

DAIMLER

Capital Market Presentation
Q2 and Half-Year 2019

July 24, 2019



Contents

Presentation charts on Q2 and H1 2019 results

Additional financial details

Strategy and technology



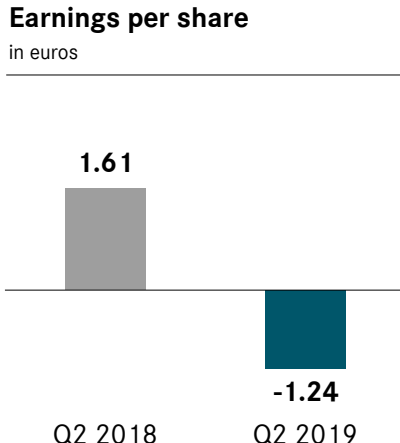
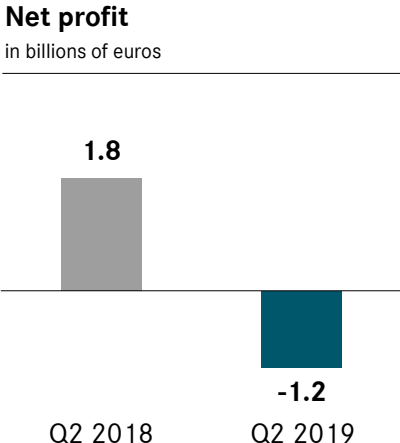
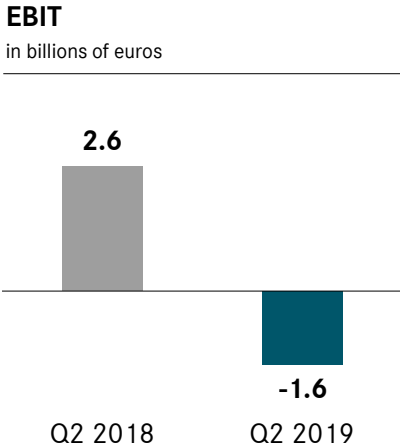
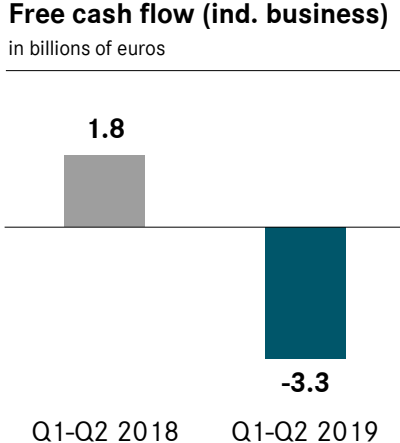
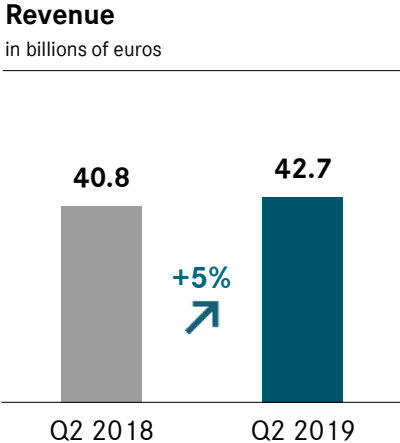
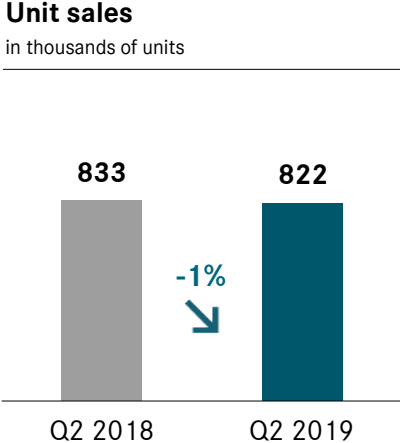
Highlights of Q2 2019

- **Strong product portfolio, defending global market leadership**
- **Earnings impacted by exceptional items reported on June 23 and July 12, 2019**
- **Free Cash Flow of the industrial business reflecting high level of investments for future products and working capital**
- **Portfolio review and efficiency programs intensified in all areas**
- **Full-year guidance adjusted taking into account exceptional items disclosed in Q2 and reflecting updated commercial and industrial outlook**

Market developments in Q2 2019

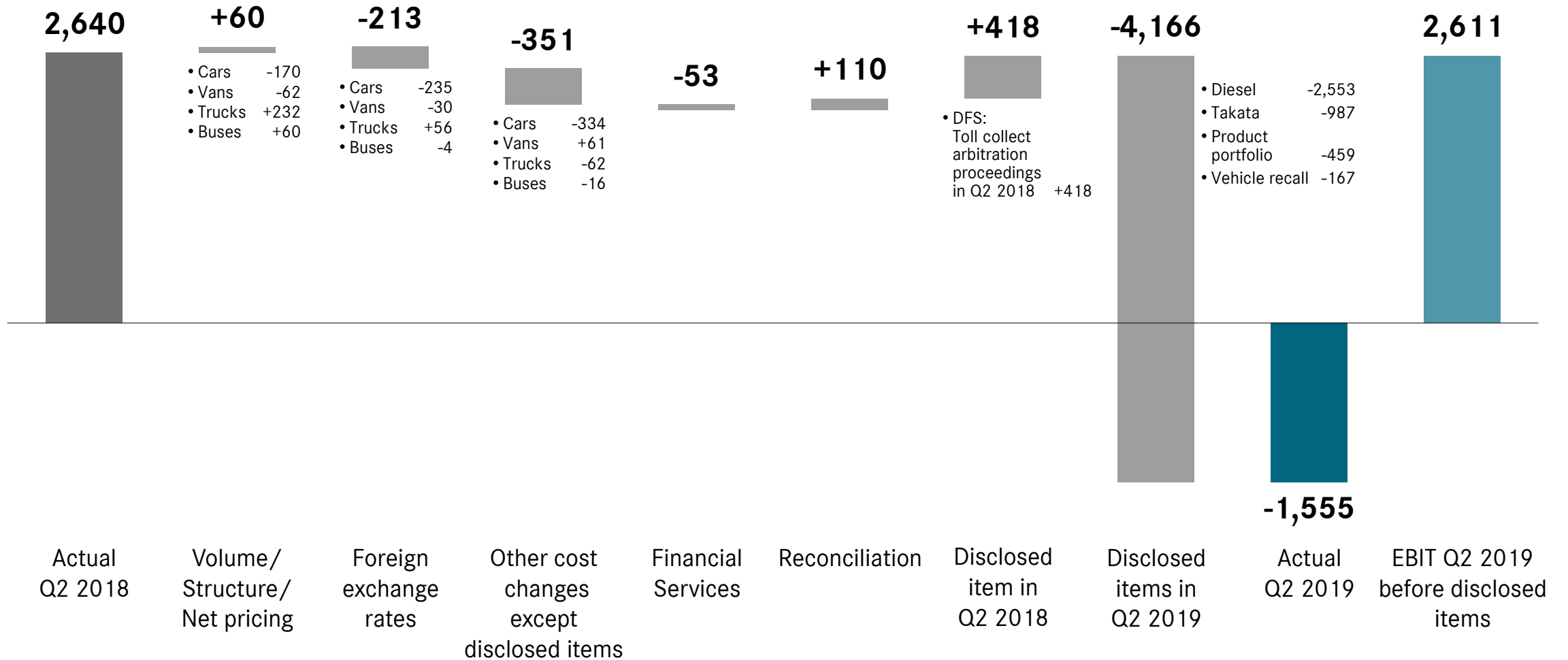
- **Slowdown of global passenger car market continues in Q2, premium segment proves more resilient**
- **Mercedes-Benz Cars sales volume minus 5% in H1; recovery in H2 expected to FY 2018 level**
- **Favorable truck market development in NAFTA, EU30 and Brazil; headwinds in some emerging markets**
- **Lower Truck order intake in NAFTA in Q2 2019 vs Q2 2018; strong order backlog providing good visibility for H2 2019**
- **Continued high demand for our vans and buses in major markets**
- **Stable portfolio development at Daimler Financial Services, dynamic growth of YOUR NOW customer base**

