

# DAIMLER

Corporate Presentation  
September 2016



# Contents

**Results for Q2 2016**

Outlook for 2016

Daimler Group Strategy

Divisional information

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# Highlights of Q2 2016

Strong growth in Group unit sales	761,300	+ 7 %
Highest quarterly unit sales so far at Mercedes-Benz Cars	546,500	+ 9 %
EBIT adjusted for special items	€ 4.0bn	+ 6 %

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World premiere of the new Mercedes-Benz E-Class station wagon

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Start of production of new Mercedes-Benz C-Class Cabriolet, GLC Coupé and long-wheelbase E-Class in China

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Launch of six regional sales centers for Daimler commercial vehicles completed

---

World premiere of the Mercedes-Benz Future Bus with CityPilot – a milestone on the way to autonomous driving

---

Successful start of car2go services in the Chinese metropolis Chongqing

---

Transfer of shares in Renault/Nissan strengthens pension assets by €1.8 billion

# Key financials

	Q2 2015	Q2 2016
Revenue	37.5	<b>38.6</b>
EBIT		
as reported	3.7	<b>3.3</b>
adjusted for special items	3.8	<b>4.0</b>
Net profit	2.4	<b>2.5</b>
Earnings per share (in euros)	2.12	<b>2.27</b>
Net liquidity industrial business (2015: year-end)	18.6	<b>17.4</b>
Free cash flow of the industrial business (January-June)	3.4	<b>2.1</b>

in billions of euros



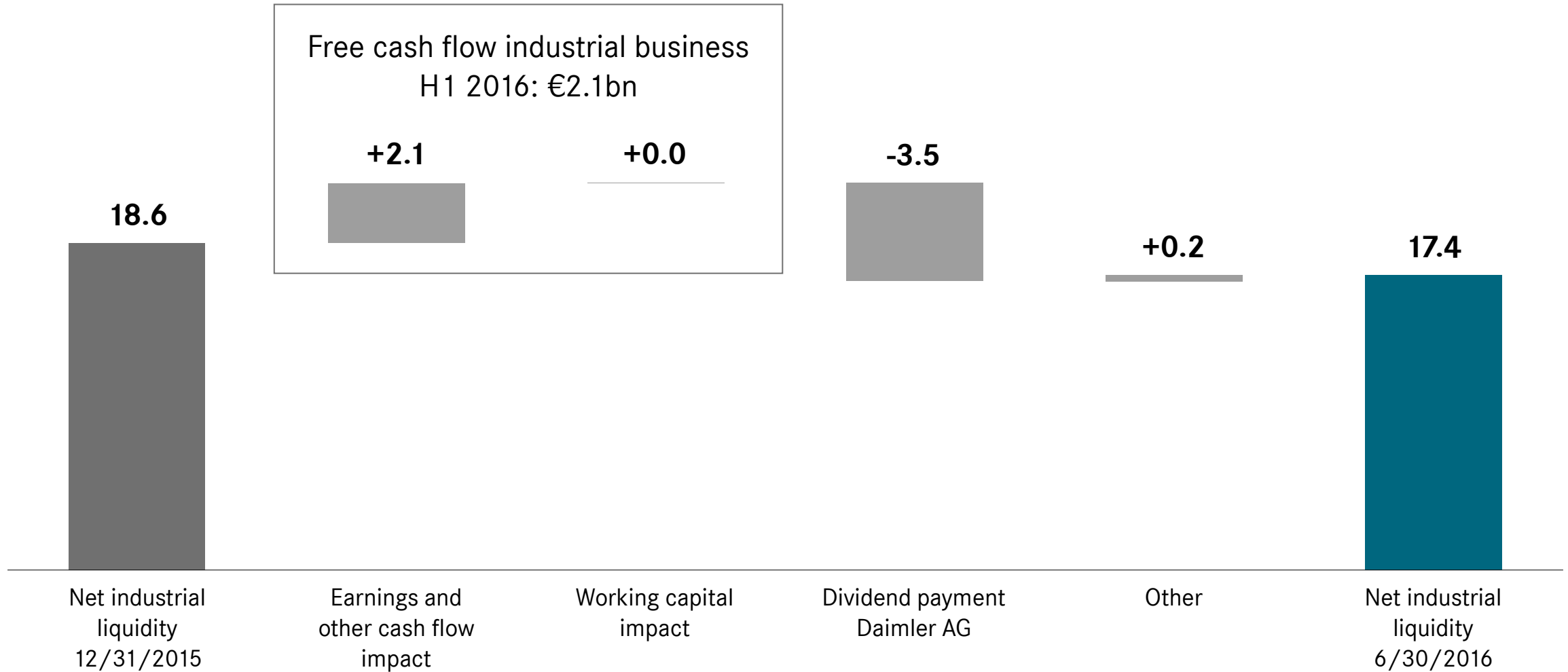
# Key balance sheet and financial figures

<b>Daimler Group</b>	Dec. 31, 2015	June 30, 2016
Equity ratio	23.6%	<b>22.7%</b>
Gross liquidity	18.2	<b>22.9</b>
<b>Industrial business</b>		
Equity ratio	44.2%	<b>41.2%</b>
Net liquidity	18.6	<b>17.4</b>

in billions of euros

# Net industrial liquidity: development in H1 2016

- in billions of euros -



# Unit sales

	Q2 2015	Q2 2016	% change
<b>Daimler Group</b>	714.8	<b>761.3</b>	+7
of which			
Mercedes-Benz Cars	500.7	<b>546.5</b>	+9
Daimler Trucks	125.1	<b>108.3</b>	-13
Mercedes-Benz Vans	81.6	<b>99.6</b>	+22
Daimler Buses	7.3	<b>7.0</b>	-5

in thousands of units

# Revenue by region

	Q2 2015	Q2 2016	% change
<b>Daimler Group</b>	37.5	<b>38.6</b>	+3
of which			
Western Europe	12.0	<b>14.0</b>	+16
<i>of which Germany</i>	5.5	<b>6.2</b>	+12
NAFTA	12.1	<b>11.5</b>	-5
<i>of which United States</i>	10.6	<b>10.0</b>	-6
Asia	8.5	<b>8.4</b>	-0
<i>of which China*</i>	3.8	<b>3.9</b>	+4
Other markets	4.9	<b>4.7</b>	-3

in billions of euros

\* excluding revenue of not fully consolidated companies



# Revenue by division

	Q2 2015	Q2 2016	% change
<b>Daimler Group</b>	37.5	<b>38.6</b>	+3
of which			
Mercedes-Benz Cars	21.1	<b>22.1</b>	+5
Daimler Trucks	9.4	<b>8.7</b>	-8
Mercedes-Benz Vans	2.8	<b>3.4</b>	+22
Daimler Buses	1.0	<b>1.1</b>	+8
Daimler Financial Services	4.8	<b>5.0</b>	+5
Contract volume of Daimler Financial Services*	116.7	<b>120.3</b>	+3

in billions of euros

\* figures as of December 31, 2015 and June 30, 2016

# EBIT by division

- EBIT in millions of euros; RoS in % -	Q2 2015		Q2 2016	
	EBIT	RoS*	EBIT	RoS*
<b>Daimler Group</b>	3,718	10.0	<b>3,258</b>	<b>8.3</b>
of which				
Mercedes-Benz Cars	2,227	10.5	<b>1,410</b>	<b>6.4</b>
Daimler Trucks	682	7.2	<b>621</b>	<b>7.2</b>
Mercedes-Benz Vans	234	8.3	<b>401</b>	<b>11.7</b>
Daimler Buses	57	5.5	<b>88</b>	<b>7.8</b>
Daimler Financial Services	445	-	<b>479</b>	-
Reconciliation	73	-	<b>259</b>	-

\* Return on sales; Daimler Group excluding Daimler Financial Services

# EBIT adjusted for special items

- EBIT in millions of euros; RoS in % -	Q2 2015		Q2 2016	
	EBIT	RoS*	EBIT	RoS*
<b>Daimler Group</b>	3,764	10.1	<b>3,973</b>	<b>10.4</b>
of which				
Mercedes-Benz Cars	2,234	10.6	<b>2,209</b>	<b>10.0</b>
Daimler Trucks	717	7.6	<b>661</b>	<b>7.6</b>
Mercedes-Benz Vans	238	8.4	<b>462</b>	<b>13.4</b>
Daimler Buses	57	5.5	<b>89</b>	<b>7.9</b>
Daimler Financial Services	445	-	<b>479</b>	-
Reconciliation	73	-	<b>73</b>	-

\* Return on sales; Daimler Group excluding Daimler Financial Services

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# Assumptions for automotive markets in 2016

Car markets	Global	around +3%
	Western Europe	slight growth
	USA	around the prior-year level
	China	significant growth
Medium- and heavy-duty truck markets	NAFTA region	around -15%
	Europe	around +10%
	Japan*	around the prior-year level
	Brazil	around -25%
	Indonesia*	around -15%
Van markets	Europe	significant growth for small, mid-size and large vans
	USA	significant growth
Bus markets	Western Europe	slight growth
	Brazil	significant decrease

\* including light-duty trucks

# 2016 sales outlook

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Mercedes-Benz Cars

## **Significantly higher unit sales**

Strong momentum from renewed SUV portfolio and further plug-in hybrid models  
Launch of all-new E-Class, C-Class Coupé, S-Class Cabriolet and smart fortwo cabrio

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Daimler Trucks

## **Unit sales significantly below the prior-year level**

Worsened situation of global truck markets; weakening NAFTA market can be only partially offset by the market development in Europe

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Mercedes-Benz Vans

## **Significantly higher unit sales**

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

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Daimler Buses

## **Unit sales slightly below the prior-year level**

Maintain market leadership in core markets  
Significant growth in Western Europe, significantly lower demand in Brazil

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# 2016 outlook for EBIT adjusted for special items

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## DAIMLER

**We expect Group EBIT for FY 2016 to increase slightly based on the following expectations for divisional EBIT:**

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Mercedes-Benz Cars

Slightly above the prior-year level

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Daimler Trucks

Significantly below the prior-year level

---



Mercedes-Benz Vans

Significantly above the prior-year level

---



Daimler Buses

Slightly above the prior-year level

---



Daimler Financial Services

Slightly above the prior-year level

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# Clear aspiration for all our divisions

# DAIMLER

Mercedes-Benz  
Cars

“Most successful  
premium  
manufacturer”



Daimler Trucks

“No 1 in  
the global truck  
business”



Mercedes-Benz  
Vans

“Most successful  
player in  
worldwide van  
business”



Daimler Buses

“No 1 in the  
global bus  
business”



Daimler Financial  
Services

“Best financial  
and mobility  
services provider”



# The four strategic focus areas of Daimler

Strengthening core business



Growing globally



Leading in technology



Pushing digitalization



# Digitalization puts the focus on the customer

## Digital target picture Daimler

Vision

**„Shaping the future of safe and sustainable mobility“**

Mission statement  
DigitalLife@Daimler



We are among the leaders in our industry regarding digital work environment and culture. Our customers perceive us as the most innovative digital automotive manufacturer.

**Direct**  
customer perception



Products & Services



**Indirect**  
customer perception



Digitalization of the value chain<sup>1)</sup>

Success factors

**Processes and Structures**

**Digital skills & Corporate culture**

**Management system**

1) Industry 4.0



# 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

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# Mercedes-Benz Cars





# Mercedes-Benz Cars: product highlights



New Mercedes-Benz E-Class station wagon



New Mercedes-Benz GLC Coupé



New Mercedes-Benz C-Class Cabriolet



New Mercedes-AMG GT R

# Mercedes-Benz Cars and Vans: continued product offensive

2016

2017



GLS facelift



E-Class sedan



E-Class  
(long wheelbase)



E-Class  
station wagon



E-Class  
Coupé



E-Class  
All Terrain



S-Class  
facelift



CLA facelift



GLC Coupé



GLA facelift



S-Class  
Cabriolet



SL facelift



SLC facelift



C-Class  
Cabriolet



GT R  
Coupé



GT C  
Roadster



E-Class  
Cabriolet



GT C  
Coupé



smart cabrio



smart  
fortwo EV



smart  
cabrio EV



smart  
forfour EV



V-Class China

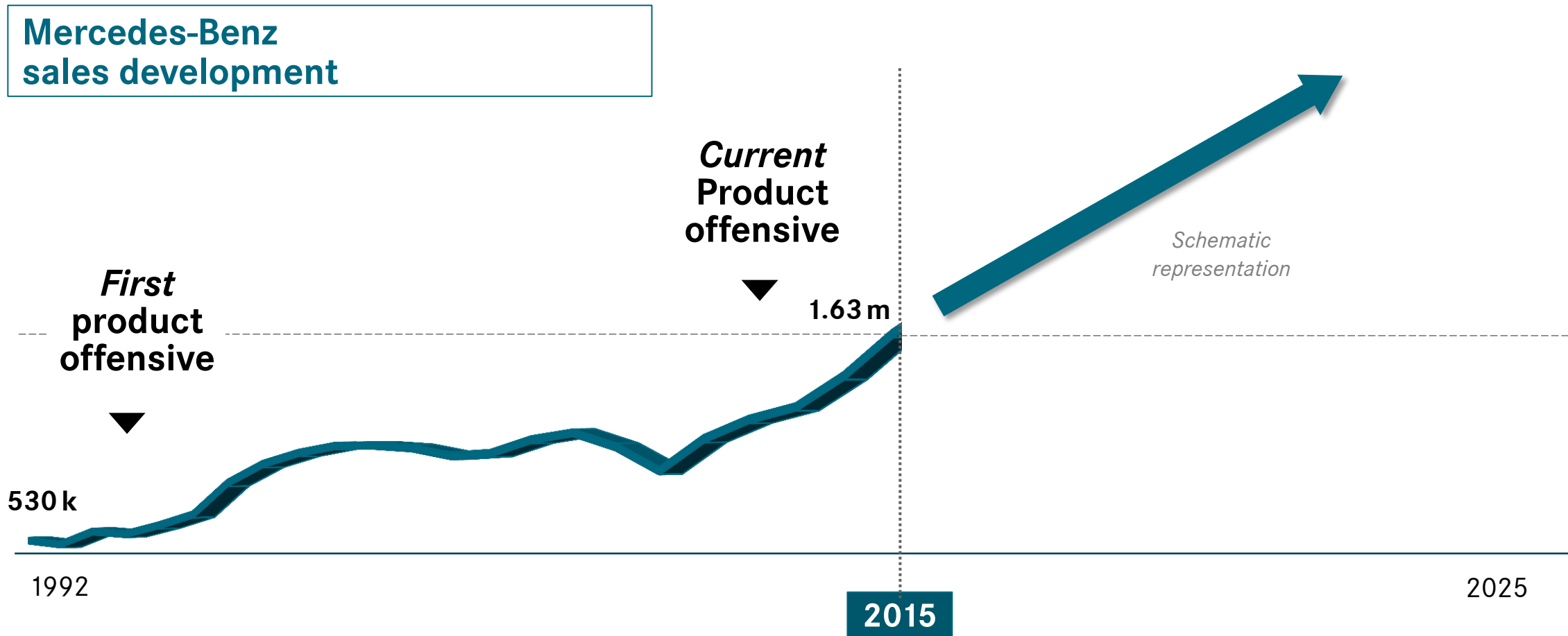


Vito China



Pickup

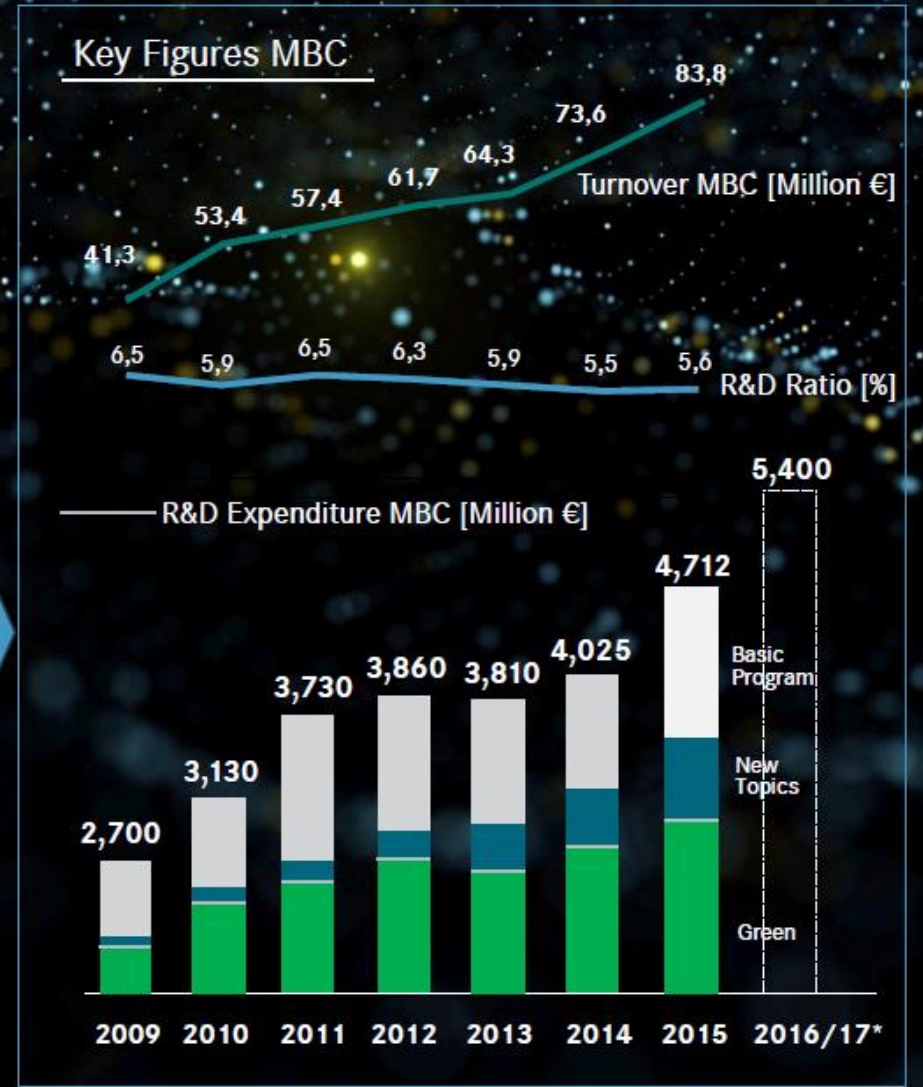
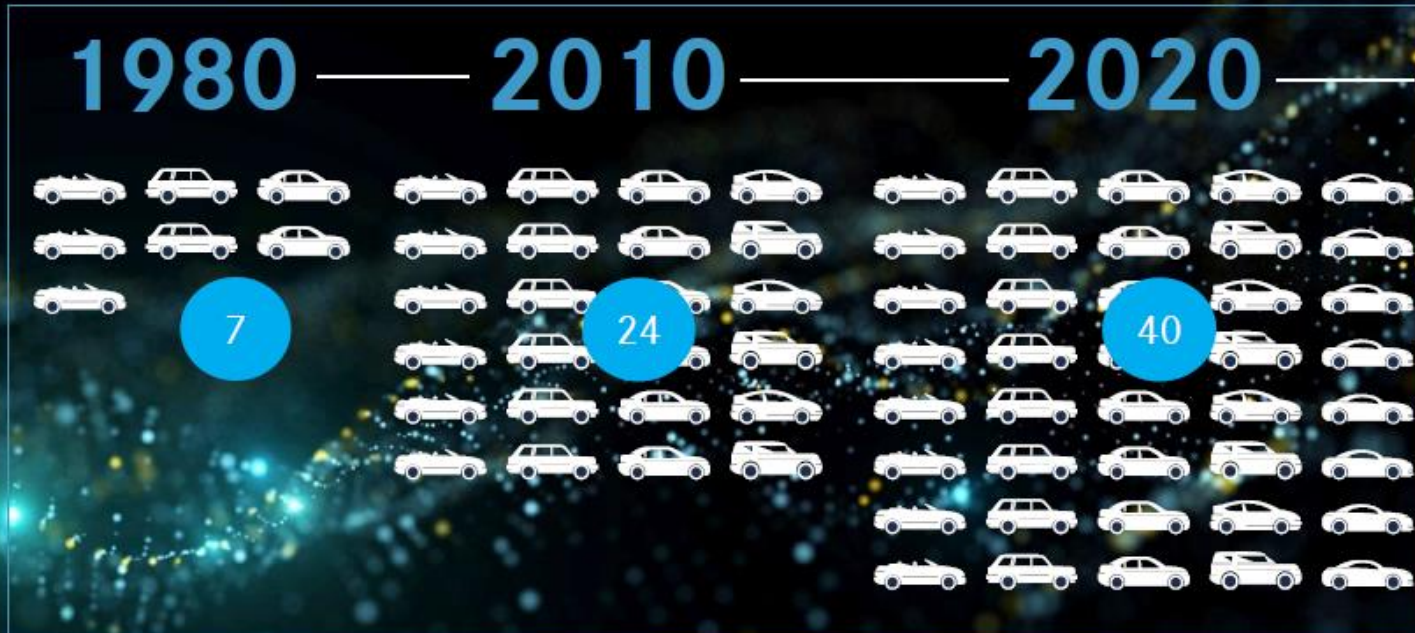
# Product offensive to fuel our sales offensive





# Our product- and technology offensive is at full speed

## 30 Models in 2016



### Worldwide markets

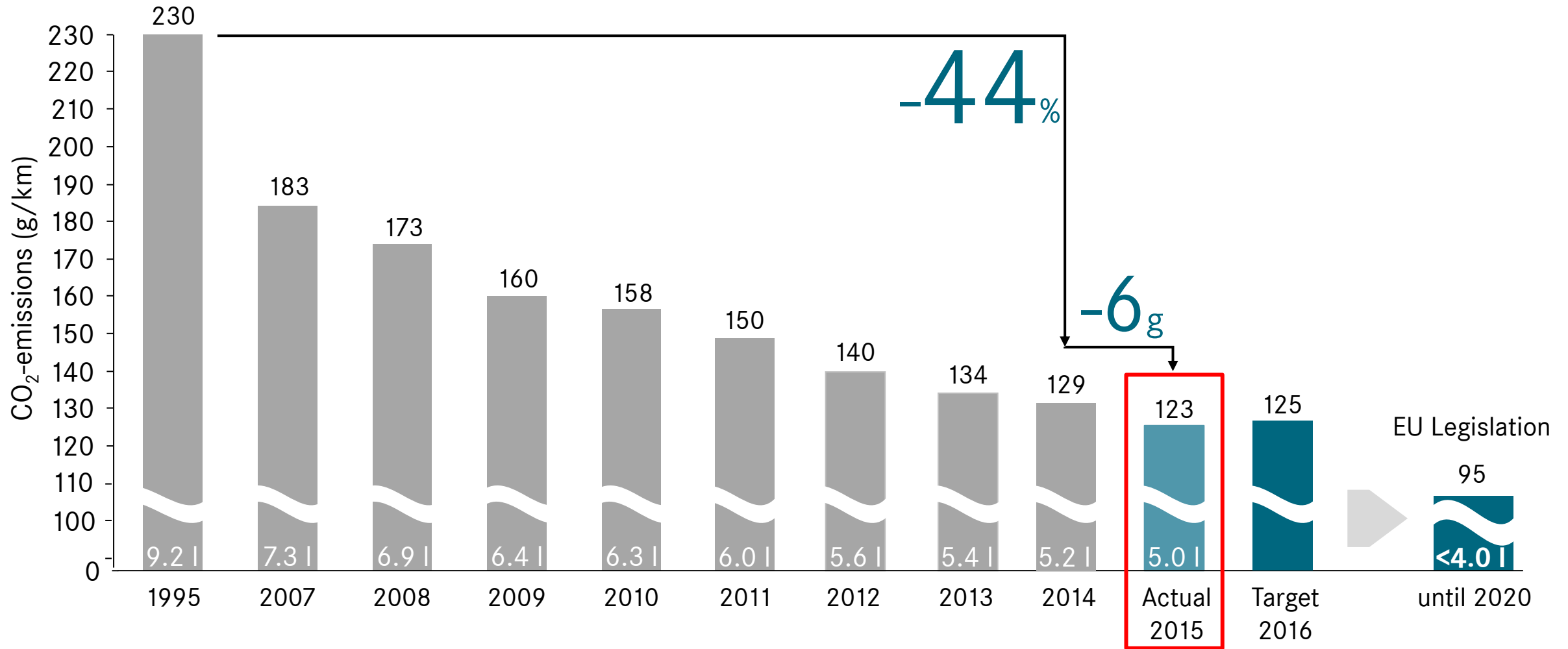
- Long-wheel-base
- left/right hand drive
- All-wheel drive

### New and groundbreaking innovations

\* average p.a.

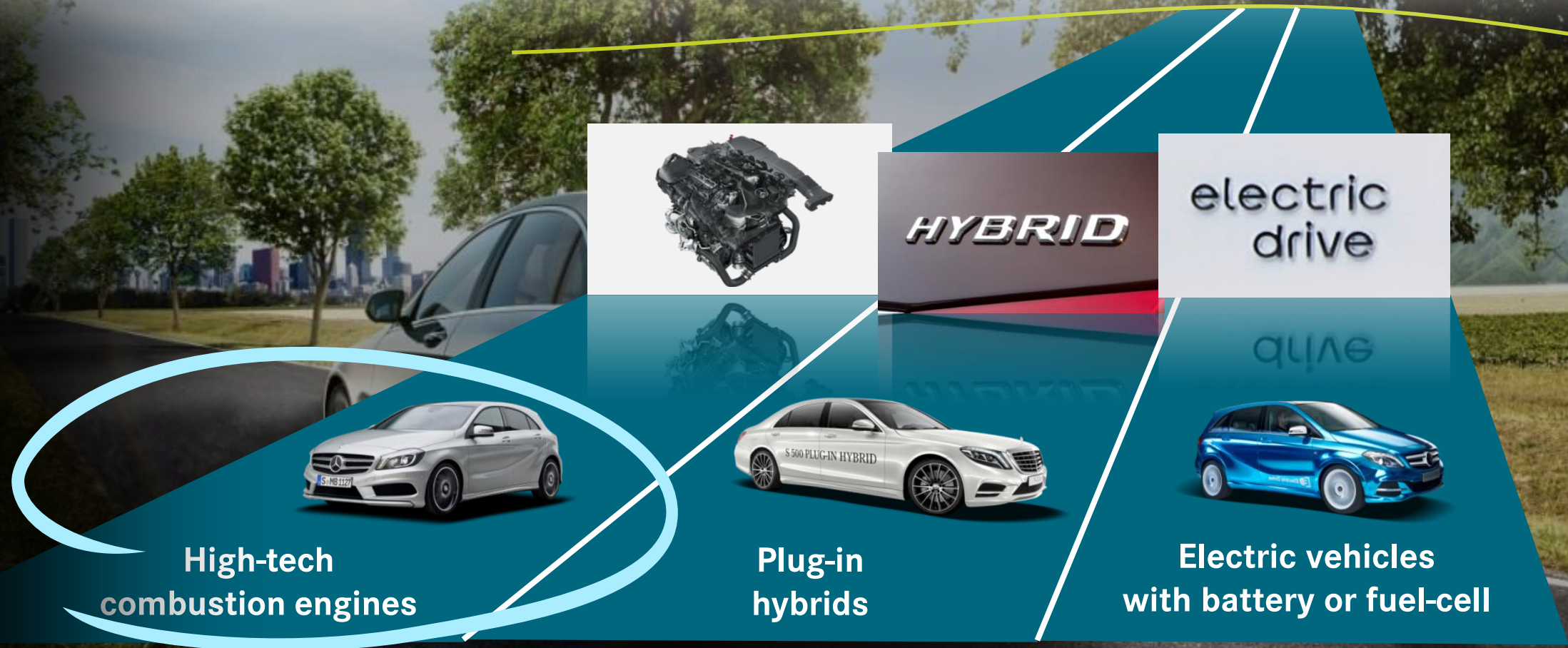
# We are on our way to emission-free driving

## Example: MBC fleet consumption in Europe





# Our roadmap for sustainable mobility





# 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

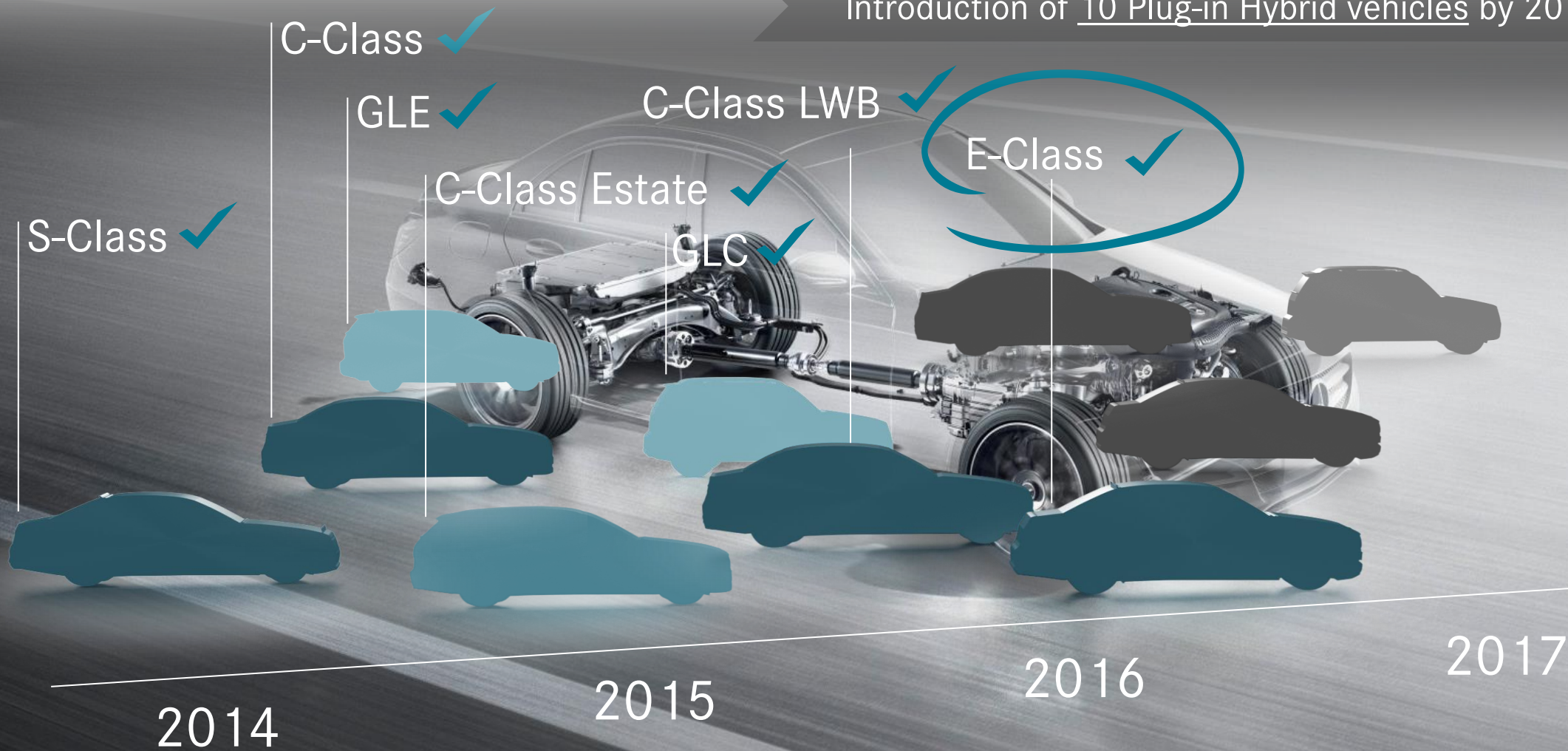


13% CO<sub>2</sub> reduction

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

# Our Plug-In Hybrid Rollout is at full speed

Introduction of 10 Plug-in Hybrid vehicles by 2017





# Plug-In Hybrid Rollout - The upcoming E 350 e



- ✓ > 30 km electric operating range
- ✓ < 50 g/km CO<sub>2</sub>-Emissions
- ✓ Market introduction in 09/2016

# Autonomous driving goes far beyond technology





# The new E-Class takes autonomous and accident-free driving to the next level



Car-to-X-Communication

PRE-SAFE® PLUS

Beltbag

Remote  
Park-Pilot

Active Lane Keeping Assist

PRE-SAFE®  
Impulse Side

## DRIVE PILOT

with Distance Pilot DISTRONIC, Steering Pilot, Active Lane Change Assist, Active Emergency Stop Assist, Speed Limit Pilot



PRE-SAFE®

## Active Braking Assist

with Pedestrian Detection, Cross-Traffic Function and Congestion Emergency Braking Function

Active Blind Spot Assist

Evasive Steering Assist

## MULTIBEAM LED Headlights

with Adaptive High Beam Assist

# 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




# Connectivity as 'enabling technology' is the core of...

## Infotainment


*Examples*



**Navigation**




**Radio/ Media**



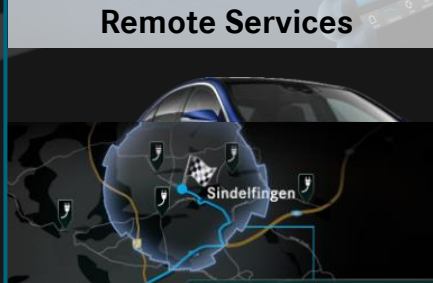
**Internet/ Apps**

## EVs

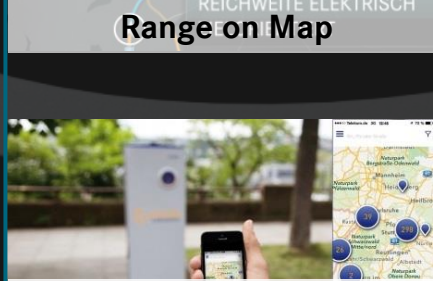
*Examples*



**Remote Services**



**Range on Map**



**Charging Station Search**

## Safety

*Examples*



**Live Traffic Information**




**Car-2-X Warnings**



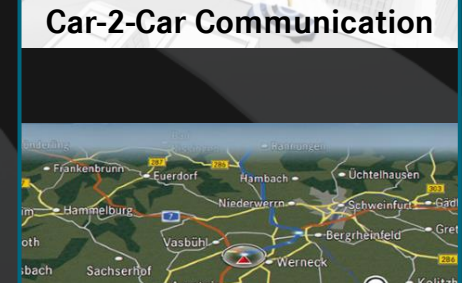
**Emergency Call**

## Autonomous Driving

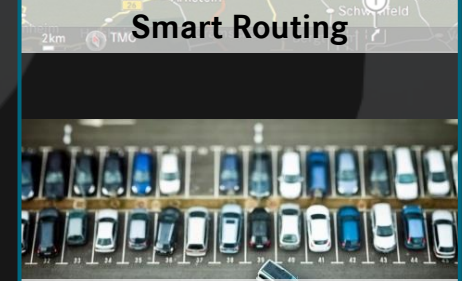
*Examples*



**Car-2-Car Communication**



**Smart Routing**



**Intelligent Parking Assist**

# We want to become digital champion of the automotive industry with the help of Mercedes me and the Mercedes-Benz Store



Remote  
Park Pilot



Digital Car Key



Online Service  
Appointment



Lifestyle  
Configurator



Contract- & Document  
Management



Integration  
Mobility Offers  
in Mercedes me (App)



- **Launch of the Mercedes-Benz Store** for all Mercedes me connect markets
- Customer can purchase services **directly online** (Starting with Remote Park Pilot)

# Regarding e-commerce, first steps have been taken with the Mercedes-Benz Store considering online sales of me services



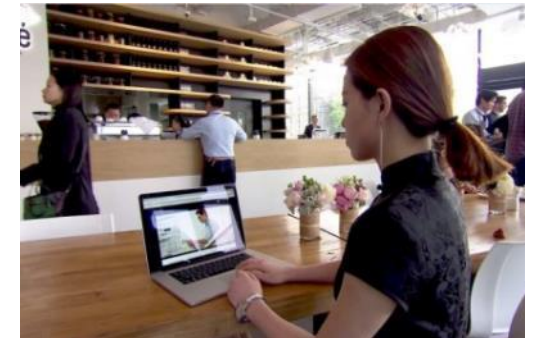
A screenshot of the Mercedes-Benz online store. The page is titled 'Remote Park-Pilot' and features a large image of the car's infotainment screen displaying the service interface. To the right, there is a list of features and a price tag of € 302,50. A shopping cart icon is visible in the top right corner of the page. The page also includes a 'Mercedes-Benz' logo and navigation links like 'Anbieter / Datenschutz', 'Service', 'Kontakt', and 'Prod-Vorm'.



