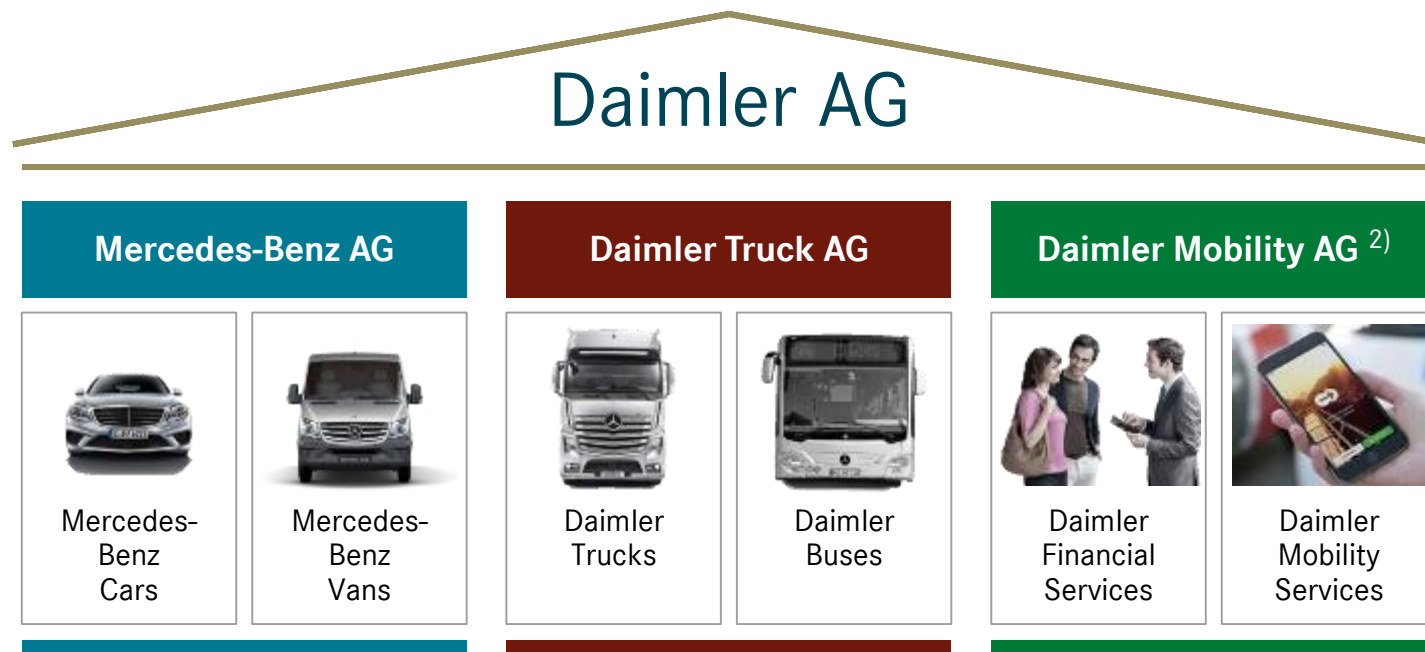
# PROJECT FUTURE will create a strong family of companies with three legally independent divisions

## Our guiding principles

- The **Daimler family** will be preserved and further strengthened
- We will be less complex and **closer to our customers**
- We will build **legally independent divisions under the umbrella of Daimler AG** alongside the existing legally independent division Daimler Financial Services
- The new divisions will retain a substantial size and will continue to work closely together and **leverage synergies**
- All divisions will be **German co-determined companies**

## The structure we envision

We are a family united under the umbrella of Daimler AG<sup>1)</sup>



1) After the Board of Management and the Supervisory Board of Daimler AG made their final decision on implementing the new structure in July 2018, our shareholders will have to make their vote in the general annual meeting in 2019.

2) Daimler Financial Services AG is planning to rename itself Daimler Mobility AG. The business division Daimler Financial Services already represents the Daimler group's mobility portfolio.

