

Fixed Income Presentation

Q1 2022

Mercedes-Benz Group AG



AGENDA

I. MERCEDES-BENZ GROUP REVIEW Q1 2022

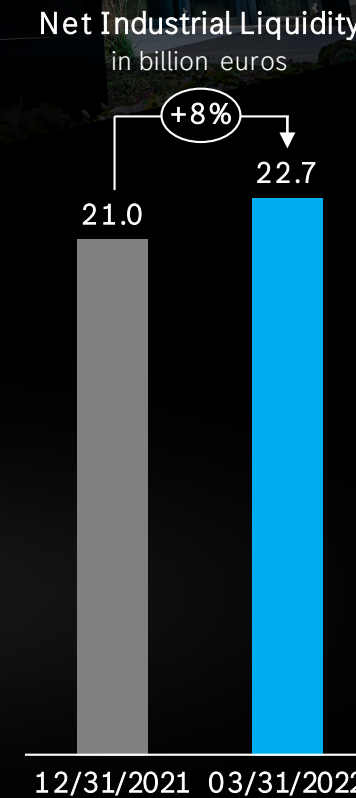
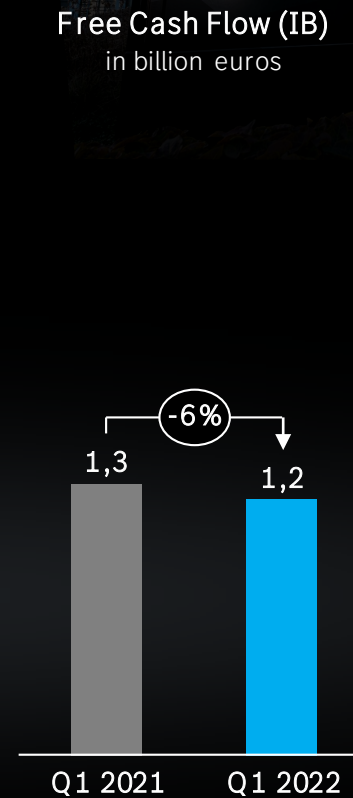
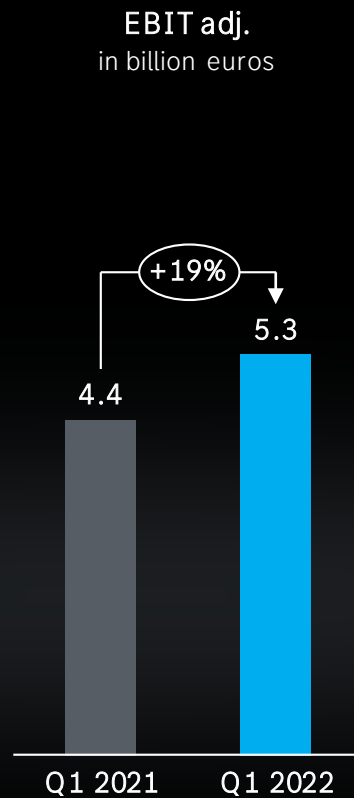
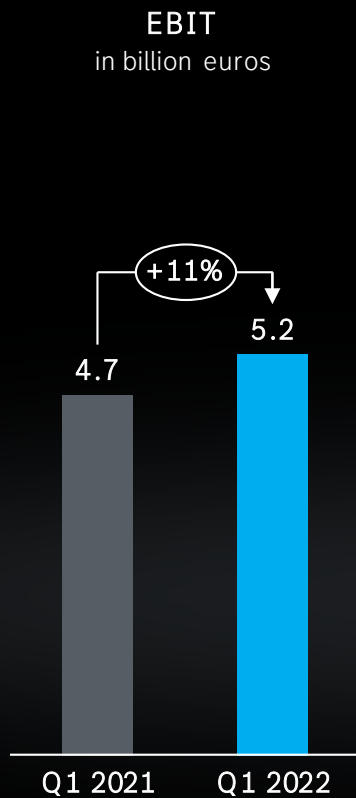
II. DIVISIONAL REVIEW Q1 2022

III. OUTLOOK FY 2022

IV. FUNDING

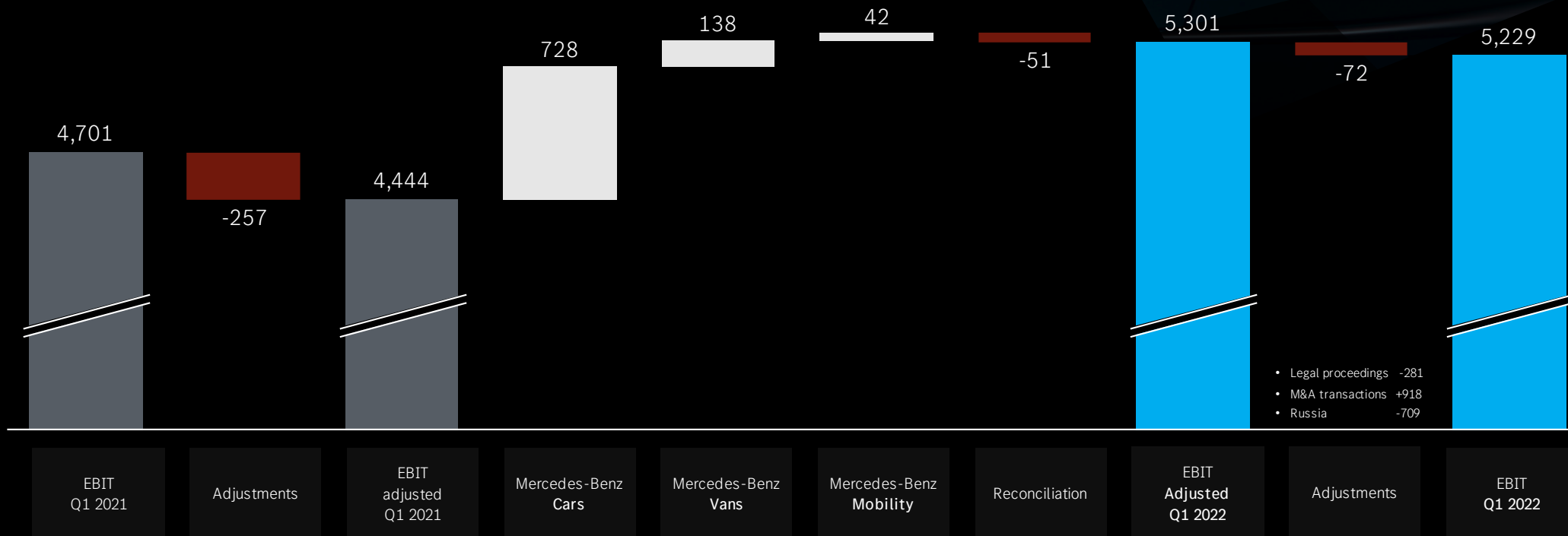
V. SUSTAINABILITY

Mercedes-Benz Group: Key figures*



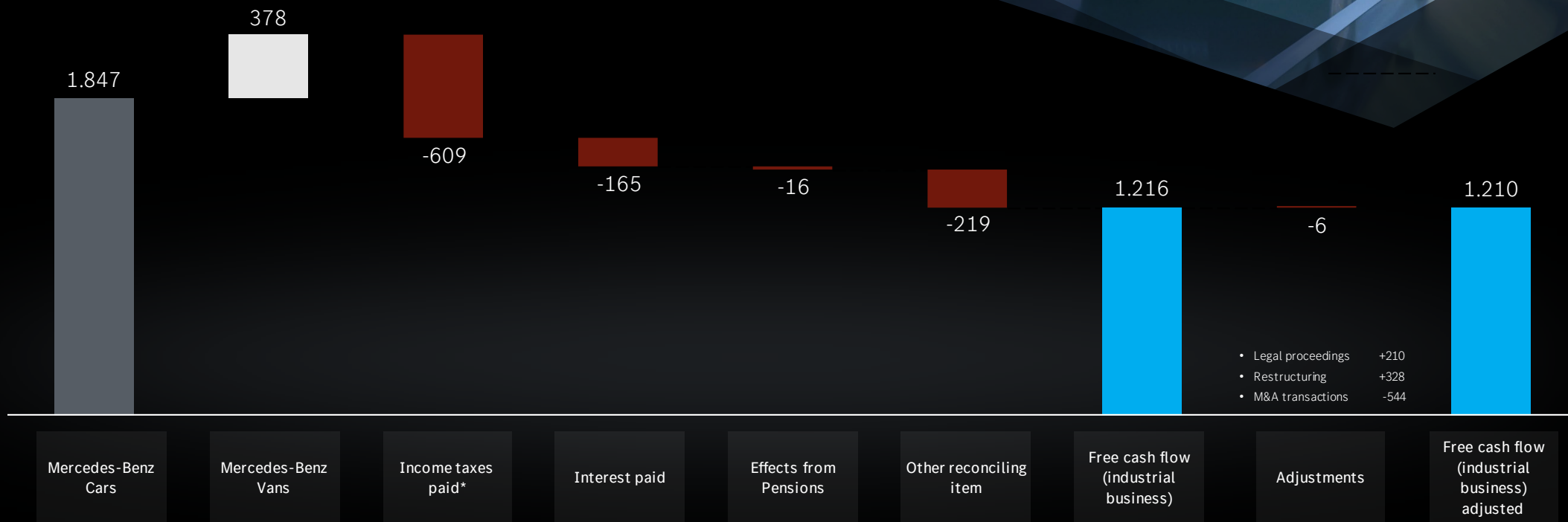
Mercedes-Benz Group: Q1 2022 EBIT*

In million euros



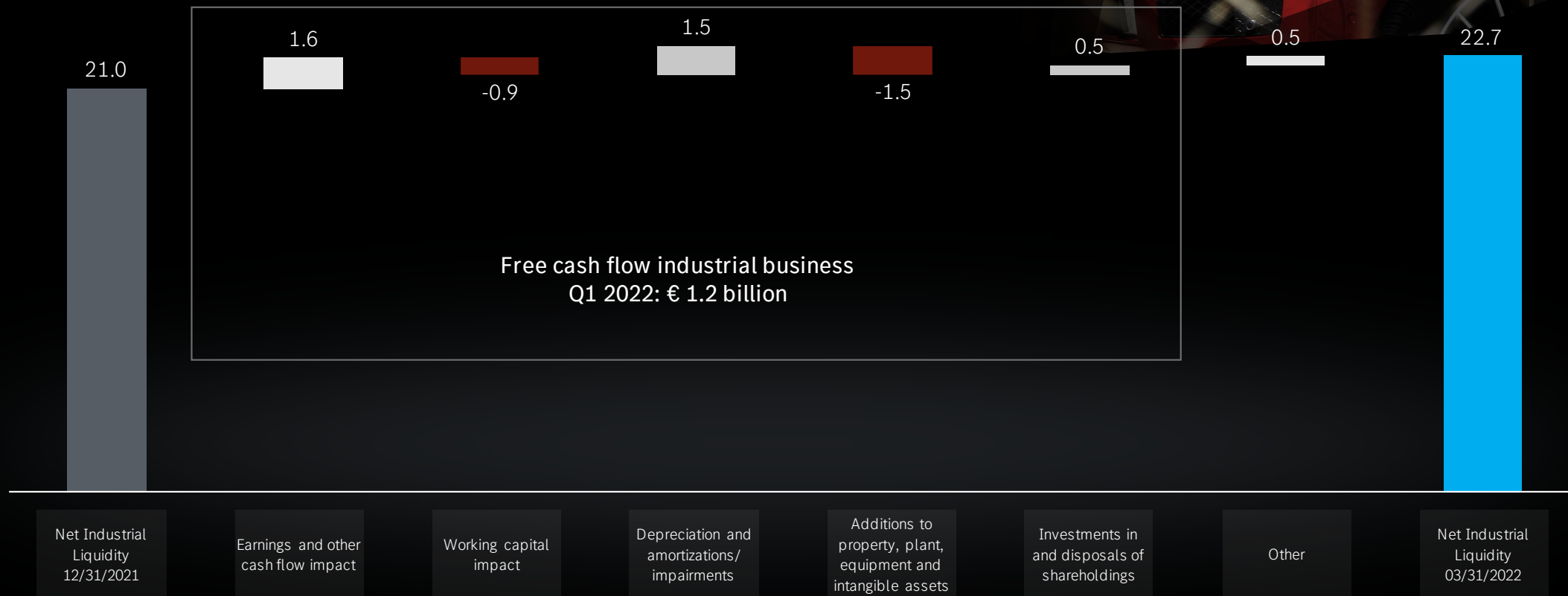
Mercedes-Benz Group: Reconciliation from CFBIT to Free Cash Flow

