

DAIMLER

Q2 2018

Corporate Presentation



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Group Financials

Divisional Information

Daimler Group Strategy

Outlook

Funding

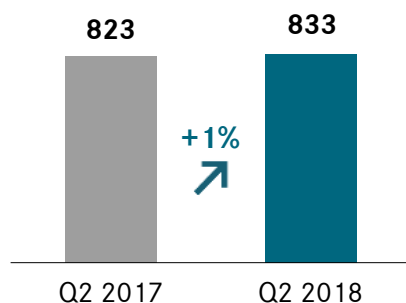
Appendix



Highlights of Q2 2018

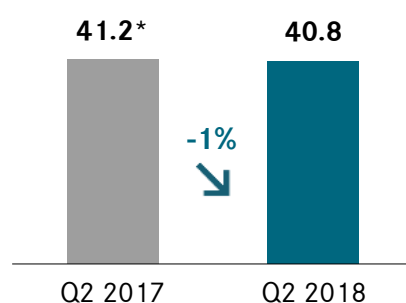
Unit sales

- in thousands of units -



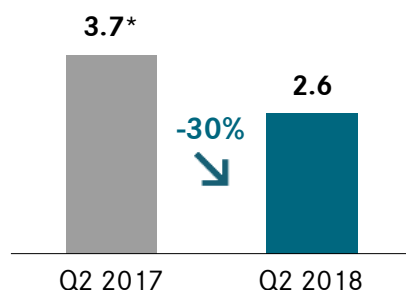
Revenue

- in billions of euros -



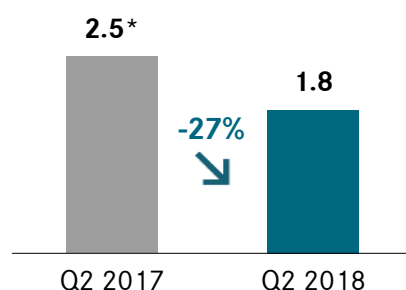
EBIT

- in billions of euros -



Net profit

- in billions of euros -



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

Market launch of the new Mercedes-Benz A-Class

World premiere of the new A-Class L Sedan and C-Class L Sedan for the Chinese market

Market launch of the new Mercedes-Benz Sprinter

Daimler and Bosch intensify the development of fully-automated and driverless driving

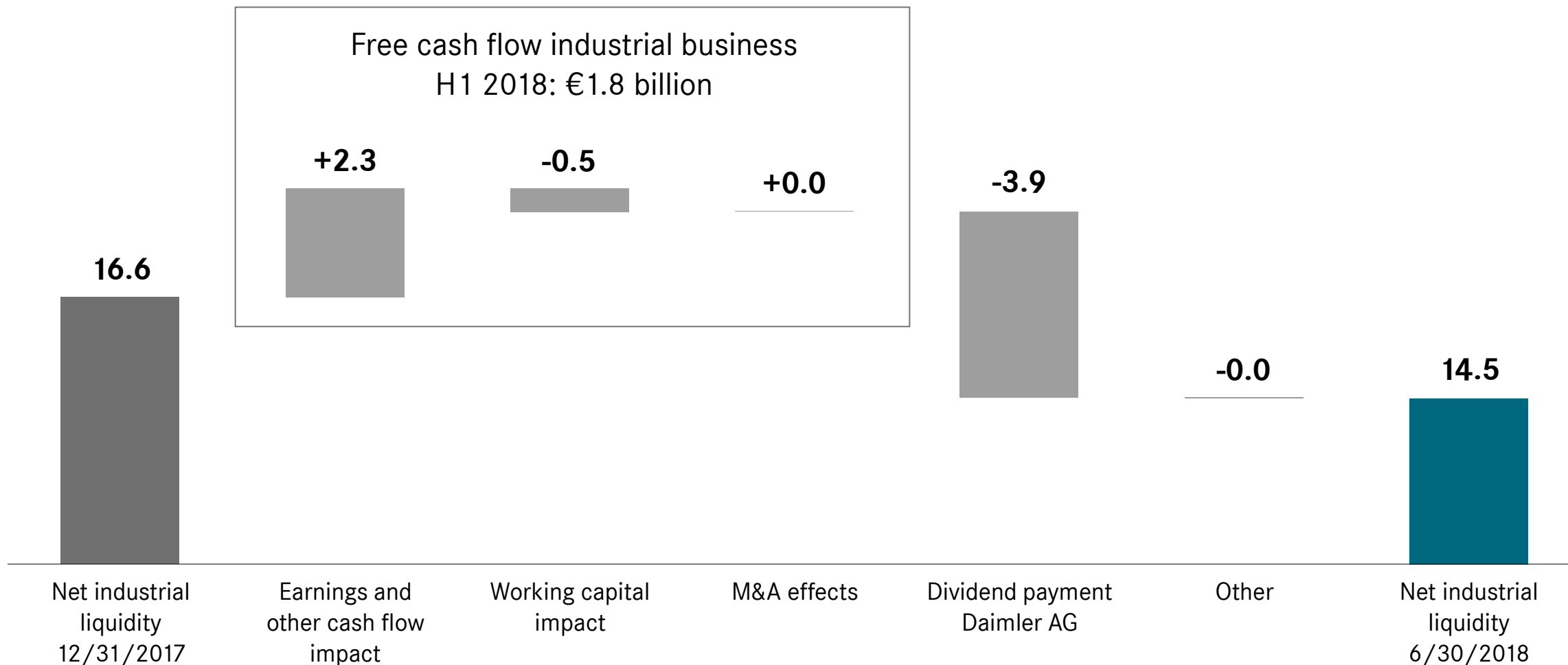
New research and development center for automated trucks and buses in Portland, Oregon

Formation of the new global E-Mobility Group for electric driven commercial vehicles

Settlement of the Toll Collect arbitration proceedings

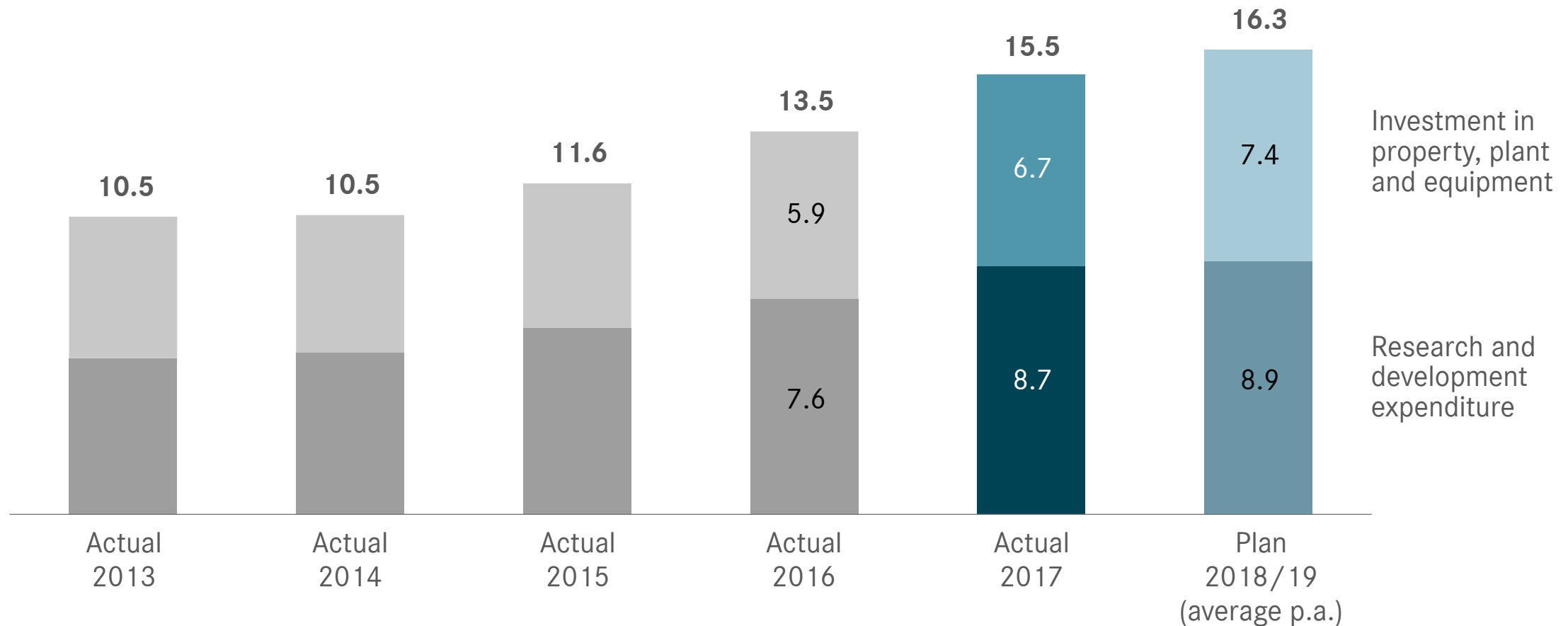
High level of net liquidity – 50% of dividend payment recovered in H1

- in billions of euros -



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

- in billions of euros -



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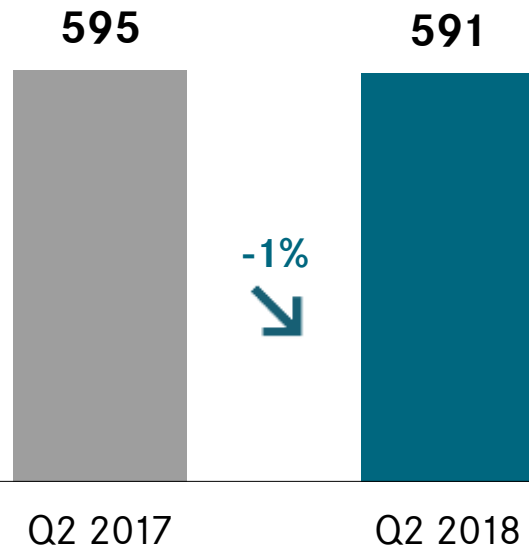
Appendix



Mercedes-Benz Cars

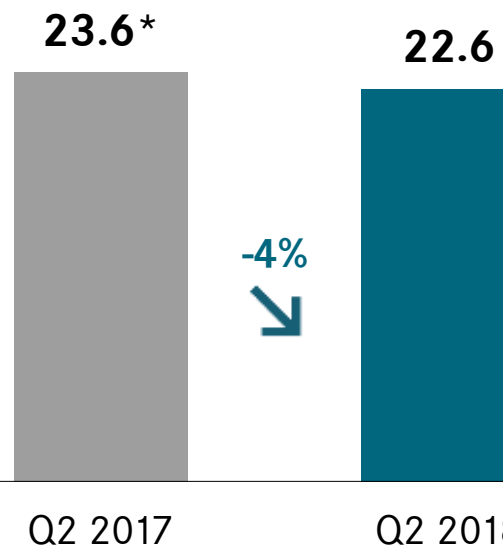
Unit sales

- in thousands of units -



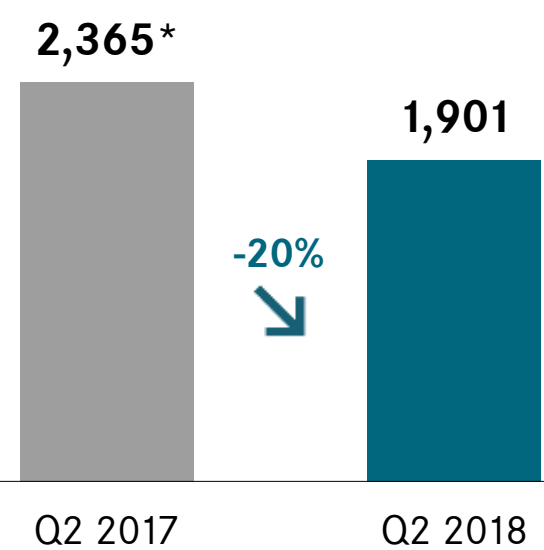
Revenue

- in billions of euros -



EBIT

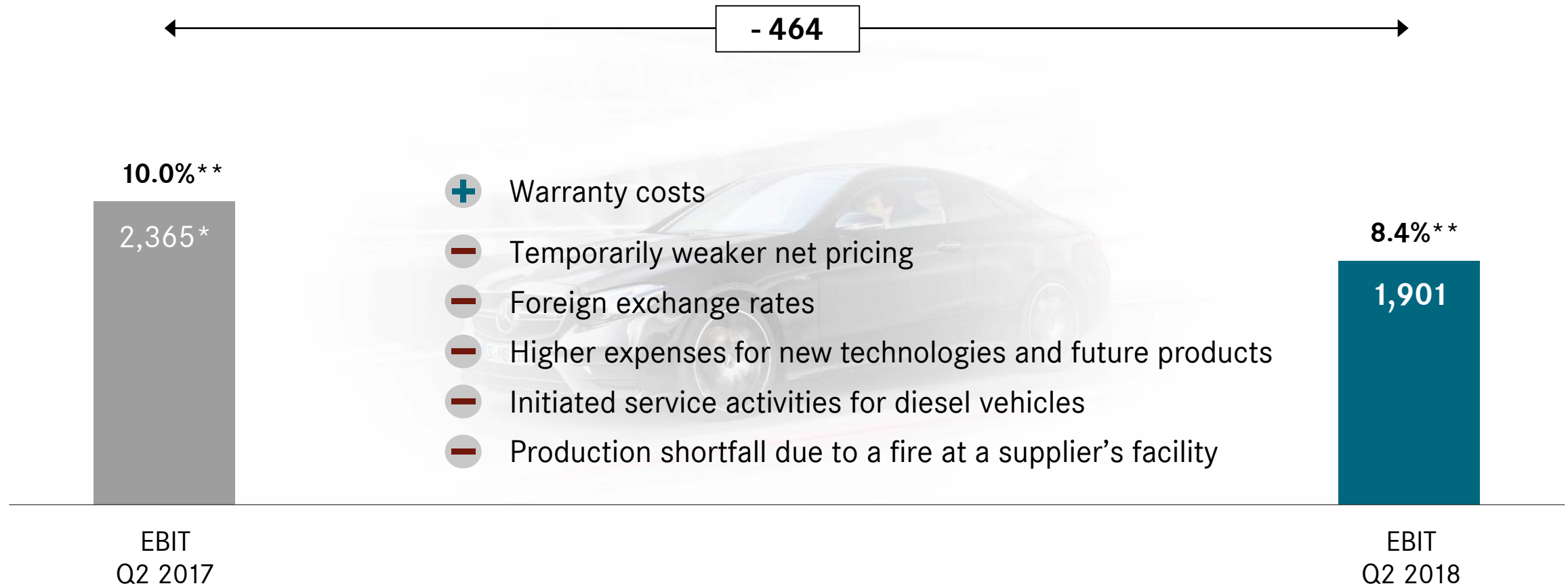
- in millions of euros -



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

Mercedes-Benz Cars: EBIT

- in millions of euros -

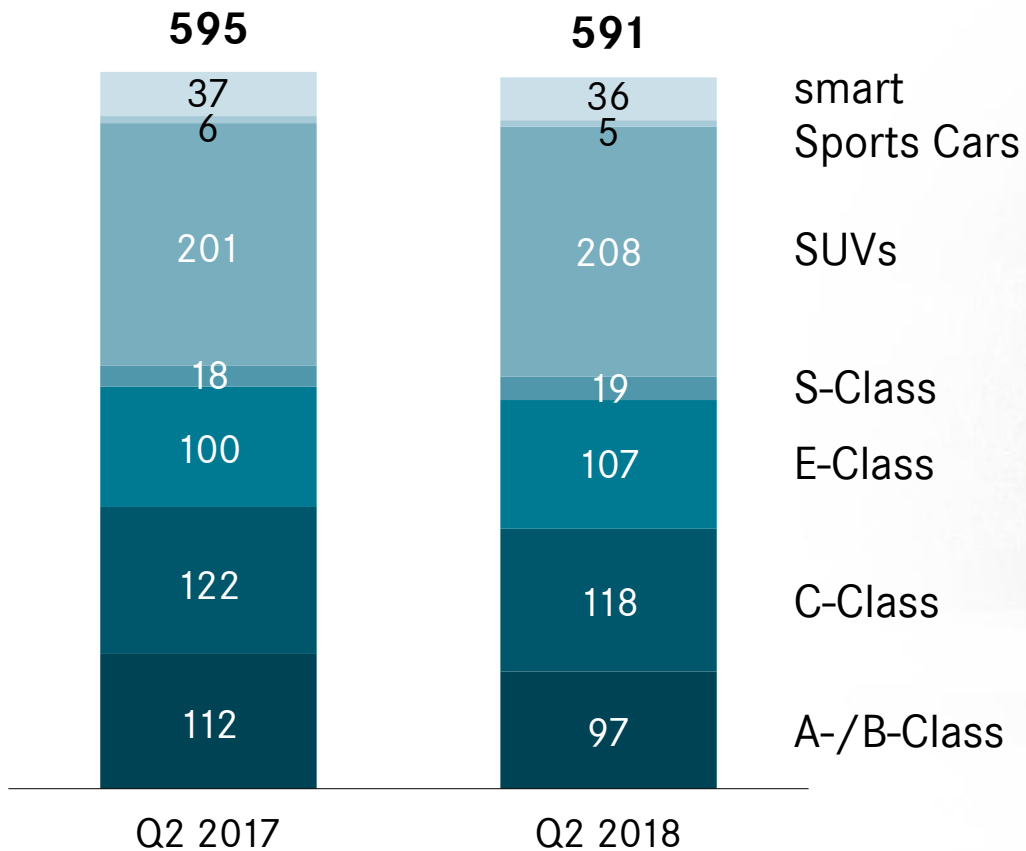


* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

** Return on sales

Mercedes-Benz Cars: slight sales decrease due to model change of A- and C-Class

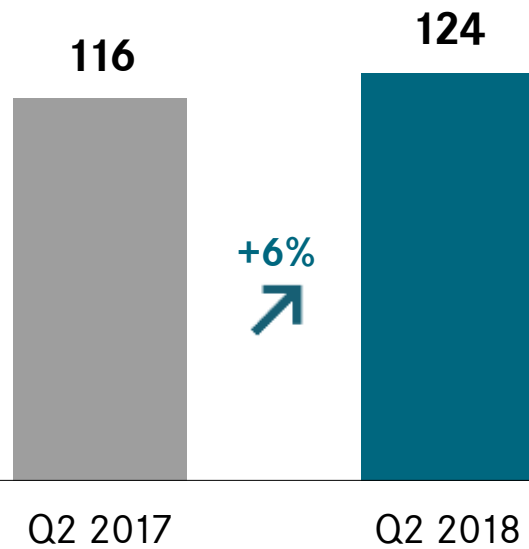
- in thousands of units -



Daimler Trucks

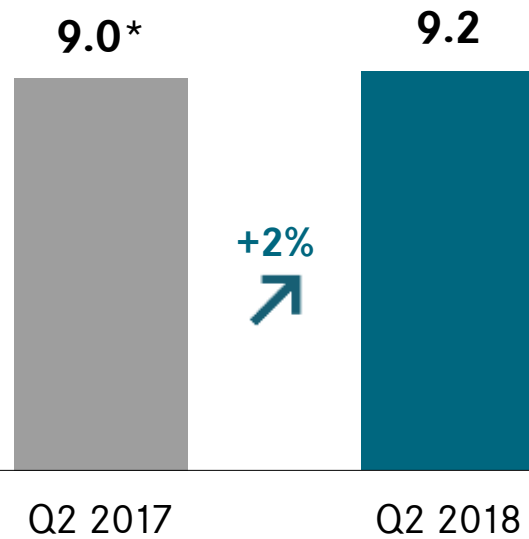
Unit sales

- in thousands of units -



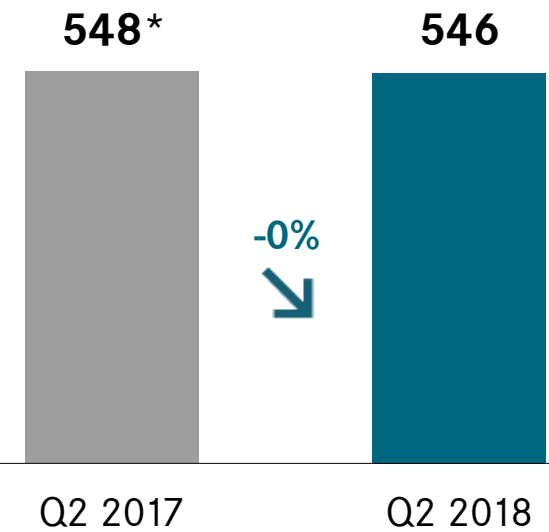
Revenue

- in billions of euros -



EBIT

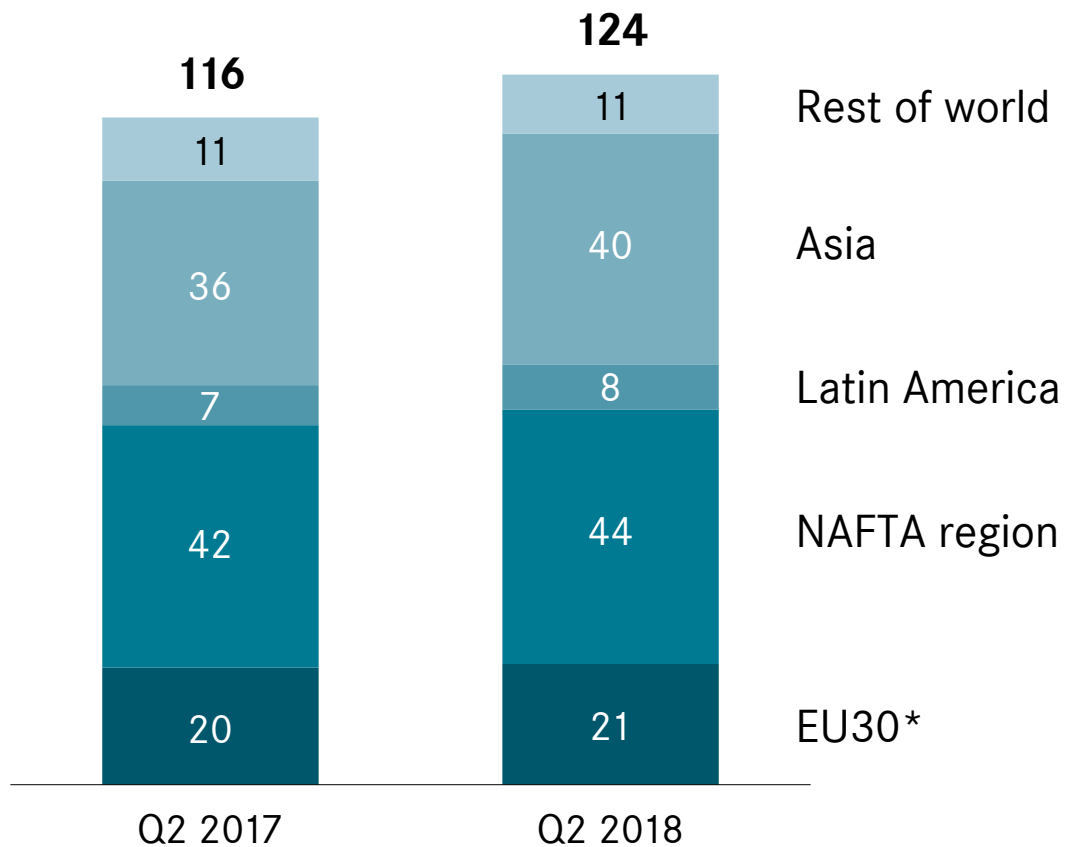
- in millions of euros -



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

Daimler Trucks: sales increase by 6% mainly driven by Asia and NAFTA region

- in thousands of units -

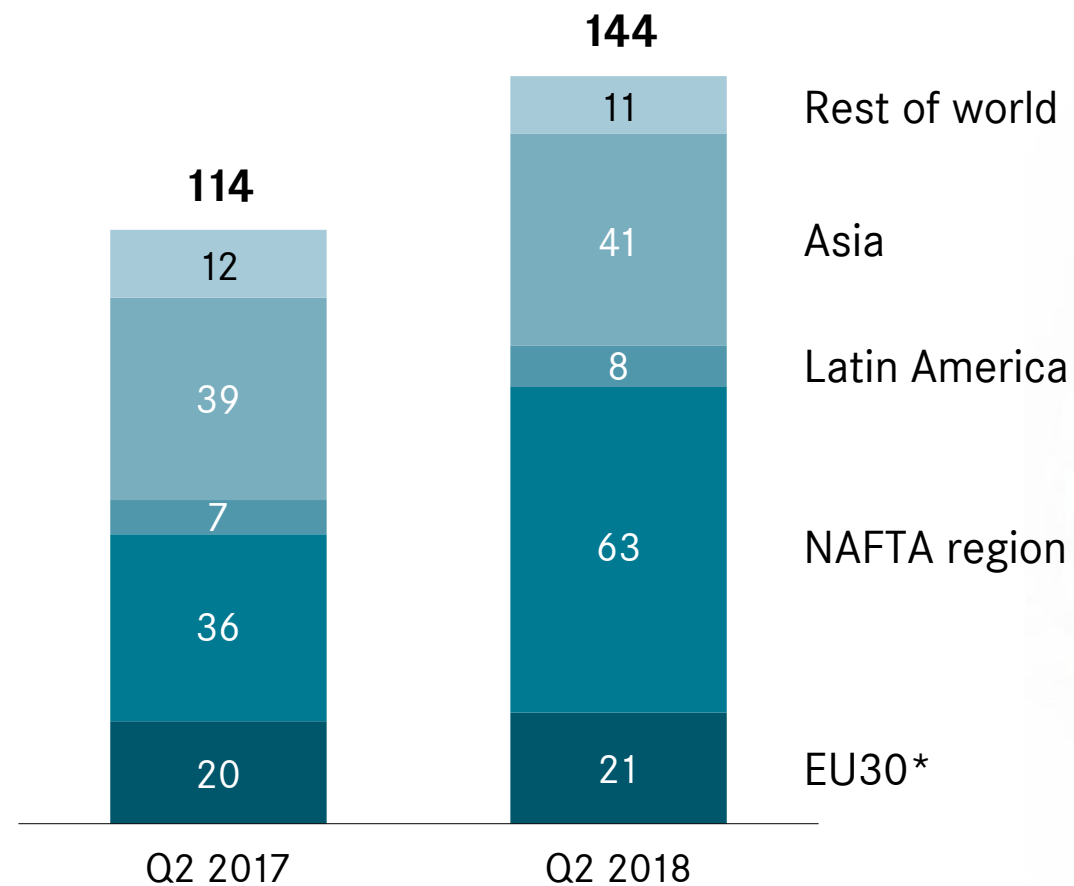


* European Union, Switzerland and Norway



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

- in thousands of units -

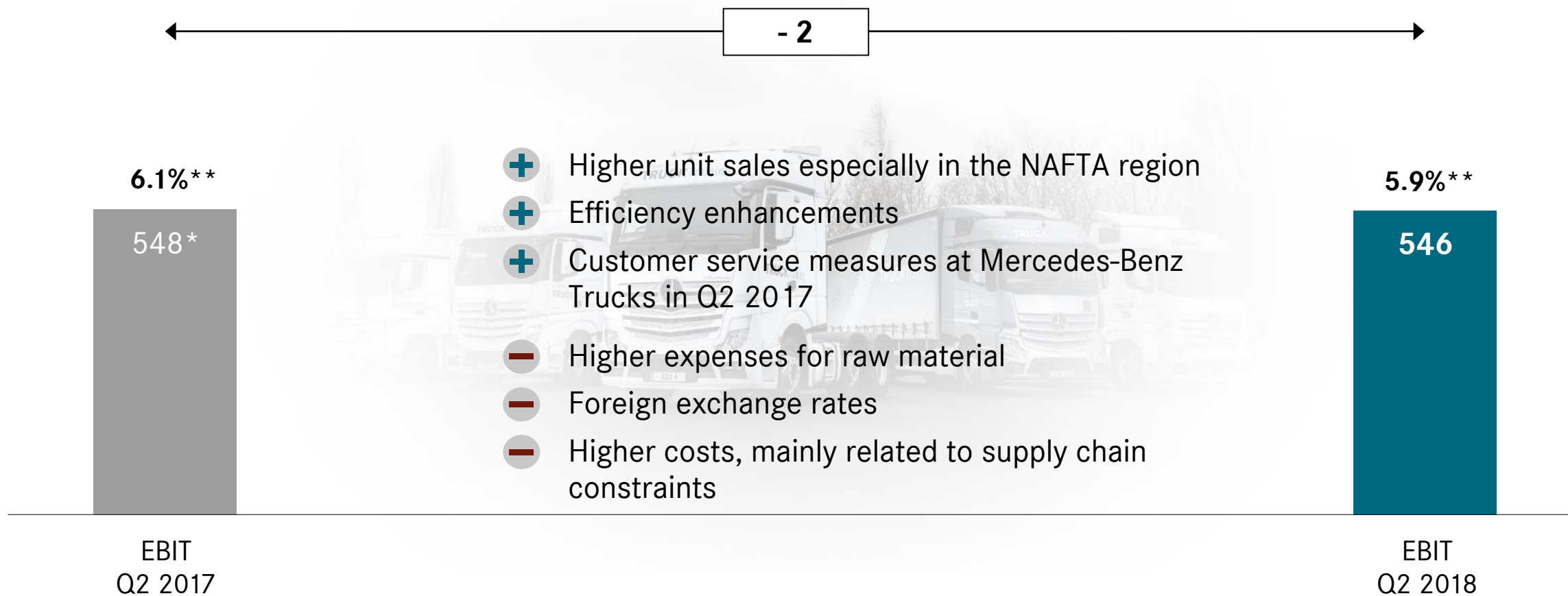


* European Union, Switzerland and Norway



Daimler Trucks: EBIT

- in millions of euros -



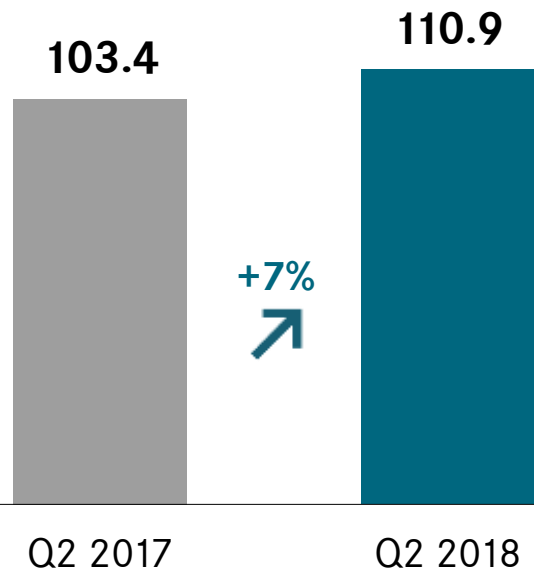
* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

