

# DAIMLER

Q2 2017

Corporate Presentation



## CONTENTS

# Key figures

Divisional information

Group financials

Daimler Group Strategy

China

Outlook

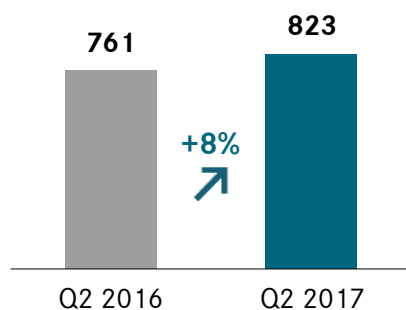
Appendix



# Highlights of Q2 2017

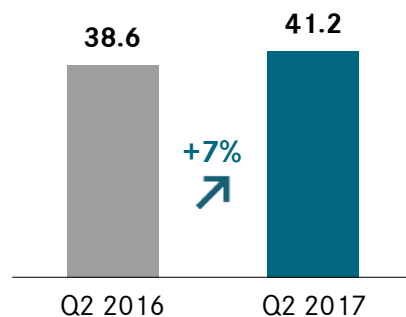
## Unit sales

- in thousands of units -



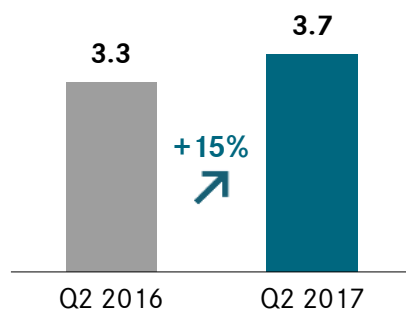
## Revenue

- in billions of euros -



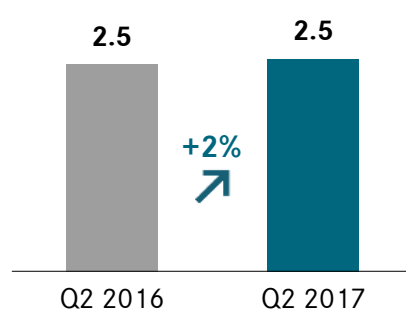
## EBIT

- in billions of euros -



## Net profit

- in billions of euros -



---

Launch of the new S-Class sedan and start of production of the E-Class Cabriolet

---

World premiere of the Concept A Sedan at Auto Shanghai

---

Laying the foundation stone for the second battery plant in Kamenz

---

The Mercedes-Benz Untertürkheim plant will be further developed into a high-tech location for electric components

---

Acquisition of 15% of LSH Auto International Limited to foster the long-lasting cooperation with the Mercedes-Benz dealer group

---

Presentation of the all-new heavy-duty truck FUSO Super Great

---

Expansion of the ride-hailing business by investments in Clever Taxi (Romania) and Careem (Dubai)

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## CONTENTS

[Key figures](#)

# Divisional information

[Group financials](#)

[Daimler Group Strategy](#)

[China](#)

[Outlook](#)

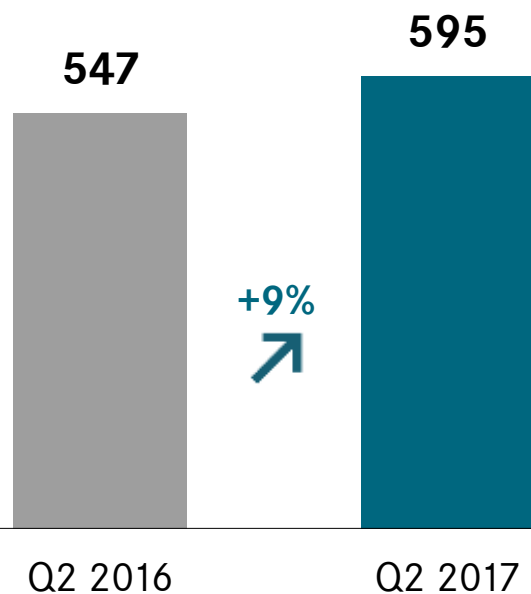
[Appendix](#)



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

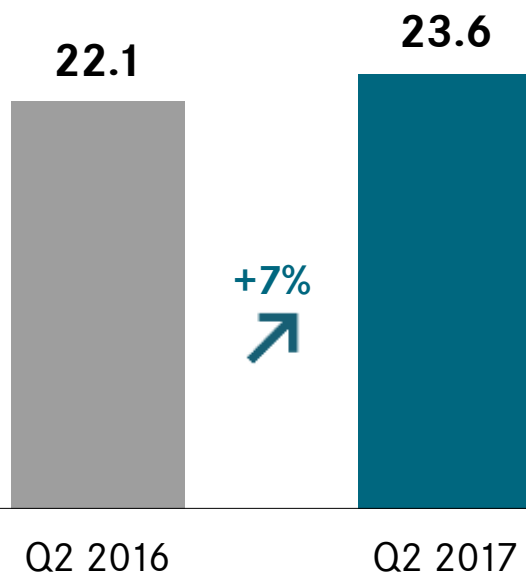
## Unit sales

- in thousands of units -



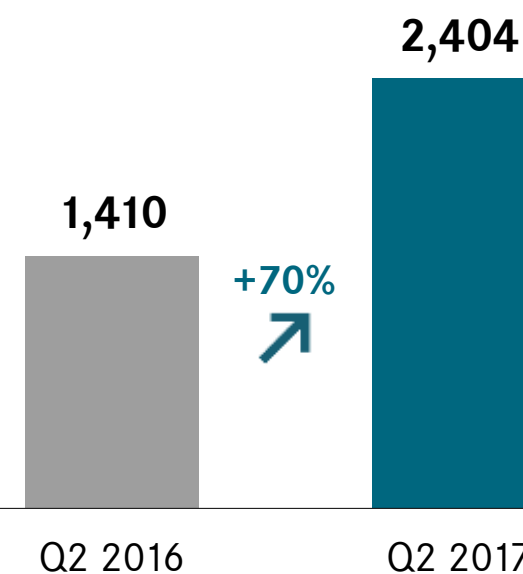
## Revenue

- in billions of euros -



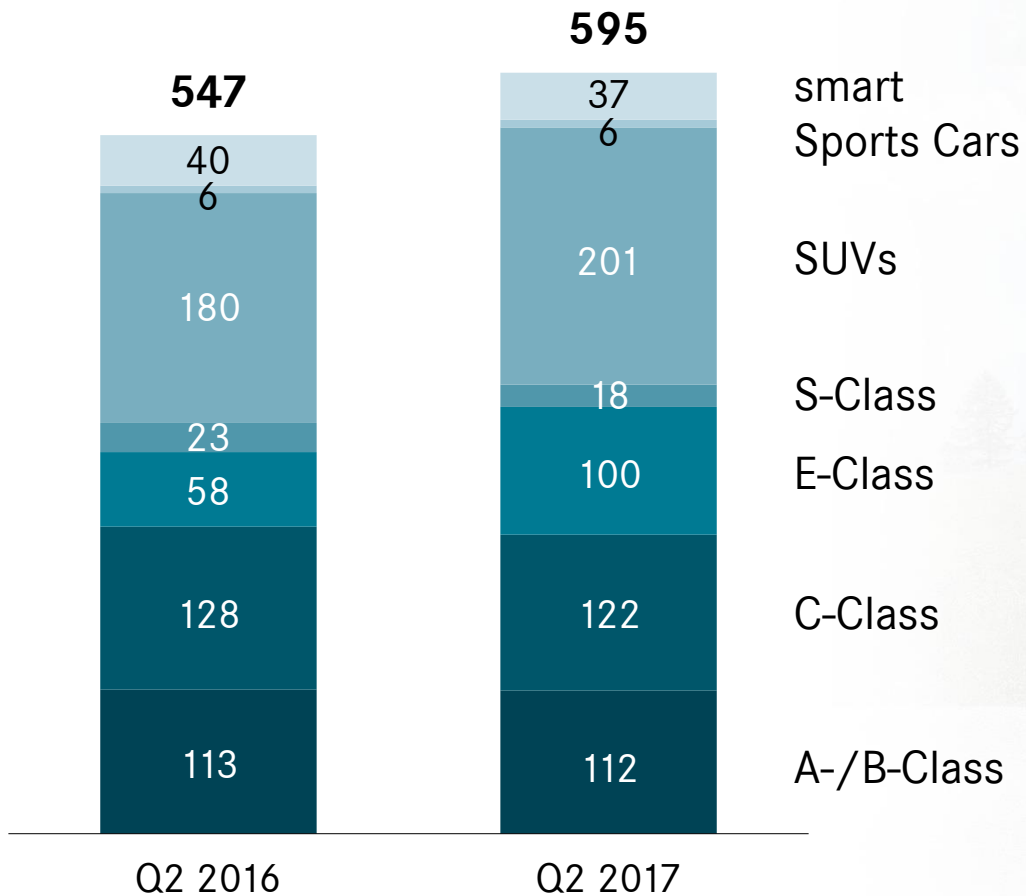
## EBIT

- in millions of euros -



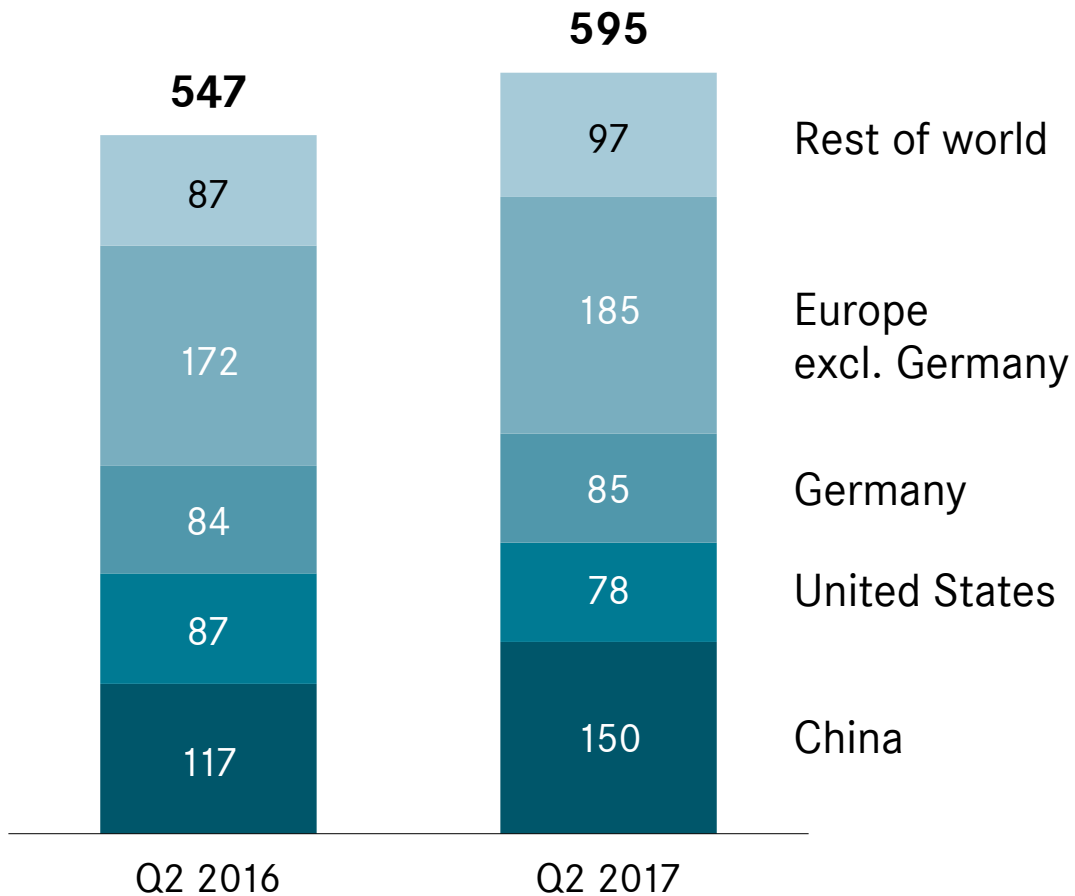
# Mercedes-Benz Cars: sales increase by 9% reflecting our strong product line-up

- in thousands of units -



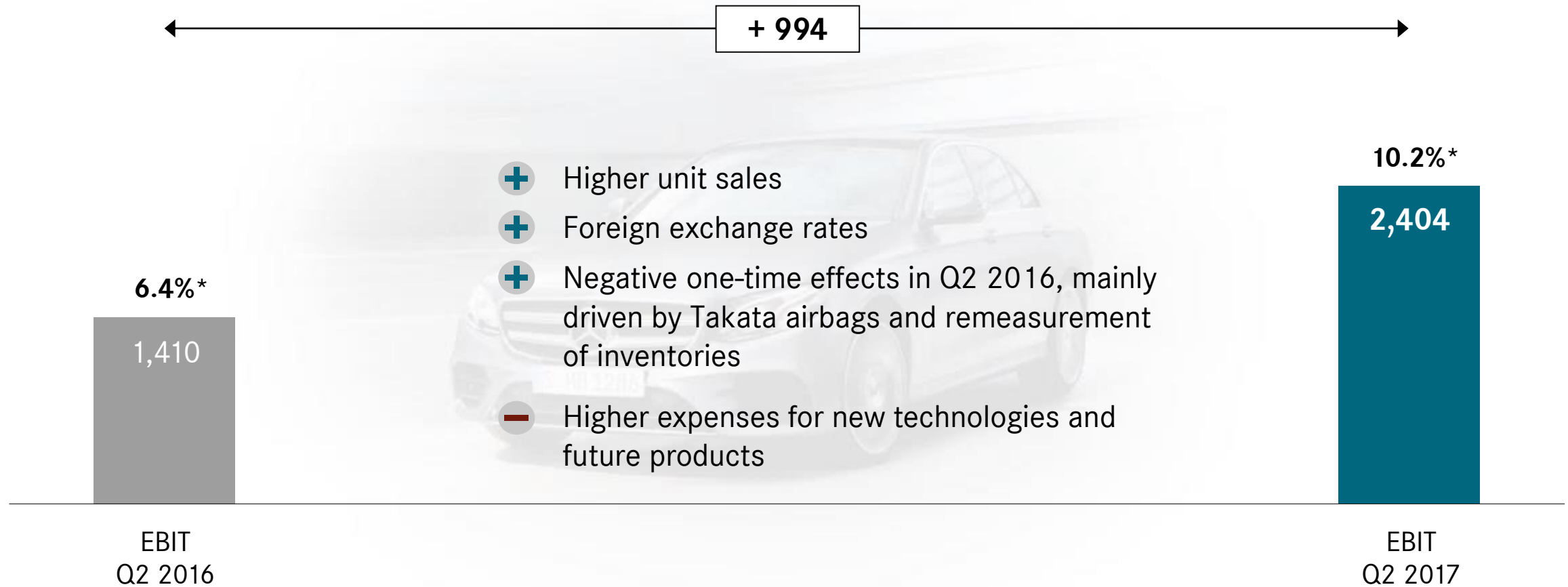
# Mercedes-Benz Cars: globally balanced sales structure

