

Daimler first quarter operating profits plunge as virus bites

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German car giant Daimler has reported a 78-percent drop in preliminary first-quarter operating profits to 617 million euros (\$667 million), as the coronavirus wreaks havoc on production and sales.

The Mercedes-Benz manufacturer, which had already withdrawn its targets for 2020 amid the pandemic, said Wednesday it expected sales, turnover and operating profit to be lower than in 2019.

The firm forecast sales across its lines of Mercedes-Benz cars and vans as well as its Daimler buses and trucks to all be lower on-year, it said in a statement.

"The effect of the COVID-19 pandemic on customer demand, supply chains and vehicle production cannot be assessed with the usual degree of detail and certainty, making the re-evaluation of the forecast for the [fiscal year](#) 2020 complex," it said.

In the first quarter, Daimler's worldwide sales slumped 15 percent year-on-year, with Mercedes-Benz cars alone seeing a 20-percent drop in China and a fall of 16 percent in Europe.

Daimler—which re-opened some of its factories in Europe this week after a weeks-long interruption—did not publish its [sales figures](#) or expected net profit and will publish its full report for the quarter on April 29.

Car manufacturers in Europe have been reeling since March following restrictions on movement put in place by governments across the continent to limit the spread of the virus.

Last week, German car giant Volkswagen withdrew its 2020 financial targets as it warned of collapsing profits due to the coronavirus.

First-quarter [operating profit](#) fell around 80 percent compared with January-March 2019, to 900 million euros (\$979 million), VW said in its preliminary figures.

Experts expect still-worse performance in April, while ratings agency Moody's forecast a 14-percent contraction in the global car market for 2020 as a whole.

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