

Investor Relations Release

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Daimler shows strong performance in second quarter despite semiconductor shortage

- Unit sales increased by 36% to 736,400 passenger cars and commercial vehicles
- Revenue of €43.5 billion (Q2 2020: €30.2 billion)
- EBIT of €5,185 million (Q2 2020: minus €1,682 million)
- Industrial free cash flow of €2,586 million (Q2 2020: €685 million)
- Net industrial liquidity of €20.9 billion (end of Q1 2021: €20.1 billion)
- Group net profit of €3,704 million (Q2 2020: net loss of €1,906 million)
- Outlook 2021: Revenue and EBIT significantly above prior year's level
- Industrial free cash flow expected slightly below prior year's level

Stuttgart (Germany) – Daimler AG (ticker symbol: DAI) today reported its results for the second quarter, which ended June 30, 2021. The Group's total unit **sales** increased by 36% to 736,400 passenger cars and commercial vehicles (Q2 2020: 541,800). **Revenue** grew by 44% to €43.5 billion (Q2 2020: €30.2 billion). **EBIT** was €5,185 million (Q2 2020: minus €1,682 million). **Adjusted EBIT**, reflecting the underlying business, was €5,420 million (Q2 2020: minus €708 million). **Net profit** was €3,704 million (Q2 2020: net loss of €1,906 million).

“We achieved a strong performance across all divisions in the second quarter. At Mercedes-Benz Cars and Vans, we posted double-digit margins for the third quarter in a row and thus demonstrated the resilience of our business - despite the persistently low availability of semiconductors. The entire industry is currently struggling with longer delivery times, which unfortunately also affect our customers. We are doing what we can to minimize the impact. Given the high demand for our vehicles, delivery to our customers has top priority,” stated **Ola Källenius, Chairman of the Board of Management of Daimler AG and Mercedes-Benz AG**. “Our transformation towards emission-free and software-driven mobility is supported by a high level of free cash flow in the industrial business. We are implementing our strategy at full speed.”

Investments, free cash flow and liquidity

The Group's **investments in property, plant and equipment** in the second quarter totaled €1.0 billion (Q2 2020: €1.3 billion). **Research and development expenditure** amounted to €2.4 billion (Q2 2020: €2.3 billion). The **free cash flow** of the industrial business was €2,586 million (Q2 2020: €685 million), including important upfront investments in future products. The increase was triggered by operating performance, disciplined and focused capital allocation and a solid cash conversion. The **adjusted free cash flow** of the industrial business improved to €2,950 million (Q2 2020: €778 million). The **net liquidity** of the

industrial business increased to €20.9 billion at the end of the second quarter, compared to €20.1 billion at the end of the first quarter 2021 and €17.9 billion at year-end 2020. This is mainly a result of the free cash flow from the industrial business.

Divisional results

Sales by the **Mercedes-Benz Cars & Vans** division increased by 29% to 619,600 vehicles in the second quarter (Q2 2020: 480,800). **Revenue** was €28.2 billion (Q2 2020: €18.9 billion). **EBIT** amounted to €3,438 million (Q2 2020: minus €1,125 million) and the **return on sales** was 12.2% (Q2 2020: minus 5.9%). Positive effects resulted from the increase in unit sales, a favourable product mix, pricing and ongoing cost measures. **Adjusted EBIT** reached €3,604 million (Q2 2020: minus €284 million) with the **adjusted return on sales** at 12.8% (Q2 2020: minus 1.5%). **Cash flow before interest and taxes (CFBIT)** was €2,502 million (Q2 2020: €430 million). **Adjusted CFBIT** amounted to €2,805 million (Q2 2020: €522 million). The **adjusted cash conversion rate (CCR)** was plus 0.8 (Q2 2020: minus 1.8).

Sales by Mercedes-Benz Cars rose by 27% to 521,200 vehicles in the second quarter (Q2 2020: 408,900). Mercedes-Benz Vans' sales were up 37% to 98,400 vehicles (Q2 2020: 71,900).

The **Daimler Trucks & Buses** division showed an increase in unit sales of 91% to 116,800 vehicles in the second quarter (Q2 2020: 61,000). **Revenue** was €10.0 billion (Q2 2020: €6.2 billion). **EBIT** amounted to €819 million (Q2 2020: minus €756 million) and the **return on sales** was 8.2% (Q2 2020: minus 12.2%). Positive effects resulted from the sales increase in almost all regions, primarily from the market recovery, as well as a higher contribution to earnings from the after sales business, pricing, ongoing cost discipline as well as a contribution from the listing of Proterra, Inc. and the sale of the Campinas plant. **Adjusted EBIT** was €831 million (Q2 2020: minus €747 million) and adjusted return on sales was 8.3% (Q2 2020: minus 12.0%). **Cash flow before interest and taxes (CFBIT)** soared to an inflow of €667 million (Q2 2020: outflow of €121 million). **Adjusted CFBIT** amounted to an inflow of €693 million (Q2 2020: outflow of €121 million). The **adjusted cash conversion rate (CCR)** was plus 0.8 (Q2 2020: 0.2).

