

# DAIMLER

## **Daimler Trucks – Shaping Future Transportation Event**

Capital Market Event, Berlin, July 2<sup>nd</sup> 2014

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Daimler Trucks & Buses

# Business Update & Outlook 2014



## Global truck market expected to be around the level of the previous year

### Market guidance 2014 – Q1

Medium- and Heavy-Duty-Truck Markets



**NAFTA**

around +10%

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**Europe**

slightly below the prior-year level

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**Japan\***

slightly above the prior-year level

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**Brazil**

around -10%

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## Current sales development in line with our expectations

### Current sales development

YTD May 2014 vs. prior year



**NAFTA**

significant increase in sales

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**Western Europe**

slight decrease in sales after pre-buy

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**Japan**

significant increase in sales

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**Brazil**

sales significantly below prior year's level

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## Current order intake supports our overall expectation, but Europa & LATAM at lower end of expectation

### Current order intake

YTD May 2014 vs. prior year



**NAFTA**

significant increase in orders

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**Western Europe**

relatively weak orders after pre-buy

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**Japan**

positive order development

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**Brazil**

orders significantly below prior year's level

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## Continued strong headwinds from FX-rate development expected



**Impact FX-rate on Daimler Trucks Q1**  
in MEU, actual Q1/14 vs. actual Q1/13

Total


-67

## Successful RRPSH transaction with >1 billion Euro profit incl. dividends

### Key Facts RRPSH put option

in bn. €

Total Profit incl. dividends since 2009	> 1 bn. €
Cash Inflow	+ 2.43 bn. €
Net assets	- 1.41 bn. €

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- **increased net assets productivity**
  - **but no further at-equity contribution**  
(in 2013: 62 mio. €)

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# Biggest and strongest truck portfolio in history





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## Cascadia Evolution is TCO benchmark



fuel consumption  
**-7%**  
vs. predecessor



## Integrated drivetrain as key for US market leadership



New AMT/DT12  
volume



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# New Fuso Super Great V is fuel efficiency benchmark