Financial performance in Q2 2019



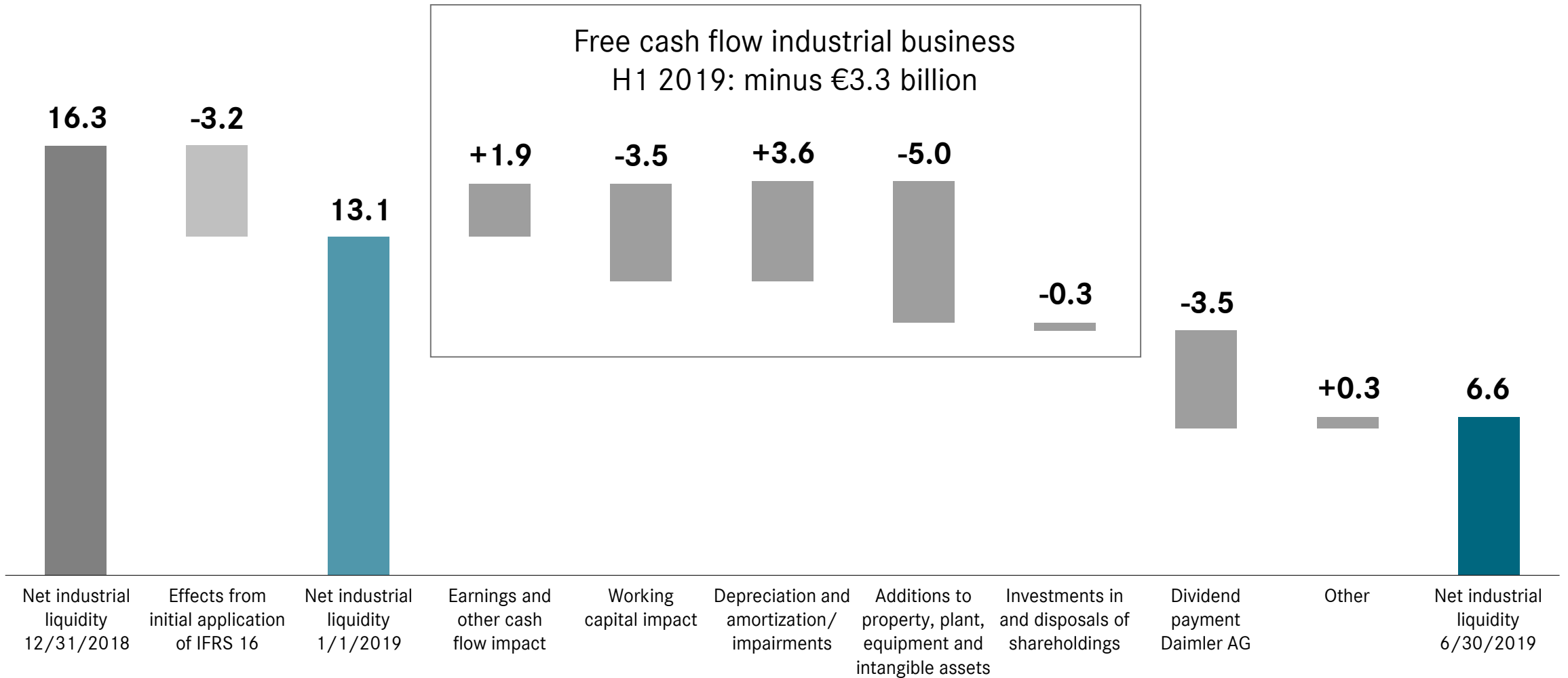
Group EBIT in Q2 2019

in millions of euros



Net industrial liquidity

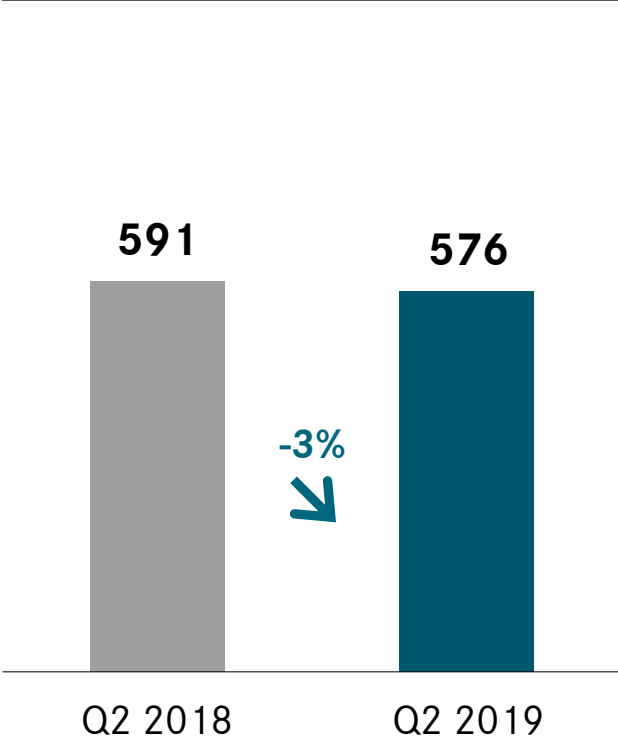
in billions of euros



Mercedes-Benz Cars

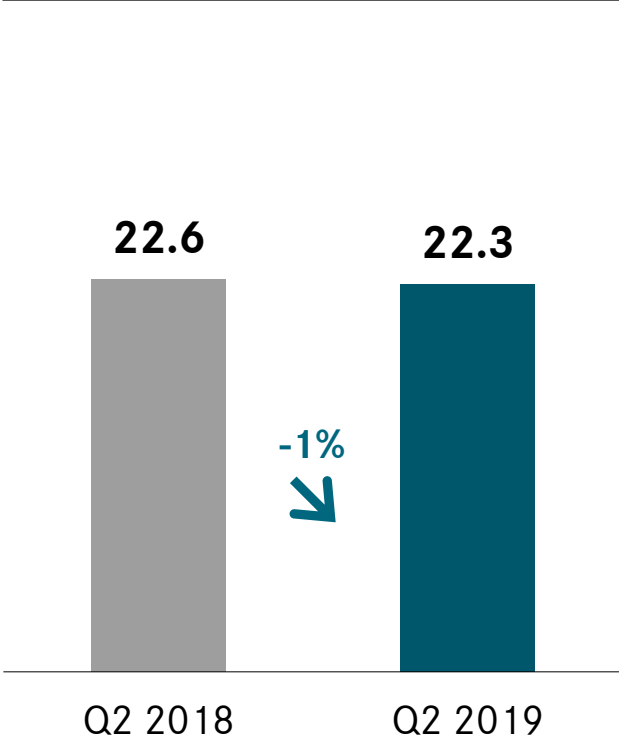
Unit sales

in thousands of units



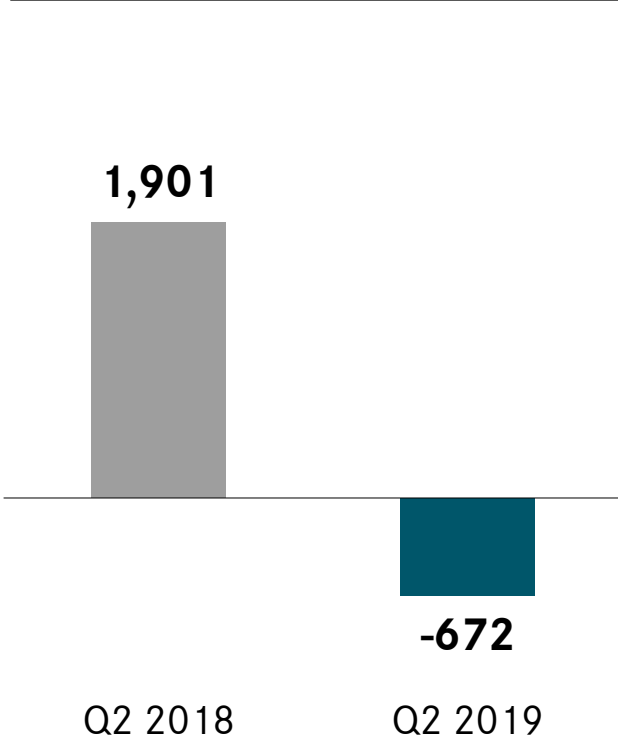
Revenue

in billions of euros



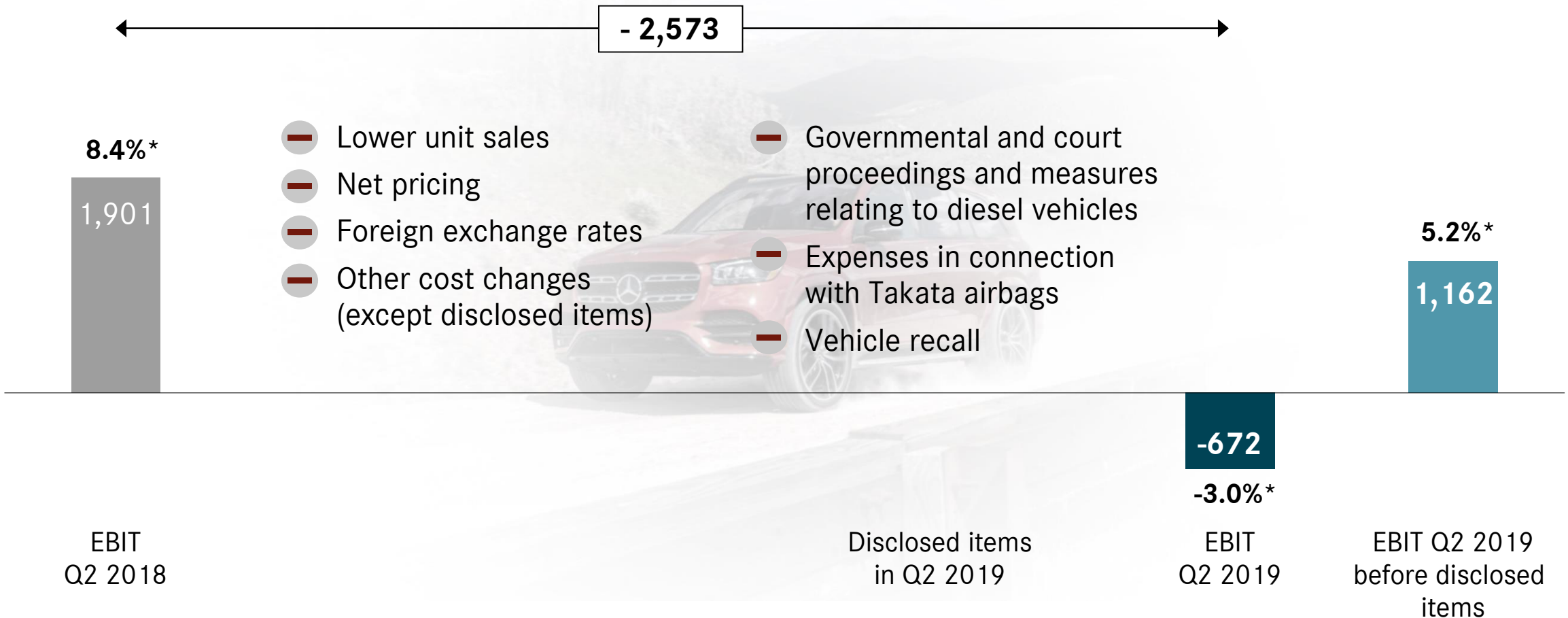
EBIT

in millions of euros



Mercedes-Benz Cars: EBIT

in millions of euros

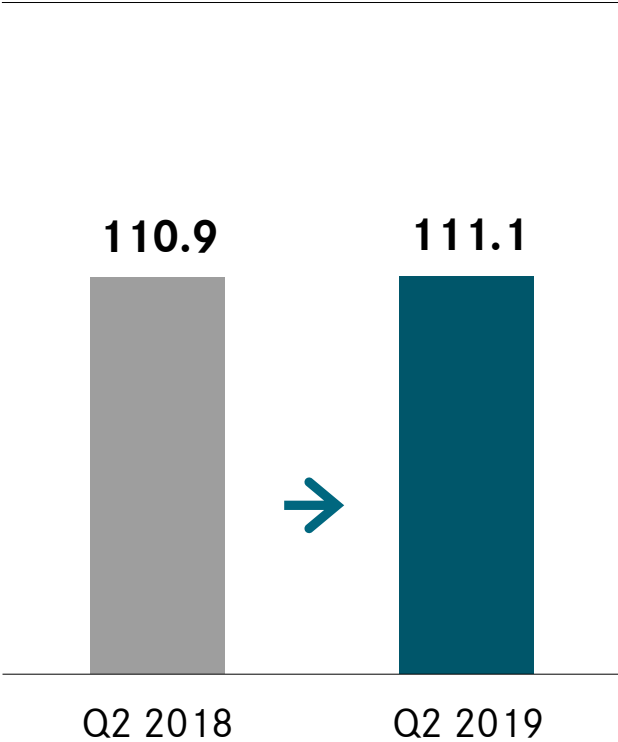


* Return on sales

Mercedes-Benz Vans

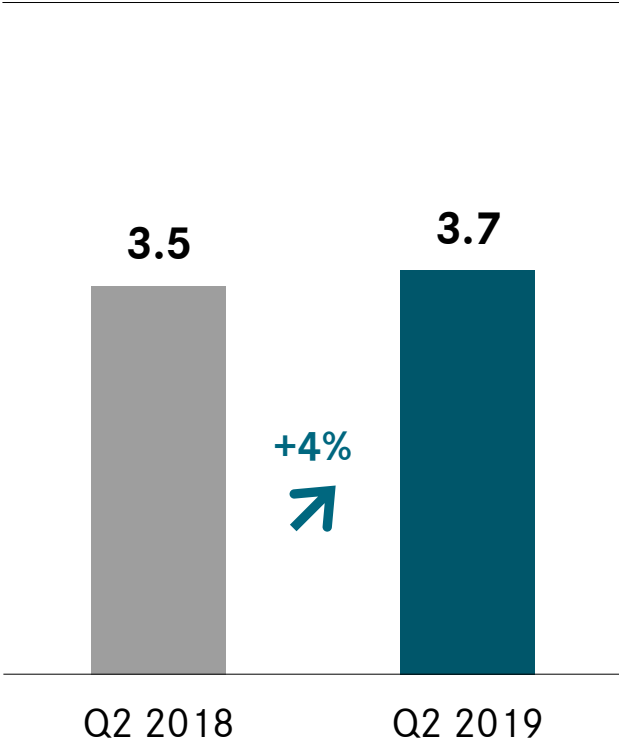
Unit sales

in thousands of units



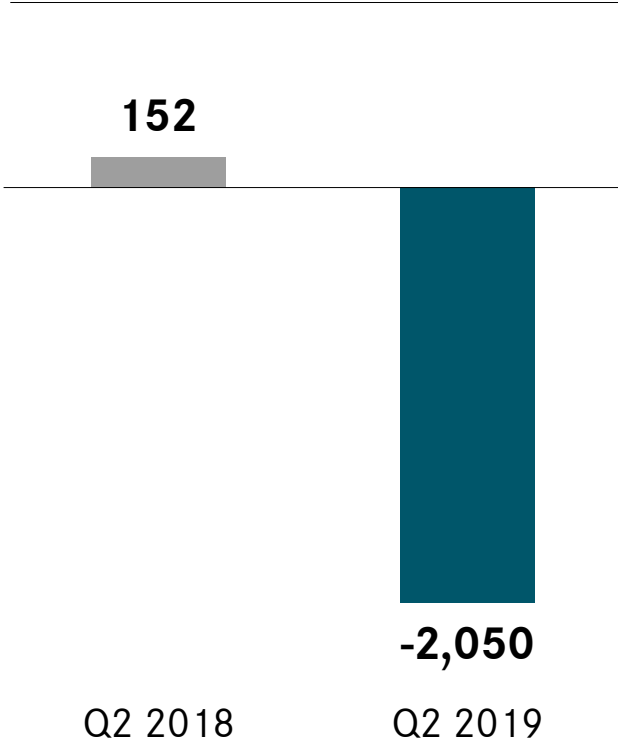
Revenue

in billions of euros



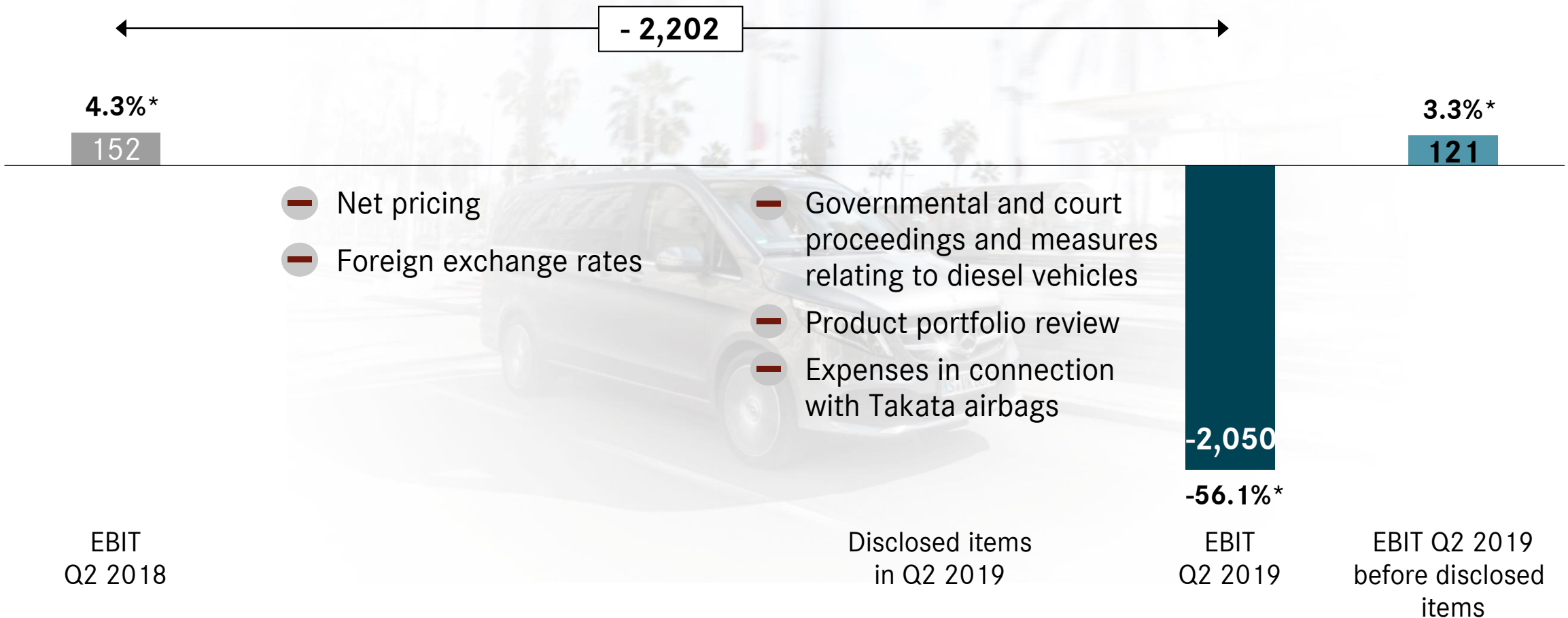
EBIT

in millions of euros



Mercedes-Benz Vans: EBIT

in millions of euros

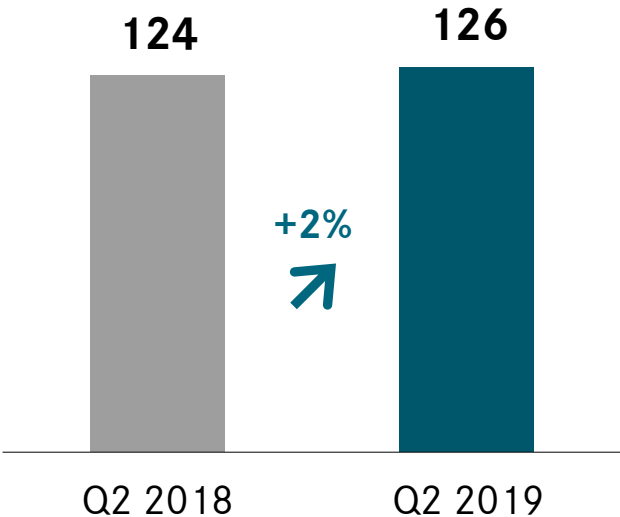


* Return on sales

Daimler Trucks

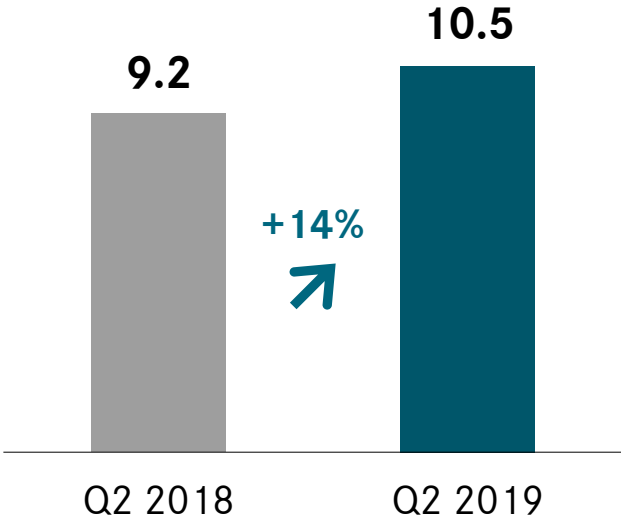
Unit sales