Unit sales by Daimler Trucks increased by 94% to 112,100 vehicles in the second quarter (Q2 2020: 57,900). Daimler Buses sold 4,700 vehicles, an increase of 52% (Q2 2020: 3,100).

At **Daimler Mobility**, new business increased by 23% to €17.2 billion in the second quarter (Q2 2020: €14.0 billion), driven by strong sales developments at the industrial business. Contract volume was €150.6 billion at the end of the quarter (end of the first quarter 2021: €152.7 billion/end of 2020: €150.6 billion). **Revenue** was €6.9 billion (Q2 2020: €6.5 billion). The division's **EBIT** amounted to €924 million (Q2 2020: €205 million). Positive effects resulted from lower credit-risk provisions, a credit provision release of €120 million, lower refinancing costs and improved development of the business operations, as well as from strict cost discipline. At 23.9%, **return on equity** was much higher than the 5.6% in the prior-year period. **Adjusted EBIT** was €930 million (Q2 2020: €313 million) and **adjusted return on equity** was 24.0% (Q2 2020: 8.6%).

Daimler Truck spin-off on track

Daimler intends to generate value for its shareholders and to raise its profitability by creating two pure-play companies, one focused on cars and vans with the other on trucks and buses. It is intended that a significant majority stake in Daimler Truck will be distributed to Daimler shareholders. The transaction and the listing of Daimler Truck on the Frankfurt Stock Exchange are on track and expected to be completed before year-end 2021. The project is currently in the preparatory and auditing phase. At an extraordinary general meeting in autumn, Daimler shareholders will have to approve this historic strategic step.

Outlook for Daimler and the divisions

Daimler expects a gradual normalization of economic conditions in the important markets. The company assumes that the world economy will be able to recover from the pandemic-related weakness of the year 2020, aided by the increasing availability of effective vaccines, among other things. Furthermore, the company assumes that the worldwide shortage of supply of semiconductor components will affect the business also in the second half of the year. The company also recognizes that the visibility how the supply situation will actually develop further is currently low. Based on the expected market development and the current assessments of the divisions, Daimler anticipates **revenue and EBIT** in 2021 to be **significantly above the prior year's level**.

The company assumes that the current worldwide supply shortage of semiconductor components will affect Mercedes-Benz Cars unit sales also in the third quarter. **Mercedes-Benz Cars unit sales** could be in the magnitude of the second quarter or below. Full year unit sales are expected to be at prior year level (previously: significantly above).

Based on the performance in the first half of the year and the above mentioned assumptions, the divisions expect the following adjusted returns in the year 2021:

- Mercedes-Benz Cars & Vans: adjusted return on sales of 10 - 12% (unchanged)
- Daimler Trucks & Buses: adjusted return on sales of 6 - 8% (previously: 6 - 7%)
- Daimler Mobility: adjusted return on equity of 17 - 19% (previously: 14 - 15%).

Daimler's business plan covers the full year 2021 and is based on the existing Group structure, including Daimler Trucks & Buses. The spin-off of Daimler Truck, including significant parts of the related financial services business, will be examined before the end of 2021. Before the spin-off, Daimler will reclassify Daimler Truck as discontinued operations. The expected considerable positive effects in the second half of the year cannot be reliably determined at present.

The **adjusted cash conversion rate** (ratio of cash flow to EBIT) for the Mercedes-Benz Cars & Vans division in 2021 is expected to be between 0.7 and 0.9 and for Daimler Trucks & Buses between 0.8 and 1.0.

Investments in property, plant and equipment in 2021 on a group level are expected to be in the magnitude of the previous year; **research and development investments** on a group level are now expected to be significantly (previously: slightly) above the prior year's level.

Daimler now expects the **free cash flow** of the industrial business for 2021 to be slightly (previously: significantly) below 2020's figure. This includes payments in the context of the settlement with the US-regulators and plaintiff representatives of the consumer class actions relating to diesel emissions, cash-outs due to the restructuring program, higher cash taxes than in 2020, as well as costs related to the planned spin-off of Daimler Truck. The **adjusted free cash flow** of the industrial business is now expected to be in the magnitude of the prior-year level or slightly above (previously: in the magnitude of the prior-year level).

