

# DAIMLER



**Corporate Presentation**

**Q4 & FY 2014**

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# DAIMLER

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## Mercedes-Benz C-Class

**4** plants  
on four continents  
produce the C-Class



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## Mercedes-Benz GLA



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## Mercedes-Maybach S-Class

# 97%

more S-Classes  
sold in 2014



Mercedes-Maybach S500/600: Fuel consumption urban/extra-urban/combined: 16,9-11,9/8,7-7,0/11,7-8,9 l/100 km, CO<sub>2</sub> emissions combined: 274-207 g/km. 5

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smart fortwo & forfour

2.69 m

vehicle length

4

seats,  
a true smart



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## Daimler Trucks: strongest product lineup ever

**6** Daimler Trucks  
brands

**54** models



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## Daimler Trucks North America: undisputed market leader

# 37.2%

share of the NAFTA market  
for Class 6-8





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## Daimler India Commercial Vehicles: high speed ramp-up

# 5

new BharatBenz  
models in 2014



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## Mercedes-Benz Citaro: bestselling bus of all time

**>40,000**  
units sold to date



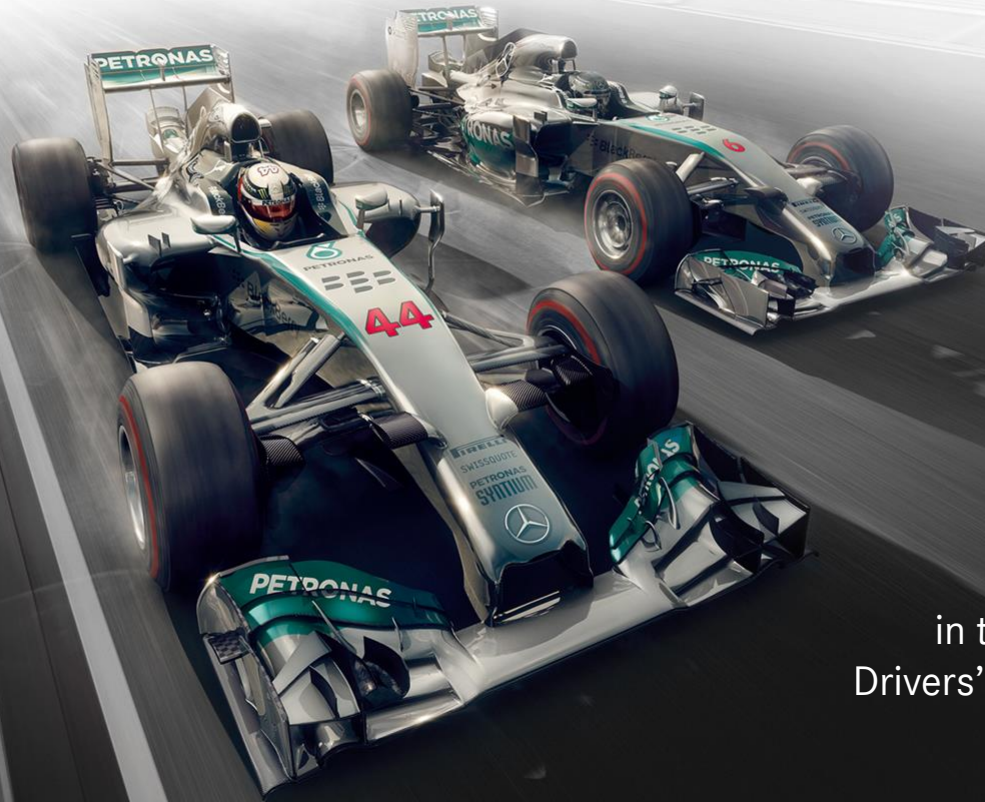
## The Mercedes-Benz Vito becomes a global vehicle

**3** drive system variants:  
front-wheel, rear-wheel,  
and all-wheel drive



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## World champions drive Mercedes-Benz



#1

in the Constructors' and  
Drivers' World Championship

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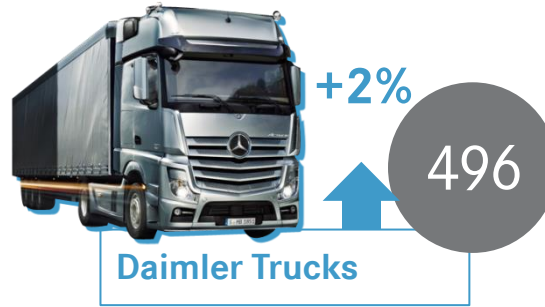
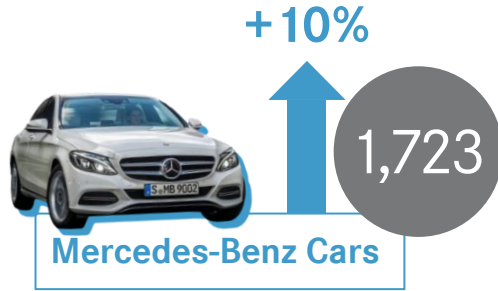
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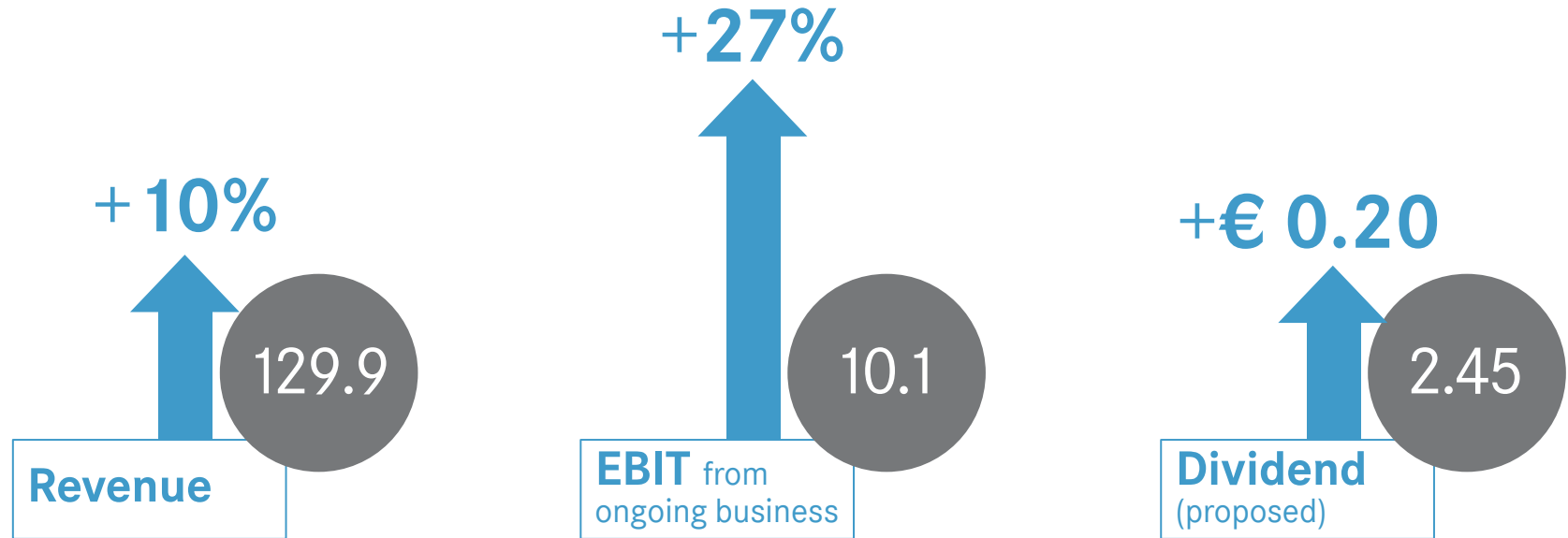
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## Daimler 2014: sales figures



## Daimler 2014: key financials



● in billions of euros/dividend in euros

↑ percentage change vs. py

## Key figures

– in billions of euros –

	2013	2014
Unit sales (in thousands of units)	2,353.6	2,546.0
Revenue	118.0	129.9
EBIT		
as reported	10.8	10.8
from ongoing business	8.0	10.1
Net profit	8.7	7.3
Free cash flow of the industrial business	4.8	5.5
Earnings per share (in euros)	6.40	6.51
Dividend per share (in euros)	2.25	2.45



## Significant positive EBIT and cash flow effects from M&A transactions in 2014

Tesla

- Cash inflow and EBIT effect of €0.6 billion each
- Successful partnership will be continued

Rolls-Royce  
Power Systems  
Holding

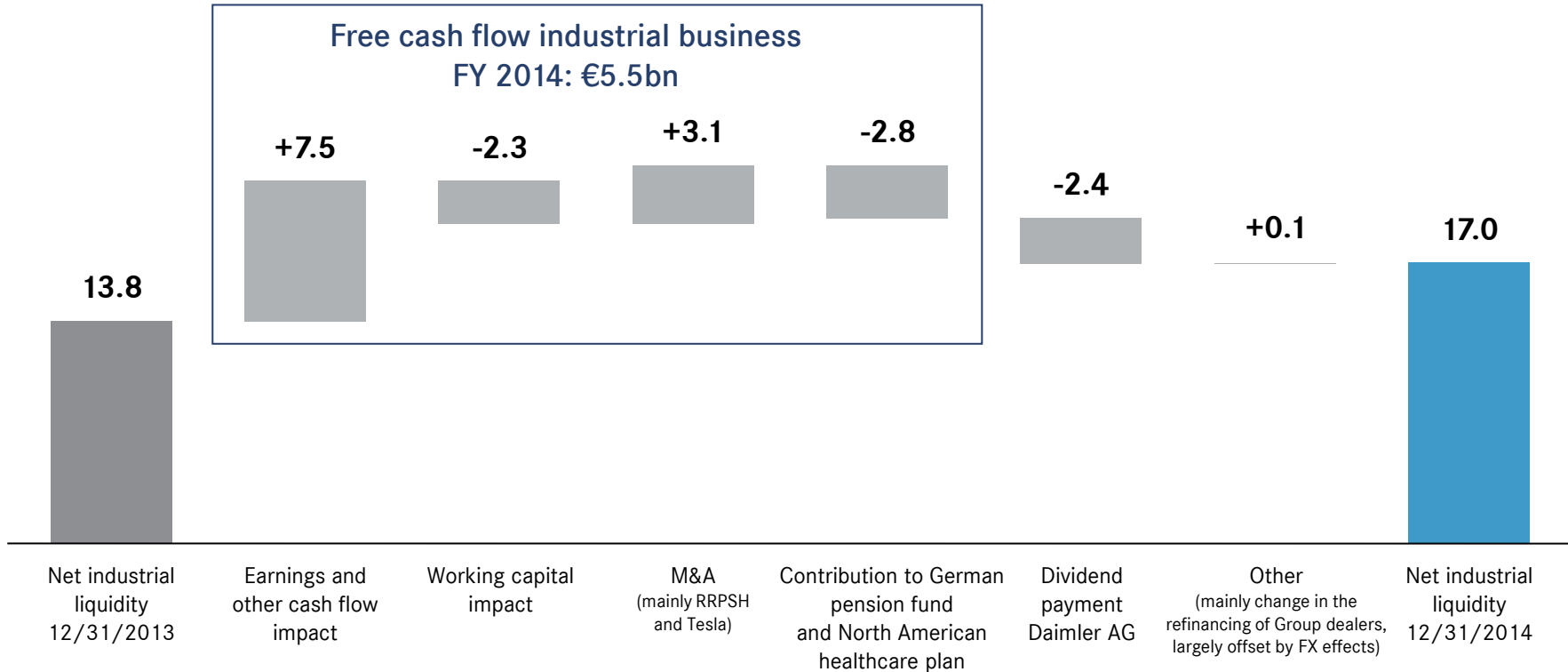
- Sale of Daimler's 50% equity interest to Rolls-Royce
- Cash inflow of €2.43 billion and EBIT effect of €0.9 billion
- Close cooperation with Rolls-Royce Power Systems to be continued



**Cash inflows will be used  
to strengthen Daimler's operational business**

## Net industrial liquidity: development in 2014

- in billions of euros -



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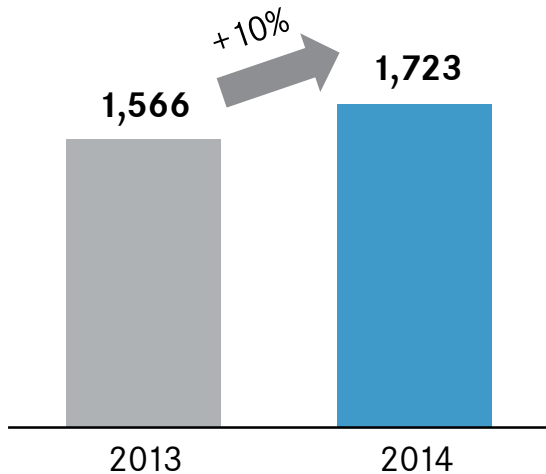
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## Mercedes-Benz Cars: further growth through success of attractive models

