

DAIMLER

Capital Market Presentation Q3 and January-September 2019

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Finance & Controlling and Daimler Mobility

October 24, 2019

Contents

Presentation charts on Q3 and January-September 2019 results

Additional financial details



Highlights of Q3 2019

- **Strong Q3 sales for Mercedes-Benz Cars and Vans**
- **Acquisition of a majority interest in Torc Robotics completed**
- **BAIC investment in Daimler supports long-term partnership**
- **Administrative offense proceedings of the Stuttgart district attorney's office against Daimler AG fully concluded**
- **Q3 financial performance on track; net industrial liquidity at €9.6 billion**

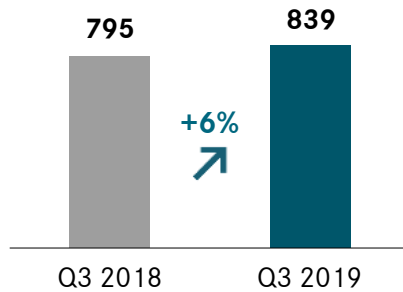
Market developments in Q3 2019

- **Premium car segment proves more resilient again in Q3 vs. global passenger car market decline**
- **Mercedes-Benz Cars sales volume increased 8% in Q3, raising YTD unit sales to prior-year level**
- **Favorable truck market volume in NAFTA and Brazil; weaker demand in EU30; headwinds in some emerging markets**
- **Significantly lower truck order intake in Q3 2019 vs. Q3 2018**
- **Continued high demand for our vans and buses in major markets**
- **Stable portfolio development at Daimler Mobility**

Financial performance in Q3 2019

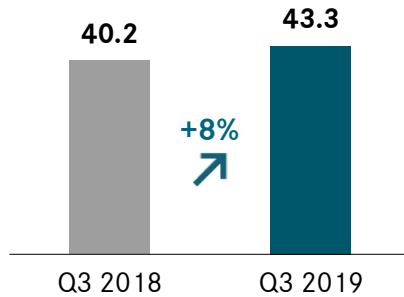
Unit sales

in thousands of units



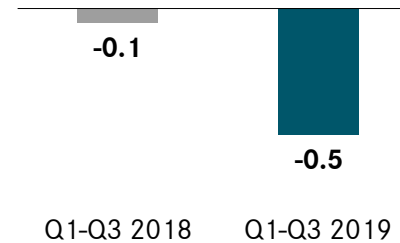
Revenue

in billions of euros



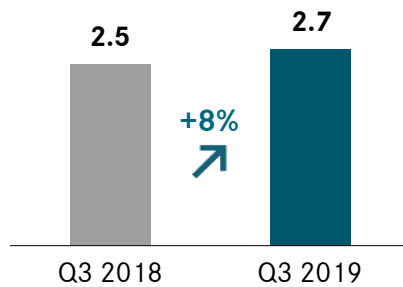
Free cash flow (ind. business)

