

# DAIMLER

Q3 2017

Corporate Presentation



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# Key figures

Divisional information

Group financials

Daimler Group Strategy

Outlook

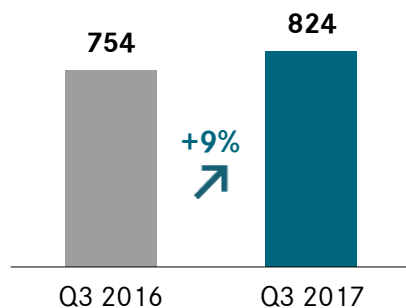
Appendix



# Highlights of Q3 2017

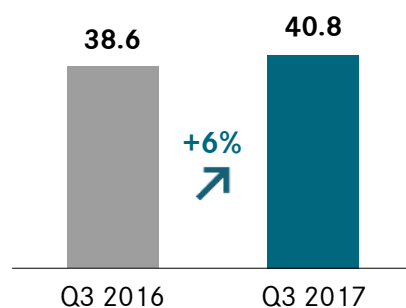
## Unit sales

- in thousands of units -



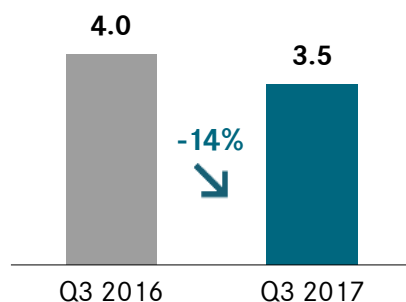
## Revenue

- in billions of euros -



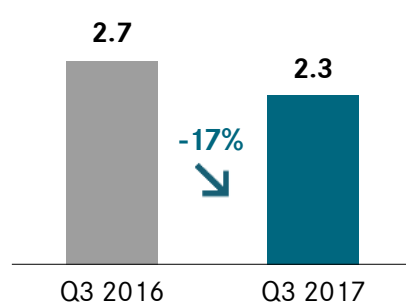
## EBIT

- in billions of euros -



## Net profit

- in billions of euros -



---

World premiere of the the Concept EQA, the smart vision EQ fortwo, the GLC F-CELL and the Mercedes-AMG Project ONE

---

Launch of the FUSO eCanter - the world's first series-produced all-electric truck

---

World premiere of the new Mercedes-Benz X-Class pickup

---

Commitment to further investment of appr. €1.5 billion in e-mobility in China and the United States

---

Expansion of the mobility services business by investments in Turo (peer-to-peer carsharing), Via (joint venture for on-demand shared rides), flinc (door-to-door ridesharing) and Familonet (location messenger app), and the start of Mercedes-Benz Vans Rental

---

car2go, mytaxi and moovel with 15.9 million customers (+116%)

---

Decision on comprehensive plan for diesel engines and expanded package of diesel measures for improved air quality

---

# Board of Management decides on first steps to strengthen the divisional structure

Plans for three legally independent entities under the roof and lead of Daimler AG

Strengthening of the corporate structure will serve future success of Daimler

Agreement with employee representatives on cornerstones of a balance of interests will secure the future of Daimler employees

Targeted new structure will help to better focus on changing requirements of markets and customers

No plans for divestment of individual divisions

Daimler will invest a three-digit million euro amount for the first steps

Contribution of €3.0 billion to German pension fund of Daimler AG, subject to the approval of the Supervisory Board

No final decision yet by Board of Management or Supervisory Board to implement the new divisional structure

Approval to implement a possible new structure at the earliest by the shareholders' meeting in 2019

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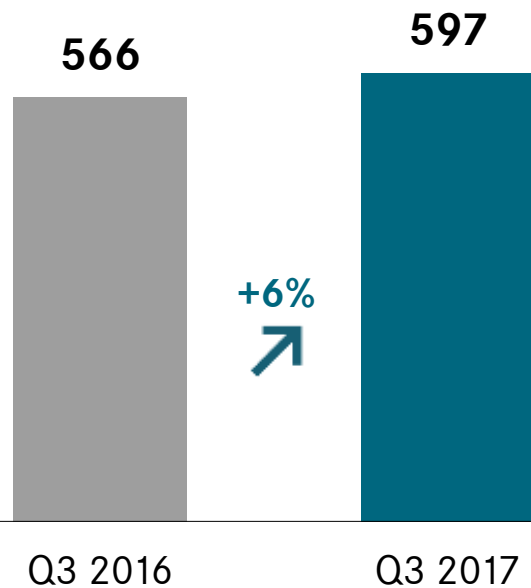
Appendix



# Mercedes-Benz Cars: EBIT below prior year due to one-time effects

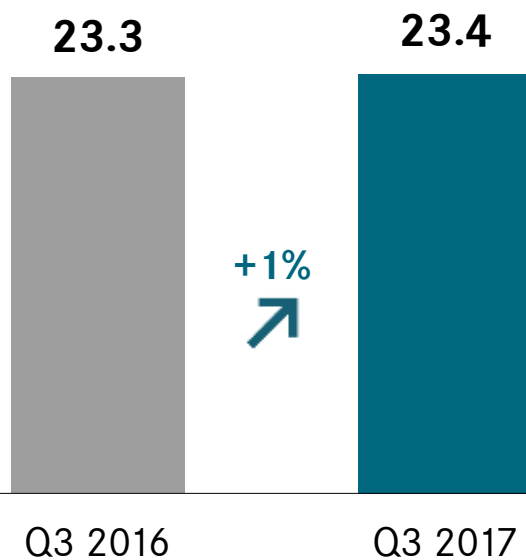
## Unit sales

- in thousands of units -



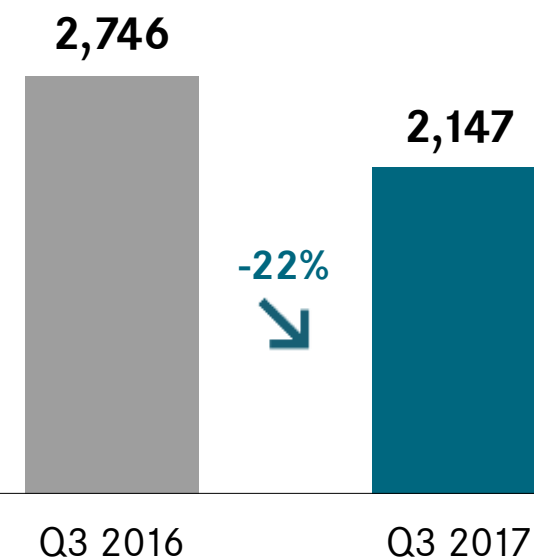
## Revenue

- in billions of euros -



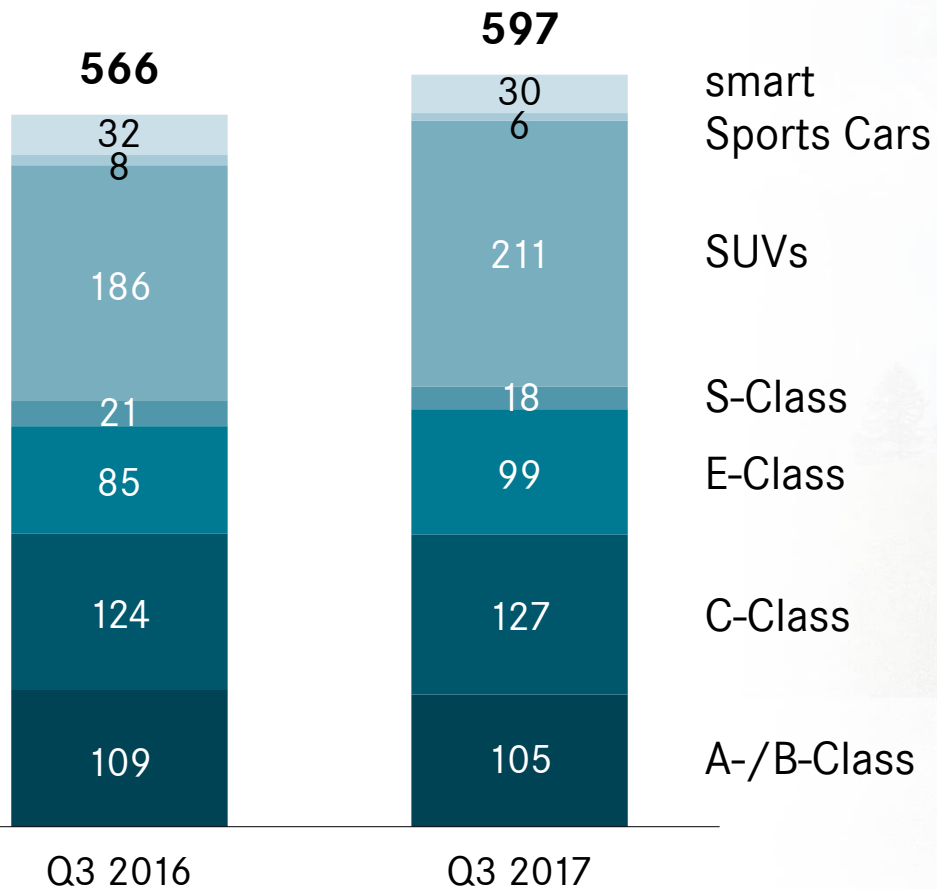
## EBIT

- in millions of euros -



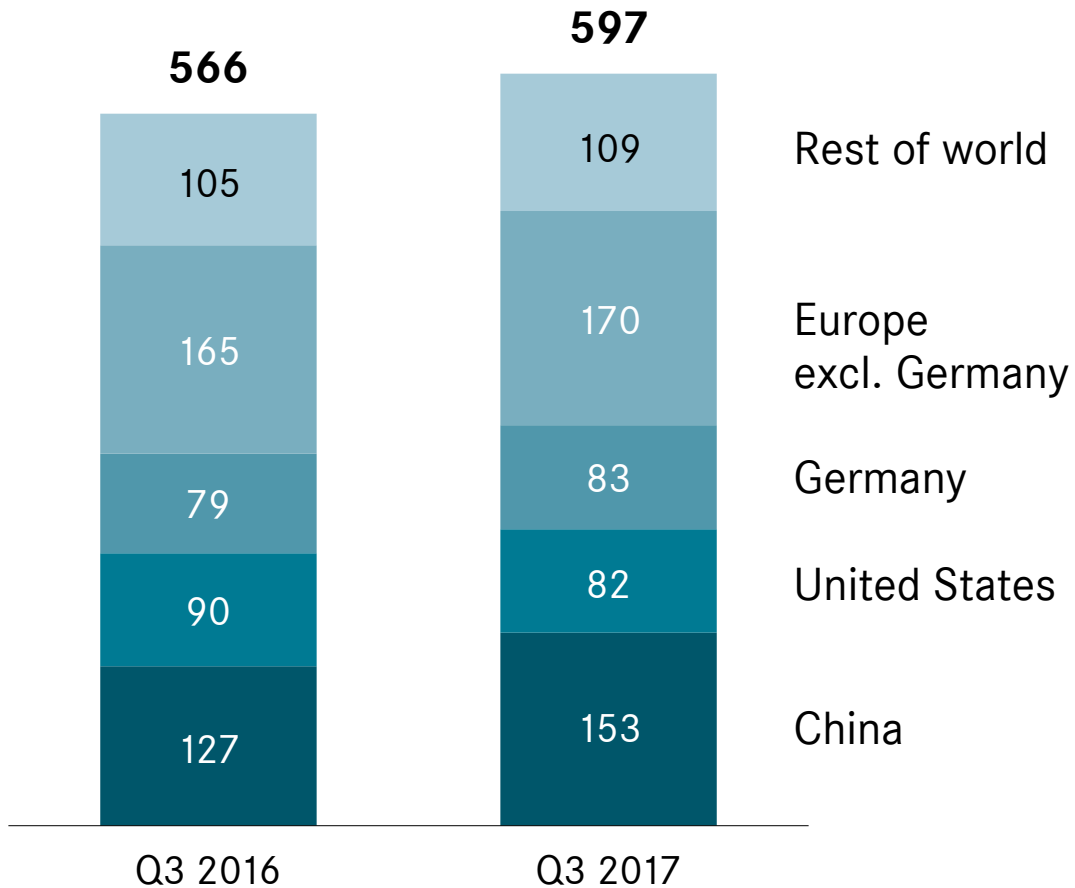
# Mercedes-Benz Cars: sales increase by 6% reflecting our strong product line-up