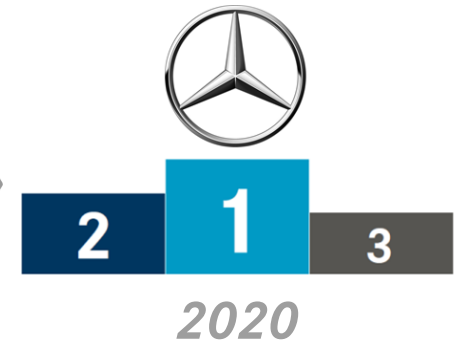
But Mercedes me is more than just digital...  
...it's an innovative sales approach



***Opening of the world-wide 6th  
Mercedes me store in Beijing.***



Fit for Leadership was designed as long-term profit optimization of „MB 2020“-strategy. „Next Stage“ will focus on structural improvement



*Measurement implementation for cost improvement*



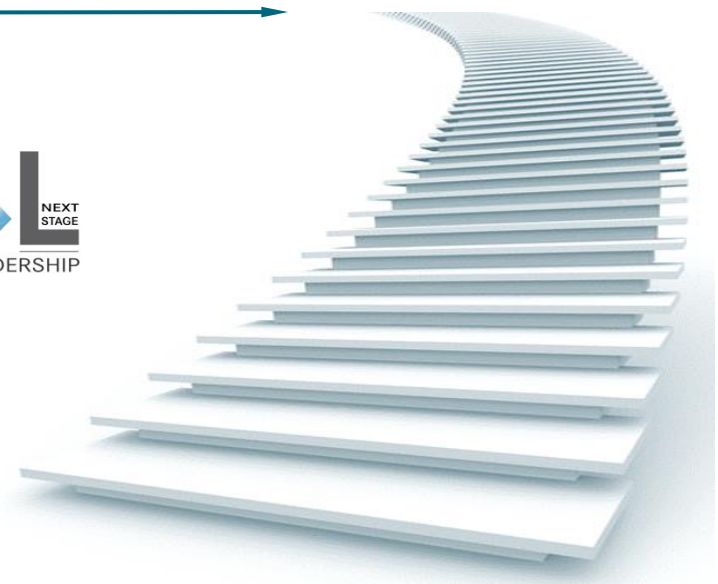
**2 bn. € until 2014**



*Optimized business structures*



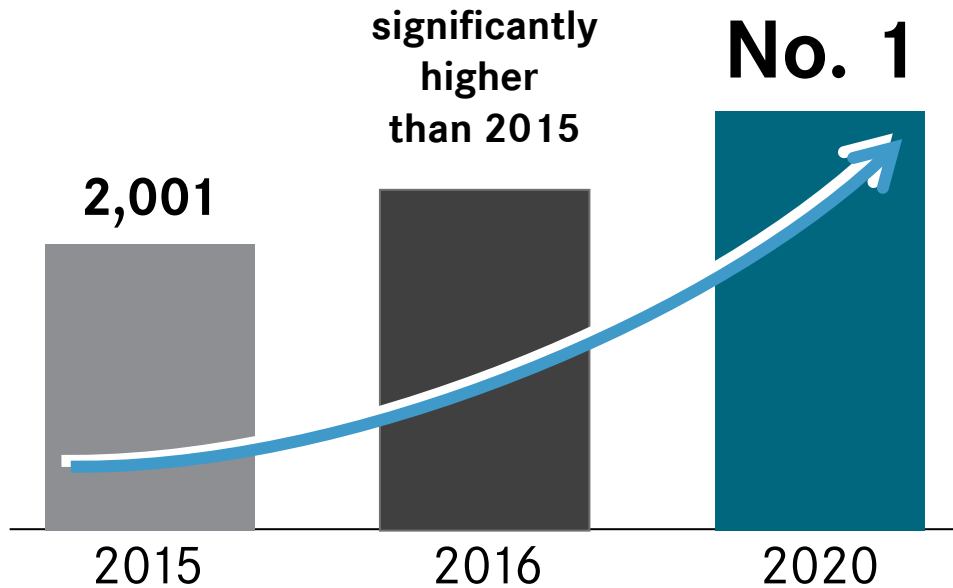
**Fit for Leadership Next Stage**



# Our target: No.1 premium car manufacturer

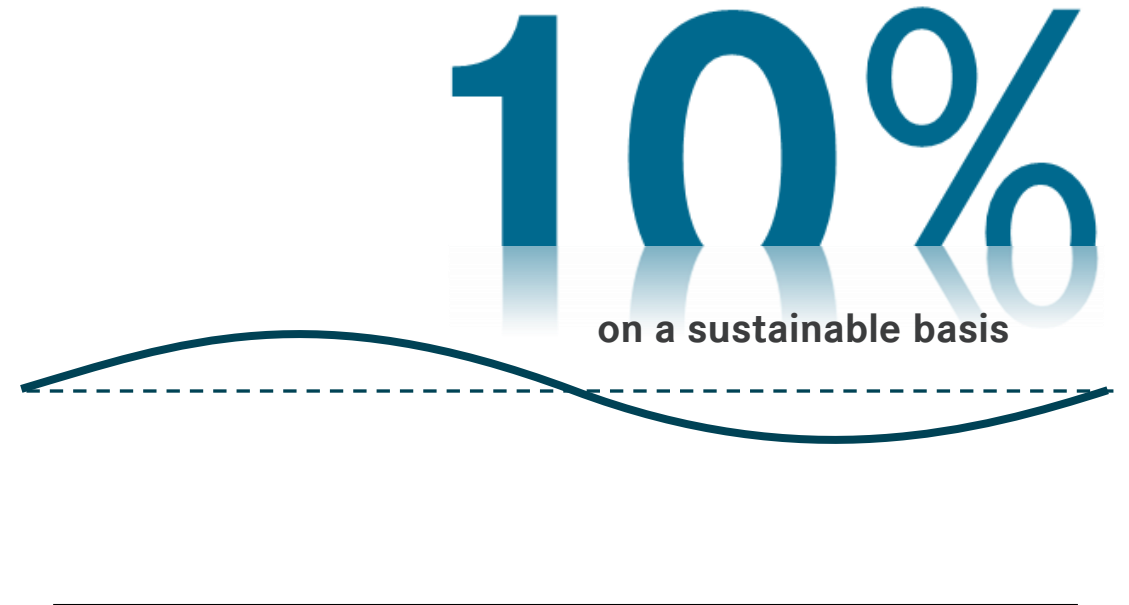
## Sales target

In thousand units



## Profitability target

Return on Sales in %





# Daimler Trucks



# Broadest and strongest truck portfolio in our history



Mercedes-Benz





# Our strategy works out. We keep on developing it.

## Technology Leadership

in efficiency, safety and connectivity



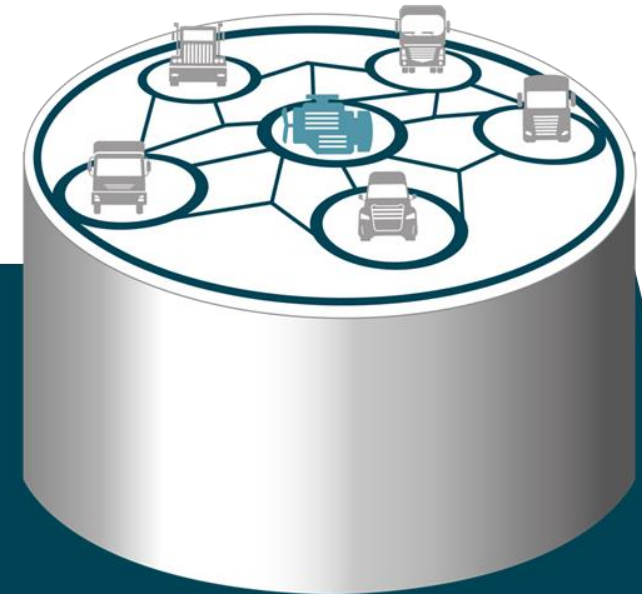
## Global Market Presence

in traditional and emerging markets



## Intelligent Platforms

for tailored products and decisive economies of scale





# Efficiency: the most efficient trucks are Daimler Trucks

~ 13%

less fuel than previous model



Mercedes-Benz Actros

~ 7%

less fuel than previous model



Freightliner Cascadia Evolution

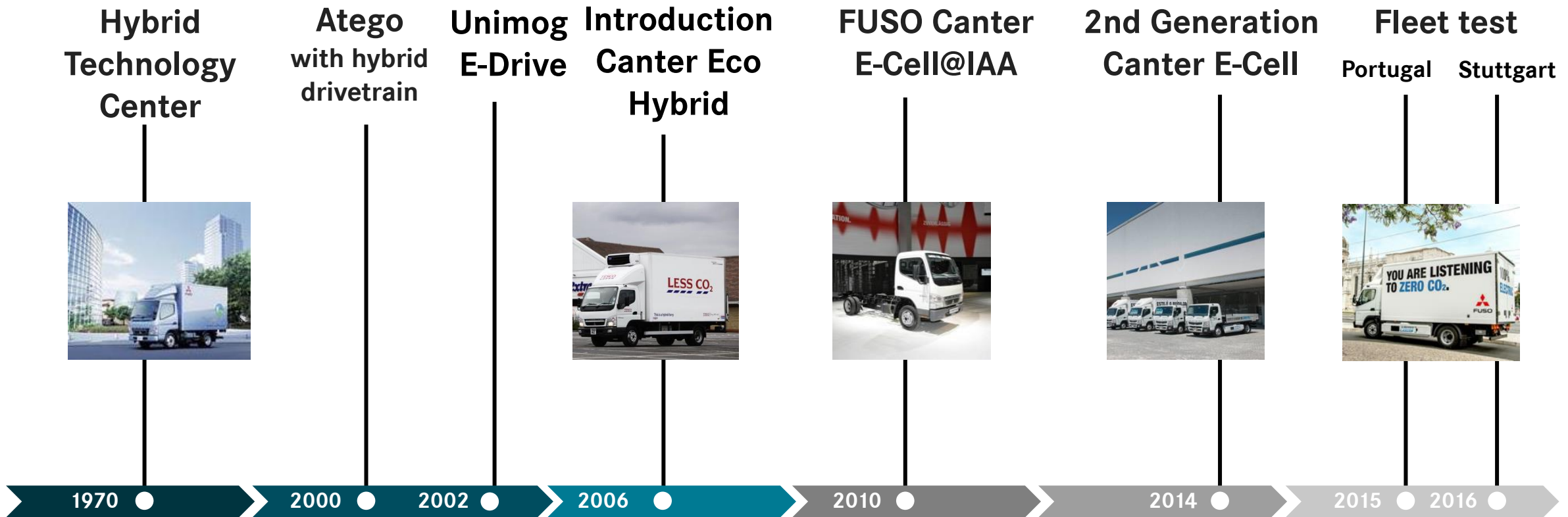
~ 5%

less fuel than previous model



Fuso Super Great V

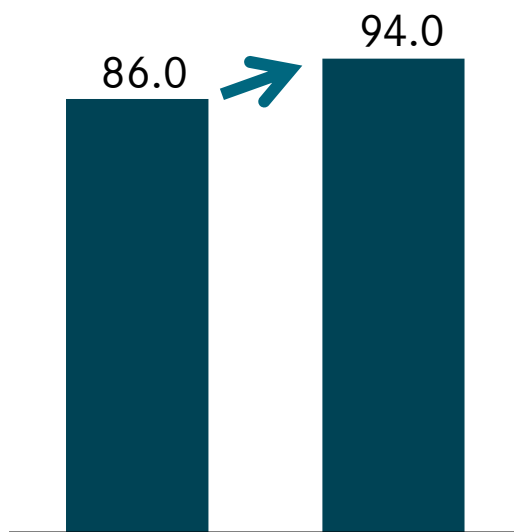
# Efficiency: we are pioneering alternative drivetrains



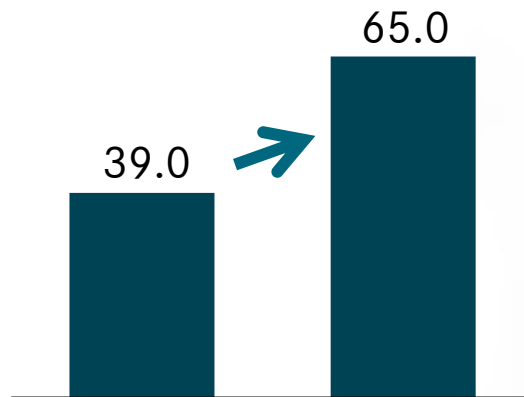
# Our EBIT drivers: Push captive component strategy to strengthen undisputed market leadership in NAFTA

## Penetration rate integrated powertrain

US/CAN in % Built and scheduled



Year End 2015 As of June 2016  
**Heavy Duty Engines  
HDEP**



Year End 2015 As of June 2016  
**Automated Manual Transmission  
DT12**





# Safety: many firsts on our record

**1981**

Anti-lock Braking System  
(ABS)

**2001**

Electronic Stability Program (ESP)

**2006** Active Brake Assist (ABA)



# Safety: new Blind Spot Monitor improves active safety further



Avoid up to **50%**  
of accidents with bikers and pedestrians



# We are pioneering autonomous driving

**Future Truck**  
world premiere



**Inspiration Truck**  
premiere on US highway



**Highway Pilot**  
test licence for German autobahn



**Highway Pilot Connect**  
world premiere of platooning



2014

2015

2016



# We will lead in connectivity like we do in autonomous driving



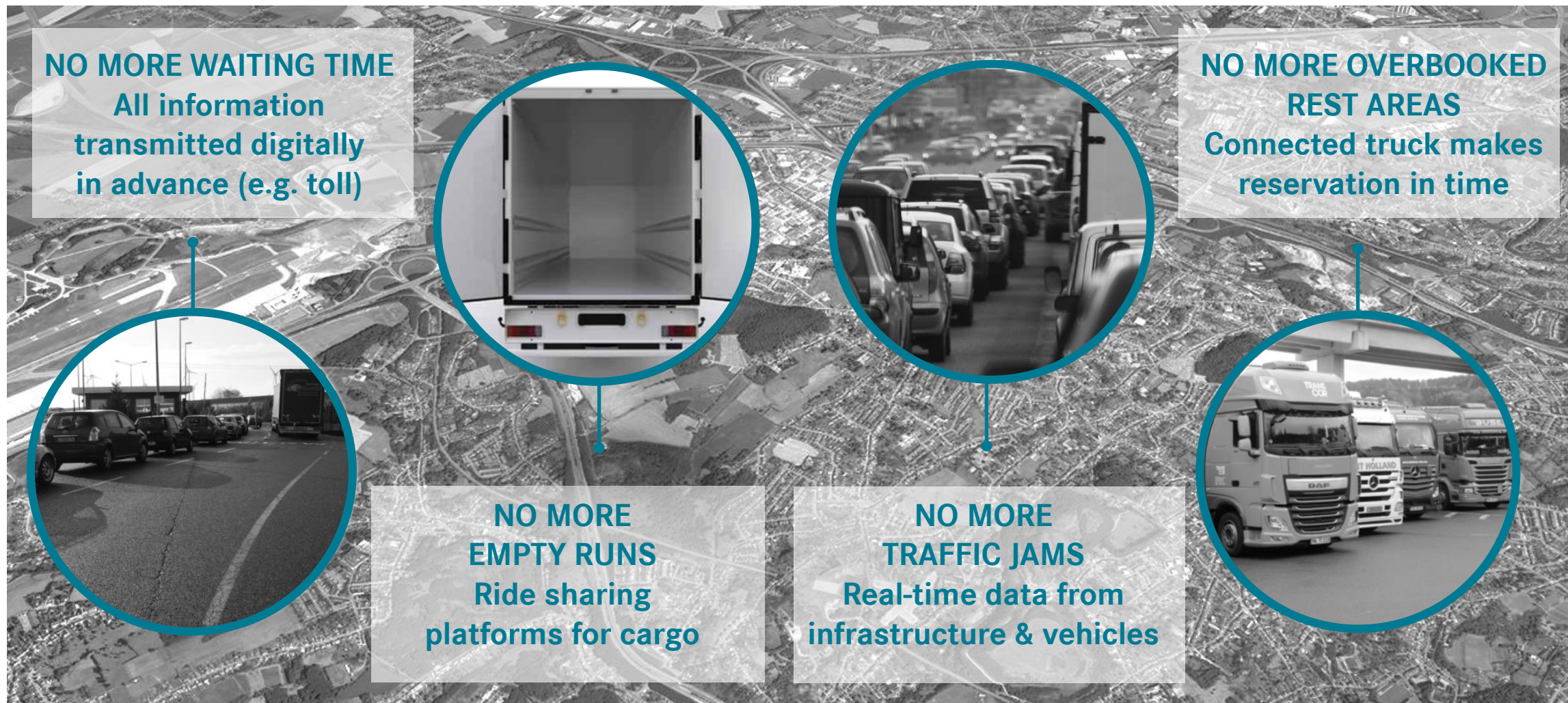
- Less fuel: ~7% savings/entire platoon
- More safety: shorter reaction time (< 0,1 sec. vs. 1.4 sec. driver)
- Less space: 3 trucks span 80m vs. 150m

# Connectivity: the truck becomes the mobile data center of the logistics network



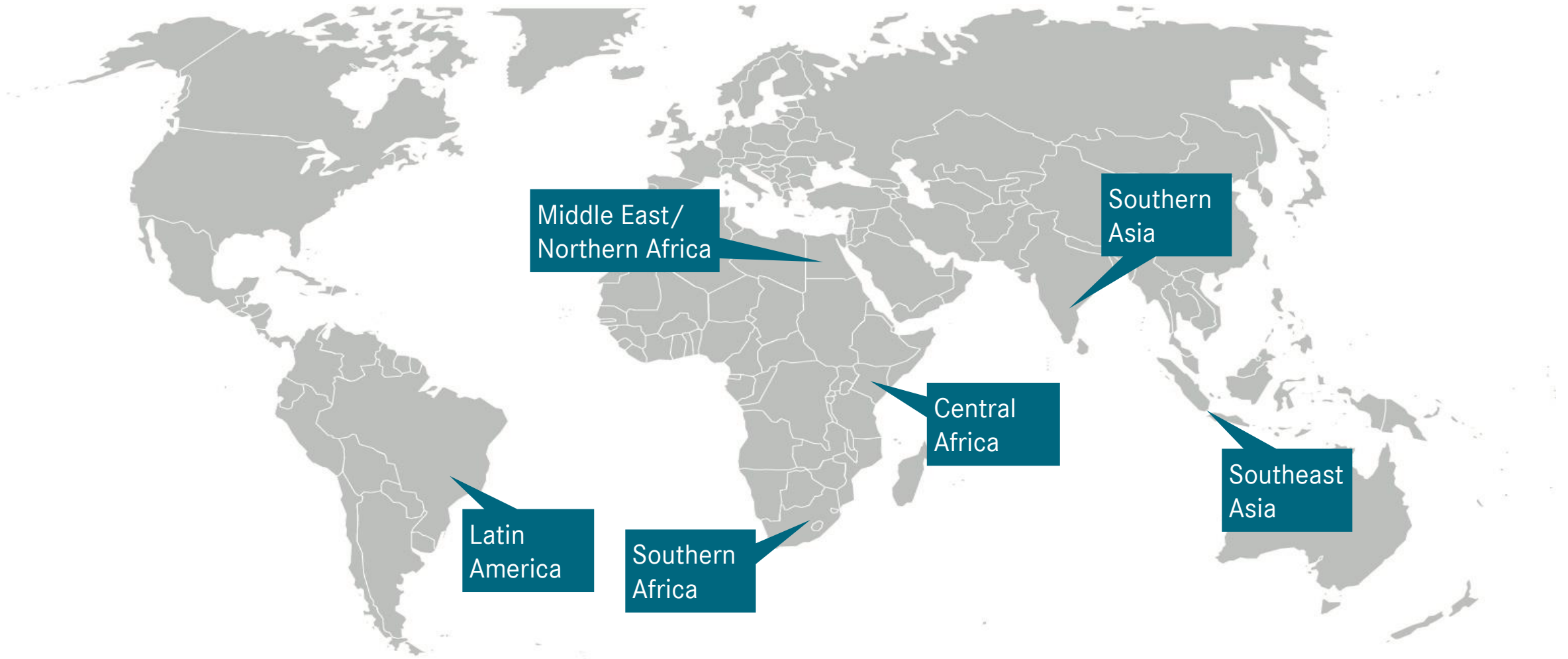


# Connectivity: with its real-time information, the connected truck solves major logistics inefficiencies

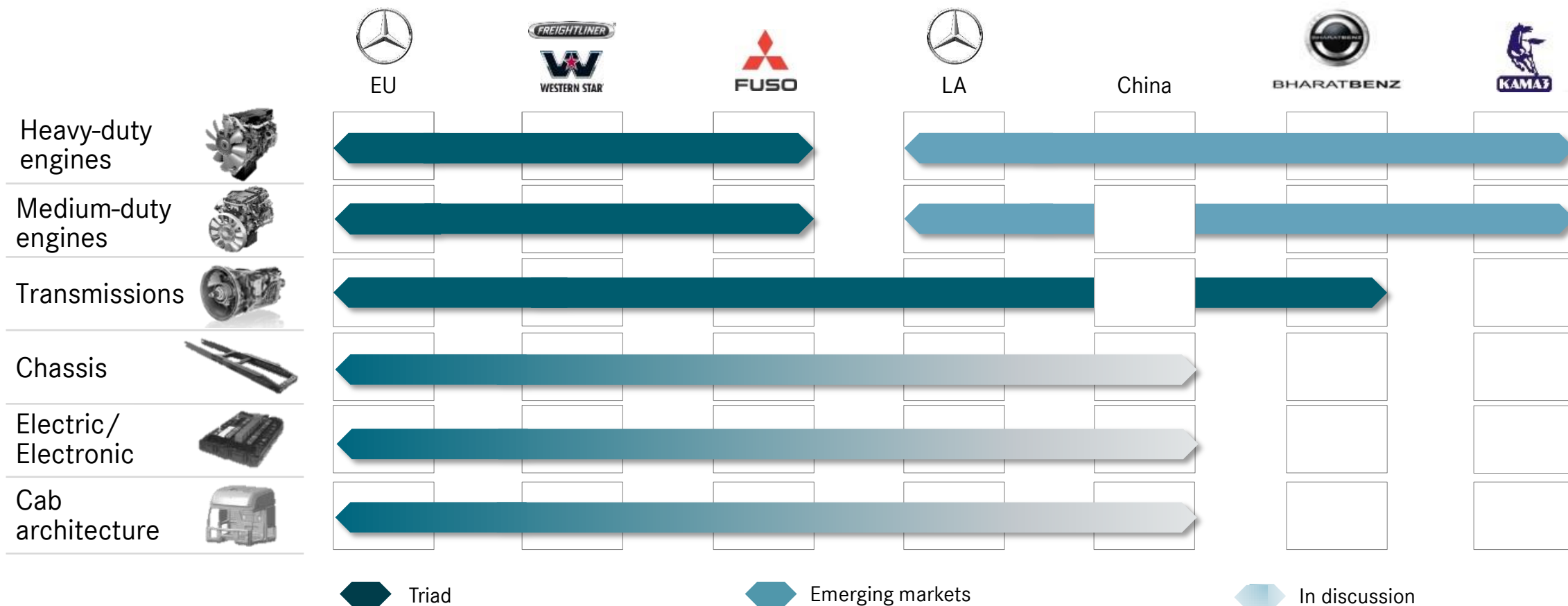




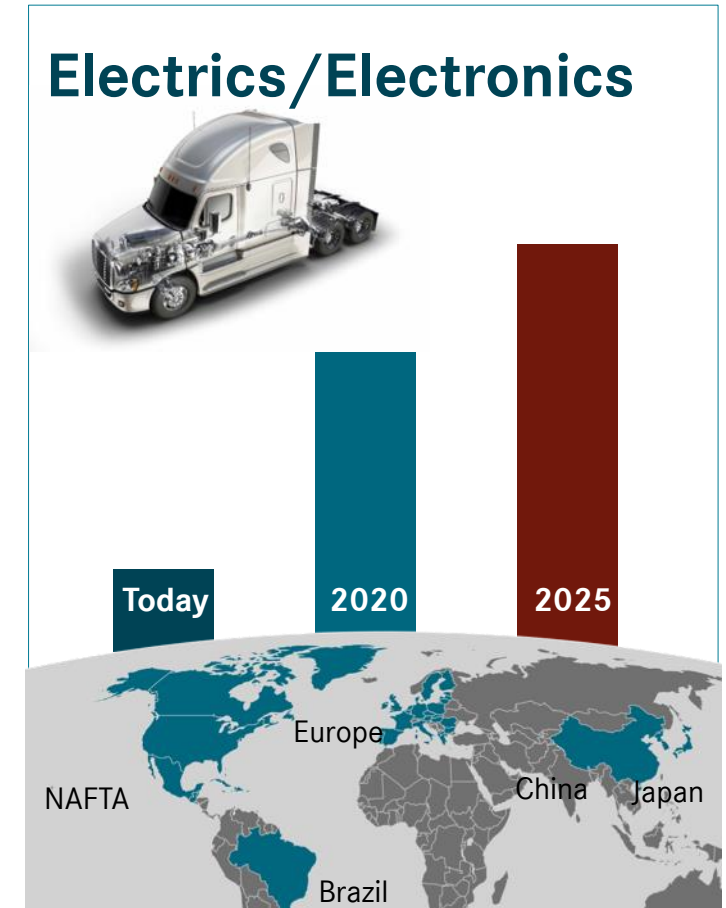
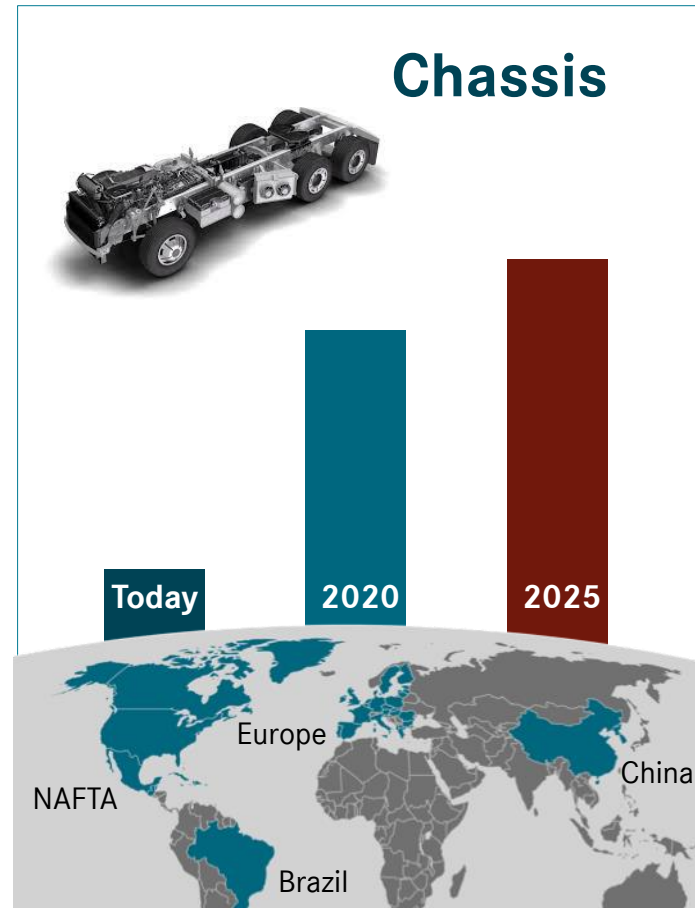
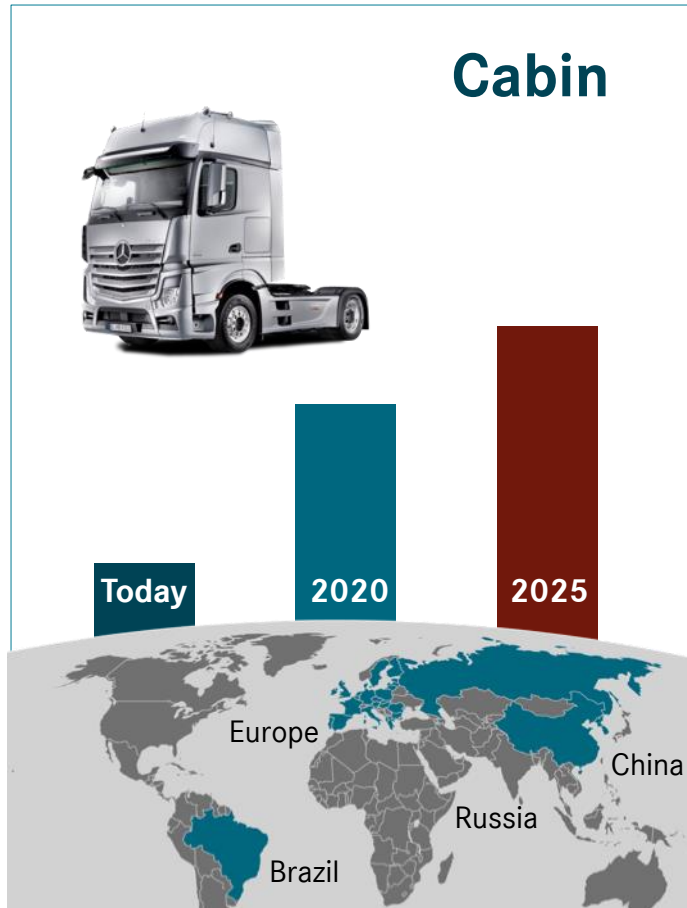
# With our new Regional Centers, we push sales and after sales in emerging markets



# Roll-out of intelligent platforms continues: most integrated set-up of all Truck manufacturer in the world



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

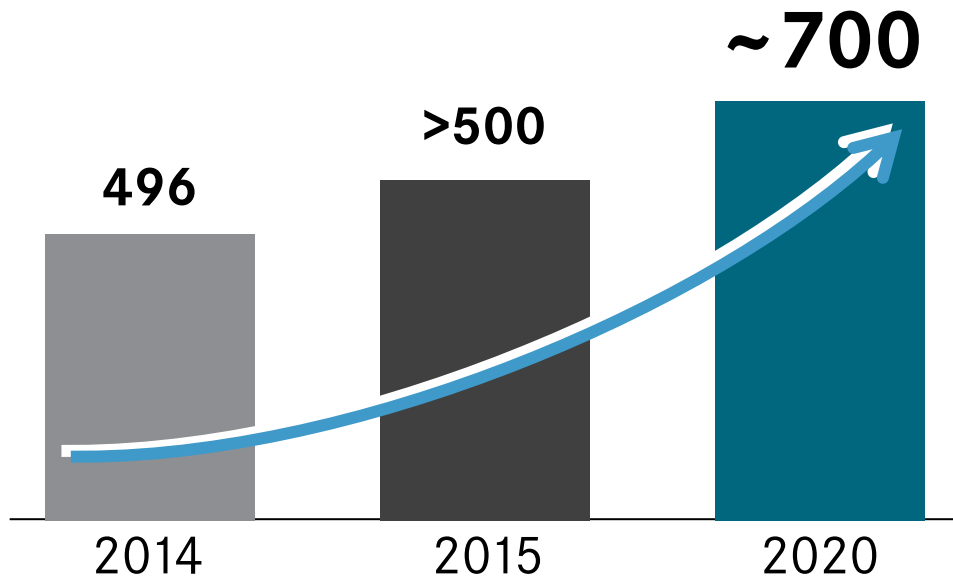




# Sticking to our target: undisputed leader in the truck industry

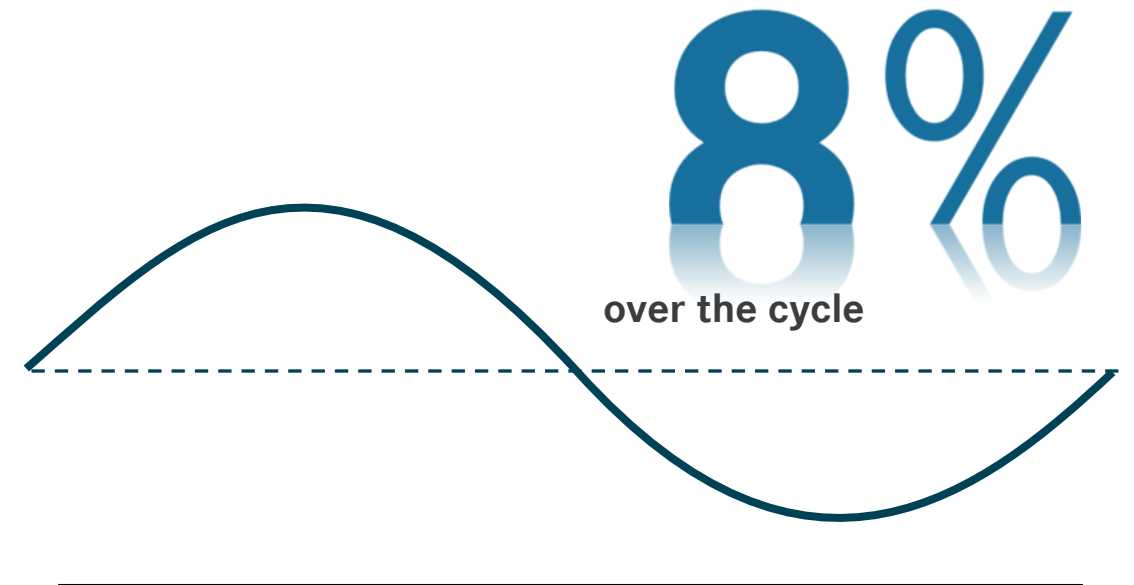
## Sales target

In thousand units



## Profitability target

Return on Sales in %



# Daimler Financial Services

Mercedes-Benz  
Financial Services

Mercedes-Benz Bank




Daimler Fleet Management

BHARATBENZ Financial

Daimler Truck Financial

# Services become an ever-more important part of our business model



- |  |                  |  |            |
|--|------------------|--|------------|
|   | Financing        |   | Banking    |
|   | Leasing          |   | Carsharing |
|   | Insurance        |   | Taxi       |
|  | Fleet Management |  | Moovel     |



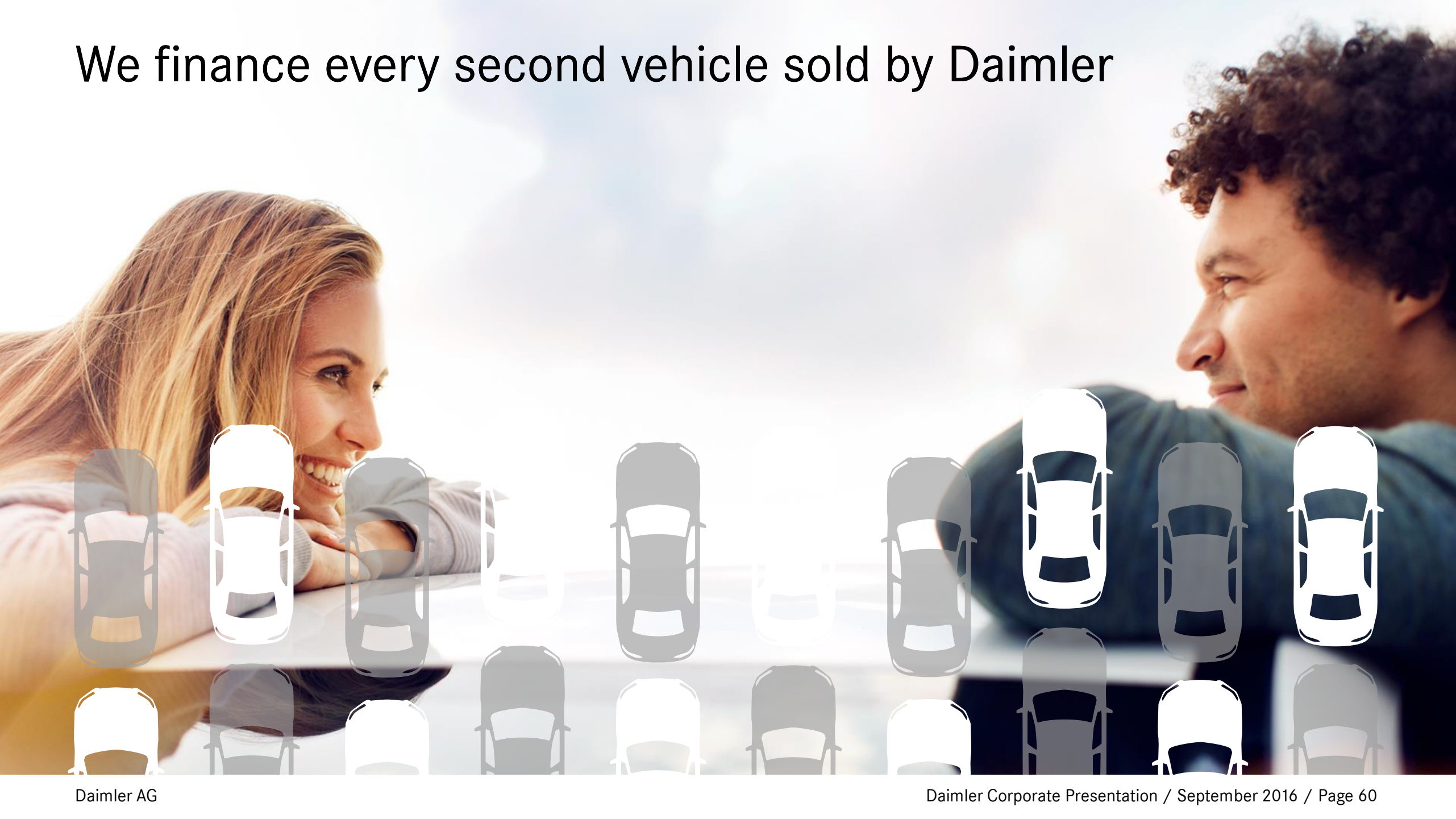
# Supporting all Daimler brands



Daimler Financial  
Services

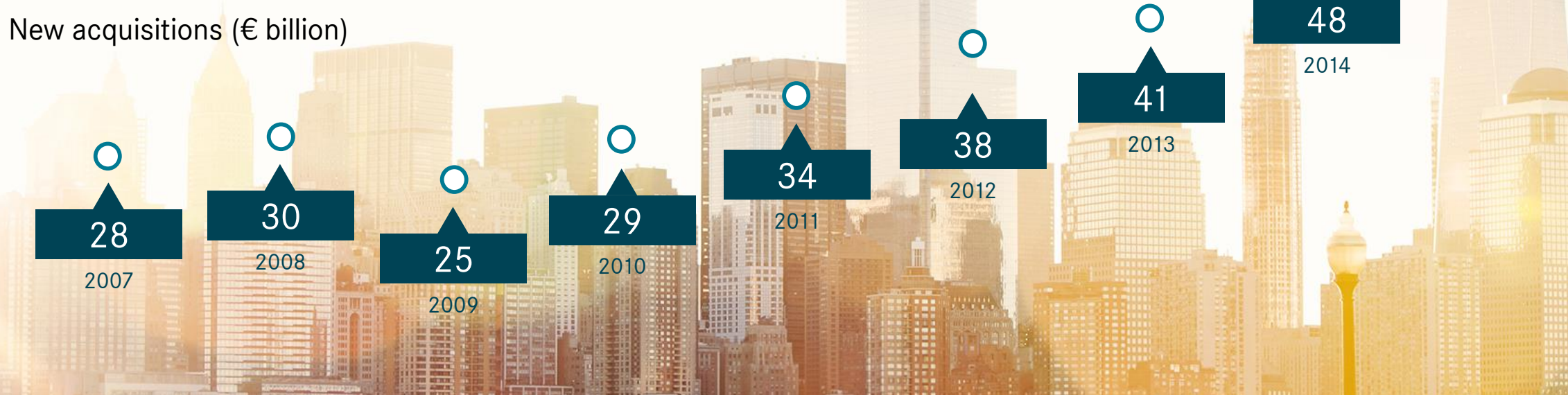
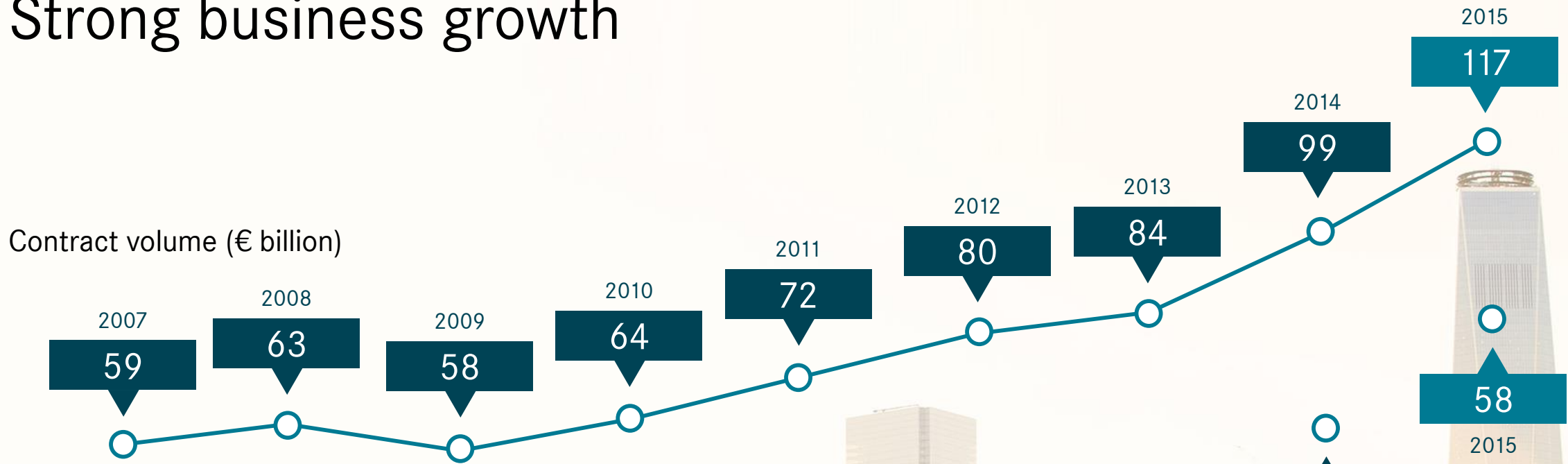


