

DAIMLER

Q1 2018 Results

Bodo Uebber

Member of the Board of Management

Finance & Controlling and Daimler Financial Services

April 27, 2018

Contents

Results for Q1 2018

Outlook for 2018

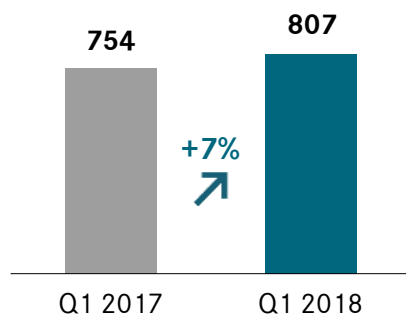
Development at the divisions



Highlights of Q1 2018

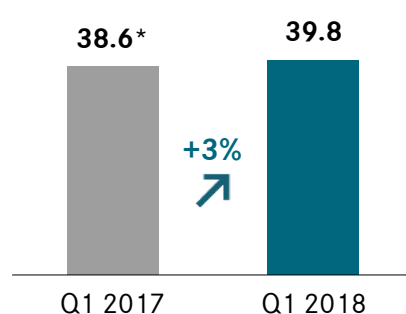
Unit sales

- in thousands of units -



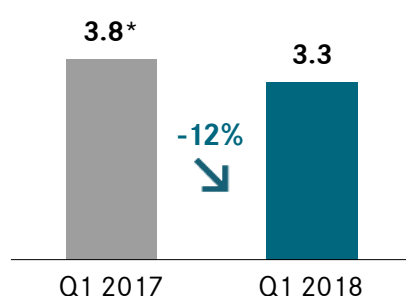
Revenue

- in billions of euros -



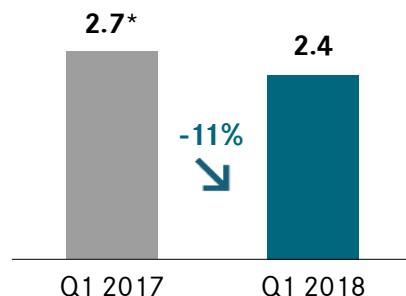
EBIT

- in billions of euros -



Net profit

- in billions of euros -



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

World premiere of the new Mercedes-Benz A-Class

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

World premiere of the new Mercedes-Benz Sprinter

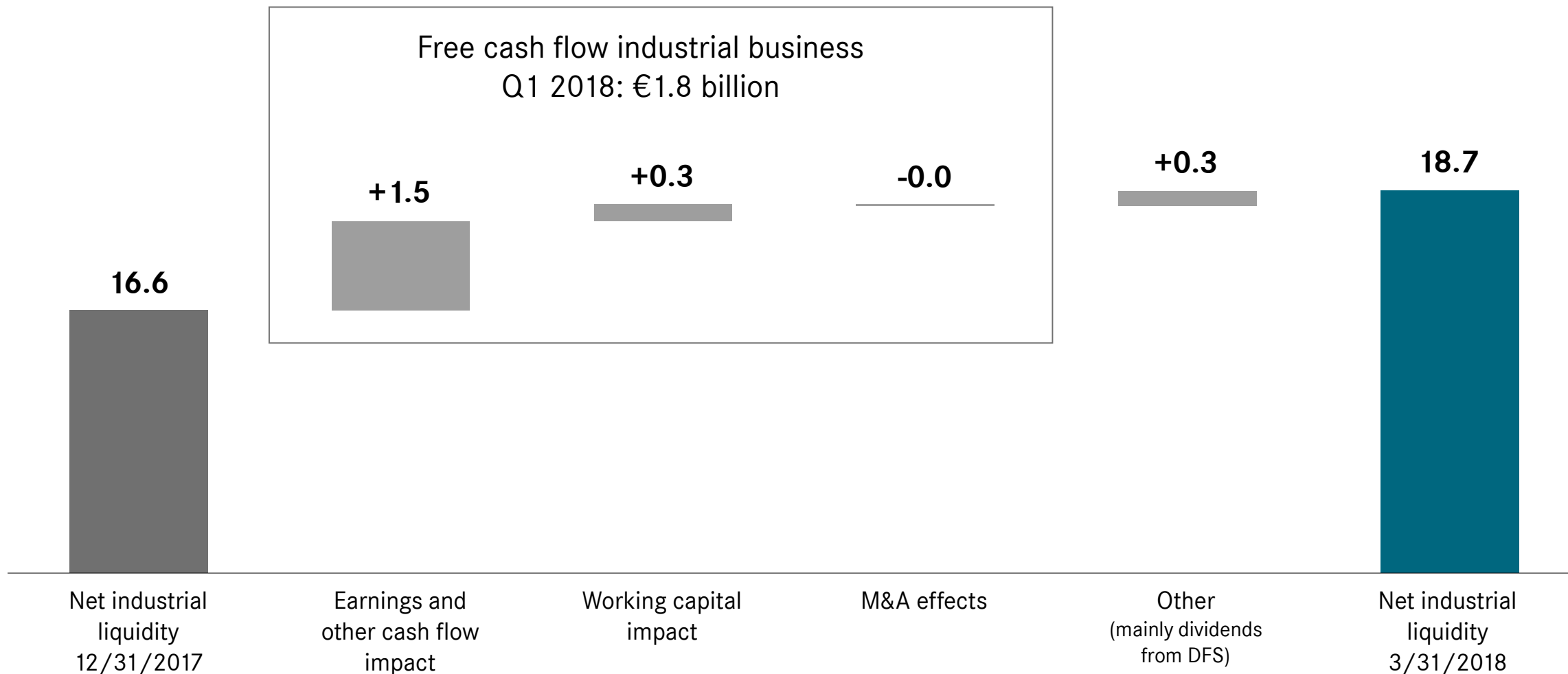
Daimler and BMW Group agreed to combine their mobility services

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

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

Continued high level of net industrial liquidity

- in billions of euros -



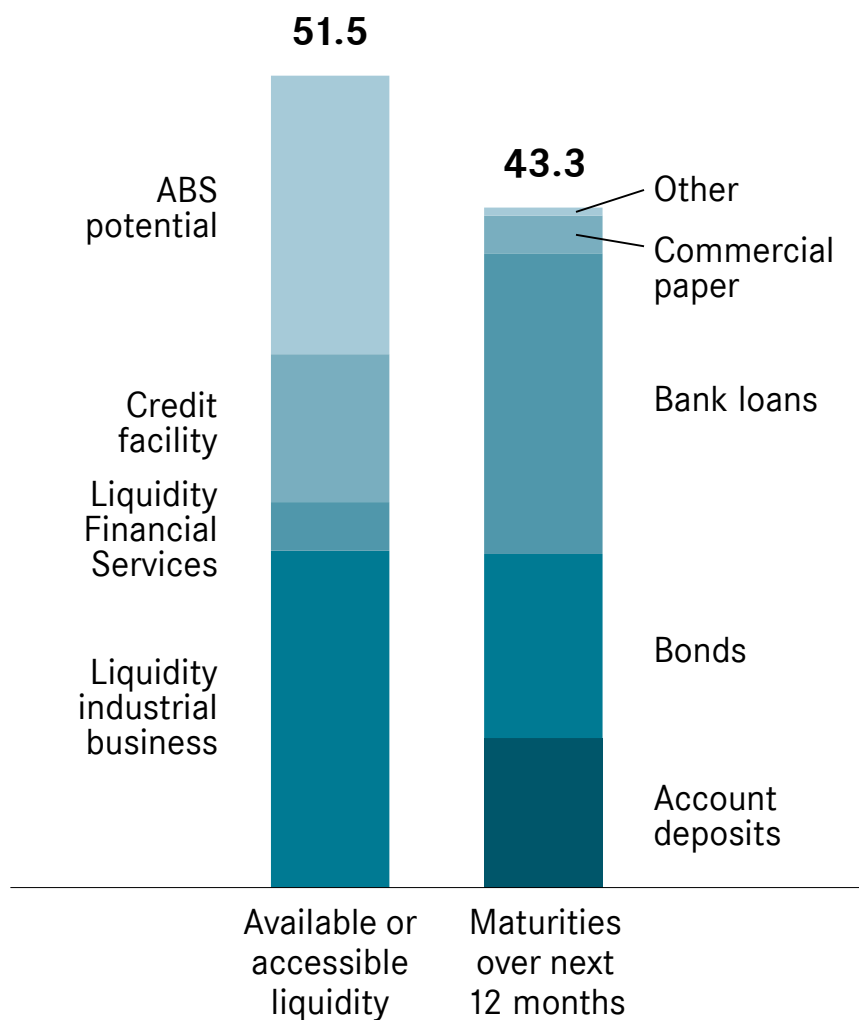
Daimler balance sheet supports A-rating

Daimler Group	Dec. 31, 2017	March 31, 2018
Equity ratio	24.0%	24.0%
Gross liquidity	22.1	24.5
Funded status of pension obligations	-4.5	-4.9
<i>Funding ratio</i>	<i>86%</i>	<i>84%</i>
Industrial business		
Equity ratio	46.4%	45.8%
Net liquidity	16.6	18.7
Free cash flow (January-March)	1.9	1.8

in billions of euros

Financial flexibility over a 12-month period

- in billions of euros -



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

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

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

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

The current liquidity position reflects the volatile market environment, the currently required high investments for our future business model and the required financial flexibility for our business