- in thousands of units -



# Mercedes-Benz Cars: EBIT

- in millions of euros -



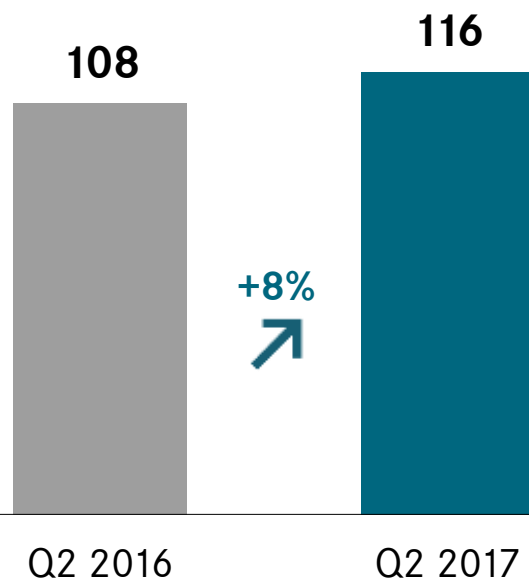
\* Return on sales



# Daimler Trucks: unit sales and revenue above, EBIT below prior year

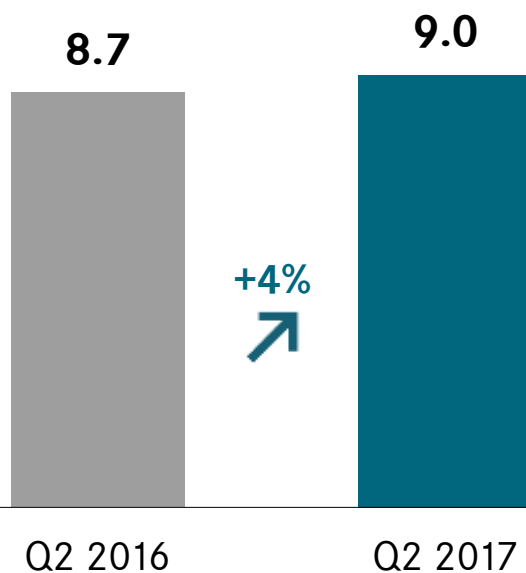
## Unit sales

- in thousands of units -



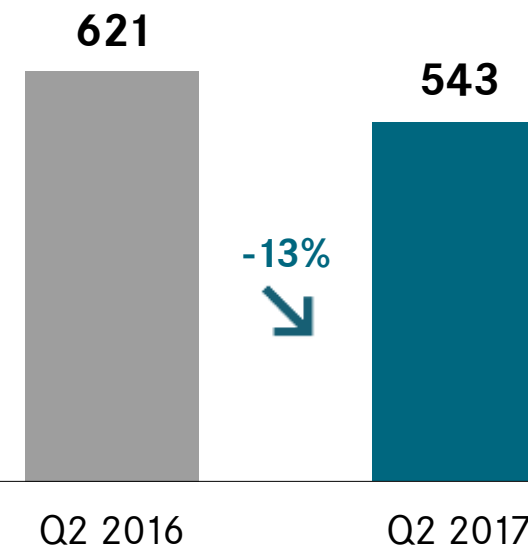
## Revenue

- in billions of euros -



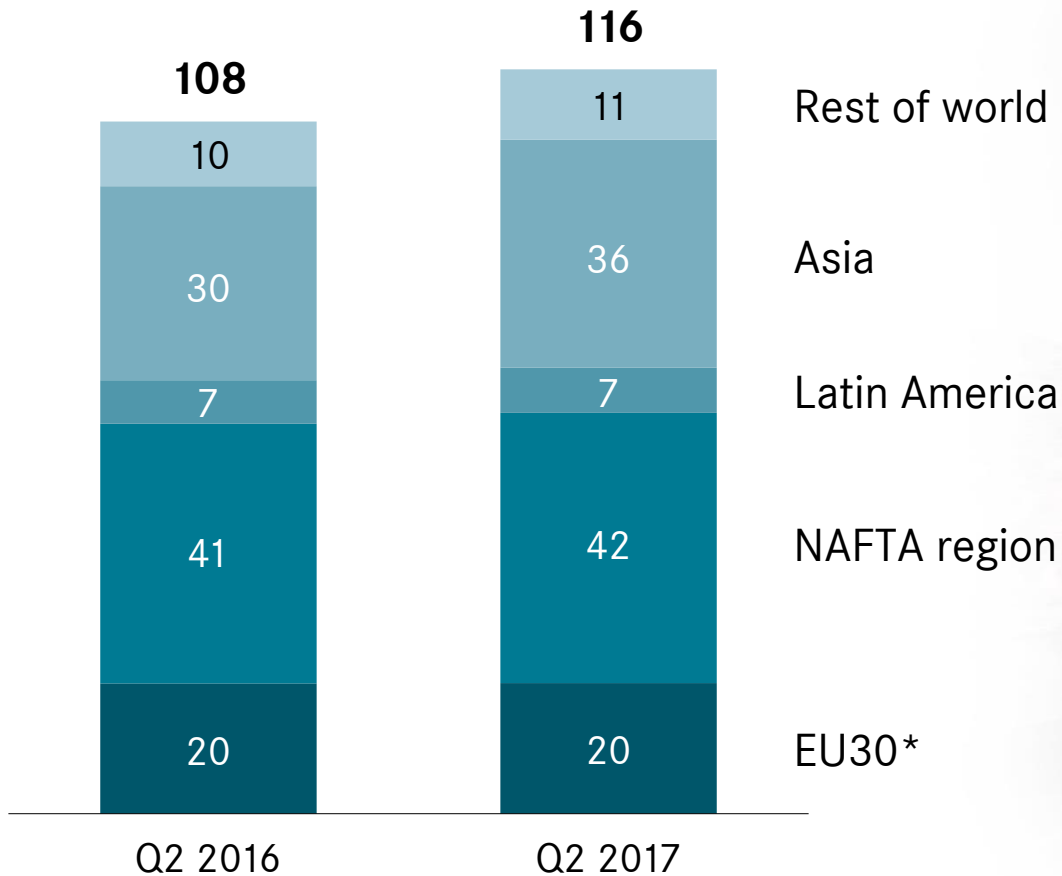
## EBIT

- in millions of euros -



# Daimler Trucks: sales increase by 8% mainly driven by Indonesia and Middle East

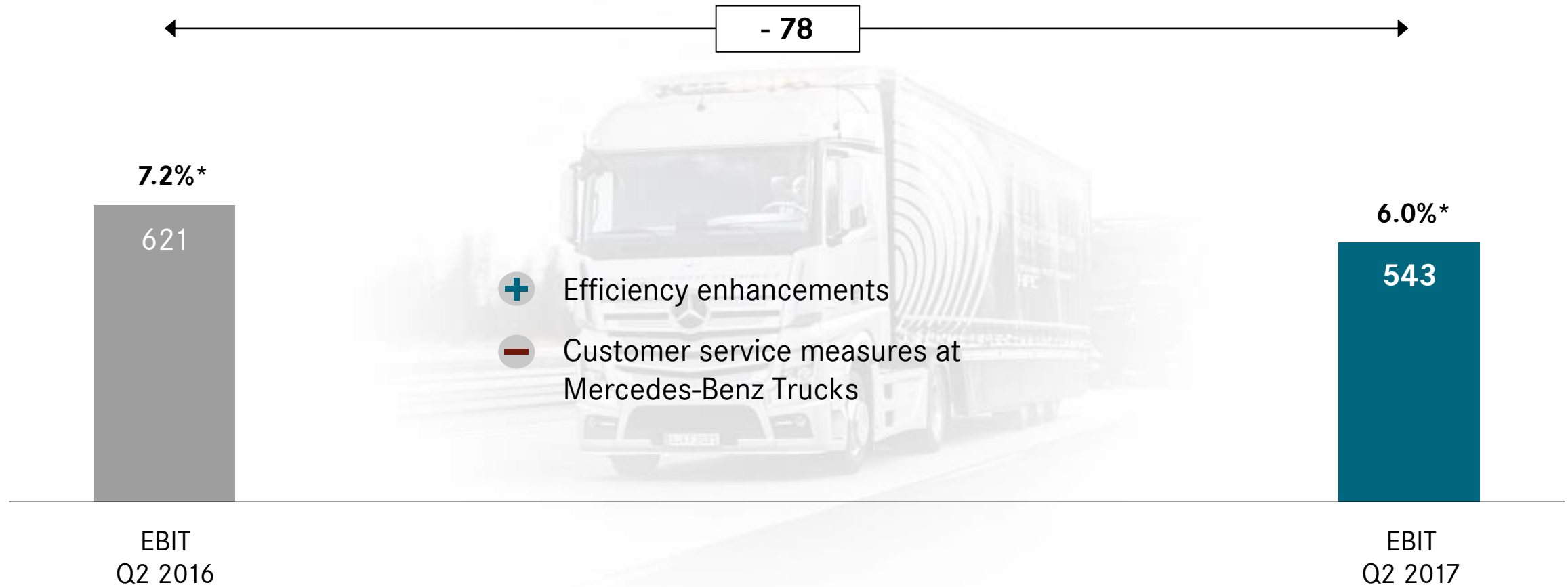
- in thousands of units -



\* European Union, Switzerland and Norway

# Daimler Trucks: EBIT

- in millions of euros -

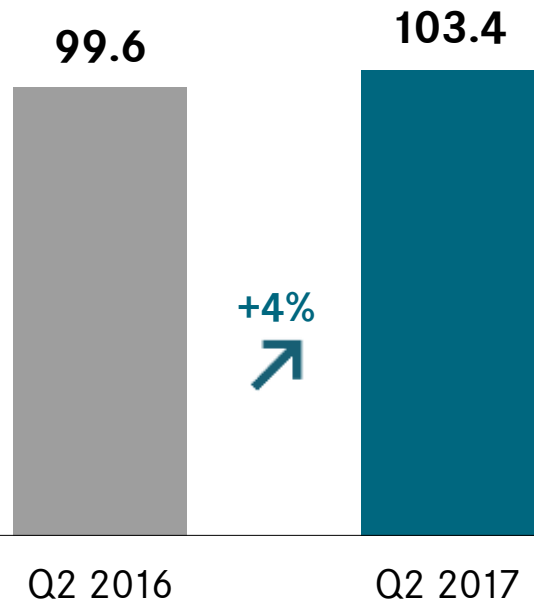


\* Return on sales

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

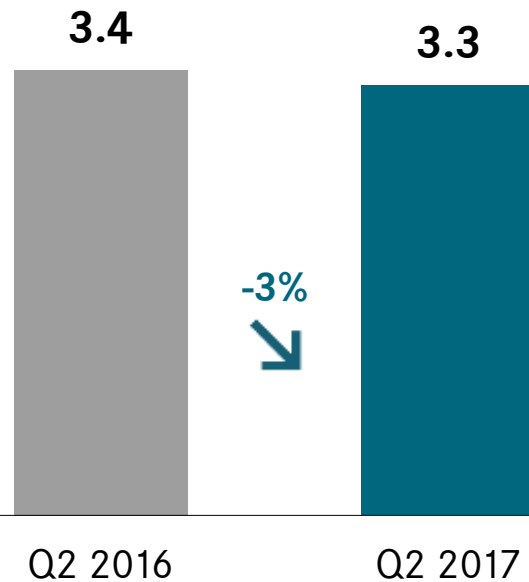
## Unit sales

- in thousands of units -



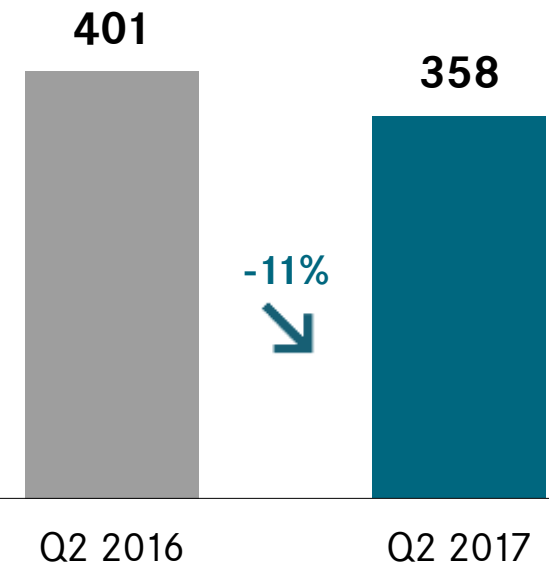
## Revenue

- in billions of euros -



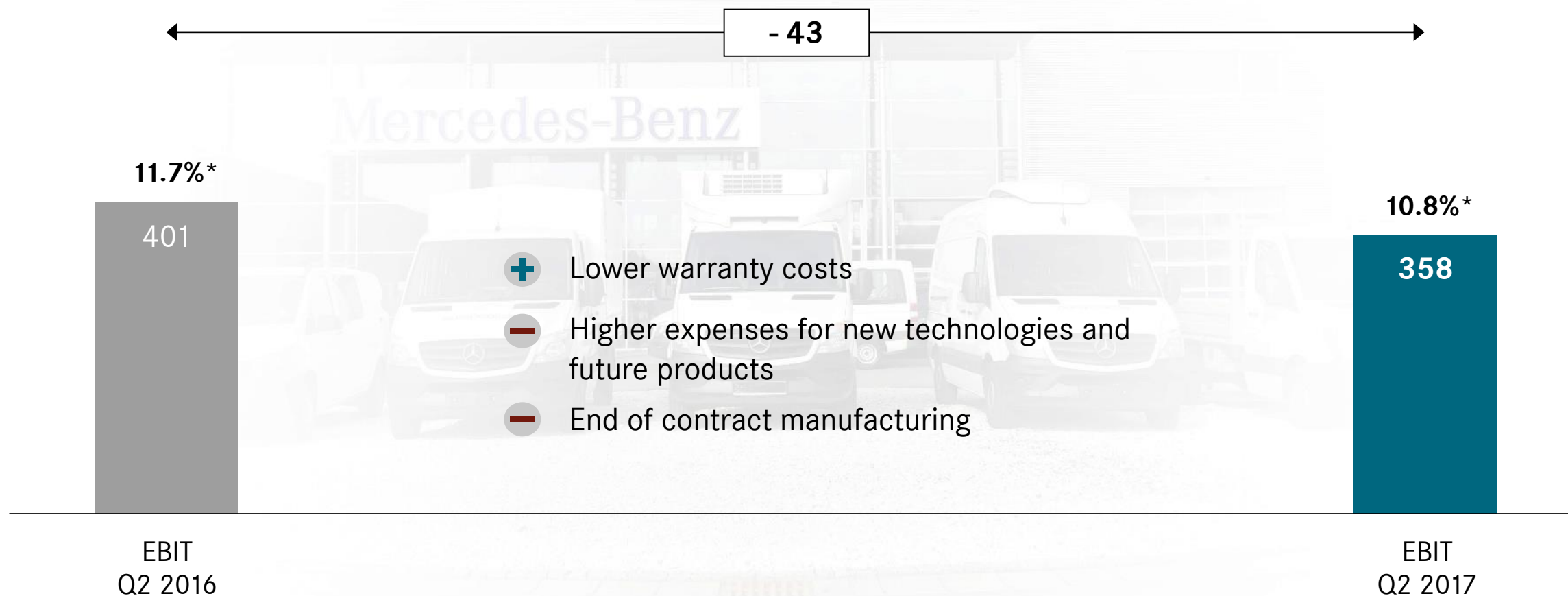
## EBIT

- in millions of euros -



# Mercedes-Benz Vans: EBIT

- in millions of euros -

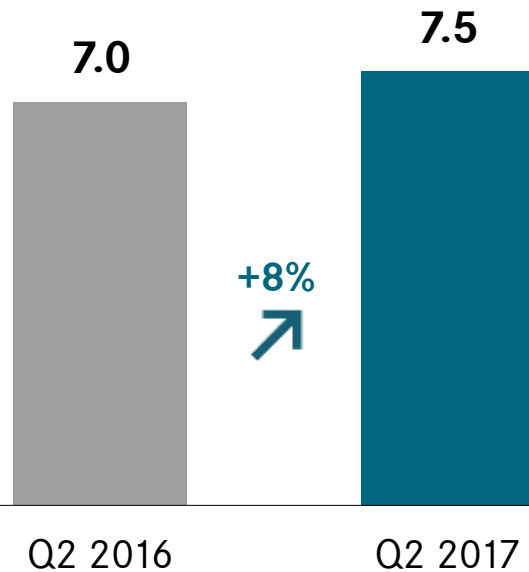


\* Return on sales

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

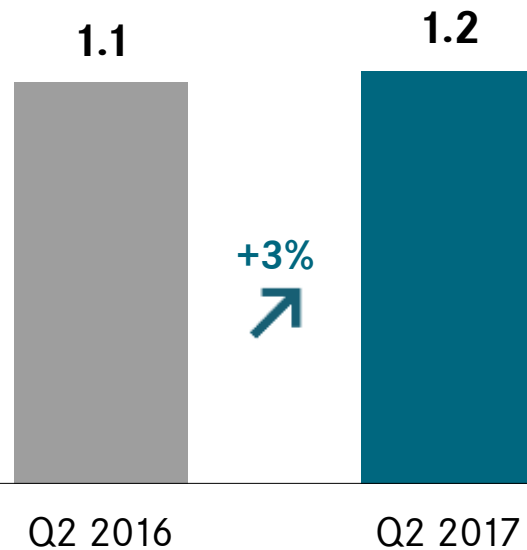
## Unit sales

- in thousands of units -



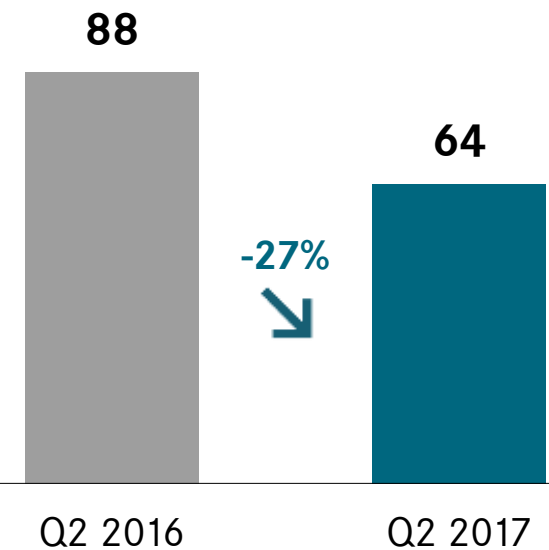
## Revenue

- in billions of euros -



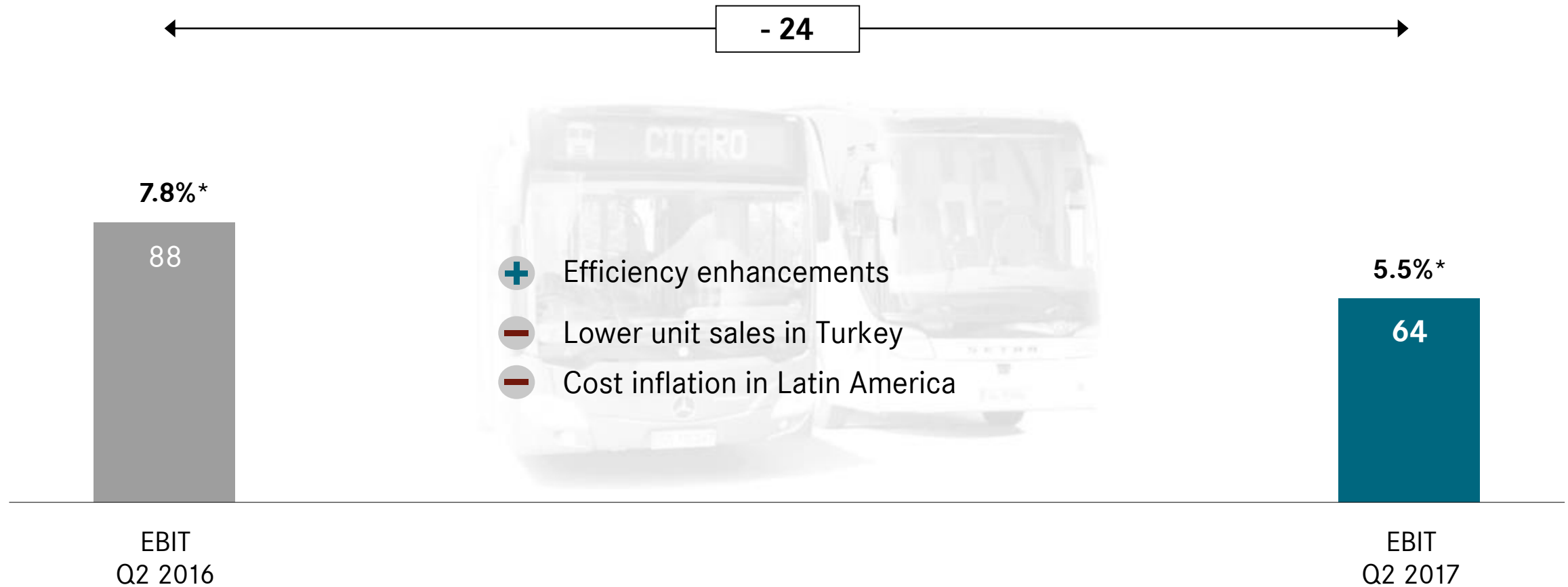
## EBIT

- in millions of euros -



# Daimler Buses: EBIT

- in millions of euros -

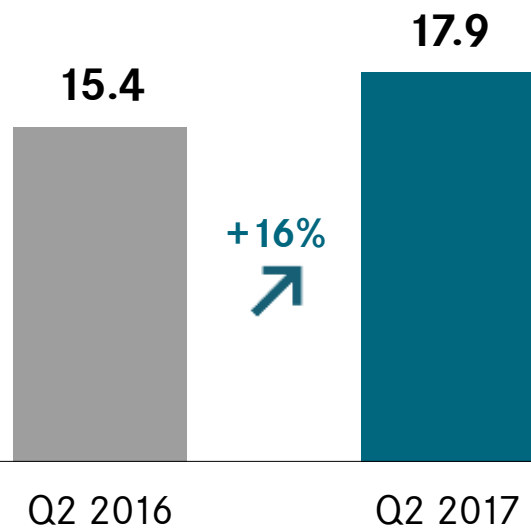


\* Return on sales

# Daimler Financial Services: further business growth

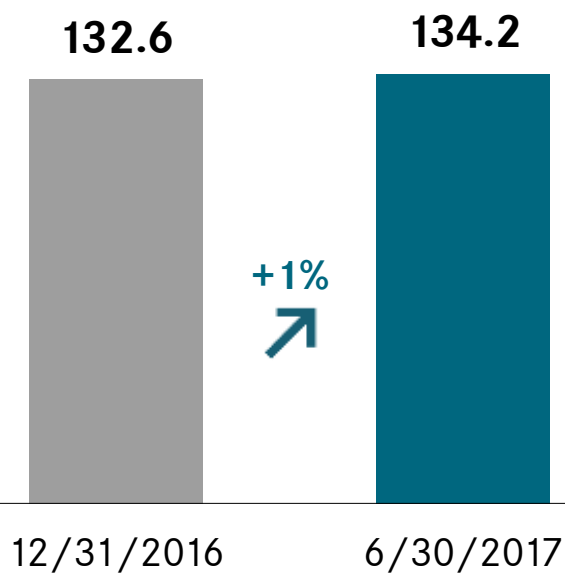
## New business

- in billions of euros -



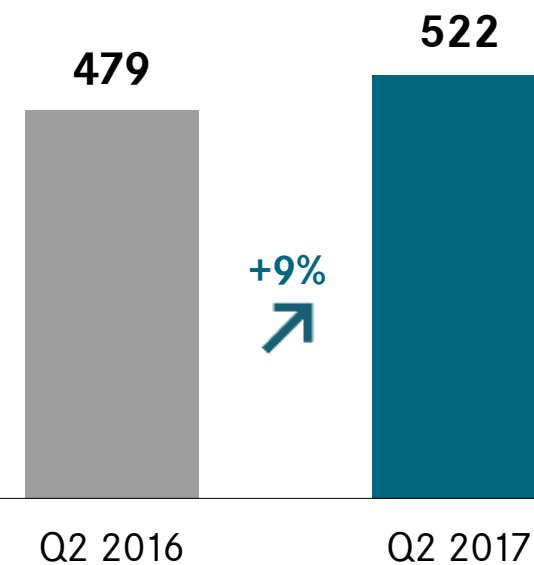
## Contract volume

- in billions of euros -



## EBIT

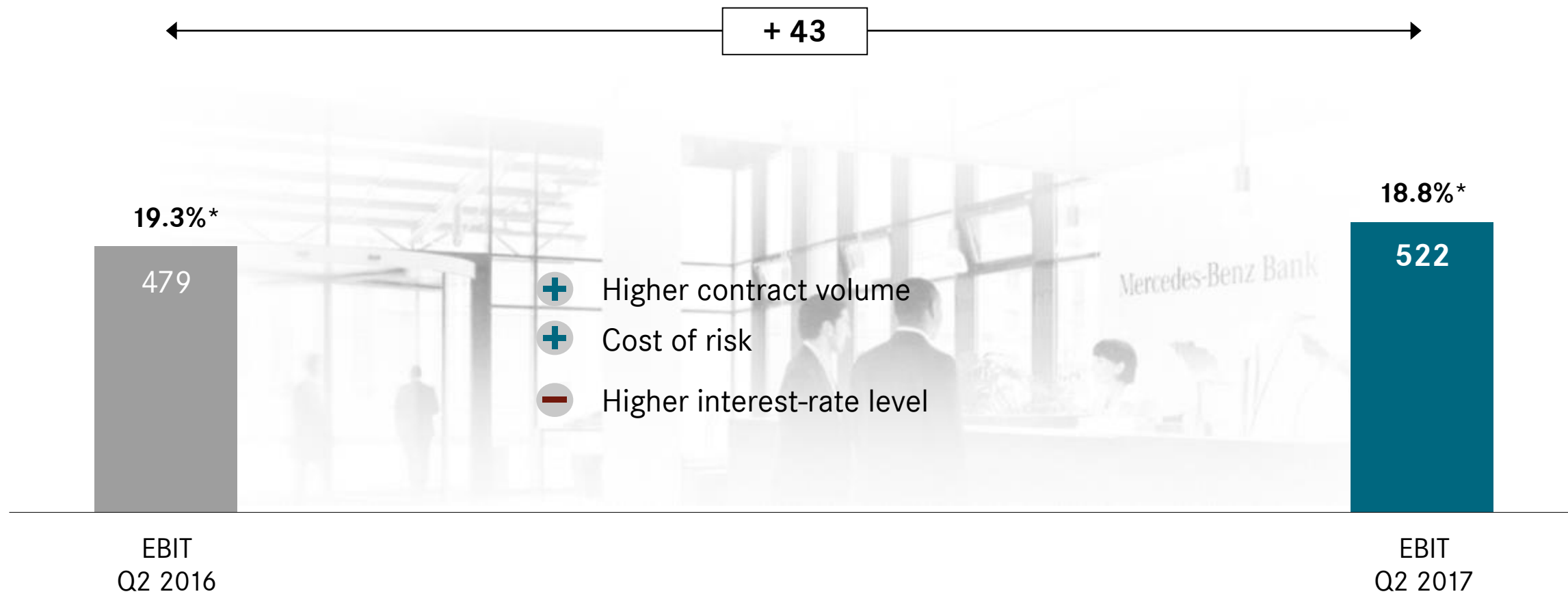
- in millions of euros -





# Daimler Financial Services: EBIT

- in millions of euros -



\* Return on equity

## CONTENTS

Key figures

Divisional information

# Group financials

Daimler Group Strategy

China

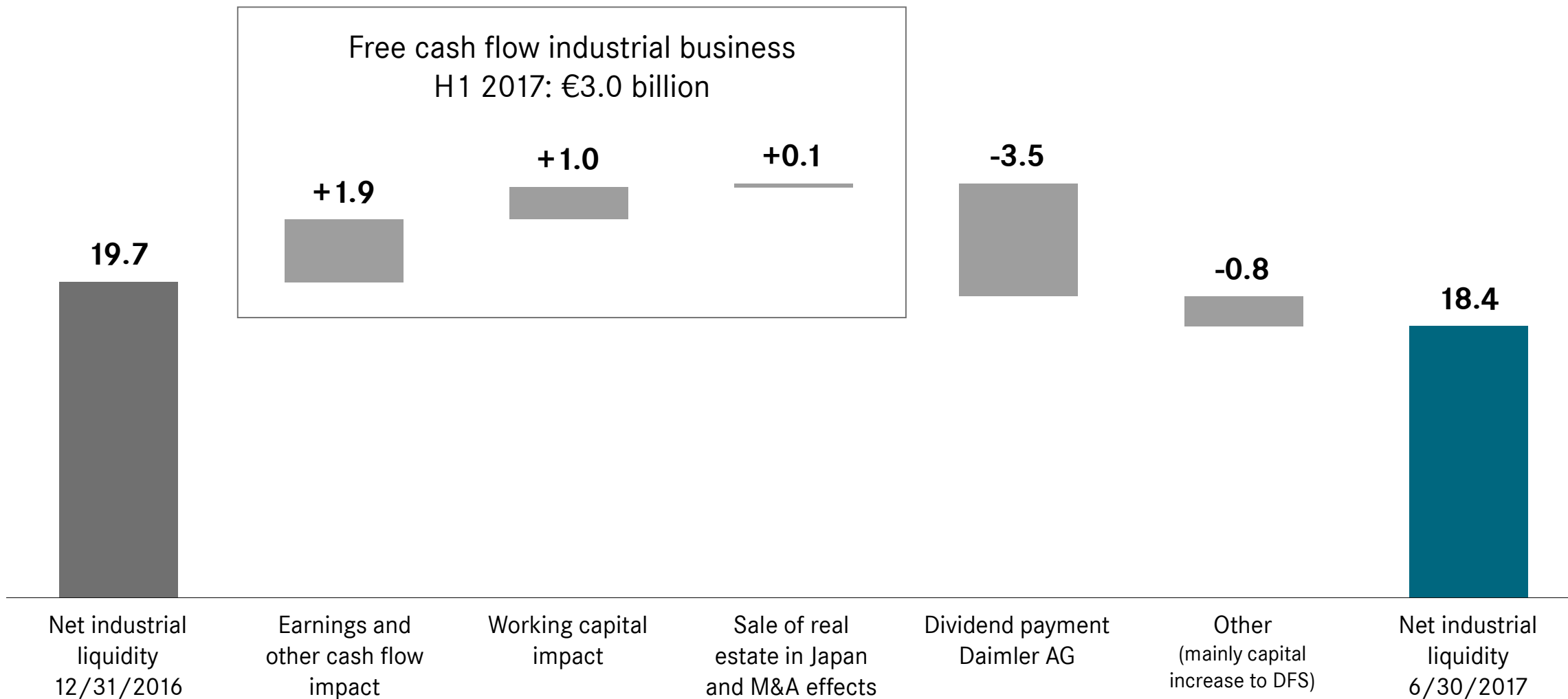
Outlook

Appendix



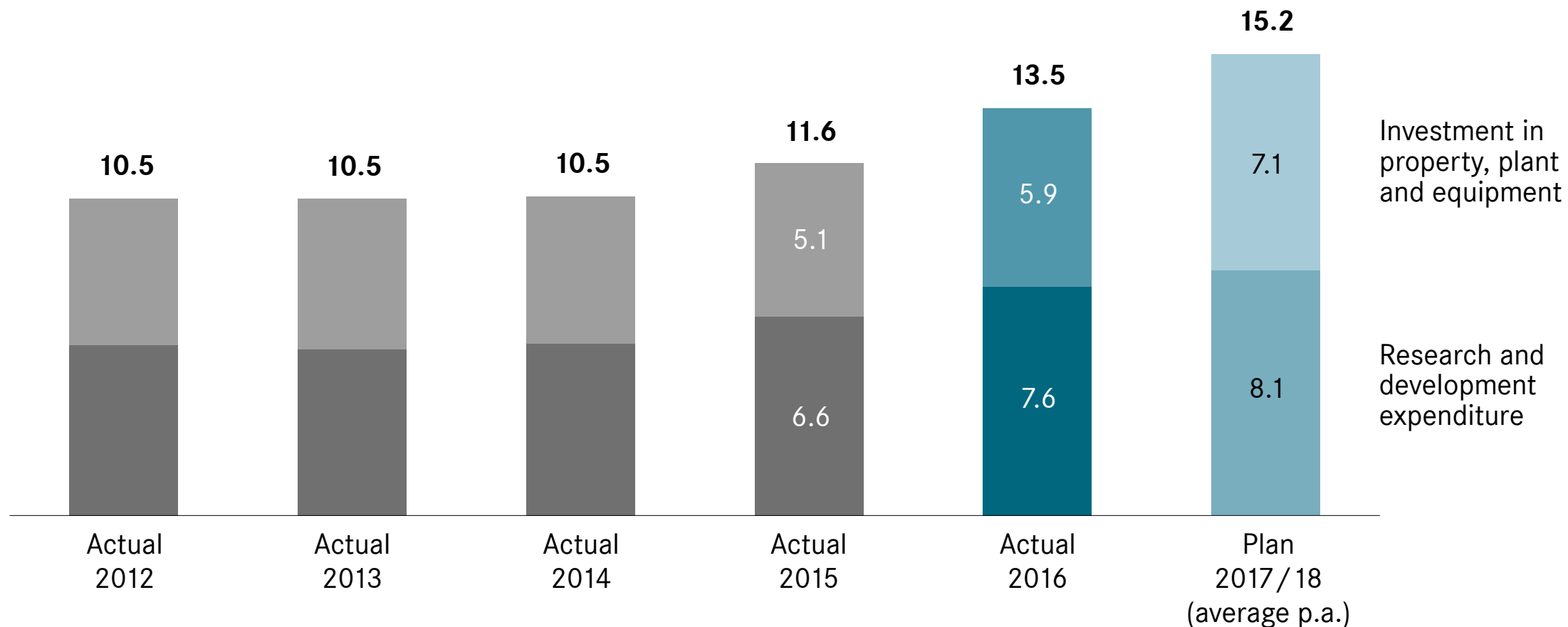
# Strong free cash flow in line with good business development

- in billions of euros -



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

- in billions of euros -



## CONTENTS

[Key figures](#)

[Divisional information](#)

[Group financials](#)

# Daimler Group Strategy

[China](#)

[Outlook](#)

[Appendix](#)



# Clear aspiration for all our divisions

# DAIMLER

Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services
<p>“Most successful premium manufacturer”</p> 	<p>“No 1 in the global truck business”</p> 	<p>“Most successful company in global van business”</p> 	<p>“No 1 in the global bus business”</p> 	<p>“Best financial and mobility services provider”</p> 

# Profit targets

Profit targets [Return on Sales / Return on Equity<sup>1)</sup> in %]



10

Mercedes-Benz  
Cars



8

Daimler  
Trucks



9

Mercedes-Benz  
Vans



6

Daimler  
Buses




17

Daimler Financial  
Services

Return on sales-target for the automotive business : 9 percent


1) Daimler Financial Services


## Leadership 2020


 Leadership role  
and development


 Digital  
transformation


 Feedback  
culture

 Performance  
management

 Best fit – Daimler  
success path

 Swarm  
organization

 Decision  
making

 Incubator –  
“Back to the garage”

The future of our  
**corporate culture**



# Daimler Group Strategy

Global Core Business

→ Mercedes-Benz Cars

# Mercedes-Benz Cars: product highlights

Sales launch of the new S-Class sedan



# Mercedes-Benz Cars: product highlights

Series production of the new E-Class Cabriolet has started at the plant in Bremen