** Return on sales

Mercedes-Benz Vans

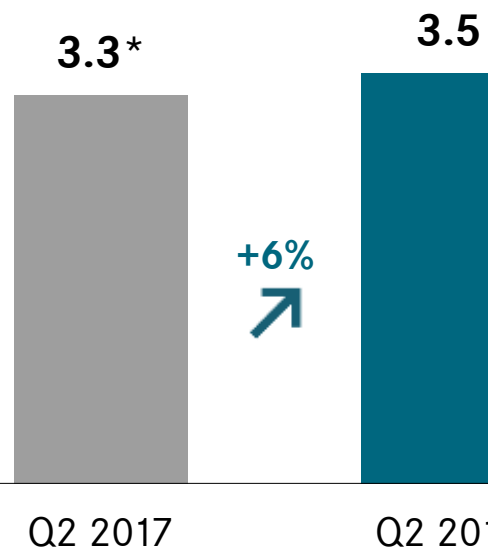
Unit sales

- in thousands of units -



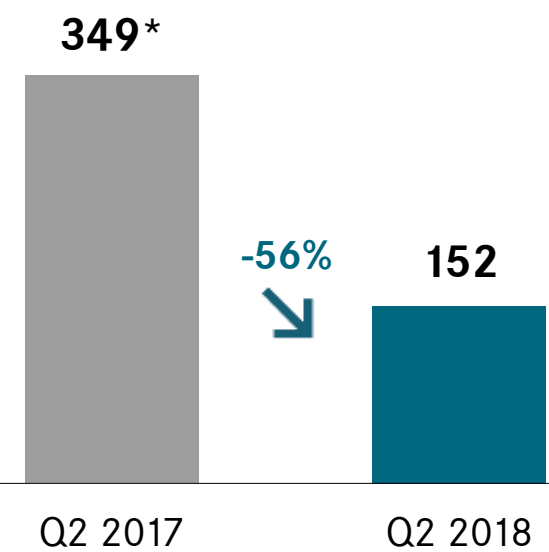
Revenue

- in billions of euros -



EBIT

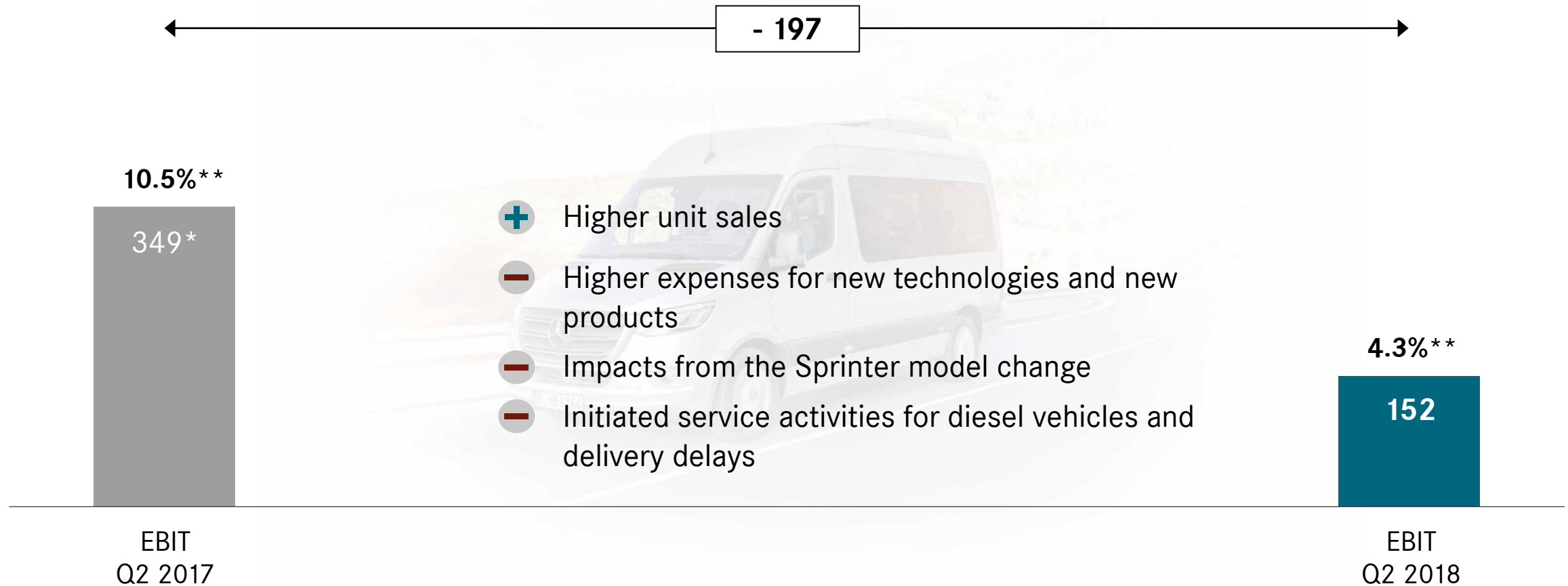
- in millions of euros -



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

Mercedes-Benz Vans: EBIT

- in millions of euros -



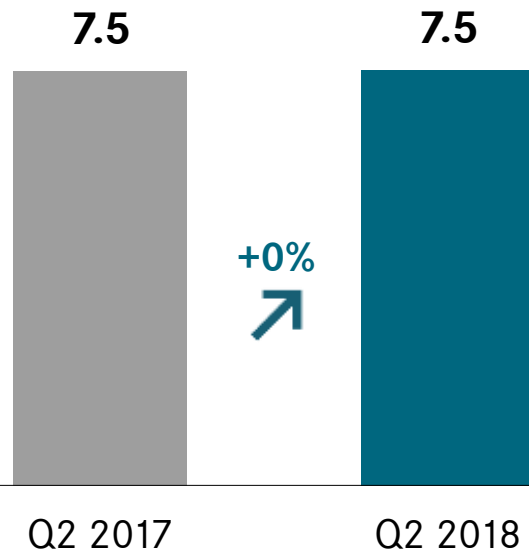
* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

** Return on sales

Daimler Buses

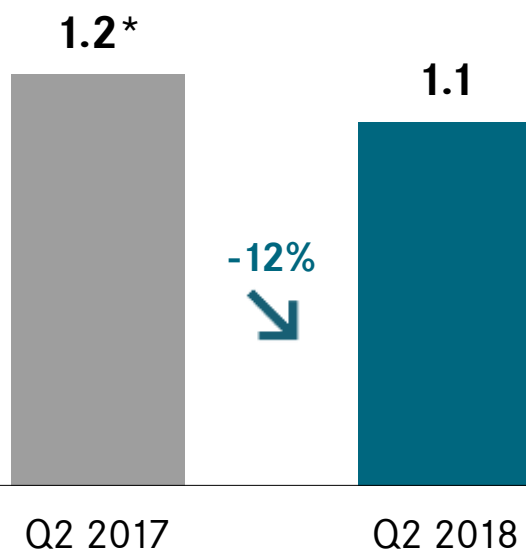
Unit sales

- in thousands of units -



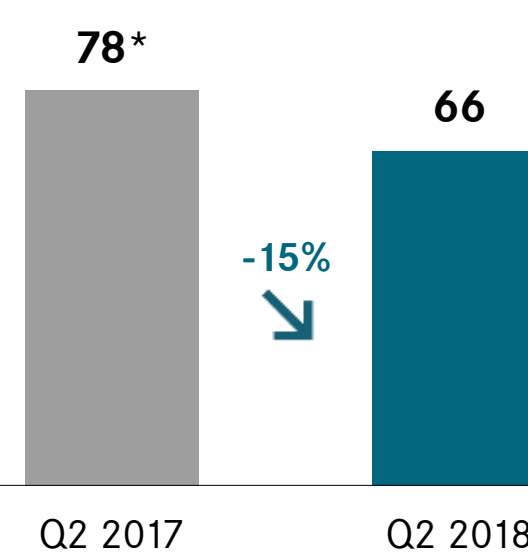
Revenue

- in billions of euros -



EBIT

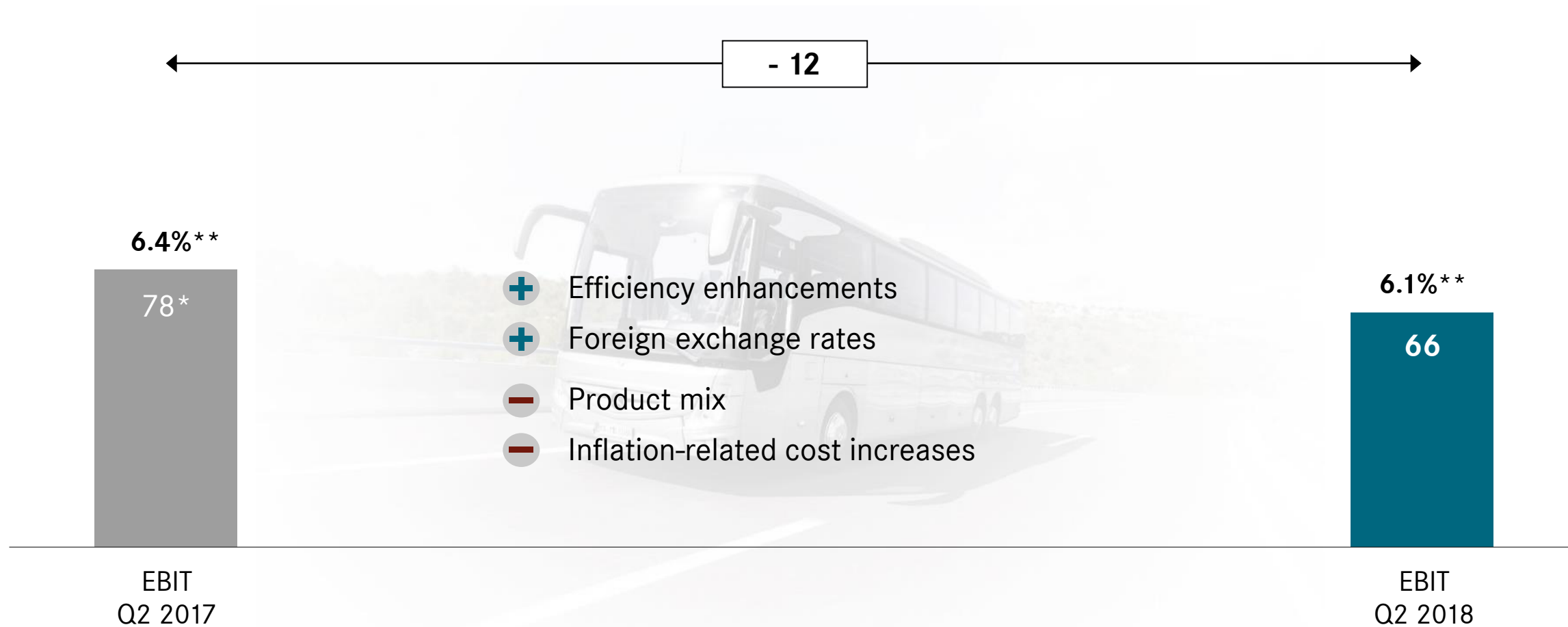
- in millions of euros -



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

Daimler Buses: EBIT

- in millions of euros -



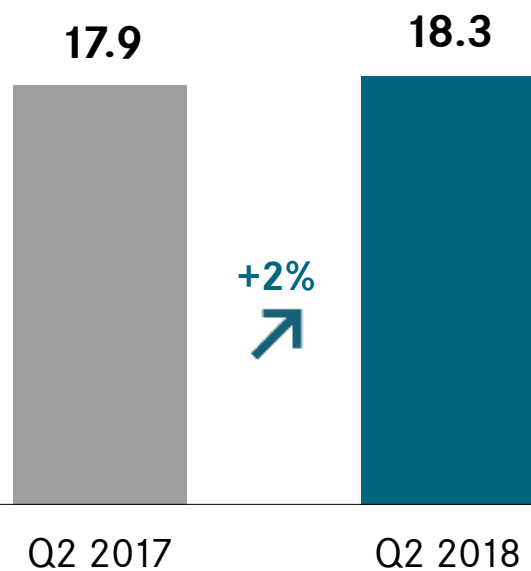
* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

** Return on sales

Daimler Financial Services

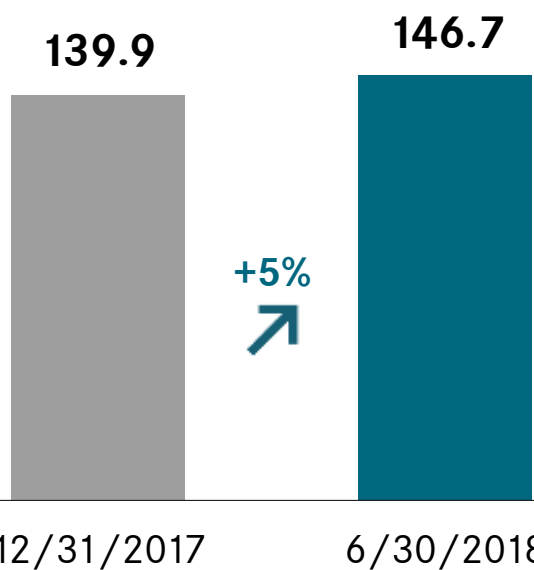
New business

- in billions of euros -



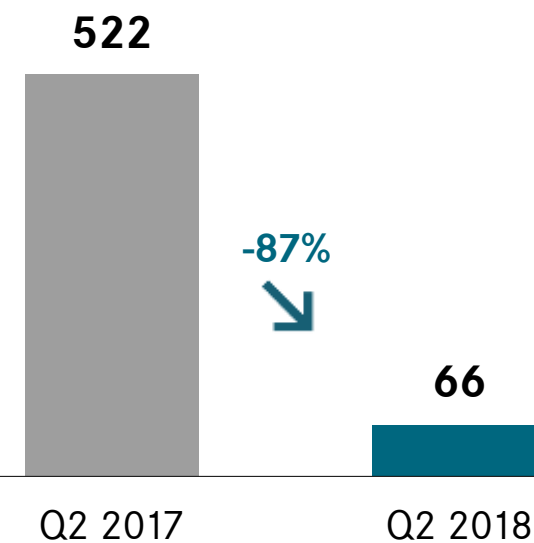
Contract volume

- in billions of euros -



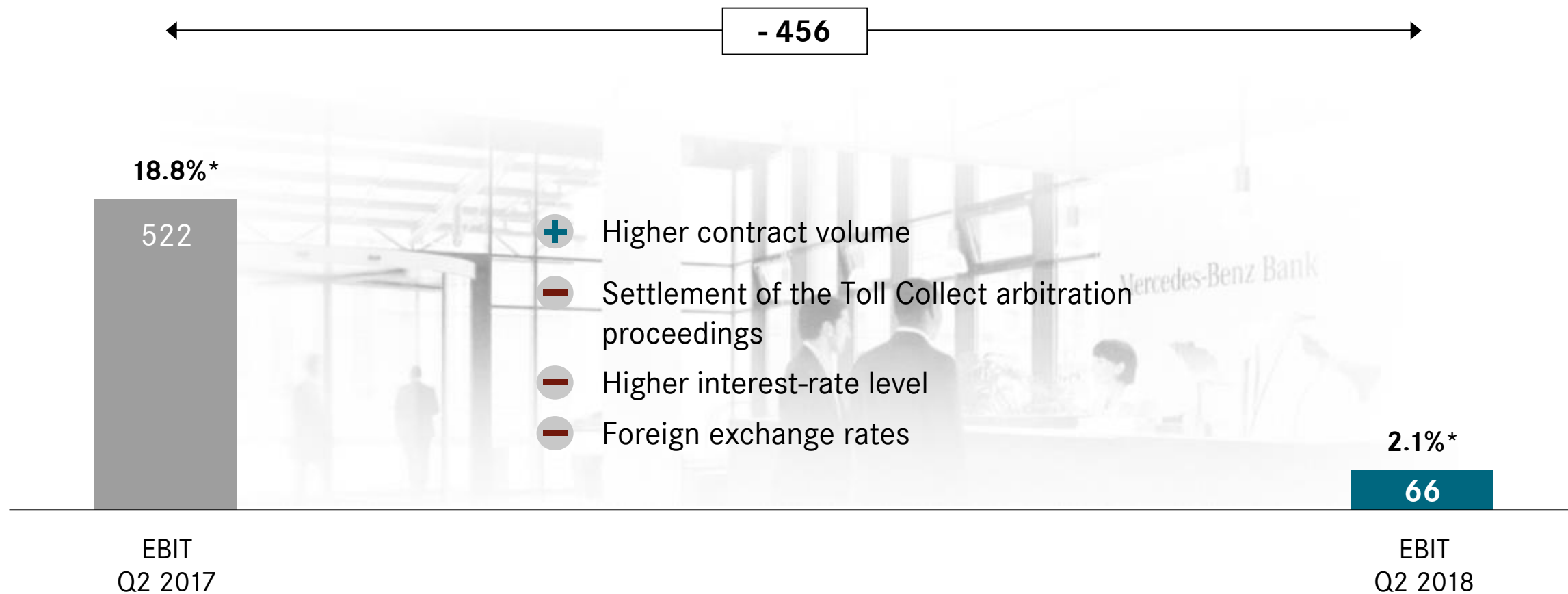
EBIT

- in millions of euros -



Daimler Financial Services: EBIT

- in millions of euros -



* Return on equity

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CORE, CASE, CULTURE, COMPANY:

We have set the course for a successful future

CORE

Strengthen our global core business



CASE

Lead in tomorrow's technologies



CULTURE

Innovation, integrity, sustainability, learning



CUSTOMER

The focus of all our products and services



COMPANY

A modern corporate structure



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“



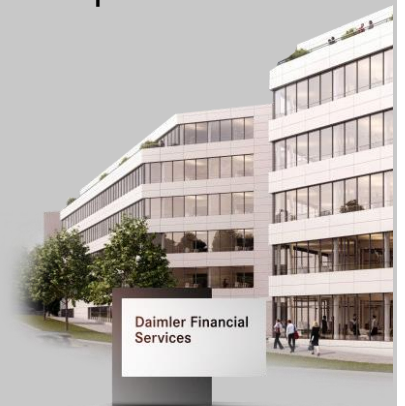
Daimler
Buses

„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



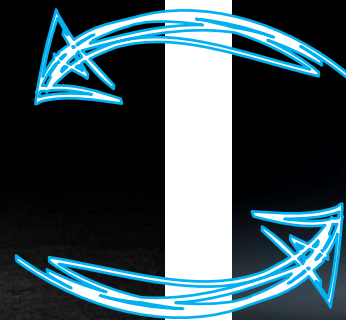
17

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

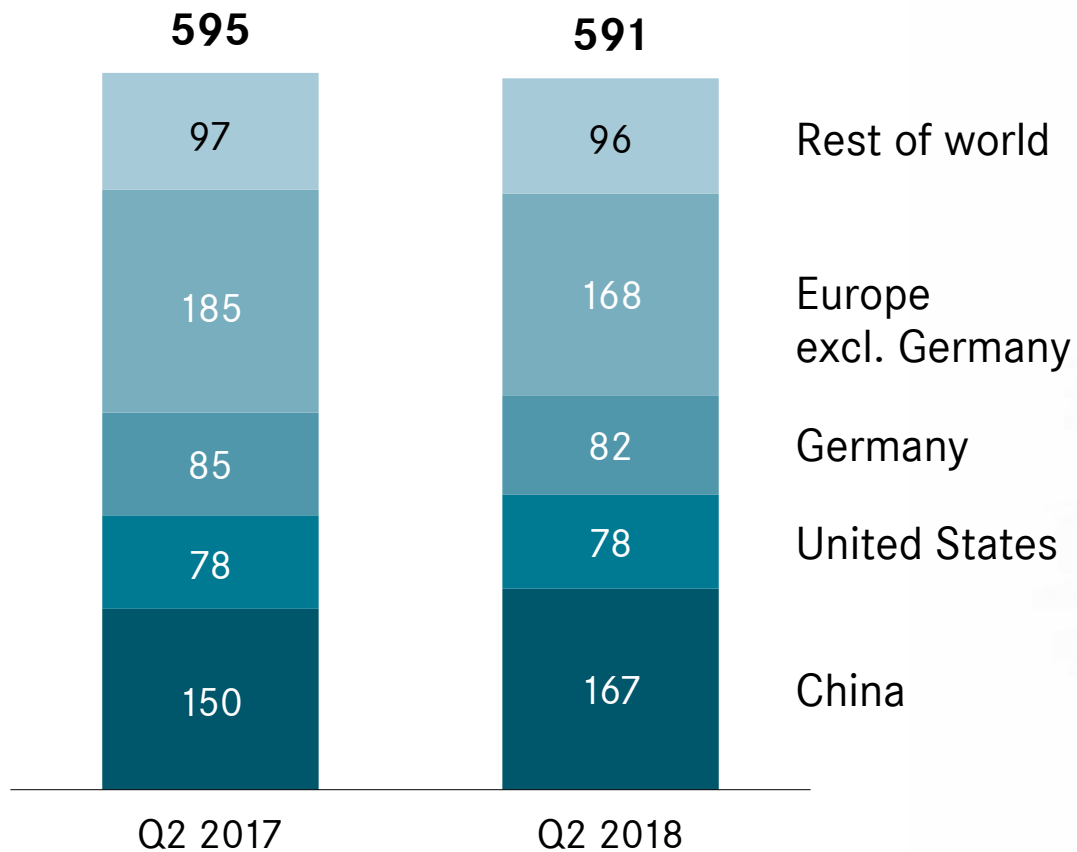
Mercedes-Benz Cars

Core



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

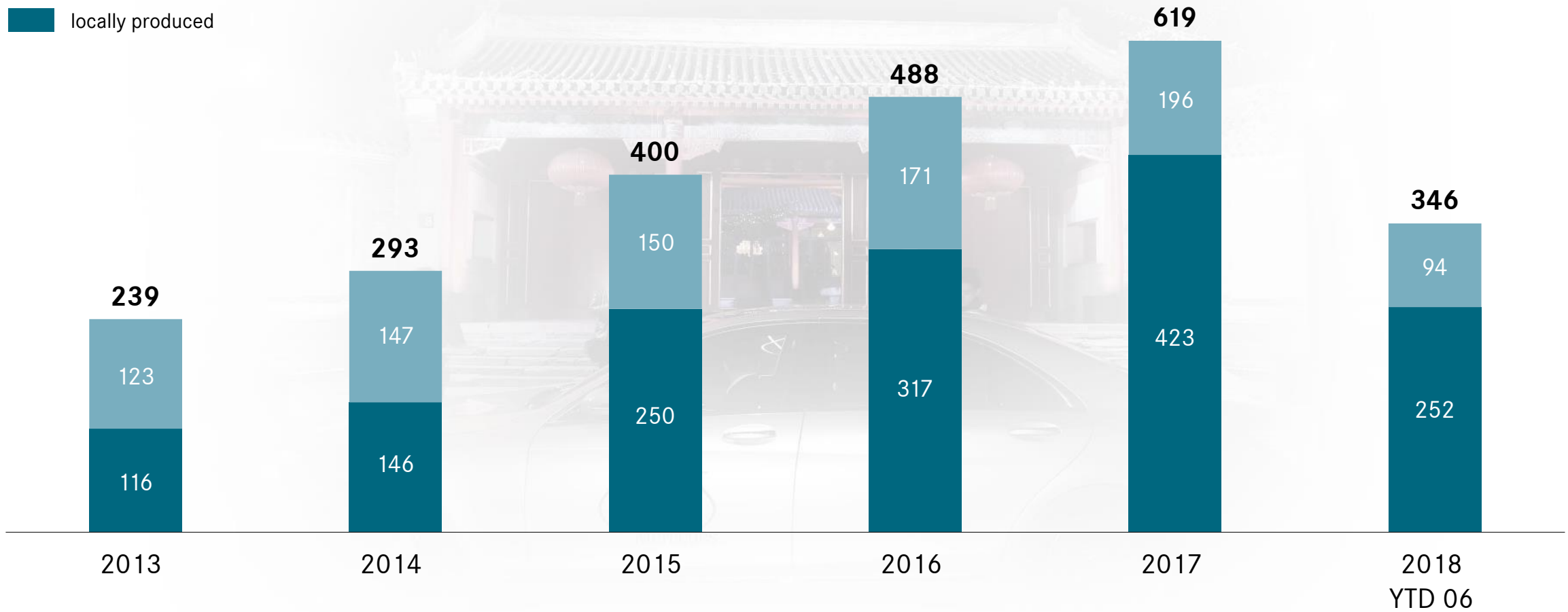
- in thousands of units -



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

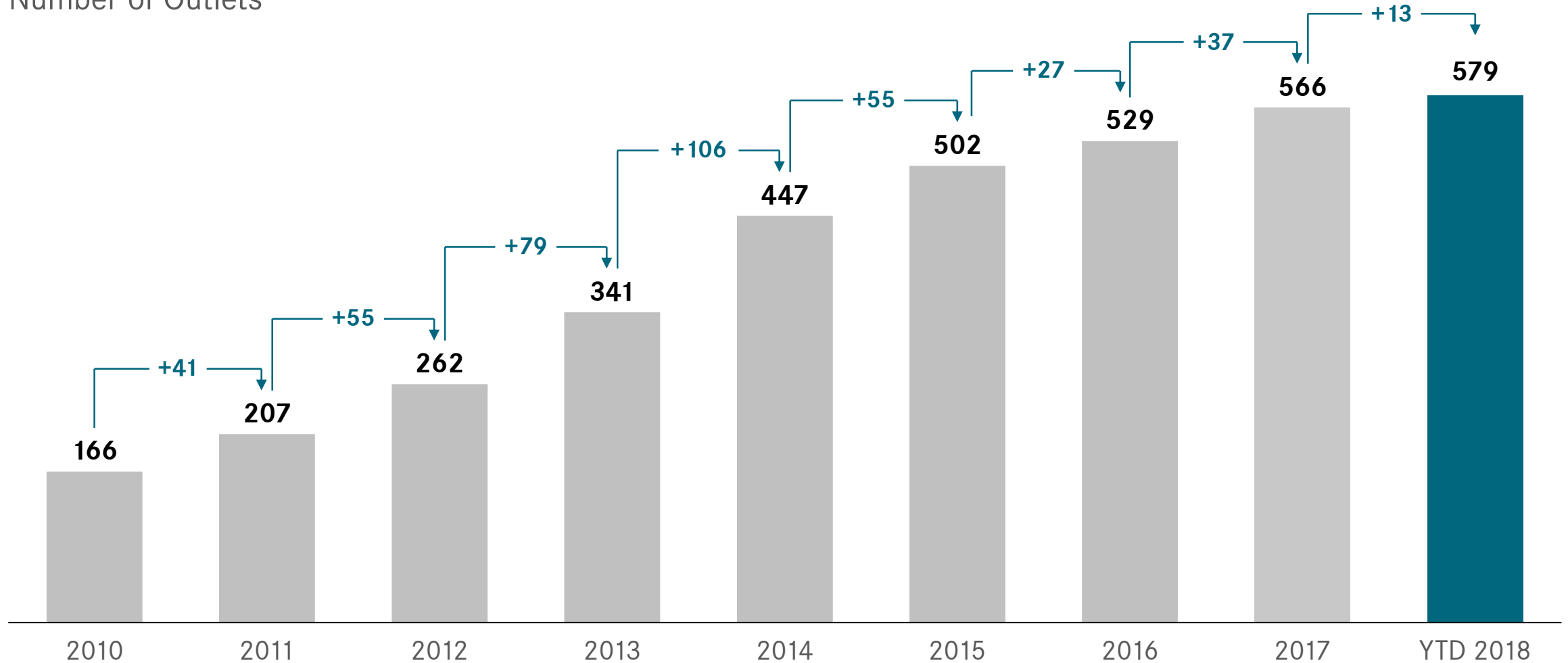
- in thousands of units -

■ imported
■ locally produced

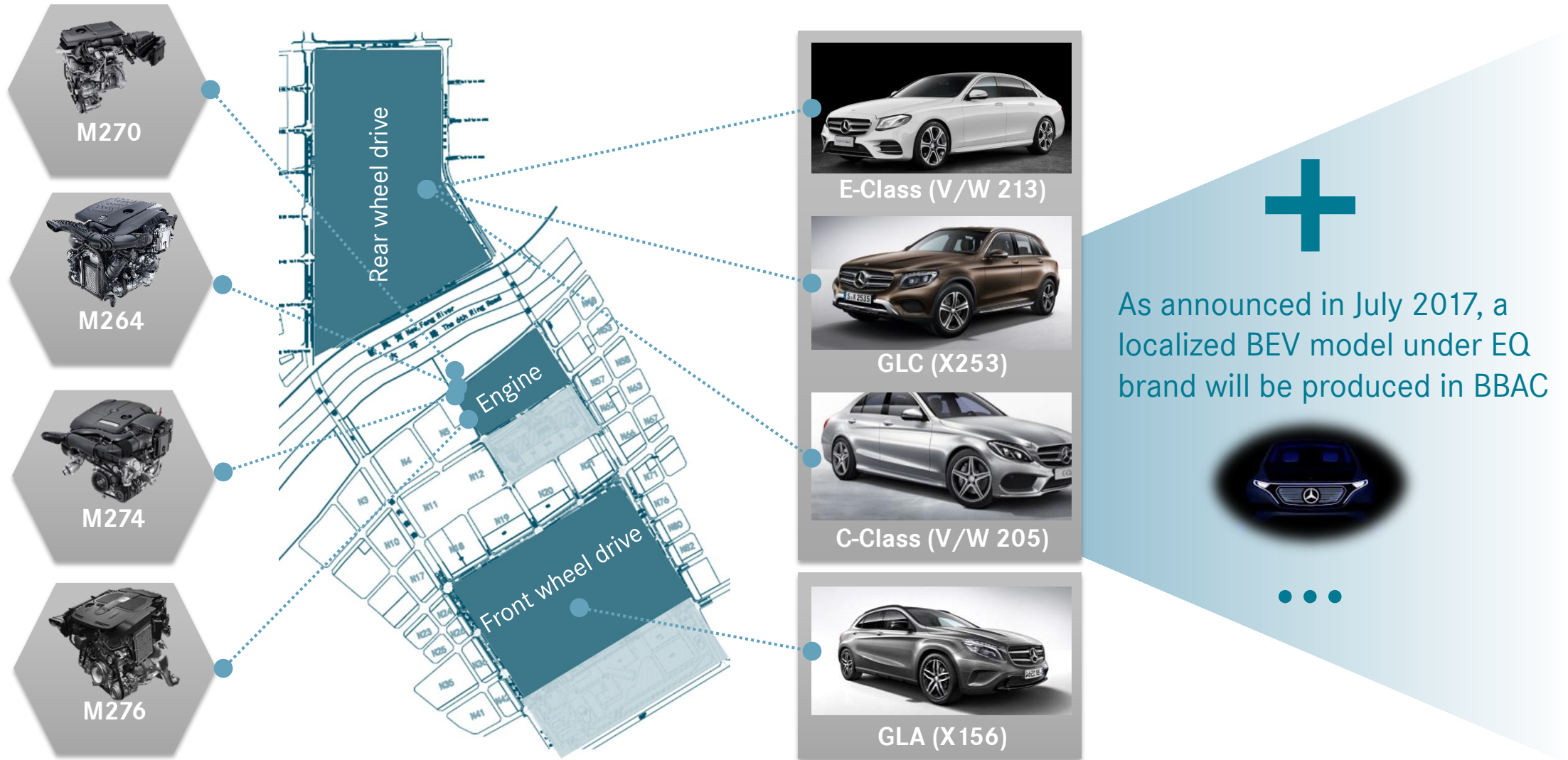


Mercedes-Benz Network Development in China

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

2018

Nov.

