

Daimler Truck Capital Market Day

November 11, 2021



Important information

In this presentation (together with any additional or supplementary materials, the “Presentation”) the “Company” means Daimler Truck Holding AG. Prior to the proposed spin-off transaction, the Daimler trucks and buses business (“Daimler Trucks & Buses”) and the related financial services business (“Daimler Trucks Financial Services”) did not exist as a separate group, but formed part of a larger group of companies controlled by Daimler AG. The separation and formation of an independent group has been and will be executed in two phases: The first phase includes reorganization measures and transfers of certain legal entities and operations of Daimler Trucks & Buses and Daimler Trucks Financial Services to Daimler Truck AG and to subsidiaries of Daimler Truck AG which have already occurred prior to the date of the proposed spin-off transaction or will have been completed by December 1, 2021 (the “Phase 1 Transactions”). Following the Phase 1 Transactions, the following steps will occur: (i) a spin-off by absorption (*Abspaltung zur Aufnahme*) under the German Transformation Act (*Umwandlungsgesetz*), (ii) a hive-down by absorption (*Ausgliederung zur Aufnahme*) under the German Transformation Act, and (iii) a stand-alone ordinary capital increase against contribution in kind ((i), (ii) and (iii) together, the “Demerger Transactions”). The second phase includes reorganization measures and transfers of certain remaining legal entities and operations of Daimler Trucks & Buses and Daimler Trucks Financial Services that will be implemented in 2022. The legal entities and operations of Daimler Trucks & Buses and Daimler Trucks Financial Services which are subject to the Phase 1 Transactions are referred to collectively as the “Daimler Truck Business” (and together with the Company, the “Group”). In case of statements or information relating to the time upon and after the effective date of the Demerger Transactions, the “Group” refers to the Company and its consolidated subsidiaries.

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This disclaimer also applies to the Daimler Truck Capital Market Day video presentations and to any question and answer session in connection with the Daimler Truck Capital Market Day.

AGENDA

DAIMLER TRUCK | Martin Daum
TECHNOLOGY | Andreas Gorbach
FINANCIAL PERFORMANCE | Jochen Goetz

Q&A I

MERCEDES-BENZ | Karin Rådström
TRUCKS NORTH AMERICA | John O’Leary
TRUCKS ASIA | Karl Deppen
DAIMLER BUSES | Till Oberwoerder
FINANCIAL SERVICES | Stephan Unger
ESG | Martin Daum
FINANCIAL GUIDANCE | Jochen Goetz



Q&A II

DAIMLER TRUCK

READY FOR INDEPENDENCE

Martin Daum



READY FOR INDEPENDENCE

On track with transactional and operational separation

TRULY INDEPENDENT	ATTRACTIVE FINANCIAL PROFILE	PRIME LISTING
SPIN-OFF OF 65% STAKE	€46BN ¹ REVENUE BUSINESS	PUBLIC TRADING EXPECTED TO COMMENCE ON DEC 10, 2021
INDEPENDENT GOVERNANCE	SOLID INVESTMENT GRADE RATING	DAX QUALIFICATION EXPECTED IN 2022
HIGH CALIBRE AND DIVERSE SUPERVISORY BOARD	CLEAR FINANCIAL AMBITIONS	



¹ Actual 2019 - last year without COVID-19 impact

STRONGER AS AN INDEPENDENT COMPANY

Focused on maximizing our potential

INCREASED AGILITY AND FOCUS
LEADS TO FASTER DECISION MAKING

EXECUTION OF
TRUCK SPECIFIC STRATEGIC PLANS

INCREASED FOCUS ON PROFITABILITY:
PIVOT TOWARDS HEAVY DUTY AND
PRODUCT RANGE STREAMLINING

TARGETED INVESTMENTS IN
TRUCK INDUSTRY SPECIFIC INNOVATIONS

DEDICATED PARTNERSHIPS TO
SUCCESSFULLY ADDRESS SHIFT IN
TECHNOLOGY

DIRECT ACCESS AND
ACCOUNTABILITY TO THE CAPITAL MARKETS



RAISING PERFORMANCE AND UNLOCKING VALUE

We aim to reset profitability and lead the way to zero emissions

1 CLEAR
FINANCIAL
AMBITIONS



2 AMBITIOUS
SEGMENT
BENCHMARKS



3 LEADING
BRANDS
AND SCALE



4 ACCELERATE
TECHNOLOGY
LEADERSHIP



5 GROW
SERVICES
RAPIDLY



6 FOCUS ON
CULTURE AND
LEADERSHIP



1 CLEAR FINANCIAL AMBITIONS

Our financial ambitions 2025 to unlock full potential

INDUSTRIAL BUSINESS

MARKET ENVIRONMENT



FIXED COST



-15% VS. 2019



CAPEX / R&D



-15% VS. 2019



PROFITABILITY¹

6 - 7%

8 - 9%

>10%

CASH CONVERSION²



0.8 - 1.0X



Structurally more profitable business



Lower break-even point with lower fixed cost and higher service revenue share



Prepared for tough conditions but ready to benefit from upcycles

¹ Profitability reflected by adjusted return on sales ² Adjusted

1 DAIMLER TRUCK: FOCUSED ON VALUE CREATION

Committed to lifting performance and delivering strong shareholder returns

STRONG CASH CONVERSION

- ▶ Transformation into a higher return on capital and very strong FCF business

ATTRACTIVE DIVIDEND

- ▶ ~40% pay-out ratio¹

STRONG BALANCE SHEET

- ▶ Solid investment grade credit rating

FOCUSED CAPITAL ALLOCATION

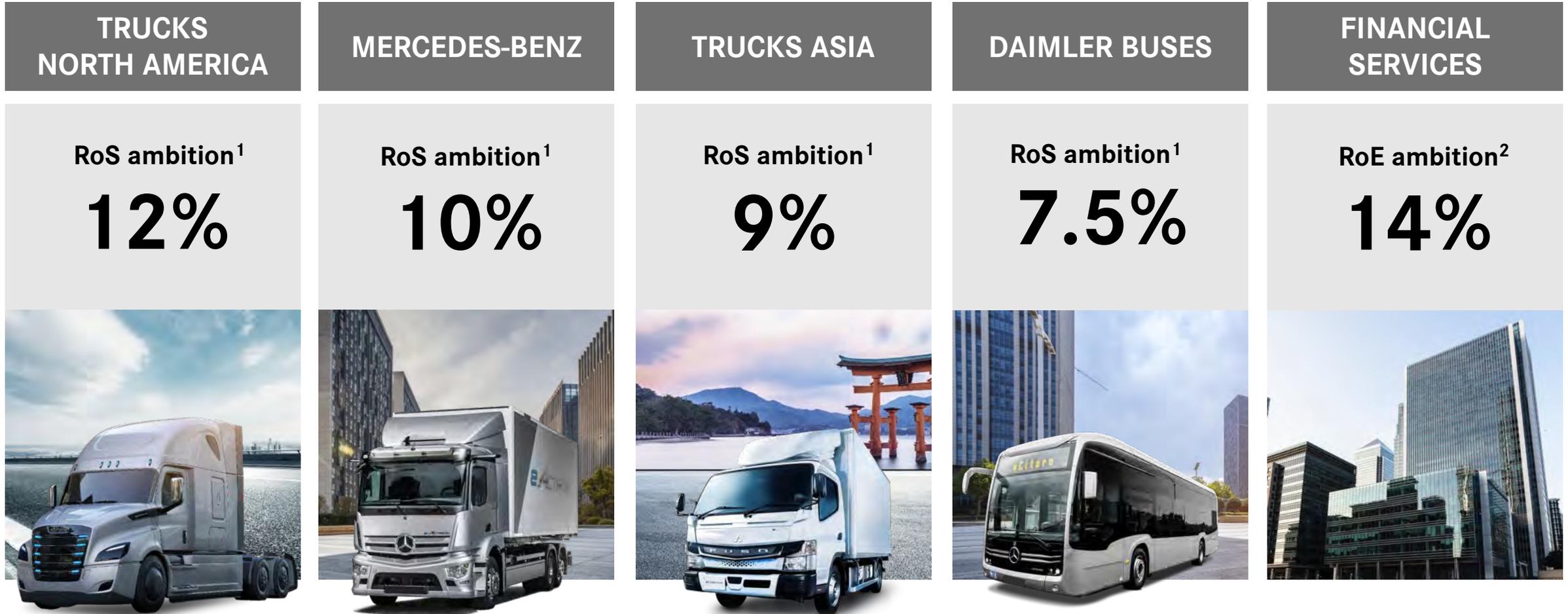
- ▶ Highly focused R&D and capex, build financial services business, retain financial flexibility



¹ Of net profit, covered by industrial FCF; from Financial Year 2022 onwards. Financial Year 2021 dividend paid by Daimler AG.

2 AMBITIOUS SEGMENT BENCHMARKS

Clearly defined financial ambitions in sunny scenario for each segment



¹ By 2025; adjusted ² After full ramp up; adjusted

3 LEADING BRANDS AND SCALE

Platform, powertrain and system commonality

LEADING POSITION ACROSS KEY REGIONS¹

1 NORTH AMERICA

Class 6-8

1 EU-30

BRAND

MDT/HDT

3 JAPAN

Trucks Total

1 BRAZIL

BRAND

MDT/HDT

1 EU-30

Buses >8t

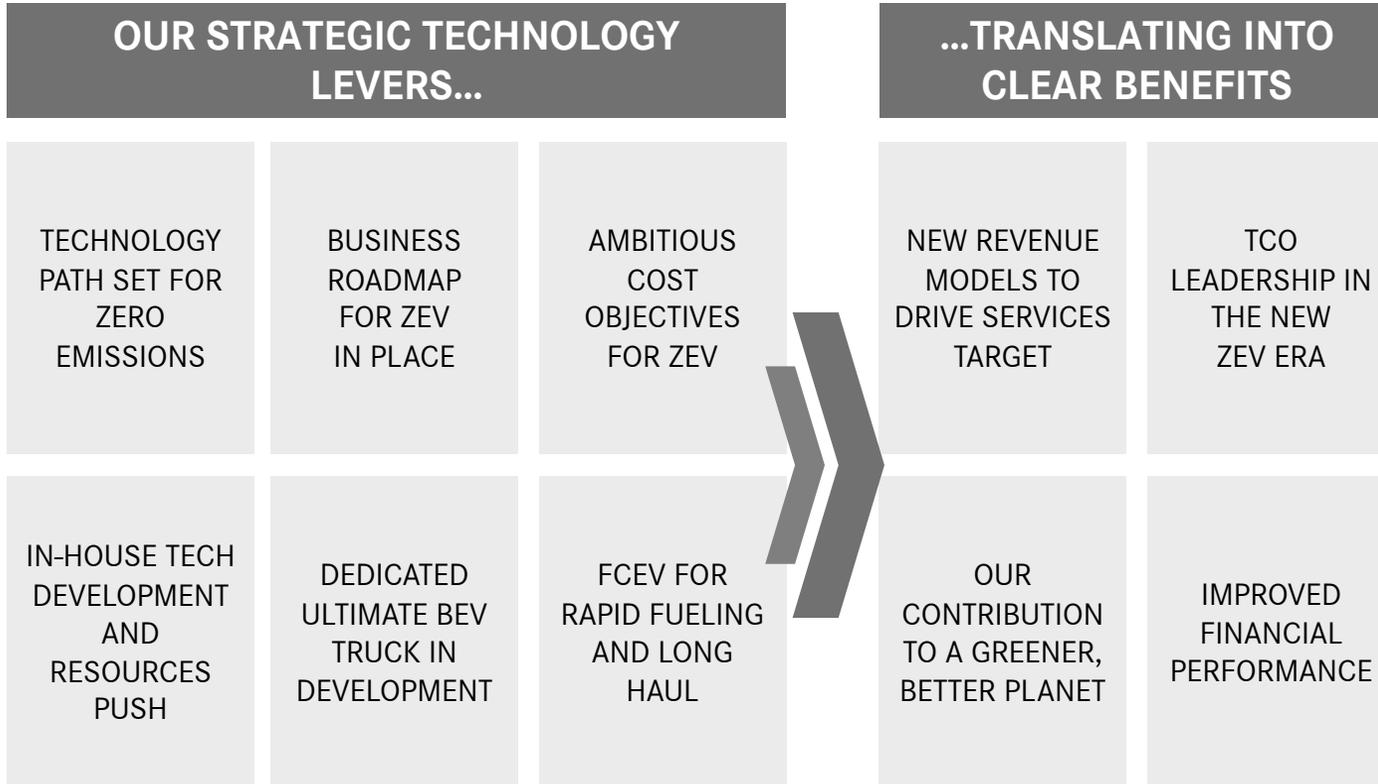
TAPPING BENEFITS OF SCALE AND TECHNOLOGY

- ▶ Engineering and procurement synergies
- ▶ Technology leadership
 - ▶ Global R&D hubs
 - ▶ Autonomous Driving: dual track strategy in North America
 - ▶ Common heavy duty e-Drive and e-Architecture



4 ACCELERATE TECHNOLOGY LEADERSHIP

Determined to lead the way to zero emissions



4 STRATEGIC PARTNERSHIPS IN KEY TECHNOLOGIES

Key partnerships accelerating technological development and sharing costs



5 TRANSFORMING OUR BUSINESS: GROWING SERVICES RAPIDLY

Translating long-term customer relationships into recurring revenues to reduce cyclicality and drive higher margins

~30%¹



TODAY²

VEHICLE
SALE

~35%¹



MID-TERM²

VEHICLE
OPERATION

~50%¹



2030²

ADVANCED
SERVICES

SERVICE EXCELLENCE

- ▶ Captive financial services
- ▶ Service contract penetration
- ▶ E-Commerce platform

2ND LIFE

- ▶ Used service contracts
- ▶ Remanufacturing
- ▶ Used truck financing

SOLUTIONS

- ▶ Industry solutions
- ▶ Dynamic lease
- ▶ Data-driven uptime

ZERO EMISSION

- ▶ Battery second use
- ▶ Charging services
- ▶ Digital e-Services

AUTONOMOUS

- ▶ Virtual driver
- ▶ Autonomous chassis
- ▶ Hub services

6 FOCUS ON CULTURE AND LEADERSHIP

The Daimler Truck management team



KARIN RÅDSTRÖM

Head of Mercedes-Benz



KARL DEPPEN¹

Head of Asia



JOHN O'LEARY

Head of North America



STEPHAN UNGER

Head of Financial Services



ANDREAS GORBACH

Head of Truck Technology



JÜRGEN HARTWIG

Head of Human Resources



JOCHEN GOETZ

CFO



MARTIN DAUM

CEO

¹ Karl Deppen appointed to the Board of Management as of December 1, 2021

6 FOCUS ON CULTURE AND LEADERSHIP

Faster decision making and emphasis on business performance

CULTURAL CHANGE UNDERWAY

GENERATIONAL
CHANGE IN BOARD

FOCUS ON TALENT
DEVELOPMENT

STRENGTHENED
ENTREPRENEURSHIP

BOARD
REMUNERATION
GEARED TO CREATING
SHAREHOLDER VALUE

EMPHASIS ON
PERFORMANCE
CULTURE

STRONG
COMMITMENT
TO ESG



TECHNOLOGY LEADING THE WAY TO ZERO EMISSIONS

Andreas Gorbach



OUR TECHNOLOGY ROADMAP IS CLEAR

And we are making significant progress in all areas

POWER TO DRIVE

#1 RAMP DOWN CURRENT DIESEL POWERTRAIN

Manage the
ramp down while staying
competitive

#2 ZEV: ACCELERATE BOTH PURE ELECTRIC AND H2 SOLUTIONS

BEV and FCEV
are complementary
and both will be needed

INTELLIGENCE TO DRIVE

#3 DEVELOP COMMON E/E-PLATFORM AND OPERATING SYSTEM

The future truck is a
programmable device



1 DIESEL RAMP DOWN: ACTIVELY MANAGING THE END OF AN ERA

Partnering, scaling and ramp down of investment

TRANSITION TO ZEV
WITHIN NEXT 10-20 YEARS

HUGE DIFFERENCES IN
TRANSPORTATION TASKS

REGULATIONS
DIFFERING BY
REGION

INFRASTRUCTURE
AT EARLY STAGE

OUR STRATEGIC LEVERS

PARTNERING STAGE 1:
Ramping down **MEDIUM DUTY**
engines with Cummins –
we disinvest completely

