

# DAIMLER

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**Daimler Trucks Division Day 2013**  
September 20<sup>th</sup>, 2013

**Dr. Wolfgang Bernhard**

Member of the Board of Management of Daimler AG,  
Head of Daimler Trucks



Mercedes-Benz



# DAIMLER

## First months as CEO of Daimler Trucks



## Agenda

### 1 Status Daimler Trucks

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### 2 Truck Industry

- Economy
  - Megatrends
  - Segmentation
- 

### 3 Platform/Module Strategy

- Triad
  - Follower
  - Developer
- 

### 4 Outlook

## Agenda

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## Daimler Trucks' products are benchmark

Mercedes-Benz: Technology Leader with completed Euro VI rollout



New Actros



Antos



Arocs

### Benchmark

#### Total Cost of Ownership

New Actros Euro VI consumes 4-5% less fuel than Euro V predecessor

#### Award Winning New Actros

“International Truck of the Year 2012”,  
“Green Truck Award 2013”, “red dot design award”

#### Most successful truck brand in Germany

## Daimler Trucks' products are benchmark DTNA: Ahead of the curve



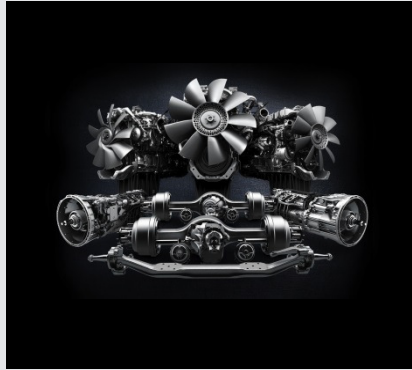
Freightliner – Cascadia Evolution



Thomas Built Buses



Western Star Truck



Detroit

### Greenhouse Gas Standard 2014 already fulfilled

DTNA's complete vehicle lineup certified

### Benchmark

### Total Cost of Ownership

New Cascadia Evolution consumes 7 % less fuel than its predecessor; more than 15.000 orders since market introduction