Dec.

Jan.

Feb.

Mar.

Apr.

May

Jun.

Jul.

Aug.

Sep.

Oct.

Nov.

...

X-Class



Sprinter



eVito



S-Class
Coupe (upgraded)



S-Class
Cabriolet (upgraded)



CLS



A-Class



G-Class (upgraded)



GLC F-CELL



AMG 4-door Coupe



C-Class Sedan (long wheelbase, upgraded)



C-Class Sedan (upgraded)



C-Class Wagon (upgraded)



C-Class Coupe (upgraded)



C-Class Cabriolet (upgraded)



Mercedes-Maybach
S-Class Pullman (upgraded)



A-Class Sedan



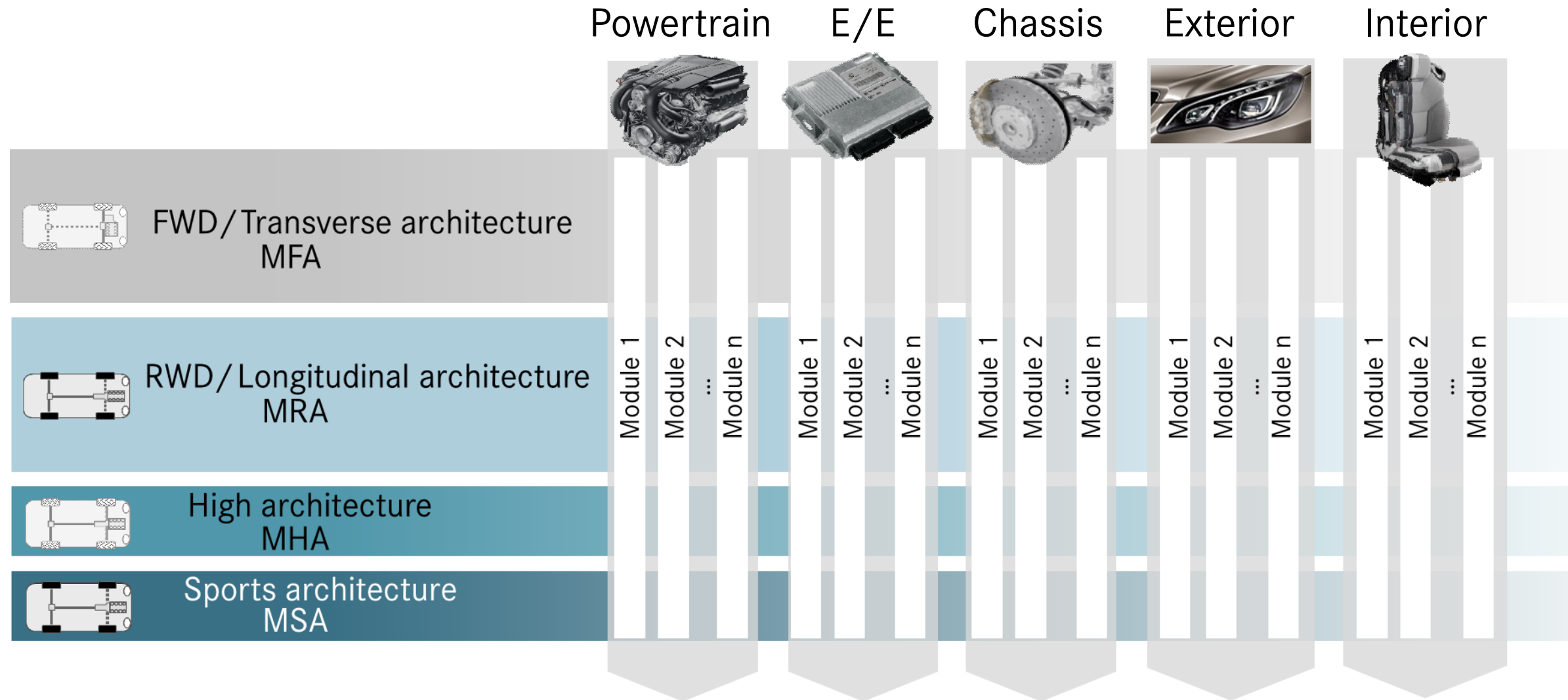
A-Class Sedan (long wheelbase)



... and more



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

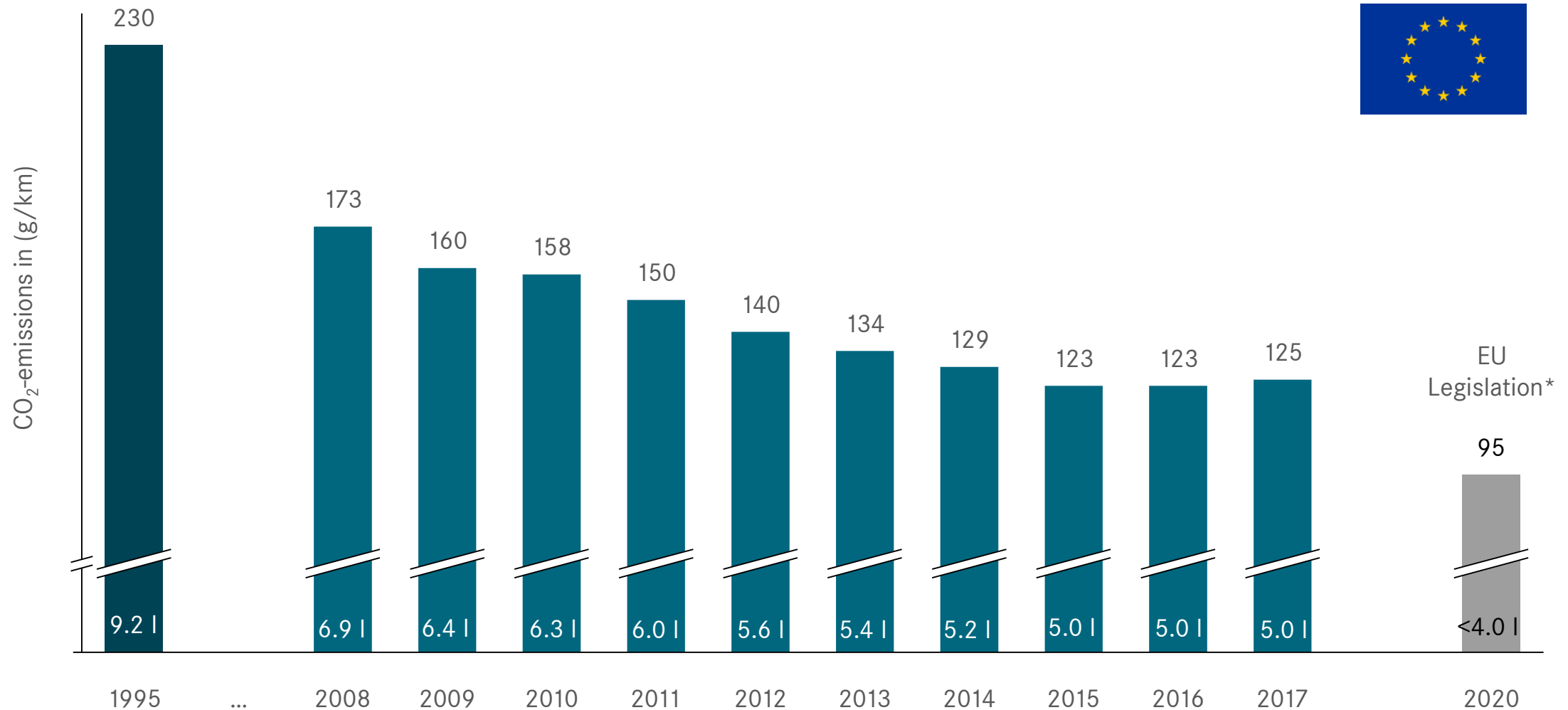


High degree of modularity of the entire drive train



Development of CO₂ emissions

Average CO₂-emissions in g/km Mercedes-Benz Cars fleet in Europe



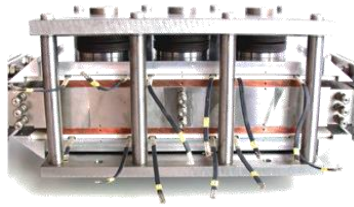
* Target value for average weight of European fleet.

Overview CO₂ reduction measures

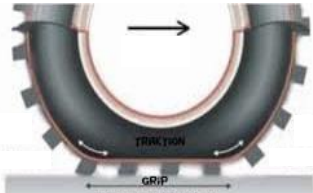
CO₂ measures in and on the vehicle



Aerodynamics



Energy recovery



Rolling resistance



Eco-Mode, Intelligent Drive



Weight



Energy efficient operational strategy

CO₂ measures ICE powertrain



Efficient high-tech diesel and gasoline engines

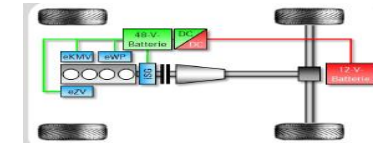


Efficient transmissions



Efficient ancillary units

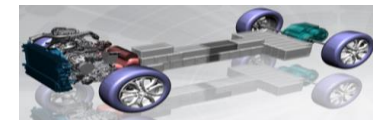
Electrification of powertrain



48V-starting system (e.g. ISG)



PHEV



Long Range PHEV



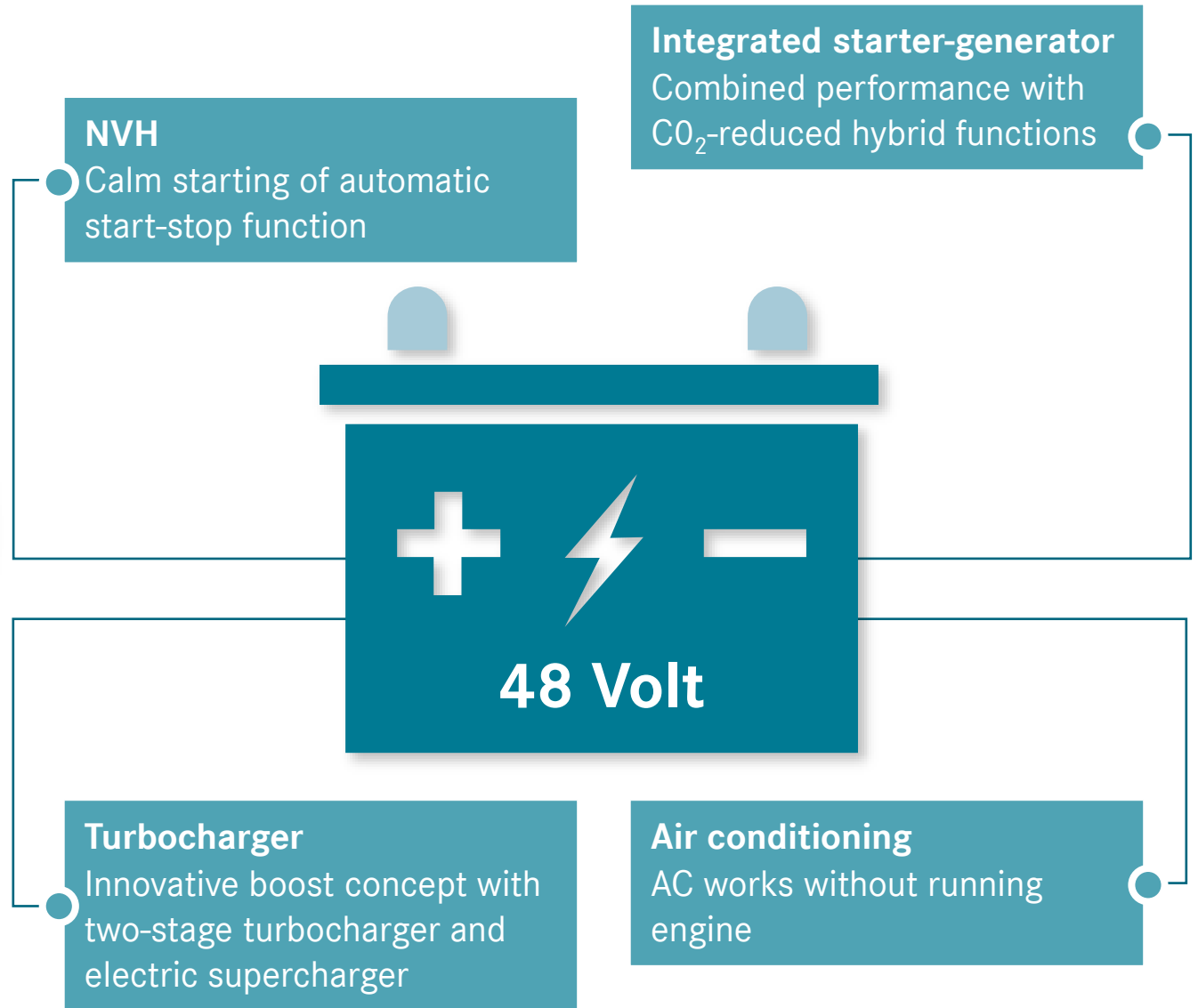
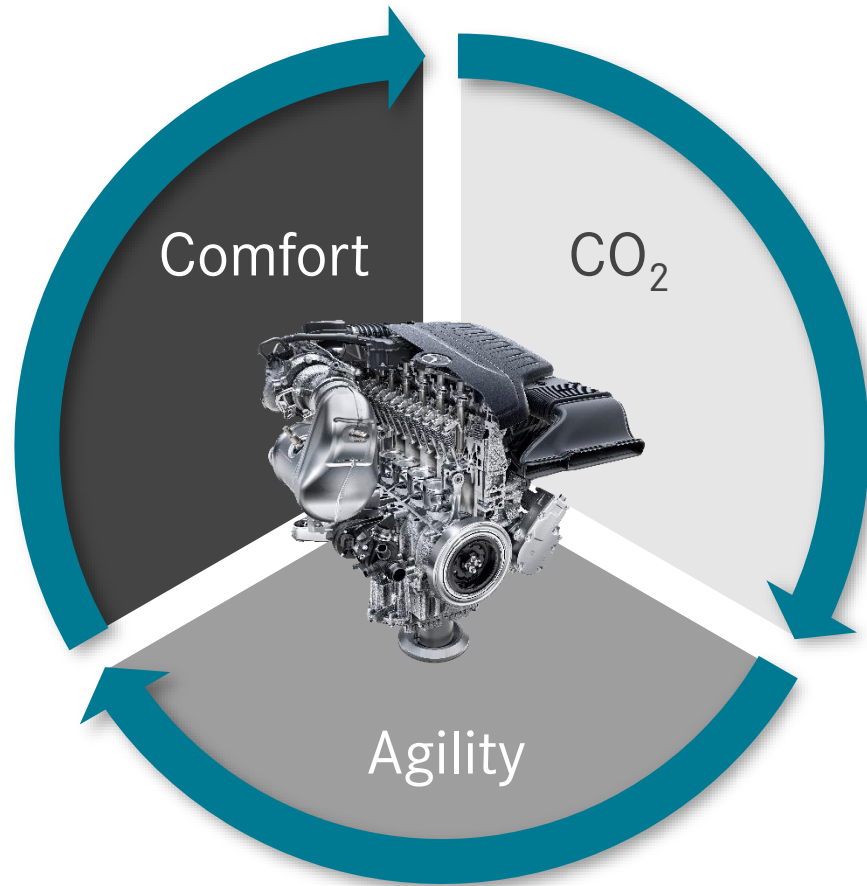
BEV / FCEV

0%

Degree of electrification

100%

48 Volt electrification: Several advantages regarding CO₂ and comfort



Hybrid offensive as further step to reach CO₂ targets

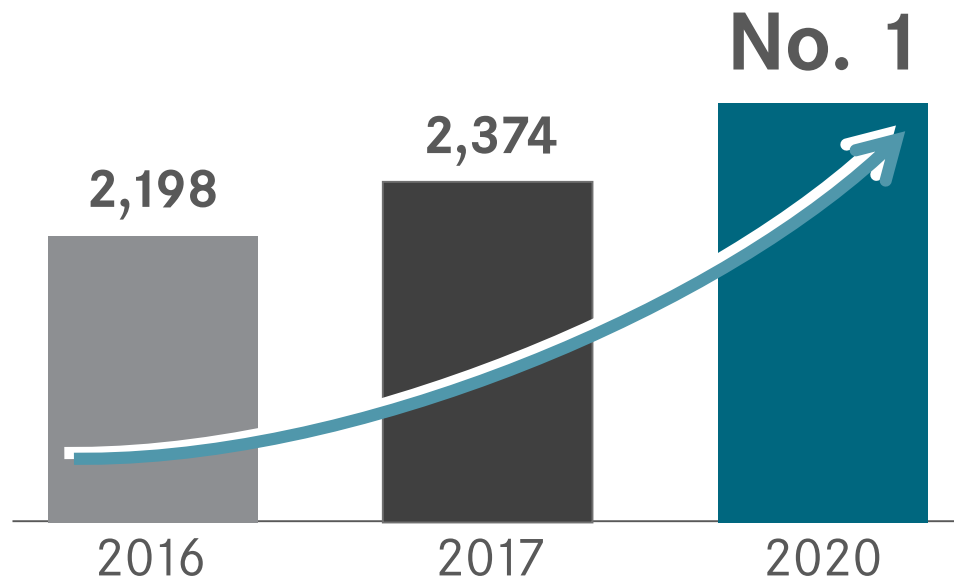


Our target: remain No.1 premium car brand

achieved already in 2016!

Sales target

In thousand units

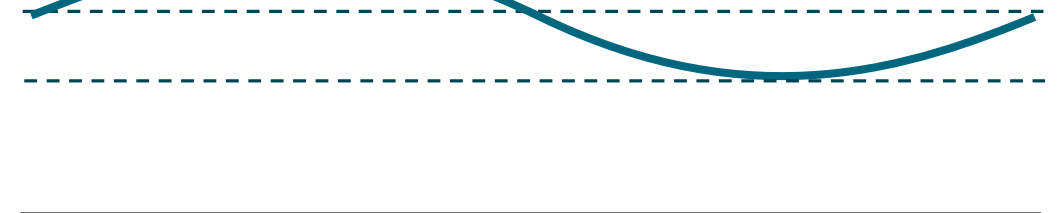


Profitability target

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



Touch Controls



Touchscreen

Hey
Mercedes



Speech Control

Connect - Anytime. Anywhere.



> 1.5

Mercedes *me*
million active users

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



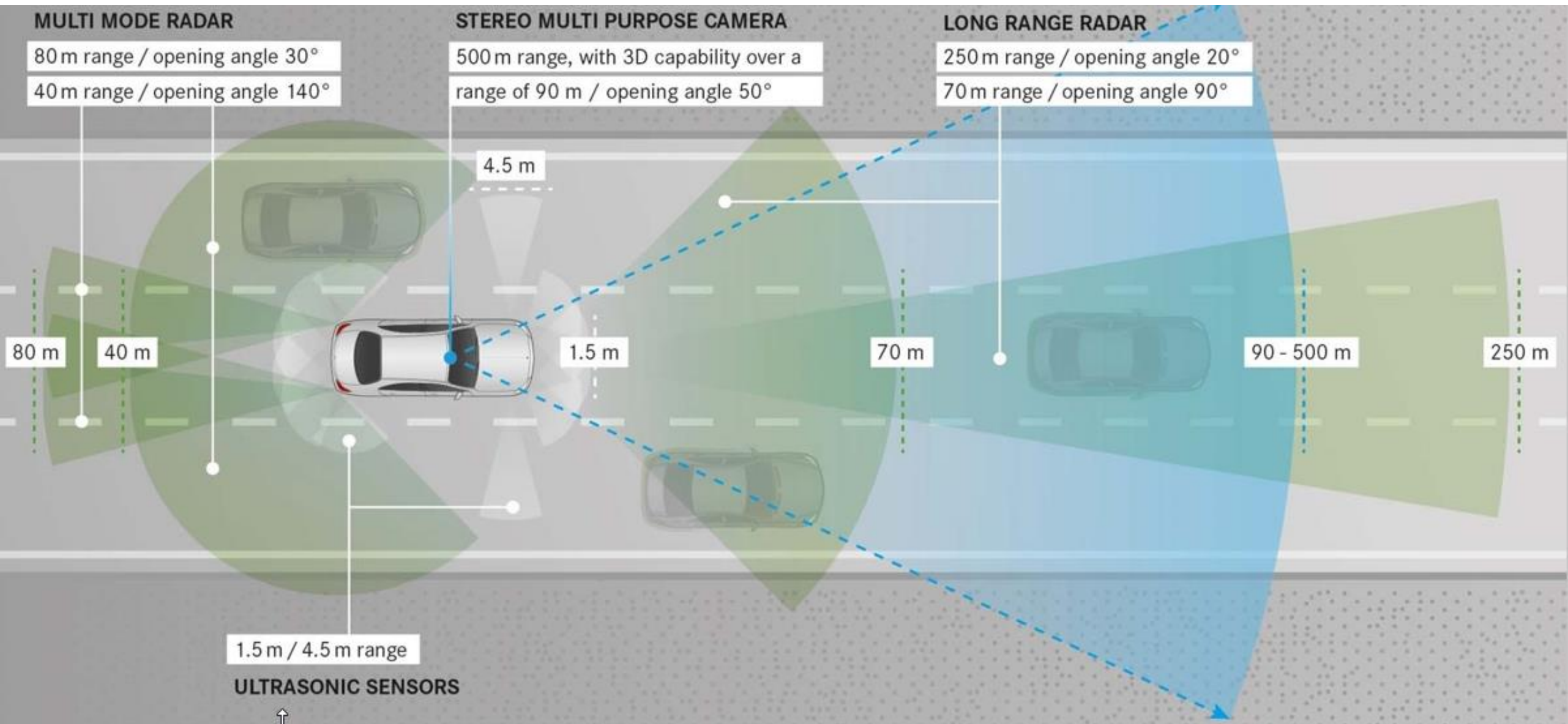
Vehicle can perform **all** dynamic driving tasks that can also be managed by a human driver.

No driver needed.

Autonomous Driving

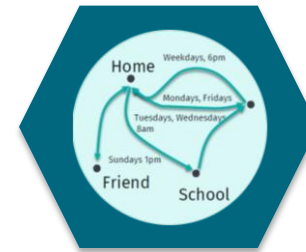
+ enabler for new & complementary mobility services

Sensors for Driver Assistance Package



HD MAP for highly automated driving and HERE cooperation

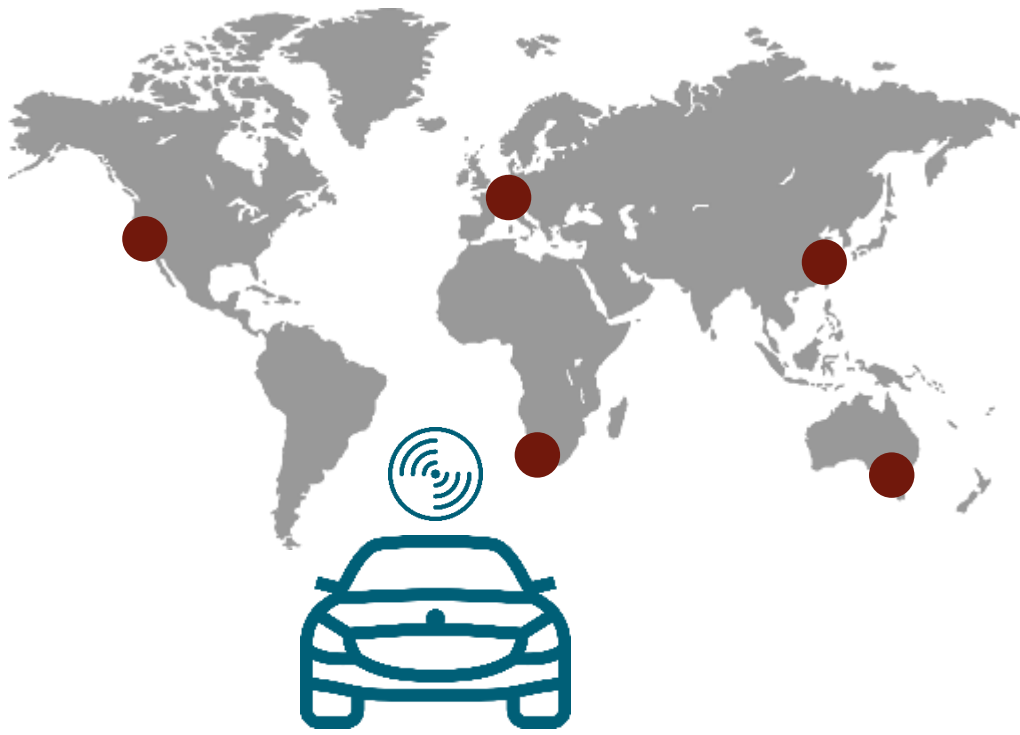
- The HD Live Map is a mandatory part for the HAD* system for planning and positioning
- The HD Map is the only sensor that delivers context information and a long road horizon
- Close strategic cooperation with HERE for:
 - map content, format, accuracy, coverage,
 - quality assurance, maintenance and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



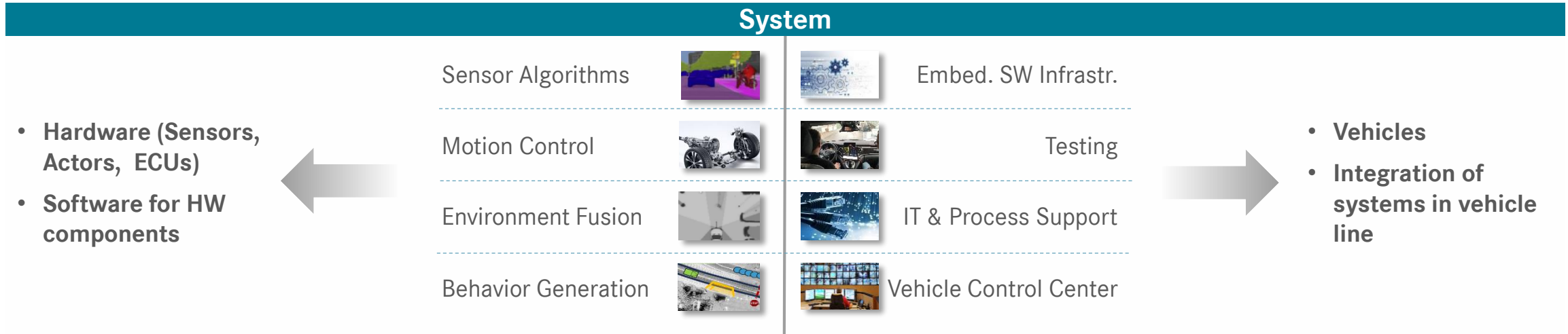
Automated systems, which drive the vehicle from the starting point to the destination

Bundling of our forces with Bosch

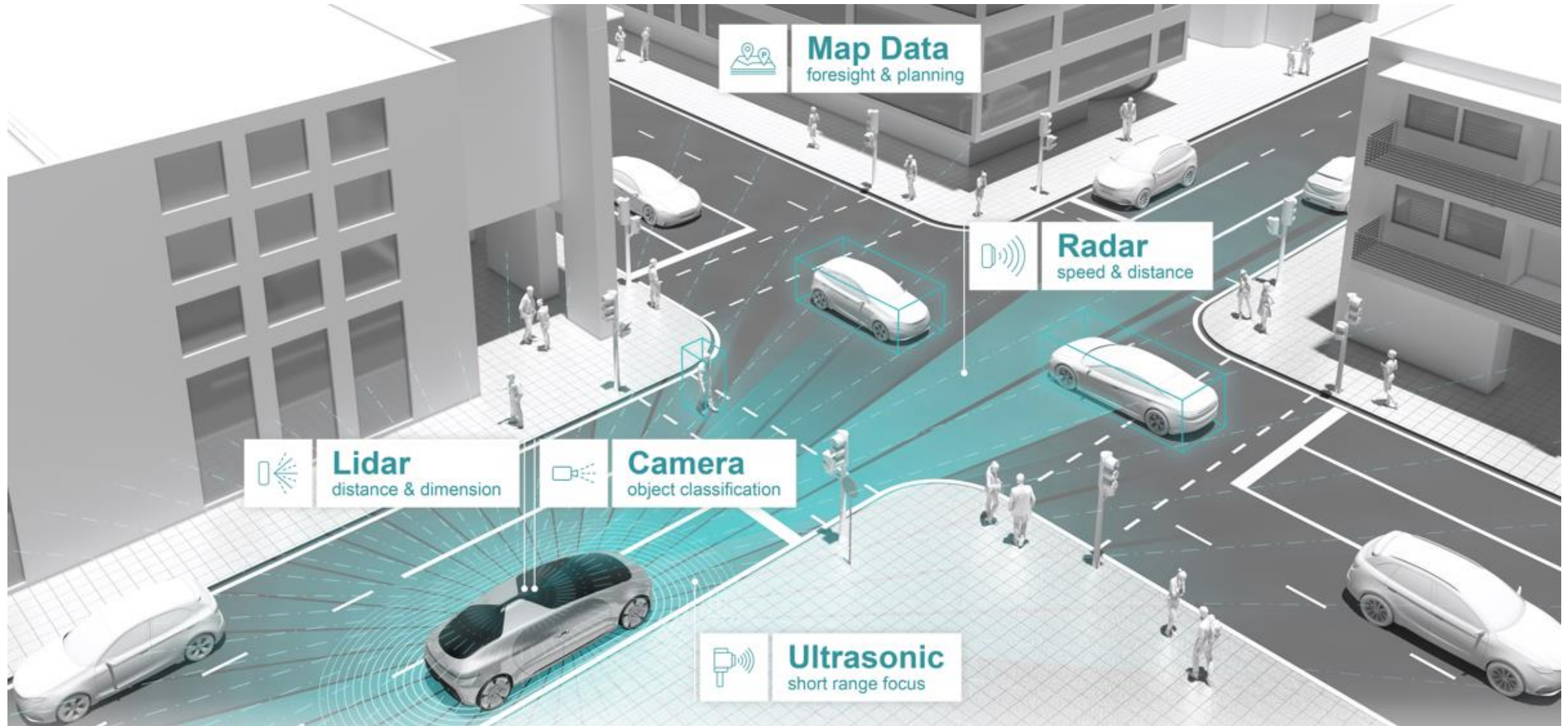
Aim: To put automated driving and driverless cars on the road in urban environments by early in the next decade.

