

DAIMLER

Q3 and January-September 2016 Results

Bodo Uebber

Member of the Board of Management

Finance & Controlling and Daimler Financial Services

October 21, 2016

Contents

Results for Q3 2016

Outlook for 2016

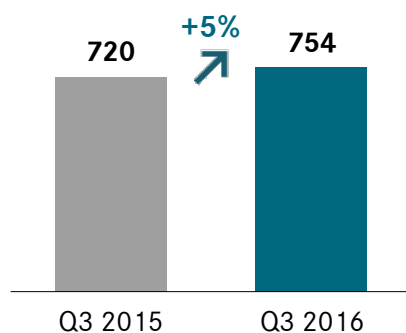
Development at the divisions



Highlights of Q3 2016

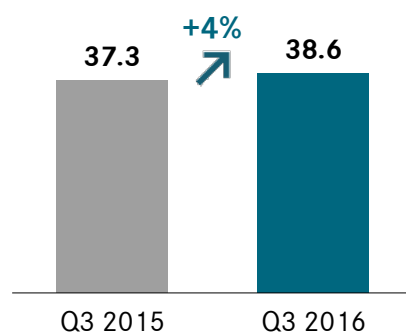
Unit sales

- in thousands of units -



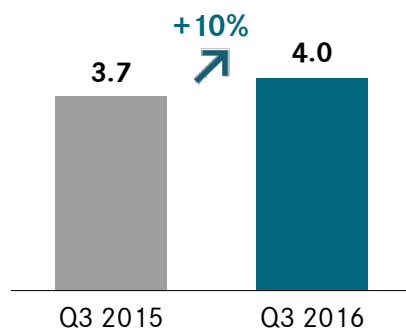
Revenue

- in billions of euros -



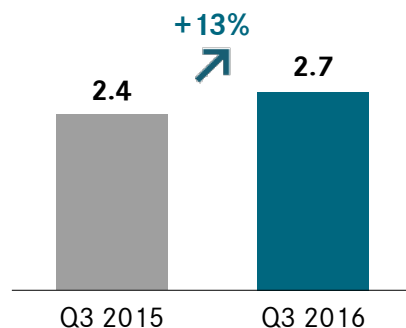
EBIT adjusted for special items

- in billions of euros -



Net profit

- in billions of euros -



Start of production of the new Mercedes-Benz E-Class station wagon, world premiere of the new E-Class All-Terrain

Presentation of the new product brand EQ for electric mobility and the EQ concept car at the Paris Motor Show

Presentation of the Mercedes-Benz Urban eTruck, the first fully electric truck for heavy distribution operations

Presentation of the new Freightliner Cascadia, the new flagship in Class 8

Presentation of the all-electric "Vision Van" van study as part of the adVANce initiative

Acquisition of Athlon Car Lease International as strategic investment in the European fleet management

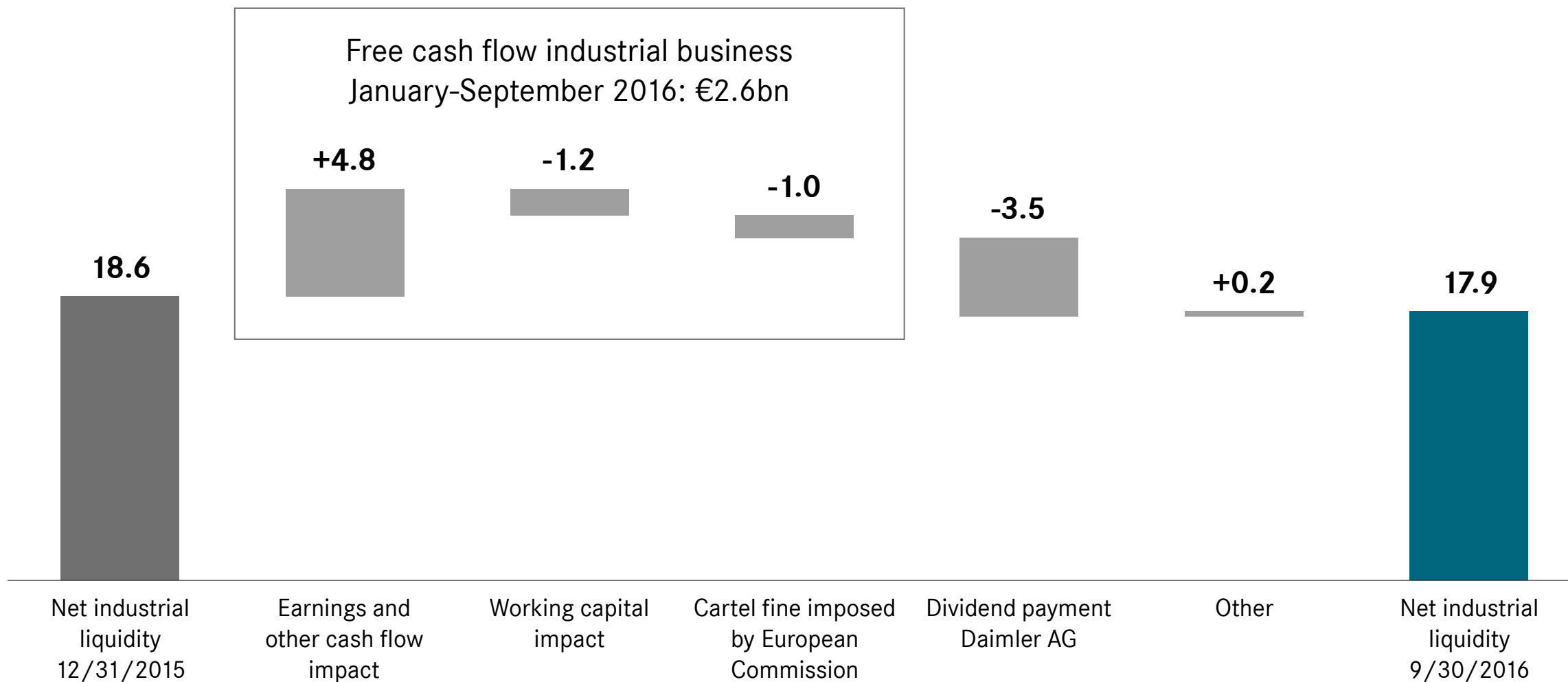
Strong financial and balance sheet figures support our financial strength and A-rating

Daimler Group	Dec. 31, 2015	Sept. 30, 2016
Equity ratio	23.6%	23.3%
Gross liquidity	18.2	23.6
Funded status of pension obligations	-7.4	-10.9
Industrial business		
Equity ratio	44.2%	42.4%
Net liquidity	18.6	17.9
Free cash flow (January-September)	4.8	2.6

in billions of euros

Continued high level of net industrial liquidity

- in billions of euros -



Continuing dynamic sales development of passenger cars and vans

	Q3 2015	Q3 2016	% change
Daimler Group	720.0	754.1	+5
of which			
Mercedes-Benz Cars	508.4	565.6	+11
Daimler Trucks	128.5	97.1	-24
Mercedes-Benz Vans	75.7	85.2	+13
Daimler Buses	7.4	6.2	-17

in thousands of units

Mercedes-Benz Cars: product highlights



New Mercedes-Benz E-Class All-Terrain



New Mercedes-AMG GLC 43 4MATIC Coupé



New Mercedes-AMG GT Roadster and GT C Roadster



New smart fortwo, forfour and cabrio electric drive

Daimler Trucks: product highlights



Efficiency run 2016 proves further fuel savings



New Freightliner Cascadia



New FUSO eCanter



Mercedes-Benz Actros with Sideguard Assist

Mercedes-Benz Vans: product highlights

Launch of the new Vito in China



Daimler Buses: product highlights

World premiere: the new generation of the Mercedes-Benz Conecto urban bus



CASE

 **C**onnecting

 **A**utonomous

 **S**hared & services

 **E**lectrified

EQ concept vehicle with battery-electric drive



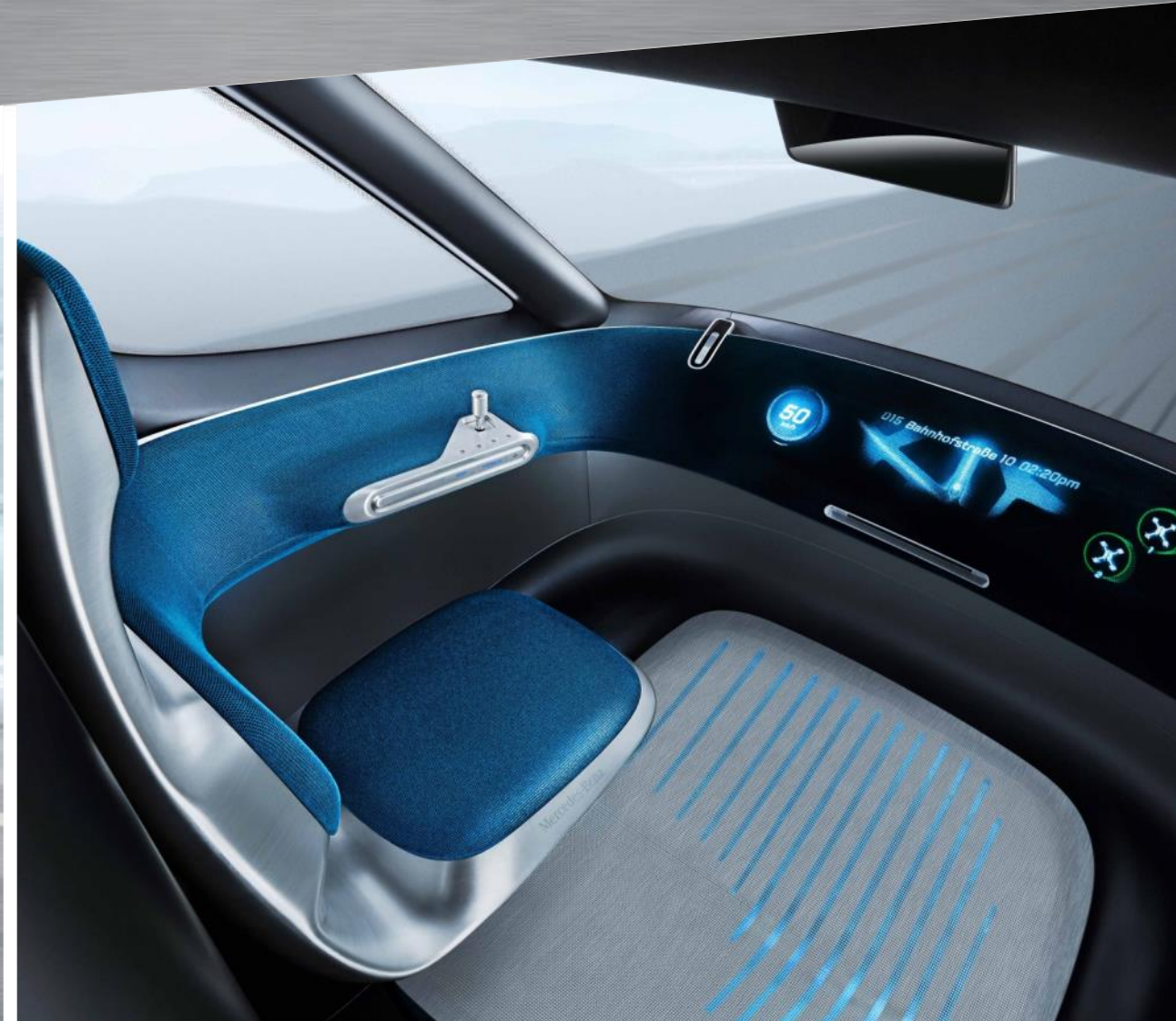
Presentation of the Mercedes-Benz Urban eTruck