in thousands of units



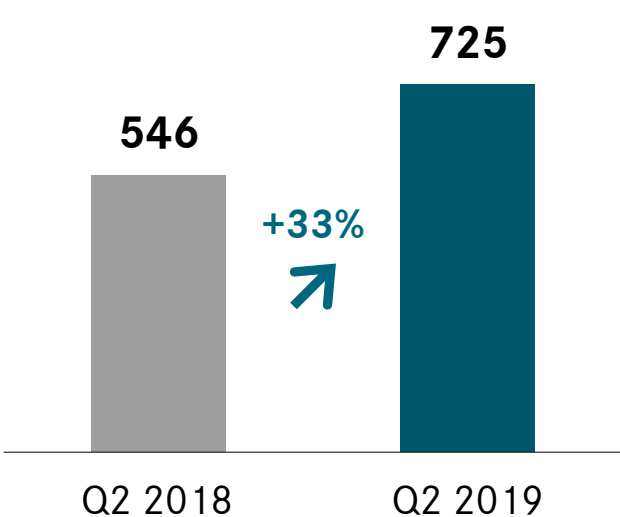
Revenue

in billions of euros



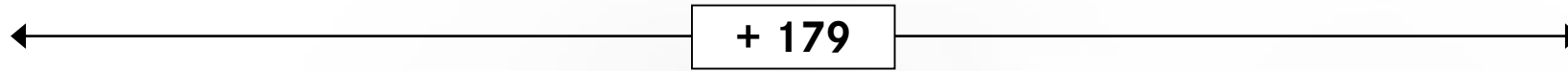
EBIT

in millions of euros

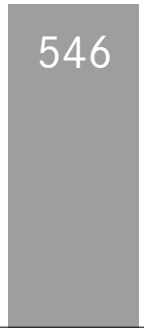


Daimler Trucks: EBIT

in millions of euros



5.9%*



EBIT
Q2 2018

- + Higher unit sales, especially in the NAFTA region
- + Net pricing
- + Foreign exchange rates
- Other cost changes (except disclosed items)

- Expenses in connection with Takata airbags

6.9%*



Disclosed items
in Q2 2019

EBIT
Q2 2019

7.4%*



EBIT Q2 2019
before disclosed
items

* Return on sales

Daimler Trucks: Incoming Orders

in thousands of units

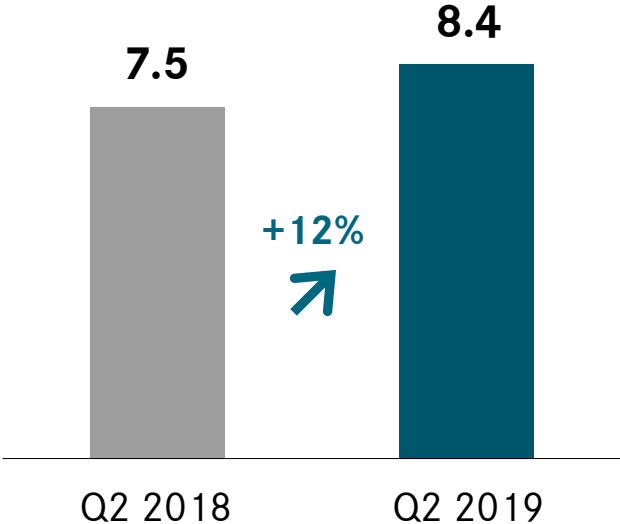


* European Union, Switzerland and Norway

Daimler Buses

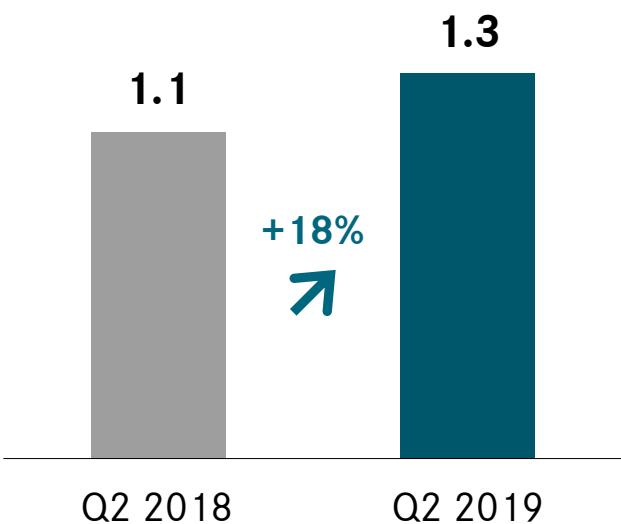
Unit sales

in thousands of units



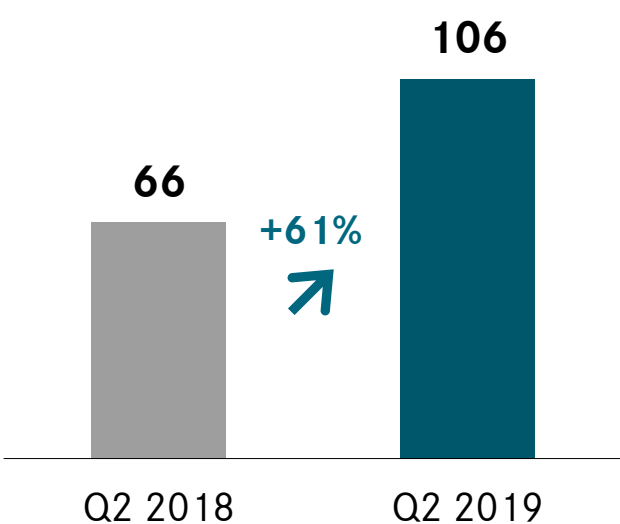
Revenue

in billions of euros



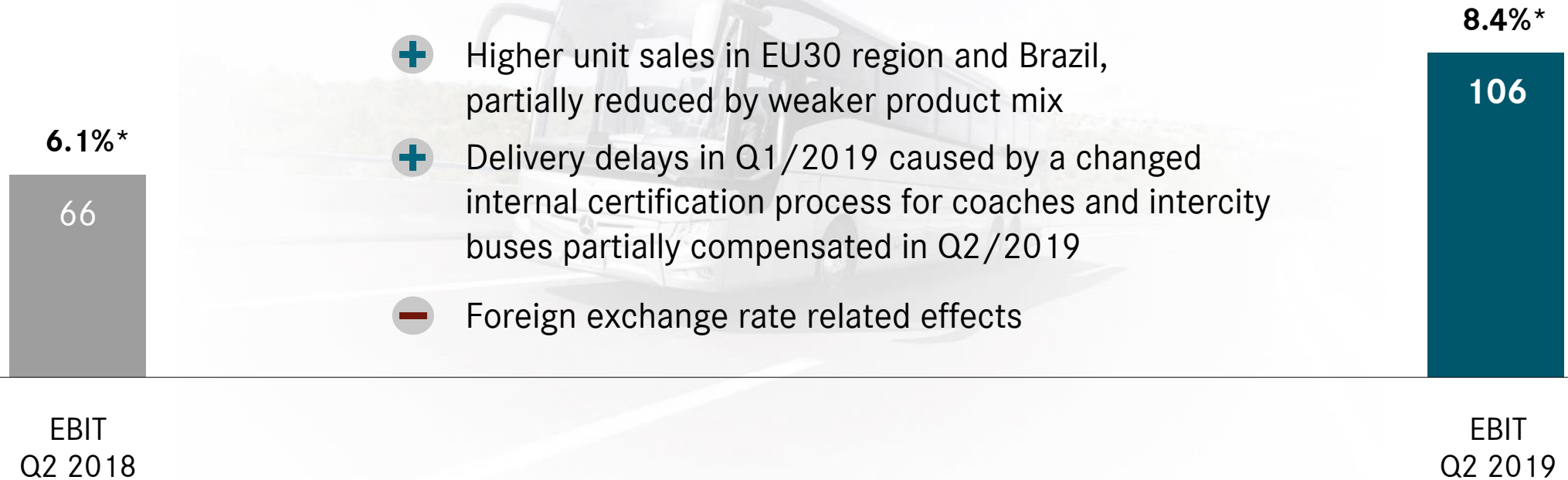
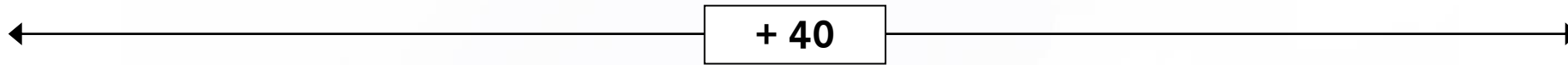
EBIT