Bosch

DAIMLER



Californian metropolis will become first pilot testing city for automated driving in 2019



EQ - Electric Intelligence. The new brand for electric mobility as part of our brand portfolio.



AMG



PERFORMANCE LUXURY



MAYBACH



ULTIMATE LUXURY



Mercedes-Benz



MODERN LUXURY



EQ



PROGRESSIVE LUXURY

HOT

COOL

We are on our way to emission-free mobility



High-tech
combustion engines



Plug-in hybrids



Performance hybrids



Electric vehicles with battery or
fuel cell



Pushing ahead with our electric vehicle offensive

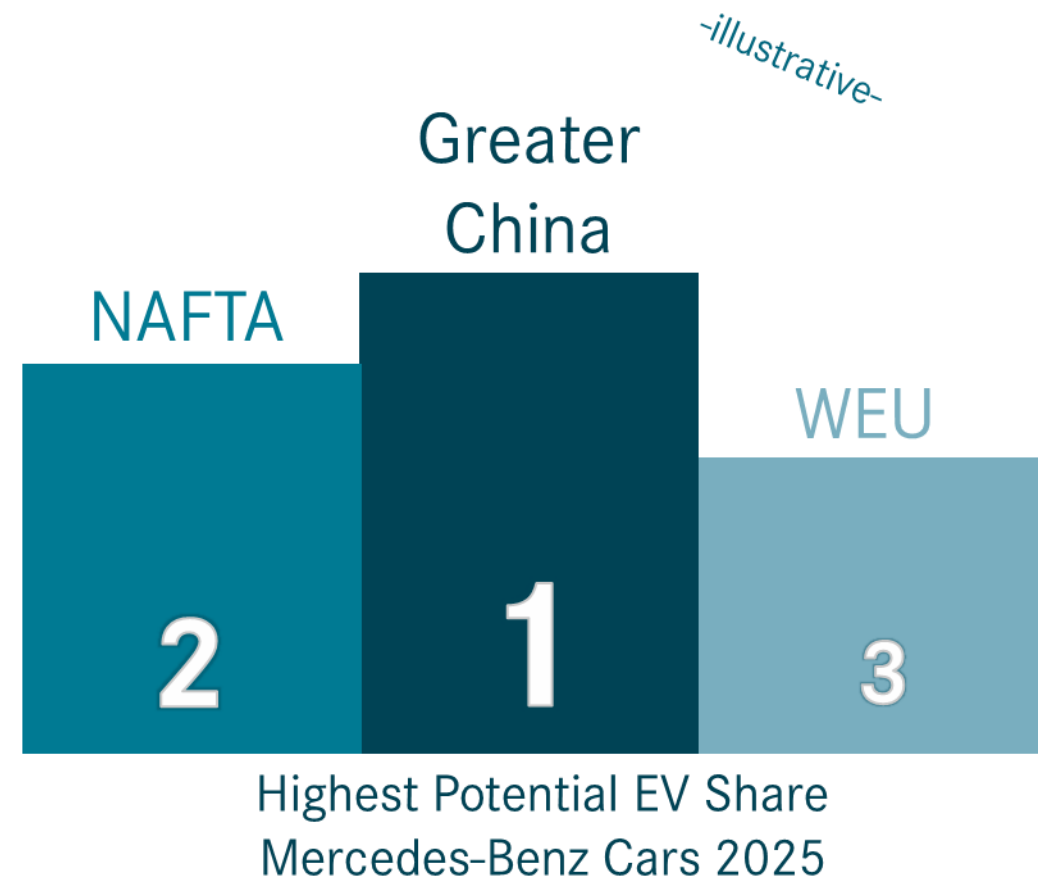
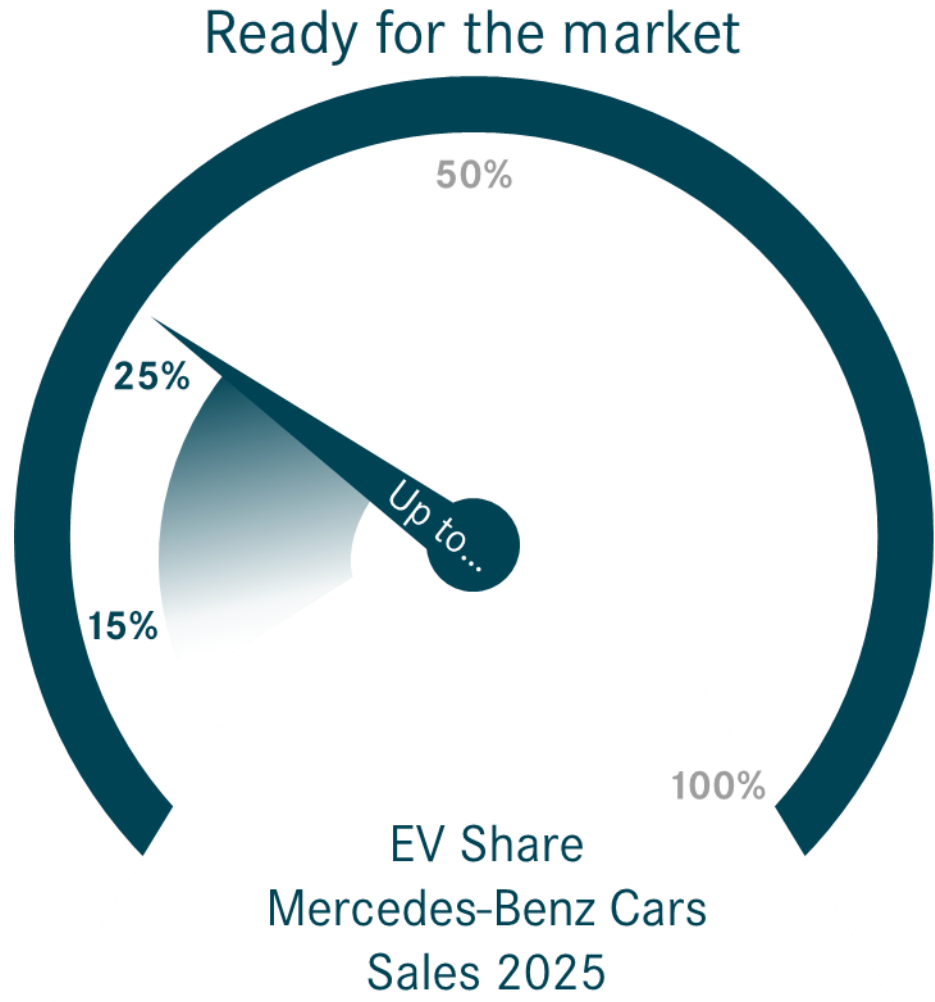
- **€10 billion** investment into e-mobility fleet
- Above **130** electrified alternatives by 2022
- Thereof more than **10 BEV** vehicle types
- In **each series of Mercedes-Benz** at least one electrified version
- BEV volume share between **15% and 25%** until 2025
- smart **fully electric** in EU/USA until 2020
- **New brand EQ** for electric mobility
- Implementation of **charging infrastructure** in Europe via joint venture “IONITY”



EQC first all electric Mercedes-Benz of the new product and technology brand to be revealed in September 2018





Ambitious definition of our EV market targets

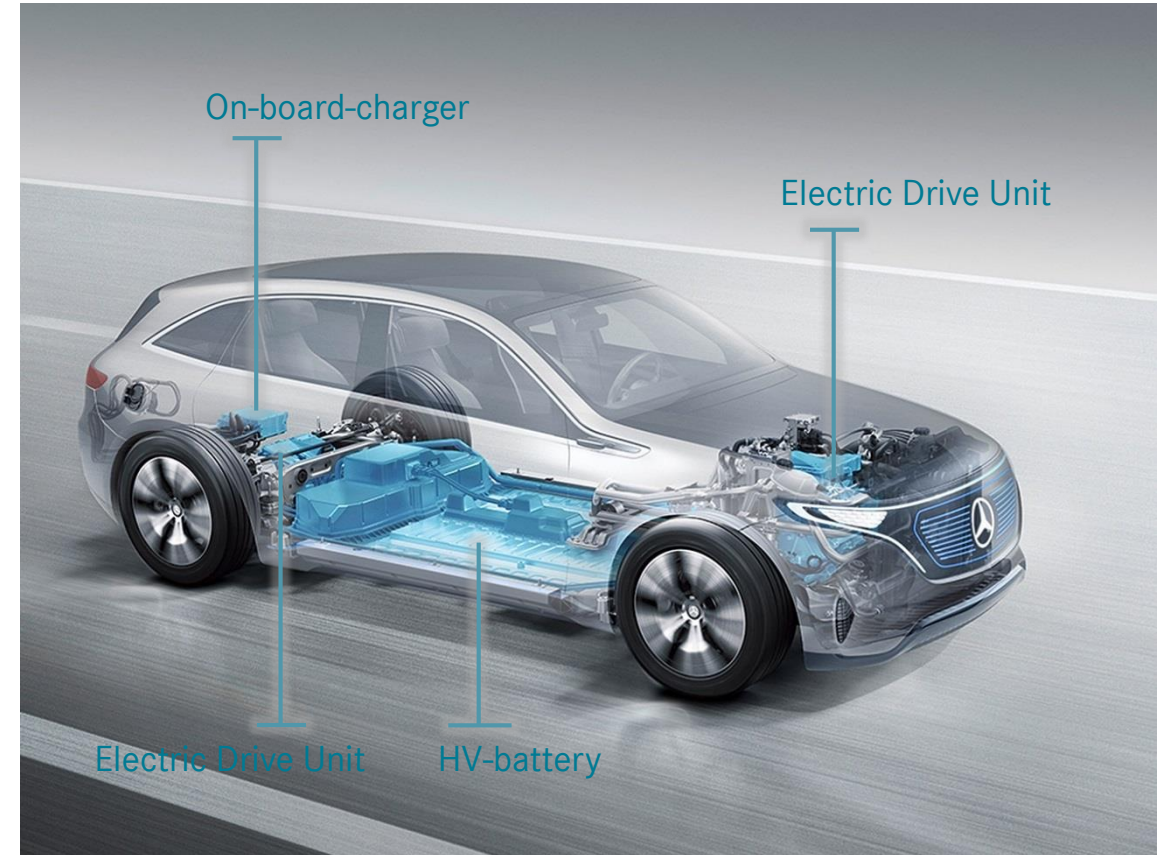
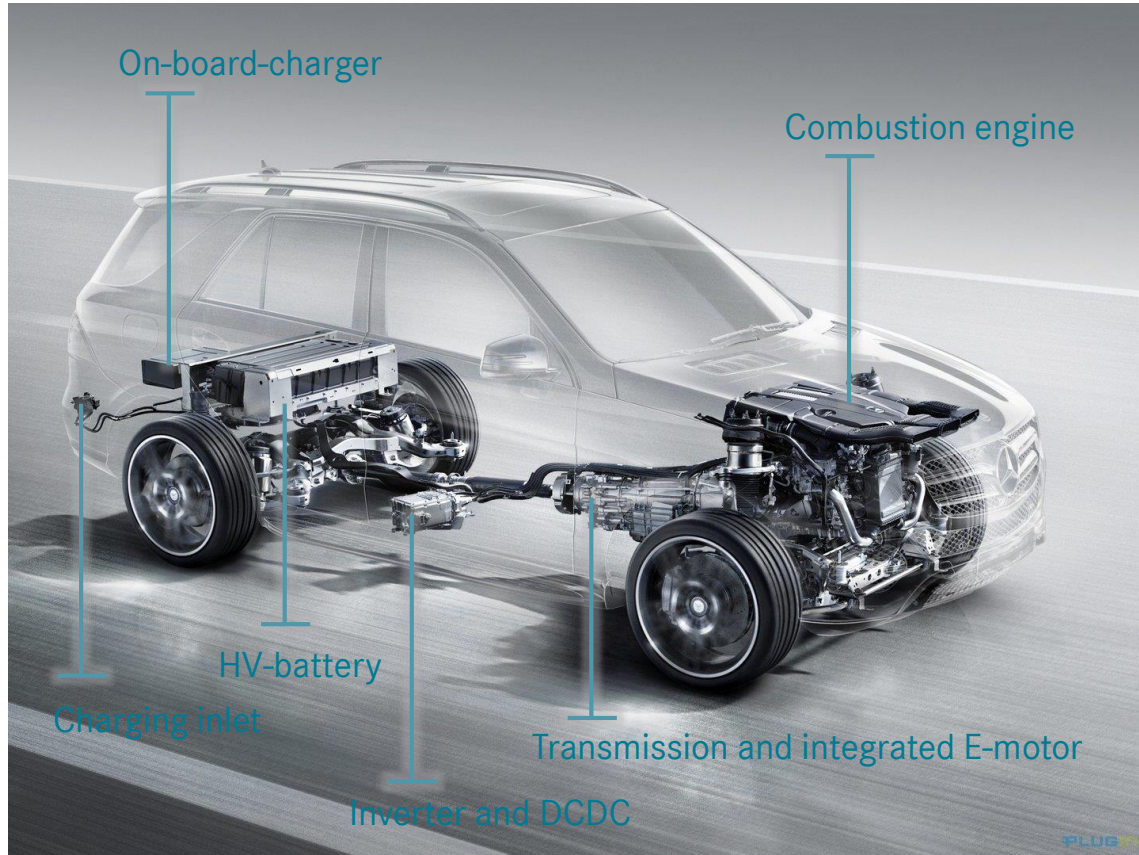


Flexible integration of e-mobility in global production network



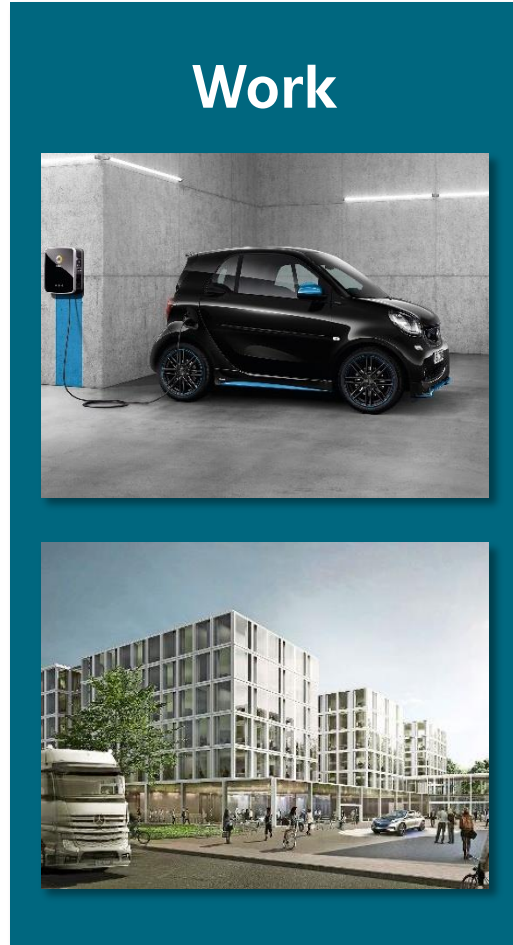
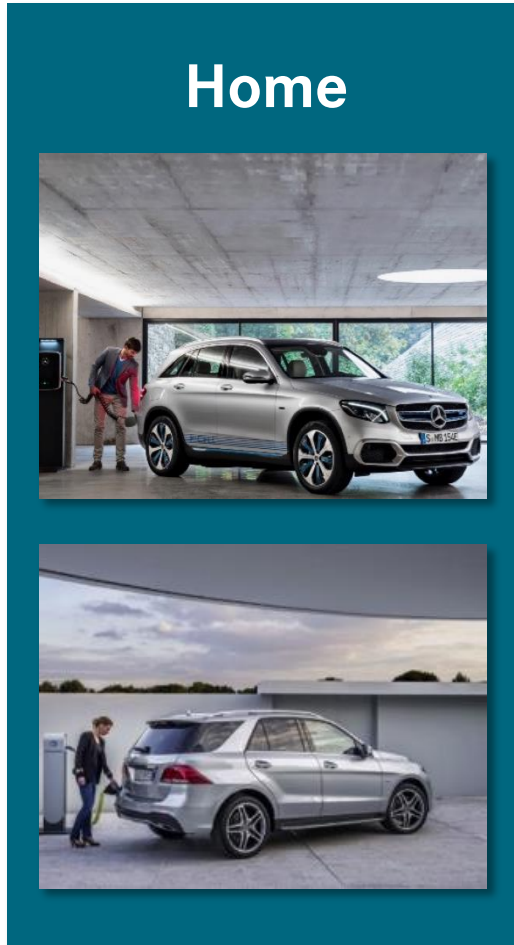
 EQ Vehicles
 Battery

Flexible architecture to integrate all types of electrified powertrains



Illustration

Charging network together with partners improve customer experience



Mercedes-Benz GLC F-CELL: Preproduction model

Mercedes-Benz GLE 500 e 4MATIC: comb. fuel consumption: 3.7-3.3 l/100km; comb. power consumption: 18.0-16.7 kWh/100km; CO2 emissions combined: 84-78 g/km

smart EQ fortwo: combined power consumption: 13.5-13.0 kWh/100km; CO2 emissions combined: 0 g/km

Daimler Group Strategy

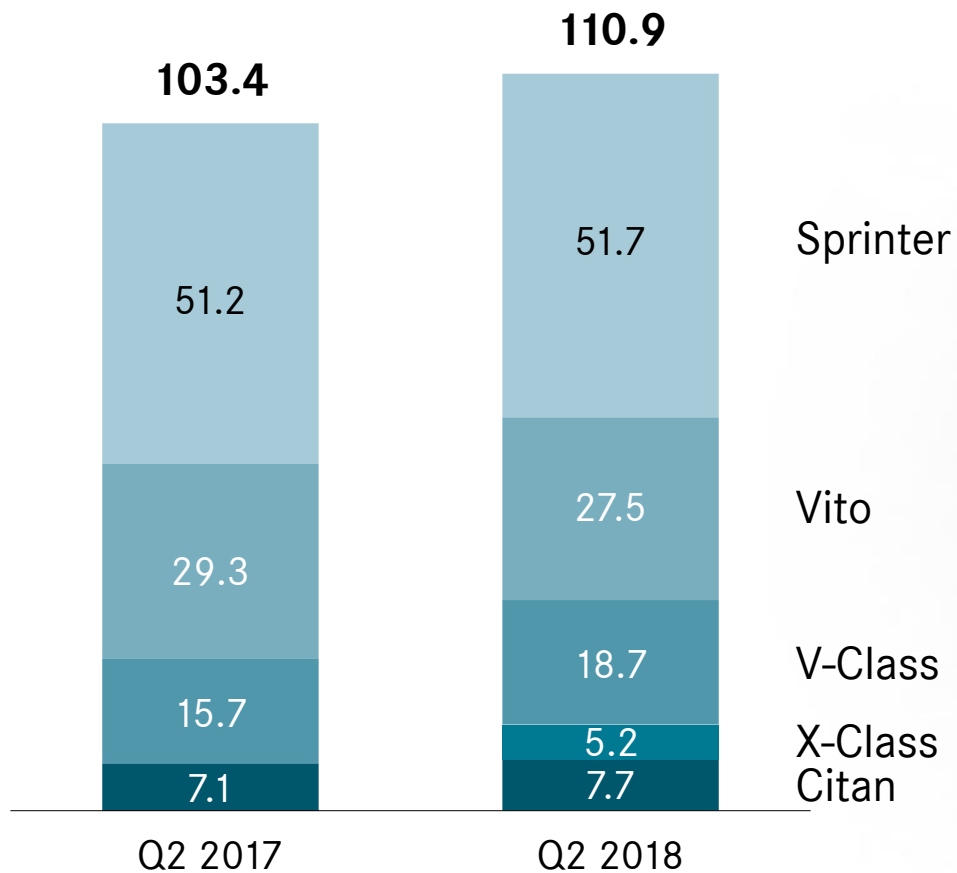
Mercedes-Benz Vans

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:

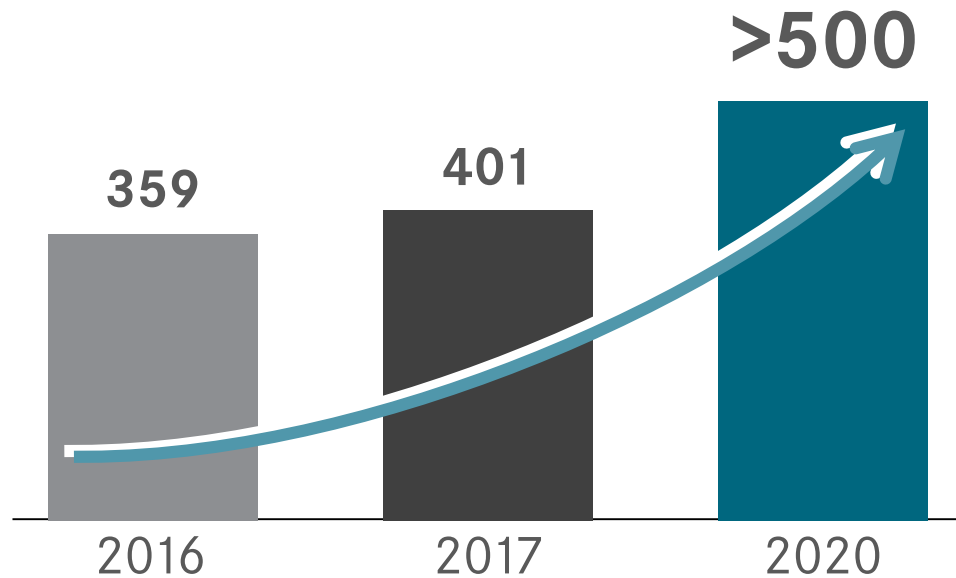
- range of up to 270km
- fully automated cargo space
- integrated drones

