Creative Global Investments

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Daimler (EUR 78.73) – BUY

3Q15 results confirm Daimler's strong earnings momentum with an EBIT of EUR 3.66bn/9.8% at group level, EUR 2.16bn/10.4% at M-B Cars and EUR 0.81bn/8.3% at Trucks. We fine-tuned our 2015-17E estimates and now expect EPS to grow at a 14.5% CAGR to reach EUR 9.75 in FY17E. Our YE16 target price is EUR 105, a 33% upside potential for Daimler shares.

The **3Q15A group EBIT improvement by 31%/EUR 0.87bn** was driven by all divisions and spear-headed by the dominant car division. **EBIT at M-B Cars jumped 34%/EUR 0.55bn** to EUR 2.16bn/10.4% thanks to an **18% increase in car sales, positive pricing and despite only a moderate forex tailwind. In China**, M-B Cars continued to catch up with its peers and increased wholesales by 39% yoy (to 105.7k),sharply outperforming the total market and the luxury segment. (See pp.5-8.)

Daimler Trucks reported a **30%/EUR 0.19bn jump in EBIT** to EUR 0.81bn/8.3%, despite a sharp sales drop in key markets such as South America and Indonesia. Thanks to its global reach, DT was able to benefit from a booming NA market, a strong recovery in Europe and a forex tailwind. (See pp.8-10.)

FY15E outlook: We expect that EBIT at M-B Cars will increase 42% to EUR 8.47bn/10.1%, driven by an accelerating model momentum and a EUR 0.32bn forex tailwind. We see group **EBIT grow 38% to EUR 14.00bn/9.4% and EPS 29.8% to EUR 8.43. We fine-tuned our 2016-17E estimates and expect EPS growth of 5.0% (EUR 8.86) and 10.1% (EUR 9.75)** respectively. M-B Cars should remain a key earnings driver, as a strong model momentum and further efficiency gains are set to boost profit and support margin. An expected, albeit slow recovery in South America and other EMs should benefit Trucks and Buses, as the US economy decelerates. Earnings should continue to benefit from 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.12-14.)

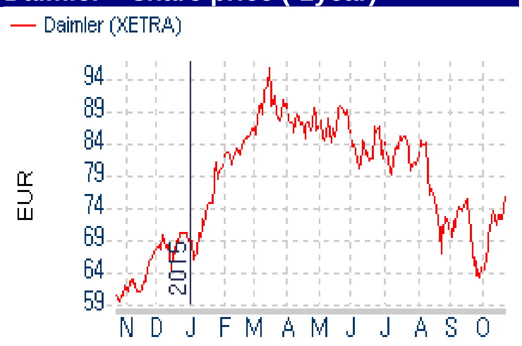
Investment opinion - BUY: Based on historic P/E valuation, we calculate a target price of EUR 105 for YE16. This implies a 33% upside from the current share price of EUR 78.73. Daimler shares are in a positive short- and medium-term upside momentum. (See pp.15-16.)

Daimler– share summary (2013-17E)

Current price (EUR)	78.73				
Market cap.(EUR bn)	84.23				
December YE	**2013**	**2014**	**2015E**	**2016E**	**2017E**
EPS (EUR)-adj.	8.43	8.86	9.75	8.43	8.86
CFPS (EUR)	13.6	12.4	15.1	13.6	12.4
BVPS (EUR)	40.8	46.1	51.8	40.8	46.1
DPS (EUR)	3.40	3.60	4.00	3.40	3.60
Free CFPS (EUR)	5.15	5.12	6.56	5.15	5.12
P/E (x)	9.3	8.9	8.1	9.3	8.9
PCF (x)	5.8	6.4	5.2	5.8	6.4
Price/BV (x)	1.9	1.7	1.5	1.9	1.7
P/revenue (x)	0.57	0.52	0.48	0.57	0.52
Dividend yd (%)	4.3	4.6	5.1	4.3	4.6
Free CF yd (%)	6.5	6.5	8.3	6.5	6.5

Share price 07.23.2015. Source: Company data and CGI estimates

Daimler – share price (-1year)



Source: Euroland

Contents

Group results – 3Q15A & FY15E

Daimler – Divisional EBIT (1Q14-FY15E)

	1Q14	2Q14	3Q14	4Q1	FY14	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
Revenue (EUR m)													
Mercedes-Benz Cars	17,004	17,771	18,677	20,132	73,584	19,509	21,136	20,707	21,572	22,405	84,622	22,534	83,886
Daimler Trucks	7,121	7,966	8,463	8,839	32,389	8,414	9,441	9,650	9,479	9,914	37,247	9,742	37,247
Daimler Fin. Services	3,809	3,828	3,998	4,356	15,991	4,549	4,769	4,702	4,878	4,994	19,189	5,009	19,029
Mercedes-Benz Vans	2,212	2,494	2,515	2,747	9,968	2,415	2,829	2,752	2,716	3,005	10,965	2,969	10,965
Daimler Buses	859	1,048	1,034	1,277	4,218	877	1,037	1,018	1,029	1,191	4,134	1,181	4,113
Intra-group/reconciliations	-1,548	-1,563	-1,565	-1,602	-6,278	-1,528	-1,685	-1,553	-1,700	-1,865	-6,778	-1,612	-6,378
Group	**29,457**	**31,544**	**33,122**	**35,749**	**129,872**	**34,236**	**37,527**	**37,276**	**37,973**	**39,643**	**149,379**	**39,823**	**148,862**
EBIT[1] (EUR m)													
Mercedes-Benz Cars[1]	1,183	1,409	1,614	1,758	5,964	1,794	2,252	2,161	2,240	2,186	8,473	2,287	8,494
Daimler Trucks[1]	346	526	618	583	2,073	536	717	805	760	754	2,767	782	2,840
Daimler Fin. Services[1]	397	336	355	299	1,387	409	445	378	433	350	1,637	391	1,623
Mercedes-Benz Vans[1]	123	181	176	158	638	221	240	196	222	223	906	239	896
Daimler Buses[1]	54	58	64	35	211	35	57	90	45	48	185	18	200
Intra-group/reconciliations	-31	-47	-40	-9	-127	-65	73	27	-50	50	-100	23	-50
Group (ongoing bus.)[1]	**2,072**	**2,463**	**2,787**	**2,824**	**10,146**	**2,930**	**3,784**	**3,657**	**3,650**	**3,612**	**13,868**	**3,741**	**14,004**
One-off items[2]	-285	632	945	-686	606	-24	-66	4	-85	-140	-315	-79	-165
Headline group EBIT	**1,787**	**3,095**	**3,732**	**2,138**	**10,752**	**2,906**	**3,718**	**3,661**	**3,565**	**3,364**	**13,553**	**3,554**	**13,839**
Margin (%)													
Mercedes-Benz Cars[1]	7.0	7.9	8.6	8.7	8.1	9.2	10.7	10.4	10.4	9.8	10.0	10.2	10.1
Daimler Trucks[1]	4.9	6.6	7.3	6.6	6.4	6.4	7.6	8.3	8.0	7.6	7.4	8.0	7.6
Daimler Fin. Services[1]	10.4	8.8	8.9	6.9	8.7	9.0	9.3	8.0	8.9	7.0	8.5	7.8	8.5
Mercedes-Benz Vans[1]	5.6	7.3	7.0	5.8	6.4	9.2	8.5	7.1	8.2	7.4	8.3	8.1	8.2
Daimler Buses[1]	6.3	5.5	6.2	2.7	5.0	4.0	5.5	8.8	4.4	4.0	4.5	1.6	4.9
Group (ongoing bus.)[1]	**7.0**	**7.8**	**8.4**	**7.9**	**7.8**	**8.6**	**10.1**	**9.8**	**9.6**	**9.1**	**9.3**	**9.4**	**9.4**
Headline group	**7.0**	**9.8**	**11.3**	**6.0**	**8.3**	**8.5**	**9.9**	**9.8**	**9.4**	**8.5**	**9.1**	**10.2**	**10.1**

Note: Old FY15E estimates refer to our Daimler report of October 20th. (1) EBIT on-going business, before exceptional/one-off items. (2) 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	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
(Units '000)													
Retail sales	560.4	633.0	626.2	711.0	2,530.6	626.4	705.2	704.6	-	-	-	-	-
Wholesales	565.8	628.9	637.4	713.9	2,546.0	641.6	714.8	720.0	723.5	800.8	2,880.7	793.5	2,869.9
Production	611.2	624.6	664.8	681.7	2,582.3	699.7	725.4	754.6	673.9	821.3	2,920.3	748.5	2,928.2
Inventory	45.4	-4.2	27.4	-32.2	36.3	58.1	10.6	34.6	-49.6	20.5	39.6	-45.0	58.3
% change yoy													
Retail sales	9.9	6.1	7.0	8.0	7.7	11.8	11.4	7.0	-	-	-	-	-
Wholesales	12.8	3.8	7.2	9.5	8.1	13.4	13.7	7.2	13.5	12.2	13.1	11.1	12.7
Production	10.0	0.5	12.2	10.9	8.3	14.5	16.1	12.2	1.4	20.5	13.1	9.8	13.4
% change qoq													
Retail sales	-14.9	13.0	-1.1	13.5	-	-12.4	12.6	-0.1	-	-	-	-	-
Wholesales	-13.2	11.1	1.4	12.0	-	-10.1	11.4	0.7	1.2	10.7	-	9.1	-
Production	-0.5	2.2	6.4	2.5	-	2.6	3.7	4.0	-7.1	21.9	-	10.2	-

Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

Daimler – Group P&L (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
(EUR m)													
Revenue – industrial ops.	25,648	27,716	29,124	31,393	113,881	29,687	32,758	32,574	33,096	34,649	130,189	34,813	129,832
Revenue – financial services	3,809	3,828	3,998	4,356	15,991	4,549	4,769	4,702	4,878	4,994	19,189	5,009	19,029
Group revenue	**29,457**	**31,544**	**33,122**	**35,749**	**129,872**	**34,236**	**37,527**	**37,276**	**37,973**	**39,643**	**149,379**	**39,823**	**148,862**
EBIT (headline)	**1,787**	**3,095**	**3,732**	**2,129**	**10,743**	**2,906**	**3,718**	**3,661**	**3,565**	**3,364**	**13,553**	**3,554**	**13,839**
Net interest income./-expenses	-142	-158	-149	-130	-579	-105	-93	-131	-95	-127	-420	-136	-465
Pre-tax profit[1]	**1,645**	**2,937**	**3,583**	**1,999**	**10,164**	**2,801**	**3,625**	**3,530**	**3,470**	**3,237**	**13,133**	**3,418**	**13,374**
Less tax charge/-credit	564	739	760	820	2,883	751	1,253	1,115	998	815	3,816	942	4,061
Profita adter tax	**1,081**	**2,198**	**2,823**	**1,179**	**7,281**	**2,050**	**2,372**	**2,415**	**2,473**	**2,422**	**9,317**	**2,477**	**9,314**
Less minorities	59	92	86	91	328	87	103	30	86	64	340	70	290
Net profit - Daimler SHs	**1,022**	**2,106**	**2,737**	**1,088**	**6,953**	**1,963**	**2,269**	**2,385**	**2,387**	**2,358**	**8,977**	**2,407**	**9,024**
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	9.9	9.8	9.4	8.5	9.1	8.9	9.3
Pre-tax profit[1]	5.6	9.3	10.8	5.6	7.8	8.2	9.7	9.5	9.1	8.2	8.8	8.6	9.0
Net profit	3.5	6.7	8.3	3.0	5.4	5.7	6.0	6.4	6.3	5.9	6.0	6.0	6.1
Net profit adj. for M&A €	4.4	4.6	5.2	2.8	4.2	6.5	4.3	3.7	3.6	5.7	0.0	5.8	0.0
Tax rate (%)	34.3	25.2	21.2	41.0	28.4	26.8	34.6	31.6	28.7	25.2	29.1	27.5	30.4
Adj. tax rate (%)	29.3	32.3	29.5	43.2	33.2	-	-	-	-	-	-	-	-

Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

3Q15A EBIT

+EUR 0.82bn

3Q15 group EBIT (ongoing business) improved 31.2%/EUR 0.87bn yoy to EUR 3.66bn and the margin widened by 1.4%-points to 9.8%, marginally topping our estimates. This was driven by all divisions and spear-headed by Mercedes-Benz Cars where EBIT improved EUR 0.55bn and the margin widened by 1.8%-points to 10.4%.

FY15E EBIT

For FY15E, we now expect that group EBIT will grow 38.0%/EUR 2.53bn to EUR 14.00bn/9.4%, spearheaded by M-B C's expected EUR 2.03bn improvement. Expected positive factors are a 12.7% increase in vehicle sales to 2.87m, supported by a positive mix and pricing and a EUR 0.8bn tailwind from currency, EUR 0.32bn at M-B and EUR 0.48bn at Trucks.

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

(EUR m)	1Q14	2Q14	3Q14	4Q14	FY1A	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
Net profit	825	1,978	2,611	998	6,407	1,963	2,325	2,167	2,188	1,998	8,227	2,025	8,233
Depreciation & amortisation	1,211	1,221	1,218	1,314	4,964	1,349	1,269	1,312	1,482	1,759	5,859	1,912	5,842
Non-cash items	263	-921	-671	-65	-1,394	254	118	414	-985	863	250	-36	750
CF from operations	**2,299**	**2,278**	**3,158**	**2,247**	**9,977**	**3,566**	**3,712**	**3,893**	**2,685**	**4,619**	**14,335**	**3,902**	**14,826**
WCR (core)	-177	-549	-325	-1,268	-2,319	-434	-859	-1,224	242	-381	-1,432	-776	-3,293
WCR (incl. oper. leases)	**-237**	**-253**	**363**	-2,311	-2,438	229	-826	-453	470	-1,405	-1,532	-1,043	-2,093
CF from oper. activities	**2,062**	**2,025**	**3,521**	**-64**	**7,539**	**3,795**	**2,886**	**3,440**	**3,155**	**3,214**	**12,803**	**2,859**	**12,733**
Capex (PP&E)	-1,038	-1,042	-1,163	-1,578	-4,821	-1,019	-1,041	-1,131	-1,370	-2,014	-5,444	-2,027	-5,218
Net investments	-364	-257	2,115	264	1,758	-557	-650	-567	-253	-340	-1,800	-26	-1,800
o/w M&A	*14*	*51*	*2,419*	717	3,201	-80	-139	-17	-41	60	-200	36	-200
Other	34	27	902	35	1,003	73	-122	-279	-83	-315	-200	-119	-200
FCF	**694**	**753**	**5,375**	**-1,343**	**5,479**	**2,292**	**1,073**	**1,463**	**1,449**	**546**	**5,360**	**686**	**5,514**
FCF adj, for M&A	**680**	**702**	**2,956**	**-2,060**	**2,278**	**2,372**	**1,212**	**1,480**	**1,490**	**486**	**5,560**	**650**	**5,714**
Dividends	-32	-2,375	0	0	-2,407	-44	-2,577	214	214	-214	-2,621	0	-2,621
Other (incl. share reps/issue)	-22	-156	-196	421	47	1,321	-583	-585	-531	-139	68	245	612
Net cash decrease/-increase	-640	1,778	-5,179	922	-3,119	-3,569	2,087	-1,092	-1,132	-193	-2,807	-931	-3,505
Net cash/-debt	**14,474**	**12,696**	**17,875**	**16,953**	**16,953**	**20,522**	**18,435**	**19,527**	**19,567**	**19,760**	**19,760**	**20,458**	**20,458**

Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

Mercedes-Benz Cars – 3Q15A & FY15E

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

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
(EUR m)													
Revenue	17,004	17,771	18,677	20,132	73,584	19,509	21,136	20,707	21,572	22,405	84,622	22,534	83,886
% change yoy	20.5	8.9	13.1	16.0	14.4	14.7	18.9	10.9	15.5	11.3	15.0	11.9	14.0
EBIT	1,183	1,409	1,584	1,677	5,853	1,841	2,227	2,183	2,200	2,109	8,378	2,263	8,514
% change yoy	157.2	35.4	32.0	28.5	46.1	55.6	58.1	37.8	38.9	25.8	43.1	35.0	45.5
EBIT margin (%)	7.0	7.9	8.5	8.3	8.0	9.4	10.5	10.5	10.2	9.4	9.9	10.0	10.2
One-offs	0	0	-30	-81	-111	47	-25	22	-40	-77	-95	-24	20
Adj. EBIT	1,183	1,409	1,614	1,758	5,964	1,794	2,252	2,161	2,240	2,186	8,473	2,287	8,494
% change yoy	157.2	30.0	29.0	26.9	42.7	51.6	59.8	33.9	38.8	24.4	42.1	30.1	42.4
Adj. EBIT margin (%)	7.0	7.9	8.6	8.7	8.1	9.2	10.7	10.4	10.4	9.8	10.0	10.2	10.1
Impl. unit/rev.(% - yoy)	5.7	5.2	3.7	1.9	3.4	-2.8	-0.5	-6.0	-1.7	-3.0	-2.0	-3.1	-3.1
Units ('000)													
Retail sales	397.7	432.6	431.7	477.8	1,739.9	458.3	502.2	503.9	503.9	-	-	-	-
% change yoy	13.5	9.3	10.7	12.2	11.4	15.2	16.1	16.7	16.7	-	-	-	-
Wholesales	389.5	418.7	431.0	483.4	1,722.6	459.7	500.7	508.4	506.5	554.7	2,021.6	558.1	2,026.8
% change yoy	14.0	3.5	9.0	13.9	10.0	18.0	19.6	17.9	17.5	14.8	17.4	15.5	17.7
Production	407.5	406.6	459.3	480.8	1,754.1	495.0	504.0	540.2	459.3	598.4	2,056.6	542.7	2,081.8
% change yoy	8.9	-1.3	17.2	17.1	10.4	21.5	23.9	17.6	0.0	24.5	17.2	12.9	18.7
Over-production	18.0	-12.0	28.2	-2.6	31.6	35.3	3.3	31.9	-47.2	43.7	35.0	-15.4	55.0

Note: 3Q15 retail sales were announced on October 6th. Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

3Q15A EBIT

+EUR 0.55bn yoy

Volume and prices,…

…despite only a moderate forex tailwind.

Positive factors behind the 33.9%/EUR 0.55bn yoy improvement in divisional EBIT to EUR 2.16bn/10.4% included 1) EUR 0.41bn, from a 17.9% increase in car sales to 508.4.k units and better pricing; 2) Efficiency gains; 3) Forex tailwind of EUR 0.02bn; and 4) some EUR 0.1bn due to the over-production by 32k units.

The fact that the reported currency tailwind of EUR 0.02bn was a fraction of our expectation (EUR 0.2-0.3bn) implies that 3Q15A results (ongoing business) were actually better our forecast (EUR 2.24bn/10.4%),

China sales up 39%

In **China**, M-B Cars continued to catch up with its peers and increased wholesales by 38.6% yoy (to 105.7k) in 3Q15 and 32.4% (to 284.3k) in 1-3Q15, thus sharply outperforming the overall market and the luxury segment. This has been made possible by further localisation of production, namely the LWB C-Class in 3Q14 and the GLA in 2Q15. Note that the growing localisation in China at JVs that are accounted at equity has a negative impact on calculated unit revenue and a positive impact on EBIT margin; a trend that is set to intensify.

Negatives included 1) higher costs related to new technology, products and capacity expansion and 2) a slightly worse country mix.

C-Class

Key models driving 3Q15 sales and profits were the C-Class (+49% yoy to 125.6k retail sales), the compact class (+30.1% to 156.1k) and smart (+28.9% to 25.9k).