- in thousands of units -



# Mercedes-Benz Cars: globally balanced sales structure

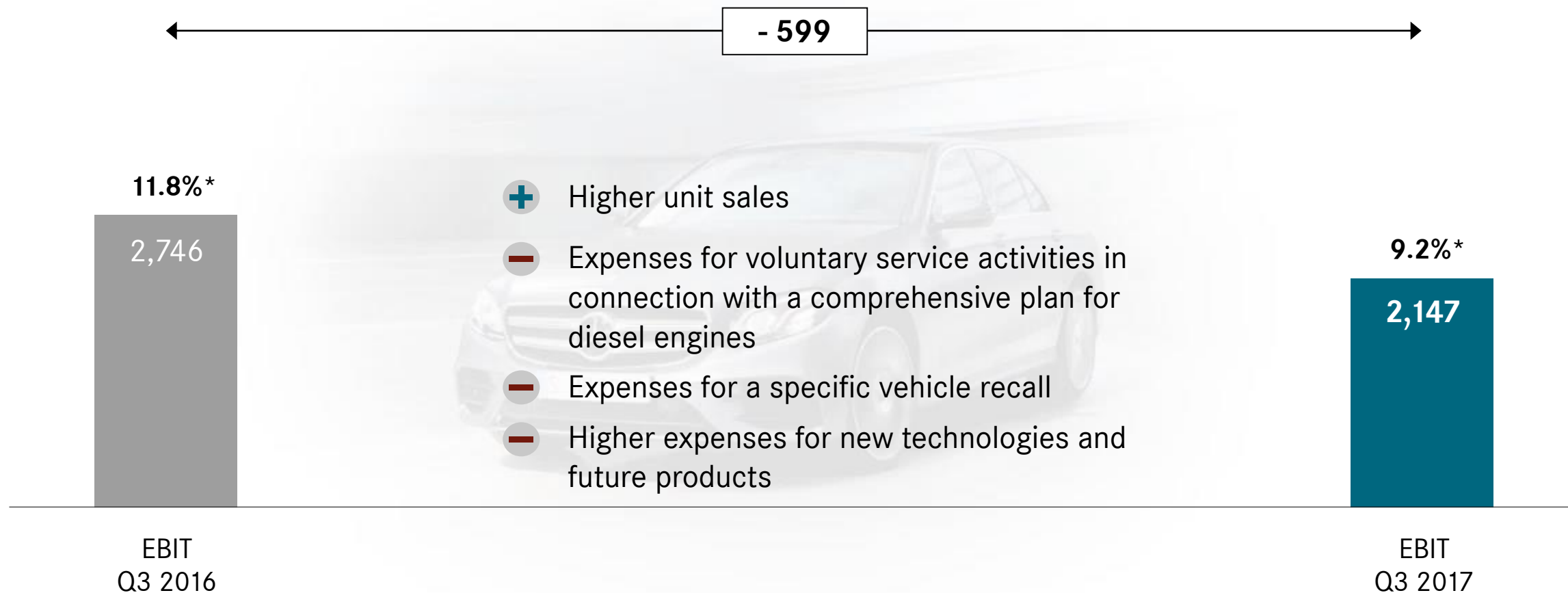
- in thousands of units -





# Mercedes-Benz Cars: EBIT

- in millions of euros -

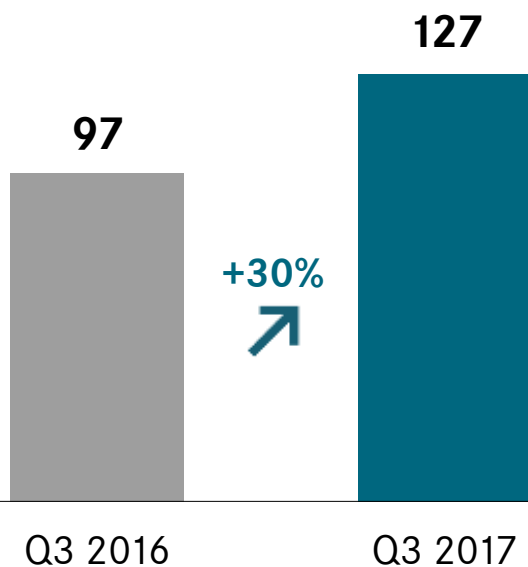


\* Return on sales

# Daimler Trucks: EBIT positively impacted by higher unit sales

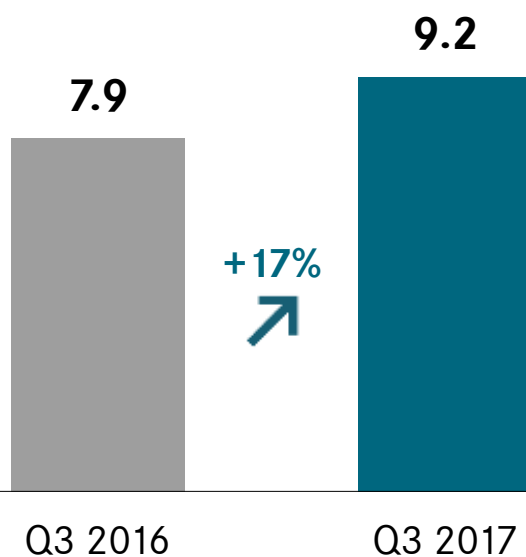
## Unit sales

- in thousands of units -



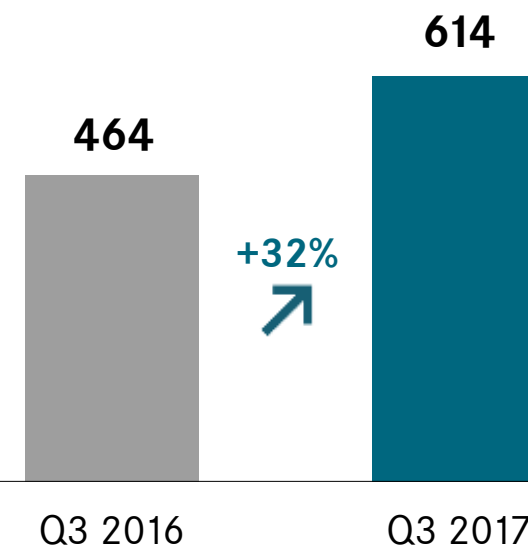
## Revenue

- in billions of euros -



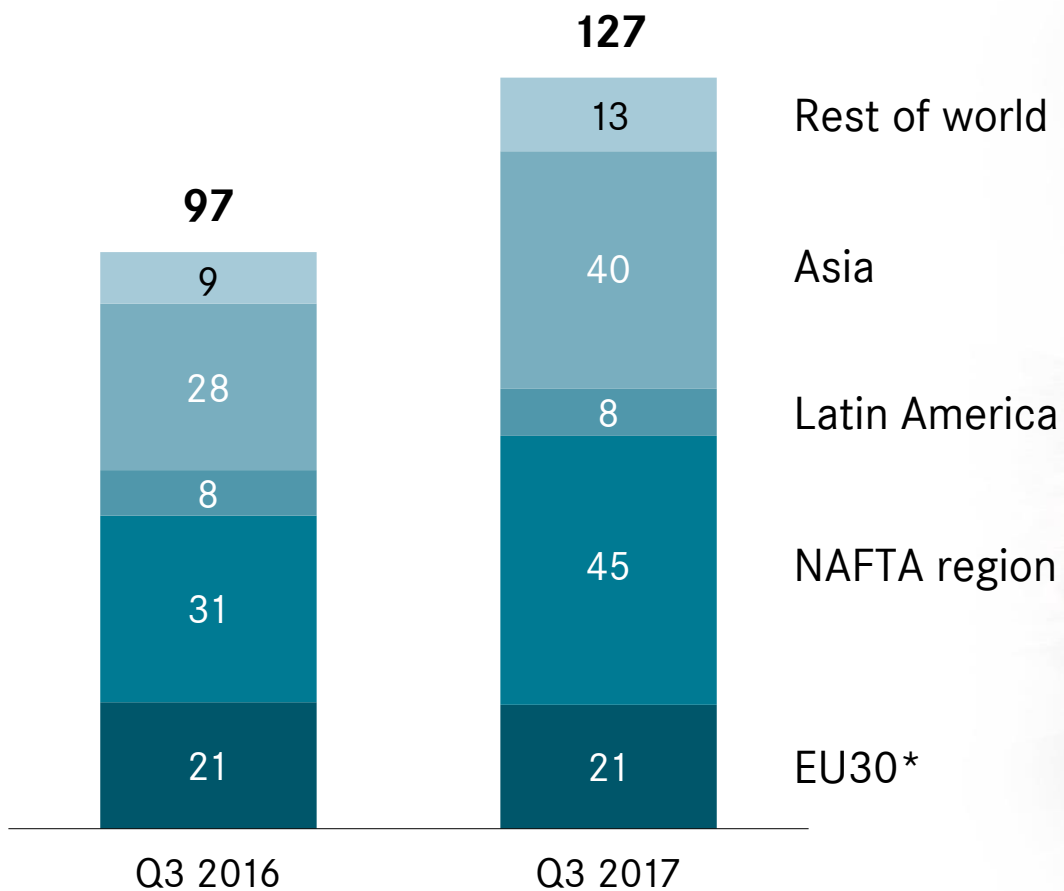
## EBIT

- in millions of euros -



# Daimler Trucks: sales increase by 30% mainly driven by NAFTA region and Asia

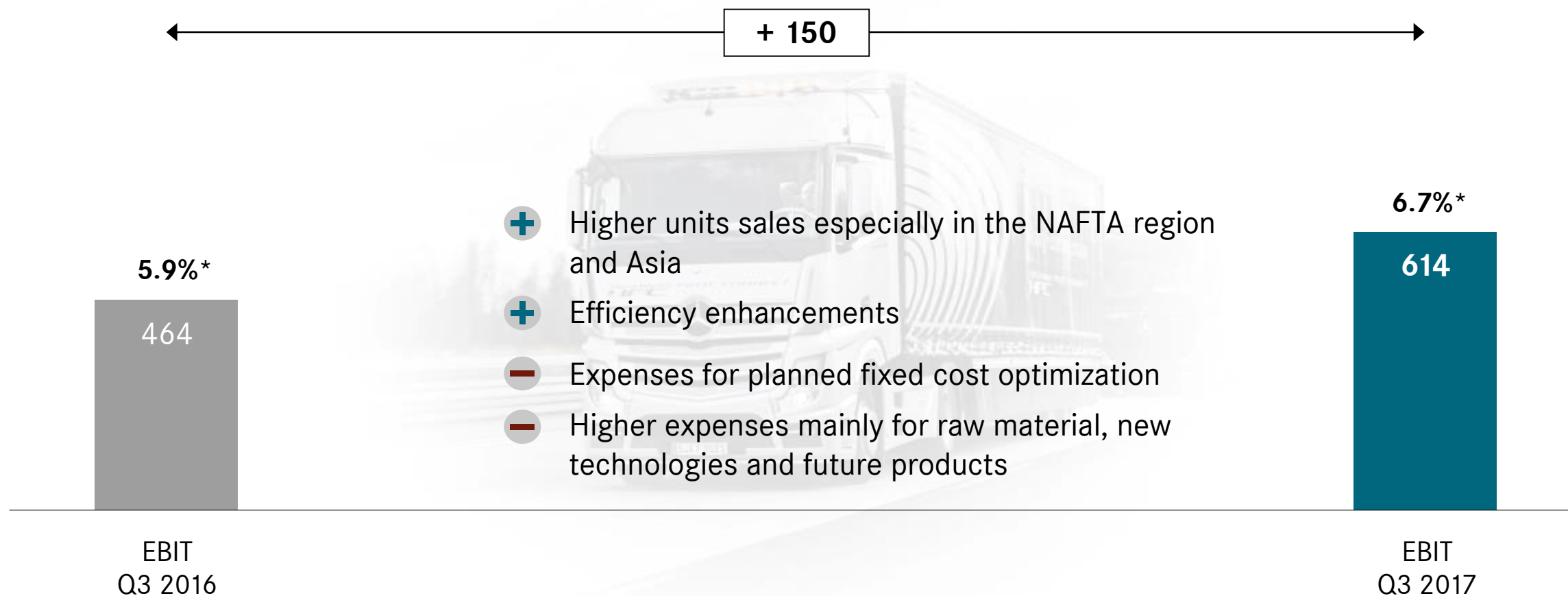
- in thousands of units -



\* European Union, Switzerland and Norway

# Daimler Trucks: EBIT

- in millions of euros -

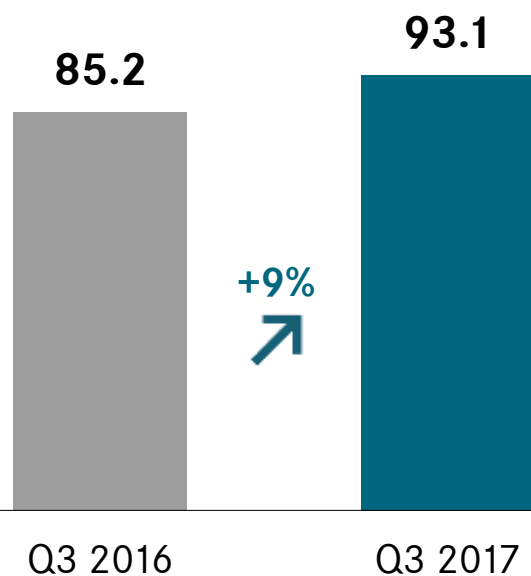


\* Return on sales

# Mercedes-Benz Vans: EBIT below prior-year level due to high investment in new products

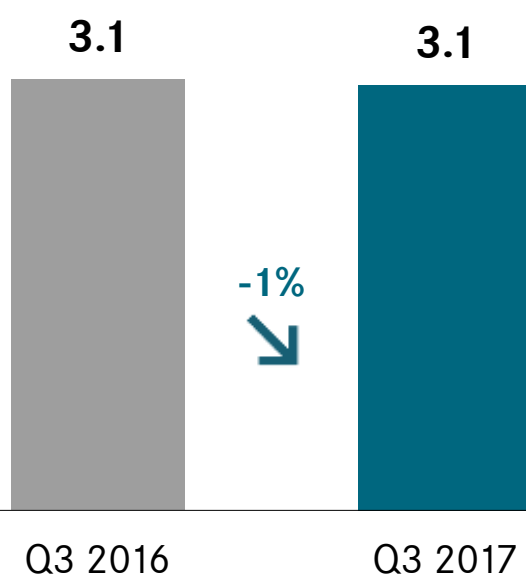
## Unit sales

- in thousands of units -



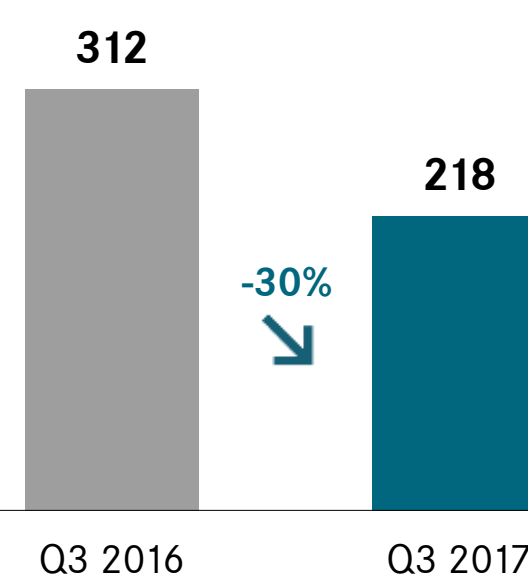
## Revenue

- in billions of euros -



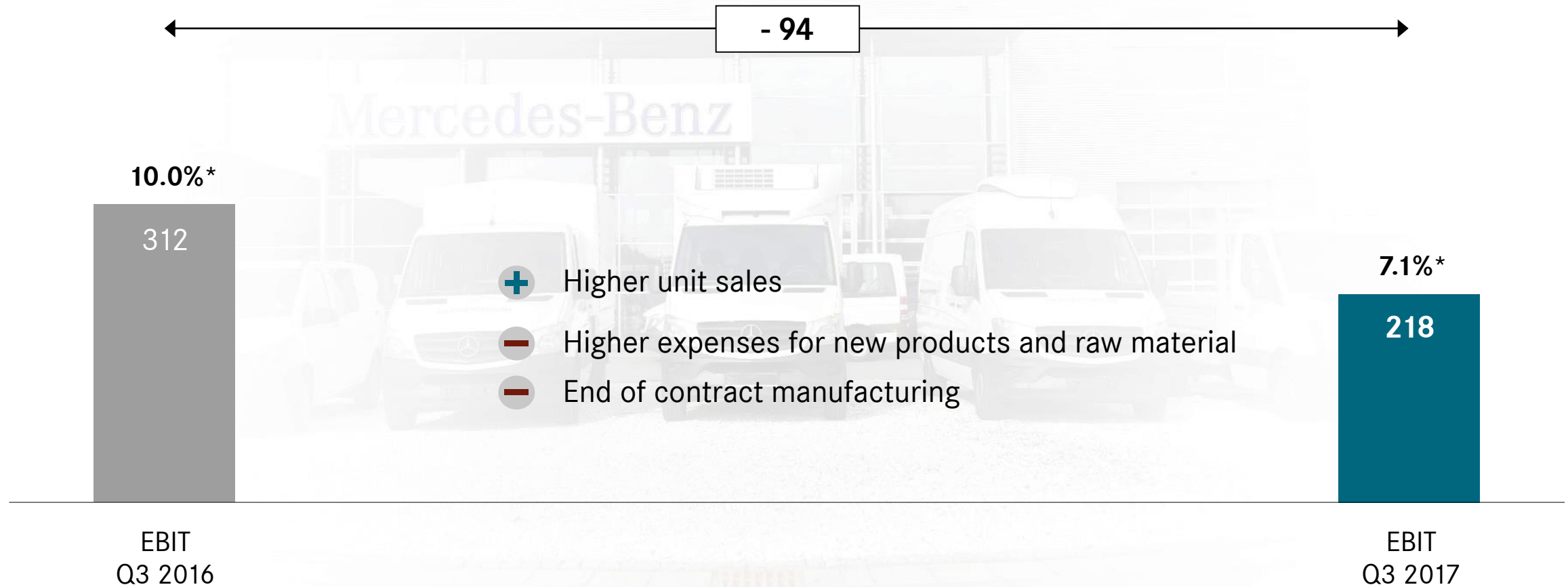
## EBIT

- in millions of euros -



# Mercedes-Benz Vans: EBIT

- in millions of euros -

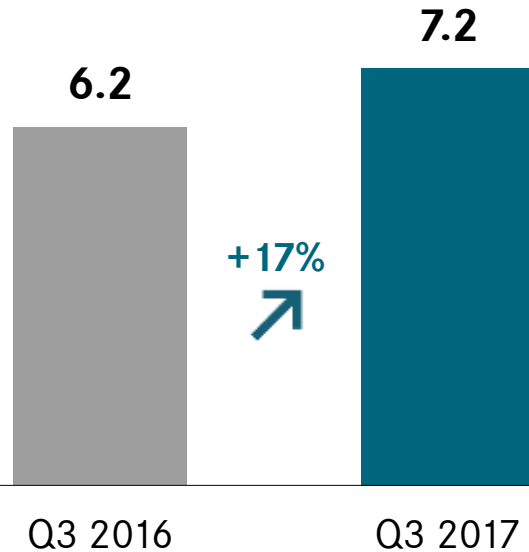


\* Return on sales

# Daimler Buses: negative exchange-rate effects and cost increases only partly offset by higher unit sales

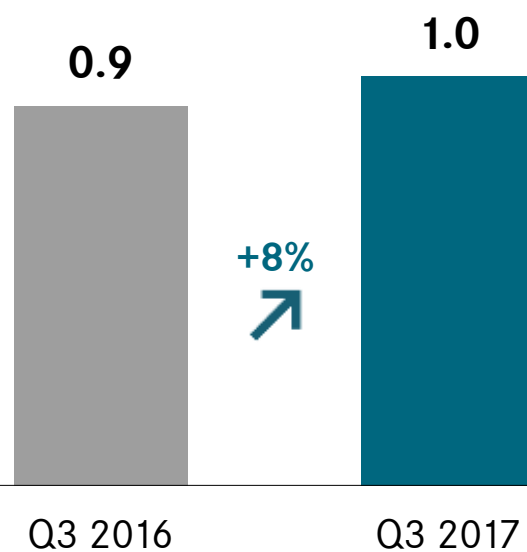
## Unit sales

- in thousands of units -



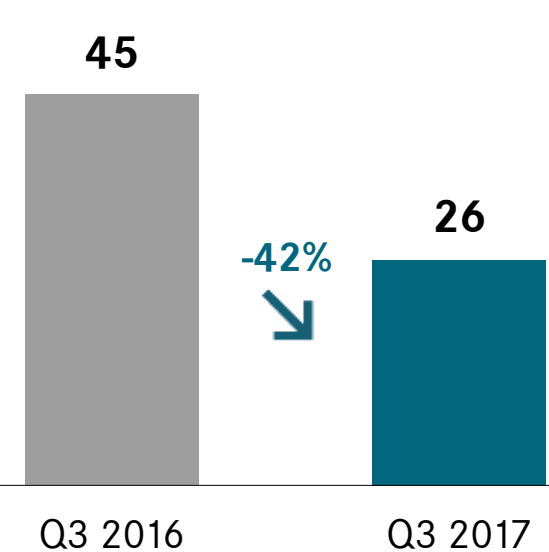
## Revenue

- in billions of euros -



## EBIT

- in millions of euros -



# Daimler Buses: EBIT

- in millions of euros -



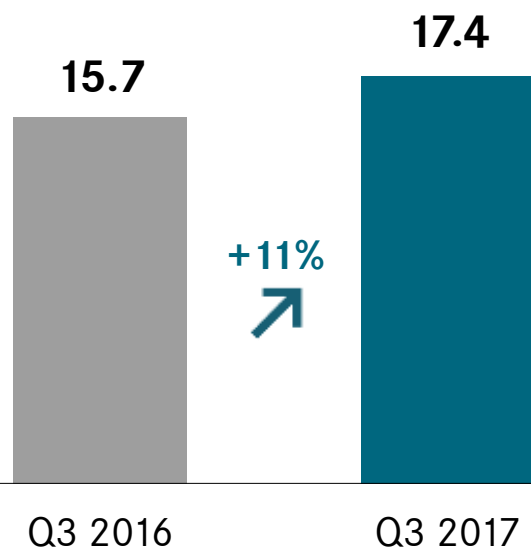
\* Return on sales



# Daimler Financial Services: further business growth

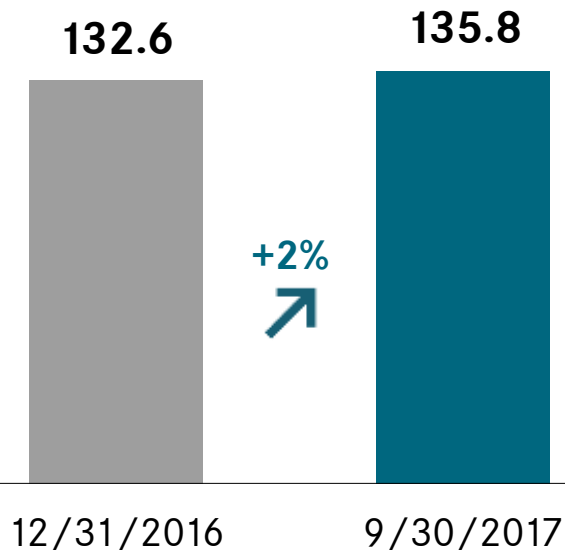
## New business

- in billions of euros -



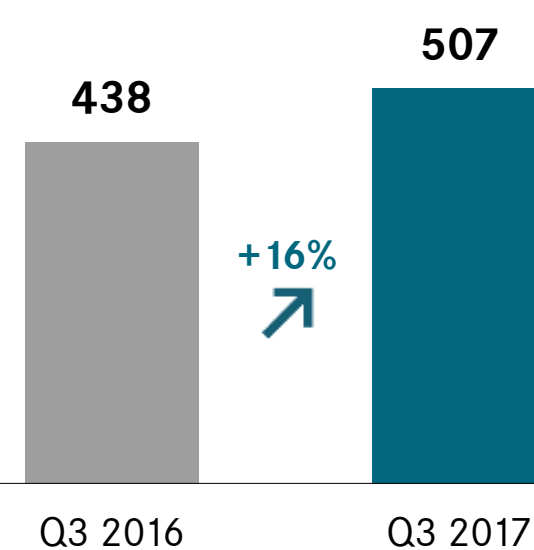
## Contract volume

- in billions of euros -



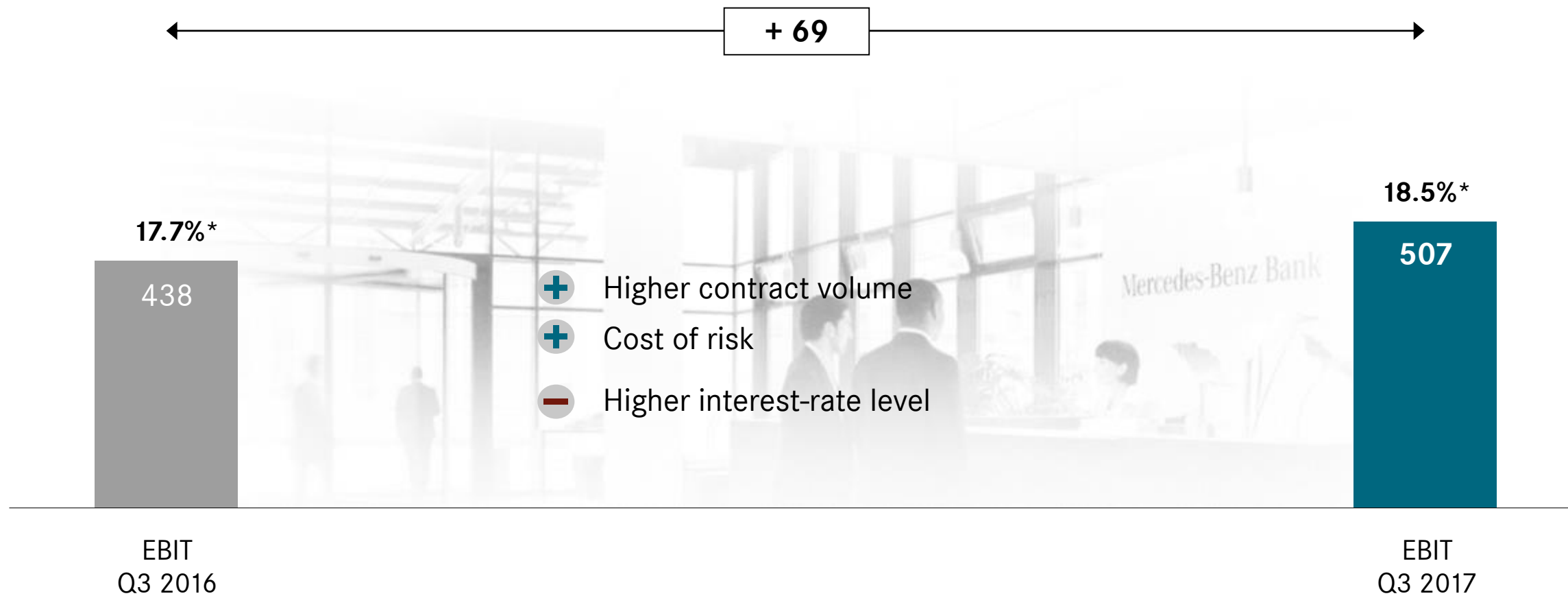
## EBIT

- in millions of euros -



# Daimler Financial Services: EBIT

- in millions of euros -



\* Return on equity

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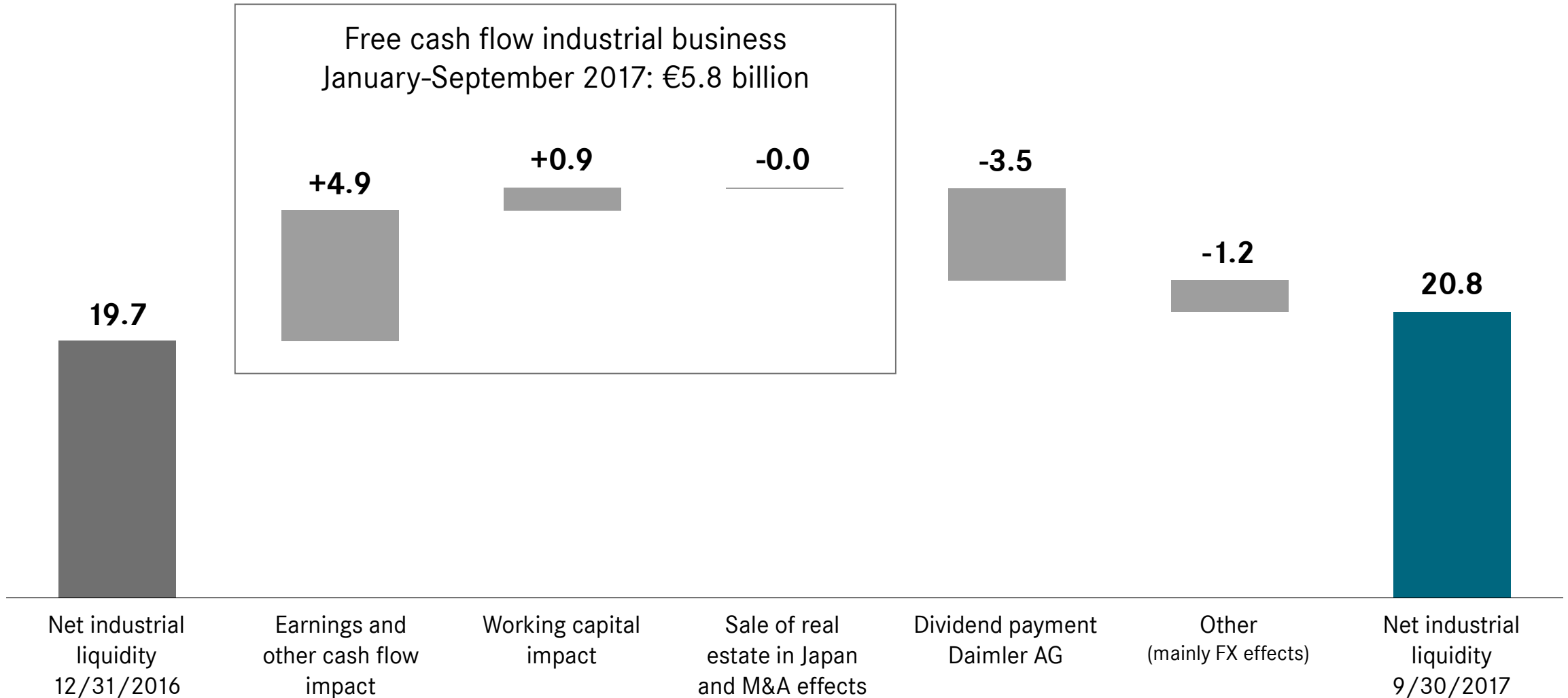
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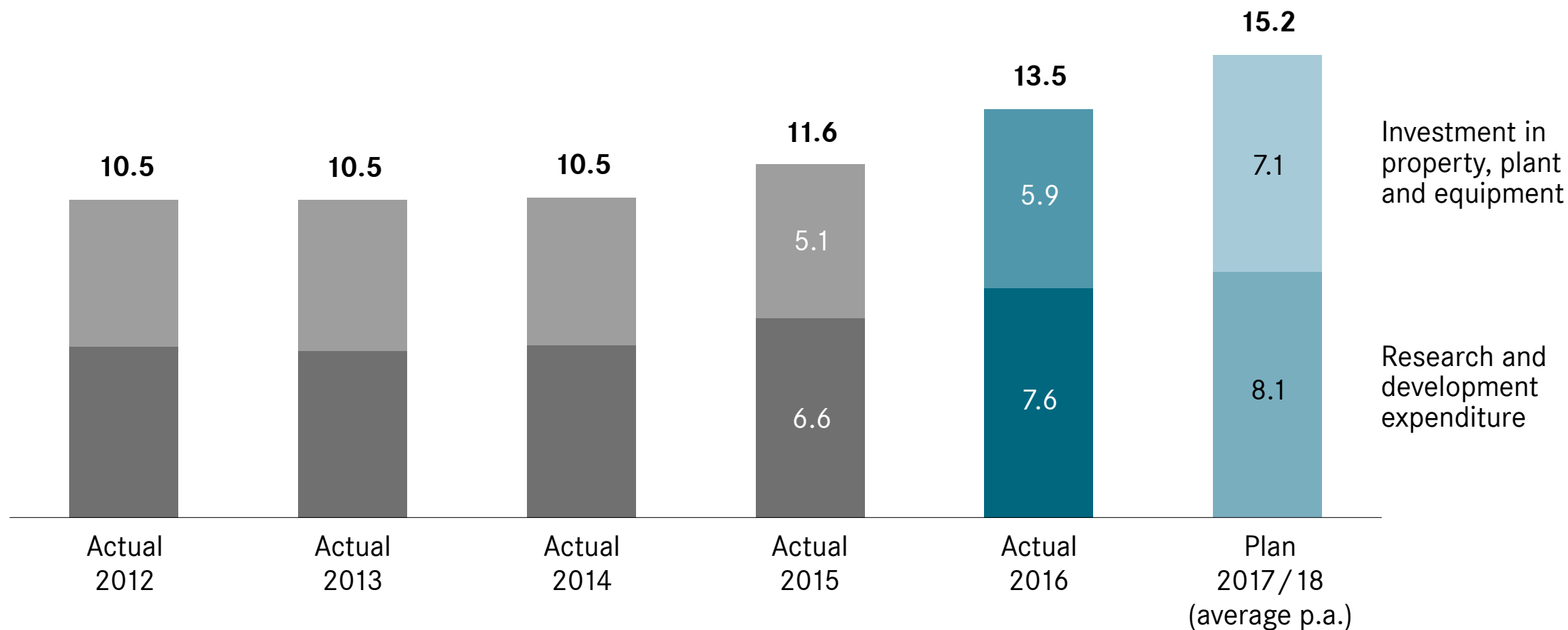
# Strong free cash flow in line with good business development

- in billions of euros -



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

- in billions of euros -



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# 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



# Daimler Group Strategy

Mercedes-Benz Cars

→ CORE

# Mercedes-Benz Cars: product highlights

The Mercedes-Benz GLC F-CELL – the first electric vehicle with fuel-cell and battery drive



# Mercedes-Benz Cars: product highlights

World premiere of the Mercedes-AMG Project ONE



# Mercedes-Benz Cars: product highlights

Presentation of the Vision Mercedes-Maybach 6 Cabriolet



# Mercedes-Benz Cars and Vans: continued product offensive

2017

2018



E-Class Coupé  
E-Class All Terrain



S-Class facelift



GLA facelift



AMG GT Roadster



E-Class Cabriolet



S-Class Coupé/  
Cabriolet facelift



smart fortwo/forfour electric drive  
smart cabrio electric drive



X-Class



New Sprinter



# Our roadmap for sustainable mobility



The image features a road that splits into three distinct paths, each leading to a different automotive technology. The paths are defined by white lines on a teal background. The left path leads to a silver Mercedes-Benz car, the middle path to a white Mercedes-Benz car, and the right path to a blue Mercedes-Benz car. Above the paths are three boxes: an engine, the word 'HYBRID', and 'electric drive'. The background shows a city skyline on the left and a rural landscape on the right.

