



# MBC Capital Market Day 2017

## Beyond Next Stage – Facing F4L 4.0

Frank Lindenberg,  
Member of the Divisional Board Mercedes-Benz Cars Executive Vice President Finance & Controlling

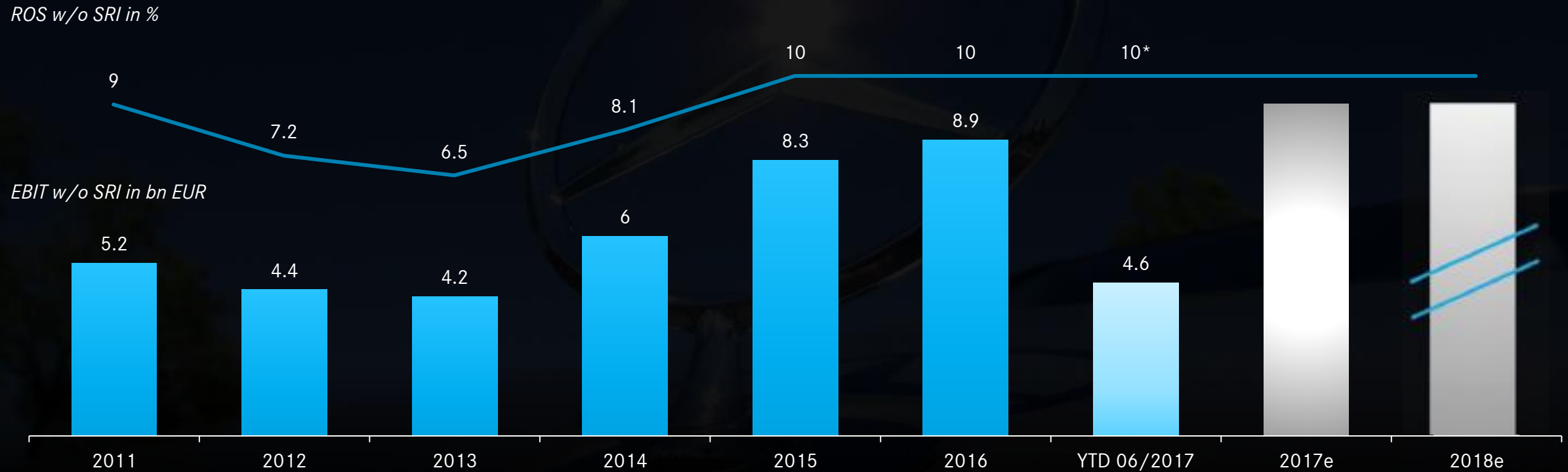
September, 11<sup>th</sup> 2017

Mercedes-Benz  
The best or nothing.



