

# DAIMLER

Q1 2018

Corporate Presentation



# Contents

## **Group Financials**

Divisional Information

Daimler Group Strategy

Outlook

Funding

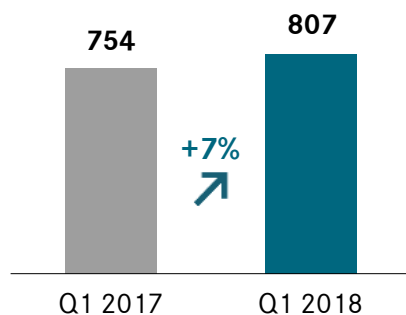
Appendix



# Highlights of Q1 2018

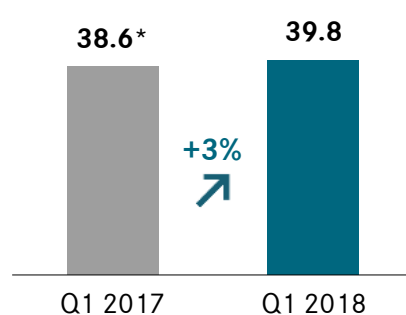
## Unit sales

- in thousands of units -



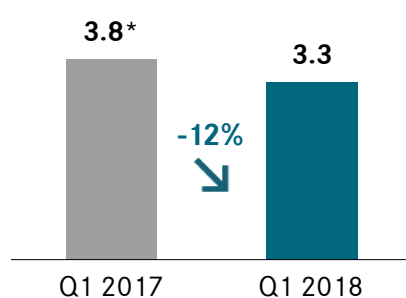
## Revenue

- in billions of euros -



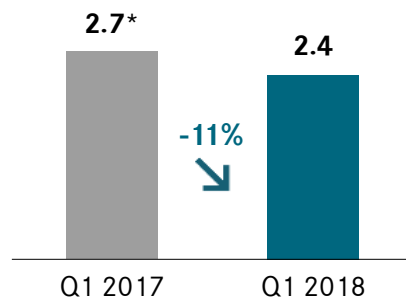
## EBIT

- in billions of euros -



## Net profit

- in billions of euros -



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World premiere of the new Mercedes-Benz A-Class

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Presentation of the upgraded C-Class sedan, wagon, coupe and cabriolet

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World premiere of the new Mercedes-Benz Sprinter

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Daimler and BMW Group agreed to combine their mobility services

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Daimler further strengthened its electric mobility commitment in China through investment in BJEV, a subsidiary of BAIC Group

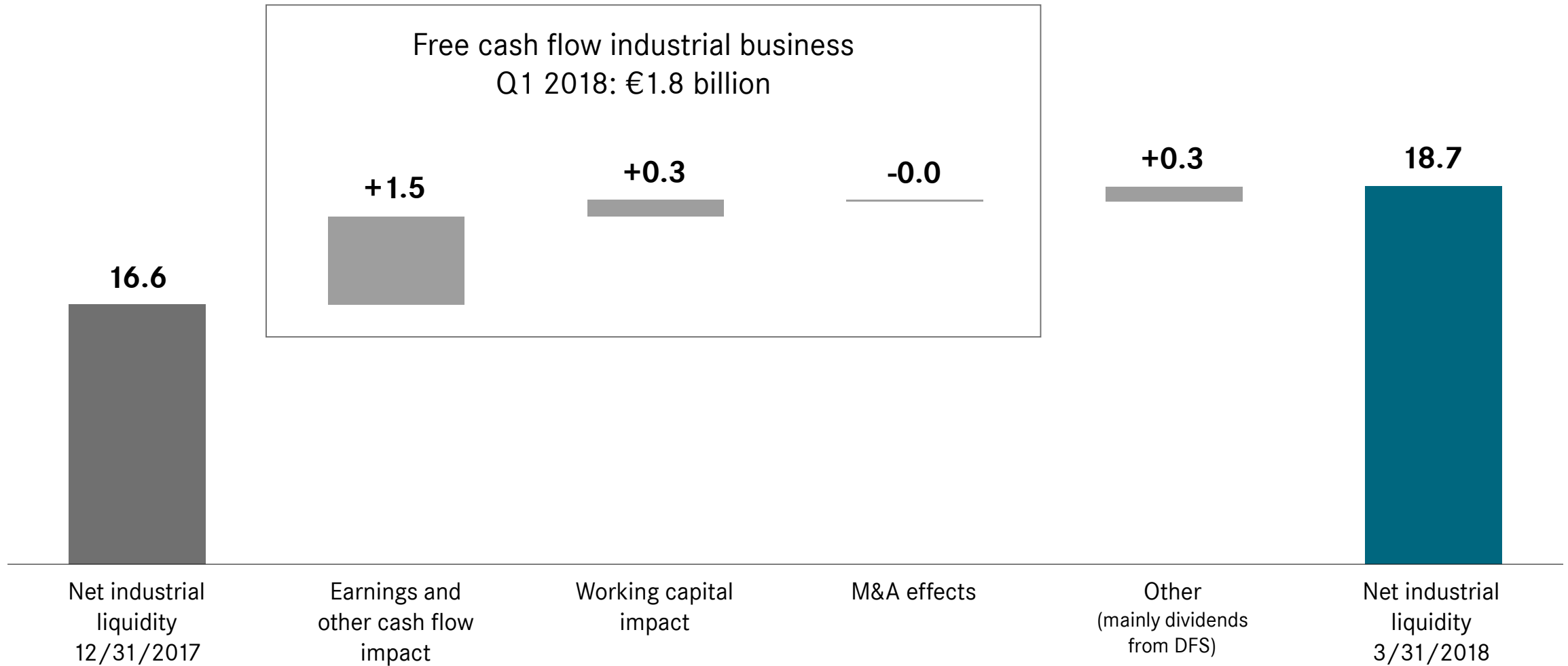
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Chinese entrepreneur Li Shufu acquired a 9.69% stake in Daimler AG

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# Continued high level of net industrial liquidity

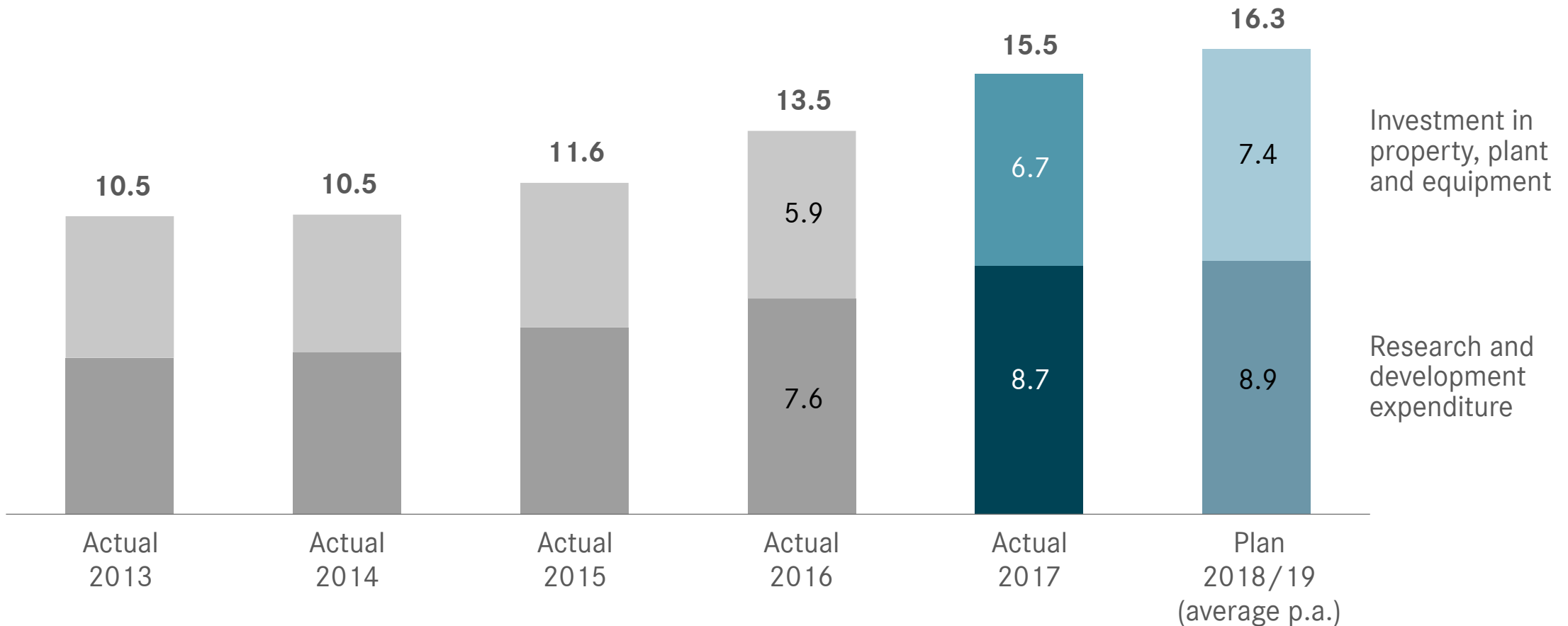
- in billions of euros -





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

in billion euros



# Application of new accounting standards IFRS 9 and IFRS 15

**New IFRS 9 and IFRS 15 standards to be applied for the first time for financial year 2018**

**Retrospective adjustment of Financial Statements 2017 for comparability reasons**

**The introduction of IFRS 15 results in changes regarding revenue recognition**

**The new IFRS 9 primarily affects the classification, measurement and impairment of financial instruments**

**The retrospective adoption for 2017 leads to changes in revenue and earnings at Group and divisional level, primarily at Mercedes-Benz Cars in Q1 2017**

**Based on the 2017 adjustments, 2018 outlook for Mercedes-Benz Cars and Daimler Buses has changed**

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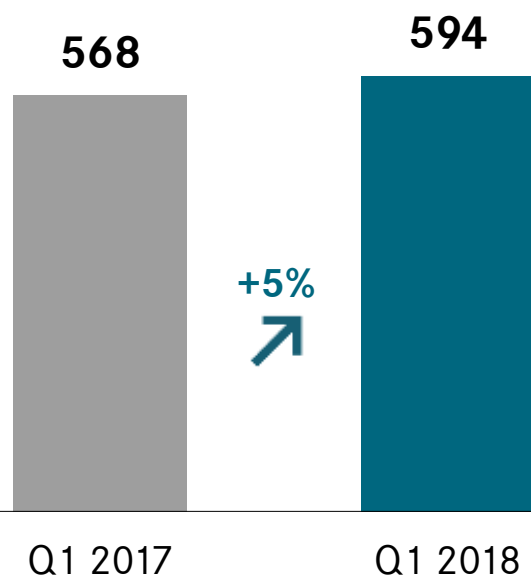
Appendix



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

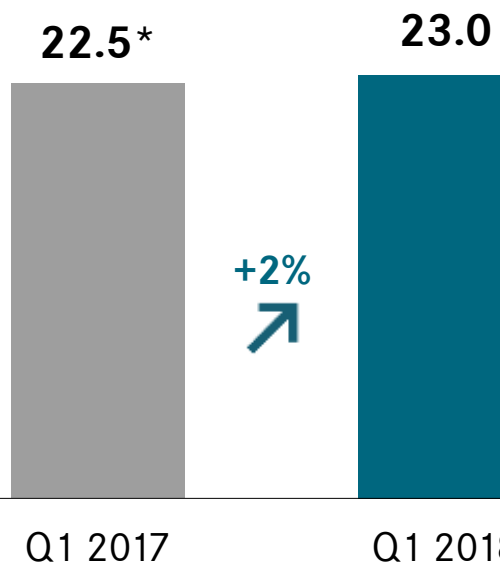
## Unit sales

- in thousands of units -



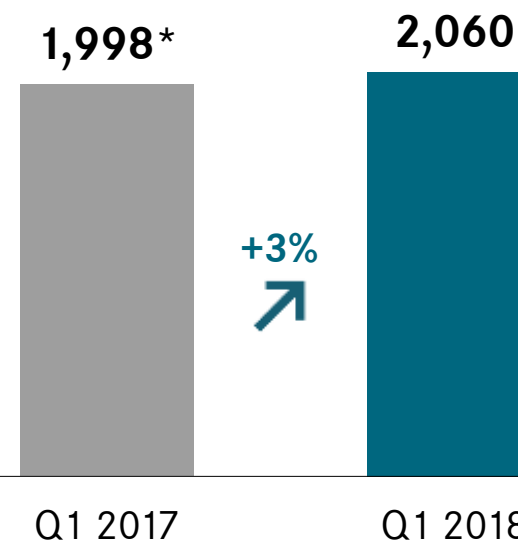
## Revenue

- in billions of euros -



## EBIT

- in millions of euros -

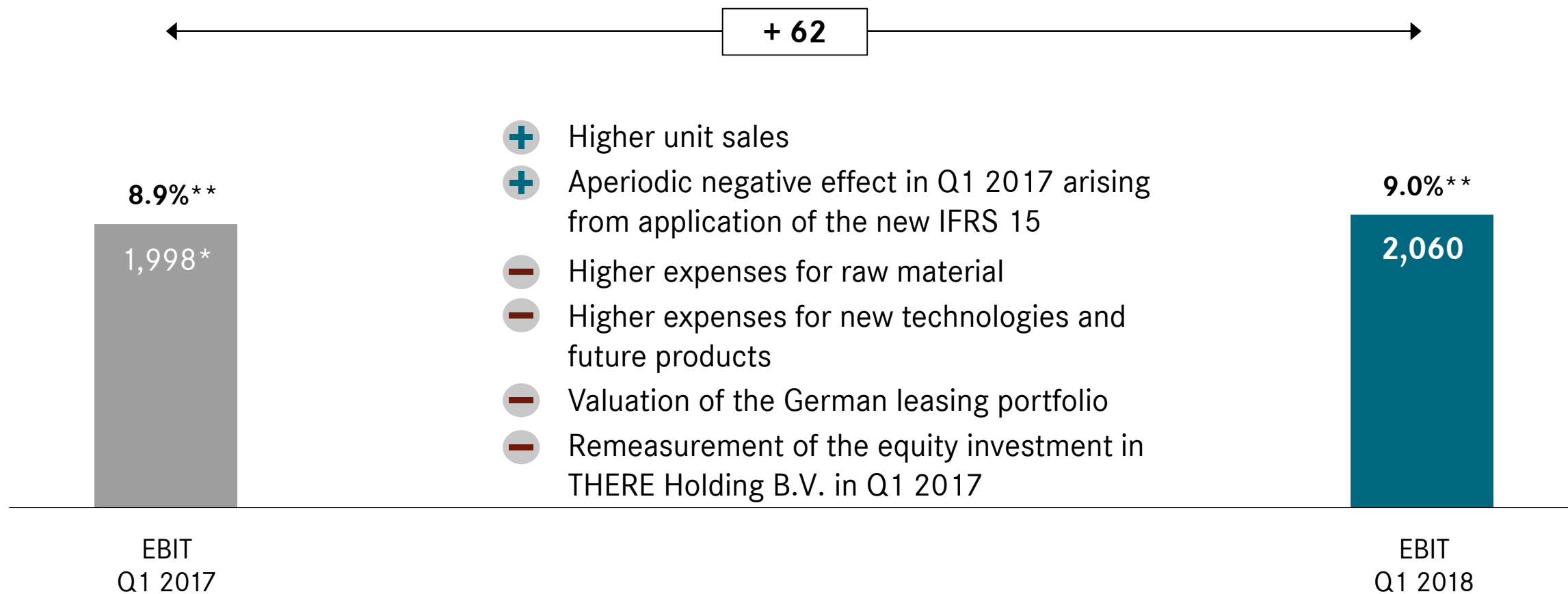


\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)



# Mercedes-Benz Cars: EBIT

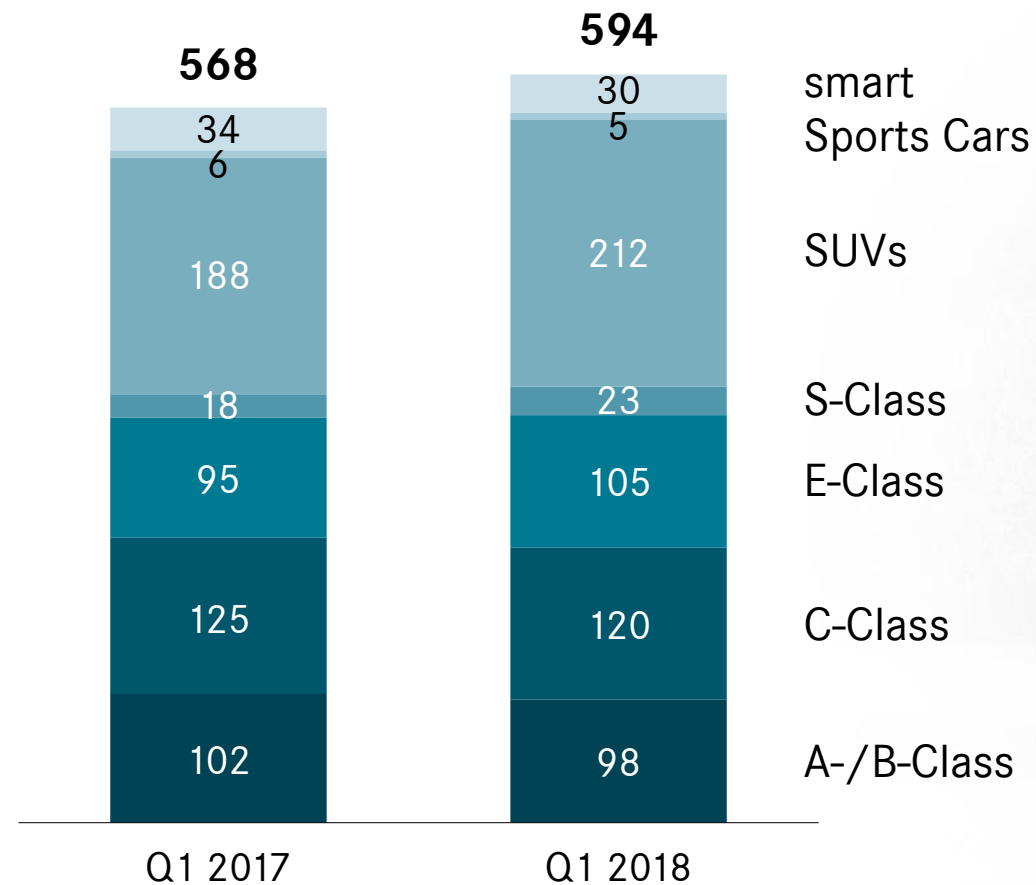
- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

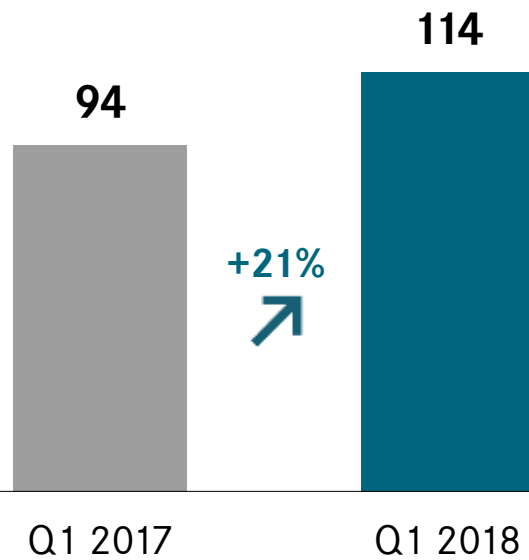
# Mercedes-Benz Cars: sales increase by 5% reflecting our strong product line-up



# Daimler Trucks: strong business development

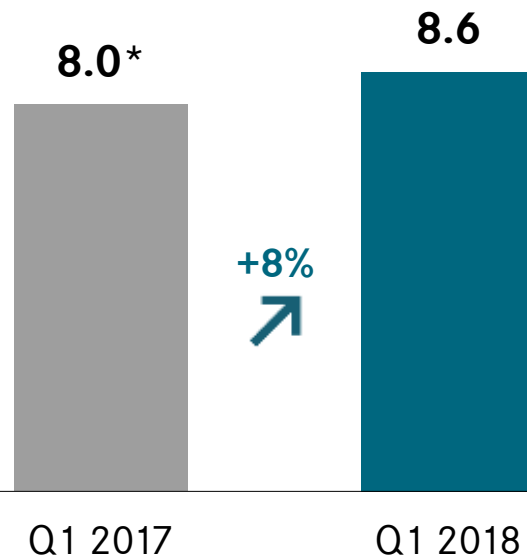
## Unit sales

- in thousands of units -



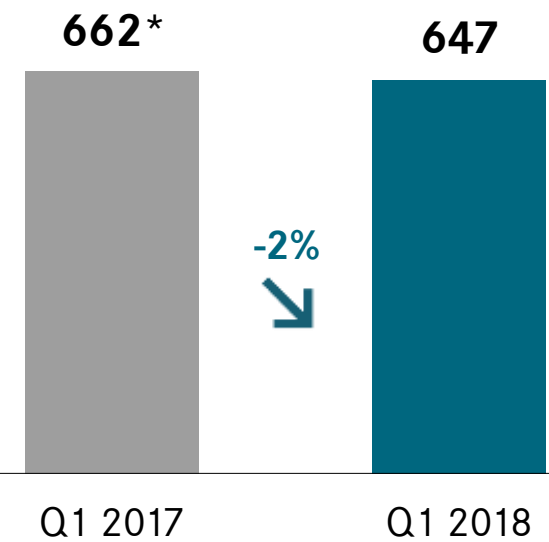
## Revenue

- in billions of euros -



## EBIT

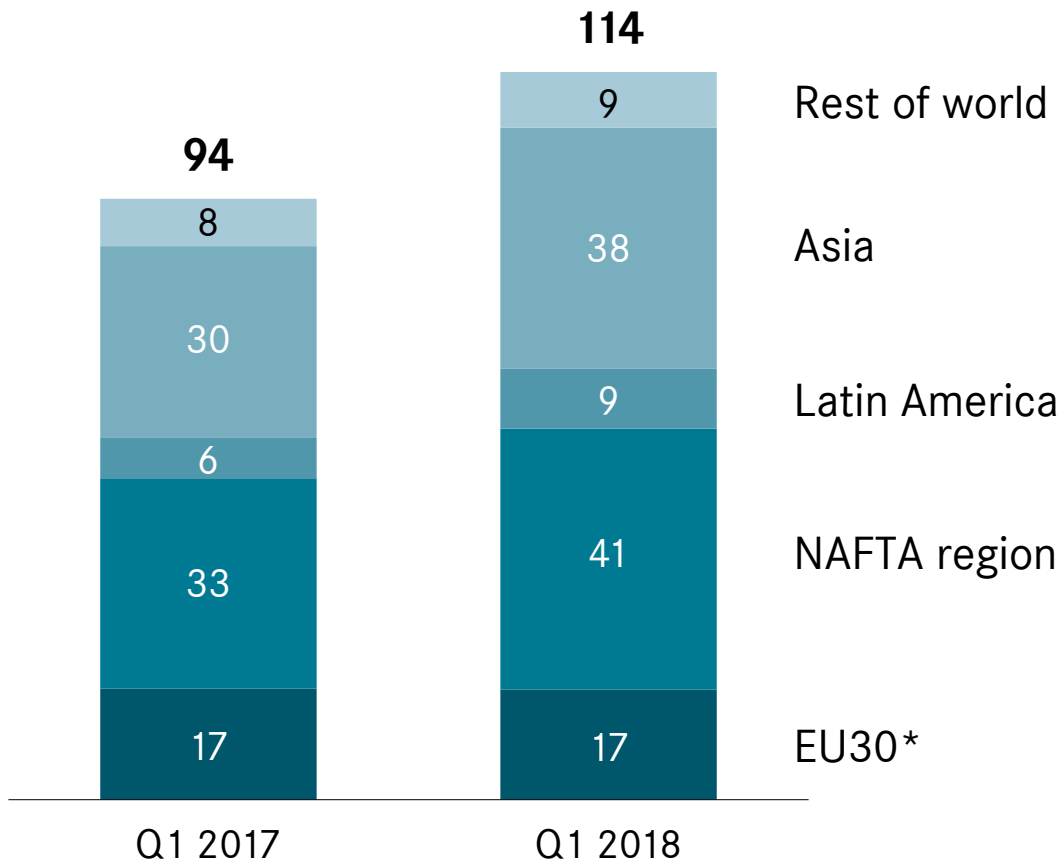
- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

# Daimler Trucks: sales increase by 21% mainly driven by NAFTA region and Asia

- in thousands of units -



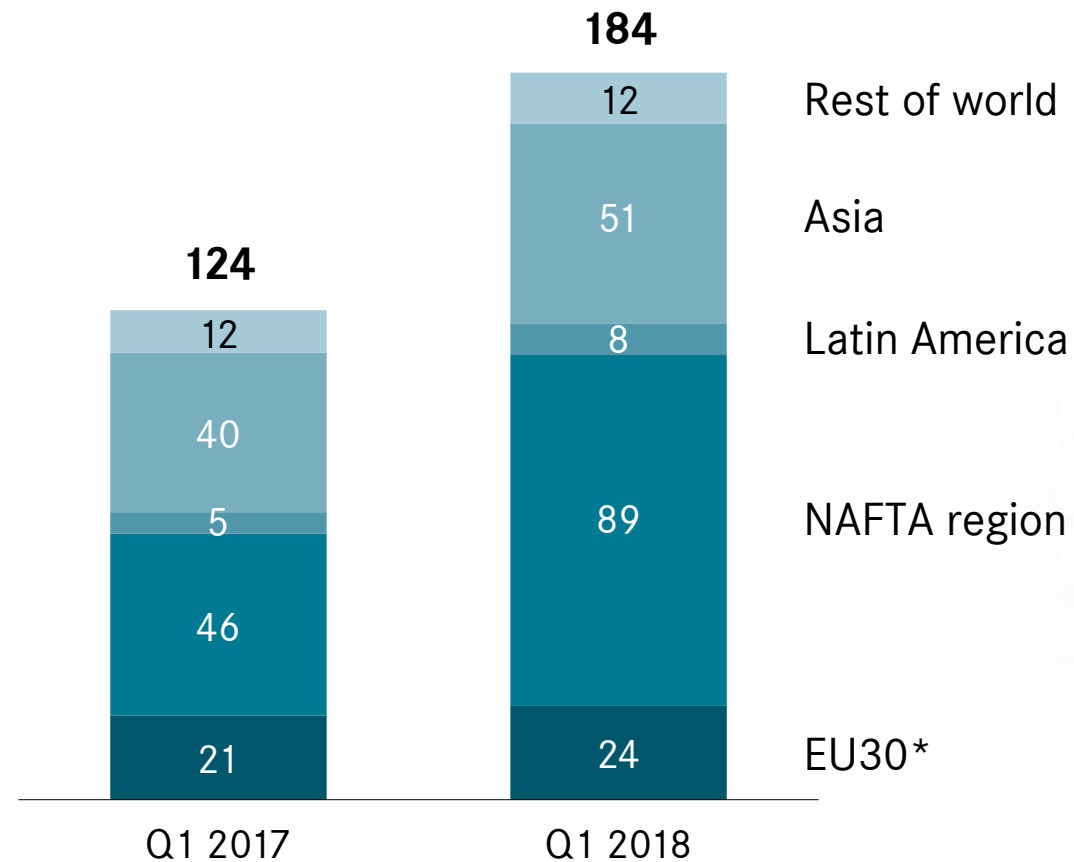
\* European Union, Switzerland and Norway