### Record Market Share in NAFTA

## Daimler Trucks' products are benchmark

Fuso: Outstanding fuel efficiency with Canter Eco Hybrid



### **World Champion in Fuel Efficiency**

Canter Eco Hybrid: 23% less fuel than standard Fuso Canter

### **5<sup>th</sup> Anniversary Global Hybrid Center**

worldwide hub for Daimler Trucks' hybrid development

**Market Leader in important Asian markets, i.e. Indonesia, Taiwan**

## Daimler Trucks' products are benchmark

Bharat Benz: Rising Star in India as new brand



### **Production and Sales ramp-up on track**

17 models under the BharatBenz brand by 2014

### **Already on 4<sup>th</sup> position in Indian MHDT market**

### **Commercial Vehicle of the Year 2013**

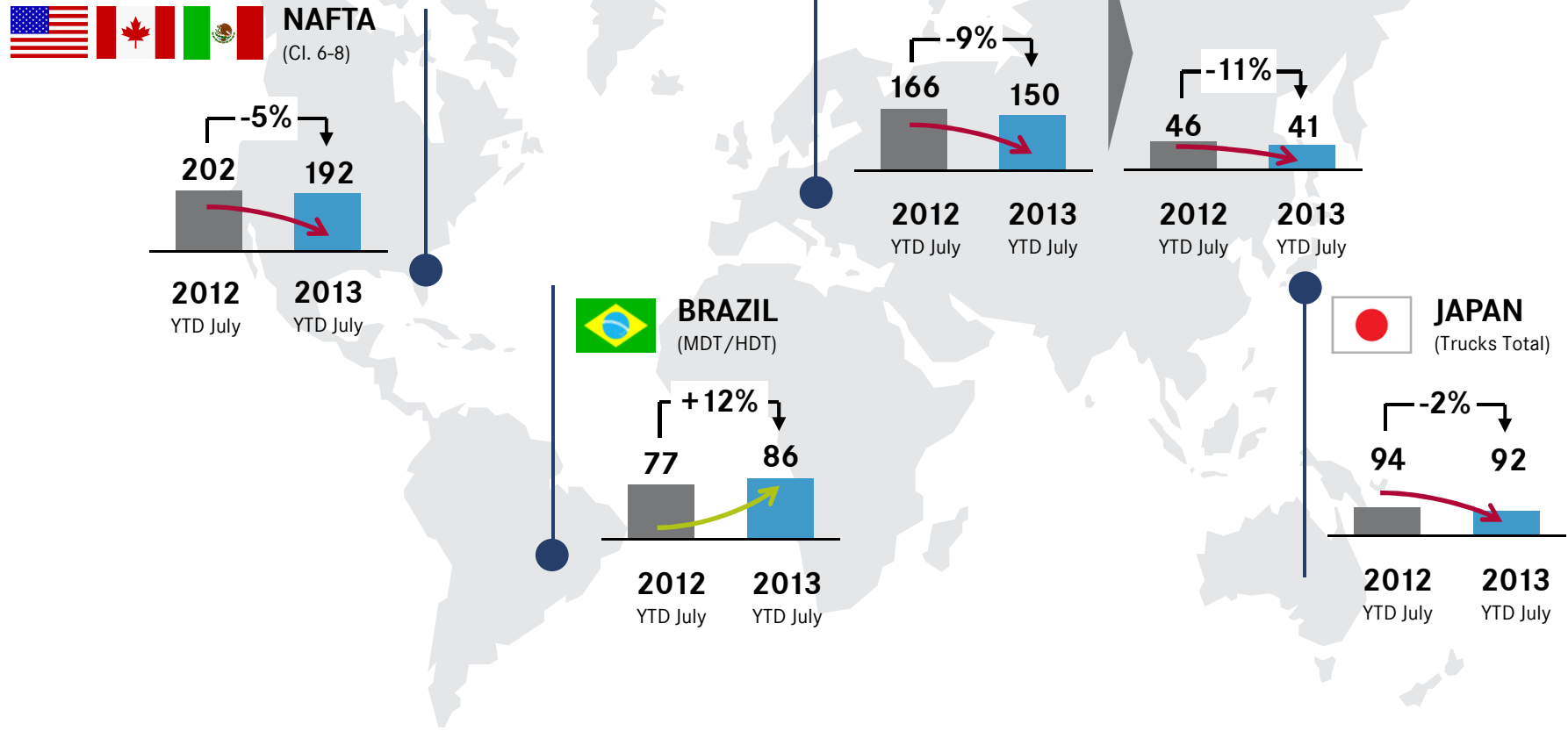
Apollo-Award for whole product line-up



# YTD Truck demand in major markets reflects difficult economic situation; recovery in Brazil after 2012 low

## Truck Market

YTD in tsd. units

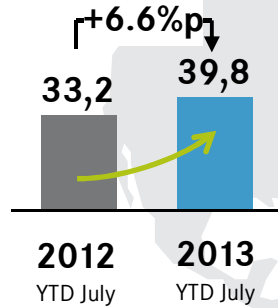


# Daimler Trucks gains market share in Europe and NAFTA; Brazil and Asia highly competitive

## Share of Market

YTD in %

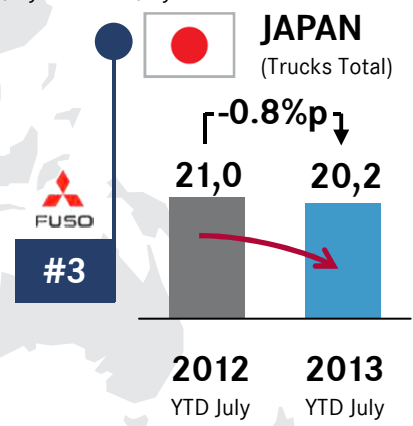
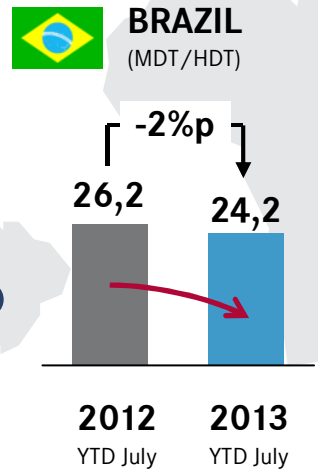
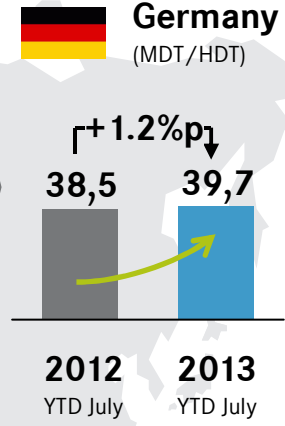
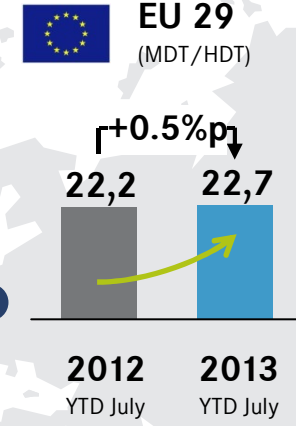
 **NAFTA**  
(Cl. 6-8)



