

Fixed Income Presentation  
FY 2022  
Mercedes-Benz Group AG

# AGENDA

I. MERCEDES-BENZ GROUP REVIEW FY 2022

II. DIVISIONAL REVIEW FY 2022

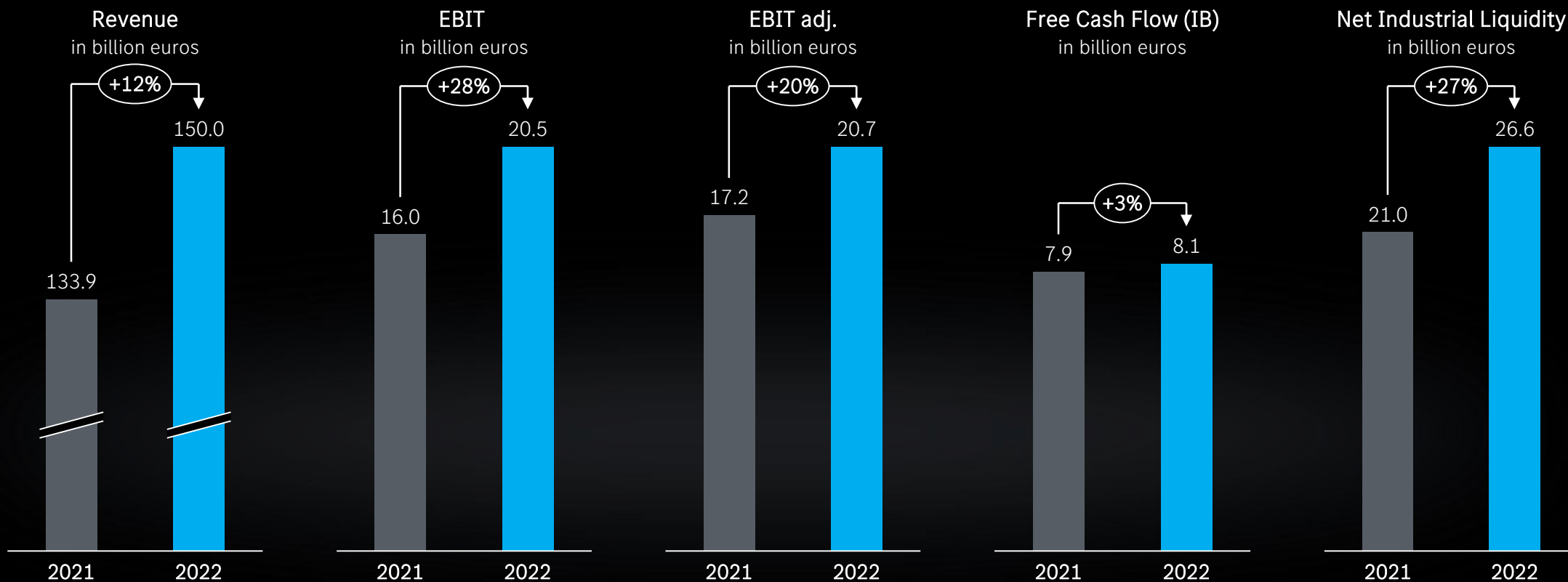
III. OUTLOOK FY 2023

IV. FUNDING

V. SUSTAINABILITY

VI. LUXURY STRATEGY

# Mercedes-Benz Group: Key figures\*



\* 2021 figures continuing operations only; all figures preliminary and unaudited

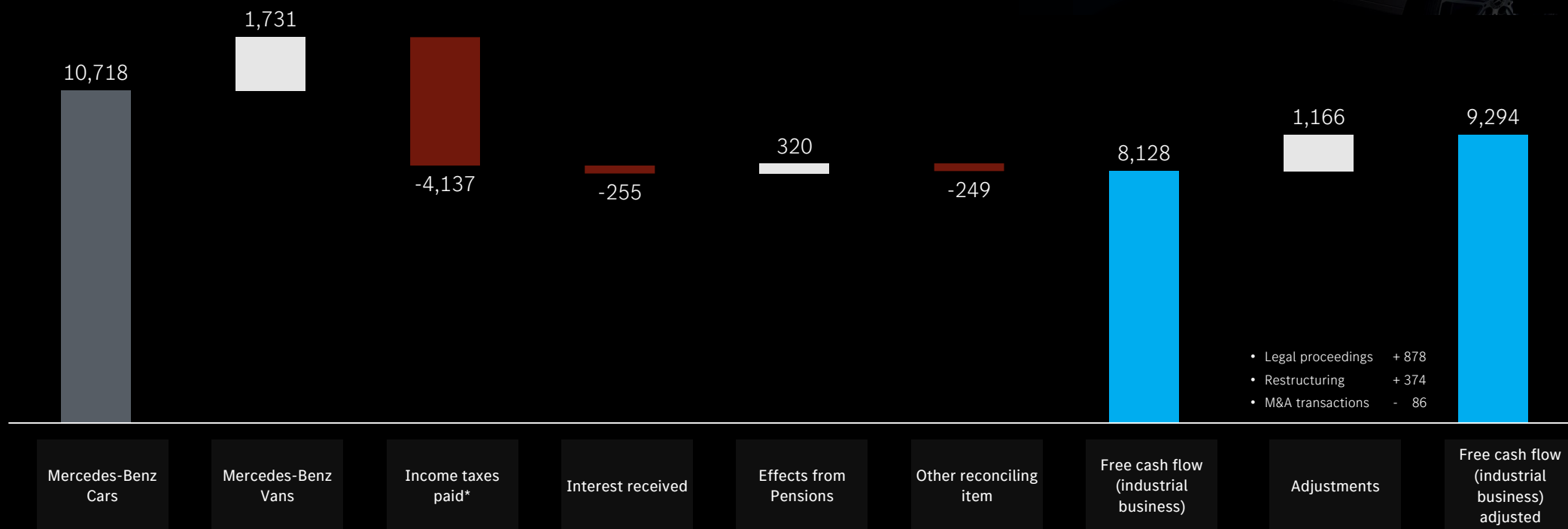
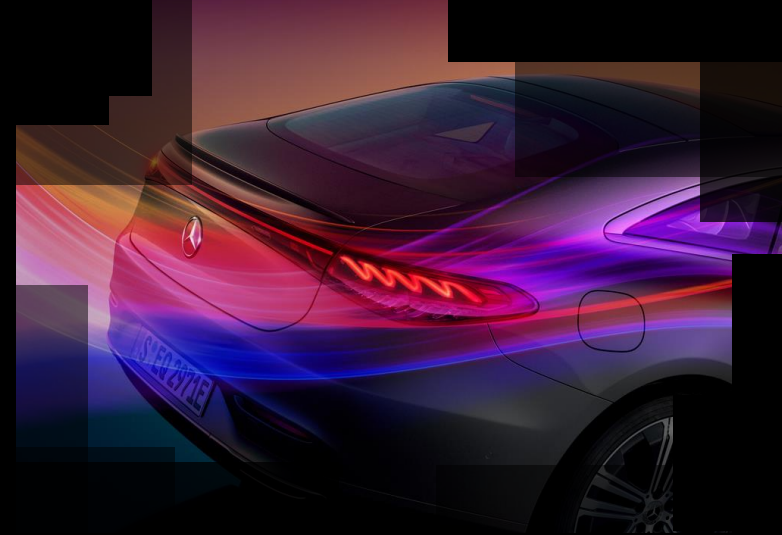
# Mercedes-Benz Group: Group EBIT

In million euros



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

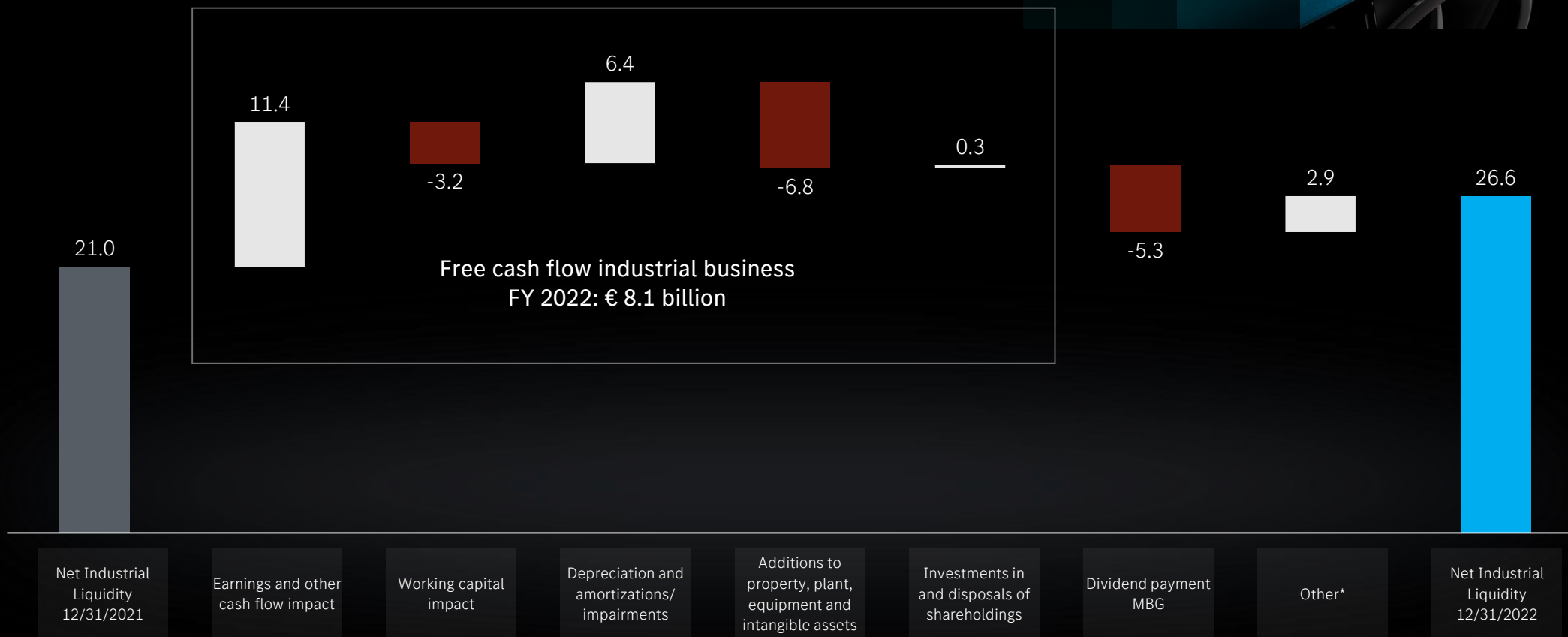
In million euros



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

# Mercedes-Benz Group: Net Industrial Liquidity\*

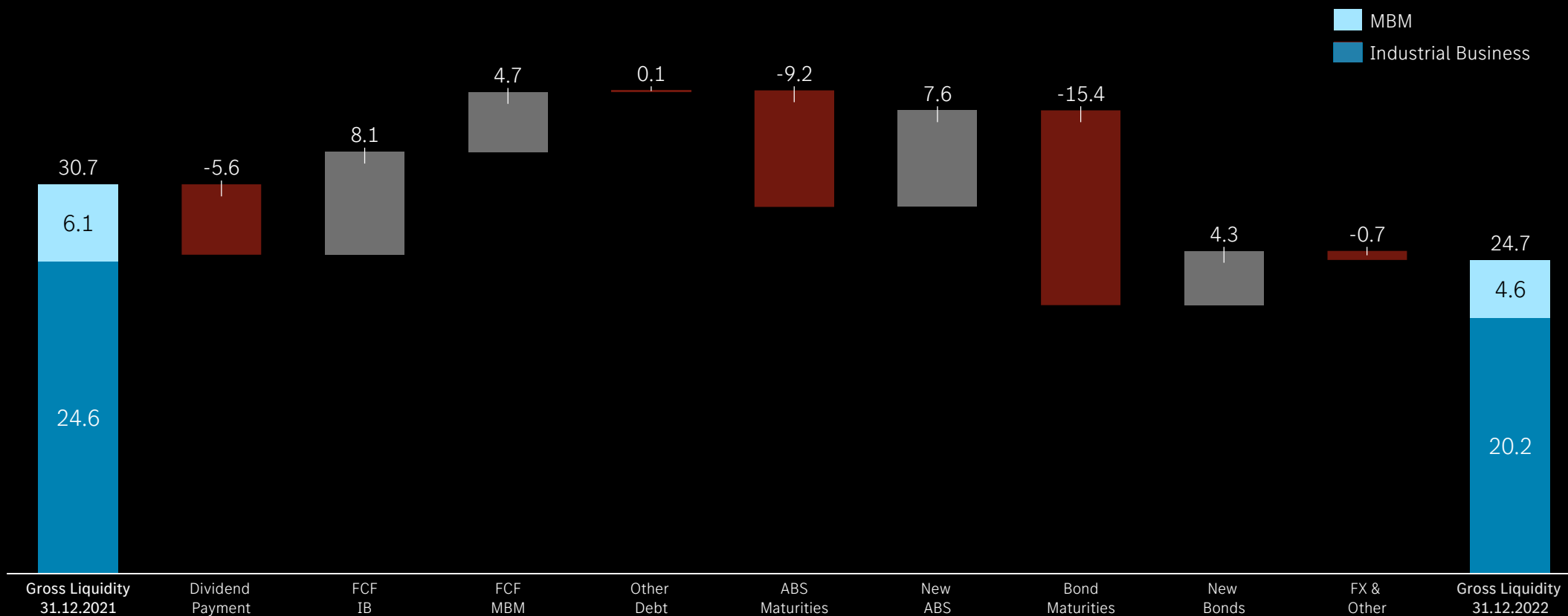
In billion euros



\* Mainly exchange rate effects, dividends from MBM and capital decreases at MBM

# Mercedes-Benz Group: Gross Liquidity

in billions of EUR

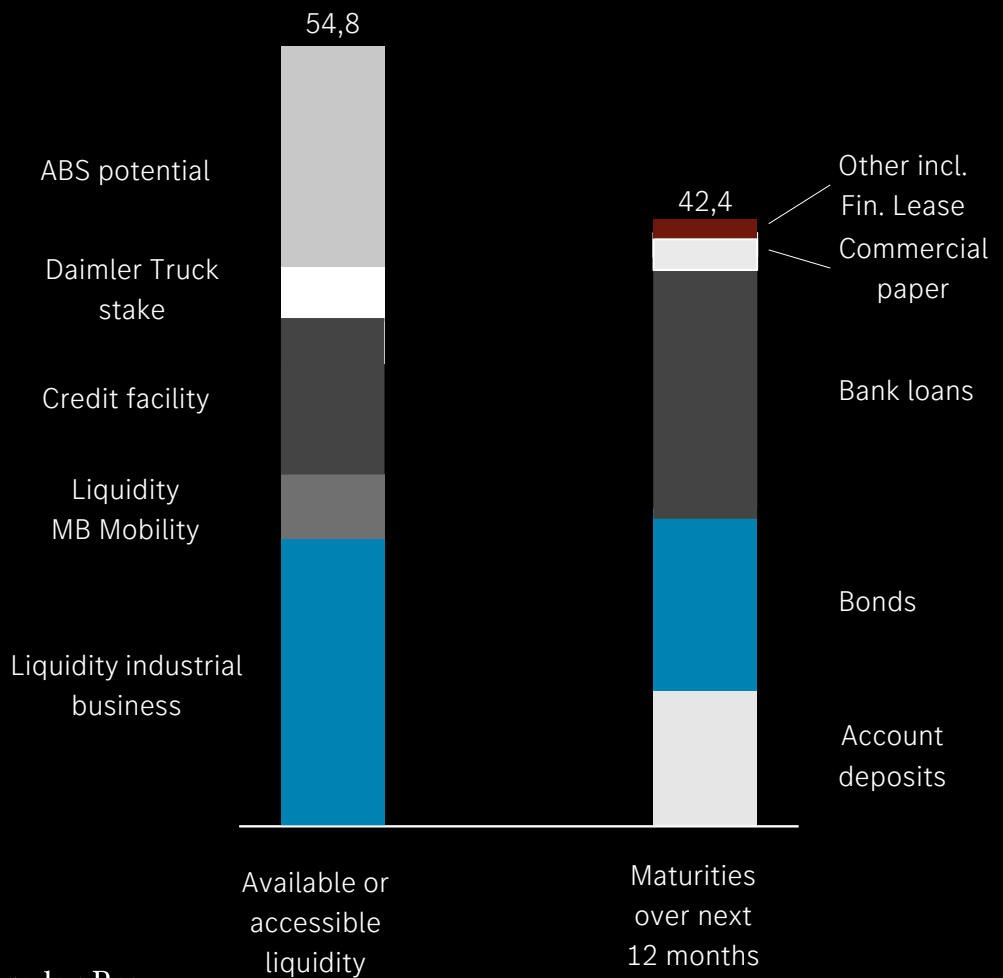


Note: Figures may not be additive due to rounding.