# We finance every second vehicle sold by Daimler





# Strong business growth





# We are about to re-invent personal mobility

Selfdriving



Mobility Marketplace



Ride4Hire



**BLACKLANE**  
YOUR PROFESSIONAL DRIVER

**MEiNFERNBUS**  
**FLIXBUS**

# car2go is the world's largest carsharing company



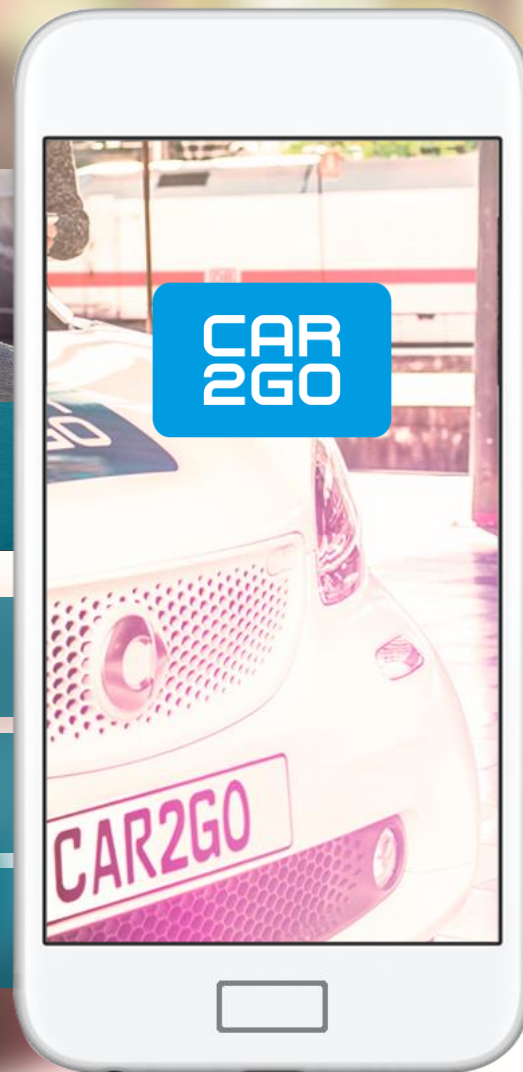
1.2 million customers



31 cities



New rental every  
1.4 seconds



14,400 vehicles



>10% electric vehicles



339 million km driven





# moovel – find, book and pay



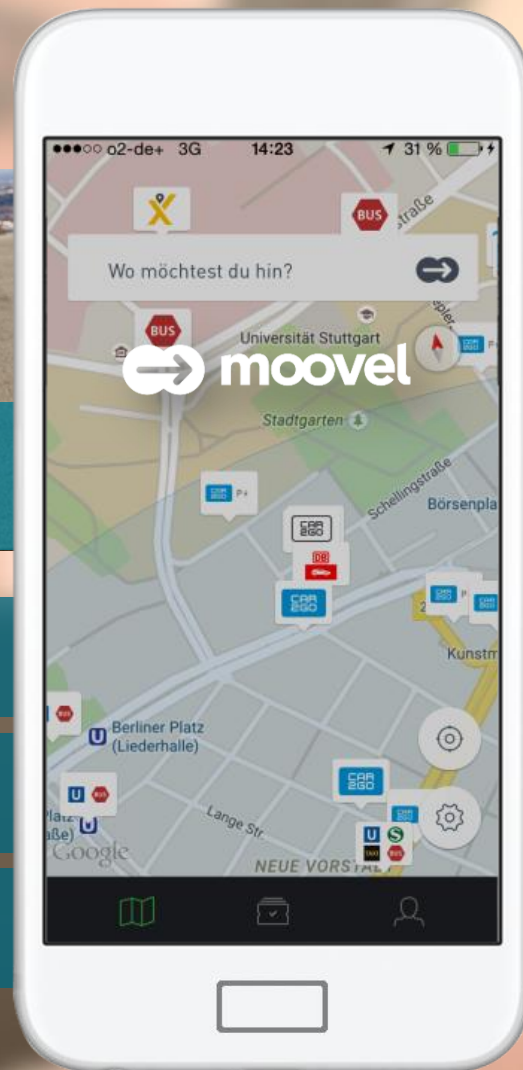
Public transport



Carsharing



Railway



Taxi



Bikesharing





# mytaxi – the world's first taxi app



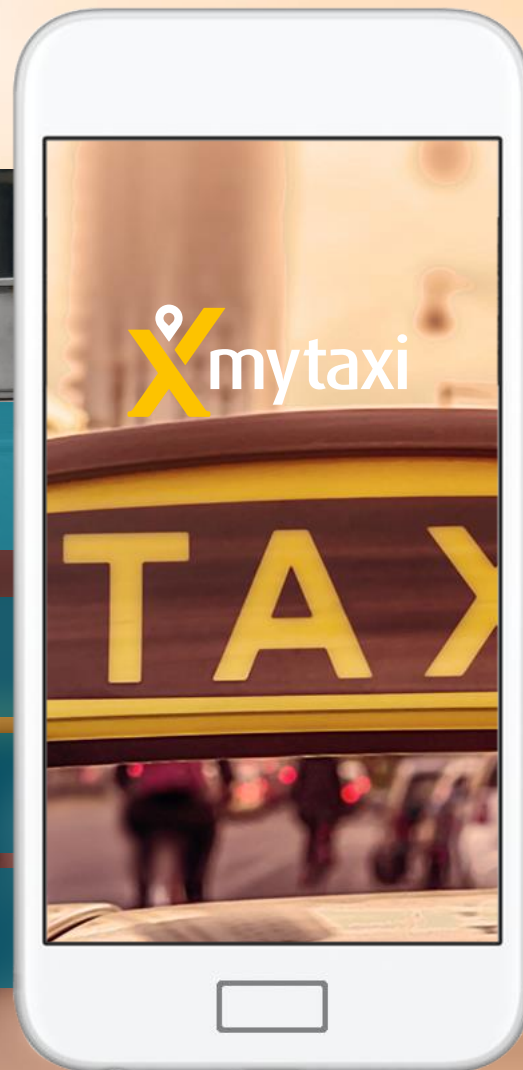
3-4 minutes until arrival



40 cities



45,000 registered drivers



Number of tours tripled



> 10 million downloads



# Contents

Results for Q1 2016

Outlook for 2016

Daimler Group Strategy

Divisional information

**China**

Appendix





# China



## China Market Development

## Daimler in China

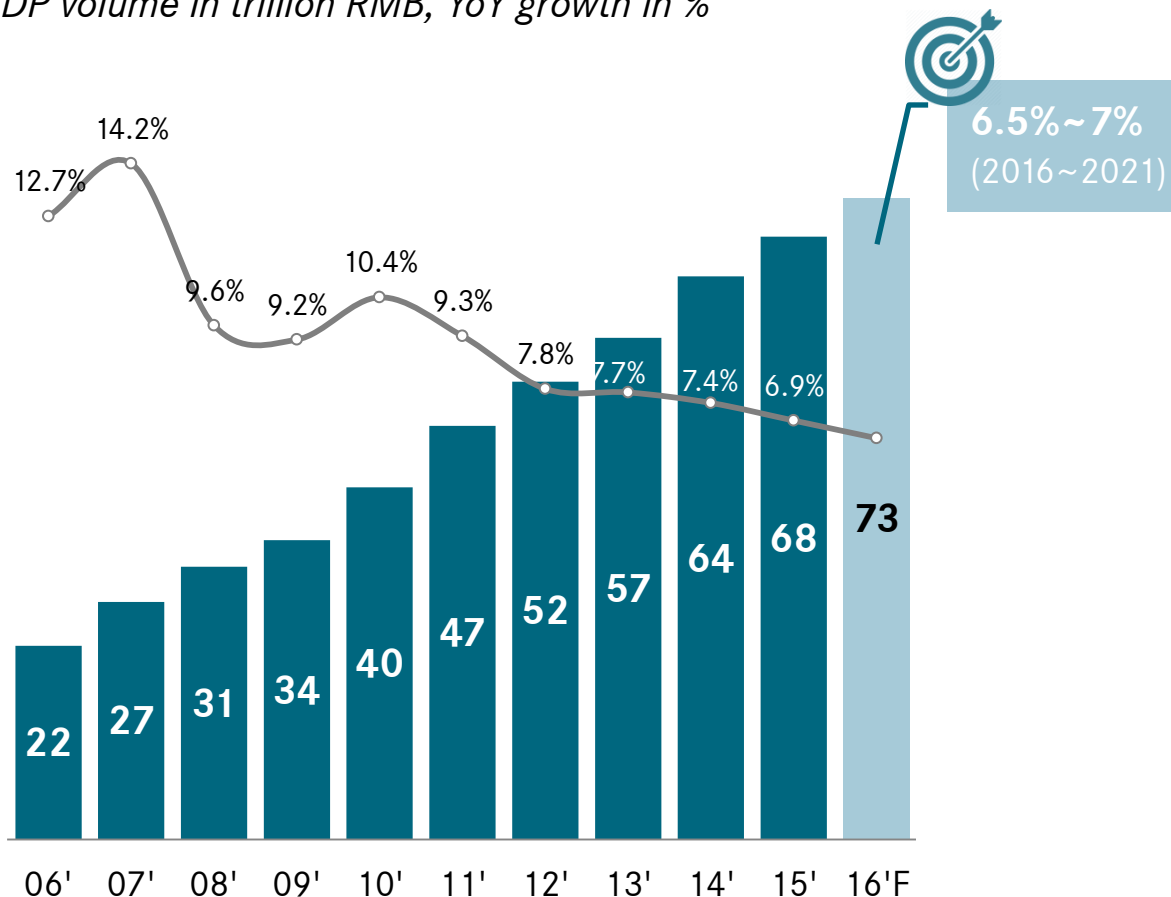




# Slower growth is expected, but China is still the 2nd biggest economy in the world

## China Economic Growth – GDP

GDP volume in trillion RMB, YoY growth in %

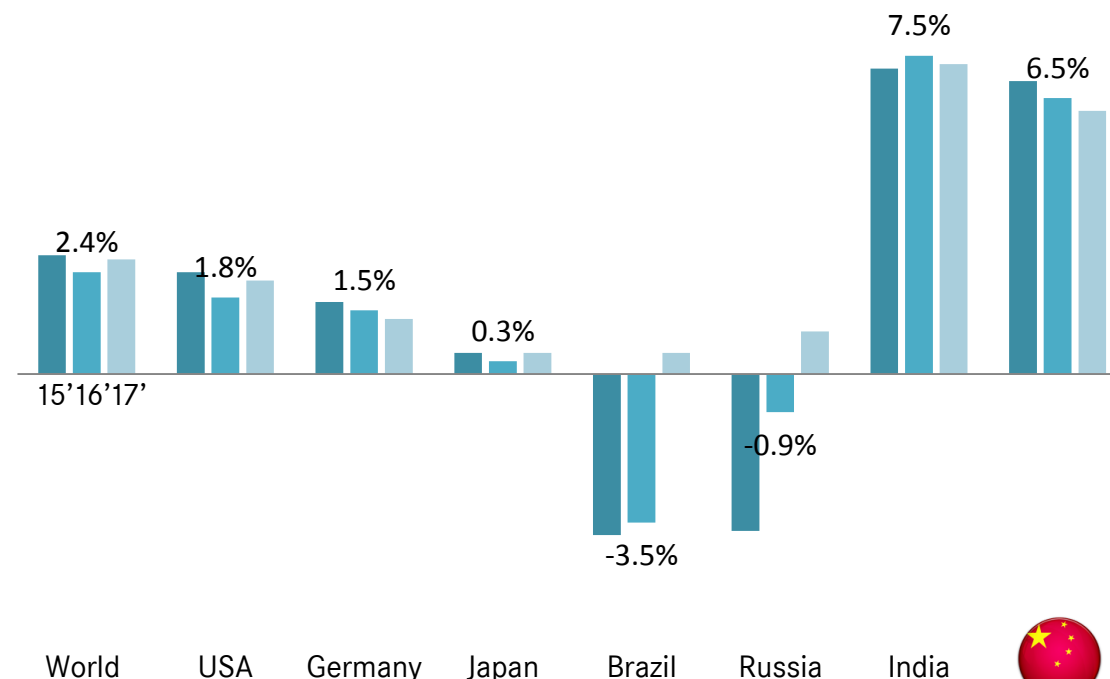


Source: GDP figure from 06'-15' from NBSC, GDP of 16'F is Chinese gov't target

## World Economic Growth – GDP





YoY growth in %

■ 2015 ■ 2016F ■ 2017F



# Sales of the China auto market reached over 25 million units in 2015. Growth continues in 2016

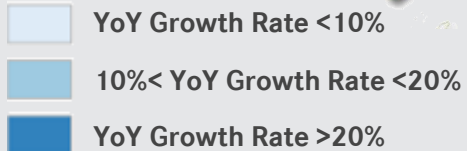
Volume in thousand units

		2014 Sales Volume	2015 Sales Volume	2015 YoY Growth	YTD July 2016 Sales Volume	YTD July 2016 YoY Growth
<b>Total Market</b>		23,819	25,004	5%	14,687	10.1%
<b>PV</b>		18,091	19,702	9%	11,490	14.1%
<b>Truck</b>		2,290	2,016	-12%	1,341	2.6%
<i>thereof</i> <b>HDT</b>		655	460	-30%	390	17.2%
<b>Van</b>		3,168	3,017	-5%	1,705	-6.0%
<b>Bus</b>		270	269	0%	151	0.7%

Note: Segment definition according to Daimler internal division. 2014 & 2015 figures are actual domestic wholesales, with import and w/o export. 2016 figure is preliminary, which is domestic wholesale plus export and w/o import. Source: China Automotive Industry Newsletter (CAAM), MoC and Customs of PRC

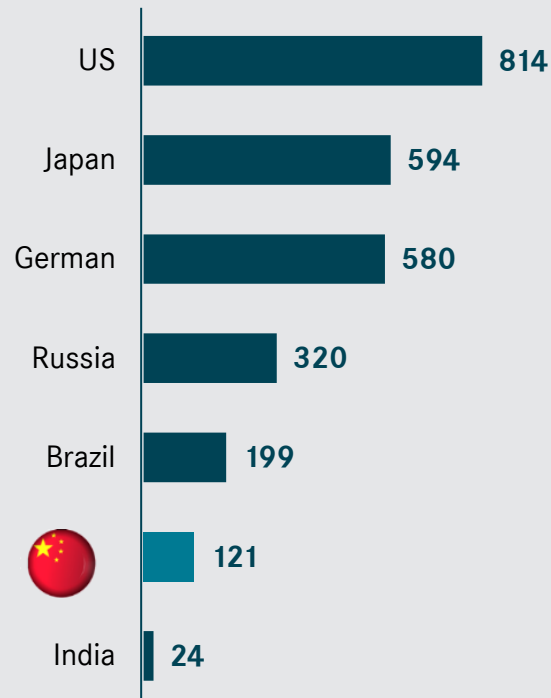
# The fundamentals remain unchanged

## Regional Potentials



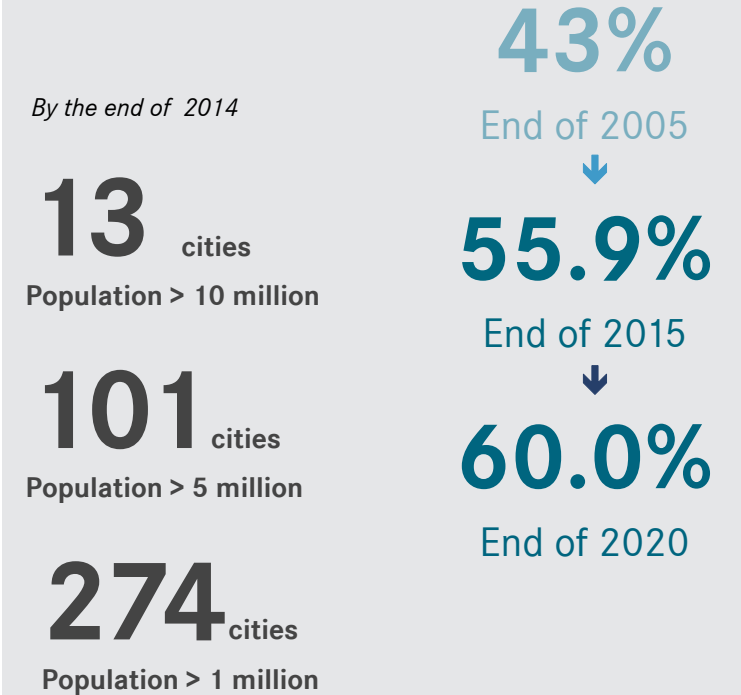
Note: New Car Registration YoY Growth rate 2015

## Low Car Density



Light Vehicle per 1,000 people  
(in units in I2015, IHS Report)

## Urbanization



Source: NBSC,  
Calculation by MI



# China



## China Market Development

## Daimler in China



# Daimler in China





# Auman

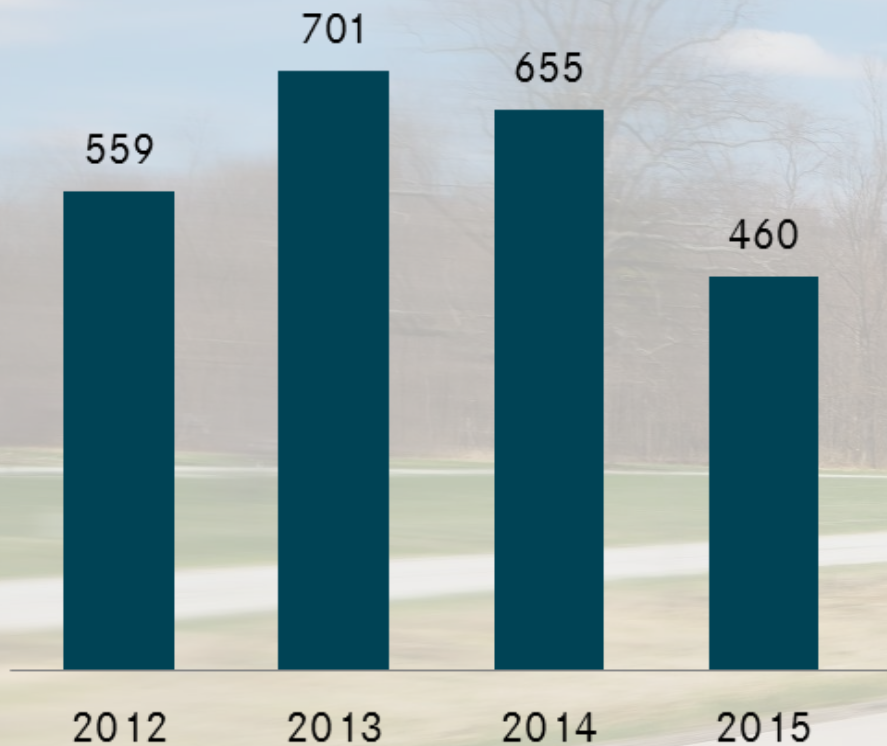




# The China HDT market saw significant decrease in recent years

## China HDT Domestic Market Development

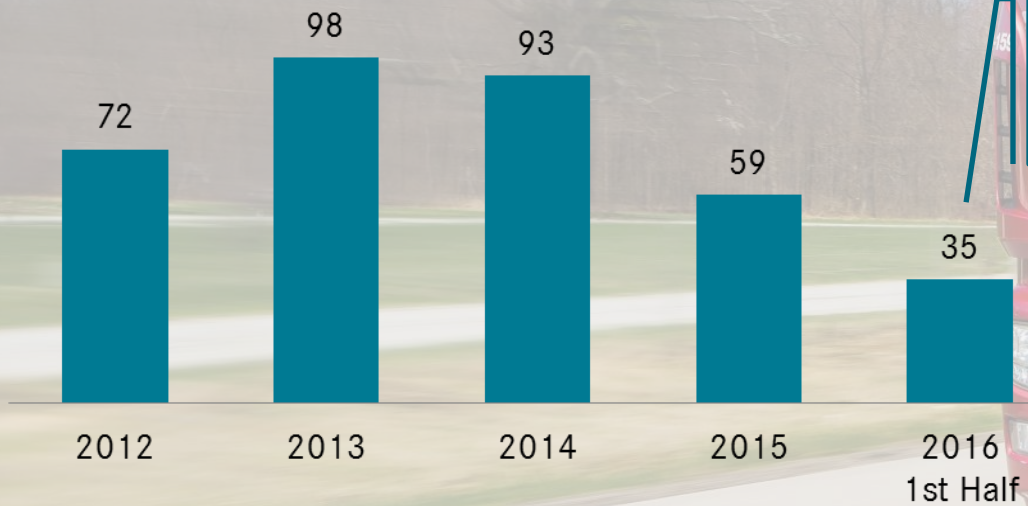
Volume in thousand units



Registration figure, Source: CAAM, MoC and Customs of PRC.

## Auman HDT Domestic Wholesale 2012 ~ YTD 1<sup>st</sup> half 2016

Volume in thousand units



+21%  
YoY  
growth

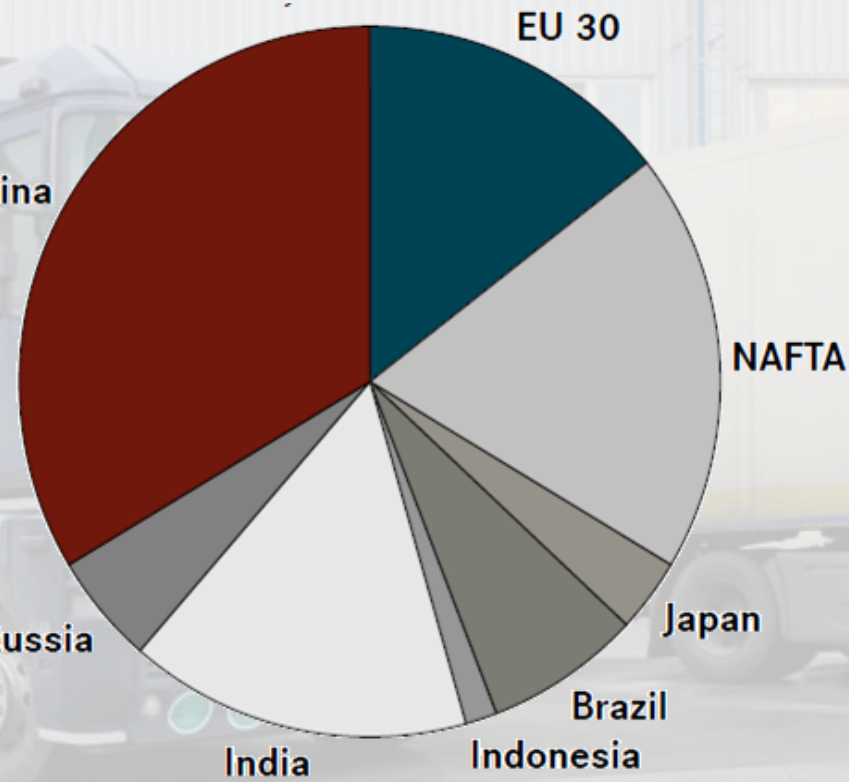
2016  
1st Half

Source: BFDA



## Market Forecast by 2023

MD/HD truck market





# OM457 engines production preparation in 2016





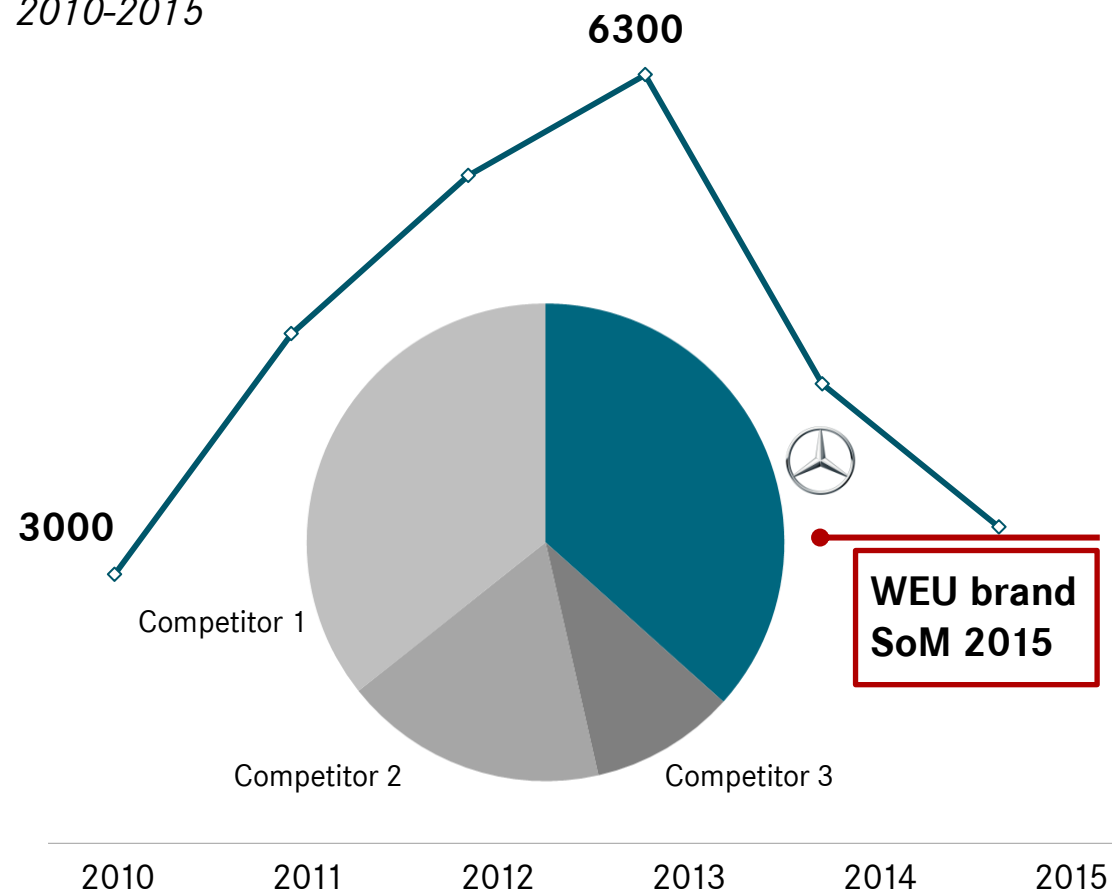
# Mercedes-Benz Truck



# Despite the import segment shrank even further, MB Truck still remains No.1 European importer.

## China HDT WEU Import Segment Development

2010-2015



## Typical application of MB Truck



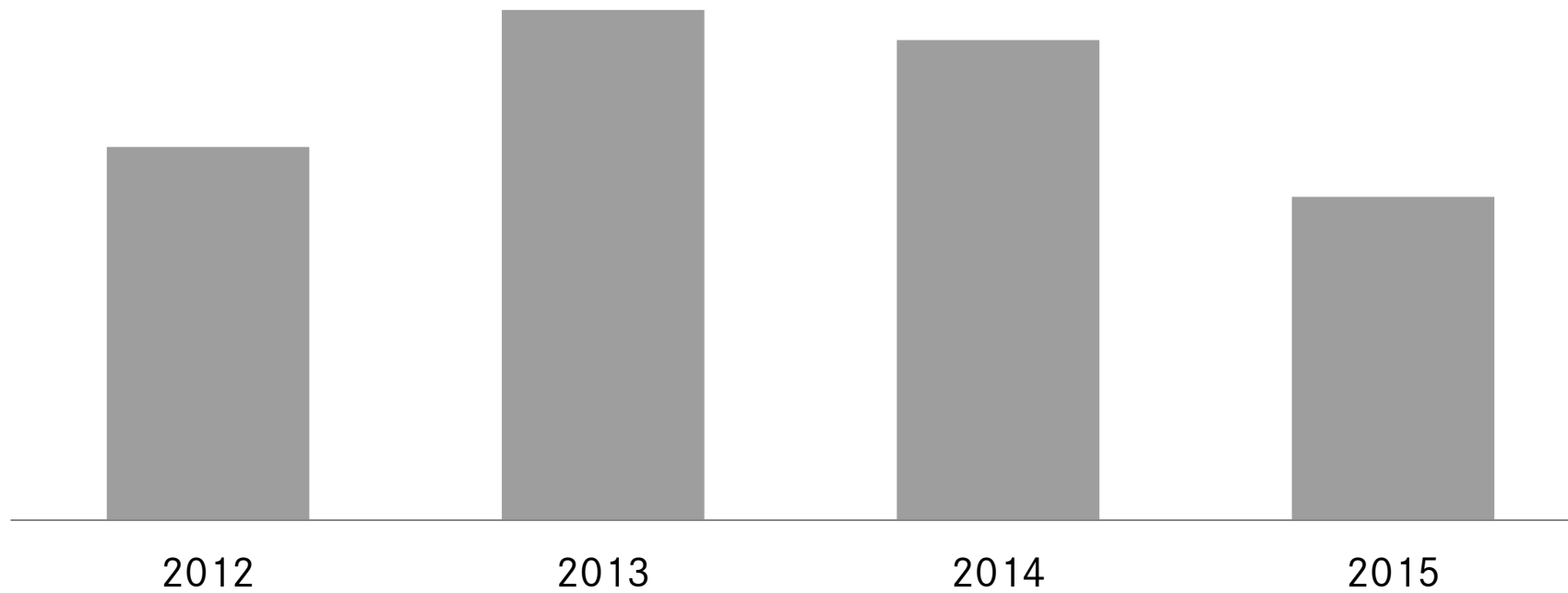


# Mercedes-Benz Vans



# Vans sales in China

## Mercedes-Benz Vans Retail Development in China



Source: FBAC

# The locally produced V-Class and Vito were introduced to the China market this year



All new V-Class  
*Launched in March*



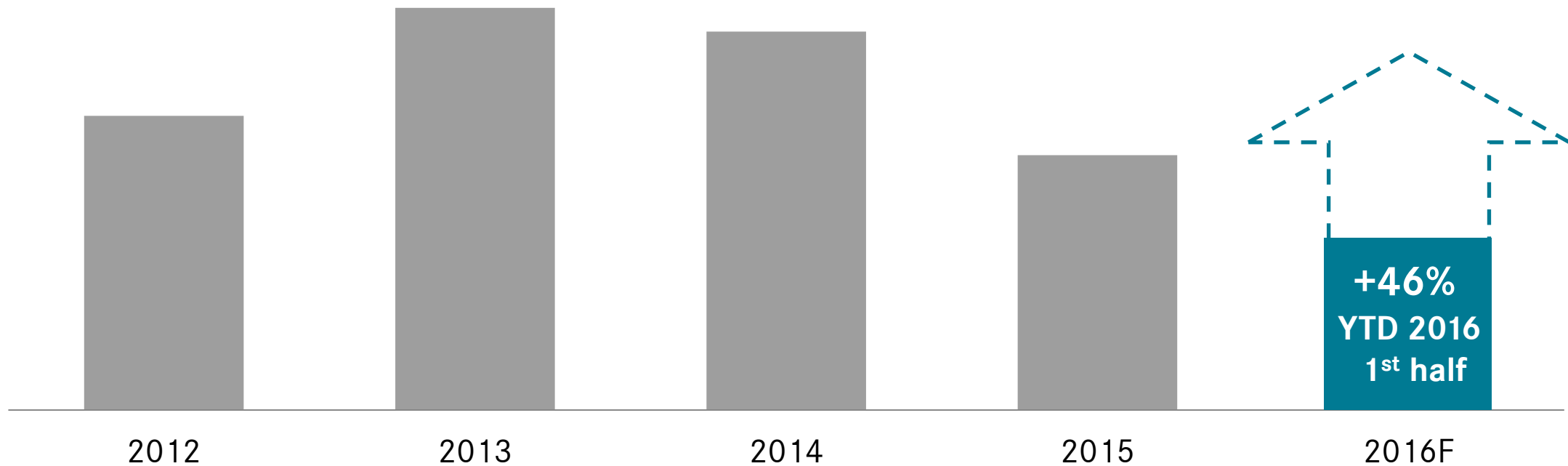
All new Vito  
*Launched in September*





# Successful V-Class ramp-up

## Mercedes-Benz Vans Retail Development in China



Source: FBAC

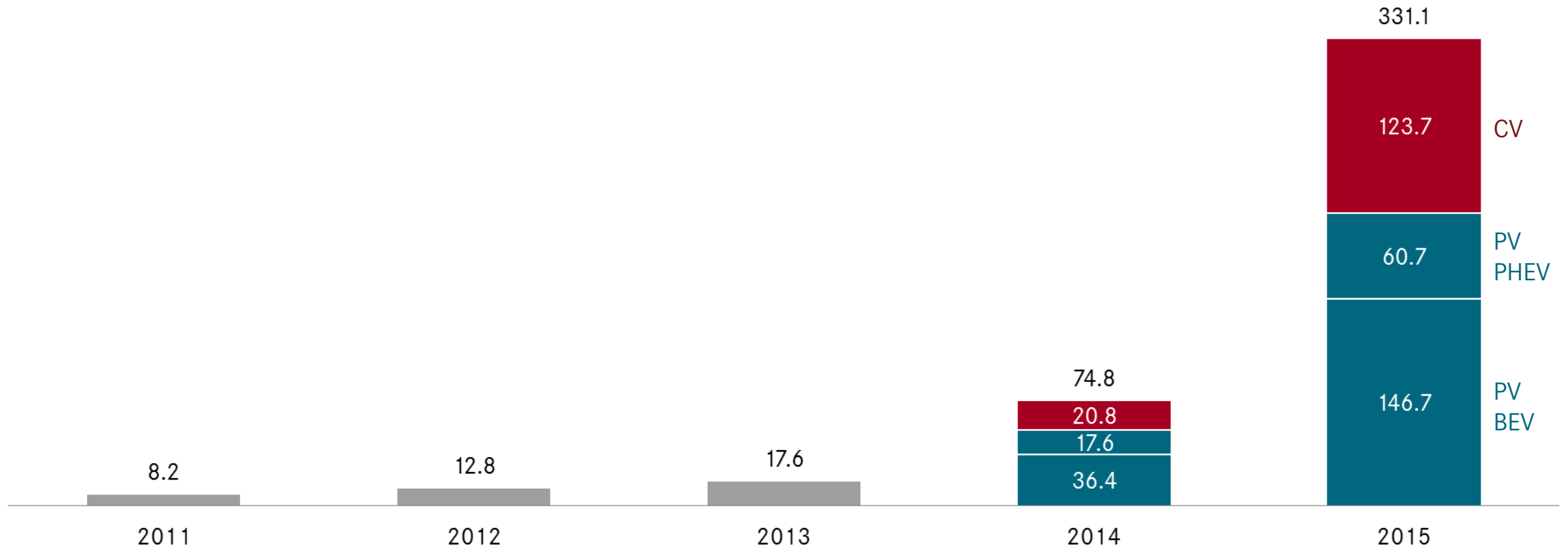
# DENZA



# With 331K units sold, China became the world's No.1 NEV market in 2015

## 2011-2015 NEV Sales Development

Wholesale Volume in thousand units



Source: China Automotive Industry Newsletter (CAAM)