World premiere of the new FleetBoard Store for apps



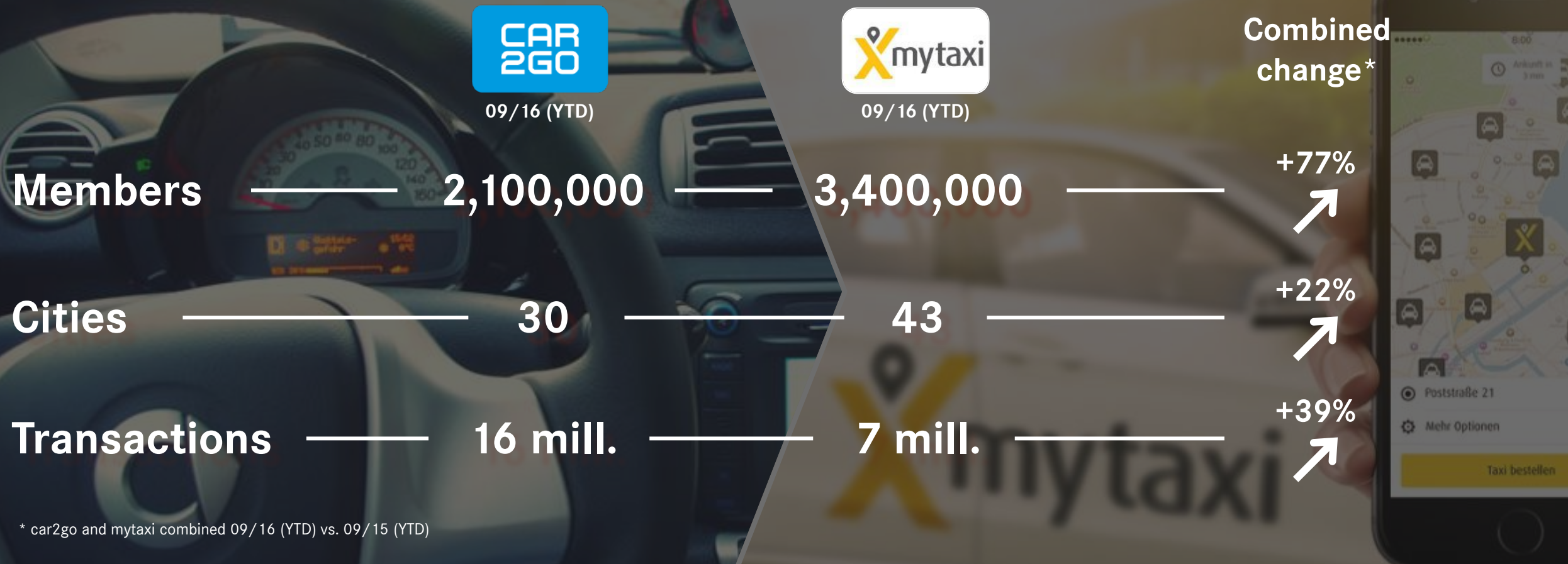
All-electric "Vision Van" study



World premiere: Mercedes-Benz Future Bus with CityPilot



Forging ahead with increasing business in Mobility Services



mytaxi and Hailo create Europe's largest taxi e-hailing company



+



20
million
rides p.a.

100,000
registered
taxi drivers

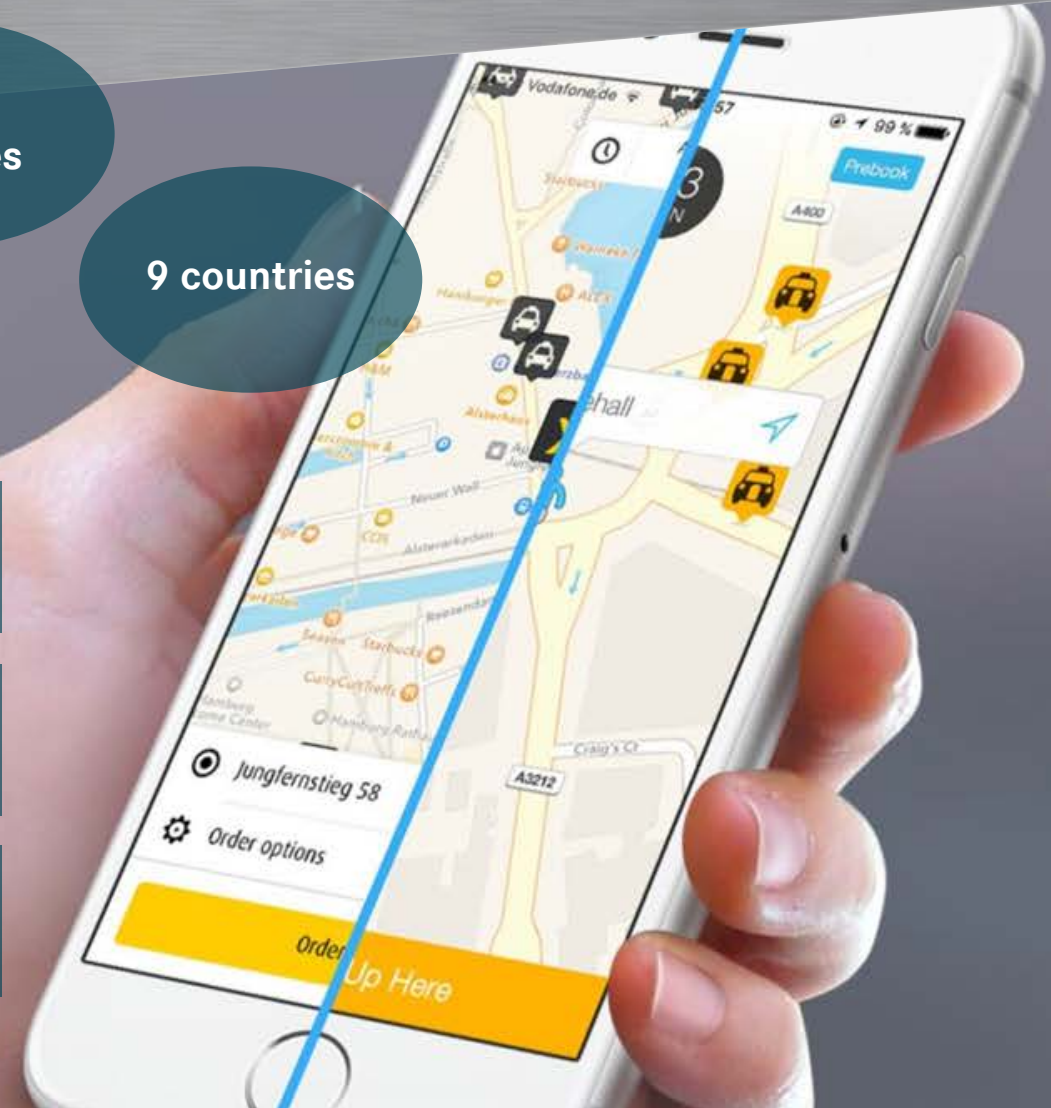
over
50 cities

9 countries

The two innovative leaders in the field of taxi e-hailing are joining forces

Customers enjoy various forms of mobility with a transparent overview and easy-to-pay services

Another strategic step in making Daimler Financial Services a leader of mobility solutions and platforms



