

# DAIMLER

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**Corporate Presentation  
February/March 2013**



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Daimler Group 2012

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## Economic environment deteriorated during the course of the year

- European sovereign-debt crisis
- Lower GDP growth rates in important emerging markets
- US economy affected by concerns about the fiscal cliff
- Weakening passenger car and commercial vehicle markets in Western Europe towards the end of the year
- North American market with relative strength, but with softening truck demand in H2
- Very weak Brazilian truck market

## Key financials

- in billions of euros -

	2011	2012
Revenue	106.5	114.3
EBIT		
as reported	8.8	8.6
from ongoing business	9.0	8.1
Net profit	6.0	6.5
Earnings per share (in euros)	5.32	5.71
Dividend per share (in euros)	2.20	2.20
Net liquidity industrial business (year-end)	12.0	11.5
Free cash flow industrial business	1.0	1.5

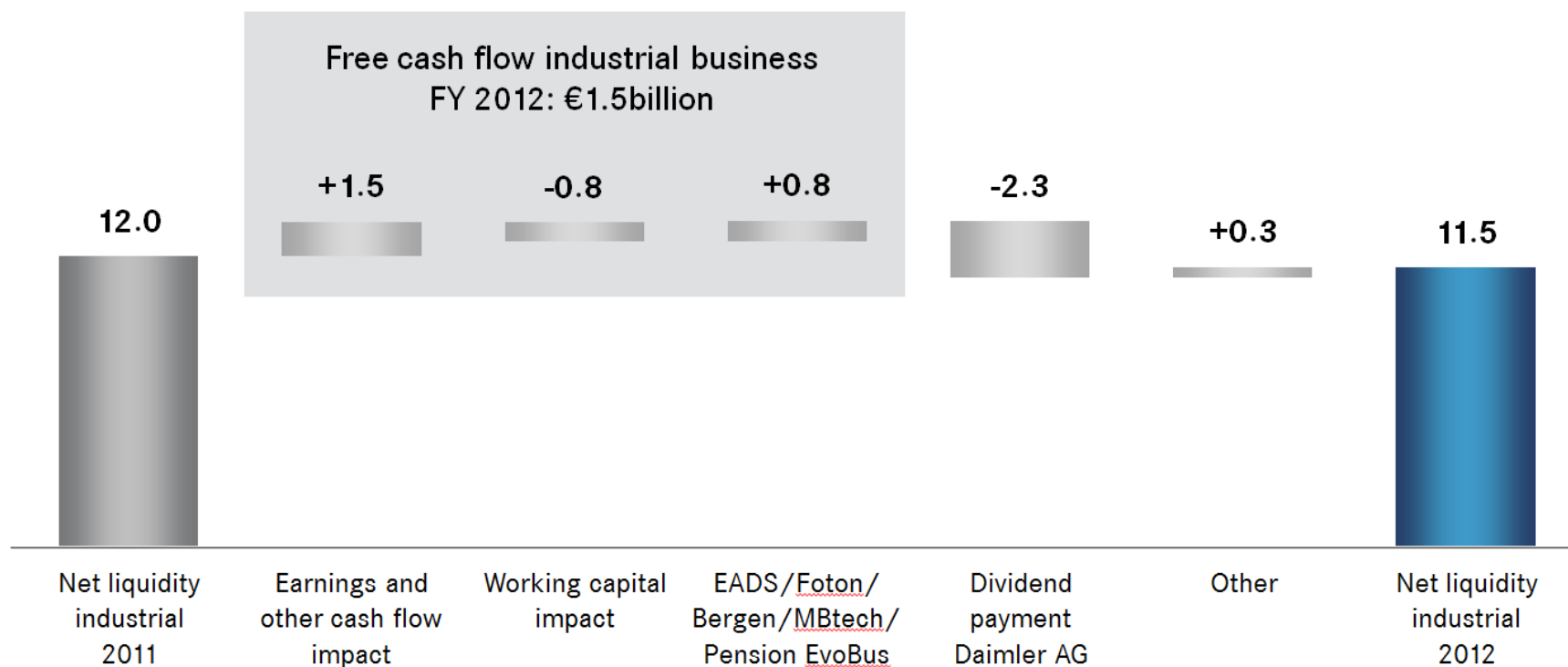
## Key balance-sheet figures

- in billions of euros -

<b>Daimler Group</b>	<b>Dec. 31, 2011</b>	<b>Dec. 31, 2012</b>
Equity ratio	26.3%	<b>26.5%</b>
Gross liquidity	11.9	<b>16.6</b>
<b>Industrial business</b>		
Equity ratio	46.4%	<b>47.8%</b>
Net liquidity	12.0	<b>11.5</b>

## Decrease in net industrial liquidity in 2012

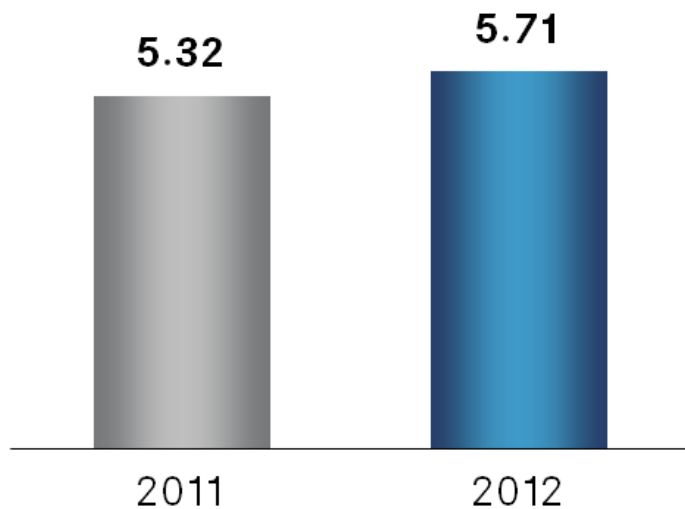
- in billions of euros -



## Earnings per share and dividend

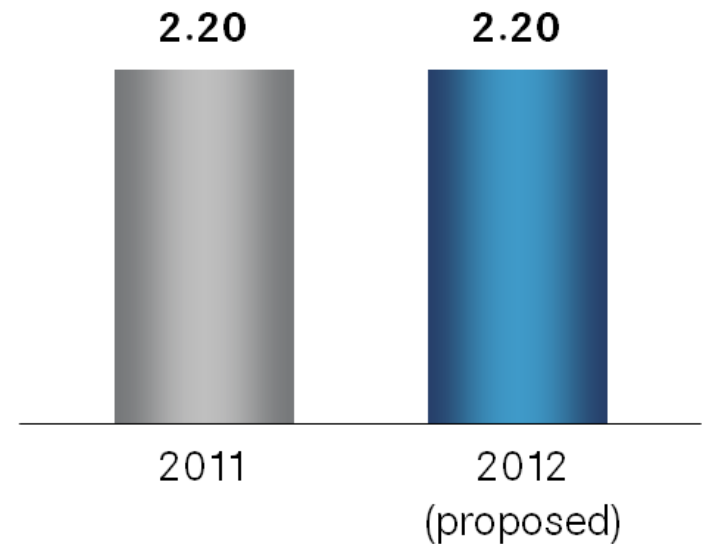
### Earnings per share

- in euros -



### Dividend per share

- in euros -



## Unit sales

- in thousand units -

	2011	2012	% Change
<b>Daimler Group</b>	2,111	2,198	+4.1
of which			
Mercedes-Benz Cars	1,381	1,452	+5.1
Daimler Trucks	426	462	+8.5
Mercedes-Benz Vans	264	252	-4.5
Daimler Buses	39.7	32.1	-19.3



## Revenue by segment

- in billions of euros -

	2011	2012	% Change
<b>Daimler Group</b>	106.5	114.3	+7.3
of which			
Mercedes-Benz Cars	57.4	61.7	+7.4
Daimler Trucks	28.8	31.4	+9.2
Mercedes-Benz Vans	9.2	9.1	-1.2
Daimler Buses	4.4	3.9	-11.1
Daimler Financial Services	12.1	13.6	+12.2
Contract volume of Daimler Financial Services	71.7	80.0	+11.5

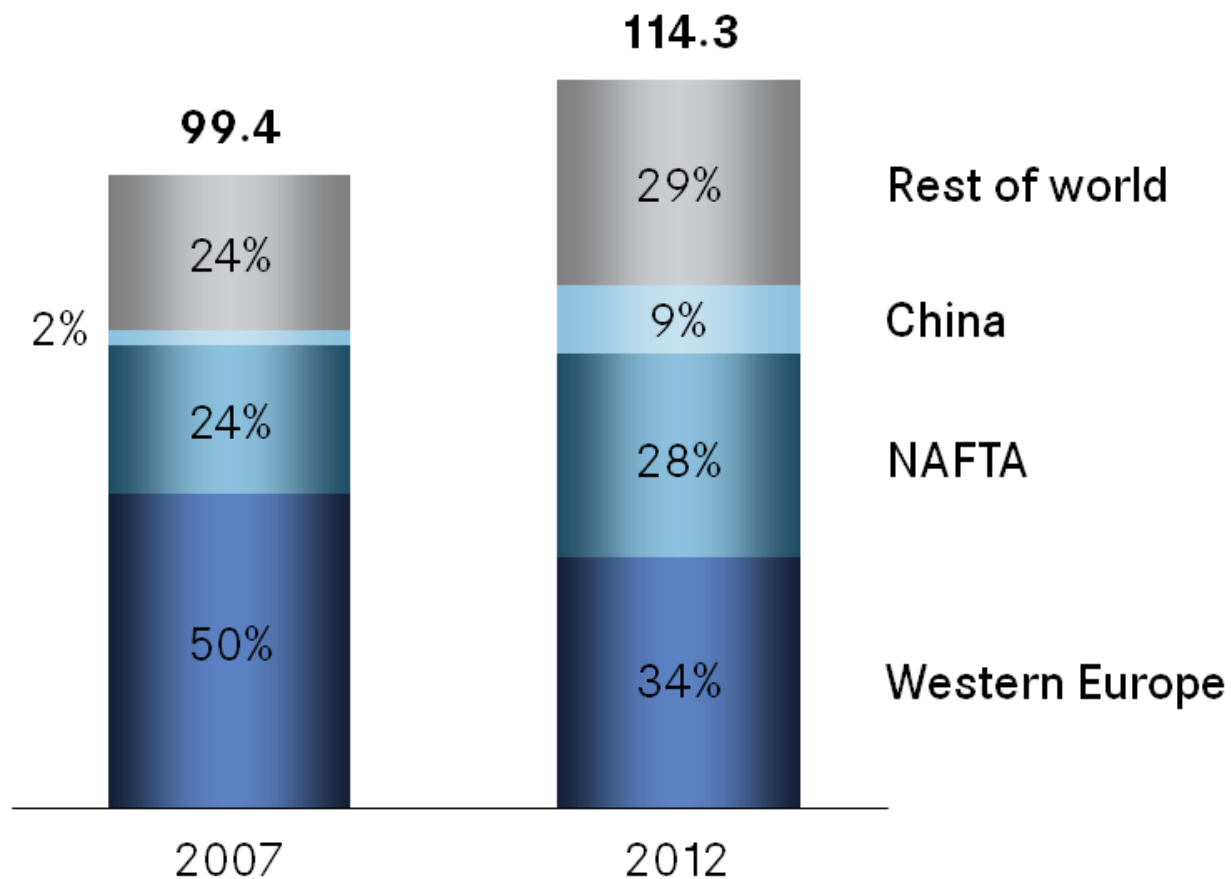
## Revenue by region

- in billions of euros -

	2011	2012	% Change
<b>Daimler Group</b>	106.5	114.3	+7.3
of which			
Western Europe	39.4	39.4	-0.0
of which Germany	19.8	19.7	-0.2
NAFTA	26.0	31.9	+22.6
of which USA	22.2	27.2	+22.5
Asia	22.6	25.1	+11.0
of which China	11.1	10.8	-2.8
Other markets	18.5	17.9	-3.3