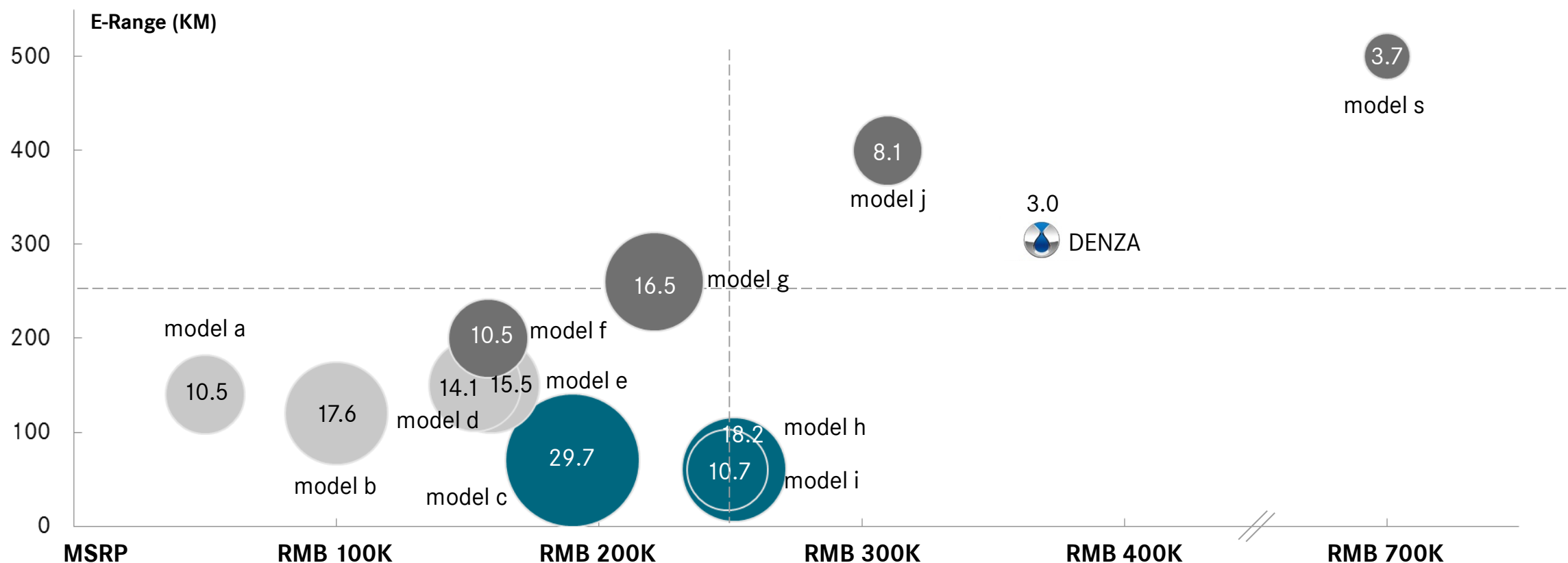


# Most of the top selling models have an e-range < 250km & MSRP < 250k RMB

## 2015 NEV Sales by model

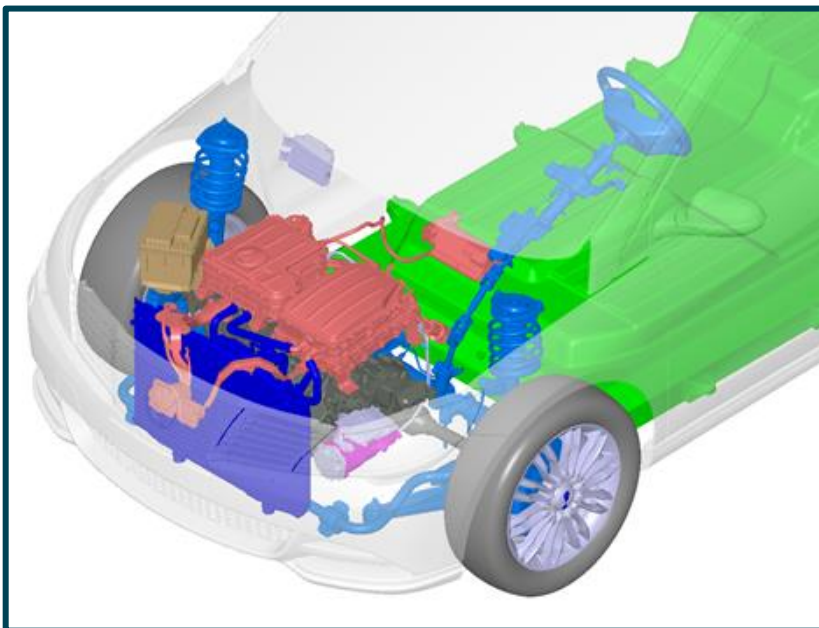
Bubble size refers to sales volume in thousand units

● PHEV ● BEV ● Micro BEV

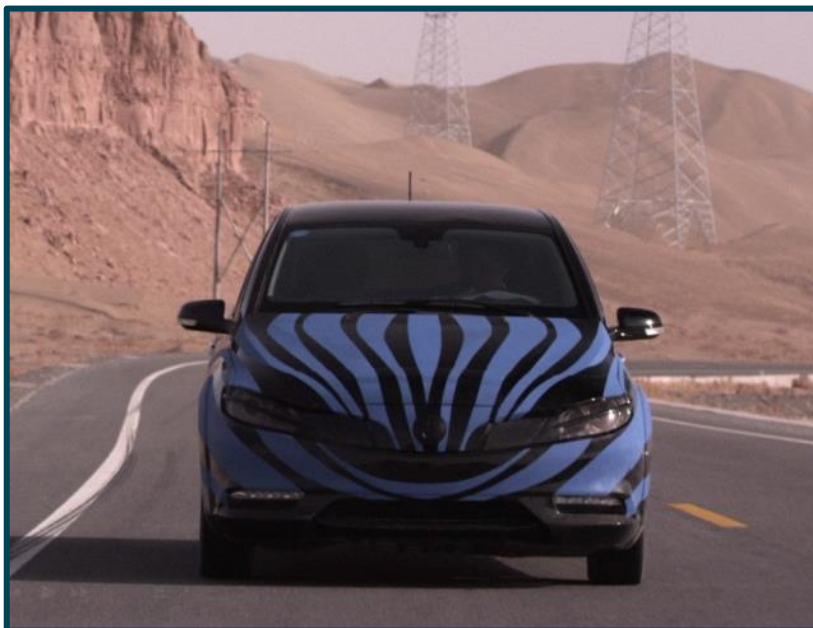


Source: Volume from China Automotive Industry Newsletter (CAAM); product feature from internet research

# DENZA: the safest, most reliable, and most convenient electric vehicle



**C-NCAP 5 Stars**



**Over 1.2 million  
kilometers testing**



**Up to 300 kilometers  
driving range**



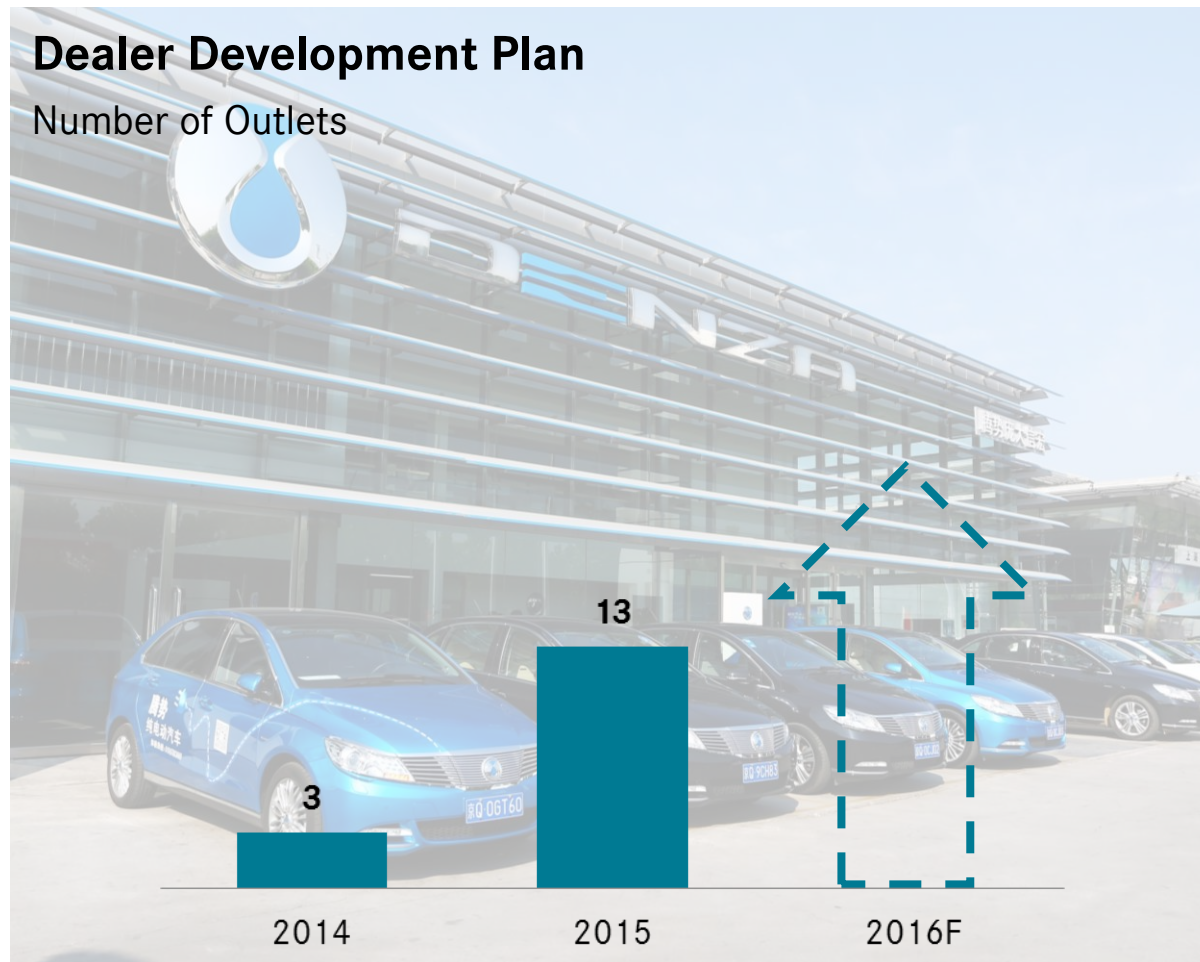
# Upgrading e-range to 400km to enhance competitiveness





# Dedicated dealerships for DENZA: coverage of 13 outlets in 9 cities by the end of 2015

## DENZA Dealer City Coverage - 2015



# Mercedes-Benz Cars

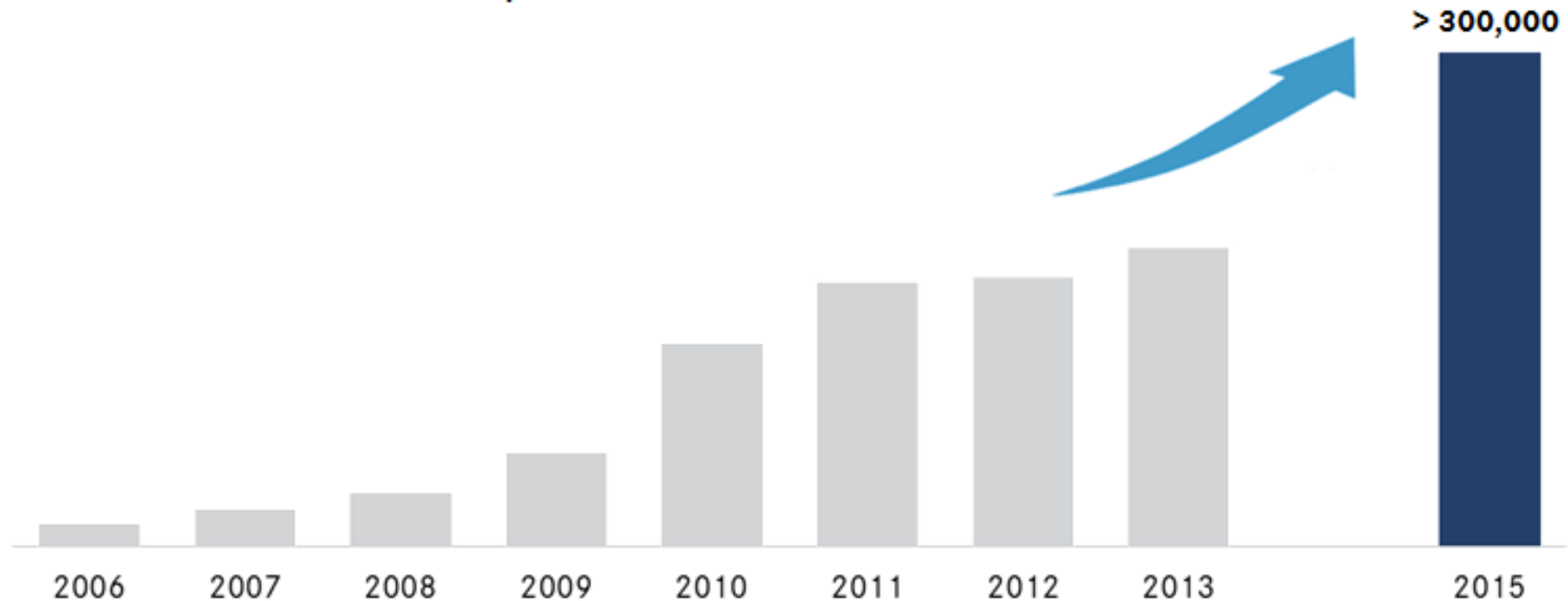


# 2014 Capital Market Day

DAIMLER

## Mercedes-Benz is on the path to growth

### Mercedes-Benz Cars Retail Development

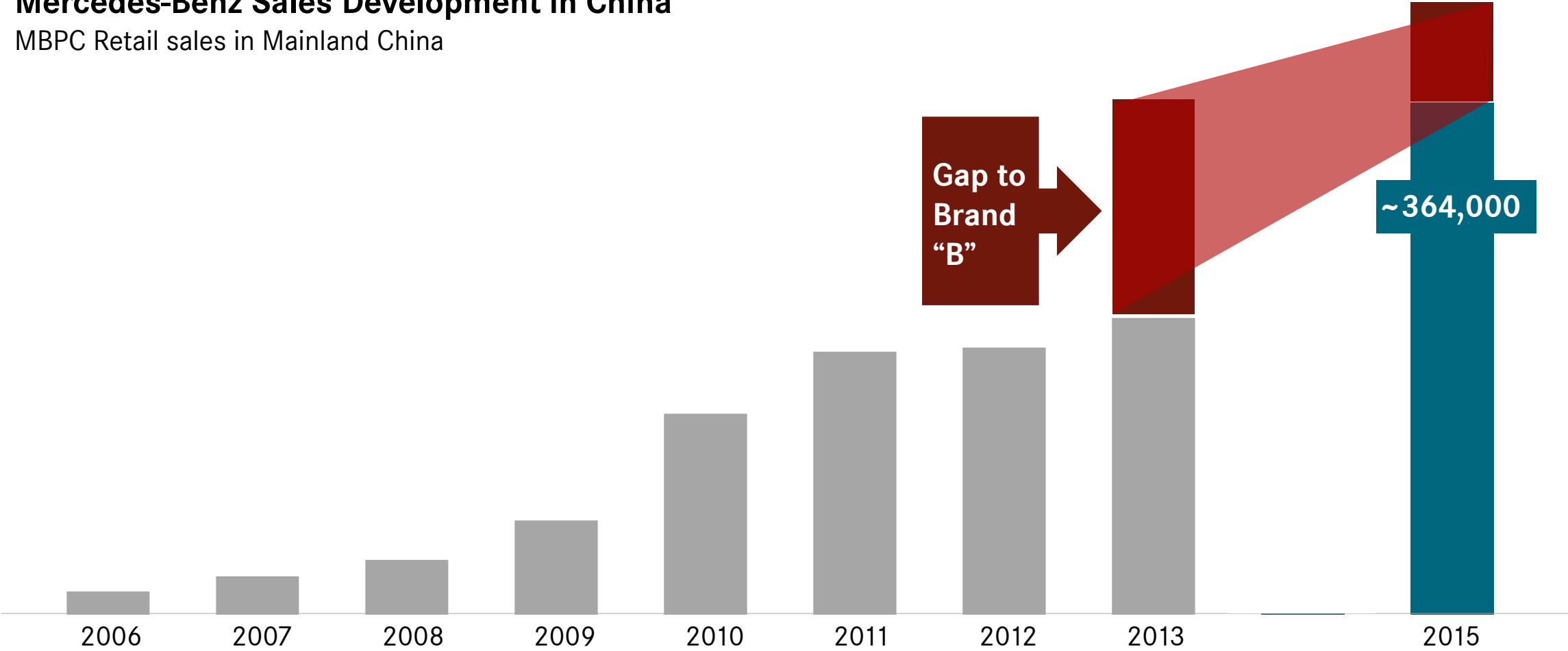




# We are well on track to narrow the gap with competitor

## Mercedes-Benz Sales Development in China

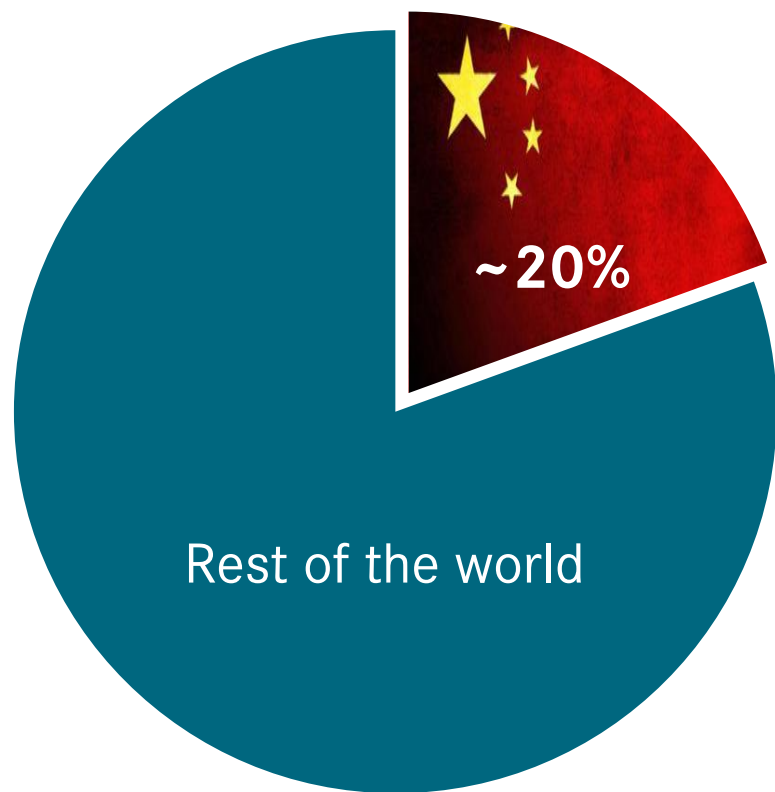
MBPC Retail sales in Mainland China



# China became the single biggest market MB Passenger Cars in 2015, and contributed one fifth of the worldwide sales

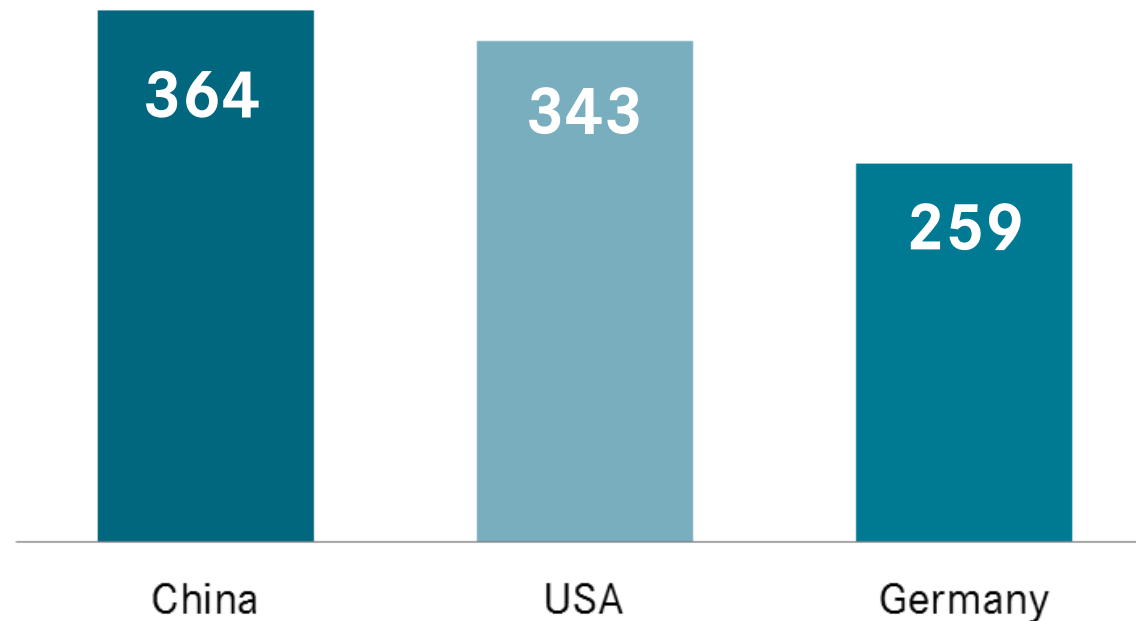
## Share of Market of Mercedes-Benz PC

By retail sales, in 2015



## Top 3 Market of Mercedes-Benz

Retail sales in 2015, in thousand units



# And we grew at a faster speed among competitors in 2015

## German Premium Brands China Performance - 2015

Retail Sales, in Mainland China

+35%

~364,000

+1.8%

-1.2%

2014

2015

Brand "B"

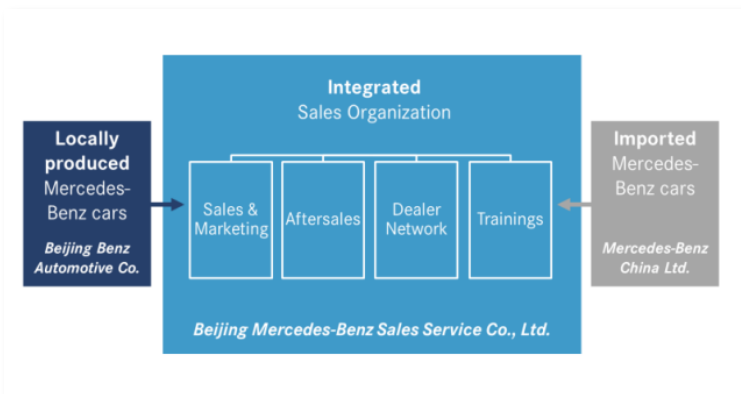
Brand "A"



Note: Mercedes-Benz w/o smart & V-Class, Brand "B" w/o MINI



# The 6 key initiatives start to pay off



**Integrated Sales Organization**



**Expansion Dealer Network**



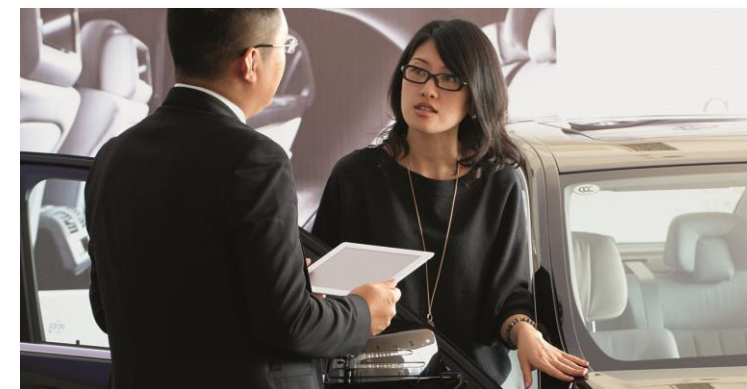
**Extension Product Portfolio**



**Extension Local Production**

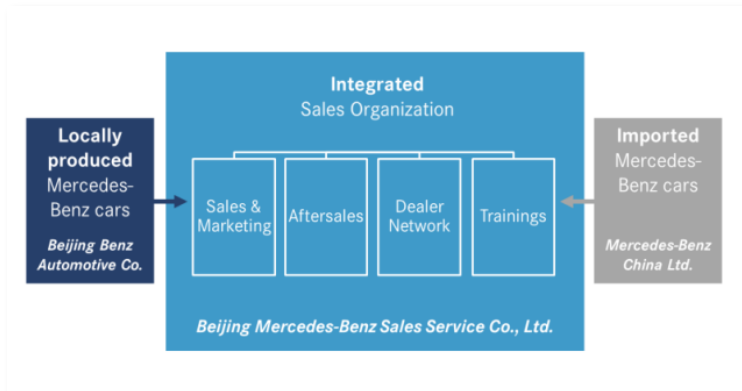


**Extension Local R&D**



**Leverage Financial Services**

# The 6 key initiatives start to pay off



**Integrated Sales Organization**

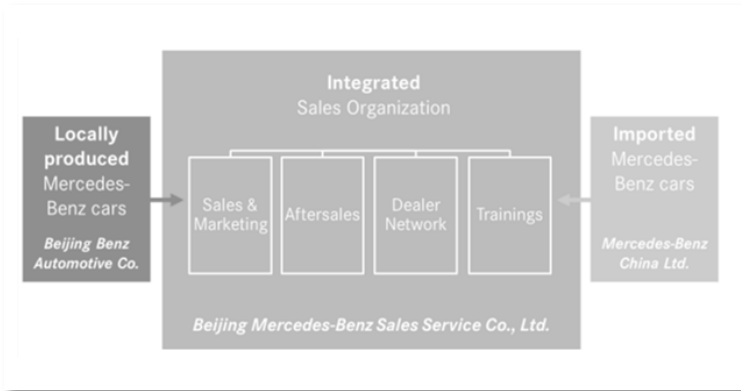


**Expansion Dealer Network**



**Extension Product Portfolio**

# Our core fields to close down on our competitors



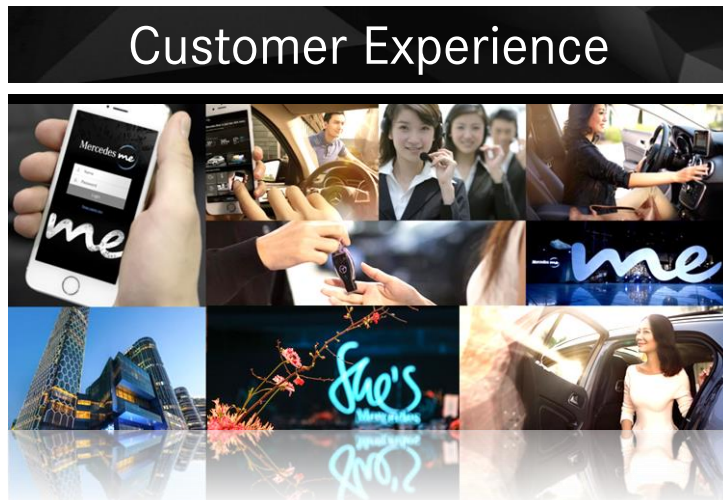
Integrated Sales Organization



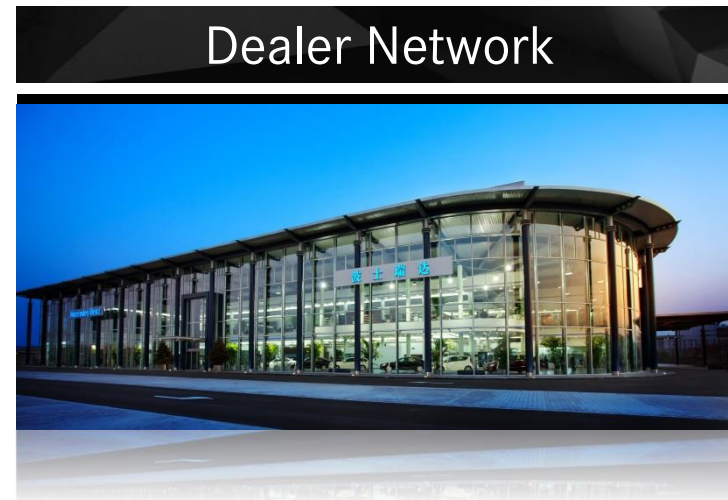
Expansion Dealer Network



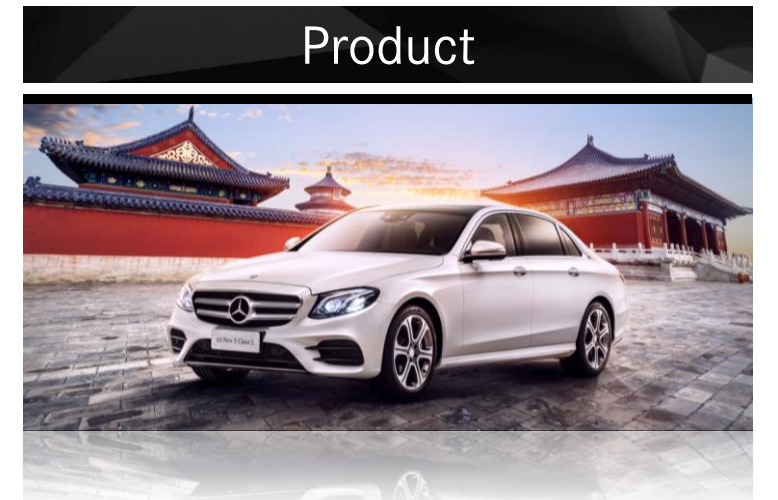
Extension Product Portfolio



Customer Experience



Dealer Network

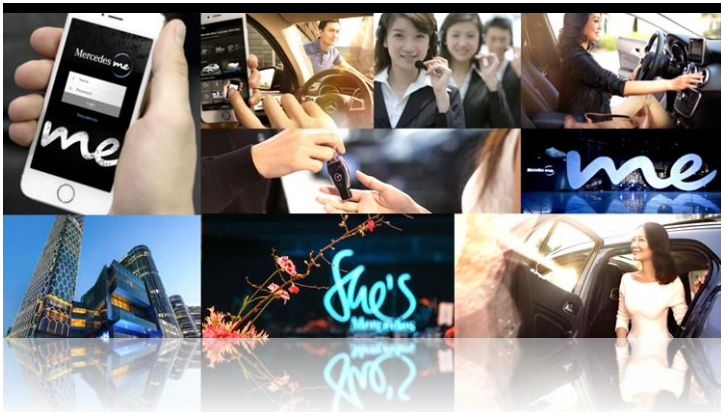


Product



# Our core fields to close down on our competitors

## Customer Experience



## Dealer Network



## Product



# China has younger customer group who 'live' on-line



Average age  
**36.2**

Addicted to  
**Social Media**

**Online Shopping**



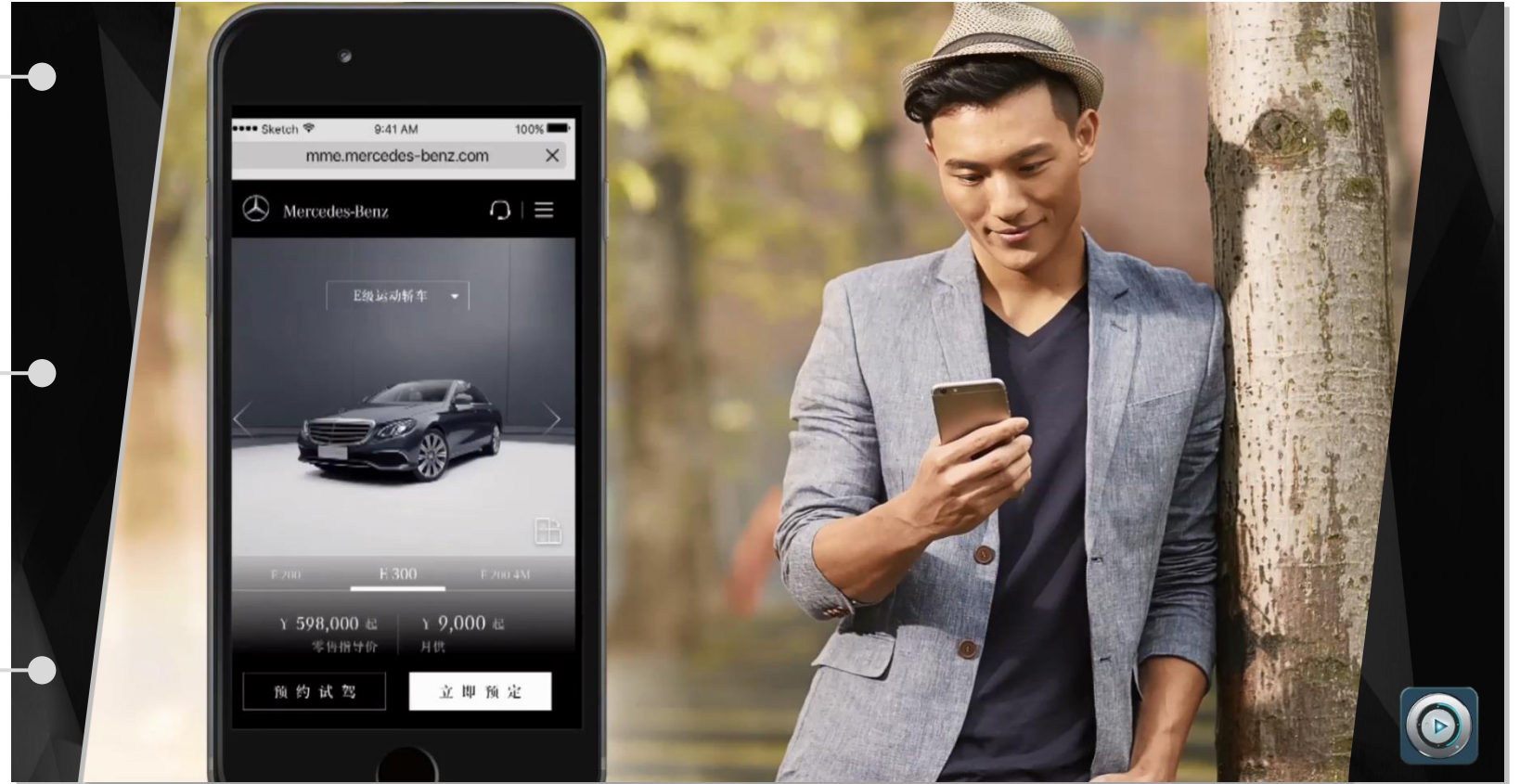


# We gear up for our potential customers: **E-Commerce** for dealers online sales

1 Select your car

2 Select your dealer

3 Buy your car





# We gear up for our existing customers: **Mercedes me Portal** offers personalized online services



Mercedes **connect** me



Mercedes **assist** me



Mercedes **finance** me



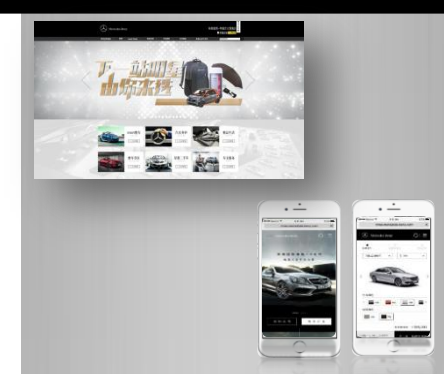
Mercedes **inspire** me



Mercedes **move** me



Mercedes **store** linkage



# We gear up for the ladies: She's Mercedes





# We gear up for everyone: Mercedes me Sanlitun

**320k**

visitors in 4 months



**22**  
events

**60K**  
participants



**10k**

customers have  
joined community  
in 4 months

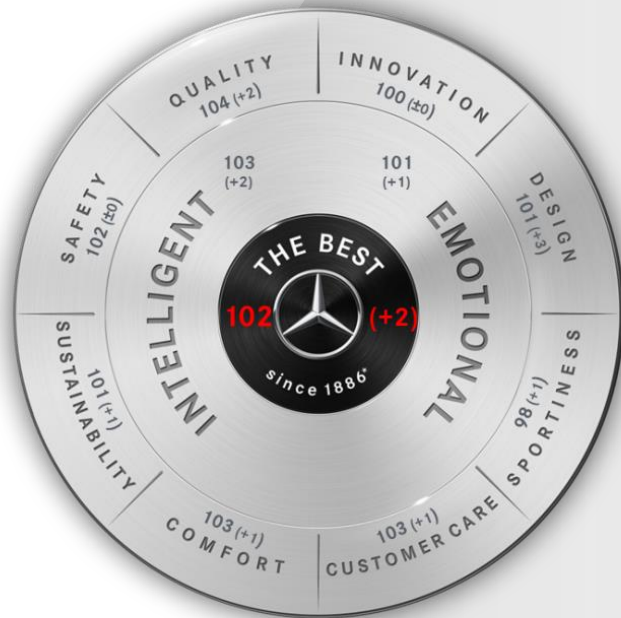


**>500**

KG of coffee beans



# Our brand values are positively recognized...



**Index < 100**  
MB is **weaker** than  
the best competitor

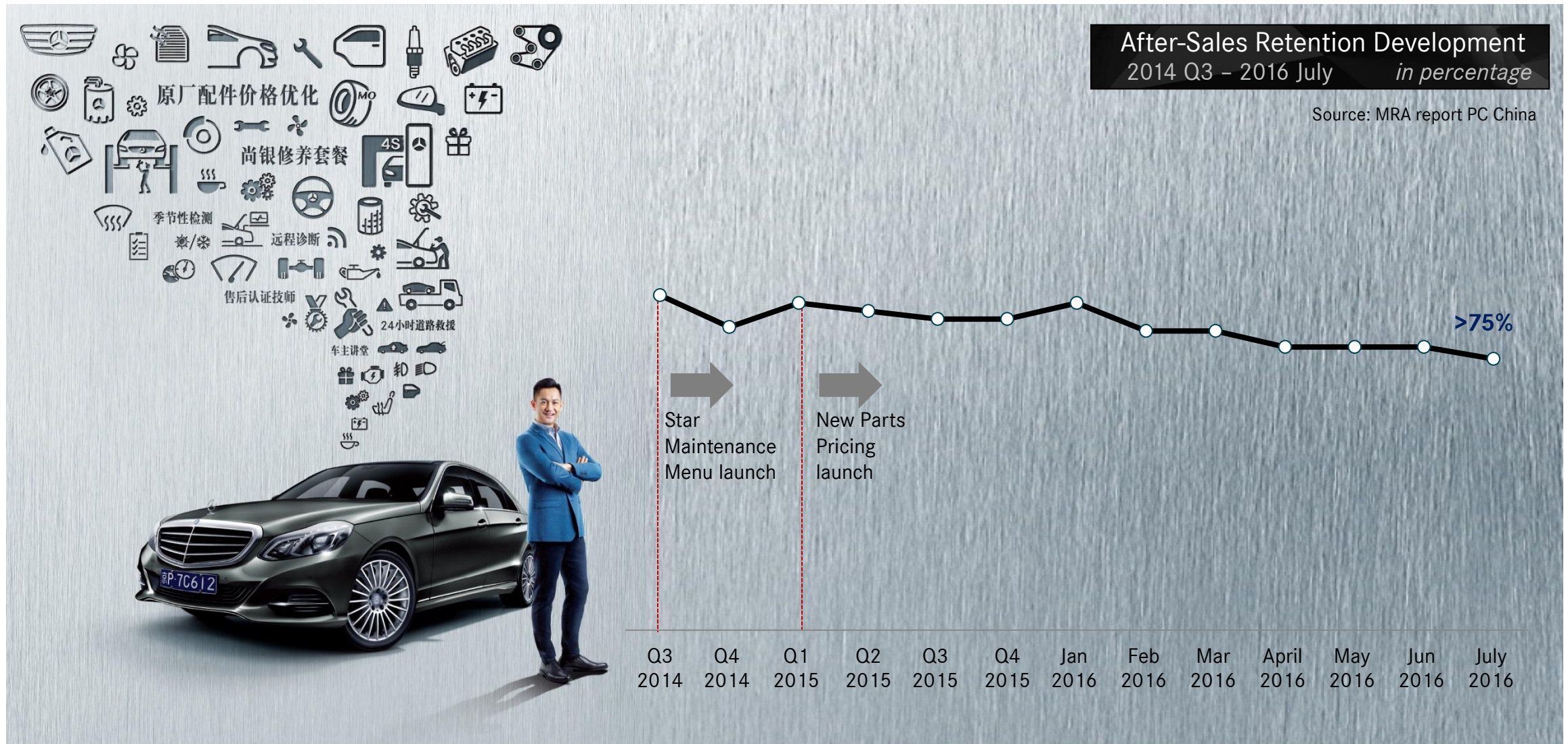
**Index = 100**  
MB is **as good as**  
the best competitor