in millions of euros



Daimler Buses: EBIT

in millions of euros

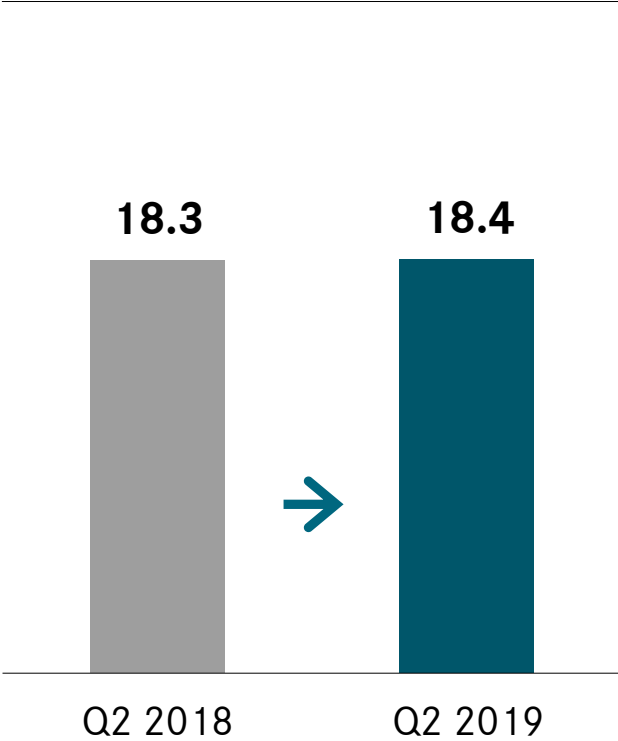


* Return on sales

Daimler Financial Services

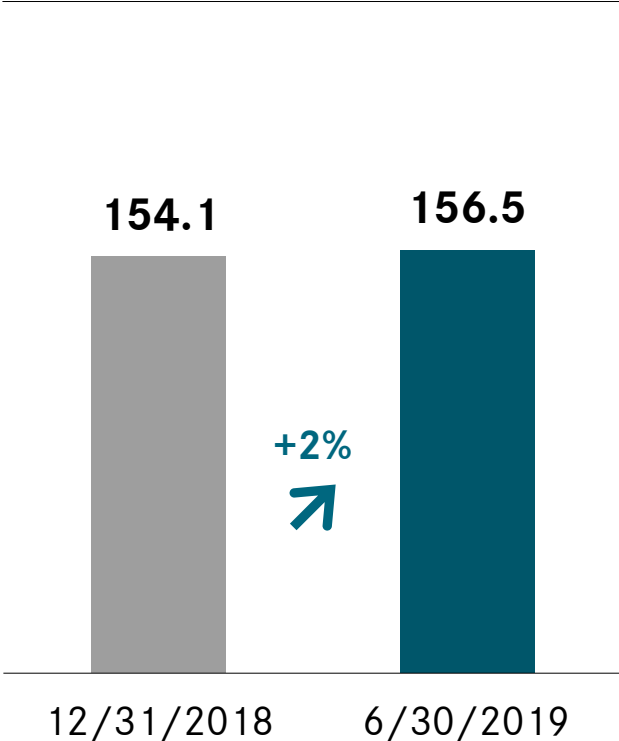
New business

in billions of euros



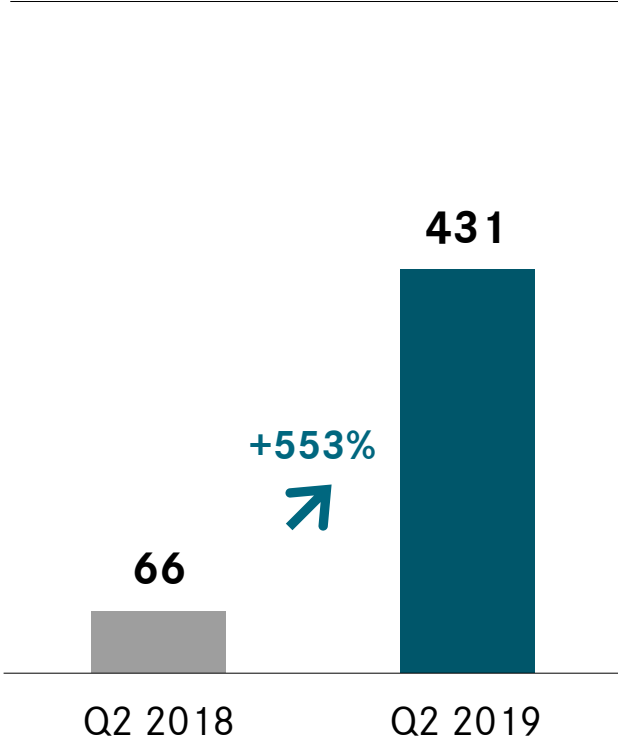
Contract volume

in billions of euros



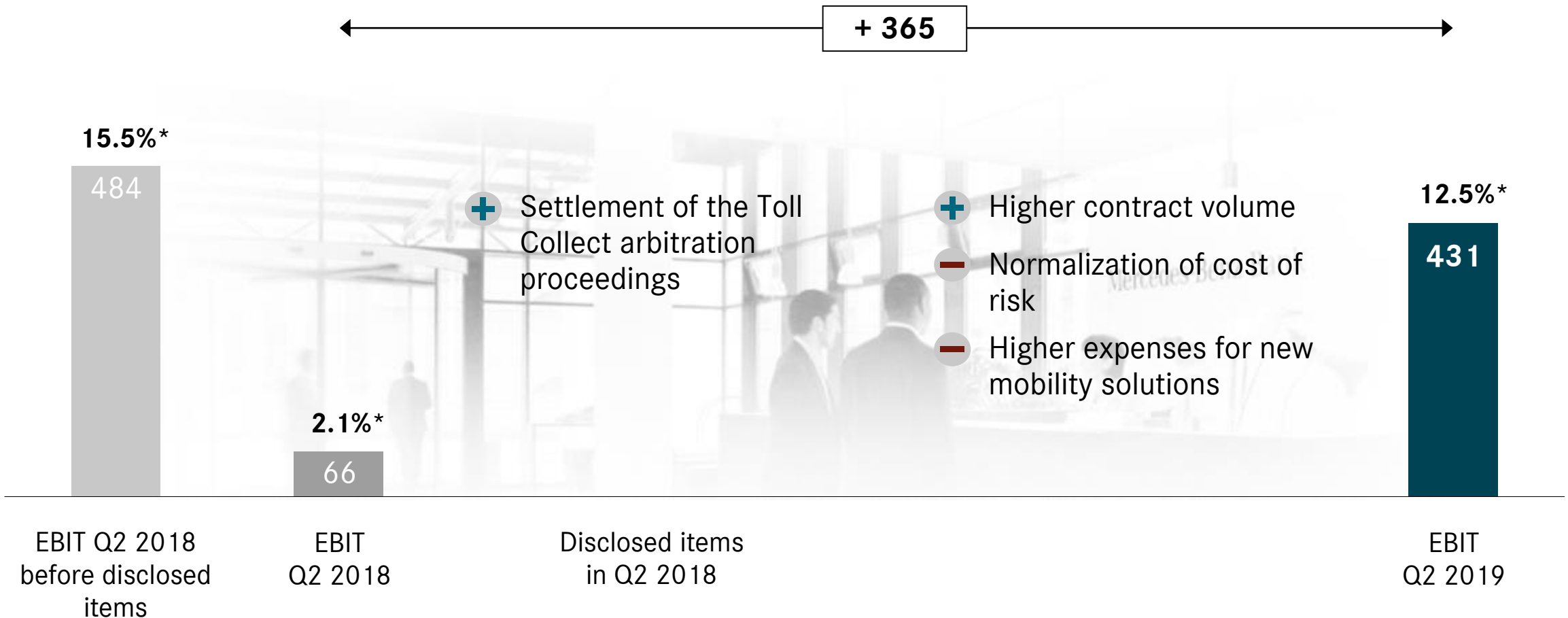
EBIT

in millions of euros



Daimler Financial Services: EBIT

in millions of euros



* Return on equity

YOUR NOW Joint Ventures

The Mobility Powerhouse

H1 2019



Interactions in millions		268.6	122.0	18.2	16.4	111.9	0.12
Customers** in millions		>75	30.4	>4	7.5	33.4	0.02
Cities**		>1,200	130	31	22	>1,200*	n/a
GMV RR*** in bn €		3.4					



* For U.S. entity of PARK NOW, June 2019 figure estimated ** Partially, data summation w/o consideration of possible redundancies *** Gross merchandise value run rate based on figures of previous month

Assumptions for automotive markets in 2019

Car markets	Global	slight decrease
	Europe	slight decrease
	USA	slight decrease
	China	slight decrease
Van markets	EU30	slight growth in the midsize and large segment
	USA	around the prior-year level
Heavy- and medium-duty truck markets	NAFTA region	slight growth
	EU30	around the prior-year level
	Japan*	around the prior-year level
	Brazil	significant growth
	Indonesia*	declining development
Bus markets	EU30	slight growth
	Brazil	significant growth

* including light-duty trucks

2019 sales outlook



Mercedes-Benz Cars

Unit sales at the prior-year level

Momentum from an increased product availability in the second half of the year



Mercedes-Benz Vans

Unit sales at the prior-year level

Growth in the United States and in EU30 region, lower unit sales in Russia and Turkey
Additional momentum from the new Sprinter



Daimler Trucks

Slightly higher unit sales

Slight growth in NAFTA region, unit sales around prior-year level in EU30 region and Japan
Increases in Brazil and India, decreases in Turkey and Indonesia



Daimler Buses

Significantly higher unit sales

Slight growth in EU30 region and in Latin America
Significant growth in India

2019 outlook for Group EBIT and divisional RoS/RoE

DAIMLER

We expect Group EBIT for FY 2019 to be significantly below the prior-year level



Mercedes-Benz Cars

Return on sales in the range of 3 to 5%



Mercedes-Benz Vans

Return on sales in the range of minus 15 to minus 17%



Daimler Trucks

Return on sales in the range of 7 to 9%



Daimler Buses

Return on sales in the range of 5 to 7%



Daimler Financial Services

Return on equity in the range of 17 to 19%*

* Including significant one-time valuation and earnings effects from the merger of the mobility services of Daimler and BMW.

Measures and priorities for H2

- **Focus on 2019 operational challenges and financial targets**
- **Improve Daimler efficiency in the short and medium term**
- **Enhance free cash flow focus and prioritize capital allocation**
- **Continue company transformation and establish sustainable business strategy**

Contents

Presentation charts on Q2 and H1 2019 results

Additional financial details

Strategy and technology



Unit sales by division

in thousands of units

	Q2 2018	Q2 2019	% change
Daimler Group	833.0	821.7	-1
of which			
Mercedes-Benz Cars	590.7	575.6	-3
Mercedes-Benz Vans	110.9	111.1	+0
Daimler Trucks	123.9	126.5	+2
Daimler Buses	7.5	8.4	+12

Revenue by division

in billions of euros

	Q2 2018	Q2 2019	% change
Daimler Group	40.8	42.7	+5
of which			
Mercedes-Benz Cars	22.6	22.3	-1
Mercedes-Benz Vans	3.5	3.7	+4
Daimler Trucks	9.2	10.5	+14
Daimler Buses	1.1	1.3	+18
Daimler Financial Services	6.6	7.1	+9

Revenue by region

in billions of euros

	Q2 2018	Q2 2019	% change
Daimler Group	40.8	42.7	+5
of which			
Europe	17.3	17.2	-0
<i>of which Germany</i>	6.2	6.7	+8
NAFTA	11.5	13.2	+15
<i>of which United States</i>	9.7	11.4	+17
Asia	9.5	9.7	+2
<i>of which China*</i>	4.5	4.7	+4
Other markets	2.5	2.5	+1

* excluding revenue of not fully consolidated companies

EBIT by division

EBIT in millions of euros; RoS/RoE in %

	Q2 2018		Q2 2019	
	EBIT	RoS/RoE*	EBIT	RoS/RoE*
Daimler Group	2,640	7.5	-1,555	-5.6
of which				
Mercedes-Benz Cars	1,901	8.4	-672	-3.0
Mercedes-Benz Vans	152	4.3	-2,050	-56.1
Daimler Trucks	546	5.9	725	6.9
Daimler Buses	66	6.1	106	8.4
Daimler Financial Services	66	2.1	431	12.5
Reconciliation	-91	-	-95	-

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

Key balance sheet and financial figures

in billions of euros

Daimler Group	Dec. 31, 2018	June 30, 2019
Equity ratio	22.2%	21.0%
Gross liquidity	25.4	21.5
Funded status of pension obligations	-6.2	-8.7
<i>Funding ratio</i>	80%	76%*

Industrial business	Dec. 31, 2018	June 30, 2019
Equity ratio	42.8%	38.2%
Net liquidity	16.3	6.6
Free cash flow (January-June)	1.8	-3.3

* mainly driven by a reduction of discount rates

Consolidated statement of income (condensed)

in millions of euros

	Daimler Group		Industrial Business	
	Q2 2018	Q2 2019	Q2 2018	Q2 2019
Revenue	40,756	42,650	34,186	35,505
Cost of sales	-32,506	-37,104	-26,853	-30,878
Gross profit	8,250	5,546	7,333	4,627
Selling expenses	-3,253	-3,072	-3,045	-2,875
General administrative expenses	-965	-975	-700	-760
Research and non-capitalized development costs	-1,620	-1,569	-1,620	-1,569
Other operating income/expense	264	-1,611	210	-1,660
Profit/loss on equity-method investments	-14	210	410	335
Other financial income	-26	-87	-18	-87
Interest income/expense	-106	-114	-105	-112
Profit before income taxes	2,530	-1,672	2,465	-2,101
Income taxes	-705	430	-723	577
Net profit	1,825	-1,242	1,742	-1,524
Earnings per share (in euros)	1.61	-1.24	-	-

Statement of cash flows (condensed)

in millions of euros

	Daimler Group		Industrial Business	
	Q1-Q2 2018	Q1-Q2 2019	Q1-Q2 2018	Q1-Q2 2019
Cash provided by operating activities	960	2,198	5,797	2,356
of which: Profit before income taxes	5,777	951	5,165	-685
Depreciation and amortization/impairments	2,973	3,644	2,913	3,569
Change in working capital	-45	-2,995	-496	-3,463
Cash used for investing activities	-4,536	-5,272	-4,308	-4,672
of which: Additions to property, plant and equipment	-2,893	-3,419	-2,871	-3,376
Cash used for/provided by financing activities	5,691	-297	906	30
Free cash flow	-3,376	-4,375	1,804	-3,341