## Regional structure of revenue in 2007 and 2012

- in billions of euros -



## EBIT by division

- in millions of euros -

	2011	2012	RoS* 2012
<b>Daimler Group</b>	8,755	8,615	7.3
of which			
Mercedes-Benz Cars	5,192	4,389	7.1
Daimler Trucks	1,876	1,714	5.5
Mercedes-Benz Vans	835	541	6.0
Daimler Buses	162	-232	-5.9
Daimler Financial Services	1,312	1,292	21.9
Reconciliation	-622	911	-

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

# Daimler's identity: a unique combination of leading technologies, strong brands and market leverage



# Daimler strategy: Combining growth and efficiency across the entire group

## Growth strategies

- Strengthening core business
- Growing in new markets
- Leading in green and safety technologies
- Shaping new mobility services

## Efficiency Programs

- Modularization
- Cost reduction
- Flexibility

# Combining growth and efficiency in every division

Examples for Mercedes-Benz Cars and Daimler Trucks

**Growth Strategy Mercedes-Benz 2020**

**“Fit for Leadership”**

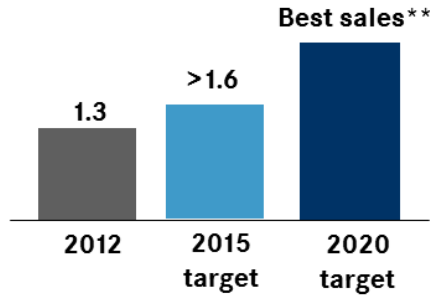
**Growth Strategy Daimler Trucks Global Excellence**

**“Daimler Trucks #1”**

# Our growth targets

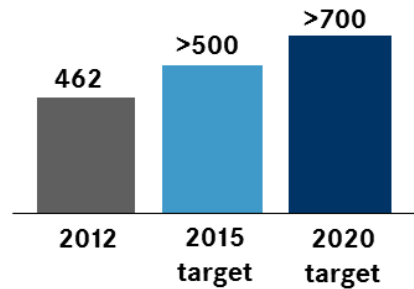
## Mercedes-Benz Cars

- in million units\* -



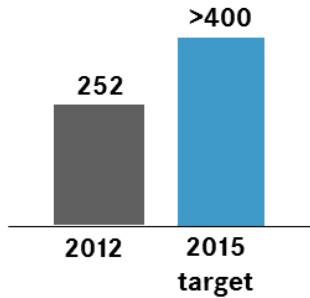
## Daimler Trucks

- in thousands of units -



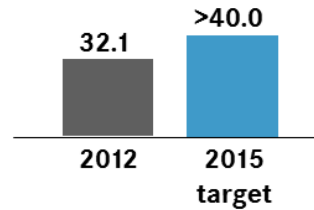
## Mercedes-Benz Vans

- in thousands of units -



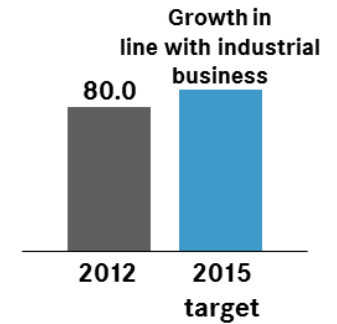
## Daimler Buses

- in thousands of units -



## Daimler Financial Services

- contract volume in billions of euros -



\* Without smart \*\*Within automotive premium segment; schematic representation



# Our financial targets

Return on Sales / Return on Equity<sup>1</sup> in %



10

Mercedes-Benz  
Cars



8

Daimler  
Trucks



9

Mercedes-Benz  
Vans



6

Daimler  
Buses



17

Daimler  
Financial Services<sup>1</sup>

“Return on Sales” target automotive business 9 percent

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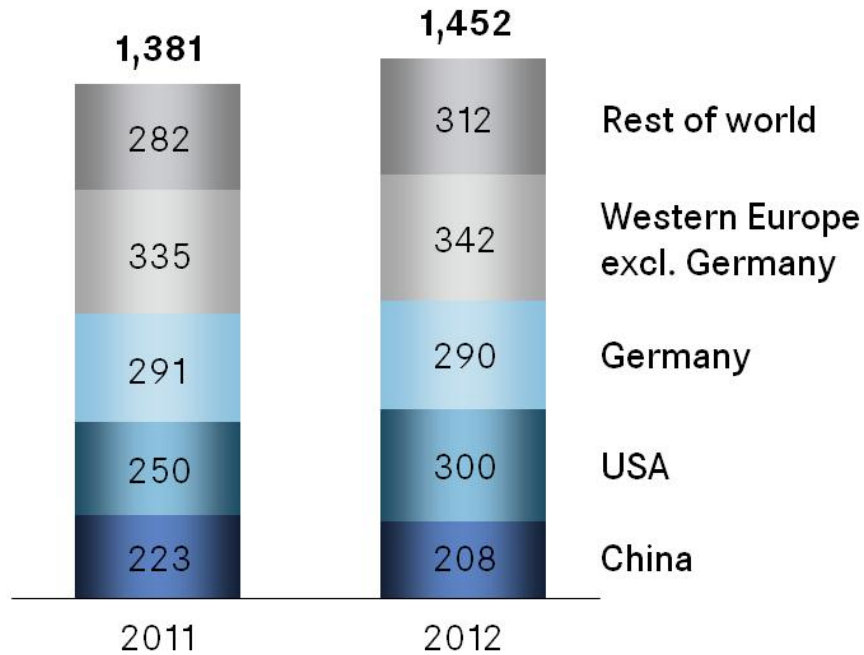
## On our way to leadership in the premium segment



