



Fixed Income Presentation Q1 2021
Daimler AG

AGENDA

- I. **DAIMLER AG REVIEW Q1 2021**
- II. DIVISIONAL REVIEW Q1 2021
- III. OUTLOOK 2021
- IV. PROJECT FOCUS
- V. FUNDING
- VI. SUSTAINABILITY

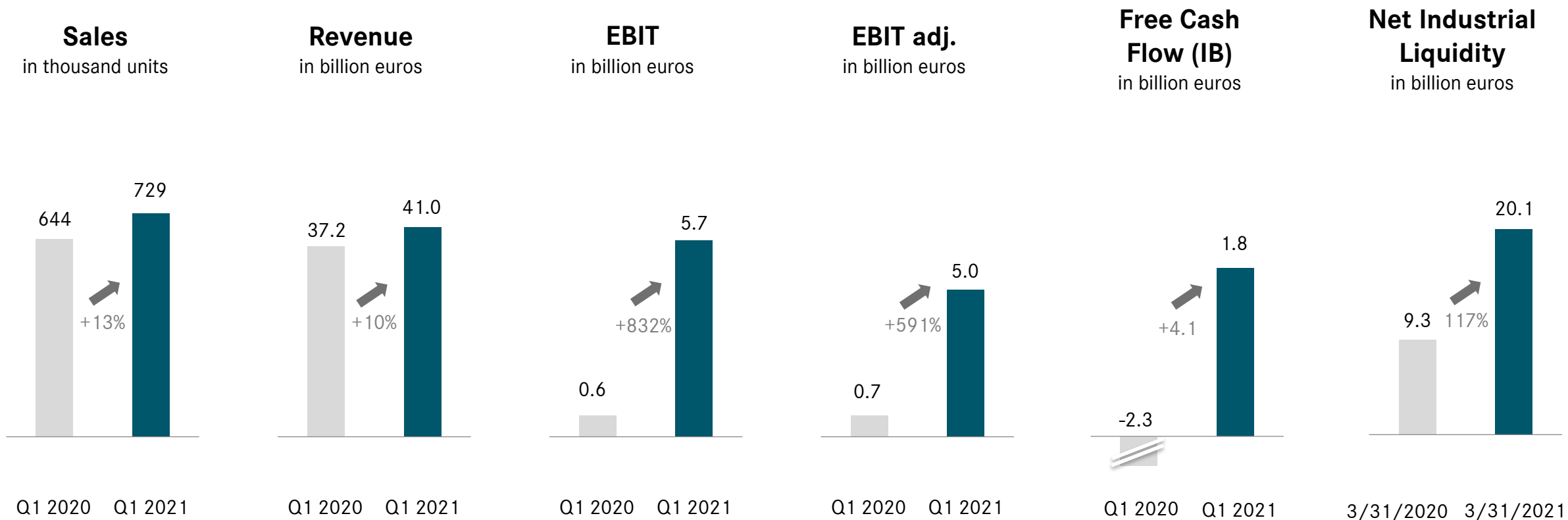


Daimler: Key messages

- ▶ Q1 margin at Mercedes-Benz Cars & Vans demonstrates strength of portfolio and ability to lower break-even point
- ▶ Excellent Net Industrial Liquidity & effective Working Capital management
- ▶ Project Focus: spin-off and listing of Daimler Truck in preparation
- ▶ World premieres of EQS, EQA and EQB underline ambition to lead in electric drive and car software with high-tech luxury EVs

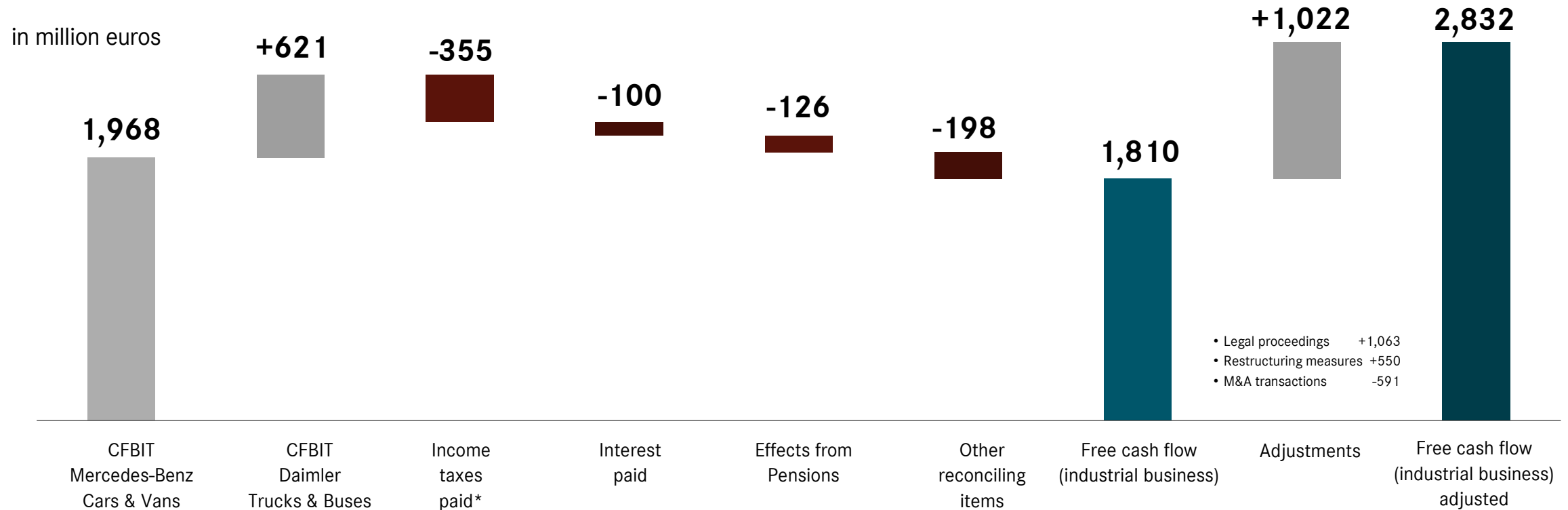


Daimler: Key figures



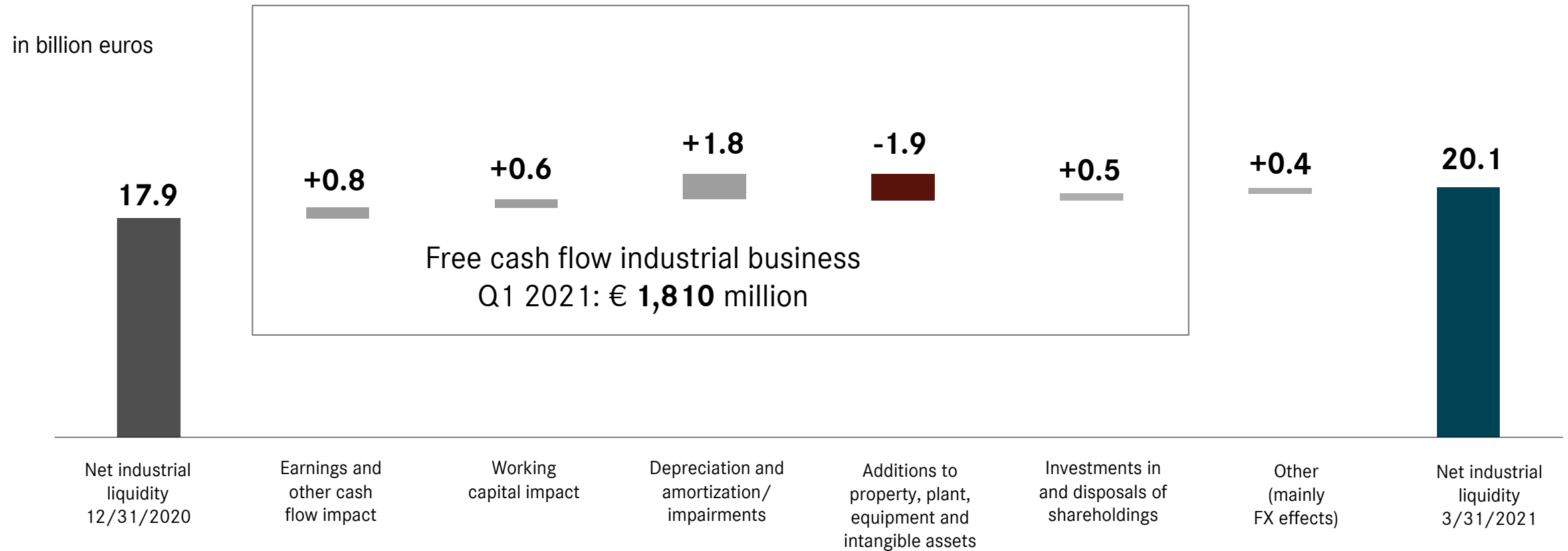
For more details on financials please see [Daimler Capital Market Presentation Q1 2021](#)

Daimler Q1 2021 reconciliation from CFBIT to Free Cash Flow: On our way towards a cash flow oriented culture

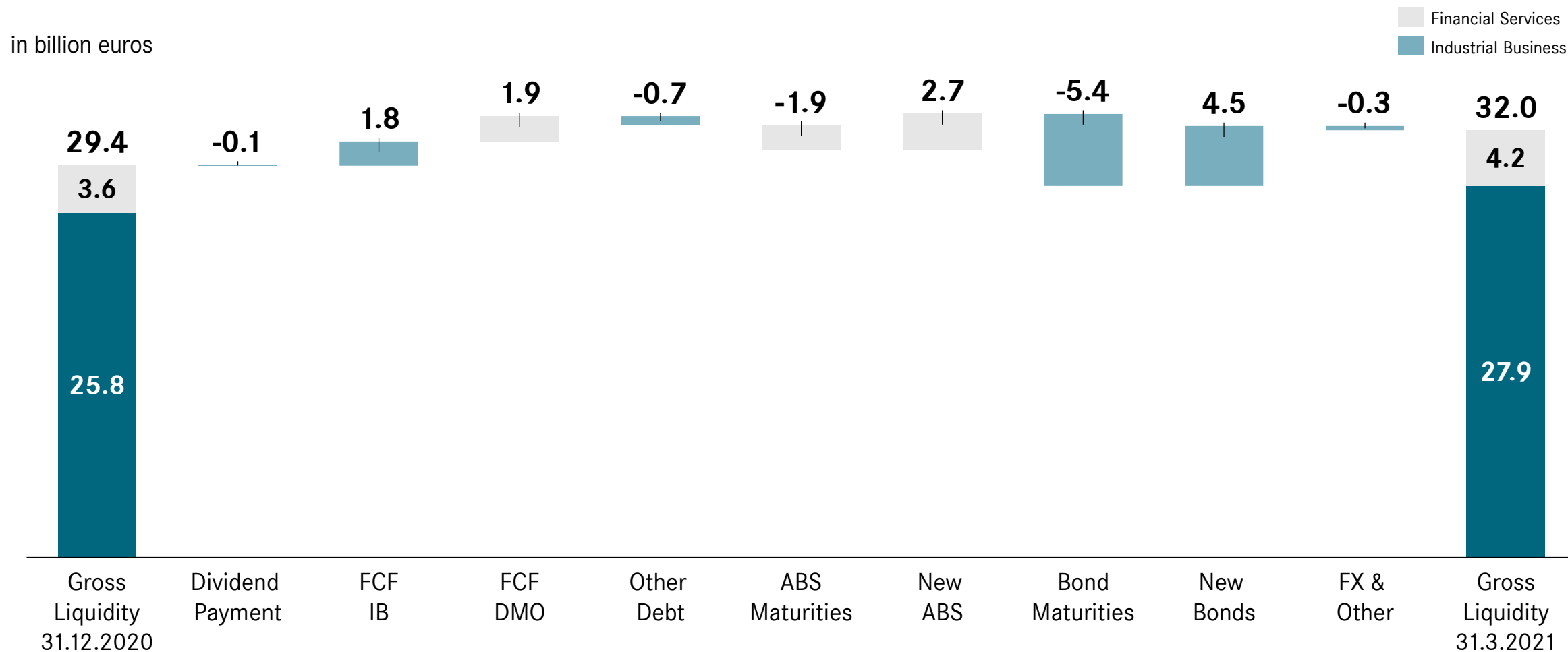


* includes internal tax prepayments from Daimler Mobility to the industrial business

Daimler Net Industrial Liquidity: Healthy Net Cash position leaves us with significant financial flexibility