# Our new structure is designed to create significant benefits for Daimler



Strengthen own business units  
**accountability/ transparency**

Gain **optionality** and **speed** to  
address changing competitive environment

Enhance  
**transparency**  
of underlying business

Strengthen  
**entrepreneurial spirit & focus**

Increase management focus on  
**strategic decision making**

Facilitate  
**cooperation  
potential**

Analysis and process provide  
**strategic business  
impulses**

**Clear legal entity  
structures**

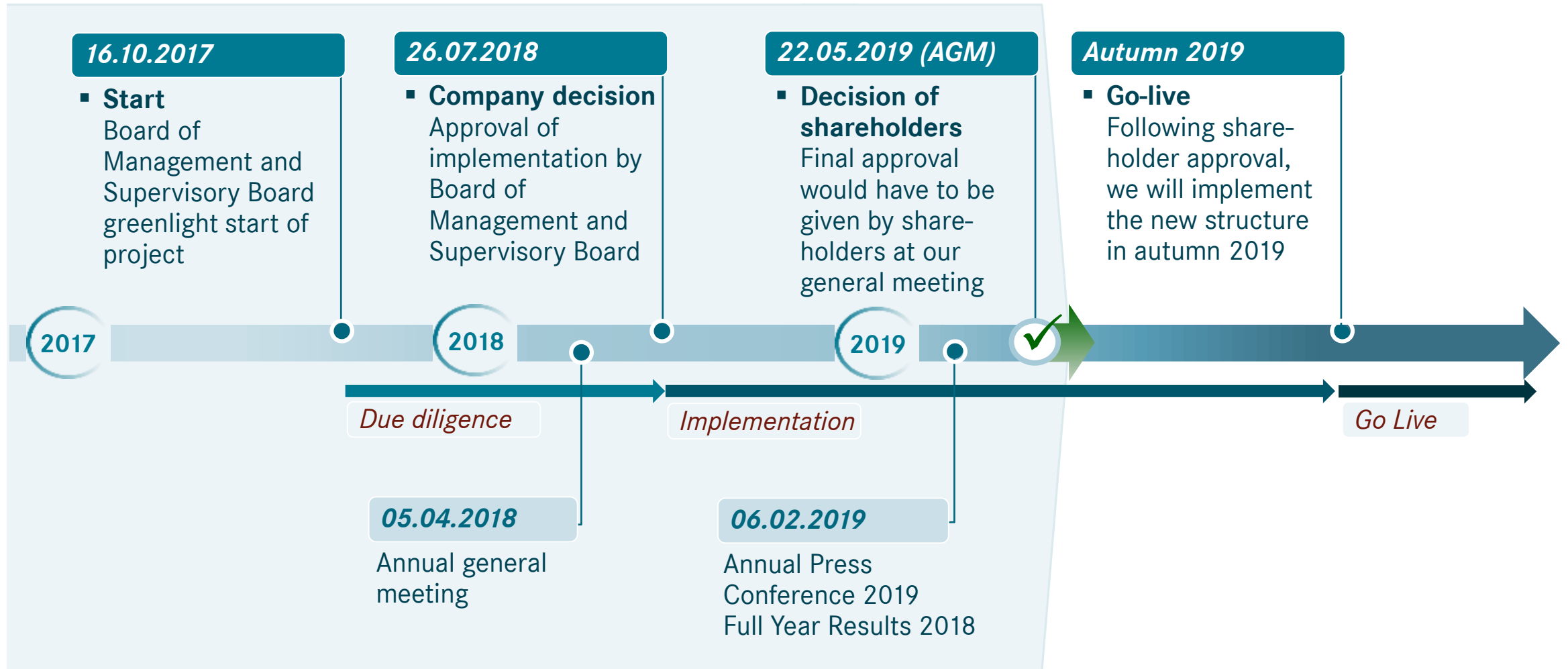
Create  
**flexibility**

Increase  
**operational efficiency**

# PROJECT FUTURE is a consecutive building block of an even more customer-oriented company structure



# Major milestones of PROJECT FUTURE



# Contents

Group Financials

Divisional Information

Outlook

Daimler Group Strategy

**Funding**

Appendix



# Daimler follows a prudent Financial Policy

---

Clear commitment to a single A rating

---

Balanced approach between shareholder interest and credit providers

---

Dividend policy on a sustainable basis (40% target pay-out ratio)

---

No share buybacks planned

---

Further pension contributions will be evaluated, current funding status 85%

---

# Our funding strategy is built on prudent principles

## Targeting Financial Independence

No dependence from single markets, instruments, banks or investors

Diversification of funding sources and instruments:  
Bank Loans, Bonds, ABS, CP, Deposits