**#1**  
FREIGHTLINER  
WESTERN STAR

**#2**  
Mercedes-Benz

**#1**  
Mercedes-Benz



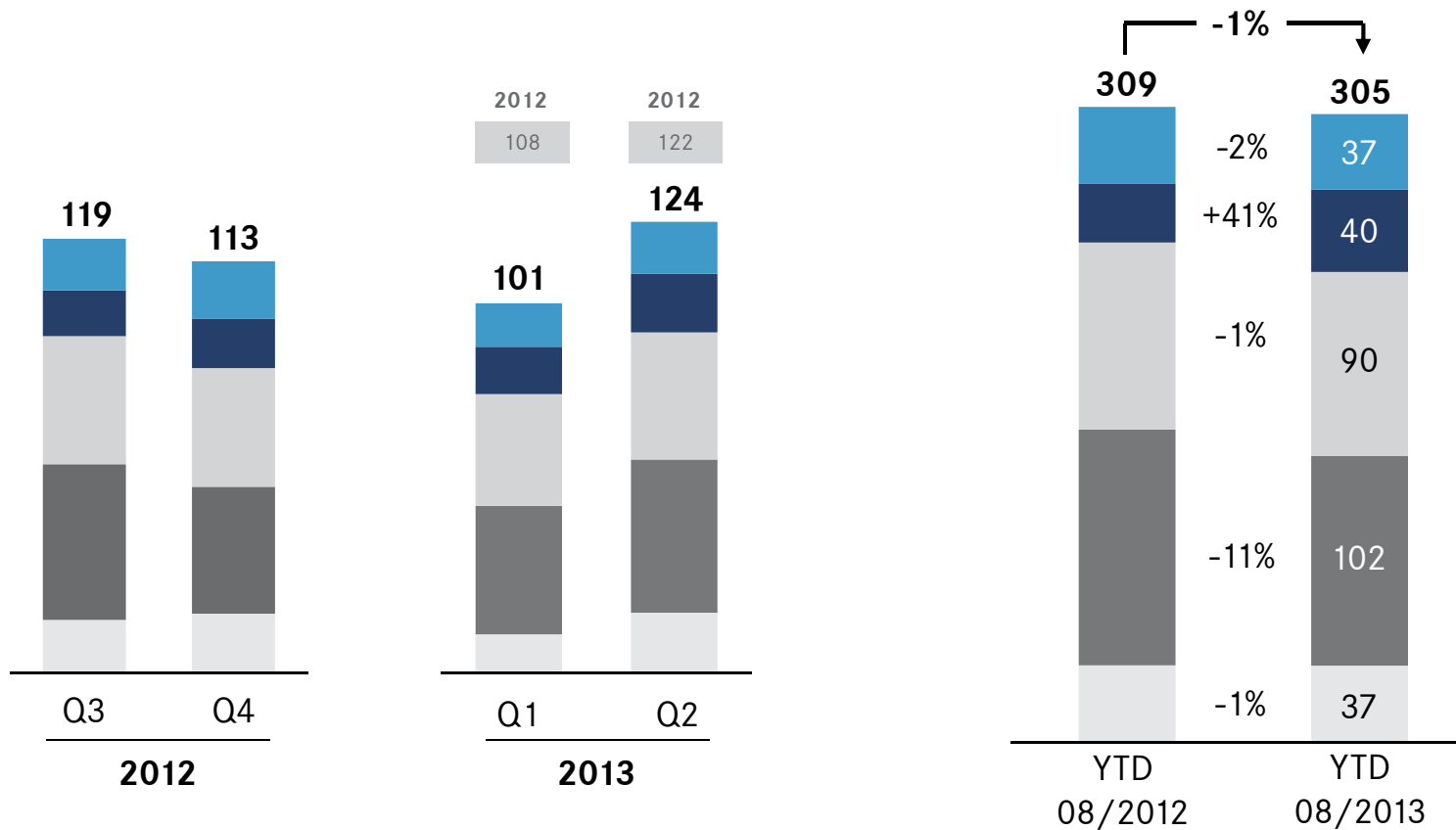
**#3**  
FUSO

# Group Sales August 2013 YTD reflect difficult sales situation in Asia – compensated by recovery in Brazil

## Group Sales

YTD 08/2013 in tsd. units

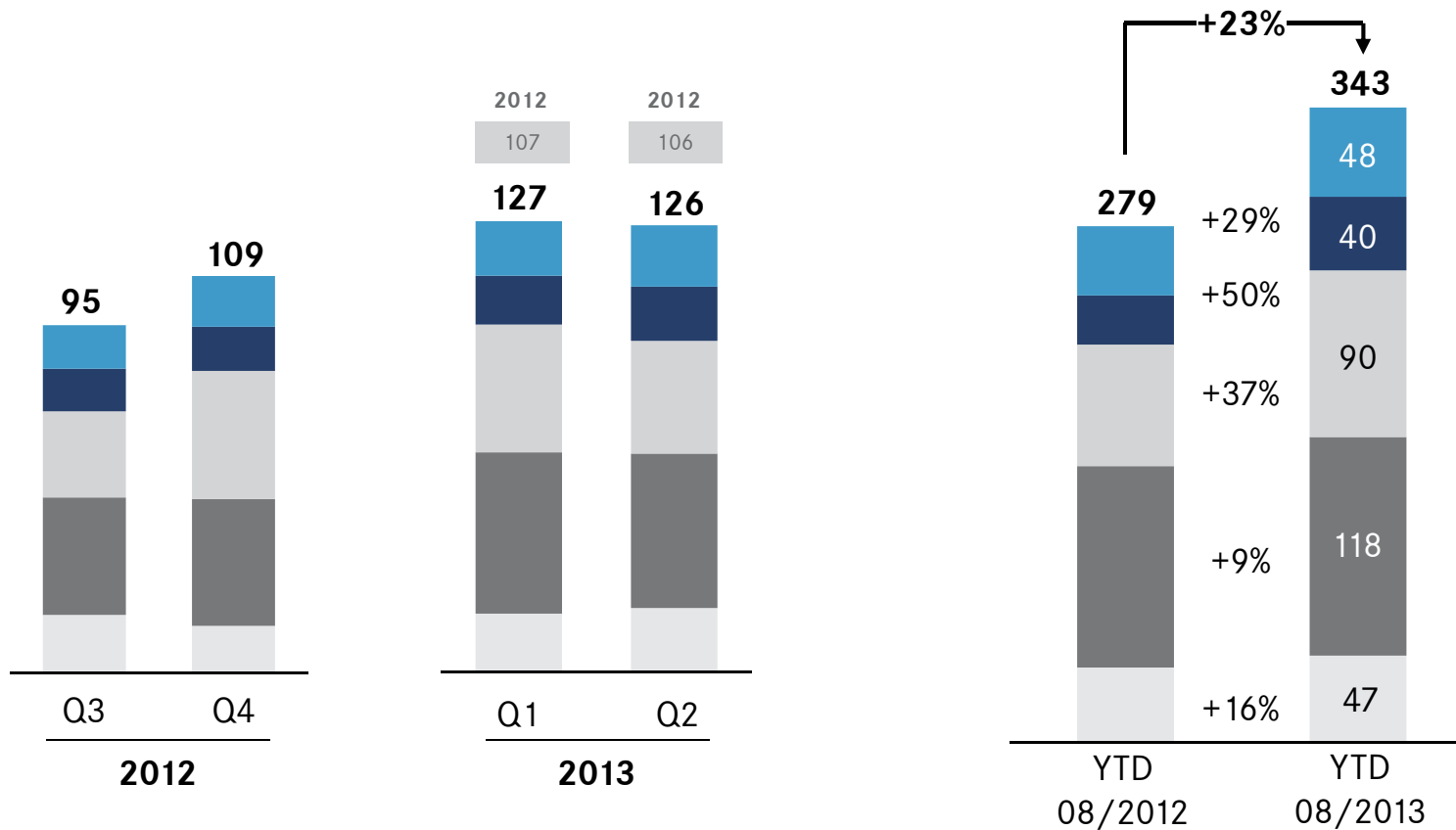
Western Europe Latin America NAFTA Asia Rest of World



