

# MONETIZING OUR OPERATING SYSTEM

Key financial aspects

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■ STRATEGY UPDATE: MERCEDES-BENZ OPERATING SYSTEM

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The following presentation contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to many risks and uncertainties. If the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. For further details, please refer to the disclaimer at the end of the presentation.



MB.CONNECT and MB.DRIVE are the core of our software-enabled revenues



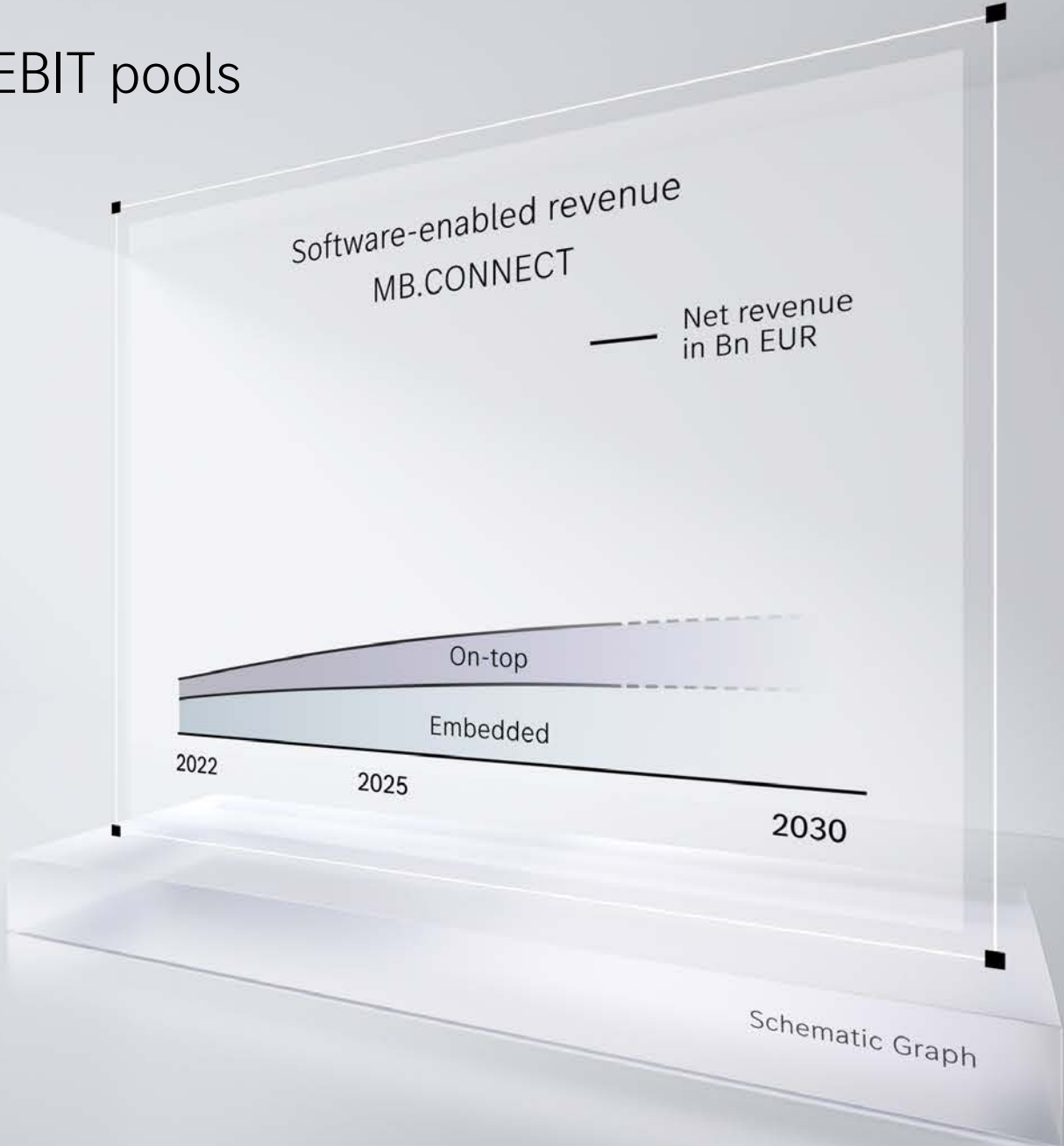
# MB.CONNECT unlocks new revenue and EBIT pools



>1 Bn EUR revenue in 2022

Embedded revenue generated mainly as factory sales

On-top revenue generated as factory and store sales



# Beneficial partnership with NVIDIA for MB.DRIVE

## SHARED EFFORT

- NVIDIA:
  - AD base software
  - Software updates
  - SoC integration
- Mercedes-Benz:
  - Vehicles integration
  - Application development
  - Variable costs