**Index > 100**  
MB **exceeds**  
the best competitor



Source: Brand Monitor Report 2016

# ..... and in our workshops

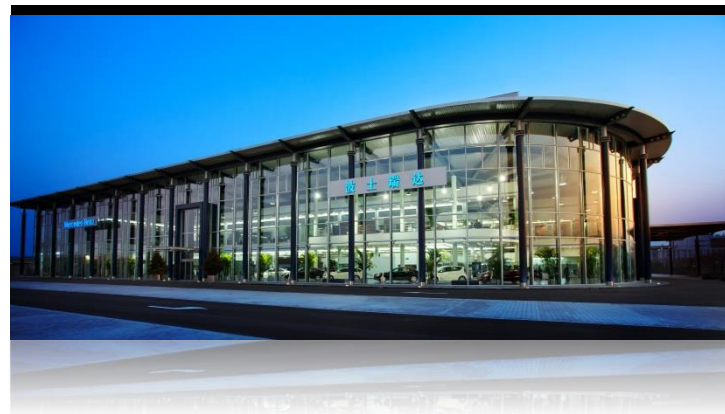


# Our core fields to close down on our competitors

## Customer Experience



## Dealer Network

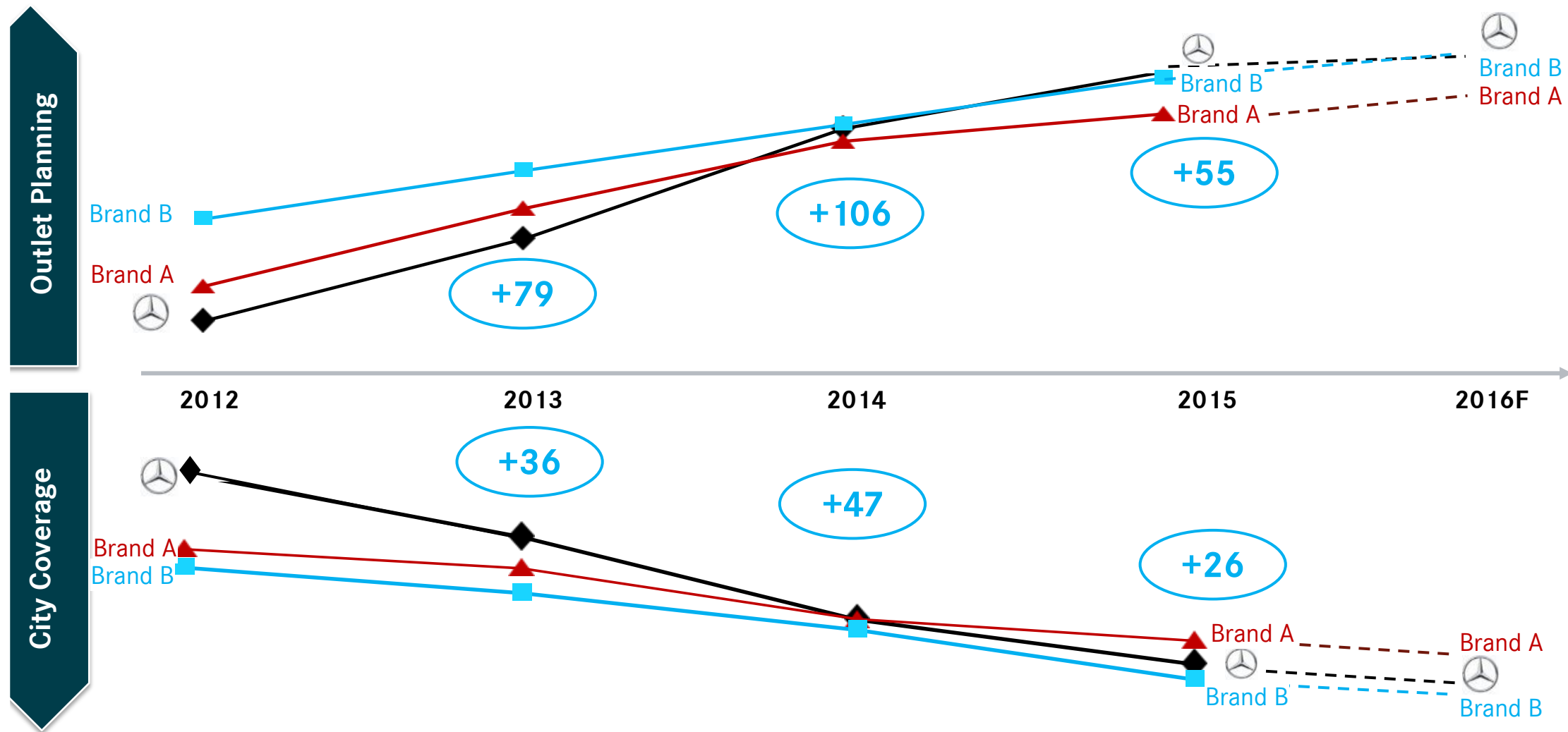


## Product





# We have caught up on dealer outlet number and coverage



Note: 1. City coverage counting based on MB new city tier definition

2. Data Source: MB Network Planning Project List & Timer Tracking Data (Brand A & Brand B outlet counting excl. Experience Center & Used Car Center)

# We are managing our network for the future: hardware



Upgrading and relocations to enhance capacities





# We are managing the network for the future: software



Consistency in sales quality



Profitable growth of franchise business



# Our dealers = Our partners = Sustainable growth

Dealer Council Committee



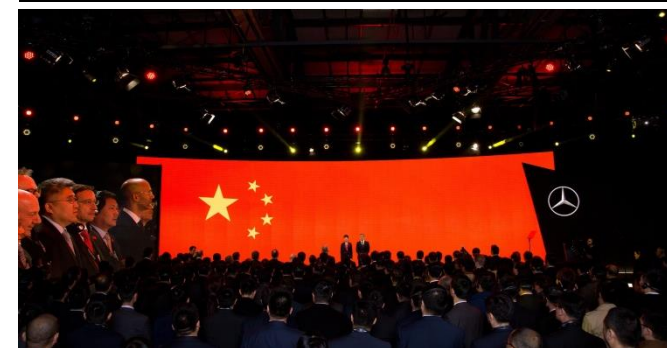
Product Forum

March 2016



National Dealer Conference

March 2016



Strategic Partner Conference

March 2016



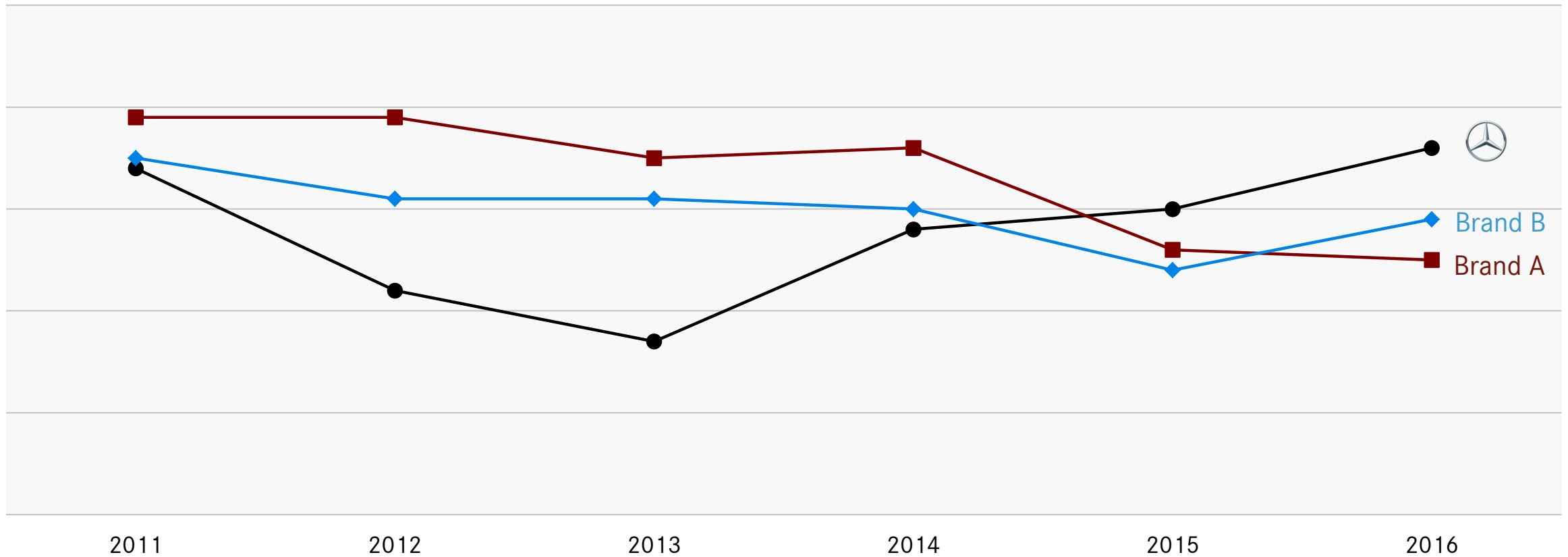
All Investor Conference

July 2016



# DISS No.1 - This collaborative relationship bears fruit!

Overall Dealer Satisfaction – Development over time



DISS - Dealer Identification & Satisfaction Survey conducted in 2016

# Our core fields to close down on our competitors

## Customer Experience



## Dealer Network



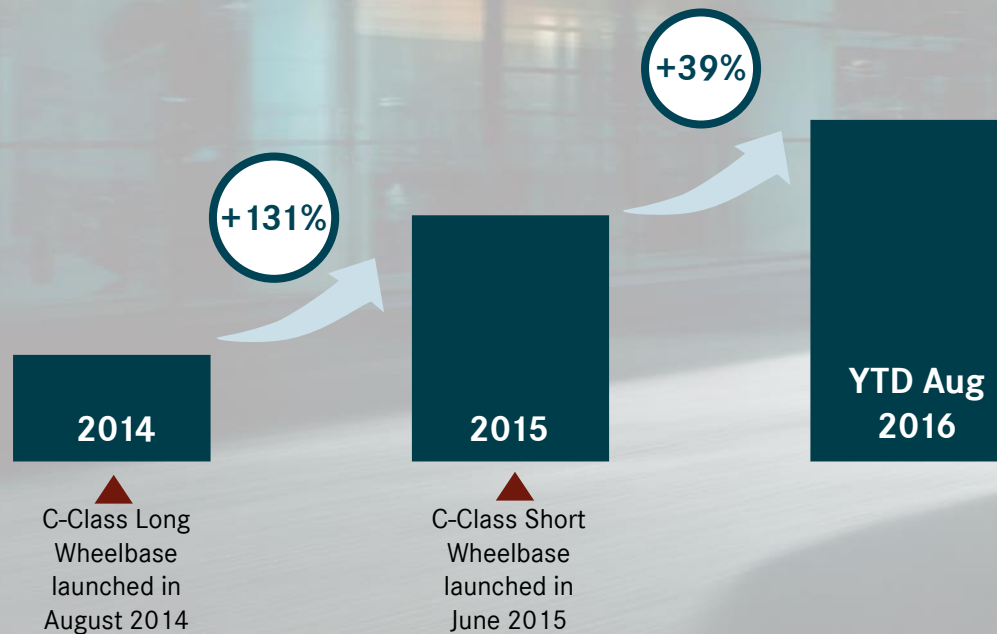
## Product





# The C-Class – our first Game-Changer in August 2014

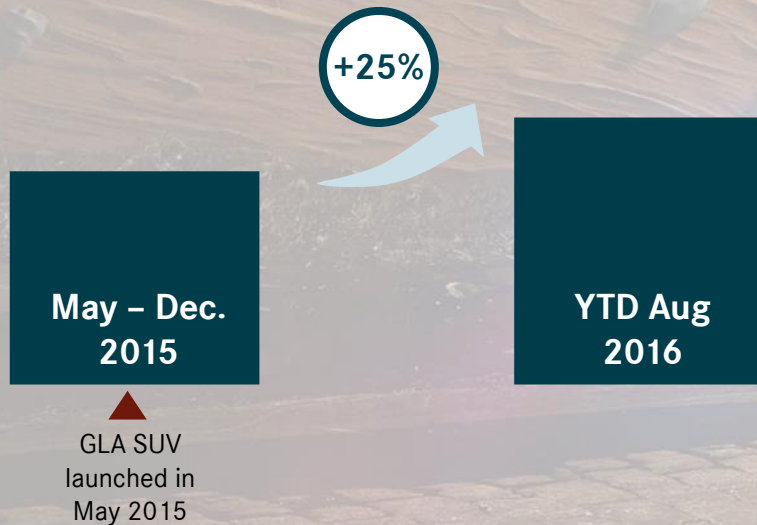
## Average Monthly Retail Sales





# The all new GLA SUV followed from BBAC 9 months later in May 2015

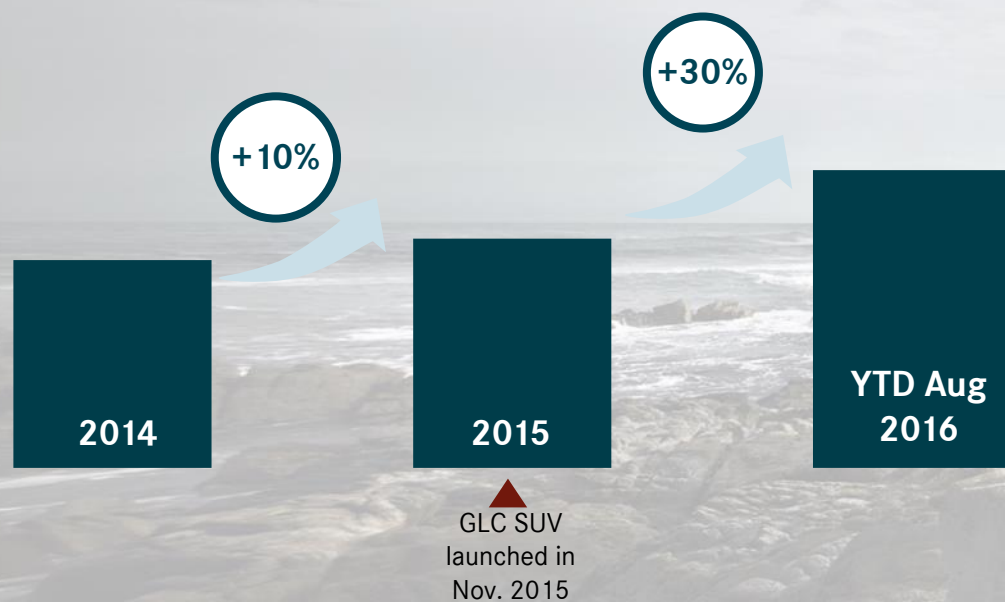
## Average Monthly Retail Sales





# Followed by the all new GLC SUV in November 2015– setting new standard in all dimensions

## Average Monthly Retail Sales



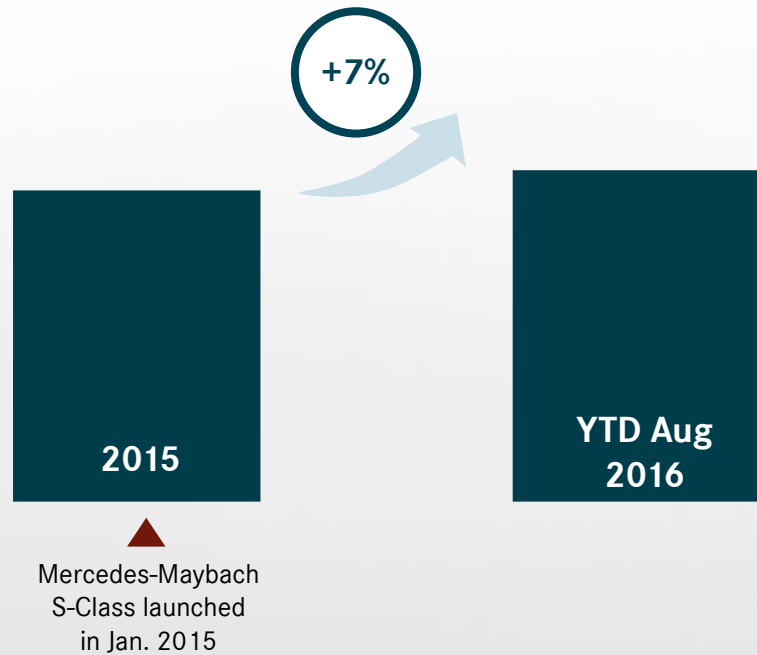


And the superlative new E-Class Long Wheelbase comes to market right now!



# But not everything has to be produced in China: Mercedes-Maybach S-Class

## ■ Average Monthly Retail Sales





# Option packages for all model ranges





# Mercedes me Connect 2.0 offering unique connectivity for Chinese tastes



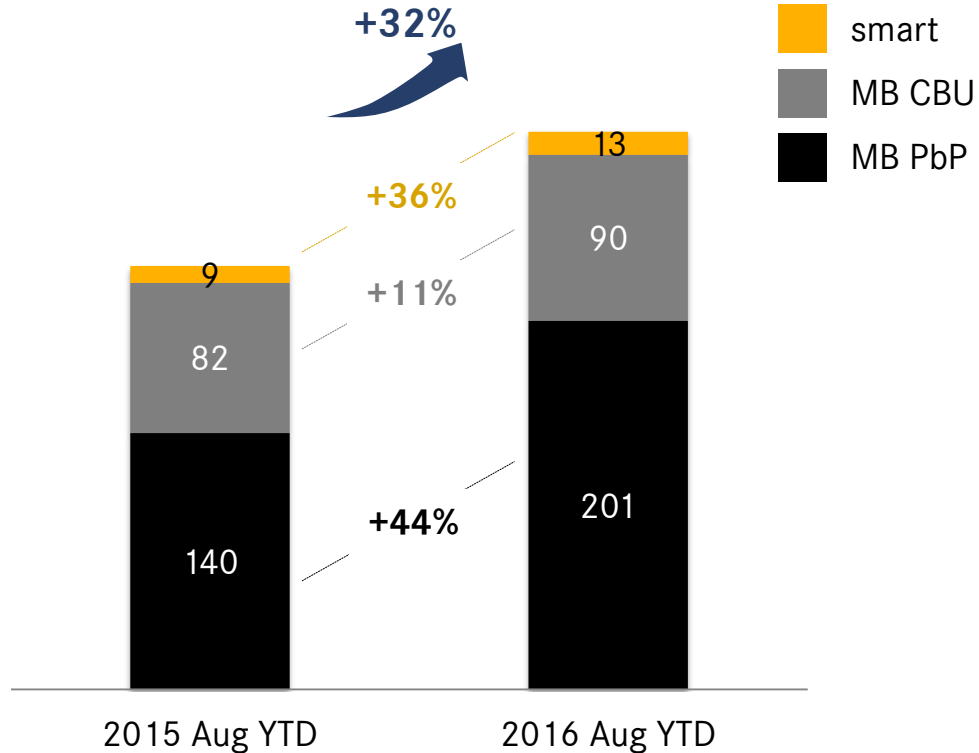
The image shows a smartphone displaying the Mercedes me Connect 2.0 app interface. The screen is divided into several sections: 'Vehicle' and 'Locations' at the top; 'Vehicle Status' with 'Trip' (74%), 'Journeys', and 'ECO' (0.0m); 'Service' with a wrench icon; and 'Vehicle Functions' with 'Door Lock' and 'Personalization' options.

- Maintenance Management**: Represented by a calendar and wrench icon.
- Online Map Update**: Represented by a map icon with a blue arrow.
- Mercedes-Benz Apps**: Represented by the Mercedes-Benz logo.
- Remote Retrieval of Vehicle Status**: Represented by a speedometer and tachometer icon.
- Geofencing**: Represented by a blue polygon icon.
- WeChat-Mycar**: Represented by the WeChat logo and a Chinese flag.
- Weather (AQI)**: Represented by a weather icon with 'AQI' and a Chinese flag.
- Wi-Fi Hotspot**: Represented by a Wi-Fi signal icon and the text 'WLAN'.
- Parked Vehicle Locator**: Represented by a map icon with a magnifying glass.
- Software Updates**: Represented by a laptop icon with a Wi-Fi signal.
- Mercedes me connect Concierge Service**: Represented by a Chinese flag and a bell icon.
- Remote Parking Pilot**: Represented by a smartphone icon with a 'P' and a Wi-Fi signal.
- Vehicle Tracker**: Represented by a location pin icon with a circular ripple effect.

# Positive sales momentum with double digit growth expected in 2016

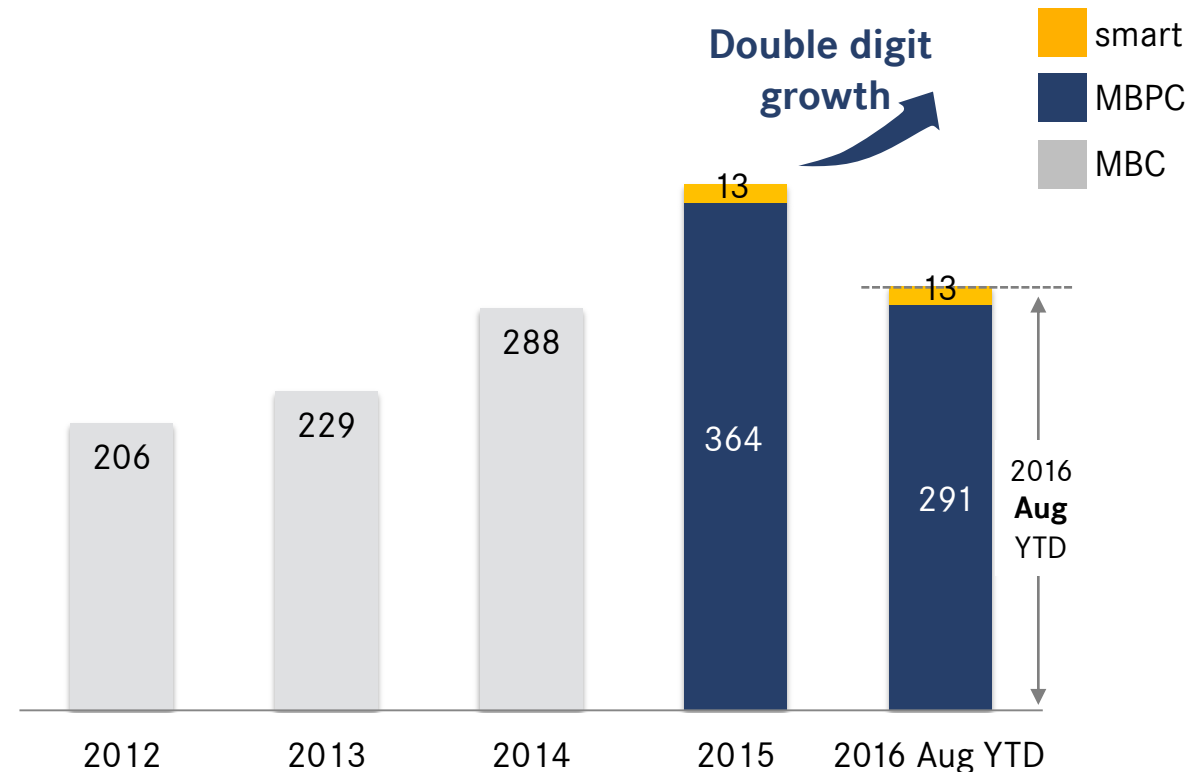
## MBC Sales Development (MB + smart)

Unit in thousand



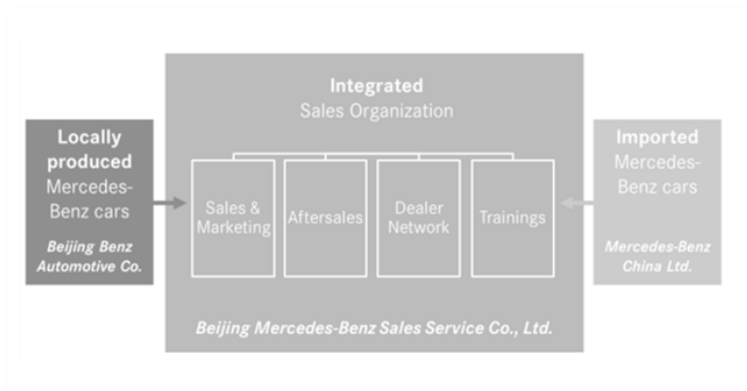
## MBC Sales Development (MB + smart)

Unit in thousand



Source: BMBS Internal as of 2016 Aug YTD

# 6 Key Initiatives



Integrated Sales Organization



Expansion Dealer Network



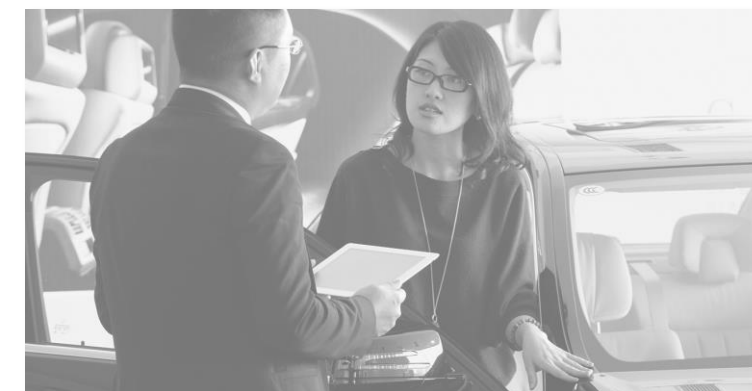
Extension Product Portfolio



Extension Local Production



Extension Local R&D



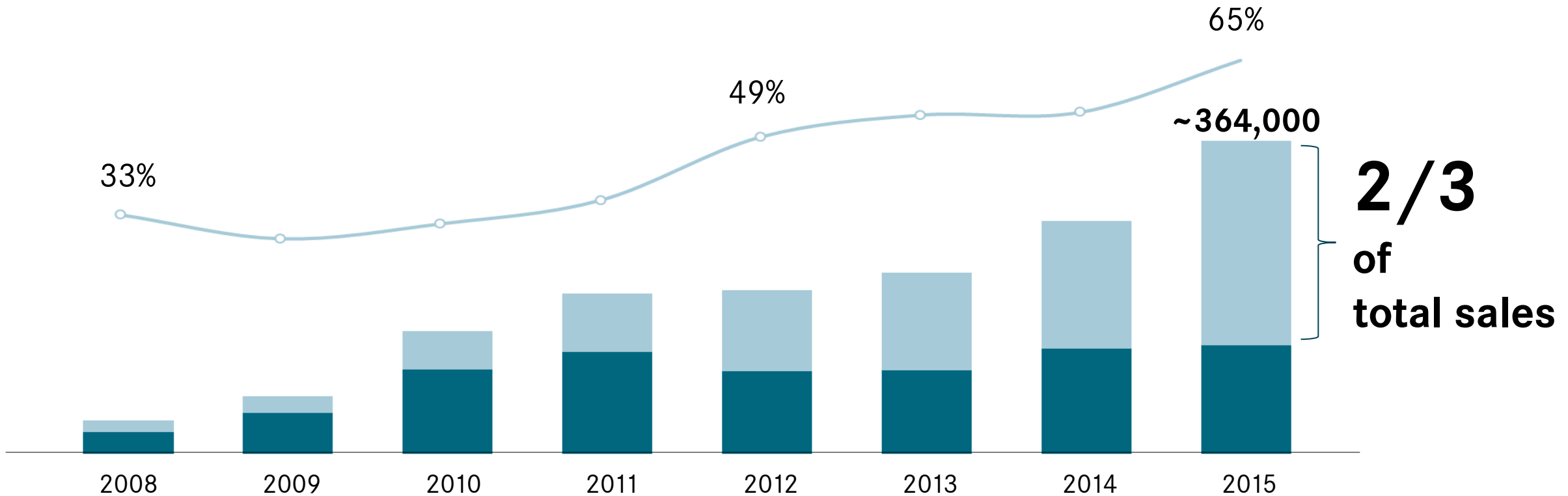
Leverage Financial Services



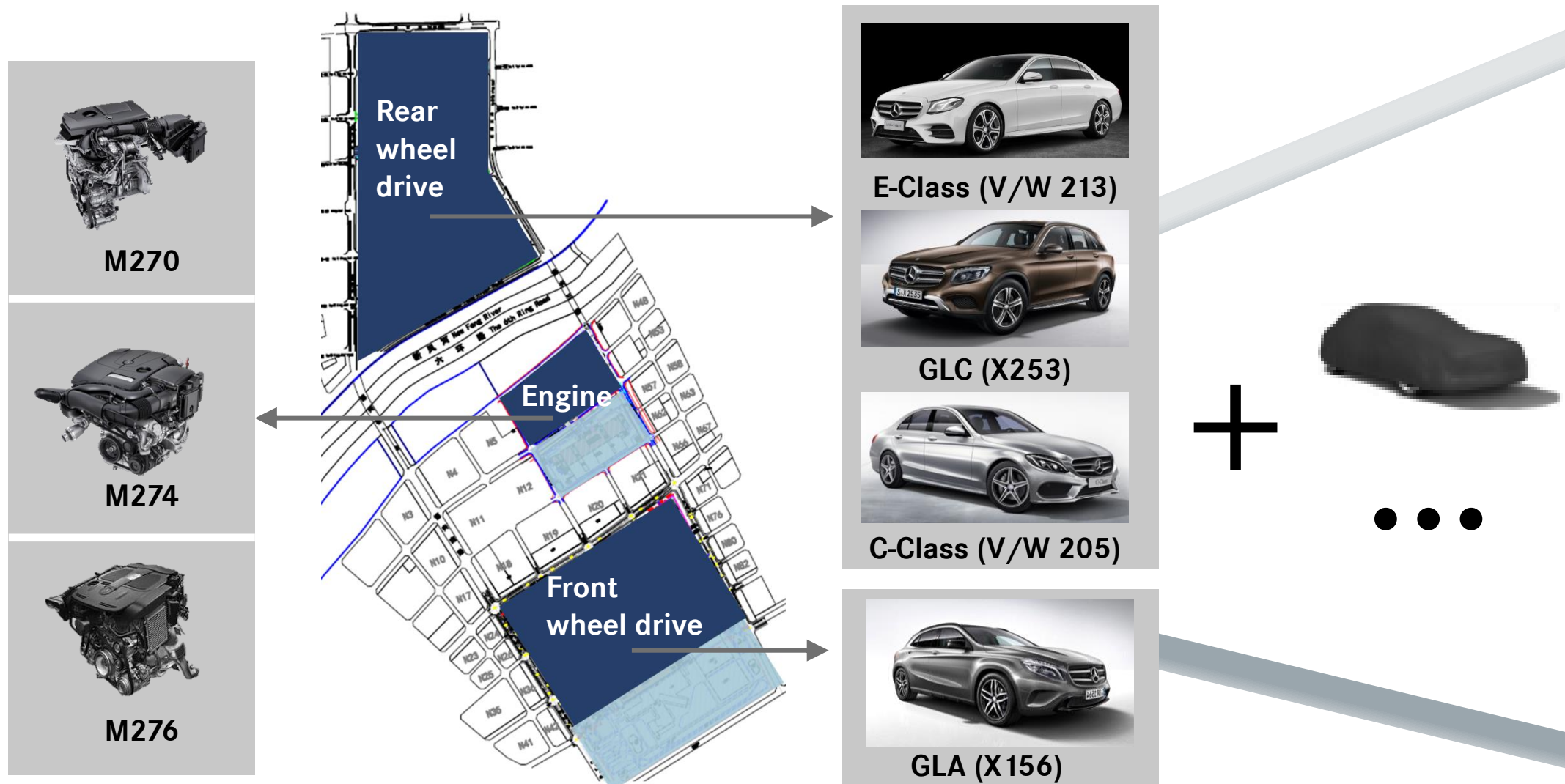
# Localized models are the key driving force to Mercedes-Benz success in China