Mercedes-Benz
Vision **VAN**

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

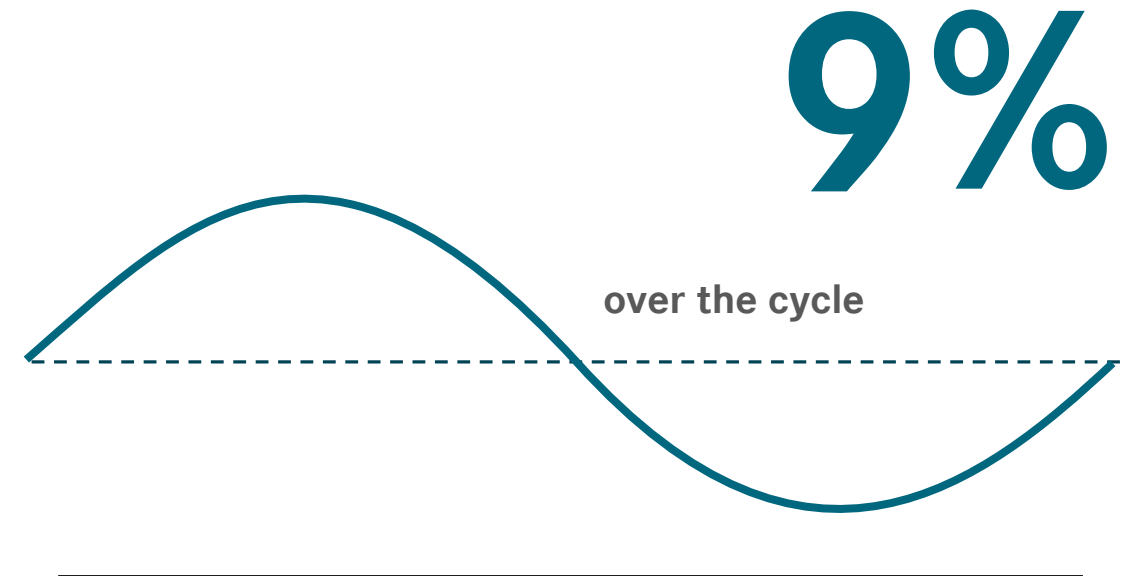
Sales target

In thousand units



Profitability target

Return on Sales in %



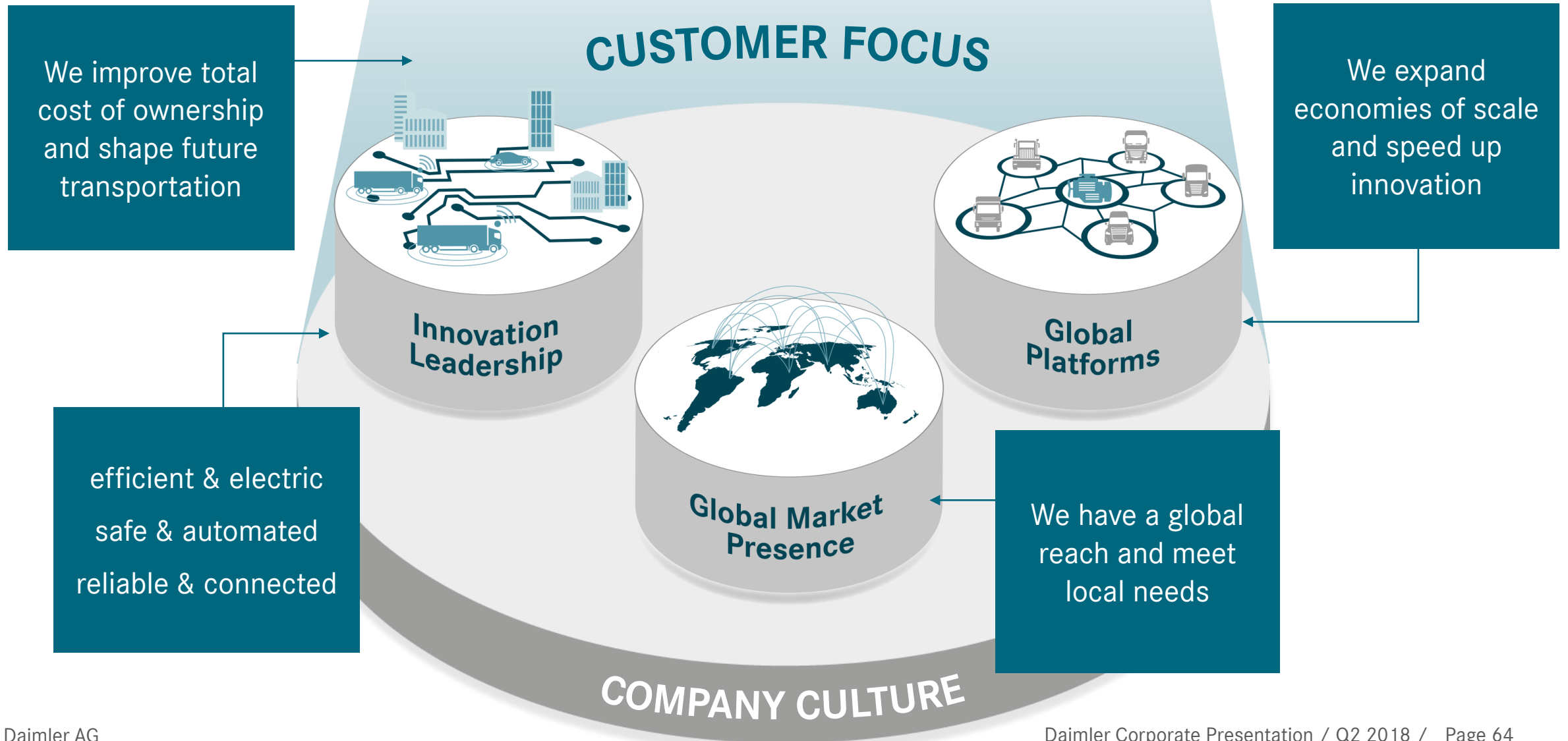
Daimler Group Strategy

Daimler Trucks

Core



Our Strategy @ Daimler Trucks



Our Mission: Make our customers more successful

Best-in-class products in all regions



Customer experience as differentiator



Service and
Parts Network



Continuous Process
Improvement



Customer-focused
product development

Services beyond the hardware



Extended Warranty
& Service Products



Connectivity &
Uptime



End-to-End Support
& Consulting

Measurable Benefits

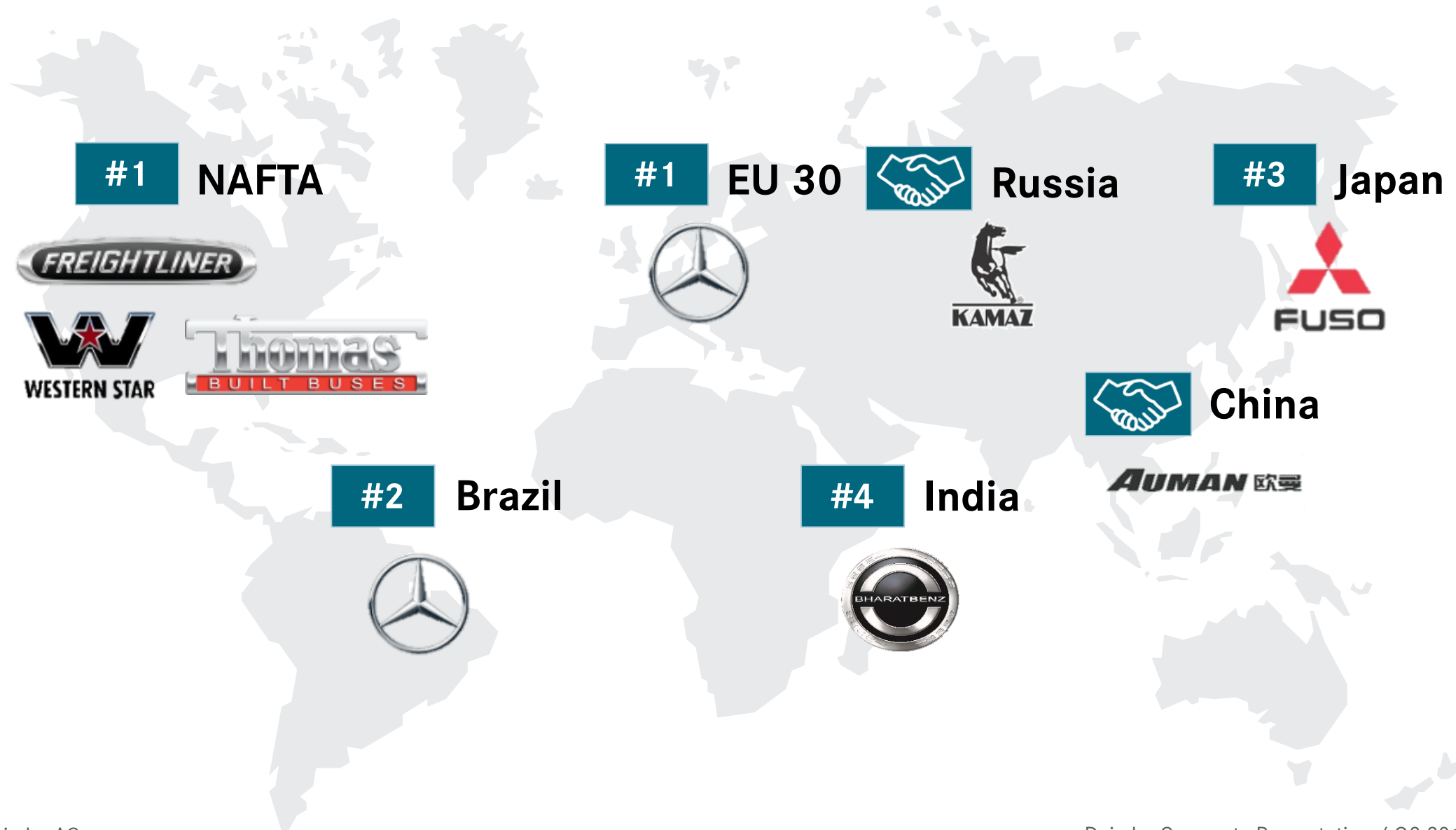


Ease of Doing Business



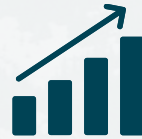
Trusted Partner

Strong brands and strong market positions around the world



CHINA: We are well prepared to tap into the biggest market

Biggest market of commercial vehicles and promising **growth perspective**.



Product Launches 2017



EST-A



EST



ETX



GTL

Strong, committed partnership with Foton



Market **shifting** towards **premium segment** and **new technologies**.



Our Joint venture BFDA delivers **strong sales**. Over **100k** trucks **sold** in 2017.



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**



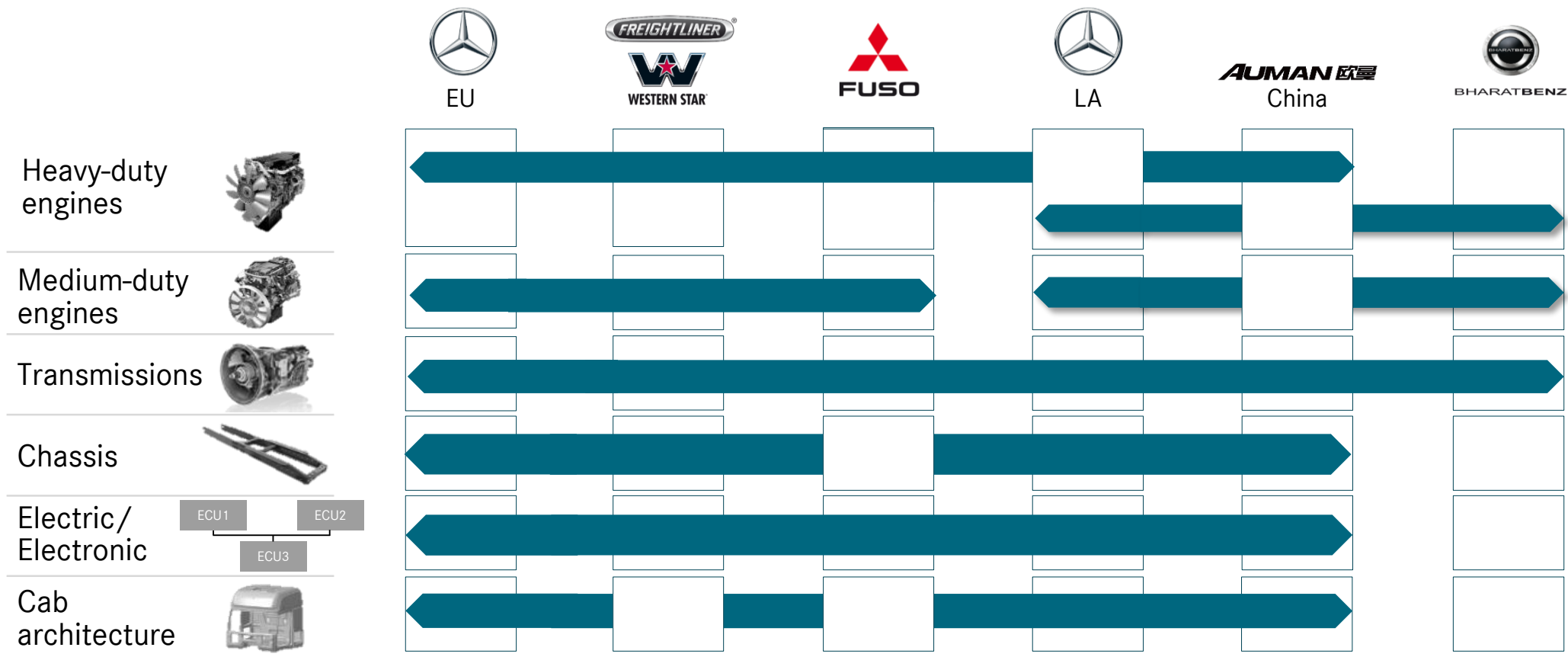
Fuel reduction **up to -8%***
Next efficiency step **by 2019**



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

*Fuel reductions compared to previous model

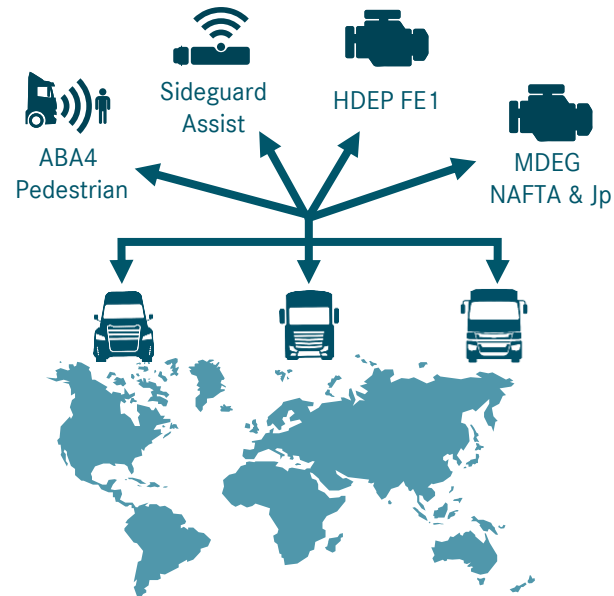
Our global platform roll-out has come far



Global platforms are a great competitive advantage

- they achieve several goals at the same time:

Speed of Innovation



Global platforms enable fast rollout of innovations

Economies of Scale



Global platforms can secure pass-car-like volumes.

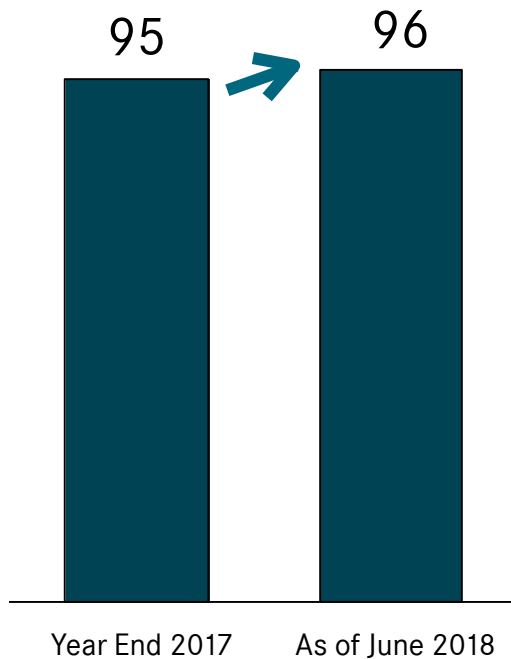
R&D Efficiency



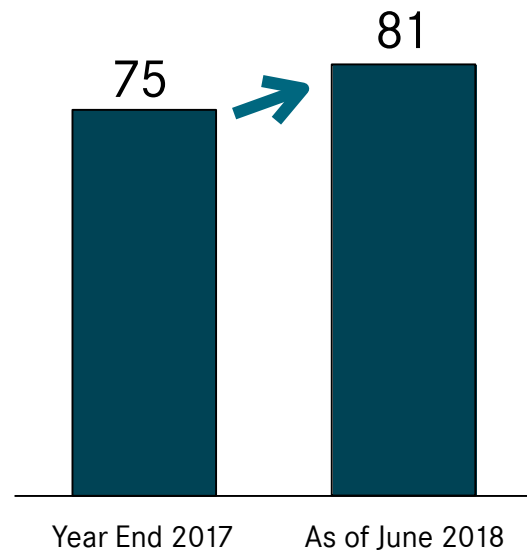
Common base development in an efficient R&D network.

Captive component strategy to strengthen market leadership in NAFTA

Penetration rate integrated powertrain in %



Heavy Duty Engines HDEP



Automated Manual Transmission
DT 12



Daimler Trucks is setting the stage for a total of >1,400 mn € improvement fully effective in 2019

- 1 Growth & Customer focus
- 2 Global optimized network
- 3 Cost reduction initiative
- 4 Stream

EBIT Impact

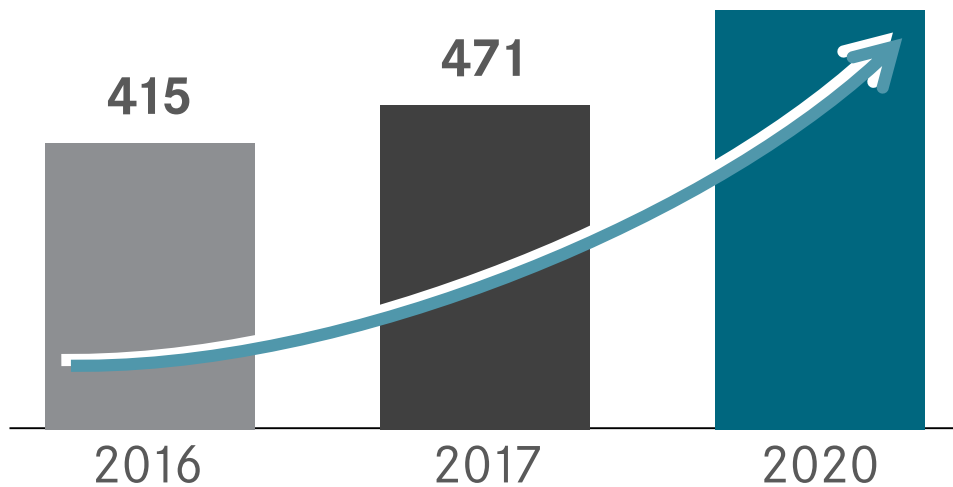


Net improvements
>1,400 mn €
Fully effective in 2019

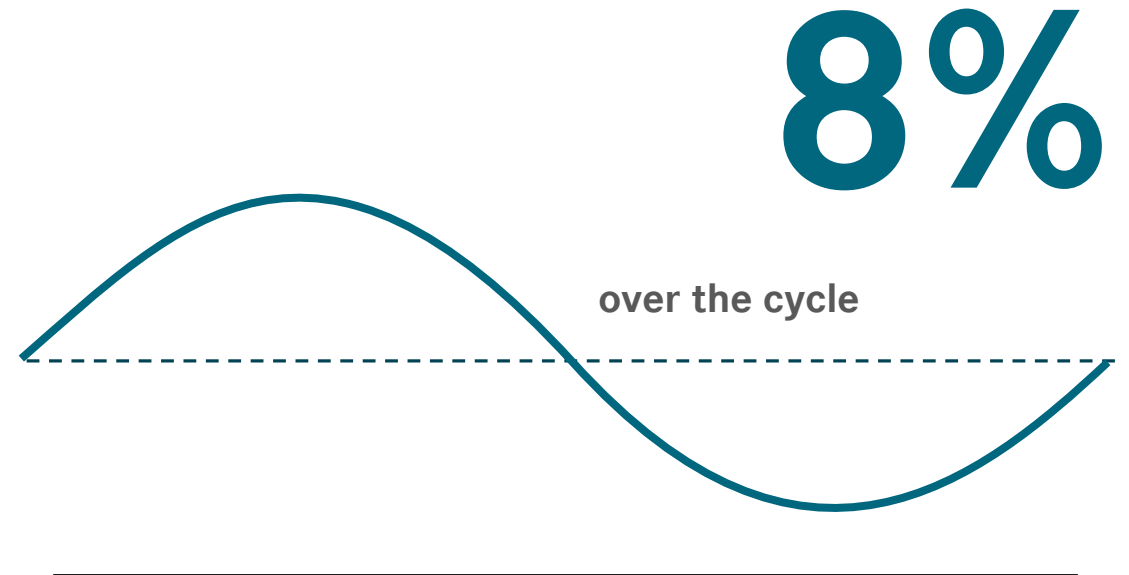


Sticking to our target: leader in the truck industry

Sales target
In thousand units



Profitability target
Return on Sales in %



Daimler Group Strategy

Daimler Trucks

CASE



Our invest in future technologies in 2018 and 2019 @ DT

Total R&D investment
(2018 – 2019)



> 2.5 bn €

Investment in Connectivity, Automated, Electric
(2018-2019)

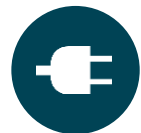


> 500 mn €

We make a lot of progress in future technologies



Connected



Electric



Automated



Gain Headline



Gain Knowledge



Gain Business

A light blue vertical panel representing the 'Connected' technology category. It features three horizontal dashed lines corresponding to the 'Gain Headline', 'Gain Knowledge', and 'Gain Business' categories. At the bottom, it displays the following logos and text: **TRUCKCONNECT**, MB Uptime, **DETROIT CONNECT**, and **FLEET BOARD**.

A light blue vertical panel representing the 'Electric' technology category. It features three horizontal dashed lines corresponding to the 'Gain Headline', 'Gain Knowledge', and 'Gain Business' categories. The panel contains images of various electric trucks and buses, including a blue Mercedes-Benz truck, a white Volvo truck, a yellow school bus, a blue box truck, a dark truck, and a white bus.

A light blue vertical panel representing the 'Automated' technology category. It features three horizontal dashed lines corresponding to the 'Gain Headline', 'Gain Knowledge', and 'Gain Business' categories. The panel contains images of automated trucks and buses, including a white Volvo truck, a white Volvo truck, a white Volvo truck, a white Volvo truck, and a white bus. The text 'Platooning' is centered between the middle and bottom dashed lines, and 'Active Safety' is centered below the bottom dashed line.

Daimler trucks are online in every region



Mercedes-Benz
Uptime

**FLEET
BOARD**

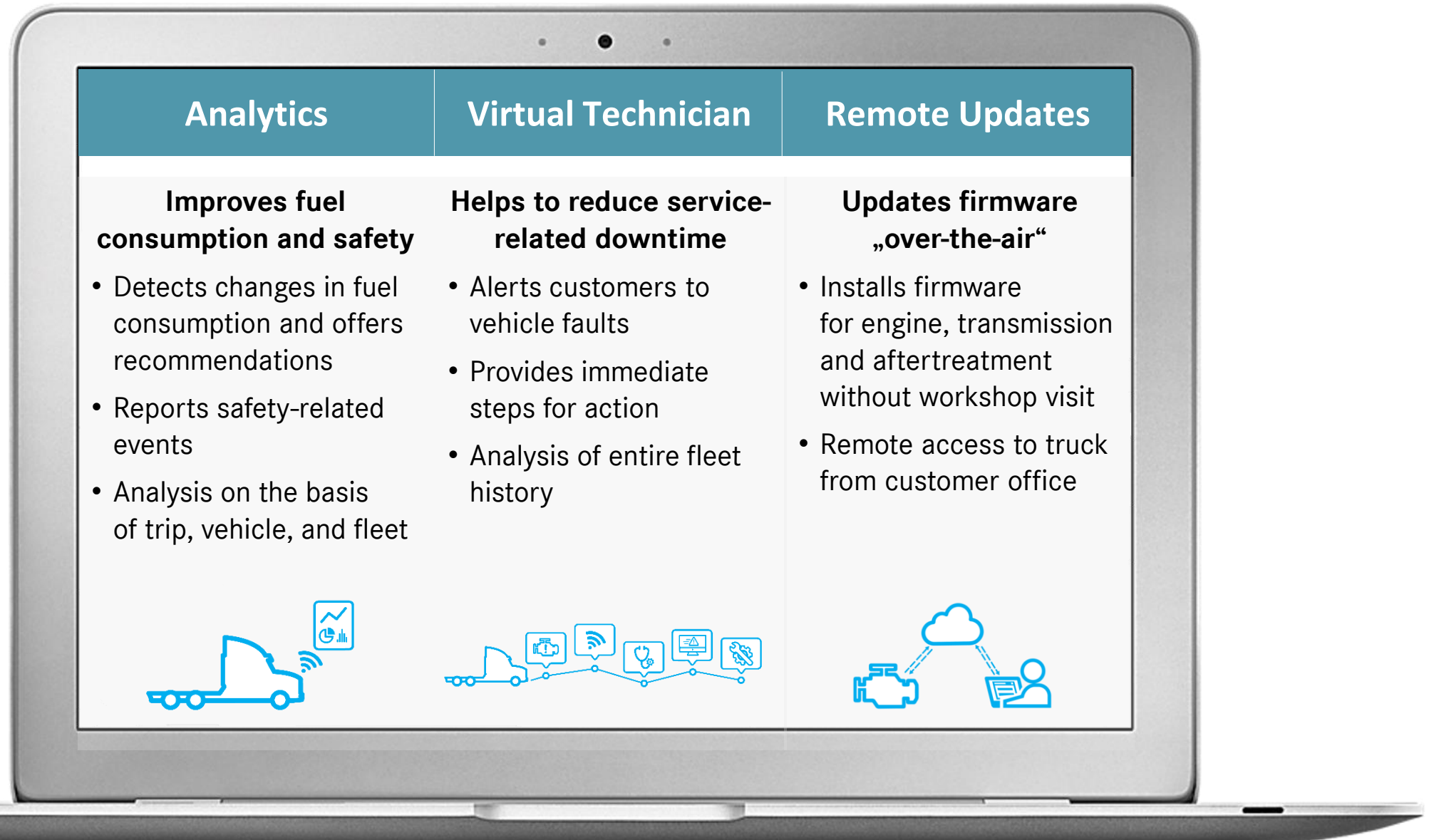


 **DETROIT**
CONNECT



TRUCKONNECT

Connected: Detroit Connect boosts logistics performance



We are pioneering automated trucking for many years

**Mercedes-Benz
Future Truck 2025**



**Freightliner
Inspiration Truck**



**Test license for
German autobahn**



**Automated
snow clearance**



**Platooning trials
in entire triad**



We will deliver level 2 soon

LEVEL 5 Full automation

FUTURE

LEVEL 4 High automation

LEVEL 3 Conditional automation

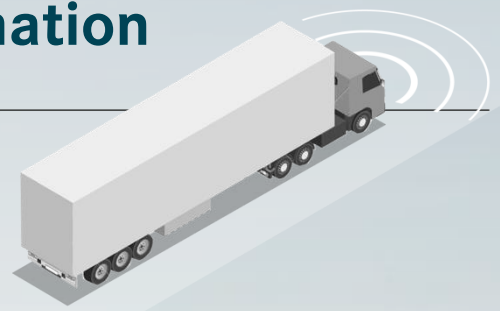
SOON

LEVEL 2 Partial automation

TODAY

LEVEL 1 Function-specific automation

LEVEL 0 Driver



We are pioneering electric trucks for many years

2014-2017:
FUSO eCanter
fleet tests in Europe



09/2016:
Mercedes-Benz eActros prototype,
FUSO eCanter in new design



09/2017:
FUSO eCanter
market launch



11/2017:
World premiere of Thomas
Built Buses Jouley



06/2018:
Presentation of Freightliner
eCascadia and eM2



09/2010:
First prototype
of FUSO eCanter



07/2016:
Mercedes-Benz eActros
technology concept, one of
the first e-trucks for heavy
distribution



07/2017:
Start of production
FUSO eCanter



10/2017:
New brand E-FUSO
and heavy-duty
e-truck Vision One



02/2018:
Presentation of
Mercedes-Benz eActros

Electric, locally emission-free and 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



**Freightliner
eCascadia & eM2**

2018: World premiere
2019: Innovation fleet
2021: Market introduction

Freightliner eCascadia and eM2: leading the charge



eCASCADIA			
730	550	250	
HP PEAK	kWh USABLE CAPACITY	MILES OF RANGE	% CHARGE < 90 MIN
eM2			
480	325	230	
HP PEAK	kWh USABLE CAPACITY	MILES OF RANGE	% CHARGE < 60 MIN