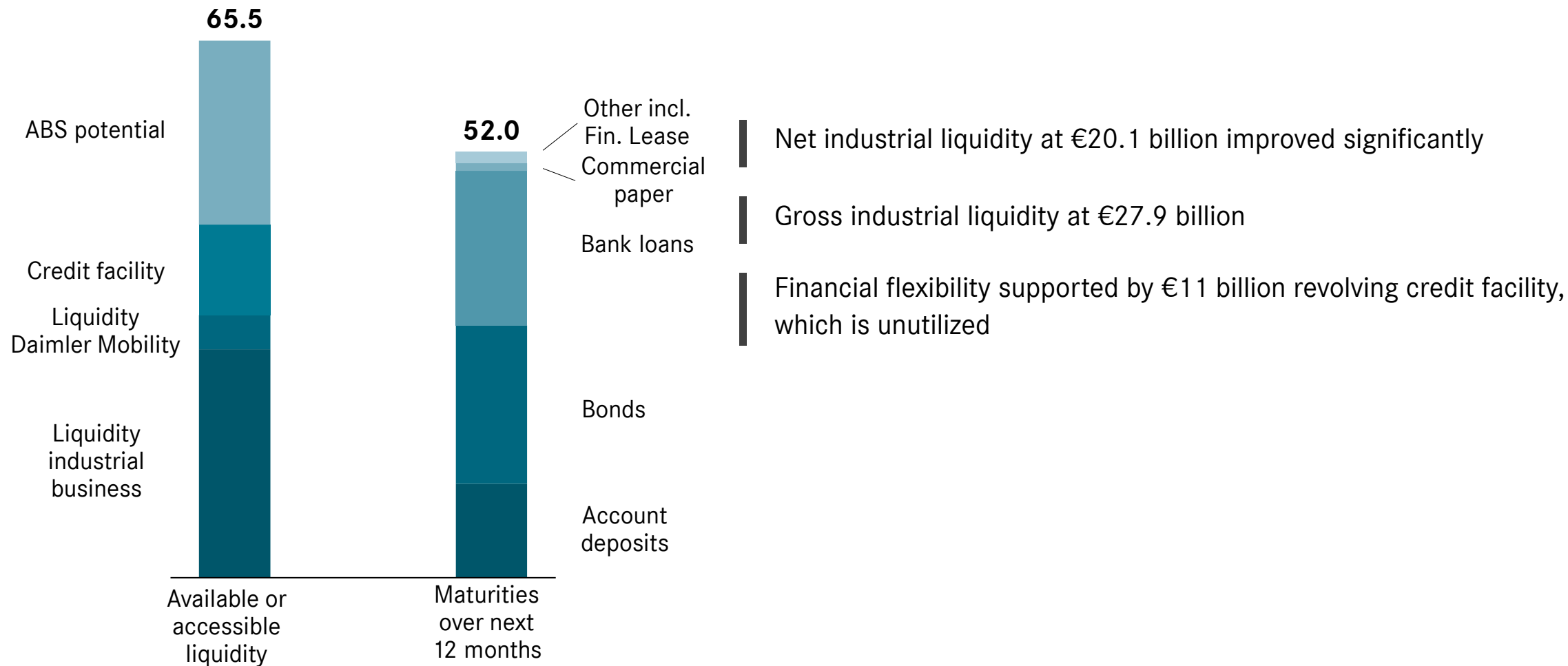
Daimler YTD Q1 2021 development of gross industrial liquidity



Note: Figures may not be additive due to rounding.

Daimler Q1 2021 financial flexibility over a 12-month period

in billion euros



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Mercedes-Benz Cars: Highlights

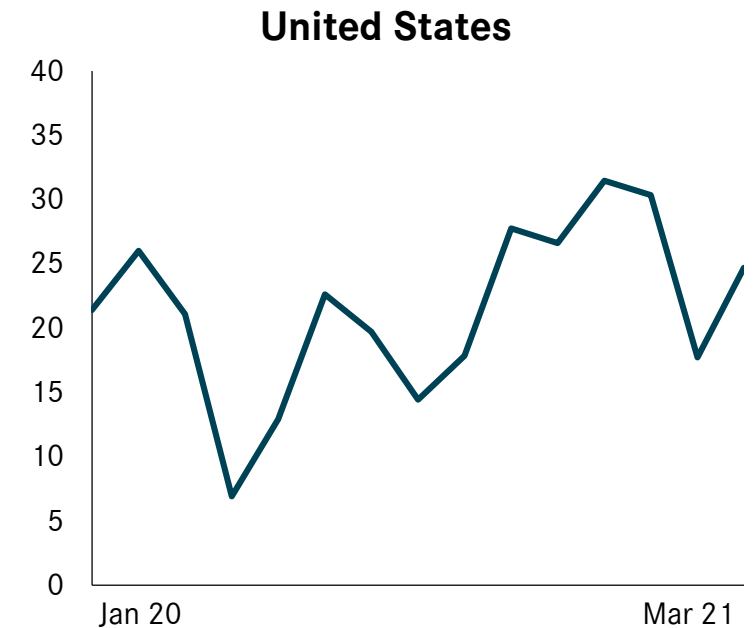
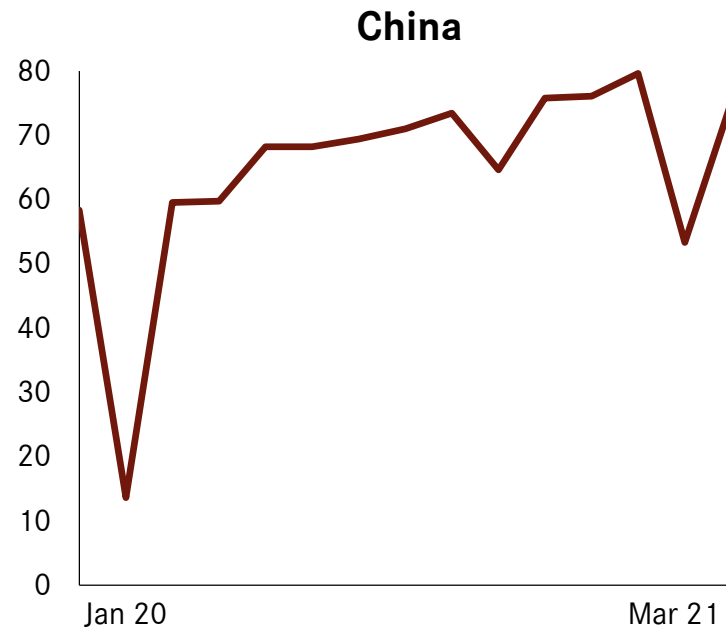
- ▶ Positive trend from H2 2020 continued
- ▶ Favourable sales momentum with record sales in China
- ▶ Fascinating products and favourable mix drive pricing
- ▶ Global EV share of Mercedes-Benz Cars at about 10%, in Europe above 25%
- ▶ Improved industrial performance; significant fixed cost reduction
- ▶ Mercedes-Benz Drive System Campus gearing up for “Electric First” future



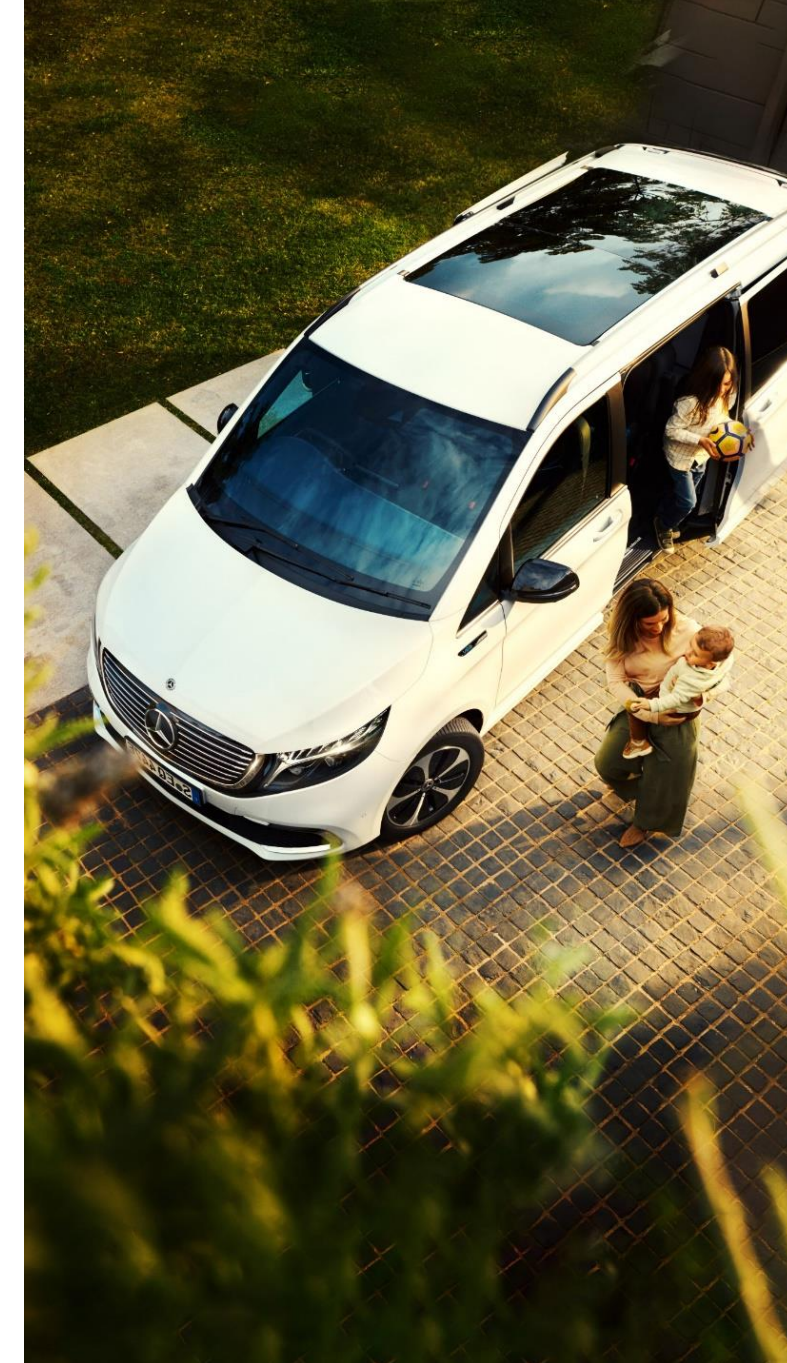
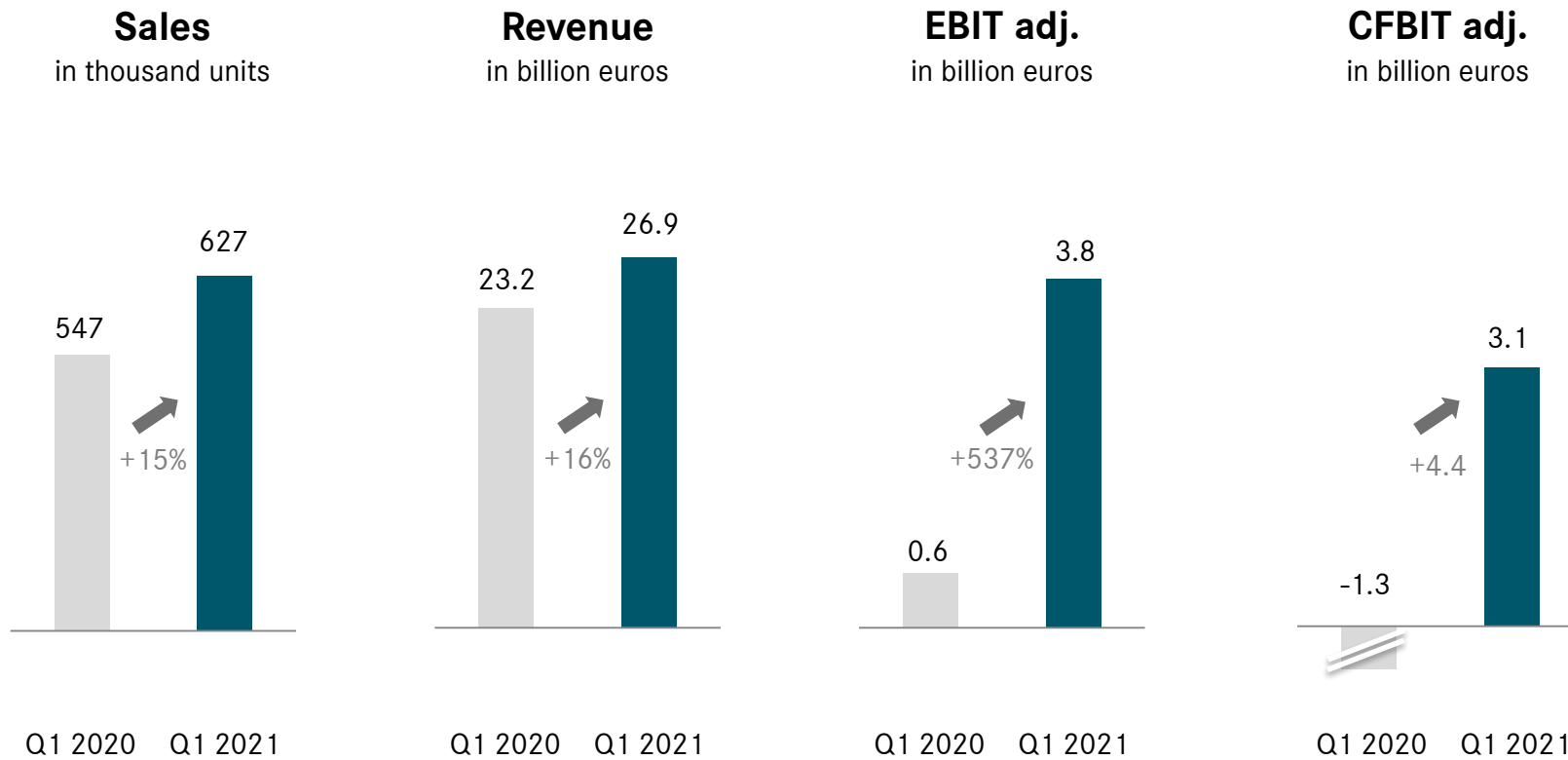
Mercedes-Benz Cars: Business recovery in all core regions