# Mercedes-Benz Group: Financial flexibility over a 12-month period

## Q4 2022

in billions of EUR



Net industrial liquidity increased to €26.6 billion

Gross industrial liquidity at €20.2 billion

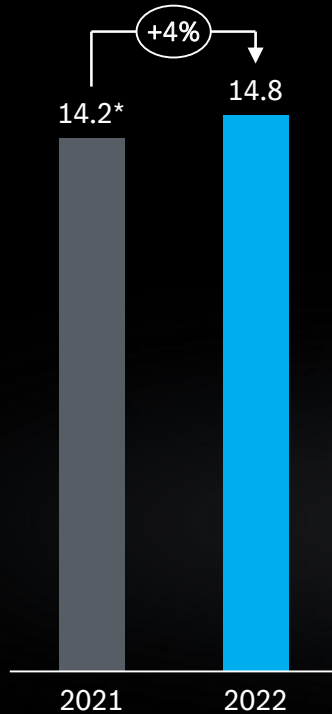
Financial flexibility supported by €11 billion revolving credit facility, which is unutilized

Financial flexibility supported by 30% Daimler Truck stake



# Mercedes-Benz Group: Dividend

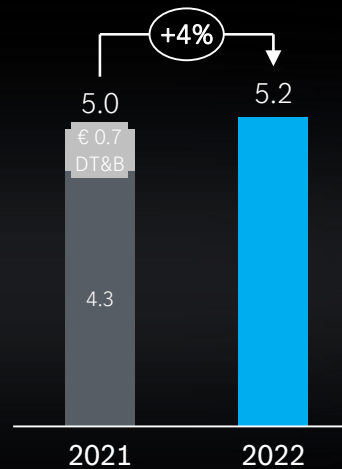
Net profit  
in billion euros



Earnings per share  
in euros



Dividend  
proposed in euros



\* 2021 figures excl. deconsolidation result

# Mercedes-Benz Group: Share buyback

Strategic course set

Excess cash generation after addressing strategic priorities

Honouring dividend policy

Optimizing capital structure post spin-off

Buybacks funded by MBG's prevailing strong free cash flows  
and compatible with our strategic investment priorities

up to € 4 Billion

max. 2 years

starting March 2023

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# Mercedes-Benz Cars: Key messages



**Performance:** Resilience in challenging environment, vigilance towards macroeconomics & geopolitics

**Profitability:** Improvement of revenue quality, cost efficiency & pricing power compensating inflation

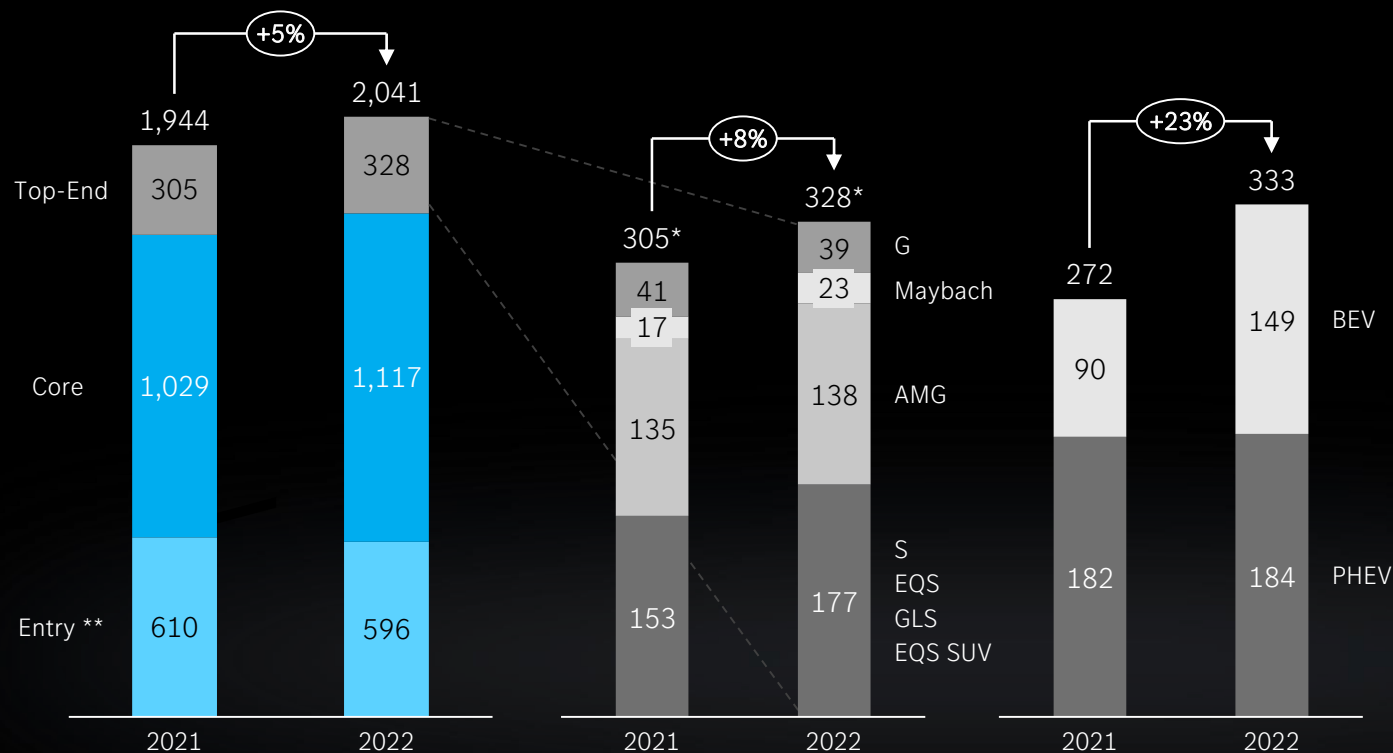
**Products:** world premiere of GLC, EQS SUV & EQE SUV

**Technology:** EQXX with new efficiency record, L3 system available in S-Class & EQS

**Transformation:** Global production and powertrain network realigned towards electric vehicles

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

In thousand units



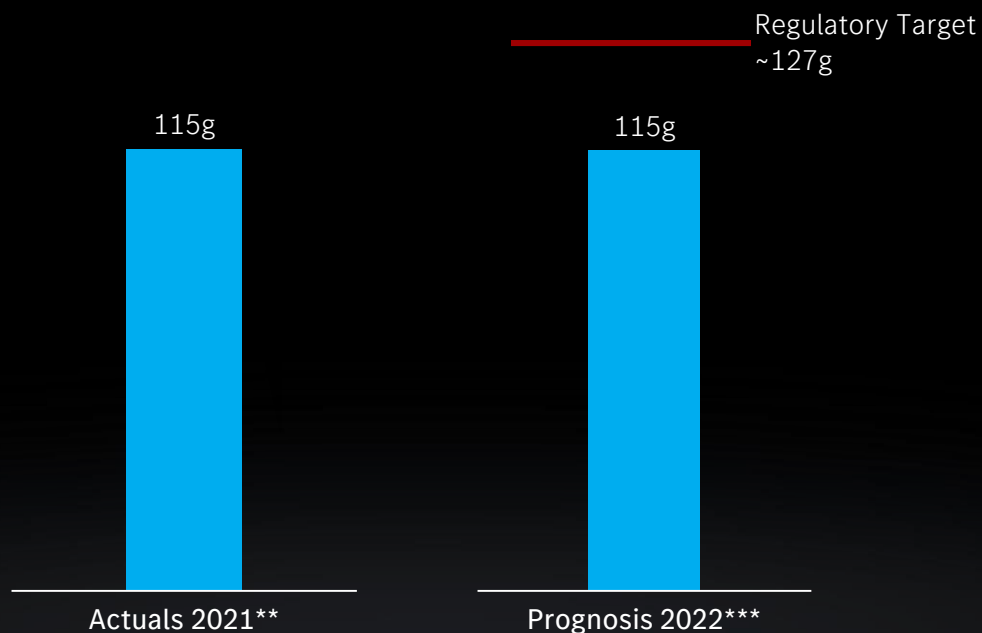
Share in % of volume	2021	2022
Total MBC	16%	16%
Top-End	16%	16%
Electric vehicles	14%	16%

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



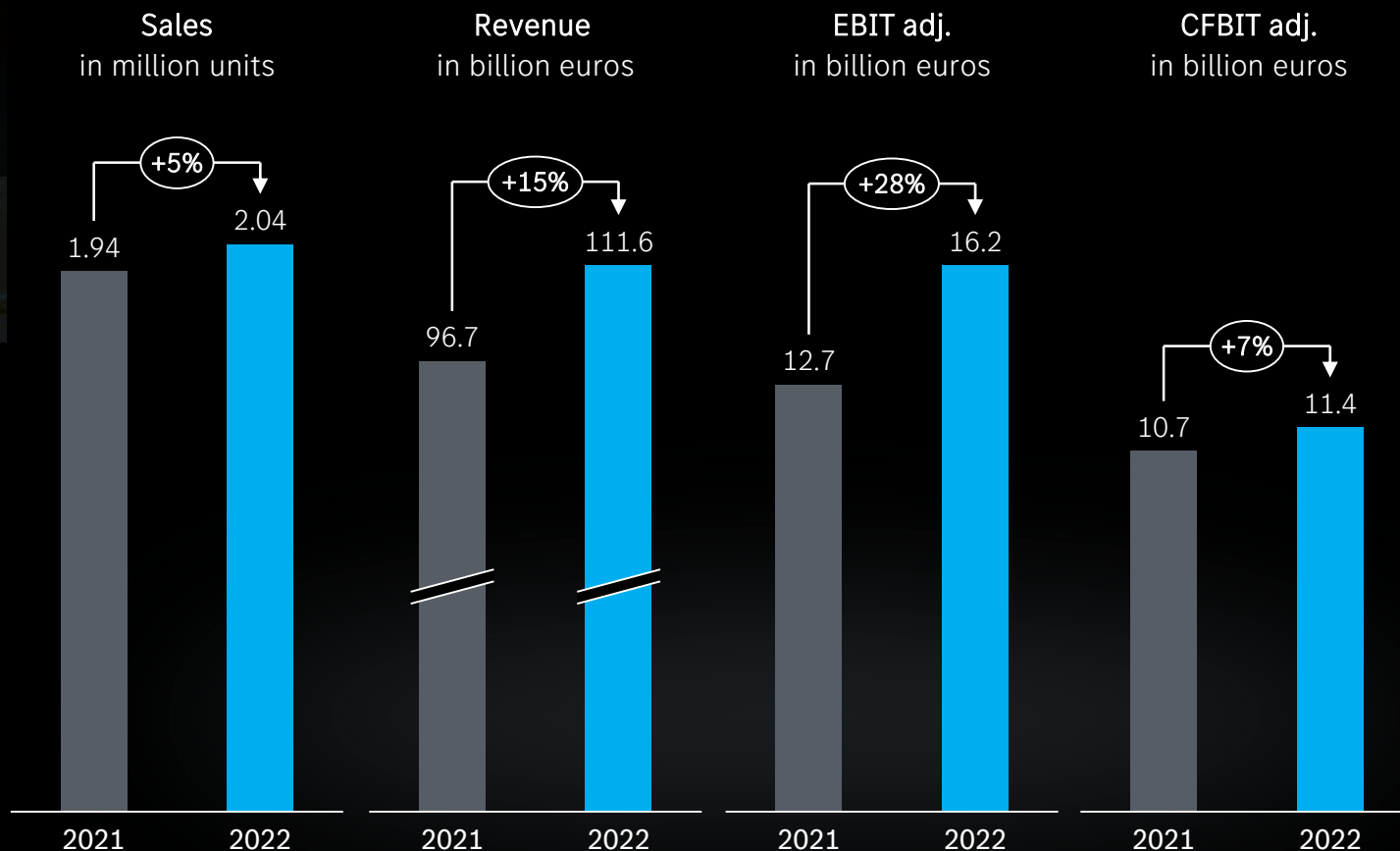
# Mercedes-Benz Group: Cars and Private Vans

## Internal data confirms CO<sub>2</sub> compliance 2022 in Europe\*



\* Average CO<sub>2</sub> 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.  
\*\* Based on provisional European Environment Agency data (incl. Eco-Innovation)  
\*\*\* Based on internal Data (incl. Eco-Innovation)

# Mercedes-Benz Cars: Financials



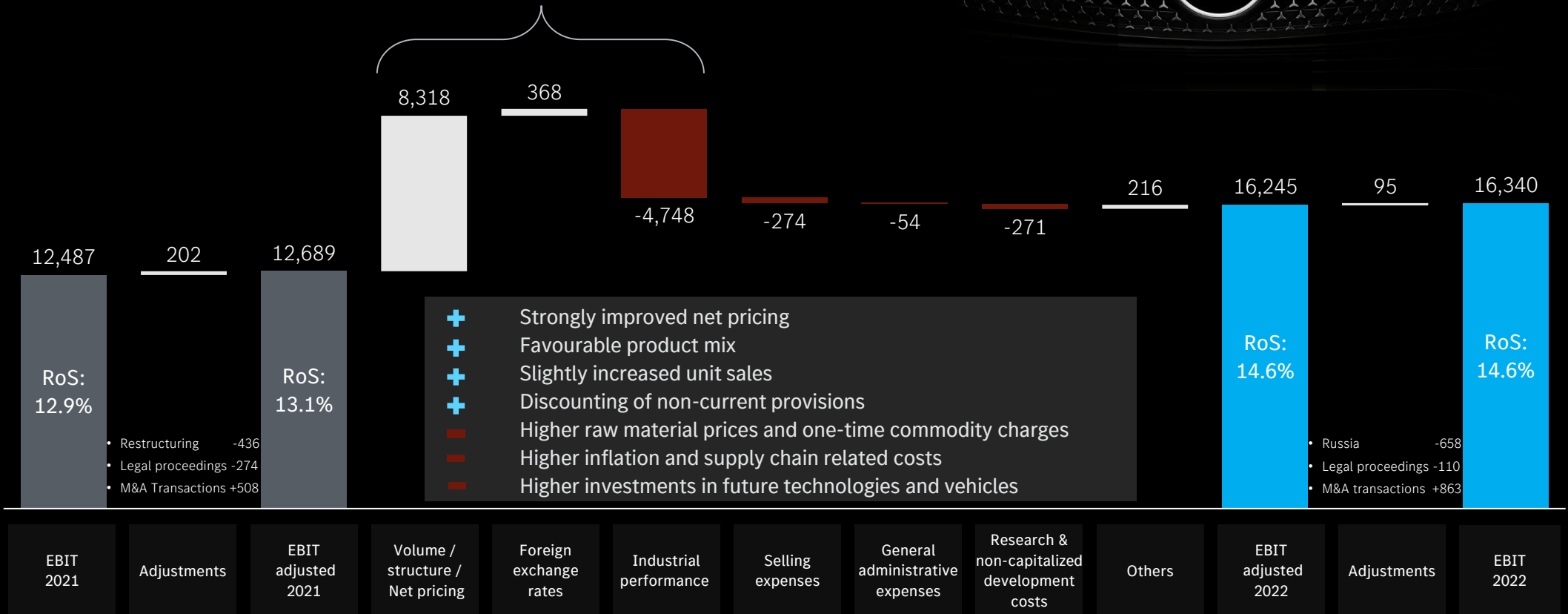
\* ASP in thousand euros excl. Smart, BBAC sales and pbp revenues

# Mercedes-Benz Cars: FY EBIT & RoS

In million euros



Gross Profit +3,938

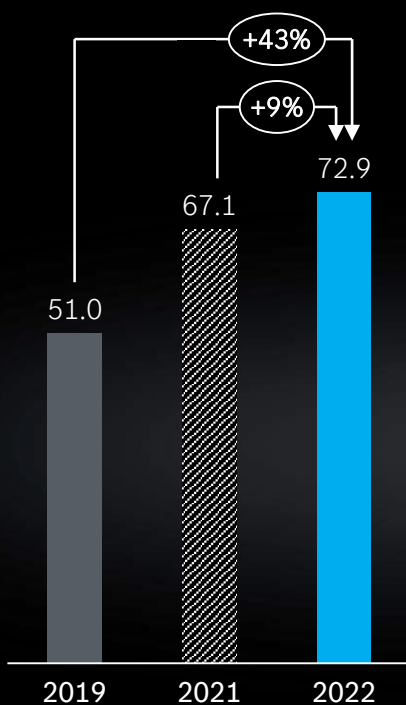




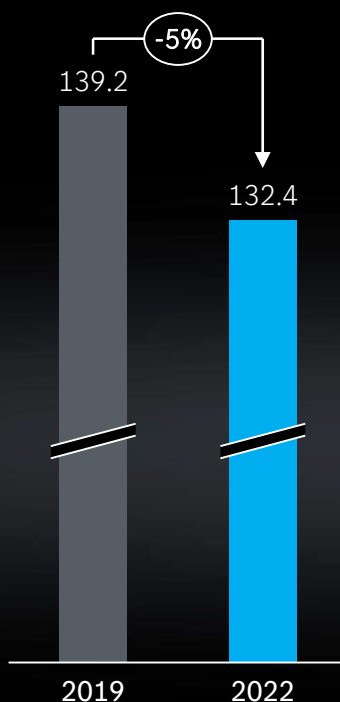
# Mercedes-Benz Cars: Indicators of Change



