

Roadshow Presentation
Q2 2023
Mercedes-Benz Group AG

AGENDA

I. Results Q2 2023

II. Outlook FY 2023

III. Strategy

1. Mercedes-Benz Cars

1.1 Luxury Strategy

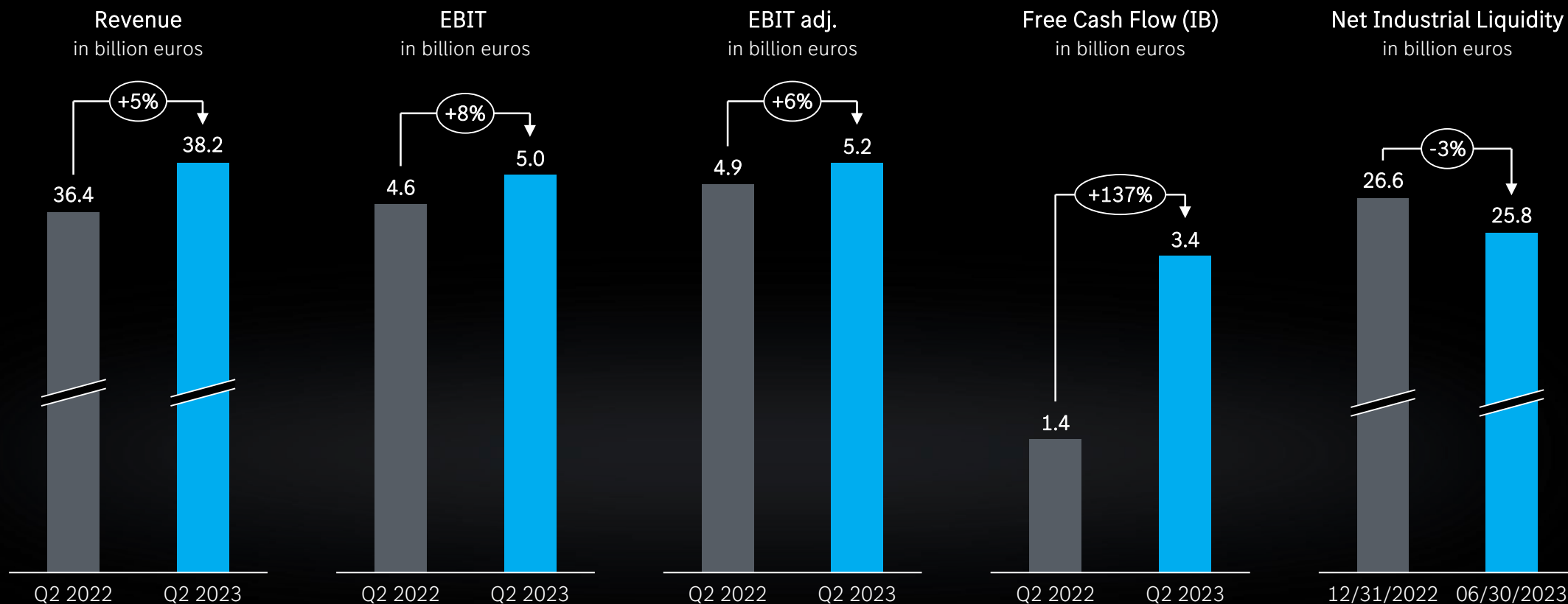
1.2 Electrification

1.3 Automated Driving & Operating System

2. Mercedes-Benz Vans

3. Mercedes-Benz Mobility

Mercedes-Benz Group: Key figures



Mercedes-Benz Cars: Key messages



Performance: Strong growth in Top-End segment; BEV sales Mercedes-Benz Passenger Cars more than doubled

Profitability: Solid results demonstrate resilience in challenging environment

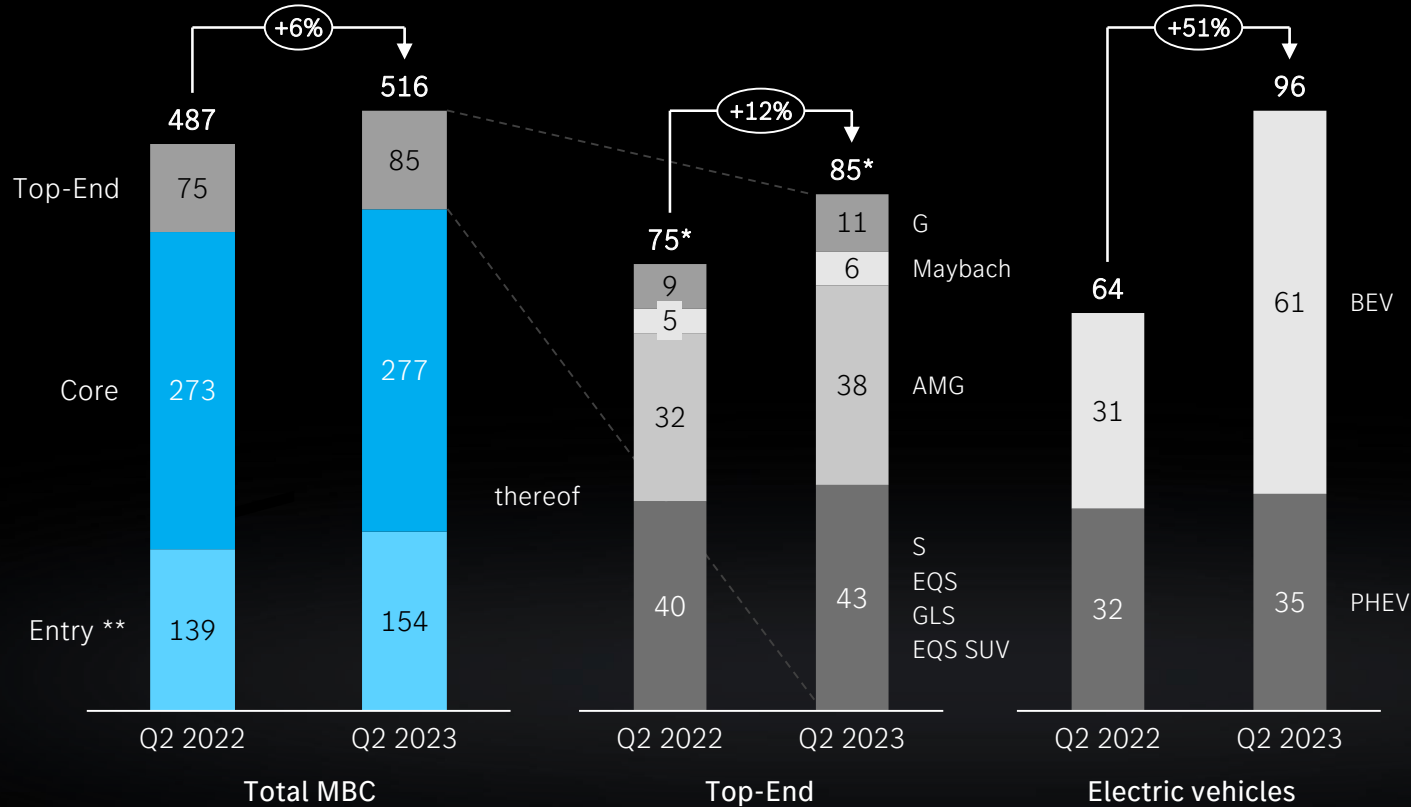
Products: Production start of new E-Class with MB.OS precursor; premiere of GLC Coupé & CLE

Technology: L3 certification in California; launch of Automatic Lane Change in Europe; ChatGPT integration in cars in U.S.

Customer experience: Expansion of charging options in North America; further roll-out of direct sales model

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

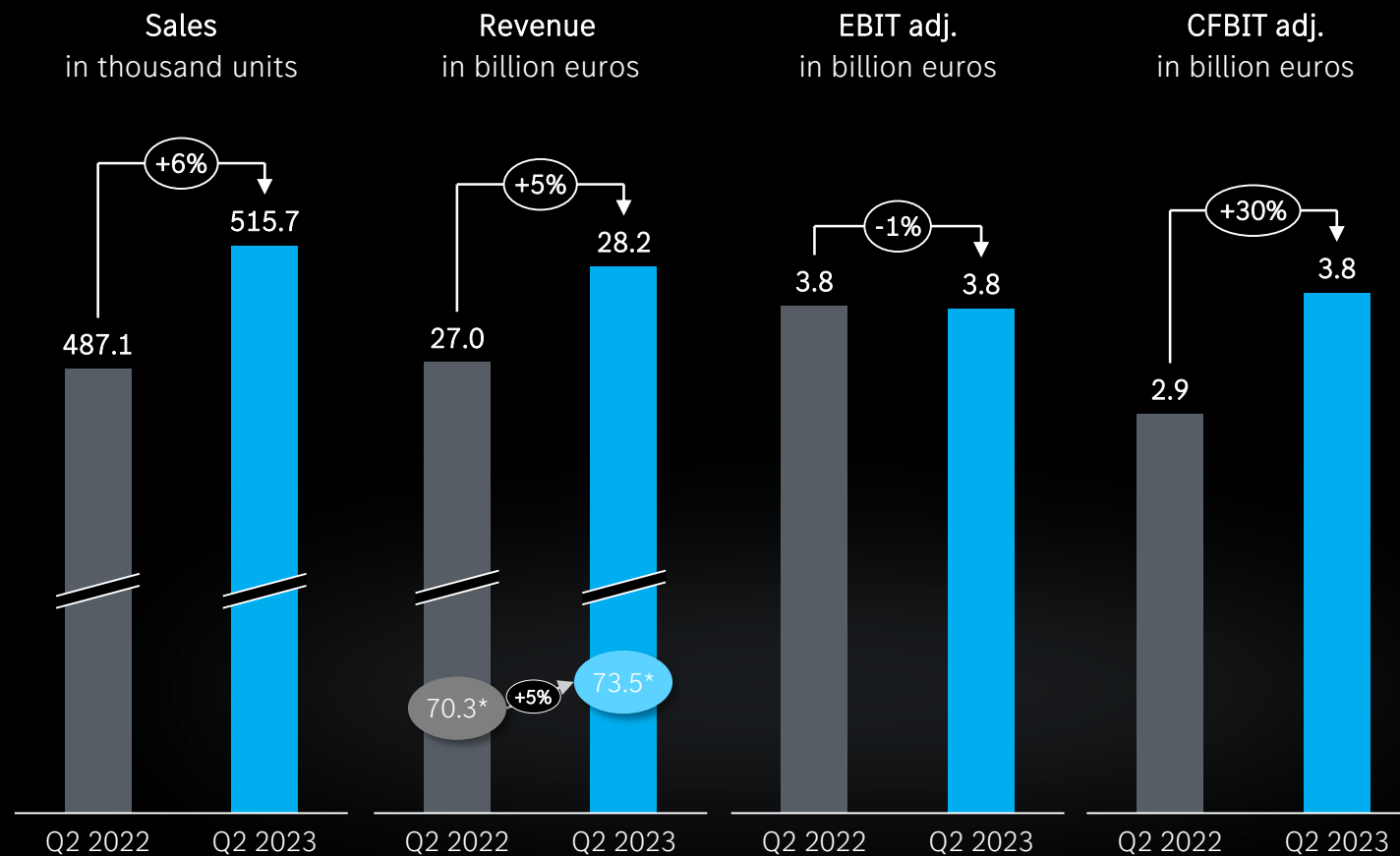
In thousand units



Share in % of volume	Q2 2022	Q2 2023
Total MBC	15%	16%
Electric vehicles	13%	19%

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

Mercedes-Benz Cars: Financials



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

Mercedes-Benz Cars: Q2 2023 EBIT & RoS

In million euros



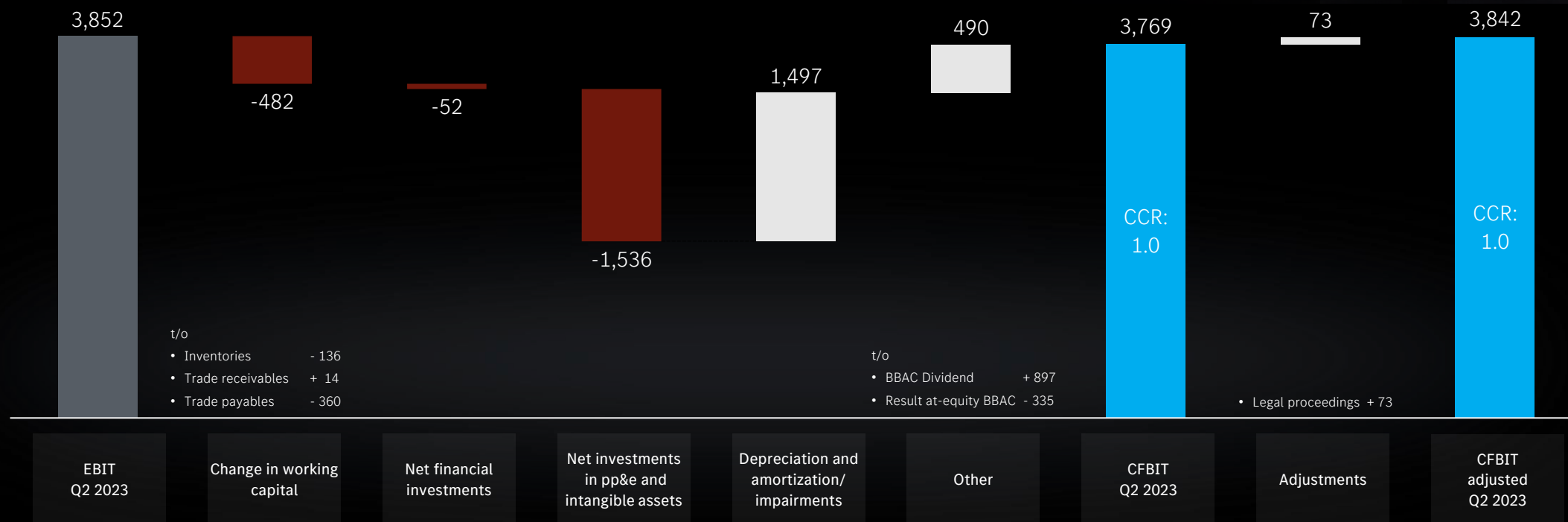
Gross Profit +270



EBIT Q2 2022	Adjustments	EBIT adjusted Q2 2022	Volume / structure / Net pricing	Foreign exchange rates	Industrial performance	Selling expenses	General administrative expenses	Research & non-capitalized development costs	Other	EBIT adjusted Q2 2023	Adjustments	EBIT Q2 2023
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Mercedes-Benz Cars: EBIT to CFBIT

In million euros



Mercedes-Benz Vans: Key messages



Performance: Strong sales and order book in favourable market conditions

Profitability: Solid net pricing and volume outweigh cost increases and inflation