SUVs

During 2H15, M-B Cars is renewing and expanding its SUV line-up. In 3Q15, M-B Cars introduced, besides the GLE as a successor to the full-size SUV M-Class, also a four-door coupe version, the GLE coupe, six years after its peer BMW pioneered this sub-segment with the launch of the X6, and the GLC, a D-segment SUV as the successor to the GLK. The launch of the coupe version of the GLC isdue in 4Q15E.

FY15E EBIT

+42% to

EUR 8.47bn/10.1%

For FY15E, we now expect that a 17.7% increase in car sales to 2.03m units will generate a 42.4% increase in EBIT to EUR 8.49bn and a 10.1% margin, after 8.1% in FY14. Management lowered its guidance for the FY15E currency tailwind from EUR 0.6bn (60% of EUR 1.0bn) to EUR 0.32bn (40% of EUR 0.8bn), which implies for 4Q15E a currency tailwind of EUR 0.24bn, after just EUR 0.09bn in 1-3Q15.

Management guidance 2015 (Jul 23)	Management guidance 2015 (Oct 22)
Market assumptions: passenger vehicles	**Market assumptions: passenger vehicles**
• Global: around +2% • Western Europe: slight growth • USA: slight growth • China: significant growth	• Global: around the prior year level • Western Europe: significant growth • USA: slight growth • China: slight growth
Mercedes-Benz Cars: sales outlook	**Mercedes-Benz Cars: sales outlook**
• 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	• 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	**Mercedes-Benz Cars: EBIT outlook**
• Significantly above the prior-year level	• Significantly above the prior-year level

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

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
Units ('000)													
- Germany	59.1	73.2	66.2	73.9	272.5	65.4	78.7	73.4	72.2	78.0	294.3	79.5	297.0
- R of W Europe	93.2	98.7	94.1	110.2	396.1	111.0	122.3	117.7	110.5	130.9	474.6	137.7	488.6
Western Europe	**152.3**	**171.9**	**160.3**	**184.1**	**668.6**	**176.3**	**200.9**	**191.1**	**182.7**	**208.9**	**768.9**	**217.2**	**785.6**
- US	76.9	81.9	84.1	101.5	344.4	87.7	90.4	88.1	86.6	107.2	371.9	107.1	373.3
- Canada/Mexico	9.5	12.7	10.8	13.4	46.4	11.6	15.9	12.3	12.1	13.8	53.3	14.0	53.8
NAFTA	**86.4**	**94.6**	**94.9**	**114.9**	**390.7**	**99.3**	**106.2**	**100.3**	**98.7**	**121.0**	**425.2**	**121.2**	**427.1**
- China	**70.3**	**68.1**	**76.2**	**78.0**	**292.7**	**87.4**	91.2	105.7	102.9	**99.0**	380.5	**102.1**	**386.3**
- Other Asia	43.8	36.3	51.5	51.3	183.0	52.8	51.1	57.7	63.2	66.1	233.1	56.2	217.7
Asia	**114.2**	**104.3**	**127.7**	**129.4**	**475.6**	**140.2**	**142.2**	**163.3**	**166.1**	**165.1**	**613.6**	**158.3**	**604.1**
Rest of World	**36.6**	**47.9**	**48.2**	**55.0**	**187.6**	**43.9**	**51.3**	**53.6**	**59.0**	**59.7**	**213.9**	**61.5**	**210.1**
M-B Cars	**389.5**	**418.7**	**431.0**	**483.4**	**1,722.6**	**459.7**	**500.7**	**508.4**	**506.5**	**554.7**	**2,021.6**	**558.1**	**2,026.8**
% chge yoy													
- Germany	-3.3	-8.2	-5.3	7.0	-2.7	10.6	7.5	10.9	9.0	5.5	8.0	7.5	9.0
- R of W Europe	5.3	0.2	15.4	20.1	10.0	19.0	23.9	25.1	17.5	18.8	19.8	25.0	23.3
Western Europe	**1.8**	**-3.6**	**5.8**	**14.5**	**4.4**	**15.8**	**16.9**	**19.3**	**14.0**	**13.5**	**15.0**	**18.0**	**17.5**
- US	13.0	7.1	5.0	8.1	8.1	14.1	10.3	4.7	3.0	5.6	8.0	5.5	8.4
- Canada/Mexico	-2.8	5.2	-7.4	21.0	4.0	22.3	24.9	13.6	11.8	3.0	15.0	5.0	16.0
NAFTA	**11.0**	**6.8**	**3.4**	**9.4**	**7.6**	**15.0**	**12.3**	**5.8**	**4.0**	**5.3**	**8.8**	**5.5**	**9.3**
- China	51.6	13.4	17.6	15.7	22.6	24.3	33.9	38.6	35.0	26.8	30.0	30.8	32.0
- Other Asia	35.6	9.7	20.8	19.5	21.2	20.3	40.8	11.9	22.6	28.8	27.4	9.5	19.0
Asia	**45.0**	**12.1**	**18.9**	**17.1**	**22.0**	**22.8**	**36.3**	**27.9**	**30.0**	**27.6**	**29.0**	**22.4**	**27.0**
Rest of World	**3.7**	**6.8**	**7.5**	**13.8**	**8.3**	**19.8**	**7.2**	**11.2**	**22.6**	**8.6**	**14.0**	**11.7**	**12.0**
M-B Cars	**14.0**	**3.5**	**9.0**	**13.9**	**10.0**	**18.0**	**19.6**	**17.9**	**17.5**	**14.8**	**17.4**	**15.5**	**17.7**
Share (%)													
- Germany	15.2	17.5	15.4	15.3	15.8	14.2	15.7	14.4	14.2	14.1	14.6	14.2	14.7
- R of W Europe	23.9	23.6	21.8	22.8	23.0	24.1	24.4	23.1	21.8	23.6	23.5	24.7	24.1
Western Europe	**39.1**	**41.1**	**37.2**	**38.1**	**38.8**	**38.4**	**40.1**	**37.6**	**36.1**	**37.7**	**38.0**	**38.9**	**38.8**
- US	19.7	19.6	19.5	21.0	20.0	19.1	18.1	17.3	17.1	19.3	18.4	19.2	18.4
- Canada/Mexico	2.4	3.0	2.5	2.8	2.7	2.5	3.2	2.4	2.4	2.5	2.6	2.5	2.7
NAFTA	**22.2**	**22.6**	**22.0**	**23.8**	**22.7**	**21.6**	**21.2**	**19.7**	**19.5**	**21.8**	**21.0**	**21.7**	**21.1**
- China	18.1	16.3	17.7	16.1	17.0	19.0	18.2	20.8	20.3	17.8	18.8	18.3	19.1
- Other Asia	11.3	8.7	12.0	10.6	10.6	11.5	10.2	11.3	12.5	11.9	11.5	10.1	10.7
Asia	**29.3**	**24.9**	**29.6**	**26.8**	**27.6**	**30.5**	**28.4**	**32.1**	**32.8**	**29.8**	**30.4**	**28.4**	**29.8**
Rest of World	**9.4**	**11.4**	**11.2**	**11.4**	**10.9**	**9.5**	**10.2**	**10.5**	**11.7**	**10.8**	**10.6**	**11.0**	**10.4**
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**	**100.0**	**100.0**

Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

Mercedes-Benz Cars – Retail sales by model (1Q14 – 1-3Q15A)

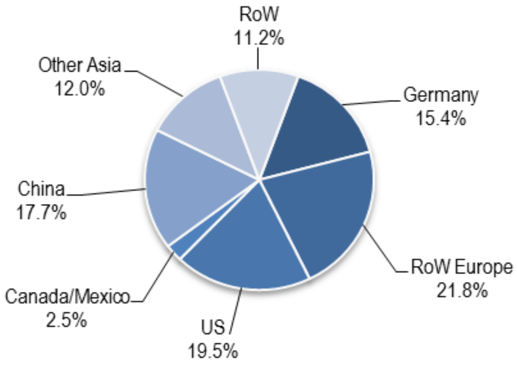
	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15A	1-3Q15A
Units ('000)									
A-/B-Class, incl. GLA	98.8	116.4	120.0	128.0	463.2	123.8	146.2	156.1	426.0
C-Class, incl. SLK	82.8	78.4	84.3	118.9	364.4	119.2	118.3	125.6	363.1
E-/CLS-Class	82.7	91.0	87.3	77.2	338.2	72.0	77.2	76.5	225.7
S-Class, incl. SL	27.1	28.4	29.0	33.1	117.5	30.5	31.5	27.3	89.3
SUVs, excl. GLA	77.6	89.1	84.2	97.7	341.8	77.5	87.1	85.2	249.7
V-Class[1]	5.3	5.9	6.9	6.8	25.0	6.7	8.6	7.3	22.6
Mercedes-Benz	**374.3**	**409.2**	**411.6**	**454.9**	**1,650.0**	**429.6**	**468.8**	**478.0**	**1,376.4**
Smart	**23.4**	**23.4**	**20.1**	**23.0**	**89.8**	**28.7**	**33.4**	**25.9**	**88.0**
M-B Cars	**397.7**	**432.6**	**431.7**	**477.8**	**1,739.9**	**458.3**	**502.2**	**503.9**	**1,464.4**
% change yoy									
A-/B-Class, incl. GLA	28.2	20.9	27.5	23.1	24.7	25.3	25.6	30.1	27.1
C-Class, incl. SLK	-8.2	-19.4	-6.9	38.7	0.2	44.0	50.8	49.0	47.9
E-/CLS-Class	28.1	14.9	-1.2	-20.8	2.6	-12.9	-15.2	-12.3	-13.5
S-Class, incl. SL	70.9	59.1	91.4	41.7	62.8	12.6	11.1	-5.8	5.8
SUVs, excl. GLA	0.5	13.1	5.1	10.4	5.3	-0.2	-2.2	1.2	-0.5
Mercedes-Benz	**15.2**	**10.7**	**11.8**	**14.0**	**12.9**	**14.8**	**14.6**	**16.1**	**15.2**
Smart	**-8.6**	**-10.9**	**-8.5**	**-14.9**	**-10.9**	**22.7**	**42.9**	**28.9**	**31.6**
M-B Cars	**13.5**	**9.3**	**10.7**	**12.2**	**11.4**	**15.2**	**16.1**	**16.7**	**16.0**
Share (%)									
A-/B-Class, incl. GLA	24.8	26.9	27.8	26.8	26.6	27.0	29.1	31.0	29.1
C-Class, incl. SLK	20.8	18.1	19.5	24.9	20.9	26.0	23.5	24.9	24.8
E-/CLS-Class	20.8	21.0	20.2	16.2	19.4	15.7	15.4	15.2	15.4
S-Class, incl. SL	6.8	6.6	6.7	6.9	6.8	6.7	6.3	5.4	6.1
SUVs, excl. GLA	19.5	20.6	19.5	20.5	19.6	16.9	17.3	16.9	17.1
V-Class[1]	1.3	1.4	1.6	1.4	1.4	1.5	1.7	1.5	1.5
Mercedes-Benz	**94.1**	**94.6**	**95.4**	**95.2**	**94.8**	**93.7**	**93.3**	**94.9**	**94.0**
Smart	**5.9**	**5.4**	**4.6**	**4.8**	**5.2**	**6.3**	**6.7**	**5.1**	**6.0**