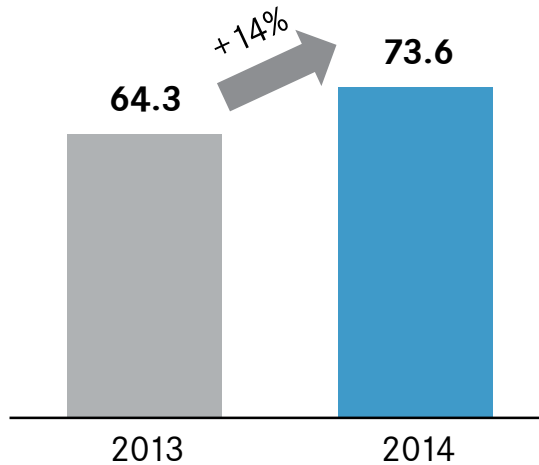
### Unit sales

- in thousands of units -



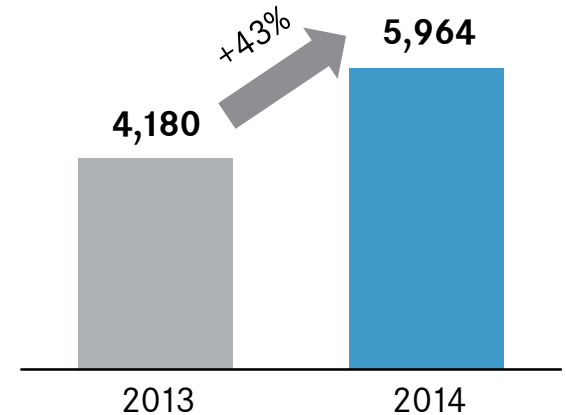
### Revenue

- in billions of euros -



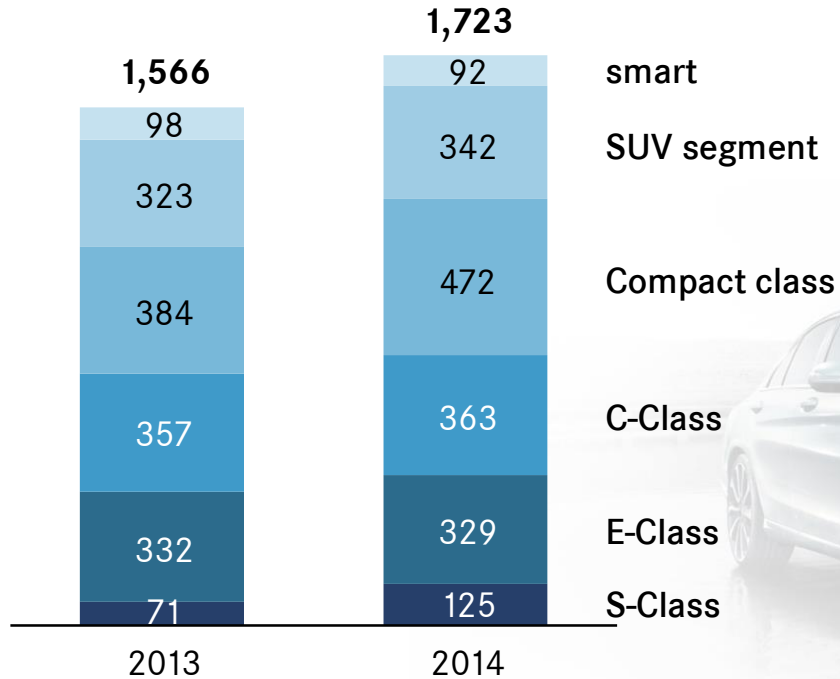
### EBIT from ongoing business

- in millions of euros -



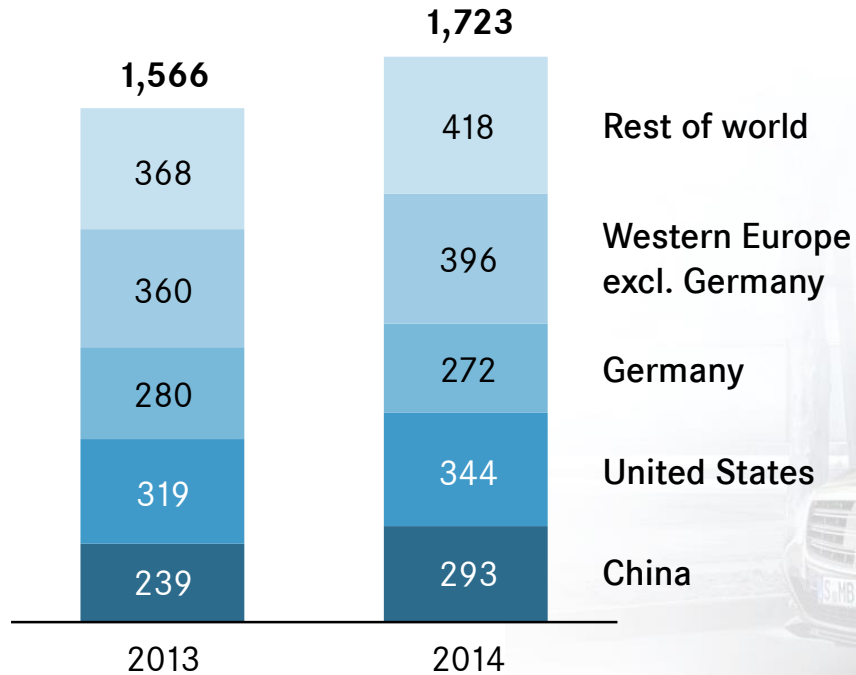
## Mercedes-Benz Cars: sales volume at new record level

- in thousands of units -



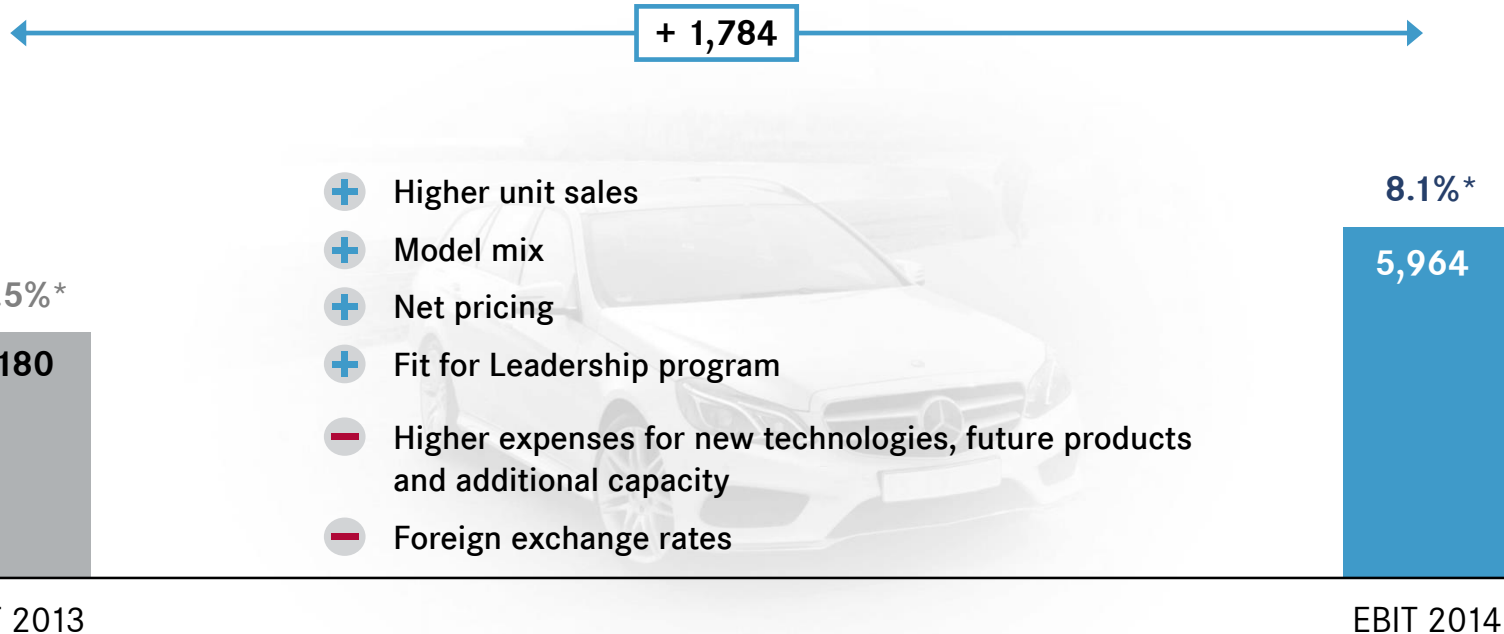
## Mercedes-Benz Cars: balanced sales structure

- Unit sales in thousands -



## Mercedes-Benz Cars: EBIT from ongoing business

- in millions of euros -

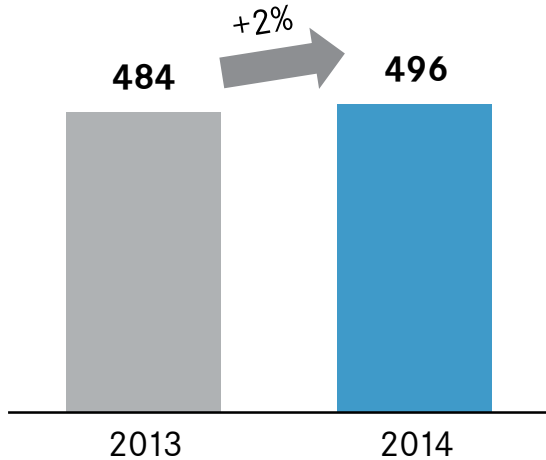


\* Return on sales

## Daimler Trucks: successful development in heterogeneous market environment

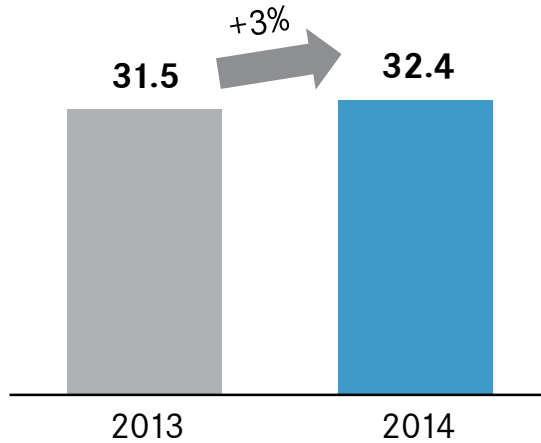
### Unit sales

- in thousands of units -



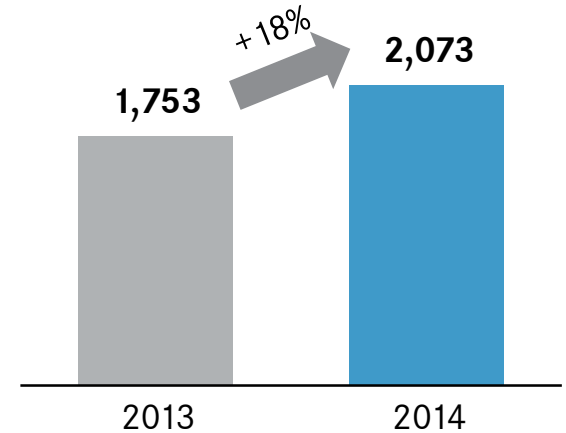
### Revenue

- in billions of euros -



### EBIT from ongoing business

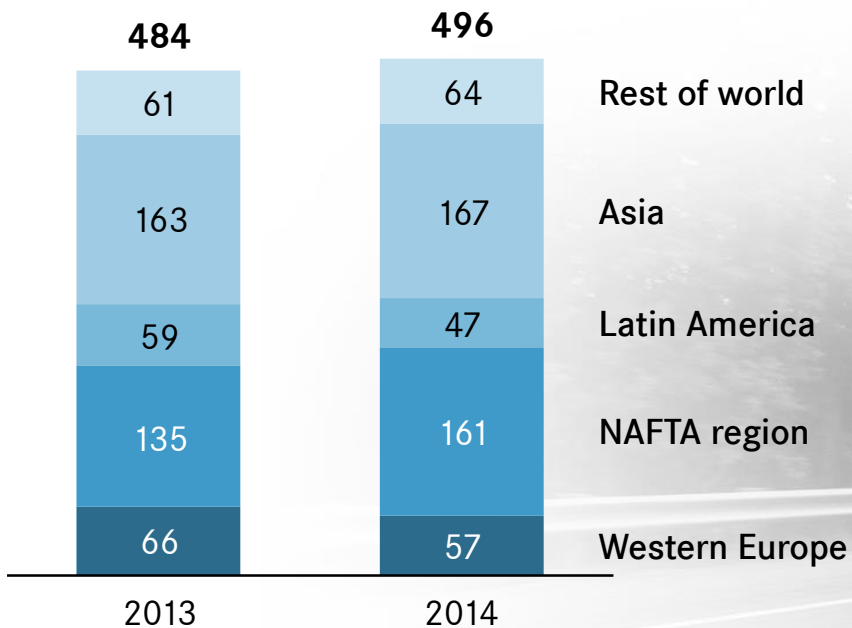
- in millions of euros -





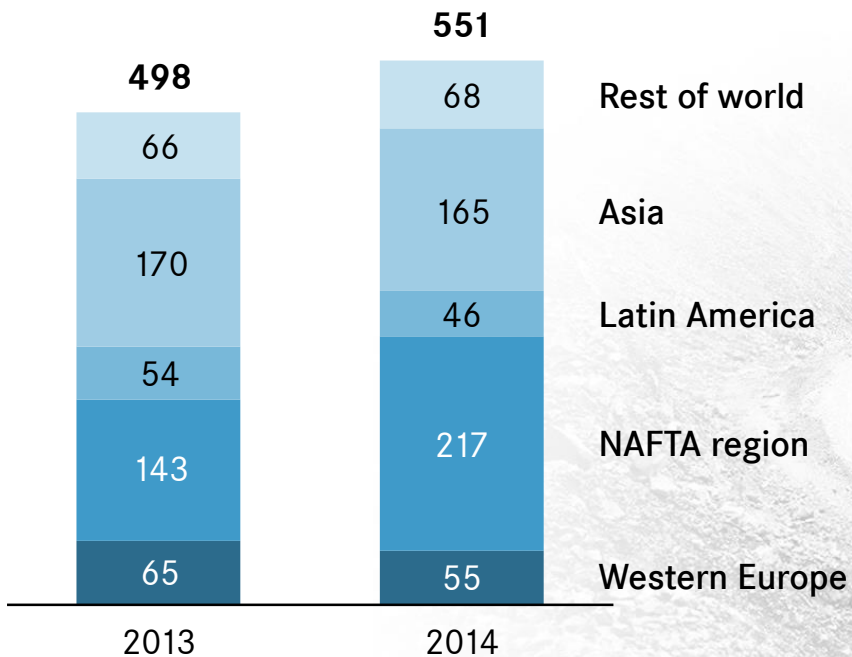
## Daimler Trucks: higher unit sales in NAFTA region

