

The background of the slide is a dark grey to black gradient, overlaid with a repeating pattern of the Mercedes-Benz logo (a three-pointed star in a triangle). The logos are arranged in a grid that is slightly offset and fades out towards the right side of the slide. On the right side, there is a bright, glowing light effect that resembles a starburst or a lens flare, emanating from a single logo.

Fixed Income Presentation

FY 2023

Mercedes-Benz Group AG

AGENDA

I. Mercedes-Benz Group Review FY 2023

II. Divisional Review FY 2023

III. Outlook FY 2024

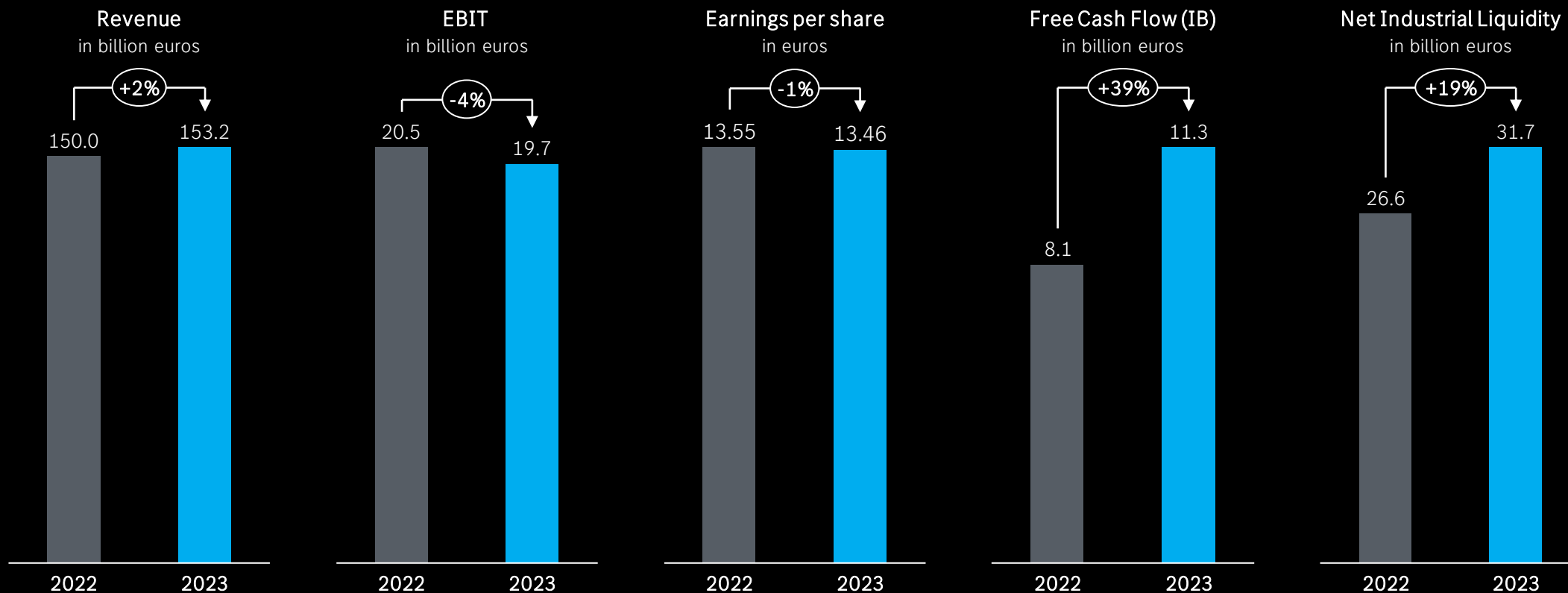
IV. Funding

V. Sustainability

VI. Luxury

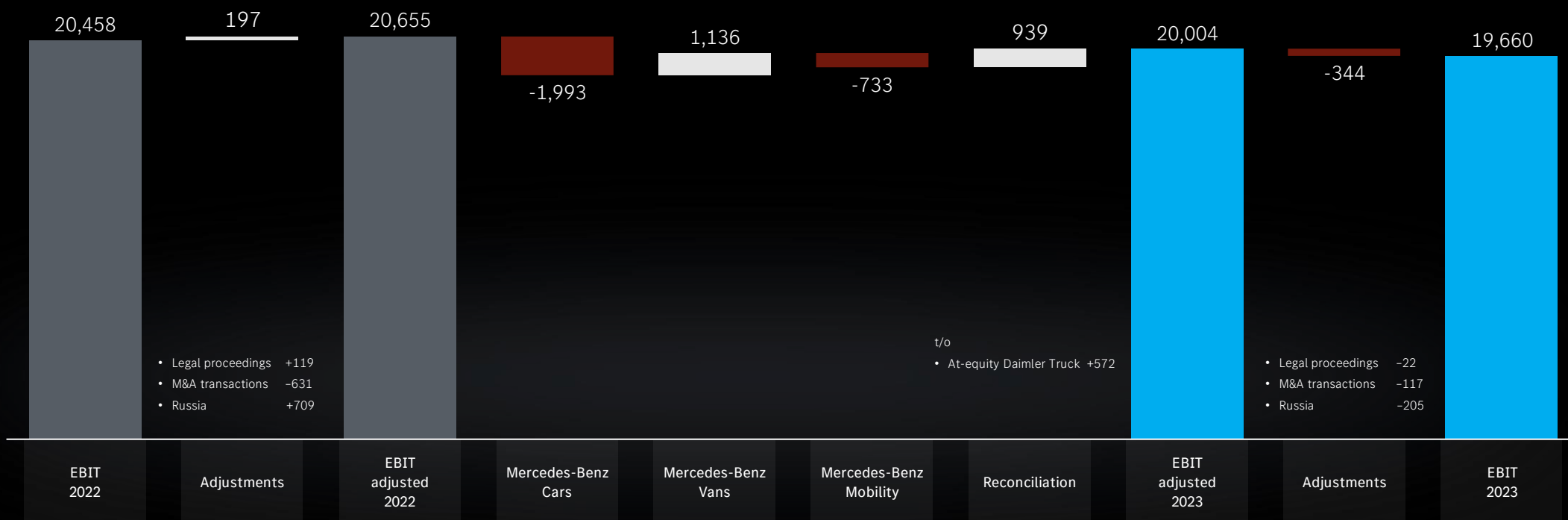
VII. Operating System

Mercedes-Benz Group: Key figures*



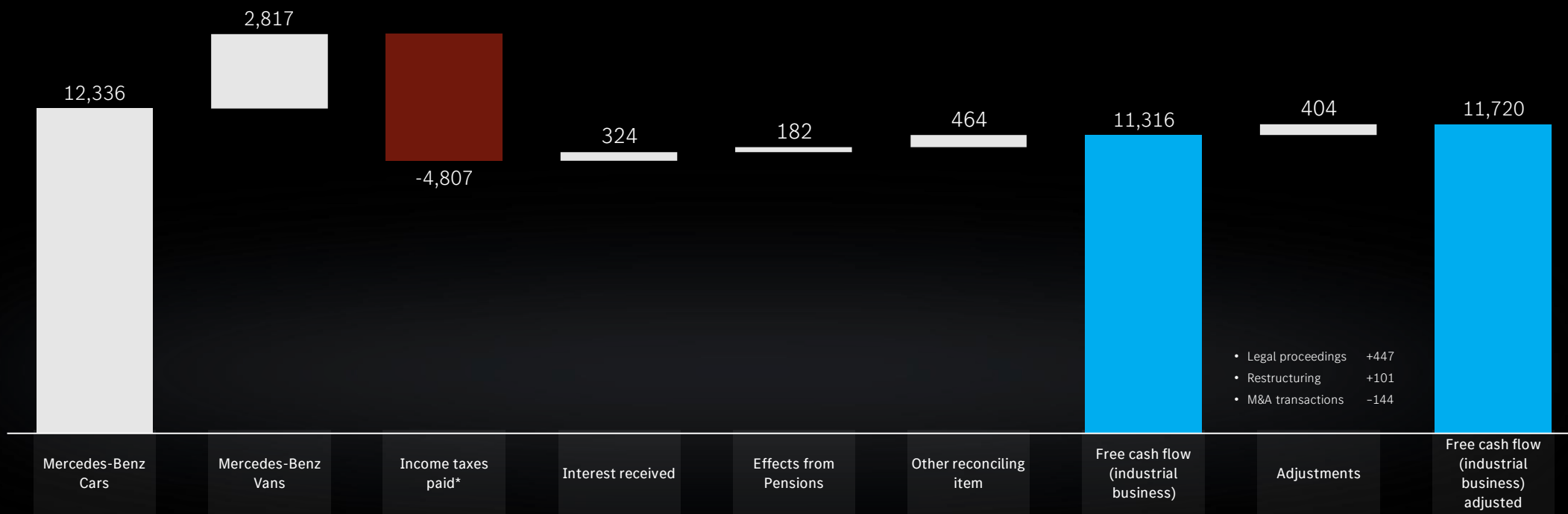
Mercedes-Benz Group: EBIT

In million euros



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

In million euros

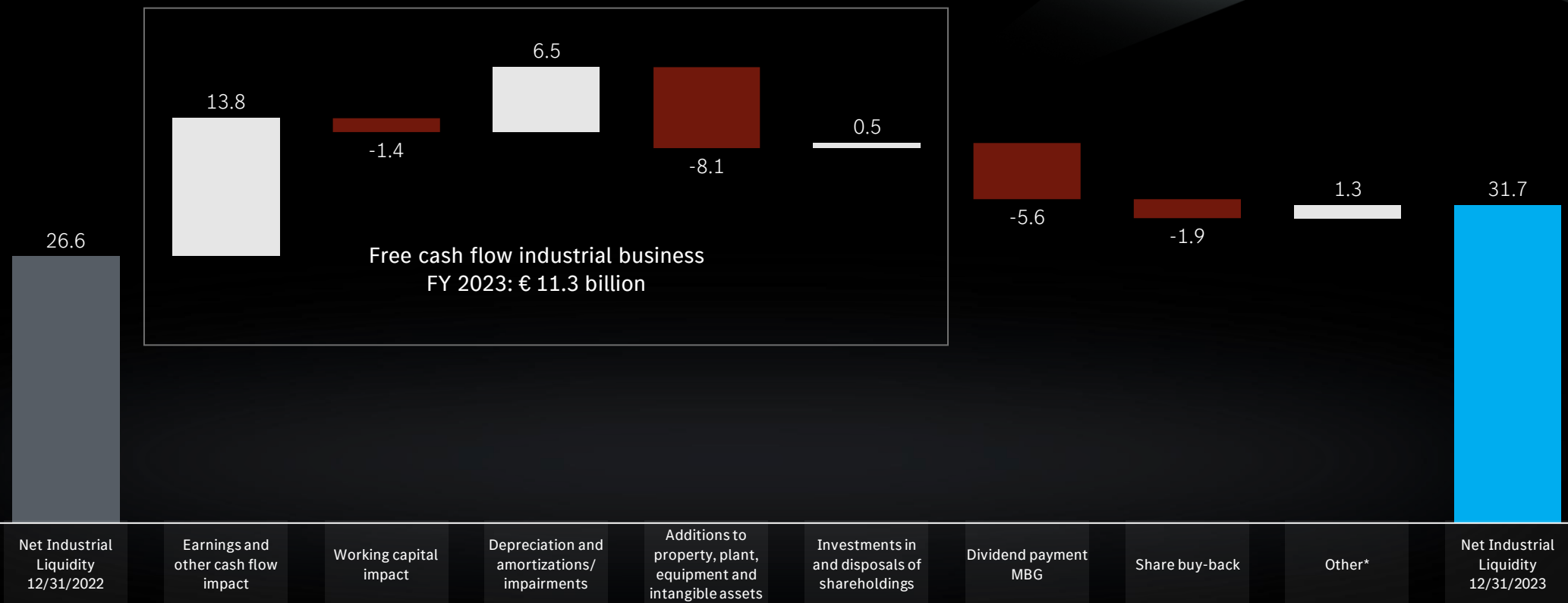


* Includes internal tax prepayments from Mercedes-Benz Mobility to the industrial business

