Creative Global Investments

Wednesday, July 22nd 2015

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Daimler (EUR 84.99) – BUY

2Q15E preview (Thursday, July 23rd)

Our 2Q15E EBIT (ongoing business) estimates: EUR 3.40bn/9.1% for the group, EUR 2.09bn/9.8% at M-B Cars and EUR 0.67bn/7.2% at Trucks. In 2015-17E, we expect EPS to grow at a 14.3% CAGR to reach EUR 9.71 in FY17E. We confirm our YE15 target price of EUR 103, a 21% upside potential for Daimler shares.

EBIT at M-B Cars is expected to grow 50%/EUR 0.68bn yoy to EUR 2.09bn/9.8%, driven by a **16% increase in car sales, a better mix and thus pricing thanks to new models (**C-Class, compact class, smart), **efficiency gains** and **forex** (in the order of EUR 100-150m). In China, retail sales continued to grow strongly as M-B is still in the process of establishing the full-scale of its business. **Negatives** should include higher costs for new technology, products etc., and negative geographic mix, reflecting a strong US and growing localisation in China. (See pp.5-7.)

Daimler Trucks is expected to report a 27**%/EUR 0.14bn yoy** increase in EBIT to EUR 0.54bn/6.4%, despite a sharp drop in South America and key markets such as China, Russia and Indonesia. Thanks to its global reach, DT was able to benefit from a booming NA market and a strong recovery in Europe. (See pp.8-9.)

FY15E outlook: We expect M-B's EBIT will increase 34% to EUR 8.07bn/9.6%, driven by an accelerating model momentum and a EUR 0.6bn forex tailwind. We see group **EBIT grow 28.0% to EUR 12.99bn/8.8% and EPS 21.2% to EUR 7.87. For 2016-17E,** we **expect EPS growth of 10.0% (EUR 8.66) and 12.1% (EUR 9.71)** respectively. M-B Cars should continue to be a key earnings driver, as a strong model momentum and further efficiency gains are set to boost profit and margin. An expected recovery in South America and other EMs should benefit Trucks and Buses, as the US economy decelerates. Earnings should continue to be supported by currency tailwinds through enhanced hedging opportunities. Challenges include higher costs related to new technology, products and capacity expansion, in particular in view of ever tighter emission regulations. (See pp. 12-13.)

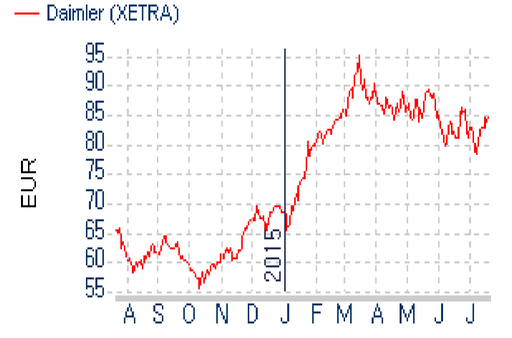
Investment opinion - BUY: Based on historic P/E valuation, we calculate a target price of EUR 103 for YE15. This implies a 21.3% upside from the current share price of EUR 85. The chart technical long-term trend remains positive, though Daimler shares are in a short- term correction. (See pp.14-15.)

Daimler– share summary (2013-17E)

Current price (EUR)	84.99				
Market cap.(EUR bn)	90.92				
December YE	**2013**	**2014**	**2015E**	**2016E**	**2017E**
EPS (EUR)-adj.	5.07	5.68	7.87	8.66	9.71
CFPS (EUR)	7.8	9.0	10.9	12.1	15.0
BVPS (EUR)	2.25	2.45	3.20	3.50	4.00
DPS (EUR)	4.53	5.12	3.06	4.73	6.46
Free CFPS (EUR)	13.3	13.1	10.8	9.8	8.8
P/E (x)	17.0	15.0	10.8	9.8	8.8
PCF (x)	10.9	9.4	7.8	7.0	5.7
Price/BV (x)	2.1	2.1	2.1	1.8	1.6
P/revenue (x)	0.77	0.70	0.62	0.57	0.52
Dividend yd (%)	2.6	2.9	3.8	4.1	4.7
Free CF yd (%)	5.3	6.0	3.6	5.6	7.6

Share price 07.21.2015. Source: Company data and CGI estimates

Daimler – share price (-1year)



Source: Euroland

Contents

Timetable – 2Q145 results for Daimler

Company	Sub-sector	Country	Currency	Date	Results	Press Conference	Analyst/Investor CF Call
Daimler	OEM	D	EUR	Thurs, 23th Jul	**07:30 CEST**	08:00-09:30 CEST	14:00-15:30 CEST

Group results – 2Q/FY15E

Daimler – Divisional EBIT (1Q14-FY15E)

	1Q14	2Q14	3Q14	4Q1A	FY14	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
Revenue (EUR m)											
Mercedes-Benz Cars	17,004	17,771	18,677	20,132	73,584	19,509	21,325	40,834	43,052	83,886	83,150
Daimler Trucks	7,121	7,966	8,463	8,839	32,389	8,414	9,241	17,655	19,010	36,664	36,600
Daimler Fin. Services	3,809	3,828	3,998	4,356	15,991	4,549	4,479	9,028	9,522	18,550	18,550
Mercedes-Benz Vans	2,212	2,494	2,515	2,747	9,968	2,415	2,843	5,258	5,906	11,164	11,164
Daimler Buses	859	1,048	1,034	1,277	4,218	877	1,069	1,946	1,428	3,374	3,374
Intra-group/reconciliations	-1,548	-1,563	-1,565	-1,602	-6,278	-1,528	-1,600	-3,128	-6,278	-6,778	-6,778
Group	**29,457**	**31,544**	**33,122**	**35,749**	**129,872**	**34,236**	**37,357**	**71,593**	**72,640**	**146,860**	**146,060**
EBIT[1] (EUR m)											
Mercedes-Benz Cars[1]	1,183	1,409	1,614	1,758	5,964	1,794	2,087	3,881	4,193	8,074	7,994
Daimler Trucks[1]	346	526	618	583	2,073	536	667	1,203	1,308	2,511	2,492
Daimler Fin. Services[1]	397	336	355	299	1,387	409	390	799	651	1,450	1,450
Mercedes-Benz Vans[1]	123	181	176	158	638	221	267	488	434	922	952
Daimler Buses[1]	54	58	64	35	211	35	40	75	55	130	130
Intra-group/reconciliations	-31	-47	-40	-9	-127	-65	-50	-100	0	-100	-100
Group (ongoing bus.)[1]	**2,072**	**2,463**	**2,787**	**2,824**	**10,146**	**2,930**	**3,401**	**6,346**	**6,642**	**12,987**	**12,919**
One-off items[2]	-285	632	945	-686	606	-24	-68	-92	-223	-315	-335
Headline group EBIT	**1,787**	**3,095**	**3,732**	**2,138**	**10,752**	**2,906**	**3,333**	**6,239**	**6,434**	**12,672**	**12,584**
Margin (%)											
Mercedes-Benz Cars[1]	7.0	7.9	8.6	8.7	8.1	9.2	9.8	9.5	9.7	9.6	9.6
Daimler Trucks[1]	4.9	6.6	7.3	6.6	6.4	6.4	7.2	6.8	6.9	6.8	6.8
Daimler Fin. Services[1]	10.4	8.8	8.9	6.9	8.7	9.0	8.7	8.9	6.8	7.8	7.8
Mercedes-Benz Vans[1]	5.6	7.3	7.0	5.8	6.4	9.2	9.4	9.3	7.4	8.3	8.5
Daimler Buses[1]	6.3	5.5	6.2	2.7	5.0	4.0	3.7	3.9	3.9	3.9	3.9
Group (ongoing bus.)[1]	**7.0**	**7.8**	**8.4**	**7.9**	**7.8**	**8.6**	**9.1**	**8.9**	**9.1**	**8.8**	**8.8**
Headline group	**7.0**	**9.8**	**11.3**	**6.0**	**8.3**	**8.5**	**8.9**	**8.7**	**8.5**	**8.9**	**8.6**

Note: Old FY15E estimates refer to our Daimler report of May 11^{th} .. (1) EBIT on-going business, before exceptional/one-off items. (2) In 2013, the main one-off item was a EUR 3.22bn income from the EADS, EUR 1,67m of which was allocable to Daimler shareholders. In 2014, one-off items included net EUR 1.48bn income from divestments (RRPSH, Tesla) and EUR -0.60bn expenses related to EU antitrust proceedings. Source: Company data and CGI estimat

Daimler – Sales, production and inventory (1Q14-FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
(Units '000)											
Retail sales	560.4	633.0	626.2	711.0	2,530.6	622.7	-	-	-	-	-
Wholesales	565.8	628.9	637.4	713.9	2,546.0	641.6	720.7	1,362.3	1,483.3	2,845.6	2,817.9
Production	611.2	624.6	664.8	681.7	2,582.3	699.7	717.2	1,416.9	1,468.4	2,885.2	2,857.5
Inventory	45.4	-4.2	27.4	-32.2	36.3	58.1	-3.5	54.6	-15.0	39.6	39.6
% change yoy											
Retail sales	9.9	6.1	7.0	8.0	7.7	11.1	-	-	-	-	-
Wholesales	12.8	3.8	7.2	9.5	8.1	13.4	14.6	14.0	9.8	11.8	10.7
Production	10.0	0.5	12.2	10.9	8.3	14.5	14.8	14.6	9.1	11.7	10.7
% change qoq											
Retail sales	-14.9	13.0	-1.1	**13.5**	-	-12.4	-	-	-	-	-
Wholesales	-13.2	11.1	1.4	**12.0**	-	-10.1	12.3	-	-	-	-
Production	-0.5	2.2	6.4	**2.5**	-	2.6	2.5	-	-	-	-

