# Roadshow Presentation
# Q1 2023
# Mercedes-Benz Group AG

Mercedes-Benz

# AGENDA

I. **Results Q1 2023**

II. Outlook FY 2023

III. Strategy

1. Mercedes-Benz Cars

1.1 Luxury Strategy

1.2 Electrification

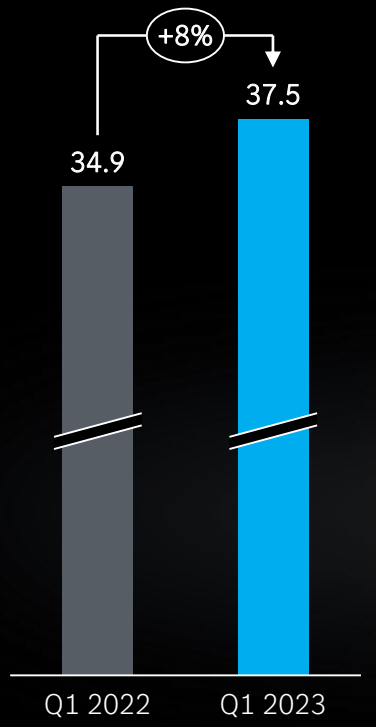
1.3 Automated Driving & Operating System

2. Mercedes-Benz Vans

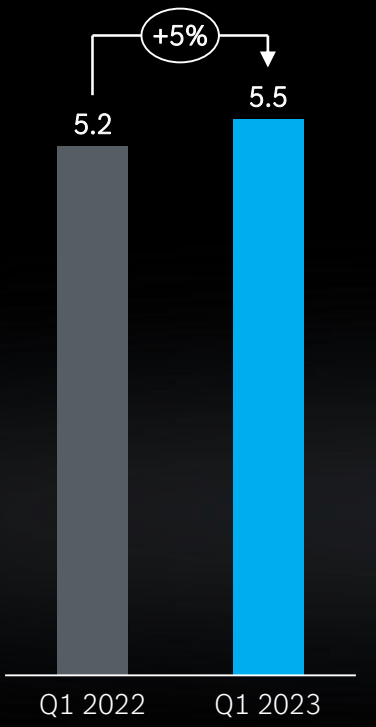
3. Mercedes-Benz Mobility

# Mercedes-Benz Group: Key figures

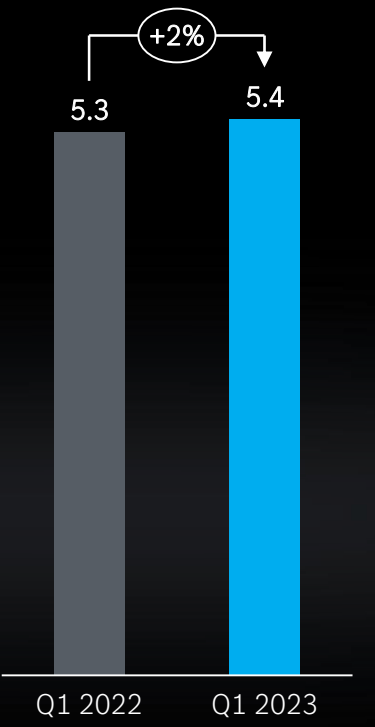
Revenue
in billion euros



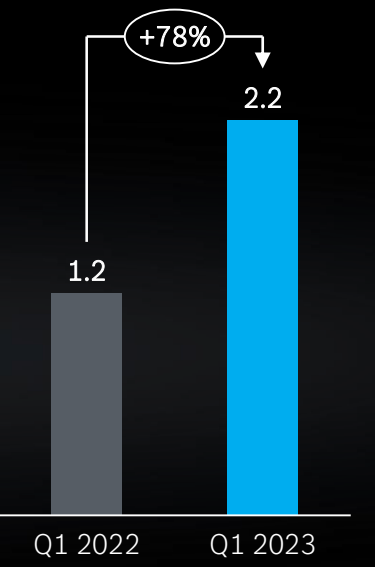

EBIT
in billion euros




EBIT adj.
in billion euros




Free Cash Flow (IB)
in billion euros




Net Industrial Liquidity
in billion euros

# Mercedes-Benz Cars: Key messages


**Performance:** Significant Top-End sales and almost doubled BEV sales

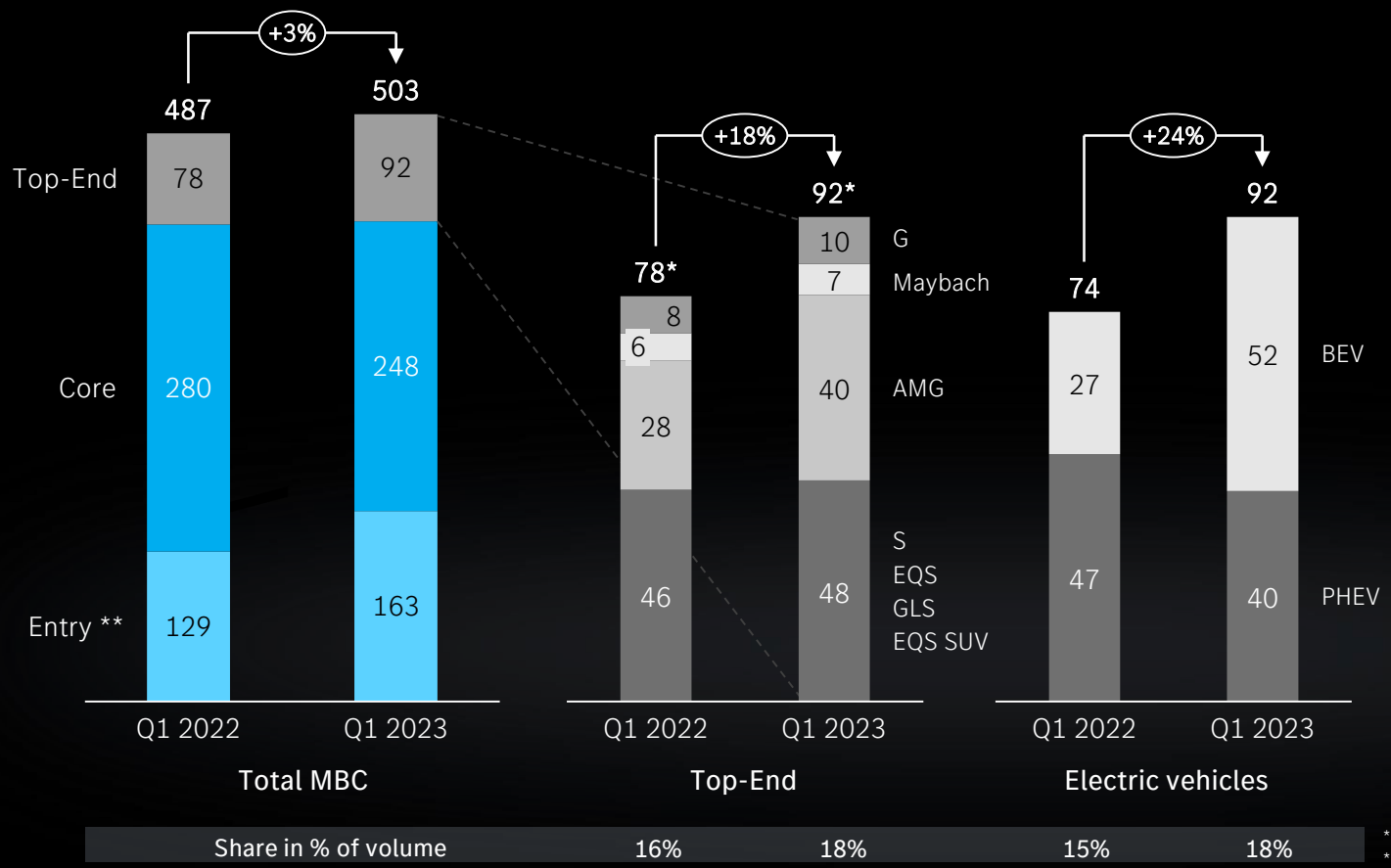
**Profitability:** Strong net pricing and double-digit margin demonstrating weatherproofed business

**Products:** New Mercedes-Maybach EQS SUV and all new E-Class unveiled, EQE SUV start of sales

**Strategy:** MB.OS Software strategy & ESG progress outlined

# Mercedes-Benz Cars:
# Top-End and electric vehicle unit sales

In thousand units



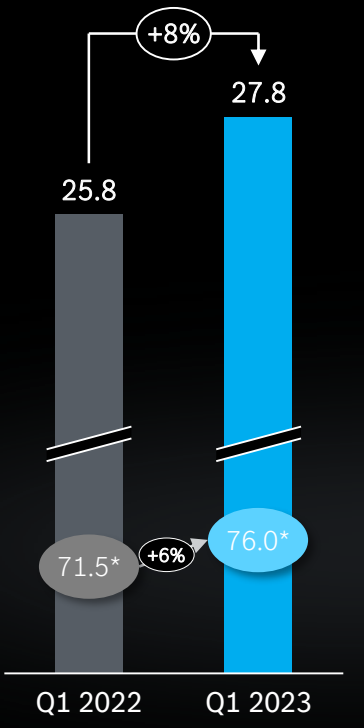

| Share in % of volume | 16% | 18% | 15% | 18% |
|---|---|---|---|---|

* w/o double counting (e.g. G63, S-Class, Maybach)
** incl. smart

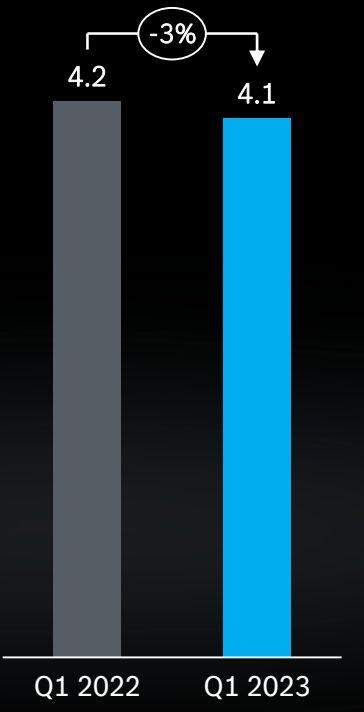
# Mercedes-Benz Cars: Financials


**Sales**
in thousand units

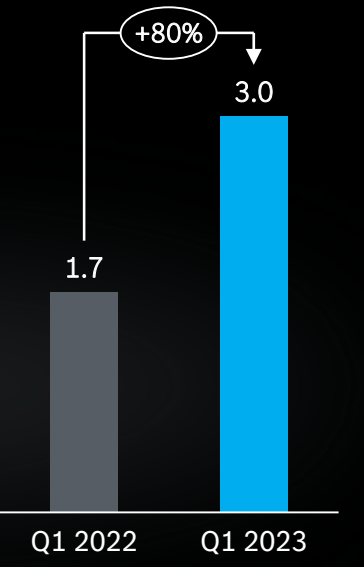

**Revenue**
in billion euros




**EBIT adj.**
in billion euros



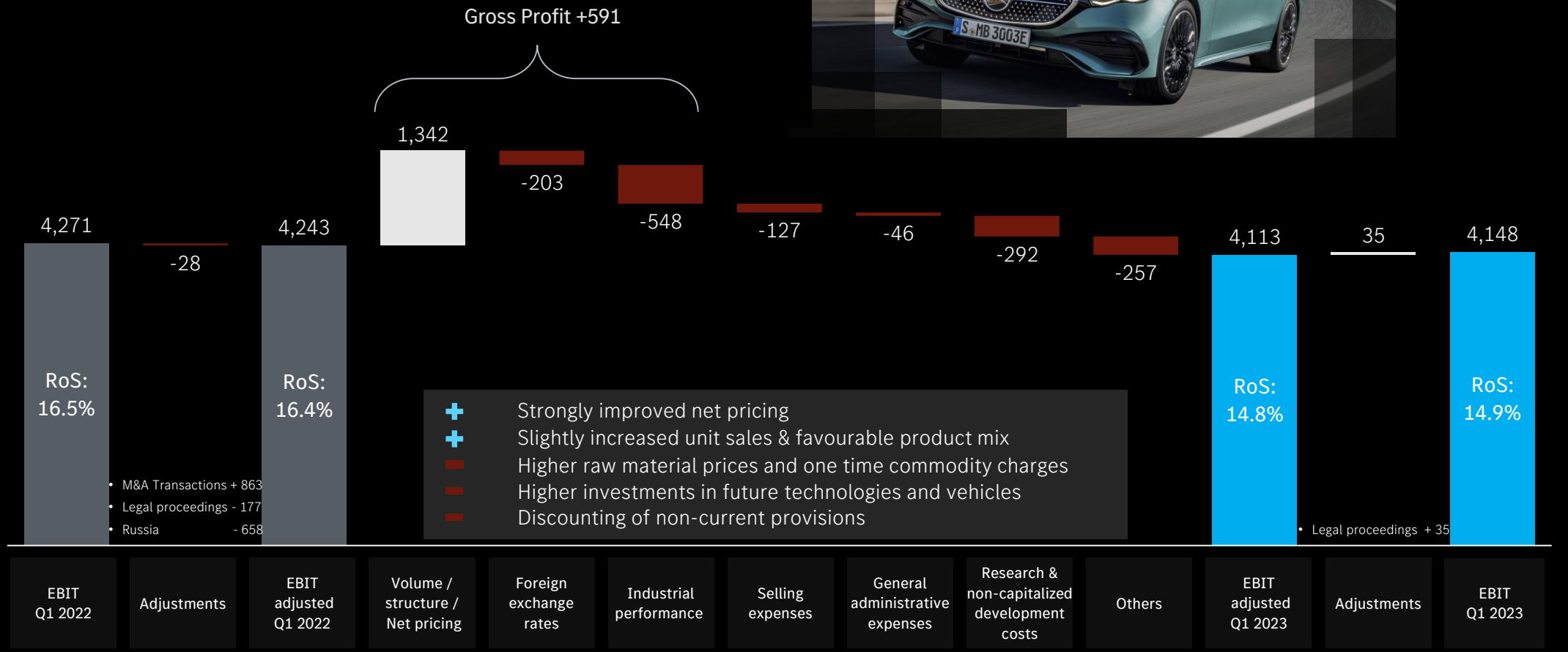

**CFBIT adj.**
in billion euros




* ASP in thousand euros excl. Smart, BBAC sales and pbp revenues

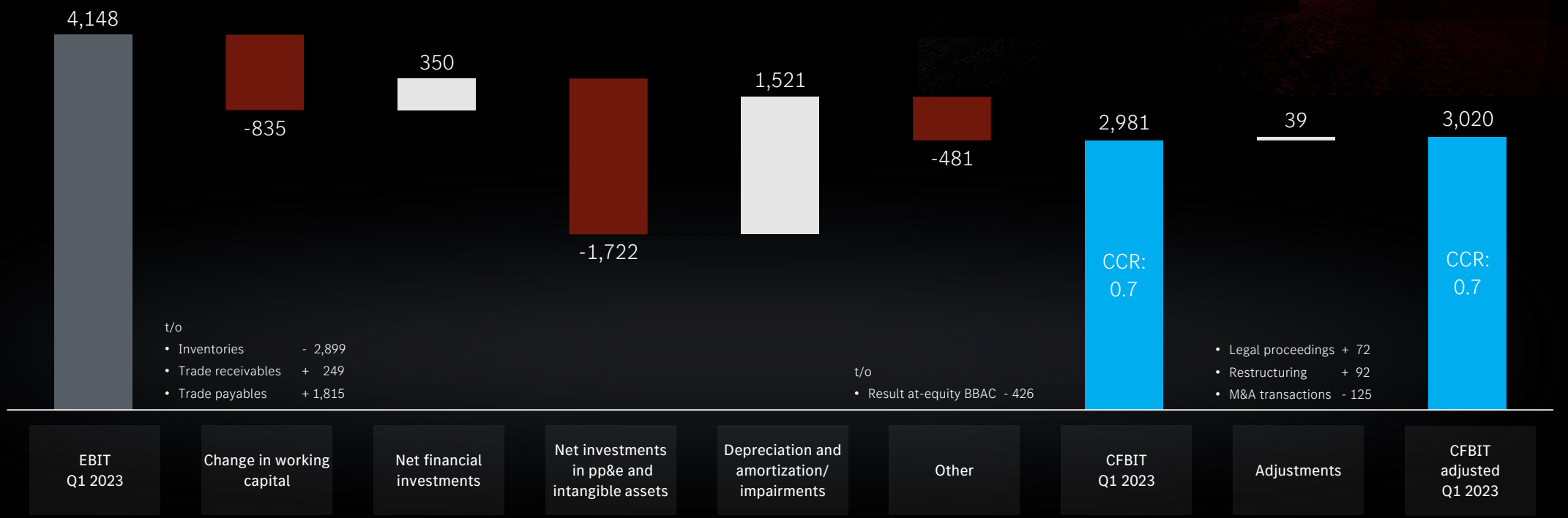
# Mercedes-Benz Cars: Q1 2023 EBIT & RoS

