

# DAIMLER

July 12, 2019

Corporate Presentation



# Contents

## **Group Financials**

Divisional Information

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Daimler Group Strategy

Funding

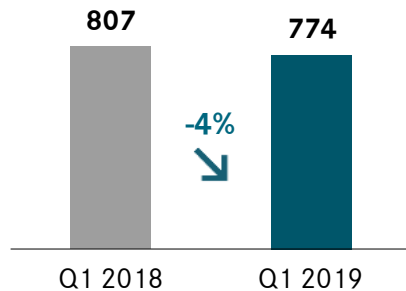
Appendix



# Key figures

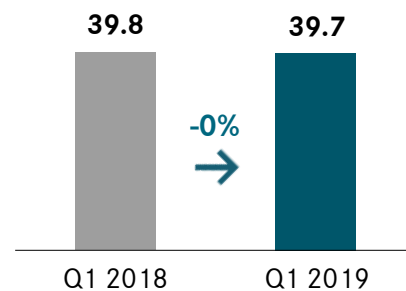
## Unit sales

in thousands of units



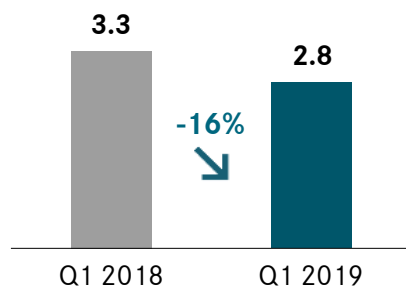
## Revenue

in billions of euros



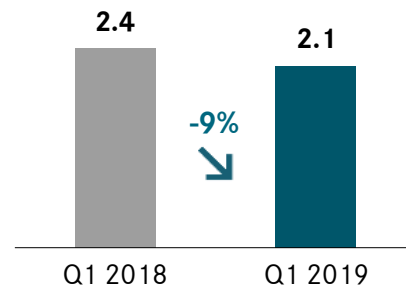
## EBIT

in billions of euros



## Net profit

in billions of euros



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World premiere of the new CLA Coupe and CLA Shooting Brake

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Presentation of the upgraded GLC and GLC Coupe

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

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Daimler and Geely Holding form global joint venture to develop smart

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Daimler Trucks and Torc Robotics create technology powerhouse for automated trucks

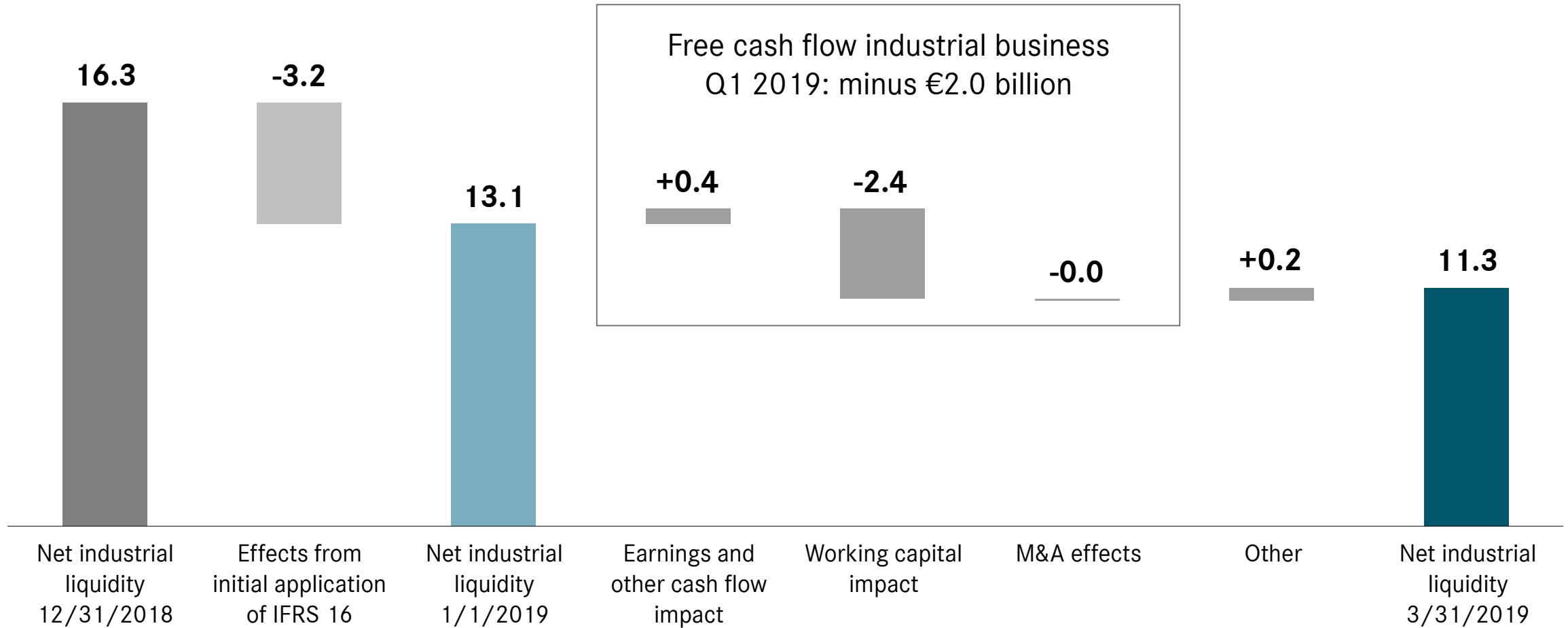
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Daimler AG and BMW Group are pooling their mobility services to create a new global player in the field of urban mobility

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# High level of net liquidity





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

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

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

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

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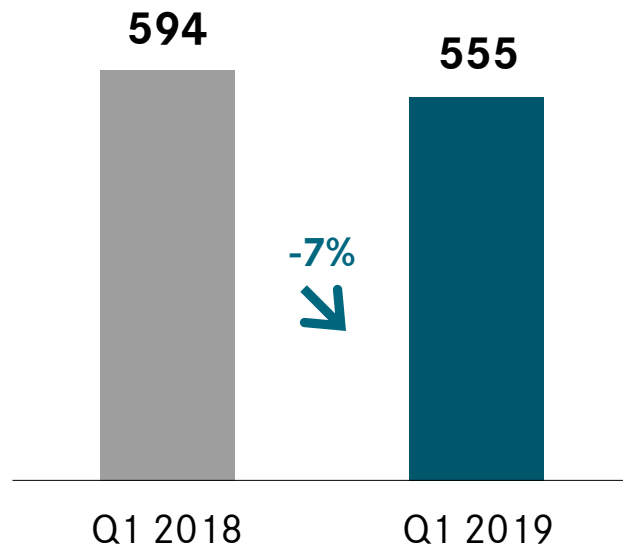
Appendix



# Mercedes-Benz Cars

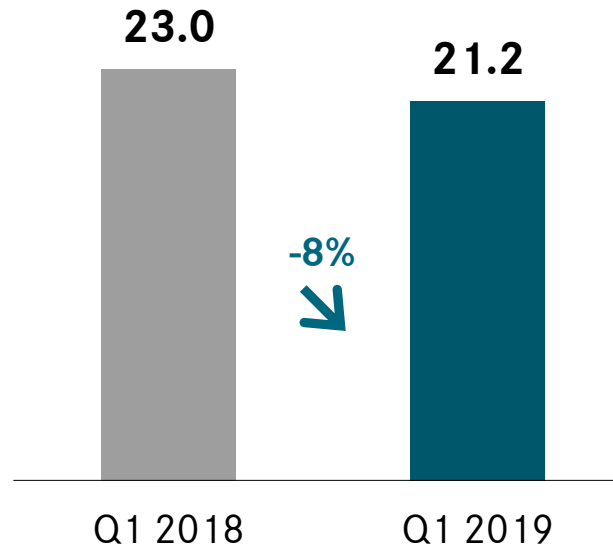
## Unit sales

in thousands of units



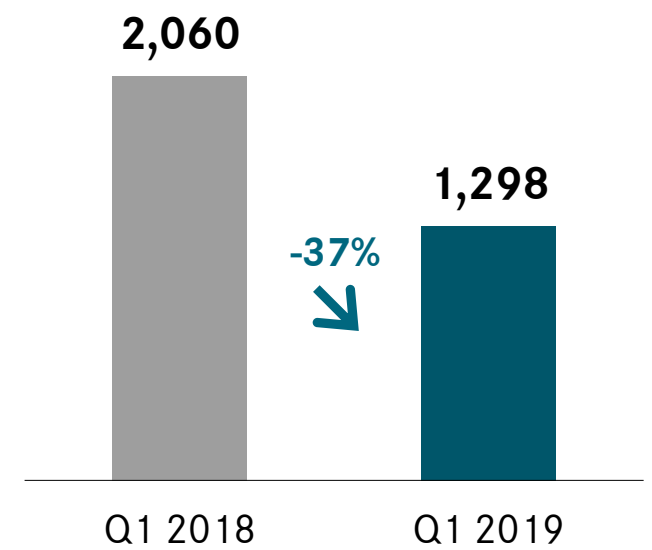
## Revenue

in billions of euros



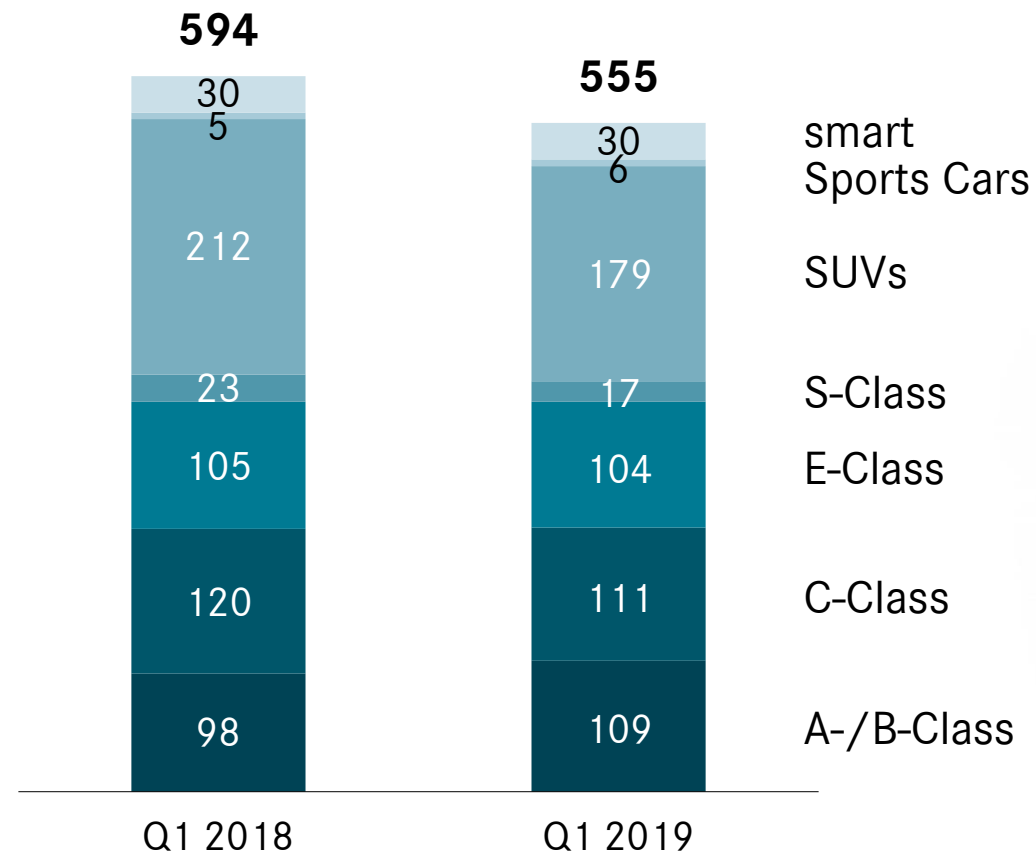
## EBIT

in millions of euros



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

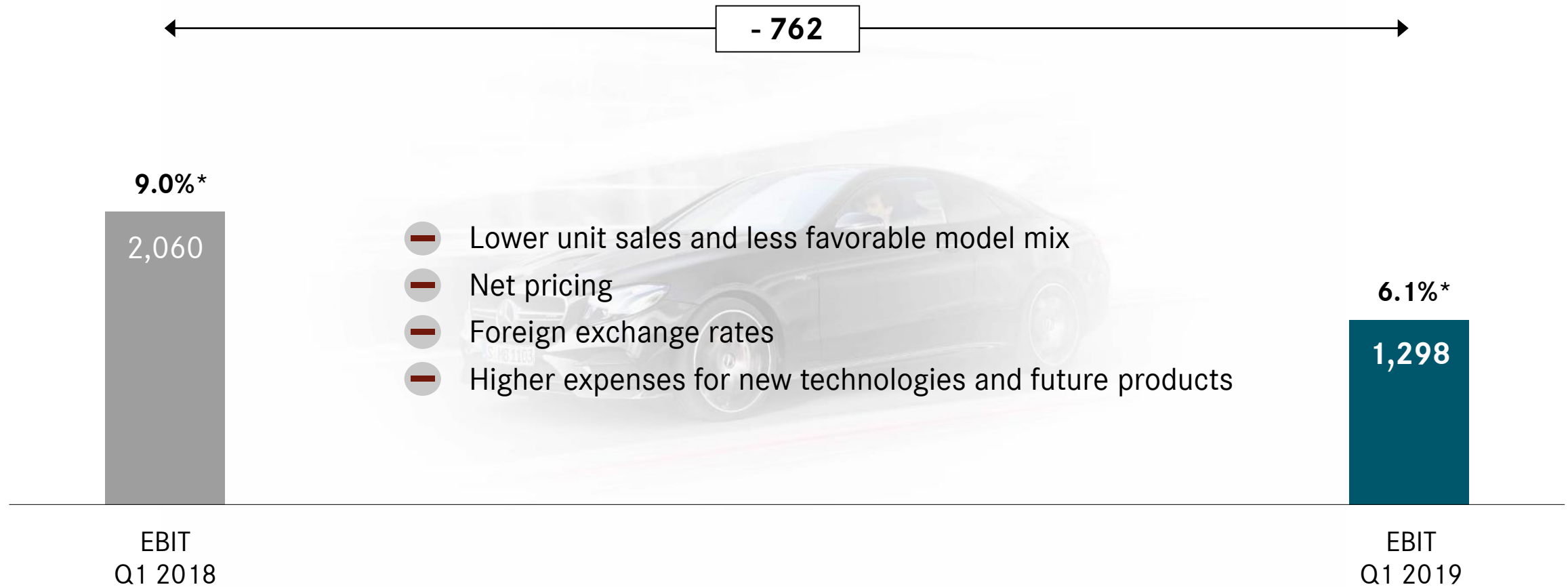
in thousands of units





# Mercedes-Benz Cars: EBIT

in million euros

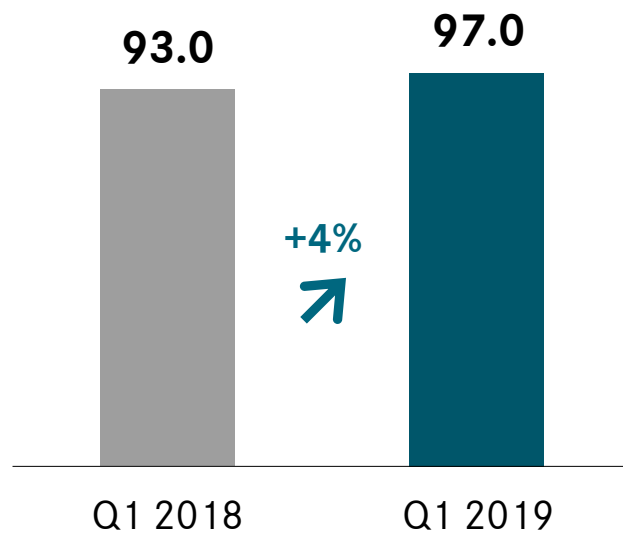


\* Return on sales

# Mercedes-Benz Vans

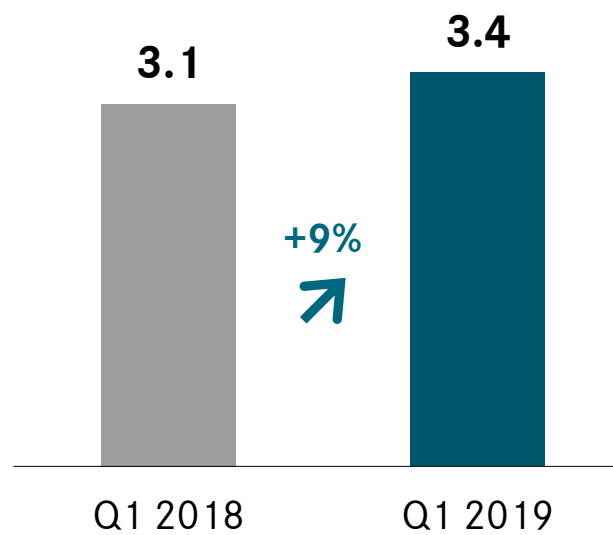
## Unit sales

in thousands of units



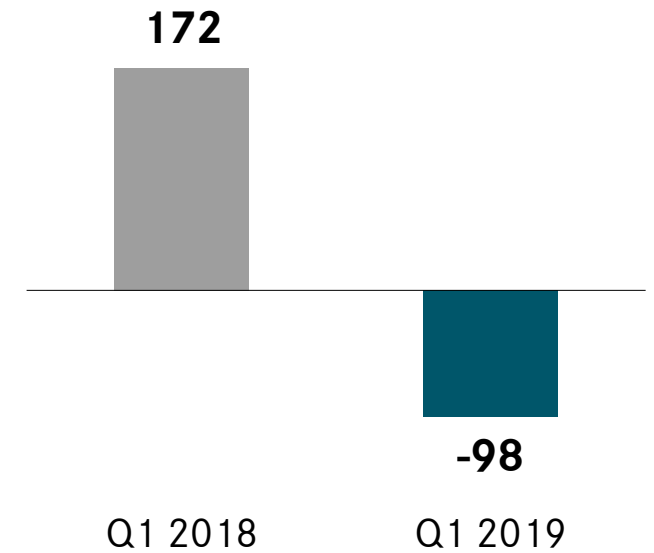
## Revenue

in billions of euros



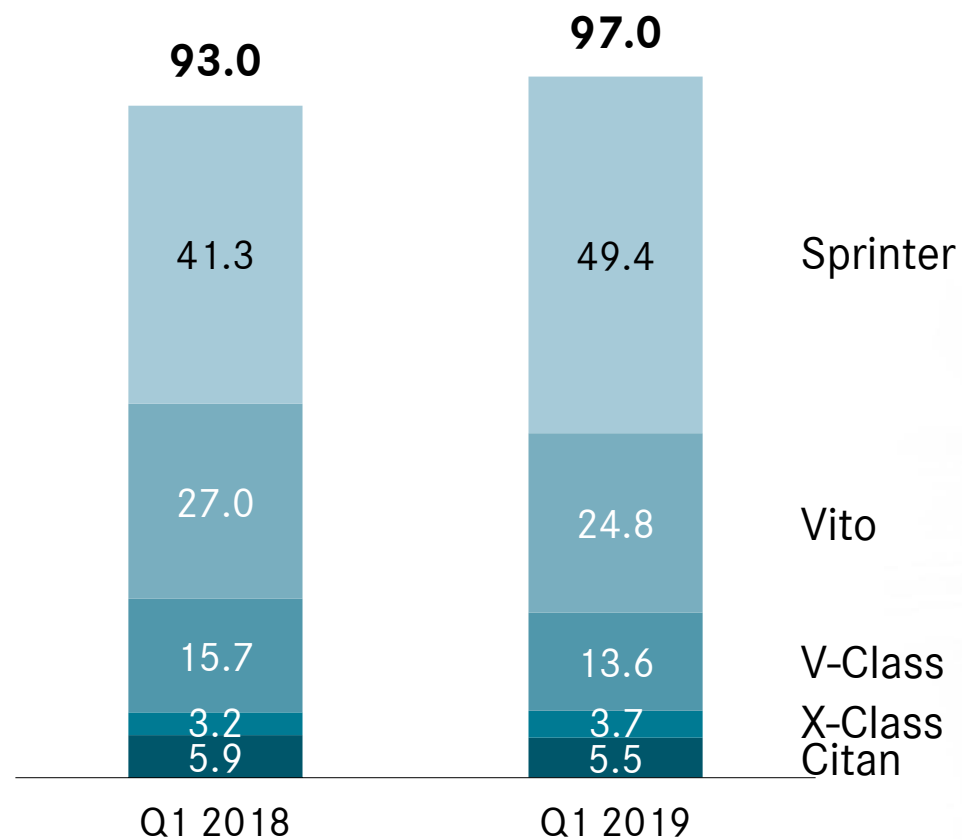
## EBIT

in millions of euros



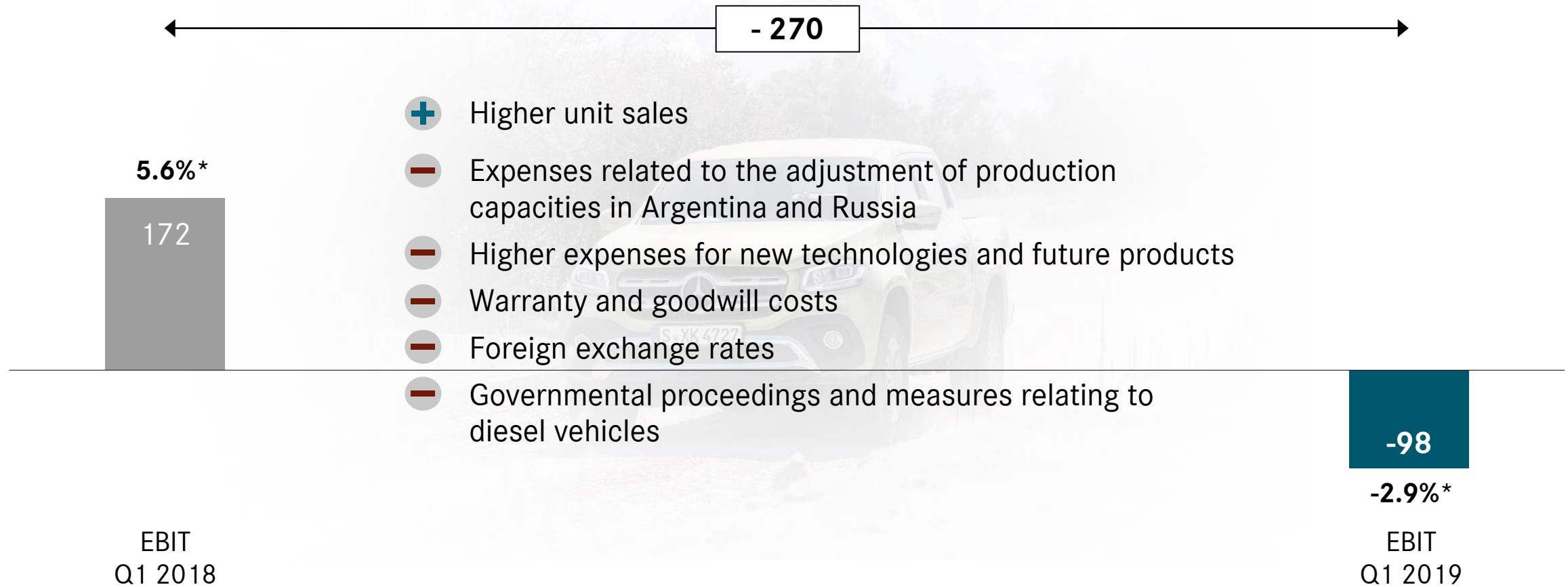
# Mercedes-Benz Vans: sales increase by 4% mainly due to higher demand for the Sprinter

