



**Roadshow Presentation Q2 2021**  
**Daimler AG**

# AGENDA

- I. RESULTS Q2 2021
- II. OUTLOOK FY 2021
- III. STRATEGY
  1. DAIMLER GROUP
  2. MERCEDES-BENZ CARS & VANS
  3. DAIMLER TRUCKS & BUSES
  4. DAIMLER MOBILITY

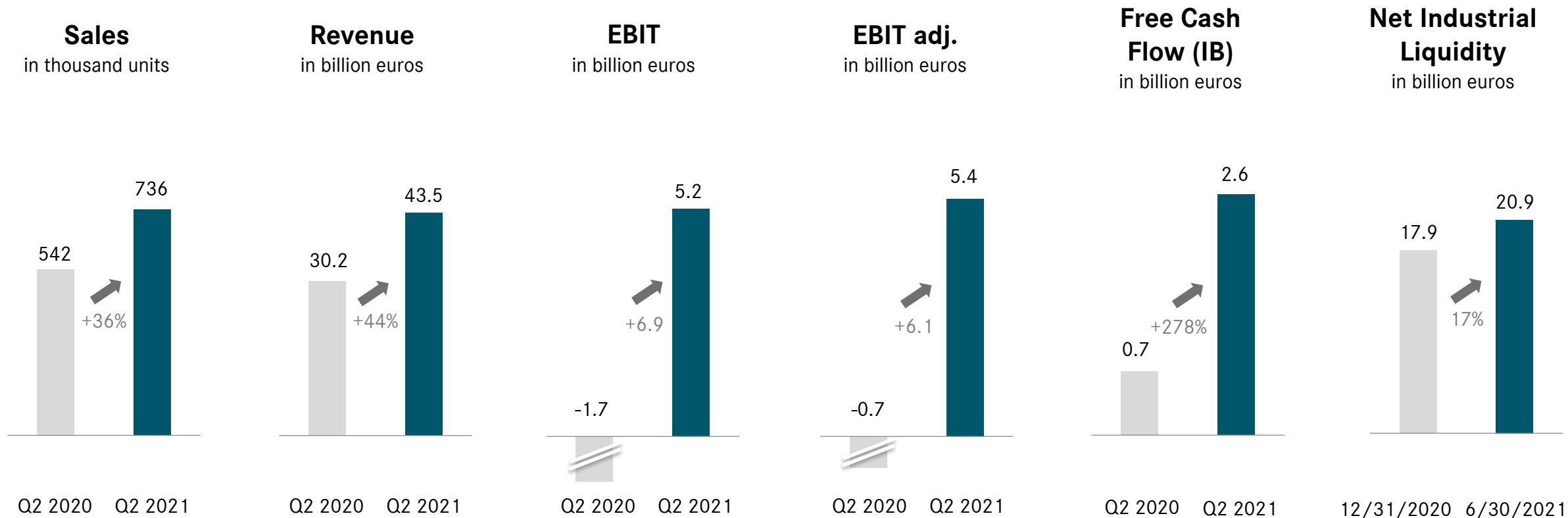


# Daimler: Key messages

- ▶ Good earnings momentum in all businesses.  
Strong results show improved resilience
- ▶ Comfortable level of Net Industrial Liquidity and Free Cash Flow supporting financial flexibility
- ▶ Continued strategy execution, ramp-up of EV portfolio in all divisions
- ▶ Project Focus: continued preparation of new corporate structure



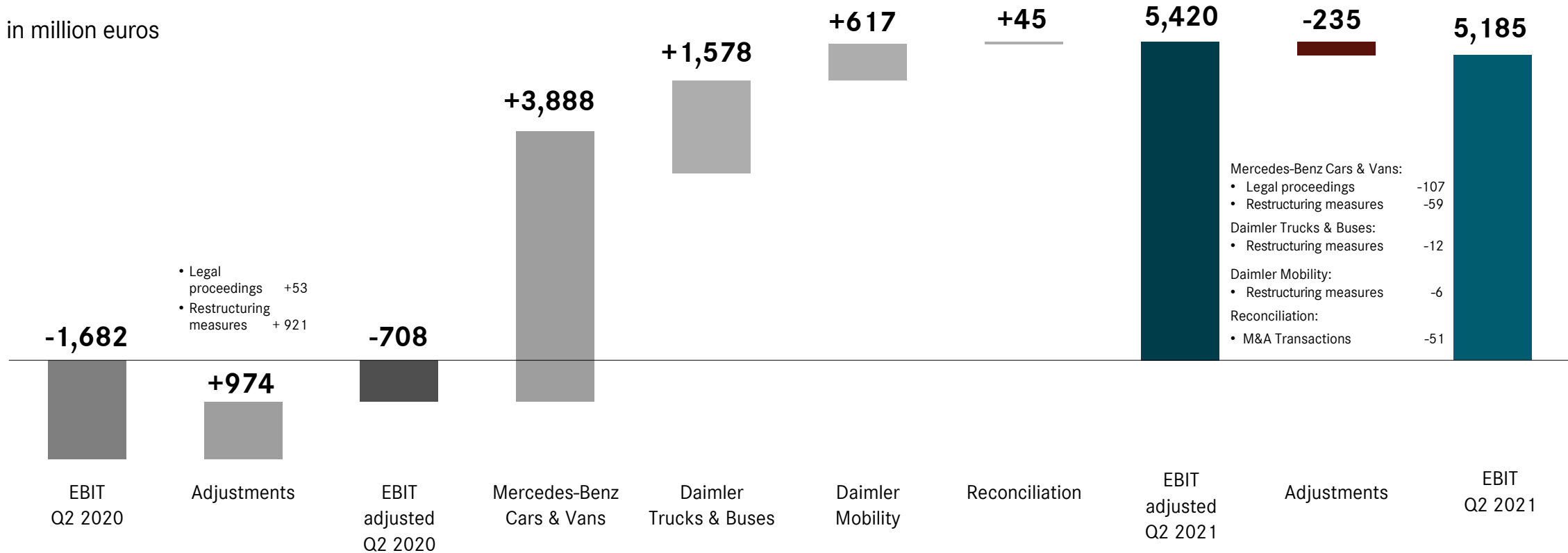
# Daimler key figures: Good operating business performance, positive impact from implemented cost measures and strong cash conversion



For more details on financials please see [Daimler Capital Market Presentation Q2 2021](#)

# Daimler Q2 2021: Strong Group EBIT

in million euros



# Mercedes-Benz Cars: Highlights

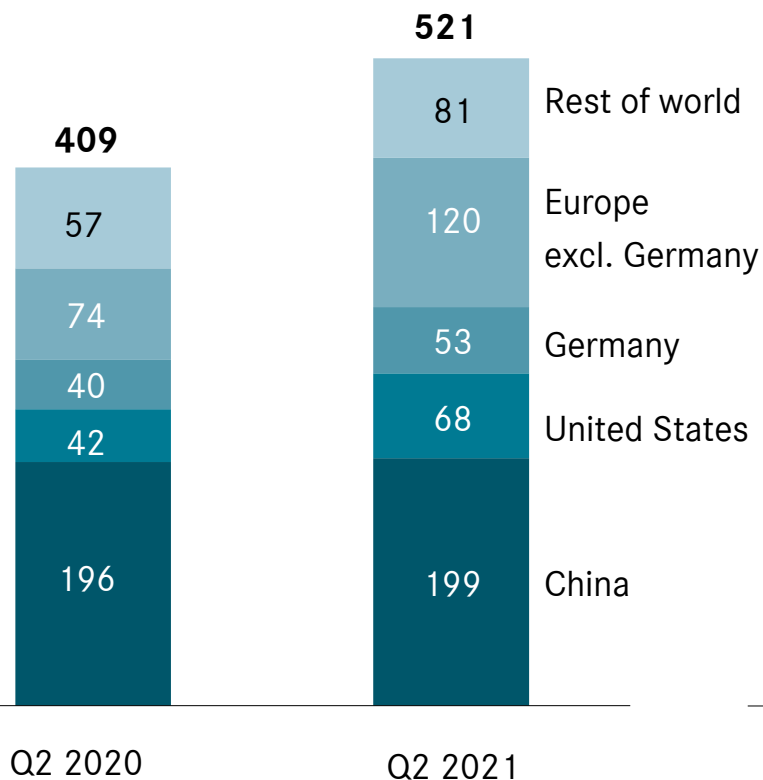
- ▶ Mercedes-Benz: 511,000 cars sold (wholesale), new sales record in China, order intake on high level driven by new S-Class
- ▶ Sales significantly influenced by ongoing semiconductor shortages
- ▶ Global xEV sales at Mercedes-Benz Cars more than quadrupled in H1 2021, EV share over 10%
- ▶ Strong financial performance driven by compelling products, favourable mix, pricing and ongoing cost discipline
- ▶ Continued EV product offensive with launch of EQS and EQB
- ▶ EQS offers luxury, safety and comfort features at the highest level. Consequently, pricing will be comparable to S-Class



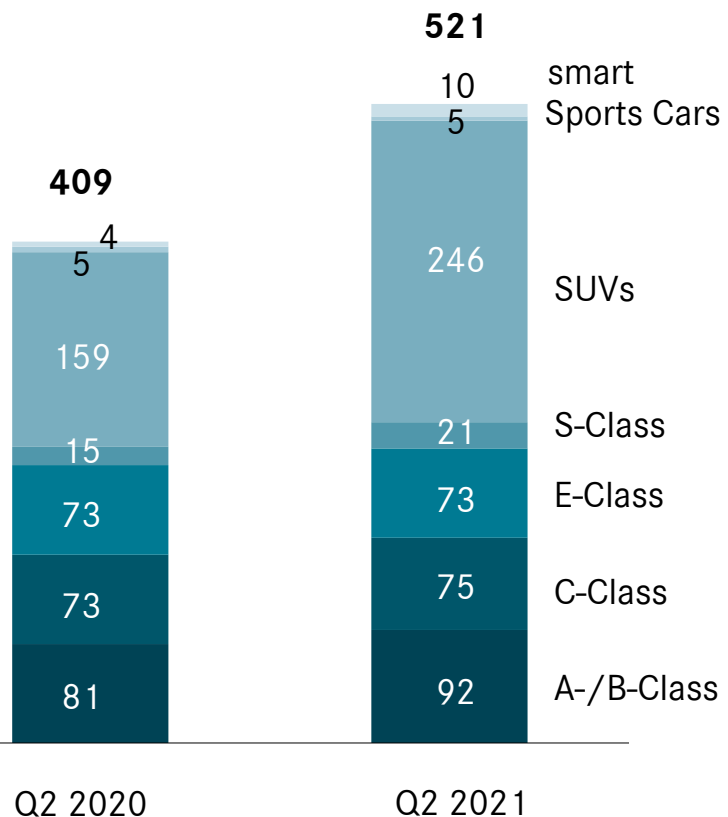
# Mercedes-Benz Cars: Fascinating products and a favourable mix

in thousand units

## BY REGIONS

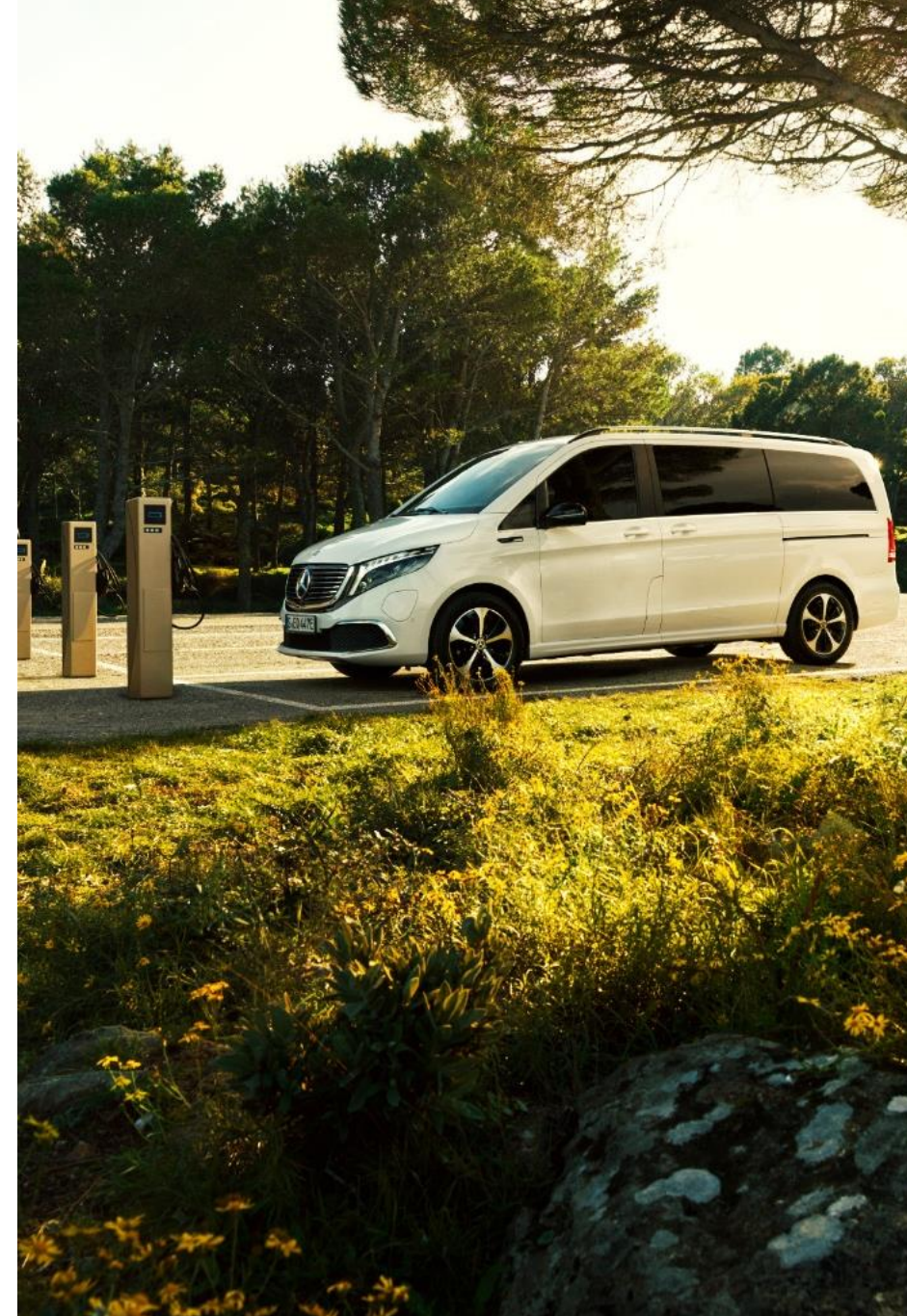


## BY SEGMENT



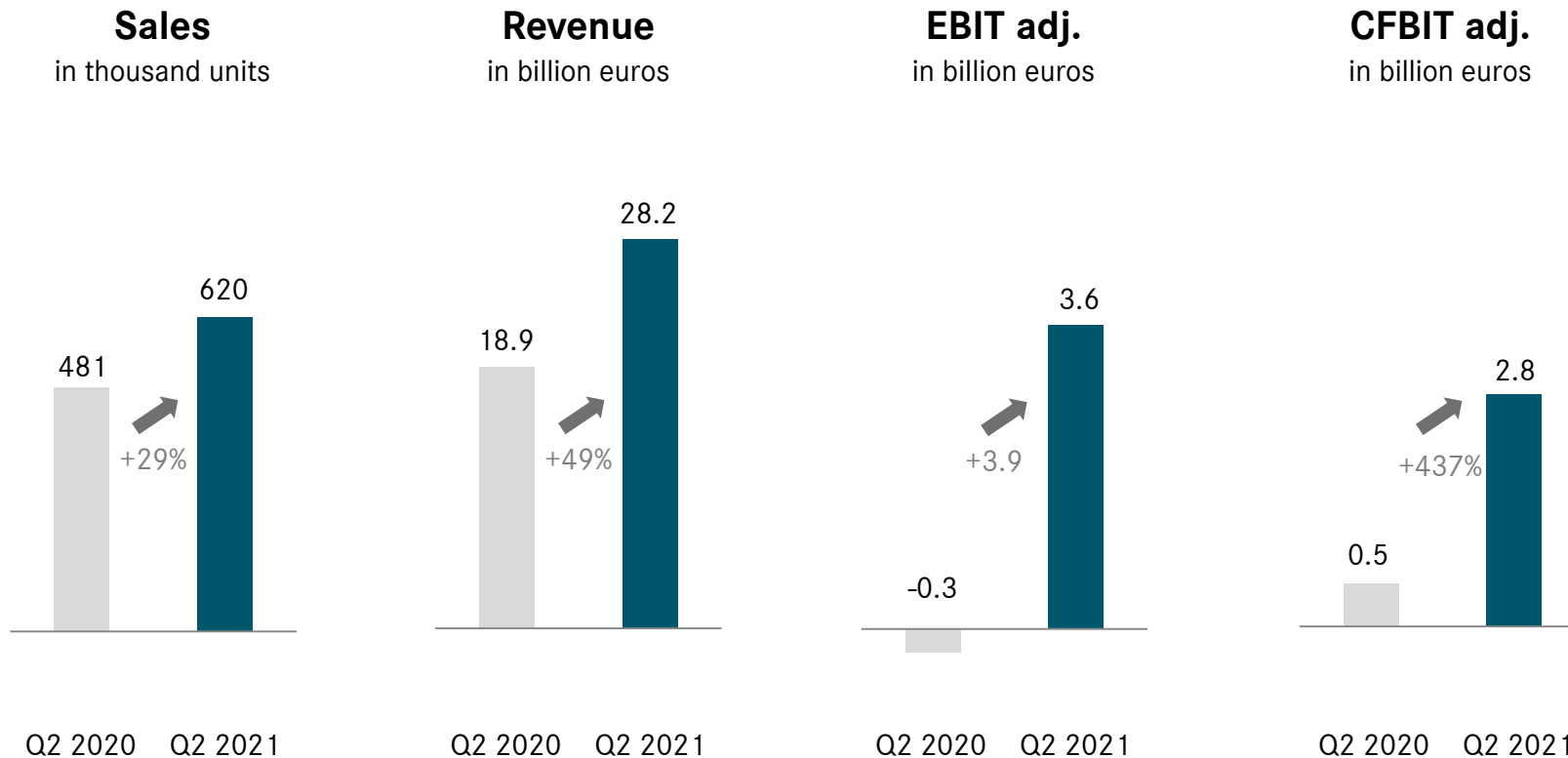
# Mercedes-Benz Vans: Highlights

- ▶ Group sales up 37% driven by almost all regions, encouraging growth in China
- ▶ Group sales of electric vans increased more than eightfold
- ▶ Ongoing strong profitability supported by mix, pricing and cost focus
- ▶ World premiere of the Concept EQT
- ▶ Merger of Mercedes-Benz Vans Sales Germany and Europe in July in order to streamline sales processes and capture synergies