No Covenants, no MAC, no asset pledges, no CSAs

## Maximizing Financial Flexibility

Keeping prudent amount of Cash and Committed Credit Facility

New markets funded via global and local banks first

Early capital market funding to save credit capacity in growth regions

## Stringent Global Funding Policy

Liquidity matched funding

Interest rate matched funding

Currency matched funding

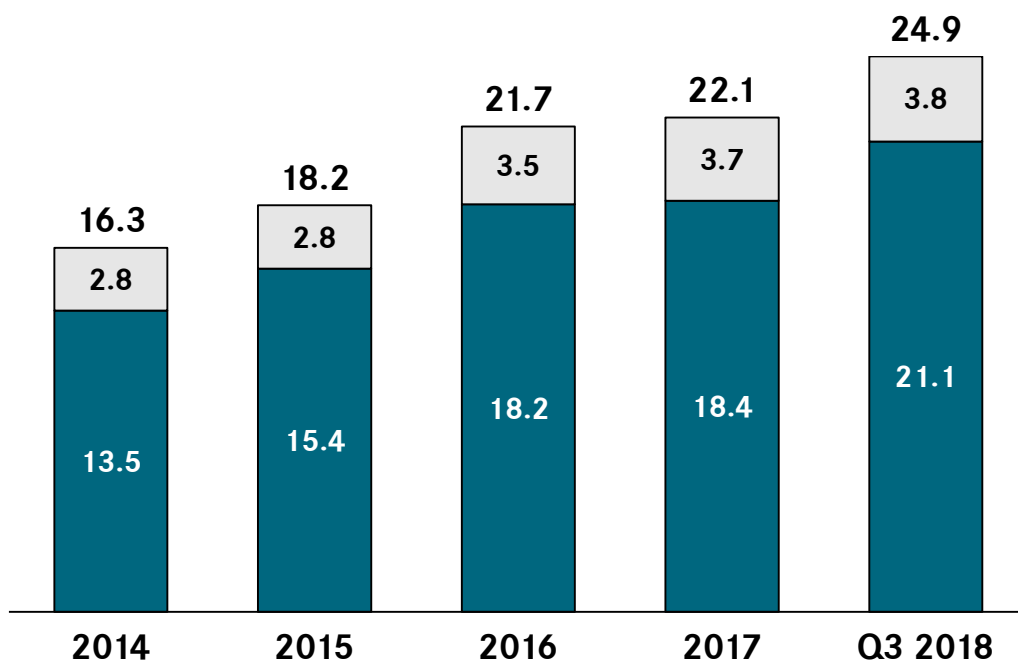
Country matched funding



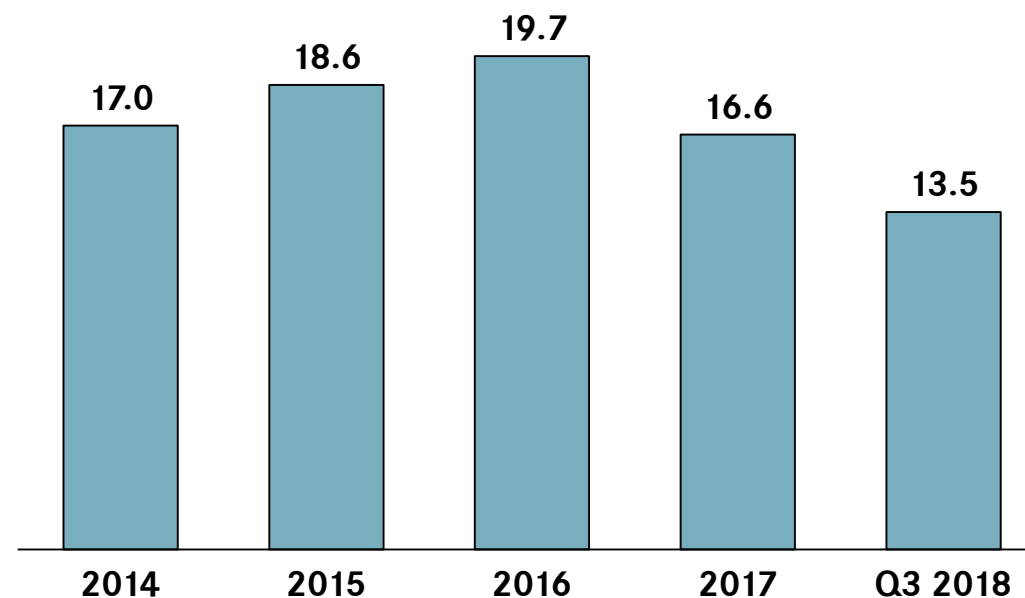
# Daimler follows a prudent financial management approach and further strengthened the balance sheet...

## Gross Group Liquidity (in bn EUR)

Financial Services  
Industrial Business



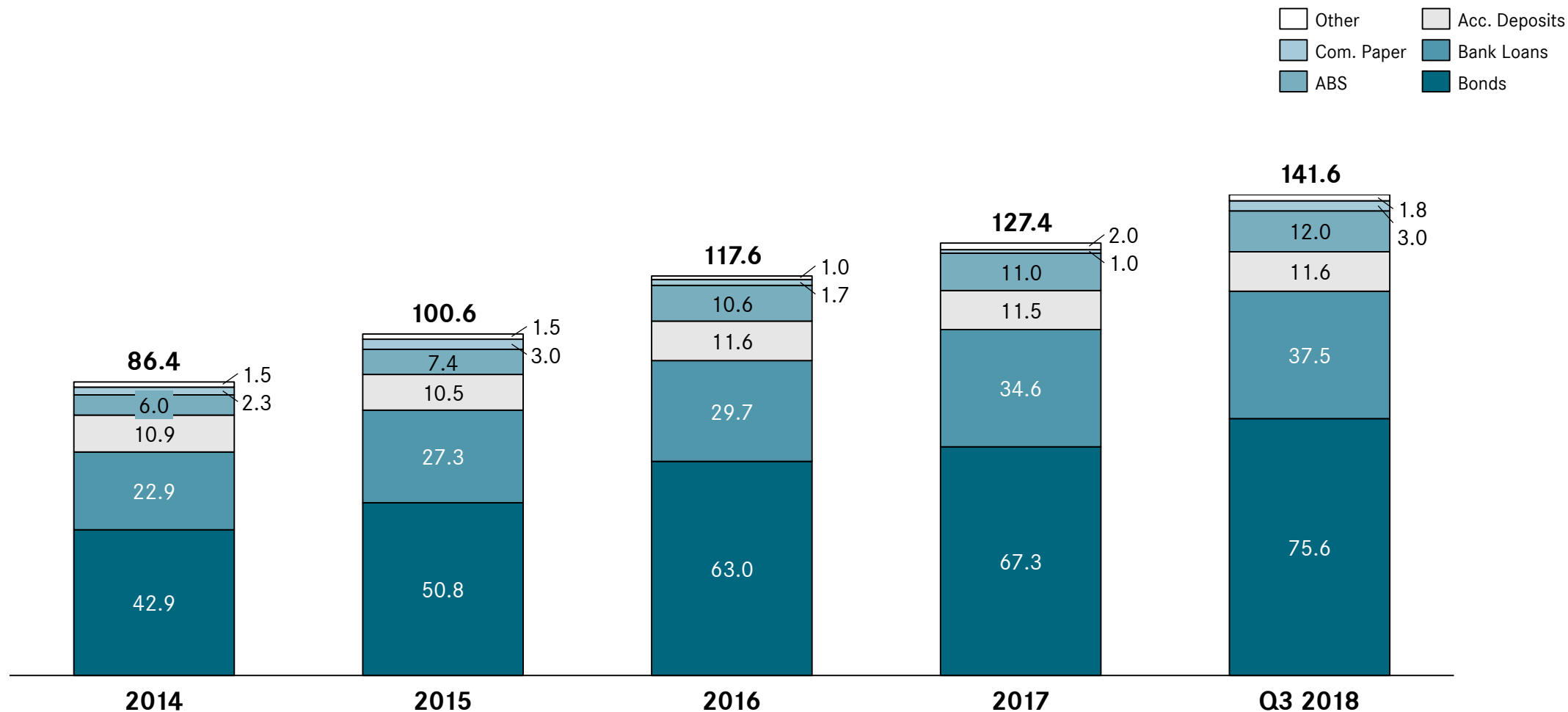
## Net Industrial Liquidity (in bn EUR)



Note: Figures may not be additive due to rounding.

