

Daimler lifts outlook on higher third-quarter profits

October 23 2020



Daimler said its third-quarter earnings reflect a good performance as the world's auto market starts to improve

German auto giant Daimler, maker of Mercedes-Benz, said Friday that it was upgrading its earnings forecast for the whole of 2020 after group profits rose in the third quarter.

"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 carmaker said in a statement.

In the three months to September, Daimler's [net profit](#) amounted rose to 2.2 billion euros (\$2.6 billion) from 1.8 billion euros in the same period a year earlier.

Underlying or operating profit rose amounted to 3.1 billion euros compared with 2.7 billion euros a year earlier.

Revenues, however, dipped seven percent to 40.3 billion euros.

"Our strong product portfolio and the positive [market](#) recovery drove us to a good performance," said finance chief Harald Wilhelm.

With continued efforts to control costs, "we are on track to make our business more weatherproof," Wilhelm said.

Like most of the industry, Daimler was badly hit earlier this year by factory and showroom closures imposed by the government as part of nationwide lockdowns to rein in the spread of the coronavirus.

The measures pushed Daimler deep into the red in the [second quarter](#), when it booked a net loss of 1.9 billion euros.

However, a second wave is now rolling across Europe and Germany on Thursday reported a record number of new cases.

Daimler said it is expecting underlying or operating [profit](#) for the whole year to reach last year's level of 4.3 billion euros, assuming that conditions in its major markets do not deteriorate due to the pandemic.

In October, Daimler had said it would slash costs by 20 percent by 2025, including through staff adjustments, as it struggles to refocus on the

electric vehicle market.

Late last year, it had said it would eliminate 10,000 jobs through voluntary redundancies, but the German media has suggested as many as 30,000 jobs could go.

The Stuttgart-based company also agreed in August to pay \$2.2 billion to US authorities to settle civil cases over the "dieselgate" emissions-cheating scandal that has rocked Germany's cherished car industry.

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