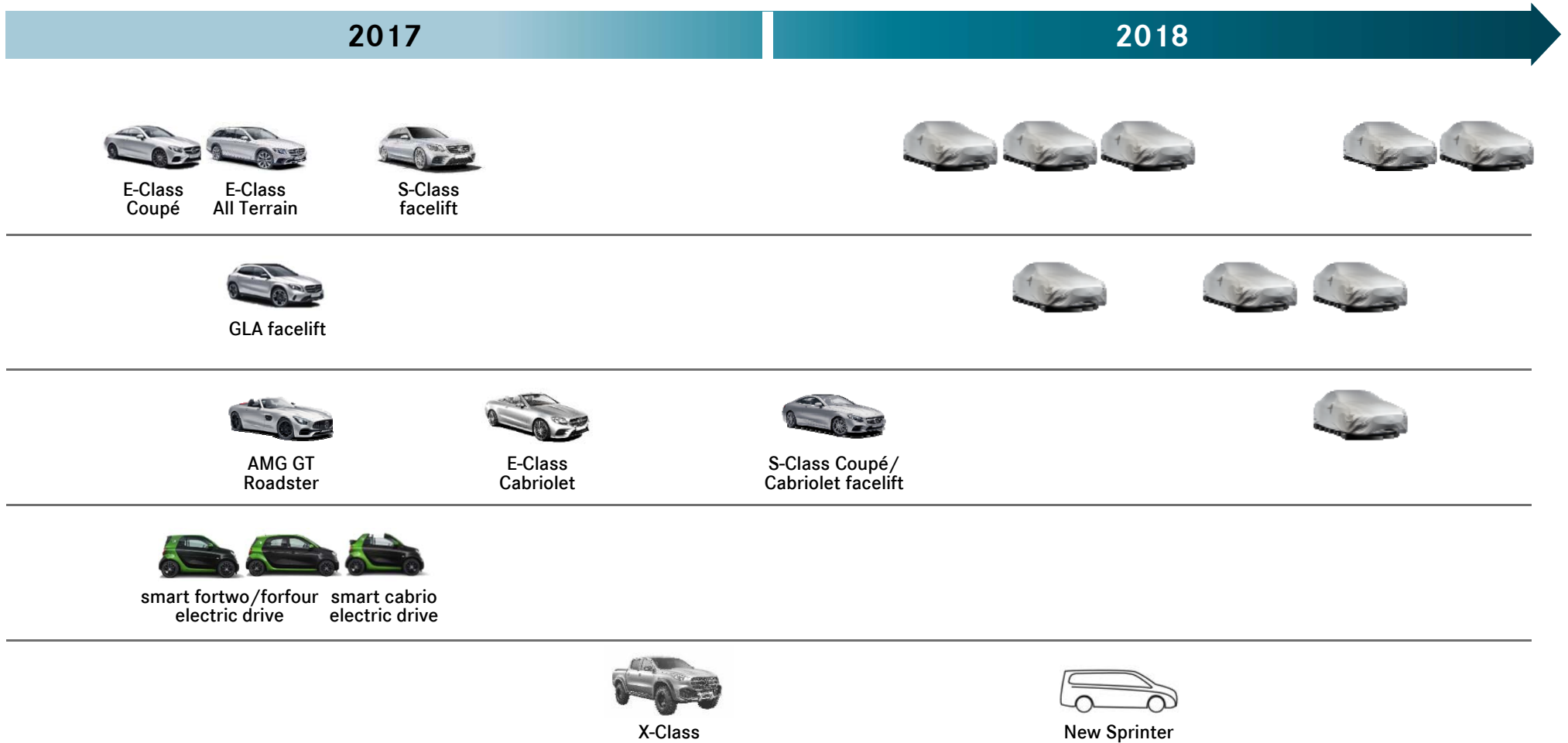


# Mercedes-Benz Cars: product highlights

The Concept A Sedan celebrated its world premiere at Auto Shanghai



# Mercedes-Benz Cars and Vans: continued product offensive



# Our roadmap for sustainable mobility



High-tech  
combustion engines



Plug-in  
hybrids



Electric vehicles  
with battery or fuel-cell

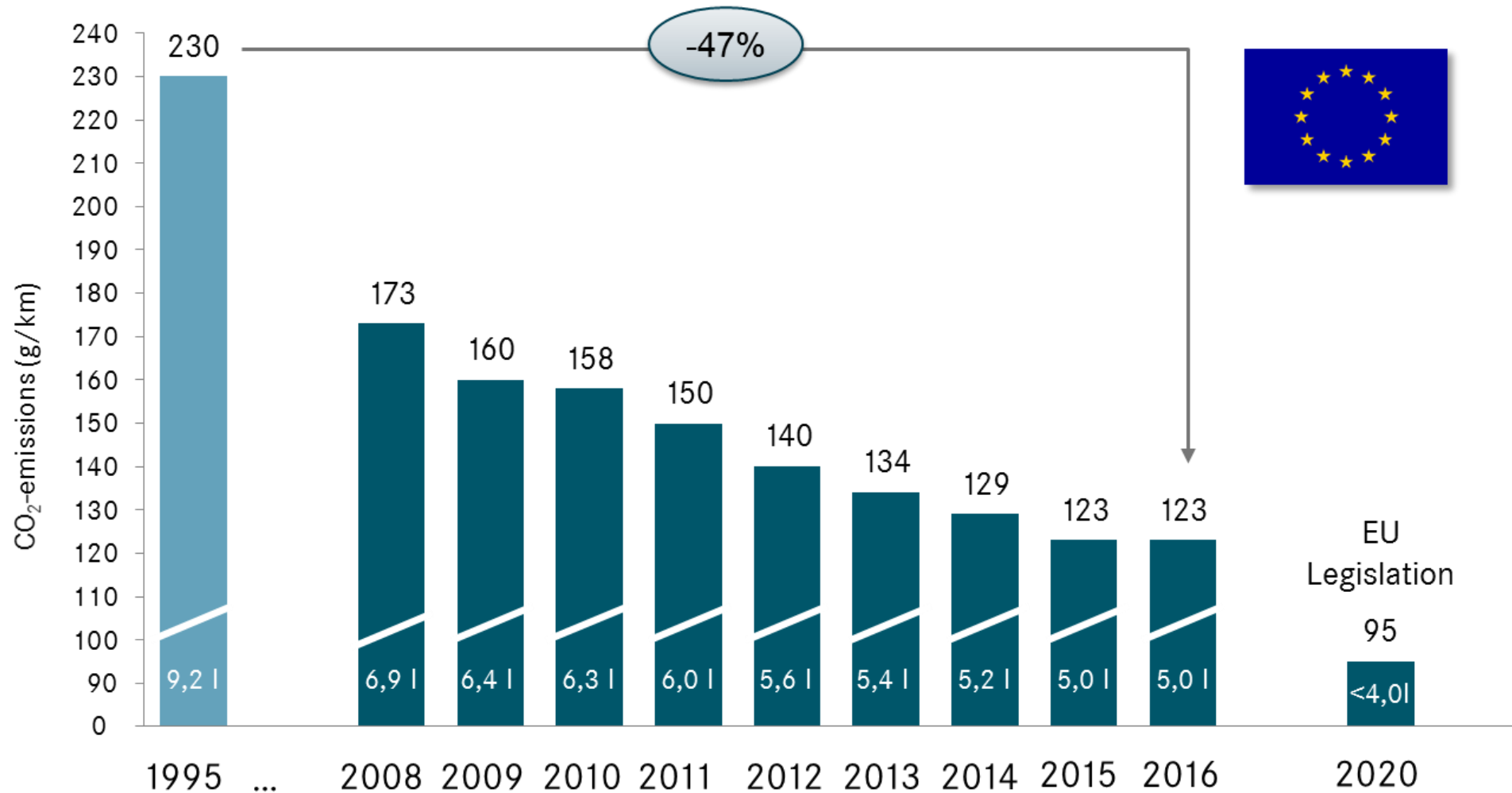


**HYBRID**

electric  
drive

# Significant reduction in CO<sub>2</sub>-emissions

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



# The new diesel engine OM654 ... ... the first member of a complete new engine family

17% weight reduction

24% friction reduction

18 kW more power

11% faster acceleration



13% CO<sub>2</sub> reduction

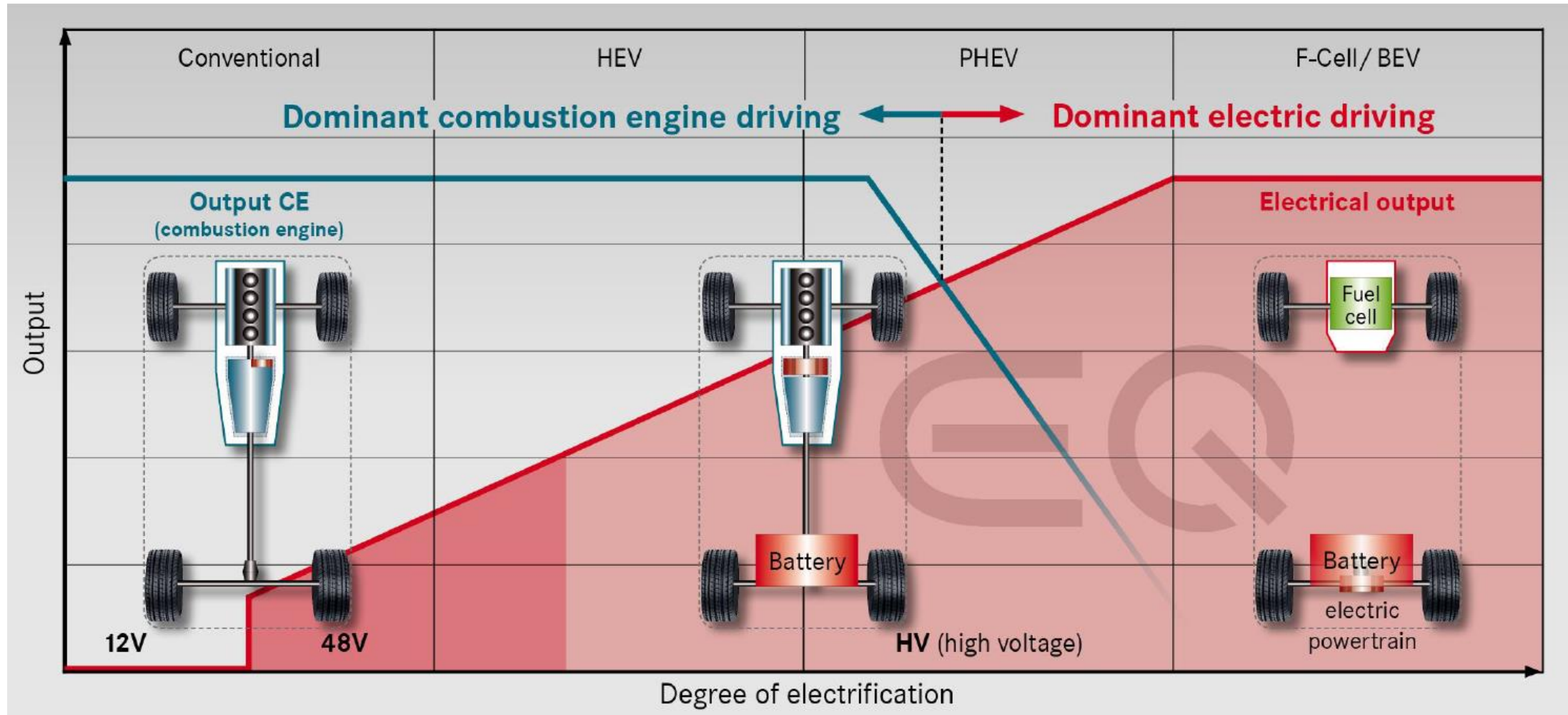
-80% NO<sub>x</sub> emissions



# High degree of modularity of the entire drive train

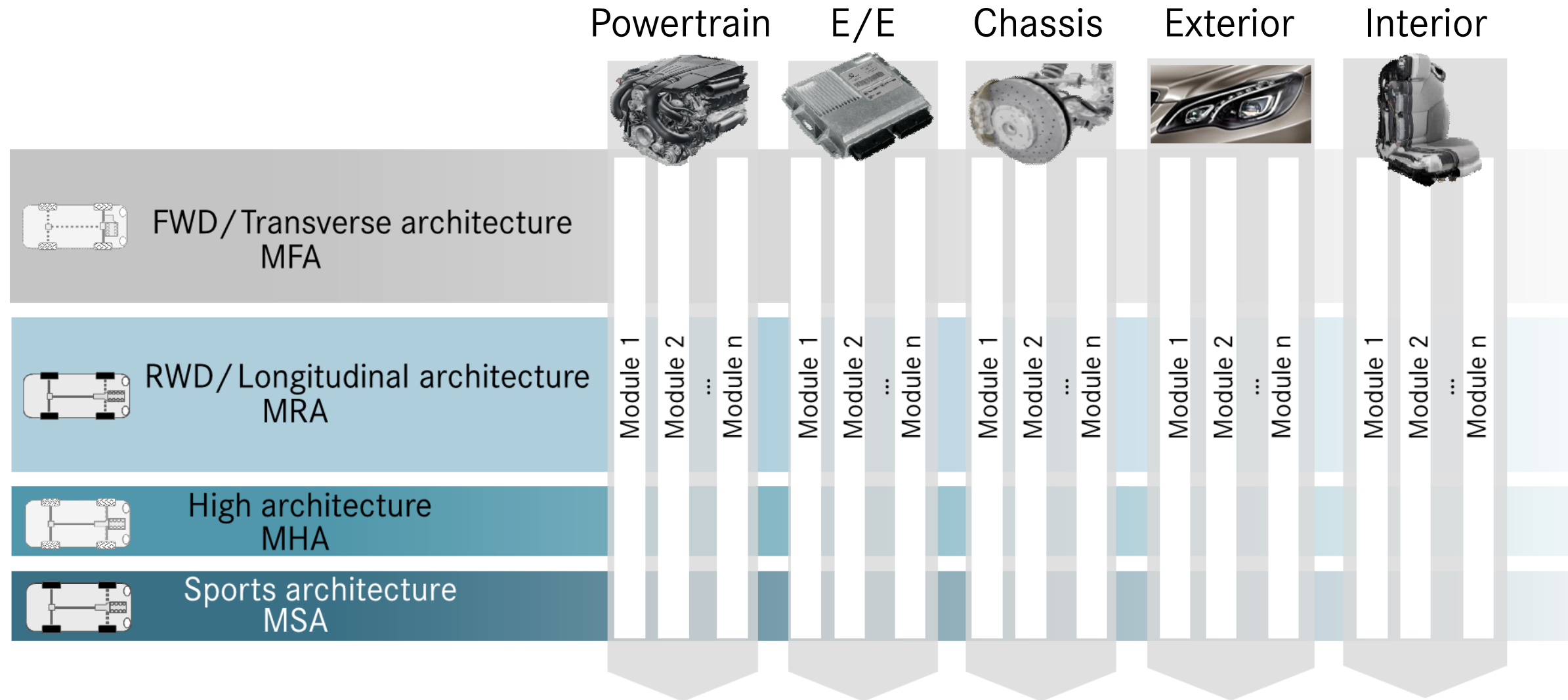


# All-new powertrain setup guarantees flexibility with a wide range of concepts from ICE to xEV



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

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



# We globally expand our production network



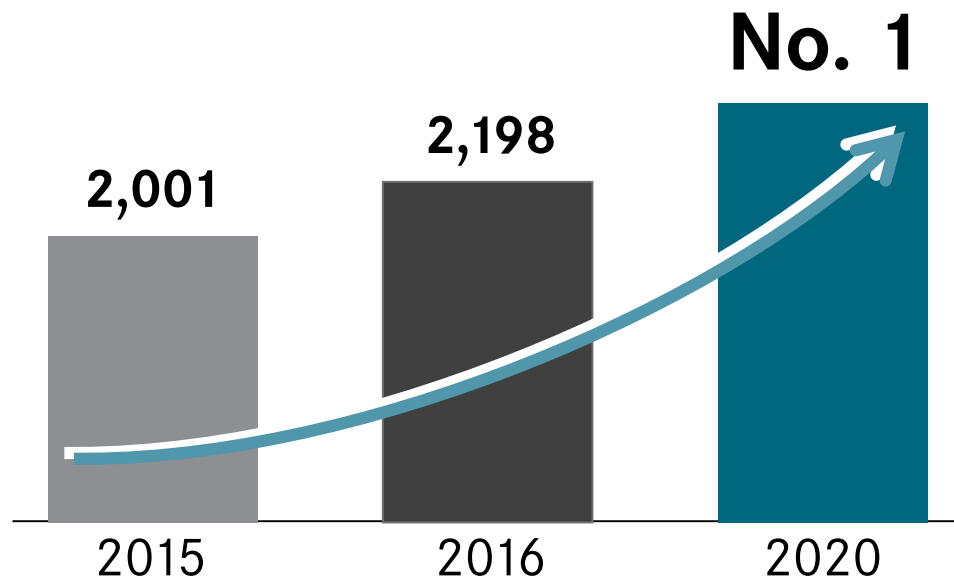
Additional: production service provider Valmet (Uusikaupunki, Finland for GLC-/A-Class), MagnaSteyr (Graz, Austria for G-Class) and AM General (USA for R-Class)

# Our target: remain No.1 premium car manufacturer

achieved already in 2016!

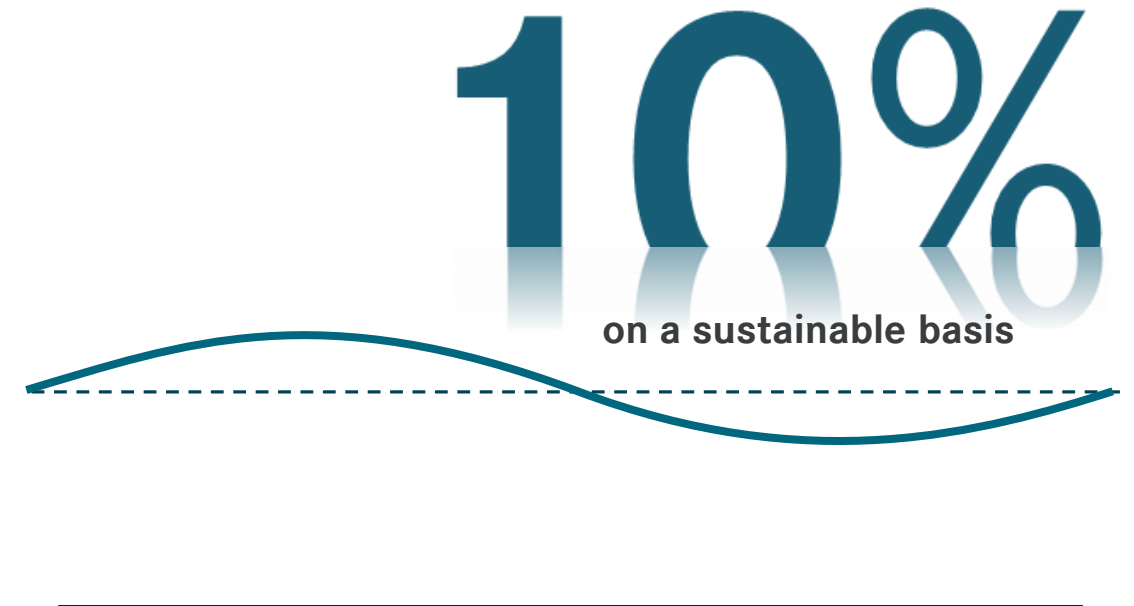
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Global Core Business

→ Daimler Trucks

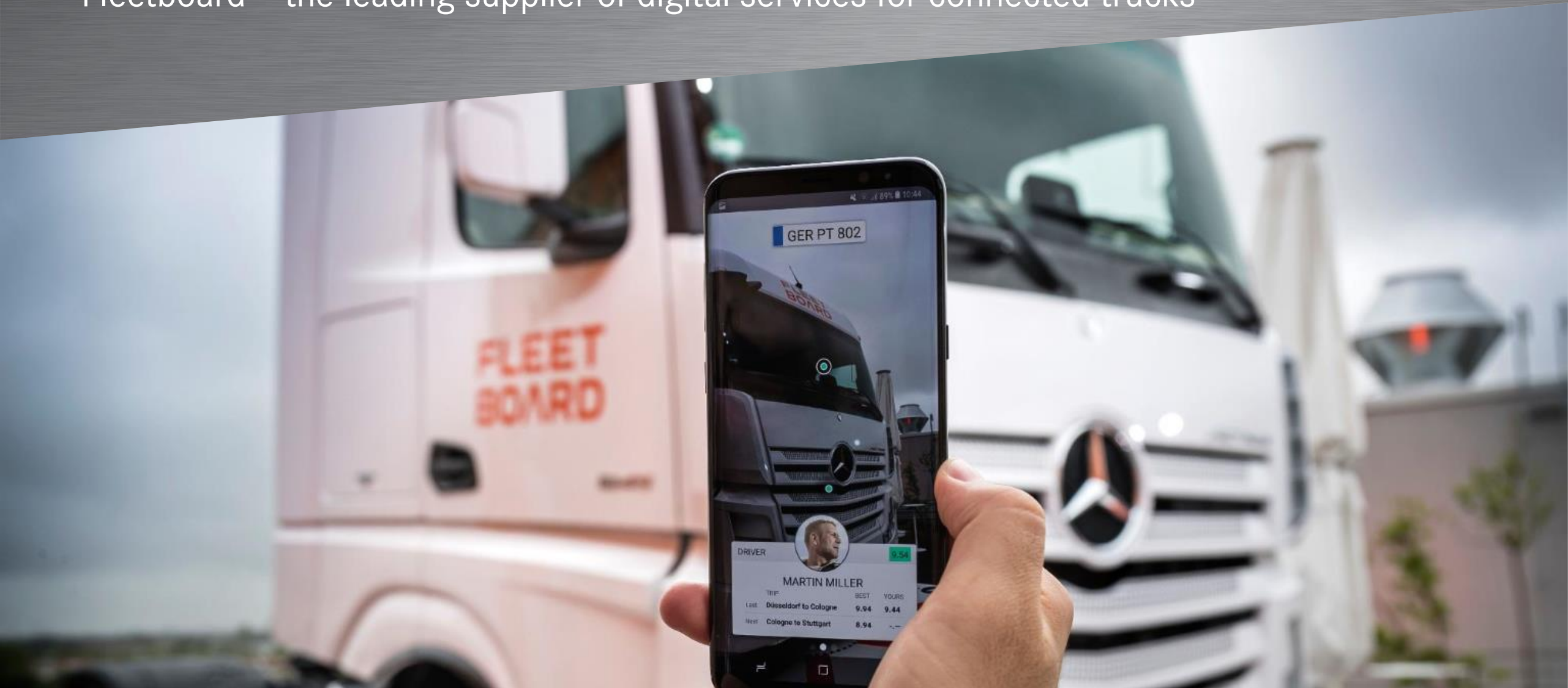
# Daimler Trucks: product highlights

Presentation of the all-new heavy-duty truck FUSO Super Great



# Daimler Trucks: product highlights

Fleetboard – the leading supplier of digital services for connected trucks





# Our strategy works. We keep executing it.

## Technology Leadership

in efficiency, safety and connectivity



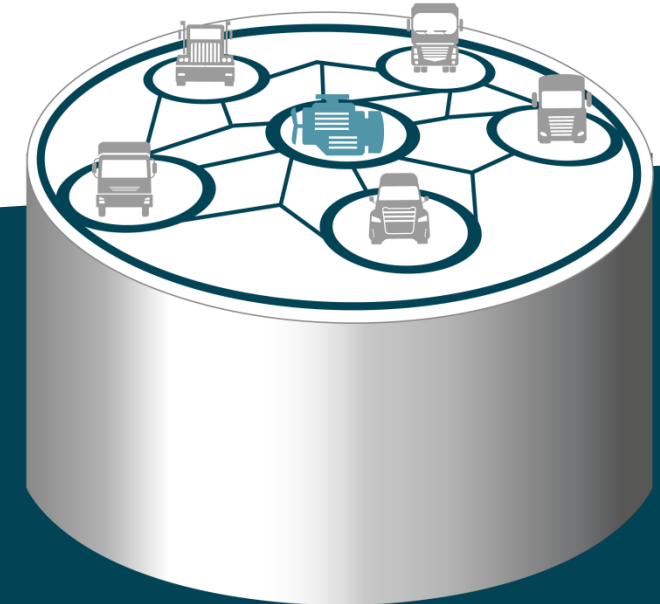
## Global Market Presence

in traditional and emerging markets

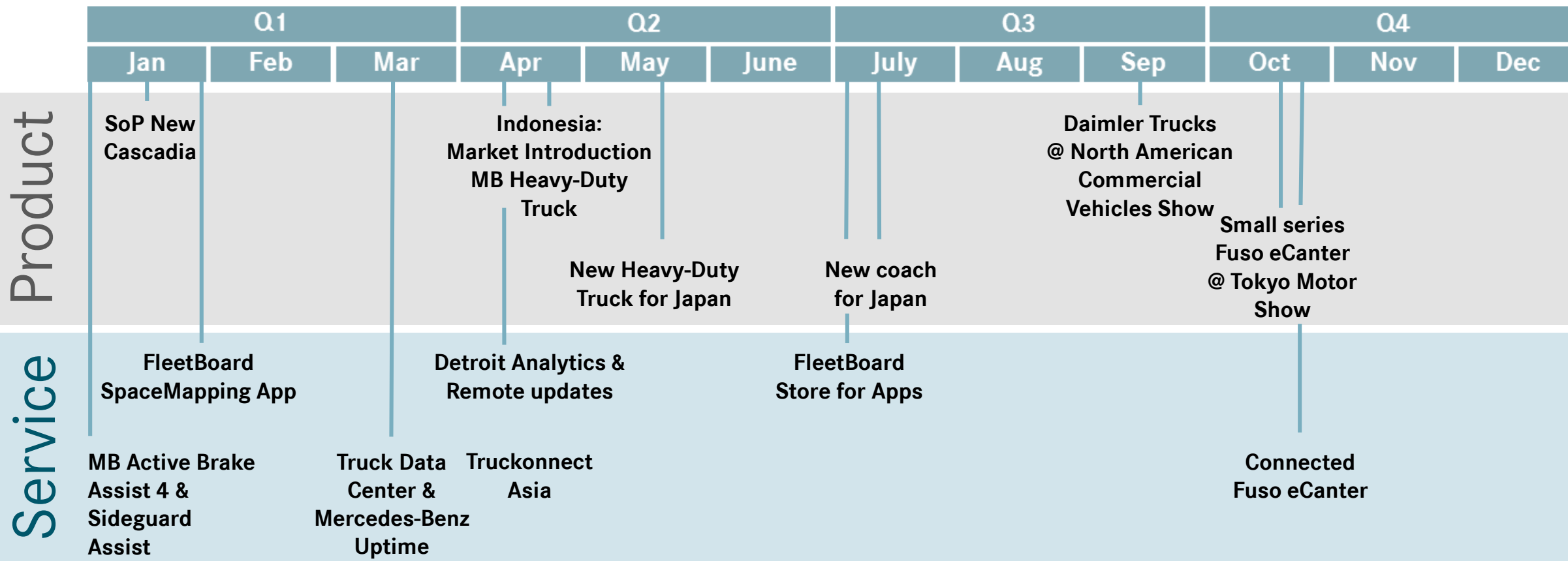


## Intelligent Platform Management

for tailored products and decisive economies of scale



# Selected milestones 2017



# The most efficient trucks are Daimler Trucks

**Europe:** TCO leader  
Mercedes-Benz Actros



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

**NAFTA:** TCO leader  
Freightliner New Cascadia



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

**Japan:** TCO leader  
Fuso Super Great



Fuel reduction **up to -15%**  
**Full retreading** in terms of efficiency

Fuel reductions compared to previous model

# Safety: new industry firsts, now available in every new Actros

## Sideguard Assist

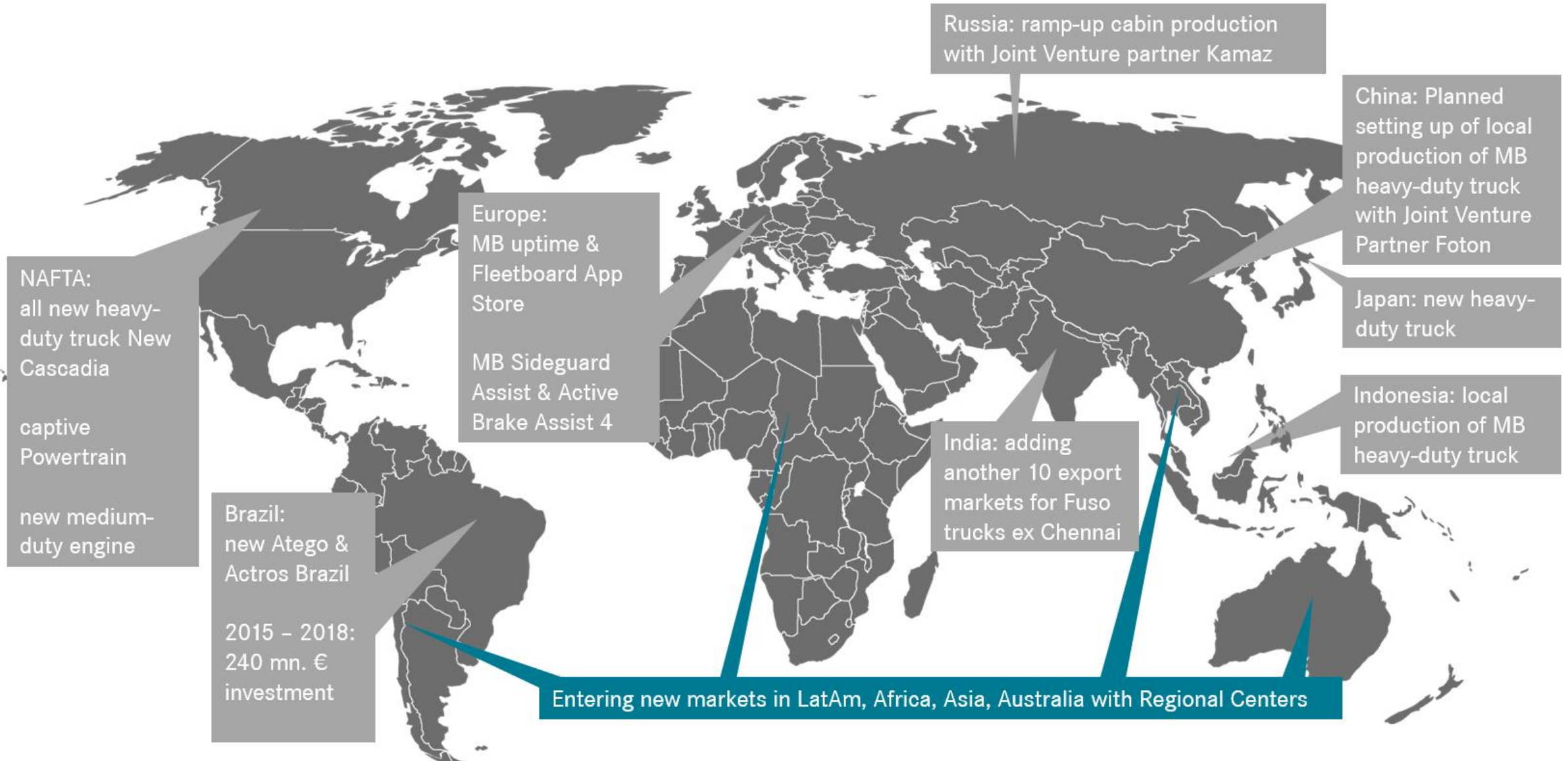
Detects **moving** objects (pedestrians and cyclists)  
Visual and audible warning (also while **manoeuvring**)  
Covers **entire length** of vehicle (up to 18.75m)

## Active Brake Assist 4 (ABA 4)

Industry's **first** system with pedestrians detection  
Next generation radar: Warning, initiates braking  
Functions **independently of weather** conditions

