

## Investor Relations Release

July 23, 2020

### Daimler reports second-quarter 2020 results

- **Revenue of €30.2 billion (Q2 2019: €42.7 billion)**
- **Positive industrial free cash flow of €685 million (Q2 2019: minus €1,302 million)**
- **Industrial net liquidity of €9.5 billion (end of Q1 2020: €9.3 billion)**
- **Adjusted EBIT of minus €708 million (Q2 2019: plus €2,447 million)**
- **Group net loss of €1,906 million (Q2 2019: net loss of €1,242 million)**
- **Group EBIT and industrial free cash flow full year 2020 to be positive but lower than in previous year**

Stuttgart (Germany) – Daimler AG (ticker symbol: DAI) today reported its results for the second quarter, which ended June 30, 2020. The key figures were strongly influenced by the corona pandemic and the resulting decline in demand for cars, vans, trucks and buses. The Group's total unit **sales** decreased by 34% to 541,800 passenger cars and commercial vehicles (Q2 2019: 821,700). **Revenue** slipped significantly by 29% to €30.2 billion (Q2 2019: €42.7 billion). **EBIT** was minus €1,682 million (Q2 2019: minus €1,558 million). **Adjusted EBIT**, reflecting the underlying business, was minus €708 million (Q2 2019: plus €2,447 million). **Net loss** was €1,906 million (Q2 2019: net loss of €1,242 million). Industrial free cash flow was positive in the quarter, and industrial net liquidity remained on a solid level versus first quarter 2020.

**Ola Källenius, Chairman of the Board of Management of Daimler AG and Mercedes-Benz AG:** “Due to the unprecedented covid-19 pandemic, we had to endure a challenging quarter. But our net industrial liquidity is a testament to effective cost control and cash management, which we must continue to enforce. We are now seeing the first signs of a sales recovery – especially at Mercedes-Benz passenger cars, where we are experiencing strong demand for our top end models and our electrified vehicles. Going forward, we are firmly determined to continue to improve the cost base of our company. At the same time, we are committed to our key strategic objectives: to lead in electrification and digitalization.”

Following a positive start to the year, the covid-19 pandemic and the related countermeasures brought economic activity worldwide to a temporary standstill. Daimler countered the drop in demand by quickly suspending production in March, April and May, and by introducing short-time work. To safeguard the company's financial strength, expenditure

was reduced and investments were focused on the most critical future projects. Working capital was managed carefully with a focus on inventory reduction. These measures were successful: At the end of the second quarter, the **net liquidity of the industrial business** was €9.5 billion (end of Q1 2020: €9.3 billion). The **free cash flow of the industrial business** was €685 million (Q2 2019: minus €1,302 million). The **adjusted free cash flow of the industrial business**, which was still influenced by high upfront investments in future products, was €778 million (Q2 2019: minus €1,208 million).

While the worldwide effects of the pandemic led to a significant decrease in earnings at Mercedes-Benz Cars & Vans, Daimler Trucks & Buses and Daimler Mobility, implemented cost-cutting measures countered the negative effects.

Sales of the **Mercedes-Benz Cars & Vans** division decreased by 30% to 480,800 vehicles in the second quarter (Q2 2019: 686,800). **Adjusted EBIT**, reflecting the underlying business, was minus €284 million (Q2 2019: plus €1,148 million) and **adjusted return on sales** was minus 1.5% (Q2 2019: plus 4.5%). A favorable model mix, driven particularly by the success of the newest products, contributed positively to profitability. Restructuring expenses for capacity adjustments in the global production network, e.g. in Hambach, Tuscaloosa and Aguascalientes (€687 million), and the initiated personnel cost reduction program (€101 million), had a negative impact. Both initiatives will reduce fixed costs in the medium and long term.

The **Daimler Trucks & Buses** division showed a decrease in unit sales of 55% to 61,000 vehicles in the second quarter (Q2 2019: 134,900). **Adjusted EBIT** amounted to minus €747 million (Q2 2019: plus €834 million) and **adjusted return on sales** was minus 12.0% (Q2 2019: plus 7.2%). Declining volumes had a strong impact on earnings while restructuring activities, which will improve long-term competitiveness, helped reduce fixed costs significantly. Encouragingly, order intake is now developing positively in nearly all core regions.

At **Daimler Mobility**, new business decreased by 24% to €14.0 billion in the second quarter (Q2 2019: €18.4 billion). **Adjusted EBIT** amounted to €313 million (Q2 2019: €483 million) and **adjusted return on equity** was 8.6% (Q2 2019: 14.0%). Due to the economic slowdown in connection with the covid-19 pandemic, higher credit loss expenses had a negative impact on EBIT. Furthermore, EBIT was reduced by expenses (€105 million) in connection with the adjustment of the YOUR NOW Group.

The covid-19 pandemic will continue to have a strong impact on developments during the rest of the year. From today's perspective, a considerable **decline in global economic** output must be expected for full-year 2020. Daimler assumes that the pandemic-related decrease in unit sales will not be offset in the remainder of this year. Therefore, efficiency and capacity measures are to be intensified.