# Solid profitability track record for Mercedes-Benz Cars.

## Profit Performance per year ...



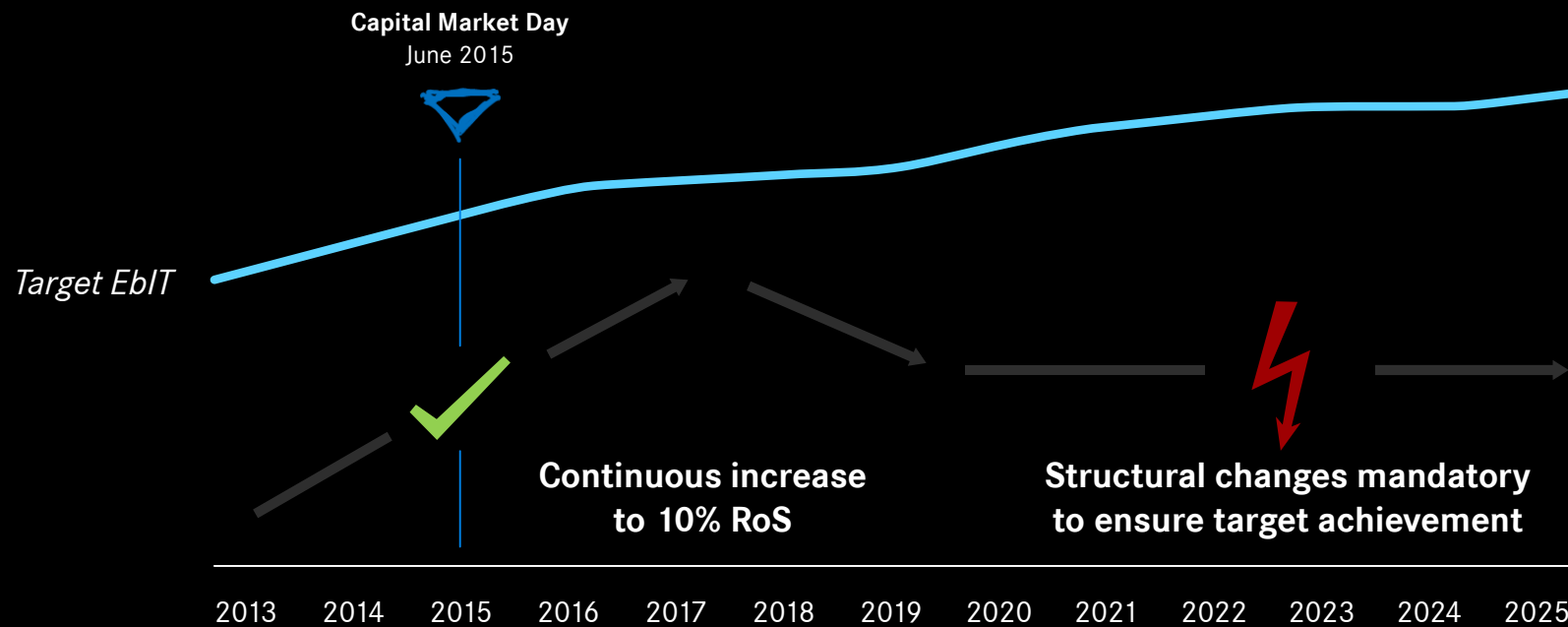
\* Reported figures incl. Items for Disclosure

# Flashback “Capital Market Day 2015”: We promised short-term financial target achievement, but highlighted mid-term challenges ahead..

EbIT-projection MBC  
“Plan 2015”

- ⌵ Tightening **CO2 regulations**
- ⌵ Growth in **small segments**
- ⌵ Attractive products at **competitive costs**