## JOINT BENEFIT

- Common use of data, IP rights and codes
- Faster development times
- Optimized product costs
- Shared proceeds

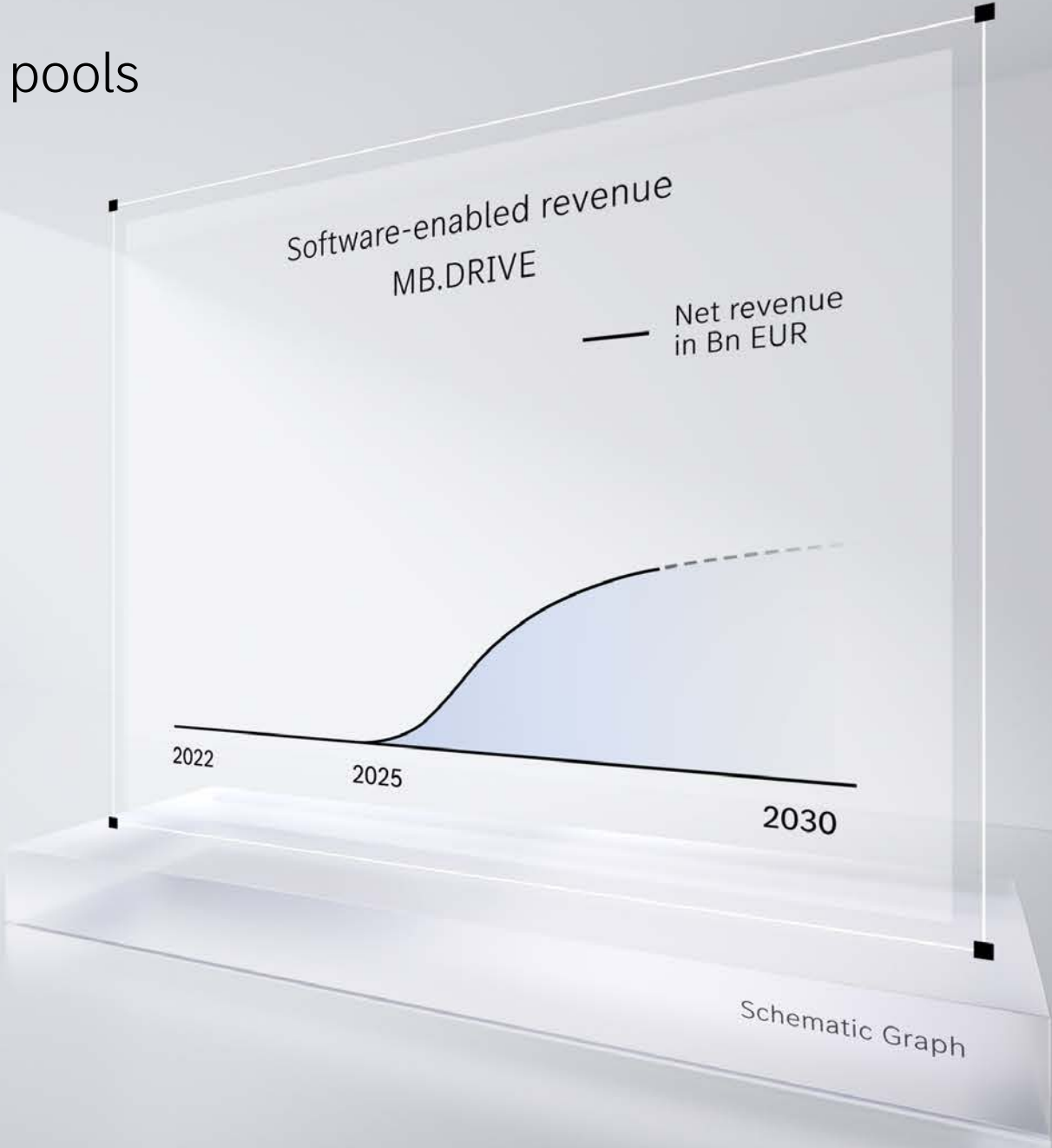
# MB.DRIVE unlocks new revenue and EBIT pools