Continued strong growth in units sales

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

in thousands of units

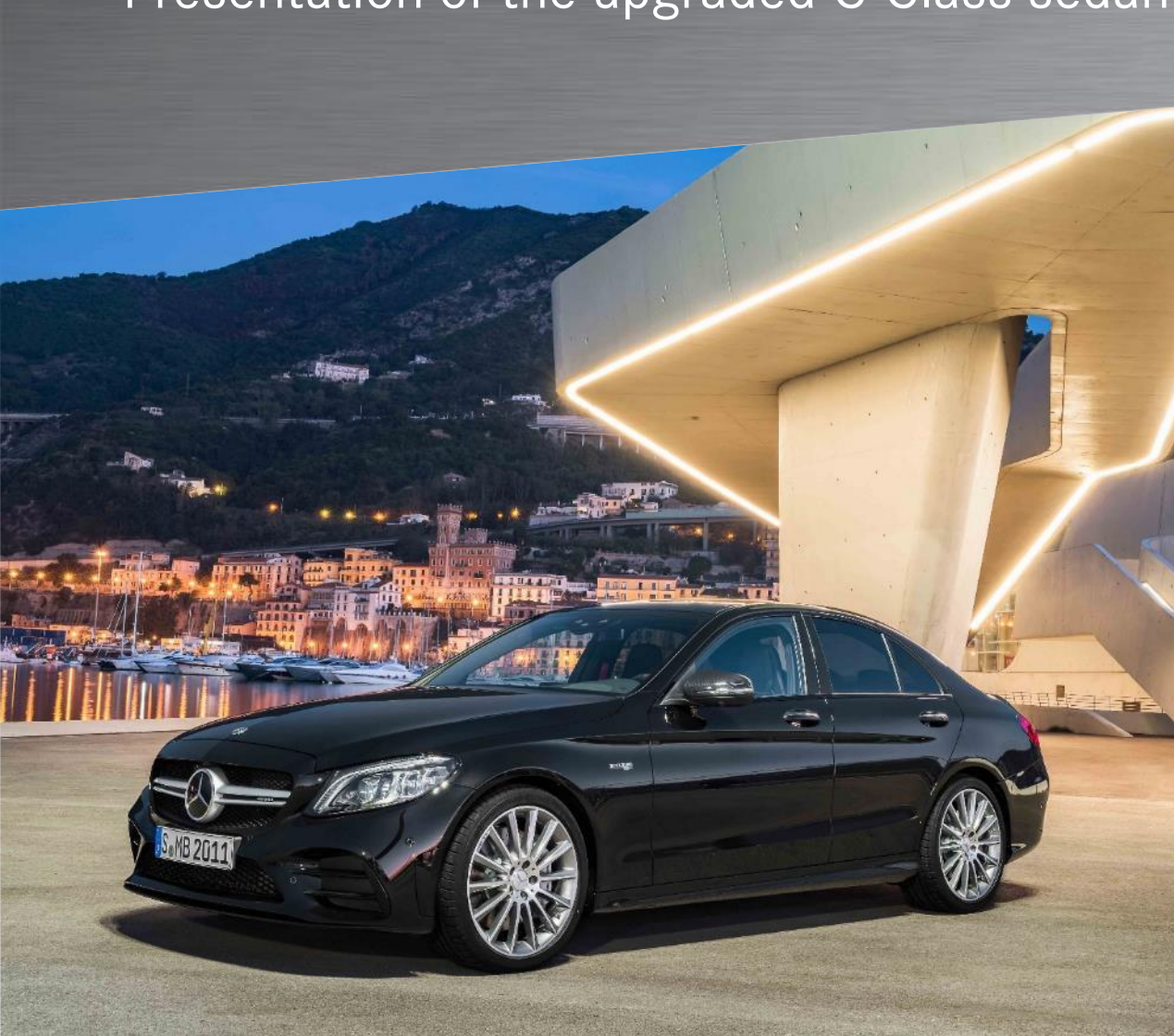
Mercedes-Benz Cars: product highlights

World premiere of the new Mercedes-Benz A-Class



Mercedes-Benz Cars: product highlights

Presentation of the upgraded C-Class sedan and wagon at the Geneva Motor Show



Mercedes-Benz Cars: product highlights

The upgraded C-Class coupe and cabriolet celebrated world premiere in New York



Mercedes-Benz Cars: product highlights

Launch of the new Mercedes-Benz CLS



Mercedes-Benz Cars: product highlights

Presentation of the new Mercedes-AMG GT 4-Door Coupe



Mercedes-Benz Cars: product highlights

smart EQ fortwo/forfour nightsky edition – the first series-produced models of the EQ product and technology brand



Daimler Trucks: product highlights

The all-electric Mercedes-Benz eActros to be tested by customers under real-life conditions



Daimler Trucks: product highlights

FUSO Super Great heavy-duty truck participating in a platooning test in Japan



Mercedes-Benz Vans: product highlights

World premiere of the new Mercedes-Benz Sprinter



Mercedes-Benz Vans: product highlights

ViaVan has launched app-based on-demand ridesharing service in Amsterdam



Daimler Buses: product highlights

World premiere of the new Setra S 531 DT double-decker touring coach



Daimler Buses: product highlights

The new Mercedes-Benz Citaro with full-electric drive system



Daimler Financial Services: highlights Mobility Services

Ongoing business expansion

YTD 03/18



Interactions in millions



6.3



6.2



25.0

Combined change*

+76%



Cities

26

17**

>70

+43%



Customers in millions

3.1

4.4

13.9

+86%



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

Daimler and BMW Group to combine their mobility services business

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

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

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

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

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

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

Revenue by division

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

in billions of euros

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

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

Revenue by region

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

in billions of euros

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

** excluding revenue of not fully consolidated companies

EBIT by division

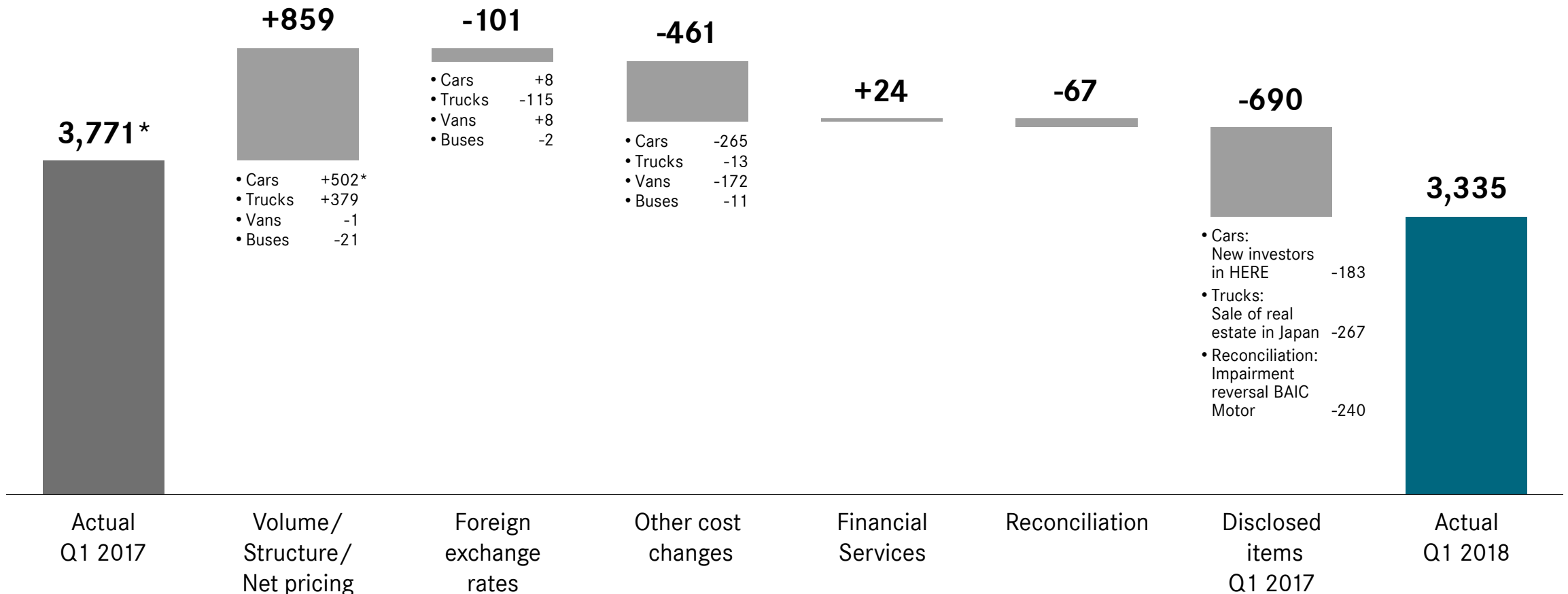
- EBIT in millions of euros; RoS/RoE in % -	Q1 2017*		Q1 2018	
	EBIT	RoS/RoE**	EBIT	RoS/RoE**
Daimler Group	3,771	9.9	3,335	8.3
of which				
Mercedes-Benz Cars	1,998	8.9	2,060	9.0
Daimler Trucks	662	8.3	647	7.5
Mercedes-Benz Vans	337	11.3	172	5.6
Daimler Buses	72	7.8	37	4.4
Daimler Financial Services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