in billions of euros



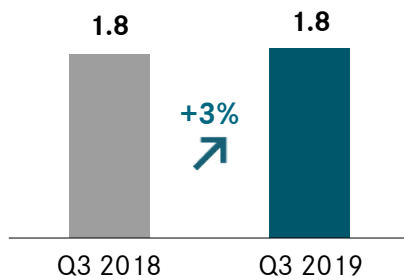
EBIT

in billions of euros



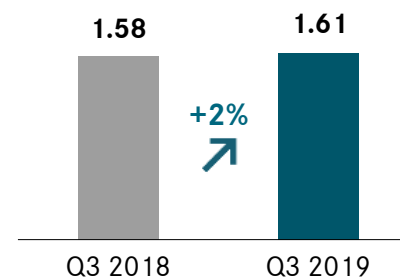
Net profit

in billions of euros



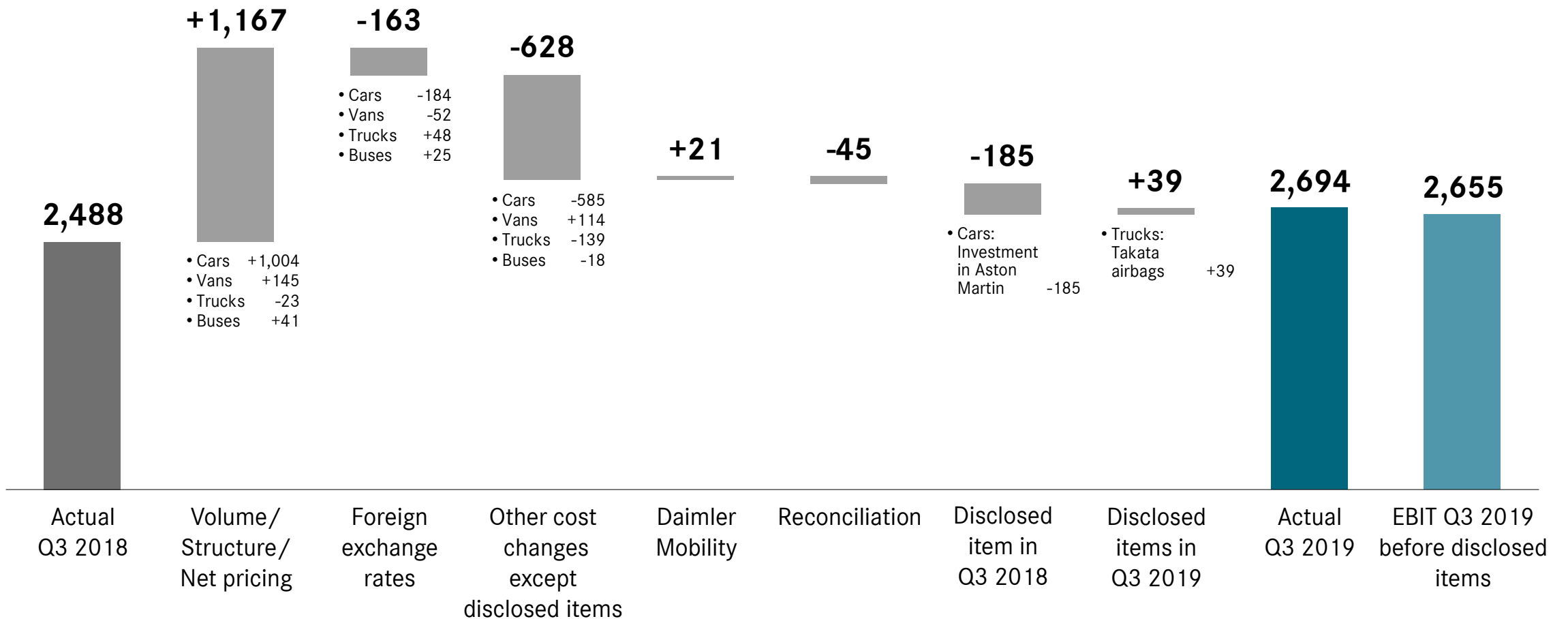
Earnings per share

in euros



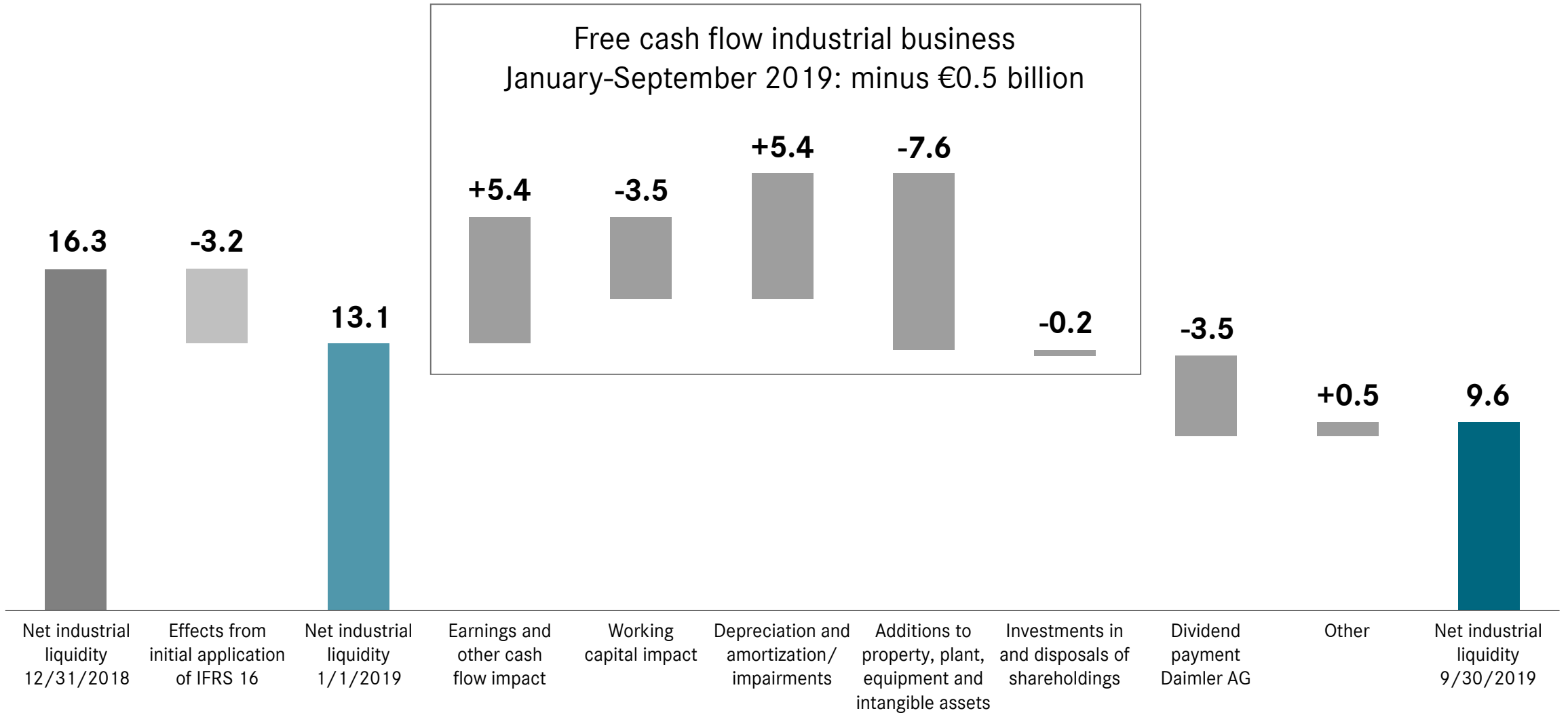
Group EBIT in Q3 2019

in millions of euros



Net industrial liquidity

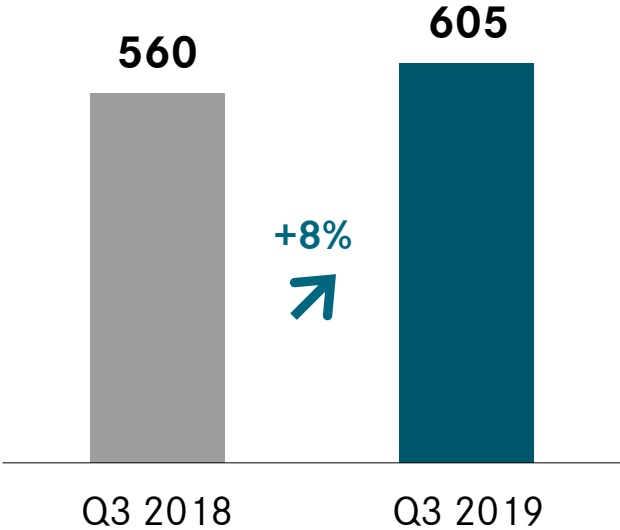
in billions of euros



Mercedes-Benz Cars

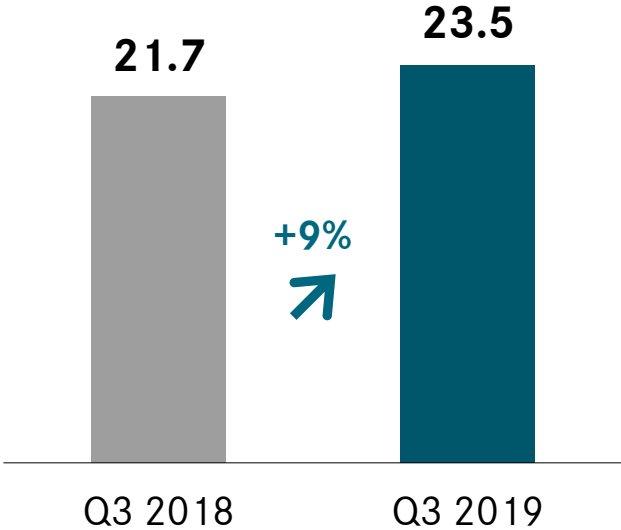
Unit sales

in thousands of units



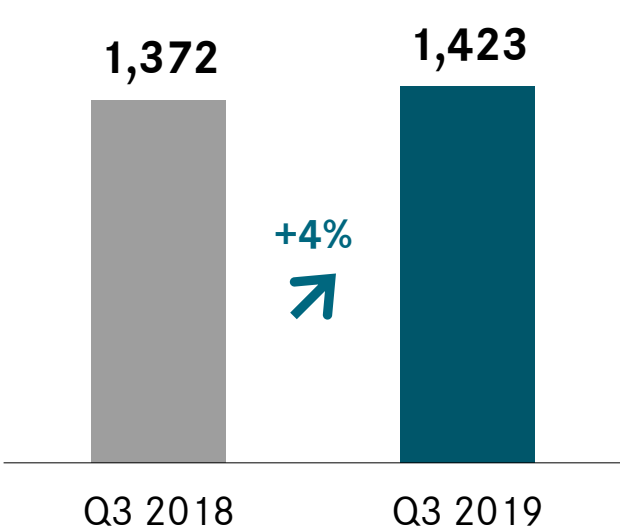
Revenue

in billions of euros



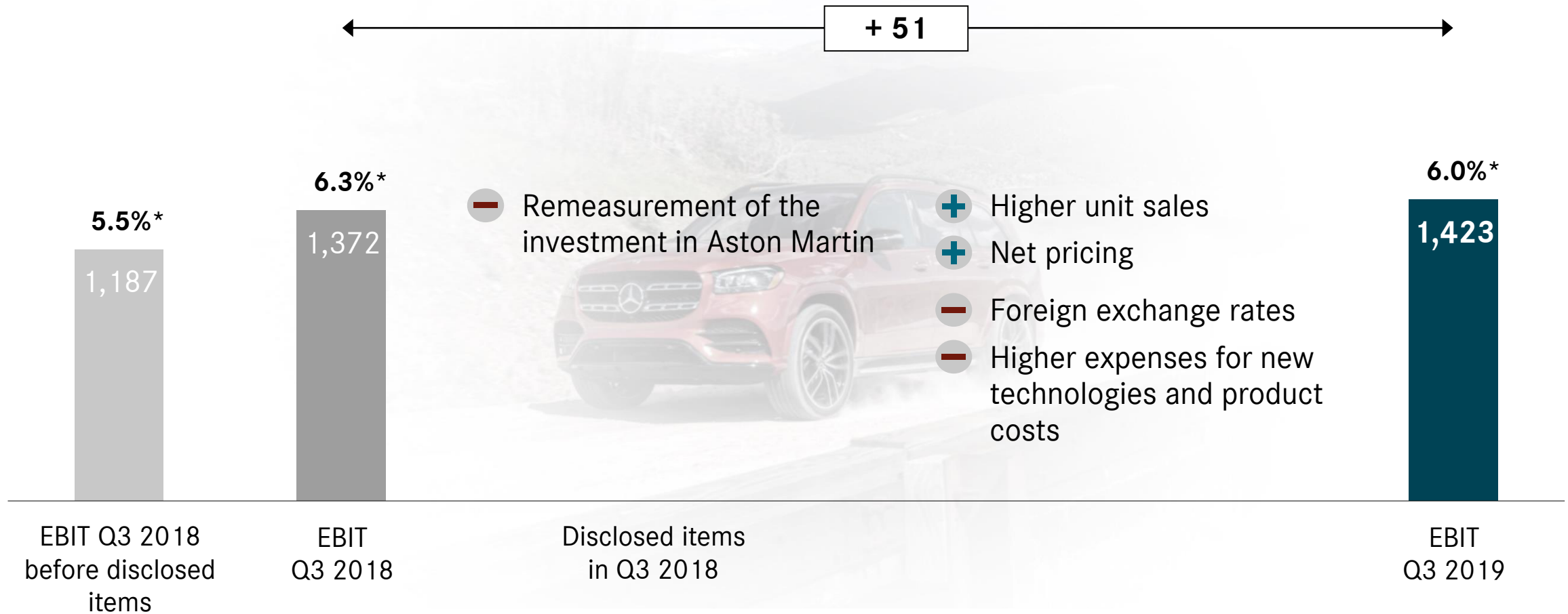