Products: Product portfolio fully electrified in each segment with start of sales for EQT* and eCitan

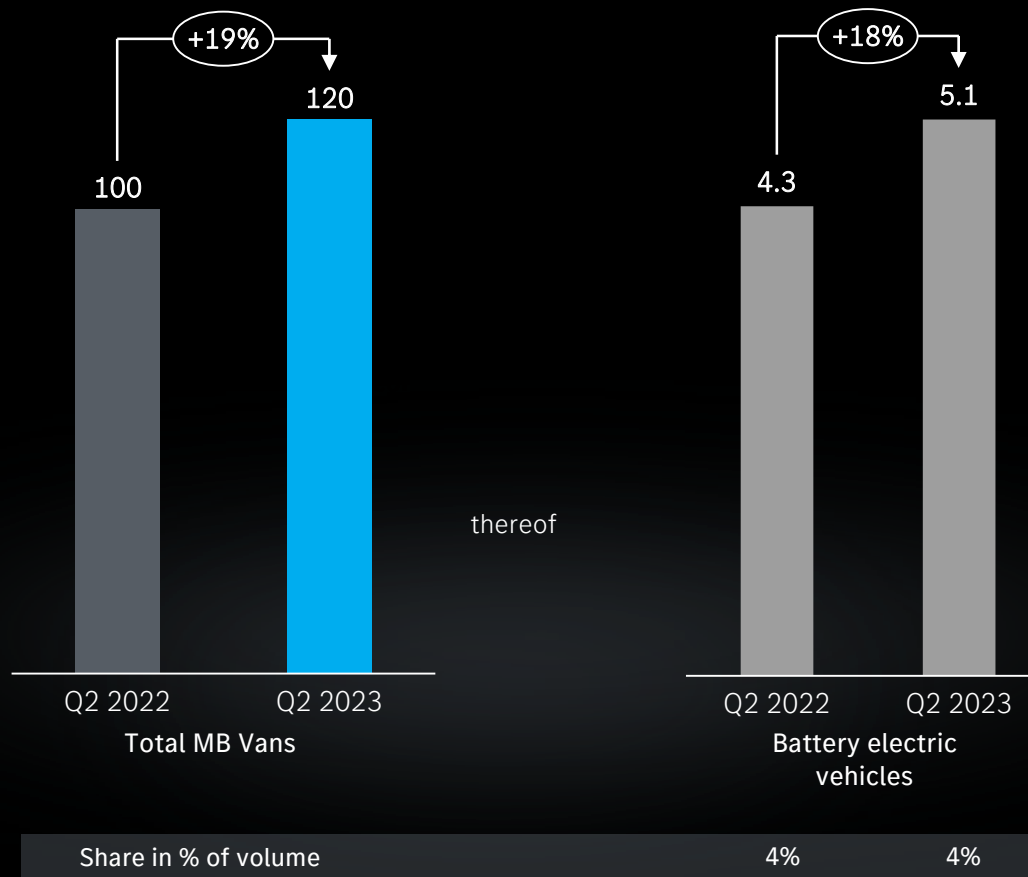
Strategy: Long term targets outlined on Mercedes-Benz Vans Strategy Update in May

* Combined power consumption (WLTP): 20,7-19,3 kWh/100km; CO₂ emissions (combined) 0g/km

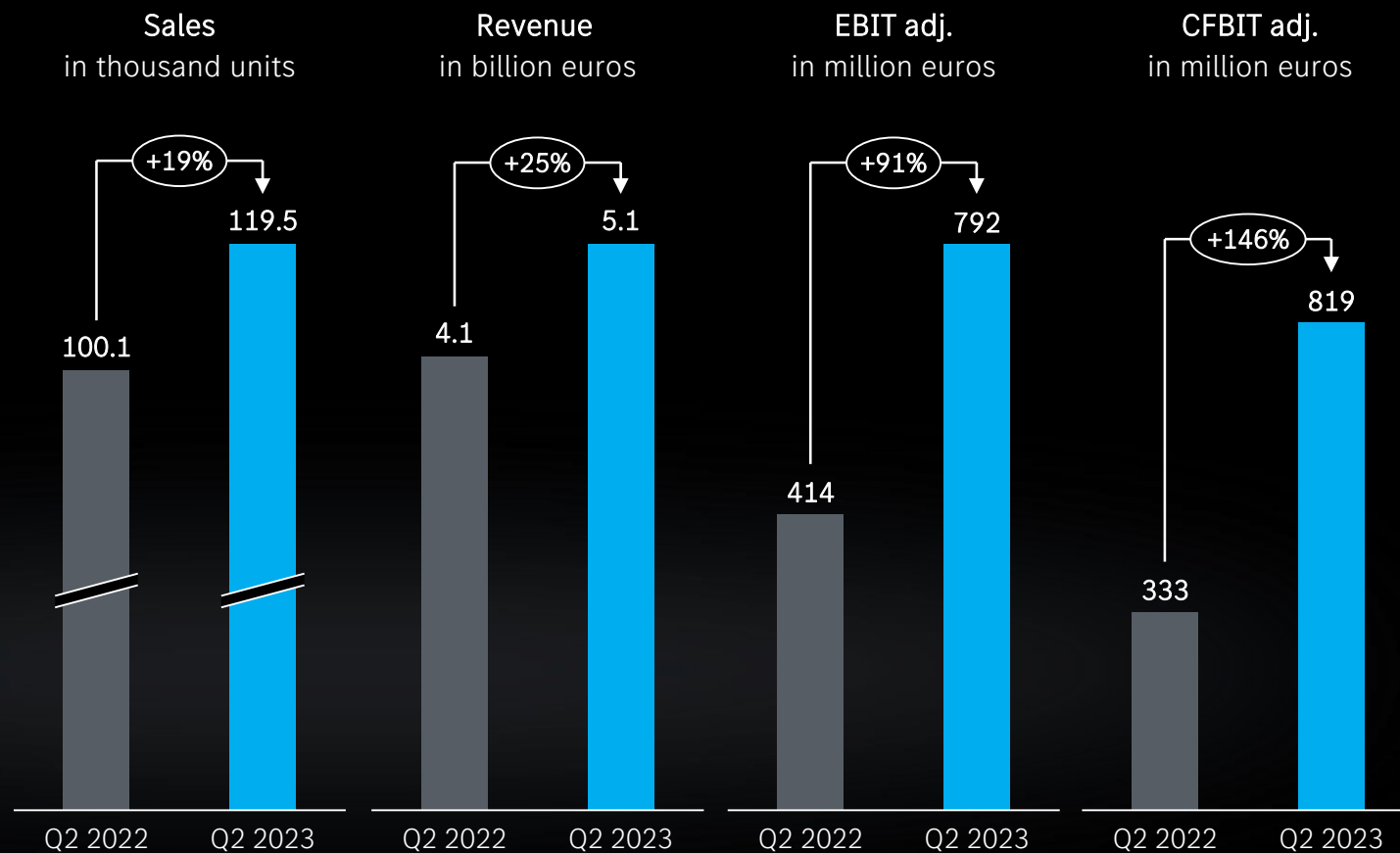
Mercedes-Benz Vans: Electric vehicle unit sales



In thousand units



Mercedes-Benz Vans: Financials

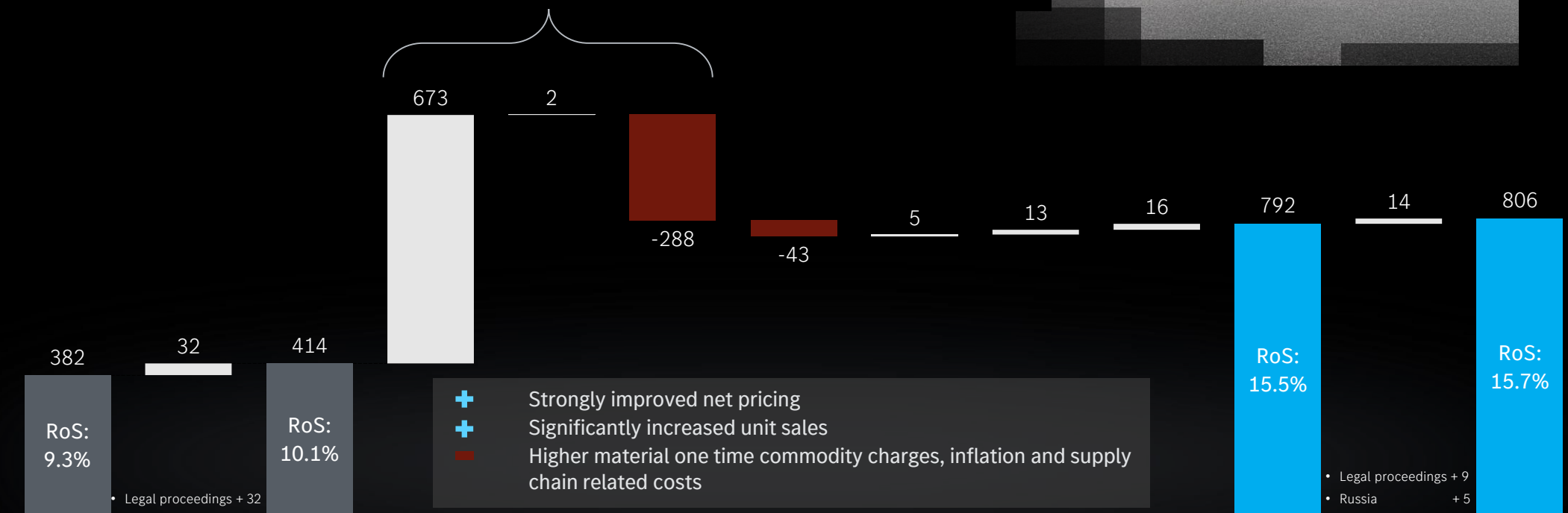


Mercedes-Benz Vans: Q2 2023 EBIT & RoS

In million euros



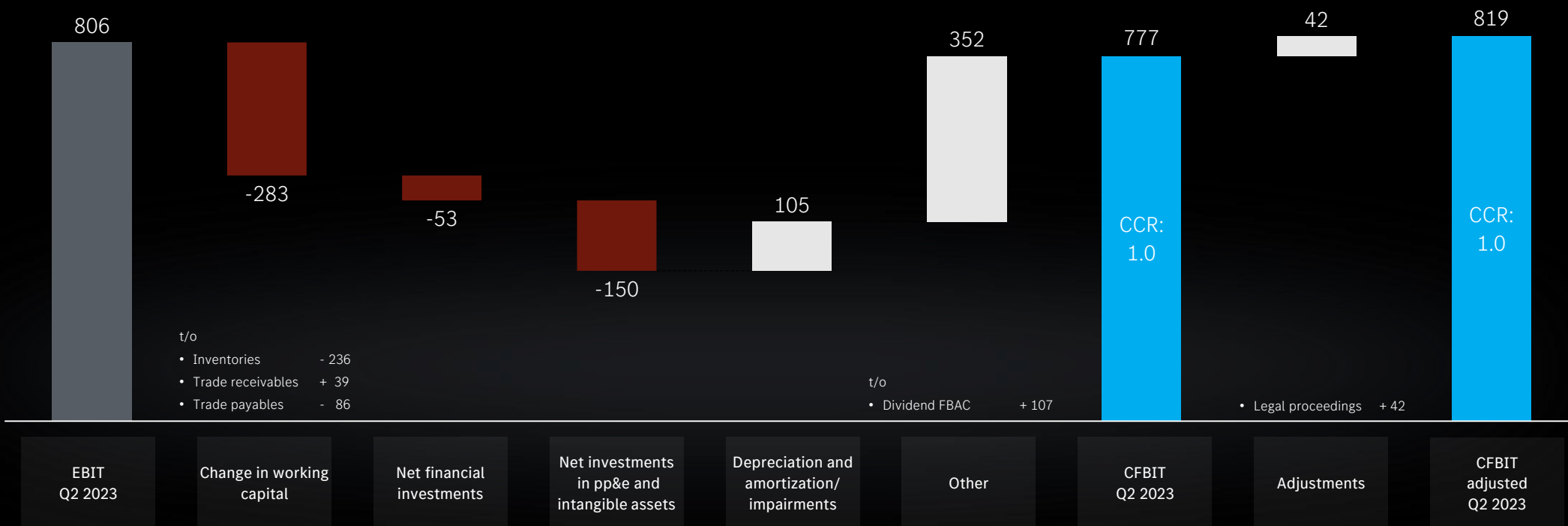
Gross Profit +387



EBIT Q2 2022	Adjustments	EBIT adjusted Q2 2022	Volume / structure / Net pricing	Foreign exchange rates	Industrial performance	Selling expenses	General administrative expenses	Research & non-capitalized development costs	Other	EBIT adjusted Q2 2023	Adjustments	EBIT Q2 2023
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Mercedes-Benz Vans: EBIT to CFBIT

In million euros



Mercedes-Benz Mobility: Key messages

Business: Challenging market environment; Higher penetration rate for battery electric vehicles

Profitability: Interest margin impacted by higher interest rates and increased competition

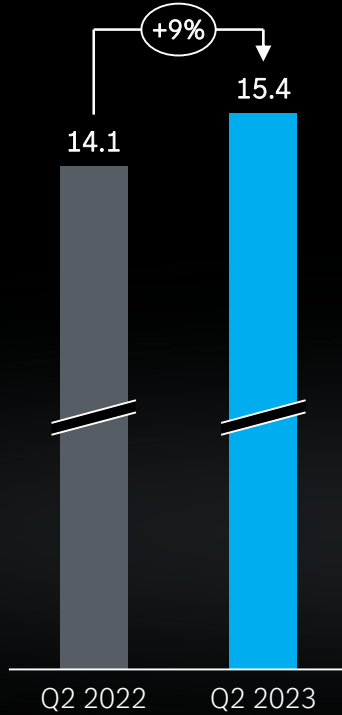
Products: Ramp-up of Mercedes-Benz charging business started