fuel consumption  
**-10%**  
vs. competitors



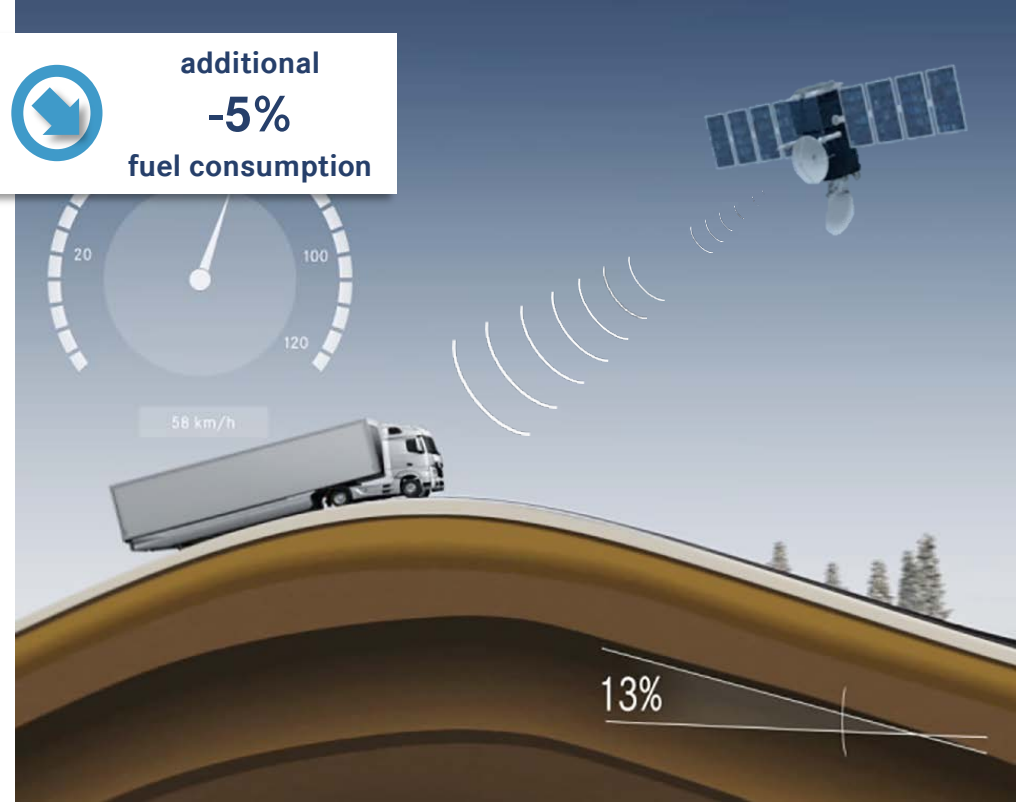
## New Actros Euro VI is TCO benchmark



fuel consumption  
**-5%**  
vs. predecessor



additional  
**-5%**  
fuel consumption



## Product offensive for Emerging Markets ongoing

India



BHARATBENZ



**Rank 4 in Indian market with 4,6% SoM**  
YTD April 2014

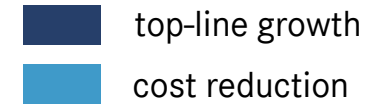
Asia/Africa

**FUSO**



**First FUSO trucks exported from India**

## DT#1 increasingly bearing fruits

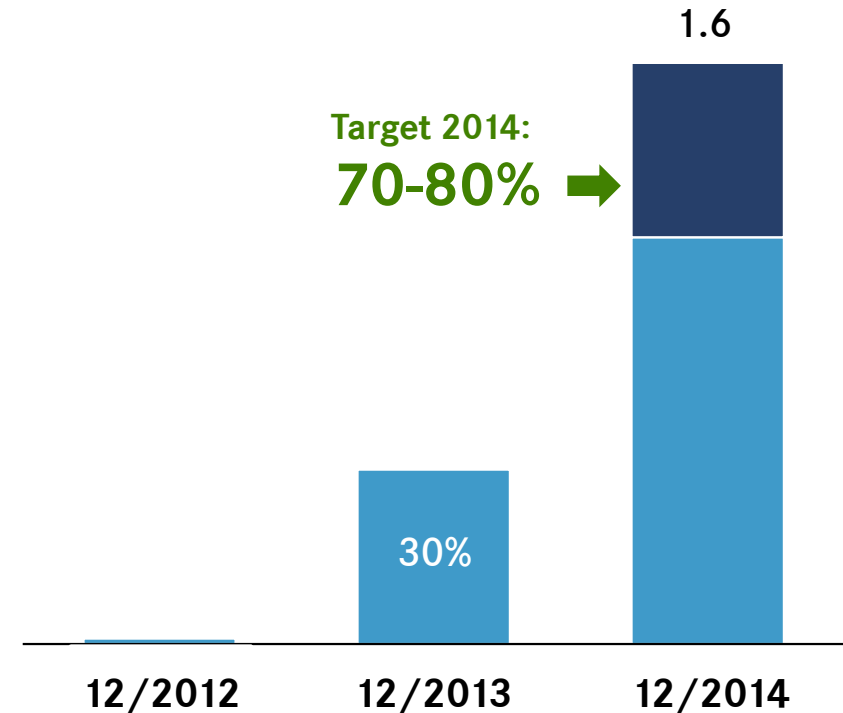


10.000 DT1# action items being implemented

### Examples:

- Optimization of labor cost in Germany and Brazil (SRI for workforce reduction in 2014/15 up to 150 mio. €)
- Material cost benefits from common components
- Integration Procurement and Engineering to push platform and global module strategy implementation
- Fully truck dedicated Mercedes-Benz sales organization including aftersales