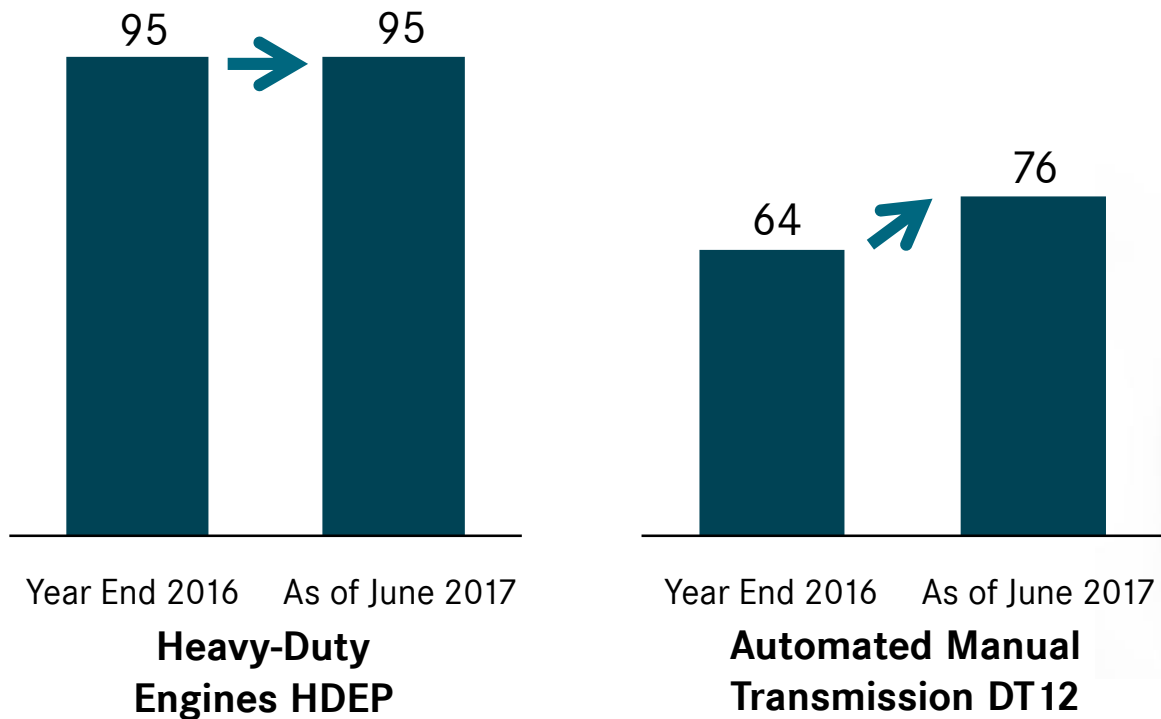


# Daimler Trucks further strengthens its global footprint

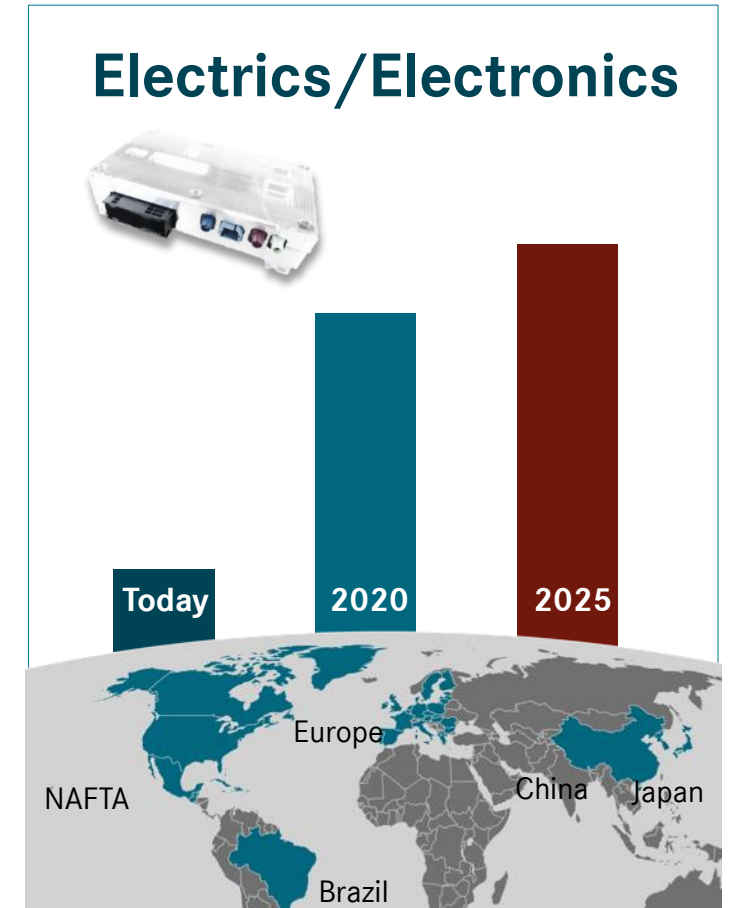
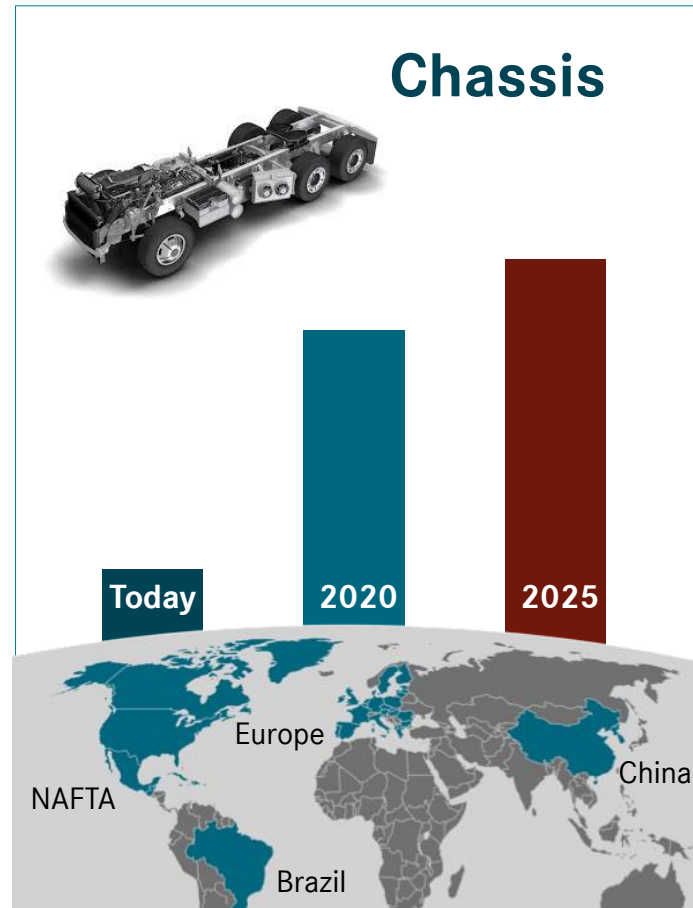
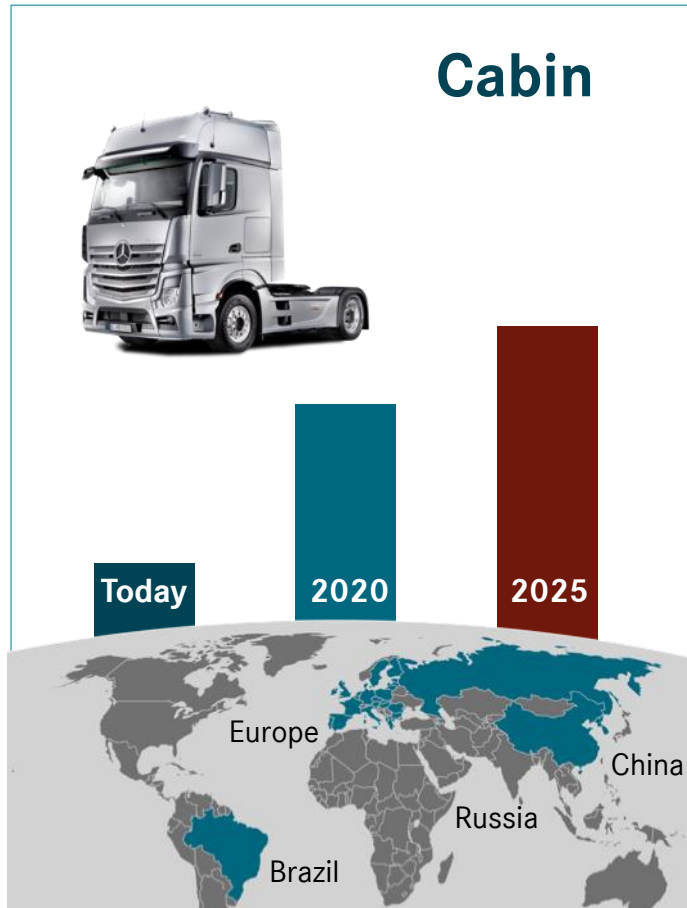


# Captive component strategy to strengthen undisputed market leadership in NAFTA

**Penetration rate integrated powertrain in %**



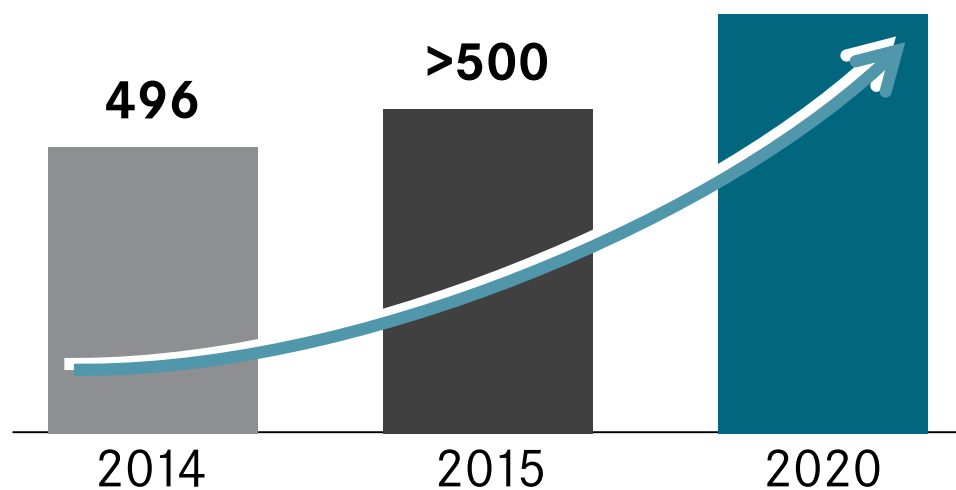
# Global Platform Roll-out will secure pass-car-like volumes in next decade for Daimler Trucks



# Sticking to our target: undisputed leader in the truck industry

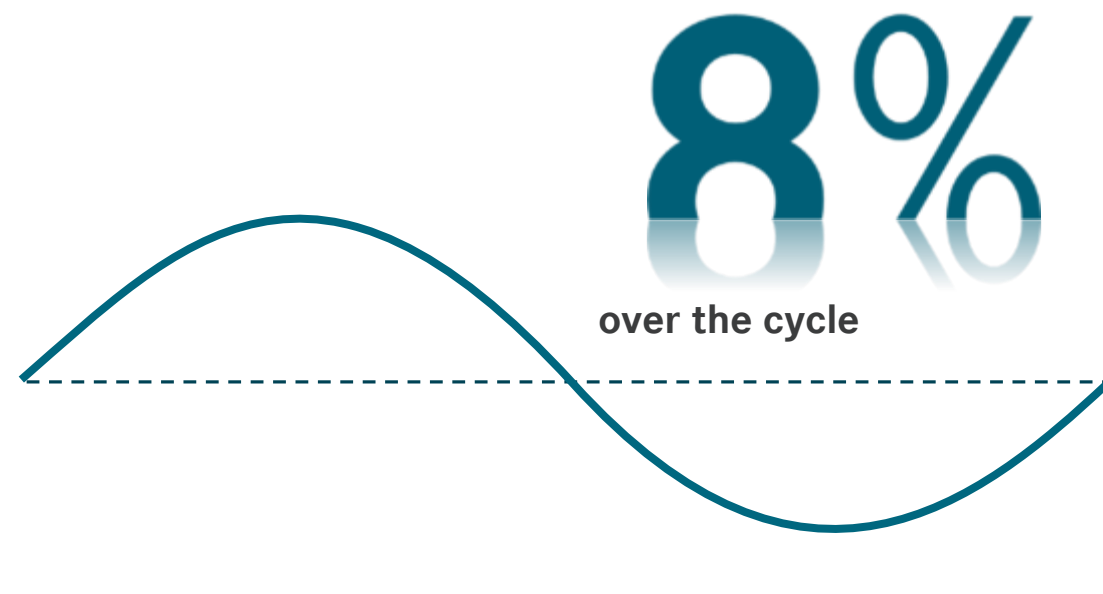
## Sales target

In thousand units



## Profitability target

Return on Sales in %





# Daimler Group Strategy

Global Core Business

→ Mercedes-Benz Vans

# Mercedes-Benz Vans: product highlights

Mercedes-Benz Vito and Sprinter: “CEP\* Vans of the Year 2017”



\*Courier, Express and Parcel

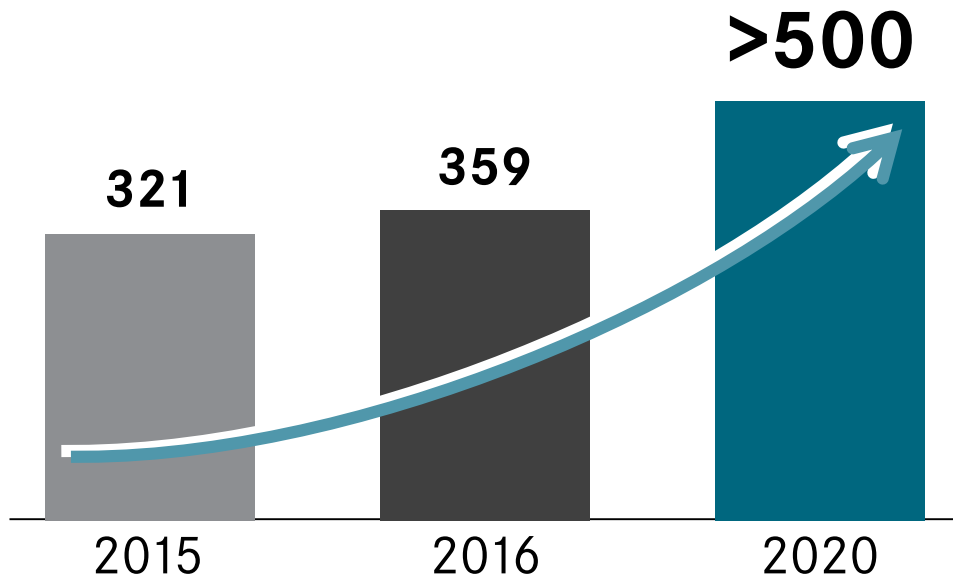
# Mercedes-Benz Concept X-CLASS



# Our target: Most successful company in global Van business

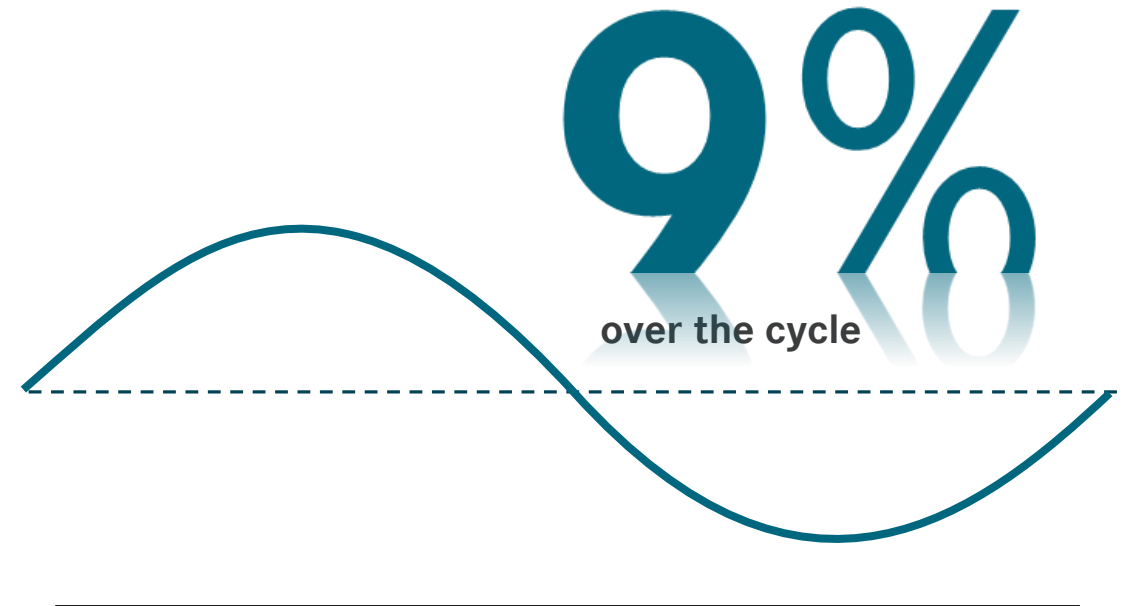
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Global Core Business

→ Daimler Buses

# Daimler Buses: product highlights

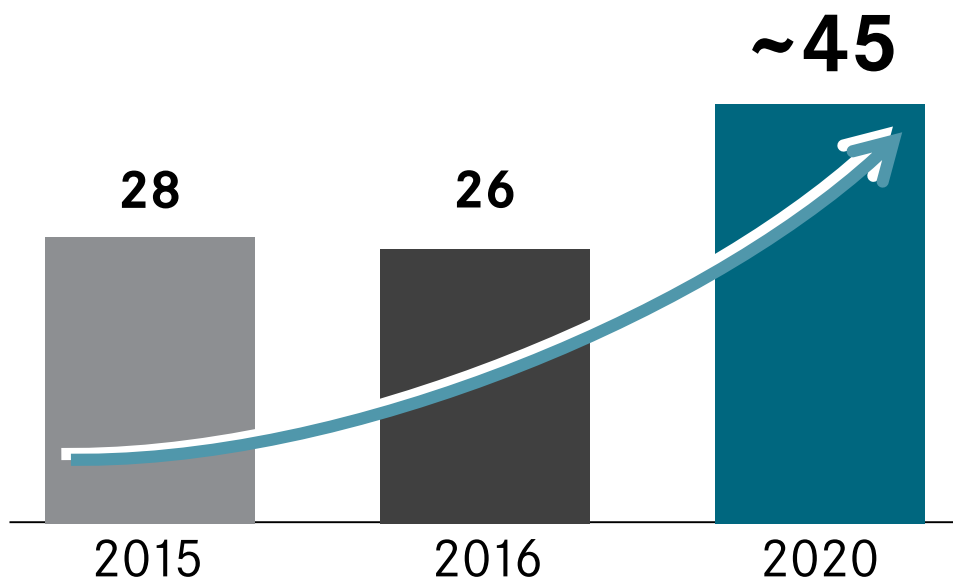
World premiere of the new touring coach Mercedes-Benz Tourismo RHD



# Our target: Undisputed leader in the bus industry

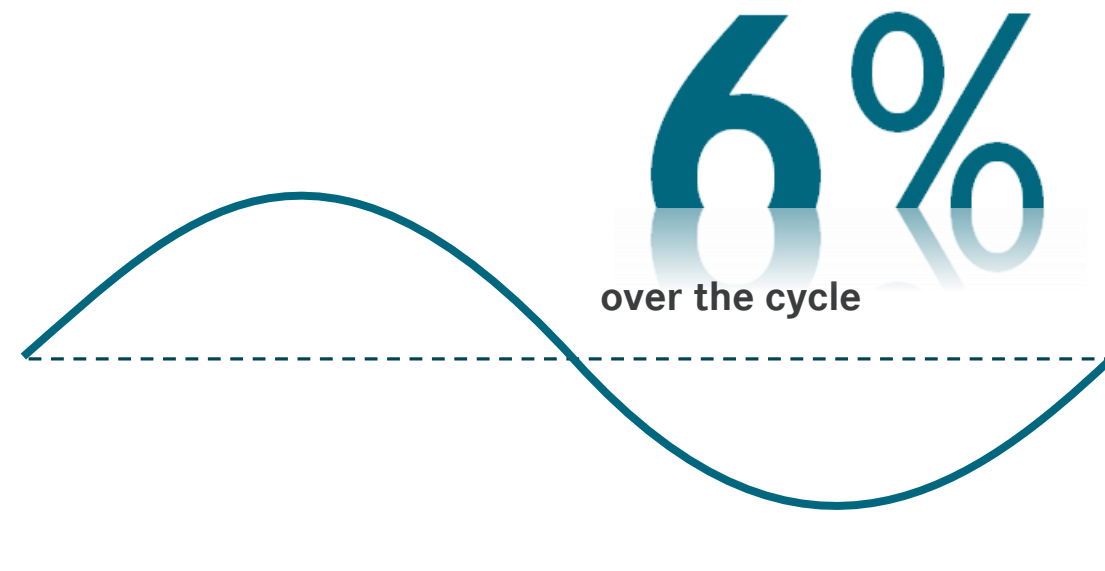
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Global Core Business

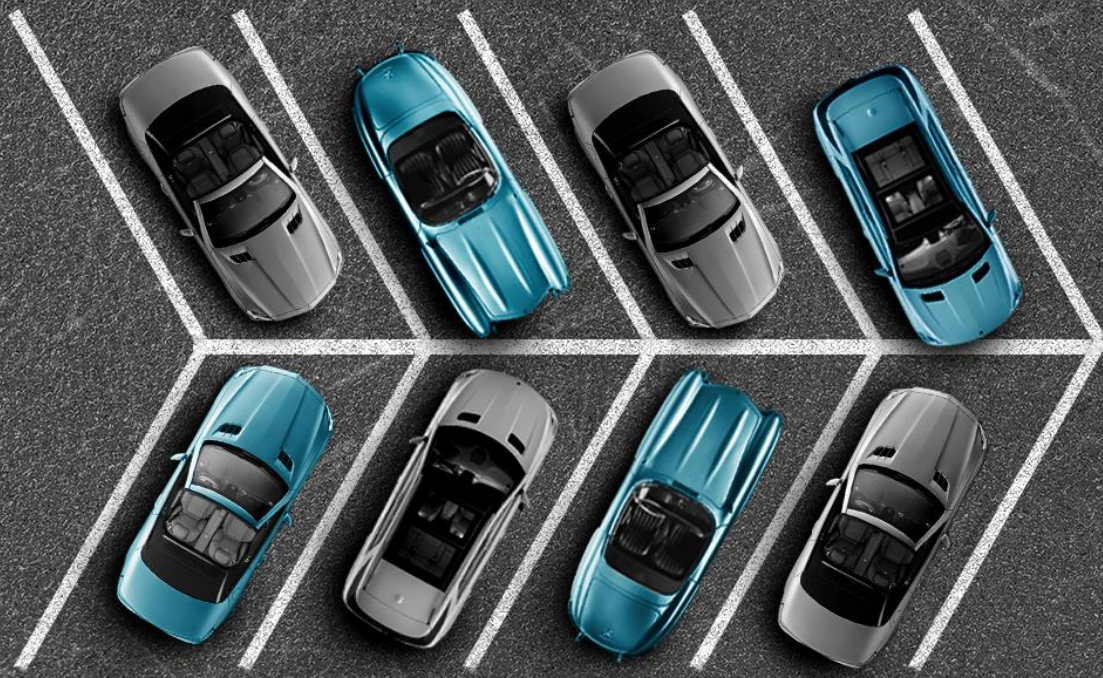
→ Daimler Financial Services



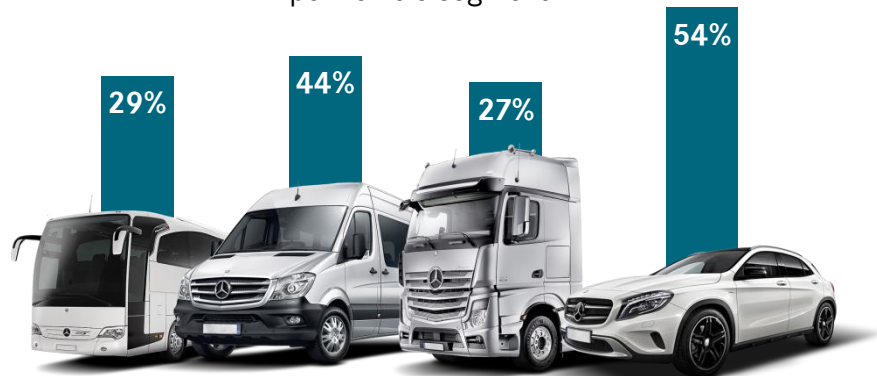
# Daimler Financial Services offers a broad range of financial and mobility services



WE FINANCE NEARLY  
EVERY SECOND VEHICLE  
SOLD BY DAIMLER



Penetration rates  
per vehicle segment

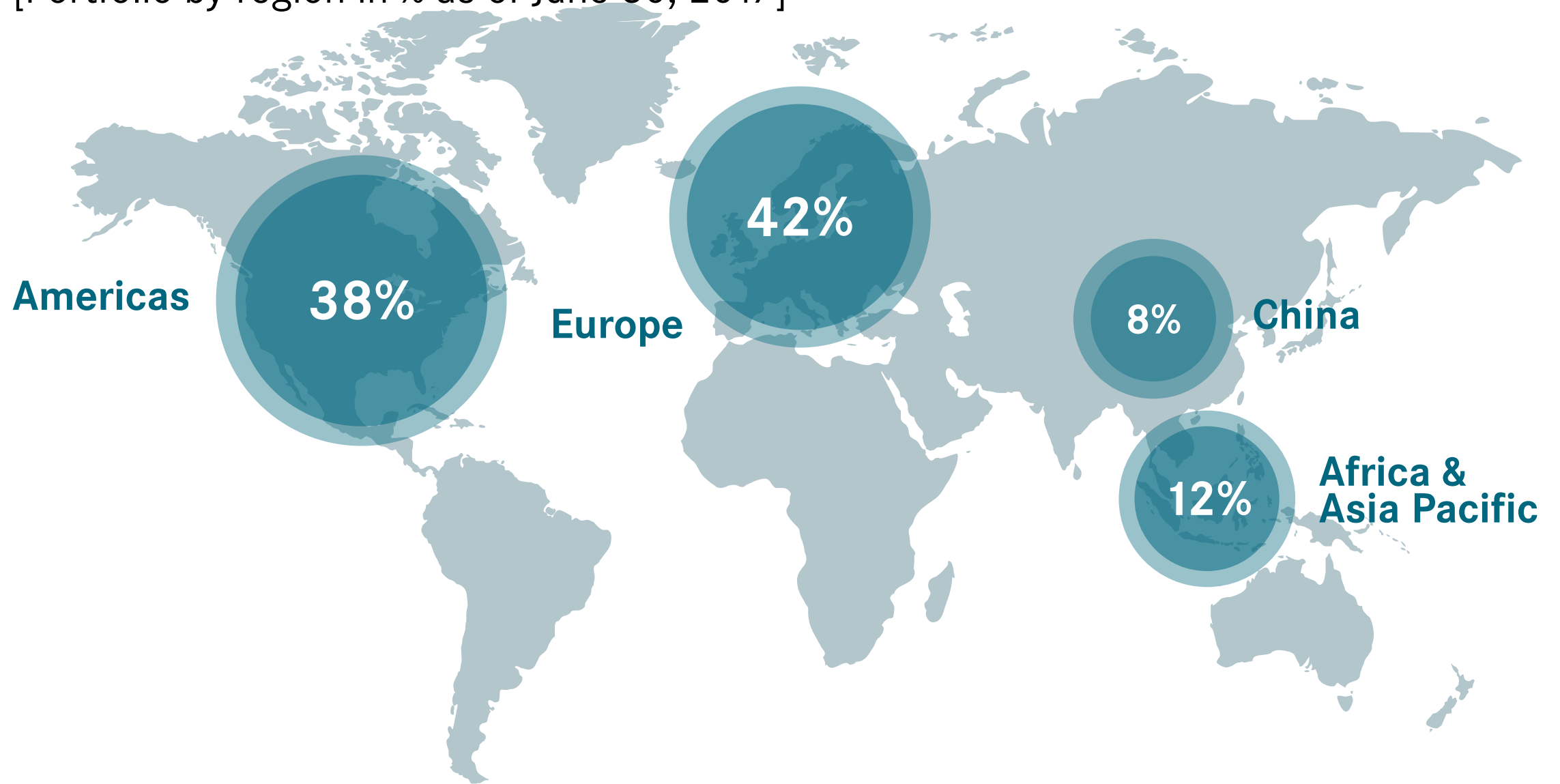


Global penetration rate DFS in Q2 2017

~50%

# Managing a portfolio of 134 billion € in 40 countries

[Portfolio by region in % as of June 30, 2017]

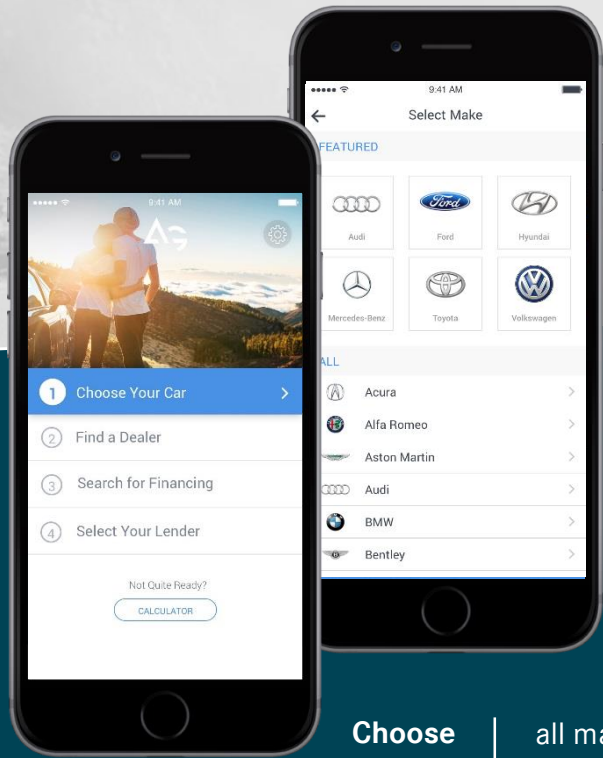


# We offer a broad variety of financial and mobility services – serving approximately 20 million customers as of June 30, 2017