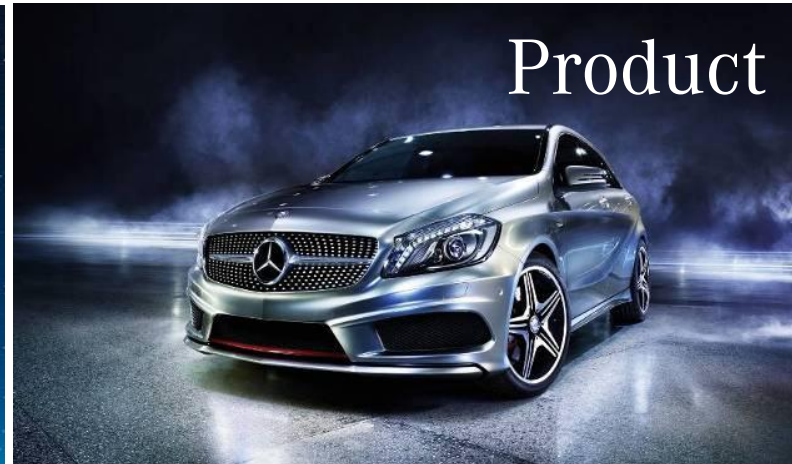
Mercedes-Benz 2020

# Mercedes-Benz Cars: Balanced sales structure

- Unit sales in thousands -

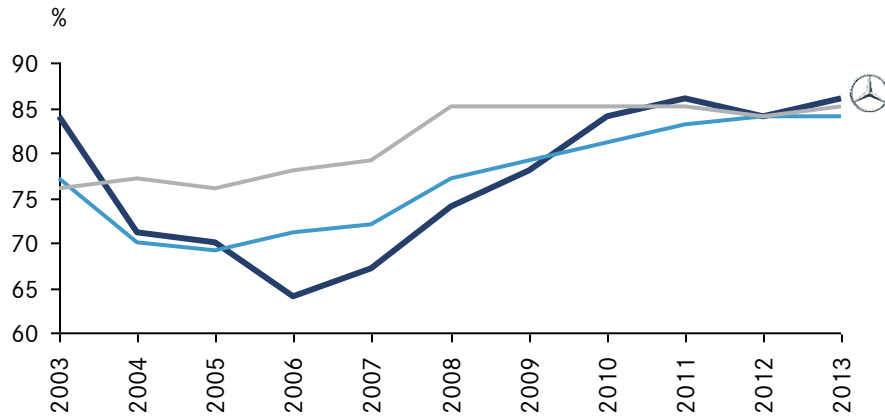


## Four levers of Mercedes-Benz 2020

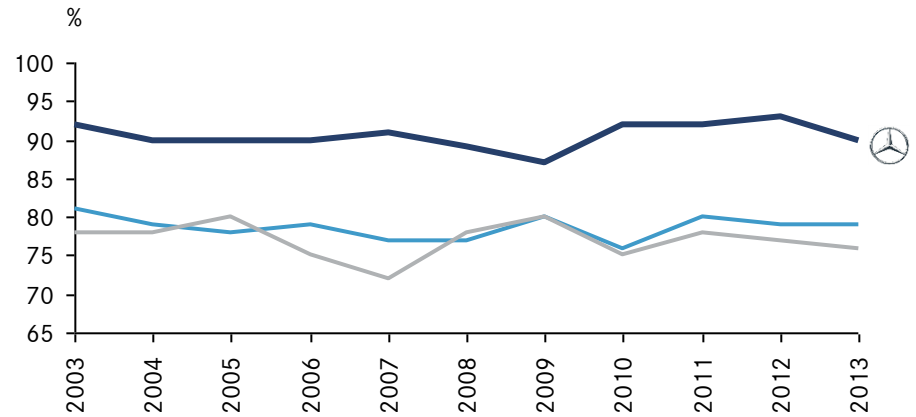


# Brand: Development of brand value and perception

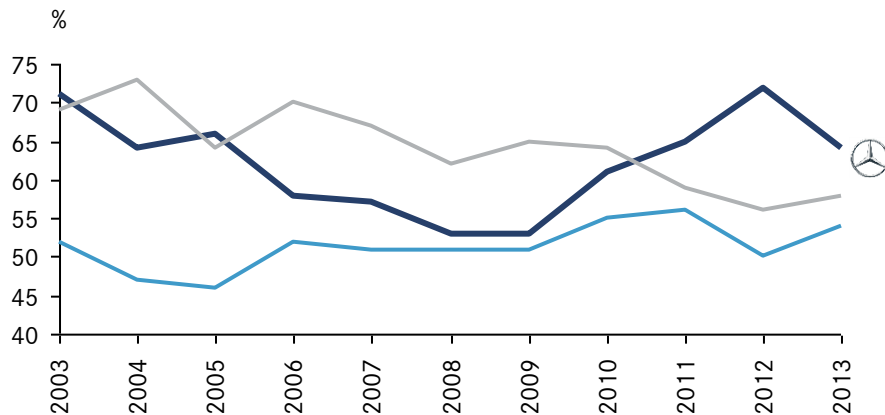
**Product reliability – AMS Survey**



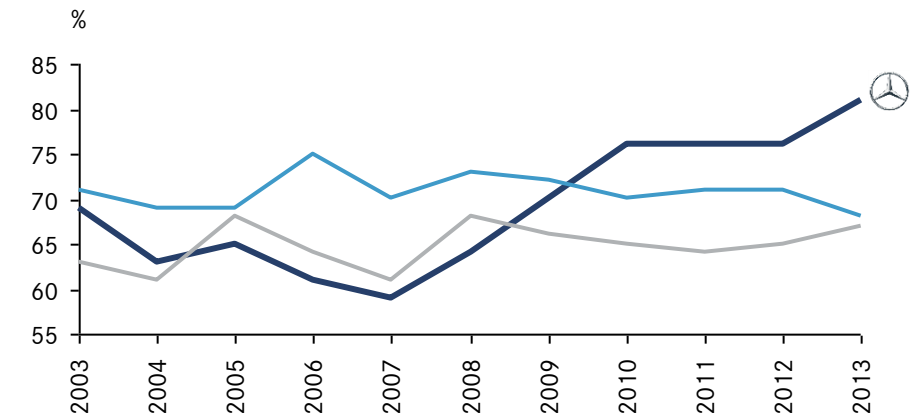
**Safety – AMS Survey**



**Perception of advertisement – AMS Survey**

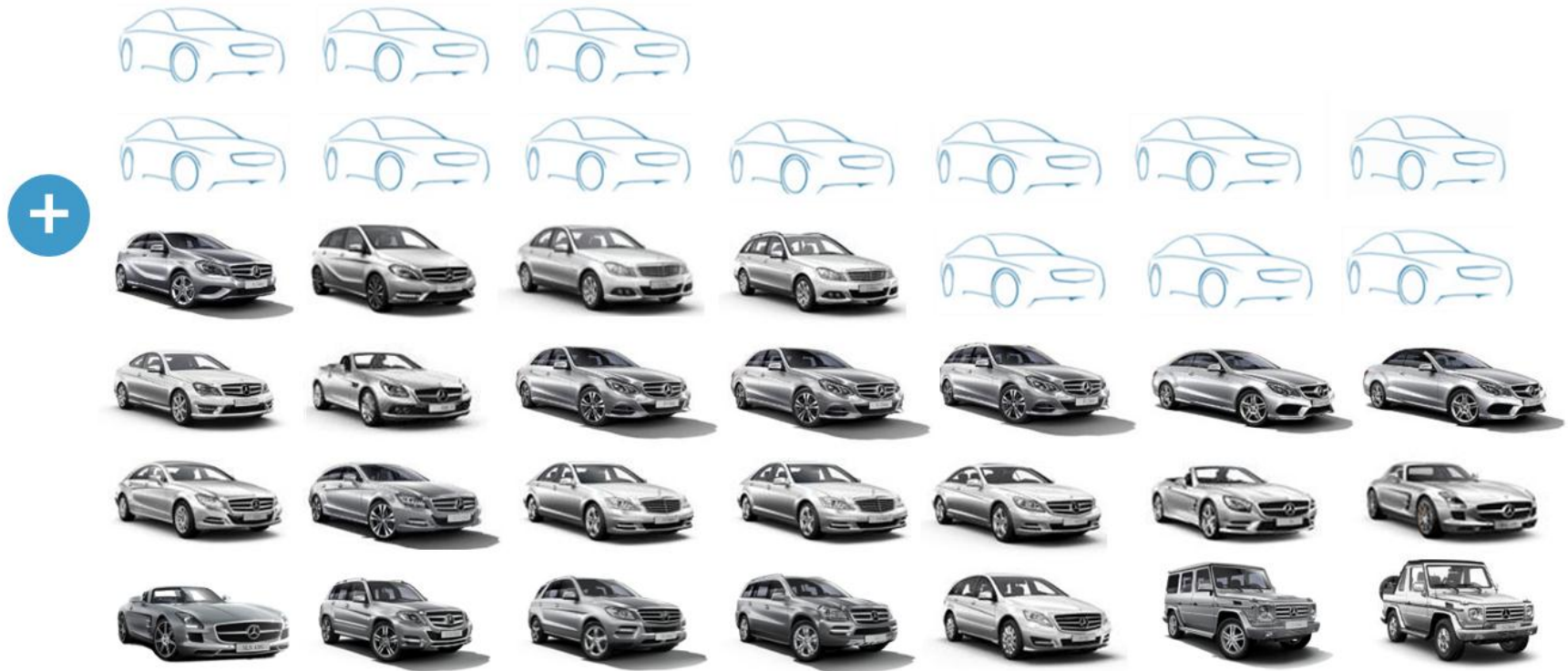


**Good aftersales – AMS Survey**



— Competitor A    — Competitor B

# Adding 13 new models to our existing portfolio by 2020



## Products: Our new E-Class Family





## Products: Our new A-Class



## Products: Our new CLA-Class



## Products: Our new CLS Shooting Brake



## Products: Our new SL-Class



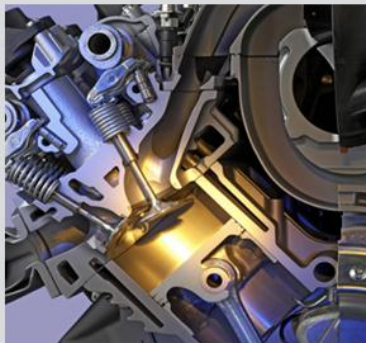
## Products: SUV Offensive – Our new GLK-, G- and GL-Class



# Products: Three essential drive systems

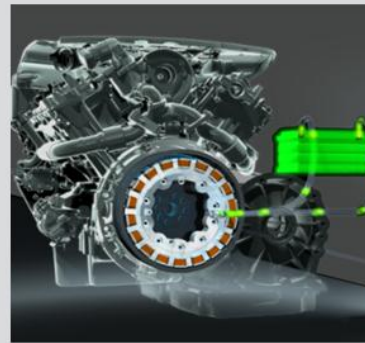
## High-tech combustion engines

*CDI, CGI, BlueTEC*



## Combustion engines with hybridization

*HYBRID, BlueTEC HYBRID, Plug-in HYBRID*



## Electric vehicles with battery and fuel cell

*E-CELL, F-CELL*



**A 180 CDI BlueEFFICIENCY Edition**

3,6 l/km  
92 gCO<sub>2</sub>/km



**E 300 BlueTEC Hybrid**

4,2 l/km  
109 gCO<sub>2</sub>/km

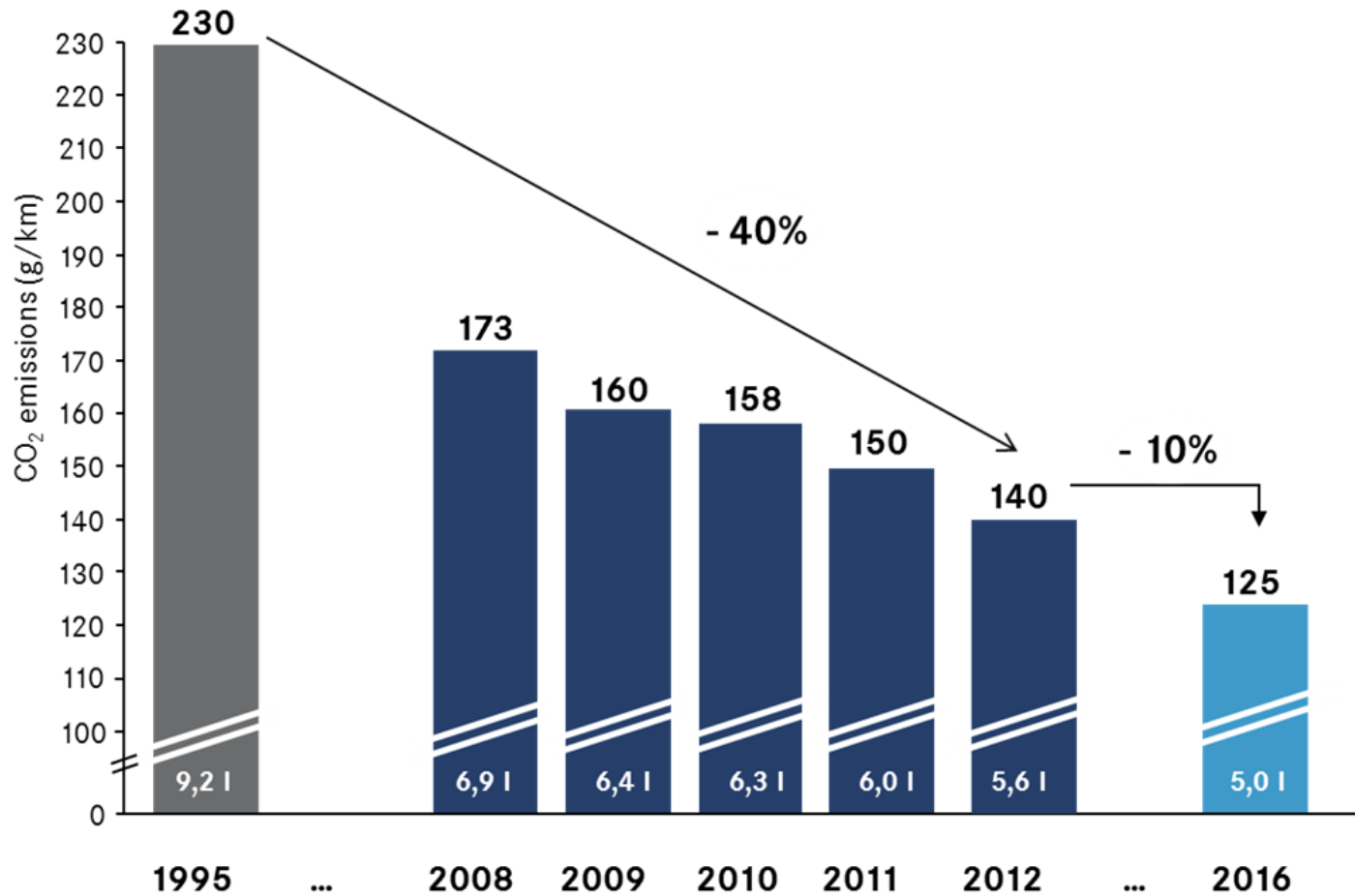


**SLS AMG Coupé Electric Drive**

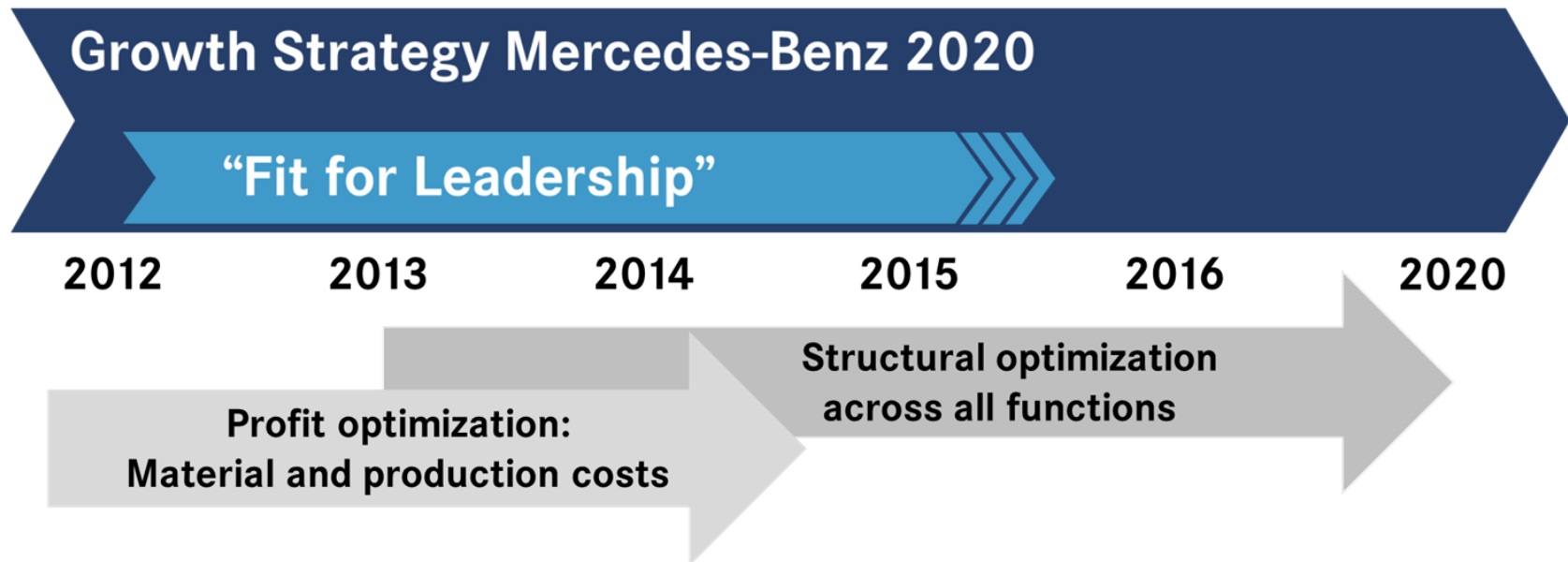
0 l/km  
0 gCO<sub>2</sub>/km

# Reducing CO2 emissions

Average CO<sub>2</sub> emissions per kilometer of our Mercedes-Benz Car fleet in Europe