Group sales of Mercedes-Benz passenger cars per month

in thousand units



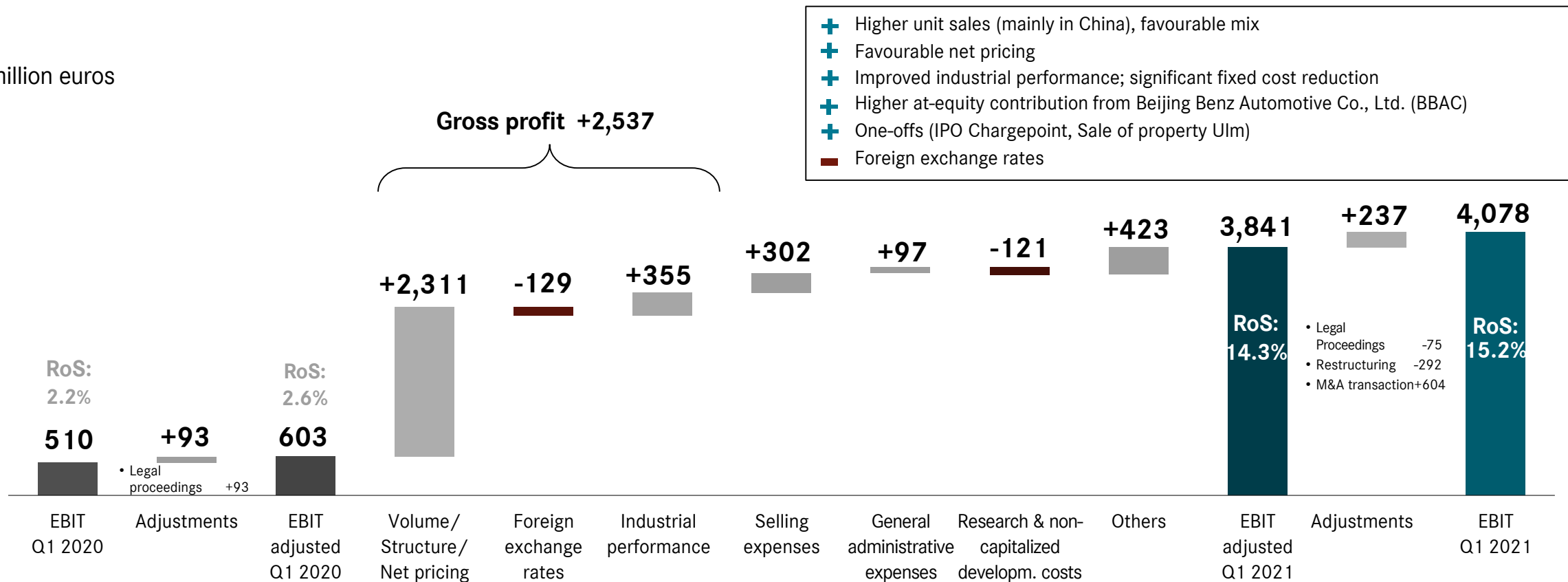
Mercedes-Benz Cars & Vans financials: CFBIT adj. turned positive, demonstrating focus on cash flow



For more details on financials please see [Daimler Capital Market Presentation Q1 2021](#)

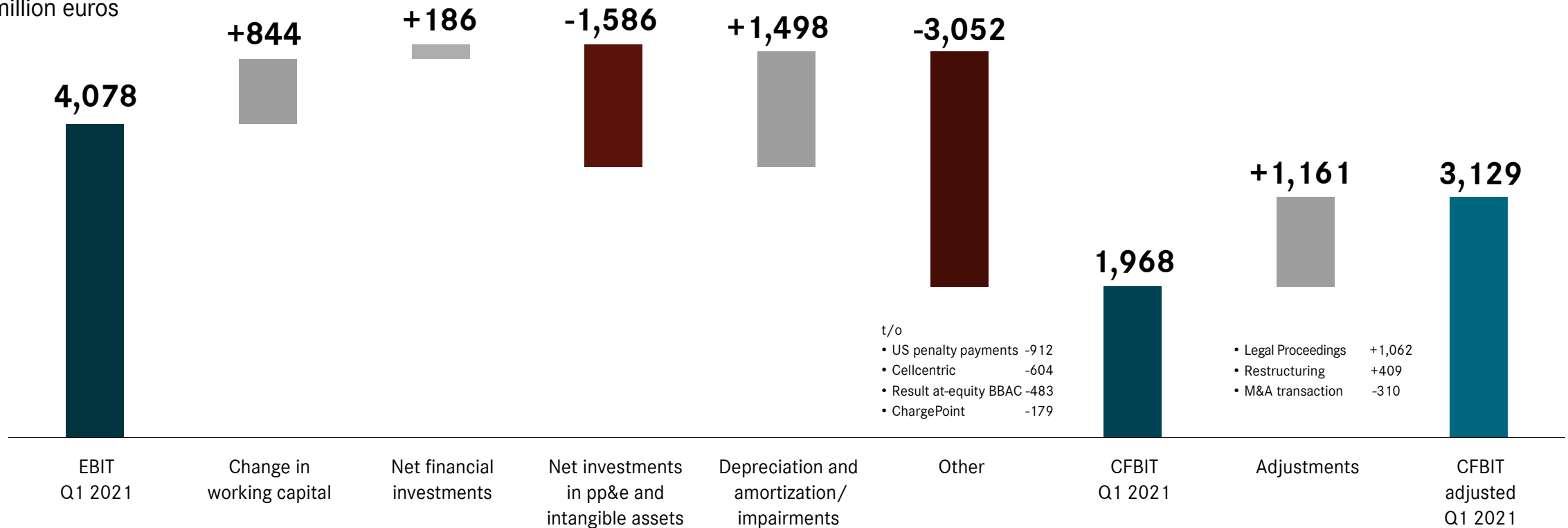
Mercedes-Benz Cars & Vans EBIT FY & RoS: Favourable sales momentum translated in a significant increase in volume, structure and pricing

in million euros



Mercedes-Benz Cars & Vans Reconciliation from EBIT to CFBIT: Controlled inventory management given the increased sales volume and richer model-mix

in million euros

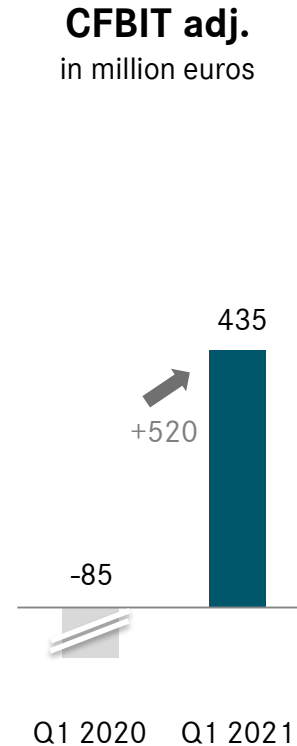
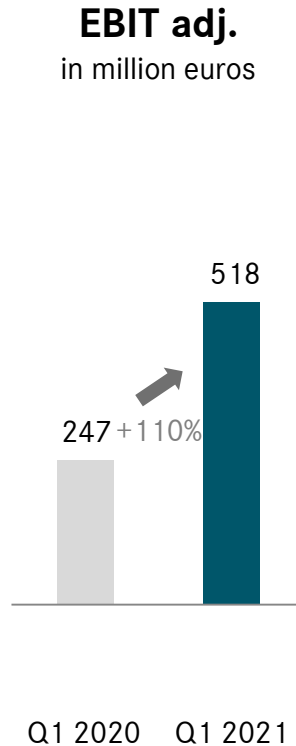
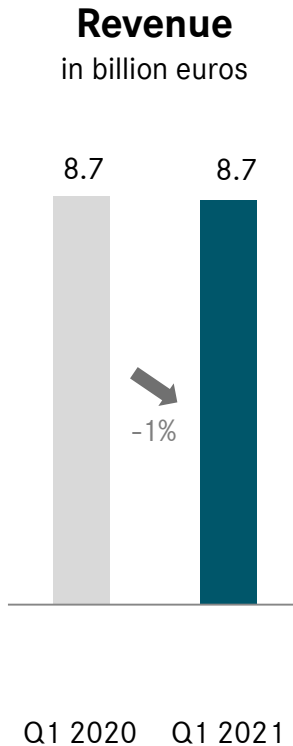
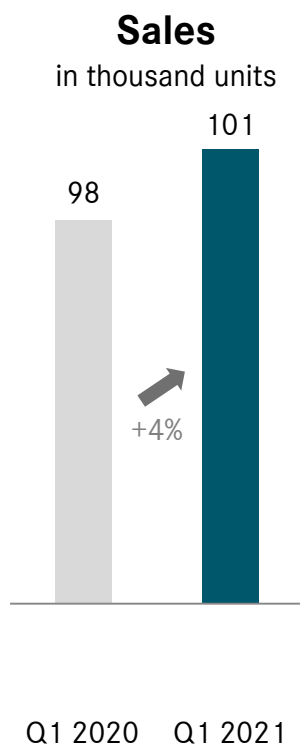


Daimler Trucks & Buses: Highlights

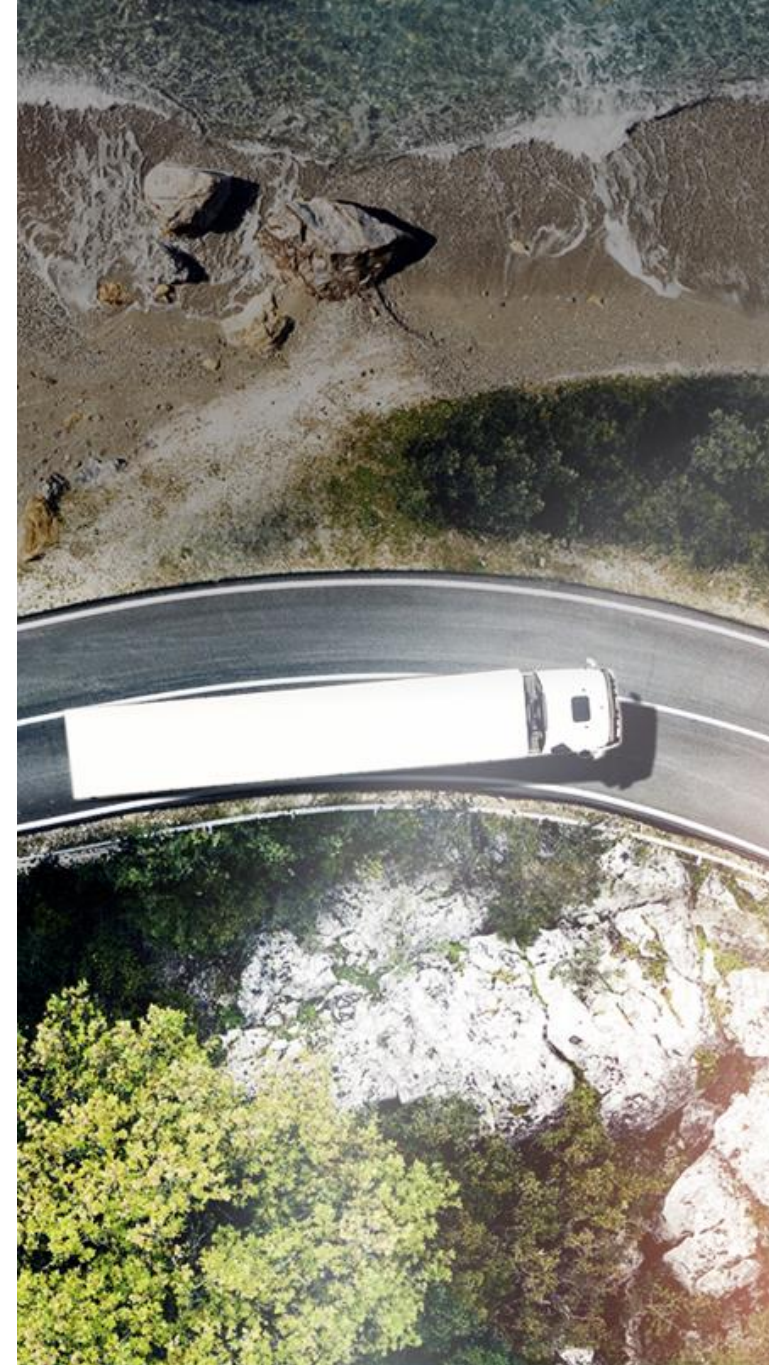
- ▶ Increase in truck sales, mainly in Europe and North America due to improved market conditions and SoM gains
- ▶ Incoming truck orders in all regions significantly above prior-year's quarter
- ▶ Further reduction of used vehicles stocks and favourable net pricing
- ▶ Global strategic partnership for medium-duty engine systems with Cummins Inc. signed
- ▶ Fuel-cell joint venture "cellcentric" with Volvo Group closing completed



Daimler Trucks & Buses Financials: Strong improvement of EBIT adj. and CFBIT adj.