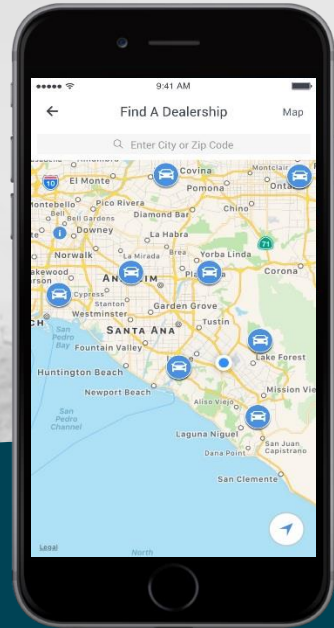


# AUTOGRAVITY puts car financing in the palm of your hand

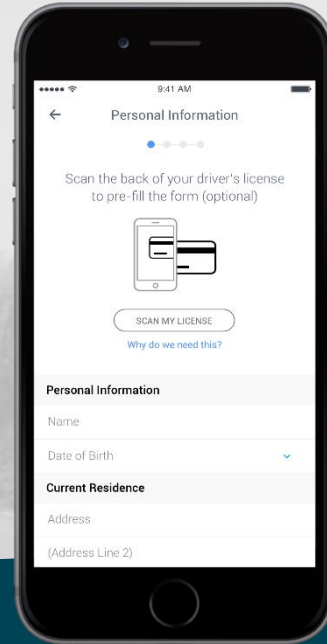
Integrated partners  
[as of July 2017]



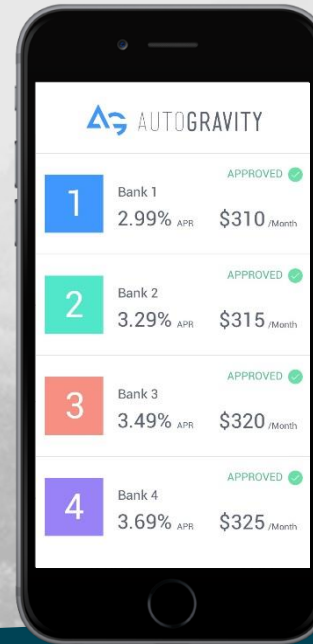
**Choose Your Car** | all makes, models, and trims



**Find a Dealer** | all brands and dealers nationwide



**Select Your Lender** | instant credit decision



**Search for Financing** | license scan; LinkedIn integration

Mercedes-Benz Financial Services

Volkswagen Credit

RoadLoans.com <sup>SM</sup>

CarFinance.com <sup>SM</sup>  
BY FLAGSHIP CREDIT

SPRINGBOARDAUTO.com

1<sup>st</sup> Investors Financial Services



Westlake Financial Services<sup>®</sup>

LIGHTSTREAM  
A DIVISION OF SUNTRUST BANK

up2drive  
A Division of  
BMW BANK OF NORTH AMERICA

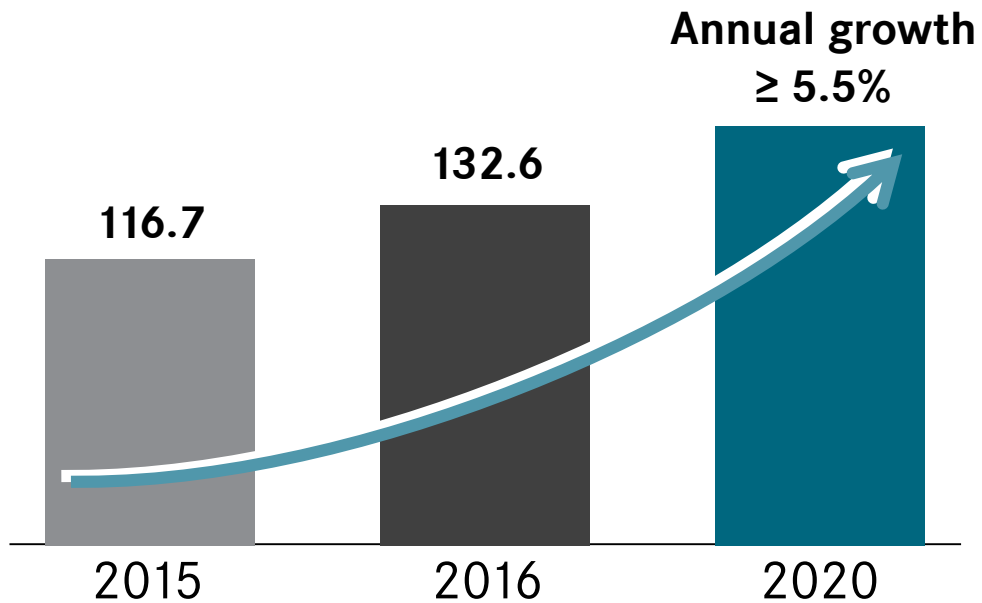
Available in:



# Our target: first-choice provider of financial and mobility services

## Portfolio target

In EUR bn



## Profitability target

Return on Equity in %



# Daimler Group Strategy

CASE

# Structural trends with strong impact on automotive industry

Urbanization



Geo- & Economic Policy



Society & Customer



Mobility- & Transportation Service



Digitalization & Innovative Technologies



Sustainability & Emission Legislation & Energy Mix



Competition (OEM/Non-OEM)

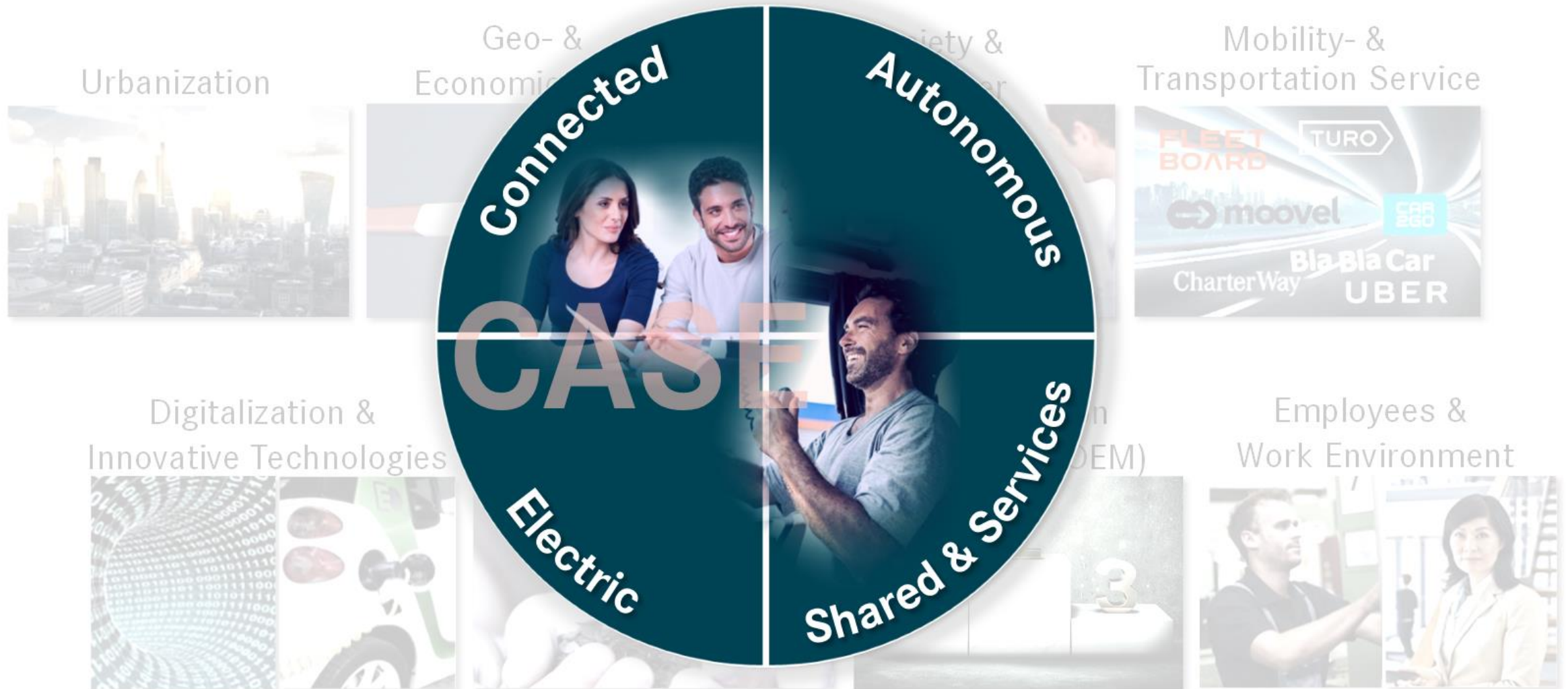


Employees & Work Environment



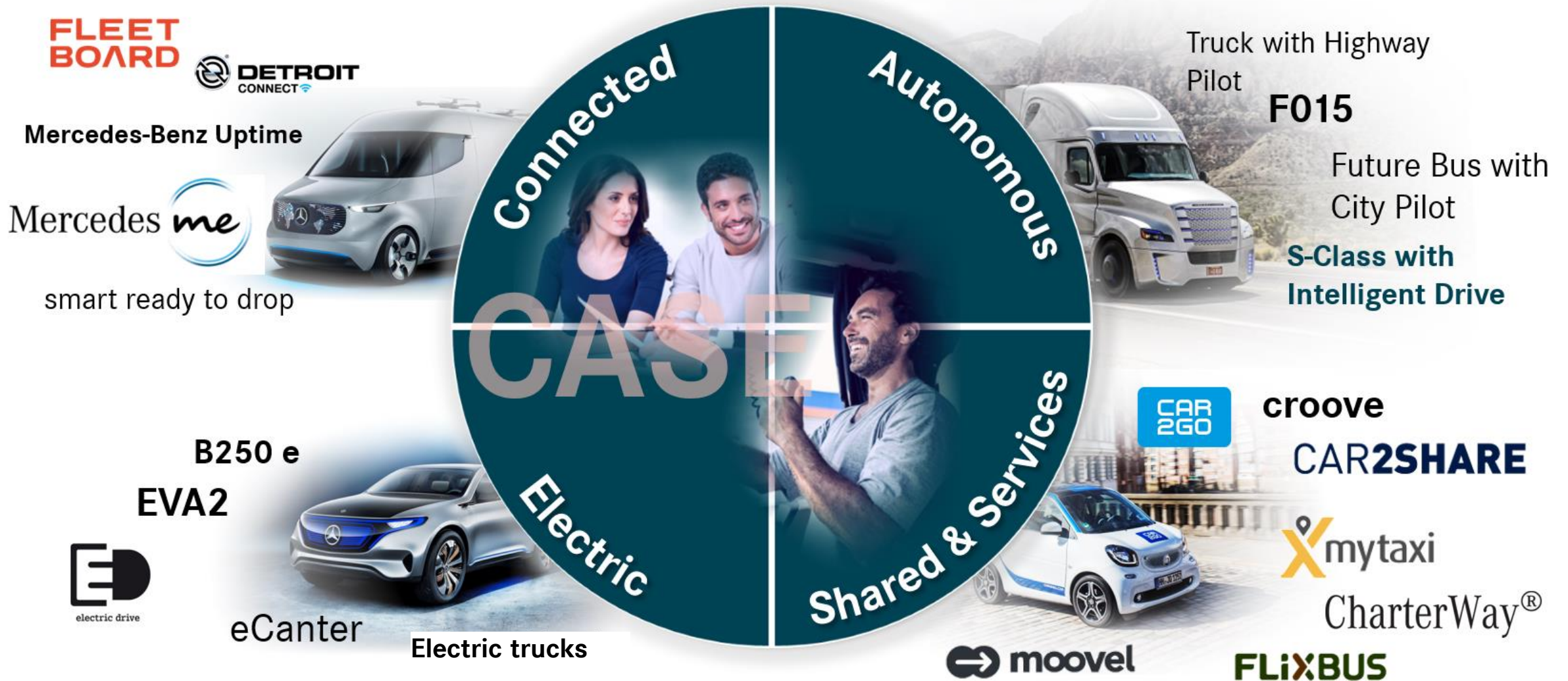


# ...leading to profound changes in the automotive industry towards CASE



# For all CASE dimensions customer-focused products and services developed

Examples



# Daimler Group Strategy

CASE

→ Connected

# Digitalized ecosystems for cars and trucks



# „Mercedes me“ – Connecting all services around the car

move



connect



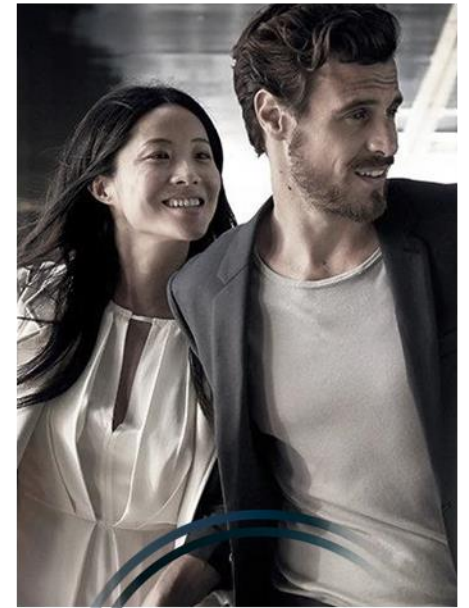
assist



finance



inspire



Mercedes *me*

# Connectivity@Daimler Trucks: boosting logistics performance (I)

## Mercedes-Benz Uptime



**Improves uptime by analyzing real-time data**

Detects potential breakdown situations  
Organizes “pit-stop” in case of emergency  
Optimizes regular workshop stops

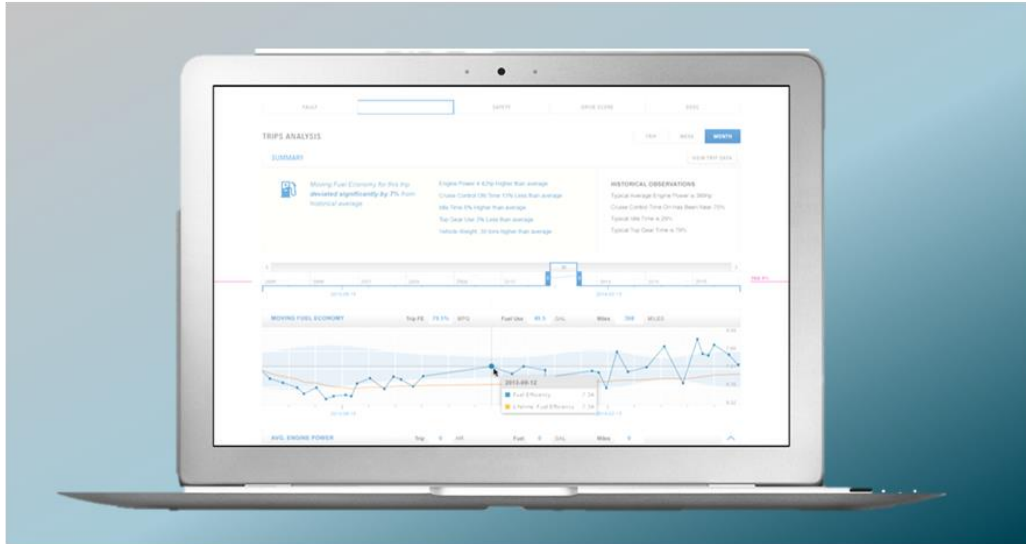
## Fleetboard Store



**„One-stop-shop“** for apps on transport & logistics  
Open to **all industry partners**  
Launch in Q3 2017

# Connectivity@Daimler Trucks: boosting logistics performance (II)

## Detroit Connect Analytics



**Improves fuel and safety performance** by

- detecting changes in fuel consumption & recommending
- safety event reporting (hard braking, lane departures)

Analysis on **trip, vehicle and fleet basis**

**Available end of 2017**

## Detroit Connect Remote Updates



**“Flash Over the Air”** service for engine, transmission & aftertreatment firmware

**Remote access** on the truck (max vehicle speed, idle shut down) from customer office

**Available end of 2017**

# 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**



[World premiere  
of the Vision Van](#)



# Daimler Group Strategy

CASE

→ Autonomous

# Autonomous driving goes far beyond technology: A game changer in the automotive industry



# In all divisions leading in autonomous driving

## Examples



Research vehicle F 015

Freightliner Inspiration Truck  
with Highway Pilot System

Mercedes-Benz Future Bus with  
CityPilot

# The new S-Class - On the way to autonomous and accident-free driving



# Development steps towards fully autonomous 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.

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 in **certain modes**.

Driver expected to respond to requests to take control.

## Level 4 High Automation



Vehicle can perform the dynamic driving task in **certain modes**.

Driver **not** expected to respond to requests to take control.

## Level 5 Full Automation



Vehicle can perform the dynamic driving task in **all modes** that can also be managed by a human driver.

No driver needed.

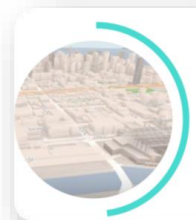
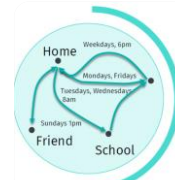
Autonomous Driving

+ enabler for new & complementary mobility services

# HD MAP for highly automated driving and HERE cooperation

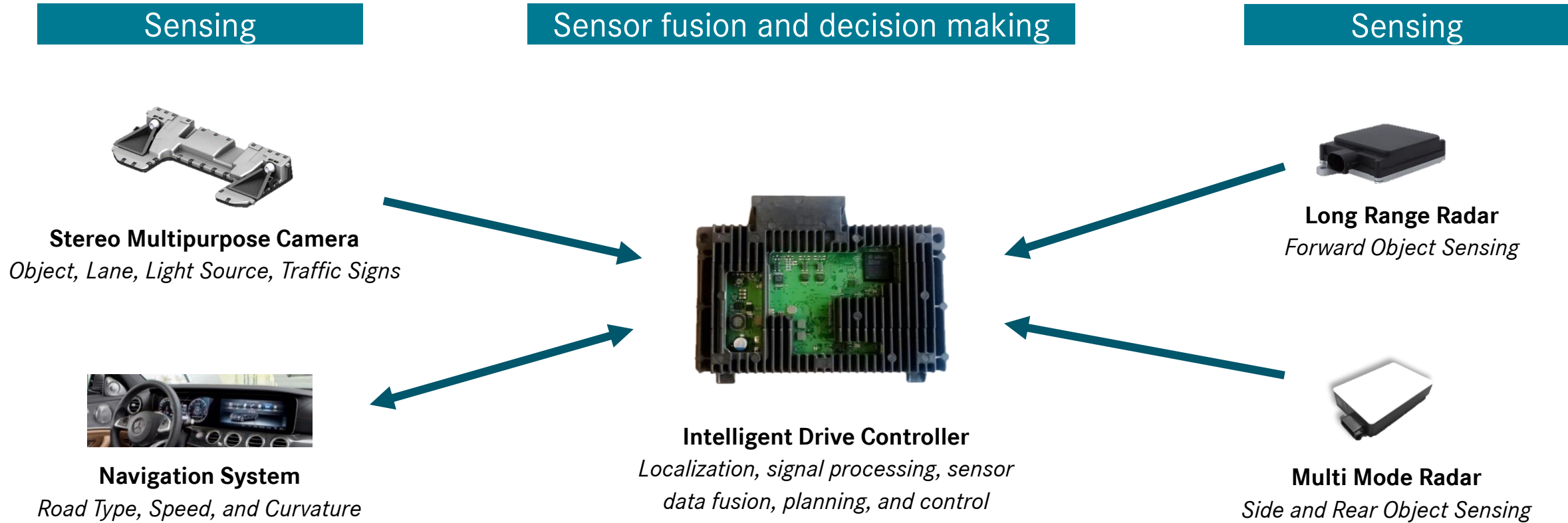
- illustrative examples -

- 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

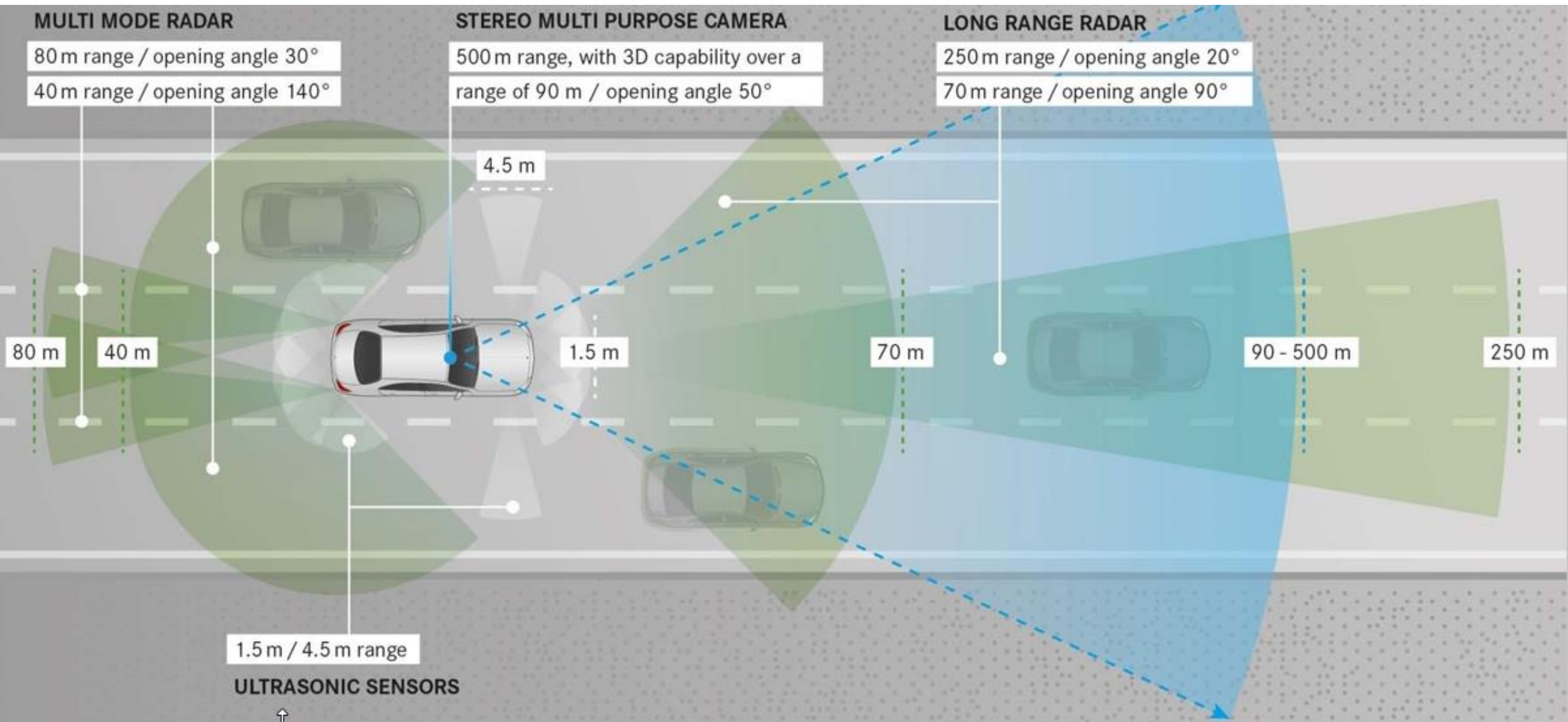


\* Highly Automated Driving

# Intelligent Drive Components



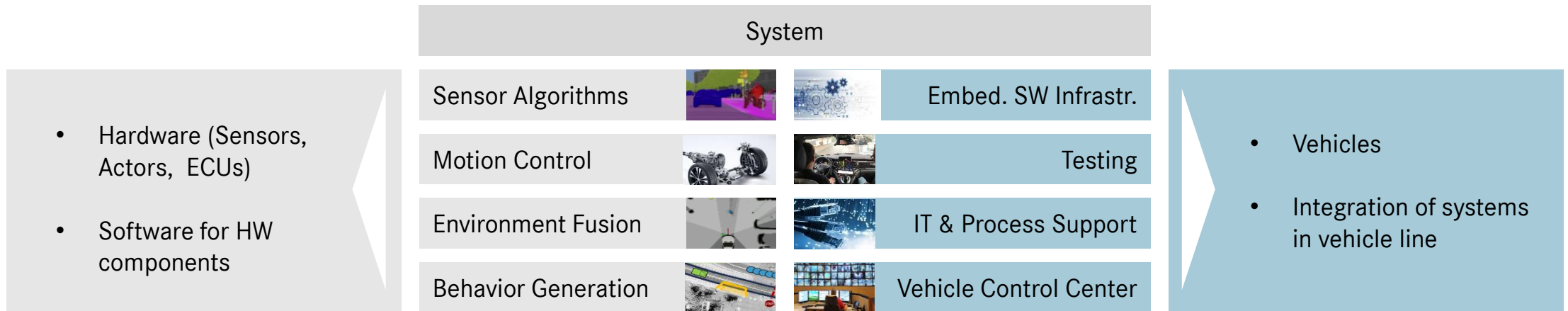
# Sensors for Driver Assistance Package





# Bundling of our forces with Bosch

**Our Intention: developing robotaxis – Launch date: beginning of next decade**



# Safety: semi-autonomous 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



# The future of public transport

Mercedes-Benz  
Future **BUS**



[Mercedes-Benz  
Future Bus](#)



# Daimler Group Strategy

CASE

→ Shared & Services

# Within a digital ecosystem Daimler Financial Services caters to a broad range of mobility demands



# We are preparing for the mobility value chain of tomorrow



## 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

CharterWay

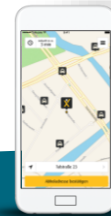


## Fleet Operator

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



Mercedes-Benz Rent



## Service Platform

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



BLACKLANE  
CROOVE  
FLIXBUS



## Aggregator Platform

“Somebody needs to turn various mobility options into **one-stop-shopping solutions**”



## Meta Platform

“Customers will expect mobility options to be seamlessly **integrated** into their **digital life sphere**”

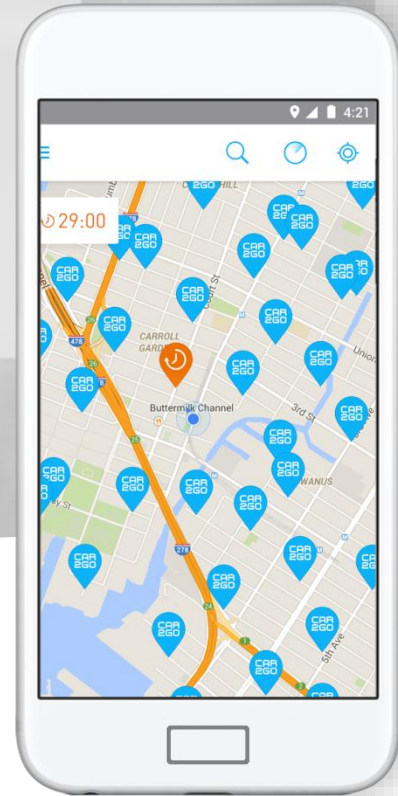


## Mobility Customer

Consuming „mobility-as-a-service/ robo car services“



# is the world's market leader in flexible car sharing



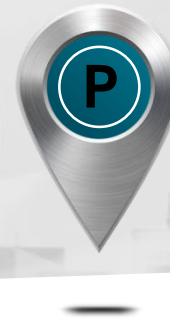
### Find

Find a car2go next to you – with or without reservation. Whenever you need it. Available in 26 cities as of June 30, 2017.



### Drive

Simply open your car2go with your smartphone and start driving – as long as you want.



### Park

After having arrived, park your car2go on any parking lot within the business area. That's it!

