

## Press Information

October 24, 2019

## Daimler reports third-quarter 2019 results

- **Strong Q3 sales for Mercedes-Benz Cars (+8%) and Vans (+10%)**
- **Revenue of €43.3 billion (Q3 2018: €40.2 billion)**
- **Group EBIT of €2.7 billion (Q3 2018: €2.5 billion)**
- **Group net profit of €1,813 million (Q3 2018: €1,761 million)**
- **Industrial Net Liquidity at €9.6 billion (Q2 2019: €6.6 billion)**

Stuttgart (Germany) – **Daimler AG** (ticker symbol: DAI) today reported results for the third quarter ended September 30, 2019. The Group's total **unit sales** rose by 6% to 839,300 passenger cars and commercial vehicles (Q3 2018: 794,700). **Revenue** climbed by 8% to €43.3 billion (Q3 2018: €40.2 billion). Also adjusted for positive exchange-rate changes, revenue was slightly higher than the prior-year level. The Daimler Group posted third-quarter **EBIT** of €2.7 billion (Q3 2018: €2.5 billion), an increase of 8%.

"Strong sales at Cars and Vans supported our Q3 financial performance. However, in order to master the transformation in the next few years, we need to increase our efforts considerably: We have to significantly reduce our costs and consistently strengthen our cash flow," said **Ola Källenius, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars**.

In the third quarter, **Group net profit** rose by 3% to €1,813 million (Q3 2018: €1,761 million). Net profit attributable to the shareholders of Daimler AG amounted to €1,719 million (Q3 2018: €1,689 million), leading to an increase in **earnings per share** to €1.61 (Q3 2018: €1.58).

### Free cash flow and liquidity

In the first nine months of 2019, the **free cash flow of the industrial business** was minus €0.5 billion (Q1-3 2018: minus €0.06 billion), still affected by working capital and a continued high level of investment in future products. At the Group, **investments in property, plant and equipment** in the third quarter decreased to €1.8 billion (Q3 2018: €2.1 billion). **Expenditure for research and development** rose to €2.5 billion (Q3 2018: €2.4 billion).

The **net liquidity of the industrial business** decreased from €6.3 billion at December 31, 2018, to €9.6 billion at the end of the third quarter. The dividend payment of €3.5 billion (2018: €3.9 billion) to shareholders of Daimler AG, the effects from initial application of IFRS 16 (€3.2 billion) as well as the free cash flow of the industrial business led to the decrease in net liquidity.

### Divisional results

**Mercedes-Benz Cars** sold 604,700 vehicles in the third quarter, which is 8% more compared to third quarter of last year (Q3 2018: 559,500). Mercedes-Benz Cars' revenue increased by 9% to €23.5 billion (Q3 2018: €21.7 billion) and its EBIT improved by 4% to €1,423 million (Q3 2018: €1,372 million). Return on sales was 6.0% (Q3 2018: 6.3%).

**Daimler Trucks** showed a decrease in unit sales of 8% to 125,400 vehicles in the third quarter (Q3 2018: 136,100). Revenue grew by 3% to €10.3 billion (Q3 2018: €10.0 billion). EBIT decreased by 9% to €774 million (Q3 2018: €850 million) and return on sales was 7.5% (Q3 2018: 8.5%).

**Mercedes-Benz Vans'** unit sales increased by 10% to 100,300 vehicles (Q3 2018: 91,400). Revenue was 15% higher at €3.5 billion (Q3 2018: €3.0 billion). EBIT rose to €13 million (Q3 2018: minus €3 million) while return on sales was 3.2% (Q3 2018: minus 3.1%).

**Daimler Buses'** sales grew by 16% to 9,000 units in the third quarter (Q3 2018: 7,700). Revenue also rose by 16% to €1.2 billion (Q3 2018: €1.1 billion). EBIT more than doubled to €9 million (Q3 2018: €30 million). Return on sales improved to 6.4% (Q3 2018: 2.8%).

At **Daimler Mobility AG** (previously Daimler Financial Services), new business totaled €18.3 billion in the third quarter (Q3 2018: €16.6 billion), which is an increase of 10%. Revenue was 11% higher at €7.1 billion (Q3 2018: €6.4 billion). The division's EBIT amounted to €13 million (Q3 2018: €392 million), an increase of 5% compared to third quarter of last year. At 11.9%, return on equity was slightly below the figure of 12.5% in the prior-year period.