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

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

Group EBIT in Q1 2018

- in millions of euros -



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

Application of new accounting standards IFRS 9 and IFRS 15

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

Retrospective adjustment of Financial Statements 2017 for comparability reasons

The introduction of IFRS 15 results in changes regarding revenue recognition

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

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

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

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

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

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

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

Contents

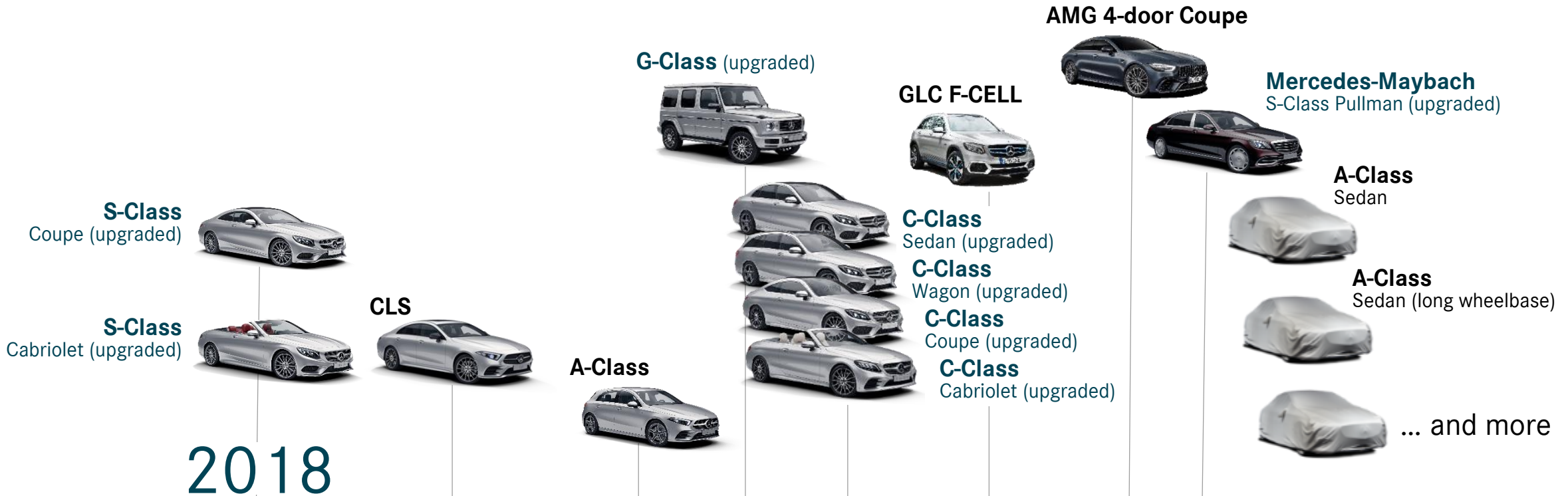
Results for Q1 2018

Outlook for 2018

Development at the divisions



Mercedes-Benz Cars and Vans: continued product offensive



2018

Nov.

Dec.

Jan.

Feb.

Mar.

Apr.

May

Jun.

Jul.

Aug.

Sep.

Oct.

...

X-Class
















Sprinter



eVito



Assumptions for automotive markets in 2018

Car markets	Global		around +2%
	Europe		slight growth
	USA		around the prior-year level
	China		slight growth
Medium- and heavy-duty truck markets	NAFTA region		significant growth
	EU30		around the prior-year level
	Japan*		slight decrease
	Brazil		significant growth from low level
	Indonesia*		positive development
Van markets	EU30		slight growth
	USA		slight growth
Bus markets	EU30		slight growth
	Brazil		significant growth

* including light-duty trucks

2018 sales outlook



Mercedes-Benz Cars



Slightly higher unit sales

Further growth particularly in China

Strong momentum from the wide range of attractive and innovative vehicles



Daimler Trucks



Significantly higher unit sales

Significant growth in NAFTA region, Brazil, Indonesia and India

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



Mercedes-Benz Vans



Significantly higher unit sales

Significant growth in EU30 region, China and the United States

Additional momentum from new X-Class and new Sprinter



Daimler Buses



Significantly higher unit sales

Maintain market leadership in core markets

Significant sales increase in EU30 region and Latin America

2018 outlook for EBIT

DAIMLER



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



Mercedes-Benz Cars



Slightly above the prior-year level



Daimler Trucks



Significantly above the prior-year level



Mercedes-Benz Vans



Slightly below the prior-year level



Daimler Buses



Slightly above the prior-year level



Daimler Financial Services



Significantly above the prior-year level*

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

Contents

Results for Q1 2018

Outlook for 2018

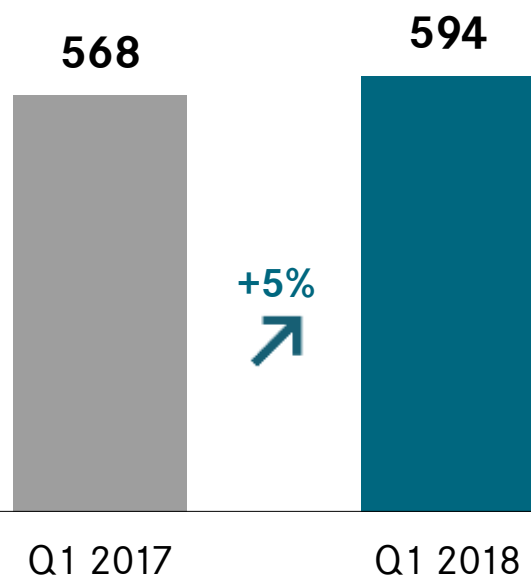
Development at the divisions



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

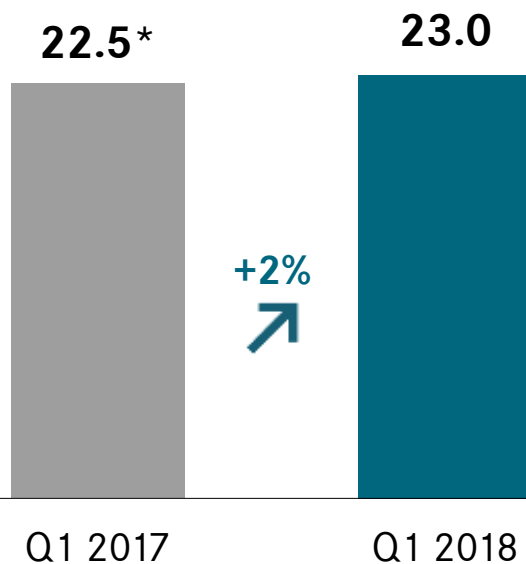
Unit sales

- in thousands of units -



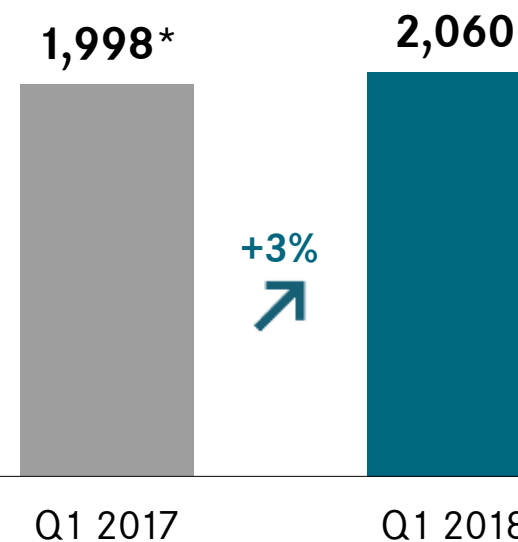
Revenue

- in billions of euros -



EBIT

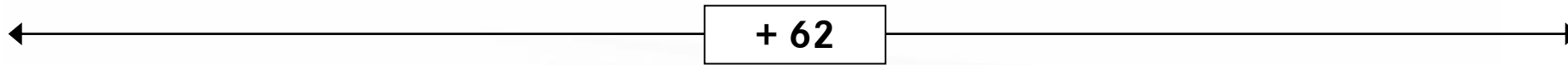
- in millions of euros -



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

Mercedes-Benz Cars: EBIT

- in millions of euros -



8.9%**

1,998*

EBIT
Q1 2017

- + Higher unit sales
- + Aperiodic negative effect in Q1 2017 arising from application of the new IFRS 15
- Higher expenses for raw material
- Higher expenses for new technologies and future products
- Valuation of the German leasing portfolio
- Remeasurement of the equity investment in THERE Holding B.V. in Q1 2017