# Daimler Trucks: significant increase in incoming orders mainly driven by NAFTA region

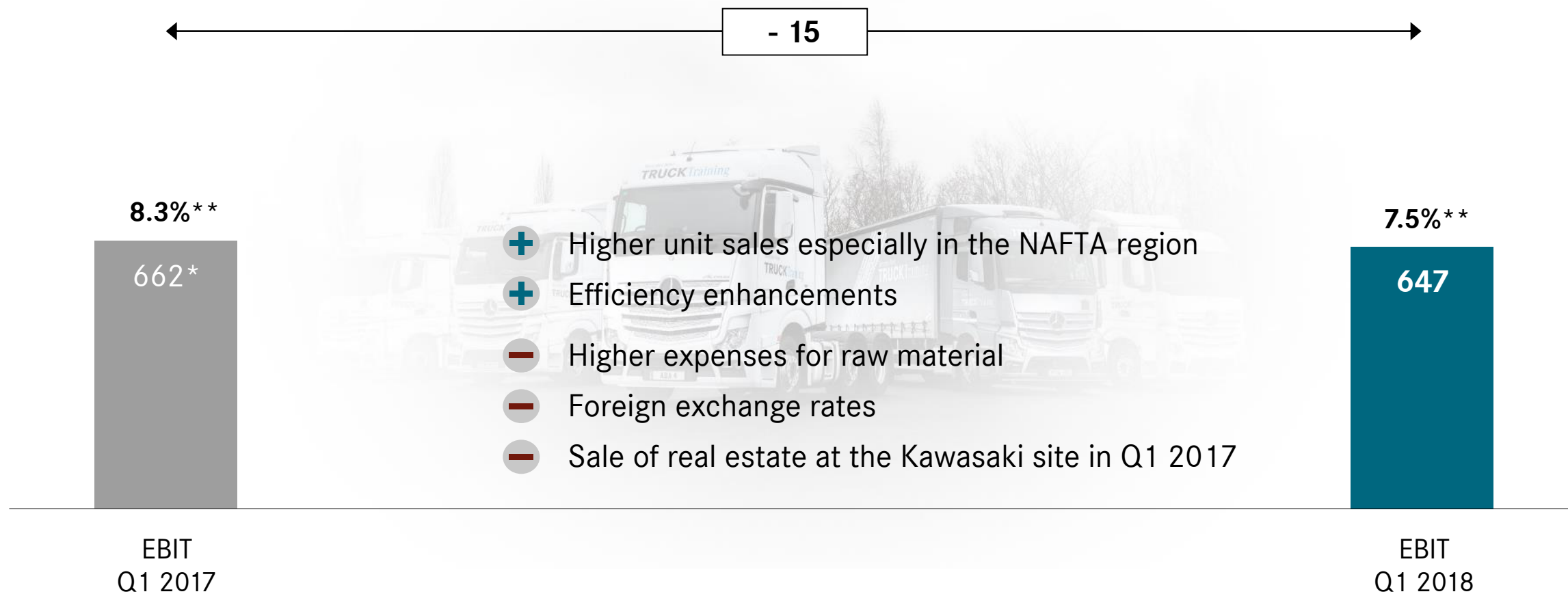
- in thousands of units -



\* European Union, Switzerland and Norway

# Daimler Trucks: EBIT

- in millions of euros -



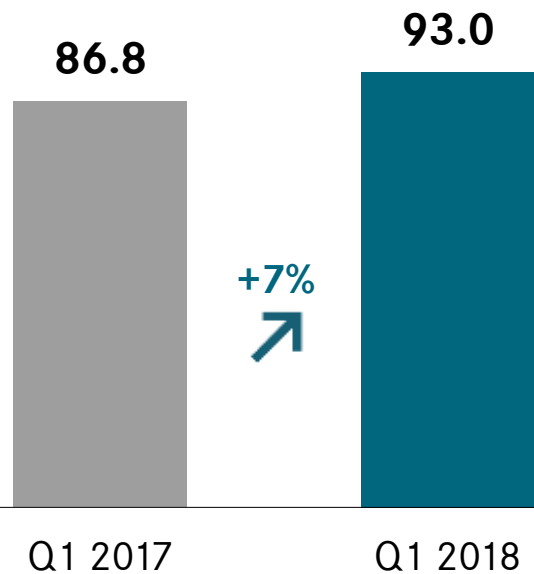
\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

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

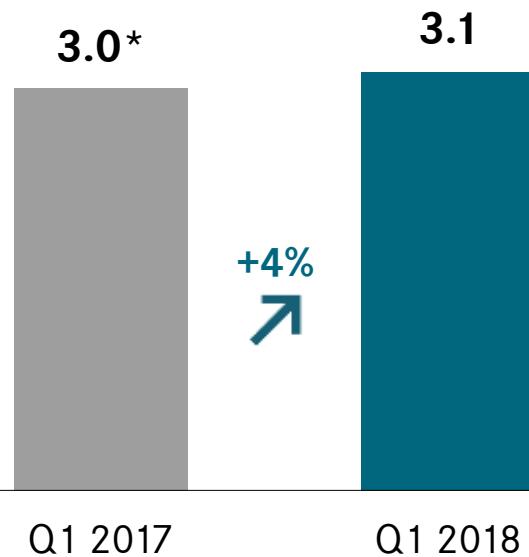
## Unit sales

- in thousands of units -



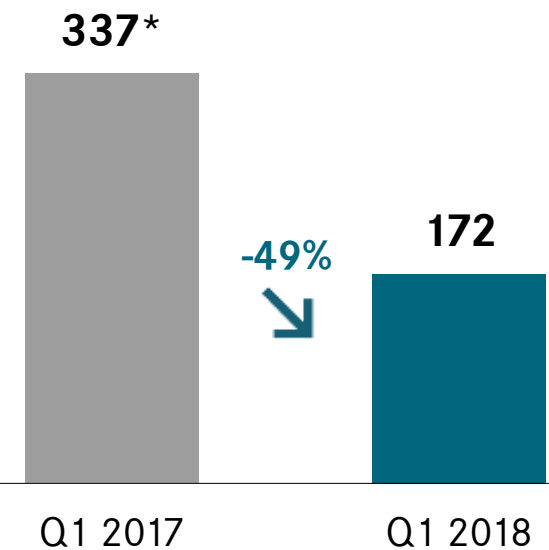
## Revenue

- in billions of euros -



## EBIT

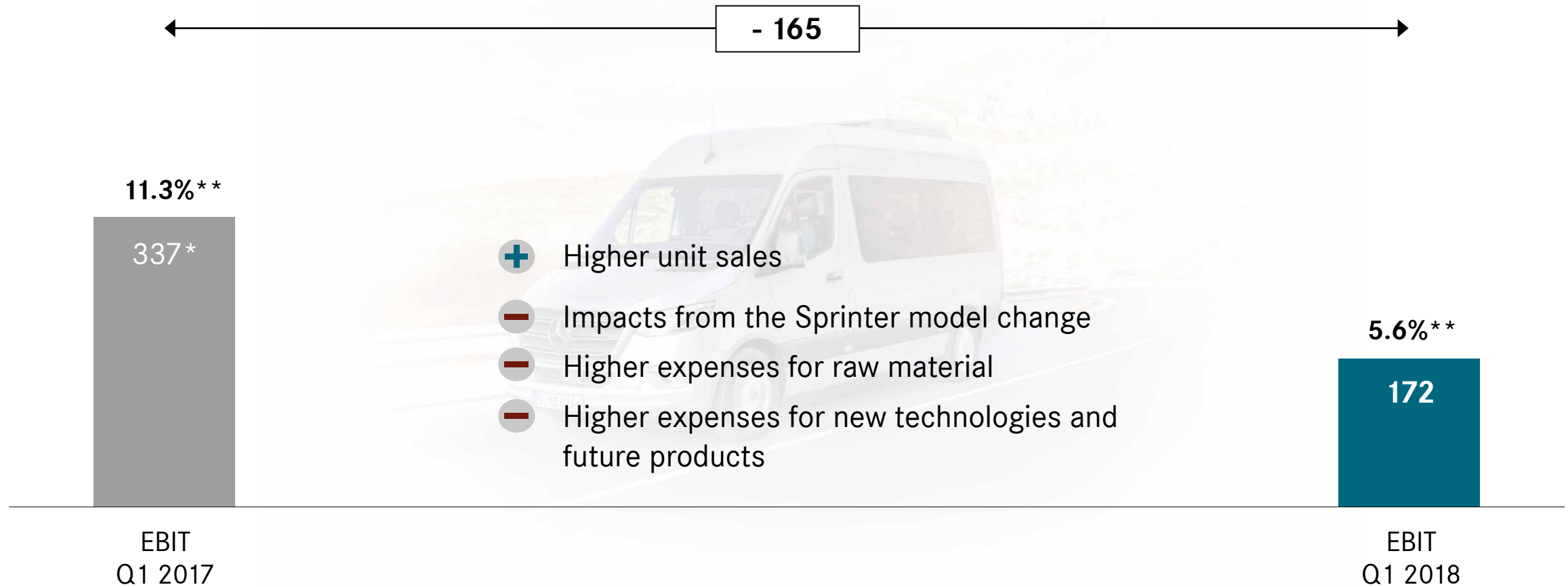
- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

# Mercedes-Benz Vans: EBIT

- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

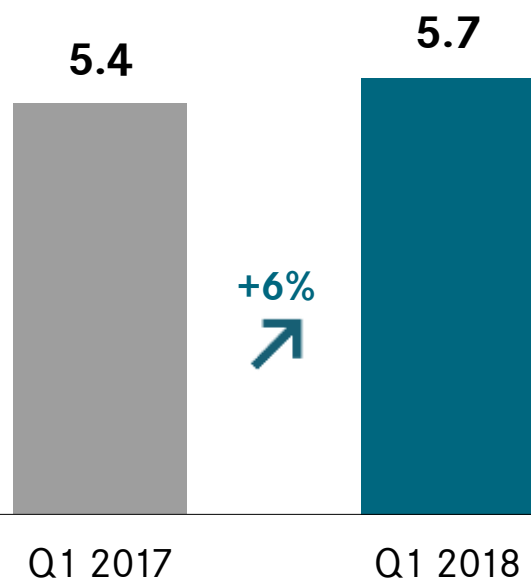
\*\* Return on sales



# Daimler Buses: positive development driven by strong European business and higher unit sales in Latin America

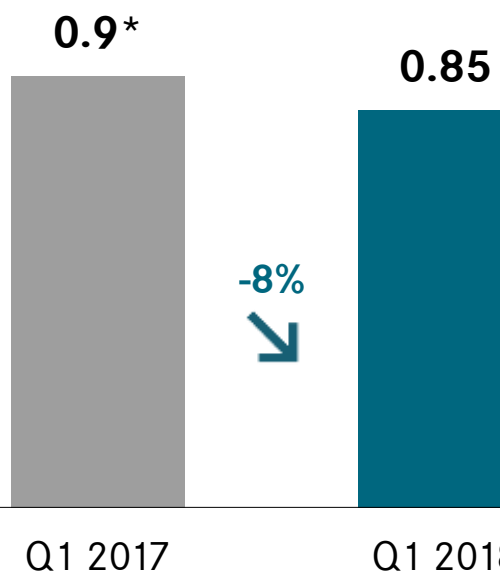
## Unit sales

- in thousands of units -



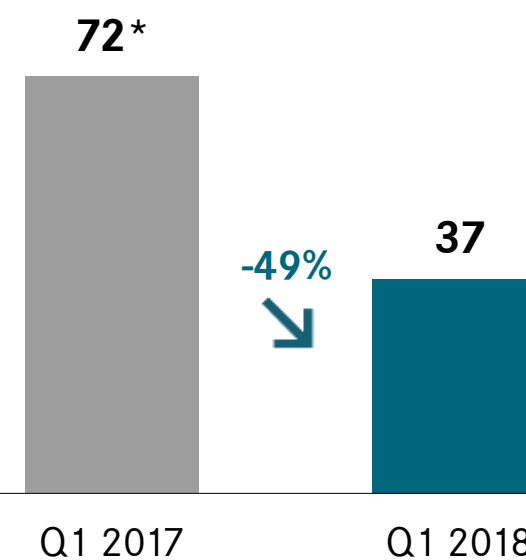
## Revenue

- in billions of euros -



## EBIT

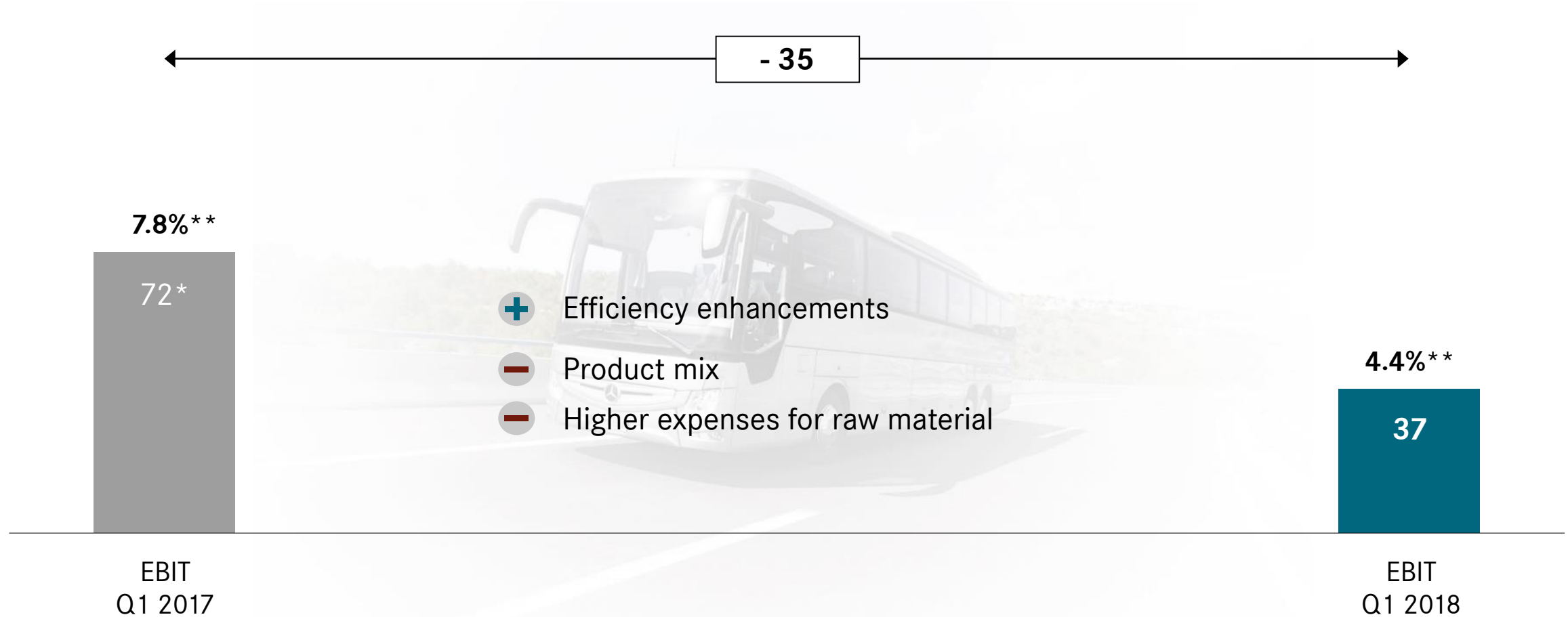
- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

# Daimler Buses: EBIT

- in millions of euros -



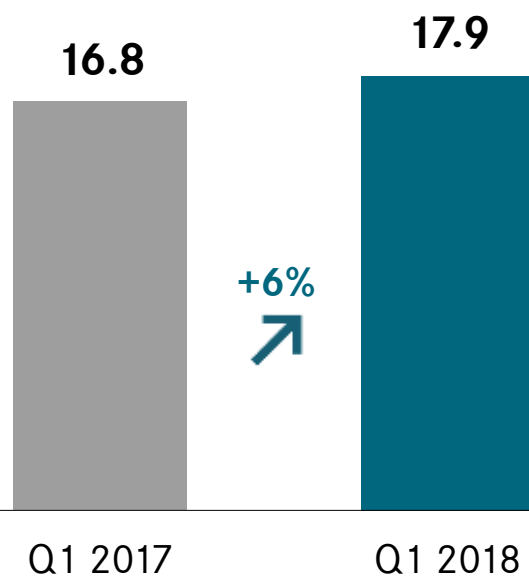
\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

# Daimler Financial Services: further business growth

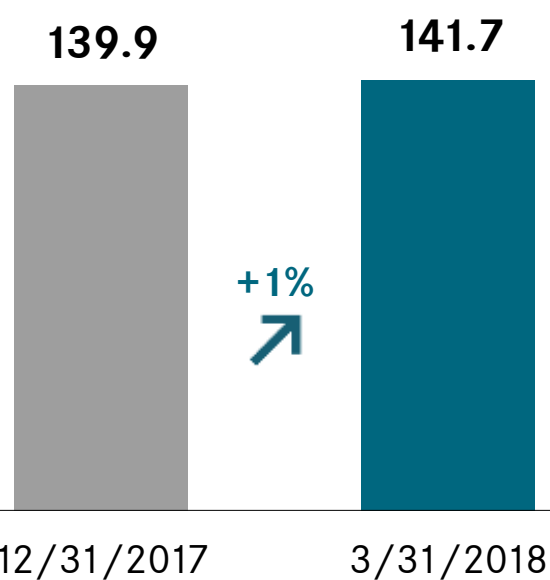
## New business

- in billions of euros -



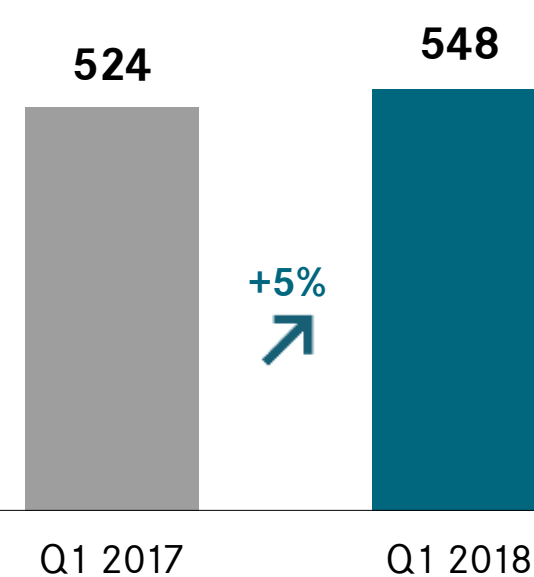
## Contract volume

- in billions of euros -

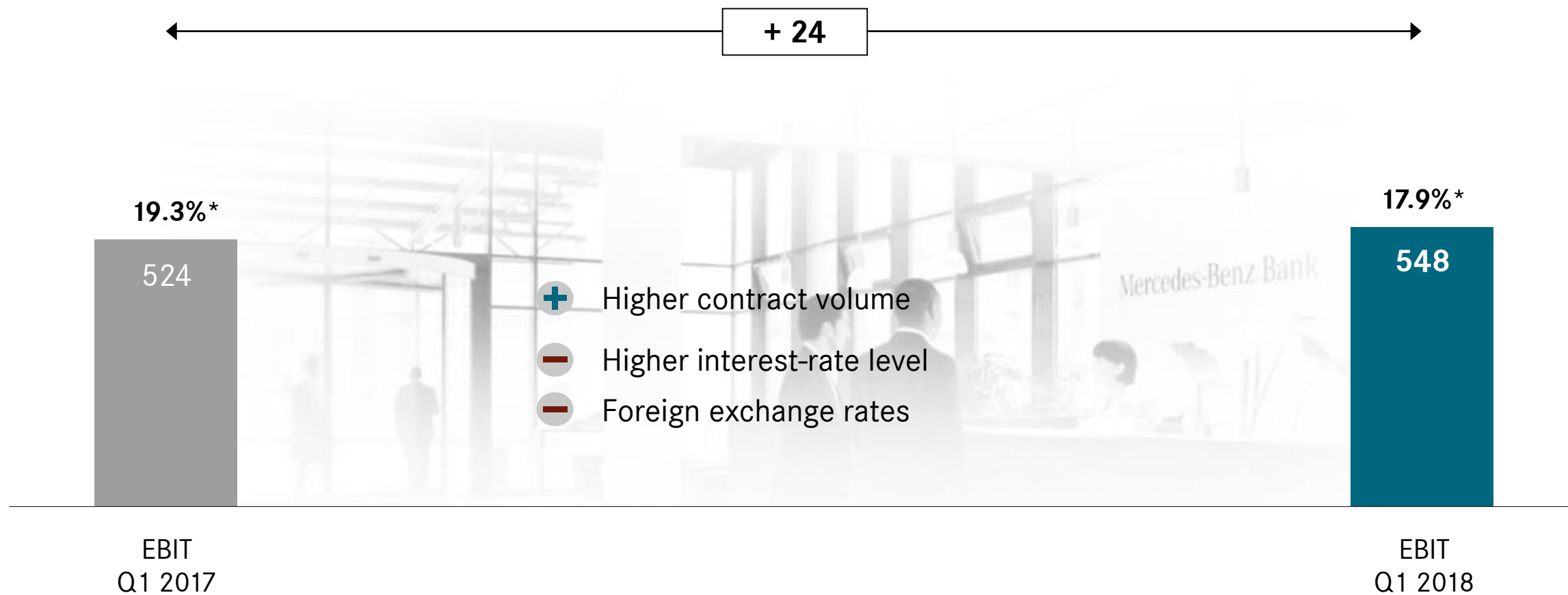


## EBIT

- in millions of euros -



# Daimler Financial Services: EBIT



\* Return on equity

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# CORE, CASE, CULTURE, COMPANY: We have set the course for a successful future



# Clear aspiration for all divisions

## DAIMLER

Mercedes-Benz  
Cars

„Most successful  
premium  
manufacturer“



Mercedes-Benz  
Vans

„No 1 provider of  
holistic transport  
and mobility  
solutions“



Daimler  
Trucks

„No 1 in the global  
Truck business“



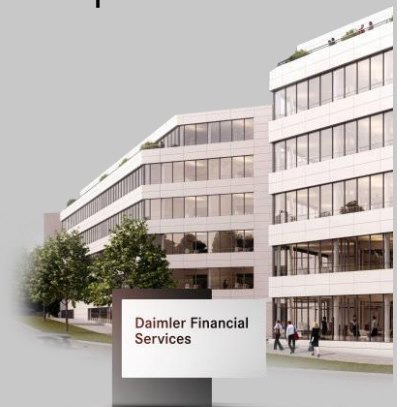
Daimler  
Buses

„No 1 in the global  
Bus business“



Daimler Financial  
Services

„Best financial and  
mobility services  
provider“





# Profit targets

Profit targets Return on sales / Return on Equity 1) in %



8-10

Mercedes-Benz  
Cars



9

Mercedes-Benz  
Vans



8

Daimler  
Trucks



6

Daimler  
Buses



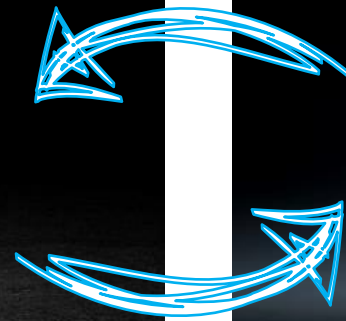
17

Daimler Financial  
Services

Return on sales target for the automotive business: 9 percent

1) Daimler Financial Services

Our transformation is based on a position of strength.  
Core and CASE are two pillars of one strategy.



# Exciting and promising future ahead of us





# Daimler Group Strategy

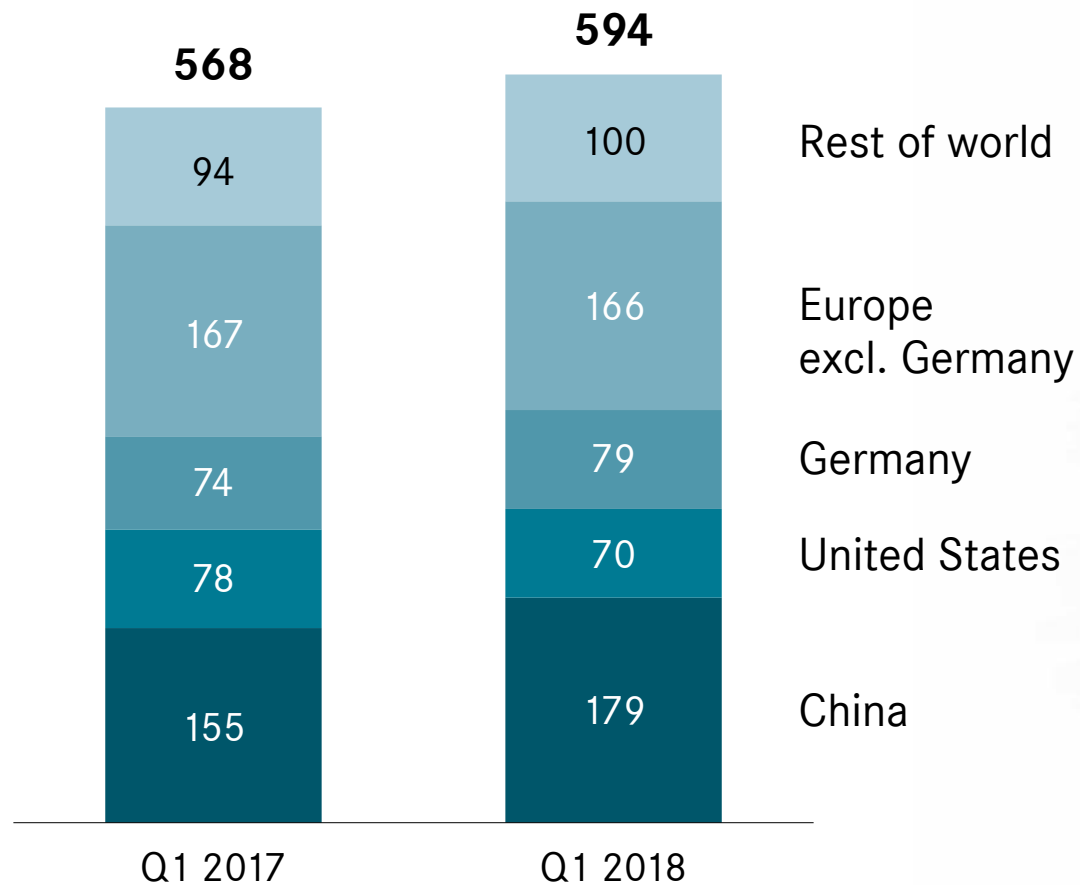
Mercedes-Benz Cars

Core



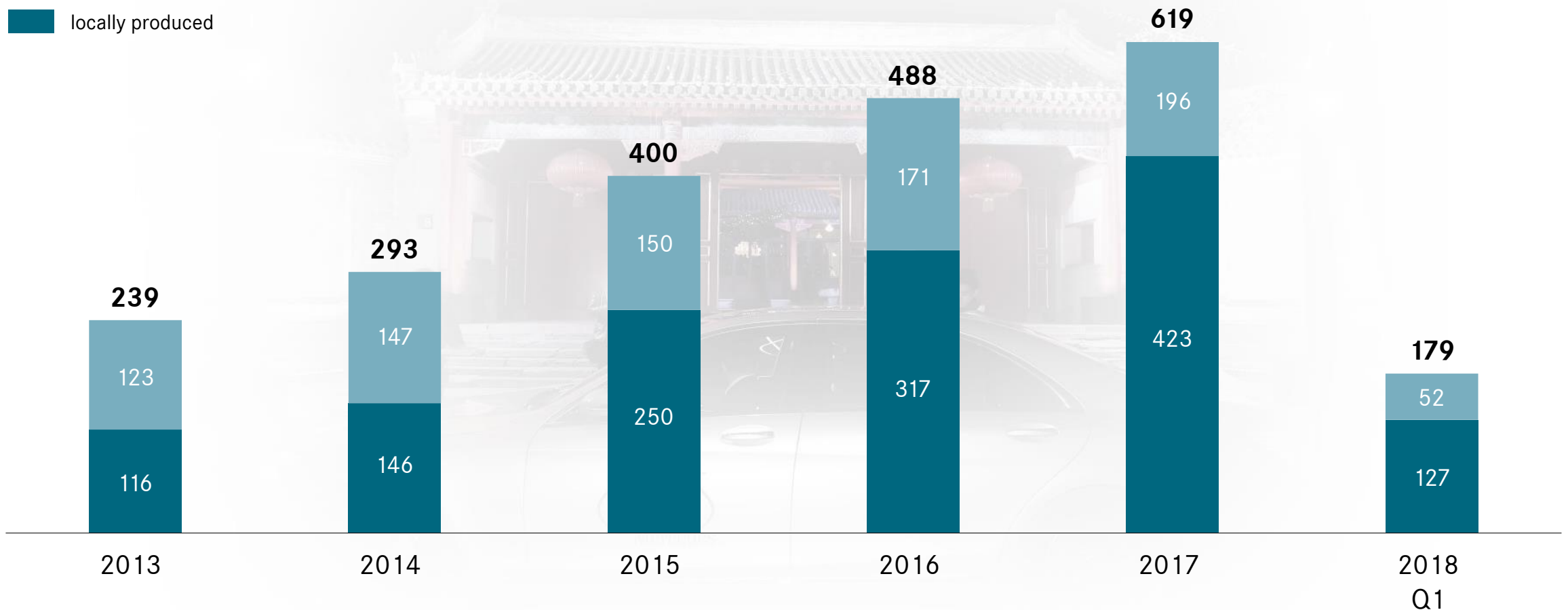
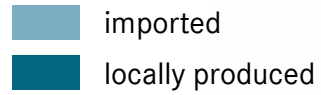
# Mercedes-Benz Cars: globally balanced sales structure with strong development especially in China

- in thousands of units -



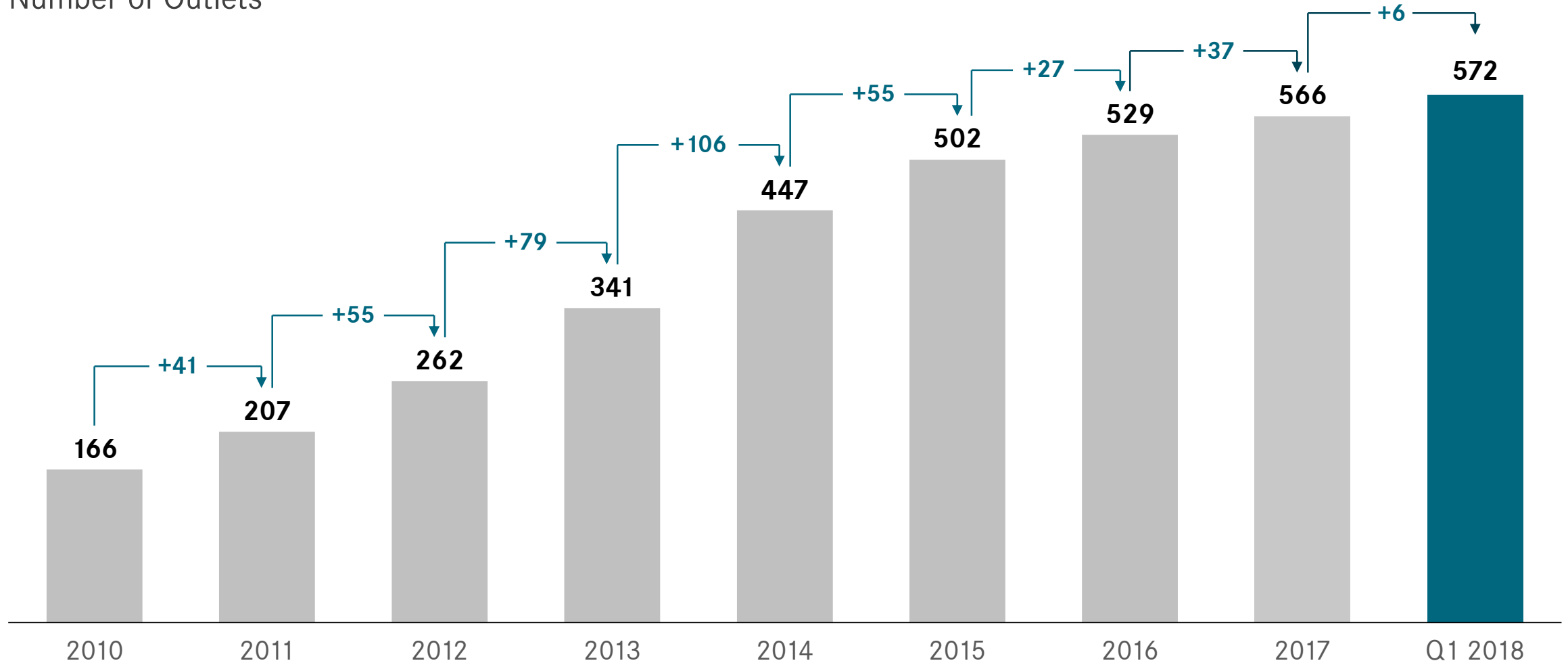
# Mercedes-Benz Cars in China: huge sales growth with higher share of locally produced vehicles

