FIRST MOVE
THE WORLD

Mercedes-Benz EQC 400 4MATIC: combined power consumption: 20.8-19.7 kWh/100 km; combined CO₂ emissions: 0 g/km*

*Electrical energy consumption and range have been determined on the basis of Regulation (EC) No. 692/2008. Electrical energy consumption and range depend on the vehicle configuration.
Mercedes-Benz
Current situation

**Brand value & products**
- No.1 premium OEM brand
- Highly competitive product portfolio

**Pricing power**
- Leading vs. peers
- Disciplined pricing
- Product innovation supports pricing

**Sales volume**
- YoY sales record
- Growth recently lower than expected
- No.1 premium sales position

**Variable cost**
- Growing due to complexity and content – even before implementing CO₂ measures

**R&D & CapEx**
- Base spend at high level
- Significant transformation investment on top

**Fixed cost**
- Not at industry benchmark
- Growing due to expanded capacity

**One-time effects**
- Diesel, Takata, etc.

Mercedes-AMG GLC 43 4MATIC Coupe (Fuel consumption combined: 10.6-10.2 l/100 km; Combined CO₂ emissions: 242-232 g/km)
## Mercedes-Benz

### Headwinds going into 2020/21

<table>
<thead>
<tr>
<th>CO₂ measures</th>
<th>Investment</th>
<th>Softening growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>xEV push to meet CO₂ targets</td>
<td>High investment for xEVs</td>
<td>Overall economic uncertainty</td>
</tr>
<tr>
<td>Cost increase only partly covered by pricing</td>
<td>Continued investment into various powertrains</td>
<td>Sales growth approx. 3% in 2020 (w/o smart)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tariff risk</td>
<td>Operations</td>
<td></td>
</tr>
<tr>
<td>China &amp; Brexit result in downside up to -1% RoS</td>
<td>Availability of some high-demand vehicles</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Model change-overs</td>
<td></td>
</tr>
</tbody>
</table>

**Carbon Dioxide Measures**
- xEV push to meet CO₂ targets
- Cost increase only partly covered by pricing

**Investment**
- High investment for xEVs
- Continued investment into various powertrains

**Softening Growth**
- Overall economic uncertainty
- Sales growth approx. 3% in 2020 (w/o smart)

**Tariff Risk**
- China & Brexit result in downside up to -1% RoS

**Operations**
- Availability of some high-demand vehicles
- Model change-overs
Mercedes-Benz
Roadmap to EU CO$_2$ compliance

CO$_2$ g/km, M1 fleet (Cars & Vans), NEDC

~138

Shift from NEDC to WLTP after 2020 (2021 target based on WLTP)

Technical target deviation to be compensated

Risk for target achievement: Buying behavior (customer preference and infrastructure), availability of battery components
Mercedes-Benz
Electrifying our entire portfolio

- COMPREHENSIVE ROLL-OUT OF 48 VOLT TECHNOLOGY
- >20 NEW XEV LAUNCHES UNTIL 2022
- ROS EFFECT: APPROX. -1% P.A. (2019-22)

Gradual xEV increase
Mercedes-Benz Investment

INCREASED COMPLEXITY IN PLATFORMS AND POWERTRAIN DURING ICE/BEV TRANSITION PHASE

- CONTINUED HIGH INVESTMENT LEVEL IN BOTH ICE AND BEV OVER THE COMING YEARS
- HIGHER PRODUCT/VARIABLE COST
- GROWING FIXED COST BASE
### Mercedes-Benz Countermeasures

<table>
<thead>
<tr>
<th><strong>Significant savings in material cost</strong></th>
<th><strong>R&amp;D &amp; CapEx cap</strong></th>
<th><strong>Personnel cost reduction &gt;1 billion Euro</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduction of other overhead cost</strong></td>
<td><strong>Improvement of working capital</strong></td>
<td><strong>Architecture &amp; platform complexity reduction in the longer term</strong></td>
</tr>
</tbody>
</table>