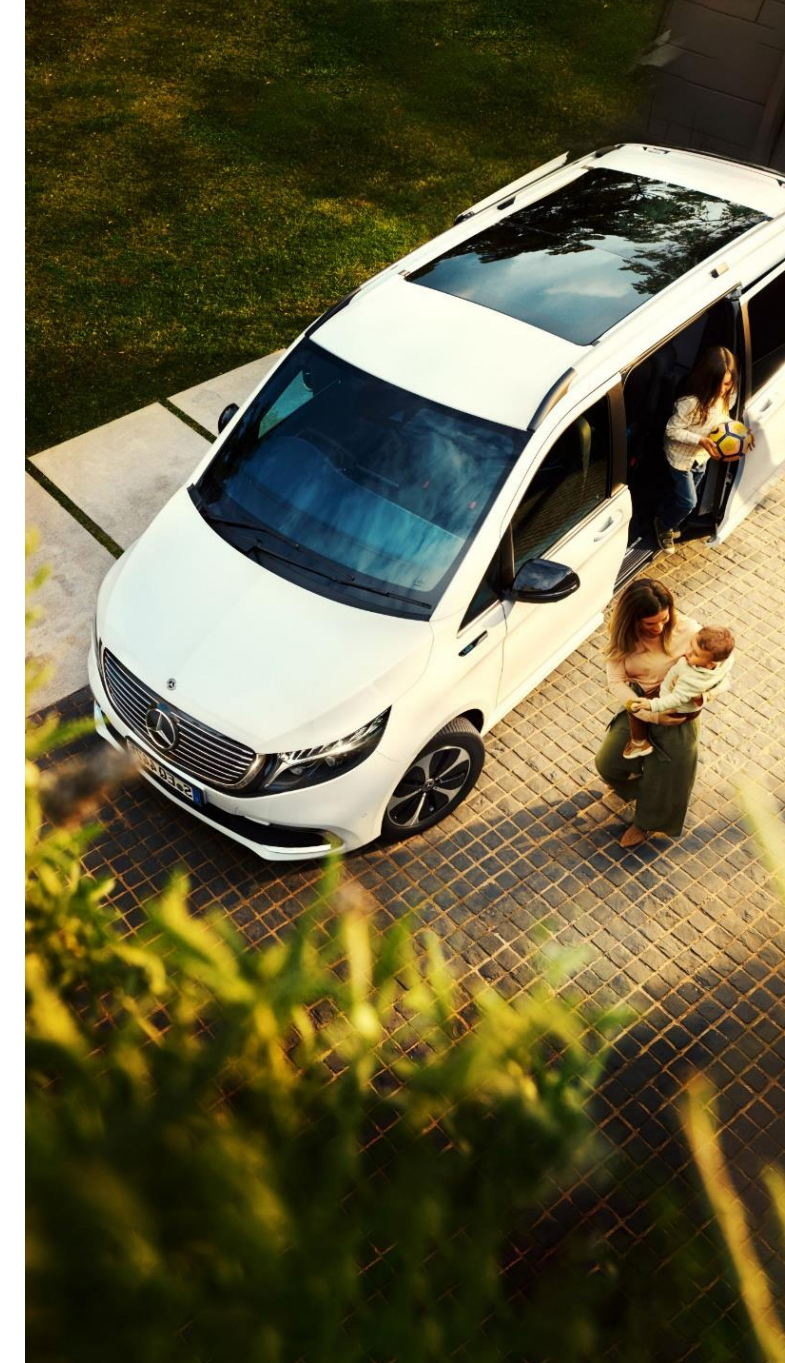




# Mercedes-Benz Cars & Vans financials: Strong performance in the top line

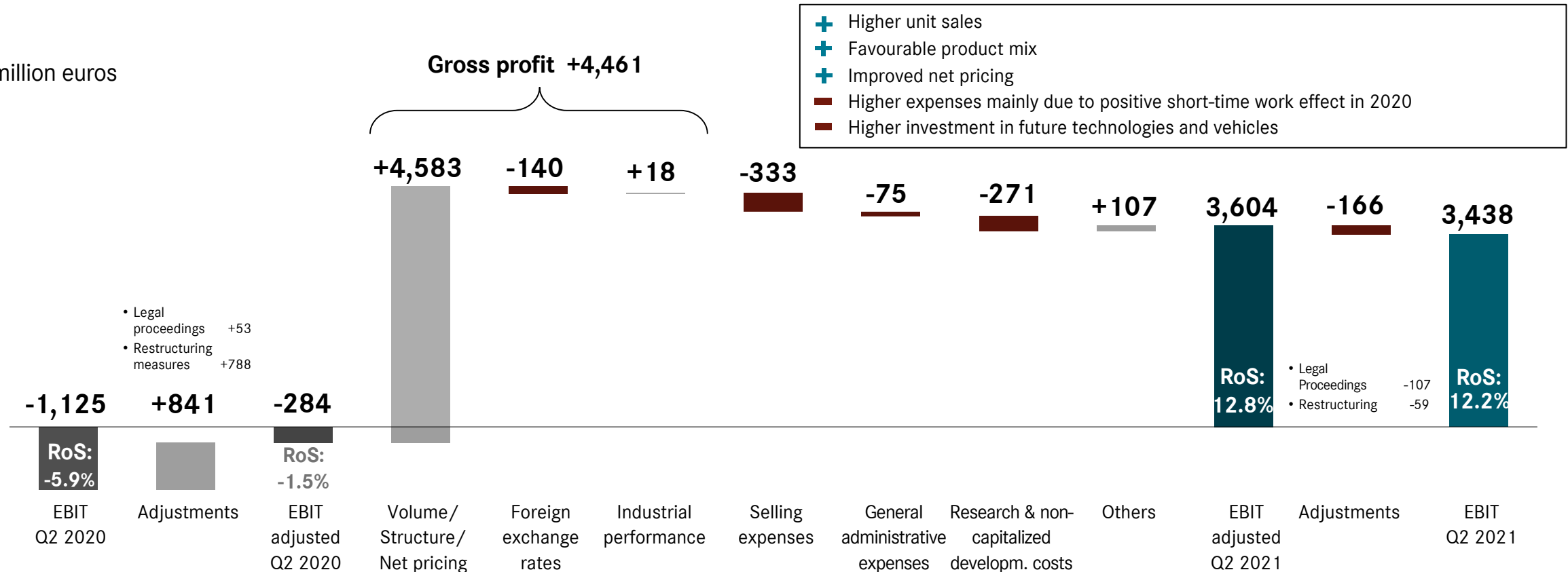


For more details on financials please see [Daimler Capital Market Presentation Q2 2021](#)



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

in million euros



# Daimler Trucks & Buses: Highlights

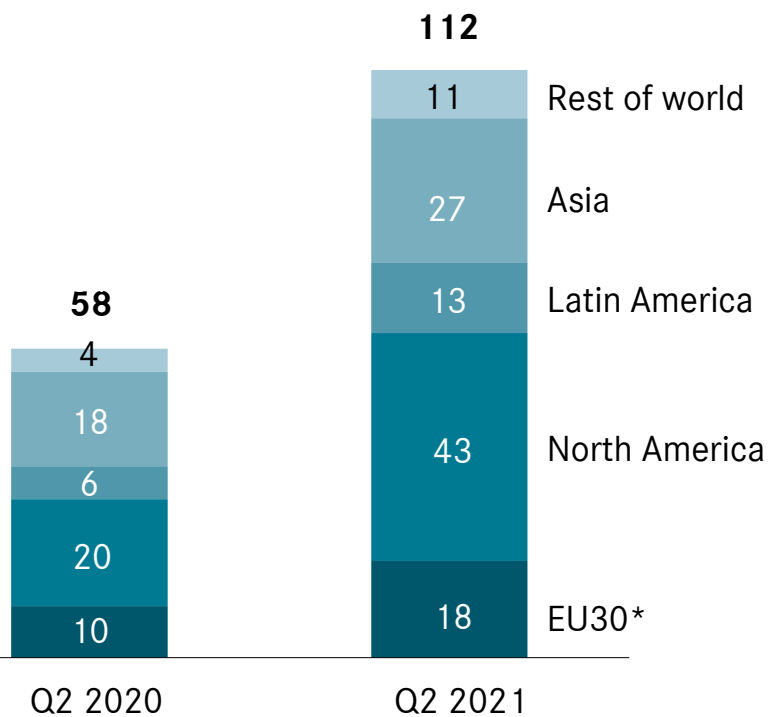
- ▶ Increase of truck and bus sales in almost all regions due to improved market conditions
- ▶ Incoming truck and bus orders in all regions significantly above prior year's quarter, but limited by available production capacity in 2021
- ▶ Limited impact from semiconductor in Q2, but uncertainty remains for the second half of the year
- ▶ Daimler Truck Group with first strategy day for investors and analysts
- ▶ Daimler Truck, the Traton Group and Volvo Group announce plan to pioneer a European high-performance charging network for heavy-duty trucks
- ▶ World premiere of the new eActros: The eActros sets benchmarks in CO2-neutral goods transport



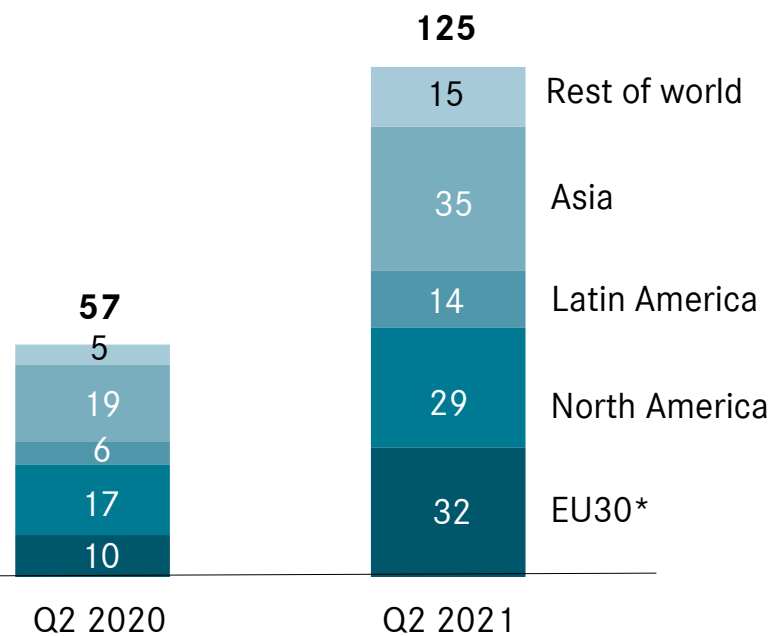
# Daimler Trucks: Significant growth in unit sales and incoming orders vs. burdened last year

in thousand units

## UNIT SALES



## INCOMING ORDERS\*\*

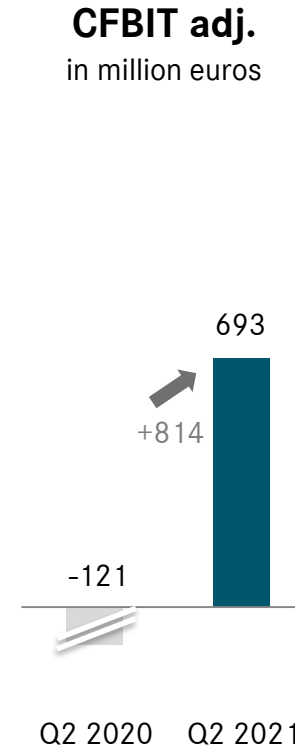
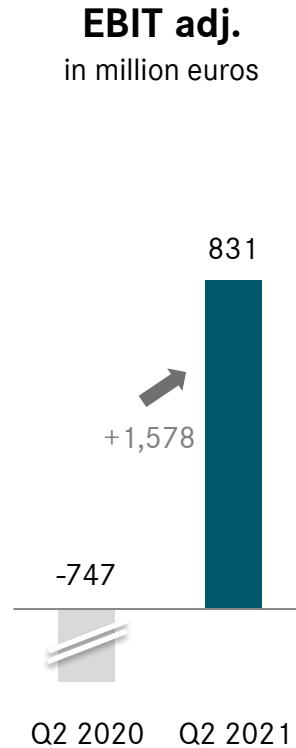
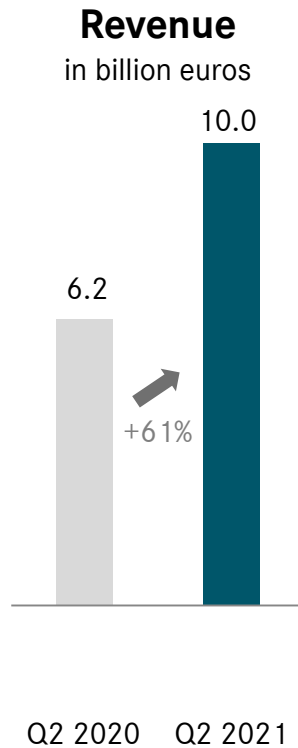
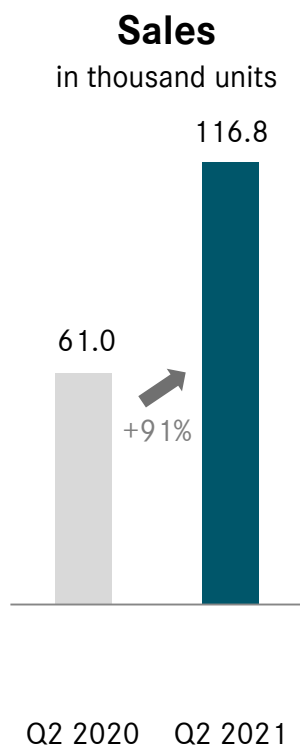