- in thousands of units -



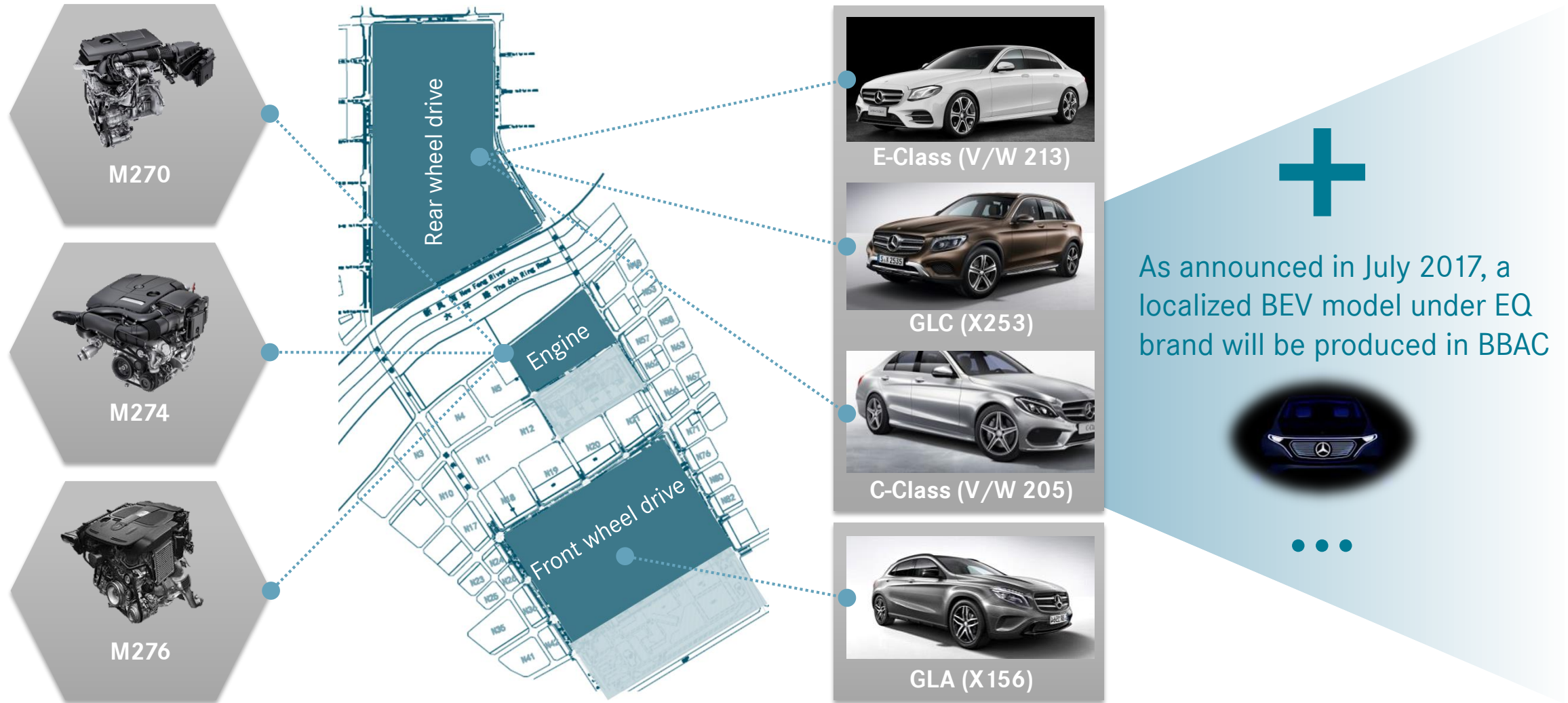
# Mercedes-Benz Network Development in China

Number of Outlets

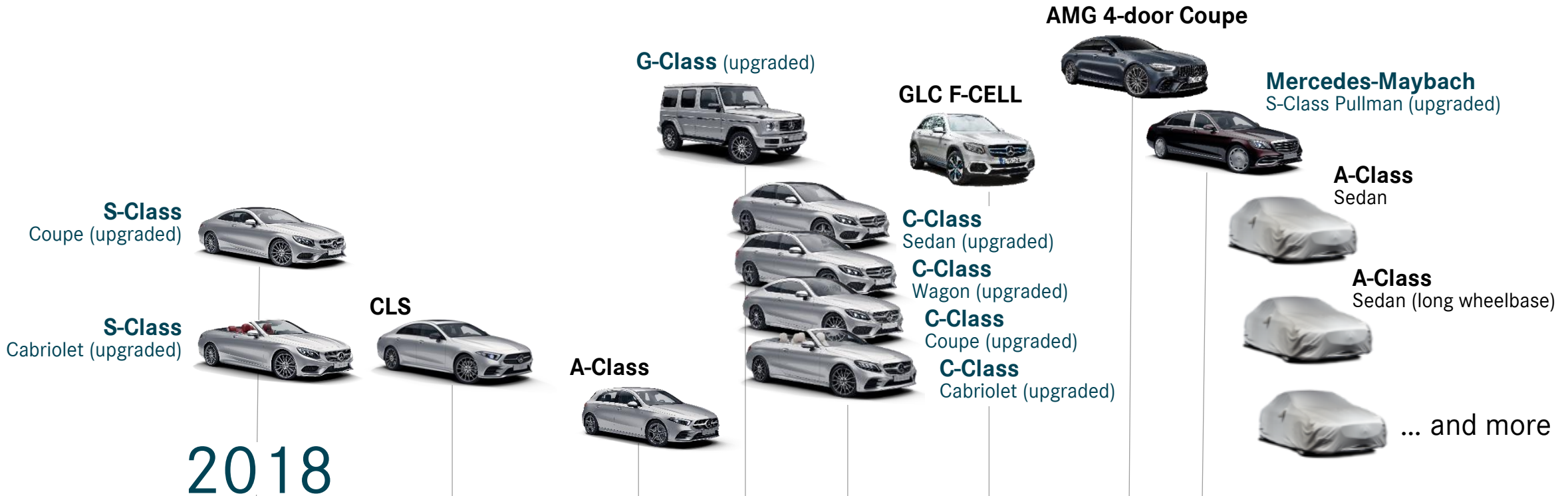




# Made in China for China: we're producing four car models and three engine models at BBAC



# Mercedes-Benz Cars and Vans: continued product offensive



**X-Class**



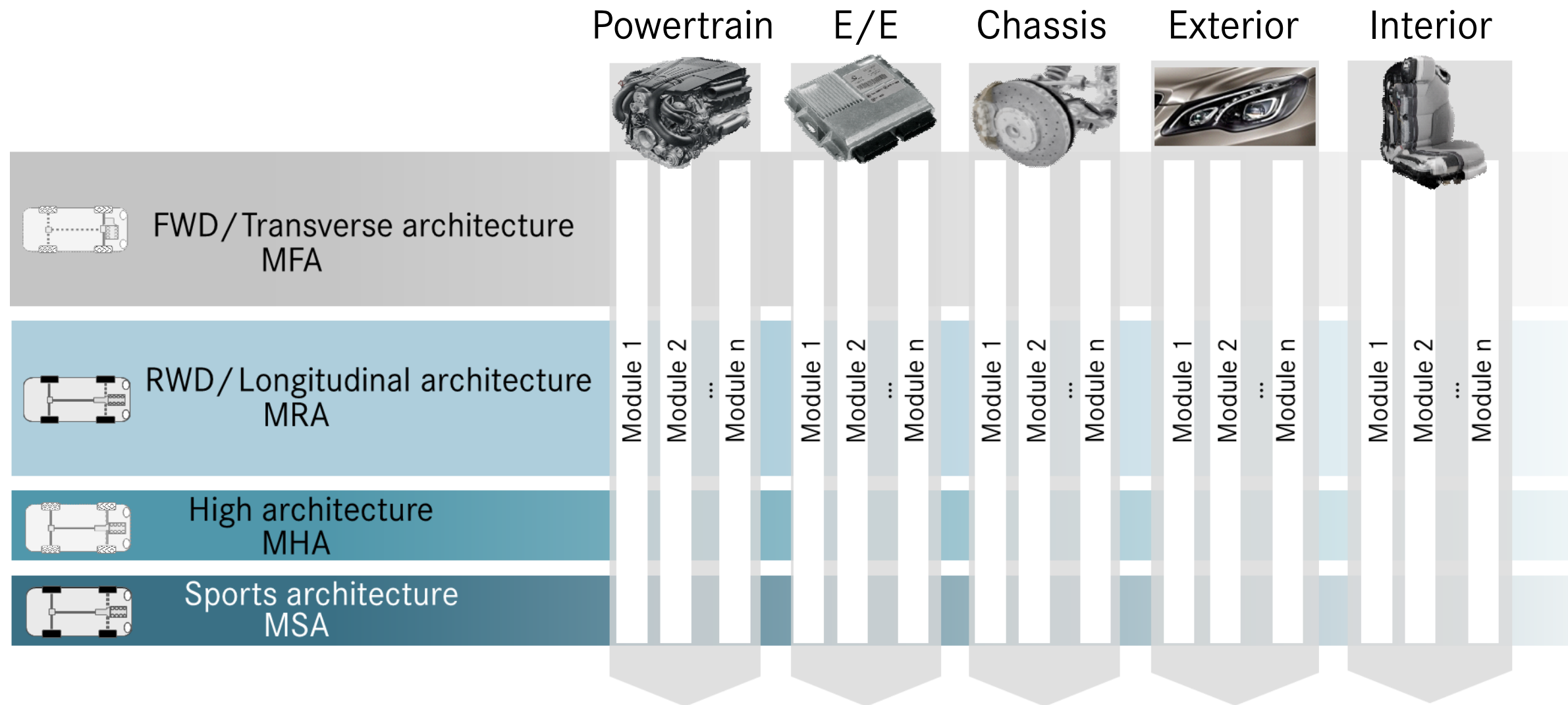
**Sprinter**



**eVito**



# With vehicle architecture and modular strategy, we will be more cost efficient, faster and more flexible





# High degree of modularity of the entire drive train

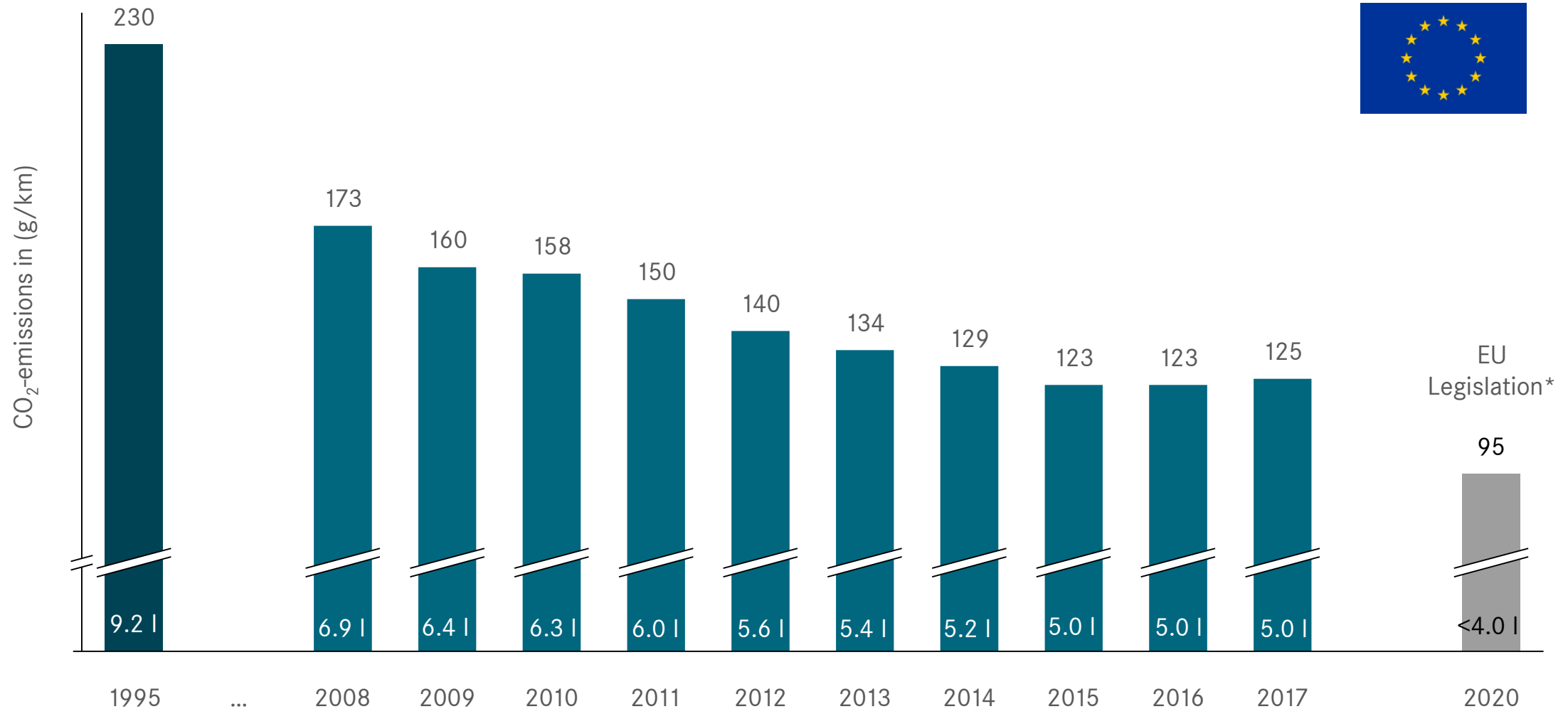


# Our roadmap for sustainable mobility



# Development of CO<sub>2</sub> emissions

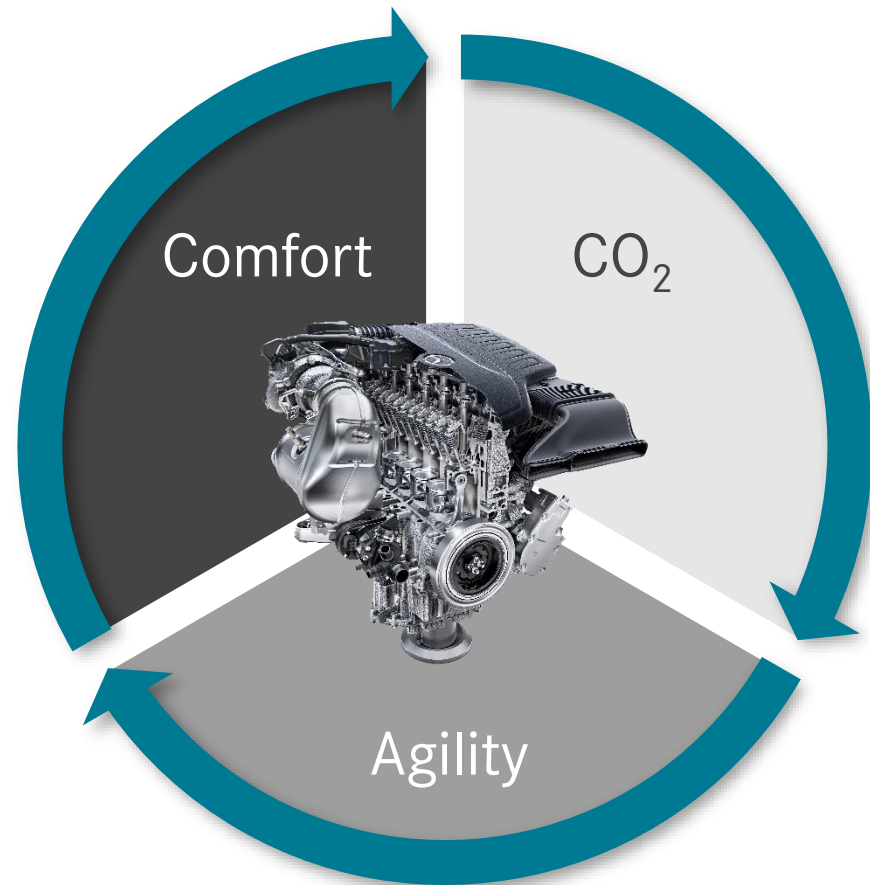
Average CO<sub>2</sub>-emissions in g/km Mercedes-Benz Cars fleet in Europe



\* Target value for average weight of European fleet.



# 48 Volt electrification: Several advantages regarding CO<sub>2</sub> and comfort

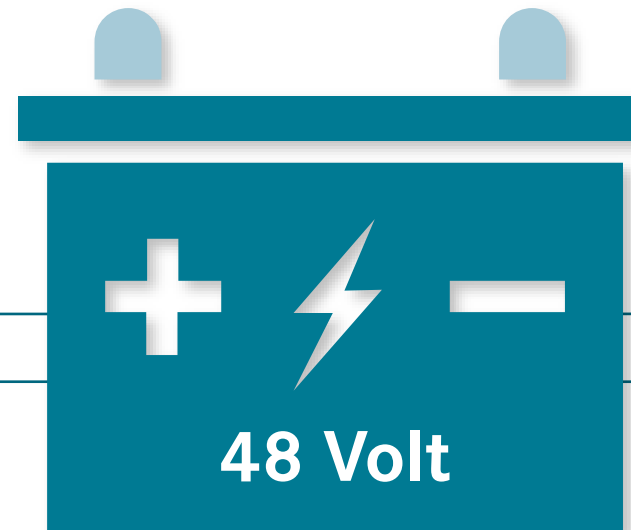


## NVH

Calm starting of automatic start-stop function

## Integrated starter-generator

Combined performance with CO<sub>2</sub>-reduced hybrid functions



## Turbocharger

Innovative boost concept with two-stage turbocharger and electric supercharger

## Air conditioning

AC works without running engine



Highly efficient combustion engines with additional 48 volt onboard network with a belt-driven starter/alternator

Example **C 200 Estate**

EQ BOOST



Fuel consumption combined: 6,2 l/100 km; CO<sub>2</sub>-emission combined: 142 g/km

# Hybrid offensive as further step to reach CO<sub>2</sub> targets





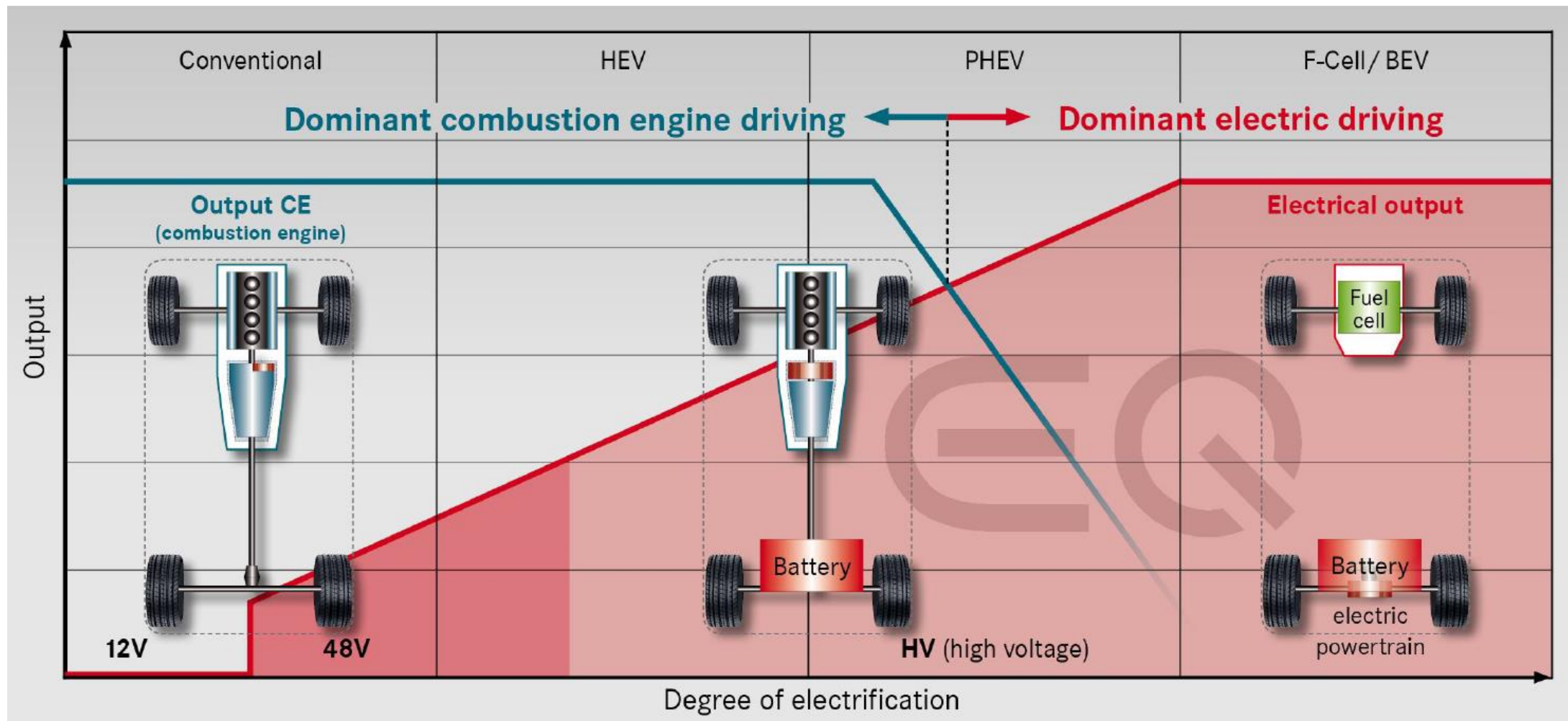
# Next milestone in hybridization

## Example **560 e Plug-in-Hybrid**



Fuel consumption combined: 2,1 l/100 km, CO<sub>2</sub>-emissions combined: 49 g/km, weighted power consumption: 15.5 kWh/100 km, all-electric range of around 50 kilometres.

# All-new powertrain setup guarantees flexibility with a wide range of concepts from ICE to xEV



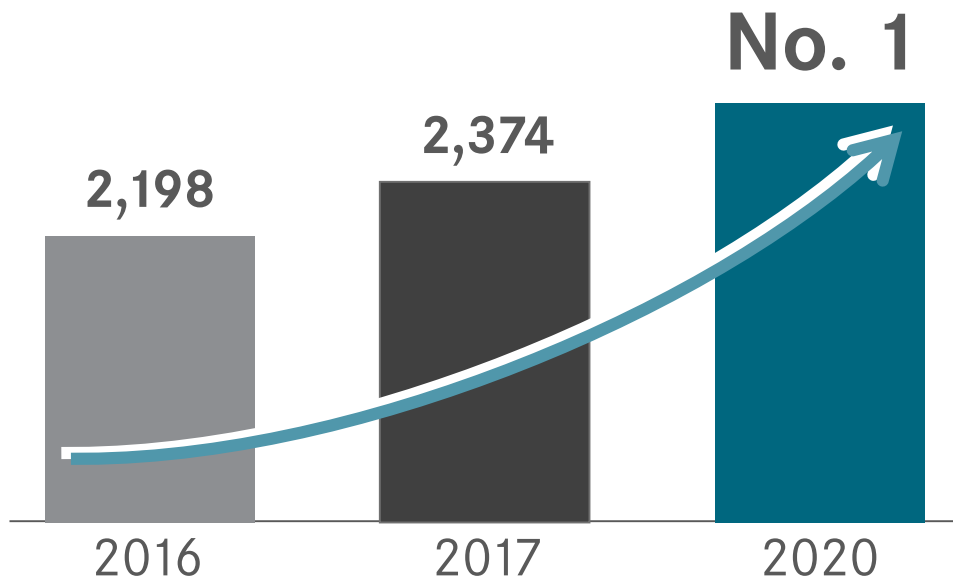
HEV = Hybrid Electric Vehicle; PHEV = Plug-in Hybrid Electric Vehicle; BEV = Battery Electric Vehicle; F-Cell = Fuel Cell Drive

# Our target: remain No.1 premium car manufacturer

achieved already in 2016!

## Sales target

In thousand units

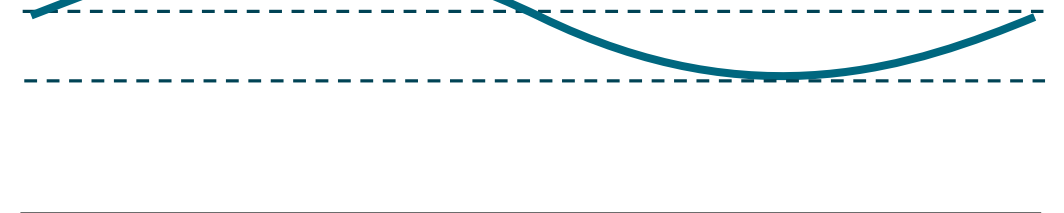


## Profitability target

Return on Sales in %

# 8-10%

Corridor during transition phase





# Daimler Group Strategy

Mercedes-Benz Cars

CASE





# CASE trends leading to fundamental changes in the automotive industry







# Revolution in the cockpit: Mercedes-Benz User Experience



Touchpads



Touchscreen

Hey  
Mercedes



Speech Control

# Development steps towards fully automated driving

- Currently offered by MB  
& legally permissible -

## Level 1 Driver Assistance



Single control functions such as speed selection, braking or lane keeping are automated.

Driver in charge.

## Level 2 Partial Automation



More than one control function is automated under certain conditions.

Driver expected to take care of all remaining aspects of the dynamic driving task.

## Level 3 Conditional Automation



Vehicle can perform the dynamic driving task under **certain conditions**.

Driver expected to respond to requests to take control.

## Level 4 High Automation



Vehicle can perform all dynamic driving tasks within a **certain use case**.

Driver **not** expected to take control.

## Level 5 Full Automation



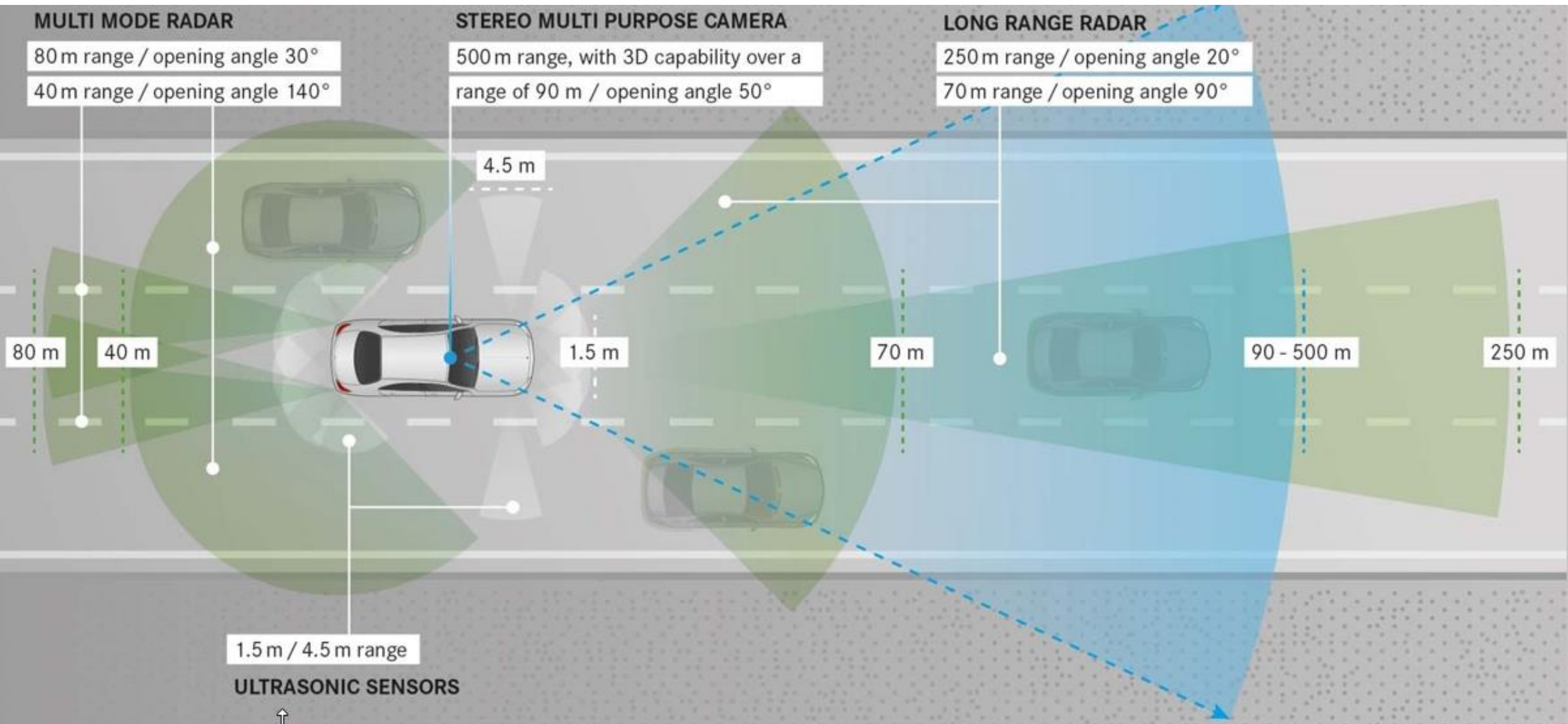
Vehicle can perform **all** dynamic driving tasks that can also be managed by a human driver.