## MB PC China Retail Sales Performance

■ Imported   ■ Locally produced   —○— Sales proportion of PbP over MB PC

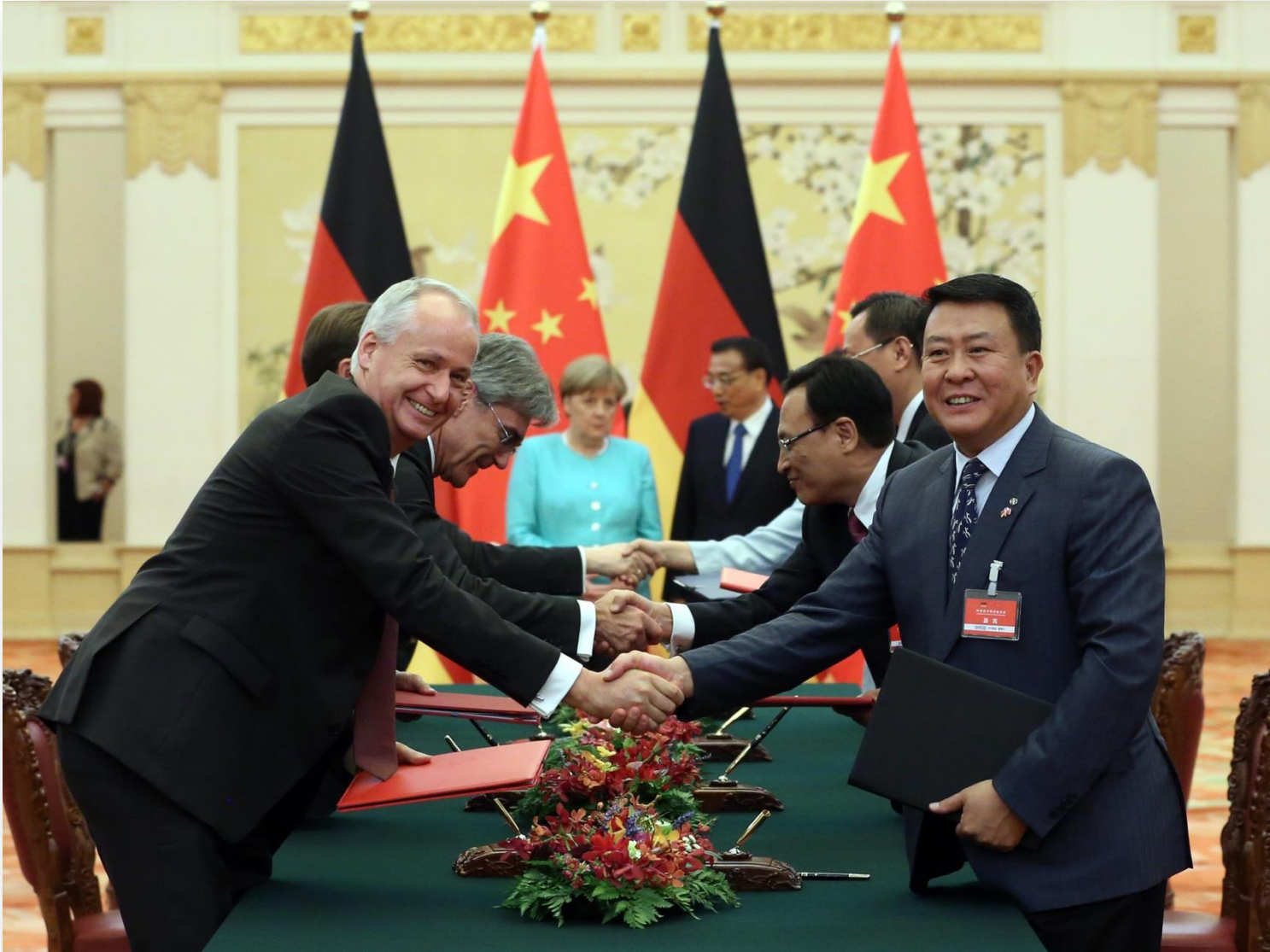


# Made in China for China: we're producing four car models and three engine models



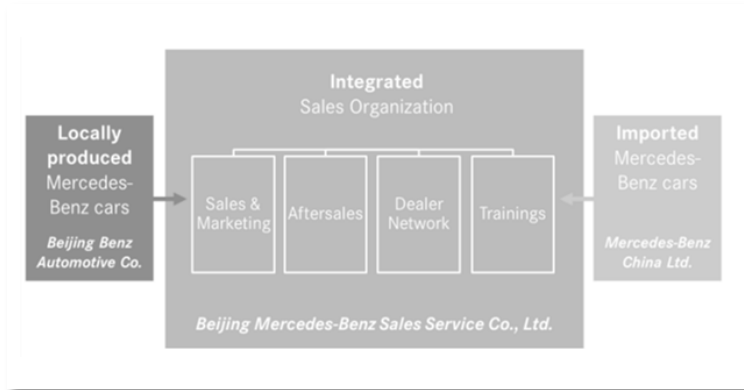


# Continuously deepening the strategic partnership





# 6 Key Initiatives



Integrated Sales Organization



Expansion Dealer Network



Extension Product Portfolio



Extension Local Production

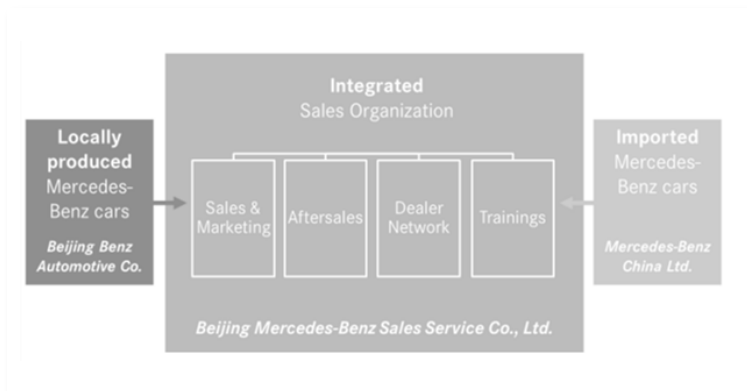


Extension Local R&D



Leverage Financial Services

# 6 Key Initiatives



**Integrated Sales Organization**



**Expansion Dealer Network**



**Extension Product Portfolio**



**Extension Local Production**



**Extension Local R&D**



**Leverage Financial Services**



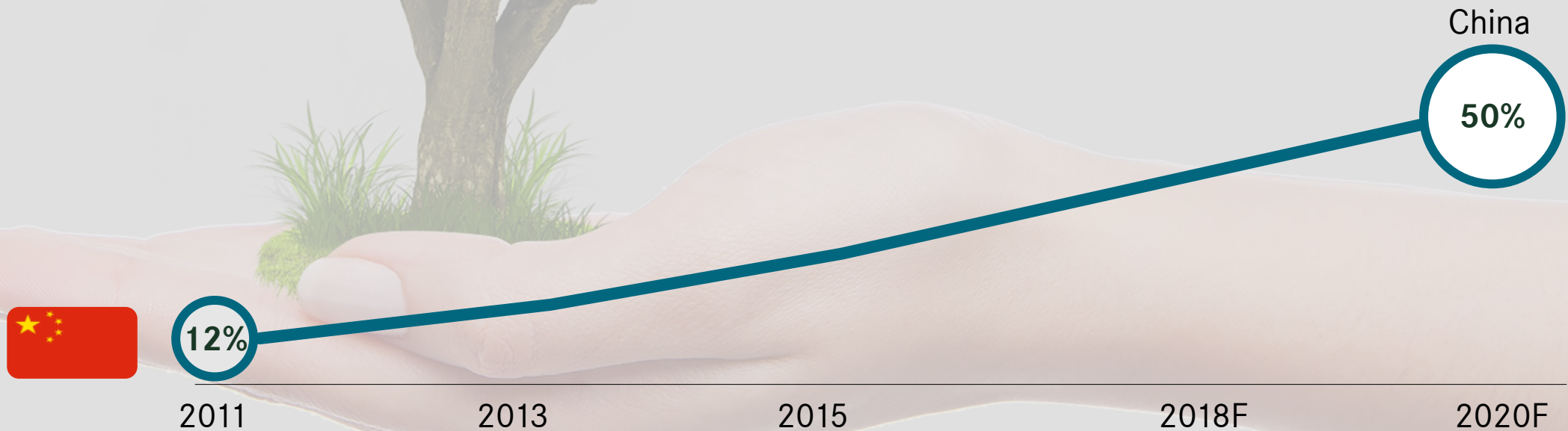
# Increasing Importance of Financial Services in **China**





Demand for Auto Financing is increasing and we will make sure we have our share...

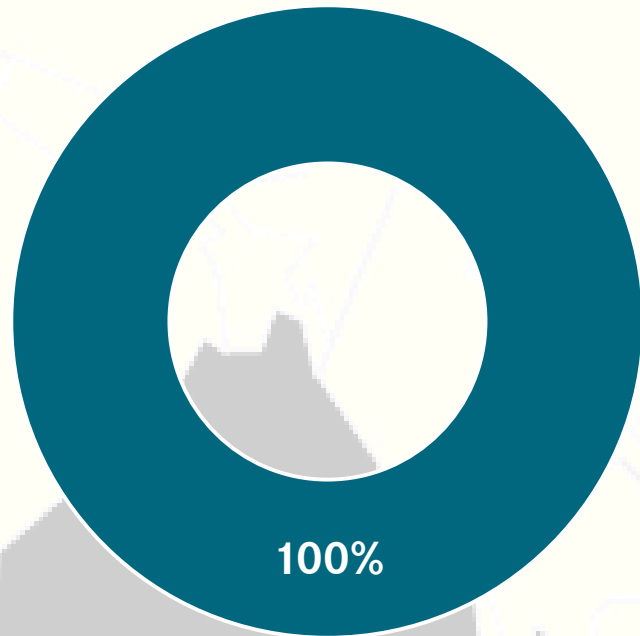
**MBFS penetration rate will mature over time to the level of the global DFS penetration rate.**



# ...by covering customers' finance, leasing & insurance needs based on a solid shareholding structure

Portfolio as of  
2016 July YTD

51 Billion RMB

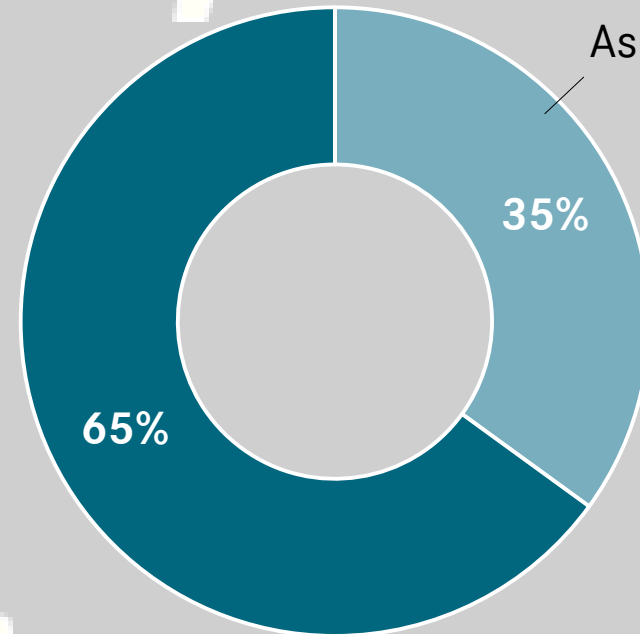


■ Daimler

**Mercedes-Benz Auto Finance Ltd.**

3 Billion RMB

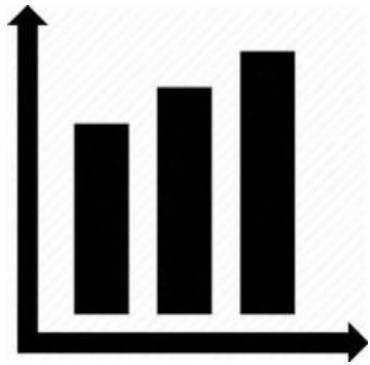
As of March 2015



■ BAIC     ■ Daimler

**Mercedes-Benz Leasing Co., Ltd.**

# We pursue a clear strategy in China



**Growing the  
Business**



**Managing the  
Growth**

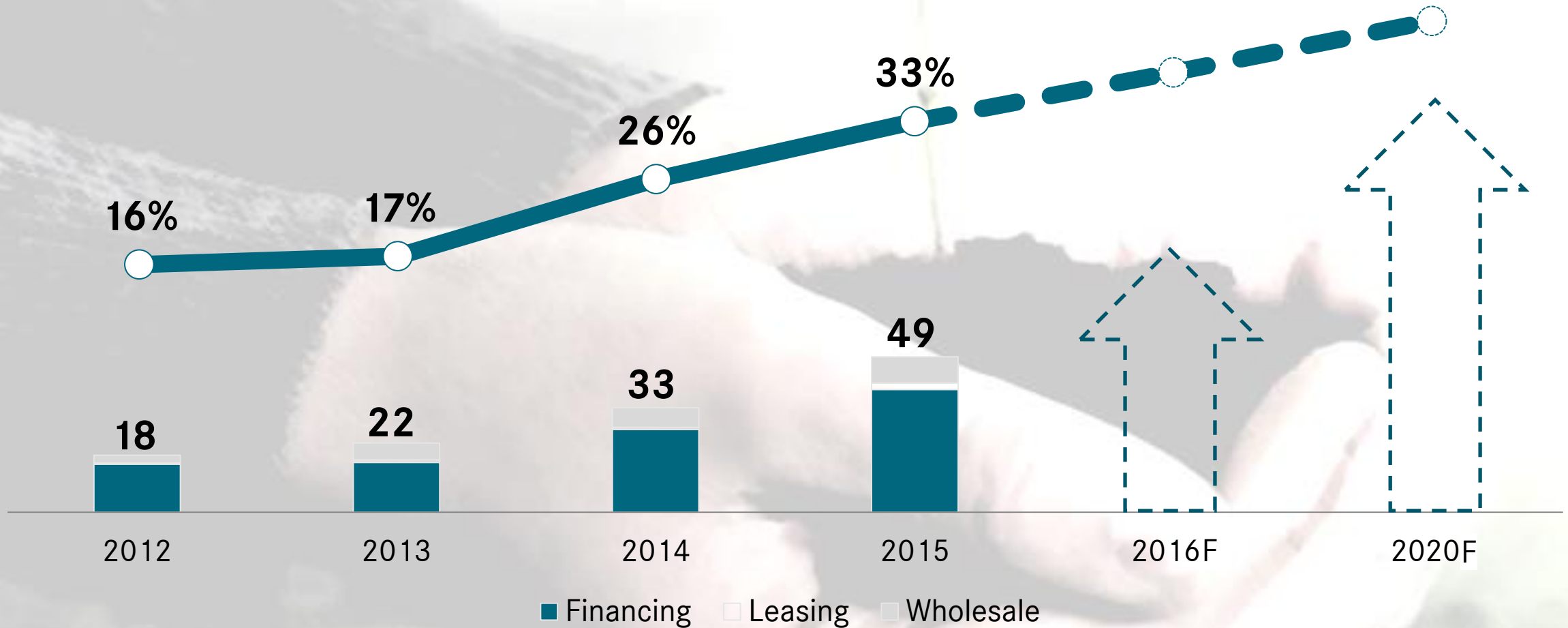


**Innovate Digital  
Tomorrow**



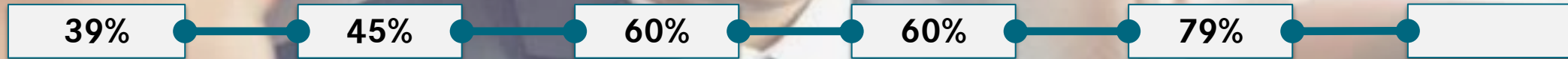
# We are growing fast, and not only with a comprehensive auto finance portfolio...

PC Penetration % & Portfolio in billion RMB

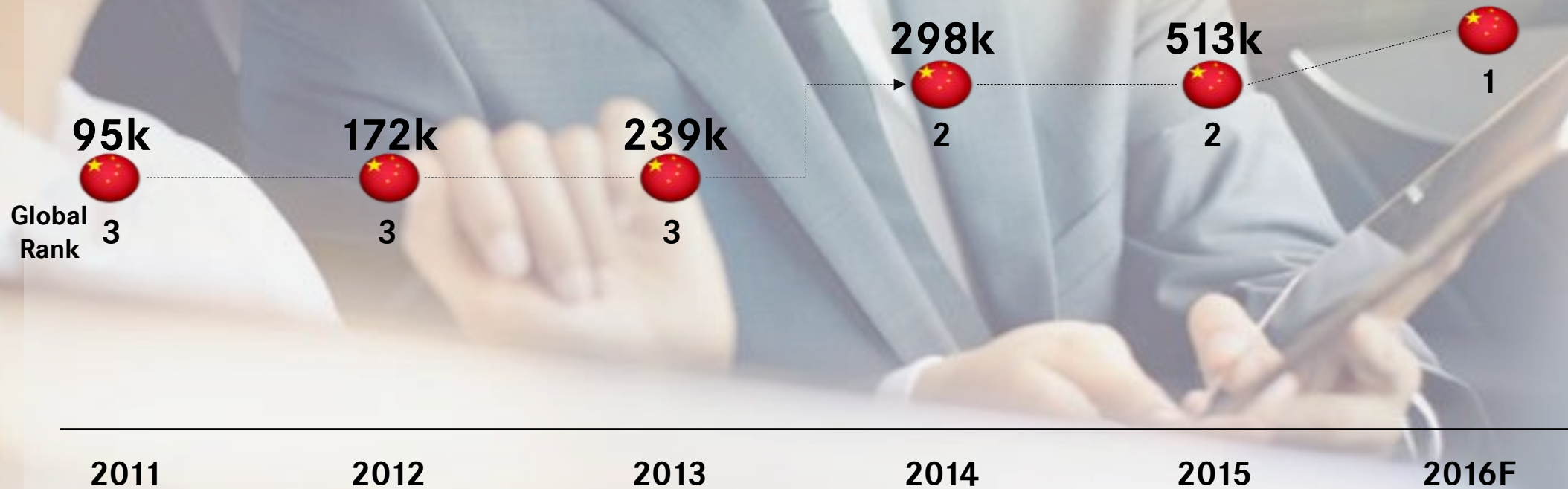


... but also with a rapidly increasing insurance business...

### Insurance Penetration Rate (PC)



### Insurance policies







## **...and Newly Launched Mobility Services in China**





CAR  
2GO

Simple. Always. Everywhere.

Launched in 2016

HELLO  
CHONGQING!

**78,000** members, a new rental every **1.7 min**

As of July 2016



# We pursue a clear strategy in China



**Growing the  
Business**



**Managing the  
Growth**



**Innovate Digital  
Tomorrow**

# We are facing the challenges of fast growth every day

Average number of contracts signed by MBFS China 2014 vs. YTD 2016 [units]

From > 200 contracts per day in 2014 to

# >450

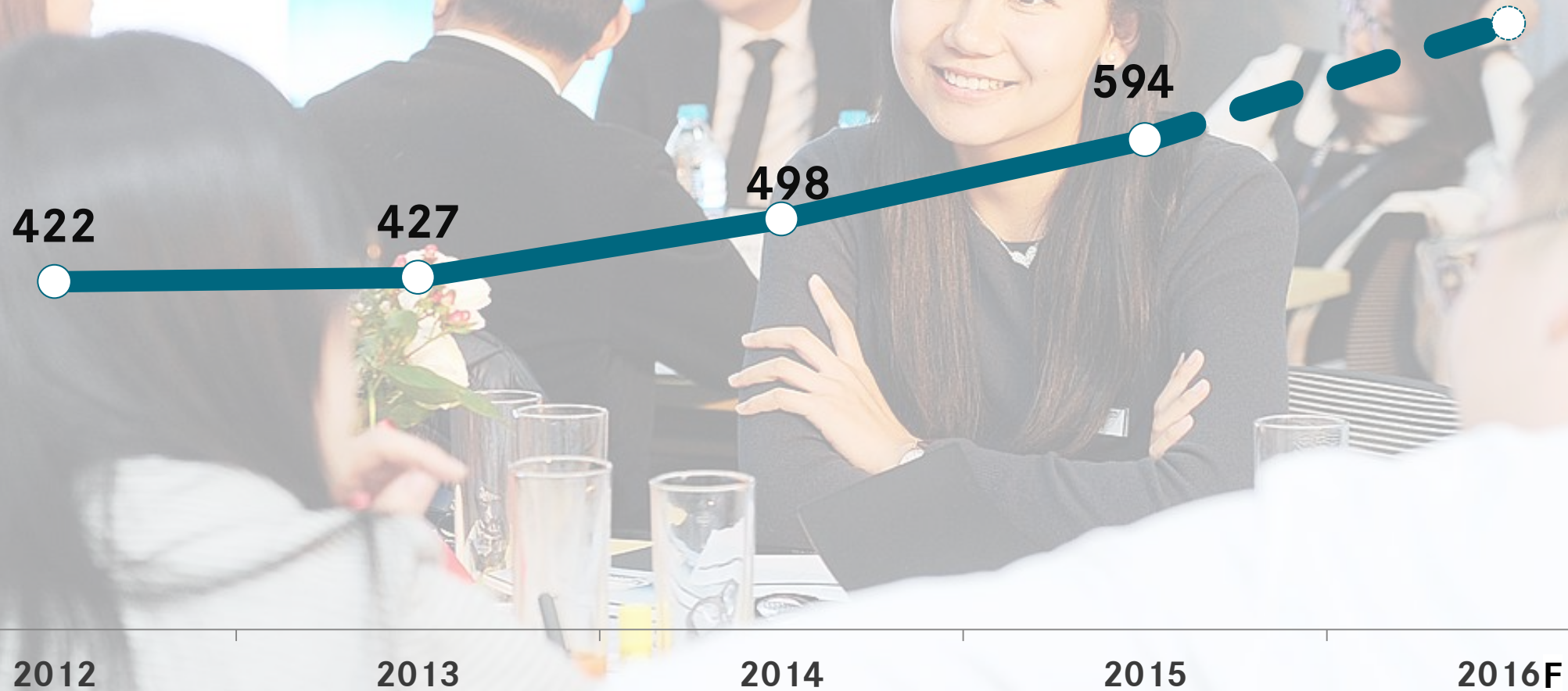
# contracts per day





To support the business growth, we actively engage ourselves to find the right people for the right position

Employees Development MBFS China



We hire high performers, develop them into experts and retain them with attractive career path opportunities

## Continuous Efforts in Talent Acquisition

- Dedicated Recruitment Resources
- Expanded Sourcing Channels
- Global Search

## Talent Development and Retention

Best Companies to Work for  
GREATER CHINA 大中华区最佳职场  
Mercedes-Benz Financial Services China ★ ★ ★ ★ ★


GREAT PLACE TO WORK®  
20  
15

Strive for  
**MORE.**



People Development  
@ MB FS CHINA





With efficient processes and systems we form a sound foundation for future sustainable growth

- **Auto Decision**

2016 (YTD) 26% of applications are already automatically decided, improving our operational costs further. This ratio is expected to be >30% by end of this year.

- **Outsourcing of non-core processes**
- **Service Center & Customer Contact Center**
- **Major IT infrastructure upgrades & core system replacements**



# Growth is managed with a reasonable risk control...

**47%** of our Finance

**77%** of our Leasing

Consumers make a

**Down payment > 50%**

**33** Months

**Average Terms**

# ...which is reflected in our low credit losses

Net Credit Loss ratio in %





# Asset Backed Securitization is leveraged to support the increasing capital demand

**2015**

**49 bn RMB**



**2016 F**

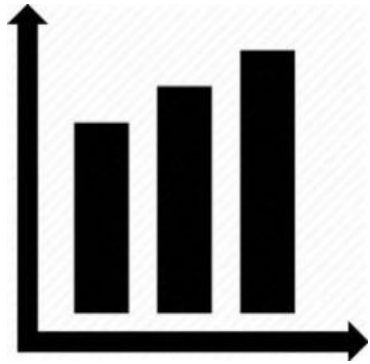


**2017 F**





# We pursue a clear strategy in China



**Growing the  
Business**



**Managing the  
Growth**



**Innovate Digital  
Tomorrow**

We reinvent and challenge our business before anybody else does

**Digitize Business**

**Disrupt Industry**

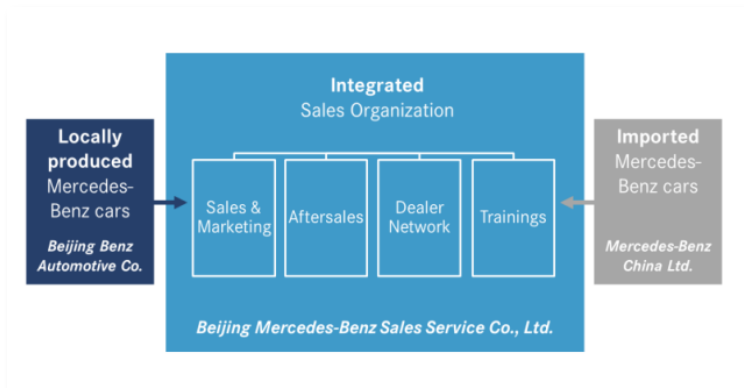


**Big Data**

**Ecosystem**



# 6 Key Initiatives



**Integrated Sales Organization**



**Expansion Dealer Network**



**Extension Product Portfolio**



**Extension Local Production**



**Extension Local R&D**



**Leverage Financial Services**



# The momentum continues in 2016

## German Premium Brands China Performance - YTD July 2016

Retail Sales, in Mainland China

+33%

>251,000

2016  
YTD July

+8.7%

+6.6%

2014

2015

Brand "B"

Brand "A"



Note: Mercedes-Benz w/o smart & V-Class, competitor 1 w/o MINI

# Contents

Results for Q2 2016

Outlook for 2016

Daimler Group Strategy

Divisional information

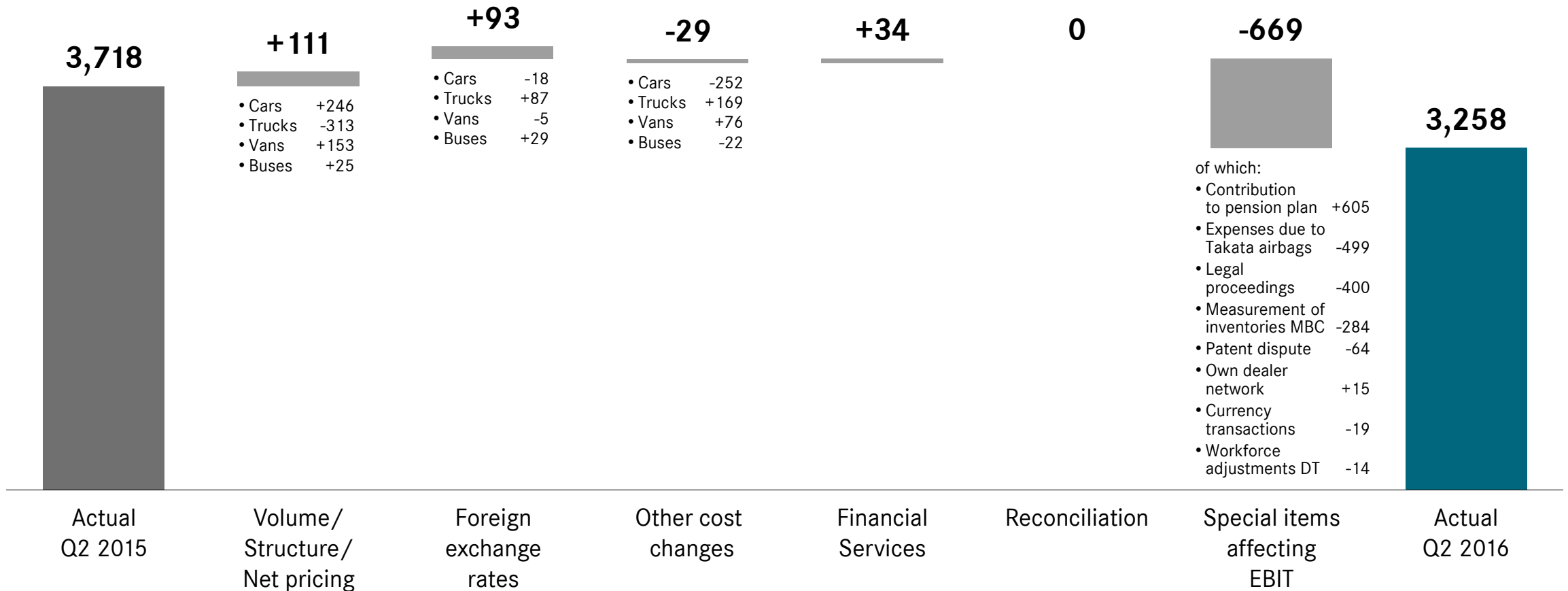
China

**Appendix**



# Group EBIT in Q2 2016

- in millions of euros -





# Special items affecting EBIT (I)

	Q2 2015	Q2 2016	H1 2015	H1 2016
<b>Mercedes-Benz Cars</b>				
Restructuring of own dealer network	-16	-11	-36	-21
Relocation of headquarters of MBUSA	+9	-	-11	-
Sale of real estate in the United States	-	-	+87	-
Expenses in connection with Takata airbags	-	-440	-	-460
Net expenses from measurement of inventories	-	-284	-	-284
Settlement in connection with patent dispute	-	-64	-	-64
<b>Daimler Trucks</b>				
Workforce adjustments	-20	-34	-25	-34
Restructuring of own dealer network	-15	-6	-19	-7
Sale of Atlantis Foundries	-	-	-55	-

in millions of euros

# Special items affecting EBIT (II)

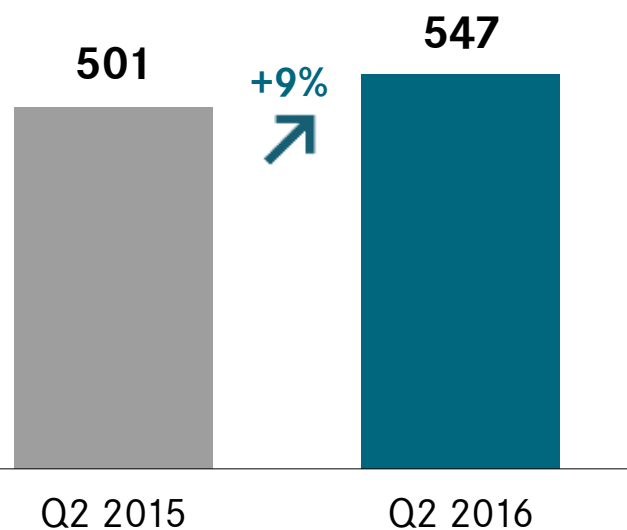
	Q2 2015	Q2 2016	H1 2015	H1 2016
<b>Mercedes-Benz Vans</b>				
Restructuring of own dealer network	-4	-2	-8	-3
Relocation of headquarters of MBUSA	-	-	-2	-
Expenses in connection with Takata airbags	-	-59	-	-63
Workforce adjustments in Germany	-	-	-	-30
<b>Daimler Buses</b>				
Restructuring of own dealer network	-	-1	-1	-1
<b>Reconciliation</b>				
Expenses related to legal proceedings	-	-400	-	-400
Impairment of investment in BAIC Motor	-	-	-	-244
Losses from currency transactions (not allocated to business operations)	-	-19	-	-241
Contribution of shares of Renault and Nissan to pension plan assets	-	+605	-	+605