PARTNERING STAGE 2:
Actively seeking partners
for **HEAVY DUTY** engines



2 ZEV DUAL TRACK: BOTH BEV AND FUEL CELL WILL BE NEEDED

We are committed to delivering the best-fitting product for the customers' use case

eActros



eActros LongHaul



GenH2 Truck



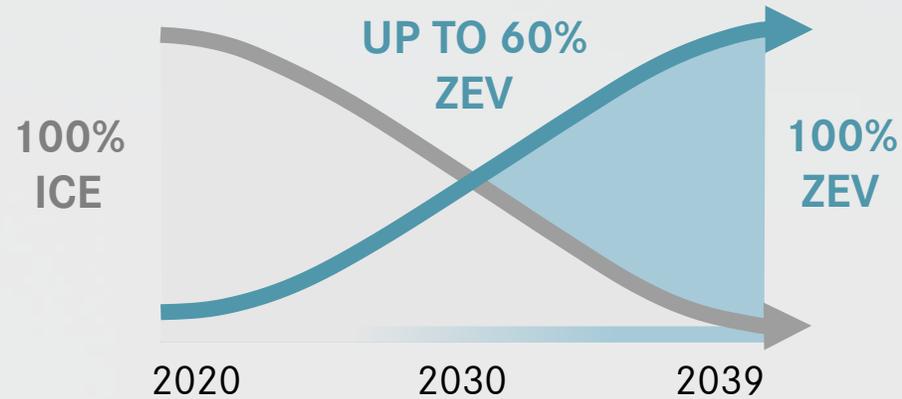
LIGHTER LOADS
SHORTER DISTANCES

HEAVIER LOADS
LONGER DISTANCES



2 TRANSITION TO ZEV: WE ARE ACCELERATING OUR PLANS

High potential variability in timing – we are preparing for any outcome



ZERO-EMISSION VEHICLES

- ▶ Develop competitive products tailored to customer needs

INFRASTRUCTURE

- ▶ Kick start initiatives for BEV and H2 charging

TCO PARITY

- ▶ Use scale and partnerships to reduce cost **CATL cellcentric**
- ▶ Grow captive know-how for differentiating technologies
- ▶ Manage external factors (e.g. energy prices, toll)

- ▶ We anticipate TCO parity for BEV by 2025 and FCEV by 2027

2 WE STARTED EARLY WITH ZEV LAUNCHES AND ARE ACCELERATING AT HIGH PACE

Mercedes-Benz eActros now in series-production – Freightliner eCascadia is launched next



2021

2021

2022

2018

2024

2027

2021

2022

2022

2017

2 ZEV: SUPPORTING CHARGING AND KICK-STARTING INFRASTRUCTURE

Customer support, depot charging solutions, high speed roadside networks

CUSTOMER AND DEPOT CHARGING

- ▶ Daimler Truck charging management
- ▶ Onsite consulting and installation



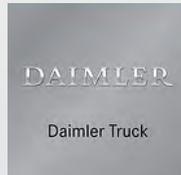
SIEMENS

ENGIE EVBOX



PUBLIC ROADSIDE CHARGING

- ▶ European high-performance charging network
- ▶ Daimler Truck, Traton and Volvo joint venture



EUROPEAN H2 INFRASTRUCTURE



- ▶ Germany and Netherlands



- ▶ United Kingdom



- ▶ France and Benelux



- ▶ Liquid hydrogen refueling

3 TRUCK OPERATING SYSTEM AS CORE OF THE VEHICLE

Software architecture development for our next generation trucks and service offerings

**HARDWARE-
BASED**

**SOFTWARE-
BASED**

**NEXT EVOLUTION
MECHATRONICS**
in implementation

**TRUCK
OPERATING SYSTEM**
planned

2020

2027



WHAT WE DO

- ▶ Fewer computing units and layers, delinked software cycles
- ▶ >600 software engineers in our Bangalore innovation hub

BENEFITS FOR CUSTOMERS

- ▶ Uptime: fewer and more efficient workshop visits driven by OTA¹
- ▶ Tailored digital service offering with seamless end-to-end integration

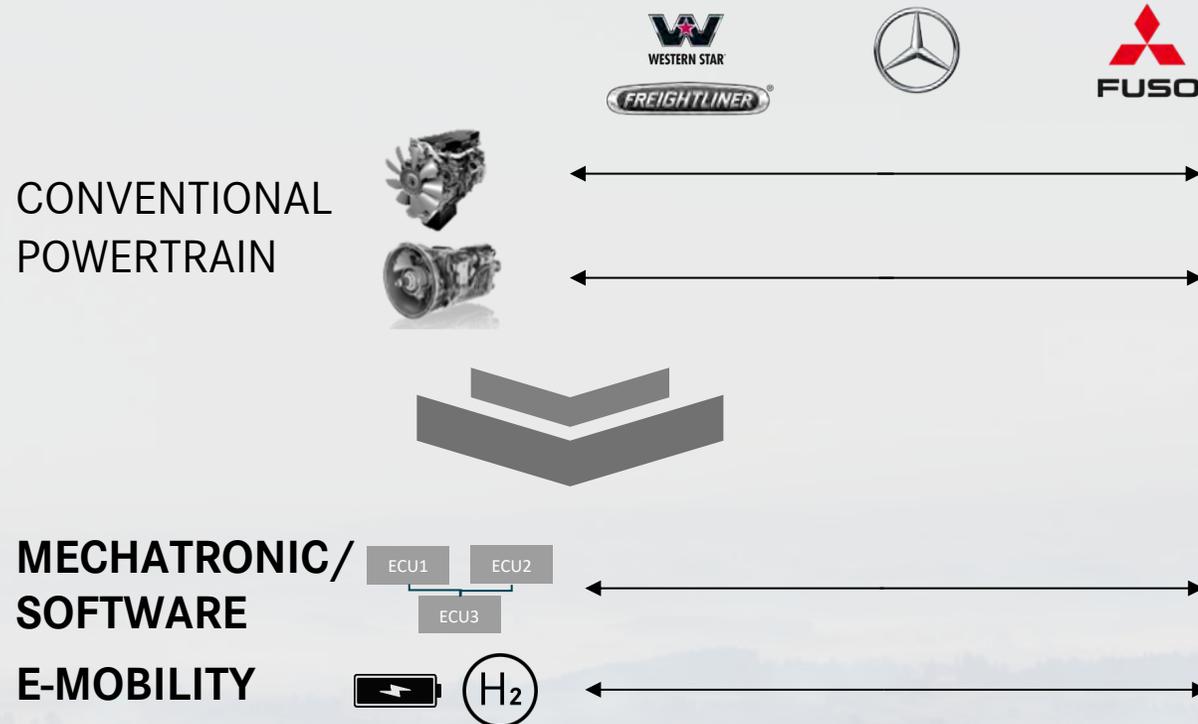
BENEFITS FOR US

- ▶ Drive service revenues and customer loyalty
- ▶ Increase development speed

¹ Over-the-air

MAXIMUM FOCUS ON COMMONALITY AND GLOBAL SCALE

Today with conventional technologies and tomorrow with software and e-Mobility



GLOBAL SCALE AND HIGH EFFICIENCY

- ▶ Strong global network along the value chain
- ▶ High speed of innovation
- ▶ Develop one time – deploy many times



FINANCIAL PERFORMANCE

DELIVERING ON OUR AMBITIONS

Jochen Goetz



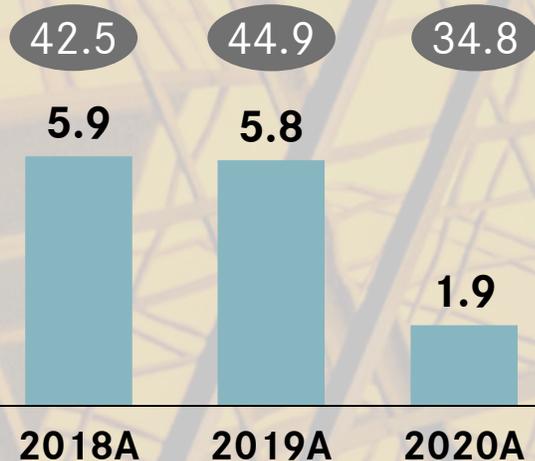
HISTORICAL FINANCIAL PERFORMANCE

Profitability below benchmark and in need of improvement

INDUSTRIAL BUSINESS

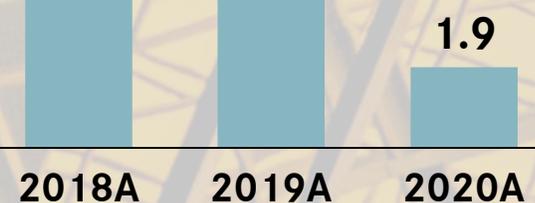
REVENUE

- in bn. € -



ROS ADJUSTED

- in % -



INDUSTRIAL BUSINESS

		2018A	2019A	2020A
SALES	<i>k units</i>	548	522	378
EBIT ADJUSTED	<i>mill. €</i>	2,524	2,600	655
CCR ADJUSTED		0.7x	0.9x	3.8x
FCF	<i>mill. €</i>	930	1,478	1,781

GROUP

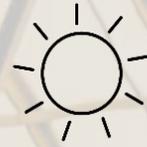
		2018A	2019A	2020A
REVENUE	<i>mill. €</i>	43,700	46,244	36,013
NET PROFIT	<i>mill. €</i>	1,839	1,750	-131

CLEAR 2025 AMBITIONS FOR DAIMLER TRUCK

Our financial ambitions to unlock full potential

INDUSTRIAL BUSINESS

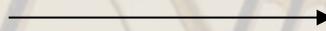
MARKET ENVIRONMENT



FIXED COST



-15% VS. 2019



CAPEX / R&D



-15% VS. 2019



PROFITABILITY¹

6 - 7%

8 - 9%

>10%

CASH CONVERSION²



0.8 - 1.0X



Structurally more profitable business



Lower break-even point with lower fixed cost and higher service revenue share



Prepared for tough conditions but ready to benefit from upcycles

¹ Profitability reflected by adjusted return on sales ² Adjusted

THE PATH TO OUR 2025 PROFITABILITY AMBITION

Driven by self-help measures

INDUSTRIAL BUSINESS

ROS ADJUSTED

- in % -



10.0

5.8



INDEPENDENT OF TRUCK
MARKET CONDITIONS

2019
ACTUALS

Volume

Contribution
Margin

Fixed
Overheads

Other

2025
AMBITION

KEY INITIATIVES

- ▶ Improving aftersales and new service revenue opportunities
- ▶ Contribution margin uplift due to product cost reduction and mix
- ▶ Increasing pivot towards heavy duty
- ▶ Significant fixed overhead cost reduction
- ▶ New product-led growth in China, vocational and Bus North America



2025 FINANCIAL AMBITIONS: EVERY SEGMENT MUST DELIVER

Aiming for higher margins and greater resilience in down-cycles

ADJUSTED ROS/ROE

- in % -



	DAIMLER TRUCK (IB ¹)	TRUCKS NORTH AMERICA	MERCEDES-BENZ	TRUCKS ASIA	DAIMLER BUSES	FINANCIAL SERVICES ²
	> 10%	12%	10%	9%	7.5%	14%
	8-9%	9-10%	8-9%	7-8%	4-6%	10-12%
	6-7%	7-8%	5-7%	5-6%	2-4%	6-8%

WE AIM TO UNLOCK POTENTIAL AND REDUCE CYCLICALITY

¹ Incl. reconciliation ² After full ramp up; adjusted RoE

UNDERLYING PROGRESS MADE IN 2021

Improvements obscured by semi-conductor impact

INDUSTRIAL BUSINESS

SALES

- in k units -

522 450-470

ROS ADJUSTED

- in % -

5.8

6-8

2019A

2021E

DEVELOPMENT

- ▶ Semi-conductor shortage materially burdens volume, mix and contribution
- ▶ Raw material cost increase
- ▶ Significant fixed cost reduction
- ▶ Break-even achieved in Brazil as per plan
- ▶ Substantial improvement in European and Asian business



WHAT HAPPENED IN 2021: SEGMENT OVERVIEW

Progress at Mercedes-Benz and Trucks Asia towards 2025 ambitions

ADJUSTED ROS/ROE

TRUCKS NORTH AMERICA

2019A: **11.5%**
2021A: **10.8%**
(YTD Sep)



FROM STRONG
TO STRONGER

MERCEDES-BENZ

2019A: **0.4%**
2021A: **4.5%**
(YTD Sep)



REBUILDING
PROFITABILITY

TRUCKS ASIA

2019A: **2.3%**
2021A: **7.2%**
(YTD Sep)



OPPORTUNITY
AND GROWTH

DAIMLER BUSES

2019A: **6.1%**
2021A: **-2.6%**
(YTD Sep)



BENCHMARK
PROFITABILITY

FINANCIAL SERVICES¹

2019A: **12.4%**
2021A: **10.4%**
(YTD Sep)



DRIVING ENDURING
CUSTOMER
RELATIONSHIPS

¹ Adjusted RoE

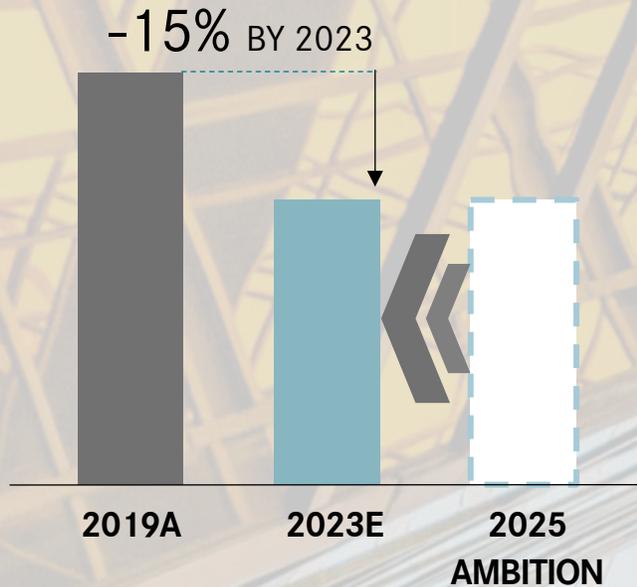
SIGNIFICANT FIXED COST REDUCTION AHEAD OF SCHEDULE

Learn from 2020; make savings permanent; push further

INDUSTRIAL BUSINESS

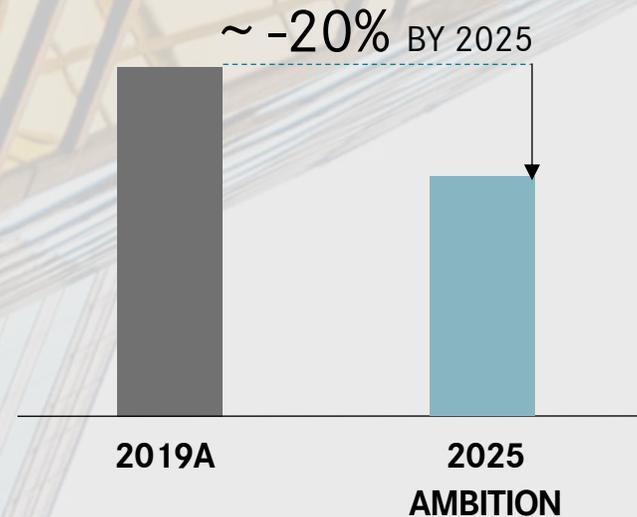
FIXED COST REDUCTION AMBITION EXPECTED EARLIER – NOW 2023

Fixed cost
- in € -



AIM TO REDUCE BREAK-EVEN POINT SIGNIFICANTLY

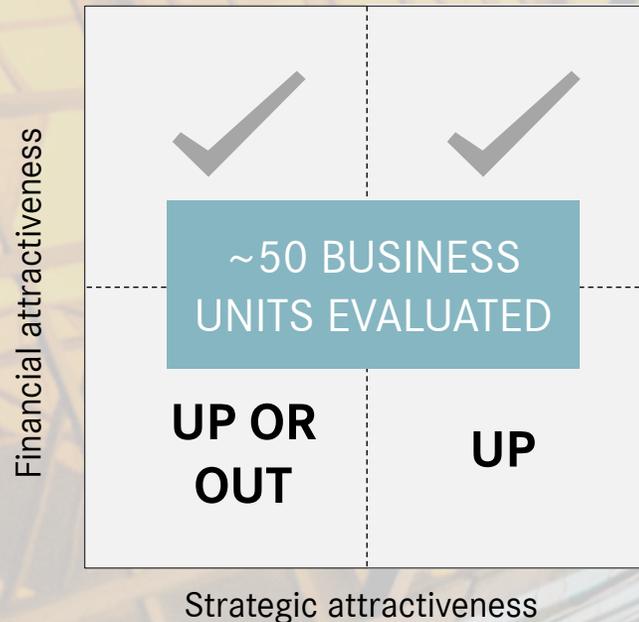
Break-even point
- in units -



AIM TO ENHANCE FUTURE PROFITABILITY BY ACTIVE PORTFOLIO MANAGEMENT

Increasing pivot towards heavy duty and rationalization of line-up

ACTIVE PORTFOLIO MANAGEMENT



FOCUS ON PERFORMANCE

- ▶ Clear picture on financial and strategic performance of businesses
- ▶ Business improvement plans for critical businesses
- ▶ High frequency review
- ▶ Stringent decision making