**CMD 2015**

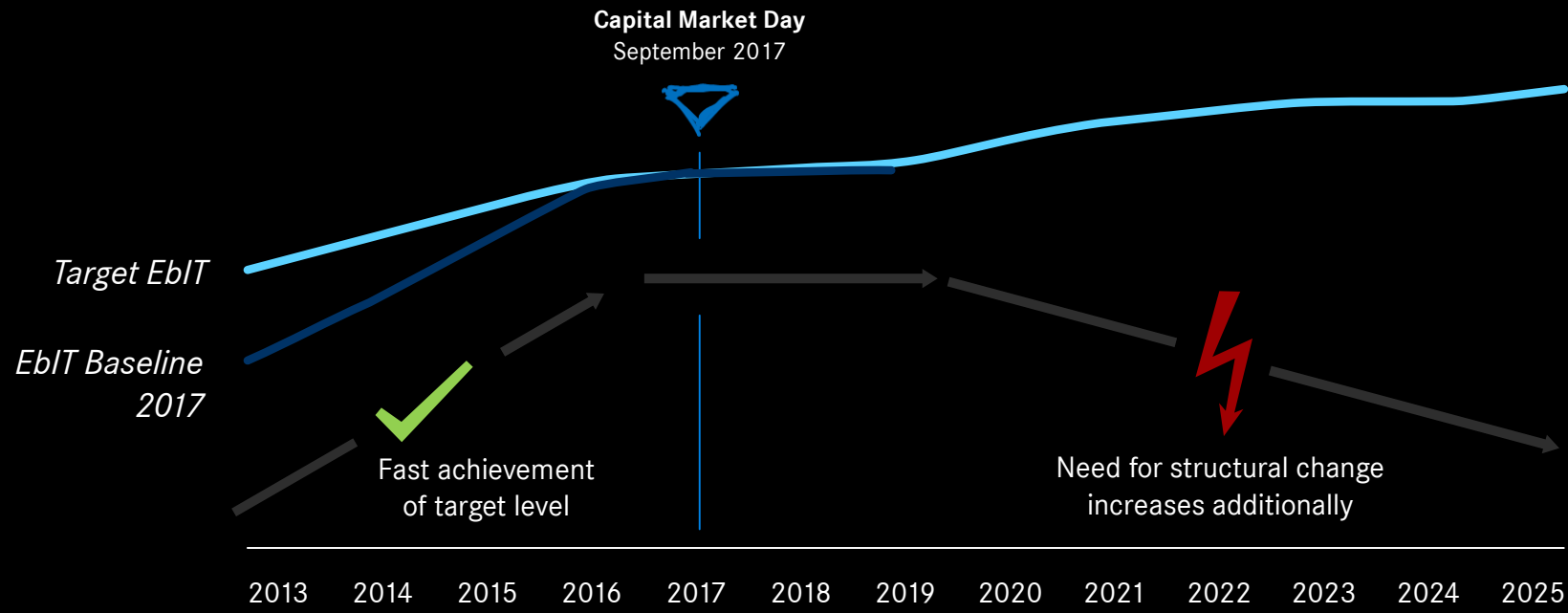


Initiation of structural change program

**F4L Next Stage**




... Our status today: We delivered regarding short term target achievement, but now see even more challenges in the future.

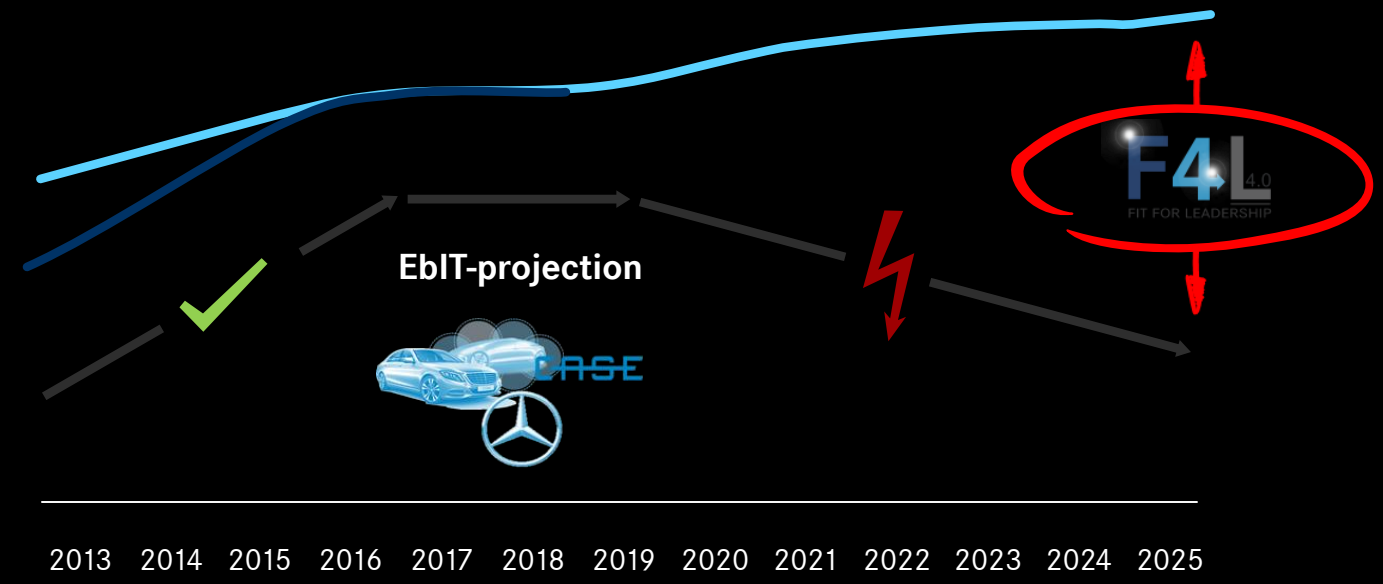
EbIT-projection MBC  
"Plan 2017"