No driver needed.

Autonomous Driving

+ enabler for new & complementary mobility services

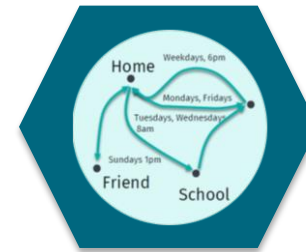
# Sensors for Driver Assistance Package





# HD MAP for highly automated driving and HERE cooperation

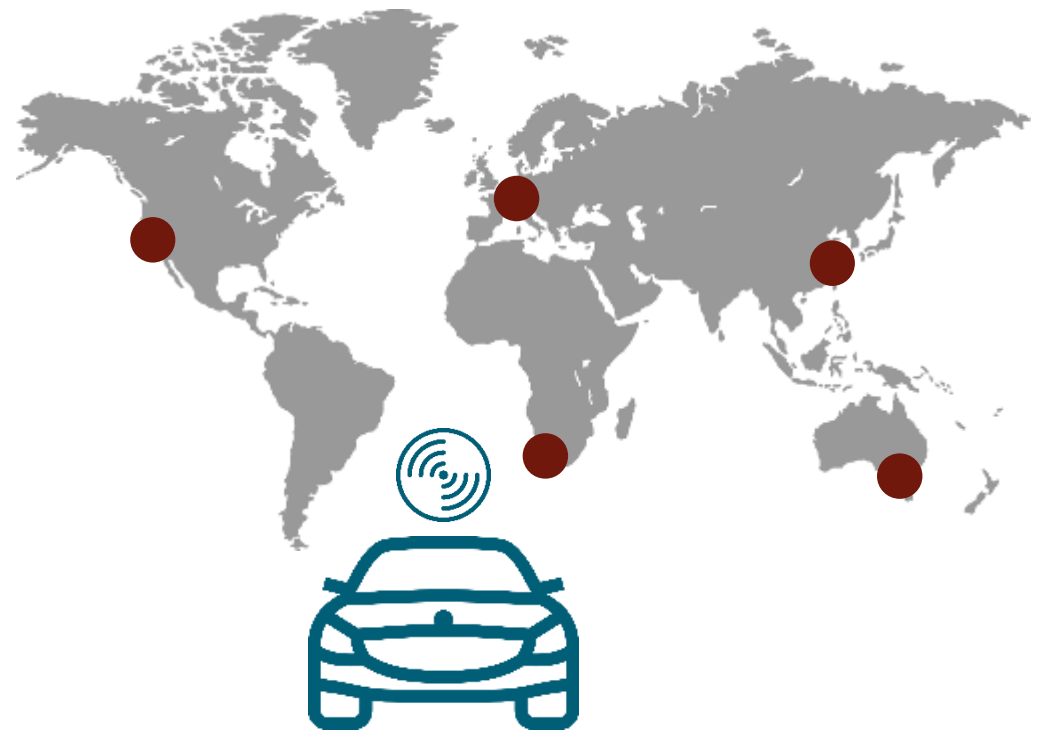
- The HD Live Map is a mandatory part for the HAD\* system for planning and positioning
- The HD Map is the only sensor that delivers context information and a long road horizon
- Close strategic cooperation with HERE for:
  - map content, format, accuracy, coverage,
  - quality assurance, maintenance and
  - update concept



\*highly automated driving

- illustrative examples -

# Intelligent World Drive: On our road to autonomy



# In the future - driver controlled and system controlled

## Driver controlled



Safety technologies and automated systems, which are situational activated by the driver

## System controlled



Automated systems, which drive the vehicle from the starting point to the destination

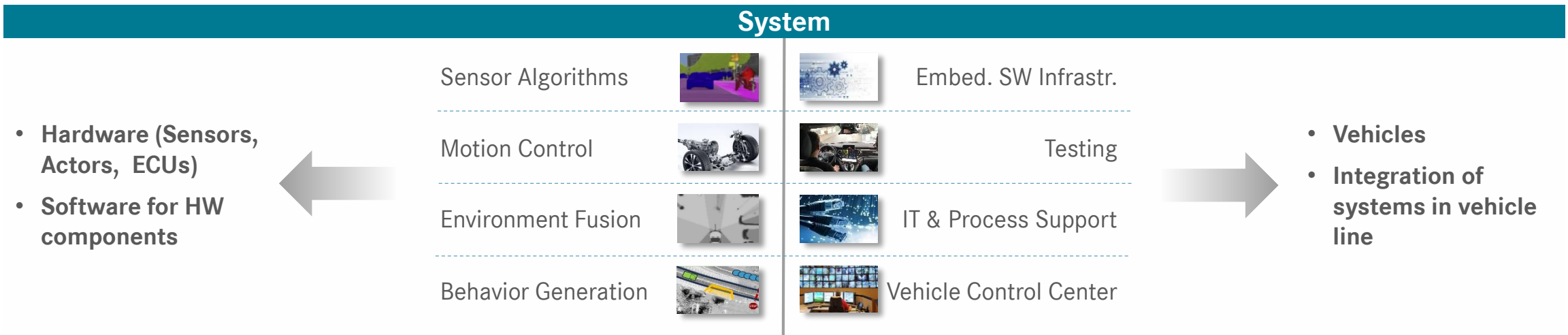


# Bundling of our forces with Bosch

**Aim: To put automated driving and driverless cars on the road in urban environments by early in the next decade.**

**Bosch**

**DAIMLER**



# High investments in electric vehicles, powertrains and portfolio

- **10 € Bio.** investment in electric vehicle fleet
- More than **10 BEV** until 2022
- Over **50 electrified passenger cars** until 2022
- **New brand EQ** for electric mobility
- smart **fully electric** in EU/USA until 2020
- „3-pillar“ strategy:  
**ICE with 48V - PlugIn Hybrid - BEV**

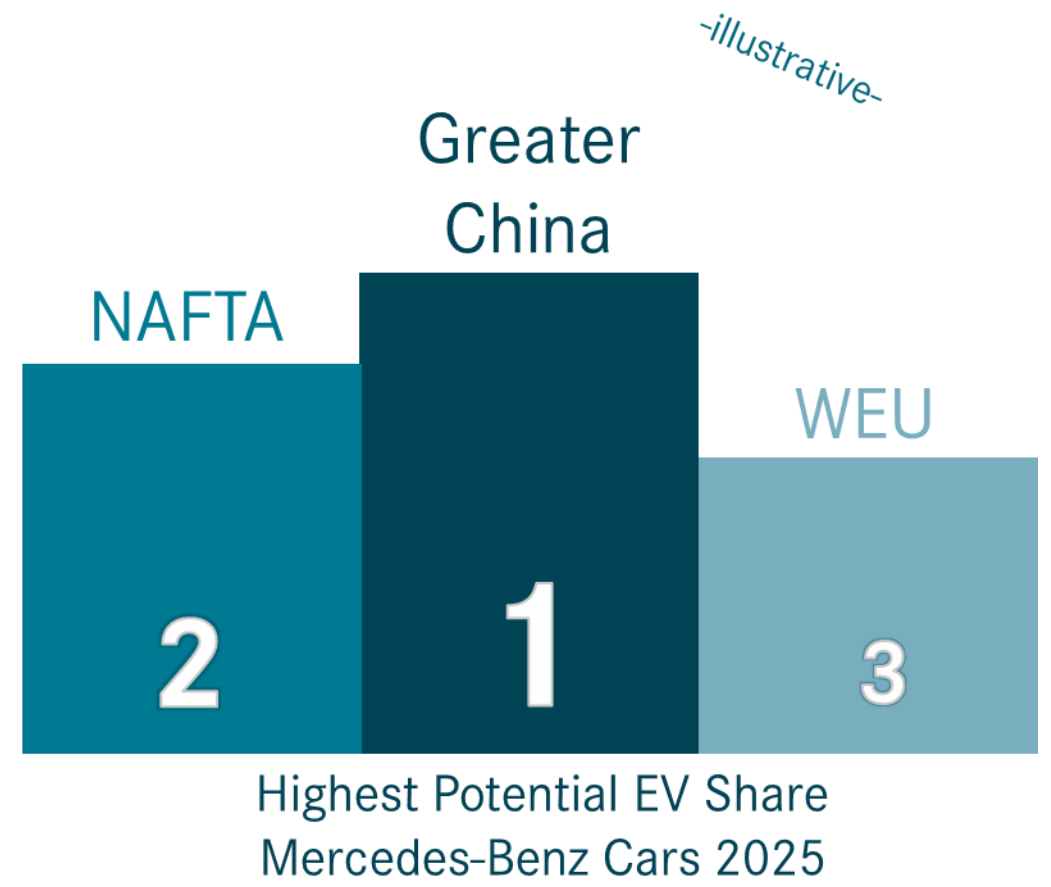
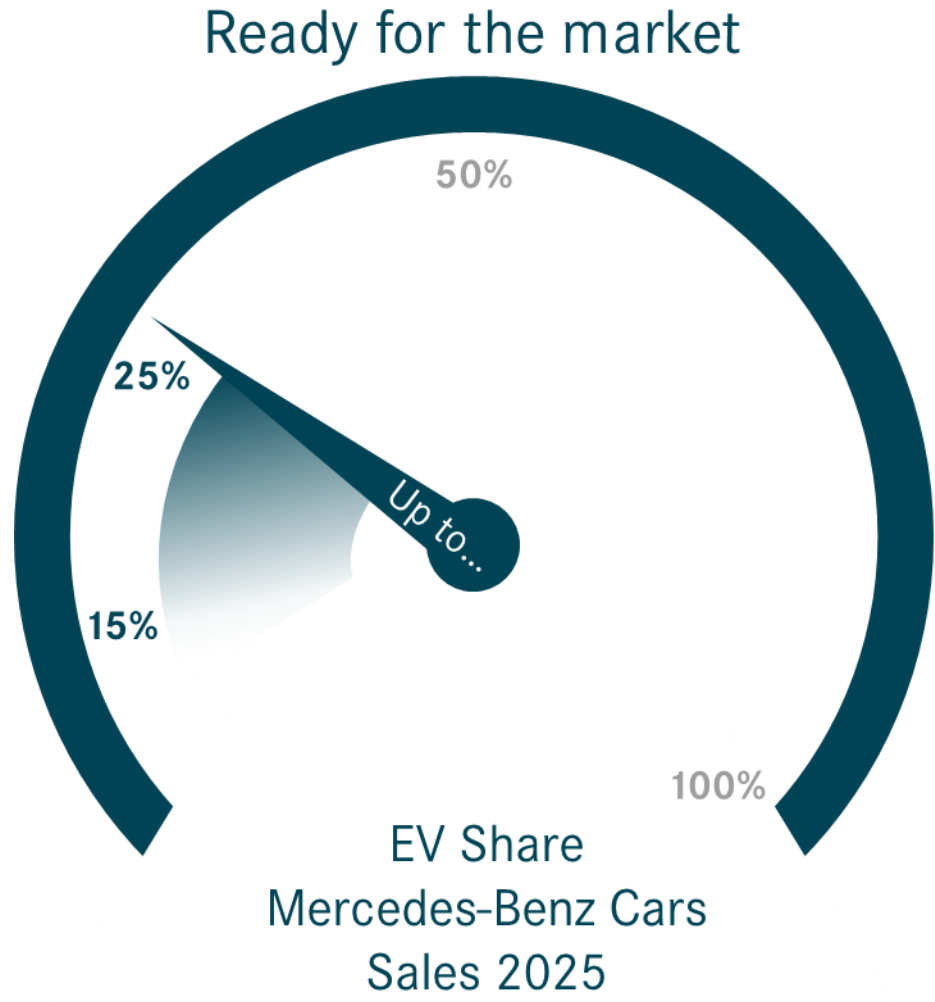




# New brand EQ – Electric mobility @Mercedes-Benz Cars

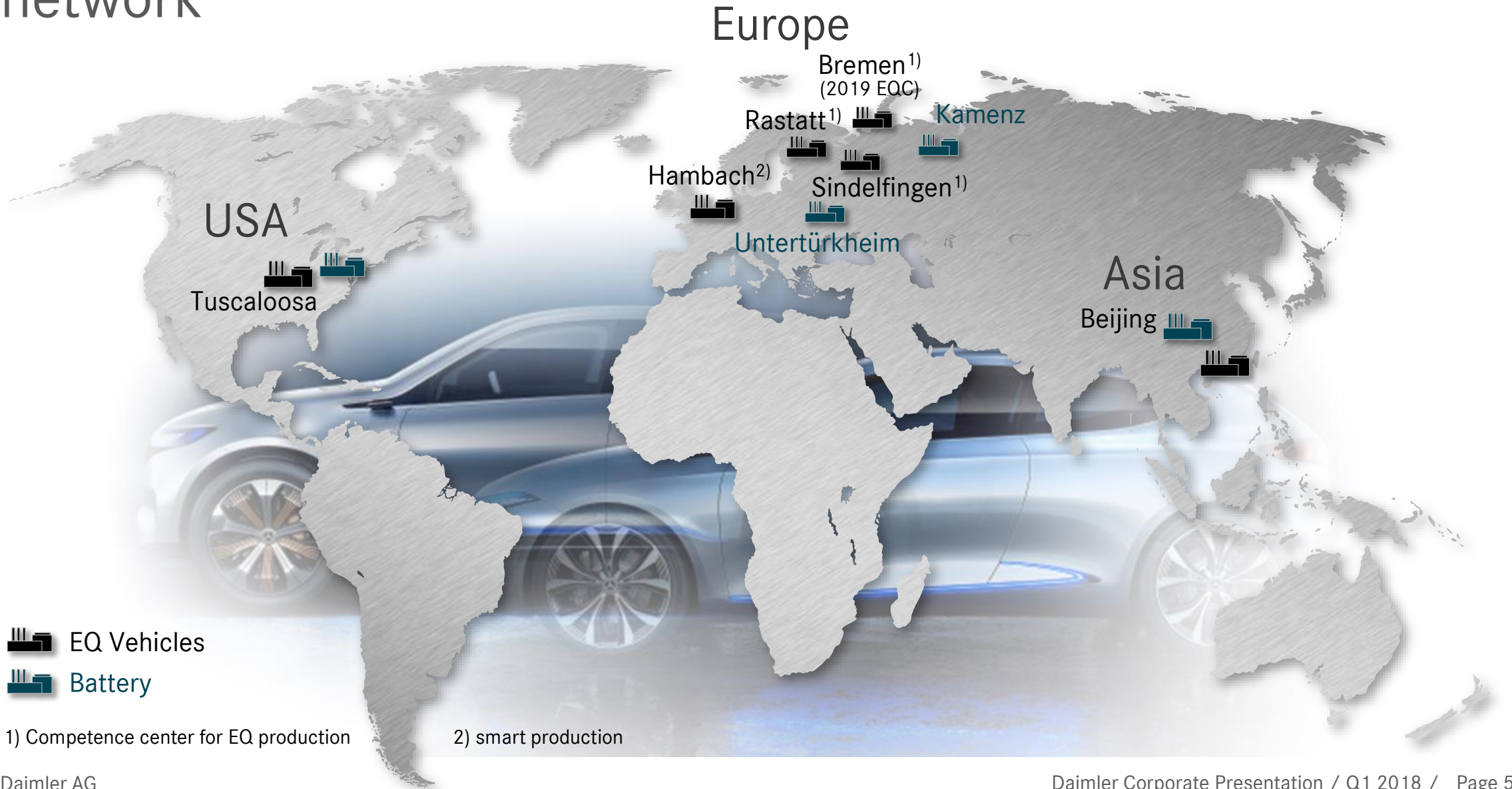


# Ambitious definition of our EV market targets





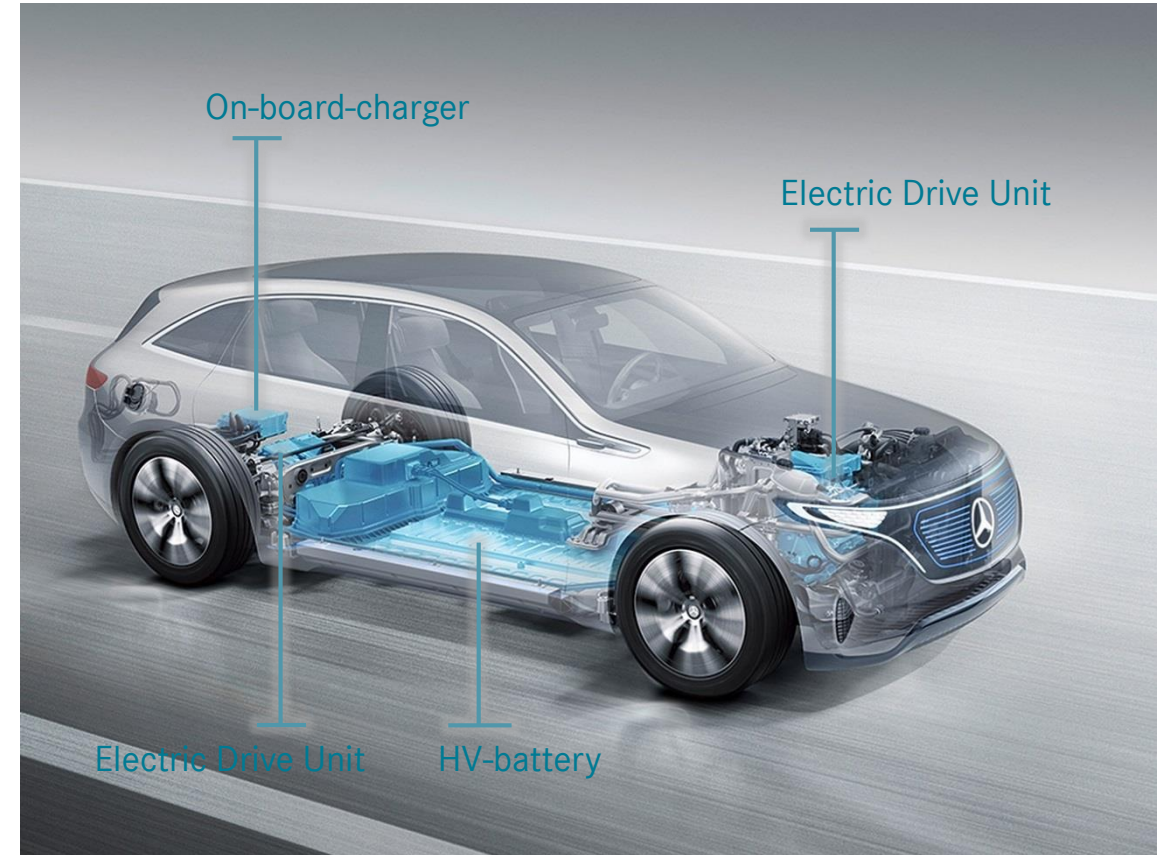
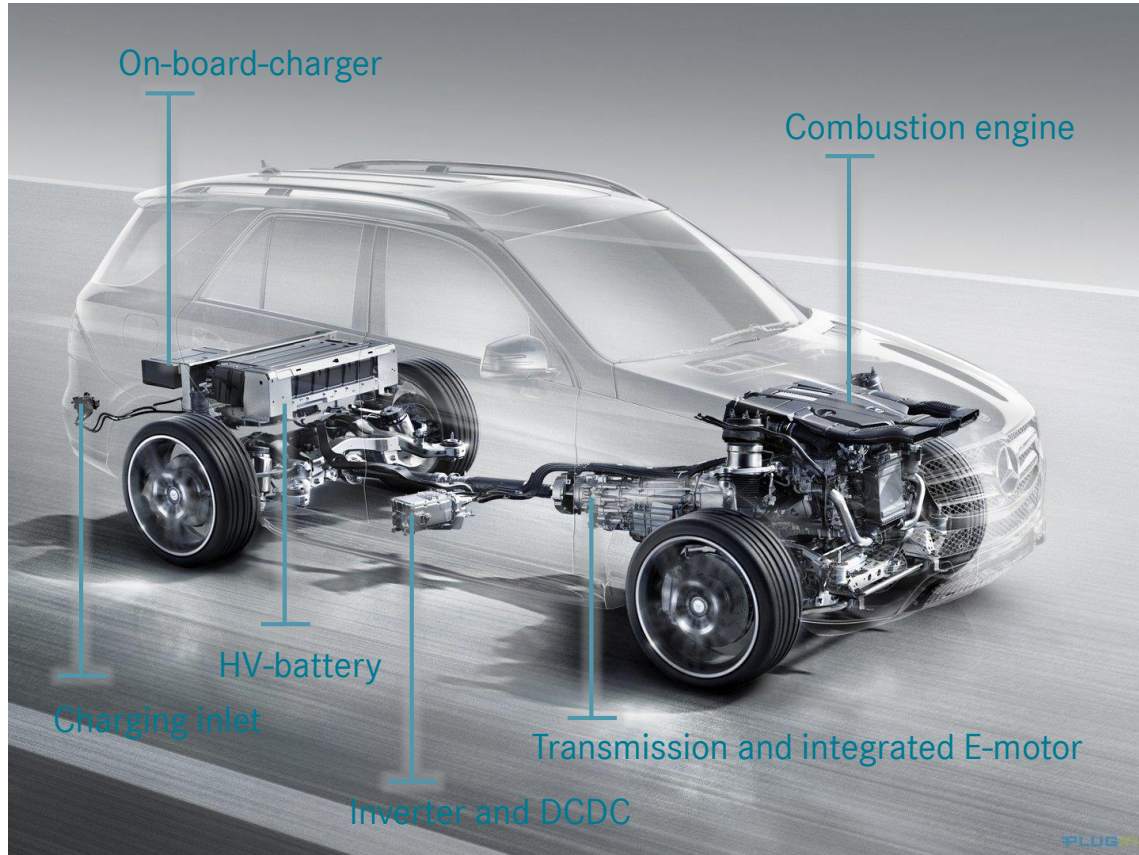
# Flexible integration of e-mobility in global production network



1) Competence center for EQ production

2) smart production

# Flexible architecture to integrate all types of electrified powertrains





# Charging solutions dedicated to specific customer requirements



**AC Charging**



**Inductive Charging**



**DC Charging**

# Taking electric mobility further: Setup of eRoaming and loading infrastructure together with strong partners



**HUBJECT** <sup>1)</sup>

**IONITY** <sup>2)</sup>

**-chargepoint+** <sup>3)</sup>



Founding shareholder of the eRoaming platform Hubject



JV for high-powered DC charging network for BEVs in Europe



Partnership with ChargePoint: Support of market entry in Europe



# Daimler Group Strategy

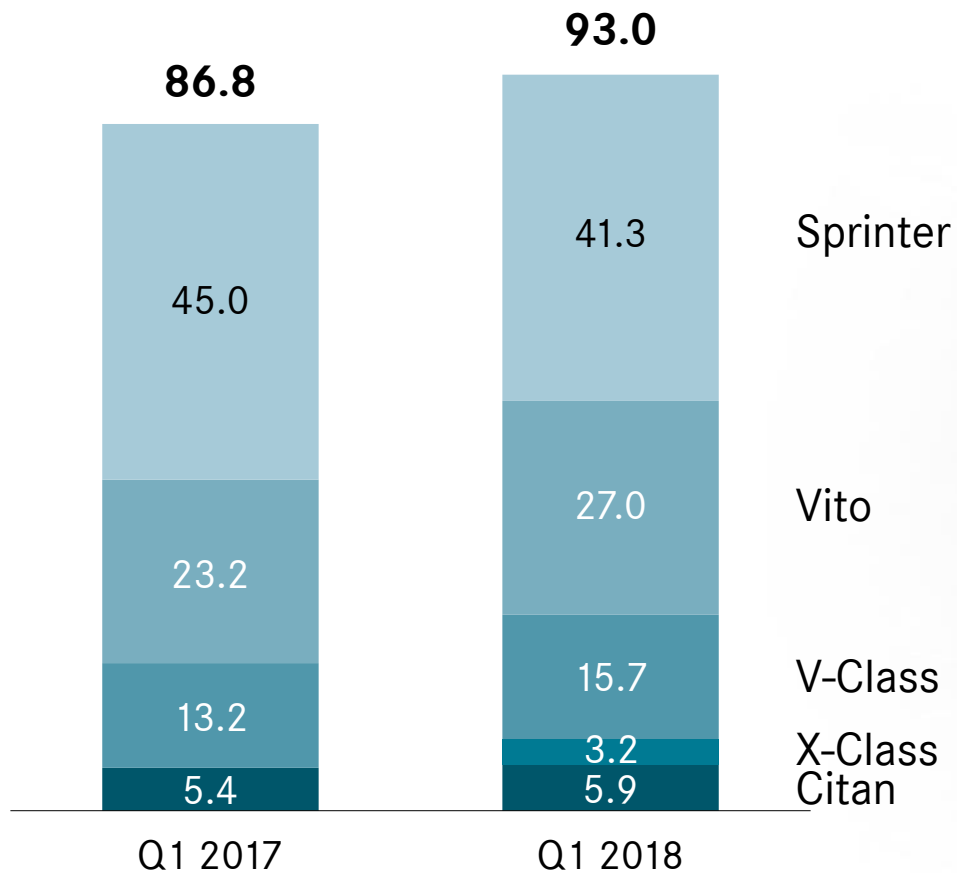
Mercedes-Benz Vans

Core & CASE



# Mercedes-Benz Vans: sales increase by 7% due to market success of attractive product portfolio

- in thousands of units -



# eVito: Electrically powered, mid-sized van has been available to order since the end of 2017

- Ecosystem to electrify commercial fleets
- Range of up to 150 km
- Designed for inner-city delivery, commercial and passenger transport





# Turning the van into a data center on wheels



## The future of logistics:

- range of up to 270km
- fully automated cargo space
- integrated drones

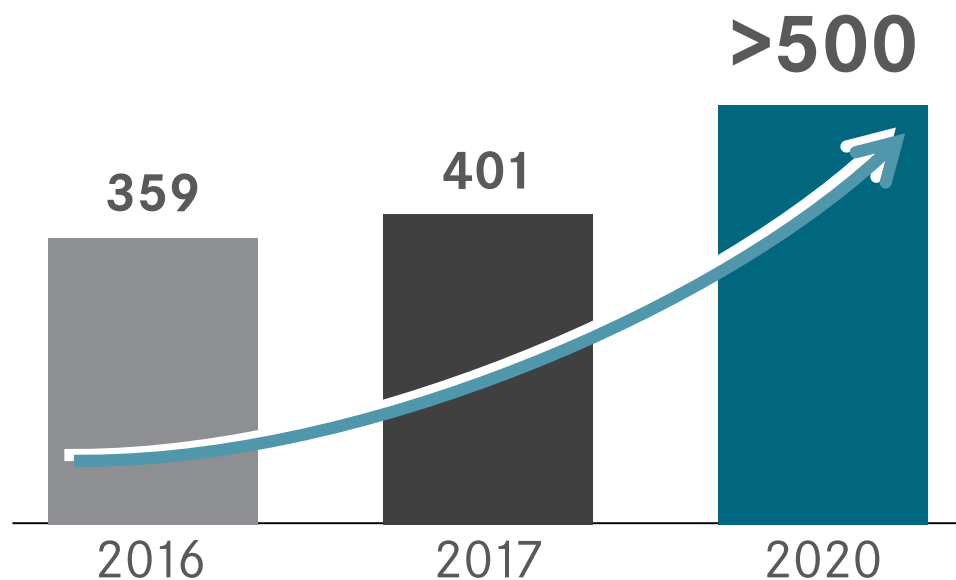
Mercedes-Benz  
Vision **VAN**



# Our target: No 1 provider of holistic transport and mobility solutions

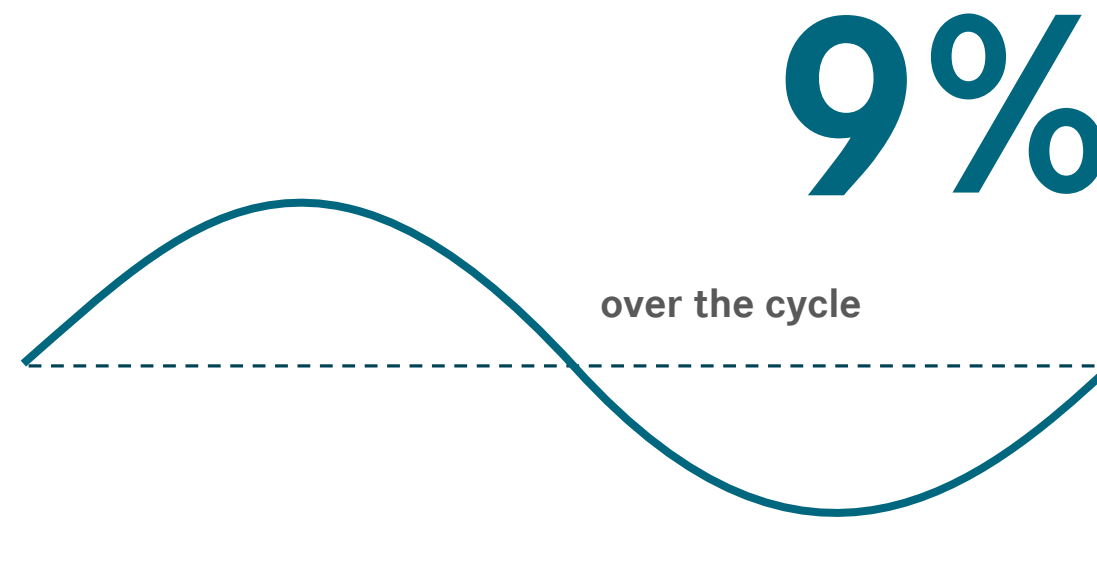
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Daimler Trucks