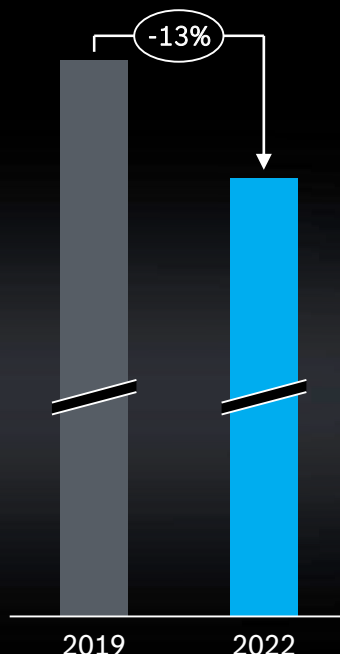
Average Sales Price\*  
in thousand euros



Active Workforce  
in thousand FTE\*\*



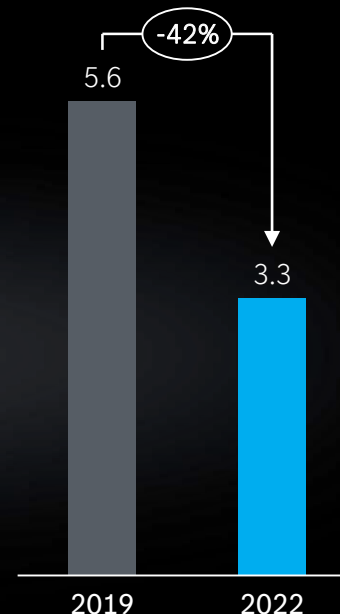
Fixed Costs  
in billion euros



R&D  
in billion euros

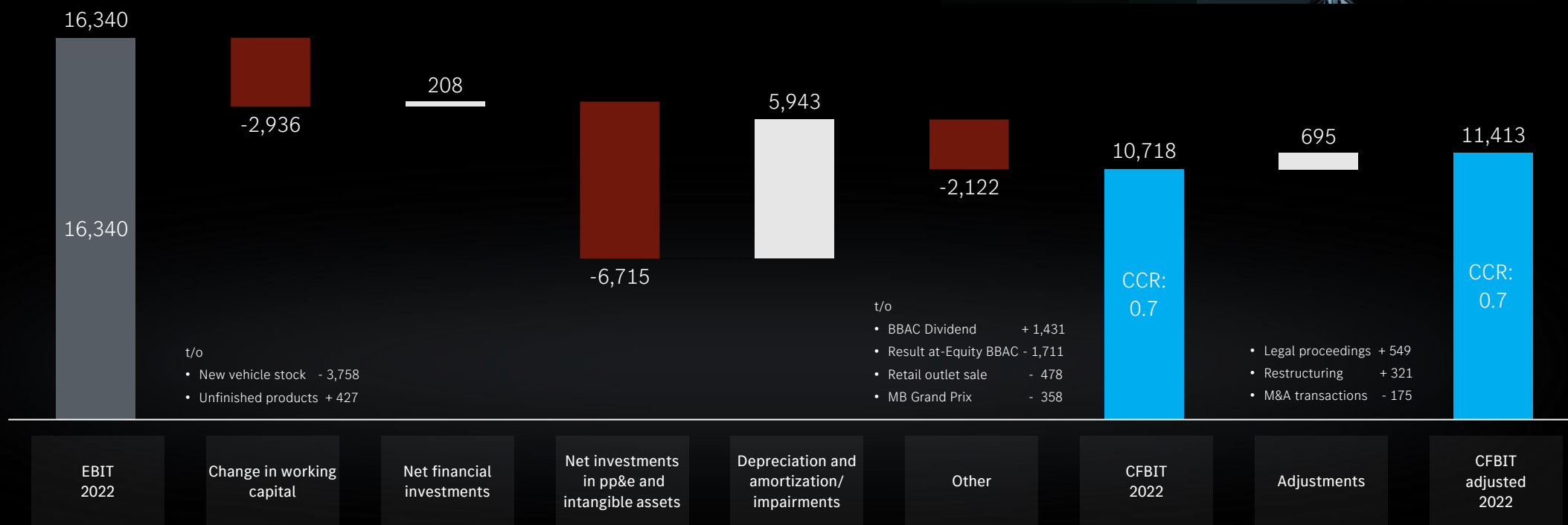


Investment in pp&e  
in billion euros



# Mercedes-Benz Cars: EBIT to CFBIT

In million euros



# Mercedes-Benz Vans: Key messages



**Performance:** Global sales significantly increased despite geopolitical challenges & supply constraints

**Profitability:** Solid margin reflects healthy mix & pricing

**Products:** Sales start of new T-Class & world premiere of all-electric EQT

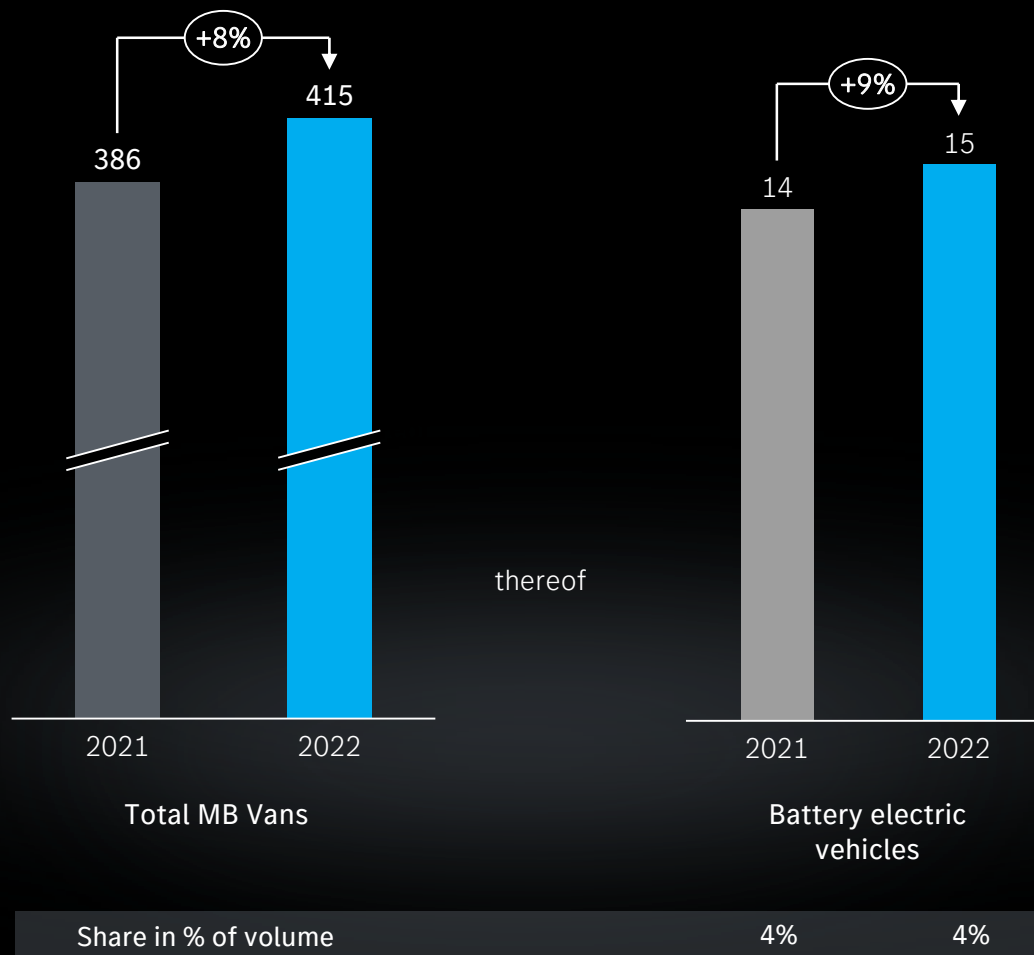
**Transformation:** Reorganization of global production network for electric vans decided

**Strategy:** Focus on lead in electrification sharpened

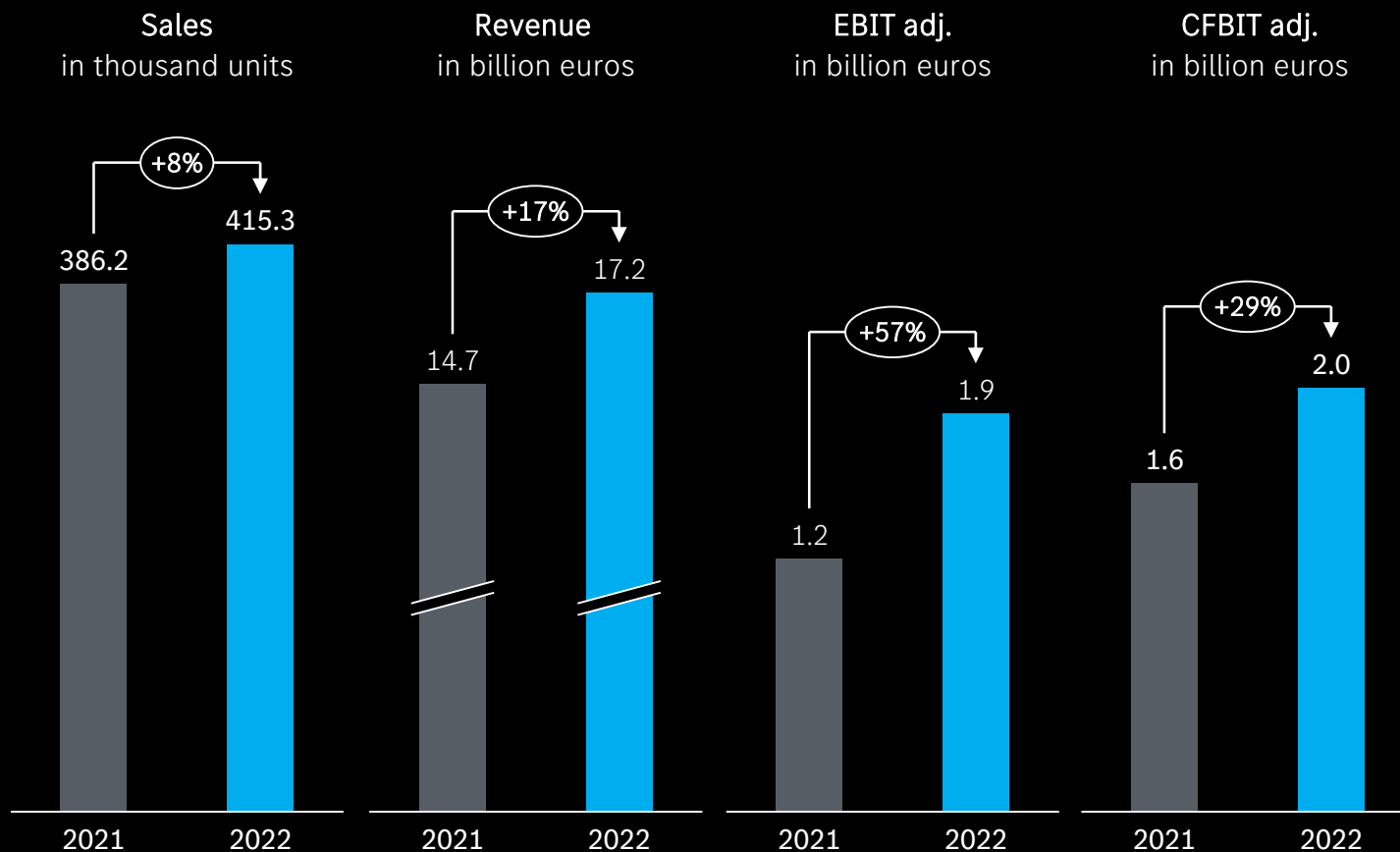
# Mercedes-Benz Vans: Electric vehicle unit sales