in thousands of units



# Mercedes-Benz Vans: EBIT

in millions of euros



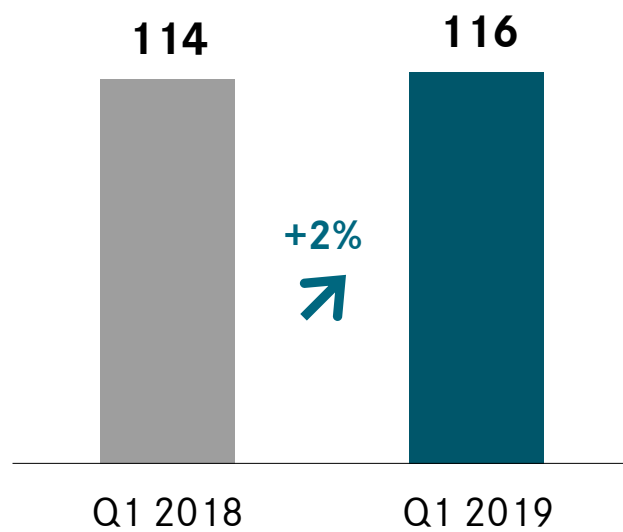
\* Return on sales



# Daimler Trucks

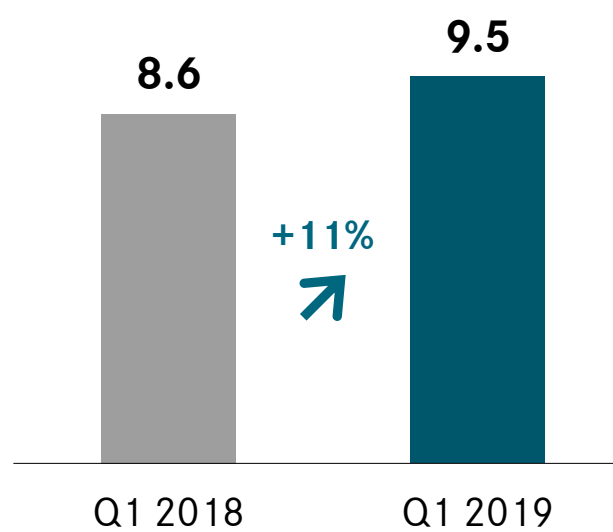
## Unit sales

in thousands of units



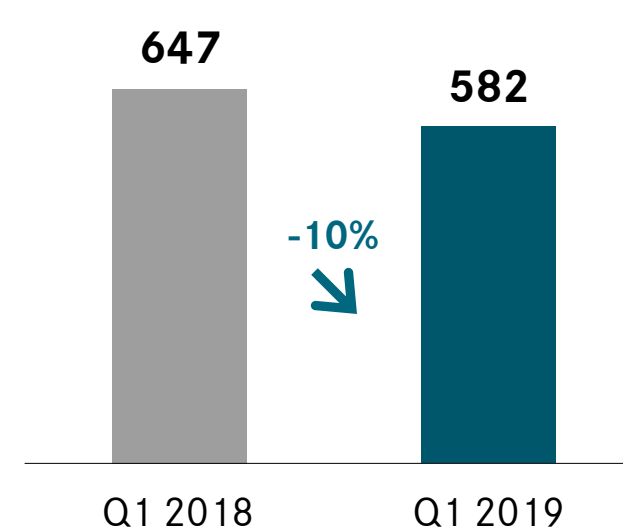
## Revenue

in billions of euros



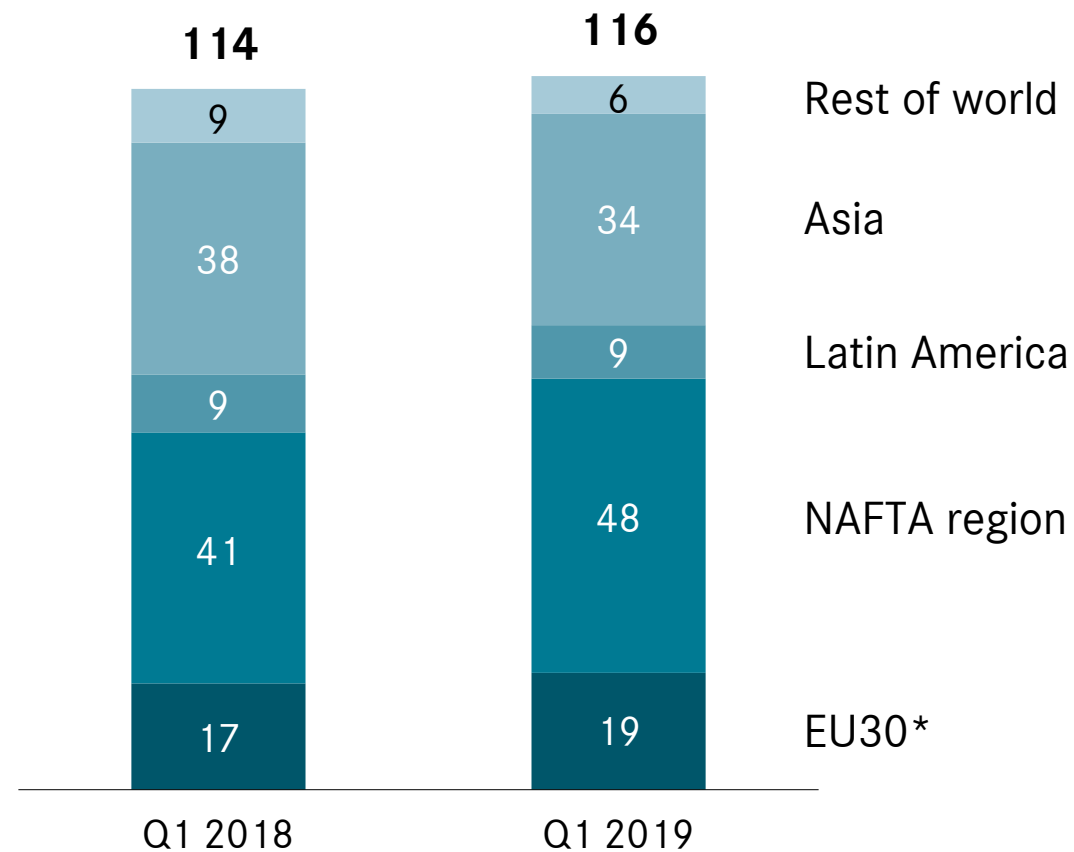
## EBIT

in millions of euros



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

in thousands of units

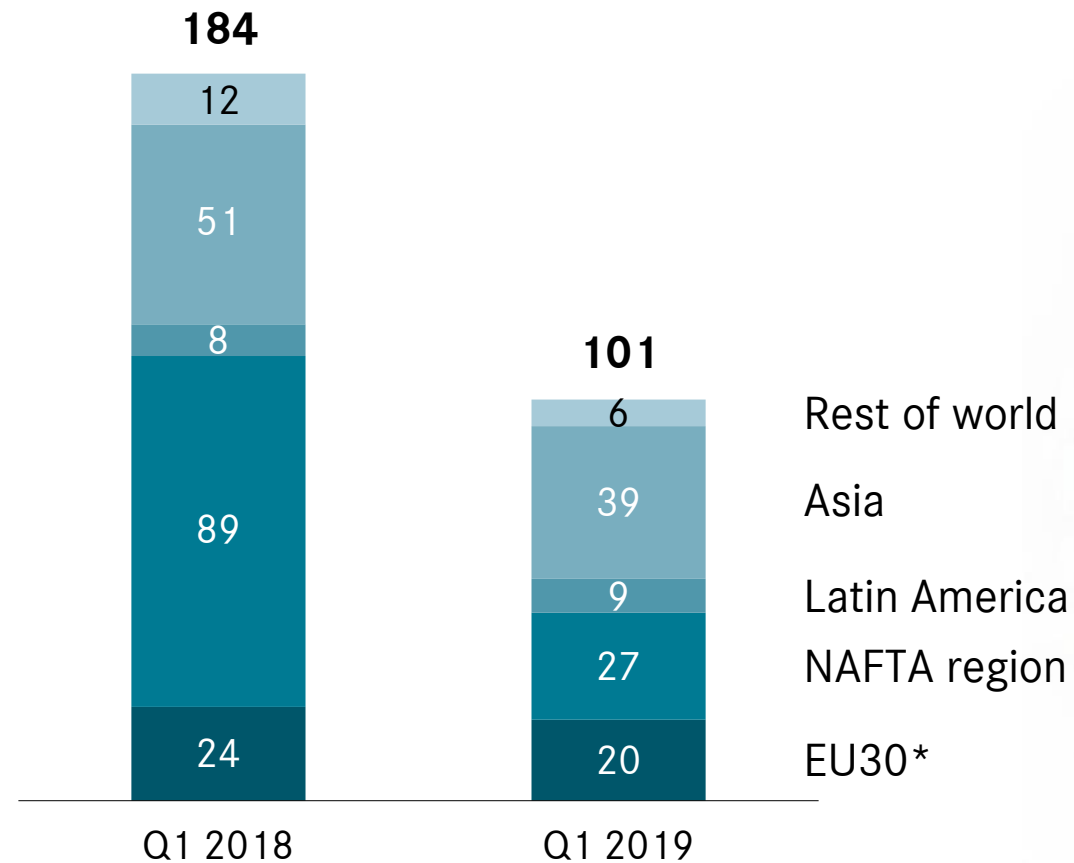


\* European Union, Switzerland and Norway



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

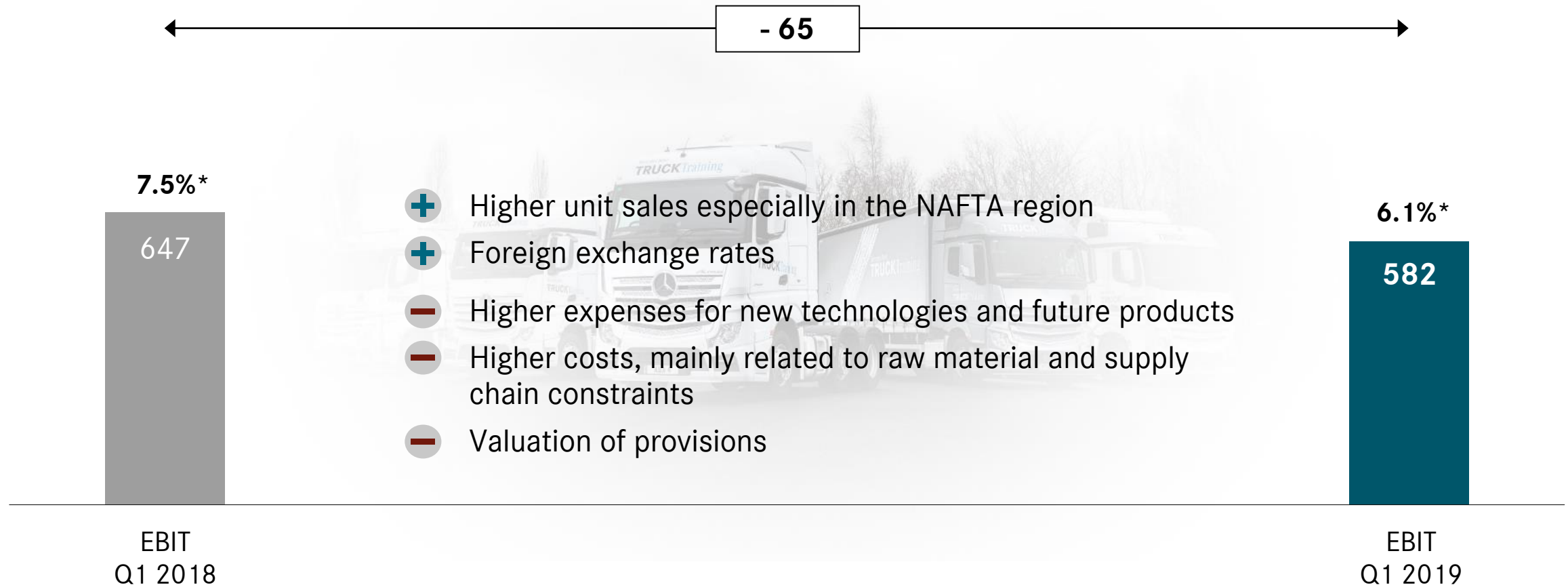
in thousands of units



\* European Union, Switzerland and Norway

# Daimler Trucks: EBIT

in millions of euros



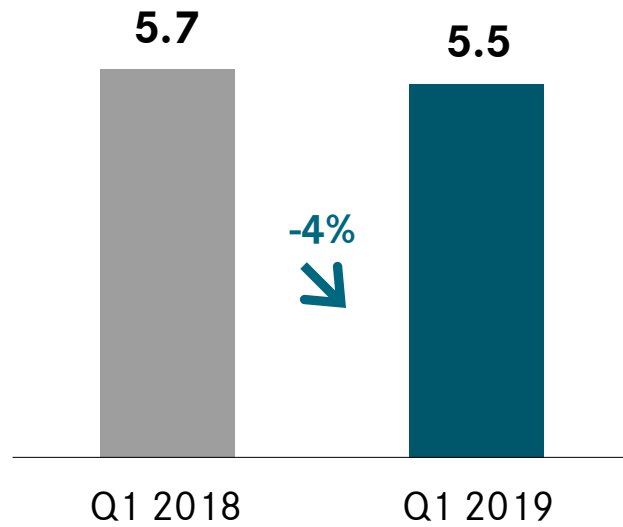
\* Return on sales



# Daimler Buses

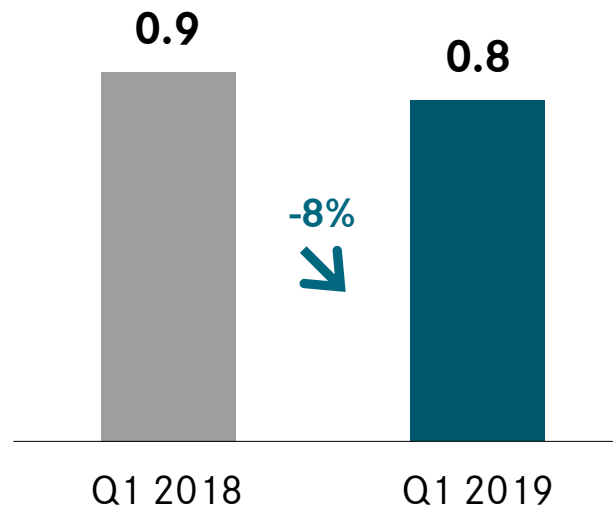
## Unit sales

in thousands of units



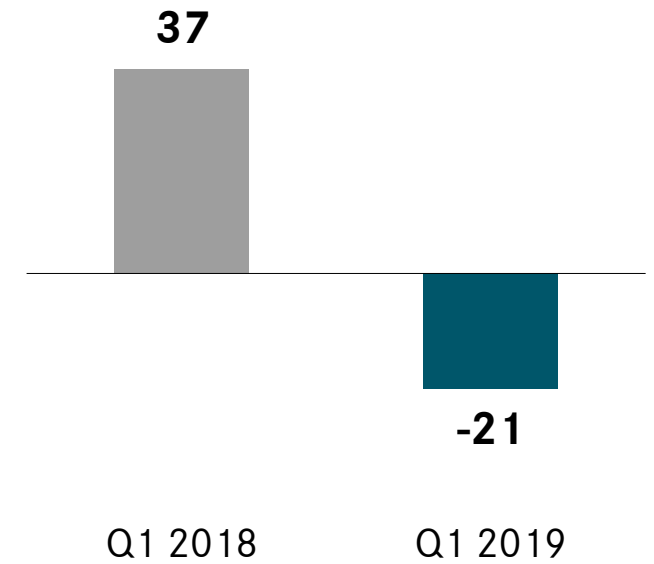
## Revenue

in billions of euros



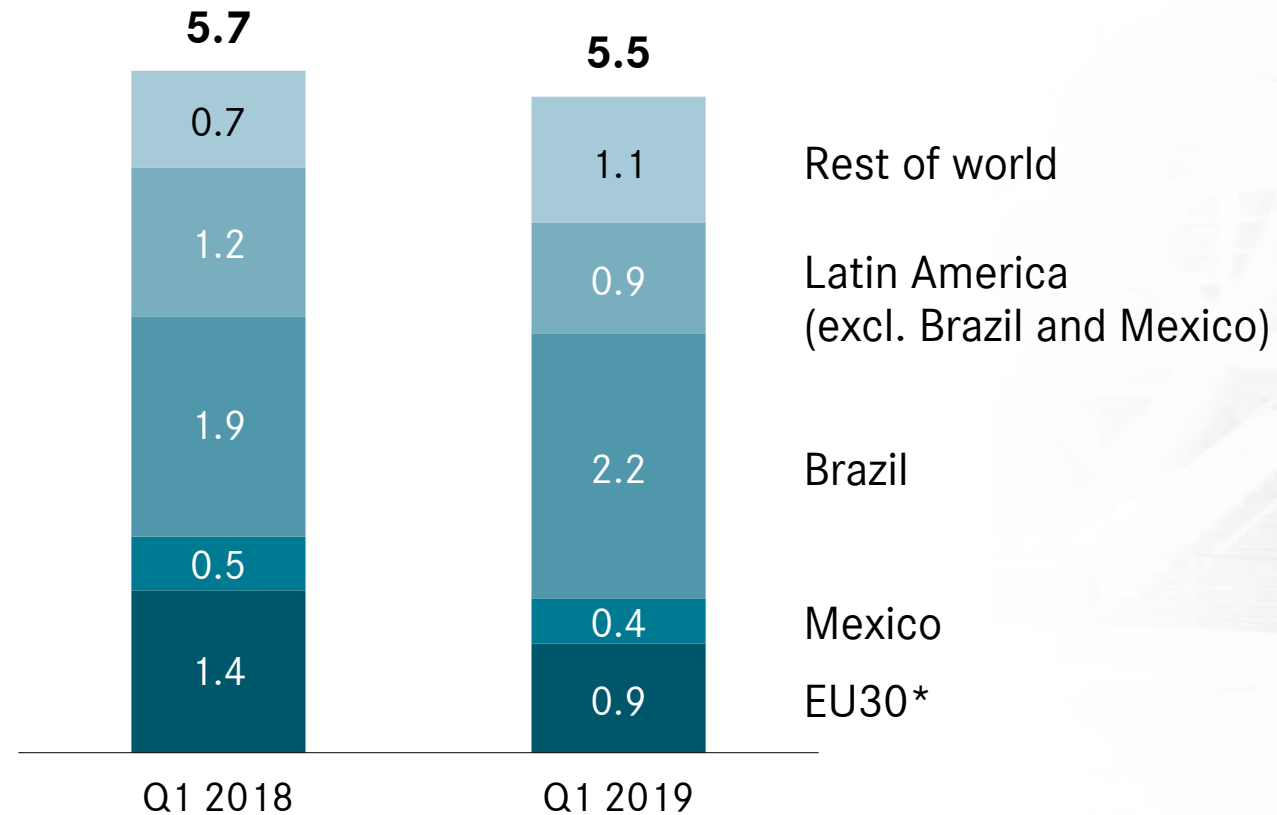
## EBIT

in millions of euros



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

in thousands of units

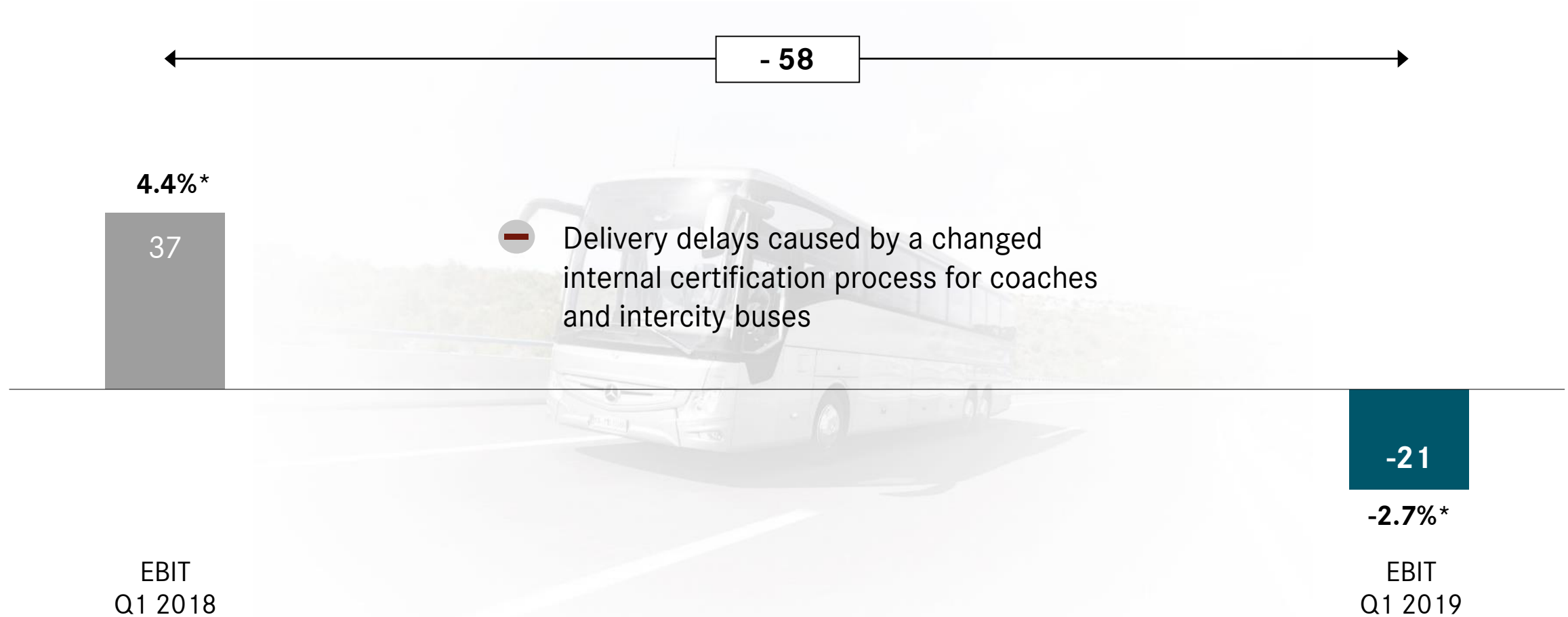


\* European Union, Switzerland and Norway



# Daimler Buses: EBIT

in millions of euros

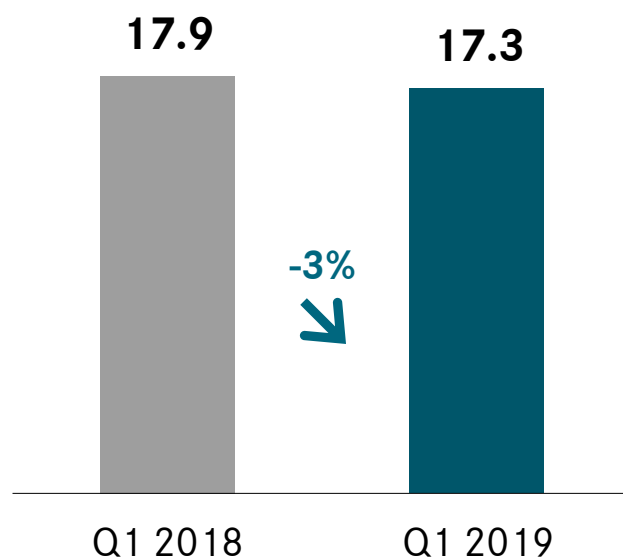


\* Return on sales

# Daimler Financial Services

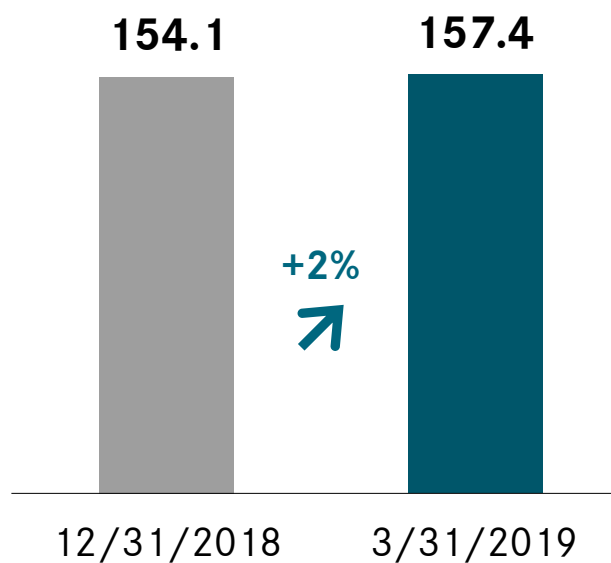
## New business

in billions of euros



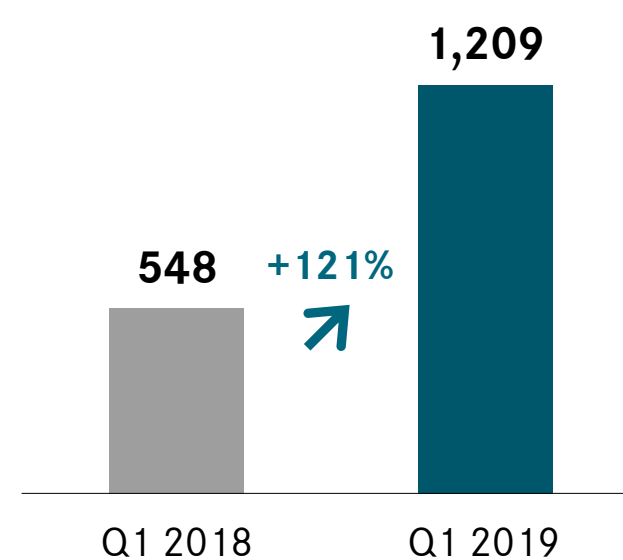
## Contract volume

in billions of euros



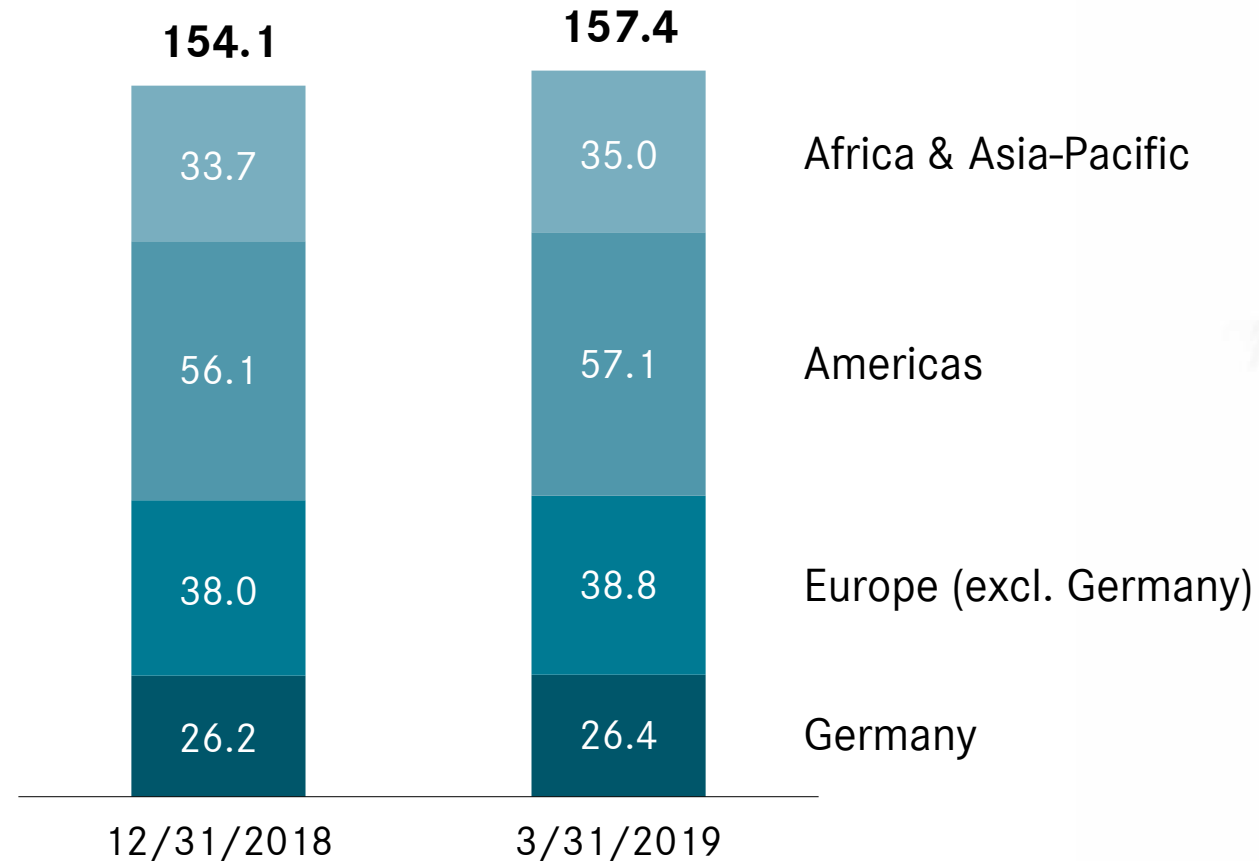
## EBIT

in millions of euros



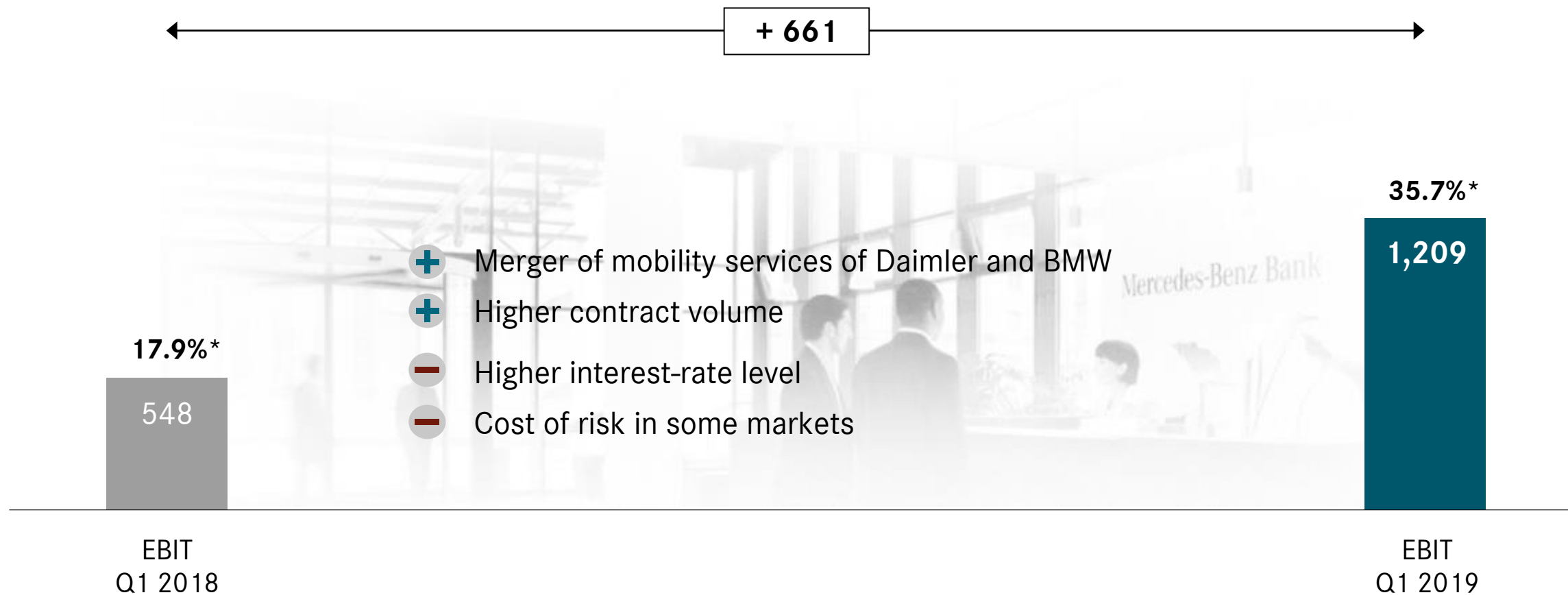
# Daimler Financial Services: slight increase in contract volume

in billions of euros



# Daimler Financial Services: EBIT

in millions of euros



\* Return on equity

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# Assumptions for automotive markets in 2019

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

\* including light-duty trucks

Assumptions for automotive markets communicated at Q1 2019 disclosure.

