

DAIMLER

Q3 and January-September 2017 Results

Bodo Uebber

Member of the Board of Management

Finance & Controlling and Daimler Financial Services

October 20, 2017

Contents

Results for Q3 2017

Outlook for 2017

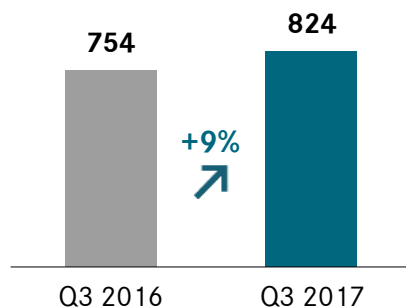
Development at the divisions



Highlights of Q3 2017

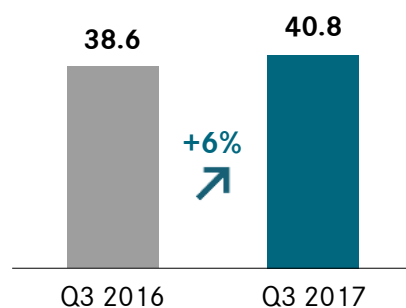
Unit sales

- in thousands of units -



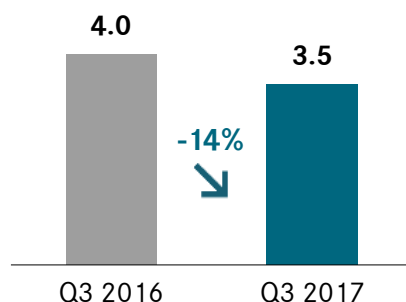
Revenue

- in billions of euros -



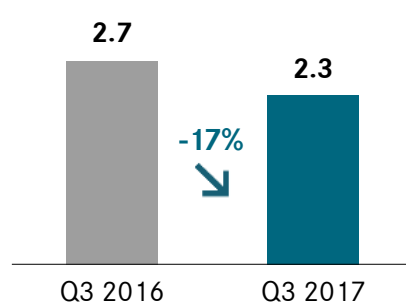
EBIT

- in billions of euros -



Net profit

- in billions of euros -



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

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

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

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

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

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

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

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

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

Strengthening of the corporate structure will serve future success of Daimler

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

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

No plans for divestment of individual divisions

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

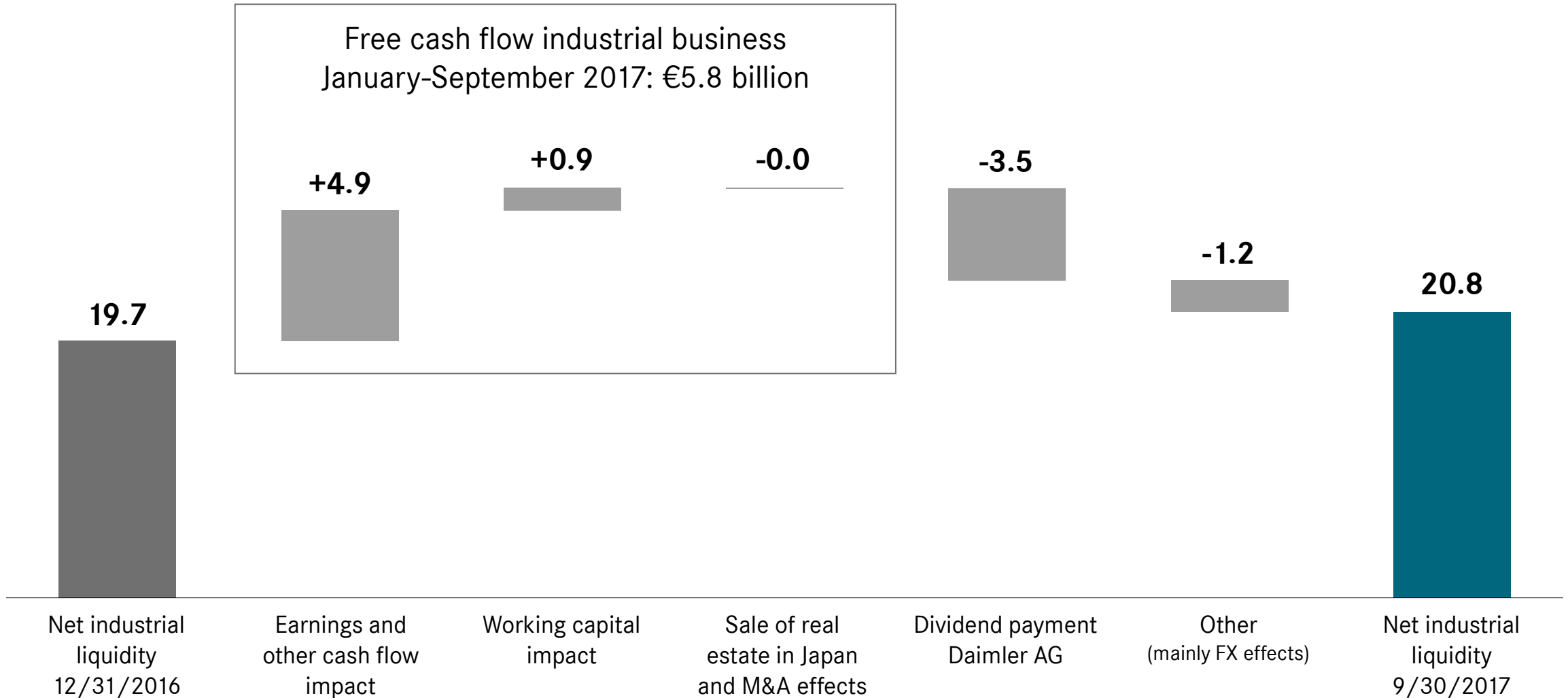
Contribution of €3.0 billion to German pension fund of Daimler AG, subject to the approval of the Supervisory Board

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

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

Strong free cash flow in line with good business development

- in billions of euros -



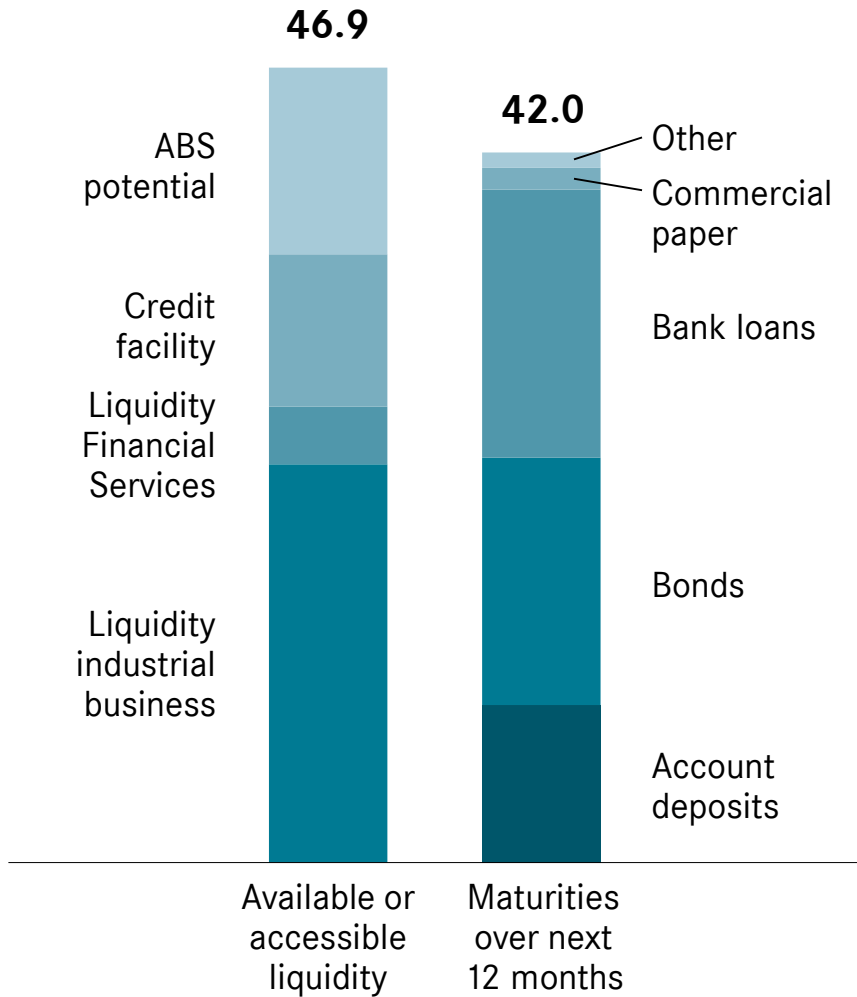
Strong financial and balance sheet figures support our financial strength and A-rating

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

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

Higher units sales in all divisions based on strong product portfolio

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

in thousands of units

Mercedes-Benz Cars: product highlights

The Concept EQA – the first all-electric EQ concept vehicle from Mercedes-Benz in the compact segment