Note: Old FY15E estimates refer to our Daimler report of May 11^{th}.. Source: Company data and CGI estimates

Daimler – Group P&L (1Q14 – FY15E)

(EUR m)	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
Revenue – industrial .operations	25,648	27,716	29,124	31,393	113,881	29,687	32,878	62,565	65,746	128,311	127,510
Revenue – financial services	3,809	3,828	3,998	4,356	15,991	4,549	4,479	9,028	9,522	18,550	18,550
Group revenue	**29,457**	**31,544**	**33,122**	**35,749**	**129,872**	**34,236**	**37,357**	**71,593**	**75,268**	**146,860**	**146,060**
EBIT (headline)	**1,787**	**3,095**	**3,732**	**2,129**	**10,743**	**2,906**	**3,333**	**6,239**	**6,434**	**12,672**	**12,584**
Net interest income./-expenses	-142	-158	-149	-130	-579	-105	-110	-215	-265	-480	-480
Pre-tax profit[1]	**1,645**	**2,937**	**3,583**	**1,999**	**10,164**	**2,801**	**3,223**	**6,024**	**6,169**	**12,192**	**12,104**
Less tax charge/-credit	564	739	760	820	2,883	751	893	1,644	1,827	3,471	3,447
Profita adter tax	**1,081**	**2,198**	**2,823**	**1,179**	**7,281**	**2,050**	**2,329**	**4,379**	**4,342**	**8,721**	**8,657**
Less minorities	59	92	86	91	328	87	80	167	133	300	300
Net profit - Daimler SHs	**1,022**	**2,106**	**2,737**	**1,088**	**6,953**	**1,963**	**2,249**	**4,212**	**4,209**	**8,421**	**8,357**
Net profit adj. for M&A (E)	**1,301**	**1,456**	**1,732**	**988**	**5,477**	**-**	**-**	**-**	**-**	**-**	-
Margin (%)											
Group EBIT	6.1	9.8	11.3	6.0	8.3	8.5	8.9	8.7	8.5	8.6	8.6
Pre-tax profit[1]	5.6	9.3	10.8	5.6	7.8	8.2	8.6	8.4	8.2	8.3	8.3
Net profit	3.5	6.7	8.3	3.0	5.4	5.7	6.0	5.9	5.6	5.7	5.7
Net profit adj. for M&A €	4.4	4.6	5.2	2.8	4.2	6.5	4.3	5.4	---5.1	0.0	0.0
Tax rate (%)	34.3	25.2	21.2	41.0	28.4	26.8	27.7	27.3	29.6	28.5	28.5
Adj. tax rate (%)	29.3	32.3	29.5	43.2	33.2	-	-	-			-

Note: Old FY15E estimates refer to our Daimler report of May 11th.. Source: Company data and CGI estimates

Daimler – Industrial operations – cash flow (1Q14 – FY15E)

(EUR m)	1Q14	2Q14	3Q14	4Q14	FY1A	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
Net profit	825	1,978	2,611	998	6,407	1,963	2,069	4,032	3,709	7,742	7,678
Depreciation & amortisation	1,211	1,221	1,218	1,314	4,964	1,349	1,341	2,690	3,084	5,774	5,738
Non-cash items	263	-921	-671	-65	-1,394	254	109	363	-1,863	-1,500	-1,500
CF from operations	**2,299**	**2,278**	**3,158**	**2,247**	**9,977**	**3,566**	**3,520**	**7,086**	**4,930**	**12,016**	**11,916**
WCR (core)	-177	-549	-325	-1,268	-2,319	-434	-516	-950	-482	-1,432	-1,432
WCR (incl. oper. leases)	**-237**	**-253**	**363**	-2,311	-2,438	229	-699	-470	-1,062	-1,532	-1,532
CF from oper. activities	**2,062**	**2,025**	**3,521**	**-64**	**7,539**	**3,795**	**2,821**	**6,616**	**3,868**	**10,484**	**10,384**
Capex (PP&E)	-1,038	-1,042	-1,163	-1,578	-4,821	-1,019	-1,271	-2,290	-3,118	-5,408	-5,406
Net investments	-364	-257	2,115	264	1,758	-557	-64	-621	-979	-1,600	-1,600
o/w M&A	*14*	*51*	*2,419*	717	3,201	-80	145	65	-265	-200	-200
Other	34	27	902	35	1,003	73	-200	-127	-73	-200	-200
FCF	**694**	**753**	**5,375**	**-1,343**	**5,479**	**2,292**	**1,286**	**3,578**	**-302**	**3,276**	**3,178**
FCF adj, for M&A	**680**	**702**	**2,956**	**-2,060**	**2,278**	**2,372**	**1,141**	**3,513**	**-37**	**3,476**	**3,378**
Dividends	-32	-2,375	0	0	-2,407	-44	-2,577	-2,621	0	-2,621	-2,621
Other (incl. share reps/issue)	-22	-156	-196	421	47	1,321	-419	902	-1,310	-408	-310
Net cash decrease/-increase	-640	1,778	-5,179	922	-3,119	-3,569	1,710	-1,859	1,612	-247	-247
Net cash/-debt	**14,474**	**12,696**	**17,875**	**16,953**	**16,953**	**20,522**	**18,812**	**18,812**	**17,200**	**17,200**	**17,200**

Note: Old FY15E estimates refer to our Daimler report of May 11th.. Source: Company data and CGI estimates

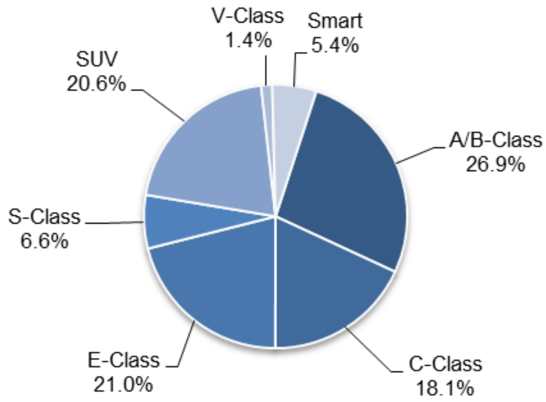
Mercedes-Benz Cars – 2Q/FY15E

Mercedes-Benz Cars – Results, sales and production (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
(EUR m)											
Revenue	**17,004**	**17,771**	**18,677**	**20,132**	**73,584**	**19,509**	**21,325**	**40,834**	**43,052**	**83,886**	**83,150**
% change yoy	20.5	8.9	13.1	16.0	14.4	14.7	20.0	17.4	10.9	14.0	13.0
EBIT	**1,183**	**1,409**	**1,584**	**1,677**	**5,853**	**1,841**	**2,047**	**3,888**	**4,081**	**7,969**	**7,899**
% change yoy	157.2	35.4	32.0	28.5	46.1	55.6	45.3	50.0	25.1	36.2	35.0
EBIT margin (%)	**7.0**	**7.9**	**8.5**	**8.3**	**8.0**	**9.4**	**9.6**	**9.5**	**9.5**	**9.5**	**9.5**
One-offs	0	0	-30	-81	-111	47	-40	7	-112	-105	-95
Adj. EBIT	**1,183**	**1,409**	**1,614**	**1,758**	**5,964**	**1,794**	**2,087**	**3,881**	**4,193**	**8,074**	**7,994**
% change yoy	157.2	30.0	29.0	26.9	42.7	51.6	48.1	49.7	24.3	35.4	34.0
Adj. EBIT margin (%)	**7.0**	**7.9**	**8.6**	**8.7**	**8.1**	**9.2**	**9.8**	**9.5**	**9.7**	**9.6**	**9.6**
Impl. unit/rev.(% - yoy)	5.7	5.2	3.7	1.9	3.4	-2.8	1.3	-0.7	0.9	0.1	0.7
Units ('000)											
Retail sales	**397.7**	**432.6**	**431.7**	**477.8**	**1,739.9**	**458.3**	**502.2**	**960.6**	-	-	-
% change yoy	13.5	9.3	10.7	12.2	11.4	15.2	16.1	15.7	-	-	-
Wholesales	**389.5**	**418.7**	**431.0**	**483.4**	**1,722.6**	**459.7**	**496.1**	**955.8**	**1,005.3**	**1,961.2**	**1,932.2**
% change yoy	14.0	3.5	9.0	13.9	10.0	18.0	18.5	18.3	9.9	13.9	12.2
Production	**407.5**	**406.6**	**459.3**	**480.8**	**1,754.1**	**495.0**	**487.1**	**982.1**	**1,014.0**	**1,996.2**	**1,967.2**
% change yoy	8.9	-1.3	17.2	17.1	10.4	21.5	19.8	20.6	7.9	13.8	12.1
Over-production	**18.0**	**-12.0**	**28.2**	**-2.6**	**31.6**	**35.3**	**-9.0**	**26.3**	**8.7**	**35.0**	**35.0**

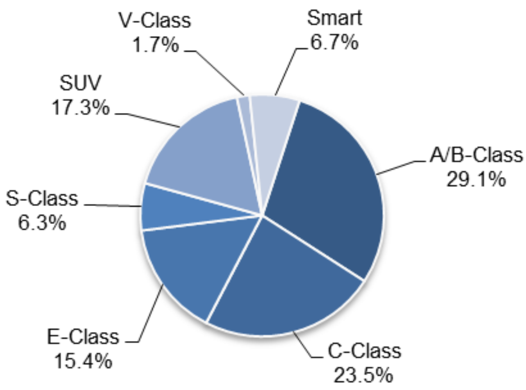
Note: Old FY15E estimates refer to our Daimler report of May 11th.. Source: Company data and CGI estimates