Mercedes-Benz Group: Net Industrial Liquidity



In billion euros

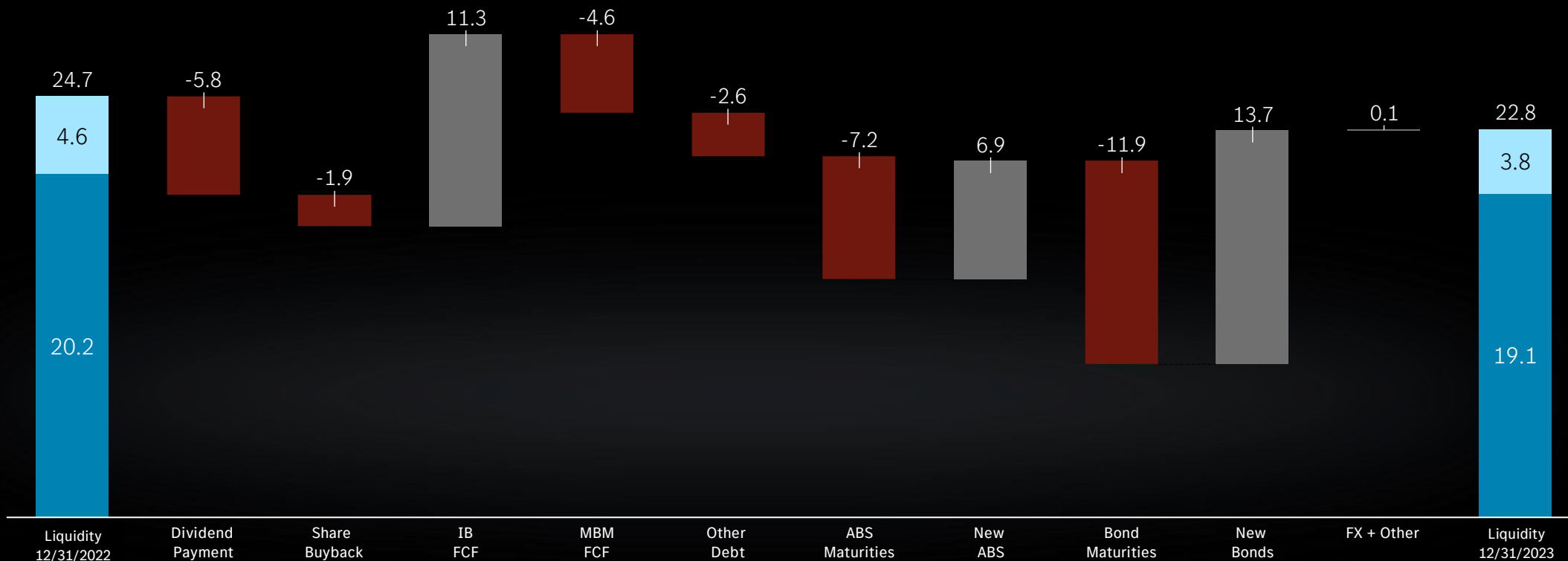


* Mainly dividends from MBM

Mercedes-Benz Group: Gross Liquidity

In billion euros

■ MBM
■ Industrial Business

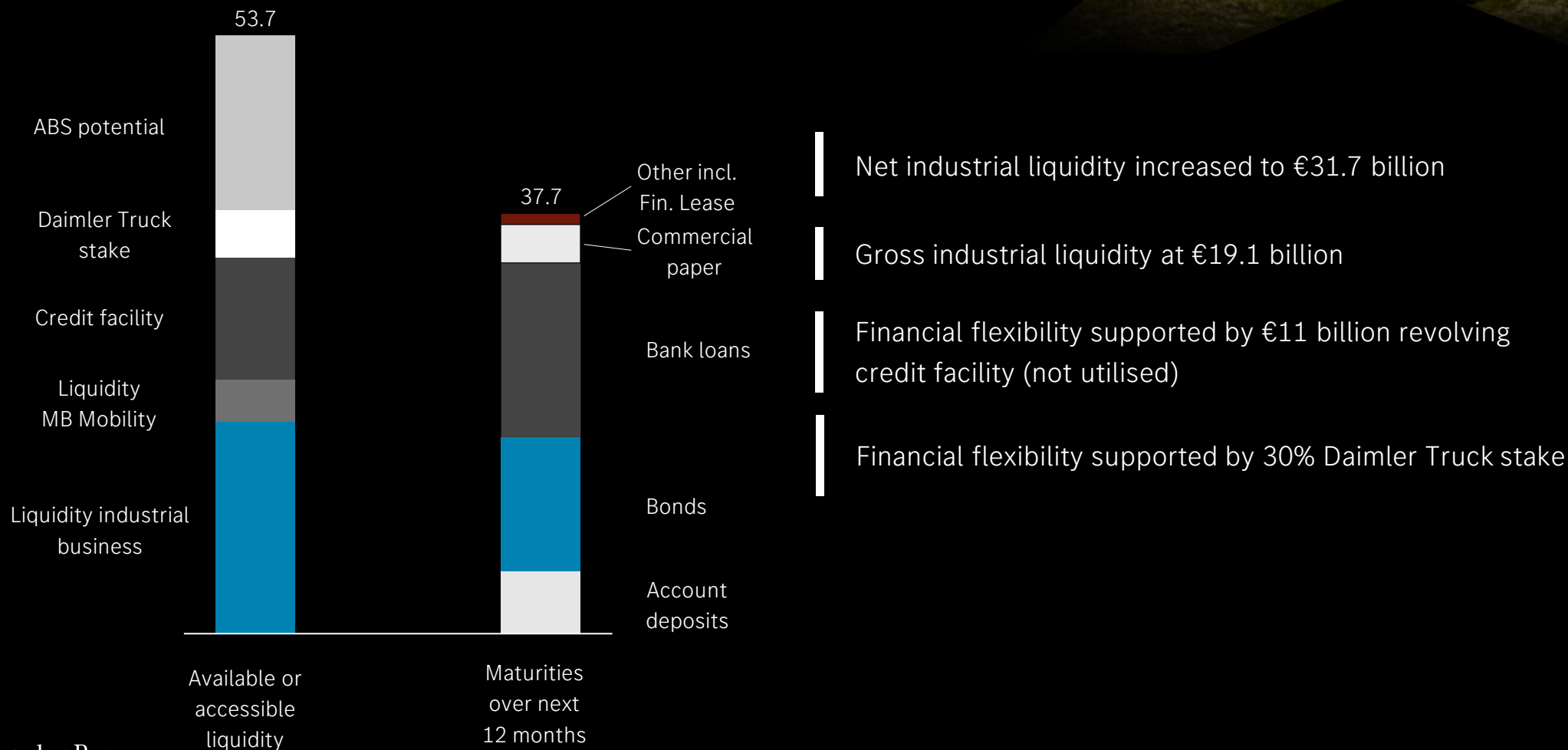


Note: Figures may not be additive due to rounding.

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

Q4 2023

In billion euros

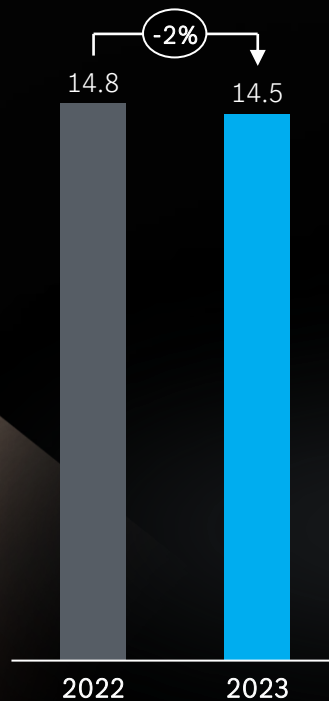


- Net industrial liquidity increased to €31.7 billion
- Gross industrial liquidity at €19.1 billion
- Financial flexibility supported by €11 billion revolving credit facility (not utilised)
- Financial flexibility supported by 30% Daimler Truck stake

Mercedes-Benz Group: Dividend



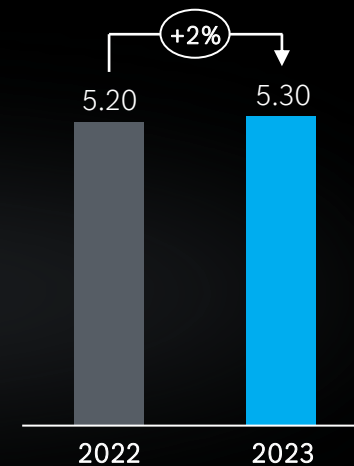
Net profit
in billion euros



Earnings per share
in euros



Dividend per share proposed
in euros



Capital Allocation Framework

New Share Buyback Policy

Distributing available Free Cash Flow of the industrial business (after M&A) generated beyond the dividend payout ratio of approx. 40% of Group Net Income to our shareholders

Completion of current Share Buyback in Q3 2024 possible

Repurchases well underway

(already acquired ~EUR 2.1 bn out of EUR 4.0 bn to date)

Additional Share Buyback of up to EUR 3.0 bn

Using remaining headroom from existing AGM approval of 10%

Begin after current share buyback, expected completion until Q2 2025

AGM 2025

We intend to ask for a renewal of the authorization for share buybacks in our AGM 2025 to further continue share buybacks in line with the Share Buyback Policy

Dividend policy confirmed

Sustainably attractive dividend with target payout ratio of approx. 40% of Group Net Income

General principle: With any share buyback programme we will keep flexibility on the execution in case of unexpected market developments

Capital Allocation Framework

Free Cash Flow IB

Dividend of approx. 40%

New Share Buybacks

Target: Continuously growing EPS and DPS over the next years

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Mercedes-Benz Cars: Key messages



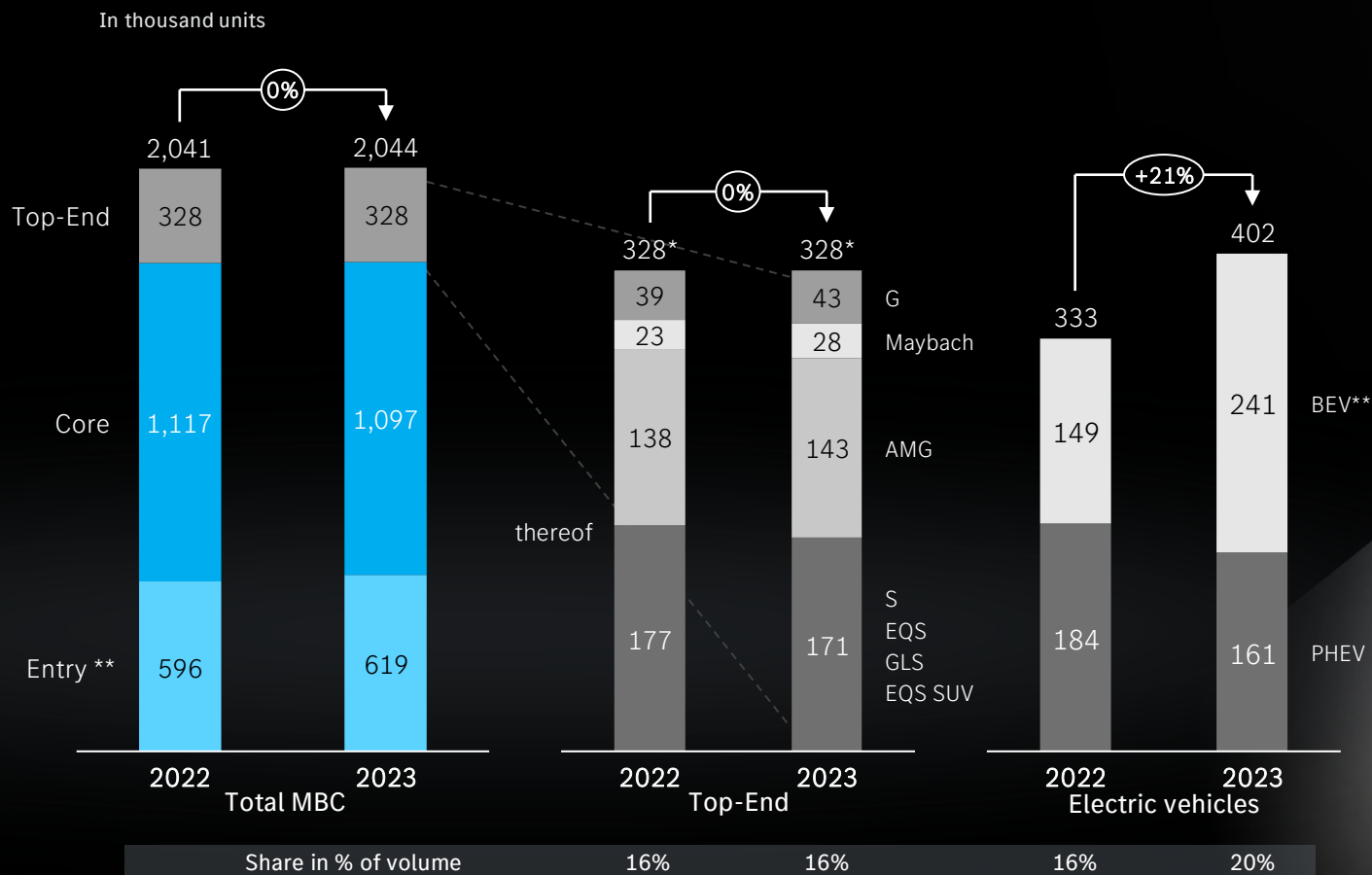
Solid results demonstrate resilience in challenging environment

Scaling BEV: +73% sales growth at Mercedes-Benz Brand. Premiere of E-Class family, GLC Coupé, CLE, AMG GT Coupé and Maybach EQS SUV

Concept CLA gives glimpse of MMA platform; L3 introduction in California, testing license in China approved; ChatGPT integrated into U.S. cars; hyper-personalised user experience showcased at CES

Further rollout of direct sales model in UK, Germany, Turkey and Malaysia

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



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

Mercedes-Benz Vans: Key messages



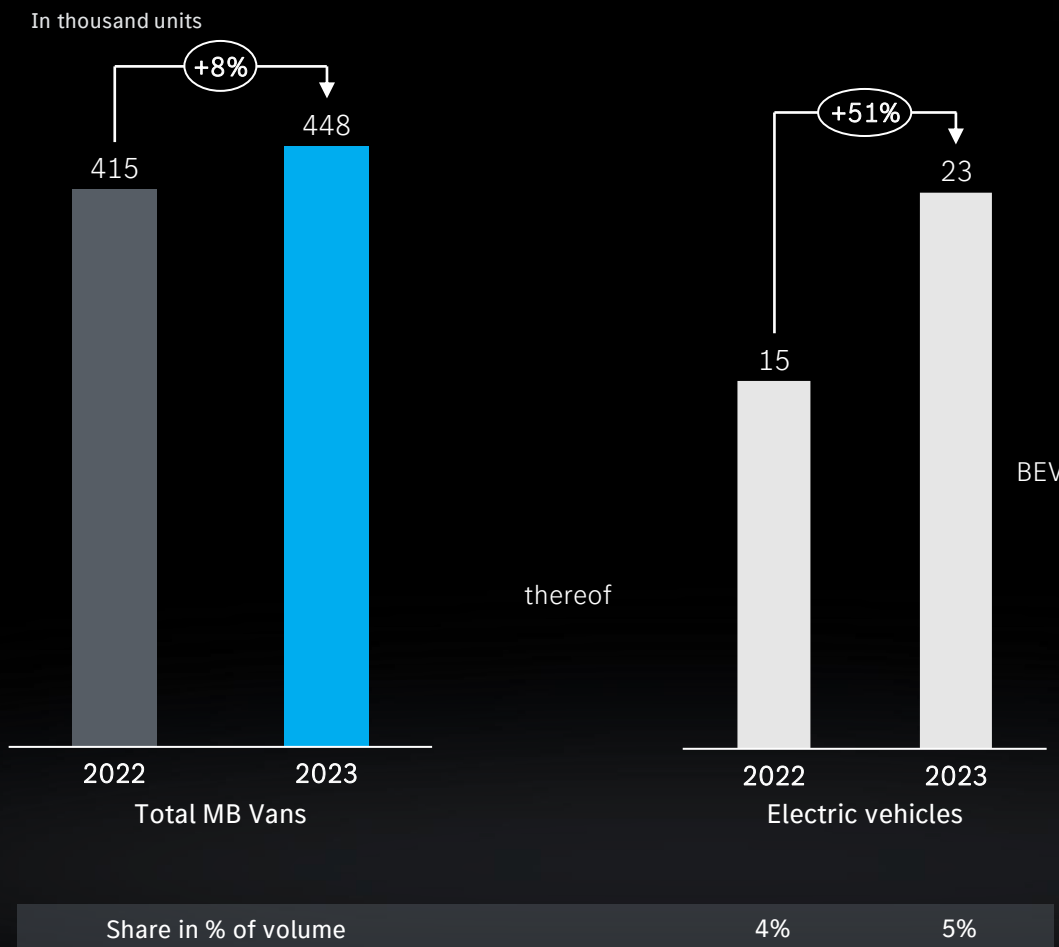
Executing value growth strategy: large vans dominating sales growth with Sprinter as segment leader in Europe, total market leader in Germany, sales record in U.S.

Premiere of new eSprinter and mid-size van portfolio; electrification of each segment completed

Strong product substance, healthy mix, robust net pricing & price premium combined with efficiency measures result in good financial performance

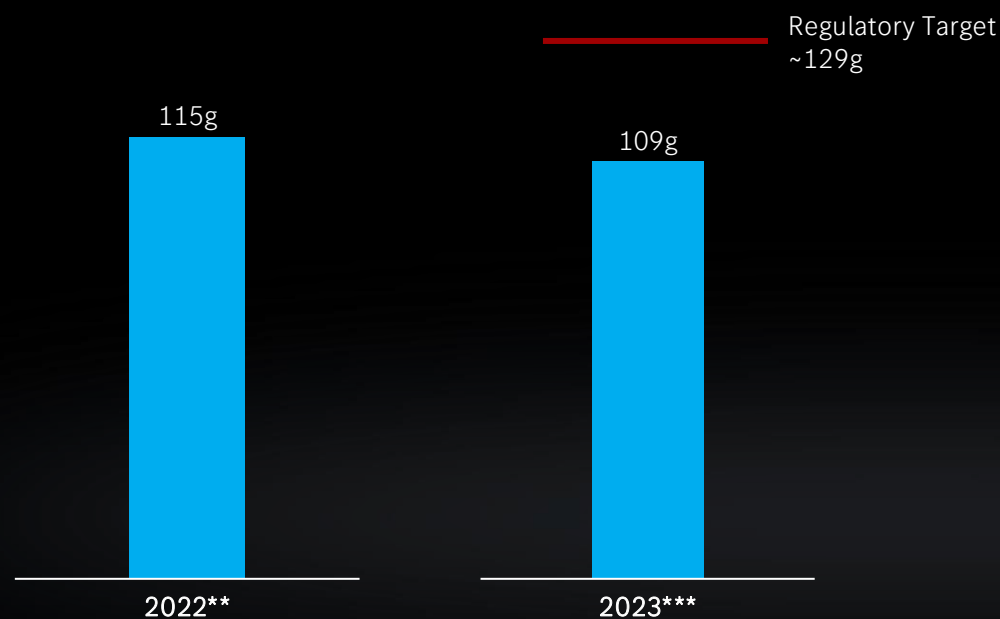
Long-term targets outlined at Strategy Update in May

