

# DAIMLER

## Q3 and January-September 2018 Results

Bodo Uebber

Member of the Board of Management

Finance & Controlling and Daimler Financial Services

October 25, 2018

# Contents

**Results for Q3 2018**

Outlook for 2018

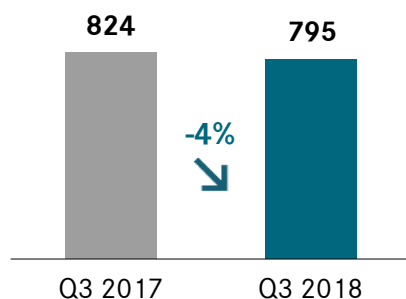
Development at the divisions



# Highlights of Q3 2018

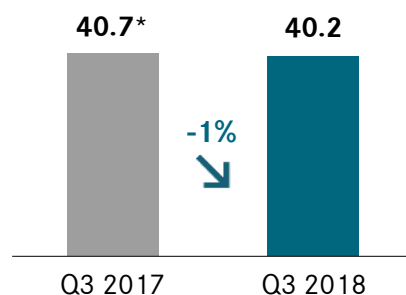
## Unit sales

- in thousands of units -



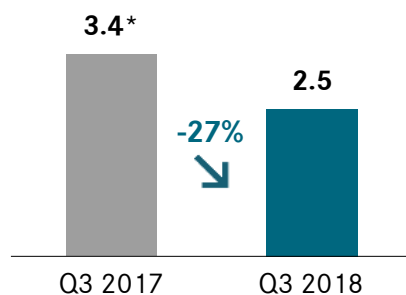
## Revenue

- in billions of euros -



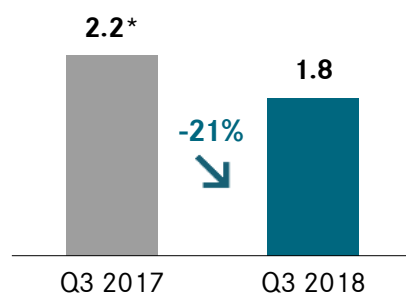
## EBIT

- in billions of euros -



## Net profit

- in billions of euros -



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World premiere of the new, fully-electric EQC\*\*

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Presentation of the new A-Class sedan, B-Class and GLE

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World premiere of the new Mercedes-Benz Actros with Active Drive Assist

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Presentation of Mercedes-Benz eActros and eCitaro, FUSO eCanter, E-FUSO Vision One, Thomas Built Buses Jouley at the IAA

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Mercedes-Benz Vans opens new Sprinter plant in South Carolina for the North American market

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Daimler Financial Services is set to become a partner and investor in used-vehicle platform heycar

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Board of Management and Supervisory Board of Daimler AG approve new divisional structure of the Group

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

\*\* electricity consumption combined: 22.2 kWh/100 km; CO<sub>2</sub> emissions combined: 0 g/km, preliminary figures (for further information see page 13)

# Support of the German federal government's concept for cleaner air

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Mercedes-Benz offers an exchange premium for diesel vehicles up to €10,000 in 14 priority regions in Germany

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The trade-in program will be supplemented by attractive financing and leasing offers

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The package of measures builds on the existing plan to strengthen the future of the Diesel engine that has been in effect since July 2017

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Daimler will also participate in a federal government's hardware retrofit program of which the exact specifications are still to be clarified

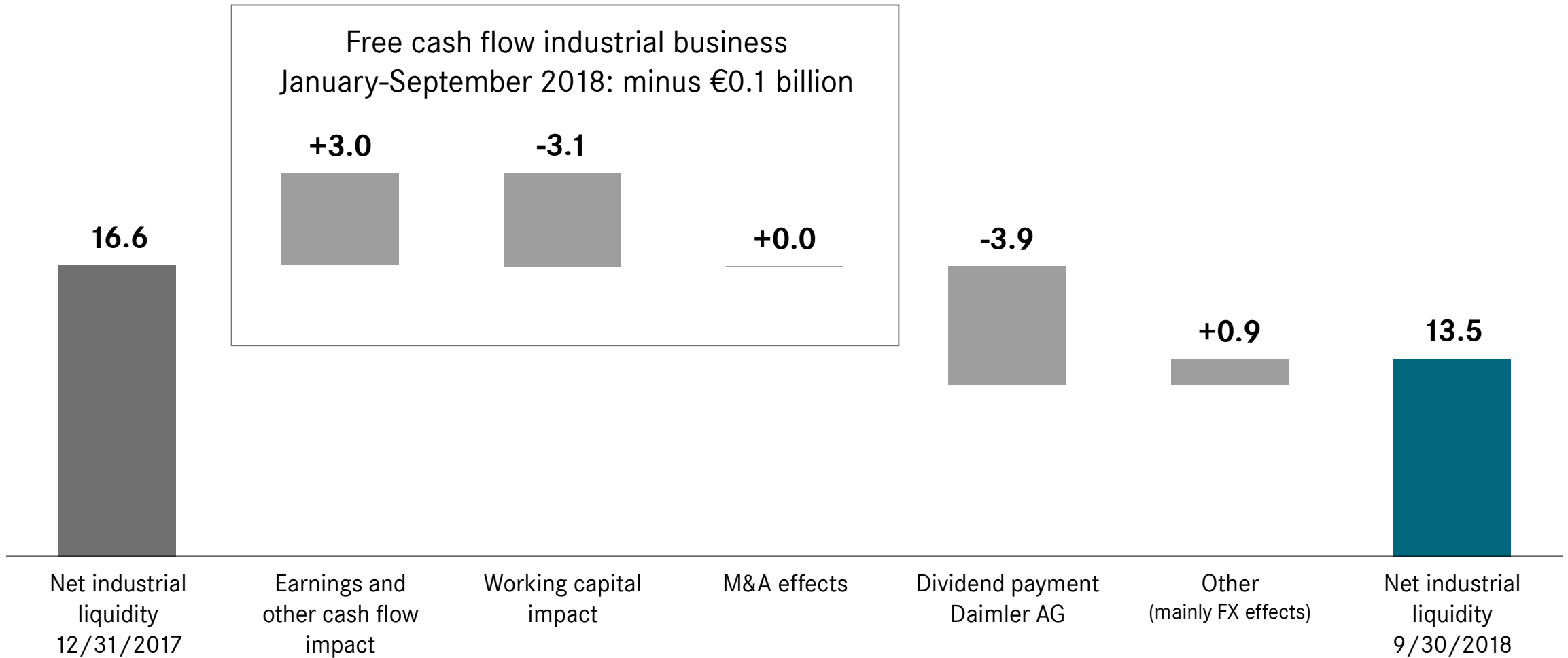
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The measures further improve air quality while ensuring that car drivers retain their individual mobility

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# High level of net liquidity

- in billions of euros -



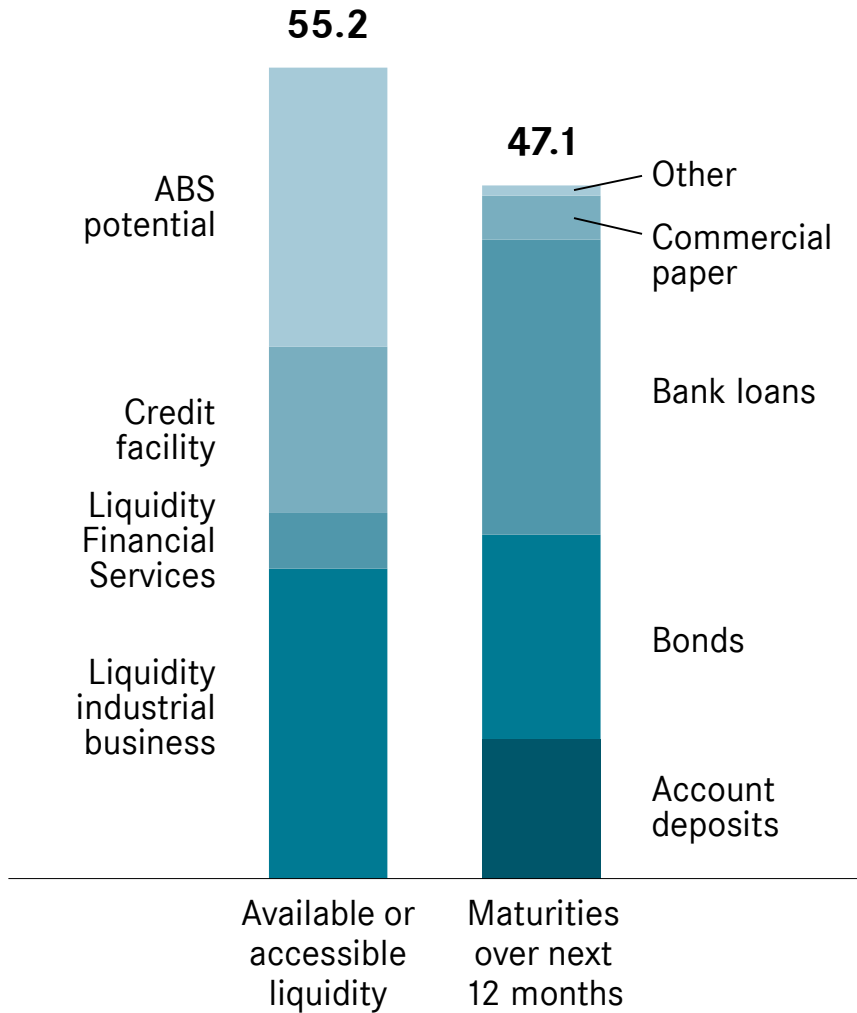
# Key balance sheet and financial figures

<b>Daimler Group</b>	Dec. 31, 2017	Sept. 30, 2018
Equity ratio	24.0%	<b>23.7%</b>
Gross liquidity	22.1	<b>24.9</b>
Funded status of pension obligations	-4.5	<b>-4.8</b>
<i>Funding ratio</i>	<i>86%</i>	<i><b>85%</b></i>
<b>Industrial business</b>		
Equity ratio	46.4%	<b>45.3%</b>
Net liquidity	16.6	<b>13.5</b>
Free cash flow (January-September)	5.8	<b>-0.1</b>

in billions of euros

# Financial flexibility over a 12-month period

- in billions of euros -




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

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

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

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

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

# Units sales by division

	Q3 2017	Q3 2018	% change
<b>Daimler Group</b>	824.1	<b>794.7</b>	-4
of which			
Mercedes-Benz Cars	597.3	<b>559.5</b>	-6
Daimler Trucks	126.6	<b>136.1</b>	+8
Mercedes-Benz Vans	93.1	<b>91.4</b>	-2
Daimler Buses	7.2	<b>7.7</b>	+7

in thousands of units



# Revenue by division

	Q3 2017*	Q3 2018	% change
<b>Daimler Group</b>	40.7	<b>40.2</b>	-1
of which			
Mercedes-Benz Cars	23.4	<b>21.7</b>	-7
Daimler Trucks	9.2	<b>10.0</b>	+9
Mercedes-Benz Vans	3.1	<b>3.0</b>	-2
Daimler Buses	1.0	<b>1.1</b>	+3
Daimler Financial Services	5.8	<b>6.3</b>	+7
<b>Contract volume of Daimler Financial Services**</b>	139.9	<b>148.8</b>	+6

in billions of euros

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

\*\* figures as of December 31, 2017 and September 30, 2018

# Revenue by region

	Q3 2017*	Q3 2018	% change
<b>Daimler Group</b>	40.7	<b>40.2</b>	-1
of which			
Europe	16.7	<b>16.2</b>	-3
<i>of which Germany</i>	5.8	<b>5.9</b>	+2
NAFTA	11.5	<b>11.7</b>	+2
<i>of which United States</i>	9.9	<b>10.1</b>	+2
Asia	9.9	<b>9.7</b>	-2
<i>of which China**</i>	4.6	<b>4.7</b>	+3
Other markets	2.6	<b>2.6</b>	+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