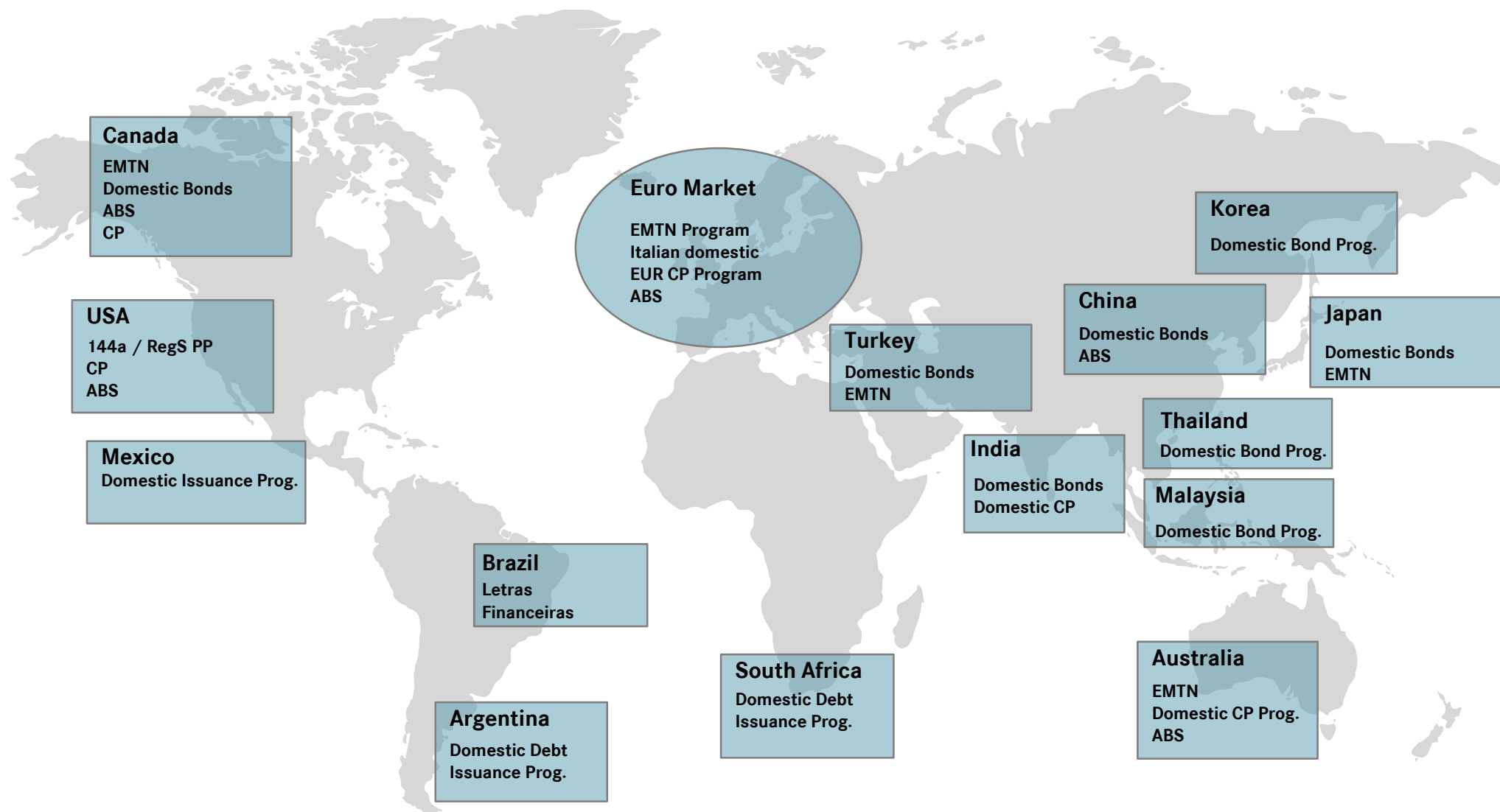
# Financing Liabilities with a balanced mix

in billions of EUR



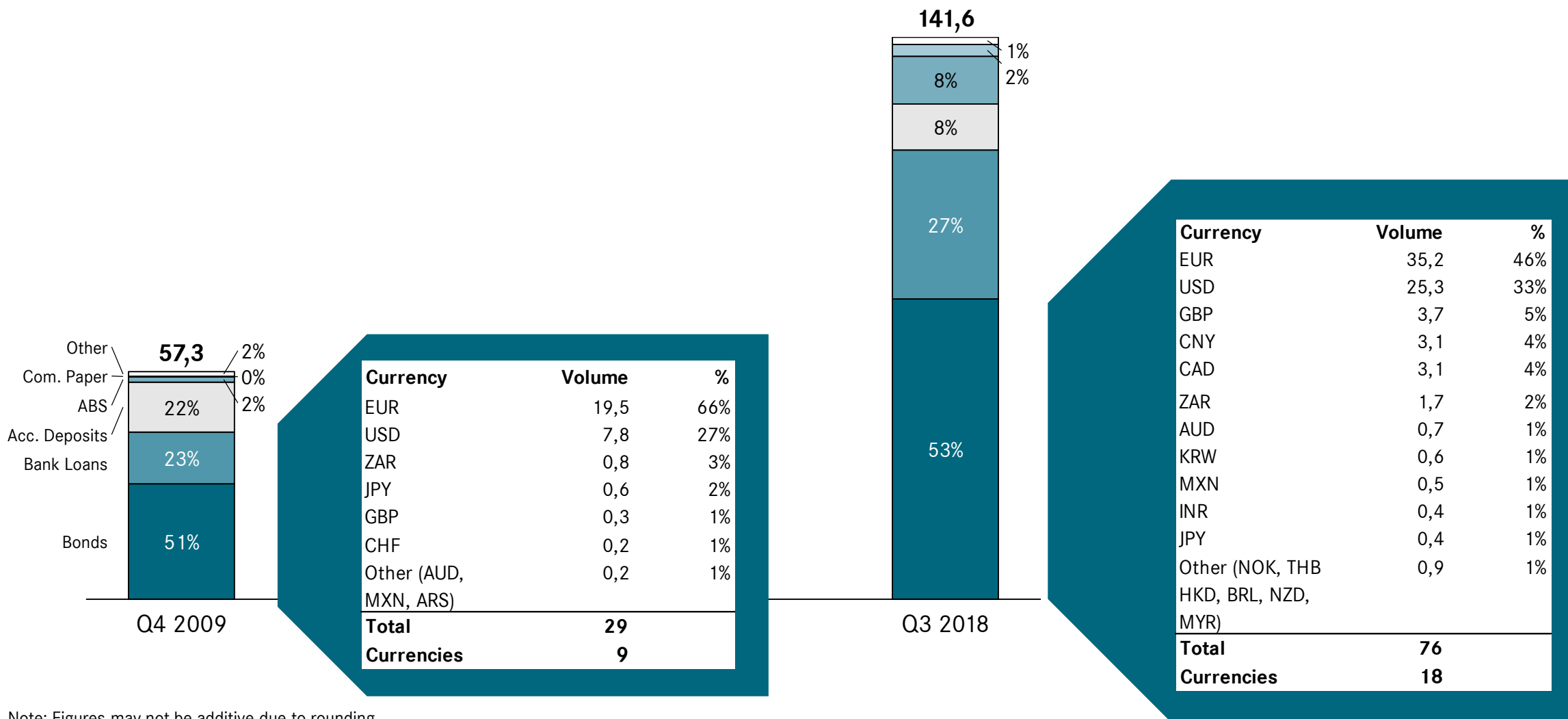
Note: Figures may not be additive due to rounding.

