

Jahrespressekonferenz
Annual Press Conference
February 1, 2018



DAIMLER

Annual Press Conference

Dr. Dieter Zetsche
Chairman of the Board of Management of Daimler AG
Head of Mercedes-Benz Cars

February 1, 2018

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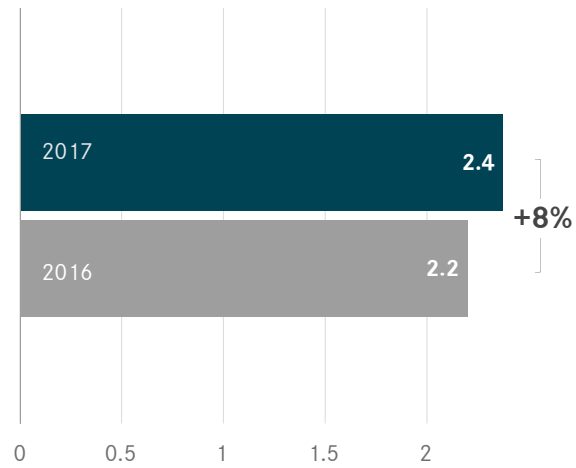
Highlights 2017

Divisional information
Group financials
Outlook
Guidance



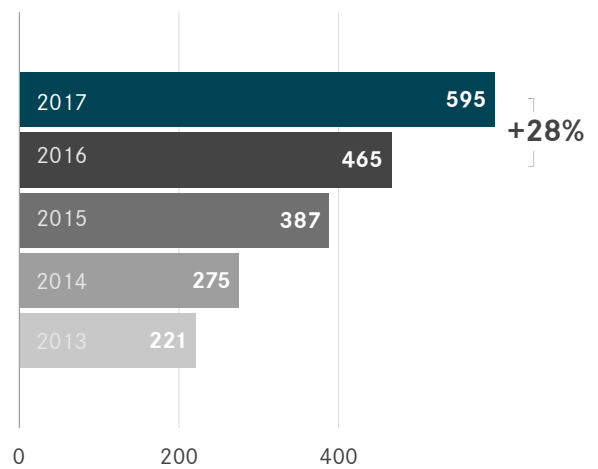
Mercedes-Benz Cars

Group sales in million units



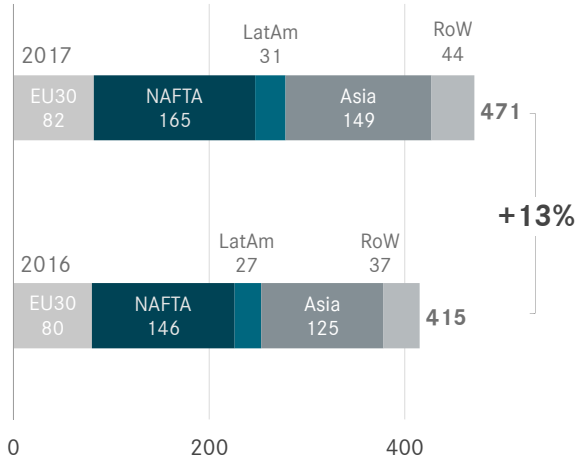
Mercedes-Benz in China

Group sales in thousand units



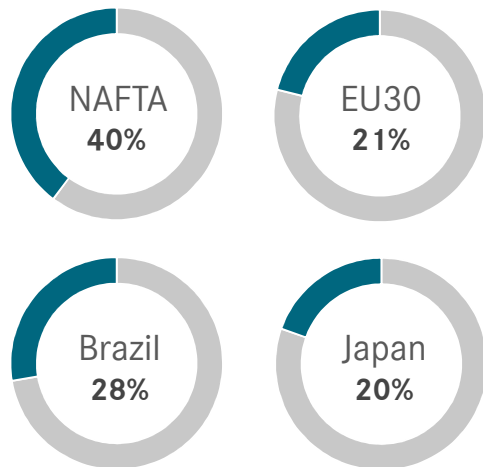
Daimler Trucks

Group sales in thousand units



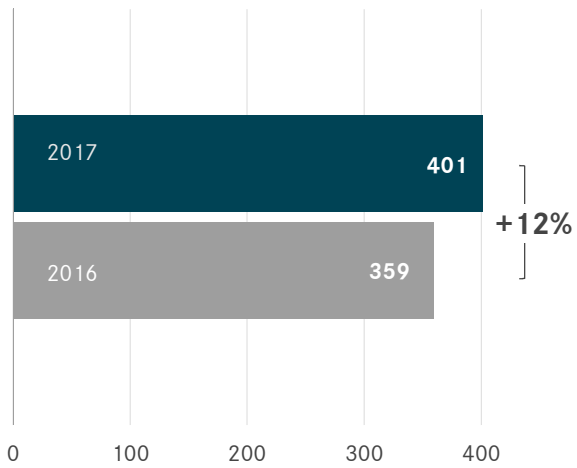
Daimler Trucks

Market shares in %



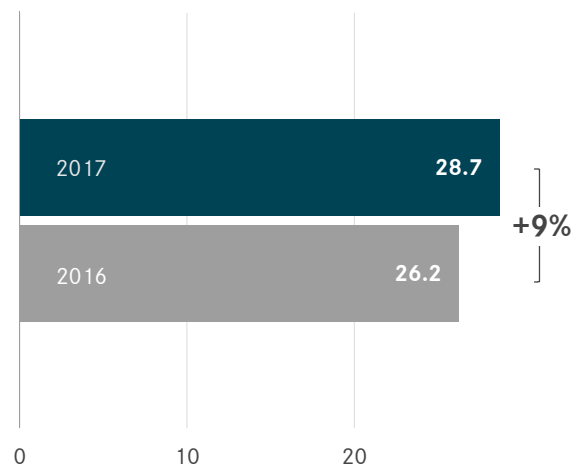
Mercedes-Benz Vans

Group sales in thousand units



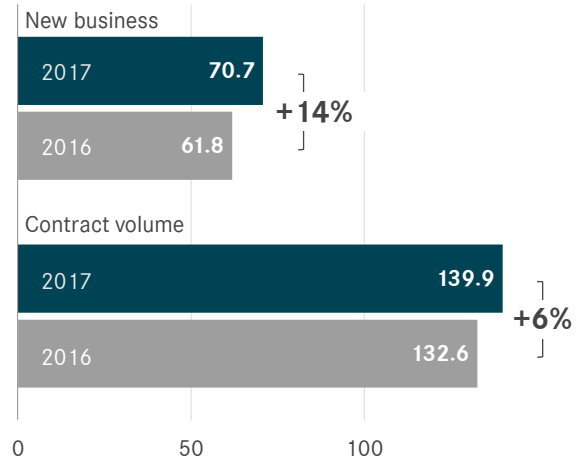
Daimler Buses

Group sales in thousand units



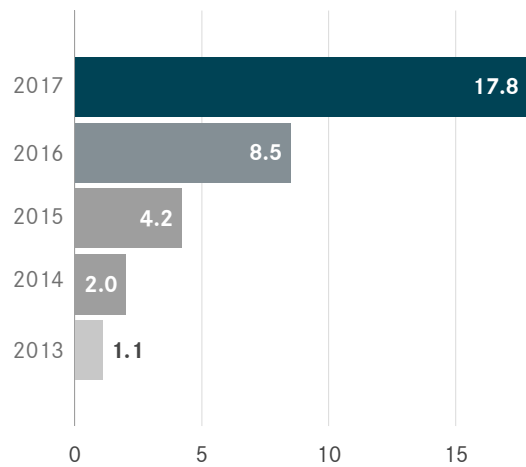
Daimler Financial Services

in billion euros



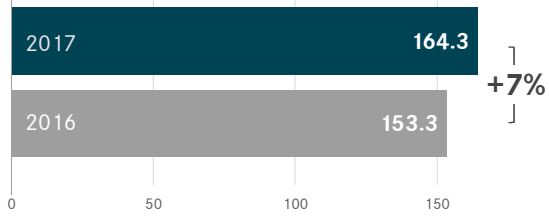
Daimler Mobility Services

Total number of customers in million



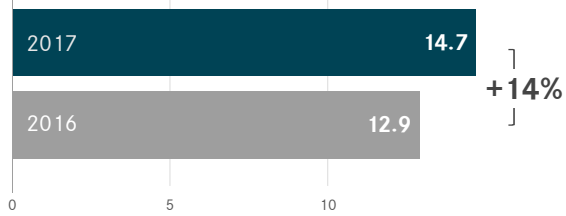
Revenue

in billion euros



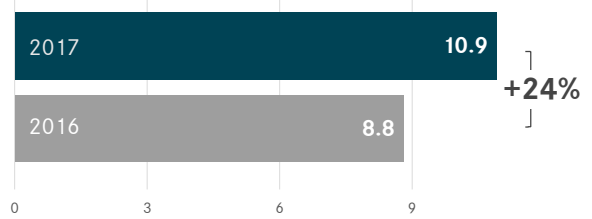
EBIT

in billion euros



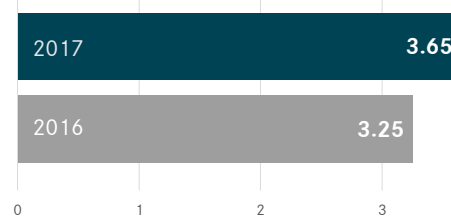
Net Profit

in billion euros



Dividend

Proposal in euros



DAIMLER

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Bodo Uebber
Member of the Board of Management
Finance & Controlling and Daimler Financial Services