**High-tech  
combustion engines**

**Plug-in  
hybrids**

**Electric vehicles  
with battery or fuel-cell**

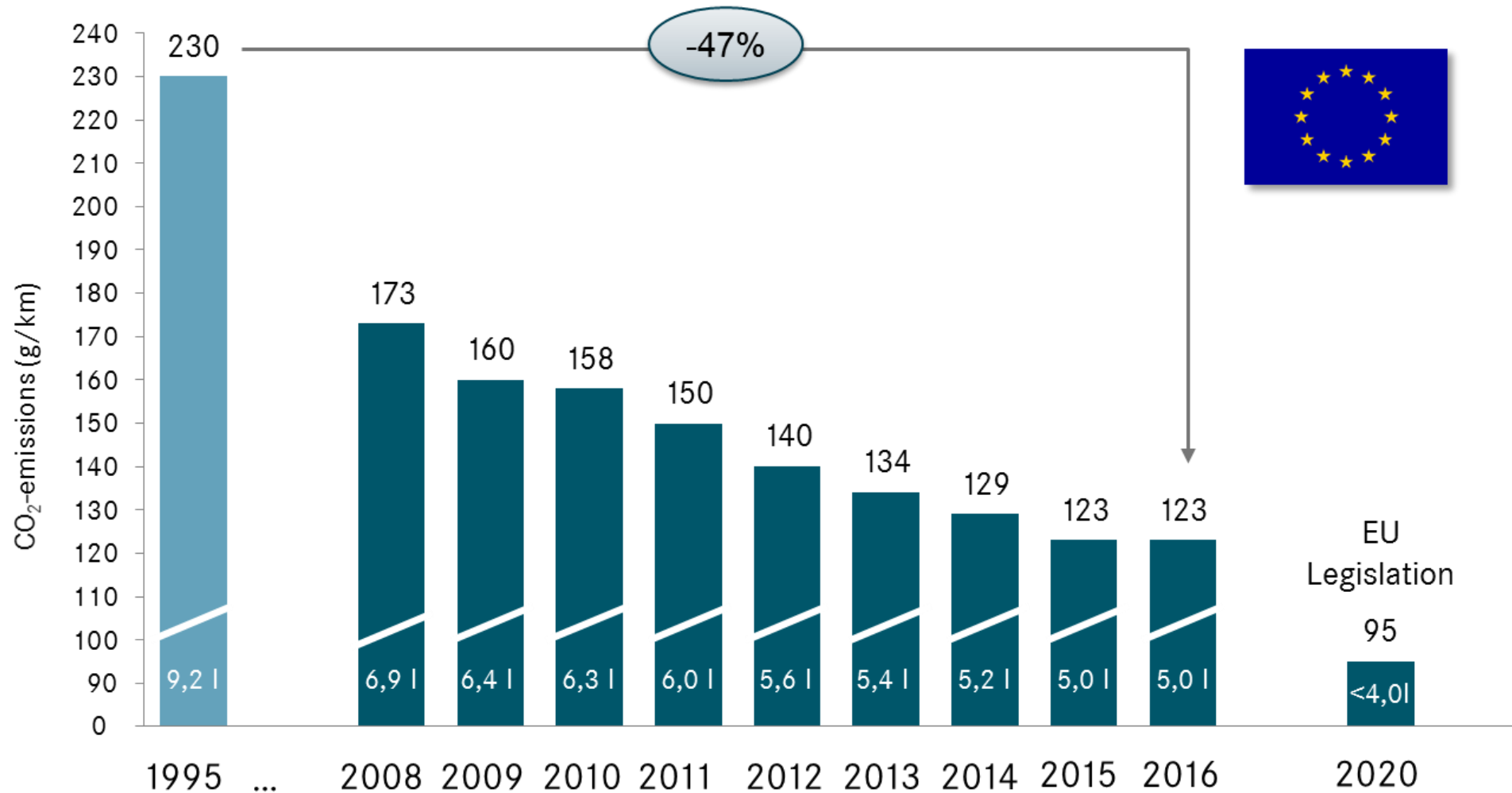


**HYBRID**

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

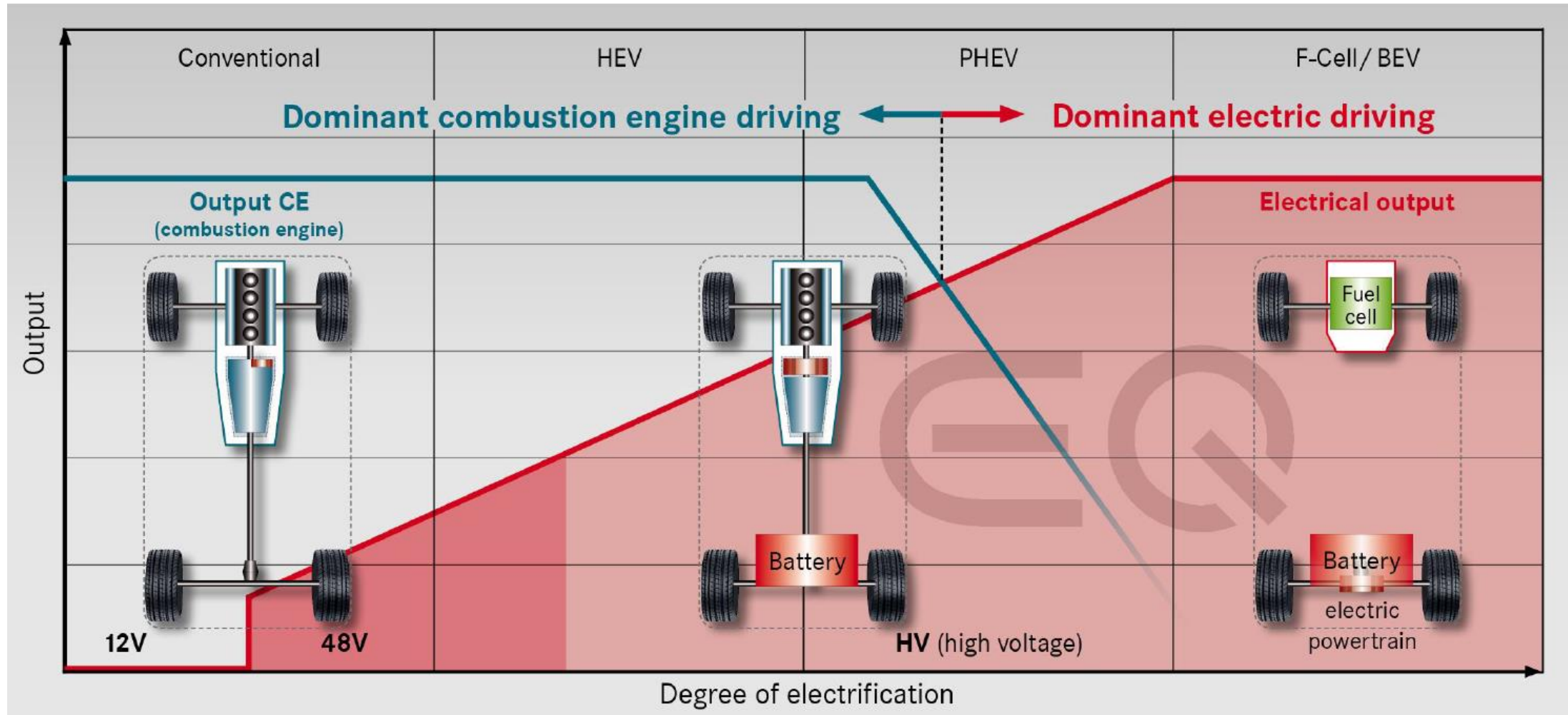
All relative improvements are based on the comparison of OM654 to our engine OM651, NO<sub>x</sub> and CO<sub>2</sub> comparisons based on NEFZ 1.0



# High degree of modularity of the entire drive train

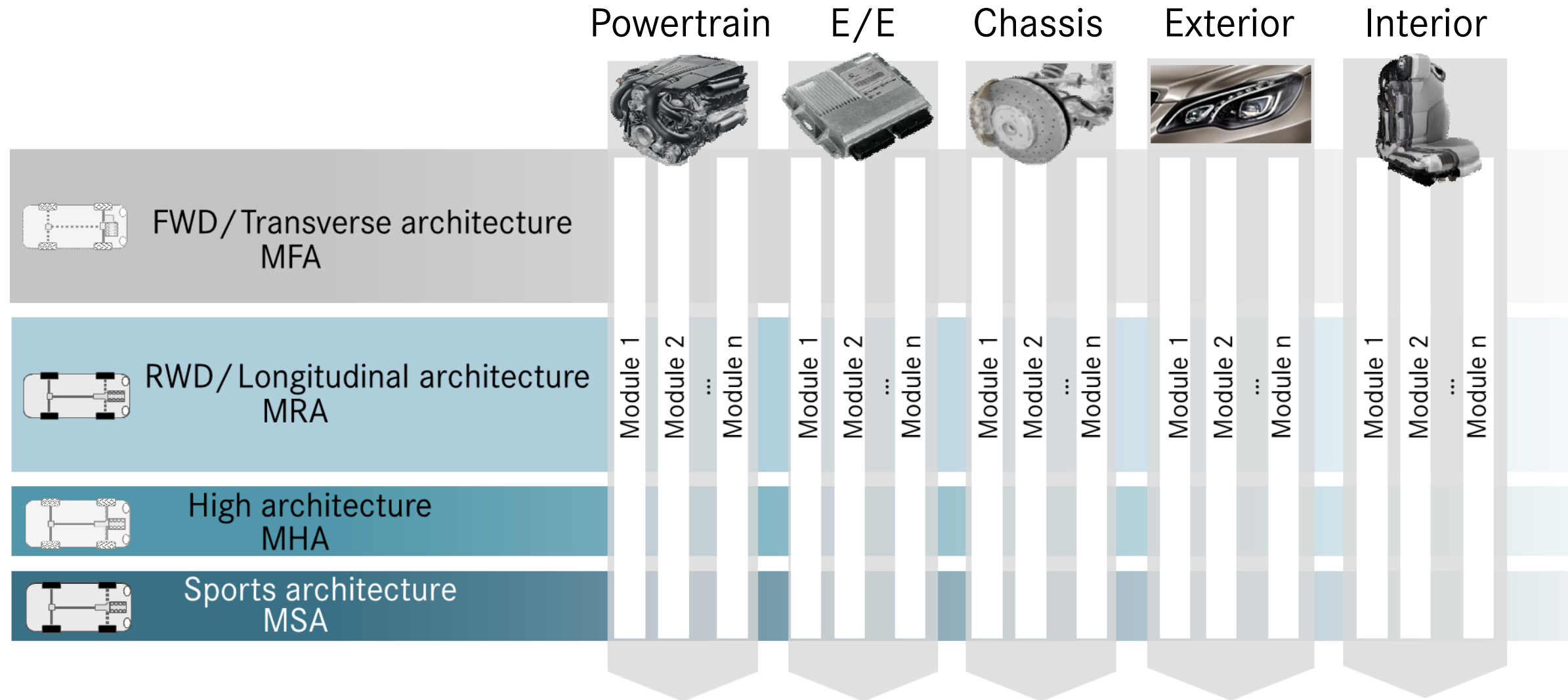


# All-new powertrain setup guarantees flexibility with a wide range of concepts from ICE to xEV



HEV = Hybrid Electric Vehicle; 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

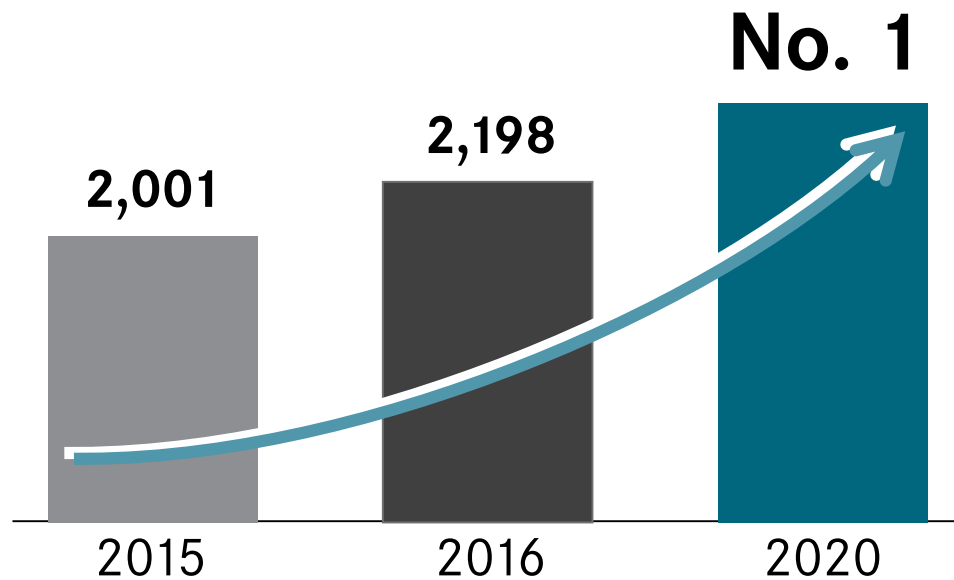


# Our target: remain No.1 premium car manufacturer

achieved already in 2016!

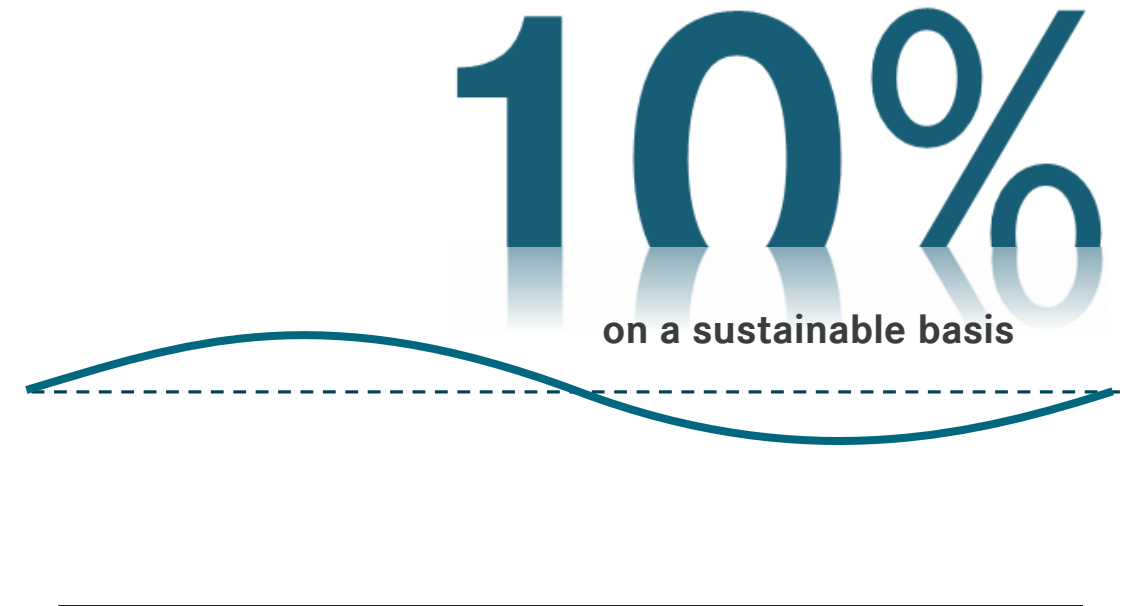
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Mercedes-Benz Cars

→ CASE

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

move



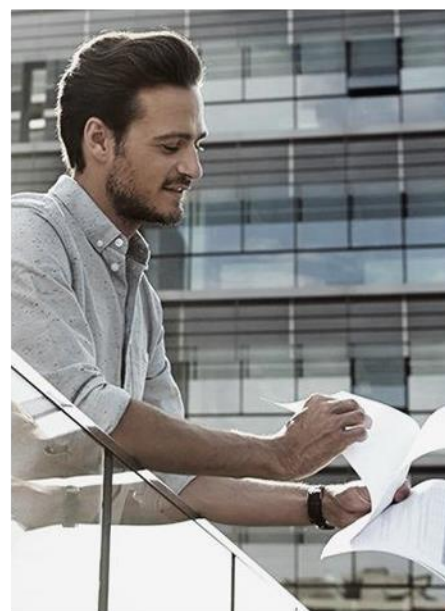
connect



assist



finance



inspire



Mercedes *me*

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



# 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



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

**Car-to-X-Communication**

**Active Distance Assist DISTRONIC**

Route based speed adjustment  
Active Speed Limit Assist

**PRE-SAFE® PLUS**

**Beltbag**

**ATTENTION ASSIST**

**PRE-SAFE®  
Sound**

**Active Steering Assist**

Active Lane Changing Assist  
Active Emergency Stop Assist



**Active Blind Spot Assist**

**Active Lane Keeping Assist**

**Remote  
Parking Assist**

**Active Braking Assist**

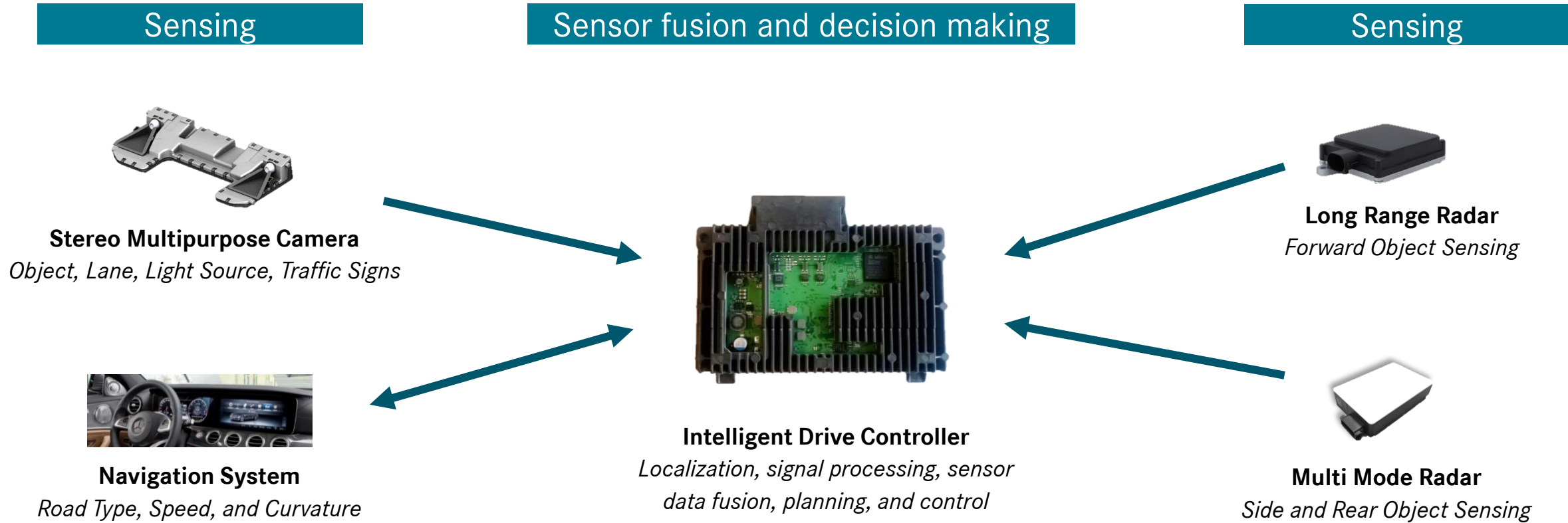
standard with Pedestrian Detection, in  
combination with Driver Assistance Package  
with Cross-Traffic Function and Congestion  
Emergency Braking Function

**Evasive Steering Assist**

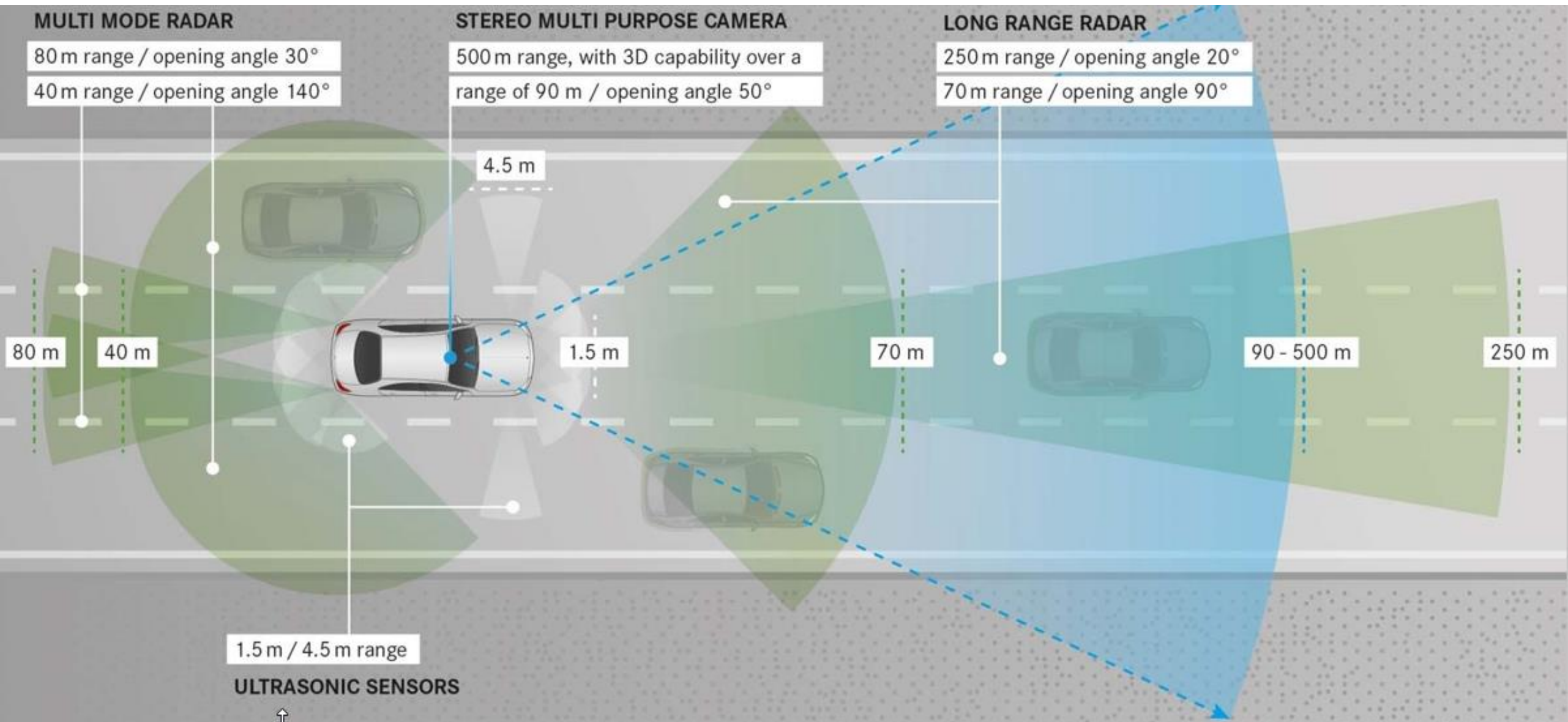
**MULTIBEAM LED**

ULTRA RANGE high beam

# Intelligent Drive Components



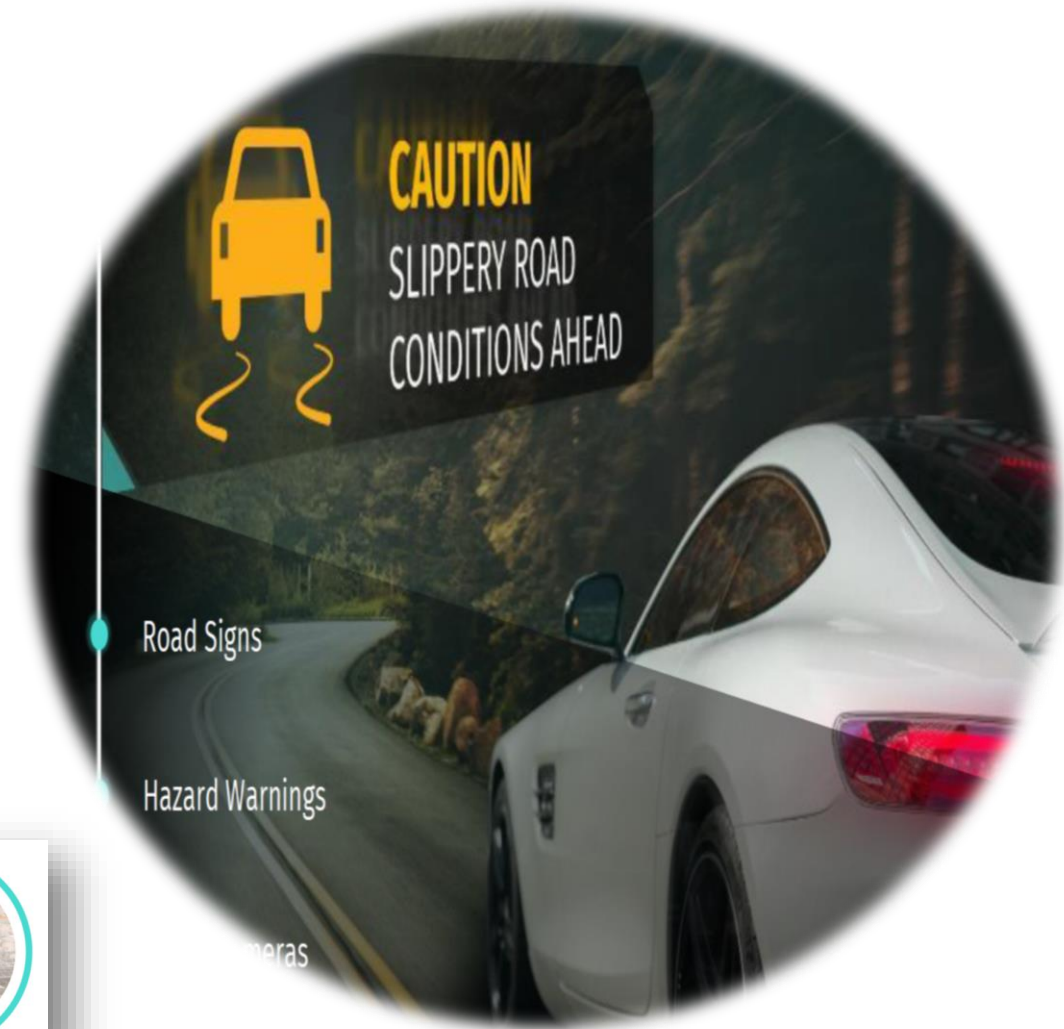
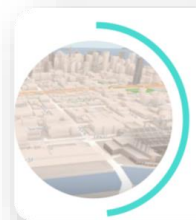
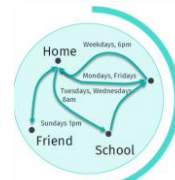
# Sensors for Driver Assistance Package