Mercedes-Benz Cars – Retail sales by region (1Q14 – 1-3Q15A)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15	3Q15A	1-3Q15A
Units ('000)									
- Germany	61.6	75.2	69.6	76.0	282.3	68.4	82.2	76.8	227.4
- Rest of W Europe	96.9	105.0	97.6	99.2	398.7	119.6	122.9	116.9	359.4
Western Europe	**158.5**	**180.2**	**167.2**	**175.1**	**681.0**	**188.1**	**205.1**	**193.6**	**586.8**
- US	74.8	81.4	85.1	99.3	340.6	79.8	88.9	86.7	255.4
- Canada/Mexico	10.1	11.9	11.7	13.4	47.0	10.9	14.3	13.1	38.2
NAFTA	**84.9**	**93.3**	**96.8**	**112.7**	**387.7**	**90.6**	**103.2**	**99.8**	**293.6**
- Japan	18.1	9.8	16.7	17.1	61.8	18.8	13.9	17.0	49.7
- China	**71.7**	**73.5**	**72.1**	**82.2**	**299.416**	**82.6**	**91.1**	**102.7**	**276.4**
- Other Asia/Pacific	33.9	35.8	38.2	41.7	149.6	41.7	45.1	44.3	131.0
Asia/Pacific	**123.7**	**119.0**	**127.0**	**141.1**	**510.8**	**143.1**	**150.0**	**164.0**	**457.1**
Rest of World	**30.6**	**40.2**	**40.6**	**49.0**	**160.4**	**36.5**	**43.9**	**46.5**	**126.9**
M-B Cars	**397.7**	**432.6**	**431.7**	**477.8**	**1,739.9**	**458.3**	**502.2**	**503.9**	**1,464.4**
% chge yoy									
- Germany	1.9	-4.4	-2.3	5.9	0.1	11.1	9.4	10.2	10.2
- Rest of W Europe	6.0	10.6	12.1	14.8	10.8	23.4	17.0	19.8	20.0
Western Europe	**4.4**	**3.8**	**5.6**	**10.7**	**6.1**	**18.7**	**13.8**	**15.8**	**16.0**
- US	4.8	8.3	12.7	-0.5	5.8	6.6	9.2	1.9	5.8
- Canada/Mexico	4.8	4.4	3.2	13.2	6.5	7.6	20.4	11.6	13.5
NAFTA	**4.8**	**7.8**	**11.4**	**1.0**	**5.9**	**6.7**	**10.7**	**3.0**	**6.8**
- Japan	49.5	28.0	12.1	17.3	13.7	3.9	41.7	1.4	11.2
- China	**43.2**	**27.9**	**17.4**	**23.2**	**27.1**	**15.3**	**24.0**	**42.5**	**27.3**
- Other Asia/Pacific	27.5	24.9	22.4	22.7	24.2	23.0	26.1	15.8	21.5
Asia/Pacific	**39.3**	**20.5**	**18.1**	**22.3**	**24.4**	**15.7**	**26.1**	**29.1**	**23.6**
Rest of World	**5.9**	**9.0**	**8.9**	**19.4**	**11.3**	**19.2**	**9.2**	**14.4**	**13.9**
M-B Cars	**13.5**	**9.3**	**10.7**	**12.2**	**11.4**	**15.2**	**16.1**	**16.7**	**16.0**
Share (%)									
- Germany	15.5	17.4	16.1	15.9	16.2	14.9	16.4	15.2	15.5
- Rest of W Europe	24.4	24.3	22.6	20.8	22.9	26.1	24.5	23.2	24.5
Western Europe	**39.9**	**41.6**	**38.7**	**36.7**	**39.1**	**41.0**	**40.8**	**38.4**	**40.1**
- US	18.8	18.8	19.7	20.8	19.6	17.4	17.7	17.2	17.4
- Canada/Mexico	2.5	2.7	2.7	2.8	2.7	2.4	2.8	2.6	2.6
NAFTA	**21.3**	**21.6**	**22.4**	**23.6**	**22.3**	**19.8**	**20.6**	**19.8**	**20.1**
- Japan	4.6	2.3	3.9	3.6	3.6	4.1	2.8	3.4	3.4
- China	18.0	17.0	16.7	17.2	17.2	18.0	18.1	20.4	18.9
- Other Asia/Pacific	8.5	8.3	8.9	8.7	8.6	9.1	9.0	8.8	8.9
Asia/Pacific	**31.1**	**27.5**	**29.4**	**29.5**	**29.4**	**31.2**	**29.9**	**32.5**	**31.2**
Rest of World	**7.7**	**9.3**	**9.4**	**10.2**	**9.2**	**8.0**	**8.7**	**9.2**	**8.7**

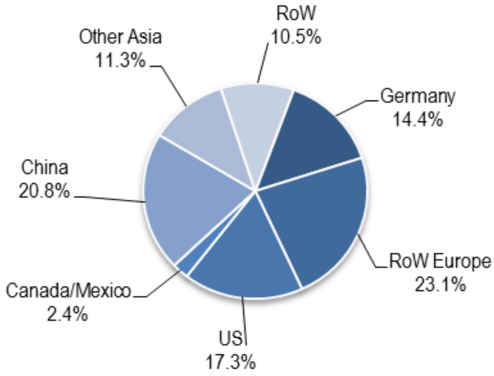
Note: 3Q15 retail sales were announced on October 6th. (1) V-segment wholesales and revenue are included in Vans. Source: Company data and CGI estimates

M-B Cars – Geographic split wholesales (3Q14)



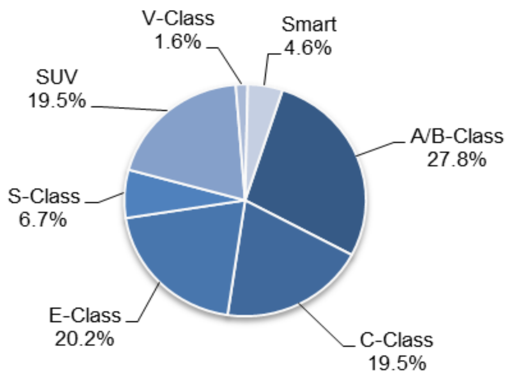
Source: Company data and CGI calculations

M-B Cars – Geographic split wholesales (3Q15A)



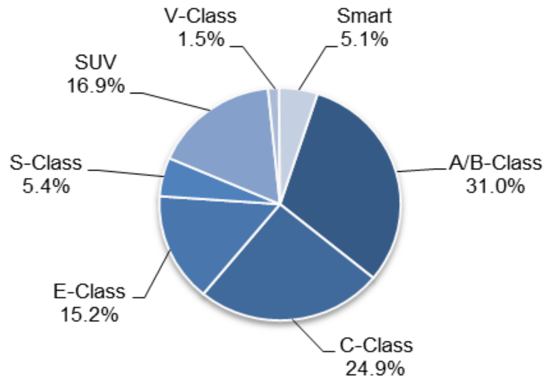
Source: Company data and CGI calculations

M-B Cars – Model mix retail sales (3Q14)



Source: Company data and CGI calculations

M-B Cars – Model mix retail sales (3Q15)