In million euros



# Mercedes-Benz Cars: EBIT to CFBIT

In million euros



# Mercedes-Benz Vans: Key messages

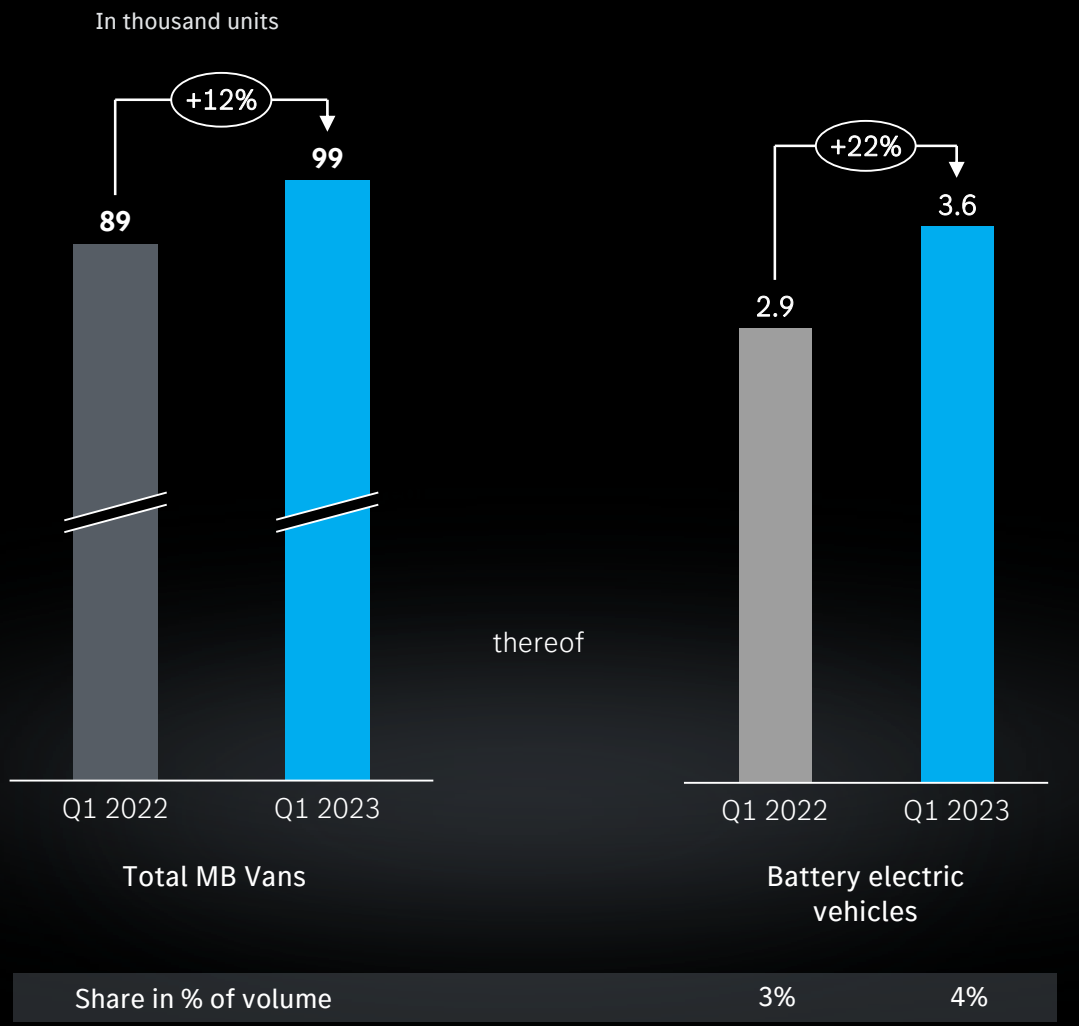

**Performance**: Healthy sales with strong earnings

**Profitability:** Strongly improved net pricing outweighs cost inflation

**Products:** World premiere of new eSprinter very well perceived

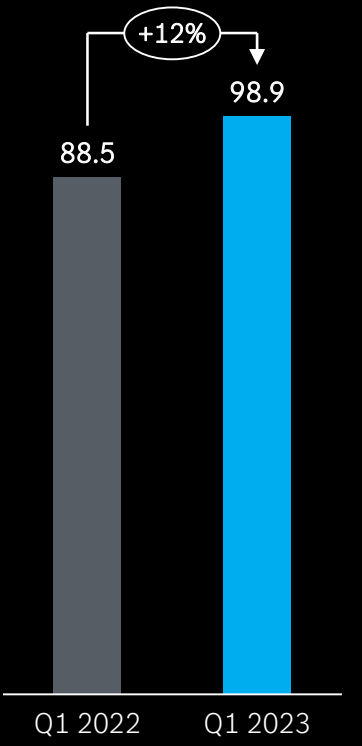
**Strategy:** Virtual Van CMD on May 16

# Mercedes-Benz Vans: Electric vehicle unit sales

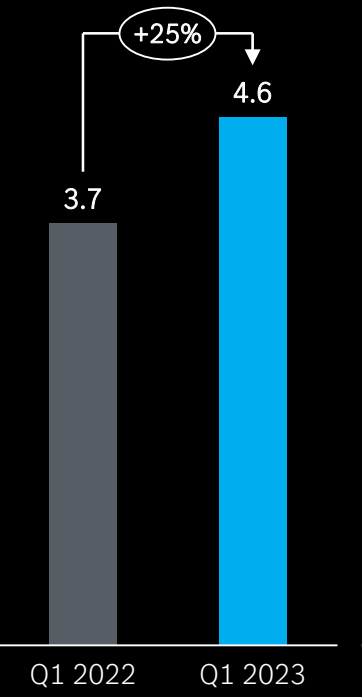


# Mercedes-Benz Vans: Financials

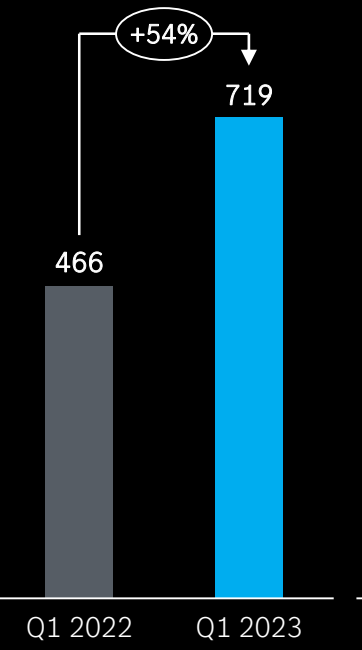
**Sales**
in thousand units



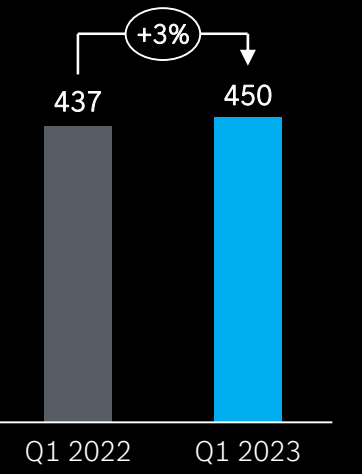

**Revenue**
in billion euros




**EBIT adj.**
in million euros

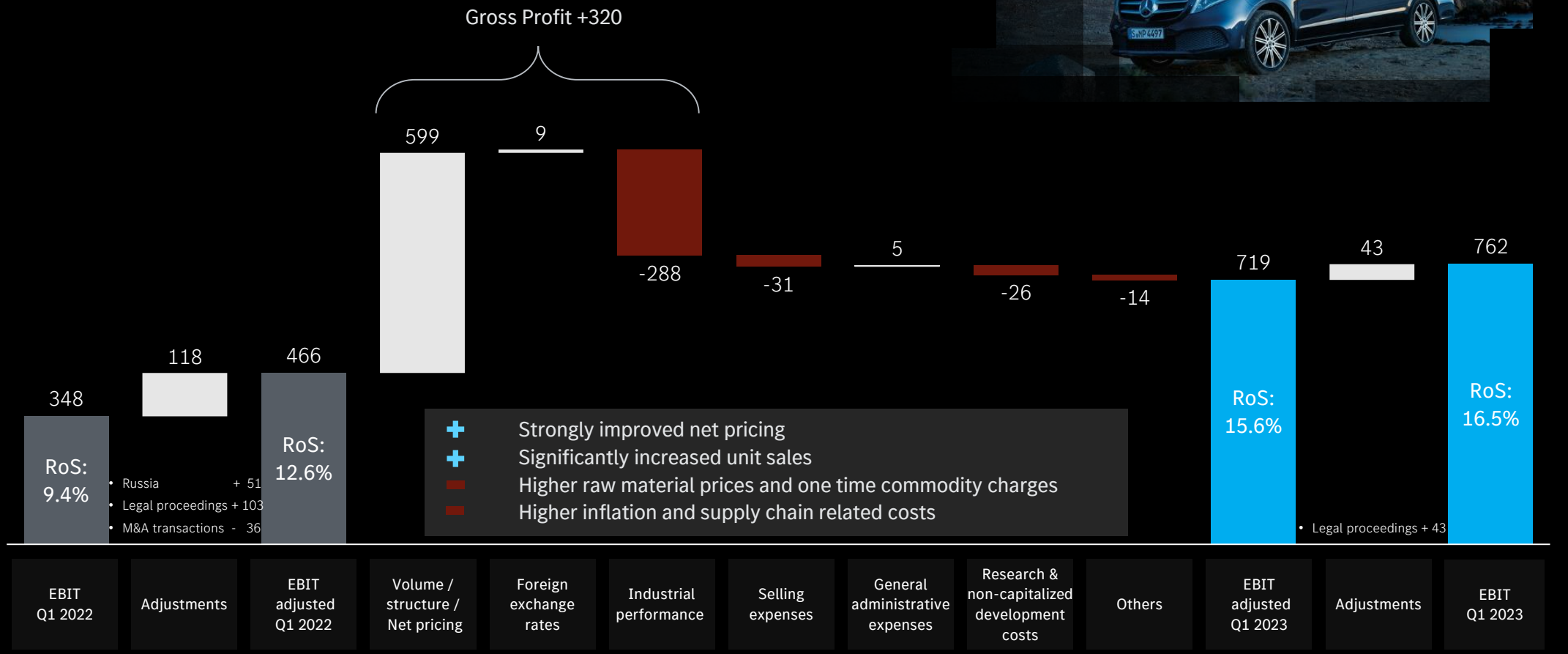



**CFBIT adj.**
in million euros



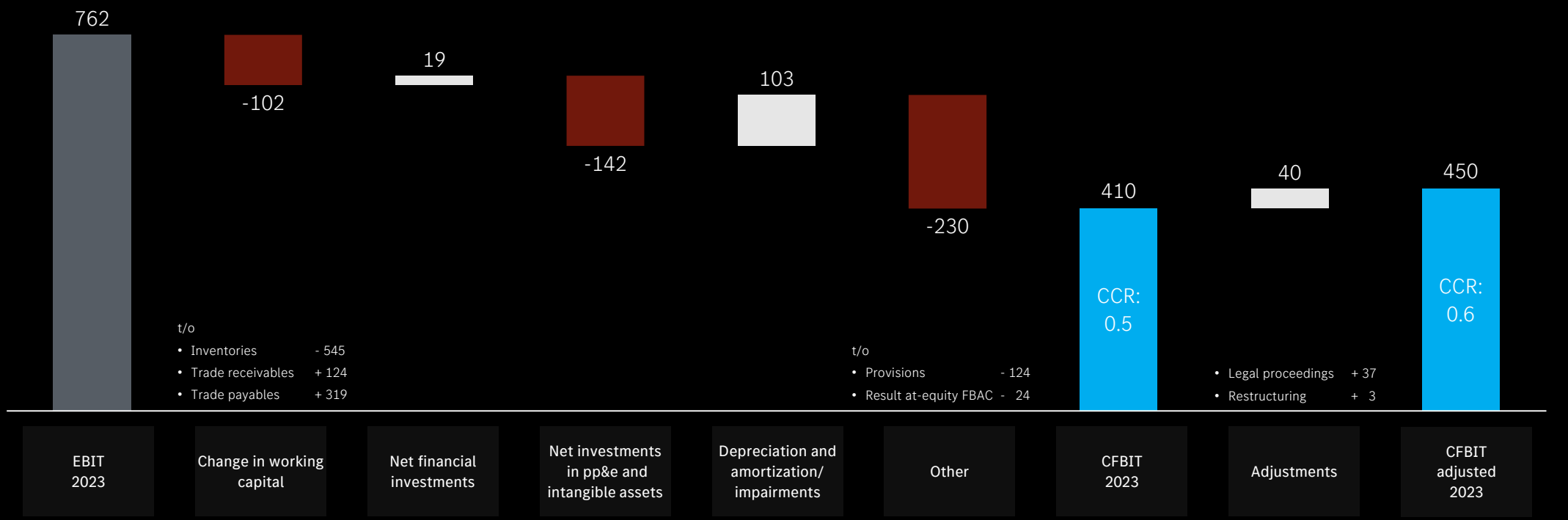
# Mercedes-Benz Vans: Q1 2023 EBIT & RoS

In million euros



# Mercedes-Benz Vans: EBIT to CFBIT

In million euros



# Mercedes-Benz Mobility: Key messages

**Business:** Stable portfolio and penetration rate development

**Performance:** Stable cost of credit risk despite challenging environment reflecting high portfolio quality

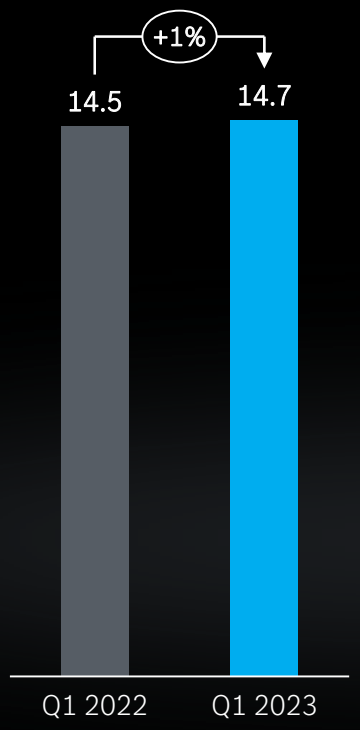
**Profitability:** Interest margin impacted by headwinds from higher interest rates