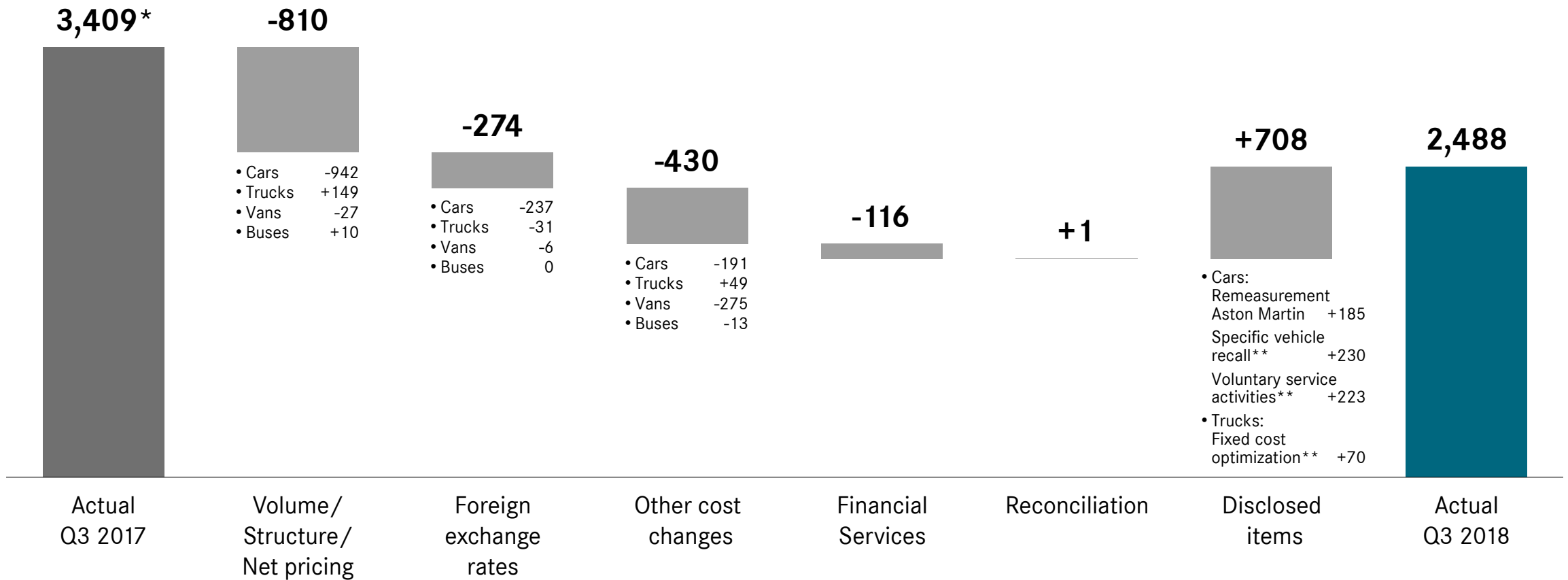
- EBIT in millions of euros; RoS/RoE in % -	Q3 2017*		Q3 2018	
	EBIT	RoS/RoE**	EBIT	RoS/RoE**
<b>Daimler Group</b>	3,409	8.3	<b>2,488</b>	<b>6.2</b>
of which				
Mercedes-Benz Cars	2,105	9.0	<b>1,372</b>	<b>6.3</b>
Daimler Trucks	614	6.7	<b>850</b>	<b>8.5</b>
Mercedes-Benz Vans	214	6.9	<b>-93</b>	<b>-3.1</b>
Daimler Buses	32	3.1	<b>30</b>	<b>2.8</b>
Daimler Financial Services	508	18.5	<b>392</b>	<b>12.5</b>
Reconciliation	-64	-	<b>-63</b>	<b>-</b>

\* 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 Q3 2018

- in millions of euros -



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

\*\* in Q3 2017

# Mercedes-Benz Cars: product highlights

World premiere of the new fully-electric EQC\*



\* electricity consumption combined: 22.2 kWh/100 km; CO<sub>2</sub> emissions combined: 0 g/km, preliminary figures (figures on electricity consumption and CO<sub>2</sub> emissions are preliminary and calculated by Technical Service. Figures on range are likewise preliminary. EC type approval and conformity certification with official figures are not yet available. The official figures may vary from those stated.)

# Mercedes-Benz Cars: product highlights

Presentation of the Mercedes-Benz A-Class Sedan



# Mercedes-Benz Cars: product highlights

Presentation of the new Mercedes-AMG A 35 4MATIC\*



\* combined fuel consumption: 7.4-7.3 l/100 km; combined CO<sub>2</sub> emissions: 169-167 g/km

# Mercedes-Benz Cars: product highlights

World premiere of the new Mercedes-Benz B-Class





# Mercedes-Benz Cars: product highlights

The new Mercedes-AMG C 63 family is available to order\*



\* combined fuel consumption: 10.4-9.9 l/100 km; combined CO<sub>2</sub> emissions: 236-227 g/km

# Mercedes-Benz Cars: product highlights

Sales launch of the new Mercedes-AMG GT 4-door Coupé



# Mercedes-Benz Cars: product highlights

Presentation of the new Mercedes-Benz GLE



# Daimler Trucks: product highlights

World premiere of the new Mercedes-Benz Actros with Active Drive Assist and MirrorCam



# Daimler Trucks: product highlights

Start of practical trials for the all-electric heavy-duty eActros truck



# Daimler Trucks: product highlights

The all-electric FUSO eCanter and the E-FUSO Vision One were presented at the IAA in Hanover



# Mercedes-Benz Vans: product highlights

## Presentation of the Concept Sprinter F-CELL



# Mercedes-Benz Vans: product highlights

The new Sprinter for the North American market will be produced in South Carolina





# Mercedes-Benz Vans: product highlights

Presentation of the Vision URBANETIC mobility concept



# Daimler Buses: product highlights

The new Mercedes-Benz Tourismo won the IBC competition 2018 and the Mercedes Benz Citaro hybrid is “Bus of the Year 2019”