Features available as factory and store sales

Low single-digit Bn EUR revenue by mid of the decade

Mid single-digit Bn EUR revenue by end of the decade



# Total software-enabled revenue development

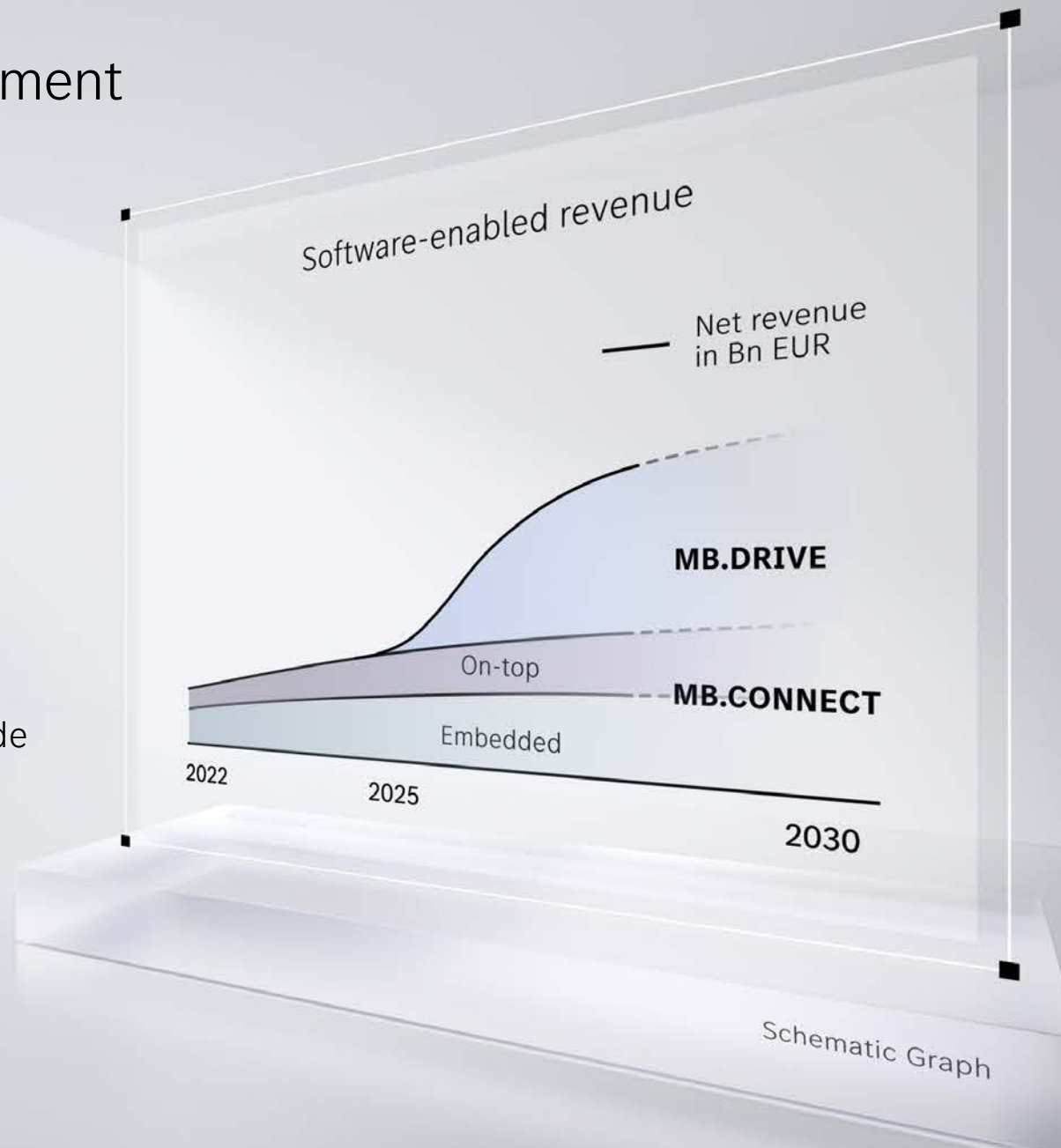


Low-to-mid single-digit Bn EUR revenue by mid of the decade

High single-digit Bn EUR revenue by end of the decade

1 Bn EUR EBIT on track by mid of the decade

All figures part of existing weather chart



Schematic Graph

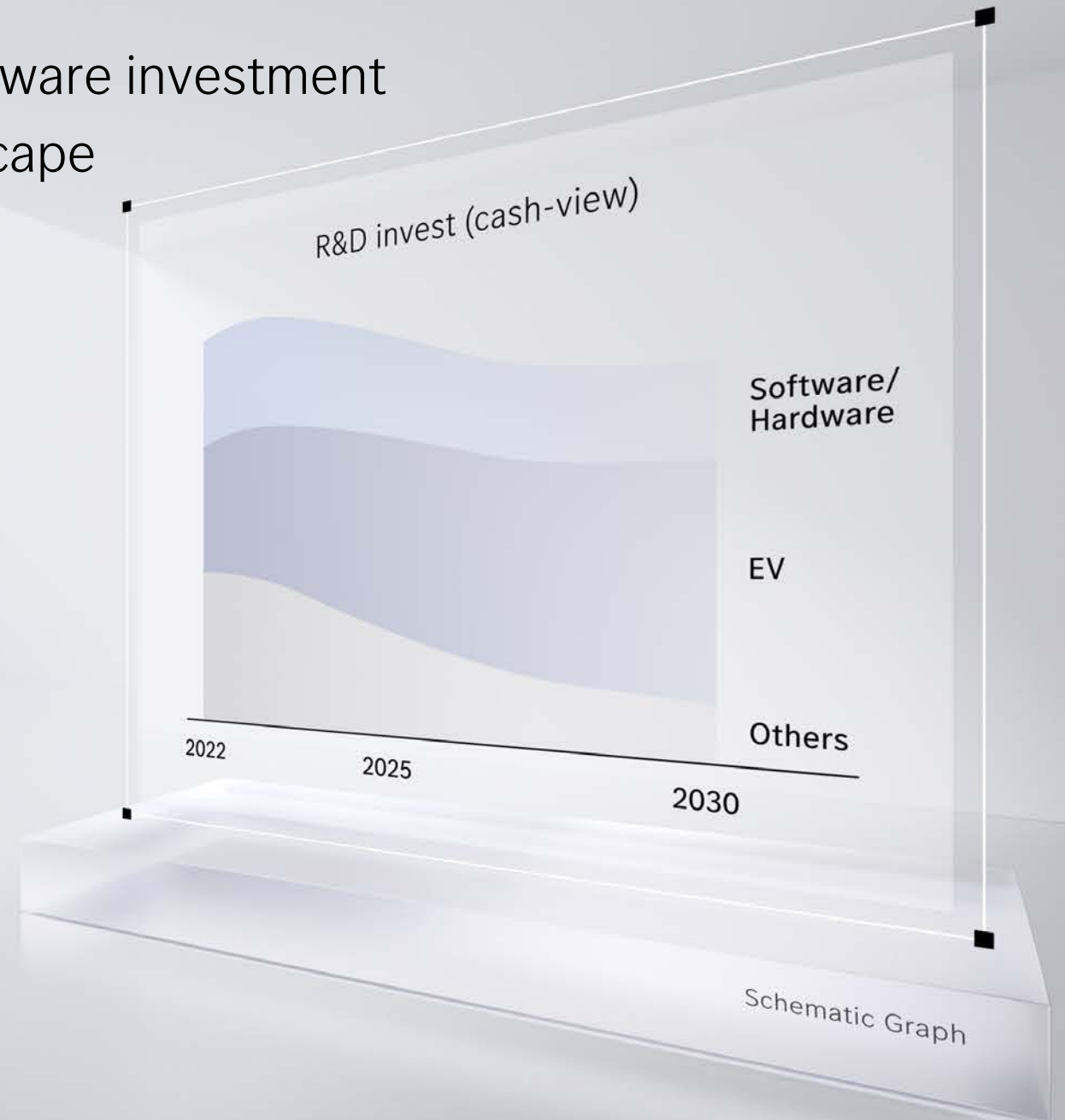
# MB.OS software and corresponding hardware investment are part of existing financial target landscape

Increased share of R&D invest in EV and MB.OS software & hardware

Run-rate of 1-2 Bn EUR p.a. for MB.OS software & hardware

25% of R&D invest by mid of decade for MB.OS software and hardware

Midterm invest reduction targets remain





# MB.OS is an enabler for our luxury and tech strategy



Let's start with the essence of our strategy

## WE WILL BUILD THE WORLD'S MOST DESIRABLE CARS

Time, Local, Export, Entrance, Lead, Lower



### Our financial ambitions for Mercedes-Benz Cars in 2025: structurally higher profitability and lower margin volatility

Market Environment\* ☁️ ☁️☀️ ☀️

Mix & Pricing → Higher mix and strong pricing power

Fixed costs	> -20% vs.2019	> -20% vs.2019	> -20% vs.2019
CAPEX and R&D (CF impact)	> -20% vs.2019	> -20% vs.2019	> -20% vs.2019
RoS adjusted	approx.8%/10%	approx.12%	approx.14%
Cash conversion	0.7 - 0.9x		

\* Market Environment comprises all the above listed external factors. There might also be situations, which are impossible for us to forecast and not covered within the weather chart e.g. "black swans" like Covid-19 in 2020. Major economic shifts can now materialize or via the geo-political side might be further potential examples. By the nature of these metrics providing a margin forecast for each scenario scenario is not possible.

# 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, pandemics, 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, customs and foreign trade provisions; 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, labour 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 governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in the current Annual Report or in the current Interim 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.