**RIGHTSIZING COST STRUCTURE AND INVESTMENT WHILE SEIZING COMMERCIAL UPSIDE OPPORTUNITIES**
Mercedes-Benz
Countermeasures: material cost

- Reviewing existing contracts for adjustment
- Pushing technical continuous improvement process
- Enhancing benchmark-based cost optimization of series vehicles (e.g. switches, light packages, hybrid systems)
- Reducing complexity (models, drivetrains, options)
- Intensifying claim management
- Leveraging partnerships

▶ ROS IMPROVEMENT CUMULATIVE: APPROX. 3% UNTIL 2022
Mercedes-Benz

Countermeasures: investment* cap

in billion Euro

*CapEx, R&D, and non-recurring expenses
Mercedes-Benz
Countermeasures: personnel cost

- By end 2022 >1 billion euro savings target
- Reduction of management positions by 10%
- Reduction of staff – main focus on indirect areas
- Increased labor productivity through HPV reduction
- Proactive use of attrition & all other measures
- Negotiations with labor side initiated
- Restructuring cost to be determined
## Countermeasures: working capital

### Inventory
- Optimizing stock range
  - Raw material
  - Work in progress
  - Finished vehicles
- Reducing transit times of finished vehicles

### Receivables
- Tighter collections
- Analyze further factoring potential to optimize outstanding receivables

### Payables
- Review payment terms
- Capital market facilities
Mercedes-Benz
Countermeasures: architectures and platforms

Reducing overall MB architectures & platforms starting with successor to MFA2 (current compact car architecture) leading to:

- LESS R&D SPENDING AND PP&E* (MID- TO LONG-TERM)
- LOWER COST BASE (LONG-TERM)
- SAFEGUARDED PRODUCTION FLEXIBILITY

*Property, plant & equipment
Mercedes-Benz
The way forward: 2019-2022

Key assumptions
- Sales at market growth 2020
- Sales above market growth 2021-22
- FX headwind assumed
- Tariffs US-China, Brexit
- World economy slowdown, no recession
- Underlying performance: utilization of provisions for disclosed items and restructuring charges excluded

Return on Sales in %

>5%

2019 RoS underlying performance
CO2
D&A/ Lower capitalization
FX/Future
Material cost/ Efficiency improvement net
Personnel cost improvement
Volume/ Pricing/ Product content
2020 RoS underlying performance
CO2
D&A/ Lower capitalization
FX/Future
Material cost/ Efficiency improvement net
Personnel cost improvement
Volume/ Pricing/ Product content
2022 RoS underlying performance

CCR underlying in 2020: 0.7
CCR underlying in 2022: 0.8

>6%
incl. tariffs >5%

>4%
incl. tariffs >3%

>3%
incl. tariffs >2%

>2%
incl. tariffs >1%

>1%
incl. tariffs >0%

<1%
incl. tariffs >-1%

<2%
incl. tariffs >-2%

<3%
incl. tariffs >-3%

<4%
incl. tariffs >-4%

<5%
incl. tariffs >-5%

<6%
incl. tariffs >-6%
Mercedes-Benz

Premium automotive has growth potential

Total and premium automotive sales in million units (source: IHS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>85</td>
<td>12%</td>
</tr>
<tr>
<td>2019</td>
<td>86</td>
<td>13%</td>
</tr>
<tr>
<td>2020</td>
<td>88</td>
<td>13%</td>
</tr>
<tr>
<td>2021</td>
<td>90</td>
<td>13%</td>
</tr>
<tr>
<td>2025</td>
<td>98</td>
<td>13%</td>
</tr>
<tr>
<td>2029</td>
<td>103</td>
<td>14%</td>
</tr>
</tbody>
</table>