February 1, 2018

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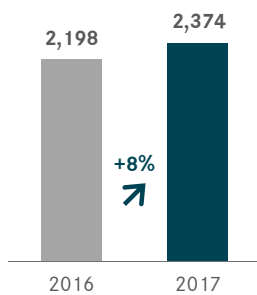
Outlook

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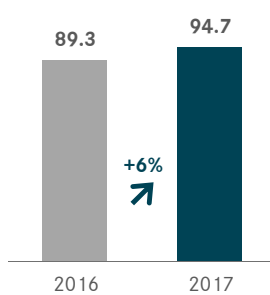


Mercedes-Benz Cars: continued business growth based on strong product portfolio

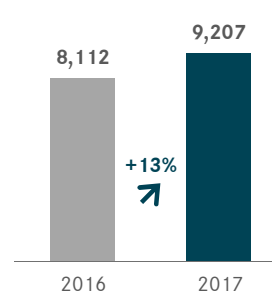
Unit sales
in thousand units



Revenue
in billion euros

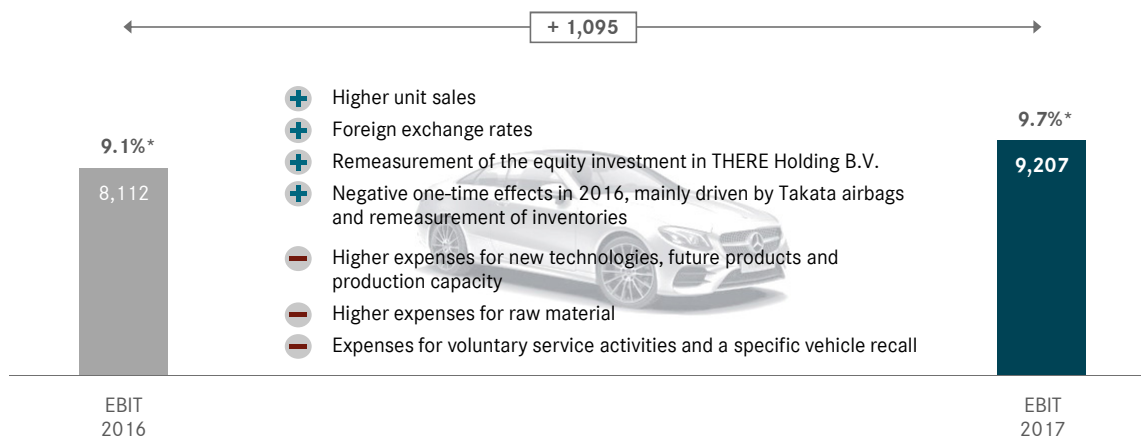


EBIT
in million euros



Mercedes-Benz Cars: EBIT

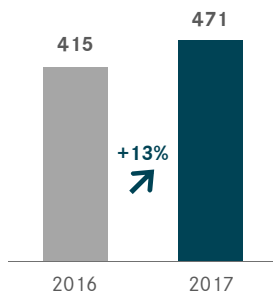
in million euros



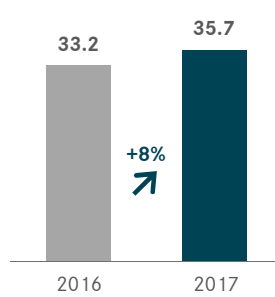
* Return on sales

Daimler Trucks: rising demand in core markets in the course of the year

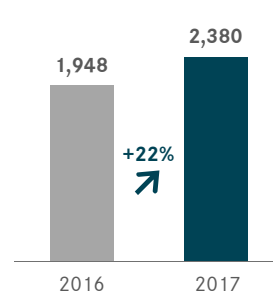
Unit sales
in thousand units



Revenue
in billion euros

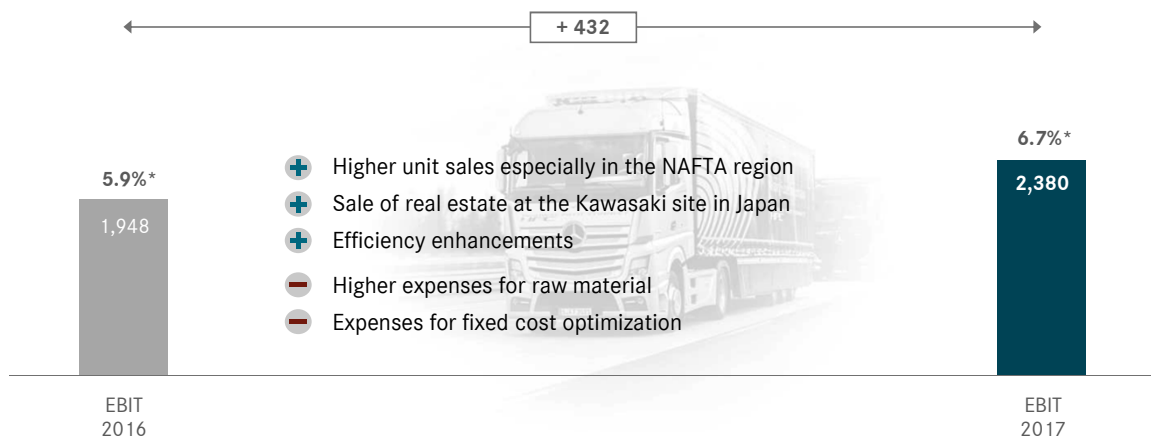


EBIT
in million euros



Daimler Trucks: EBIT

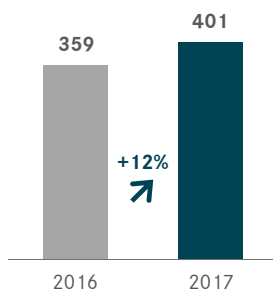
in million euros



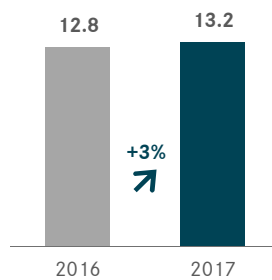
* Return on sales

Mercedes-Benz Vans: strong development based on very successful products

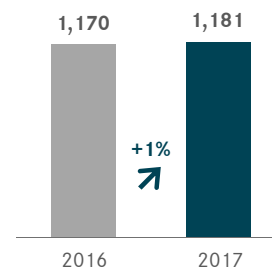
Unit sales
in thousand units



Revenue
in billion euros



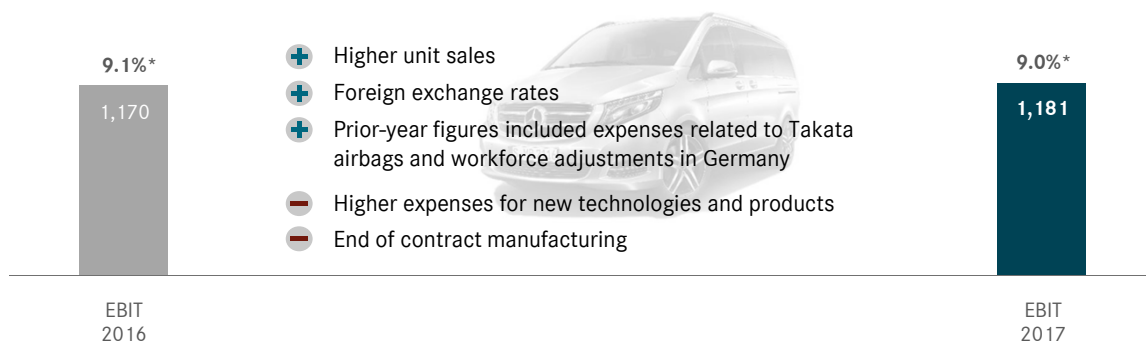
EBIT
in million euros



Mercedes-Benz Vans: EBIT

in million euros

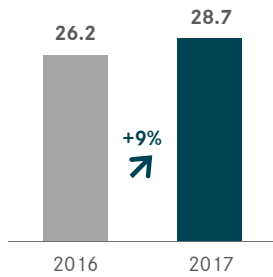
← + 11 →



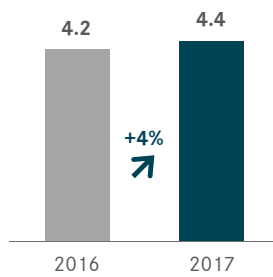
* Return on sales

Daimler Buses: EBIT at the high prior-year level

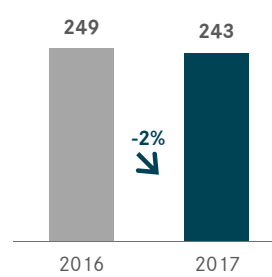
Unit sales
in thousand units



Revenue
in billion euros

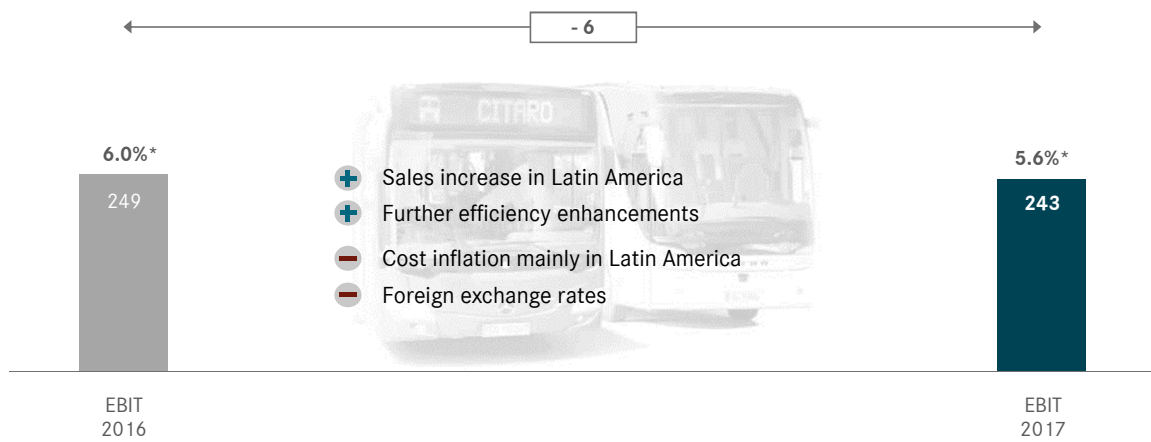