M-B Cars – Model mix retail sales (2Q14)



Source: Company data and CGI calculations

M-B Cars – Model mix retail sales (2Q15)



Source: Company data and CGI calculations

Management guidance 2015 (Feb 5)

Market assumptions: passenger vehicles

- Global: around +4%
- Western Europe: slight growth
- USA: slight growth
- China: significant growth

Mercedes-Benz Cars: sales outlook

- Significantly higher unit sales based on young and attractive product portfolio
- Strong momentum from full availability of new C-Class and smart models
- Launch of all-new Mercedes-Maybach, Mercedes-AMG GT, CLA Shooting Brake and GLE Coupé

Mercedes-Benz Cars: EBIT outlook

- Significantly above the prior-year level

Management guidance 2015 (Apr 28)

Market assumptions: passenger vehicles

- Global: around +3%
- Western Europe: slight growth
- USA: slight growth
- China: significant growth

Mercedes-Benz Cars: sales outlook

- Significantly higher unit sales based on young and attractive product portfolio
- Strong momentum from full availability of new C-Class and smart models
- Launch of all-new Mercedes-Maybach, Mercedes-AMG GT, CLA Shooting Brake and GLE Coupé

Mercedes-Benz Cars: EBIT outlook

- Significantly above the prior-year level

Mercedes-Benz Cars – Retail sales by model (1Q14 – 1H15A)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15A	1H15A
Units ('000)								
A-/B-Class, incl. GLA	98.8	116.4	120.0	128.0	463.2	123.8	146.2	269.9
C-Class, incl. SLK	82.8	78.4	84.3	118.9	364.4	119.2	118.3	237.4
E-/CLS-Class	82.7	91.0	87.3	77.2	338.2	72.0	77.2	149.2
S-Class, incl. SL	27.1	28.4	29.0	33.1	117.5	30.5	31.5	62.0
SUVs, excl. GLA	77.6	89.1	84.2	97.7	341.8	77.5	87.1	164.6
V-Class[1]	5.3	5.9	6.9	6.8	25.0	6.7	8.6	15.2
Mercedes-Benz	**374.3**	**409.2**	**411.6**	**454.9**	**1,650.0**	**429.6**	**468.8**	**898.4**
Smart	**23.4**	**23.4**	**20.1**	**23.0**	**89.8**	**28.7**	**33.4**	**62.2**
M-B Cars	**397.7**	**432.6**	**431.7**	**477.8**	**1,739.9**	**458.3**	**502.2**	**960.6**
% change yoy								
A-/B-Class, incl. GLA	28.2	20.9	27.5	23.1	24.7	25.3	25.6	25.4
C-Class, incl. SLK	-8.2	-19.4	-6.9	38.7	0.2	44.0	50.8	47.3
E-/CLS-Class	28.1	14.9	-1.2	-20.8	2.6	-12.9	-15.2	-14.1
S-Class, incl. SL	70.9	59.1	91.4	41.7	62.8	12.6	11.1	11.8
SUVs, excl. GLA	0.5	13.1	5.1	10.4	5.3	-0.2	-2.2	-1.3
Mercedes-Benz	**15.2**	**10.7**	**11.8**	**14.0**	**12.9**	**14.8**	**14.6**	**14.7**
Smart	**-8.6**	**-10.9**	**-8.5**	**-14.9**	**-10.9**	**22.7**	**42.9**	**32.8**
M-B Cars	**13.5**	**9.3**	**10.7**	**12.2**	**11.4**	**15.2**	**16.1**	**15.7**
Share (%)								
A-/B-Class, incl. GLA	24.8	26.9	27.8	26.8	26.6	27.0	29.1	28.1
C-Class, incl. SLK	20.8	18.1	19.5	24.9	20.9	26.0	23.5	24.7
E-/CLS-Class	20.8	21.0	20.2	16.2	19.4	15.7	15.4	15.5
S-Class, incl. SL	6.8	6.6	6.7	6.9	6.8	6.7	6.3	6.5
SUVs, excl. GLA	19.5	20.6	19.5	20.5	19.6	16.9	17.3	17.1
V-Class[1]	1.3	1.4	1.6	1.4	1.4	1.5	1.7	1.6
Mercedes-Benz	**94.1**	**94.6**	**95.4**	**95.2**	**94.8**	**93.7**	**93.3**	**93.5**
Smart	**5.9**	**5.4**	**4.6**	**4.8**	**5.2**	**6.3**	**6.7**	**6.5**

Mercedes-Benz Cars – Retail sales by region (1Q14 – 1H15A)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15A	1H15A
Units ('000)								
- Germany	61.6	75.2	69.6	76.0	282.3	68.4	82.2	150.6
- Rest of W Europe	96.9	105.0	97.6	99.2	398.7	119.6	120.8	240.5
Western Europe	**158.5**	**180.2**	**167.2**	**175.1**	**681.0**	**188.1**	**203.1**	**391.1**
- US	74.8	81.4	85.1	99.3	340.6	79.8	88.9	168.7
- Canada/Mexico	10.1	11.9	11.7	13.4	47.0	10.9	14.3	25.2
NAFTA	**84.9**	**93.3**	**96.8**	**112.7**	**387.7**	**90.6**	**103.2**	**193.9**
- Japan	18.1	9.8	16.7	17.1	61.8	18.8	13.9	32.7
- China	**71.7**	**73.5**	**72.1**	**82.2**	**299.416**	**82.6**	**91.1**	**173.7**
- Other Asia/Pacific	33.9	35.8	38.2	41.7	149.6	41.7	45.1	86.8
Asia/Pacific	**123.7**	**119.0**	**127.0**	**141.1**	**510.8**	**143.1**	**150.0**	**293.2**
Rest of World	**30.6**	**40.2**	**40.6**	**49.0**	**160.4**	**36.5**	**45.9**	**82.4**
M-B Cars	**397.7**	**432.6**	**431.7**	**477.8**	**1,739.9**	**458.3**	**502.2**	**960.6**
% chge yoy								
- Germany	1.9	-4.4	-2.3	5.9	0.1	11.1	9.4	10.2
- Rest of W Europe	6.0	10.6	12.1	14.8	10.8	23.4	15.1	19.1
Western Europe	**4.4**	**3.8**	**5.6**	**10.7**	**6.1**	**18.7**	**12.7**	**15.5**
- US	4.8	8.3	12.7	-0.5	5.8	6.6	9.2	8.0
- Canada/Mexico	4.8	4.4	3.2	13.2	6.5	7.6	20.4	14.6
NAFTA	**4.8**	**7.8**	**11.4**	**1.0**	**5.9**	**6.7**	**10.7**	**8.8**
- Japan	49.5	28.0	12.1	17.3	13.7	3.9	41.7	17.1
- China	**43.2**	**27.9**	**17.4**	**23.2**	**27.1**	**15.3**	**24.0**	**19.7**
- Other Asia/Pacific	27.5	24.9	22.4	22.7	24.2	23.0	26.1	24.6
Asia/Pacific	**39.3**	**20.5**	**18.1**	**22.3**	**24.4**	**15.7**	**26.1**	**20.8**
Rest of World	**5.9**	**9.0**	**8.9**	**19.4**	**11.3**	**19.2**	**14.2**	**16.4**
M-B Cars	**13.5**	**9.3**	**10.7**	**12.2**	**11.4**	**15.2**	**16.1**	**15.7**
Share (%)								
- Germany	15.5	17.4	16.1	15.9	16.2	14.9	16.4	15.7
- Rest of W Europe	24.4	24.3	22.6	20.8	22.9	26.1	24.1	25.0
Western Europe	**39.9**	**41.6**	**38.7**	**36.7**	**39.1**	**41.0**	**40.4**	**40.7**
- US	18.8	18.8	19.7	20.8	19.6	17.4	17.7	17.6
- Canada/Mexico	2.5	2.7	2.7	2.8	2.7	2.4	2.8	2.6
NAFTA	**21.3**	**21.6**	**22.4**	**23.6**	**22.3**	**19.8**	**20.6**	**20.2**
- Japan	4.6	2.3	3.9	3.6	3.6	4.1	2.8	3.4
- China	18.0	17.0	16.7	17.2	17.2	18.0	18.1	18.1
- Other Asia/Pacific	8.5	8.3	8.9	8.7	8.6	9.1	9.0	9.0
Asia/Pacific	**31.1**	**27.5**	**29.4**	**29.5**	**29.4**	**31.2**	**29.9**	**30.5**
Rest of World	**7.7**	**9.3**	**9.4**	**10.2**	**9.2**	**8.0**	**9.1**	**8.6**
M-B Cars	15.5	17.4	16.1	15.9	16.2	14.9	16.4	15.7

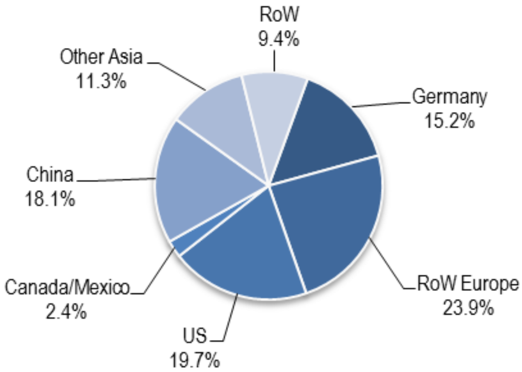
Note: retail sales were announced on July 6th. (1) V-segment wholesales and revenue are included in Vans. Source: Company data and CGI estimates