In thousand units



# Mercedes-Benz Vans: Financials

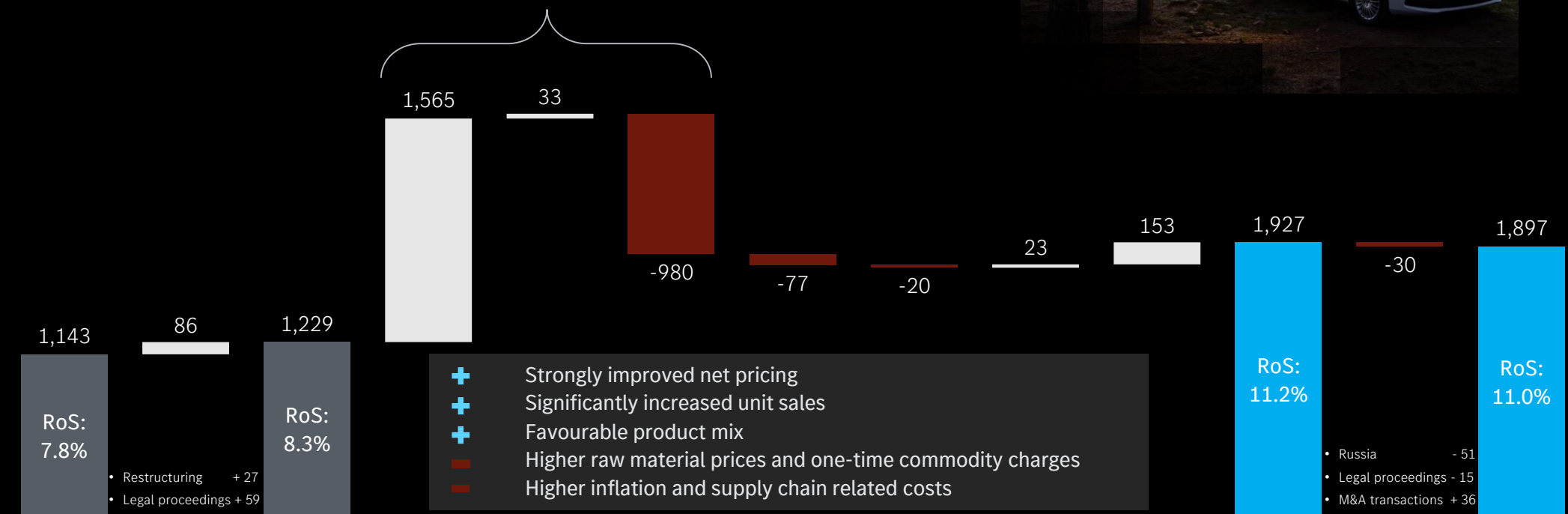


# Mercedes-Benz Vans: FY EBIT & RoS

In million euros

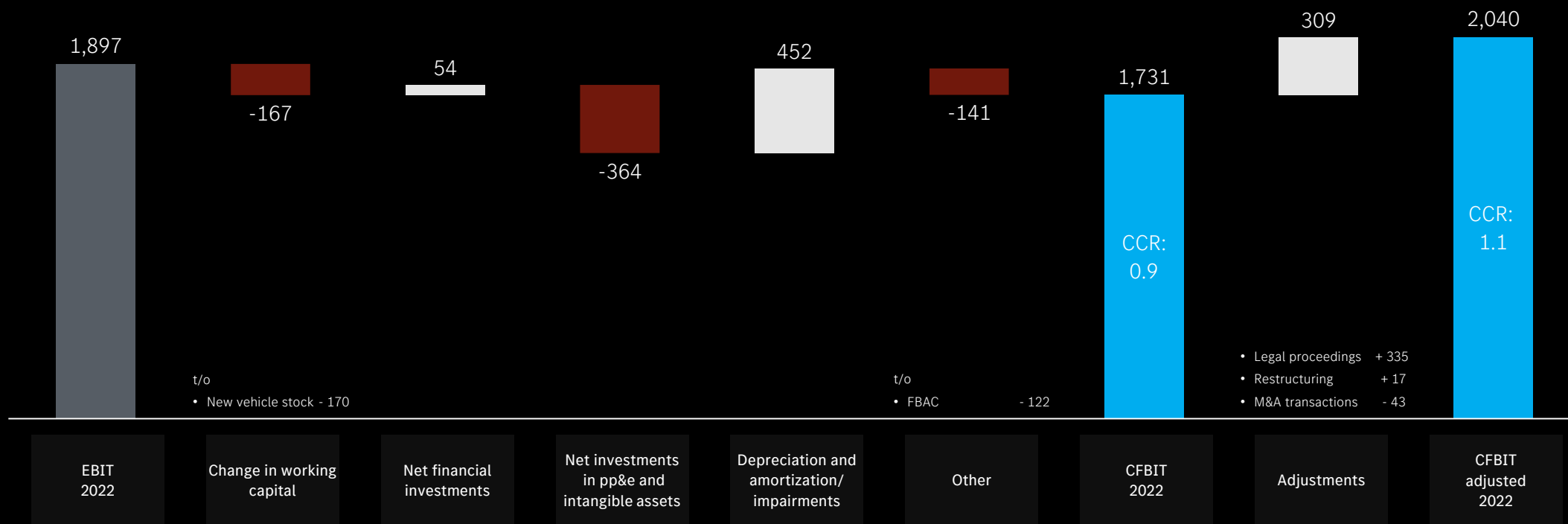


Gross Profit +618



# Mercedes-Benz Vans: EBIT to CFBIT

In million euros



# Mercedes-Benz Mobility: Key messages

**Performance:** High portfolio quality results in low credit losses despite challenging environment

**Profitability:** Solid margins despite headwinds from higher interest rates and increase in cost of credit risk

**Fleet Management:** Improved business performance

**Strategy:** Strong partner to Mercedes-Benz Cars and Vans supporting electrification strategy

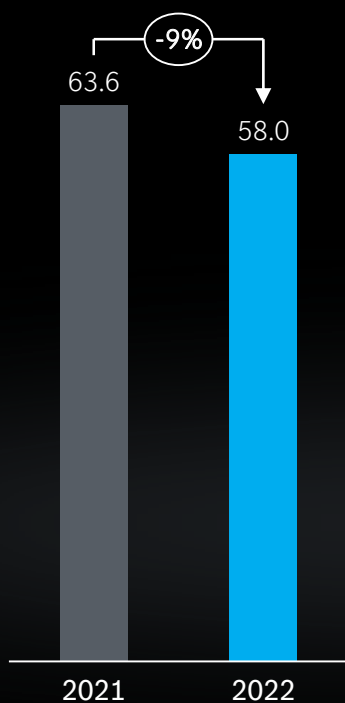
**Transformation:** Truck Spin-off project successfully completed



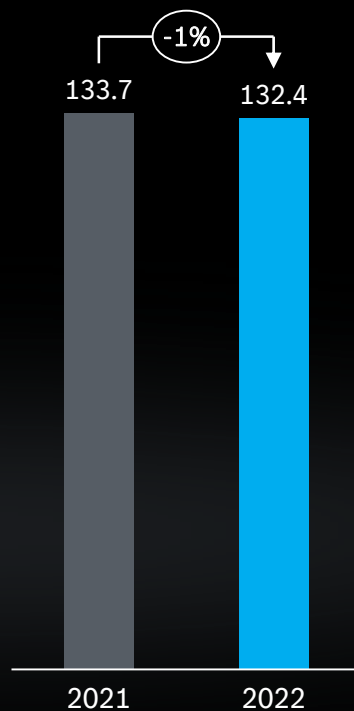


# Mercedes-Benz Mobility: Financials

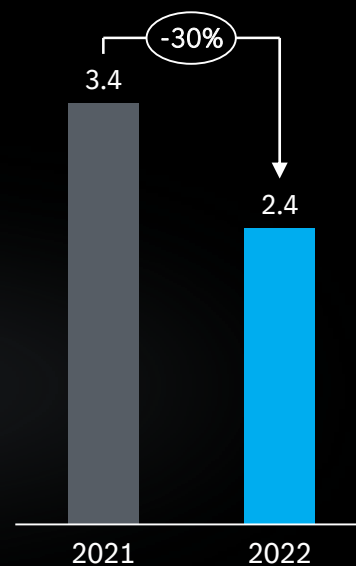
New Business  
in billion euros



Contract Volume  
in billion euros

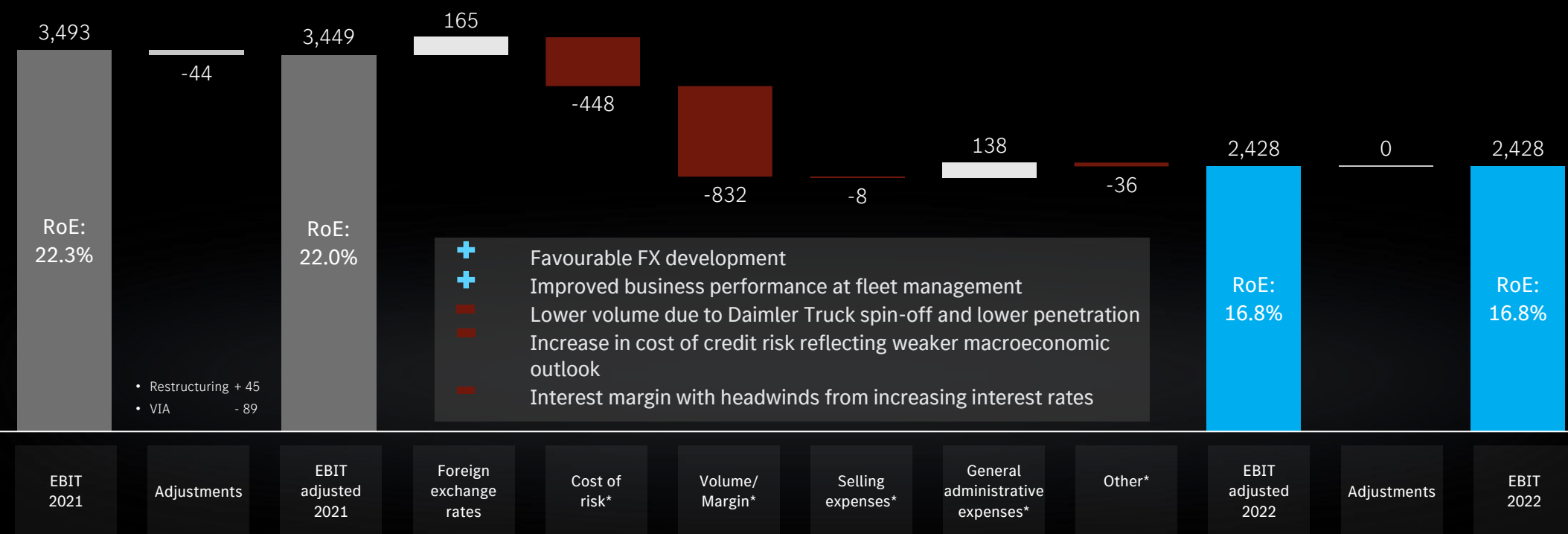


EBIT adj.  
in billion euros



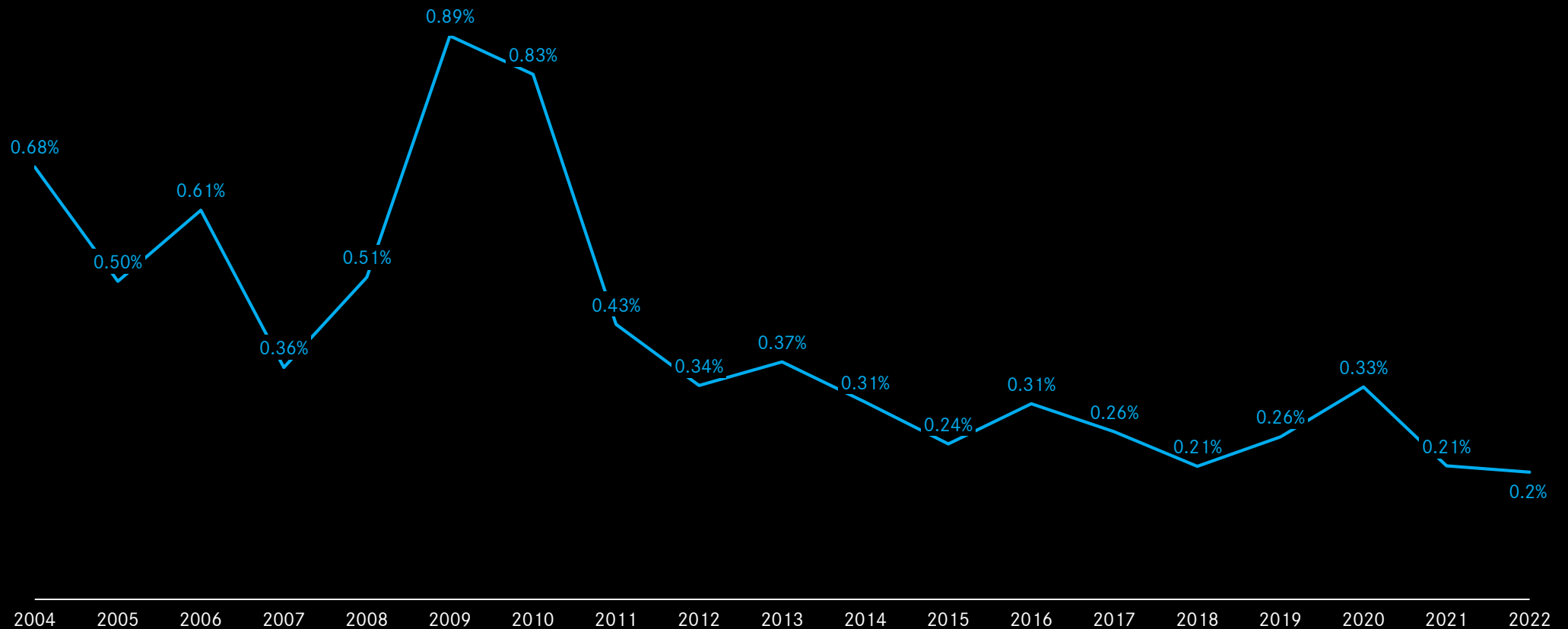
# Mercedes-Benz Mobility: FY EBIT & RoE

In million euros



\* excluding FX effects

# Mercedes-Benz Mobility: Net credit losses\*



\* As percentage of portfolio, subject to credit risk.

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# Mercedes-Benz Divisional Guidance 2023

## ASSUMPTION

The global economic conditions continue to be characterized by an exceptional degree of uncertainty. In addition to unexpected macroeconomic developments, uncertainties for the global economy and the business development of the Mercedes-Benz Group may arise in particular from geopolitical events and trade policy. Besides Russia's war in Ukraine, examples of this include a further exacerbation of tensions between the United States and China and a further deterioration of political relations between the European Union and China. In addition, as in the previous year, the further course of the Covid-19 pandemic, particularly in China, may lead to disruptions in global supply chains. Other availability bottlenecks, in particular those affecting semiconductors, remain a large source of uncertainty. Volatile energy and commodity prices, persistently high or repeatedly rising inflation rates, sharply rising interest rates and an even more pronounced slowdown in economic growth may also have an impact on the risks and opportunities described in the individual categories.

Unit Sales	Mercedes-Benz Cars	At prior-year level
	Mercedes-Benz Vans	At prior-year level
Return on Sales (adjusted*)	Mercedes-Benz Cars	12 to 14 %
	Mercedes-Benz Vans	9 to 11 %
	Mercedes-Benz Mobility (RoE)	12 to 14 %
Cash Conversion Rate** (adjusted)	Mercedes-Benz Cars	0.8 to 1.0
	Mercedes-Benz Vans	0.5 to 0.7
Investment in pp&e	Mercedes-Benz Cars	Significantly above
	Mercedes-Benz Vans	Significantly above
R&D expenditure	Mercedes-Benz Cars	Slightly 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

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Revenue	At prior-year level
EBIT	Slightly below
Free Cash Flow (Industrial Business)	At prior-year level
CO <sub>2</sub> emission (g/km)*	Significantly below



\* Average CO<sub>2</sub> 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.

# Strategic priorities for this year



Safeguard our  
operating  
optimum

Continue  
scaling BEVs

Future-proof  
supply chains

Further upgrade  
customer  
experience

Maintain  
cost  
discipline

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IV. **FUNDING**

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# Our funding strategy is built on strict principles

## Targeting Financial Independence

No dependence from single markets, instruments, banks or investors

Diversification of funding sources and instruments:  
Bank Loans, Bonds, ABS, Commercial Paper

No Covenants and asset pledges, no Credit Support Agreements

## Maximizing Financial Flexibility

Keeping prudent amount of Cash and Committed Credit Facility

New markets funded via global and local banks first

Early capital market funding to save credit capacity in growth regions

## Stringent Global Funding Policy

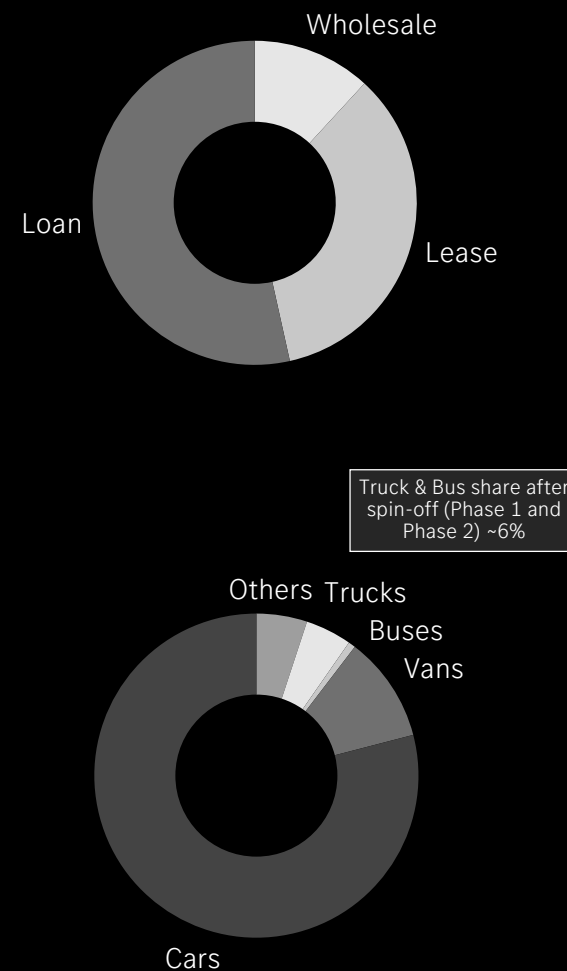
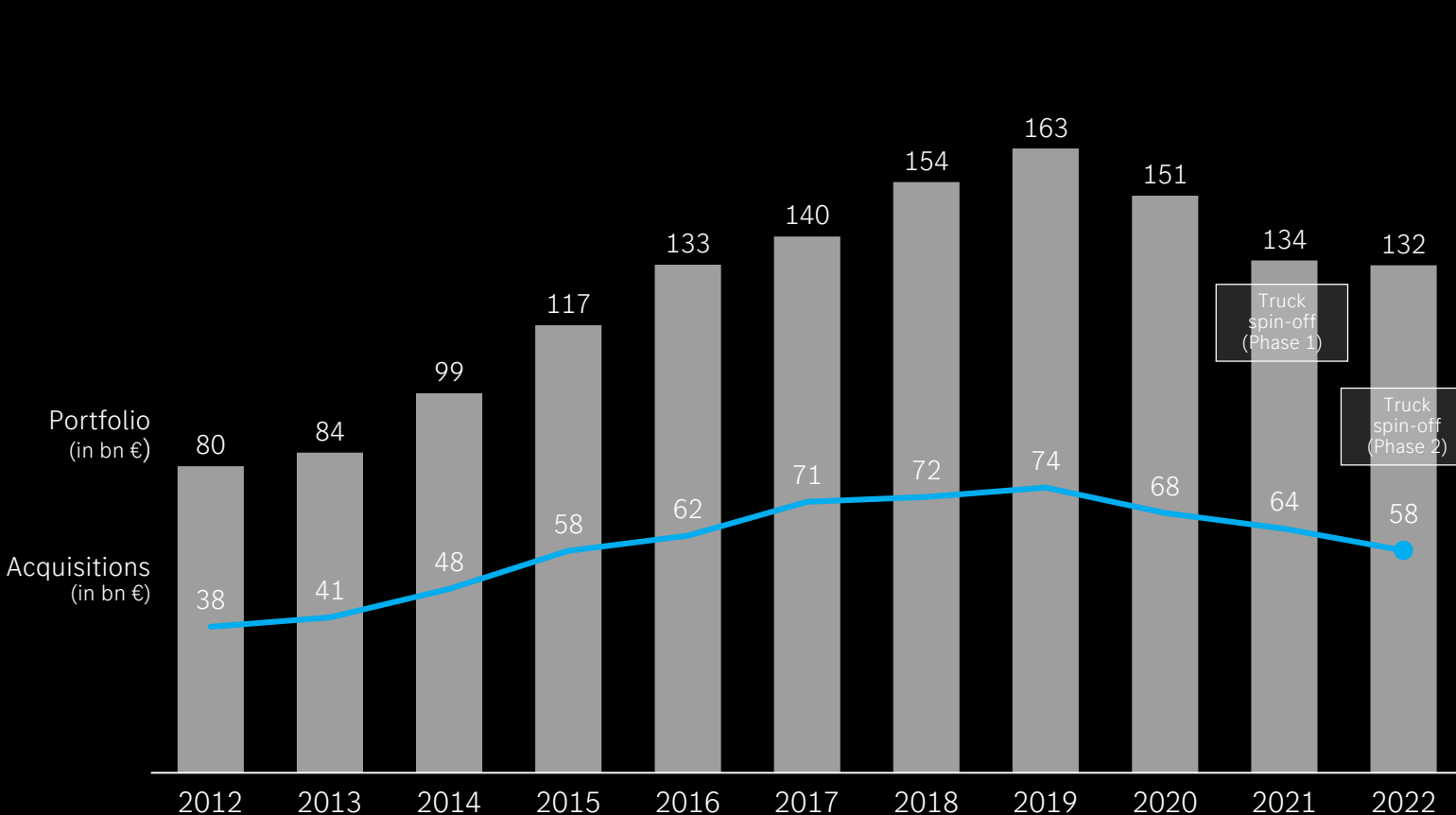
Liquidity matched funding