\* European Union, Switzerland and Norway

\*\* Net order intake, adjusted for cancellations



# Daimler Trucks & Buses Financials: Strong sales despite semiconductor shortages

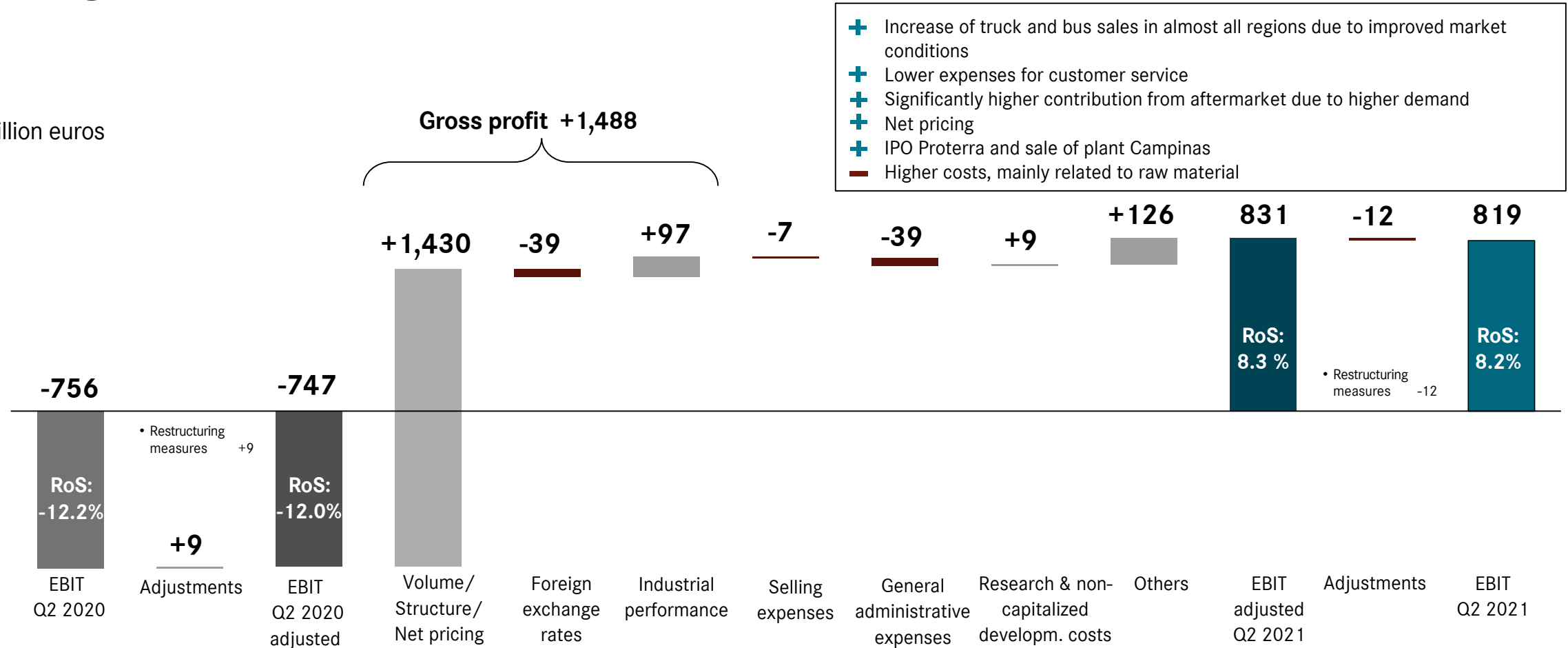


For more details on financials please see [Daimler Capital Market Presentation Q2 2021](#)



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

in million euros

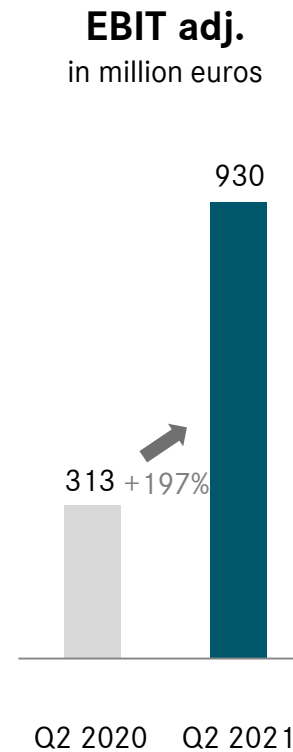
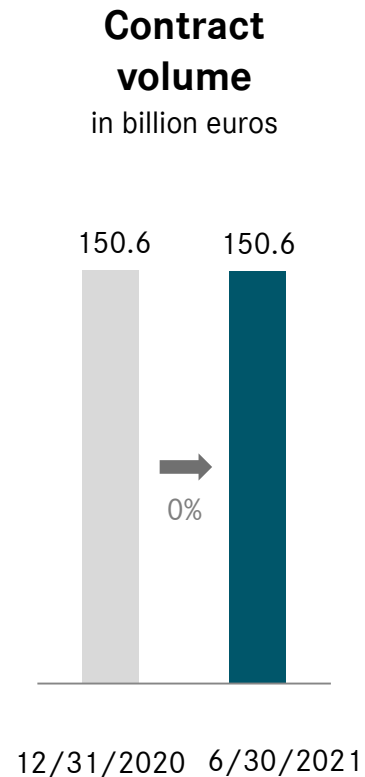
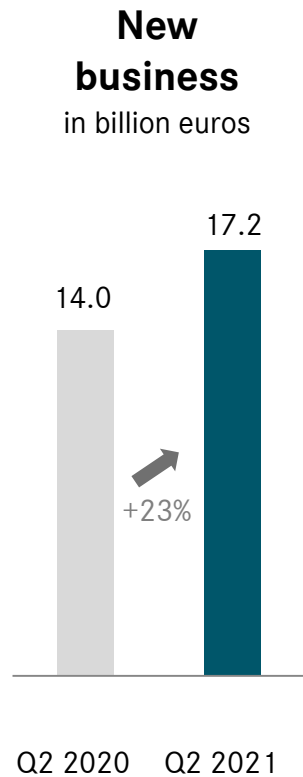


# Daimler Mobility: Highlights

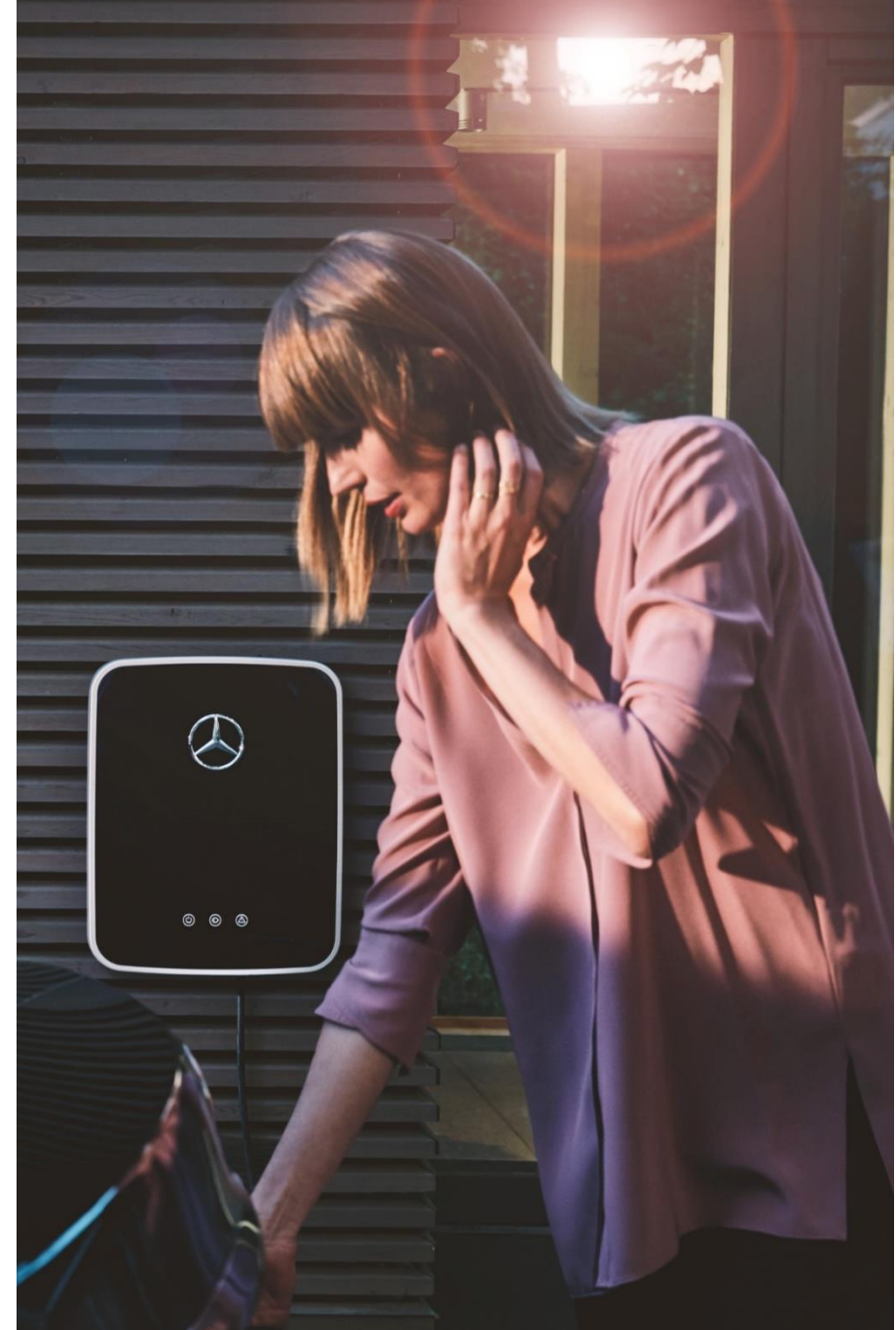
- ▶ Higher new business driven by strong customer loyalty, especially in Europe, and Covid-impact in previous year
- ▶ Strong growth of acquisitions for electric vehicles supporting EV sales
- ▶ Lower credit risk reserves and still low net credit losses reflecting high portfolio quality
- ▶ Interest result benefitting from lower refinancing cost
- ▶ Improved operative business performance at mobility services and fleet management
- ▶ Project Focus: building two separate financial services power houses for cars and trucks



# Daimler Mobility Financials: Significant increase in EBIT adj., driven also by non-recurring items

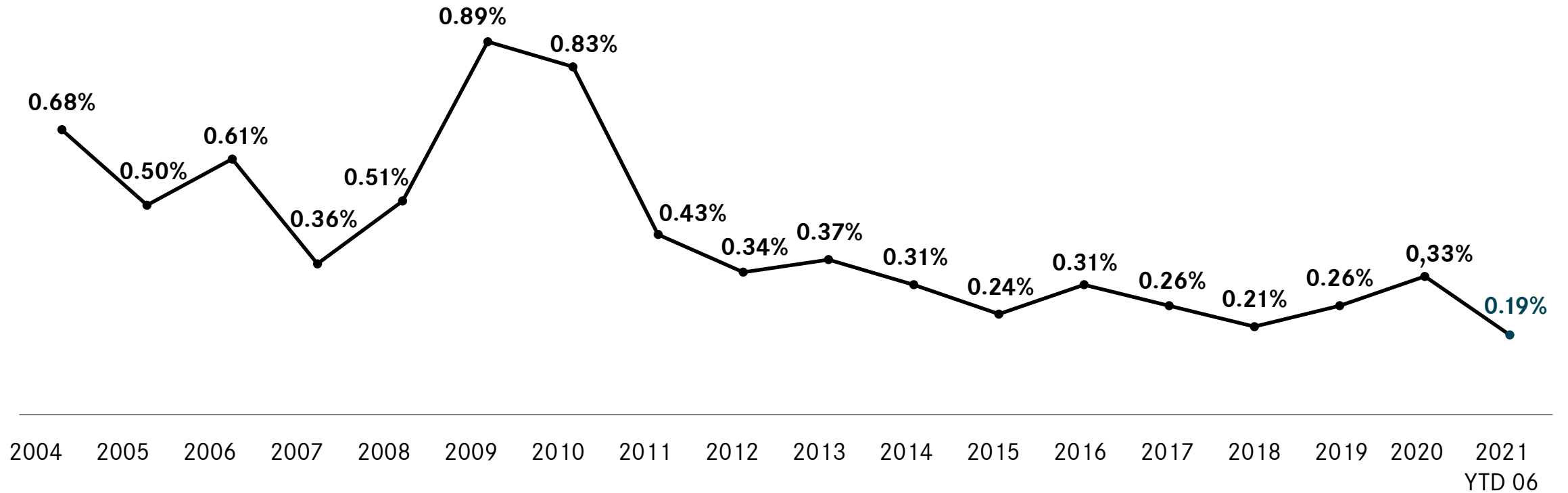


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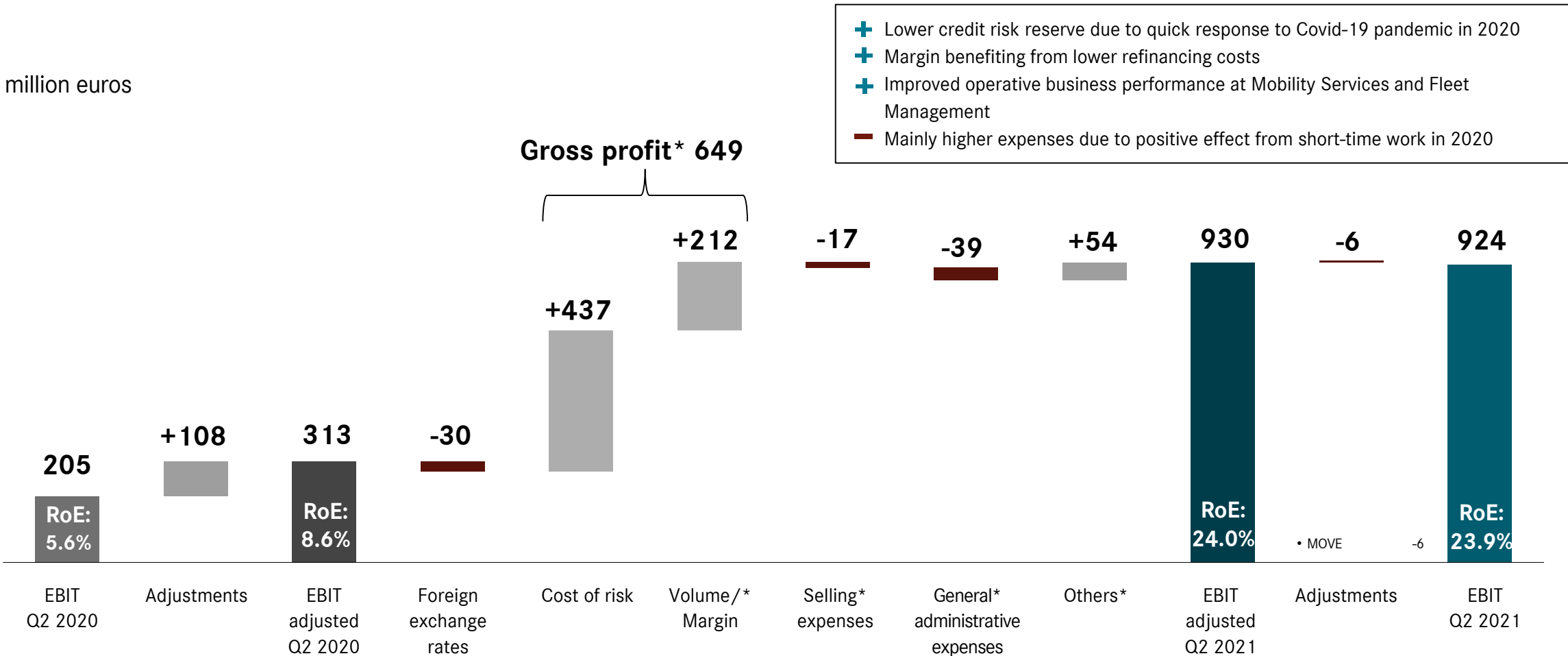
# Daimler Mobility: Continuously low net credit losses\*



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

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

in million euros



- + Lower credit risk reserve due to quick response to Covid-19 pandemic in 2020
- + Margin benefiting from lower refinancing costs
- + Improved operative business performance at Mobility Services and Fleet Management
- Mainly higher expenses due to positive effect from short-time work in 2020