Assuming that the economic recovery continues in the second half of the year and that there is no new major wave of covid-19 infections in our key sales markets, Daimler expects both

**Group EBIT** and the **free cash flow of the industrial business** to be positive in 2020, but lower than in the previous year. The free cash flow of the industrial business does not take into account possible expenses in connection with legal and governmental proceedings. As EBIT of the Mercedes-Benz Cars & Vans division was burdened by substantial special effects in 2019, EBIT is expected to be above the prior-year level despite the effects of the pandemic. Daimler Mobility's adjusted return on equity is not expected to reach the level of the prior 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, pandemics, 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 or in this interim 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/contact/>

**E-mail:** ir.dai@daimler.com

**Fax:** +49 (0) 711 17 94075

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## Figures for the 2nd quarter 2020

Daimler Group	Q2 2020	Q2 2019	Change 20/19	YTD 2020	YTD 2019	Change 20/19
Sales, in units	541,833	821,666	-34%	1,186,149	1,595,462	-26%
Revenue, in millions of EUR	30,184	42,650	-29%	67,407	82,348	-18%
EBIT, in millions of EUR	-1,682	-1,558	-	-1,065	1,240	-
EBIT adjusted, in millions of EUR	-708	2,447	-	11	4,757	-
Net profit/loss, in millions of EUR	-1,906	-1,242	-	-1,738	907	-
Earnings per share (EPS), in EUR	-1.87	-1.24	-	-1.78	0.72	-
Employees (June 30)	293,688	304,065	-3%	293,688	304,065	-3%
Net liquidity (industrial business, June 30), in millions of EUR	9,481	6,618	+43%	9,481	6,618	+43%
Free cash flow (industrial business), in millions of EUR	685	-1,302	-	-1,631	-3,341	-
Free cash flow (industrial business) adjusted, in millions of EUR	778	-1,208	-	-1,084	-3,168	-

Mercedes-Benz Cars & Vans	Q2 2020	Q2 2019	Change 20/19	YTD 2020	YTD 2019	Change 20/19
Sales, in units	480,800	686,757	-30%	1,027,542	1,339,107	-23%
Sales Mercedes-Benz Cars, in units	408,924	575,639	-29%	879,505	1,130,951	-22%
Sales Mercedes-Benz Vans, in units	71,876	111,118	-35%	148,037	208,156	-29%
Revenue, in millions of EUR	18,949	25,418	-25%	42,145	49,481	-15%
EBIT, in millions of EUR	-1,125	-2,784	-	-615	-1,641	-
EBIT adjusted, in millions of EUR	-284	1,148	-	319	2,520	-87%
Return on Sales (RoS), in %	-5.9%	-11.0%	+5.1%pts	-1.5%	-3.3%	+1.8%pts
Return on Sales (RoS) adjusted, in %	-1.5%	4.5%	-6.0%pts	0.8%	5.1%	-4.3%pts
Cash Flow Before Interest and Tax (CFBIT), in millions of EUR	430	-2,141	-	-1,299	-2,976	-
Cash Flow Before Interest and Tax (CFBIT) adjusted, in millions of EUR	522	-2,047	-	-759	-2,803	-
Cash Conversion Rate adjusted	-1.8	-1.8	-	-2.4	-1.1	-

Daimler Trucks & Buses	Q2 2020	Q2 2019	Change 20/19	YTD 2020	YTD 2019	Change 20/19
Sales, in units	61,033	134,909	-55%	158,607	256,355	-38%
Sales Daimler Trucks, in units	57,945	126,474	-54%	150,413	242,394	-38%
Sales Daimler Buses, in units	3,088	8,435	-63%	8,194	13,961	-41%
Revenue, in millions of EUR	6,200	11,581	-46%	14,944	21,755	-31%
EBIT, in millions of EUR	-756	834	-	-509	1,387	-
EBIT adjusted, in millions of EUR	-747	834	-	-500	1,387	-
Return on Sales (RoS), in %	-12.2%	7.2%	-19.4%pts	-3.4%	6.4%	-9.8%pts
Return on Sales (RoS) adjusted, in %	-12.0%	7.2%	-19.2%pts	-3.3%	6.4%	-9.7%pts
Cash Flow Before Interest and Tax (CFBIT), in millions of EUR	-121	1,027	-	-206	795	-
Cash Flow Before Interest and Tax (CFBIT) adjusted, in millions of EUR	-121	1,027	-	-206	795	-
Cash Conversion Rate adjusted	0.2	1.2	-	0.4	0.6	-

Daimler Mobility	Q2 2020	Q2 2019	Change 20/19	YTD 2020	YTD 2019	Change 20/19
Revenue, in millions of EUR	6,450	7,145	-10%	13,551	14,026	-3%
New business, in millions of EUR	13,971	18,363	-24%	30,145	35,687	-16%
Contract volume (June 30), in millions of EUR	153,704	156,458	-2%	153,704	156,458	-2%
EBIT, in millions of EUR	205	431	-52%	263	1,640	-84%
EBIT adjusted, in millions of EUR	313	483	-35%	371	974	-62%
Return on Equity (RoE), in %	5.6%	12.5%	-6.9%pts	3.6%	24.0%	-20.4%pts
Return on Equity (RoE) adjusted, in %	8.6%	14.0%	-5.4%pts	5.0%	14.2%	-9.2%pts