In million euros

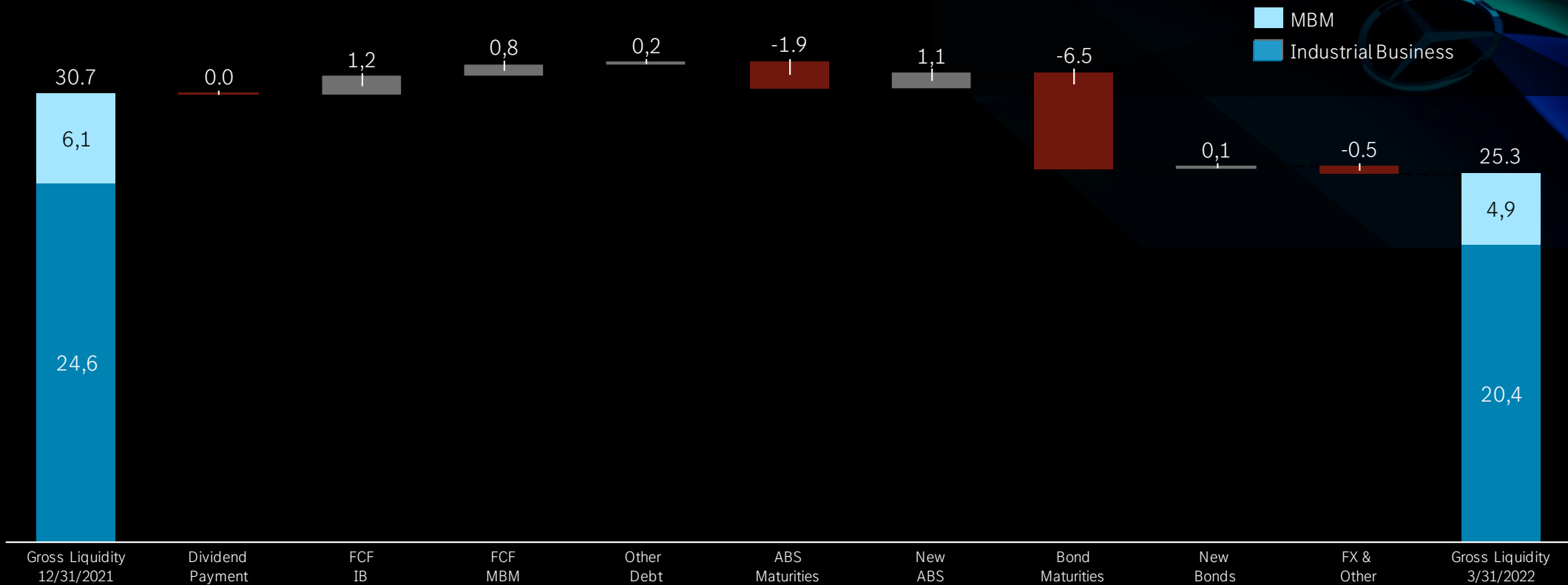
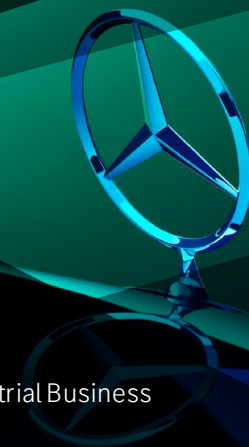


Mercedes-Benz Group: Net Industrial Liquidity

In billion euros



Mercedes-Benz Group: Gross Liquidity Development Q1 2022

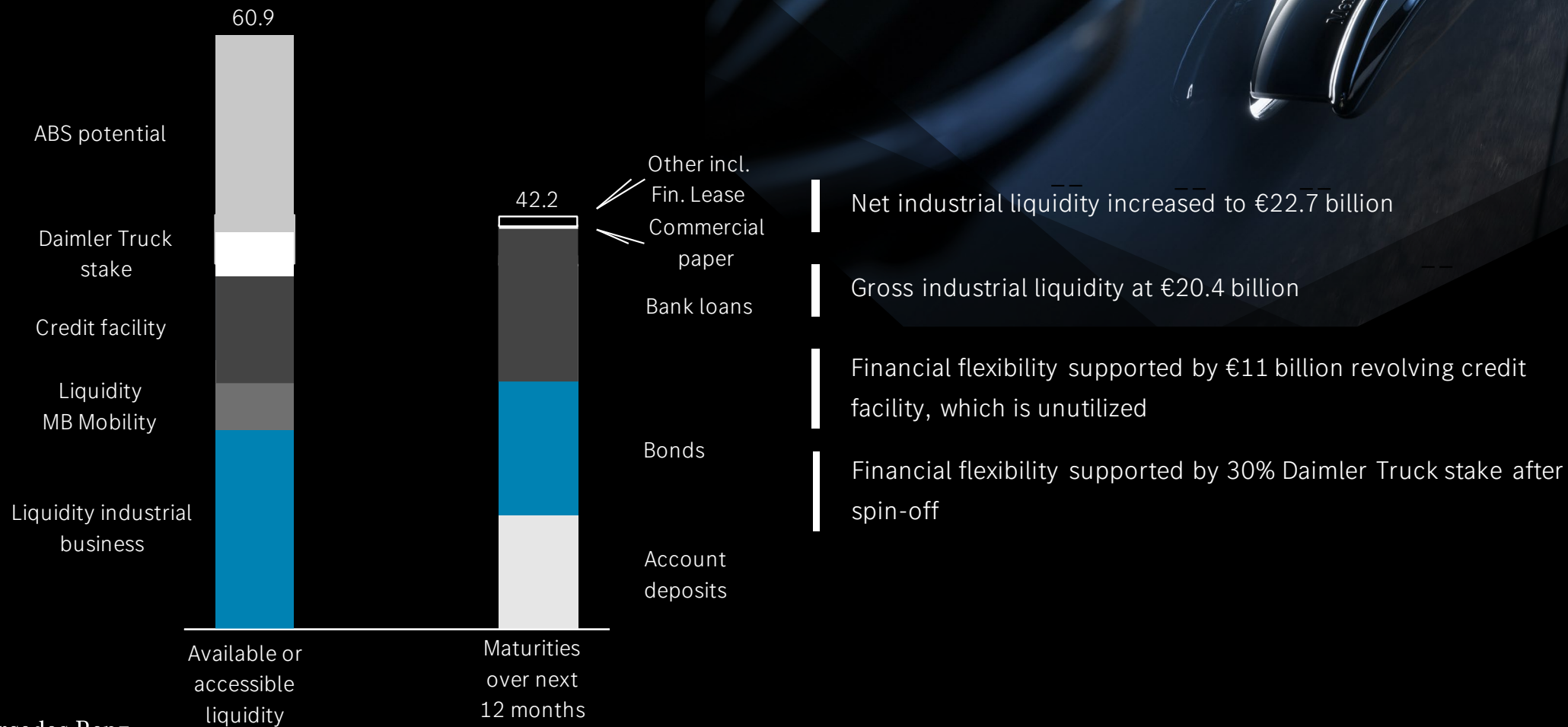


Note: Figures may not be additive due to rounding.

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

Q1 2022

in billion euros



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Mercedes-Benz Cars: Key messages



Ongoing high customer demand; volume constrained by semiconductor shortage

Financials impacted by situation in Russia and Ukraine

Strong margin reflects shift to top-end vehicles; continued pricing power and cost discipline

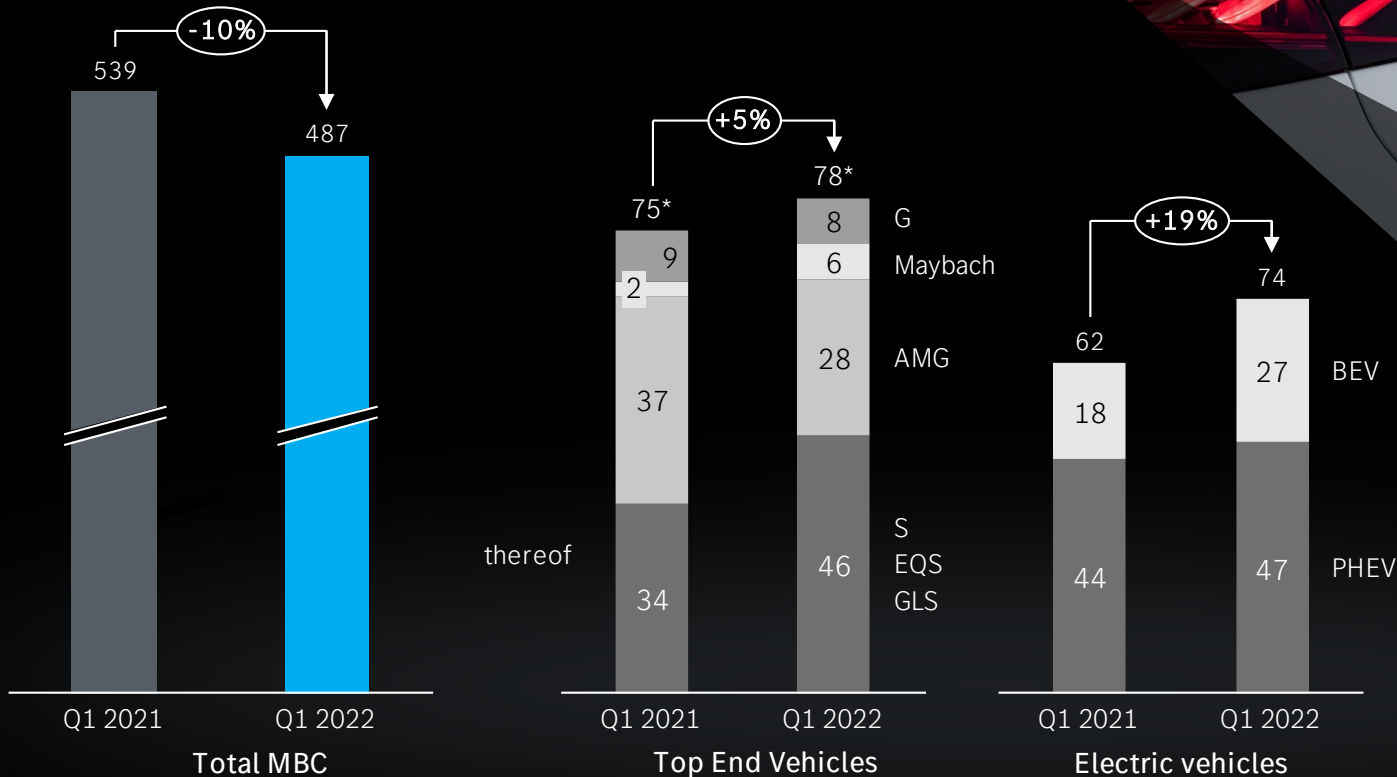
Momentum of electric vehicle sales increased

EV transition: EQXX confirmed >1,000km range; battery factory opening US; EQS SUV world premiere