Russia: Sale of business activities completed

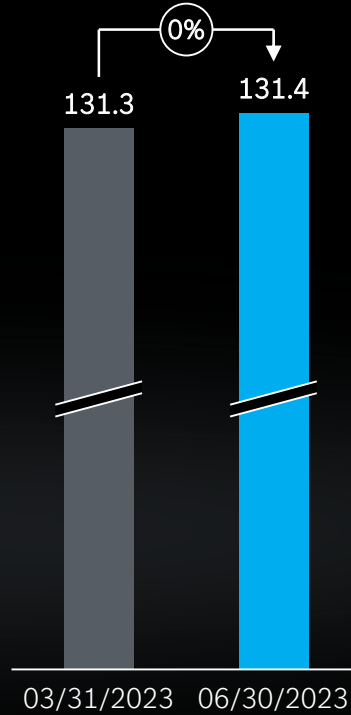


Mercedes-Benz Mobility: Financials

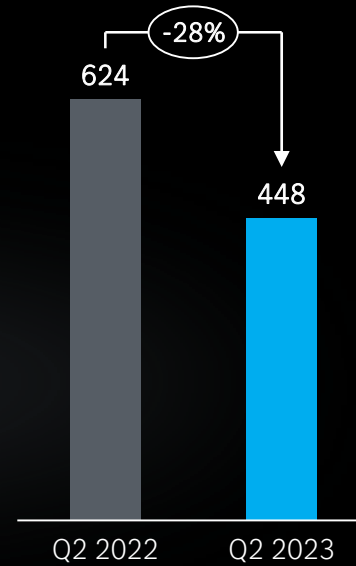
New Business
in billion euros



Contract Volume
in billion euros

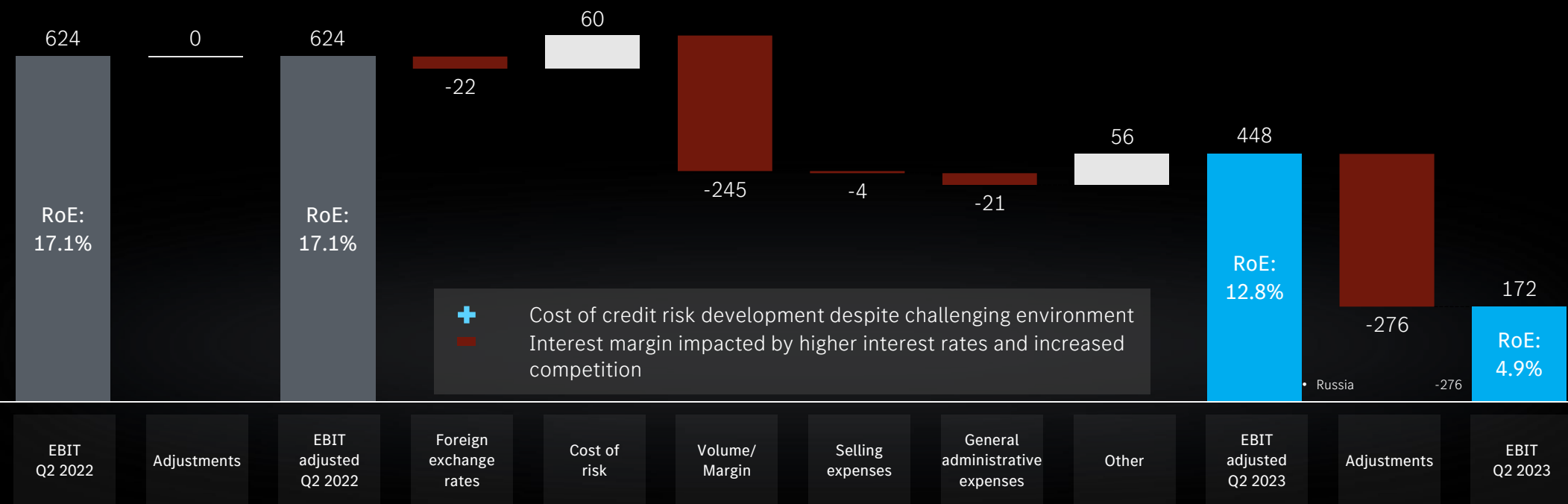


EBIT adj.
in million euros



Mercedes-Benz Mobility: Q2 2023 EBIT & RoE

In million euros



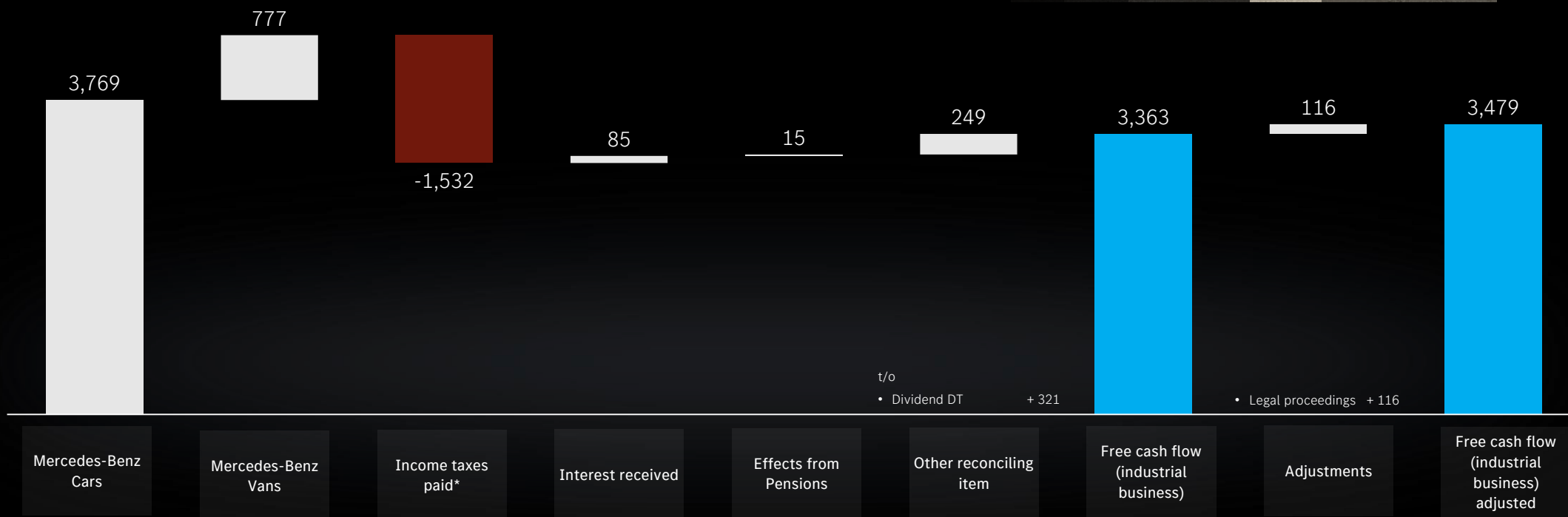
Mercedes-Benz Group: Group EBIT

In million euros



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

In million euros

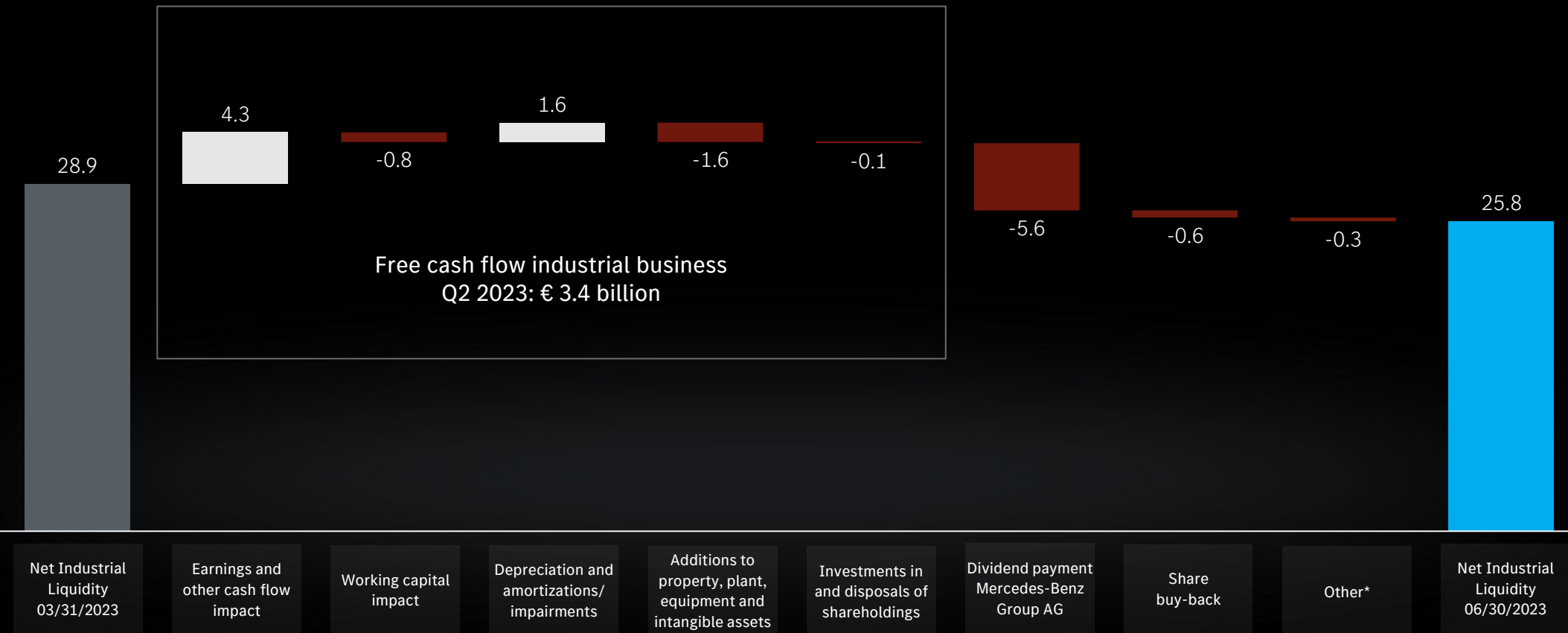


* includes internal tax prepayments from Mercedes-Benz Mobility to the industrial business

Mercedes-Benz Group: Net Industrial Liquidity



In billion euros



* Mainly exchange rate effects

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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 in the second half of the year. Despite declining monthly inflation rates, inflation is expected to remain elevated in many places, which is likely to result in continued restrictive monetary policies by major central banks. These developments are likely to continue to weigh on consumers and companies and weaken economic growth accordingly. Geopolitical imponderables remain another uncertainty factor. By contrast, energy prices are expected to remain at a significantly lower level than in the previous year for the rest of 2023 and also on average for the year as a whole. The noticeably improved situation in global supply chains should continue to benefit the development of the automotive markets in the second half of the year, although market demand is expected to remain subdued in important markets.

Unit Sales	Mercedes-Benz Cars	At prior-year level
	Mercedes-Benz Vans	Significantly above
Return on Sales (adjusted*)	Mercedes-Benz Cars	12 to 14 %
	Mercedes-Benz Vans	13 to 15 %
	Mercedes-Benz Mobility (RoE)	12 to 14 %
Cash Conversion Rate** (adjusted)	Mercedes-Benz Cars	0.8 to 1.0
	Mercedes-Benz Vans	0.7 to 0.9
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 in the second half of the year. Despite declining monthly inflation rates, inflation is expected to remain elevated in many places, which is likely to result in continued restrictive monetary policies by major central banks. These developments are likely to continue to weigh on consumers and companies and weaken economic growth accordingly. Geopolitical imponderables remain another uncertainty factor. By contrast, energy prices are expected to remain at a significantly lower level than in the previous year for the rest of 2023 and also on average for the year as a whole. The noticeably improved situation in global supply chains should continue to benefit the development of the automotive markets in the second half of the year, although market demand is expected to remain subdued in important markets.

Revenue	At prior-year level
EBIT	At prior-year level
Free Cash Flow (Industrial Business)	Slightly above
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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2023: Strategic priorities & YTD achievements



Safeguard our
operating optimum

Continue scaling
BEVs

Future-proof
supply chains

Further upgrade
customer experience

Maintain
cost discipline

**Pricing & mix
discipline**

**More than
doubled
BEV sales
at MB P.C.**

**Improved
supply chain
stability**

**Next steps
charging &
direct sales**

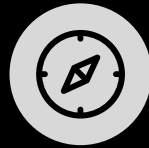
On track

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

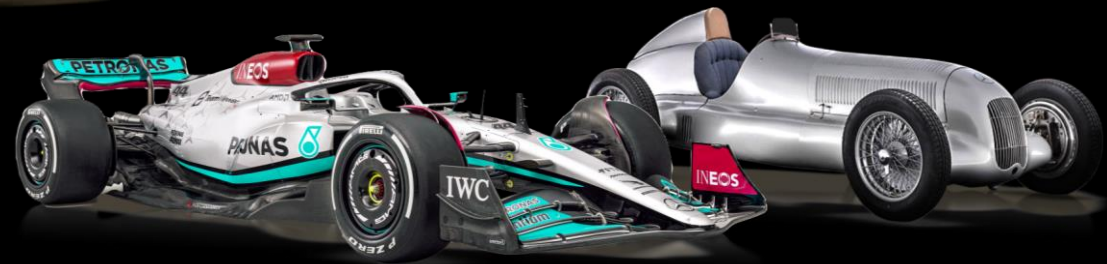
Heritage:

Mercedes-Benz is built on constant reinvention



Formula 1:

The power of F1 for our brand



Source: Interbrand Best Global Brands 2021

Zeitgeist relevance: There's no luxury without sustainability

Our sustainability goals:

2022

Net carbon-neutral
production

Mid-Decade

Up to
50% xEVs

2030

Ready to go all electric
where market
conditions allow

2039

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

Our ambition for 2025

20 markets
globally

over 80%
direct sales in Europe

25% online
sales



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



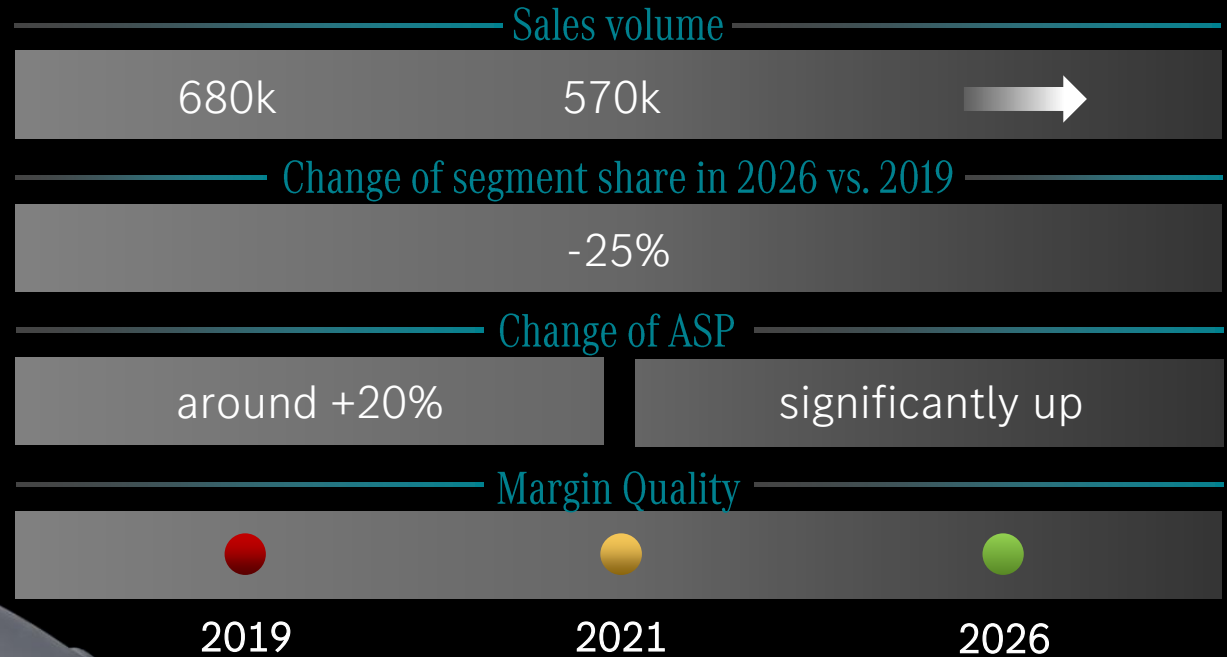
2021



2026

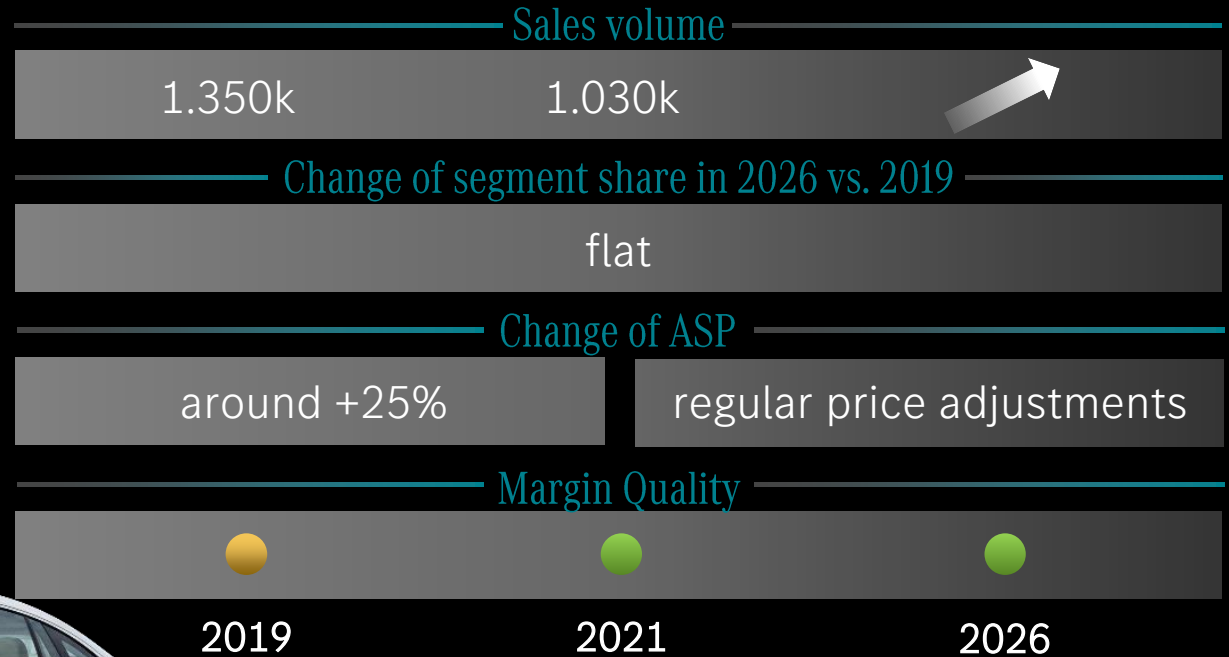
Entry Luxury - Focus & Elevate

- 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



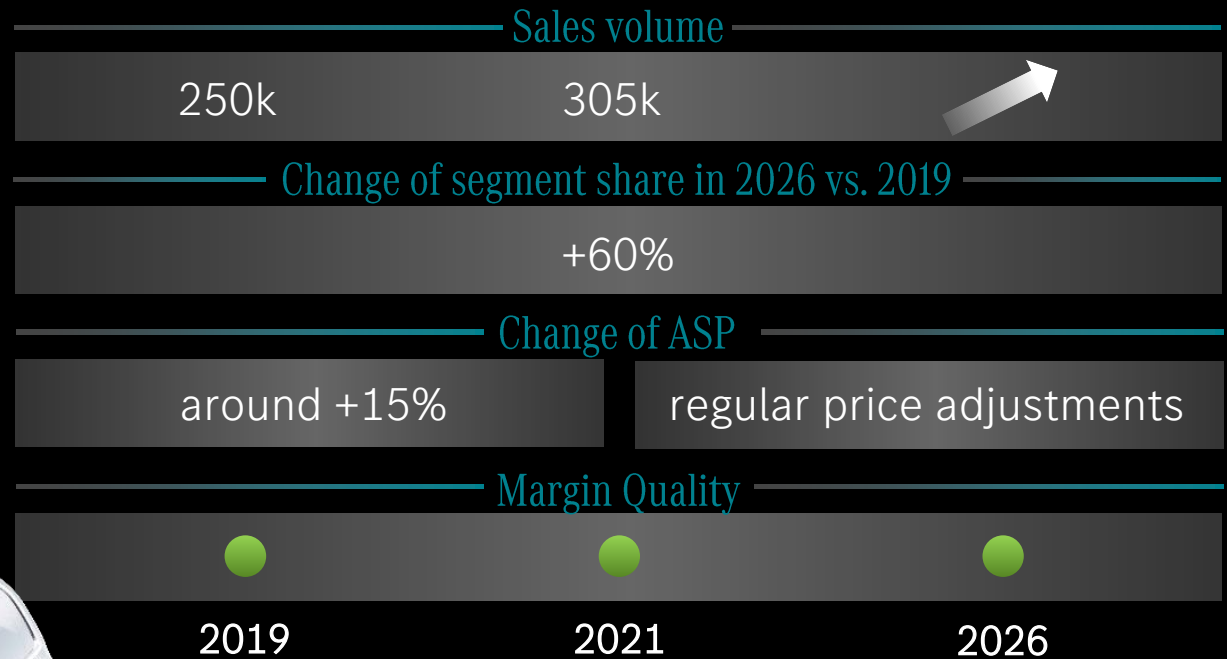
Core Luxury - Grow & Refine

- 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



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

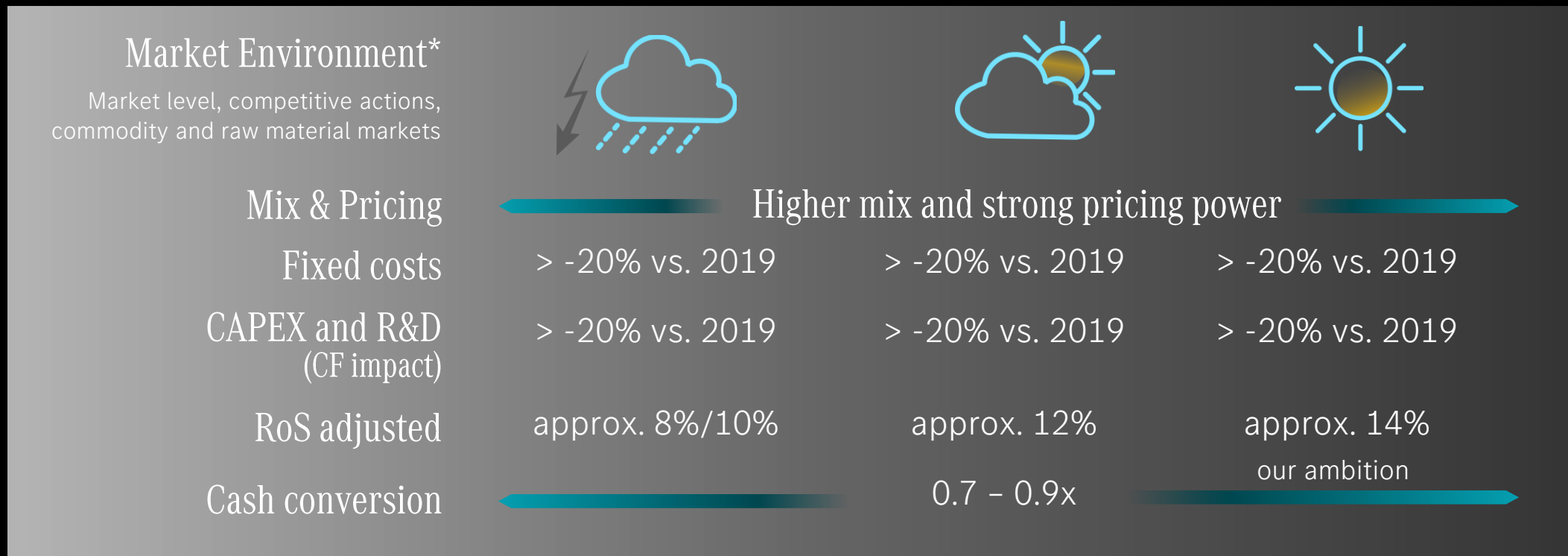


Changing our economic equation

- 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 comprises 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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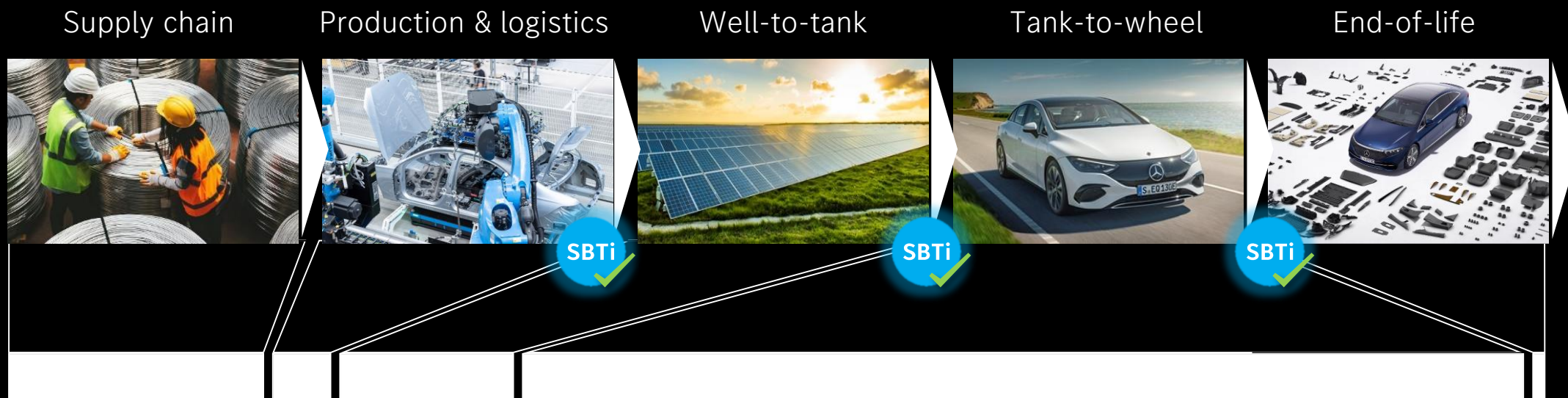
1.2 **Electrification**

1.3 Automated Driving & Operating System

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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 CO₂ IMPACT ALONG THE VALUE CHAIN

49.7 tCO₂ in 2020 - 47.8 tCO₂ in 2022 - more than half per decade

Mercedes-Benz Cars 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**

2020



EQV

2021



EQA

EQB

EQS

EQE

2022



EQS SUV

EQE SUV

EQT

2023



Mercedes-Maybach
EQS SUV

The EQS: The first electric vehicle in the luxury class



Launched in 2021

WLTP ranges of up to 780 kilometres¹

With its C_d figure² 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 minutes³

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 kilometres¹

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 kilometres² can be recharged on the basis of the WLTP range

The 6-phase design makes the permanently excited synchronous motor (PSM) on the rear axle 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 kilometres¹

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 kilometres² 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 kilometres¹

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

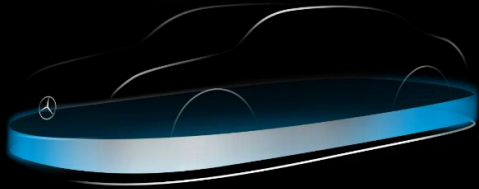
In 15 minutes, power corresponding to a range of up to 220 kilometres² can be recharged on the basis of the WLTP range

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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)

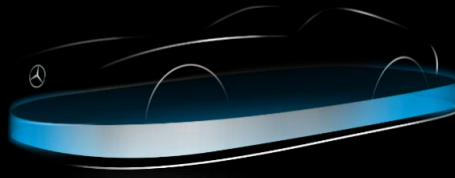
We are on the way to an all-electric future - MMA followed by three “electric only” architectures mid-decade