- in thousands of units -



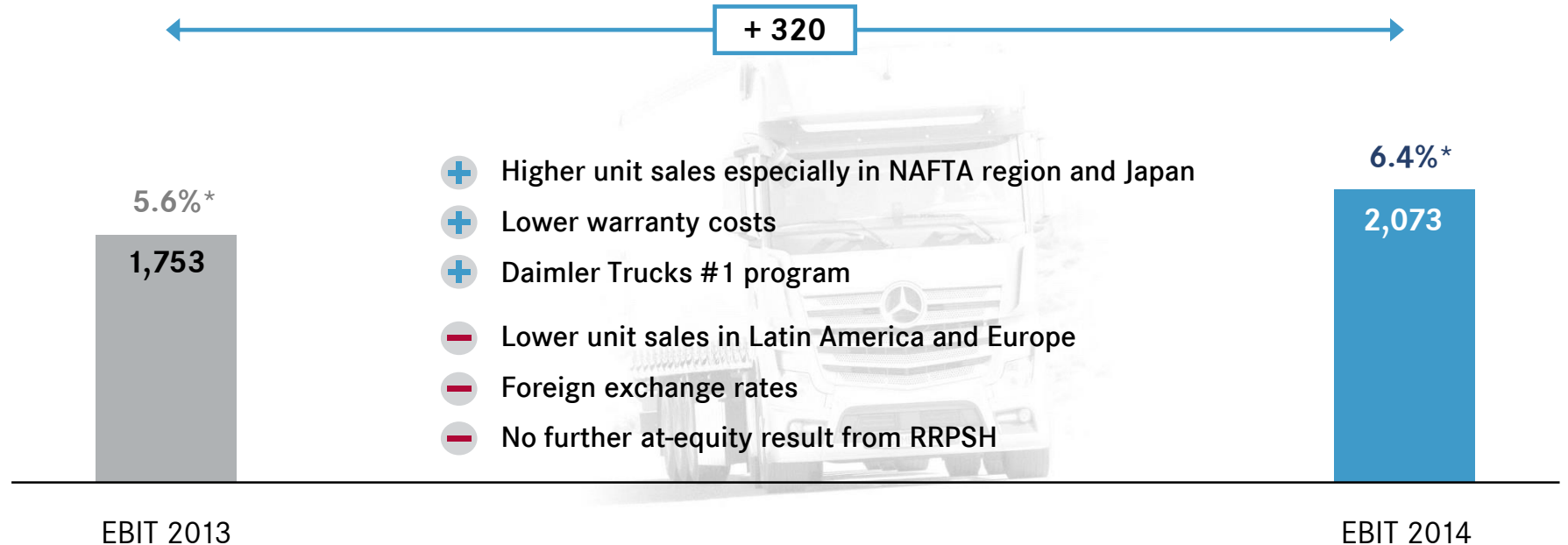
## Daimler Trucks: incoming orders above prior year