# 2019 sales outlook



Mercedes-Benz Cars

## **Slightly higher unit sales**

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



Daimler Trucks

## **Slightly higher unit sales**

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



Mercedes-Benz Vans

## **Slightly higher unit sales**

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



Daimler Buses

## **Significantly higher unit sales**

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

# 2019 outlook for Group EBIT and divisional RoS/RoE

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## DAIMLER

**We expect Group EBIT for FY 2019 to be significantly below prior year level.**

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Mercedes-Benz Cars

Return on sales in the range of 3 to 5%

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Daimler Trucks

Return on sales in the range of 7 to 9%

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Mercedes-Benz Vans

Return on sales in the range of -15 to -17%

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Daimler Buses

Return on sales in the range of 5 to 7%

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Daimler Financial Services

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

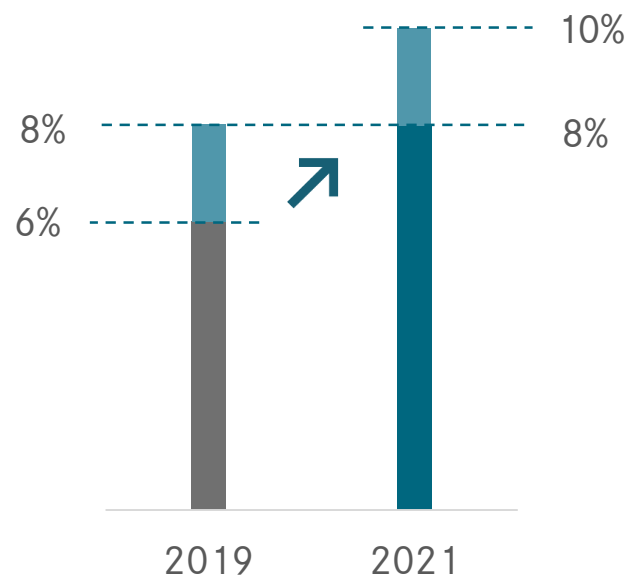
\* Including significant one-time valuation and earnings effects from the combination of the mobility services business with BMW Group.

# Improving future profits to invest in future technologies and sustainably achieve our target margins

## Sustainable return to target RoS range



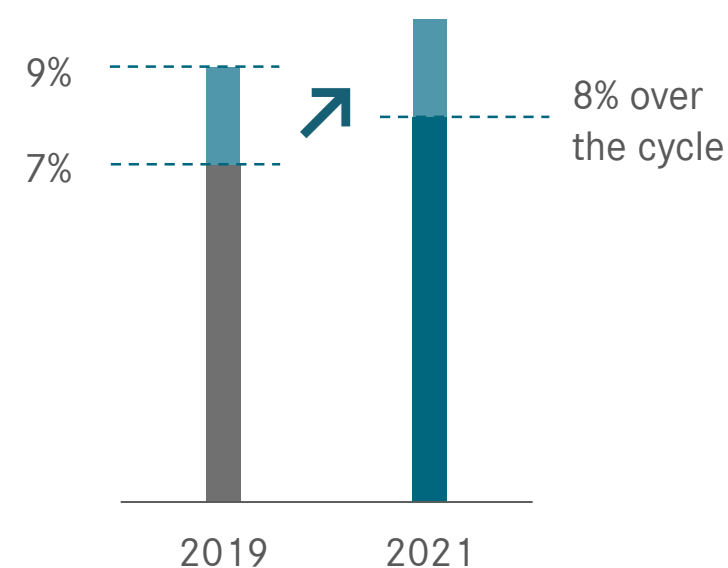
Mercedes-Benz  
Cars & Vans



## Sustainable achievement of target RoS level and exploitation of additional potential



Daimler  
Trucks & Buses



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# Daimler has set the course for a successful future

**Profitable CORE business**



**Strategic CASE business**



**CUSTOMER**



**COMPANY structure**





**CULTURE change**



# A sustainable business strategy: A M B I T I O N 2 0 3 9

**We aim to have a carbon-neutral new passenger car fleet in 20 years.**



2030 2039  
a transformation within less than 3 product cycles

**We want to offer our customers a carbon-neutral driving experience.**



2030 2039  
50% xEV (BEV & Plug-in) carbon-neutral new car fleet

**We strive for carbon-neutral production.**



2022 2039  
carbon-neutral car production in Europe other plants to follow

**We will drive our supply chain to follow our ambition.**




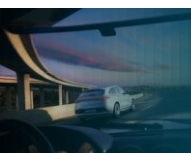
2022 2039  
transparency on CO<sub>2</sub> footprint CO<sub>2</sub> as an award criteria

**We inspire our customers for carbon-neutral mobility.**



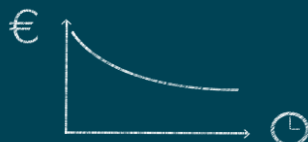
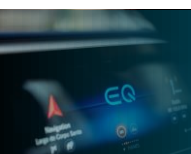
52%  
half of the carbon footprint of an EQ arises in the use phase\*

**We call for a joint effort with policy makers and energy suppliers.**



building up a comprehensive infrastructure

**We drive innovation to bring EV performance up and costs down.**

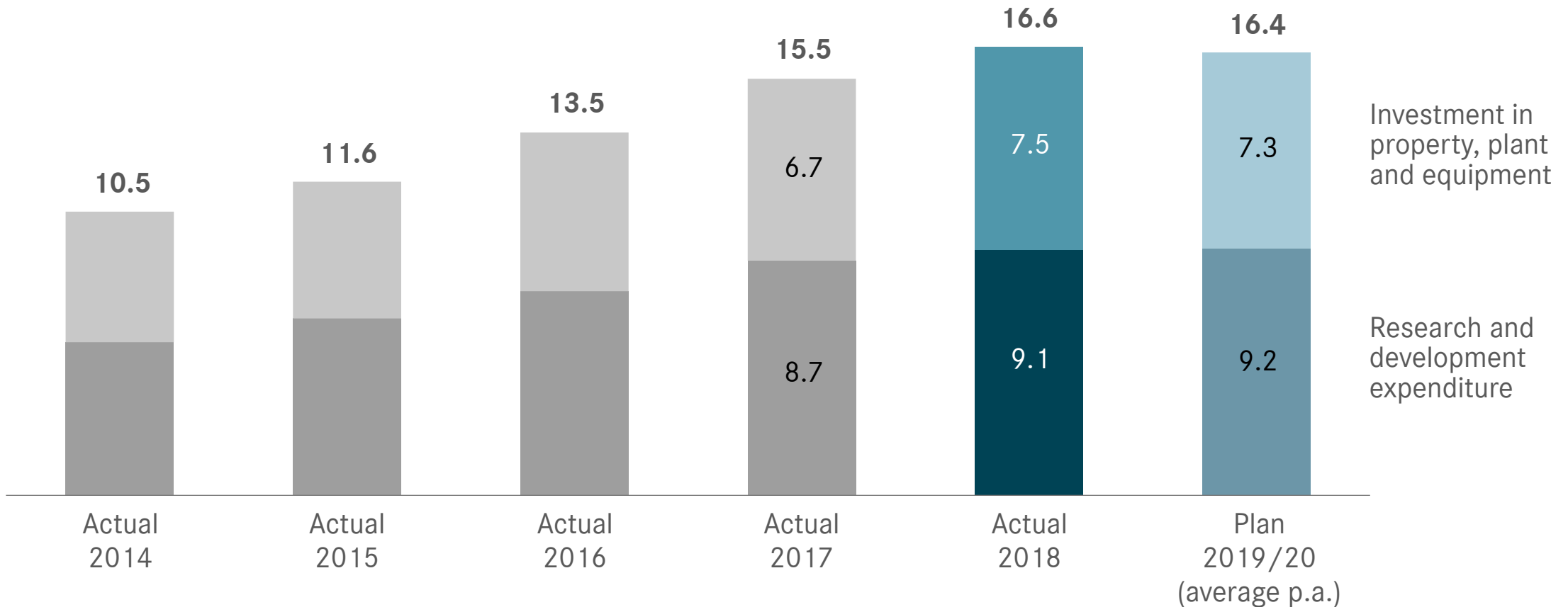


€



# Investment to remain at a high level as a basis for profitable growth and development of future mobility

in billion euros



# Mercedes-Benz Cars & Vans



# Exciting and promising future ahead of us

The image is a composite graphic illustrating Mercedes-Benz's strategic pillars. It features a central circular logo with the Mercedes-Benz emblem and the text "Mercedes-Benz" and "Cars & Vans". Surrounding this central logo are four quadrants, each representing a strategic pillar: "CORE" (top-left), "Electric" (top-right), "Autonomous" (bottom-right), and "Connected" (bottom-left). Each quadrant is accompanied by a representative image and a small icon. The "CORE" quadrant shows a silver SUV on a road with the text "CORE" and icons of a car and a van. The "Electric" quadrant shows a futuristic blue car at night with the text "Electric" and a plug icon. The "Autonomous" quadrant shows a car on a road with sensor waves and the text "Autonomous" and a radar icon. The "Connected" quadrant shows a car's interior with a digital display and the text "Connected" and a cloud icon.

**CORE**  

**Electric** 

**Autonomous** 

**Connected** 

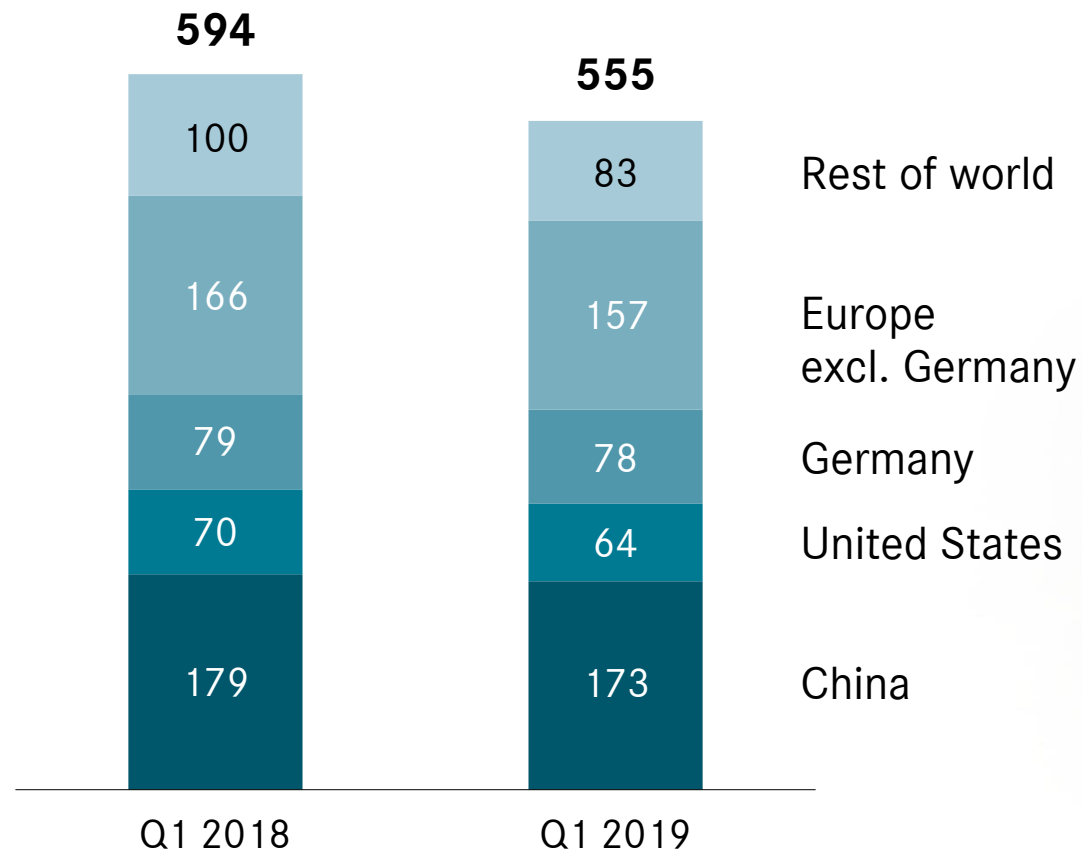
**CORE** Mercedes-Benz **Electric**

**Connected** Mercedes-Benz **Autonomous**

Cars & Vans

# Mercedes-Benz Cars: globally balanced sales structure

in thousands of units

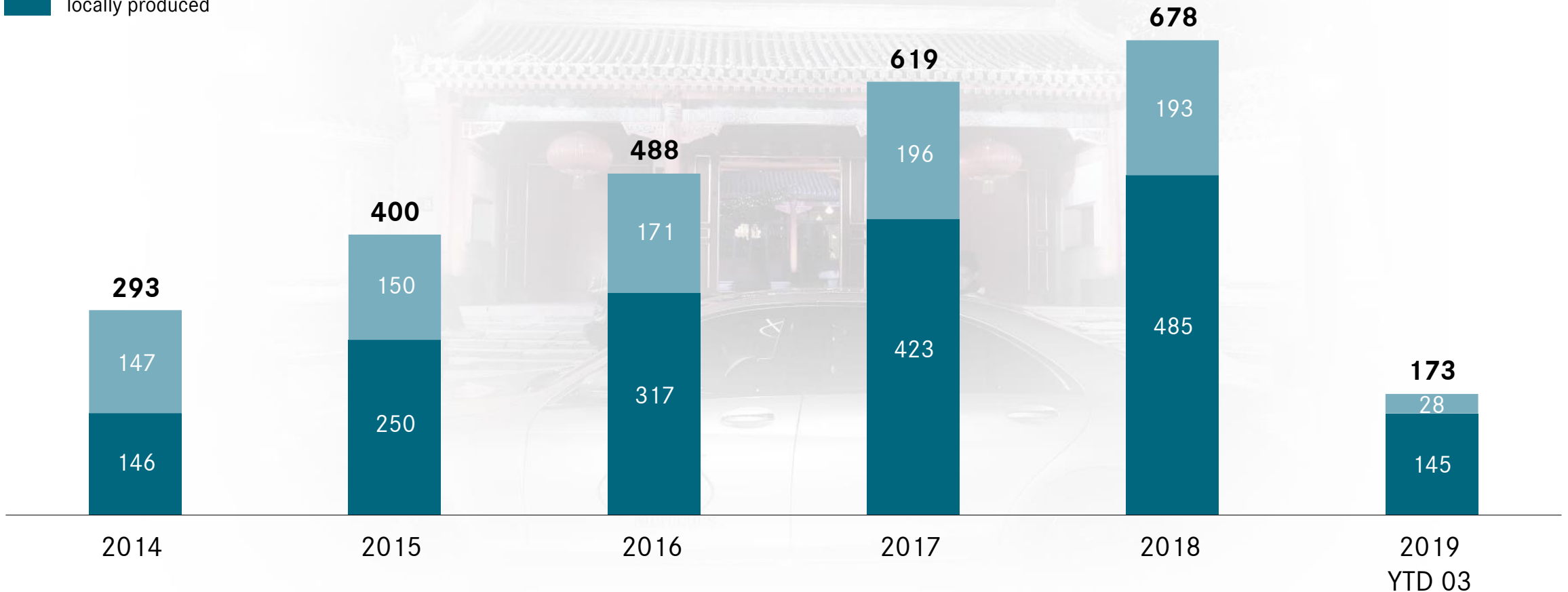




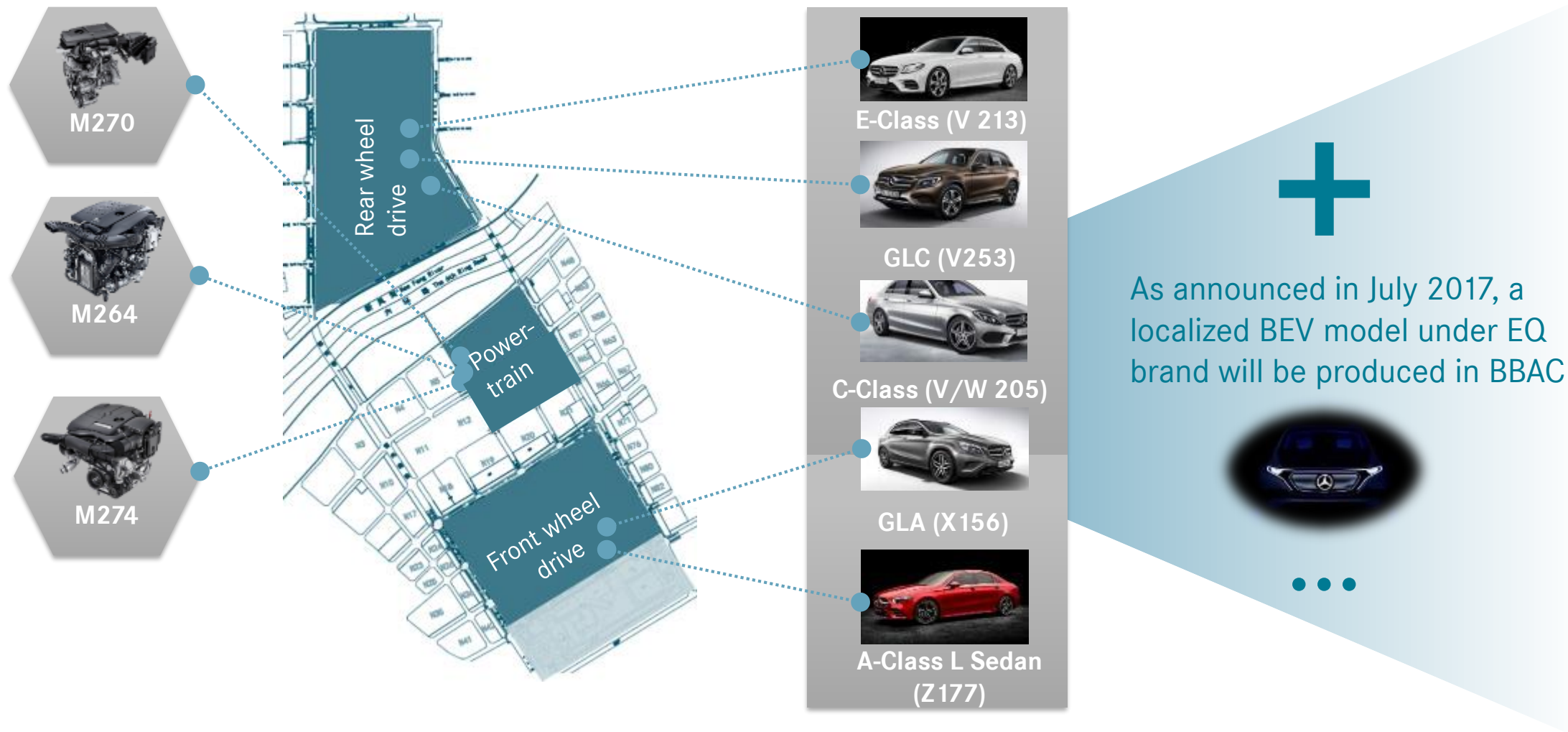
# Mercedes-Benz Cars in China: continued strong sales growth with higher share of locally produced vehicles

in thousands of units

■ imported  
■ locally produced



# Made in China for China: we are producing five car models and three engine models at BBAC



# Daimler and Geely Holding form global joint venture to develop smart

50:50 joint venture between Daimler and Geely based in China to develop and operate smart brand globally as all electric carmaker

smart joint venture to gain shared expertise in manufacturing, engineering and design from both groups

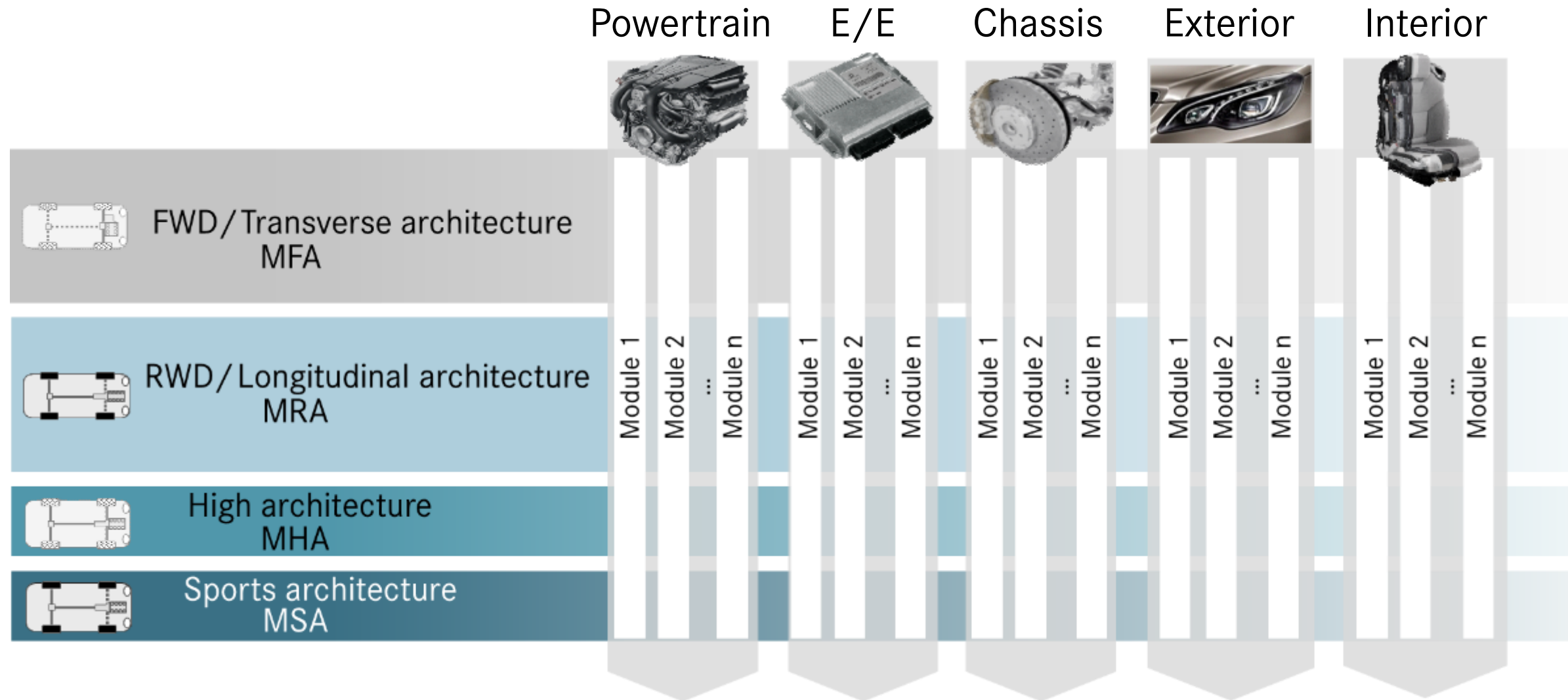
New smart models planned from 2022 in all-electric product renewal

smart joint venture to meet demand for electrification with production based in China