PREMIUM OUTGROWS THE MARKET AS GLOBAL WEALTH POCKETS RISE - ESPECIALLY IN ASIA
<table>
<thead>
<tr>
<th>Brand &amp; positioning</th>
<th>Market &amp; growth</th>
<th>Sustainability &amp; xEV</th>
<th>ICE powertrain</th>
</tr>
</thead>
<tbody>
<tr>
<td>From product to customer experience centric</td>
<td>Ownership+ for individual ownership-based mobility</td>
<td>Brand promise: CO₂ neutral by 2039</td>
<td>Investment cycle until ~2023</td>
</tr>
<tr>
<td>Further develop our most exclusive offerings (e.g. AMG, Maybach, G-Class)</td>
<td>Leverage China potential</td>
<td>'Electric first' with &gt;50% xEV share by 2030</td>
<td>Beyond 2025 significant complexity reduction</td>
</tr>
<tr>
<td><strong>Autonomous driving</strong></td>
<td><strong>Software-driven architecture</strong></td>
<td><strong>Partnerships</strong></td>
<td></td>
</tr>
<tr>
<td>Main Focus on L3/L4 highway autonomous</td>
<td>Build base MB operating system with open interface to other platforms</td>
<td>Scale and CapEx sharing</td>
<td></td>
</tr>
<tr>
<td>L4/5 first priority: trucks</td>
<td>Consolidate E/E architectures by 2025+</td>
<td>Access to leading technologies</td>
<td></td>
</tr>
<tr>
<td>Cost sharing through partnering</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sustainability & xEV**

- Build base MB operating system with open interface to other platforms
- Consolidate E/E architectures by 2025+
- Scale and CapEx sharing
- Access to leading technologies
Mercedes-Benz
Perspective 2022+

- Premium car market keeps growing as global wealth pockets rise – especially in Asia
- Leading brand, competitive product portfolio
- Roadmap to meet CO₂ targets
- Right-sizing of cost structure and CAPEX/R&D
- Mid-term simplification of portfolio and business model
- More cash flow focused business model
Mercedes-Benz Vans
The way forward 2019-2022

Return on sales in %

- Break even
- >3
- >6

2019 underlying 2019 2020 2022

Key assumptions & measures
- Stable markets
- Product cost increase offset by efficiency measures
- Significant savings in material cost
- Personnel cost -100 million Euro

RIGHTSIZING COST STRUCTURE AND INVESTMENT
WHILE SEIZING COMMERCIAL UPSIDE OPPORTUNITIES

STRATEGIC OUTLOOK: OPPORTUNITIES EVOLVING FROM DIGITALIZATION AND URBANIZATION
Daimler Truck

Our purpose

FOR ALL WHO KEEP THE WORLD MOVING
Daimler Truck
Current situation

Trucks
- NAFTA: Undisputed market leader, benchmark margins
- Daimler Buses: Benchmark margins after a series of improvement programs
- MB Trucks Europe: Variable cost too high, depressing margins, Weak market position: Actros 5 launch
- MB LatAm: Successful reduction program but fixed cost remain too high
- FUSO Trucks Asia: Restructuring ongoing, Market position recovery
- Bharat India: Break even profit in very weak market

Revenue share*:
- NAFTA: 43%
- Daimler Buses: 11%
- MB Trucks Europe: 25%
- MB LatAm: 5%
- FUSO Trucks Asia: 14%
- Bharat India: 2%

*All numbers include trucks and buses
Daimler Truck
RoS below benchmark, cash conversion remains good

Return on Sales (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>RoS</th>
<th>Benchmark*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6.8</td>
<td>~9%</td>
</tr>
<tr>
<td>2016</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>7.1</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>~6</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cash conversion rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash conversion rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.1</td>
</tr>
<tr>
<td>2016</td>
<td>0.7</td>
</tr>
<tr>
<td>2017</td>
<td>0.9</td>
</tr>
<tr>
<td>2018</td>
<td>0.7</td>
</tr>
<tr>
<td>2019</td>
<td>~0.9</td>
</tr>
</tbody>
</table>

Average 0.9

* Best in class among global truck manufacturers – based on publicly available information

All numbers include trucks and buses
Daimler Truck
Headwinds in 2020/21

Market slowdown in major truck markets

High investment level
Preparation to meet EU CO₂ targets in 2025
Electrification of overall Truck and Bus portfolio
Bring fuel cell to series production
Autonomous Hub2Hub transport