- in thousands of units -



## Daimler Trucks: EBIT from ongoing business

- in millions of euros -

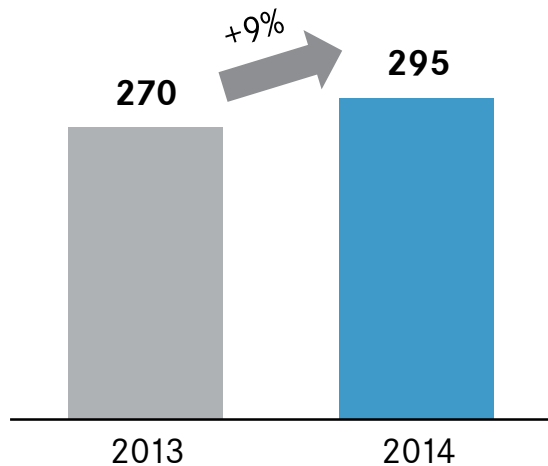


\* Return on sales

## Mercedes-Benz Vans: success in volatile markets

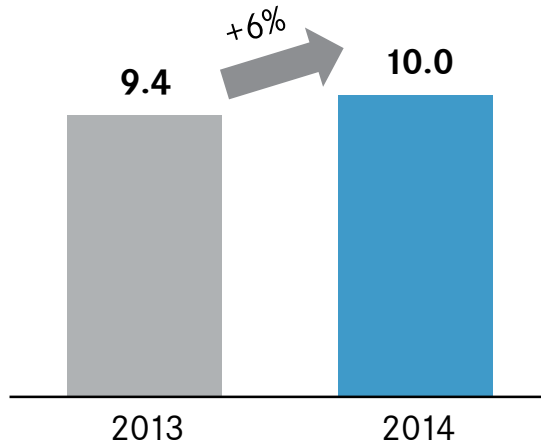
### Unit sales

- in thousands of units -



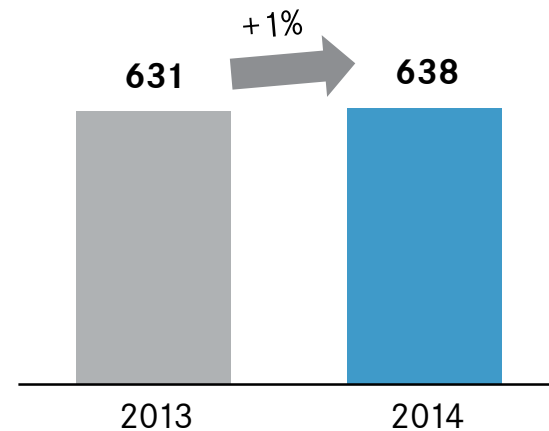
### Revenue

- in billions of euros -



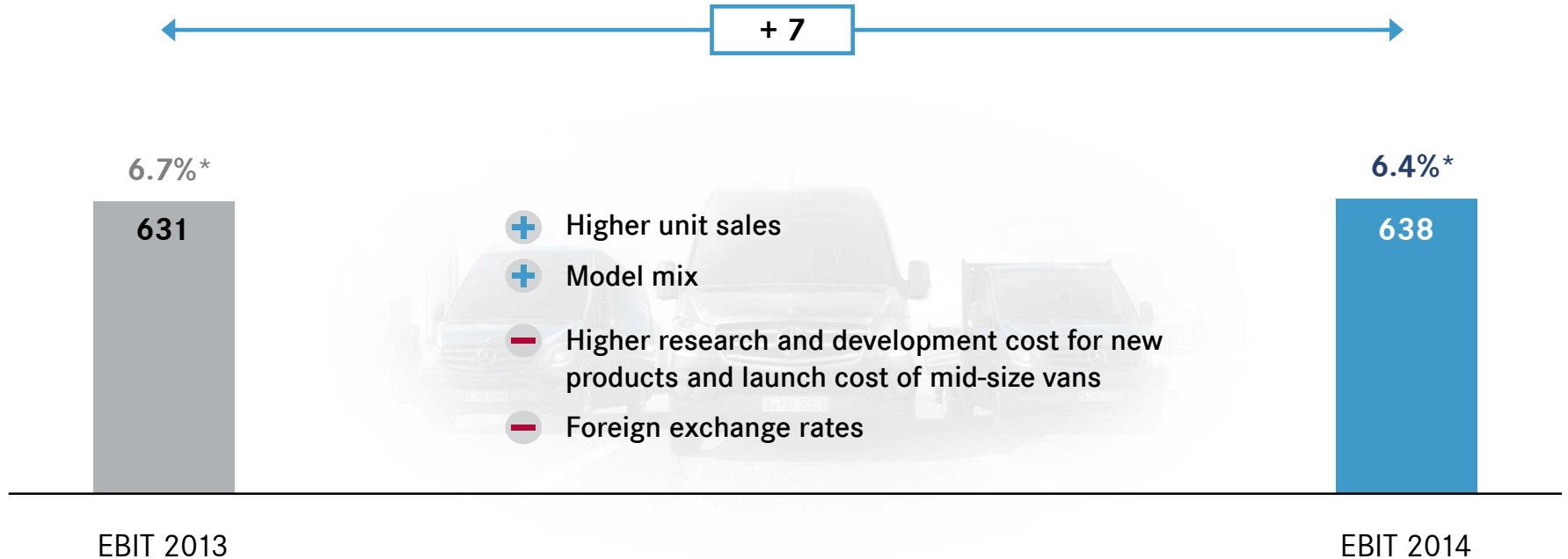
### EBIT from ongoing business

- in millions of euros -



## Mercedes-Benz Vans: EBIT from ongoing business

- in millions of euros -

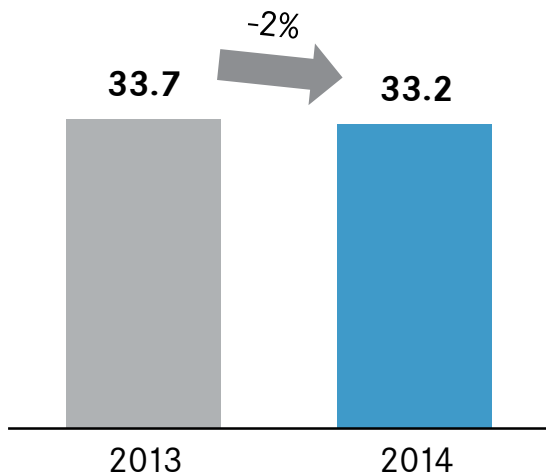


\* Return on sales

## Daimler Buses: significant earnings improvement

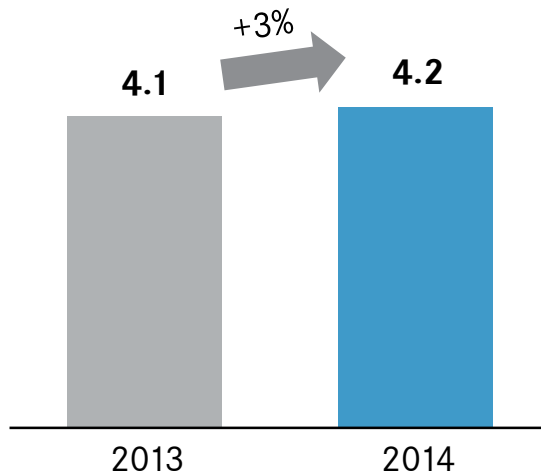
### Unit sales

- in thousands of units -



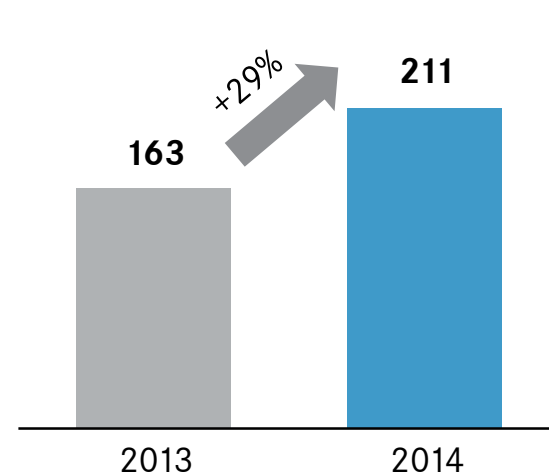
### Revenue

- in billions of euros -



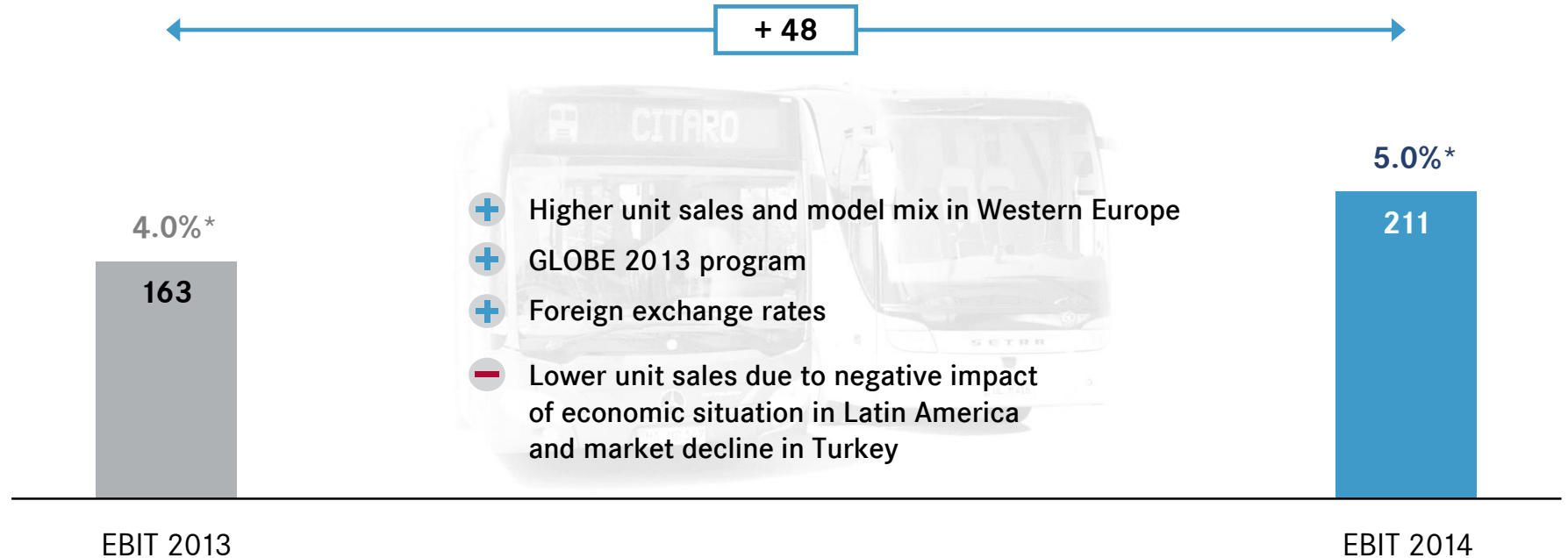
### EBIT from ongoing business

- in millions of euros -



## Daimler Buses: EBIT from ongoing business

- in millions of euros -

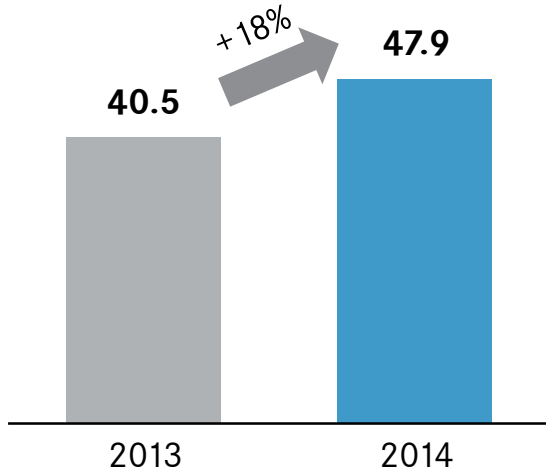


\* Return on sales

## Daimler Financial Services: further business growth

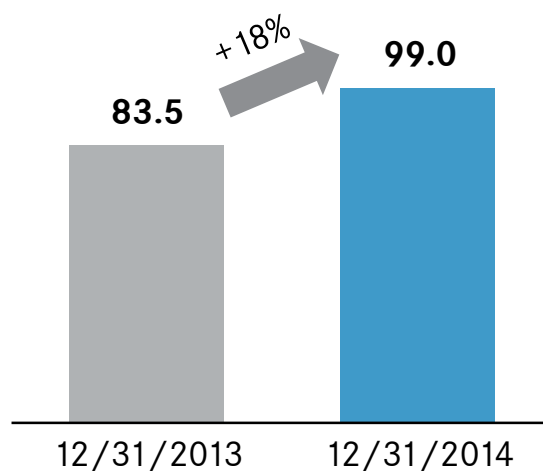
### New business

- in billions of euros -



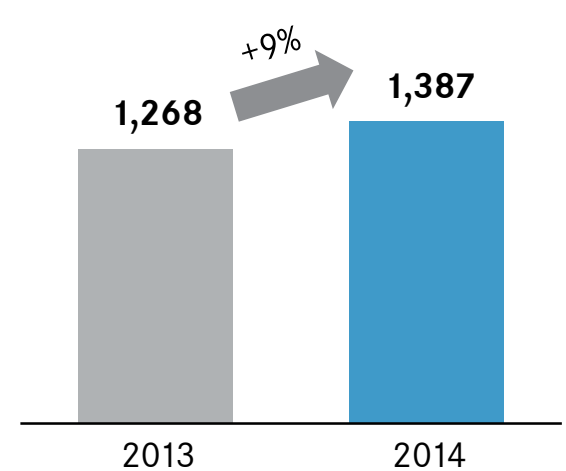
### Contract volume

- in billions of euros -



### EBIT

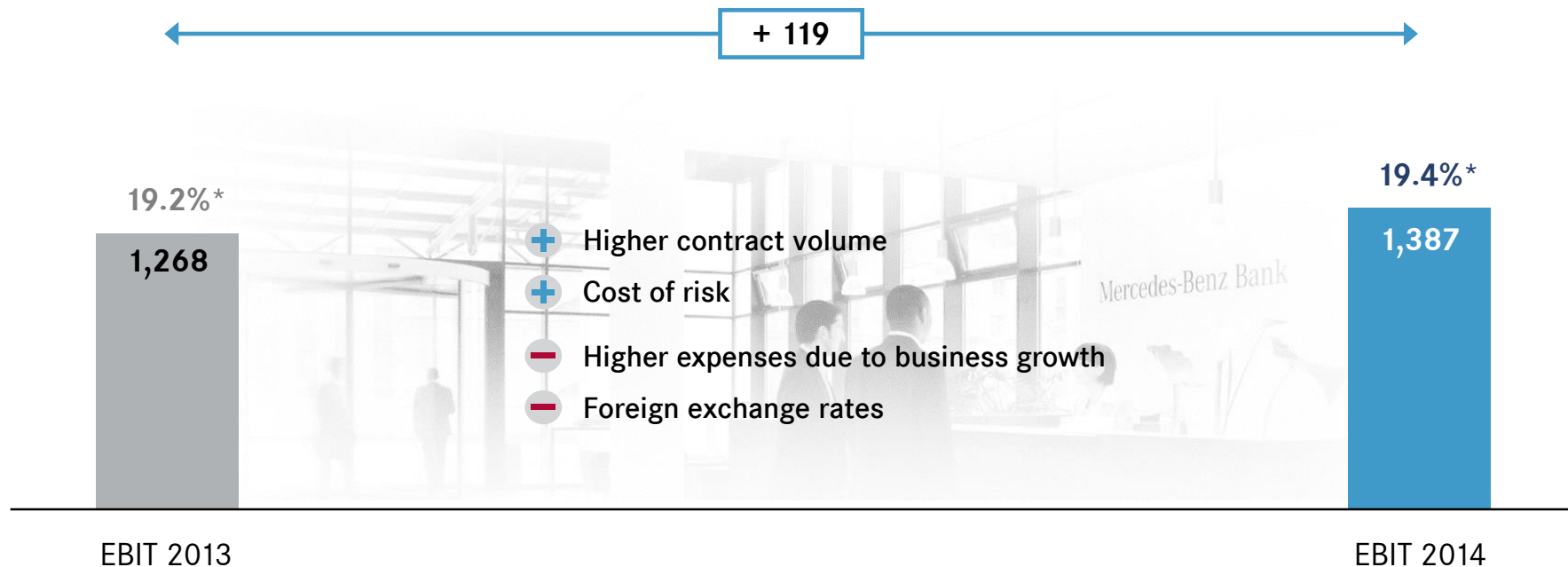
- in millions of euros -





## Daimler Financial Services: EBIT from ongoing business

- in millions of euros -



\* Return on equity

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## Q4 2014: EBIT from ongoing business at record level

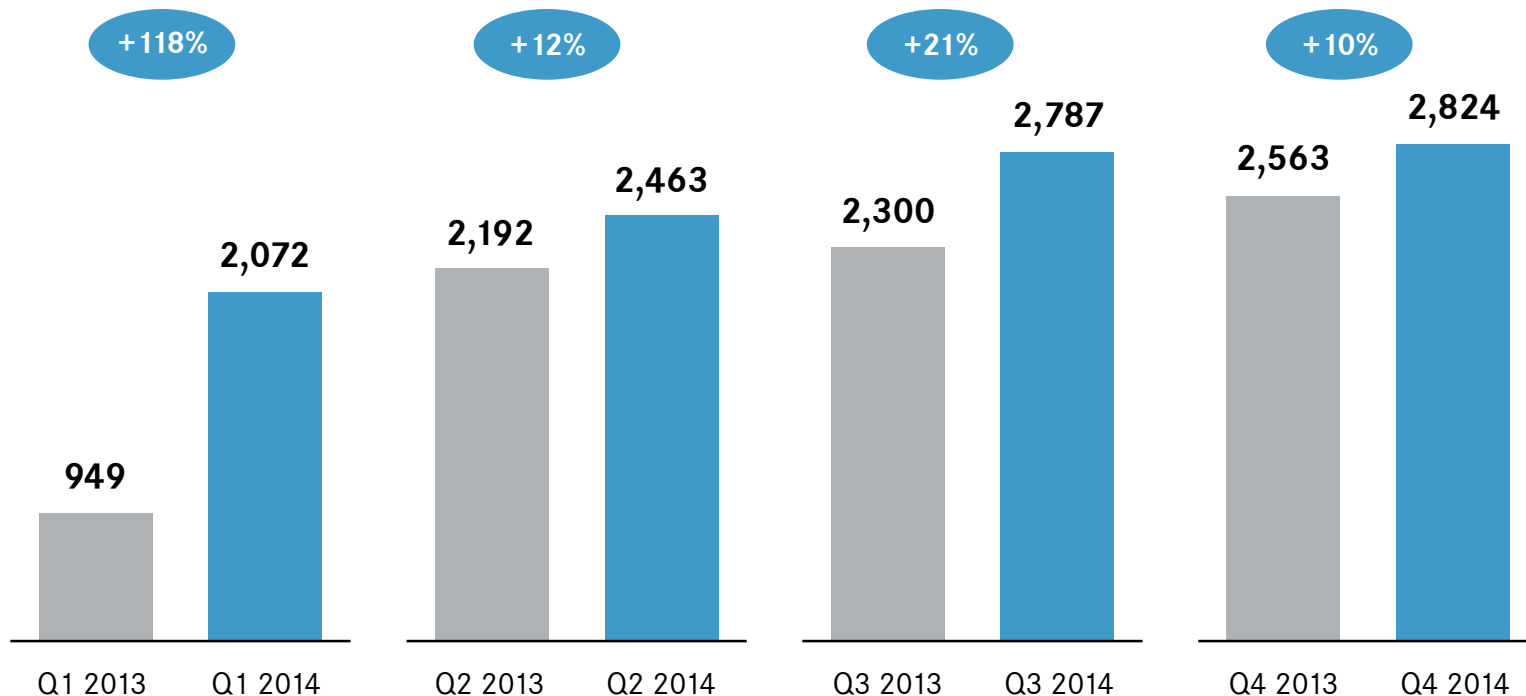
- EBIT in millions of euros; RoS in % -

	Q4 2013		Q4 2014	
	EBIT	RoS*	EBIT	RoS*
<b>Daimler Group</b>	2,563	7.9	2,824	8.0
of which				
Mercedes-Benz Cars	1,385	8.0	1,758	8.7
Daimler Trucks	578	6.8	583	6.6
Mercedes-Benz Vans	194	7.2	158	5.8
Daimler Buses	82	6.3	35	2.7
Daimler Financial Services	313	-	299	-

\* Return on sales; Daimler Group excluding Daimler Financial Services

## Continued growth in EBIT from ongoing business

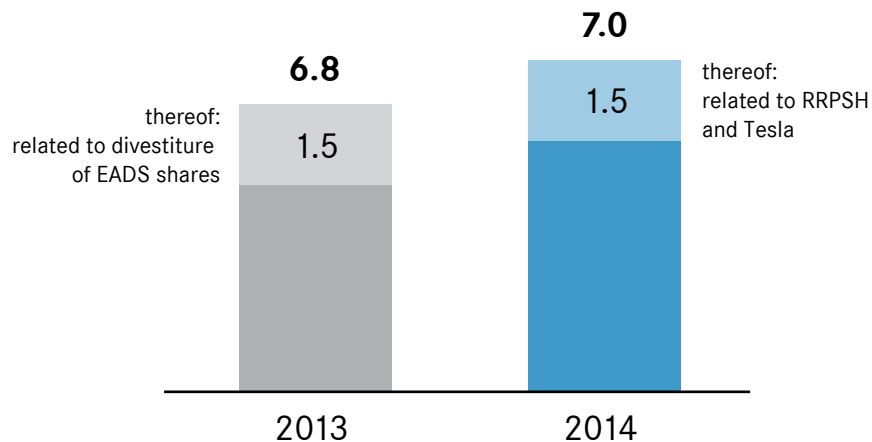
- in millions of euros -



## Dividend at record level based on strong net profit

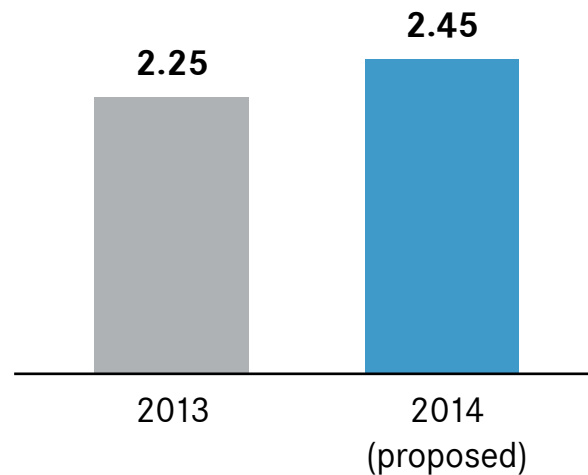
### Net profit\*

- in billions of euros -



### Dividend per share

- in euros -

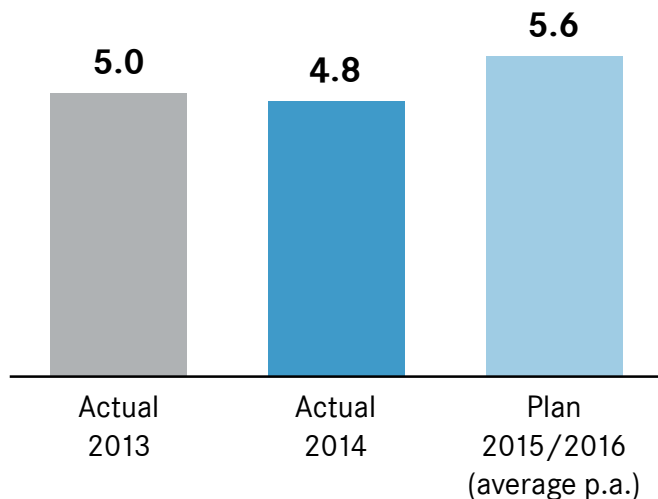


\* attributable to shareholders of Daimler AG

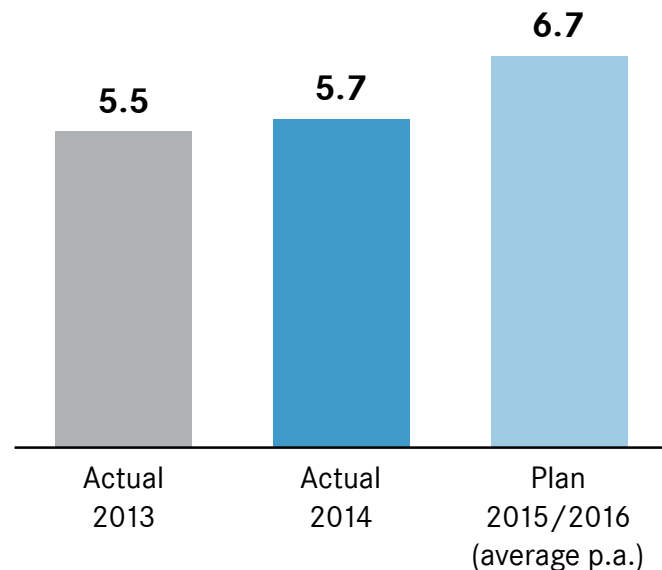
## Capital expenditure / Research and development