# Positive Incoming Orders development in all regions with August 2013 YTD +23% above 2012

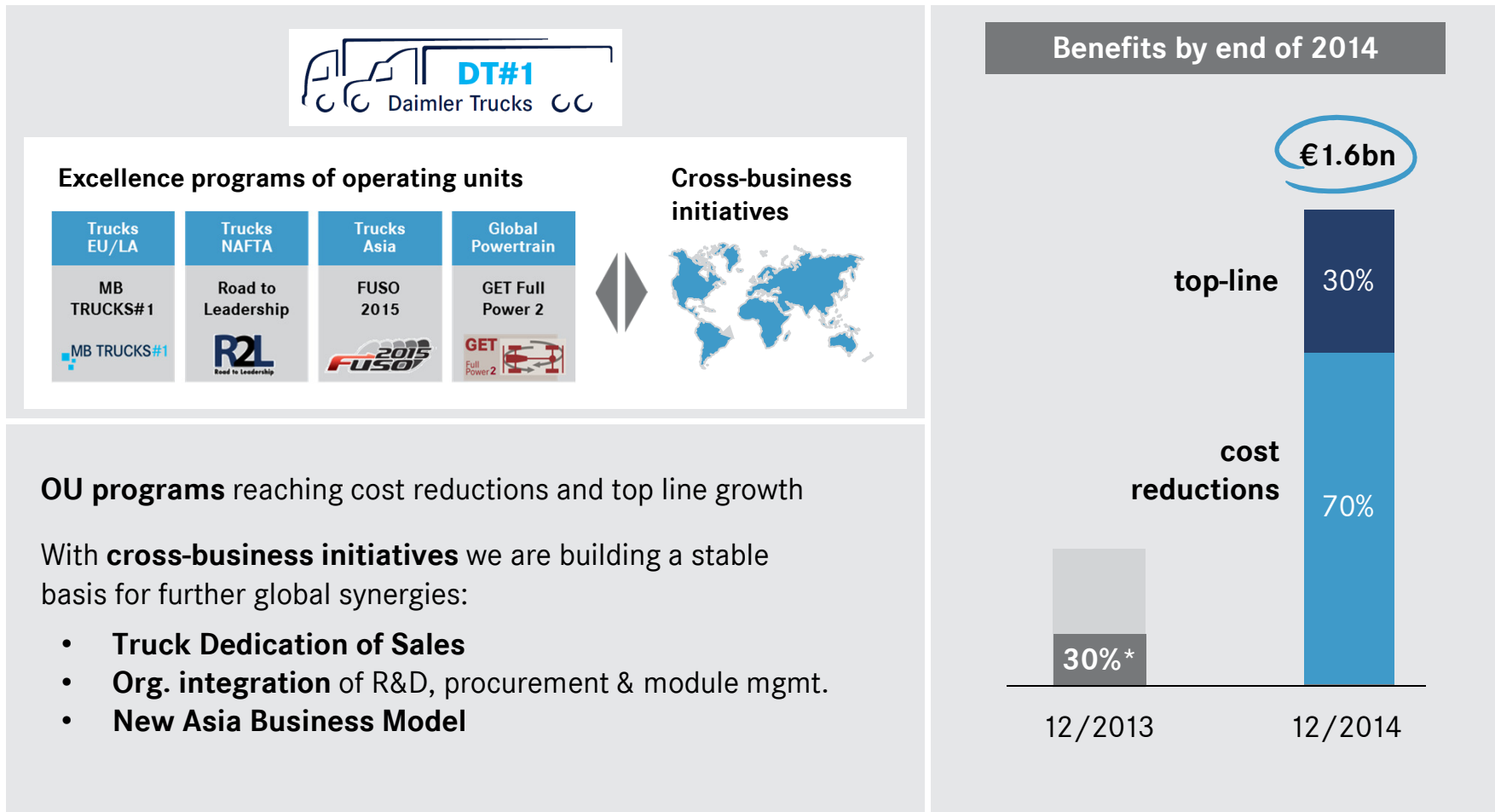
**Incoming Orders**  
YTD 08/2013 in tsd. units