Source: Company data and CGI calculations

Daimler Trucks – 3Q15A & FY15E

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

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
(EUR m)													
Revenue	**7,121**	**7,966**	**8,463**	**8,839**	**32,389**	**8,414**	**9,441**	**9,650**	**9,479**	**9,914**	**37,247**	**9,742**	**37,247**
% change yoy	1.4	0.0	6.0	4.0	2.9	18.2	18.5	14.0	12.0	12.2	15.0	10.2	15.0
EBIT[1]	**341**	**455**	**588**	**494**	**1,878**	**472**	**682**	**791**	**730**	**723**	**2,607**	**755**	**2,700**
% change yoy	194.0	4.8	12.6	-12.6	14.7	38.4	49.9	34.5	24.1	46.5	38.8	52.9	43.8
EBIT margin (%)	**4.8**	**5.7**	**6.9**	**5.6**	**5.8**	**5.6**	**7.2**	**8.2**	**7.7**	**7.3**	**7.0**	**7.8**	**7.3**
One-offs	-5	-71	-30	-89	-195	-64	-35	-14	-30	-31	-160	-27	-140
Adj. EBIT[1]	**346**	**526**	**618**	**583**	**2,073**	**536**	**717**	**805**	**760**	**754**	**2,767**	**782**	**2,840**
% change yoy	168.2	1.9	16.6	0.9	18.3	54.9	36.3	30.3	23.0	29.4	33.5	34.2	37.0
Adj. EBIT margin (%)	**4.9**	**6.6**	**7.3**	**6.6**	**6.4**	**6.4**	**7.6**	**8.3**	**8.0**	**7.6**	**7.4**	**8.0**	**7.6**
Impl. unit/revenue (% chge yoy)	-5.2	-1.8	5.1	3.2	0.5	14.1	19.4	11.4	6.7	5.4	11.0	7.9	13.0
Units ('000)													
Incoming orders	**134.0**	**124.7**	**125.9**	**172.9**	**550.5**	**129.9**	**106.4**	**119.0**	**-**	**-**	**-**	**190.8**	**550.5**
% change yoy	6.2	-0.9	0.0	43.7	10.5	-3.1	-10.6	0.0	-	-	-	10.4	13.0
Wholesales	**108.5**	**126.1**	**125.6**	**135.5**	**495.7**	**112.4**	**125.1**	**128.5**	**131.8**	**144.2**	**513.6**	**138.4**	**504.4**
% change yoy	7.0	1.9	0.9	0.7	2.4	3.6	-0.8	2.3	5.0	6.4	3.6	2.1	1.8
Production	**122.1**	**127.7**	**124.4**	**123.6**	**497.7**	**122.2**	**127.0**	**129.9**	**130.3**	**136.1**	**515.7**	**127.4**	**506.5**
% change yoy	9.8	0.2	-3.1	0.1	1.5	0.1	-0.5	4.4	4.8	10.2	3.6	3.1	1.8
Over-production	**13.6**	**1.6**	**-1.2**	**-11.9**	**2.0**	**9.8**	**1.9**	**1.4**	**-1.5**	**-8.1**	**2.1**	**-11.0**	**2.1**

Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

3Q15 EBIT

+EUR 0.19bn yoy

Positives included 1) sharp sales increases in NAFTA (by 19.0% to 52.2k units), Germany (+15.3% to 8.0k) and Western Europe (+9.2% to 8.6k); 2) a forex impact of EUR 0.11bn, almost entirely from translation; and 3) efficiency gains.

Negatives included 1) sharp sales declines in core markets such as South America (by 37.5% to 7.8k units) and Indonesia (by 48% to 5.4k); and 2) higher costs related to new technology, products and capacity expansion.

For FY15E, we expect that a 1.8% increase in truck sales to 504.4k will generate a 37.0% increase in EBIT to EUR 2.84bn and a 7.6% margin, after 6.4% in FY14. Management increased its guidance for the FY15E currency tailwind from EUR 0.4bn (40% of EUR 1.0bn) to EUR 0.48bn (60% of EUR 0.8bn), which implies for 4Q15E a currency tailwind of EUR 0.09bn, after EUR 0.39bn in 1-3Q15.

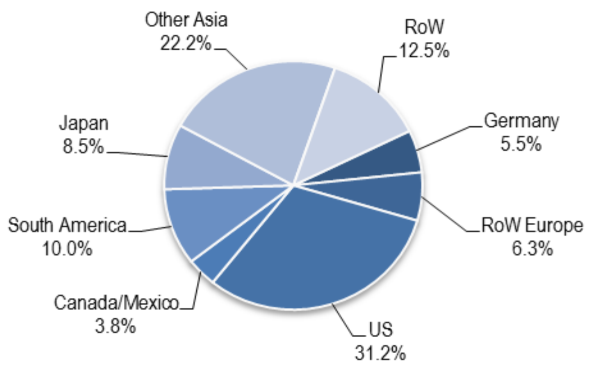
Daimler Trucks – Wholesales by market (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
Units ('000)													
- Germany	6.5	7.1	6.9	8.5	29.0	5.0	7.6	8.0	7.8	9.8	30.2	10.0	30.6
- Rest W Europe	5.1	6.1	6.7	9.3	28.4	6.4	7.7	8.6	9.5	10.8	34.4	11.5	34.2
Western Europe	**11.6**	**13.2**	**13.7**	**17.7**	**57.4**	**11.5**	**15.2**	**16.6**	**17.3**	**20.6**	**64.6**	**21.6**	**64.9**
- US	30.6	35.8	36.6	36.1	141.6	35.7	43.7	45.6	45.2	41.8	166.4	42.1	167.1
- Canada/Mexico	4.0	5.3	4.5	6.0	19.9	5.1	5.7	6.6	5.0	6.8	22.5	7.7	25.1
NAFTA	**34.6**	**41.1**	**41.0**	**41.9**	**161.5**	**40.8**	**49.4**	**52.2**	**50.1**	**48.6**	**188.9**	**49.8**	**192.2**
South America	**10.2**	**11.9**	**12.7**	**12.5**	**47.1**	**7.2**	**8.5**	**7.8**	**8.5**	**8.2**	**32.5**	**7.5**	**31.1**
- Japan	13.4	8.9	10.6	10.8	43.9	12.3	10.4	11.7	10.8	11.1	44.6	11.0	45.4
- Other Asia	27.2	33.9	26.3	34.4	123.4	25.0	25.0	24.4	28.2	36.0	114.2	29.1	103.4
Asia	**40.6**	**42.8**	**36.9**	**45.2**	**167.2**	**37.3**	**35.4**	**36.1**	**39.1**	**47.1**	**158.9**	**40.1**	**148.8**
Rest of World	**11.5**	**16.9**	**15.1**	**18.3**	**62.5**	**15.6**	**16.5**	**15.8**	**16.8**	**19.7**	**68.7**	**19.5**	**67.5**
Daimler Trucks	**108.5**	**126.1**	**119.4**	**135.5**	**495.7**	**112.4**	**125.1**	**128.5**	**131.8**	**144.2**	**513.6**	**138.4**	**504.4**
% chge yoy													
- Germany	4.7	-6.5	-11.6	-28.3	-13.3	-22.5	6.0	15.3	12.0	16.1	4.0	18.5	5.5
- Rest W Europe	-10.9	-8.0	-10.5	-17.1	-12.4	25.0	25.6	9.2	20.5	16.8	21.2	24.7	20.7
Western Europe	**-2.8**	**-7.2**	**-11.0**	**-22.9**	**-12.8**	**-1.5**	**15.1**	**12.1**	**16.5**	**16.5**	**12.5**	**21.8**	**13.0**
- US	14.8	19.3	27.6	18.5	20.2	16.8	22.1	16.6	15.5	15.7	17.5	16.5	18.0
- Canada/Mexico	-0.9	8.7	3.1	47.5	14.1	28.7	6.5	38.6	4.4	16.8	13.4	32.3	26.1
NAFTA	**12.8**	**17.8**	**24.9**	**21.5**	**19.4**	**18.2**	**20.0**	**19.0**	**14.3**	**15.9**	**17.0**	**18.7**	**19.0**
South America	**-21.8**	**-25.7**	**-22.7**	**-11.4**	**-20.6**	**-28.7**	**-28.3**	**-37.5**	**-32.0**	**-34.4**	**-31.0**	**-40.2**	**-34.0**
- Japan	51.6	2.1	5.9	1.4	14.4	-8.5	16.3	9.6	1.5	2.9	1.8	1.8	3.5
- Other Asia	3.2	2.1	-10.1	1.9	-0.8	-8.2	-26.2	-12.6	1.2	4.7	-7.4	-15.4	-16.2
Asia	**15.4**	**2.1**	**-6.2**	**1.8**	**2.8**	**-8.3**	**-17.3**	**-6.5**	**1.3**	**4.3**	**-5.0**	**-11.3**	**-11.0**
Rest of World	**8.8**	**2.1**	**2.6**	**-2.0**	**2.1**	**35.2**	**-2.3**	**0.2**	**6.9**	**8.1**	**10.0**	**7.0**	**8.0**
Daimler Trucks	**7.0**	**1.9**	**0.9**	**0.7**	**2.4**	**3.6**	**-0.8**	**2.3**	**5.0**	**6.4**	**3.6**	**2.1**	**1.8**
Share (%)													
- Germany	6.0	5.7	5.5	6.2	5.9	4.5	6.0	6.2	5.9	6.8	5.9	7.2	6.1
- Rest W Europe	4.7	4.8	6.3	6.8	5.7	5.7	6.1	6.7	7.2	7.5	6.7	8.3	6.8
Western Europe	**10.7**	**10.5**	**11.8**	**13.1**	**11.6**	**10.2**	**12.2**	**12.9**	**13.1**	**14.3**	**12.6**	**15.6**	**12.9**
- US	28.2	28.4	31.2	26.6	28.6	31.8	34.9	35.5	34.3	29.0	32.4	30.4	33.1
- Canada/Mexico	3.7	4.2	3.7	4.4	4.0	4.5	4.5	5.1	3.8	4.7	4.4	5.6	5.0
NAFTA	**31.8**	**32.6**	**34.9**	**30.9**	**32.6**	**36.3**	**39.5**	**40.6**	**38.0**	**33.7**	**36.8**	**36.0**	**38.1**
South America	**9.4**	**9.5**	**10.0**	**9.2**	**9.5**	**6.4**	**6.8**	**6.1**	**6.5**	**5.7**	**6.3**	**5.4**	**6.2**
- Japan	12.4	7.1	8.5	8.0	8.8	10.9	8.3	9.1	8.2	7.7	8.7	7.9	9.0
- Other Asia	25.1	26.9	22.2	25.4	24.9	22.2	20.0	19.0	21.4	25.0	22.2	21.0	20.5
Asia	**37.4**	**34.0**	**30.7**	**33.3**	**33.7**	**33.2**	**28.3**	**28.1**	**29.6**	**32.7**	**30.9**	**28.9**	**29.5**
Rest of World	**10.6**	**13.4**	**12.5**	**13.5**	**12.6**	**13.9**	**13.2**	**12.3**	**12.8**	**13.7**	**13.4**	**14.1**	**13.4**
Daimler Trucks	**100.0**	**100.0**	**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 October 20th. Source: Company data and CGI estimates