Revenue by division

	Q3 2015	Q3 2016	% change
Daimler Group	37.3	38.6	+4
of which			
Mercedes-Benz Cars	20.7	23.3	+12
Daimler Trucks	9.7	7.9	-19
Mercedes-Benz Vans	2.8	3.1	+13
Daimler Buses	1.0	0.9	-8
Daimler Financial Services	4.7	5.1	+9
Contract volume of Daimler Financial Services*	116.7	122.1	+5

in billions of euros

* figures as of December 31, 2015 and September 30, 2016

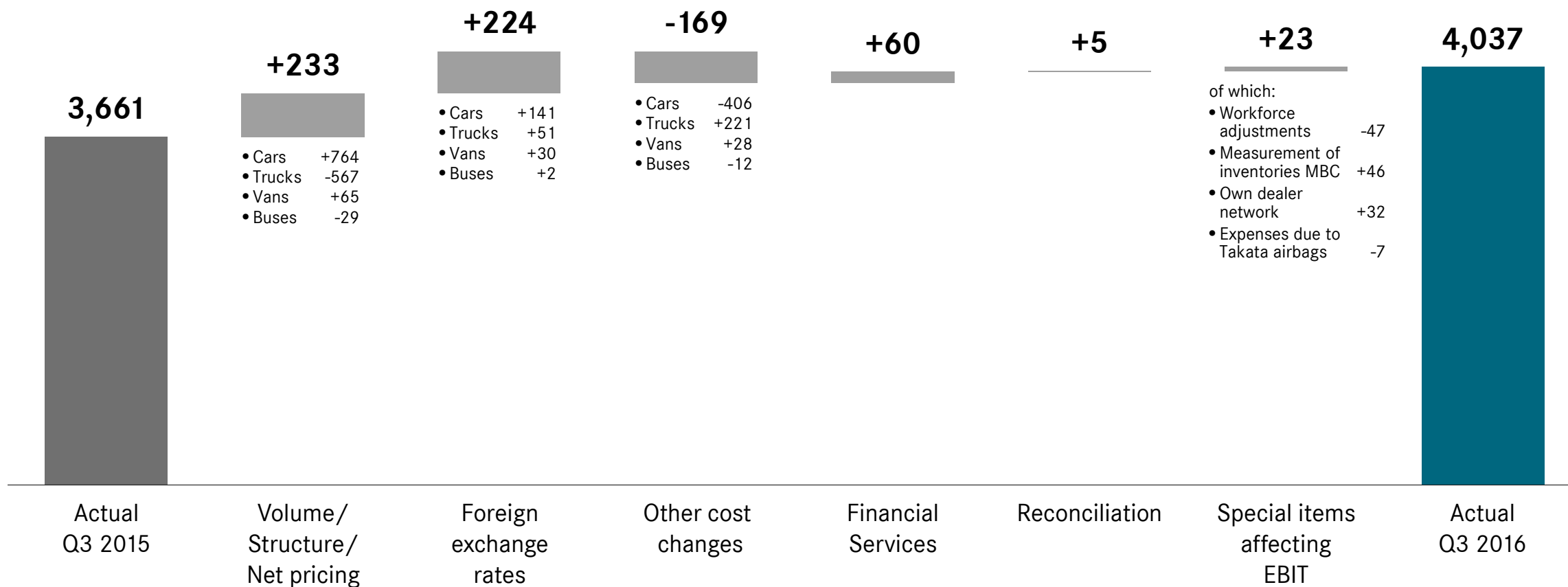
EBIT by division

- EBIT in millions of euros; RoS in % -	Q3 2015		Q3 2016	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	3,661	10.1	4,037	10.8
of which				
Mercedes-Benz Cars	2,183	10.5	2,746	11.8
Daimler Trucks	791	8.2	464	5.9
Mercedes-Benz Vans	193	7.0	312	10.0
Daimler Buses	89	8.7	45	4.8
Daimler Financial Services	378	-	438	-
Reconciliation	27	-	32	-

* Return on sales; Daimler Group excluding Daimler Financial Services

Group EBIT in Q3 2016

- in millions of euros -



Special items affecting EBIT (I)

	Q3		January-September	
	2015	2016	2015	2016
Mercedes-Benz Cars				
Restructuring of own dealer network	+21	+41	-15	+20
Relocation of headquarters of MBUSA	+1	-	-10	-
Sale of real estate in the United States	-	-	+87	-
Expenses in connection with Takata airbags	-	-	-	-460
Profit/loss in connection with remeasurement of inventories	-	+46	-	-238
Settlement in connection with patent dispute	-	-	-	-64
Daimler Trucks				
Workforce adjustments	-10	-49	-35	-83
Restructuring of own dealer network	-4	+3	-23	-4
Sale of Atlantis Foundries	-	-	-55	-

in millions of euros

Special items affecting EBIT (II)

	Q3		January-September	
	2015	2016	2015	2016
Mercedes-Benz Vans				
Restructuring of own dealer network	-3	-	-11	-3
Relocation of headquarters of MBUSA	-	-	-2	-
Expenses in connection with Takata airbags	-	-7	-	-70
Workforce adjustments in Germany	-	-	-	-30
Daimler Buses				
Restructuring of own dealer network	-1	+1	-2	0
Workforce adjustments	-	-8	-	-8
Reconciliation				
Expenses related to legal proceedings	-	-	-	-400
Impairment of investment in BAIC Motor	-	-	-	-244
Losses from currency transactions (not allocated to business operations)	-	-	-	-241
Contribution of shares of Renault and Nissan to pension plan assets	-	-	-	+605

in millions of euros

EBIT adjusted for special items

- EBIT in millions of euros; RoS in % -	Q3 2015		Q3 2016	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	3,657	10.1	4,010	10.7
of which				
Mercedes-Benz Cars	2,161	10.4	2,659	11.4
Daimler Trucks	805	8.3	510	6.5
Mercedes-Benz Vans	196	7.1	319	10.2
Daimler Buses	90	8.8	52	5.5
Daimler Financial Services	378	-	438	-
Reconciliation	27	-	32	-

* Return on sales; Daimler Group excluding Daimler Financial Services

Contents

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Outlook for 2016

Development at the divisions



Mercedes-Benz Cars and Vans: continued product offensive

2016

2017



GLS facelift



E-Class sedan



E-Class
(long wheelbase)



station wagon
E-Class



E-Class
All Terrain



E-Class
Coupé



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

Assumptions for automotive markets in 2016

Car markets	Global	 ~ +2%
	Western Europe	 significant growth
	USA	 slight decrease
	China	 significant growth
Medium- and heavy-duty truck markets	NAFTA region	 ~ -15%
	Europe	 +5 to 10%
	Japan*	 flat
	Brazil	 ~ -25%
	Indonesia*	 ~ -15%
Van markets	Europe	 significant growth
	USA	 significant growth
Bus markets	Western Europe	 significant growth
	Brazil	 significant decrease

