

Daimler AG

Condensed version in accordance with the German Commercial Code (HGB)

In addition to reporting on the Daimler Group, the development of Daimler AG is also described in this section.

Daimler AG is the parent company of the Daimler Group and its headquarters are in Stuttgart.

Daimler AG acts as an operational and strategic management holding company and provides services to the companies of the Group. As the parent company, it also decides on the Group's strategy, decides on matters of major importance for business operations, and ensures regulatory, legal, and compliance functions throughout the Group.

The annual financial statements of Daimler AG are prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). This results in some differences with regard to recognition and measurement, primarily in connection with provisions, financial instruments, the leasing business and deferred taxes.

For Daimler AG as an operational and strategic management holding company, net profit or loss is the main performance indicator.

Profitability

The **profitability** of Daimler AG in the 2020 financial year was affected by significantly higher financial income and improved operating profit. ↗ **B.34**

Daimler AG generated **revenue** of €1.7 billion primarily from the provision of services to companies of the Group (2019: €2.0 billion). The decrease in revenue was the result of providing a lower volume of services to the companies of the Group, due to short-time working and efficiency measures.

Cost of sales decreased to €1.6 billion (2019: €2.0 billion) and primarily comprises expenses incurred for the generation of revenue from services provided to companies of the Group.

General administrative expenses amounted to €0.9 billion (2019: €1.0 billion), including expenses of €0.1 billion from ongoing programs for the optimization of personnel costs. The prior-year figure takes into consideration costs in connection with "Project Future" of €0.2 billion.

Other operating income amounted to €0.3 billion (2019: expense of €0.3 billion) and primarily comprises income from the sale of patents in connection with combining the Group-wide fuel-cell activities and relating to Group-internal derivatives of the vehicle business.

Financial income increased by €3.4 billion to €2.9 billion, primarily due to higher income from investments in subsidiaries and associated companies. This was the result of a positive development with profit transfers from subsidiaries.

The **income tax expense** amounted to €0.1 billion (2019: €0.0 billion).

Net profit amounts to €2.1 billion (2019: net loss of €1.7 billion) and is thus in line with the expectation stated in the Outlook chapter of Annual Report 2019.

The **economic situation** of Daimler AG in its function as a management holding company mainly depends on the development of its subsidiaries. Daimler AG participates in the operating results of its subsidiaries through dividend distributions and profit-and-loss transfers. Its economic situation therefore corresponds with that of the Daimler Group, which is described in the chapter [Overall Assessment of the Economic Situation](#).

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Condensed income statement of Daimler AG

	2020	2019
In millions of euros		
Revenue	1,685	2,019
Cost of sales	-1,641	-1,959
General administrative expenses	-928	-964
Other operating income/expense	280	-272
Operating profit	-604	-1,176
Financial income/expense	2,878	-546
Income taxes	-141	44
Net profit/loss	2,133	-1,678
Transfer to/from retained earnings	-689	2,641
Distributable profit	1,444	963