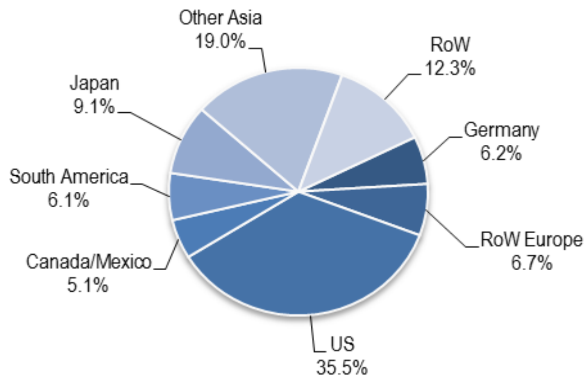
Management guidance 2015 (Jul 23)	Management guidance 2015 (Oct 22)
Market assumptions: truck markets	**Market assumptions: truck markets**
• NAFTA region: +10% to 15% • Europe: +10% to 15% • Japan: around the prior-year level • Brazil: around -40% • Indonesia (incl. light-duty): araound -20%	• NAFTA region: +10% to 15% • Europe: +10% to 15% • Japan: around the prior-year level • Brazil: up to -50% • Indonesia (incl. light-duty): up to -35%
Daimler Trucks: sales outlook	**Daimler Trucks: sales outlook**
• Significantly higher unit sales due to strong product portfolio • Continued strong sales development in NAFTA region • Growth potential due to new Asia Business Model	• Slightly higher unit sales due to strong product portfolio • Continued strong sales development in NAFTA region • Further growth due to product launches in India
Daimler Trucks : EBIT outlook	**Daimler Trucks : EBIT outlook**
• Significantly above the prior-year level .	• Significantly above the prior-year level

Daimler Trucks – Geographic split unit sales[1] (3Q14)



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

Daimler Trucks – Geographic split unit sales[1] (3Q15)



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

Daimler Trucks – Incoming orders by market (1Q13 – 1Q-3Q15)

	1Q13	2Q13	3Q13	4Q13	FY13	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15	1-3Q15A
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	7.5	7.2	22.9
- 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	9.5	7.9	26.5
Western Europe	**15.3**	**14.6**	**22.3**	**9.9**	**64.7**	**12.6**	**14.4**	**13.3**	**14.6**	**54.9**	**17.3**	**17.0**	**15.1**	**49.4**
- US	31.2	28.0	30.3	37.5	125.9	45.2	35.0	34.1	75.6	189.8	47.9	34.8	28.7	111.5
- Canada/Mexico	4.7	4.8	2.8	4.5	16.8	7.0	4.9	5.1	9.8	26.8	4.4	5.0	5.7	15.1
NAFTA	**35.9**	**32.8**	**33.0**	**42.1**	**142.7**	**52.2**	**39.9**	**39.2**	**85.3**	**216.6**	**52.3**	**39.8**	**34.4**	**126.6**
South America	**13.1**	**14.1**	**14.8**	**10.5**	**53.6**	**9.8**	**12.2**	**10.6**	**13.4**	**46.0**	**3.0**	**8.1**	**6.9**	**17.9**
- Japan	9.9	7.6	10.7	11.7	44.1	11.0	12.0	11.3	10.1	44.4	11.1	12.6	11.8	35.5
- Other Asia	35.5	31.9	27.0	31.7	125.9	32.8	28.2	28.1	31.2	120.2	25.9	25.2	23.6	74.7
Asia	**45.4**	**39.5**	**37.7**	**43.4**	**170.0**	**43.7**	**40.2**	**39.4**	**41.3**	**164.6**	**37.0**	**37.8**	**35.5**	**110.3**
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**	**20.8**	**14.5**	**55.6**
Daimler Trucks	**126.2**	**121.3**	**125.9**	**120.3**	**498.1**	**134.0**	**124.7**	**119.0**	**172.9**	**550.5**	**129.9**	**123.5**	**106.4**	**359.8**
% 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	27.4	24.3	27.1
- 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	11.5	6.2	18.9
Western Europe	**2.4**	**-0.6**	**86.5**	**-29.3**	**18.6**	**-17.2**	**-16.6**	**-40.7**	**47.8**	**-15.3**	**36.6**	**18.0**	**14.1**	**22.6**
- US	31.8	84.3	46.4	17.7	32.1	44.9	29.8	12.6	101.4	50.7	6.0	-0.5	-15.6	-2.4
- Canada/Mexico	10.7	6.4	-8.2	37.2	21.2	47.1	3.0	85.3	115.2	59.3	-36.7	2.2	11.8	-10.9
NAFTA	**28.6**	**66.5**	**39.5**	**19.5**	**30.7**	**45.2**	**25.7**	**18.6**	**102.9**	**51.7**	**0.3**	**-0.2**	**-12.0**	**-3.5**
South America	**32.7**	**4.1**	**26.8**	**-13.2**	**26.0**	**-25.1**	**-20.2**	**-28.2**	**27.3**	**-14.3**	**-69.7**	**-33.7**	**-35.1**	**-45.0**
- Japan	11.0	7.3	27.6	36.8	25.8	10.7	1.7	5.8	-13.3	0.7	1.6	4.9	4.7	3.8
- Other Asia	16.0	12.6	13.3	21.0	8.5	-7.8	-11.1	3.9	-1.6	-4.6	-21.1	-10.5	-15.8	-16.1
Asia	**14.9**	**11.6**	**17.1**	**24.8**	**12.5**	**-3.7**	**-7.7**	**4.4**	**-4.8**	**-3.2**	**-15.4**	**-5.9**	**-10.0**	**-10.6**
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**	**15.3**	**-12.6**	**10.5**
Daimler Trucks	**18.3**	**24.4**	**31.9**	**10.4**	**19.4**	**6.2**	**-0.9**	**-5.5**	**43.7**	**10.5**	**-3.1**	**-0.9**	**-10.6**	**-4.7**

Source: Company data and CGI calculation

Mercedes-Benz Vans & Daimler Buses – 3Q15A & FY15E

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

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
(EUR m)													
Revenue	**2,212**	**2,494**	**2,515**	**2,747**	**9,968**	**2,415**	**2,829**	**2,752**	**2,716**	**3,005**	**10,965**	**2,969**	**10,965**
% change yoy	11.4	2.5	11.6	1.9	6.4	9.2	13.4	9.4	8.0	9.4	10.0	8.1	10.0
EBIT	**123**	**242**	**176**	**141**	**682**	**215**	**234**	**193**	**212**	**205**	**866**	**224**	**866**
% change yoy	51.9	18.6	15.8	-27.3	8.1	74.8	-3.3	9.7	20.4	45.6	27.0	59.0	27.0
EBIT margin (%)	**5.6**	**9.7**	**7.0**	**5.1**	**6.8**	**8.9**	**8.3**	**7.0**	**7.8**	**6.8**	**7.9**	**7.6**	**7.9**
One-offs	0	61	0	-17	44	-6	-6	-3	-10	-18	-40	-15	-30
Adj. EBIT[1]	**123**	**181**	**176**	**158**	**638**	**221**	**240.0**	**196**	**222**	**223**	**906**	**239**	**896**
% change yoy	51.9	-11.3	15.8	-18.6	1.1	79.7	32.6	11.4	26.1	41.4	42.0	51.4	40.5
Adj. EBIT margin (%)	**5.6**	**7.3**	**7.0**	**5.8**	**6.4**	**9.2**	**8.5**	**7.1**	**8.2**	**7.4**	**8.3**	**8.1**	**8.2**
Impl. unit/rev. (% yoy)	-4.1	-6.4	1.0	-1.1	-2.4	4.6	5.6	4.3	0.9	0.3	2.7	3.9	4.6
Units ('000)													
Retail sales	**53.9**	**68.5**	**66.5**	**77.4**	**266.3**	**57.6**	**73.7**	**69.7**	**-**	**-**	**-**	**-**	**-**
% change yoy	2.2	-0.2	-0.7	-3.4	-0.8	6.8	7.5	4.8	-	-	-	-	-
Wholesales	**61.1**	**76.0**	**72.2**	**85.3**	**294.6**	**63.8**	**81.6**	**75.7**	**77.3**	**93.0**	**315.7**	**88.6**	**309.8**
% change yoy	16.1	9.5	10.6	3.0	9.1	4.4	7.4	4.9	7.0	9.1	7.2	4.0	5.2
Production	**73.9**	**81.5**	**73.1**	**70.4**	**299.0**	**74.7**	**86.5**	**77.4**	**76.3**	**80.2**	**317.7**	**73.1**	**311.8**
% change yoy	17.0	11.9	16.4	-2.2	10.4	1.1	6.2	5.9	4.3	13.8	6.2	3.8	4.3
Over-production	**12.8**	**5.5**	**0.9**	**-14.8**	**4.4**	**10.9**	**4.9**	**1.7**	**-1.0**	**-12.8**	**2.0**	**-15.5**	**2.0**

Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

Management guidance 2015 (Jul 23)	Management guidance 2015 (Oct 22)
Market assumptions: van markets	**Market assumptions: van markets**
• Europe: significant growth	Europe: mid-size/large vans: significant growth • small vans: 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	1Q15	2Q15	3Q15A	Old 3Q15E	Old 4Q15E	Old FY15E	New 4Q15E	New FY15E
(EUR m)													
Revenue	**859**	**1,048**	**1,034**	**1,277**	**4,218**	**877**	**1,037**	**1,018**	**1,029**	**1,191**	**4,134**	**1,181**	**4,113**
% change yoy	14.4	12.2	-8.3	-1.2	2.8	2.1	-1.0	-1.5	-0.5	-6.7	-2.0	-7.6	-2.5
EBIT	**53**	**50**	**64**	**30**	**197**	**34**	**57**	**89**	**40**	**34**	**165**	**5**	**185**
% change yoy	NM	85.2	8.5	-56.5	58.9	-35.8	14.0	39.1	-37.5	13.3	-16.2	-81.8	-5.9
EBIT margin (%)	**6.2**	**4.8**	**6.2**	**2.3**	**4.7**	**3.9**	**5.5**	**8.7**	**3.9**	**2.9**	**4.0**	**0.5**	**4.5**
One-offs	-1	-8	0	-5	-14	-1	0	-1	-5	-14	-20	-13	-15
Adj. EBIT[1]	**54**	**58**	**64**	**35**	**211**	**35**	**57**	**90**	**45**	**48**	**185**	**18**	**200**
% change yoy	NM	23.4	4.9	-57.3	29.4	-35.2	-1.7	40.6	-29.7	37.1	-12.3	-47.3	-5.0
Adj. EBIT margin (%)	**6.3**	**5.5**	**6.2**	**2.7**	**5.0**	**4.0**	**5.5**	**8.8**	**4.4**	**4.0**	**4.5**	**1.6**	**4.9**
Impl.unit/rev.(% yoy)	11.0	9.7	2.7	2.2	2.2	11.0	9.1	14.1	8.2	2.4	8.9	7.6	12.1
Units ('000)													
Wholesales	**6.7**	**8.1**	**8.6**	**9.8**	**33.2**	**5.7**	**7.3**	**7.4**	**7.9**	**8.9**	**29.8**	**8.4**	**28.9**
% change yoy	10.6	2.3	-10.7	-3.4	-1.6	-15.0	-9.3	-13.7	-8.0	-8.9	-10.0	-14.1	-13.0
Production	**7.7**	**8.9**	**8.0**	**6.9**	**31.5**	**7.8**	**8.0**	**7.1**	**8.0**	**6.6**	**30.3**	**5.3**	**28.1**
% change yoy	5.1	-4.5	-15.3	-17.9	-8.7	0.3	-10.0	-12.0	0.0	-4.1	-3.6	-23.5	-10.9
Over-production	**1.1**	**0.8**	**-0.6**	**-2.9**	**-1.7**	**2.1**	**0.6**	**-0.4**	**0.1**	**-2.3**	**0.5**	**-3.1**	**-0.8**

Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

Management guidance 2015 (Jul 23)	Management guidance 2015 (Oct 22)
Market assumptions: bus markets	**Market assumptions: bus markets**
• Europe: slight growth • Brazil: at least -25%	• Europe: slight growth • Brazil: at least -35%
Daimler Buses: sales outlook	**Daimler Buses: sales outlook**
• Significant decrease in unit sales • Maintain market leadership in Western Europe and Brazil • Stable sales development in Europe, significant sales decrease in Latin America	• Significant decrease in unit sales • Maintain market leadership in Western Europe and Brazil • Positive sales development in Europe, significant sales decrease in Latin America
Daimler Buses: EBIT outlook (Oct 14)	**Daimler Buses: EBIT outlook**
• Significantly below the prior-year level	• Slightly below the prior-year level

Daimler management guidance for 2015

Market assumptions 2015 (Jul 23)	Market assumptions 2015 (Oct 22)
Passenger vehicle markets	**Passenger vehicle markets**
• Global: around +2% • Western Europe: slight growth • USA: slight growth • China: significant growth	• Global: around the prior year level • Western Europe: significant growth • USA: slight growth • China: slight growth
Truck markets	**Truck markets**
• NAFTA region: +10% to 15% • Europe: +10% to 15% • Japan: around the prior-year level • Brazil: around -40% • Indonesia (incl. light-duty): araound -20%	• NAFTA region: +10% to 15% • Europe: +10% to 15% • Japan: around the prior-year level • Brazil: up to -50% • Indonesia (incl. light-duty): up to -35%
Van markets	**Van markets**
• Europe: significant growth	Europe: • mid-size/large vans: significant growth • small vans: slight growth
Bus markets	**Bus markets**
• Europe: slight growth • Brazil: at least -25%	• Europe: slight growth • Brazil: at least -35%
Sales outlook FY15 (Jul 23)	**Sales outlook FY15 (Oct 22)**
Mercedes-Benz Cars	**Mercedes-Benz Cars**
• 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	• 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
Daimler Trucks	**Daimler Trucks**
• Significantly higher unit sales due to strong product portfolio • Continued strong sales development in NAFTA region • Growth potential due to new Asia Business Model	• Slightly higher unit sales due to strong product portfolio • Continued strong sales development in NAFTA region • Further growth due to product launches in India
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**
• Significant decrease in unit sales • Maintain market leadership in Western Europe and Brazil • Stable sales development in Europe, significant sales decrease in Latin America	• Significant decrease in unit sales • Maintain market leadership in Western Europe and Brazil • Positive sales development in Europe, significant sales decrease in Latin America
EBIT outlook FY15 (Jul 23)	**EBIT outlook FY15 (Oct 22)**
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**
• Significantly below the prior-year level	• Slightly below the prior-year level
Daimler Financial Services	**Daimler Financial Services**
• Significantly above the prior- year level	• Significantly 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	90,597	97,844	84,622	91,391	98,703
Daimler Trucks	24,024	28,751	31,389	31,473	32,417	37,247	40,972	44,250	37,247	40,972	44,250
Daimler Financial Services	12,788	12,080	13,550	14,522	15,539	19,029	20,932	23,444	19,189	21,108	23,641
Mercedes-Benz Vans	7,812	9,179	9,070	9,369	10,306	10,965	11,710	12,495	10,965	11,732	12,554
Daimler Buses	4,558	4,418	3,929	4,105	4,105	4,113	4,339	4,859	4,134	4,361	4,884
Intra-group/reconciliations	-4,847	-5,298	-5,301	-5,794	-6,244	-6,378	-6,878	-7,378	-6,778	-7,278	-7,778
Group	**97,761**	**106,540**	**114,297**	**117,982**	**129,433**	**148,862**	**161,672**	**175,515**	**149,379**	**162,287**	**176,253**
EBIT (EUR m)											
Mercedes-Benz Cars	4,656	5,192	4,442	4,180	5,964	8,494	9,008	9,687	8,473	8,942	9,554
Daimler Trucks	1,212	1,978	1,695	1,753	2,073	2,840	3,090	3,274	2,767	3,079	3,274
Daimler Financial Services	922	1,322	1,293	1,268	1,387	1,623	1,510	1,580	1,637	1,510	1,580
Mercedes-Benz Vans	451	835	607	631	638	896	1,020	1,062	906	1,022	1,067
Daimler Buses	215	162	-66	163	211	200	185	220	185	155	200
Intra-group/reconciliations	-244	-512	410	-74	-127	-50	-100	-100	-100	-100	-100
Group EBIT (on-going bus.)	**7,212**	**8,977**	**8,381**	**7,921**	**10,146**	**14,004**	**14,713**	**15,723**	**13,868**	**14,608**	**15,576**
One-offs	62	-222	439	2,894	606	-165	-380	0	-315	-410	0
Group EBIT (headline)	**7,274**	**8,755**	**8,820**	**10,815**	**10,752**	**13,839**	**14,333**	**15,723**	**13,553**	**14,198**	**15,576**
Margin (%)											
Mercedes-Benz Cars	8.7	9.0	7.2	6.5	7.9	10.1	9.9	9.9	10.0	9.8	9.7
Daimler Trucks	5.0	6.9	5.4	5.6	6.4	7.6	7.5	7.4	7.4	7.5	7.4
Daimler Financial Services	7.2	10.9	9.5	8.7	9.1	8.5	7.2	6.7	8.5	7.2	6.7
Mercedes-Benz Vans	5.8	9.1	6.7	6.7	6.6	8.2	8.7	8.5	8.3	8.7	8.5
Daimler Buses	4.7	3.7	-1.7	4.0	4.5	4.9	4.3	4.5	4.5	3.6	4.1
Group EBIT (on-going bus.)	**7.4**	**8.4**	**7.3**	**6.7**	**7.8**	**9.4**	**9.1**	**9.0**	**9.3**	**9.0**	**8.8**
Group EBIT (headline)	**7.4**	**8.2**	**7.7**	**9.2**	**8.3**	**9.3**	**8.9**	**9.0**	**9.1**	**8.7**	**8.8**

Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

Daimler –Wholesales by division (2010-2017E)

	2010	2011	2012	2013	2014	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	1,722.6	2,026.8	2,166.4	2,322.8	2,021.6	2,161.9	2,319.0
Daimler Trucks	355.3	425.8	461.9	484.2	495.7	504.4	545.7	582.2	513.6	555.2	592.4
Mercedes-Benz Vans	224.2	264.2	252.4	270.1	294.6	309.8	341.1	375.2	315.7	347.5	382.1
Daimler Buses	39.1	39.7	32.1	33.7	33.2	28.9	30.3	33.3	29.8	31.3	34.5
Group	**1,895.4**	**2,111.1**	**2,197.9**	**2,354.3**	**2,546.0**	**2,869.9**	**3,083.5**	**3,313.5**	**2,880.7**	**3,095.9**	**3,328.0**
%-change yoy											
Mercedes-Benz Cars	16.7	8.2	5.1	7.9	10.0	17.7	6.9	7.2	17.4	6.9	7.3
Daimler Trucks	37.0	19.8	8.5	4.8	2.4	1.8	8.2	6.7	3.6	8.1	6.7
Mercedes-Benz Vans	35.4	17.8	-4.5	7.0	9.1	5.2	10.1	10.0	7.2	10.1	10.0
Daimler Buses	20.4	1.6	-19.3	5.0	-1.6	-13.0	5.0	10.0	-10.0	5.0	10.0
Group	**22.2**	**11.4**	**4.1**	**7.1**	**8.1**	**12.7**	**7.4**	**7.5**	**13.1**	**7.5**	**7.5**

Note: Old FY15E estimates refer to our Daimler report of October 20th. Source: Company data and CGI estimates

Overview

Daimler– overview (2010-17E)