# Consequent Development to Global Capital Market Funding Diversification will continue



# Funding base further diversified to a true global set-up

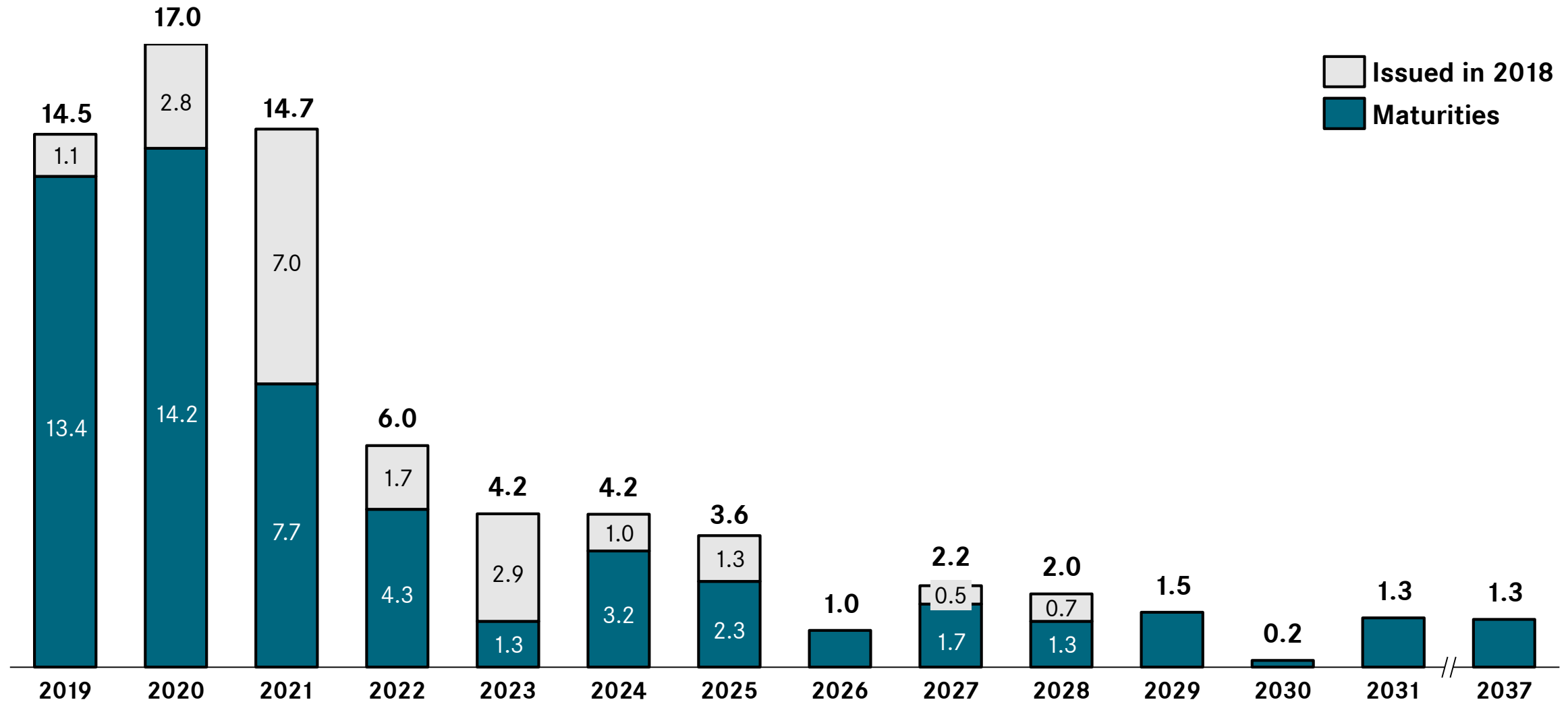
in billions of EUR



Note: Figures may not be additive due to rounding.