**Strategy:** Actively supporting electric vehicle sales and slightly increased investments in the transformation

**Products:** Elevating customer experience by setting-up a Mercedes-Benz high-power charging network

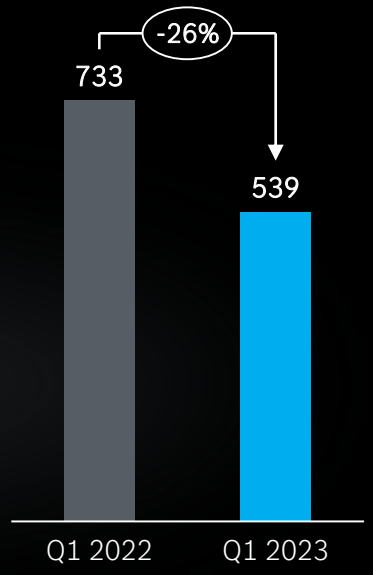
# Mercedes-Benz Mobility: Financials

**New Business**
in billion euros



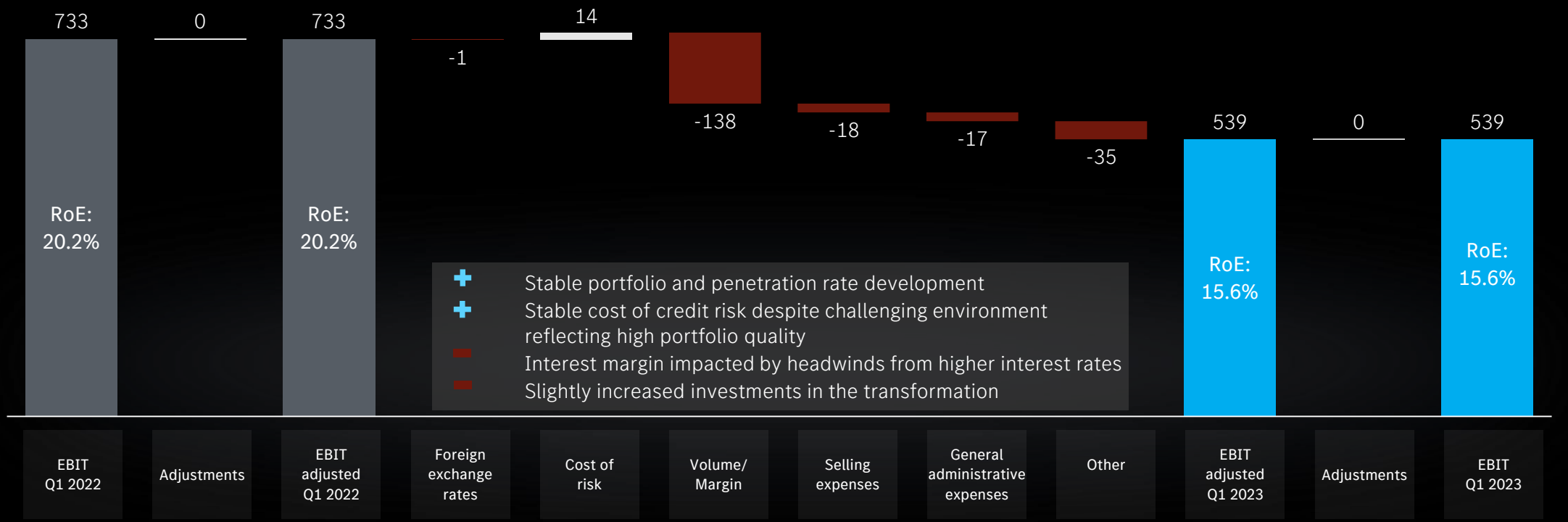

**Contract Volume**
in billion euros


**EBIT adj.**
in million euros




# Mercedes-Benz Mobility: Q1 2023 EBIT & RoE

In million euros

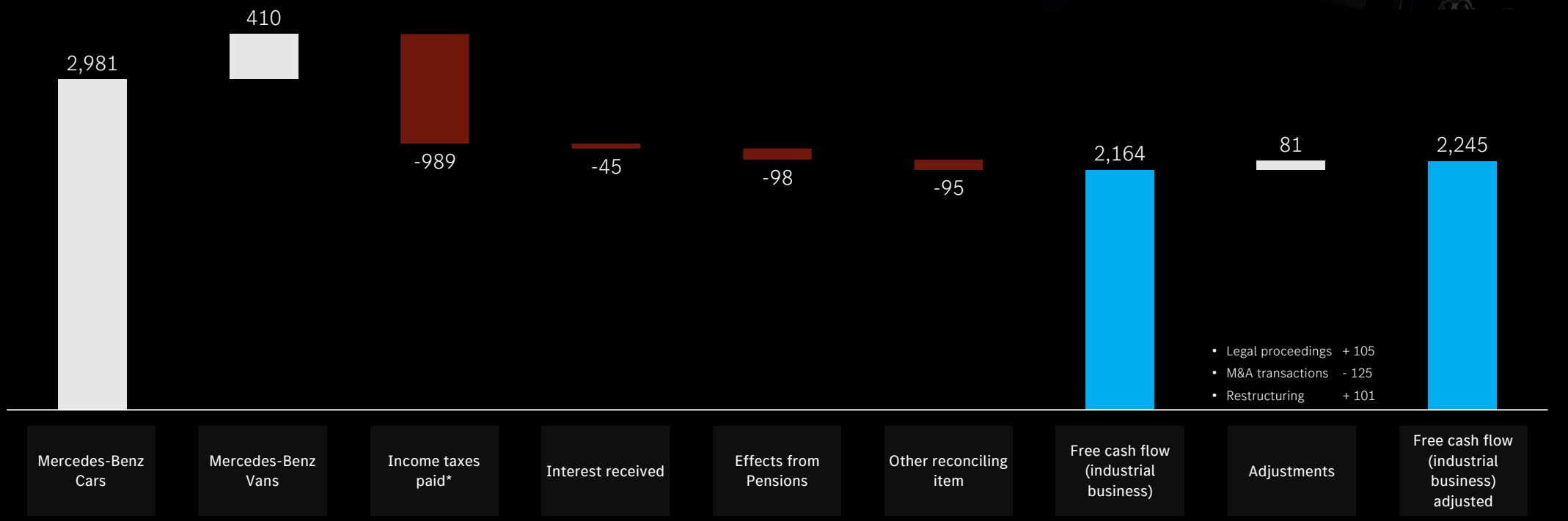


# Mercedes-Benz Group: Group EBIT

In million euros

# Mercedes-Benz Group: Reconciliation from CFBIT to Free Cash Flow*

In million euros




* includes internal tax prepayments from Mercedes-Benz Mobility to the industrial business

# Mercedes-Benz Group: Net Industrial Liquidity

In billion euros


* Mainly exchange rate effects and dividends from MBM

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# Mercedes-Benz Divisional Guidance 2023

ASSUMPTION

With regional differences the overall growth momentum of the world economy is likely to remain rather subdued for the rest of the year. High, albeit gradually declining, inflation rates in many markets combined with very restrictive monetary policies at major central banks, are likely to continue to weigh on growth. In addition, the recent turbulence in the US and European banking sectors brought new uncertainties for the further development of the global economy. Geopolitical imponderables remain another uncertainty factor. By contrast, energy prices are expected to be less volatile than in the previous year. In addition, global supply bottlenecks are expected to ease further, which should benefit the development of global automotive markets.

| | | |
|---|---|---|
| Unit Sales | Mercedes-Benz Cars | At prior-year level |
| | Mercedes-Benz Vans | Slightly above |
| Return on Sales (adjusted*) | Mercedes-Benz Cars | 12 to 14 % |
| | Mercedes-Benz Vans | 11 to 13 % |
| | Mercedes-Benz Mobility (RoE) | 12 to 14 % |
| Cash Conversion Rate** (adjusted) | Mercedes-Benz Cars | 0.8 to 1.0 |
| | Mercedes-Benz Vans | 0.6 to 0.8 |
| Investment in pp&e | Mercedes-Benz Cars | Significantly above |
| | Mercedes-Benz Vans | Significantly above |
| R&D expenditure | Mercedes-Benz Cars | Significantly above |
| | Mercedes-Benz Vans | Significantly above |


* The adjustments include material adjustments if they lead to significant effects in a reporting period. These material adjustments relate in particular to legal proceedings and related measures, restructuring measures and M&A transactions.
** Adjusted Cash Flow before Interest and Taxes (CFBIT) divided by adjusted EBIT.

# Mercedes-Benz Group Guidance 2023

ASSUMPTION

With regional differences the overall growth momentum of the world economy is likely to remain rather subdued for the rest of the year. High, albeit gradually declining, inflation rates in many markets combined with very restrictive monetary policies at major central banks, are likely to continue to weigh on growth. In addition, the recent turbulence in the US and European banking sectors brought new uncertainties for the further development of the global economy. Geopolitical imponderables remain another uncertainty factor. By contrast, energy prices are expected to be less volatile than in the previous year. In addition, global supply bottlenecks are expected to ease further, which should benefit the development of global automotive markets.

| | |
|---|---|
| Revenue | At prior-year level |
| EBIT | Slightly below |
| Free Cash Flow (Industrial Business) | At prior-year level |
| $CO_2$ emission (g/km)* | Significantly below |

* Average CO2 emissions of the total fleet of newly registered Mercedes-Benz cars in Europe (European Union, Norway and Iceland) in the reporting year as measured on the basis of the WLTP, i.e. including vans that are registered as passenger cars.

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# Strategic priorities for 2023

- Safeguard our operating optimum
- Continue scaling BEVs
- Future-proof supply chains
- Further upgrade customer experience
- Maintain cost discipline

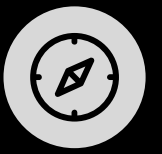
# Three levers to sustainably improve our cash flow

## "Free up cash"

– **Reduction of working capital**: from purchase to production to sales

– **Joint optimization of inventories** along the value chain

– Target: generate **as much cash inflow as possible as early as possible** and **as little cash out as possible as late as possible**



## "Improve cash flow steering"

– **Creating** more **transparency** and **visibility**

– **Integration** of cash flow as an **established part** of our **management and decision-making processes**

## "Establish cash flow culture"

– **Cash flow** as part of the **Mercedes-Benz DNA**: from management to employees

– **Demonstrating** how everyone can **positively influence the cash flow** in their day-to-day work

– Establishing **cash flow orientation** as the **basis for responsible management of the scarce resource "money"**

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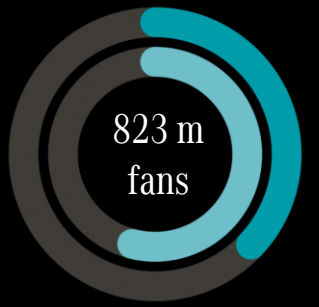
# Mercedes-Benz – The original and most valuable luxury car brand

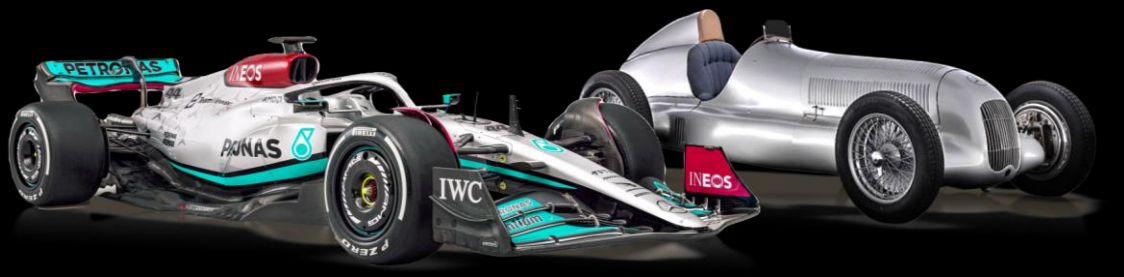
## Heritage:
## Mercedes-Benz is built on constant reinvention

## Formula 1:
## The power of F1 for our brand




37% female

54% under 35




Source: Interbrand Best Global Brands 2021

# Zeitgeist relevance: There’s no luxury without sustainability

Our sustainability goals:

| 2022 | Mid-Decade | 2030 | 2039 |
|---|---|---|---|
| Net carbon-neutral production | Up to 50% xEVs | Ready to go all electric where market conditions allow | Net carbon-neutral |

# Approaching our customers

Specific Mercedes-AMG touchpoints continue to grow worldwide

Digitalisation drives the importance of the physical brand experience


Direct sales:
one giant leap for our customers and for us

# Exclusivity: Significant progress with our top-end vehicles and increasingly electric with even more conquest potential

**+27%**

Top-end vehicle unit sales 2022 vs. 2019

**~60%**

Expected growth of top-end vehicle share of total Mercedes-Benz sales 2019-2026

# Our game plan: generate returns consistent with our luxury status

## What we are going to do

- Focus on **pricing power**
- Optimise product portfolio
- Tap full **potential of top-end segment**
- **Exit lower margin products** and channels
- **Control investment and capacity** while driving up contribution margins

## The financial Impact

- **Drive ASP higher**
- Find a **superior operating equilibrium**
- **Structurally higher profitability** and improved **margin resilience**
- **Higher return on invested capital**

# The power of pricing is part of our strategy

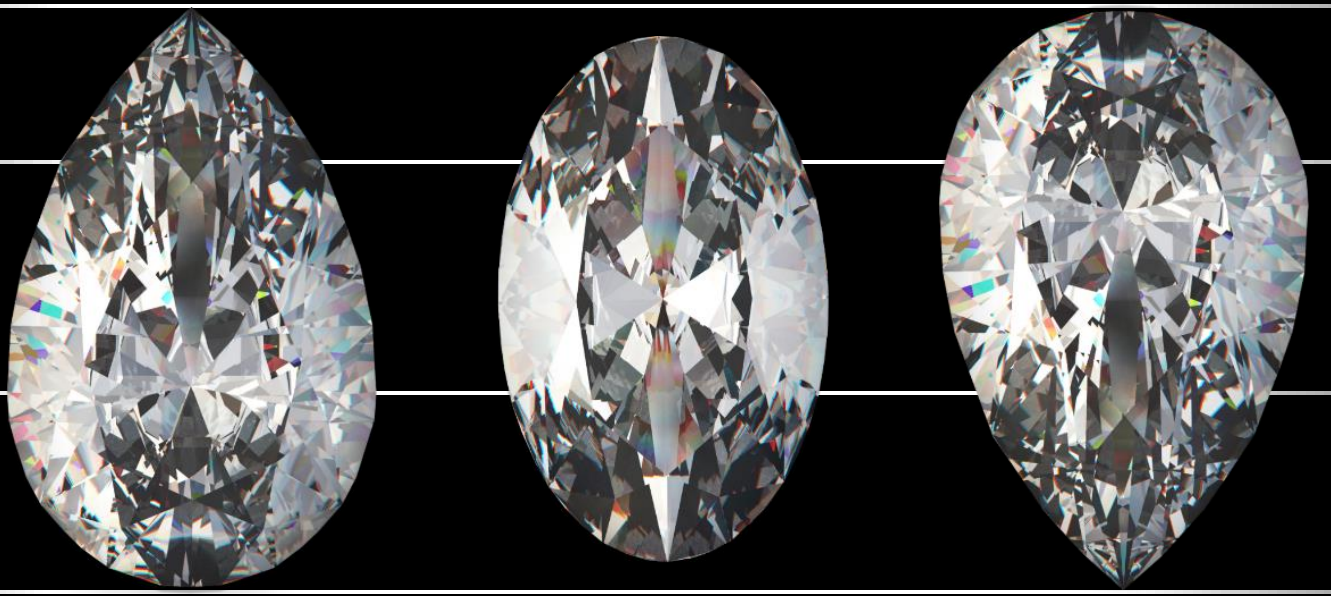
Key Levers

- Superior **brand drives pricing power**
- Strong **products enable** ambitious **initial price setting** versus competition
- Sustainable **price escalation**
- Tight **discounts**: from sales push to lifecycle management
- **Direct sales** model allows grip on pricing

- Clear objective **to continually raise our net pricing yoy**
- **Ambition** to **compensate raw material cost increases** via pricing
- We will continue to control pricing and supply even if competitors pursue a volume strategy

# Reshaped model portfolio will drive profitable sales growth

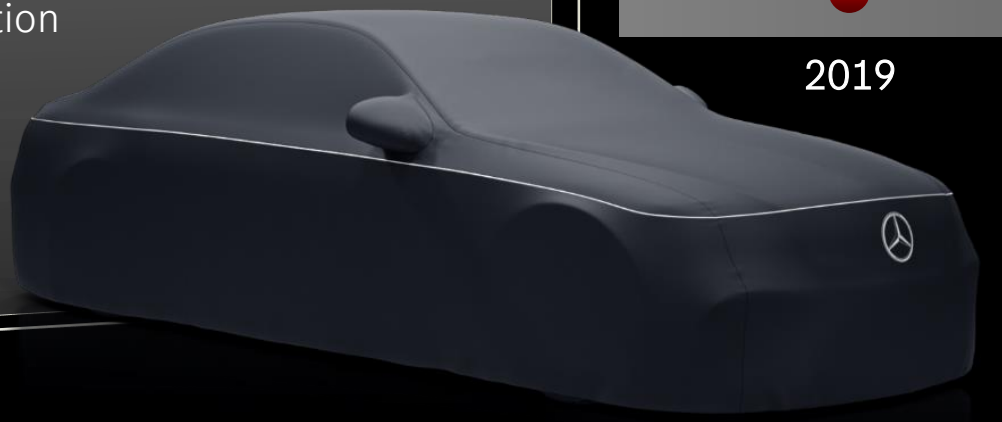
| Mercedes-Benz Car Sales | 2.3 m cars | 1.9 m cars | 2021-2026 CAGR approx. 5% p.a. | Change of segment share in 2026 vs. 2019 |
|---|---|---|---|---|
| Top-End Luxury | | | | Around +60% |
| Core Luxury | | | | 0 % |
| Entry Luxury | | | | -25% |



2019 2021 2026

# Entry Luxury – Focus & Elevate

- **Elevate to Entry Luxury**
- Product range refocused on **fewer and more upscale portfolio positions**: 4 bodystyles instead of 7
- The **new entrance point of the portfolio is being redefined** with the next generation of vehicles
- **Margin threshold** supports Group margin ambition



**Sales volume**

680k → 570k

**Change of segment share in 2026 vs. 2019**

-25%

**Change of ASP**

around +20% | significantly up

**Margin Quality**

| 2019 | 2021 | 2026 |
|---|---|---|

# Core Luxury – Grow & Refine

- Core Luxury **going electric on an accelerated timescale**, leveraging EVA (**EQE, EQE-SUV**) and then **MB.EA** architectures
- Very attractive **C-Class** in the market
  **GLC** launched end of 2022
  Brand new **E-Class** in 2023
- Protect **healthy margins on the way to BEV**

**Sales volume**

1.350k → 1.030k

**Change of segment share in 2026 vs. 2019**

flat

**Change of ASP**

around +25% | regular price adjustments

**Margin Quality**

2019 | 2021 | 2026

# Top-End Luxury – Expand & Enhance

- Starting point: Over **300k top-end luxury units** with **ASP of > € 100k** and **top-end profitability**
- Sustainable **segment growth**
- Desirable products **fueling growth: EQS, EQS-SUV, EQS-SUV Maybach, SL, GT, AMG-EA**
- **Ultra exclusive collectibles and luxury customer experience**

**Sales volume**

250k → 305k

**Change of segment share in 2026 vs. 2019**

+60%

**Change of ASP**

around +15% | regular price adjustments

**Margin Quality**

2019 | 2021 | 2026

# Changing our economic equation

- **Enhance ROIC: control the denominator while raising the numerator** (operating and cash margins)
- **Drive growth through high utilisation**, ‚reverse auction' of available capacity to build the most profitable models
- **75% of capital allocation focused on top-end and core segment** where the returns are most promising
- **Intelligent and careful capital allocation** to build EV capabilities and supply chain

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

| Market Environment*<br>Market level, competitive actions, commodity and raw material markets |  |  |  |
|---|---|---|---|
| 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 | our ambition |

* Market Environment compromises of 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 tectonic shifts on raw material side or on the geo-political side might be further potential examples. By the nature of these events providing a margin forecast for such extreme scenarios is not possible.