in millions of euros

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

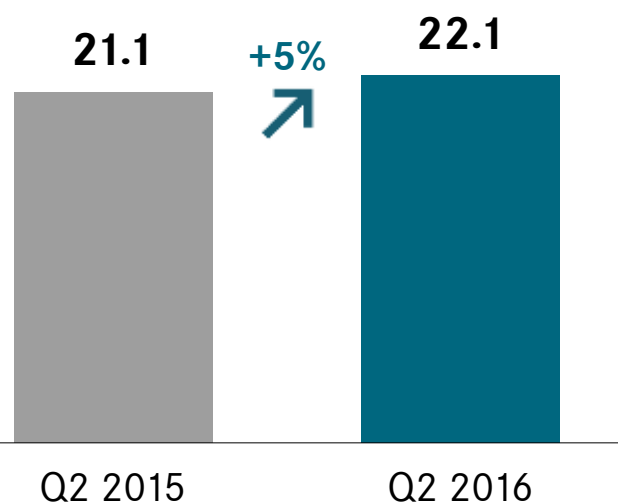
## Unit sales

- in thousands of units -



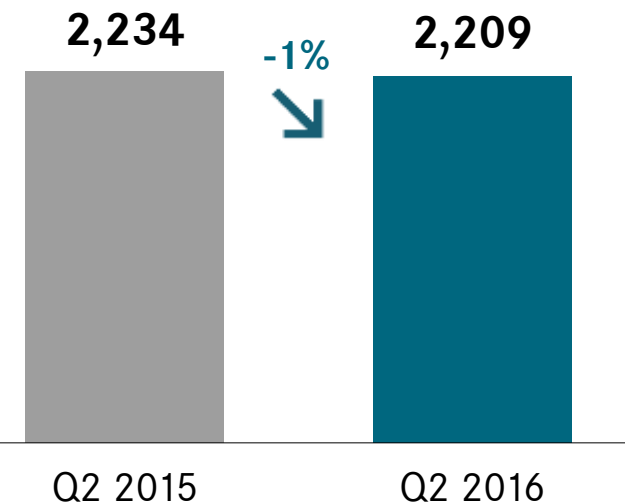
## Revenue

- in billions of euros -



## EBIT adjusted for special items

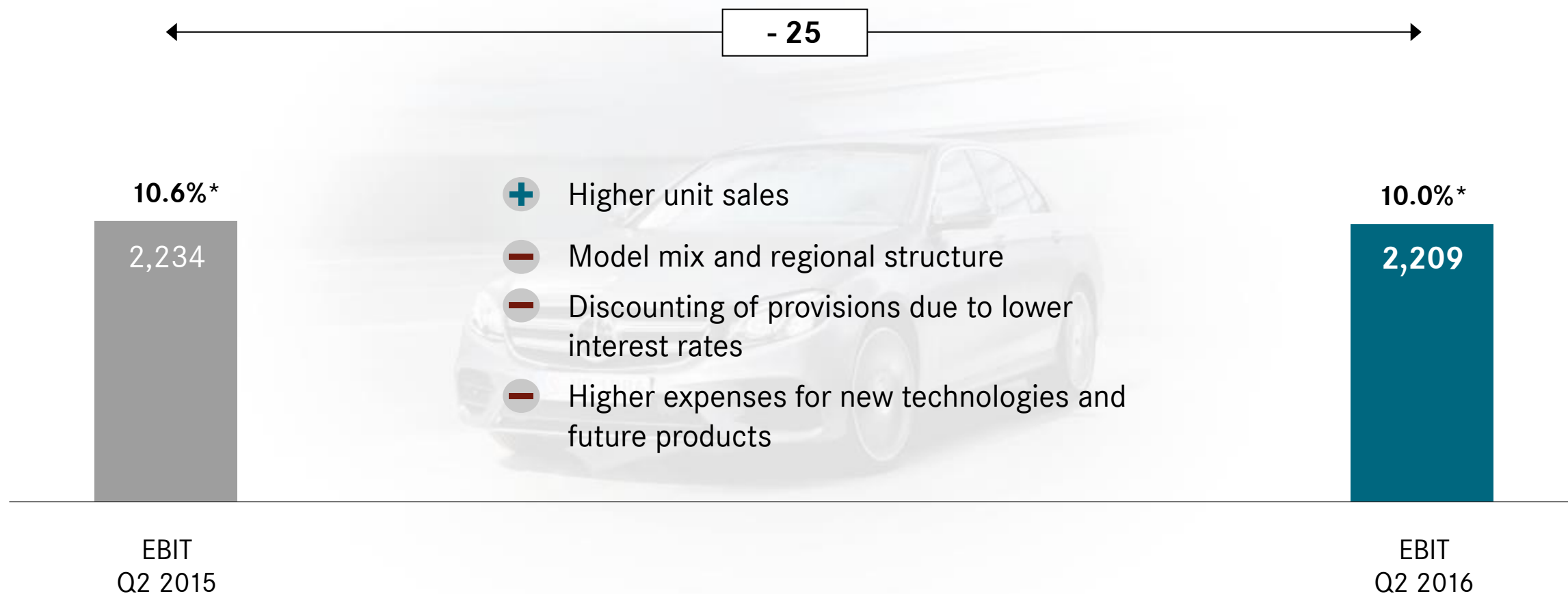
- in millions of euros -





# Mercedes-Benz Cars: EBIT adjusted for special items

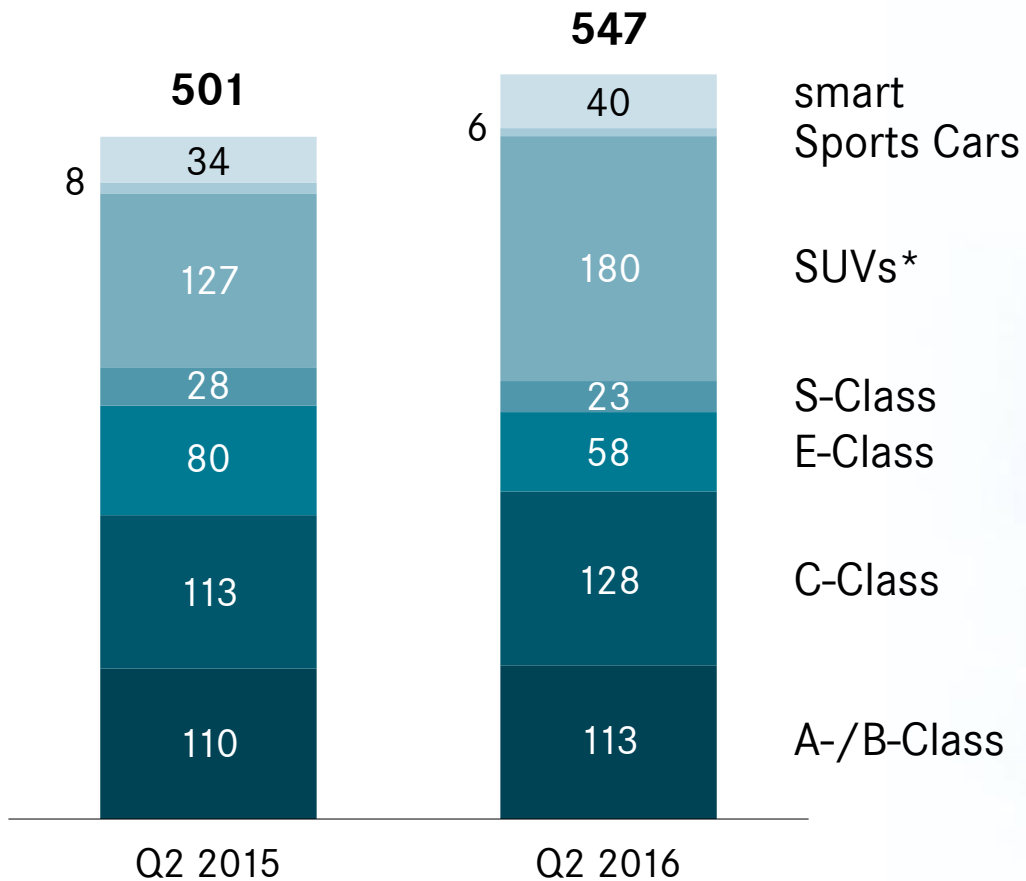
- in millions of euros -



\* Return on sales

# Mercedes-Benz Cars: sales volume above prior-year level

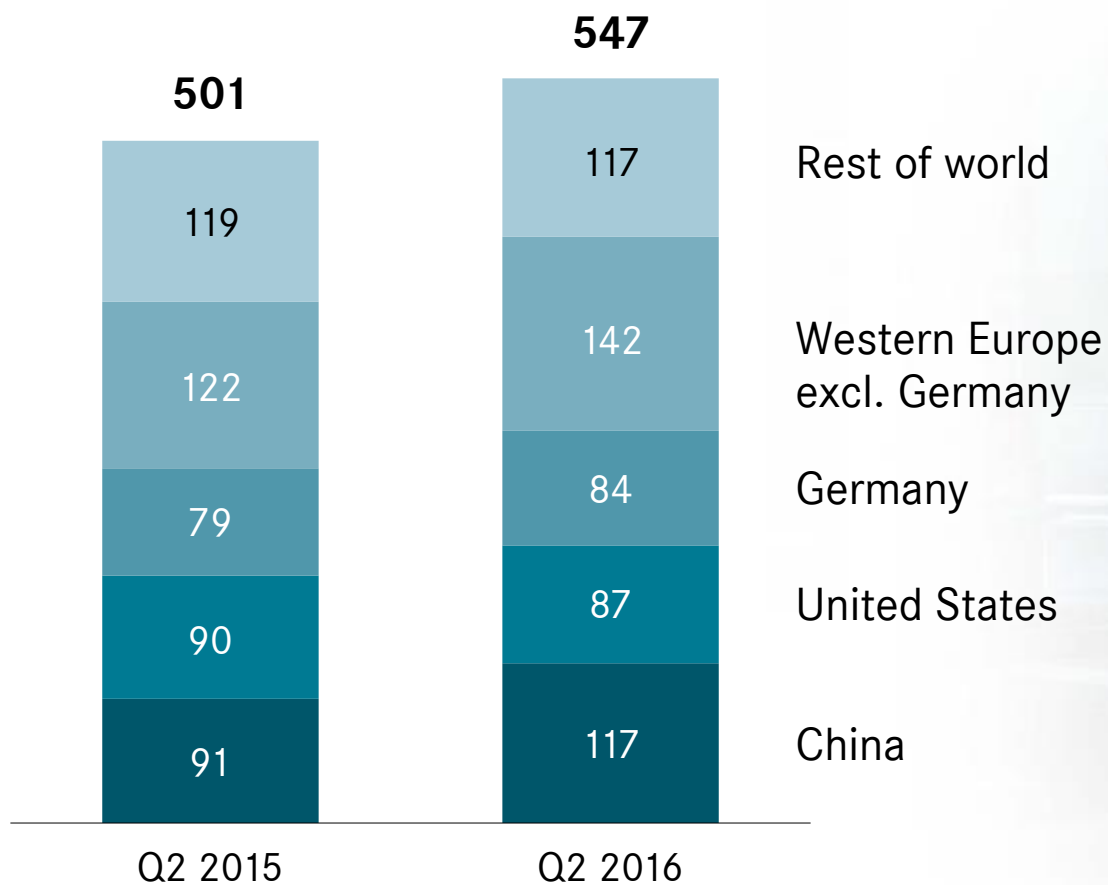
- in thousands of units -



\* incl. GLA

# Mercedes-Benz Cars: balanced sales structure

- unit sales in thousands -

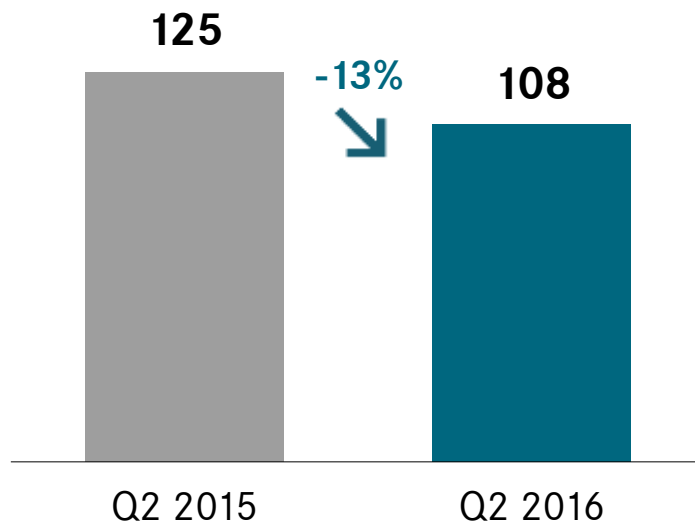




# Daimler Trucks: key figures driven by heterogeneous market development

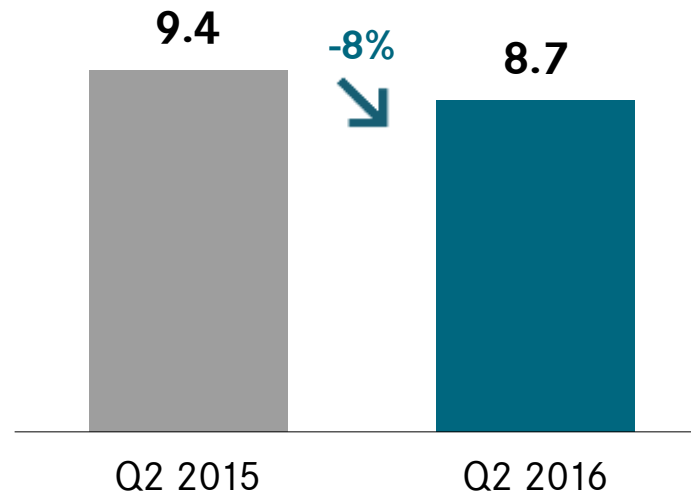
## Unit sales

- in thousands of units -



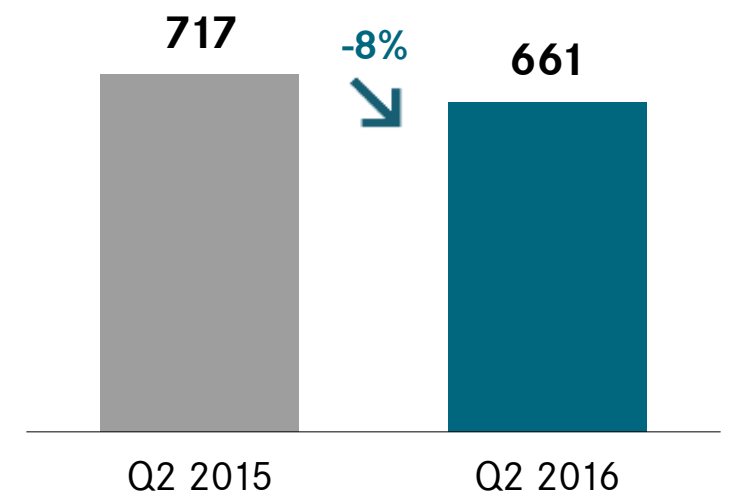
## Revenue

- in billions of euros -



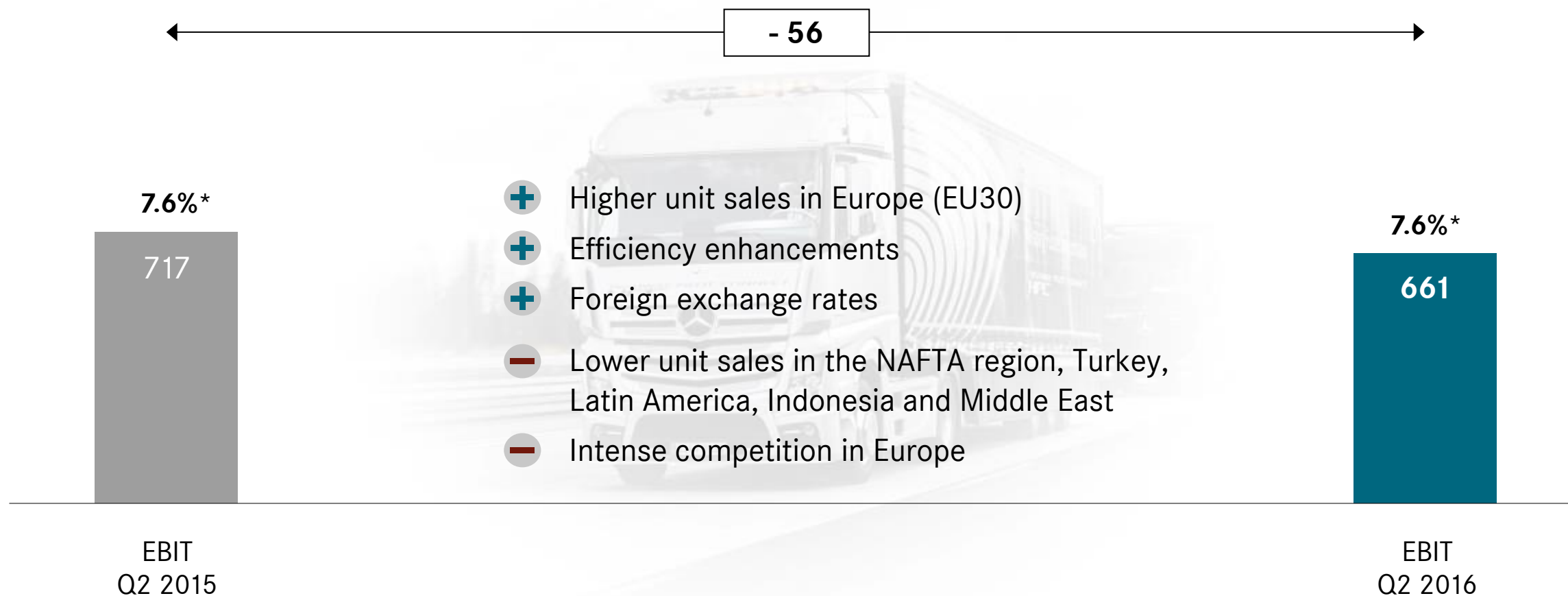
## EBIT adjusted for special items

- in millions of euros -



# Daimler Trucks: EBIT adjusted for special items

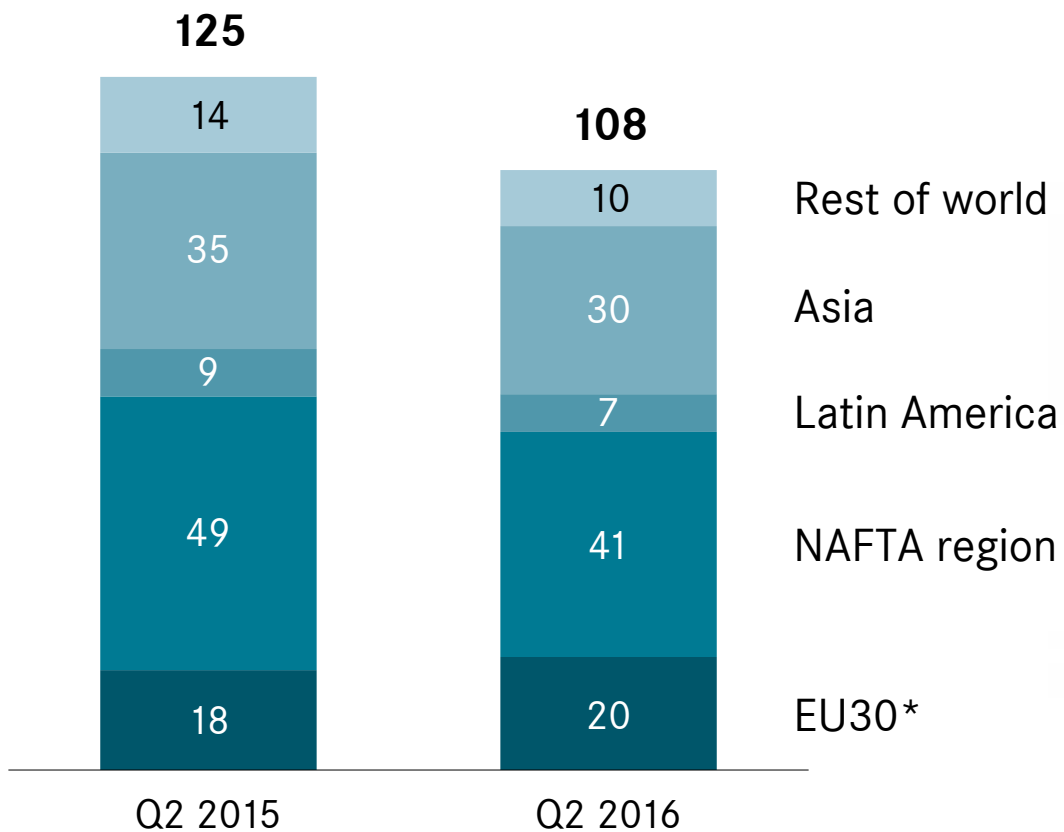
- in millions of euros -



\* Return on sales

# Daimler Trucks: decrease in unit sales driven by NAFTA region, Turkey, Latin America, Indonesia and Middle East

- in thousands of units -

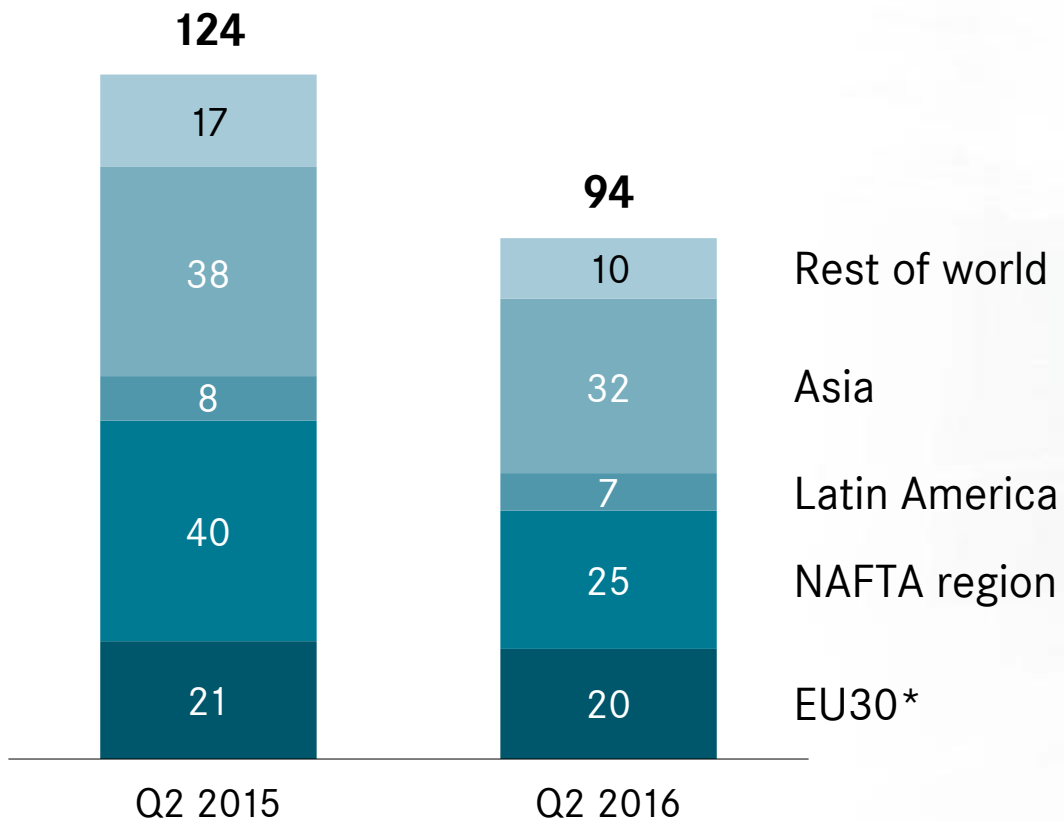


\* European Union, Switzerland and Norway



# Daimler Trucks: incoming orders significantly below prior-year level

- in thousands of units -



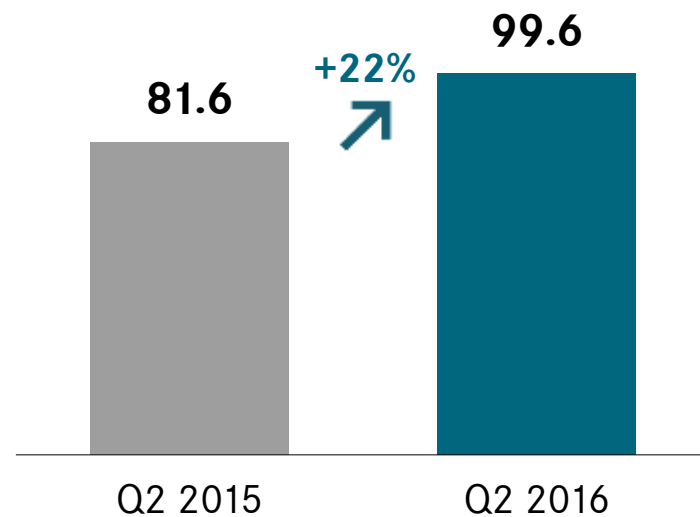
\* European Union, Switzerland and Norway