\* excluding FX effects

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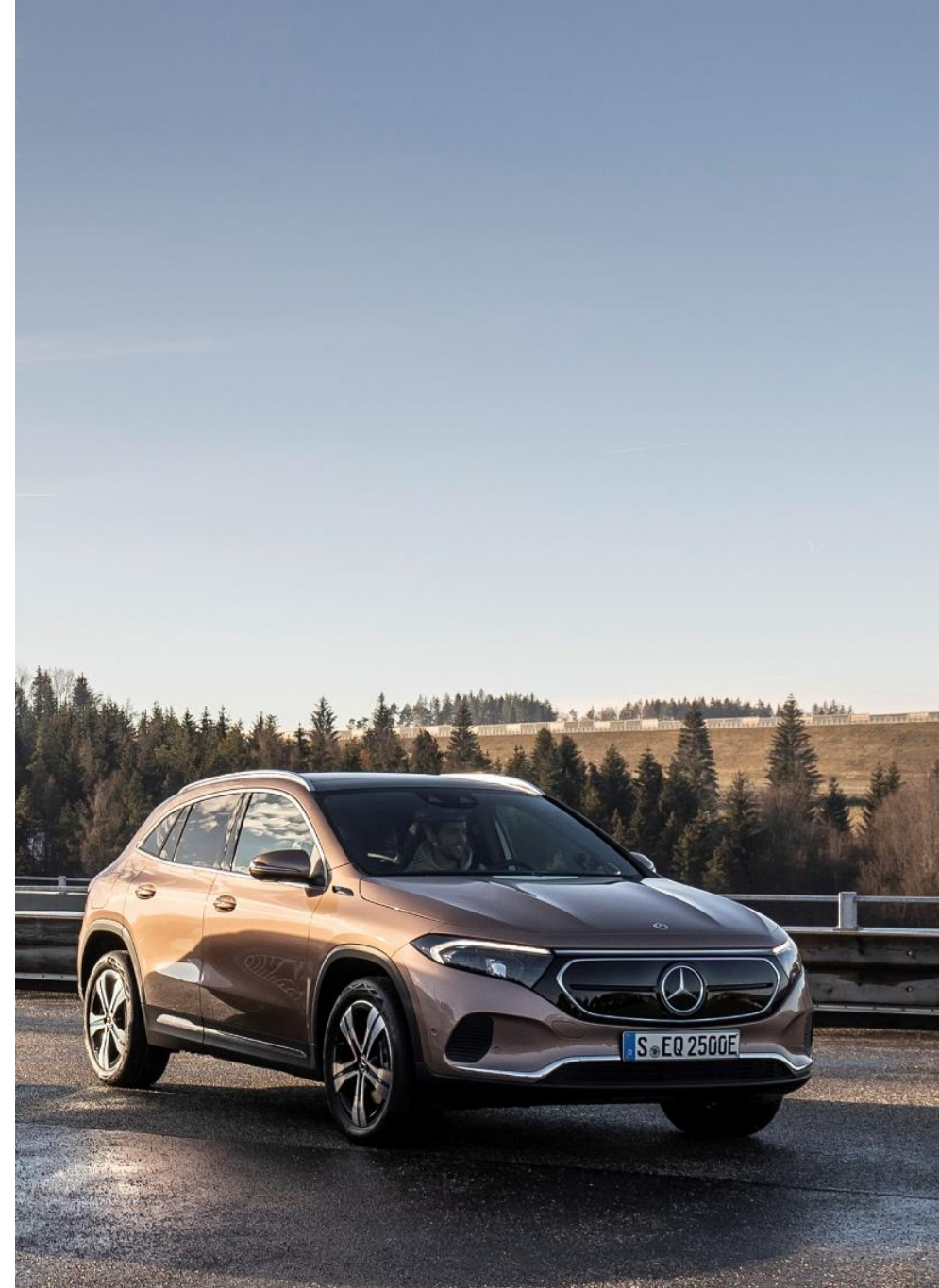
# Market Guidance 2021

## 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.

Furthermore, we assume that the worldwide shortage of supply of semiconductor components will affect our business also in the second half of the year. We also recognize that the visibility how the supply situation will actually develop further is currently low.

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



# Daimler Group Guidance 2021

## ASSUMPTION

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<b>Daimler Group Revenue</b>	<b>significantly above</b>
<b>Daimler Group EBIT</b>	<b>significantly above</b>
<b>Free Cash Flow (industrial business)</b>	<b>slightly below</b>
<b>Investment in PP&amp;E</b>	<b>at prior-year level</b>
<b>R&amp;D expenditure</b>	<b>significantly above</b>
<b>CO<sub>2</sub> emission (g/km)*</b>	<b>significantly below</b>

\* 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 Group Guidance covers the full year 2021 and is based on the existing Group structure, including Daimler Trucks & Buses. The anticipated 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 Trucks & Buses as discontinued operations. We expect this to have considerable positive effects on group EBIT in the fourth quarter, which cannot be reliably determined at present.



# 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.

Furthermore, we assume that the worldwide shortage of supply of semiconductor components will affect our business also in the second half of the year. We also recognize that the visibility how the supply situation will actually develop further is currently low.

<b>Unit Sales</b>	Cars	<b>at prior-year level</b>
	Vans	<b>significantly above</b>
	Trucks & Buses	<b>significantly above</b>
<b>Return on Sales (adjusted*)</b>	Mercedes-Benz Cars & Vans	<b>10 to 12%</b>
	Daimler Trucks & Buses	<b>6 to 8%</b>
	Daimler Mobility (RoE)	<b>17 to 19%</b>
<b>Cash Conversion Rate** (adjusted)</b>	Cars & Vans	<b>0.7 to 0.9x</b>
	Trucks & Buses	<b>0.8 to 1.0x</b>

\* 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.



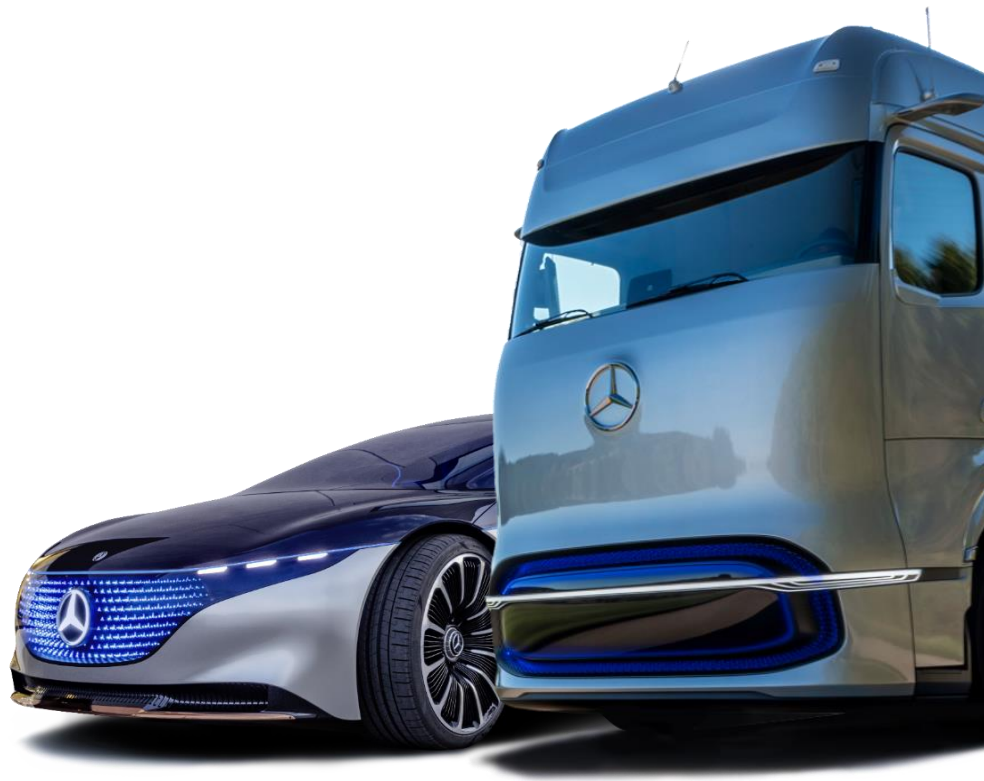
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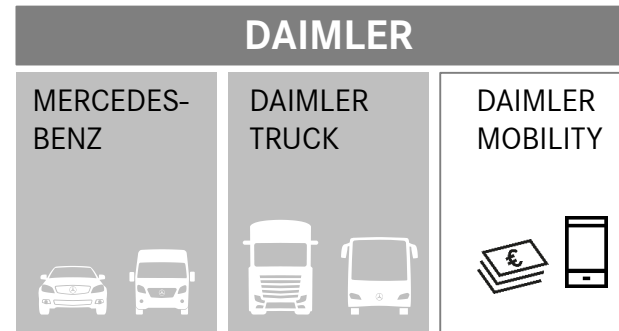


# Daimler Group

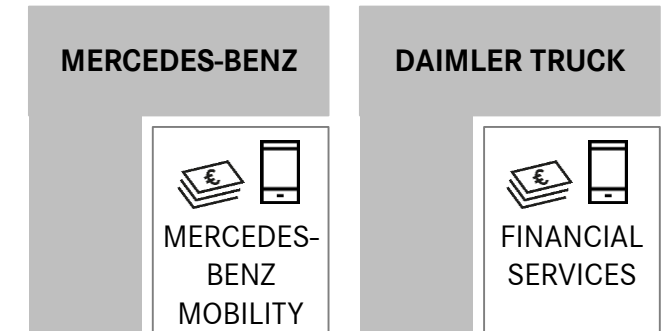
## Separation of Daimler into two pure-play companies: Driving value creation, greater focus and financial discipline



TODAY



TOMORROW



Schematic representation

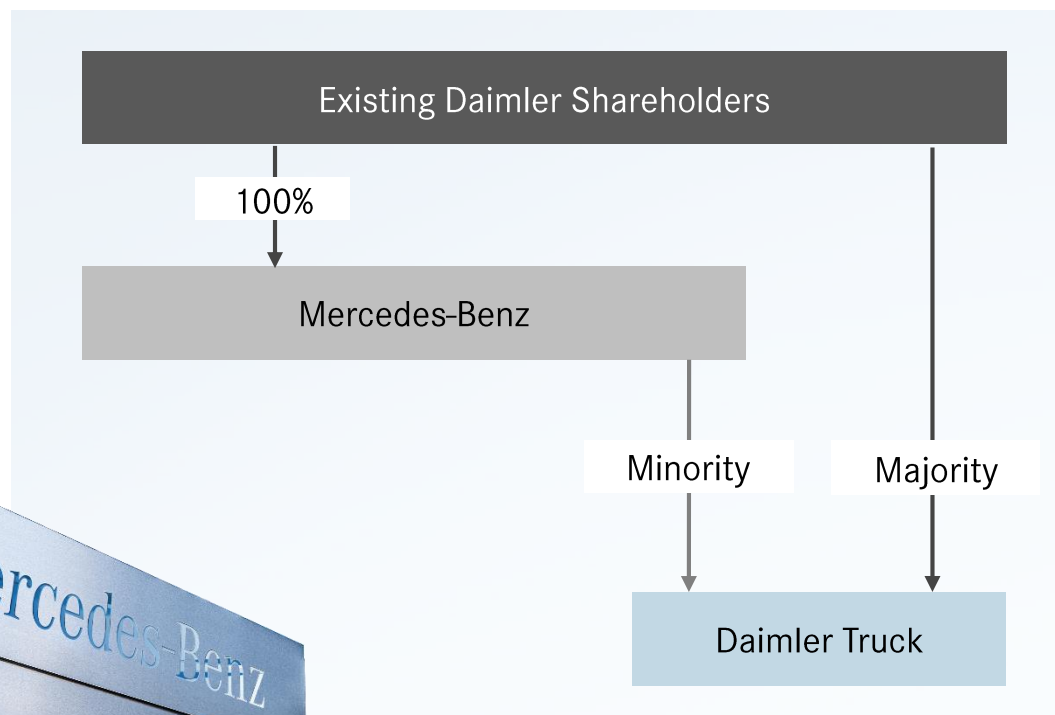
Separate

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



# Daimler Group

## 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 Group

## 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**



# Daimler Group

## 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**



# Daimler Group

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

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

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

# Daimler Group

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



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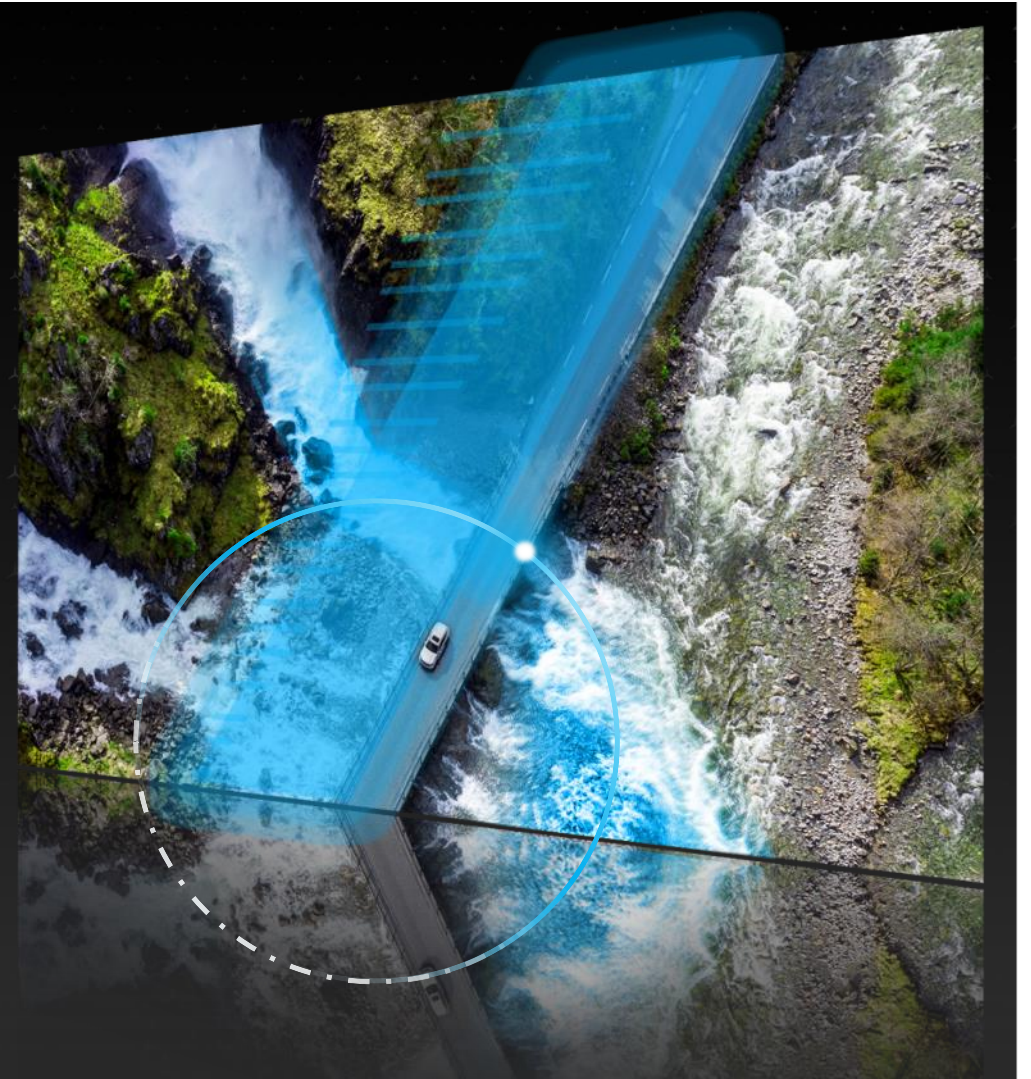


# Mercedes-Benz Cars

With our Ambition 2039 we put a stake into the ground

Our ambition:  
carbon-neutrality by 2039

Now it's time to **accelerate with the full and rapid electrification** of our products



# Mercedes-Benz Cars

## Our electric product rollout is running at full speed

Deliveries of PHEV and BEVs **up 300% in H1**,  
accounting for over **10%** of overall sales

In 2021 alone, we are introducing **four new**  
battery electric vehicles

Next year we will present **SUV versions** of  
our **EQS** and **EQE**

By 2022, we will have battery **electric**  
**options in all segments** we serve

2021



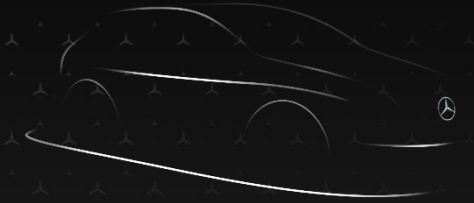
EQA



EQB

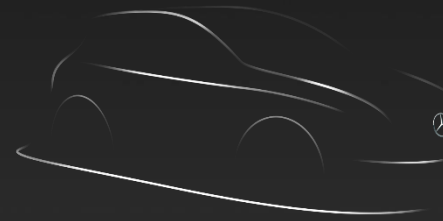


EQS

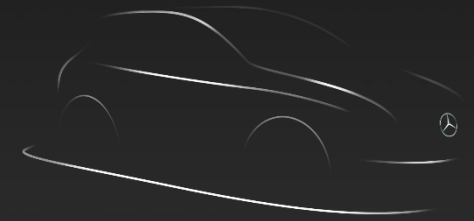


EQE

2022



EQS SUV



EQE SUV



# Mercedes-Benz Cars

## Electrifying our sub-brands: leveraging their full potential

Launch of a sophisticated luxury **electric Mercedes-Maybach SUV** in 2023

Launch of the **fully electric G-Class** in 2024

**AMG will go electric** and will redefine high performance with a completely new electric architecture



# Mercedes-Benz Cars

At the end of the decade, our focus will be on BEV only

By 2025 our customers will be able to choose an **all-electric alternative for every model** we make

It's our ambition to drive the **plug-in hybrid & BEV share up to 50% in 2025**. By the **end of the decade**, we will be ready to go **all-electric**

We will use our unique brand position to **grow economic value**

- enhance **product mix** and **pricing**
- focus on **most profitable** models and regions
- drive **loyalty** and grow **recurring revenues**
- increase **revenue per unit**