Holistic ESG plans outlined

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

In thousand units

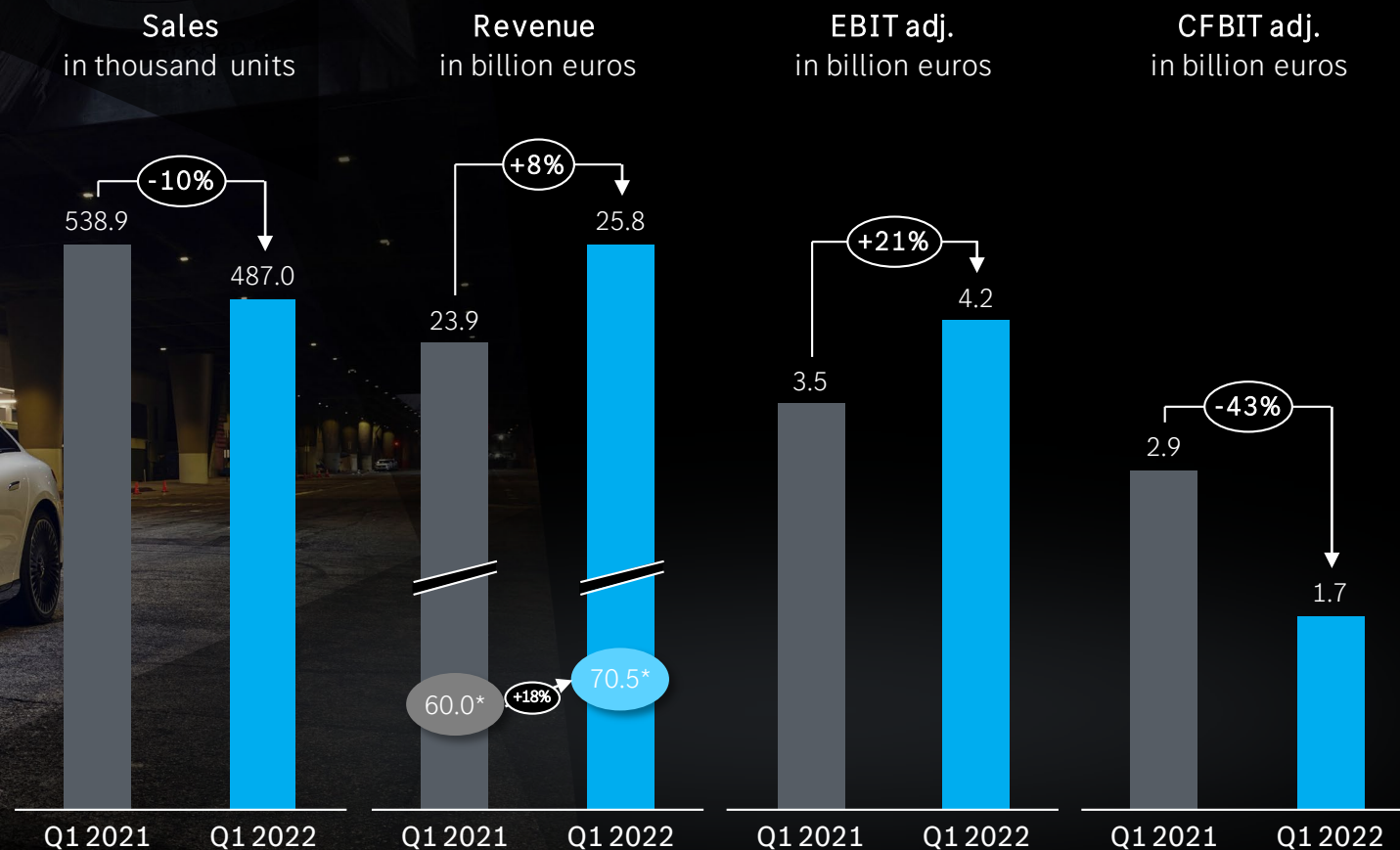


thereof

Share in % of volume	Q1 2021	Q1 2022
Total MBC	14%	16%
Top End Vehicles	12%	15%

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

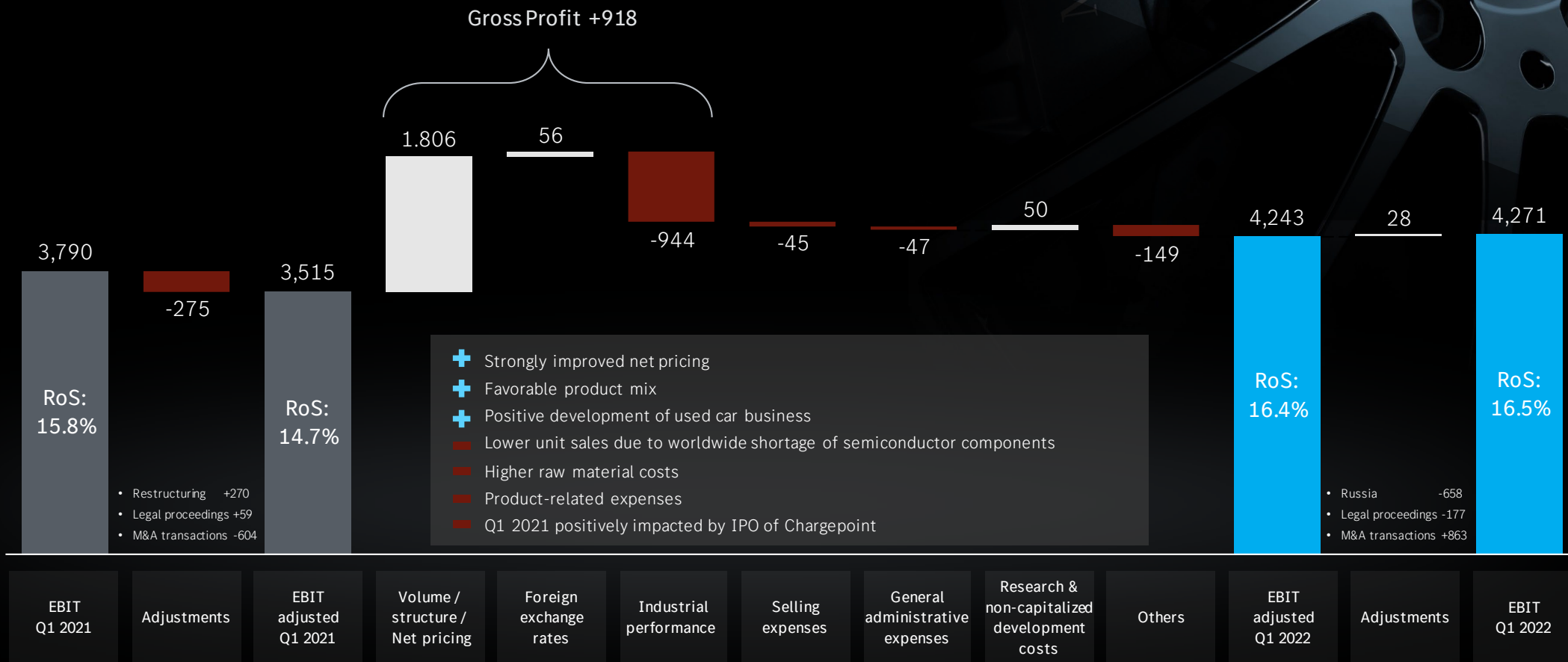
Mercedes-Benz Cars: Financials



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

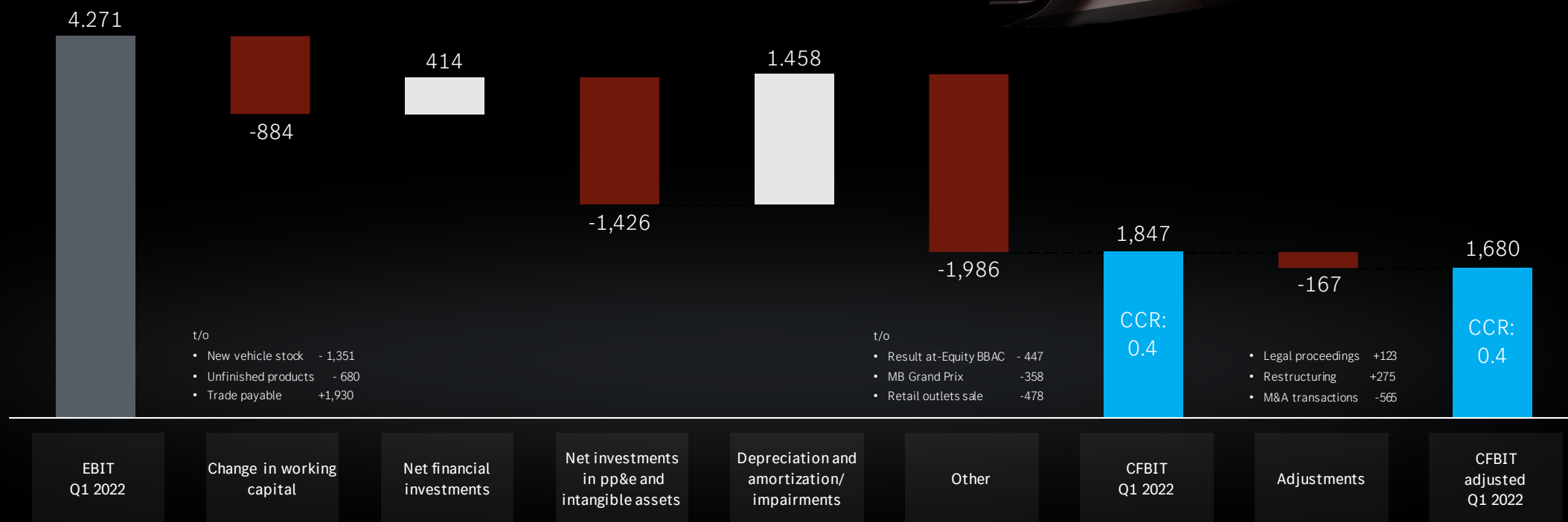
Mercedes-Benz Cars: Q1 2022 EBIT & RoS

In million euros



Mercedes-Benz Cars: EBIT to CFBIT

In million euros



Mercedes-Benz Vans: Key messages



Unit sales at prior-year level despite semiconductor constraints

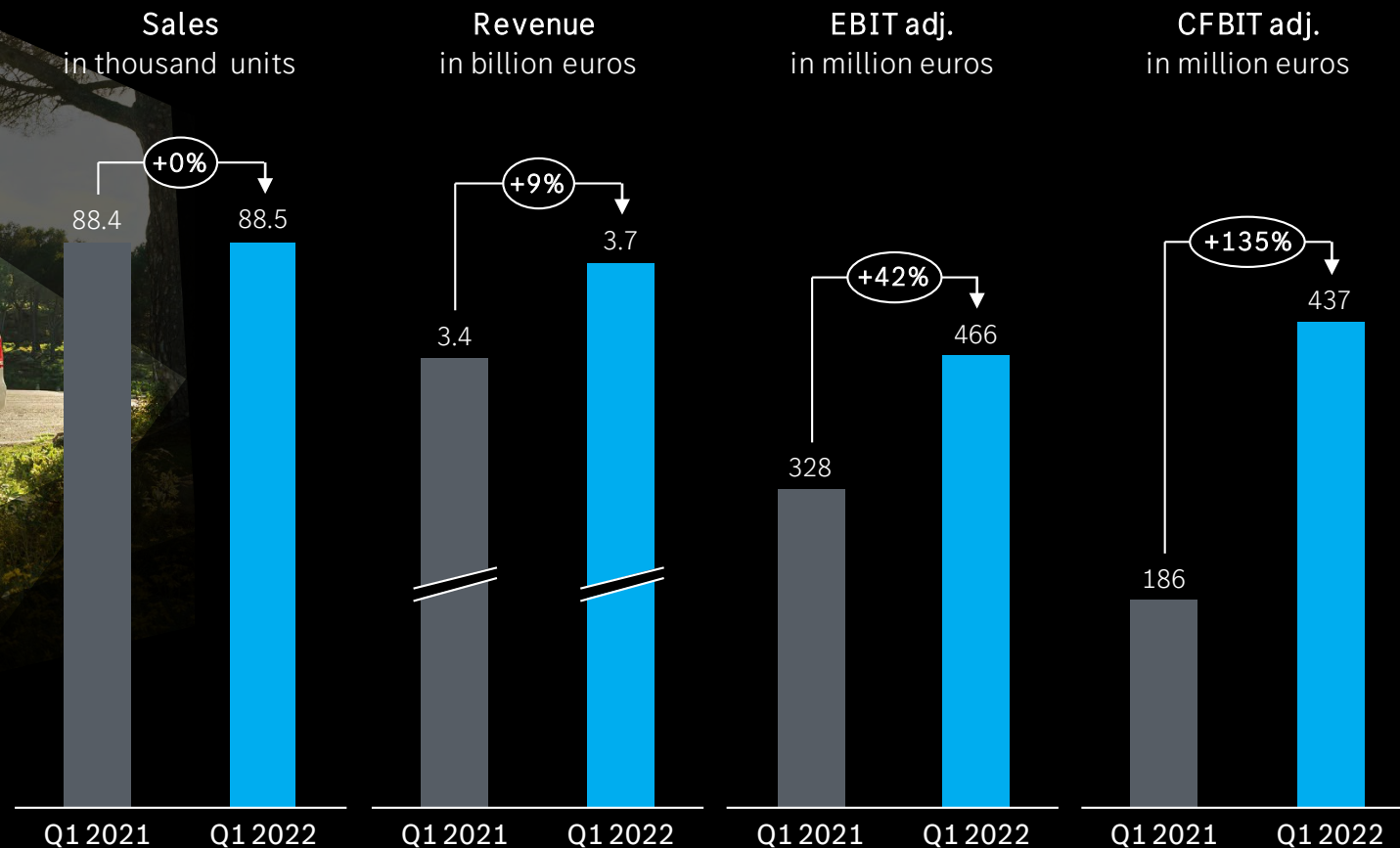
Best ever Q1 sales of Sprinter and Metris in North America

Progressing battery electric Van sales based on market leadership mid- and large-size in Europe in 2021

New products in small Van segment: T-Class world premiere; new Citan with strong customer demand

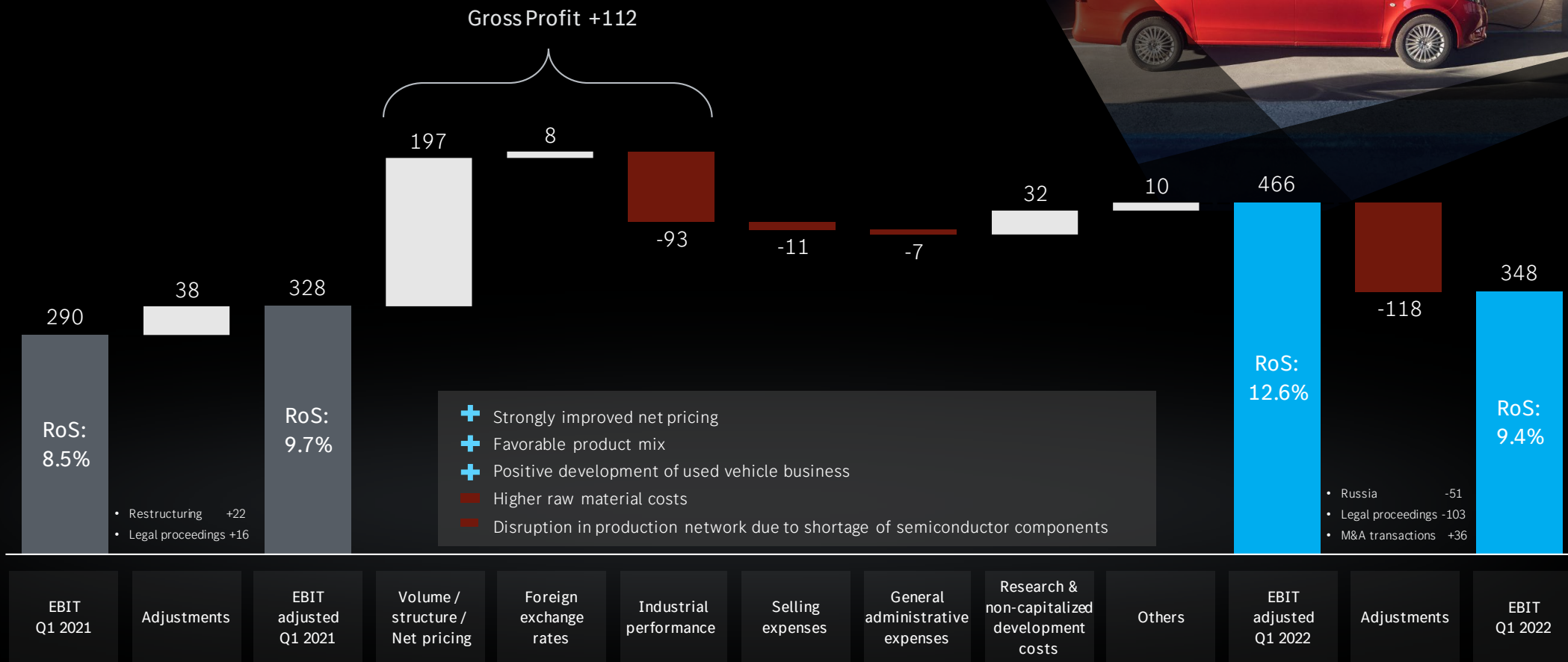
Improved margin reflects healthy mix and pricing

Mercedes-Benz Vans: Financials



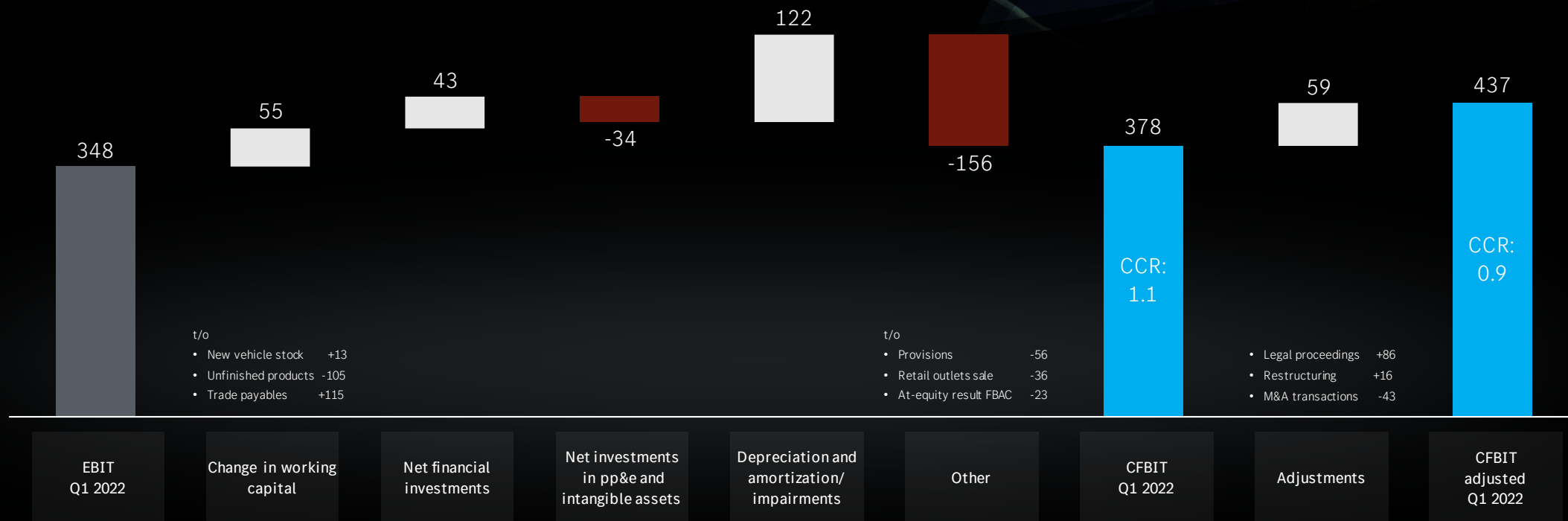
Mercedes-Benz Vans: Q1 2022 EBIT & RoS

In million euros



Mercedes-Benz Vans: EBIT to CFBIT

In million euros



Mercedes-Benz Mobility: Key messages

New business still impacted by supply constraints and lower market penetration

Solid interest margin despite volatile capital markets

Net credit losses at low level similar to 2021

