

Investor Relations Release

July 24, 2019

Daimler reports second-quarter 2019 results

- Revenue up 5% to €42.7 billion (Q2 2018: €40.8 billion)
- Group EBIT of minus €1.6 billion (Q2 2018: plus €2.6 billion)
- Net loss of €1.2 billion (Q2 2018: net profit of €1.8 billion)
- Portfolio review and efficiency programs intensified
- Significant improvement of EBIT and free cash flow in second half of year expected

Stuttgart (Germany) – Daimler AG (ticker symbol: DAI) today reported results for the second quarter ended June 30, 2019. The Group's total unit sales declined by 1% to 822,000 passenger cars and commercial vehicles (Q2 2018: 833,000). Revenue was €42.7 billion (Q2 2018: €40.8 billion), an increase of 5%. Also adjusted for positive exchange-rate changes, revenue was slightly higher than the prior-year level. The Daimler Group posted second-quarter **EBIT** of minus €1.6 (Q2 2018: plus €2.6) billion.

“Our second quarter results were mainly impacted by exceptional items of 4.2 billion euros. Therefore, our focus for the second half of this year is on improving our operating performance and cash-flow generation. In general, we are intensifying the Group-wide performance programs and reviewing our product portfolio in order to safeguard future success. At the same time, we are continuing consistently our company transformation,” said **Ola Källenius, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars.**

In the second quarter, **earnings** weakened to a net loss of €1.2 billion (Q2 2018: net profit of €1.8 billion). Net loss attributable to the shareholders of Daimler AG amounted to €1.3 billion (Q2 2018: net profit of €1.7 billion), leading to a decline in **earnings per share** to minus €1.24 (Q2 2018: plus €1.61).

Free cash flow and liquidity

In the first six months of 2019, the **free cash flow of the industrial business** was minus €3.3 billion (Q1-2 2018: plus €1.8 billion). The sharp decrease resulted in particular from higher working capital, as well as a continued high level of investment in future products.

At the Group, investments in property, plant and equipment increased to €3.4 billion (Q1-Q2 2018: €2.9 billion). Expenses for research and development also increased to €4.7 billion (Q1-Q2 2018: €4.6 billion). Compared with December 31, 2018, **net liquidity of the industrial business** decreased from €16.3 billion to €6.6 billion. The dividend payment of €3.5 billion (2018: €3.9 billion) to shareholders of Daimler AG as well as the negative free cash flow of the industrial business led to the decrease in net liquidity.

Divisional results

Mercedes-Benz Cars sold 575,639 vehicles in the second quarter, which is 3% fewer than in Q2 2018 (Q2 2018: 590,690). Mercedes-Benz Cars' revenue decreased by 1% to €22.3 billion (Q2 2018: €22.6 billion) and its EBIT slipped to minus €672 million (Q2 2018: plus €1,901 million). Return on sales was minus 3.0% (Q2 2018: plus 8.4%).

Daimler Trucks showed an increase in unit sales of 2% to 126,474 vehicles in the second quarter (Q2 2018: 123,910). Revenue increased by 14% to €10.5 billion (Q2 2018: €9.2 billion). EBIT was up 33% to €725 million (Q2 2018: €546 million) and return on sales was 6.9% (Q2 2018: 5.9%).

Mercedes-Benz Vans' unit sales were flat at 111,118 (Q2 2018: 110,883) vehicles. Revenue was 4% higher at €3.7 billion (Q2 2018: €3.5 billion). EBIT decreased to minus €2,050 million (Q2 2018: plus €152 million) while return on sales fell to minus 56.1% (Q2 2018: plus 4.3%).

Daimler Buses' sales grew by 12% to 8,435 units in the second quarter (Q2 2018: 7,522). Revenue increased by 18% to €1.3 billion (Q2 2018: €1.1 billion). EBIT amounted to €106 million (Q2 2018: €66 million), an increase of 61%. Return on sales improved to 8.4% (Q2 2018: 6.1%).

At **Daimler Financial Services**, new business was almost flat at €18.4 billion in the second quarter (Q2 2018: €18.3 billion). Revenue was 9% higher at €7.1 billion (Q2 2018: €6.6 billion). The division's EBIT amounted to €431 million (Q2 2018: €66 million), an increase of 553% compared to the prior year. At 12.5%, return on equity was above the figure of 2.1% in the prior-year period.

The workforce

At the end of the second quarter, the Daimler Group employed 304,065 people worldwide (year-end 2018: 298,683, end of Q2 2018: 300,777). Of that total, 177,480 people worked in Germany (year-end 2018: 174,663, end of Q2 2018: 177,082), and 27,220 in the United States (year-end 2018: 26,310, end of Q2 2018: 25,959). The consolidated subsidiaries in China employed 4,503 people at the end of June (year-end 2018: 4,424, end of Q2 2018: 4,332).