EBIT

in millions of euros



Mercedes-Benz Cars: EBIT

in millions of euros

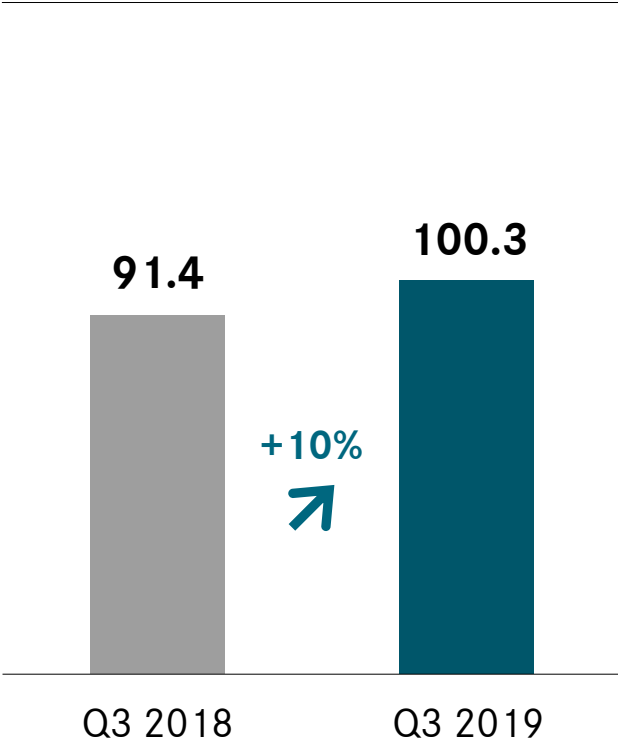


* Return on sales

Mercedes-Benz Vans

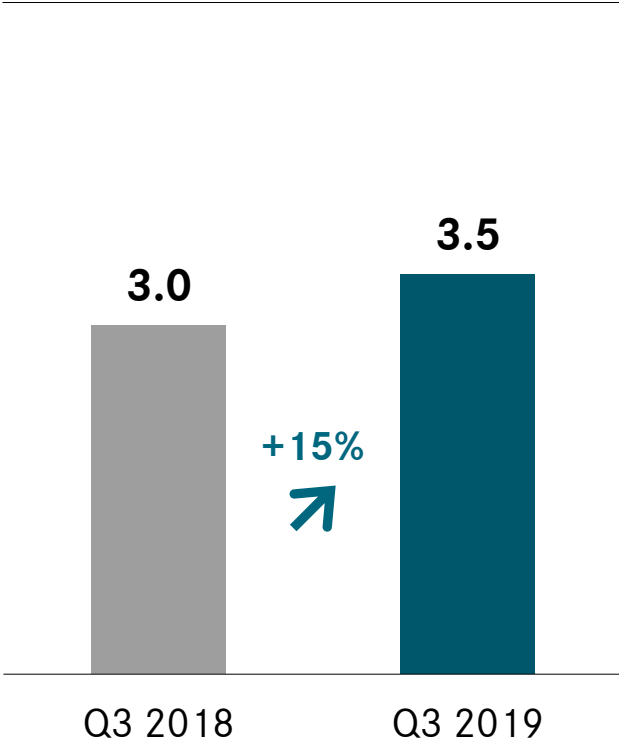
Unit sales

in thousands of units



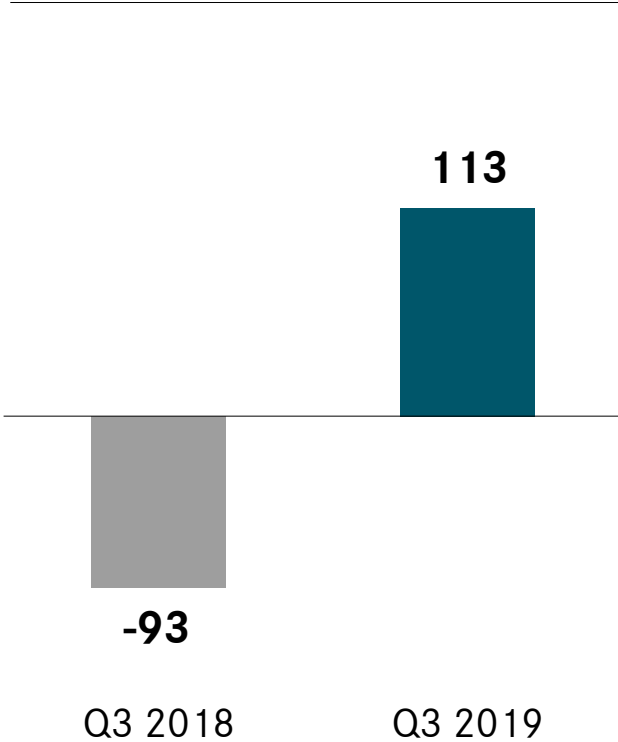
Revenue

in billions of euros



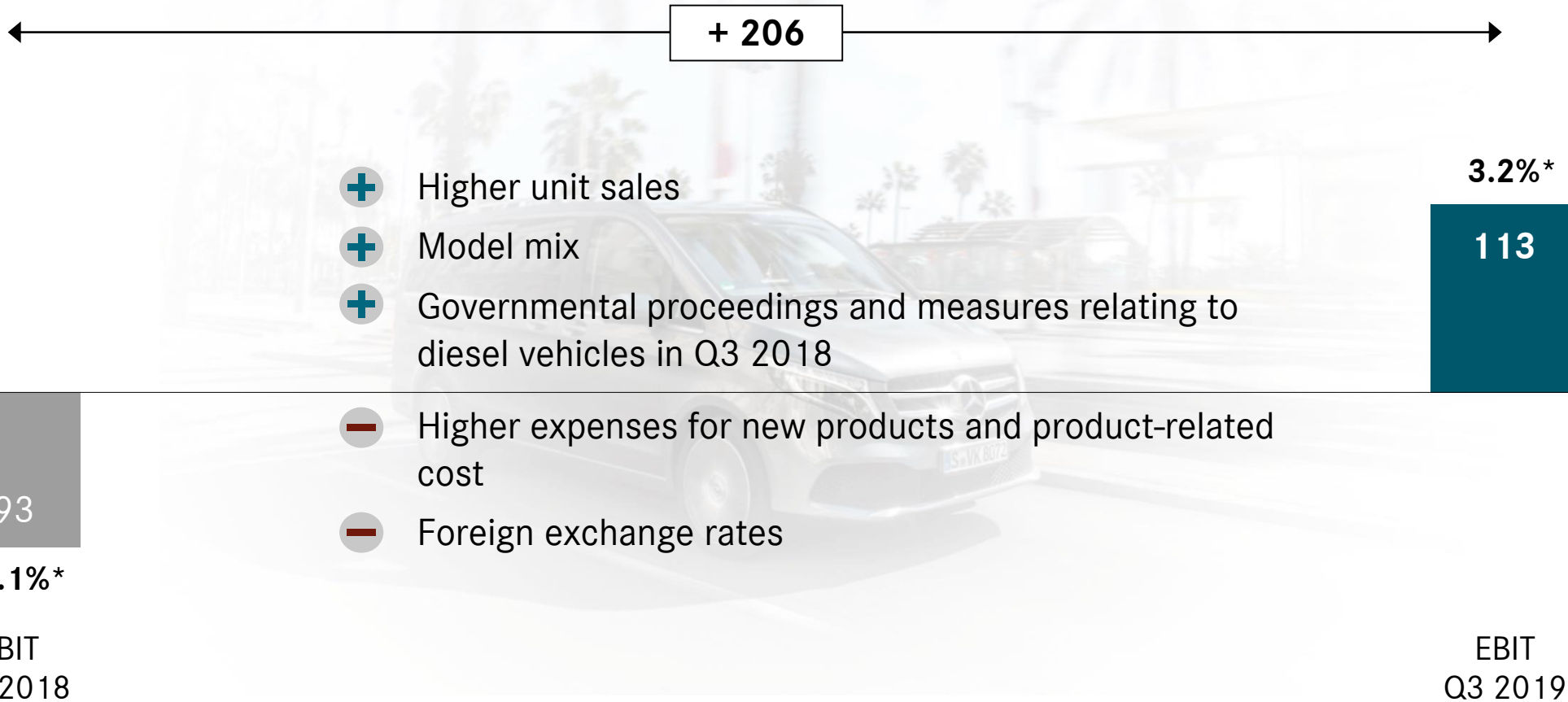
EBIT

in millions of euros



Mercedes-Benz Vans: EBIT

in millions of euros

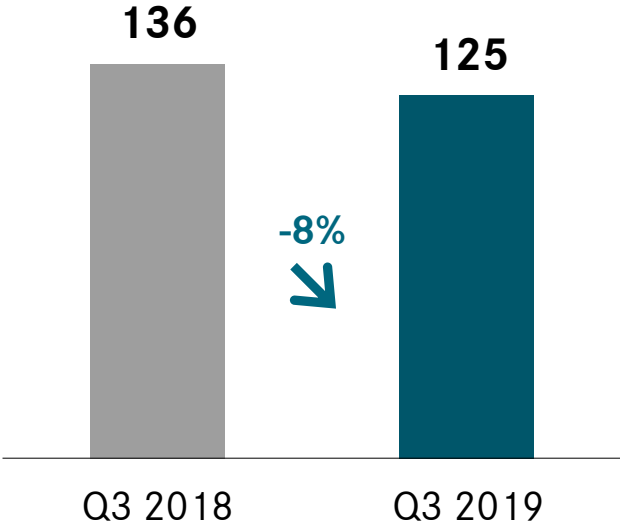


* Return on sales

Daimler Trucks

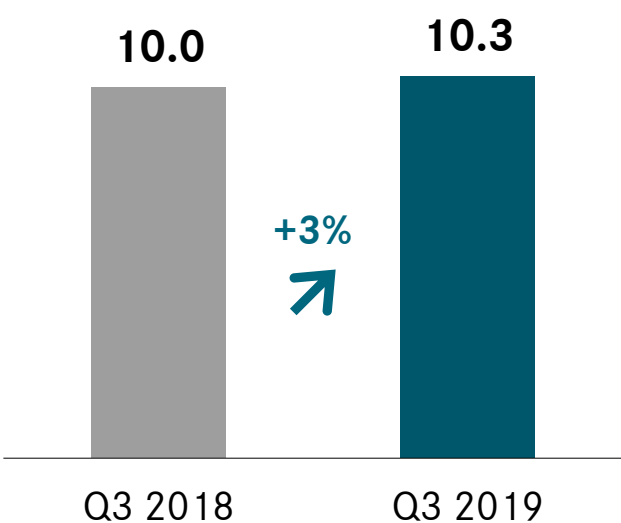
Unit sales

in thousands of units



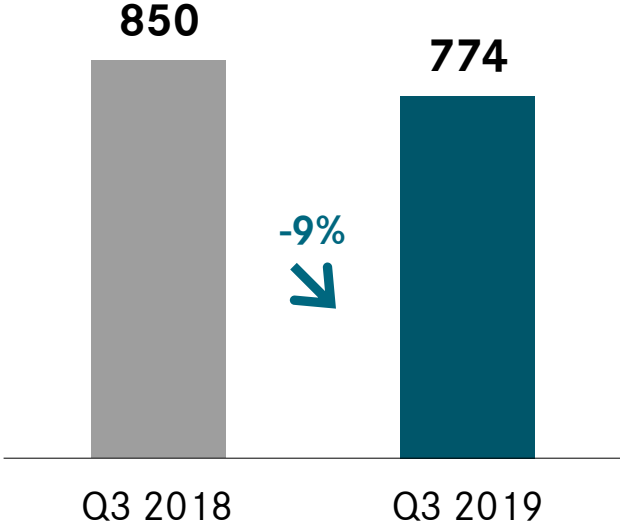