Interest rate matched funding

Currency matched funding

Country matched funding

# Portfolio at Mercedes-Benz Mobility remained stable compared to 2021



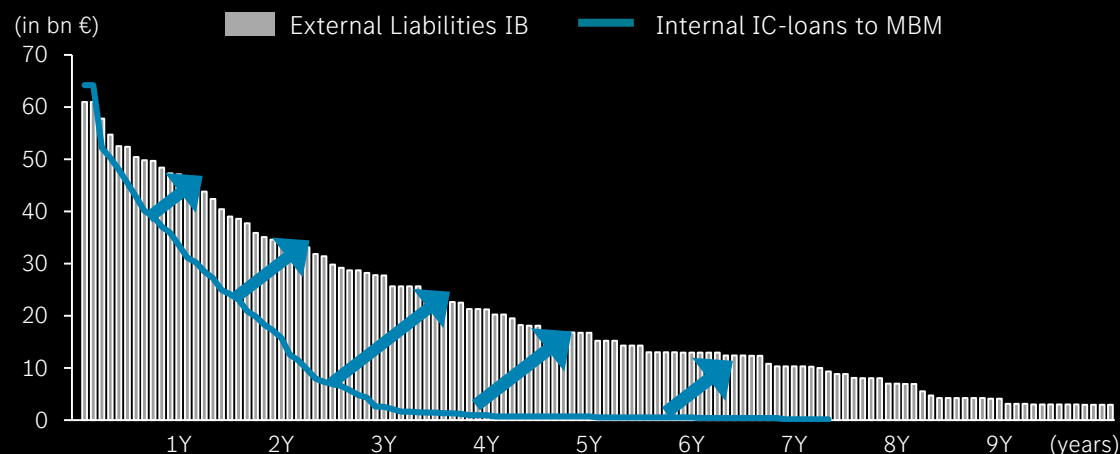
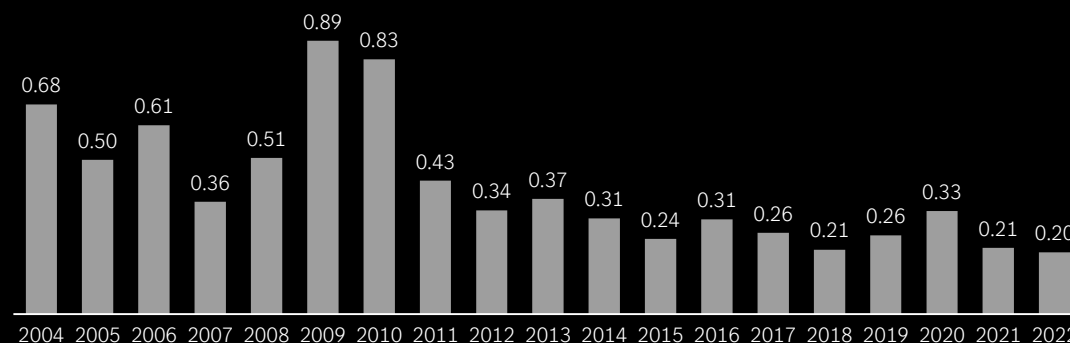
# Mercedes-Benz Mobility business benefits from stringent credit management and solid refinancing

Net credit losses on very low level benefiting from strong used car markets, i.e. collateral values. Yet risks remain to the upside due to weakening macroeconomic outlook

The matched-funded approach ensures that liquidity risks are managed properly

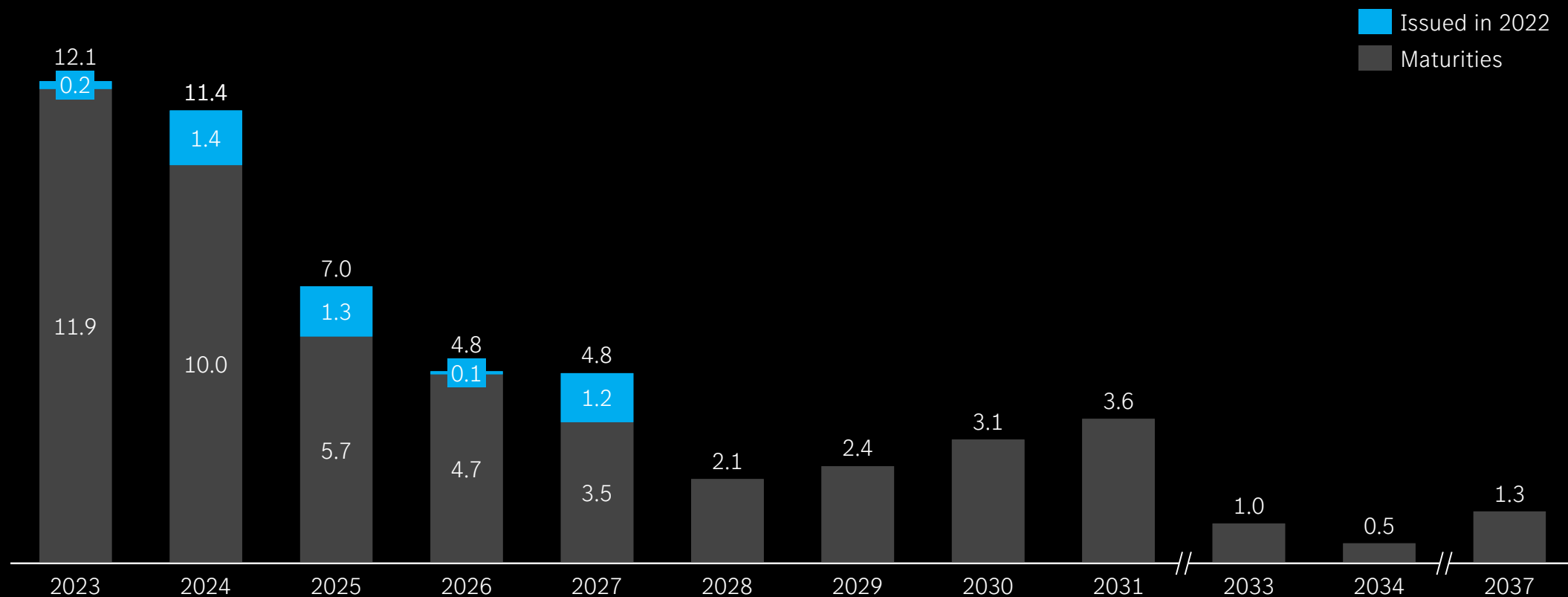
External liabilities of Mercedes-Benz Group have a longer duration than internal allocation to MBM via IC-loans