Situation in Russia constantly tracked, new business stopped and credit reserves increased

Strategy in execution: Focus on people, automatization & data, customer centricity and electrification



Mercedes-Benz Mobility: Financials

New Business
in billion euros



Contract Volume
in billion euros

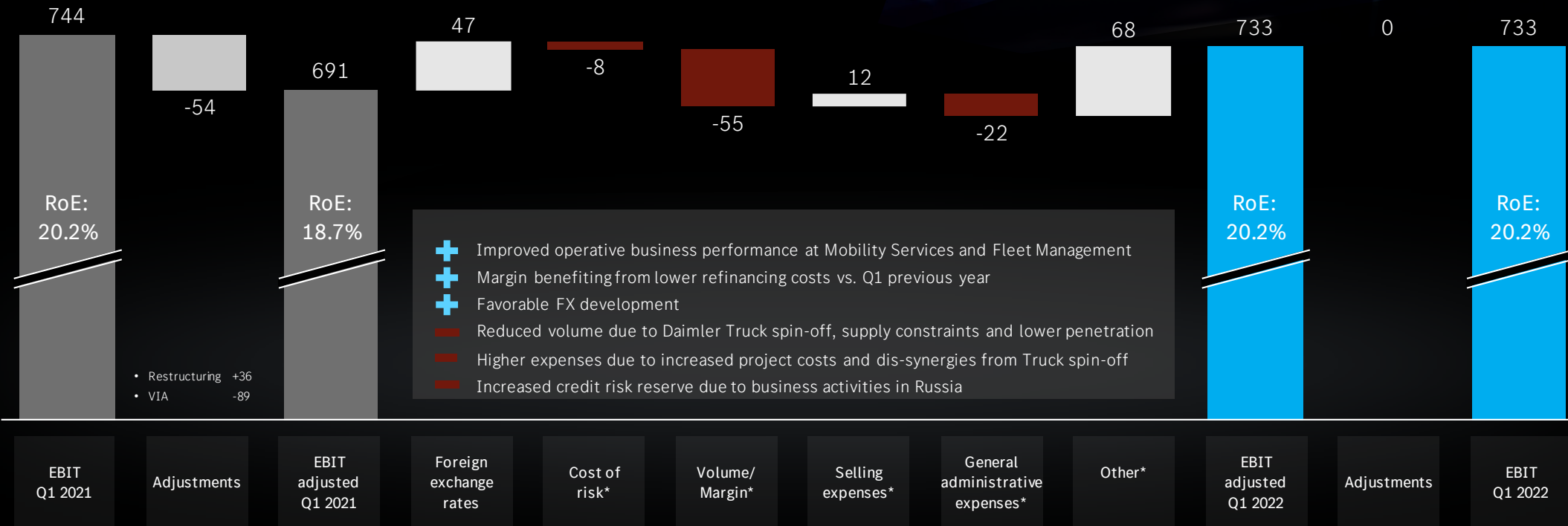


EBIT adj.
in million euros



Mercedes-Benz Mobility: Q1 2022 EBIT & RoE

In million euros



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Mercedes-Benz Divisional Guidance 2022

ASSUMPTION

The macroeconomic and geopolitical conditions continue to be characterized by an exceptional degree of uncertainty. The main factor contributing to this is the war in Ukraine, with its effects on supply chains and on the availability and the development of prices for energy and raw materials. Further effects due to the rapidly changing situation in Russia and Ukraine are not currently known, but could possibly have substantial negative consequences for our business activities, should it escalate beyond its current state. In addition to further geopolitical uncertainty, the continuing bottlenecks in the supply of semiconductors and other industrial upstream products and the significant inflationary pressure complicate the outlook for consumers and companies. And not least the further course of the pandemic, and in particular the strict countermeasures in China, hold uncertainties for the expected development of the market, supply chain and production.