# HD MAP for highly automated driving and HERE cooperation

- illustrative examples -

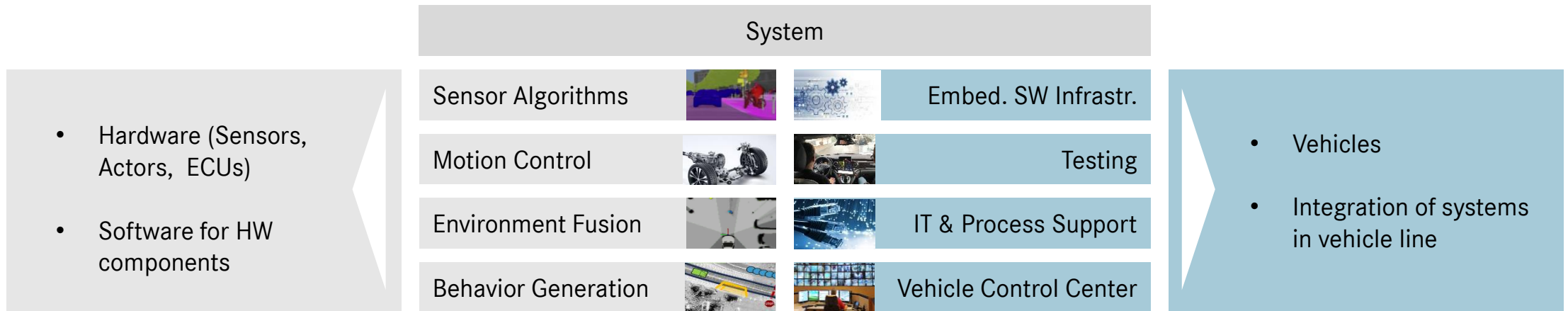
- The HD Live Map is a mandatory part for the HAD\* system for planning and positioning
- The HD Map is the only sensor that delivers context information and a long road horizon
- Close strategic cooperation with HERE for
  - map content, format, accuracy, coverage,
  - quality assurance, maintenance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



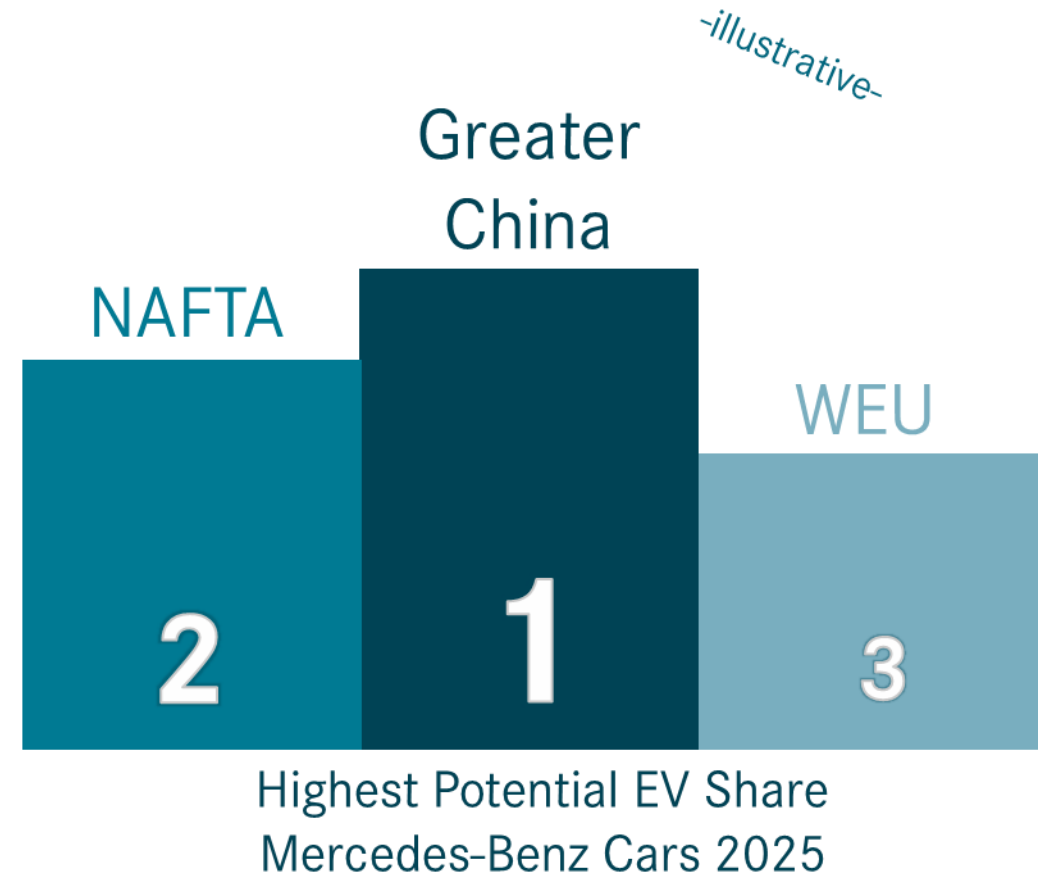
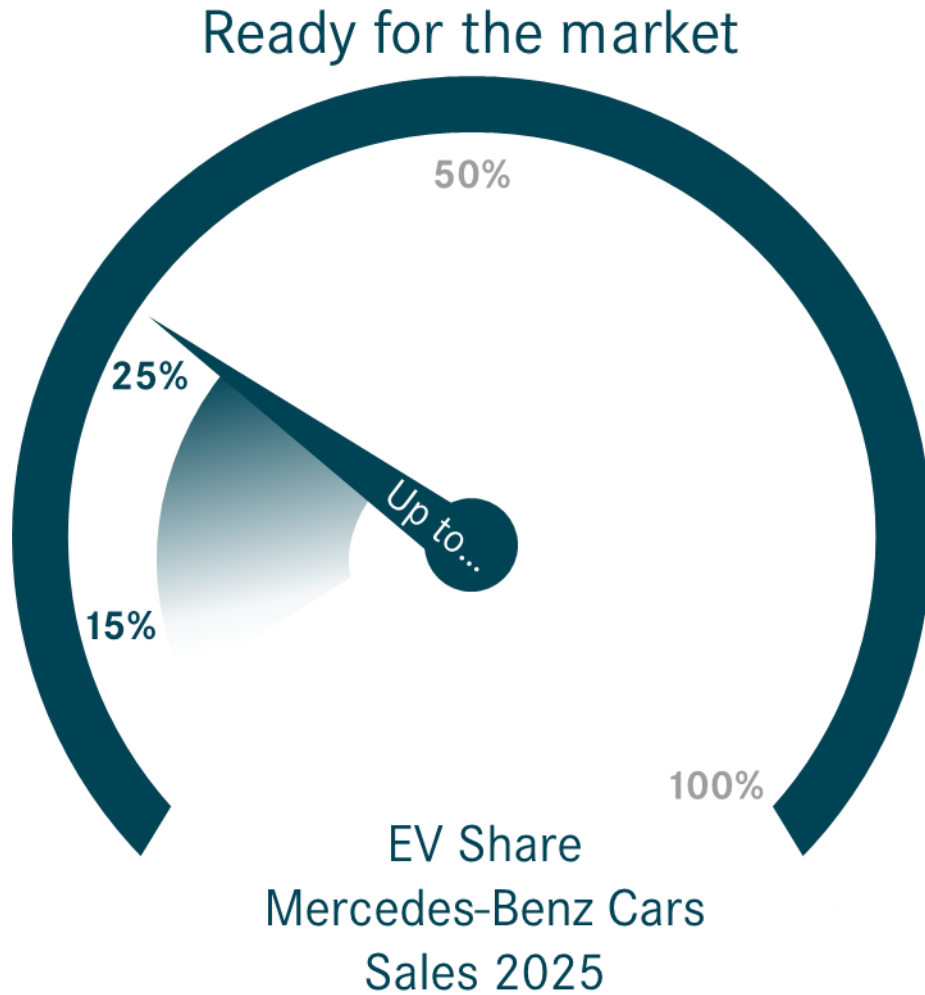
\* Highly Automated Driving

# Bundling of our forces with Bosch

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



# Ambitious Re-Definition of our EV market targets



# 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...





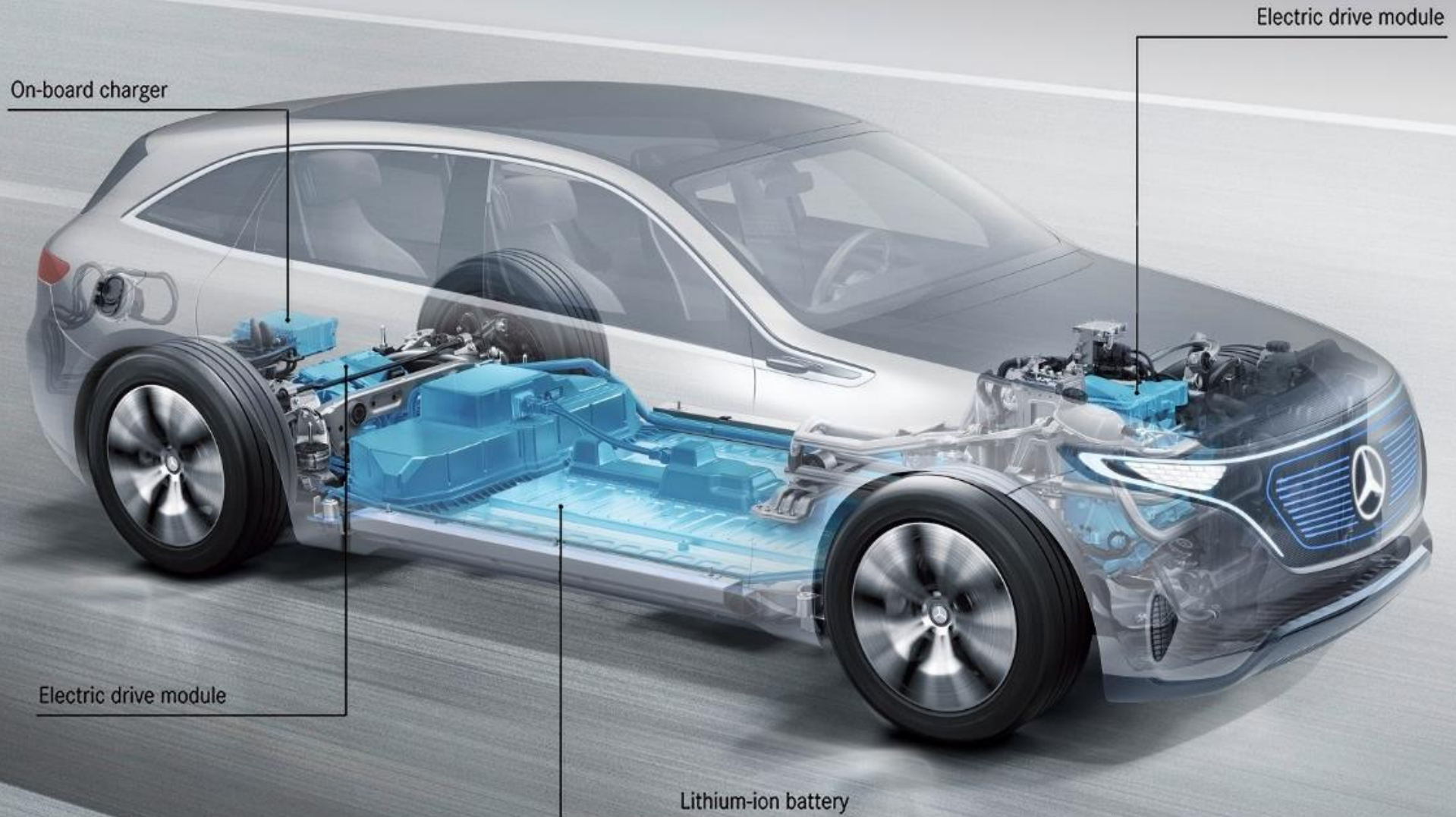
# New brand EQ – Electric mobility@Mercedes-Benz Cars



# 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

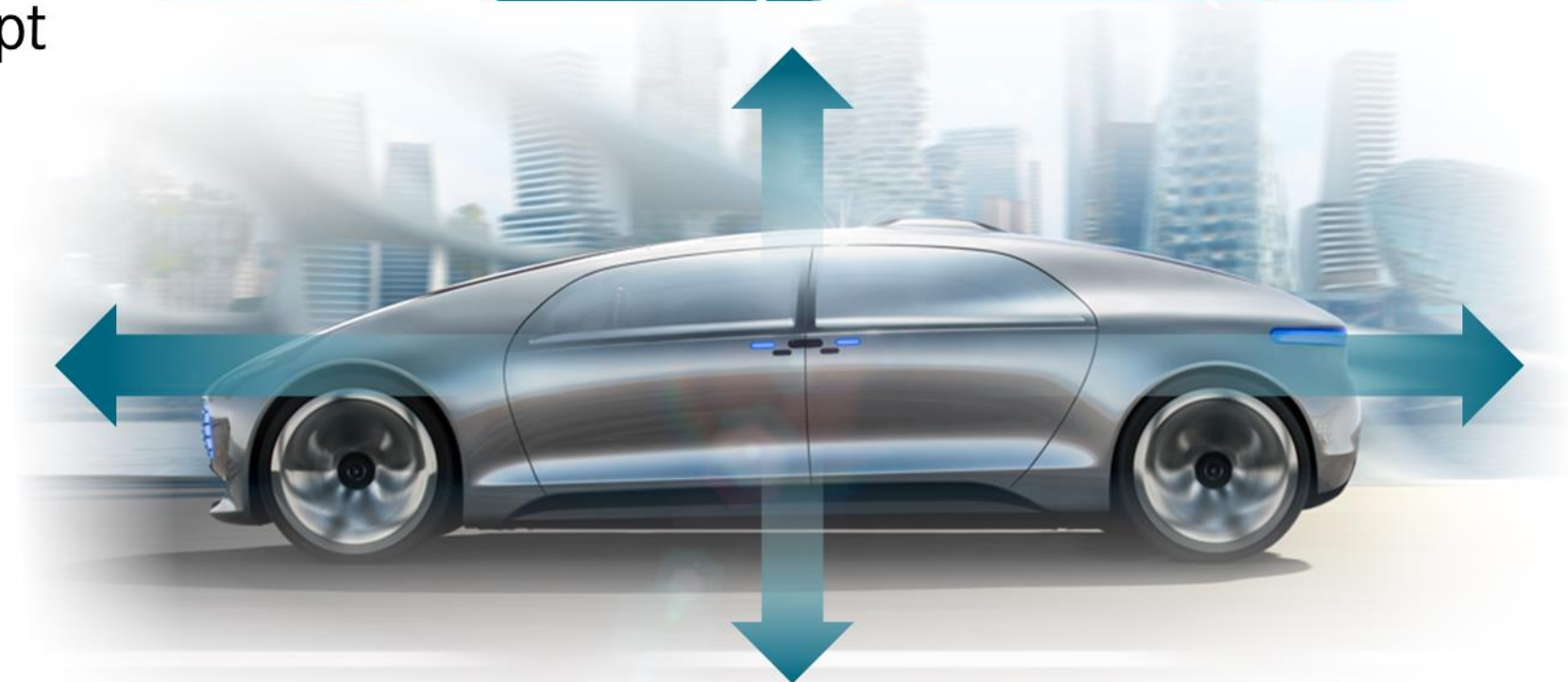
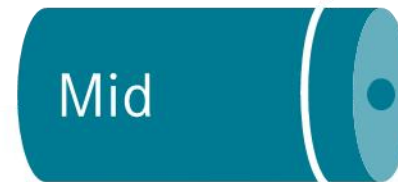
## Modular eDrive Concept

Front Axle

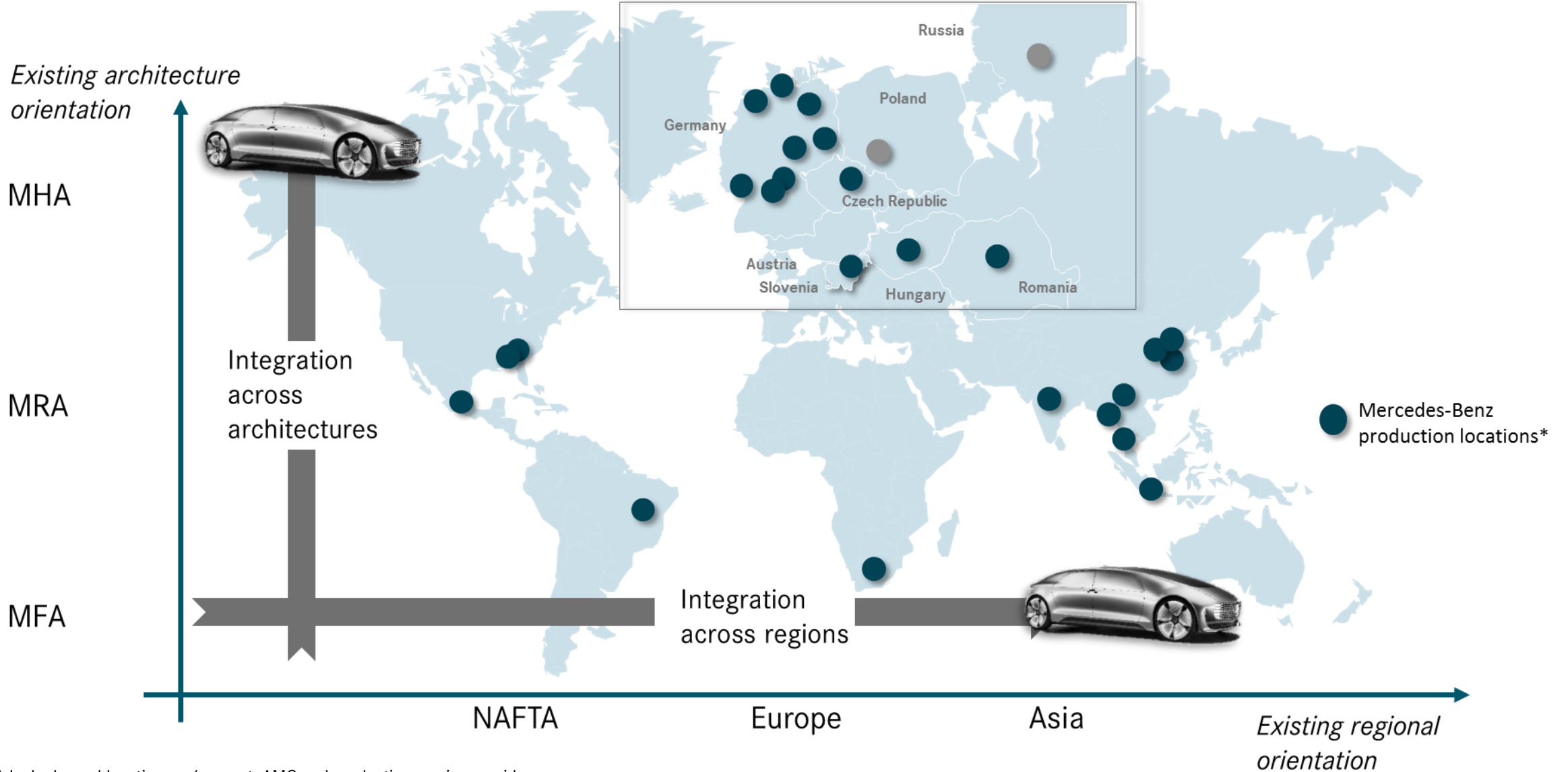
Rear Axle



## Modular Battery Concept



# Flexible integration of e-mobility in global production network



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

# Strengthening our electric initiative

## 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

## Localization at BBAC



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

## Strengthening manufacturing footprint in the U.S.



Aerial view Mercedes-Benz Tuscaloosa Plant


- Strategic move of Mercedes-Benz to start production of electric passenger cars in the U.S. as part of its worldwide electric initiative
- Tuscaloosa plant will manufacture SUV models for the company's EQ brand
- New battery plant to be built near the existing passenger-car plant, making it the fifth factory in the global battery production network of Mercedes-Benz Cars with sites on three continents

# Daimler Group Strategy

Mercedes-Benz Cars


→ CULTURE


## 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

Daimler Financial Services

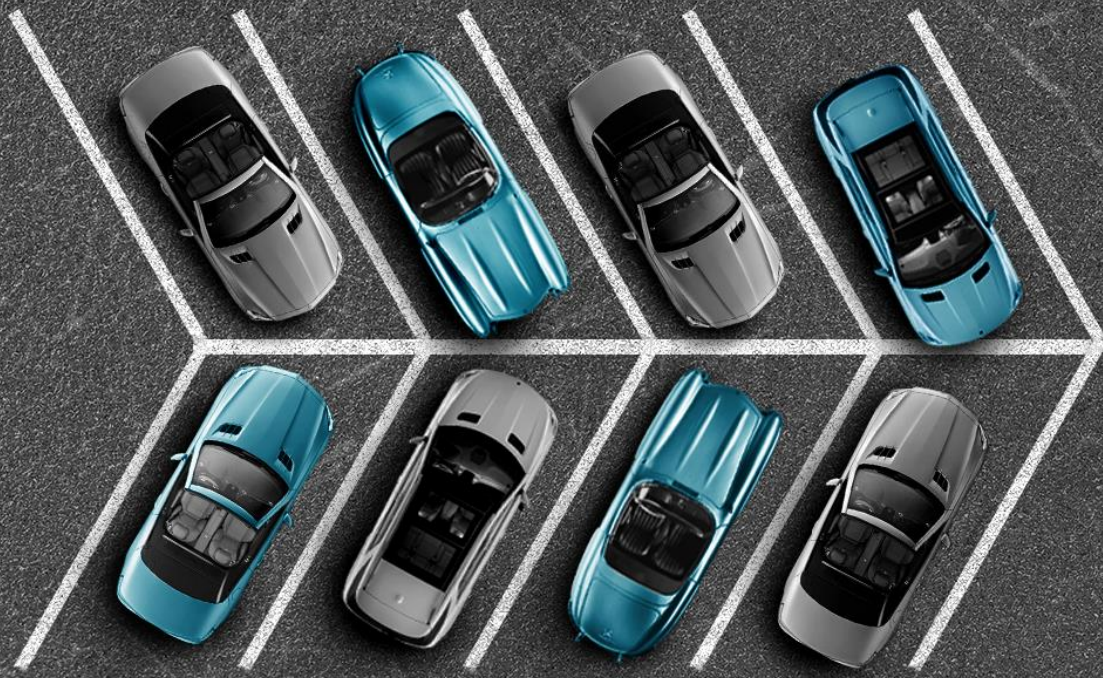
→ CORE

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

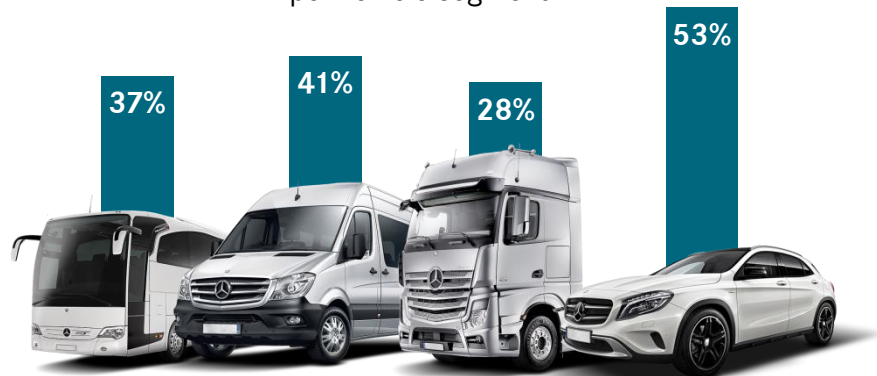


- |                                                                                                       |                                                                                                                     |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
|  Financing         |  Banking                         |
|  Banking           |  Carsharing                      |
|  Insurance         |  Taxi                            |
|  Fleet Management |  Multi modal mobility platforms |