Mercedes-Benz Cars: product highlights

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



Mercedes-Benz Cars: product highlights

World premiere of the Mercedes-AMG Project ONE



Mercedes-Benz Cars: product highlights

Presentation of the Vision Mercedes-Maybach 6 Cabriolet



Mercedes-Benz Cars: product highlights

World premiere of the smart vision EQ fortwo



Daimler Trucks: product highlights

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



Daimler Trucks: product highlights

FUSO Super Great now also available as tractor



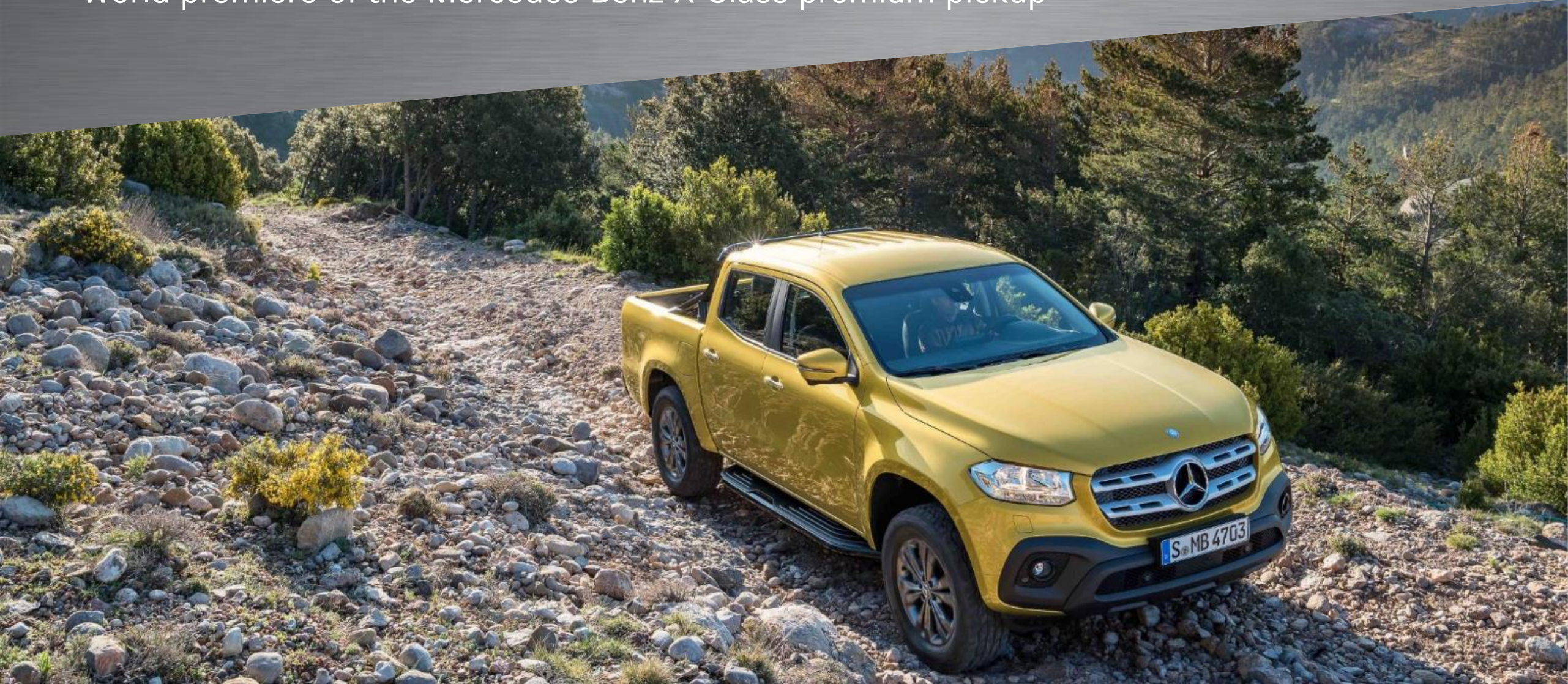
Daimler Trucks: product highlights

Daimler Trucks tests truck platooning on public highways in the United States



Mercedes-Benz Vans: product highlights

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



Mercedes-Benz Vans: product highlights

Joint venture for on-demand shared rides and pilot project for on-demand delivery of e-commerce goods



Daimler Buses: product highlights

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



Daimler Financial Services: highlights Mobility Services

Ongoing business expansion

YTD 09/17



Combined change*



18.5

16.4

52.2

+162%

Transactions in millions



26

14**

>70

+25%

Cities



2.8

3.4

9.7

+116%

Members in millions



* car2go, moovel and mytaxi (incl. Taxibeat and Clevertaxi) combined, 09/17 (YTD) vs. 09/16 (YTD) ** Number of cities with ticketing capability of public transit

Revenue by division

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

in billions of euros

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

Revenue by region

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

in billions of euros

* excluding revenue of not fully consolidated companies

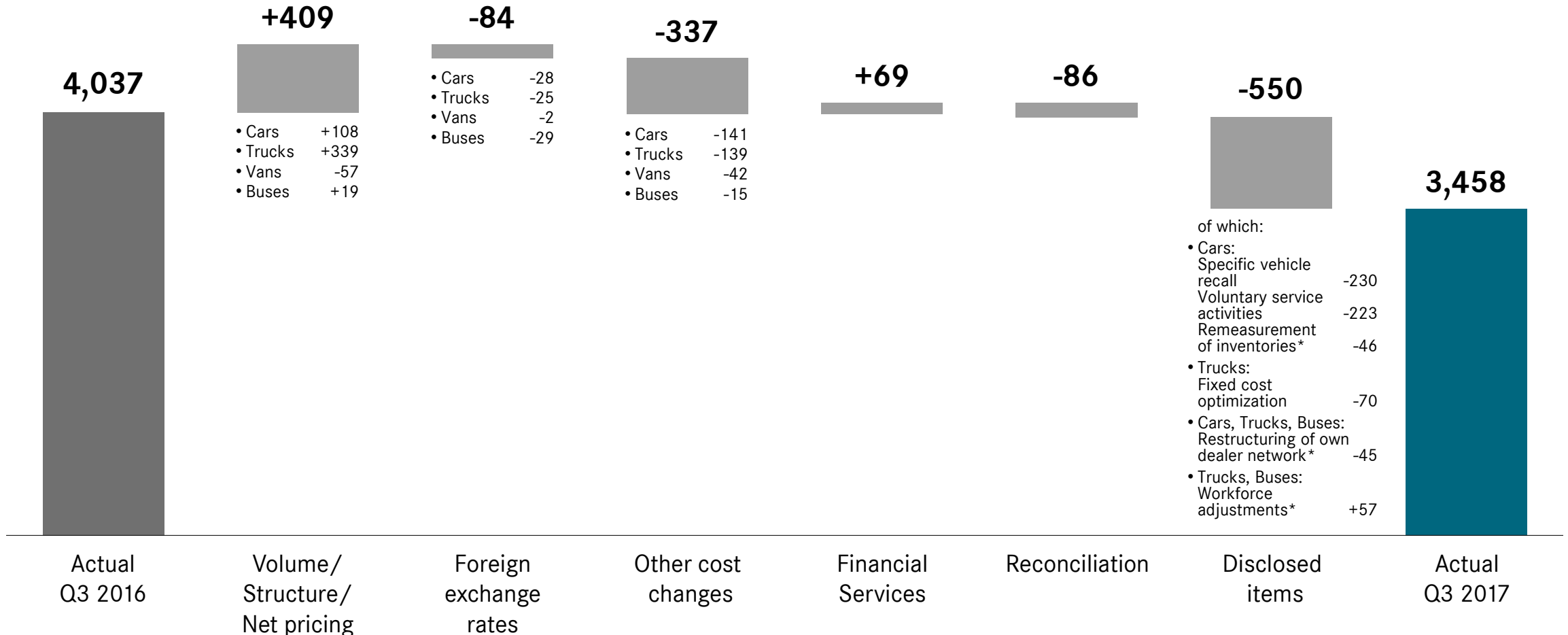
EBIT by division

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

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

Group EBIT in Q3 2017

- in millions of euros -



* in Q3 2016

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Mercedes-Benz Cars and Vans: continued product offensive

2017

2018



E-Class Coupé
E-Class All Terrain



S-Class facelift



GLA facelift



AMG GT Roadster



E-Class Cabriolet



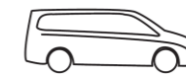
S-Class Coupé/
Cabriolet facelift



smart fortwo/forfour electric drive
smart cabrio electric drive
















X-Class



New Sprinter



Assumptions for automotive markets in 2017

Car markets	Global	 around +2%
	Europe	 slight growth
	USA	 slight decrease
	China	 slight growth
Medium- and heavy-duty truck markets	NAFTA region	 slight decrease, with Class 8 weaker than Class 6-8
	EU30	 around the prior-year level
	Japan*	 around the prior-year level
	Brazil	 slight decrease
	Indonesia*	 significant growth
Van markets	EU30	 significant growth of mid-size and large vans
	USA	 around the prior-year level
Bus markets	EU30	 around the prior-year level
	Brazil	 significant growth from low level

* including light-duty trucks

2017 sales outlook



Mercedes-Benz Cars



Significantly higher unit sales

Further growth particularly in China and Europe
Strong momentum especially from new E-Class models and SUV portfolio



Daimler Trucks



Significantly higher unit sales

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



Mercedes-Benz Vans



Significantly higher unit sales

Significant growth in core market EU30
Continued momentum from “Mercedes-Benz Vans goes global” strategy



Daimler Buses



Significantly higher unit sales

Maintain market leadership in core markets
Unit sales around the prior-year level in EU30 region, significant sales increase in Brazil

2017 outlook for EBIT

DAIMLER



We expect Group EBIT for FY 2017 to increase significantly based on the following expectations for divisional EBIT:



Mercedes-Benz Cars



Significantly above the prior-year level



Daimler Trucks



Significantly above the prior-year level



Mercedes-Benz Vans



Around the prior-year level



Daimler Buses



Slightly below the prior-year level



Daimler Financial Services



Significantly above the prior-year level

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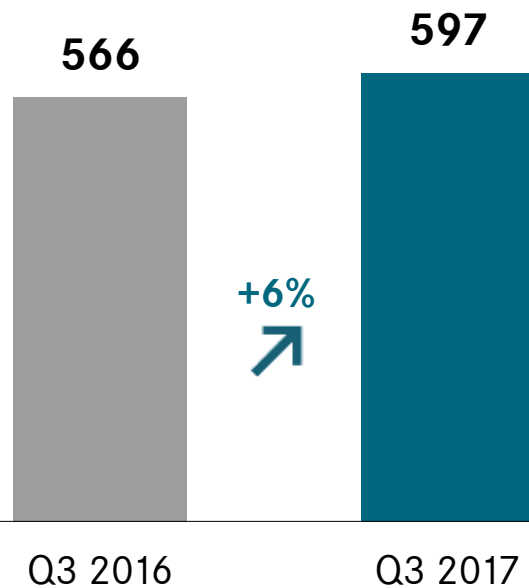
Development at the divisions