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

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

Our target: Capacity of more than 200 Gigawatt hours by 2023

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

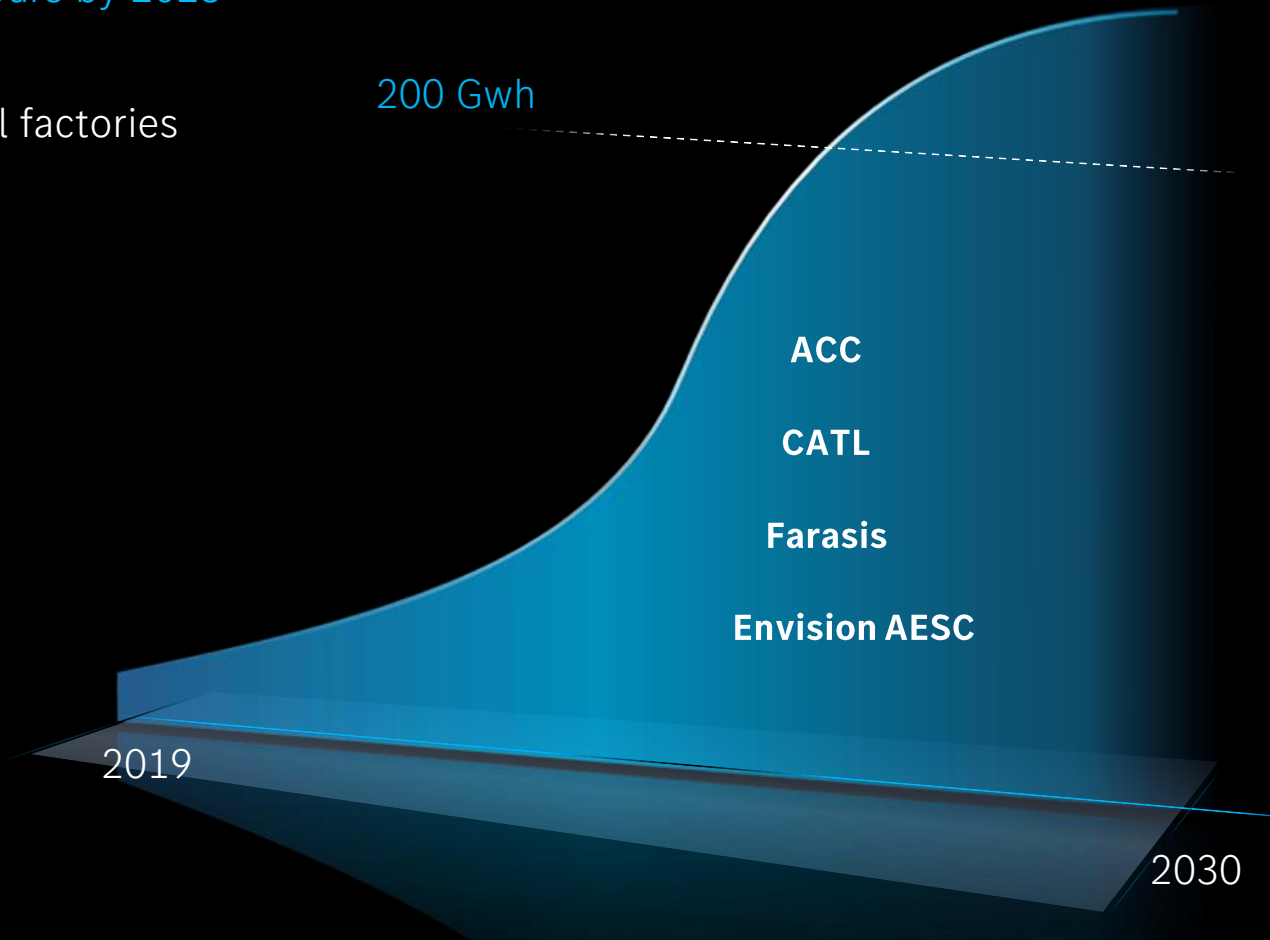
CATL

- New plant in Debrecen, Hungary

ACC building 3 plants in Europe

- Douvrin, France
- Kaiserslautern, Germany
- Termoli, Italy

Needed battery volume for all car lines



By joining ACC, we build a European battery champion

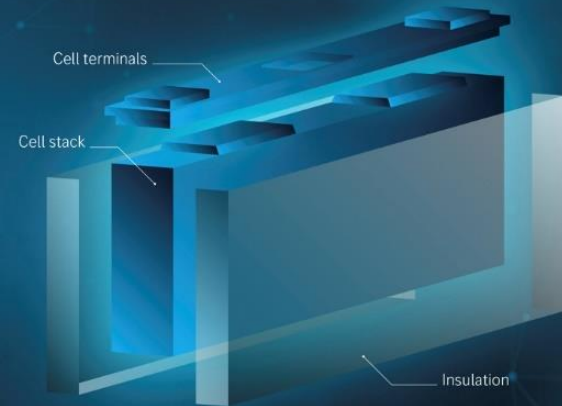
We take a one third stake in [Automotive Cells Company \(ACC\)](#).

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.

Mercedes-Benz to join ACC and build a European battery champion with global ambitions



Developing the next generation battery cell technology

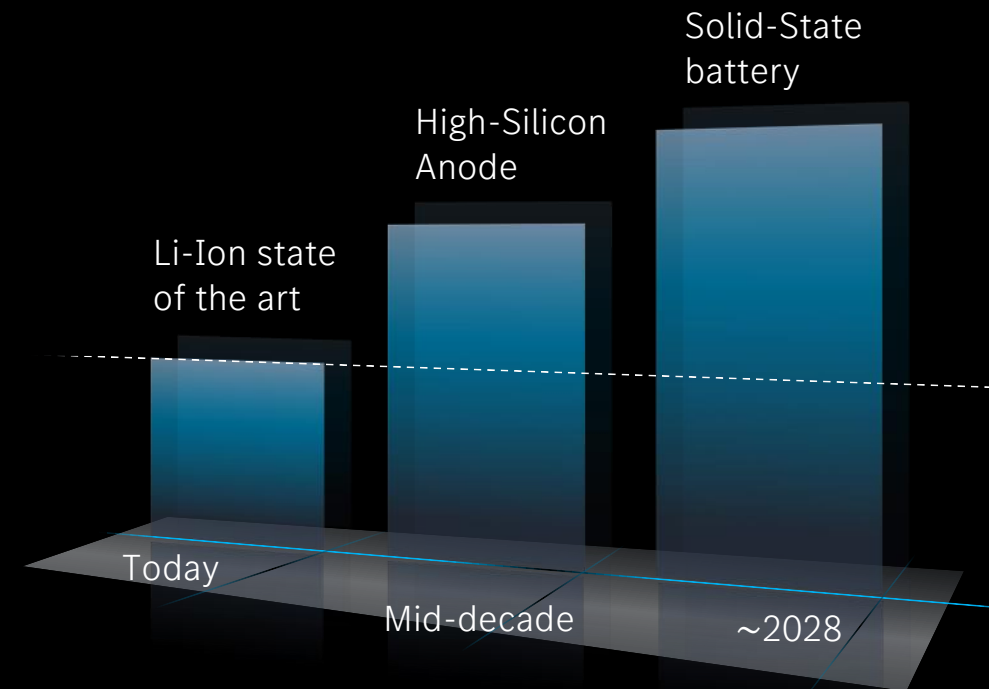
High-Silicon Anode: increasing energy density by using silicon-carbon composite in the anode

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

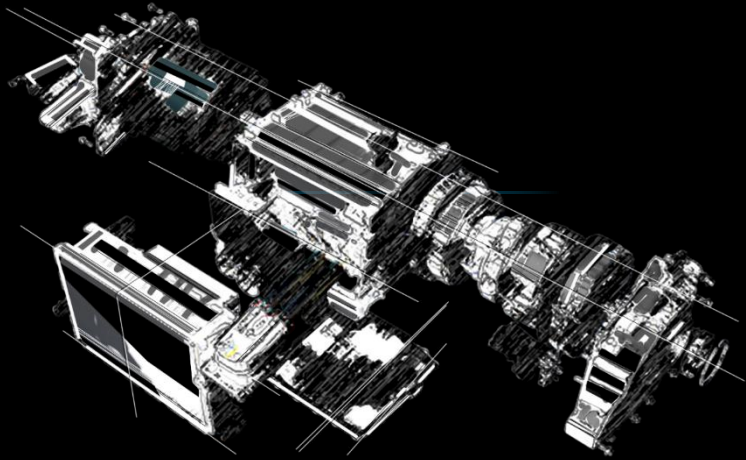
Several cooperations with existing and new partners like Sila, Prologium and Factorial to accelerate development of both technologies

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

Expected energy density



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 AMG. 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 and gains access to Tesla Supercharger network 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**

Pre-booking and other benefits for Mercedes-Benz customers, **Green charging** with Mercedes me Charge

With up to **350 kw** charging power

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**

Furthermore, Mercedes-Benz drivers **gain access** to more than **12,000 Tesla Superchargers** across **North America beginning in 2024**

Mercedes-Benz to **integrate North American Charging Standard (NACS)** in its electric vehicle line-up – introduction in **North America starting 2025**



Mercedes-Benz joining initiative to create a leading high-powered charging network across North America

Seven major global automakers – BMW Group, General Motors, Honda, Hyundai, Kia, Mercedes-Benz Group, Stellantis NV – will create an unprecedented new **charging network joint venture** that will significantly expand access to **high-powered charging** in **North America**

Targeting to install at least **30,000 high-powered charge points** in **urban and highway locations** to ensure customers can charge whenever and wherever they need

With a focus on **delivering an elevated customer experience**, the network will provide reliability, high-powered charging capability, digital integration, appealing locations, various amenities while charging, and use renewable energy

Charging stations will be **accessible to all EV customers**, offering both **Combined Charging System (CCS)** and **North American Charging Standard (NACS)** connectors

First stations are scheduled to open in the **summer of 2024**



BEV cost reduction focus

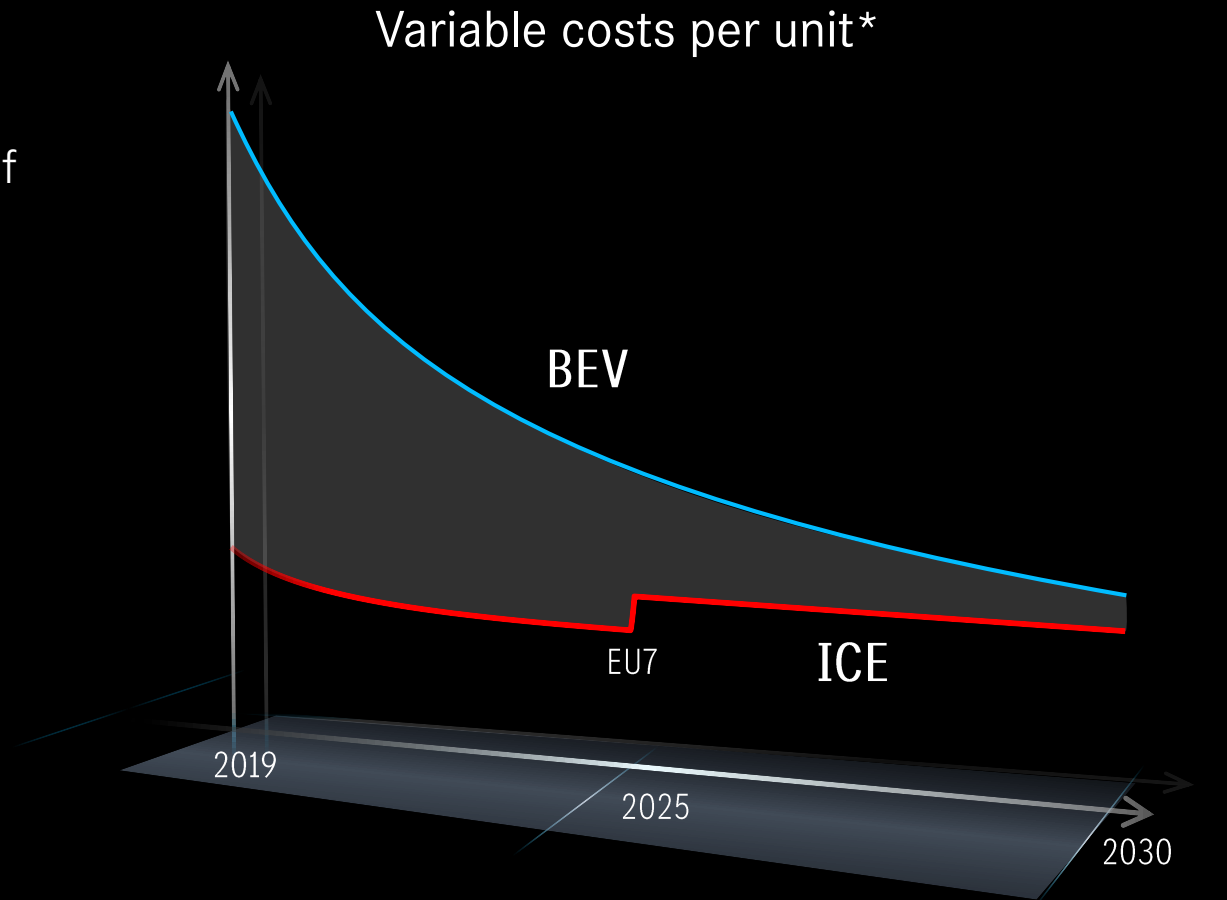
Key levers

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



* schematic and before mix change

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

Key levers

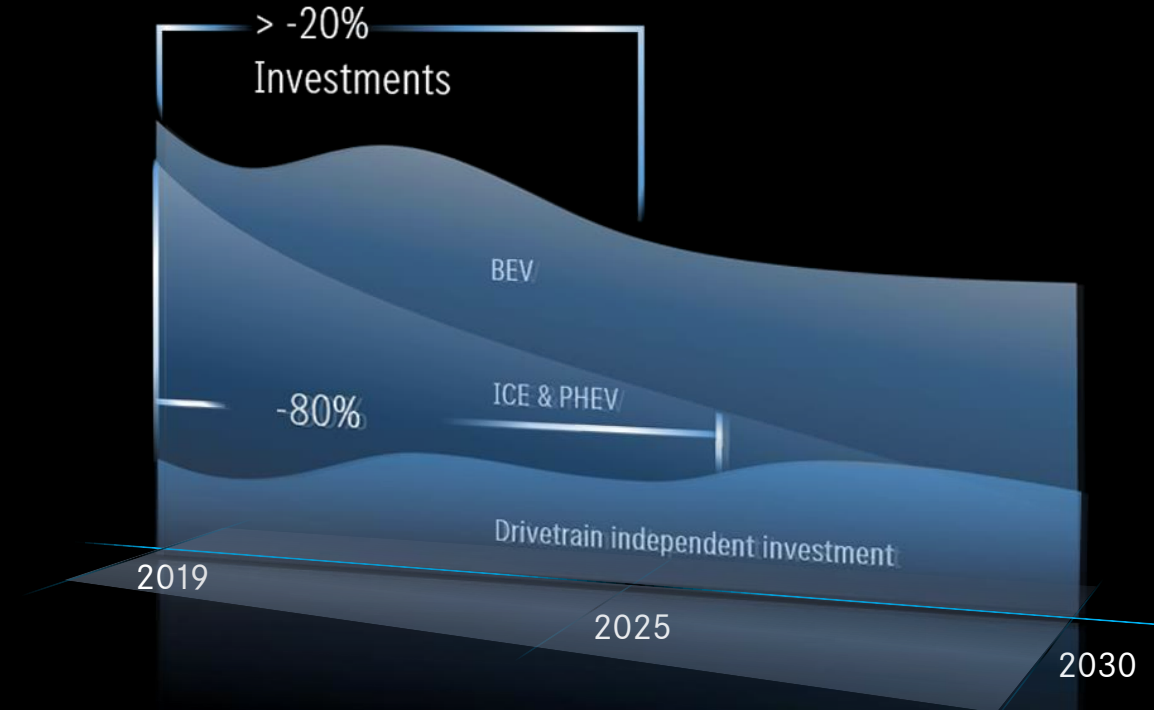
Additional investments for new BEV architecture MB.EA, AMG.EA, VAN.EA and intensified battery footprint