Unit Sales	Mercedes-Benz Cars	Slightly above
	Mercedes-Benz Vans	Slightly above
Return on Sales (adjusted*)	Mercedes-Benz Cars	11.5 to 13 %
	Mercedes-Benz Vans	8 to 10 %
	Mercedes-Benz Mobility (RoE)	16 to 18 %
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	Same level
	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 (e.g. Spin-off).

** Adjusted Cash Flow before Interest and Taxes (CFBIT) divided by adjusted EBIT.



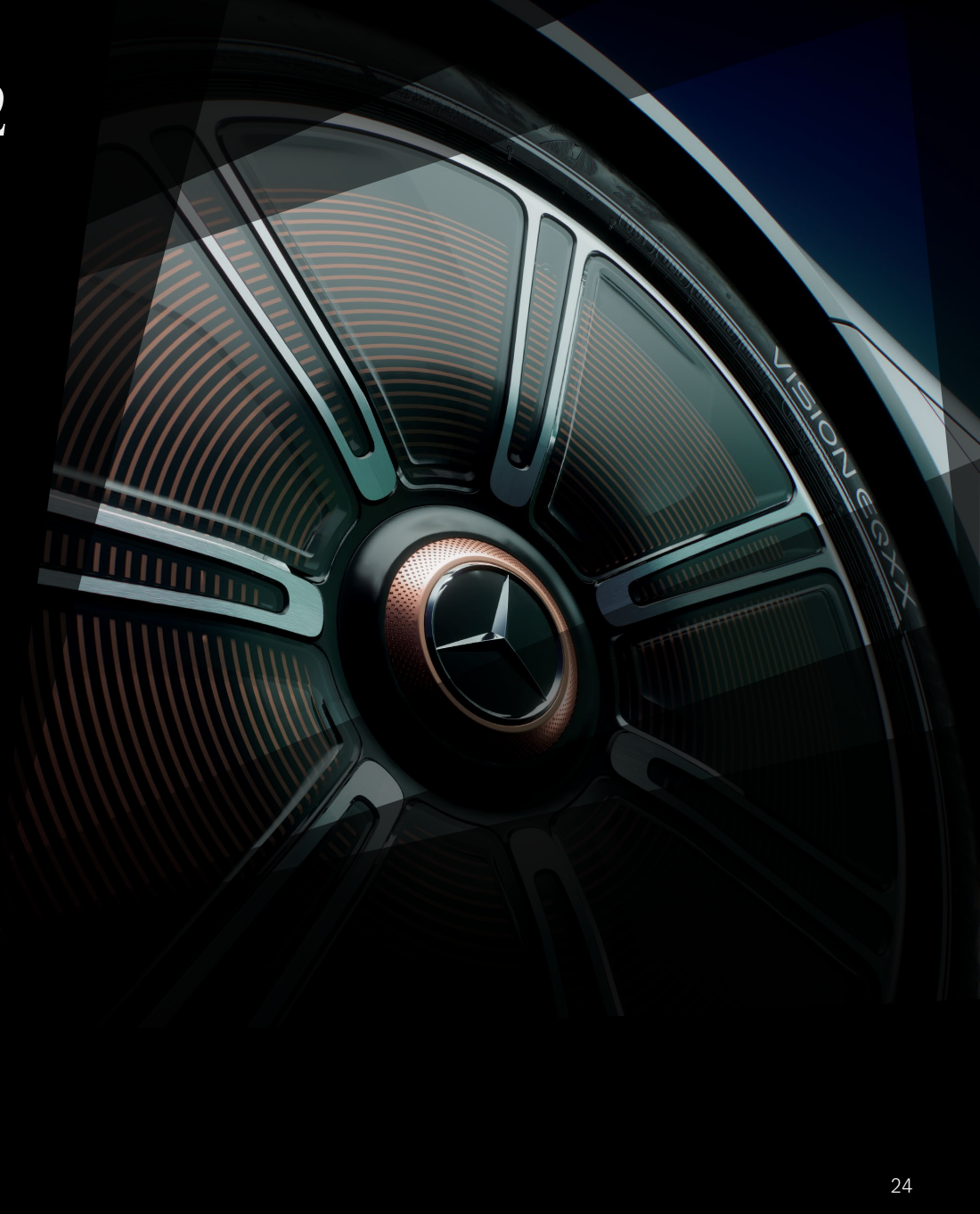
Mercedes-Benz Group Guidance 2022

ASSUMPTION

The macroeconomic and geopolitical conditions continue to be characterized by an exceptional degree of uncertainty. The main factor contributing to this is the war in Ukraine, with its effects on supply chains and on the availability and the development of prices for energy and raw materials. Further effects due to the rapidly changing situation in Russia and Ukraine are not currently known, but could possibly have substantial negative consequences for our business activities, should it escalate beyond its current state. In addition to further geopolitical uncertainty, the continuing bottlenecks in the supply of semiconductors and other industrial upstream products and the significant inflationary pressure complicate the outlook for consumers and companies. And not least the further course of the pandemic, and in particular the strict countermeasures in China, hold uncertainties for the expected development of the market, supply chain and production.

The base for the comparative guidance are the respective continued operations KPIs of 2021.

Revenue	Slightly above
EBIT	At prior-year level
Free Cash Flow (Industrial Business)	Slightly below
CO ₂ emission (g/km)	At prior-year level



Strategic priorities for this year - implementation on track



Scale
electric
vehicles

Significant increase of
BEV sales

Grow
luxury
business

CMD May 19th

Accelerate
car
software

CMD preparation

Alleviate
supply
constraints

Deep sourcing progress

Focus
relentlessly
on costs

On course

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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, Deposits

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

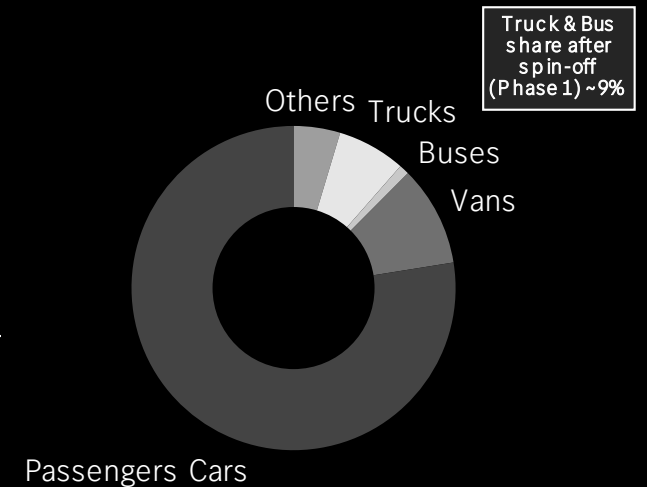
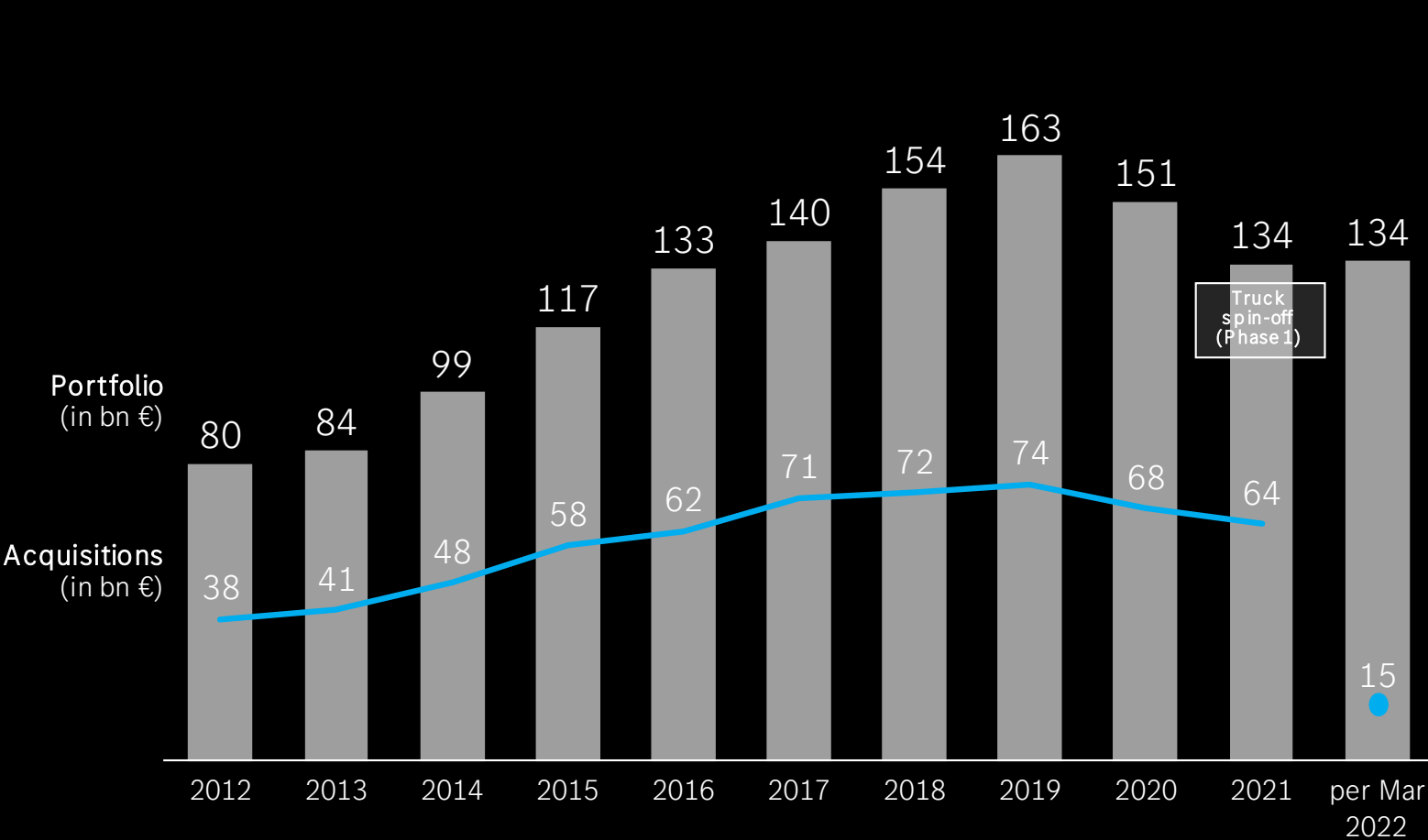
Liquidity matched funding