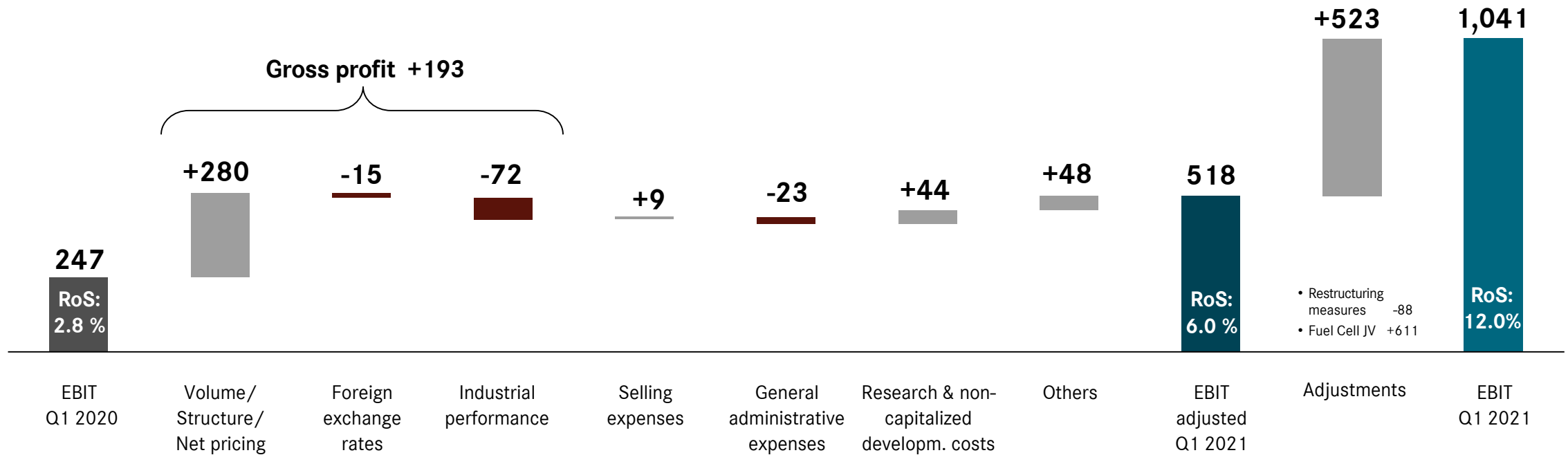
For more details on financials please see [Daimler Capital Market Presentation Q1 2021](#)



Daimler Trucks & Buses EBIT & RoS: Positive volume, structure and net pricing

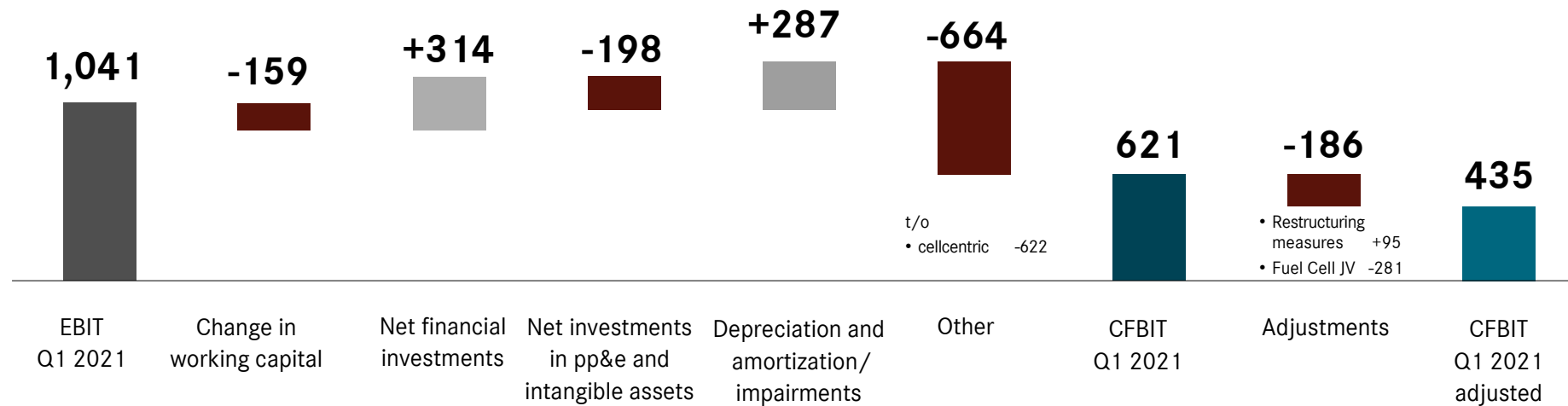
in million euros

- + Higher truck unit sales mainly in EU30 and North America
- + Positive contribution from used vehicle business and favourable development of net pricing
- Higher costs, mainly related to raw material, supply chain constraints and preventive health measures to avoid effects of COVID-19



Daimler Trucks & Buses reconciliation from EBIT to CFBIT: Underlining our focused investment approach

in million euros



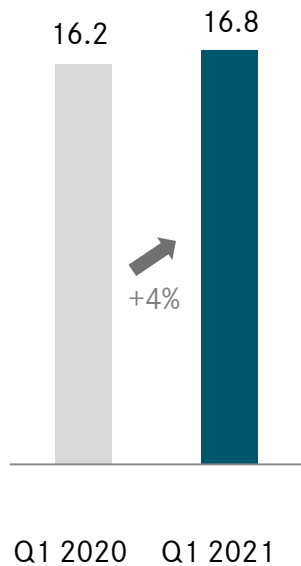
Daimler Mobility: Highlights

- ▶ Strong loyalty and retention driving new business above Q1 2020, especially in China
- ▶ Stable credit reserve level with continuously low net credit losses
- ▶ Further improvements at mobility services:
- ▶ Ongoing optimization of its holdings
 - ▶ PARK NOW - Announcement of intended acquisition by EasyPark
 - ▶ CHARGE NOW - new additional partner and investor with bp
 - ▶ YOUR NOW - continuous extension of business activities (e.g. Multi Mobility Services, SHARE NOW rewards)

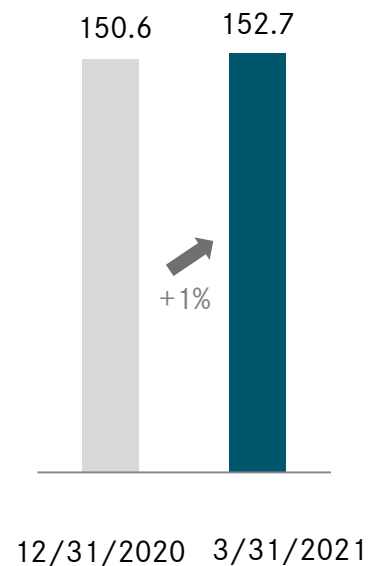


Daimler Mobility Financials: Significant increase in EBIT adj.