Revenue

in billions of euros



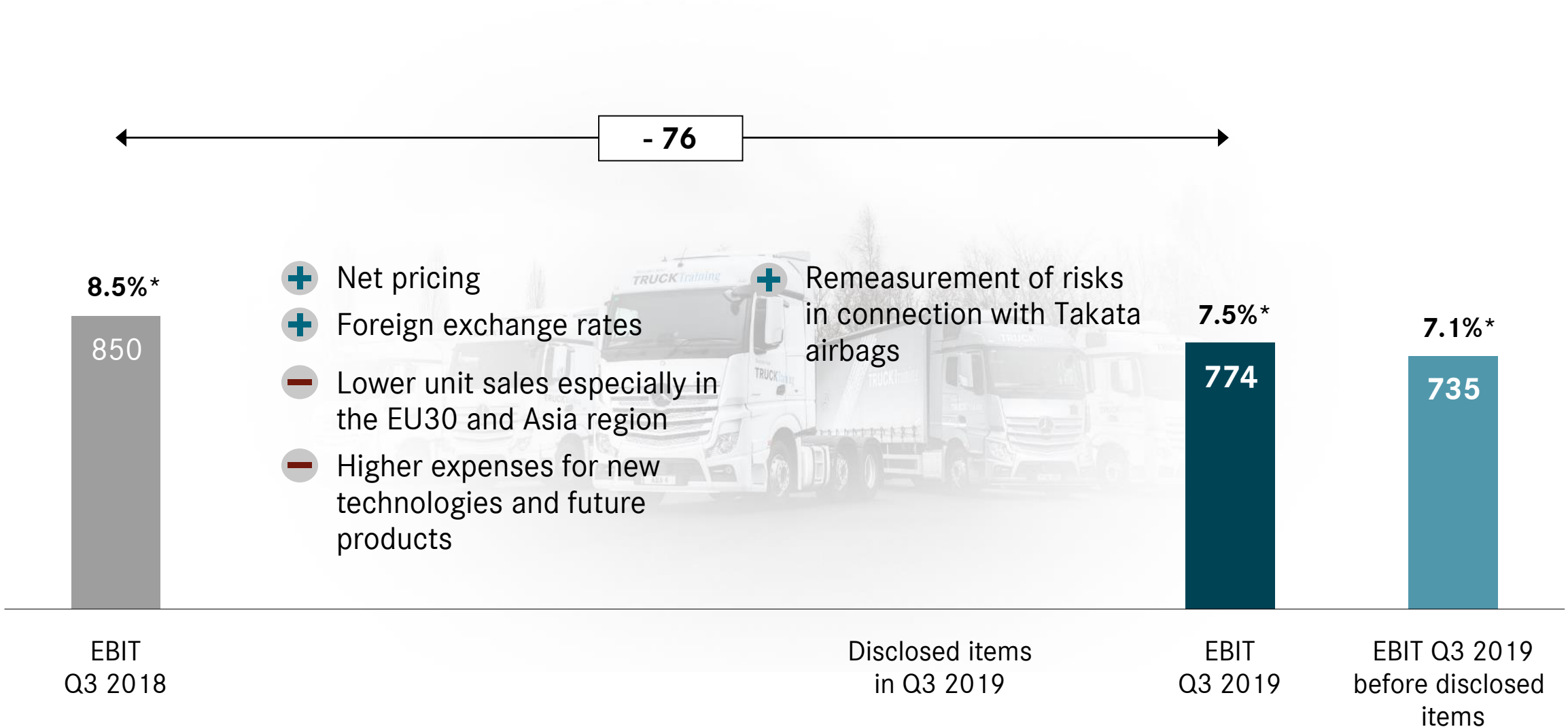
EBIT

in millions of euros



Daimler Trucks: EBIT

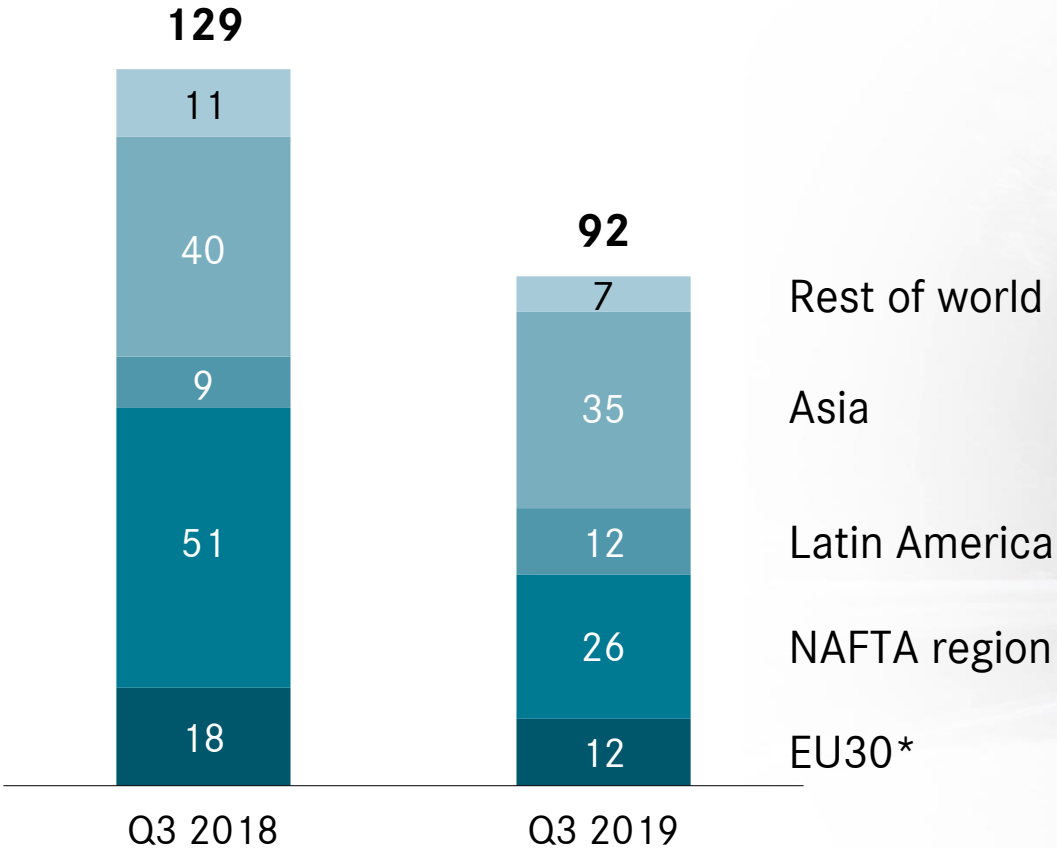
in millions of euros



* Return on sales

Daimler Trucks: Incoming Orders

in thousands of units

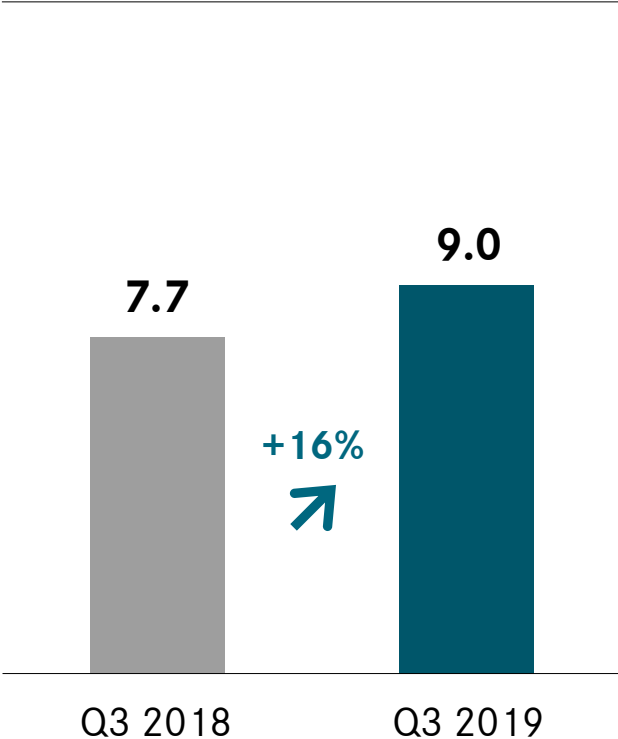


* European Union, Switzerland and Norway

Daimler Buses

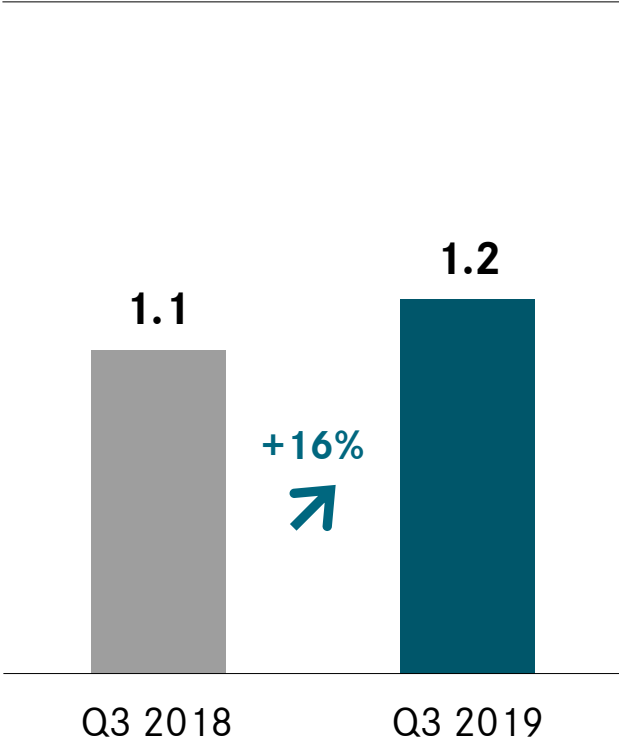
Unit sales

in thousands of units



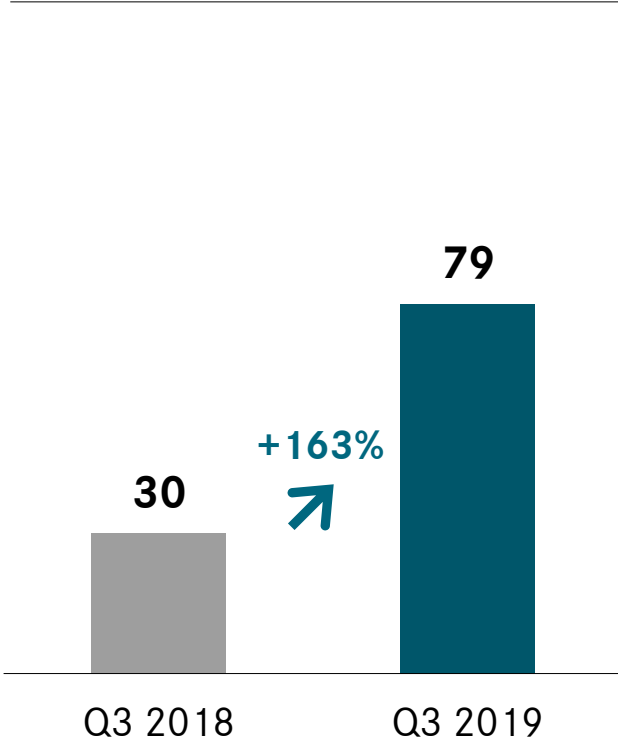
Revenue

in billions of euros



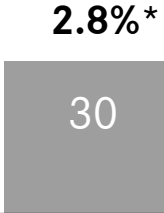
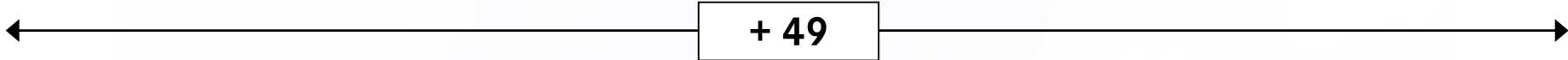
EBIT