Exchange rate exposure
Weakening of USD assumed
Daimler Truck
Markets normalizing

NAFTA CL.8
-25 -35%
340k
2017 2018 2019 2020 2021 2022

EU 30 HDT
-10 -20%
310k
2017 2018 2019 2020 2021 2022

BRAZIL HDT
+5 -15%
70k
2017 2018 2019 2020 2021 2022

JAPAN TRUCKS HDT
-5 -15%
50k
2017 2018 2019 2020 2021 2022

Numbers beyond 2019 represent expectations
# Daimler Truck Countermeasures

<table>
<thead>
<tr>
<th>Region</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nafta</td>
<td>Adjust capacity and cost structure to new market environment</td>
</tr>
<tr>
<td></td>
<td>New purpose-built truck for vocational segment</td>
</tr>
<tr>
<td></td>
<td>Strengthen aftermarket business</td>
</tr>
<tr>
<td>Japan</td>
<td>Restructuring aftersales and retail</td>
</tr>
<tr>
<td>Bus</td>
<td>Daimler Buses efficiency program to increase leverage from volume growth</td>
</tr>
<tr>
<td></td>
<td>New set-up of production footprint for optimized cost structure</td>
</tr>
<tr>
<td>Torc Robotics</td>
<td>Partnerships to share CASE investment</td>
</tr>
<tr>
<td></td>
<td>Acquired critical technology for autonomous driving via Torc</td>
</tr>
<tr>
<td>India</td>
<td>Variable cost initiative</td>
</tr>
<tr>
<td></td>
<td>Growth initiative in export and domestic market (competitive retail financing, product measures, pricing)</td>
</tr>
<tr>
<td>Overall</td>
<td>Fixed cost reduction</td>
</tr>
<tr>
<td></td>
<td>CapEx cap</td>
</tr>
</tbody>
</table>
Daimler Truck
Turning around Mercedes-Benz Latin America

MEASURES IN CORE MARKET BRAZIL

Contribution margin increase: Pro@Trucks (Net Pricing optimization)
Product cost & complexity reduction
Reduced dependency on currency fluctuation through parts nationalization
Stringent fixed cost reduction: optimization of R&D structure
Optimized vertical integration

FUTURE PRODUCT STRATEGY

Reduction from 8 to 3 platforms
Extra-heavy high-end segment: rollout HD SFTP platform to Brazil to address weakness in most profitable segment
Classic segment: prepare major part of portfolio for future including Euro 6 based on Atego/Accelo platforms
**Daimler Truck**

**Turning around Mercedes-Benz Europe**

<table>
<thead>
<tr>
<th>Technology leadership</th>
<th>Personnel cost reduction</th>
<th>Sales push</th>
<th>Variable cost reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Actros</td>
<td>Quick win capacity measures</td>
<td>Restructuring of sales organization</td>
<td>Cost &amp; revenue program implemented to ensure improvement on all contribution margin levers</td>
</tr>
<tr>
<td>5% fuel efficiency</td>
<td>Personnel cost reduction program</td>
<td>Aftersales push</td>
<td>Variant reduction (models, powertrain)</td>
</tr>
<tr>
<td>Active safety features</td>
<td>10% Reduction of management positions</td>
<td>Own retail optimization</td>
<td>250 million Euro</td>
</tr>
<tr>
<td>Mirror cam</td>
<td>Variable cost reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MB Uptime</td>
<td>&gt;300 million Euro</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Daimler Truck
The way forward: 2019-2022

Key assumptions
Market slowdown Nafta
Market slowdown Europe
Weakening USD

Return on Sales in %

2019
Market
Cost
FX
Sales push
Var. cost
Fixed cost

2020
Market
Cost
FX
Sales push
Var. cost
Fixed cost

2022

Inflation & Transformation

~6%
>5%
>7%

*All numbers include trucks and buses
Daimler Truck
Our strategy

Product & portfolio
Increased focus on HD segment and increased commonalization
Growing importance of software and electronics supporting scale