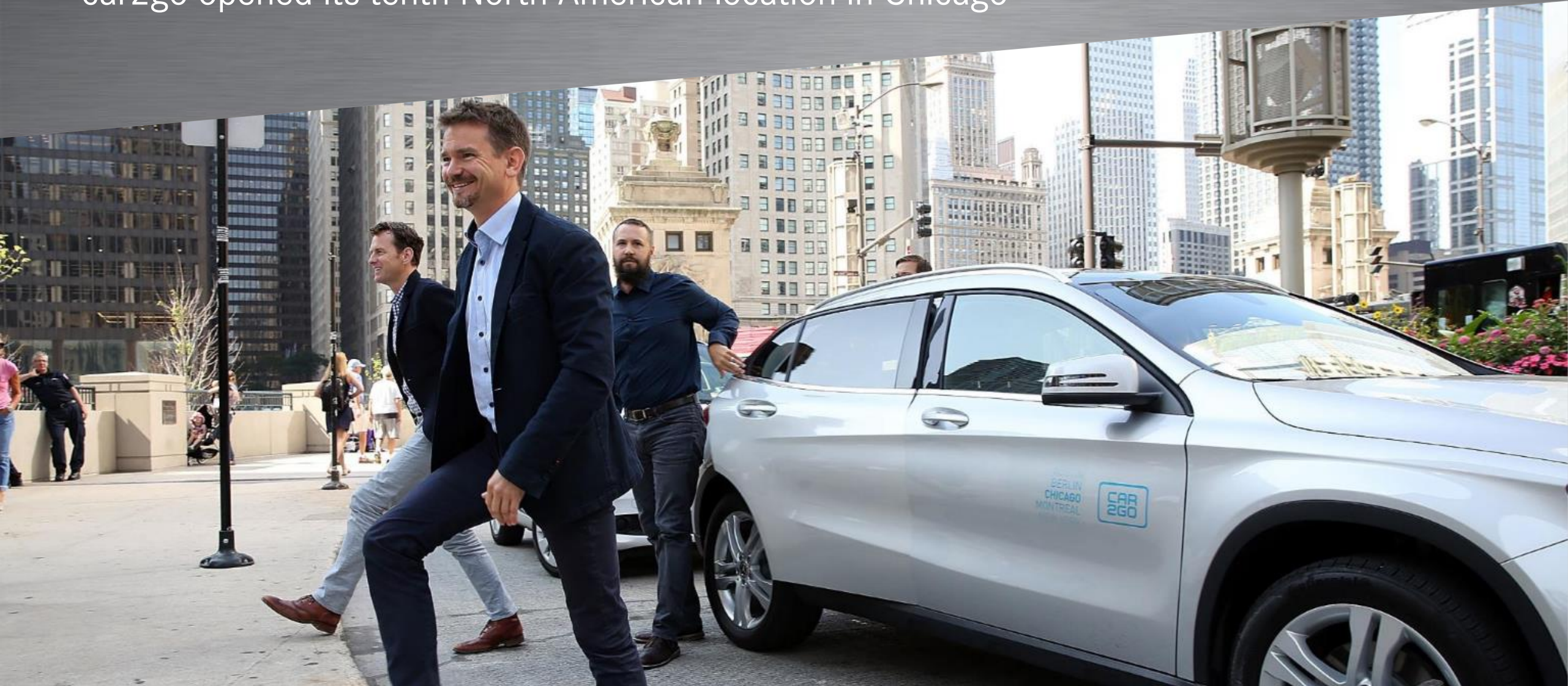
# Daimler Buses: product highlights

World premiere of the all-electric Mercedes-Benz eCitaro



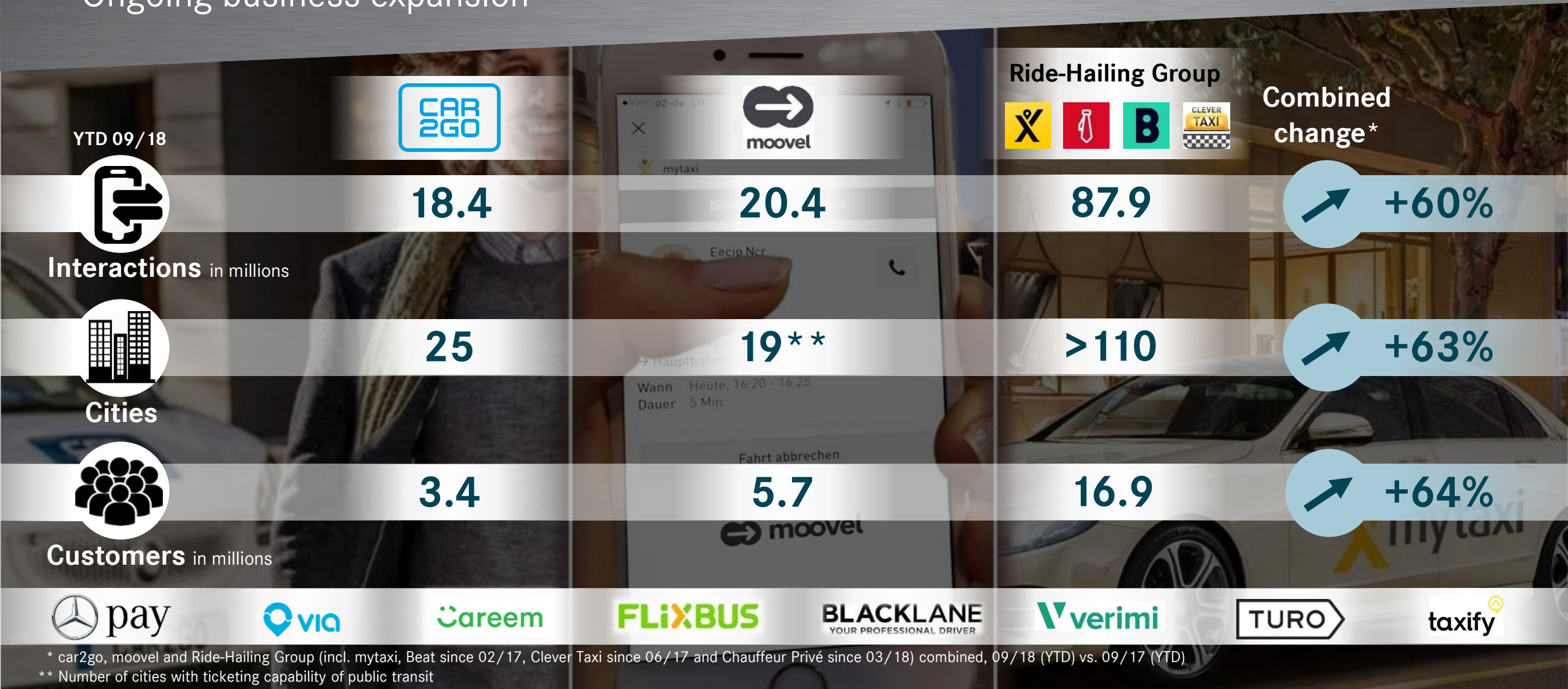
# Daimler Financial Services: product highlights

car2go opened its tenth North American location in Chicago



# Daimler Financial Services: highlights Mobility Services

Ongoing business expansion



\* car2go, moovel and Ride-Hailing Group (incl. mytaxi, Beat since 02/17, Clever Taxi since 06/17 and Chauffeur Privé since 03/18) combined, 09/18 (YTD) vs. 09/17 (YTD)  
 \*\* Number of cities with ticketing capability of public transit

# Contents

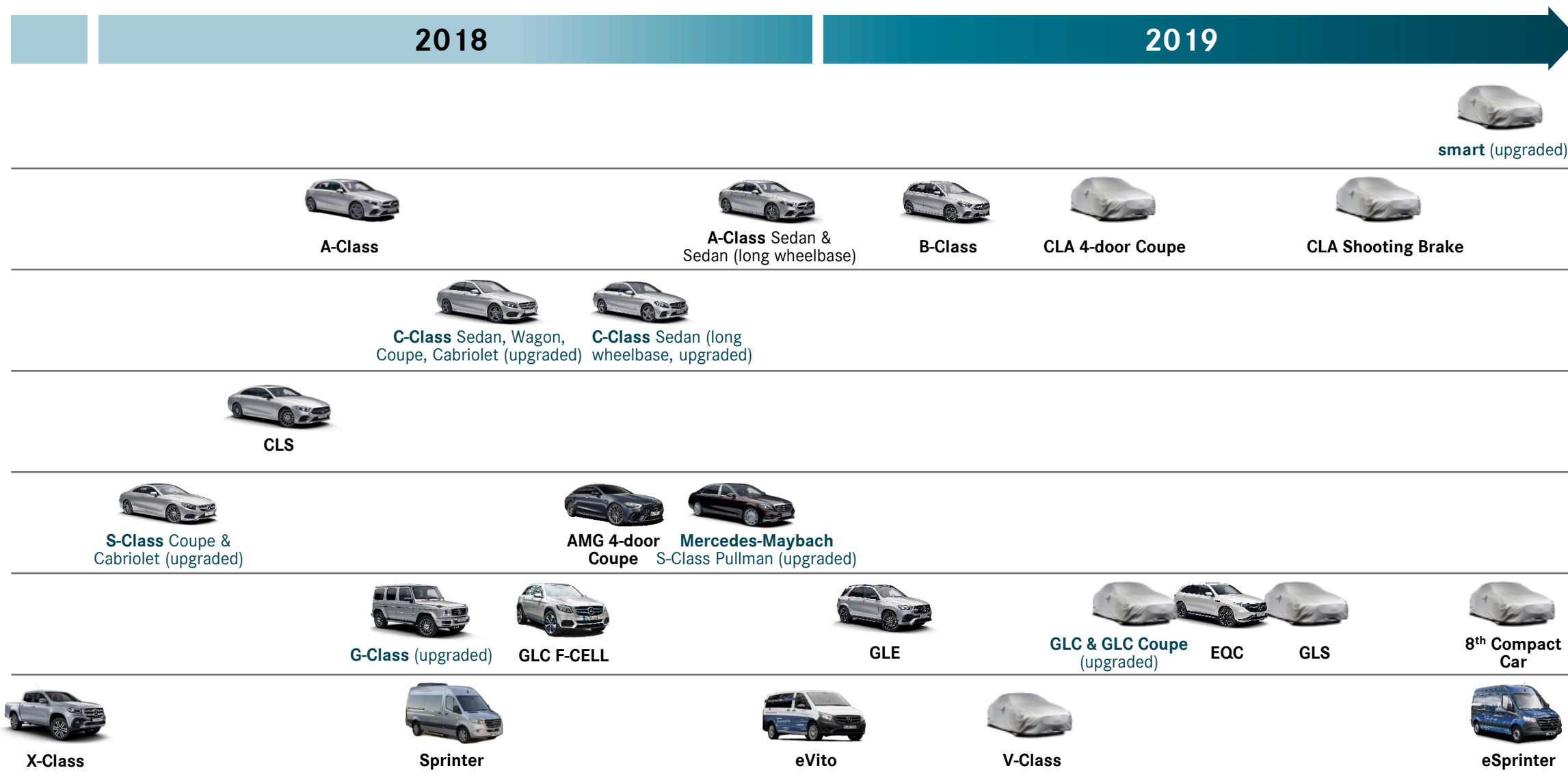
Results for Q3 2018

**Outlook for 2018**

Development at the divisions



# Mercedes-Benz Cars and Vans: continued product offensive



# 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	slight growth
	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

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Mercedes-Benz Cars

## **Unit sales around the prior-year level**

Supported by wide range of attractive and innovative vehicles  
Further growth in China

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Daimler Trucks

## **Significantly higher unit sales**

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

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Mercedes-Benz Vans

## **Significantly higher unit sales**

Slight growth in EU30 region, significant growth in China and the United States  
Growth momentum from new X-Class and new Sprinter

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Daimler Buses

## **Significantly higher unit sales**

Maintain market leadership in core markets  
Significant sales increase in EU30 region and further growth in Latin America