Mercedes-Benz Cars –Wholesales by region (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
Units ('000)											
- Germany	59.1	73.2	66.2	73.9	272.5	65.4	79.8	145.2	149.1	294.3	288.8
- R of W Europe	93.2	98.7	94.1	110.2	396.1	111.0	119.6	230.5	210.6	441.2	433.3
Western Europe	**152.3**	**171.9**	**160.3**	**184.1**	**668.6**	**176.3**	199.4	**375.7**	**359.7**	**735.4**	**722.1**
- US	76.9	81.9	84.1	101.5	344.4	87.7	91.6	179.3	199.5	378.8	376.4
- Canada/Mexico	9.5	12.7	10.8	13.4	46.4	11.6	14.4	26.0	26.4	52.4	49.6
NAFTA	**86.4**	**94.6**	**94.9**	**114.9**	**390.7**	**99.3**	106.0	**205.3**	**225.9**	**431.2**	**426.0**
- China	**70.3**	**68.1**	**76.2**	**78.0**	**292.7**	**87.4**	88.6	**176.0**	**182.5**	**358.5**	**352.7**
- Other Asia	43.8	36.3	51.5	51.3	183.0	52.8	44.2	97.0	117.6	214.6	215.7
Asia	**114.2**	**104.3**	**127.7**	**129.4**	**475.6**	**140.2**	**132.8**	**273.0**	**300.1**	**573.1**	**568.4**
Rest of World	**36.6**	**47.9**	**48.2**	**55.0**	**187.6**	**43.9**	**57.9**	**101.8**	**119.6**	**221.4**	**215.8**
M-B Cars	**389.5**	**418.7**	**431.0**	**483.4**	**1,722.6**	**459.7**	**496.1**	**955.8**	**1,005.3**	**1,961.2**	**1,932.2**
% chge yoy											
- Germany	-3.3	-8.2	-5.3	7.0	-2.7	10.6	9.0	9.7	6.4	8.0	6.0
- R of W Europe	5.3	0.2	15.4	20.1	10.0	19.0	21.2	20.1	3.1	11.4	9.4
Western Europe	**1.8**	**-3.6**	**5.8**	**14.5**	**4.4**	**15.8**	**16.0**	**15.9**	**4.5**	**10.0**	**8.0**
- US	13.0	7.1	5.0	8.1	8.1	14.1	11.8	12.9	7.5	10.0	9.3
- Canada/Mexico	-2.8	5.2	-7.4	21.0	4.0	22.3	13.3	17.1	9.2	13.0	7.0
NAFTA	**11.0**	**6.8**	**3.4**	**9.4**	**7.6**	**15.0**	**12.0**	**13.4**	**7.7**	**10.4**	**9.0**
- China	**51.6**	**13.4**	**17.6**	**15.7**	**22.6**	**24.3**	**30.2**	**27.2**	**18.3**	**22.5**	**20.5**
- Other Asia	35.6	9.7	20.8	19.5	21.2	20.3	22.0	21.1	14.4	17.3	17.9
Asia	**45.0**	**12.1**	**18.9**	**17.1**	**22.0**	**22.8**	**27.3**	**24.9**	**16.7**	**20.5**	**19.5**
Rest of World	**3.7**	**6.8**	**7.5**	**13.8**	**8.3**	**19.8**	**21.1**	**20.5**	**15.9**	**18.0**	**15.0**
M-B Cars	**14.0**	**3.5**	**9.0**	**13.9**	**10.0**	**18.0**	**18.5**	**18.3**	**9.9**	**13.9**	**12.2**
Share (%)											
- Germany	15.2	17.5	15.4	15.3	15.8	14.2	16.1	15.2	14.8	15.0	14.9
- R of W Europe	23.9	23.6	21.8	22.8	23.0	24.1	24.1	24.1	21.0	22.5	22.4
Western Europe	**39.1**	**41.1**	**37.2**	**38.1**	**38.8**	**38.4**	**40.2**	**39.3**	**35.8**	**37.5**	**37.4**
- US	19.7	19.6	19.5	21.0	20.0	19.1	18.5	18.8	19.8	19.3	19.5
- Canada/Mexico	2.4	3.0	2.5	2.8	2.7	2.5	2.9	2.7	2.6	2.7	2.6
NAFTA	**22.2**	**22.6**	**22.0**	**23.8**	**22.7**	**21.6**	**21.4**	**21.5**	**22.5**	**22.0**	**22.0**
- China	18.1	16.3	17.7	16.1	17.0	19.0	17.9	18.4	18.2	18.3	18.3
- Other Asia	11.3	8.7	12.0	10.6	10.6	11.5	8.9	10.1	11.7	10.9	11.2
Asia	**29.3**	**24.9**	**29.6**	**26.8**	**27.6**	**30.5**	**26.8**	**28.6**	**29.9**	**29.2**	**29.4**
Rest of World	**9.4**	**11.4**	**11.2**	**11.4**	**10.9**	**9.5**	**11.7**	**10.6**	**11.9**	**11.3**	**11.2**
M-B Cars	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	100.0	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

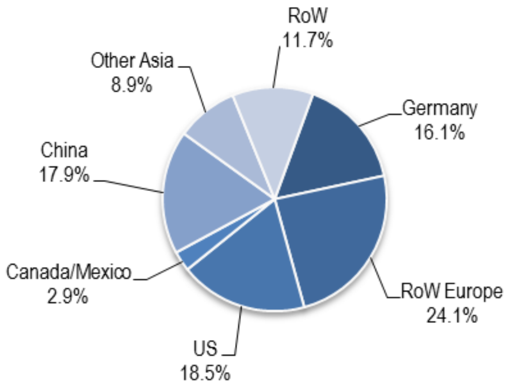
Note: Old FY15E estimates refer to our Daimler report of May 11th.. Source: Company data and CGI estimates

M-B Cars – Geographic split wholesales (2Q14)



Source: Company data and CGI calculations

M-B Cars – Geographic split wholesales (2Q15E)



Source: Company data and CGI calculations

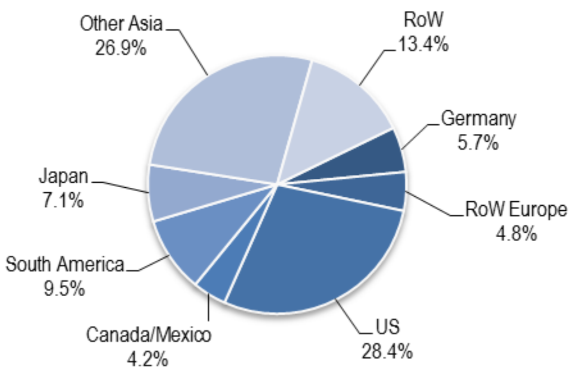
Daimler Trucks – 2Q/FY15E

Daimler Trucks – Results, sales and production (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
(EUR m)											
Revenue	**7,121**	**7,966**	**8,463**	**8,839**	**32,389**	**8,414**	**9,241**	**17,655**	**19,010**	**36,664**	**36,600**
% change yoy	1.4	0.0	6.0	4.0	2.9	18.2	16.0	17.0	9.9	13.2	13.0
EBIT[1]	**341**	**455**	**588**	**494**	**1,878**	**472**	**647**	**1,119**	**1,242**	**2,361**	**2,342**
% change yoy	194.0	4.8	12.6	-12.6	14.7	38.4	42.2	40.6	14.8	592.4	586.9
EBIT margin (%)	**4.8**	**5.7**	**6.9**	**5.6**	**5.8**	**5.6**	**7.0**	**6.3**	**6.5**	**6.4**	**6.4**
One-offs	-5	-71	-30	-89	-195	-64	-20	-84	-66	-150	-150
Adj. EBIT[1]	**346**	**526**	**618**	**583**	**2,073**	**536**	**667**	**1,203**	**1,308**	**2,511**	**2,492**
% change yoy	168.2	1.9	16.6	0.9	18.3	54.9	26.8	37.9	8.9	625.8	620.3
Adj. EBIT margin (%)	**4.9**	**6.6**	**7.3**	**6.6**	**6.4**	**6.4**	**7.2**	**6.8**	**6.9**	**6.8**	**6.8**
Impl. unit/revenue (% chge yoy)	-5.2	-1.8	5.1	3.2	0.5	14.1	9.4	11.6	1.4	5.6	5.2
Units ('000)											
Incoming orders	**134.0**	**124.7**	**125.9**	**172.9**	**550.5**	**129.9**	**-**	**-**	**-**	**-**	**-**
% change yoy	6.2	-0.9	0.0	43.7	10.5	-3.1	-	-	-	-	-
Wholesales	**108.5**	**126.1**	**125.6**	**135.5**	**495.7**	**112.4**	**133.6**	**246.1**	**282.9**	**529.0**	**530.3**
% change yoy	7.0	1.9	0.9	0.7	2.4	3.6	6.0	4.9	8.4	6.7	7.0
Production	**122.1**	**127.7**	**124.4**	**123.6**	**497.7**	**122.2**	**135.6**	**257.9**	**273.2**	**531.1**	**532.4**
% change yoy	9.8	0.2	-3.1	0.1	1.5	0.1	6.3	3.3	10.2	6.7	7.0
Over-production	**13.6**	**1.6**	**-1.2**	**-11.9**	**2.0**	**9.8**	**2.0**	**11.8**	**-9.7**	**2.1**	**2.1**

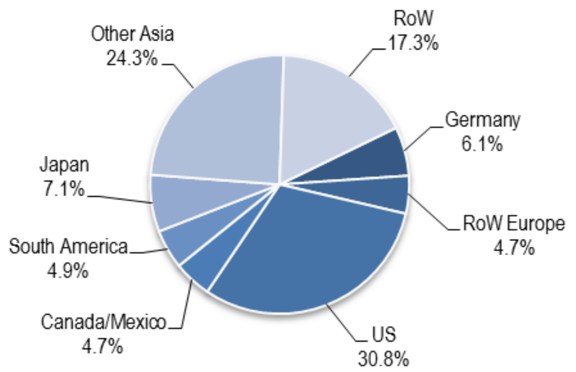
Note: Old FY15E estimates refer to our Daimler report of May 11th.. Source: Company data and CGI estimates

Daimler Trucks – Geographic split unit sales[1] (2Q14)



(1) Wholesales. Source :Company data and CGI calculations

Daimler Trucks – Geographic split unit sales[1] (2Q15E)



(1) Wholesales. Source: Company data and CGI estimates

Management guidance 2015 (Feb 5)

Market assumptions: truck markets

- NAFTA region: around +10%
- Europe: around the prior-year level
- Japan: slightly below prior-year level
- Brazil: around -10%
- Indonesia (incl. light-duty): araound +10%

Daimler Trucks: sales outlook

- Significantly higher unit sales due to strong product portfolio
- Strong order backlog, especially in NAFTA region
- Growth potential due to new Asia Business Model

Daimler Trucks : EBIT outlook

- Significantly above the prior-year level .