Net credit losses as a percentage of portfolio, subject to credit risk



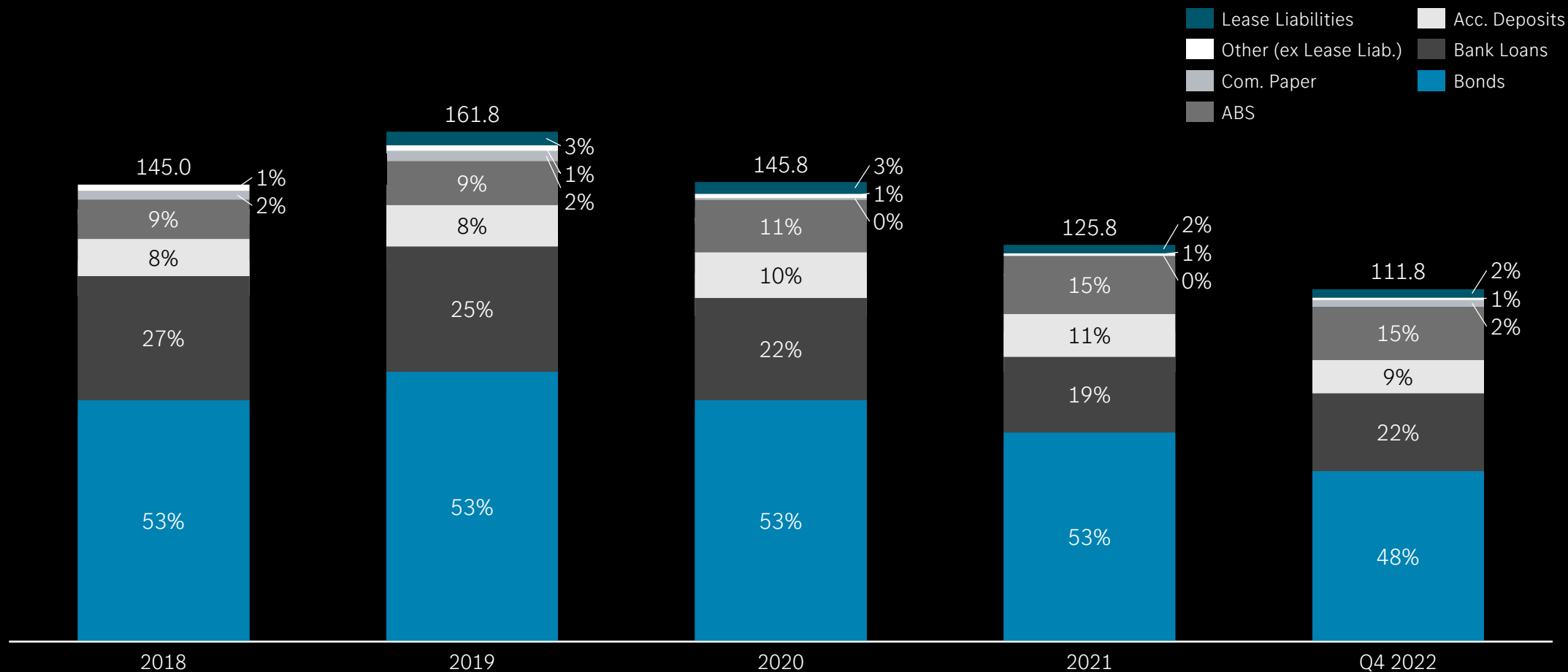
# Well balanced Bond Maturity Profile

in billions of EUR as of 31<sup>st</sup> December 2022

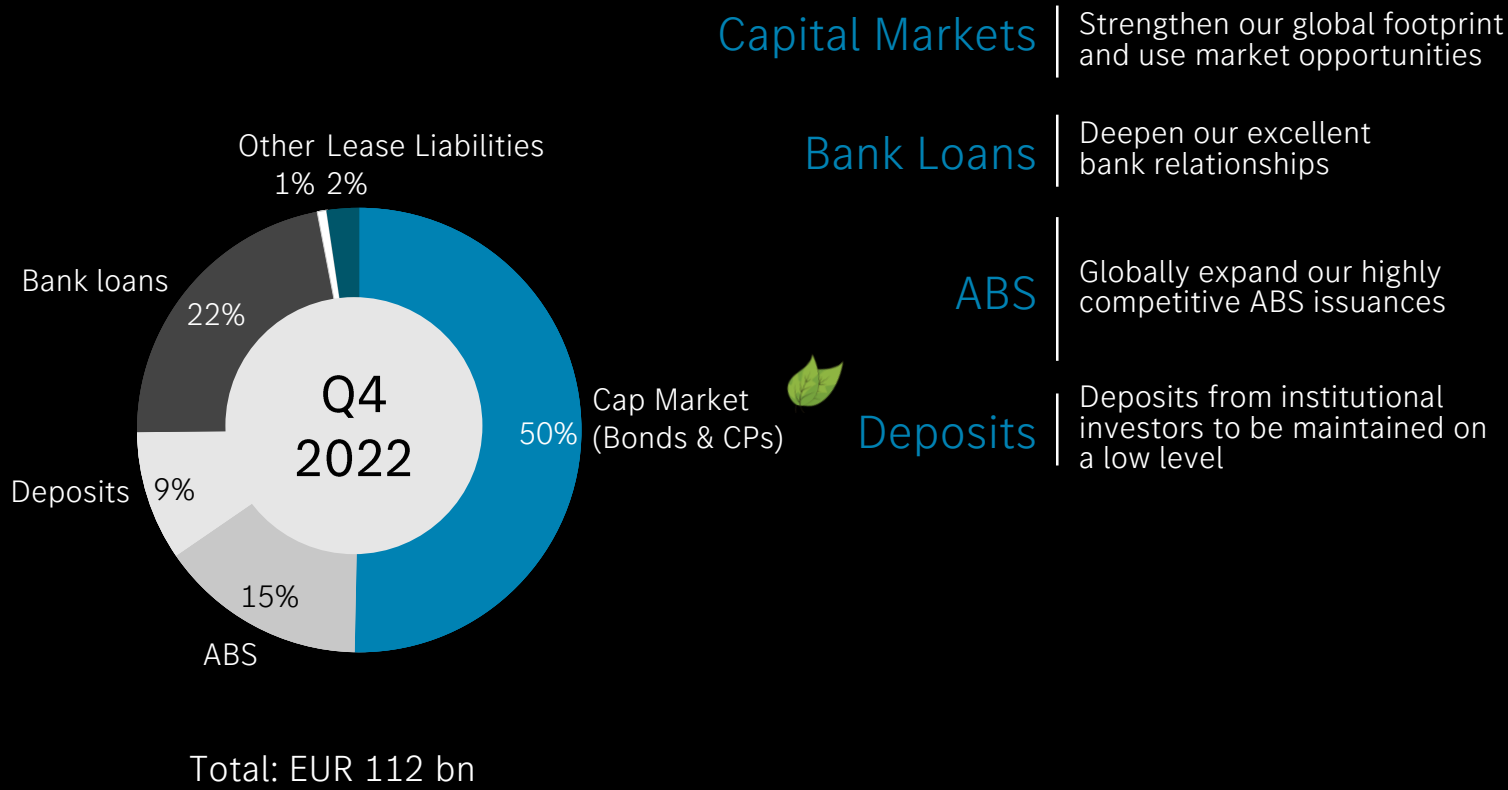


# Financing liabilities show a diversified funding mix

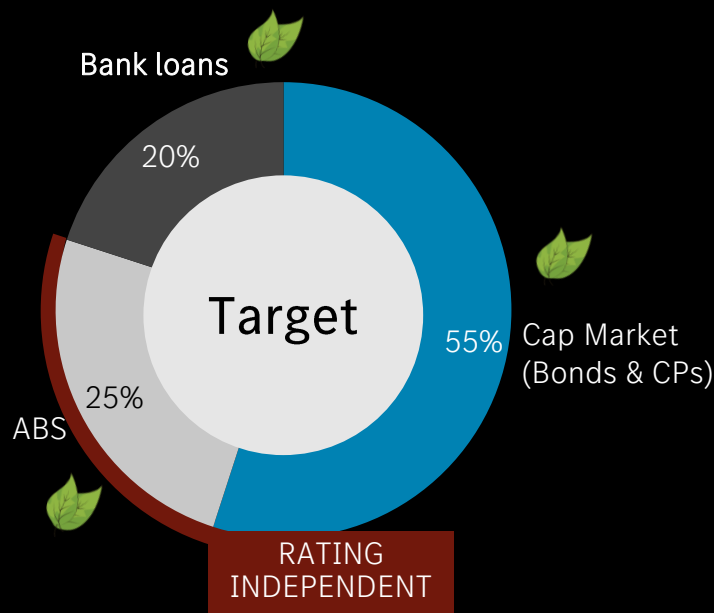
in billions of EUR



# To ensure sustainable portfolio growth, we mitigate risk and volatility through a balanced mix of funding instruments

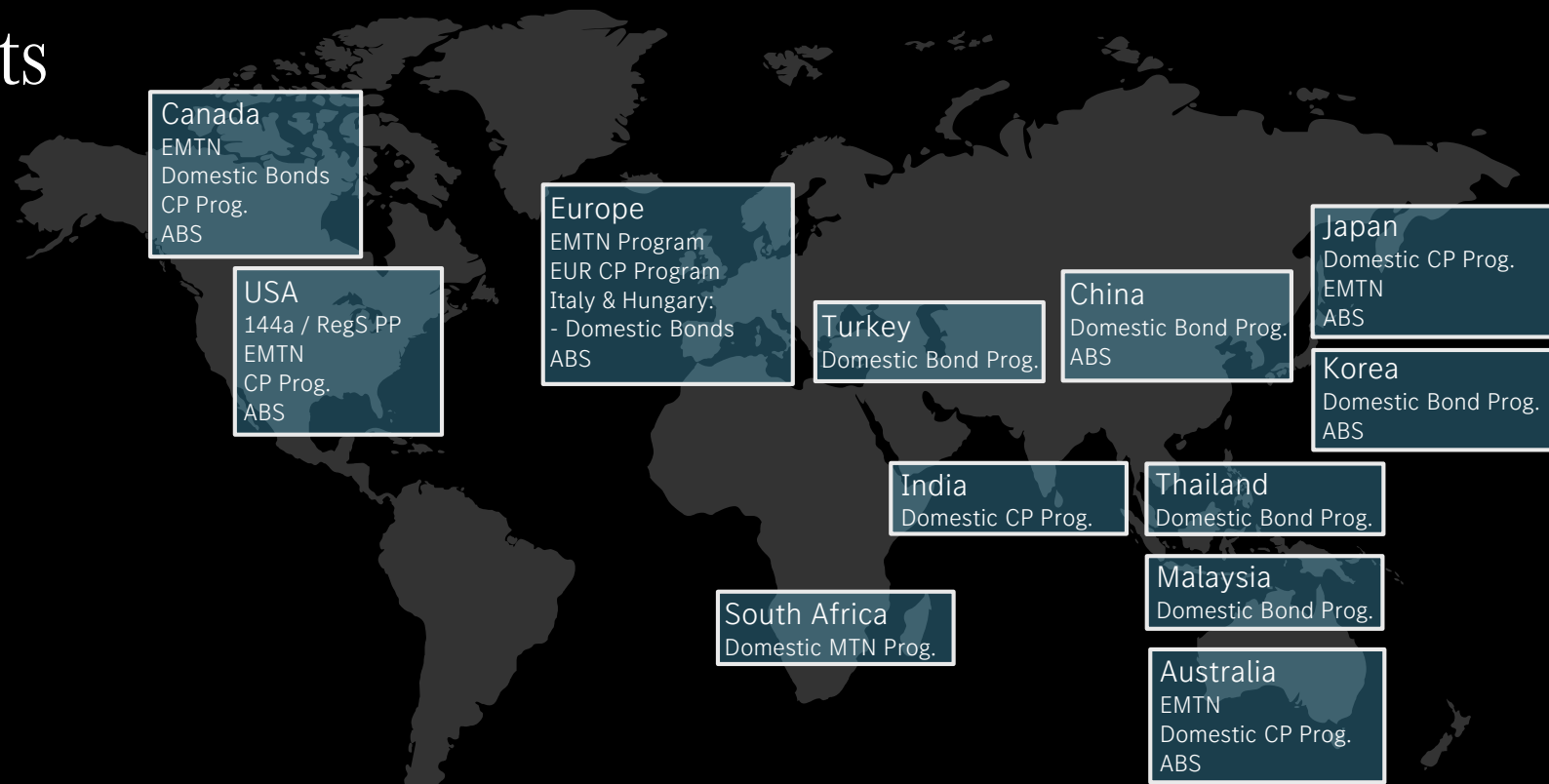


- Capital Markets** | Strengthen our global footprint and use market opportunities
- Bank Loans** | Deepen our excellent bank relationships
- ABS** | Globally expand our highly competitive ABS issuances
- Deposits** | Deposits from institutional investors to be maintained on a low level



Planned to increase Green Finance Share in the upcoming years

# Diversified global funding base: continuously matched with MBM requirements



Bonds			ABS			Bank Loans		
Currency	Volume	%	Currency	Volume	%	Currency	Volume	%
EUR	31,8	59%	NOK	0,3	1%	USD	7,0	40%
USD	14,6	27%	AUD	0,3	1%	CAD	0,7	4%
CNY	3,3	6%	JPY	0,3	1%	AUD	0,8	5%
GBP	1	2%	MYR	0,2	0%	JPY	0,2	1%
CAD	0,8	1%	CHF	0,2	0%			
ZAR	0,8	1%	Other	0,5	1%			
<b>Total (EUR bn)</b>	<b>54</b>		<b>Currencies</b>	<b>16</b>		<b>Total (EUR bn)</b>	<b>17</b>	
						<b>Currencies</b>	<b>7</b>	

110 banks providing funding of EUR 25 bn in 35 countries

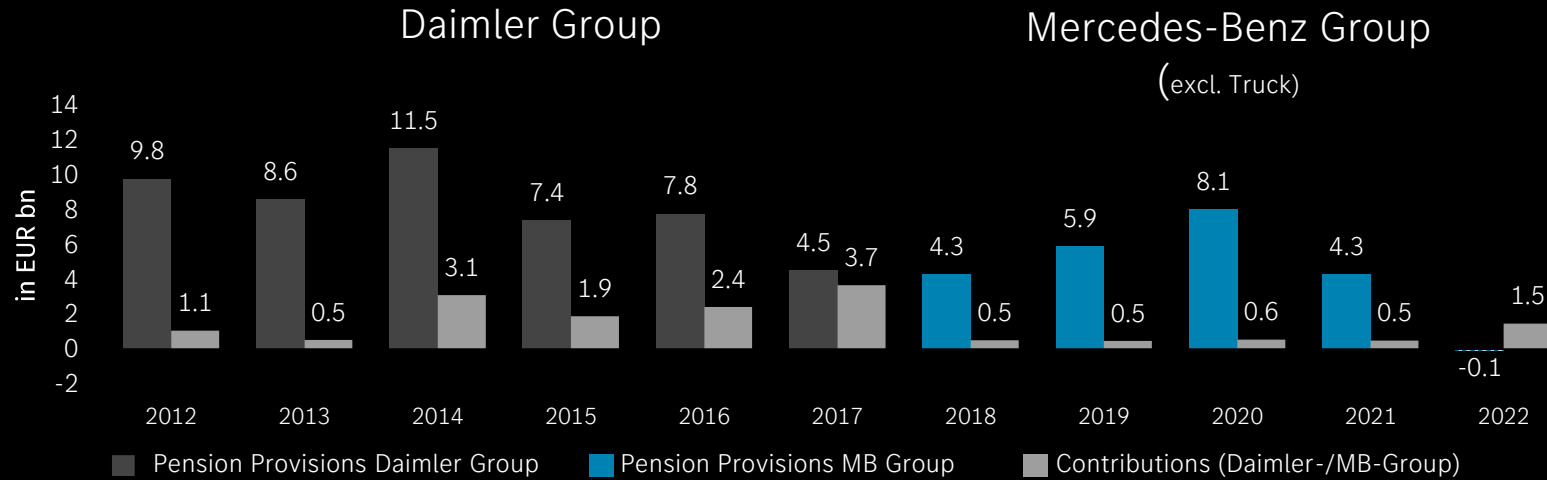
# Mercedes-Benz Group's financial KPIs set to support a strong rating

## Current Ratings:

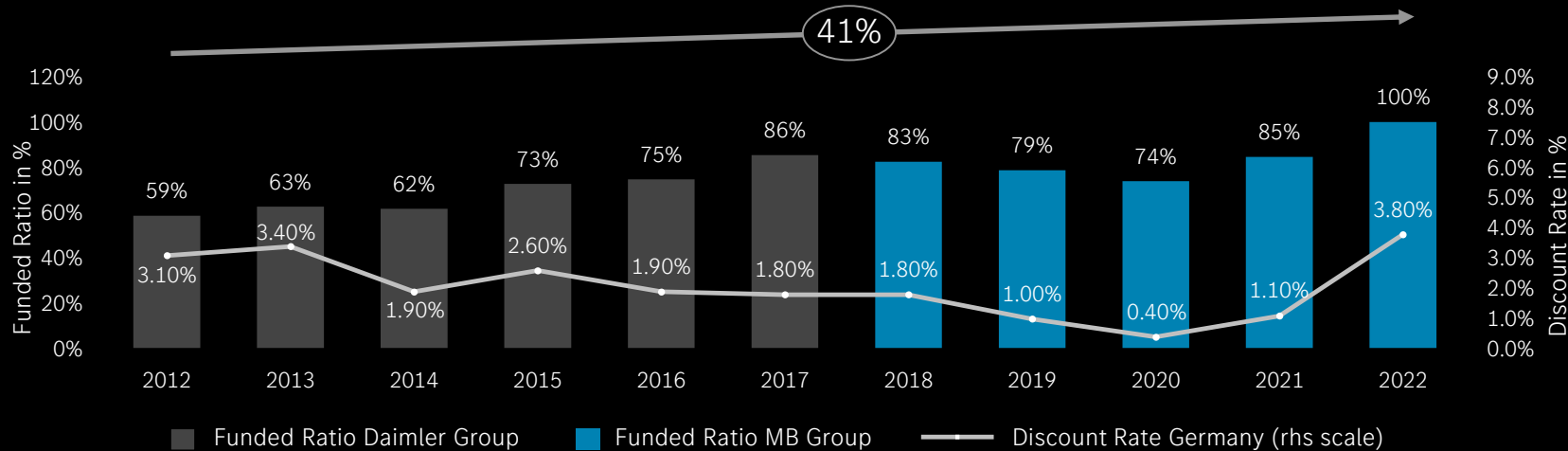
Agency	Long-term	Outlook	Short-term
Standard & Poor's:	A-	positive	A-2
Moody's:	A2	stable	P-1
Fitch:	A-	positive	F1
DBRS:	A (low)	stable	R-1 (low)
Scope:	A	positive	S-1



# Contributions stabilized funded ratio in low interest rate environment



Significant contributions since 2012 support the solid capital structure (no more pension provisions required)



With the rebound of discount rates to levels higher than 2013, pension plans turn to a funded ratio above 100%

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# We follow a holistic sustainable business strategy: Ecological, social, economical



# Ambition 2039 – our commitment to become CO<sub>2</sub>-neutral in the net effect across all stages of the value chain

Supply chain

Production & Logistics

Well-to-tank

Tank-to-wheel

End-of-life



SBTi

SBTi

SBTi

CO<sub>2</sub>-neutral  
supply chain

CO<sub>2</sub>-neutral  
production & logistics

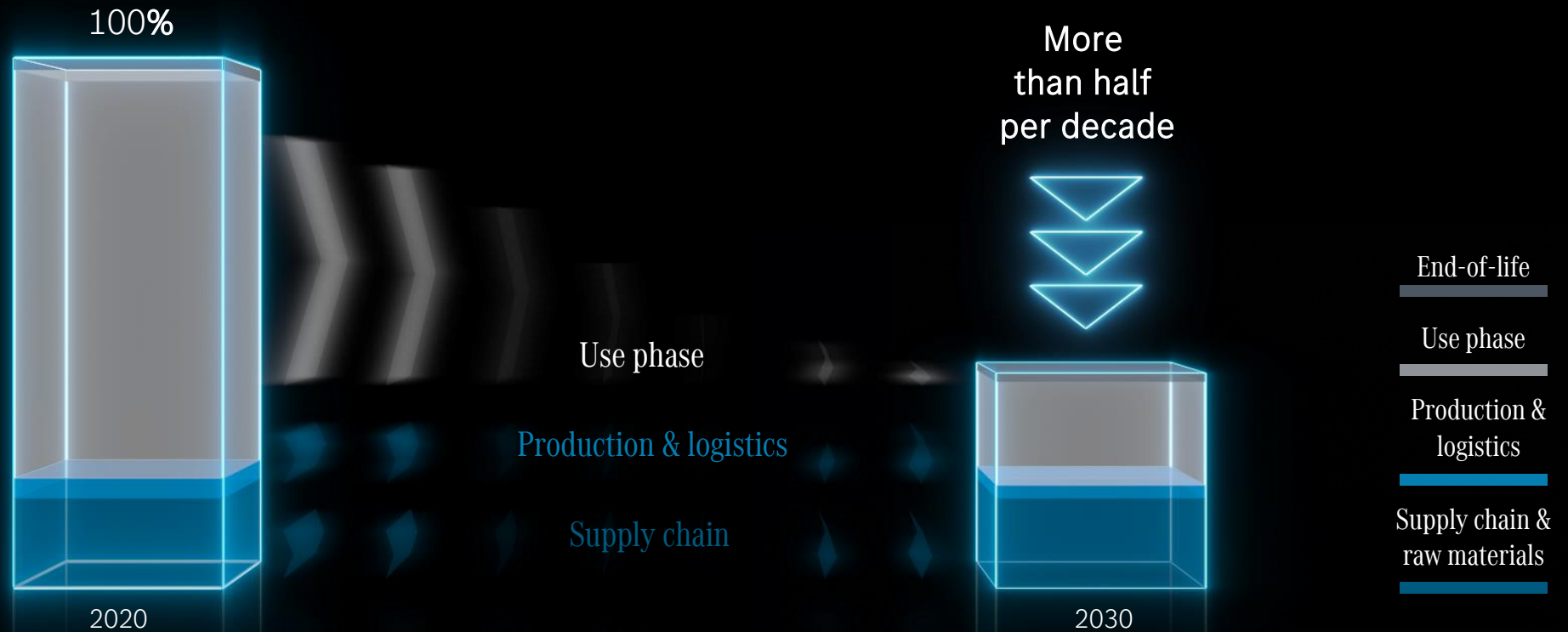
CO<sub>2</sub>-neutral  
energy generation

CO<sub>2</sub>-neutral  
vehicle operation

CO<sub>2</sub>-neutral  
recycling

# We will at least halve lifecycle CO<sub>2</sub> emissions per vehicle in this decade

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



# Our electric product rollout is running at full speed with nine electric models on the road and more to come

Since 2022 we offer an **all-electric alternative in every segment** we serve

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 aim to be ready to go **all-electric** where market conditions allow