EBIT
in million euros



Daimler Buses: EBIT

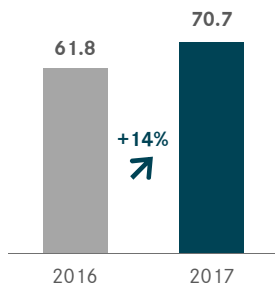
in million euros



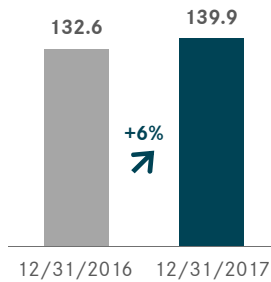
* Return on sales

Daimler Financial Services: further business growth

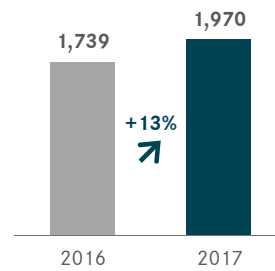
New business
in billion euros



Contract volume
in billion euros

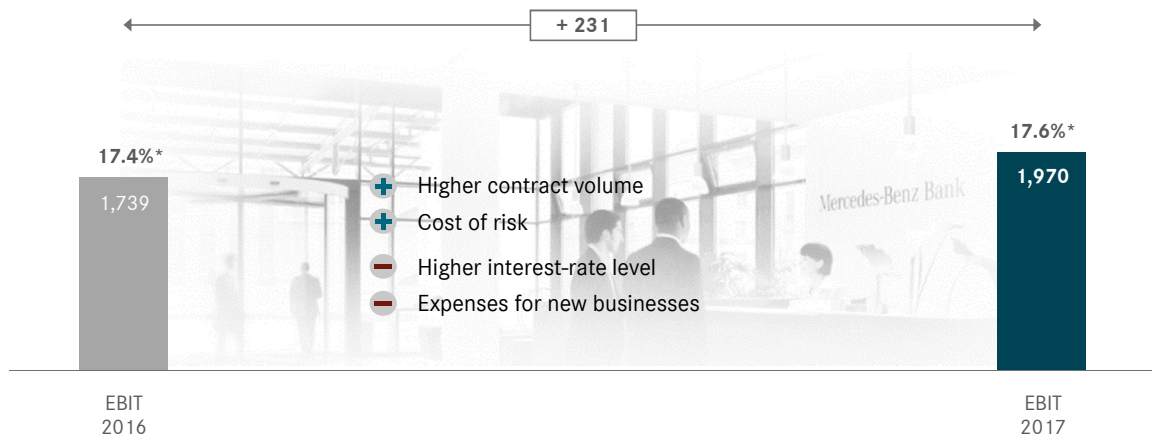


EBIT
in million euros



Daimler Financial Services: EBIT

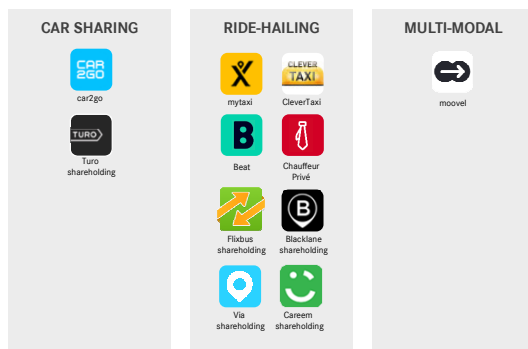
in million euros



* Return on equity

Daimler Mobility Services: our current portfolio is a strong starting point to conquer the customer interface

DAIMLER MOBILITY SERVICES BUSINESS PORTFOLIO*



17.8mn
CUSTOMERS

116mn
INTERACTIONS

>100
CITIES

* YTD December 2017; numbers for car2go, moovel, mytaxi, Taxibeat and CleverTaxi.

STRATEGIC TARGETS



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

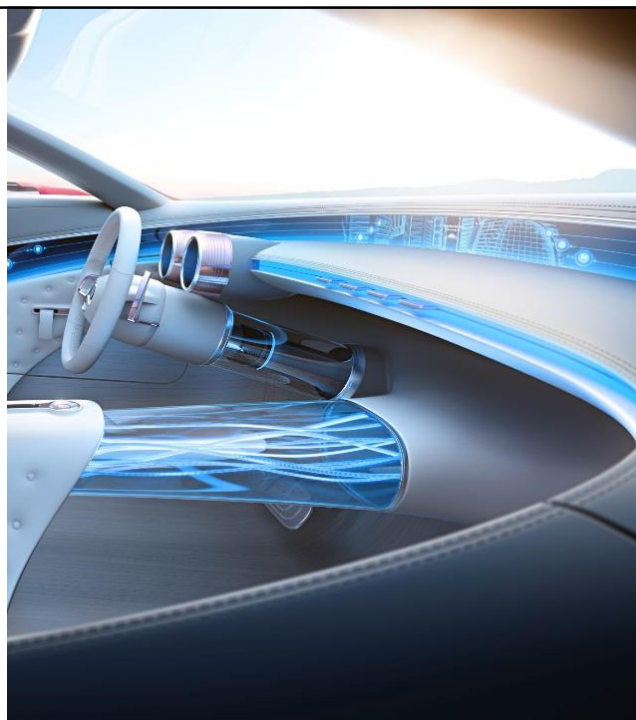
GROW CUSTOMER BASE
BY ADDRESSING THEIR FINANCE & MOBILITY NEEDS

Our current mobility services will be the entry point for tomorrow's self-driving car services



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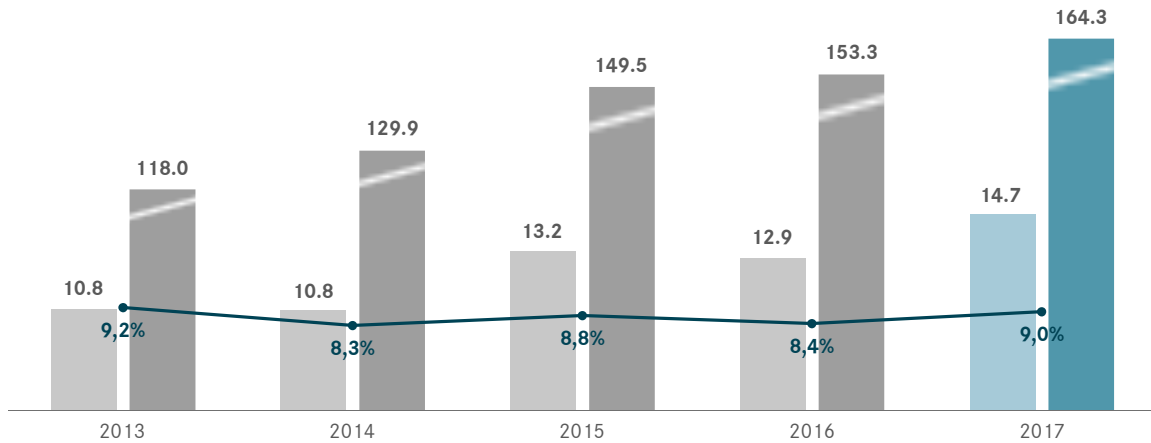
Key figures

in billion euros

| | 2016 | 2017 |
|---|-------|--------------|
| Unit sales (in thousands of units) | 2,998 | 3,274 |
| Revenue | 153.3 | 164.3 |
| EBIT | 12.9 | 14.7 |
| Net profit | 8.8 | 10.9 |
| Free cash flow of the industrial business | 3.9 | 2.0 |
| Earnings per share (in euros) | 7.97 | 9.84 |
| Dividend per share (in euros) | 3.25 | 3.65 |