in millions of euros



Daimler Buses: EBIT

in millions of euros



EBIT
Q3 2018

- + Higher unit sales in EU30 region and Brazil
- + Foreign exchange rates



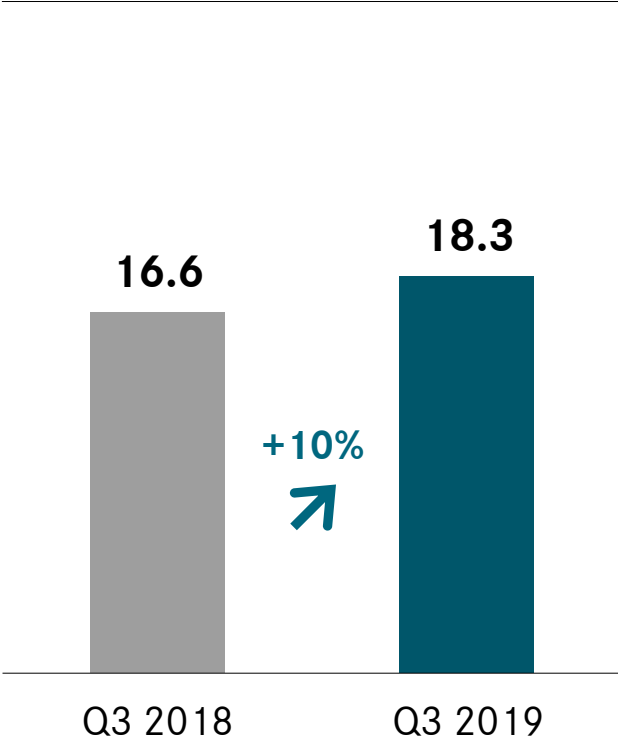
EBIT
Q3 2019

* Return on sales

Daimler Mobility

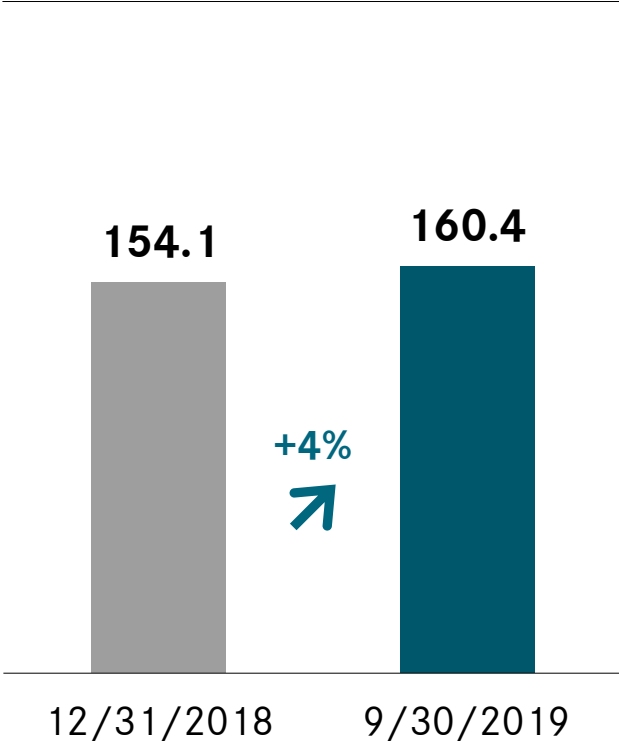
New business

in billions of euros



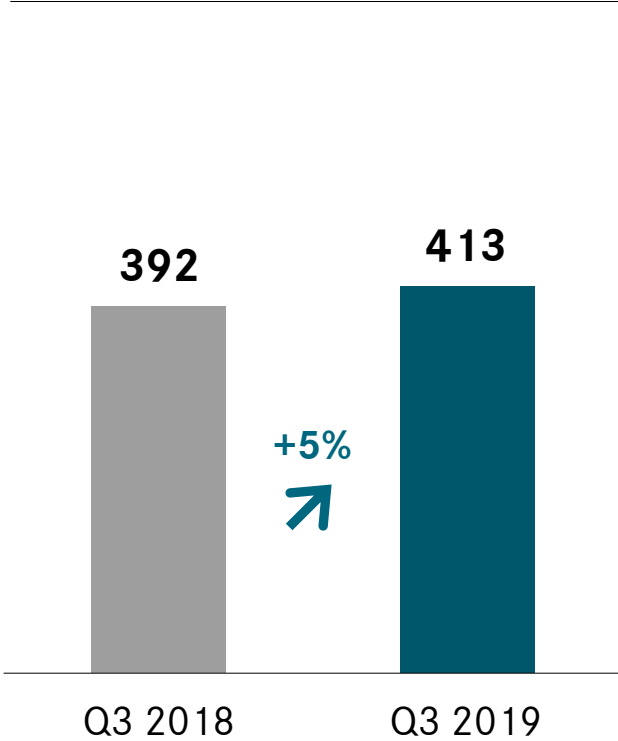
Contract volume

in billions of euros



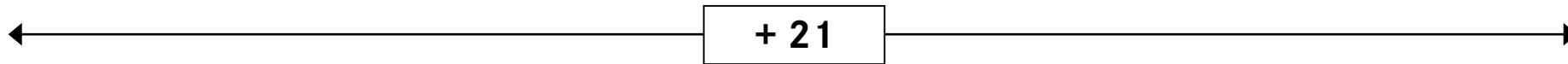
EBIT

in millions of euros



Daimler Mobility: EBIT

in millions of euros



12.5%*

392

EBIT
Q3 2018

- + Higher interest result
- + Higher contract volume
- Normalization of cost of risk
- Higher expenses for new mobility solutions

11.9%*

413

EBIT
Q3 2019

* Return on equity

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	slight growth
Heavy- and medium-duty truck markets	NAFTA region	slight growth
	EU30	slight decrease
	Japan*	around the prior-year level
	Brazil	significant growth
	Indonesia*	significant decrease
Bus markets	EU30	significant 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

Slightly higher unit sales

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 lower unit sales

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



Daimler Buses

Slightly 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 6 to 8%



Daimler Buses

Return on sales in the range of 5 to 7%



Daimler Mobility

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

As reported, Daimler is subject to legal proceedings in connection with diesel exhaust emissions. In the context of their final resolution, additional expenditures may arise, which may – subject to the further development of the proceedings – negatively affect the above mentioned profitability expectations in particular of the Mercedes-Benz Cars and Mercedes-Benz Vans divisions.

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

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Unit sales by division

in thousands of units

	Q3 2018	Q3 2019	% change
Daimler Group	794.7	839.3	+6
of which			
Mercedes-Benz Cars	559.5	604.7	+8
Mercedes-Benz Vans	91.4	100.3	+10
Daimler Trucks	136.1	125.4	-8
Daimler Buses	7.7	9.0	+16

Revenue by division

in billions of euros

	Q3 2018	Q3 2019	% change
Daimler Group	40.2	43.3	+8
of which			
Mercedes-Benz Cars	21.7	23.5	+9
Mercedes-Benz Vans	3.0	3.5	+15
Daimler Trucks	10.0	10.3	+3
Daimler Buses	1.1	1.2	+16
Daimler Mobility	6.4	7.1	+11

Revenue by region

in billions of euros

	Q3 2018	Q3 2019	% change
Daimler Group	40.2	43.3	+8
of which			
Europe	16.2	17.3	+7
<i>of which Germany</i>	5.9	6.6	+11
NAFTA	11.7	13.1	+11
<i>of which United States</i>	10.1	11.4	+13
Asia	9.7	10.3	+7
<i>of which China*</i>	4.7	4.6	-2
Other markets	2.6	2.6	-3

* excluding revenue of not fully consolidated companies

EBIT by division

EBIT in millions of euros; RoS/RoE in %

	Q3 2018		Q3 2019	
	EBIT	RoS/RoE*	EBIT	RoS/RoE*
Daimler Group	2,488	6.2	2,694	6.3
of which				
Mercedes-Benz Cars	1,372	6.3	1,423	6.0
Mercedes-Benz Vans	-93	-3.1	113	3.2
Daimler Trucks	850	8.5	774	7.5
Daimler Buses	30	2.8	79	6.4
Daimler Mobility	392	12.5	413	11.9
Reconciliation	-63	-	-108	-

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

Key balance sheet and financial figures

in billions of euros

Daimler Group	Dec. 31, 2018	Sept. 30, 2019
Equity ratio	22.2%	20.6%
Gross liquidity	25.4	26.0
Funded status of pension obligations	-6.2	-10.5
<i>Funding ratio</i>	<i>80%</i>	<i>72%*</i>
Industrial business		
Equity ratio	42.8%	36.3%
Net liquidity	16.3	9.6
Free cash flow (January-September)	-0.1	-0.5

