

**Speech by the Chairman of the Executive Board**

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**on the occasion of the Annual General Meeting of**

**Mercedes-Benz Group AG**

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Check against delivery

## Intro

Ladies and gentlemen!

How do we see Mercedes-Benz?

We, as the Board of Management. You, as the shareholders.

That's what we will be discussing today.

But how does a Mercedes-Benz actually "see" us?

The answer is simple: much like you are seeing me now.

Our latest models are equipped with dozens of sensors. Lidar, radar, cameras and ultrasound are scanning the surroundings – precisely and without pause.

What does this achieve?

Firstly: scratches and dents while parking become almost impossible – assuming one still wishes to park manually.

Even more importantly: this technology enables automated driving.

We are a pioneer of this dynamic development.

And we've achieved it in the Mercedes way: innovative, comfortable and safe.

Whilst we take great pride in our tradition – what lies ahead is even more important to us.

And with that, a very warm welcome to the Annual General Meeting!

...Let's bring the picture back into focus!

Anyone who works for Mercedes-Benz bears responsibility.

For this company. For this brand.

In doing so, we think long-term.

One day, we want to hand Mercedes over to the next generation – in an even better state.

To achieve this, we have a clear plan.

It consists of five key points:

- We put the customer at the centre.
- We are introducing a new generation of Mercedes technology.
- We are initiating the biggest product launch programme in our history.
- We are strengthening the resilience of our business.
- And we are generating attractive returns for you.

This is what I would like to talk about today.

Let us start right at the beginning.

## **CUSTOMER**

100 years ago, a symbol was born:

the three-pointed star within a laurel wreath.

It continues to adorn our vehicles to this day.

Today, Mercedes-Benz is the most valuable luxury car brand in the world.

Why? What makes it so special?

A thousand extraordinary details.

Perfectly combined.

For genuine Mercedes moments.

Mercedes stands for prestige. For safety. For quality and technical excellence. For effortless comfort. For technologies that deliver real value to our customers.

We are committed to fulfilling these promises.

Again and again.

- With every new model.
- With every innovation.
- With every interaction with our brand.

This is why we are investing specifically in our locations.

For example, New York: we have been present in Manhattan for over 70 years. Thanks to a comprehensive redesign of our brand presence, a visit there has now become an unforgettable experience.

Another example: a unique AMG experience centre is being created in Qiddiya City, Saudi Arabia. Fans of sports car, motorsport and adrenaline can look forward to it.

At the same time, we are continuing to expand our digital sales. In the meantime, we now offer an online presence in more than 40 markets.

Whether online, offline, or both – at Mercedes, customers decide what suits them best.

The same applies to their choice of technologies.

## TECHNOLOGY

We are now introducing a new generation of Mercedes-Benz high-tech across all relevant areas.

This is the second point of our plan.

Our goal remains clear: new Mercedes-Benz vehicles should, in the long term, be CO<sub>2</sub>-neutral<sup>1</sup> across their entire lifecycle.

Even though the transformation is currently progressing more slowly:  
We are staying on course.

With the EQS, we set a technological milestone. With the new CLA<sup>2</sup>, we are going even further.

At 12.2 kilowatt hours per 100 kilometres, the CLA is the most efficient series production vehicle we have ever built. You could say: it is the one-litre car of the electric age. A masterpiece by our engineers.

The CLA has a range of up to 792 kilometres<sup>3</sup>.

From Stuttgart to my Swedish homeland, it's around 1,100 kilometres. I visit my family there every summer. With the CLA, it's possible with just one charging stop. So much for range anxiety!

There's something else:

With the CLA, the prices of electric vehicles and combustion engines will draw closer together. The running costs of most electric vehicles are already lower.

If you're still unsure – no problem.

The CLA is also available with our new electrified high-tech hybrid engine. The petrol engine is so efficient that there's no longer any need for a diesel.

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<sup>1</sup> Net carbon-neutral means that carbon emissions that are not avoided or reduced at Mercedes-Benz are compensated for by certified compensation offsetting projects

<sup>2</sup> CLA 250+ with EQ Technology (energy consumption combined: 14.1-12.2 kWh/100 km | CO<sub>2</sub> emissions combined: 0 g/km | CO<sub>2</sub> class: A)

<sup>3</sup> According to WLTP.

In the coming years, we will offer both:

- state-of-the-art electric vehicles,
- and state-of-the-art electrified combustion engines.

Our plants are set up flexibly, allowing us to respond quickly to market developments.

The core of our sustainability efforts is the product itself.

But we are also working across the entire value chain — from beginning to end.

At our eCampus in Stuttgart-Untertürkheim, we have been intensifying our research into battery cells since last July.

- Charging performance and energy density are being further improved.
- Energy consumption and battery costs are being reduced.

With our new recycling plant in Kuppenheim, we are closing the battery loop. There, we can recover more than 96 percent of a battery.