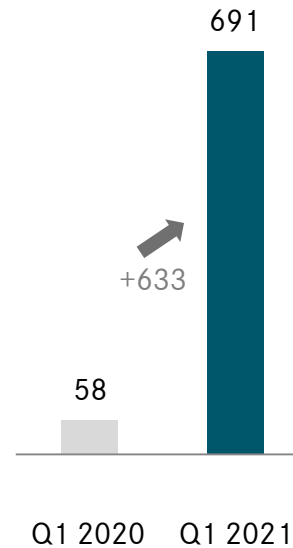
New business
in billion euros



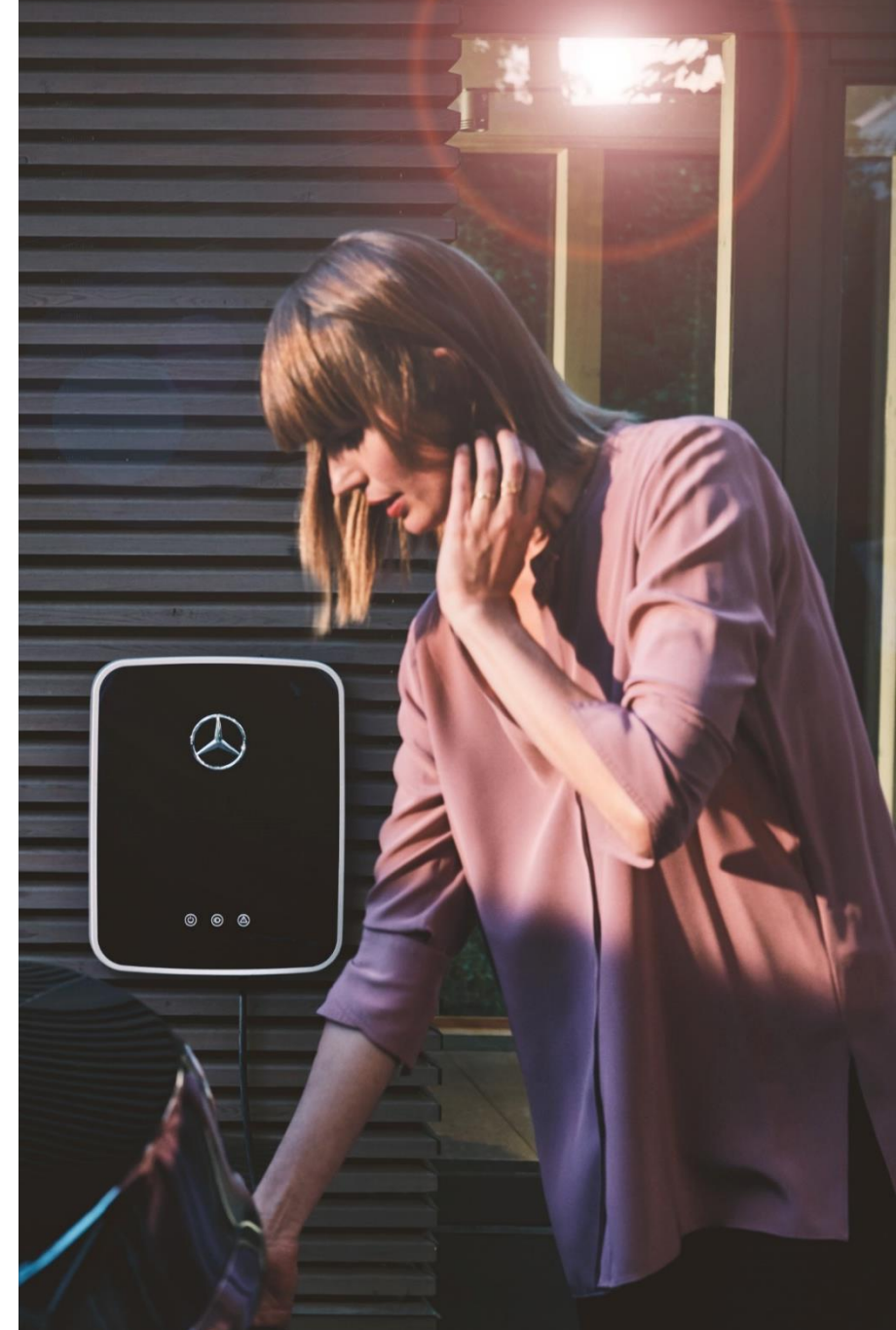
Contract volume
in billion euros



EBIT adj.
in million euros



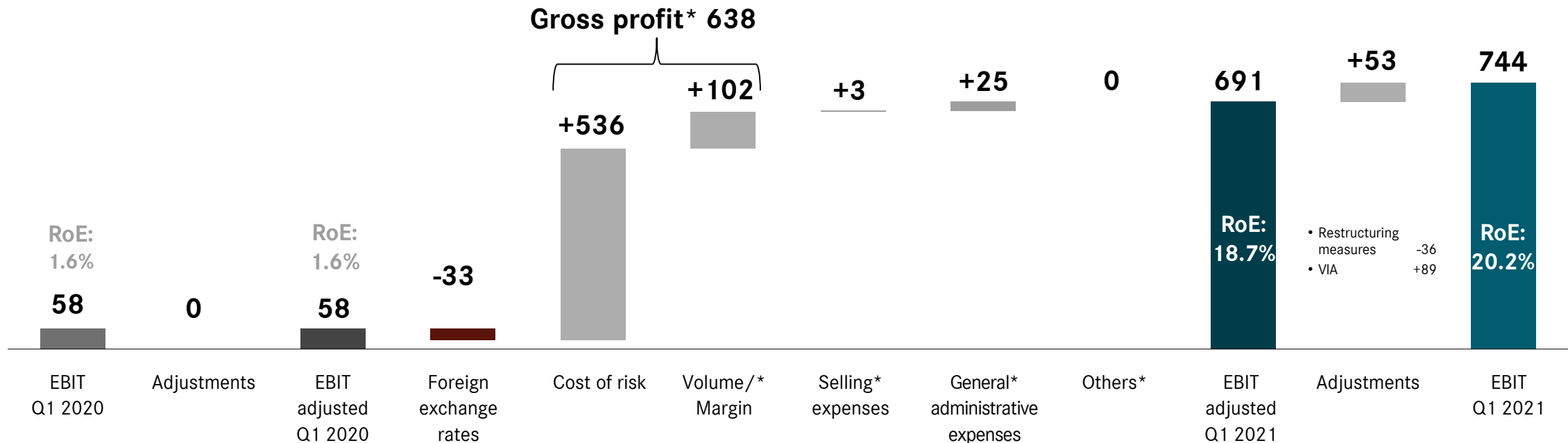
For more details on financials please see [Daimler Capital Market Presentation Q1 2021](#)



Daimler Mobility EBIT & RoE: Main impact from lower credit risk provisions and higher interest margins

in million euros

- + Lower addition to credit risk reserve
- + Favourable margin development
- + OPEX improvement



* excluding FX effects

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Performance: Market Guidance 2021

ASSUMPTION

Our expectations for the development of business in 2021 are based on the assumption of a gradual normalization of economic conditions in the markets that are important to us. In particular, we assume that the world economy will be able to recover from the pandemic-related weakness of the year 2020, aided by, among other things, the increasing availability of effective vaccines.

Car Markets	Global	significant increase
	Europe	significant increase
	USA	significant increase
	China	significant increase
Van Markets	EU30	significant increase
	USA	significant increase
Heavy-Duty Truck Markets	North America	significant increase
	EU30	significant increase
	Japan	at prior-year level
	Brazil	slight increase



Performance: Daimler Group Guidance 2021

ASSUMPTION

Our expectations for the development of business in 2021 are based on the assumption of a gradual normalization of economic conditions in the markets that are important to us. In particular, we assume that the world economy will be able to recover from the pandemic-related weakness of the year 2020, aided by, among other things, the increasing availability of effective vaccines.

Daimler Group Revenue	significantly above
Daimler Group EBIT	significantly above
Free Cash Flow (industrial business)	significantly below
Investment in PP&E	at prior-year level
R&D expenditure	slightly above
CO₂ emission (g/km)*	significantly below

* vs. the comparable figures for the previous year calculated according to WLTP (probably between 130 to 140 g/km, based on preliminary figures for fuel consumption in 2020 taking into account the statutory regulations of 2021).

The Daimler Business Plan covers the full year 2021 and is based on the existing Group structure, including Daimler Trucks & Buses. The spin-off of Daimler Trucks & Buses, including significant parts of the related financial services business, will be examined before the end of 2021. Before the spin-off, we will reclassify Daimler Truck as discontinued operations. We expect this to have considerable positive effects in the second half of the year, which cannot be reliably determined at present.



Performance: Divisional Guidance 2021

ASSUMPTION

Our expectations for the development of business in 2021 are based on the assumption of a gradual normalization of economic conditions in the markets that are important to us. In particular, we assume that the world economy will be able to recover from the pandemic-related weakness of the year 2020, aided by, among other things, the increasing availability of effective vaccines.

Unit Sales	Cars	significantly above
	Vans	significantly above
	Trucks & Buses	significantly above
Return on Sales (adjusted*)	Mercedes-Benz Cars & Vans	10 to 12%
	Daimler Trucks & Buses	6 to 7%
	Daimler Mobility (RoE)	14 to 15%
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.



Strategic priorities in 2021

Raising Performance



MBC&V **RoS** Q1 **14.3%** FYe **10-12%**
DT&B **RoS** Q1 **6.0%** FYe **6-7%**
DMO **RoE** Q1 **18.7%** FYe **14-15%**

Accelerating Technology



World Premiers of
EQS, EQB, EQA

Preparing Project Focus



Capital Market Update Daimler
Truck on May 20



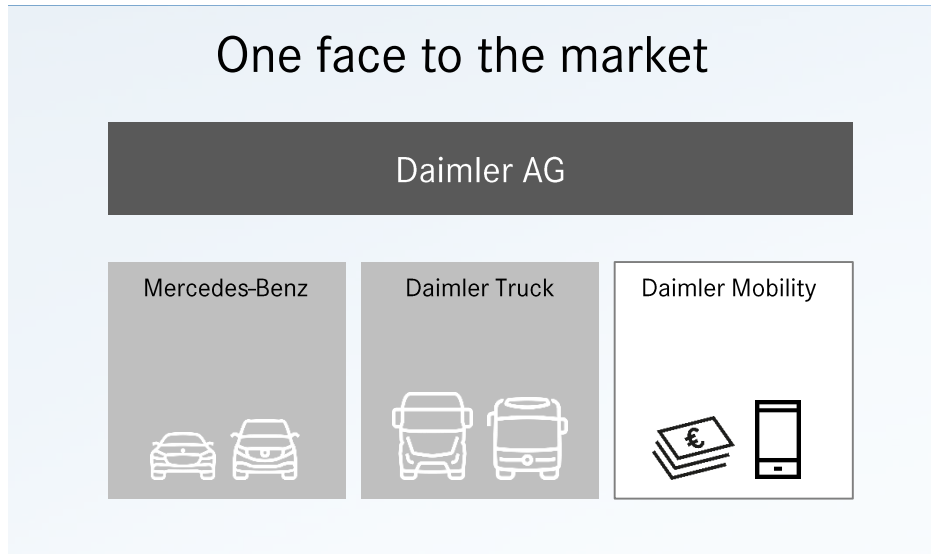
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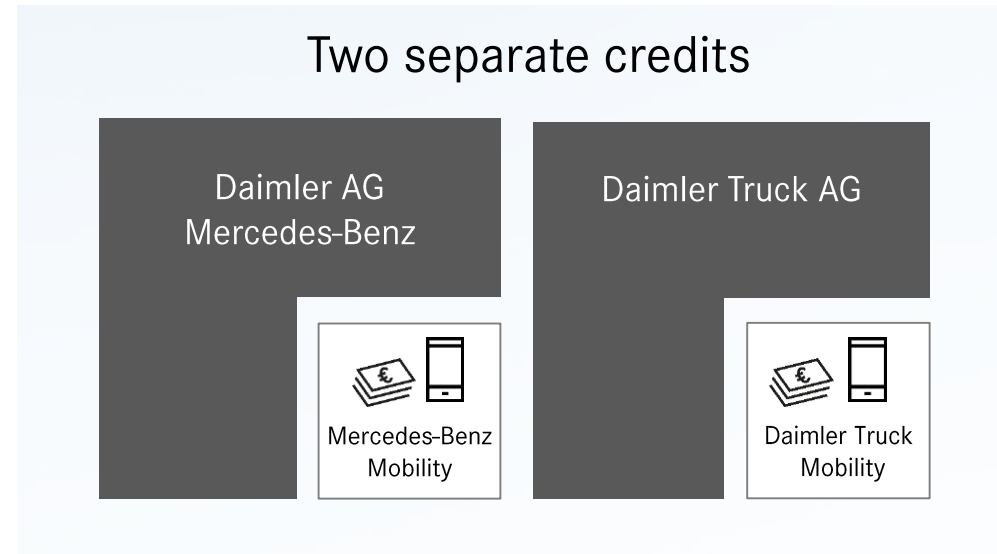


Project Focus: We want to create two independent businesses with maximum focus

Today



Tomorrow



Separate

- ▶ Capital Structure and Rating
 - ▶ Capital Market Access
 - ▶ Group Funding and Liquidity Management
- for both groups after spin-off

Schematic representation

Project Focus: Fixed Income key messages

Strong balance sheet: 20 bn Euro Net Industrial liquidity end of Q1 2021

Solid financial position for both entities at Day 1: net industrial liquidity exceeding pensions deficit

Daimler Truck with own credit ratings and own funding in the capital markets after spinoff

We expect that the Daimler Trucks capital structure will support a solid investment grade rating, target BBB+

Target rating category for Mercedes Benz remains single A

Existing bonds issued by Daimler AG or guaranteed by Daimler AG will not be transferred but remain with Daimler AG and its majority controlled subsidiaries *

Our prudent funding strategy and refinancing principles remain in place

Mercedes-Benz and Daimler Truck will be supported by their own dedicated captive financial and mobility services entities

* with the exception of local issuances in Argentina, Brazil and Mexico

Project Focus: Mercedes-Benz, the pre-eminent luxury car business



Mercedes-Benz

Leading
automotive
luxury brand

Global **“pure play”** OEM with **unique brand** recognition
“Ambition 2039” amplifying **clear commitment to Sustainability** as strategic priority
Attractive **captive financial services** business supporting sales

Win in a
transforming
environment

Leading player in **electric drive, car software** (MBUX, MBOS)
Automated driving: Dedicated **partnership with NVIDIA**
Leaner and faster to pursue **dedicated car strategy**
More agile to embrace change and partners

Focus on
profitable
growth

Focus on **luxury experience** and key regions
Focus on efficiency measures to **improve industrial footprint** and **fixed costs**
Strong balance sheet, **robust liquidity**



Project Focus: Daimler Truck unlocking the full potential



Daimler Truck

Global
#1
CV player

Global market presence with **market-leading brands** in triad markets
Ready to seize opportunities in emerging markets
Leverage **existing global platforms** to turn scale into profit

Lead in
industry
transformation

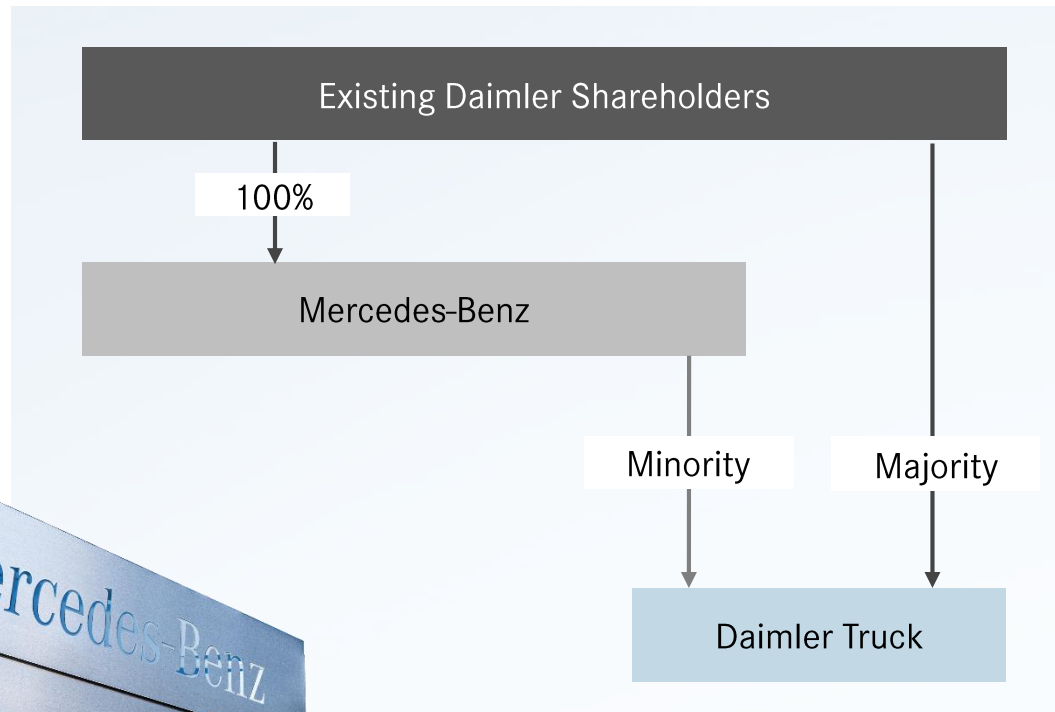
Powertrain: **technological lead** (TCO) and **strong partnerships** (Fuel Cell)
Automated driving: **Dual track strategy** with Torc Robotics & Waymo
Optimize product and **service portfolio**, streamline industrial footprint

