



# Daimler Trucks agrees to acquire majority stake in Torc Robotics to create technology powerhouse for automated trucks

03 29, 2019

**Contact:** [andrea.corso@daimler.com](mailto:andrea.corso@daimler.com)

- Combination of pioneers in trucks and automated vehicles forms unique player to bring highly automated trucks on roads
- Automated trucks have great potential to meet the world's ever-growing freight transportation needs through increased safety and efficiency
- Torc Robotics to retain location, name, and team members while working closely with Daimler Trucks research and development teams, especially in North America
- Daimler Trucks to leverage synergies across Daimler through close cooperation with Mercedes-Benz Cars on automated vehicle technologies

**(Blacksburg/Stuttgart/Portland)** Daimler Trucks, a division in the Daimler Group, the inventor of the truck and world's largest manufacturer of heavy and medium trucks, and Torc Robotics, a pioneer in autonomous driving solutions, are joining forces in a one-of-a-kind combination to commercialize highly automated trucks (SAE Level 4) on U.S. roads. Going beyond an OEM/supplier relationship, the companies signed an agreement today for Daimler AG's subsidiary Daimler Trucks and Buses Holding Inc., to acquire a majority stake in Torc Robotics for an undisclosed sum. Closing of the acquisition is subject to approval from U.S. authorities.

Michael Fleming, CEO of Torc Robotics, Martin Daum, Member of the Board of Management Daimler AG, responsible for Trucks and Buses, and Roger Nielsen, CEO of Daimler Trucks North America LLC, announced the strategic move today at Torc headquarters in Blacksburg, Virginia.

"With the ever rising demand for road transportation, not the least through e-commerce, there is a strong business case for self-driving trucks in the U.S. market and I believe the fastest path to commercialization for self-driving trucks is in partnership with Daimler Trucks, the OEM market leader. This move is in line with our mission of saving lives and represents another major milestone for Torc since crossing the finish line in the DARPA Urban Challenge 12 years ago," said Michael Fleming, CEO of Torc.

"Bringing Torc Robotics within the Daimler Trucks family creates a unique and powerful team of innovators to put highly automated trucks on the road. Daimler Trucks and Torc Robotics complement each other perfectly in terms of resources, expertise, and skill sets. We are forming the ideal combination between Torc's expertise on agile software development and our experience in delivering reliable and safe truck hardware," said Martin Daum, Member of the Board of Management Daimler AG, responsible for Trucks and Buses. "Together, we will provide a sustainable way for our customers to meet the ever-growing freight demand and benefit both the economy and society," he said.

"Torc is not a start-up, but one of the world's most experienced companies for vehicle automation. Torc takes a practical approach to

commercialization and offers advanced, road-ready technology, plus years of experience in heavy vehicles. Torc's Level 4 system has been shown to operate well for both urban and highway driving in rain, snow, fog, and sunshine," said Roger Nielsen, CEO of Daimler Trucks North America (DTNA), which includes the market-leading Freightliner brand.

As part of the overall agreements, the Torc team will work closely with Daimler Trucks' developers, particularly with the Research & Development team of Daimler Trucks North America in Portland, Oregon. Torc will continue to develop its Asimov self-driving software and testing at its Blacksburg facility. At the same time, DTNA will focus on further evolving automated driving technology and vehicle integration for heavy-duty trucks at its Automated Truck Research & Development Center in Portland. The DTNA team is working on a truck chassis perfectly suited for automated driving, particularly the redundancy of systems needed to provide the maximum level of reliability and safety.

Under the agreement, Torc will remain a separate entity retaining its name, team, existing customers, and facilities in Blacksburg. The partnership with Daimler Trucks will enable Torc to expand significantly its team, engage into the trucking market and service its growing customer base in other markets.

### **Continued strong collaboration with Mercedes-Benz Cars**

In addition to the partnership with Torc, Daimler Trucks will continue to work very closely across the Daimler Group for maximum synergies regarding automated vehicle technology. Specifically, Daimler Trucks is drawing on the activities and experiences of Mercedes-Benz Cars regarding sensor technology and operational aspects of vehicle automation.