Mercedes-Benz Vans: Electric vehicle unit sales



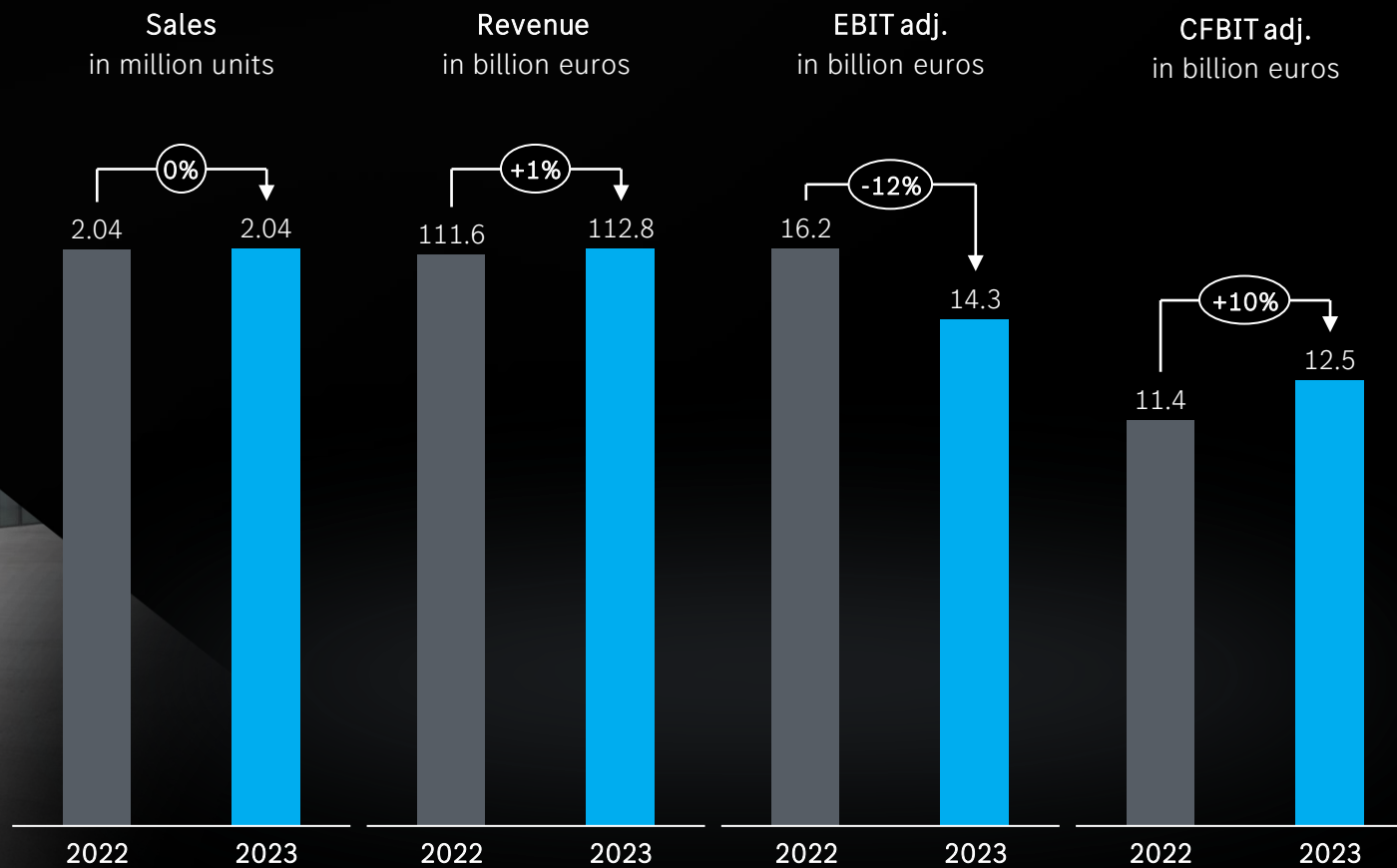
Mercedes-Benz Group: Cars and private Vans

Internal data confirms CO2 compliance 2023 in Europe*



* Average CO2 emissions of the total fleet of newly registered vehicles within the Mercedes-Benz CO2 pool 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 internal data; incl. Eco-Innovation
*** Based on internal data; for MB CO2 pool (incl. Eco-Innovation and smart automobile Co Ltd.)

Mercedes-Benz Cars: Financials

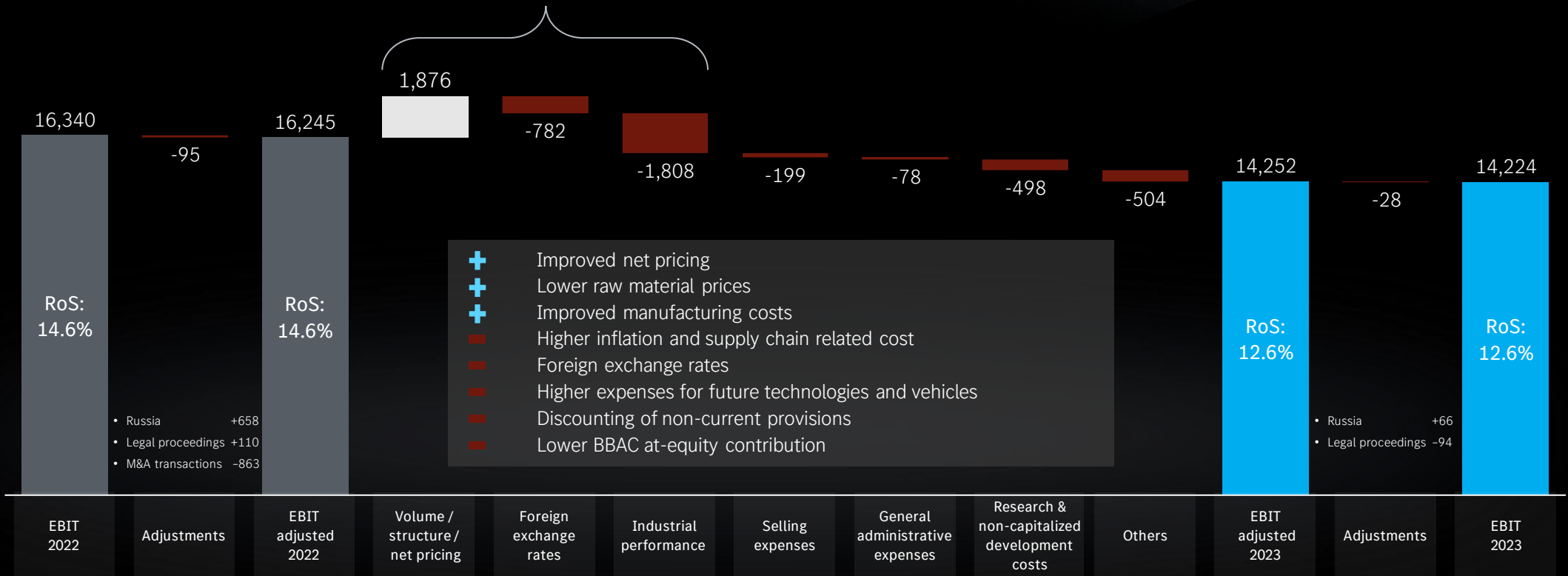


Mercedes-Benz Cars: FY EBIT & RoS

In million euros



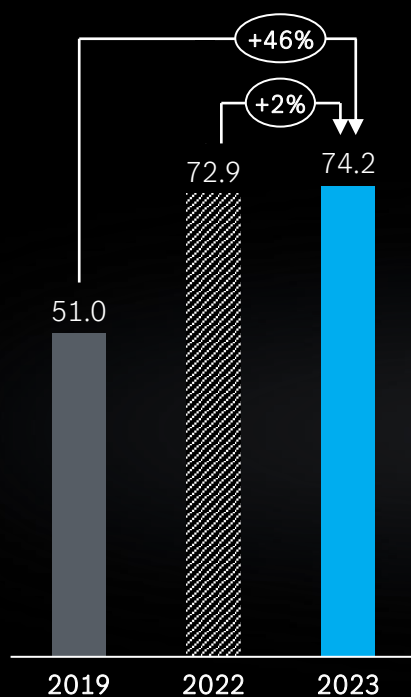
Gross Profit -714



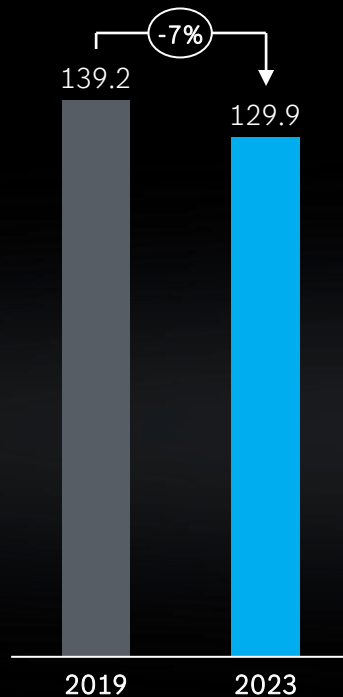
Mercedes-Benz Cars: Indicators of Change