# Mercedes-Benz Cars

We will launch three EV-only architectures in 2025

Following the launch of MMA, the compact “electric first” architecture in 2024, **all new Mercedes-Benz vehicle architectures will be electric only**

**MB.EA:** will cover all medium and large size cars. Scalable modular system as electric backbone for our EV portfolio

**AMG.EA:** dedicated performance electric vehicle architecture

**VAN.EA:** ushers in a new era for purpose made electric vans and Light Commercial Vehicles



# Mercedes-Benz Cars

We will expand our activities in battery cells and systems

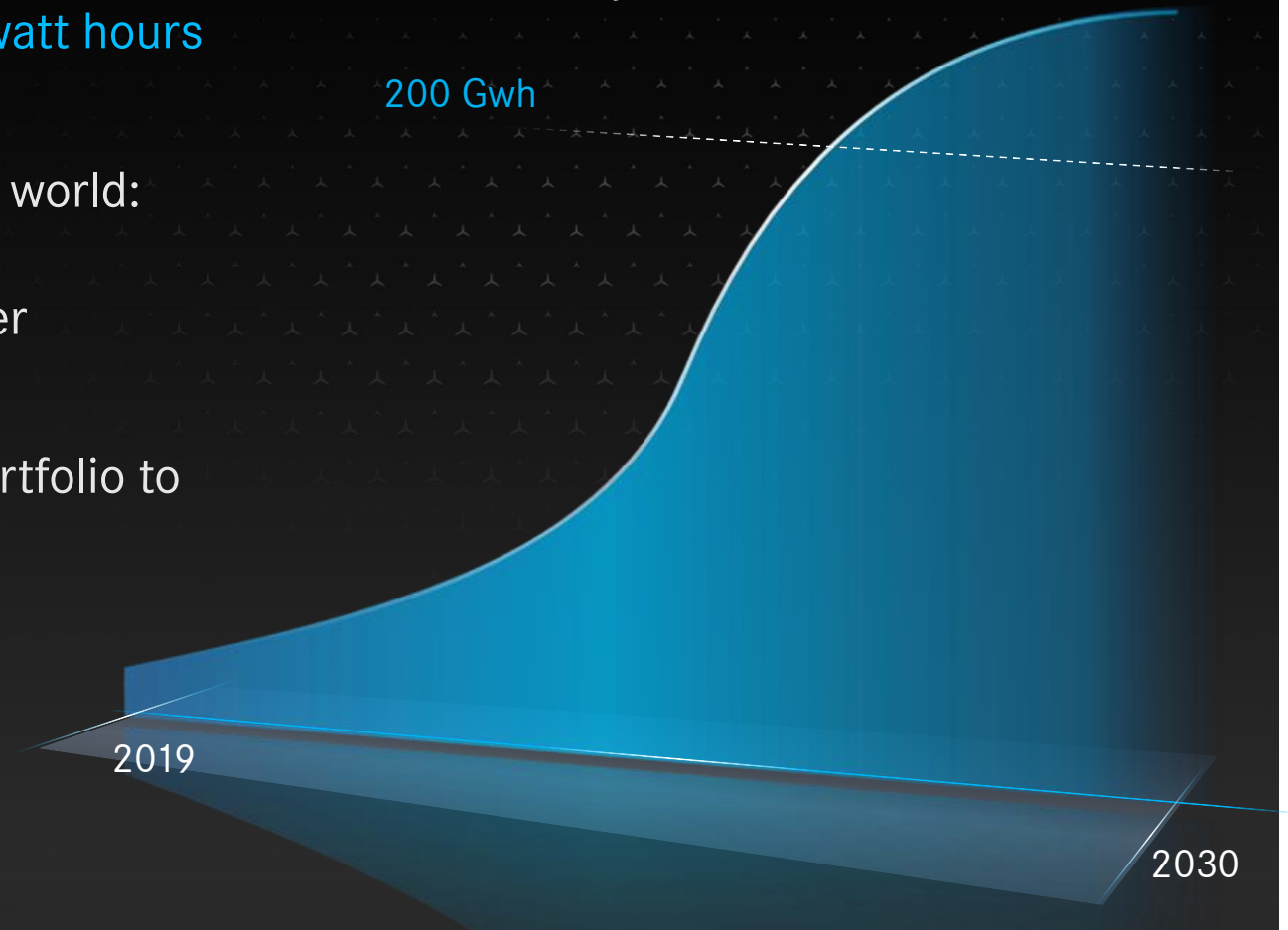
We will install a capacity of more than **200 Gigawatt hours**

We will set up **8 battery cell factories** around the world: one in the U.S., four in Europe – with our existing strategic partners and with a new partner

We are looking at broadening our partnership portfolio to **produce future cells and modules in Europe**

We will engage in the **raw material** supply chain

Needed battery volume for all car lines



# Mercedes-Benz Cars

## Our batteries will be highly standardized

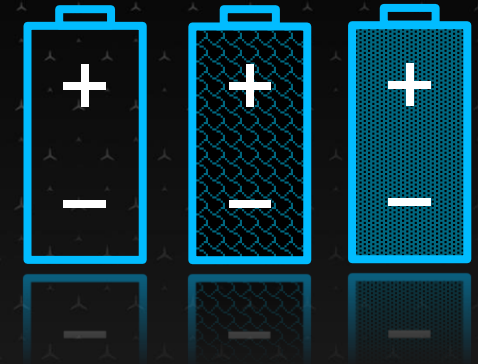
More than 90% of all future Mercedes-Benz vehicles will be based on a common battery platform

We are aiming for a modular battery system that consists of uniformly designed components and standard interfaces to the entire vehicle

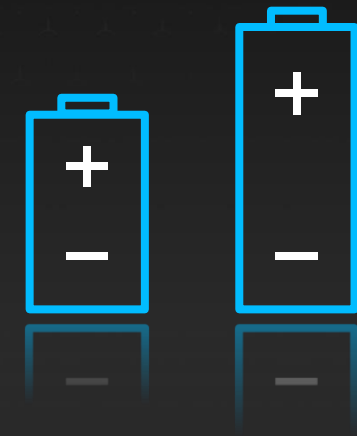
Only two differentiating characteristics will create the necessary variance in terms of range, charging and life performance: cell chemistry and size

### Differentiating factors

Chemistry



Size



# Mercedes-Benz Cars

## Developing the next generation battery cell technology

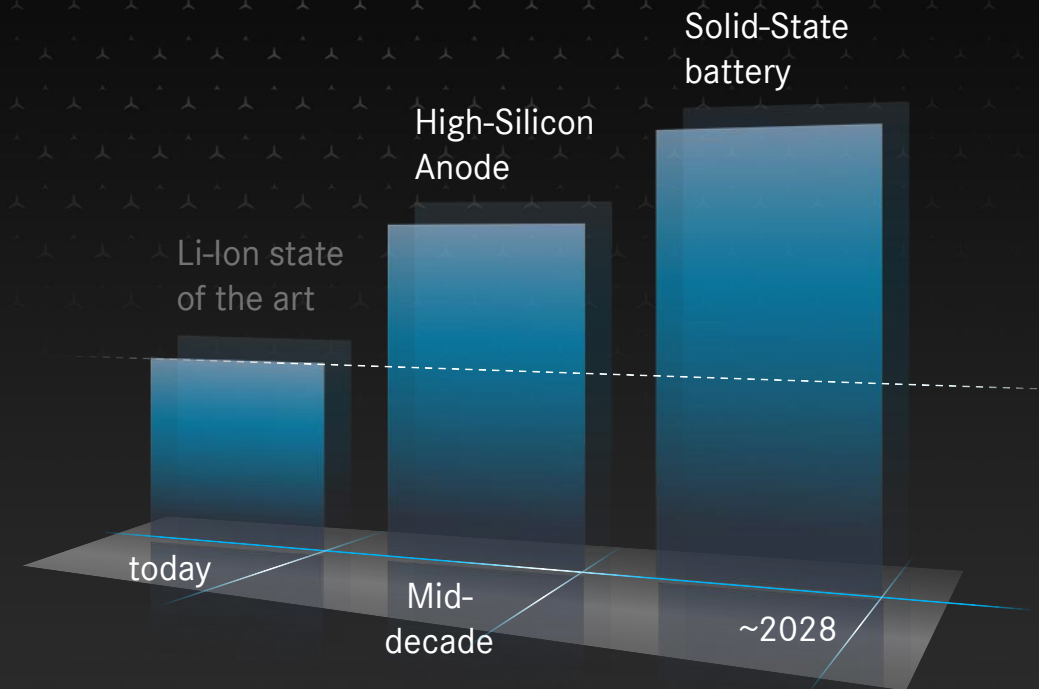
**High-Silicon Anode:** increasing energy density by using silicon-carbon composite in the anode

**Solid-State:** pushing energy density beyond limits of conventional lithium-ion cell, doubling energy capacity and reducing weight in same packaging space, enduring more charging cycles over lifetime

**Several cooperations** with existing and new partners to accelerate development of both technologies

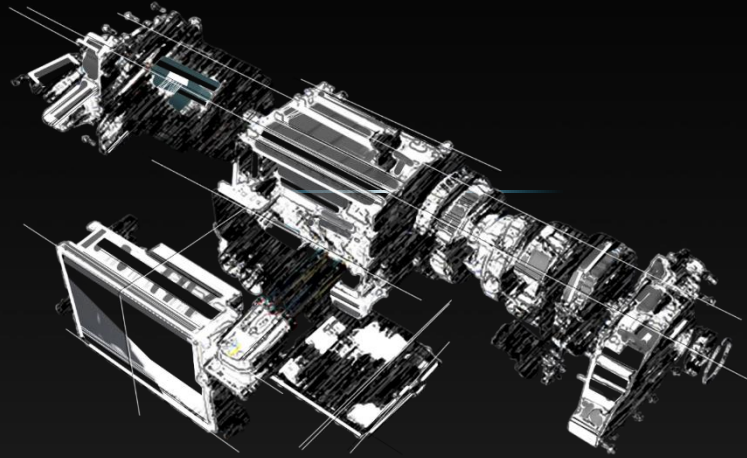
Continuously integrating most advanced cell technology in our production cars, **increasing range during lifecycle**

### Expected energy density



# Mercedes-Benz Cars

## In-house electric motors are a key part of our strategy



**eATS 2.0:** in-house developed and built radial motor with outstanding performance for majority of key products

**Ultra-high performance axial motors** for our forthcoming AMGs. Axial flux technology allows for unmatched power density, performance, acceleration

Electric motor and power electronics company **YASA Ltd.** will be a **fully owned subsidiary of Mercedes-Benz.** Acquisition will take our electric drive tech to a new level



# Mercedes-Benz Cars

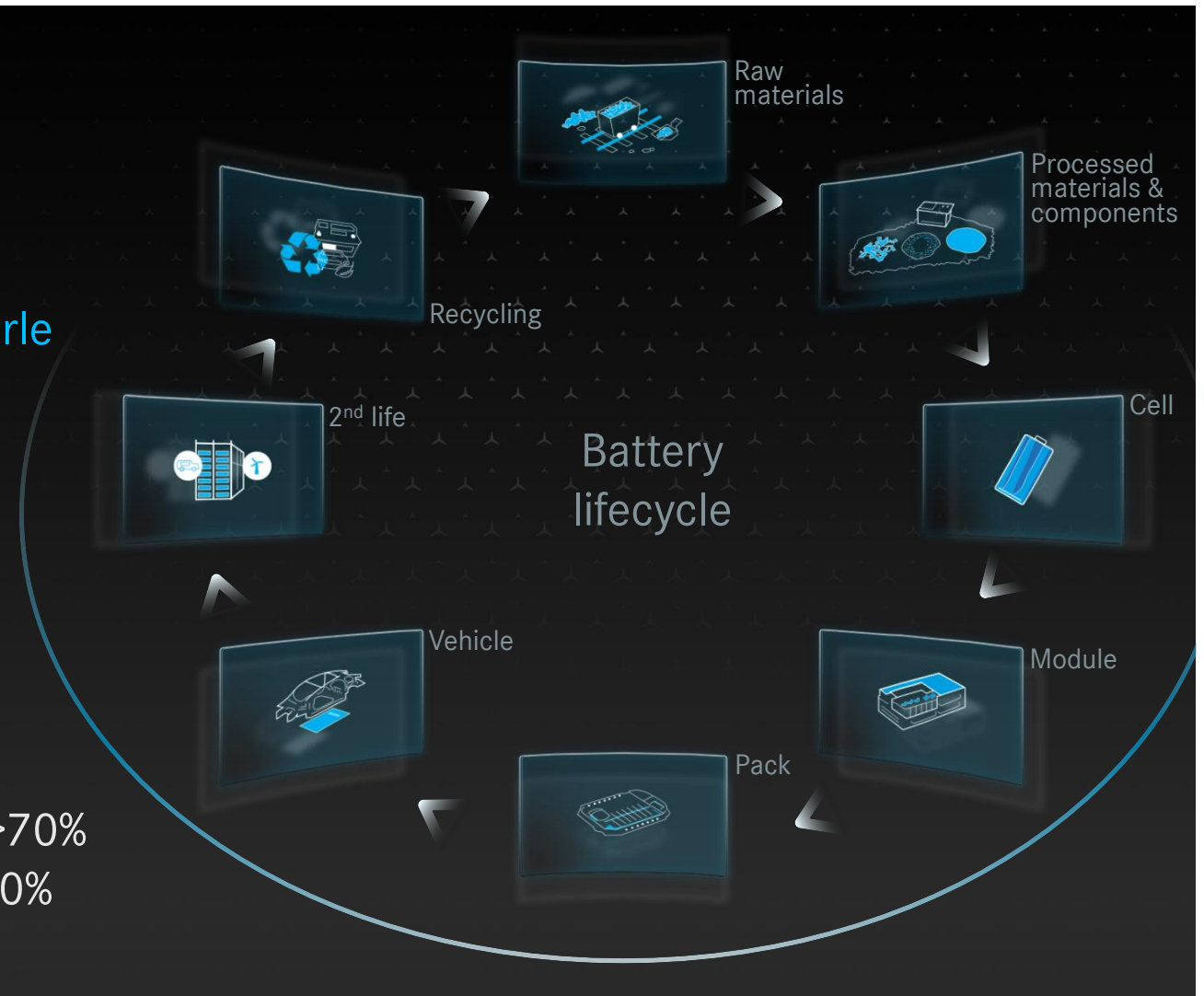
## We are establishing a green and CO<sub>2</sub> neutral supply chain

In the future, raw materials for battery components only from **IRMA-certified mines**

Intention to **partner with lithium producer Albemarle** for future lithium supply, lithium recycling and reduction of CO<sub>2</sub> in lithium production

**Direct sourcing** of battery raw materials like nickel and cobalt under consideration

2020: **Big River Steel** reduced CO<sub>2</sub> emissions by >70%  
2021: **Salzgitter AG** reduces CO<sub>2</sub> emissions by >60%  
2025: CO<sub>2</sub> free steel from **H2 Green Steel**





# Mercedes-Benz Cars

## We want to provide a premium charging experience

**Mercedes me Charge** currently comprising more than 530,000 AC and DC charging points worldwide. We will expand and enhance our charging network with partners like Ionity and ChargePoint

Mercedes-Benz customers will get enhanced access to the **Shell Recharge** network consisting of over 30,000 charging points by 2025 in Europe, China, and North America – including over 10,000 high-power chargers globally

**Plug & Charge**: no authentication required, automatic payment. Service going live with EQS market launch this year

**Green charging**: facilitating charging with clean electricity at all public charging points in the Mercedes me Charge network in Europe and North America. Further markets being evaluated soon



# Mercedes-Benz Cars

## Vision EQXX: efficiency is the new currency

Our Vision: a real range of **over 1,000 kilometres** with a compact car segment sized battery

Our target: **single digit kWh per 100 km**  
Reducing consumption with extraordinary efficiency improvements in almost all areas. Integrating new technologies in future Mercedes-Benz road cars

Rapid technology innovation leveraging **Mercedes F1** electric powertrain expertise and working practices

World premiere in **early 2022**



# Mercedes-Benz Cars

## We are ready to accelerate EV production

Ready to scale up: our largest plants in Beijing, Bremen, Kecskemét, Rastatt, Sindelfingen, and Tuscaloosa are **all capable of building EVs** and are currently assembling **5 different BEVs**

2022: **8 EVs** will be produced on 3 continents with batteries from our worldwide network

**Factory 56**: blueprint for our worldwide network in terms of flexibility, efficiency, digitalization, and green production

Stuttgart-Untertürkheim & Berlin-Marienfelde: two of our major powertrain plants are already accelerating their **transformation toward a zero-emissions future**



# Mercedes-Benz Cars

## Our new cooperation with GROB

We plan to **cooperate with GROB**, a global leader in highly innovative battery production and automation systems