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

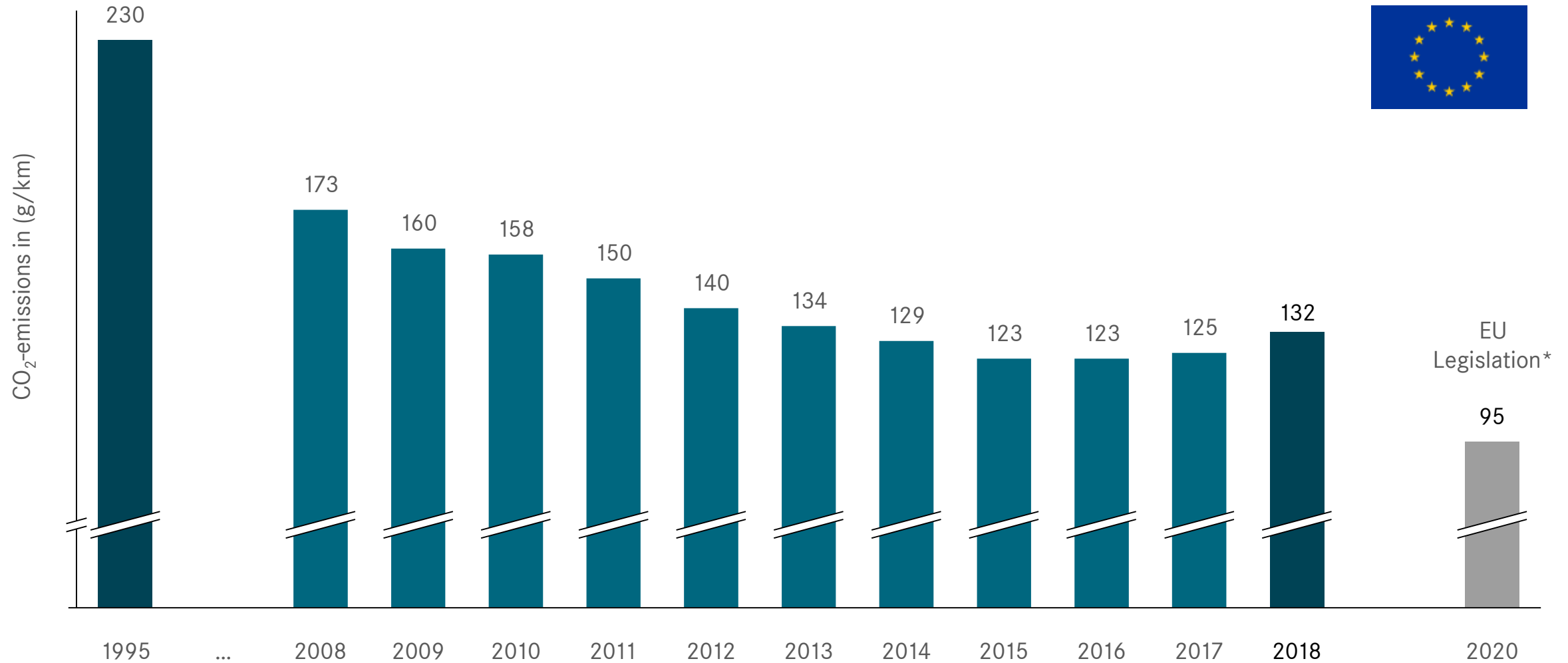


# High degree of modularity of the entire drive train



# 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

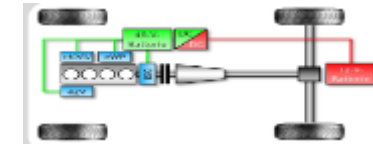


Efficient transmissions



Efficient ancillary units

## Electrification of powertrain



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



PHEV



BEV



FCEV

0%

Degree of electrification

100%

# Mercedes-Benz Cars and Vans: continued product offensive

2019



**B-Class**



**CLA 4-door Coupe**



**CLA Shooting Brake**



**smart  
(upgraded)**



**GLE**



**GLC & GLC Coupe  
(upgraded)**



**EQC**



**GLS**



**GLB**



**eVito**



**V-Class  
(upgraded)**

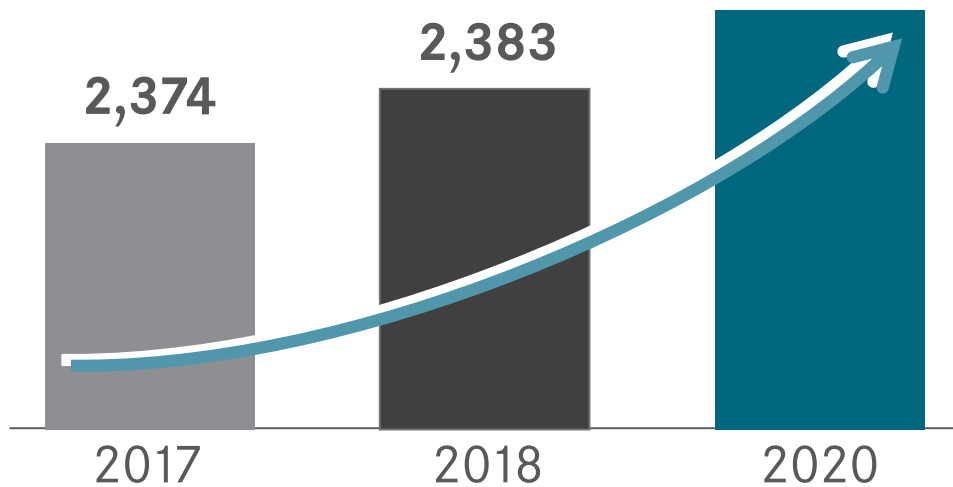


**eSprinter**



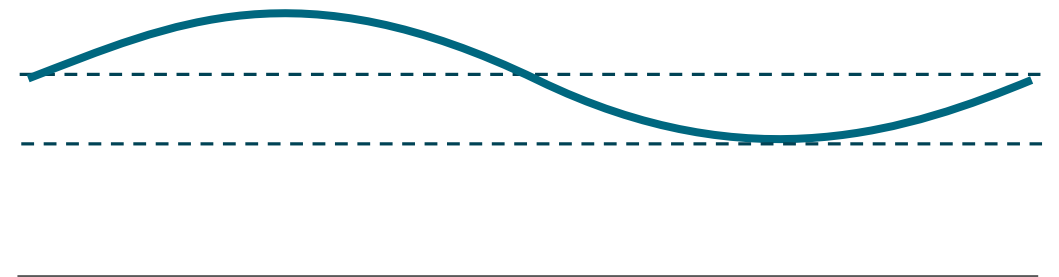
# Mercedes-Benz Cars' target: remain No.1 premium car brand

**Sales target**  
In thousand units



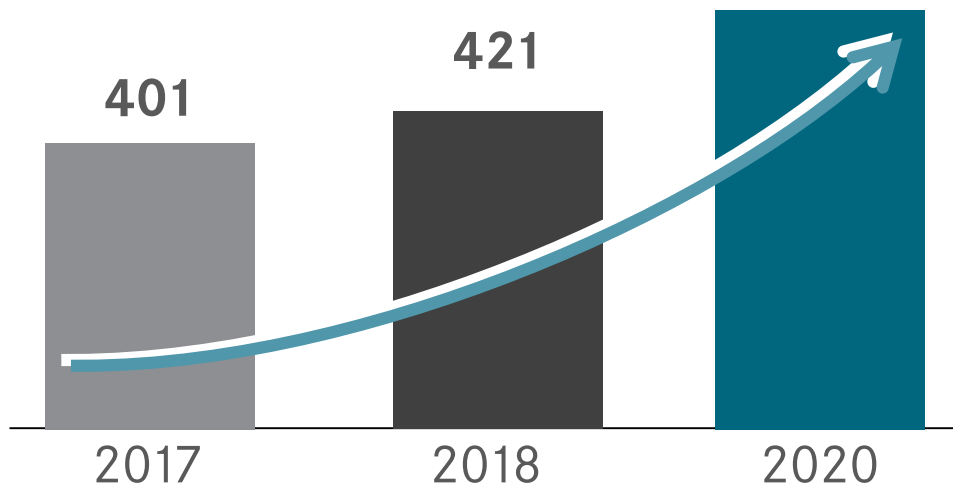
**Strategic target**  
Return on Sales in %

**8-10%**

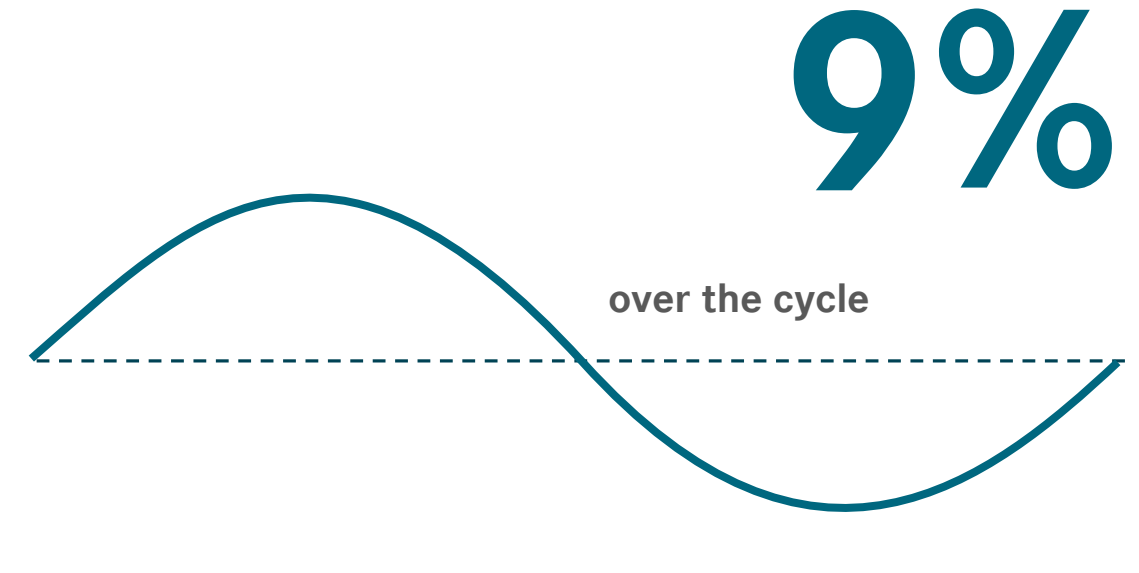


# Mercedes-Benz Vans' target: No. 1 provider of holistic transport and mobility solutions

**Sales target**  
In thousand units



**Strategic target**  
Return on Sales in %





# CASE trends leading to fundamental changes in the automotive industry



# Successful launch of MBUX in Compact Cars



Touch Controls



Touchscreen




Speech Control



# 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



# In the future - driver controlled and system controlled

## Driver controlled



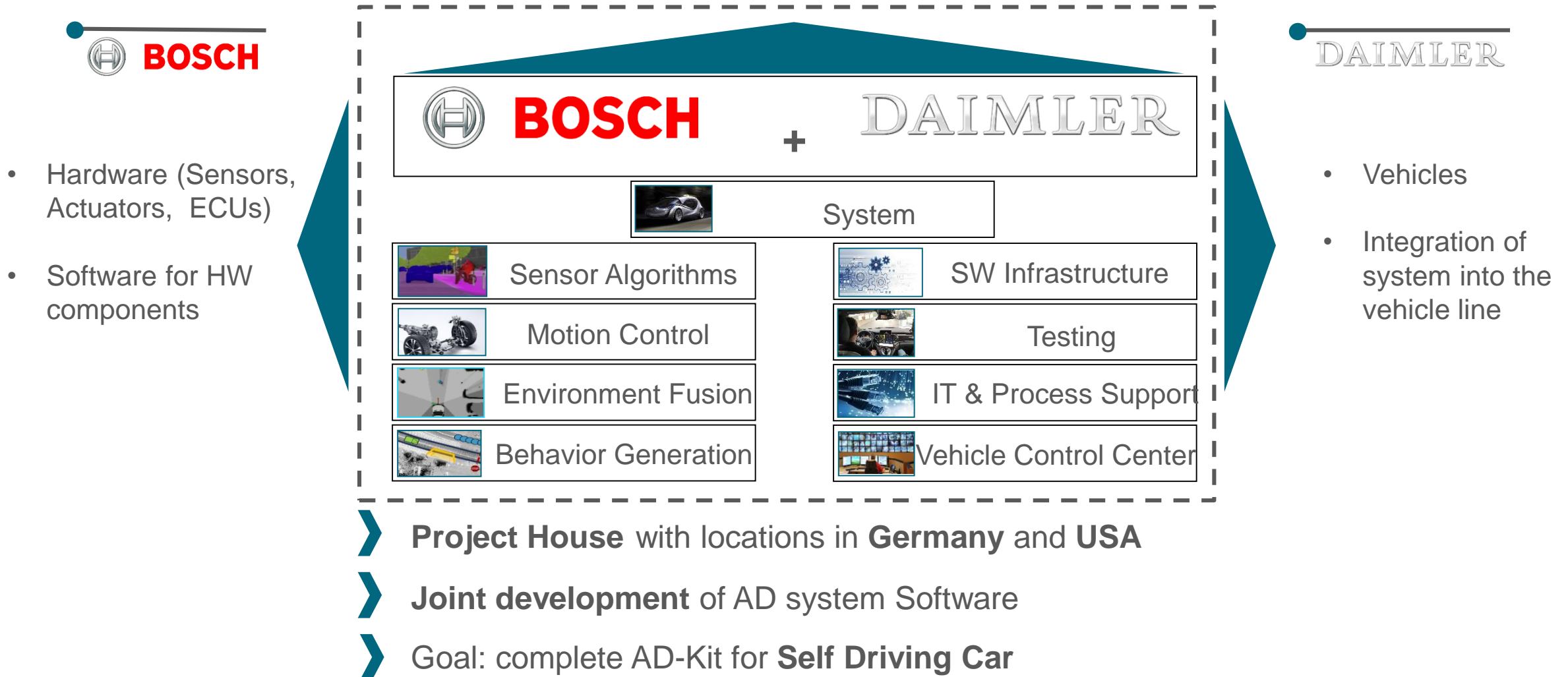
Safety technologies and automated systems, which are situational activated by the driver

## System controlled



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

# To stay ahead of competition, Daimler joined forces with Bosch



# San José will become first pilot testing city for automated driving in 2019



## Start in H2 of 2019

with demonstration of autonomous service



## Automated MB S-Class vehicles

mounted with latest AD Systems



## On-demand ride-hailing service

to simulate a real-life operating scenario



## Day time operations

from dawn to dusk



## Joint pilot of Daimler & Bosch





# Daimler AG and BMW Group to jointly develop next-generation technologies for automated driving



## Scope of cooperation

Next generation of technologies for driver assistance systems and highly automated driving:

- **Driving Functions** (NCAP, SAE Level 1 - Level 4 Highway).
- **Parking Functions** (up to SAE Level 4).



## Goal of cooperation

- The **joint development** of a **scalable system with series maturity** which may be used equally by both partners.
- **Joint procurement** for certain components within the system.



## Framework for cooperation → joint operation

- **Time:** planned start of collaboration **mid 2019** and duration until **product launch before 2025** including subsequent series support
- **Place:** common working spaces in **Stuttgart** and **Munich**

# Vision URBANETIC - Mobility concept for needs-based, efficient and sustainable mobility





EQ - intelligent electromobility. The new product and technology brand represents "emotion and intelligence".



AMG



PERFORMANCE LUXURY



MAYBACH



ULTIMATE LUXURY



Mercedes-Benz



MODERN LUXURY



EQ



PROGRESSIVE LUXURY

HOT

COOL

# Pushing ahead with our electric vehicle offensive

- **New brand EQ** for electric mobility
- **€20 billion** supplier contracts to ensure battery cell supply
- **€10 billion** invest into e-mobility fleet
- **> €1 billion** invest in a global battery production network
- Above **130** electrified alternatives envisaged to be realized **by 2022**: In each series of Mercedes-Benz at least one electrified version (either 48V, PIH and/or BEV)
- Estimated BEV volume share between **15% and 25%** until 2025
- A total of more than **10 BEV** vehicle types planned
- smart envisaged to become the world's first automotive brand to switch fully to **electric drive systems** by 2020
- Implementation of **charging infrastructure** in Europe via joint venture “IONITY”





# On the road to emission free mobility – Electrification of powertrain portfolio



**EQ BOOST**

Highly efficient 48 V  
Technology



**EQ POWER**

Plug-In Hybrids

**EQ POWER+**

Performance-Hybrids



**EQ**

Battery Electric Vehicles &  
Fuel Cell Electric Vehicles

# EQC\* - the first Mercedes of the product- and technology brand EQ

20.8 – 19.7 kWh/100km  
combined electric  
energy consumption

0 g/km  
combined  
CO<sub>2</sub> emissions

80 kWh  
battery capacity  
(NEDC)

approx. 40 min. charging  
time for DC charging of  
110 kW (80% SOC)

445 – 471 km  
range (NEDC)



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

Electricity consumption and range were determined on the basis of Regulation 692/2008/EC. Power consumption and range



# GLC F-CELL\* - worldwide first fuel cell vehicle with plug-in-hybrid-technology

approx. 0.34kg/100 km  
combined hydrogen  
consumption

0 g CO<sub>2</sub>/100 km  
combined CO<sub>2</sub>-emissions

13.7 kWh/100km  
combined electric  
energy consumption

13.5/9.3 kWh  
battery capacity

approx. 3 min.  
fueling time

approx. 430/480 km  
electric range F-CELL/  
hybrid mode



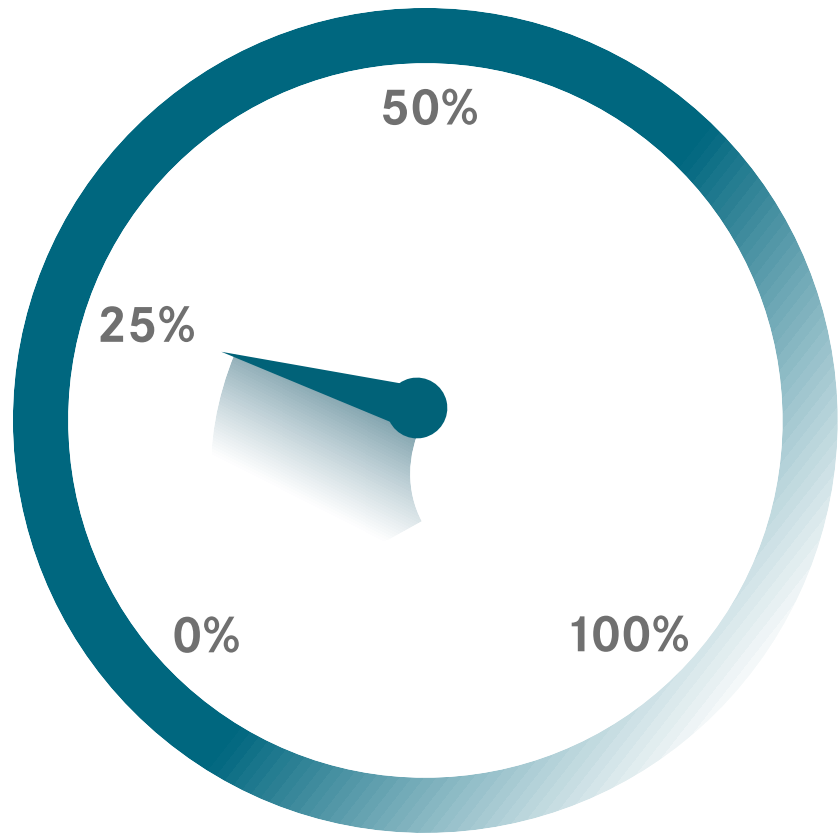
\*Figures for fuel consumption, electrical consumption and CO<sub>2</sub> emissions are provisional and were determined by the technical service for the certification process in accordance with the WLTP test method, and correlated into NEDC figures. The EC type approval and a certificate of conformity with official figures are not yet available. Differences between the stated figures and the official figures are possible

# With eDrive@VANs MB Vans provides holistic solutions for the electric future of the van business

- **eVito** successfully introduced into the market
- The **eSprinter** will follow in the second half of 2019
- The **ecosystem of apps and services** sets the focus beyond the car and offers solutions from charging to fleet management

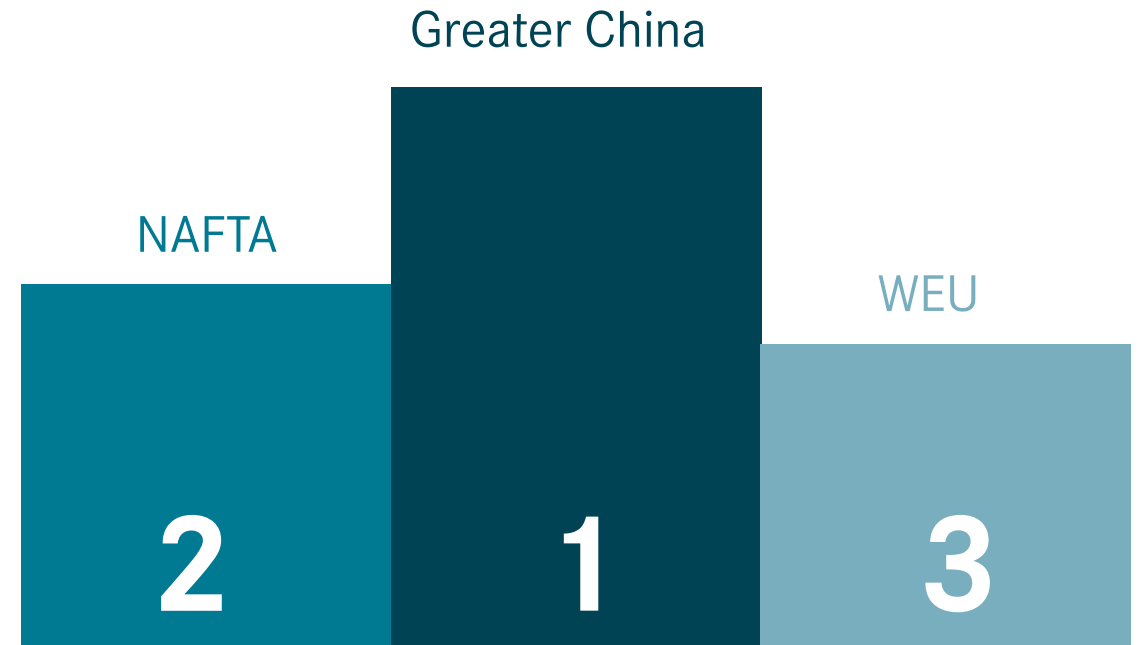


# Ambitious definition of our EV market targets



EV share Mercedes-Benz Cars sales 2025

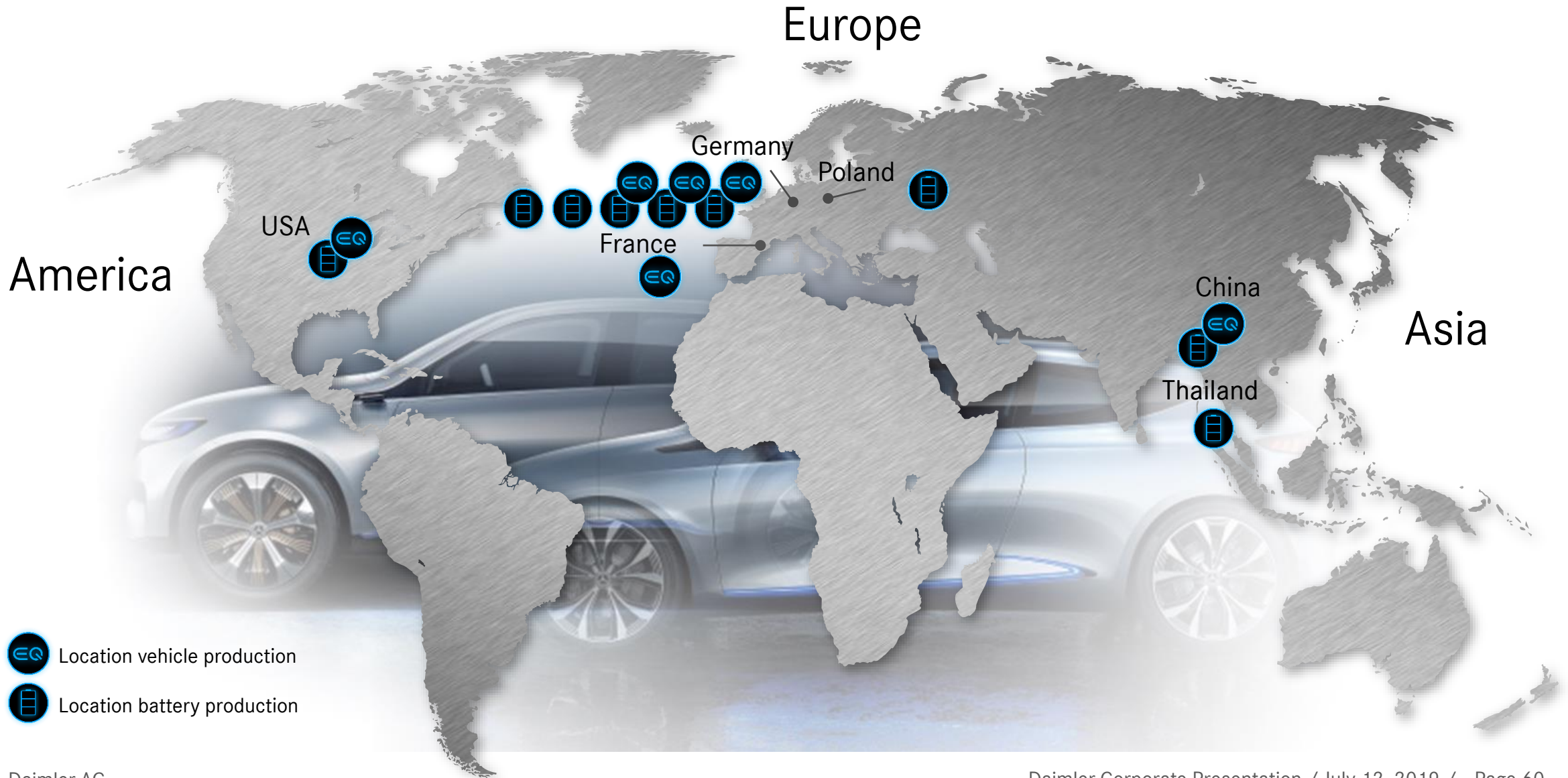
- illustrative -



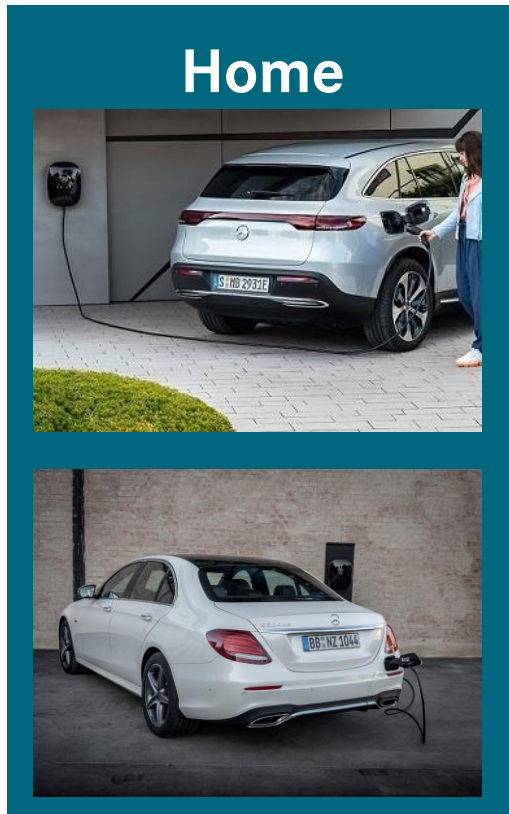
Highest potential EV share Mercedes-Benz Cars 2025



# Highly flexible production for electric vehicles and batteries



# Charging network together with partners improve customer experience



Mercedes-Benz EQC: Combined electricity consumption: 20.8 to 19.7 kWh/100 km; combined CO2 emissions: 0 g/km. Electricity consumption and range were determined on the basis of Regulation 692/2008/EC. Power consumption and range are dependent on the vehicle configuration (in particular on the selection of the maximum speed limit).<sup>1)</sup>

Mercedes-Benz GLC F-CELL: Combined hydrogen consumption: 0.34 kg/100 km, combined CO2 emissions: 0 g/km, combined electric energy consumption: 13.7 kWh/100 km; Figures for fuel consumption, electric energy consumption and CO2 emissions are provisional and were determined by the technical service for the certification process in accordance with the WLTP test method and correlated into NEDC figures. The EC type approval and a certificate of conformity with official figures are not yet available. Differences between the stated figures and the official figures are possible.