Sustainability & CO₂
BEV and fuel cell, both important and complementary

Autonomous
Hub2Hub
Daimler Truck

EU legislation requires alternative powertrain solutions

CO₂ baseline setting

~ 1.1% p.a.  ~ 2.7% p.a.  ~15%  ~30%


BEV  Fuel cell
Daimler Truck

Autonomous Hub2Hub transport as profit opportunity

Development target:
Level 4 driverless truck on the US highway

- Distribution
  10% of trip

- Highway
  80% of trip

- Distribution
  10% of trip

Single truck, 65mph
Transfer Hub

TORC®
Daimler Truck
Summary

▸ STRONG MARKET POSITIONS & GOOD CASH CONVERSION
ROS BELOW BENCHMARK IN EUROPE, LATAM AND ASIA
FUNDING DISCIPLINE TO KEEP CCR HIGH
INSTRUMENTS IN PLACE TO RESPOND TO MARKET VOLATILITY

▸ CLEAR PLAN TO RESTORE PERFORMANCE
PRODUCT LEADERSHIP IN HEAVY-DUTY
SALES PUSH IN EUROPE
COST REDUCTION PROGRAM (BOTH VARIABLE AND FIXED)

▸ CLEAR FUTURE STRATEGIC PRIORITIES
HEAVY-DUTY SEGMENT
SUSTAINABILITY (CO₂/BEV/FUEL CELL)
HUB2HUB AUTONOMOUS USE CASE
Our purpose

WE MOVE YOU

WE FACILITATE SALES OF AUTOMOTIVE PRODUCTS AND SERVICES

WE BUILD CUSTOMER LOYALTY AND ENSURE RETENTION

WE GENERATE DIVIDENDS AND CREATE VALUE FOR THE GROUP

WE ENABLE MOBILITY FROM YEARS TO MINUTES
Daimler Mobility
Serving a variety of customer demands

DEMAND TYPE A
Customer wants financing/leasing/insurance

DEMAND TYPE B
Customer wants fleet/rental/subscription solution

DEMAND TYPE C
Customer wants on-demand mobility

DIGITAL MOBILITY SOLUTIONS
Products
Mobility as a Service
Ownership+ services

FINANCING, LEASING & INSURANCE
Products
Financing
Leasing
Insurance

FLEET, MANAGEMENT & OPERATIONS
Products
Corporate fleet management
Rental/subscription
Fleet operations (incl. future vehicle fleets)
<table>
<thead>
<tr>
<th>Daimler Mobility in 2019</th>
<th>Financing, Leasing &amp; Insurance</th>
<th>Fleet Mgmt. &amp; Operations</th>
<th>Digital Mobility Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio 160 billion Euro (Q3/2019)</td>
<td>Conservative risk management with low net credit losses</td>
<td>Integration of Athlon completed</td>
<td>Strong growth of customer base and transactions</td>
</tr>
<tr>
<td>RoE ~17% (incl. disclosed one-off item of +718 million Euro)</td>
<td>Stable penetration rate</td>
<td>High share of MB realized</td>
<td>Significant investment in 2019</td>
</tr>
<tr>
<td></td>
<td>Reliable profit contribution</td>
<td>Successful used cars/residual value management</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+718 million Euro one-off from merger of mobility services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GMV run-rate: 3.5 billion Euro</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7 billion Euro portfolio</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>40% MBC acquisition share</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>RoE &gt; 0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>153 billion Euro portfolio</td>
<td></td>
</tr>
</tbody>
</table>
# Daimler Mobility

## Headwinds in 2020/21

| Financing, Leasing & Insurance | Slower growth in industrial divisions  
|                               | Normalization of credit risk  
|                               | Margin pressure  
|                               | Regulation/equity demands  
| Fleet Mgmt. & Operations      | Integration of additional fleet activities  
|                               | Preparation for further growth and markets  
| Digital Mobility Solutions    | Competitive environment  
|                               | High capital requirements  