Number of customers [in mn]



+30%

2.0

2.6

06/2016

06/2017

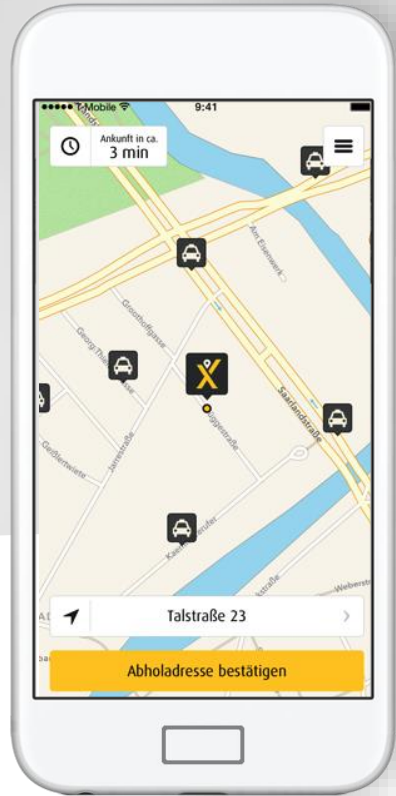
Transactions in millions



12.5

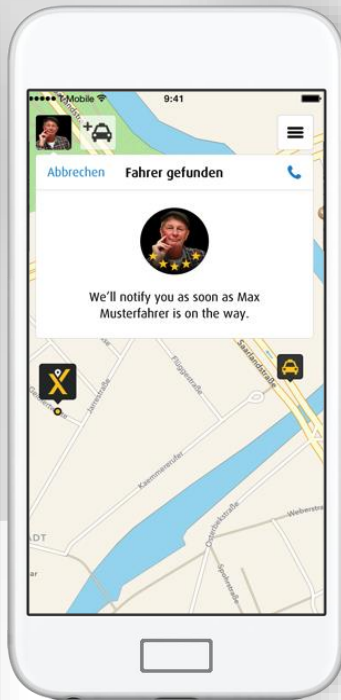
YTD 06/17

# Xmytaxi has become Europe's largest taxi-hailing provider



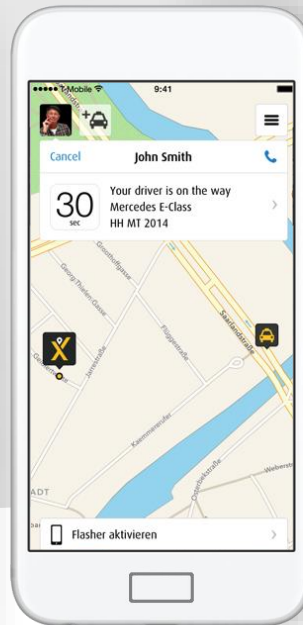
**Step 1**

Order your cab **via your smartphone**. Available in more than 65 cities as of June 30, 2017.



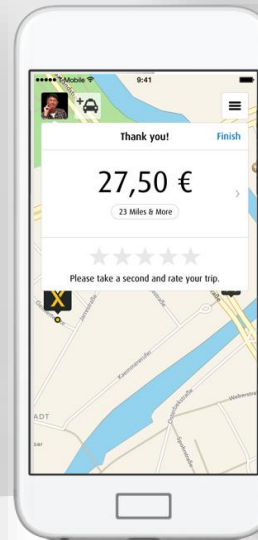
**Step 2**

**Directly** get in touch with **your driver**



**Step 3**

Get **real-time information** about estimated arrival



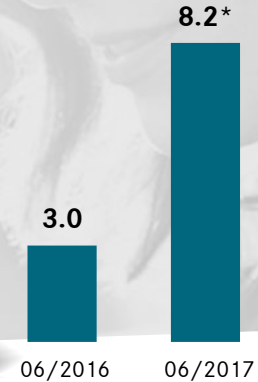
**Step 4**

**Pay your ride with just one swipe**



Number of customers [in mn]

+177%



\* Including: customers of Hailo merger and Taxibeat acquisition  
Excluding: Clever Taxi

**Transactions** in millions



**26.0**  
YTD 06/17



# Daimler Group Strategy

CASE

→ Electrified

# Resource allocation aligned to e-mobility ramp-up

Drivetrain



Diesel  
Gasoline  
48V

now



Future

- Continue efficient development of combustion engines in terms of technology & costs

Hybrid



- Bridge-technology
- Technology leap in 2017 / range >50km

eDrive

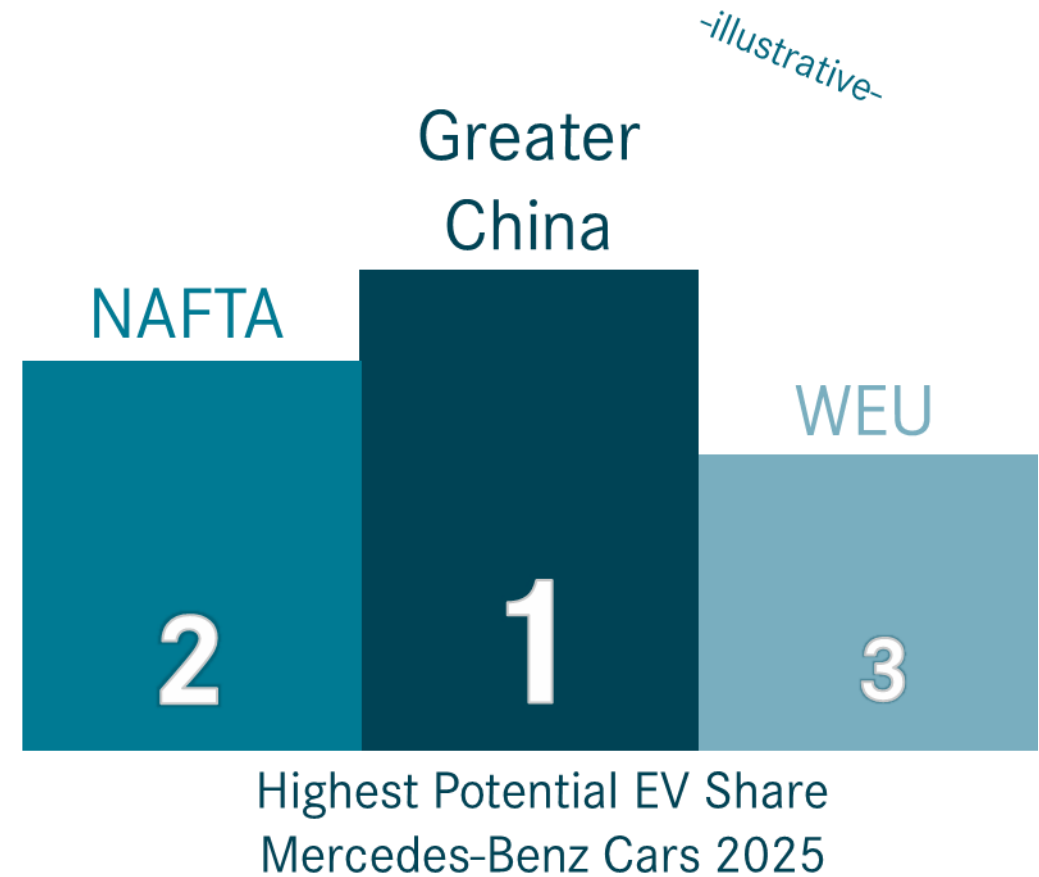
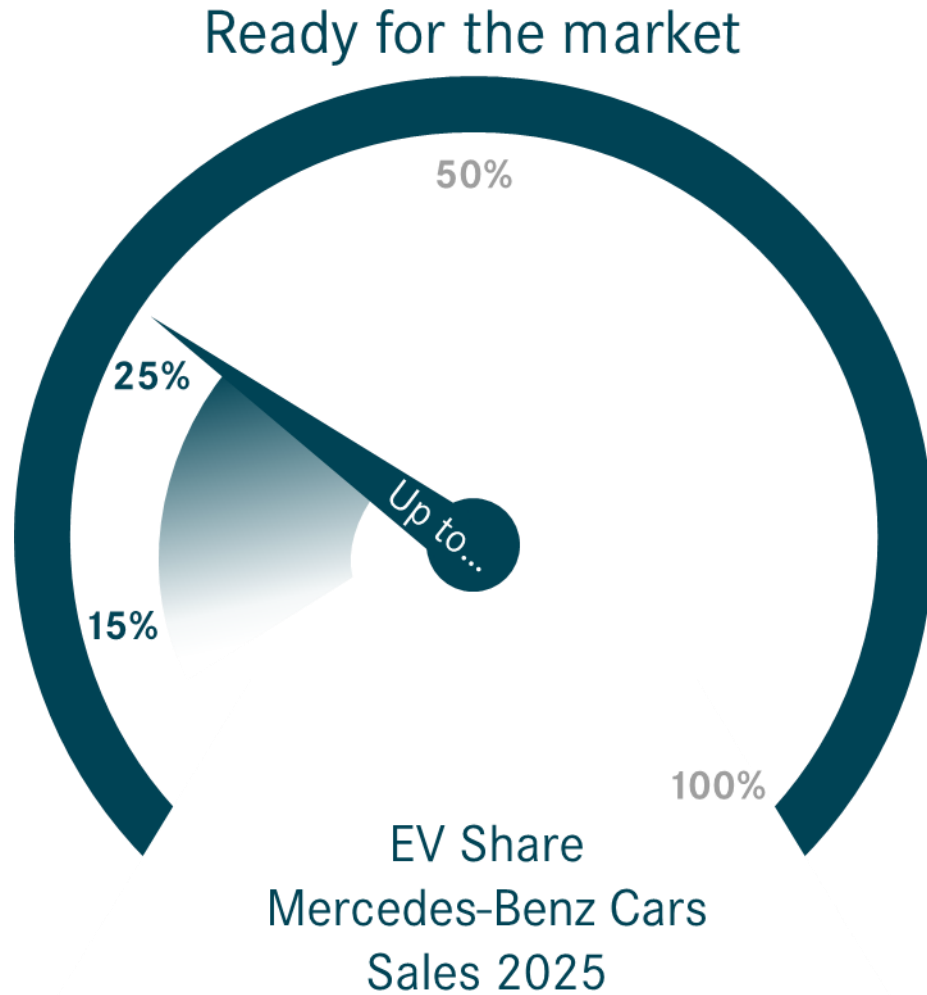


- Range up (>500km) / costs down

# Rollout of plug-in-hybrids as important step: Already 8 models on the market and more to come soon...



# Ambitious Re-Definition of our EV market targets



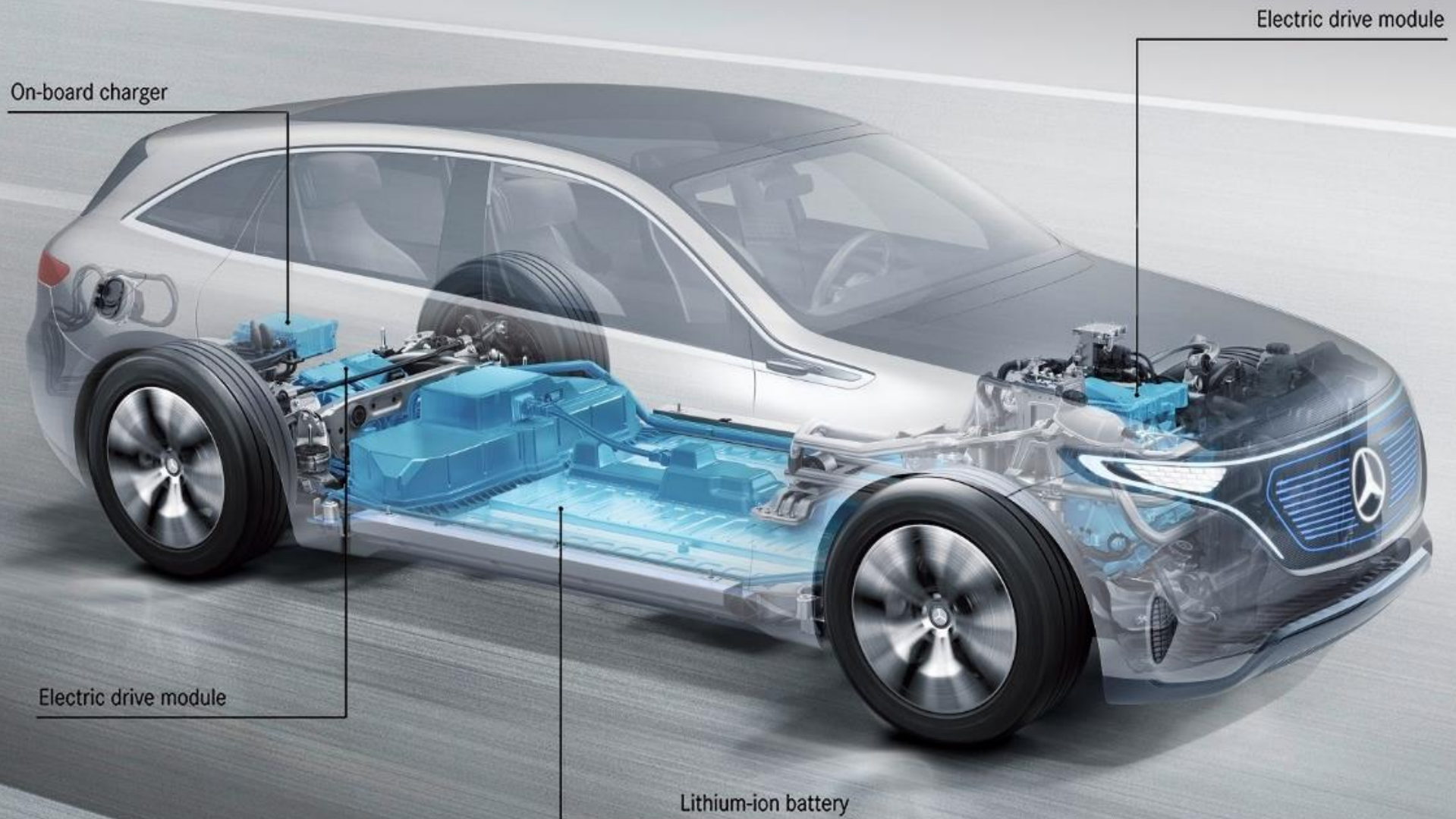
# New brand EQ – Electric mobility@Mercedes-Benz Cars



# EQ concept vehicle with battery-electric drive



# Foundation of new Mercedes-Benz electric vehicle strategy



# New e-mobility platform: modular set up of drive train technologies will allow a variety of derivatives

Illustrative

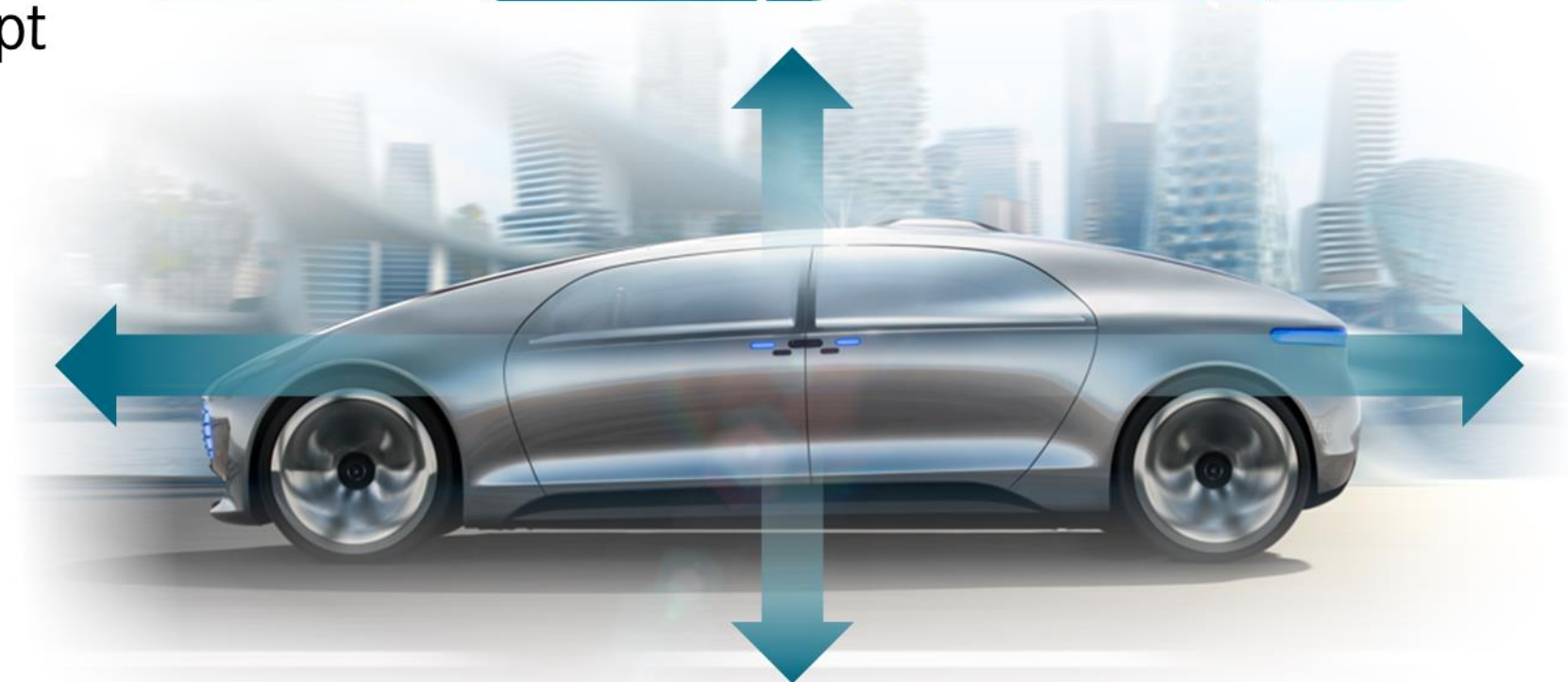
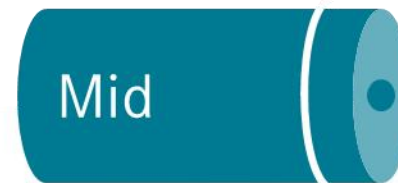
## Modular eDrive Concept

Front Axle

Rear Axle

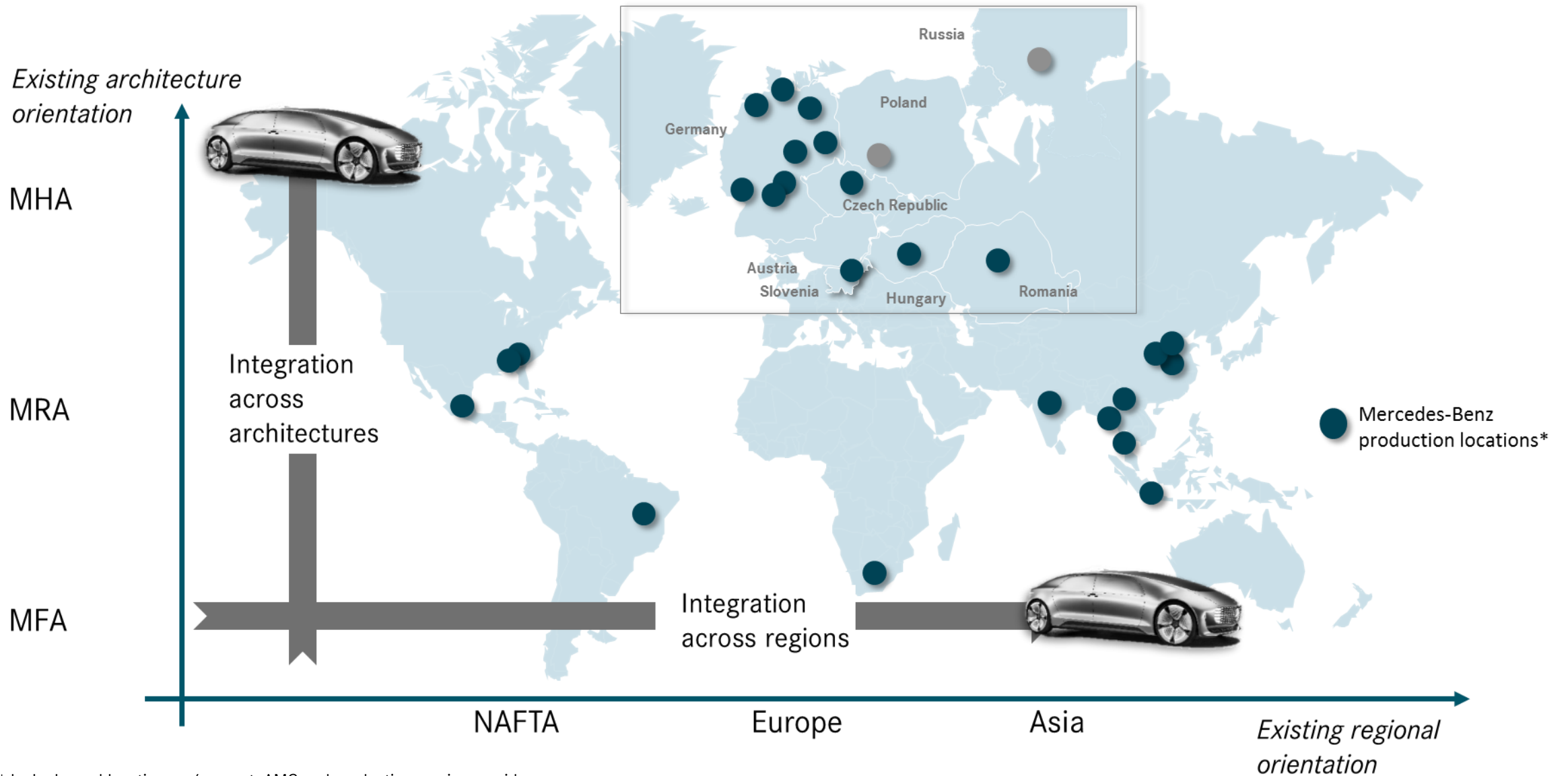


## Modular Battery Concept





# Flexible integration of e-mobility in global production network



\* Incl. planned locations w/o smart, AMG and production service provider

# Investment of 500 million euros in our second battery plant in Germany



Deutsche ACCUMOTIVE GmbH & Co. KG, Kamenz, Germany

- ➔ Production space stocked up from 20,000 to 80,000sqm
- ➔ 2<sup>nd</sup> plant start of operations: summer 2018
- ➔ Production of Li-Ion batteries for hybrid as well as electric vehicles and energy storage systems

# Investment of 655 million euros by Daimler and BAIC Motor in our battery plant at BBAC in China



The factory of BBAC in Beijing with included battery production, China



55,000sqm Production space  
new constructed



Start of operations:  
summer 2019

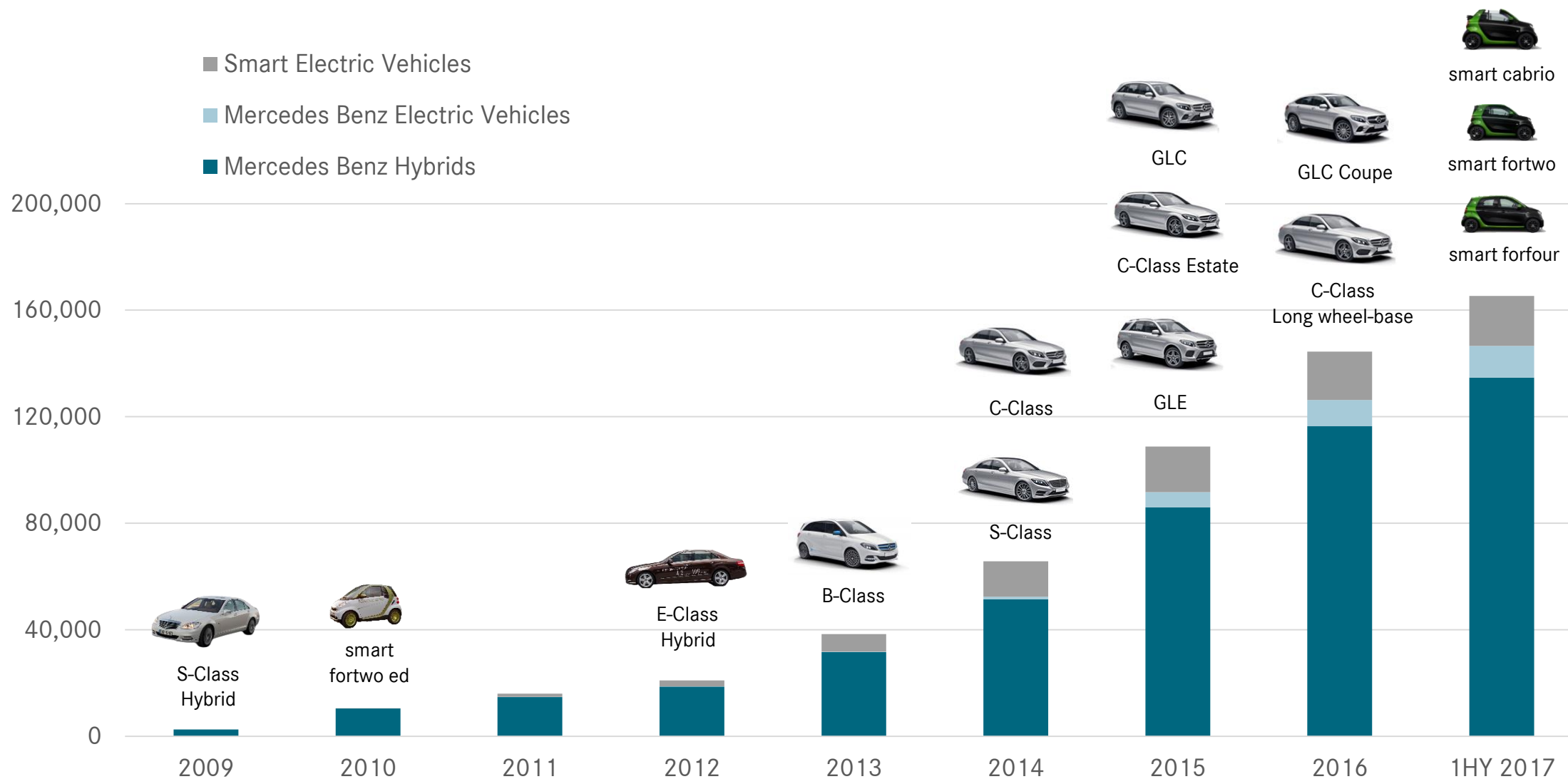


Production of Li-Ion batteries  
for electrical vehicles



Supply of local production of  
battery-powered vehicles in  
plant compound of BBAC

# Cumulated Sales of EV/Hybrids



# Our eTrucks for light and heavy distribution hit the road as low-volume series in 2017

**FUSO eCanter**



Range: **up to 100km**, modular battery system  
Cost: 1,000€/ 10,000km **lower running costs** vs. fuel  
Market: 150 trucks on the road in EU, Japan, USA in **2017**;  
market introduction in **2019**

**Mercedes-Benz Electric Truck**



Range: **up to 200km**  
Cost: ca. **-40%** for electricity vs. Diesel  
Market: innovation fleet in **2017**;  
market introduction in **2020**

## CONTENTS

[Key figures](#)

[Divisional information](#)

[Group financials](#)

[Daimler Group Strategy](#)

**China**

[Outlook](#)

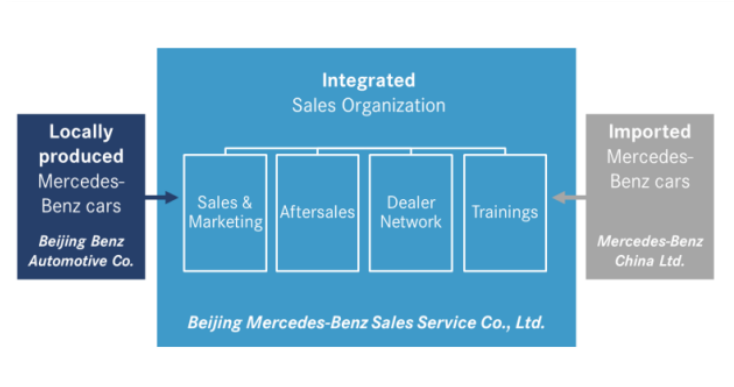
[Appendix](#)