Mercedes-Benz C 300 de: Combined fuel consumption 1.6 l/100 km, combined CO2 emissions 42 g/km, combined electrical consumption 18.7 kWh/100 km. The stated figures were determined in accordance with the prescribed measuring method. These are the "NEDC CO2 figures" according to Art. 2 No. 1 Implementing Regulation (EU) 2017/1153. The fuel consumption figures were calculated based on these figures. Electrical consumption has been determined on the basis of Directive 692/2008/EC.<sup>1)</sup>

# Daimler Trucks & Buses





# Our answers to master future challenges

**CORE** 

**Electric** 

**Connected** 

**Automated** 

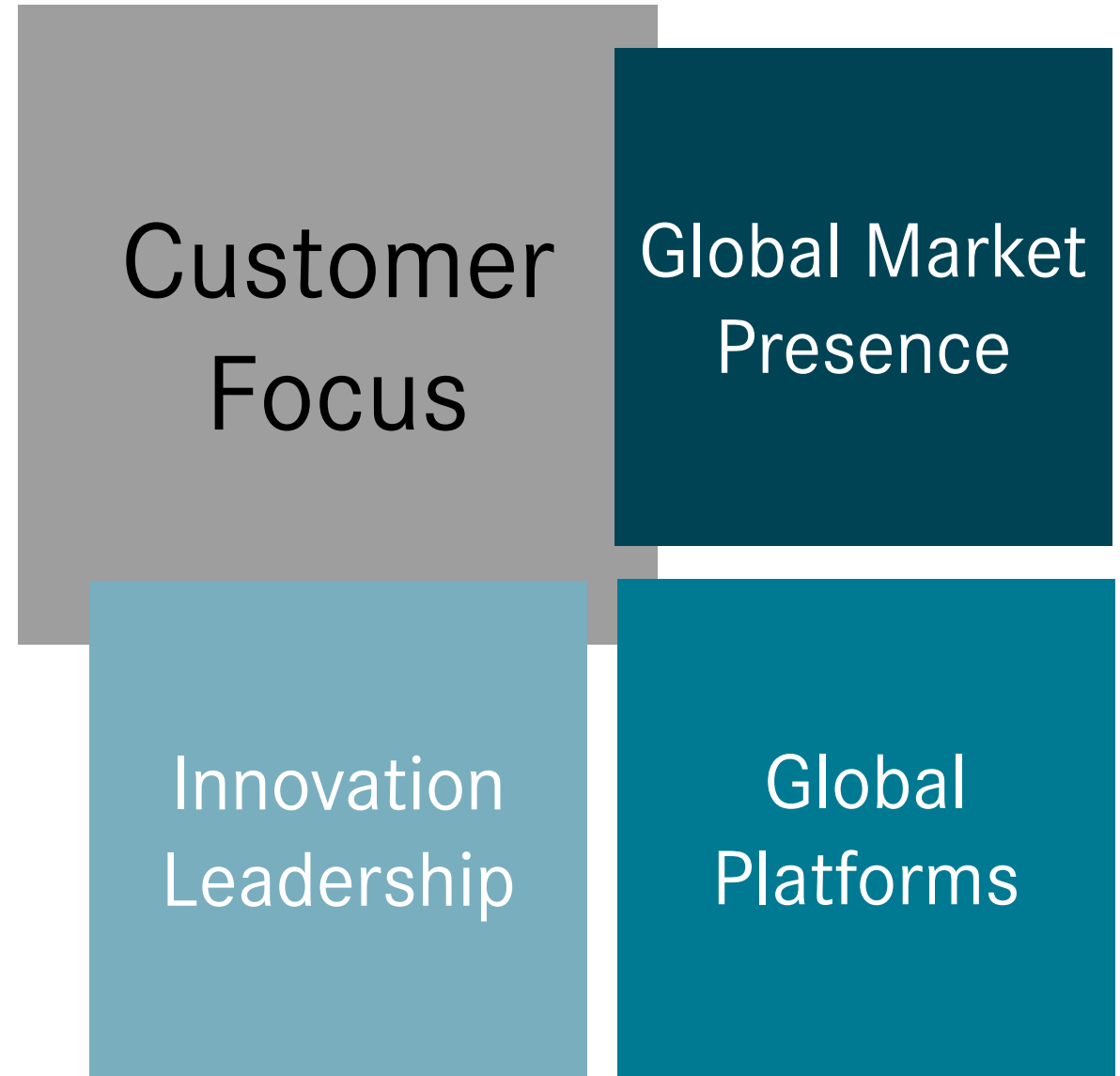
**CORE** **Electric** **Connected** **Automated**

**Daimler**

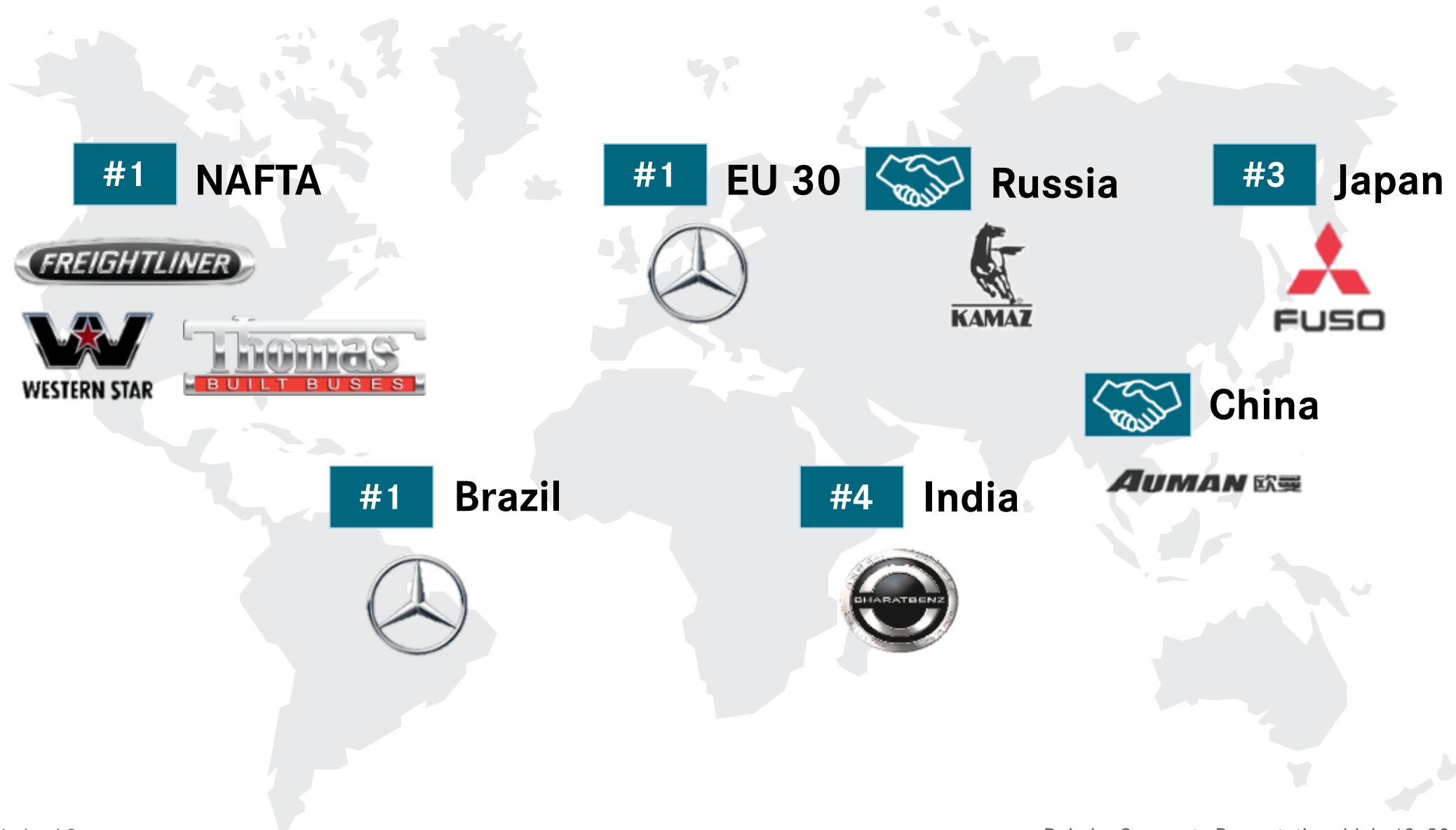
**FREIGHTLINER** **WESTERN STAR**

**Trucks & Buses**

# Daimler Trucks: our strategy



# 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.



Strengthen **our market position** by further enhancing our **product portfolio**.

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 2018.



# 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

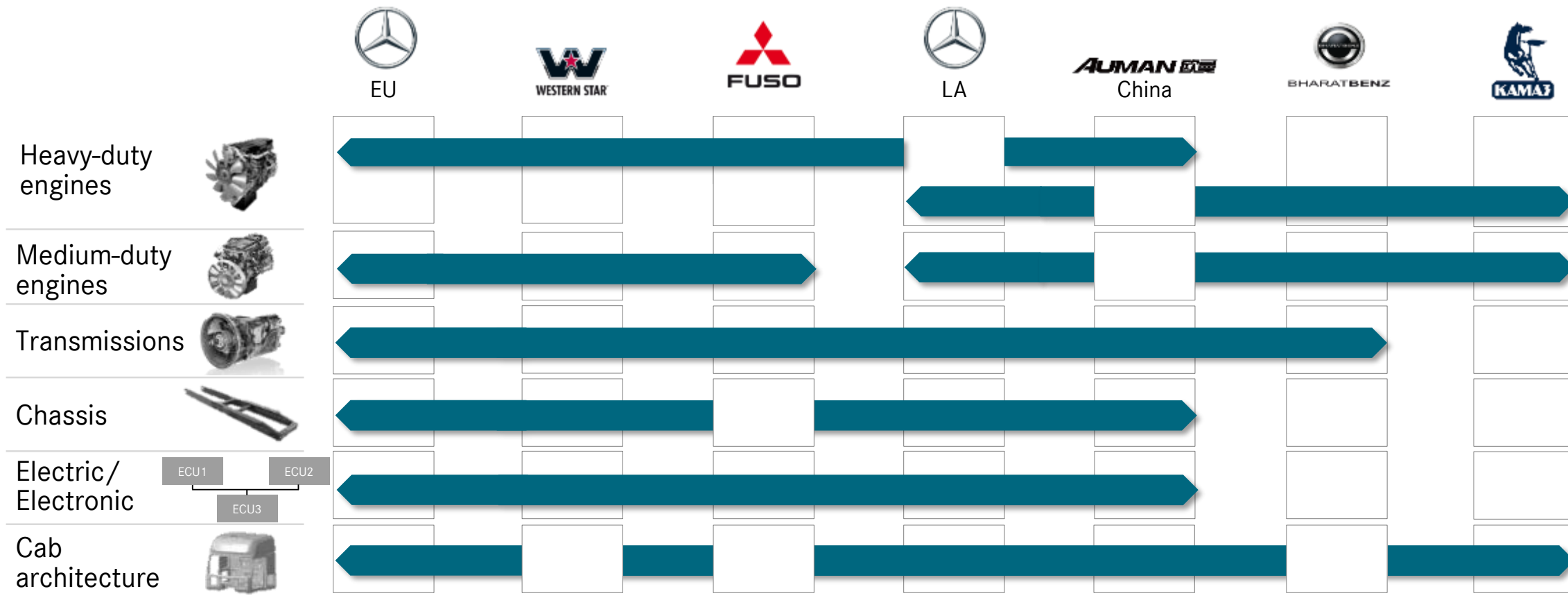


Fuel reduction **up to -15%\***  
Complete efficiency **makeover**



# Global Platforms:

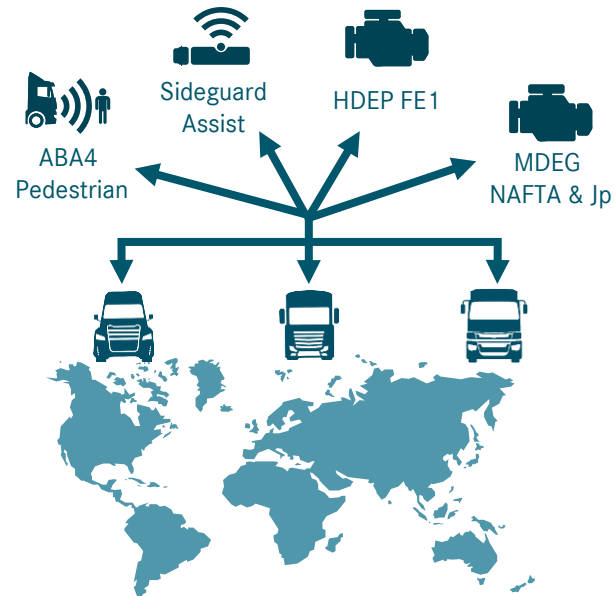
## leveraging our global scale in technology & cost



# 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.

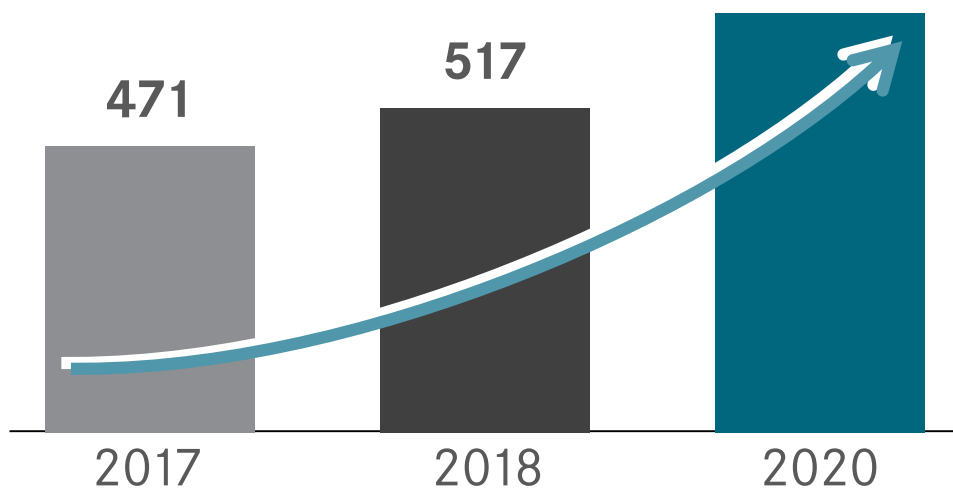
## R&D Efficiency



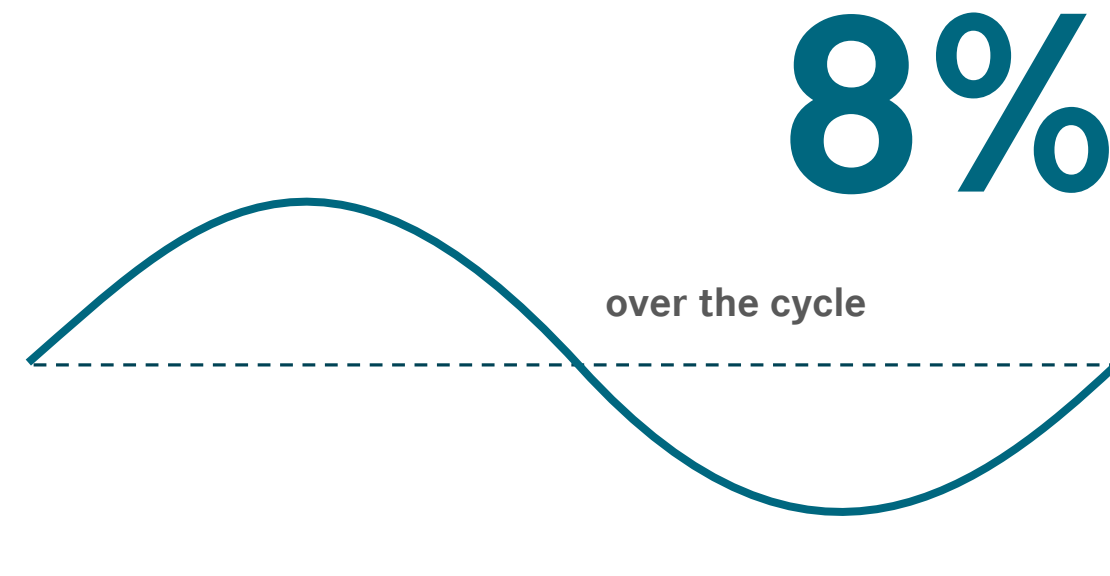
Common base development in an efficient R&D network.

# Daimler Trucks - sticking to our target: leader in the truck industry

**Sales target**  
In thousand units



**Strategic target**  
Return on Sales in %



# Target: leading in the bus industry

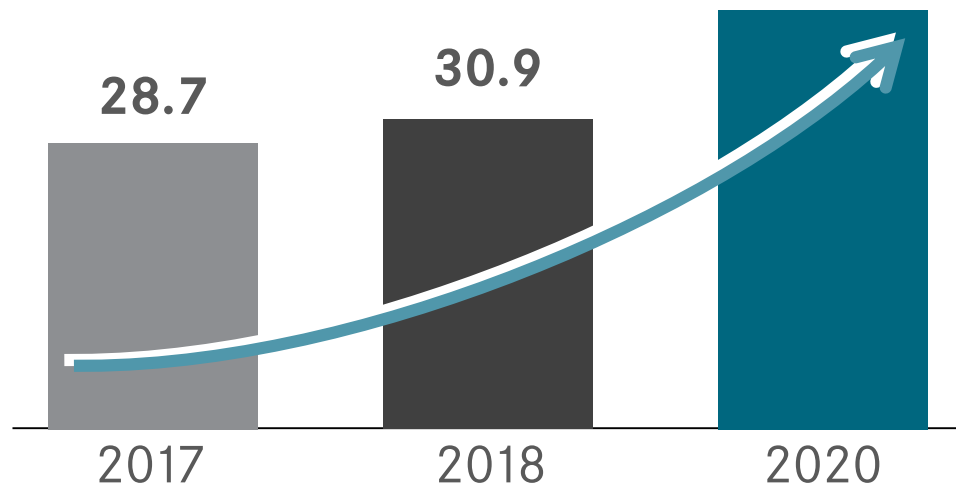




# Daimler Bus's target: No. 1 in the global bus business

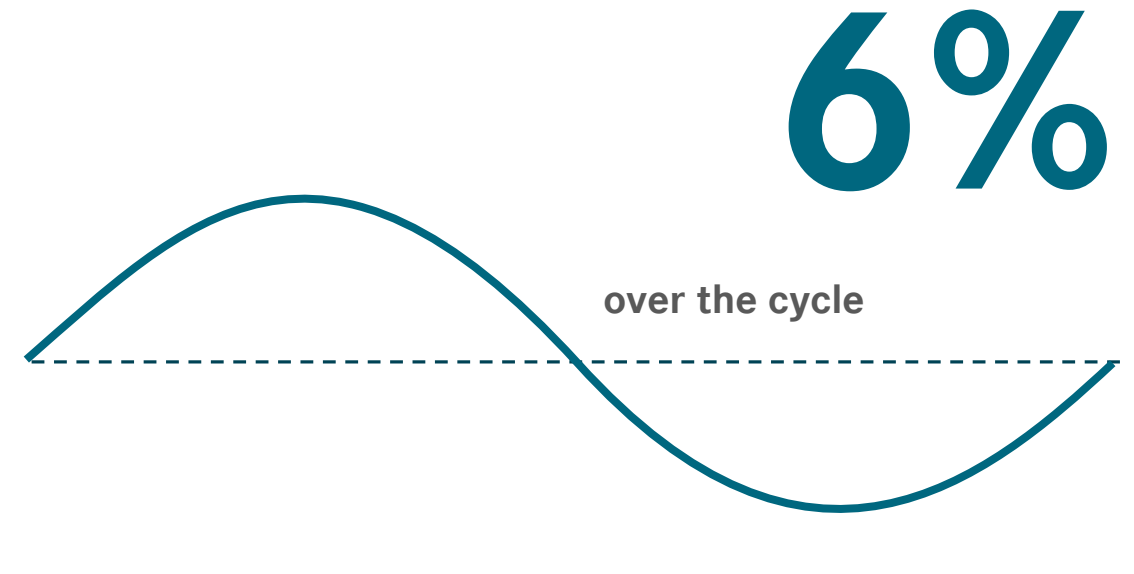
## Sales target

In thousand units



## Strategic target

Return on Sales in %



# Our invest in future technologies @ DT

**Avg. R&D investment**  
(2019 & 2020)



---

**~ 1.4 bn €**

**Investment in Automated Driving (Level 4)**



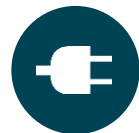
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**> 500 mn €**

# We make a lot of progress in future technologies



Connected



Electric



Automated



Gain Headline



Gain Knowledge



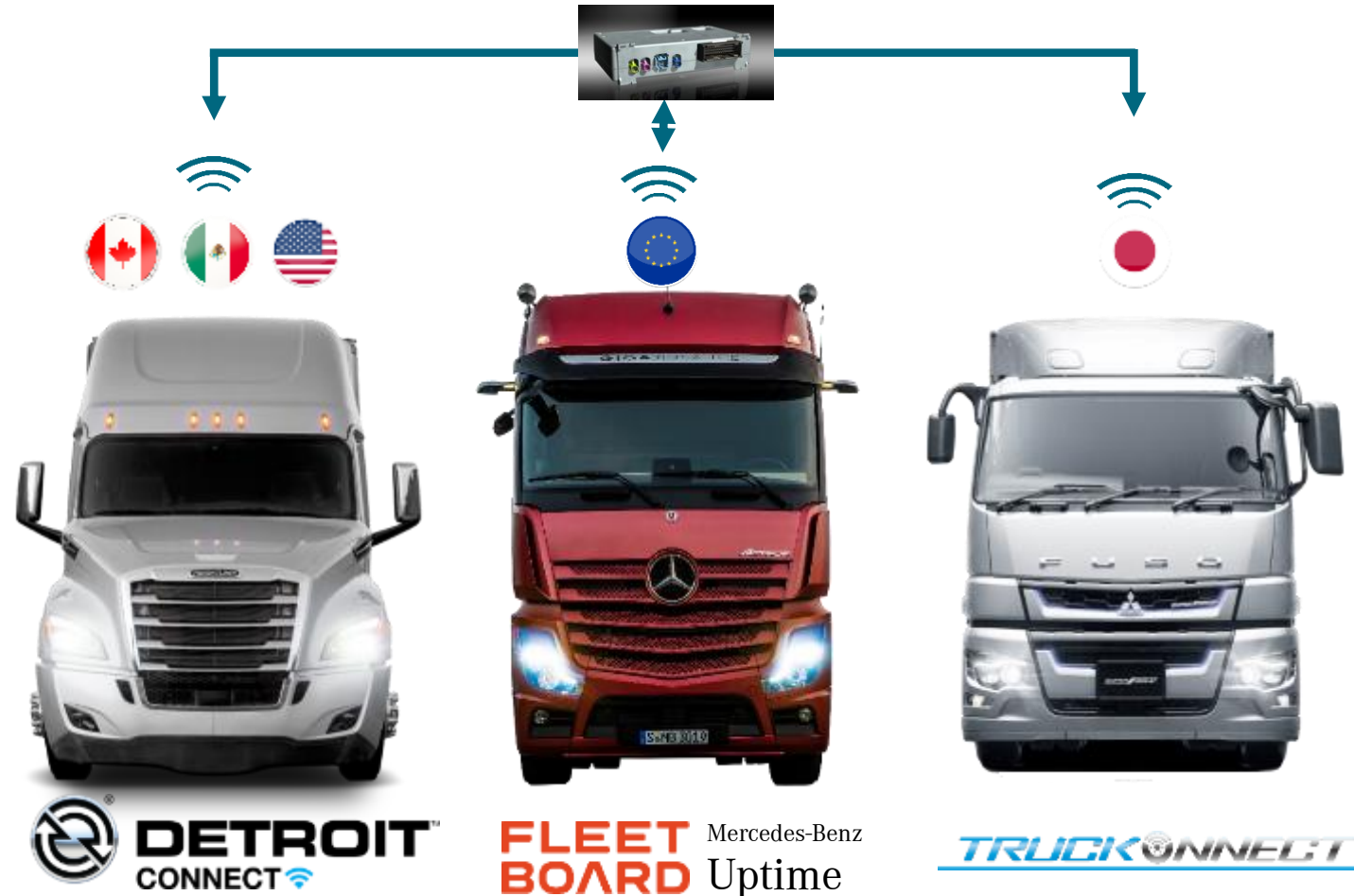
Gain Business

A vertical stack of light blue rectangular panels representing the 'Connected' technology stack. The panels are separated by horizontal dotted lines. The top panel is empty. The middle panel contains images of a blue Mercedes-Benz truck, a silver Volvo truck, and a yellow school bus with 'JOOLEY' on its side. The bottom panel contains logos for TRUCKCONNECT, MB Uptime, DETROIT CONNECT, FLEET BOARD, and OMNIplus ON.

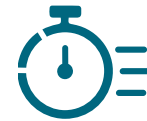
A vertical stack of light blue rectangular panels representing the 'Electric' technology stack. The panels are separated by horizontal dotted lines. The top panel is empty. The middle panel contains images of a blue Mercedes-Benz truck, a silver Volvo truck, and a yellow school bus with 'JOOLEY' on its side. The bottom panel contains images of a blue Mercedes-Benz truck and a silver Volvo truck.

A vertical stack of light blue rectangular panels representing the 'Automated' technology stack. The panels are separated by horizontal dotted lines. The top panel contains images of a silver Volvo truck, a silver Volvo truck, and a silver Volvo bus. The middle panel is empty. The bottom panel contains images of a silver Volvo bus, a silver Volvo car, and a silver Volvo bus. Below the bottom panel is the text 'Active Safety'.