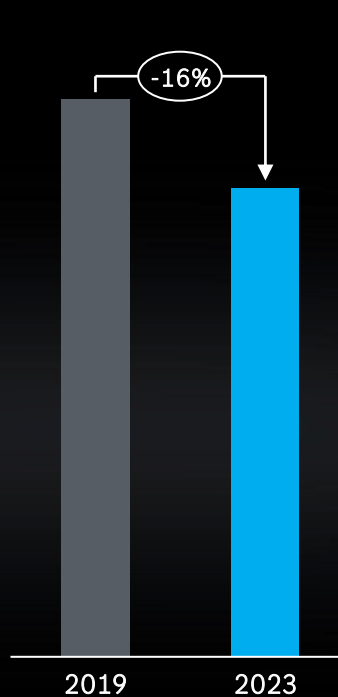
Average Sales Price*
in thousand euros



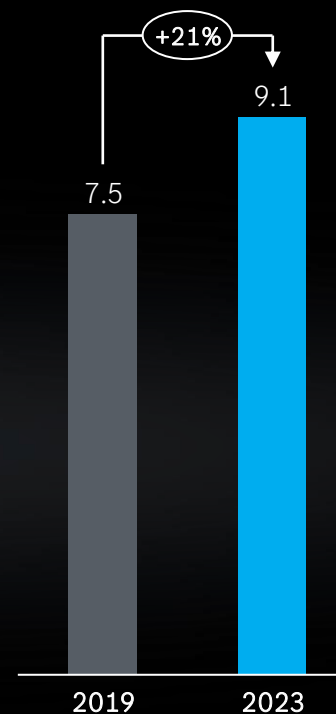
Active Workforce
in thousand FTE**



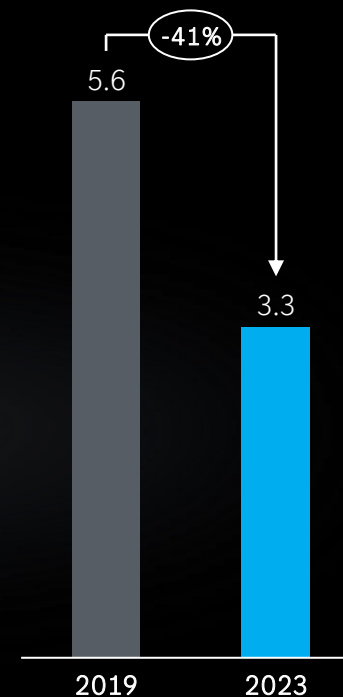
Fixed Costs
in billion euros



R&D
in billion euros

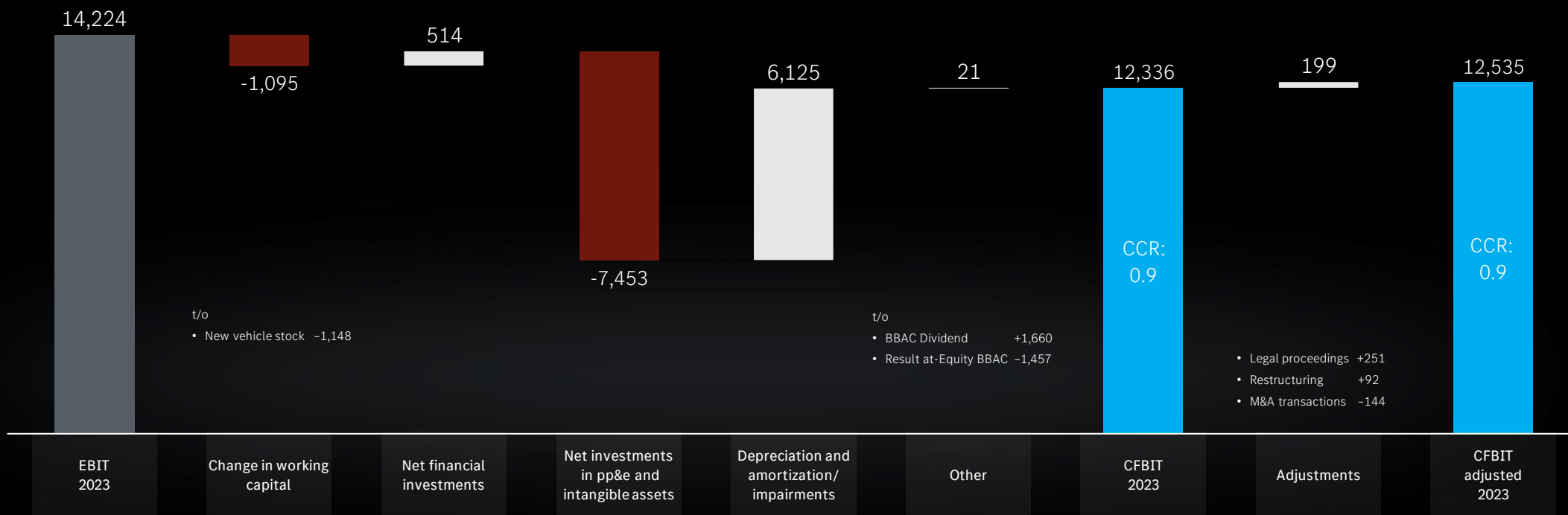


Investment in pp&e
in billion euros



Mercedes-Benz Cars: EBIT to CFBIT

In million euros



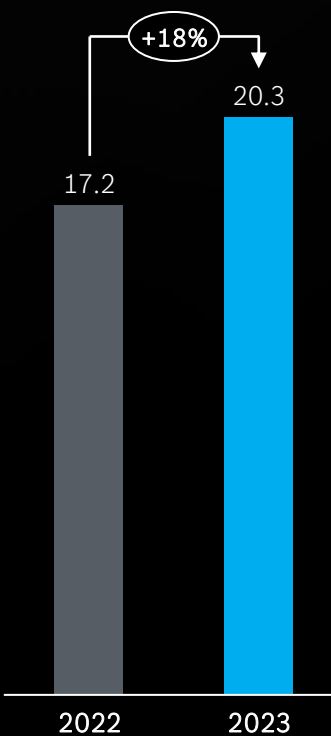
Mercedes-Benz Vans: Financials



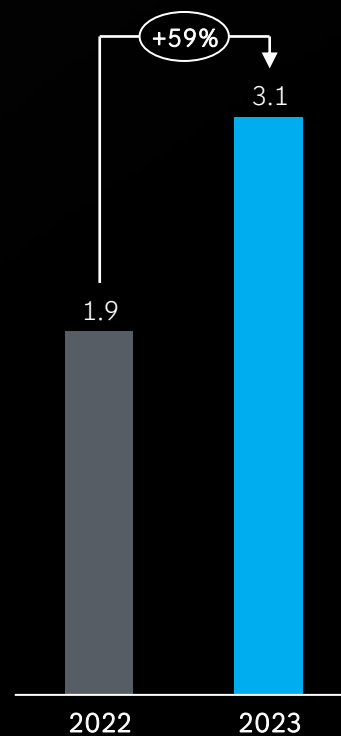
Sales
in thousand units



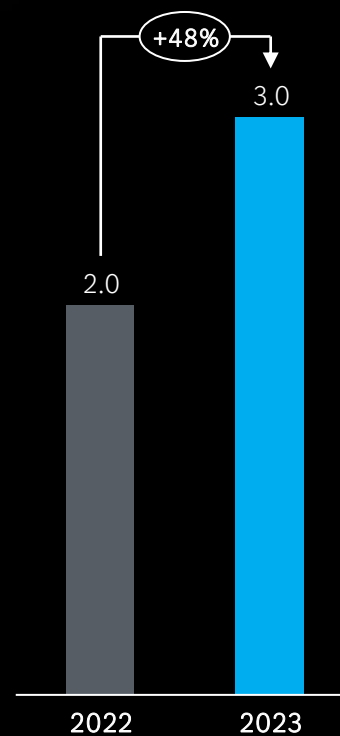
Revenue
in billion euros



EBIT adj.
in billion euros



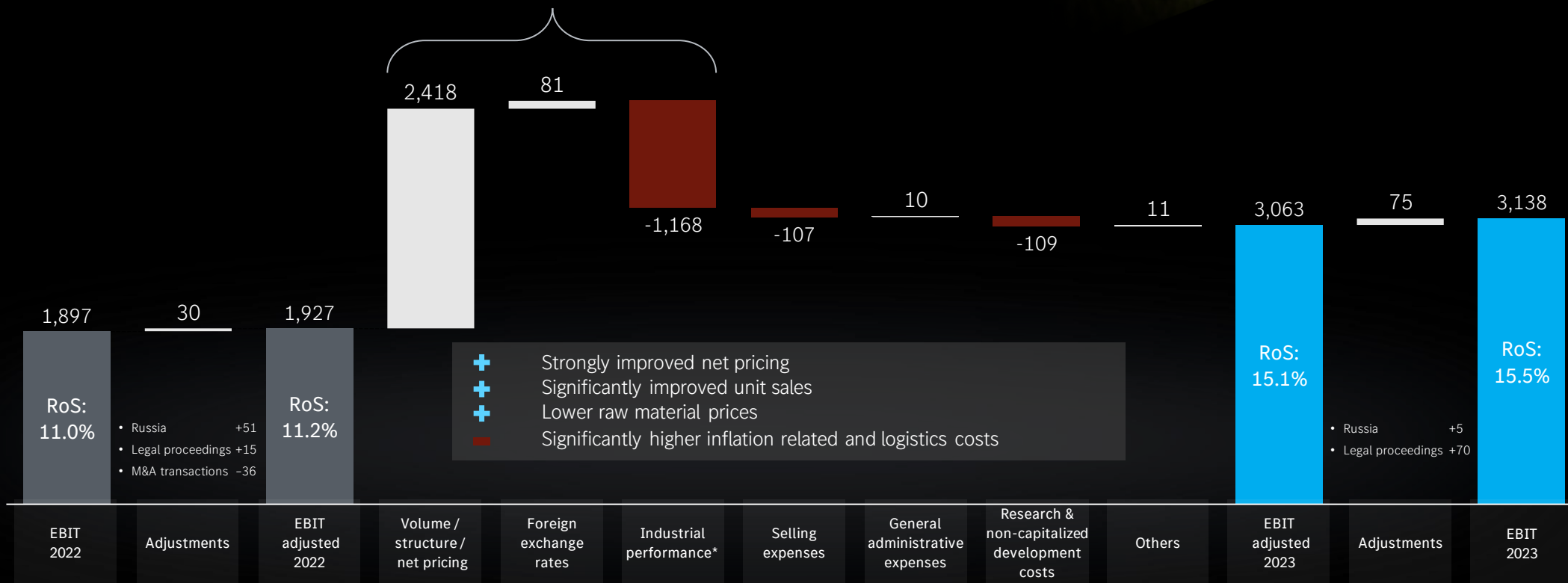
CFBIT adj.
in billion euros



Mercedes-Benz Vans: FY EBIT & RoS

In million euros

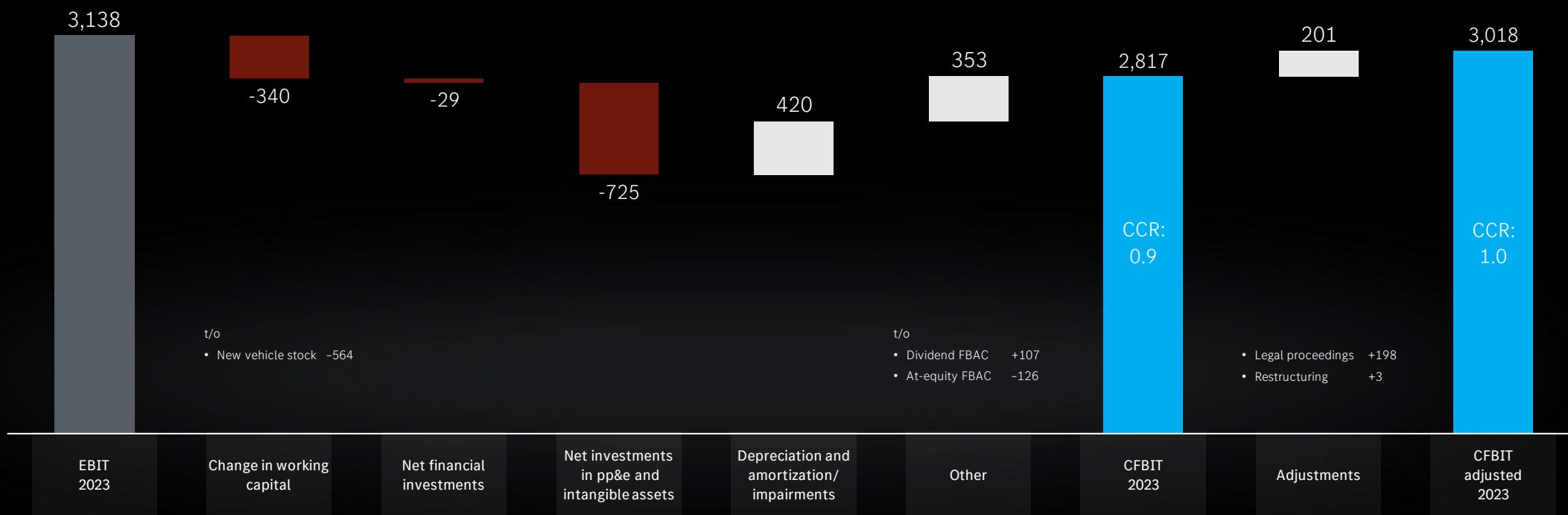
Gross Profit +1,331



* Including mid three-digit million euro figure related to higher inflation in Argentina

Mercedes-Benz Vans: EBIT to CFBIT

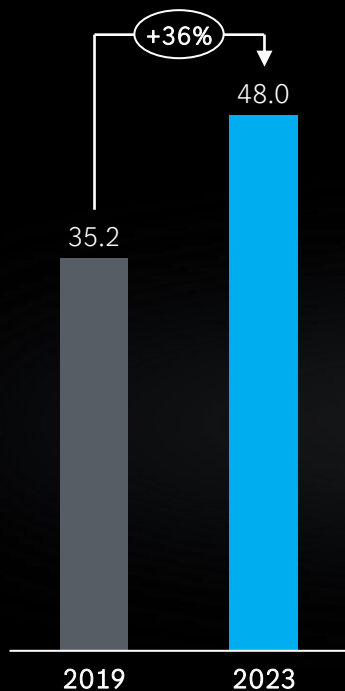
In million euros



Mercedes-Benz Vans: Indicators of Change



Average Sales Price*
in thousand euros



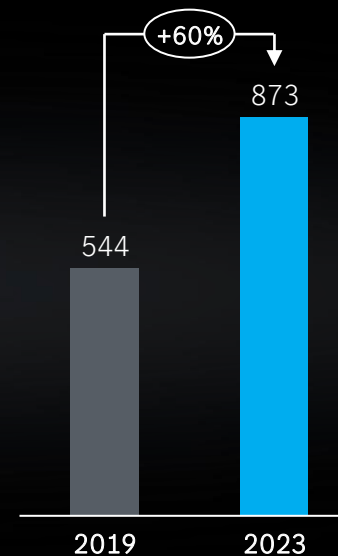
Active Workforce
in thousand FTE**



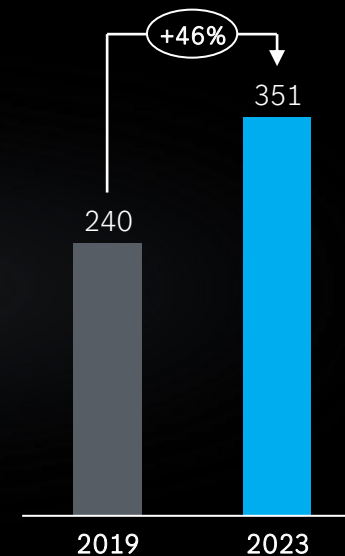
Fixed Costs
in billion euros



R&D
in million euros



Investment in pp&e
in million euros



Mercedes-Benz Mobility: Key messages



Sound new business development with continued focus on electric vehicles; xEV penetration rate above average

Portfolio margin impacted by higher interest rates in competitive environment while acquisition margin started to improve

Overall solid cost of credit risk despite macroeconomic environment

First sites of Mercedes-Benz high-power charging network live in Germany, USA and China; further investing into ramp-up of charging business

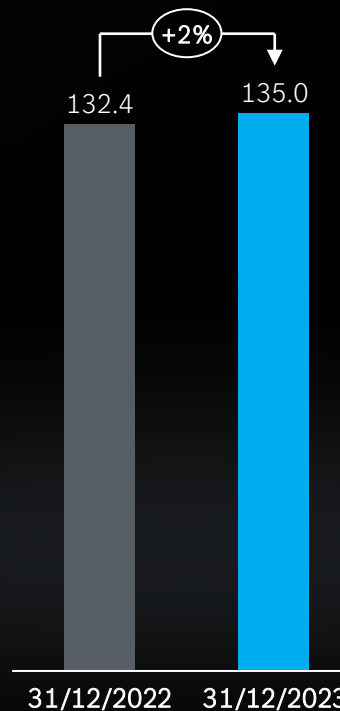
Mercedes-Benz Mobility: Financials



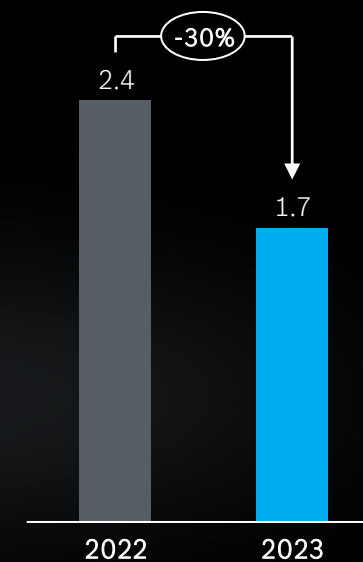
New Business
in billion euros



Contract Volume
in billion euros



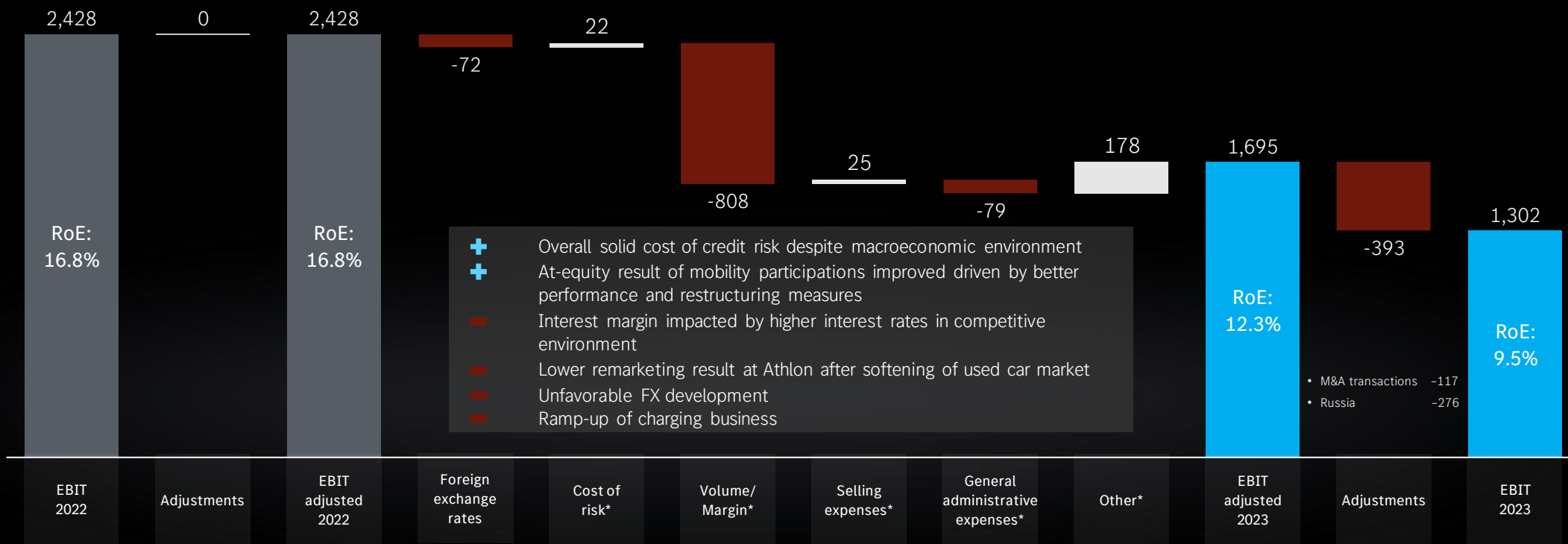
EBIT adj.
in billion euros



Mercedes-Benz Mobility: FY EBIT & RoE

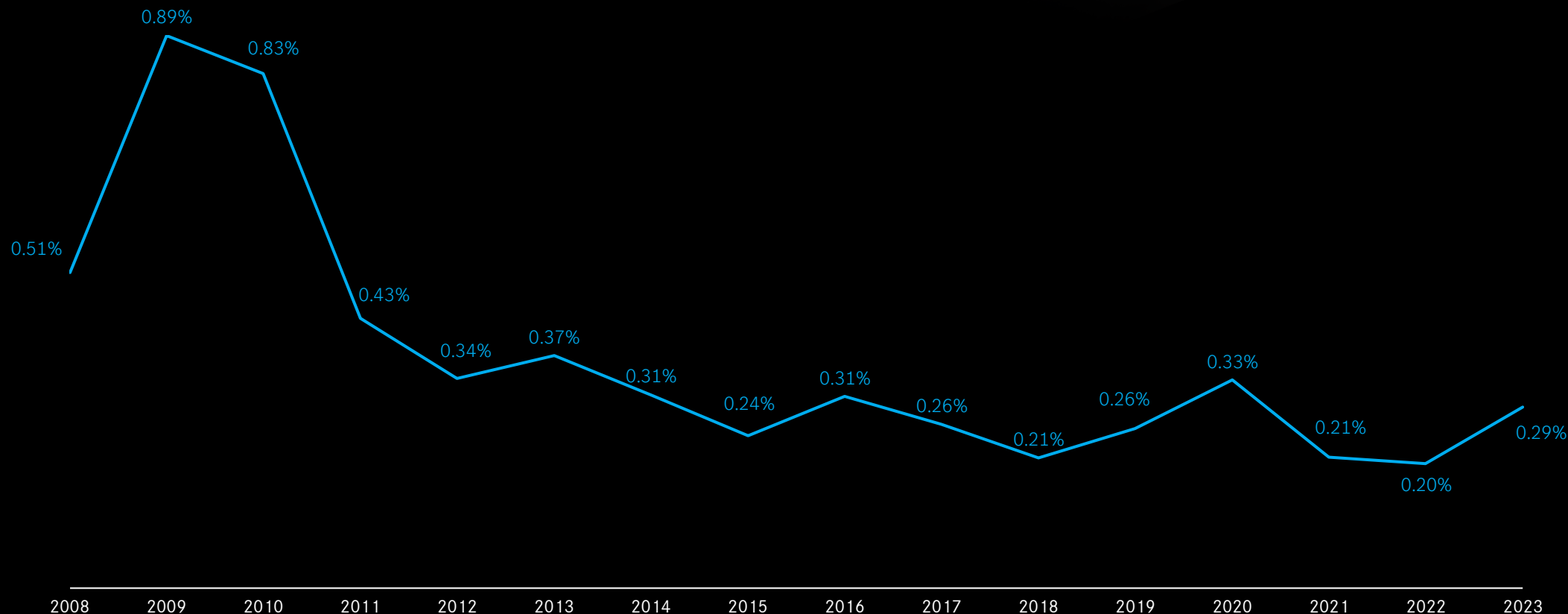


In million euros



* 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 2024



ASSUMPTION

The premises regarding the economic situation and the development of automotive markets 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. Among them are the current Middle East conflict, the Russia-Ukraine war and other potential regional crises. Other uncertainties that are particularly worth mentioning include an exacerbation of tensions between the United States and China and a further deterioration of political relations between the European Union and China.

Further supply chain disruptions and, in particular, availability bottlenecks for critical components remain a significant risk factor. Sharp rises in energy and commodity prices, higher-than-expected inflation rates and interest rates, potential financial market disruptions and an even more pronounced slowdown in economic growth in individual regions or worldwide may also have an impact on the development of the world economy and the automotive markets.