# Challenges are getting bigger.

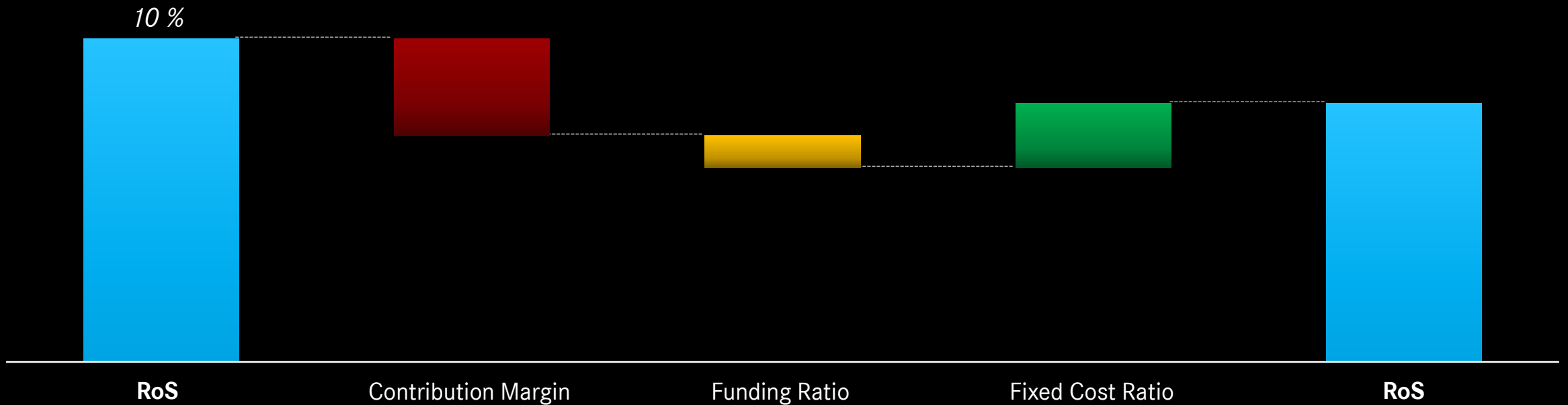


-  **Boost of EV share**  
*with significantly lower margins compared to combustion engine vehicles*
-  **Rising hybridization & CO2 measures**  
*with significant margin loss in the classic ICE based business*
-  **Capacity expansion & technology development**  
*with significantly increasing funding-level*



# „Electrification“ of product portfolio is mandatory but turns into mid-term margin challenge.

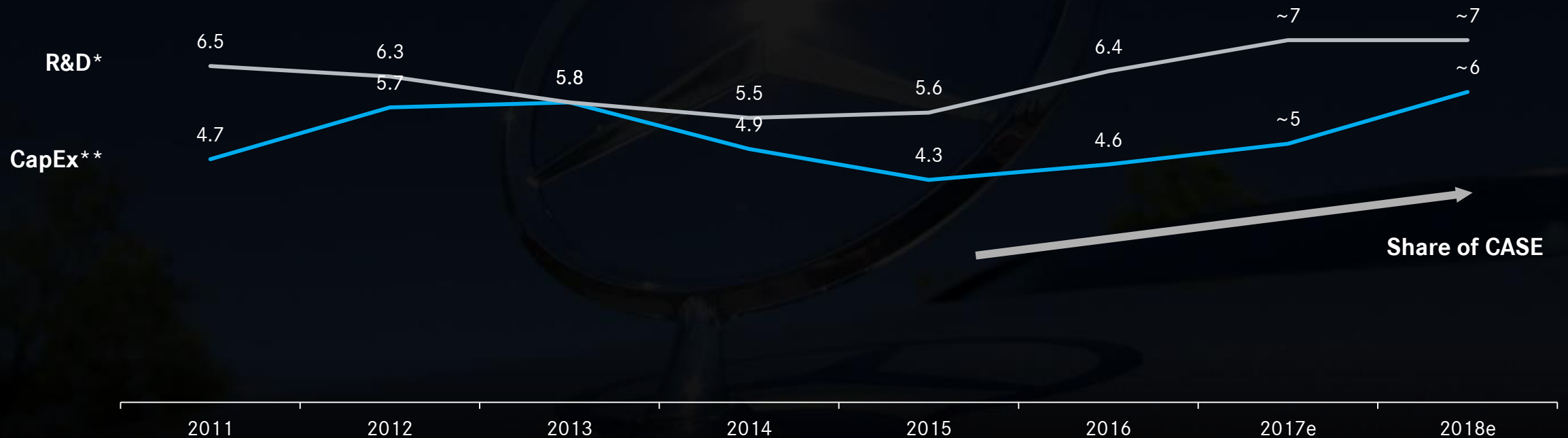
Change in MBC Profit Structure  
*Ebit-Impact in % Revenues*