WE FINANCE NEARLY  
EVERY SECOND VEHICLE  
SOLD BY DAIMLER



Penetration rates  
per vehicle segment

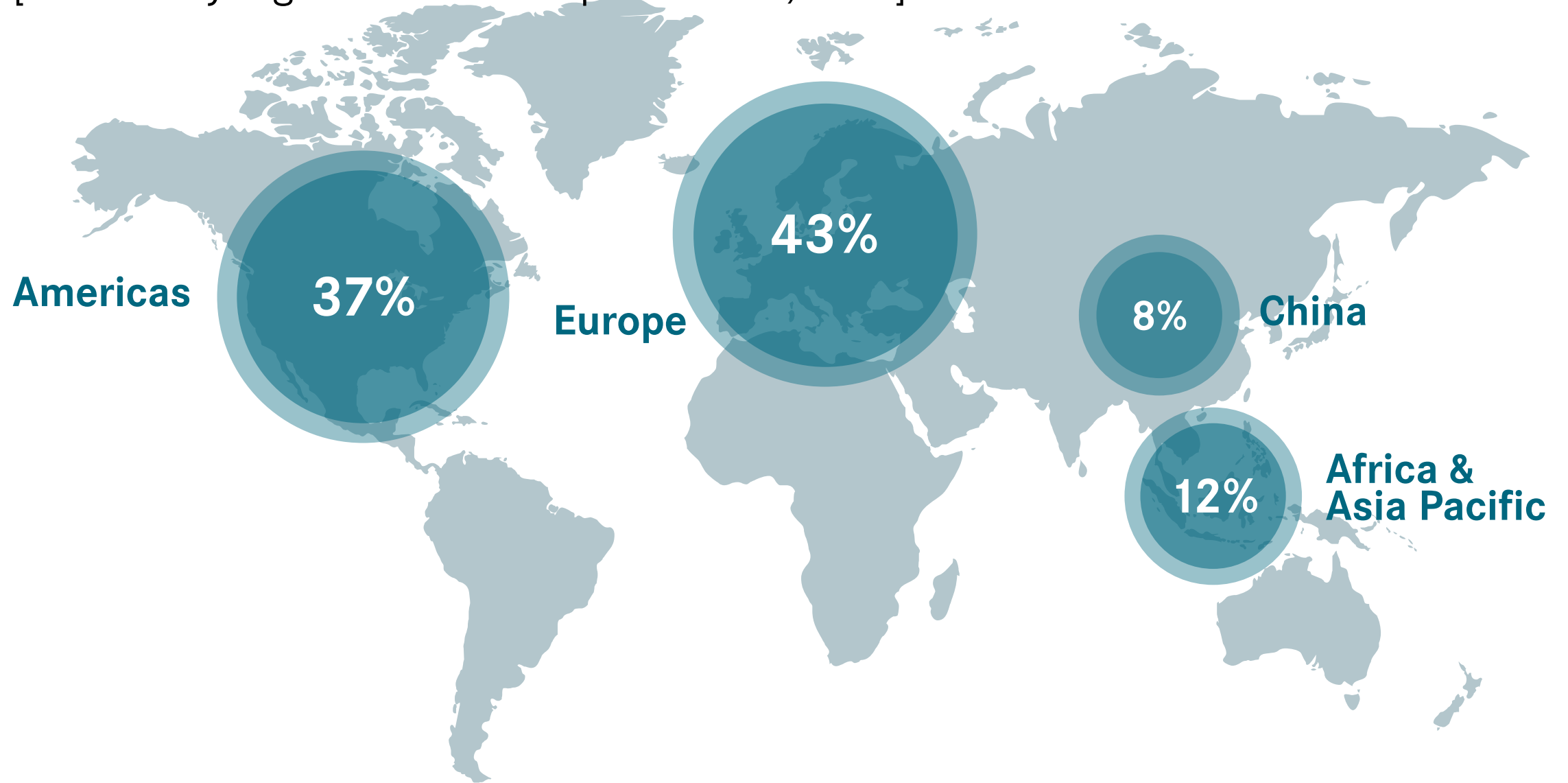


Global penetration rate DFS in Q3 2017

~51%

# Managing a portfolio of 135.8 billion € in 40 countries

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



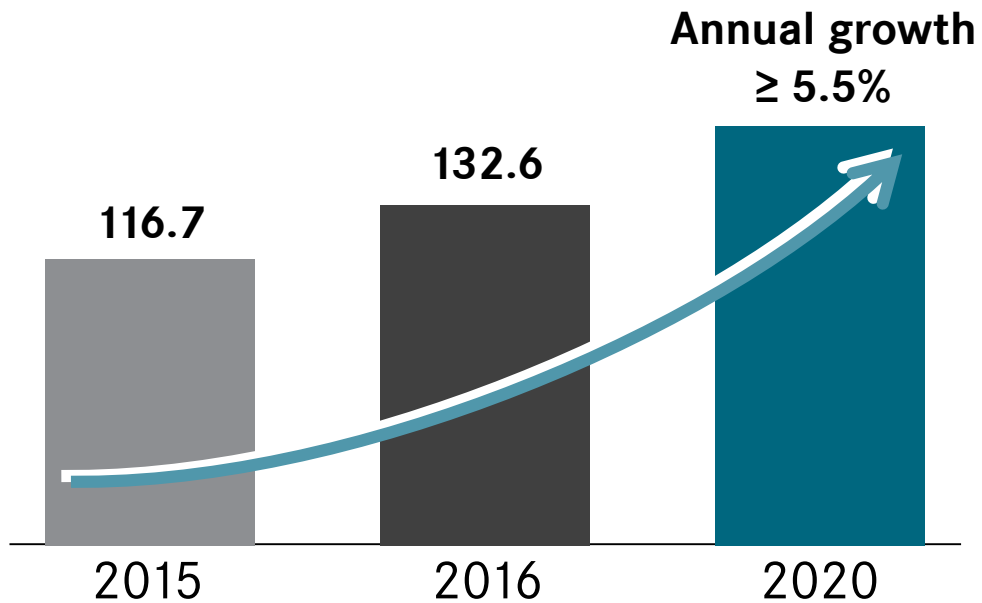
# We offer a broad variety of financial and mobility services – customer related figures as of Sept. 30, 2017



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

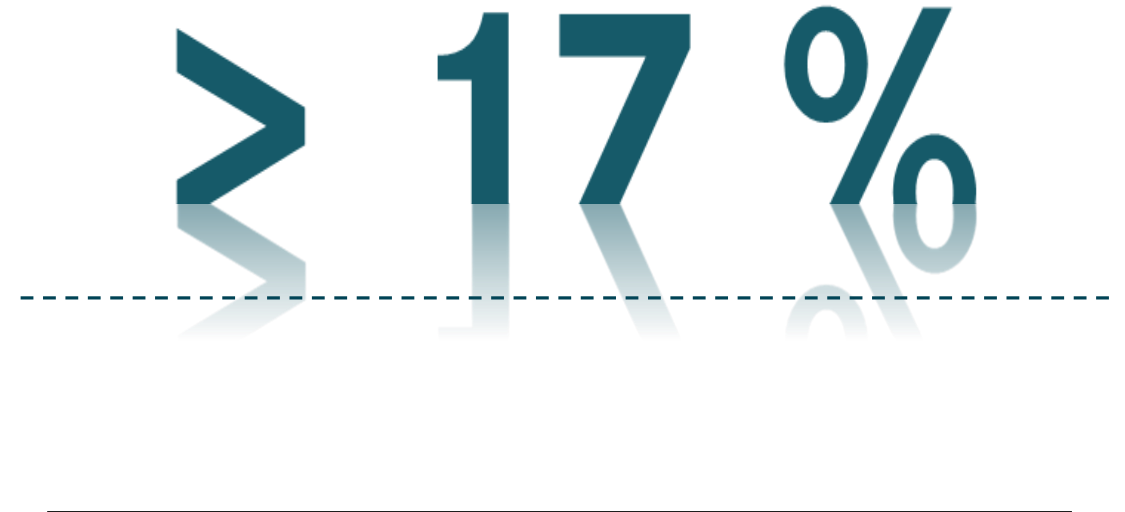
## Portfolio target

In EUR bn



## Profitability target

Return on Equity in %



# Daimler Group Strategy

Daimler Financial Services

→ CASE

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



Mercedes-Benz

Ownership experience

Mercedes-Benz Financial

Mercedes-Benz Insurance



Car sharing



Mercedes-Benz Rent



On demand mobility

**BLACKLANE**  
YOUR PROFESSIONAL DRIVER



**FLIXBUS**



Mobility beyond car  
**moovel**



# 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

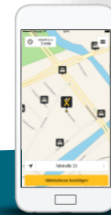


## Fleet Operator

“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**”

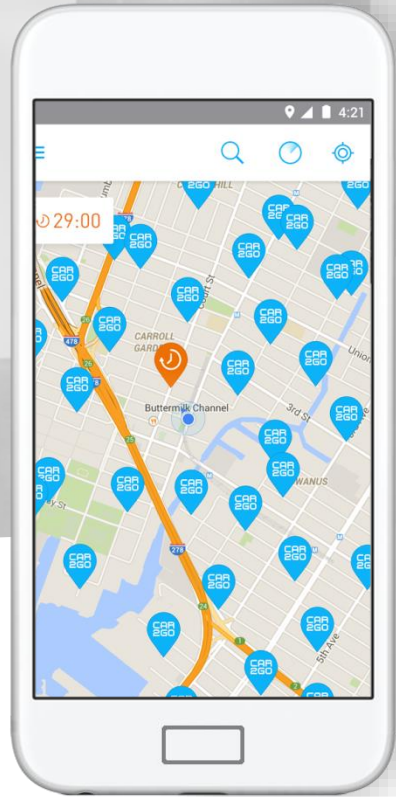


## Mobility Customer

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



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



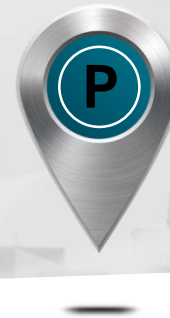
### Find

Find a car2go next to you – with or without reservation. Whenever you need it. Available in 26 cities as of September 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]



+39%

2.8

2.0

09/2016

09/2017

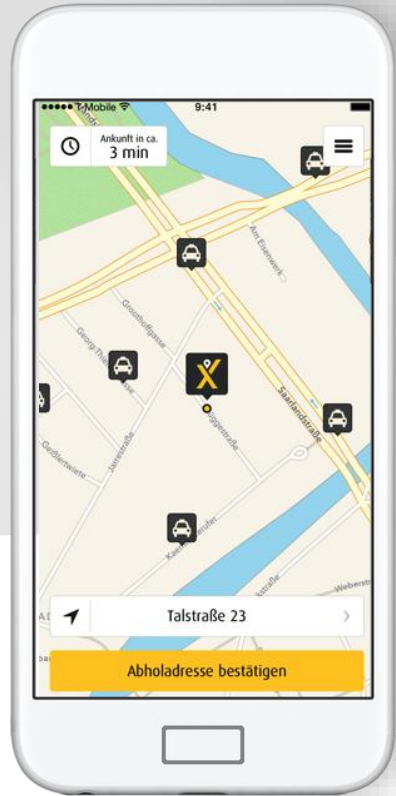
Transactions in millions



18.5

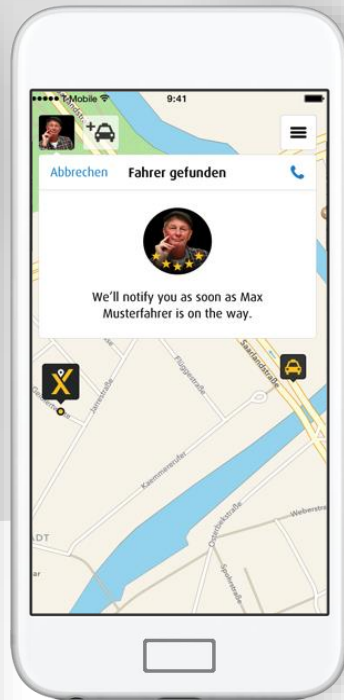
YTD 09/17

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



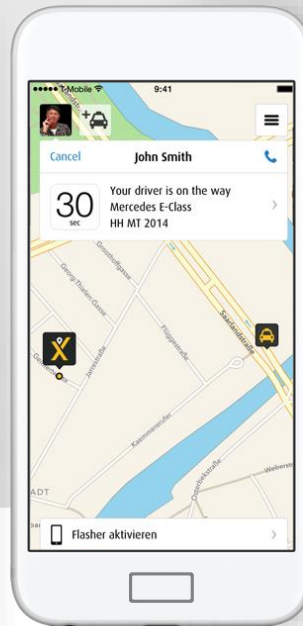
**Step 1**

Order your cab **via your smartphone**. Available in more than 70 cities as of Sept. 30, 2017.



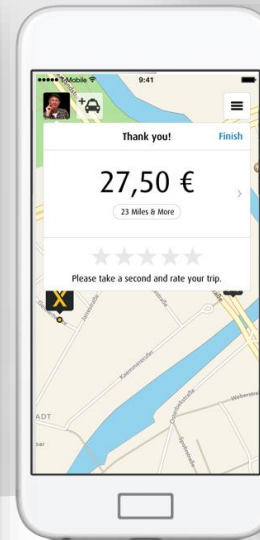
**Step 2**

**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]

**+186%**



\* Including: taxibeat and clevertaxi

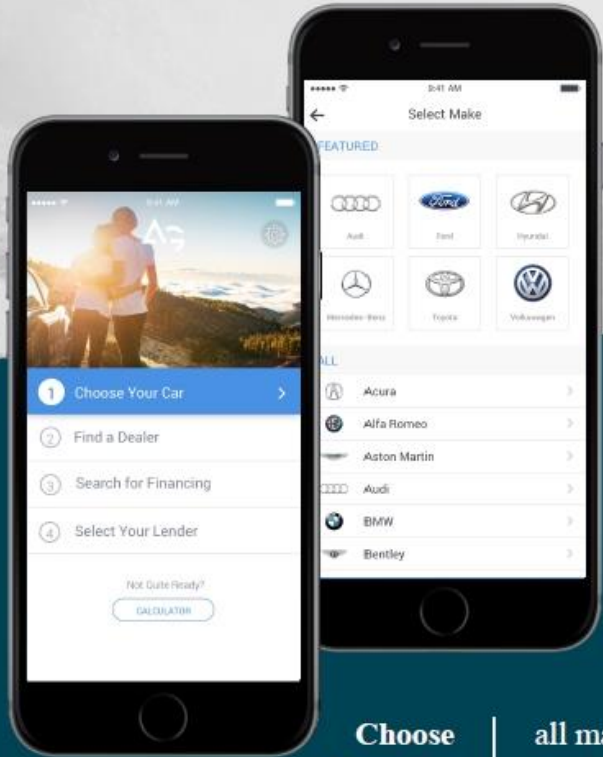
**Transactions** in millions



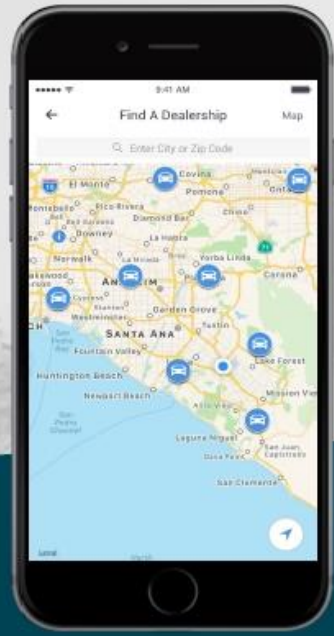
**52.2**  
YTD 09/17

# AUTOGRAVITY puts car financing in the palm of your hand

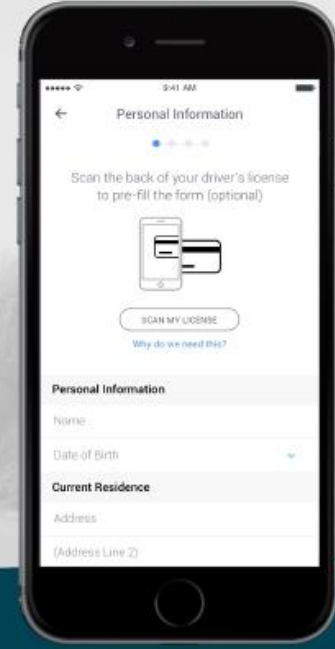
Integrated partners  
[as of September 2017]



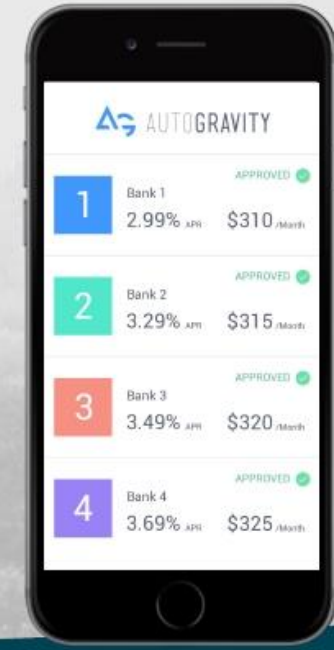
**Choose Your Car** | all makes, models, and trims



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



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



**Select Your Lender** | instant credit decision

Mercedes-Benz Financial Services

Volkswagen Credit

Hyundai Capital

RoadLoans.com

CarFinance.com  
BY FLAGSHIP CREDIT

SPRINGBOARDAUTO.com

*I* Investors Financial Services



Westlake Financial Services

LIGHTSTREAM  
A DIVISION OF SUNTRUST BANK

Available in:



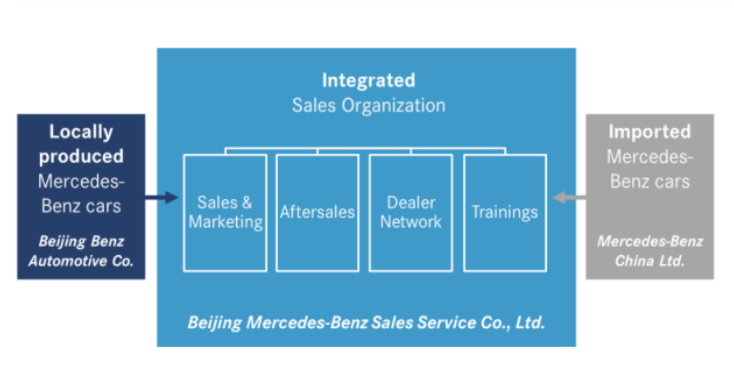
# Daimler Group Strategy

China

# Daimler in China



# The 6 key initiatives for China



**Integrated Sales Organization**



**Expansion Dealer Network**



**Extension Product Portfolio**



**Extension Local Production**



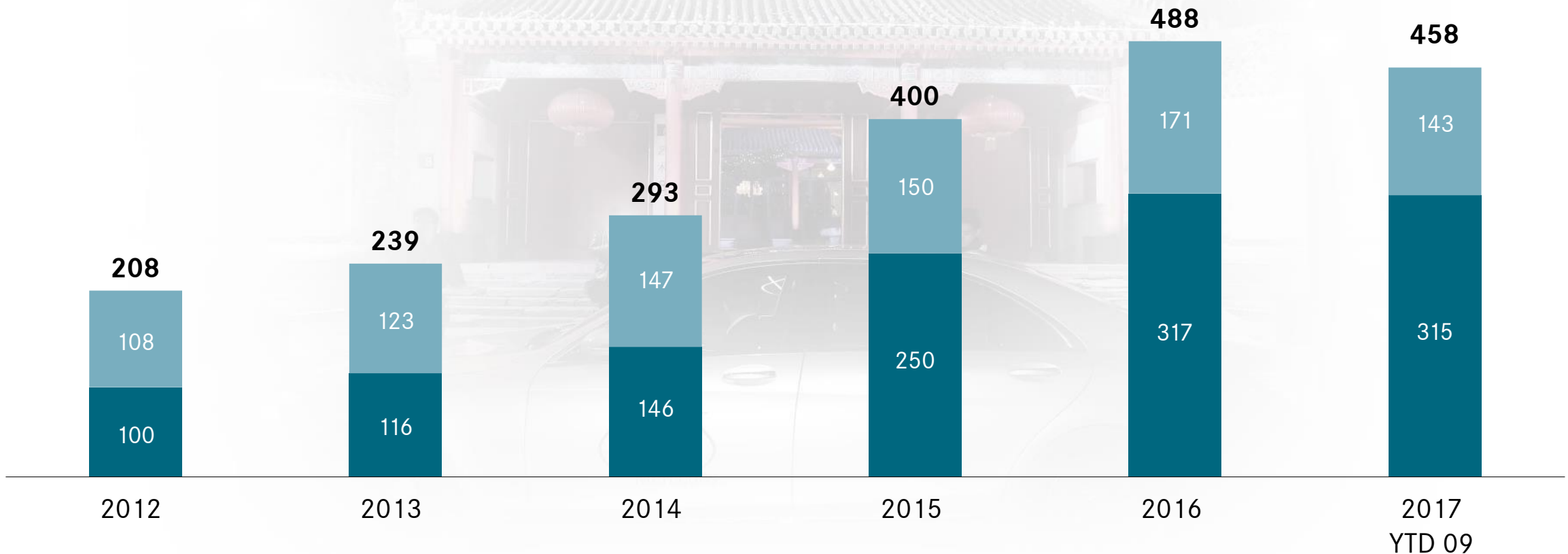
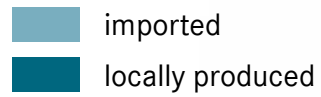
**Extension Local R&D**



**Leverage Financial Services**

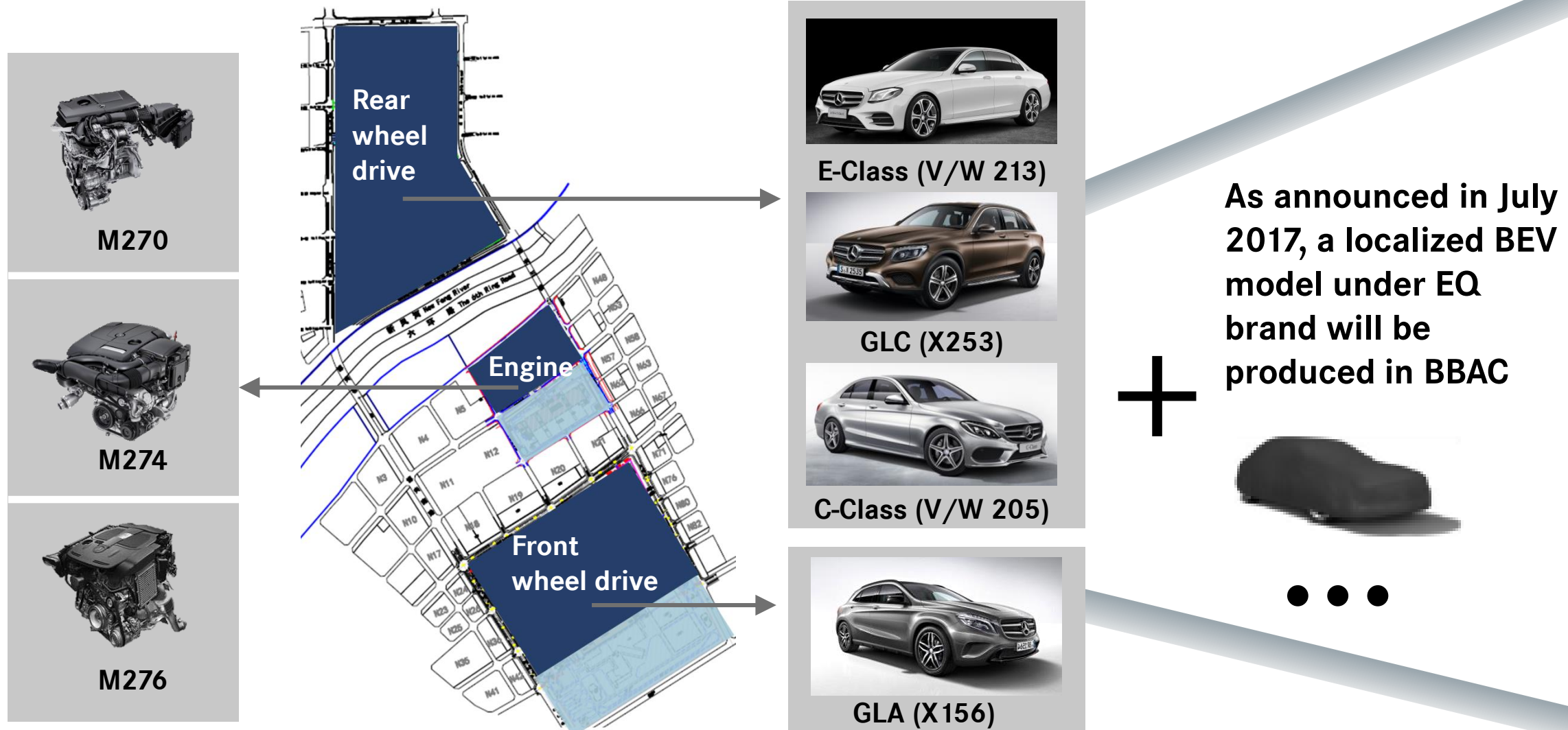
# Mercedes-Benz Cars in China: huge sales growth with higher share of locally produced vehicles