Core

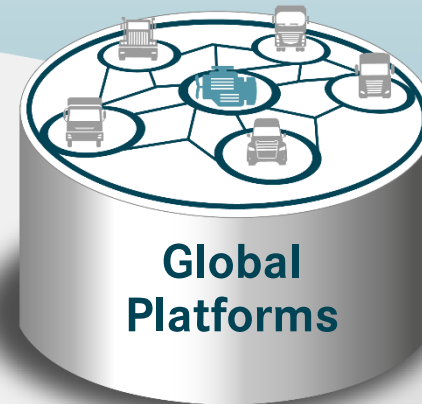


# Our strategy @ Daimler Trucks

## CUSTOMER FOCUS

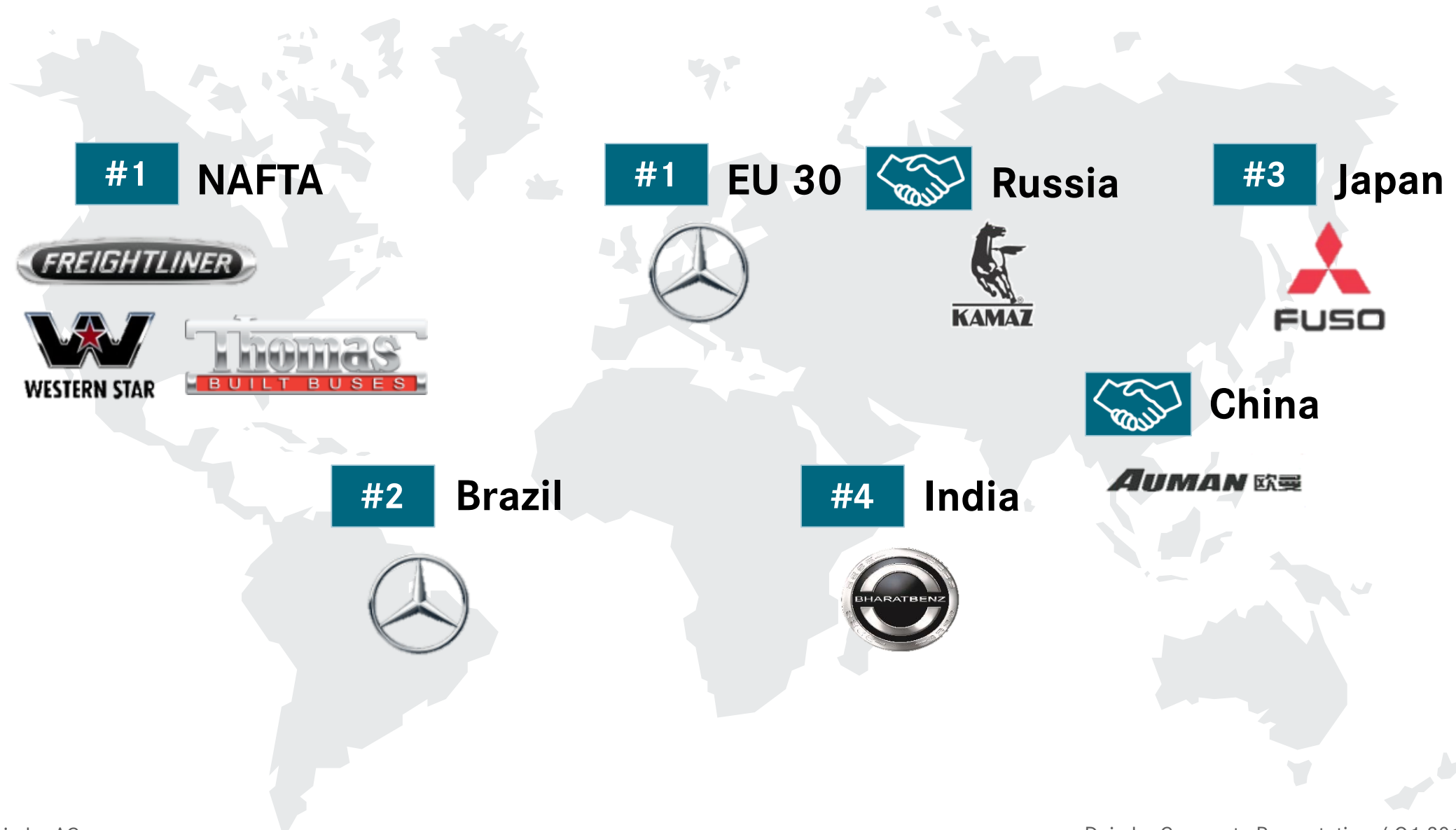


efficient & electric  
safe & automated  
connected



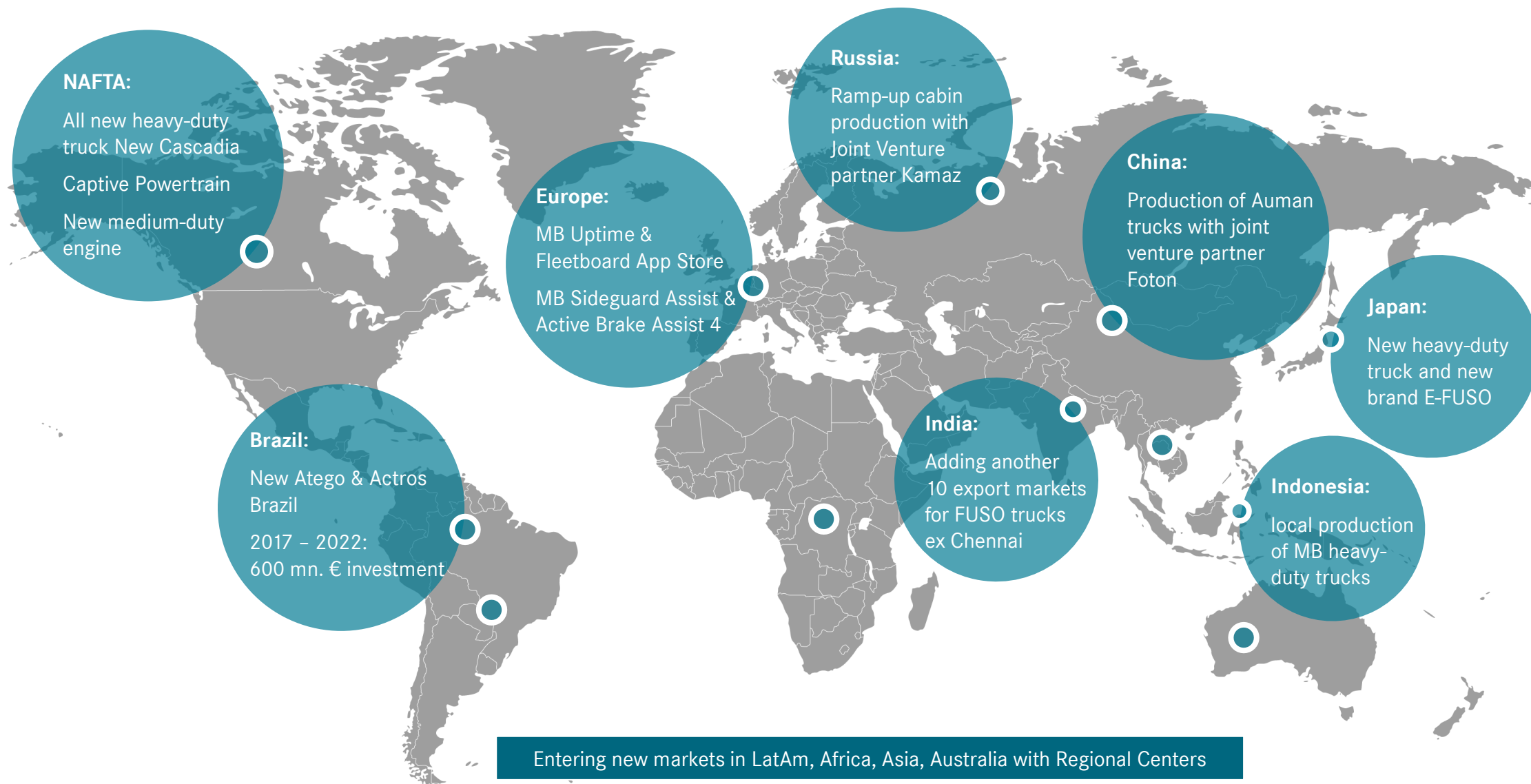
## COMPANY CULTURE

# Strong brands and strong market positions around the world





# Daimler Trucks further strengthens its global footprint



# Efficiency: improving our customers' bottom line

**Europe:** Mercedes-Benz Actros

**NAFTA:** Freightliner New Cascadia

**Japan:** FUSO Super Great



Fuel reduction **up to -15%\***  
Next efficiency step **by 2018**



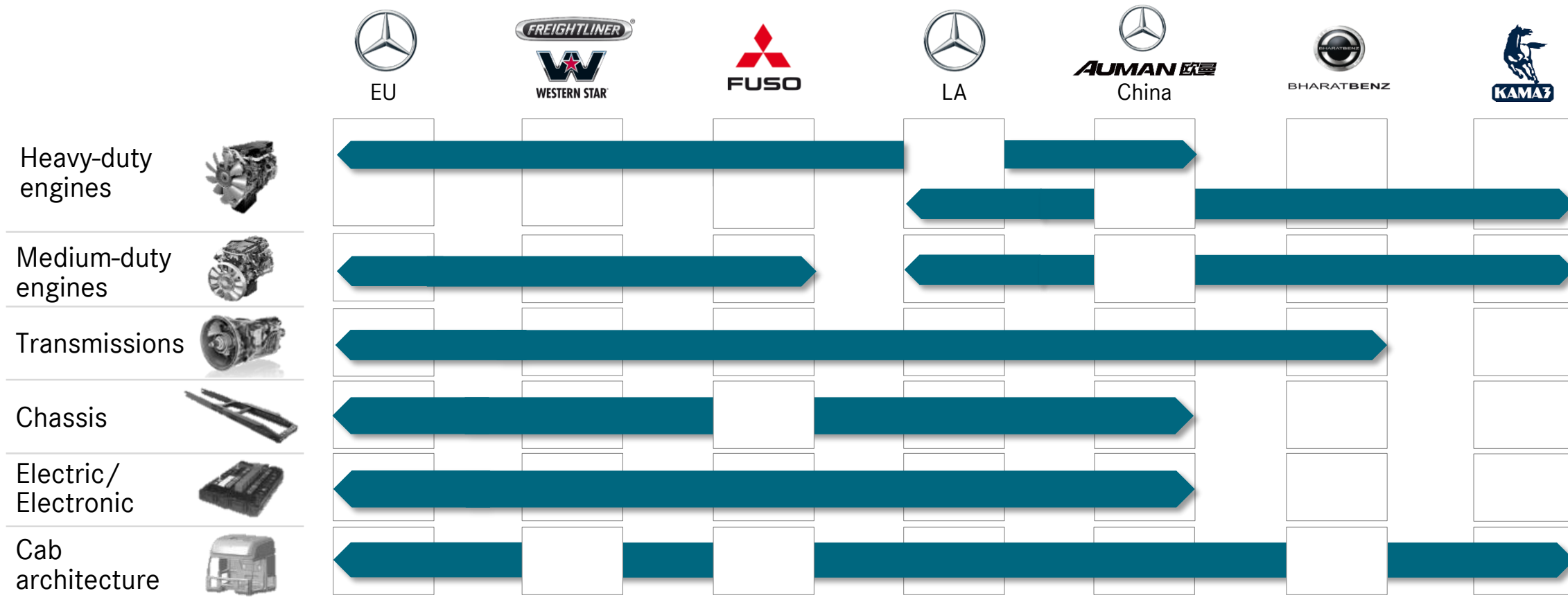
Fuel reduction **up to -8%\***  
Next efficiency step **by 2019**



Fuel reduction **up to -15%\***  
Complete efficiency **makeover**

\*Fuel reductions compared to previous model

# Intelligent Platform Management: leveraging our global scale in technology & cost

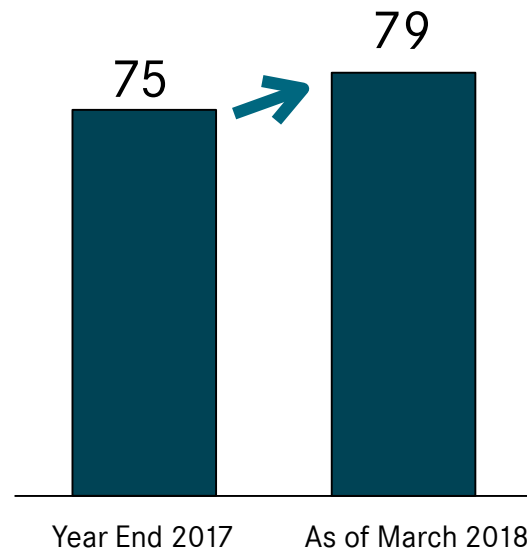


# Captive component strategy to strengthen market leadership in NAFTA

## Penetration rate integrated powertrain in %



**Heavy Duty Engines HDEP**



**Automated Manual Transmission  
DT 12**

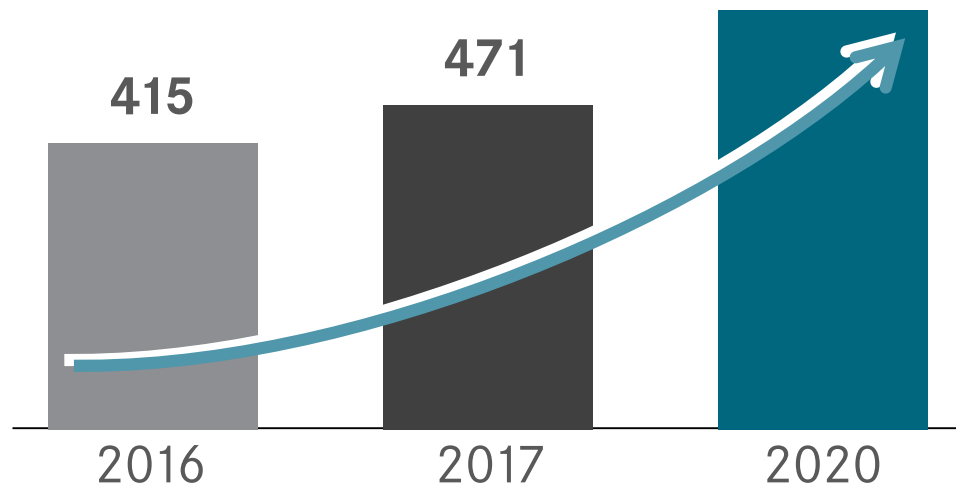




# Sticking to our target: leader in the truck industry

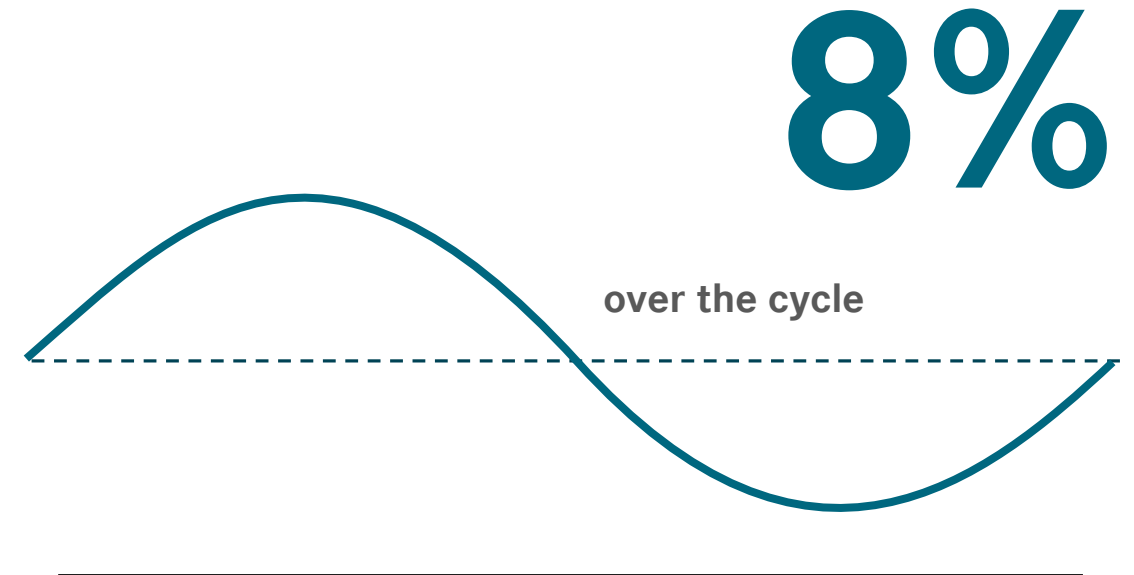
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Daimler Trucks

CASE



# Daimler trucks are online in every region



Mercedes-Benz  
Uptime

**FLEET  
BOARD**



**DETROIT  
CONNECT**



**TRUCKCONNECT**



# Connected: MB Uptime boosts logistics performance



Real-time maintenance support

Efficient repair and upkeep management

Helps to avoid breakdowns

- Tested in 1.400 trucks covering 200 million km during pilot phase
- Available in 19 countries now, 8 additional countries in 2018
- Extension for trailer since March 2018

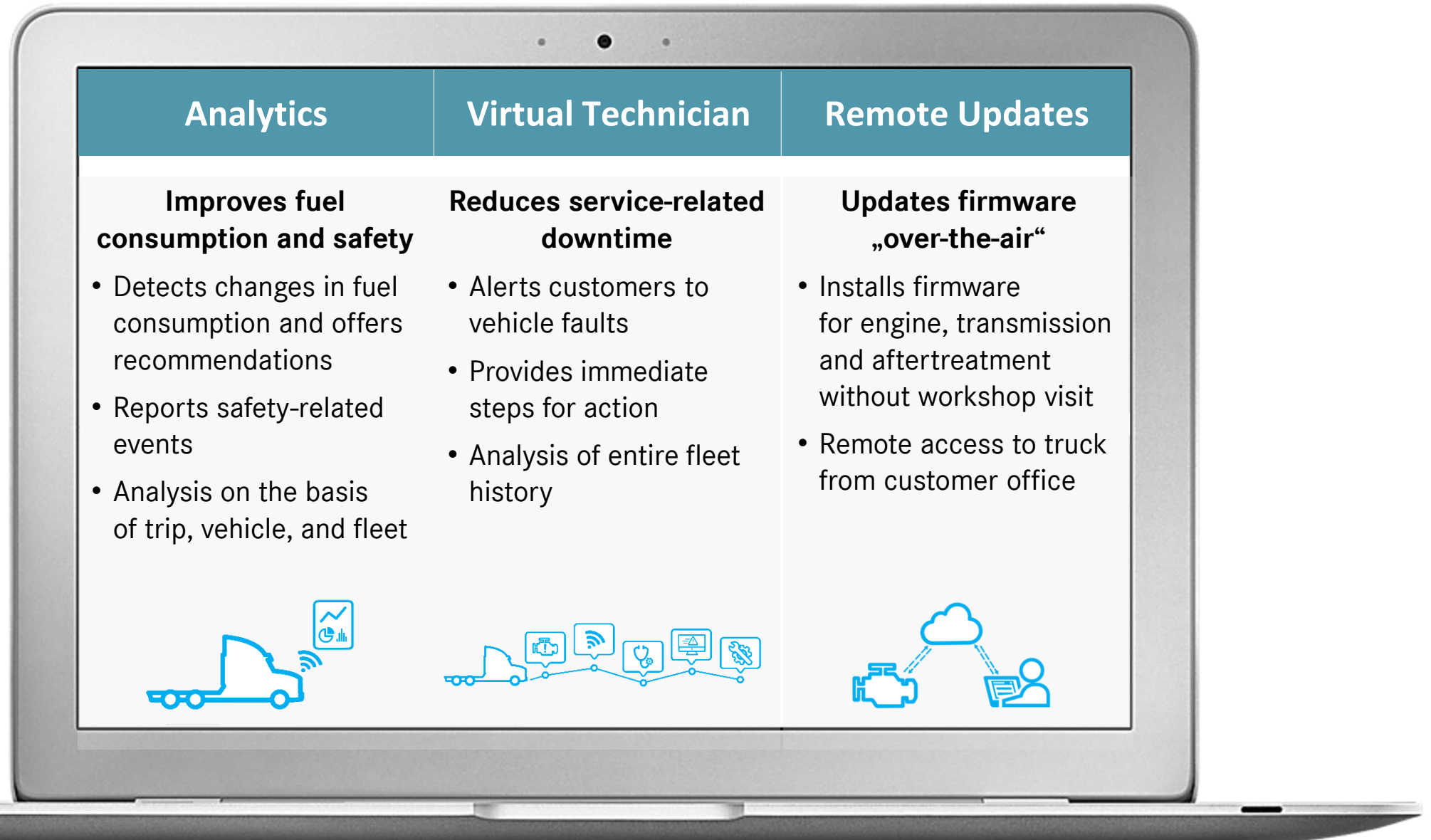


# Connected: Fleetboard boosts logistics performance



- Mapping: Allows carriers to check the position and status of their entire fleet on a single map
- Trailer management: Offers transparency even for the trailer
- Logistics: Enables customers to manage orders more efficiently
- Performance analysis: Allows for fuel savings of up to 15 percent.
- Messaging: Provides driver with information on addresses etc.
- Time recording: Provides overview of driving times and rest periods

# Connected: Detroit Connect boosts logistics performance





# Safety: partially automated trucks customer-ready by 2020

## Highway Pilot

**Proof of concept** 2014

**Serial tests** in 9 European countries and USA,  
over 100,000km on the road

**Market introduction** by the end of 2020

### **Highway Pilot Connect:**

Proof of concept for Europe in 2015;  
checking out new opportunities in other regions





# Testing Truck Platooning in Europe, North America & Asia

 2016



 2017



 2018





# Electric, locally emission-free und quiet: Our battery-powered commercial vehicles for urban areas



**Thomas Built Buses  
Jouley**

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



**Mercedes-Benz  
eActros**

**2016:** World premiere  
**2018:** Innovation fleet  
**~2021:** Market introduction



**FUSO  
eCanter**

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



**E-FUSO  
Vision One**

**2017:** World premiere  
**~2021:** Market introduction

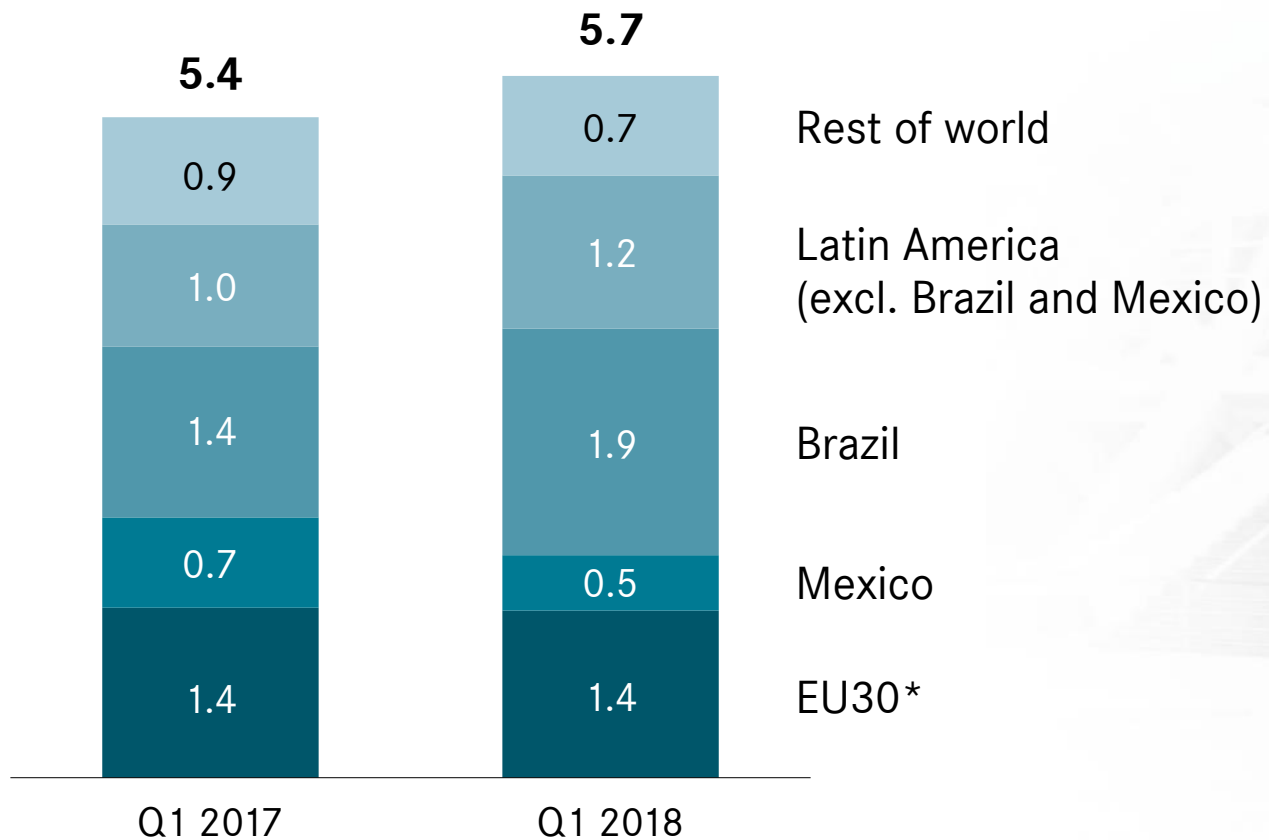
# Daimler Group Strategy

Daimler Buses  
Core & CASE



# Daimler Buses: sales increase by 6% mainly due to higher demand in Latin America

- in thousands of units -



\* European Union, Switzerland and Norway





# The future of public transport

Mercedes-Benz  
Future **BUS**

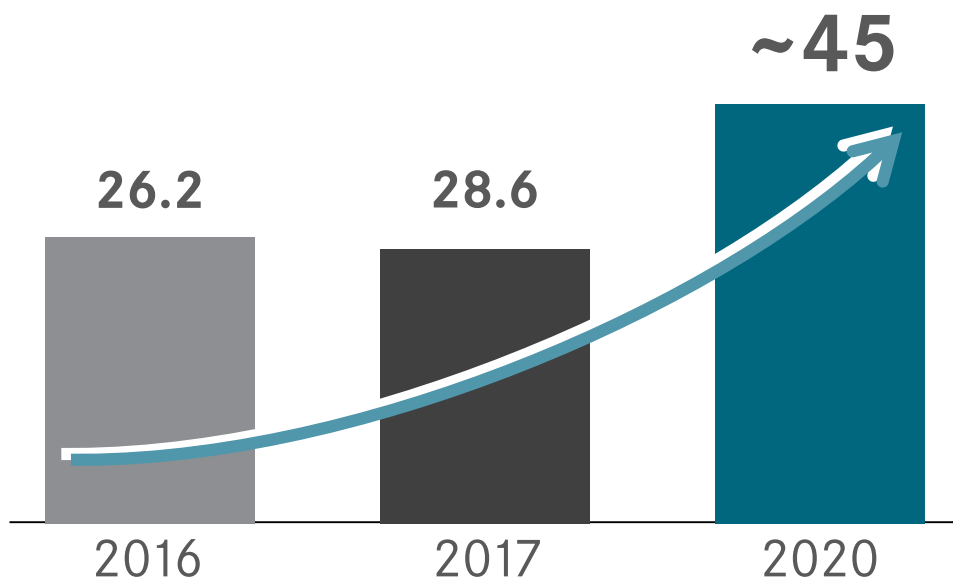




# Our target: No 1 in the global bus business

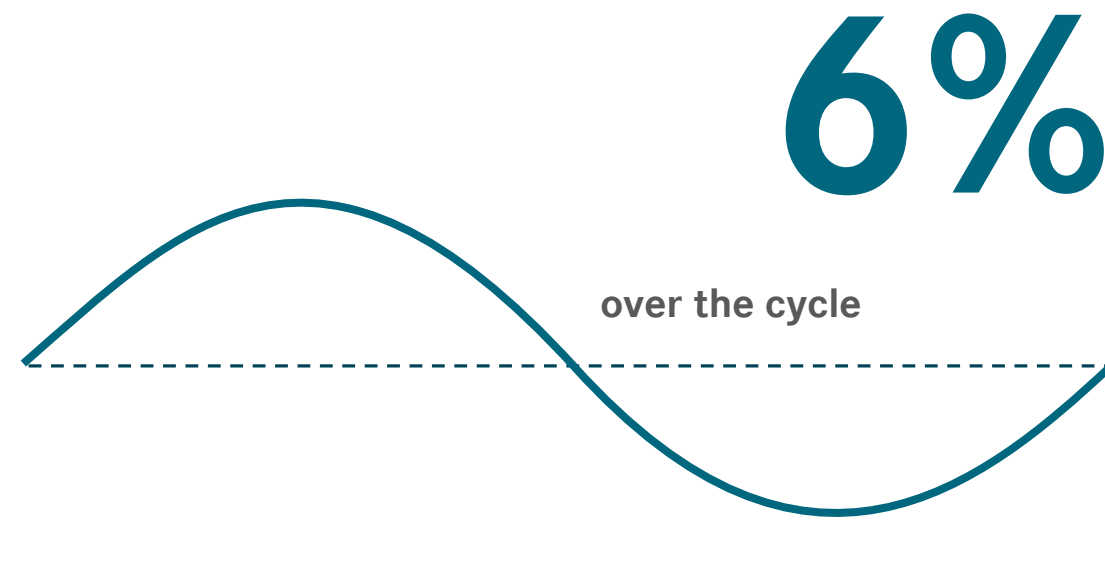
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Daimler Financial Services