# Development of R&D and CapEx ratios for MBC due to increasing CASE spending.

## CASH view ...

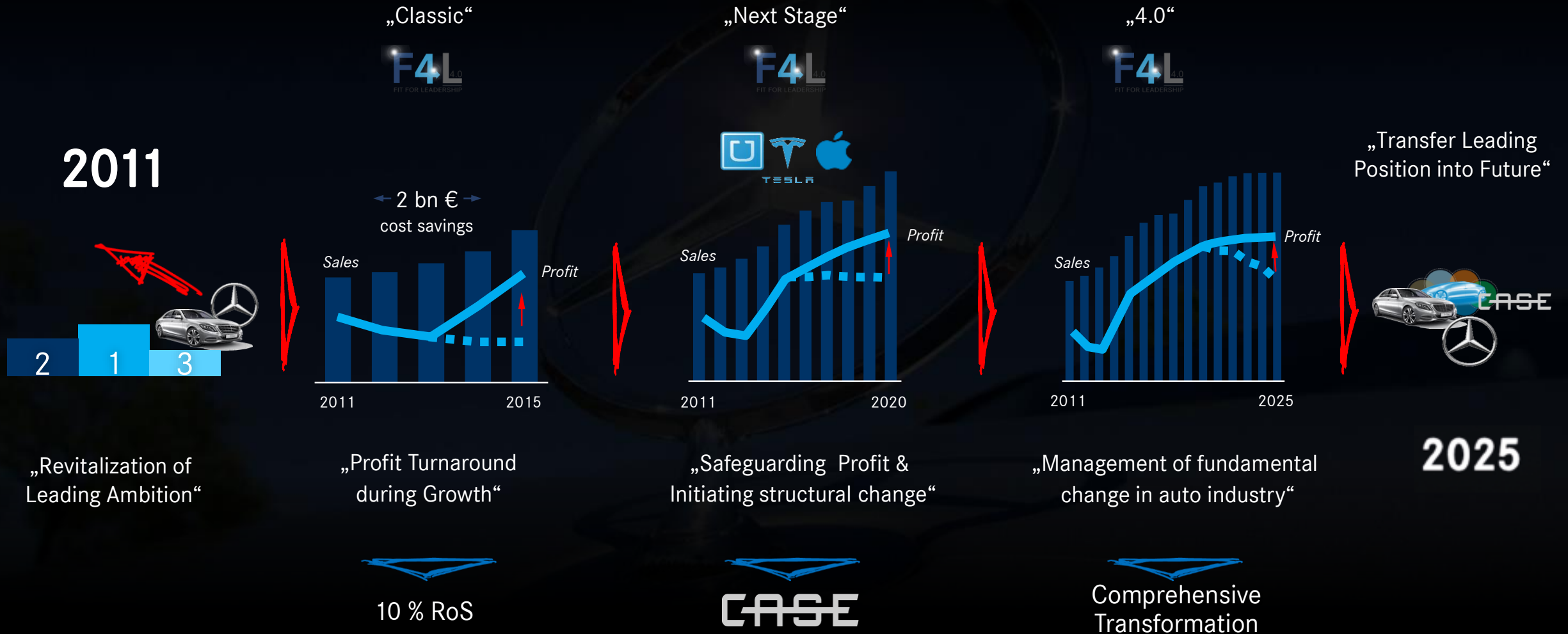
- In % of revenue -



\* Capitalized and non-capitalized R&D

\*\* CapEx for pp&e

# Fit For Leadership remains our backbone for continuous optimization ... but the program develops!





# The „2-Pillar Strategy” integrates two dimensions.

## Mercedes-Benz Cars

Integrated overall strategy

### Core

*Strengthening of competitiveness in classic industrial business system*



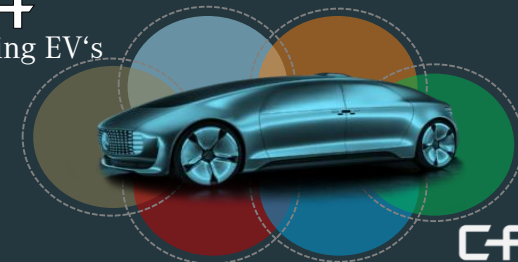
Outstanding cash & profit performance

### CASE

*Customer-centric creation of new business model*