* mainly driven by a reduction of discount rates

Consolidated statement of income (condensed)

in millions of euros

	Daimler Group		Industrial Business	
	Q3 2018	Q3 2019	Q3 2018	Q3 2019
Revenue	40,211	43,270	33,826	36,184
Cost of sales	-32,247	-34,596	-26,686	-28,416
Gross profit	7,964	8,674	7,140	7,768
Selling expenses	-3,191	-3,136	-2,963	-2,941
General administrative expenses	-953	-1,005	-750	-814
Research and non-capitalized development costs	-1,775	-1,764	-1,775	-1,764
Other operating income/expense	-84	-167	-100	-192
Profit/loss on equity-method investments	325	193	335	326
Other financial income	199	-105	206	-106
Interest income/expense	-140	-115	-139	-112
Profit before income taxes	2,345	2,575	1,954	2,165
Income taxes	-584	-762	-470	-640
Net profit	1,761	1,813	1,484	1,525
Earnings per share (in euros)	1.58	1.61	-	-

Statement of cash flows (condensed)

in millions of euros

	Daimler Group		Industrial Business	
	Q1-Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Q1-Q3 2019
Cash provided by operating activities	-830	6,560	6,629	8,217
of which: Profit before income taxes	8,122	3,526	7,119	1,480
Depreciation and amortization/impairments	4,576	5,561	4,487	5,449
Change in working capital	-3,096	-3,482	-3,107	-3,539
Cash used for investing activities	-6,908	-8,145	-6,498	-7,199
of which: Additions to property, plant and equipment	-4,958	-5,191	-4,914	-5,123
Cash used for/provided by financing activities	10,622	2,295	2,634	927
Free cash flow	-8,035	-2,985	-60	-522

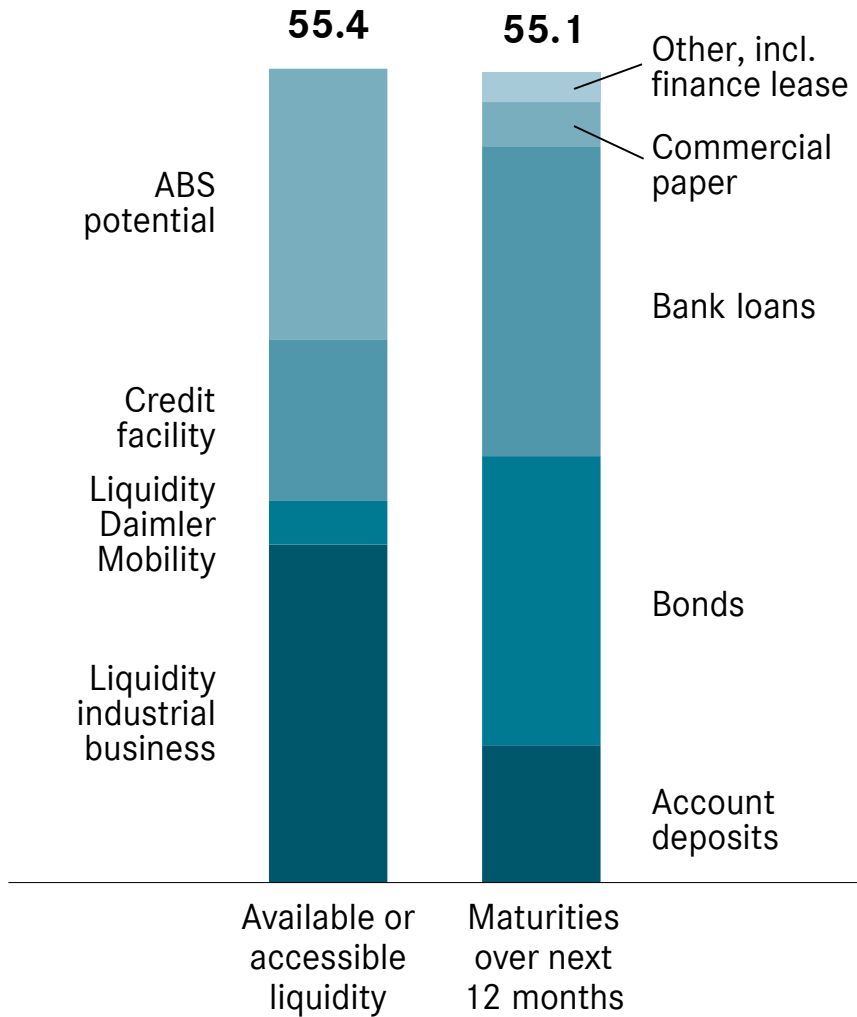
Statement of financial position (condensed)

in millions of euros

	Daimler Group		Industrial Business	
	Dec. 31, 2018	Sept. 30, 2019	Dec. 31, 2018	Sept. 30, 2019
Intangible assets	14,801	15,874	13,913	14,985
Property, plant and equipment	30,948	36,665	30,859	36,311
Receivables from financial services & equipment on operating leases	146,216	152,389	18,419	18,799
Equity-method investments	4,860	6,150	4,651	4,564
Inventories	29,489	35,552	28,096	34,135
Trade receivables	12,586	12,569	10,545	10,567
Liquidity	25,430	25,988	21,163	23,020
Other assets	17,289	20,192	-11,343	-8,757
Total assets	281,619	305,379	116,303	133,624
Equity	66,053	62,772	53,243	48,472
Provisions	24,406	32,598	23,269	31,298
Financing liabilities	144,902	159,746	4,771	14,453
Trade payables	14,185	16,169	13,395	15,400
Other liabilities	32,073	34,094	21,625	24,001
Total equity and liabilities	281,619	305,379	116,303	133,624

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

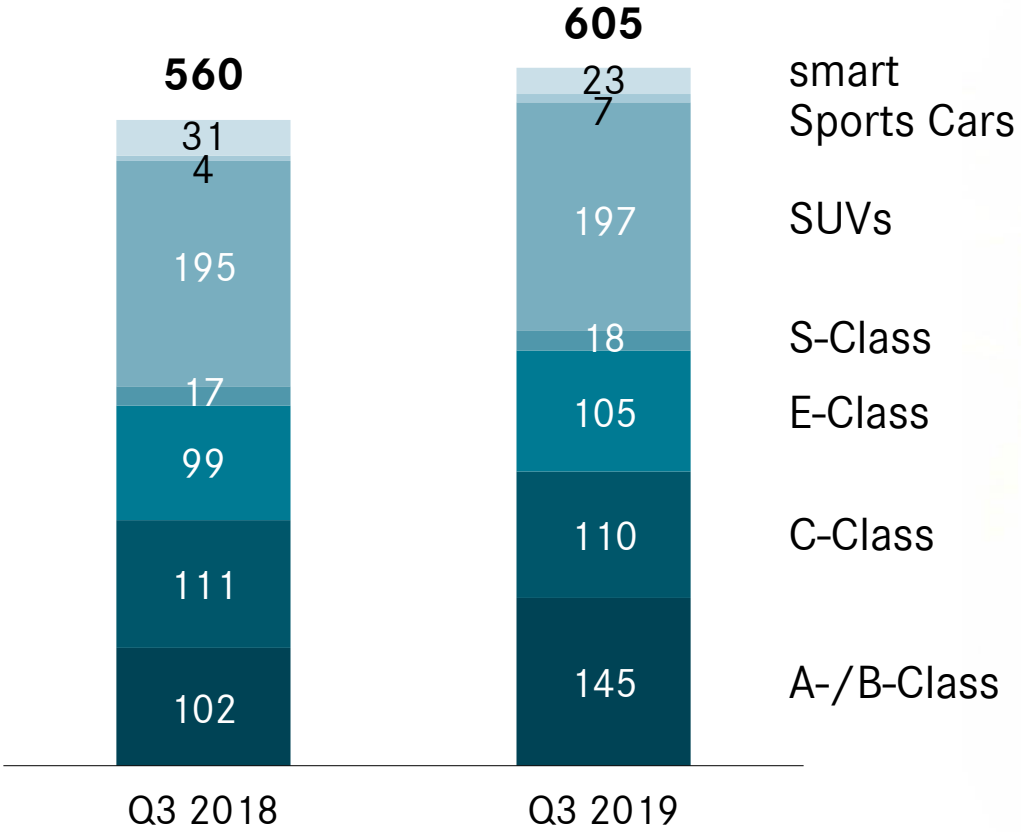
Daimler follows a financial management to safeguard our A-rating and thus our attractive refinancing conditions

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

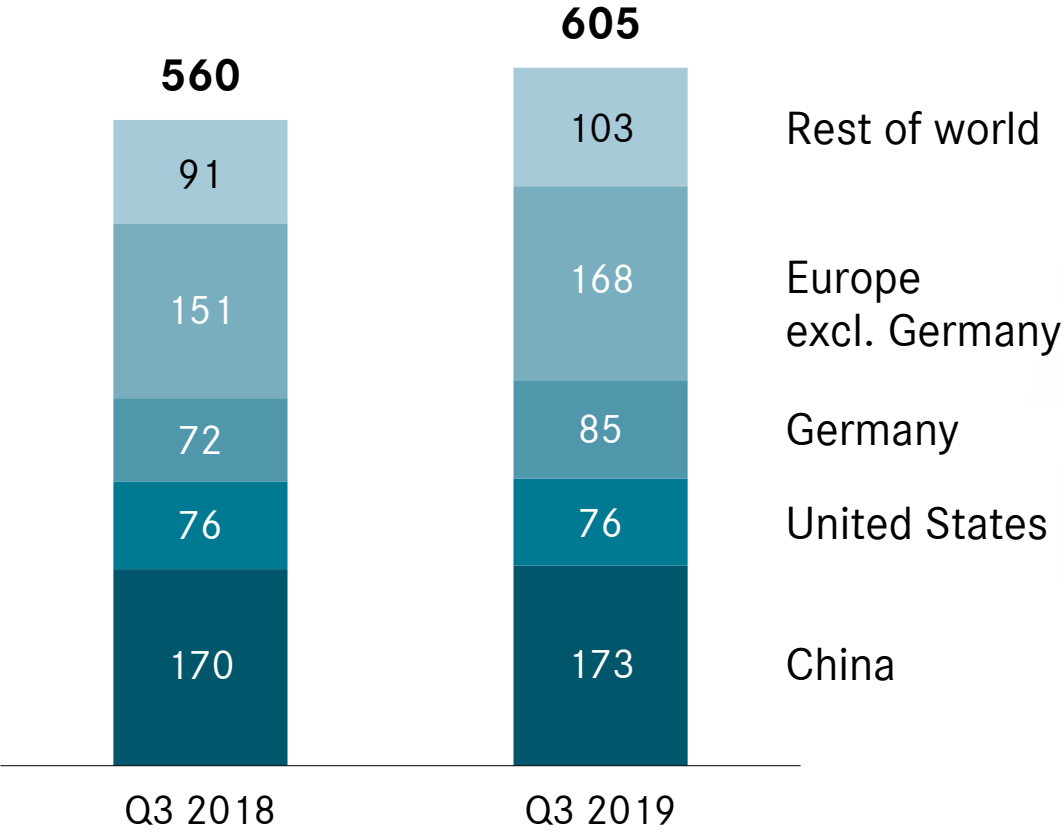
Mercedes-Benz Cars: unit sales by segments