Core



# We offer a broad variety of financial and mobility services



**0.4 mn**  
vehicles in fleet management



**0.4 mn**  
banking customers



**3.1 mn**  
car2go customers



**4.7 mn**  
insurance policies



**13.9 mn**  
mytaxi customers



**4.9 mn**  
financed or  
leased vehicles



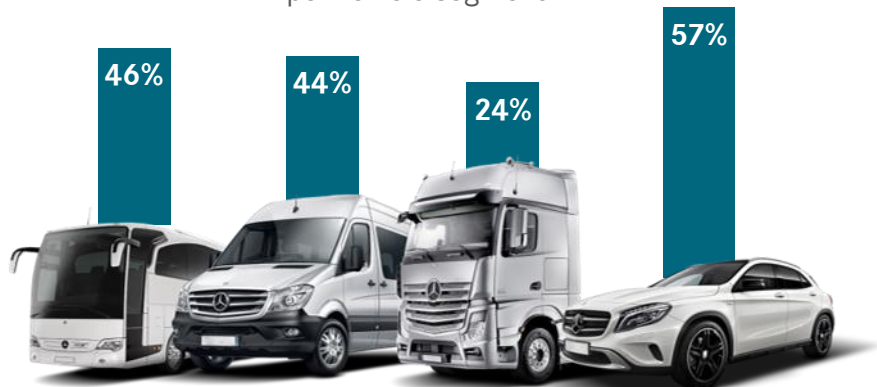
**4.4 mn**  
moovel customers



WE FINANCE NEARLY  
EVERY SECOND VEHICLE  
SOLD BY DAIMLER



Penetration rates  
per vehicle segment



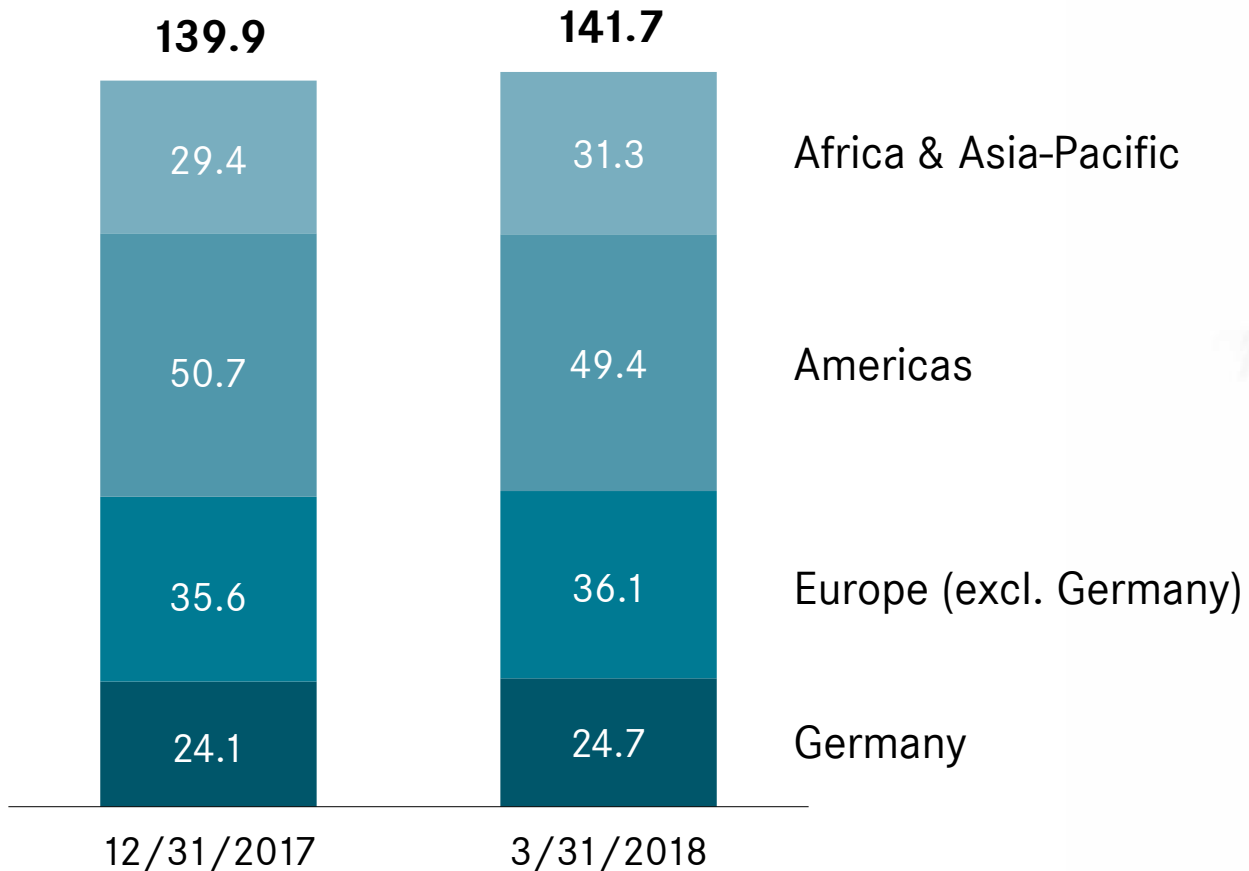
Global penetration rate DFS in Q1 2018

~51%

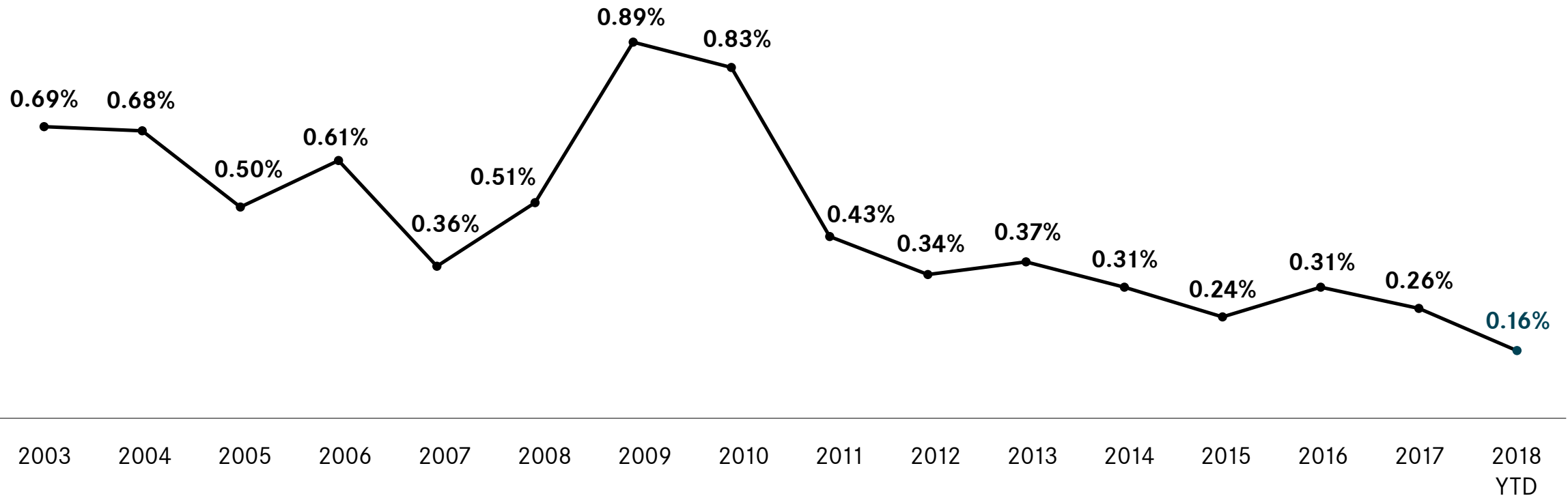


# Daimler Financial Services: further increase in contract volume to 141.7 billion euros

- in billions of euros -



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



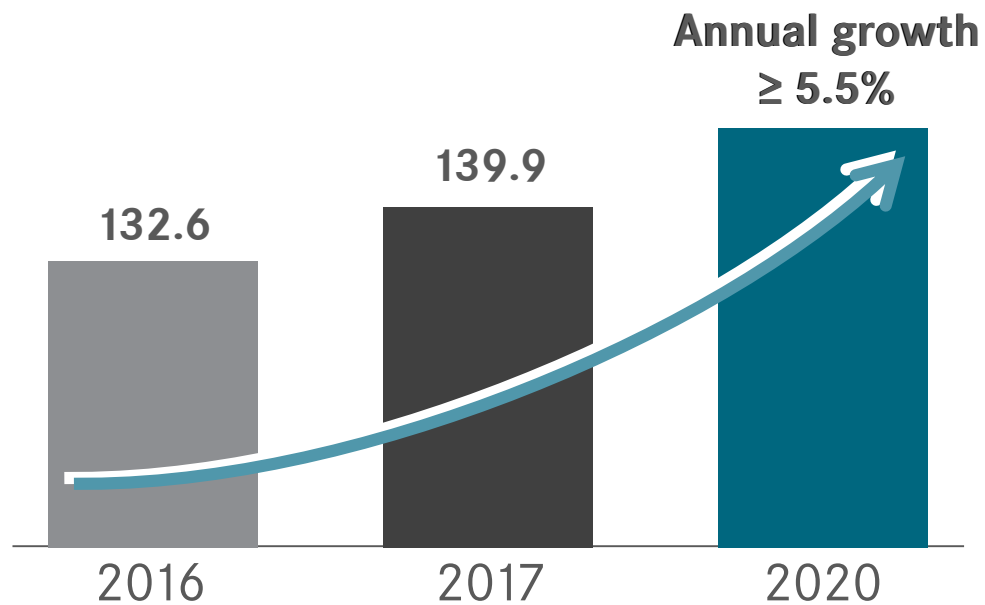
\* as a percentage of portfolio, subject to credit risk



# Our target: best financial and mobility services provider

## Portfolio target

In EUR bn



## Profitability target

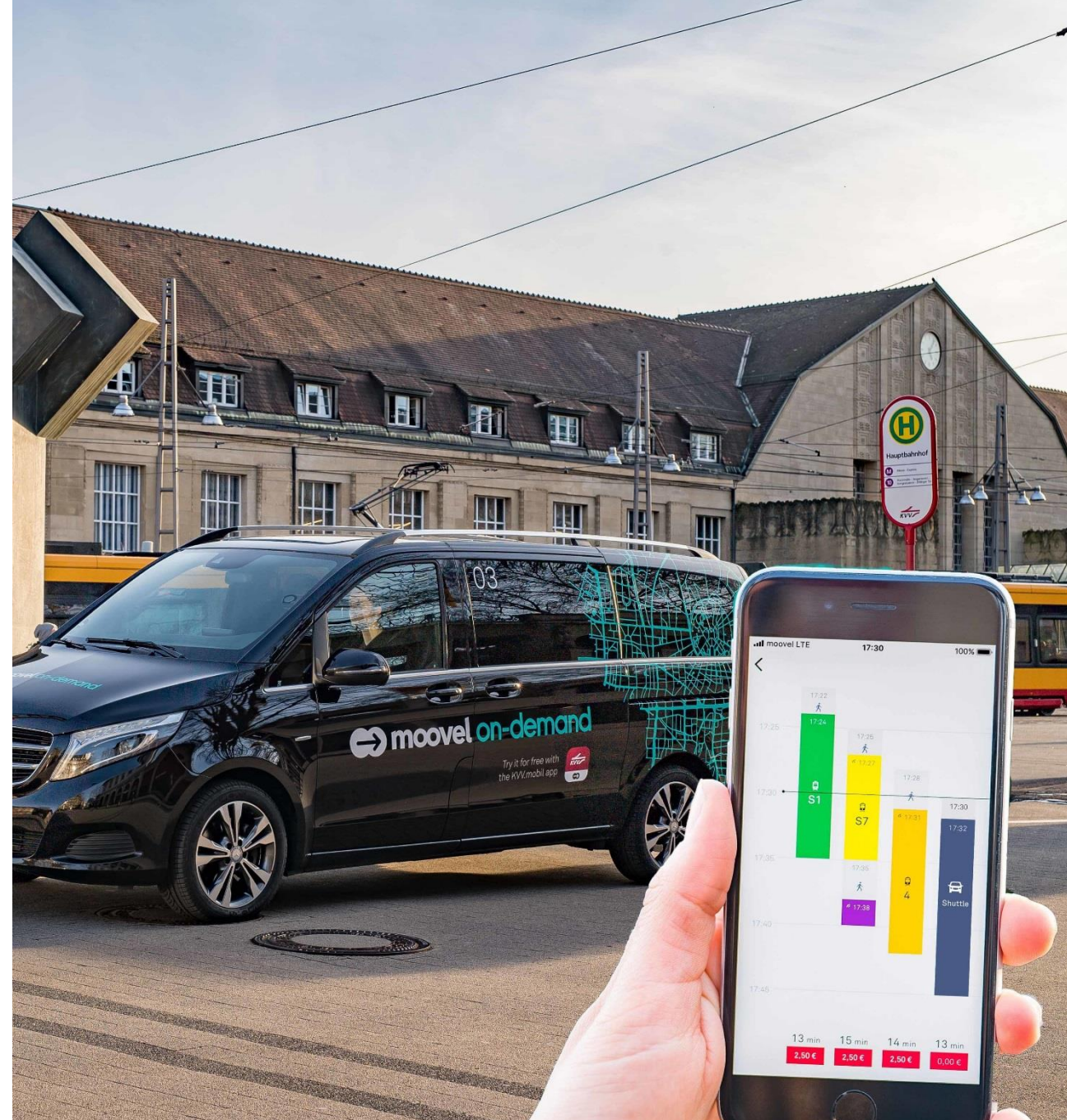
Return on Equity in %

**> 17%**

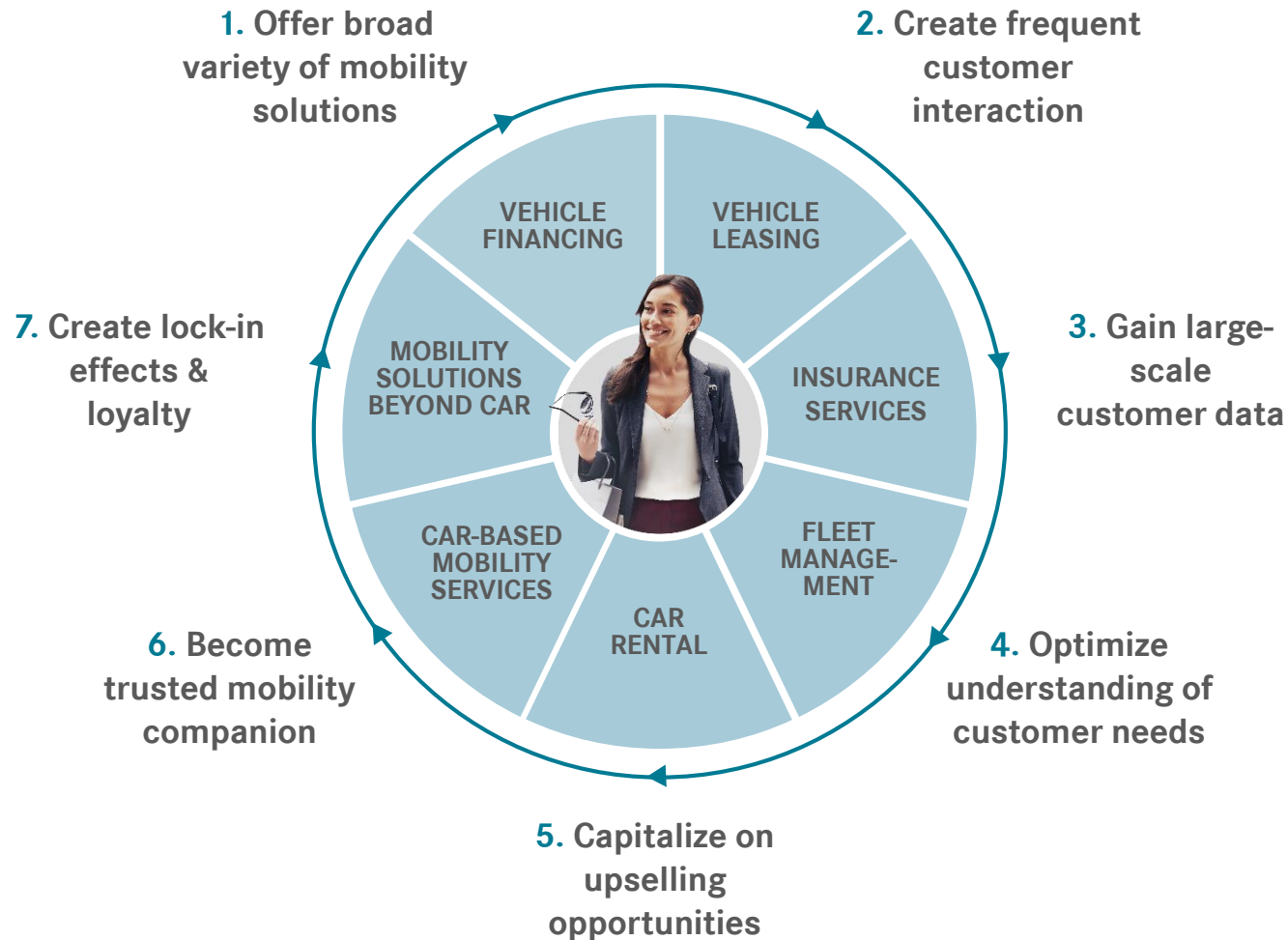
# Daimler Group Strategy

Daimler Financial Services

CASE



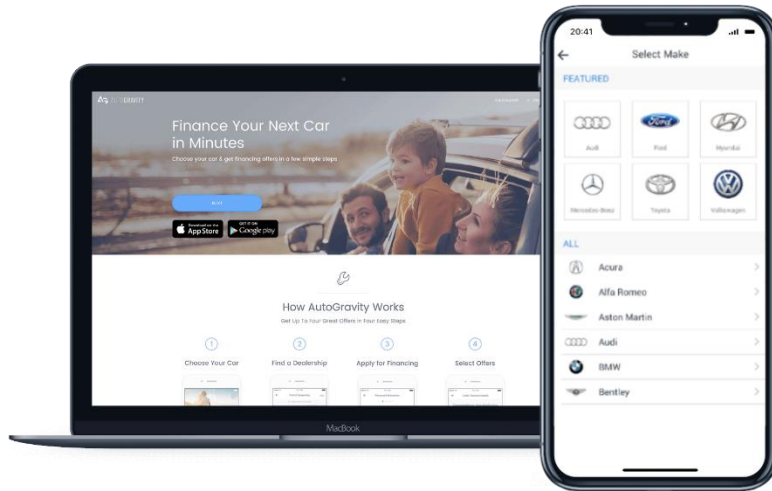
# We aim to build a holistic mobility ecosystem



“DFS’ AMBITION IS TO BECOME AN ENTIRELY **CUSTOMER-CENTRIC**, FULLY **DIGITIZED**, INTEGRATED **FINANCIAL & MOBILITY** SERVICES PROVIDER, OPERATING IN THE MOST **EFFICIENT** WAY.”



# AUTOGRAVITY is a showcase example for digital financing



## TOP FACTS AUTOGRAVITY Q1 2018

- 1.7 million users
- Top-ranked Android & Apple app
- \$2.4 bn in total finance requests

## Daimler investment rationale behind AutoGravity engagement

**LEAD THE DIGITIZATION OF THE INDUSTRY**  
BY LAUNCHING DISRUPTIVE APPROACH TOWARDS AUTOMOTIVE FINANCING

**PROVIDE OUTSTANDING CUSTOMER EXPERIENCES**  
BY OFFERING FIRST-OF-ITS-KIND COMPARISON APP FOR VEHICLE SHOPPING AND FINANCING

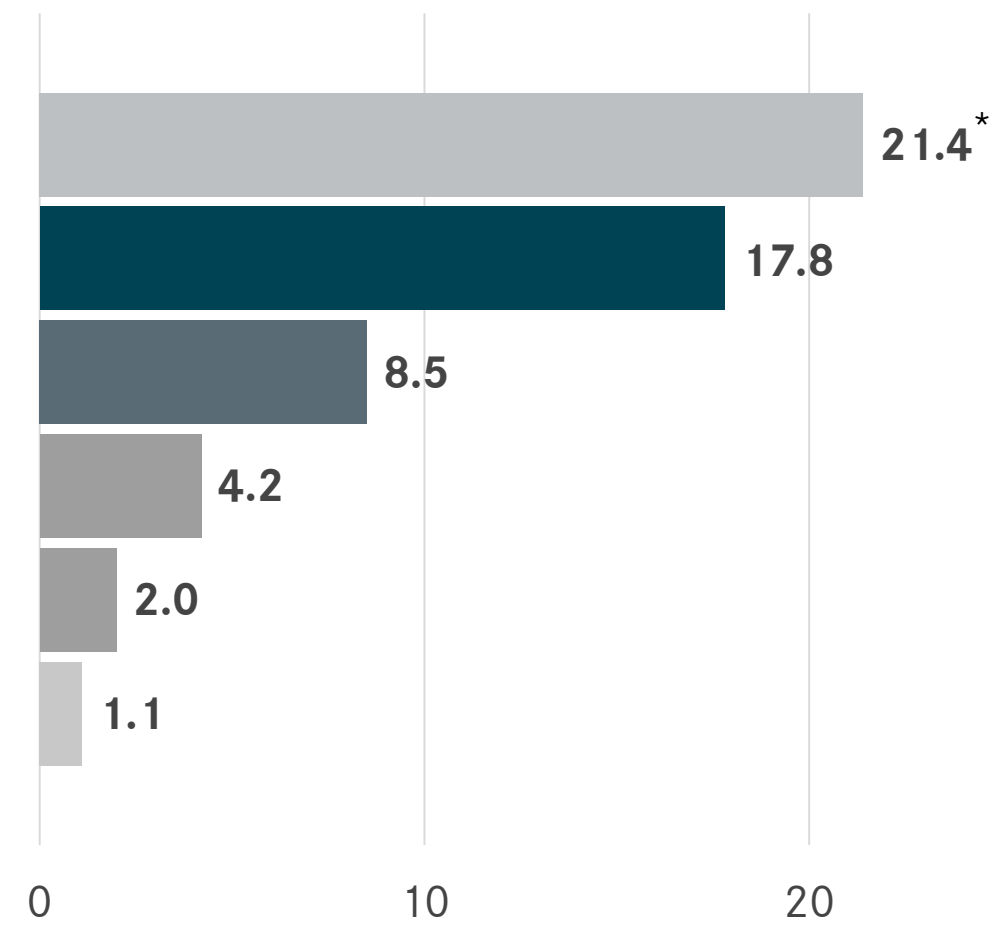
**BUILD ADDITIONAL ASSET-LIGHT REVENUE SOURCES**  
BY BUILDING COMMISSION-BASED PLATFORM BUSINESS

**MAINTAIN CUSTOMER CONTACT AND ENABLE GROWTH**  
WHILE RELIEVING DAIMLER BALANCE SHEET VIA THIRD PARTY FINANCING



# Daimler Mobility Services

Total customers in m



\*Q1 2018

# Three main pillars of our mobility business



The world's first taxi app and leading e-hailing app in Europe with **13.9 mn customers**, available in over **70 cities within 13 countries**. In Europe a mytaxi hail is accepted every second by one of mytaxi's 160,000+ drivers



The **worldwide leading** free floating carsharing concept. The car2go service is used by **3.1 mn customers** with more than **14,000 vehicles** at numerous locations in Europe, North America and Asia.



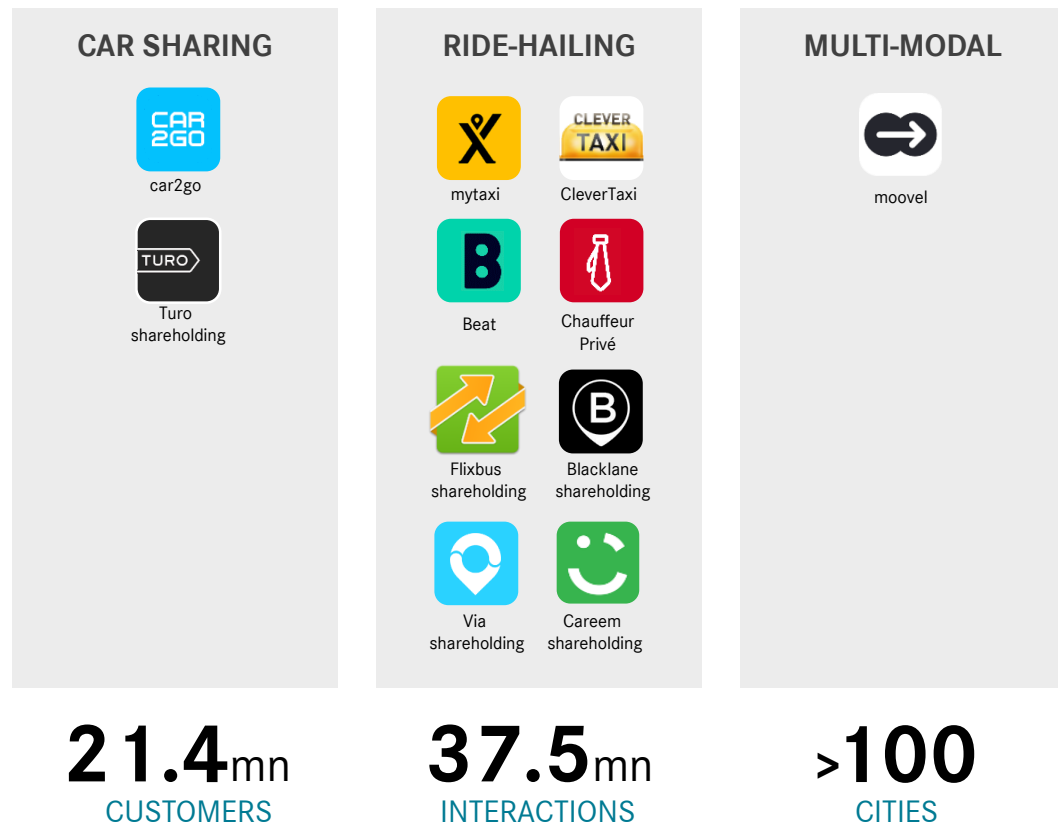
moovel **radically simplifies individual mobility** by combining & offering innovative mobility services to more than **4.4 mn users** worldwide via our services: ticketing apps, on-demand shuttle service, fare connect.