**EVA**

Game Changing EV's



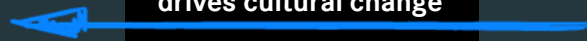
**CASE**

Mobility Service Eco System



Resolute focus on growth

Ensures CO2 compliance and drives cultural change



Provides financial resources and know-how



Integrated strategy implementation ...



... with a coordinated set of measures



# The Core of CASE is a customer-centric integration of future Hardware- & Service-offerings ...

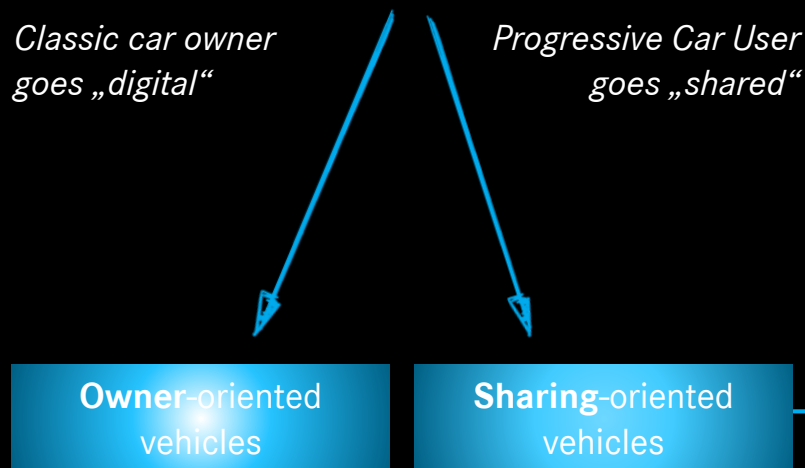
Create Game Changing EV's



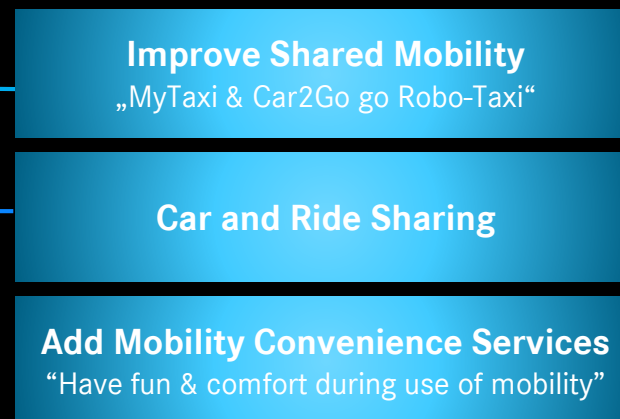
Revolutionize Mobility Services



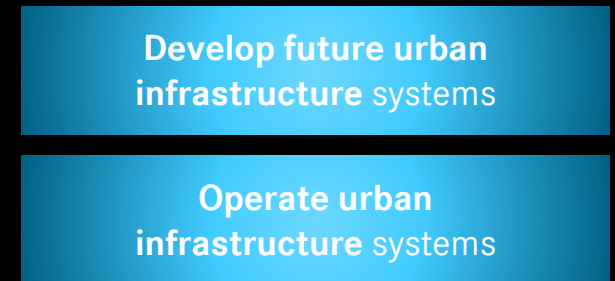
Innovate Infrastructure Beyond Car-Mobility