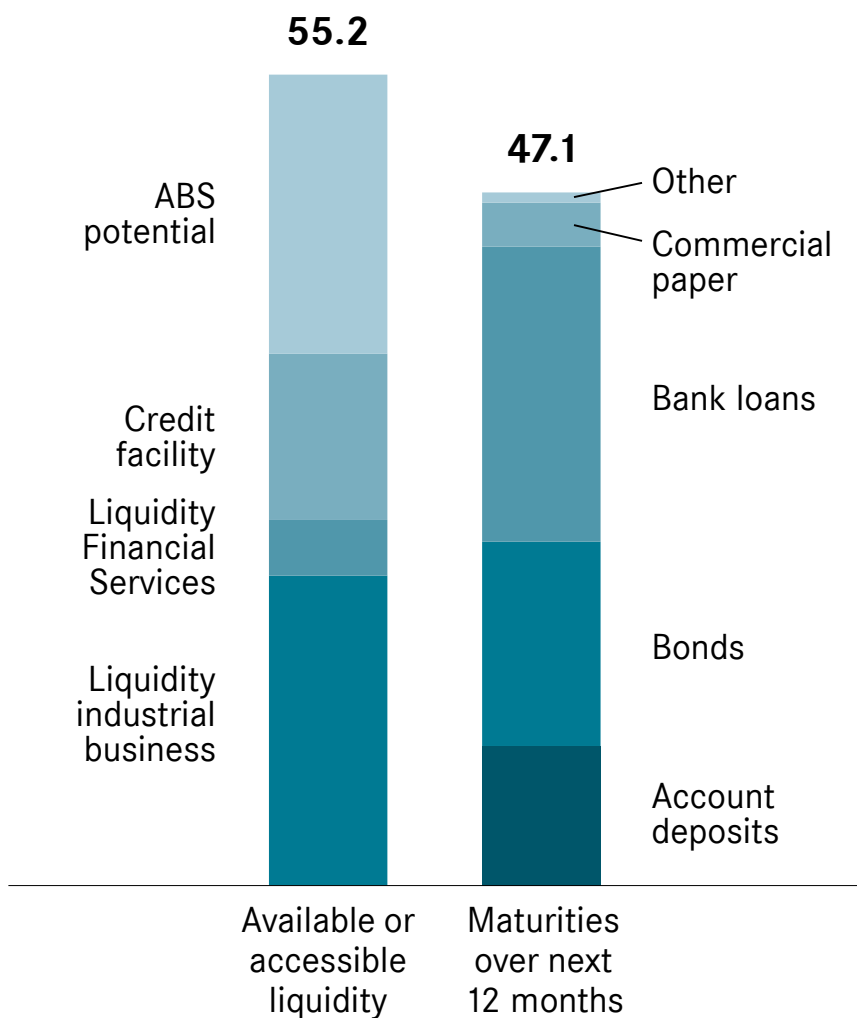
# Maturity profile further lengthened

in billions of EUR as of 30 September 2018



# Financial flexibility over a 12-month period

- in billions of euros -



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

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

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

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

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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

# Daimler renewed and increased its syndicated credit facility

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Renewal of syndicated €9 billion credit facility (maturing in September 2020)

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Increase to €11 billion

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Tenor of 5 years + 1 + 1, i. e. until 2023 + 2 years

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Syndicate of international banks mostly unchanged together with excellent support by relationship banks

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No covenants, rating triggers, etc.

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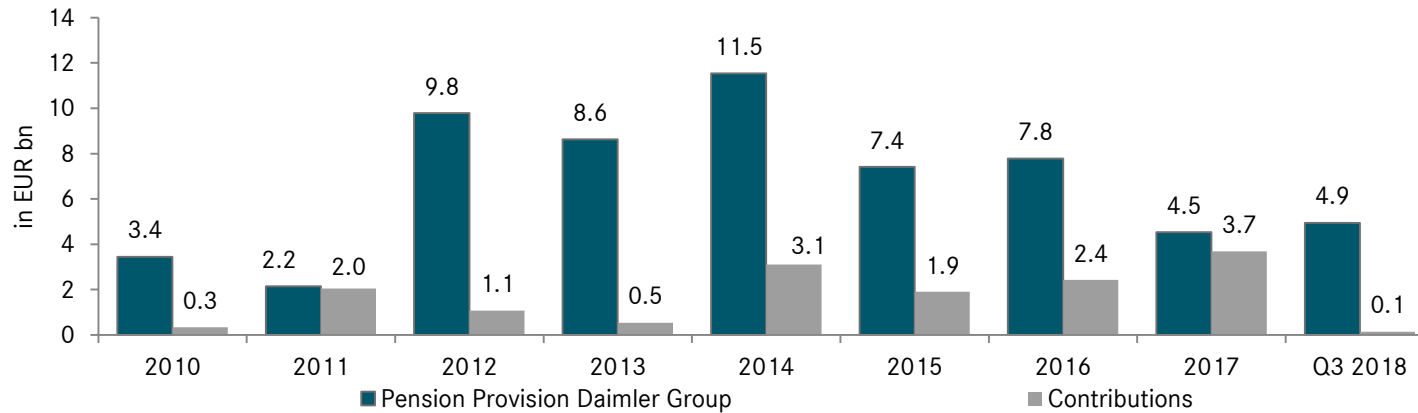
No intention to draw the credit facility