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

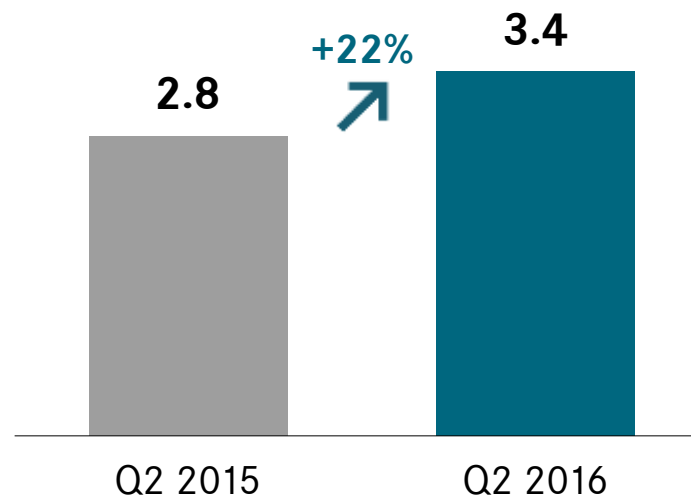
## Unit sales

- in thousands of units -



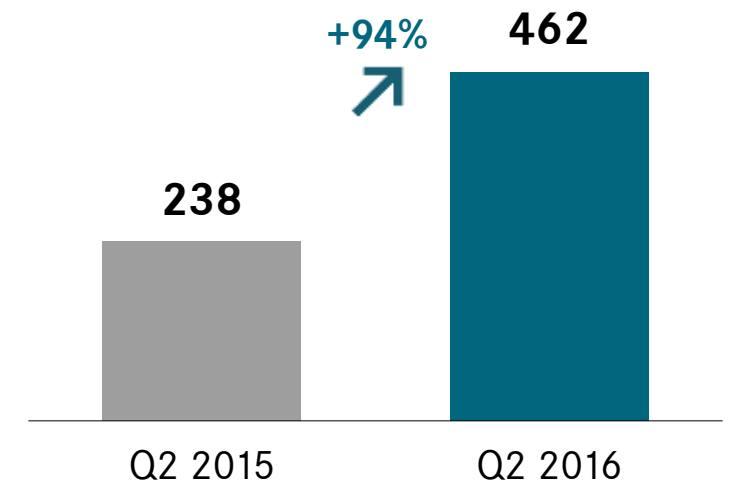
## Revenue

- in billions of euros -



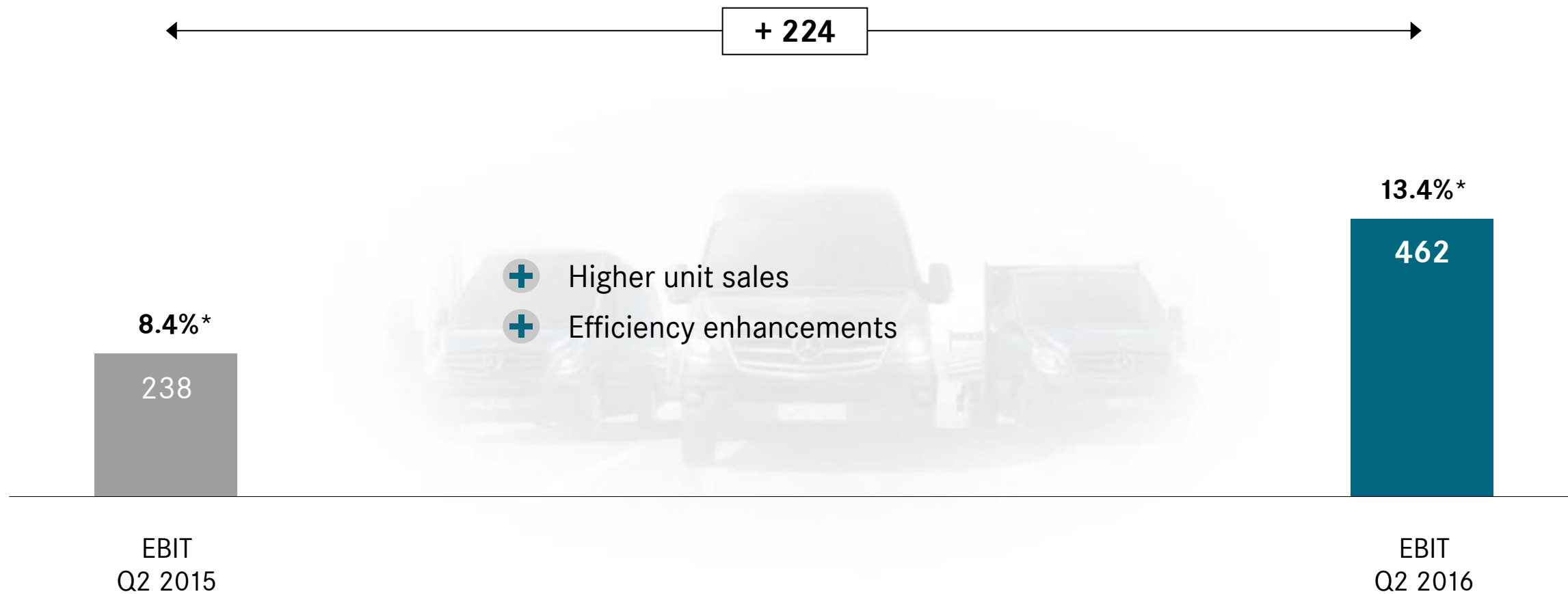
## EBIT adjusted for special items

- in millions of euros -



# Mercedes-Benz Vans: EBIT adjusted for special items

- in millions of euros -

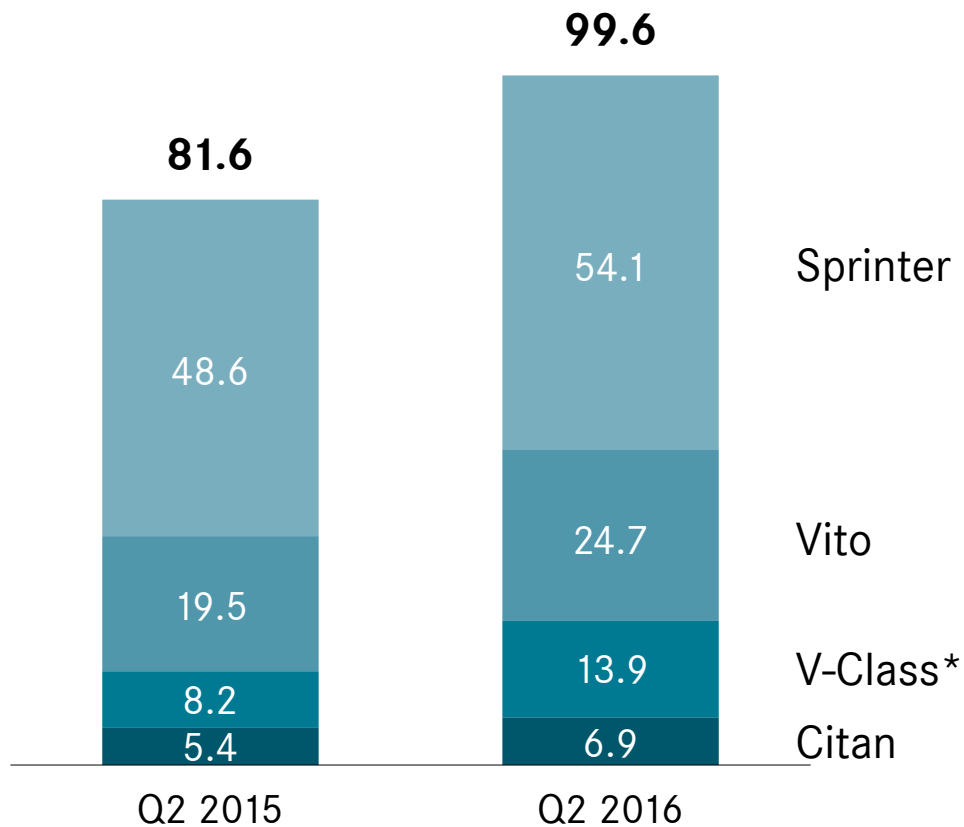


\* Return on sales



# Mercedes-Benz Vans: market success of mid-size vans

- in thousands of units -

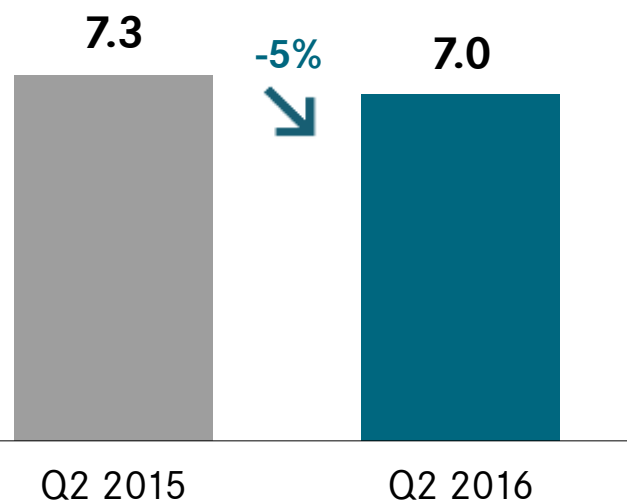


\* incl. Viano

# Daimler Buses: strong EBIT despite significant market contraction in Latin America

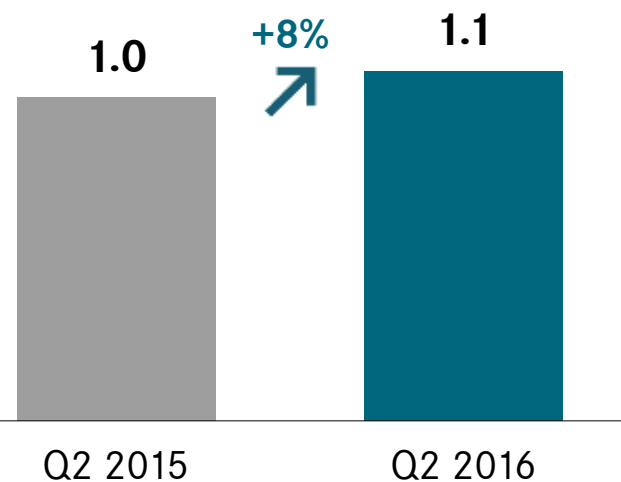
## Unit sales

- in thousands of units -



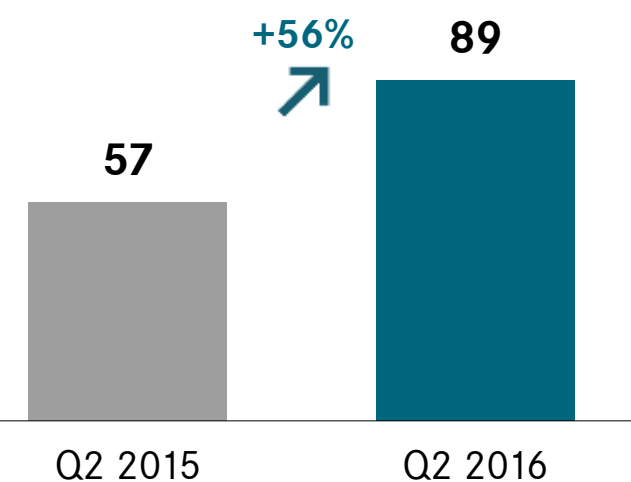
## Revenue

- in billions of euros -



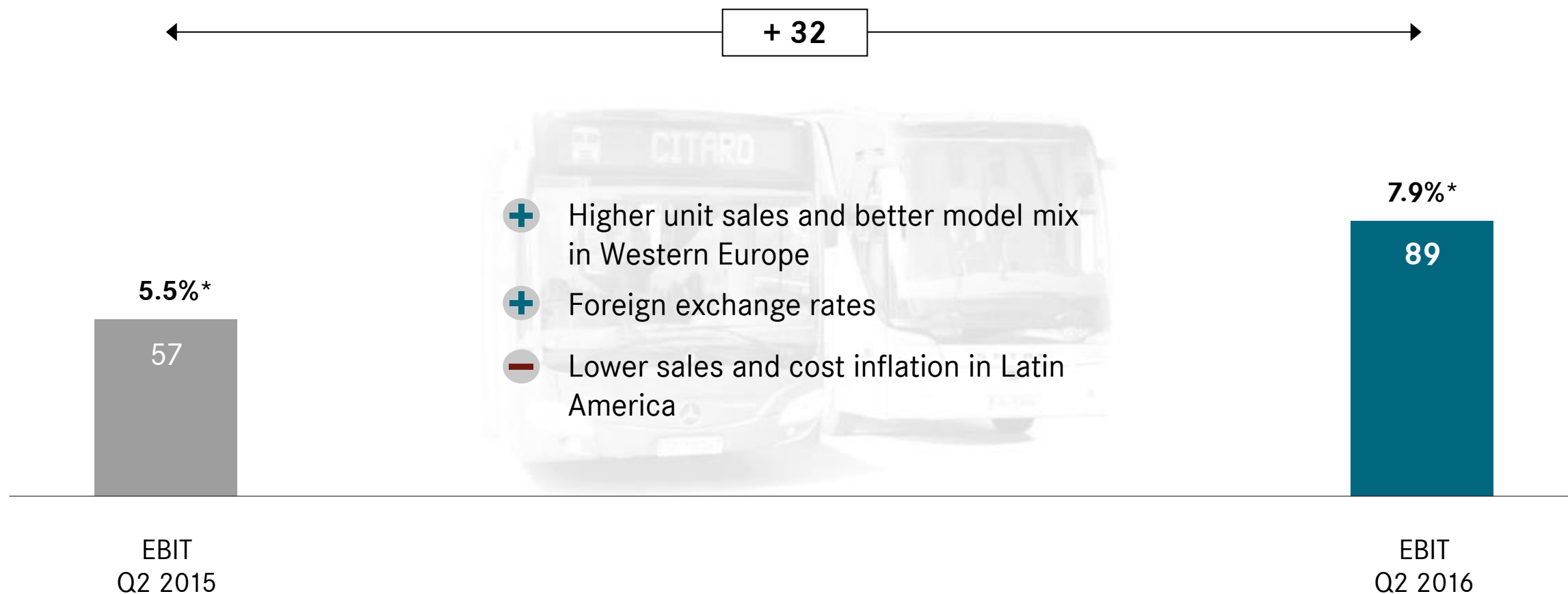
## EBIT adjusted for special items

- in millions of euros -



# Daimler Buses: EBIT adjusted for special items

- in millions of euros -

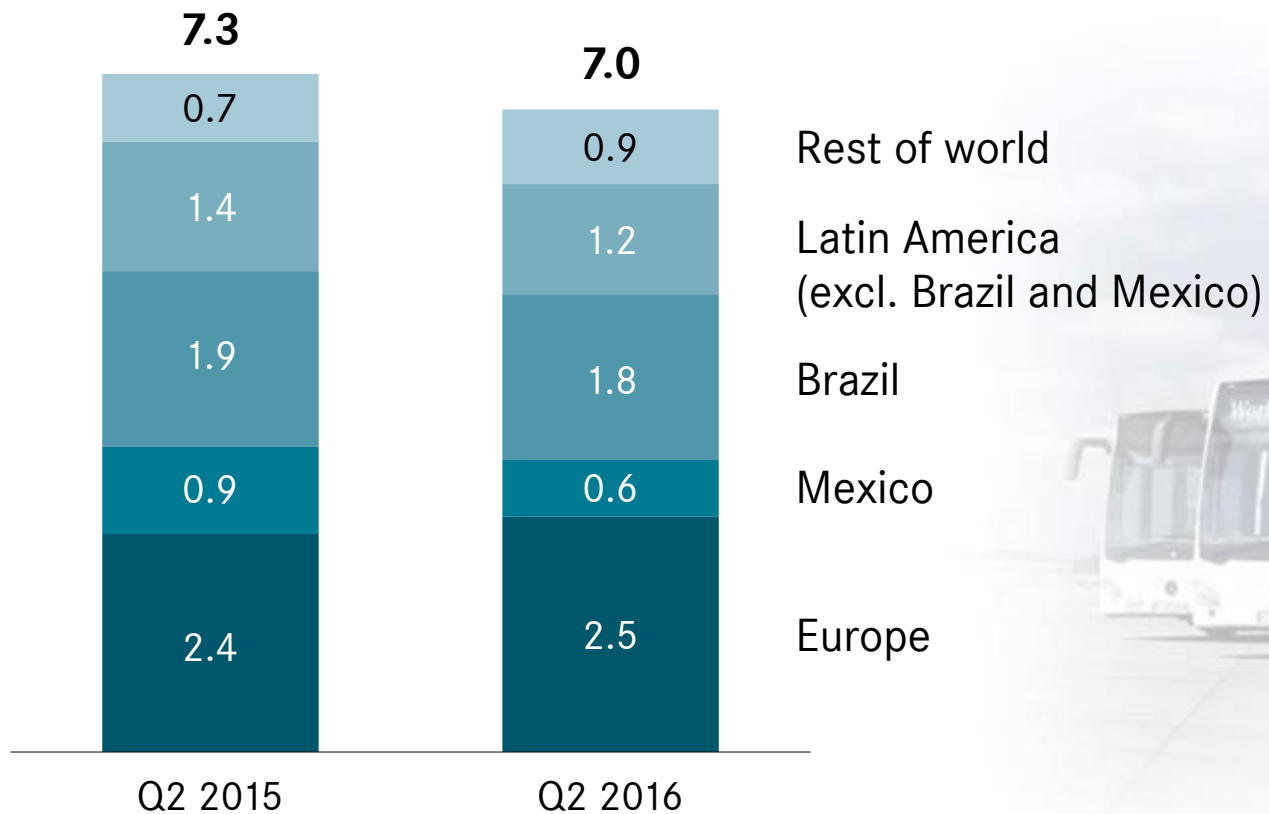


\* Return on sales



# Daimler Buses: lower demand for bus chassis in Latin America

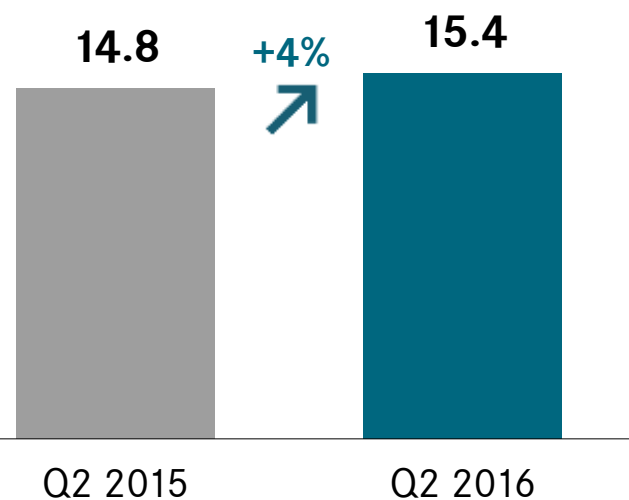
- unit sales in thousands -



# Daimler Financial Services: further business growth

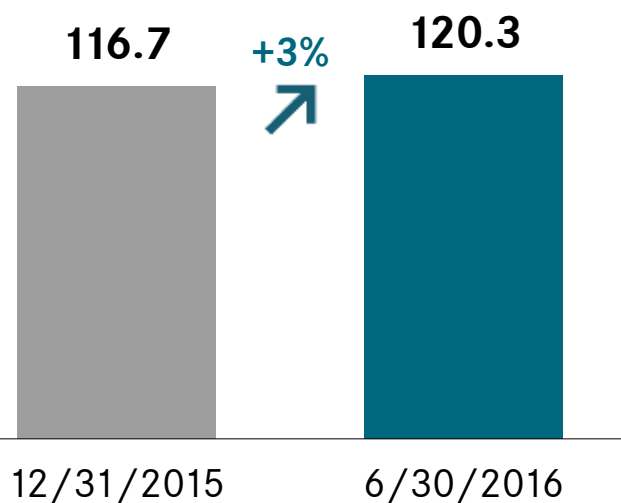
## New business

- in billions of euros -



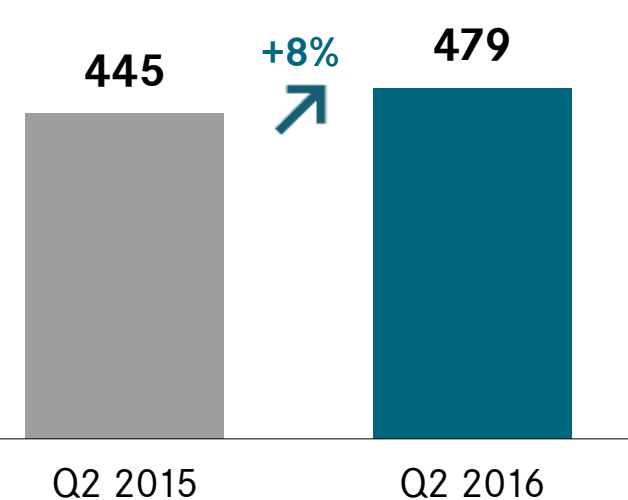
## Contract volume

- in billions of euros -



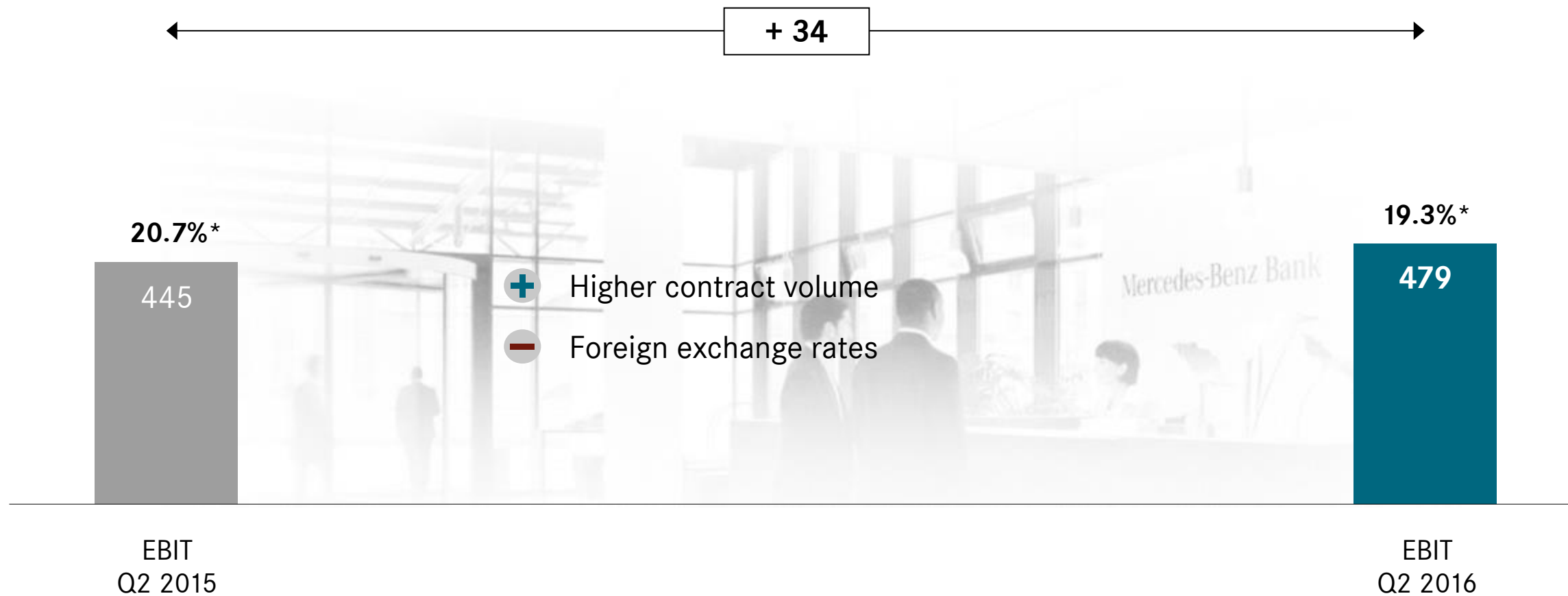
## EBIT

- in millions of euros -



# Daimler Financial Services: EBIT

- in millions of euros -

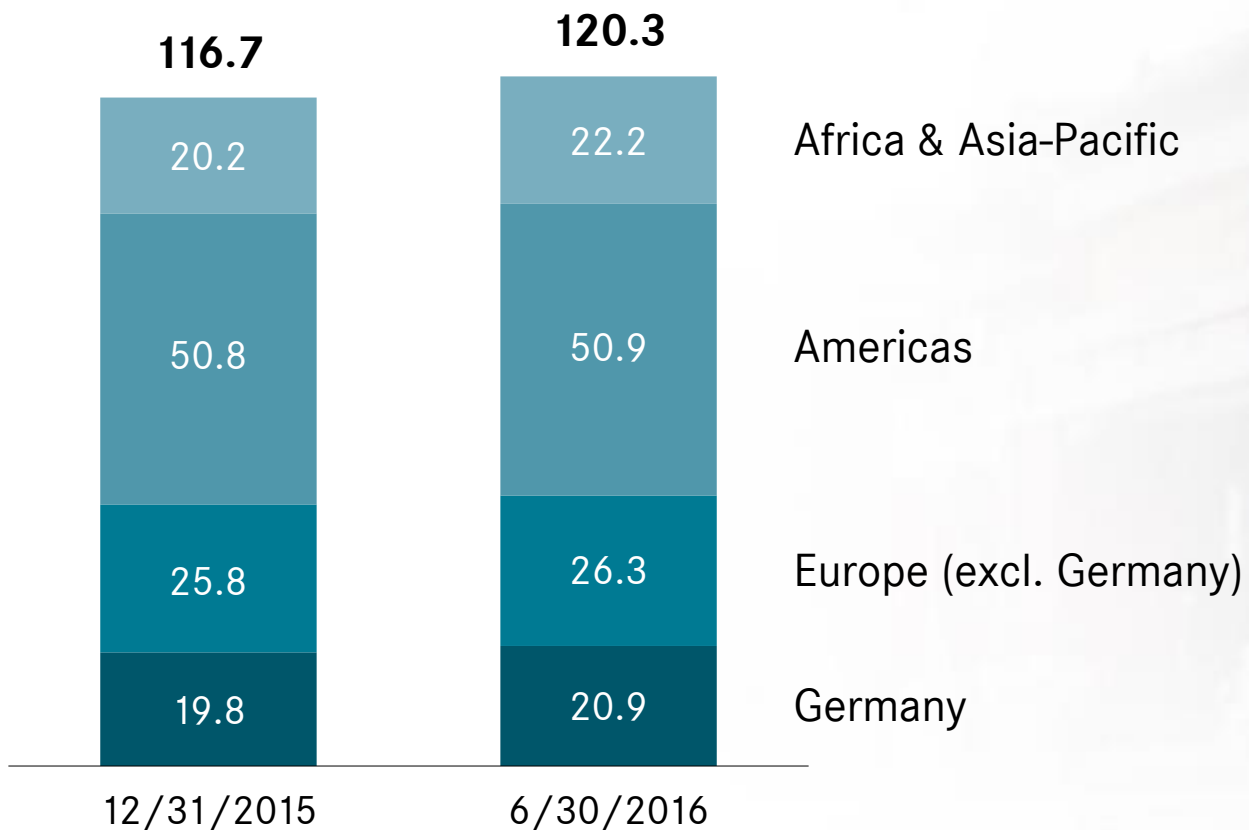


\* Return on equity

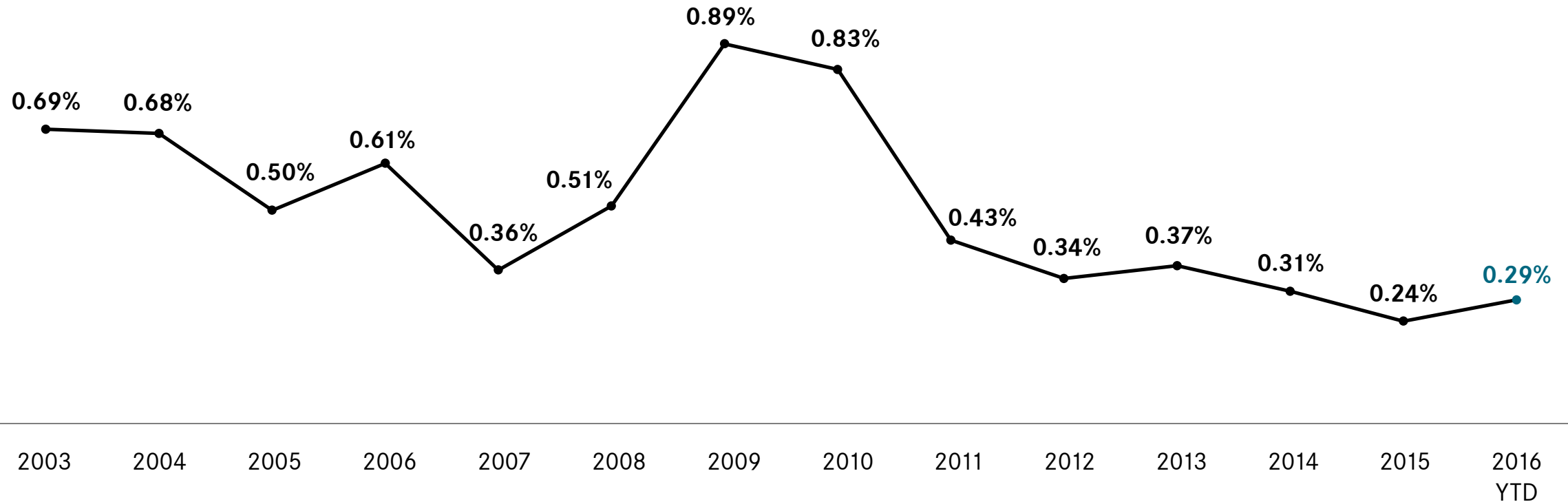


# Daimler Financial Services: growth in all regions

- contract volume in billions of euros -



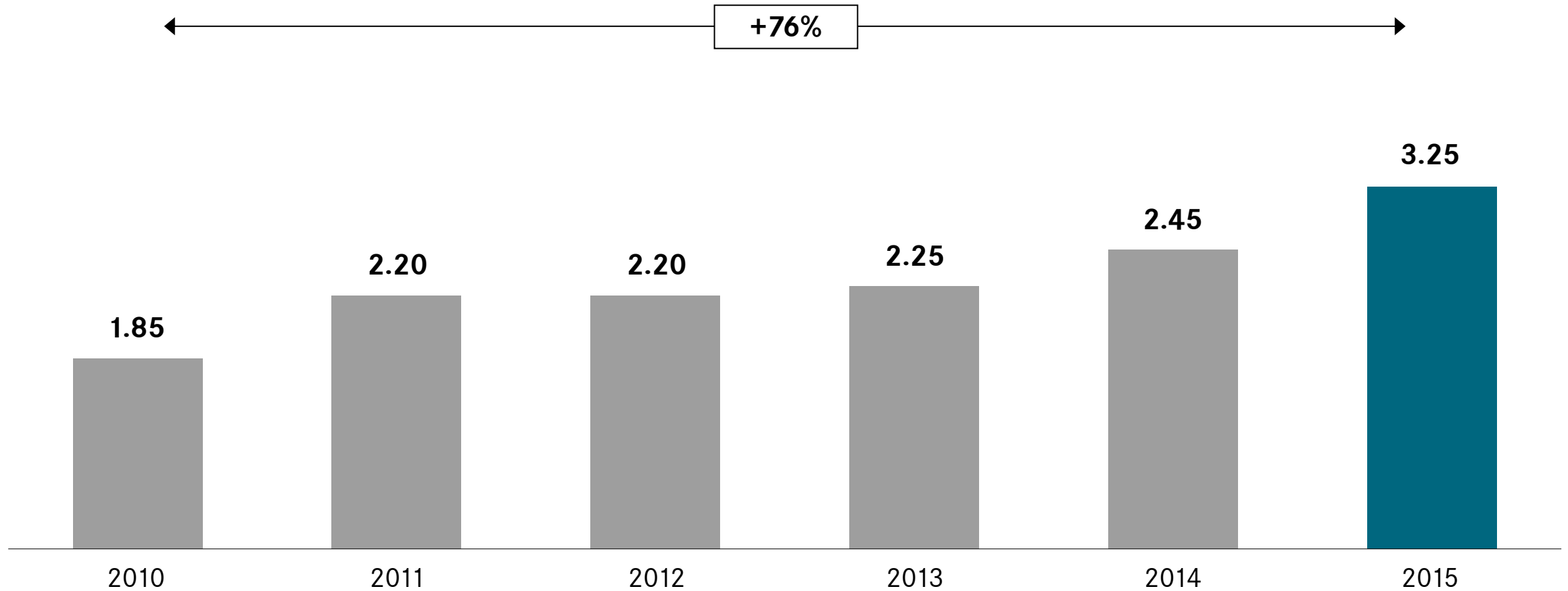
# Daimler Financial Services: net credit losses\* at low level



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

# Development of dividend per share

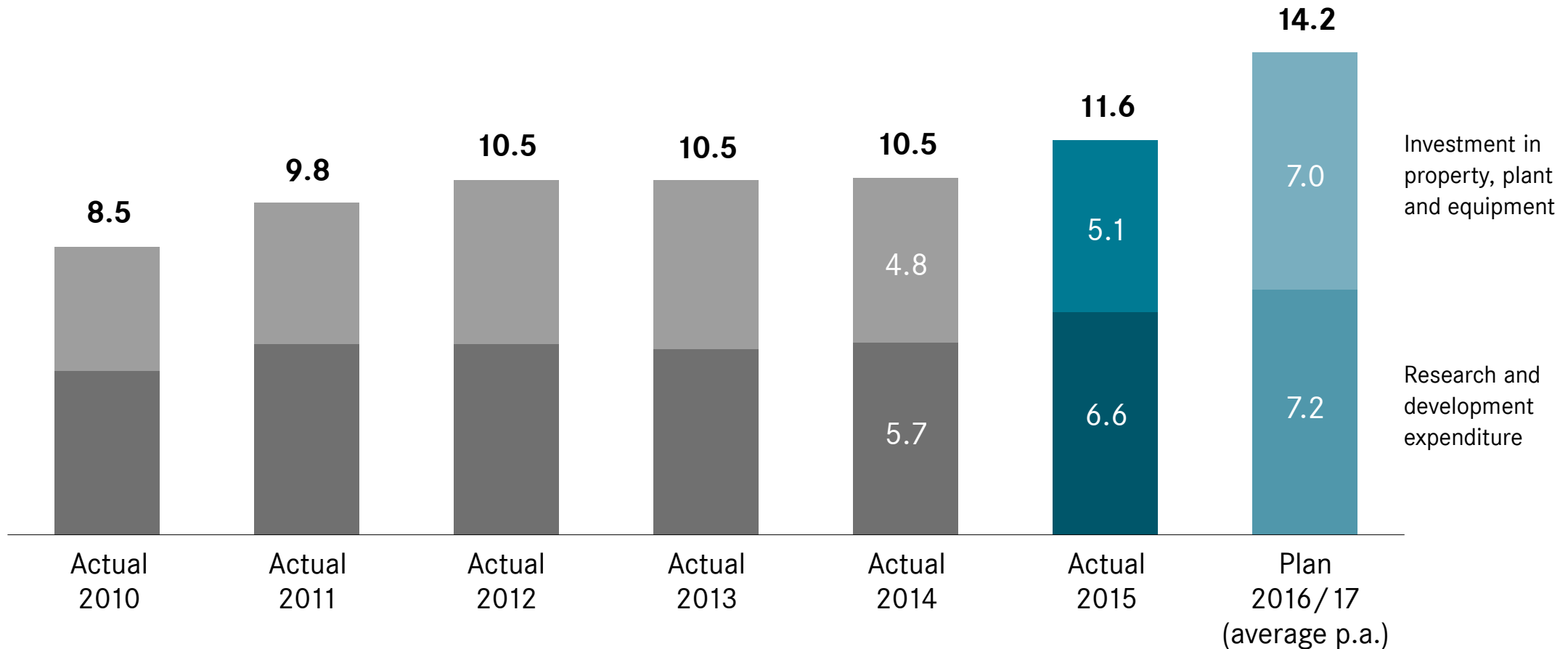
- in euros -





# Increased investment as a basis for profitable growth

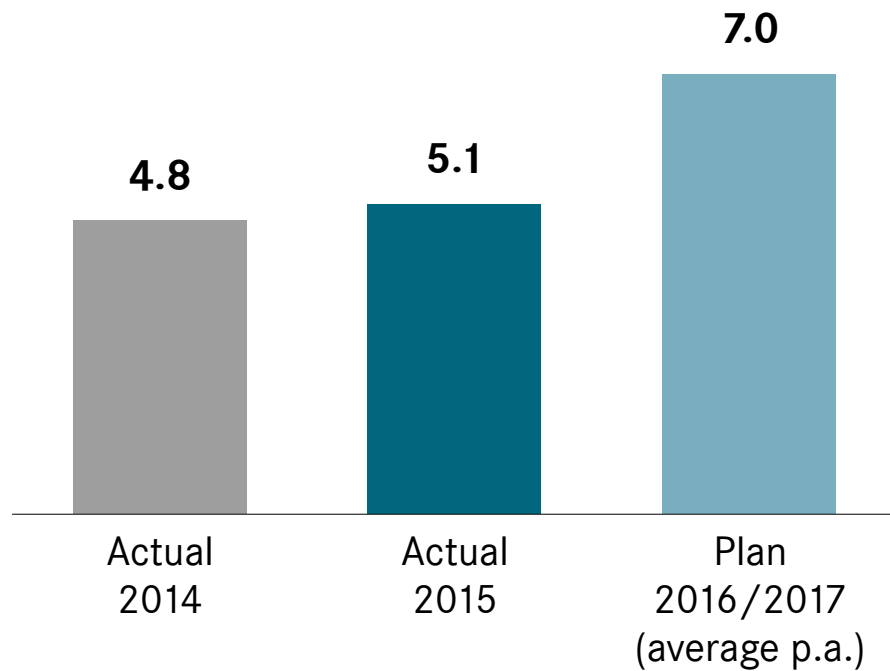
- in billions of euros -



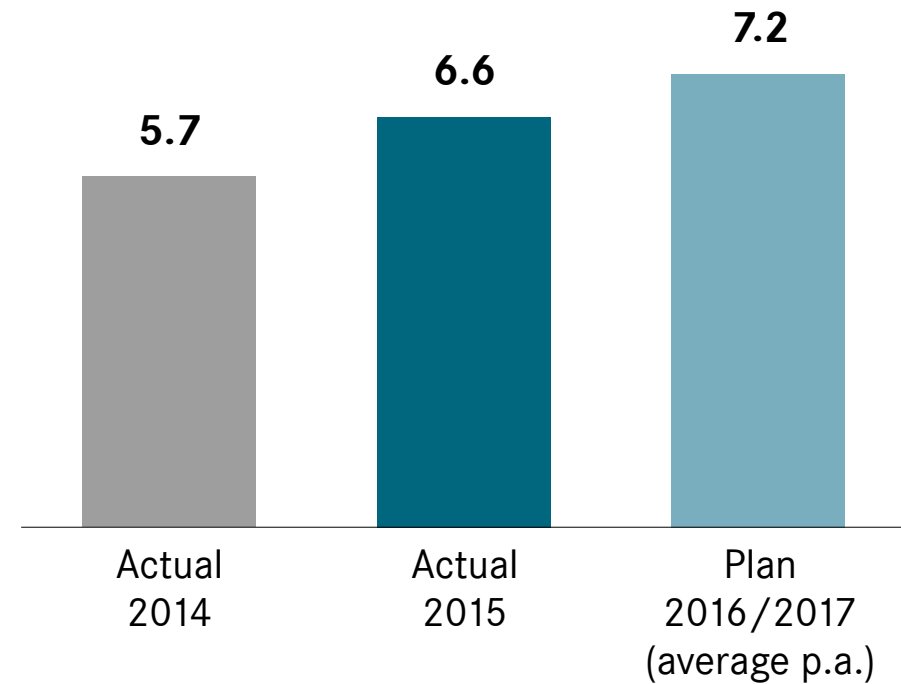
# Capital expenditure / Research and development

- in billions of euros -

## Investment in property, plant and equipment



## Research and development expenditure



# Capital expenditure / Research and development

	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2014	<b>Actual 2015</b>	Plan* 2016-2017	Actual 2014	<b>Actual 2015</b>	Plan* 2016-2017
<b>Daimler Group</b>	4.8	<b>5.1</b>	7.0	5.7	<b>6.6</b>	7.2
of which						
Mercedes-Benz Cars	3.6	<b>3.6</b>	5.0	4.0	<b>4.7</b>	5.4
Daimler Trucks	0.8	<b>1.1</b>	1.4	1.2	<b>1.3</b>	1.3
Mercedes-Benz Vans	0.3	<b>0.2</b>	0.6	0.3	<b>0.4</b>	0.4
Daimler Buses	0.1	<b>0.1</b>	0.1	0.2	<b>0.2</b>	0.2
Daimler Financial Services	0.02	<b>0.03</b>	0.02	–	<b>–</b>	–

\* average p.a.

in billions of euros



# MBC retail sales by model Q1-2 2016

- in units -

Retail sales	Q1-2 2016	Q1-2 2015	Change in %
<b>Mercedes-Benz</b>	<b>1,006,619</b>	<b>898,353</b>	<b>+12.1</b>
of which*:			
A-/B-Class	220,556	202,121	+9.1
C-Class	229,872	226,082	+1.7
E-Class	135,232	149,177	-9.3
S-Class	45,299	56,606	-20.0
SUVs**	339,541	232,406	+46.1
Sports Cars	13,839	16,747	-17.4
V-Class	22,280	15,214	+46.4
<b>smart</b>	<b>73,510</b>	<b>62,164</b>	<b>+18.3</b>
<b>Mercedes-Benz Cars</b>	<b>1,080,129</b>	<b>960,517</b>	<b>+12.5</b>

\* incl. Derivatives

\*\* incl. GLA

# MBC retail sales by model FY 2015

- in units -

Retail sales	FY 2015	FY 2014	Change in %
<b>Mercedes-Benz</b>	<b>1,871,599</b>	<b>1,650,007</b>	<b>+13.4</b>
of which*:			
A-/B-Class	414,365	389,577	+6.4
C-Class	460,497	343,195	+34.2
E-Class	301,566	338,205	-10.9
S-Class	107,335	107,277	+0.1
SUVs**	525,894	415,363	+26.6
Sports Cars	30,441	31,440	-3.2
V-Class	31,501	24,950	+26.2
<b>smart</b>	<b>119,382</b>	<b>89,844</b>	<b>+32.9</b>
<b>Mercedes-Benz Cars</b>	<b>1,990,981</b>	<b>1,739,923</b>	<b>+14.4</b>

\* incl. Derivatives

\*\* incl. GLA

# MBC retail sales major markets Q1-2 2016

- in units -

Retail sales	Q1-2 2016	Q1-2 2015	Change in %
China*	229,137	173,553	+32.0
of which locally produced vehicles	148,495	98,393	+50.9
USA	165,383	168,616	-1.9
Germany	161,271	150,648	+7.1
UK	93,745	77,979	+20.2
BRIKT**	70,931	71,777	-1.2
Italy	49,728	41,484	+19.9
Japan	34,288	32,706	+4.8
France	32,961	28,770	+14.6
South Korea	25,208	22,235	+13.4
Spain	27,019	21,479	+25.8
Russia	19,271	23,325	-17.4
Canada	21,149	19,817	+6.7
Turkey	14,509	11,846	+22.5
Rest of World	206,460	188,059	+9.8
<b>Mercedes-Benz Cars</b>	<b>1,080,129</b>	<b>960,517</b>	<b>+12.5</b>

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



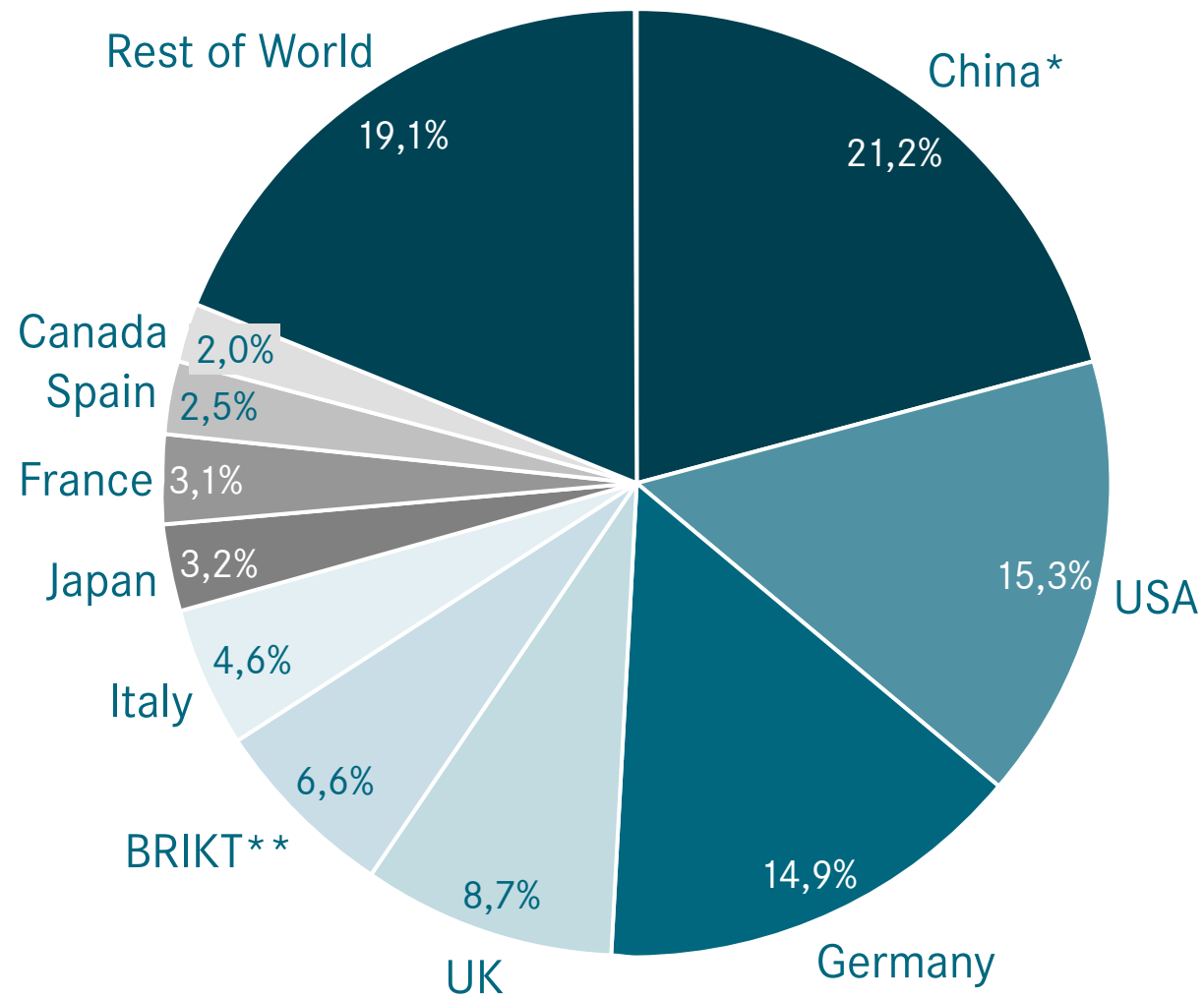
# MBC retail sales major markets FY 2015

- in units -

Retail sales	FY 2015	FY 2014	Change in %
China*	386,635	299,416	+29.1
of which locally produced vehicles	237,894	147,633	+61.1
USA	350,548	340,623	+2.9
Germany	309,989	282,347	+9.8
UK	152,929	127,823	+19.6
BRIKT**	149,357	131,364	+13.7
Italy	76,064	61,596	+23.5
Japan	65,983	61,768	+6.8
France	62,971	55,436	+13.6
South Korea	45,638	35,985	+26.8
Spain	45,132	34,001	+32.7
Russia	42,179	50,131	-15.9
Canada	39,696	36,474	+8.8
Turkey	30,433	23,263	+30.8
Rest of World	351,677	309,003	+13.8
<b>Mercedes-Benz Cars</b>	<b>1,990,981</b>	<b>1,739,923</b>	<b>+14.4</b>

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

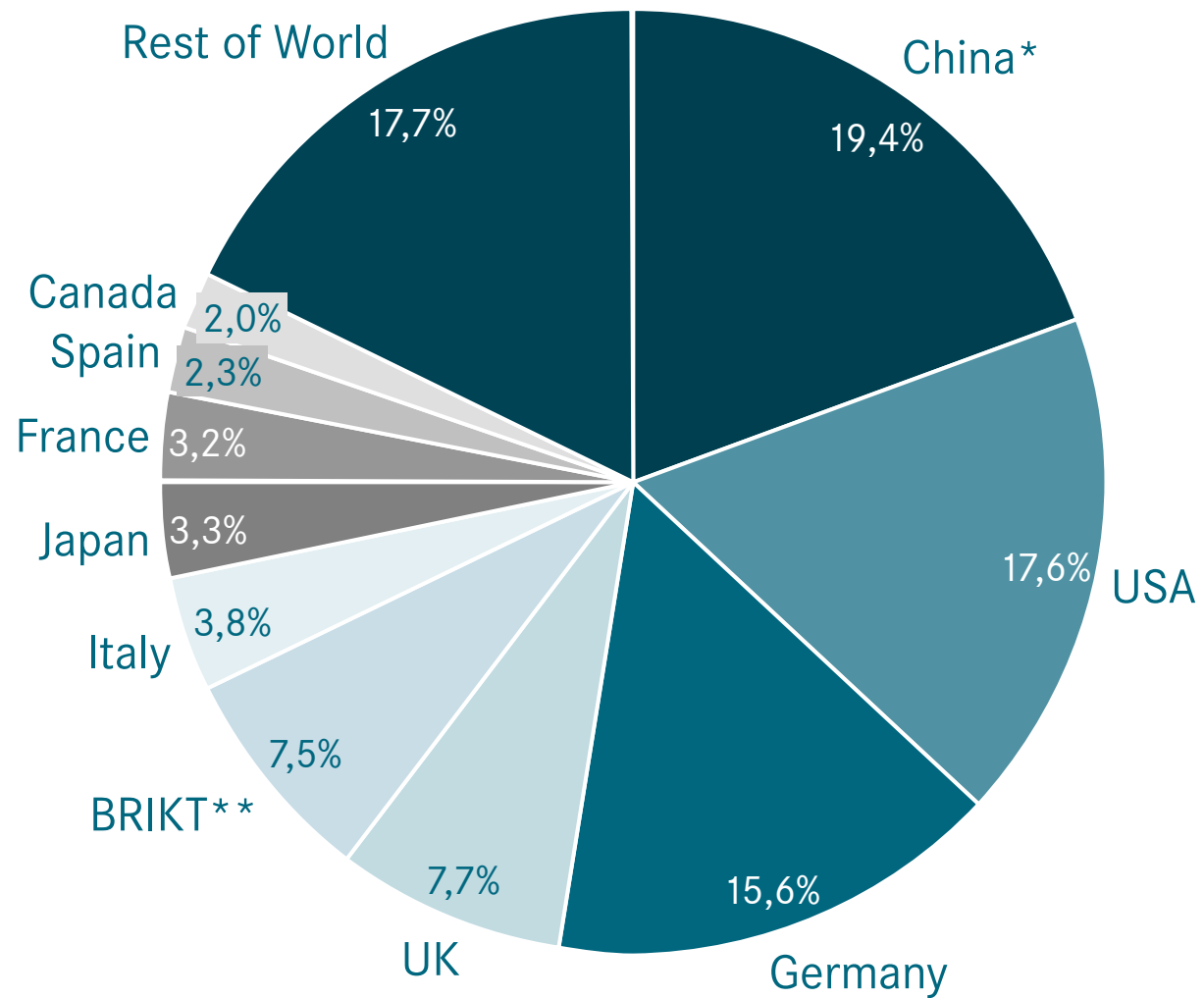
# MBC regional retail sales mix Q1-2 2016



\*Incl. Hong Kong

\*\*BRIKT: Brazil, Russia, India, South Korea and Turkey

# MBC regional retail sales mix FY 2015



\*Incl. Hong Kong

\*\*BRIKT: Brazil, Russia, India, South Korea and Turkey



# 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**

---

# Bond Maturities

- in billions of euros -

**Bonds total outstanding as of Q2 2016: 59.1**

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Next 12 months
Bonds short term	-4.3	-2.1	-4.7	-2.9	-14.0

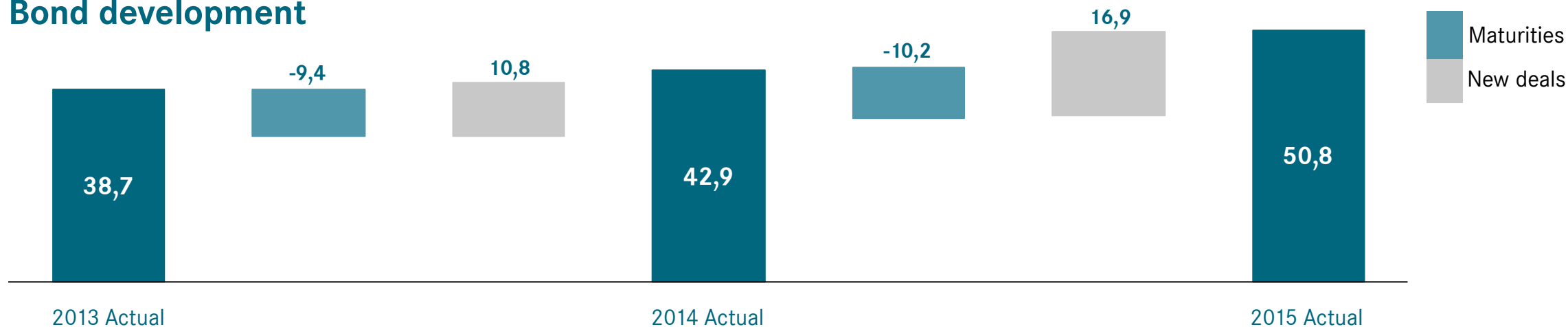
  

	0-1 Y	1-2 Y	2-3 Y	3-4 Y	4-5 Y	5-6 Y	>6 Y
Bonds long term	-14.0	-12.5	-8.5	-9.6	-3.7	-2.1	-8.6

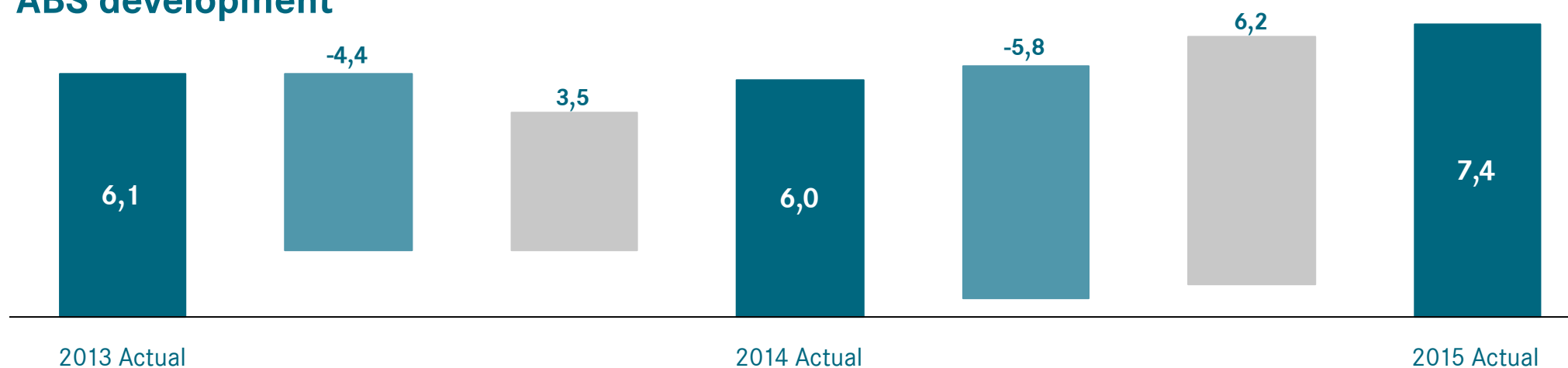
# Bonds and ABS Development 2013 - 2015

- in billions of euros -

## Bond development



## ABS development



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



# Financial Flexibility is Key Liquidity Management Tool

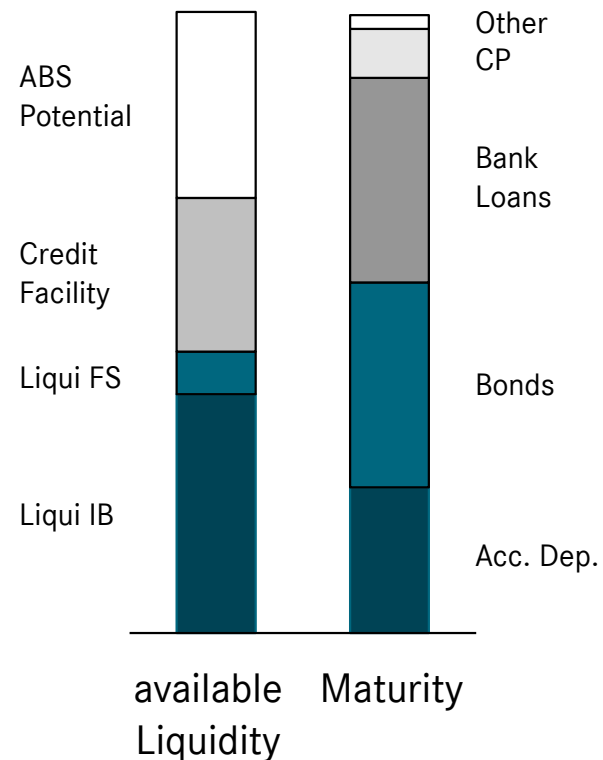
General approach:

Maturities of next 12 months need to be covered by financial flexibility\*

\* **Financial flexibility**

- = Cash
- + Committed Credit Facilities
- + Receivables available for sale (RAFS)

~ 100%



**Ensures repayment of maturing debt in case of stress scenarios**

# 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, caused for example by the possible exit of the United Kingdom from the European Union; 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.