- in thousands of units -





# 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



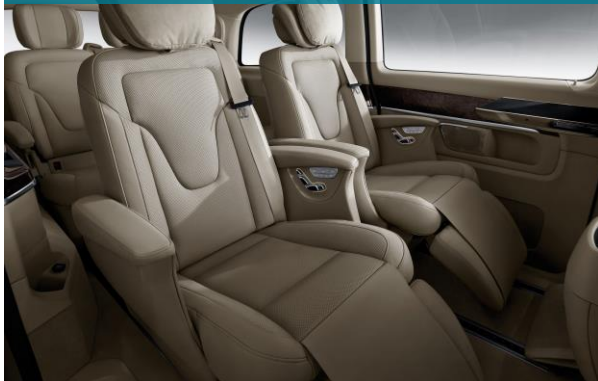
*Sales growth YTD Q3-17:*  
**+165%**

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

Sales growth YTD Q3-17:  
**+ 83%**



**All new V-Class**  
Launched in March 16



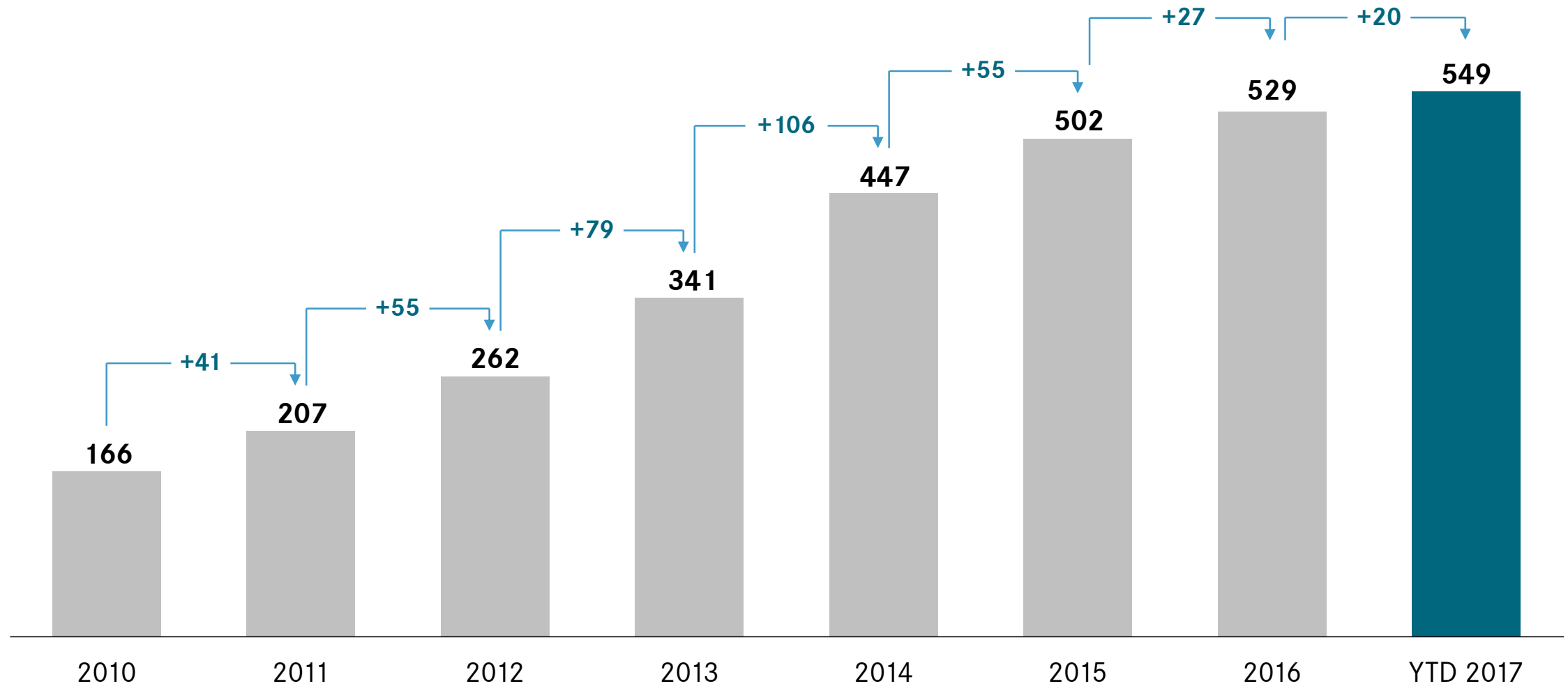
**All new Vito**  
Launched in September 16

出众 亦从容



# Mercedes-Benz Network Development in China

Number of Outlets



# Daimler Group Strategy

Daimler Trucks

→ CORE

# Premier in New York –

Fuso unveils fully-electric eCanter



# Our strategy works. We keep executing it.

## Technology Leadership

in efficiency, safety and connectivity



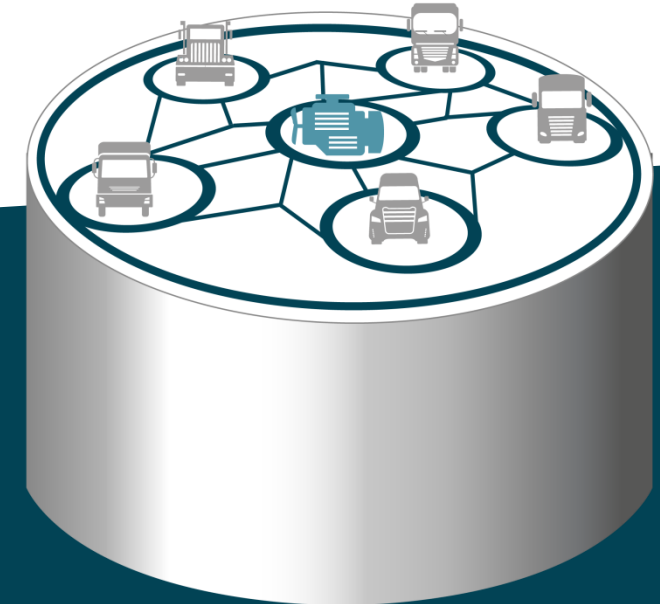
## Global Market Presence

in traditional and emerging markets

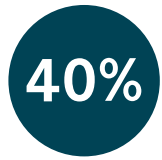


## Intelligent Platform Management

for tailored products and decisive economies of scale



# Top priorities



NAFTA: Sustain **40% market share** with growing contributions



**Market position** Europe  
(dominant **product**, superb **quality**, competitive **variable costs**)



Bring **Brazil** back to **profitability**



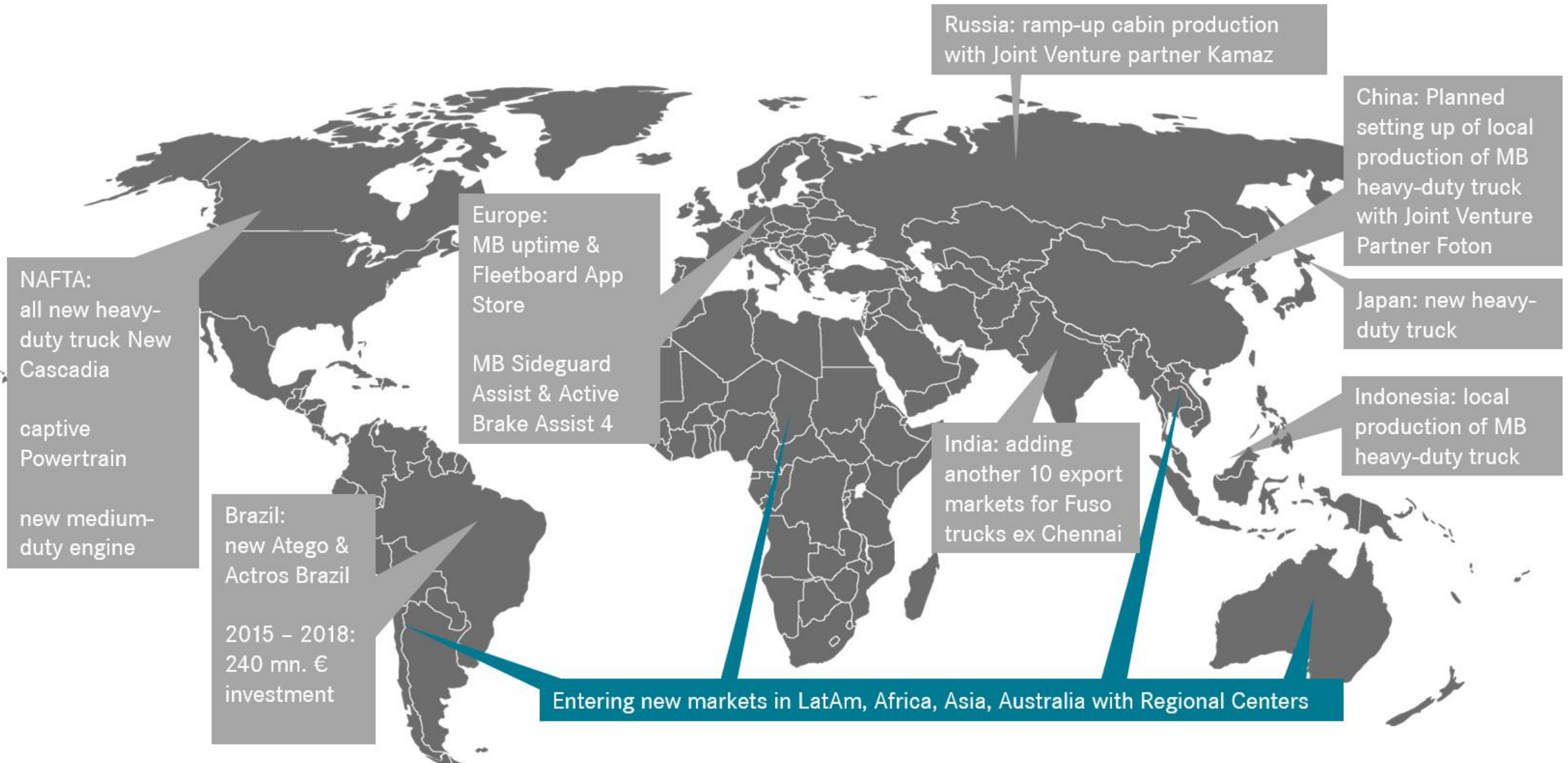
**Aftermarket** growth strategy



**Technology edge** with high efficiency & speed



# Daimler Trucks further strengthens its global footprint



# 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

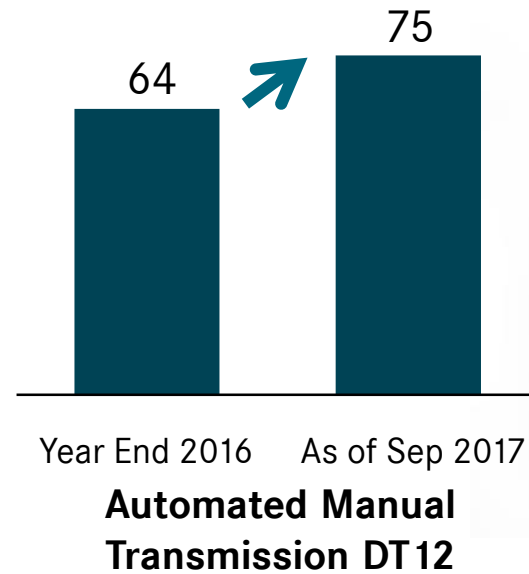
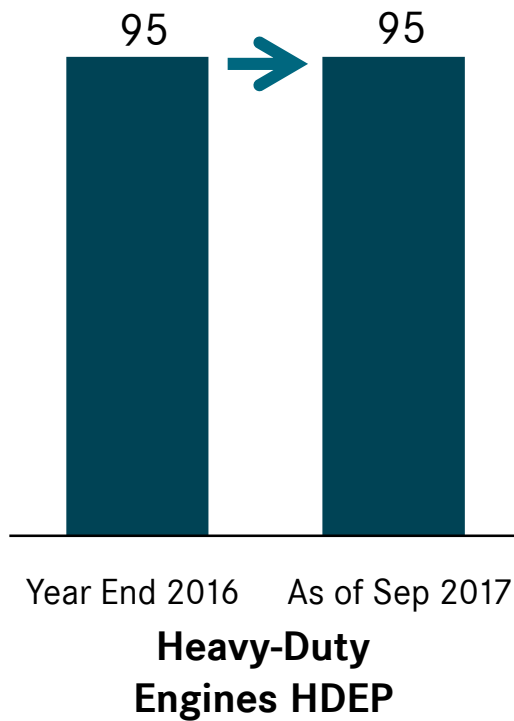


Fuel reduction **up to -15%**  
**Full retreading** in terms of efficiency

Fuel reductions compared to previous model

# Captive component strategy to strengthen undisputed market leadership in NAFTA

**Penetration rate integrated powertrain in %**



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

## Sideguard Assist

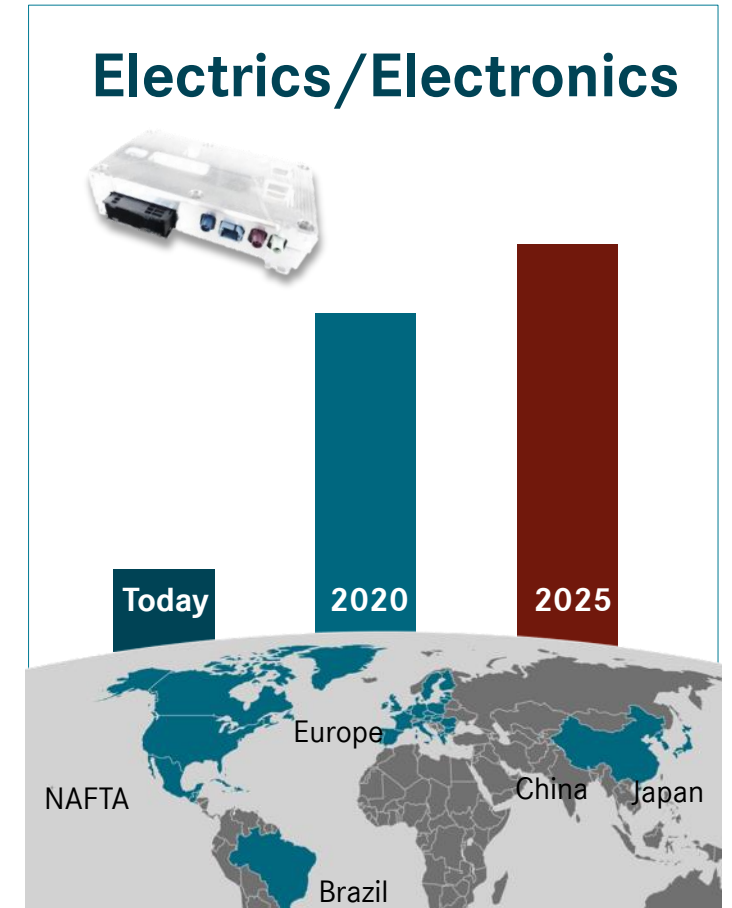
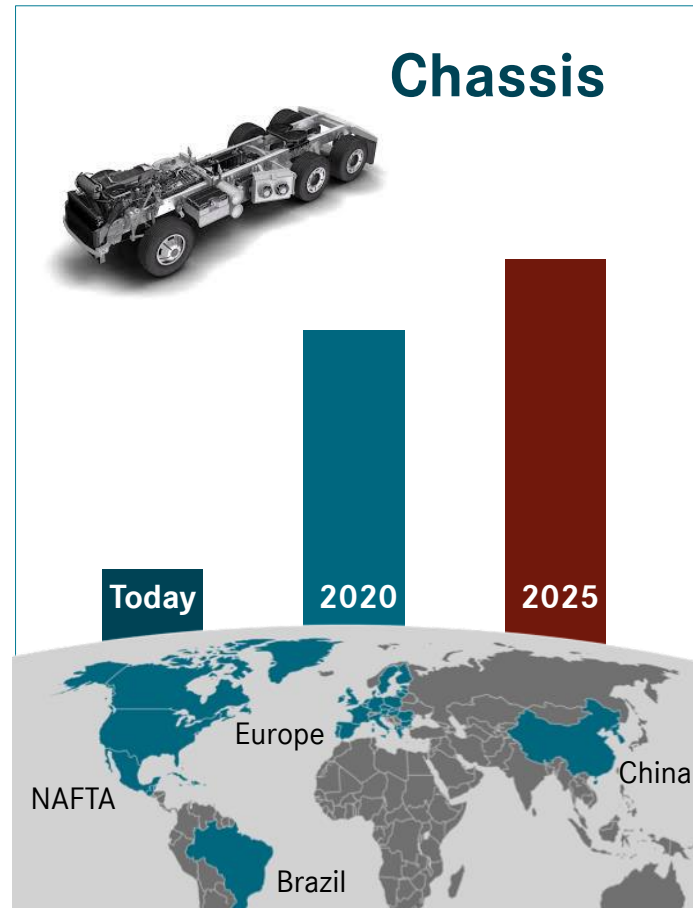
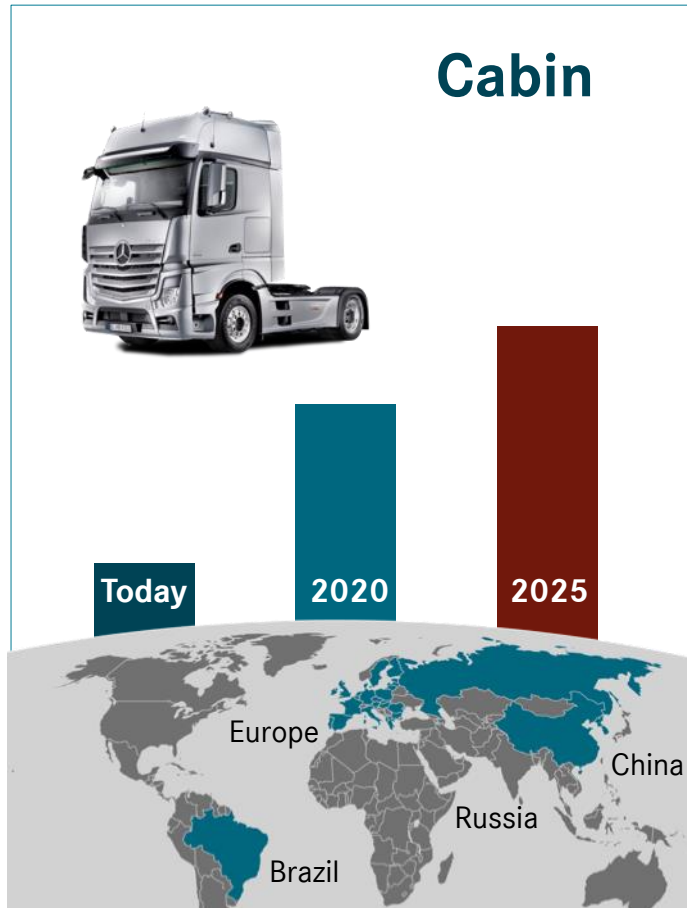
Detects **moving** objects (pedestrians and cyclists)  
Visual and audible warning (also while **manoeuvring**)  
Covers **entire length** of vehicle (up to 18.75m)

## Active Brake Assist 4 (ABA 4)

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



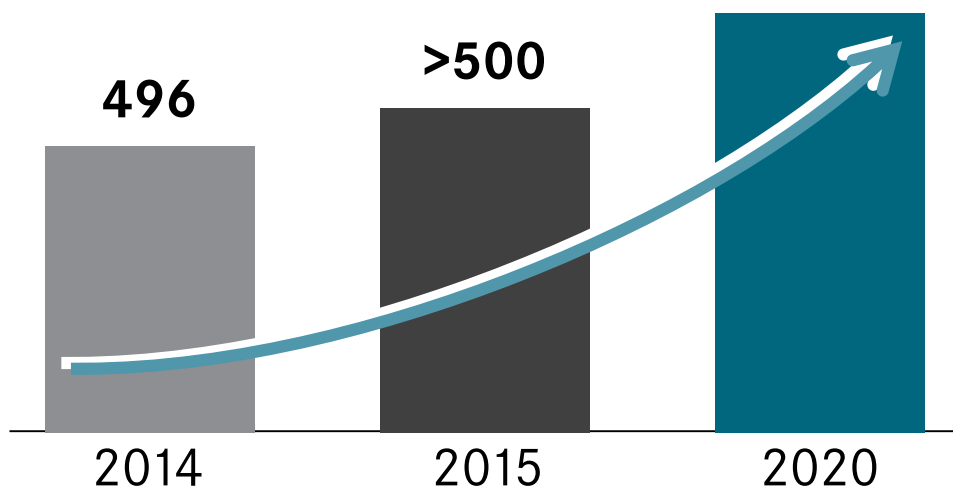
# Global platform enables scale effects, reduces complexity and allows roll-out of new technologies across all brands



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

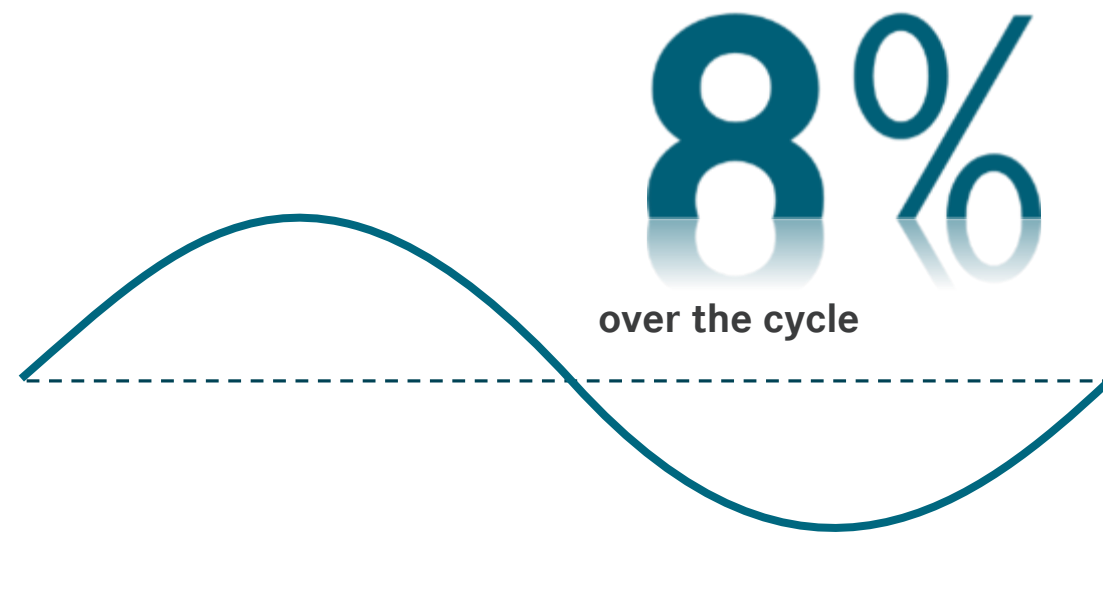
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Daimler Trucks