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

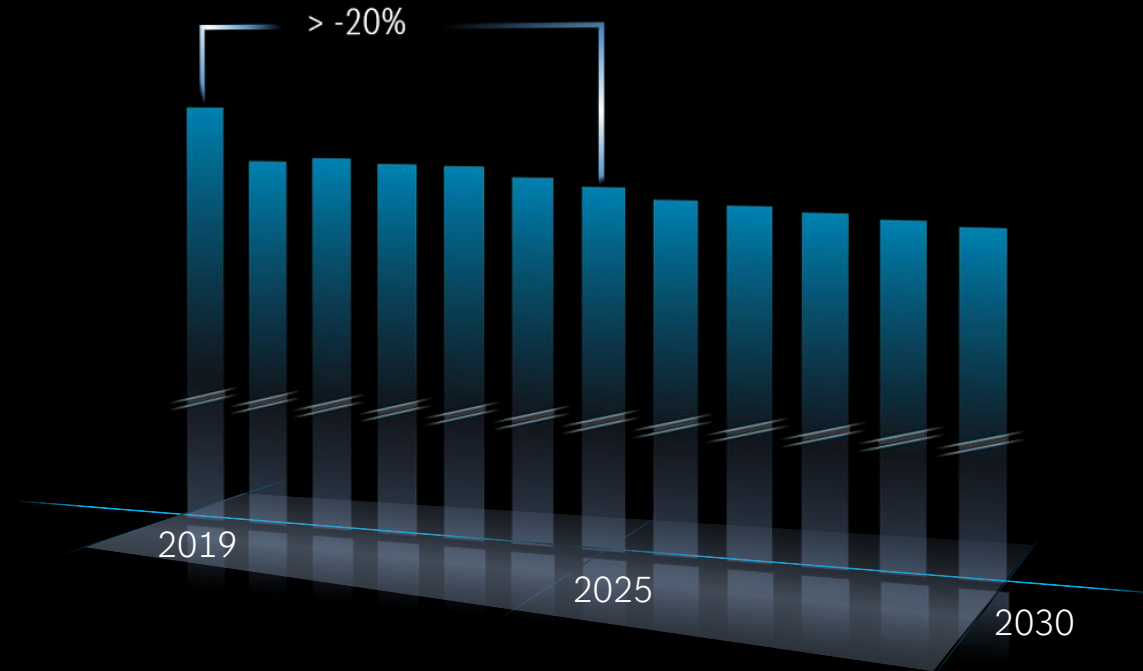
2021: temporary effects replaced by permanent measures

>20% fixed cost reduction until 2025 vs. 2019

2025ff: digitization of all business areas

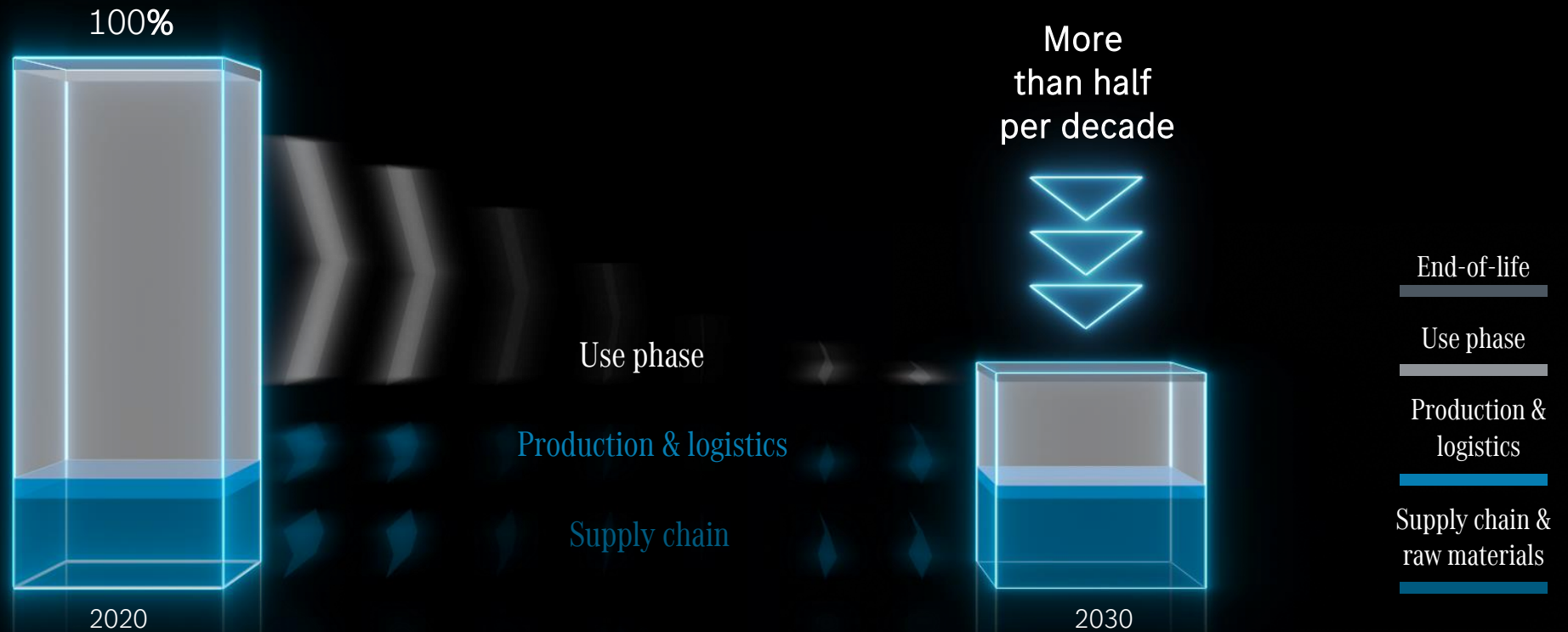
After 2025 further net reductions

Fixed cost development*



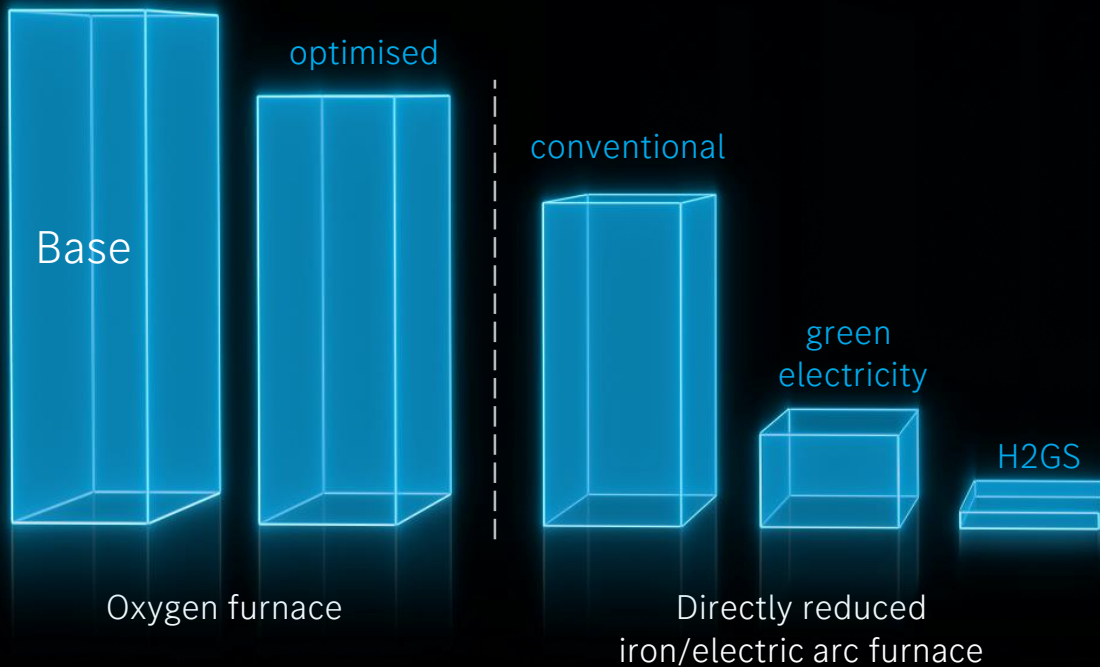
We will at least halve lifecycle CO₂ emissions per vehicle in this decade

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 – CO₂ 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



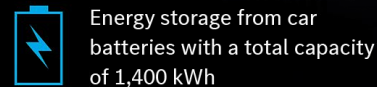
Our Factory 56 is a zero-carbon factory and serves as a blueprint for our global Mercedes-Benz production network

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

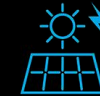
The innovative energy concept
includes a photovoltaic system,
a DC power grid and energy storage
based on reused vehicle batteries

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

A new dimension in
sustainable production



Greening of 40% of
the roof area



Photovoltaic system with 12,000 modules
generating around 5,000 kWp and thus
30% of the factory's electricity requirement



Innovative
DC grid



Use of recycled
concrete in the frontal
building of Factory 56



25% reduction in
energy demand

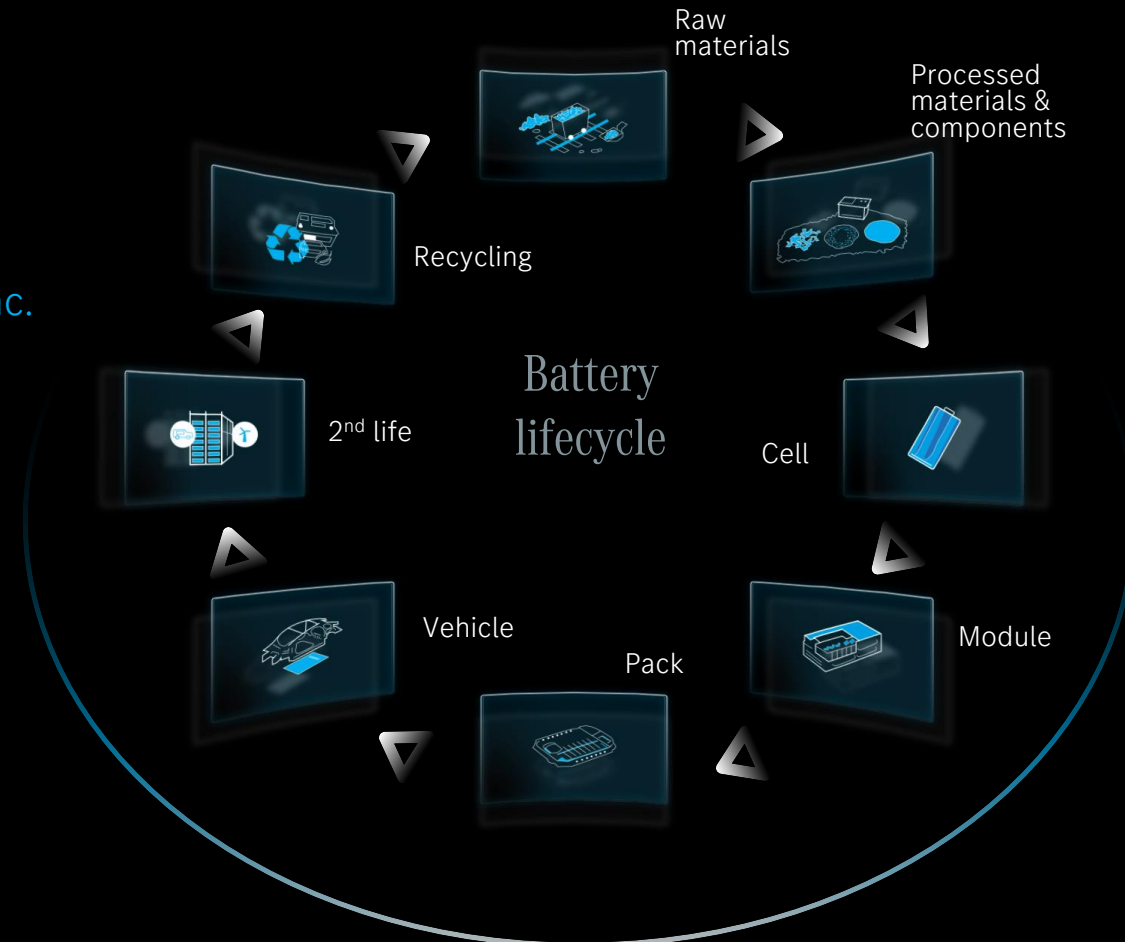
We are establishing a green and net carbon-neutral supply chain

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

First [closed battery loop at industrial scale](#) set-up in [China](#) with leading partners

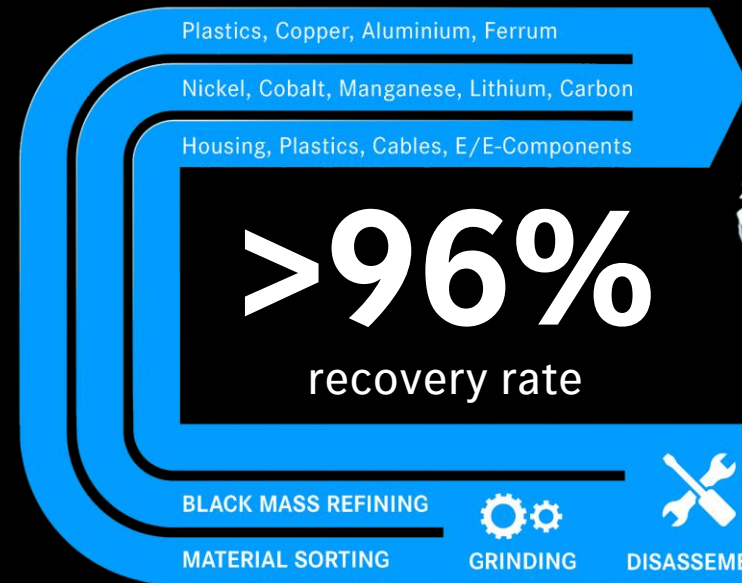


Mercedes-Benz is closing the loop on batteries through sustainable recycling

Own CO₂-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 filled with
software engineers
worldwide

Individual target plans
for our entities, plants
and functions

Realignment of our global
production network towards
electric vehicles and
digitalisation

Turn2Learn >2 bn
investment in Turn2Learn
qualification initiative
worldwide 2022-2030

77,000
employees in
Germany qualified in
e-mobility since 2020

~ 120.000
participations in training
courses related to
digitization

30%
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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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 2022, 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 followed shortly after that as the second state.

First cars will be delivered to U.S. customers in late 2023.