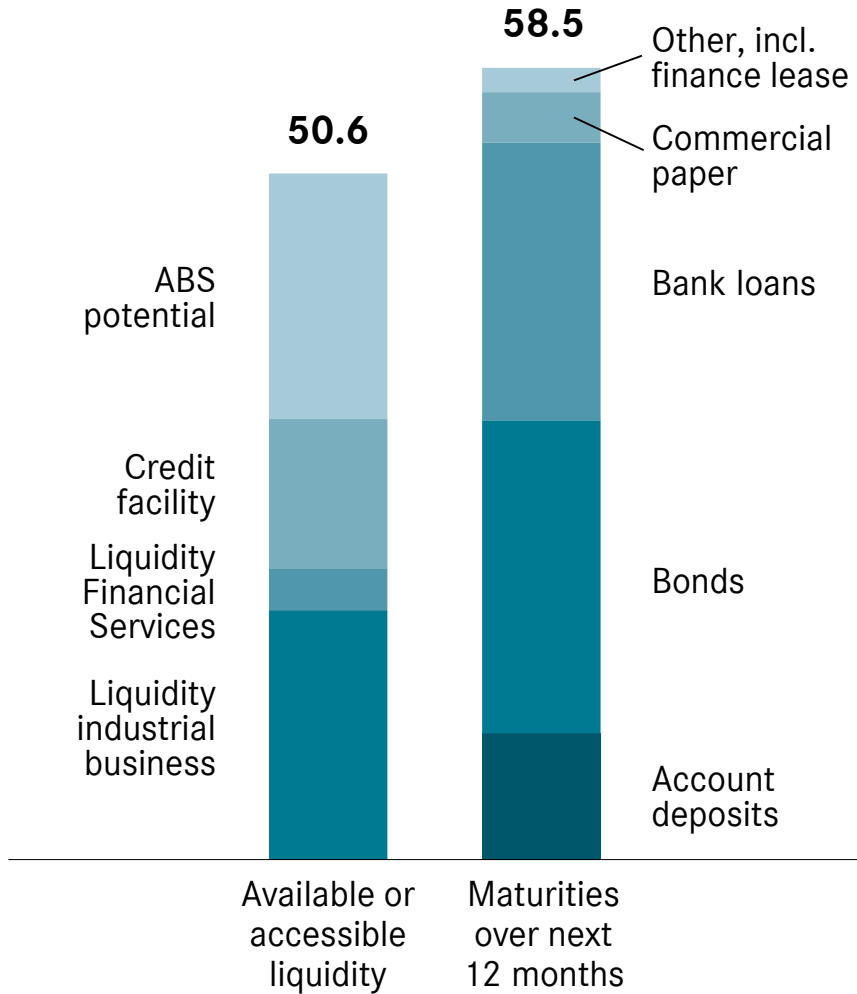
Statement of financial position (condensed)

in millions of euros

	Daimler Group		Industrial Business	
	Dec. 31, 2018	June 30, 2019	Dec. 31, 2018	June 30, 2019
Intangible assets	14,801	15,383	13,913	14,504
Property, plant and equipment	30,948	35,794	30,859	35,445
Receivables from financial services & equipment on operating leases	146,216	149,037	18,419	18,783
Equity-method investments	4,860	6,020	4,651	4,184
Inventories	29,489	33,459	28,096	32,267
Trade receivables	12,586	12,743	10,545	10,909
Liquidity	25,430	21,464	21,163	18,371
Other assets	17,289	20,282	-11,343	-7,882
Total assets	281,619	294,182	116,303	126,581
Equity	66,053	61,780	53,243	48,386
Provisions	24,406	30,569	23,269	29,373
Financing liabilities	144,902	154,103	4,771	12,609
Trade payables	14,185	15,194	13,395	14,321
Other liabilities	32,073	32,536	21,625	21,892
Total equity and liabilities	281,619	294,182	116,303	126,581

Financial flexibility over a 12-month period

in billions of euros



The financial flexibility provides support to mitigate risk and volatility through a balanced mix of funding instruments and clear principles

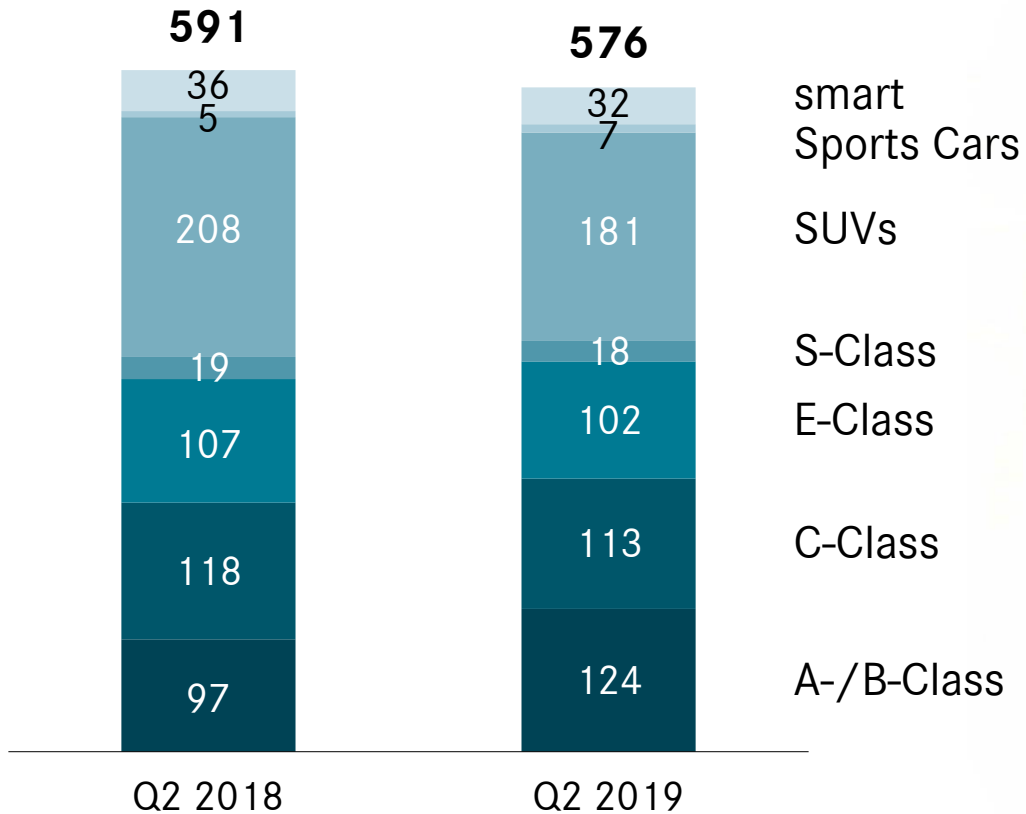
Daimler follows a financial management to safeguard our A-rating and thus our attractive refinancing conditions

A high financial flexibility is a key support to our A-Rating

The current liquidity position reflects the volatile market environment, the currently required high investments for our future business model and the required financial flexibility for our business

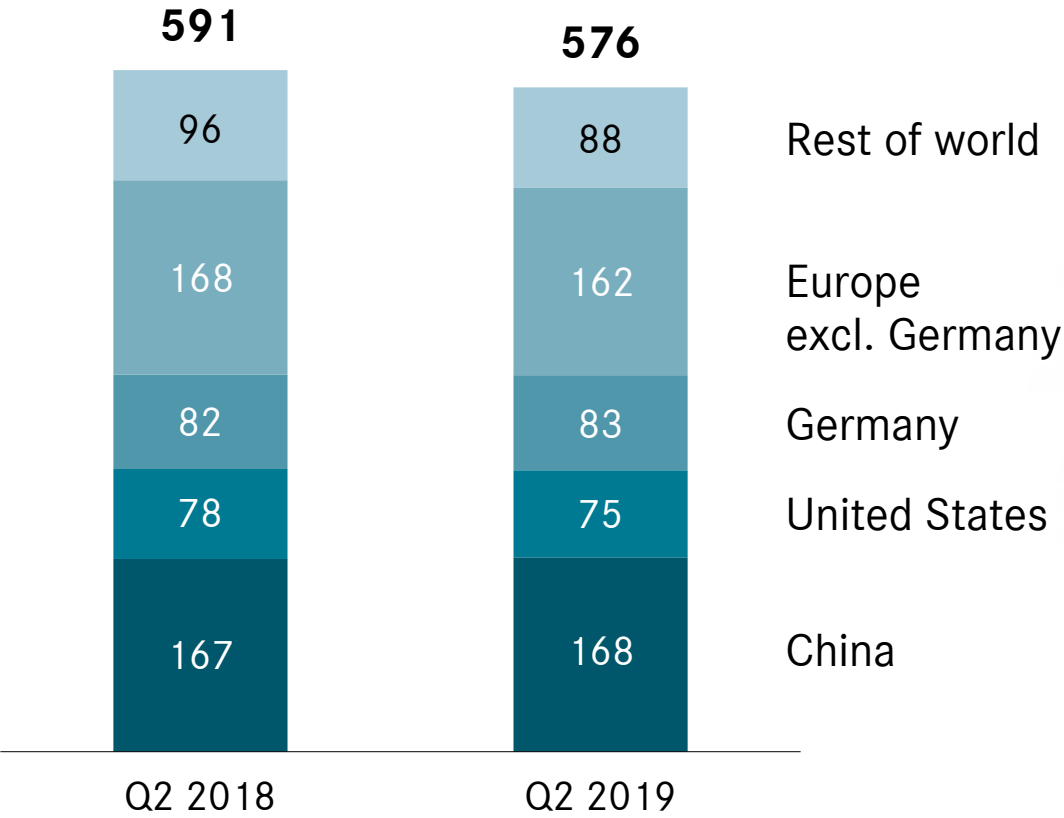
Mercedes-Benz Cars: unit sales by segments