Management guidance 2015 (Apr 28)

Market assumptions: truck markets

- NAFTA region: +10% to 15%
- Europe: +5% to 10%
- Japan: around the prior-year level
- Brazil: around -30%
- Indonesia (incl. light-duty): araound -20%

Daimler Trucks: sales outlook

- Significantly higher unit sales due to strong product portfolio
- Strong order backlog, especially in NAFTA region
- Growth potential due to new Asia Business Model

Daimler Trucks : EBIT outlook

- Significantly above the prior-year level

Daimler Trucks – Wholesales by market (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
Units ('000)											
- Germany	6.5	7.1	6.9	8.5	29.0	5.0	8.2	13.2	17.4	30.6	30.1
- Rest W Europe	5.1	6.1	6.7	9.3	28.4	6.4	6.3	12.7	20.6	33.4	32.8
Western Europe	**11.6**	**13.2**	**13.7**	**17.7**	**57.4**	**11.5**	**14.5**	**26.0**	**38.0**	**64.0**	**62.9**
- US	30.6	35.8	36.6	36.1	141.6	35.7	41.2	76.9	88.8	165.7	165.7
- Canada/Mexico	4.0	5.3	4.5	6.0	19.9	5.1	6.3	11.5	13.4	24.9	21.6
NAFTA	**34.6**	**41.1**	**41.0**	**41.9**	**161.5**	**40.8**	**47.5**	**88.4**	**102.2**	**190.6**	**187.3**
South America	**10.2**	**11.9**	**12.7**	**12.5**	**47.1**	**7.2**	**6.6**	**13.8**	**13.5**	**27.3**	**30.6**
- Japan	13.4	8.9	10.6	10.8	43.9	12.3	9.5	21.8	22.9	44.7	44.1
- Other Asia	27.2	33.9	26.3	34.4	123.4	25.0	32.5	57.5	62.5	120.0	124.8
Asia	**40.6**	**42.8**	**36.9**	**45.2**	**167.2**	**37.3**	**42.0**	**79.3**	**85.5**	**164.7**	**168.9**
Rest of World	**11.5**	**16.9**	**15.1**	**18.3**	**62.5**	**15.6**	**23.1**	**38.7**	**43.8**	**82.5**	**80.6**
Daimler Trucks	**108.5**	**126.1**	**119.4**	**135.5**	**495.7**	**112.4**	**133.6**	**246.1**	**282.9**	**529.0**	**530.3**
% chge yoy											
- Germany	4.7	-6.5	-11.6	-28.3	-13.3	-22.5	15.0	-2.9	12.7	5.4	3.5
- Rest W Europe	-10.9	-8.0	-10.5	-17.1	-12.4	25.0	3.1	13.1	20.5	17.5	15.6
Western Europe	**-2.8**	**-7.2**	**-11.0**	**-22.9**	**-12.8**	**-1.5**	**9.5**	**4.3**	**16.8**	**11.4**	**9.5**
- US	14.8	19.3	27.6	18.5	20.2	16.8	15.0	15.8	18.0	17.0	17.0
- Canada/Mexico	-0.9	8.7	3.1	47.5	14.1	28.7	18.9	23.1	27.0	25.1	8.9
NAFTA	**12.8**	**17.8**	**24.9**	**21.5**	**19.4**	**18.2**	**15.5**	**16.7**	**19.1**	**18.0**	**16.0**
South America	**-21.8**	**-25.7**	**-22.7**	**-11.4**	**-20.6**	**-28.7**	**-45.0**	**-37.5**	**-46.0**	**-42.0**	**-35.0**
- Japan	51.6	2.1	5.9	1.4	14.4	-8.5	6.2	-2.6	6.8	2.0	0.5
- Other Asia	3.2	2.1	-10.1	1.9	-0.8	-8.2	-4.2	-5.9	0.4	-2.7	1.2
Asia	**15.4**	**2.1**	**-6.2**	**1.8**	**2.8**	**-8.3**	**-2.0**	**-5.1**	**2.0**	**-1.5**	**1.0**
Rest of World	**8.8**	**2.1**	**2.6**	**-2.0**	**2.1**	**35.2**	**36.4**	**35.9**	**28.7**	**32.0**	**29.0**
Daimler Trucks	**7.0**	**1.9**	**0.9**	**0.7**	**2.4**	**3.6**	**6.0**	**4.9**	**8.4**	**6.7**	**7.0**
Share (%)											
- Germany	6.0	5.7	5.5	6.2	5.9	4.5	6.1	5.4	6.1	5.8	5.7
- Rest W Europe	4.7	4.8	6.3	6.8	5.7	5.7	4.7	5.2	7.3	6.3	6.2
Western Europe	**10.7**	**10.5**	**11.8**	**13.1**	**11.6**	**10.2**	**10.9**	**10.5**	**13.4**	**12.1**	**11.9**
- US	28.2	28.4	31.2	26.6	28.6	31.8	30.8	31.3	31.4	31.3	31.2
- Canada/Mexico	3.7	4.2	3.7	4.4	4.0	4.5	4.7	4.7	4.7	4.7	4.1
NAFTA	**31.8**	**32.6**	**34.9**	**30.9**	**32.6**	**36.3**	**35.6**	**35.9**	**36.1**	**36.0**	**35.3**
South America	**9.4**	**9.5**	**10.0**	**9.2**	**9.5**	**6.4**	**4.9**	**5.6**	**4.8**	**5.2**	**5.8**
- Japan	12.4	7.1	8.5	8.0	8.8	10.9	7.1	8.9	8.1	8.5	8.3
- Other Asia	25.1	26.9	22.2	25.4	24.9	22.2	24.3	23.4	22.1	22.7	23.5
Asia	**37.4**	**34.0**	**30.7**	**33.3**	**33.7**	**33.2**	**31.4**	**32.2**	**30.2**	**31.1**	**31.9**
Rest of World	**10.6**	**13.4**	**12.5**	**13.5**	**12.6**	**13.9**	**17.3**	**15.7**	**15.5**	**15.6**	**15.2**
Daimler Trucks	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Note: Old FY15E estimates refer to our Daimler report of May 11th.. Source: Company data and CGI estimates

Daimler Trucks – Incoming orders by market (1Q13 – 1Q15)

	1Q13	2Q13	3Q13	4Q13	FY13	1Q14	2Q14	3Q14	4Q14	FY14	1Q15
Units ('000)											
- Germany	7.6	7.4	12.5	5.2	33.4	6.3	5.9	5.8	6.5	24.5	8.2
- Rest W Europe	7.6	7.2	9.8	4.7	31.4	6.3	8.5	7.5	8.1	30.4	9.0
Western Europe	**15.3**	**14.6**	**22.3**	**9.9**	**64.7**	**12.6**	**14.4**	**13.3**	**14.6**	**54.9**	**17.3**
- US	31.2	28.0	30.3	37.5	125.9	45.2	35.0	34.1	75.6	189.8	47.9
- Canada/Mexico	4.7	4.8	2.8	4.5	16.8	7.0	4.9	5.1	9.8	26.8	4.4
NAFTA	**35.9**	**32.8**	**33.0**	**42.1**	**142.7**	**52.2**	**39.9**	**39.2**	**85.3**	**216.6**	**52.3**
South America	**13.1**	**14.1**	**14.8**	**10.5**	**53.6**	**9.8**	**12.2**	**10.6**	**13.4**	**46.0**	**3.0**
- Japan	9.9	7.6	10.7	11.7	44.1	11.0	12.0	11.3	10.1	44.4	11.1
- Other Asia	35.5	31.9	27.0	31.7	125.9	32.8	28.2	28.1	31.2	120.2	25.9
Asia	**45.4**	**39.5**	**37.7**	**43.4**	**170.0**	**43.7**	**40.2**	**39.4**	**41.3**	**164.6**	**37.0**
Rest of World	**16.5**	**20.3**	**18.1**	**14.5**	**67.0**	**15.7**	**18.1**	**16.6**	**18.2**	**68.6**	**20.3**
Daimler Trucks	**126.2**	**121.3**	**125.9**	**120.3**	**498.1**	**134.0**	**124.7**	**119.0**	**172.9**	**550.5**	**129.9**
% chge yoy											
- Germany	-13.5	-5.7	96.2	-20.2	15.8	-16.8	-26.7	-53.9	24.9	-26.7	29.5
- Rest W Europe	25.4	5.4	75.4	-37.2	21.7	-17.7	-7.8	-23.8	72.9	-3.1	43.9
Western Europe	**2.4**	**-0.6**	**86.5**	**-29.3**	**18.6**	**-17.2**	**-16.6**	**-40.7**	**47.8**	**-15.3**	**36.6**
- US	31.8	84.3	46.4	17.7	32.1	44.9	29.8	12.6	101.4	50.7	6.0
- Canada/Mexico	10.7	6.4	-8.2	37.2	21.2	47.1	3.0	85.3	115.2	59.3	-36.7
NAFTA	**28.6**	**66.5**	**39.5**	**19.5**	**30.7**	**45.2**	**25.7**	**18.6**	**102.9**	**51.7**	**0.3**
South America	**32.7**	**4.1**	**26.8**	**-13.2**	**26.0**	**-25.1**	**-20.2**	**-28.2**	**27.3**	**-14.3**	**-69.7**
- Japan	11.0	7.3	27.6	36.8	25.8	10.7	1.7	5.8	-13.3	0.7	1.6
- Other Asia	16.0	12.6	13.3	21.0	8.5	-7.8	-11.1	3.9	-1.6	-4.6	-21.1
Asia	**14.9**	**11.6**	**17.1**	**24.8**	**12.5**	**-3.7**	**-7.7**	**4.4**	**-4.8**	**-3.2**	**-15.4**
Rest of World	**14.6**	**43.0**	**13.5**	**11.6**	**12.5**	**-4.7**	**0.1**	**-8.2**	**26.1**	**2.3**	**29.4**
Daimler Trucks	**18.3**	**24.4**	**31.9**	**10.4**	**19.4**	**6.2**	**-0.9**	**-5.5**	**43.7**	**10.5**	**-3.1**