- in billions of euros -

Investment in property, plant and equipment

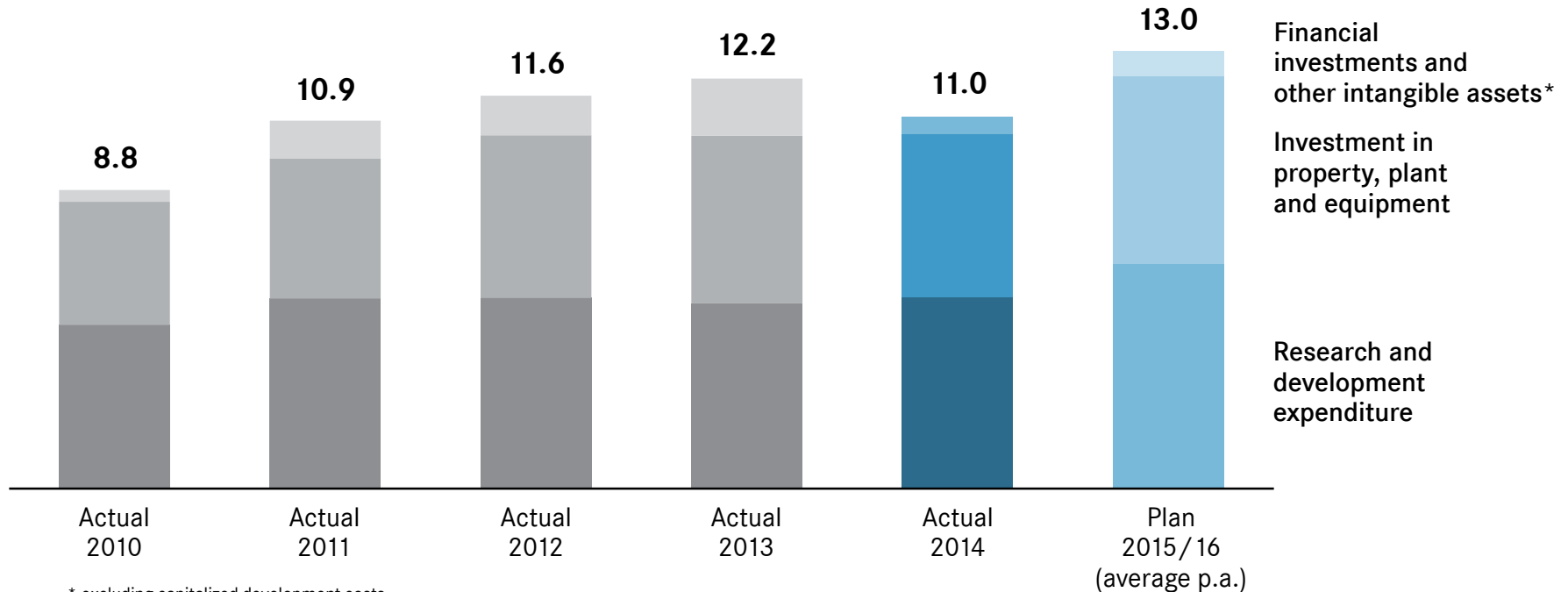


Research and development expenditure



## Development of investment and R&D expenditure

– in billions of euros –

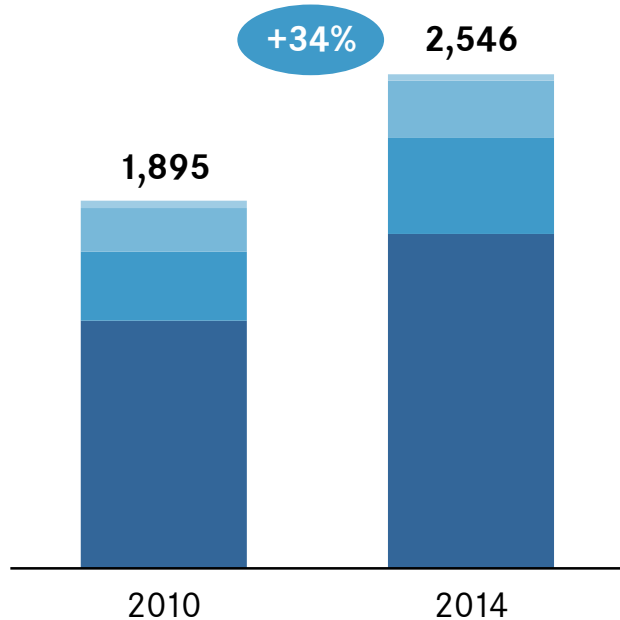


\* excluding capitalized development costs

## Development of unit sales and revenue by divisions

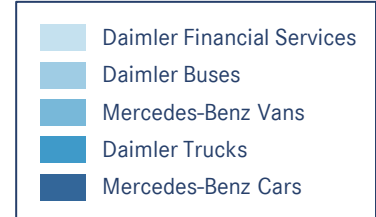
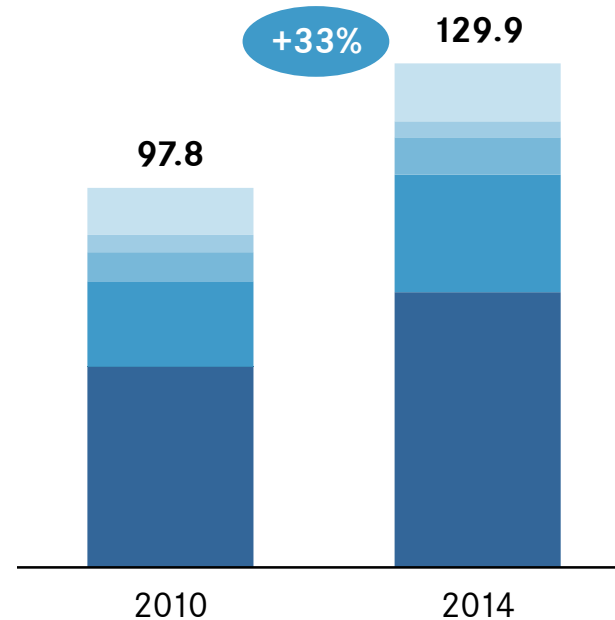
### Sales

- in thousands of units -



### Revenue

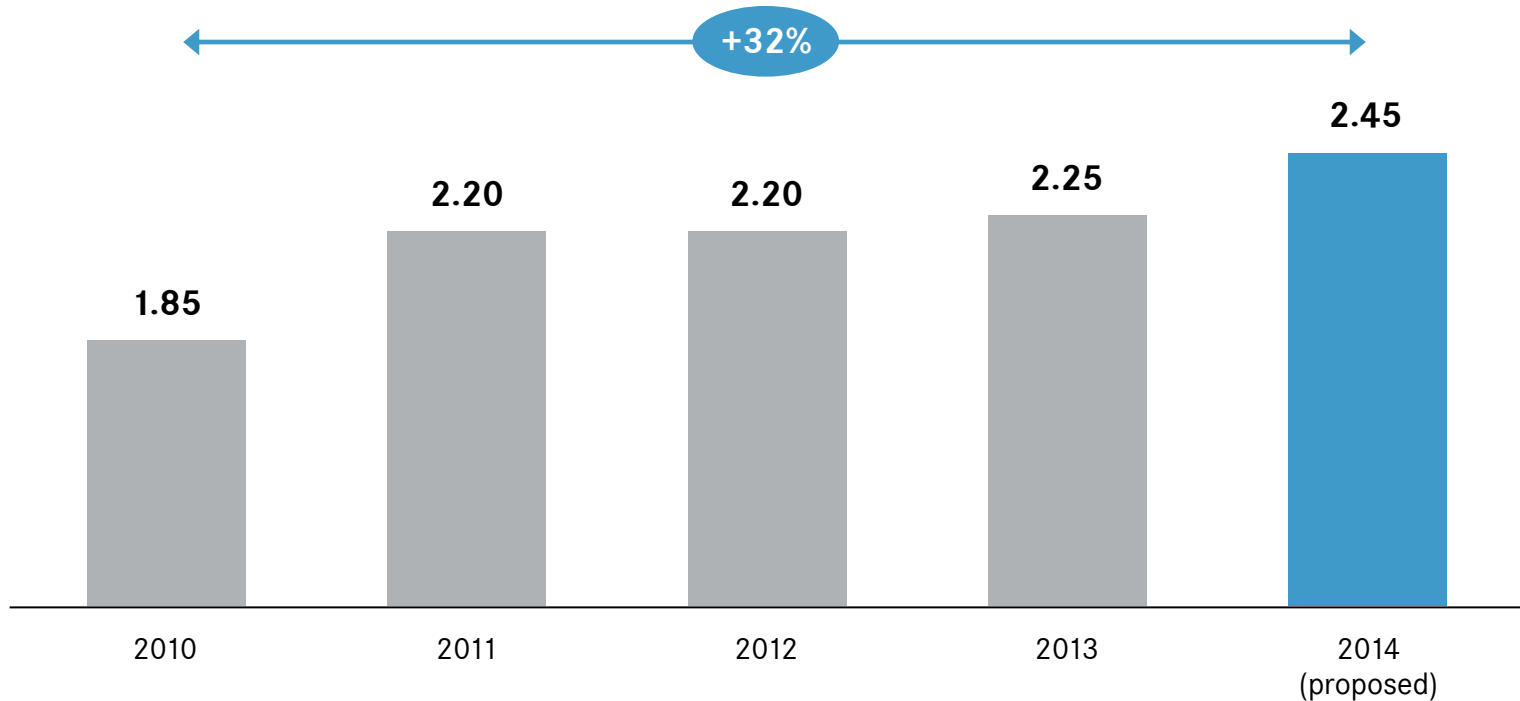
- in billions of euros -





## Development of dividend per share

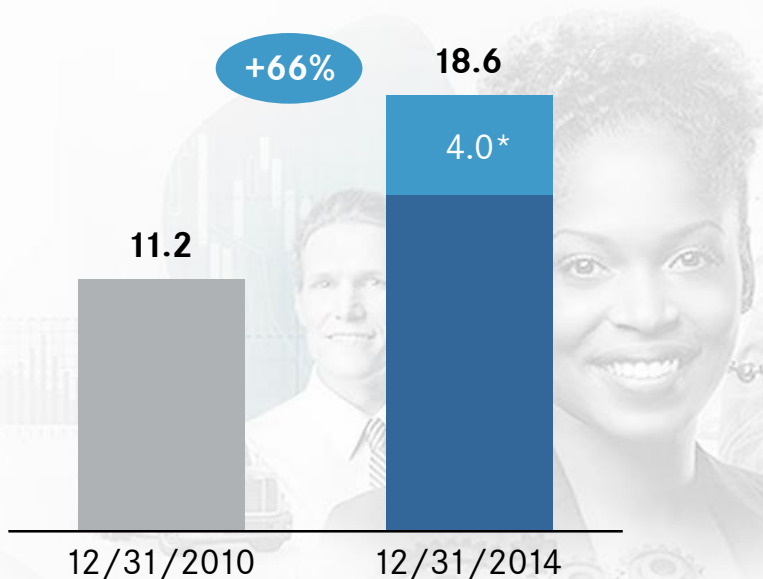
- in euros -



## Attractive employer ...

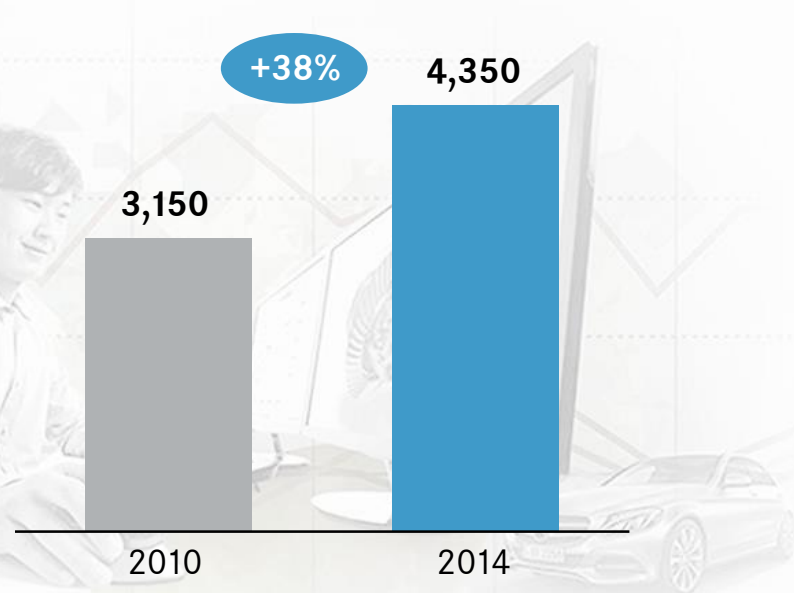
### Fair value of pension plan assets

- in billions of euros -



### Profit sharing\*\*

- in euros -



\* related to extraordinary contributions to the German pension fund assets in 2011 and 2014

\*\* paid out to each eligible employee of Daimler AG for the respective financial year

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## Mercedes-Benz GLE Coupe

# 4

new high-margin  
Mercedes-Benz  
SUVs in 2015



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## Mercedes-Benz CLA Shooting Brake

**1,354 L** maximum load capacity



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## Mercedes-AMG GT

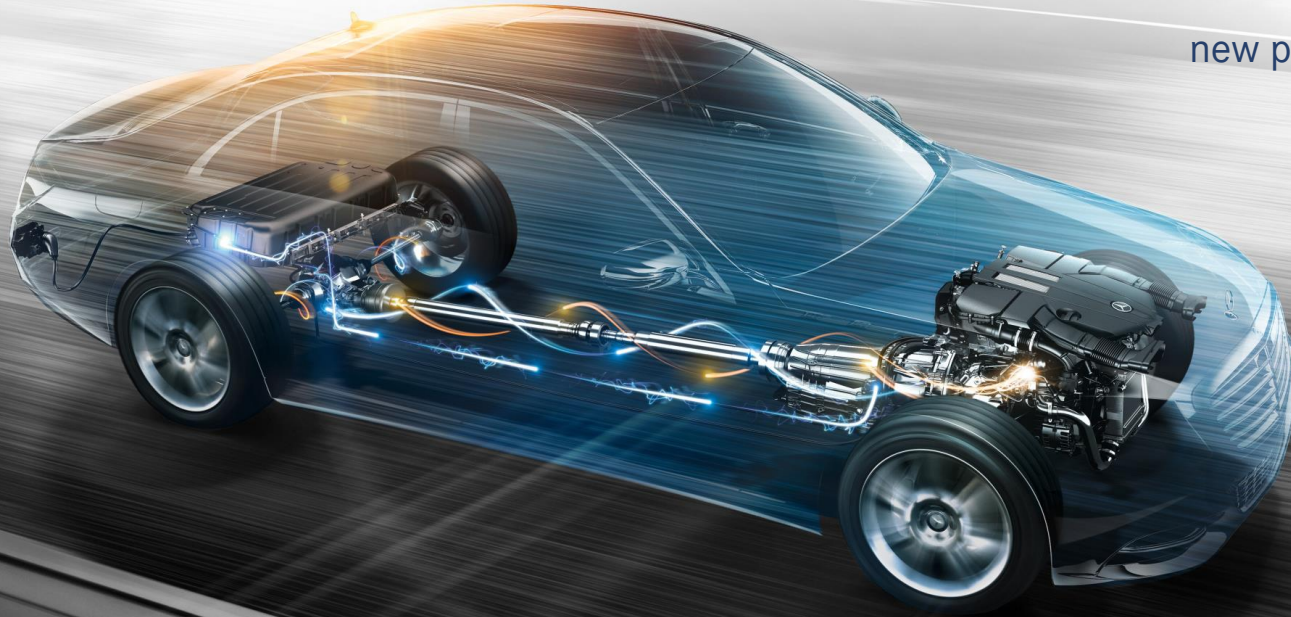


# 3.8 s

from zero to 100 km/h

Mercedes-AMG GT S: Fuel consumption urban/extra-urban/combined: 12,5-12,2/7,9-7,8/9,6-9,4 l/100 km,  
CO<sub>2</sub> emissions combined: 224-219 g/km.