in thousands of units



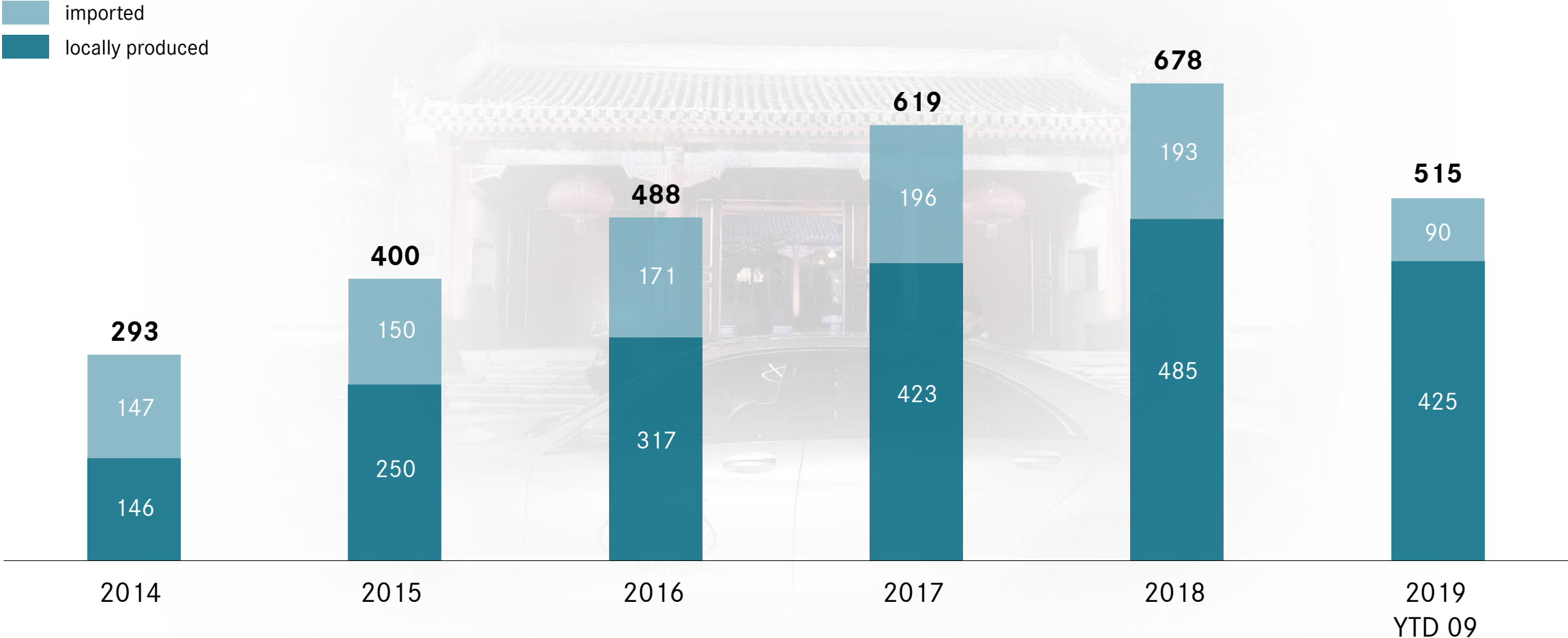
Mercedes-Benz Cars: unit sales by regions

in thousands of units



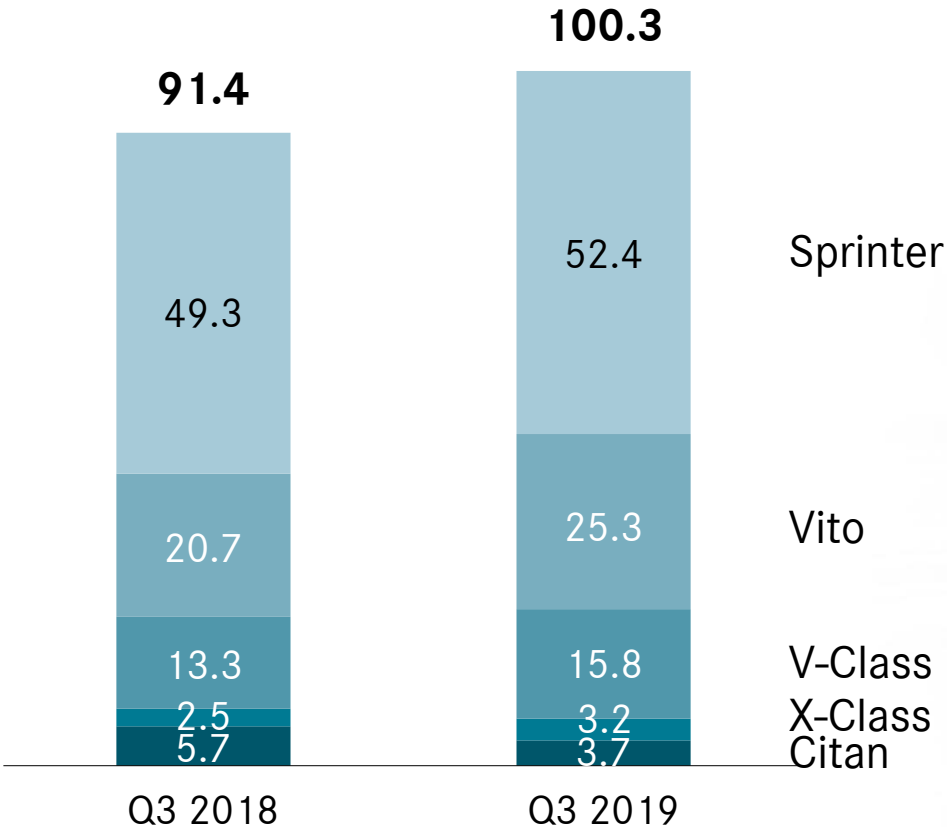
Mercedes-Benz Cars: unit sales in China

in thousands of units



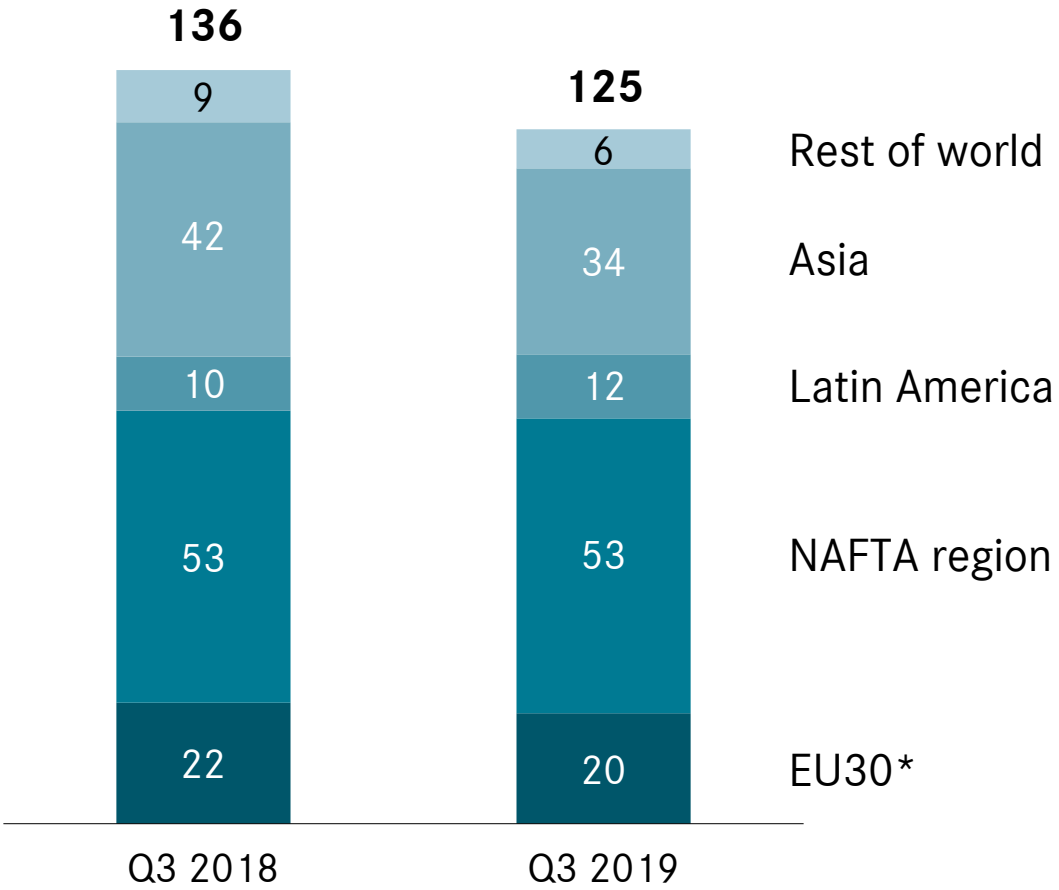
Mercedes-Benz Vans: unit sales by segments