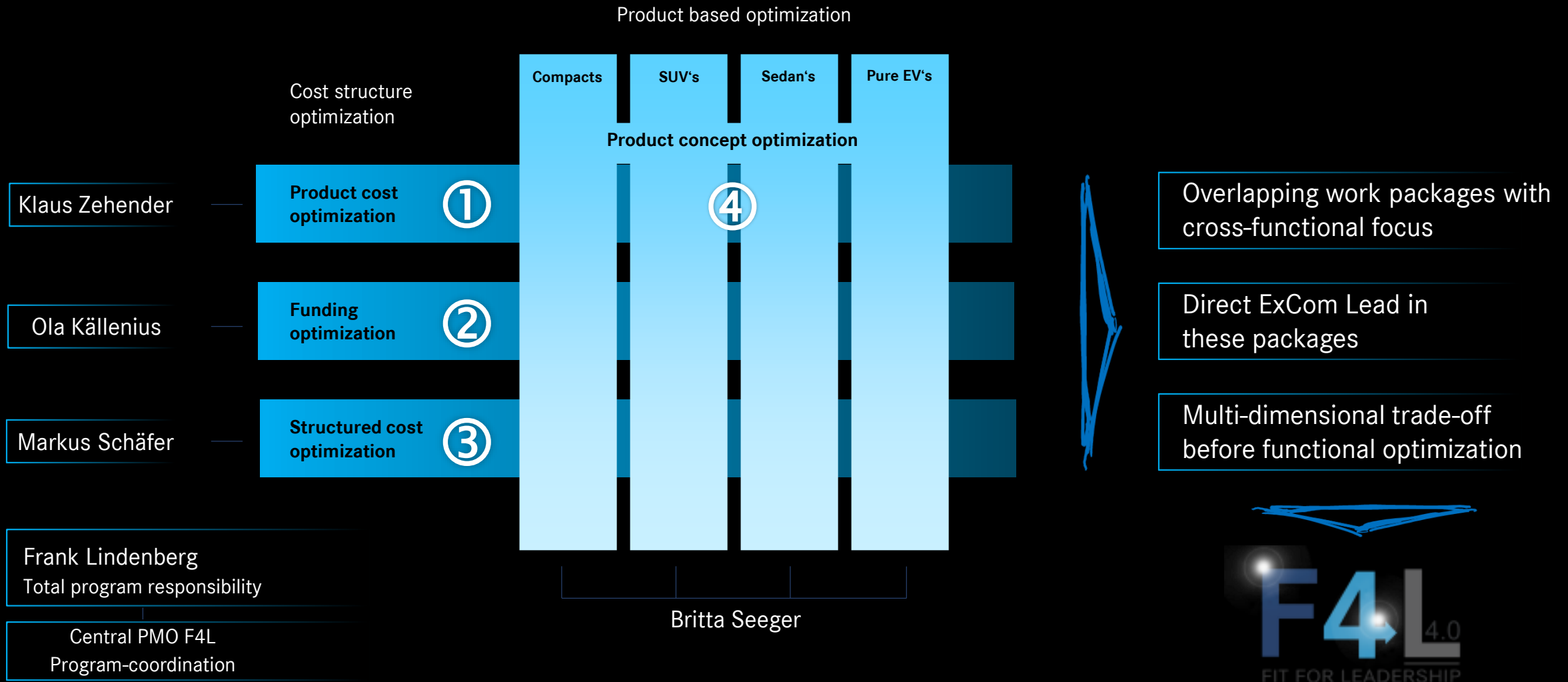
„Premium Shared Mobility“



„Infrastructure Offering“



# F4L 4.0: Cross-functional approach with strong ExCom leadership ...



# Disclaimer

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; 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.