in thousands of units



Mercedes-Benz Cars: unit sales by regions

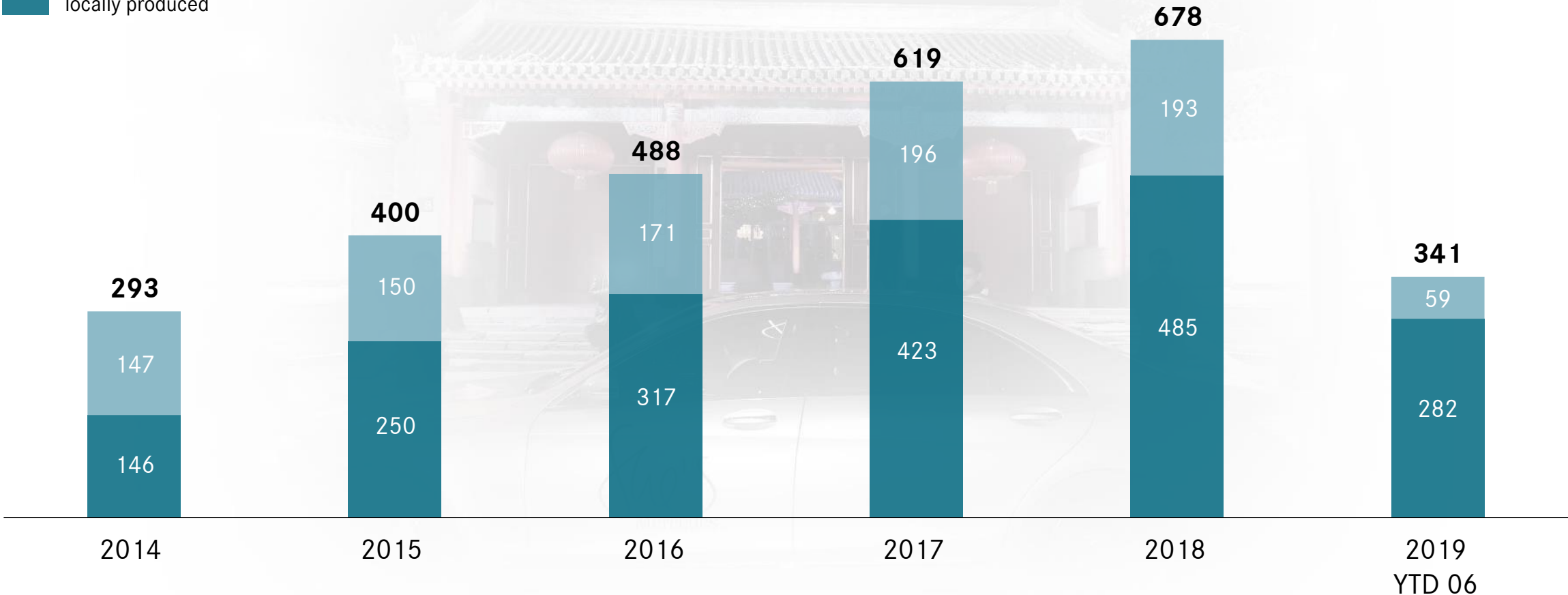
in thousands of units



Mercedes-Benz Cars: unit sales in China

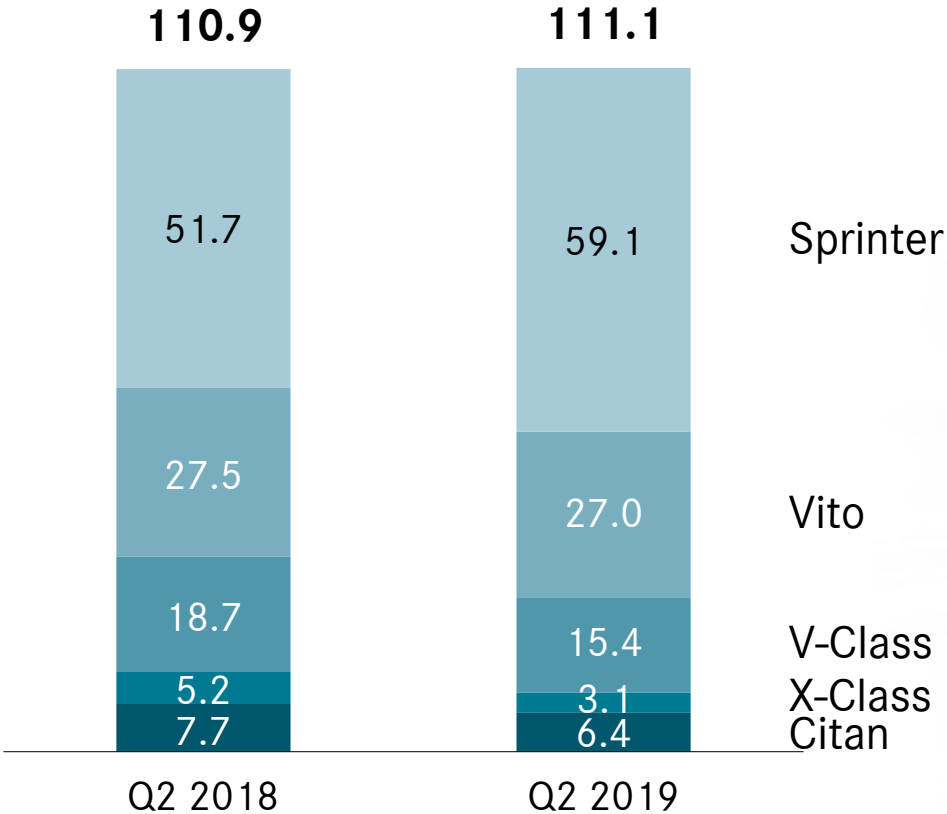
in thousands of units

imported
locally produced



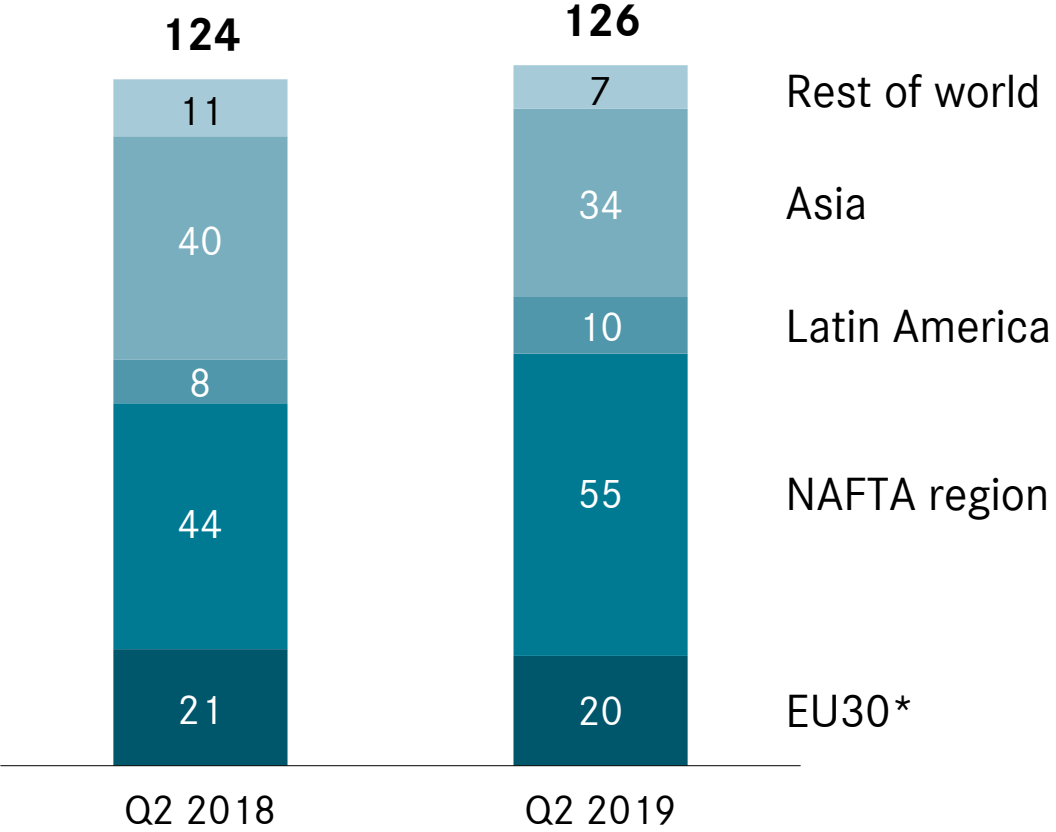
Mercedes-Benz Vans: unit sales by segments

in thousands of units



Daimler Trucks: unit sales by regions

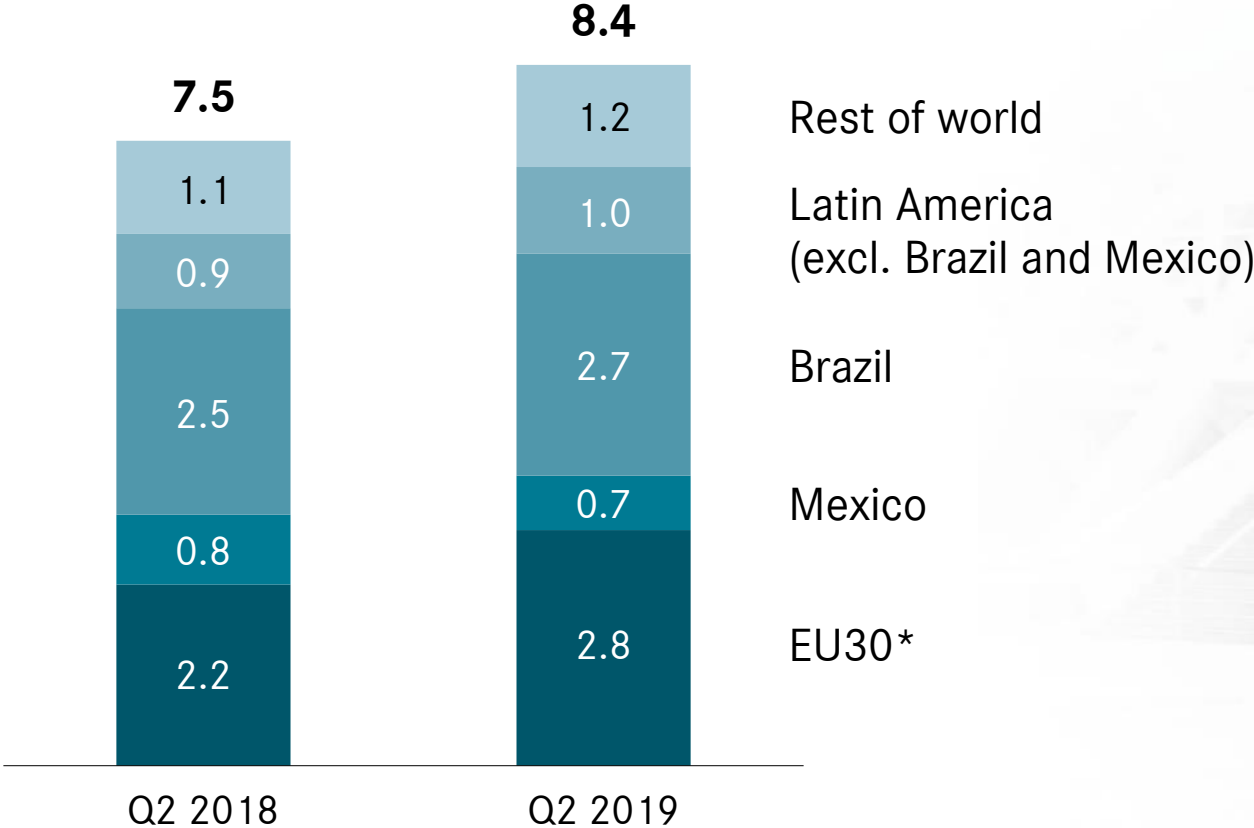
in thousands of units



* European Union, Switzerland and Norway

Daimler Buses: unit sales by regions

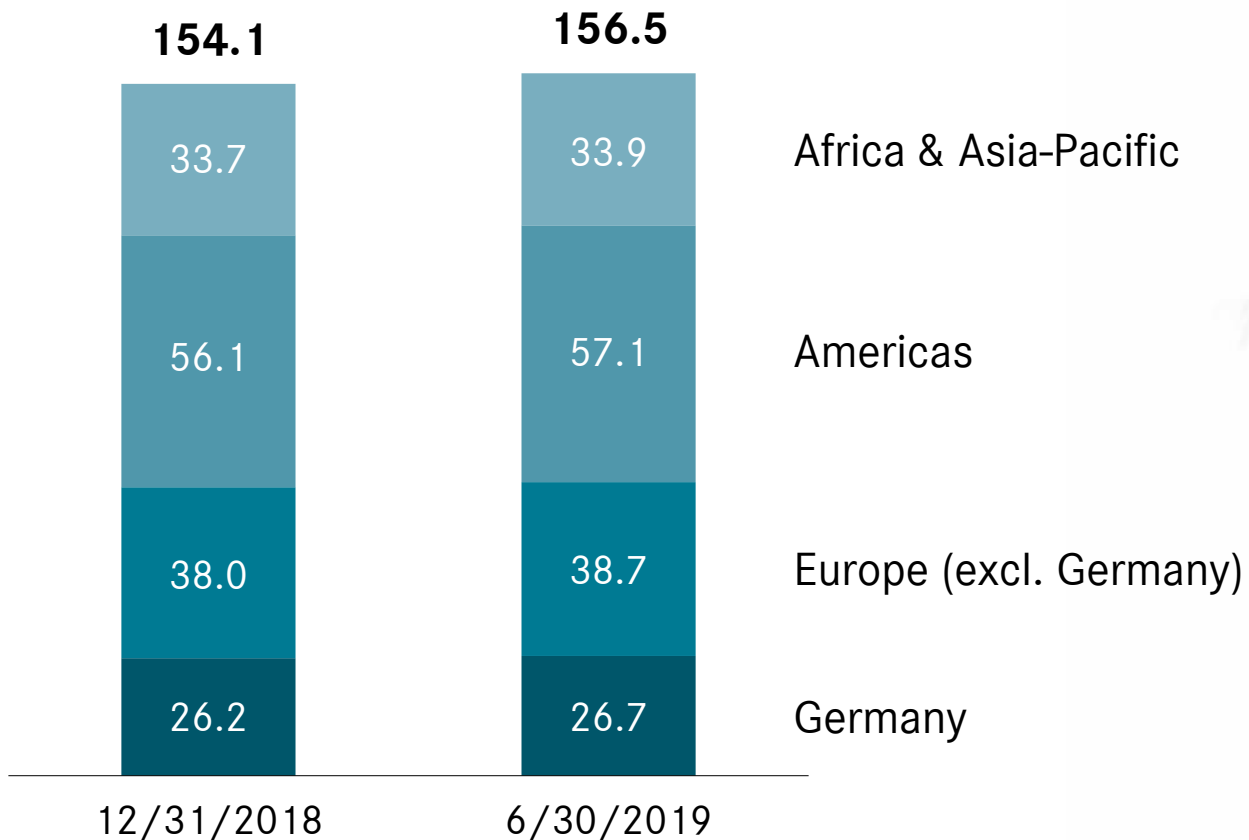
in thousands of units



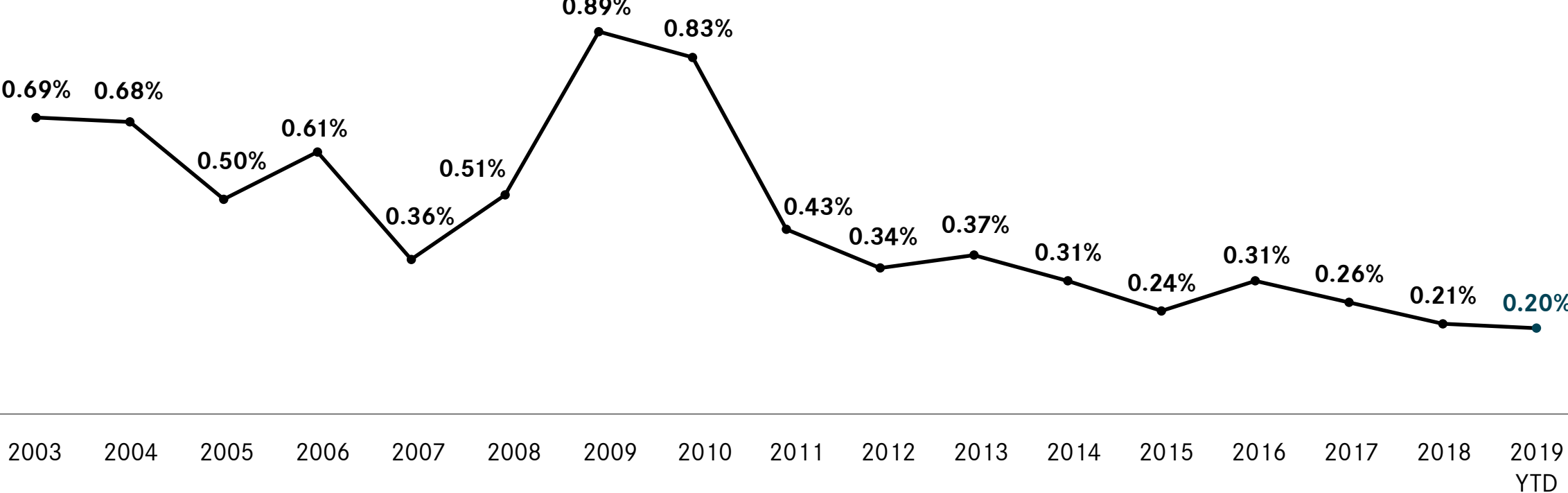
* European Union, Switzerland and Norway