in thousands of units



Daimler Trucks: unit sales by regions

in thousands of units

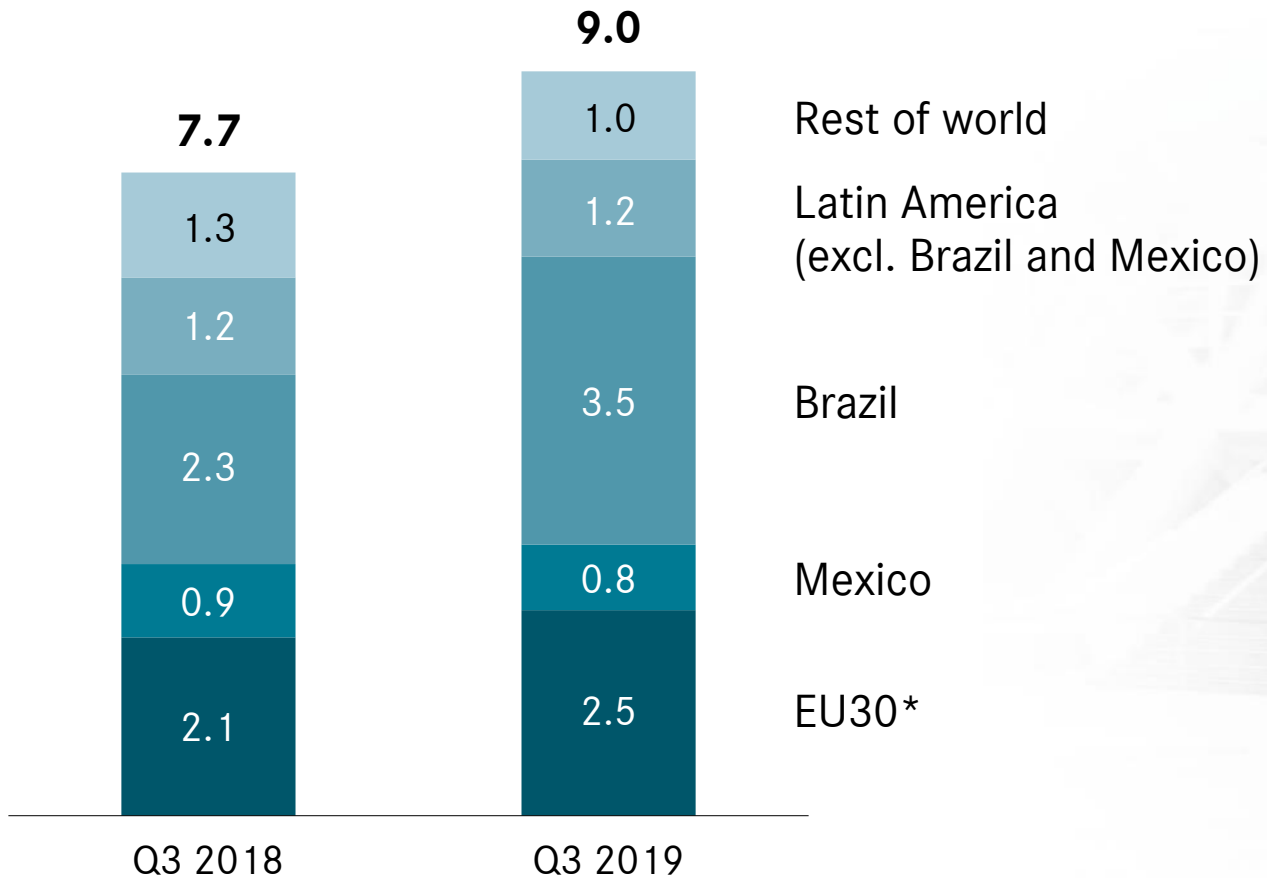


* European Union, Switzerland and Norway



Daimler Buses: unit sales by regions

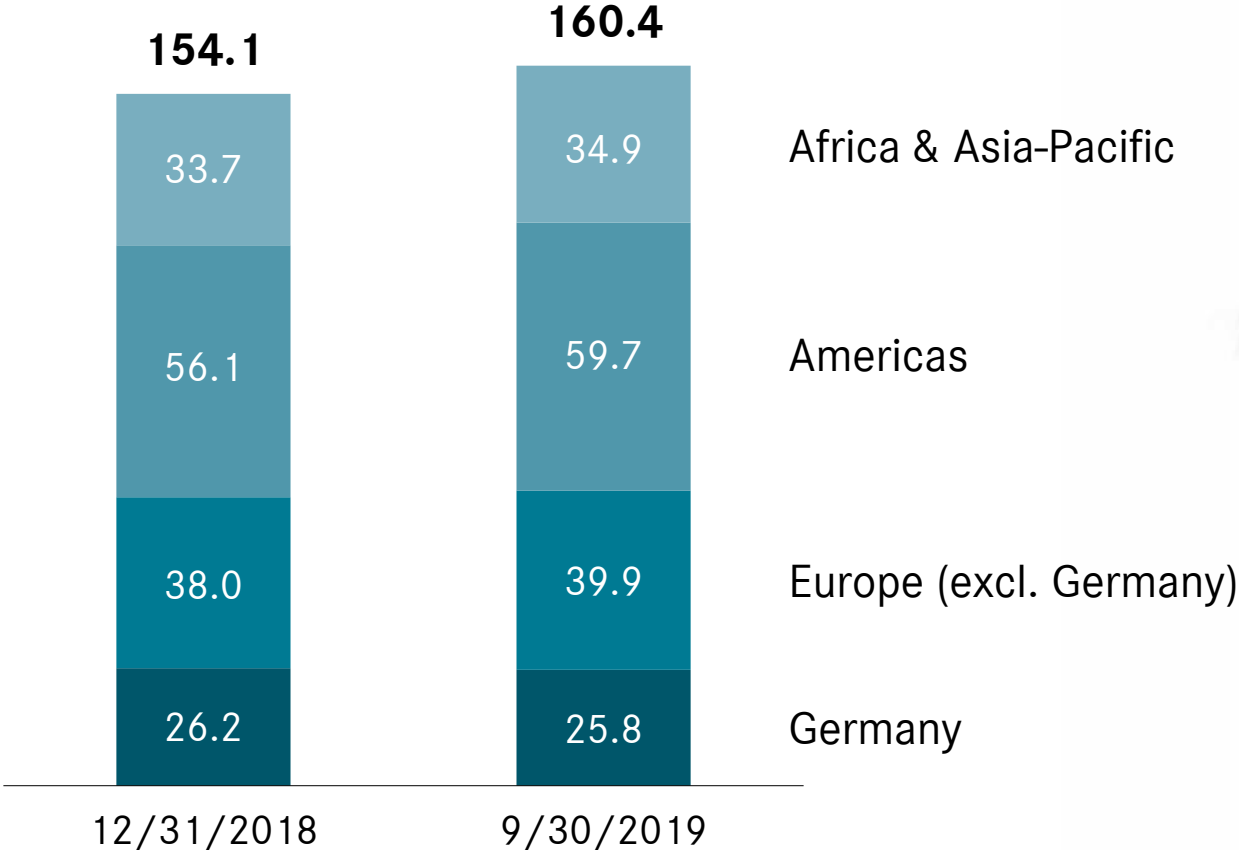
in thousands of units



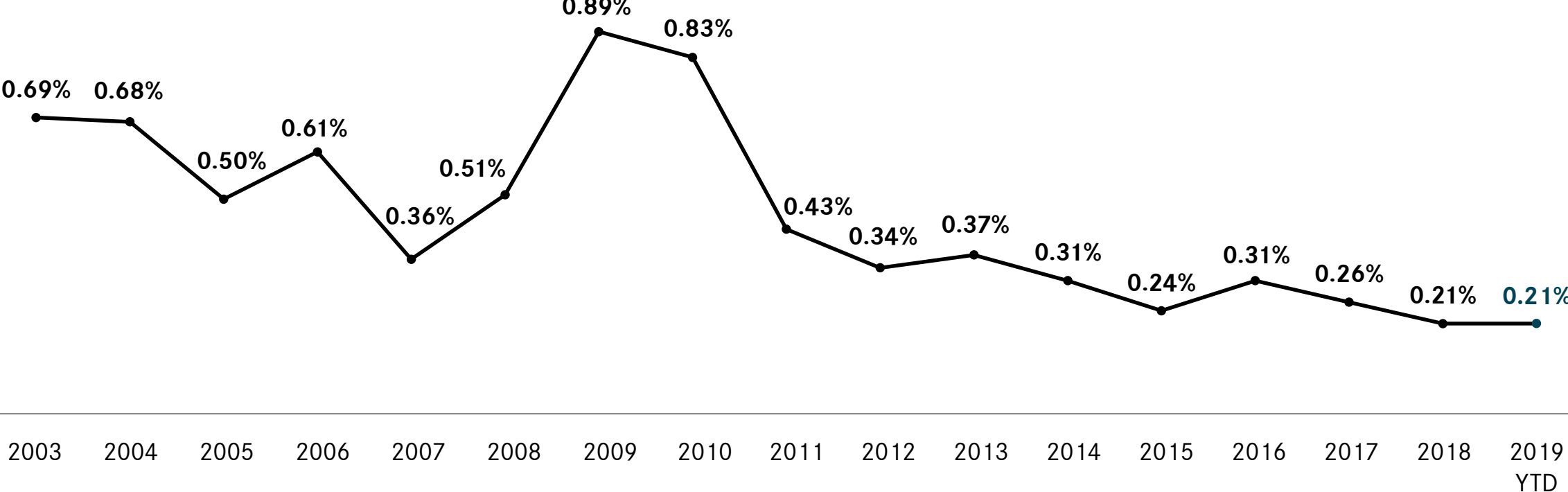
* European Union, Switzerland and Norway

Daimler Mobility: contract volume

in billions of euros



Daimler Mobility: net credit losses*



* as a percentage of portfolio, subject to credit risk

YOUR NOW Joint Ventures

The Mobility Powerhouse

09/2019
YTD



Interactions in millions	421	199	26.3	25.4	171*	0.19
Customers** in millions	>83	35.1	>4	8.4	36.0*	0.03
Cities**	>1,300	140	31	19	>1,300*	n/a
GMV RR*** in bn €	3.5					



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

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.