Western Europe Latin America NAFTA Asia Rest of World



## Daimler Trucks #1 – Our way to the top

€1.6bn benefits by end of 2014



\* Implementation level as of H1 2013

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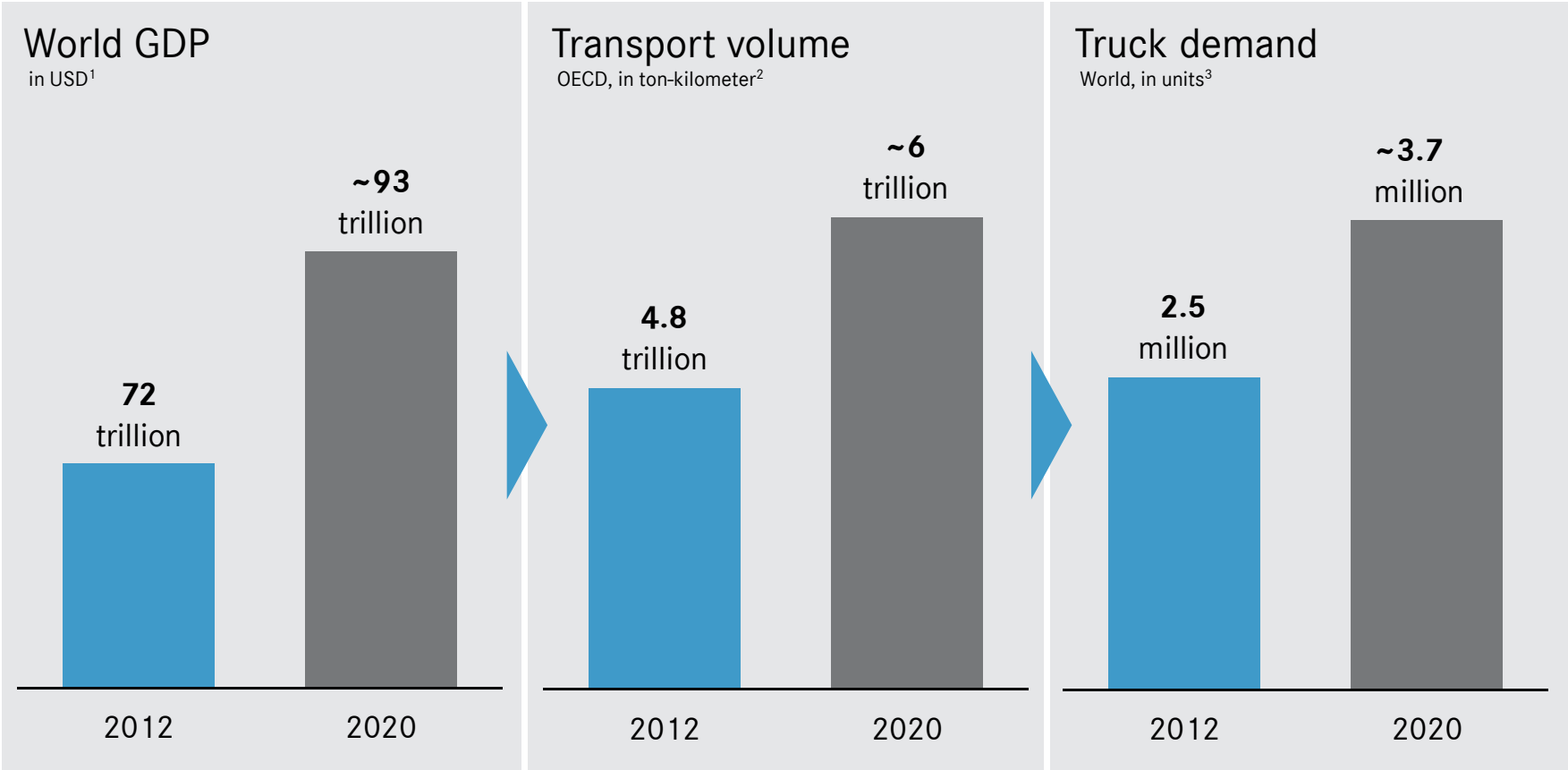
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4 Outlook