2019



EQC

2020



EQV

2021



EQA

EQB

EQS

EQE

2022



EQS SUV



EQE SUV



EQT

# Three Mercedes-Benz EV-only architectures to be launched in 2025

## Ready to go all-electric by the end of the decade\*



**MB.EA**

**medium- and large-size cars**  
modular system as electric  
backbone for our EV portfolio



**AMG.EA**

**dedicated performance**  
electric-vehicle architecture



**VAN.EA**

**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 targets:

Capacity of more than 200 Gigawatt hours

Local for local strategy for battery cell production

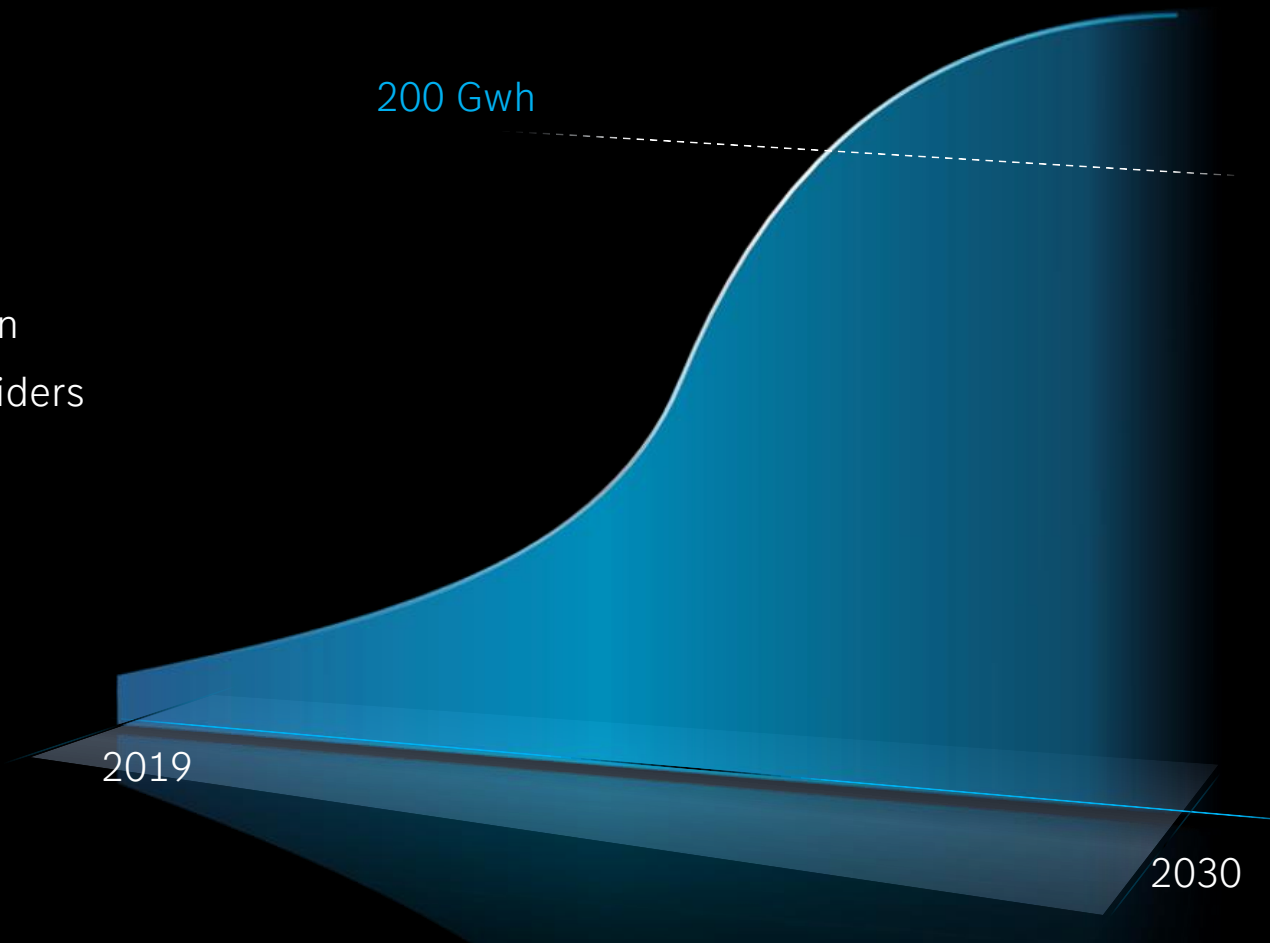
- several battery partnerships with multiple providers

Our partners are:

CATL, FARASIS, ACC, AESC

Needed battery volume for all car lines

200 Gwh





# By joining ACC, we build a European battery champion

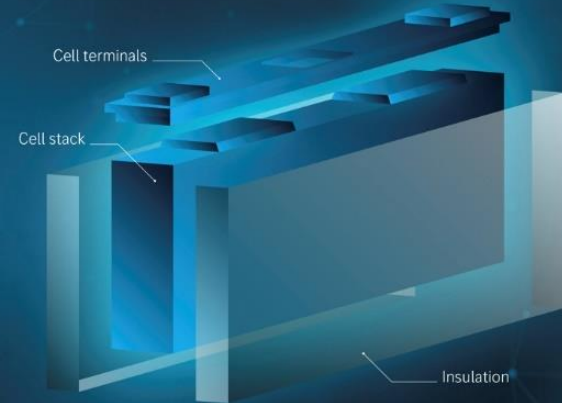
We take a one third stake in [Automotive Cells Company \(ACC\)](#).

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



# Mercedes-Benz has pledged to make vehicle production CO<sub>2</sub> neutral this year<sup>1</sup>

Together with our EV strategy, CO<sub>2</sub> neutral production<sup>1</sup> is a key driver of [Ambition 2039](#)

All Mercedes-Benz own plants worldwide are producing 100% CO<sub>2</sub> neutrally<sup>1</sup> in 2022

We plan to cover 70% of our energy needs through renewable sources<sup>2</sup> and will also produce energy on site

<sup>1</sup> Partly including offsets

<sup>2</sup> by 2030

## Mercedes-Benz global production network



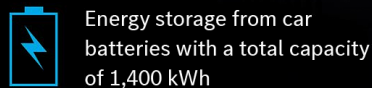
# Our Factory 56 is a zero-carbon factory and serves as a blueprint for our global Mercedes-Benz production network

At our Factory 56 in Sindelfingen  
“producing sustainability” 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



Use of recycled  
concrete in the frontal  
building of Factory 56



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



Innovative  
DC grid



25% reduction in  
energy demand



# Having achieved CO2-neutral production\* in 2022, not only do we use clean energy in production, we also produce it

It is our ambition to make all Mercedes-Benz factories **renewable energy production sites**

Solar cells with an output corresponding to more than **1,000 photovoltaic systems** on single-family homes (>11 MWp) will go into operation by end of next year

By 2025 we will **invest a triple-digit million amount** to install photovoltaic systems



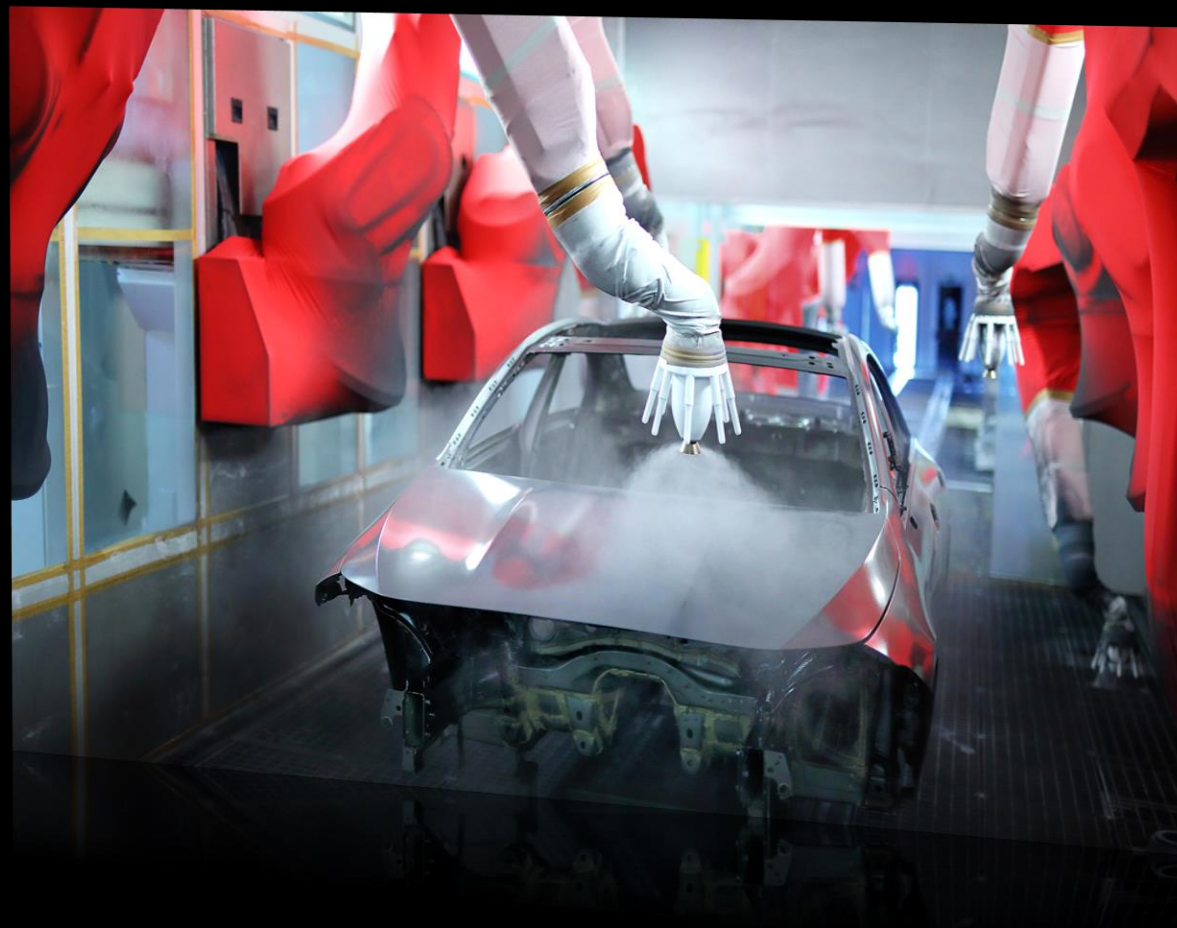
\* Partly including offsets

# Water usage reduction and a sustainable heat supply are cornerstones in reducing our ecological footprint

Our **use of water** will be **cut by 35%** by 2030 thanks to multi-reuse of water in production

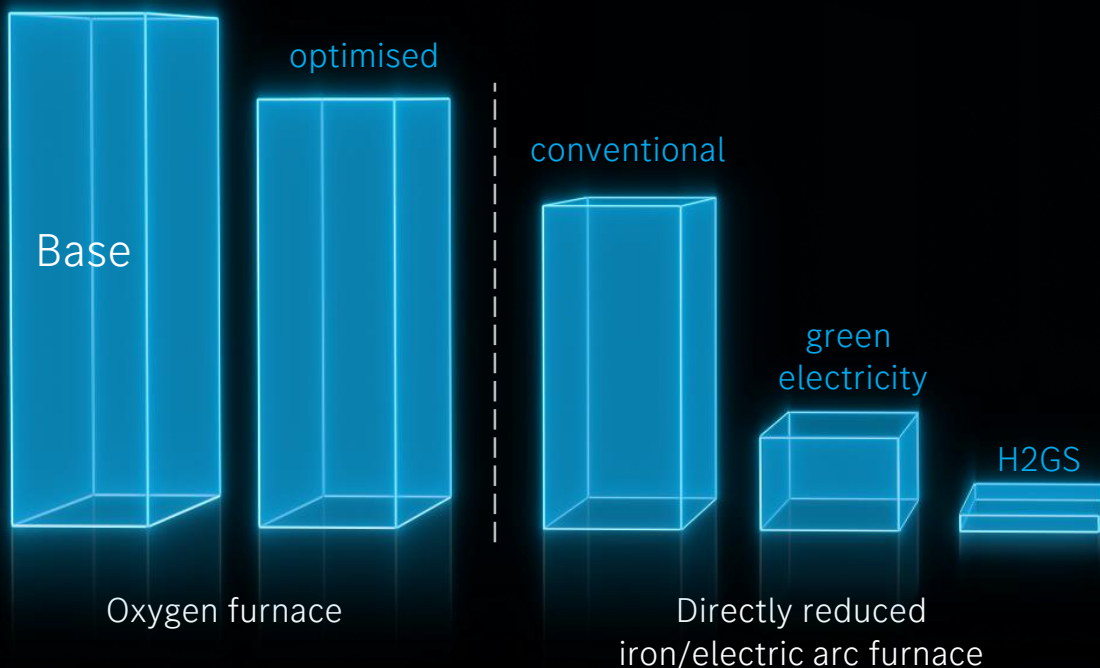
We **boost the sustainability** of our plants' **heat supply**, especially focusing on our paint shops

We plan to use **biogas and biomass** as well as **geothermal and solar thermal energy** instead of conventional gas



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

Steel – CO<sub>2</sub> reduction:



# ~90%

of our annual purchasing volume is supplied by companies that follow our ambition to become CO<sub>2</sub> neutral

Further materials in focus:

Aluminium sheet/cast

Thermoplastics

Battery materials

# We are establishing a green and CO<sub>2</sub> neutral supply chain\*

In the future, raw materials for battery components only from [IRMA-certified mines](#)

Intention to [partner with lithium producer Albemarle](#) for future lithium supply, lithium recycling and reduction of CO<sub>2</sub> in lithium production

[Direct sourcing](#) of battery raw materials like nickel and cobalt under consideration

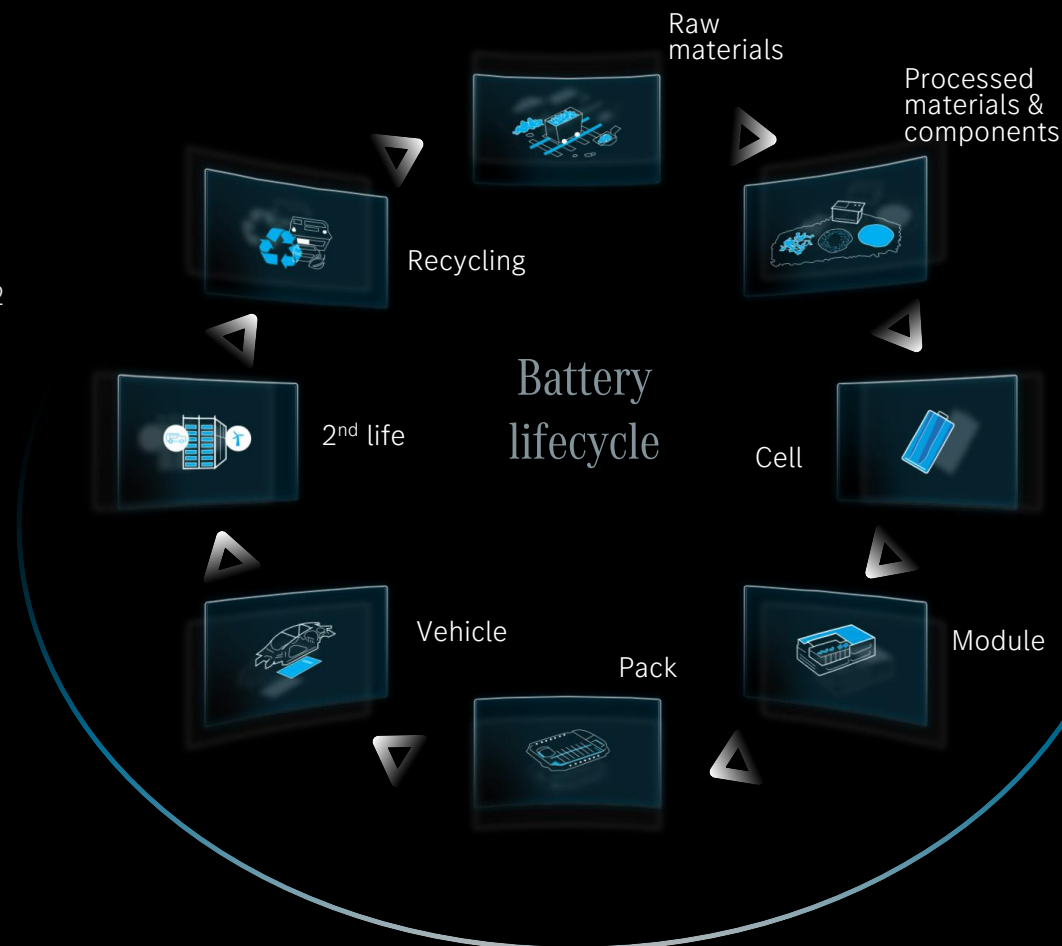
2020: [Big River Steel](#) reduced CO<sub>2</sub> emissions by >70%

2021: [Salzgitter AG](#) reduces CO<sub>2</sub> emissions by >60%

2025: CO<sub>2</sub> free steel from [H2 Green Steel](#)

2026: CO<sub>2</sub> free steel from [SSAB](#)

\* \* Partly including offsets



# Circular economy: Closing the loop with our battery recycling factory in Kuppenheim

Own CO<sub>2</sub>-neutral recycling plant in Kuppenheim, southern Germany, is scheduled to **ram up 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**





# The transformation of our workforce

## Re-shape

Streamlining our organization in a responsible way

New technologies require a new area of expertise - 3,000 new jobs for software engineers

Just transition – Focus on fair solutions together with employee representatives

Shift of personnel among different plants

## Re-skill

Developing future-oriented qualifications

Job profiles of the future: The digital and electric transformation is changing all job profiles

Turn2Learn: Qualification push for continuing education at Mercedes-Benz worldwide to foster lifelong learning

Specific IT trainings for strategically important data and use cases: 450 positions for data workers

## Re-charge

Meeting the Mercedes-Benz standard as an employer

Attractive contractual framework offering innovative employment conditions

30% women in leadership positions until 2030

Hybrid working up to 100% where job conditions allow it

# Turn2Learn: unlimited possibilities for lifelong learning



>1,300,000,000 € for qualification from 2022 until 2030

~1,300,000 hours of professional and personal training in 2021

Ø 1,000 € per employee/ year

in Germany



Existing Learning Opportunities



Customized Learning Paths



eLearning Platforms

# Clear objectives, comprehensive disclosure and guided by international frameworks

We embedded the **Sustainable Development Goals** in our strategy concentrating on the areas where we can create the most value added



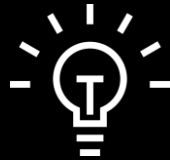
We use comprehensive **reporting frameworks** to provide transparent and comparable information on our strategy and activities



Our strategy is guided by **international frameworks**, our corporate values and integrity



# Mercedes-Benz Group's green finance framework is part of our sustainable business strategy



Use of  
proceeds

Project  
evaluation and  
selection

Management  
of proceeds

Reporting\*

External  
review

Mercedes-Benz Group's green finance framework is developed to be in line with both the ICMA Green Bond Principles, as well as LMA and APLMA Green Loan Principles. It is Mercedes-Benz Group's intention to follow best practises as market standards develop and as the EU Taxonomy and the EU Green Bond Standard enter into force.