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

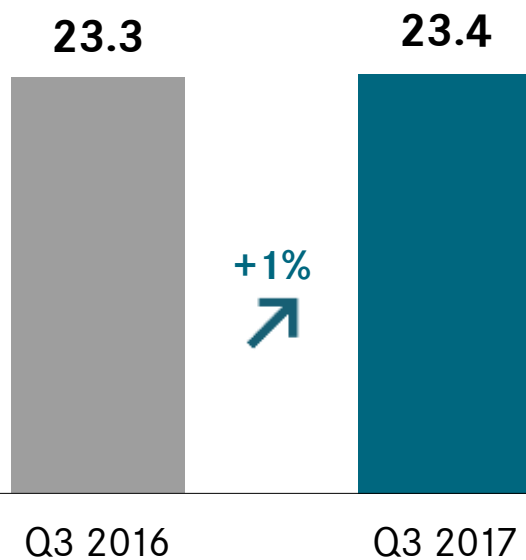
Unit sales

- in thousands of units -



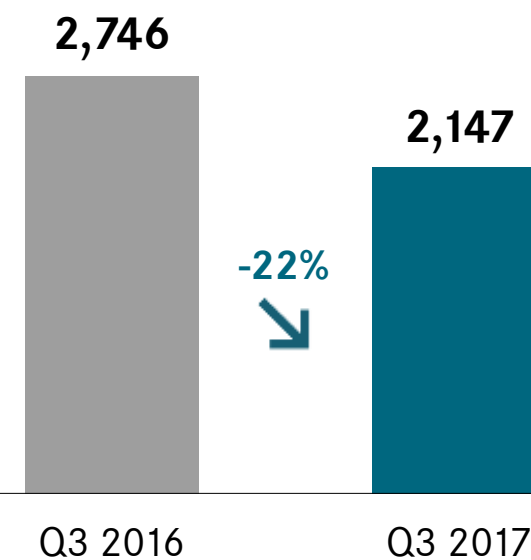
Revenue

- in billions of euros -



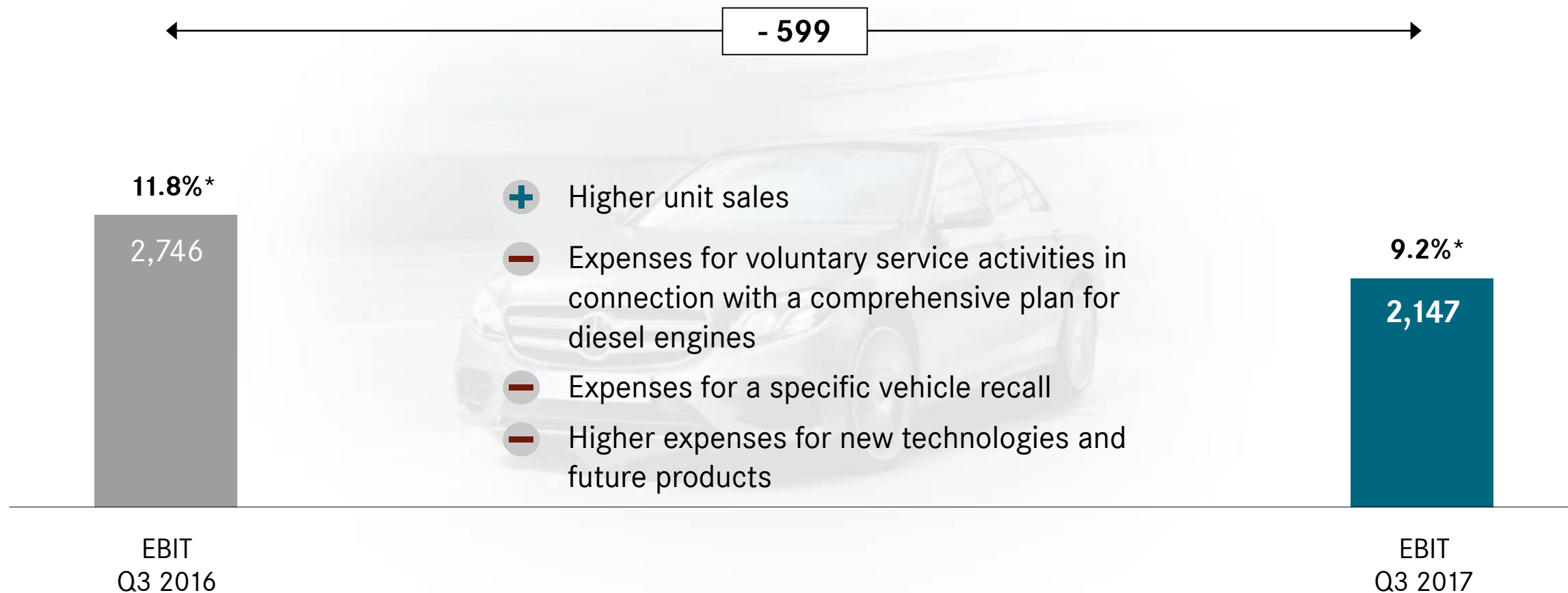
EBIT

- in millions of euros -



Mercedes-Benz Cars: EBIT

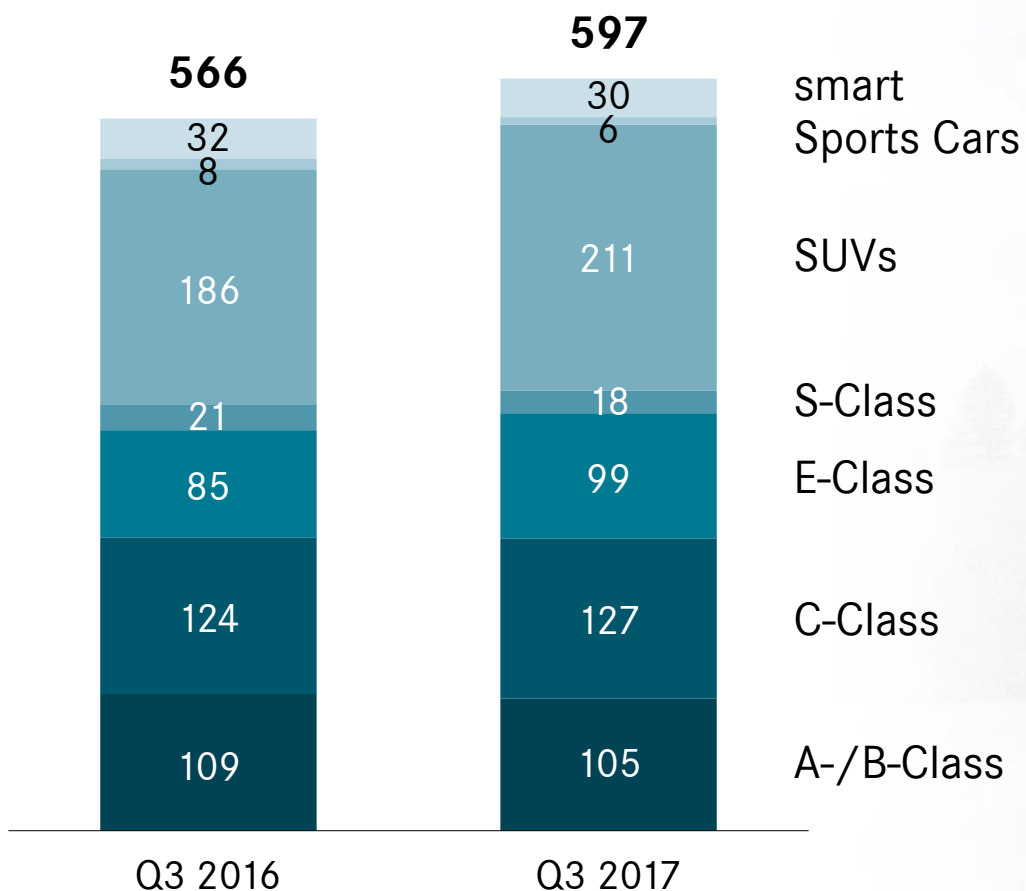
- in millions of euros -



* Return on sales

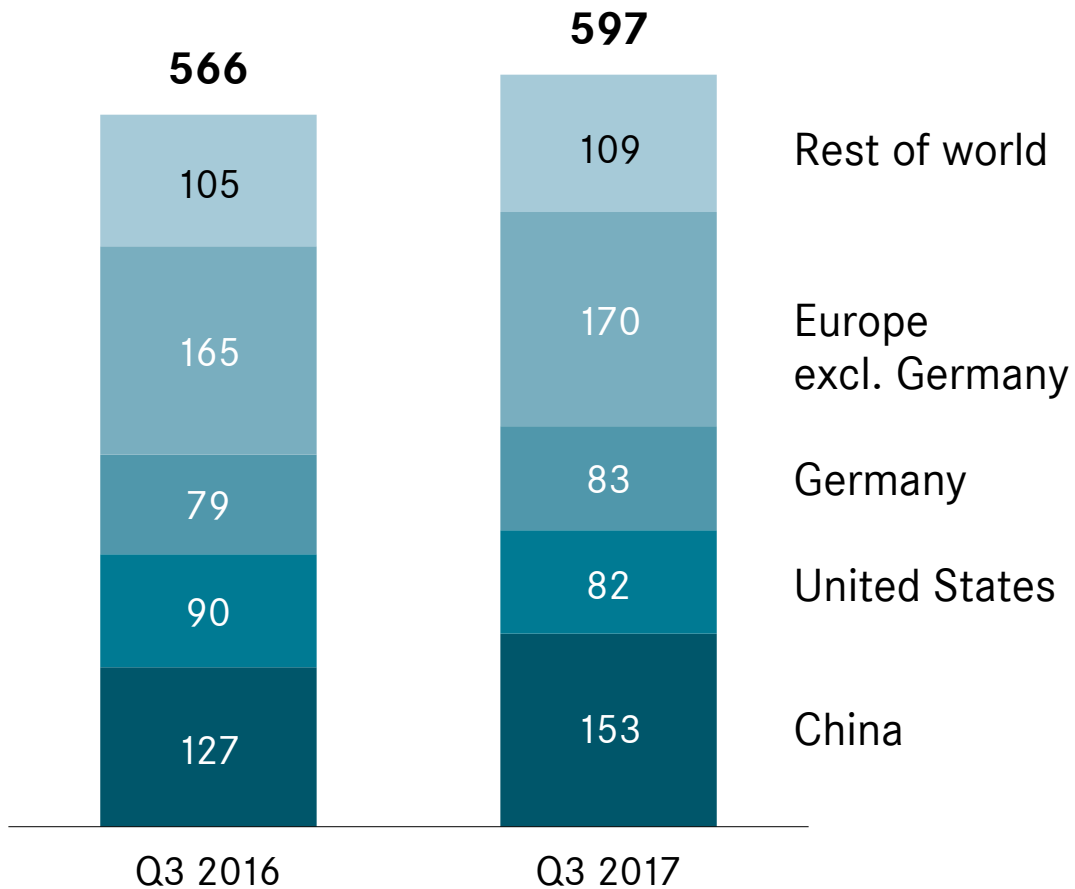
Mercedes-Benz Cars: sales increase by 6% reflecting our strong product line-up