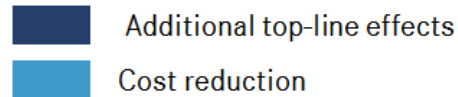
## Connecting growth and efficiency



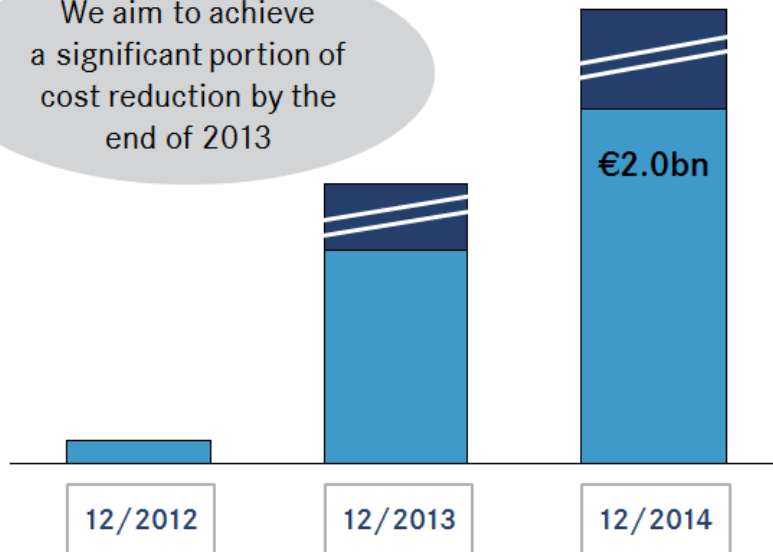


# Mercedes-Benz Cars: Fit for Leadership

## Flight path towards benefits



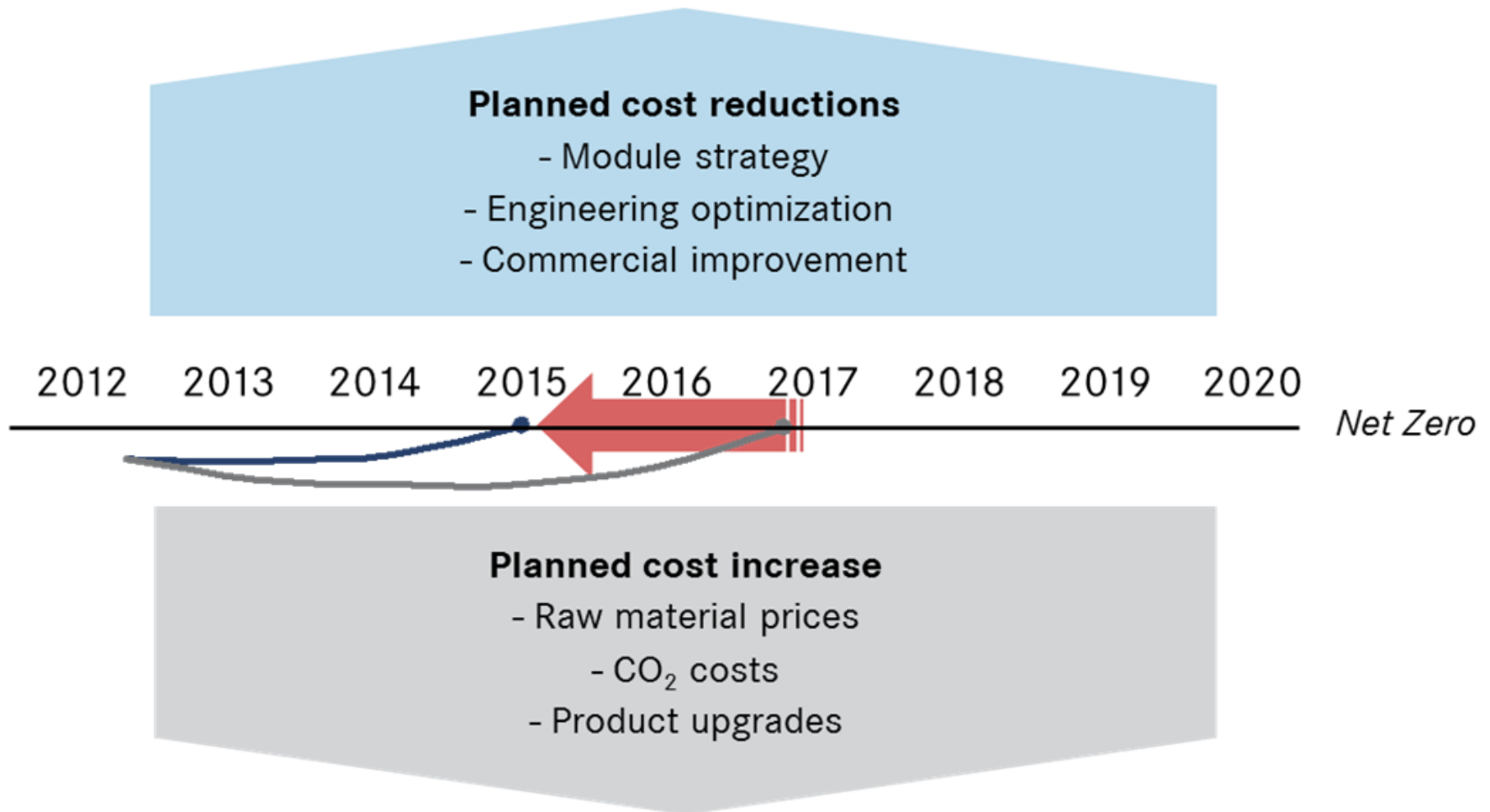
We aim to achieve a significant portion of cost reduction by the end of 2013



## Key levers

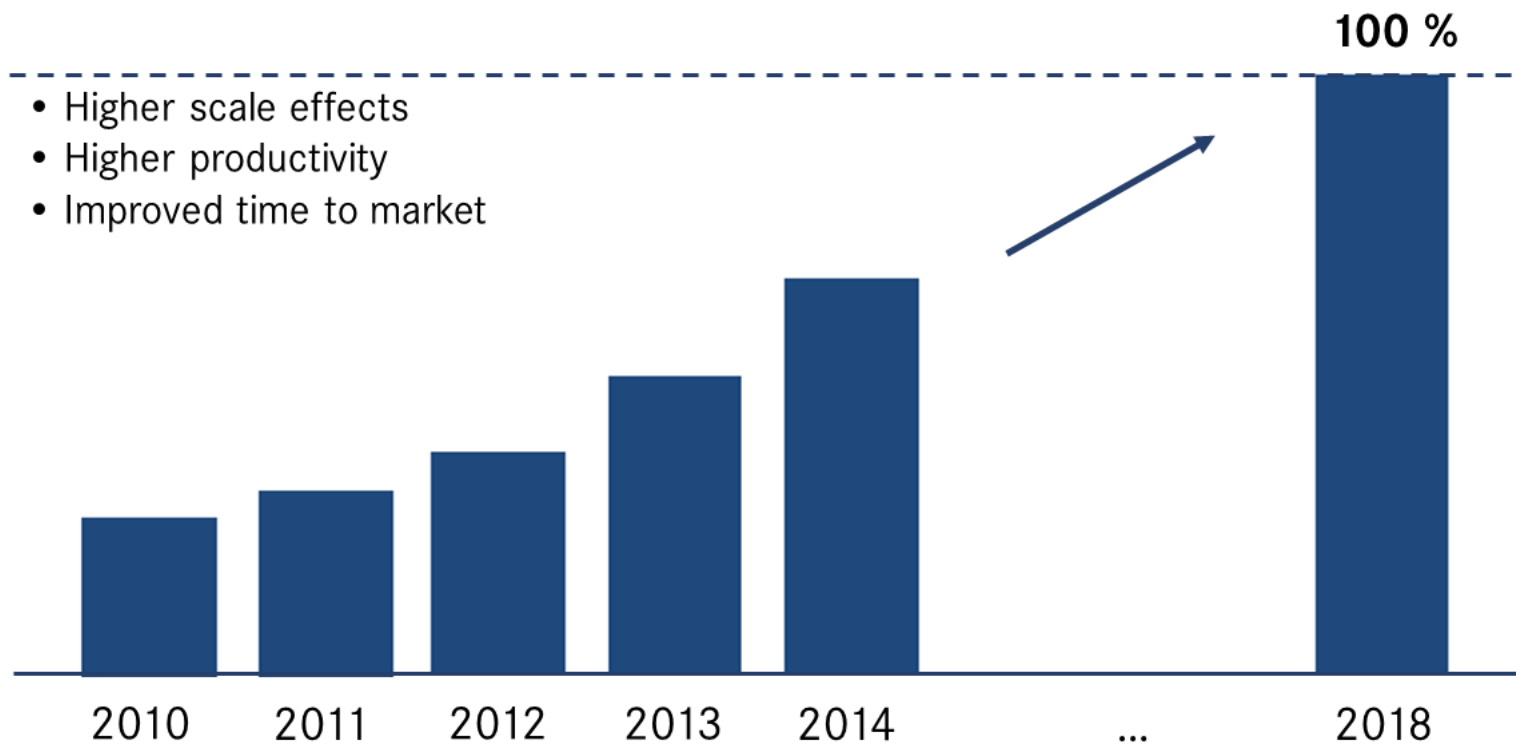
- Material costs/Net-zero approach
- Further reduction of hours per vehicle
- Optimization of funding requirements
- Reduction of fixed costs
- Increase of efficiency in use of funds
- Higher flexibility of MBC business model

## Accelerated achievement of “Net Zero”



## Module strategy on track

Rollout of module strategy within all passenger car models, schematic representation



## Increasing productivity even further

Mercedes-Benz passenger cars: reduction of hours per vehicle



## Structural improvement in our China business

Shareholder and board seats in BAIC Motor

New Board of Management position for China

Integrated Sales Company for local and imported vehicles

Equity interest in Mercedes-Benz China Ltd. increased to 75%

Development of "Sales Region West" with headquarters in Chengdu

Adding about 50 new dealerships each year

Continuously expanding the product portfolio of Mercedes-Benz

2012

2013

2014

## Strategic investment in BAIC motor



## Financial Outlook and Targets

- ▶ **Sales leadership**

Milestones: >1.5 in 2014 / >1.6 in 2015

- ▶ **Technology leadership**

Milestone: 125 g CO<sub>2</sub> / km fleet average in 2016

- ▶ **Flexible footprint and productivity improvement**

Milestone: HPV 30h in 2015

- ▶ **Capital and cost discipline**

Milestones: CapEx Ratio ~7% / R&D Ratio ~6%

- ▶ **Strategic Return Target**

10% RoS on average

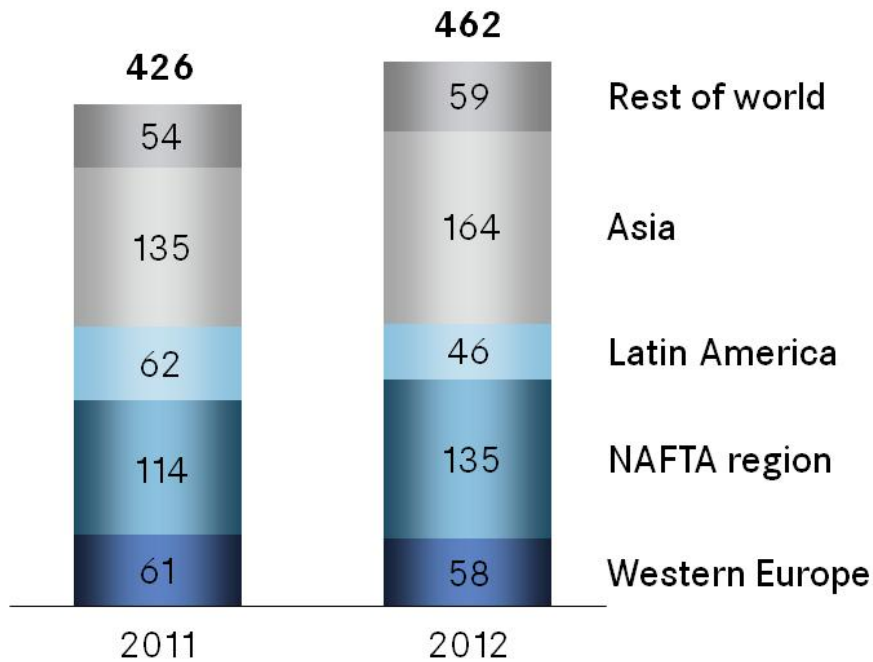
**DT#1 with right structure to strengthen leadership position: "As global as possible, as local as necessary"**