# Bottom line

We cannot control macro- or world events. But we are redesigning & repositioning Mercedes-Benz to ensure a structurally more profitable company.

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# Ambition 2039 – our commitment to net carbon-neutrality along the entire value chain in the new vehicle fleet in 2039


TODAY'S PROPORTIONAL $CO_2$ IMPACT ALONG THE VALUE CHAIN

49.7 $tCO_2$ in 2020 - 47.8 $tCO_2$ in 2022 - more than half per decade

# Mercedes-Benz will be ready to go

# all-electric

## within this decade

# At the end of the decade, our focus will be on BEV only

By 2025, our customers will be able to choose an all-electric alternative for every model we make

It's our ambition to drive the plug-in hybrid & BEV share up to 50% by mid-decade. By the end of the decade, we will be ready to go all-electric where market conditions allow.

We will use our unique brand position to grow economic value
- enhance product mix and pricing
- focus on most profitable models and regions
- drive loyalty and grow recurring revenues
- increase revenue per unit

2019

EQC

2020

EQV

2021

EQA EQB EQS EQE

2022

EQS SUV EQE SUV EQT

# The EQS: The first electric vehicle in the luxury class


Launched in 2021

WLTP ranges of up to 780 kilometres[1]

With its $C_d$ figure[2] from as low as 0.20 the EQS is the world's most aerodynamic production car.

Drive powers from 245 to 385 kW. A performance version with up to 560 kW is being planned

Power for up to another 300 kilometres (WLTP) is recharged in just 15 minutes[3]

[1] The electrical consumption (and information based thereon) has been determined on the basis of Commission Regulation (EC) 692/2008 according to NEDC and Commission Regulation (EU) 2017/1151 according to WLTP.
[2] $C_d$ figure 0.20: EQS 450+ with 19-inch AMG wheel/tyre combination and AMG Line exterior (available in the EU from the end of 2021) in the SPORT drive program
[3] Charging speed at DC fast charging stations with 500 amps

# The EQE: The new business avant-garde


Global launch: mid-2022

Depending on the on-board equipment and configuration, WLTP operating ranges of up to 654 kilometres*

A lithium-ion battery with 10 cell modules is installed

In 15 minutes it is possible to charge the EQE with up to 35.55 kWh – this corresponds to a range of up to 250 kilometres based on the WLTP range*

The battery certificate stands for the long service life of the high-voltage batteries. It is valid up to a term of ten years or up to 250,000 kilometres

* Range and electrical consumption have been determined on the basis of Commission Regulation (EC) No. 2017/1151/EU

# The EQS SUV: Redefined SUV luxury


Launch: Second half of 2022

WLTP ranges of up to 671 kilometres[1]

Lithium-ion battery with up to 12 cell modules

DC fast charging system with a charging capacity of up to 200 kW

In 15 minutes, power corresponding to a range of up to 250 kilometres[2] can be recharged on the basis of the WLTP range

The 6-phase design makes the permanently excited synchronous motor (PSM) on the rear axe particularly powerful. Its peak power is 265 kW.

[1] 540-671 km are the provisional range figures of the EQS 450+ (WLTP: combined electric energy consumption: 22.9-18.2 kWh/100 km; combined CO2 emissions: 0 g/km). Range and electric energy consumption have been determined on the basis of Commission Regulation (EC) No. 692/2008.

[2] figures for the EQS 450+ (WLTP: combined electric energy consumption: 22.9-18.2 kWh/100 km; combined CO2 emissions: 0 g/km). Range and electric energy consumption have been determined on the basis of Commission Regulation (EC) No. 692/2008.

# EQE SUV: High-tech and luxury meet versatility


Launch: First half of 2023

The multi-purpose variant of the EQE business saloon

WLTP ranges of up to 590 kilometres[1]

Lithium-ion battery of 10 cell modules

DC charging system with a charging capacity of up to 170 kW

In 15 minutes, power corresponding to a range of up to 220 kilometres[2] can be recharged on the basis of the WLTP range

The modular drive concept enables the EQE SUV to offer a wide range of maximum total drive outputs from 215 to 300 kW

[1] Data on electrical consumption and range are provisional and were determined internally in accordance with the "WLTP test procedure" certification method. So far there are no confirmed figures from an officially approved testing organisation, nor any EC type approval or certificate of conformity with official figures. There may be differences between the stated figures and the official figures.

[2] At DC fast charging stations with 500 amps based on WLTP range

Mercedes-AMG EQE 53 4MATIC+ SUV (Provisional data WLTP | combined electrical consumption: 27.8–22.6 kWh/100 km; combined CO2 emissions: 0 g/km; Electrical range: 375–470 km)

# Mercedes-Maybach EQS SUV: The brand's first all-electric model


Premiere: April 2023

Redefining automotive excellence in the age of electro mobility

Maximum luxury and comfort with a cocooning effect in the rear

Extraordinary driving experience with Maybach driving programme and maximum noise comfort

Range of up to 600 kilometres[1]

DC charging system with a charging capacity of up to 200 kW

In 15 minutes, power corresponding to a range of up to 220 kilometres[2] can be recharged on the basis of the WLTP range

[1] Data on electrical consumption and range are provisional and were determined internally in accordance with the "WLTP test procedure" certification method. So far there are no confirmed figures from an officially approved testing organisation, nor any EC type approval or certificate of conformity with official figures. Differences between the stated figures and the official figures are possible.

[2] At DC fast charging stations with 500 amps based on WLTP range

Mercedes-Maybach EQS 680 SUV Mercedes-Maybach EQS 680 SUV (provisional figures: combined power consumption: 24.4-22.5 kWh/100 km; CO2 emissions: 0 g/km)

# We are on the way to an all-electric future - MMA followed by three “electric only” architectures mid-decade

MB.EA

## MEDIUM AND FULL-SIZE CARS

Scalable modular system for our EV portfolio

AMG.EA

## PERFORMANCE ELECTRIC VEHICLES

Architecture

VAN.EA

## NEW ERA

For electric vans and light commercial vehicles



* where market conditions allow

# Together with our partners, we will expand our activities in battery cells and systems

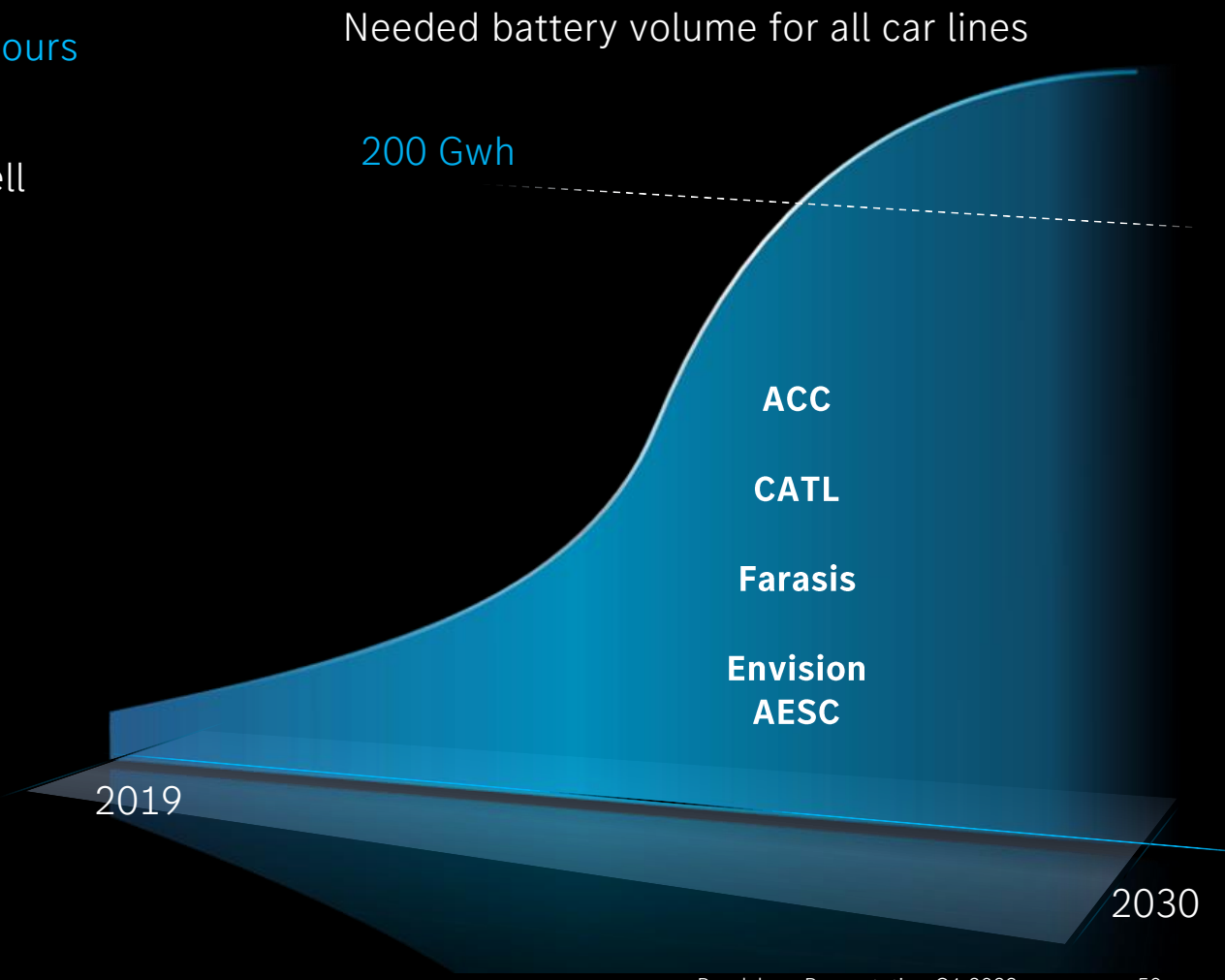
Our target: Capacity of more than 200 Gigawatt hours

Local-for-local strategy with partners and new cell factories around the world

Envision AESC
- Cell production in Bowling Green, USA
- Cell production in Caceres, Spain

CATL
- New plant in Debrecen, Hungary

ACC building 3 plants in Europe
- Douvrin, France
- Kaiserslautern, Germany
- Termoli, Italy



# By joining ACC, we build a European battery champion

We take a one third stake in Automotive Cells Company (ACC).

Our goal: Joint development and production of cells and modules in Europe.

ACC will reach a capacity of at least 120 Gigawatt hours in Europe by the end of the decade.

ACC will supply Mercedes-Benz with high-performance battery technologies from its production locations from mid of the decade.

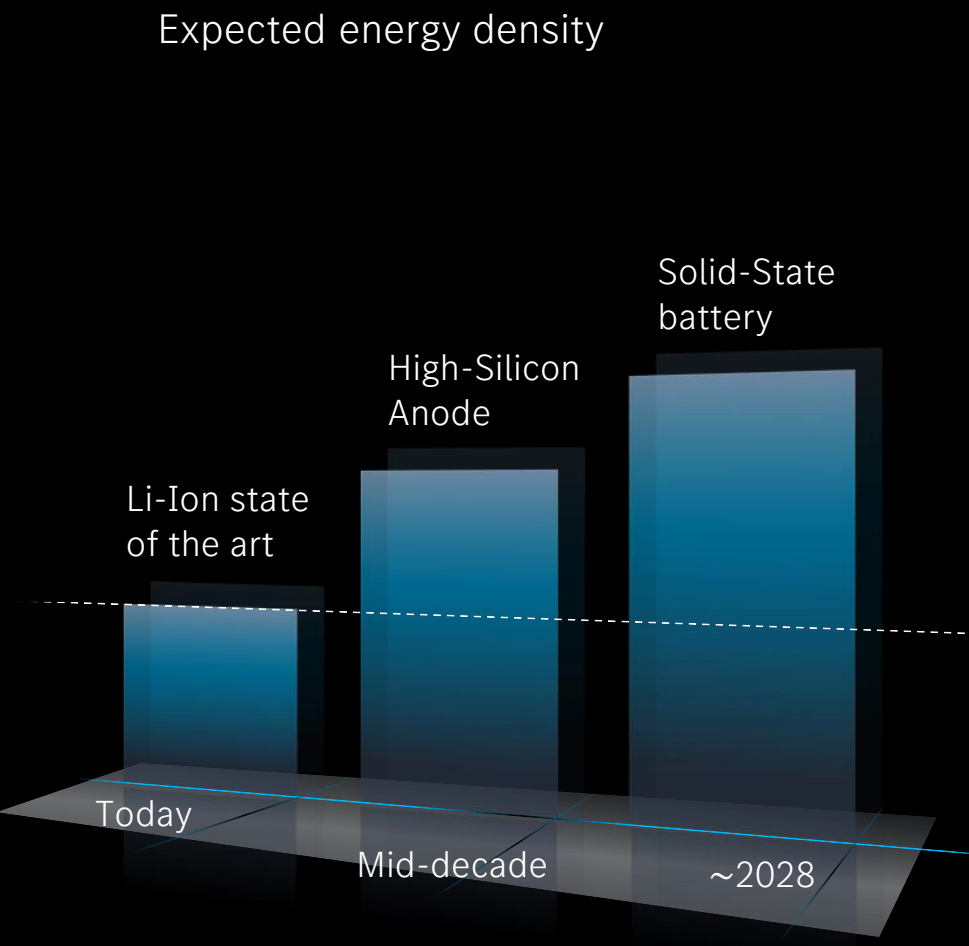
# Developing the next generation battery cell technology

High-Silicon Anode: increasing energy density by using silicon-carbon composite in the anode

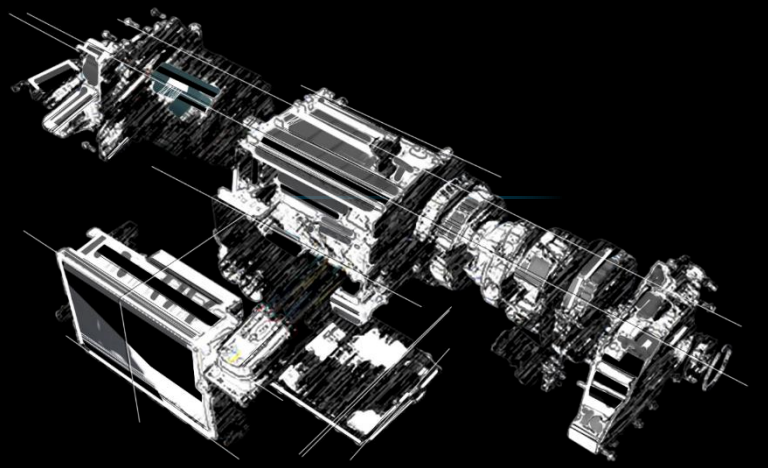
Solid-State: pushing energy density beyond limits of conventional lithium-ion cell, doubling energy capacity and reducing weight in same packaging space, enduring more charging cycles over lifetime

Several cooperations with existing and new partners like Sila, Prologium and Factorial to accelerate development of both technologies

Continuously integrating most advanced cell technology in our production cars, increasing range during lifecycle



# In-house electric drive units are a key part of our strategy



eATS 2.0: In-house developed and built electric drive unit with radial motor: Outstanding performance for majority of key products.

Ultra-high performance axial flux motors for our forthcoming AMGs. Axial flux technology allows for unmatched power density, performance, acceleration.

Electric motor and power electronics company YASA Ltd. is a fully owned subsidiary of Mercedes-Benz.
The acquisition takes our electric drive tech to a new level.

# VISION EQXX – taking electric range and efficiency to an entirely new level

Efficiency means achieving more from less. The VISION EQXX is packed with efficiency improvements that push the envelope with a mixture of advanced technology and talented teamwork.

Following its record-breaking maiden drive from Stuttgart to Cassis (France) in April 2022, the research vehicle set the bar even higher, with a 1,202-kilometre road trip from Stuttgart to Silverstone in the UK. Throughout the road trip, the VISION EQXX took advantage of its innovative thermal management system to achieve an average consumption of 8.3 kWh/100 km in the face of heavy traffic and summer temperatures.