Interest rate matched funding

Currency matched funding

Country matched funding

Stable Portfolio at Mercedes-Benz Mobility despite challenges



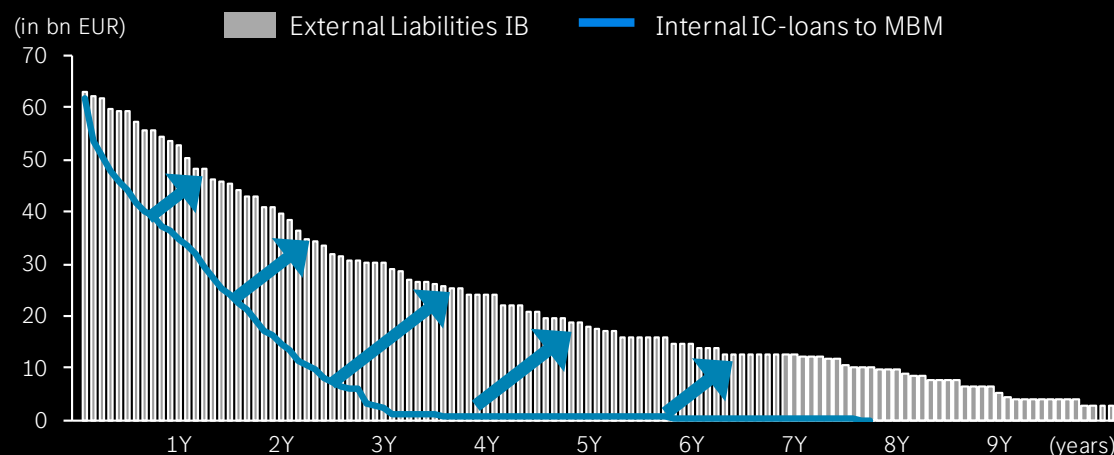
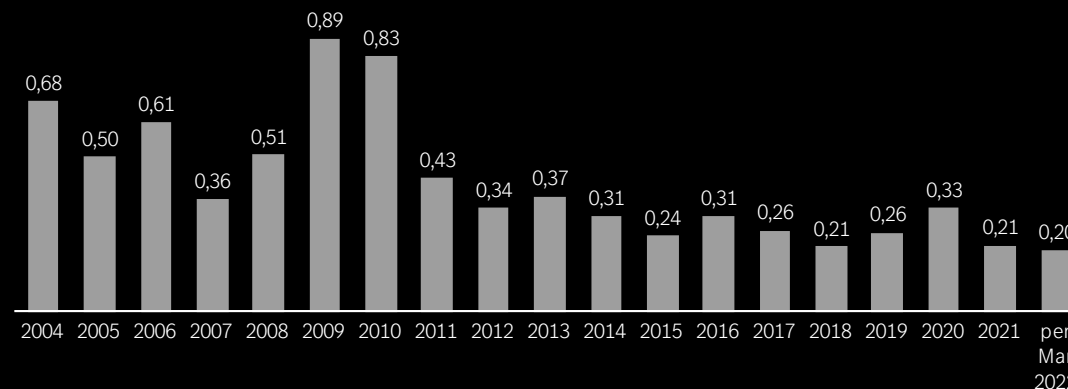
Mercedes-Benz Mobility business benefits from stringent credit management and solid refinancing

Net credit losses on very low level benefitting from strong used car markets, i.e. collateral values as well as low customer defaults. Yet risks remain to the upside if the before mentioned developments reverse and governmental and central banks support programs expire. Additionally the situation in Russia is constantly tracked, new business is stopped and credit reserves increased.

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

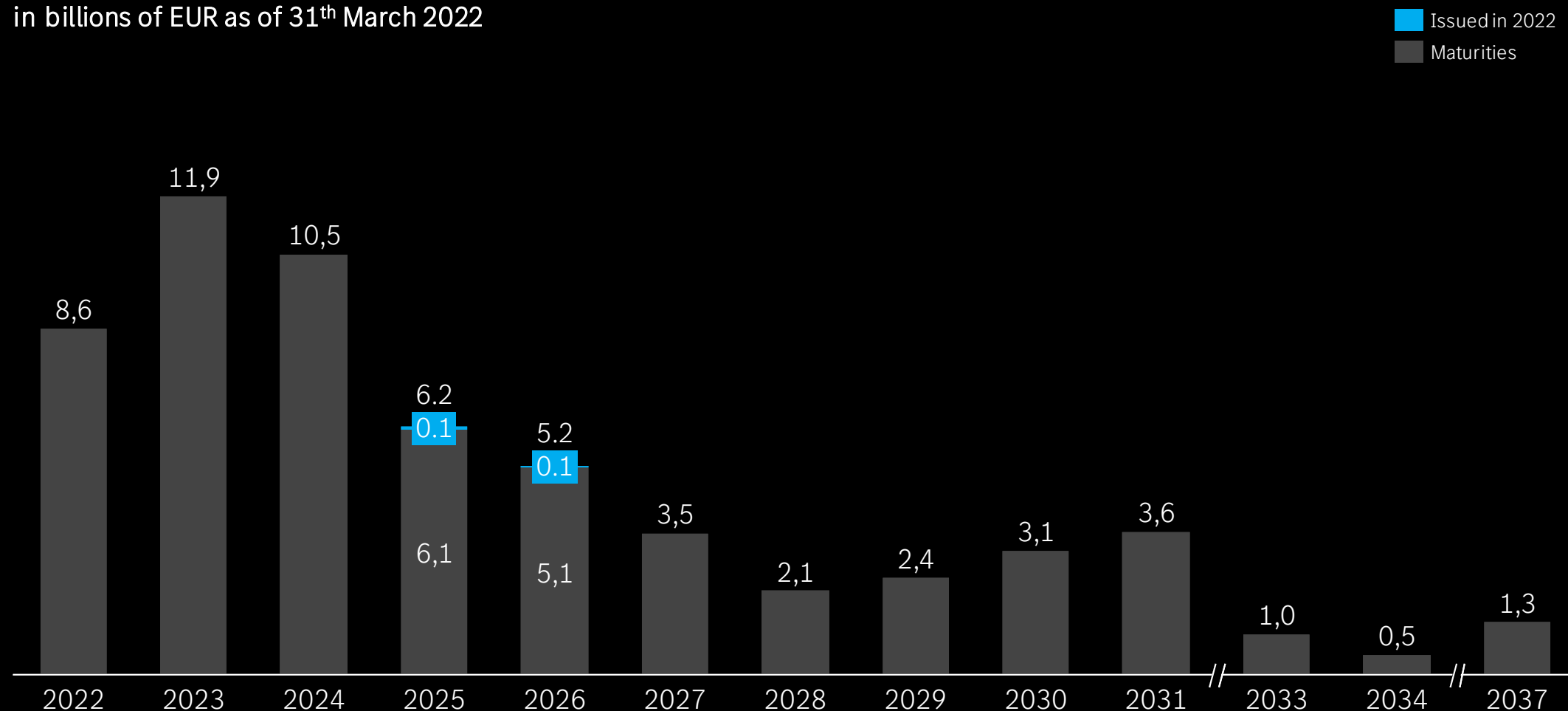
External liabilities of Mercedes-Benz Group have a longer duration than internal allocation to MBM via IC-loans

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



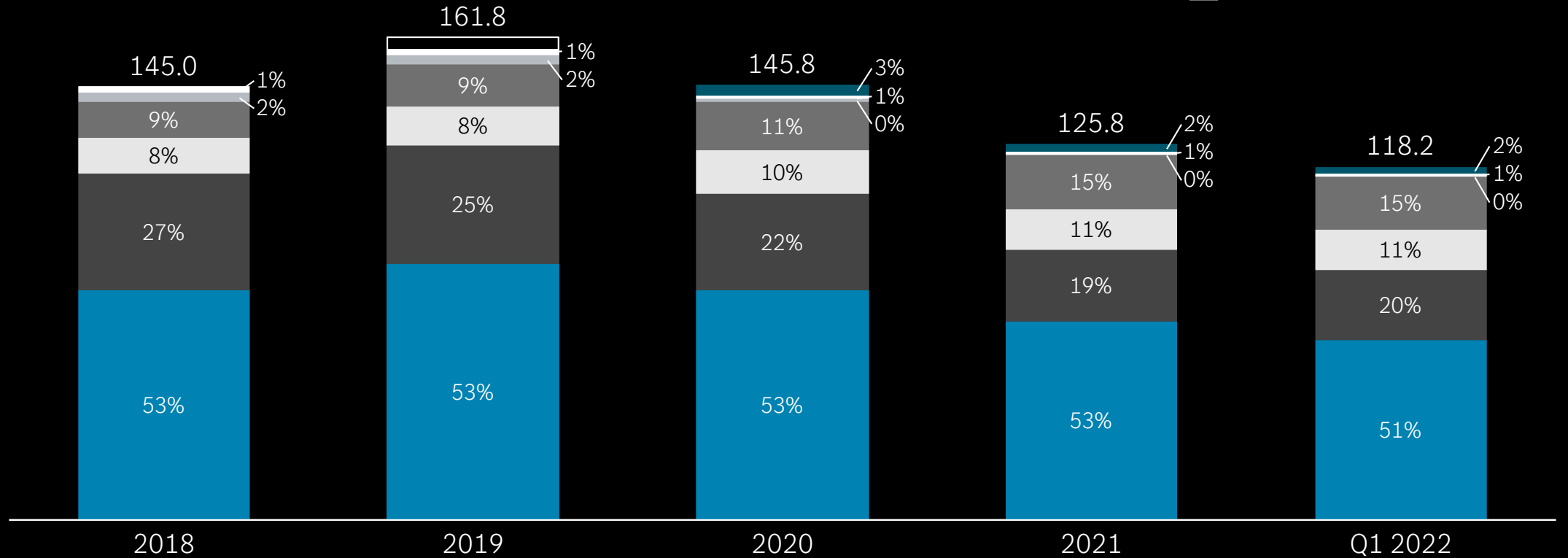
Well balanced Bond Maturity Profile

in billions of EUR as of 31th March 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

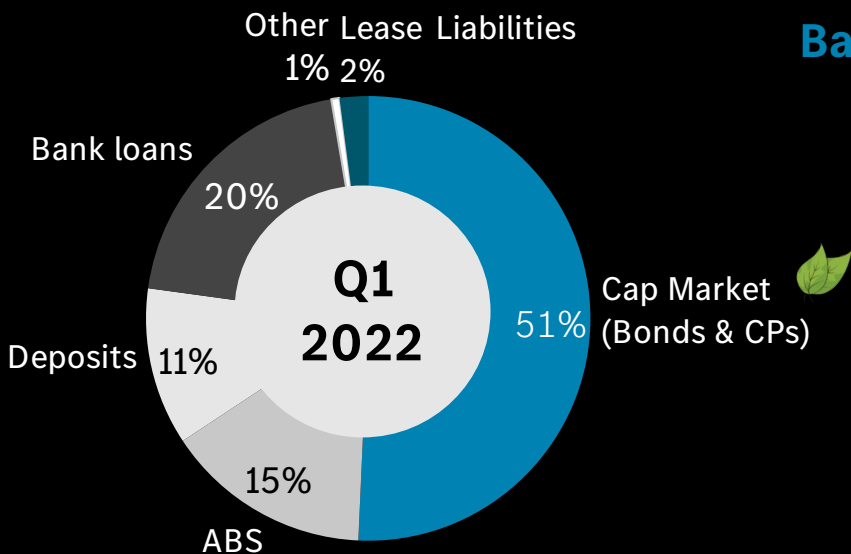
Deepen our excellent bank relationships

ABS

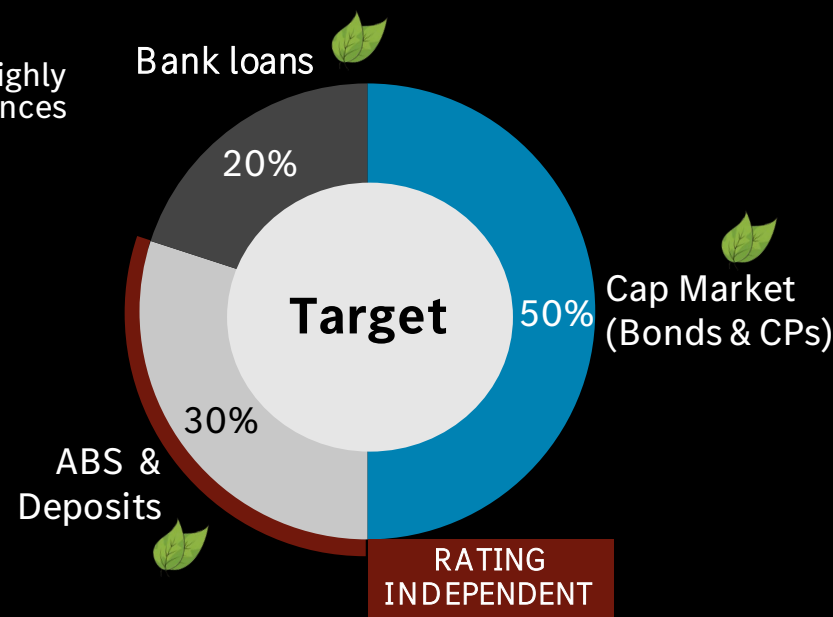
Globally expand our highly competitive ABS issuances