Strengthening our battery production **capacity and know-how**

Focus of cooperation on **battery module assembly** and **pack assembly**



**GROB**

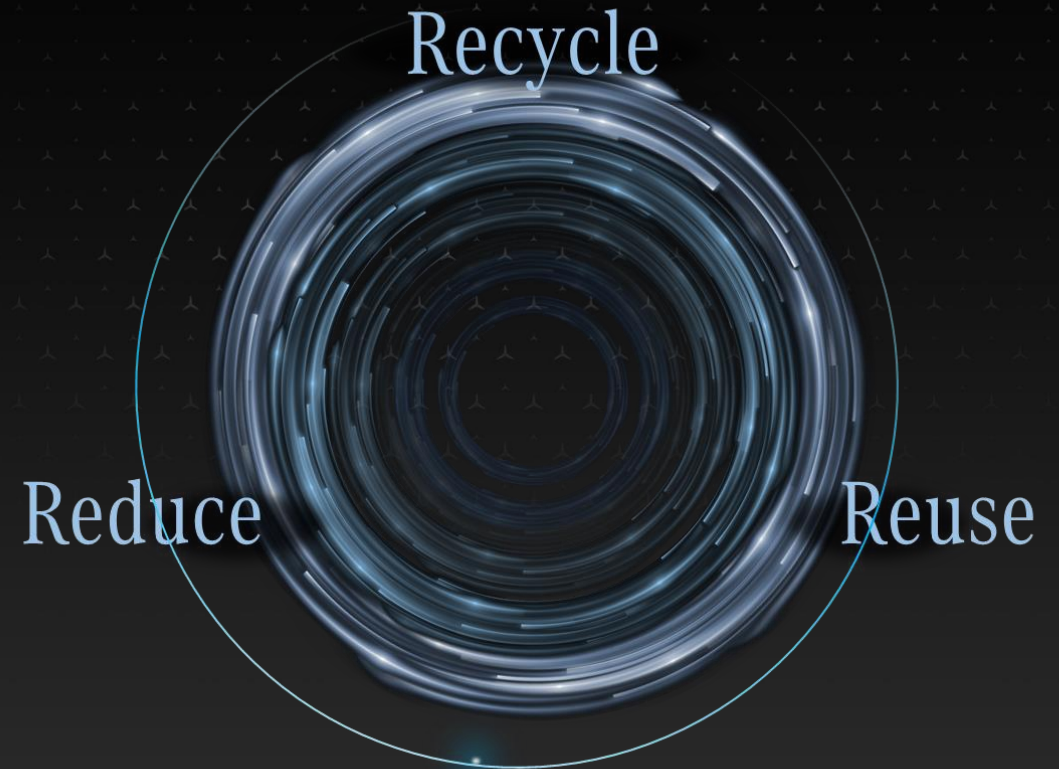
# Mercedes-Benz Cars

## Closing the loop: from value chain to value cycle

2022: **Carbon-neutral production** at all Mercedes-Benz AG passenger car and battery assembly sites

Establishing **remanufacturing processes** and **repurpose of key components**, e.g. batteries can be reused to help balance electricity grid

Planned **battery recycling factory** in Kuppenheim, Germany. Start of operations in 2023, depending on promising discussions with public authorities



# Mercedes-Benz Cars

## The transformation of our workforce



### Re-shape

Streamlining our organization in a responsible way

### Re-skill

Developing future-oriented qualifications

### Re-charge

Meeting the Mercedes-Benz standard as an employer

Continue effective process of cost reduction working together with employee representatives

Focus on staff fluctuation and fair solutions

Mercedes-Benz Drive Systems unit enables and supports the transformation of our plants

Ensure that motivated and qualified people remain at the heart of this fundamental shift

Internal tech-academies and other trainings

Employees are gradually being shifted from conventional drives to electric drives

New technologies require a new area of expertise

Create 3,000 new jobs for software engineers

Attractive contractual framework offering innovative employment conditions

# Mercedes-Benz Cars

## Our transition plan to go BEV-only

### What we told you

2025 BEV alternative  
for **every** model

Ready to go **all-electric**  
by end of decade

**Faster ramp down**  
of ICE vehicles

PHEV **transition**  
technology

### What we are going to do

New BEV **models**

New BEV **architecture**  
MB.EA, AMG.EA, VAN.EA

New **battery factories**

New **cooperations**

### How we steer our financials

Net  
revenue

Variable  
costs

Contribution  
Margin

R&D/CAPEX

Fixed costs

Return on sales

Cash Flow

# Mercedes-Benz Cars

Revenue quality rising – driven by mix and pricing

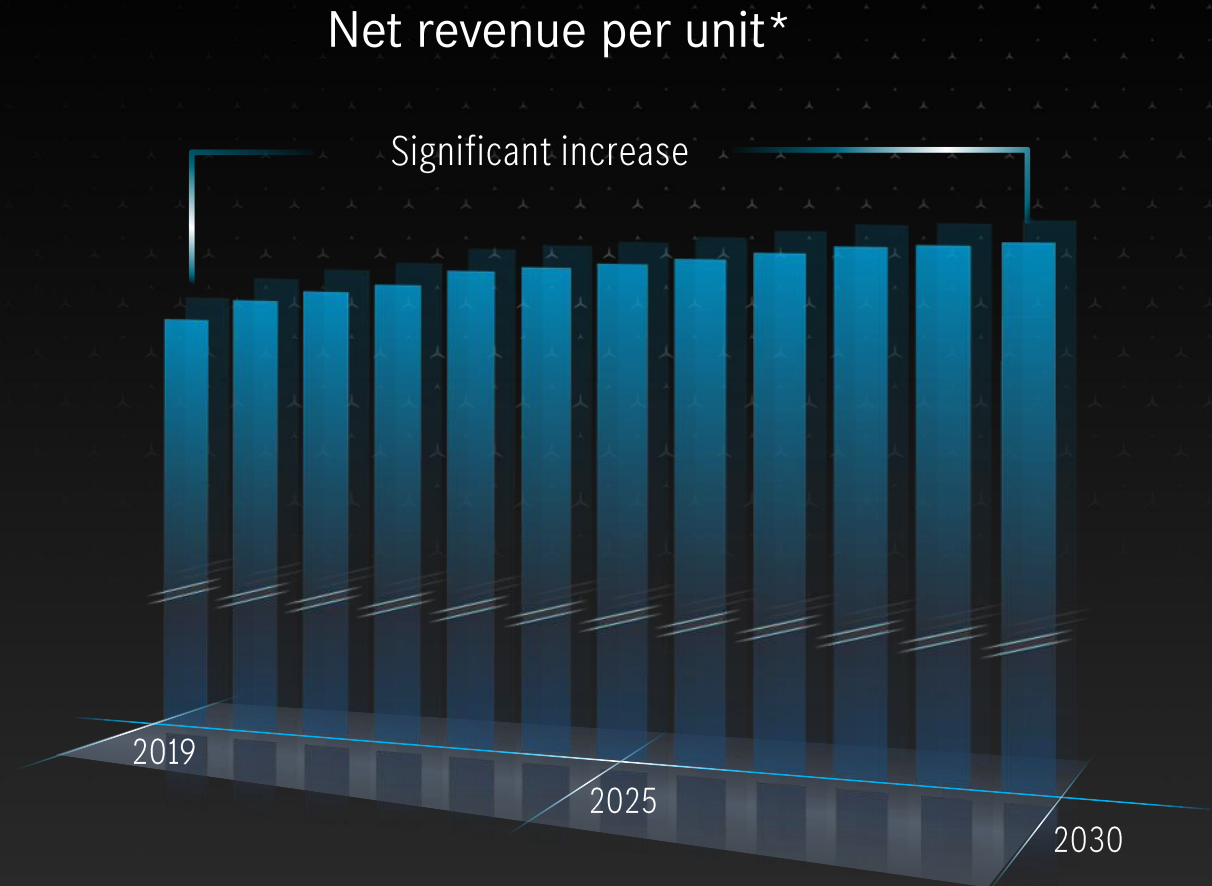
## Key levers

Net pricing performance

Positive mix from high end electric vehicles

Digital services revenue

Direct sales model



\* schematic graph



# Mercedes-Benz Cars

## BEV cost reduction focus

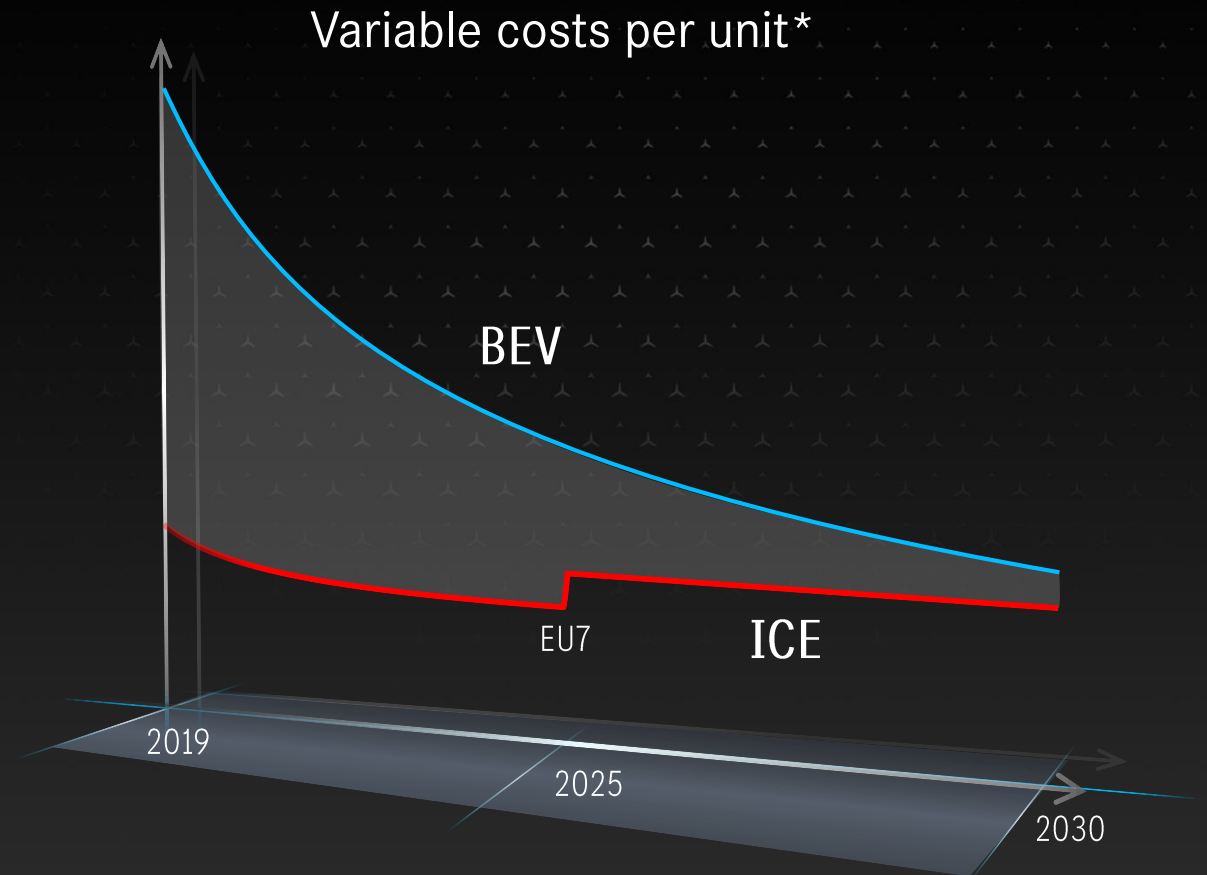
### Key levers

Material and manufacturing cost reduction of  
**1% until 2025**

Further **cost reduction on electric drive train**  
from 2025 to 2030

**Decreasing cell costs** and common battery  
platforms

**Scalable modular** electric only architectures



\* schematic and before mix change

# Mercedes-Benz Cars

## Radical shift in capital allocation – from EV-first to EV-only

### Key levers

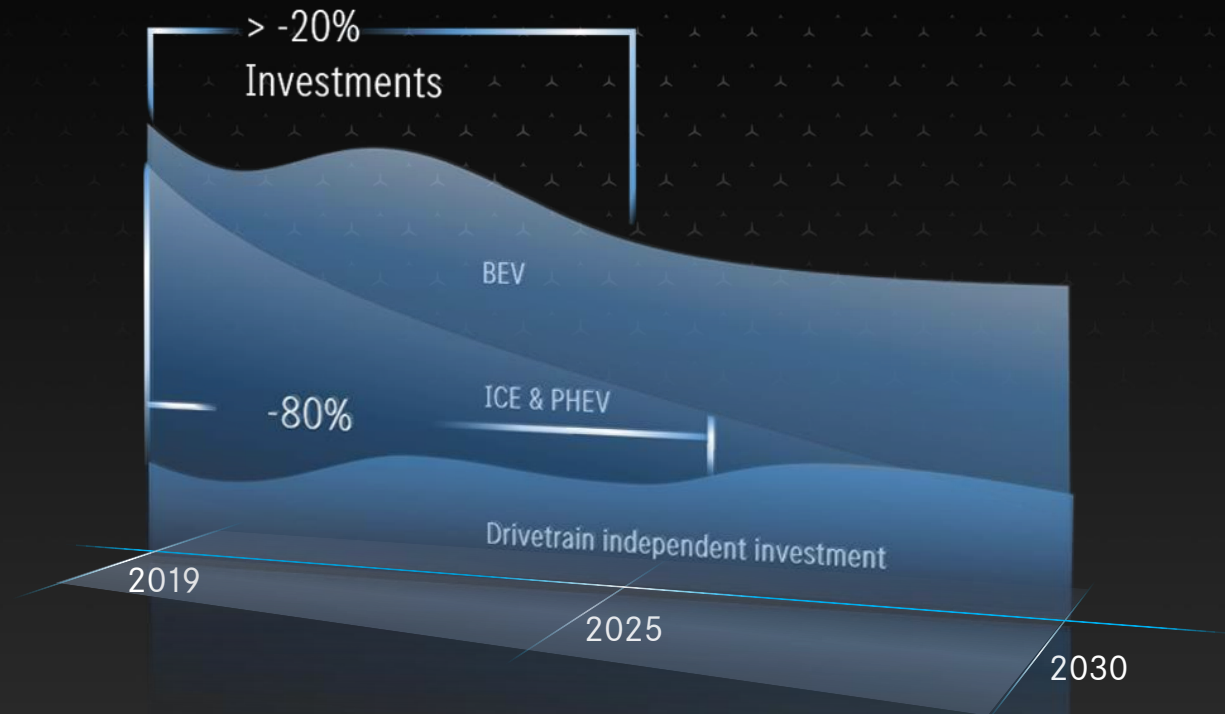
Additional investments for new BEV architecture MB.EA, AMG.EA, VAN.EA and intensified battery footprint

Radically reduced non-BEV investments

Capex share of investments decreasing

>20% investment reduction until 2025 and further decreases afterwards

### CAPEX and R&D investments\*



\* schematic graph

# Mercedes-Benz Cars

## Fixed cost reduction targets stepped up

### Key levers

Covid 2020: significant fixed cost reduction

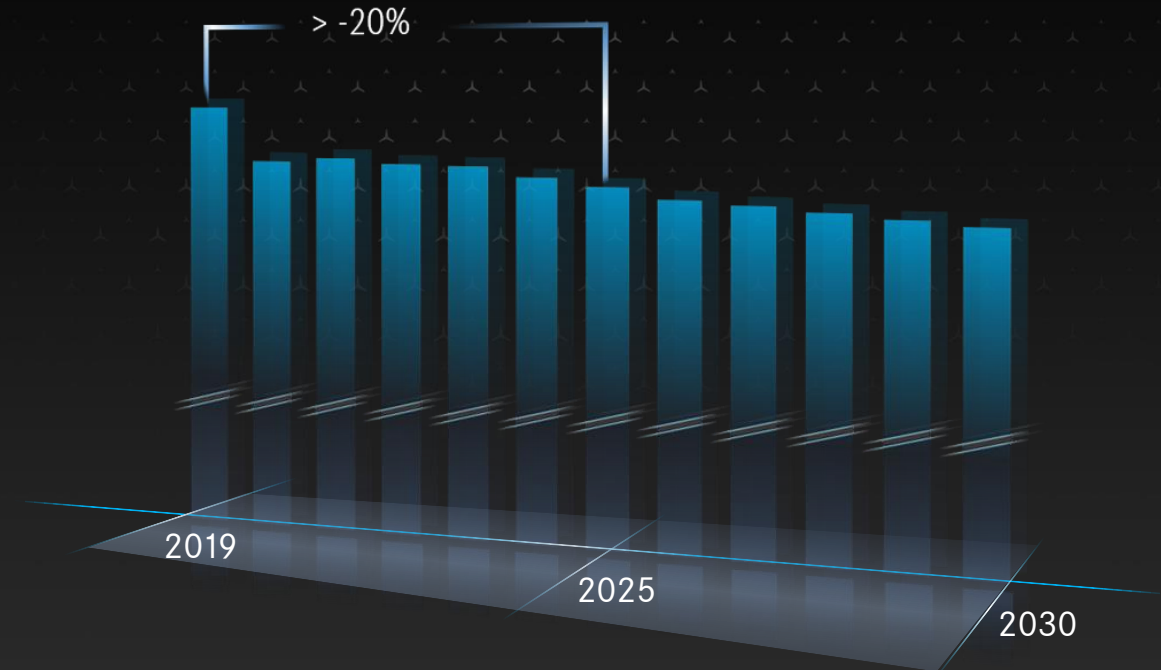
2021: temporary effects replaced by permanent measures

>20% fixed cost reduction until 2025 vs. 2019

2025ff: digitization of all business areas

After 2025 further net reductions

### Fixed cost development\*



\* schematic graph

# Mercedes-Benz Vans

## Strategy Mercedes-Benz Vans

*“Moving Transportation to the next level”*

We exceed customers' expectations with the most desirable vans & services

**Lead**

in electric  
drive and digital  
solutions

**Target**

premium  
segments

**Focus**

on  
profitable  
growth

**Embrace**

customers and  
grow recurrent  
revenues

**Lower**

operating  
costs

4% revenue growth, supported by a refocused cost structure

Economic, environmental and social sustainability as a guiding principle

Driven by a highly qualified and motivated team

# Mercedes-Benz Vans

## Full range supplier in the commercial segment



Small Van - **Citan**

from 1.8t GVWR.