Realize
profit
potential

Europe: Execution of the **initiated restructuring**
DTNA: Expansion of the **leading market position and profitability**
Benefit from **scale and strong partners to amortize tech investment**



Structure of the planned transaction



Separate listing of Daimler Truck

Distribution of Daimler Truck shares held by Daimler to existing Daimler shareholders

Majority in free-float, Daimler ceases control over DT but intends to retain a minority shareholding

No additional investment needed from shareholders, no proceeds for Daimler

Transaction relatively independent of capital market conditions

Daimler Truck AG majority spin-off: Intended transaction structure and details

Transfer of the **majority of Daimler Truck to Daimler shareholders**

True independent governance of Daimler Truck	Attractive financial profiles for both companies	Prime listing for Daimler Truck
Spin-off of Significant Majority Stake	Strong Capital Structures	DAX Company
Independent Governance	Ambitious financial targets	Listing Timing
Daimler with minority/ financial stake and de-consolidating Daimler Truck	Both Daimler Truck and Mercedes-Benz with strong net liquidity position	Daimler Truck AG to be listed in Frankfurt Company expected to qualify for the DAX
Independent chairman Daimler supervisory board representation in line with intended deconsolidation	Separation will enable realization of full profit potential	Listing targeted before year-end 2021

The listing of Daimler Truck is planned to be complete by year-end 2021



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Our funding strategy is built on strict 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

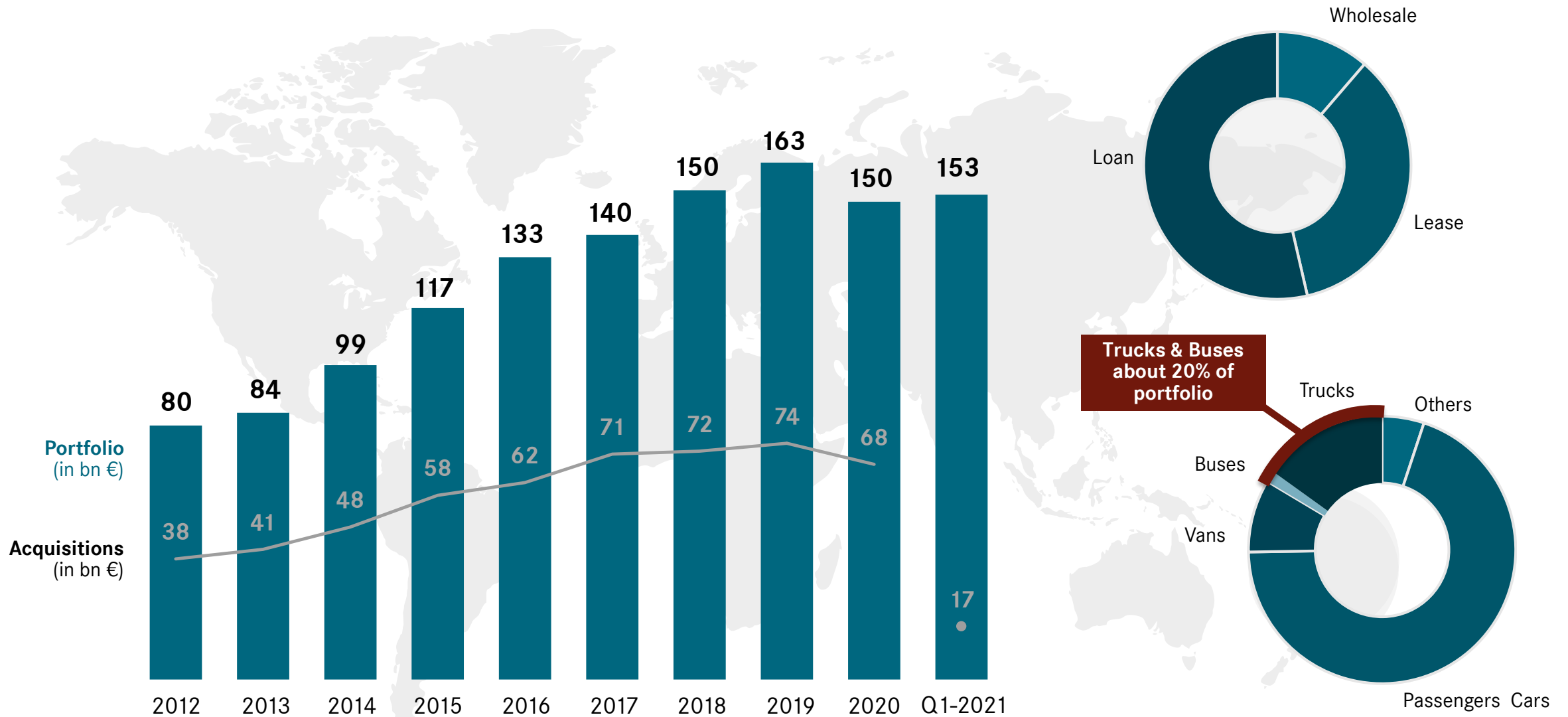
Liquidity matched funding

Interest rate matched funding

Currency matched funding

Country matched funding

Portfolio of Daimler Mobility on a high level



Daimler Mobility business model based on stringent credit management and solid refinancing

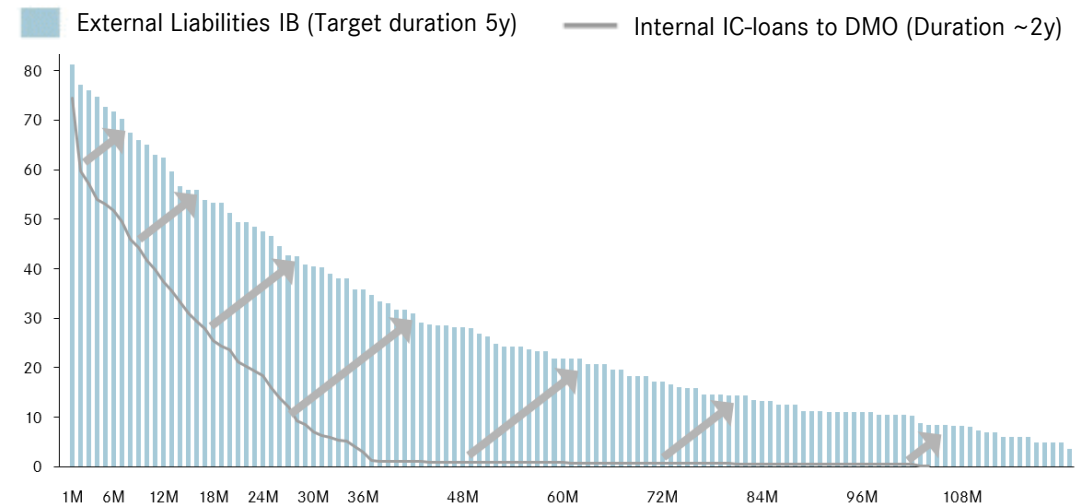
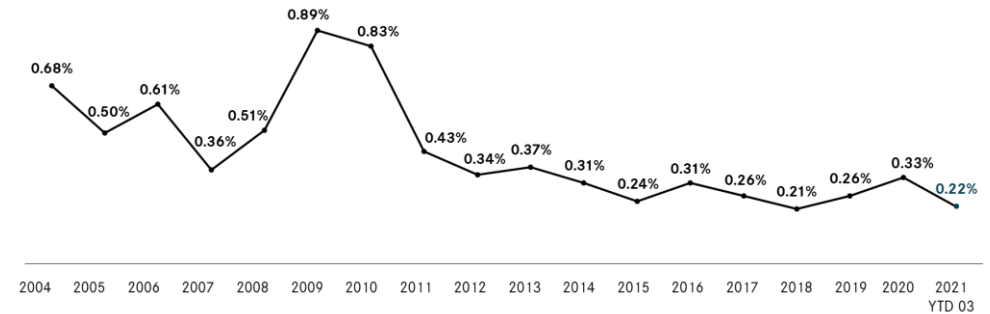
Net credit losses still on a low level, not showing any severe CoViD-19 impact

Despite expected macroeconomic recovery, net credit losses might rise in 2021 as a result of expiring governmental liquidity support programs

The matched-funded approach ensures that liquidity risks are managed properly

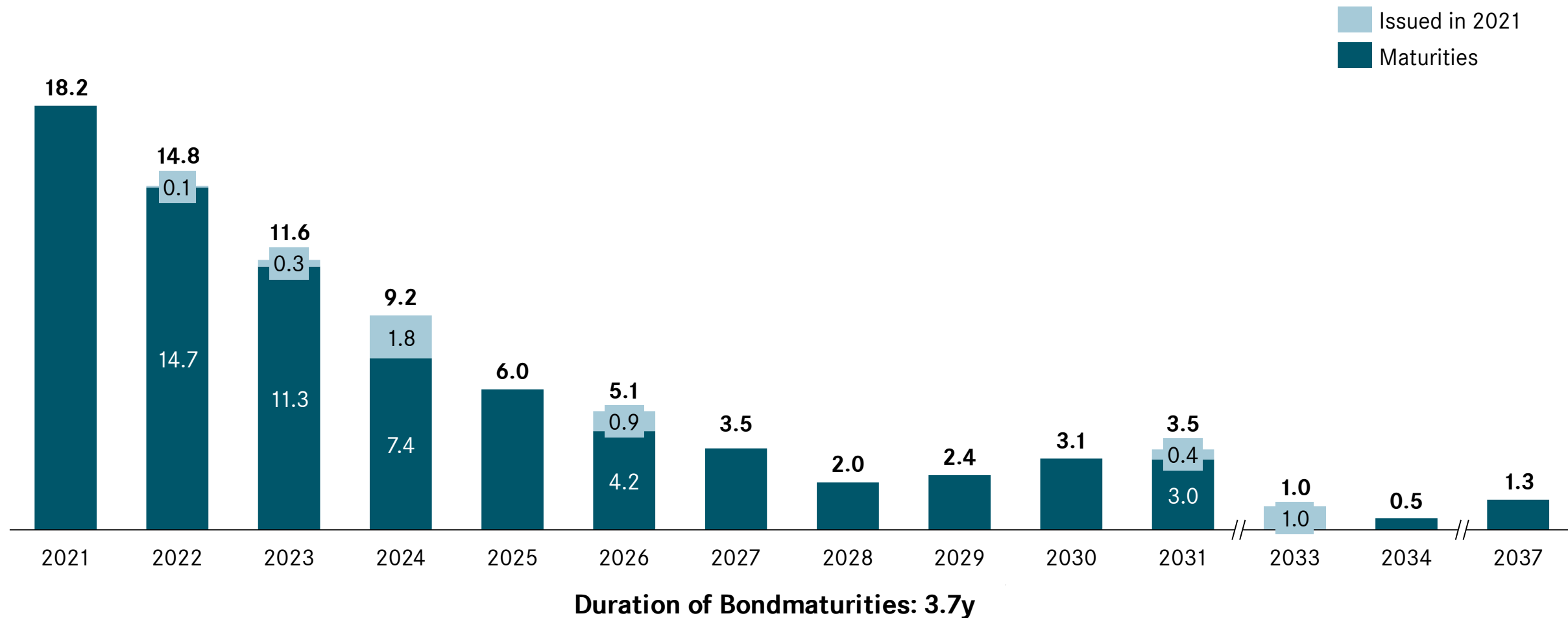
External liabilities of Daimler Group have a longer duration than internal allocation to DMO via IC-loans