## Our strategy towards electric mobility



# 10

new plug-in hybrid models  
by 2017

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## C-Class 350 e



**2.1 l**

fuel per 100 kilometres

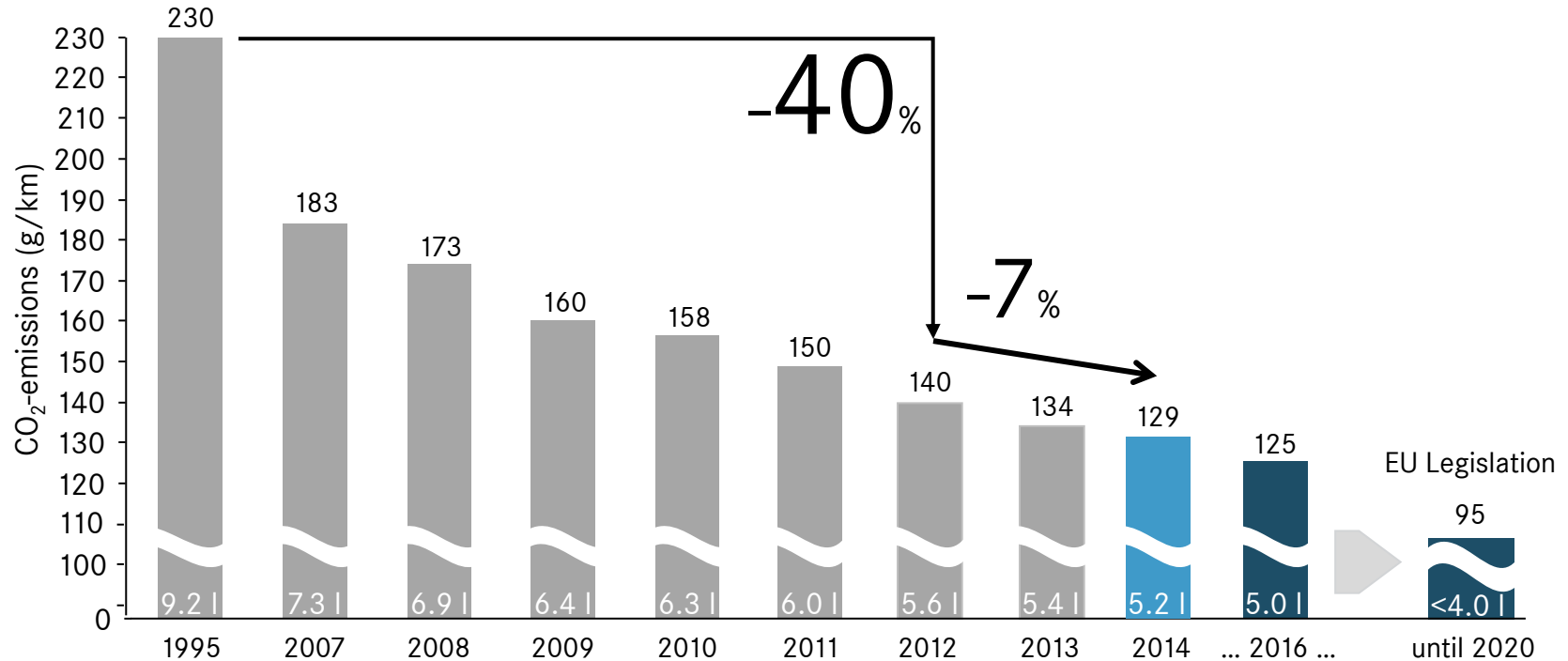
**31 km**

range in all-electric mode

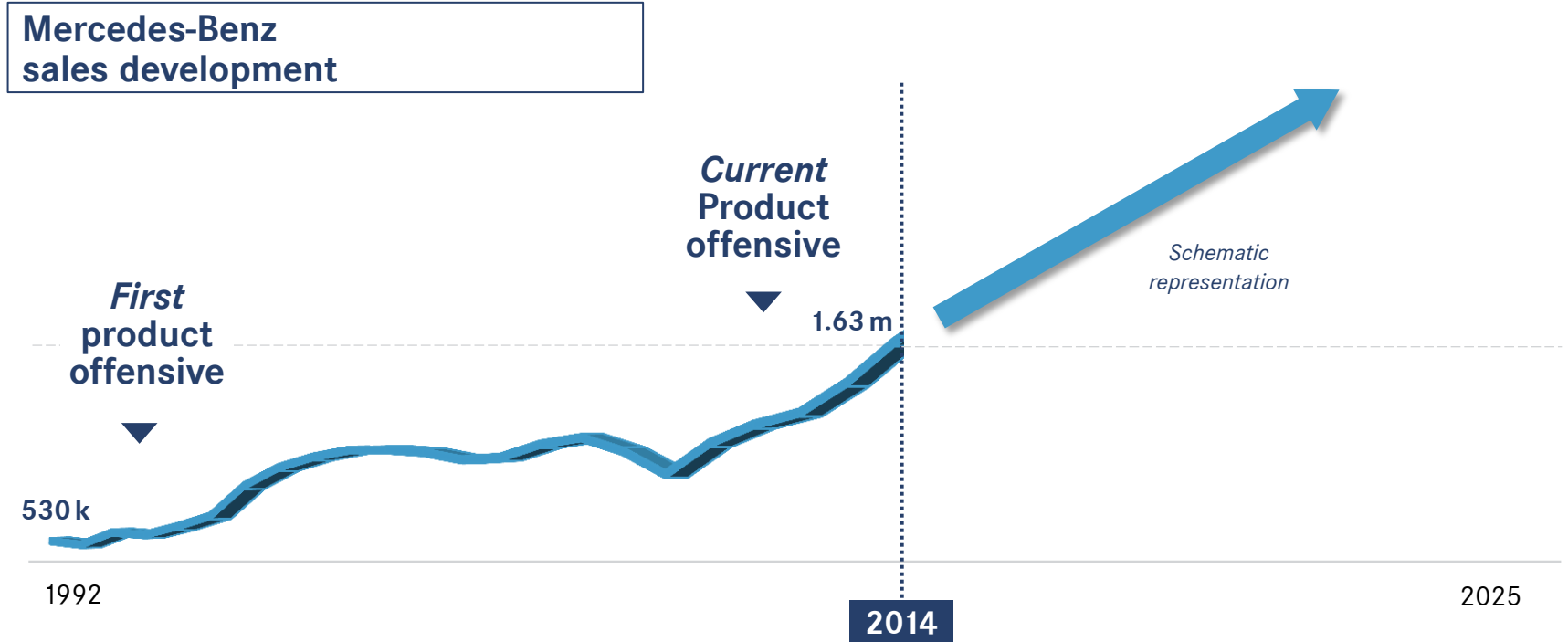


## Plug-In vehicles:

- Huge lever to improve MBC fleet consumption -



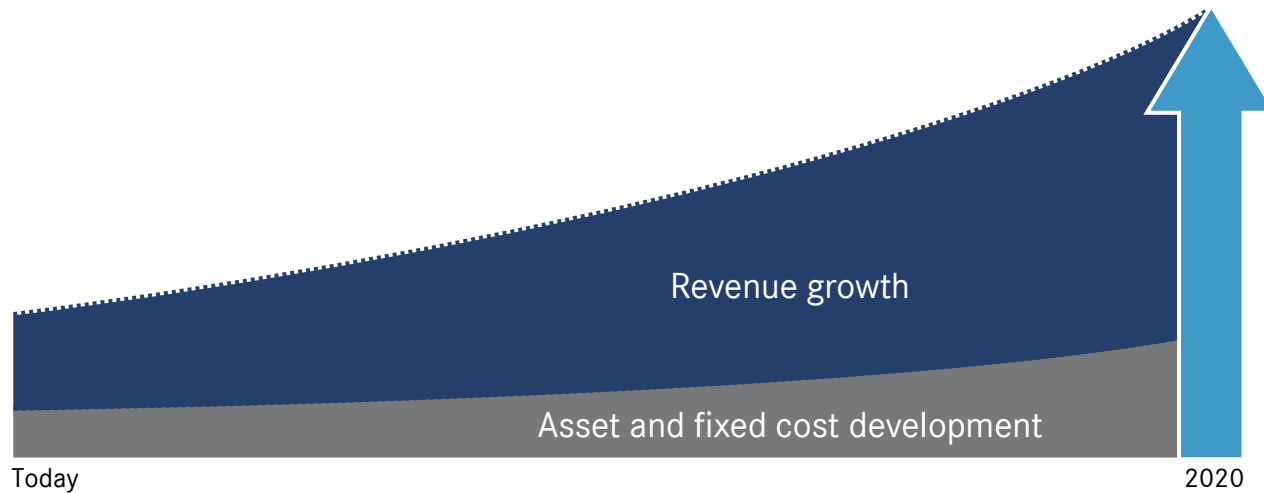
## Product offensive to fuel our sales offensive