Daimler Financial Services: contract volume

in billions of euros



Daimler Financial Services: net credit losses*



* as a percentage of portfolio, subject to credit risk

Contents

Presentation charts on Q2 and H1 2019 results

Additional financial details

Strategy and technology



Daimler's investments go beyond the actual vehicle



We focus on future-oriented technologies and invest in innovative companies and startups.*

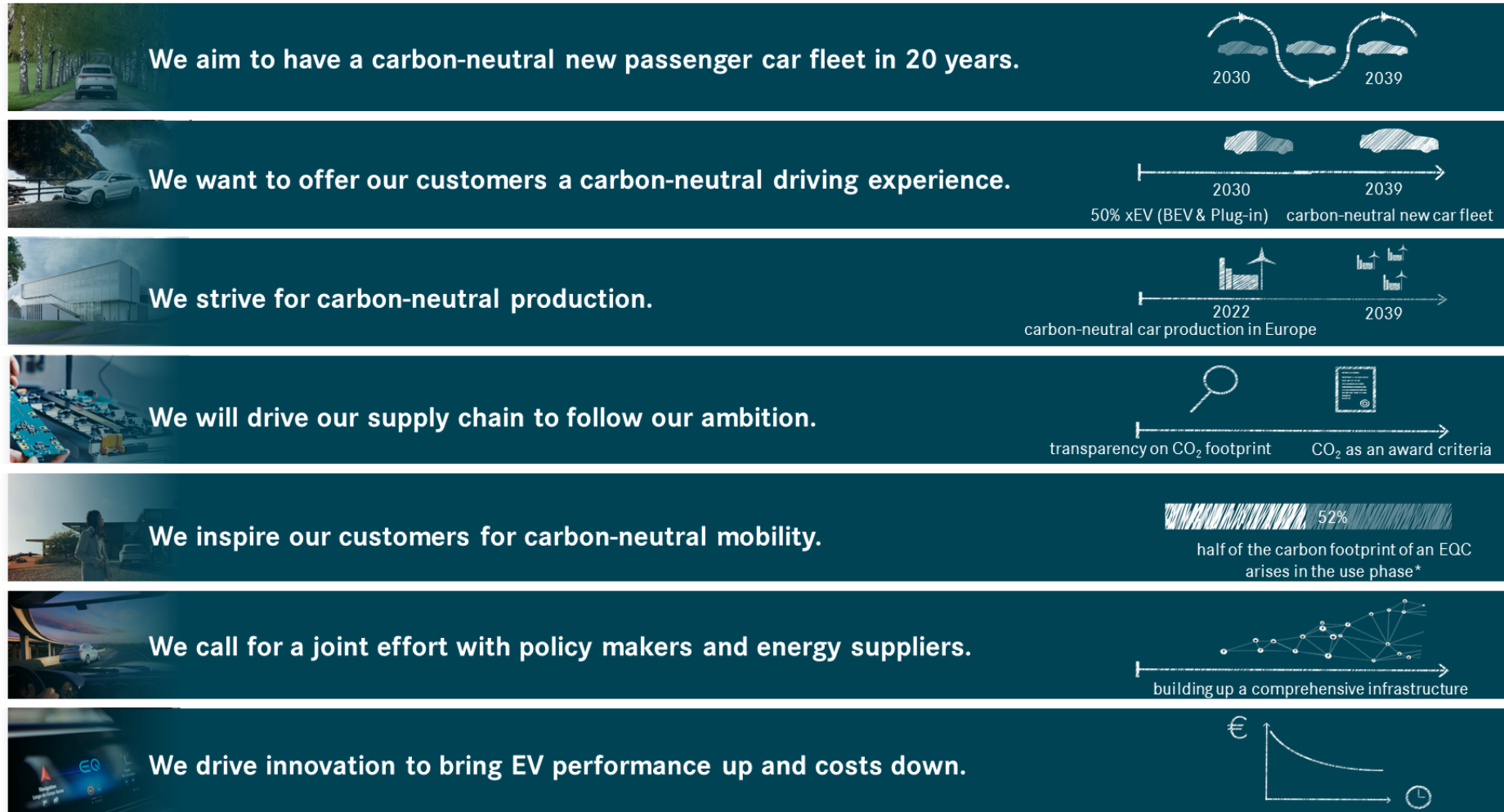
C	A	S	E

* Not all investments have been disclosed.

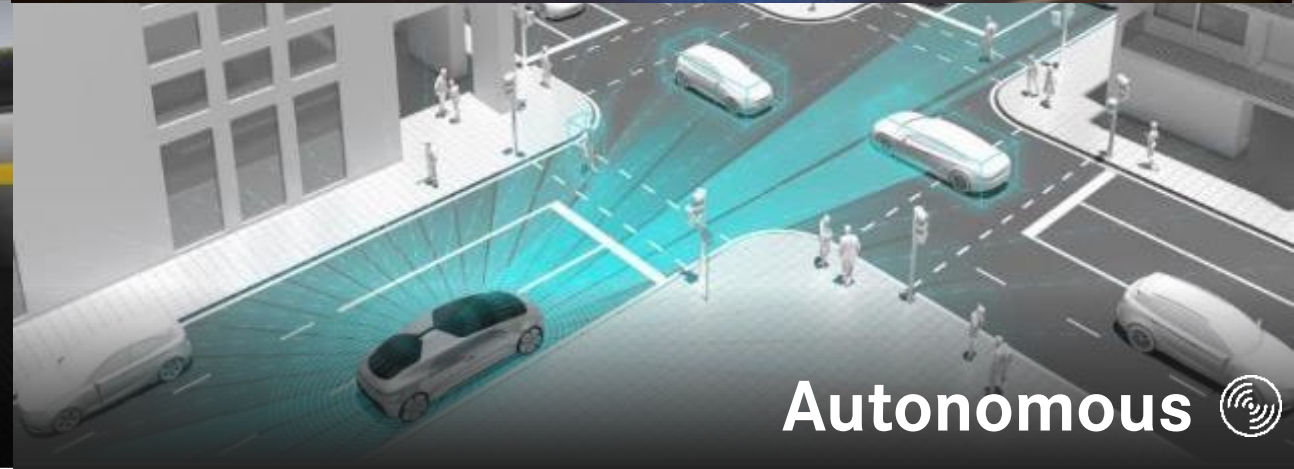
** Subject to approval by authorities.

Sustainability is one of the basic principles of Daimler's corporate strategy embedded in the entire value chain

AMBITION 2039



Mercedes-Benz: Leading premium car and van brand



With our unique products we are well positioned for growth

Focus on important markets



Strong product portfolio



Leading technologies



Roadmap to Growth

Mercedes-Benz brand experience – we are transferring technology into a luxury experience



MBUX is the digital revolution in the cockpit

Intuitive and intelligent multimedia system with ability to learn thanks to artificial intelligence.



Touch Controls



Touchscreen



Speech Control



Interior Assistant

Take Rates Compact Cars



Mercedes-Benz is developing DRIVE PILOT, an SAE Level 3 conditional automated driving system feature



DRIVE PILOT has the potential to transform the way people live and work.

The possibilities offered by automated driving have captured the public's imagination in a way that few new vehicle technologies have.

At Mercedes-Benz we live innovation and embrace the opportunities it will bring to our industry and the world.

Daimler and BMW launch long-term development cooperation for automated driving

Scope of cooperation

Next generation of technologies for driver assistance systems and highly automated driving on highways and automated parking:

- **Driving Functions** (NCAP, SAE Level 1 - Level 4 Highway).
- **Parking Functions** (up to SAE Level 4).

Goal of cooperation

- The **joint development** of a **scalable system with series maturity** which may be used equally by both partners.
- **Joint procurement** for certain components within the system.

Framework for cooperation → joint operation

- **Time:** Market Launch in series vehicles scheduled for 2024
- **Place:** common working spaces with over 1,200 development specialists in **Stuttgart** and **Munich**

Daimler and Bosch are pilot testing on-demand ride-hailing service in San José in H-2 2019



- Hardware (Sensors, Actuators, ECUs)
- Software for HW components



- Vehicles
- Integration of system into the vehicle line

- **Project House** with locations in **Germany** and **USA**
- **Joint development** of AD system Software
- Goal: complete AD-Kit for **Self Driving Car**

Daimler and Geely Holding form global joint venture to develop smart

50:50 joint venture between Daimler and Geely based in China to develop and operate smart brand globally as all electric carmaker

smart joint venture to gain shared expertise in manufacturing, engineering and design from both groups

New smart models planned from 2022 in all-electric product renewal

smart joint venture to meet demand for electrification with production based in China



On the road to emission free mobility – Mercedes-Benz is electrifying its entire powertrain portfolio



EQ BOOST

Highly efficient 48 V
Technology



EQ POWER

Plug-In Hybrids

EQ POWER+

Performance-Hybrids



EQ

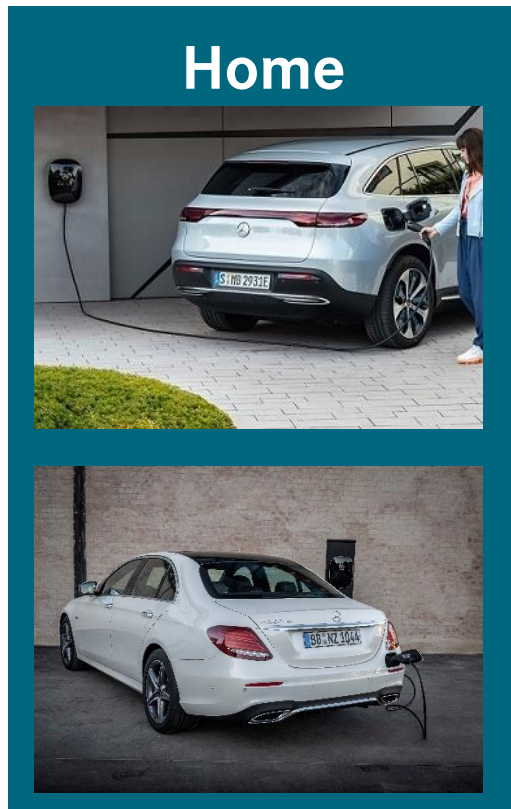
Battery Electric Vehicles &
Fuel Cell Electric Vehicles

The future is electric and Mercedes-Benz is setting the course for tomorrow today

- 2022: Above **130** electrified alternatives envisaged to be realized
- A total of more than **10 BEV** vehicle types planned
- 2025: Estimated BEV volume share between **15% and 25%**
- 2030: Ambition of **50% share** xEV (BEV & Plug-in)
- **> €1 billion** invest in a global battery production network
- **€10 billion** invest into e-mobility fleet
- **€20 billion** supplier contracts to ensure battery cell supply
- Implementation of **charging infrastructure** in Europe via joint venture “IONITY”



We are developing a charging network together with partners to improve our customer's experience



Mercedes-Benz EQC: Combined electricity consumption: 20.8 to 19.7 kWh/100 km; combined CO₂ emissions: 0 g/km. Electricity consumption and range were determined on the basis of Regulation 692/2008/EC. Power consumption and range are dependent on the vehicle configuration (in particular on the selection of the maximum speed limit).¹⁾

Mercedes-Benz GLC F-CELL: Combined hydrogen consumption: 0.34 kg/100 km, combined CO₂ emissions: 0 g/km, combined electric energy consumption: 13.7 kWh/100 km; Figures for fuel consumption, electric energy consumption and CO₂ emissions are provisional and were determined by the technical service for the certification process in accordance with the WLTP test method and correlated into NEDC figures. The EC type approval and a certificate of conformity with official figures are not yet available. Differences between the stated figures and the official figures are possible.