Current price (EUR)	78.73							
Market capitalisation (EUR bn)	84.23							
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	8.43	8.86	9.75
EPS - adjusted	4.28	5.32	5.16	5.00	5.68	8.43	8.86	9.75
CFPS	7.71	8.44	8.41	7.79	9.03	13.58	12.39	15.09
BVPS	34.14	37.16	35.50	39.90	40.82	40.82	46.17	51.93
DPS	1.85	2.20	2.20	2.25	2.45	3.35	3.50	4.00
Free CFPS - industrial	5.17	0.93	1.36	4.53	5.12	5.15	5.12	6.56
Stock market ratios (x)								
P/E	18.4	14.8	13.1	12.3	12.1	9.3	8.9	8.1
P/E – adjusted	18.4	14.8	15.3	15.7	13.9	9.3	8.9	8.1
P/CF	10.2	9.3	9.4	10.1	8.7	5.8	6.4	5.2
P/BV	2.3	2.1	2.2	2.0	1.9	1.9	1.7	1.5
P/revenue	0.86	0.79	0.74	0.71	0.65	0.57	0.52	0.48
Dividend yield (%)	2.3	2.8	2.8	2.9	3.1	4.3	4.4	5.1
Free CF yield (%)	6.6	1.2	1.7	5.8	6.5	6.5	6.5	8.3
EV (EUR m)	69,002	69,036	69,025	65,643	62,818	59,097	57,235	55,592
EV/revenue – industrial (%)	81.2	73.1	68.5	63.4	55.2	45.5	40.7	36.6
EV/EBITDA - industrial	7.1	6.3	6.0	4.7	4.4	3.3	3.0	2.6
Group P&L (EUR m)								
Revenue	**97,761**	**106,540**	**114,297**	**117,982**	**129,872**	**148,862**	**161,672**	**175,515**
- Industrial operations	84,973	94,460	100,747	103,460	113,881	129,832	140,740	152,071
- Financial services	12,788	12,080	13,550	14,522	15,991	19,029	20,932	23,444
EBIT	**7,274**	**8,755**	**8,820**	**10,815**	**10,743**	**13,839**	**14,333**	**15,723**
- Industrial business	6,443	7,443	7,527	9,547	9,356	12,217	12,823	14,143
- Financial services	831	1,312	1,293	1,268	1,387	1,623	1,510	1,580
EBITDA	10,638	12,330	12,887	15,183	15,742	19,707	20,692	22,566
Net interest	-646	-306	-704	-676	-579	-465	-450	-430
Pre-tax profit	**6,628**	**8,449**	**8,116**	**10,139**	**10,164**	**13,374**	**13,883**	**15,293**
Less tax charge/-credit	1,954	2,420	1,286	1,419	2,883	4,061	4,086	4,498
Net profit - continuing operations,	**4,674**	**6,029**	**6,830**	**8,720**	**7,281**	**9,314**	**9,797**	**10,795**
Less minorities	176	362	402	1,875	328	290	320	360
Group NI - Daimler SHs (cont.ops)	**4,498**	**5,667**	**6,428**	**6,845**	**6,953**	**9,024**	**9,477**	**10,435**
Combined net income – Daimler SHs	4,498	5,667	6,428	6,845	6,953	9,024	9,477	10,435
CF - industrial business (EUR m)								
CF from operations	**8,933**	**9,498**	**8,086**	**8,989**	**9,977**	**14,826**	**13,625**	**15,087**
Working capital	1,133	-2,152	-559	1,324	-2,438	-2,093	-900	-900
CF from operating activities	**10,066**	**7,346**	**7,527**	**10,313**	**7,539**	**12,733**	**12,725**	**14,187**
Capital expenditure (excl. R&D)	-3,641	-4,137	-4,804	-4,956	-4,821	-5,218	-5,451	-5,368
Other	-993	-2,220	-1,271	-515	2,761	-2,000	-1,800	-1,800
Free CF	**5,432**	**989**	**1,452**	**4,842**	**5,479**	**5,514**	**5,474**	**7,019**
BS - industrial business (EUR m)								
Gross Liquidity	**10,793**	**10,079**	**13,728**	**15,148**	**13,497**	**14,700**	**15,800**	**16,900**
ST financing liabilities	4,525	12,525	8,067	12,218	13,518	19,758	19,958	20,158
LT liabilities	-3,480	-10,250	-10,950	-13,542	-10,325	-14,000	-14,000	-14,000
Financing liabilities	**1,045**	**2,275**	**-2,883**	**-1,324**	**3,193**	**5,758**	**5,958**	**6,158**
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**	**5,758**	**5,958**	**6,158**
Net liquidity	**11,938**	**11,981**	**11,508**	**13,834**	**16,953**	**20,458**	**21,758**	**23,058**
Shareholders' funds	33,088	35,964	33,238	36,767	36,967	36,967	39,759	44,644
Profitability and financial ratios (%)								
EBIT	7.4	8.2	7.7	9.2	8.3	9.3	8.9	9.0
- Industrial business	7.6	7.9	7.5	9.2	8.2	9.4	9.1	9.3
- Financial services	6.5	10.9	9.5	8.7	8.7	8.5	7.2	6.7
EBITDA	10.9	11.6	11.3	12.9	12.1	13.2	12.8	12.9
Pre-tax profit	6.8	7.9	7.1	8.6	7.8	9.0	8.6	8.7
Net profit - continuing operations	4.8	5.7	6.0	7.4	5.6	6.3	6.1	6.2
Tax rate (%)	29.5	28.6	15.8	14.0	28.4	30.4	29.4	29.4

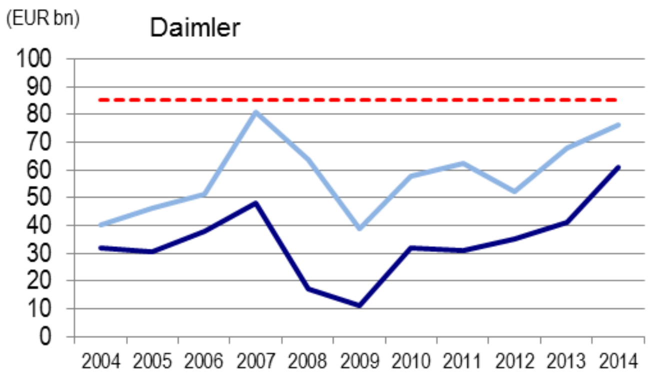
Source: Company data and CGI estimates

Investment opinion - BUY

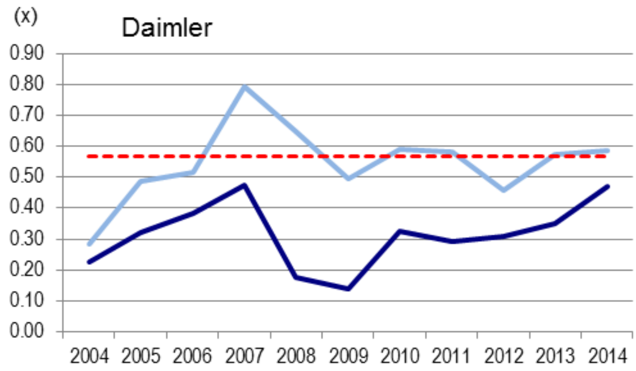
Daimler shares – valuation

At EUR 78.73, Daimler shares are currently valued 8.1x 2017E earnings, at a 25% discount to the 10-year average historic valuation of 10.8x. This is inconsistent with the implication that 2017E EPS (EUR 9.75) are 119% 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 105 at YE16E. The TP of EUR 105 implies a 33% upside from the current share price and is 2% up on our previous TP (EUR 103) of October 20th.

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	2014	2015E	2016E	2017E
Daimler EPS (EUR)		**3.66**	**3.83**	**1.71**	**-2.63**	**4.28**	**5.32**	**5.16**	**5.07**	**5.68**	**8.43**	**8.86**	**9.75**
Current Daimler PE (x)		**25.7**	**16.9**	**46.0**	**-29.9**	**18.4**	**14.8**	**15.3**	**15.7**	**13.9**	**9.3**	**8.9**	**8.1**
% vs. 10-yr* high	(13.2x)	94	27	248	-326	39	12	15	19	5	-30	-33	-39
% vs.10-yr* low	(8.2x)	215	106	463	-466	125	81	87	92	70	14	9	-1
% vs. 10-yr *average	**(10.8x)**	139	56	327	-378	71	37	42	46	29	-13	-18	**-25**

(*) 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 2016E*	Potential Target price vs. current price
EUR 78.73	8.1x	10.8x	EUR 105.13	EUR 104.61	32.9%

Share price 10.23.2015. (*) Time-discounted 10-year Bund yield. Source: Company data and CGI estimates

Daimler– share price (- 5 years)

Daimler vs. DAX 30 Index (- 5 years)

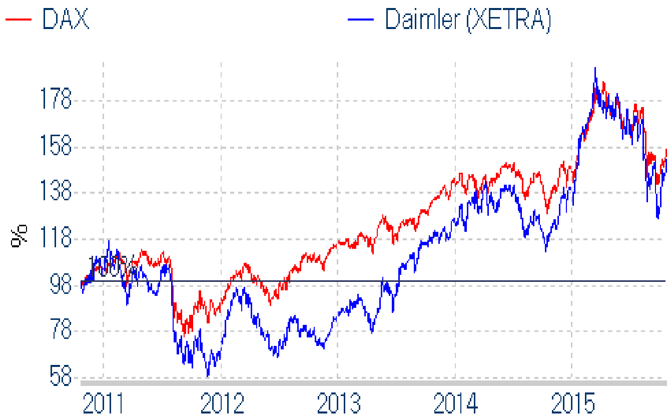


Chart technical view by Carlo R. Besenius

Short-term technical outlook negative

Daimler shares are in a positive short- and medium-term upside momentum.

RSI and MACD are positive, however close to overbought.

Daimler shares are trading above the 20- and 50-day MVA and the next resistance is the 200-day moving average line at EUR 80/share.

Our 3 -6 months price target for Daimler shares is EUR 96.

Our 12 -18 months price target for Daimler shares is EUR 105.

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