\*Investor Allocation and Impact Report published in September 2021.

# Second Opinion by leading provider of independent reviews of green bonds

## SHADES OF GREEN

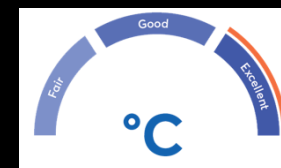
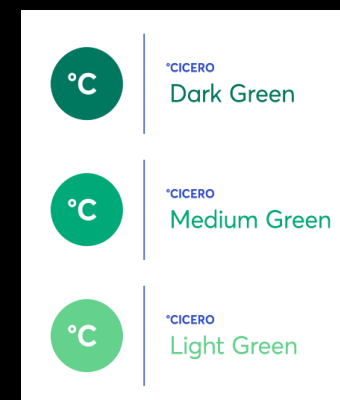
Mercedes-Benz Group's green finance framework was rated by CICERO as **Dark Green**. Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future.

## GOVERNANCE PROCEDURES

CICERO Shades of Green finds the governance procedures in Mercedes-Benz Group's framework to be **Excellent**.

## GREEN BOND and GREEN LOAN PRINCIPLES

CICERO confirms that Mercedes-Benz Group's green finance framework is found in **alignment** with the green bond and green loans principles.



# Mercedes-Benz Group's ESG Ratings



Upgraded from  
BBB to A



Strong position in the  
sub-industry peer group  
ranked 8 out of 79



Ranked with the highest rating  
in the auto sector  
Prime Status (C+)

# AGENDA

I. MERCEDES-BENZ GROUP REVIEW FY 2022

II. DIVISIONAL REVIEW FY 2022

III. OUTLOOK FY 2023

IV. FUNDING

V. SUSTAINABILITY

VI. LUXURY STRATEGY

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

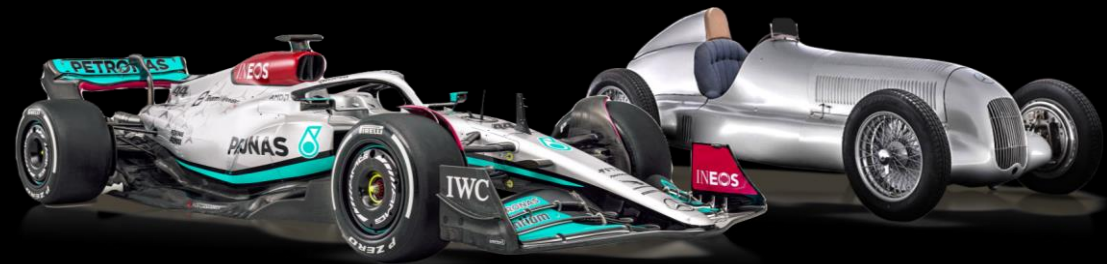
## Heritage:

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

CO<sub>2</sub>-neutral  
Production\*

2025

Up to  
50% xEVs

2030

ready to go all electric  
where market  
conditions allow

2039

Carbon  
neutrality\*



\* Partly including offsets

# Understanding our customers



50%

more adults with wealth  
above 1 million USD  
(2020-2025)

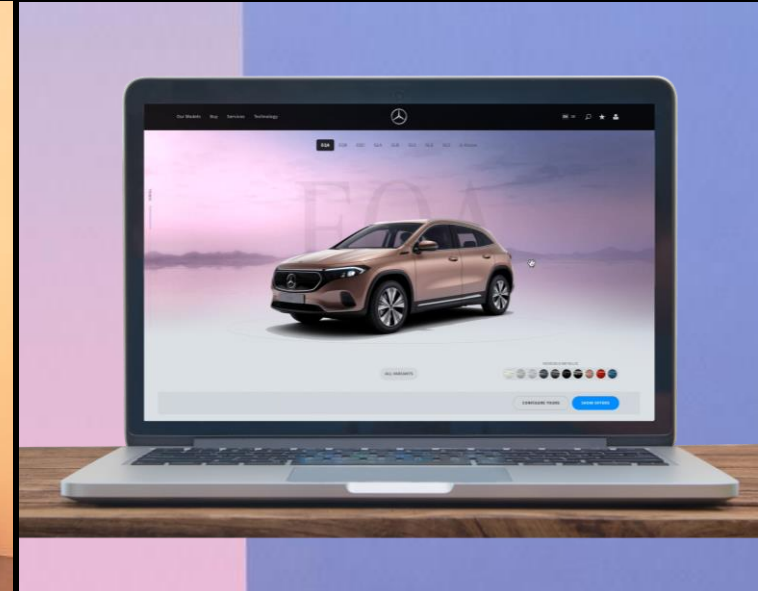
Source: Credit Suisse, "Global Wealth Report: 2021"



~180%

expected contribution from GenY & GenZ  
to total growth in personal luxury goods  
market from 2019 to 2025

Source: Bain, "2021 Luxury Goods Worldwide Market Study"



60%

of car buyers under the  
age of 45 are likely to purchase  
their next car online

Source: McKinsey & Company, "Digitization in automotive retail in 2021 and beyond"

# 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 in 2022 vs. 2019



~60%

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



# Desire for... TECH

## Digital innovations for China



# 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

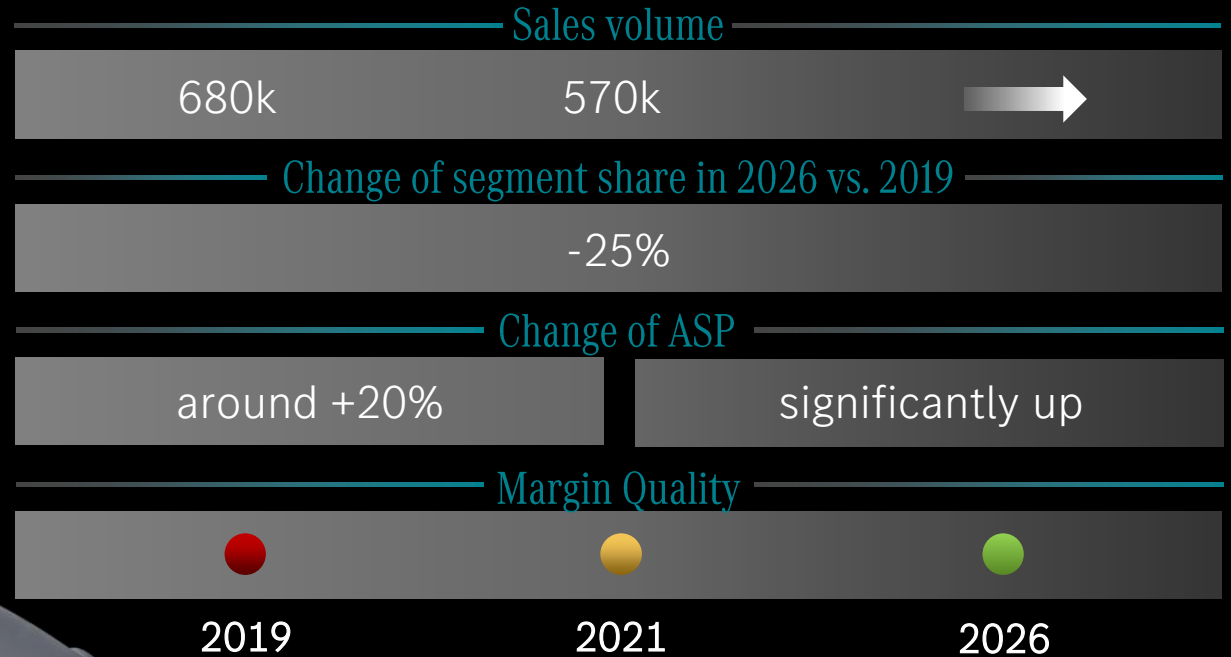


2026



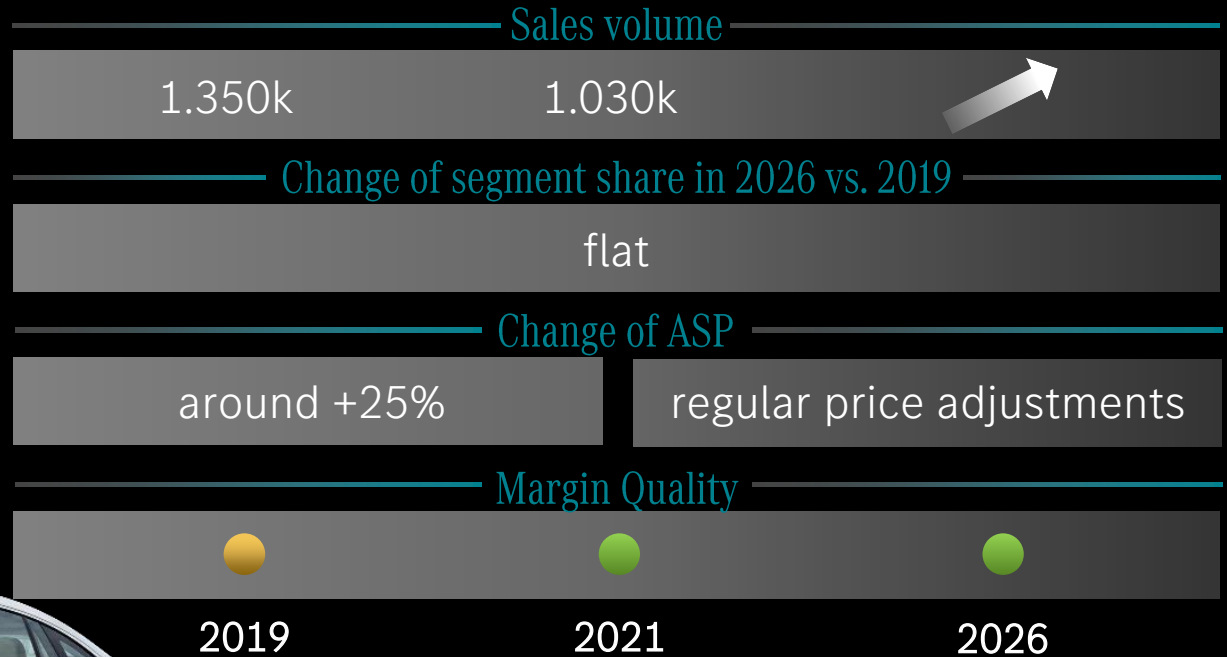
# Entry Luxury - Focus & Elevate

- 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



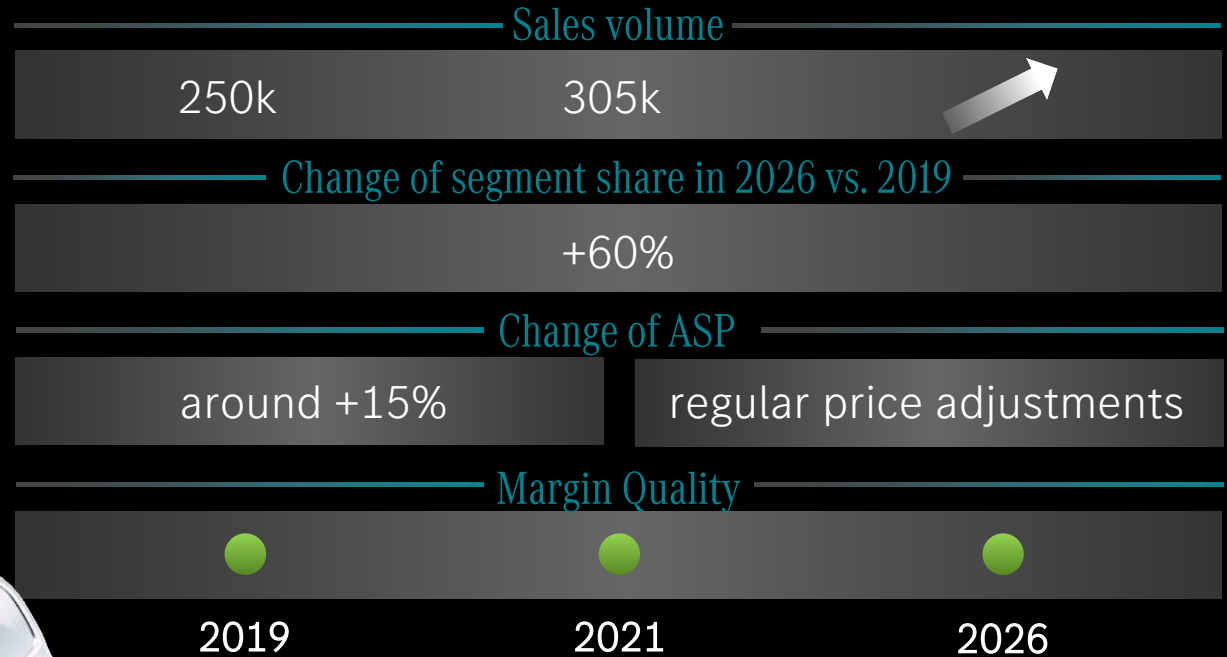
# Core Luxury - Grow & Refine

- 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

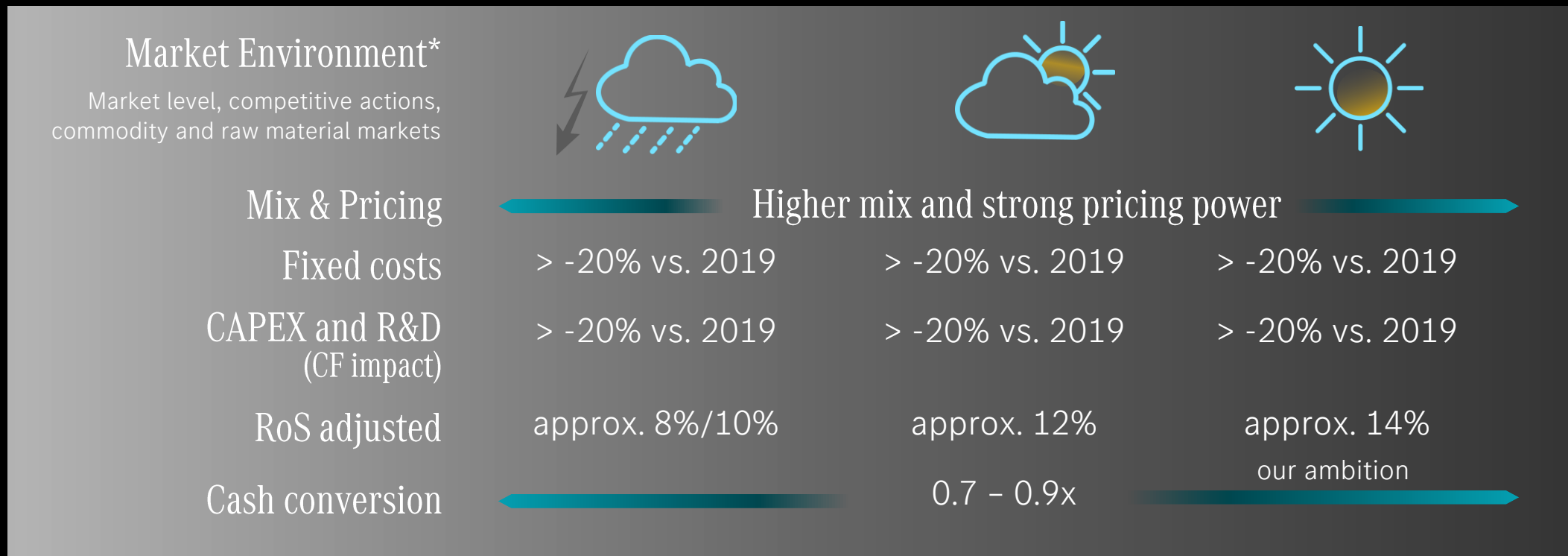


# Changing our economic equation

- 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.

# 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 utilise 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-optimisation 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 this Annual Report. If any of these risks and uncertainties materialises, 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.