Driving Assistance Package with DRIVE PILOT

Parking Package with 360°-Camera

Antenna Module

Rear Multi-Purpose Camera
Opening angle 50°

Stereo Multi-Purpose Camera
Opening angle 70°

Front Long-Range Radar
Opening angle 90° / 9°

Ultrasonic Sensors
12x Opening angle 120°

LiDAR
Opening angle 120°

360°-Camera
4 Single Cameras
Opening angle 180°

Multi-Mode Radar
4x, Opening angle 130°

Redundant Brake
and Steering System

Moisture Sensor
Driver 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 over-the-air updatability and decoupled software and hardware releases



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

**PROPRIETARY
OPERATING SYSTEM**

**FOUR DOMAINS:
INFOTAINMENT, AUTOMATED DRIVING,
BODY & COMFORT, DRIVING & CHARGING**

**SERVICE-ORIENTED
CHIP-TO-CLOUD ARCHITECTURE**

Delighting our customers with an extraordinary experience

The most desirable

HARDWARE CANVAS



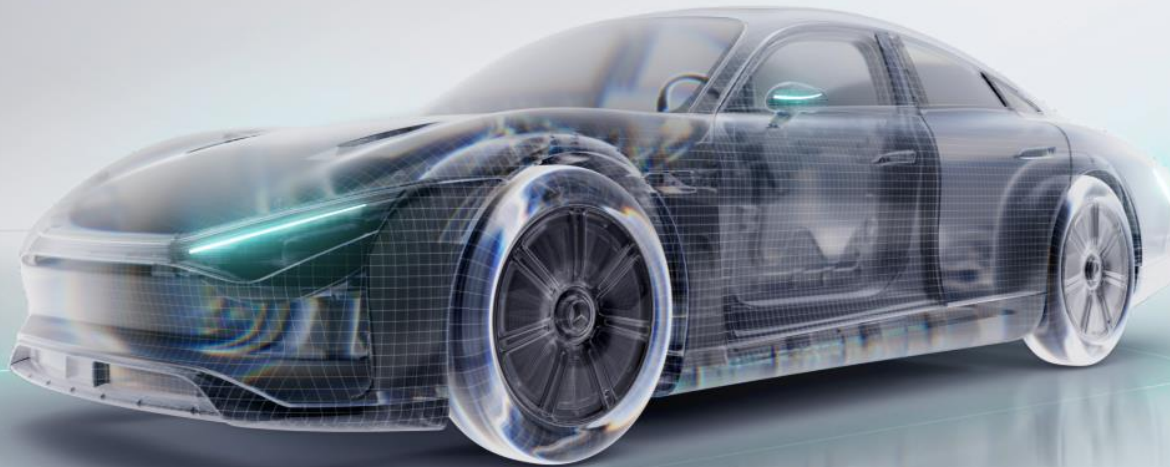
... for the most desirable

SOFTWARE CONTENT

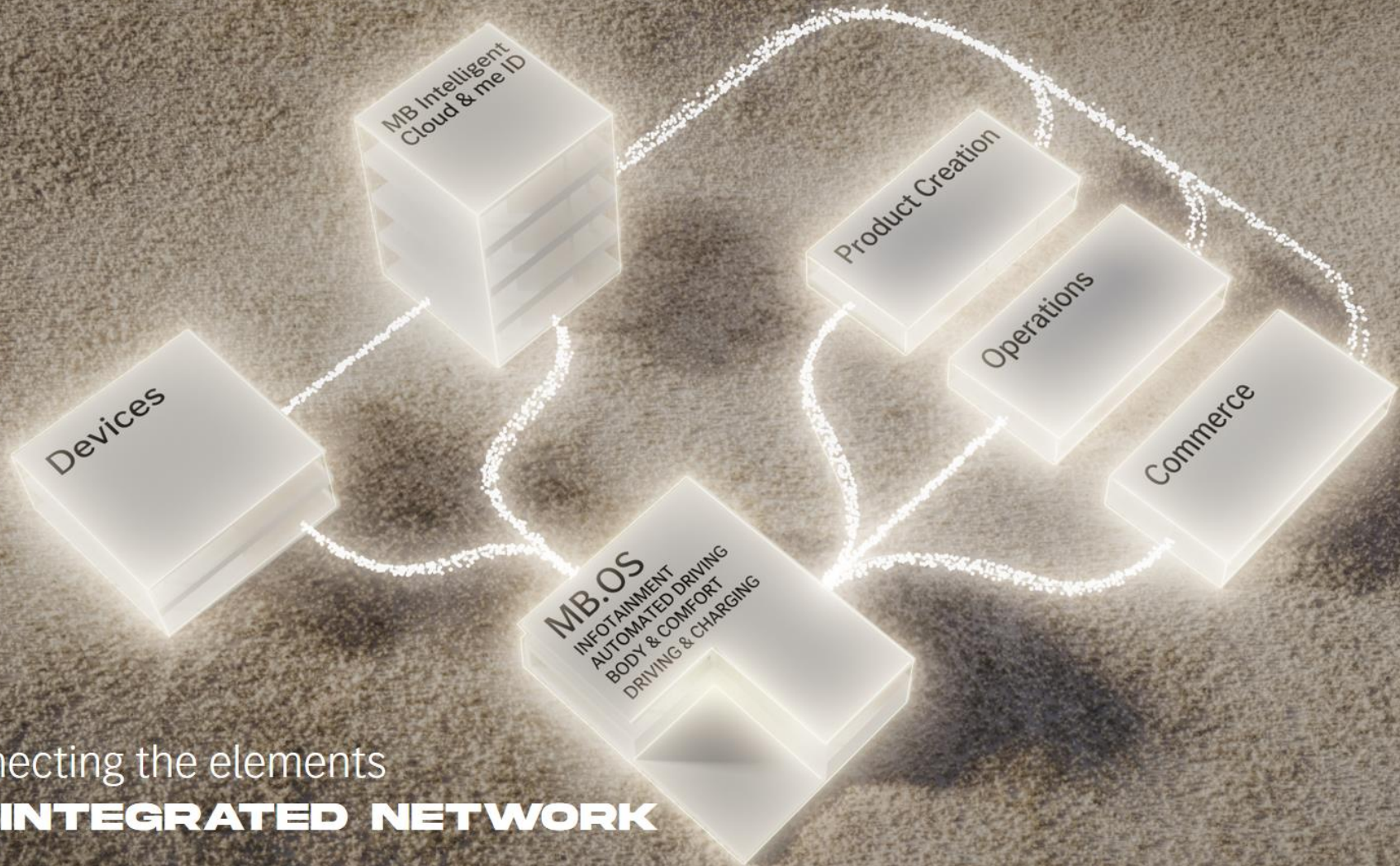
We are building it intelligent, automated and exceptionally safe

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



+



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

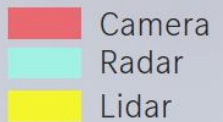
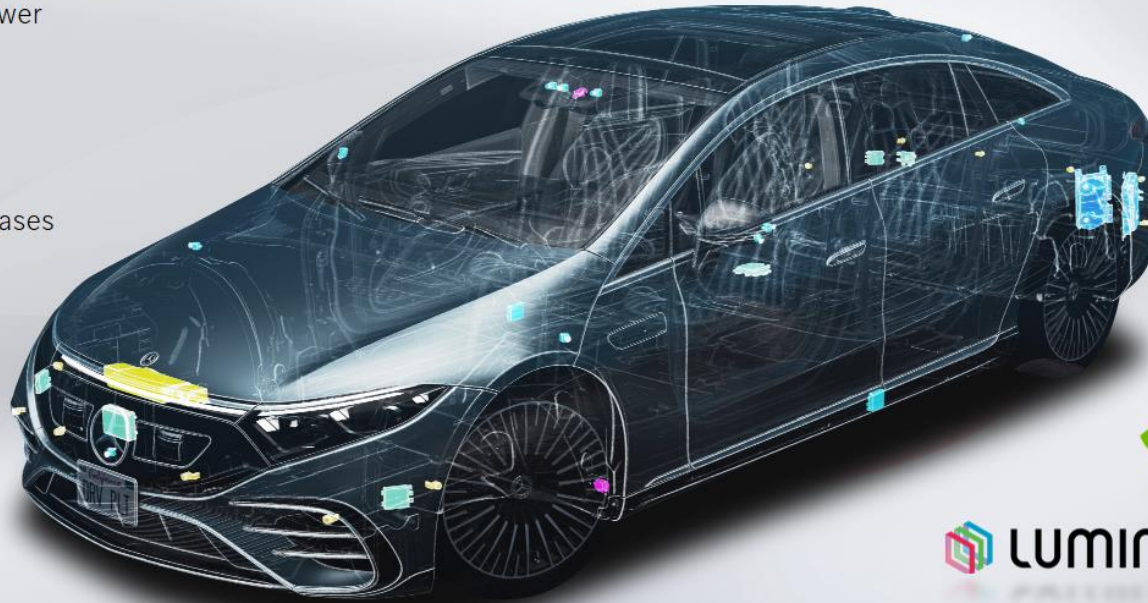
AI-powered and data-driven

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

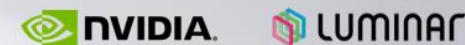


Accelerating next-generation Level 3 automated driving with 2x computing power Giving customers back even more time

UP TO 130 KM/H
in its final stage

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

Worldwide rollout to
additional markets



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

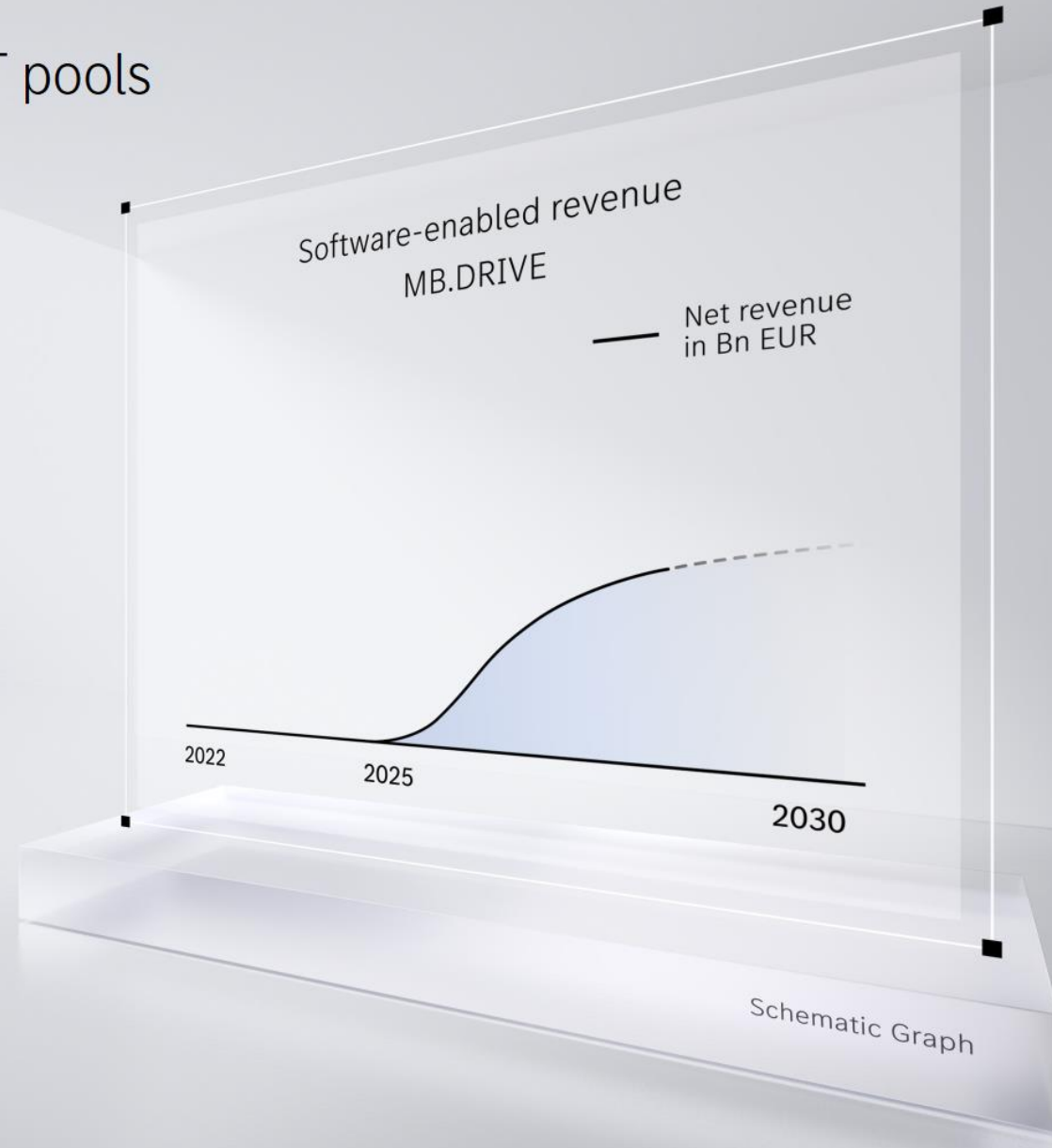
MB.DRIVE unlocks new revenue and EBIT pools