9.0%**

2,060

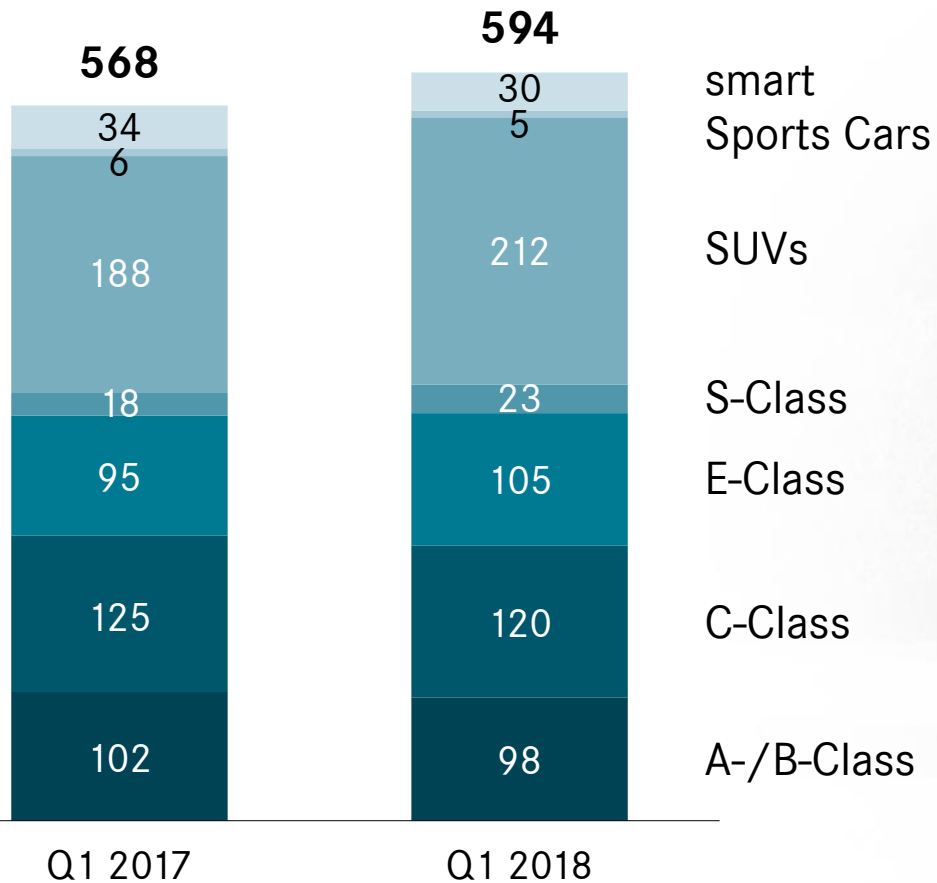
EBIT
Q1 2018

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

** Return on sales

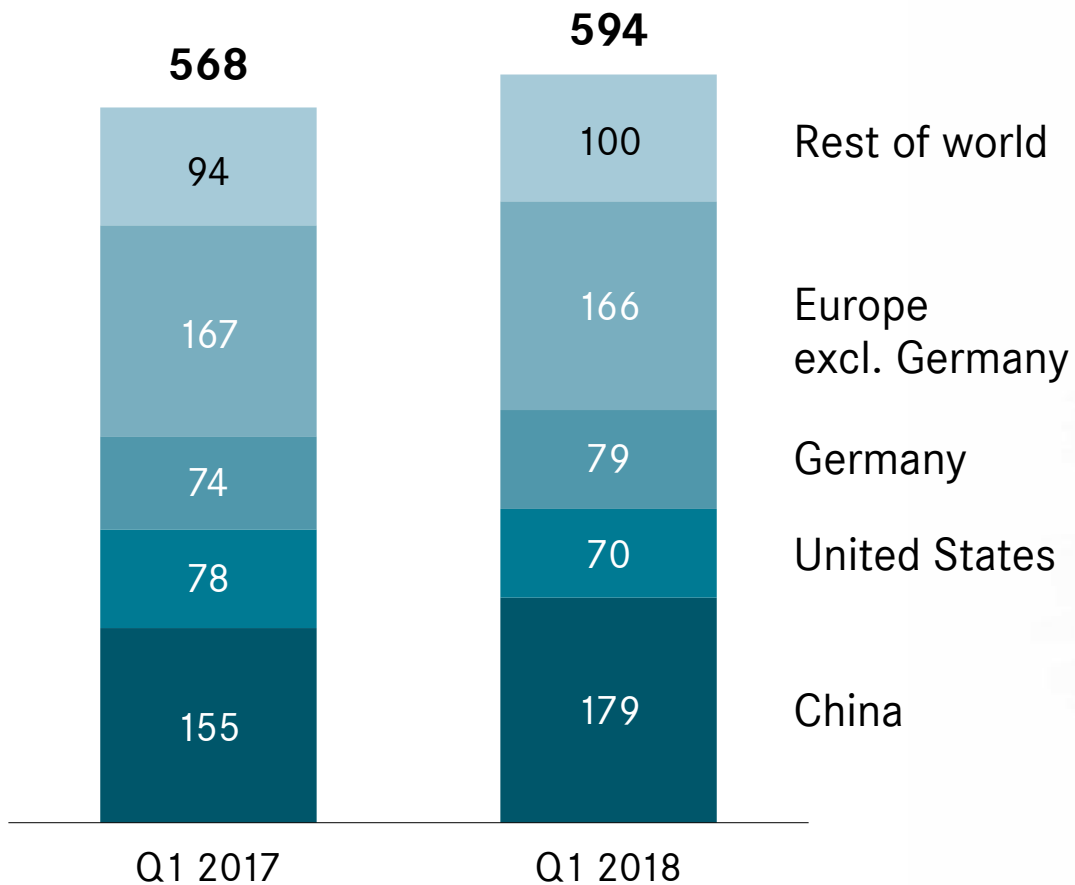
Mercedes-Benz Cars: sales increase by 5% reflecting our strong product line-up