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# 2018 outlook for EBIT

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## DAIMLER

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

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Mercedes-Benz Cars

Significantly below the prior-year level

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Daimler Trucks

Significantly above the prior-year level

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Mercedes-Benz Vans

Significantly below the prior-year level

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Daimler Buses

Significantly below the prior-year level

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Daimler Financial Services

In the prior-year magnitude\*

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

# Contents

Results for Q3 2018

Outlook for 2018

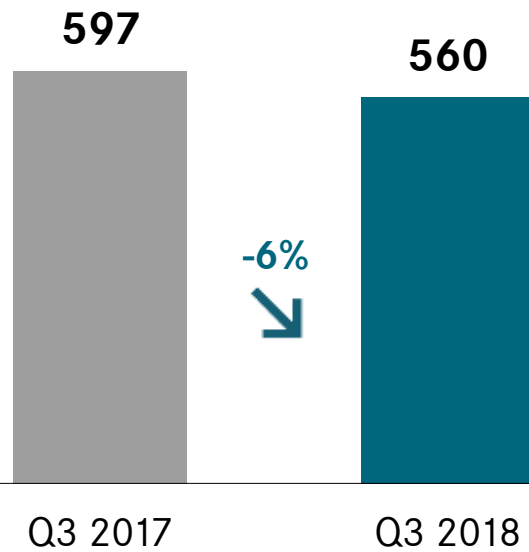
**Development at the divisions**



# Mercedes-Benz Cars

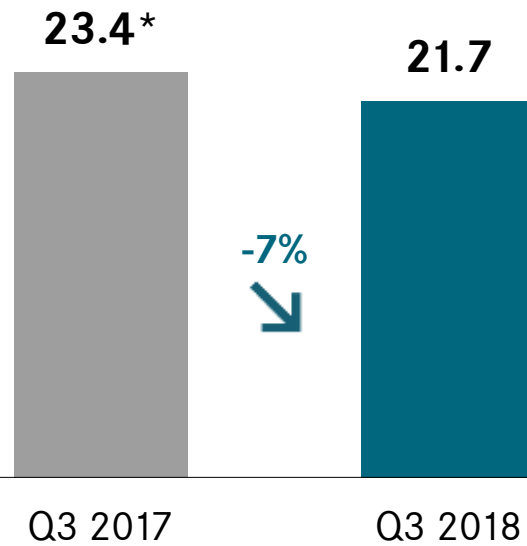
## Unit sales

- in thousands of units -



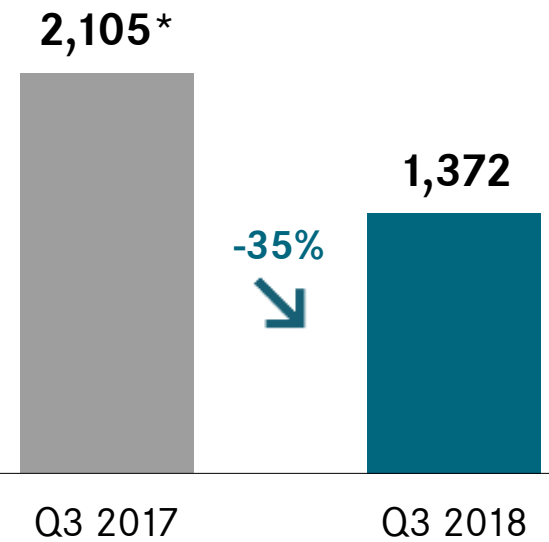
## Revenue

- in billions of euros -



## EBIT

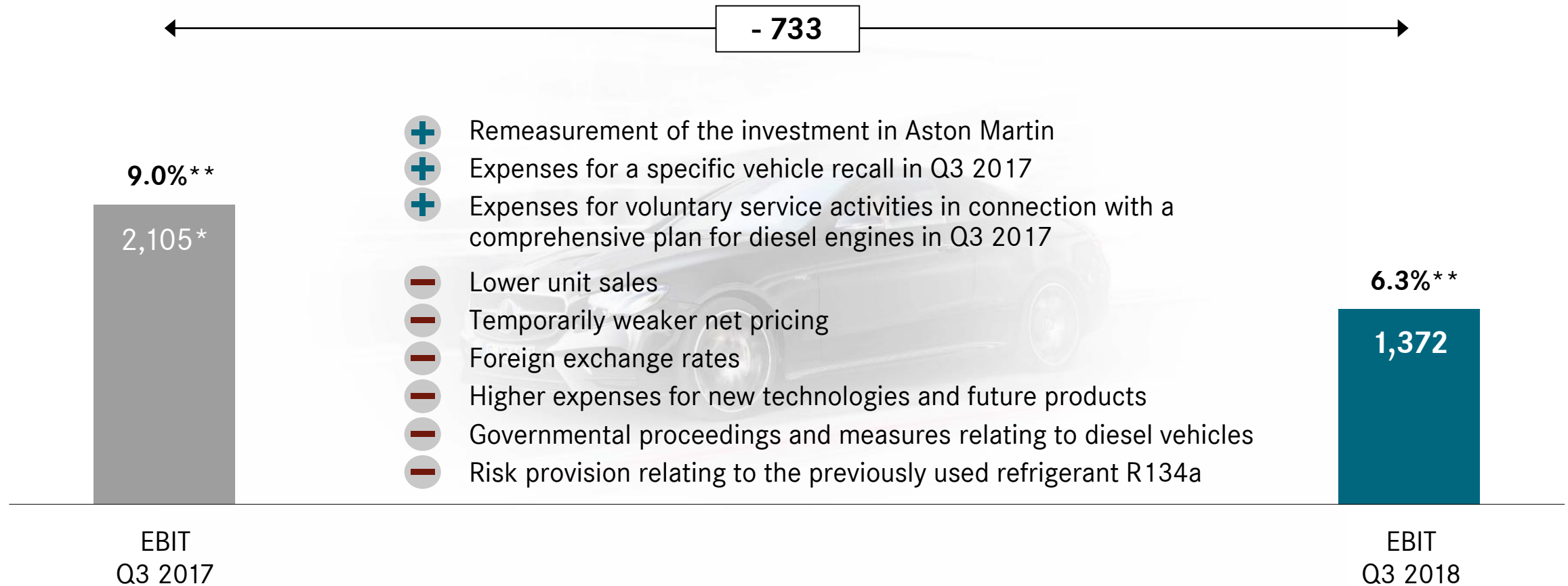
- in millions of euros -



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

# Mercedes-Benz Cars: EBIT

- in millions of euros -

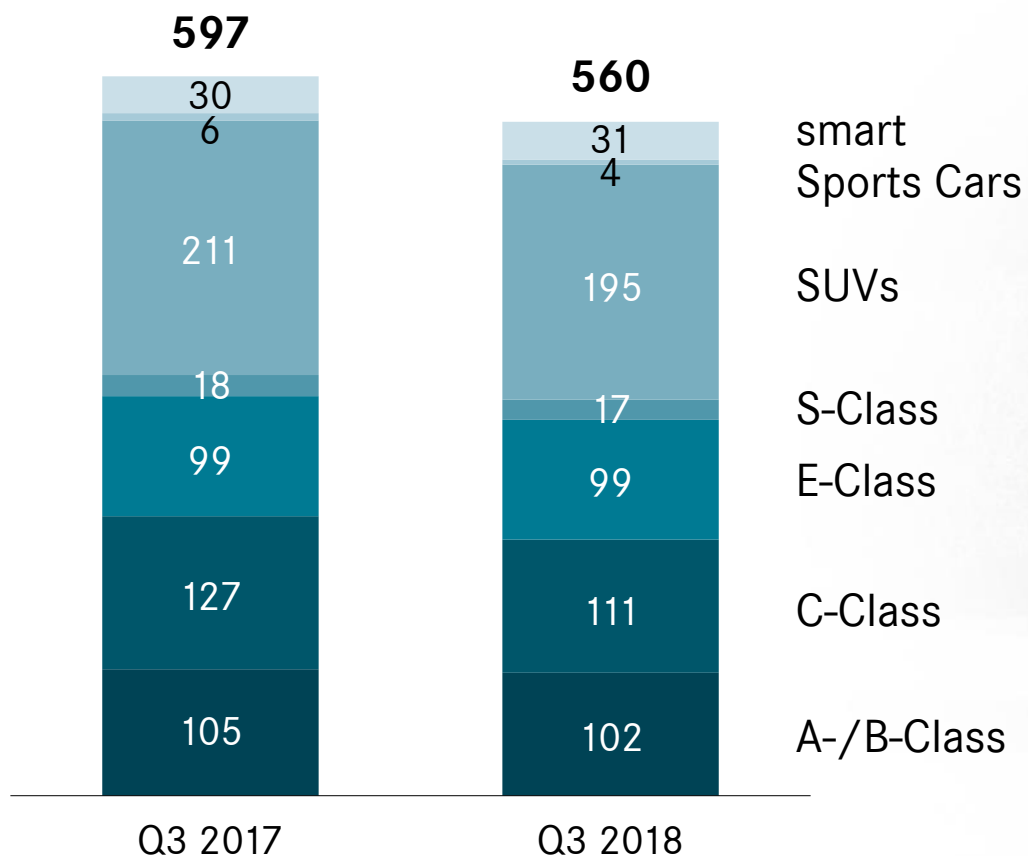


\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

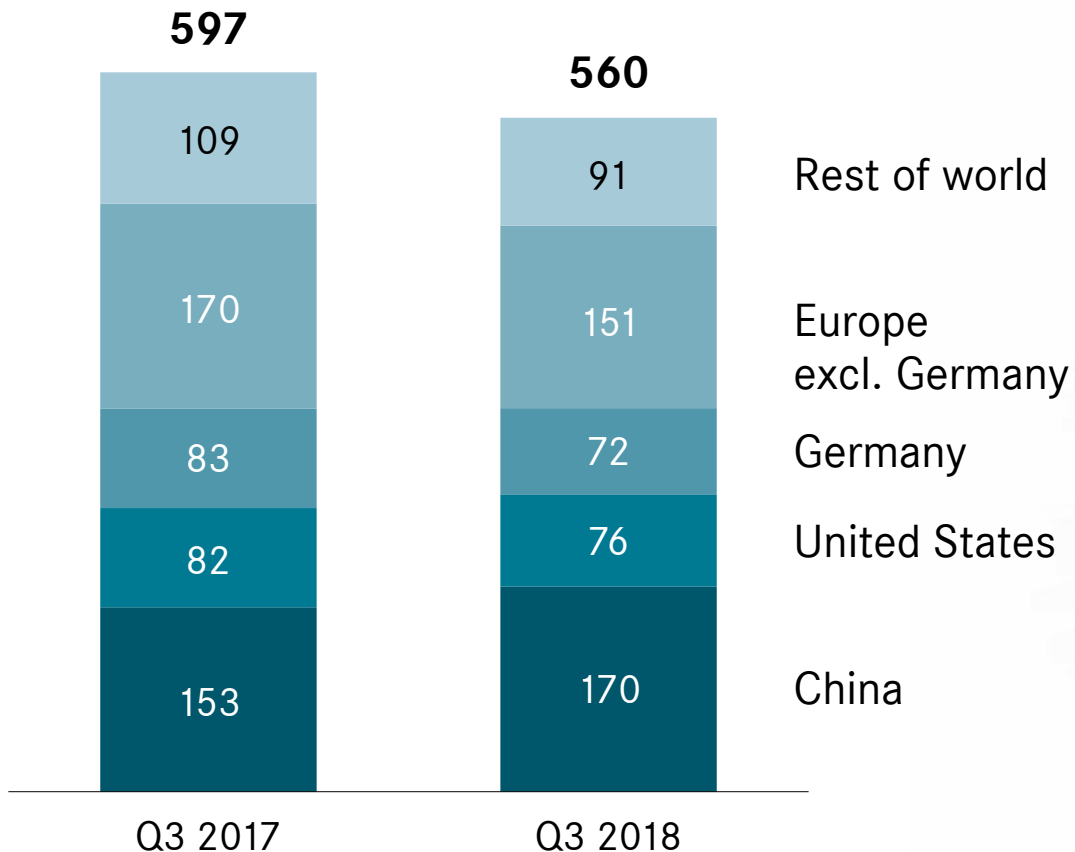
# Mercedes-Benz Cars: sales decrease due to delivery delays and model changes of A- and C-Class

- in thousands of units -



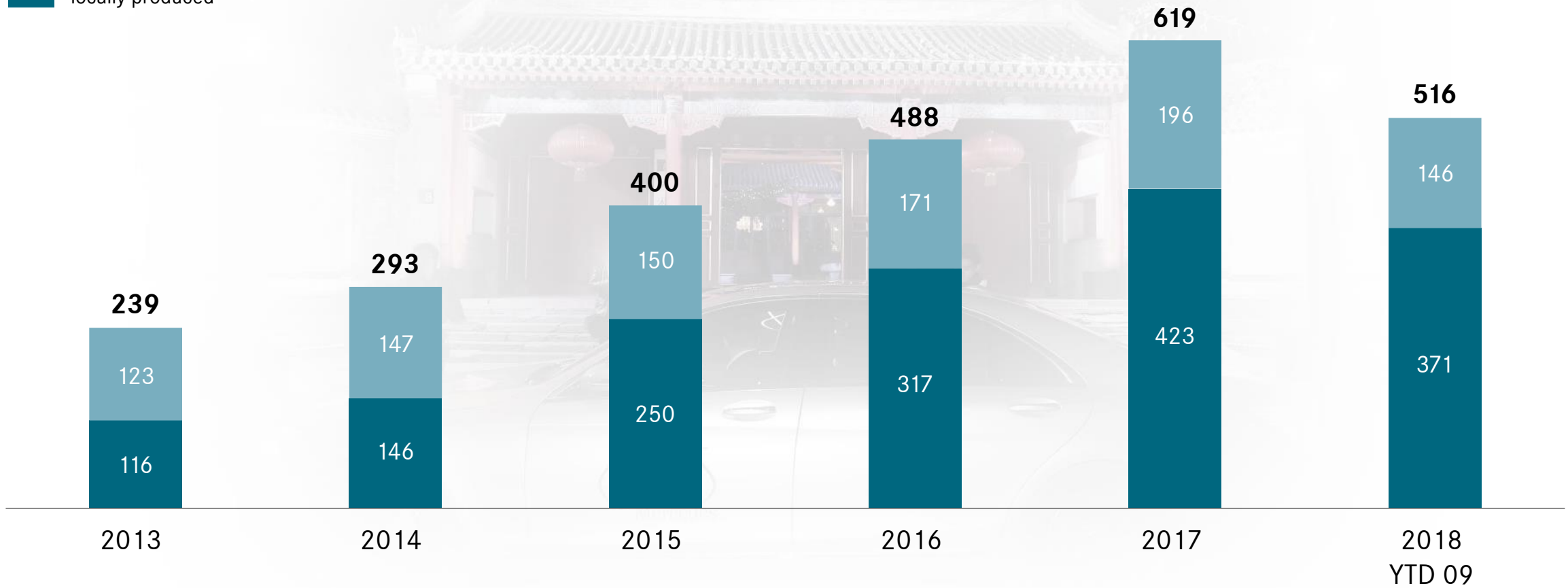
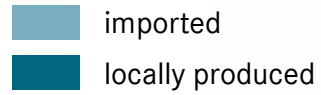
# Mercedes-Benz Cars: globally balanced sales structure with strong development especially in China