## Efficiency increase for profitable growth

*\*Schematic representation*

Our growth plan \*



## China: key market for our growth plans

»» 300,000

2015 units sales target  
for Mercedes-Benz in China

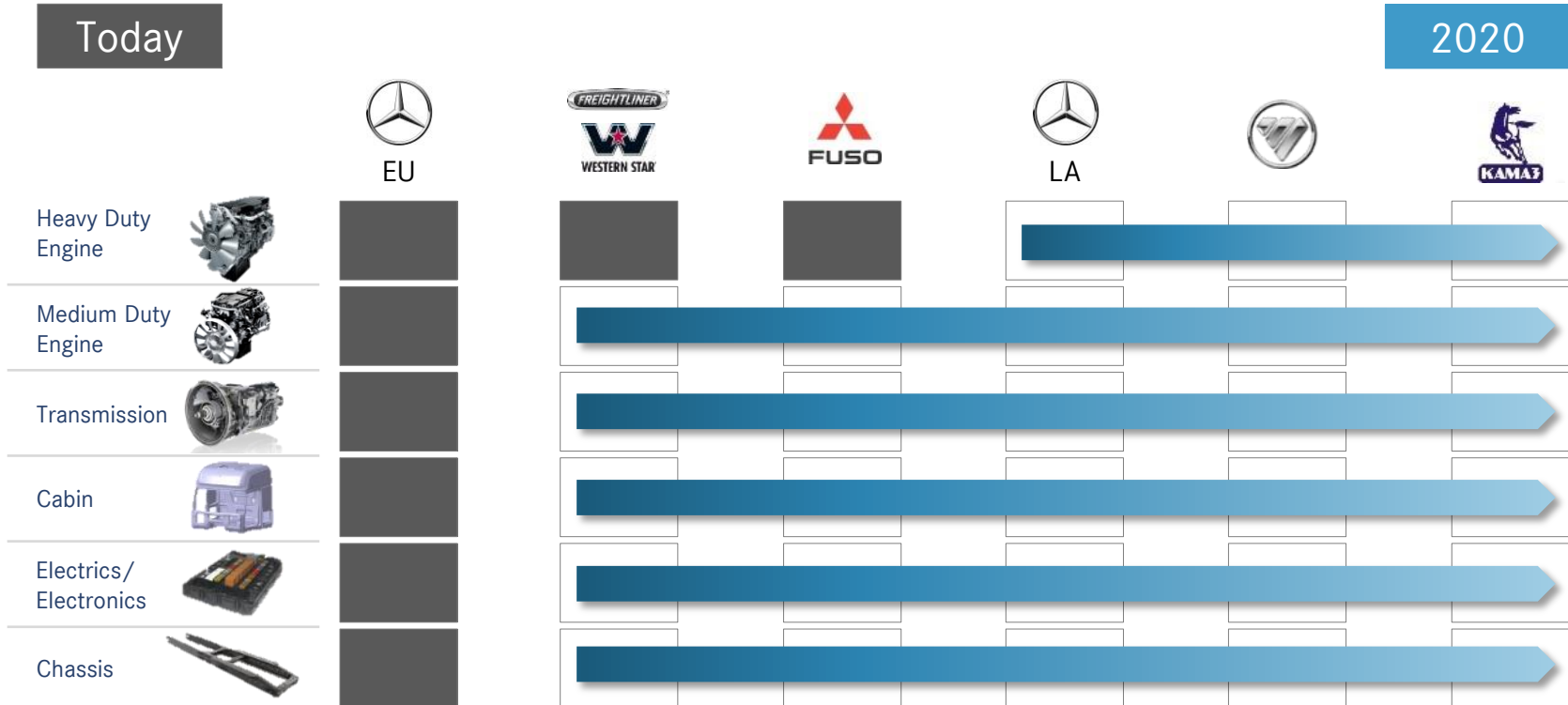


# DAIMLER

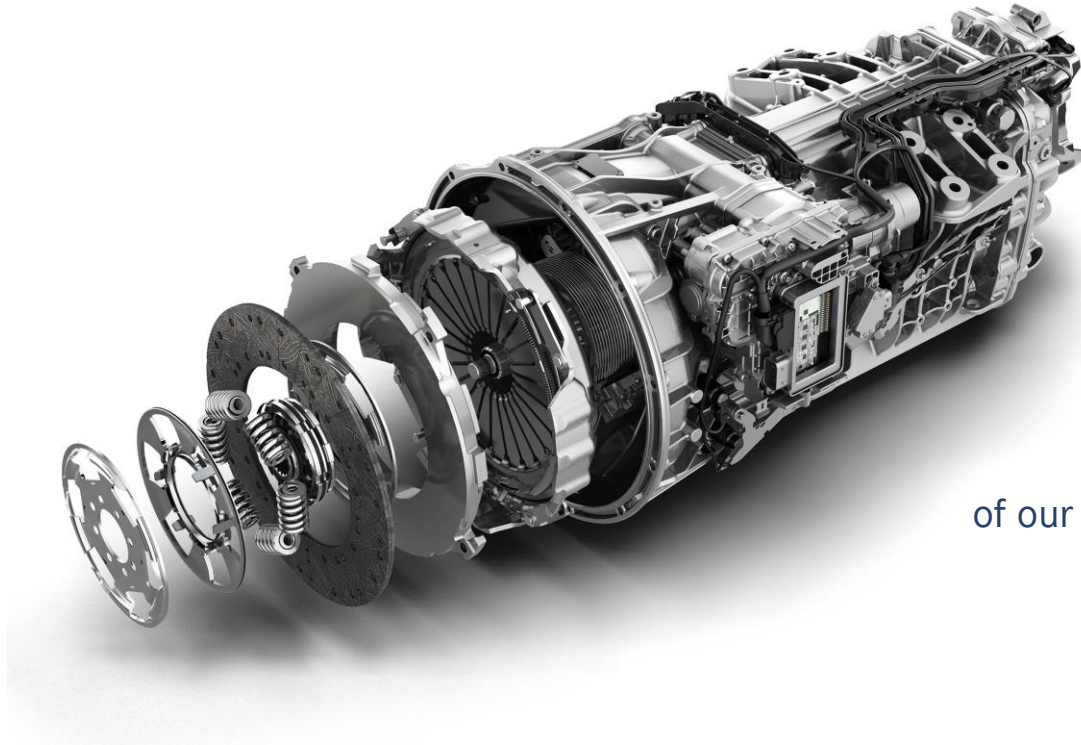
## Benchmark in Total Cost of Ownership



## Global roll-out of Daimler Trucks platform strategy



## One example: DT12 transmission market success



# 23%

of our Freightliner Cascadia trucks are  
sold with a DT12 transmission

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## Western Star 5700XE





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## Autonomous driving goes far beyond technology

15

years from now  
this car could be reality



## Mobility services on growth path

**> 1,000,000** people use our mobility services



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## Assumptions for automotive markets in 2015

Car markets	Global	around +4%
	Western Europe	slight growth
	USA	slight growth
	China	significant growth
Medium- and heavy-duty truck markets	NAFTA region	around +10%
	Europe	around the prior-year level
	Japan*	slightly below the prior-year level
	Brazil	around -10%
	Indonesia*	around +10%
Van markets	Europe	around the prior-year level
Bus markets	Western Europe	slight growth
	Brazil	around the prior-year level

\* including light-duty trucks

## 2015 sales outlook



- Significantly higher unit sales based on young and attractive product portfolio
- Strong momentum from full availability of new C-Class and smart models
- Launch of all-new Mercedes-Maybach, Mercedes-AMG GT, CLA Shooting Brake and GLE Coupé



- Significantly higher unit sales due to strong product portfolio
- Strong order backlog, especially in NAFTA region
- Growth potential due to new Asia Business Model



- Significantly higher unit sales
- Strong momentum from full availability of new Vito and V-Class
- Product expansion to North and South America



- Slightly higher unit sales
- Maintain market leadership in Western Europe and Brazil
- Positive sales development mainly in non-core markets

## 2015 outlook for EBIT from ongoing business

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We expect Group EBIT for FY 2015 to increase significantly based on the following expectations for divisional EBIT:



Significantly above the prior-year level



Significantly above the prior-year level



Significantly above the prior-year level



Slightly below the prior-year level

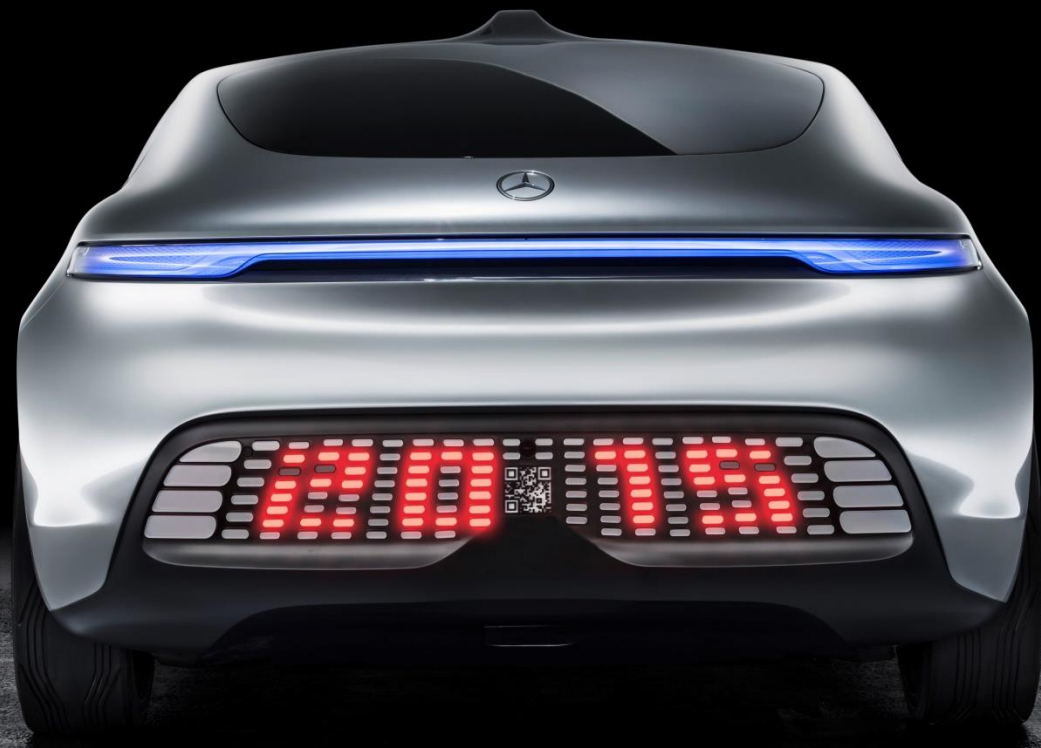


Daimler Financial Services

Slightly above the prior-year level

This guidance is based on current outlined market expectations and current exchange-rate expectations.

# Appendix



## Key balance sheet and financial figures

– in billions of euros –

<b>Daimler Group</b>	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2014</b>
Equity ratio	24.3%	22.1%
Gross liquidity	18.1	16.3
<b>Industrial business</b>		
Equity ratio	43.4%	40.8%
Net liquidity	13.8	17.0
Free cash flow	4.8	5.5



## Revenue by division

– in billions of euros –

	2013	2014	% change
<b>Daimler Group</b>	118.0	129.9	+10
of which			
Mercedes-Benz Cars	64.3	73.6	+14
Daimler Trucks	31.5	32.4	+3
Mercedes-Benz Vans	9.4	10.0	+6
Daimler Buses	4.1	4.2	+3
Daimler Financial Services	14.5	16.0	+10
Contract volume of Daimler Financial Services (at year end)	83.5	99.0	+18

## Revenue by region

– in billions of euros –

	2013	2014	% change
<b>Daimler Group</b>	118.0	129.9	+10
of which			
Western Europe	41.1	43.7	+6
of which Germany	20.2	20.4	+1
NAFTA	32.9	38.0	+15
of which United States	28.6	33.3	+16
Asia	24.5	29.4	+20
of which China*	10.7	13.3	+24
Other markets	19.5	18.7	-4

\* excluding revenue of not fully consolidated companies

## EBIT by division

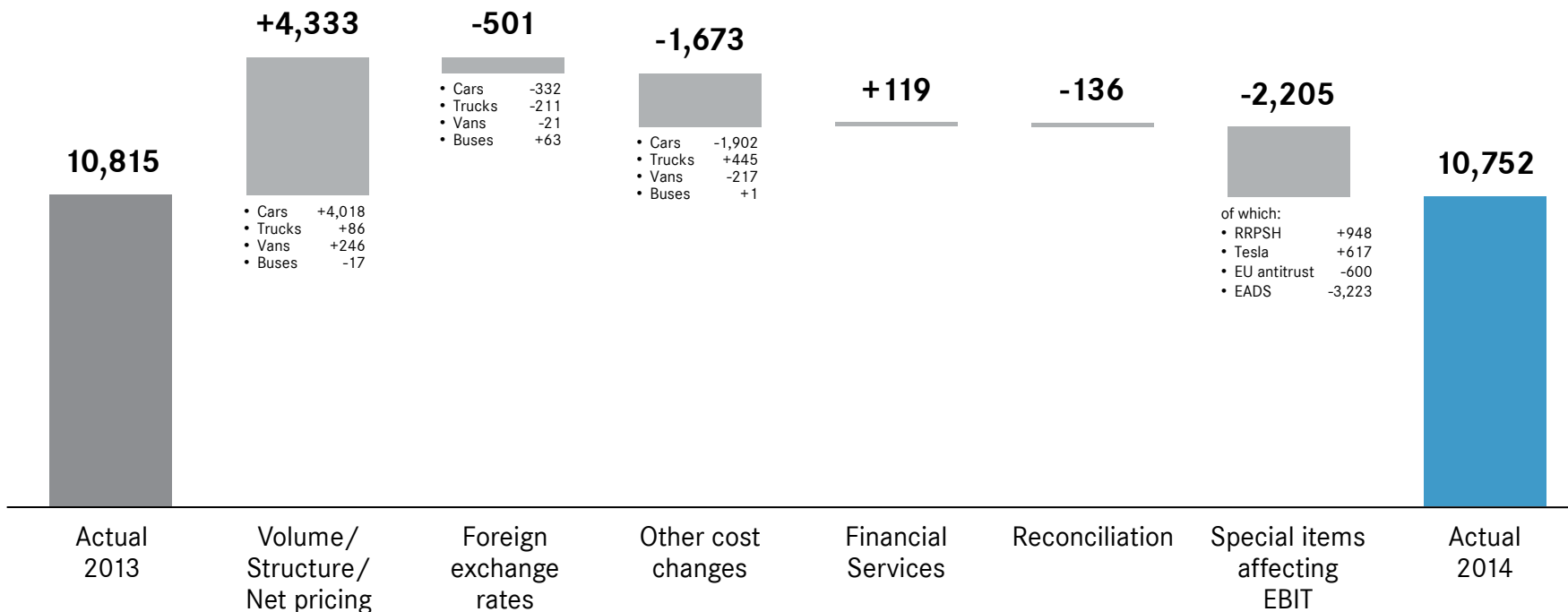
– EBIT in millions of euros; RoS in % –

	2013		2014	
	EBIT	RoS*	EBIT	RoS*
<b>Daimler Group</b>	10,815	9.2	10,752	8.2
of which				
Mercedes-Benz Cars	4,006	6.2	5,853	8.0
Daimler Trucks	1,637	5.2	1,878	5.8
Mercedes-Benz Vans	631	6.7	682	6.8
Daimler Buses	124	3.0	197	4.7
Daimler Financial Services	1,268	–	1,387	–
Reconciliation	3,149	–	755	–

\* Return on sales; Daimler Group excluding Daimler Financial Services

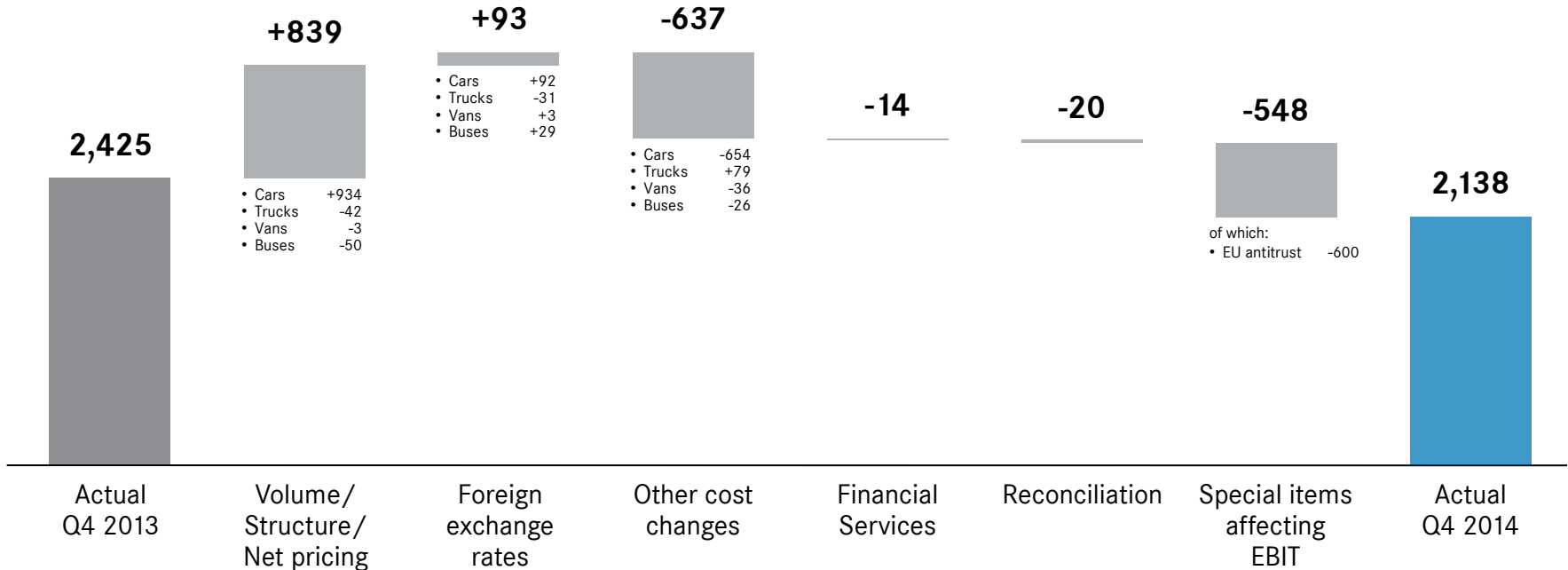
## Group EBIT in 2014

- in millions of euros -



## Group EBIT in Q4 2014

- in millions of euros -



## Special items affecting EBIT (I)

– in millions of euros –

	Q4		Full year	
	2013	2014	2013	2014
<b>Mercedes-Benz Cars</b>				
Impairment of investments in the area of alternative drive systems	-80	-	-174	-30
Restructuring of sales organization in Germany*	-	-81	-	-81
<b>Daimler Trucks</b>				
Workforce adjustments**	-13	-43	-116	-149
Impairment of investment in Kamaz	-	-30	-	-30
Restructuring of sales organization in Germany*	-	-16	-	-16
<b>Mercedes-Benz Vans</b>				
Reversal of impairment of investment in FBAC	-	-	-	+61
Restructuring of sales organization in Germany*	-	-17	-	-17

\* We expect expenses for the restructuring of the sales organization in Germany in a total of up to €500 million in 2015 and 2016.