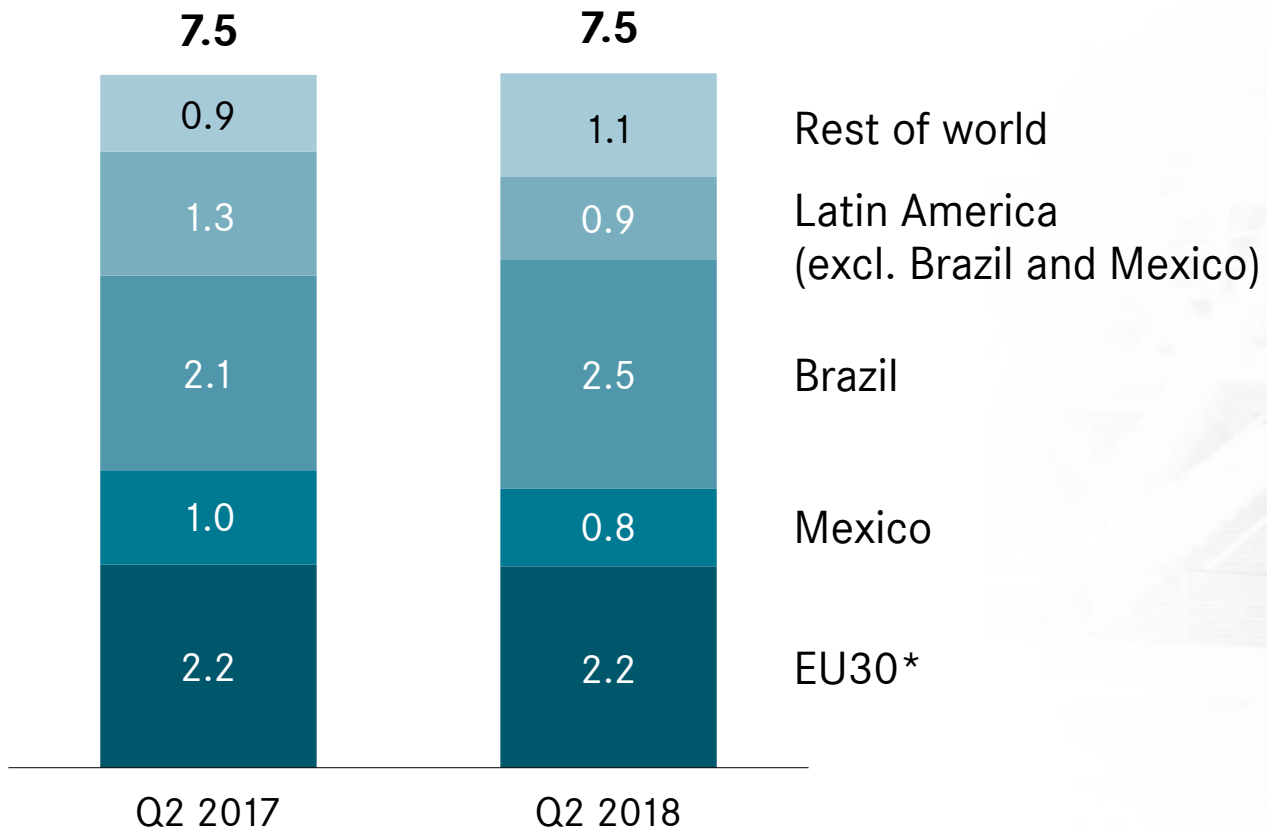
Daimler Group Strategy

Daimler Buses
Core & CASE



Daimler Buses: higher unit sales in Brazil and India

- in thousands of units -



* European Union, Switzerland and Norway

World premiere of fully electrically powered Mercedes-Benz Citaro



The future of public transport

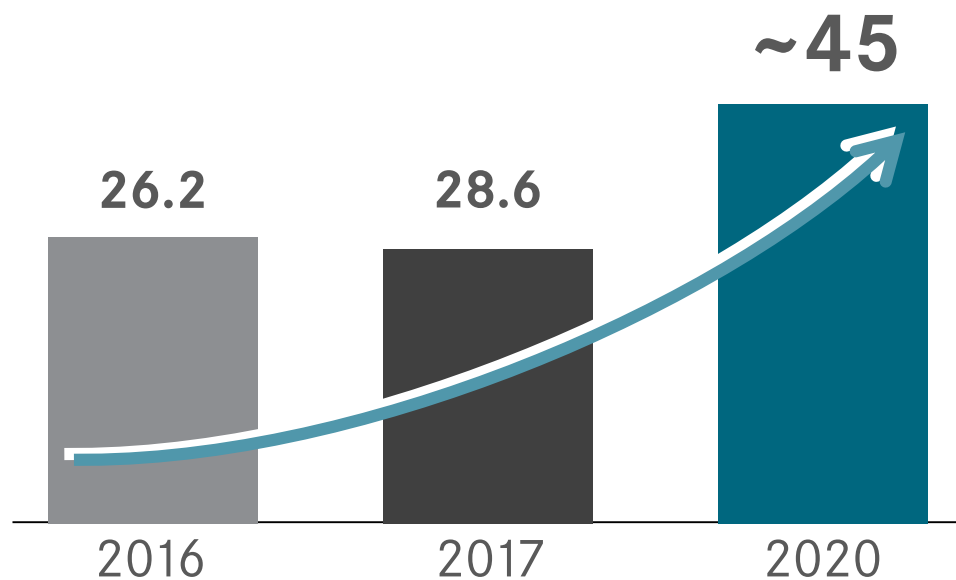
Mercedes-Benz
Future **BUS**



Our target: No 1 in the global bus business

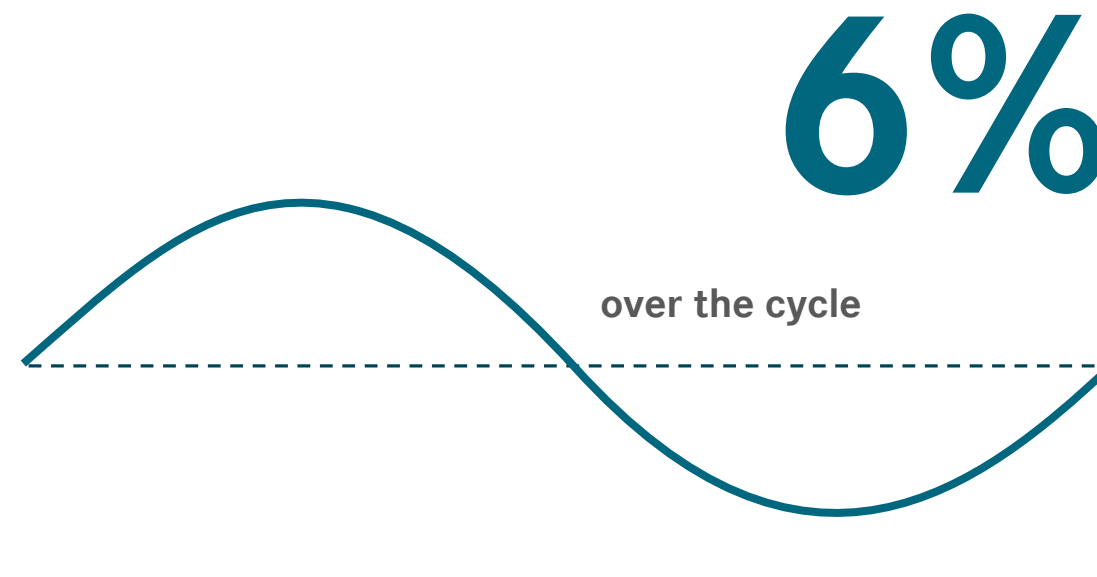
Sales target

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



3.2mn
car2go customers



4.8 mn
insurance policies



15.3mn
Ride-Hailing Group
customers



5.1 mn
financed or
leased vehicles



5.0mn
moovel customers

WE FINANCE NEARLY
EVERY SECOND VEHICLE
SOLD BY DAIMLER



Penetration rates
per vehicle segment

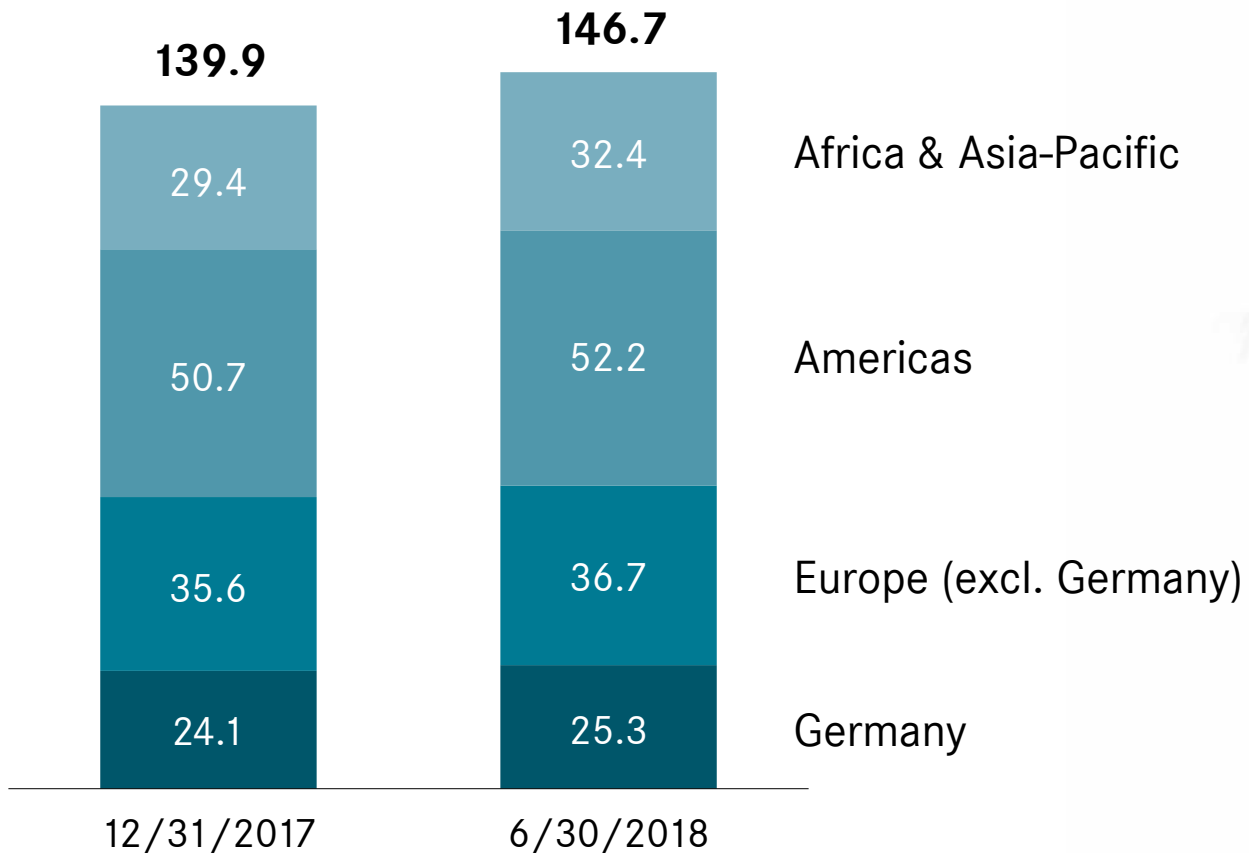


Global penetration rate DFS in Q2 2018

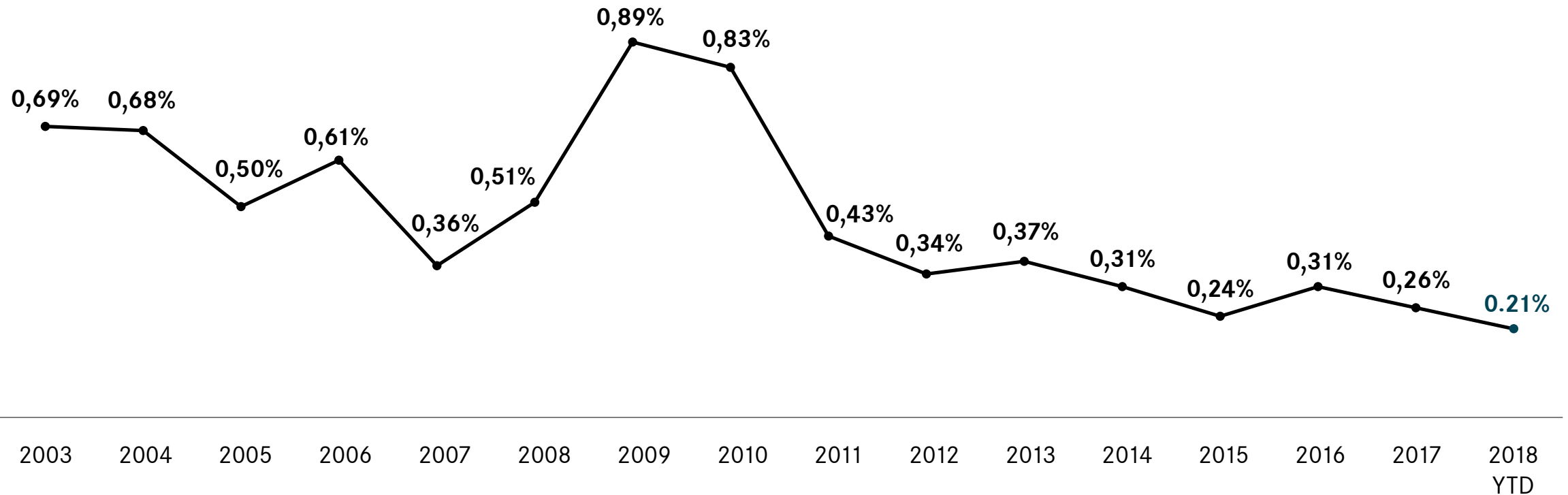
~50%

Daimler Financial Services: further increase in contract volume to 146.7 billion euros

- in billions of euros -



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

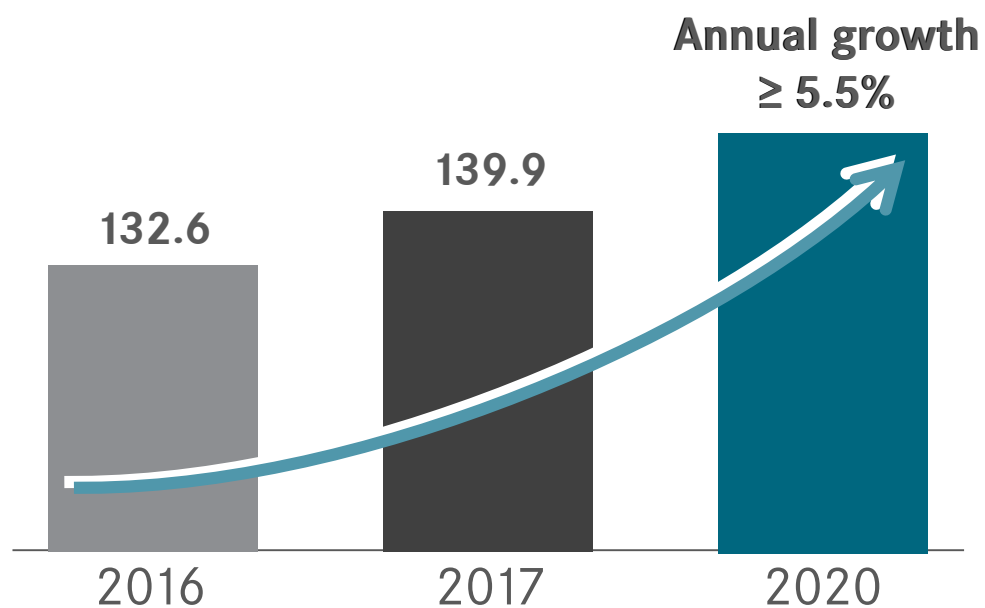


* as a percentage of portfolio, subject to credit risk

Our target: best financial and mobility services provider

Portfolio target

in billions of EUR



Profitability target

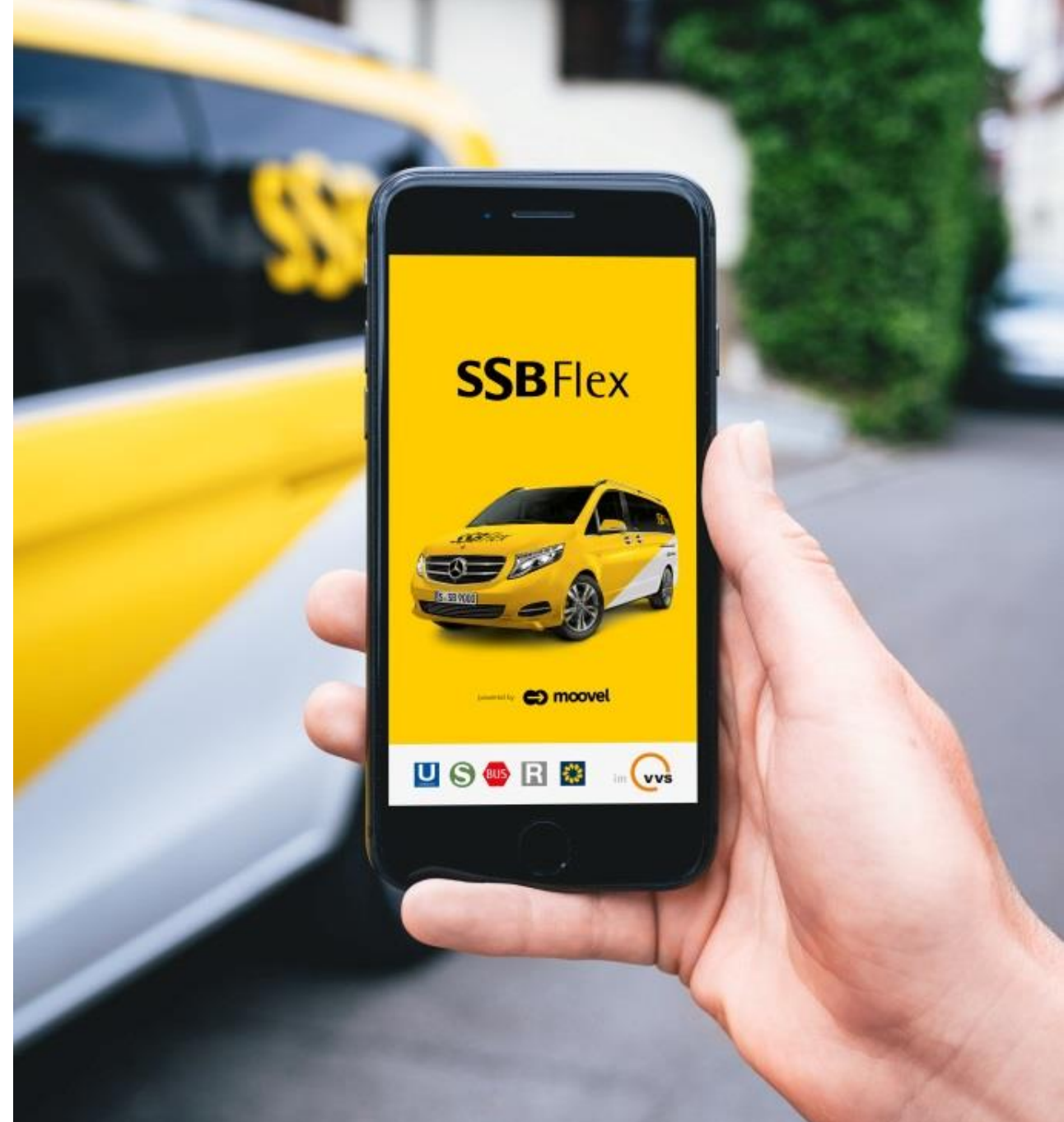
Return on Equity in %

> 17%

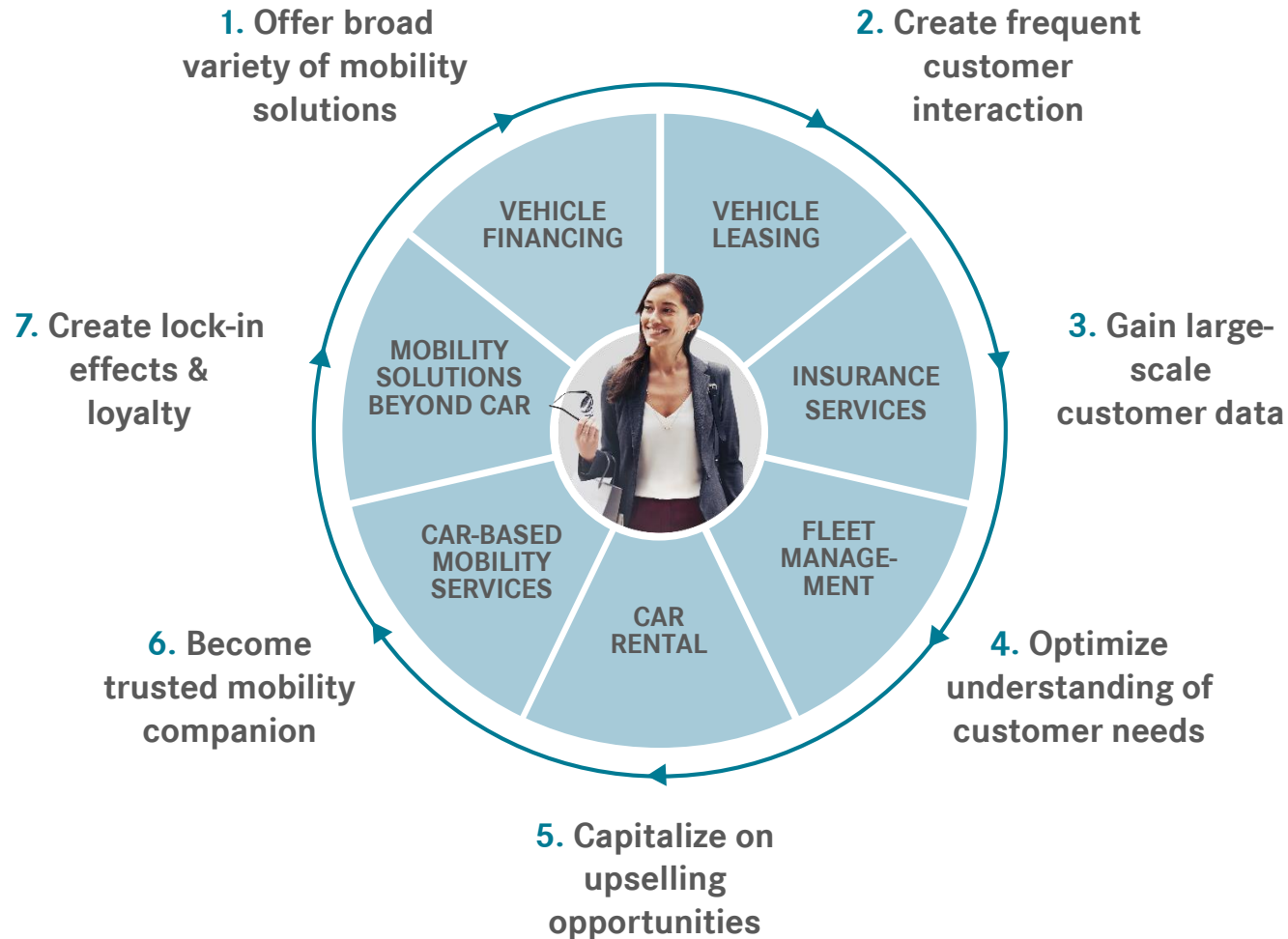
Daimler Group Strategy

Daimler Financial Services

CASE

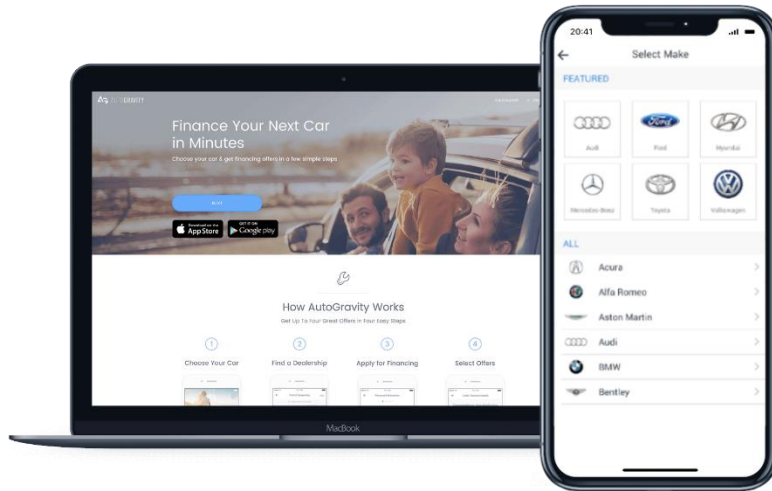


We aim to build a holistic mobility ecosystem



“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 Q2 2018

- 1.8 million users
- Top-ranked Android & Apple app
- Over \$3 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

Our Customers mobility needs will change



TODAY

BUYING

(car-based) mobility as a **product**

Enabler: Finance & Lease

TOMORROW

CONSUMING

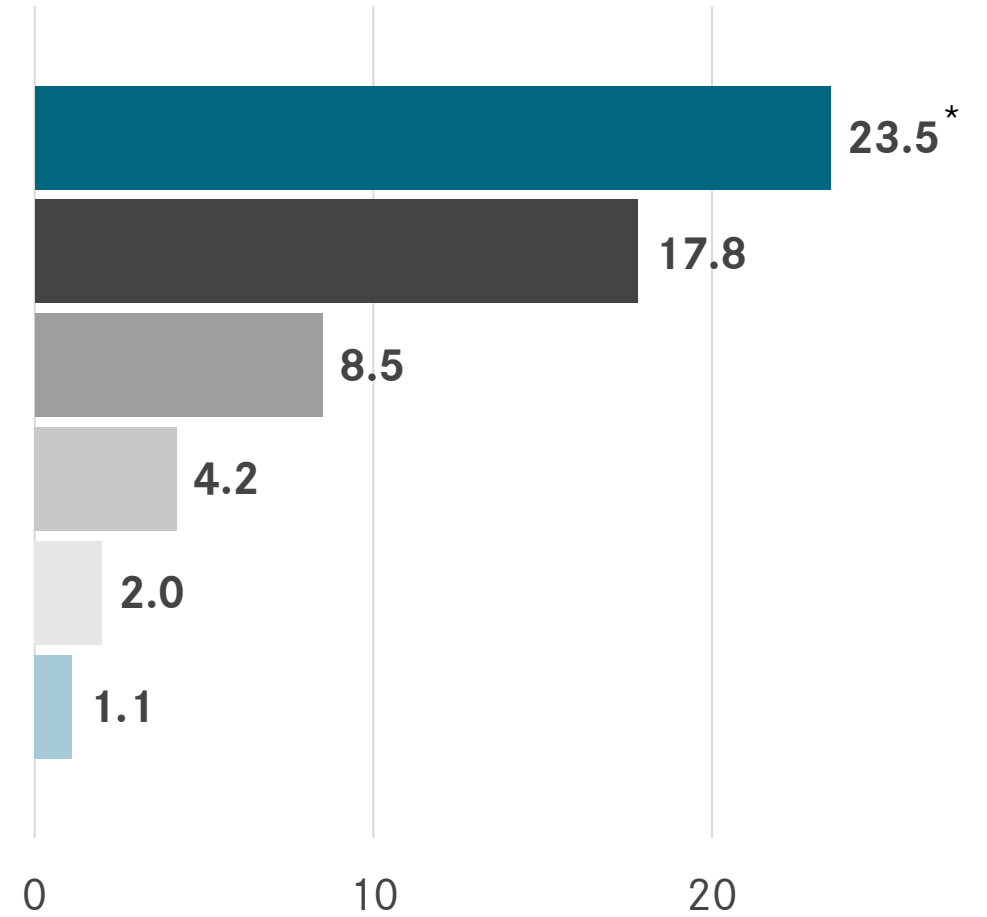
(car-based) mobility as a **service**

Enabler: Finance & Lease



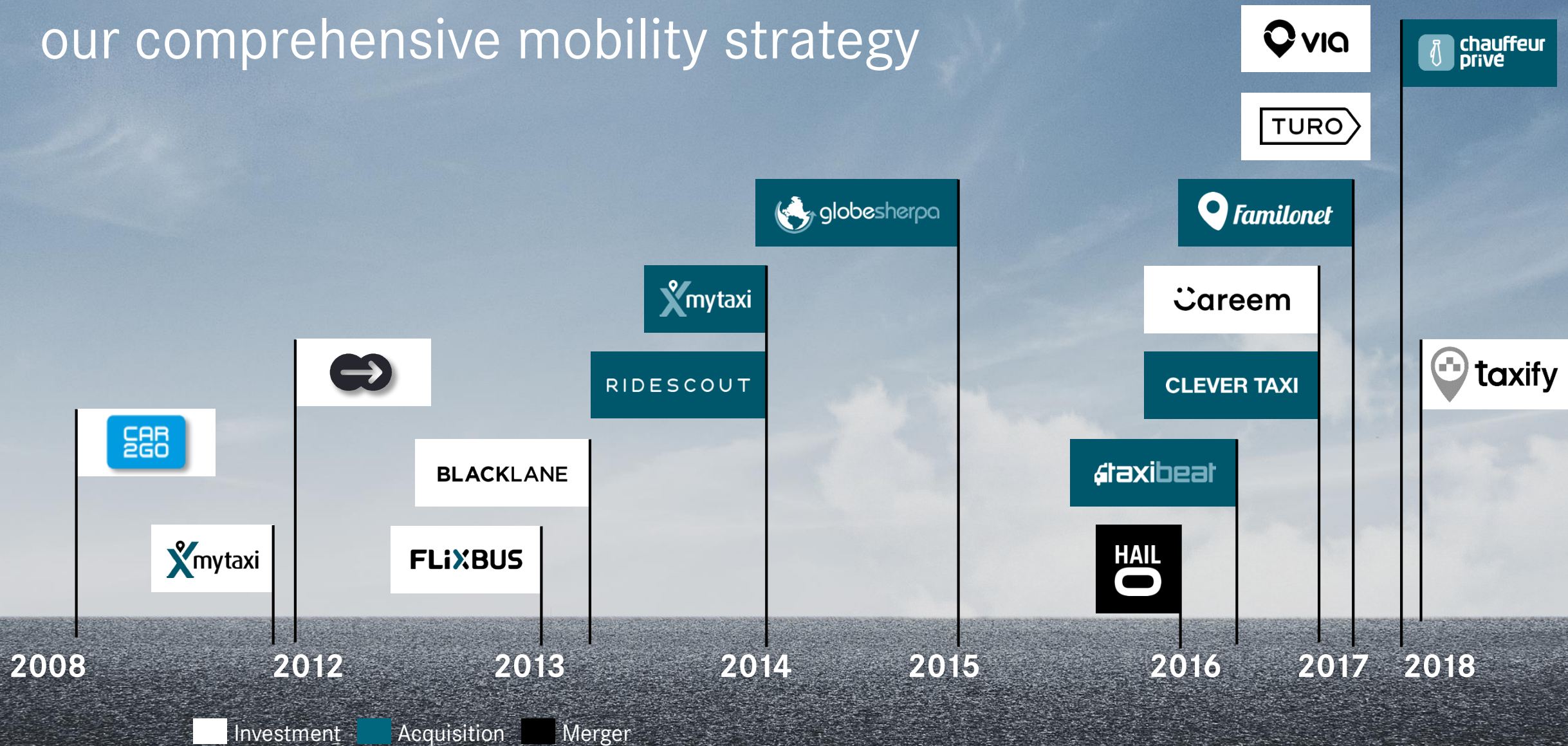
Daimler Mobility Services

Total customers in m



*Q2 2018

The expansion of our footprint is a result of our comprehensive mobility strategy



Three main pillars of our mobility business



The Ride-Hailing Group contains the brands mytaxi, Beat, Clever Taxi and Chauffeur Privé with **15.3 mn customers**, available in over **80 cities within 13 countries**. In Europe a mytaxi hail is accepted every second by one of mytaxi's 100,000+ drivers.



The **worldwide leading** free floating carsharing concept. The car2go service is used by **3.2 mn customers** with more than **14,000 vehicles** at numerous locations in Europe, North America and Asia.

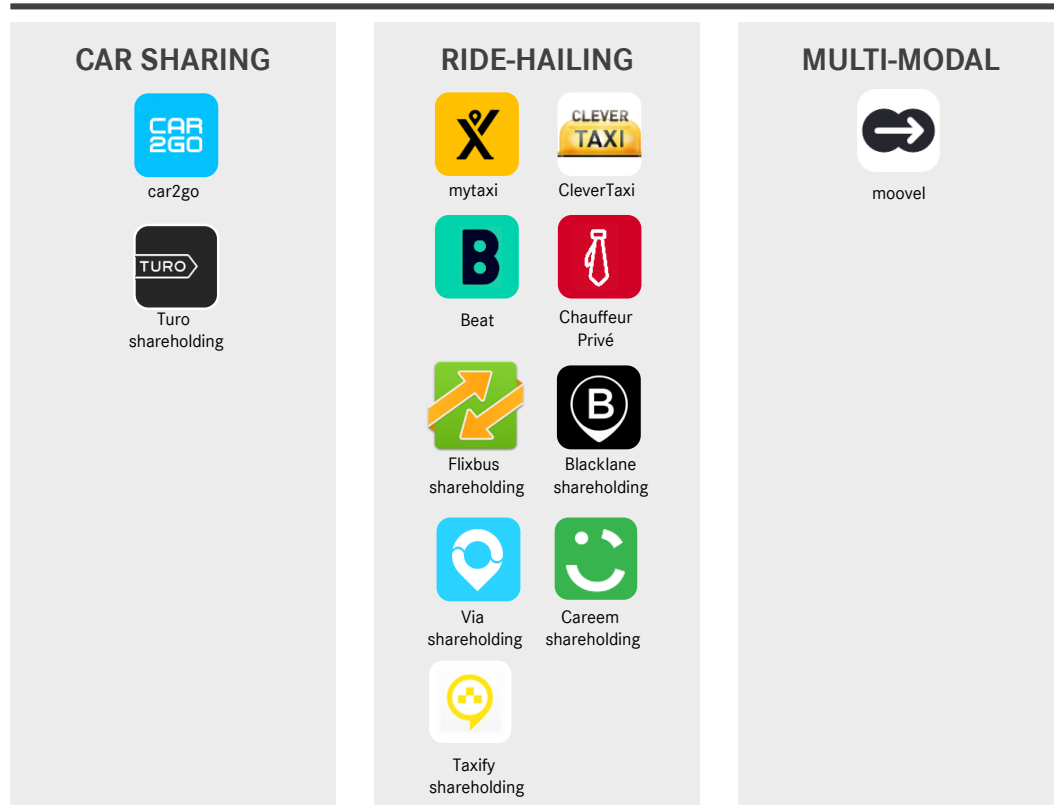


moovel **radically simplifies individual mobility** by combining & offering innovative mobility services to more than **5.0 mn users** worldwide via our services: ticketing apps, on-demand shuttle service, fare connect.