Unit Sales	Mercedes-Benz Cars	At prior-year level
	Mercedes-Benz Vans	Slightly below
xEV share	Mercedes-Benz Cars (xEV)	19 to 21 %
	Mercedes-Benz Vans (xEV)	6 to 8 %
Return on Sales (adjusted*)	Mercedes-Benz Cars	10 to 12 %
	Mercedes-Benz Vans	12 to 14 %
	Mercedes-Benz Mobility (RoE)	10 to 12 %
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	At prior-year level
	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 2024



ASSUMPTION

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Revenue

At prior-year level

EBIT

Slightly below

Free Cash Flow (Industrial Business)

Slightly below

Mercedes-Benz Group/Divisional Guidance Ranges*

<i>Specification/ KPI</i>	Significantly below	Slightly below	At prior-year level	Slightly above	Significantly above
Revenue/ Unit Sales	$X < -7.5\%$	$-7.5\% \leq X < -2\%$	$-2\% \leq X \leq +2\%$	$+2\% < X \leq +7.5\%$	$X > +7.5\%$
EBIT (Group)	$X < -15\%$	$-15\% \leq X < -5\%$	$-5\% \leq X \leq +5\%$	$+5\% < X \leq +15\%$	$X > +15\%$
FCF IB	$X < -25\%$	$-25\% \leq X < -10\%$	$-10\% \leq X \leq +10\%$	$+10\% < X \leq +25\%$	$X > +25\%$
Investments/ R&D	$X < -10\%$	$-10\% \leq X < -2.5\%$	$-2.5\% \leq X \leq +2.5\%$	$+2.5\% < X \leq 10\%$	$X > +10\%$
CO2 emission**	$X < -5\%$	$-5\% \leq X < -2.5\%$	$-2.5\% \leq X \leq +2.5\%$	$+2.5\% < X \leq +5\%$	$X > +5\%$

* X = Actual Guidance Figure

** Europe (European Union, Norway, Island). Only relevant up to 2023.



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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

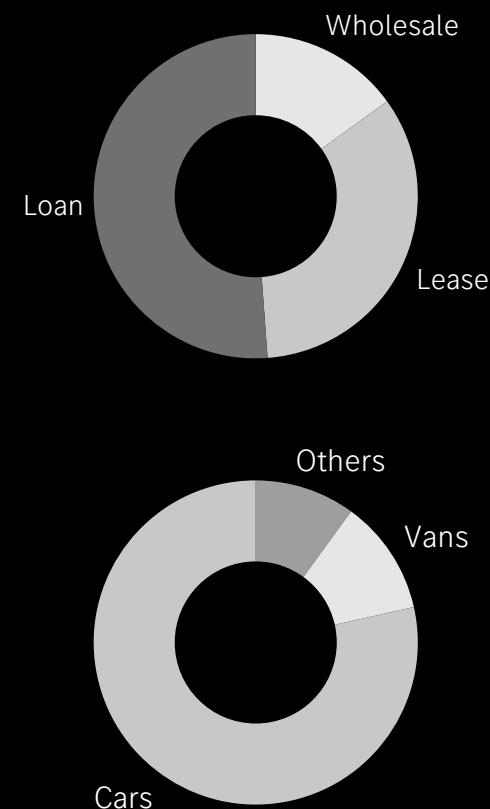
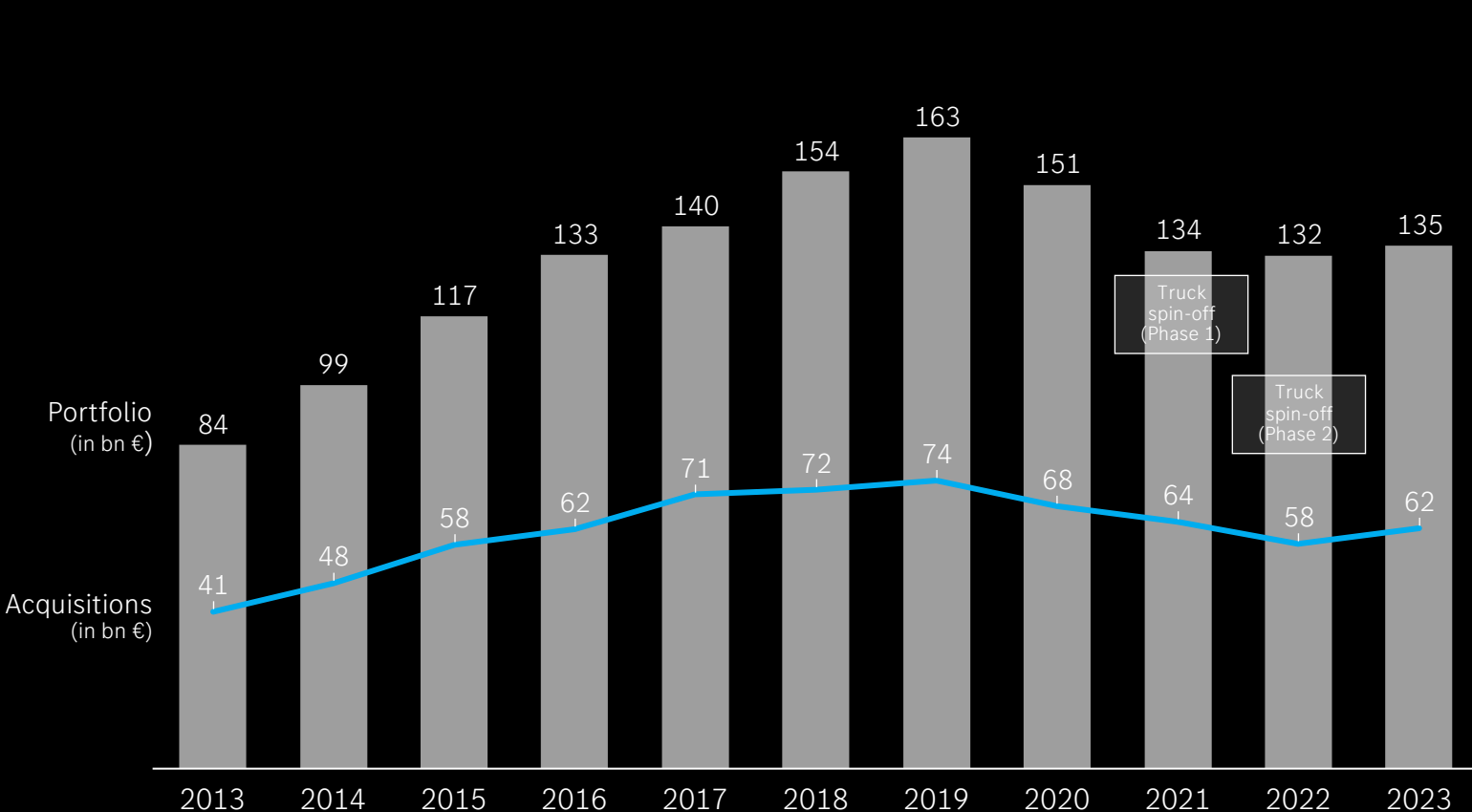
Liquidity matched funding

Interest rate matched funding

Currency matched funding

Country matched funding

Portfolio at Mercedes-Benz Mobility remained stable compared to 2022



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

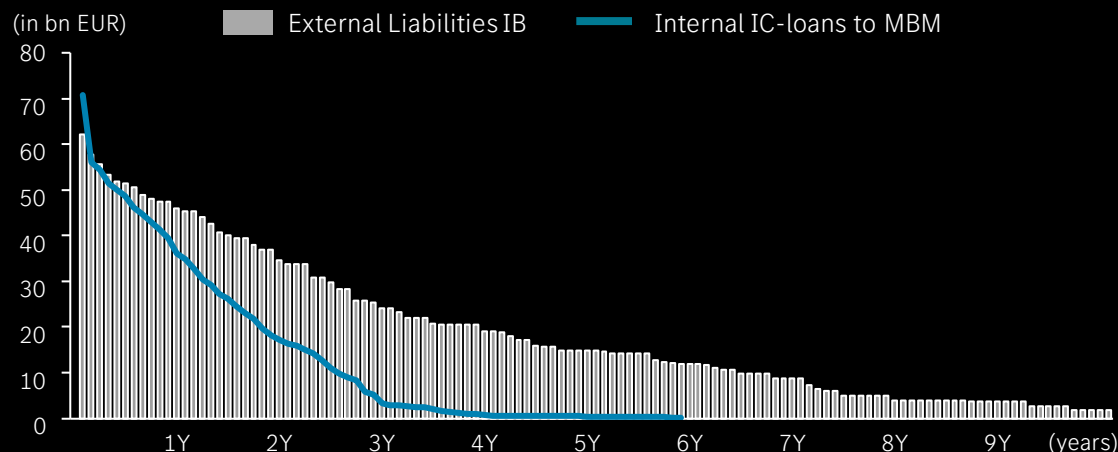
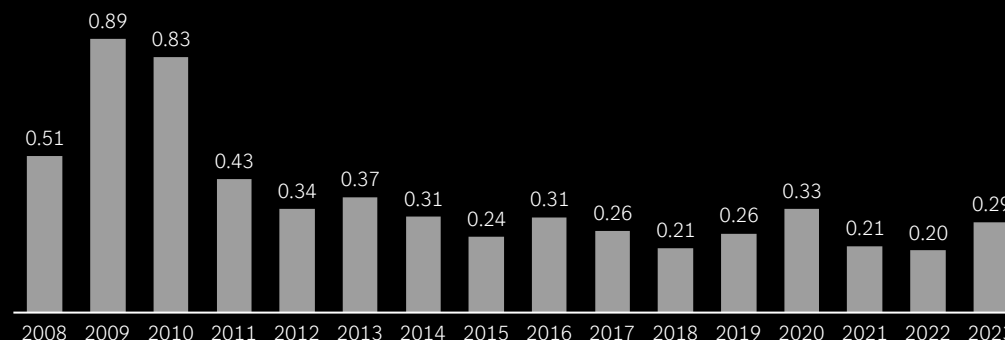
Net credit losses increased mainly driven by the US market.

Risks lean toward the upside due to the macroeconomic environment and softening used car markets.

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

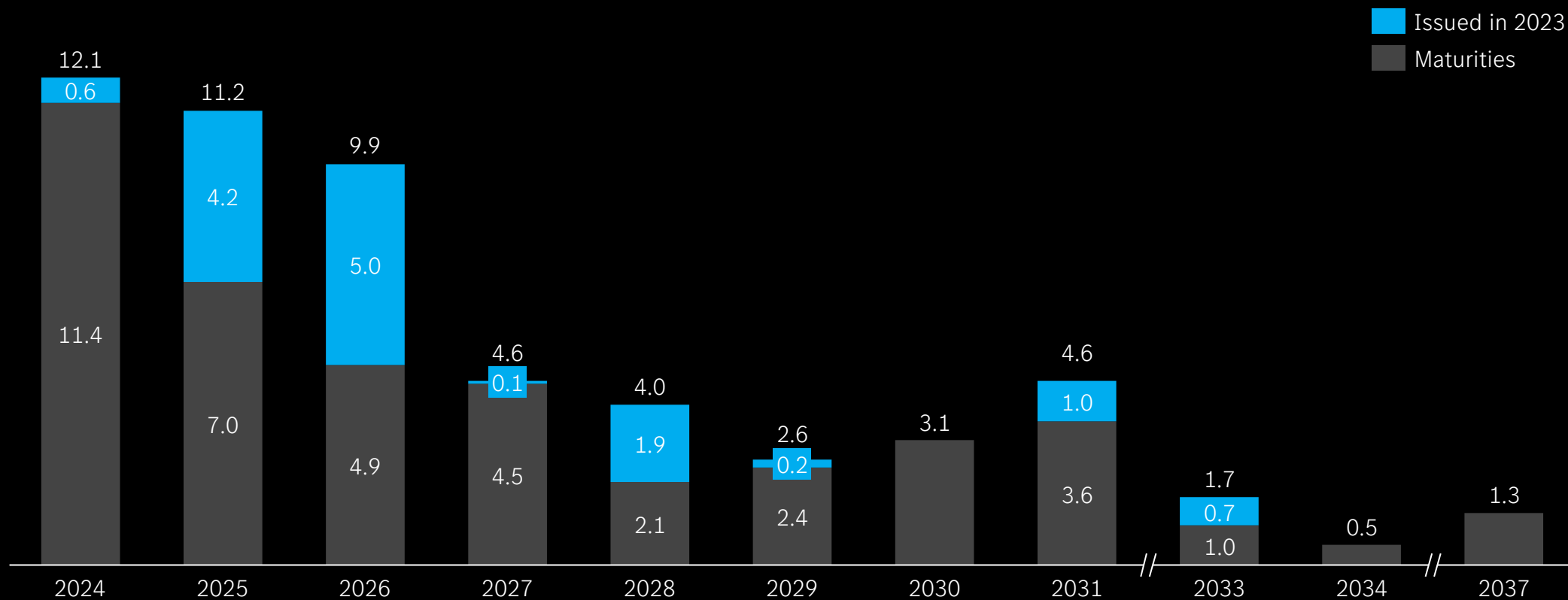
External liabilities of Mercedes-Benz Group have a longer duration than internal allocation to MBM via IC-loans.

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



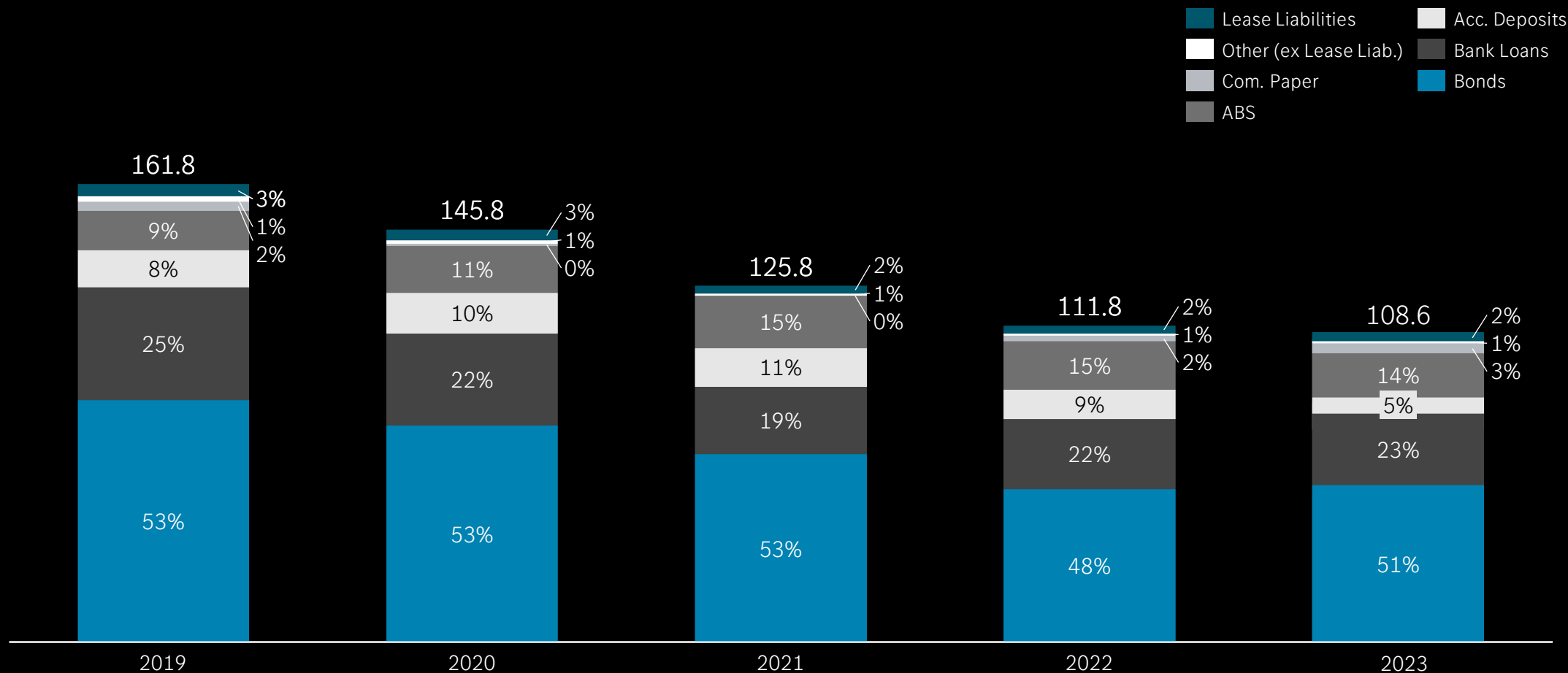
Well balanced bond maturity profile

In billion euros as of 31st December 2023



Financing liabilities show a diversified funding mix

In billion euros



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

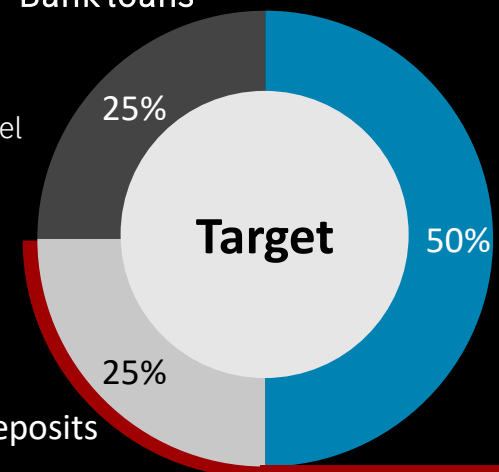
ABS

Globally expand our highly competitive ABS issuances

Deposits

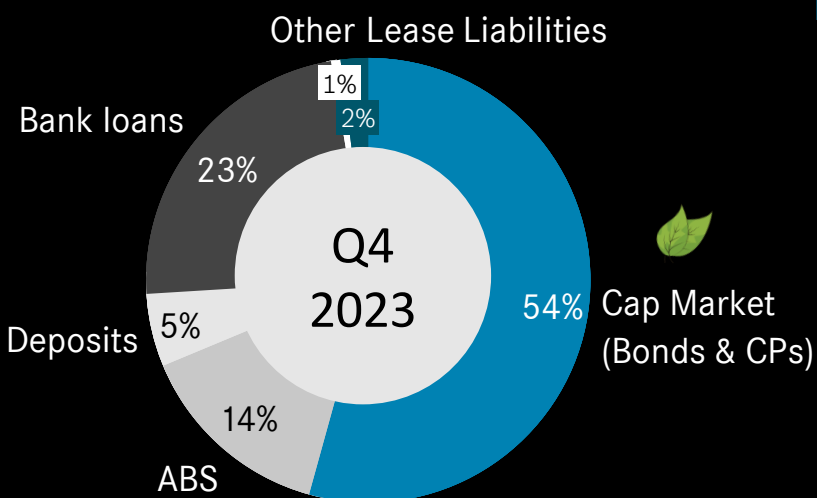
Deposits from institutional & other qualified investors to be maintained on a reasonable level