- in thousands of units -



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

- in thousands of units -

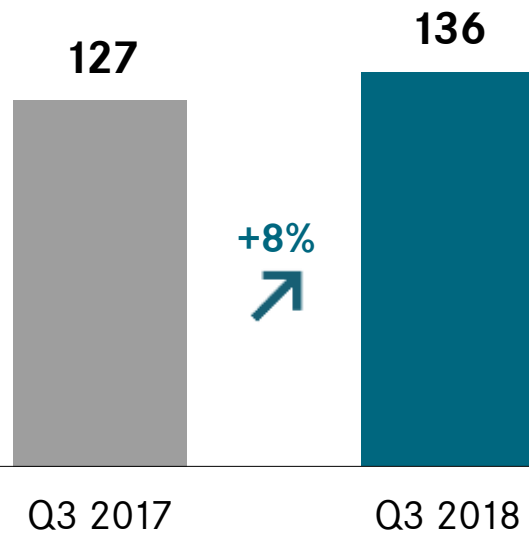




# Daimler Trucks

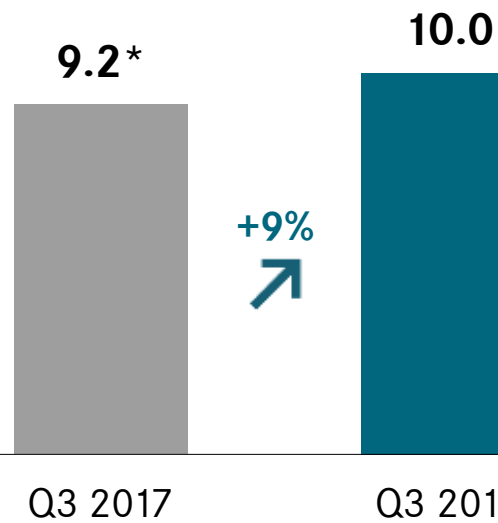
## Unit sales

- in thousands of units -



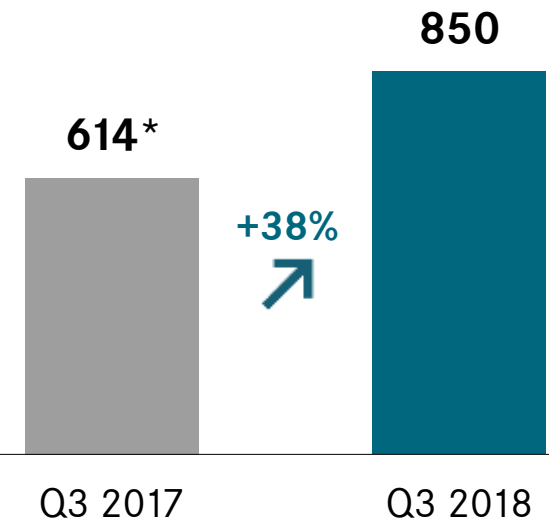
## Revenue

- in billions of euros -



## EBIT

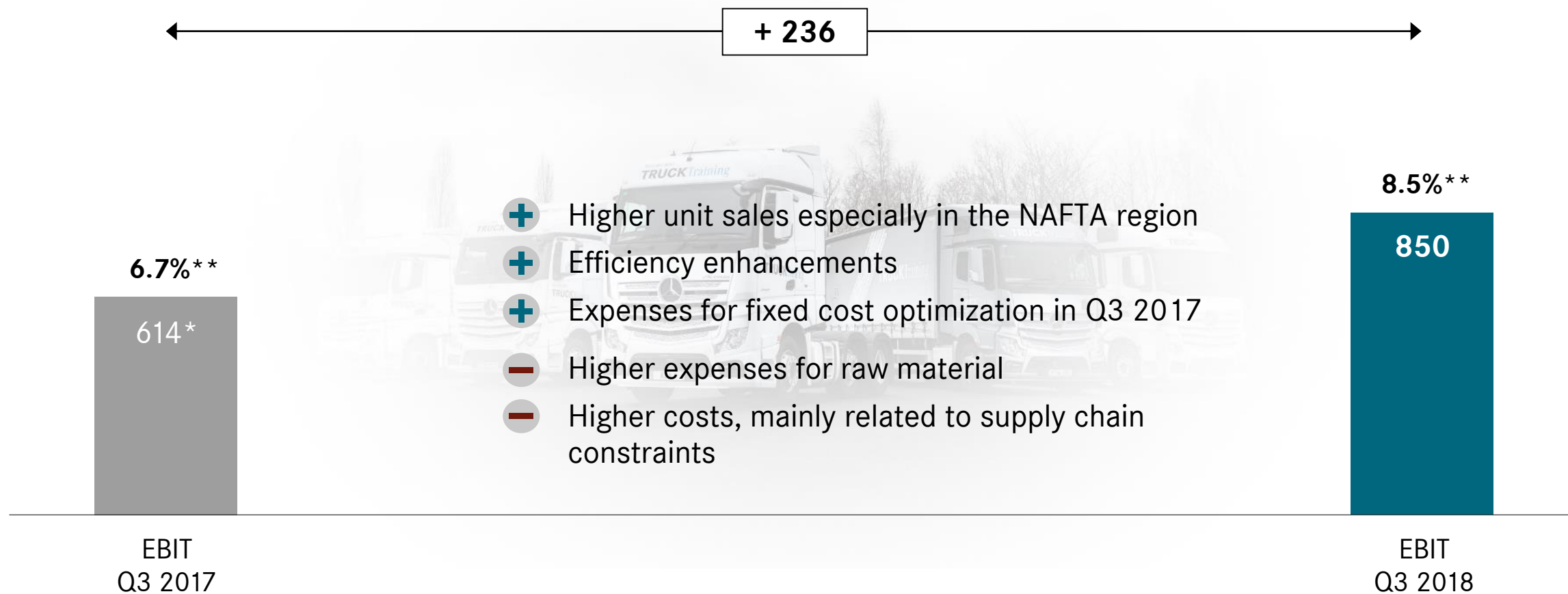
- in millions of euros -



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

# Daimler Trucks: EBIT

- in millions of euros -

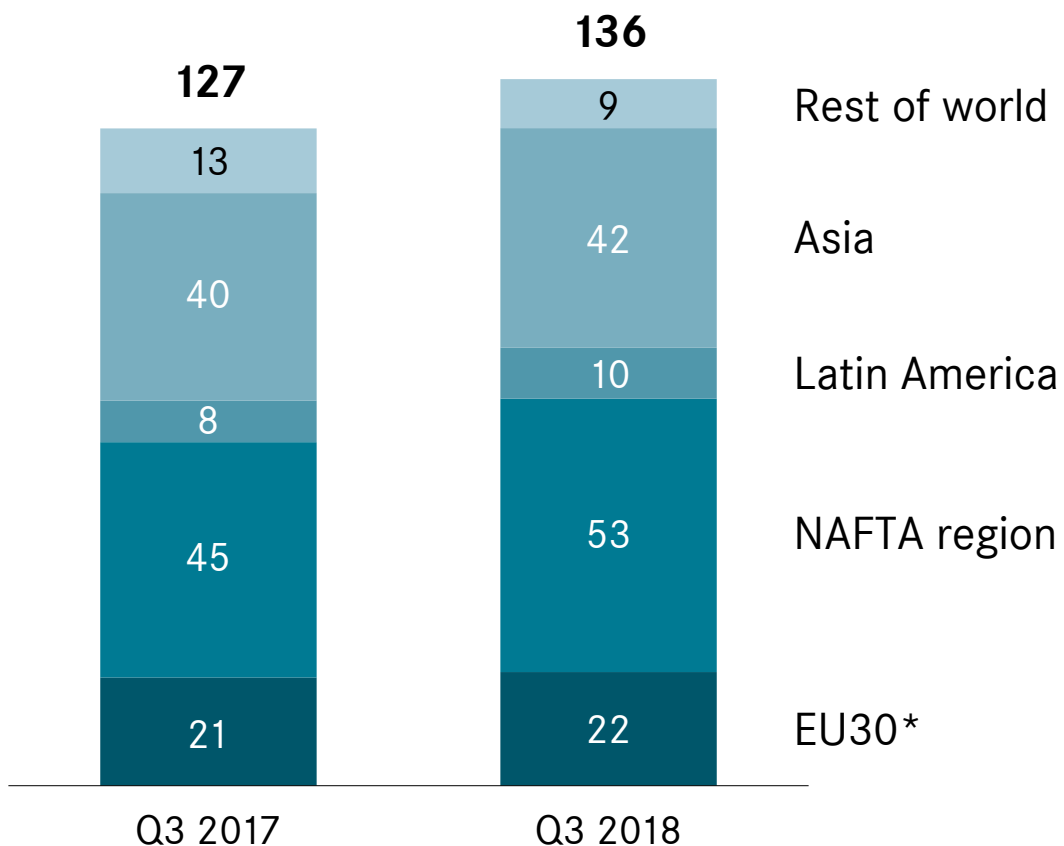


\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

# Daimler Trucks: sales increase by 8% mainly driven by NAFTA region

- in thousands of units -