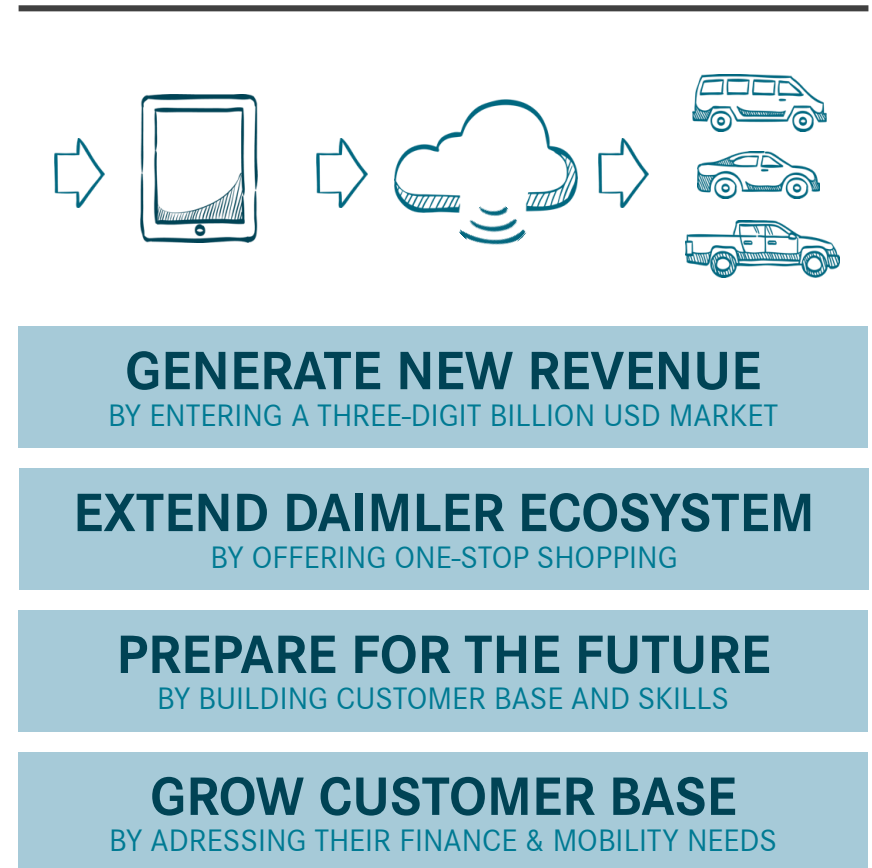


# Daimler Mobility Services: our current portfolio is a strong starting point to conquer the customer interface

## DAIMLER MOBILITY SERVICES BUSINESS PORTFOLIO\*

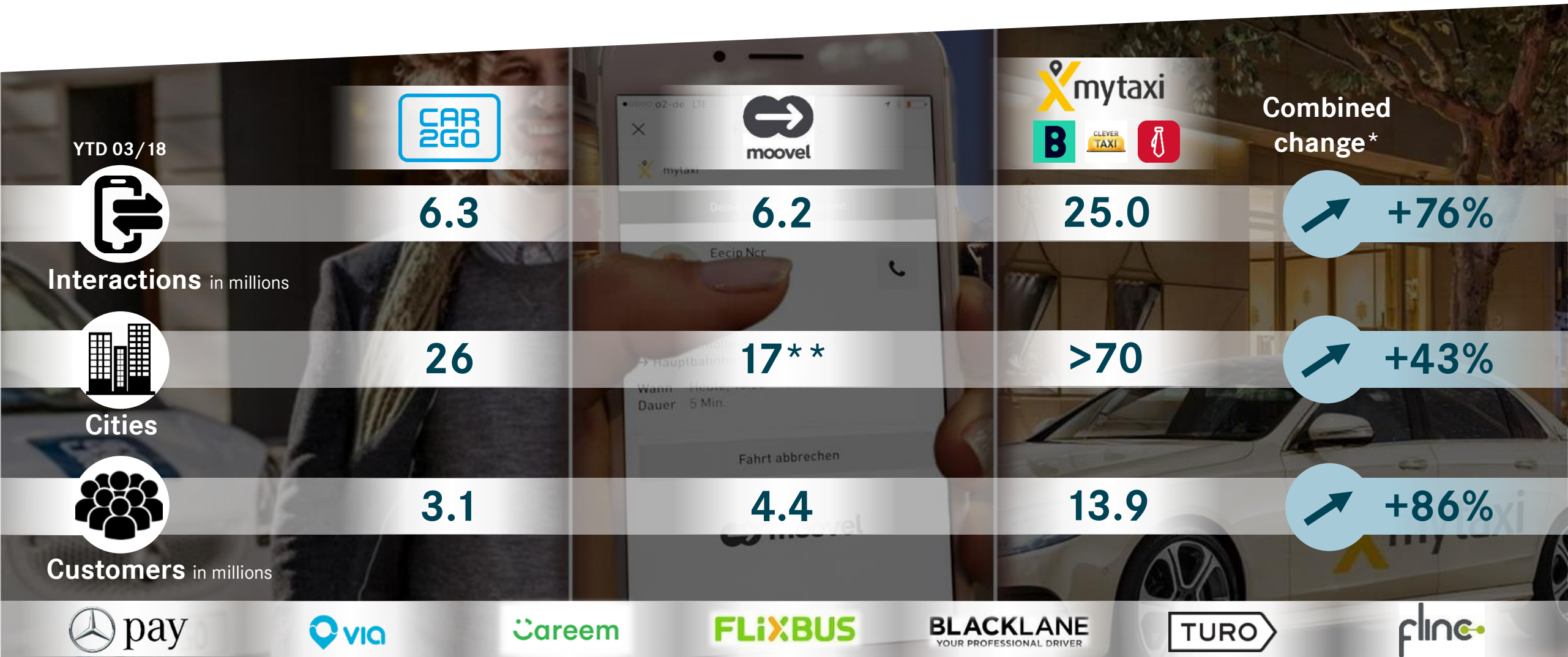


## STRATEGIC TARGETS



\* YTD March 2018; numbers for car2go, moovel, mytaxi, Taxibeat, CleverTaxi.

# Daimler Mobility Services: ongoing business expansion



\* car2go, moovel and mytaxi (incl. Beat since 02/17, Clever Taxi since 06/17 and Chauffeur Privé since 03/18) combined, 03/18 (YTD) vs. 03/17 (YTD) \*\* Number of cities with ticketing capability of public transit

# Building an integrated mobility ecosystem



## VEHICLE MANUFACTURER

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



Mercedes-Benz

## ASSET PROVIDER

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



Mercedes-Benz Financial

Daimler Truck Financial

Mercedes-Benz Insurance



## FLEET OPERATOR

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



Mercedes-Benz Rent

## SERVICE PLATFORM

“Somebody needs to **offer** the individual **mobility service** to customers”



chauffeur prive  
BLACKLANE \*

FLIXBUS \*



## MULTI-MODAL PLATFORM

“Somebody needs to turn various mobility options into **one-stop shopping solutions** and ensure integration into **smart city transportation solutions**”

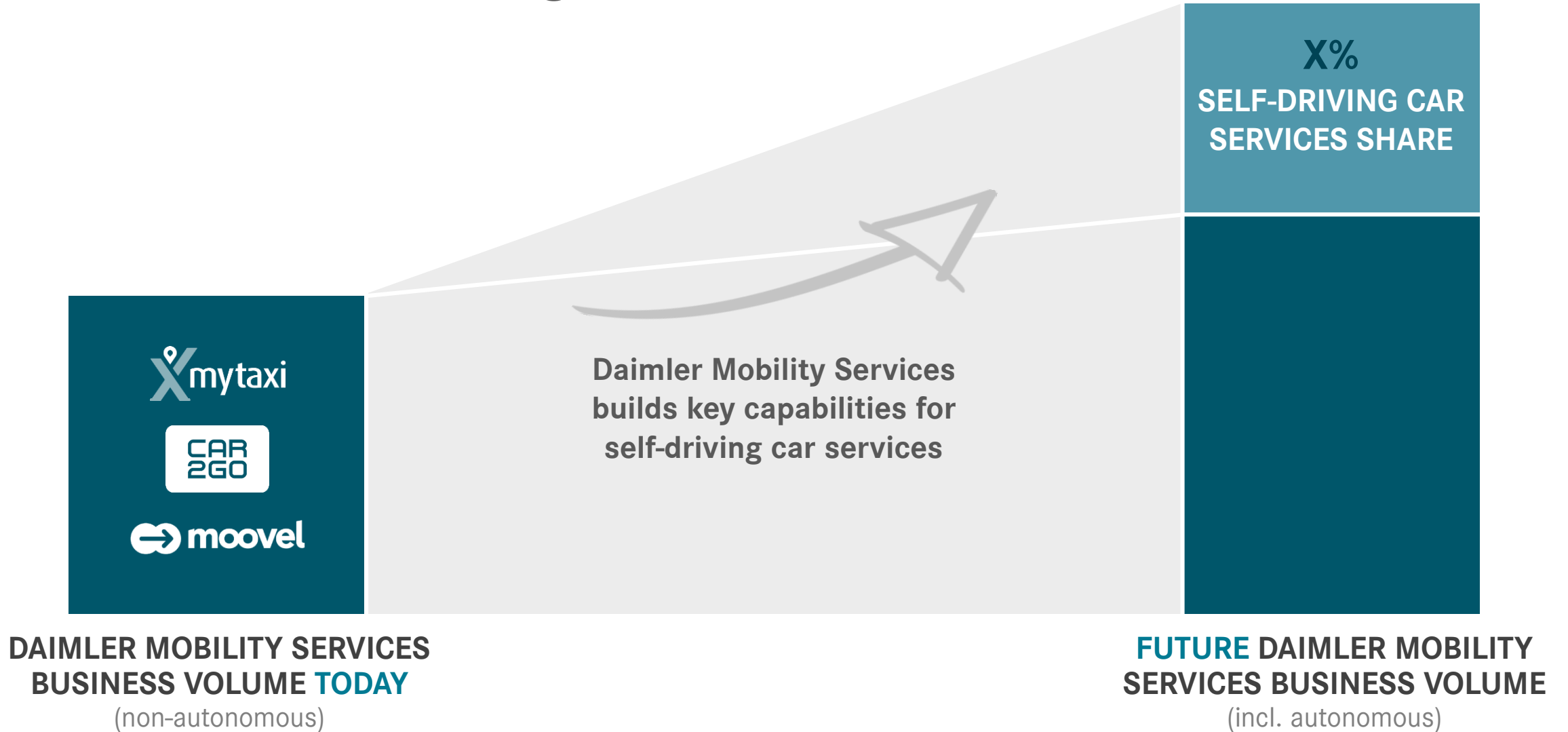


## FUTURE MOBILITY CUSTOMER

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



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



# Daimler AG and BMW Group to combine their mobility services business

Daimler and BMW signed an agreement to merge their mobility services business units

Combination of expertise and experience to develop a unique, sustainable ecosystem for urban mobility

Offer of on-demand mobility in the areas of car sharing, ride hailing, parking, charging and multimodality

Each company will hold a 50-percent stake in a joint venture comprising both companies' mobility services

The formation of the joint venture will produce a significantly positive earnings effect at Daimler Financial Services

The transaction is subject to examination and approval by the responsible competition authorities

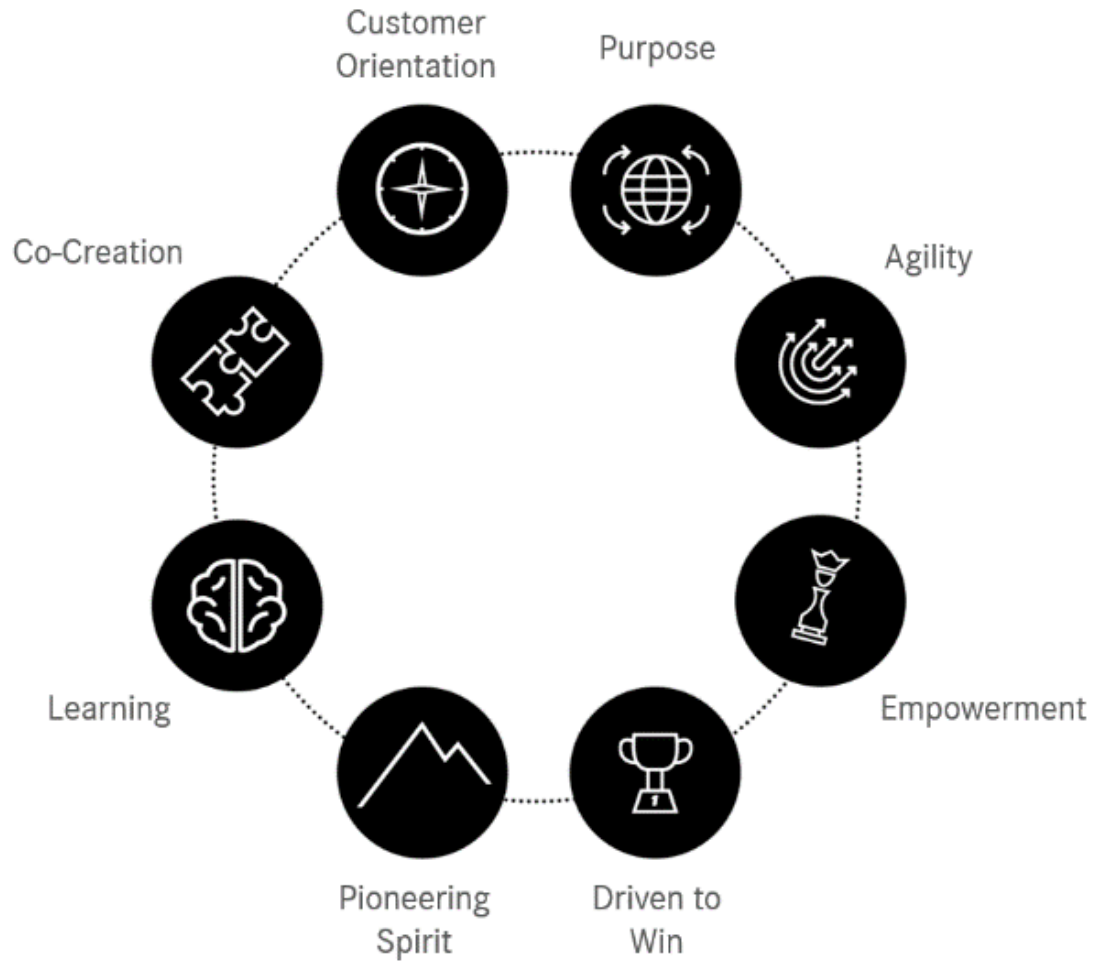
# Daimler Group Strategy

## Culture





# Transforming the Mindset



# Cultural changes supported by DigitalLife@Daimler

Examples 2017

## DigitalLife Day

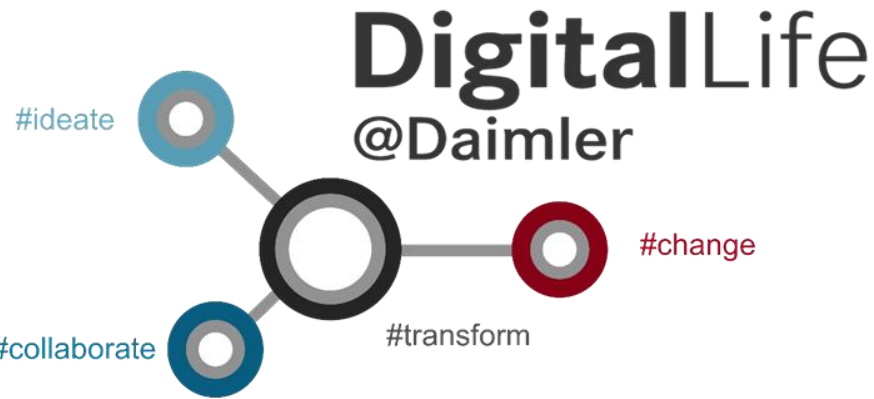


1.000 participants 32 booths,  
2,1 views on Instagram

## netWork & Social Intranet



netWork Camp, 400 international  
participants / Social Intranet /  
Community (internal and external)



## DigitalLife Campus



4 Hackathons, 160 students with  
mentors from divisions

## Ideation & Crowdfunding



Launch crowdfunding platform at  
Open Space, 100 Mill. Challenge  
with ~ 1000 ideas

## Awards (external)



Digital Leader Award, Digital  
Transformer of the Year...

## DigitalLife Tour



8 plants, 12 cities, 5.000 visitors



Silicon Valley

Stuttgart

Beijing

Mobility

Future of Mobility

Digital Lifestyle China

OUR  
**Global  
Partner  
Network**



Austin, TX

Mobility

LIGA  
AutoTech

Brazil

Sales Trucks

Singapore

IT Sales / DFS Overseas

DAIMLER NETWORK

STARTUP AUTOBAHN NETWORK



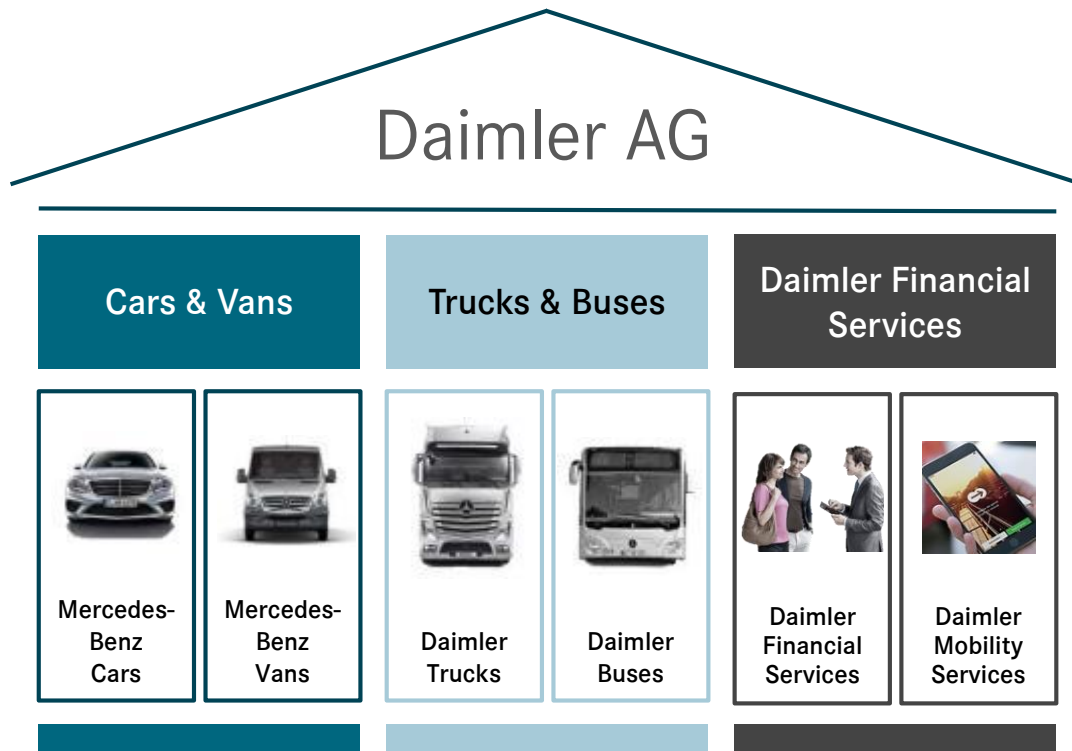
# Daimler Group Strategy

Company



# 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 the Project “Future“.
- 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 projected structure.
- 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 new company structure in the course of the year 2018.
- Finally, the new structure would need approval from at least 75% of the Daimler shareholders at the Annual General Meeting in 2019.
- Given the size and complexity of the project, we are well on track.



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# 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	 slight growth
	Brazil	 significant growth

\* including light-duty trucks

# 2018 sales outlook



Mercedes-Benz Cars



## **Slightly higher unit sales**

Further growth particularly in China

Strong momentum from the wide range of attractive and innovative vehicles



Daimler Trucks



## **Significantly higher unit sales**

Significant growth in NAFTA region, Brazil, Indonesia and India

Unit sales around the prior-year level in EU30 region and Japan



Mercedes-Benz Vans



## **Significantly higher unit sales**

Significant growth in EU30 region, China and the United States

Additional momentum from new X-Class and new Sprinter



Daimler Buses



## **Significantly higher unit sales**

Maintain market leadership in core markets

Significant sales increase in EU30 region and Latin America



# 2018 outlook for EBIT

## DAIMLER



**We expect Group EBIT for FY 2018 to be slightly above the prior-year level based on the following expectations for divisional EBIT:**



Mercedes-Benz Cars



Slightly above the prior-year level



Daimler Trucks



Significantly above the prior-year level



Mercedes-Benz Vans



Slightly below the prior-year level



Daimler Buses



Slightly above the prior-year level



Daimler Financial Services



Significantly above the prior-year level\*

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# Daimler follows a conservative Financial Policy

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Clear commitment to a single A rating

---

Balanced approach between shareholder interest and credit providers

---

Dividend policy on a sustainable basis (40% target pay-out ratio)

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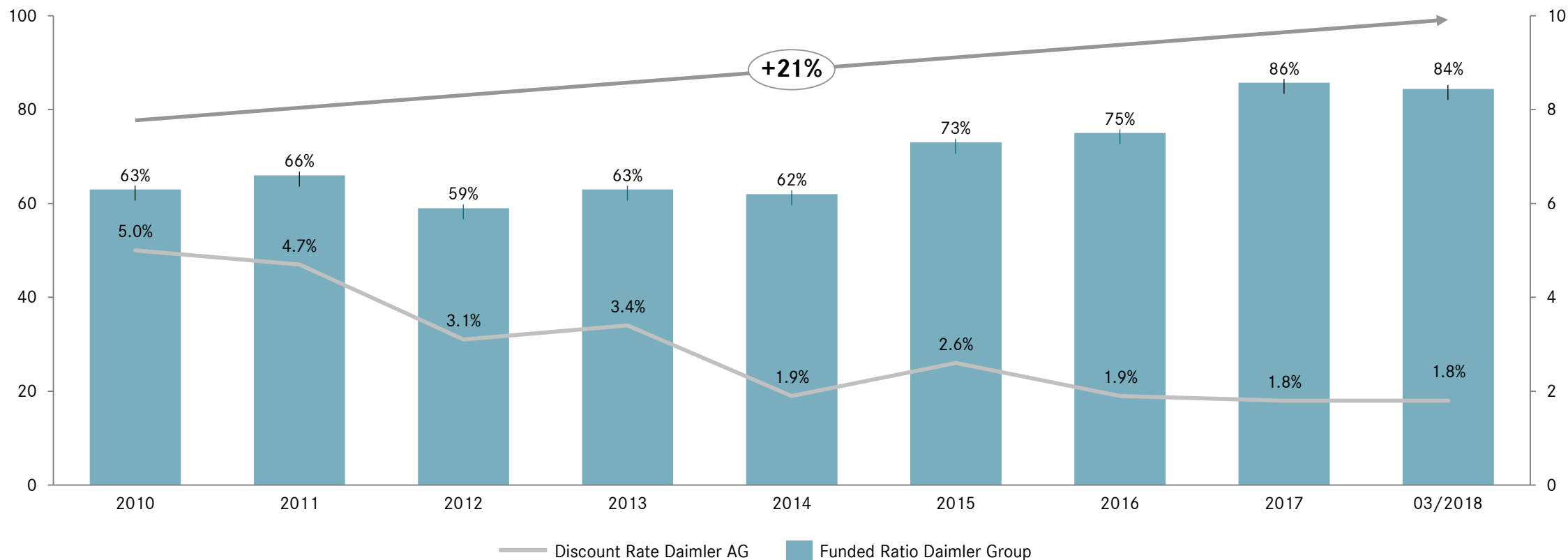
No share buybacks planned, further pension contributions will be evaluated

---



# Positive Asset Returns and Contributions led to a significantly improved Funded Ratio

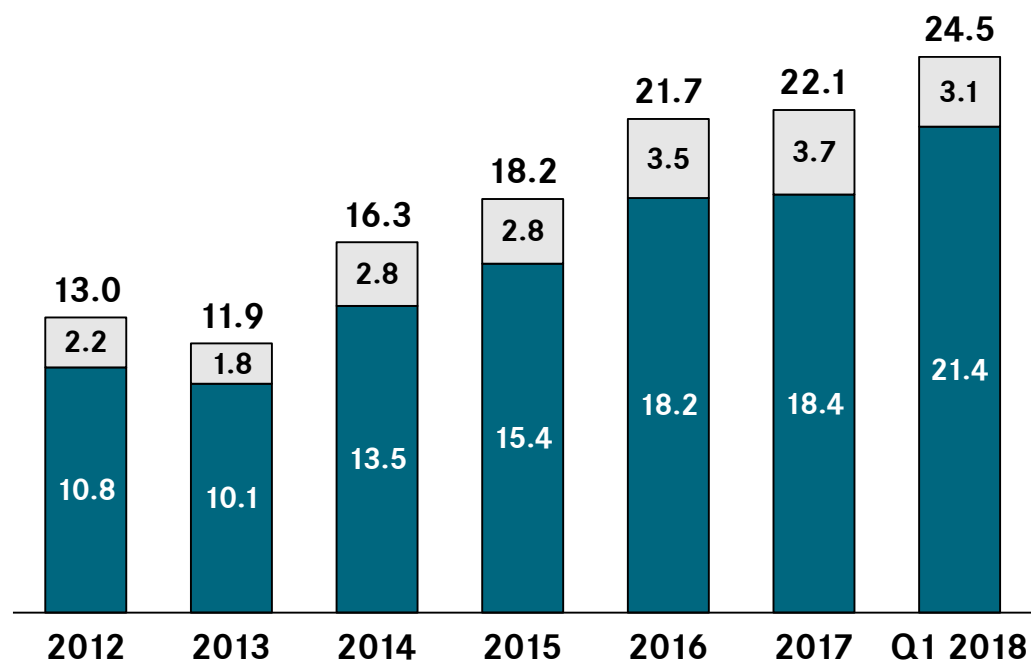
Daimler Group's Funded Ratio Development  
Funded Ratio Group & Discount Rate Development DAG 2010 – 03/2018 in %



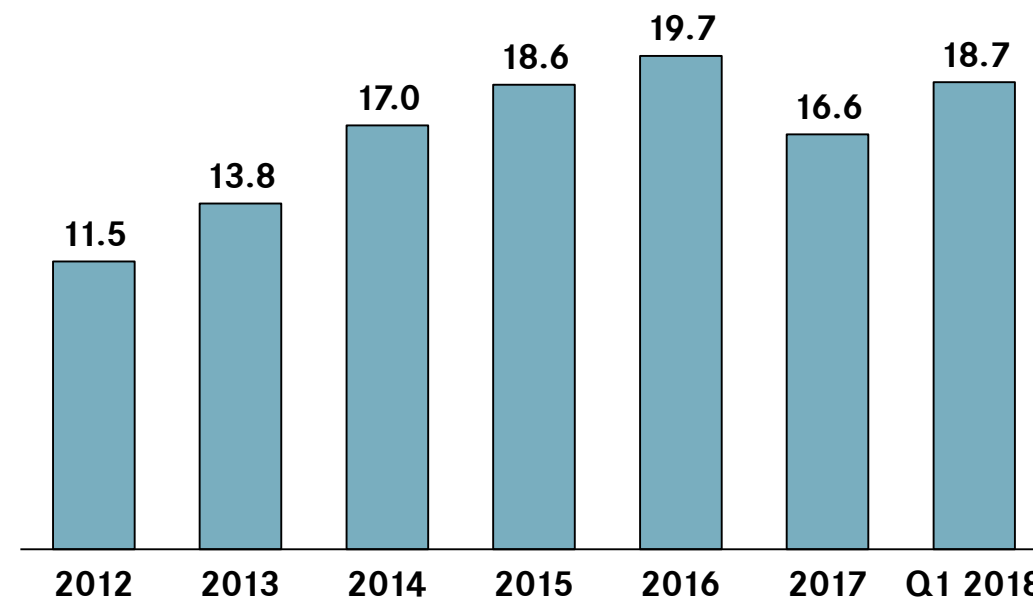
# Daimler follows a conservative financial management approach and further strengthened the balance sheet...

## Gross Group Liquidity (in bn EUR)

Financial Services  
Industrial Business



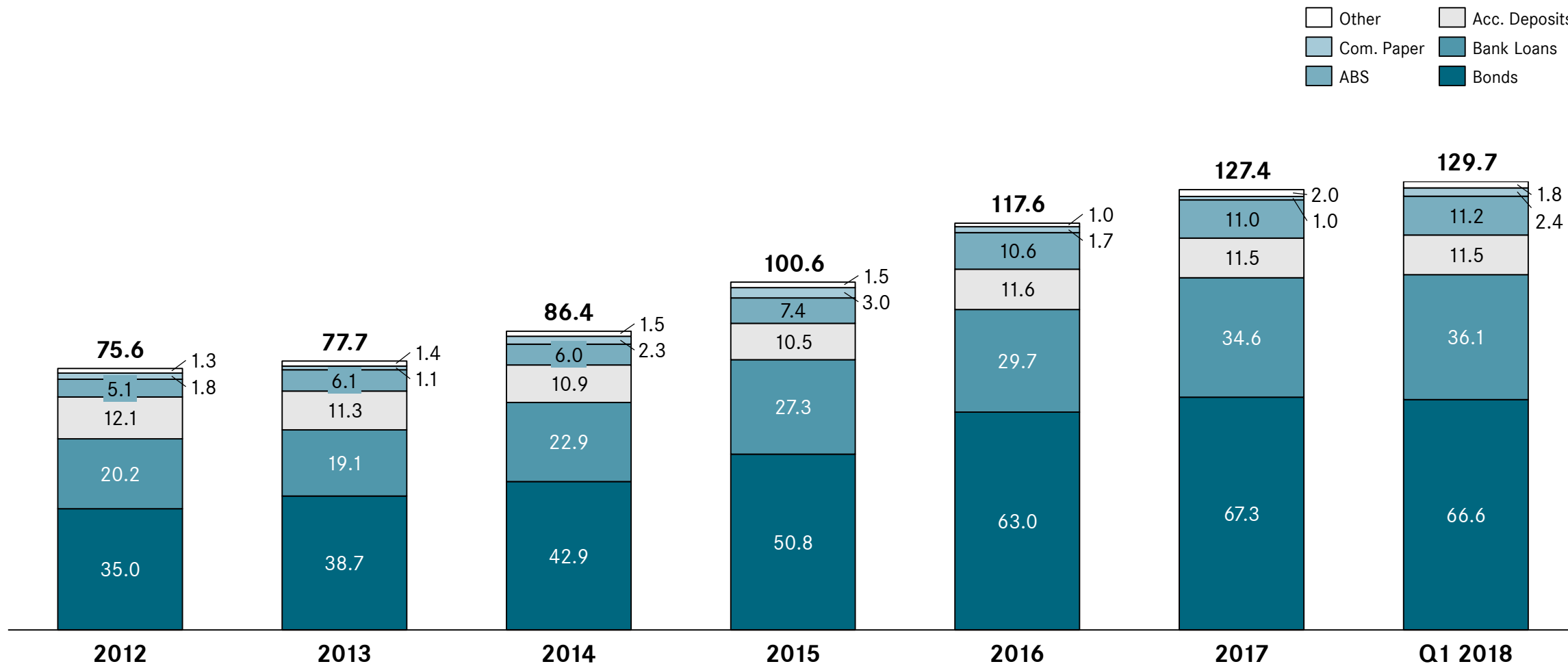
## Net Industrial Liquidity (in bn EUR)



Note: Figures may not be additive due to rounding.