Bank loans



RATING INDEPENDENT

ABS & Deposits

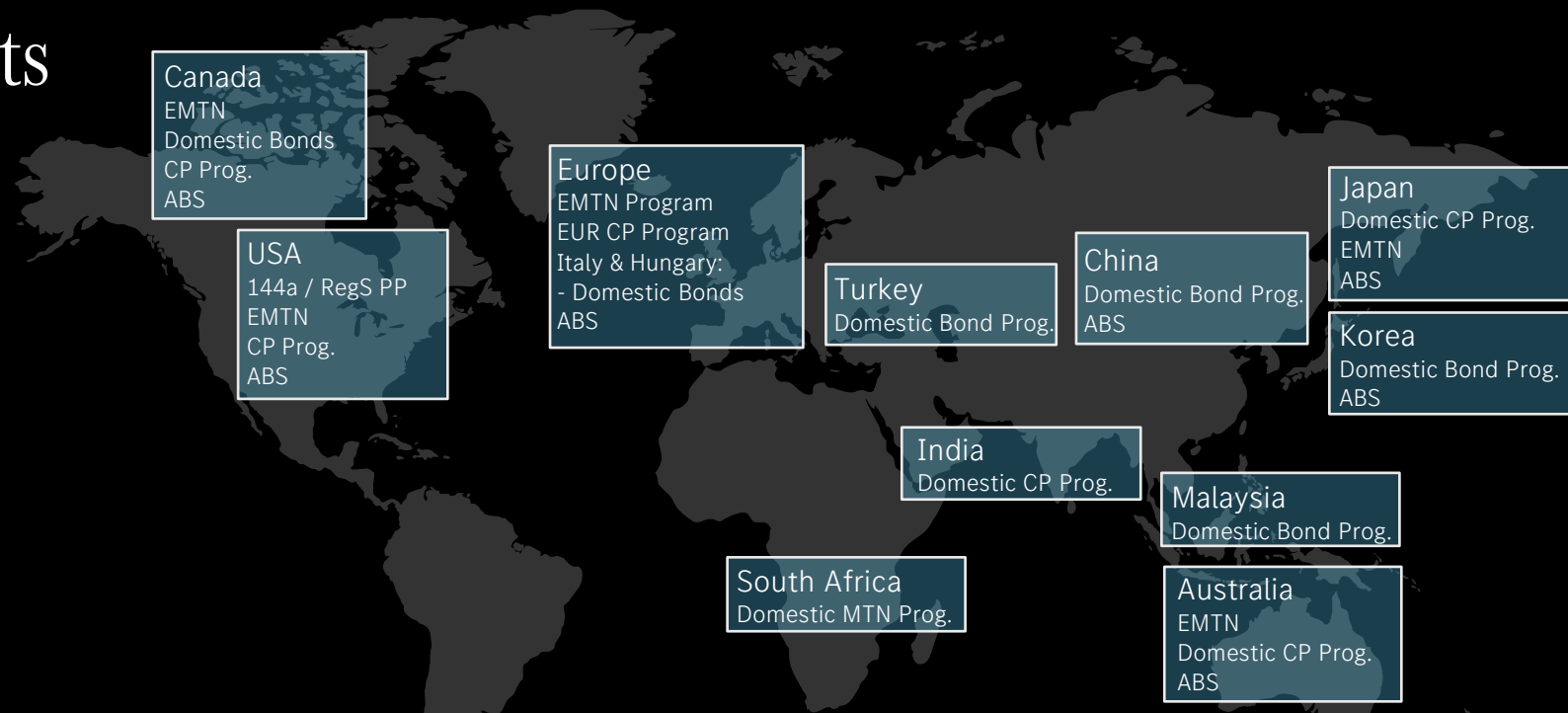


Q4
2023

Total: EUR 109 bn

Planned to increase Green Finance Share in the upcoming years

Diversified global funding base: continuously matched with MBM requirements



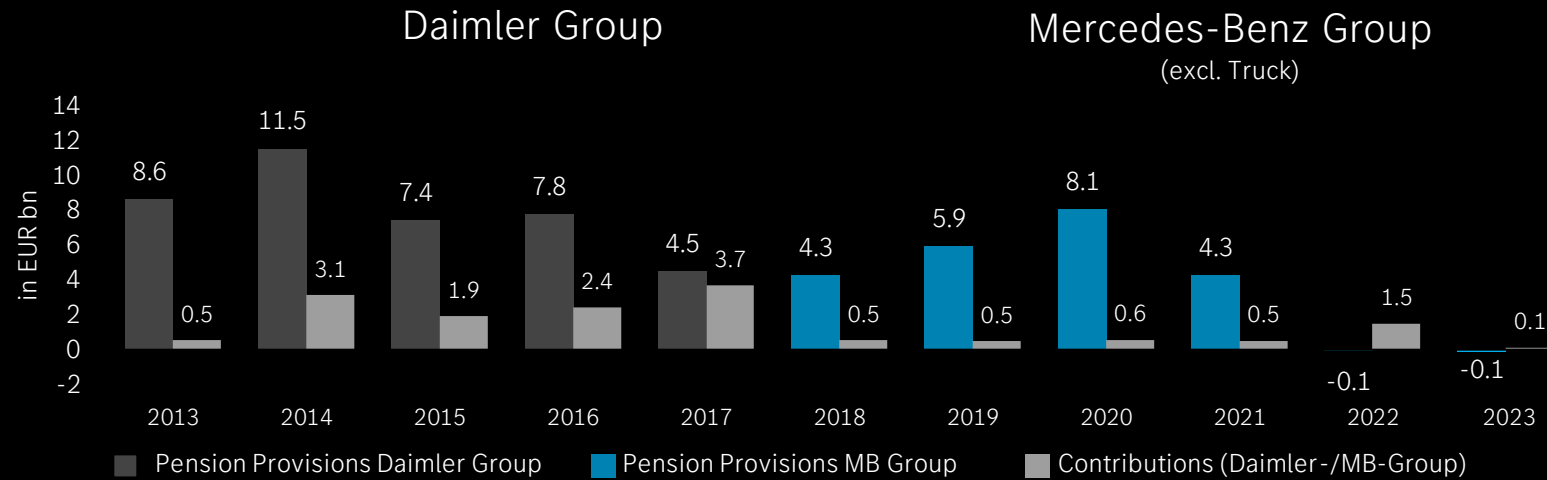
Bonds			ABS			Bank Loans		
Currency	Volume	%	Currency	Volume	%	Currency	Volume	%
EUR	30.3	55%	ZAR	0.6	1%	USD	8.1	52%
USD	17.6	32%	AUD	0.4	1%	CNY	3.4	22%
CNY	2.7	5%	JPY	0.3	1%	EUR	1.9	12%
CAD	1.3	2%	MYR	0.2	0%	GBP	1.2	7%
GBP	0.8	1%	KRW	0.2	0%			
CHF	0.7	1%	Other (NOK, HUF, SEK, HKD, TRY)	0.4	1%			
Total (EUR bn)	56		Currencies	15		Total (EUR bn)	16	
						Currencies	7	

110 banks providing funding of EUR 25 bn in 30 countries

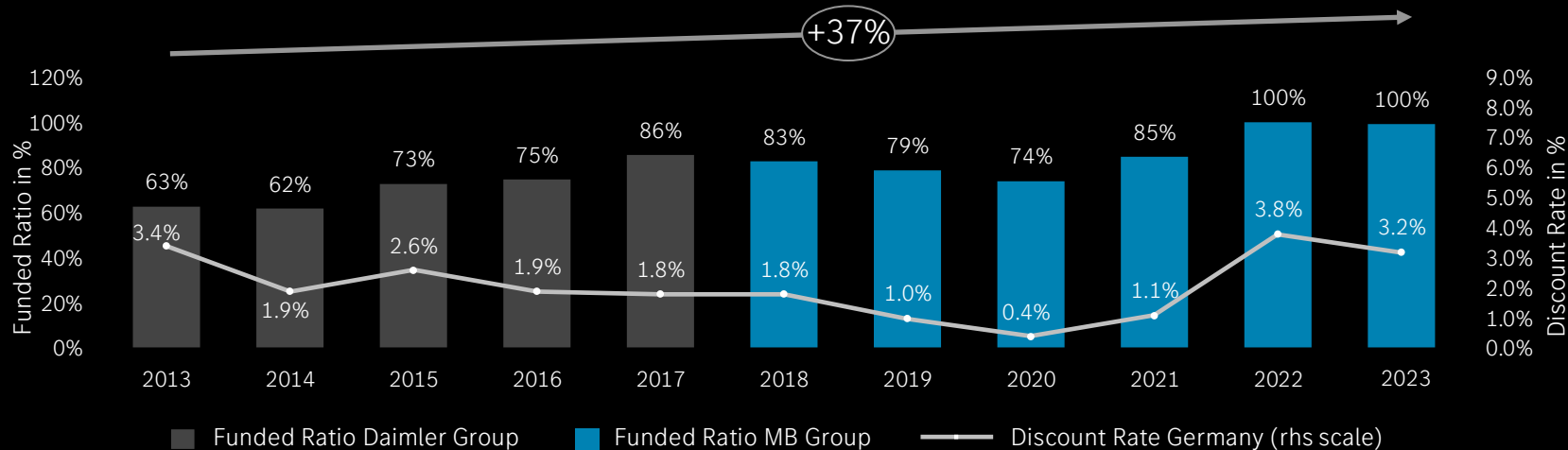
Mercedes-Benz Group's financial KPIs set to support a strong rating

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

Funded Ratio of pension obligations at approximately 100%



Pension contributions support the solid capital structure: on a net basis, no more pension provisions since 12/2022



With the rebound of discount rates to levels similar to 2013, pension plans reached a funded ratio of ca. 100% due to contributions and asset returns

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



Ambition 2039 - our commitment to net carbon-neutrality*

Supply chain



Production & logistics



SBTi



Well-to-tank



SBTi



Tank-to-wheel



SBTi



End-of-life



49.7 tCO₂ in 2020 - 47.8 tCO₂ in 2022 - reduction by at least 50% by end of decade**



Sourcing more than 200,000 tonnes of CO₂-reduced European steel annually



Net carbon-neutral production in company-owned production plants worldwide



1st EV charging hubs opened in North America, China and Europe



Concept CLA - putting Ambition 2039 on the road



Groundbreaking battery recycling factory Kuppenheim

* Net carbon-neutrality along the entire value chain in our fleet of new vehicles in 2039 ** Reduction of the CO₂ emissions per Mercedes-Benz car in the new vehicle fleet by at least 50% along all stages of the value chain by end of the decade vs. 2020, when market conditions allow

Ambition 2039 – our commitment to net carbon-neutrality*

OUR AMBITIOUS TARGETS FOR
MERCEDES-BENZ OPERATIONS

Renewable energy	45%	70%	100%
CO ₂ emissions**	-50%	-80%	ZERO
	2022	2030	2039

* Net carbon-neutrality along the entire value chain in our fleet of new vehicles in 2039

** Coming from 2018

Customers and market conditions will set the pace of the transformation

BEV:
Strategic
consistency

&

ICE:
Tactical
flexibility



up to **50%**
xEV sales in 2nd half of decade.

Will be able to cater to different
customer needs until well into

2030s

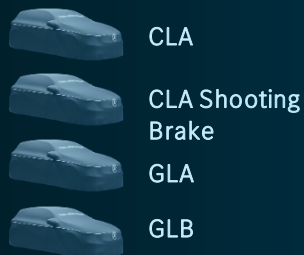
Clear strategic direction towards all electric - Strategically focused and tactically flexible



Mercedes-Benz BEV product launches



MMA* "Electric-First" platform for compact and mid-size



Three new electric architectures

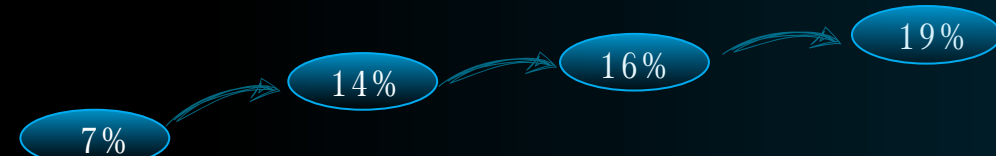


Mercedes-Benz is taking the necessary steps to go all electric.

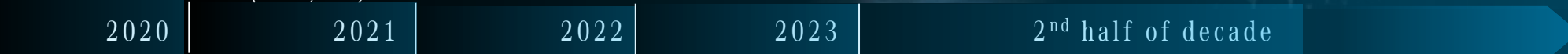
Customers and market conditions will set the pace of the transformation.