Mid-Size Van - **Vito**

up to 3.2t GVWR.

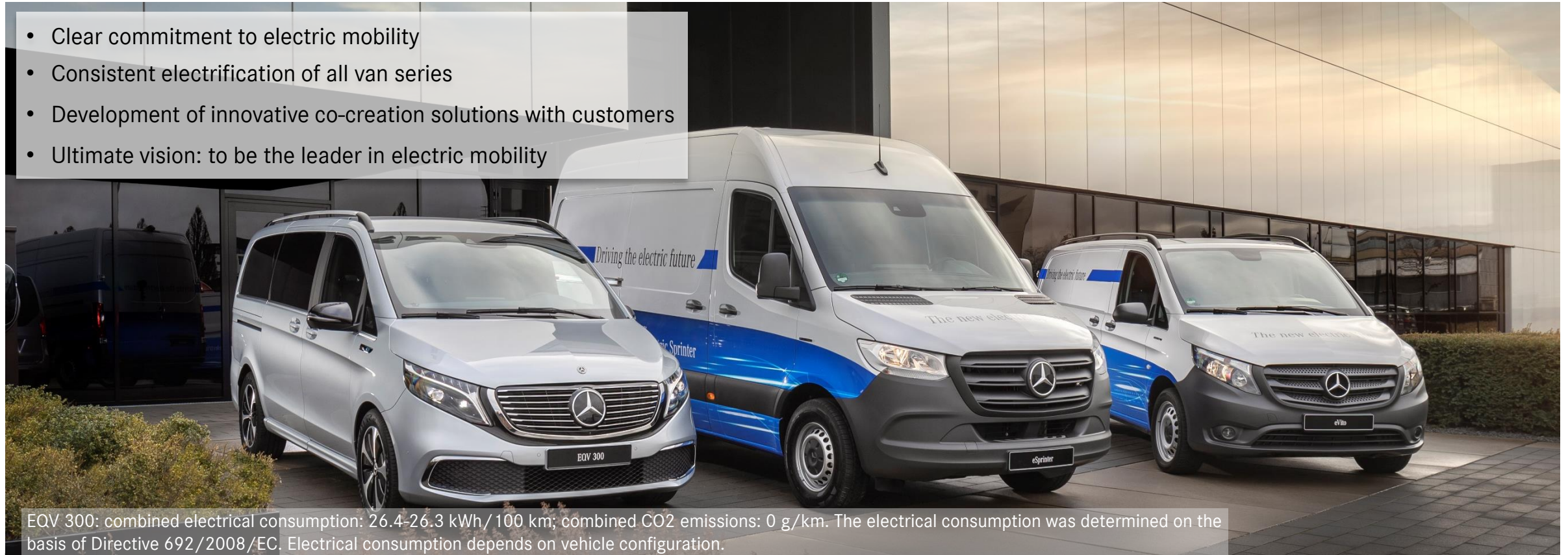
Large Van - **Sprinter**

up to 5.5t GVWR.

# Mercedes-Benz Vans

## Electrification of the vehicle fleet – for both private and commercial use

- Clear commitment to electric mobility
- Consistent electrification of all van series
- Development of innovative co-creation solutions with customers
- Ultimate vision: to be the leader in electric mobility



EQV 300: combined electrical consumption: 26.4-26.3 kWh/100 km; combined CO2 emissions: 0 g/km. The electrical consumption was determined on the basis of Directive 692/2008/EC. Electrical consumption depends on vehicle configuration.

Mid-size van private use

**EQV**

Large van commercial use

**eSprinter**

Mid-size van commercial use

**eVito**

# Mercedes-Benz Cars Vans

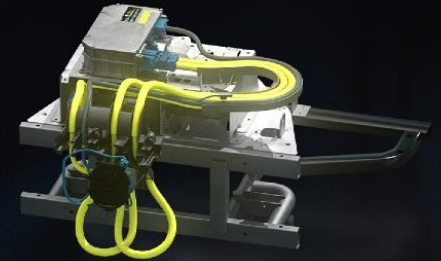
## The next generation of the eSprinter

An intelligent, modular solution with three core elements

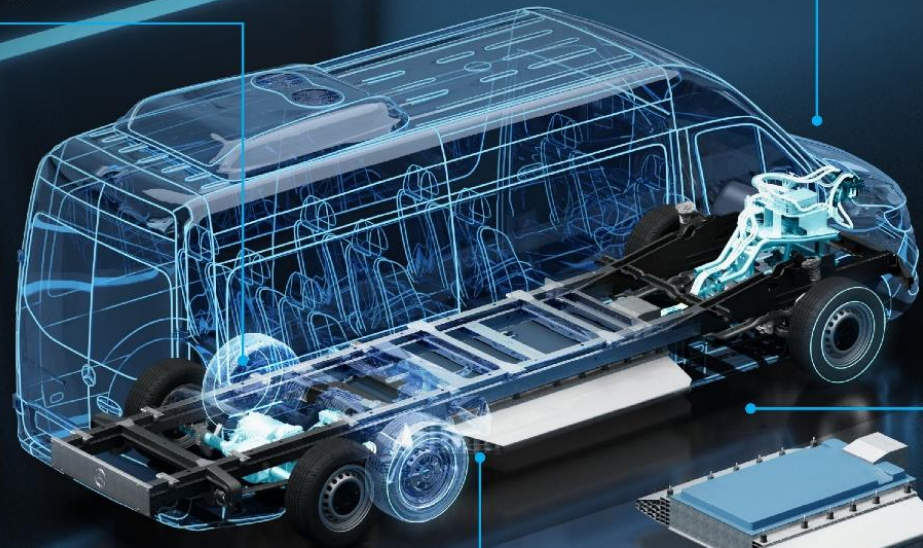
**Rear module**  
with electrically driven rear axle



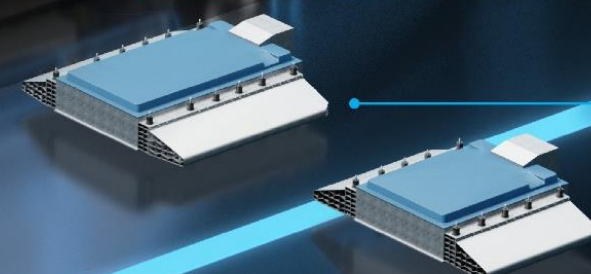
**Front module** for  
high-voltage components



**Underfloor module**  
for high-voltage battery



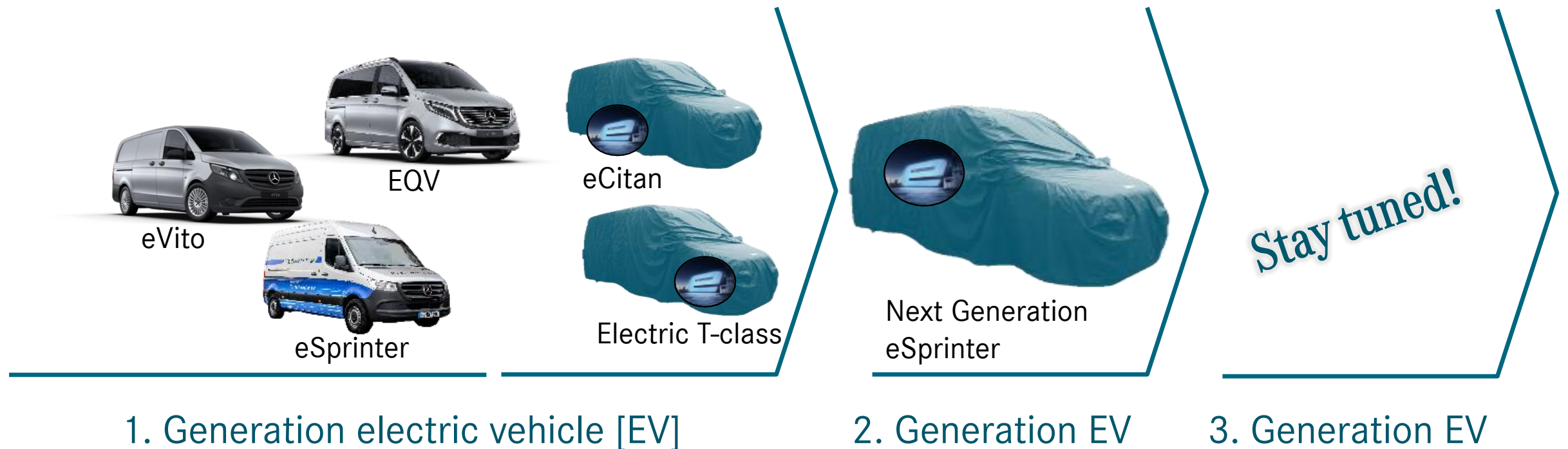
**Choice of**  
· 2 wheel bases  
· 3 battery capacity levels  
Large | Medium | Small



# Mercedes-Benz Cars Vans

## Strategic priority: Electrifying MB Vans

- We are fully committed and dedicated to **electrification**
- **Holistic Approach:** From small over mid-size to large, we electrify every van segment





# Mercedes-Benz AG

## Our financial ambitions for MB AG 2025

2021: On track towards double digit RoS despite supply constraints

Market environment/revenues



volume



Profitable growth



mix & pricing

Contribution margin

Fixed costs

CAPEX and R&D  
(CF impact)

RoS MB AG

Cash conversion

> -20% vs. 2019

> -20% vs. 2019

Mid to high single digit

0.7 – 0.9x

> -20% vs. 2019

> -20% vs. 2019

High single digit

0.7 – 0.9x

> -20% vs. 2019

> -20% vs. 2019

Double digit

on track

on track

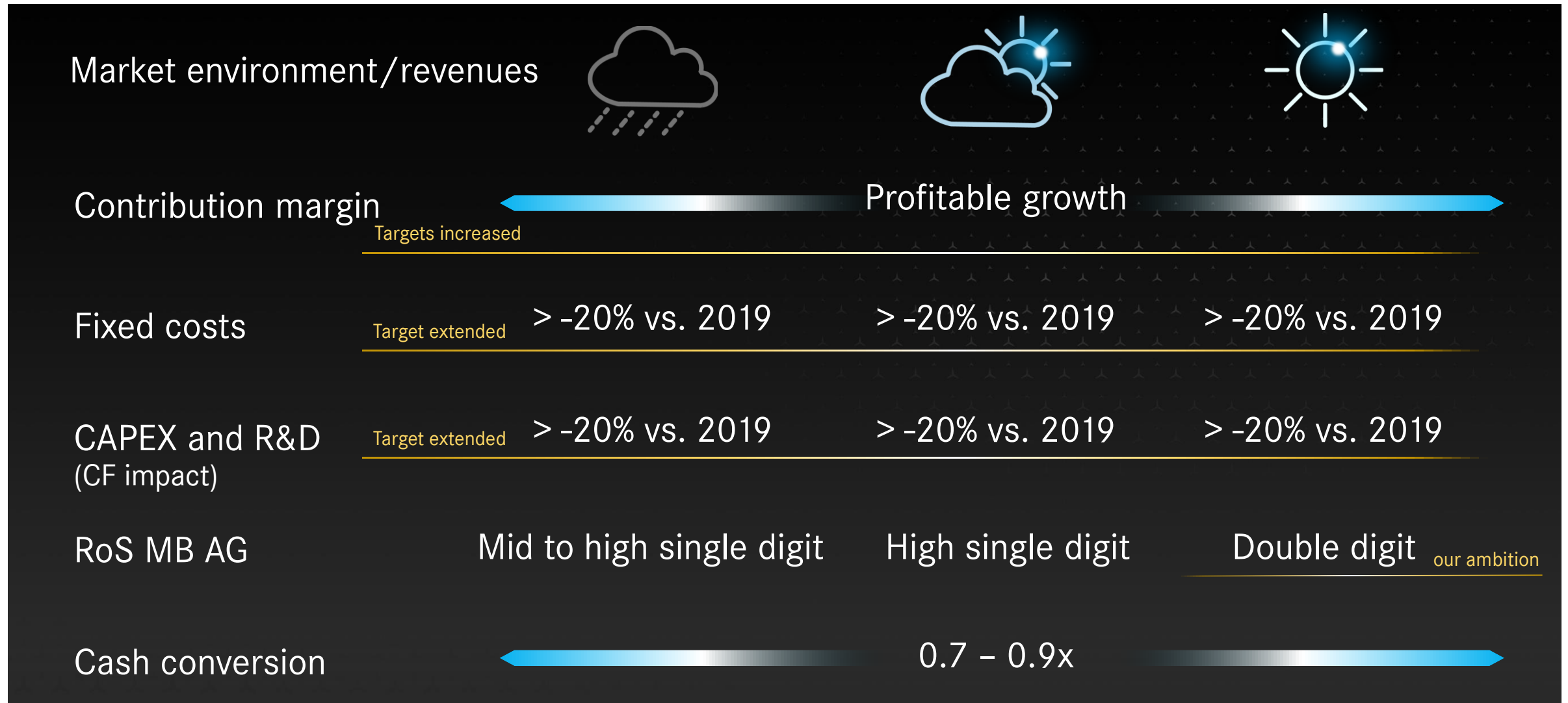
on track

on track

on track

# Mercedes-Benz AG

We are committed to our margin target – also in the BEV world



# AGENDA

- I. RESULTS Q2 2021
- II. OUTLOOK FY 2021
- III. STRATEGY
  1. DAIMLER GROUP
  2. MERCEDES-BENZ CARS & VANS
  3. **DAIMLER TRUCKS & BUSES**
  4. DAIMLER MOBILITY



# Daimler Trucks & Buses

## Our mission as an independent company is clear

### RESET PROFITABILITY

- ▶ Intense focus on fixing Europe
- ▶ Target profit benchmarks in each region
- ▶ No excuses: every region must deliver
- ▶ Grow services rapidly
- ▶ Commitment to strong shareholder returns

### LEAD THE WAY TO ZERO EMISSIONS

- ▶ Seek cost and performance leadership
- ▶ Dual-track BEV and FCEV strategy
- ▶ Refocusing of R&D activities
- ▶ Kick-start infrastructure
- ▶ Sundown ICE with partners