Link to capital market presentation second quarter:

www.daimler.com/q2-2021/en

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, customs and foreign trade provisions; 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 governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described 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:

<https://www.daimler.com/investoren/events/>

Figures for the 2nd quarter 2021

Daimler Group	Q2 2021	Q2 2020	Change 21/20	YTD 2021	YTD 2020	Change 21/20
Sales, in units	736,385	541,833	+36%	1,464,994	1,186,149	+24%
Revenue, in millions of EUR	43,482	30,184	+44%	84,499	67,407	+25%
EBIT, in millions of EUR	5,185	-1,682	-	10,933	-1,065	-
EBIT adjusted, in millions of EUR	5,420	-708	-	10,388	11	-
Net profit/loss, in millions of EUR	3,704	-1,906	-	8,077	-1,738	-
Earnings per share (EPS), in EUR	3.36	-1.87	-	7.37	-1.78	-
Employees (June 30)	289,643	293,688	-1%	289,643	293,688	-1%
Net liquidity (industrial business, June 30), in millions of EUR	20,863	9,481	+120%	20,863	9,481	+120%
Free cash flow (industrial business), in millions of EUR	2,586	685	+278%	4,396	-1,631	-
Free cash flow (industrial business) adjusted, in millions of EUR	2,950	778	+279%	5,782	-1,084	-

Mercedes-Benz Cars & Vans	Q2 2021	Q2 2020	Change 21/20	YTD 2021	YTD 2020	Change 21/20
Sales, in units	619,558	480,800	+29%	1,246,845	1,027,542	+21%
Sales Mercedes-Benz Cars, in units	521,190	408,924	+27%	1,060,059	879,505	+21%
Sales Mercedes-Benz Vans, in units	98,368	71,876	+37%	186,786	148,037	+26%
Revenue, in millions of EUR	28,152	18,949	+49%	55,038	42,145	+31%
EBIT, in millions of EUR	3,438	-1,125	-	7,516	-615	-
EBIT adjusted, in millions of EUR	3,604	-284	-	7,445	319	-
Return on Sales (RoS), in %	12.2%	-5.9%	+18.1%pts	13.7%	-1.5%	+15.2%pts
Return on Sales (RoS) adjusted, in %	12.8%	-1.5%	+14.3%pts	13.5%	0.8%	+12.7%pts
Cash Flow Before Interest and Tax (CFBIT), in millions of EUR	2,502	430	+482%	4,470	-1,299	-
Cash Flow Before Interest and Tax (CFBIT) adjusted, in millions of EUR	2,805	522	+437%	5,934	-759	-
Cash Conversion Rate adjusted	0.8	-1.8	-	0.8	-2.4	-

Daimler Trucks & Buses	Q2 2021	Q2 2020	Change 21/20	YTD 2021	YTD 2020	Change 21/20
Sales, in units	116,827	61,033	+91%	218,149	158,607	+38%
Sales Daimler Trucks, in units	112,139	57,945	+94%	209,724	150,413	+39%
Sales Daimler Buses, in units	4,688	3,088	+52%	8,425	8,194	+3%
Revenue, in millions of EUR	10,012	6,200	+61%	18,677	14,944	+25%
EBIT, in millions of EUR	819	-756	-	1,860	-509	-
EBIT adjusted, in millions of EUR	831	-747	-	1,349	-500	-
Return on Sales (RoS), in %	8.2%	-12.2%	+20.4%pts	10.0%	-3.4%	+13.4%pts
Return on Sales (RoS) adjusted, in %	8.3%	-12.0%	+20.3%pts	7.2%	-3.3%	+10.5%pts
Cash Flow Before Interest and Tax (CFBIT), in millions of EUR	667	-121	-	1,288	-206	-
Cash Flow Before Interest and Tax (CFBIT) adjusted, in millions of EUR	693	-121	-	1,128	-206	-
Cash Conversion Rate adjusted	0.8	0.2	-	0.8	0.4	-

Daimler Mobility	Q2 2021	Q2 2020	Change 21/20	YTD 2021	YTD 2020	Change 21/20
Revenue, in millions of EUR	6,874	6,450	+7%	13,840	13,551	+2%
New business, in millions of EUR	17,191	13,971	+23%	33,955	30,145	+13%
Contract volume (June 30), in millions of EUR	150,596	153,704	-2%	150,596	153,704	-2%
EBIT, in millions of EUR	924	205	+351%	1,668	263	+534%
EBIT adjusted, in millions of EUR	930	313	+197%	1,621	371	+337%
Return on Equity (RoE), in %	23.9%	5.6%	+18.3%pts	22.1%	3.6%	+18.5%pts
Return on Equity (RoE) adjusted, in %	24.0%	8.6%	+15.4%pts	21.4%	5.0%	+16.4%pts