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

DAIMLER MOBILITY SERVICES BUSINESS PORTFOLIO*



23.5mn
CUSTOMERS

42.4mn
INTERACTIONS

>120
CITIES

STRATEGIC TARGETS



GENERATE NEW REVENUE

BY ENTERING A THREE-DIGIT BILLION USD MARKET

EXTEND DAIMLER ECOSYSTEM

BY OFFERING ONE-STOP SHOPPING

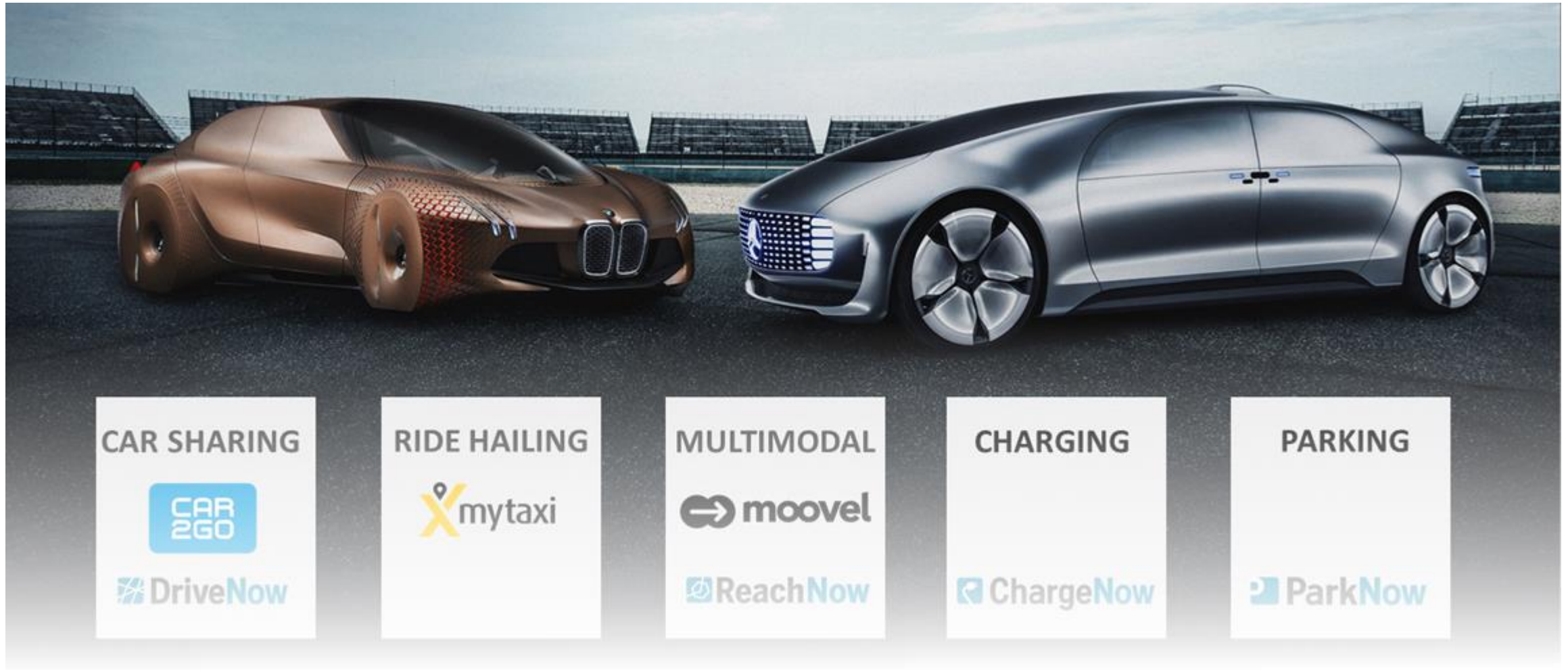
PREPARE FOR THE FUTURE

BY BUILDING CUSTOMER BASE AND SKILLS

GROW CUSTOMER BASE

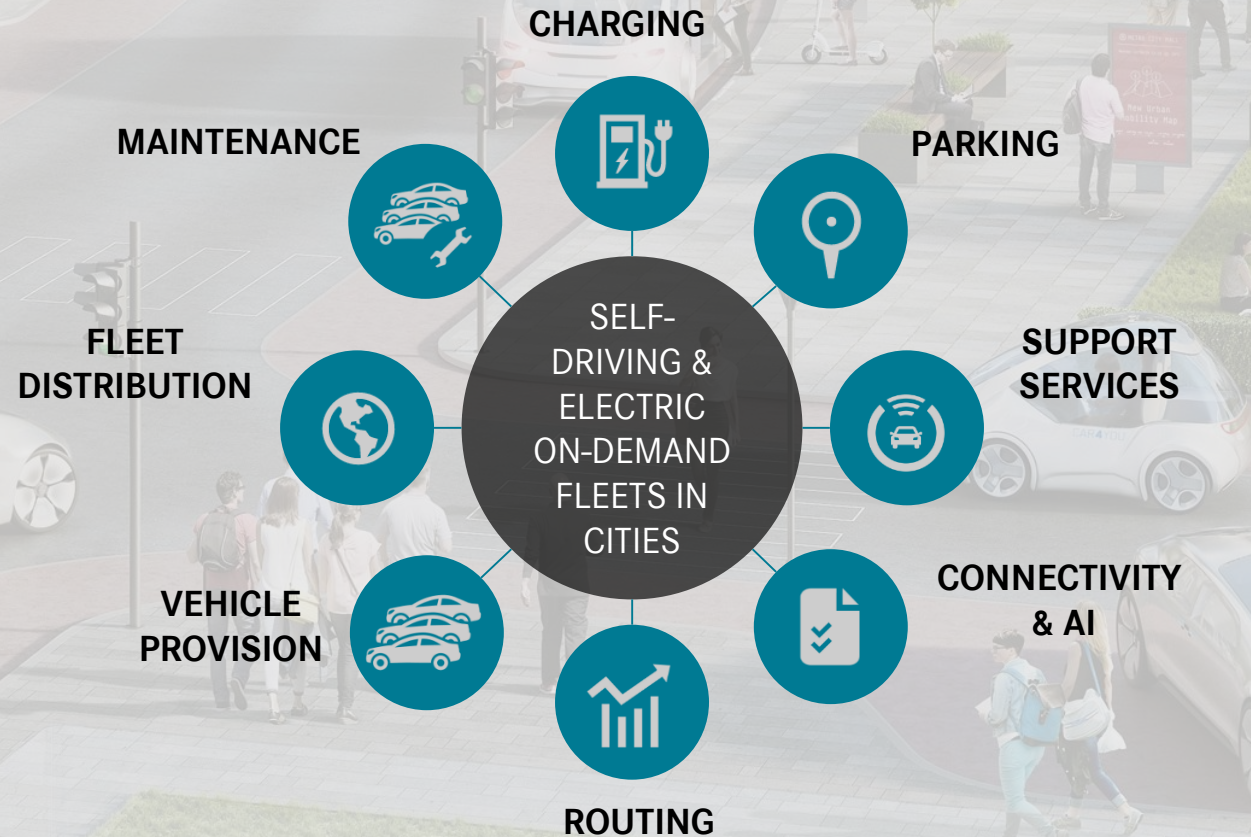
BY ADRESSING THEIR FINANCE & MOBILITY NEEDS

Combining forces with BMW to enhance the offer for the customer

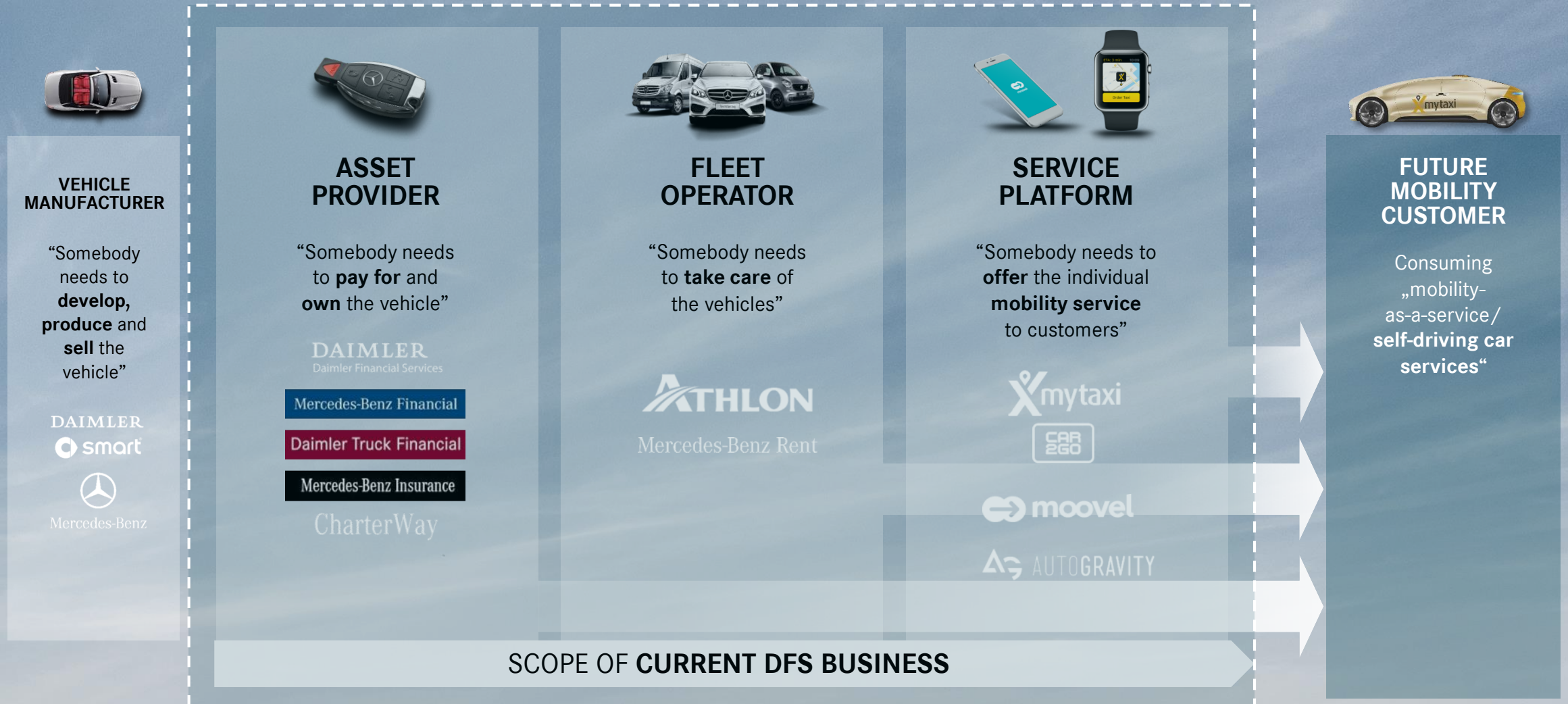


Subject to antitrust approval

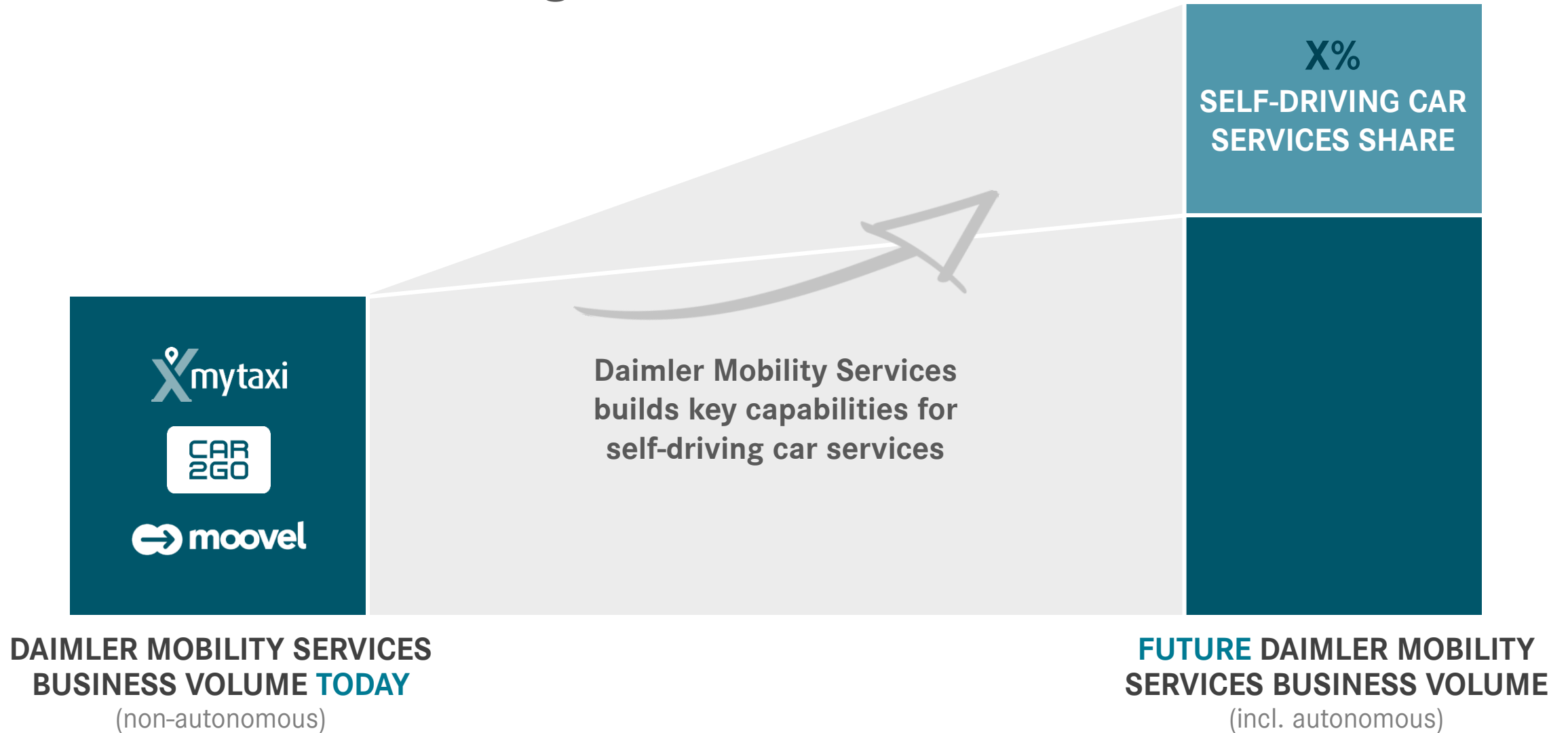
BMW and DAIMLER share a joint target picture



Our business is strongly future oriented



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



Self-driving technology will increase the demand for shared mobility services

Self-driving car services will ...

...DELIVER A **UNIQUE CUSTOMER EXPERIENCE**

...ENHANCE **TRAFFIC SAFETY**

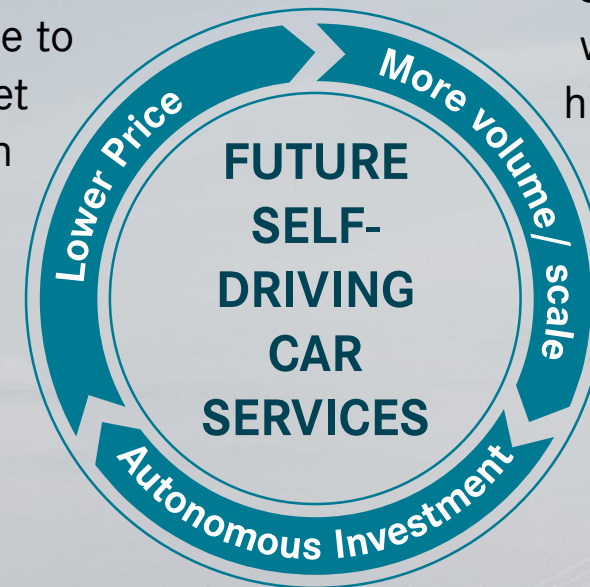
...IMPROVE **QUALITY OF LIFE IN CITIES**

...PROVIDE A HUGE **MARKET OPPORTUNITY**

Leading to a reinforcing cycle of mobility services

Prices will decrease due to higher fleet utilization

Customer demand will increase due to higher attractiveness



Increasing need for **self-driving car services**



Daimler Group Strategy

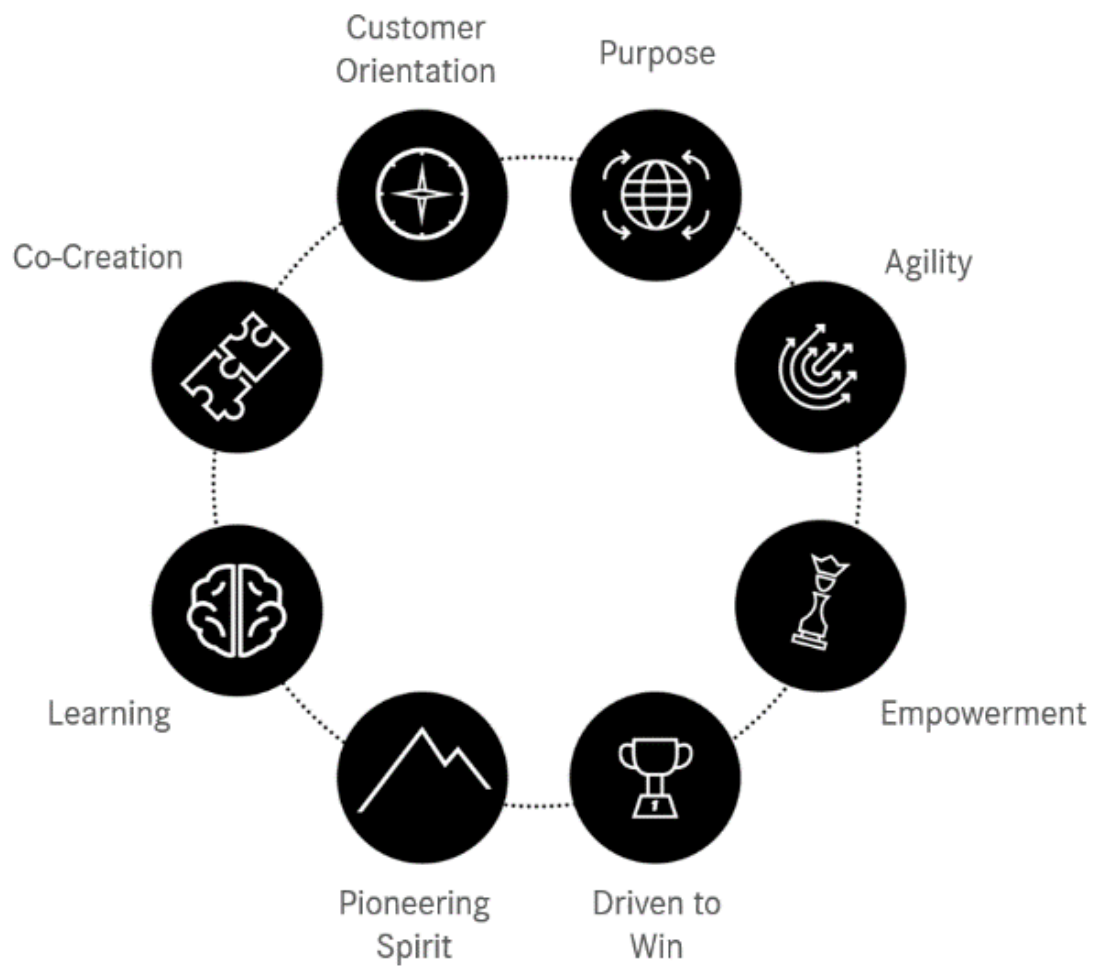
Culture



Our success is rooted in a strong and evolving culture



Transforming the Mindset



Daimler Group Strategy

Company



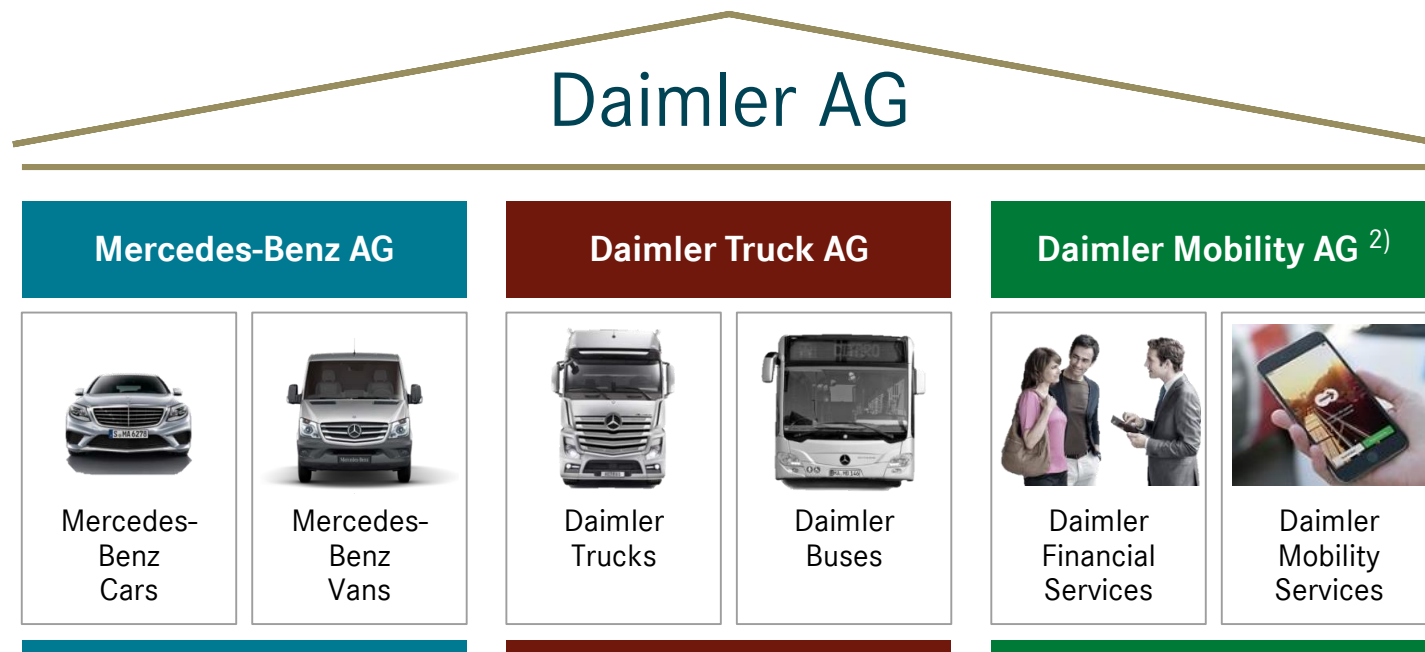
PROJECT FUTURE will create a strong family of companies with three legally independent divisions

Our guiding principles

- The **Daimler family** will be preserved and further strengthened
- We will be less complex and **closer to our customers**
- We will build **legally independent divisions under the umbrella of Daimler AG** alongside the existing legally independent division Daimler Financial Services
- The new divisions will retain a substantial size and will continue to work closely together and **leverage synergies**
- All divisions will be **German co-determined companies**

The structure we envision

We are a family united under the umbrella of Daimler AG¹⁾



1) After the Board of Management and the Supervisory Board of Daimler AG made their final decision on implementing the new structure in July 2018, our shareholders will have to make their vote in the general annual meeting in 2019.

2) Daimler Financial Services AG is planning to rename itself Daimler Mobility AG . The business division Daimler Financial Services already represents the Daimler group's mobility portfolio.

Our new structure will create significant benefits for Daimler



Strengthen own business units
accountability/ transparency

Gain **optionality** and **speed** to
address changing competitive environment

Enhance
transparency
of underlying business

Strengthen
entrepreneurial spirit & focus

Increase management focus on
strategic decision making

Facilitate
**cooperation
potential**

Analysis and process provide
**strategic business
impulses**

**Clear legal entity
structures**

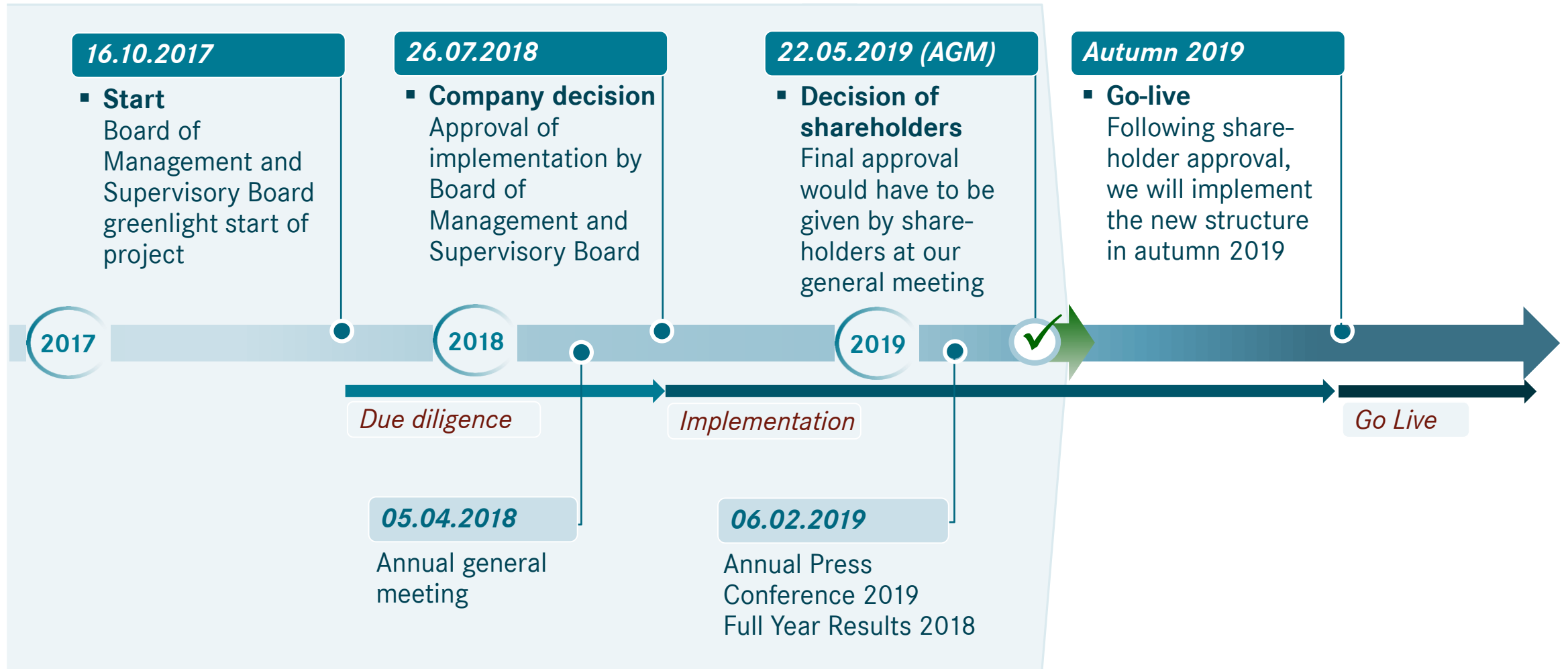
Create
flexibility

Increase
operational efficiency

PROJECT FUTURE is a consecutive building block of an even more customer-oriented company structure



Major milestones of PROJECT FUTURE



Contents

Group Financials

Divisional Information

Daimler Group Strategy

Outlook

Funding

Appendix



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

Unit sales around the prior-year level

Supported by wide range of attractive and innovative vehicles
Further growth in China



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

Slight growth in EU30 region, significant growth in 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 further growth in Latin America

2018 outlook for EBIT

DAIMLER

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



Mercedes-Benz Cars

Slightly below the prior-year level



Daimler Trucks

Significantly above the prior-year level



Mercedes-Benz Vans

Significantly below the prior-year level



Daimler Buses

In the prior-year magnitude



Daimler Financial Services

In the prior-year magnitude*

* subject to the completion of the mobility services transaction of Daimler and BMW Group in 2018

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Group Financials

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Daimler follows a conservative Financial Policy

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)

No share buybacks planned, further pension contributions will be evaluated

Daimler renewed and increased its syndicated credit facility

Renewal of syndicated €9 billion credit facility (maturing in September 2020)

Increase to €11 billion

Tenor of 5 years + 1 + 1, i. e. until 2023 + 2 years

Syndicate of international banks mostly unchanged together with excellent support by relationship banks

No covenants, rating triggers, etc.