Outlook for Daimler and divisions

At Group level, Daimler expects **unit sales** in 2019 at the previous year number and **revenue** slightly above the prior year. Mercedes-Benz Cars estimates revenue at the previous year's level. Mercedes-Benz Vans and Daimler Trucks aim to achieve slightly higher revenue than in 2018. Daimler Buses expects significant revenue growth. Daimler Financial Services anticipates a slight increase in revenue.

Daimler expects **Group EBIT** in 2019 to be significantly below the prior-year level. The individual divisions expect the following returns in 2019:

- Mercedes-Benz Cars: a return on sales of 3% to 5%,
- Daimler Trucks: a return on sales of 7% to 9%,
- Mercedes-Benz Vans: a return on sales of minus 15% to minus 17%,
- Daimler Buses: a return on sales of 5% to 7%,
- Daimler Financial Services: a return on equity of 17% to 19%.

Based on the measures taken, Daimler expects **EBIT** and **free cash flow of the industrial business** to improve significantly by the end of the fiscal year compared with the first half. Nevertheless, the anticipated development of earnings in the automotive business as described above will partially have a negative impact. The ongoing high upfront expenditures for new products and technologies as well as the costs for »Project Future« to implement the new Group structure will be a burden. Under these conditions, Daimler expects the free cash flow of the industrial business in financial year 2019 to be significantly lower than in the previous year.

This document contains forward-looking statements that reflect our current views about future events. The words "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "can," "could," "plan," "project," "should" and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates and tariff regulations; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading "Risk and Opportunity Report" in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.

If you have any questions, please contact our Investor Relations Team:

<https://www.daimler.com/investors/services/contacts.html>

E-mail: ir.dai@daimler.com

Fax: +49 (0) 711 17 94075

For an overview of major roadshows and conferences please see:

<https://www.daimler.com/investors/events/roadshows>

Figures for the 2nd Quarter 2019/First Half-Year 2019

Daimler Group	Q2 2019	Q2 2018	Change 19/18	YTD 2019	YTD 2018	Change 19/18
Revenue, in millions of EUR	42,650	40,756	+5%	82,348	80,541	+2%
EBIT, in millions of EUR	-1,555	2,640	-	1,247	5,975	-79%
Net profit, in millions of EUR	-1,242	1,825	-	907	4,179	-78%
Earnings per share (EPS), in EUR	-1.24	1.61	-	0.72	3.74	-81%
Employees (June 30)	304,065	300,777	+1%	304,065	300,777	+1%
Net liquidity (industrial business, June 30), in millions of EUR	6,618	14,472	-54%	6,618	14,472	-54%
Free cash flow (industrial business), in millions of EUR	-1,302	-18	-	-3,341	1,804	-

EBIT by Divisions in millions of EUR	Q2 2019	Q2 2018	Change 19/18	YTD 2019	YTD 2018	Change 19/18
Mercedes-Benz Cars	-672	1,901	-	626	3,961	-84%
Daimler Trucks	725	546	+33%	1,307	1,193	+10%
Mercedes-Benz Vans	-2,050	152	-	-2,148	324	-
Daimler Buses	106	66	+61%	85	103	-17%
Daimler Financial Services	431	66	+553%	1,640	614	+167%

RoS by Divisions in %	Q2 2019	Q2 2018	Change 19/18	YTD 2019	YTD 2018	Change 19/18
Mercedes-Benz Cars	-3.0%	8.4%	-11.4%pts.	1.4%	8.7%	-7.3%pts.
Daimler Trucks	6.9%	5.9%	+1.0%pts.	6.5%	6.7%	-0.2%pts.
Mercedes-Benz Vans	-56.1%	4.3%	-60.4%pts.	-30.6%	4.9%	-35.5%pts.
Daimler Buses	8.4%	6.1%	+2.3%pts.	4.1%	5.4%	-1.3%pts.
Daimler Financial Services (RoE)	12.5%	2.1%	+10.4%pts.	24.0%	9.9%	+14.1%pts.

Revenue by Divisions in millions of EUR	Q2 2019	Q2 2018	Change 19/18	YTD 2019	YTD 2018	Change 19/18
Mercedes-Benz Cars	22,293	22,575	-1%	43,493	45,573	-5%
Daimler Trucks	10,472	9,185	+14%	20,018	17,804	+12%
Mercedes-Benz Vans	3,654	3,511	+4%	7,023	6,609	+6%
Daimler Buses	1,268	1,075	+18%	2,053	1,925	+7%
Daimler Financial Services	7,145	6,570	+9%	14,026	12,825	+9%

Sales in units	Q2 2019	Q2 2018	Change 19/18	YTD 2019	YTD 2018	Change 19/18
Daimler Group	821,666	833,005	-1%	1,595,462	1,639,910	-3%
Mercedes-Benz Cars	575,639	590,690	-3%	1,130,951	1,184,989	-5%
Daimler Trucks	126,474	123,910	+2%	242,394	237,756	+2%
Mercedes-Benz Vans	111,118	110,883	+0%	208,156	203,899	+2%
Daimler Buses	8,435	7,522	+12%	13,961	13,266	+5%