# Connectivity: today our trucks are online in every region\* with real benefits for our customers and ourselves internally



One common global backbone



Real customer benefit optimizing Uptime



Big Data Analytics as basis to further optimize our products



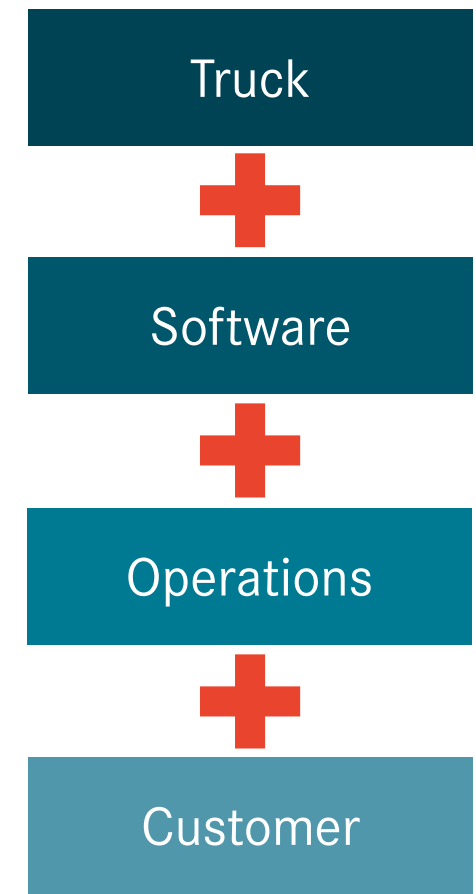
# After introducing the New Actros in Europe, we have also launched Level 2 series trucks in the US.

## New Cascadia:

- **Active Brake Assist 5.0:**  
Full Emergency Braking on stationary objects incl. Pedestrians.
- **Lane Keep Assist:**  
Lateral control at all vehicle speeds.
- **Lane Departure Protection:**  
Active steering if vehicle departs lane.
- **Side Guard Assist:**  
Lane Change Assist.  
Turn Assist.  
Trailer Sweep Assist.
- **Adaptive Cruise Control:**  
Distronic+ down to 0mph for stop and go traffic.
- ....



# We are working on all aspects of automated trucking



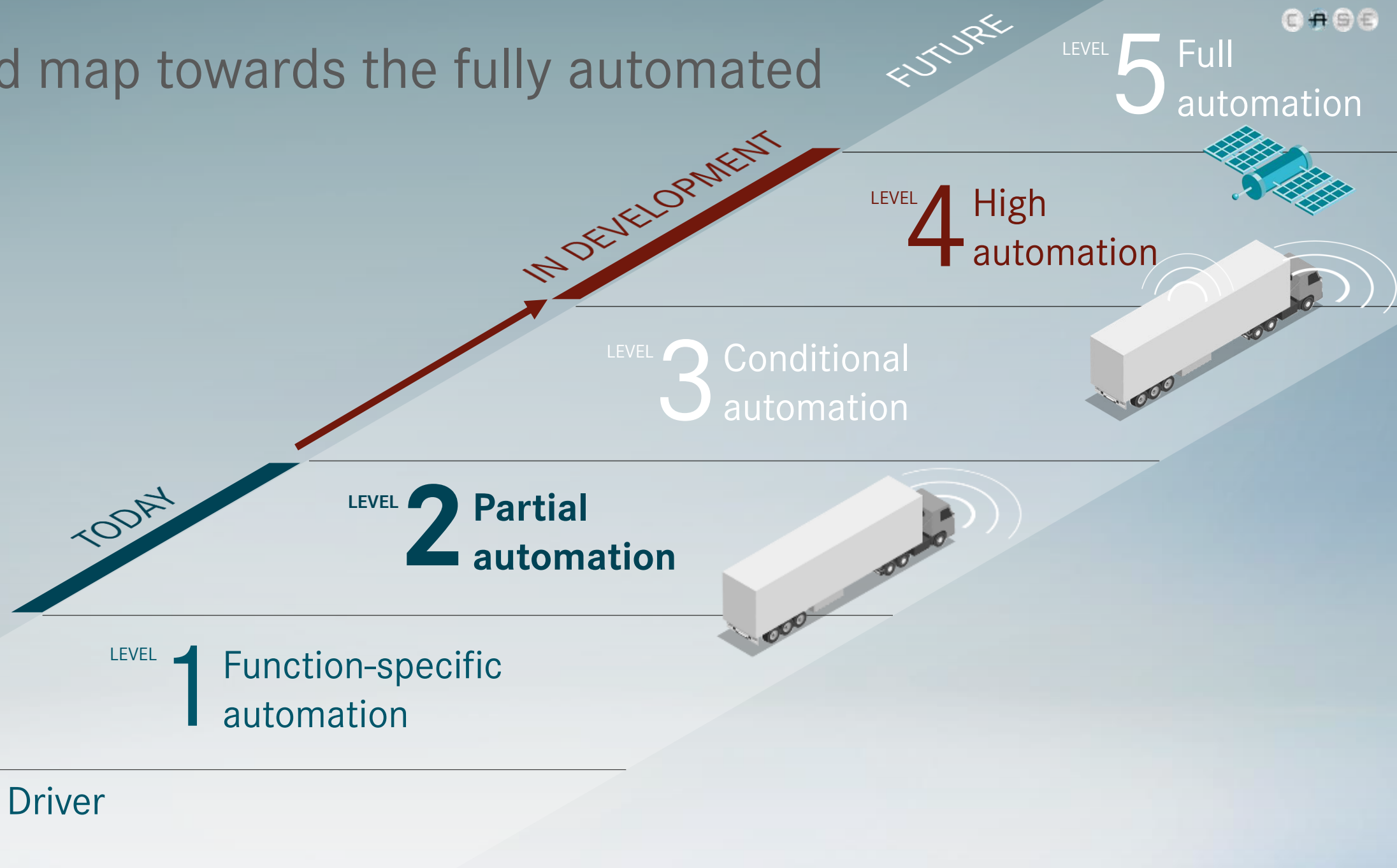


Daimler Trucks strives to develop highly automated trucks for market launch within next 10 years; investing 500+ Mio Euros including majority stake in TORC Robotics

- Torc Robotics is one of **most experienced** self-driving vehicle teams
- Torc Robotics to **retain location, name, and team members** while working closely with **Daimler Trucks research and development teams**, especially in North America
- Daimler Trucks to leverage **synergies across Daimler** through close cooperation with **Mercedes-Benz Cars** on automated vehicle technologies



# The road map towards the fully automated truck





# 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



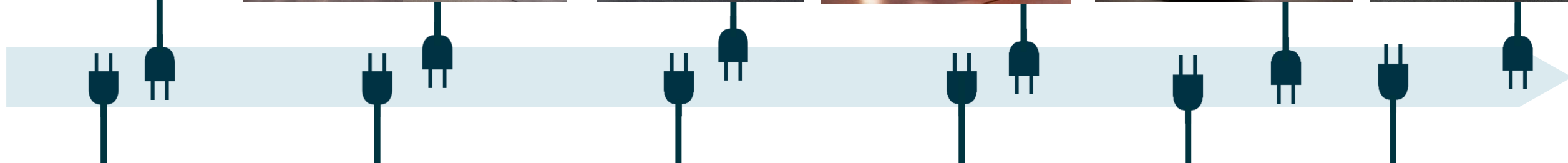
11/2017:  
World premiere of Thomas  
Built Buses Jouley



06/2018:  
Presentation of Freightliner  
eCascadia and eM2



12/2018  
First handover of eM2  
to customers



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



02/2018:  
Presentation of  
Mercedes-Benz  
eActros



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

Locally emission-free and quiet:  
our battery-powered commercial vehicles for urban areas.



**Mercedes-Benz  
eCitaro**

**2018:** Customer Fleet Test  
**2018:** Market introduction  
**2019:** Large series



**FUSO  
eCanter**

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



**Thomas Built Buses  
Saf-T-Liner® eC2**

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



**eActros,  
eCascadia & eM2**

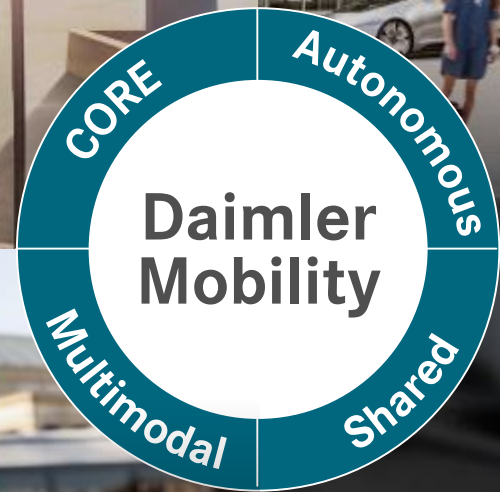
**2016/18:** World premiere  
**2018/19:** Innovation fleet  
**2021:** Market introduction



# Daimler Financial Services



# Daimler Mobility – We move you

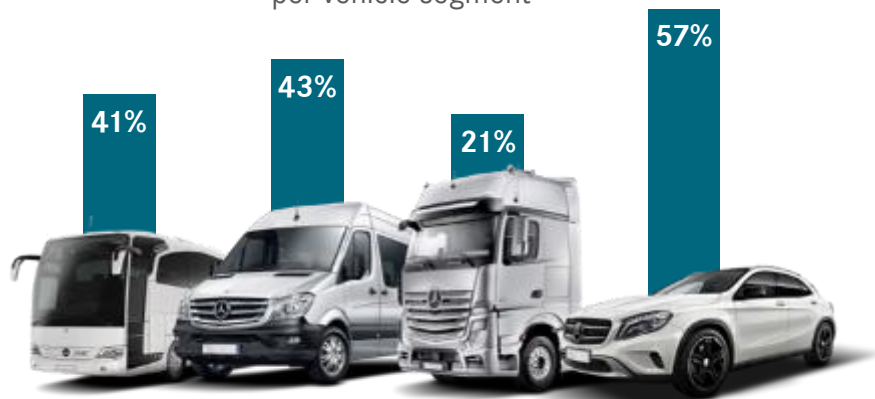






We finance nearly every second vehicle sold by Daimler

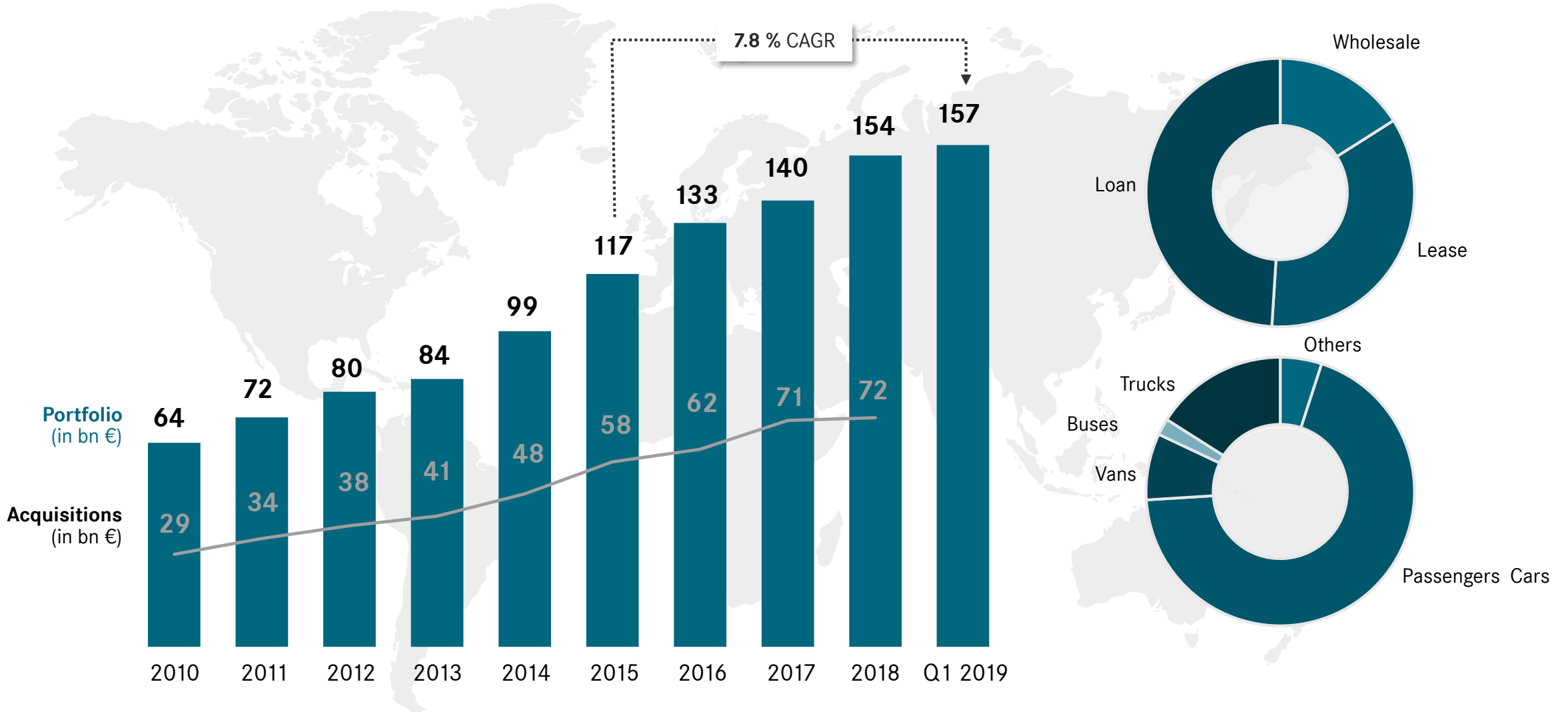
Penetration rates per vehicle segment



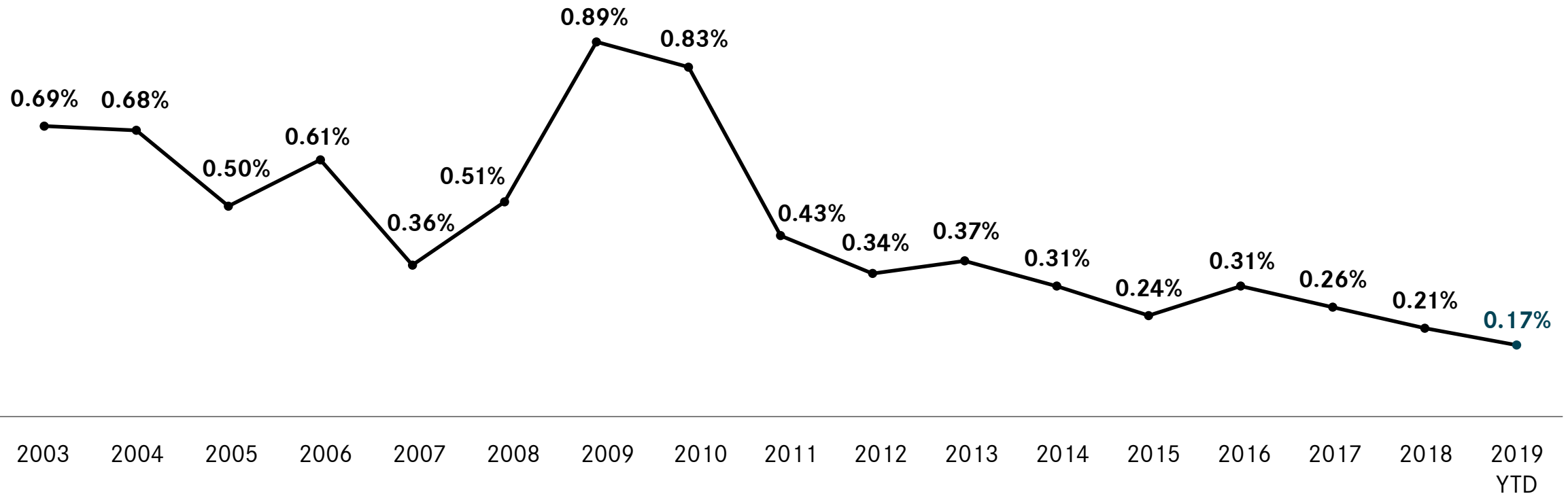
Global penetration rate DFS in Q1 2019

~50%

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



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

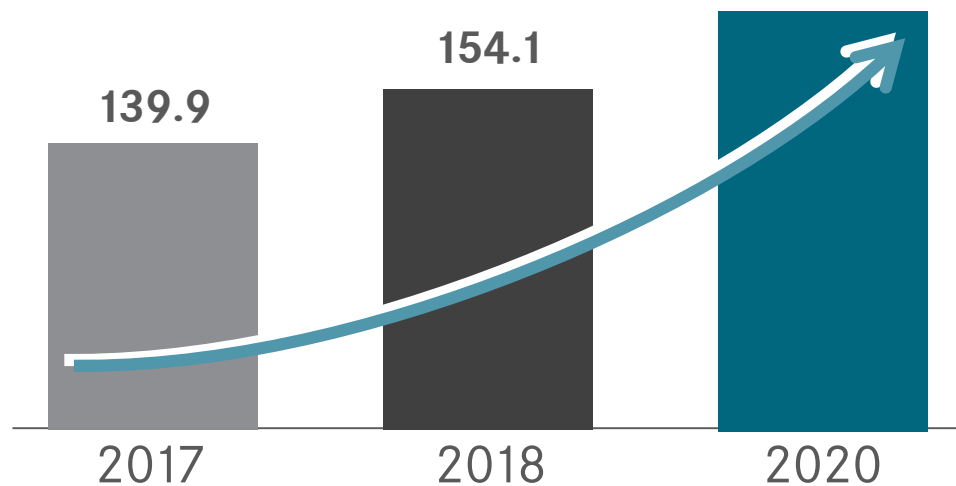


\* as a percentage of portfolio, subject to credit risk

# Daimler Financial Services' target: best financial and mobility services provider

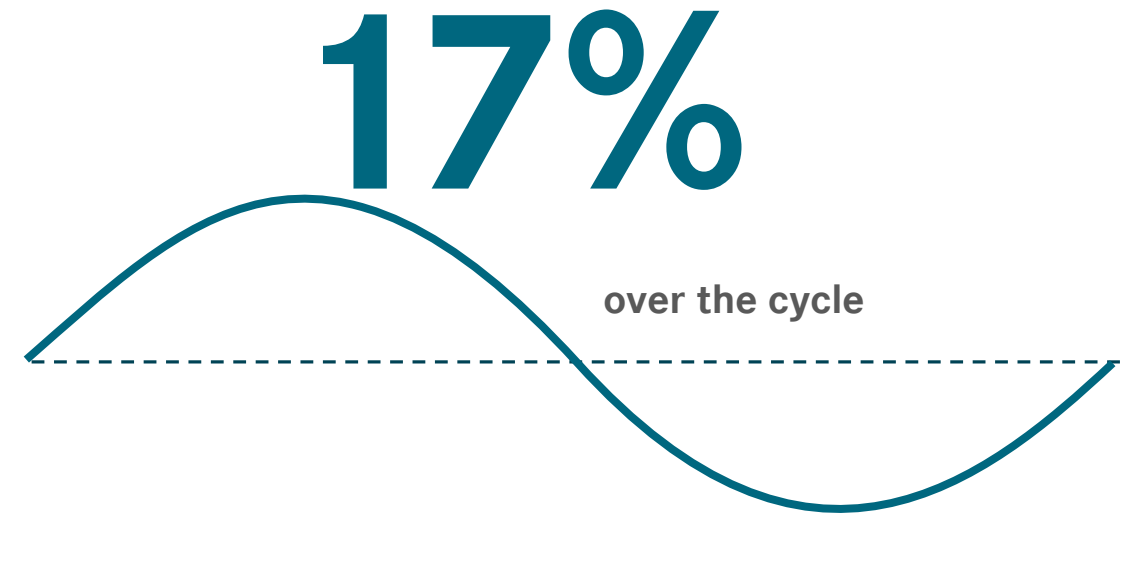
## Portfolio target

in billions of EUR



## Strategic target

Return on Equity in %





# AUTOGRAVITY is a showcase example for digital financing



## TOP FACTS AUTOGRAVITY Q1 2019

- More than 3.0 million users
- Top-ranked Android & Apple app
- Over \$4.5 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

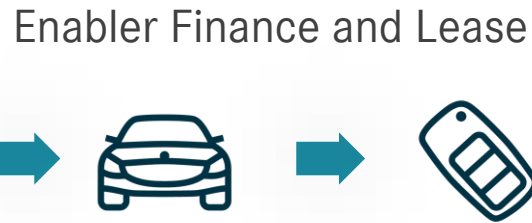
### Maintain customer contact and enable growth

While relieving Daimler balance sheet via third party financing

# Increasingly more urban customers prefer to consume mobility as a service

## BUYING

### Mobility as a product



**5.3**mn  
Financed or  
Leased  
Vehicles

**5.0**mn  
Insurance  
Policies

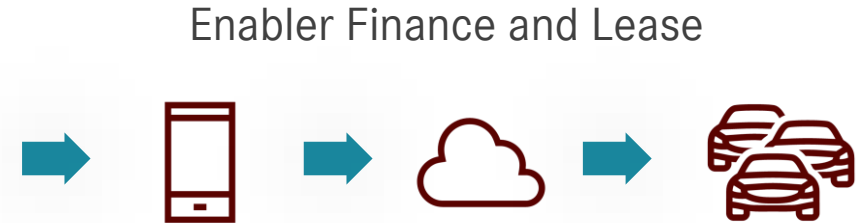
**0.4**mn  
Vehicles in  
Fleet  
Management

**0.4**mn  
Banking  
Customers

Q1 2019

## CONSUMING

### Mobility as a service



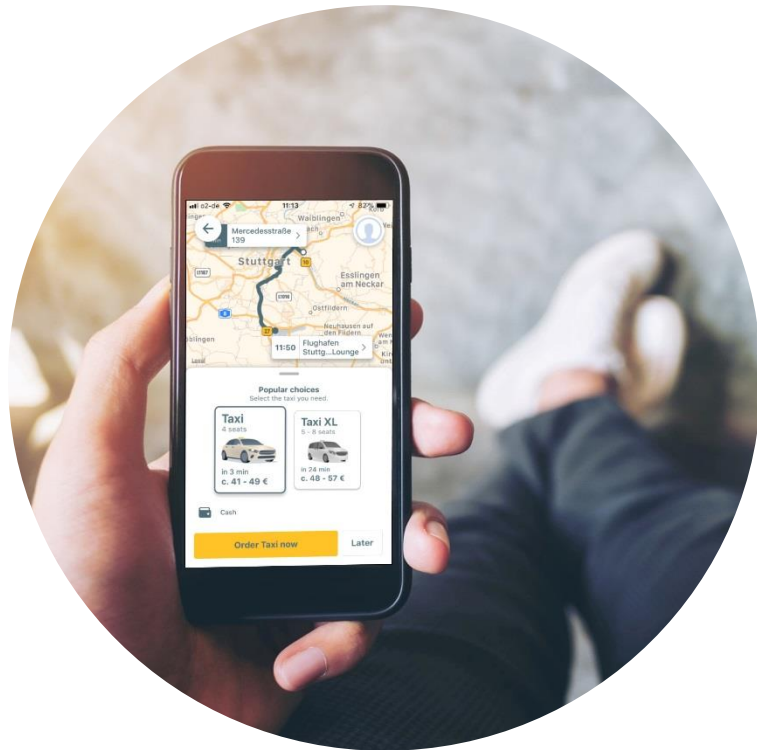
**Generate New Revenue**  
by entering a three-digit billion USD market

**Extend Daimler Ecosystem**  
by offering one-stop shopping

**Prepare For The Future**  
by building customer base and skills

**Grow Customer Base**  
by addressing their finance & mobility needs

# Daimler and BMW are joining forces: creating one of the leading providers of urban mobility



**31 million**

Daimler mobility service customers at the end of 2018



**Mobility joint ventures with BMW**

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

# YOUR NOW Joint Ventures

## The Mobility Powerhouse

Q1 2019

SHARENOW ✓

FREENOW ✓

REACHNOW ✓

PARKNOW ✓

CHARGENOW ✓

CAR 2GO

Xmytaxi  
hive  
clever

kapten  
BEAT

moovel  
ReachNow

Park-line  
ParkNow RingGo  
ParkMobile

DIGITAL CHARGING SOLUTIONS

DriveNow

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



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



# SHARE NOW is the global market leader in free-floating car sharing



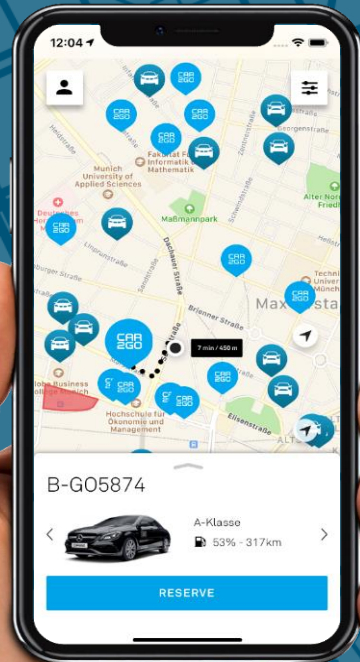
 **30** cities in **13** countries

 **9.2** million rentals in Q1 2019

 **4+** million customers

## Q1 2019 Highlights

- Start of Paris as a new location with 400 fully electric smart fortwo vehicles.
- Introduction of deep-linking on Day One of the Joint Venture: Customers can see all cars in both – the car2go and the DriveNow apps.