\*\* Daimler Trucks expects further expenses of up to €50 million in 2015.

## Special items affecting EBIT (II)

– in millions of euros –

	Q4		Full year	
	2013	2014	2013	2014
<b>Daimler Buses</b>				
Business repositioning	-13	-3	-39	-12
Restructuring of sales organization in Germany*	-	-2	-	-2
<b>Reconciliation</b>				
Divestiture of EADS shares	+1	-	+3,223	-
Measurement of put option for Rolls-Royce Power Systems Holding	-10	-	-60	-118
Sale of shares in Rolls-Royce Power Systems Holding	-	-	-	+1,006
Hedge of Tesla share price	-23	+106	-23	-124
Remeasurement of Tesla shares	-	-	-	+718
EU antitrust proceedings	-	-600	-	-600

\* We expect expenses for the restructuring of the sales organization in Germany in a total of up to €500 million in 2015 and 2016.

## EBIT from ongoing business in 2014

- EBIT in millions of euros; RoS in % -

	2013		2014	
	EBIT	RoS*	EBIT	RoS*
<b>Daimler Group</b>	8,004	6.5	10,146	7.7
of which				
Mercedes-Benz Cars	4,180	6.5	5,964	8.1
Daimler Trucks	1,753	5.6	2,073	6.4
Mercedes-Benz Vans	631	6.7	638	6.4
Daimler Buses	163	4.0	211	5.0
Daimler Financial Services	1,268	-	1,387	-

\* Return on sales; Daimler Group excluding Daimler Financial Services



## Capital expenditure / Research and development

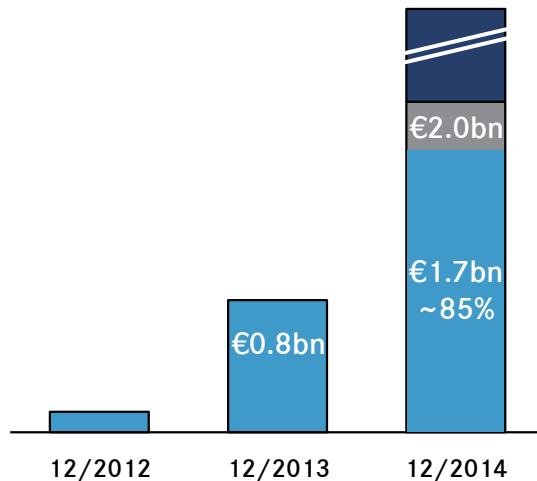
– in billions of euros –

	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2013	Actual 2014	Plan 2015-2016	Actual 2013	Actual 2014	Plan 2015-2016
<b>Daimler Group</b>	5.0	4.8	5.6	5.5	5.7	6.7
of which						
Mercedes-Benz Cars	3.7	3.6	4.0	3.8	4.0	4.9
Daimler Trucks	0.8	0.8	1.1	1.2	1.2	1.2
Mercedes-Benz Vans	0.3	0.3	0.3	0.3	0.3	0.4
Daimler Buses	0.1	0.1	0.1	0.2	0.2	0.2
Daimler Financial Services	0.02	0.02	0.01	–	–	–

## Mercedes-Benz Cars: Fit for Leadership

### Flight path towards benefits

- Additional top-line effects
- Cost reduction



### Key levers

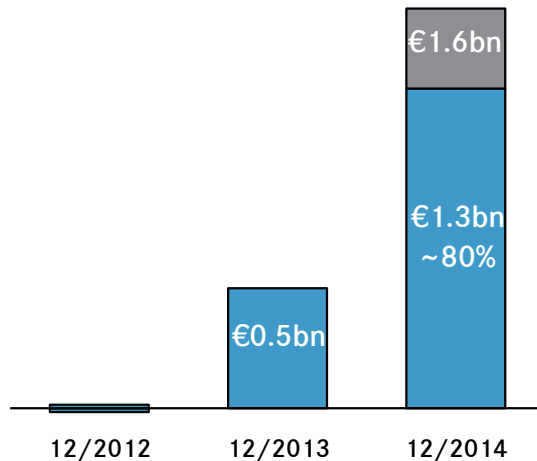
- Material costs/net-zero approach
- Further reduction of hours per vehicle
- Optimization of funding requirements
- Reduction of fixed costs
- Increased efficiency in application of funds
- Higher flexibility of MBC business model

## Daimler Trucks #1

### Flight path towards benefits

Top-line effects (30%)

Cost reductions (70%)

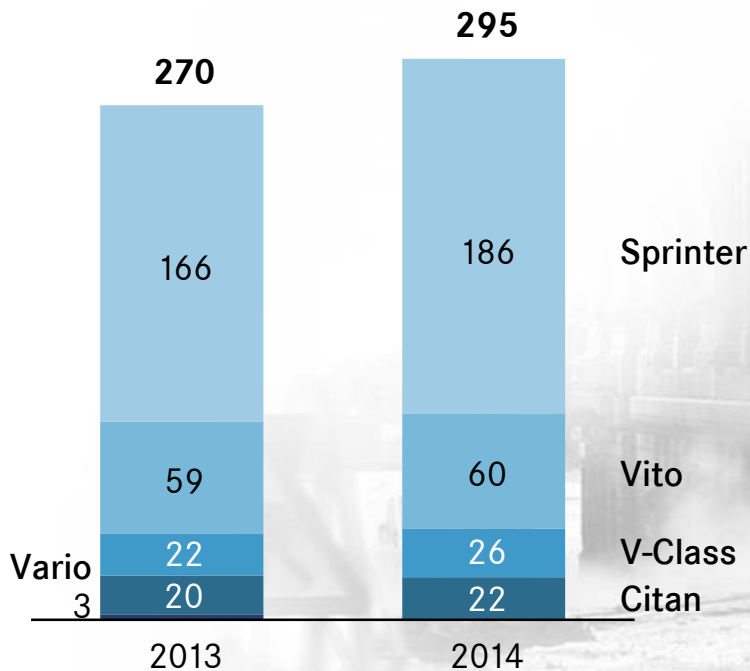


### Key levers

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

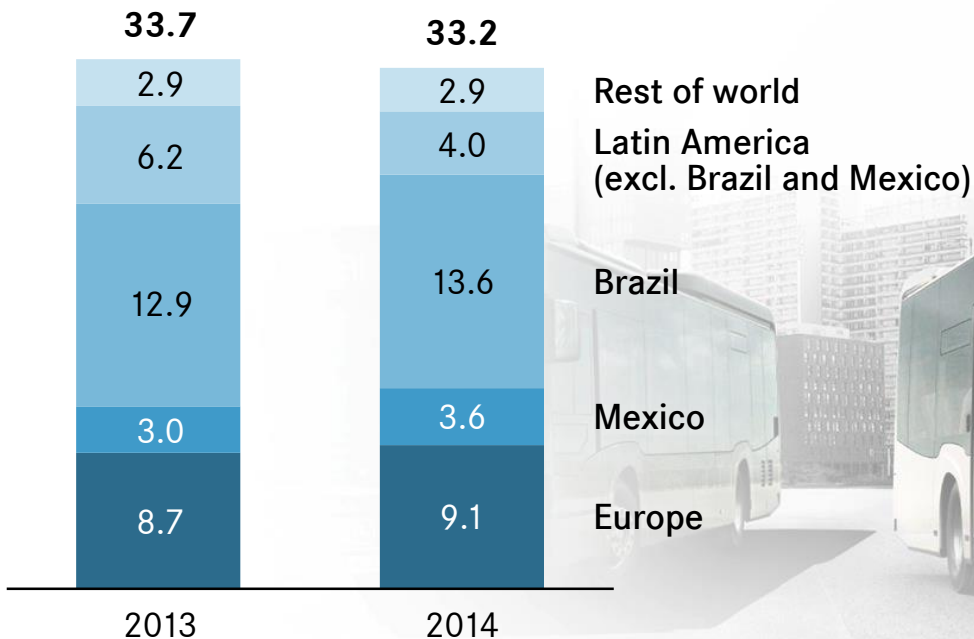
## Mercedes-Benz Vans: higher unit sales

- in thousands of units -



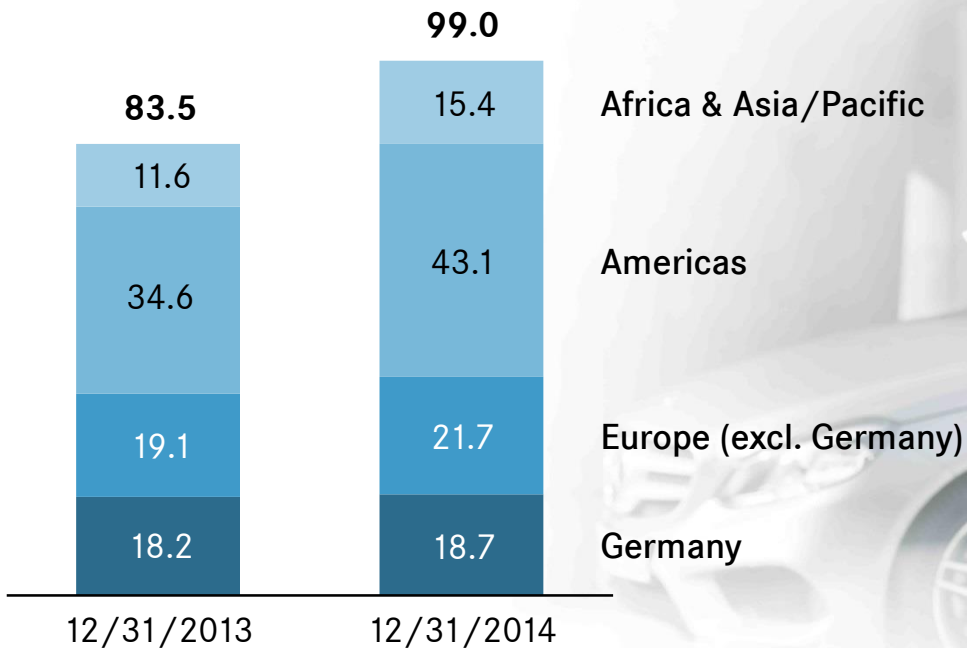
## Daimler Buses: higher unit sales of complete buses more than offset by lower demand for bus chassis

- in thousands of units -

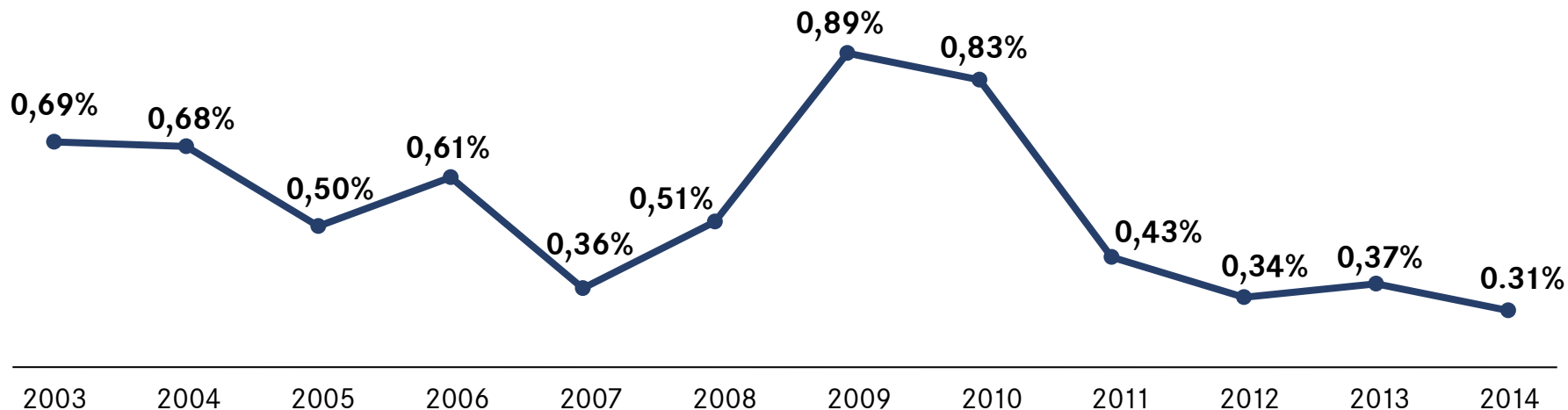


## Daimler Financial Services: higher contract volume

- in billions of euros -



## Daimler Financial Services: net credit losses\* at low level



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

## 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 worsening of the sovereign-debt crisis in the euro zone; an increase in political tension in Eastern Europe; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, epidemics, 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 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 official 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 and Opportunity Report” in Daimler’s most recent 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.