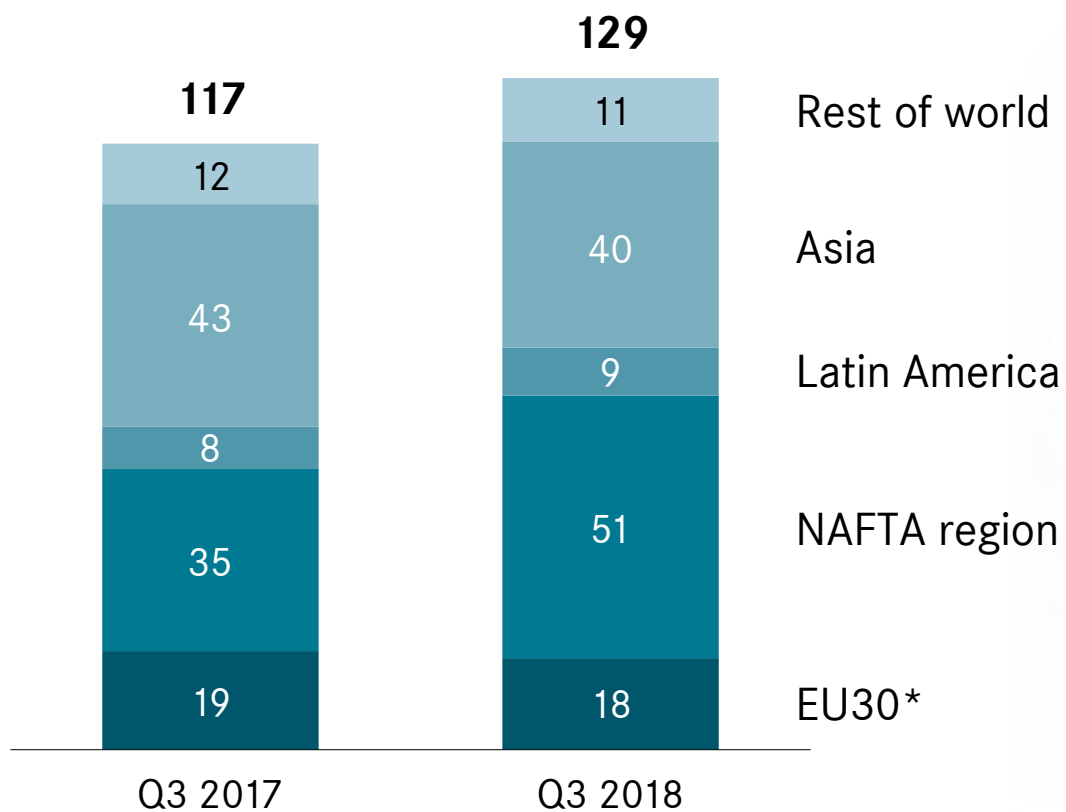


\* European Union, Switzerland and Norway



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

- in thousands of units -

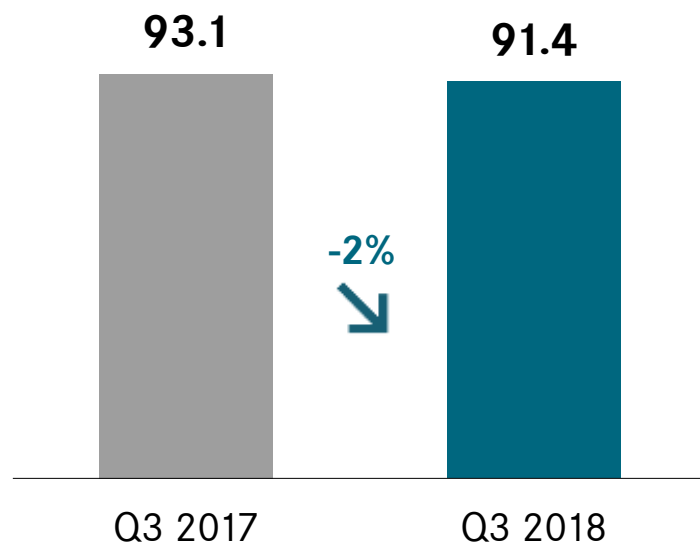


\* European Union, Switzerland and Norway

# Mercedes-Benz Vans

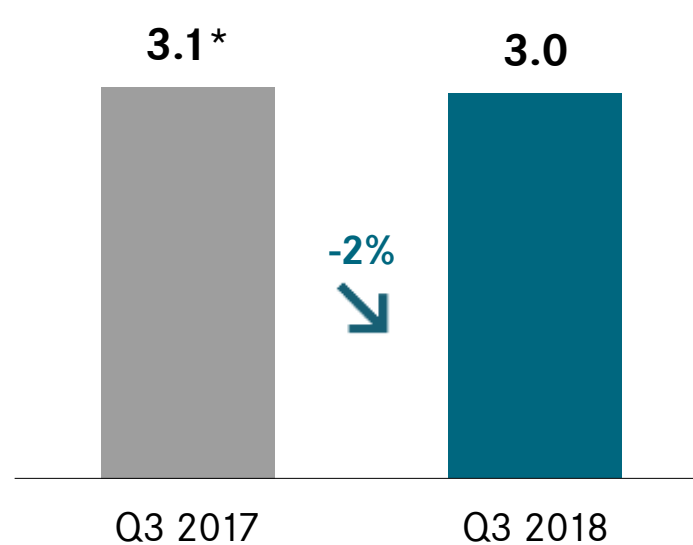
## Unit sales

- in thousands of units -



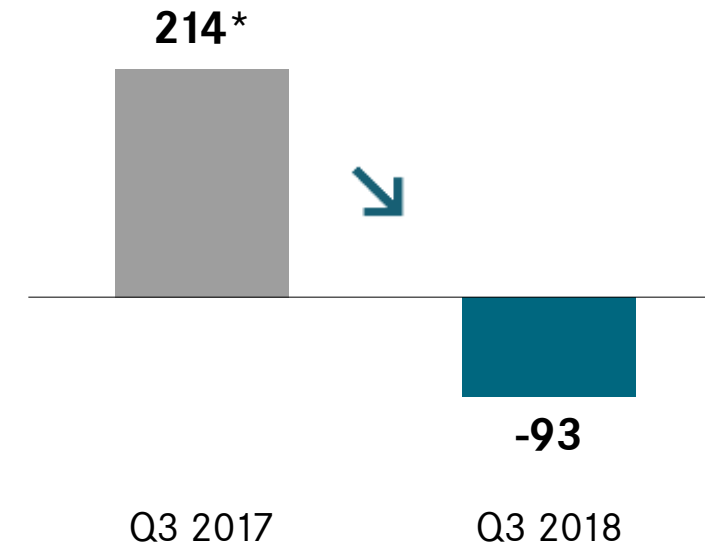
## Revenue

- in billions of euros -



## EBIT

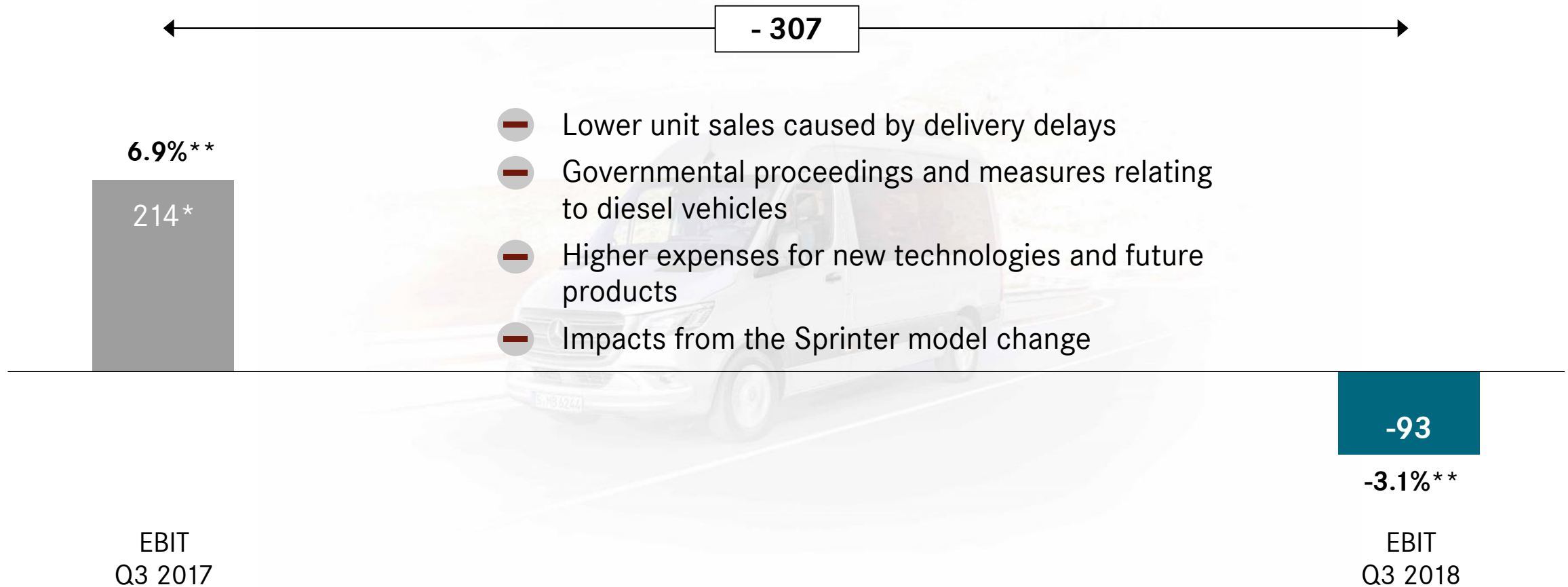
- in millions of euros -



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

# Mercedes-Benz Vans: EBIT

- in millions of euros -

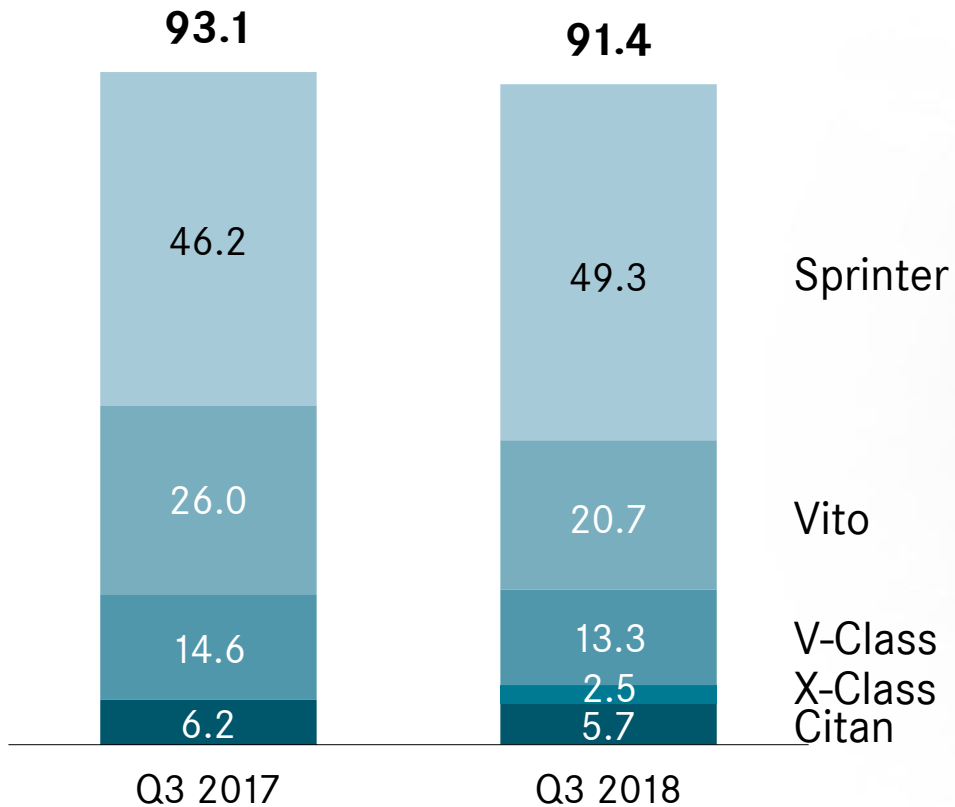