- in thousands of units -



Mercedes-Benz Cars: globally balanced sales structure

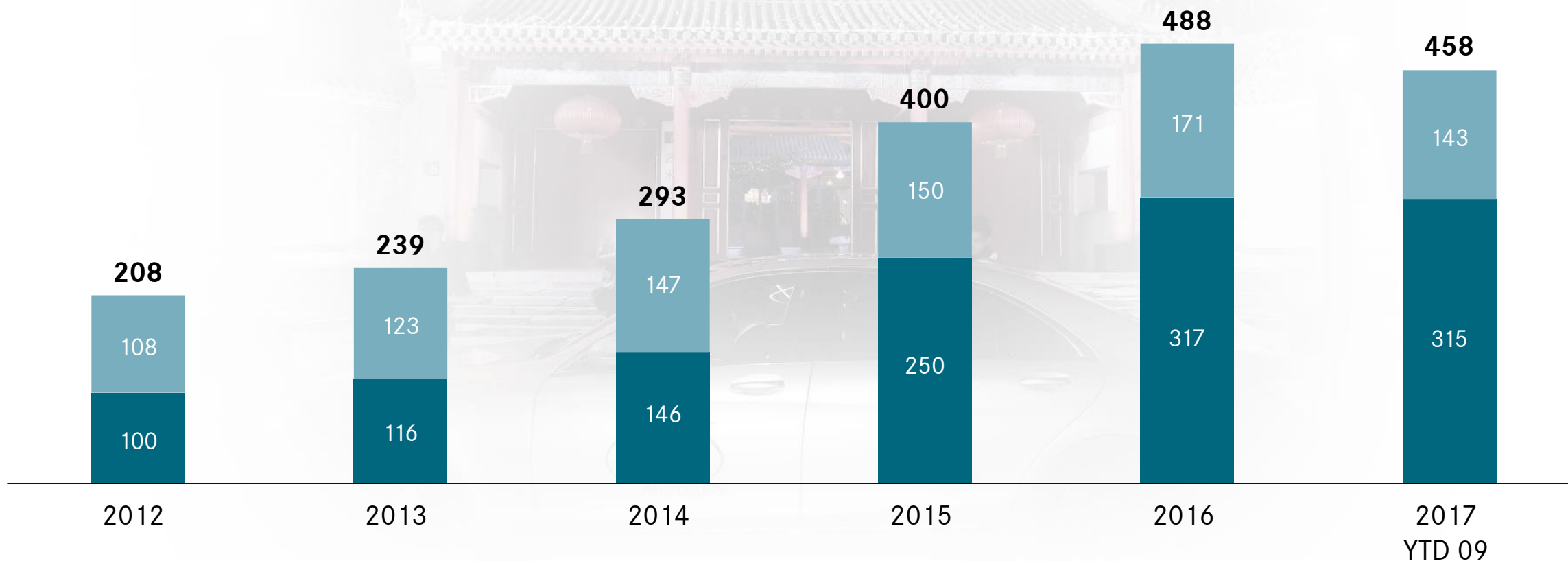
- in thousands of units -



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

- in thousands of units -

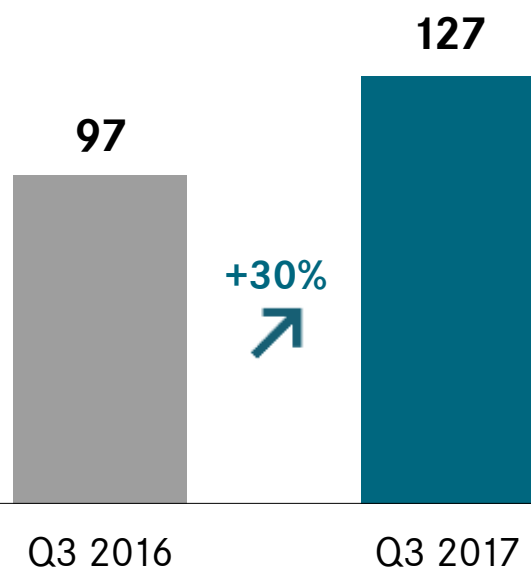
imported
locally produced



Daimler Trucks: EBIT positively impacted by higher unit sales

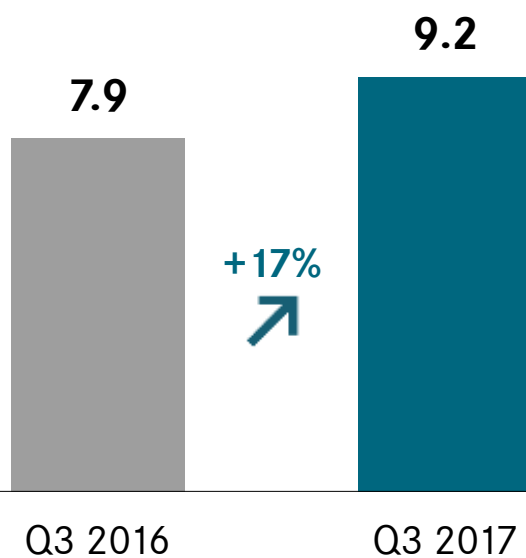
Unit sales

- in thousands of units -



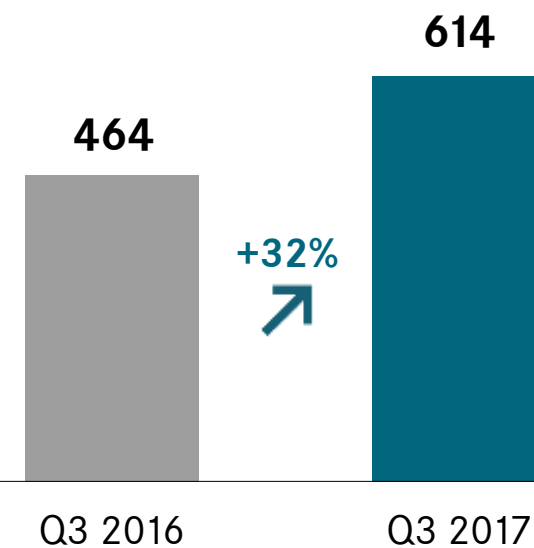
Revenue

- in billions of euros -



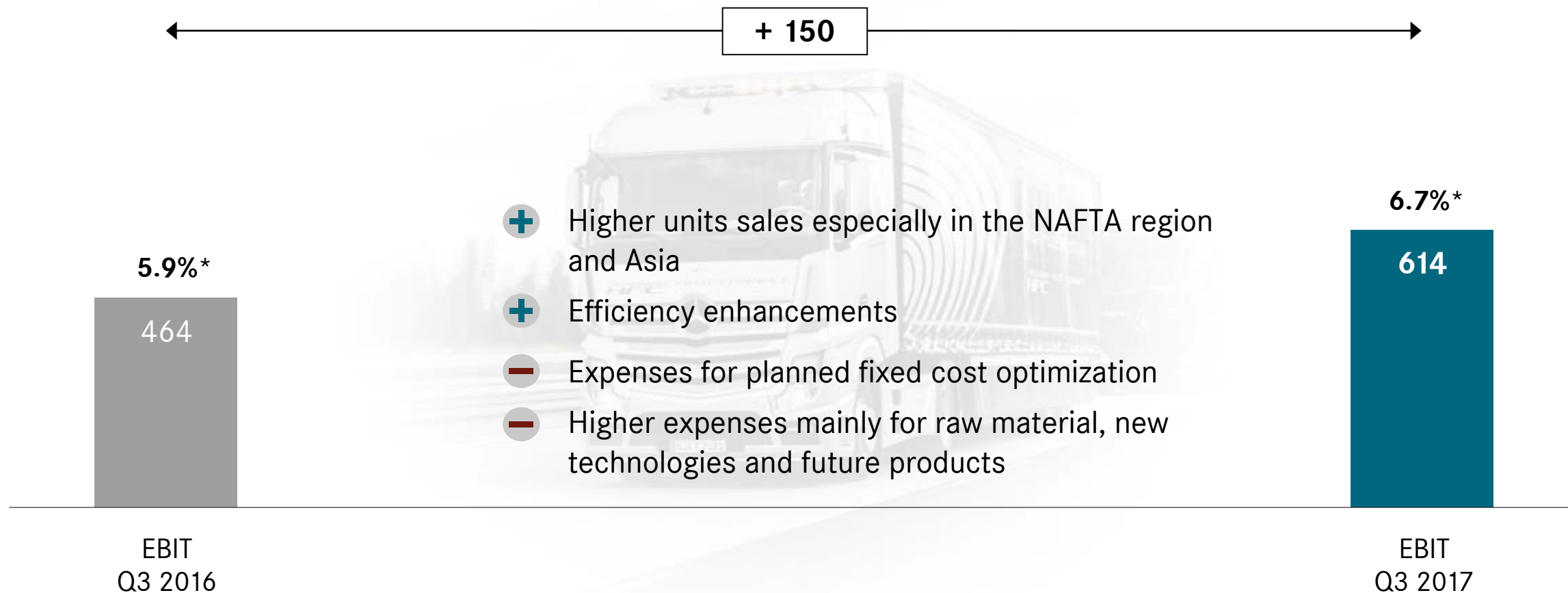
EBIT

- in millions of euros -



Daimler Trucks: EBIT

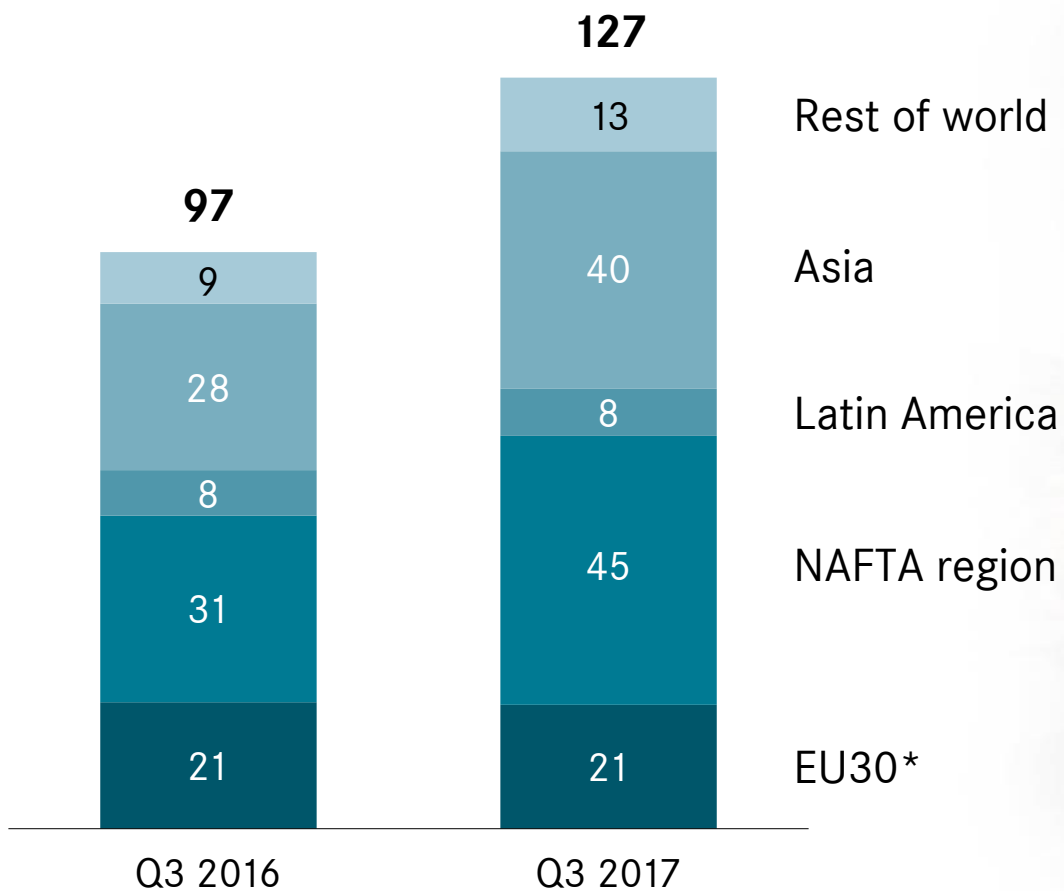
- in millions of euros -



* Return on sales

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

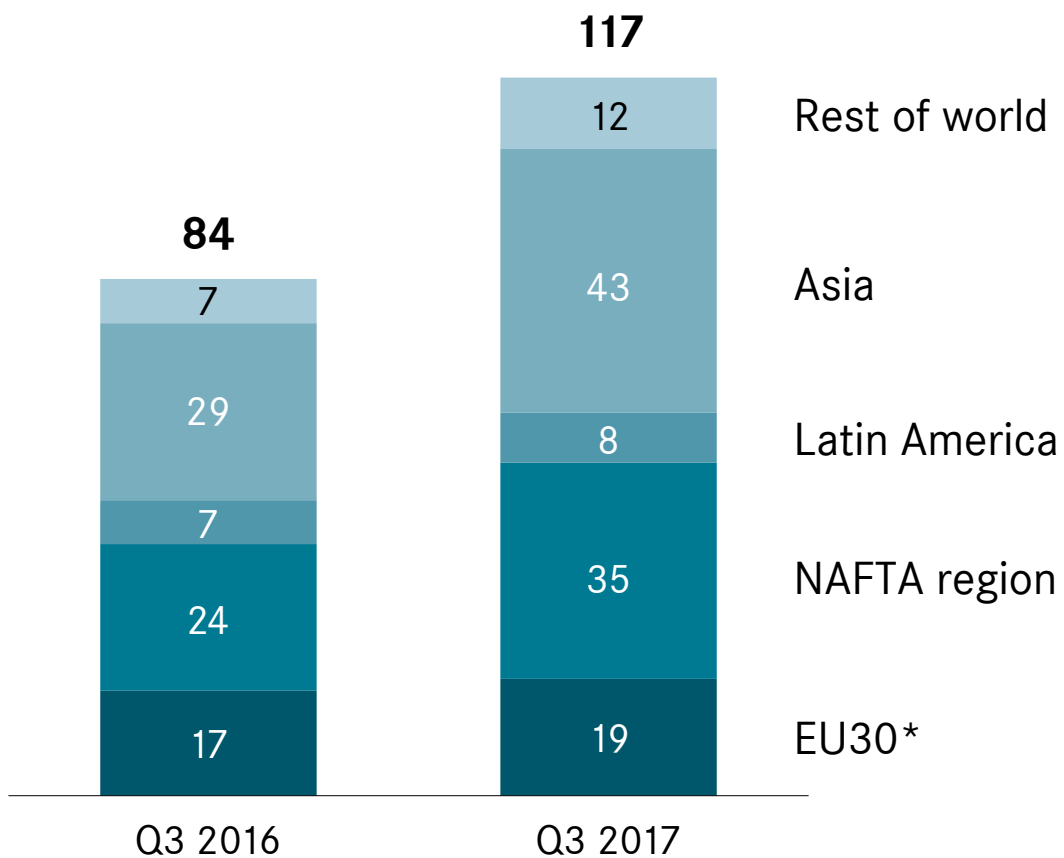
- in thousands of units -



* European Union, Switzerland and Norway

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

- in thousands of units -



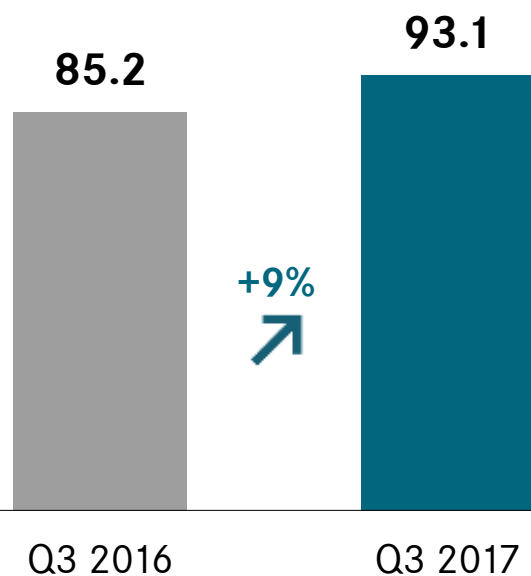
* European Union, Switzerland and Norway