* including light-duty trucks

2016 sales outlook



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



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



Mercedes-Benz Vans



Significantly higher unit sales

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



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

2016 outlook for EBIT adjusted for special items

DAIMLER



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



Mercedes-Benz Cars



Slightly above the prior-year level



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

Contents

Results for Q3 2016

Outlook for 2016

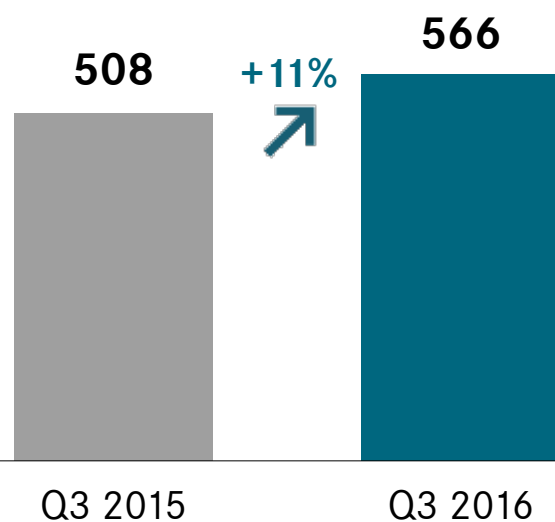
Development at the divisions



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

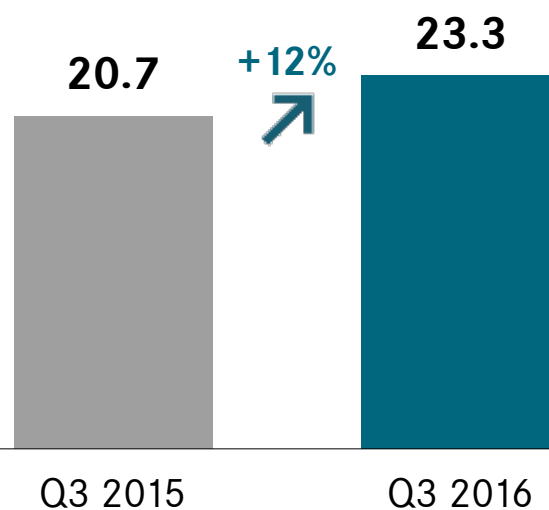
Unit sales

- in thousands of units -



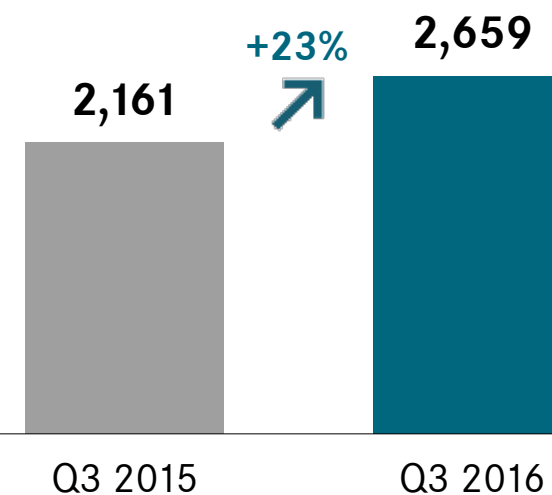
Revenue

- in billions of euros -



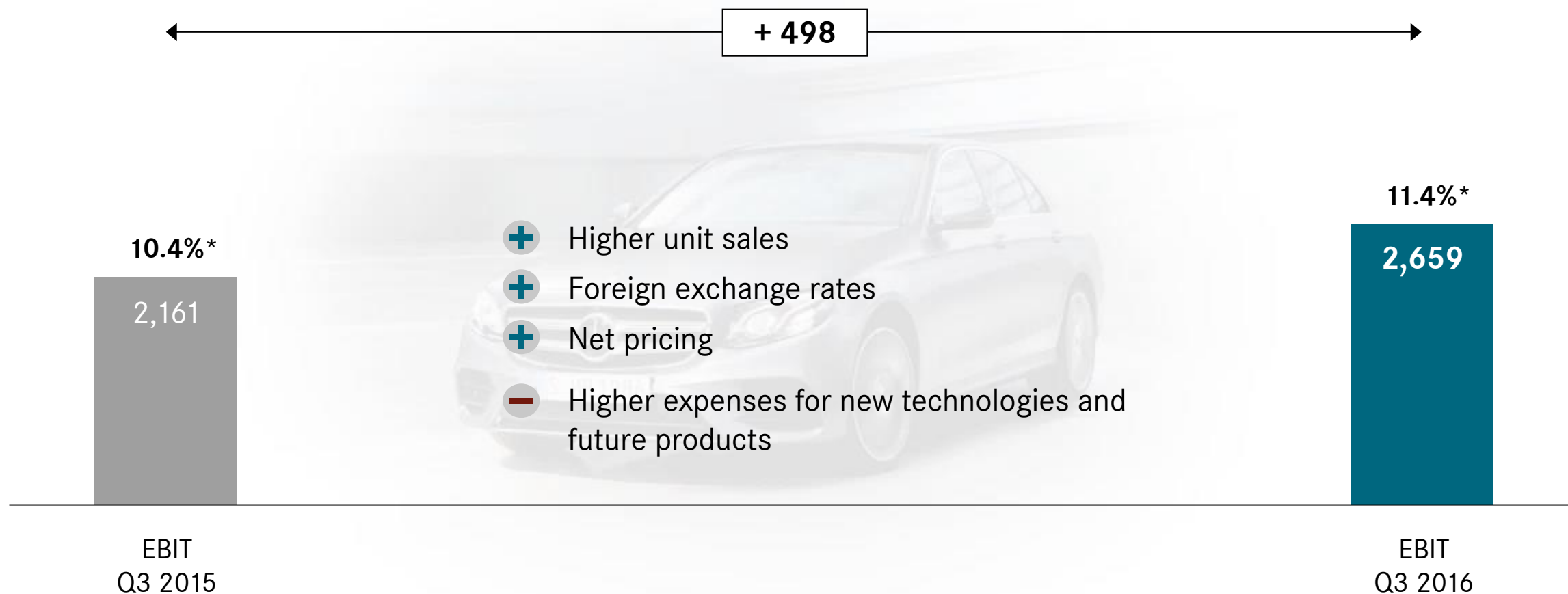
EBIT adjusted for special items

- in millions of euros -



Mercedes-Benz Cars: EBIT adjusted for special items

- in millions of euros -

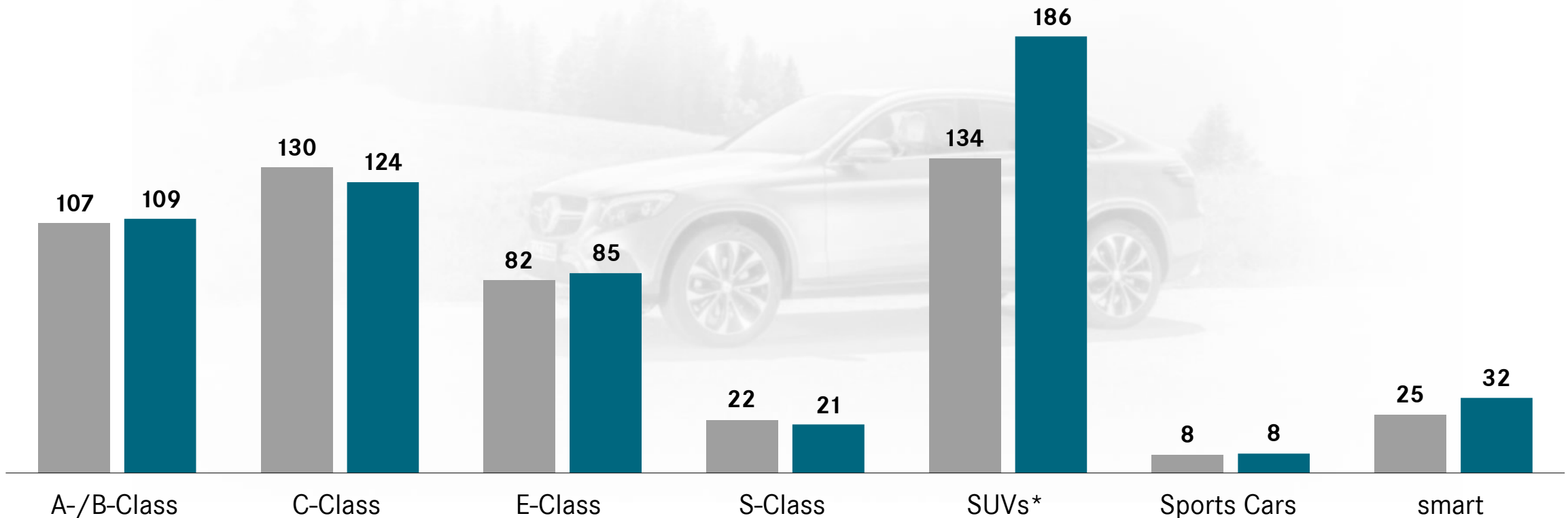


* Return on sales

Mercedes-Benz Cars: sales increase to 566,000 units (+11%) reflecting our strong product line-up

- in thousands of units -

■ Q3 2015
■ Q3 2016

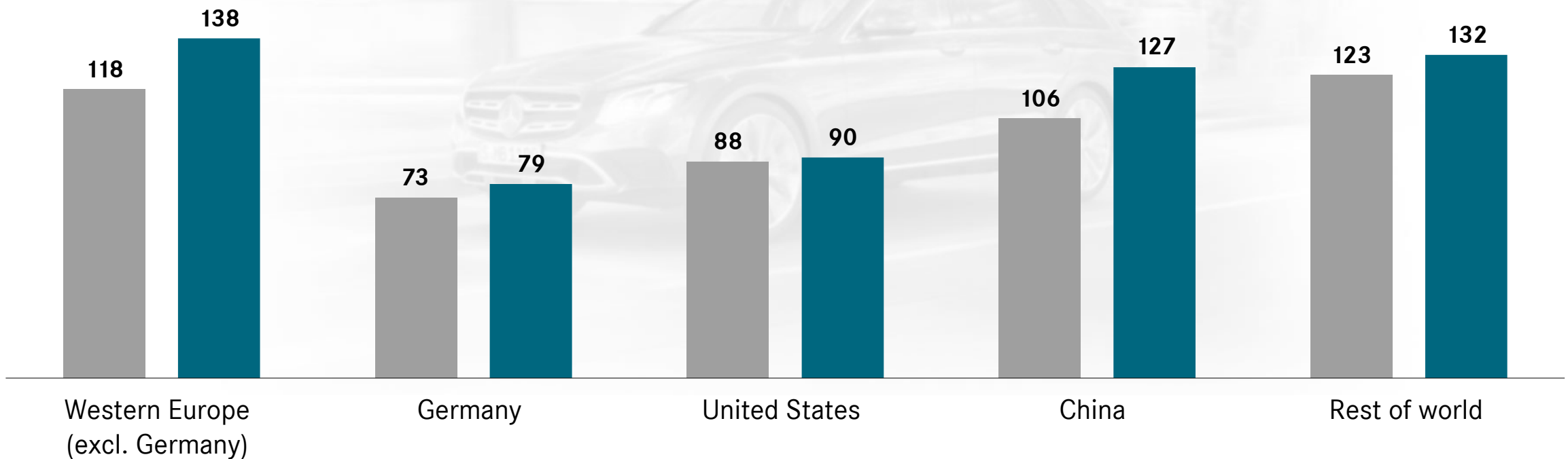


* incl. GLA

Mercedes-Benz Cars: globally balanced sales structure with strong development in all major regions

- in thousands of units -

■ Q3 2015
■ Q3 2016



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

- in thousands of units -

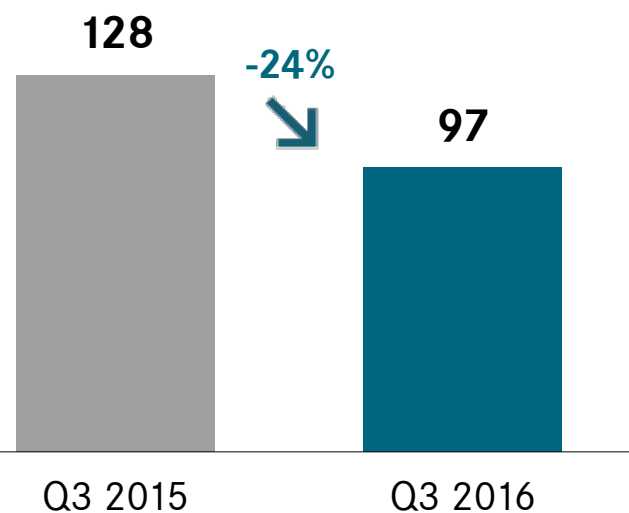
■ imported
■ locally produced



Daimler Trucks: financials significantly impacted by headwinds in many of our truck markets