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

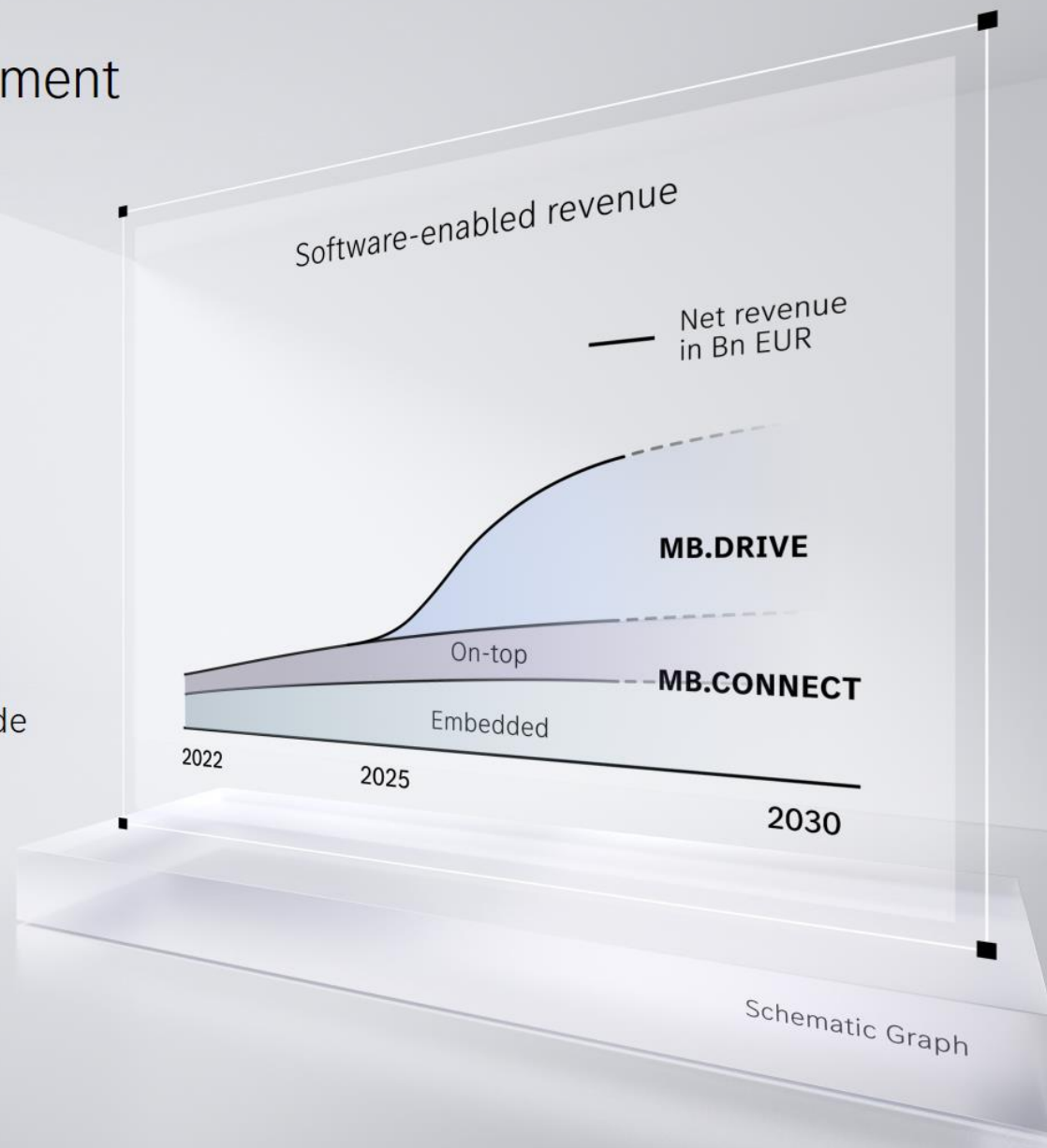


Low-to-mid single-digit Bn EUR revenue by mid of the decade

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



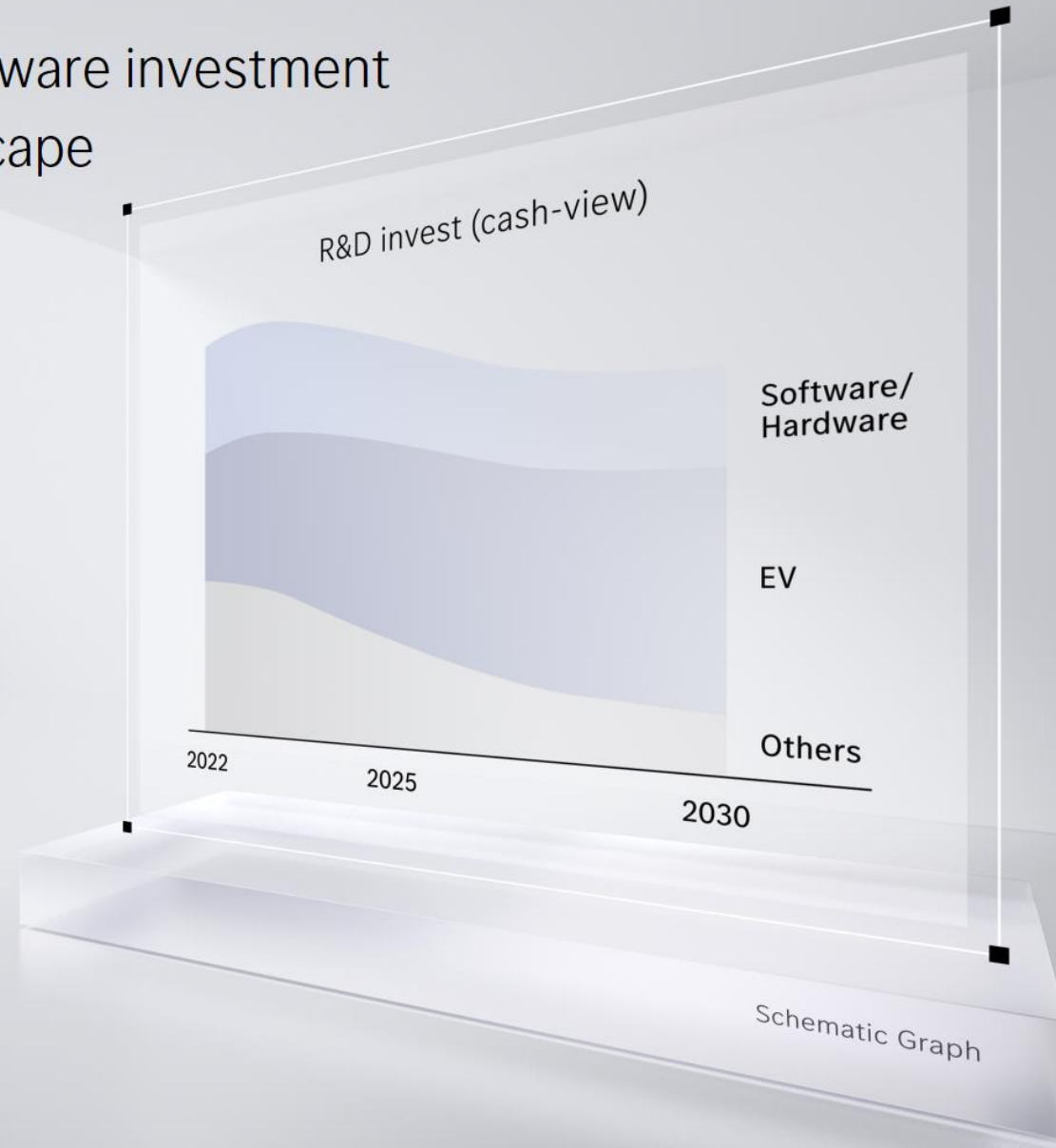
MB.OS software and corresponding hardware investment are part of existing financial target landscape

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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Mercedes-Benz Vans Strategy

WE OFFER THE WORLD'S MOST DESIRABLE VANS AND SERVICES

TARGET

premium segments and
focus on profitable
growth

EMBRACE

customers and
grow lifetime
revenues

LEAD

in electric
drive and digital
experience

LOWER

total cost base and
improve industrial
footprint

Guided by economic, environmental and social **sustainability**

Accelerated by **digitalisation** and data-driven business

Driven by a highly qualified and motivated **team**

The Van business is commercially attractive

MARKETS

Strong and growing

Development LCV-market
+25% expected in core markets,
from 2022 through to 2030*

PLAYERS

Stable and concentrated

op-3 players in Europe
dominate approx. 70%
of the market

CUSTOMERS

Knowledgeable and loyal

Mostly B2B customers

PRODUCTS

Periodically lower capital
intensity and long lifecycles

Fewer architectures, lifecycles
of > 10 years, focus on re-use

A HISTORICALLY PROFITABLE SEGMENT FOR THE
INDUSTRY



* Core Markets: Europe, U.S., China; Source: IHS

Our products keep the world running



Private Usage



Services & Crafts



Rental



Deployment & Municipal



Recreational Vehicles



Manufacturing

Private 20%*

Commercial 80%



CEP & Logistics



Trade & eGrocery



Construction



People Mover

Ordered according to sales volume of Mercedes Benz Vans in Germany 2021

* Private 20% 2021 Summary: EQV, V-Class, Citan Tourer, (e)Vito Tourer

Mercedes-Benz Vans enjoys a unique position

STRENGTHS TODAY

Exceptional top-end product identity

Best mix, strongest pricing, highest residuals

Favourable channel mix

Balanced market coverage

Highest buyer loyalty

Strong synergies with Mercedes-Benz Cars

OPPORTUNITIES AHEAD

Lead the industry to all-electric future

Grow top-end positioning even further

Expand profitable growth in U.S. and China

Address manufacturing footprint

Lower cost structure

Net carbon-neutral fleet of new vans

2022

Net carbon-neutral **production** at our own plants worldwide

2026

up to 20% BEV share

2030

> 50% BEV share*

2039

Net carbon-neutral fleet of new vans over the **entire life cycle**



SUPPLY CHAIN & RAW MATERIALS



PRODUCTION & LOGISTICS



WELL-TO-TANK



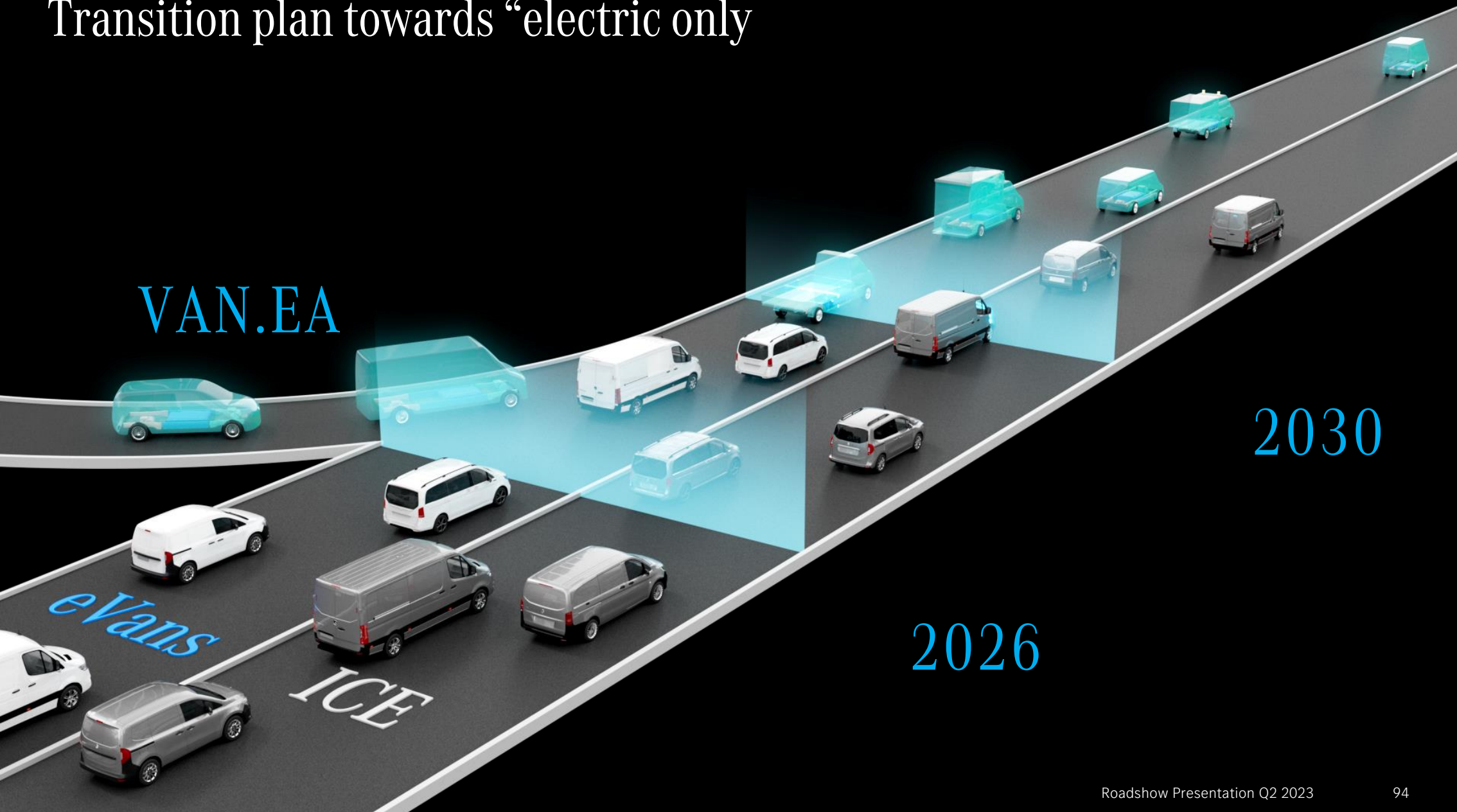
TANK-TO-WHEEL



END OF LIFE

* Wherever market conditions allow, target

Transition plan towards “electric only”



Electrification roadmap

2010

Introduction
of first electric Vito

2023

Electrification of every Van
segment & presentation of
new eSprinter

2026

Launch of
all-new, electric-only
architecture VAN.EA

2030

> 50% share of battery
electric vehicles*



* Wherever market conditions allow, target

Raising our ambitions level: tackling costs at all levels



COMPANY

FIXED COSTS

-20%*



OPERATIONS

HOURS PER VEHICLE (HPV)

-25%*



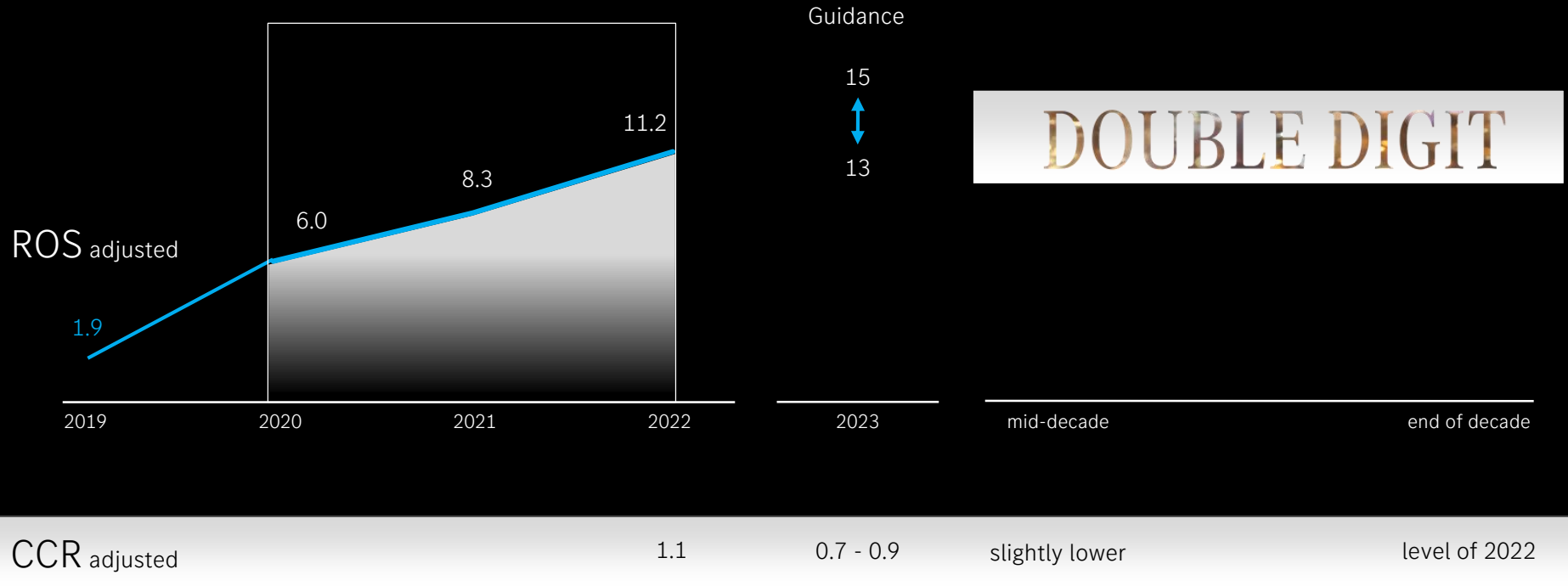
PRODUCTS

PORTFOLIO VARIANTS

-30%*

* By mid-decade vs. 2019

Our financial ambitions for Mercedes-Benz Vans



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3. **Mercedes-Benz Mobility**

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.