DT#1 effects  
in bn. €



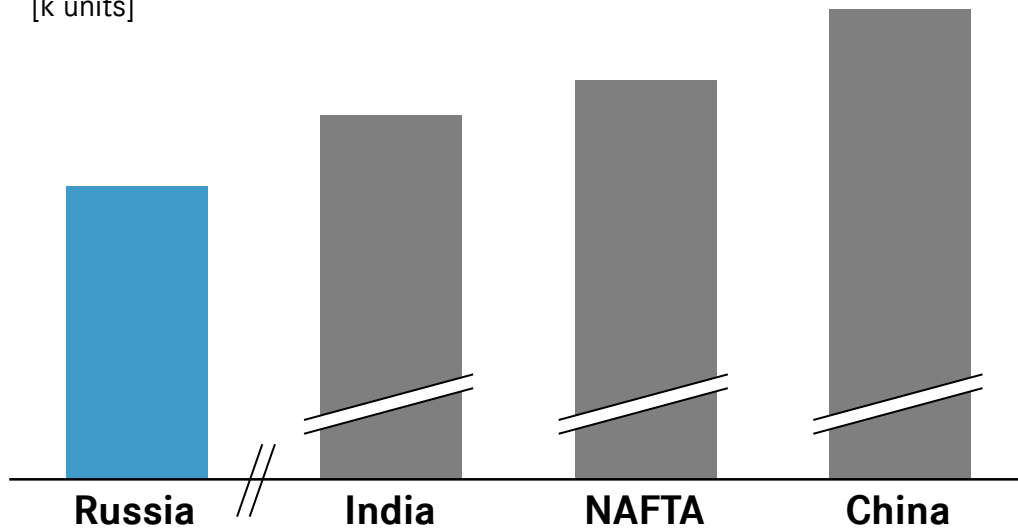
# Megatrends & Strategy



## Focus Russia: important market for truck industry

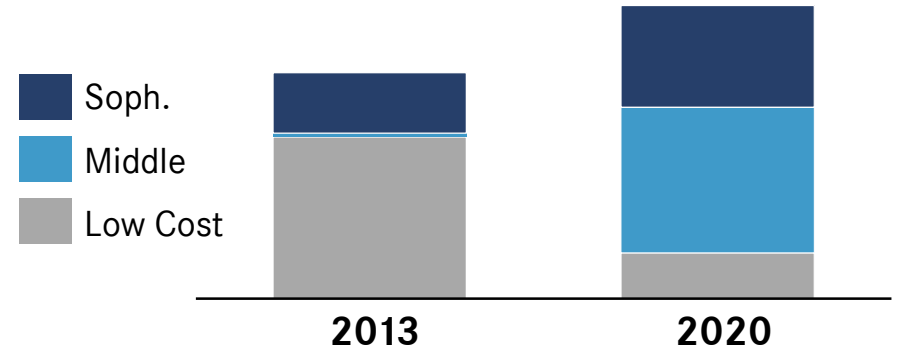
### Russia #6 truck market worldwide

M/HDT Truck Markets 2020  
[k units]



### Shift from low cost to middle market and sophisticated trucks!

Russia M/HDT  
Truck Market  
[k units]





## KAMAZ partner of choice – market leader in Russia

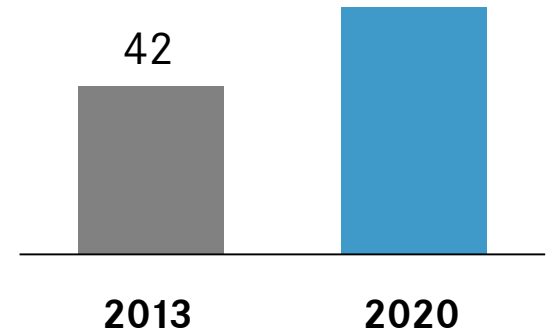
### KAMAZ– partner of choice

- market leader in Russia
- sales and aftersales network
- strong partner in Russia
- 15% shareholding sufficient to support business relation with KAMAZ & JV business for FUSO/MB

### Safeguard market leadership!



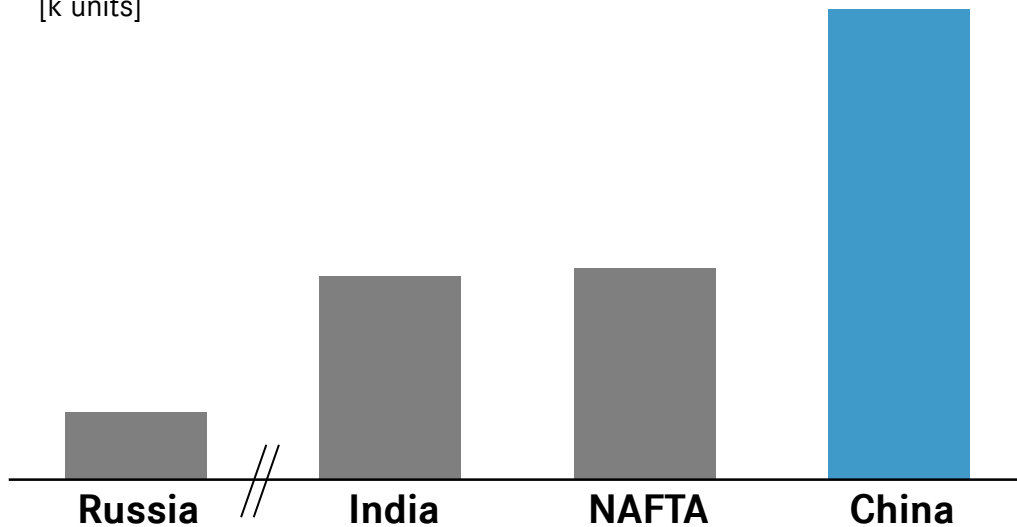
Sales  
[k units]