\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

# Mercedes-Benz Vans: sales decrease by 2% mainly due to temporary delivery delays

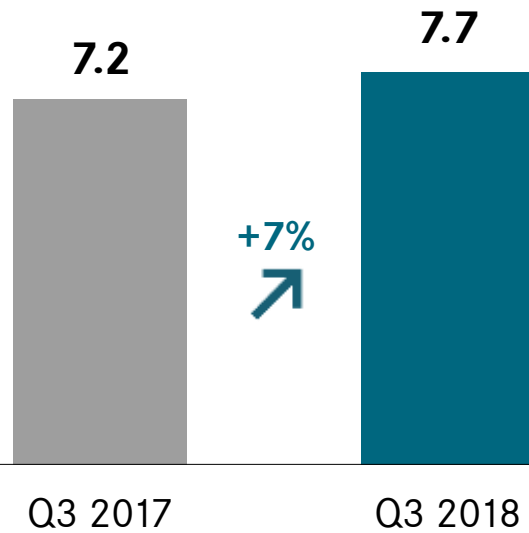
- in thousands of units -



# Daimler Buses

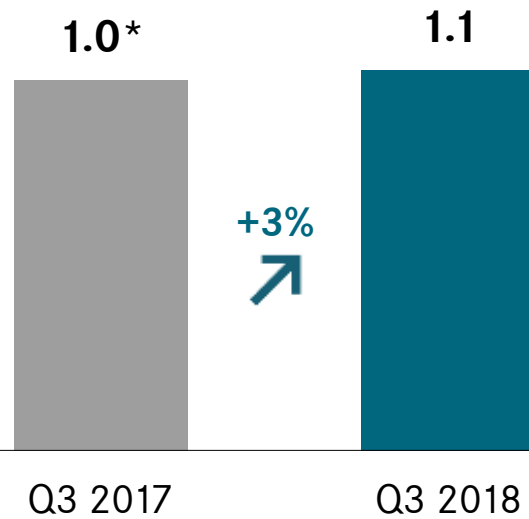
## Unit sales

- in thousands of units -



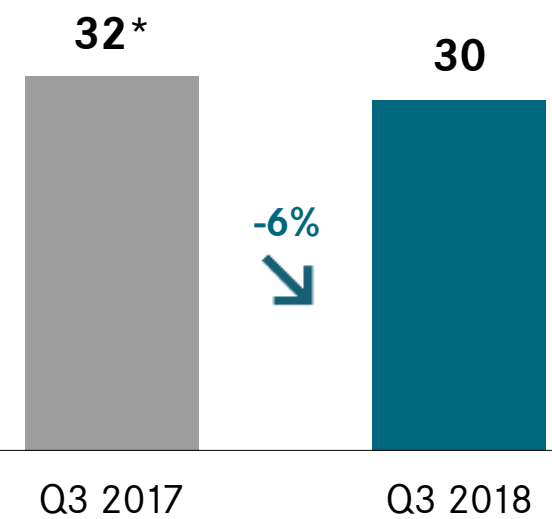
## Revenue

- in billions of euros -



## EBIT

- in millions of euros -

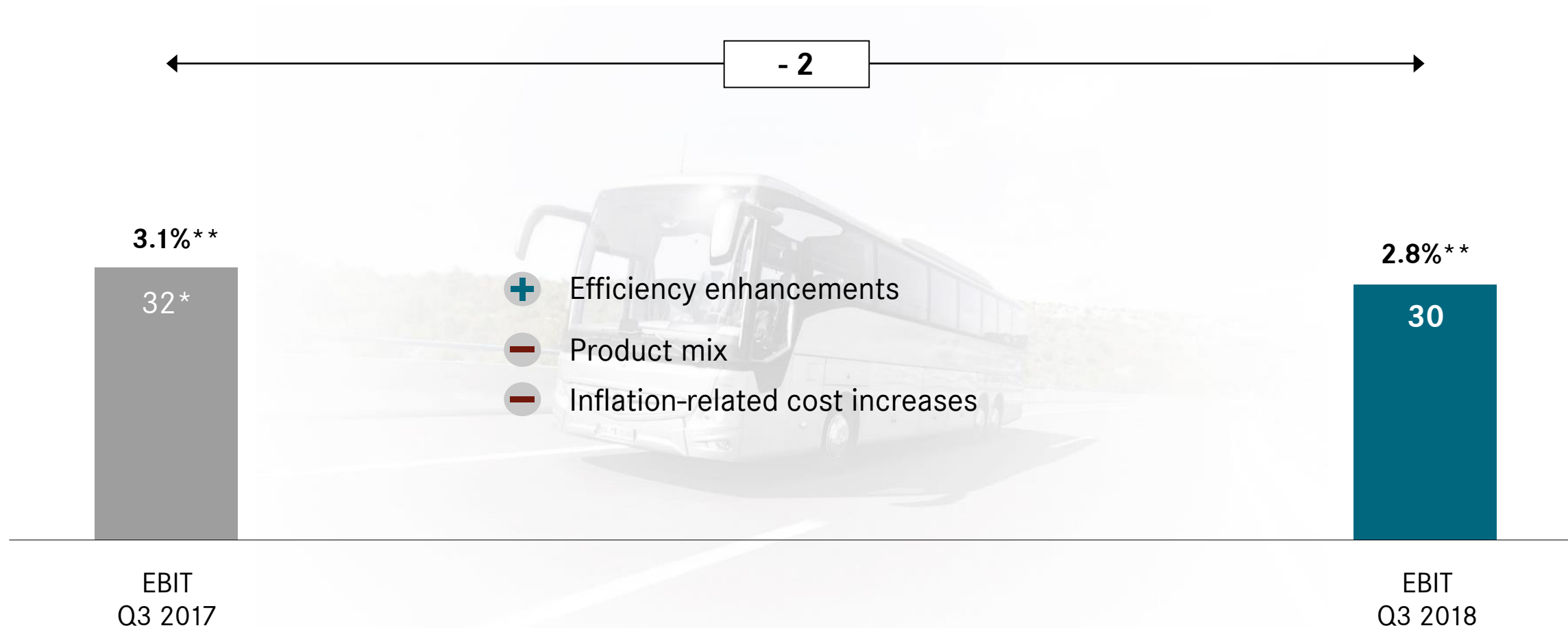


\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)



# Daimler Buses: EBIT

- in millions of euros -

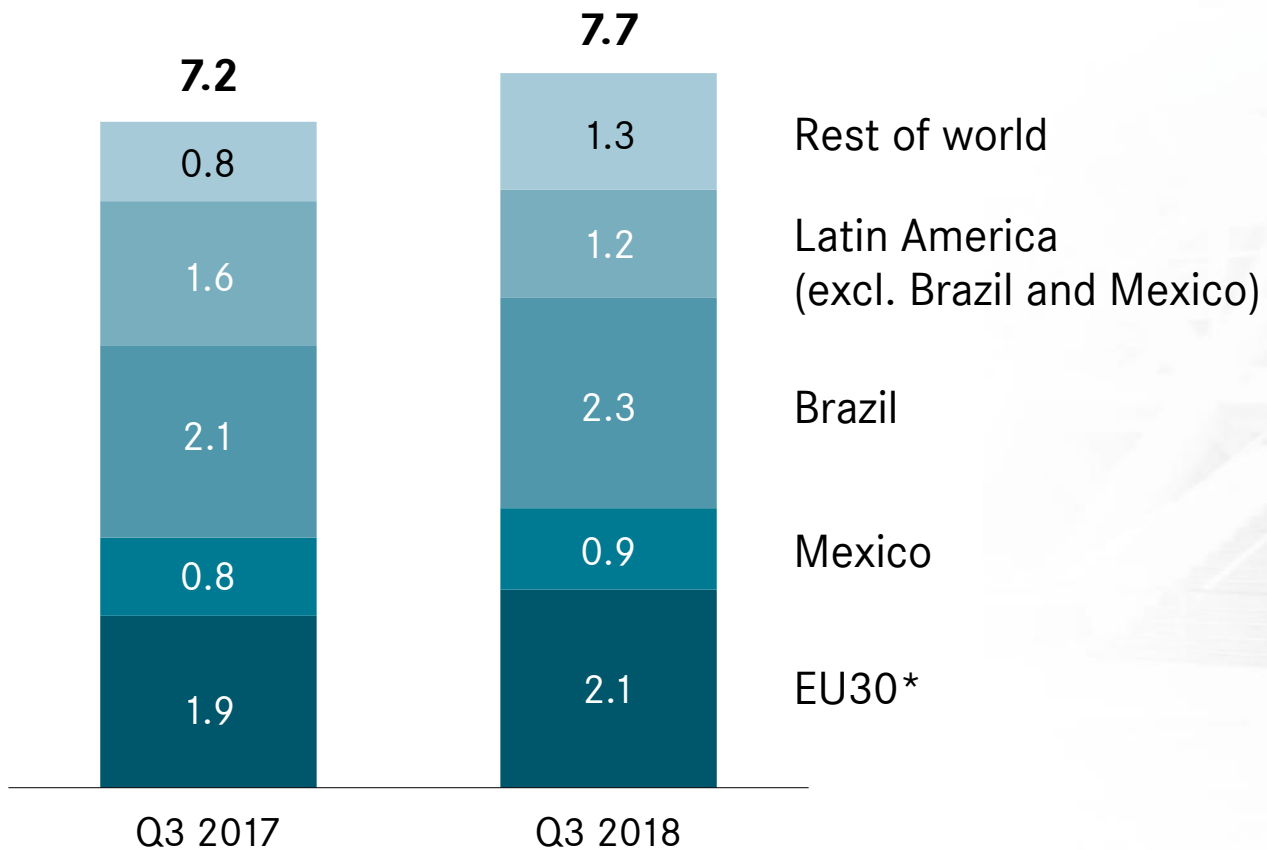


\* adjusted based on new IFRS 15 standards including cost of hedging (IFRS 9)

