

Investor Relations Release

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Daimler reports third-quarter 2020 results

- **Good performance by Group and divisions, despite lower unit sales and revenue, due to improving markets, strong products and diligent cost discipline**
- **Industrial net liquidity of €13.1 billion (end of Q2 2020: €9.5 billion)**
- **Positive momentum from market and cost measures in third quarter expected to be continued in fourth quarter**
- **Daimler expects EBIT for fiscal year 2020 at the prior-year level**
- **Significant increase of industrial free cash flow anticipated in 2020 compared to fiscal year 2019**

Stuttgart (Germany) – Daimler AG (ticker symbol: DAI) today reported its results for the third quarter, which ended September 30, 2020. The key figures reflect a good performance based on improving markets and strong products, combined with diligent cost discipline and extensive cash-preservation measures.

The Group's total **unit sales** decreased by 8% to 772,700 cars and commercial vehicles (Q3 2019: 839,300) and **revenue** slipped by 7% to €40.3 billion (Q3 2019: €43.3 billion). **EBIT** increased by 14% to €3,070 million (Q3 2019: €2,690 million). **Adjusted EBIT**, reflecting the underlying business, was €3,479 million (Q3 2019: €3,142 million) and **net profit** was €2,158 million (Q3 2019: €1,813 million). The high **free cash flow** of around € 5.1 billion in the quarter reflects the continuous efforts in cost-cutting and cash-preservation measures as well as the positive operating performance across all divisions. Additional positive factors are the dividend from the Chinese joint venture BBAC of €1.2 billion, positive contributions from working capital and seasonal phasing impacts.

Harald Wilhelm, Member of the Board of Management of Daimler AG, responsible for Finance & Controlling/Daimler Mobility: "Our strong product portfolio and the positive market recovery drove us to a good performance. We have successfully pushed forward our comprehensive efforts regarding cost control and cash management. With this momentum, we are on track to make our business more weatherproof. However, the transformation of Daimler is a long-distance race. We are keeping up the pace with focus and full discipline."

At the end of the third quarter, the **net liquidity** of the industrial business was €13.1 billion (end of Q2 2020: €9.5 billion). The **free cash flow** of the industrial business was at €5,139 million (Q3 2019: €2,819 million). The **adjusted free cash flow** of the industrial business was €5,345 million (Q3 2019: €2,931 million).

Unit sales by the **Mercedes-Benz Cars & Vans** division decreased by 4% to 673,400 vehicles in the third quarter (Q3 2019: 705,000). Despite that, **adjusted EBIT** increased to €2,417 million (Q3 2019: €1,868 million) and **adjusted return on sales** to 9.4% (Q3 2019: 7.0%). Improved pricing and a significant reduction in fixed costs had a positive impact on earnings. Earnings were adversely affected by restructuring expenses (€297 million), including the initiated cost-optimization program (€229 million) and expenses for the adjustment and realignment of capacities (€68 million) within the global production network in connection with the intended sale of the car plant in Hambach (France). Both initiatives will reduce fixed costs in the medium and long term.

The **Daimler Trucks & Buses** division showed a decrease in unit sales of 26% to 99,300 vehicles in the third quarter (Q3 2019: 134,300). **Adjusted EBIT** amounted to €603 million (Q3 2019: €838 million) and **adjusted return on sales** was 6.5% (Q3 2019: 7.3%). Earnings were negatively affected by declining volumes, primarily caused by contracting markets due to the ongoing COVID-19 pandemic. The measures introduced led to cost reductions in all functional areas. In particular, a significant reduction in fixed costs had a positive impact on earnings. The division recorded a significant increase in order intake in most key regions compared to the previous quarter, also compared to third quarter of 2019 in Europe and North America.

At **Daimler Mobility**, new business increased by 2% to €18.7 billion in the third quarter (Q3 2019: €18.3 billion). **Adjusted EBIT** amounted to €601 million (Q3 2019: €469 million) and **adjusted return on equity** was 16.5% (Q3 2019: 13.5%). Positive effects were recorded mainly due to the measures implemented to improve the cost position. Furthermore, as a result of the response to the COVID-19 pandemic in the first half of 2020, no further additions to credit-risk provisions were necessary in the third quarter of 2020.

Outlook

Daimler assumes that economic conditions in the most important markets continue to normalize and in particular that no further setbacks occur as a result of the COVID-19 pandemic. Based on this, Daimler expects that the significant unit-sales reductions recorded in the first nine months due to the COVID-19 pandemic will only be partially offset by the end of the year. The company therefore expects **Group unit sales** and **Group revenue** in 2020 to be significantly lower than in the previous year. On the basis of the expected market development and the current assessments of the divisions, Daimler anticipates **Group EBIT** in 2020 at the level of the prior year.

The divisions expect the following adjusted returns in the year 2020:

- Mercedes-Benz Cars & Vans: adjusted return on sales of 4.5 – 5.5%
- Daimler Trucks & Buses: adjusted return on sales of 1 – 2%
- Daimler Mobility: adjusted return on equity of 9 – 10%.