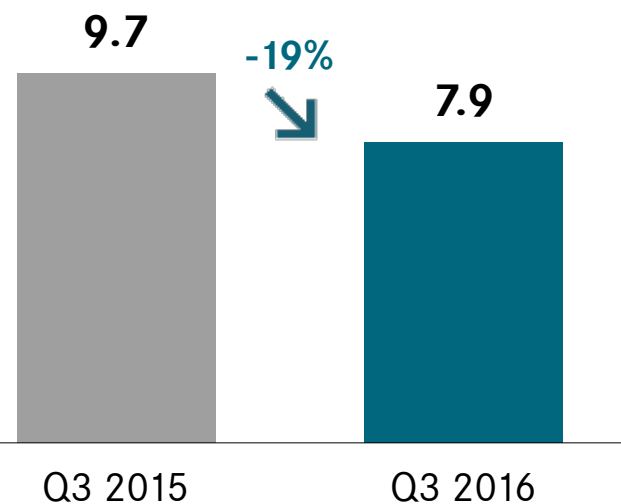
Unit sales

- in thousands of units -



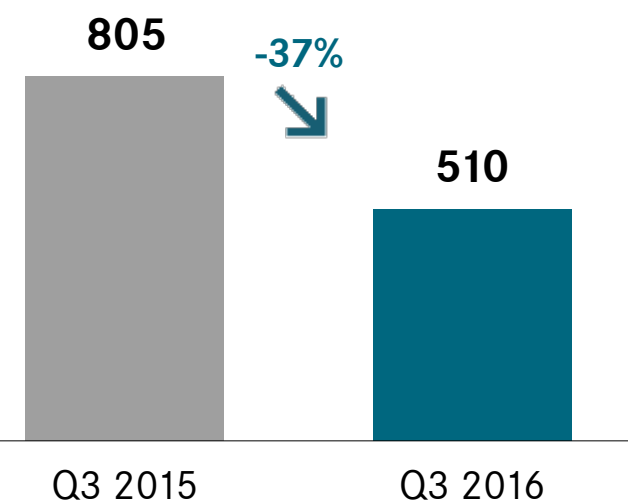
Revenue

- in billions of euros -



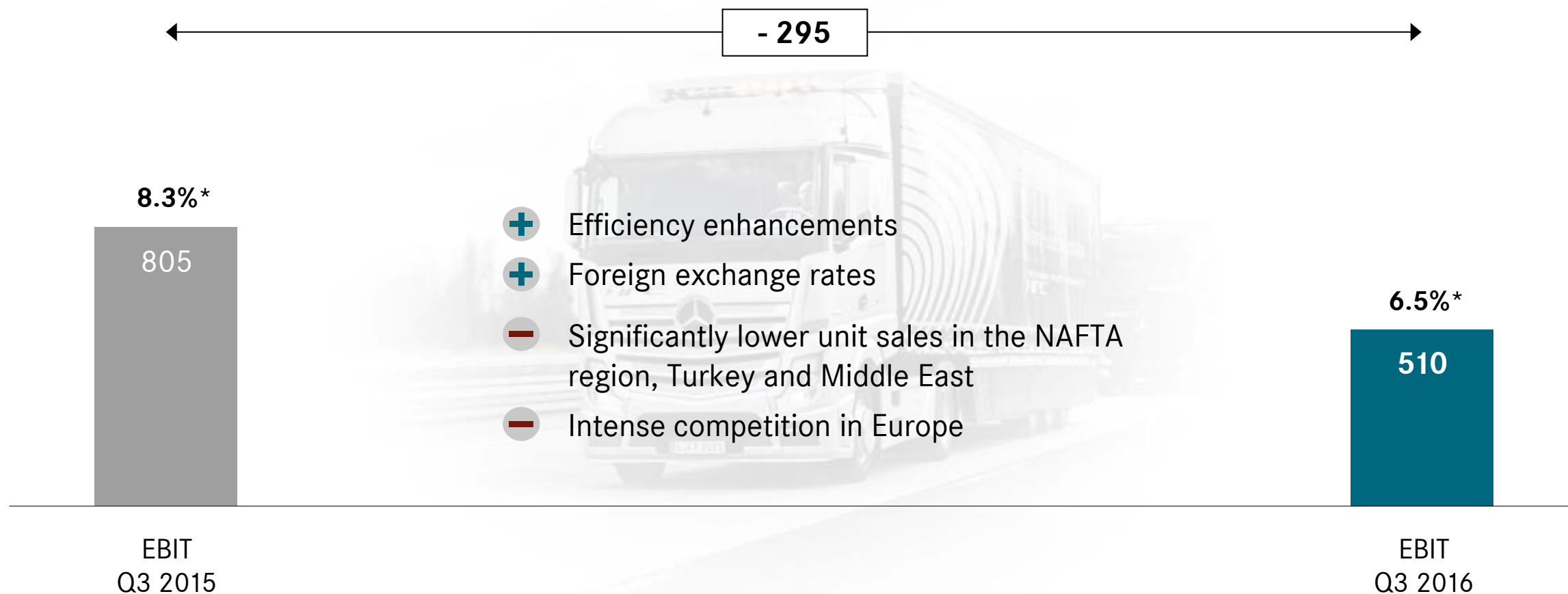
EBIT adjusted for special items

- in millions of euros -



Daimler Trucks: EBIT adjusted for special items

- in millions of euros -

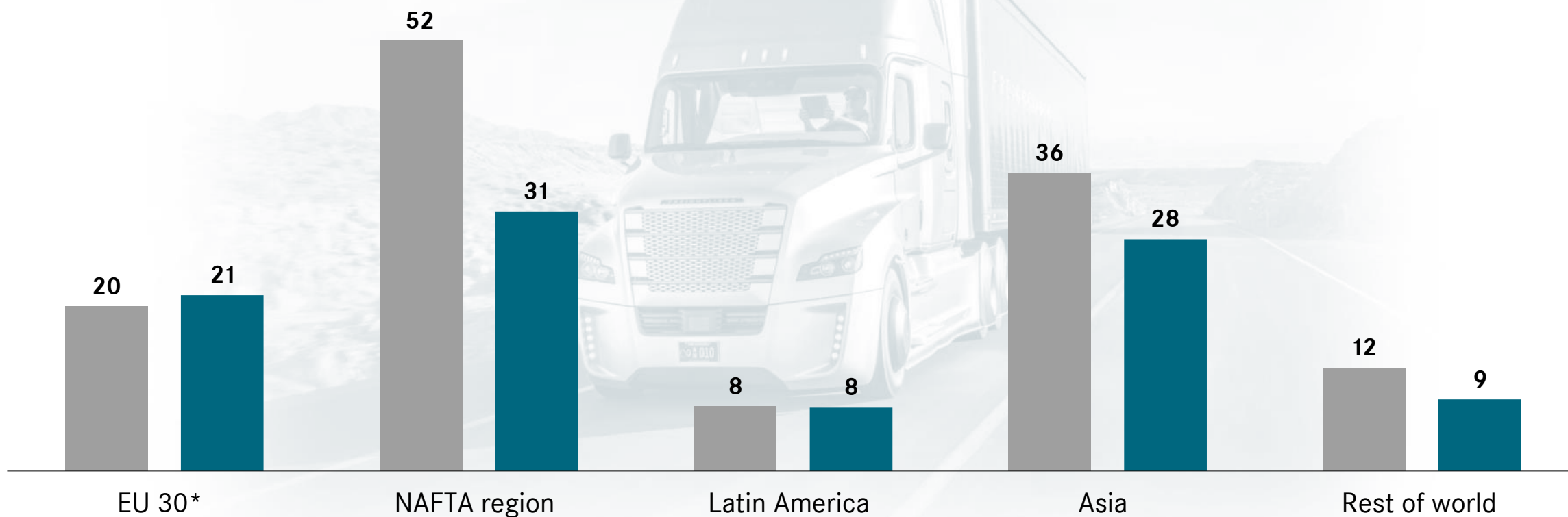


* Return on sales

Daimler Trucks: sales decrease to 97,000 units (-24%) driven by NAFTA region, Turkey and Middle East

- in thousands of units -

■ Q3 2015
■ Q3 2016

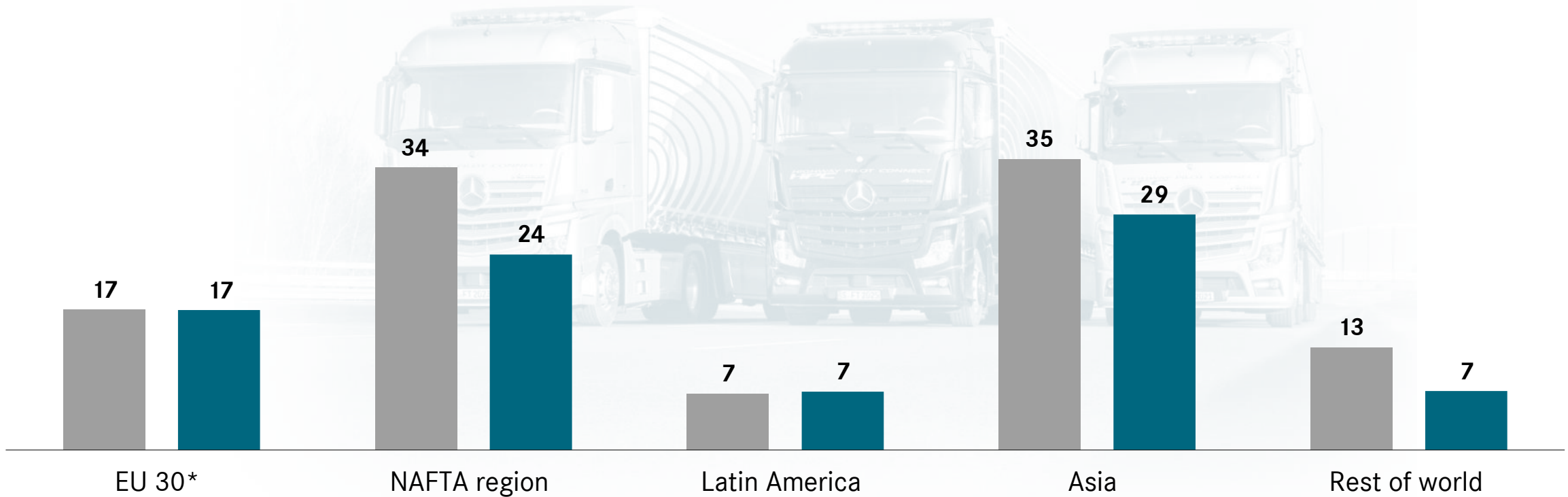


* European Union, Switzerland and Norway

Daimler Trucks: incoming orders below prior-year level due to weak demand in NAFTA region, Turkey and Middle East