Another year of profitable growth – Automotive margin at target level*

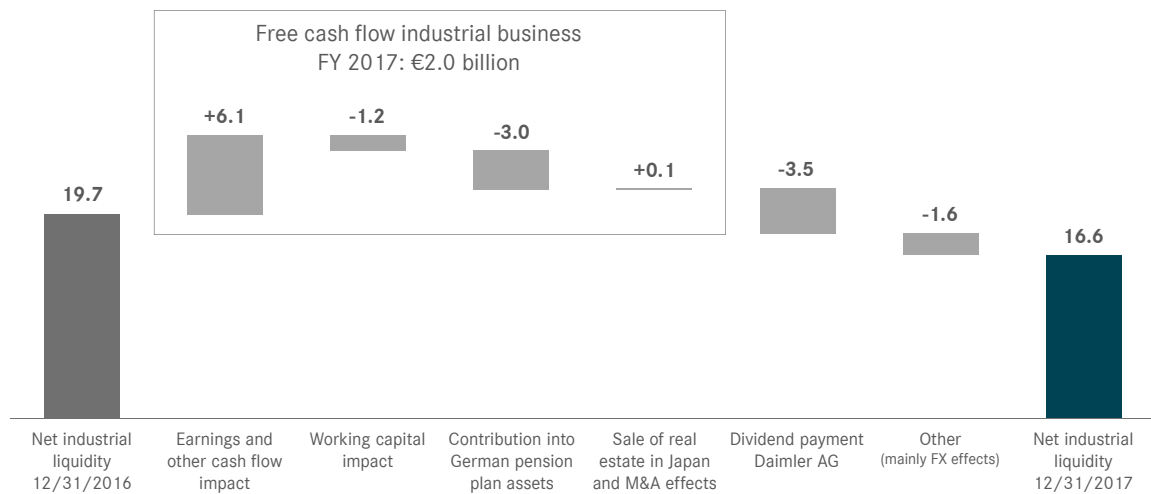
EBIT and revenue in billion euros; RoS in %



* EBIT and revenue of Daimler Group; return on sales of Daimler Group excluding Daimler Financial Services

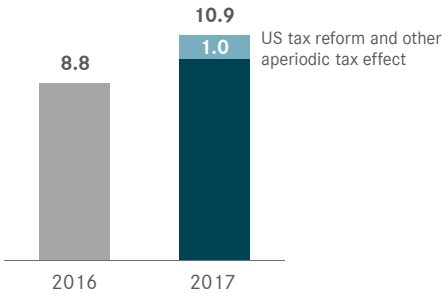
Continued high level of net industrial liquidity

in billion euros

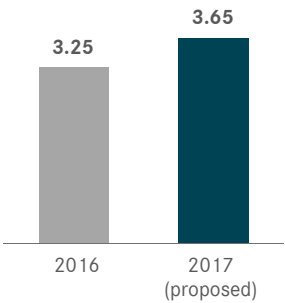


Dividend at high level based on strong net profit

Net profit
in billion euros



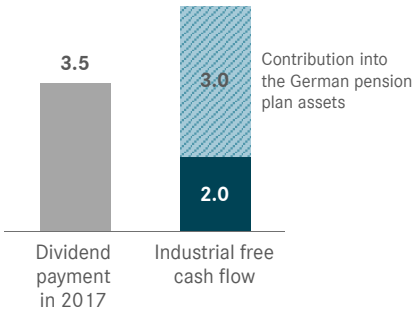
Dividend per share
in euros



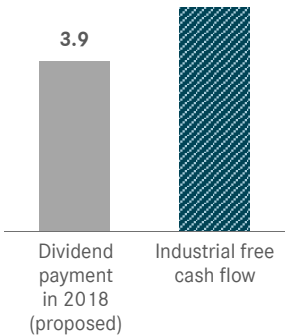
Free cash flow of industrial business for 2018 expected to be above dividend payment

in billion euros

FY 2017 (actuals)

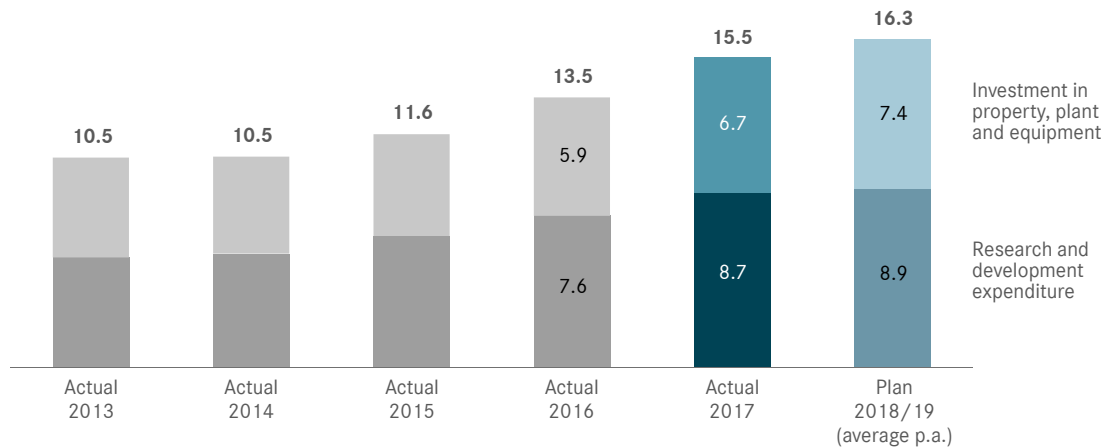


FY 2018 (expectation)



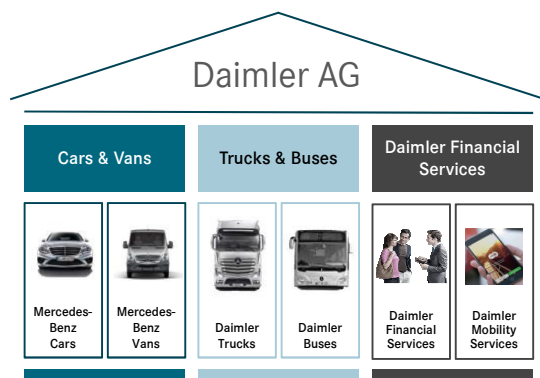
Further investment growth as a basis for profitable growth and development of future mobility

in billion euros



Project Future: plans for new divisional structure

Project Future



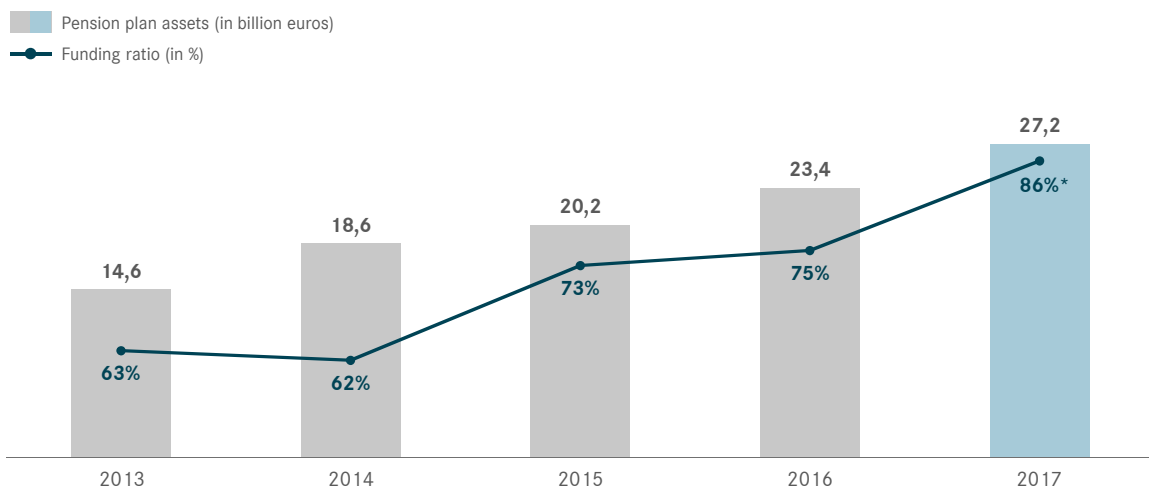
Cornerstones

- Plans for three legally independent entities under the roof and lead of Daimler AG
- Targeted new structure will help to better focus on changing requirements of markets and customers
- Strengthening of the corporate structure will serve future success of Daimler
- Agreement with employee representatives on balance of interests will secure the future of Daimler employees
- No final decision yet by Board of Management or Supervisory Board to implement the new divisional structure
- Aim to seek approval for implementing possible new structure at the shareholders' meeting in 2019

Project Future: current activities

- Based on positive results of a first feasibility study, the Board of Management and the Supervisory Board decided in October 2017 to pursue Project “Future” and to initiate respective preparatory measures.
- Agreement with employee representatives on a comprehensive balance of interests including job guarantees until the end of 2029 and an extraordinary pension contribution of €3 billion.
- Current activities include an extensive and thorough due diligence of all economic, tax-related and organizational issues of the planned new structure at our locations worldwide.
- Analyses comprise more than 700 subsidiaries in more than 60 countries.
- In the case of a positive result of the current feasibility study, the Board of Management and Supervisory Board would give the go-ahead for the transformation during the course of the year.
- Ultimately, the new structure has to be decided by our shareholders with a majority of at least 75%. For this purpose, we strive for the Annual General Meeting in the spring of 2019.
- We are currently well on schedule with Project “Future”. This takes into account the size, extent and complexity of the project.