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

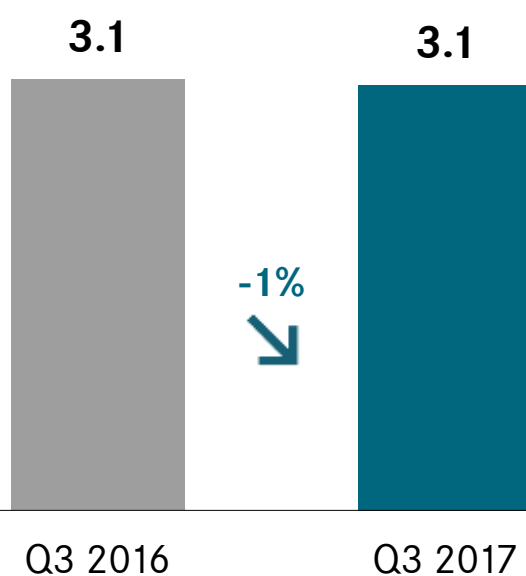
Unit sales

- in thousands of units -



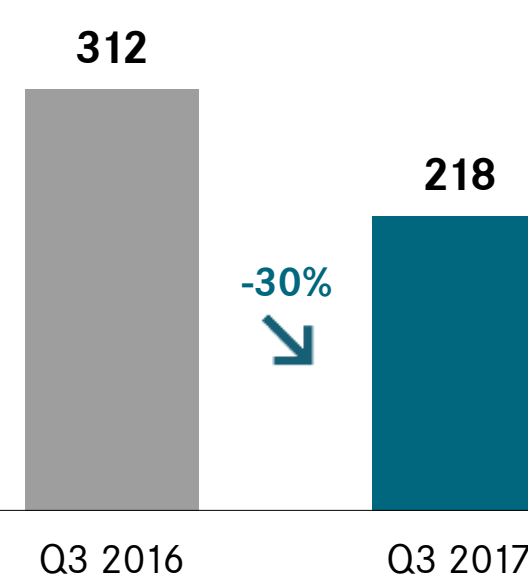
Revenue

- in billions of euros -



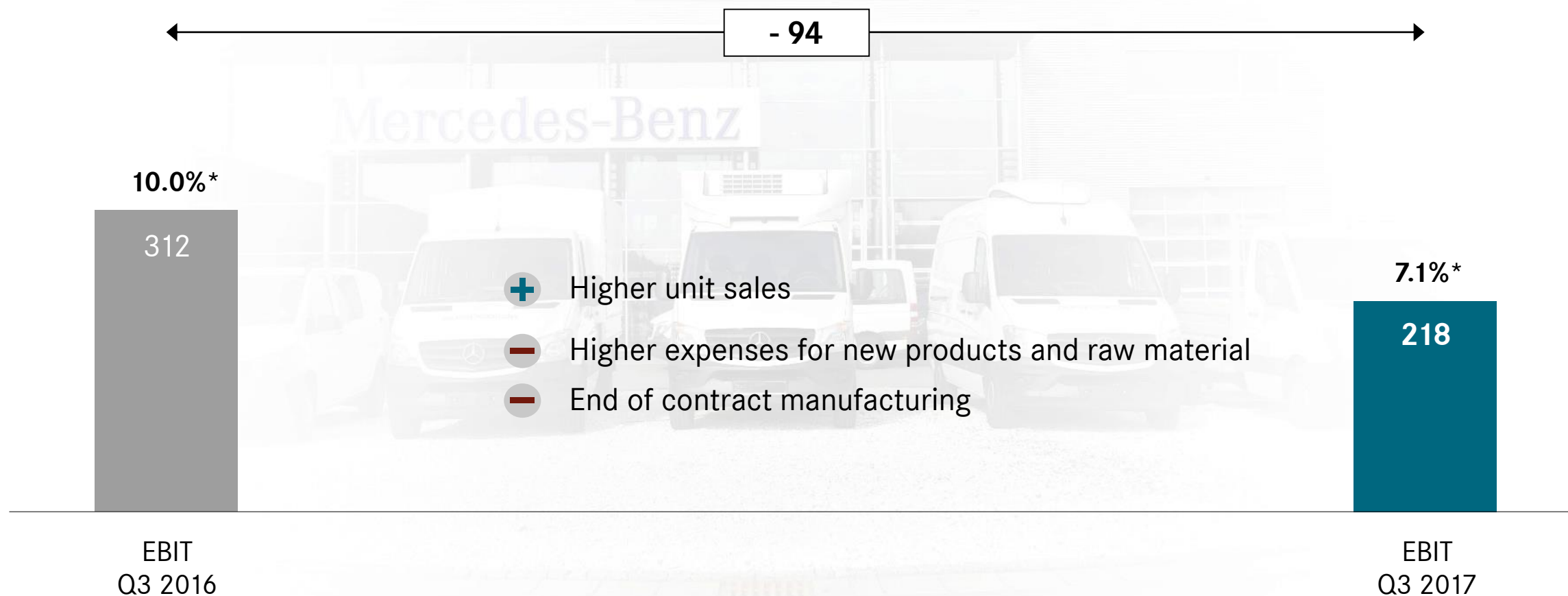
EBIT

- in millions of euros -



Mercedes-Benz Vans: EBIT

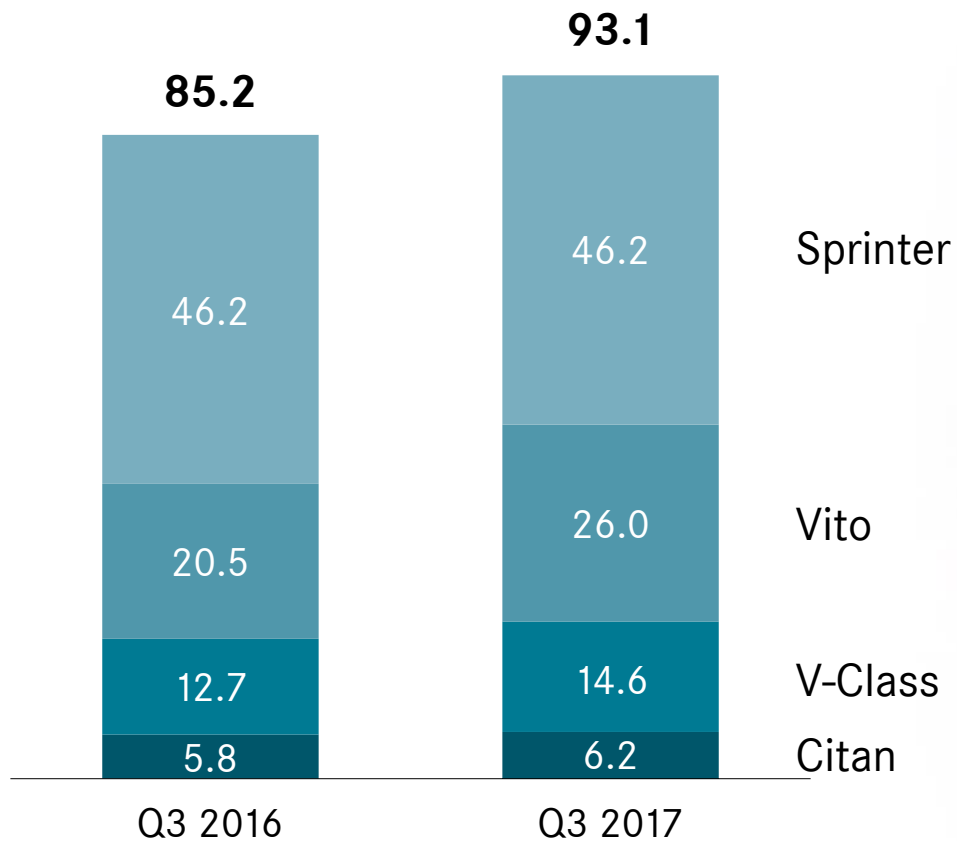
- in millions of euros -



* Return on sales

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

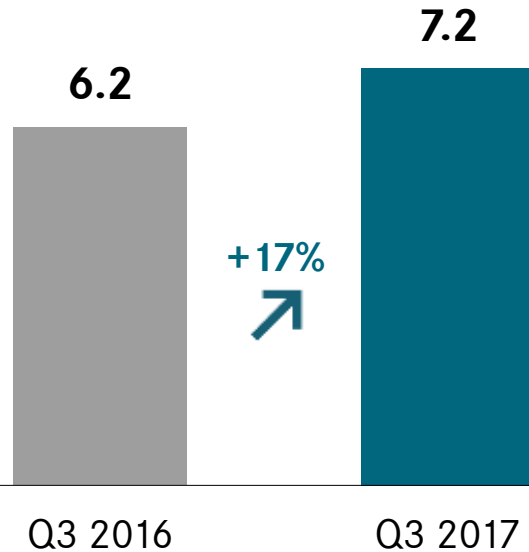
- in thousands of units -