# Long-term outlook for truck industry...

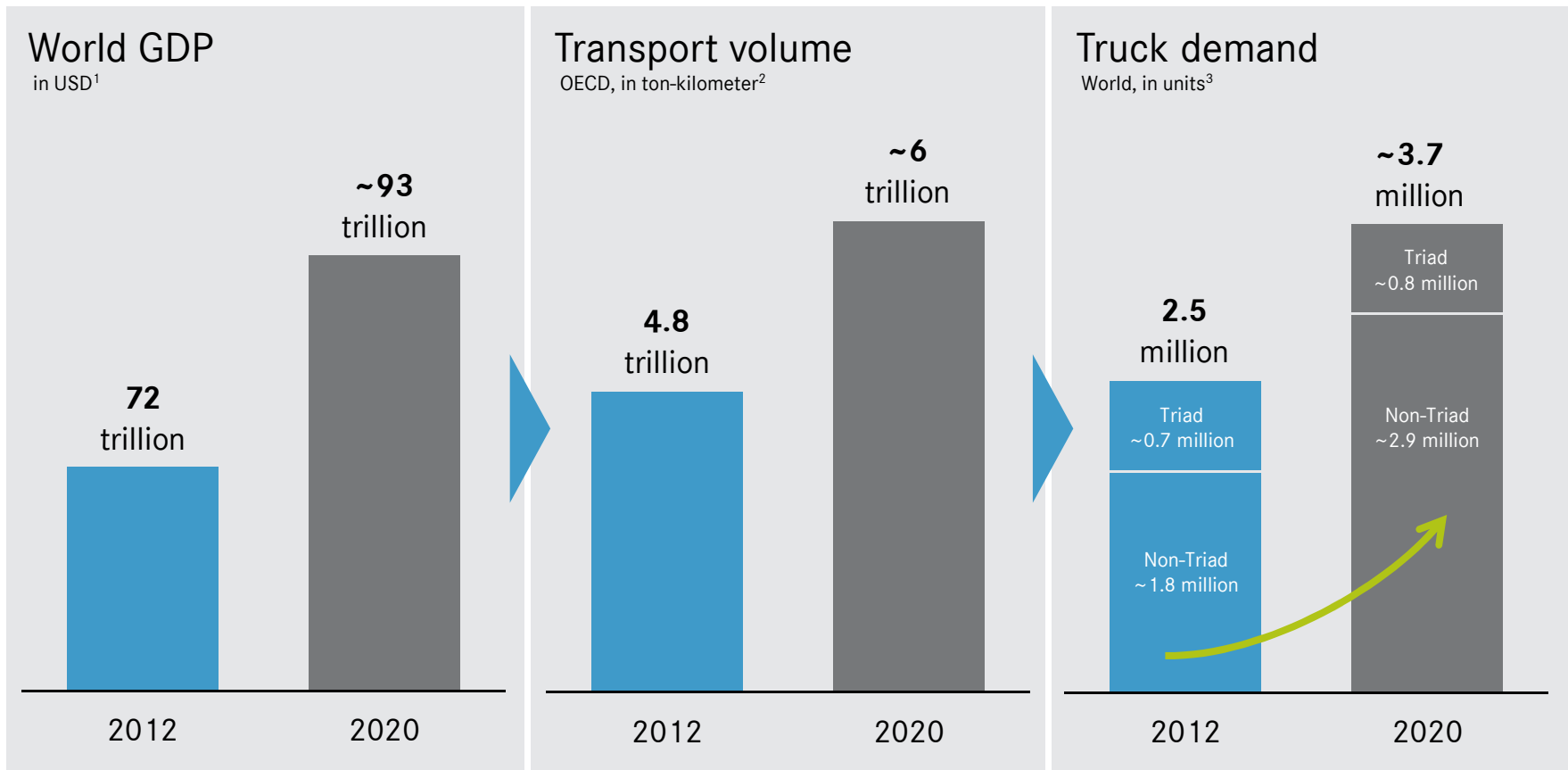


<sup>1</sup> real, in 2012 USD; source: Daimler AG

<sup>2</sup> All transport modes; Source: OECD International Transport Forum, Daimler AG

<sup>3</sup> medium and heavy duty trucks; Source: Daimler AG

# ...shows strong growth potential in Non-Triad



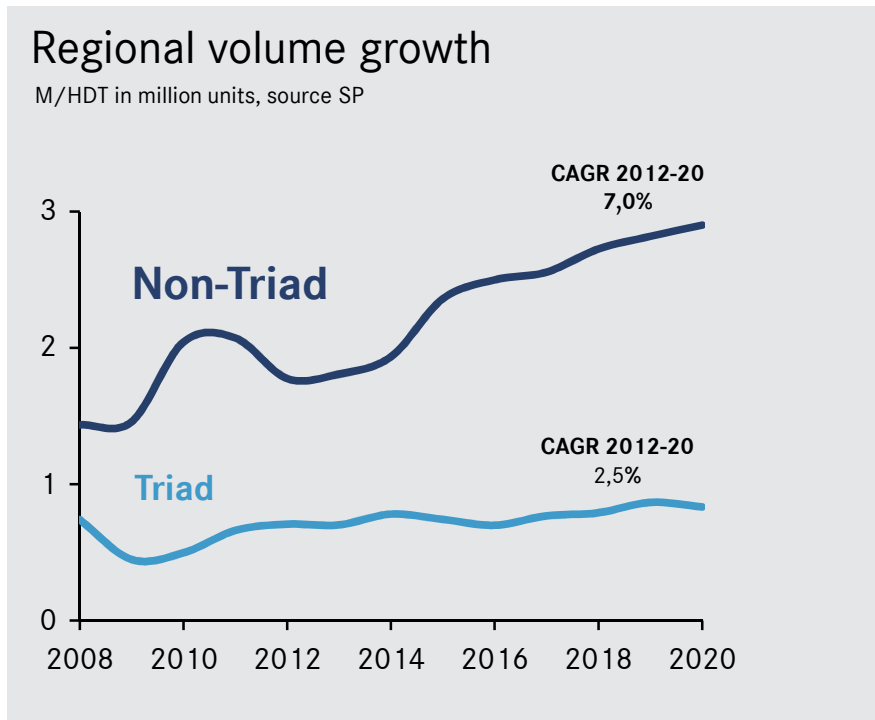
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Triad: Western Europe, NAFTA (Cl. 6-8), Japan