## Focus China: key market for truck industry

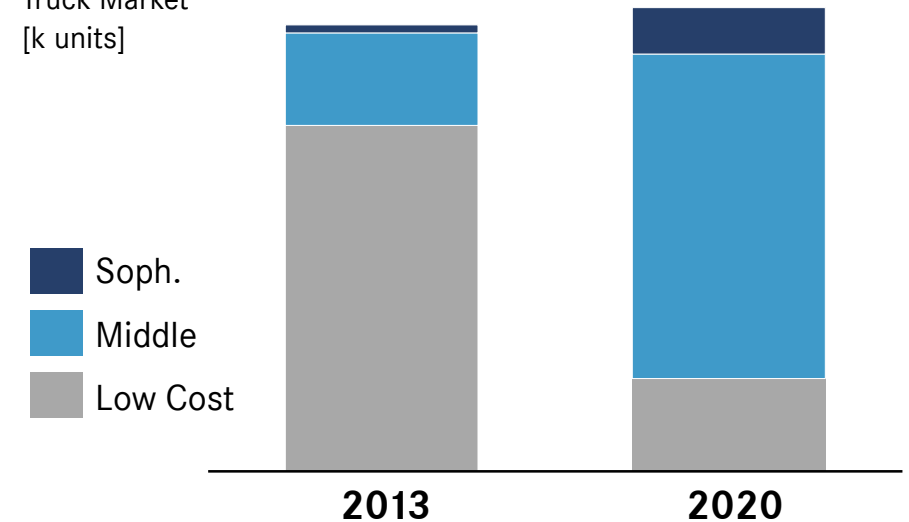
### China #1 truck market worldwide

M/HDT Truck Markets 2020  
[k units]



### Shift from low cost to middle market trucks!

China M/HDT Truck Market  
[k units]



## BFDA partner of choice – market leadership targeted

### BFDA – partner of choice

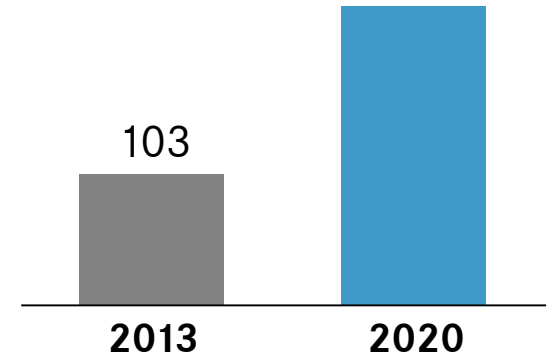
- private company – not state-owned
- strong growth dynamic
- truck know-how
- sales and aftersales network

### Significant growth until 2020!



*Auman*

Sales  
[k units]



## Daimler Trucks Strategy: Secure triad position, grow non-triad business and roll-out global platforms

### Triad

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- Secure technology leadership
- Secure strong market position
- Reduce fix/variable cost

### Non-Triad

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- Grow profitably
- Use proven existing technology
- Leverage low-cost supply

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cost benefits

global platform roll-out

technological benefits

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## Summary

- Good start into the year 2014
- Headwinds
  - market environment in Brazil, EU29, Russia, Indonesia and India
  - FX-rate development
- Structural change: highly profitable RRPSH disinvestment reduces asset base, but also at-equity contribution
- Tailwinds:
  - expected market growth in NAFTA and Japan
  - full availability of young product portfolio with increasing share of captive components
  - increasing benefits (growth/cost) from DT#1
- In 2014 significant higher unit sales and significant EBIT improvement targeted, despite strong headwinds
- Daimler Trucks well positioned to remain undisputed leader of the industry

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