→ CASE

# Digitalized ecosystems for cars and trucks



Mercedes me

FLEET BOARD

DETROIT CONNECT



# 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

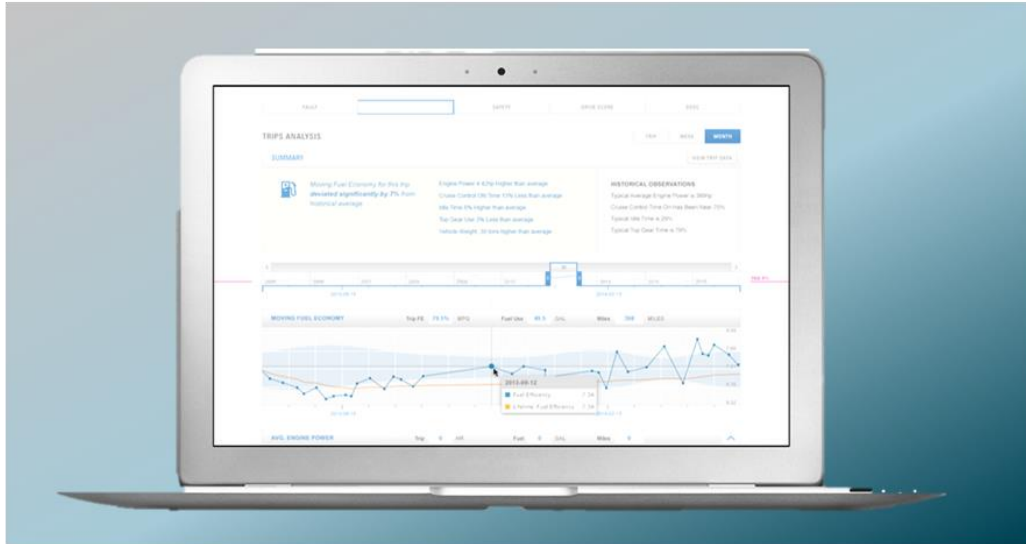
## Fleetboard Store



**„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**

# 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



# Testing Truck Platooning in North America & Europe



# 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**

# Daimler Group Strategy

Mercedes-Benz Vans

→ CORE

# Mercedes-Benz Vans: product highlights

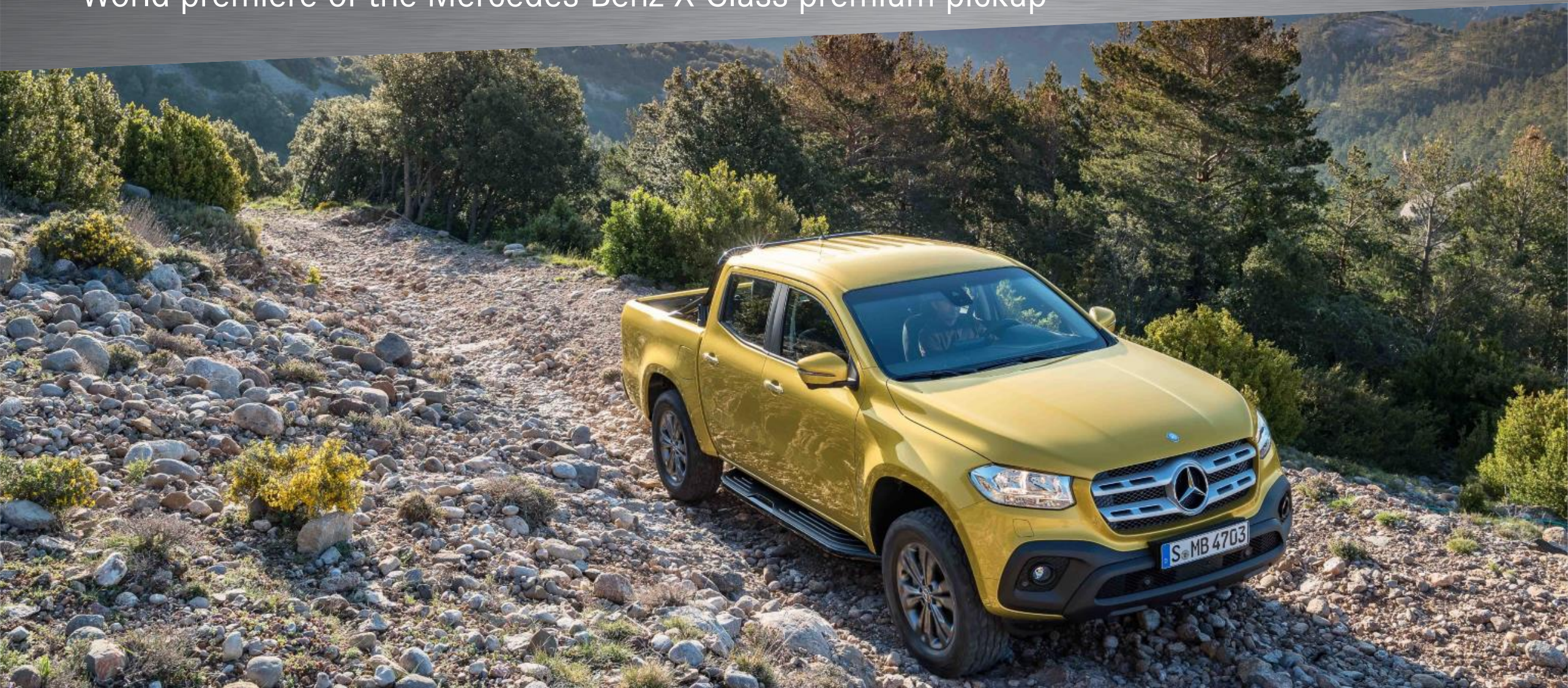
Mercedes-Benz Vito and Sprinter: “CEP\* Vans of the Year 2017”



\*Courier, Express and Parcel

# Mercedes-Benz Vans: product highlights

World premiere of the Mercedes-Benz X-Class premium pickup

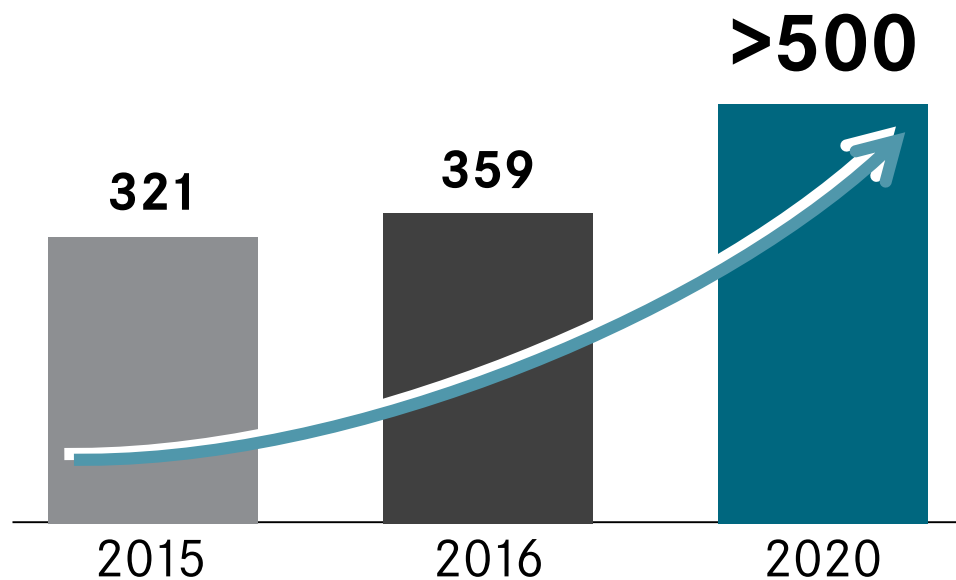




# Our target: Most successful company in global Van business

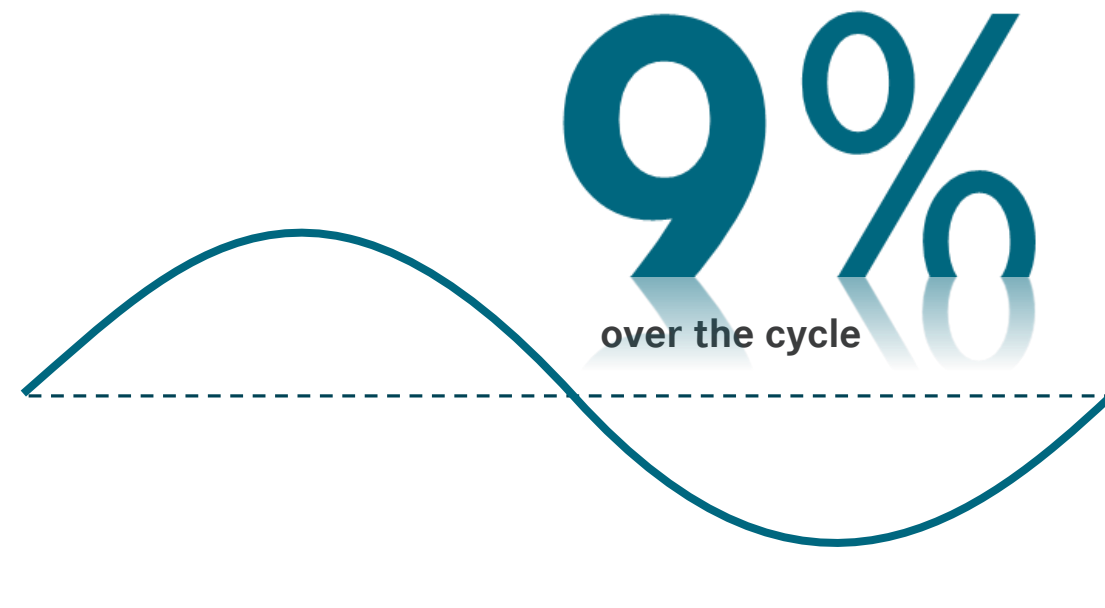
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Mercedes-Benz Vans

→ CASE

# 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

Daimler Buses

→ CORE

# Continuous invest into new products: Two innovations for public transportation



**1. Sprinter City 45**

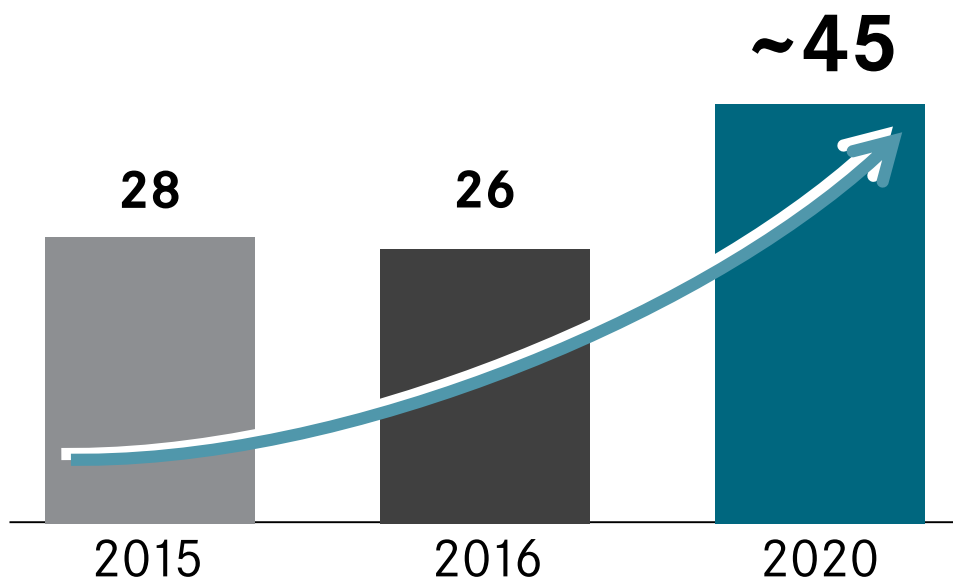


**2. Citaro hybrid – A world premiere**

# Our target: Undisputed leader in the bus industry

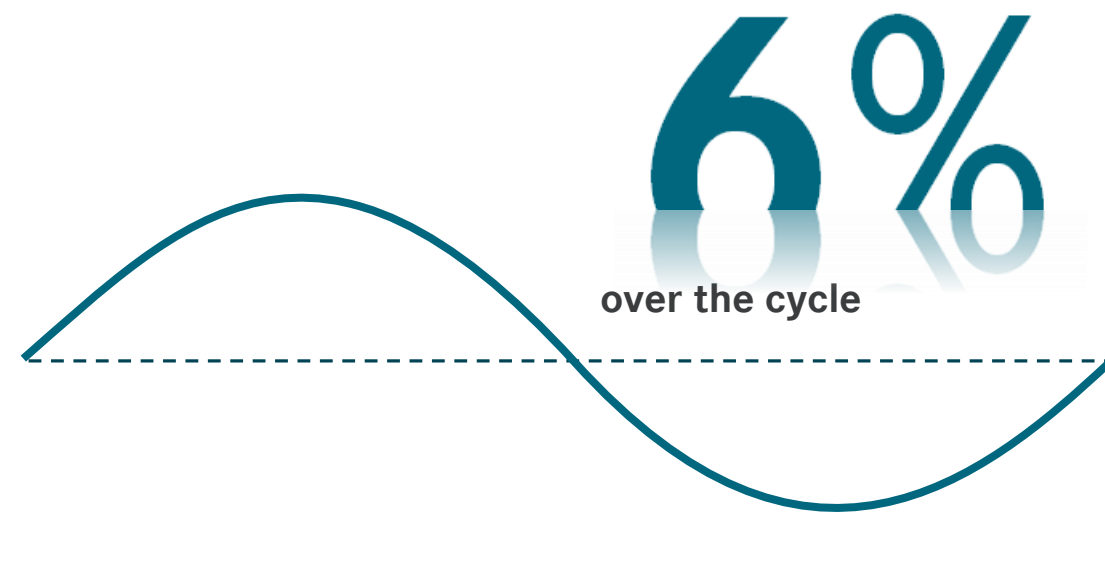
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Group Strategy

Daimler Buses

→ CASE

# The future of public transport

Mercedes-Benz  
Future **BUS**



[Mercedes-Benz  
Future Bus](#)





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[Group financials](#)














[Daimler Group Strategy](#)

**Outlook**

[Appendix](#)



# Assumptions for automotive markets in 2017

Car markets	Global	 around +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	 significant growth of mid-size and large vans
	USA	 around the prior-year level
Bus markets	EU30	 around the prior-year level
	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



## **Significantly higher unit sales**

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



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  
Unit sales around the prior-year level 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



Significantly above the prior-year level



Mercedes-Benz Vans



Around the prior-year level



Daimler Buses



Slightly below the prior-year level



Daimler Financial Services



Significantly above the prior-year level

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

<b>Daimler Group</b>	Dec. 31, 2016	Sept. 30, 2017
Equity ratio	22.9%	<b>24.5%</b>
Gross liquidity	21.7	<b>26.9</b>
Funded status of pension obligations	-7.8	<b>-8.0</b>
<i>Funding ratio</i>	75%	<b>75%</b>
<b>Industrial business</b>		
Equity ratio	44.7%	<b>46.7%</b>
Net liquidity	19.7	<b>20.8</b>
Free cash flow (January-September)	2.6	<b>5.8</b>

in billions of euros

# Higher units sales in all divisions based on strong product portfolio

	Q3 2016	Q3 2017	% change
<b>Daimler Group</b>	754.1	<b>824.1</b>	+9
of which			
Mercedes-Benz Cars	565.6	<b>597.3</b>	+6
Daimler Trucks	97.1	<b>126.6</b>	+30
Mercedes-Benz Vans	85.2	<b>93.1</b>	+9
Daimler Buses	6.2	<b>7.2</b>	+17

in thousands of units

# Revenue by division

	Q3 2016	Q3 2017	% change
<b>Daimler Group</b>	38.6	<b>40.8</b>	+6
of which			
Mercedes-Benz Cars	23.3	<b>23.4</b>	+1
Daimler Trucks	7.9	<b>9.2</b>	+17
Mercedes-Benz Vans	3.1	<b>3.1</b>	-1
Daimler Buses	0.9	<b>1.0</b>	+8
Daimler Financial Services	5.1	<b>5.8</b>	+14
Contract volume of Daimler Financial Services*	132.6	<b>135.8</b>	+2

in billions of euros

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



# Revenue by region

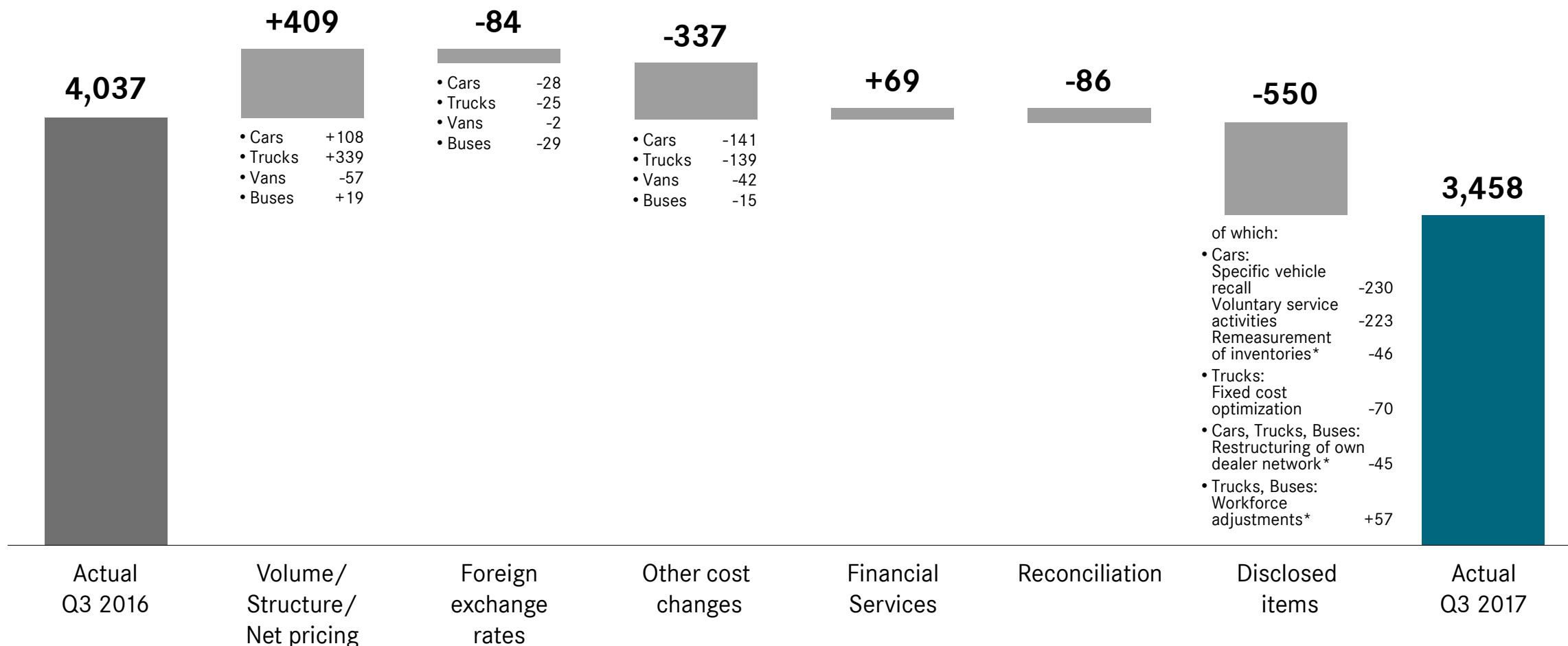
	Q3 2016	Q3 2017	% change
<b>Daimler Group</b>	38.6	<b>40.8</b>	+6
of which			
Europe	15.6	<b>16.8</b>	+8
<i>of which Germany</i>	5.8	<b>5.7</b>	-1
NAFTA	11.3	<b>11.6</b>	+3
<i>of which United States</i>	9.8	<b>9.9</b>	+2
Asia	9.4	<b>9.8</b>	+4
<i>of which China*</i>	4.1	<b>4.5</b>	+10
Other markets	2.4	<b>2.6</b>	+9

in billions of euros

\* excluding revenue of not fully consolidated companies

# Group EBIT in Q3 2017

- in millions of euros -



\* in Q3 2016

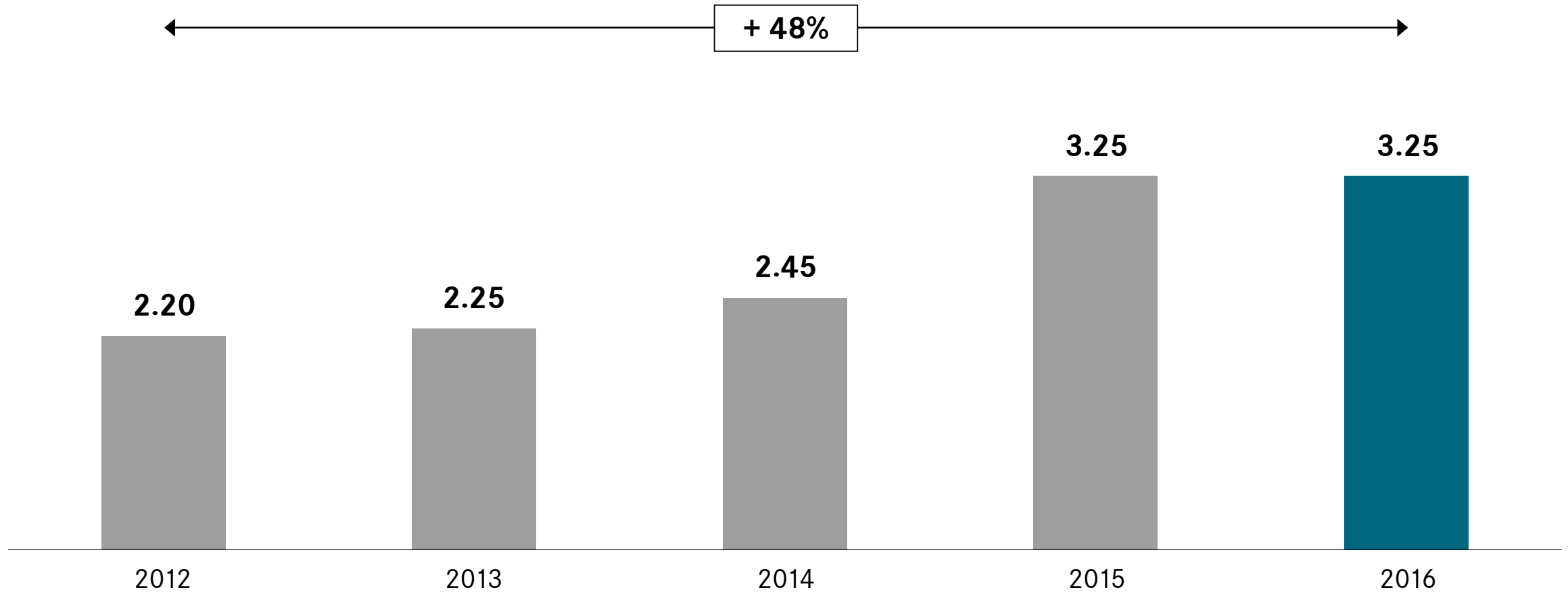
# EBIT by division

- EBIT in millions of euros; RoS/RoE in % -	Q3 2016		Q3 2017	
	EBIT	RoS/RoE*	EBIT	RoS/RoE*
<b>Daimler Group</b>	4,037	10.8	<b>3,458</b>	<b>8.4</b>
of which				
Mercedes-Benz Cars	2,746	11.8	<b>2,147</b>	<b>9.2</b>
Daimler Trucks	464	5.9	<b>614</b>	<b>6.7</b>
Mercedes-Benz Vans	312	10.0	<b>218</b>	<b>7.1</b>
Daimler Buses	45	4.8	<b>26</b>	<b>2.6</b>
Daimler Financial Services	438	17.7	<b>507</b>	<b>18.5</b>
Reconciliation	32	-	<b>-54</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

	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>	–

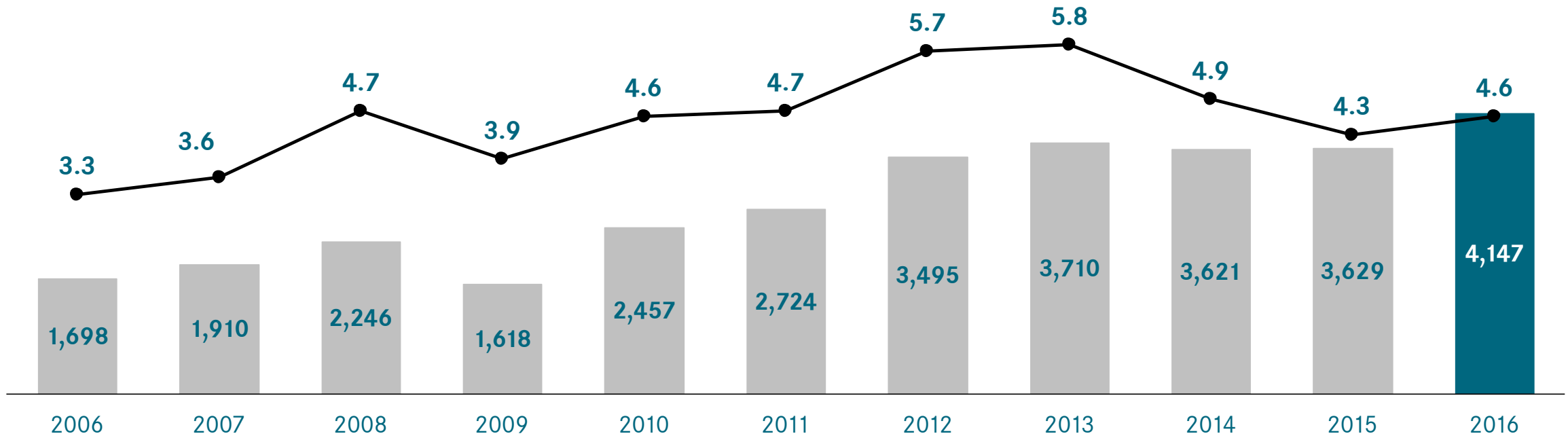
in billions of euros

\* average p.a.