- in thousands of units -



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

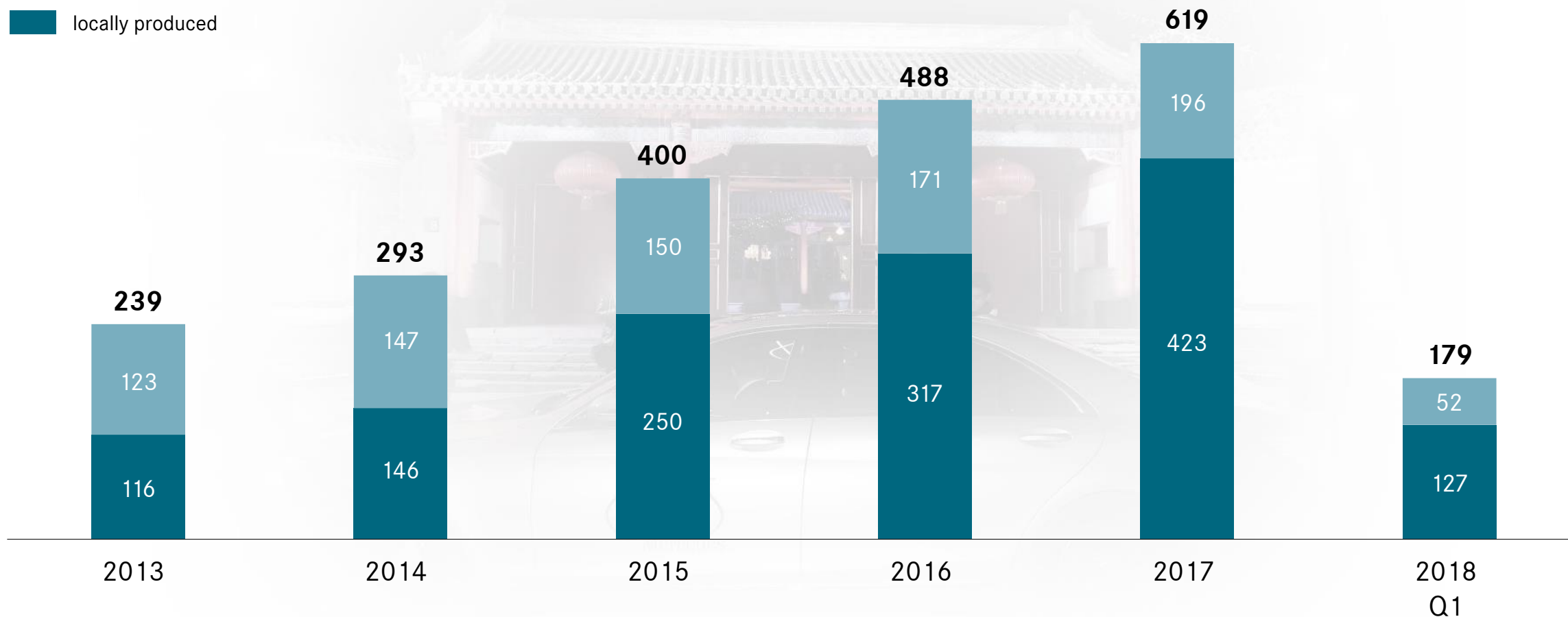
- in thousands of units -



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

- in thousands of units -

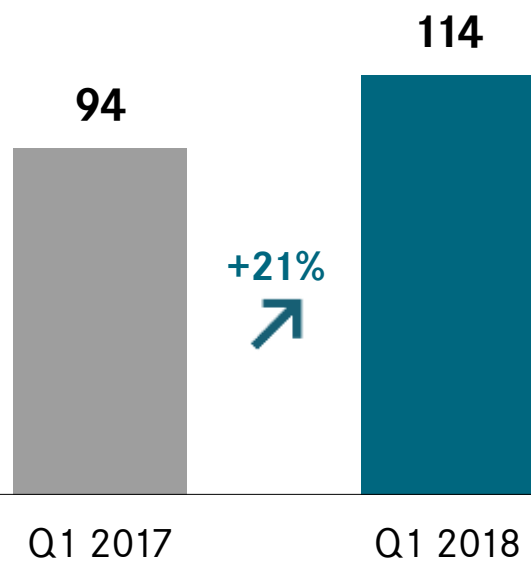
imported
locally produced



Daimler Trucks: strong business development

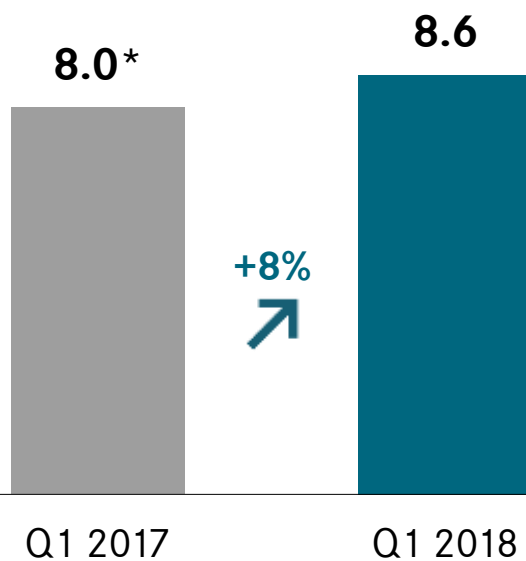
Unit sales

- in thousands of units -



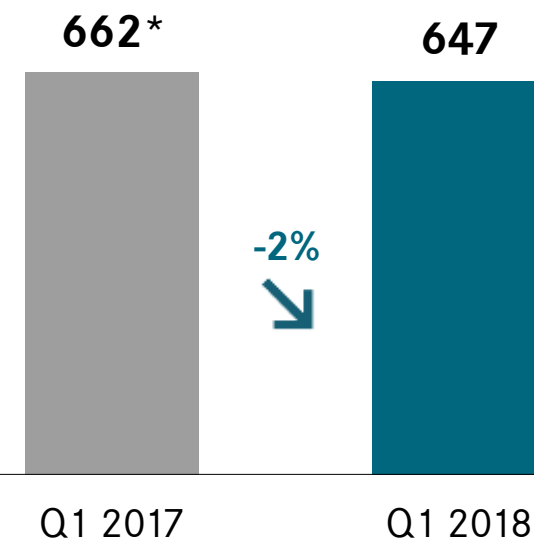
Revenue

- in billions of euros -



EBIT

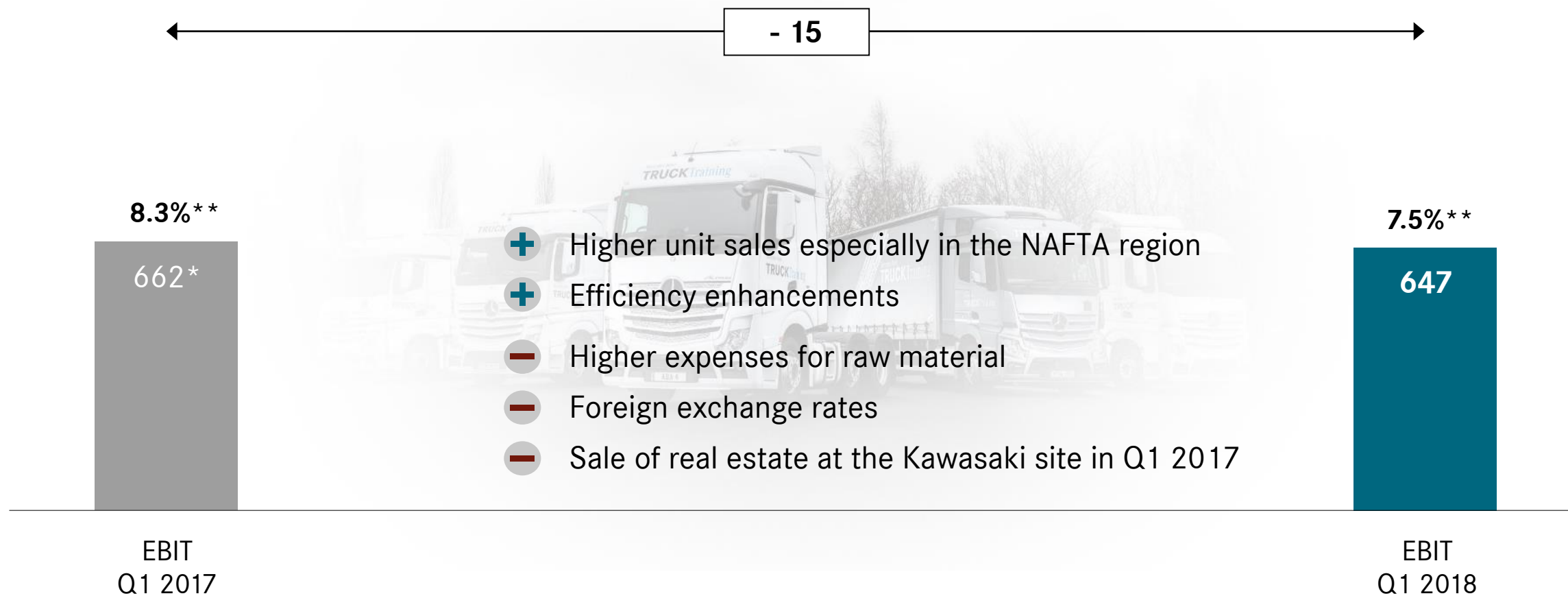
- in millions of euros -



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

Daimler Trucks: EBIT

- in millions of euros -

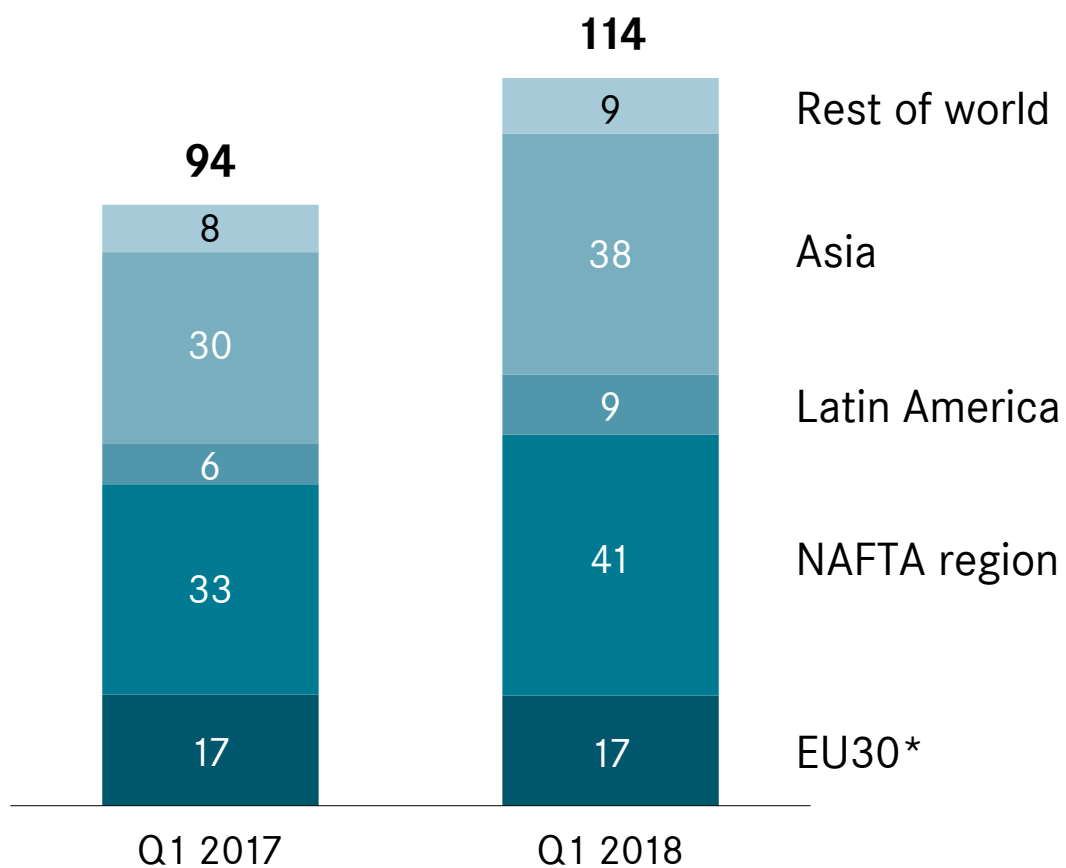


* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

** Return on sales

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

- in thousands of units -

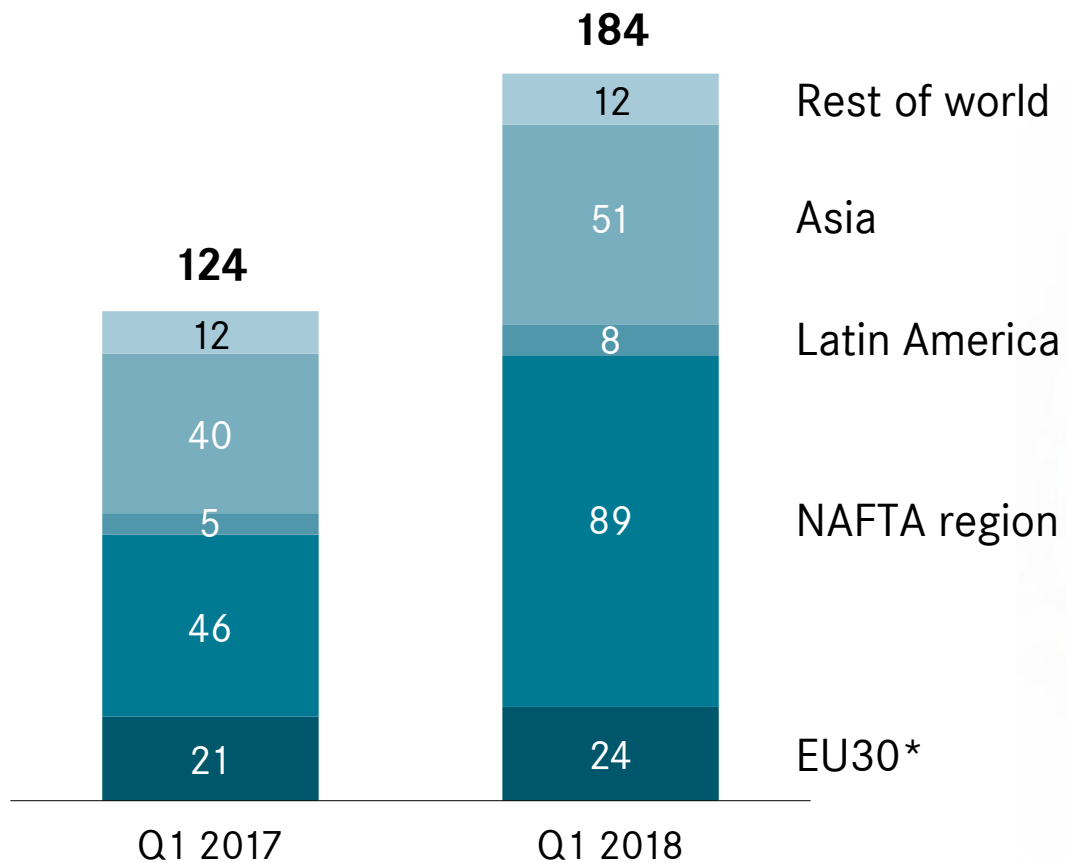


* European Union, Switzerland and Norway



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

- in thousands of units -

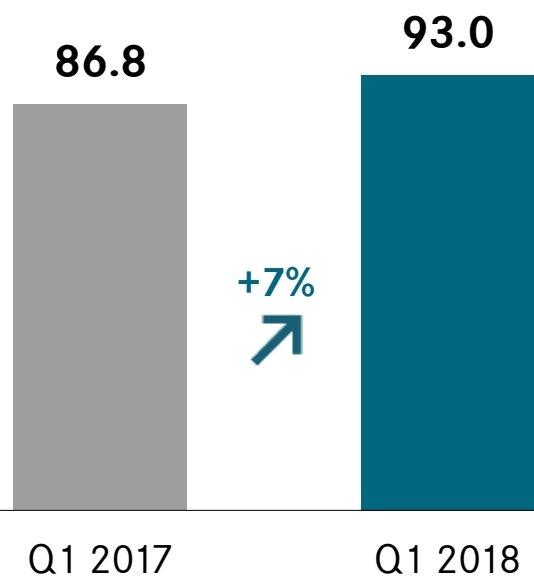


* European Union, Switzerland and Norway

Mercedes-Benz Vans: EBIT impacted by Sprinter model change and expenses for new technologies and products