# Megatrends impacting global truck business



**Major growth in Non-Triad**

### Legislation

selected examples (JP, US, EU)

**Emissions**  
e.g. 🇯🇵 Post JP 09  
(NO<sub>x</sub> 0.4 g/kWh, PM 0.01 g/kWh)  
2017

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**Consumption**  
e.g. 🇺🇸 GHG 2017  
Step 1 2014 Step 2 2017

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**Safety**  
e.g. 🇪🇺 AEBS: emergency braking system  
2015

**Standards regarding Emission, Consumption and Safety driven by Triad**

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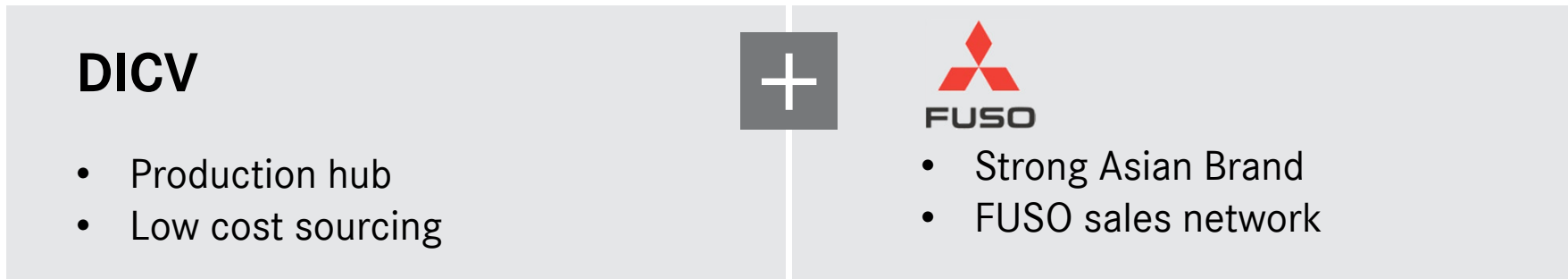
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# Benefitting from a global set-up: Developer platforms built up in India and additionally leveraged via export



# Next challenges of Daimler Trucks within 3 defined market segments

Triad	Follower	Developer
		
<p>EPA10   Euro VI   JP09</p>	<p>Euro IV/V</p>	<p>&lt; Euro IV</p>
<div style="text-align: center; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> <li>▪ <b>Focus Technological Leadership</b></li> <li>▪ <b>Improve Cost Position</b></li> </ul>	<div style="text-align: center; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> <li>▪ <b>Push Platform Concept for Follower</b></li> <li>▪ <b>Successfully manage Turnaround Brazil</b></li> </ul>	<div style="text-align: center; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> <li>▪ <b>Increase Revenue Base</b></li> <li>▪ <b>Leverage Indian Strength</b></li> </ul>

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## 2013 Market Expectations

### Industry dynamics

NAFTA: up to -5%



Japan: up to -5%



Europe: around -5%



Brazil: up to +10%



### Specific Daimler Trucks dynamics

**Truck demand stabilization** expected, but no significant upward trend; **No. 1 position for DT confirmed**, e.g., due to fuel-efficiency leadership.

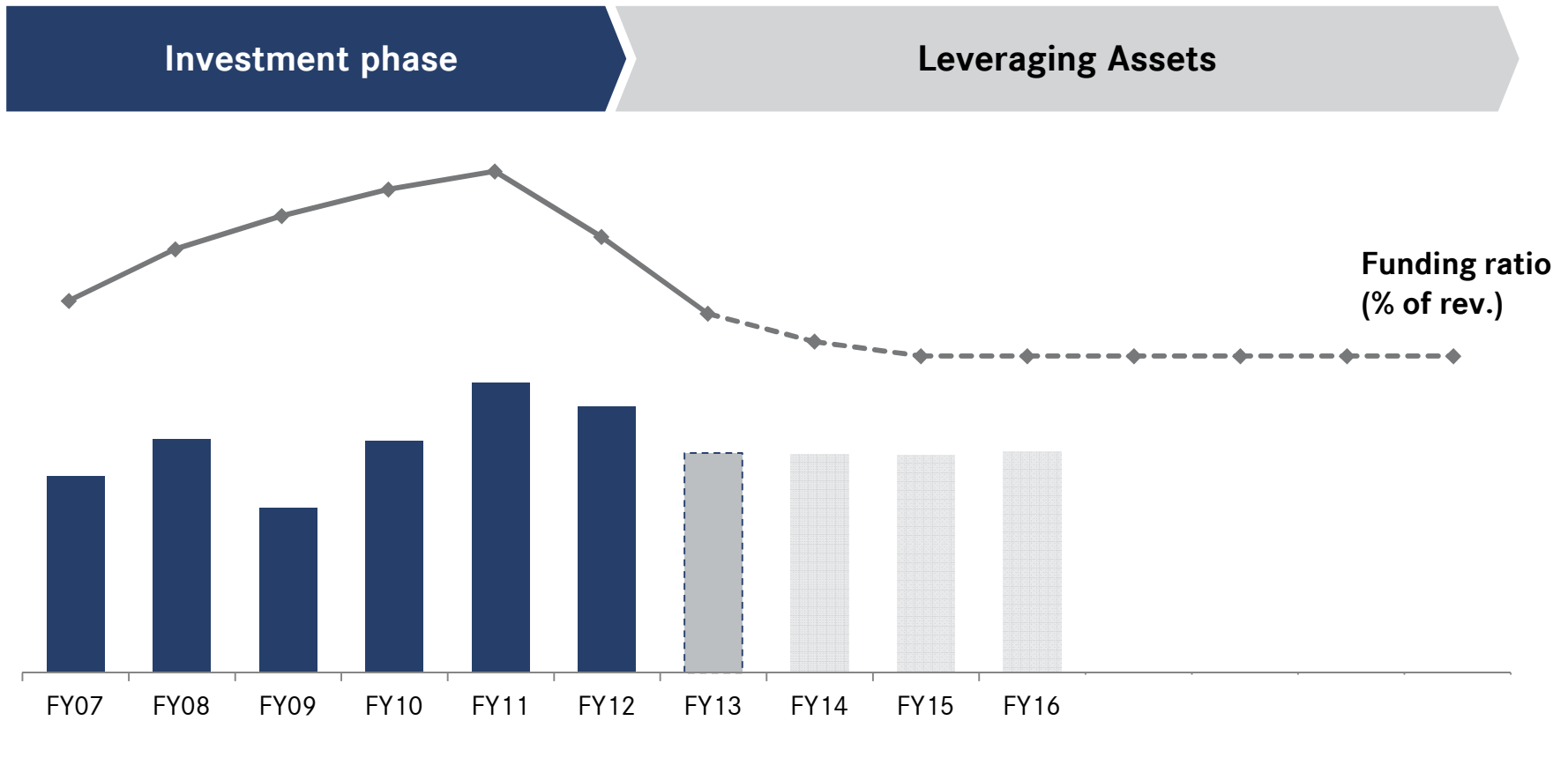
No further market support from recovery activities after earthquake - possible truck market effects of the new economic stimulus package still difficult to assess; **highly competitive environment**.