The adjusted **cash conversion rate** (ratio of cash flow to EBIT) for the Mercedes-Benz Cars & Vans division in 2020 is expected to be at 1 and for Daimler Trucks & Buses at 2. Daimler anticipates a significant increase of the **free cash flow** of the industrial business compared to the previous year. This guidance does not take into account possible expenses in connection with legal and governmental proceedings.

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.

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For an overview of major roadshows and conferences please see:

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Figures for the 3rd quarter 2020

Daimler Group	Q3 2020	Q3 2019	Change 20/19	YTD 2020	YTD 2019	Change 20/19
Sales, in units	772,703	839,326	-8%	1,958,852	2,434,788	-20%
Revenue, in millions of €	40,281	43,270	-7%	107,688	125,618	-14%
EBIT, in millions of €	3,070	2,690	+14%	2,005	3,930	-49%
EBIT adjusted, in millions of €	3,479	3,142	+11%	3,490	7,899	-56%
Net profit, in millions of €	2,158	1,813	+19%	420	2,720	-85%
Earnings per share (EPS), in €	1.92	1.61	+19%	0.13	2.32	-94%
Employees (September 30)	291,770	304,680	-4%	291,770	304,680	-4%
Net liquidity (industrial business, September 30), in millions of €	13,079	9,648	+36%	13,079	9,648	+36%
Free cash flow (industrial business), in millions of €	5,139	2,819	+82%	3,508	-522	-
Free cash flow (industrial business) adjusted, in millions of €	5,345	2,931	+82%	4,261	-237	-

Mercedes-Benz Cars & Vans	Q3 2020	Q3 2019	Change 20/19	YTD 2020	YTD 2019	Change 20/19
Sales, in units	673,447	704,987	-4%	1,700,989	2,044,094	-17%
Sales Mercedes-Benz Cars, in units	566,581	604,655	-6%	1,446,086	1,735,606	-17%
Sales Mercedes-Benz Vans, in units	106,866	100,332	+7%	254,903	308,488	-17%
Revenue, in millions of €	25,818	26,562	-3%	67,963	76,043	-11%
EBIT, in millions of €	2,118	1,470	+44%	1,503	-171	-
EBIT adjusted, in millions of €	2,417	1,868	+29%	2,736	4,388	-38%
Return on Sales (RoS), in %	8.2%	5.5%	+2.7%pts	2.2%	-0.2%	+2.4%pts
Return on Sales (RoS) adjusted, in %	9.4%	7.0%	+2.4%pts	4.0%	5.8%	-1.8%pts
Cash Flow Before Interest and Tax (CFBIT), in millions of €	4,617	1,825	+153%	3,318	-1,151	-
Cash Flow Before Interest and Tax (CFBIT) adjusted, in millions of €	4,821	1,937	+149%	4,062	-866	-
Cash Conversion Rate (CCR) adjusted	2.0	1.0	-	1.5	-0.2	-

Daimler Trucks & Buses	Q3 2020	Q3 2019	Change 20/19	YTD 2020	YTD 2019	Change 20/19
Sales, in units	99,256	134,339	-26%	257,863	390,694	-34%
Sales Daimler Trucks, in units	94,141	125,382	-25%	244,554	367,776	-34%
Sales Daimler Buses, in units	5,115	8,957	-43%	13,309	22,918	-42%
Revenue, in millions of €	9,230	11,483	-20%	24,174	33,238	-27%
EBIT, in millions of €	541	838	-35%	32	2,225	-99%
EBIT adjusted, in millions of €	603	838	-28%	103	2,225	-95%
Return on Sales (RoS), in %	5.9%	7.3%	-1.4%pts	0.1%	6.7%	-6.6%pts
Return on Sales (RoS) adjusted, in %	6.5%	7.3%	-0.8%pts	0.4%	6.7%	-6.3%pts
Cash Flow Before Interest and Tax (CFBIT), in millions of €	1,142	736	+55%	936	1,531	-39%
Cash Flow Before Interest and Tax (CFBIT) adjusted, in millions of €	1,142	736	+55%	936	1,531	-39%
Cash Conversion Rate (CCR) adjusted	1.9	0.9	-	9.1	0.7	-

Daimler Mobility	Q3 2020	Q3 2019	Change 20/19	YTD 2020	YTD 2019	Change 20/19
Revenue, in millions of €	6,877	7,086	-3%	20,428	21,112	-3%
New business, in millions of €	18,676	18,279	+2%	48,821	53,966	-10%
Contract volume (September 30), in millions of €	149,816	160,416	-7%	149,816	160,416	-7%
EBIT, in millions of €	589	413	+43%	852	2,053	-58%
EBIT adjusted, in millions of €	601	469	+28%	972	1,443	-33%
Return on Equity (RoE), in %	16.2%	11.9%	+4.3%pts	7.8%	19.9%	-12.1%pts
Return on Equity (RoE) adjusted, in %	16.5%	13.5%	+3.0%pts	8.8%	14.0%	-5.2%pts