# Daimler Trucks: Sales increase especially in Asia and the NAFTA region

- in thousands of units -

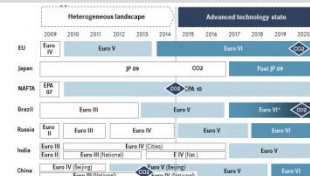


# Truck industry offers positive mid-term dynamics

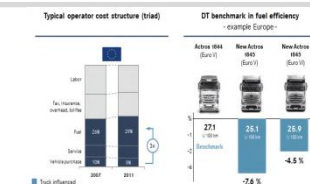
1 3.6% p.a. global growth, increasing relevance of RIC



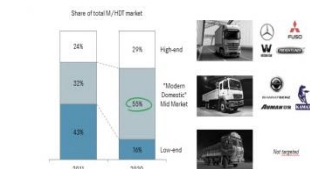
2 Convergence of emission regulations



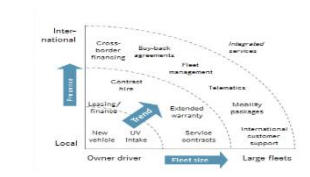
3 TCO increasingly relevant for customers



4 Vehicle upgrading – "Modern Domestic" becoming biggest segment



5 Structural growth of high margin aftersales business

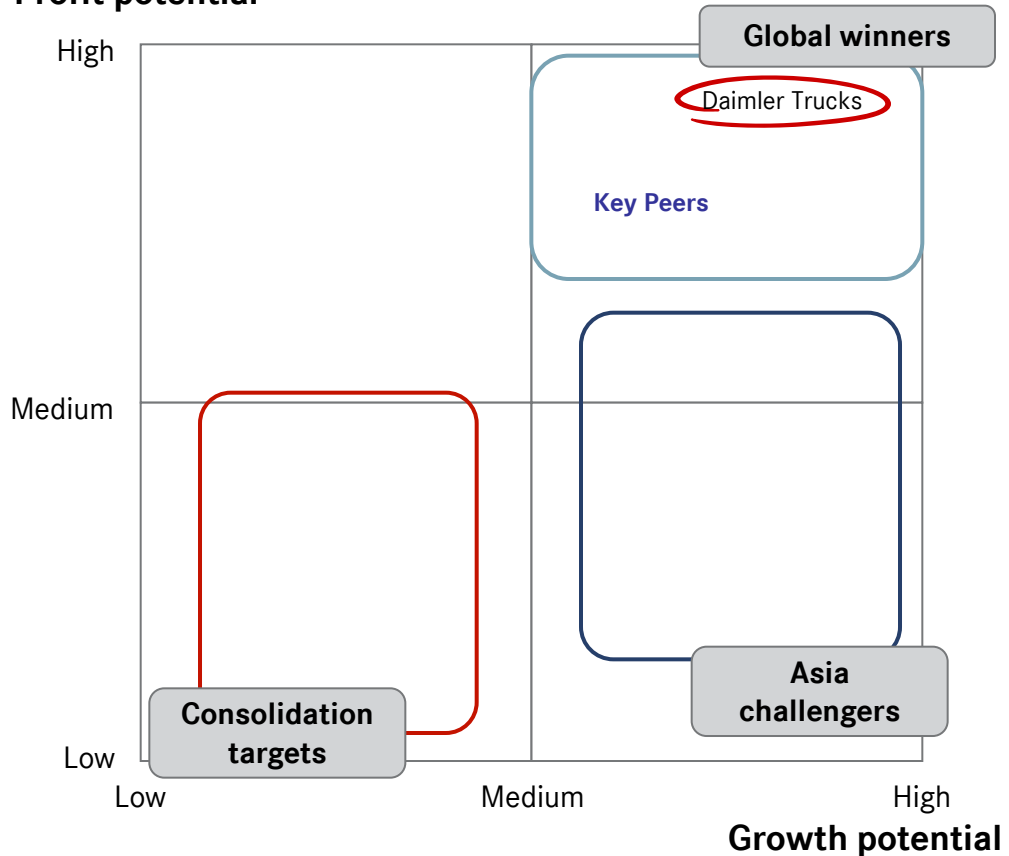


# Mid-term industry dynamics give DT a clear advantage over its regional competitors in the future

## Industry trends

- Triad recovery and BRIC growth
- Convergence of emission regulations
- Vehicle upgrading – new "Modern Domestic"
- Increasing TCO relevance
- Profit growth in aftersales

## Profit potential



# The foundation for profitable growth has been laid with a strong product pipeline with new global platforms



SFTP



Cascadia



Super Great HDEP



Actros Brazil



Antos



Severe Duty Line



Canter Hybrid



MDEG/HDEP




Bharat Benz




Auman

Product offensive to continue over next years


# Achieving global scale effects



Global engine platforms  
HDEP/MDEG



PowerShift  
transmission platform



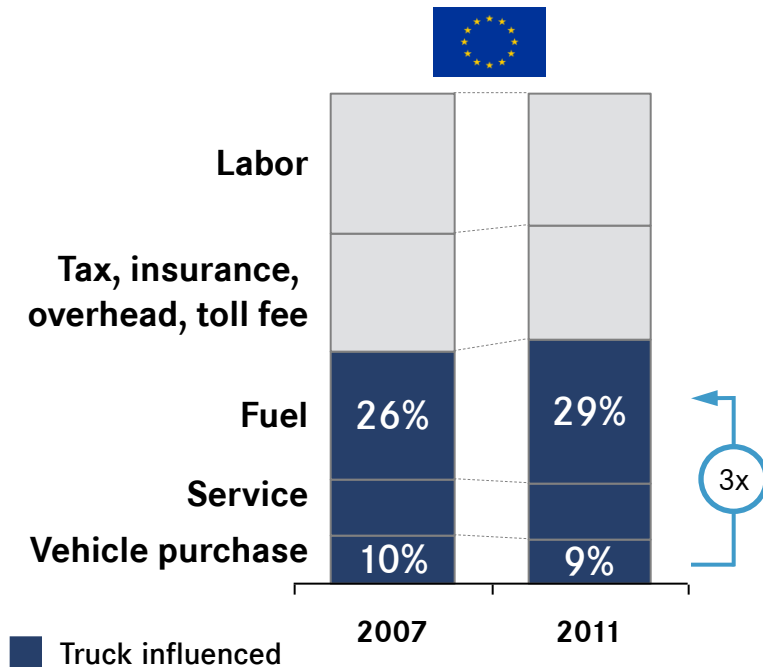
Common  
axle platform



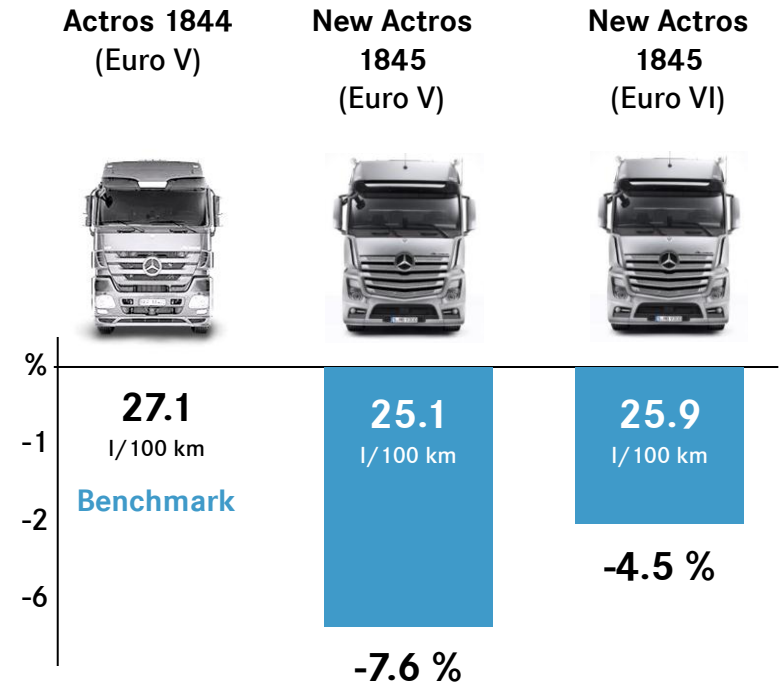
Integrated Powertrain  
with global application

# TCO increasingly relevant as key driver for customer decisions

Typical operator cost structure (triad)



DT benchmark in fuel efficiency - example Europe -



New global engine generation ensures benchmark position in all regions

# Accelerating Global Excellence: “Daimler Trucks #1”

Global Excellence

**Global Excellence Pillars**

Management of Cycles

Operational Excellence

Growth and Market Exploitation

Future Product Generations



**Achievements so far**

Flexibility Measures



Efficiency Programs



BRIC Expansion



Global Platform Roll-out



**Current focus**



Excellence Programs of OUs

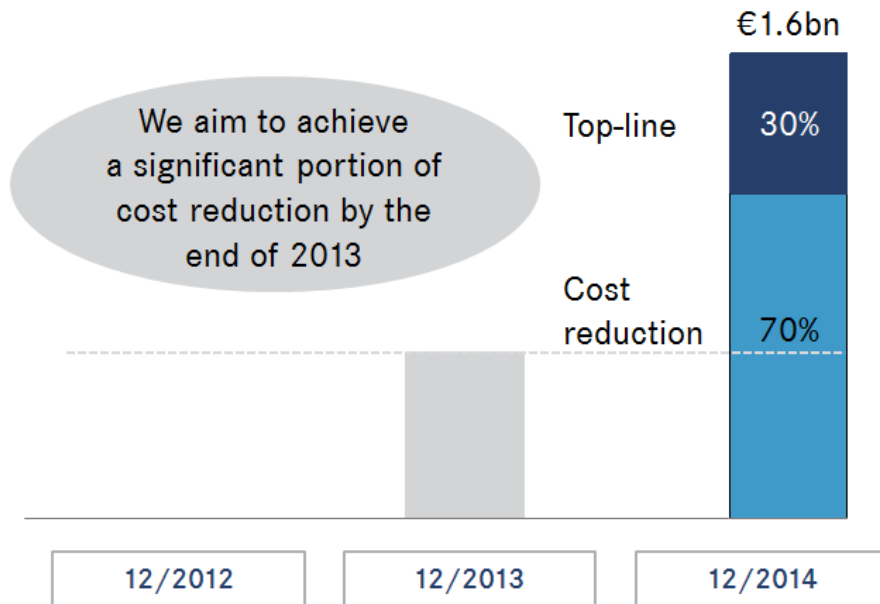


Cross-business Excellence Initiatives



# Daimler Trucks #1

## Flight path towards benefits



## Key levers

- Sales and aftersales push
- Module strategy to realize global scale
- Future Asia Business Model
- Strong efficiency push in all Operating Units:
  - Fixed costs
  - Material costs
  - Production costs
  - Warranty and quality costs



# DT#1 with right structure to strengthen leadership position: "As global as possible, as local as necessary"



#### 4 OU Excellence Initiatives covering our global business

- Sales and Aftersales push
- Cost optimization
- Quality push
- People and high performance culture

#### 8 Work packages for synergy effects

- WP1: Daimler Trucks business portfolio
- WP2: Sales push (white spots)
- WP3: Truck sales & marketing dedication
- WP4: Aftersales & downstream push
- WP5: DT product strategy & management
- WP6: New setup Truck Product Engineering
- WP7: Lean Daimler Trucks
- WP8: Asia business Model

# Eight cross-business work-packages to achieve our vision



## Our Vision:

We are No. 1 in the global Truck business, create superior value for our customers and are benchmark for quality and profitability, [Wave 1](#)

WP 1	WP 2	WP 3	WP 4	WP 5	WP 6	WP 7	WP 8
<b>DT business portfolio</b>	<b>Sales push (white spots)</b>	<b>Truck S&amp;M dedication</b>	<b>Aftersales/downstream push</b>	<b>DT product strategy and management</b>	<b>New TP setup</b>	<b>Lean DT</b>	<b>Asia business model</b>
<ul style="list-style-type: none"> <li>• Optimize funding allocation and portfolio:               <ul style="list-style-type: none"> <li>– Businesses</li> <li>– Products</li> <li>– Projects</li> <li>– Cooperations</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Develop untapped or not yet fully covered markets and product segments</li> <li>• Optimize international market management model</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize truck dedication and customer orientation for MB Europe</li> </ul>	<ul style="list-style-type: none"> <li>• Further improve integrated services for our customers</li> <li>• Enhance global aftersales and remanufacturing business</li> </ul>	<ul style="list-style-type: none"> <li>• Realize global scale and sourcing advantages through enhanced platform/module strategy and optimized material costs</li> </ul>	<ul style="list-style-type: none"> <li>• Develop future TP setup</li> <li>• Improve R&amp;D allocation and efficiency</li> <li>• Focus on platform, module and commonality</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize indirect functions</li> <li>• Establish lean processes and mindset</li> </ul>	<ul style="list-style-type: none"> <li>• Develop integrated business model for Asia to increase Asia market exploitation</li> </ul>

## Financial Outlook and Targets

### ▶ Outlook 2013

Increase in unit sales and EBIT expected

### ▶ Target

We continue to target a RoS of 8% on average over the cycle, supported by DT#1, however, from a later starting point.