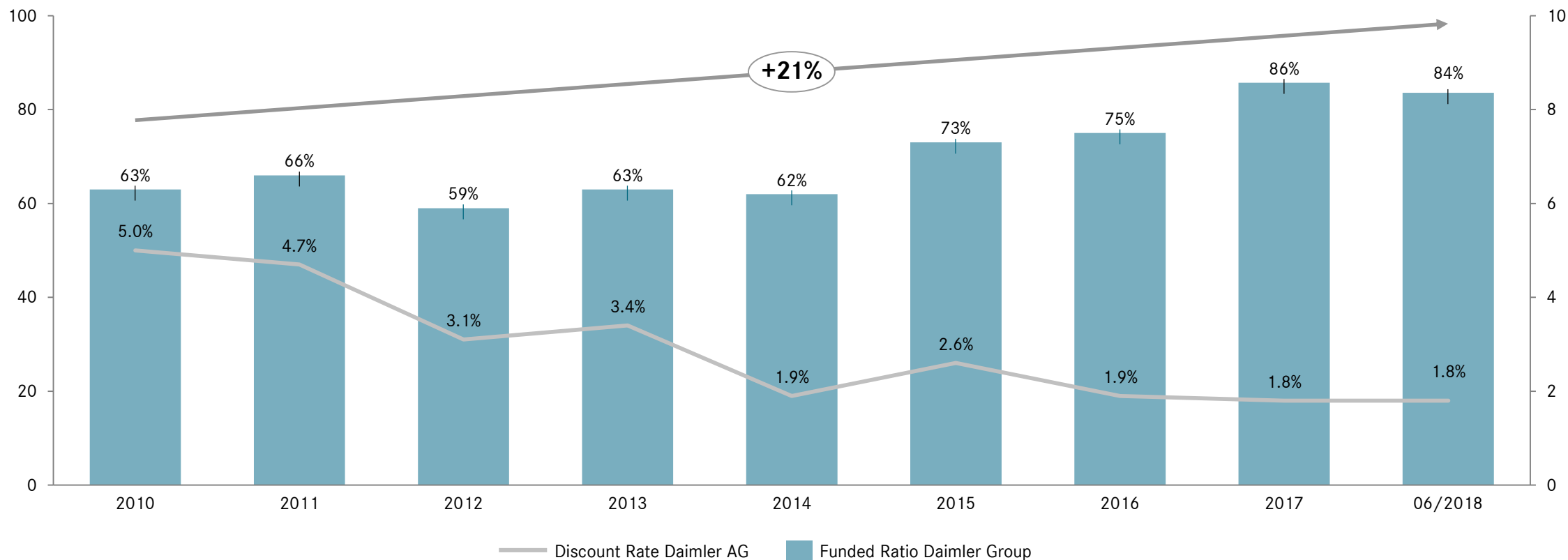
It is not intended to draw the credit facility



Secure significant long-term liquidity reserve at favorable cost

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

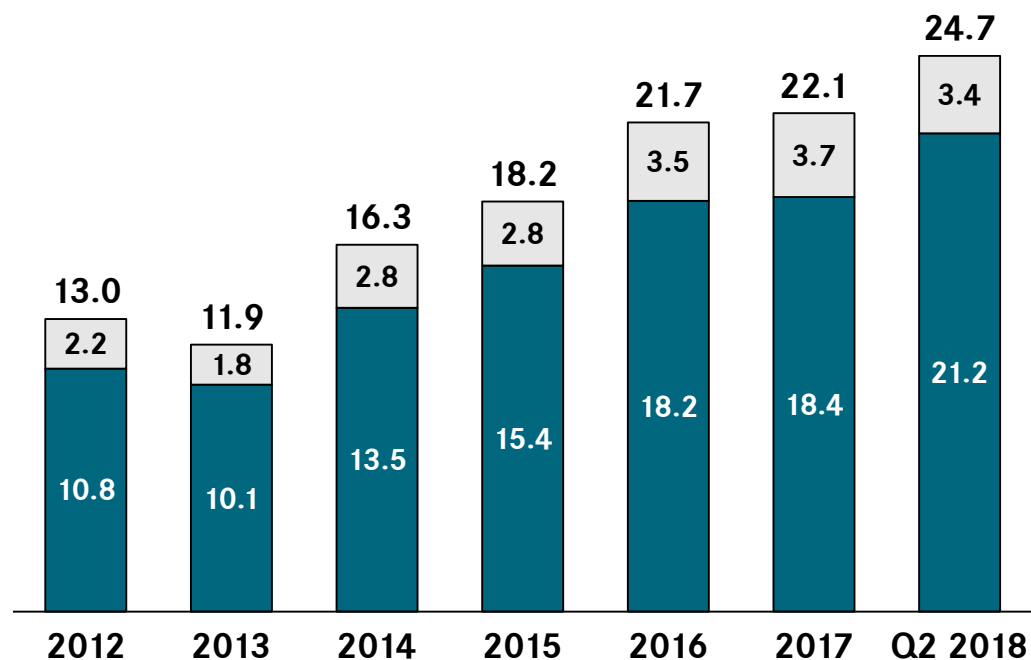
Daimler Group's Funded Ratio Development
Funded Ratio Group & Discount Rate Development DAG 2010 – 06/2018 in %



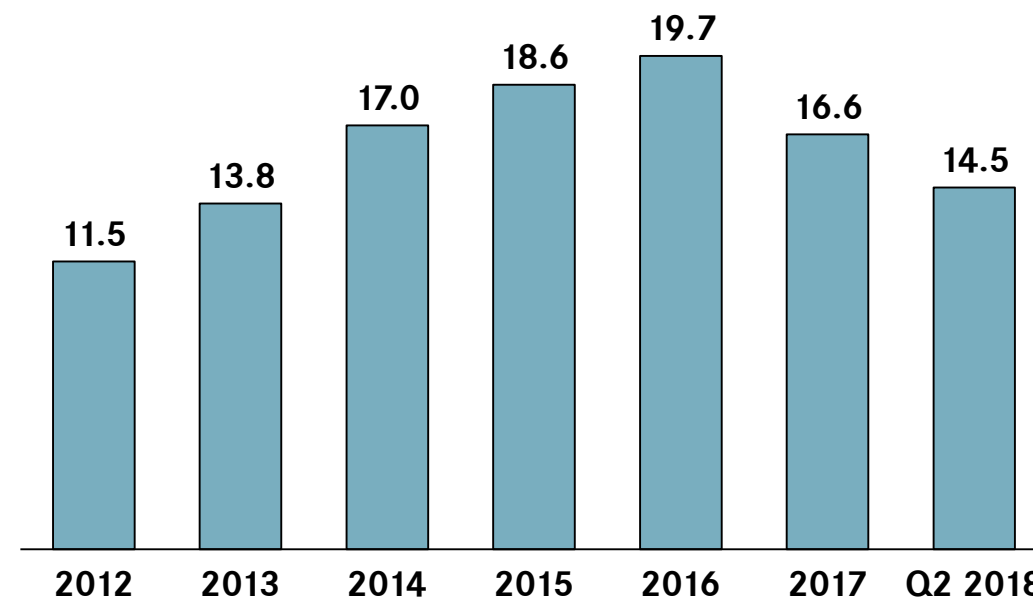
Daimler follows a conservative financial management approach and further strengthened the balance sheet...

Gross Group Liquidity (in bn EUR)

Financial Services
Industrial Business



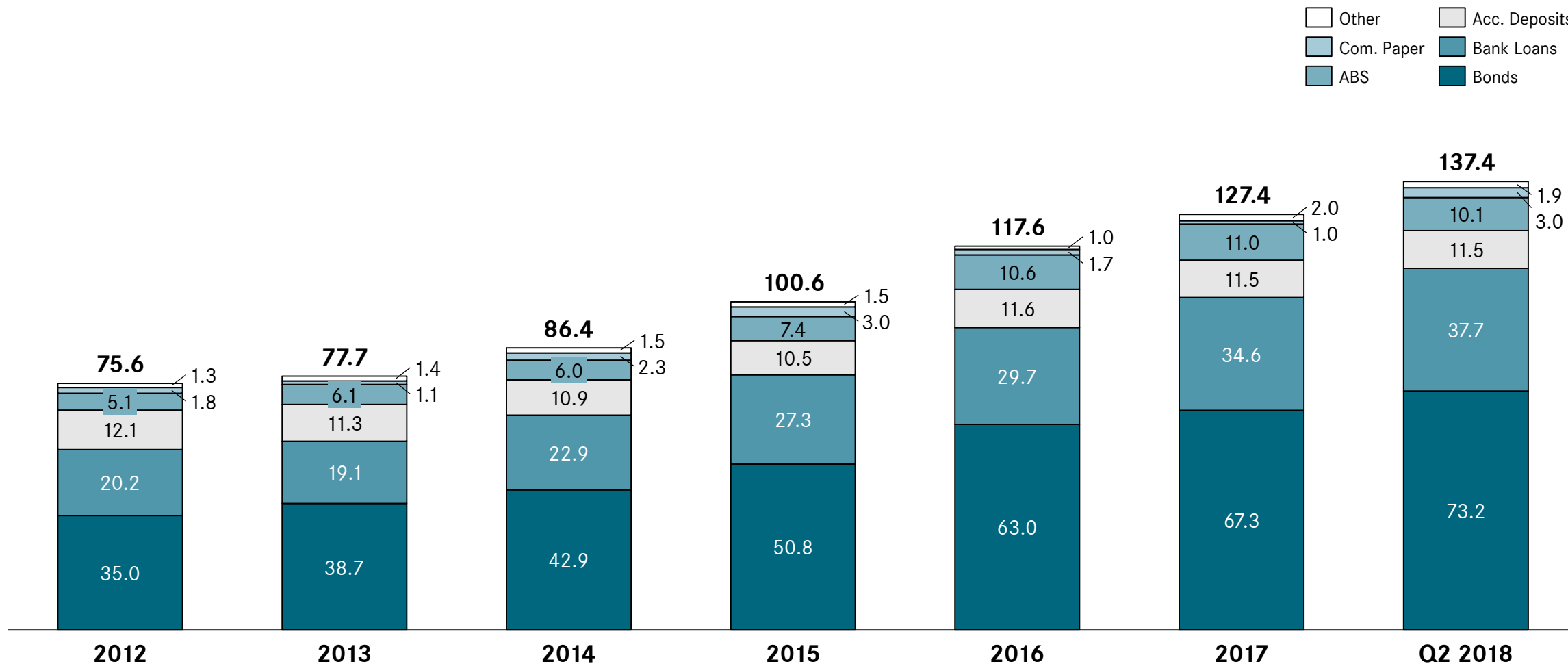
Net Industrial Liquidity (in bn EUR)



Note: Figures may not be additive due to rounding.

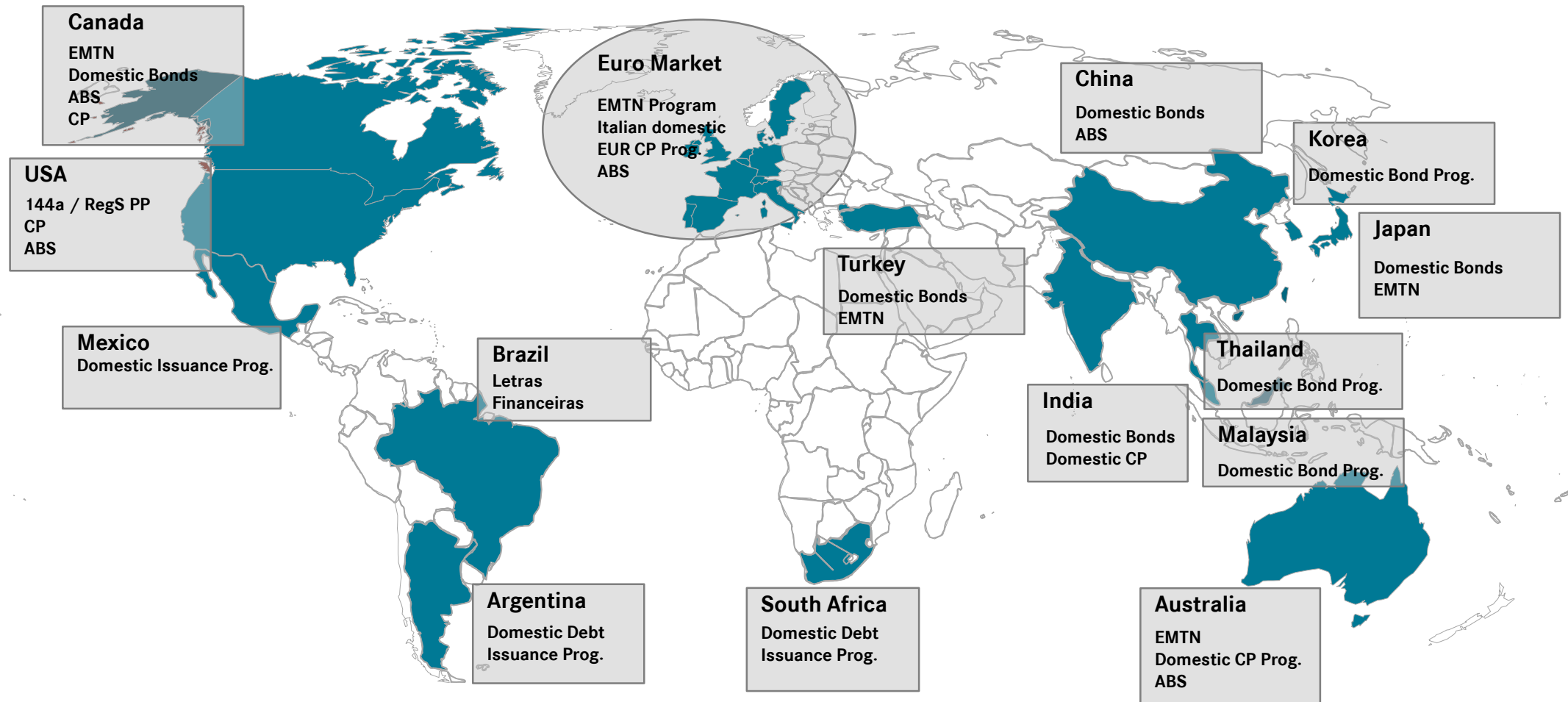
Financing Liabilities Structure 2012 – 2018 YTD

in billions of EUR



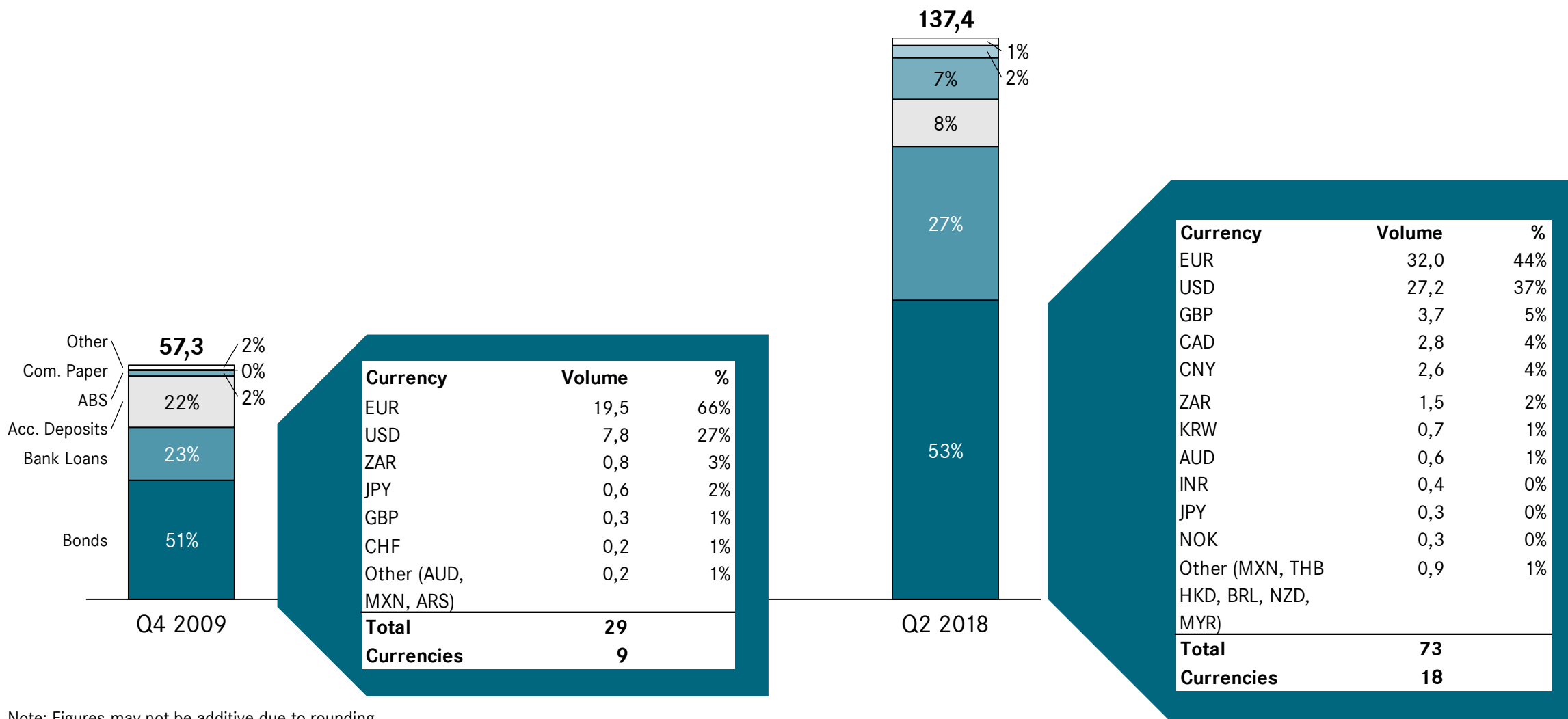
Note: Figures may not be additive due to rounding.

Consequent development to global bond funding diversification will continue



Funding base further diversified to a true global set-up

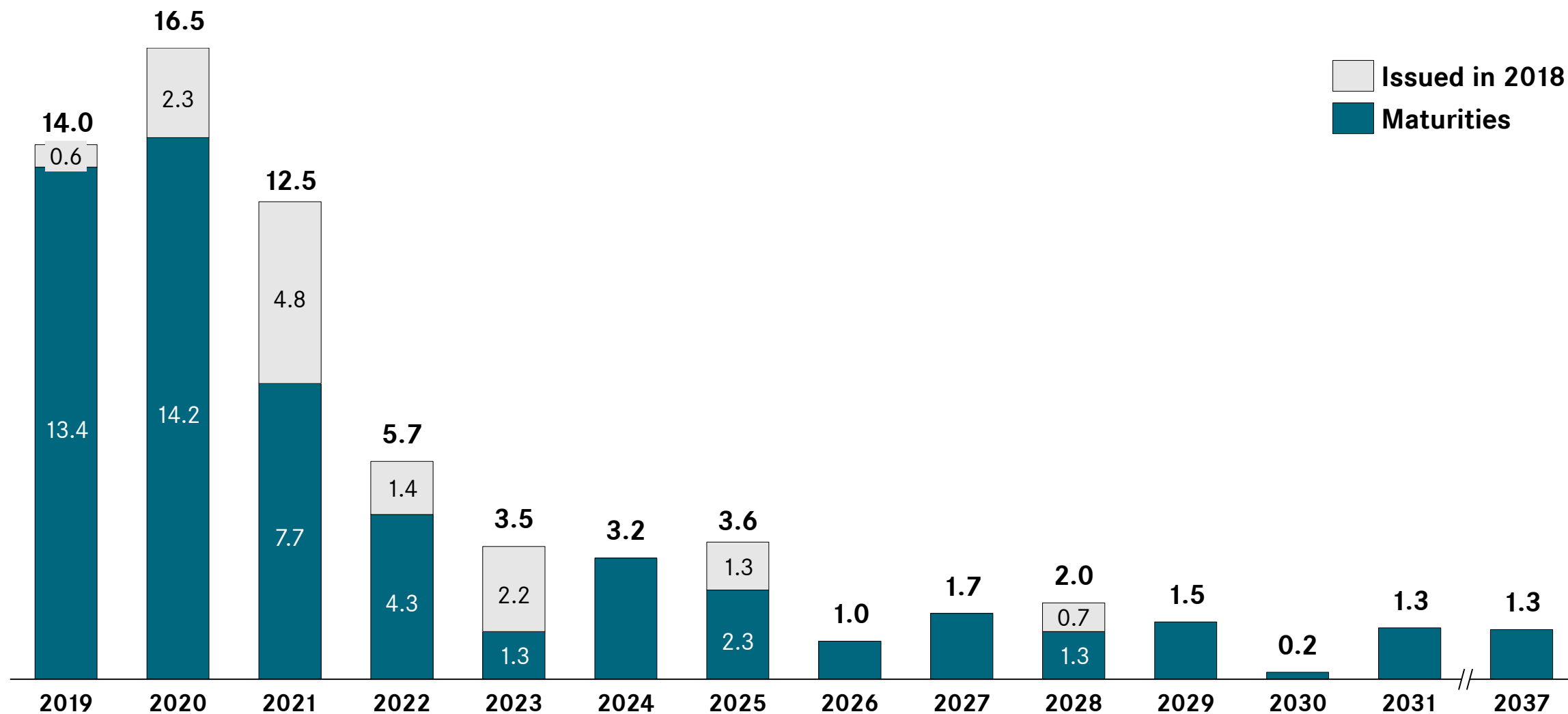
in billions of EUR



Note: Figures may not be additive due to rounding.

Maturity profile Daimler Group

in billions of EUR as of 30 June 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

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

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Key balance sheet and financial figures

Daimler Group	Dec. 31, 2017	June 30, 2018
Equity ratio	24.0%	23.8%
Gross liquidity	22.1	24.7
Funded status of pension obligations	-4.5	-5.2
<i>Funding ratio</i>	<i>86%</i>	<i>84%</i>
Industrial business		
Equity ratio	46.4%	45.6%
Net liquidity	16.6	14.5
Free cash flow (January-June)	3.0	1.8

in billions of euros

Units sales by division

	Q2 2017	Q2 2018	% change
Daimler Group	822.5	833.0	+1
of which			
Mercedes-Benz Cars	595.2	590.7	-1
Daimler Trucks	116.4	123.9	+6
Mercedes-Benz Vans	103.4	110.9	+7
Daimler Buses	7.5	7.5	+0

in thousands of units

Revenue by division

	Q2 2017*	Q2 2018	% change
Daimler Group	41.2	40.8	-1
of which			
Mercedes-Benz Cars	23.6	22.6	-4
Daimler Trucks	9.0	9.2	+2
Mercedes-Benz Vans	3.3	3.5	+6
Daimler Buses	1.2	1.1	-12
Daimler Financial Services	5.9	6.3	+6
Contract volume of Daimler Financial Services**	139.9	146.7	+7

in billions of euros

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

** figures as of December 31, 2017 and June 30, 2018

Revenue by region

	Q2 2017*	Q2 2018	% change
Daimler Group	41.2	40.8	-1
of which			
Europe	17.1	17.3	+1
<i>of which Germany</i>	6.2	6.2	+1
NAFTA	11.8	11.5	-2
<i>of which United States</i>	10.1	9.7	-4
Asia	9.7	9.5	-2
<i>of which China**</i>	4.8	4.5	-6
Other markets	2.6	2.5	-5

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

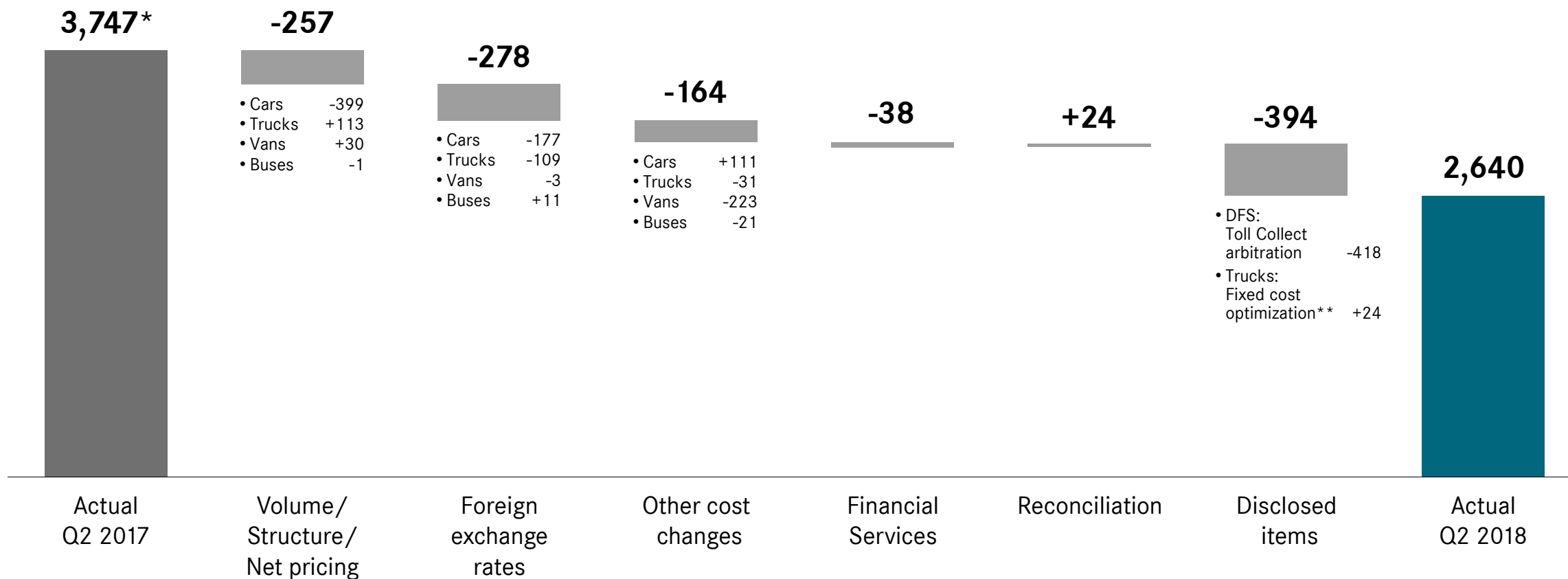
- EBIT in millions of euros; RoS/RoE in % -	Q2 2017*		Q2 2018	
	EBIT	RoS/RoE**	EBIT	RoS/RoE**
Daimler Group	3,747	9.1	2,640	7.5
of which				
Mercedes-Benz Cars	2,365	10.0	1,901	8.4
Daimler Trucks	548	6.1	546	5.9
Mercedes-Benz Vans	349	10.5	152	4.3
Daimler Buses	78	6.4	66	6.1
Daimler Financial Services	522	18.8	66	2.1
Reconciliation	-115	-	-91	-

* 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 Q2 2018

- in millions of euros -



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

** in Q2 2017

Capital expenditure / Research and development

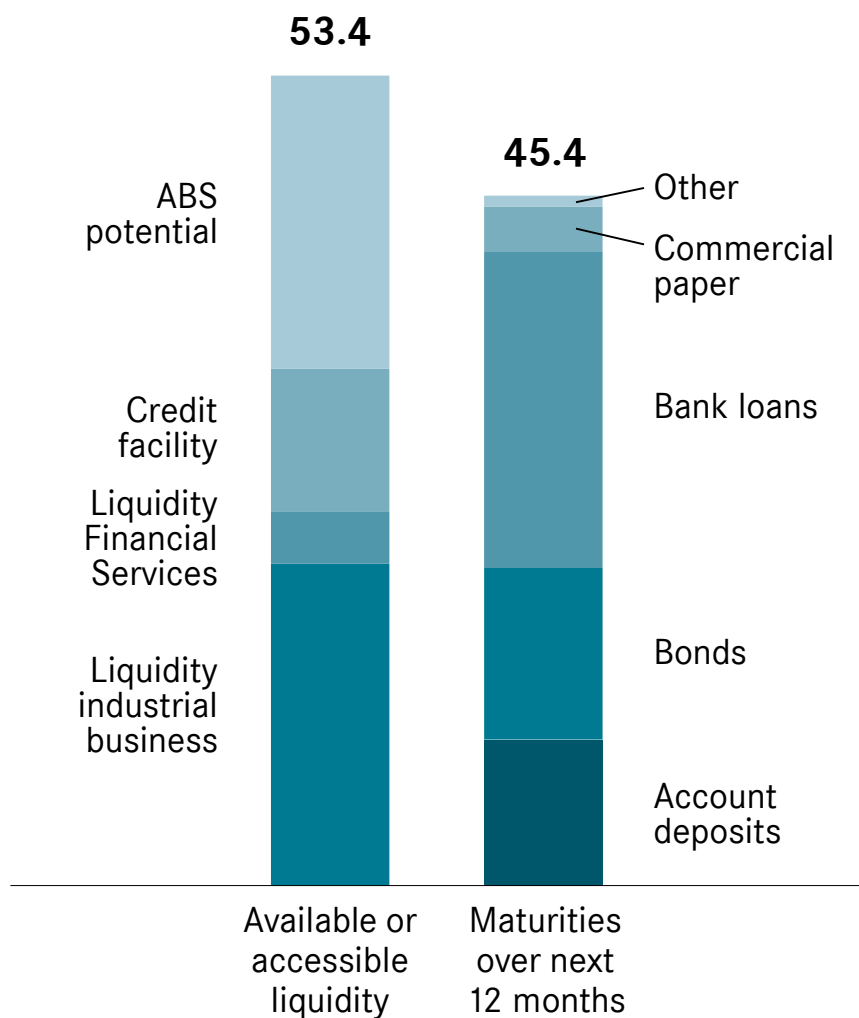
in billions of euros

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

* average p.a.

Financial flexibility over a 12-month period

- in billions of euros -



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

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

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

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

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 Q3-2018

Jul 26-27 2018	CFO Roadshow	Frankfurt
Jul 30-31 2018	IR Roadshow	London
Aug 02-03 2018	IR Roadshow	Boston/New York
Sep 04 2018	EQC premiere @ me Convention	Stockholm
Sep 20-21 2018	IAA Commercial Vehicles	Hanover
Sep 25-26 2018	IR Meetings	Munich
Oct 02 2018	Paris Motor Show	Paris

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

Daimler Investor Relations Financial Calendar 2018/2019

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

Apr 25 2019

Interim Report 1st Quarter 2019

May 22 2019

Annual Meeting 2019

Jul 24 2019

Interim Report 2nd Quarter 2019

Oct 23 2019

Interim Report 3rd Quarter 2019

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 and tariff regulations; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.