---

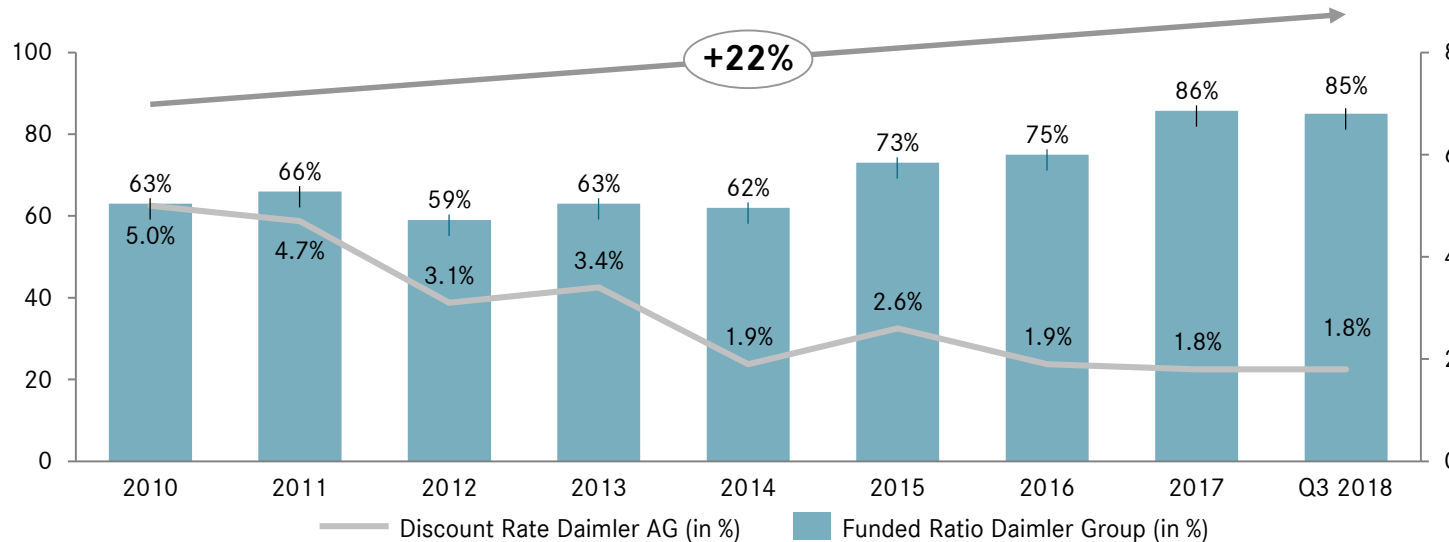


**Secure significant long-term liquidity back-up**

# Daimler pension funded ratio increased to 85%



■ Significant contributions of EUR 15.3bn since 2010 support the **solid capital structure**



■ Even though German Discount Rate decreased significantly since 2010, **Funded Ratio increased by 22%**



# Stable rating supports Daimler's funding

<b>Current ratings:</b>	<b>S&amp;P:</b>	<b>A stable</b>	<b>A-1</b>
	<b>Moody's:</b>	<b>A2 stable</b>	<b>P-1</b>
	<b>Fitch:</b>	<b>A- stable</b>	<b>F2</b>
	<b>DBRS:</b>	<b>A stable</b>	<b>R-1 (low)</b>
	<b>Scope:</b>	<b>A stable</b>	<b>S-1</b>
<b>Daimler target:</b>	<b>Sustaining the A rating at all rating agencies</b>		

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Group Financials

Divisional Information

Daimler Group Strategy

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# Key balance sheet and financial figures

<b>Daimler Group</b>	Dec. 31, 2017	Sept. 30, 2018
Equity ratio	24.0%	<b>23.7%</b>
Gross liquidity	22.1	<b>24.9</b>
Funded status of pension obligations	-4.5	<b>-4.8</b>
<i>Funding ratio</i>	<i>86%</i>	<i><b>85%</b></i>
<b>Industrial business</b>		
Equity ratio	46.4%	<b>45.3%</b>
Net liquidity	16.6	<b>13.5</b>
Free cash flow (January-September)	5.8	<b>-0.1</b>

in billions of euros

# Units sales by division

	Q3 2017	Q3 2018	% change
<b>Daimler Group</b>	824.1	<b>794.7</b>	-4
of which			
Mercedes-Benz Cars	597.3	<b>559.5</b>	-6
Daimler Trucks	126.6	<b>136.1</b>	+8
Mercedes-Benz Vans	93.1	<b>91.4</b>	-2
Daimler Buses	7.2	<b>7.7</b>	+7

in thousands of units

# Revenue by division

	Q3 2017*	Q3 2018	% change
<b>Daimler Group</b>	40.7	<b>40.2</b>	-1
of which			
Mercedes-Benz Cars	23.4	<b>21.7</b>	-7
Daimler Trucks	9.2	<b>10.0</b>	+9
Mercedes-Benz Vans	3.1	<b>3.0</b>	-2
Daimler Buses	1.0	<b>1.1</b>	+3
Daimler Financial Services	5.8	<b>6.3</b>	+7
<b>Contract volume of Daimler Financial Services**</b>	139.9	<b>148.8</b>	+6

in billions of euros

\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* figures as of December 31, 2017 and September 30, 2018

# Revenue by region

	Q3 2017*	Q3 2018	% change
<b>Daimler Group</b>	40.7	<b>40.2</b>	-1
of which			
Europe	16.7	<b>16.2</b>	-3
<i>of which Germany</i>	5.8	<b>5.9</b>	+2
NAFTA	11.5	<b>11.7</b>	+2
<i>of which United States</i>	9.9	<b>10.1</b>	+2
Asia	9.9	<b>9.7</b>	-2
<i>of which China**</i>	4.6	<b>4.7</b>	+3
Other markets	2.6	<b>2.6</b>	+1

in billions of euros

\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* excluding revenue of not fully consolidated companies