DECISIONS ALREADY TAKEN

- ▶ Performance-based capital allocation
- ▶ Portfolio optimization accelerating
- ▶ Exits already decided:
 - ▶ Medium duty business Mexico
 - ▶ Fuso Canter USA

TRANSFORMING OUR BUSINESS: GROWING SERVICES RAPIDLY

Translating long-term customer relationships into recurring revenues to reduce cyclicality and drive higher margins

~30%¹



TODAY²

VEHICLE
SALE

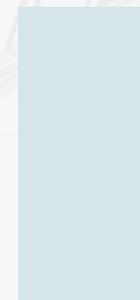
~35%¹



MID-TERM²

VEHICLE
OPERATION

~50%¹



2030²

ADVANCED
SERVICES

SERVICE EXCELLENCE

- ▶ Captive financial services
- ▶ Service contract penetration
- ▶ E-Commerce platform

2ND LIFE

- ▶ Used service contracts
- ▶ Remanufacturing
- ▶ Used truck financing

SOLUTIONS

- ▶ Industry solutions
- ▶ Dynamic lease
- ▶ Data-driven uptime

ZERO EMISSION

- ▶ Battery second use
- ▶ Charging services
- ▶ Digital e-Services

AUTONOMOUS

- ▶ Virtual driver
- ▶ Autonomous chassis
- ▶ Hub services

STRONG NET LIQUIDITY AND RATING

- in bn. € -	ACTUALS YTD Dec 31, 2020	ACTUALS YTD Sep 30, 2021	ACTUALS YTD illustrative Sep 30, 2021 ¹
DAIMLER TRUCK			
Equity ratio	17%	22%	-
Gross liquidity	7.5	5.8	6.8
Funded status of pension obligations	-2.9	-2.1	-
Funding ratio	66%	73%	-
INDUSTRIAL BUSINESS			
Equity ratio	22%	27%	-
Net liquidity	1.6	1.0	5.2
FCF	1.8	0.6	-

SOLID RATING

S&P: **BBB+**

MOODY'S: **A3**

“Daimler Truck has developed an ambitious profitability roadmap to improve the resilience of its operating performance during industry downturns and is preparing for the energy transition towards zero-emission vehicles.” (S&P)

“Its good diversification with seven individual brands, and leading positions in the US and European markets. [...] potential to grow margins via efficiency measures, the companies conservative financial policy and a strong liquidity profile.” (Moody's)



¹ Actuals YTD illustrative Sep 30, 2021: Adjusted for the effects of capital and liquidity funding measures, remaining purchase price payments in relation to Wave 1 transactions and certain other measures, all taken or to be taken prior to the spin off; not including operating cash flow of the 4th quarter and effects of refinancing financial liabilities at Daimler Truck Financial Services

USES OF CASH

Committed to balance sheet optimization

DIVIDEND PAYOUT OF¹

~40%

RAMP UP OF FINANCIAL SERVICES

**STRENGTHEN
BALANCE SHEET**



**TARGETED R&D FOCUSED
ON NEW TECH AND
SERVICES**



¹ Of net profit, covered by industrial FCF. From Financial Year 2022 onwards. Financial Year 2021 dividend paid by Daimler AG

**ADJUSTED ROS AMBITION
OF MORE THAN 10%¹ -
EVERY SEGMENT MUST DELIVER**

**NEW PRODUCT-LED GROWTH
IN CHINA, VOCATIONAL
AND BUS NORTH AMERICA**

**AIM TO ACHIEVE FIXED COST
REDUCTION BY 2023**

**AIM TO SIGNIFICANTLY REDUCE
BREAK-EVEN POINT**

**PERFORMANCE-BASED
CAPITAL ALLOCATION**

**PROVEN CASH GENERATION WITH
FURTHER UPSIDE**

Q&A I



MERCEDES-BENZ

REBUILDING PROFITABILITY

Karin Rådström



MERCEDES-BENZ: REBUILDING PROFITABILITY

Strong market position in key markets and strong product portfolio

STRONG MARKET POSITION ACROSS REGIONS ...

KEY MARKETS Actuals 2019



... AND PRODUCT PORTFOLIO



HEAVY DUTY TRUCKS



MEDIUM DUTY TRUCKS



SPECIAL TRUCKS

¹ Source: Company estimate

PROGRESS EVIDENT: REBUILDING PROFITABILITY UNDERWAY

Significant fixed cost reductions and measures to raise contribution margin

VEHICLE SALES

- in k units -



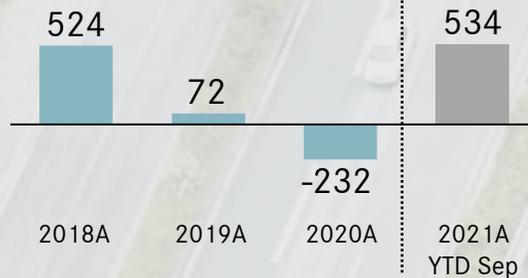
REVENUE

- in bn. € -



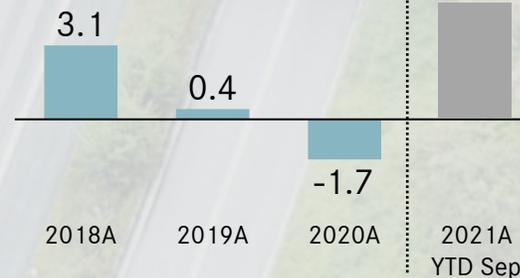
EBIT ADJUSTED

- in mill. € -



ROS ADJUSTED

- in % -



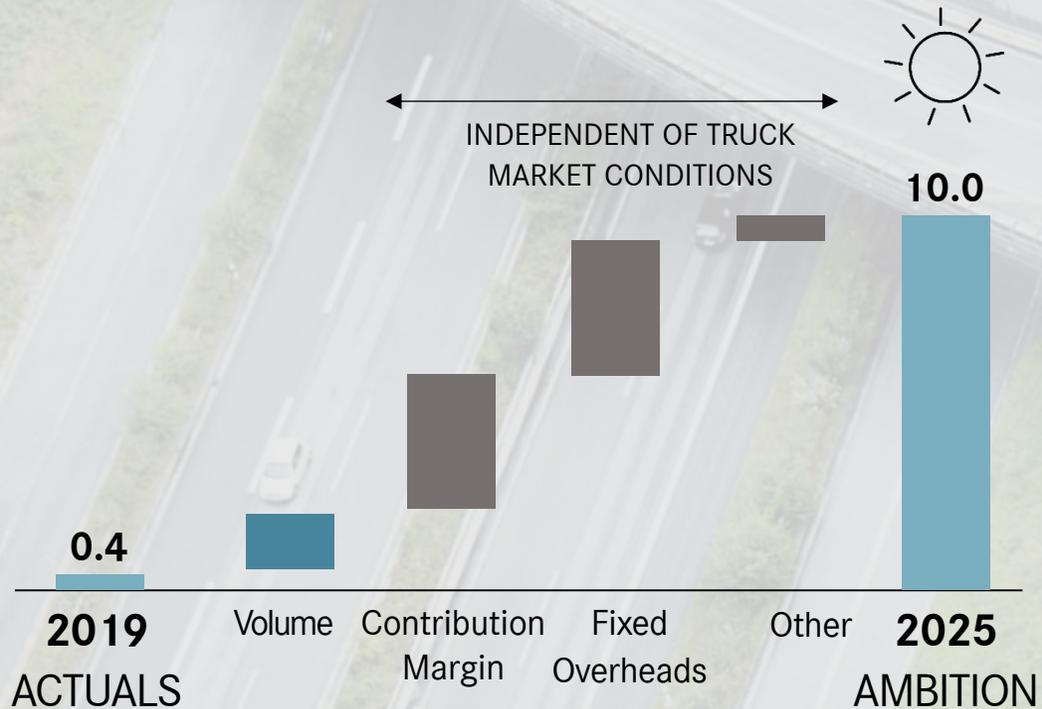
MULTIPLE STRATEGIC LEVERS FOR TURNAROUND

Ambition to increase profitability to 10% adjusted RoS – restructuring already paying off

INDUSTRIAL BUSINESS

ROS ADJUSTED

- in % -



MAIN LEVERS TO FILL GAP TO AMBITION

- 1 Focused on fixed cost reduction
- 2 Contribution margin push
- 3 Services growth
- 4 Customer satisfaction priority



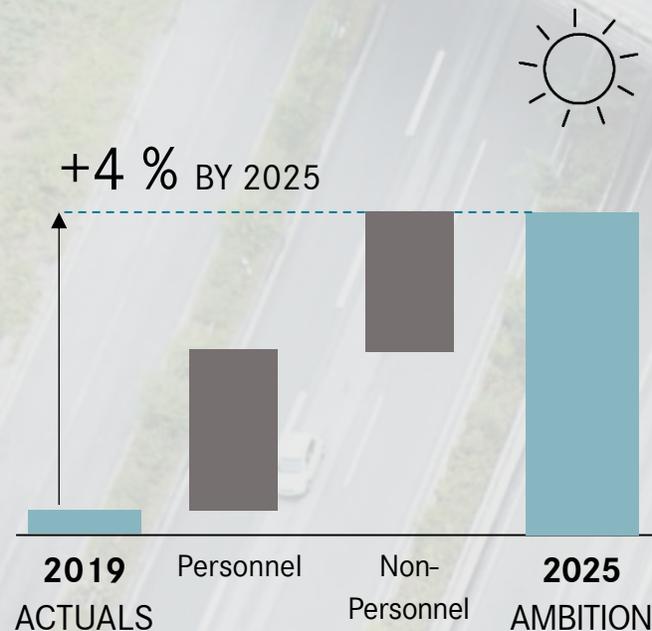
1 FULLY FOCUSED ON FIXED COST REDUCTION

Strong progress: aiming for ~50% of communicated net cost savings already by YE 2021

INDUSTRIAL BUSINESS

ROS ADJUSTED

- in % -



PERSONNEL

PERSONNEL COST REDUCTION PROGRAM

- ▶ **Net ambition 2023:** reduction of € 280 million vs. 2019 – targets backed with concrete measures
- ▶ **Executive positions reduced** in parallel to increase span of controls
- ▶ Ambition to deliver ~50% of planned net savings by **YE 2021**
- ▶ **Ongoing cost management** to ensure benchmark level



NON-PERSONNEL

NON-PERSONNEL COST REDUCTION PROGRAM

- ▶ **Net ambition 2025:** reduction of € 200 million vs. 2019
- ▶ **Zero-based approach:** budgets planned from base zero
- ▶ **Rigorous cost center controlling** to ensure cost reduction
- ▶ Ambition to deliver ~50% of planned net savings by **YE 2021**
- ▶ **Cost category owners** from 2022 to foster internal benchmarking

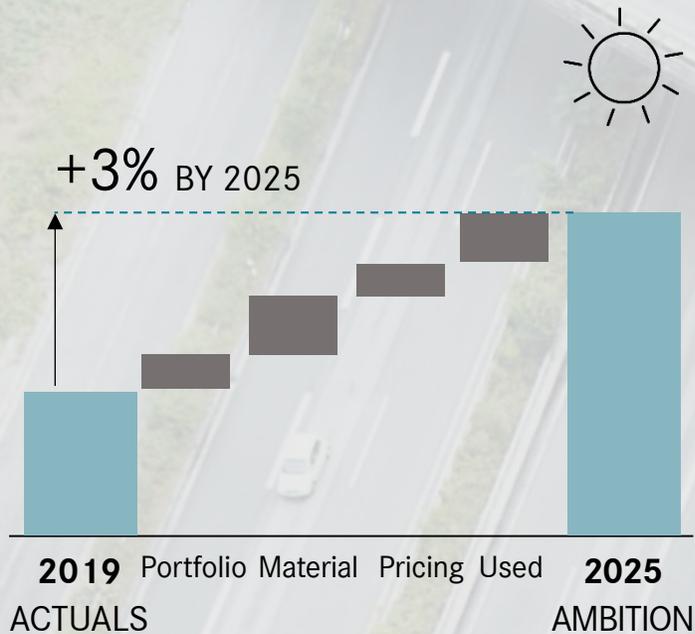
2 CONTRIBUTION MARGIN PUSH

Measurable improvement of contribution margins to date – halfway to our 2025 ambition!

INDUSTRIAL BUSINESS

ROS ADJUSTED

- in % -



PORTFOLIO

- ▶ **Reduced complexity:** number of base models with low volumes reduced **from 140 to 100**
- ▶ **Purchased parts** (low runners) to be further reduced by ~15%



MATERIAL

- ▶ **Variable cost** already **reduced by ~€ 200 million** vs. 2019 (focus on commonality and increasing number of shared parts)
- ▶ Measurable **higher product quality** – W&P spending normalized



PRICING

- ▶ Pursuit of **profitable segments** vs. market share
- ▶ Focus on **optional extras** with **added value for customers** and high **contribution margins**



USED TRUCK

- ▶ **Stock** lowered by **>50%** vs. 2019 – **restrictive buyback policy** implemented: lower/more “healthy” buyback volumes
- ▶ **EBIT contribution improved** in total by **€ 100 million** vs. 2019

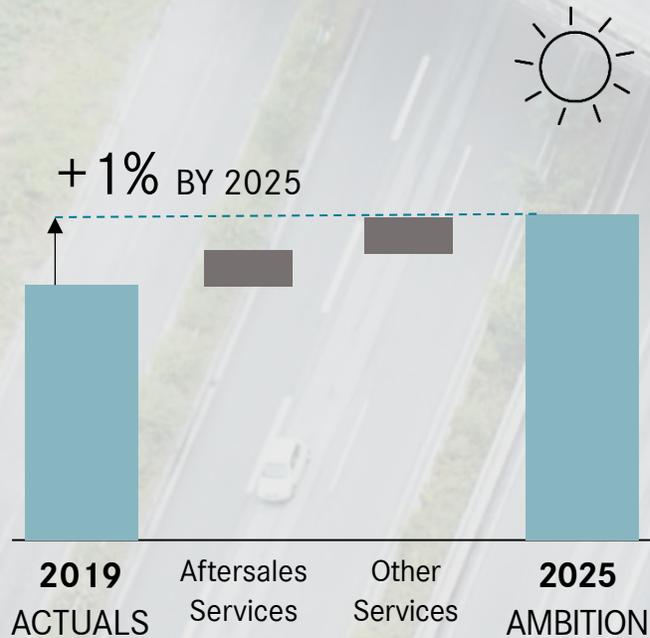
3 SERVICES GROWTH

Incremental RoS increase from systematic measures to drive aftermarket and services growth

INDUSTRIAL BUSINESS

ROS ADJUSTED

- in % -



PARTS BUSINESS

- ▶ **Strengthen service and own retail network:** expansion of network to ~50 own retail and service locations in 2025
- ▶ **Improved processes for parts availability and delivery**
- ▶ **Advanced parts pricing** algorithm based on big-data analytics



CUSTOMER CONTRACTS

- ▶ New and enhanced **digital services** (e.g. HABBL)
- ▶ Customer retention increased by new digital platform **“My TruckPoint”** and **“Basic Service Bundle”**
- ▶ **Higher service contract penetration** by new service contract types and roll-out to new markets



E-MOBILITY SERVICES

- ▶ **New services** for e-Truck business (e.g. MB uptime and mapping for e-Trucks)
- ▶ **Solutions:** hardware and software, charging infrastructure and analytic services for battery charge status

4 CUSTOMER SATISFACTION

Determined to re-establish product, sales and service leadership

	CURRENT	AMBITION		
PRODUCT	Not on podium		 ORGANIZATION AND MINDSET	<ul style="list-style-type: none">▶ New MB Trucks strategy with top priority on customer satisfaction▶ Management meetings with customers to listen to expectations▶ Sales and Marketing re-organized: strengthened regional sales units▶ C-Star program to measure and act on customer feedback at retail level
SALES	Not on podium			
SERVICE	Not on podium		 PRODUCT	<ul style="list-style-type: none">▶ Weaknesses in product portfolio analyzed and addressed▶ Trucks co-developed with customers<ul style="list-style-type: none">- Actros F: entry level offering in tractor market- Actros L: increased driver orientation▶ Successful launch of eActros – first deliveries scheduled for December▶ Optimized heavy duty engine with improved fuel efficiency to be launched next year



**FOCUS ON
FIXED COST REDUCTION**



**CONTRIBUTION MARGIN
PUSH**



SERVICES GROWTH



**CUSTOMER SATISFACTION
PRIORITY**



DRIVE CONVERSION TO ZEV



**DEVELOP OUR PEOPLE AND
ACT AS ONE TEAM**

TRUCKS NORTH AMERICA

FROM STRONG
TO STRONGER

John O'Leary



DAIMLER TRUCK NORTH AMERICA: UNDISPUTED INDUSTRY LEADER

On-highway business presents a very clear framework for off-highway vocational success

LEADING POSITION!¹

- #1 On-highway large/mega fleets
- #1 On-highway small fleets
- #2 Off-highway vocational

...STRONG FOUNDATIONS...