### ▶ Sales leadership

Milestones: over 500k in 2015 / 700k in 2020

### ▶ Technology leadership

We offer the best products in terms of TCO and fuel efficiency, globally.

### ▶ Our vision

No. 1 in the global truck industry and sustainable leadership in profitability. DT#1 targets benefits of 1.6 B€, coming from Sales / After Sales Push, variable / fixed cost reduction and platform/module rollout

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## 2013 will be characterized by ...

- Stagnating European GDP development due to continuing uncertainties
- Modest US economy with fiscal headwind
- Continued low interest rates due to expansionary monetary policy of major central banks
- Growth of world economy further driven by the emerging markets, especially China
- Expected upturn of markets in the second half of the year

## Assumptions for automotive markets in 2013

Car markets	Global	+2% to +4%
	Western Europe	moderate decline
	U.S./Asia	growth in China and USA
Truck markets	NAFTA	-10% to -5%
	Europe	-5% to 0%
	Japan	around prior year
	Brazil	up to +10%
Van markets	Europe	around -5%
Bus markets	Western Europe	slightly above 2012
	Brazil	moderate growth

## Sales outlook for 2013



- Further unit sales increase
- Strong momentum from new compact cars and SUVs
- Launch of new CLA, E-Class and S-Class



- Unit sales slightly above prior year
- Further increase based on strong product portfolio
- Growth of market share in major regions



- Increase in unit sales
- Support from new city van Citan and new generation of Sprinter
- Open new market potentials

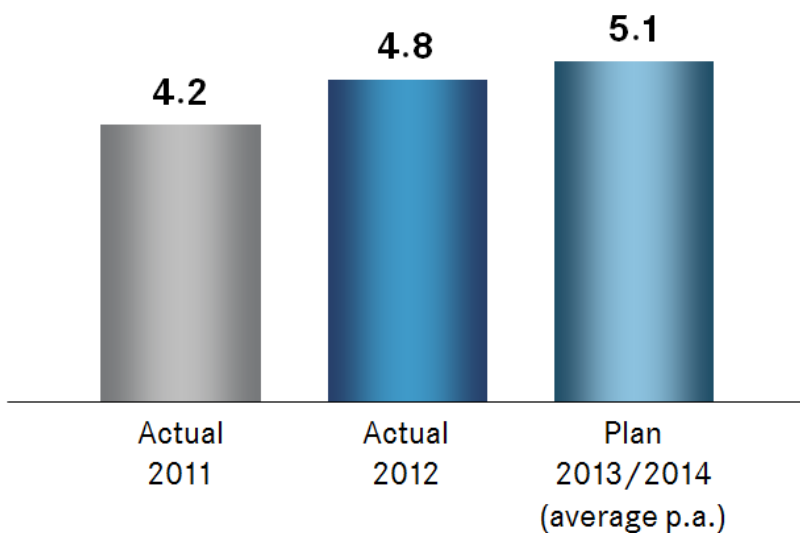


- Higher unit sales
- Growth supported by new Mercedes-Benz Citaro and Setra 500
- Maintain market leadership in core markets

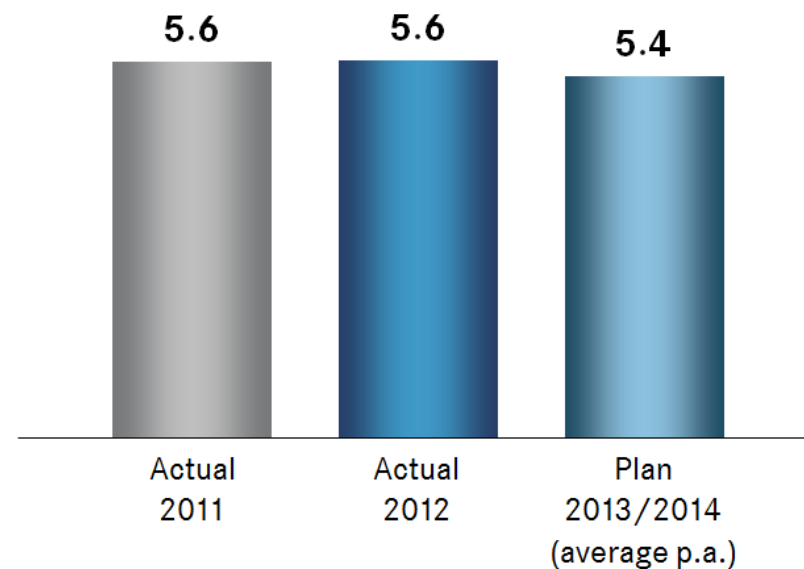
## Capital expenditure / Research and development

- in billions of euros -

### Investment in property, plant and equipment



### Research and development expenditure





## 2013 outlook for EBIT from ongoing business

### First half of 2013:

Weaker earnings development anticipated compared with the first half of 2012, due to the expected weakness of major markets.

### Second half of 2013:

Earnings improvement expected compared with the level of the first half, due to the planned new models, the assumptions made for the development of markets important to Daimler and the increasing effects of the efficiency measures that have been initiated.

### Full year 2013:

Daimler: Group EBIT from the ongoing business in 2013 is expected to reach the magnitude of the prior year, based on the anticipated recovery in the second half of the year.

Mercedes-Benz Cars: Full-year EBIT is expected to be slightly lower than in 2012.

Other automotive divisions: Earnings are expected to be higher than in the prior year.

### 2014 and the following years:

Improvements in operative profit expected for all automotive divisions and for the Group.

### Daimler Financial Services:

Stable development of earnings anticipated in the next two years.

## Looking beyond 2013

- In 2014, Mercedes-Benz Cars will have a younger model lineup than today.
- Daimler Trucks will benefit from the completed product offensive and regional launches including Euro VI roll-out in Europe.
- All divisions will consistently implement their initiatives to further enhance efficiency and realize further optimization potentials.
- We will benefit from improved business model and better exploitation of our potential in China.

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Daimler Group 2012

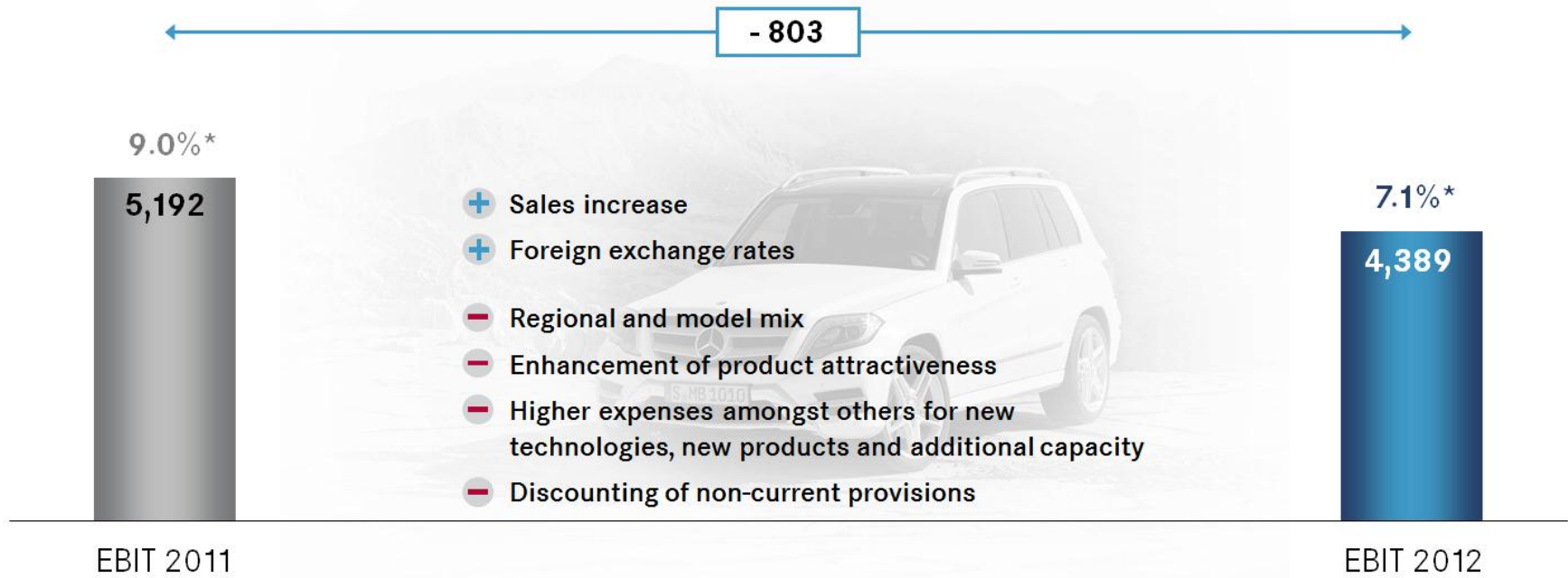
Divisions 2012

Outlook 2013

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# Mercedes-Benz Cars: EBIT below prior year's level due to high investments in future growth and increasing competition