Daimler Mobility Measures

| Financing, Leasing & Insurance | Digitalize customer experience  
Innovative products to support Daimler sales  
Strengthen ABS On/Off-Balance | ▶ Digitalization, efficiency & funding  
Controlled growth at target profitability |
| Fleet Mgmt. & Operations | Leverage digital fleet operator  
Grow product scope and covered geographies  
Further increase of Daimler product share | ▶ Regional growth & product expansion  
Accelerated growth towards target profitability in 2022 |
| Digital Mobility Solutions | Prioritize and cap venture investments  
Continue partnering strategy | ▶ Growth, focus, profitability & valuation |

▸ PERFORMANCE PROGRAMS TO SECURE TARGET PROFITABILITY
# Daimler Mobility

## Portfolio of digital mobility solutions

<table>
<thead>
<tr>
<th>Category</th>
<th>YourNow JV</th>
<th>Participations</th>
<th>Captive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ride Hailing</td>
<td>FREENOW</td>
<td>BLACKLANE</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>JV GEELY</td>
<td></td>
</tr>
<tr>
<td>Car-Sharing</td>
<td>SHARENOW</td>
<td>TUROR</td>
<td></td>
</tr>
<tr>
<td>Parking &amp; Charging</td>
<td>PARKNOW CHARGENOW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>REACHNOW</td>
<td>FLIXBUS</td>
<td>Mercedes pay</td>
</tr>
</tbody>
</table>

- **FOCUS/PRIORITYZATION**
- **OPEN TO PARTNERSHIPS**
Daimler Mobility
The way forward: 2019-2022

Return on Equity in %

RoE incl. Mobility Services one-off
RoE incl. Mobility Services one-off
Underlying RoE
Higher equity ratio
Higher equity ratio
Higher equity ratio
Higher equity ratio
Underlying RoE
Fleet Management + Mobility Services
Fleet Management + Mobility Services
Fleet Management + Mobility Services
Fleet Management + Mobility Services

~ 17%
~ 12%
>12%
14%

2019
2019
2020
2022

Key assumptions
Stable penetration rate
Stable interest rate
Stable regulatory environment

*Based on higher regulatory-driven equity requirements
Daimler Mobility
Summary

- SUPPORT SALES OF AUTOMOTIVE PRODUCTS AND SERVICES
- GROW FLEET MANAGEMENT BUSINESS IN SIZE AND PROFITABILITY
- ENSURE TARGET PROFITABILITY
- CREATE VALUE AND PAY DIVIDEND TO THE GROUP
Daimler
New group structure

DAIMLER
CAPITAL MARKET ACCESS

GOVERNANCE
CAPITAL ALLOCATION FRAMEWORK
PERFORMANCE
- TARGETS
- MEASUREMENT
- INCENTIVES

MERCEDES-BENZ
DAIMLER TRUCK
DAIMLER MOBILITY
PEOPLE DEVELOPMENT
Daimler
Rightsizing the group

▸ 10% MANAGEMENT POSITIONS REDUCTION ACROSS THE GROUP
▸ SIGNIFICANT PERSONNEL COST REDUCTION IN DIVISIONS AND ON GROUP LEVEL
▸ NEGOTIATIONS WITH LABOR SIDE INITIATED RESTRUCTURING COST TO BE DETERMINED
▸ OVERHEAD COST REDUCTION
Daimler

Role of the parent company

as is

~2,000 FTE
GOVERNANCE

Protect, guide and enable Daimler

~4,000 FTE
SHARED SERVICES

Deliver benchmark business services

to be

▸ RIGHTSIZING PARENTCO

▸ EFFICIENCY OPPORTUNITIES

SHARED SERVICES

Digitize/automate

Improve End2End

Externalize
Daimler

Financial framework

- Equity & debt markets
- Dividend
- Funding
- DAIMLER

MERCEDES-BENZ (Subgroup)
- DAIMLER TRUCK (Subgroup)
- DAIMLER MOBILITY (Subgroup)