Deposit

Maintain well controllable liquidity reserve



Total: EUR 118 bn



Planned to increase Green Finance Share in the upcoming years

Diversified global funding base: continuously matched with MBM requirements



Bonds					
Currency	Volume	%	Currency	Volume	%
EUR	35,4	59%	NOK	0,5	1%
USD	13,7	23%	AUD	0,5	1%
CNY	3,8	6%	CHF	0,4	1%
CAD	1,7	3%	MYR	0,3	0%
GBP	1,7	3%	JPY	0,3	0%
ZAR	1,0	2%	Other	0,8	1%
Total (EUR bn)	60		Currencies	18	

ABS					
Currency	Volume	%	Currency	Volume	%
USD	8,4	47%	CAD	0,7	4%
CNY	4,5	25%	AUD	0,7	4%
EUR	2,1	12%	JPY	0,4	2%
GBP	1,0	6%			
Total (EUR bn)	18		Currencies	7	

Bank Loans
180 banks providing funding of EUR 24 bn in 35 countries

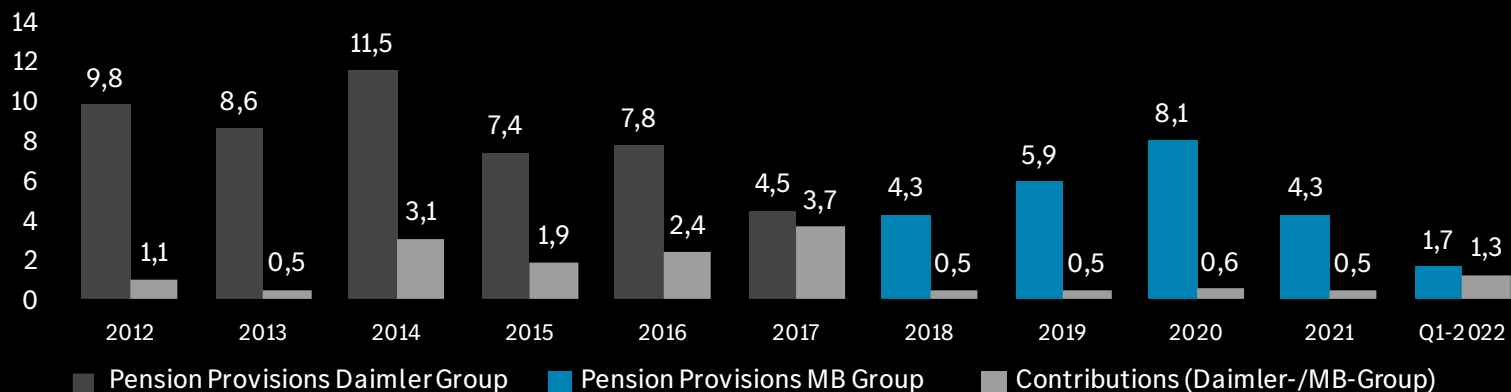
Mercedes-Benz Group's financial KPIs set to support a strong rating

	Agency	Long-term	Outlook	Short-term
Current Ratings:	Standard & Poor's:	A-	stable	A-2
	Moody's:	A3	positive	P-2
	Fitch:	A-	stable	F1
	DBRS:	A (low)	stable	R-1 (low)
	Scope:	A	stable	S-1

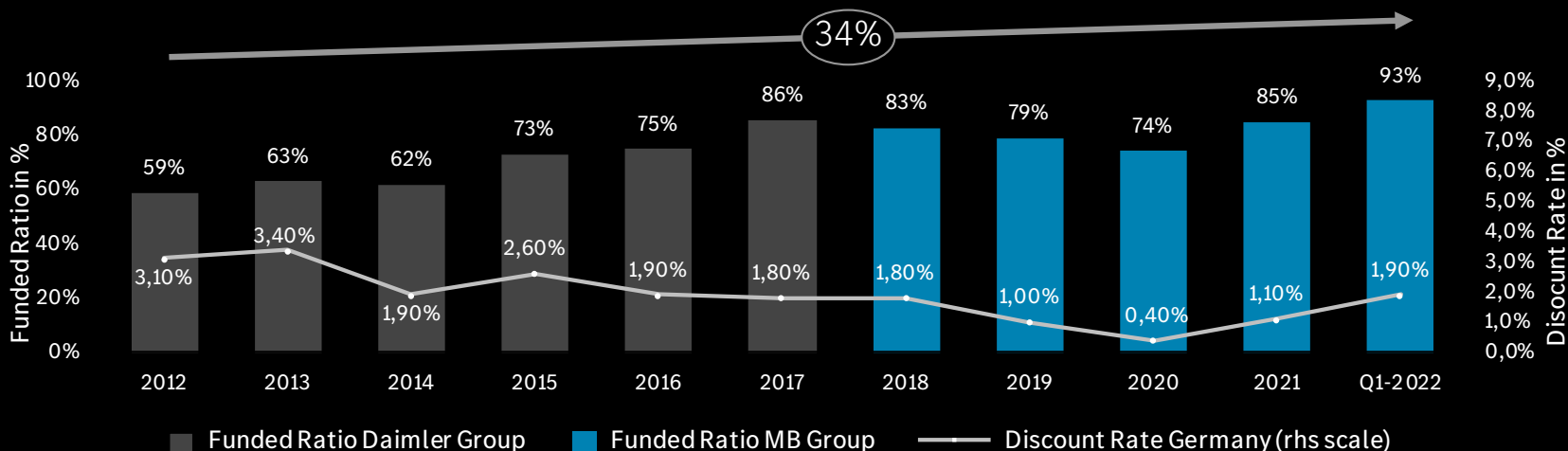
Contributions stabilized funded ratio in low interest rate environment

Daimler Group

Mercedes-Benz Group



Significant contributions since 2012 support the solid capital structure



Despite lower discount rates, Funded Ratio is at a solid level of 93%

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



Ambition 2039 - our commitment to CO₂ neutrality over lifecycle

Supply chain

Production & Logistics

Well-to-tank

Tank-to-wheel

End-of-life



SBTi

SBTi

SBTi

CO₂-neutral
supply chain

CO₂-neutral
production & logistics

CO₂-neutral
energy generation

CO₂-neutral
vehicle operation

CO₂-neutral
recycling

Mercedes-Benz Cars

Our electric product rollout is running at full speed

In Q1 Mercedes-Benz was able to more than triple sales of battery electric EQ models to reach 21,900 (+210%) units.

Plug-in hybrid vehicles also set a new first quarter record with 45,900 (+8%) sales.

In total, the Mercedes-Benz Cars xEVs (BEV including smart and plug-in hybrids combined) now amount to a share of 15% of new car sales.

In 2021 alone, we were introducing four new battery electric vehicles

This year we will present SUV versions of our EQS and EQE

By 2022, we will have battery electric options in all segments we serve

2021



EQA



EQB



EQS



EQE

2022



EQS SUV



EQE SUV



Electrified T-Class

Mercedes-Benz Cars

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% in 2025**. 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**



Mercedes-Benz Cars: Together with our partners, we will expand our activities in battery cells and systems

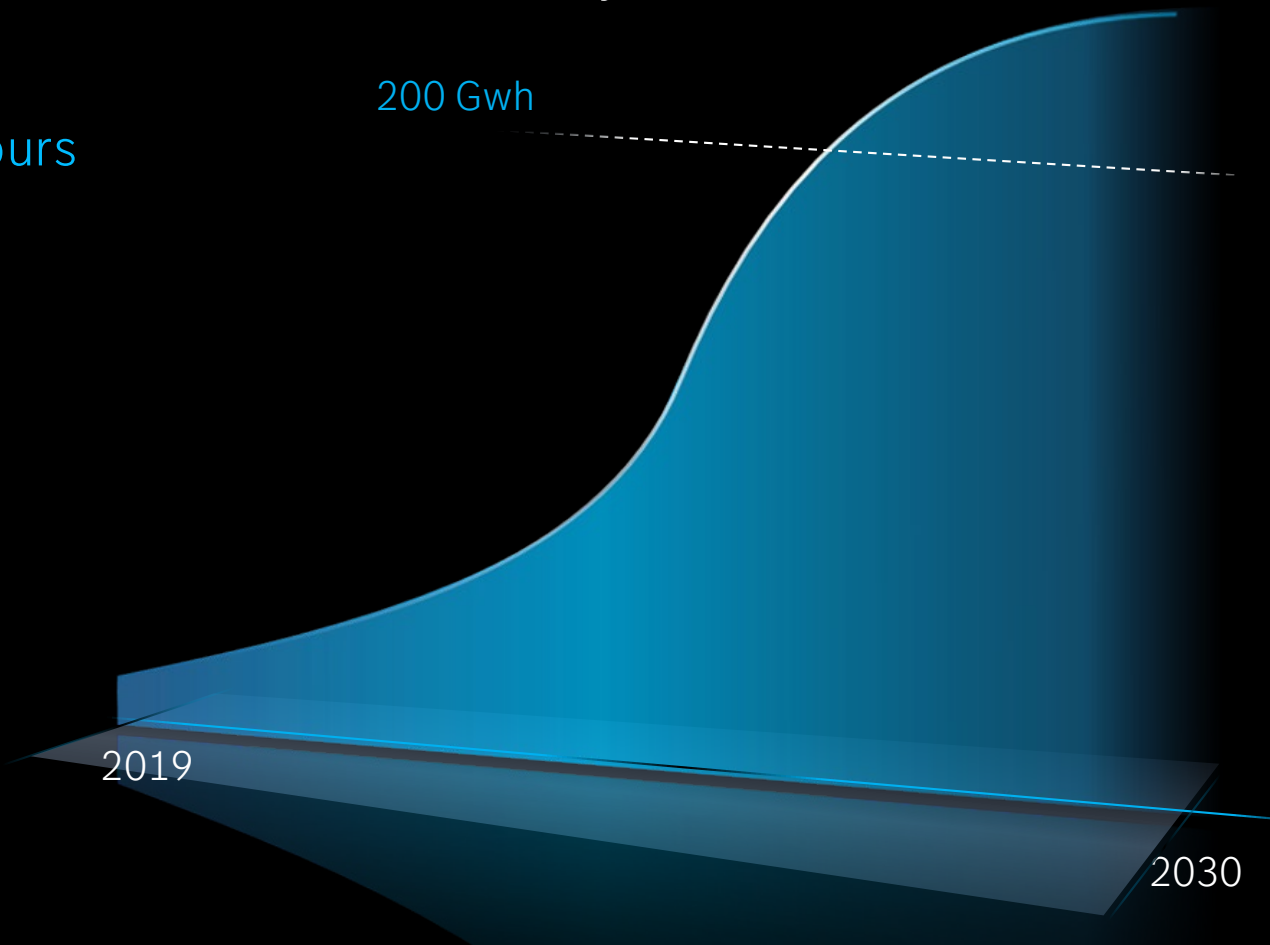
Our targets:

Capacity of more than 200 Gigawatt hours

8 new cell factories around the world:

- one in the U.S., four in Europe
- with our partners

Needed battery volume for all car lines



Mercedes-Benz Cars

By joining ACC, we build a European battery champion

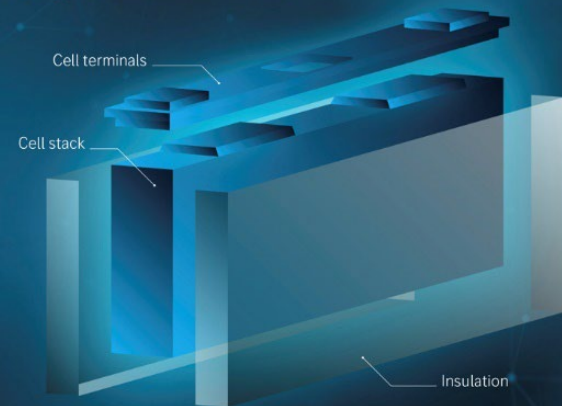
We take a one third stake in [Automotive Cells Company \(ACC\)](#).