Source: Company data and CGI calculation

Mercedes-Benz Vans & Daimler Buses – 2Q/FY15E

Mercedes-Benz Vans – Results, sales and production (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
(EUR m)											
Revenue	**2,212**	**2,494**	**2,515**	**2,747**	**9,968**	**2,415**	**2,843**	**5,258**	**5,906**	**11,164**	**11,164**
% change yoy	11.4	2.5	11.6	1.9	6.4	9.2	14.0	11.7	12.2	12.0	12.0
EBIT	**123**	**242**	**176**	**141**	**682**	**215**	**262**	**477**	**405**	**882**	**882**
% change yoy	51.9	18.6	15.8	-27.3	8.1	74.8	8.1	30.6	27.9	29.3	29.3
EBIT margin (%)	**5.6**	**9.7**	**7.0**	**5.1**	**6.8**	**8.9**	9.2	9.1	6.9	7.9	7.9
One-offs	0	61	0	-17	44	-6	-5	-11	-29	-40	-70
Adj. EBIT[1]	**123**	**181**	**176**	**158**	**638**	**221**	**266.6**	**487.6**	**434**	**922**	**952**
% change yoy	51.9	-11.3	15.8	-18.6	1.1	79.7	47.3	60.4	30.1	44.5	49.2
Adj. EBIT margin (%)	**5.6**	**7.3**	**7.0**	**5.8**	**6.4**	**9.2**	**9.4**	**9.3**	**7.4**	**8.3**	**8.5**
Impl. unit/rev. (% yoy)	-4.1	-6.4	1.0	-1.1	-2.4	4.6	3.6	3.9	-2.6	-6.2	-6.2
Units ('000)											
Retail sales	**53.9**	**68.5**	**66.5**	**77.4**	**266.3**	**57.6**	**-**	**-**	**-**	**-**	**-**
% change yoy	2.2	-0.2	-0.7	-3.4	-0.8	6.8	0.0	3.0	-2.6	0.0	-
Wholesales	**61.1**	**76.0**	**72.2**	**85.3**	**294.6**	**63.8**	**83.6**	**147.4**	**181.5**	**328.9**	**328.9**
% change yoy	16.1	9.5	10.6	3.0	9.1	4.4	10.0	7.5	15.3	11.7	11.7
Production	**73.9**	**81.5**	**73.1**	**70.4**	**299.0**	**74.7**	**86.6**	**161.3**	**169.6**	**330.9**	**330.9**
% change yoy	17.0	11.9	16.4	-2.2	10.4	1.1	6.3	3.8	18.1	10.7	10.7
Over-production	**12.8**	**5.5**	**0.9**	**-14.8**	**4.4**	**10.9**	**3.0**	**13.9**	**-11.9**	**2.0**	**2.0**

Note: Old FY15E estimates refer to our Daimler report of May 11th.. Source: Company data and CGI estimates

Management guidance 2015 (Feb 5)	Management guidance 2015 (Apr 28)
Market assumptions: van markets	**Market assumptions: van markets**
• Europe: around the prior-year level	• Europe: slight growth
Mercedes-Benz Vans: sales outlook	**Mercedes-Benz Vans: sales outlook**
• Significantly higher unit sales • Strong momentum - full availability of new Vito and V-Class • Product expansion to North and South America	• Significantly higher unit sales • Strong momentum - full availability of new Vito and V-Class • Product expansion to North and South America
Mercedes-Benz Vans: EBIT outlook	**Mercedes-Benz Vans: EBIT outlook**
• Significantly above the prior-year level	• Significantly above the prior-year level

Daimler Buses – Results, sales and production (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15E	1H15E	2H15E	New FY15E	Old FY15E
(EUR m)											
Revenue	**859**	**1,048**	**1,034**	**1,277**	**4,218**	**877**	**1,069**	**1,946**	**1,428**	**3,374**	**3,374**
% change yoy	14.4	12.2	-8.3	-1.2	2.8	2.1	2.0	2.0	-38.2	-20.0	-20.0
EBIT	**53**	**50**	**64**	**30**	**197**	**34**	**37**	**71**	**39**	**110**	**110**
% change yoy	NM	85.2	8.5	-56.5	58.9	-35.8	-26.0	-31.1	-58.5	-44.2	-44.2
EBIT margin (%)	**6.2**	**4.8**	**6.2**	**2.3**	**4.7**	**3.9**	**3.5**	**3.6**	**2.7**	**3.3**	**3.3**
One-offs	-1	-8	0	-5	-14	-1	-3	-4	-16	-20	-20
Adj. EBIT[1]	**54**	**58**	**64**	**35**	**211**	**35**	**40**	**75**	**55**	**130**	**130**
% change yoy	NM	23.4	4.9	-57.3	29.4	-35.2	-31.0	-33.0	-44.4	-38.4	-38.4
Adj. EBIT margin (%)	**6.3**	**5.5**	**6.2**	**2.7**	**5.0**	**4.0**	**3.7**	**3.9**	**3.9**	**3.9**	**3.9**
Impl.unit/rev.(% yoy)	11.0	9.7	2.7	2.2	2.2	11.0	13.3	16.3	-16.2	0.0	0.0
Units ('000)											
Wholesales	**6.7**	**8.1**	**8.6**	**9.8**	**33.2**	**5.7**	**7.3**	**13.0**	**13.6**	**26.5**	**-**
% change yoy	10.6	2.3	-10.7	-3.4	-1.6	-15.0	-10.0	-12.2	-26.2	-20.0	-
Production	**7.7**	**8.9**	**8.0**	**6.9**	**31.5**	**7.8**	**7.8**	**15.5**	**11.5**	**27.0**	**27.0**
% change yoy	5.1	-4.5	-15.3	-17.9	-8.7	0.3	-12.1	-6.3	-22.9	-14.2	-14.2
Over-production	**1.1**	**0.8**	**-0.6**	**-2.9**	**-1.7**	**2.1**	**0.5**	**2.6**	**-2.1**	**0.5**	**0.5**

Note: Old FY15E estimates refer to our Daimler report of May 11th.. Source: Company data and CGI estimates

Management guidance 2014 (Jul 23)	Management guidance 2014 (Oct 23)
Market assumptions: bus markets	**Market assumptions: bus markets**
• Western Europe: slight growth • Brazil: around the prior-year level	• Europe: slight growth • Brazil: at least -20%
Daimler Buses: sales outlook	**Daimler Buses: sales outlook**
• Slightly higher unit sales • Maintain market leadership in Western Europe and Brazil • Positive sales development mainly in non-core markets	• Significant decrease in unit sales • Maintain market leadership in Western Europe and Brazil • Stable sales development in Europe, significant sales decrease in Latin America
Daimler Buses: EBIT outlook (Oct 14)	**Daimler Buses: EBIT outlook**
• Slightly below the prior-year level	• Significantly below the prior-year level