Over the last five years, €8.5 billion were added to pension plans through extraordinary contributions



* The funded status of the pension obligations of Daimler AG increased to 90% in 2017.

DAIMLER

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Dr. Dieter Zetsche
Chairman of the Board of Management of Daimler AG
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CORE:

Continuing

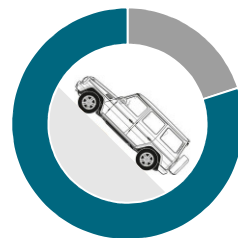
along our path of profitable growth



Stronger than time:
Renewing the iconic G-Class

~300,000

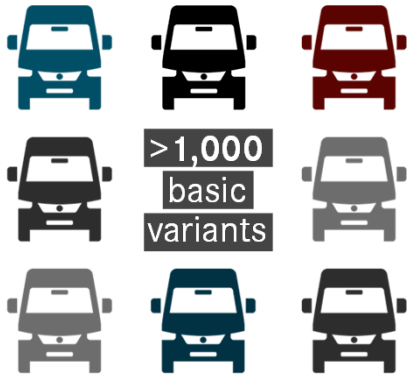
G-Class vehicles sold since 1979



80%

still on the road!

The new Sprinter: Meeting all customer needs



CASE:
Reshaping
future mobility





Revolution in the cockpit: Mercedes-Benz User Experience



Touchpads

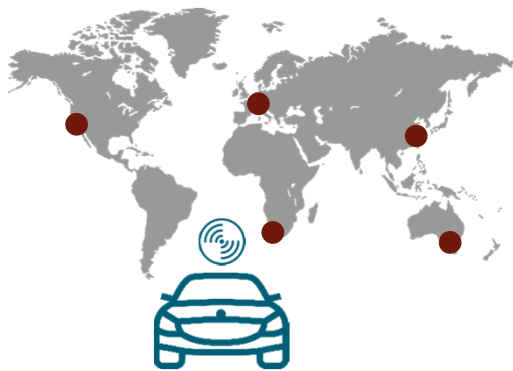


Touchscreen



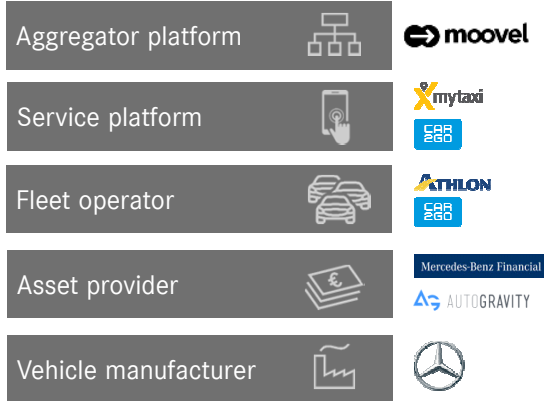
Speech Control

Intelligent World Drive: On our road to autonomy

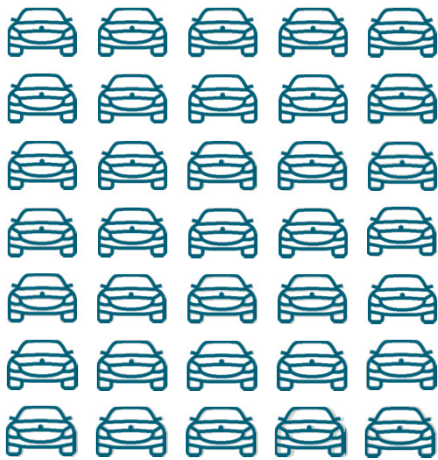




Building an integrated mobility ecosystem

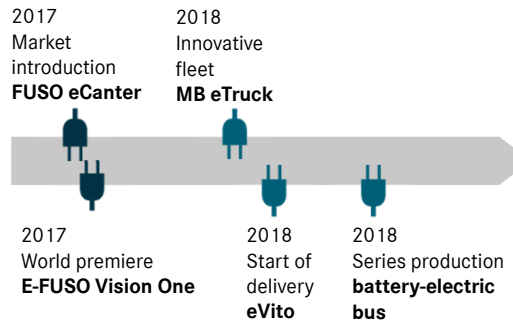


Electrifying our entire car model line-up





Introducing all-electric vans, trucks, and buses

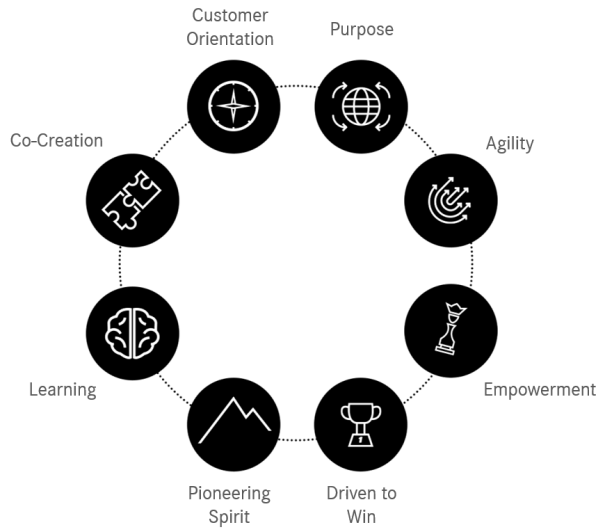


Schematic representation



CULTURE:
Redefining
our way of collaboration

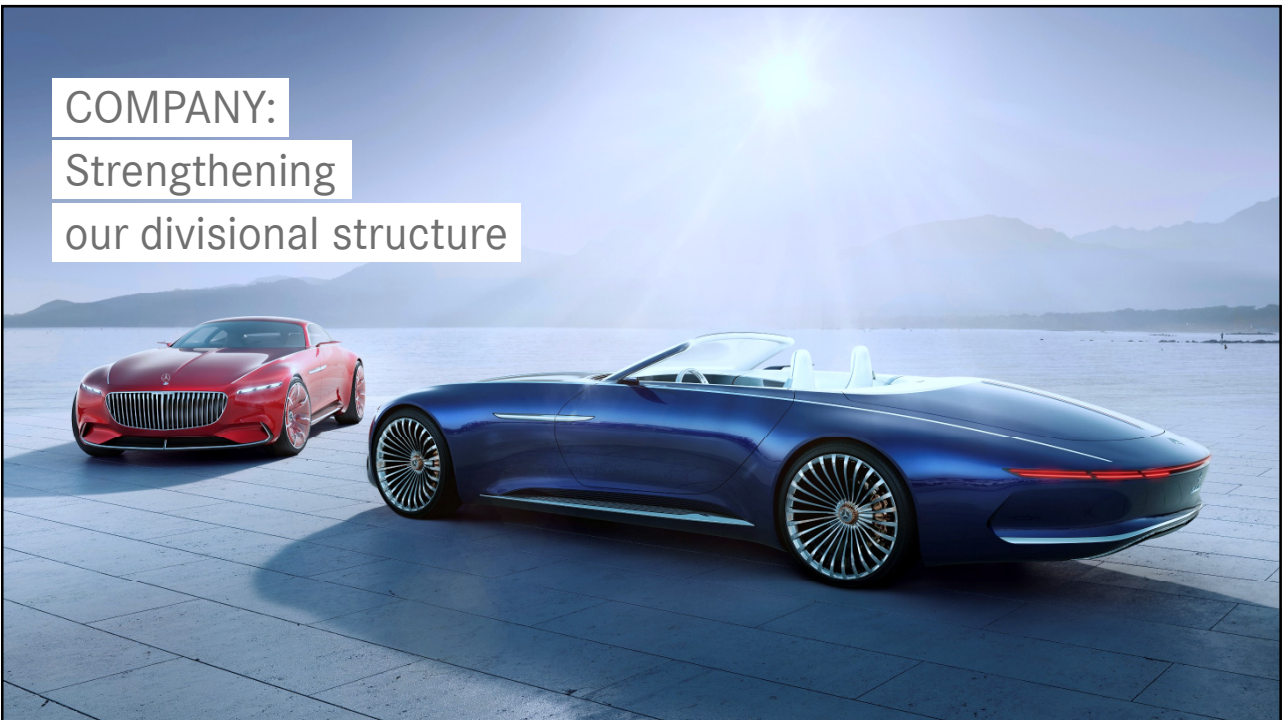
Transforming the Mindset



COMPANY:

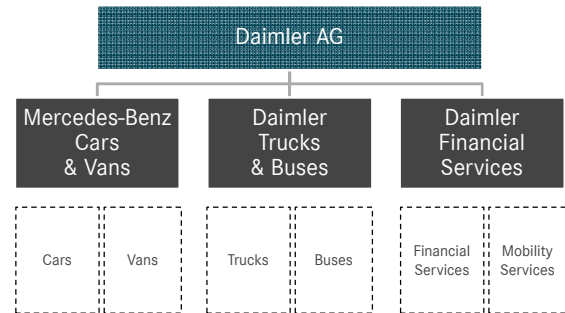
Strengthening

our divisional structure





Strong divisions under the roof and lead of Daimler AG



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2018 sales outlook

- ➔ **Mercedes-Benz Cars**
Slightly higher unit sales
- ➔ **Daimler Trucks**
Significantly higher unit sales
- ➔ **Mercedes-Benz Vans**
Significantly higher unit sales
- ➔ **Daimler Buses**
Significantly higher unit sales

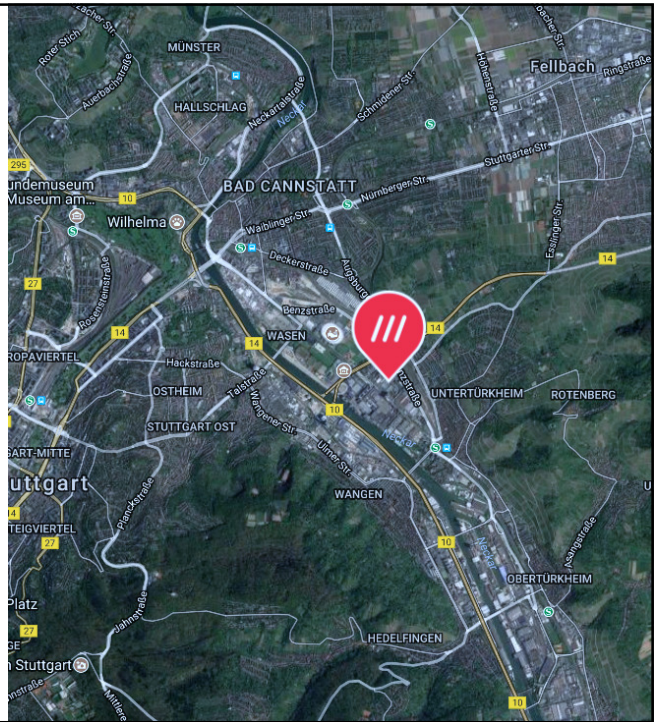


2018 EBIT outlook

- ➔ **Daimler group**
Around the prior-year level
- ➔ **Mercedes-Benz Cars**
Around the prior-year level
- ➔ **Daimler Trucks**
Significantly above the prior-year level
- ➔ **Mercedes-Benz Vans**
Slightly below the prior-year level
- ➔ **Daimler Buses**
Significantly above the prior-year level
- ➔ **Daimler Financial Services**
Around the prior-year level



erfüllen.
völlig.
luchs



DAIMLER

Annual Press Conference

Appendix

Strong financial and balance sheet figures support our financial strength and A-rating

in billion euros

| Daimler Group | Dec. 31, 2016 | Dec. 31, 2017 |
|--------------------------------------|---------------|---------------|
| Equity ratio | 22.9% | 24.0% |
| Gross liquidity | 21.7 | 22.1 |
| Funded status of pension obligations | -7.8 | -4.5 |
| <i>Funding ratio</i> | <i>75%</i> | 86% |
| Industrial business | | |
| Equity ratio | 44.7% | 46.4% |
| Net liquidity | 19.7 | 16.6 |
| Free cash flow | 3.9 | 2.0 |

Daimler AG

Dynamic sales development of all automotive divisions

in thousand units

| | 2016 | 2017 | % change |
|----------------------|---------|----------------|----------|
| Daimler Group | 2,998.4 | 3,273.9 | +9 |
| of which | | | |
| Mercedes-Benz Cars | 2,198.0 | 2,373.5 | +8 |
| Daimler Trucks | 415.1 | 470.7 | +13 |
| Mercedes-Benz Vans | 359.1 | 401.0 | +12 |
| Daimler Buses | 26.2 | 28.7 | +9 |

Daimler AG

Revenue by division

in billion euros

| | 2016 | 2017 | % change |
|--|-------|--------------|----------|
| Daimler Group | 153.3 | 164.3 | +7 |
| of which | | | |
| Mercedes-Benz Cars | 89.3 | 94.7 | +6 |
| Daimler Trucks | 33.2 | 35.7 | +8 |
| Mercedes-Benz Vans | 12.8 | 13.2 | +3 |
| Daimler Buses | 4.2 | 4.4 | +4 |
| Daimler Financial Services | 20.7 | 23.8 | +15 |
| Contract volume of Daimler Financial Services* | 132.6 | 139.9 | +6 |

* figures as of December 31, 2016 and December 31, 2017

Daimler AG

Revenue by region

in billion euros

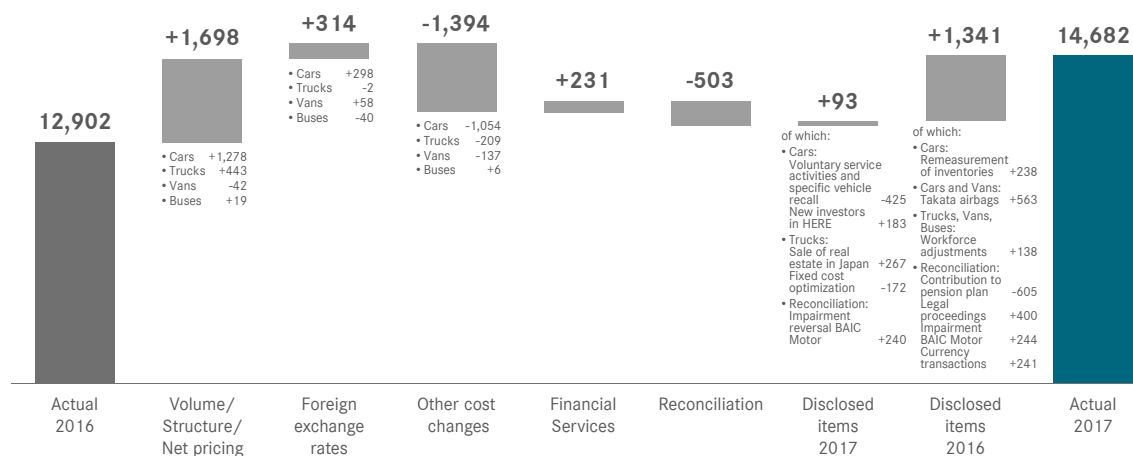
| | 2016 | 2017 | % change |
|-------------------------------|-------|--------------|----------|
| Daimler Group | 153.3 | 164.3 | +7 |
| of which | | | |
| Europe | 63.4 | 68.4 | +8 |
| <i>of which Germany</i> | 23.5 | 23.9 | +2 |
| NAFTA | 45.0 | 46.9 | +4 |
| <i>of which United States</i> | 39.2 | 40.5 | +3 |
| Asia | 35.6 | 38.8 | +9 |
| <i>of which China*</i> | 16.0 | 18.3 | +14 |
| Other markets | 9.3 | 10.2 | +10 |

* excluding revenue of not fully consolidated companies

Daimler AG

Group EBIT in 2017

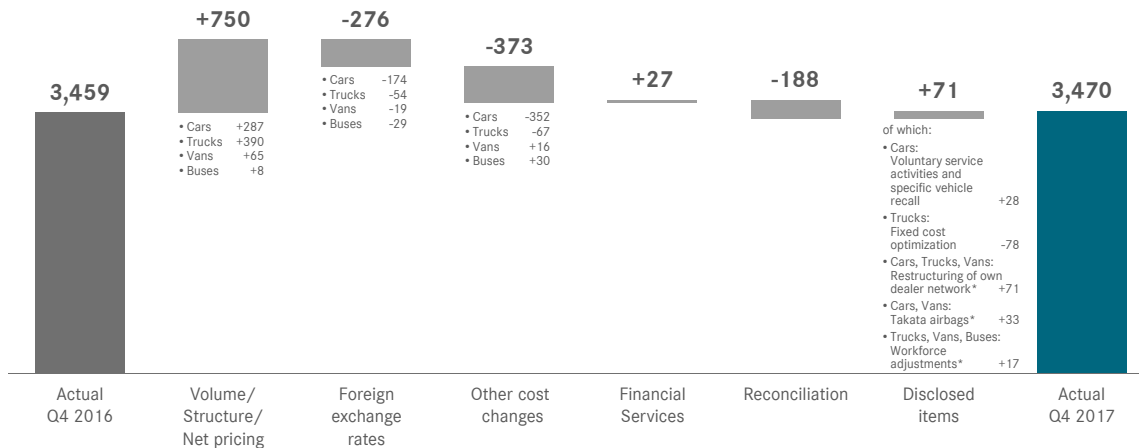
in million euros



Daimler AG

Group EBIT in Q4 2017

in million euros



* in Q4 2016

Daimler AG

EBIT by division

| EBIT in million euros; RoS/RoE in % | 2016 | | 2017 | |
|-------------------------------------|--------|----------|--------|----------|
| | EBIT | RoS/RoE* | EBIT | RoS/RoE* |
| Daimler Group | 12,902 | 8.4 | 14,682 | 9.0 |
| of which | | | | |
| Mercedes-Benz Cars | 8,112 | 9.1 | 9,207 | 9.7 |
| Daimler Trucks | 1,948 | 5.9 | 2,380 | 6.7 |
| Mercedes-Benz Vans | 1,170 | 9.1 | 1,181 | 9.0 |
| Daimler Buses | 249 | 6.0 | 243 | 5.6 |
| Daimler Financial Services | 1,739 | 17.4 | 1,970 | 17.6 |
| Reconciliation | -316 | - | -299 | - |