VISION EQXX: key technical data at a glance

| | | |
|---|---|---|
| Battery energy content, usable | kWh | <100 |
| Max. system voltage | Volts | >900 |
| Energy consumption | kWh/100 km (miles/kWh) | 8.3 (7.5) |
| $c_d$ value | | 0.17 |
| Front face | $m^2$ | 2.12 |
| Power | kW | 180 |
| Wheelbase | mm | 2,800 |
| Length/width/height | mm | 4,975/1,870/1,348 |
| Unladen vehicle weight | kg | 1,755 |

# Mercedes-Benz to launch global branded high-power charging network, starting in North America

More than 10,000 high-power chargers worldwide by the end of the decade

Convenient locations with amenities nearby

Accessible for drivers of all car brands

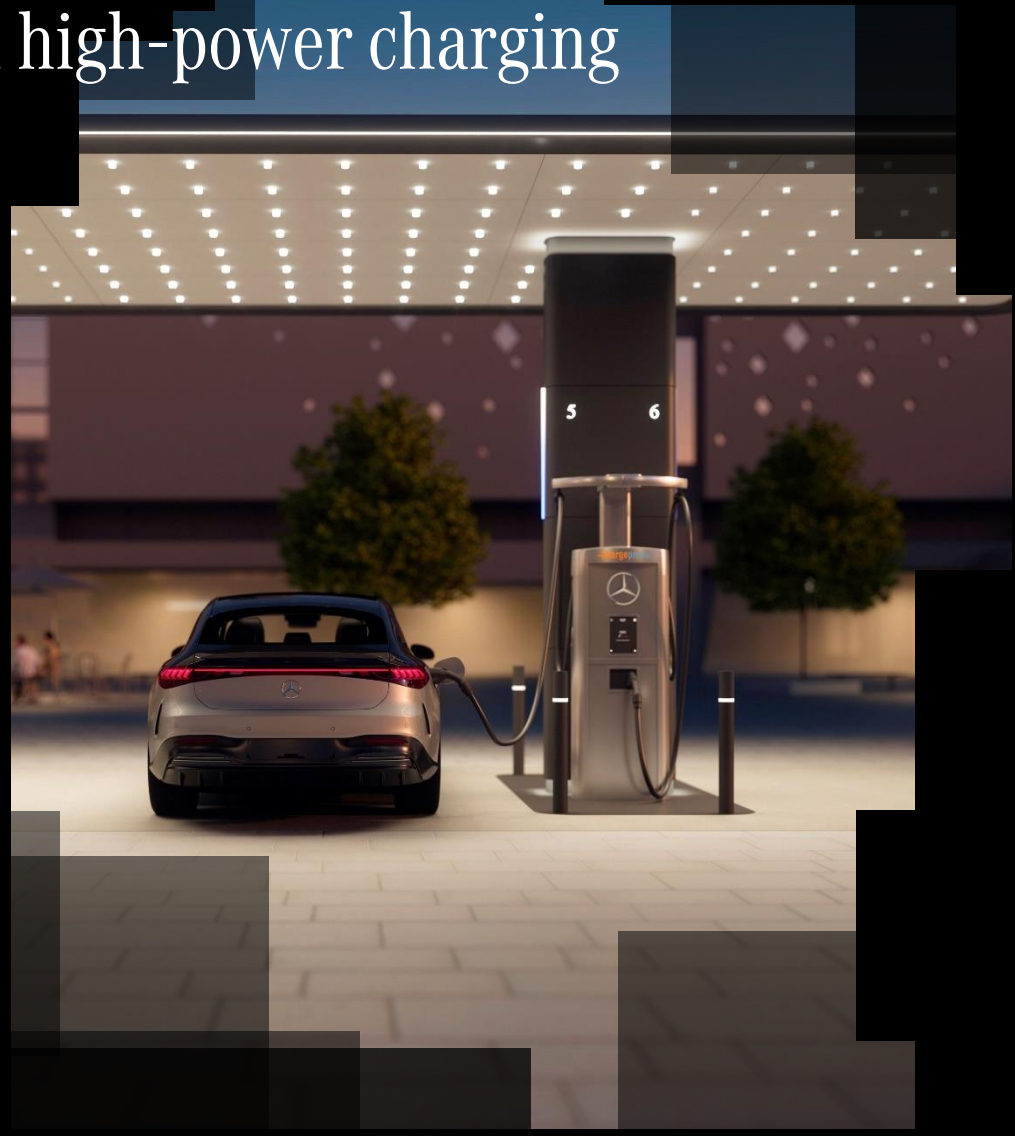
Green charging with Mercedes me Charge

Pre-booking and other benefits for Mercedes-Benz customers

With up to 350 kw charging power

Intelligent charge-load management keeps charging times to a minimum

Investment cost in North American just over 1 billion Euros, deployed over the next 6-7 years. The capital for this will be provided by Mercedes and MN8 in a roughly 50:50 split.



# BEV cost reduction focus

Key levers

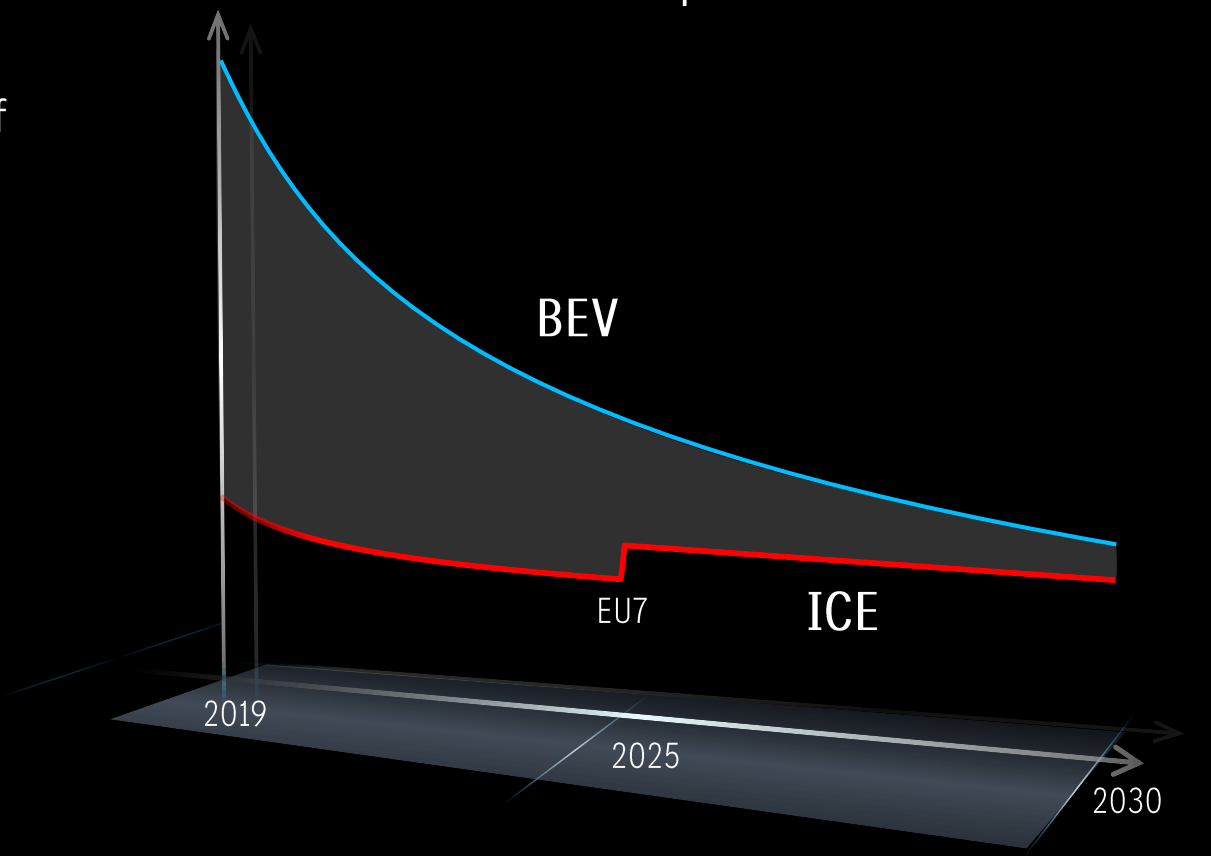
Material and manufacturing cost reduction of 1% until 2025

Further cost reduction on electric drive train from 2025 to 2030

Decreasing cell costs and common battery platforms

Scalable modular electric only architectures

Variable costs per unit*




* schematic and before mix change

# Radical shift in capital allocation - from EV-first to EV-only

## Key levers

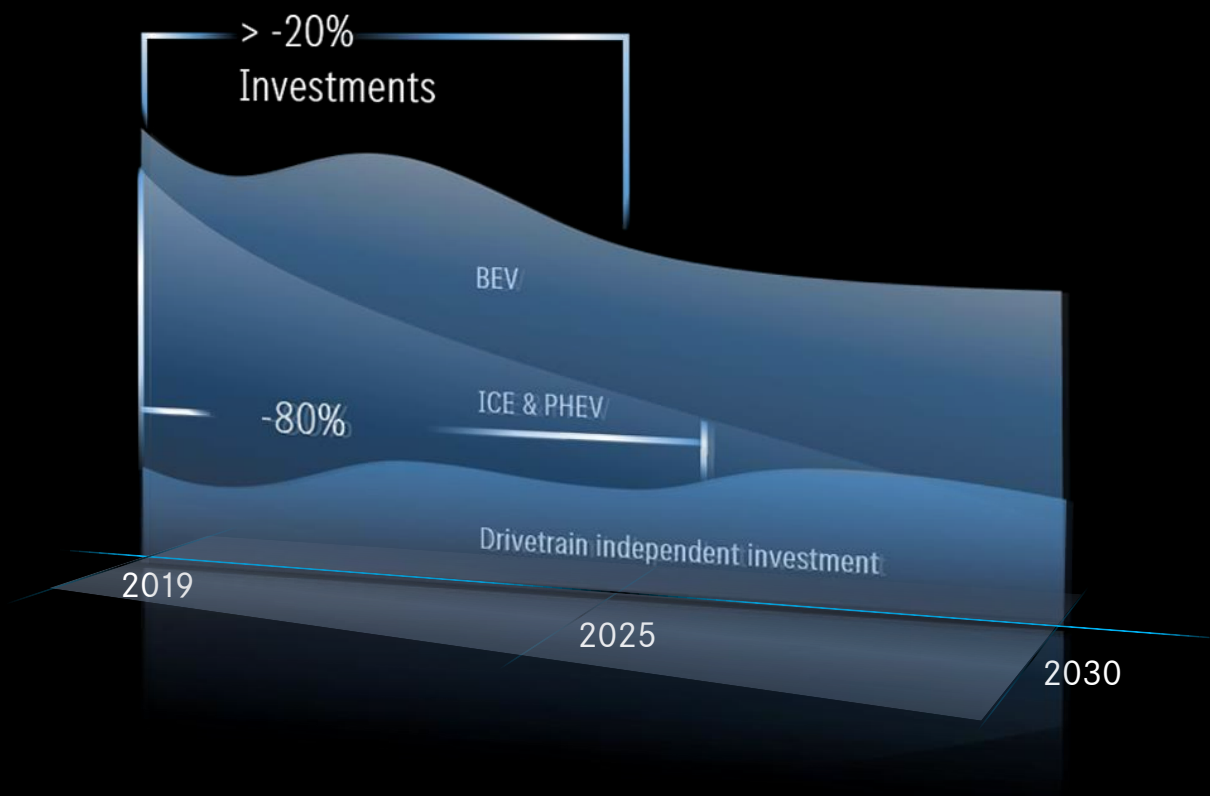
Additional investments for new BEV architecture MB.EA, AMG.EA, VAN.EA and intensified battery footprint

Radically reduced non-BEV investments

Capex share of investments decreasing

>20% investment reduction until 2025 and further decreases afterwards

## CAPEX and R&D investments*



# Fixed cost reduction targets stepped up

## Key levers

Covid 2020: significant fixed cost reduction

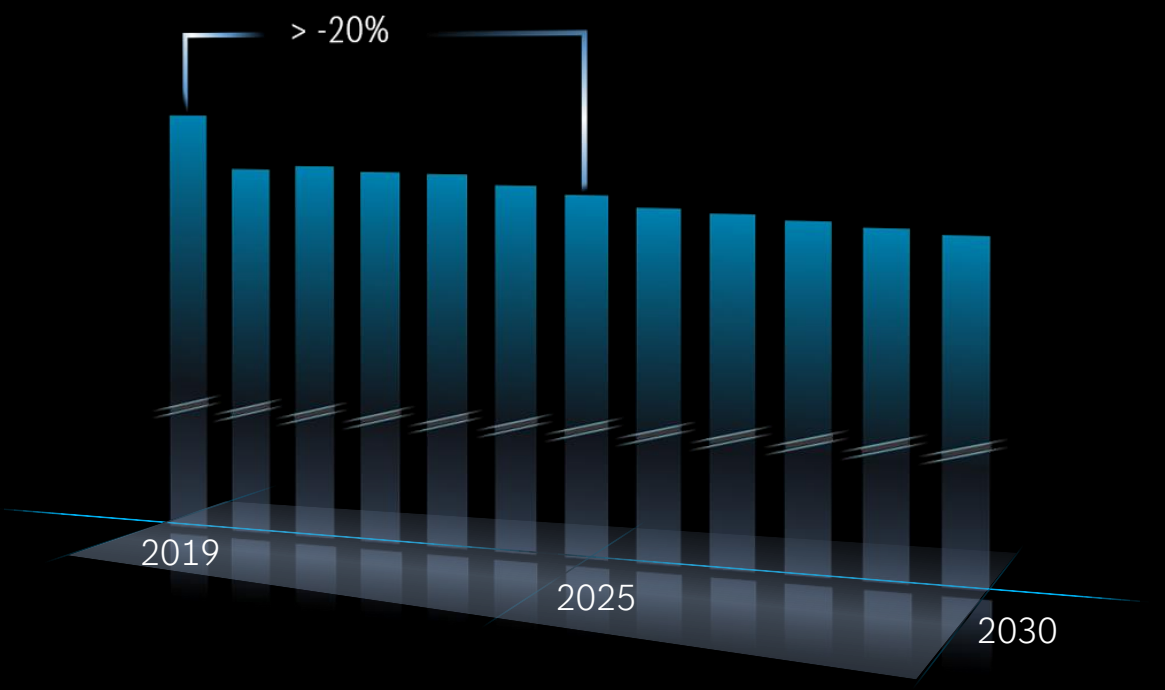
2021: temporary effects replaced by permanent measures