### **Daimler Trucks pioneer of automated trucks**

Daimler Trucks is the pioneer of truck automation. Its global business includes not only Daimler AG in Germany, but other companies worldwide, including Daimler Trucks North America LLC in the U.S. In 2014, the world's leading truck manufacturer presented the Mercedes-Benz Future Truck 2025, the world's first automated truck, and was the first to demonstrate the technological opportunities and great potential that automated trucks offer the economy and society.

In 2015, Daimler's Freightliner Inspiration Truck obtained the first-ever road license for a partially automated commercial vehicle and the world premiere of the Mercedes-Benz Actros with Highway Pilot took place on public roads.

### **Level 2 automated driving now a reality at Daimler Trucks**

With Active Drive Assist (Mercedes-Benz Actros, FUSO Super Great) and Detroit Assurance 5.0 with Active Lane Assist (Freightliner Cascadia), Daimler Trucks is the first to bring partially automated driving features (SAE level 2) into series production. The new system can independently brake, accelerate and steer. Unlike systems that only work above a certain speed, Active Drive Assist / Detroit Assurance 5.0 make partially automated driving possible in all speed ranges for the driver, also another first in a series production truck. This revolutionary active lateral and longitudinal assistance package is powered by a new state-of-the-art radar and camera fusion system.

### **About Torc Robotics**

Torc Robotics, headquartered in Blacksburg, Virginia, offers a complete autonomous software solution for mobility applications including self-driving cars and transit vehicles by working with partners in automotive, transit and technology. Torc also provides self-driving technology in safety-critical applications, including defense, mining, and agriculture. Founded in 2005, Torc has integrated its self-driving solutions on ground vehicles ranging from SUVs to 300-ton mining trucks. The company employs around 100 people.

Torc has tested its on-road and traffic capabilities in demo self-driving cars that successfully logged robotic testing in more than 20 states while operating on both public roads and closed courses with zero accidents. The testing included a coast-to-coast trip across the United States and extensive driving in densely-packed streets such as those located in Las Vegas, Nevada. Torc's inclement weather capabilities were featured at CES 2019.

Torc believes that successful commercialization of self-driving technology is best accomplished through close partnerships. Announced partnerships include [Caterpillar](#), with mining and agriculture applications, and [AAA Northern California Nevada & Utah](#) for developing safety criteria through testing on public streets and closed courses. In January, Torc and [Transdev](#) announced a partnership integrating Level 4 self-driving technology in an i-Cristal shuttle that is currently undergoing route testing in France and scheduled for commercial operation this year.

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 divisions Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses and Daimler Financial Services, the Daimler Group is one of the biggest producers of premium cars and the world’s largest producer of trucks above 6 tons. Daimler Financial Services provides financing, leasing, fleet management, investment products and brokerage of credit cards and insurance, as well as innovative mobility services. The company’s founders, Gottlieb Daimler and Carl Benz, made history with the invention of the automobile in the year 1886. As a pioneer of automotive engineering, it is a motivation and commitment of Daimler to shape safely and sustainably the future of mobility. The Group’s focus is on innovative and green technologies as well as on safe and superior automobiles that appeal and fascinate. Daimler consequently invests in the development of efficient drive trains with the long-term goal of locally emission-free driving: from hightech combustion engines about hybrid vehicles to electric drive trains powered by battery or fuel cell. Furthermore, the company follows a consistent path towards intelligent connectivity of its vehicles, autonomous driving and new mobility concepts. This is just one example of how Daimler willingly accepts the challenge of meeting its responsibility towards society and the environment. Daimler sells its vehicles and services in nearly all the countries of the world and has production facilities in Europe, North and South America, Asia, and Africa. Its current brand portfolio includes, in addition to the world’s most valuable premium automotive brand, Mercedes-Benz (Source: Interbrand-Study, 10/4/2018), as well as Mercedes-AMG, Mercedes-Maybach and Mercedes me, the brands smart, EQ, Freightliner, Western Star, BharatBenz, FUSO, Setra and Thomas Built Buses, and Daimler Financial Services’ brands: Mercedes-Benz Bank, Mercedes-Benz Financial Services and Daimler Truck Financial. The company is listed on the stock exchanges of Frankfurt and Stuttgart (stock exchange symbol DAI). In 2018, the Group sold 3.4 million vehicles and employed a workforce of around 298,700 people. Group revenue amounted to €167.4 billion. Group EBIT amounted to €11.1 billion.