- 807k+** Uncompromised customer focus
CASCADIAS BUILT²
- 34%** Industrial-leading updated technology
IMPROVED FUEL EFFICIENCY²
- 9,000+** World-class dealer network
SERVICE BAYS

...RIGHT PRODUCT PORTFOLIO



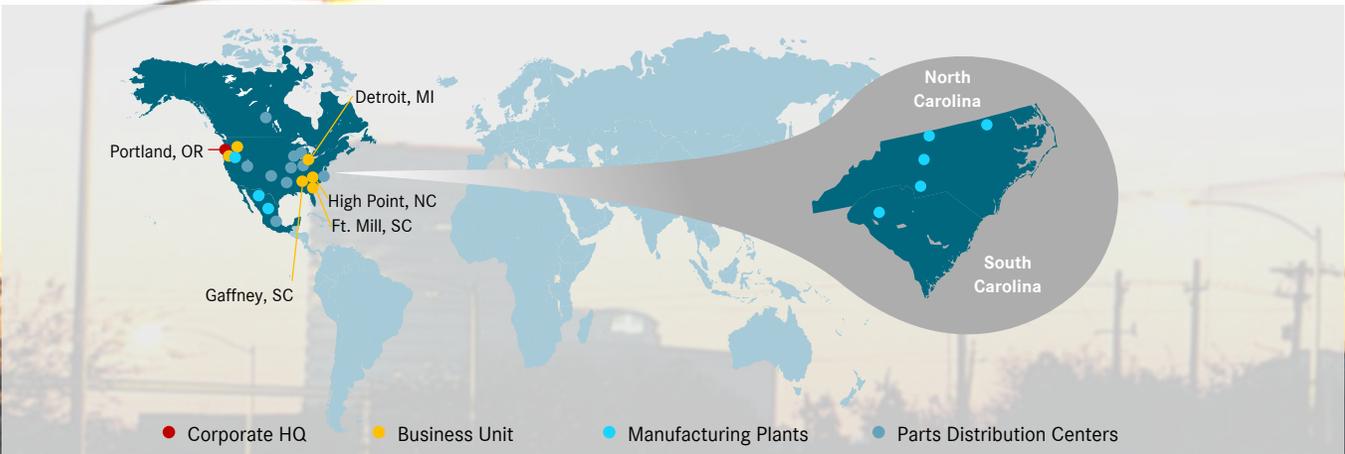
On-highway large/mega fleets



On-highway small fleets



Off-highway vocational



¹ For the year 2019; Source: Company estimate ² Since launch in 2007

CONSISTENTLY STRONG FINANCIAL PERFORMANCE

Double-digit profit record

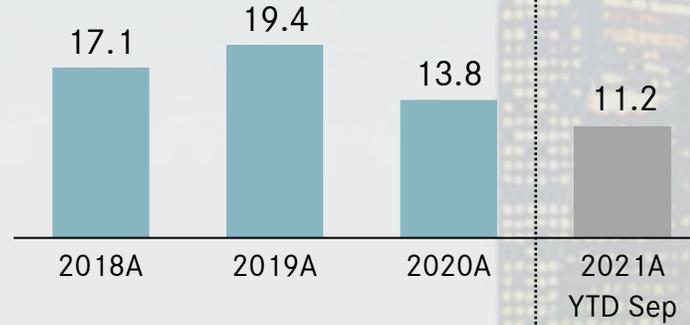
VEHICLE SALES

- in k units -



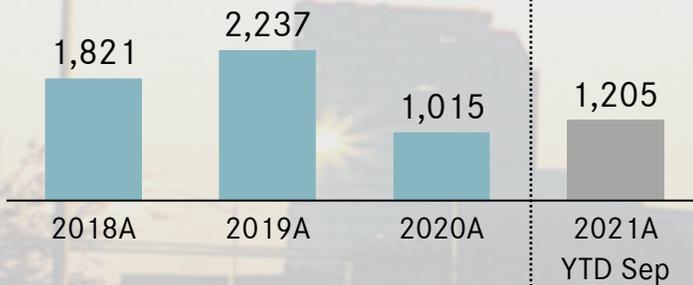
REVENUE

- in bn. € -



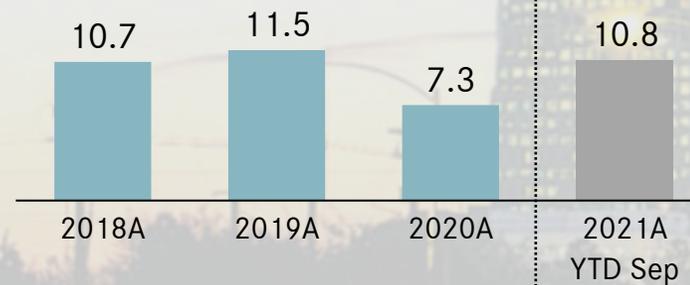
EBIT ADJUSTED

- in mill. € -



ROS ADJUSTED

- in % -



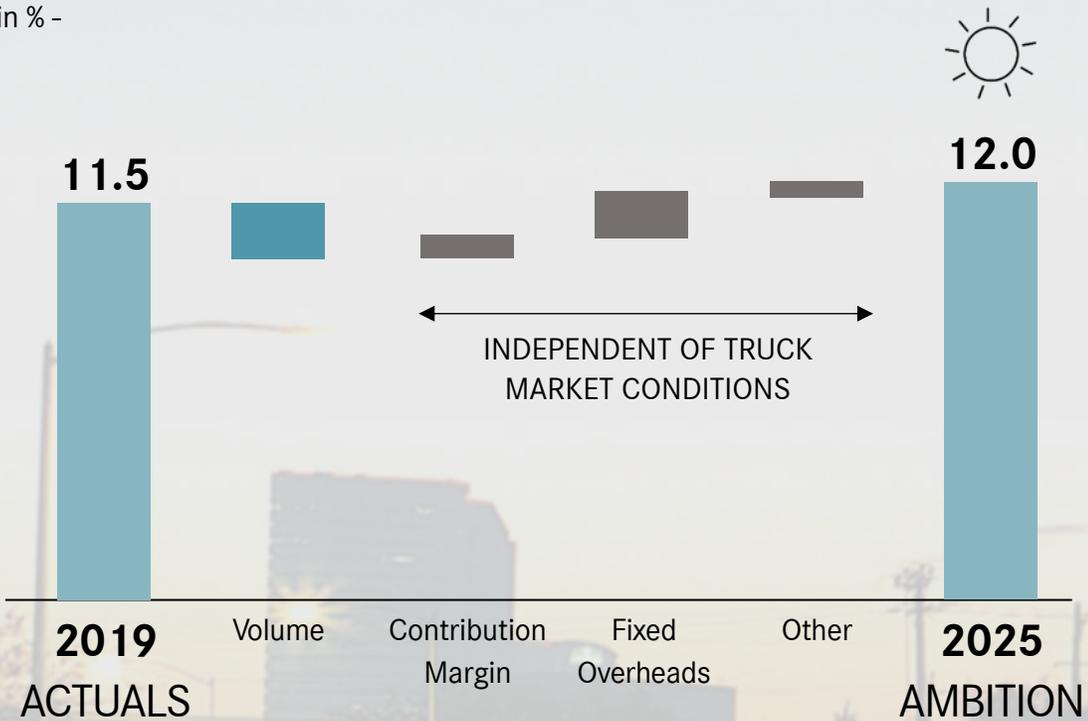
RELENTLESS FOCUS ON PROFITABILITY

Clear measures to further improve margins

INDUSTRIAL BUSINESS

ROS ADJUSTED

- in % -



MAIN LEVERS TO FILL GAP TO AMBITION

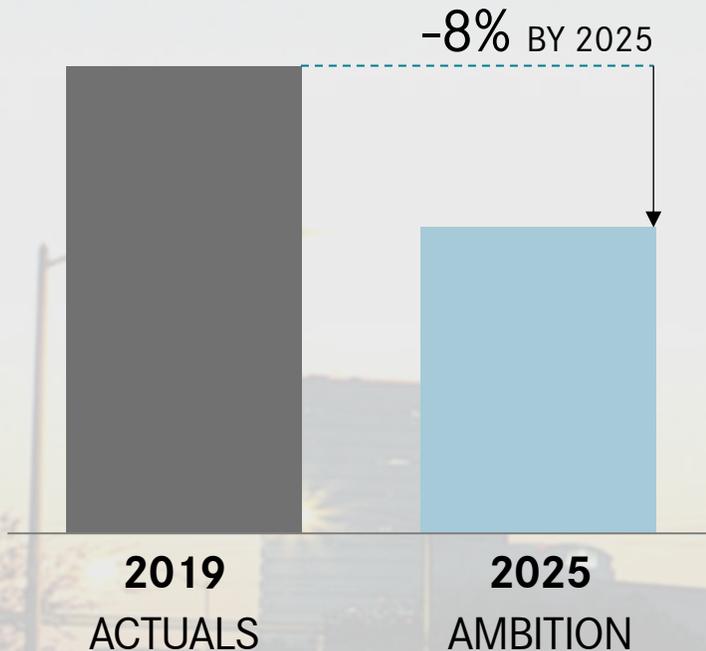
- 1 Maintain strict cost discipline
- 2 Capture vocational growth and continue investment in core product
- 3 Further develop aftermarket capabilities
- 4 Strengthen connected vehicle services
- 5 Leader in autonomous trucking
- 6 Drive conversion to ZEV



1 MAINTAIN STRICT COST DISCIPLINE

Disciplined cost control intended to achieve high RoS in North America

FIXED COST DEVELOPMENT



PRAGMATIC PRODUCT INVESTMENT

- ▶ Practical investment philosophy
- ▶ Targeted / disciplined investment in ICE portfolio
- ▶ Accelerating investment in practical advanced technologies

DISCIPLINED COST INITIATIVES

- ▶ Continued focus on vehicle cost reductions
- ▶ Operational efficiencies
- ▶ Stringent fixed overhead controls

HIGHLY FLEXIBLE NORTH AMERICAN PRODUCTION NETWORK

- ▶ 9 specialized manufacturing plants
- ▶ Covering trucks, school buses, chassis, powertrain and proprietary parts

2 CAPTURE VOCATIONAL GROWTH AND CONTINUE INVESTMENT IN CORE PRODUCT

Replicating the on-highway success in the attractive vocational market

3 All-new vocational vehicles launching between 2020-2022

1,200+ X-Series built in 2021

15k+ X-Series expected to be built in 2022

77k Total market size in 2019
Heavy duty vocational vehicles¹

1,945 Continued investment in
mill. \$ non-vocational product 2021-2023

CONSUMER CENTRIC PRODUCTS

- ▶ Trucks co-developed with clients
- ▶ Customer-centric industry-leading R&D
- ▶ Best resale value products in the industry
- ▶ Blue-chip customer base

VOCATIONAL GROWTH

- ▶ Resilient and higher margin segment
- ▶ Revamped the line-up starting with Western Star 49X
- ▶ Significant opportunity to capture market share from non-Trucks North America customers
- ▶ Infrastructure bill expected to drive the construction market



¹ Source: Company estimate

3 OUR SERVICES STRATEGY FOR NORTH AMERICA

Committed to keeping our customers on the road 24/7

AFTERMARKET SERVICE

- 1,153** Franchised dealer and service locations
- 142** Locations added since 2017
- 25%** Estimated growth in e-Commerce parts sales¹



DEALER NETWORK

- ▶ Growing dealer rooftops: +30 locations & +500 bays in next 18 months
- ▶ Increasing direct partnerships with large customers for service parts
- ▶ Stronger and smaller dealers and substantial network support

PART SALES

- ▶ Proprietary Excelerator e-Commerce platform adds B2C capability
- ▶ Provides access to the \$5 billion online² parts sales industry
- ▶ Record setting daily parts sales of \$13 million³

TURNAROUND LEADERSHIP

- ▶ Committed to delivering 24-hour or less turnaround on vehicle repairs
- ▶ More efficient inventory management via machine learning
- ▶ Connecting backend systems to improve responsiveness to customers

¹ Source: MacKay & Company; 2019 – 2022 ² Source: MacKay & Company ³ September YTD 2021 daily average

4 STRENGTHEN CONNECTED VEHICLE SERVICES

Employ connectivity expertise to drive the global industry transformation

300k

Connected Trucks North America vehicles in operation¹

100%

Connected vehicle services growth expected in the coming 18 months¹

7

Connected vehicle services product offerings¹



CENTER OF EXCELLENCE

- ▶ Expertise in connectivity, infrastructure and data analytics
- ▶ In-plant activated & validated digital vehicle solutions from the factory
- ▶ Eliminate need to install aftermarket telematics hardware and services



- ▶ Focused on maximizing uptime and improving safety
- ▶ Vehicle health monitoring with real-time alerts and actions
- ▶ Over-the-air updates for truck parameters and firmware

TRUCK-AS-A-PLATFORM

- ▶ Strategic partnership with Platform Science for in-cab digital platform
- ▶ Facilitate future innovative, data-driven business models and services
- ▶ Dynamic lease, insurance and extended warranty contracts

¹ YTD September 2021 figures

5 LEADER IN AUTONOMOUS TRUCKING

Driving transformation through best-in-class autonomous trucking solutions

1 Pioneering redundant, scalable L4 truck platform

2 Integrated autonomous driving systems with L4 Freightliner Cascadia

12+ Customer collaborations in autonomous development

+100% Growth in dedicated workforce expected over the next year

TORC

- ▶ First OEM/autonomous vehicle tech company partnership enters 3rd year
- ▶ Co-creating hub-to-hub use cases with customer feedback

The TORC logo consists of the letters 'TORC' in a bold, red, sans-serif font.

WAYMO

- ▶ Delivering first critical milestone with early version of fully redundant L4 Cascadia
- ▶ Ready for integration of the Waymo Driver

The Waymo logo features a stylized 'W' composed of two overlapping shapes, one green and one blue, with the word 'WAYMO' in a blue, sans-serif font below it.