>20% fixed cost reduction until 2025 vs. 2019

2025ff: digitization of all business areas

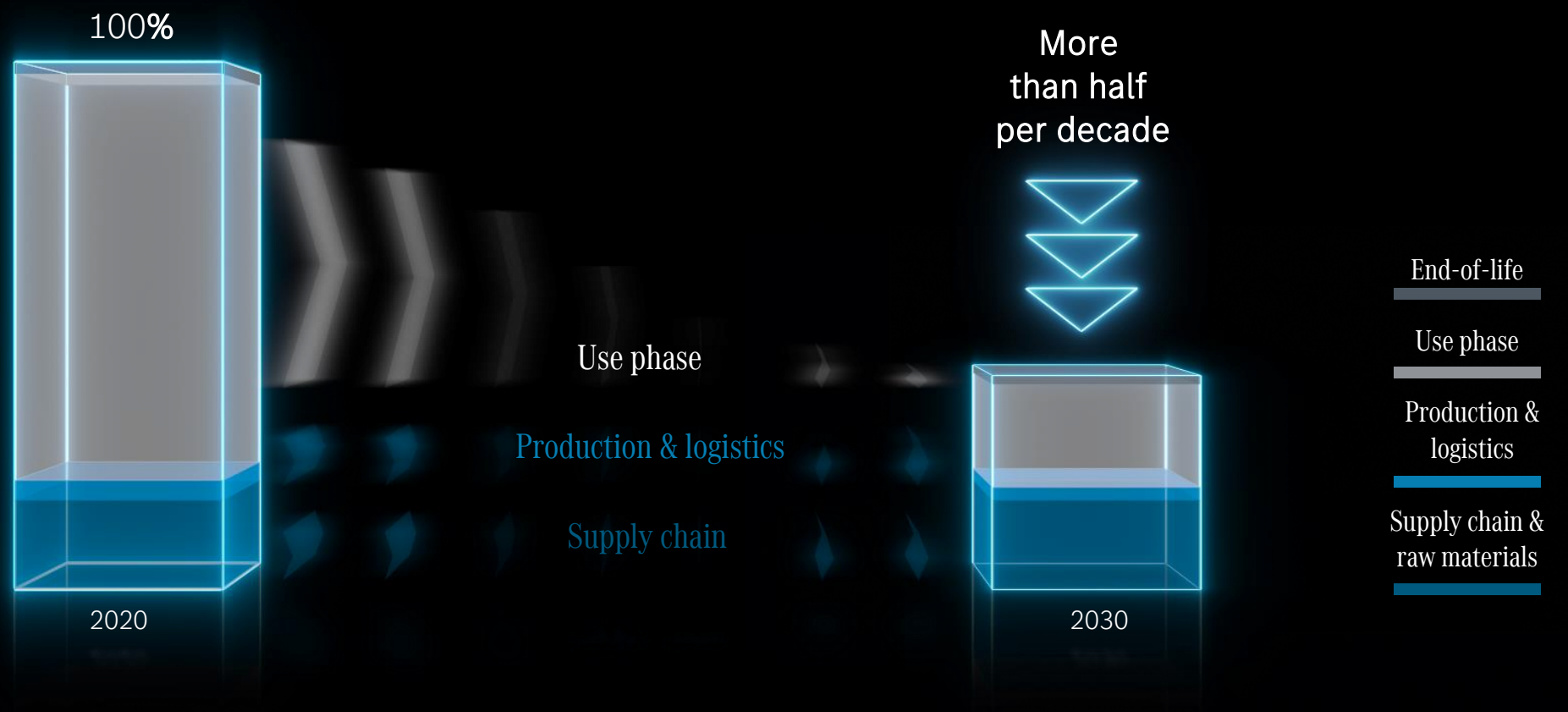
After 2025 further net reductions

## Fixed cost development*



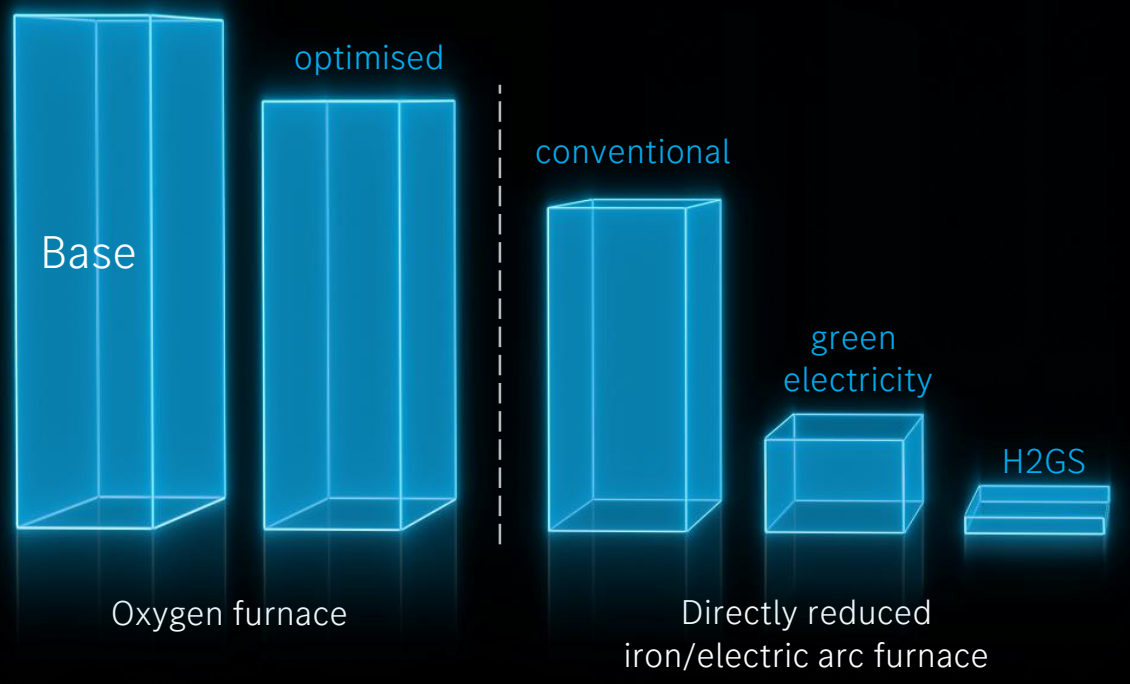
# We will at least halve lifecycle $CO_2$ emissions per vehicle in this decade

Mercedes-Benz Cars – on our way towards Ambition 2039 – we target the full lifecycle of the car



# We create sustainable supply chains for focus materials via technology changes

Steel – $CO_2$ reduction:




**~90%**

of our annual purchasing volume is supplied by companies that follow our ambition to become net carbon-neutral

Further materials in focus:

Aluminium sheet/cast

Thermoplastics

Battery materials

# All of our own Mercedes-Benz plants world-wide are producing 100% net carbon-neutral

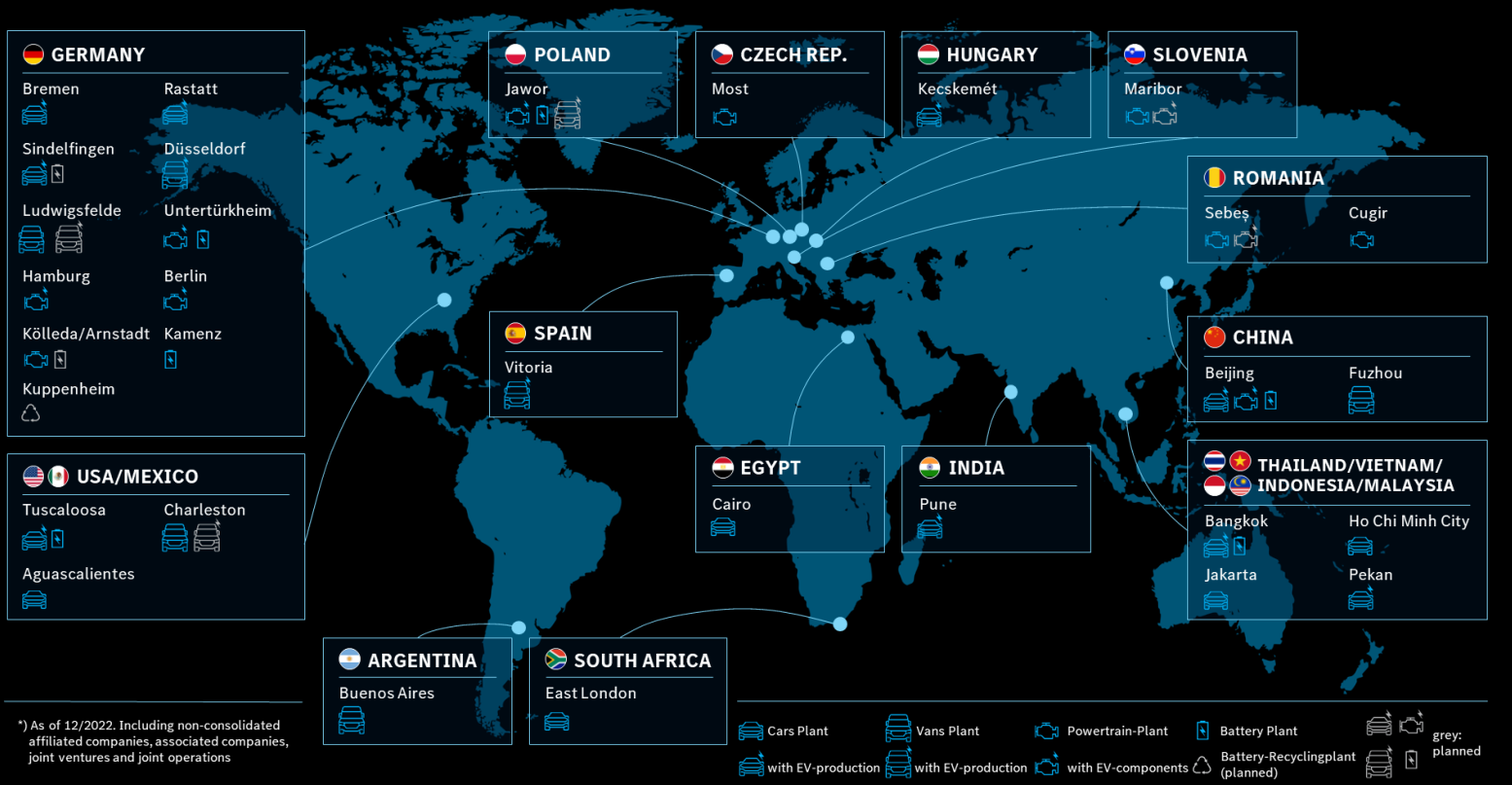
Together with our EV strategy, net carbon-neutral production is a key driver of Ambition 2039

Since the beginning of 2022, production sites worldwide fully owned by Mercedes-Benz have been net carbon-neutral.

We plan to cover 70% of our energy needs through renewable sources[1] and will also produce energy on site

[1] by 2030

## Mercedes-Benz global production network



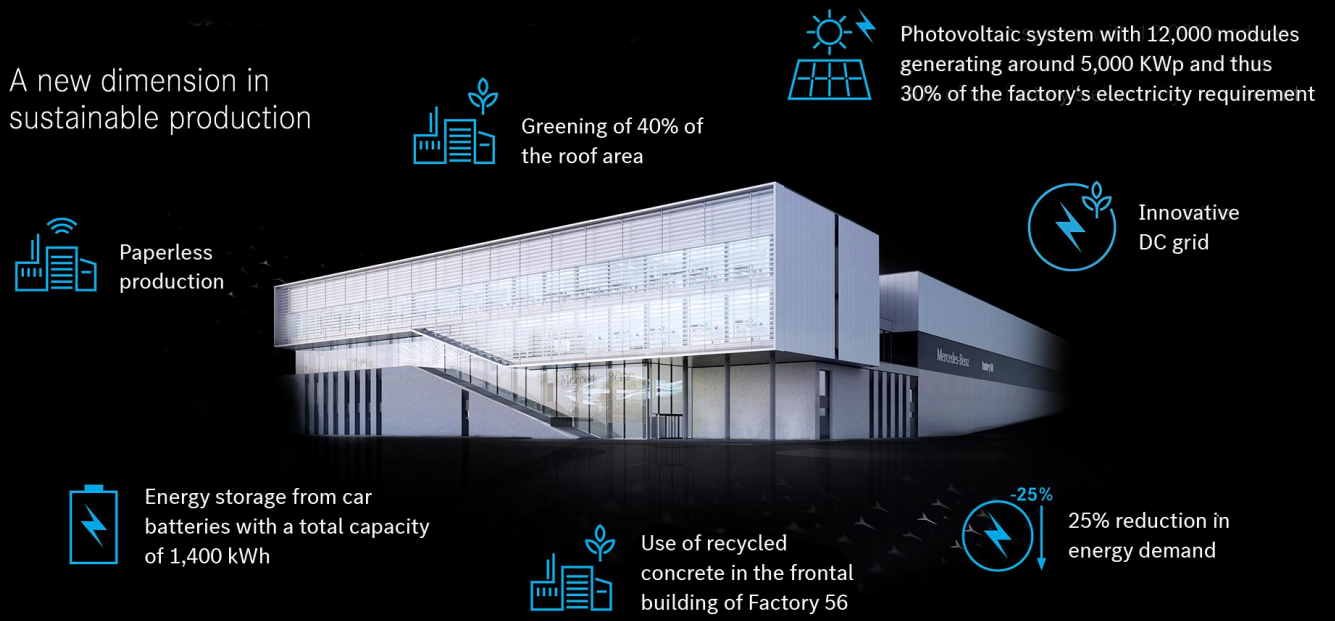

*) As of 12/2022. Including non-consolidated affiliated companies, associated companies, joint ventures and joint operations

# Our Factory 56 is a zero-carbon factory and serves as a blueprint for our global Mercedes-Benz production network

At our Factory 56 in Sindelfingen producing more sustainable is already reality

The innovative energy concept includes a photovoltaic system, a DC power grid and energy storage based on reused vehicle batteries

Self-generated, green electric power is sufficient to cover about 30% of the factory's annual power requirements



# We are establishing a green and net carbon-neutral supply chain

In the future, raw materials for battery components only from IRMA-certified mines

Cooperation with strategic partners, e. g. for lithium hydroxide with German-Canadian Rock Tech Lithium Inc.

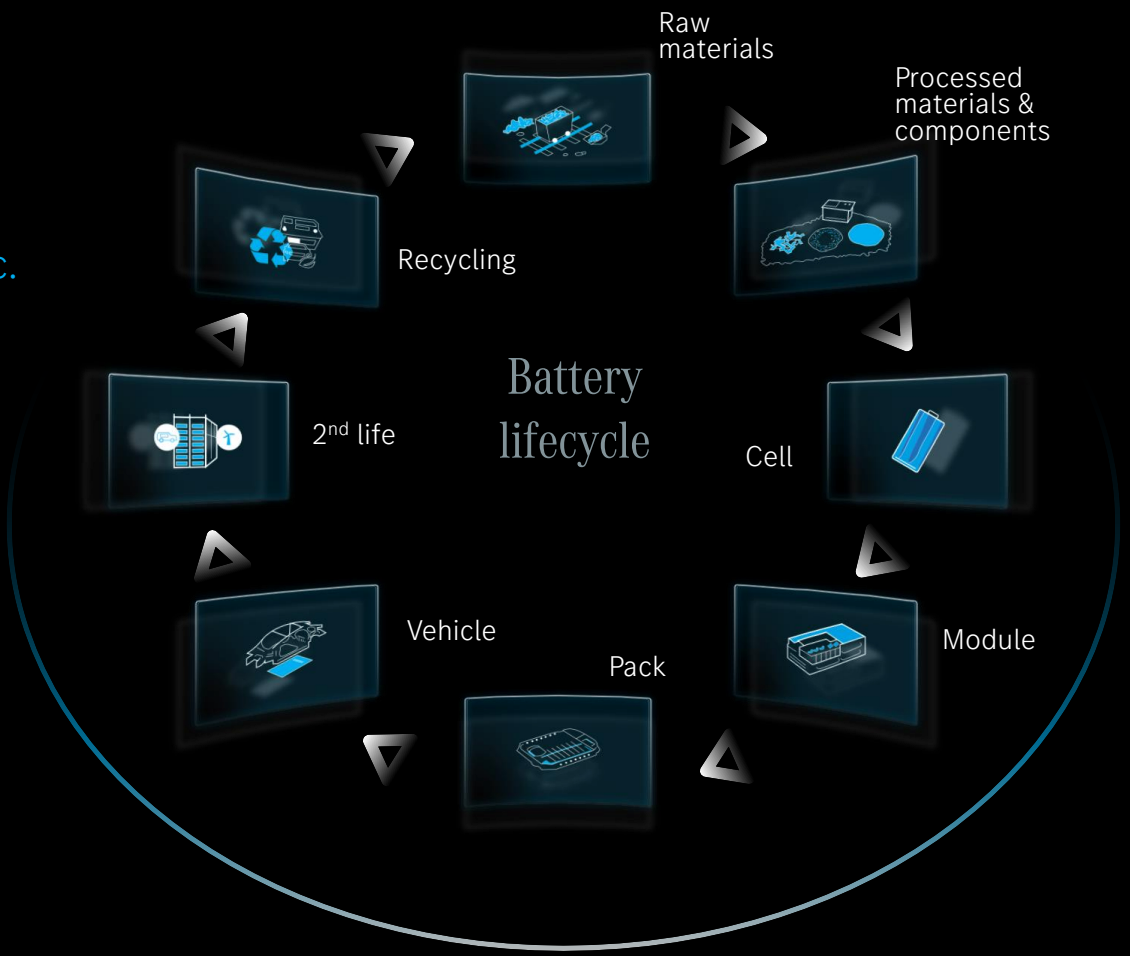
Direct sourcing of battery raw materials like nickel and cobalt under consideration

2020: Big River Steel reduced $CO_2$ emissions by >70%

2021: Salzgitter AG reduces $CO_2$ emissions by >60%

2025: $CO_2$ free steel from H2 Green Steel

2026: $CO_2$ free steel from SSAB



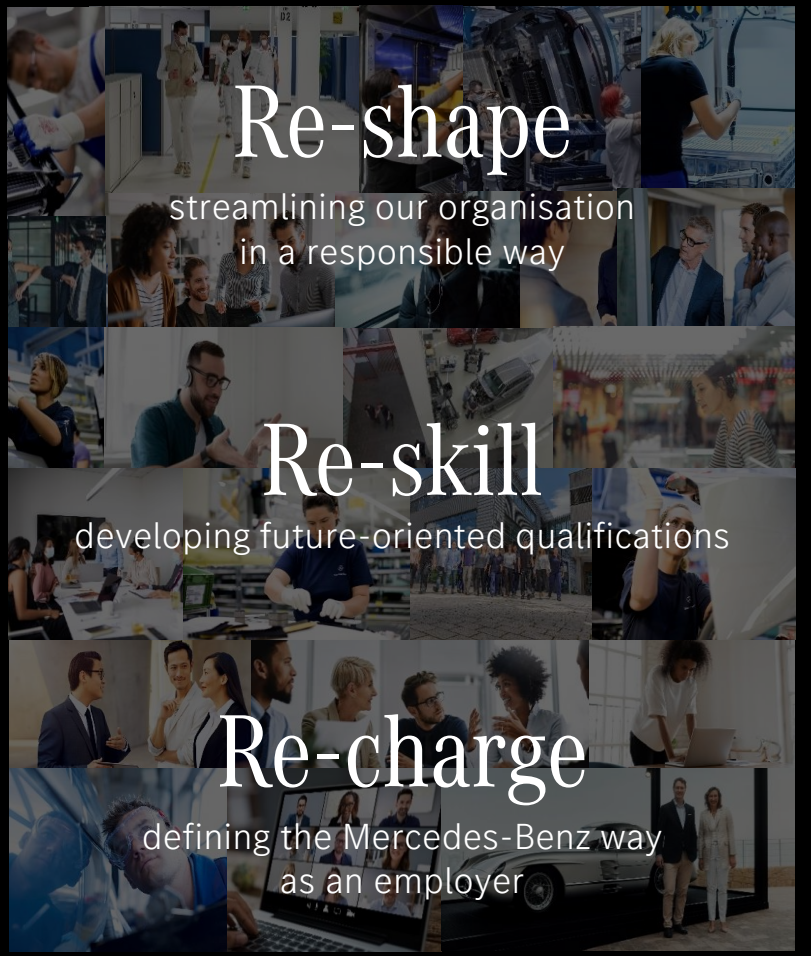
# Mercedes-Benz is closing the loop on batteries through sustainable recycling

Own $CO_2$-neutral recycling plant in Kuppenheim, southern Germany start operations in summer 2024 with the first phase - shredding batteries - in 2023

Hydrometallurgy: Innovative technology increases recovery rate to more than 96%

Cooperation with high-tech partners in China and the U.S. ensures the closure of the recyclable materials loop worldwide

# Our people plan focuses on a just transition for our employees




**3,000**
positions for software engineers worldwide

Individual target plans for our entities, plants and functions

Realignment of our global production network towards electric vehicles and digitalisation

Turn2Learn **>1.3 bn**
investment in Turn2Learn qualification initiative in Germany 2022-2030

**65,000**
employees in Germany qualified in e-mobility since 2020

Specific it training for strategically important data and use cases 320 colleagues currently in training

Modern, flexible and diverse working environment

**30%**
share of women in senior management positions by 2030

Competitive salary
Profit-sharing bonus for tariff-scale employees
Employee shares

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**1.3 Automated Driving & Operating System**

2. Mercedes-Benz Vans

3. Mercedes-Benz Mobility

# Conditionally automated driving SAE-Level 3: DRIVE PILOT gives back time to customers

Mercedes-Benz is the first car company in the world to meet the UN-R157 regulation for conditionally automated driving.