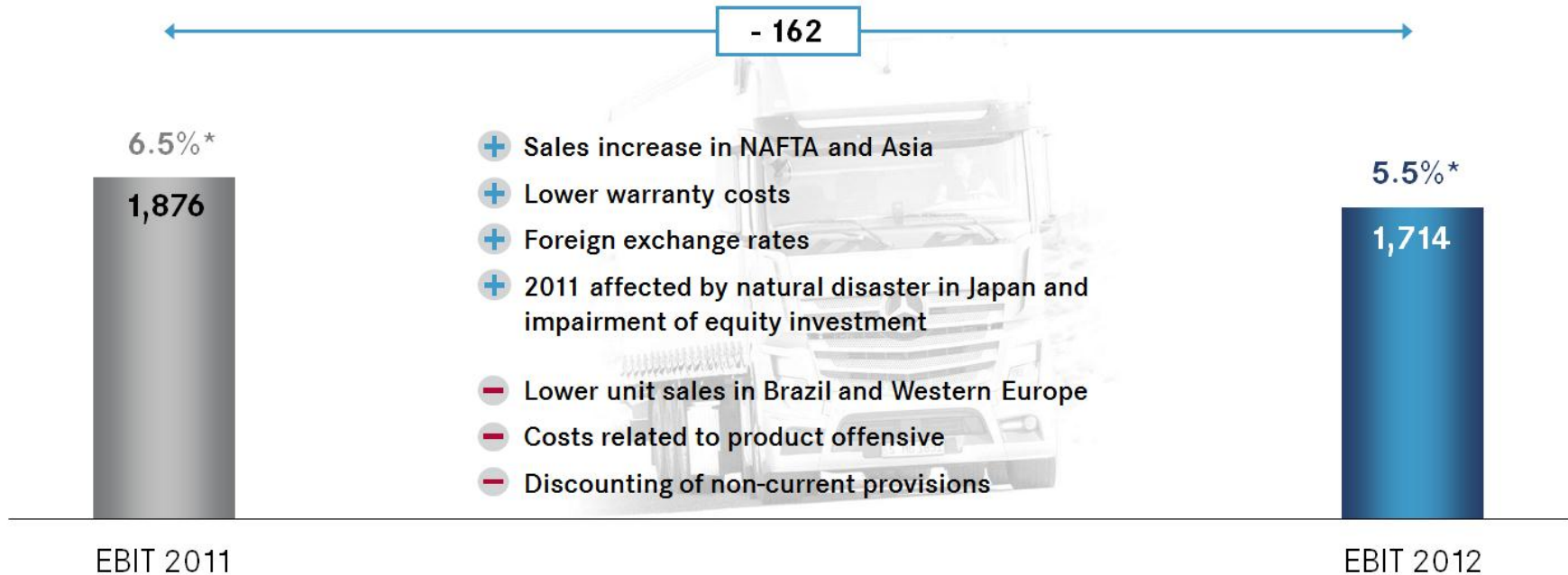
- in millions of euros -



\* Return on sales

# Daimler Trucks: Decrease in EBIT

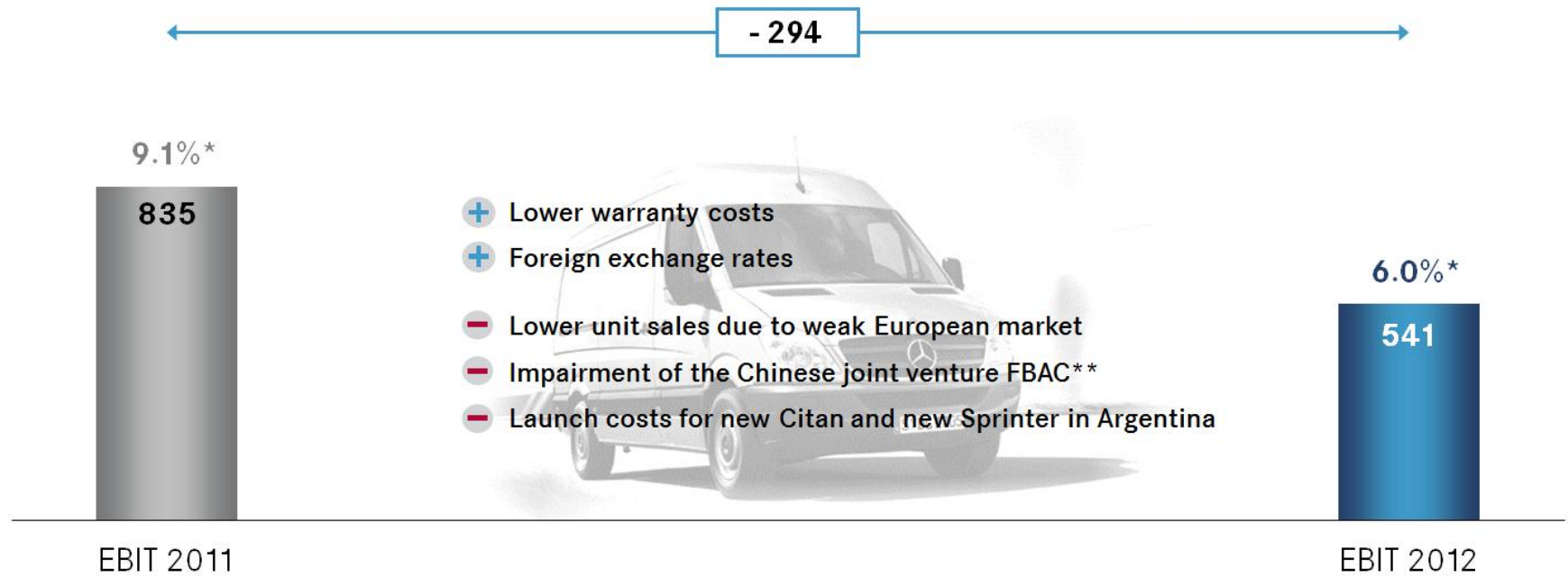
- in millions of euros -



\* Return on sales

# Mercedes-Benz Vans: Lower EBIT due to sales decrease

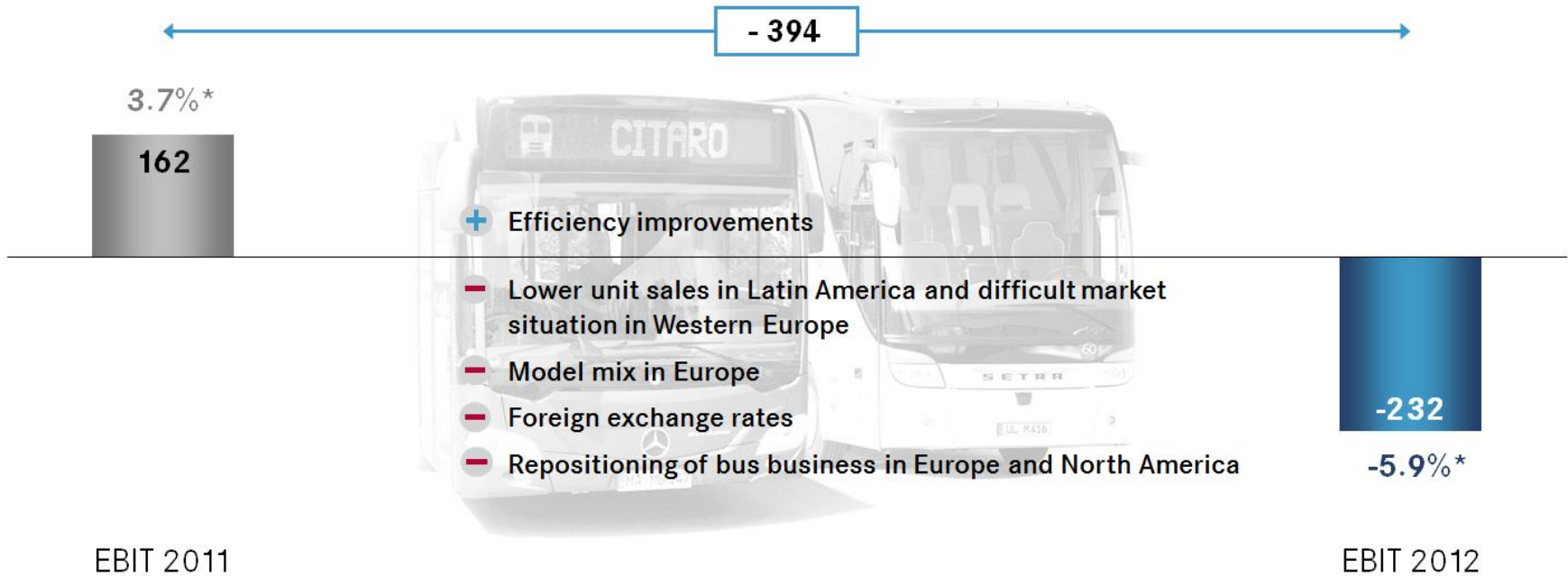
- in millions of euros -



\* Return on sales  
 \*\* Fujian Benz Automotive Corporation

# Daimler Buses: Decrease in EBIT

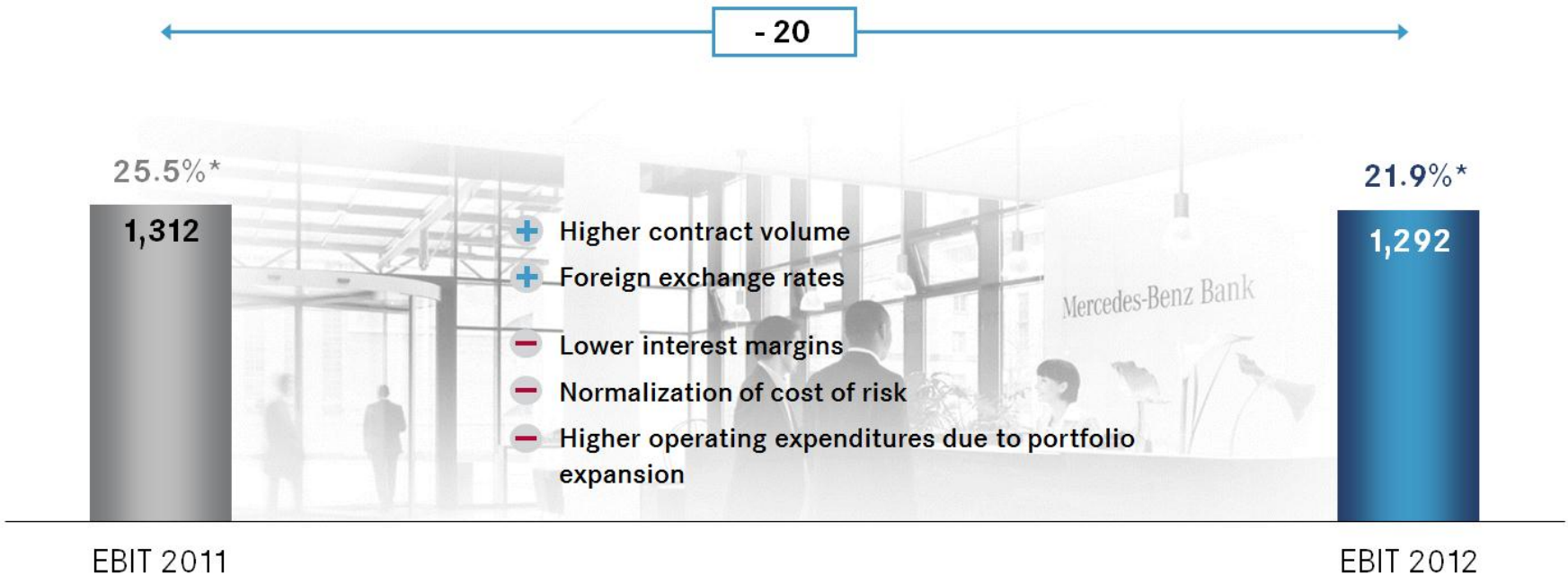
- in millions of euros -



\* Return on sales

# Daimler Financial Services: EBIT at prior year's level

- in millions of euros -

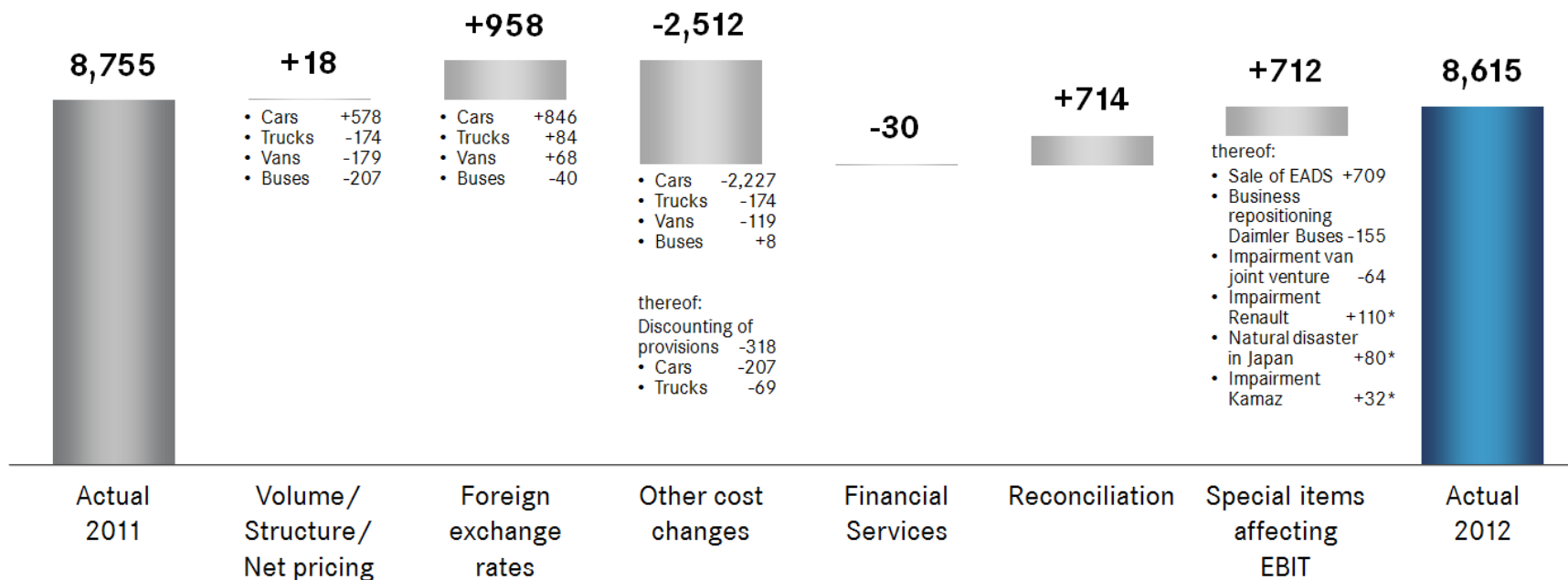


\* Return on equity



# Group EBIT in 2012

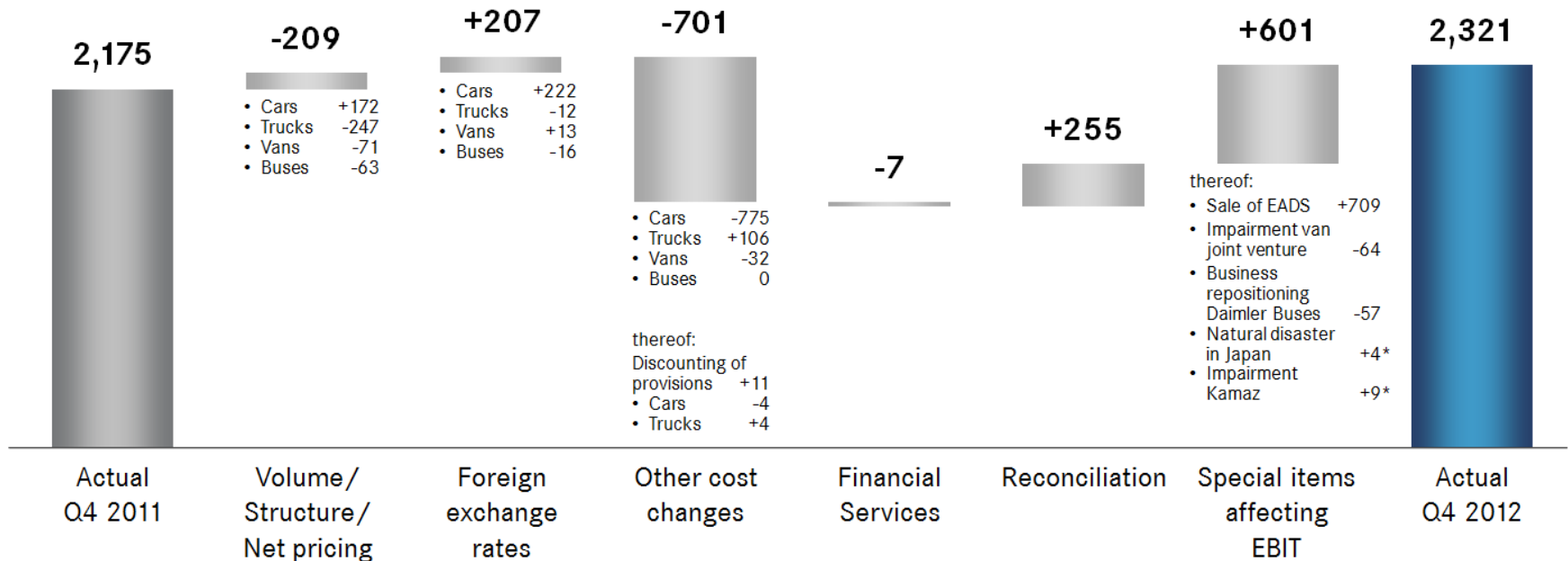
- in millions of euros -



\* Special items affecting EBIT in 2011

# Group EBIT in Q4 2012

- in millions of euros -



\* Special items affecting EBIT in Q4 2011

## Special items affecting EBIT

- in millions of euros -

	4th quarter		Financial year	
	2011	2012	2011	2012
<b>Daimler Trucks</b>				
Natural disaster in Japan	-23	-	-70	-
Impairment of investment in Kamaz	-9	-	-32	-
<b>Mercedes-Benz Vans</b>				
Impairment of investment in Fujian Benz Autom. Corp.	-	-64	-	-64
<b>Daimler Buses</b>				
Business repositioning	-	-57	-	-155
<b>Daimler Financial Services</b>				
Natural disaster in Japan	19	-	-10	-
<b>Reconciliation</b>				
Sale of EADS shares	-	709	-	709
Impairment of investment in Renault	-	-	-110	-

## EBIT from ongoing business

- in millions of euros -

	2011	2012	RoS* 2012
<b>Daimler Group</b>	8,977	8,125	6.8
of which			
Mercedes-Benz Cars	5,192	4,389	7.1
Daimler Trucks	1,978	1,714	5.5
Mercedes-Benz Vans	835	605	6.7
Daimler Buses	162	-77	-2.0
Daimler Financial Services	1,322	1,292	21.9
Reconciliation	-512	202	-

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

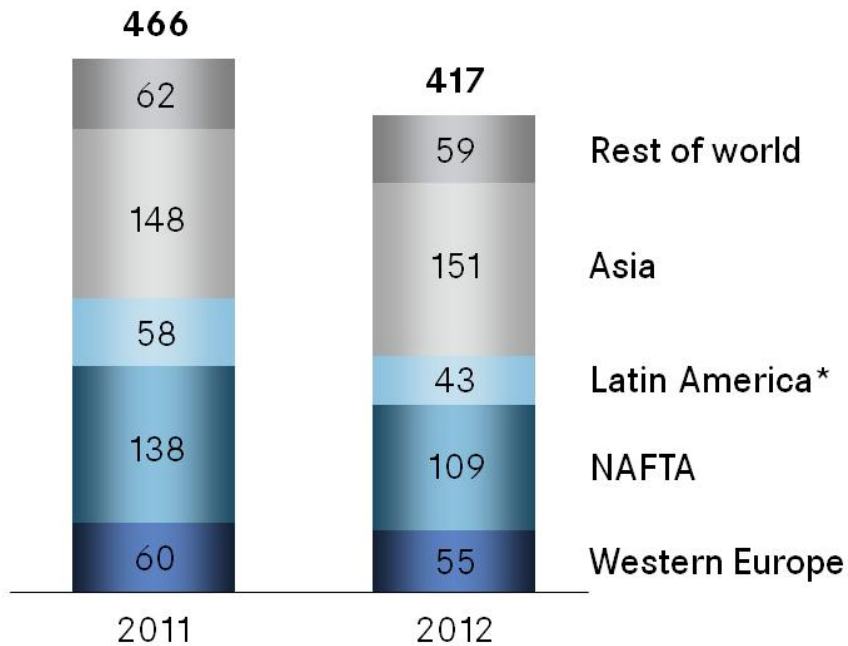
## Capital expenditure / Research and development

- in billions of euros -