- in thousands of units -

■ Q3 2015
■ Q3 2016

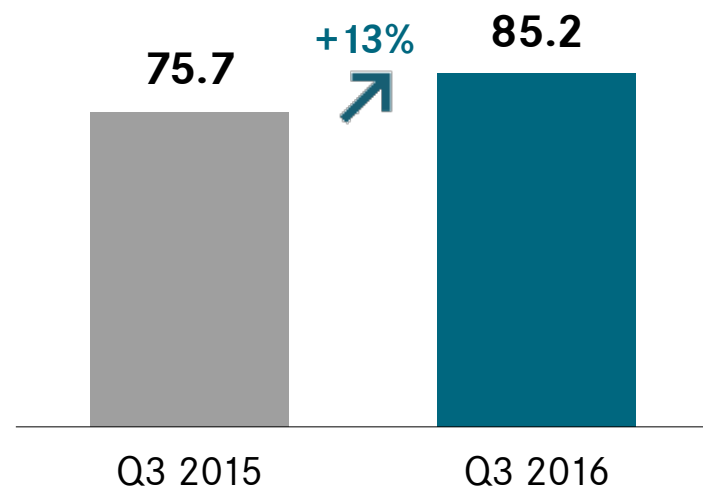


* European Union, Switzerland and Norway

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

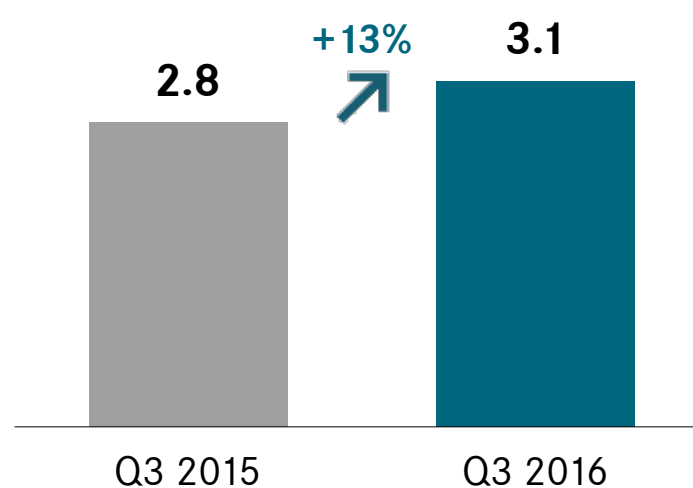
Unit sales

- in thousands of units -



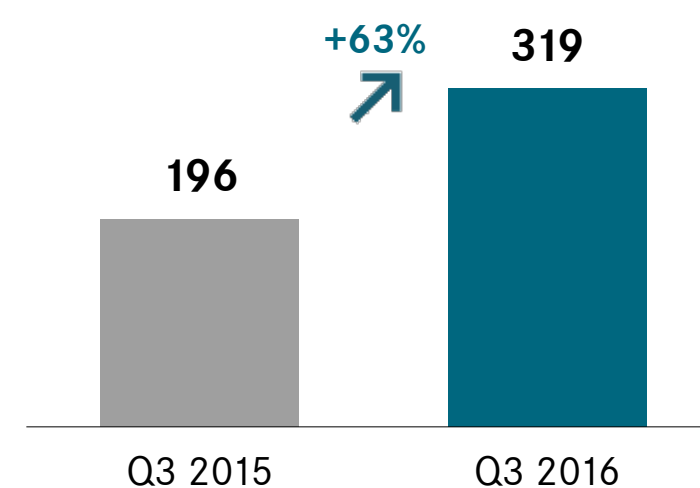
Revenue

- in billions of euros -



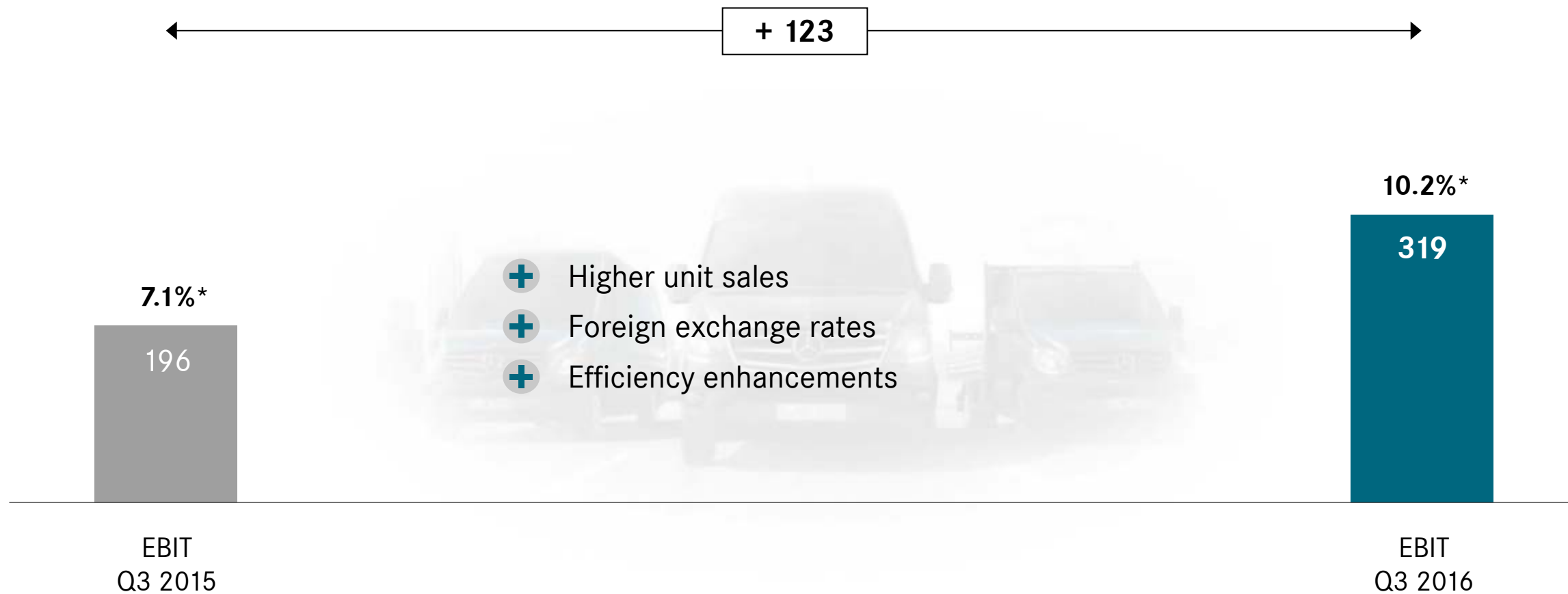
EBIT adjusted for special items

- in millions of euros -



Mercedes-Benz Vans: EBIT adjusted for special items

- in millions of euros -

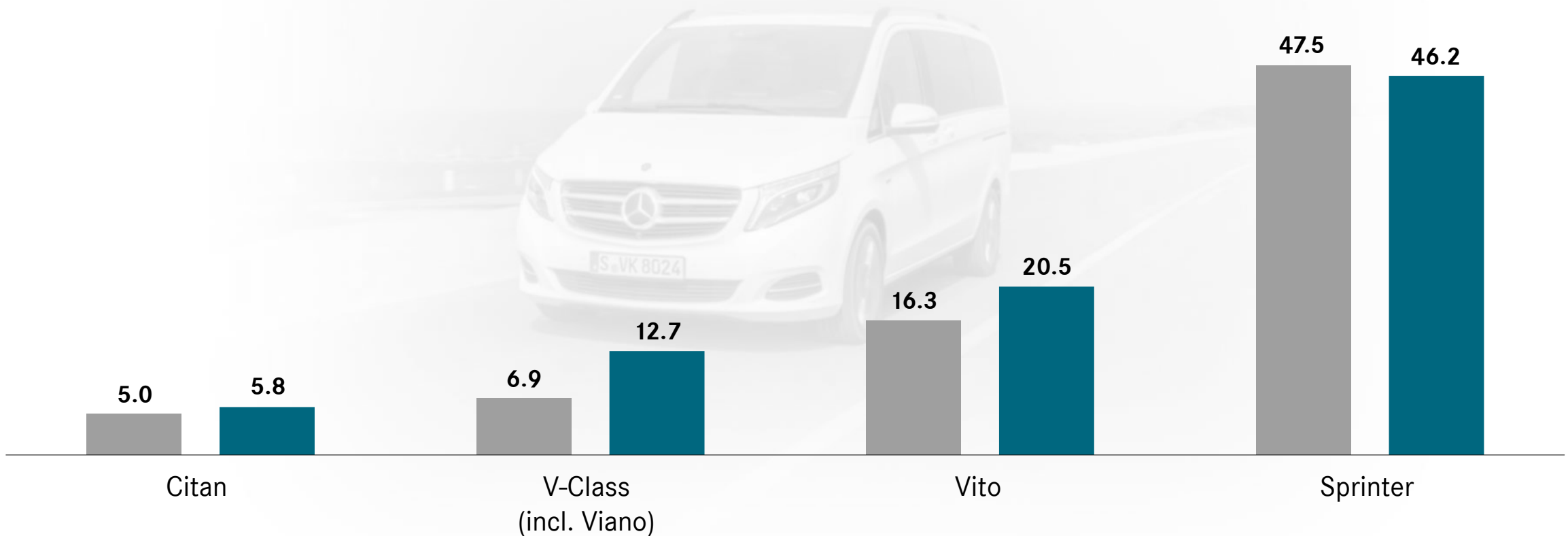


* Return on sales

Mercedes-Benz Vans: sales increase to 85,200 units (+ 13%) due to market success of mid-size vans