Mercedes-Benz C 300 de: Combined fuel consumption 1.6 l/100 km, combined CO₂ emissions 42 g/km, combined electrical consumption 18.7 kWh/100 km. The stated figures were determined in accordance with the prescribed measuring method. These are the "NEDC CO₂ figures" according to Art. 2 No. 1 Implementing Regulation (EU) 2017/1153. The fuel consumption figures were calculated based on these figures. Electrical consumption has been determined on the basis of Directive 692/2008/EC.¹⁾

Daimler Trucks: Leader in the world of truck and bus market



Daimler Trucks mission is to make customers more successful

Best-in-class products in all regions



Customer experience as differentiator



Service and Parts Network



Continuous Process Improvement



Customer-focused product development

Services beyond the hardware



Extended Warranty & Service Products



Connectivity & Uptime



End-to-End Support & Consulting

Measurable Benefits

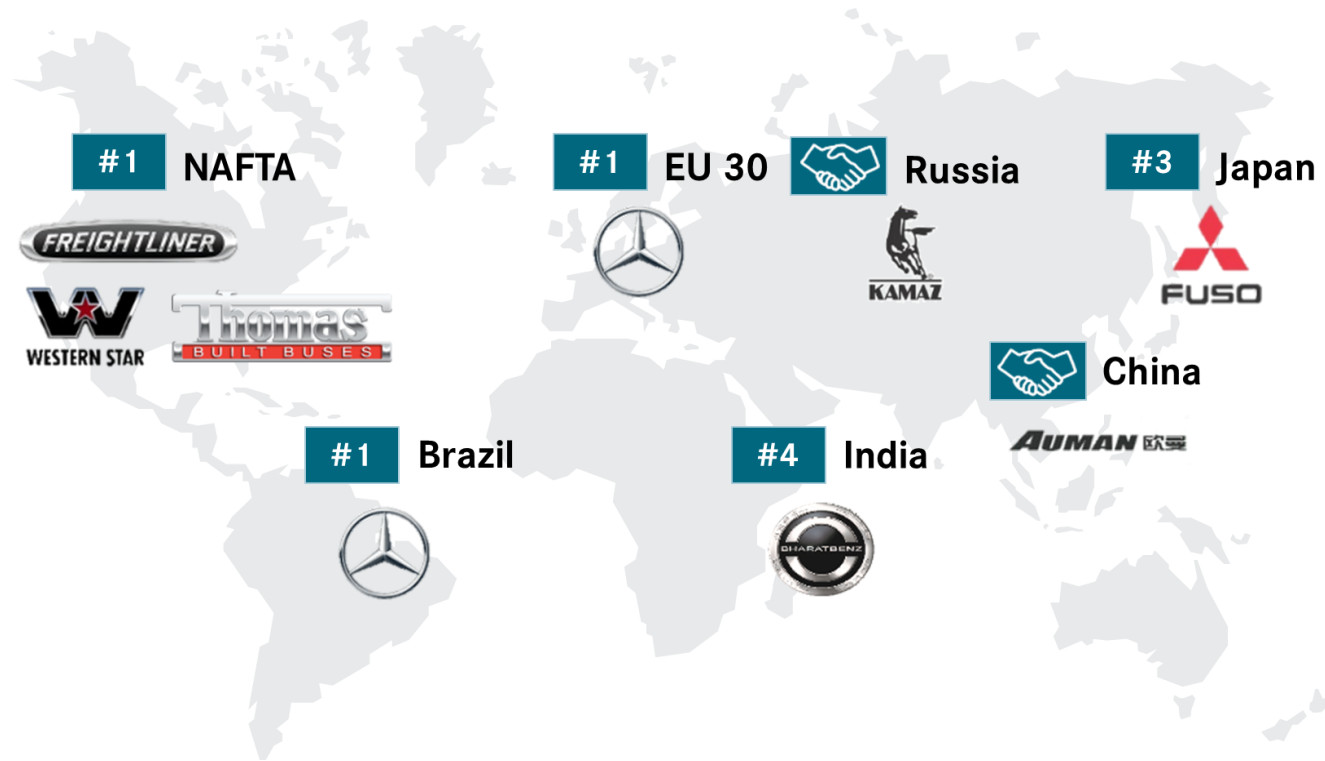


Ease of Doing Business



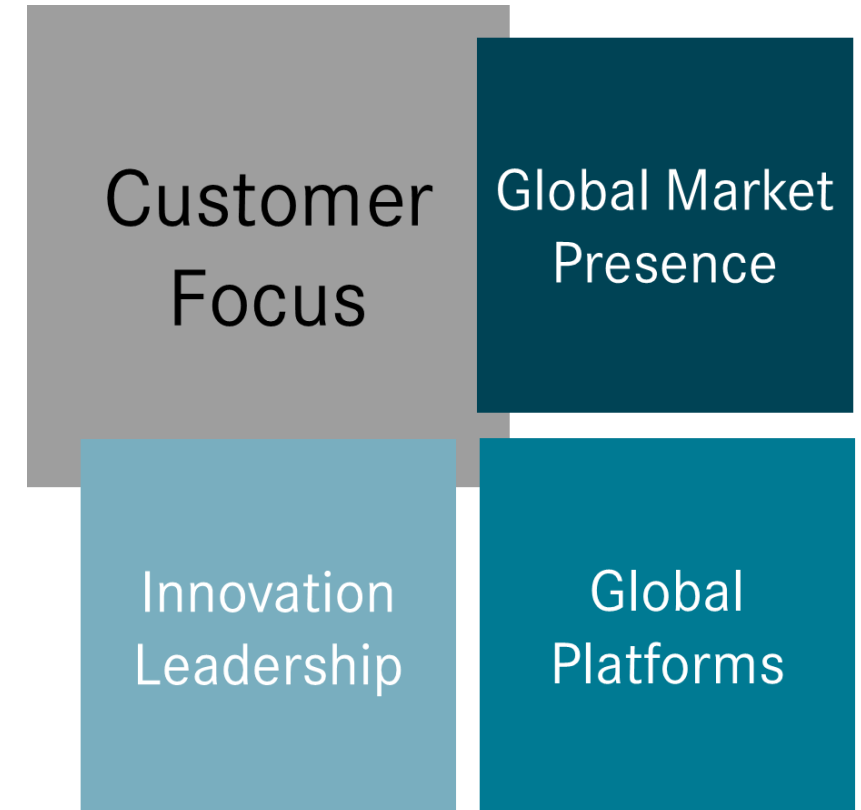
Trusted Partner

Daimler Truck has leading brands and strong market positions around the world



For all who keep the world moving

Our strategy



China: we are well prepared to tap into the biggest market



We push innovation and shape the logistics and passenger transport of tomorrow

Daimler Truck avg. R&D investment
(2020 & 2021)



~ 1.4 bn €

Investment in Automated Level 4



> 500 mn €

Daimler Truck strives to develop highly automated trucks for market launch within next 10 years



- Torc Robotics is one of **most experienced** self-driving vehicle teams
- Torc Robotics to **retain location, name, and team members** while working closely with **Daimler Trucks research and development teams**, especially in North America
- Daimler Trucks to leverage **synergies across Daimler** through close cooperation with **Mercedes-Benz Cars** on automated vehicle technologies

Already today we have a wide range of electric solutions that deliver maximum benefit for customers and the environment



**Mercedes-Benz
eCitaro**

2018: Customer Fleet Test
2018: Market introduction
2019: Large series



**FUSO
eCanter**

2014: Innovation fleet
2017: Market introduction
End of decade: Large series



**Thomas Built Buses
Saf-T-Liner® eC2**

2017: World premiere
2018: Innovation fleet
2019: Small series



**eActros,
eCascadia & eM2**

2016/18: World premiere
2018/19: Innovation fleet
2021: Market introduction

Hundreds of thousands of trucks are online worldwide*



Using one common piece of hardware: Truck Data Center

Enabling flash over the air, starting with our new Freightliner Cascadia

New Tech & Data Hub in Lisbon

* Provided internet availability.

Daimler Mobility: providing automotive financing as well as innovative mobility services





Daimler Mobility drives the digitization of the industry providing customer focused automotive services



VEHICLE MANUFACTURER

“Somebody needs to **develop, produce** and **sell** the vehicle”

DAIMLER


 Mercedes-Benz

ASSET PROVIDER

“Somebody needs to **pay for** and **own** the vehicle”

DAIMLER
 Daimler Financial Services
 Mercedes-Benz Financial
 Daimler Truck Financial
 Mercedes-Benz Insurance
 CharterWay









FLEET OPERATOR

“Somebody needs to **take care** of the vehicles”


 Mercedes-Benz Rent

DIGITAL MOBILITY SERVICES

“Somebody needs to **provide the customer access point**”

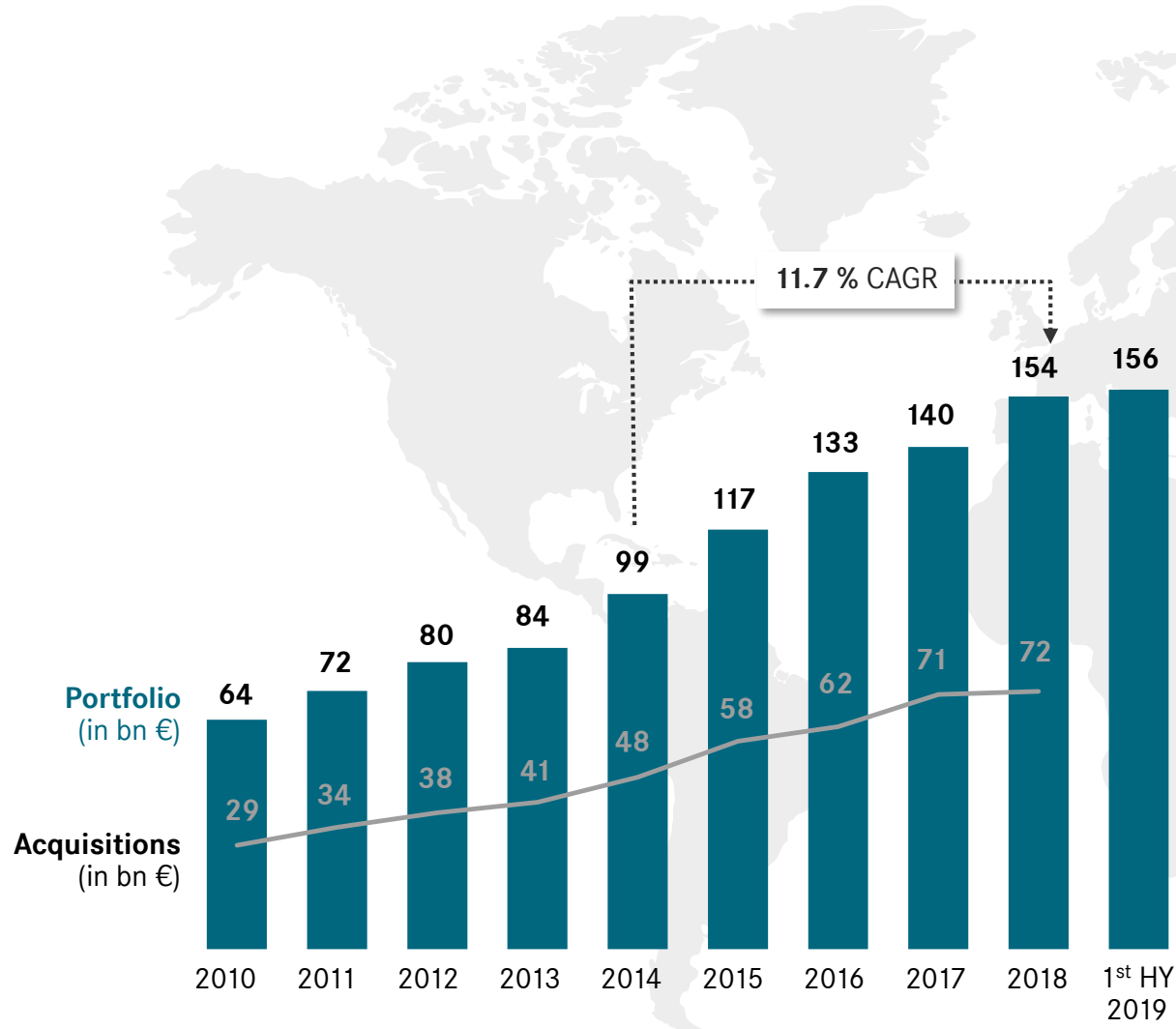
BLACKLANE*
 FLIXBUS*
 
 
 


FUTURE MOBILITY CUSTOMER


Consuming „mobility-as-a-service/ **self-driving car services**“

Scope of **current Daimler Mobility business**


With our growing core financial services business we generate brand retention and loyalty in over 40 countries



Mobility Financing, Leasing & Insurance




5.4mn
Financed or Leased vehicles




5.1 mn
Insurance policies

Fleet Mobility Management & Operations



2018: >40%
Daimler share of acquisitions



0.4 mn
vehicles in fleet management

Digital Mobility Solutions

SHARENOW ✓

REENOW ✓

REACHNOW ✓

PARKNOW ✓


CHARGENOW ✓


Scope of current Daimler Mobility business

Daimler Mobility expands in strategic relevant channels and products utilizing market potential for Daimler vehicles




Platform Business

 **AUTOGRAVITY** is a showcase example for digital financing



Cross-brand premium used-vehicle platform focused on authorized dealers



Ein neuer Stern am hey car Himmel

hey car
Gebrauchtwagen mit Garantie

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 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 and tariff regulations; 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.

Directed at German costumers:

Weitere Informationen zum offiziellen Kraftstoffverbrauch und den offiziellen spezifischen CO₂-Emissionen neuer Personenkraftwagen können dem „Leitfaden über den Kraftstoffverbrauch und die CO₂-Emissionen neuer Personenkraftwagen“ entnommen werden, der an allen Verkaufsstellen und bei der Deutschen Automobil Treuhand GmbH unter www.dat.de unentgeltlich erhältlich ist.

I) Stromverbrauch und Reichweite wurden auf der Grundlage der VO 692/2008/EG ermittelt. Stromverbrauch und Reichweite sind abhängig von der Fahrzeugkonfiguration[, insb. von der Auswahl der Höchstgeschwindigkeitsbegrenzung].

II) Die angegebenen Werte sind die ermittelten „NEFZ-CO₂-Werte“ i.S.v. Art. 2 Nr. 1 Durchführungsverordnung (EU) 2017/1153. Die Kraftstoffverbrauchswerte wurden auf Basis dieser Werte errechnet. Der Stromverbrauch wurde auf der Grundlage der VO 692/2008/EG ermittelt. Als Bemessungsgrundlage für die Kraftfahrzeugsteuer kann ein höherer Wert maßgeblich sein. [Die Reichweite wurde auf der Grundlage der VO 692/2008/EG ermittelt. Als Bemessungsgrundlage nach dem EmoG ist ein anderer Wert maßgeblich.]