# EBIT by division

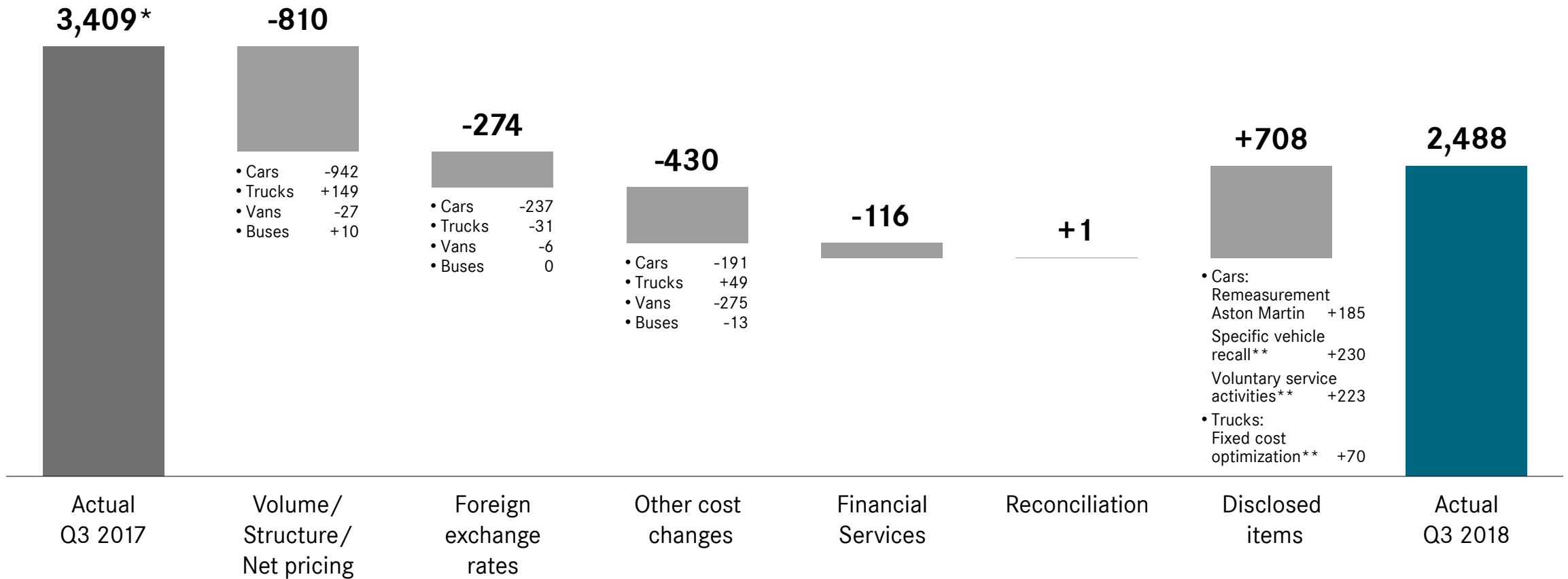
- EBIT in millions of euros; RoS/RoE in % -	Q3 2017*		Q3 2018	
	EBIT	RoS/RoE**	EBIT	RoS/RoE**
<b>Daimler Group</b>	3,409	8.3	<b>2,488</b>	<b>6.2</b>
of which				
Mercedes-Benz Cars	2,105	9.0	<b>1,372</b>	<b>6.3</b>
Daimler Trucks	614	6.7	<b>850</b>	<b>8.5</b>
Mercedes-Benz Vans	214	6.9	<b>-93</b>	<b>-3.1</b>
Daimler Buses	32	3.1	<b>30</b>	<b>2.8</b>
Daimler Financial Services	508	18.5	<b>392</b>	<b>12.5</b>
Reconciliation	-64	-	<b>-63</b>	<b>-</b>

\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

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

# Group EBIT in Q3 2018

- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* in Q3 2017



# Capital expenditure / Research and development

in billions of euros

	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2016	<b>Actual 2017</b>	Plan* 2018-2019	Actual 2016	<b>Actual 2017</b>	Plan* 2018-2019
<b>Daimler Group</b>	5.9	<b>6.7</b>	7.4	7.6	<b>8.7</b>	8.9
of which						
Mercedes-Benz Cars	4.1	<b>4.8</b>	5.5	5.7	<b>6.6</b>	7.0
Daimler Trucks	1.2	<b>1.0</b>	1.2	1.3	<b>1.3</b>	1.3
Mercedes-Benz Vans	0.4	<b>0.7</b>	0.4	0.4	<b>0.6</b>	0.5
Daimler Buses	0.1	<b>0.1</b>	0.1	0.2	<b>0.2</b>	0.2
Daimler Financial Services	0.04	<b>0.04</b>	0.05	–	<b>–</b>	–

\* average p.a.

# Daimler Investor Relations Events Q4-2018/Jan-2019

<b>Nov 01-07 2018</b>	<b>IR Meetings</b>	<b>Japan/Australia</b>
<b>Nov 05-07 2018</b>	<b>CFO Roadshow</b>	<b>London/New York/Boston</b>
<b>Nov 12 2018</b>	<b>CFO Roadshow</b>	<b>Frankfurt</b>
<b>Nov 14 2018</b>	<b>IR Meetings</b>	<b>London</b>
<b>Nov 15 2018</b>	<b>IR Meetings</b>	<b>Silicon Valley</b>
<b>Nov 28-29 2018</b>	<b>IR Meetings</b>	<b>Paris</b>
<b>Nov 28-29 2018</b>	<b>IR Meetings</b>	<b>London</b>
<b>Jan 08-09 2019</b>	<b>IR Meetings</b>	<b>CES Las Vegas</b>

**For latest dates please see <https://www.daimler.com/investors/events/roadshows/>**

# Daimler Investor Relations Financial Calendar 2018/2019

**Feb 06 2019**      **Full Year Results 2018 / Annual Press Conference 2019**

**Feb 07 2019**      **Investor and Analyst Conference**

**Apr 26 2019**      **Interim Report 1st Quarter 2019**

**May 22 2019**      **Annual Meeting 2019**

**Jul 24 2019**      **Interim Report 2nd Quarter 2019**

**Oct 24 2019**      **Interim Report 3rd Quarter 2019**

**For latest dates please see <https://www.daimler.com/investors/events/financial-calendar/>**

# 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.