- in thousands of units -

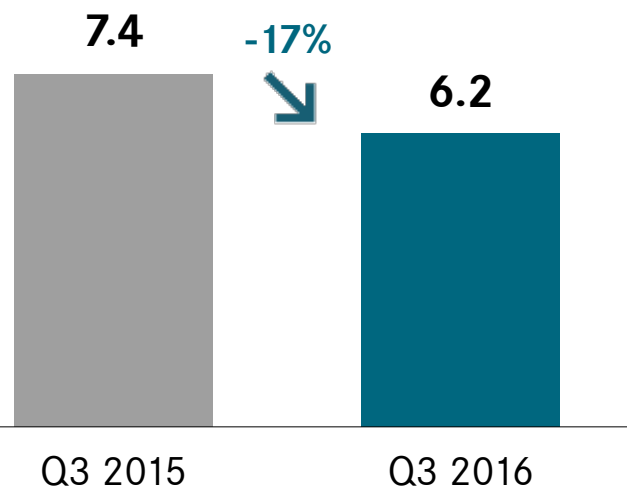
■ Q3 2015
■ Q3 2016



Daimler Buses: business negatively affected by difficult situation in Brazil and Turkey

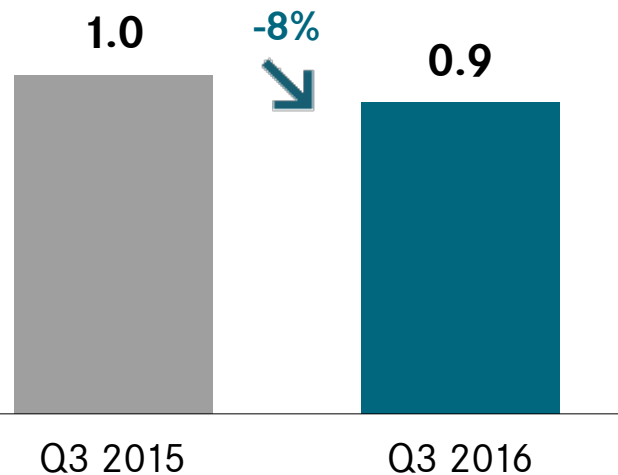
Unit sales

- in thousands of units -



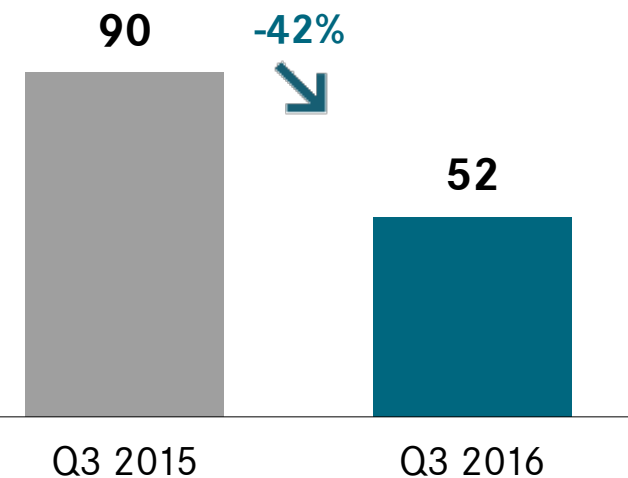
Revenue

- in billions of euros -



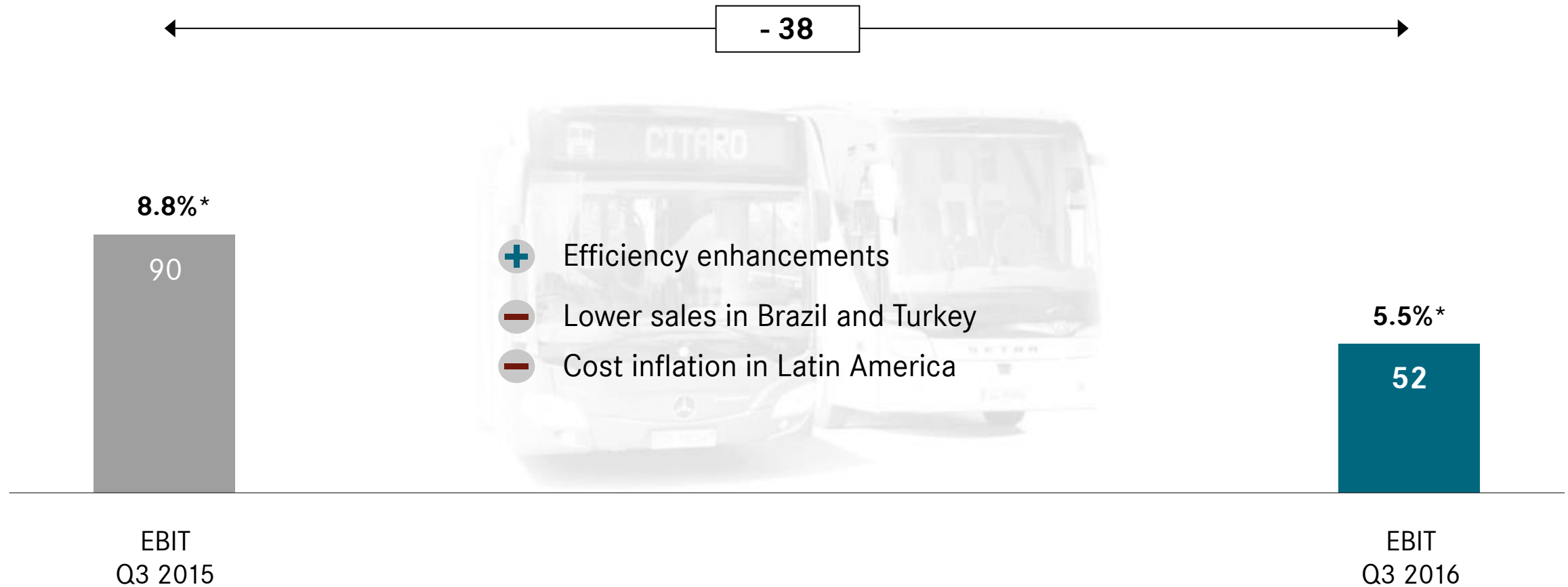
EBIT adjusted for special items

- in millions of euros -



Daimler Buses: EBIT adjusted for special items

- in millions of euros -

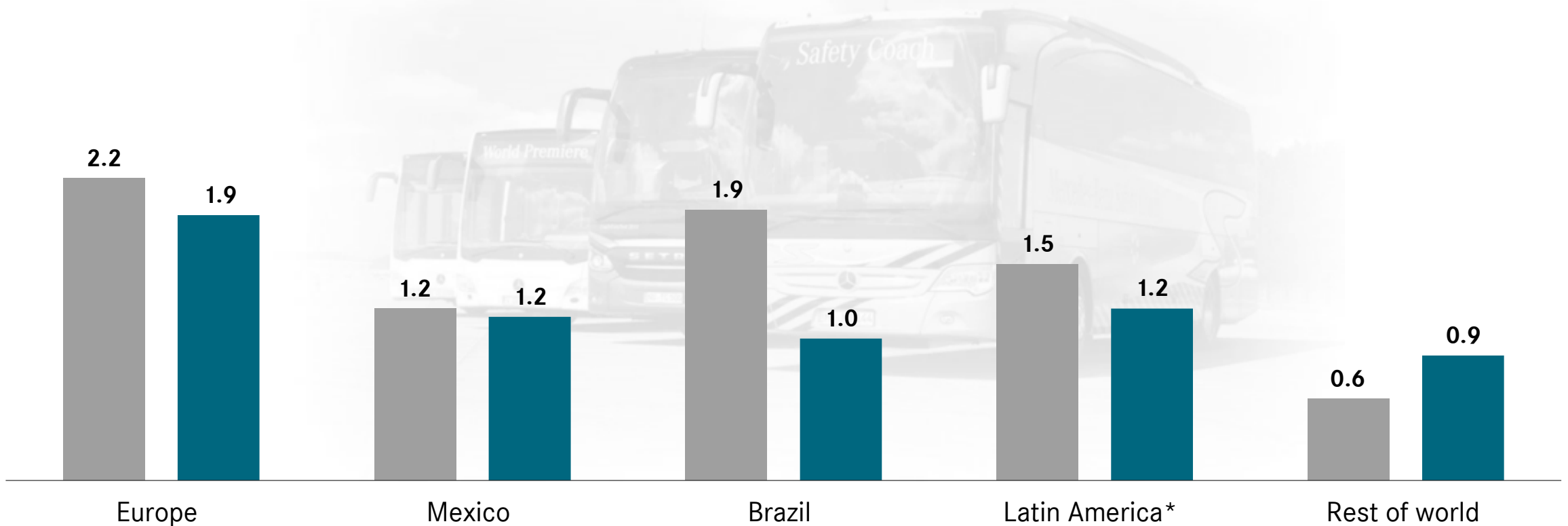


* Return on sales

Daimler Buses: sales decrease to 6,200 units (-17%) mainly due to lower demand in Latin America and Europe