COMPELLING NEW OPPORTUNITIES

- ▶ Emerging autonomous vehicle system business model
- ▶ Aftersales and data revenue potential



6 LEADING THE INDUSTRY MOVE TOWARDS ZEV

Proactively guiding our customers through the ZEV transition

1 mill. Battery electric miles accumulated¹

45 Customers providing input for vehicle development¹

700 Battery electric vehicles on-order¹

375 Investment in battery electric vehicles
mill. \$ 2021-2023

- ▶ State-of-the-art purpose-built BEV offerings – start of production in 2022
- ▶ Complementary hydrogen fuel cell propulsion system via cellcentric
- ▶ Launched Detroit eFill and eConsulting products and services
- ▶ eConsulting services provided to >40 customers

CUSTOMER FEEDBACK:

“We truly appreciate your overall consulting process. The job that Daimler did was fast and furious and you guys did a great job in getting everything together that is relevant. [...] We truly appreciate all the effort you put into getting this done.”

Keshav Sondhi (US Foods)





UNRELENTING CUSTOMER FOCUS

- ▶ Our trucks based on our clients' needs
- ▶ Industry leading resale values
- ▶ Consumer-centric industry leading R&D



UNPARALLELED CUSTOMER SERVICE

- ▶ Maximize uptime for clients
- ▶ Strong financial service offerings
- ▶ Growing dealer rooftops



DISCIPLINED COST CONTROL

- ▶ Continued focus on vehicle cost reductions
- ▶ Stringent fixed overhead controls
- ▶ Aim to earn the highest return on sales in the industry



VOCATIONAL STRENGTH

- ▶ Smaller, more profitable market
- ▶ 3 all new vocational vehicles launching
- ▶ Expected construction truck boom



E-MOBILITY

- ▶ Purpose-built BEV offerings
- ▶ eConsulting services



AUTONOMOUS DRIVING LEADERSHIP

- ▶ Exporting technology to Daimler Truck
- ▶ Partnerships with industry leaders
- ▶ Emerging virtual driver business model

TRUCKS ASIA

OPPORTUNITY AND GROWTH

Karl Deppen



DAIMLER TRUCK ASIA: OPPORTUNITY AND GROWTH

Leveraging true Asian footprint and Daimler Truck technology

LEADING POSITION...

- Top 3¹** Japan
- # 1¹** Indonesia
- # 1²** China
HDT import market share

...STRONG FOUNDATIONS...

-  Renowned and true local brands 
-  Balance of markets
-  Proven recurring service business model

...LOCALIZED FULL PORTFOLIO

HEAVY DUTY TRUCKS



MEDIUM DUTY TRUCKS



LIGHT DUTY TRUCKS



BUS



¹For the year 2019; Source: IHS Markit

²For the year 2019; Source: Company estimate

PROGRESS EVIDENT: STRONG IMPROVEMENT IN 2021

Volume recovery and impact of cost improvement measures

INDUSTRIAL BUSINESS

VEHICLE SALES

- in k units -



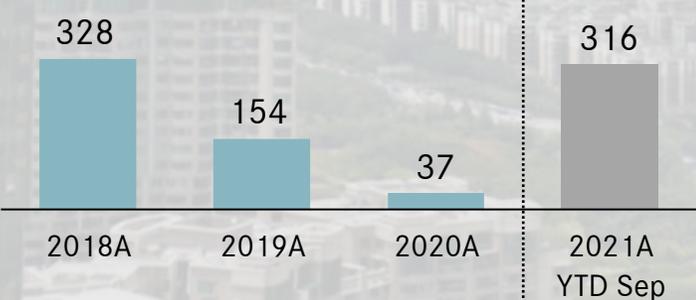
REVENUE

- in bn. € -



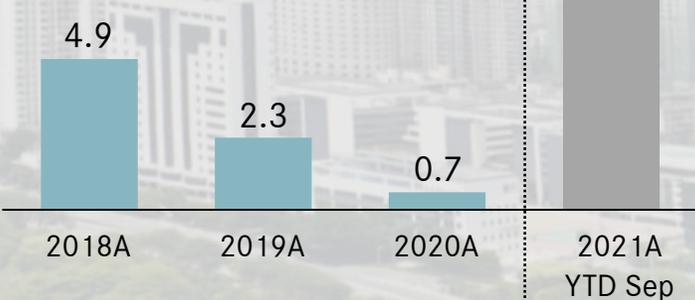
EBIT ADJUSTED

- in mill. € -



ROS ADJUSTED

- in % -



RELENTLESS FOCUS ON PROFITABILITY

Clear measures to further improve margins

INDUSTRIAL BUSINESS

ROS ADJUSTED

- in % -



9.0

2.3

2019
ACTUALS

Volume

Contribution
Margin

Fixed
Overheads

Other

2025
AMBITION

INDEPENDENT OF TRUCK
MARKET CONDITIONS

MAIN LEVERS TO FILL GAP TO AMBITION

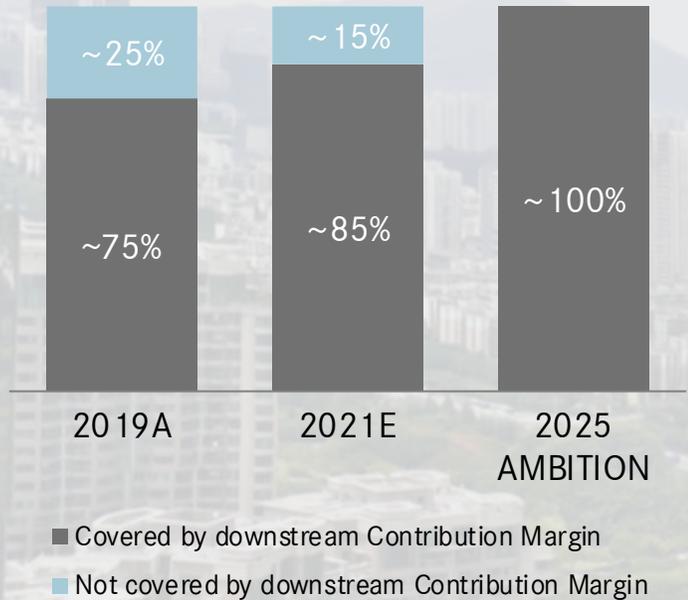
- 1 Strengthen Fuso position
- 2 Optimize cost structure
- 3 Seize attractive growth opportunity in India
- 4 Deepen position in China



1&2 STRENGTHEN FUSO POSITION AND OPTIMIZE COST STRUCTURE

Continued cost optimization and expanding downstream capacity to drive profitability

AIMING FOR DOWNSTREAM¹ PROFITS TO COVER 100% OF FIXED COST BY 2025



IMPROVEMENT PROGRAM

- ▶ Improve net pricing/mix
- ▶ Achieve “Net Zero” variable cost efficiency
- ▶ Expand insourcing of profitable service business
- ▶ Implement structural measures for fixed cost reduction
- ▶ Indirect labor cost (~10% reduction vs. 2019)
- ▶ Turnaround of own retail profitability in Japan

STRUCTURAL MEASURES TO OPTIMIZE BUSINESS PORTFOLIO

- ▶ Review sales footprint
 - ▶ Stop new vehicle sales in USA/Canada in 2021
 - ▶ Enhance own retail Japan network (ongoing)
- ▶ Lower cost base of indirect functions
- ▶ Review product portfolio and production footprint (ongoing)

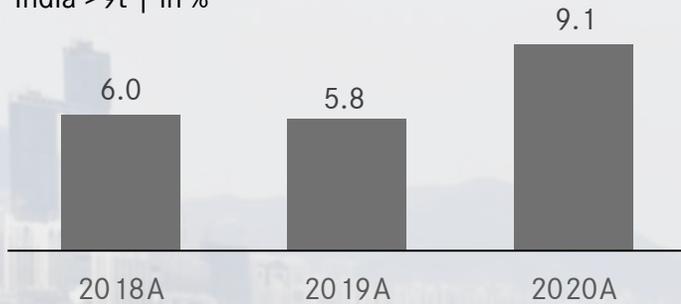
¹Downstream = all non-new vehicle business, mainly parts/services, and also e.g. insurance business, industrial engines

3 CAPTURE ATTRACTIVE GROWTH OPPORTUNITY IN INDIA

Expand network coverage and services to accelerate market share gains

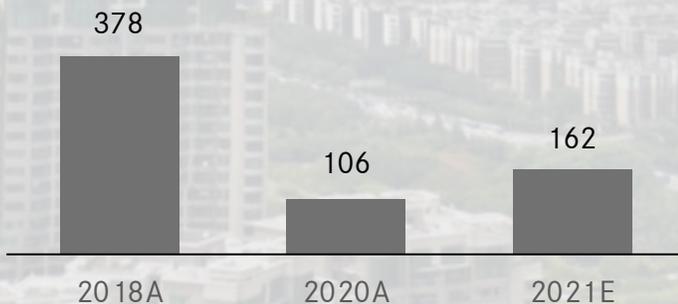
MARKET SHARE¹

India >9t | in %



TOTAL MARKET¹

India >9t | in k units



PROFITABLE MARKET GROWTH

- ▶ BharatBenz renowned local brand with leading technology
- ▶ Enlarge local network coverage (ongoing)
- ▶ Expand service business
- ▶ Double digit volume growth planned by 2025
- ▶ Utilize India as production location with export hub to emerging markets

LEVERAGING INDIA FOOTPRINT

- ▶ Leverage common platforms with other regions for new emissions regulations (Bharat VI)
- ▶ Supply components to other markets to improve global cost structure
- ▶ Shift indirect functions to India



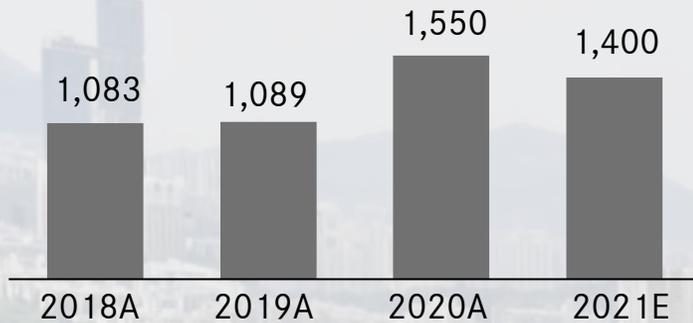
¹ Source: Company estimate; Markets as defined for the purpose of this presentation are not in line with markets defined for the purpose of competition laws

4 DEEPEN POSITION IN CHINA

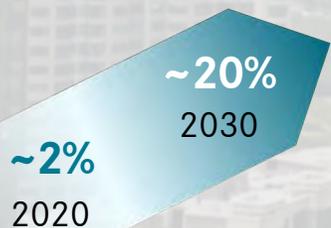
First mover advantage supporting a focused localization strategy

WORLD'S LARGEST HDT MARKET¹

Domestic HDT market | in k units



AMBITION ADVANCED TRUCK SEGMENT²



- ▶ Professionalized fleets
- ▶ Tighter emission standards
- ▶ Higher safety standards
- ▶ Focus on fuel efficiency
- ▶ Focus on quality

STRONG BASE SETUP – POWERFUL PARTNERSHIP

- ▶ JV Partner Foton – one of the largest truck manufacturers in China
- ▶ 50:50 JV – BFDA³ with sales of **>100k units⁴**
- ▶ JV's investments self funded
- ▶ Deep dealer network of **>300 3S Dealers** (Sales, Spare Parts, Services)

KEY INITIATIVES – NEW GAME-CHANGER FOR GROWTH

- ▶ Localization of Mercedes-Benz heavy duty tractors with proven Daimler Truck technology
- ▶ SoP⁵ with high localization rate in Q4/22; competitive pricing and large ready market
- ▶ Newly invested plant with total production capacity of 60,000 units p.a.
- ▶ Further empower China as a global sourcing hub



¹ Source: Company estimate; Markets as defined for the purpose of this presentation are not in line with markets defined for the purpose of competition laws

² Sub-segment of HDT in China. ³ Beijing Foton Daimler Automotive Co. Ltd. ⁴ Average across 2017 – 2020. ⁵ Start of production

FIRST-MOVER ADVANTAGE IN E-MOBILITY

eCanter - a global sustainability leader

1 FUSO: TRUCK ELECTRIFICATION PIONEER

- ▶ 3rd Gen truck planned in 2022

2 LEADING TCO FOR NEXT eCANTER¹

- ▶ Achieving diesel cost range²

3 E-MOBILITY ECOSYSTEM

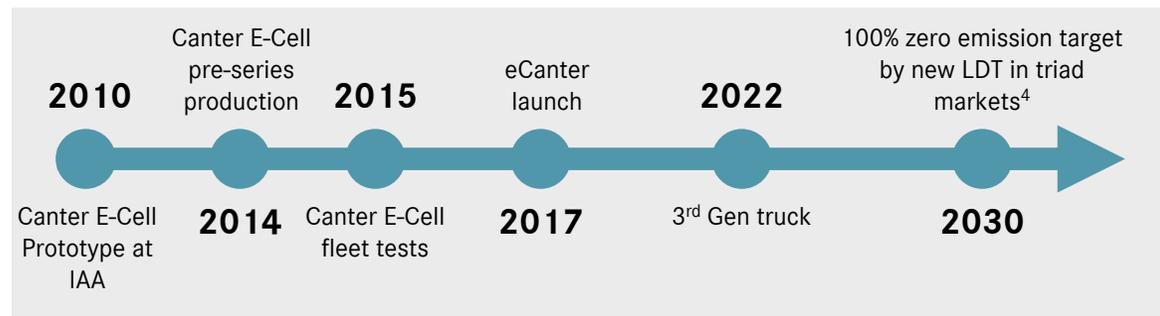
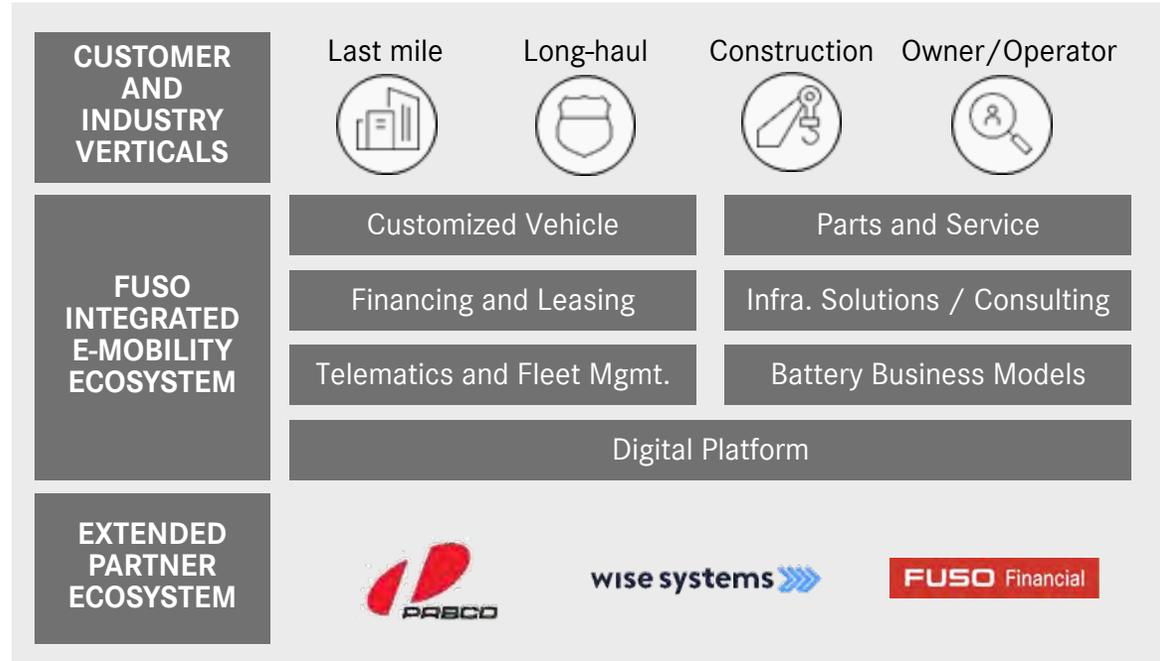
- ▶ One-stop shop
- ▶ Customer centric solutions
- ▶ Industry specific customization

4 EXPERIENCED EV PARTNER

- ▶ >3 million km driven³
- ▶ 300 eCanters on the road³

5 LIGHT DUTY TRUCK LEADER

- ▶ Reliable technology
- ▶ Global presence



¹ Expected ² Taking into account available subsidies; company estimate. ³ YE 2021; company estimate. ⁴ USA, Europe, Japan.