Up to 50% xEV

Wherever market conditions allow



Mercedes-Benz Cars xEV (PHEV, BEV) sales share



* MMA - Mercedes-Benz Modular Architecture; "Electric First" Skateboard, intelligent module strategy with body variants for electrified ICE

With MMA we will redefine what customers can expect at the entry point into the world of Mercedes-Benz

>750 km range (WLTP)

~12 kWh / 100 km consumption

150 kW to >400 kW output

Up to 93% drive train efficiency

Up to 400 km charge in 15 min

Up to 300 kW charging power incl. boost

Bidirectional charging



We are taking the necessary steps to go all-electric



MB.EA



AMG.EA



VAN.EA

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

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

Envision AESC

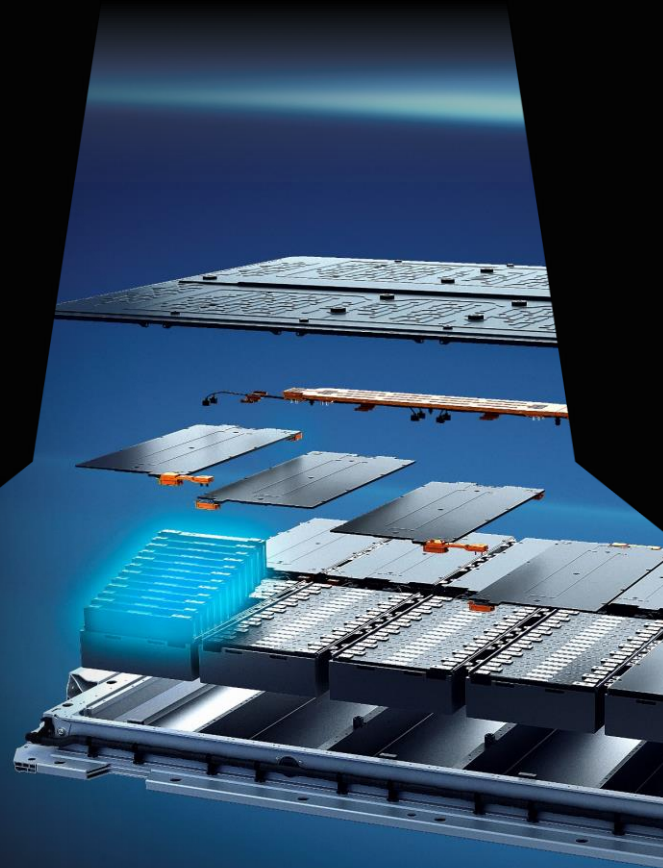
- Cell production in Bowling Green, USA
- Cell production in Caceres, Spain

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

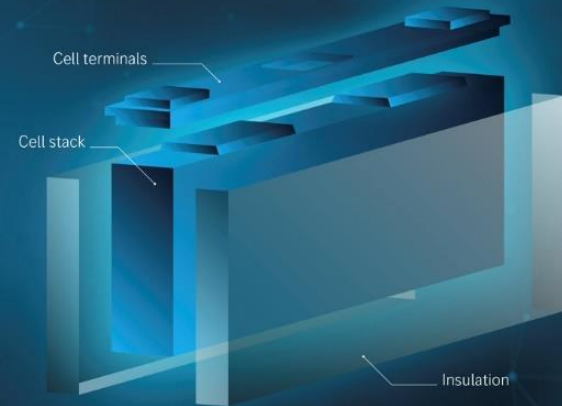
We have a 30% stake in [Automotive Cells Company \(ACC\)](#).

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



We are addressing the battery cost challenge



> 30%

possible €/kWh battery cost reduction in coming years –
while improving efficiency & charging time

- ▶ Optimised cell and module design
- ▶ Improved vehicle integration
- ▶ Further development of NMC and next gen LFP
- ▶ Cell updates during lifecycle
- ▶ Continuous improvement agreements with suppliers

We want to ease the life of our customers with fast, convenient, and reliable charging solutions



Global Joint Ventures

EU: >3,300 HPC plugs built

China: >7,000* HPC plugs by 2026

North America: >30,000* HPC plugs
by end of decade

* Figures are target values



MB branded HPC network

>10,000* HPC plugs across
our key markets by
end of decade



Adding more options

Access to superchargers in North
America from 2024 onwards.
Integration of NACS starting 2025

Our sustainable business strategy “Ambition 2039” goes far beyond our products



Production: aim to cut CO₂ emissions by 2030 at own plants by 80%*

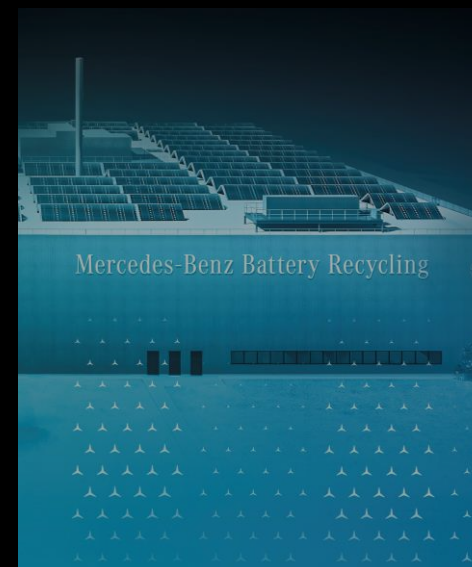
* Compared to 2018; Scope 1 and 2



Sourcing: ~60% of critical raw material assessment process finalised



Retail: aim for net-carbon neutrality by 2030 across sales & aftersales locations



Mercedes-Benz Battery Recycling

Closing the loop: building battery recycling factory with recycling rate of >96%

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



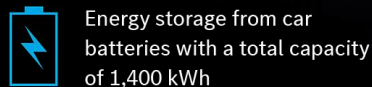
Our Factory 56 serves as a blueprint for our global Mercedes-Benz production network

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



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 net carbon-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**

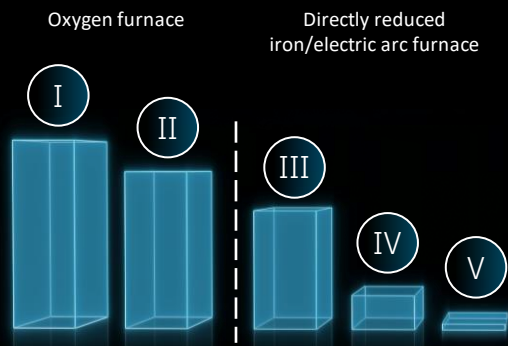
Maximising our on-site photovoltaic systems worldwide by 2025 – adding up to 140 MWp new PV

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



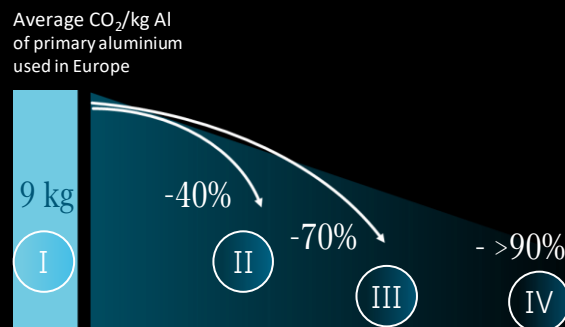
Creating sustainable supply chains for focus materials via technology changes

STEEL



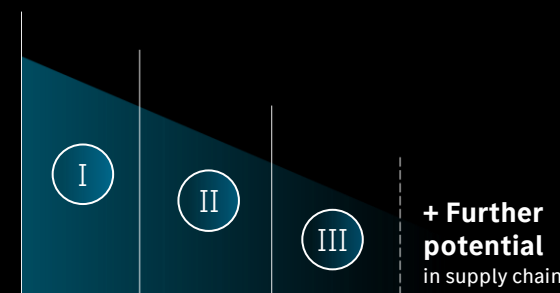
- I **∅ Carbon footprint**
base for steel production
- II **Optimized**
oxygen furnace
- III **Conventional**
Directly reduced iron/electric arc furnace
- IV **Green electricity**
Directly reduced iron/electric arc furnace
- V **H2Green Steel**
hydrogen-based production

ALUMINIUM



- I **∅ Carbon footprint**
base for primary aluminium used in Europe
- II **About 1/3 of aluminium**
from smelters using renewable energy in electrolysis for next BEV models in Europe
- III **Working towards very-low-CO₂ material with partner Hydro**
Testing aluminium with reduced footprint of 2.8kg CO₂/kg Al with the target to integrate the material in our series-production this year
- IV **Target 2030**
Piloting very-low-CO₂ Al components with Hydro

BATTERY CELLS



- I **∅ Carbon footprint**
base for cell production
- II **Net carbon-neutral cell production**
already implemented
- III **Net carbon-neutral cathode production**
confirmed by strategic suppliers

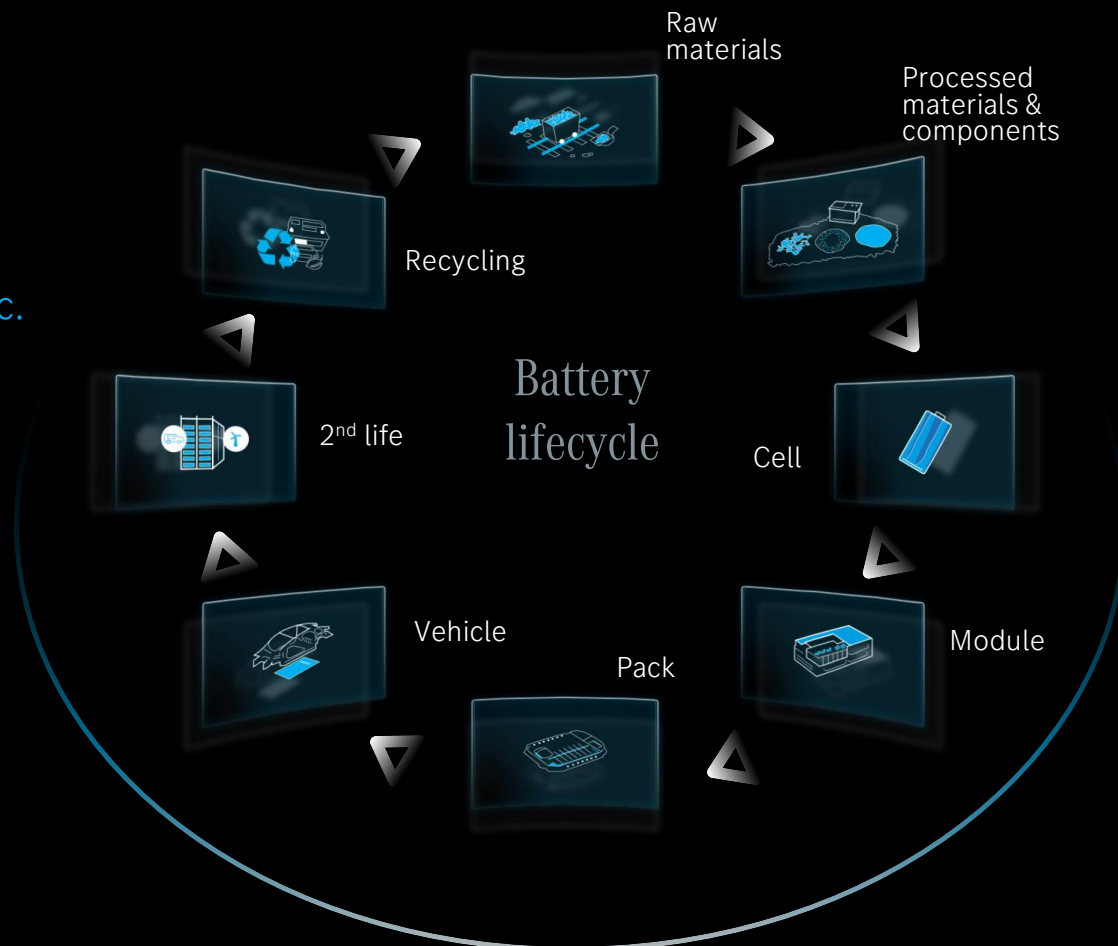
We are establishing a net carbon-neutral supply chain

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



Maximizing the recycling quota of automotive batteries and closing the loop with our net carbon-neutral battery recycling factory in Kuppenheim

Ramp-up mechanical dismantling in **2024**



GROUNDBREAKING
KUPPENHEIM

Mercedes-Benz Battery Recycling

Recycling of more than

2,500

tonnes of battery modules

Recovered materials to produce
more than

50,000

battery modules

>96% recovery rate

Plastics, Copper, Aluminium, Ferrum

Nickel, Cobalt, Manganese, Lithium, Carbon

Housing, Plastics, Cables, E/E-Components

Innovative mechanical-
hydrometallurgical process
Recycling of lithium-ion
batteries

BLACK MASS REFINING

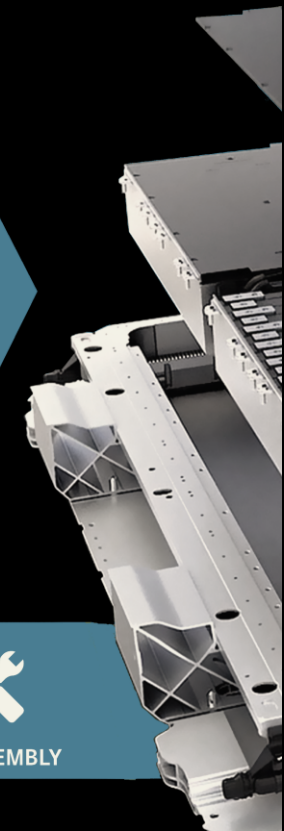
MATERIAL SORTING



GRINDING



DISASSEMBLY



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

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

92,000
employees in
Germany qualified in
e-mobility since 2020

~ 140.000
participations in training
courses related to
digitalization in 2023

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

We finance our transformation in a sustainable manner



GREEN FINANCE FRAMEWORK

In line with Ambition 2039

“DARK GREEN” by CICERO

Green Mercedes-Benz Mobility assets
and Green ABS

REVOLVING CREDIT FACILITY

In line with Ambition 2039

11 billion euros linked to carbon
footprint and BEV share

Proof point for future set-up

GREEN PANDA BOND

First automaker to issue a Green
Panda Bond

Green Finance regional footprint
expanded

Net proceeds for BEVs

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V. Sustainability

VI. Luxury

VII. Operating System

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

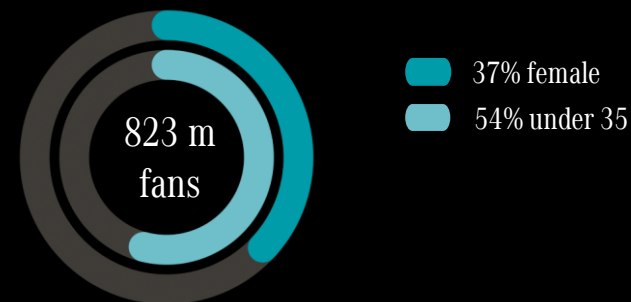
Heritage:

Mercedes-Benz is built on constant reinvention



Formula 1:

The power of F1 for our brand

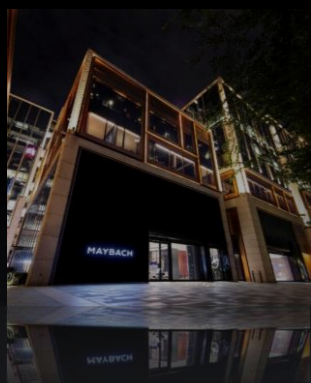


\$61 bn.