Net credit losses as a percentage of portfolio, subject to credit risk



Well balanced Bond Maturity Profile

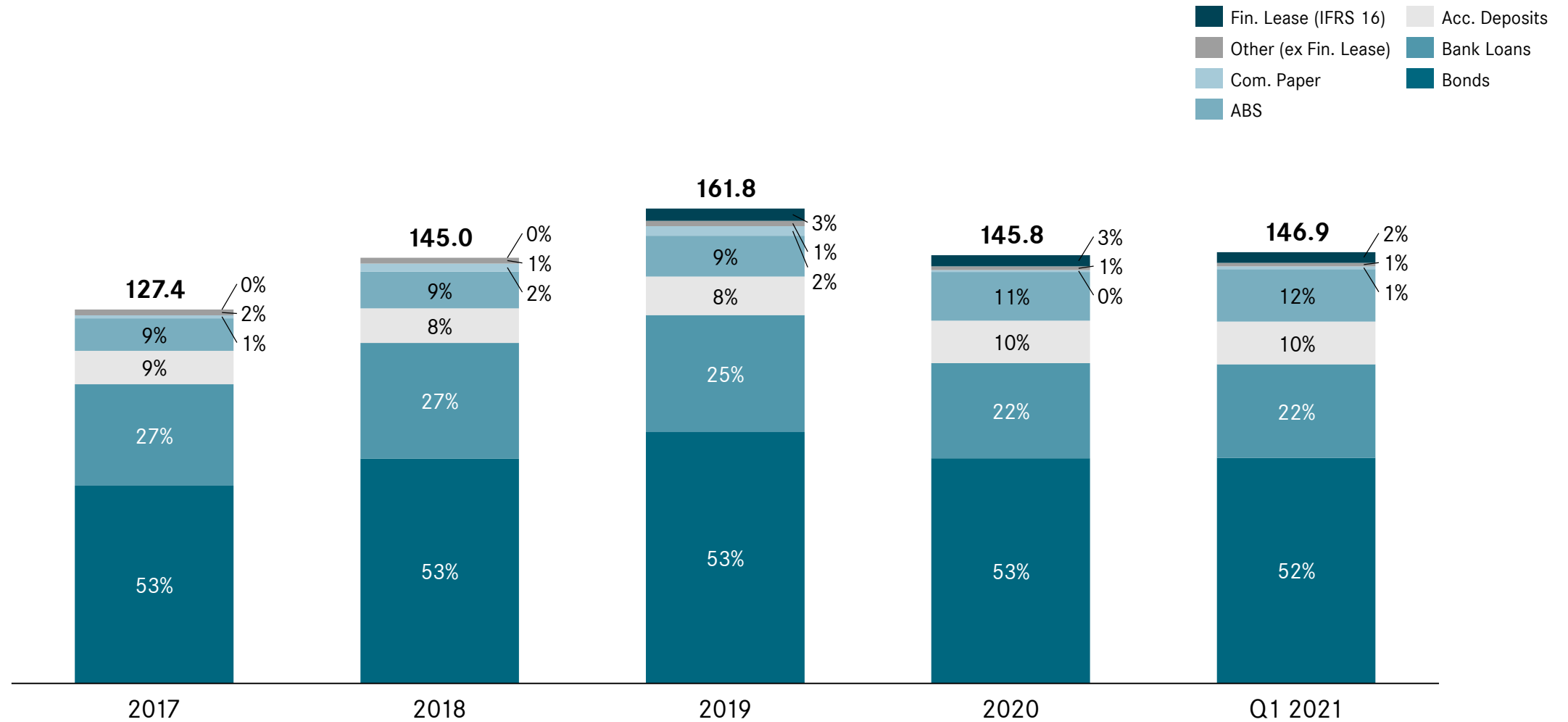
in billions of € as of 31 March 2021



Note: Figures may not be additive due to rounding.

Financing liabilities show a diversified funding mix

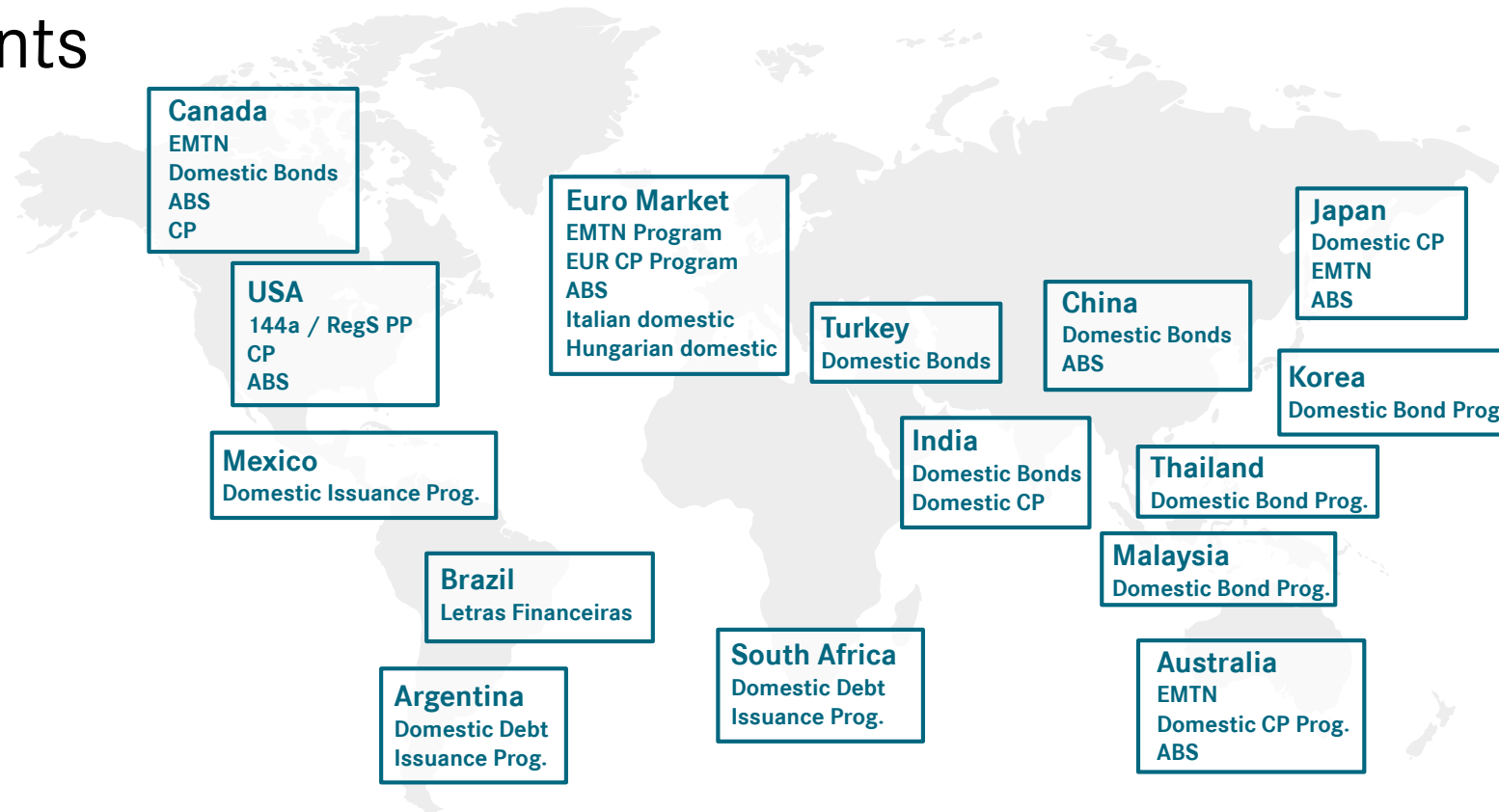
in billions of €



To ensure sustainable portfolio growth, we mitigate risk and volatility through a balanced mix of funding instruments



Diversified global funding base: continuously matched with DMO requirements



Debt Capital Market					
Currency	Volume	%	Currency	Volume	%
EUR	39,1	51%	AUD	0,6	1%
USD	22,4	29%	KRW	0,5	1%
CNY	3,6	5%	NOK	0,5	1%
GBP	2,9	4%	JPY	0,5	1%
CAD	2,2	3%	BRL	0,5	1%
ZAR	1,4	2%	Other	1,7	2%
Total (EUR bn)	77		Currencies	20	

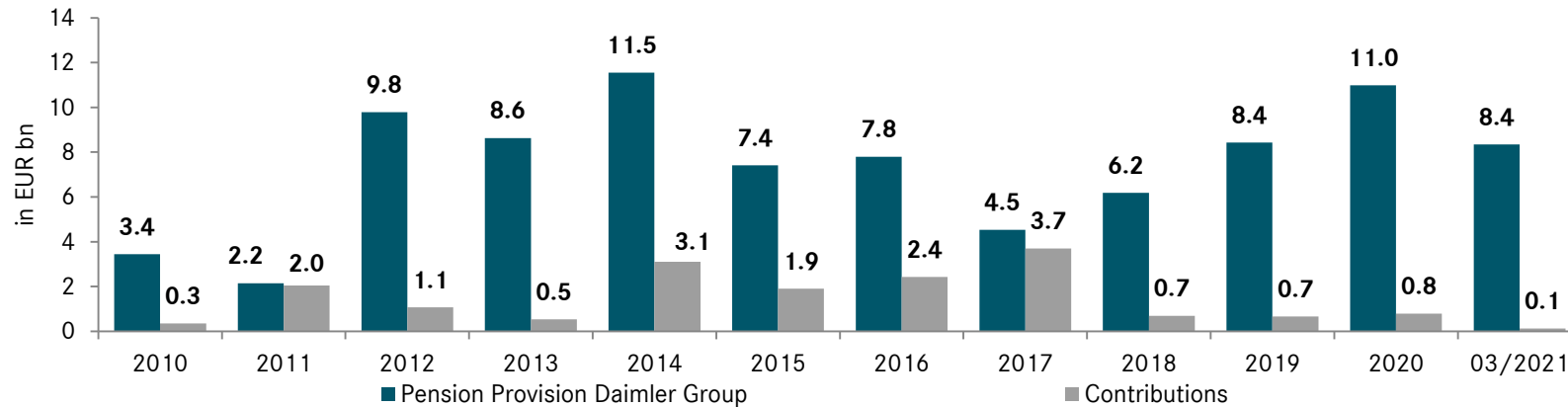
ABS					
Currency	Volume	%	Currency	Volume	%
USD	10,0	57%	AUD	0,9	5%
CNY	2,4	14%	GBP	0,8	4%
EUR	1,7	10%	JPY	0,7	4%
CAD	1,0	6%	KRW	0,1	1%
Total (EUR bn)	18		Currencies	8	

Bank Loans
180 banks providing funding of EUR 32 bn in 35 countries

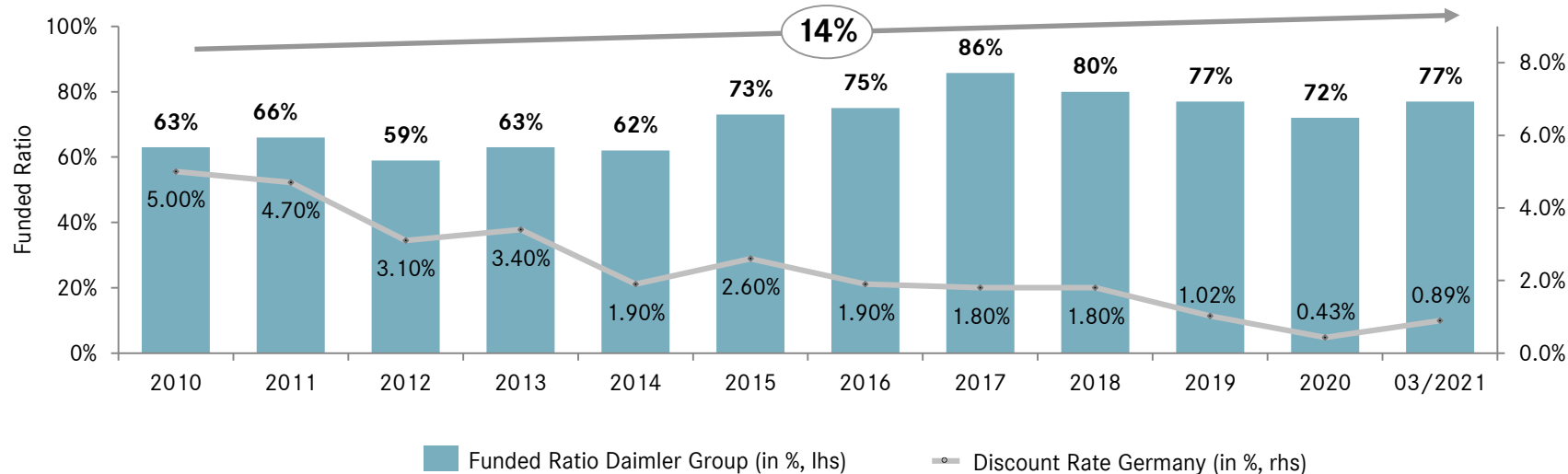
Daimler's financial KPIs set to support a strong rating

	Agency	Long-term	Outlook	Short-term
Current Ratings:	Standard & Poor's:	BBB+	Positive	A-2
	Moody's:	A3	Stable	P-2
	Fitch:	BBB+	Positive	F1
	DBRS:	BBB (high)	Stable	R-2 (high)
	Scope:	A	Stable	S-1

In low interest rate environment high contributions stabilized funded ratio



Significant contributions of EUR 17.4bn since 2010 support the solid capital structure



Even though German Discount Rate decreased significantly since 2010, Funded Ratio is at a solid level of 77%

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SUSTAINABILITY - integral part of divisional business strategies

SUSTAINABILITY

Mercedes-Benz AG
Strategy



Daimler AG

Daimler Truck AG
Strategy



Daimler Mobility AG
Strategy



AMBITION 2039

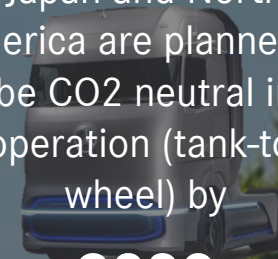
- We are fully committed to the goals of the Paris Climate Agreement and defined a roadmap to get there at an early stage with our Ambition 2039.
- We are involved in inter-company initiatives aiming for CO₂ neutrality ten years earlier than Paris actually plans.
- We are ready to play our part, but politics has to play its part too by ensuring that these goals can be achieved – infrastructure, green electricity, charging stations and distribution networks.