# FREE NOW ride-hailing and micromobility



24+ million customers  
53 million tours  
500,000 drivers

- mytaxi
- BEAT
- kaptent\_
- clever
- hive



**BEAT**

Launch in Mexico City:  
most successful  
launch ever



**kaptent\_**

Rebrand Chauffeur  
Privé => Kaptent  
Launch in Geneva



**mytaxi**

Launch in Palermo  
and 6 more  
European cities



**clever**

Rebranding Clever  
Taxi => Clever;  
Entering the PHV  
market in Romania

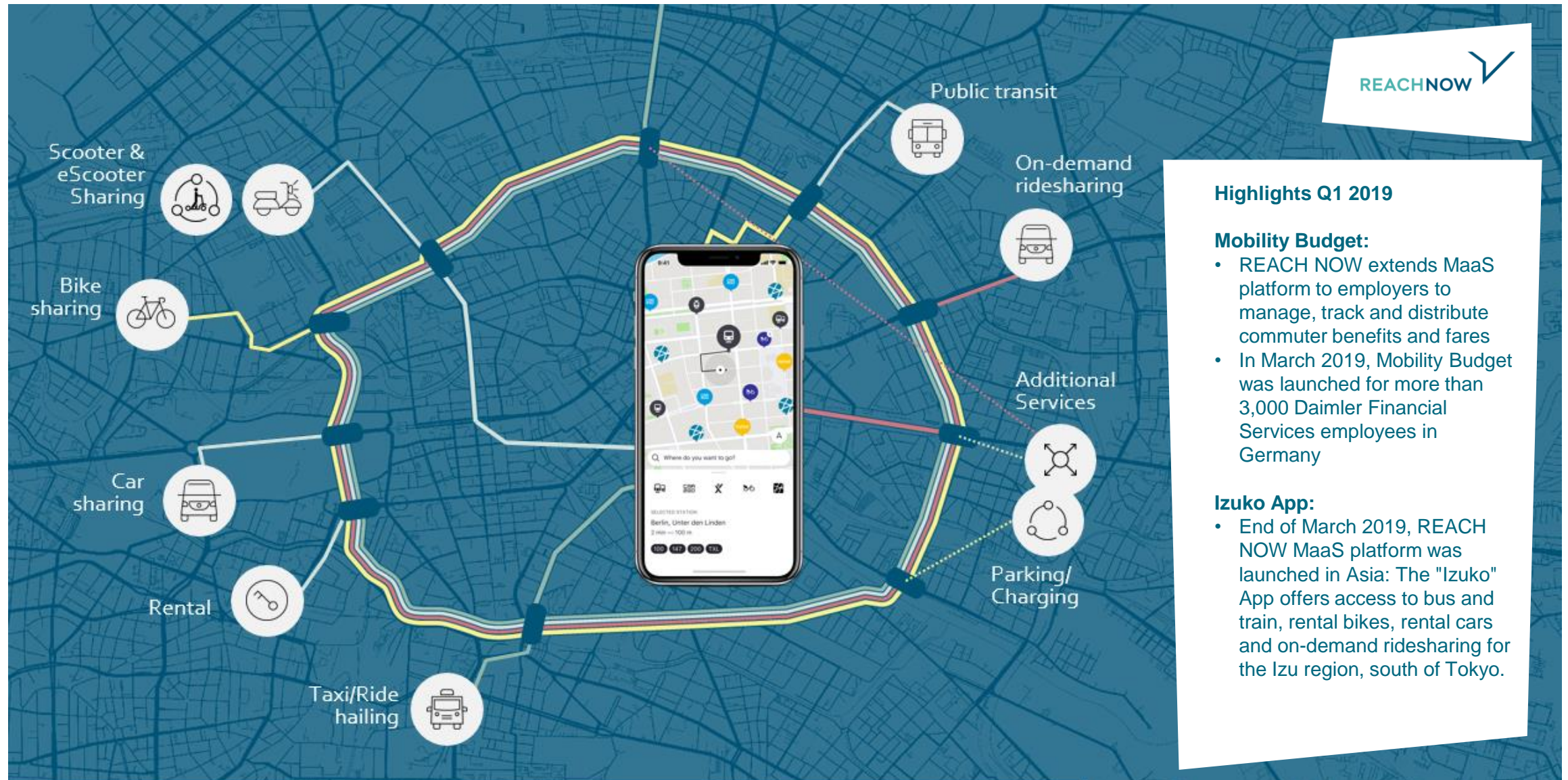


**hive**

European market  
introduction: Paris,  
Warsaw and Athens



# REACH NOW creating a global Mobility-as-a-service platform



# PARK NOW one of the leading digital parking providers in Europe and North America



 31 million customers

 54 million transactions\* in Q1 2019

 1,200+ cities

 ~7 Transactions every second


- PARK NOW available for mobile parking payment in Zürich since April 1st, 2019
- Europe: March 2019 highest number of transactions ever (+25% YoY)
- North America: Hit the 13 million user milestone

PARK NOW makes parking easier, on-street or off-street. The innovative digital parking service offers users the best possible parking solutions at a glance, allows them to reserve parking slots and manage their parking times, and enables ticketless entry and exit in public garages as well as cashless payment of parking fees.




# CHARGE NOW already providing access to the largest charging network in Europe and beyond



 110,000+ charge points

 60,000 interactions in Q1 2019

 250+ Integrated charge point operators

 20,000 customers

- Go-live of an additional charging service solution in Germany
- New app features: voice control and route planning

CHARGE NOW is a service by Digital Charging Solutions GmbH (DCS), and its comprehensive charging network is a key contributor to zero-emissions driving. CHARGE NOW makes public charge points quick and easy to locate, use and pay for, both at home and abroad. Digital Charging Solutions GmbH develops simple, standardized access to public charge points for car manufacturers and fleet operators.

# Our Mobility Services portfolio is a strong starting point to conquer the customer interface



Bolt



Flixbus



TURO



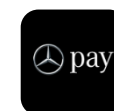
Via



Blacklane



verimi



Mpay

## Developments in Q1 2019

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

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

Self-driving car services are expected to ...

...Deliver a **unique customer experience**

...Enhance **traffic safety**

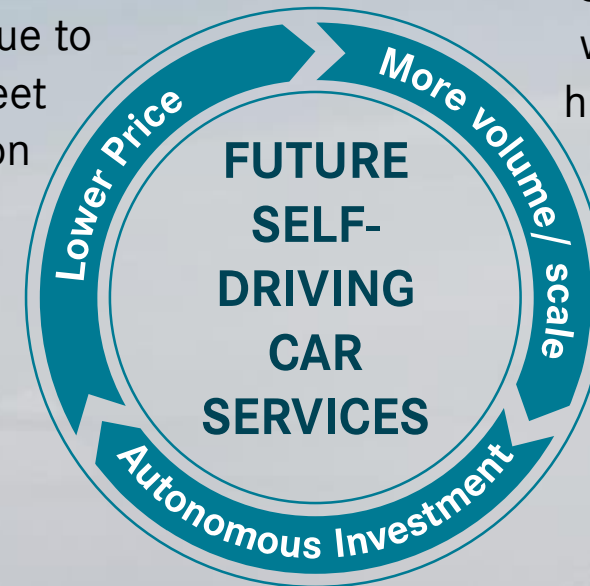
...Improve **quality of life** in cities

...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**





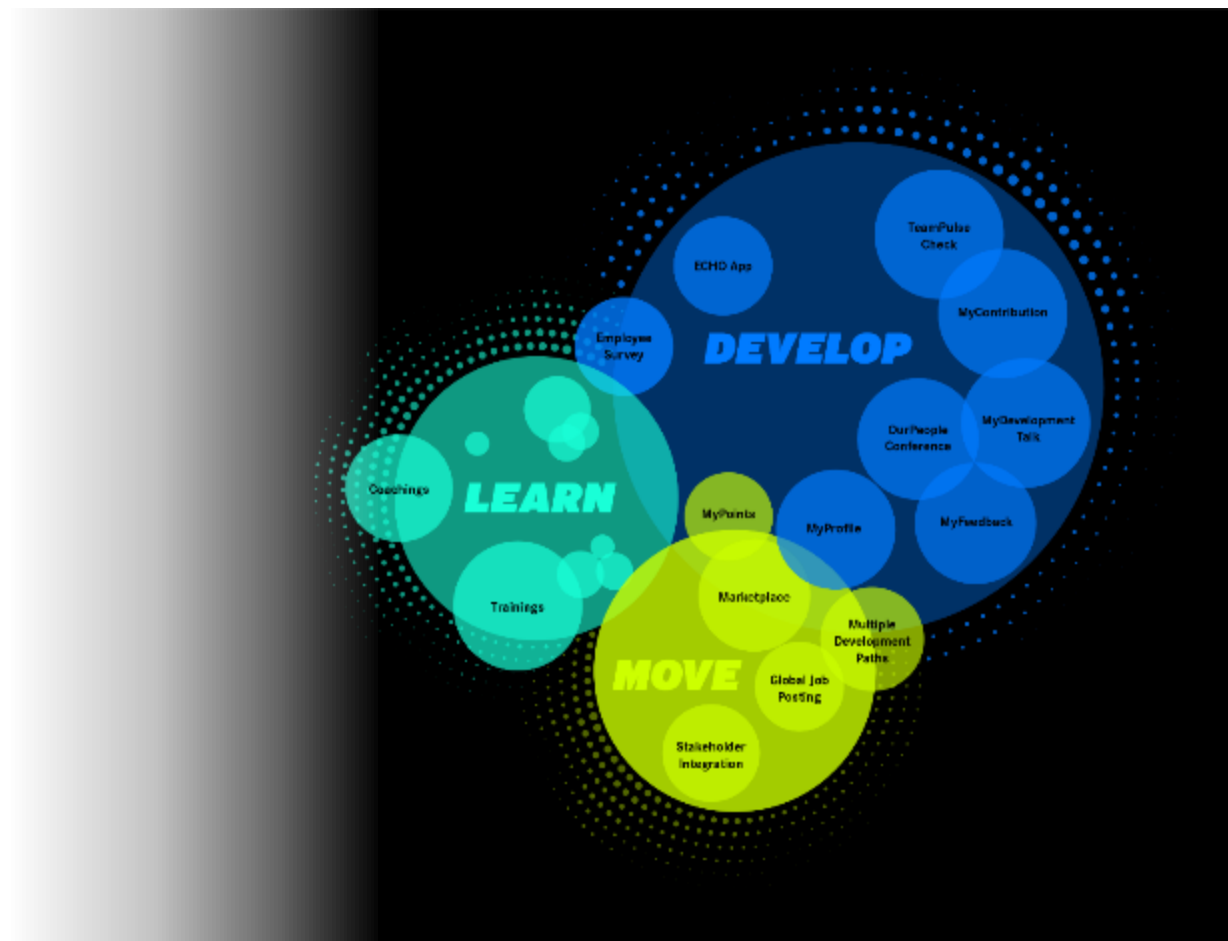
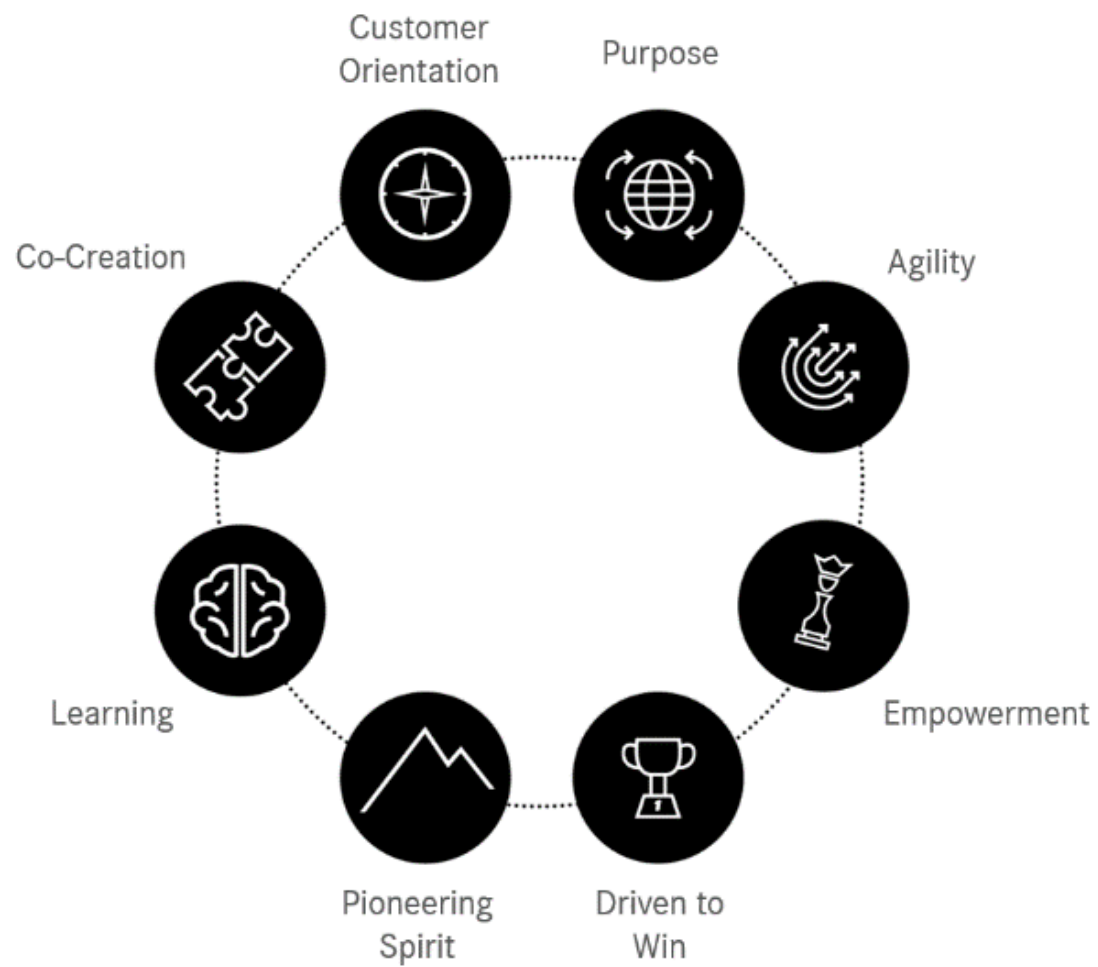
# Daimler Group Strategy

## Culture





# Transforming the Mindset





# TECHINVEST we are investing in the future\*

**C**

soul machines

SoundHound

WHAT3WORDS

Familonet

hap2U

TRUCKPAD

ANAGOG

**A**

thinci

MOMENTA

ZONAR

QUANERGY

TORC \*\*

**S**

chauffeur privé

CLEVER TAXI

Bolt

fair

HAIL

Careem

mytaxi

PayCash

BLACKLANE  
YOUR PROFESSIONAL DRIVER

VIA

FLIXBUS

TURO

RIDESCOUT

rally

tiramizoo Delivery

taxibeat

globesherpa

flinc

**E**

PROTERRA

chargepoint+

StoreDot

HUBJECT

SILA NANOTECHNOLOGIES

VOLOCOPTER

STARSHIP

IMMUTA

MATTERNET

SK GAMING  
GAMING IS BELIEVING

AUTOGRAVITY

hey car

IVU TRAFFIC TECHNOLOGIES

FleetMaster  
Experts in Fleet Management Solutions

habbl

# Daimler Group Strategy

Company



# We expect **PROJECT FUTURE** to create a strong family of companies with three legally independent divisions

In the future, the Daimler Group will consist of **three legally independent entities** and Daimler AG as the **parent company**.

The Group is creating **strong divisions** with a sharp focus on customers and markets. Daimler AG will be the **connecting element** that ensures cohesion and the impact of a global corporation.



1) Number of employees in all companies allocated to the respective division



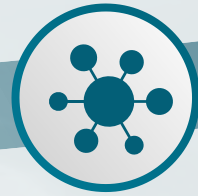
# Our new structure is expected to lead to significant benefits for Daimler



**Sharpen  
focus**



**Strengthen  
entrepreneurial  
action**



**Ensure  
synergies**

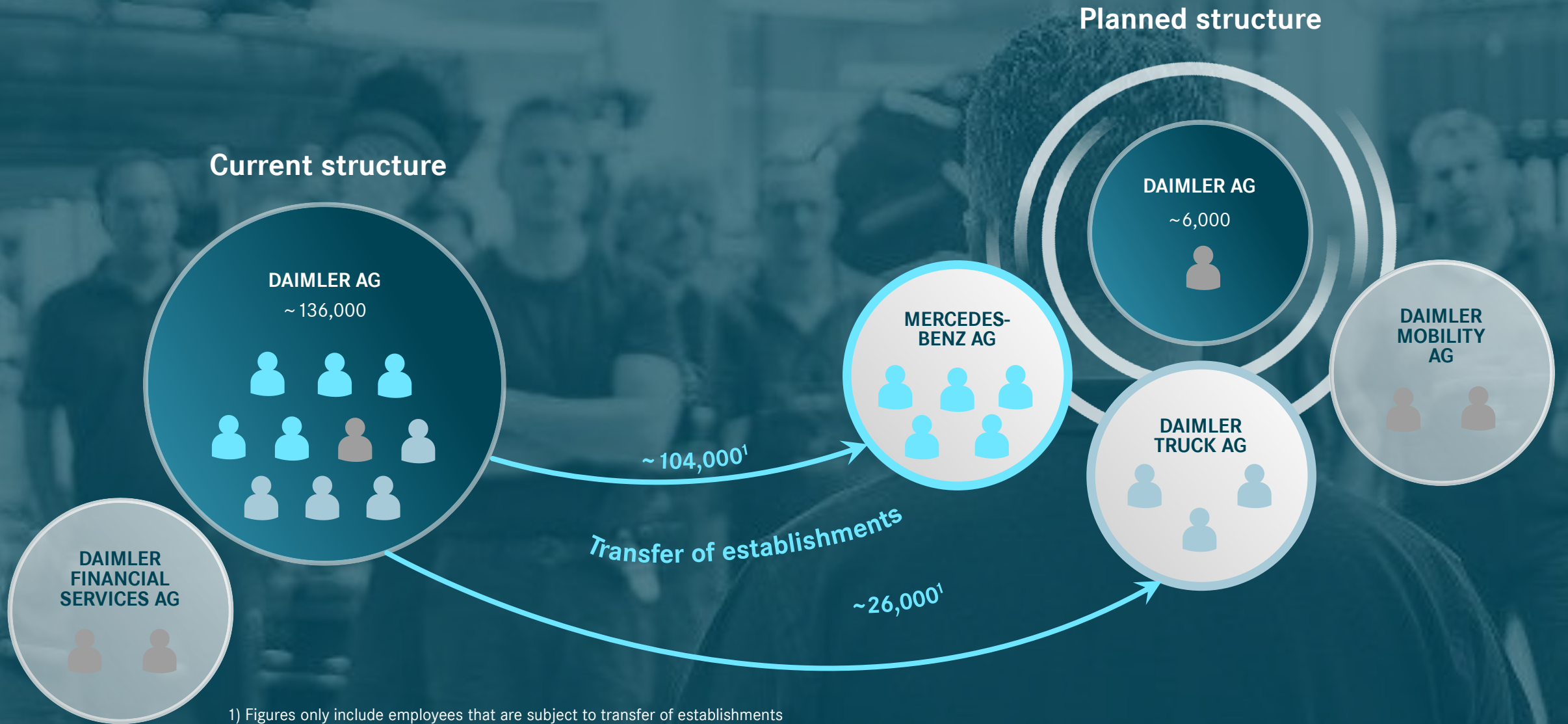


**Winning  
innovation  
partners**



**Increasing  
attractiveness  
on the capital  
market**

# What does the new structure mean for Daimler employees?





# The hive-down approved by our shareholders at the Annual General Meeting will become effective in Q4 2019



# Contents

Group Financials

Divisional Information

Outlook

Daimler Group Strategy

**Funding**

Appendix





# Daimler follows a prudent Financial Policy

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Clear commitment to a single A rating

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Balanced approach between shareholder interest and credit providers

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Dividend policy of 40% target pay-out ratio\*

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No share buybacks planned

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Pensions: current funded ratio at 79%

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\*Based on net profit attributable to shareholders of Daimler AG.

# 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

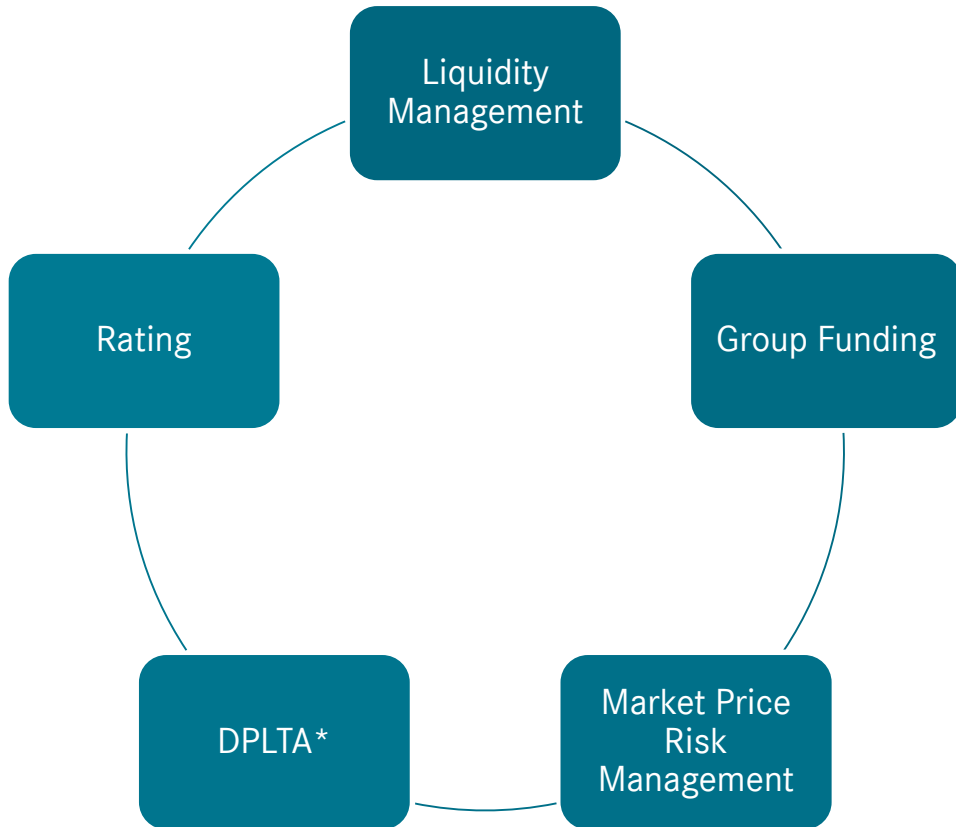
Liquidity matched funding

Interest rate matched funding

Currency matched funding

Country matched funding

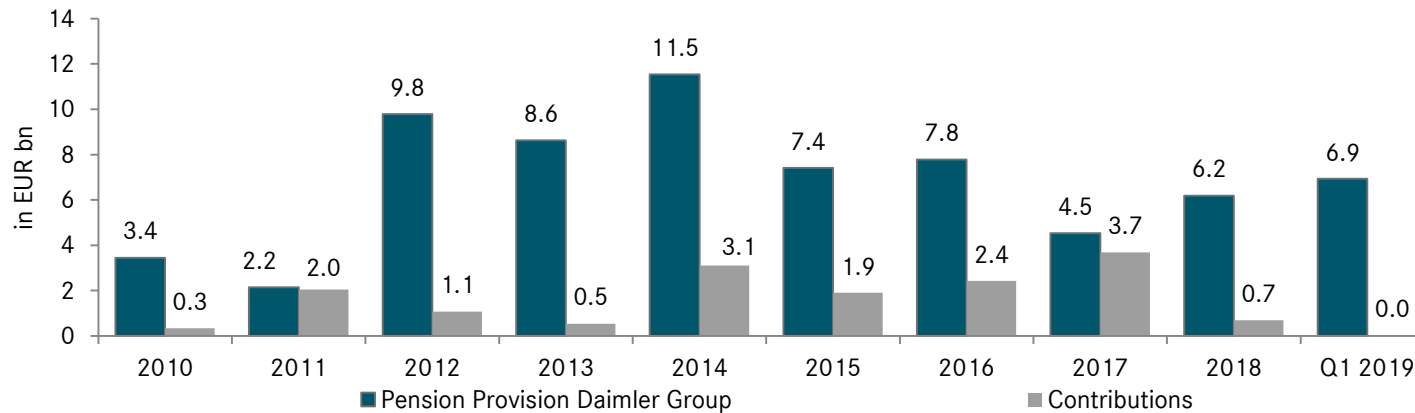
# Project Future – Financial Principles for “One Credit”



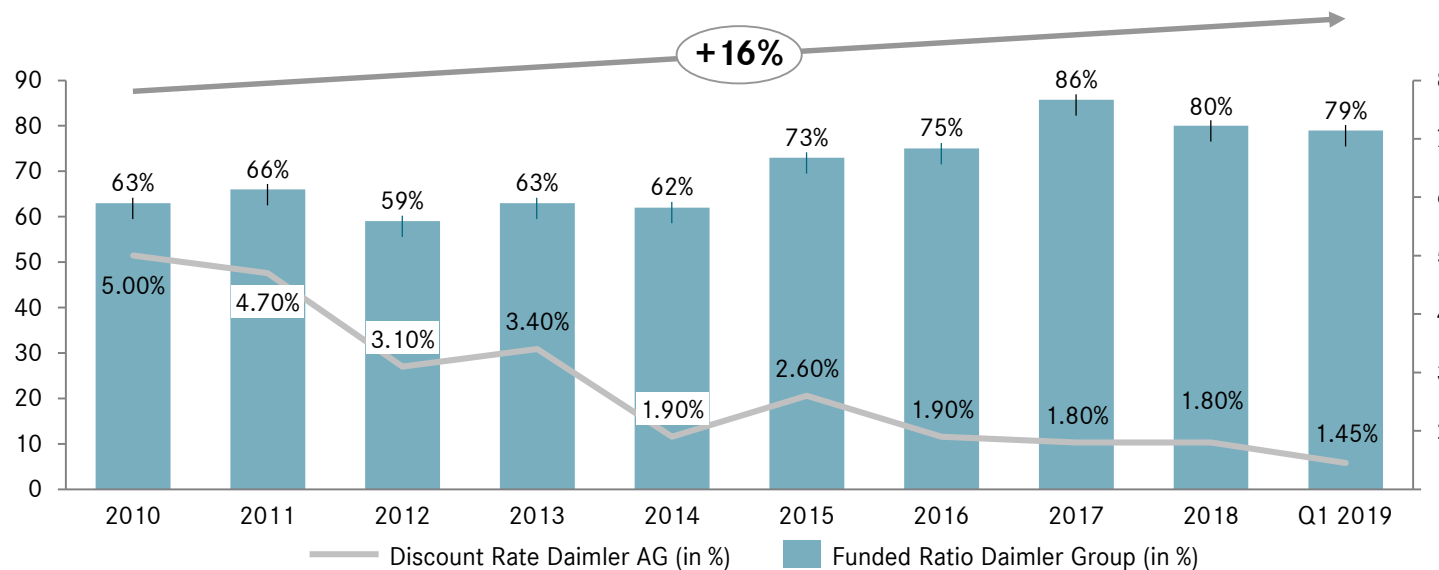
- **Centralized steering of Group liquidity**
- **Centralized steering of group funding** supported by written guarantees
- **Centralized management** of the **impact** of **market fluctuations** (FX, Interest, Commodities, Pension Assets)
- **DPLTAs\*** guarantee **access to all operating cash flows**
- **Strong commitment to maintain** Daimler’s **strong credit profile**

\* DPLTA: Domination and Profit & Loss Transfer Agreement

# Daimler pension funded ratio increased to 79% since 2010



■ Significant contributions of EUR 15.9bn since 2010 support the **solid capital structure**



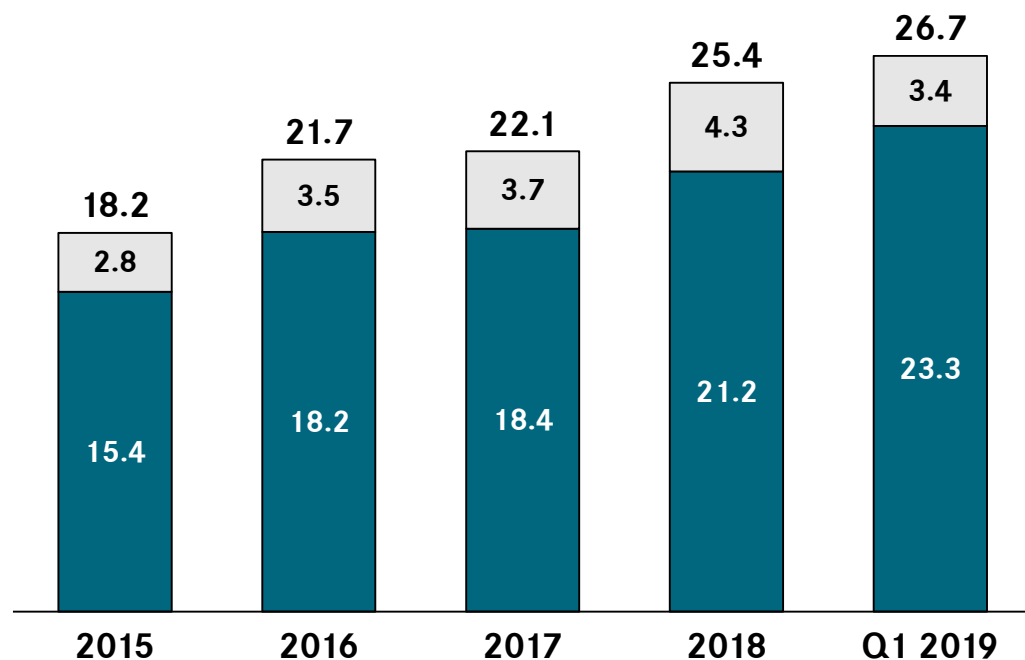
■ Even though German Discount Rate decreased significantly since 2010, **Funded Ratio increased by 16%**



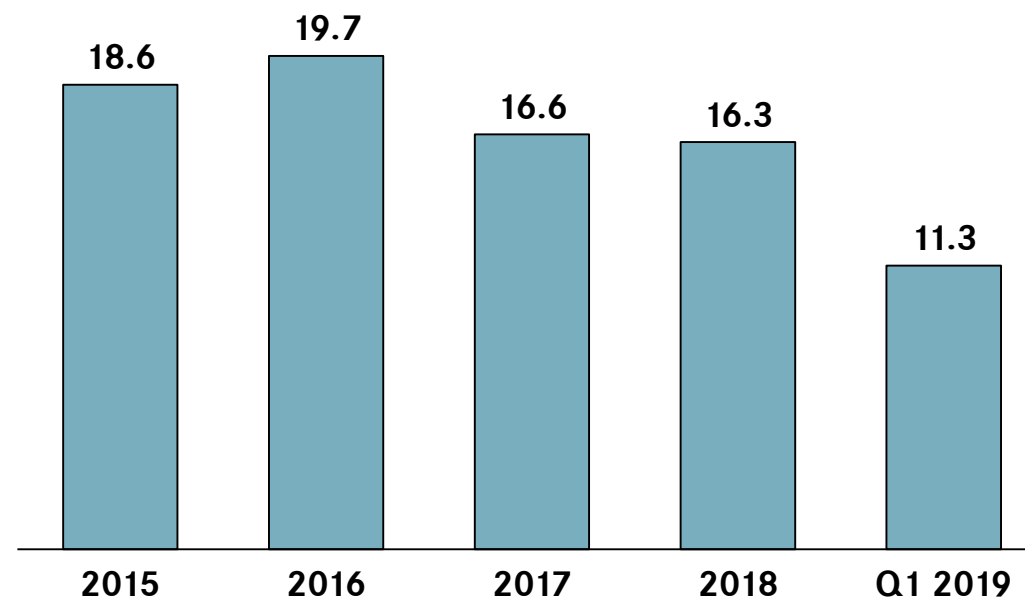
# Daimler follows a prudent financial management approach and further strengthened the balance sheet...