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

Daimler AG

EBIT in Q4 2017

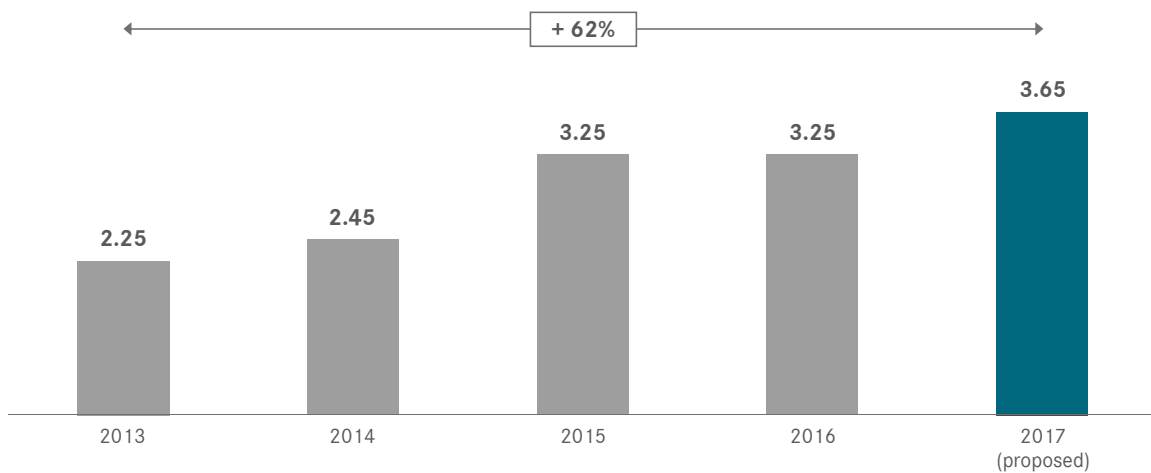
| EBIT in million euros; RoS/RoE in % | Q4 2016 | | Q4 2017 | |
|-------------------------------------|---------|----------|--------------|-------------|
| | EBIT | RoS/RoE* | EBIT | RoS/RoE* |
| Daimler Group | 3,459 | 8.7 | 3,470 | 8.1 |
| of which | | | | |
| Mercedes-Benz Cars | 2,561 | 10.7 | 2,422 | 9.7 |
| Daimler Trucks | 347 | 4.1 | 555 | 5.8 |
| Mercedes-Benz Vans | 156 | 4.5 | 248 | 6.6 |
| Daimler Buses | 77 | 6.0 | 88 | 6.8 |
| Daimler Financial Services | 390 | 15.2 | 417 | 14.2 |
| Reconciliation | -72 | - | -260 | - |

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

Daimler AG

Development of dividend per share

in euros



Daimler AG

Assumptions for automotive markets in 2018

| | | | |
|--------------------------------------|--------------|---|-----------------------------------|
| Car markets | Global | ↗ | around +2% |
| | Europe | ↗ | slight growth |
| | USA | → | around the prior-year level |
| | China | ↗ | slight growth |
| Medium- and heavy-duty truck markets | NAFTA region | ↗ | significant growth |
| | EU30 | → | around the prior-year level |
| | Japan* | ↘ | slight decrease |
| | Brazil | ↗ | significant growth from low level |
| | Indonesia* | ↗ | positive development |
| Van markets | EU30 | ↗ | slight growth |
| | USA | ↗ | slight growth |
| Bus markets | EU30 | → | around the prior-year level |
| | Brazil | ↗ | significant growth |

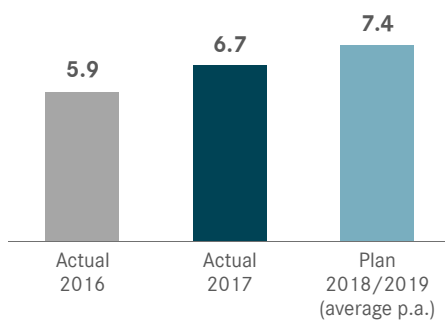
* including light-duty trucks

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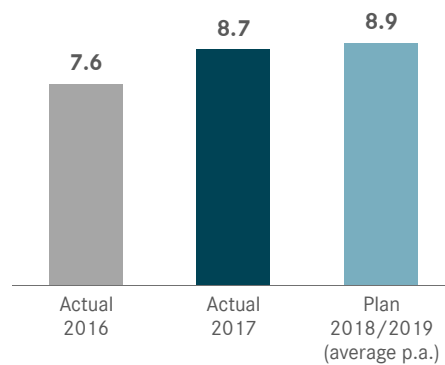
Capital expenditure / Research and development

in billion euros

Investment in property, plant and equipment



Research and development expenditure



Daimler AG

Capital expenditure / Research and development

in billion euros

| | Investment in property, plant and equipment | | | Research and development expenditure | | |
|----------------------------|---|-------------|-----------------|--------------------------------------|-------------|-----------------|
| | Actual 2016 | Actual 2017 | Plan* 2018-2019 | Actual 2016 | Actual 2017 | Plan* 2018-2019 |
| Daimler Group | 5.9 | 6.7 | 7.4 | 7.6 | 8.7 | 8.9 |
| of which | | | | | | |
| Mercedes-Benz Cars | 4.1 | 4.8 | 5.5 | 5.7 | 6.6 | 7.0 |
| Daimler Trucks | 1.2 | 1.0 | 1.2 | 1.3 | 1.3 | 1.3 |
| Mercedes-Benz Vans | 0.4 | 0.7 | 0.4 | 0.4 | 0.6 | 0.5 |
| Daimler Buses | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| Daimler Financial Services | 0.04 | 0.04 | 0.05 | - | - | - |

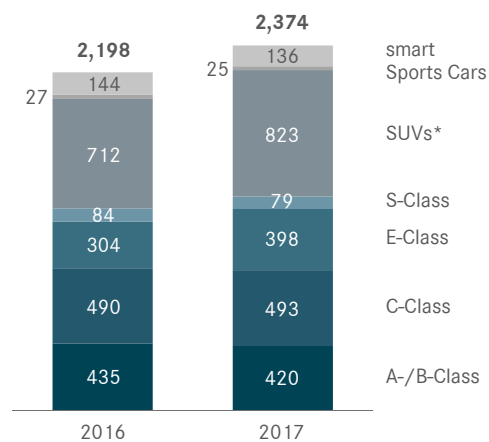
* average p.a.