# Daimler in China



# The 6 key initiatives for China



**Integrated Sales Organization**



**Expansion Dealer Network**



**Extension Product Portfolio**



**Extension Local Production**



**Extension Local R&D**



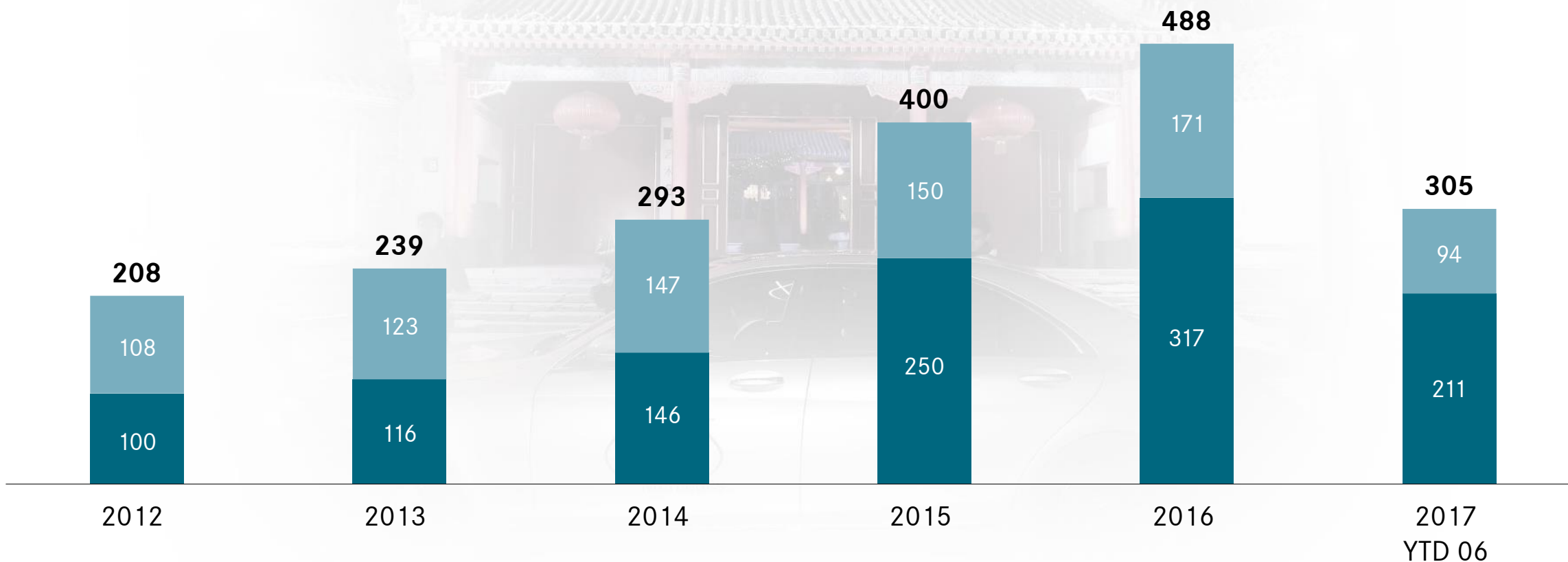
**Leverage Financial Services**



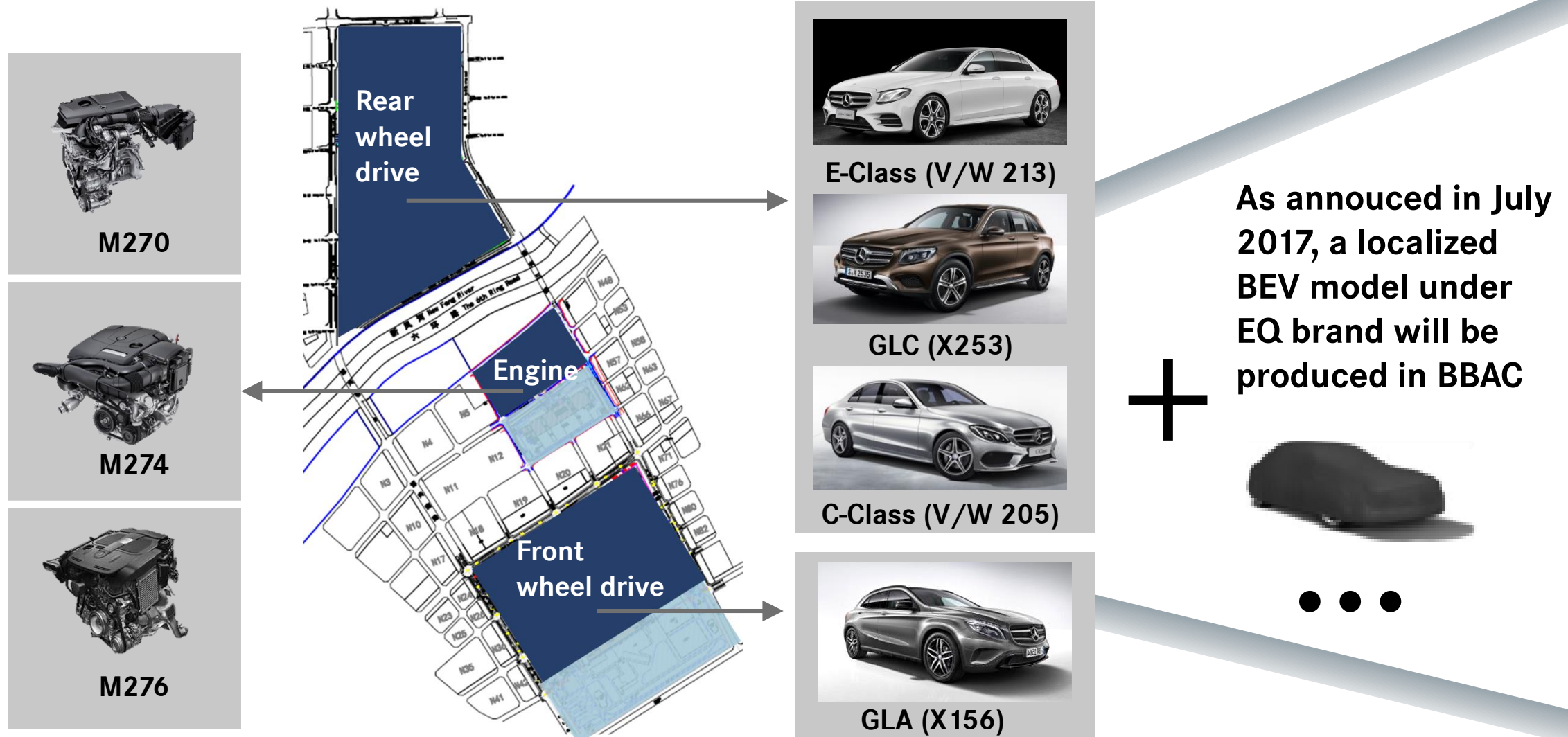
# Mercedes-Benz Cars in China: huge sales growth with higher share of locally produced vehicles

- in thousands of units -

imported  
locally produced



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



# The superlative new E-Class Long Wheelbase: the most intelligent executive sedan in the market



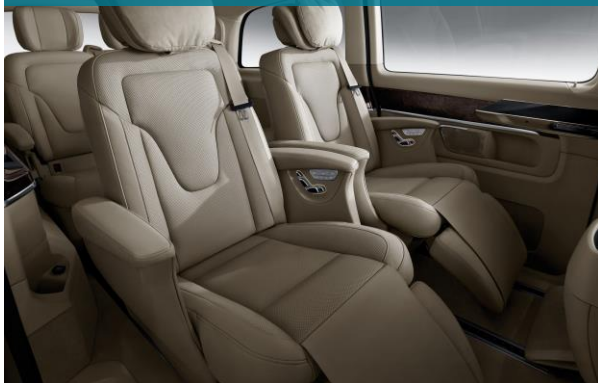
*Sales growth YTD H1-17:*  
**+106%**

# The locally produced V-Class and Vito: tailored to Chinese customer requirements

Sales growth YTD H1-17:  
+ 90%



All new V-Class  
Launched in March 16



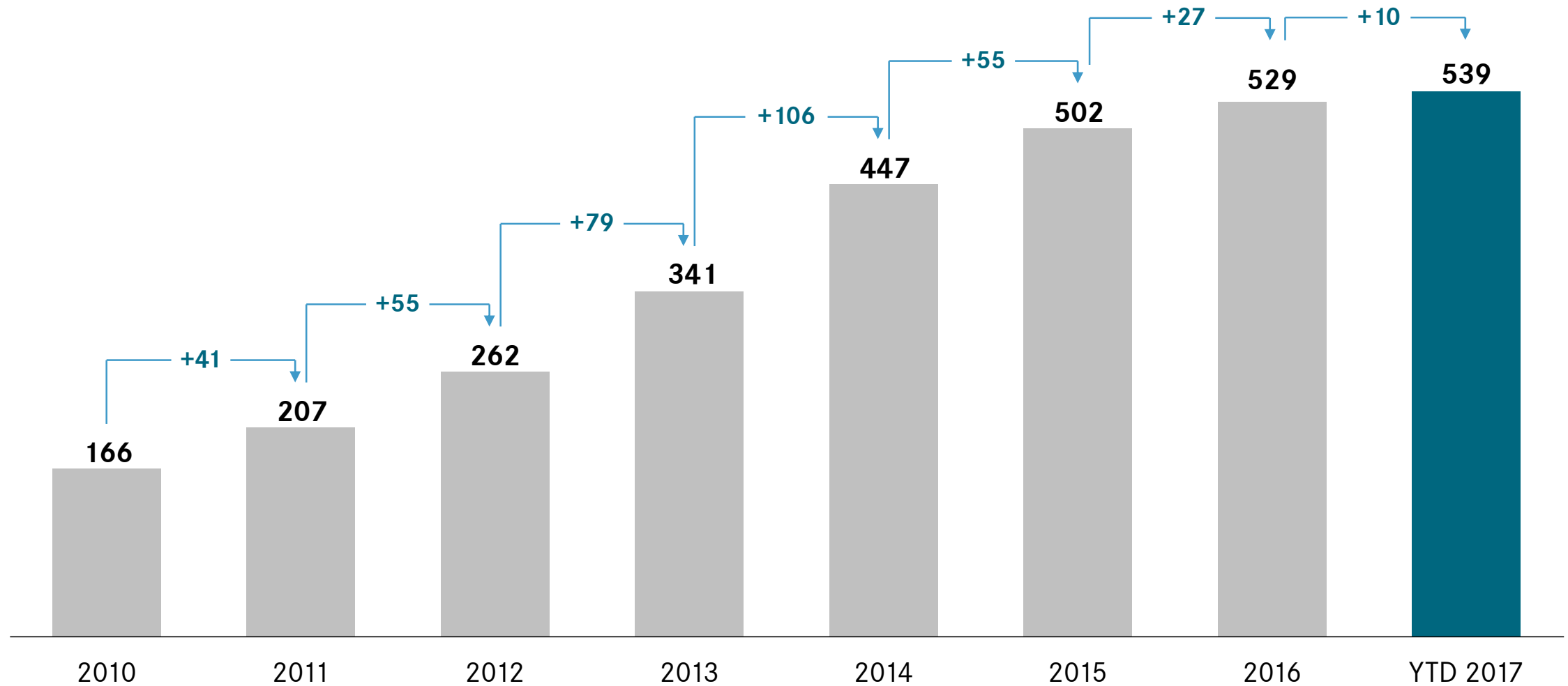
All new Vito  
Launched in September 16

出众 亦从容



# Mercedes-Benz Network Development in China

Number of Outlets



## CONTENTS

Key figures

Divisional information

Group financials

Daimler Group Strategy









China

Outlook

Appendix



# Assumptions for automotive markets in 2017

Car markets	Global	 +1 to 2%
	Europe	 slight growth
	USA	 slight decrease
	China	 slight growth
Medium- and heavy-duty truck markets	NAFTA region	 slight decrease, with Class 8 weaker than Class 6-8
	EU30	 around the prior-year level
	Japan*	 around the prior-year level
	Brazil	 slight decrease
	Indonesia*	 significant growth
Van markets	EU30	 slight growth
	USA	 around the prior-year level
Bus markets	EU30	 slight growth
	Brazil	 significant growth from low level

\* including light-duty trucks

# 2017 sales outlook



Mercedes-Benz Cars



## **Significantly higher unit sales**

Further growth particularly in China and Europe  
Strong momentum especially from new E-Class models and SUV portfolio



Daimler Trucks



## **Slightly higher unit sales**

Unit sales around the prior-year level in Europe and Japan; slight growth in North America  
Sales in Brazil around the low level of prior year; sales increase in Indonesia and India



Mercedes-Benz Vans



## **Significantly higher unit sales**

Significant growth in core market EU30  
Continued momentum from “Mercedes-Benz Vans goes global” strategy



Daimler Buses



## **Significantly higher unit sales**

Maintain market leadership in core markets  
Moderate growth in EU30 region, significant sales increase in Brazil



# 2017 outlook for EBIT

---

## DAIMLER



**We expect Group EBIT for FY 2017 to increase significantly based on the following expectations for divisional EBIT:**



Mercedes-Benz Cars



Significantly above the prior-year level



Daimler Trucks



Around the prior-year level



Mercedes-Benz Vans



Around the prior-year level



Daimler Buses



Slightly above the prior-year level



Daimler Financial Services



Slightly above the prior-year level

# CONTENTS

Key figures

Divisional information

Group financials

Daimler Group Strategy

China

Outlook

Appendix



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

<b>Daimler Group</b>	Dec. 31, 2016	June 30, 2017
Equity ratio	22.9%	<b>24.6%</b>
Gross liquidity	21.7	<b>21.8</b>
Funded status of pension obligations	-7.8	<b>-8.1</b>
<i>Funding ratio</i>	75%	<b>74%</b>
<b>Industrial business</b>		
Equity ratio	44.7%	<b>47.9%</b>
Net liquidity	19.7	<b>18.4</b>
Free cash flow (January-June)	2.1	<b>3.0</b>

in billions of euros

# Higher units sales in all divisions

	Q2 2016	Q2 2017	% change
<b>Daimler Group</b>	761.3	<b>822.5</b>	+8
of which			
Mercedes-Benz Cars	546.5	<b>595.2</b>	+9
Daimler Trucks	108.3	<b>116.4</b>	+8
Mercedes-Benz Vans	99.6	<b>103.4</b>	+4
Daimler Buses	7.0	<b>7.5</b>	+8

in thousands of units

# Revenue by division

	Q2 2016	Q2 2017	% change
<b>Daimler Group</b>	38.6	<b>41.2</b>	+7
of which			
Mercedes-Benz Cars	22.1	<b>23.6</b>	+7
Daimler Trucks	8.7	<b>9.0</b>	+4
Mercedes-Benz Vans	3.4	<b>3.3</b>	-3
Daimler Buses	1.1	<b>1.2</b>	+3
Daimler Financial Services	5.0	<b>5.9</b>	+18
Contract volume of Daimler Financial Services*	132.6	<b>134.2</b>	+1

in billions of euros

\* figures as of December 31, 2016 and June 30, 2017

# Revenue by region

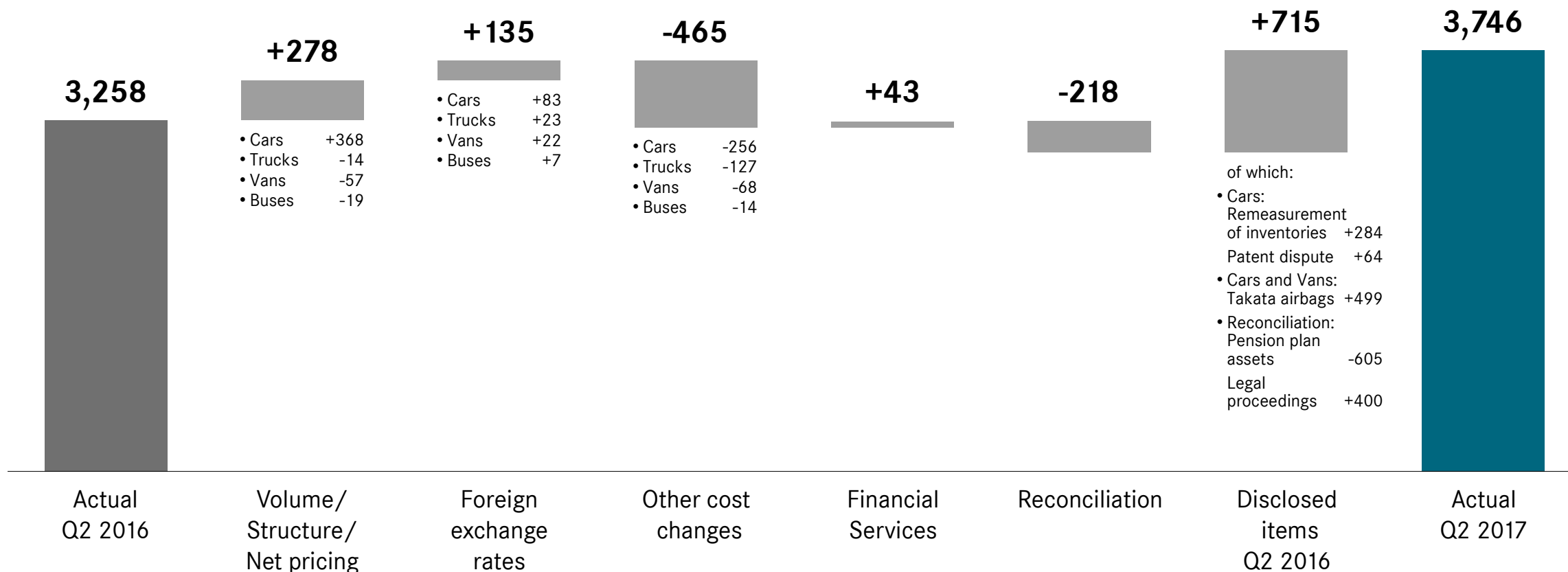
	Q2 2016	Q2 2017	% change
<b>Daimler Group</b>	38.6	<b>41.2</b>	+7
of which			
Europe	16.4	<b>17.2</b>	+4
<i>of which Germany</i>	6.2	<b>6.0</b>	-2
NAFTA	11.5	<b>11.8</b>	+3
<i>of which United States</i>	10.0	<b>10.2</b>	+2
Asia	8.4	<b>9.6</b>	+14
<i>of which China*</i>	3.9	<b>4.7</b>	+18
Other markets	2.3	<b>2.6</b>	+13

in billions of euros

\* excluding revenue of not fully consolidated companies

# Group EBIT in Q2 2017

- in millions of euros -



# EBIT by division

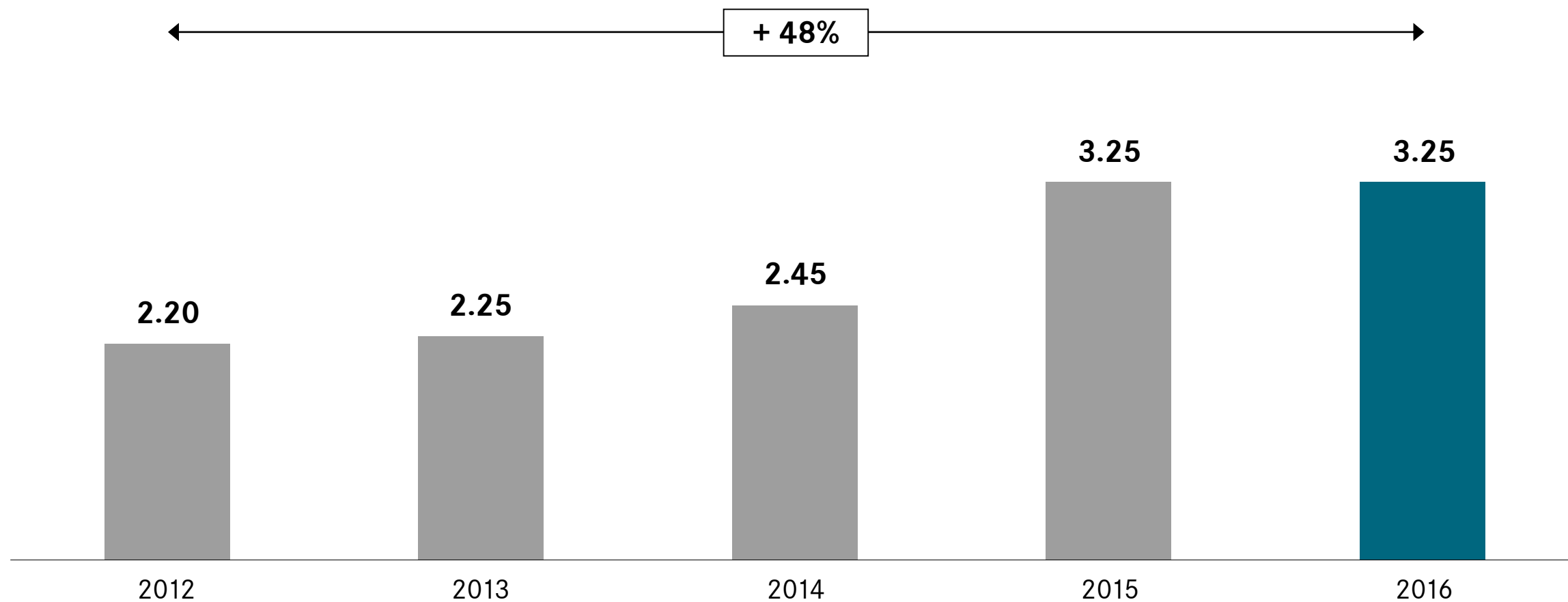
- EBIT in millions of euros; RoS/RoE in % -	Q2 2016		Q2 2017	
	EBIT	RoS/RoE*	EBIT	RoS/RoE*
<b>Daimler Group</b>	3,258	8.3	<b>3,746</b>	<b>9.2</b>
of which				
Mercedes-Benz Cars	1,410	6.4	<b>2,404</b>	<b>10.2</b>
Daimler Trucks	621	7.2	<b>543</b>	<b>6.0</b>
Mercedes-Benz Vans	401	11.7	<b>358</b>	<b>10.8</b>
Daimler Buses	88	7.8	<b>64</b>	<b>5.5</b>
Daimler Financial Services	479	19.3	<b>522</b>	<b>18.8</b>
Reconciliation	259	-	<b>-145</b>	<b>-</b>

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



# Development of dividend per share

- in euros -

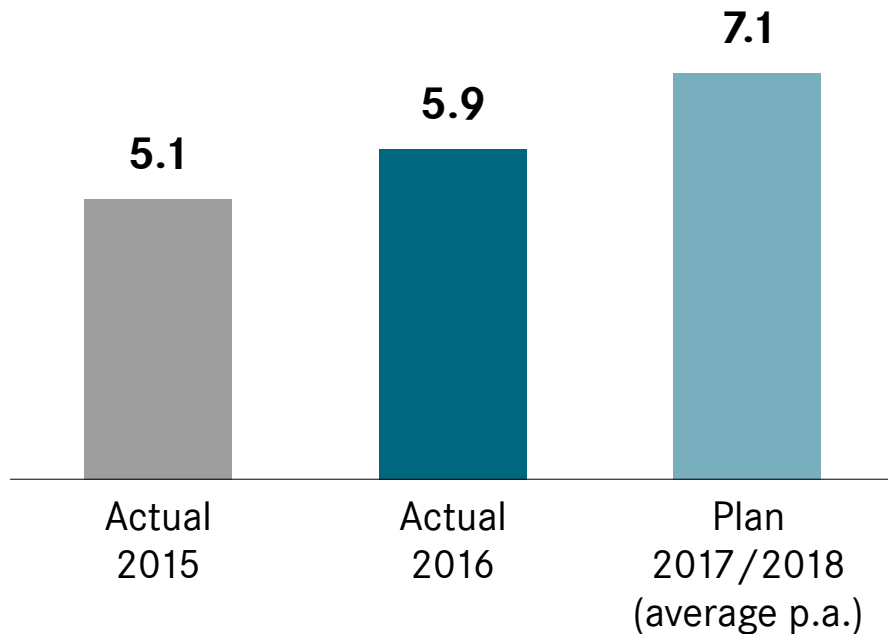


# Capital expenditure / Research and development

- in billions of euros -

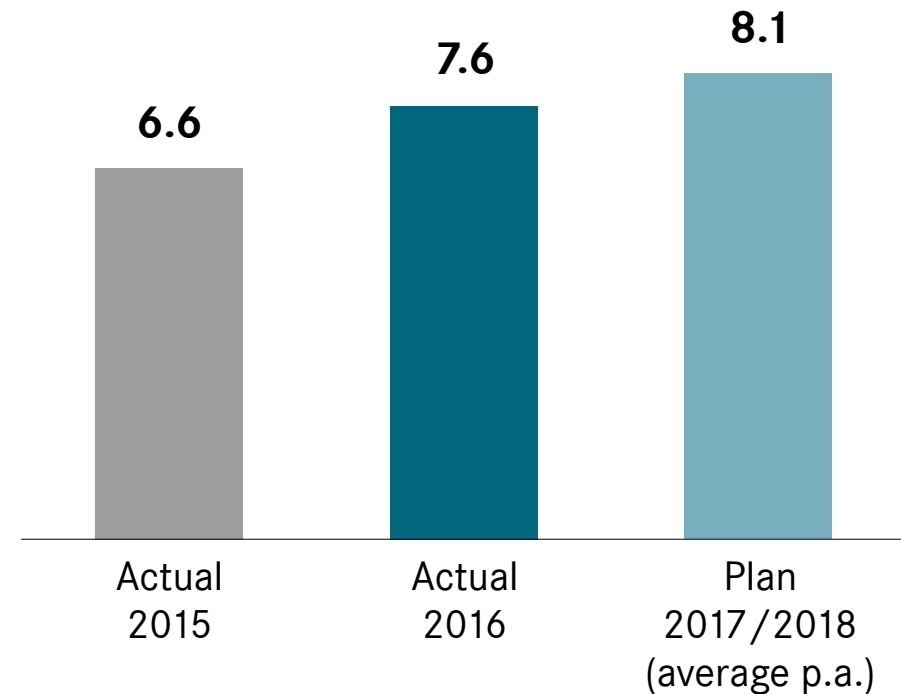
## Investment in property, plant and equipment

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## Research and development expenditure

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# Capital expenditure / Research and development

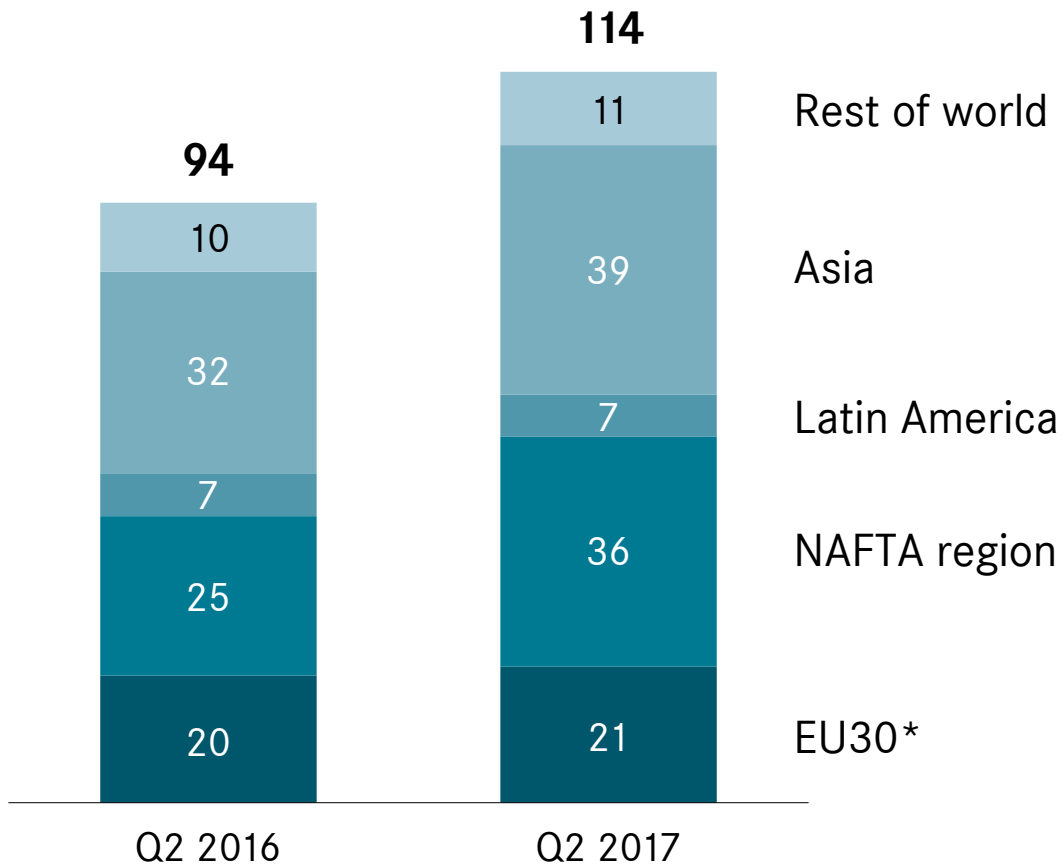
	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2015	<b>Actual 2016</b>	Plan* 2017-2018	Actual 2015	<b>Actual 2016</b>	Plan* 2017-2018
<b>Daimler Group</b>	5.1	<b>5.9</b>	7.1	6.6	<b>7.6</b>	8.1
of which						
Mercedes-Benz Cars	3.6	<b>4.1</b>	5.2	4.7	<b>5.7</b>	6.1
Daimler Trucks	1.1	<b>1.2</b>	1.2	1.3	<b>1.3</b>	1.3
Mercedes-Benz Vans	0.2	<b>0.4</b>	0.6	0.4	<b>0.4</b>	0.5
Daimler Buses	0.1	<b>0.1</b>	0.1	0.2	<b>0.2</b>	0.2
Daimler Financial Services	0.03	<b>0.04</b>	0.03	–	<b>–</b>	–

in billions of euros

\* average p.a.