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

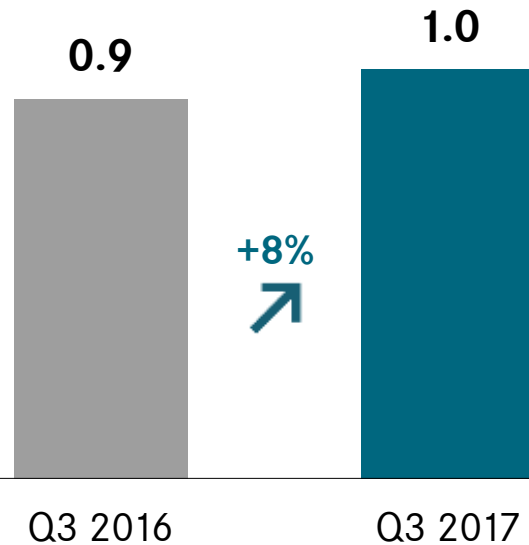
Unit sales

- in thousands of units -



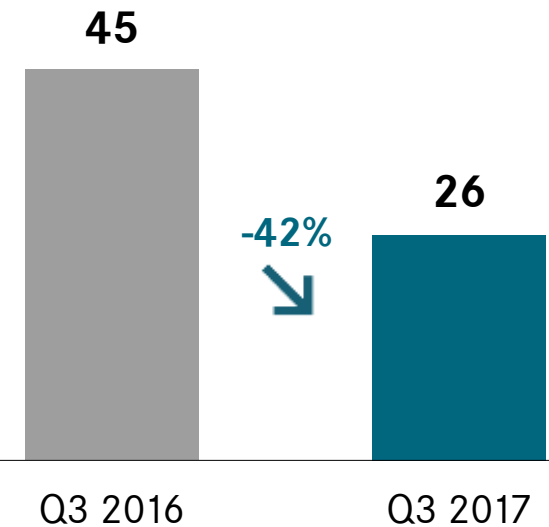
Revenue

- in billions of euros -



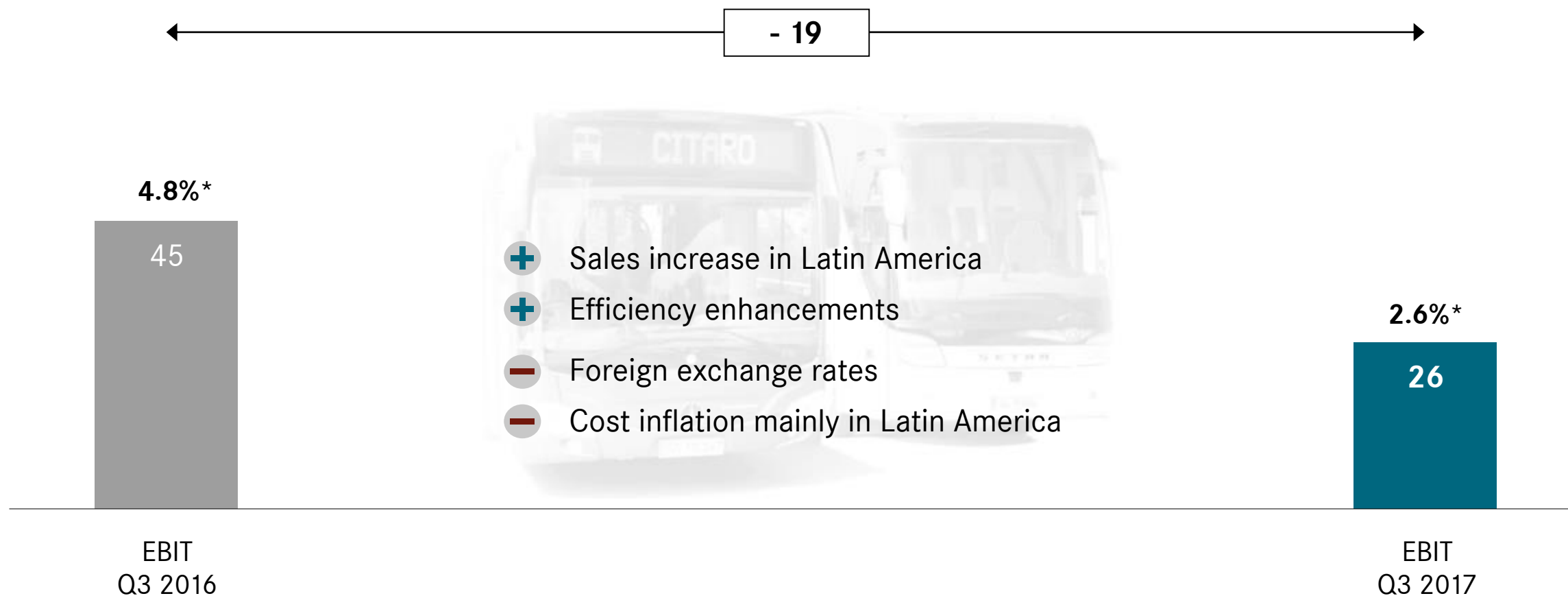
EBIT

- in millions of euros -



Daimler Buses: EBIT

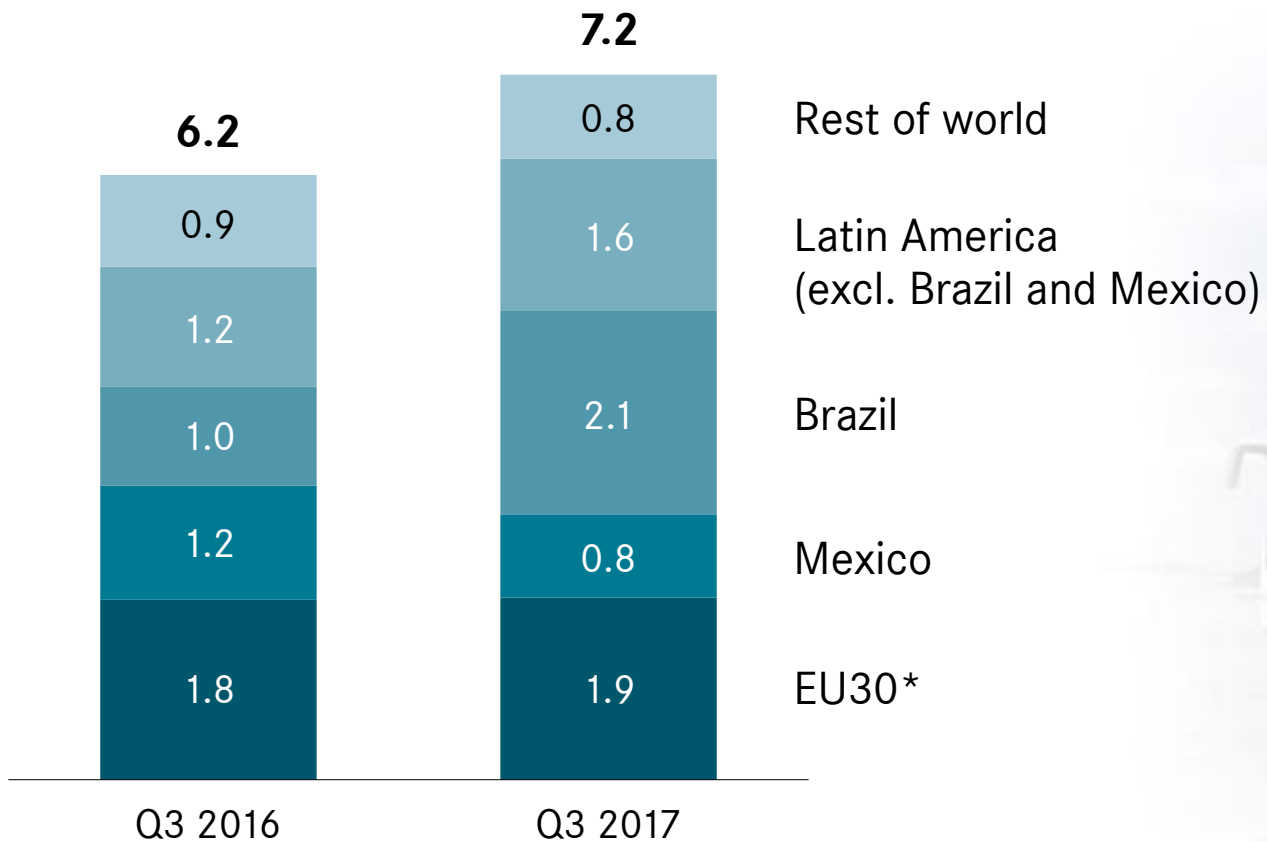
- in millions of euros -



* Return on sales

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

- in thousands of units -



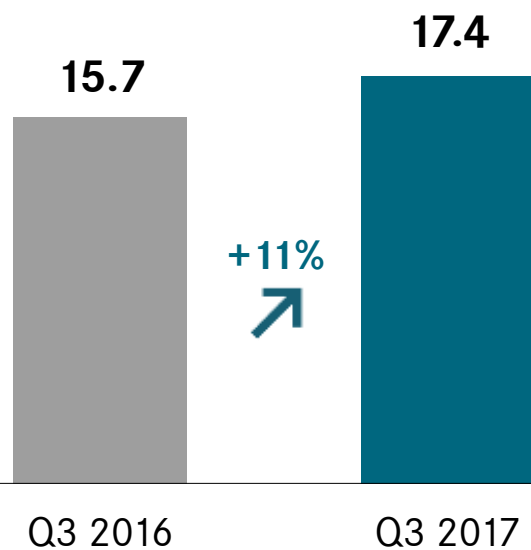
* European Union, Switzerland and Norway