STRENGTHEN FUSO POSITION

- ▶ Fixed cost reduction to support benchmark profitability
- ▶ Optimized mix of HDT and LDT business
- ▶ Downstream business (Service/FS) improvement



GROWTH OPPORTUNITY IN INDIA

- ▶ Enlarge local network coverage
- ▶ Expand service business
- ▶ Leverage India as HD/MD export hub



ADVANTAGE IN E-MOBILITY

- ▶ eCanter first-mover in LDT segment since 2017
- ▶ >3 million km driven¹
- ▶ Strategy to switch to eLDT in core markets by 2030



OPTIMIZE COST STRUCTURE

- ▶ High fixed cost coverage by recurring revenue
- ▶ Further fixed cost reduction
- ▶ “Net zero” variable cost program



DEEPEN POSITION IN CHINA

- ▶ First fully localized European grade truck
- ▶ Strong local partner
- ▶ Extensive dealer network



DT ASIA BENEFITS FOR DT GROUP

- ▶ Cost savings from Asia sourcing
- ▶ R&D hub in India
- ▶ Global export story

DAIMLER BUSES

LONG-ESTABLISHED MARKET LEADERSHIP

Till Oberwoerder



DAIMLER BUSES: GLOBAL MARKET LEADER

#1 in all core markets through full customer focus

NO.1 IN OUR KEY MARKETS

Actuals 2019

EUROPE

27.5% market share¹

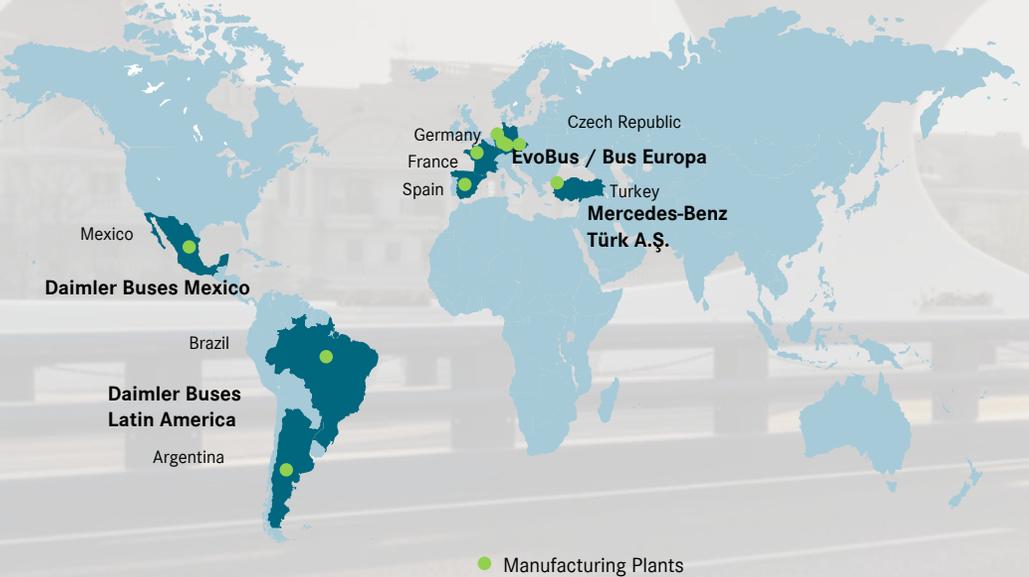
BRAZIL

53.8% market share¹

MEXICO

37.8% market share¹

STRONG LOCAL PRODUCTION FOOTPRINT



FULL LINE SUPPLIER WITH GLOBAL SERVICE NETWORK

- ▶ Direct sales, service and spare parts – from one single customer touchpoint
- ▶ Covering all segments in the global bus market



STRONG BRANDS AND TECHNOLOGIES

- ▶ Mercedes-Benz and Setra
- ▶ OmniPlus and BusStore
- ▶ Pioneer in Safety and Assistance Systems

¹ Source: Company estimate; Markets as defined for the purpose of this presentation are not in line with markets defined for the purpose of competition laws

HIGH DEGREE OF COMMONALITY BETWEEN TRUCK AND BUS

Maximizing synergies with Trucks – many realized, more to follow



POWERTRAIN PLATFORM



NEW TECHNOLOGIES



PURCHASING COMMON COMPONENTS



CUSTOMER SERVICE AND PARTS



PLANTS AND G&A FUNCTIONS



FINANCIAL SERVICES

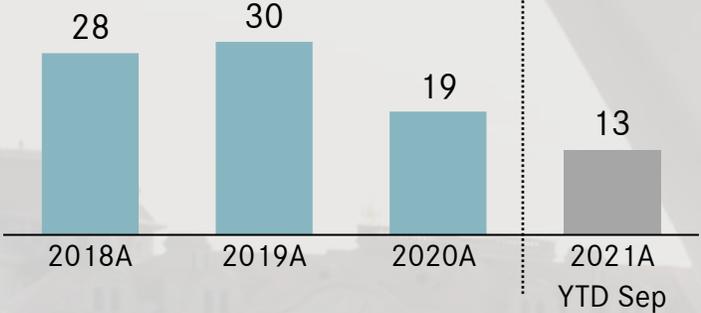


FINANCIAL PERFORMANCE – ANTICIPATING RECOVERY POST PANDEMIC

The global bus market has been heavily impacted by the COVID-19 pandemic

VEHICLE SALES

- in k units -



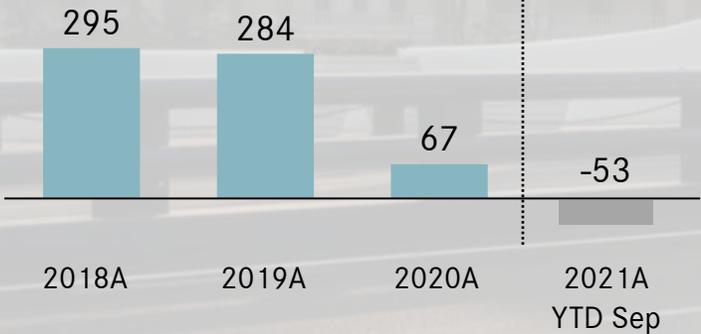
REVENUE

- in bn. € -



EBIT ADJUSTED

- in mill. € -



ROS ADJUSTED

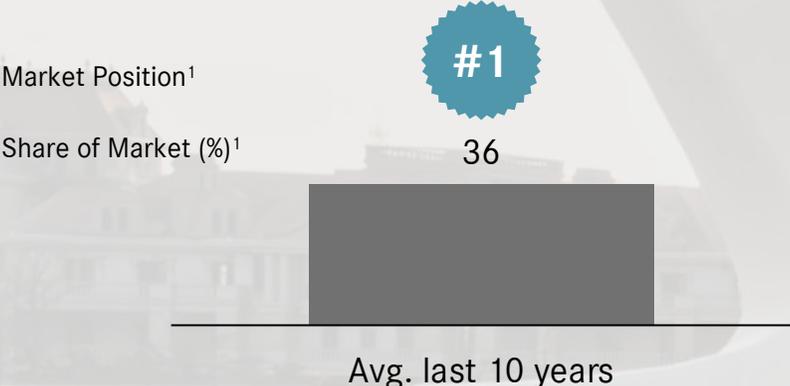
- in % -



COACH SEGMENT TO RECOVER POST-COVID

Long-established market leadership provides solid basis for successful recovery

HISTORICALLY ATTRACTIVE POSITION IN HIGH-MARGIN EU-30 COACH MARKET...



...WITH ATTRACTIVE MARKET DYNAMICS

- High degree of individuality
- High customer loyalty
- Uniquely close customer contact
- Favorable profit pool

DAIMLER BUSES IS READY TO CAPITALIZE ON EXPECTED MEDIUM-TERM MARKET RECOVERY

- ▶ Differentiated two-brand strategy (Premium vs. Business)
- ▶ New products in the pipeline (Not yet launched due to COVID-19)
- ▶ Industry leading safety systems



¹ Source: Company estimate; Markets as defined for the purpose of this presentation are not in line with markets defined for the purpose of competition laws

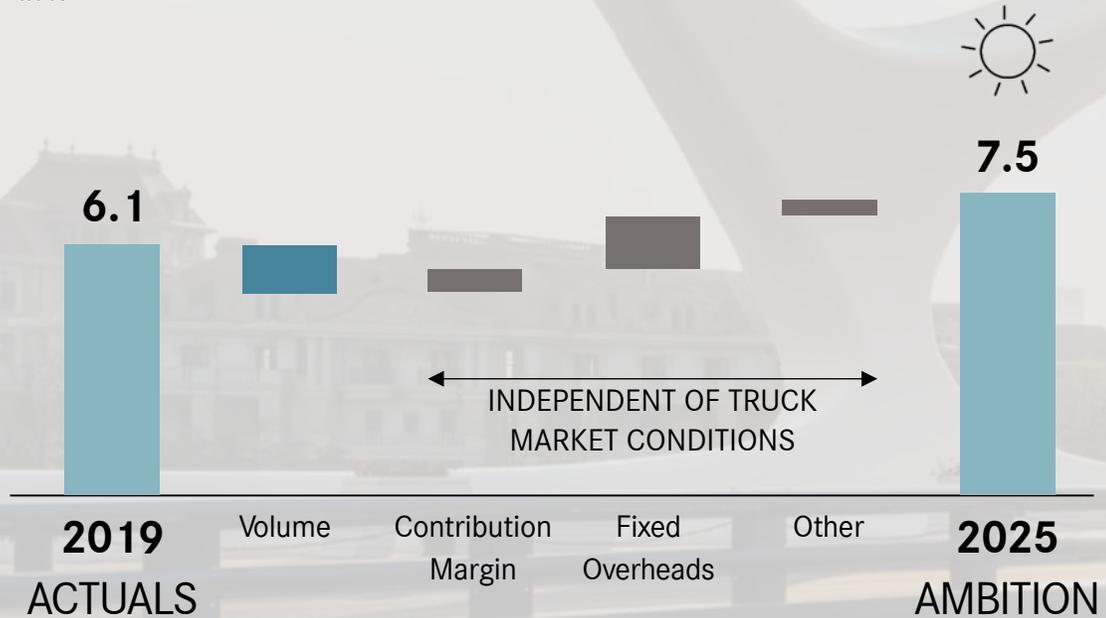
INCREASED ROBUSTNESS THROUGH COST OPTIMIZATION AND FOCUS ON GROWTH

Clearly defined measures to reach 7.5% adjusted RoS

INDUSTRIAL BUSINESS

ROS ADJUSTED

- in % -



MAIN LEVERS TO FILL GAP TO AMBITION

- 1 Growing in North America
- 2 Clear commitment to ZEV products
- 3 Service strategy
- 4 Structural cost measures

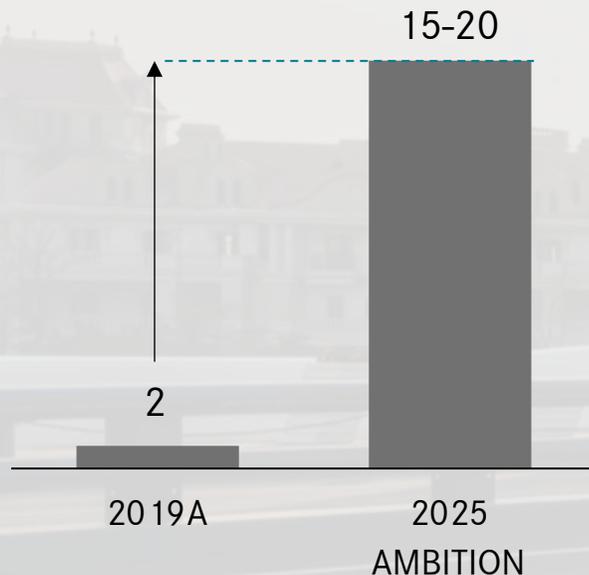


1 GROWING IN NORTH AMERICA

Focused re-entry into currently untapped North American coach market with a product offering specifically developed for US customers

DAIMLER BUSES MARKET SHARE IN PRIVATE MOTORCOACH MARKET¹

- in % -



WE LISTENED TO OUR CUSTOMERS...

New coach product specifically developed to meet and exceed US market demands

- ▶ Mercedes-Benz branding
- ▶ Latest state-of-the-art technology for safety and comfort based on Electrics/Electronics platform
- ▶ Dedicated engine type
- ▶ Direct sales



LEVERAGING SYNERGIES WITH TRUCKS NORTH AMERICA AND DETROIT DIESEL, TO OFFER BEST-IN-CLASS PARTS SUPPLY CHAIN AND US SERVICE NETWORK

¹Source: Motorcoach Quarterly Sales Data « American Bus Association (buses.org); Markets as defined for the purpose of this presentation are not in line with markets defined for the purpose of competition laws

2 CLEAR COMMITMENT TO ZEV PRODUCTS

Based on successful and established eCitaro market presence

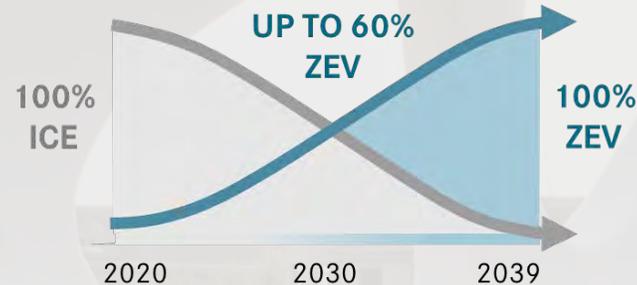
>650 eCitaro sold

45%¹ Share of Market in Germany

37 Service points established for eCitaro



GLOBAL ZEV BUS MARKET EXPECTED TO INCREASE RAPIDLY IN UPCOMING YEARS



OUR WAY FORWARD – E-MOBILITY ROLL-OUT

CITY SEGMENT

- ▶ eChassis in 2022
- ▶ 3rd generation NMC battery technology
- ▶ Hydrogen application by 2023 (Range Extender)

INTERURBAN

- ▶ Electrification by ~2025

COACH

- ▶ Electrification latest by ~2030

OUR COMMITMENT: GO FULL ELECTRIC IN CITY SEGMENT EU BY ~2030

¹ YTD 08/2021, Source: Kraftfahrt Bundesamt (KBA); Markets as defined for the purpose of this presentation are not in line with markets defined for the purpose of competition laws

3 OUR SERVICES STRATEGY FOR BUS

Evolving bus market offers new opportunities beyond CO₂-neutrality

INCREASING SERVICE POTENTIAL THROUGH...