	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2011	Actual 2012	Plan 2013-2014	Actual 2011	Actual 2012	Plan 2013-2014
<b>Daimler Group</b>	4.2	4.8	10.2	5.6	5.6	10.8
of which						
Mercedes-Benz Cars	2.7	3.5	7.3	3.7	3.9	7.6
Daimler Trucks	1.2	1.0	2.0	1.3	1.2	2.3
Mercedes-Benz Vans	0.1	0.2	0.7	0.4	0.4	0.6
Daimler Buses	0.1	0.1	0.2	0.2	0.2	0.3
Daimler Financial Services	0.02	0.02	0.03	-	-	-

# Daimler Trucks: Decrease in incoming orders

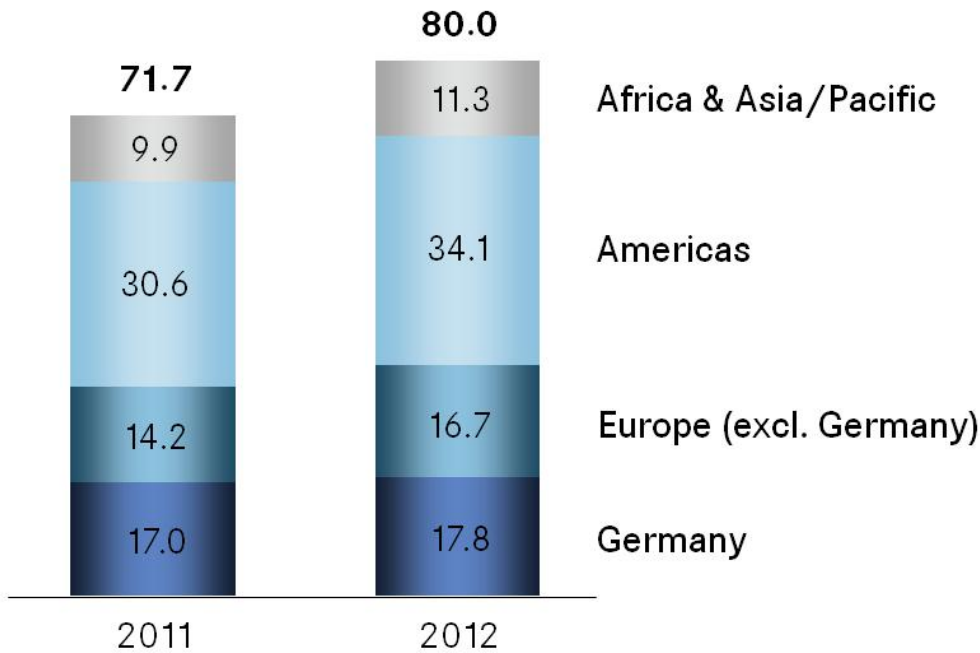
- in thousands of units -



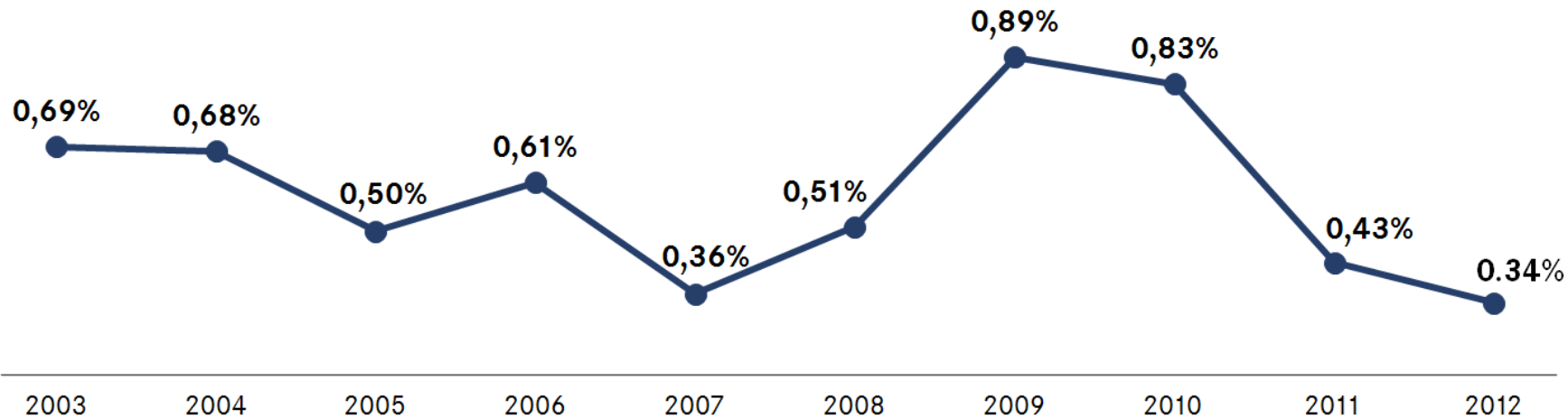
\* Due to business model, incoming orders in Brazil correspond with unit sales.

# Daimler Financial Services: Higher contract volume in all regions

- in billions of euros -



## Daimler Financial Services: Decrease in net credit losses\*



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



## Disclaimer

**The figures in this document are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.**

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “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 worsening of the sovereign-debt crisis in the euro zone; a deterioration of our funding possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preference towards smaller, lower margin vehicles; or a possible lack of acceptance of our products or services which limits our ability to achieve prices as well as to adequately utilize our production capacities; price increases in 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 of 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 and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk Report” in Daimler’s most recent Annual Report. If any of these risks and uncertainties materialize, or if the assumptions underlying any of our forward-looking statements prove incorrect, then our 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. Any forward-looking statement speaks only as of the date on which it is made.