Since May 2021, DRIVE PILOT can be ordered in Germany for variants of the S-Class and the EQS starting at around 6.000 EUR.

In the U.S., Nevada became the first state to confirm the compliance of DRIVE PILOT with state regulations. California to follow soon.

First cars will be delivered to U.S. customers in the second half of 2023.

# Driving Assistance Package with DRIVE PILOT

## Parking Package with 360°-Camera

The fundamental building principles of our proprietary operating system

# WE ARE THE ARCHITECTS

SPECIFY

DESIGN

DEVELOP

PROCURE/
PARTNER

INTEGRATE

UPGRADE

# The fundamental building principles of our proprietary operating system

1. Purpose-built and open to partners

2. Personalized services through one unique Mercedes Me ID

3. Privacy-by-design from the very beginning

4. Full overt-the-air updatability and decoupled software and hardware releases

# All central to our own Mercedes-Benz Operating System MB.OS

# Delighting our customers with an extraordinary experience

The most desirable

## HARDWARE CANVAS

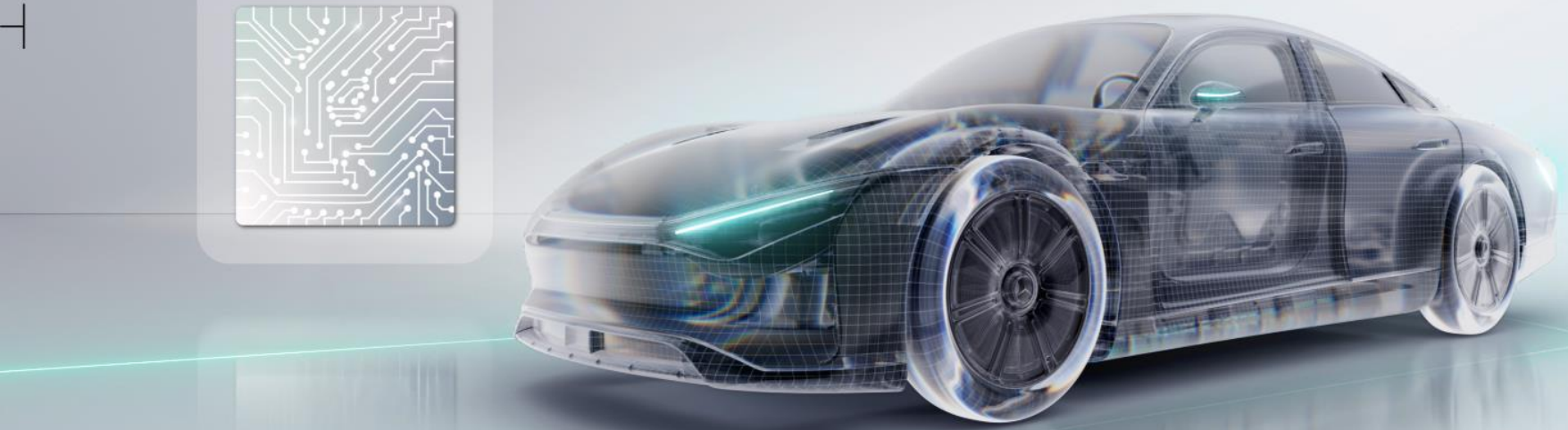

... for the most desirable

## SOFTWARE CONTENT

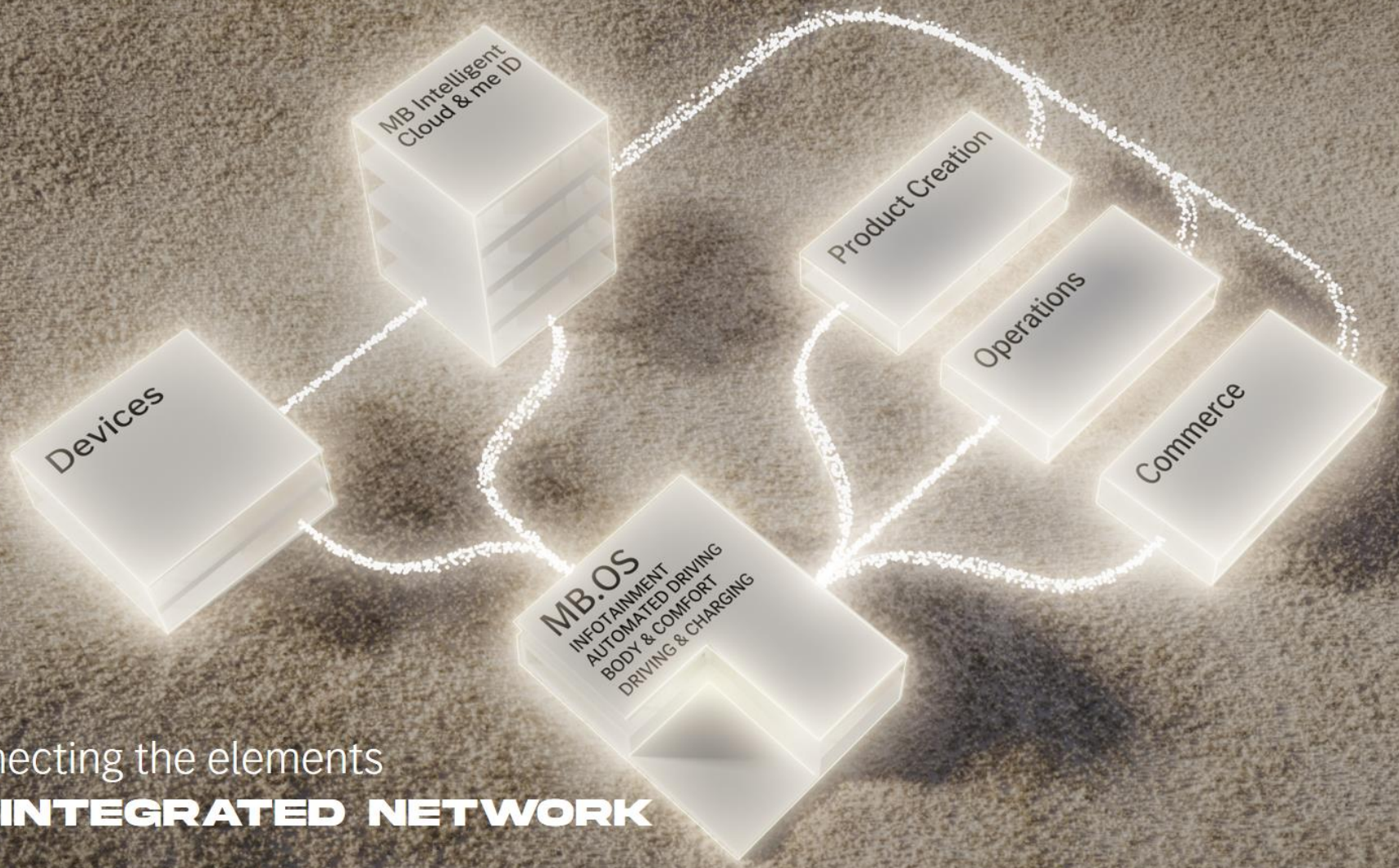
# We are building it intelligent, automated and exceptionally safe

Equipping each Mercedes with a

## SUPERCOMPUTER AND A COMPREHENSIVE SENSOR SET



# It’s about the operating system of our entire business




We’re connecting the elements
to build an **INTEGRATED NETWORK**

# 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

+

NVIDIA

## JOINT BENEFIT

Common use of data,
IP rights
and codes

Faster development times

Optimized product costs

Shared proceeds

# Advancing next-generation Level 2 automated driving

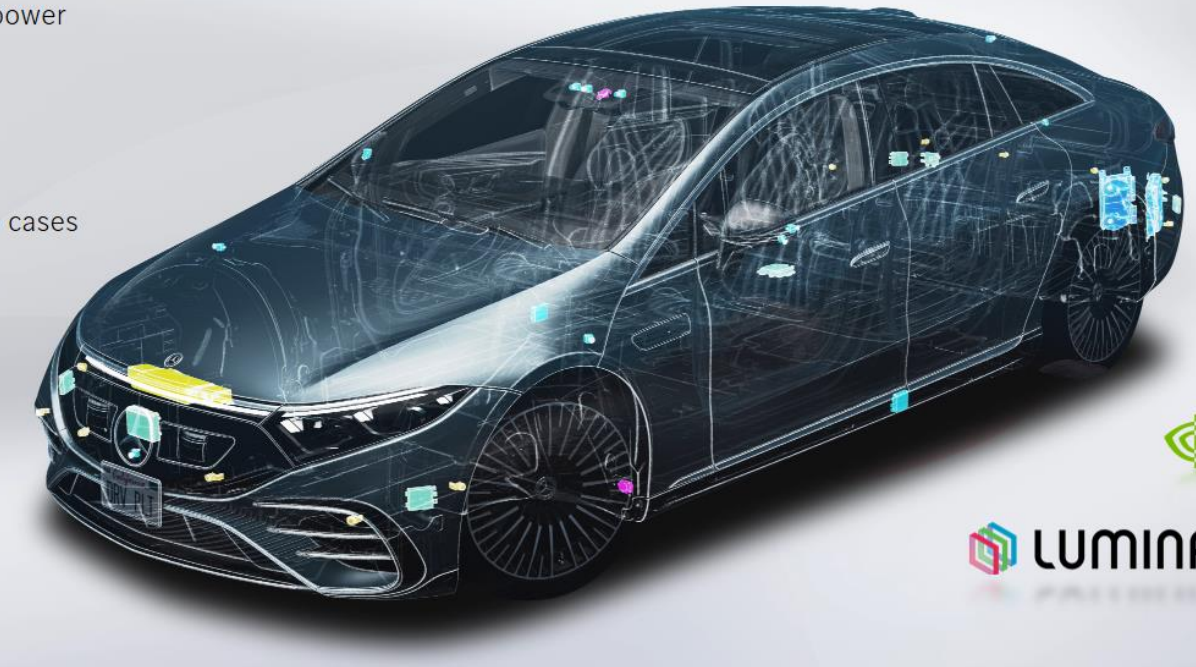
## Leveraging machine learning

Best-in-class LiDAR

New dimension of processing power

AI-powered and data-driven

System designed for urban use cases



Point-to-point assisted driving based on navigation

Substantially increased availability and ODD

Starting with MMA for entry segment

NVIDIA

LUMINAR

Camera
Radar
Lidar

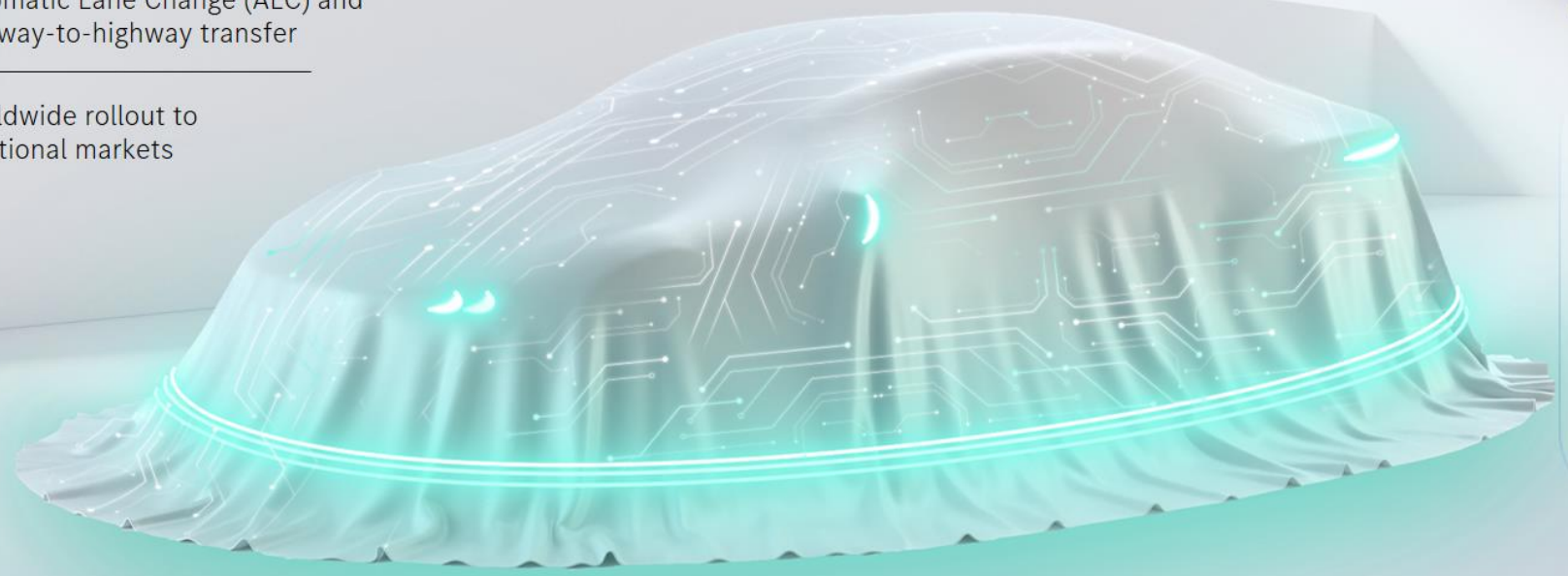
# Accelerating next-generation Level 3 automated driving with 2x computing power

## Giving customers back even more time

**UP TO 130 KM/H**
in its final stage

Automatic Lane Change (ALC) and highway-to-highway transfer

Worldwide rollout to additional markets



NVIDIA LUMINAR

# We are bundling the best functionalities into one MB.CONNECT package


The MB.CONNECT package will bundle a wide range of services into one

High flexibility: Available for a fixed-term three-year contract with vehicle purchase or via subscription

From 2025 onwards, 80% customer retention expected (for vehicles in the one-to-six-year age)

# A strong digital customer base as a springboard for future growth

## TODAY

Mercedes me is live in 50 markets

>10 million connected cars worldwide

## 2025

Mercedes me is planned to be live in 65 markets

...and targeting expansion to more than 16 million connected cars

# MB.CHARGE – we offer fixed prices and priority access to our charging network


Transparent, fixed-price charging rates

Priority access for customers to the Mercedes-Benz HPC network

> 80% customer retention expected from 2025 onwards (for vehicles in the one-to-six-year age)

# MB.DRIVE – our expanded and new offerings for assisted and automated driving


Starting with MMA we aim to equip all new models with hardware for enhanced assisted driving

Ability to upgrade to a higher degree of assistance foreseen across whole lifecycle