Mercedes-Benz brand value 2023
which equals +9% vs. prior year*



We elevate our physical brand experience with unique “Mercedes moments”



“The Mercedes-Benz Way”

Train sales and service partners in 28 markets until end of 2024 to elevate customer experience

New retail brand concept

Customers experience new look and feel already visible in >30% of showrooms worldwide

Brand center network

Global expansion to ensure highly individual customer experience for AMG, Maybach & G

We put our customer at the center of our business



Retail of the future

Rollout of agency model in full swing. 11 markets live today, covering >50% of sales volume in Europe and >30% in Overseas



eCommerce & digital customer experience

Option to buy MB offline and online in >40 markets worldwide. MB online store among Top 3 in industry-wide benchmarks*

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 mid-decade

20 markets globally

over 80%
direct sales in Europe

25% online sales



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

+31%

250k to 328k

Top-end vehicle unit sales 2023 vs. 2019

~60%

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



50%

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

We will introduce new tailor-made products to capture further growth potential in China



E-Class LWB fond developed in China for China

Mercedes-Benz

15

new models will be introduced to China in 2024

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

2.0 m cars

Change of
segment share in
2026 vs. 2019

Top-End

328k units

Average ASP >100k €

Around
+60%

Core

0 %

Entry

-25%



2019



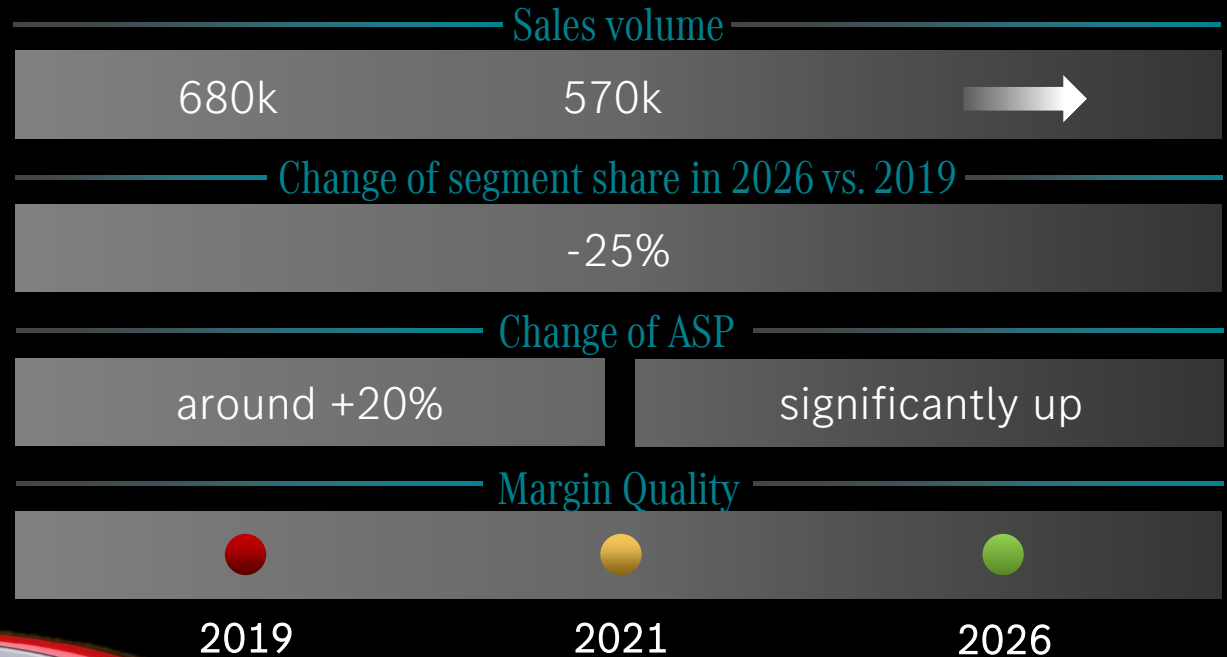
2023



2026

Entry Segment - Focus & Elevate

- Elevate to Entry Luxury
- Product range refocused on fewer and more upscale portfolio positions: MMA platform with CLA, CLA Shooting Brake, GLA and GLB
- The new entrance point of the portfolio is being redefined with the next generation of vehicles
- Margin threshold supports Group margin ambition



Core Segment - Grow & Refine

- Core Luxury going electric on an accelerated timescale, leveraging EVA (EQE, EQE-SUV) and then MB.EA architectures
- Brand-new GLC Coupé, CLE Coupé and E-Class Saloon & Estate launched in 2023
- Protect healthy margins on the way to BEV



Top-End Segment - Expand & Enhance

- 328k top-end luxury units with ASP of > € 100k and top-end profitability in 2023
- Sustainable segment growth
- Desirable products fueling growth: EQS, EQS-SUV, Mercedes-Maybach EQS-SUV, SL, AMG GT family, AMG.EA
- Ultra exclusive collectibles and luxury customer experience



We are creating new opportunities for profitable growth at the top-end of our product and brand portfolio



S-Class: strengthening position as undisputed market leader



G-Class: evolving the adventurous luxury icon in 2024



Mercedes-Maybach EQS 680 SUV | WLTP: combined power consumption: 24.1-22.5 kWh/100km; CO₂-emissions: 0 g/km

Maybach: redefining sophisticated luxury, e.g. rollout MM EQS SUV



AMG: pushing forward performance luxury with new AMG GT family

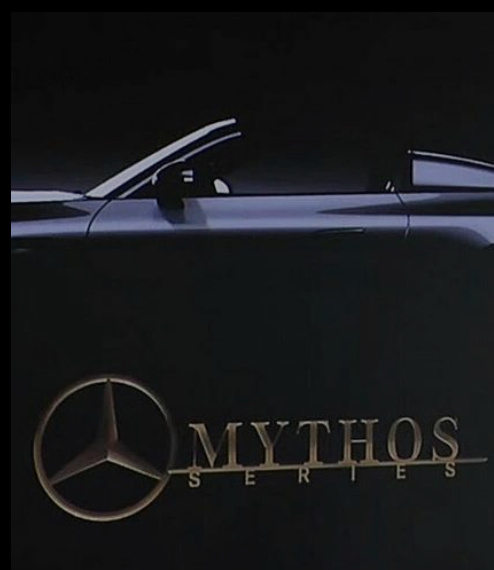
For our most demanding customers, we will offer even more individualisation and exclusive editions



Extension of individualisation program: MANUFAKTUR



Exclusive limited editions: Maybach by Virgil Abloh



Mythos: First Mythos car next year



Collaborations to shape the brand: Moncler

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



We are continuously optimizing our footprint and our cost base



Retail: evaluating potential sale of own retail business in Germany



Production: rightsizing industrial footprint, e.g. Jawor: transformation from powertrain into van site, benefit for entire Group



Procurement: target to reduce material costs in the next years

Bottom line

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



The essence of our brand and our way forward



ICONIC
LUXURY

A Mercedes-Benz Vision EQS concept car, a sleek, futuristic electric sedan, is shown from a front-three-quarter view. It is set against a warm, orange-brown gradient background.

LEADING
TECHNOLOGY

A Mercedes-Benz EQ electric car is shown from a side profile, reflecting on a dark surface. The background is a dark green gradient.

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Mercedes-Benz continues to pioneer advancements in automated driving



Launching Automatic Lane Change
Function introduced in U.S. and
China, Europe to follow soon



Advancing DRIVE PILOT (L3)
Aim to extend speed to ~90 km/h
in Germany by end of 2024,
plans to go beyond



Cooperating with NVIDIA
Joint development of future
automated driving systems,
rollout with MMA

We are creating an exceptional digital experience



Own operating system MB.OS

Launch in 2025 with MMA

Chip-to-cloud architecture

High-end computers give full access to hard- & software

Next level infotainment

Human-like interaction with generative AI, expansion of digital offering, advanced graphics

The fundamental building principles of our own operating system

We are the architects

SPECIFY

DESIGN

DEVELOP

PROCURE/
PARTNER

INTEGRATE

UPGRADE

The fundamental building principles

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

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

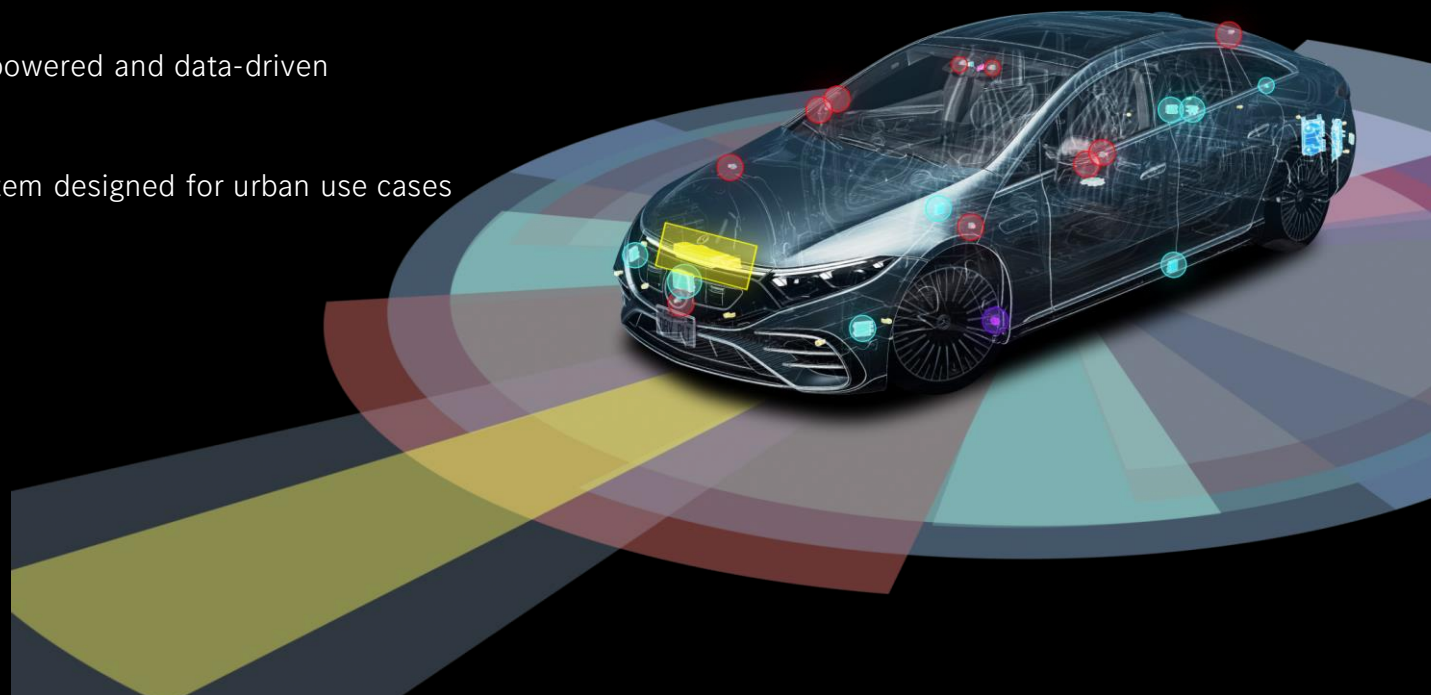
Leveraging machine learning

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-gen 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

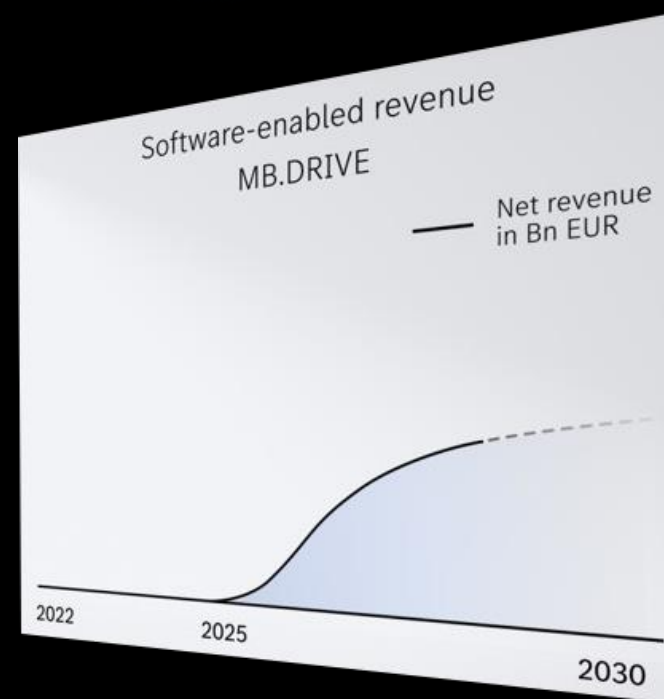
MB.DRIVE unlocks new revenue and EBIT pools



Features available as factory and store sales

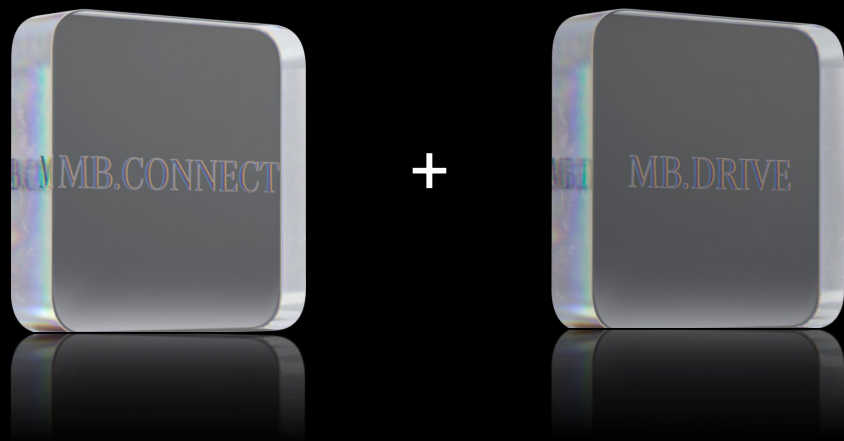
Low single-digit Bn EUR revenue by mid of the decade

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



Schematic graph

Total software-enabled revenue development

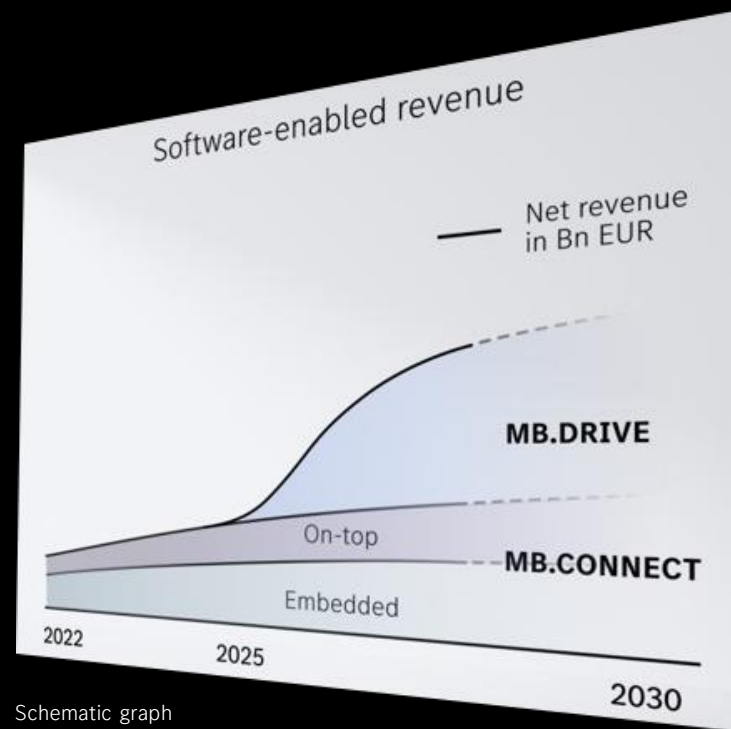


Low-to-mid single-digit Bn EUR revenue by mid of the decade

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

1 Bn EUR EBIT on track by mid of the decade

All figures part of existing weather chart



Schematic graph

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

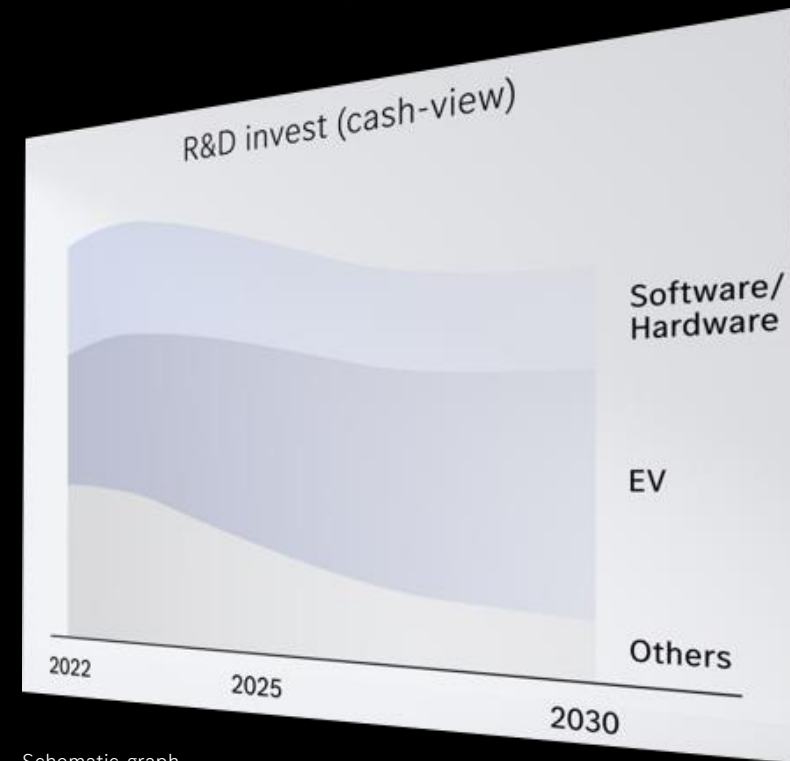


Increased share of R&D invest in EV and MB.OS software & hardware

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

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

Midterm invest reduction targets remain



Schematic graph

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



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 negative change in market conditions 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; changes in laws, regulations and government policies (or changes in their interpretation), particularly those relating to vehicle emissions, fuel economy and safety or to ESG reporting (environmental, social or governance topics); price increases for fuel, raw materials or energy; disruption of production due to shortages of materials or energy, labour strikes or supplier insolvencies; a shift in consumer preferences towards smaller, lower-margin vehicles; a limited demand for all-electric vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; 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; 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 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.