- in thousands of units -

■ Q3 2015
■ Q3 2016

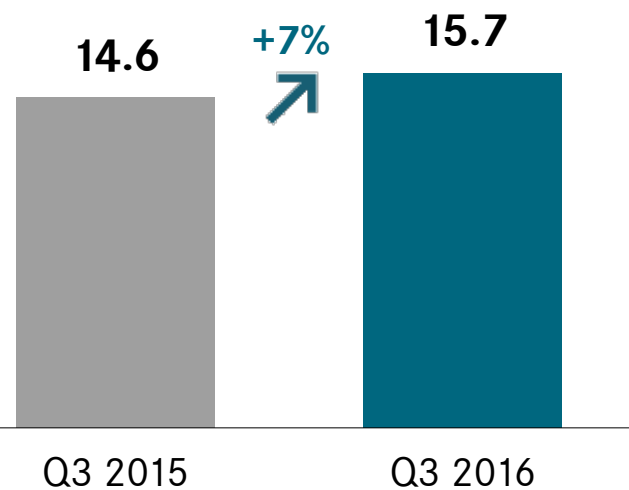


* excluding Brazil and Mexico

Daimler Financial Services: further business growth

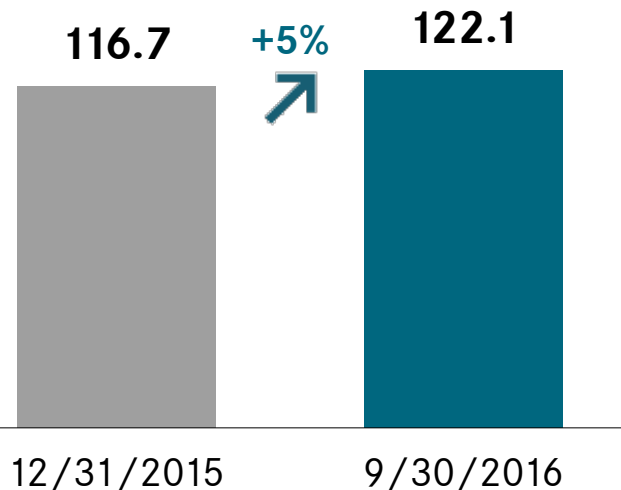
New business

- in billions of euros -



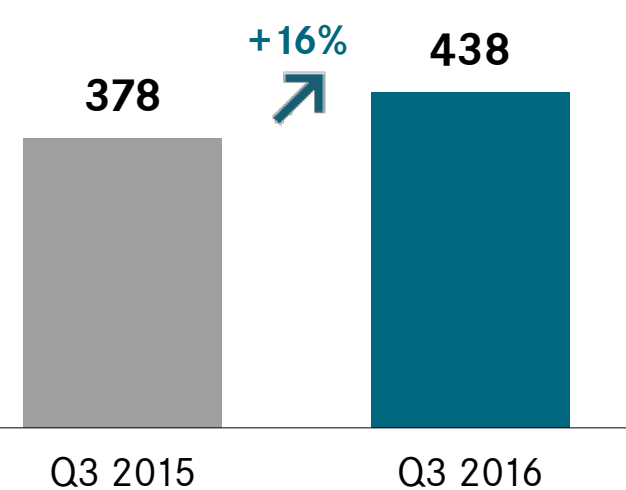
Contract volume

- in billions of euros -



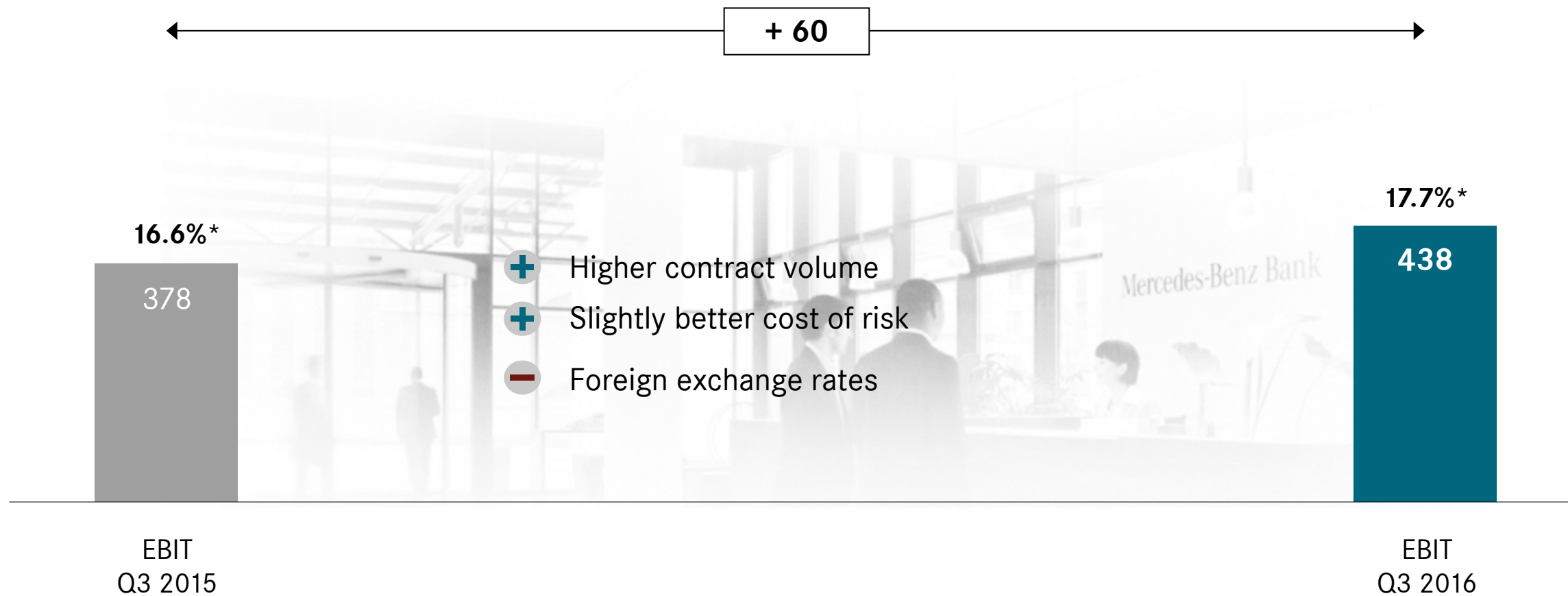
EBIT

- in millions of euros -



Daimler Financial Services: EBIT

- in millions of euros -

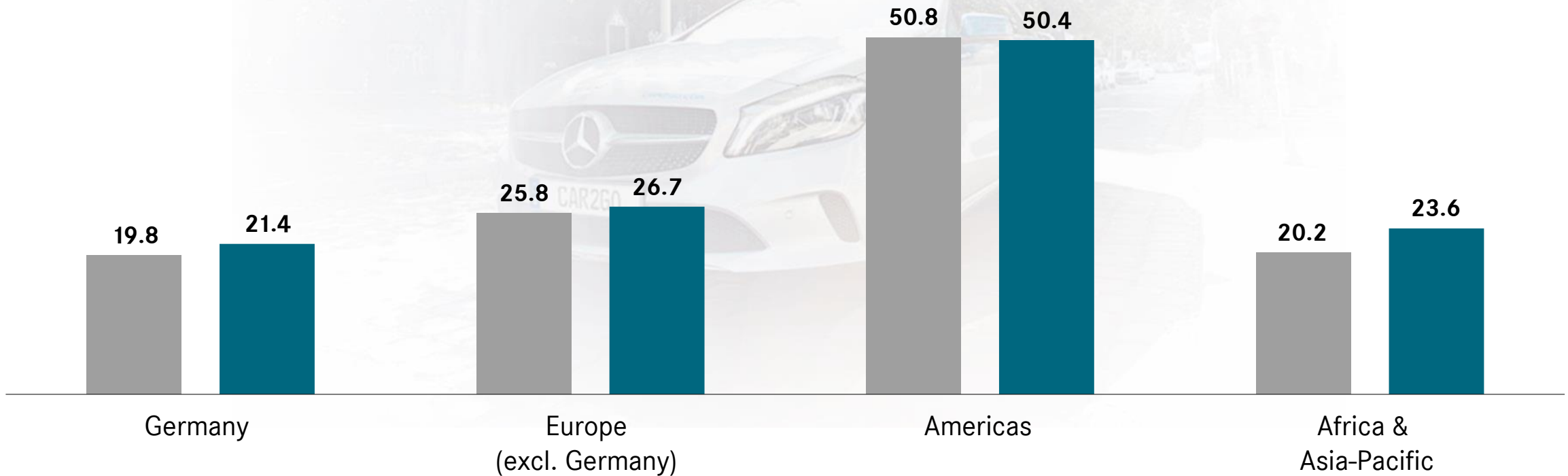


* Return on equity

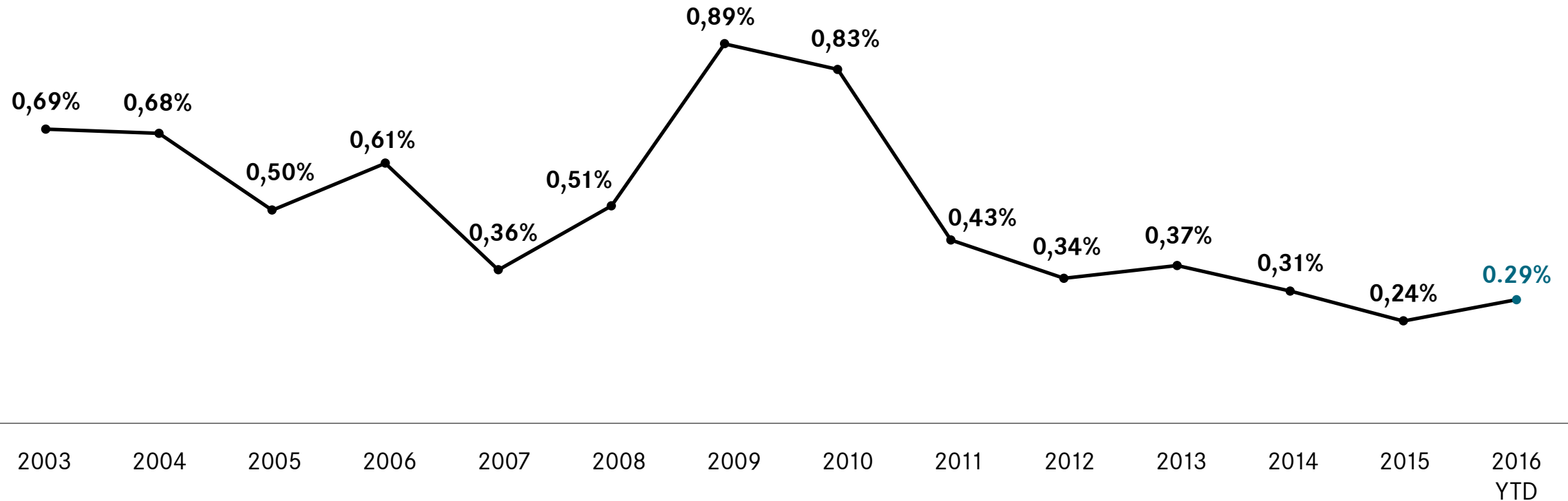
Daimler Financial Services: further increase in contract volume to 122.1 billion euros (+5%)

- in billions of euros -

■ 12/31/2015
■ 9/30/2016



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.