- CAPITAL MARKET ACCESS
- GROUP FUNDING AND LIQUIDITY MANAGEMENT
- CAPITAL STRUCTURE
- CAPITAL ALLOCATION
- SET AND MONITOR PERFORMANCE TARGETS
- DOMINATION AND PROFIT & LOSS TRANSFER AGREEMENTS
Daimler
Strong balance sheet

- in billion Euro -

23.0

-13.4

9.6

Gross industrial liquidity
Industrial debt
Net industrial liquidity

YTD 09/2019

YE 2019

OBJECTIVES

▸ MAINTAIN “A” RATING
▸ NET INDUSTRIAL LIQUIDITY >10 BILLION EURO
▸ HEALTHY DEBT COVERAGE RATIO
▸ DMO LEVERAGE <12 (DEBT TO EQUITY)
Daimler
Capital allocation

**CapEx**
Prioritization
Cap/CCR
KPIs (IRR, FCF profile*)

**M&A**
Disciplined allocation
Proactive portfolio management
Preference for partnerships

**R&D/Projects**
Prioritization
Cap/CCR
KPIs (IRR, FCF profile*)
Risk management
Monitoring

**Dividend policy**
40% of net profit
Dividend should be covered by industrial free cash flow

* Internal rate of return, free cash flow profile
Daimler

Balanced mix of funding instruments

Q3 2019
160 billion Euro

- Bank loans: 25%
- Deposits & ABS: 17%
- Fin. lease (IFRS 16): 3%
- Other: 1%
- Cap. market: 55%

TARGET PICTURE

- Bank loans: 20%
- Deposits & ABS: 30%
- Cap. market: 50%

INCREASED RATING INDEPENDENCY
# Daimler Summary KPIs

<table>
<thead>
<tr>
<th>Return on Sales (underlying*) in %</th>
<th>Trend 2019</th>
<th>Trend 2020</th>
<th>Trend 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercedes-Benz (Cars &amp; Vans)</td>
<td>&gt;5</td>
<td>&gt;4 (&gt;3**)</td>
<td>&gt;6 (&gt;5**)</td>
</tr>
<tr>
<td>Daimler Truck (Trucks &amp; Buses)</td>
<td>~6</td>
<td>&gt;5</td>
<td>&gt;7</td>
</tr>
<tr>
<td>Daimler Mobility (RoE)</td>
<td>~17</td>
<td>&gt;12***</td>
<td>14***</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flow</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Conversion Rate Cars &amp; Vans (underlying)</td>
<td>0.4</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Cash Conversion Rate Trucks &amp; Buses (underlying)</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Net Industrial Liquidity Daimler (in billion Euro)</td>
<td></td>
<td>&gt;10</td>
<td></td>
</tr>
</tbody>
</table>

* Underlying performance: utilization of provisions for disclosed items and restructuring charges excluded
** Including tariffs
*** Because of higher regulatory-driven equity requirements
# Daimler

## Cash flow component in management compensation

Split of permanent financial target criteria

<table>
<thead>
<tr>
<th>as is</th>
<th>Non-financial targets</th>
<th>to be</th>
<th>Non-financial targets</th>
<th>Transformation targets</th>
<th>Financial targets EBIT</th>
</tr>
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<td></td>
<td></td>
<td>Financial targets EBIT</td>
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</tr>
</tbody>
</table>
Summary

▸ GROWING PREMIUM MOBILITY MARKET
▸ DAIMLER STRATEGY SET TO DEFEND LEADERSHIP ROLE FOR PREMIUM CARS AND COMMERCIAL VEHICLES
▸ AWARENESS OF THE CHALLENGES AHEAD
▸ ACTIONS LAUNCHED TO RIGHTSIZE DAIMLER
▸ STRATEGY SET FOR COMPETITIVE, SUSTAINABLE BUSINESS MODEL
▸ PERFORMANCE AND FREE CASH FLOW GENERATION ADDRESSED, DISCIPLINED CAPITAL ALLOCATION IN FOCUS
Forward-looking statements:

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.