# Daimler Trucks: incoming orders increase, primarily driven by NAFTA region and Indonesia

- in thousands of units -

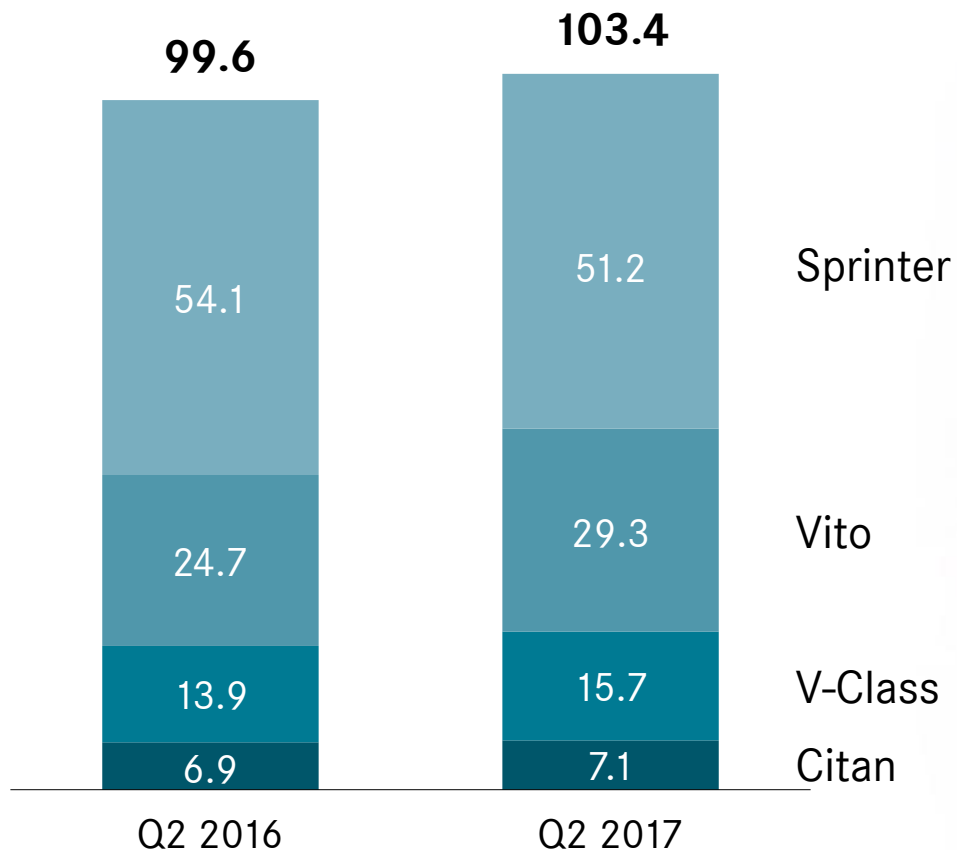


\* European Union, Switzerland and Norway



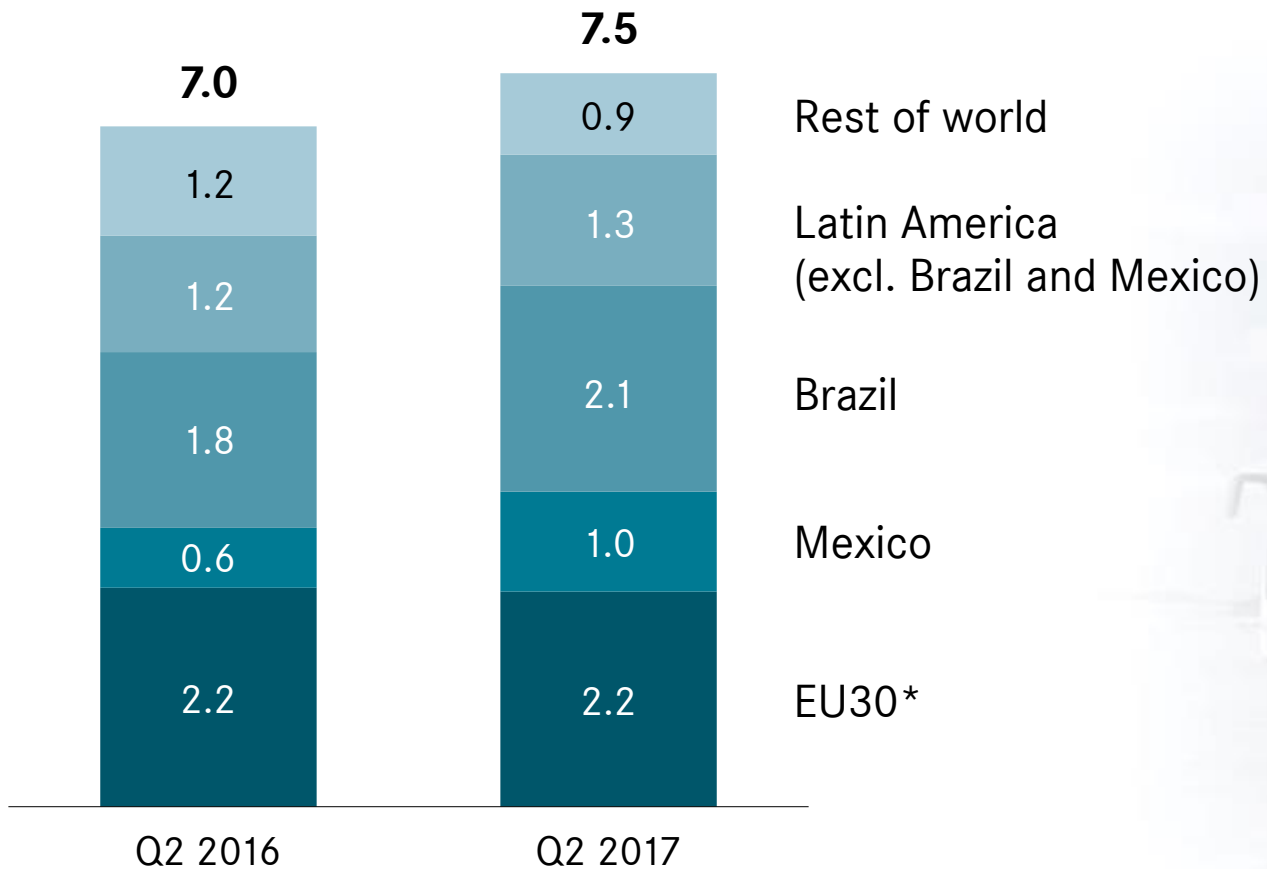
# Mercedes-Benz Vans: sales increase by 4% due to market success of attractive product portfolio

- in thousands of units -



# Daimler Buses: sales increase by 8% mainly due to higher demand in emerging markets

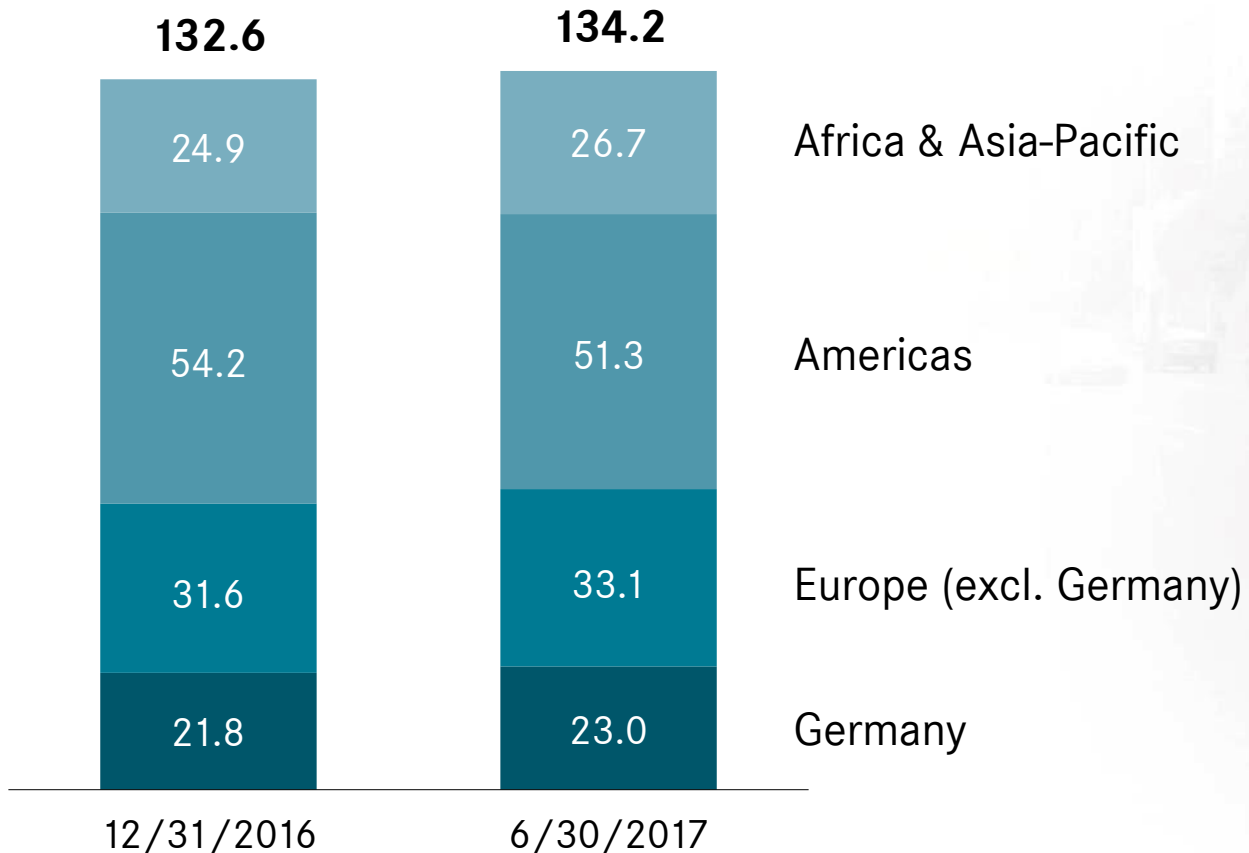
- in thousands of units -



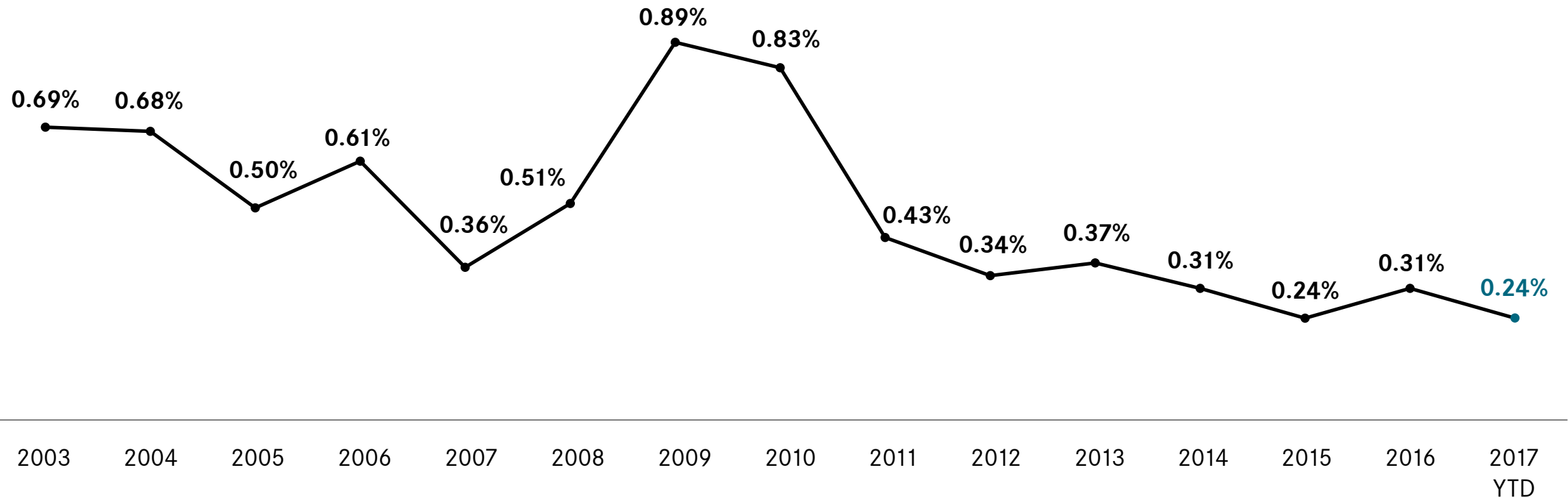
\* European Union, Switzerland and Norway

# Daimler Financial Services: further increase in contract volume to 134.2 billion euros (+ 1%)

- in billions of euros -



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



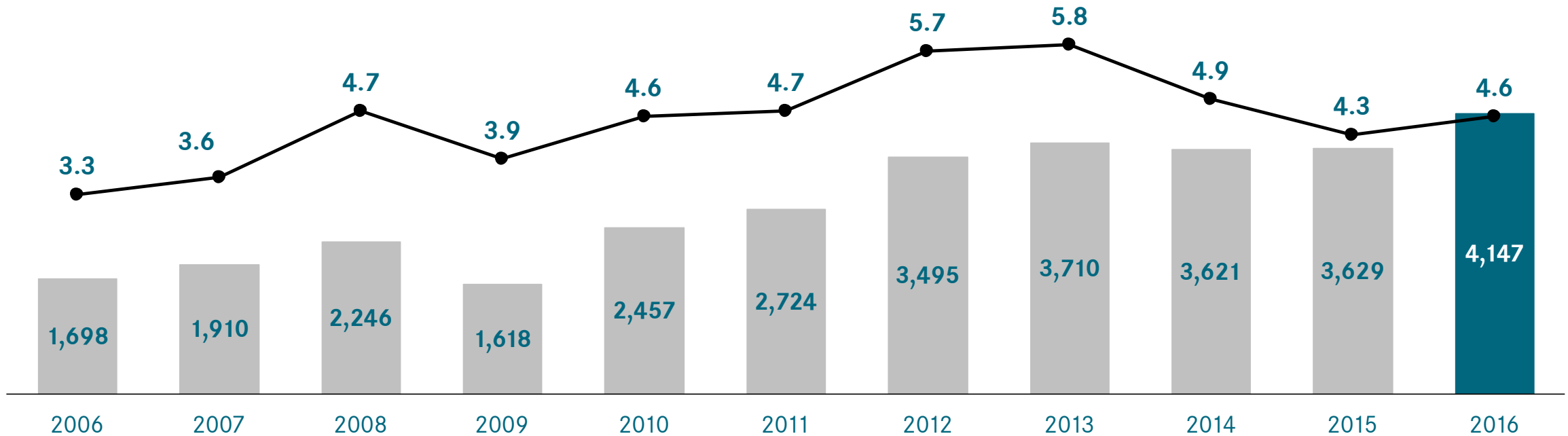
\* as a percentage of portfolio, subject to credit risk



# Capital expenditure Mercedes-Benz Cars

● CapEx ratio for pp&e\*\* in %    ■ CapEx for pp&e\* in millions of euros

Target CapEx ratio for pp&e: around 5%



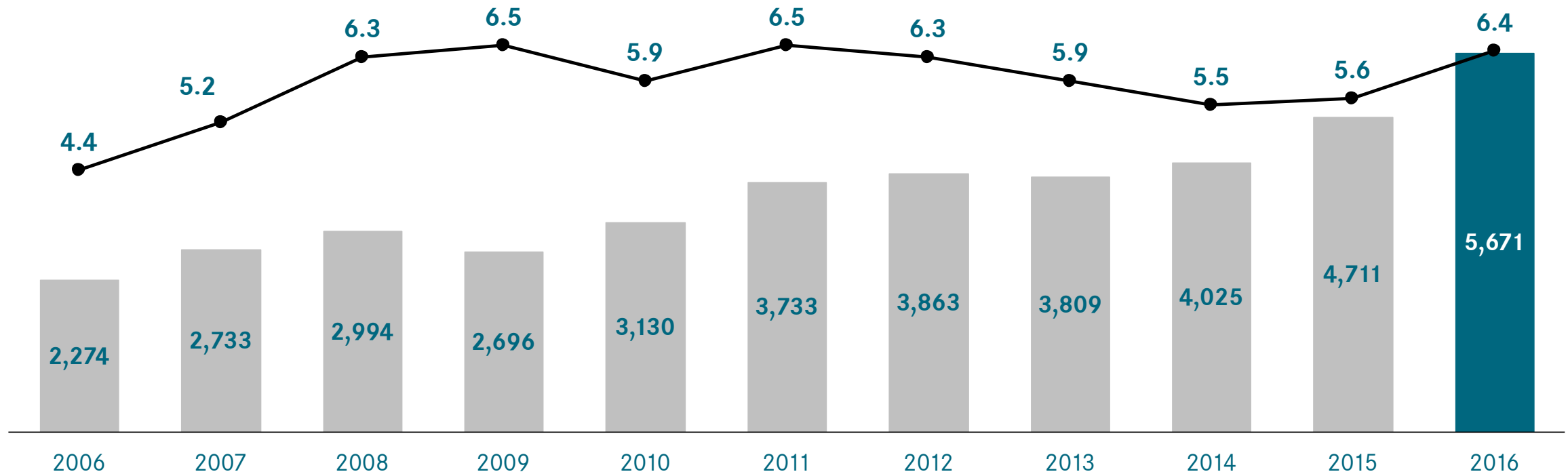
\* Capital expenditure for property, plant and equipment (pp&e) MBC

\*\* Capital expenditure for property, plant and equipment (pp&e) MBC in % of revenues MBC

# Research and development expenditure Mercedes-Benz Cars

● R&D ratio\*\* in %    ■ R&D expenditure\* in millions of euros

Target R&D ratio: around 6–7%



\* Expensed R&D costs and capitalized development costs MBC

\*\* Expensed R&D costs and capitalized development costs MBC in % of revenues MBC

# Mercedes-Benz Cars retail sales by model Q2 2017

- in units -

Retail sales		Q2 2017	Q2 2016	Change in %
<b>Mercedes-Benz</b>		<b>583,649</b>	<b>523,132</b>	<b>+11.6</b>
of which*:	A-/B-Class	108,839	112,629	-3.4
	C-Class	132,539	121,589	+9.0
	E-Class	103,874	69,036	+50.5
	S-Class	18,683	22,740	-17.8
	SUVs**	196,906	177,304	+11.1
	Sports Cars	6,845	6,955	-1.6
	V-Class	15,963	12,879	+23.9
<b>smart</b>		<b>35,718</b>	<b>38,057</b>	<b>-6.1</b>
<b>Mercedes-Benz Cars</b>		<b>619,367</b>	<b>561,189</b>	<b>+10.4</b>

\* incl. Derivatives

\*\* incl. GLA

# Mercedes-Benz Cars retail sales in major markets Q2 2017

- in units -

Retail sales	Q2 2017	Q2 2016	Change in %
China*	154,792	118,267	+30.9
of which locally produced vehicles	107,783	78,538	+37.2
USA	83,733	88,338	-5.2
Germany	90,605	88,465	+2.4
UK	45,988	43,908	+4.7
BRIKT**	41,545	35,720	+16.3
Italy	26,693	25,597	+4.3
France	20,309	18,834	+7.8
Japan	15,955	15,338	+4.0
South Korea	18,214	11,264	+61.7
Spain	15,430	14,182	+8.8
Canada	12,399	11,462	+8.2
Russia	9,771	9,448	+3.4
Turkey	6,687	9,221	-27.5
Rest of World	111,918	101,078	+10.7
<b>Mercedes-Benz Cars</b>	<b>619,367</b>	<b>561,189</b>	<b>+10.4</b>

\*Incl. Hong Kong \*\*BRIKT: Brazil, Russia, India, South Korea and Turkey

# Financial Policy

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**Clear commitment to a single A rating**

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**Balanced approach between shareholder interest and credit providers**

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**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**

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# Bond Maturities

- in billions of euros -

**Bonds total outstanding as of Q2 2017: 63,3**

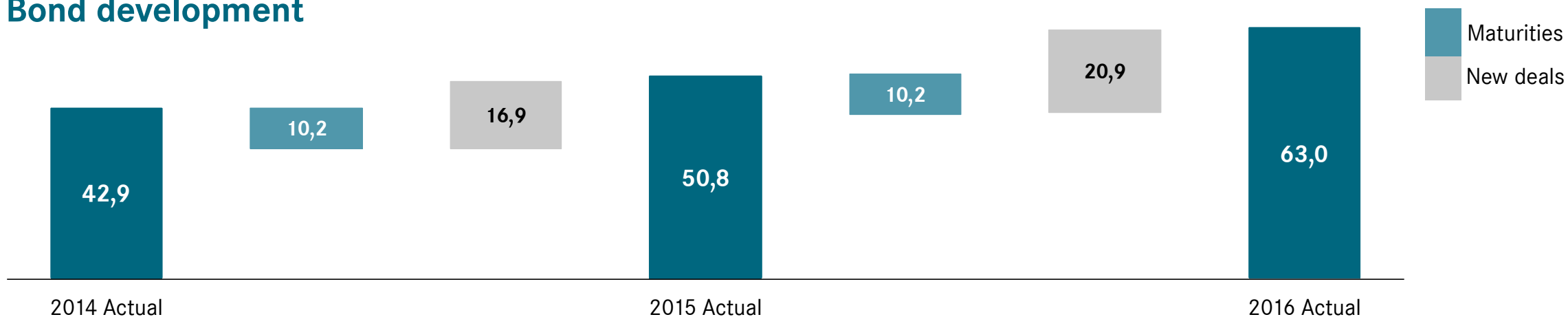
	Total Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Next 12 months
Bonds short term	63,3	-3,3	-2,2	-4,7	-3,4	-13,6

	Total Q2 2017	0-1 Y	1-2 Y	2-3 Y	3-4 Y	4-5 Y	5-6 Y	>6 Y
Bonds long term	63,3	-13,6	-10,9	-17,4	-4,0	-6,8	-2,0	-8,7

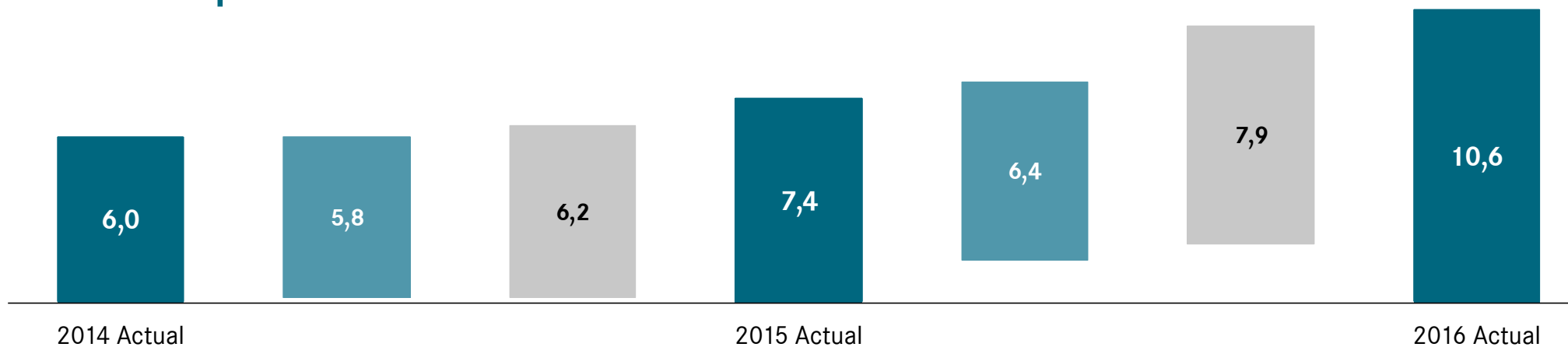
# Bonds and ABS Development 2014 - 2016

- in billions of euros -

## Bond development



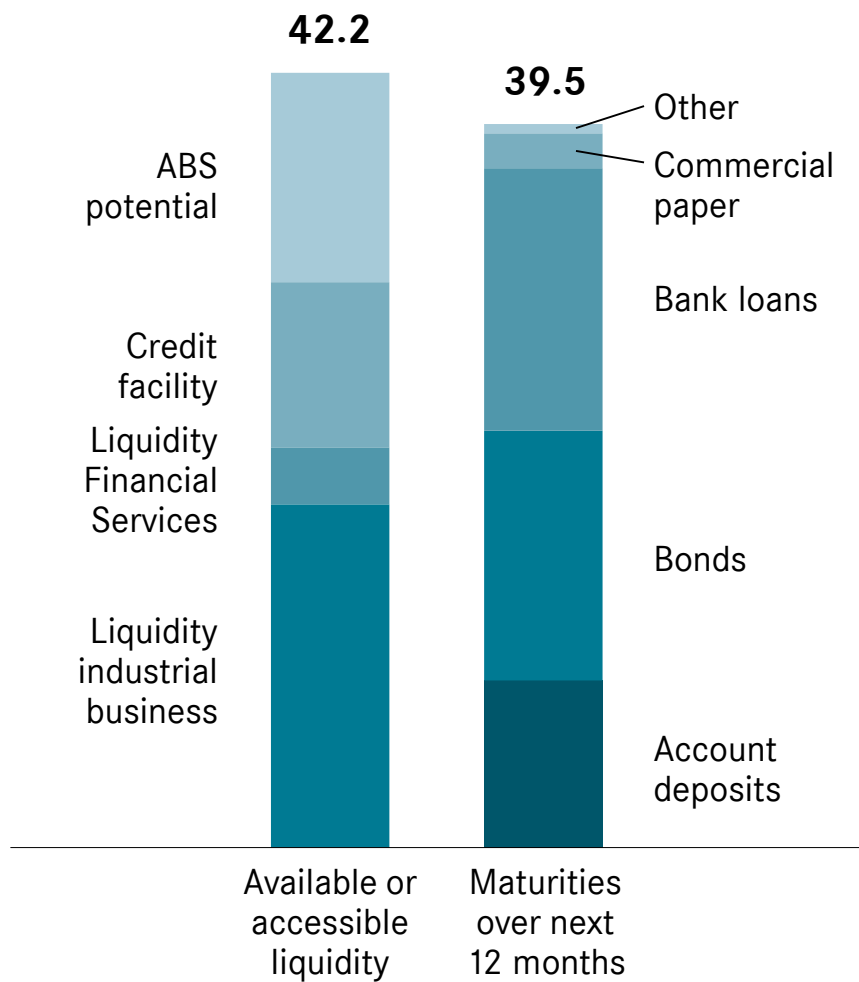
## ABS development



Note: Figures may not be additive due to fx effects and rounding.

# 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



# 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

# 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.