## Gross Group Liquidity (in bn EUR)

Financial Services  
Industrial Business



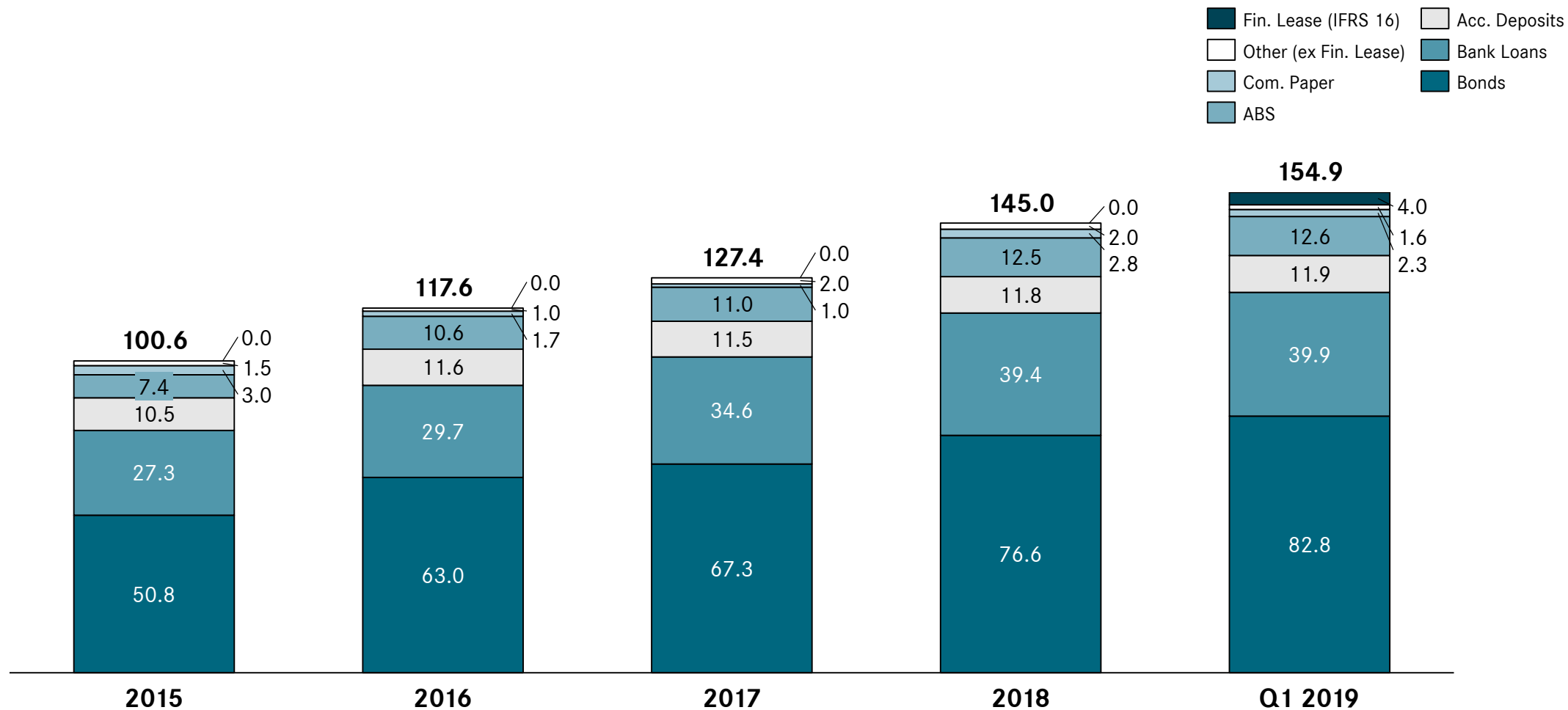
## Net Industrial Liquidity (in bn EUR)



Note: Figures may not be additive due to rounding.

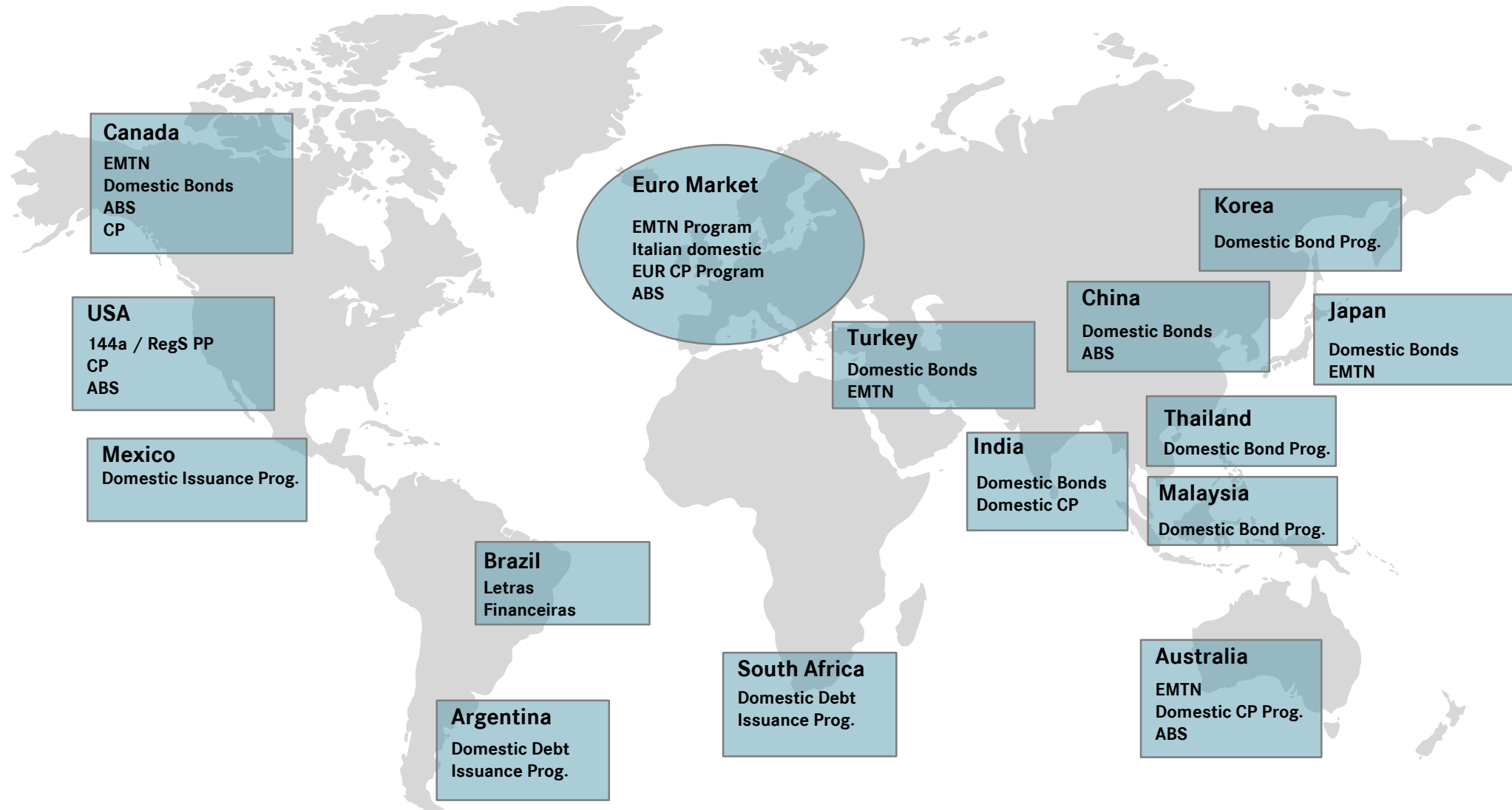
# Financing Liabilities with a balanced mix

in billions of EUR



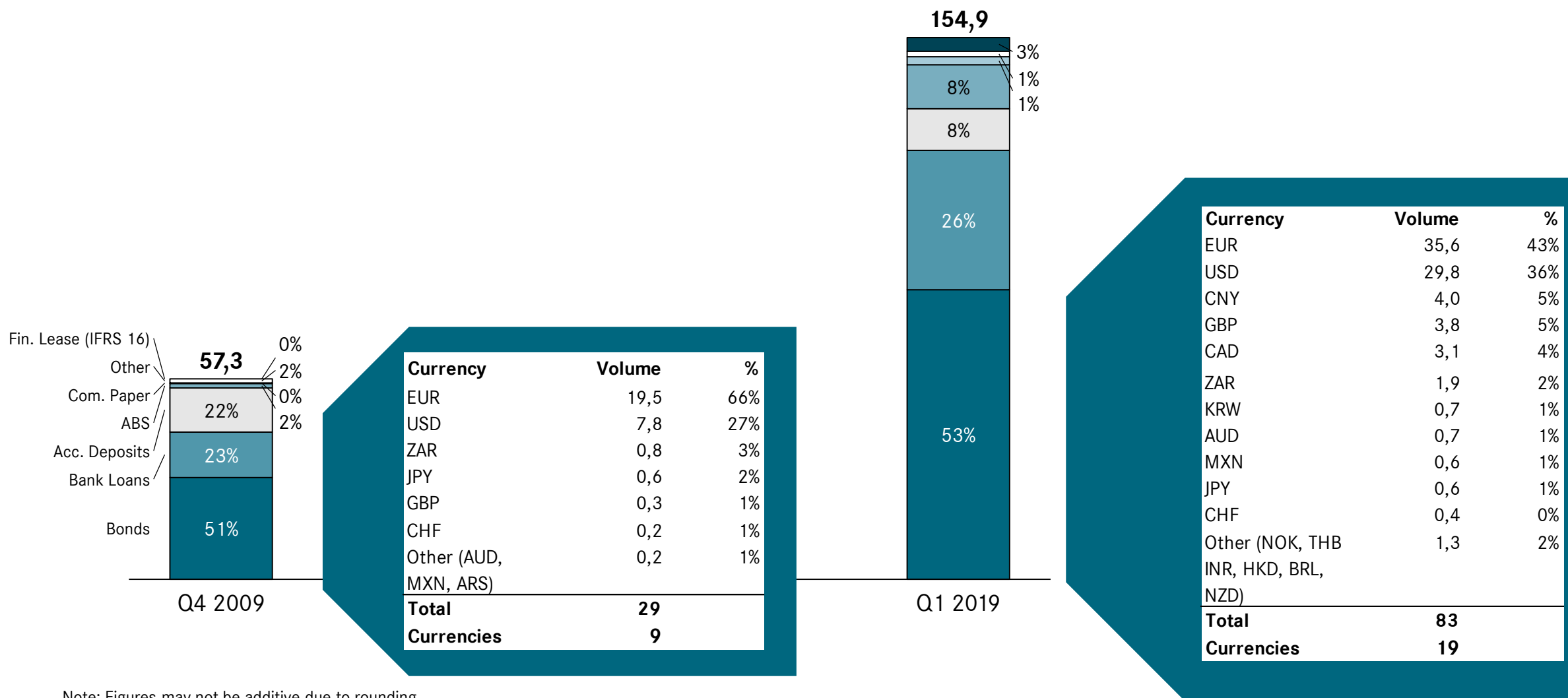
Note: Figures may not be additive due to rounding.

# Consequent Development to Global Capital Market Funding Diversification will continue



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

in billions of EUR

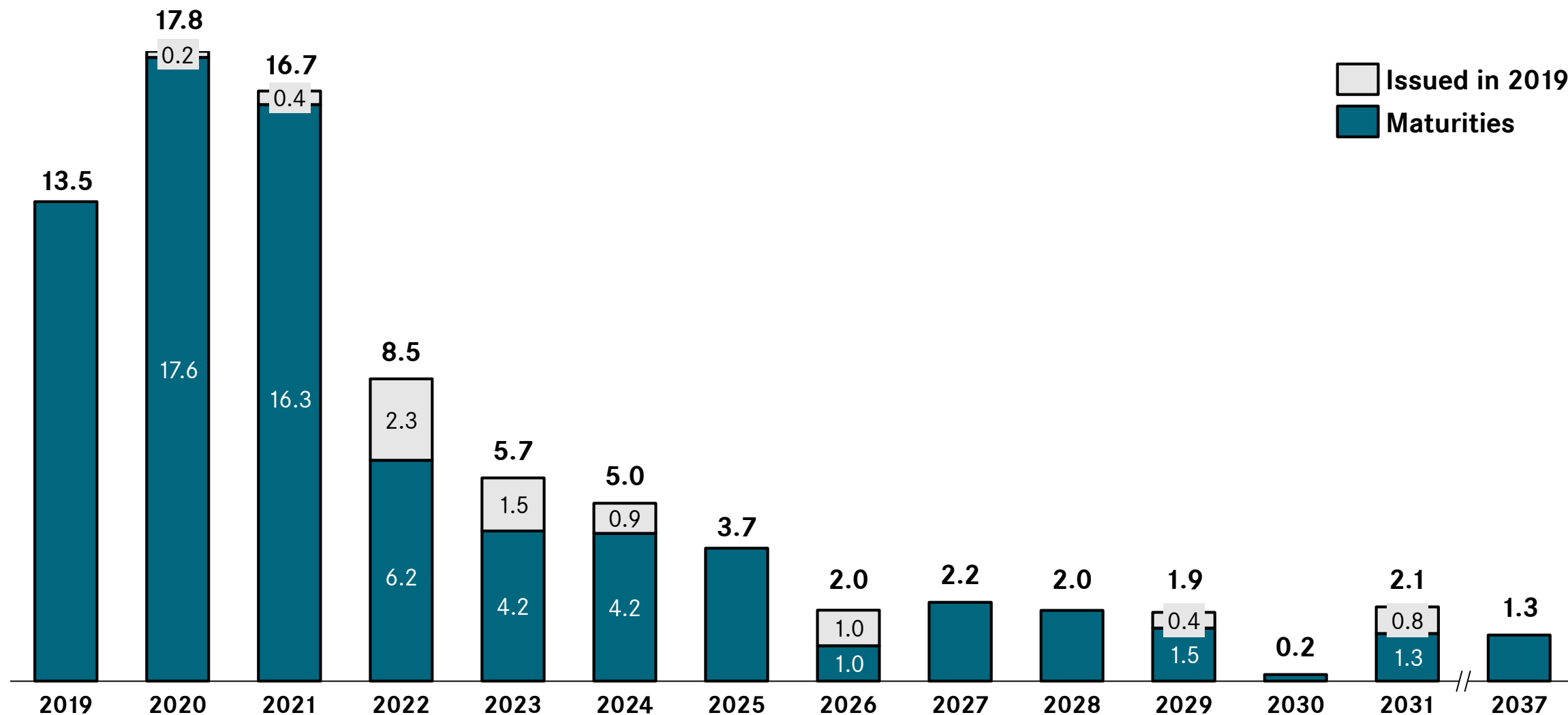


Note: Figures may not be additive due to rounding.



# Maturity profile further lengthened

in billions of EUR as of 31 March 2019



# Solid 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>		

# Contents

Group Financials

Divisional Information

Outlook

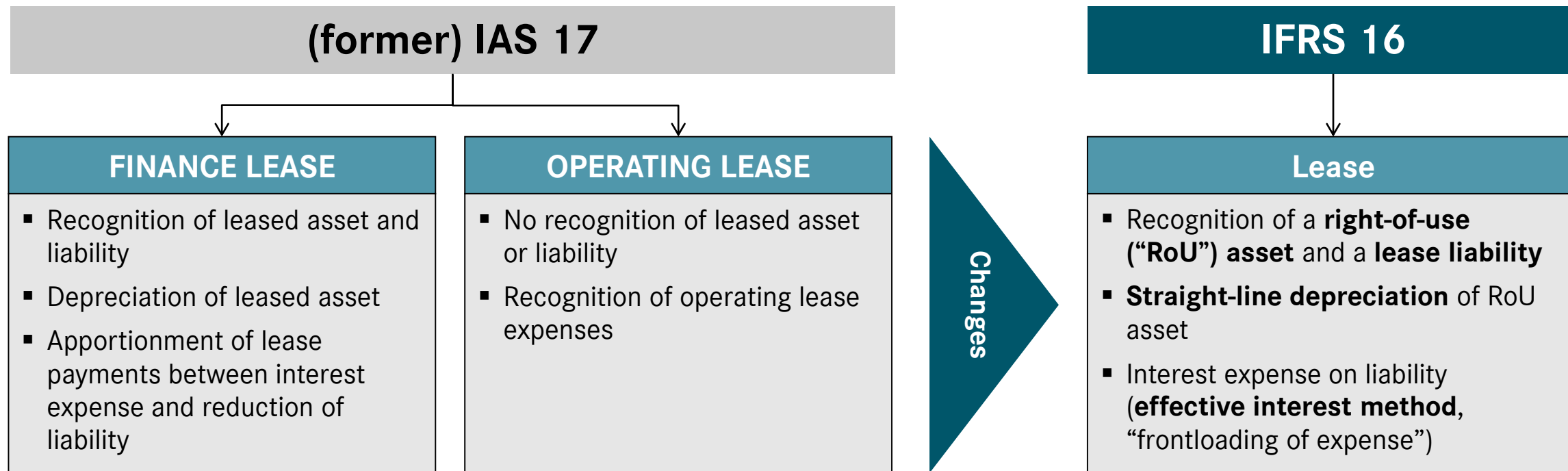
Daimler Group Strategy

Funding

**Appendix**



# Initial application of IFRS 16



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



# Key balance sheet and financial figures

in billions of euros

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

\* mainly driven by a reduction of discount rates

# Units sales by division

in thousand units

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

# Revenue by division

in billion euros

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

# Revenue by region

in billion euros

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

\* excluding revenue of not fully consolidated companies



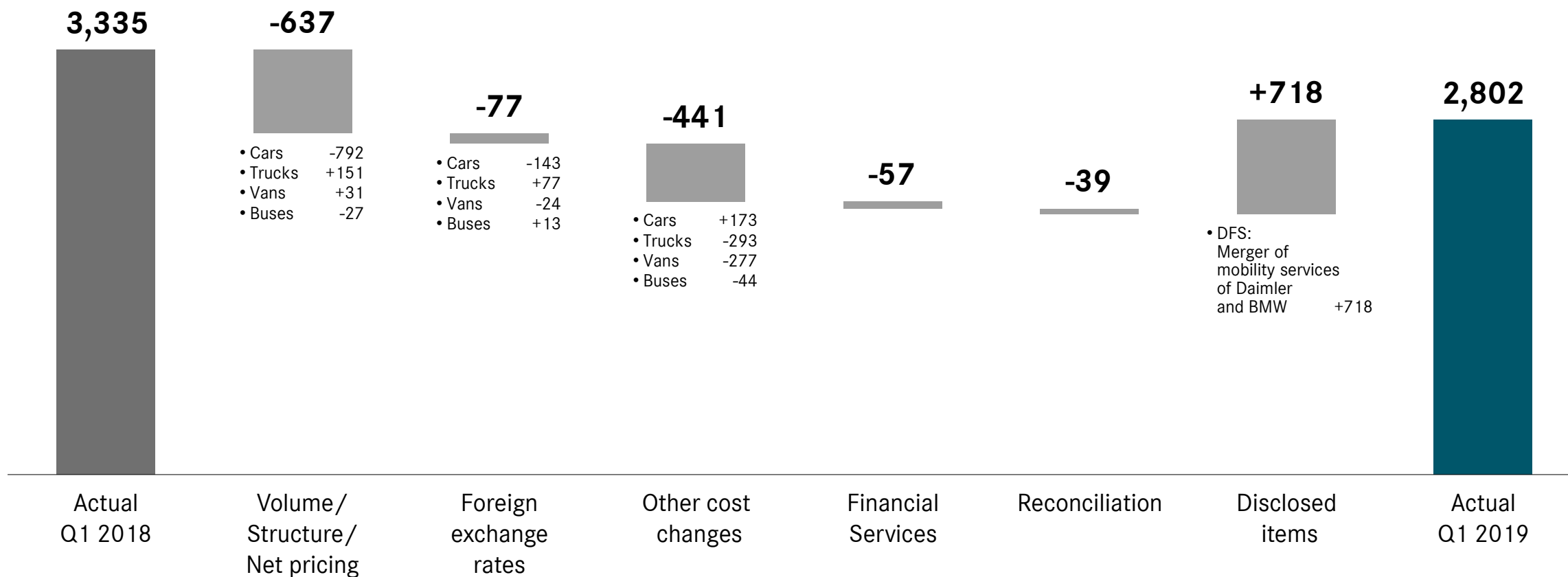
# EBIT by division

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

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

# Group EBIT in Q1 2019

in million euros



# Capital expenditure / Research and development

in billion euros

	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2017	<b>Actual 2018</b>	Plan* 2019-2020	Actual 2017	<b>Actual 2018</b>	Plan* 2019-2020
<b>Daimler Group</b>	6.7	<b>7.5</b>	7.3	8.7	<b>9.1</b>	9.2
of which						
Mercedes-Benz Cars	4.8	<b>5.7</b>	5.7	6.6	<b>7.0</b>	7.0
Daimler Trucks	1.0	<b>1.1</b>	1.1	1.3	<b>1.3</b>	1.4
Mercedes-Benz Vans	0.7	<b>0.5</b>	0.2	0.6	<b>0.7</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>0.06</b>	0.05	–	<b>–</b>	–

\* average p.a.

# Daimler Investor Relations Events Q2-2019

<b>Apr 29 2019</b>	<b>CFO Roadshow</b>	<b>Frankfurt</b>
<b>Apr 30 2019</b>	<b>CFO Roadshow</b>	<b>London</b>
<b>May 7-8 2019</b>	<b>IR Roadshow</b>	<b>New York/Boston</b>
<b>May 10 2019</b>	<b>Treasury/IR Roadshow</b>	<b>Munich</b>
<b>May 27 2019</b>	<b>Treasury/IR Roadshow</b>	<b>Frankfurt</b>
<b>June 6 2019</b>	<b>CEO/CFO Meetings</b>	<b>Stuttgart</b>
<b>June 6 2019</b>	<b>UniCredit Automotive Credit Conference</b>	<b>London</b>
<b>June 7 2019</b>	<b>dbAccess Berlin Conference</b>	<b>Berlin</b>
<b>June 11 2019</b>	<b>J.P. Morgan European Automotive Conference</b>	<b>London</b>

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



# Daimler Investor Relations Financial Calendar 2019

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

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

**Feb 15 2019**      **Annual Report 2018 online available**

**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.

Directed at German costumers:

Weitere Informationen zum offiziellen Kraftstoffverbrauch und den offiziellen spezifischen CO<sub>2</sub>-Emissionen neuer Personenkraftwagen können dem „Leitfaden über den Kraftstoffverbrauch und die CO<sub>2</sub>-Emissionen neuer Personenkraftwagen“ entnommen werden, der an allen Verkaufsstellen und bei der Deutschen Automobil Treuhand GmbH unter [www.dat.de](http://www.dat.de) unentgeltlich erhältlich ist.

I) Stromverbrauch und Reichweite wurden auf der Grundlage der VO 692/2008/EG ermittelt. Stromverbrauch und Reichweite sind abhängig von der Fahrzeugkonfiguration[, insb. von der Auswahl der Höchstgeschwindigkeitsbegrenzung].

II) Die angegebenen Werte sind die ermittelten „NEFZ-CO<sub>2</sub>-Werte“ i.S.v. Art. 2 Nr. 1 Durchführungsverordnung (EU) 2017/1153. Die Kraftstoffverbrauchswerte wurden auf Basis dieser Werte errechnet. Der Stromverbrauch wurde auf der Grundlage der VO 692/2008/EG ermittelt. Als Bemessungsgrundlage für die Kraftfahrzeugsteuer kann ein höherer Wert maßgeblich sein. [Die Reichweite wurde auf der Grundlage der VO 692/2008/EG ermittelt. Als Bemessungsgrundlage nach dem EmoG ist ein anderer Wert maßgeblich.]