Daimler management guidance for 2015

Market assumptions 2015 (Feb 5)	Market assumptions 2015 (Apr 28)
Passenger vehicle markets	**Passenger vehicle markets**
• Global: around +4% • Western Europe: slight growth • USA: slight growth • China: significant growth	• Global: around +3% • Western Europe: slight growth • USA: slight growth • China: significant growth
Truck markets	**Truck markets**
• NAFTA region: around +10% • Europe: around the prior-year level • Japan: slightly below prior-year level • Brazil: around -10% • Indonesia (incl. light-duty): araound +10%	• NAFTA region: +10% to 15% • Europe: +5% to 10% • Japan: around the prior-year level • Brazil: around -30% • Indonesia (incl. light-duty): araound -20%
Van markets	**Van markets**
• Europe: around the prior-year level	• Europe: slight growth
Bus markets	**Bus markets**
• Western Europe: slight growth • Brazil: around the prior-year level	• Europe: slight growth • Brazil: at least -20%
Sales outlook FY15 (Feb 5)	**Sales outlook FY15 (Apr 28)**
Mercedes-Benz Cars	**Mercedes-Benz Cars**
• Significantly higher unit sales based on young and attractive product portfolio • Strong momentum from full availability of new C-Class and smart models • Launch of all-new Mercedes-Maybach, Mercedes-AMG GT, CLA Shooting Brake and GLE Coupé	• Significantly higher unit sales based on young and attractive product portfolio • Strong momentum from full availabilityof new C-Class and smart models • Launch of all-new Mercedes-Maybach, Mercedes-AMG GT, CLA Shooting Brake and GLE Coupé
Daimler Trucks	**Daimler Trucks**
• Significantly higher unit sales due to strong product portfolio • Strong order backlog, especially in NAFTA region • Growth potential due to new Asia Business Model	• Significantly higher unit sales due to strong product portfolio • Strong order backlog, especially in NAFTA region • Growth potential due to new Asia Business Model
Mercedes-Benz Vans	**Mercedes-Benz Vans**
• Significantly higher unit sales • Strong momentum - full availability of new Vito and V-Class • Product expansion to North and South America	• Significantly higher unit sales • Strong momentum - full availability of new Vito and V-Class • Product expansion to North and South America
Daimler Buses	**Daimler Buses**
• Slightly higher unit sales • Maintain market leadership in Western Europe and Brazil • Positive sales development mainly in non-core markets	• Significant decrease in unit sales • Maintain market leadership in Western Europe and Brazil • Stable sales development in Europe, significant sales decrease in Latin America
EBIT outlook FY14 (Feb 5)	**EBIT outlook FY14 (Apr 28)**
Group	**Group**
• We expect Group EBIT for FY 2015 to increase significantly	• We expect Group EBIT for FY 2015 to increase significantly
Mercedes-Benz Cars	**Mercedes-Benz Cars**
• Significantly above the prior-year level	• Significantly above the prior-year level
Daimler Trucks	**Daimler Trucks**
• Significantly above the prior-year level	• Significantly above the prior-year level
Mercedes-Benz Vans	**Mercedes-Benz Vans**
• Significantly above the prior-year level	• Significantly above the prior-year level
Daimler Buses	**Daimler Buses**
• Slightly below the prior-year level	• Significantly below the prior-year level
Daimler Financial Services	**Daimler Financial Services**
• Slightly above the prior- year level	• Slightly above the prior- year level

Group estimates 2015E-17E

Daimler – Divisional EBIT (2010-2017E)

	2010	2011	2012	2013	2014	New 2015E	New 2016E	New 2017E	Old 2015E	Old 2016E	Old 2017E
Revenue (EUR m)											
Mercedes-Benz Cars	53,426	57,410	61,660	64,307	73,310	83,886	91,016	99,116	83,150	90,633	98,790
Daimler Trucks	24,024	28,751	31,389	31,473	32,417	36,664	40,331	43,557	36,600	40,260	43,480
Daimler Financial Services	12,788	12,080	13,550	14,522	15,539	18,550	20,405	22,853	18,550	20,405	22,853
Mercedes-Benz Vans	7,812	9,179	9,070	9,369	10,306	11,164	11,946	12,782	11,164	11,946	12,782
Daimler Buses	4,558	4,418	3,929	4,105	4,105	3,374	3,560	3,987	3,374	3,560	3,987
Intra-group/reconciliations	-4,847	-5,298	-5,301	-5,794	-6,244	-6,778	-7,278	-7,778	-6,778	-7,278	-7,778
Group	**97,761**	**106,540**	**114,297**	**117,982**	**129,433**	**146,860**	**159,979**	**174,518**	**146,060**	**159,525**	**174,115**
EBIT (EUR m)											
Mercedes-Benz Cars	4,656	5,192	4,442	4,180	5,964	8,074	8,906	9,594	7,994	8,851	9,583
Daimler Trucks	1,212	1,978	1,695	1,753	2,073	2,511	2,812	3,136	2,492	2,807	3,131
Daimler Financial Services	922	1,322	1,293	1,268	1,387	1,450	1,510	1,580	1,450	1,510	1,580
Mercedes-Benz Vans	451	835	607	631	638	922	1,040	1,086	952	1,070	1,086
Daimler Buses	215	162	-66	163	211	130	155	200	130	155	200
Intra-group/reconciliations	-244	-512	410	-74	-127	-100	-100	-100	-100	-100	-100
Group EBIT (on-going bus.)	**7,212**	**8,977**	**8,381**	**7,921**	**10,146**	**12,987**	**14,322**	**15,497**	**12,919**	**14,292**	**15,480**
One-offs	62	-222	439	2,894	606	-315	-390	0	-335	-420	0
Group EBIT (headline)	**7,274**	**8,755**	**8,820**	**10,815**	**10,752**	**12,672**	**13,932**	**15,497**	**12,584**	**13,872**	**15,480**
Margin (%)											
Mercedes-Benz Cars	8.7	9.0	7.2	6.5	7.9	9.6	9.8	9.7	9.6	9.8	9.7
Daimler Trucks	5.0	6.9	5.4	5.6	6.4	6.8	7.0	7.2	6.8	7.0	7.2
Daimler Financial Services	7.2	10.9	9.5	8.7	9.1	7.8	7.4	6.9	7.8	7.4	6.9
Mercedes-Benz Vans	5.8	9.1	6.7	6.7	6.6	8.3	8.7	8.5	8.5	9.0	8.5
Daimler Buses	4.7	3.7	-1.7	4.0	4.5	3.9	4.4	5.0	3.9	4.4	5.0
Group EBIT (on-going bus.)	**7.4**	**8.4**	**7.3**	**6.7**	**7.8**	**8.8**	**9.0**	**8.9**	**8.8**	**9.0**	**8.9**
Group EBIT (headline)	**7.4**	**8.2**	**7.7**	**9.2**	**8.3**	**8.6**	**8.7**	**8.9**	**8.6**	**8.7**	**8.9**

Note: Old FY15E estimates refer to our Daimler report of May 11th. Source: Company data and CGI estimates

Daimler –Wholesales by division (2010-2017E)

	2010	2011	2012	2013	2014A	New 2015E	New 2016E	New 2017E	Old 2015E	Old 2016E	Old 2017E
Units ('000)											
Mercedes-Benz Cars	1,276.8	1,381.4	1,451.6	1,566.2	1,710.2	1,961.2	2,101.7	2,263.1	1,932.2	2,073.1	2,242.1
Daimler Trucks	355.3	425.8	461.9	484.2	493.2	529.0	575.2	617.4	530.3	575.8	617.9
Mercedes-Benz Vans	224.2	264.2	252.4	270.1	303.9	328.9	361.8	397.7	328.9	361.8	397.7
Daimler Buses	39.1	39.7	32.1	33.7	33.4	26.5	27.9	30.6	26.5	27.9	30.6
Group	**1,895.4**	**2,111.1**	**2,197.9**	**2,354.3**	**2,540.7**	**2,845.6**	**3,066.7**	**3,308.9**	**2,817.9**	**3,038.6**	**3,288.3**
%-change yoy											
Mercedes-Benz Cars	16.7	8.2	5.1	7.9	9.2	13.9	7.2	7.7	12.2	7.3	8.1
Daimler Trucks	37.0	19.8	8.5	4.8	1.9	6.7	8.7	7.3	7.0	8.6	7.3
Mercedes-Benz Vans	35.4	17.8	-4.5	7.0	12.5	11.7	10.0	9.9	11.7	10.0	9.9
Daimler Buses	20.4	1.6	-19.3	5.0	-1.0	-20.0	5.0	10.0	-20.0	5.0	10.0
Group	**22.2**	**11.4**	**4.1**	**7.1**	**7.9**	**11.8**	**7.8**	**7.9**	**10.7**	**7.8**	**8.2**

Note: Old FY15E estimates refer to our Daimler report of May 11th . Source: Company data and CGI estimates

Overview

Daimler– overview (2010-17E)