### IN PURSUIT OF PROFIT AND TECHNOLOGY LEADERSHIP



# Daimler Trucks & Buses

## Reset profitability

### Willing to take the hard decisions to create value for shareholders



#### OUR STRATEGIC FINANCIAL GOALS

TARGET REGIONAL  
PROFIT  
BENCHMARKS

FOCUS ON  
HIGHEST RETURN  
SEGMENTS

LOWER  
BREAKEVEN TO  
MANAGE  
CYCLICALITY

SYSTEMATIC  
LOWERING OF  
FIXED AND  
VARIABLE COST

GROW  
SERVICES AND  
RECURRING  
REVENUES

NO EXCUSES:  
EVERY REGION  
MUST DELIVER

# Daimler Trucks & Buses

## Lead the way to zero emissions: We are going 'all in' on zero-emission trucks to achieve technology leadership

### OUR STRATEGIC TECHNOLOGY GOALS

TECHNOLOGY  
PATH SET  
TO GET TO  
ZERO EMISSIONS

BUSINESS  
ROADMAP FOR  
ZEV IN PLACE

AMBITIOUS COST  
TARGETS FOR  
ZEV & TCO PARITY

IN-HOUSE TECH  
DEVELOPMENT  
AND RESOURCES  
PUSH

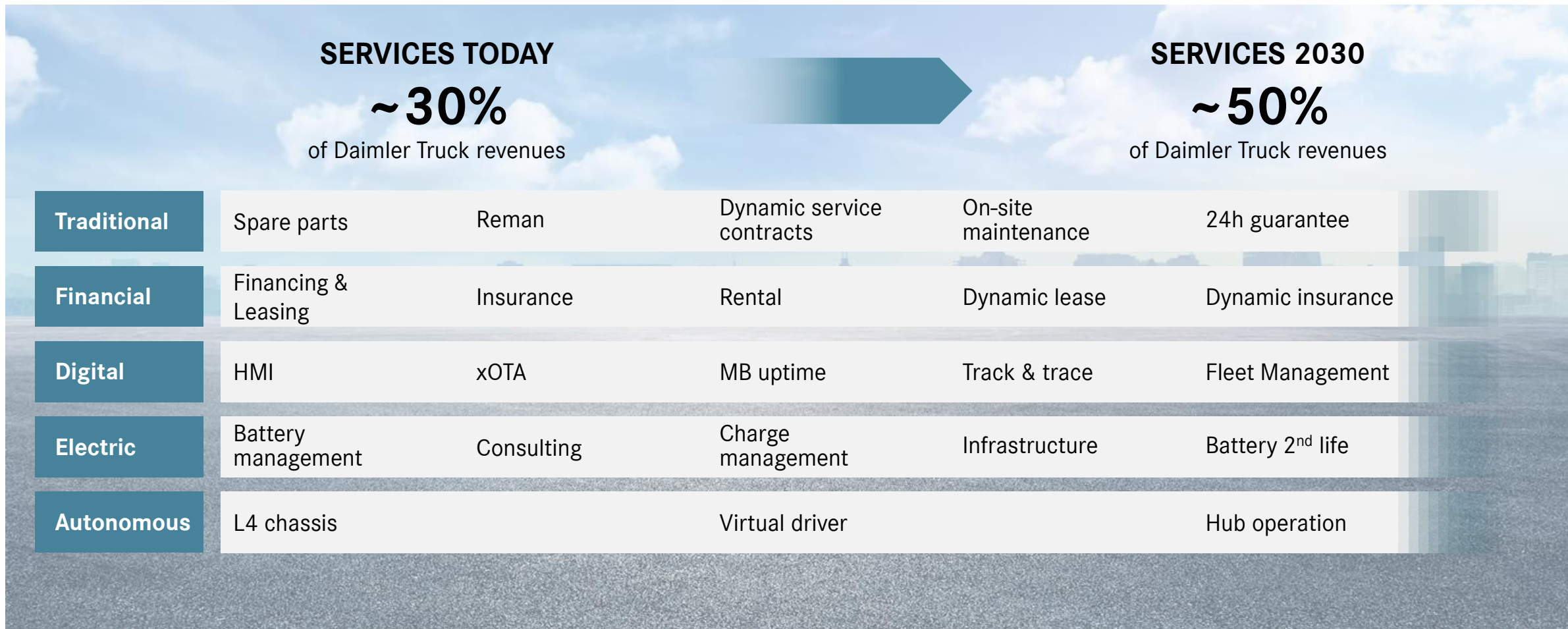
DEDICATED BEV  
TRUCK -  
MULTIPLE USE  
CASES

FCEV FOR RAPID  
FUELING AND  
LONG HAUL



# Daimler Trucks & Buses

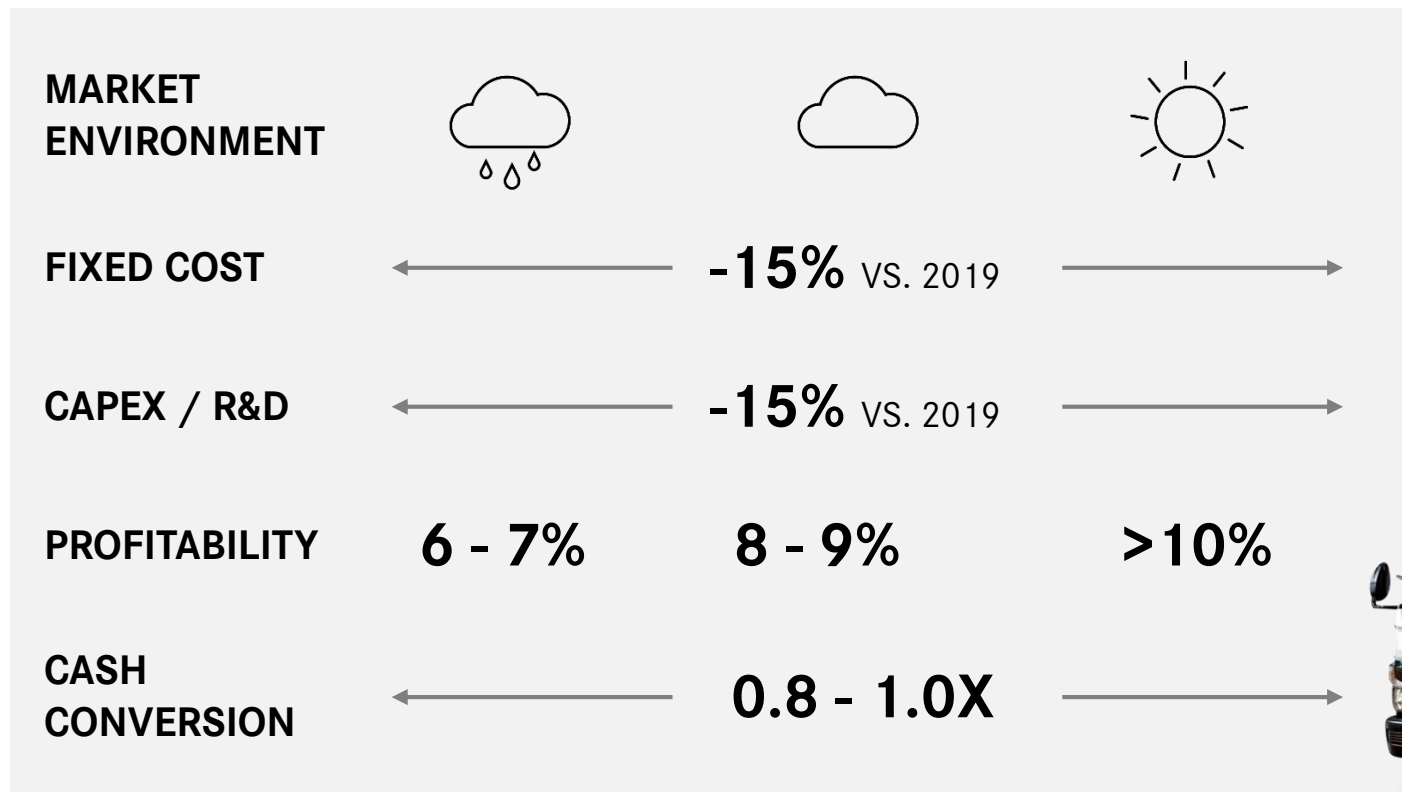
## Grow services and raise profitability: Leverage technology to grow recurring revenues and reduce cyclicality



# Daimler Trucks & Buses

## Our 2025 financial ambitions for Daimler Truck

### Unlock potential; manage cyclical; fully reward shareholders

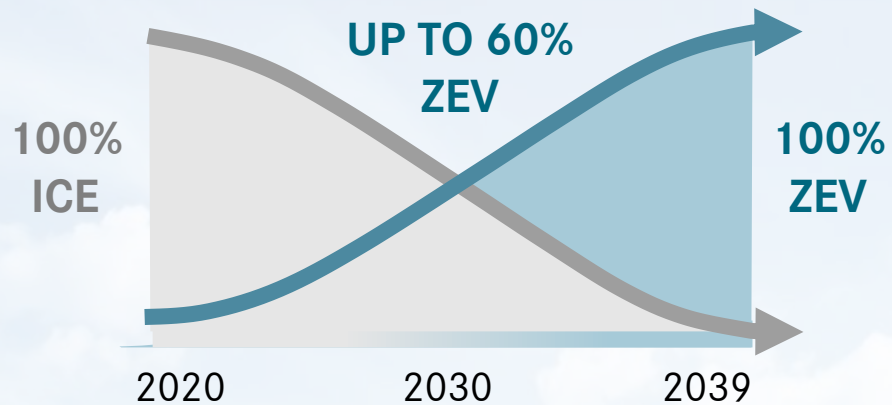


**FULL FINANCIAL TARGETS AND GUIDANCE TO BE PROVIDED AHEAD OF LISTING**



# Daimler Trucks & Buses

## The transition to ZEV: High potential variability in timing – but we are ready for any outcome



### DT KEY 2030 ASSUMPTIONS

- ▶ Governmental support incl. carbon pricing & infrastructure
- ▶ Zero emission PT cost driven down further
- ▶ H2 cost €4/kg, with infrastructure buildout
- ▶ Electricity cost: €0.15/kwh

### TCO OUTCOMES

- ▶ Parity for BEV possible after 2025
- ▶ Parity for FCEV possible after 2027
- ▶ Significant variations likely by region

# Daimler Trucks & Buses

## Infrastructure requires a dual zero-emission strategy: Battery electric and fuel-cell electric – both technologies needed



### REVERSED SCALING EFFECTS



**LEVERAGING  
EXISTING ENERGY CAPACITIES**  
PLANNED HUB CHARGING

BEV: Easier to scale initially

**REFUELING EFFICIENCY AND  
H2 PRODUCTION**  
FLEXIBLE ON-DEMAND

FCEV: Works at scale with infrastructure

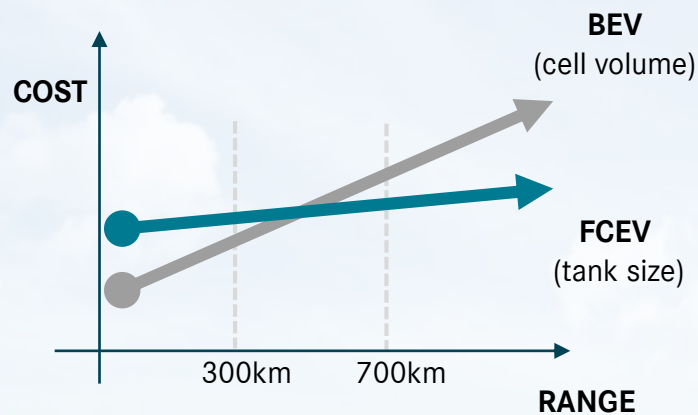


# Daimler Trucks & Buses

## ZEV Technology: Both BEV and hydrogen will be needed

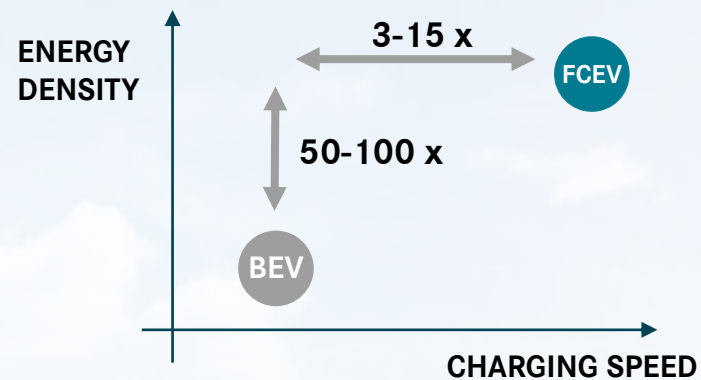
### Three key factors drive our dual strategy

**COST PER RANGE:  
"THESE LINES MUST CROSS"**



**FCEV AND BEV  
BOTH WIN  
DEPENDENT ON RANGE**

**ENERGY DENSITY/CHARGING:  
"THESE LINES NEVER CROSS"**



**FCEV BEATS BEV  
IN CHARGING, RANGE  
AND PAYLOAD AT HIGH RANGE**

**GLOBAL ENERGY ECOSYSTEM:  
"WILL BE ESTABLISHED ANYWAY"**



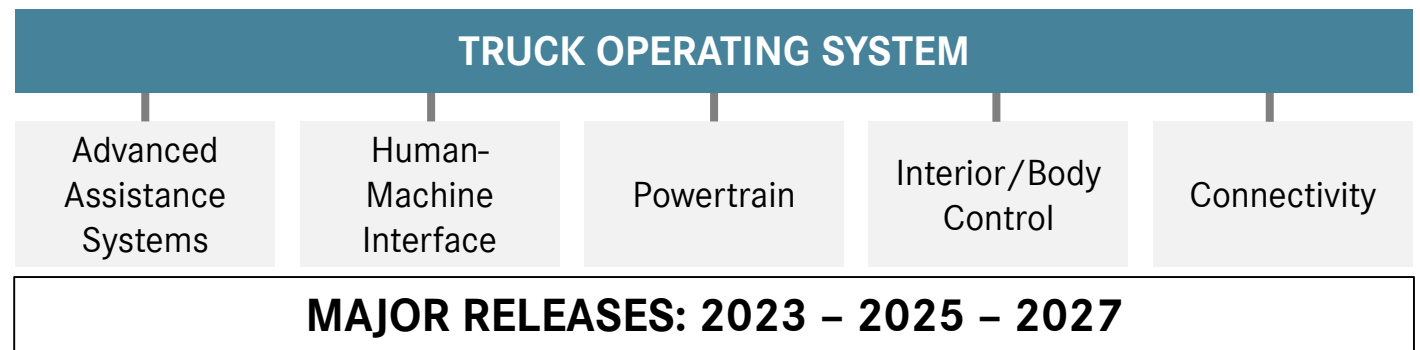
**BOTH E-GRID AND H<sub>2</sub> ARE REQUIRED  
IN A CO<sub>2</sub>-NEUTRAL SOCIETY -  
INDEPENDENT OF TRUCKING**

# Daimler Trucks & Buses

## Operating system at the core of the vehicle: Software architecture as platform for our next generation trucks and service offerings



WHAT WE DO	BENEFITS FOR CUSTOMERS	BENEFITS FOR US
<ul style="list-style-type: none"> <li>▶ In-house development of core elements</li> <li>▶ Fewer compute units and reduced layers</li> <li>▶ Delinked software cycles</li> </ul>	<ul style="list-style-type: none"> <li>▶ Uptime: less and more efficient workshop visits driven by OTA</li> <li>▶ Tailored digital service offering for our customers</li> <li>▶ Seamless E2E integration</li> </ul>	<ul style="list-style-type: none"> <li>▶ Drive service revenues and customer loyalty</li> <li>▶ Leverage big data for improved customer understanding</li> <li>▶ Faster development cycles</li> </ul>



# Daimler Trucks & Buses

## Redundant Cascadia and autonomous driving technology

### Clear target: industry leading autonomous technology with our dual-track strategy



#### WHAT WE DO

- ▶ Global partnership between industry leaders in trucking and in autonomous driving technology

#### BENEFITS FOR CLIENTS

- ▶ Waymo's industry-leading autonomous driving technology available on a unique version of Freightliner Cascadia

#### BENEFITS FOR US

- ▶ Strengthening of market position generating volume



- ▶ Pioneer in heavy-duty autonomous technology focusing on trucks as independent subsidiary of Daimler Truck AG

- ▶ Torc's virtual driver is optimized for the use case of hub to hub trucking and closely developed and tested with customers

- ▶ Laying the foundation for a new profit pool offering services beyond traditional scope of vehicle sales

**TWO PILLAR STRATEGY: ACCELERATE TECHNOLOGY AND PROVIDE OPTIONS TO CUSTOMERS**

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  2. MERCEDES-BENZ CARS & VANS
  3. DAIMLER TRUCKS & BUSES
  4. **DAIMLER MOBILITY**



# Daimler Mobility

## Strategy Daimler Mobility

WE MOVE YOU! We inspire our customers with best-in-class financial and mobility services – intuitive, flexible and fully digital

### Drive transformation

- Establish online sales
- Offer flexible products
- Speed up e-mobility

### Increase efficiency

- Automate and bundle ops
- Simplify product range
- Create lean organization

### Boost the business

- Push penetration
- Accelerate retention
- Grow used-car portfolio

### Strengthen our culture

- Ensure people focus
- Safeguard best skills
- Live core values



# Daimler Mobility

## Our Role

- ➔ **We** create demand for vehicles and services.
- ➔ **We** promote and ensure customer loyalty.
- ➔ **We** contribute to Daimler's financial success.
- ➔ **We** open up new opportunities through mobility services.

**WE MO>E YOU**





# DAIMLER Q2 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 governmental investigations or of investigations requested by governments and the outcome 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 or in the Interim 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.