\*\* Return on sales

# Daimler Buses: higher unit sales in Brazil and India

- in thousands of units -

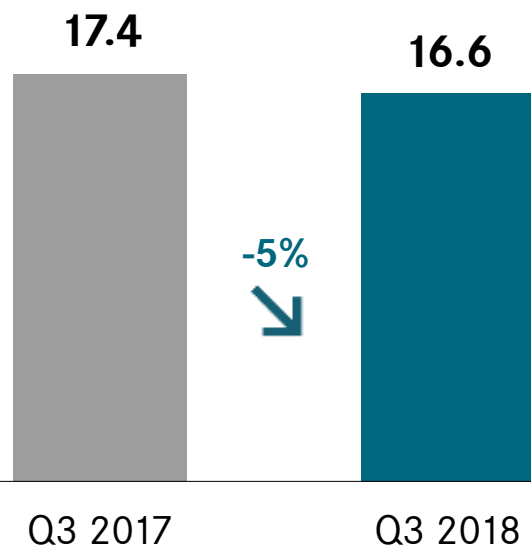


\* European Union, Switzerland and Norway

# Daimler Financial Services

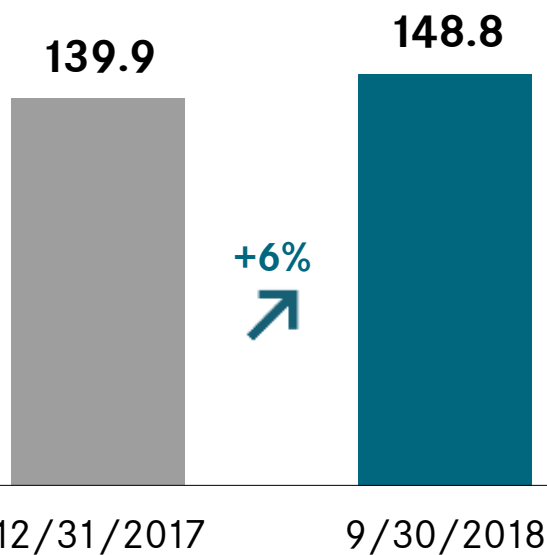
## New business

- in billions of euros -



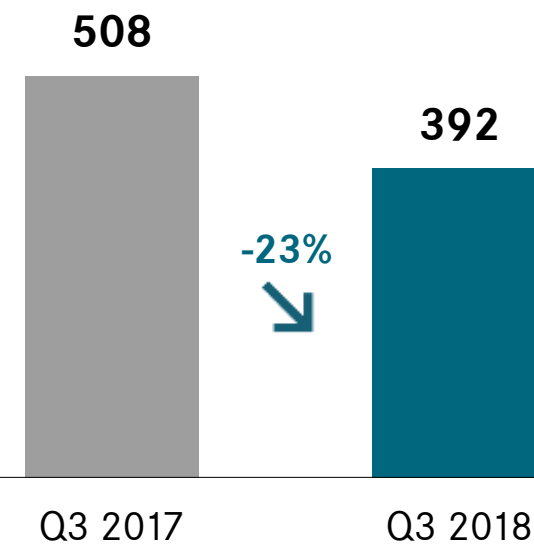
## Contract volume

- in billions of euros -



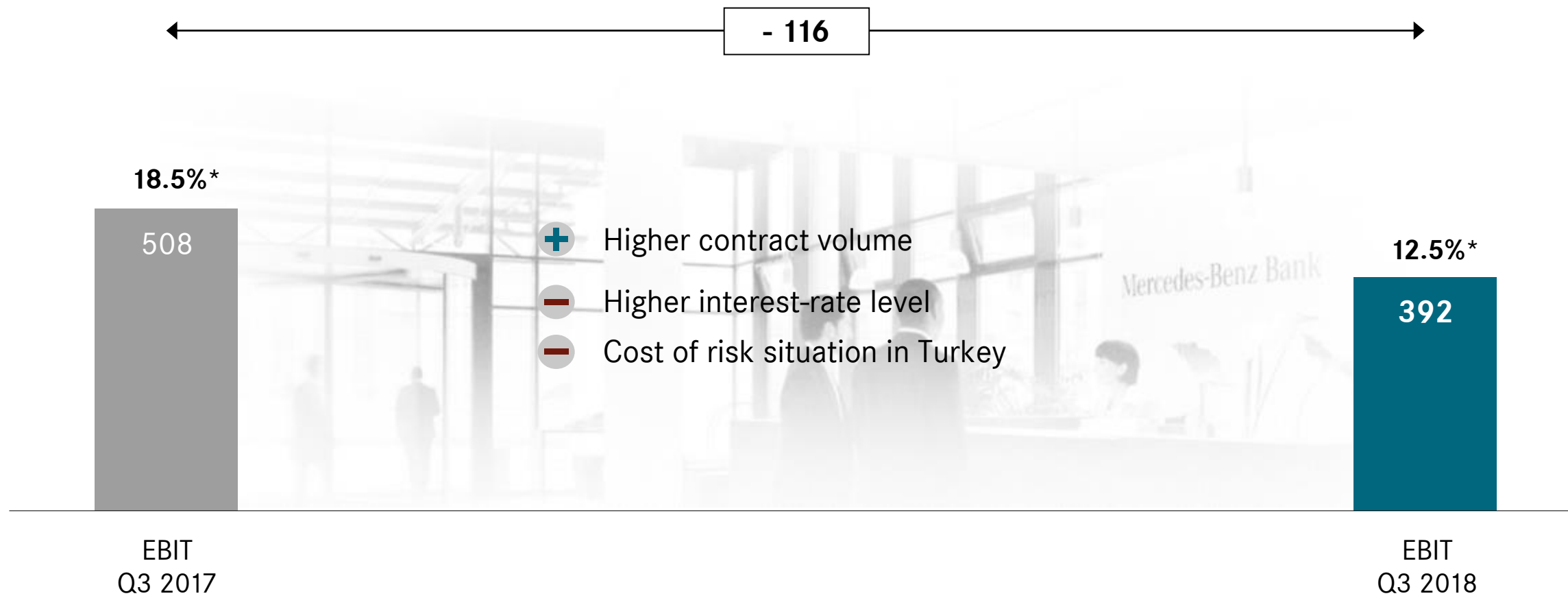
## EBIT

- in millions of euros -



# Daimler Financial Services: EBIT

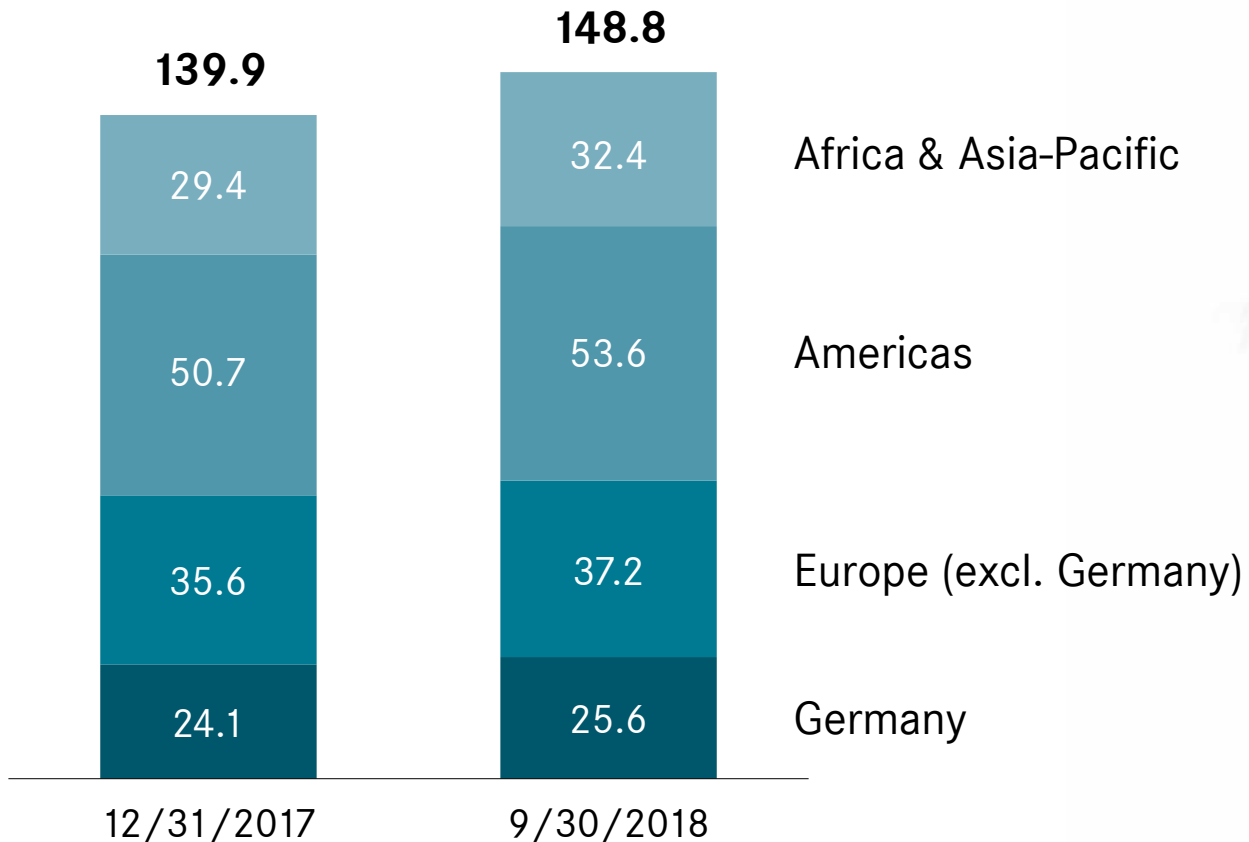
- in millions of euros -



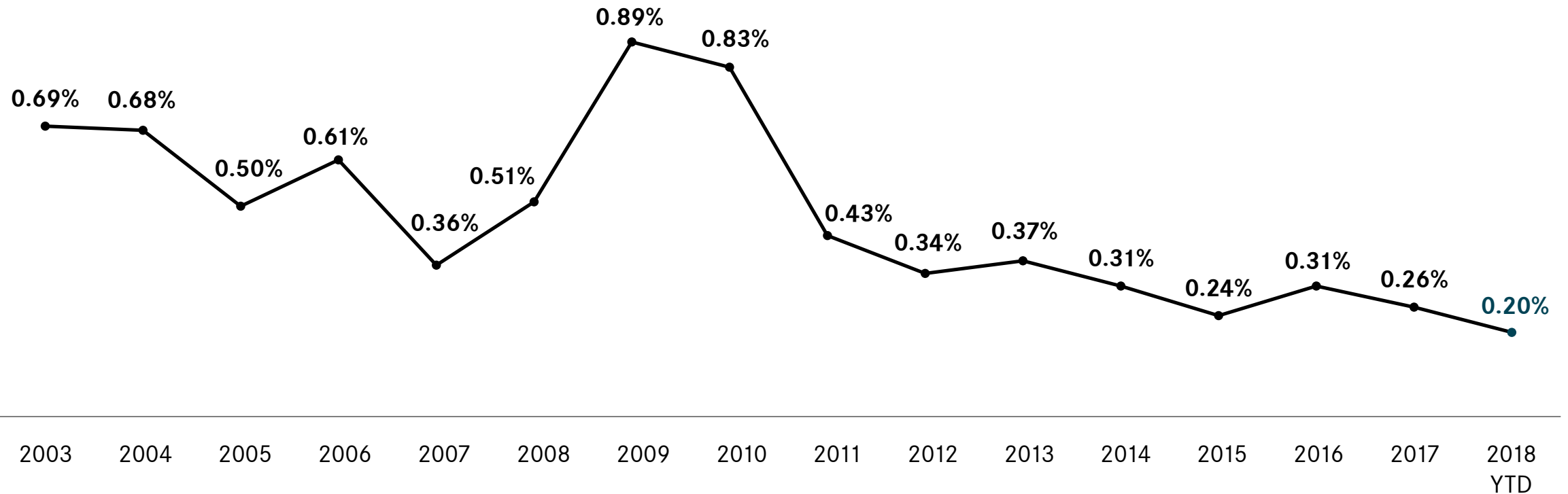
\* Return on equity

# Daimler Financial Services: further increase in contract volume to 148.8 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 and tariff regulations; 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.