# 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%



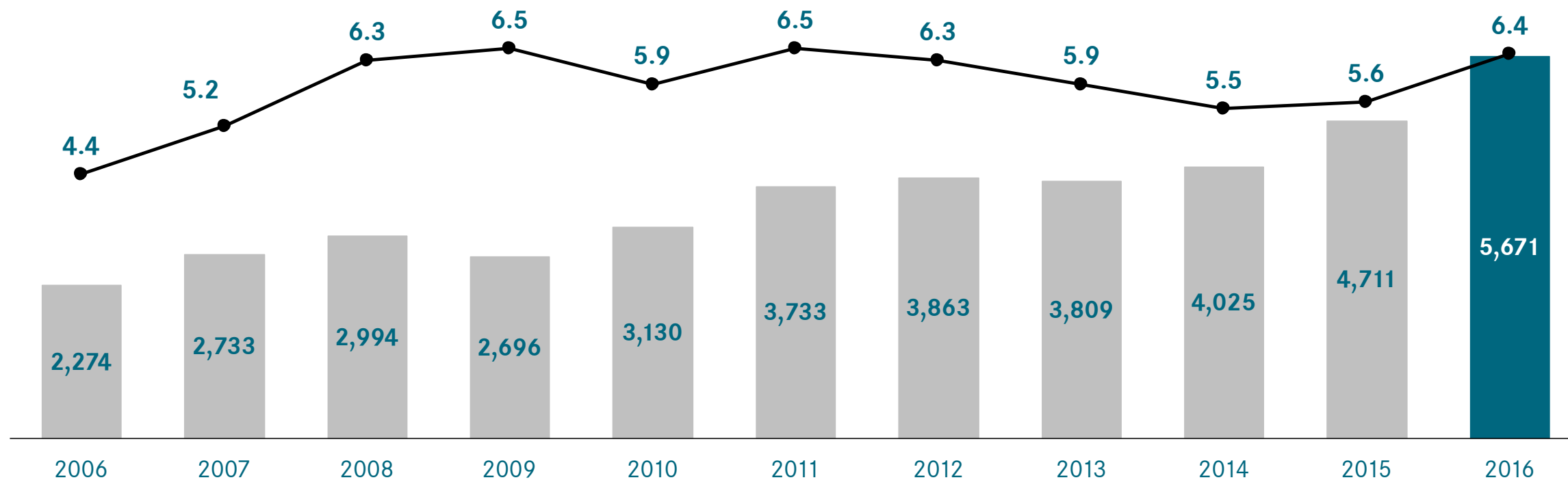
\* Capital expenditure for property, plant and equipment (pp&e) MBC

\*\* 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%

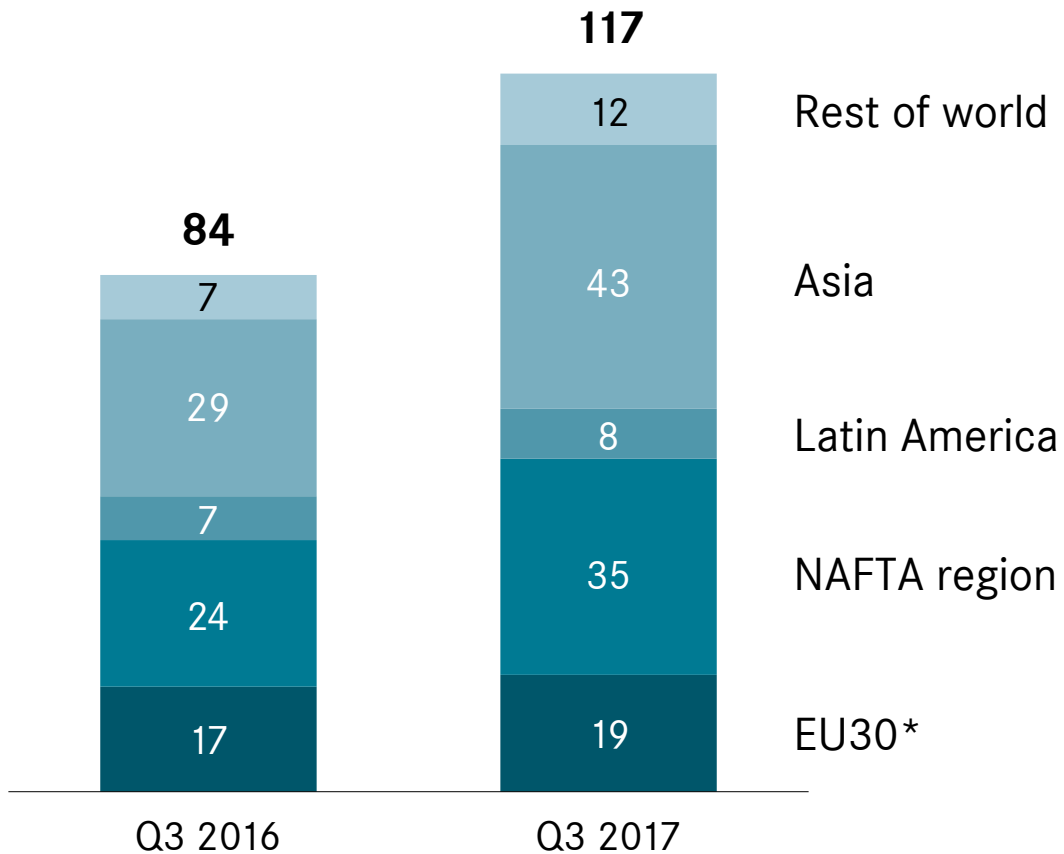


\* Expensed R&D costs and capitalized development costs MBC

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

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

- in thousands of units -



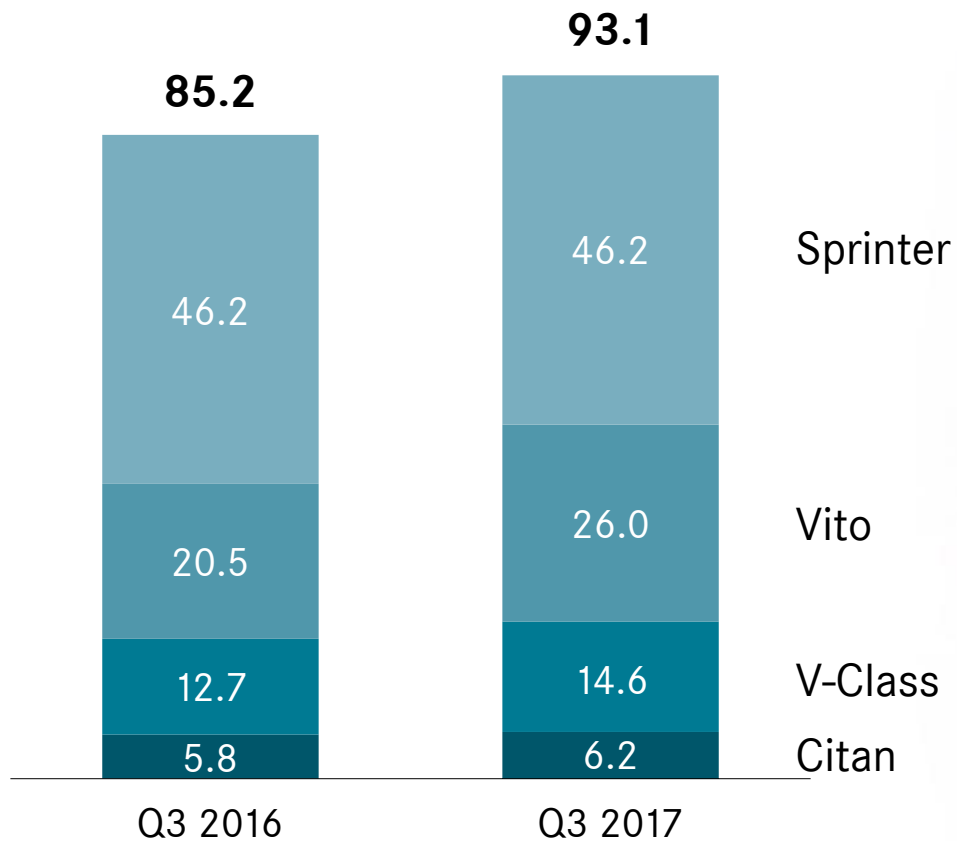
\* European Union, Switzerland and Norway





# Mercedes-Benz Vans: sales increase by 9% due to market success of attractive product portfolio

- in thousands of units -



# Mercedes-Benz Cars retail sales by model Q3 2017

- in units -

Retail sales		Q3 2017	Q3 2016	Change in %
<b>Mercedes-Benz</b>		<b>573,026</b>	<b>531,302</b>	<b>+7.9</b>
of which*:	A-/B-Class	105,204	108,453	-3.0
	C-Class	122,873	128,656	-4.5
	E-Class	102,140	72,553	+40.8
	S-Class	15,097	21,448	-29.6
	SUVs**	206,841	180,780	+14.4
	Sports Cars	6,434	7,235	-11.1
	V-Class	14,437	12,177	+18.6
<b>smart</b>		<b>30,740</b>	<b>32,185</b>	<b>-4.5</b>
<b>Mercedes-Benz Cars</b>		<b>603,766</b>	<b>563,487</b>	<b>+7.1</b>

\* incl. Derivatives

\*\* incl. GLA

# Mercedes-Benz Cars retail sales in major markets Q3 2017

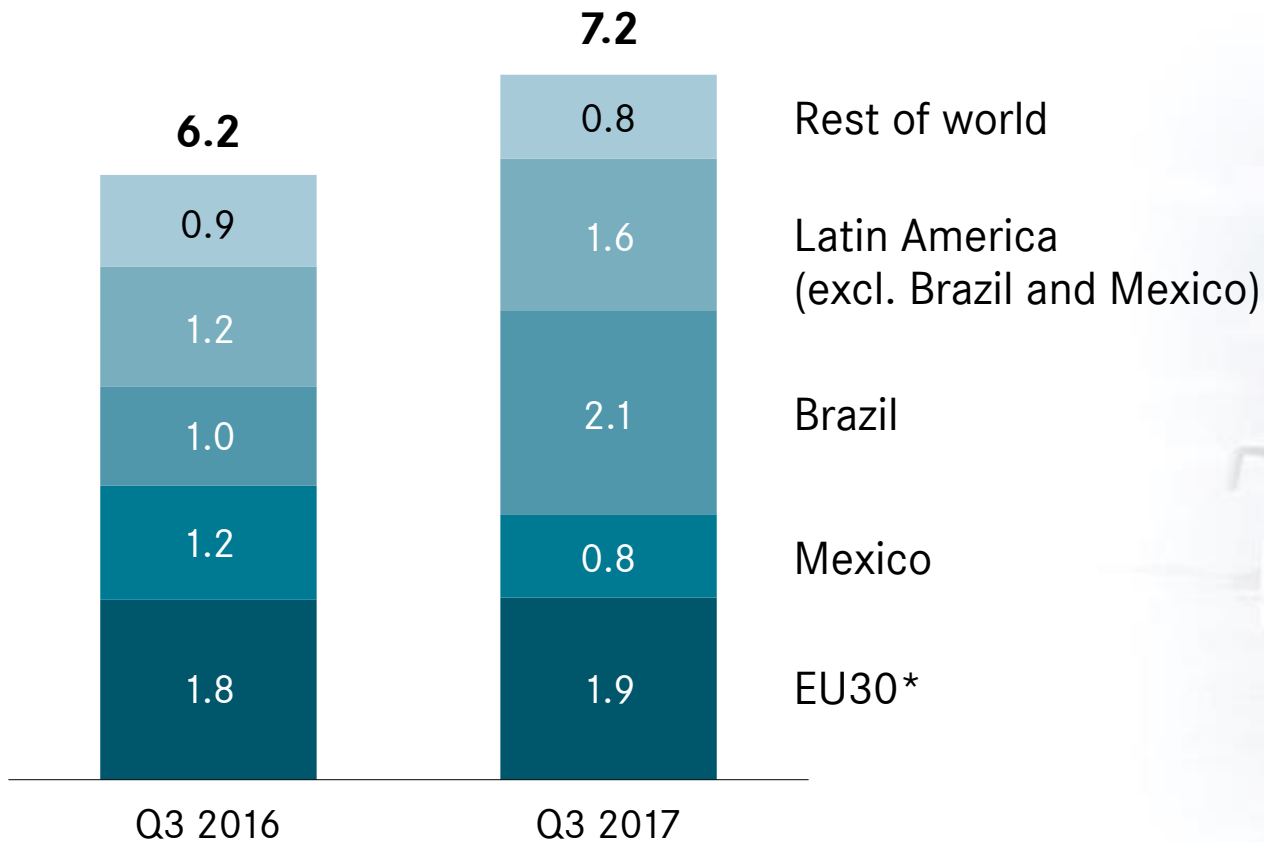
- in units -

Retail sales	Q3 2017	Q3 2016	Change in %
China*	157,682	130,409	+20.9
of which locally produced vehicles	109,071	85,523	+27.5
USA	80,943	87,864	-7.9
Germany	87,183	83,493	+4.4
UK	50,224	51,548	-2.6
BRIKT**	42,149	37,342	+12.9
Italy	18,734	17,205	+8.9
France	17,629	15,936	+10.6
Japan	19,168	19,267	-0.5
South Korea	16,446	14,690	+12.0
Spain	14,017	12,486	+12.3
Canada	11,761	11,072	+6.2
Russia	9,791	9,486	+3.2
Turkey	6,954	6,890	+0.9
Rest of World	104,276	96,865	+7.7
<b>Mercedes-Benz Cars</b>	<b>603,766</b>	<b>563,487</b>	<b>+7.1</b>

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

# Daimler Buses: sales increase by 17% mainly driven by Latin America

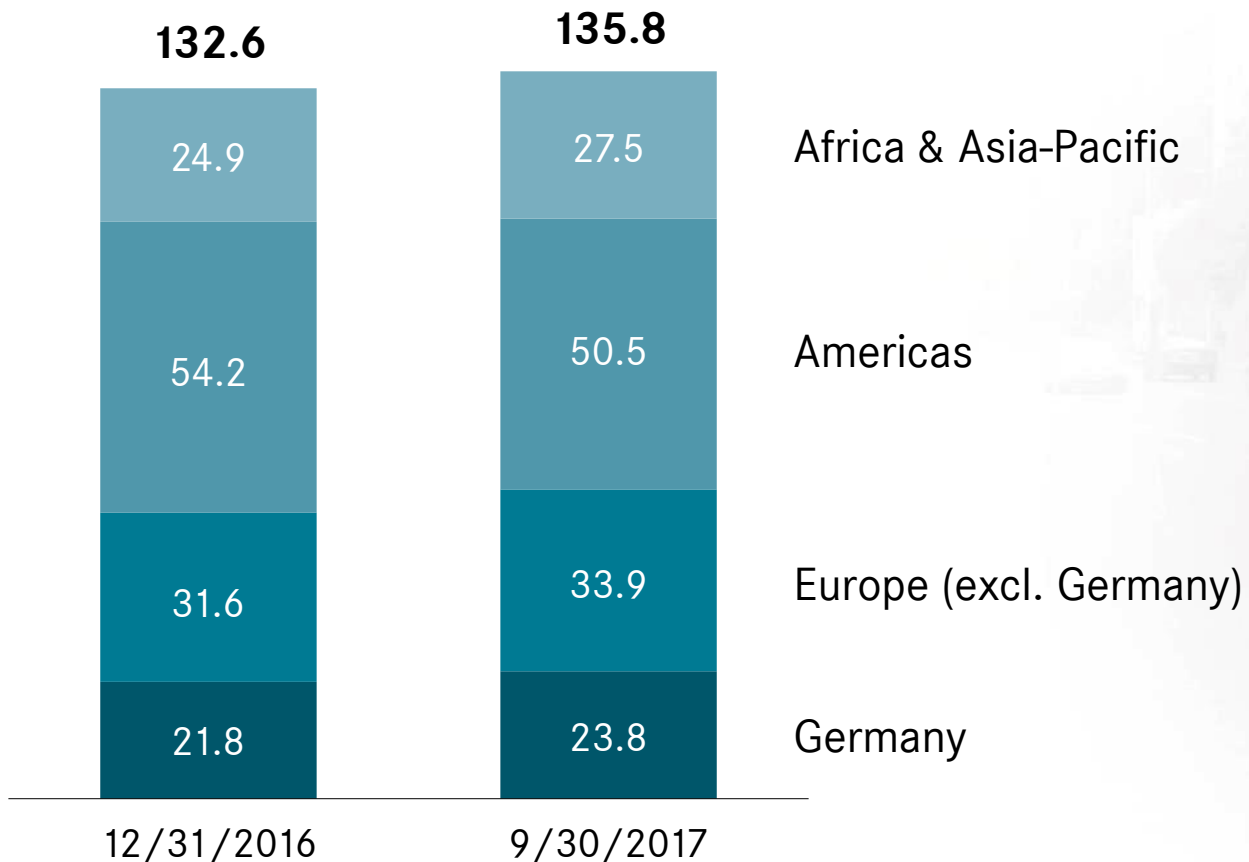
- in thousands of units -



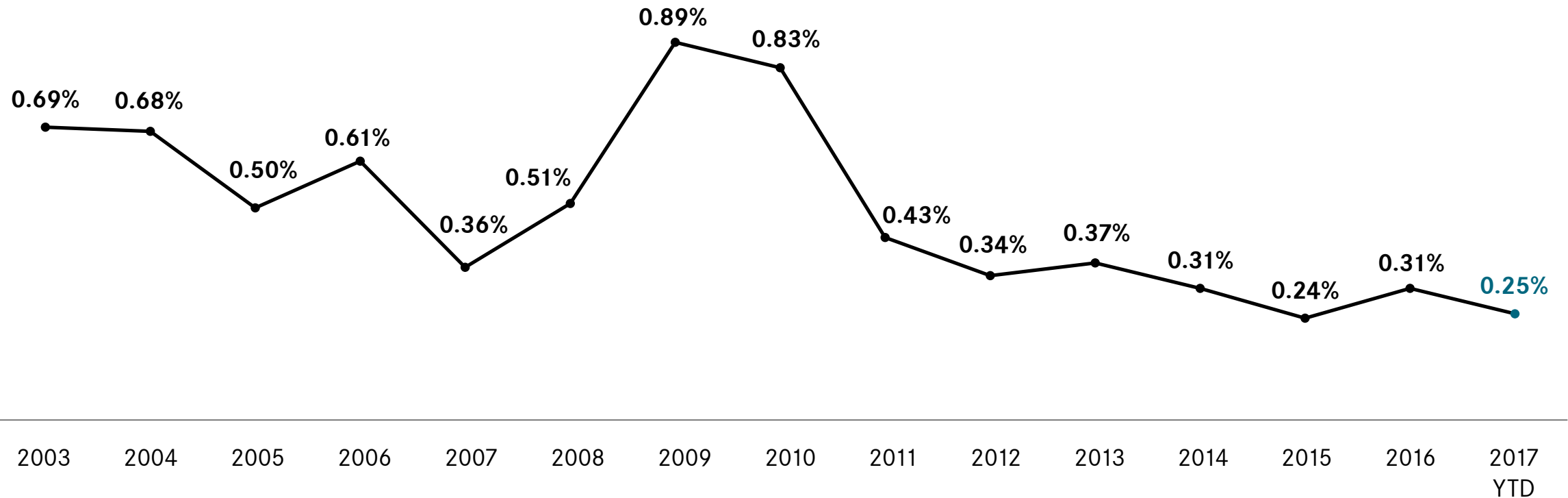
\* European Union, Switzerland and Norway

# Daimler Financial Services: further increase in contract volume to 135.8 billion euros (+2%)

- 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

# 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 Q3 2017: 65,1**

	Total Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Next 12 months
Bonds short term	65,1	-2,2	-4,6	-3,4	-3,5	-13,7

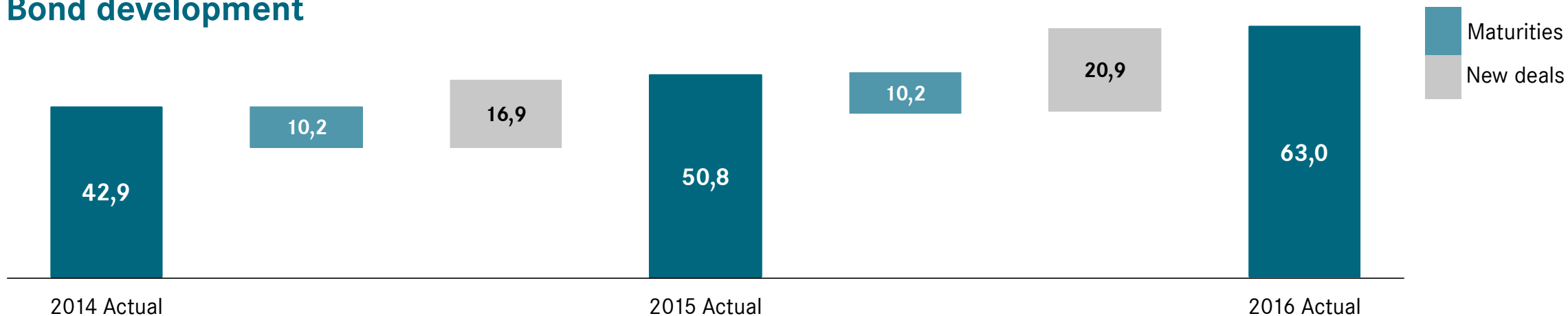
	Total Q3 2017	0-1 Y	1-2 Y	2-3 Y	3-4 Y	4-5 Y	5-6 Y	>6 Y
Bonds long term	65,1	-13,7	-12,6	-13,8	-5,8	-5,4	-1,2	-12,6



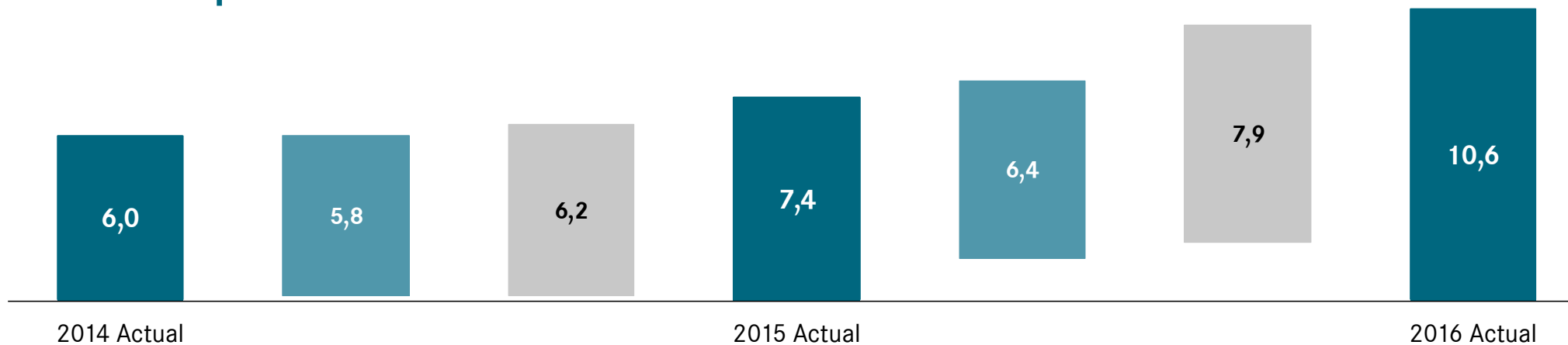
# Bonds and ABS Development 2014 - 2016

- in billions of euros -

## Bond development



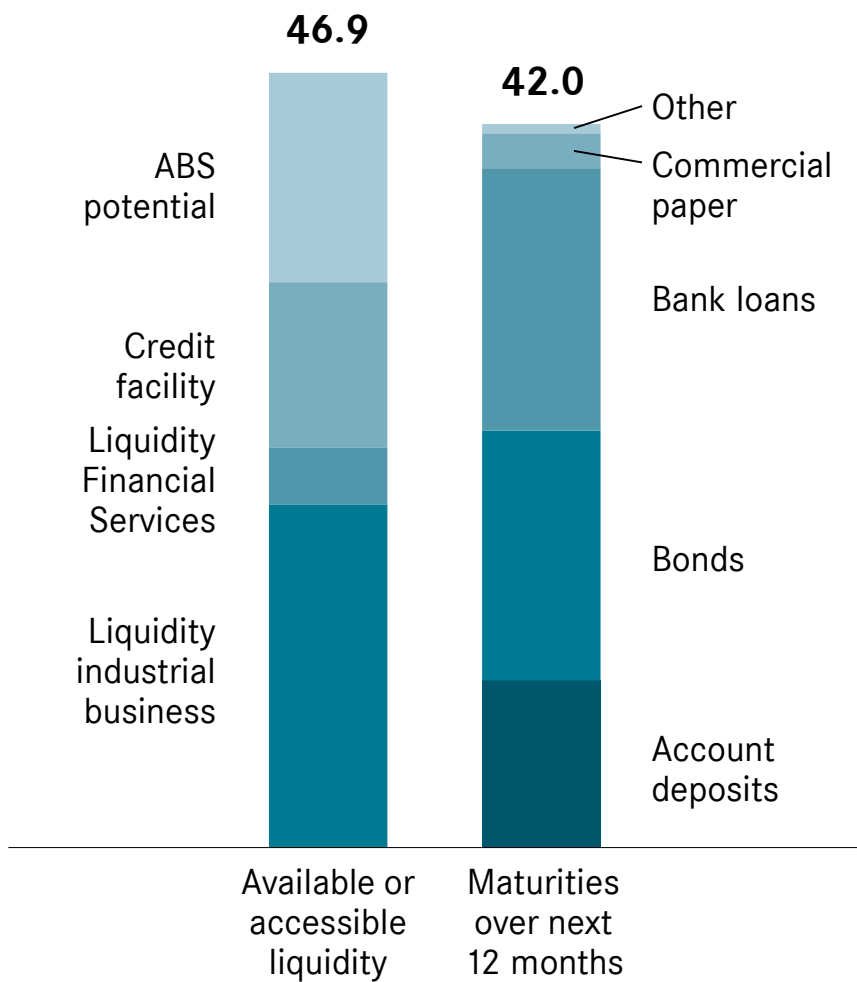
## ABS development



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.