TRADITIONAL

- ▶ Increase penetration rate of service contracts
- ▶ Implement initiatives for parts growth (Reman, regional strategies)


ELECTRIC

- ▶ Push sales of charging infrastructure
- ▶ Extend depot management system


DIGITAL

- ▶ Grow e-Commerce business
- ▶ Further develop product portfolio for vehicle health/uptime services


FINANCIAL

- ▶ Develop product offers financing and leasing
- ▶ Increase penetration for bus segment

STRENGTHEN CUSTOMER LOYALTY THROUGH ADDITIONAL SUPPORTING SERVICES



4 BOLD STRUCTURAL COST MEASURES

Reducing break-even point and increasing resilience to market volatility

DECREASE FIXED COST AIMING TO MAKE
DAIMLER BUSES MORE RESILIENT

 **€ -300 mill.**
(by 2025)

THROUGH STRUCTURAL ACTIONS

- ▶ Personnel cost reduction
- ▶ Maximize efficiencies out of global production footprint
- ▶ Tough decisions: streamlining of portfolio/geographic footprint

WE ARE MAKING CLEAR DECISIONS





LEADER IN ATTRACTIVE SEGMENTS

- ▶ Leading positions with tangible opportunities to realize full potential



MAXIMIZING TRUCK SYNERGIES

- ▶ High degree of commonality between Truck and Bus, others to follow



RECOVERY IN COACH POST COVID-19

- ▶ Recovery essential for reaching 7.5% adjusted RoS



PRODUCTS

- ▶ Dedicated product for US and e-Mobility roll-out planned



SERVICES

- ▶ Significant acceleration of service revenue



FIXED COST IMPROVEMENTS

- ▶ Ambition to have a decrease of € -300 million fixed cost by 2025

FINANCIAL SERVICES

DRIVING ENDURING CUSTOMER RELATIONSHIPS

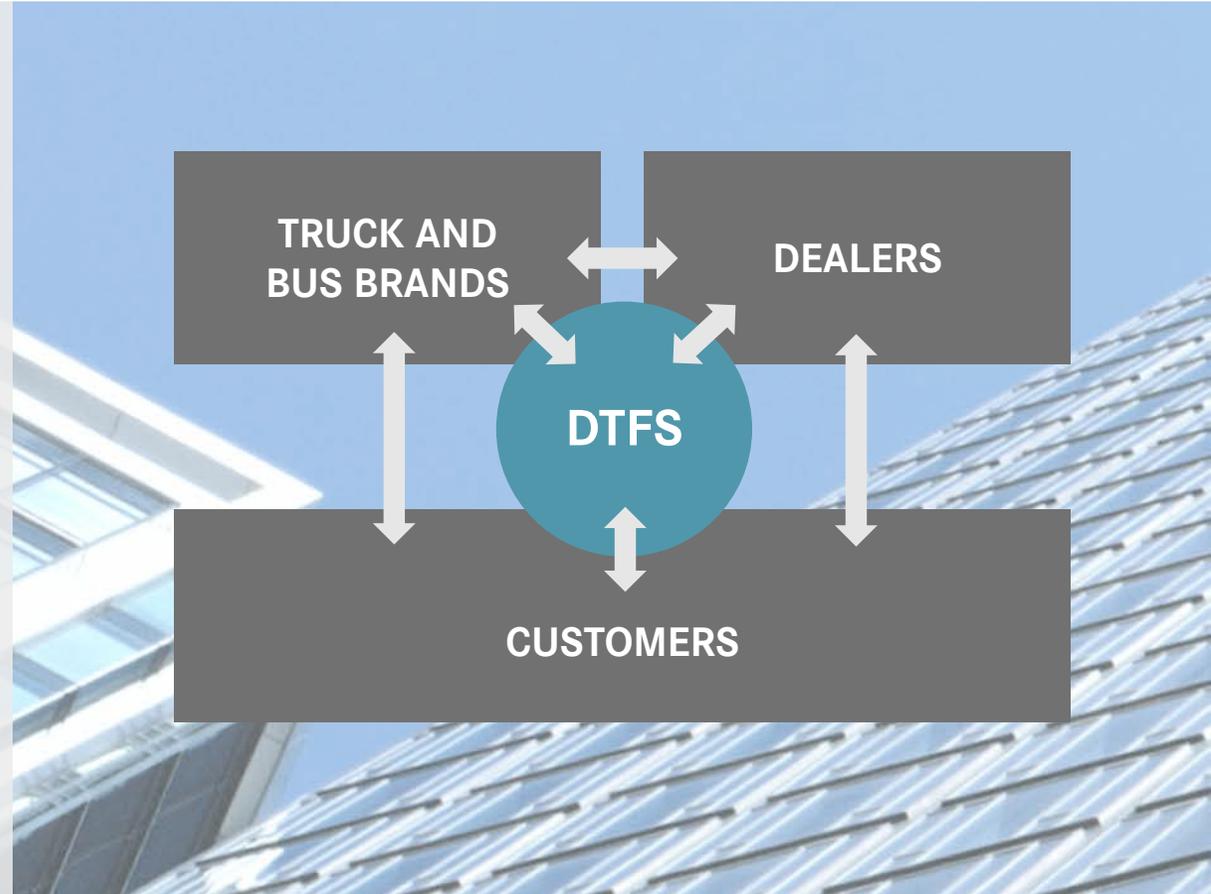
Stephan Unger



DRIVING ENDURING CUSTOMER RELATIONSHIPS

DAIMLER TRUCK FINANCIAL SERVICES IS POWERING

- ▶ Increased sales of trucks and buses
- ▶ Active lifecycle management of the vehicles
- ▶ More services around trucks and buses
- ▶ Contribution to profit and cash flow of Daimler Truck



DAIMLER TRUCK FINANCIAL SERVICES AT A GLANCE

Well diversified €2 1bn. Truck and Bus portfolio¹ with strong finance and lease products

WAVE 1 (€16bn.)

Transfer prior to Day-1



WAVE 2 (€5bn.)

Transfer planned during 2022



WAVE 3

2023E+

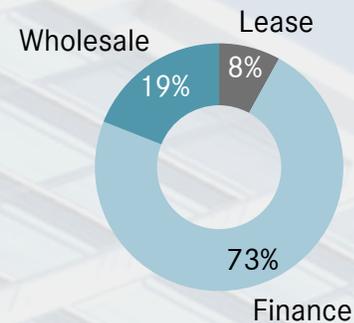


New markets

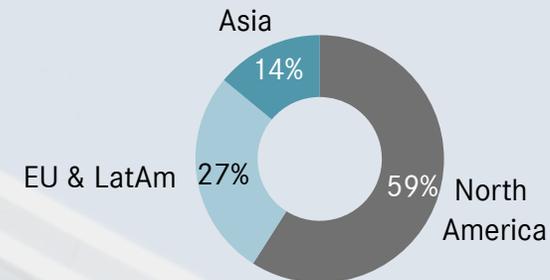
TOTAL PORTFOLIO¹

OVERALL: €2 1bn.

BY PRODUCT

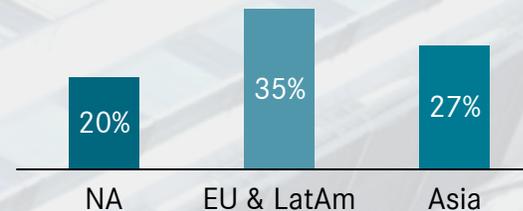


BY REGION



PENETRATION RATES¹

OVERALL: 25%



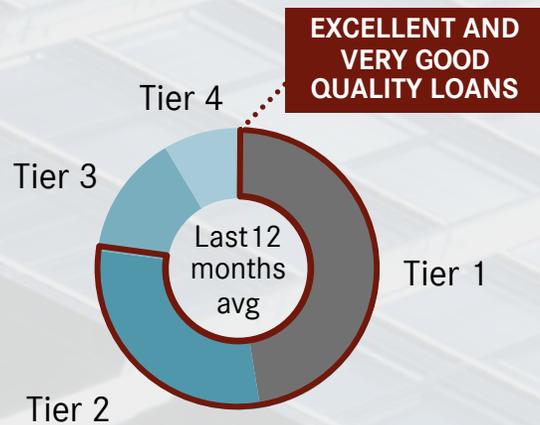
¹Illustrates planned 2022 portfolio representing wave 1 and wave 2

STRONG FOUNDATION FOR PORTFOLIO GROWTH

Excellent acquisition quality paired with conservative and proven risk governance model

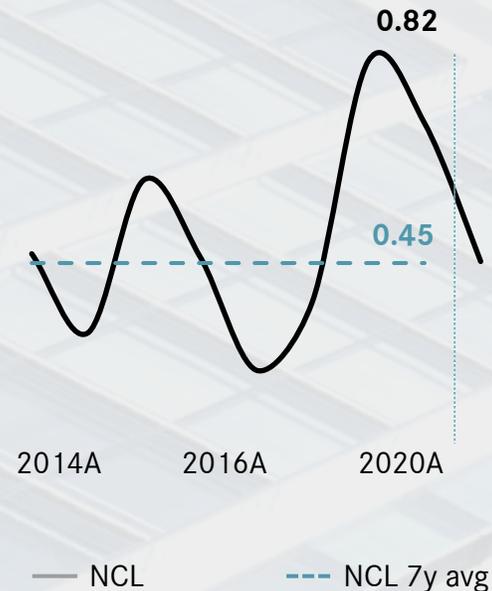
HIGH QUALITY ACQUISITIONS...

QUALITY OF ACQUISITIONS



NET CREDIT LOSSES

- in % -



...SUPPORTED BY CLEAR RISK GOVERNANCE



HIGH-QUALITY PORTFOLIO WITH LOW EXPECTED LOSS RATE

CLEAR AND PROVEN RISK GOVERNANCE BASED ON 40+ YEARS OF SUCCESSFUL OPERATIONS

DAIMLER TRUCK FINANCIAL SERVICES

Leveraging deep experience and unique customer access to drive service growth ambition

OUR STRENGTHS

- ▶ Significant scale
- ▶ Well-positioned captive finance business
- ▶ North American powerhouse
- ▶ Strong core financial and leasing products
- ▶ Prudent risk management
- ▶ Insights into customer requirements

OUR CHALLENGES

- ▶ Not yet taking full advantage of global scale
- ▶ Decentralized operating model
- ▶ Lacking profitability in Europe
- ▶ No tailored offerings for specific customer verticals

OUR OPPORTUNITIES

- ▶ Full dedication on truck and bus
- ▶ New financial services and solutions
- ▶ Bring financial services to new countries
- ▶ Harmonized and streamlined IT setup



DAIMLER TRUCK FINANCIAL SERVICES

Key levers to increase our share of wallet

GETTING STARTED: DELIVER DAY-1



ACCELERATE THE CORE (PORTFOLIO-BASED)

- ▶ Penetration rates
- ▶ New and advanced products



GROW SERVICES (FEE-BASED)

- ▶ Fleet and rental management
- ▶ Infrastructure solutions
- ▶ Telematics
- ▶ Insurance



CONQUER NEW MARKETS (PORTFOLIO- & FEE-BASED)

- ▶ New markets in Eastern Europe, Asia and Overseas



IMPLEMENT EFFICIENCY ENABLERS

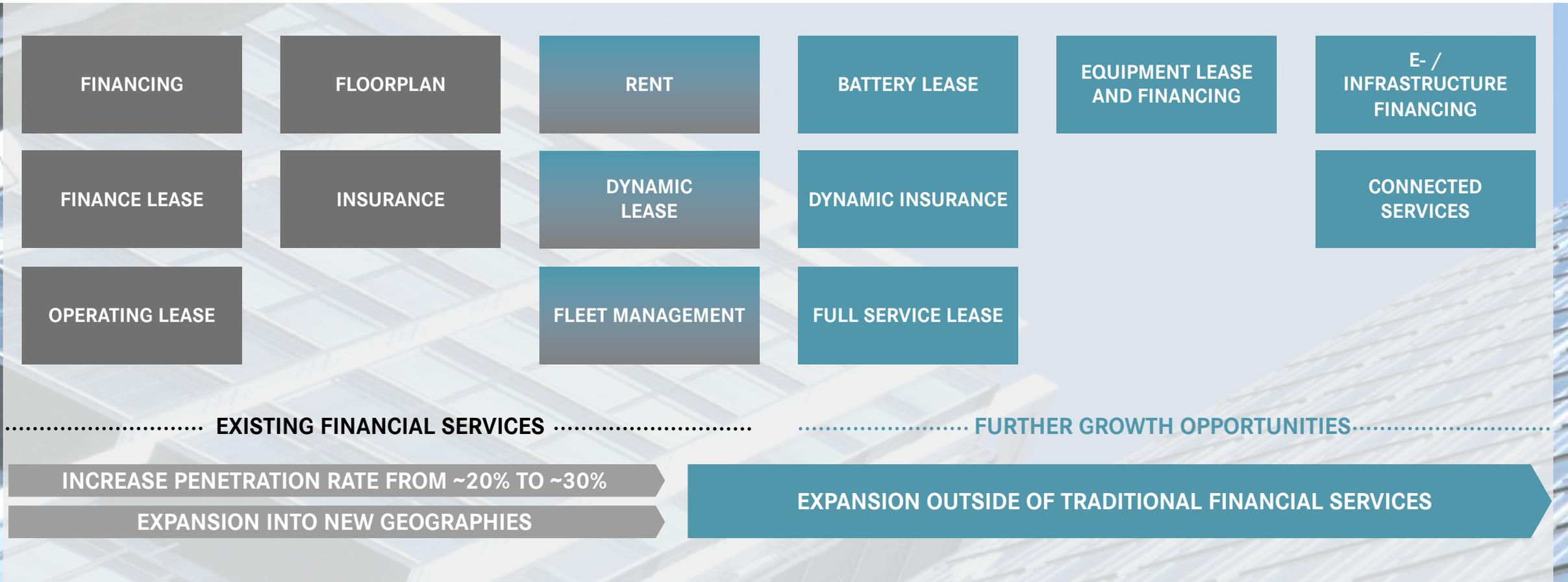
- ▶ Smart digital solutions
- ▶ Clear risk governance

PEOPLE



FINANCIAL SERVICES AS ENABLER OF SERVICE GROWTH AMBITIONS

Tailor-made finance and lease products and introduction of fully integrated and customer-centric solutions



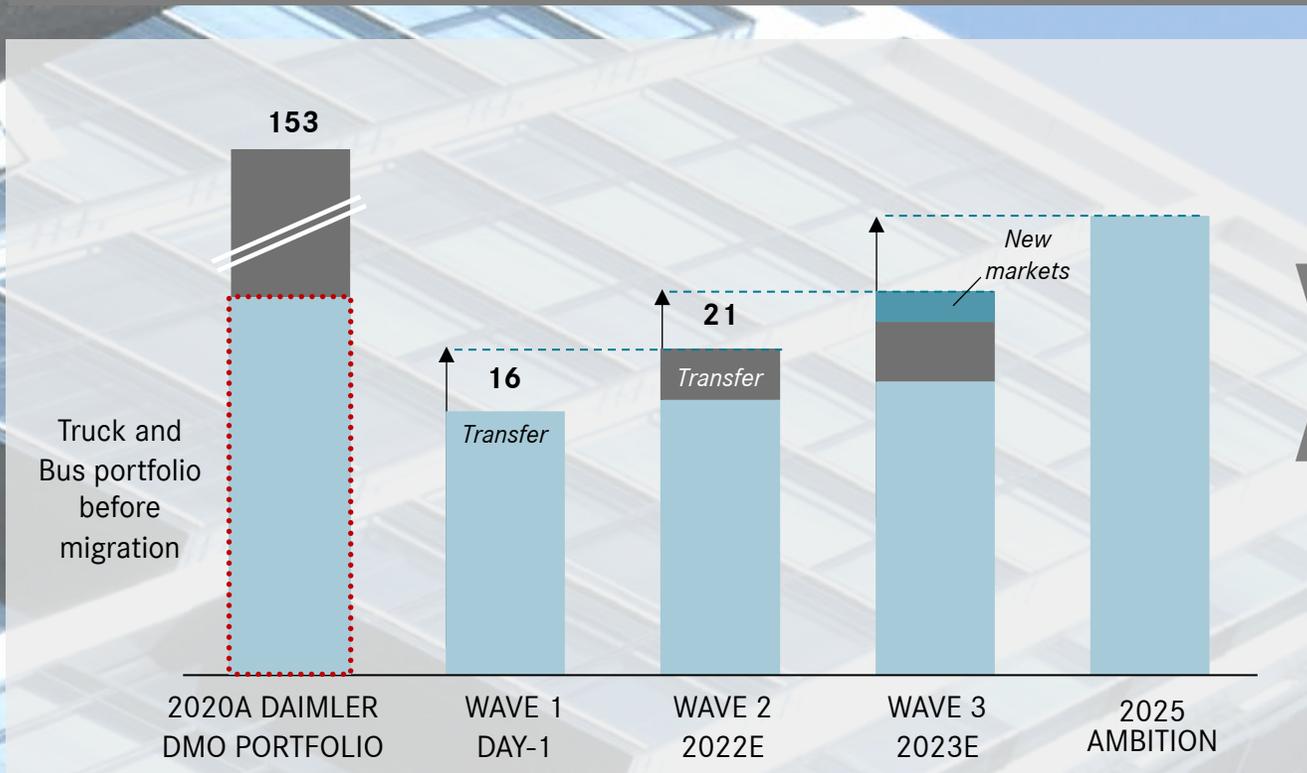
FINANCIAL SERVICES WILL CONTRIBUTE TO SERVICE SHARE AMBITION OF DAIMLER TRUCK

3-WAVE PORTFOLIO TRANSFER TO ENSURE OPERATIONAL EXCELLENCE

Strong growth through staggered portfolio transfer/ramp up and fully focused on operational excellence from Day-1