We aim to achieve
CO₂ neutrality
for our new passenger
car fleet by



2039

New vehicles in Europe,
Japan and North
America are planned to
be CO₂ neutral in
operation (tank-to-
wheel) by



2039

We intend to have
globally CO₂-neutral
locations and
administration by

2022

We are striving for a CO₂-neutral production in all our
plants and business divisions by 2039

Sustainable value for all stakeholder groups



Climate protection
& air quality



Resource
conservation



Livable
cities



Traffic safety



Data responsibility



Human rights



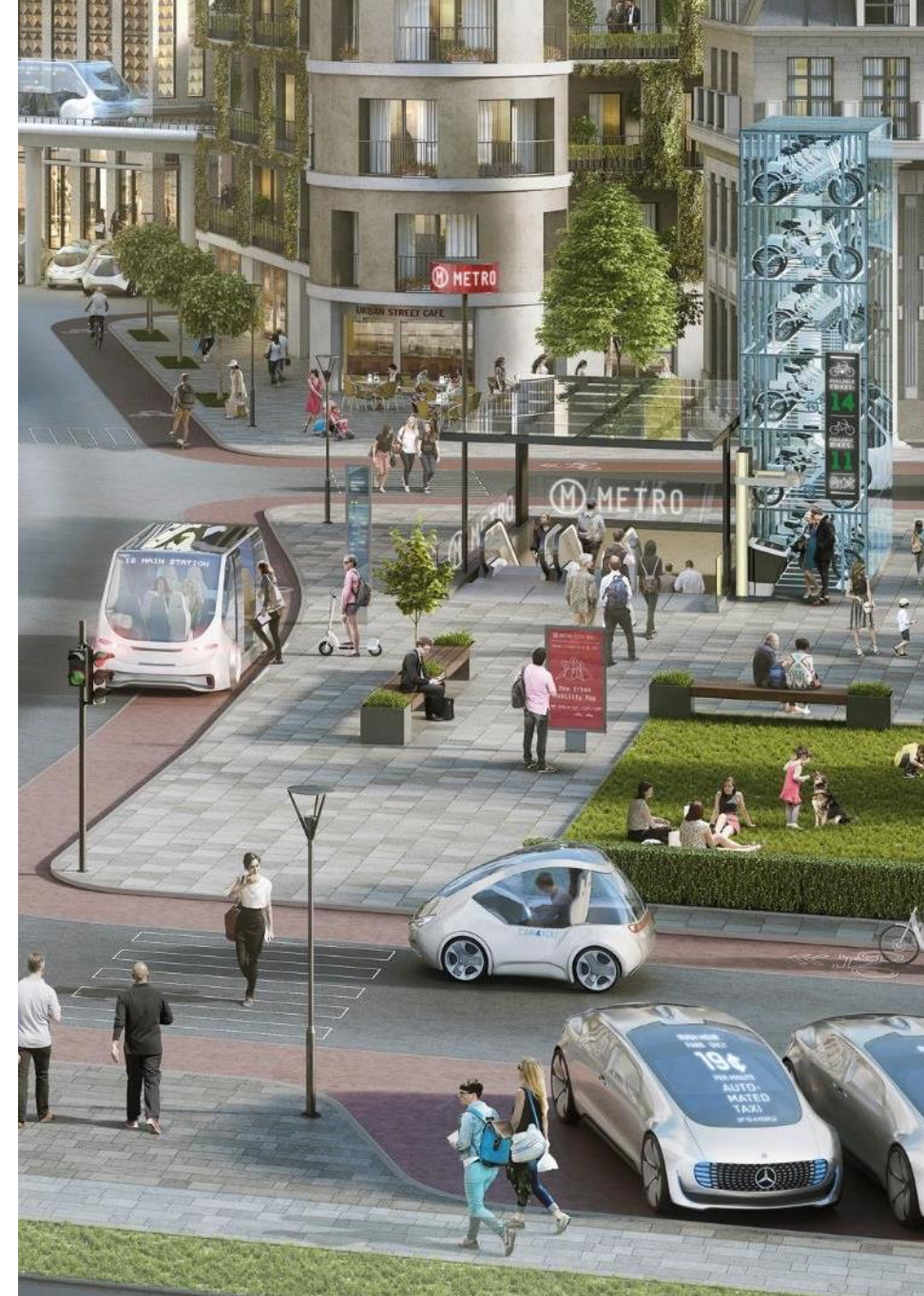
Integrity



People



Partnerships



CO₂ neutrality at Mercedes-Benz Cars

2022

We intend to offer several electric model variants in all segments from Mercedes-Benz Cars & Vans by 2022.

2025

Depending on how conditions develop, we at Mercedes-Benz Cars plan to have all-electric vehicles account for up to 25 percent of unit sales by 2025.

2030

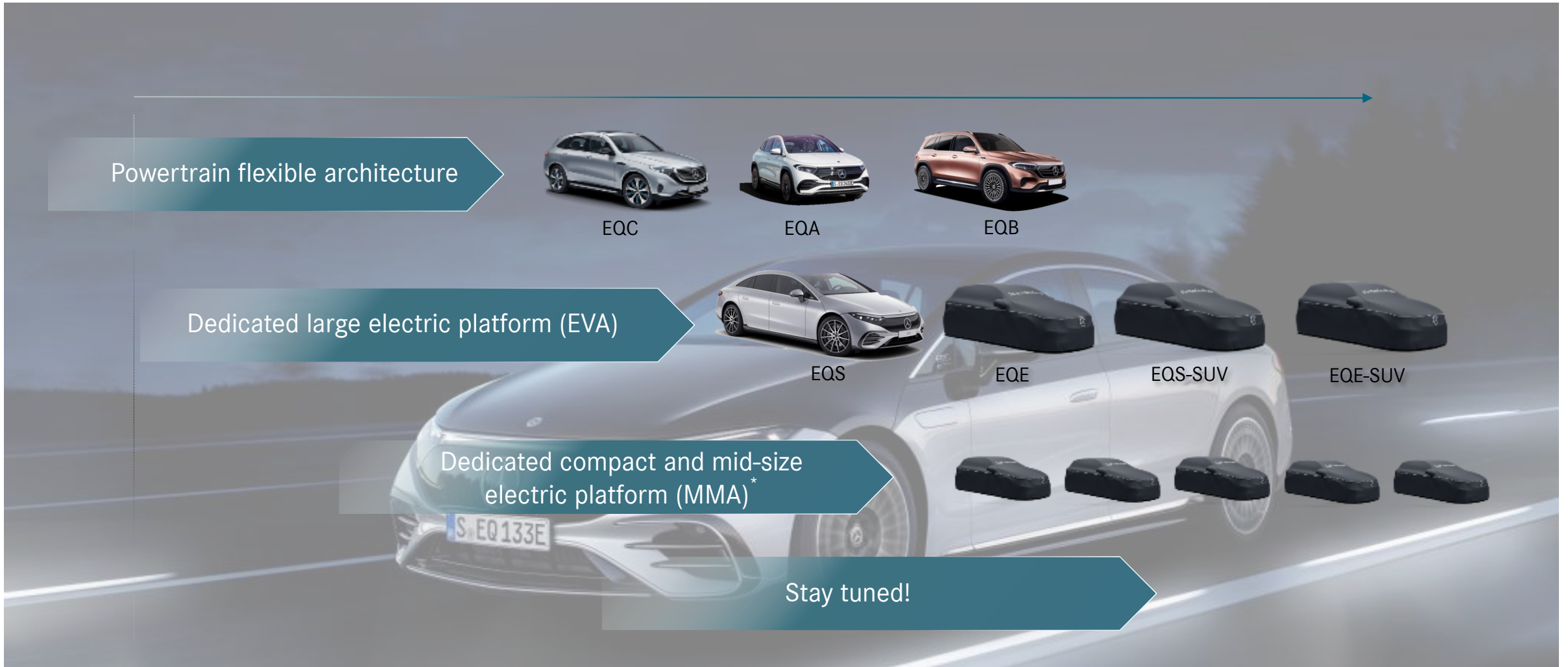
Our goal is to have plug-in hybrids or all-electric vehicles account for more than 50 percent of our car and van sales by 2030.

2039

We aim to achieve CO₂ neutrality for our new car and van fleet by 2039.



“ELECTRIC FIRST” at Mercedes-Benz Cars – we are fully committed to dedicated electric architectures



Daimler Trucks & Buses: Making CO₂-neutral transport a reality



2022

We intend to offer series-produced vehicles with battery-electric drive systems in the main sales regions Europe, the United States, and Japan by 2022.

2nd half of 2020s

We intend to put series-produced vehicles powered by hydrogen-based fuel cells on the road.

2039

Daimler Truck AG has set itself the goal of offering only new vehicles that are CO₂-neutral in driving operation (tank-to-wheel) in Europe, Japan, and North America by 2039.

2050

We intend to enable the use of CO₂-neutral transportation on all streets and roads.

Customers may decide for electric or hydrogen trucks based on their specific needs



GenH2 Truck

- Based on fuel cell and hydrogen
- Range up to 1000km
- First customer testing in 2023
- Series production in second half of 2020s

eActros

- Locally CO2-neutral heavy-duty truck for sustainable transport
- Series production in 2021
- 200 km range has proven to be perfectly realistic – regardless of load, route or topography



Battery Electric Truck:

- Lower Weight,
- Shorter Distances

Hydrogen Truck:

- Heavy Weight,
- Long Distance



On the road to CO₂-neutral production

By **2022**: CO₂-neutral production at our Mercedes-Benz Car and Van plants worldwide*

By **2022**: CO₂-neutral production at our European plants of Daimler Trucks & Buses*

By **2030**: Fifty percent CO₂ emissions reductions from production operations



By **2039**: CO₂-neutral production at all of our plants and in all of our business units worldwide

“Factory 56” in Sindelfingen

* In Germany, the green power supply is ensured not only for the production sites: starting in 2022, all German locations of Daimler AG, Mercedes-Benz AG, Daimler Trucks AG and Daimler Mobility AG will obtain green power generated entirely from renewable energy sources, making it free of CO₂.

Committed investments as part of our electrification strategy

€10 bn

About €10 billion to expand our fleet of electric vehicles.

€1 bn

More than €1 billion to expand our battery production.

€20 bn

Buying battery cells for more than €20 billion in order to systematically promote our Group's entry into an electrically driven future.



Our strategy is guided by international framework agreements,...



The ten principles of the **UN Global Compact** provide a fundamental guide for our business operations.

Our **internal principles and policies** are founded on this international frame of reference and other international principles.

Our goal in this process is to support the **UN Sustainable Development Goals** with our work processes and to cooperatively develop approaches to solutions.



... our corporate principles and integrity. Doing the right thing by living our values

We adhere to **internal and external rules**, we act according to our **corporate principles** and we listen to our **inner compass**.

We have incorporated integrity-related issues in our **culture** and our **compliance management system**. Our performance is measured by the **integrity indicator** which is part of the non-financial management compensation.

Our five corporate principles:

the foundation of all our actions



We are profitable and are committed to people and the environment



We act responsibly and respect the rules



We address issues openly and stand for transparency



Fairness and respect are the foundation of our collaboration



We practice diversity

Our web-based training modules on integrity & compliance are mandatory and have to be performed successfully on a regular basis.



Daimler's green finance framework is part of our sustainable business strategy



Use of proceeds

Project evaluation and selection

Management of proceeds

Reporting

External review

Daimler's green finance framework is developed to be in line with both the ICMA Green Bond Principles, as well as LMA and APLMA Green Loan Principles. It is Daimler's intention to follow best practises as market standards develop and as the EU Taxonomy and the EU Green Bond Standard enter into force.

Second Opinion by leading provider of independent reviews of green bonds



°CICERO
Shades of
Green

SHADES OF GREEN

Daimler's green finance framework was rated by **CICERO** as **Dark Green**. Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future.

GOVERNANCE PROCEDURES

CICERO Shades of Green finds the governance procedures in Daimler's framework to be **Excellent**.

GREEN BOND and GREEN LOAN PRINCIPLES

CICERO confirms that Daimler's green finance framework is found **in alignment** with the green bond and green loans principles.



Daimler Q1 2021

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, 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, customs and foreign trade provisions; 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 are described 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.