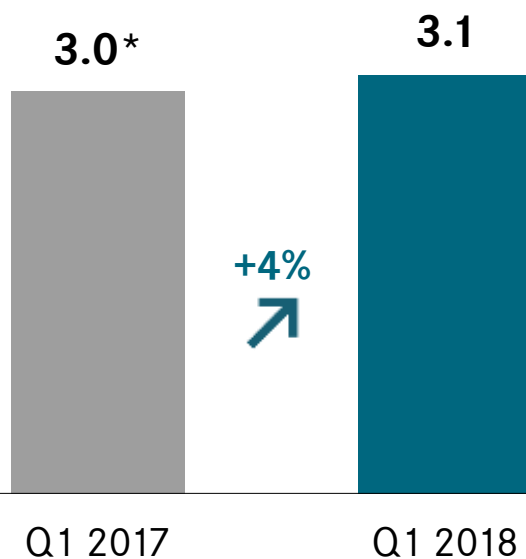
Unit sales

- in thousands of units -



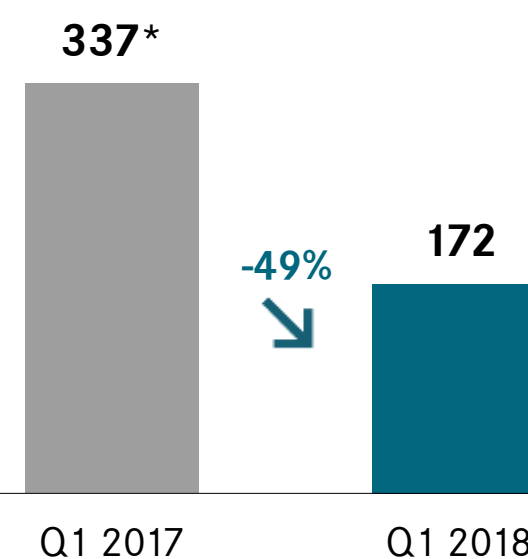
Revenue

- in billions of euros -



EBIT

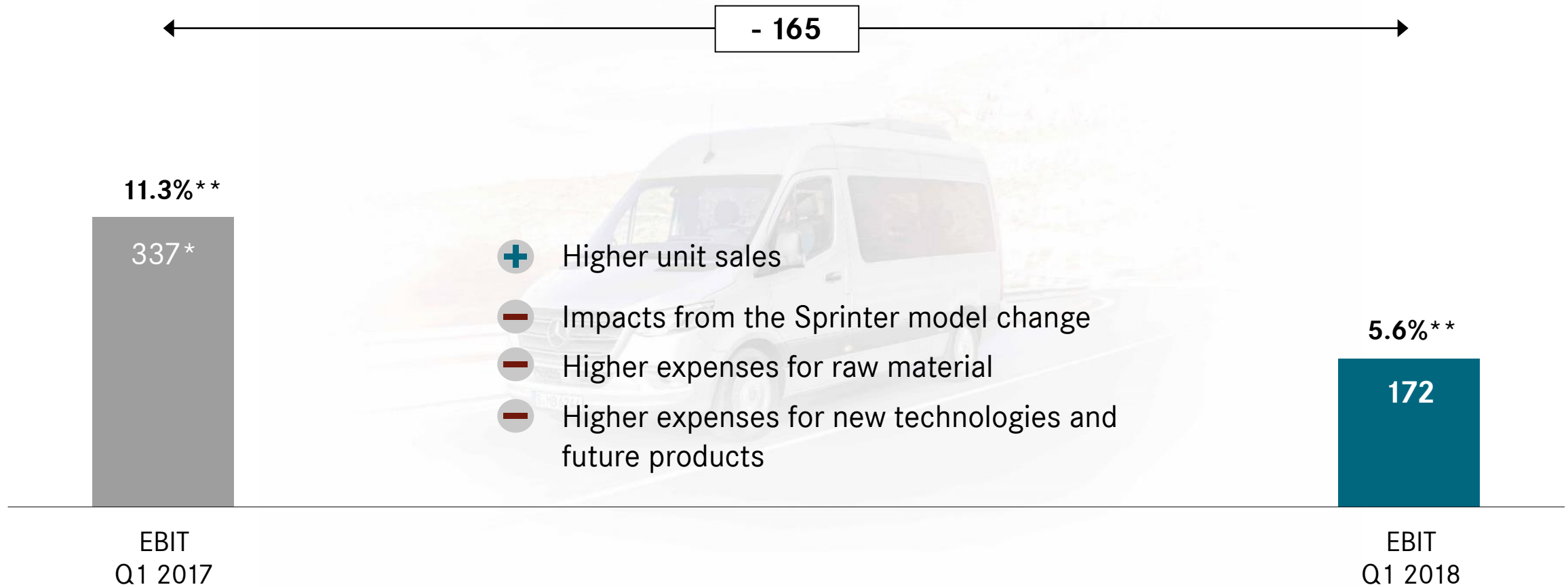
- in millions of euros -



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

Mercedes-Benz Vans: EBIT

- in millions of euros -

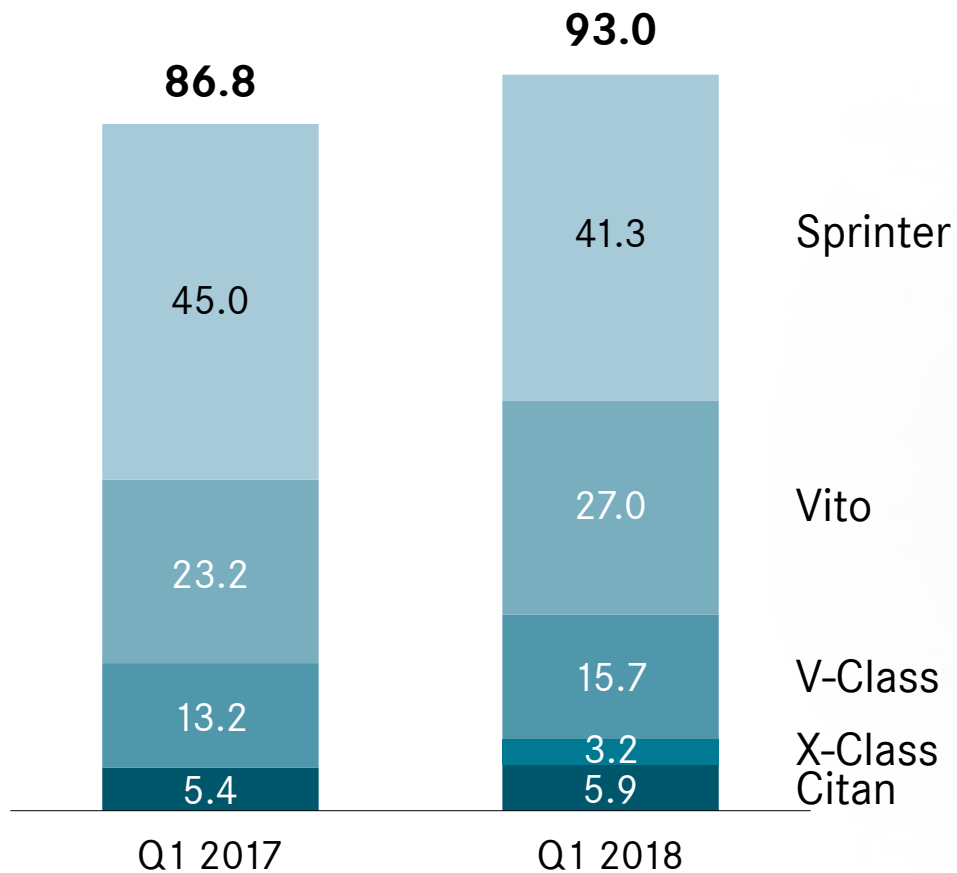


* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

** Return on sales

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

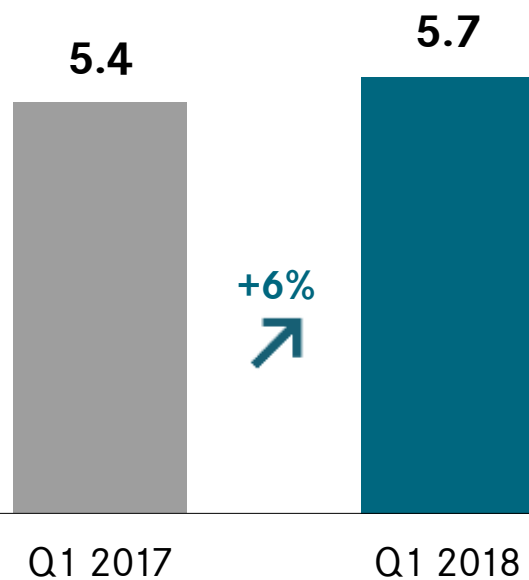
- in thousands of units -



Daimler Buses: revenue and EBIT impacted by unfavorable product mix