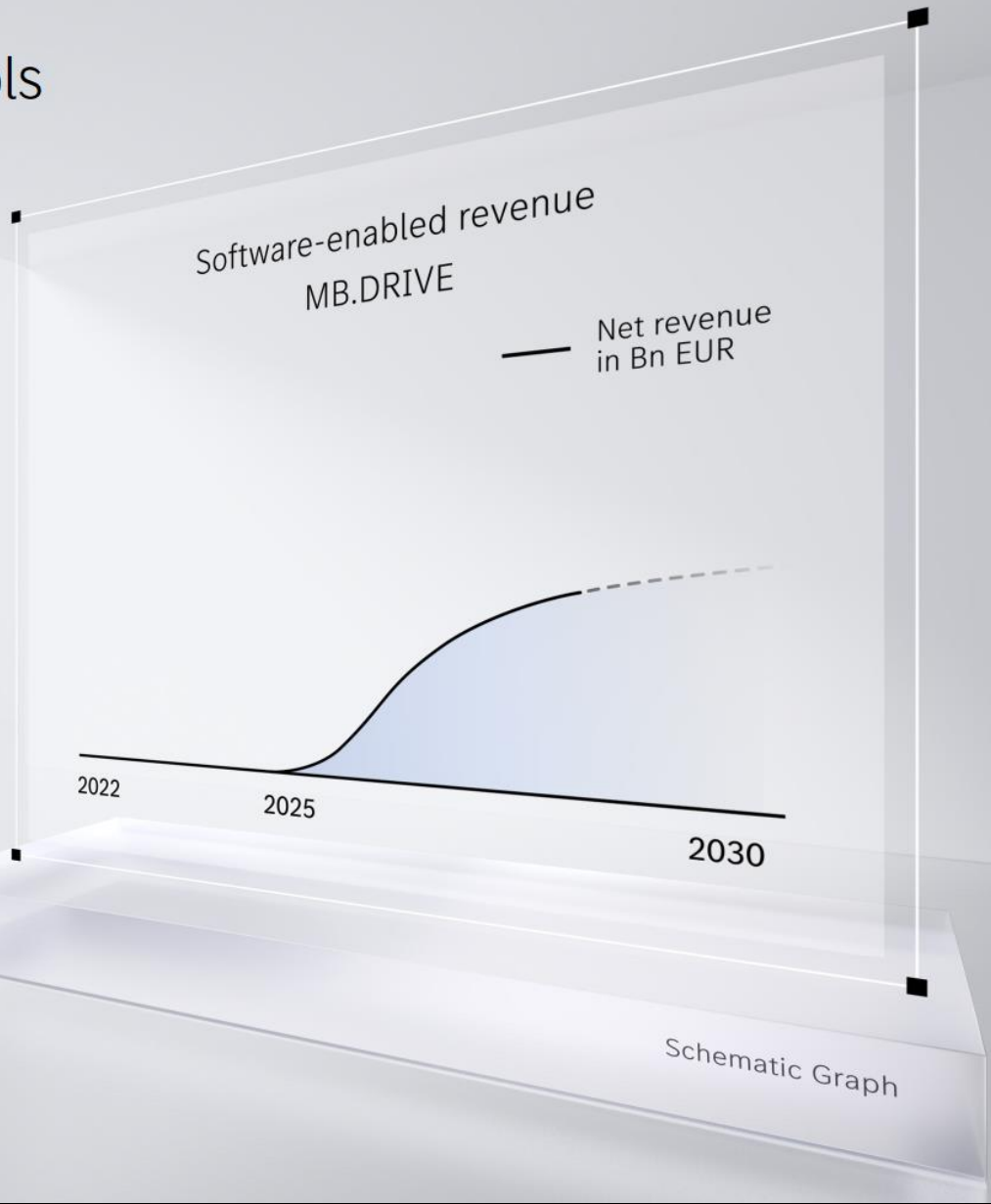
Conditionally automated driving functionalities can be ordered from the factory

# 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

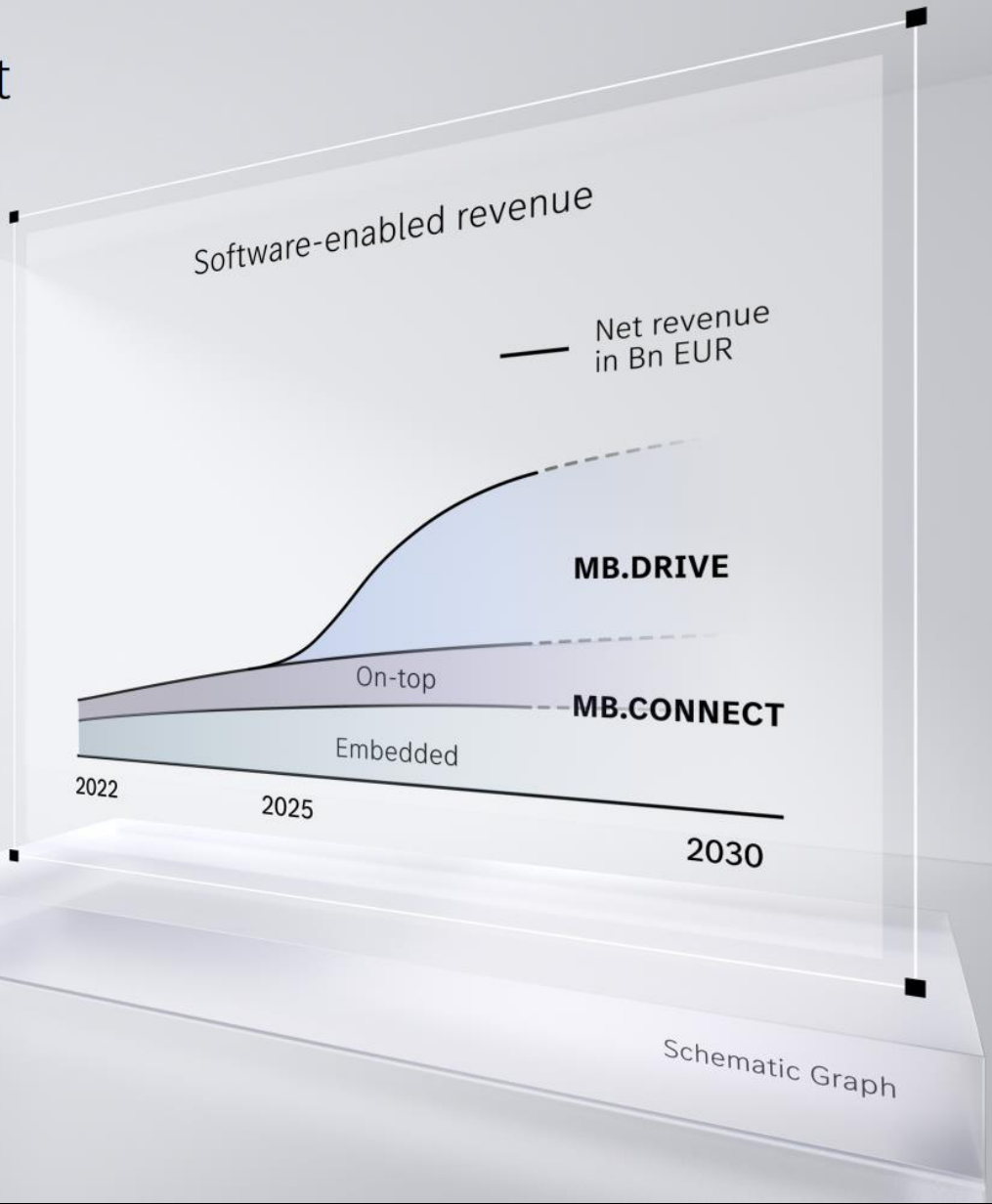
MB.CONNECT + MB.DRIVE

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



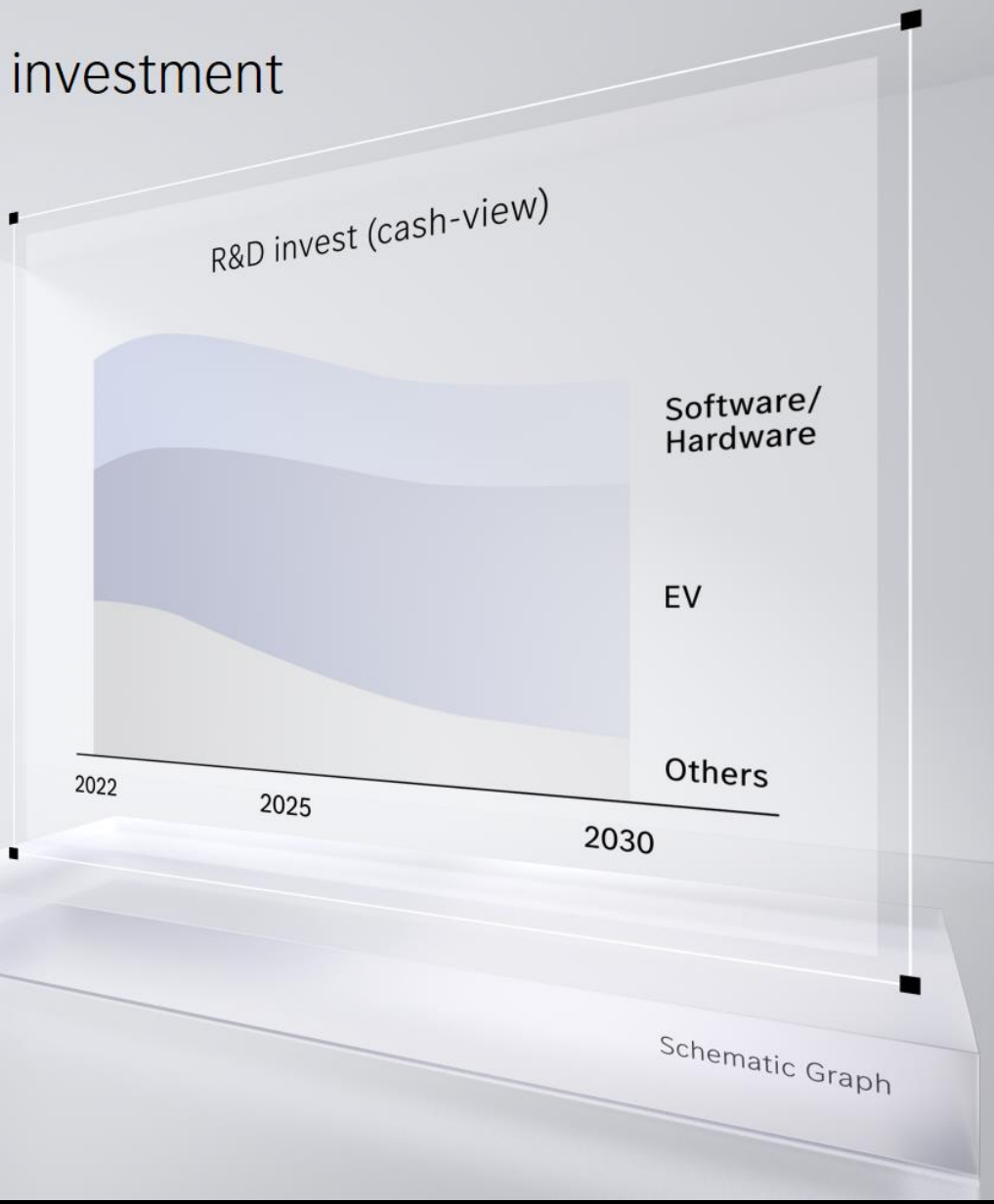
# MB.OS software and corresponding hardware investment are part of existing financial target landscape

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



# We are the architects

| | |
|---|---|
| **OUR PROMISE:** | The world‘s most desirable cars |
| **OUR OPPORTUNITY:** | Outstanding products & improved enterprise productivity |
| **OUR CONVICTION:** | Software a core competence |
| **OUR REALISM:** | Technology partnerships essential |
| **OUR VISION:** | Future proofing our valuable real estate |
| **OUR FOCUS:** | Delivering MB.OS for the launch of MMA |

# BBAC (Beijing Benz Automotive Cooperation) Joint Venture

## Key Facts

- BBAC is based on a trustful partnership with our long-term partner BAIC
- BBAC is the largest Mercedes-Benz production facility in the world with local R&D for passenger cars.
- Product ranges from Compact, Midsize, and Large-mid Segment (E-Class) as well as PHEVs and fully electric vehicles such as EQA, EQB and EQE. Local production of EQE SUV started in 2023.
- Engines as well as batteries are also produced locally
- The production is strongly integrated in the worldwide Mercedes-Benz network with a highly flexible production set up and shift models throughout the locations BBAC-Yishuang (BDA) and BBAC-Shunyi.
- BBAC-Shunyi is the new local production facility as of 2018 and part of the jointly invested expansion program of above 11.9 Bn RMB.
- Both partner (BAIC and Mercedes-Benz) sharing the investments for new products.
- CEO and CFO are appointed by Mercedes-Benz.
- MB contribution by locally produced cars are generated via (i) supplies, (ii) royalties, and (iii) at equity results (see right chart).

## BBAC Figures disclosed by MBG

In EUR millions

| | 2020 | 2021 | 2022 |
|---|---|---|---|
| Sales Volume (in thousand units) | 611 | 561 | 592 |
| Revenue | 21,774 | 21,288 | 24,820 |
| Profit from continuing operations after taxes | 2,900 | 3,205 | 3,649 |
| BBAC Equity Result MB | 1,335 | 1,553 | 1,711 |
| BBAC Dividend MB | 1,718 | 1,523 | 1,431 |

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**2. Mercedes-Benz Vans**

3. Mercedes-Benz Mobility

# Mercedes-Benz Vans Strategy

**Our Goal**

We offer the world's most desirable vans and services

**Our Strategic Pillars**

| Target | Embrace | Lead | Lower |
|---|---|---|---|
| premium segments and focus on profitable growth | customers and grow lifetime revenues | in electric drive and digital experience | total cost base and improve industrial footprint |

**Our Guiding Principles**

Guided by economic, environmental and social sustainability

Accelerated by digitalization and data-driven business

Driven by a highly qualified and motivated team

# We are a highly profitable part of the Mercedes-Benz Group. DESIRE is our common goal. We follow the Mercedes-Benz Luxury Strategy for private vans and pursue a Premium Strategy for commercial vans

Luxury Strategy — DESIRE — Premium Strategy

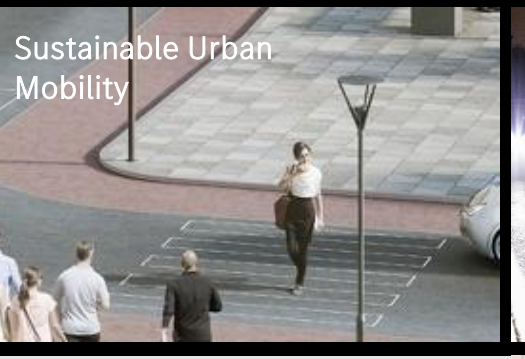
Mercedes-Benz Cars

Mercedes-Benz Vans

# For us, sustainability means permanently creating value for all stakeholder groups. Economic, environmental, and social responsibility go hand in hand – along the entire value chain.

## Our focus topics









**A common basis**

Integrity, People, Partnerships

# Strategy Priority: Electrifying Mercedes-Benz Vans

Mercedes-Benz Vans is fully committed and dedicated to electrification
Holistic Approach: From small over mid-size to large, we electrify every van segment

## 2022



Current eVan portfolio

## 2023

The new eSprinter

## 2025ff


New „electric only“ architecture

* Power consumption combined (WLTP): 18.99 kWh/100 km; combined $CO_2$ emissions (WLTP): 0 g/km;
The values given are the calculated "WLTP $CO_2$ values" in accordance with Art. 2, No. 3 of Implementing Regulation (EU) 2017/1153. Fuel consumption figures have been calculated on this basis. Electrical consumption and range were determined on the basis of Directive 2017/1151/EU.

# The new Mercedes-Benz eSprinter

With the new eSprinter, Mercedes-Benz Vans is consistently implementing its new strategy and underlining its claim to leadership **'Lead in Electric Drive'**

- The requirements were defined in close cooperation with our customers: With three battery and several body variants from panel vans to chassis for box bodies, for example, the new eSprinter will be much more flexible and open up **both new customer segments and markets** (including the USA and Canada).
- The **range** will **more than double** compared to the current eSprinter, depending on the configuration.

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# Mercedes-Benz Mobility Strategy

## WE MOVE YOU INTO A NEW ERA!

### Electrify Our Future

Sustainability
Electrification & Charging
Service Income

### Excite Our Customers

Seamlessly integrated customer experience

### Power Up Our Business

End-to-end automation & digitization

### Go For Data

Data-driven company

### Imagine It, Do It, Live It!

Transformation & High-performance culture

# Mercedes-Benz Mobility Role & Contribution

As an integral part of Mercedes-Benz, we secure the company’s position as a global leader by leveraging customer data and insights generated through our numerous touchpoints with our clients. We retain them in the Mercedes-Benz ecosystem and offer services that are in great demand to create additional income and to drive recurring revenues.

# Mercedes-Benz Mobility Product Range

As integral part of the Mercedes-Benz customer journey

**Financing | Leasing | Insurance | Fleet Management |**
**Rental & Subscription | Charging Ecosystem | Payment Services**

# 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, raw materials or energy; disruption of production due to shortages of materials or energy, 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 this 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.