# Financing Liabilities Structure 2012 – 2018 YTD

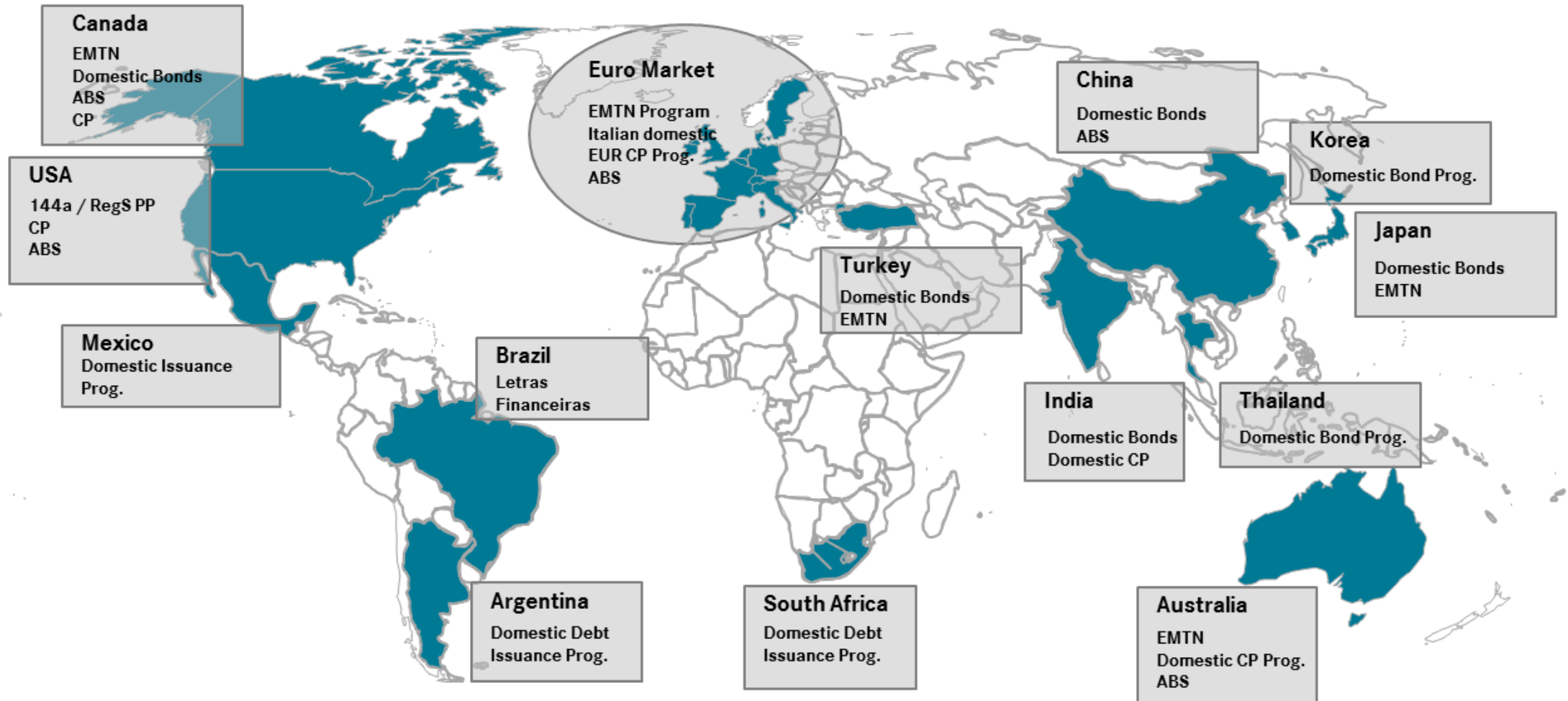
in billions of EUR



Note: Figures may not be additive due to rounding.

# Consequent development to global bond funding

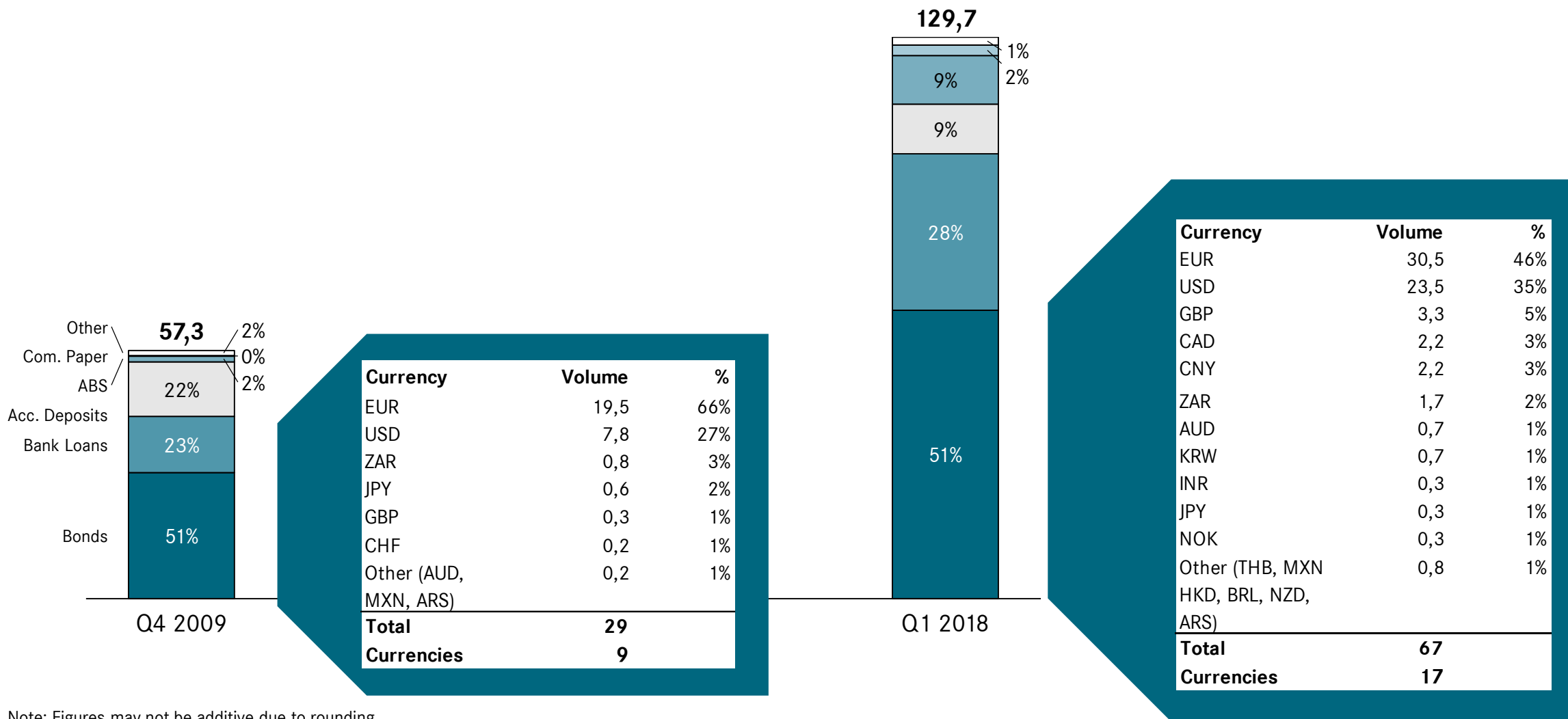
## Diversification will continue





# Funding Base further diversified to a true Global Set-Up

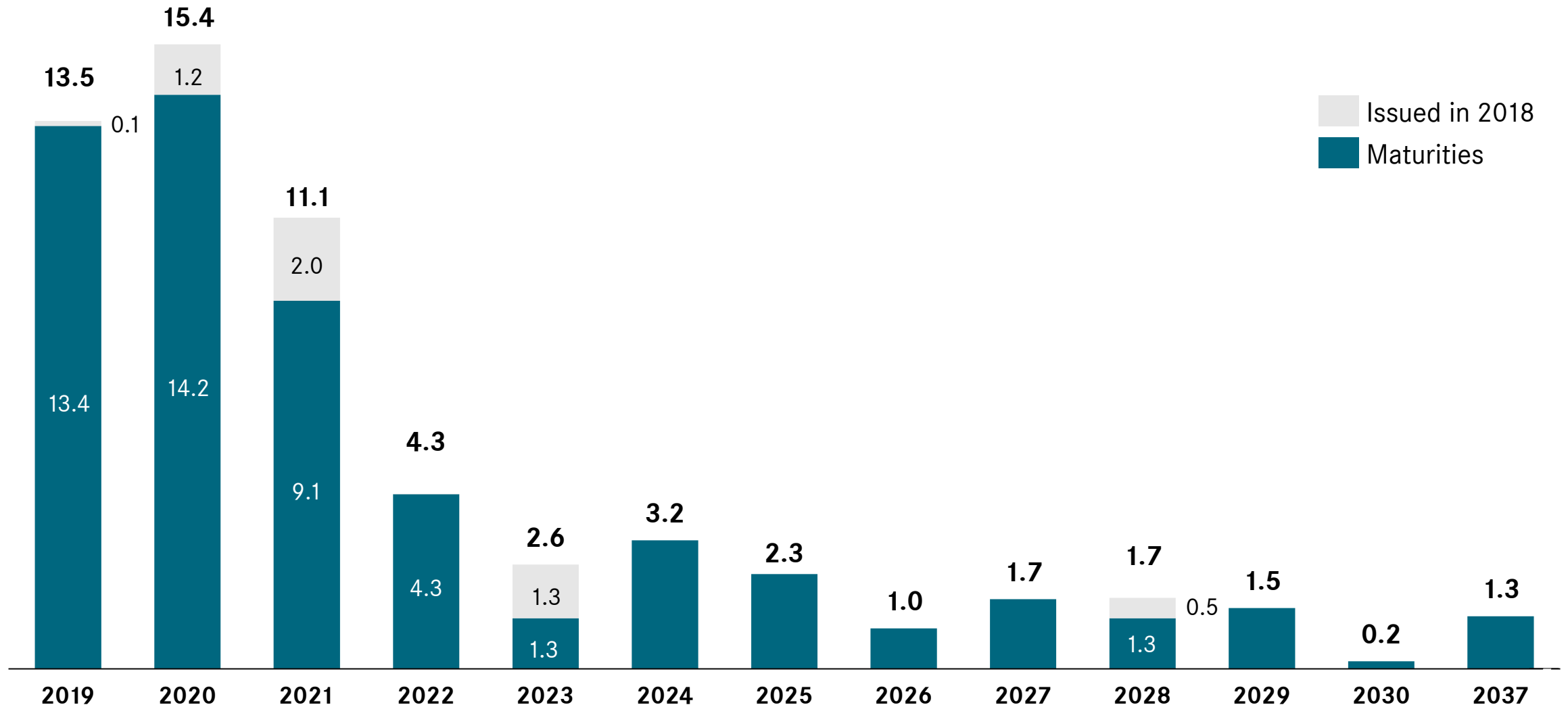
in billions of EUR



Note: Figures may not be additive due to rounding.

# Maturity profile Daimler Group

in billions of EUR as of 12 April 2018



# Our funding strategy is built on prudent principles

## Targeting Financial Independence

No dependence from single markets, instruments, banks or investors

Diversification of funding sources and instruments:  
Bank Loans, Bonds, ABS, CP, Deposits

No Covenants, no MAC, no asset pledges, no CSAs

## Maximizing Financial Flexibility

Keeping prudent amount of Cash and Committed Credit Facility

New markets funded via global and local banks first

Early capital market funding to save credit capacity in growth regions

## Stringent Global Funding Policy

Liquidity matched funding

Interest rate matched funding

Currency matched funding

Country matched funding

# Solid rating supports Daimler's funding

<b>Current ratings:</b>	<b>S&amp;P:</b>	<b>A stable</b>	<b>A-1</b>
	<b>Moody's:</b>	<b>A2 stable</b>	<b>P-1</b>
	<b>Fitch:</b>	<b>A- stable</b>	<b>F2</b>
	<b>DBRS:</b>	<b>A stable</b>	<b>R-1 (low)</b>
	<b>Scope:</b>	<b>A stable</b>	<b>S-1</b>
<b>Daimler target:</b>	<b>Sustaining the A rating at all rating agencies</b>		



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# Daimler's transition to IFRS 15

## What is IFRS 15?

IFRS 15 is a new Standard regarding revenue recognition to be applied from January 1, 2018.

## Major effects on Revenue and/or EBIT due to...

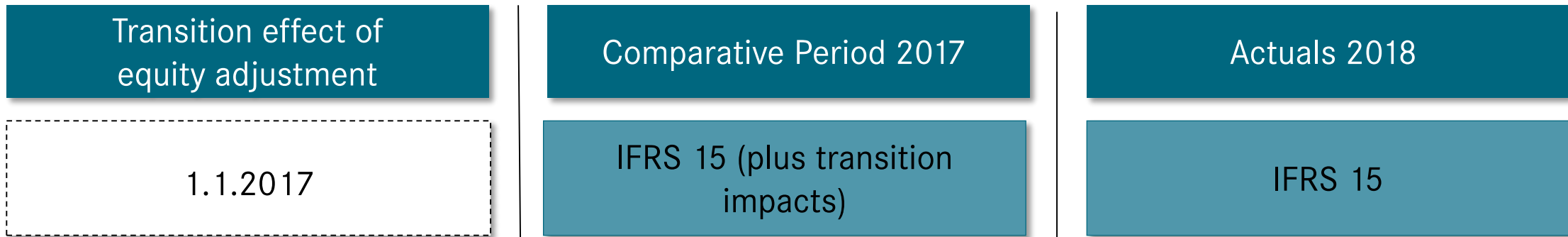
- Earlier recognition of sales incentives
- Earlier recognition of certain repurchase agreements
- Different accounting of Contract Manufacturing

## Presentation

Financial Statements for 2017 retrospectively adjusted.

# Retrospective application of IFRS 15

## Financial Statements 2018 contain:



- Daimler will apply IFRS 15 for the first time for the financial year beginning January 1, 2018
- Restatement of comparative periods of Financial Statements 2018 (interim reports and annual report)
- Daimler used simplifications available under IFRS 15 for transition (e.g. that contracts completed before January 1, 2017 had not to be reassessed)

# Income Statement FY 2017: Application of IFRS 15 leads to reduction of earnings mainly in consequence of transition effects

- in millions of euros -

	2017 (as reported)	2017 (adjusted)	Delta
<b>Total revenue</b>	<b>164.330</b>	<b>164.154</b>	<b>-176</b> (1)
Cost of sales	-129.999	-129.626	373 (2)
<b>Gross profit</b>	<b>34.331</b>	<b>34.528</b>	<b>197</b>
Selling expenses	-12.965	-12.951	14
General administrative expenses	-3.809	-3.808	1
Research and non-capitalized development costs	-5.938	-5.938	0
Other operating income	2.824	2.259	-565 (3)
Other operating expense	-1.042	-1.043	-1
Profit/loss on equity-method investments, net	1.498	1.498	0
Other financial income/expense, net	-230	-210	20 (4)
Interest income/expense, net	-368	-368	0
<b>Profit before income taxes</b>	<b>14.301</b>	<b>13.967</b>	<b>-334</b>
Income taxes	-3.437	-3.350	87 (5)
<b>Net profit</b>	<b>10.864</b>	<b>10.617</b>	<b>-247</b>
thereof profit attributable to non-controlling interests	-339	-339	0
thereof profit attributable to shareholders of Daimler AG	10.525	10.278	-247
<b>Earnings per share (in euros) for profit attributable to shareholders of Daimler AG</b>	<b>9,84</b>	<b>9,61</b>	<b>-0,23</b>

## Major effects:

- (1) - Earlier recognition of sales incentives
- Different accounting of Contract Manufacturing
- Reclassification of licenses from other operating income to revenue
- Accounting for certain repurchase agreements as a sale (with a right of return) instead of a lease
- (2) - Different accounting of Contract Manufacturing
- Accounting for certain repurchase agreements as a sale (with a right of return) instead of a lease
- (3) Reclassification of licenses from other operating income to revenue
- (4) Presentation of Cost of Hedging (effect from IFRS 9)
- (5) Deferred taxes on adjustments

Impact on earnings partially due to transition effect from recognition of sales incentives in Q1/2017



# Adjusted key figures due to transition to IFRS 9 and IFRS 15 in FY 2017

- in millions of euros -	Revenue			EBIT		
	as reported	adjusted	change	as reported	adjusted	change
<b>Daimler Group</b>	164,330	<b>164,154</b>	-176	14,682	<b>14,348</b>	-334
of which						
Mercedes-Benz Cars	94,695	<b>94,351</b>	-344	9,207	<b>8,843</b>	-364
Daimler Trucks	35,707	<b>35,755</b>	+48	2,380	<b>2,383</b>	+3
Mercedes-Benz Vans	13,164	<b>13,161</b>	-3	1,181	<b>1,147</b>	-34
Daimler Buses	4,351	<b>4,524</b>	+173	243	<b>281</b>	+38
Daimler Financial Services	23,775	<b>23,776</b>	+1	1,970	<b>1,970</b>	0
Reconciliation/Eliminations	-7,362	<b>-7,413</b>	-51	-299	<b>-276</b>	+23

# Adjusted key figures due to transition to IFRS 9 and IFRS 15 in Q1 2017

- in millions of euros -	Revenue			EBIT		
	as reported	adjusted	change	as reported	adjusted	change
<b>Daimler Group</b>	38,776	<b>38,582</b>	-194	4,008	<b>3,771</b>	-237
of which						
Mercedes-Benz Cars	22,723	<b>22,521</b>	-202	2,234	<b>1,998</b>	-236
Daimler Trucks	7,940	<b>7,951</b>	+11	668	<b>662</b>	-6
Mercedes-Benz Vans	2,993	<b>2,977</b>	-16	357	<b>337</b>	-20
Daimler Buses	900	<b>923</b>	+23	65	<b>72</b>	+7
Daimler Financial Services	5,911	<b>5,911</b>	0	524	<b>524</b>	0
Reconciliation/Eliminations	-1,691	<b>-1,701</b>	-10	160	<b>178</b>	+18

# Change in Outlook

- in millions of euros -

Outlook as of March 27, 2018

	2017 (as reported)	2017 (adjusted)	2018 FC02	2018 Consensus <sup>1)</sup>	Previous Outlook	New Outlook
Mercedes-Benz Cars	9.207	8.843	9.100	9.074	Prior year level	Slightly above
Daimler Trucks	2.380	2.383	3.100	2.847	Significantly above	Significantly above
Mercedes-Benz Vans	1.181	1.147	1.070	1.135	Slightly below	Slightly below
Daimler Buses	243	281	300	261	Significantly above	Slightly above
Daimler Financial Services	1.970	1.970	2.000	1.935	Prior year level	Prior year level
Reconciliation / Elim.	-299	-276	-970	-530		
<b>Daimler</b>	<b>14.682</b>	<b>14.348</b>	<b>14.600</b>	<b>14.722</b>	<b>Prior year level</b>	<b>Prior year level</b>

<sup>1)</sup> Final Consensus as of March 14, 2018

Further information on the changeover to IFRS 15 can be found at: [daimler.com/ir/IFRS15](http://daimler.com/ir/IFRS15)

# Balance sheet figures support our A-rating

<b>Daimler Group</b>	Dec. 31, 2017	March 31, 2018
Equity ratio	24.0%	<b>24.0%</b>
Gross liquidity	22.1	<b>24.5</b>
Funded status of pension obligations	-4.5	<b>-4.9</b>
<i>Funding ratio</i>	<i>86%</i>	<b><i>84%</i></b>
<b>Industrial business</b>		
Equity ratio	46.4%	<b>45.9%</b>
Net liquidity	16.6	<b>18.7</b>
Free cash flow (January-March)	1.9	<b>1.8</b>

in billions of euros



# Continued strong growth in units sales

	Q1 2017	Q1 2018	% change
<b>Daimler Group</b>	754.3	<b>806.9</b>	+7
of which			
Mercedes-Benz Cars	568.1	<b>594.3</b>	+5
Daimler Trucks	94.0	<b>113.8</b>	+21
Mercedes-Benz Vans	86.8	<b>93.0</b>	+7
Daimler Buses	5.4	<b>5.7</b>	+6

in thousands of units

# Revenue by division

	Q1 2017*	Q1 2018	% change
<b>Daimler Group</b>	38.6	<b>39.8</b>	+3
of which			
Mercedes-Benz Cars	22.5	<b>23.0</b>	+2
Daimler Trucks	8.0	<b>8.6</b>	+8
Mercedes-Benz Vans	3.0	<b>3.1</b>	+4
Daimler Buses	0.9	<b>0.9</b>	-8
Daimler Financial Services	5.9	<b>6.0</b>	+2
<b>Contract volume of Daimler Financial Services**</b>	139.9	<b>141.7</b>	+1

in billions of euros

\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* figures as of December 31, 2017 and March 31, 2018

# Revenue by region

	Q1 2017*	Q1 2018	% change
<b>Daimler Group</b>	38.6	<b>39.8</b>	+3
of which			
Europe	16.1	<b>16.4</b>	+2
<i>of which Germany</i>	5.8	<b>6.0</b>	+3
NAFTA	10.8	<b>10.6</b>	-2
<i>of which United States</i>	9.4	<b>9.1</b>	-4
Asia	9.2	<b>10.3</b>	+12
<i>of which China**</i>	4.3	<b>5.2</b>	+19
Other markets	2.4	<b>2.4</b>	+1

in billions of euros

\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* excluding revenue of not fully consolidated companies

# EBIT by division

- EBIT in millions of euros; RoS/RoE in % -	Q1 2017*		Q1 2018	
	EBIT	RoS/RoE**	EBIT	RoS/RoE**
<b>Daimler Group</b>	3,771	9.9	<b>3,335</b>	<b>8.3</b>
of which				
Mercedes-Benz Cars	1,998	8.9	<b>2,060</b>	<b>9.0</b>
Daimler Trucks	662	8.3	<b>647</b>	<b>7.5</b>
Mercedes-Benz Vans	337	11.3	<b>172</b>	<b>5.6</b>
Daimler Buses	72	7.8	<b>37</b>	<b>4.4</b>
Daimler Financial Services	524	19.3	<b>548</b>	<b>17.9</b>
Reconciliation	178	-	<b>-129</b>	<b>-</b>

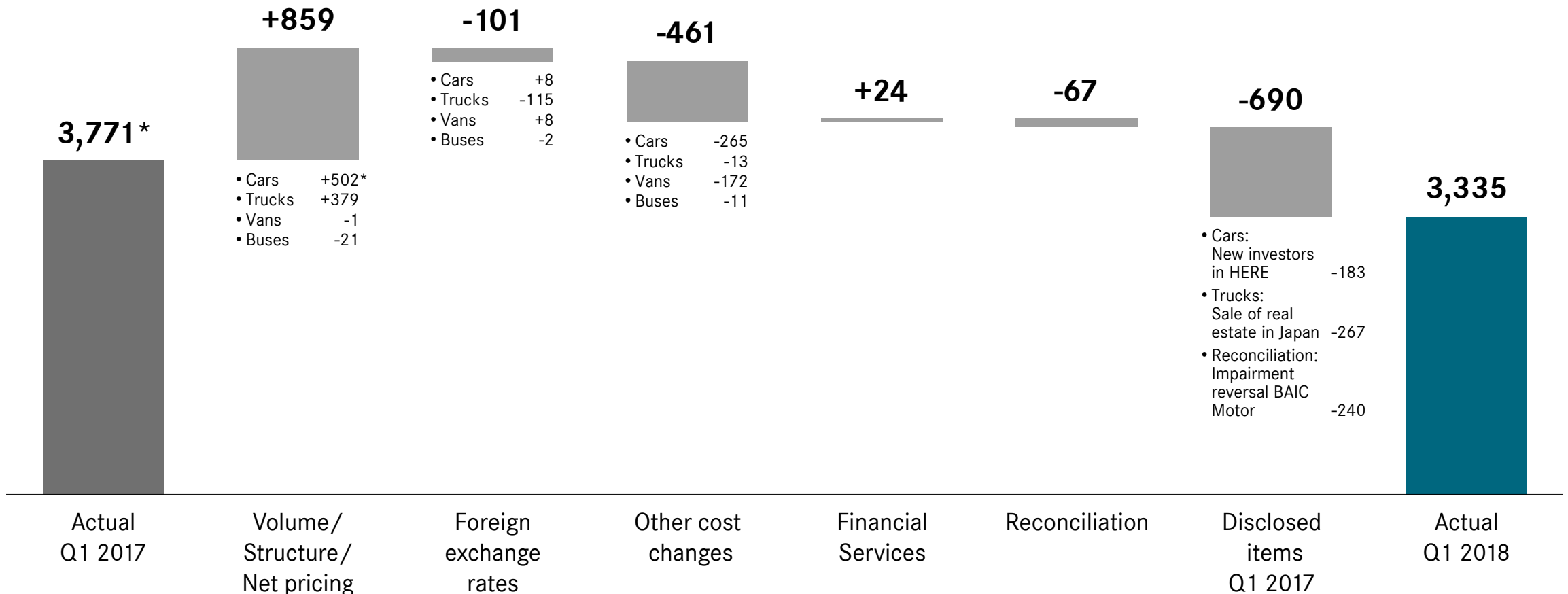
\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

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



# Group EBIT in Q1 2018

- in millions of euros -



\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9), primarily impacting Mercedes-Benz Cars with €236 million

# Capital expenditure / Research and development

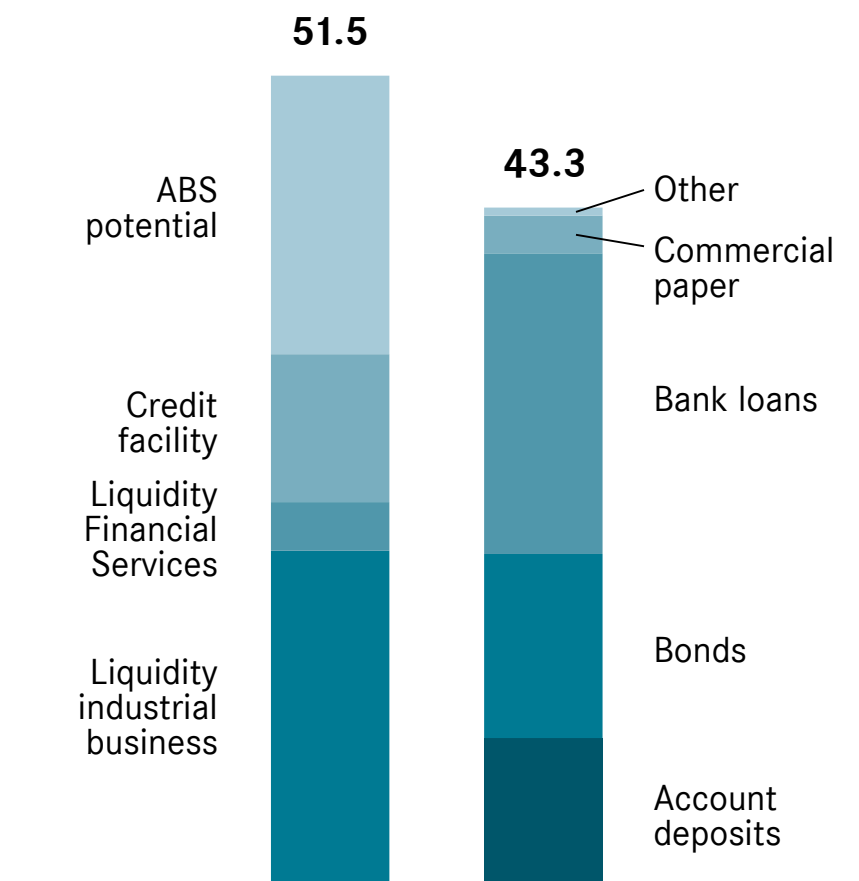
in billion euros

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

\* average p.a.

# Financial flexibility over a 12-month period

- in billions of euros -



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

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

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

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Available or short-term accessible liquidity is higher than the total maturities over the next 12 months

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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

# Daimler Investor Relations Events Q2-2018

<b>May 02 2018</b>	<b>IR Roadshow</b>	<b>Frankfurt</b>
<b>May 03-04 2018</b>	<b>IR Roadshow</b>	<b>Toronto, New York</b>
<b>May 04 2018</b>	<b>CFO Roadshow</b>	<b>London</b>
<b>May 08-09 2018</b>	<b>IR Meetings</b>	<b>Beijing</b>
<b>May 14-15 2018</b>	<b>IR Meetings</b>	<b>New York</b>
<b>May 15 2018</b>	<b>CFO Roadshow</b>	<b>Paris</b>
<b>May 2018</b>	<b>IR Roadshow</b>	<b>Scandinavia</b>
<b>Jun 05-06 2018</b>	<b>Capital Market Day Daimler Trucks</b>	<b>Portland, OR, USA</b>

**For latest dates please see <https://www.daimler.com/investors/events/roadshows/>**



# Daimler Investor Relations Financial Calendar 2018/Q1 2019

**Apr 27 2018**

**Interim Report 1st Quarter 2018**

**Jul 26 2018**

**Interim Report 2nd Quarter 2018**

**Oct 25 2018**

**Interim Report 3rd Quarter 2018**

**Feb 06 2019**

**Full Year Results 2018 / Annual Press Conference 2019**

**Feb 07 2019**

**Investor and Analyst Conference**

**For latest dates please see <https://www.daimler.com/investors/events/financial-calendar/>**

# 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; 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.