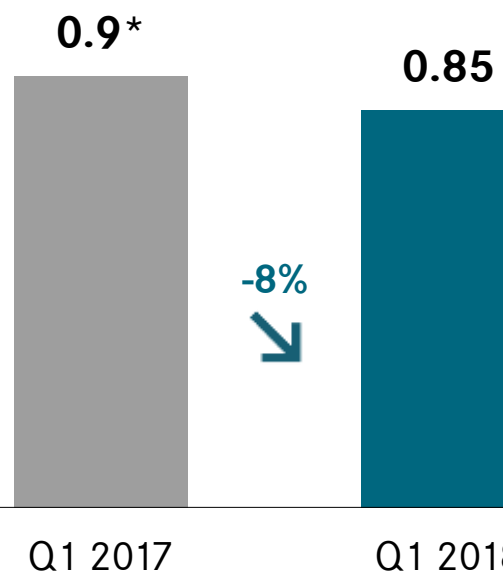
Unit sales

- in thousands of units -



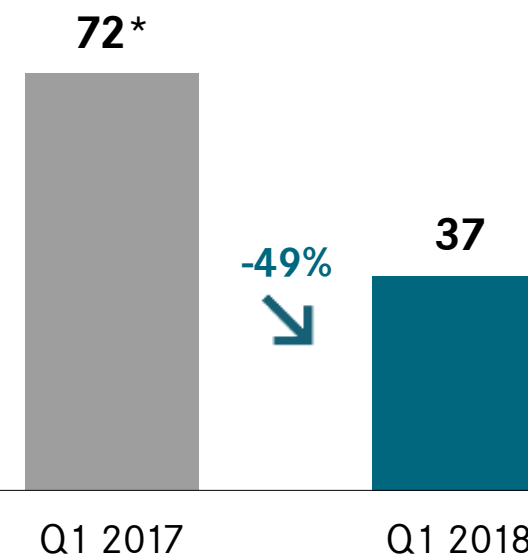
Revenue

- in billions of euros -



EBIT

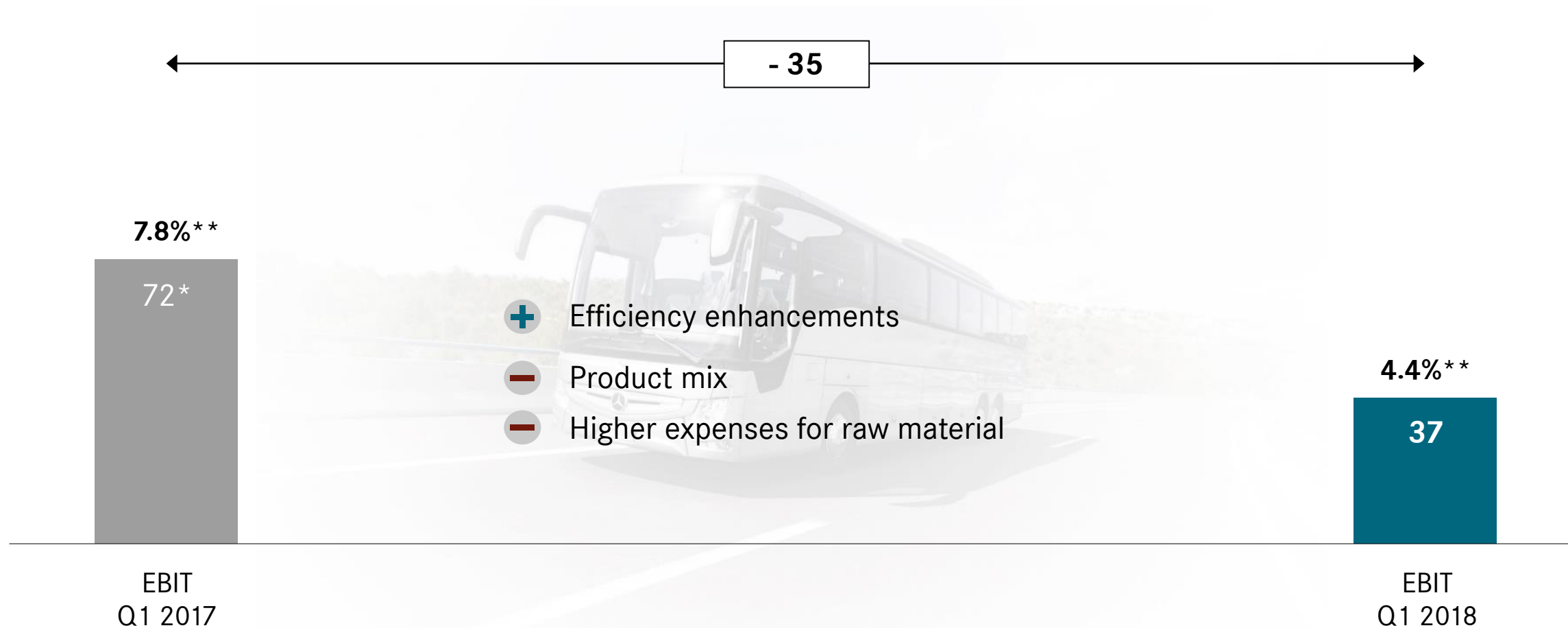
- in millions of euros -



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

Daimler Buses: EBIT

- in millions of euros -

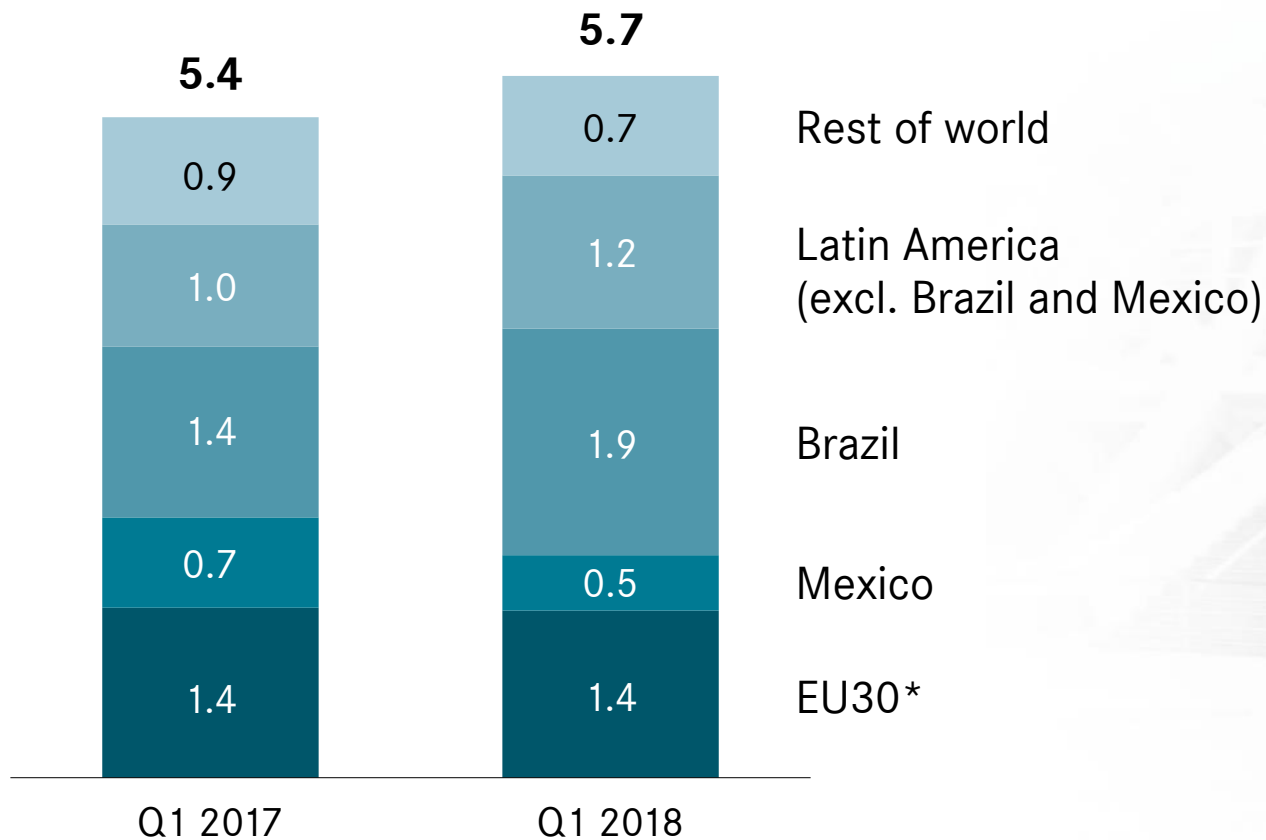


* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

** Return on sales

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

- in thousands of units -



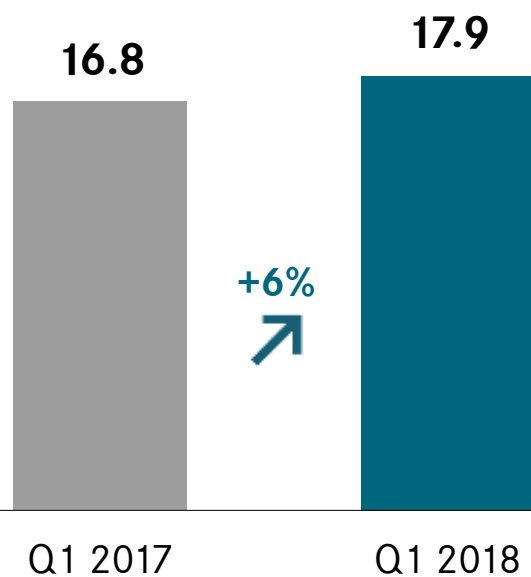
* European Union, Switzerland and Norway