### Global workforce

At the end of the third quarter, the Daimler Group employed 304,680 people worldwide (year-end 2018: 298,683, end of Q3 2018: 300,367). Of that total, 178,097 people were employed in **Germany** (year-end 2018: 174,663, end of Q3 2018: 176,287) and 27,029 in the **United States** (year-end 2018: 26,310, end of Q3 2018: 26,079). The consolidated subsidiaries in **China** employed 4,427 people at the end of September (year-end 2018: 4,424, end of Q3 2018: 4,410).

### Outlook for Daimler and divisions

At Group level, **Daimler** continues to expect unit sales in 2019 at the previous year's number and revenue slightly above the prior year. **Mercedes-Benz Cars** assumes that revenue will be at the previous year's level. **Daimler Trucks** now expects revenue in the magnitude of the prior year. The divisions **Mercedes-Benz Vans** and **Daimler Mobility** anticipate slight revenue growth. **Daimler Buses** expects a significant increase in revenue.

As reported in the risk and opportunity report, Daimler is subject to governmental information requests, inquiries, investigations, administrative orders and proceedings as well as court proceedings in connection with diesel exhaust emissions. As legal proceedings are fraught with a large degree of uncertainty, it is possible that in the context of their final resolution some of the provisions we have recognized for them could prove to be insufficient. As a result, additional expenditures may arise, which may negatively affect the profitability expectations mentioned below, in particular of the divisions Mercedes-Benz Cars and Mercedes-Benz Vans. The detailed risk and opportunity report containing more detailed information regarding risks from legal proceedings in connection with diesel exhaust gas emissions is published on pages 20 ff. of the interim report for the third quarter 2019.

Based on the expected market development and the current assessments of the divisions, Daimler assumes that **Group EBIT** in 2019 will be significantly below the previous year's level. The divisions mentioned below continue to expect these returns in 2019:

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

Due to a faster than expected economic downturn in the commercial-vehicle core markets of Europe and North America in the third quarter, earnings of Daimler Trucks will be adversely affected already in the fourth quarter of this year. Against this backdrop, Daimler Trucks now anticipates a return on sales of 6% to 8% as well as slightly lower unit sales.

The **free cash flow of the industrial business** is burdened by ongoing high upfront expenditures for new products and technologies as well as the costs for »Project Future« to implement the new Group structure. Daimler therefore expects the free cash flow of the industrial business in financial year 2019 to be significantly lower than in the previous year.

**Further information on third-quarter results at:**

[www.daimler.com/press/q3/19/](http://www.daimler.com/press/q3/19/)

Further information on Daimler is available at:  
[www.media.daimler.com](http://www.media.daimler.com) and [www.daimler.com](http://www.daimler.com)

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.

#### **Daimler at a glance**

Daimler AG is one of the world's most successful automotive companies. With its Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses, and Daimler Mobility divisions, the Group is one of the leading global suppliers of premium cars and is the world's largest manufacturer of commercial vehicles over six tons. Daimler Mobility offers financing, leasing, fleet management, investments, credit card and insurance brokerage as well as innovative mobility services. The company founders, Gottlieb Daimler and Carl Benz, made history by inventing the automobile in 1886. As a pioneer of automotive engineering, Daimler sees shaping the future of mobility in a safe and sustainable way as both a motivation and obligation. The company's focus therefore remains on innovative and green technologies as well as on safe and superior vehicles that both captivate and inspire. Daimler continues to invest systematically in the development of efficient powertrains – from high-tech combustion engines and hybrid vehicles to all-electric powertrains with battery or fuel cell – with the goal of making locally emission-free driving possible in the long term. The company's efforts are also focused on the intelligent connectivity of its vehicles, autonomous driving and new mobility concepts. Daimler regards it as its aspiration and obligation to live up to its responsibility to society and the environment. Daimler sells its vehicles and services in nearly every country of the world and has production facilities in Europe, North and South America, Asia and Africa. In addition to Mercedes-Benz, the world's most valuable premium automotive brand (source: Interbrand study, 4 Oct. 2018), and Mercedes-AMG, Mercedes-Maybach and Mercedes me, its brand portfolio includes smart, EQ, Freightliner, Western Star, BharatBenz, FUSO, Setra and Thomas Built Buses as well as the brands of Daimler Mobility: Mercedes-Benz Bank, Mercedes-Benz Financial Services and Daimler Truck Financial. The company is listed on the Frankfurt and Stuttgart stock exchanges (ticker symbol DAI). In 2018, the Group had a workforce of around 298,700 and sold 3.4 million vehicles. Group revenues amounted to €167.4 billion and Group EBIT to €11.1 billion.