Current price (EUR)	84.99							
Market capitalisation (EUR bn)	90.92							
Shares (m)	1,069.8							
Values per share (EUR)	**2010**	**2011**	**2012**	**2013**	**2014E**	**2015E**	**2016E**	**2017E**
EPS	4.28	5.32	6.02	6.40	6.50	7.87	8.66	9.71
EPS - adjusted	4.28	5.32	5.16	5.00	5.68	7.87	8.66	9.71
CFPS	7.71	8.44	8.41	7.79	9.03	10.86	12.12	14.97
BVPS	34.14	37.16	35.50	39.90	40.82	40.82	45.97	51.68
DPS	1.85	2.20	2.20	2.25	2.45	3.20	3.50	4.00
Free CFPS - industrial	5.17	0.93	1.36	4.53	5.12	3.06	4.73	6.46
Stock market ratios (x)								
P/E	19.9	16.0	14.1	13.3	13.1	10.8	9.8	8.8
P/E – adjusted	19.9	16.0	16.5	17.0	15.0	10.8	9.8	8.8
P/CF	11.0	10.1	10.1	10.9	9.4	7.8	7.0	5.7
P/BV	2.5	2.3	2.4	2.1	2.1	2.1	1.8	1.6
P/revenue	0.93	0.85	0.80	0.77	0.70	0.62	0.57	0.52
Dividend yield (%)	2.2	2.6	2.6	2.6	2.9	3.8	4.1	4.7
Free CF yield (%)	6.1	1.1	1.6	5.3	6.0	3.6	5.6	7.6
EV (EUR m)	75,699	75,733	75,722	72,340	69,515	69,052	67,190	65,547
EV/revenue – industrial (%)	89.1	80.2	75.2	69.9	61.0	53.8	48.1	43.2
EV/EBITDA - industrial	7.7	6.9	6.5	5.2	4.9	4.1	3.6	3.2
Group P&L (EUR m)								
Revenue	**97,761**	**106,540**	**114,297**	**117,982**	**129,872**	**146,860**	**159,979**	**174,518**
- Industrial operations	84,973	94,460	100,747	103,460	113,881	128,311	139,574	151,665
- Financial services	12,788	12,080	13,550	14,522	15,991	18,550	20,405	22,853
EBIT	**7,274**	**8,755**	**8,820**	**10,815**	**10,743**	**12,672**	**13,932**	**15,497**
- Industrial business	6,443	7,443	7,527	9,547	9,356	11,222	12,422	13,917
- Financial services	831	1,312	1,293	1,268	1,387	1,450	1,510	1,580
EBITDA	10,638	12,330	12,887	15,183	15,742	18,471	20,238	22,322
Net interest	-646	-306	-704	-676	-579	-480	-400	-380
Pre-tax profit	6,628	8,449	8,116	10,139	10,164	12,192	13,532	15,117
Less tax charge/-credit	1,954	2,420	1,286	1,419	2,883	3,471	3,969	4,431
Net profit - continuing operations,	4,674	6,029	6,830	8,720	7,281	8,721	9,563	10,686
Less minorities	176	362	402	1,875	328	300	300	300
Group NI - Daimler SHs (cont.ops)	**4,498**	**5,667**	**6,428**	**6,845**	**6,953**	**8,421**	**9,263**	**10,386**
Combined net income – Daimler SHs	4,498	5,667	6,428	6,845	6,953	8,421	9,263	10,386
CF - industrial business (EUR m)								
CF from operations	**8,933**	**9,498**	**8,086**	**8,989**	**9,977**	**12,016**	**13,324**	**14,943**
Working capital	1,133	-2,152	-559	1,324	-2,438	-1,532	-900	-900
CF from operating activities	**10,066**	**7,346**	**7,527**	**10,313**	**7,539**	**10,484**	**12,424**	**14,043**
Capital expenditure (excl. R&D)	-3,641	-4,137	-4,804	-4,956	-4,821	-5,408	-5,567	-5,336
Other	-993	-2,220	-1,271	-515	2,761	-1,800	-1,800	-1,800
Free CF	**5,432**	**989**	**1,452**	**4,842**	**5,479**	**3,276**	**5,057**	**6,907**
BS - industrial business (EUR m)								
Gross Liquidity	**10,793**	**10,079**	**13,728**	**15,148**	**13,497**	**14,200**	**15,300**	**16,400**
ST financing liabilities	4,525	12,525	8,067	12,218	13,518	15,500	15,700	15,900
LT liabilities	-3,480	-10,250	-10,950	-13,542	-10,325	-12,500	-12,500	-12,500
Financing liabilities	**1,045**	**2,275**	**-2,883**	**-1,324**	**3,193**	**3,000**	**3,200**	**3,400**
Market valuation/currency hedging	100	-373	663	10	263	0	0	0
Financial liabilities (nominal)	**1,145**	**1,902**	**-2,220**	**-1,314**	**3,456**	**3,000**	**3,200**	**3,400**
Net liquidity	**11,938**	**11,981**	**11,508**	**13,834**	**16,953**	**17,200**	**18,500**	**19,800**
Shareholders' funds	33,088	35,964	33,238	36,767	36,967	36,967	39,589	44,435
Profitability and financial ratios (%)								
EBIT	7.4	8.2	7.7	9.2	8.3	8.6	8.7	8.9
- Industrial business	7.6	7.9	7.5	9.2	8.2	8.7	8.9	9.2
- Financial services	6.5	10.9	9.5	8.7	8.7	7.8	7.4	6.9
EBITDA	10.9	11.6	11.3	12.9	12.1	12.6	12.7	12.8
Pre-tax profit	6.8	7.9	7.1	8.6	7.8	8.3	8.5	8.7
Net profit - continuing operations	4.8	5.7	6.0	7.4	5.6	5.9	6.0	6.1
Tax rate (%)	29.5	28.6	15.8	14.0	28.4	28.5	29.3	29.3

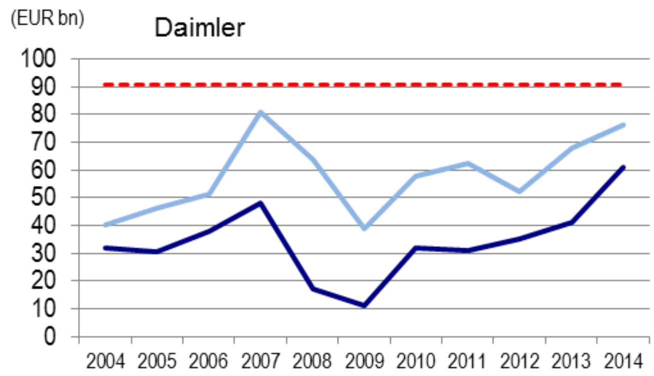
Source: Company data and CGI estimates

Daimler shares – valuation

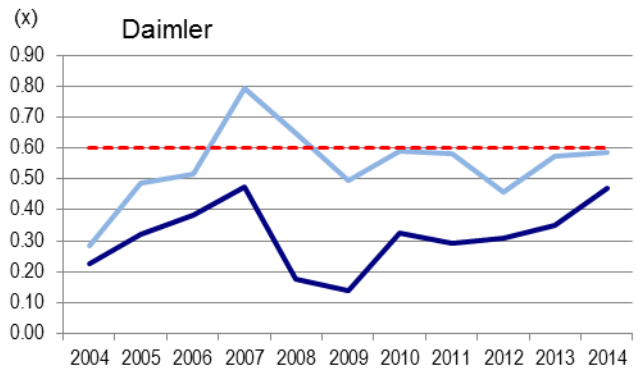
Investment opinion - BUY

At EUR 84.99, Daimler shares are currently valued 8.8x 2017E earnings, at a 19% discount to the 10-year average historic valuation of 10.8x. This is inconsistent with the implication that 2017E EPS (EUR 9.71) are 118% higher than the 10-year avg. (EUR 4.46). A valuation in line with the 10-year average valuation (10.8x) implies a share price of EUR 105 at YE17E and time-discounted (10-yr Bund) a target price of EUR 103 at YE15E. The TP of EUR 103 implies a 21.3% upside from the current price. (See also chart technical view on p.15.)

Daimler – Market capalisation – historic range (2004-14) vs. current valuation



Daimler – Price/revenue – historic range (2004-14) vs. current valuation (2015E)



Daimler – Historic valuation (2002-14)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	5- yr avg[1]	10-yr av[1]
EPS (EUR)	**5.06**	**0.44**	**2.43**	**2.16**	**3.66**	**3.83**	**1.71**	**-2.63**	**4.28**	**5.32**	**5.16**	**5.07**	**5.68**	**5.10**	**4.46**
P/E -high	11.0	85.4	16.3	21.2	16.4	16.7	38.9	NM	12.8	11.0	9.5	12.5	12.5	11.5	13.2
P/E-low	5.6	53.9	13.0	14.0	12.1	9.9	10.5	NM	7.1	5.5	6.4	7.6	10.0	7.0	8.2
P/E-avrage	**8.3**	**69.6**	**14.6**	**17.6**	**14.2**	**13.3**	**24.7**	NM	**10.0**	**8.2**	**7.9**	**10.1**	**11.3**	**9.3**	**10.8**

(1) 10-year average 2002-14, excl.2003,8-9. Source: Company data and CGI estimates

Daimler – Current valuation (2006-17E)

		2006	2007	2008	2009	2010	2011	2012	2013	2014E	2015E	2016E	2017E
Daimler EPS (EUR)		**3.66**	**3.83**	**1.71**	**-2.63**	**4.28**	**5.32**	**5.16**	**5.07**	**5.68**	**7.87**	**8.66**	**9.71**
Current Daimler PE (x)		**27.8**	**18.2**	**49.7**	**-32.3**	**19.9**	**16.0**	**16.5**	**17.0**	**15.0**	**10.8**	**9.8**	**8.8**
% vs. 10-yr* high	(13.2x)	110	37	275	-344	50	21	24	28	13	-18	-26	-34
% vs.10-yr* low	(8.2x)	240	123	508	-495	143	95	101	108	83	32	20	7
% vs. 10-yr *average	**(10.8x)**	158	69	361	-400	84	48	53	58	39	0	-9	**-19**

(*) 10-year average 2002-14, excl.2003,8-9. Source: Company data and CGI estimates

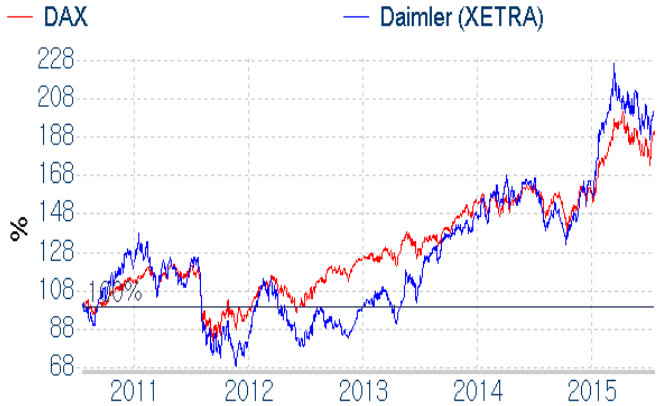
Daimler – Valuation summary

Current share price	Current P/E 2017E	Target P/E 2017E	Implied Price Y/E 2017E	Target price Y/E 2015E*	Potential Target price vs. current price
EUR 84.99	8.8x	**10.8x**	EUR 104.63	EU|R 103.06	21.3%

%Share price close 05.08.2015. (*) Time-discounted 10-year Bund yield. Source: Company data and CGI estimates

Daimler– share price (- 5 years)

Daimler vs. DAX 30 Index (- 5 years)



Short-term technical outlook negative

Chart technical view by Carlo R. Besenius

Daimler shares' long-term positive trend is intact. Daimler shares are in a short- term correction. The short-term technicals are still negative with RSI and MACD both negative. Daimler shares have downside risk towards the 50-day moving average of around EUR 75 a share.

We are advising to accumulate Daimler shares at current levels. Our medium- term price target for Daimler shares is EUR 110.

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