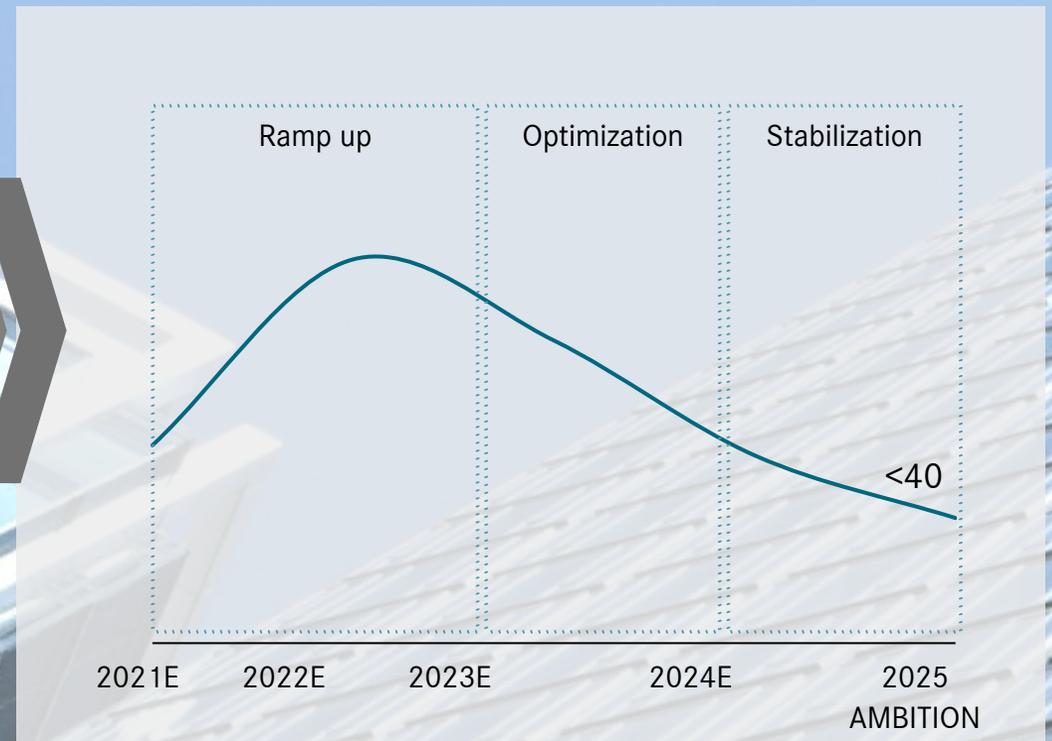
3-WAVE PORTFOLIO TRANSFER/RAMP UP...

- in bn. € -



...AND COUNTRY OPERATION BUILD-OUT

Cost Income Ratio - in % -



FINANCIAL SERVICES FOCUSED ON “GETTING IT RIGHT”!

FOCUS ON COST OPTIMIZATION FROM DAY-1

DIVERSIFIED SOURCES OF FUNDING

Conservative capital structure based on solid “Investment Grade” credit rating and balanced funding mix going forward

STRONG EQUITY RATIO ...

LEVERAGE

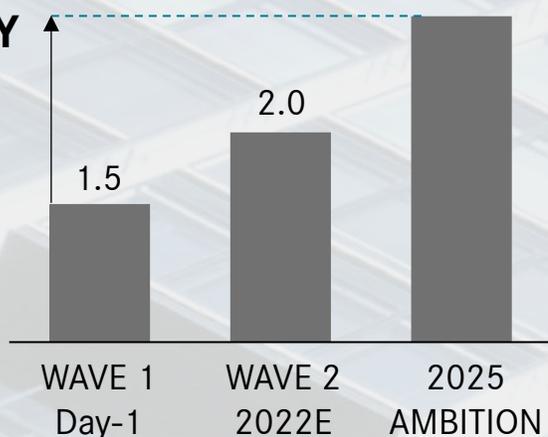
(Debt/Equity) ~10 → ~10

EQUITY RATIO

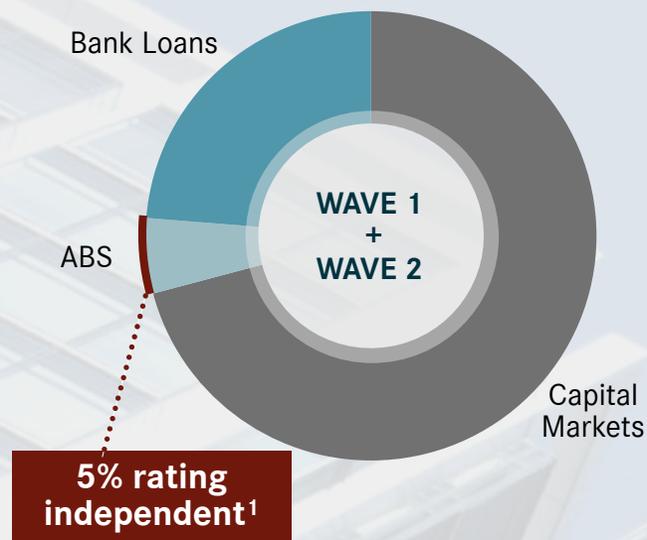
- in % - ~9 → ~9

EQUITY

- in bn. € -



... AND BALANCED FUNDING MIX WITH CLEAR FUNDING STRATEGY



CAPITAL MARKETS

Strengthen global footprint and use market opportunities

BANK LOANS

Deepen excellent bank relationships

ABS

Globally expand highly competitive ABS issuances

“GREEN”

Bonds and ABS

MATCHED LIQUIDITY, CURRENCY, INTEREST RATE AND COUNTRY FUNDING POLICY

¹Independent of Daimler Truck AG rating

CLEAR AND ATTRACTIVE FINANCIAL AMBITIONS

Profitability ambition of >14% RoE adjusted – closing gap to best-in-class competitors

CLEAR FINANCIAL AMBITIONS AND ATTRACTIVE RETURNS

ADJUSTED ROE
- in % -

5-7



*close gap to
best-in-class
competitors*

>14

PROFIT
- in € -

Day-1

AMBITION

EQUITY

Self-funded growth from 2025 onward

DIVIDENDS

>30% net payout-ratio targeted to industrial business in steady-state operations





STRONG CAPTIVE BUSINESS

- ▶ Leading full-service CV financing provider
- ▶ Unique customer insights
- ▶ Attractive low risk future growth



OPERATIONAL EXCELLENCE

- ▶ Staggered transfer and ramp up of portfolio
- ▶ Focus on cost optimization from Day-1



STRONG FOUNDATION FOR GROWTH

- ▶ Historically low net credit losses
- ▶ Proven risk governance model



ENABLER OF SERVICES GROWTH

- ▶ Deepen existing financial services
- ▶ Grow and expand new financial services



WELL-BALANCED FUNDING MIX

- ▶ Conservative capital structure/strong equity
- ▶ Minimized funding risk



ATTRACTIVE FINANCIAL RETURNS

- ▶ Long-term profitability ambition of >14% RoE adjusted
- ▶ Strong RoE in normalized state

SUSTAINABILITY

ON OUR WAY TO CO₂-NEUTRAL TRANSPORT AND A SUSTAINABLE BUSINESS

Martin Daum



INNOVATION LEADERSHIP AND SUSTAINABILITY

“For all who keep the world moving” – enabling sustainable transportation

OUR COMMITMENTS FOR THE FUTURE

**VISIONARY, INDUSTRY
LEADING COMPANY**

**LONG TRACK RECORD
AS INDUSTRY LEADER**

**INNOVATING IS KEY TO
OUR TRANSFORMATION**



ENVIRONMENT

- ▶ Zero-emission products
- ▶ Carbon-neutral production
- ▶ Resource consumption and supply chain



SOCIAL

- ▶ Traffic and product safety
- ▶ Our team
- ▶ Corporate responsibility

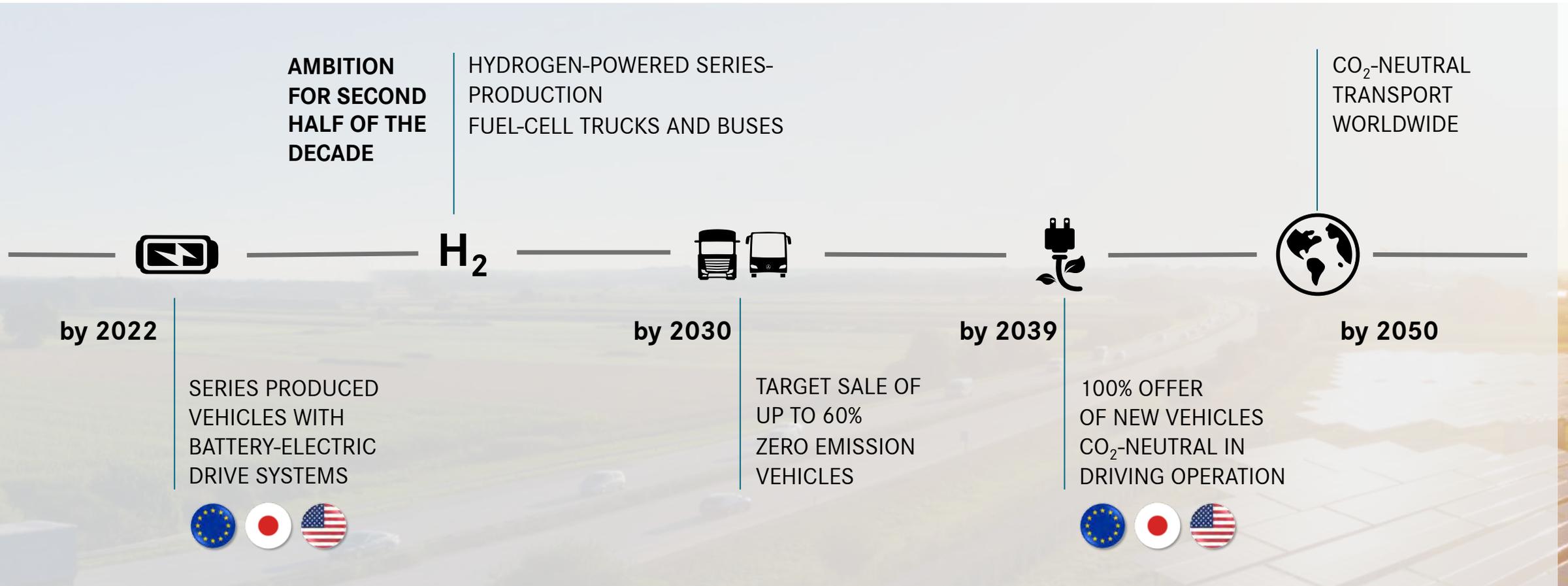


GOVERNANCE

- ▶ Responsible governance and oversight
- ▶ Compliance management
- ▶ Disclosures and reporting

ENVIRONMENT: OUR PATH TO CO₂-NEUTRAL ROAD TRANSPORTATION

We are committed to the targets of the Paris Climate Agreement



ENVIRONMENT: DECARBONIZATION AND BEYOND

We want to drive the industry transformation – also in production and resource consumption

CARBON-NEUTRAL PRODUCTION GOALS

- ▶ **CO₂-neutral production plants:** in Europe by 2022, India and USA by 2025 and rest of world by 2039
- ▶ **Renewable electricity:** in all production plants in Europe by 2022



RESOURCE CONSUMPTION AND SUPPLY CHAIN

- ▶ **Responsible management of resources:** reduce use of primary resources in our production and make processes more efficient
- ▶ **Set guidelines for a sustainable supply chain:** set sustainable standards, including environmental protection



SOCIAL: SOCIETAL IMPACT THROUGH CORPORATE RESPONSIBILITY

We are meeting our responsibility towards society and the environment

TRAFFIC AND PRODUCT SAFETY

ACCIDENT-FREE DRIVING

- ▶ Setting benchmark safety
- ▶ Active safety systems
- ▶ Automated driving

OUR TEAM

COMMITTED EMPLOYER

- ▶ Diversity, fairness and inclusion
- ▶ Purpose-driven culture
- ▶ Employee engagement
- ▶ Health and safety

CORPORATE RESPONSIBILITY

TRANSPARENT SUPPLY CHAIN

More transparency in the supply chain to identify and mitigate human rights risks

DATA RESPONSIBILITY

Transportation and own operation powered by data safety and privacy



GOVERNANCE: SUSTAINABILITY IS GUIDING OUR LEADERSHIP

Our corporate governance forms the basis of our daily business

OUR COMMITMENT

- ▶ Commitment to best-practice governance
- ▶ Global values for daily business
- ▶ Excellent standards in compliance: human rights, product compliance and anticorruption

OUR GOVERNANCE BODY

- ▶ 80% independent members¹
- ▶ Highly experienced and diverse members of the Supervisory Board and Management Board
- ▶ CEO and Management Board responsibility for sustainability
- ▶ Sustainability committee to coordinate all ESG activities
- ▶ ESG linked to remuneration of Board members and leadership positions

OUR NEXT STEPS

- ▶ Transparent ESG reporting and disclosure
- ▶ Continuous human rights management
- ▶ Undergoing private ESG Corporate assessment



¹ Refers to 8 out of 10 shareholder representatives in the Supervisory Board who are unrelated to Daimler AG. The Supervisory Board also comprises 10 employee representatives. Renata Jungo Brüngger and Harald Wilhelm are Members of the Board of Management of Daimler AG and Mercedes-Benz AG.

FINANCIAL GUIDANCE

DELIVERING ON OUR AMBITIONS

Jochen Goetz



PERFORMANCE: MARKET ASSUMPTION 2021 AND 2022

Underlying demand very strong, but 2022 likely to be supply-constrained again

HEAVY DUTY TRUCK MARKET¹

2021

2022

NORTH AMERICA

Significant increase

On prior-year level

EU-30

Significant increase

On prior-year level



¹ Source: Company estimate

PERFORMANCE: DAIMLER TRUCK ASSUMPTION 2021 AND 2022

- in bn. € -

	2021	2022
REVENUE	37 to 39	Significant increase
EBIT	3.4 to 3.8	Slight decrease
EBIT ADJUSTED	2.3 to 2.7	Significant increase
ROS ADJUSTED (IB)	6 to 8%	7 to 9%
FCF (IB)	1.5 to 2.0	Slight decrease
INVESTMENT PP&E	0.9 to 1.0	On prior-year level
R&D COST¹	1.5 to 1.7	Slight increase



¹ Budget view: R&D incl. capitalized R&D

PERFORMANCE: SEGMENT ASSUMPTION FOR 2021

	TRUCKS NORTH AMERICA	MERCEDES-BENZ	TRUCKS ASIA	DAIMLER BUSES	FINANCIAL SERVICES
UNIT SALES - in units -	160 to 170k	140 to 150k	140 to 150k	17 to 18k	€ 5 to 6 bn. (new business ¹)
ROS/ROE (ADJUSTED) - in % -	9 to 11%	4 to 6%	6 to 8%	-4 to -2%	5 to 7% (RoE)



OUR MISSION AS AN INDEPENDENT COMPANY IS CLEAR

READY FOR INDEPENDENCE

RIGHT CULTURE
RIGHT GOVERNANCE
RIGHT STRATEGY

LEADING BRANDS AND TECHNOLOGY

INTENSIFY CUSTOMER FOCUS
PURSUE LEADERSHIP IN ZEV
EXPAND SOFTWARE AND SERVICES

ACCELERATING FINANCIAL PERFORMANCE

INCREASE PROFITABILITY
EXPAND MARGINS AND FCF
UNPARALLELED TRANSPARENCY

FOCUS ON SHAREHOLDER RETURNS

TARGET VALUE CREATION
ROBUST BALANCE SHEET
~ 40% DIVIDEND PAYOUT¹



¹ Of net profit, covered by industrial FCF. From Financial Year 2022 onwards. Financial Year 2021 dividend paid by Daimler AG

Q&A II