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 CO₂ neutral this year

Together with our EV strategy, CO₂ neutral production is a key driver of **Ambition 2039**

All Mercedes-Benz plants worldwide **are producing 100% CO₂ neutrally in 2022**

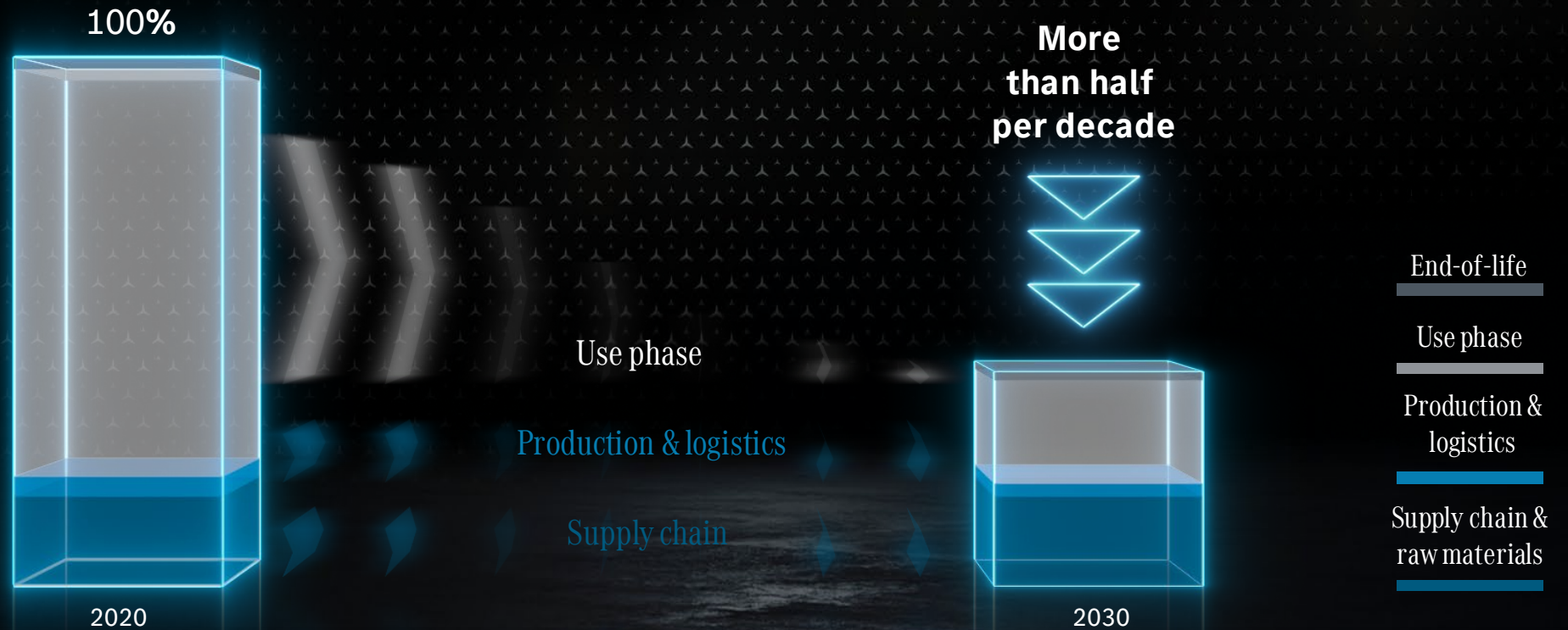
We plan to cover **70% of our energy needs through renewable sources** and will also produce energy on site

Mercedes-Benz global production network



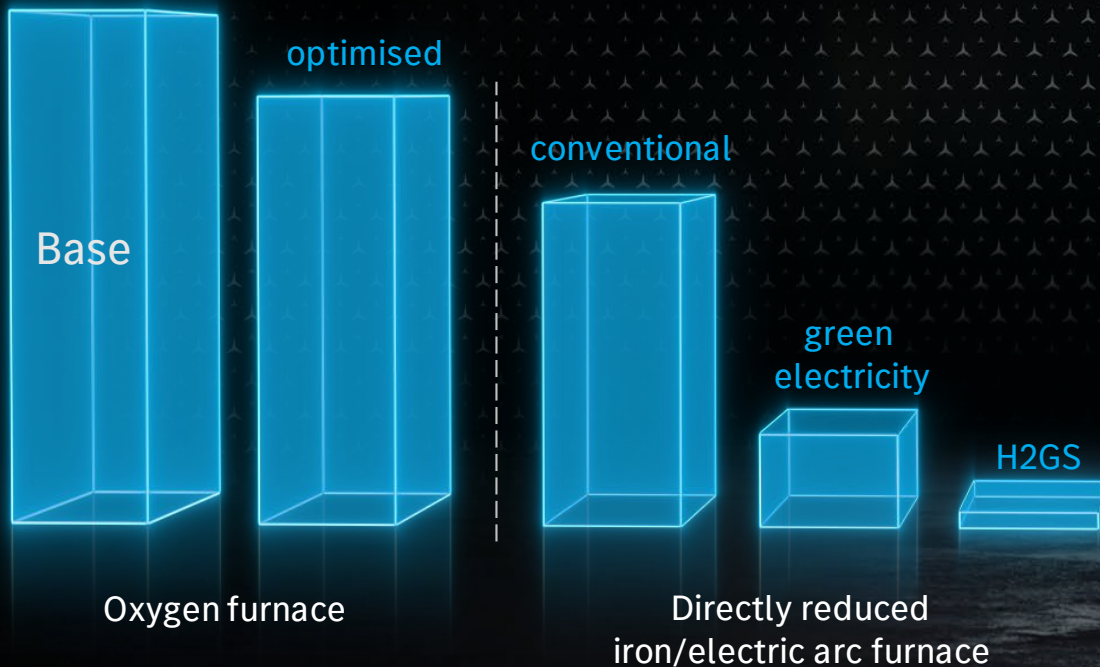
We will at least halve lifecycle CO2 emissions per vehicle in this decade

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

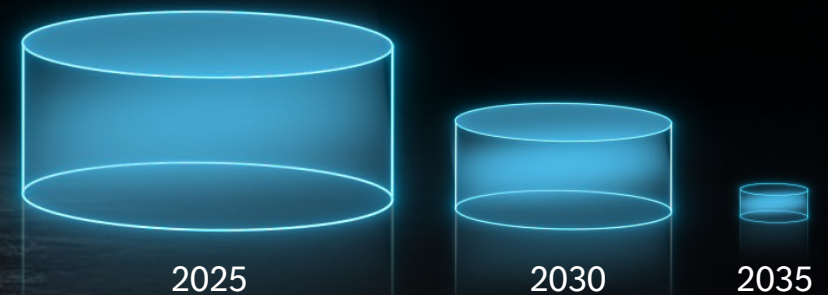
Steel – CO₂ reduction:



Further materials in focus:

- Aluminium sheet/cast
- Thermoplastics
- Battery materials

Steel – CO₂ prognosis over time:

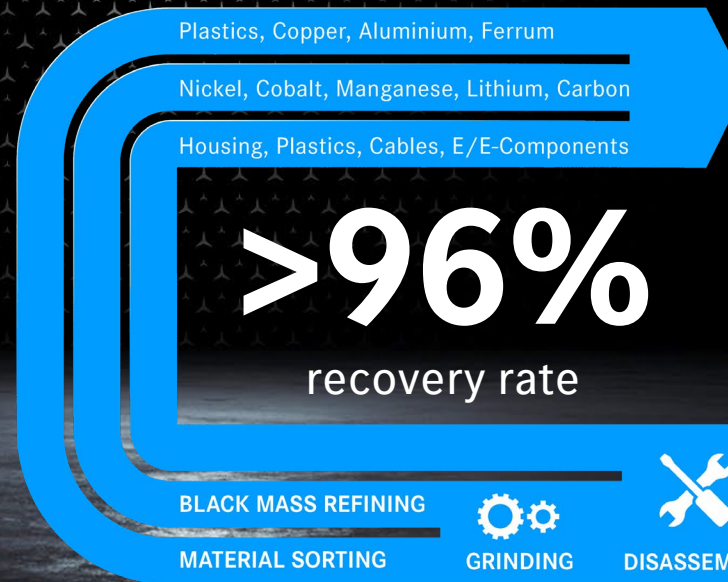


Circular economy: Closing the loop with our battery recycling factory in Kuppenheim

Own CO₂-neutral recycling plant in Kuppenheim, southern Germany, is scheduled to **open 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**



Mercedes-Benz Cars: The transformation of our workforce

Re-shape

Streamlining our organization in a responsible way

Continue effective process of cost reduction working together with employee representatives

Focus on staff fluctuation and fair solutions

Mercedes-Benz Drive Systems unit enables and supports the transformation of our plants

Re-skill

Developing future-oriented qualifications

Ensure that motivated and qualified people remain at the heart of this fundamental shift

Internal tech-academies and other trainings

Employees are gradually being shifted from conventional drives to electric drives

Re-charge

Meeting the Mercedes-Benz standard as an employer

New technologies require a new area of expertise

Create 3,000 new jobs for software engineers

Attractive contractual framework offering innovative employment conditions

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



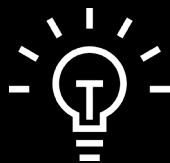
Our strategy is guided by **international frameworks**, our corporate values and integrity



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

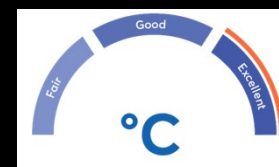
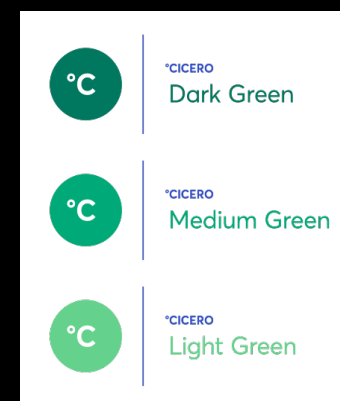
Mercedes-Benz Group's green finance framework was rated by CICERO as **Dark Green**. Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future.

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

(as of February 2022)

MSCI



MSCI
ESG RATINGS



CCC B BB BBB **A** AA AAA

Upgraded
from
BBB to A

(last update MBG score 09/2021)



SUSTAINALYTICS

ESG Risk Rating

22.8 Medium
Risk

Negligible Low Medium High Severe
0-10 10-20 20-30 30-40 40+

Leading position
in the sub-industry
peer group
rank 6 out of 71

(last update MBG score 02/2022)

ISS ESG

Corporate ESG
Performance

Prime

RATED BY
ISS ESG

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

Disclaimer

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labour strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in the current Annual Report or in the current Interim Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.