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Mercedes-Benz Cars

Sales increase by 8% reflecting our strong product line-up

in thousand units



* incl. GLA

Daimler AG



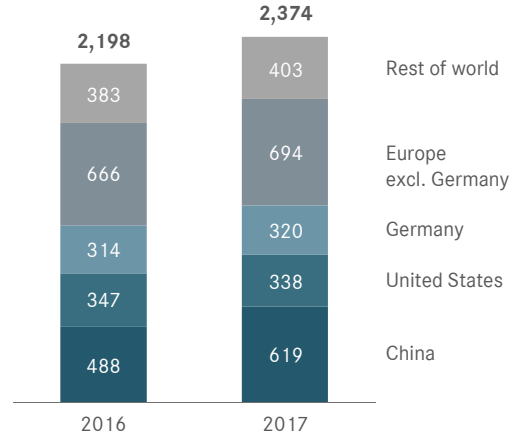


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Mercedes-Benz Cars

Globally balanced sales structure

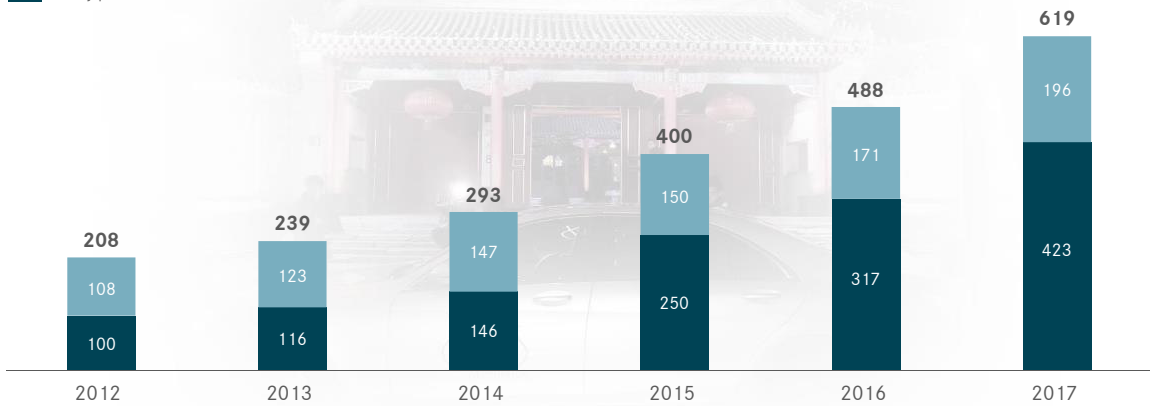
in thousand units



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

in thousand units

imported
locally produced



Daimler AG

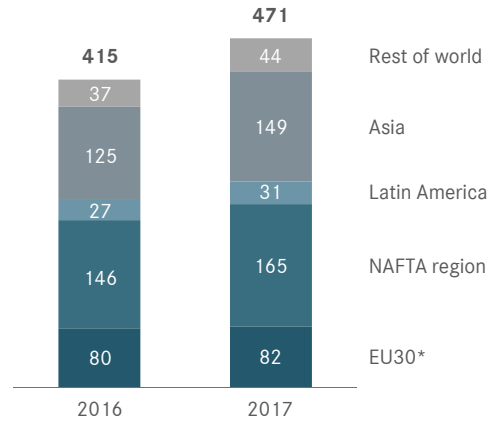


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Daimler Trucks

Sales increase by 13% mainly driven by NAFTA region and Asia

in thousand units

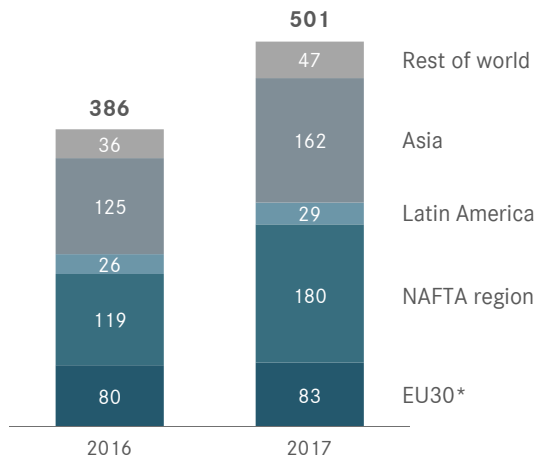


* European Union, Switzerland and Norway

Daimler Trucks

Incoming orders increase primarily driven by NAFTA region and Indonesia

in thousand units



* European Union, Switzerland and Norway

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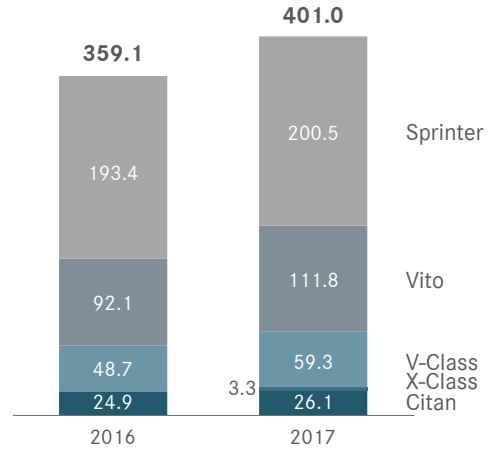


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Mercedes-Benz Vans

Sales increase by 12% due to market success of attractive product portfolio

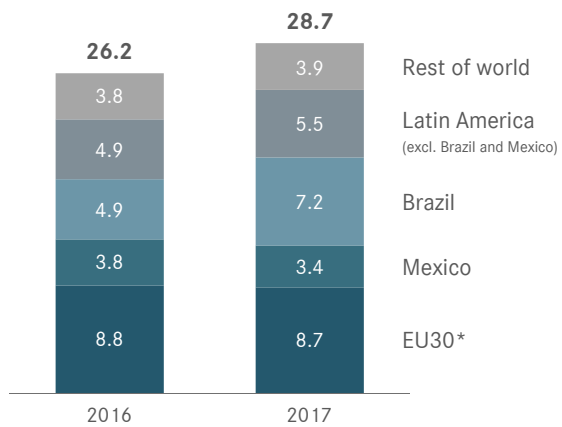
in thousand units



Daimler Buses

Sales increase by 9% mainly driven by Latin America

in thousand units



* European Union, Switzerland and Norway

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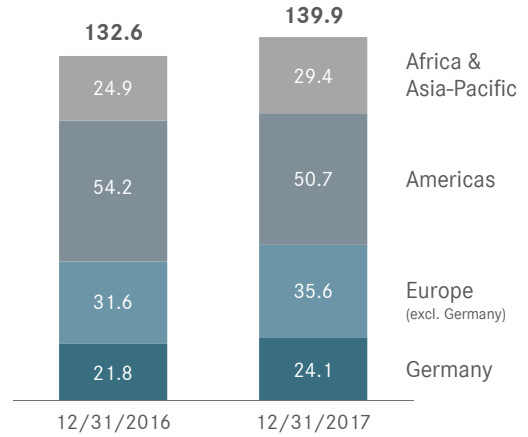


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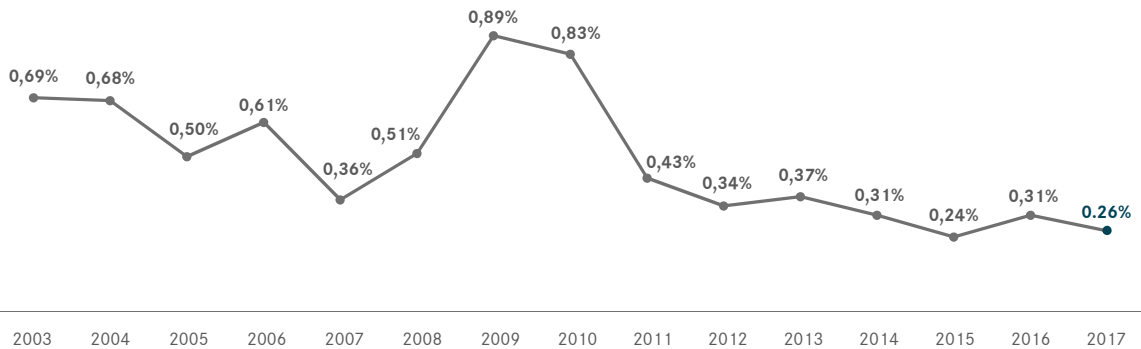
Daimler Financial Services

Further increase in contract volume to 139.9 billion euros (+6%)

in billion euros



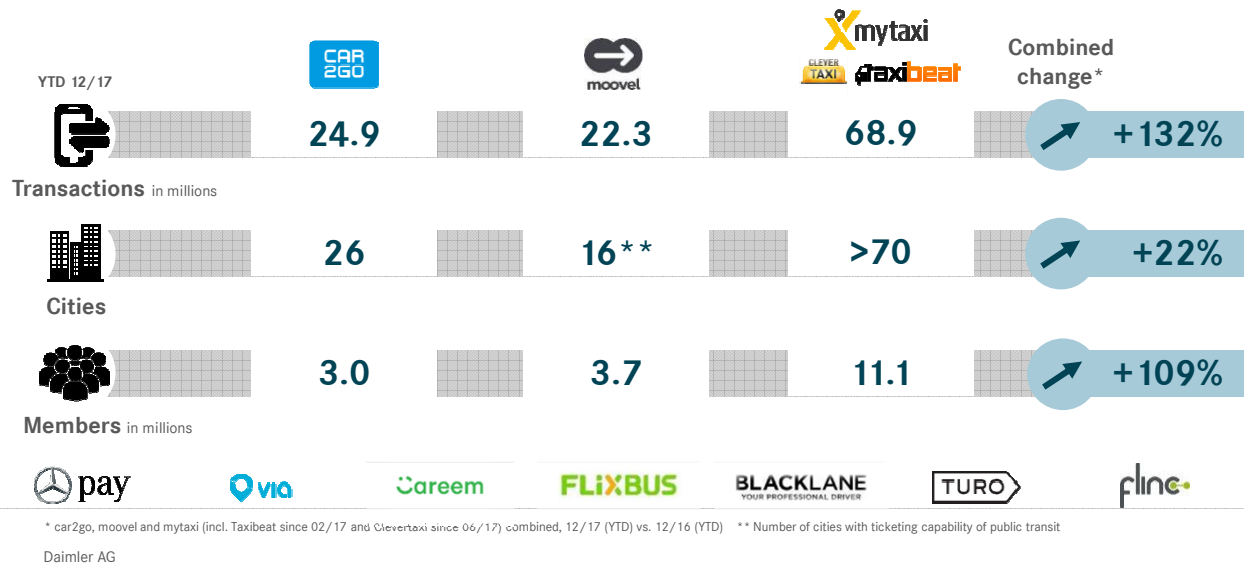
Daimler Financial Services: net credit losses* at low level due to disciplined risk approach



* as a percentage of portfolio, subject to credit risk

Daimler AG

Daimler Mobility Services: ongoing business expansion



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,” “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; 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.

Daimler AG