**Moderate demand revival** despite persisting difficult economical environment; **some Euro VI pre-buy** expected; better performance for DT than European market due to high product acceptance.

**Moderate recovery** but no return to historical high levels. **Highly competitive environment** with strong price pressure from market side.

We benefit in growth regions and have initiatives in place to react on increasing volatility

# Strong investments in past laid foundation for growth and profitability; future funding ratio to remain stable



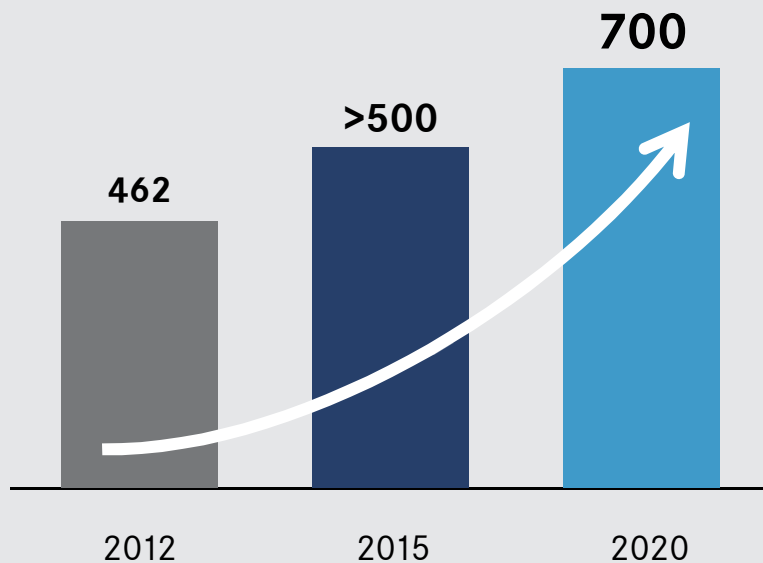
Daimler Trucks' product offensive to reap its benefits

## Our target is to continue as #1 in the truck industry and achieve sustainable leadership in profitability

### Sales leadership

As largest truck OEM we aim to achieve 700,000 unit sales in 2020

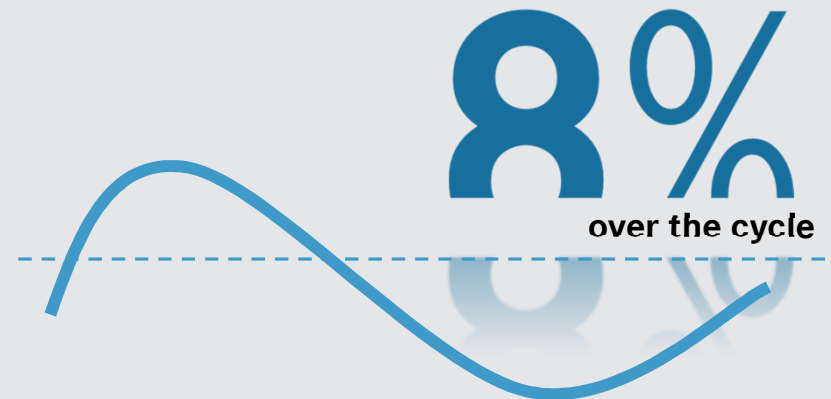
Sales ['000 units]



### Profitability target

We continue to target a RoS of 8% on average over the cycle

ROS [in %]





## 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.