Daimler Financial Services: further business growth

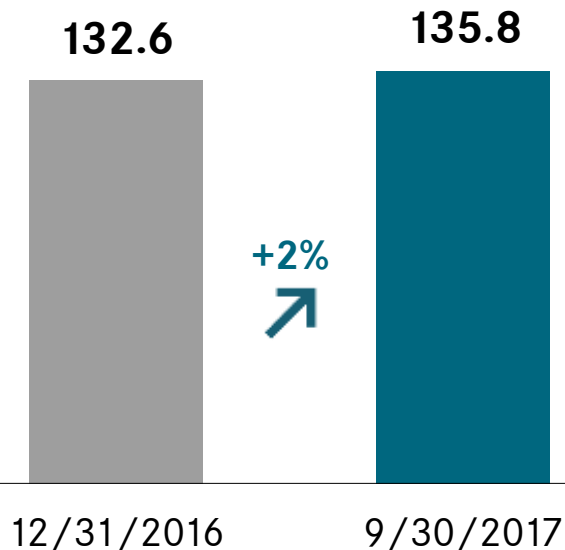
New business

- in billions of euros -



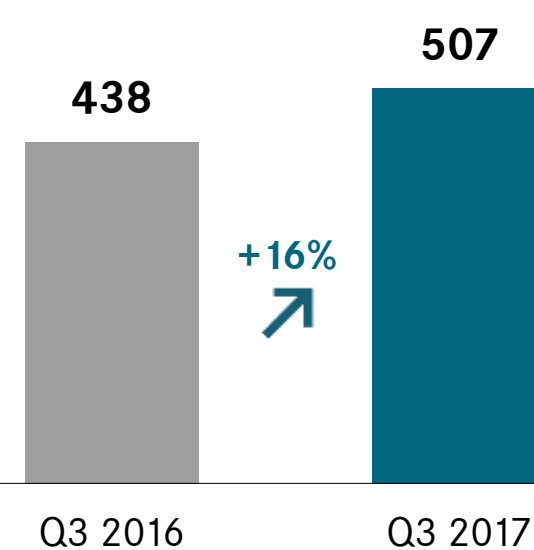
Contract volume

- in billions of euros -



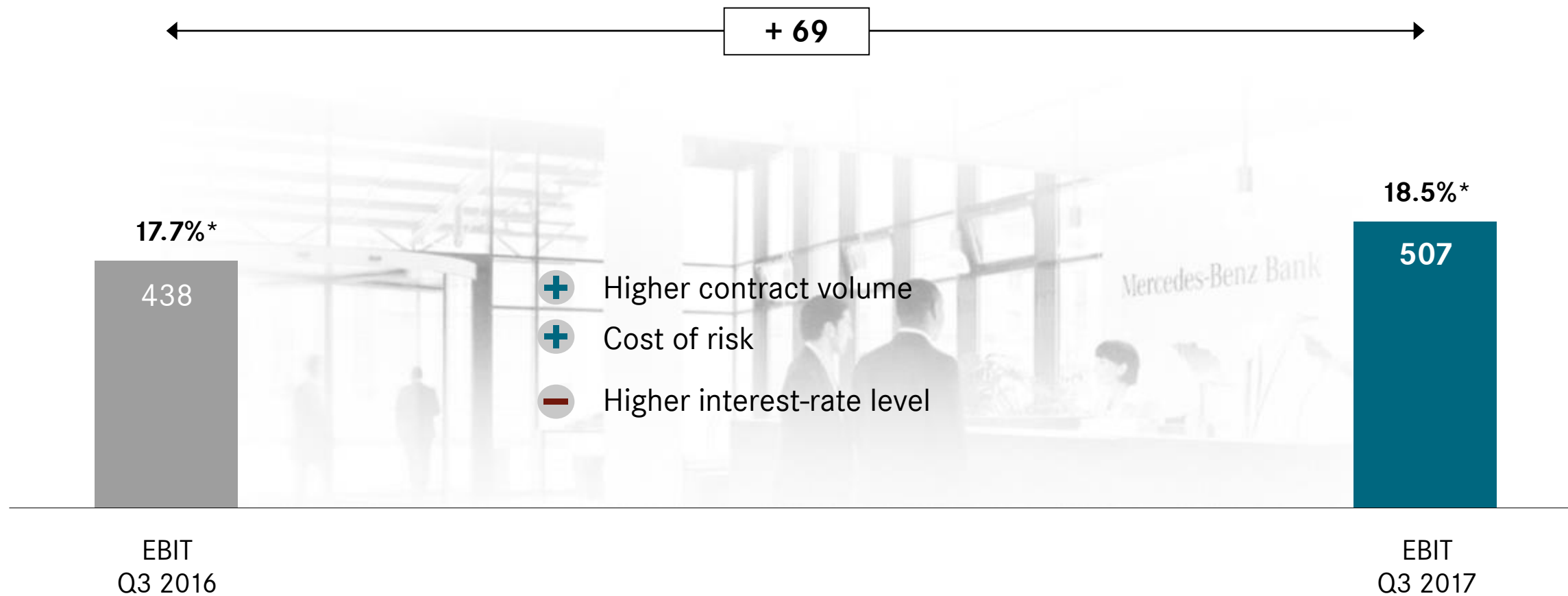
EBIT

- in millions of euros -



Daimler Financial Services: EBIT

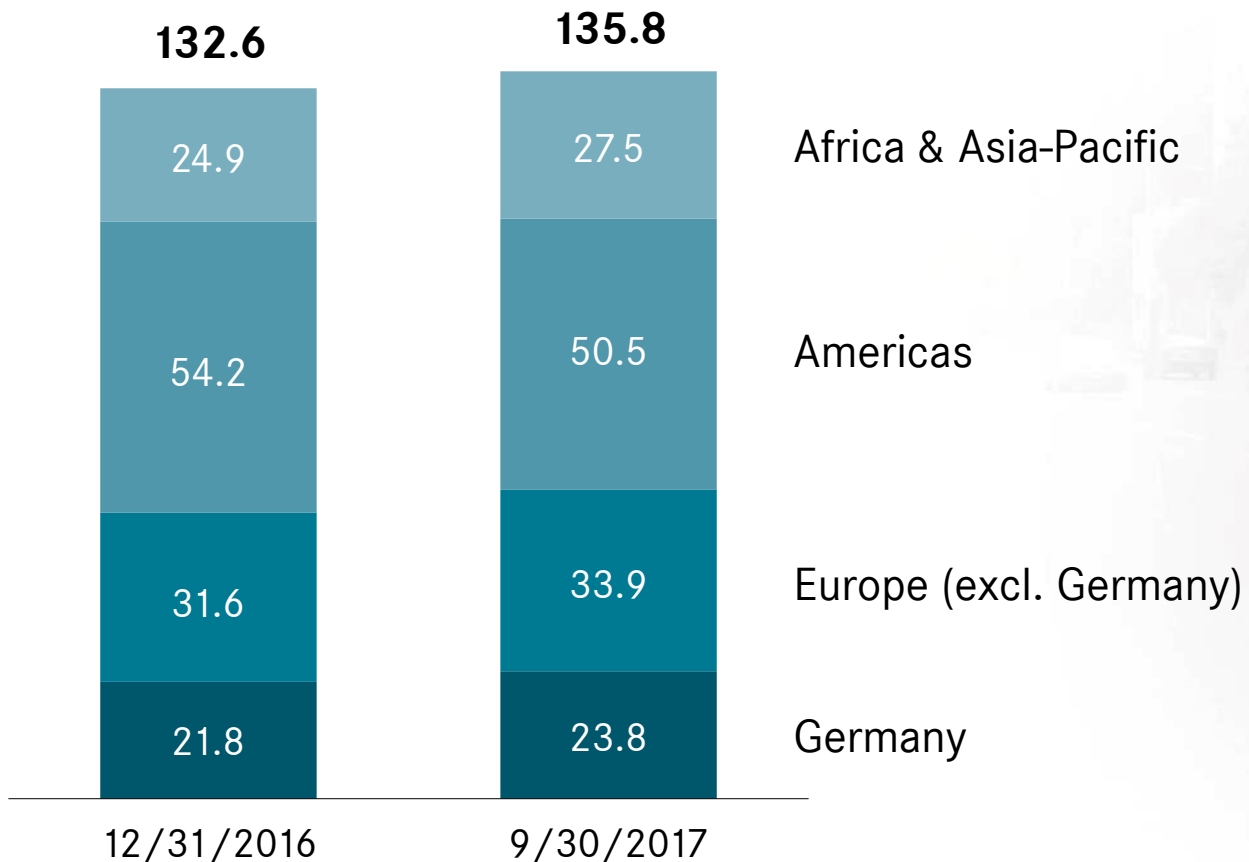
- in millions of euros -



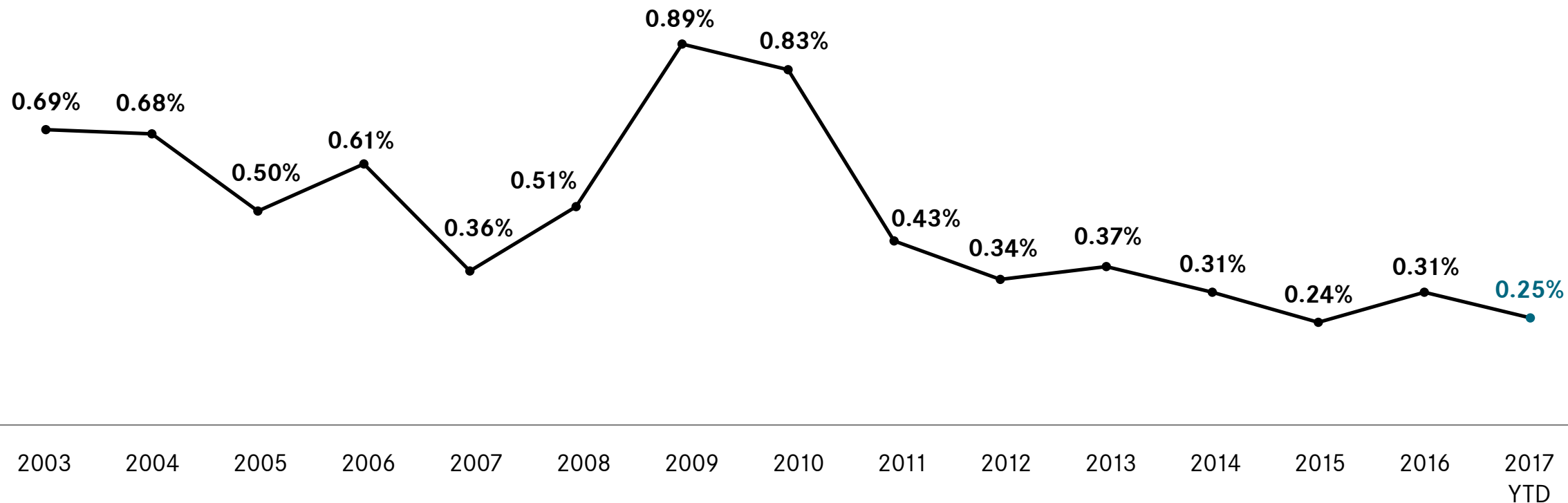
* Return on equity

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

- in billions of euros -



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



* as a percentage of portfolio, subject to credit risk

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.