Daimler Financial Services: further business growth

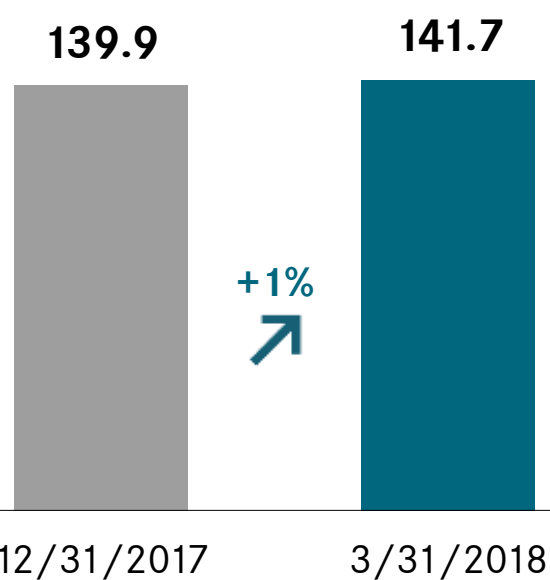
New business

- in billions of euros -



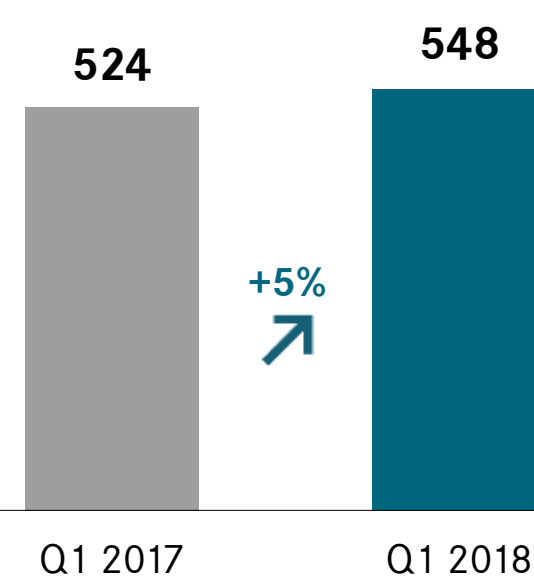
Contract volume

- in billions of euros -



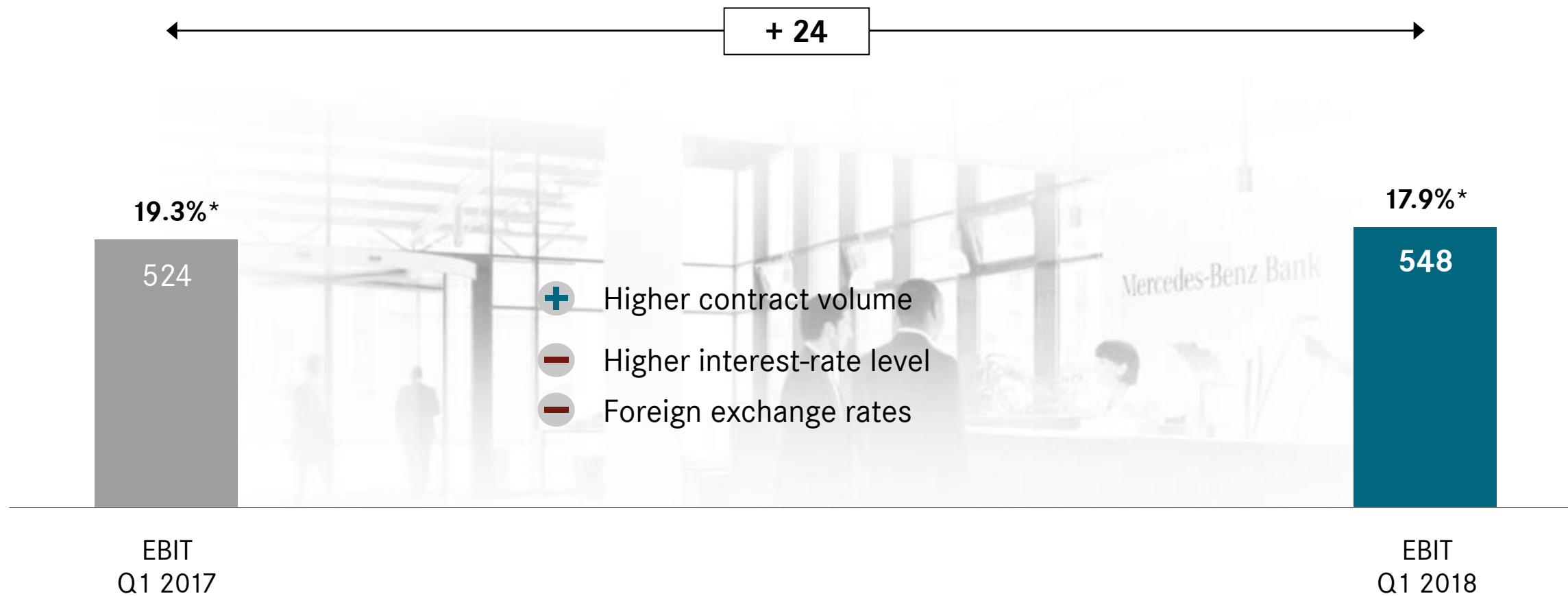
EBIT

- in millions of euros -



Daimler Financial Services: EBIT

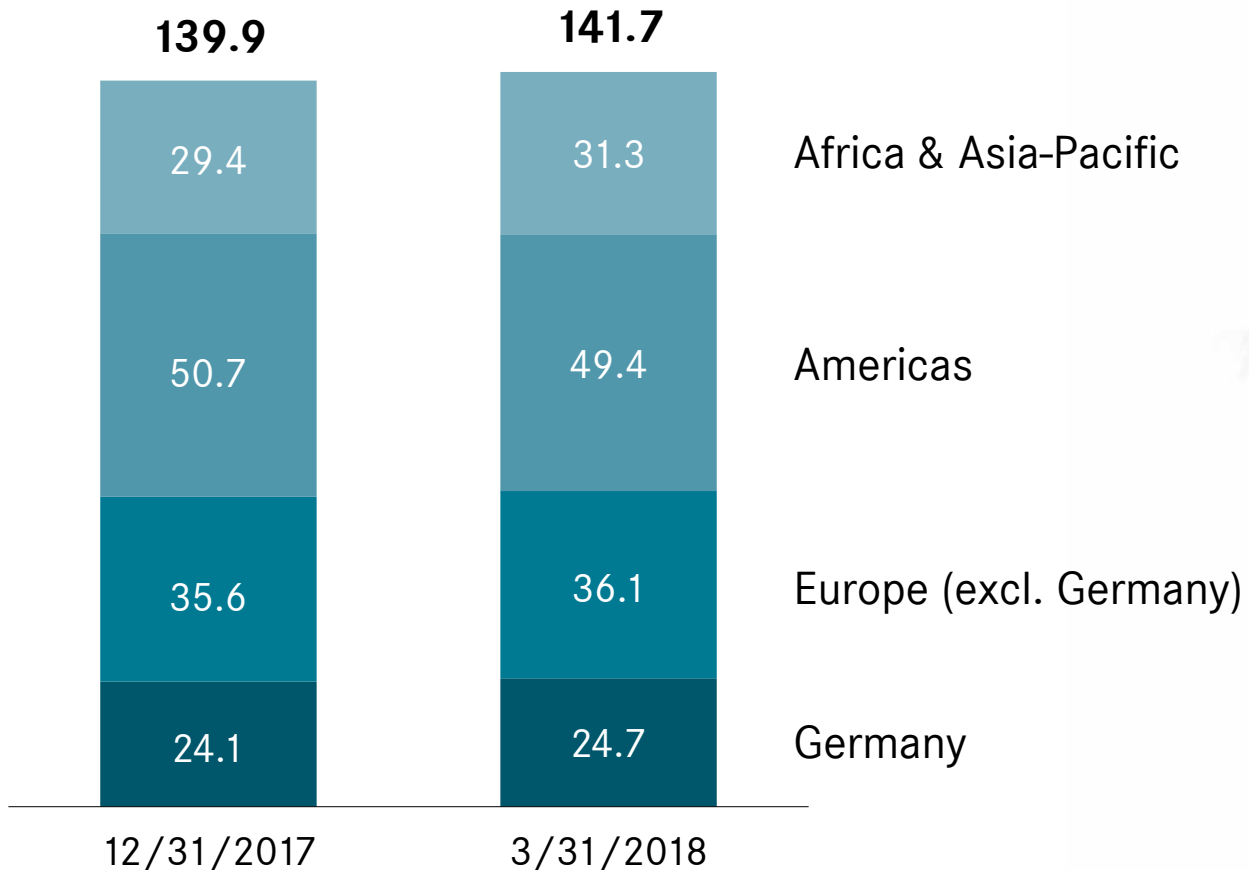
- in millions of euros -



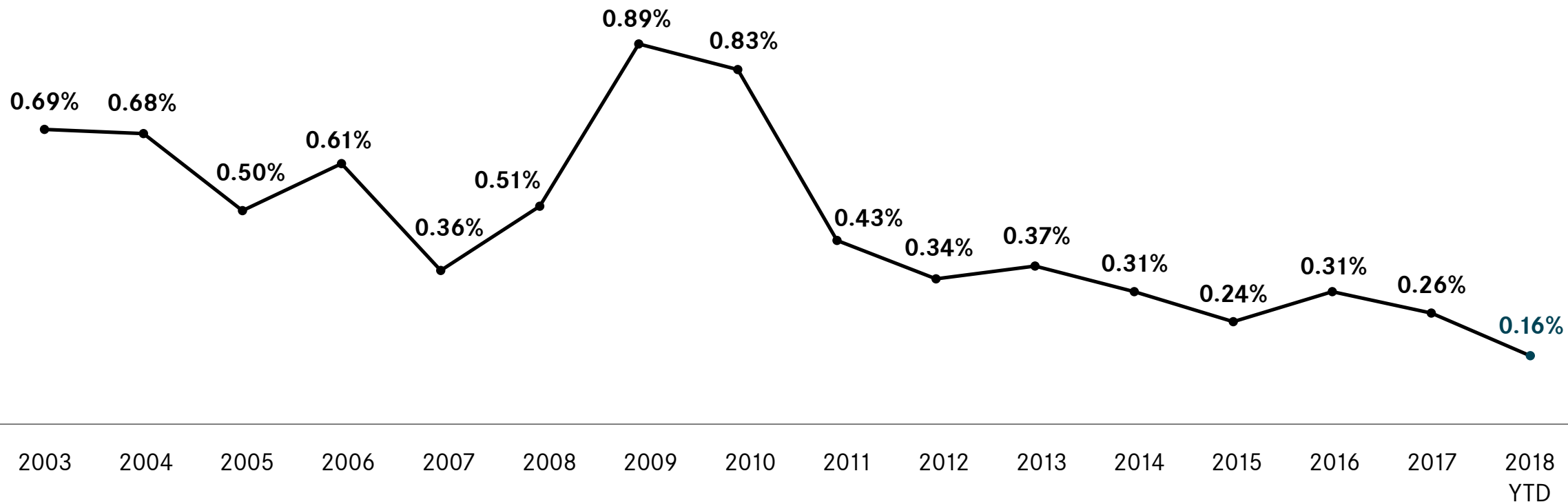
* Return on equity

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

- in billions of euros -



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



* as a percentage of portfolio, subject to credit risk

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.