In addition to having the most innovative drive technologies, we also aim to lead in the digital experience.

And here too, the CLA is nothing short of a revolution.

It's a supercomputer on wheels.

One example: its computing power.

In 1969, a computer performing fewer than one hundred thousand calculations per second helped humankind reach the Moon.

Today, we have chips like this.

A single chip can now perform 254 trillion calculations per second.

That's 254 – followed by 12 zeroes.

Four chips are built into the new CLA.

They are part of MB.OS – our new operating system.

The brain of our cars.

The intelligent combination of hardware and software.

With it, we are ushering in a new era.

We developed MB.OS ourselves.

And some of the world's best partners are on board.

- With Google, for example, we deliver the best navigation experience in our cars.
- Our partnership with Disney+ offers even more entertainment.
- In China, we are expanding our infotainment, including a collaboration with Bytedance.

Our new vehicles are smarter than ever before. Thanks to artificial intelligence, they become personal assistants.

And over time, they continue to improve.

The software stays up to date with updates – no need to visit a workshop.

We are making a huge leap forward in automated driving. The CLA will offer even better support in urban traffic in the future.

All I need to do is select my destination.

To set off, I simply tap the accelerator pedal.

I remain responsible, of course. But the car makes everything much easier.

Starting, stopping, turning.

Signalling, overtaking, merging, making U-turns.

The car masters all of this.

The system can manage complex scenarios in city traffic – junctions and traffic lights, construction sites and roundabouts.

Even when I am steering the car myself, the system remains active.

In China, this feature will be available from this year.

The USA is expected to follow next year.

As soon as regulations permit, we will also introduce the technology in Europe.

In China, we are going even further.

In Beijing, we are already testing fully automated Level 4 driving. We are the first international manufacturer authorised to do so.

The technology of today is the result of years of research and development.

As early as the 1980s, we laid the foundations for automated driving in the PROMETHEUS project.

We are now working on the innovations of the future.

Three small examples:

We're working on a solar paint. A coat of it is thinner than a human hair.

It can be applied to the bodywork like a paste.

On a medium-sized SUV, under ideal conditions, the paint could generate enough energy for up to 12,000 kilometres per year. That means even greater range.



A second example is the so-called “In-Drive Brake”.

It is no longer positioned traditionally at the wheel but integrated into the electric motor and transmission unit.

This brake experiences minimal wear. It does not rust. It is virtually maintenance-free. In short: the brake remains intact until the vehicle is scrapped.

The third example is inspired by the unbeatable efficiency of the human brain.

Efficiency is a crucial benchmark for electric vehicles — increasingly also in terms of the energy consumption of digital applications.

“Neuromorphic Computing” replicates the functioning of the brain. It could, for example, reduce the energy required for data processing during automated driving by up to 90 percent.

Such innovations will not go into series production tomorrow – but perhaps the day after tomorrow.

## PRODUCT

Groundbreaking technologies form the basis for the biggest product launch programme in the history of Mercedes-Benz.

This is the third pillar of a successful future for our company.

We build the most desirable cars in the world.

That is our ambition.

Across every segment in which we are represented.

One decisive factor in this is design.

It has always been so — and it always will be.

Most recently, we introduced the Maybach SL<sup>4</sup> and the AMG Purespeed<sup>5</sup>.  
Two new models with the potential to become classics.

Next year, we will launch a new design language. It will further develop what has characterised Mercedes for decades: composure and timeless style.

Anyone who sees one of our cars in their rear-view mirror will immediately recognise: That's a Mercedes.

And the design will be consistent across the range.

In the future, customers will first choose a model — and then select their preferred drivetrain.

This CLA is electric. I wager you would not be able to tell the difference from a combustion-engine CLA.

The new design is one piece of a much broader renewal. By 2027, we will present dozens of new vehicles.

The new CLA marks the beginning. It has been available for order in Europe since last week.

I have already spoken about its range and efficiency.

In terms of charging speed, we are getting closer to the experience of refuelling at the gas pump. Since the beginning of my speech, the car could have already recharged around 300 kilometres.

This too is a leading value in its class.

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<sup>4</sup> Mercedes-Maybach SL 680 Monogram Series (provisional figures, combined energy consumption: 13.7 l/100 km | combined CO<sub>2</sub> emissions: 312 g/km | CO<sub>2</sub> class: G)

<sup>5</sup> Mercedes-AMG PureSpeed (combined energy consumption: 13.7 l/100 km | combined CO<sub>2</sub> emissions: 312 g/km | CO<sub>2</sub> class: G)

It makes the CLA a role model for the next generation of vehicles – including those in upper segments.

The GLC is our bestseller. Customers love it. We intend to continue this success story with its electric version. We will unveil the car at the IAA in September.

In 2026, the new GLE will make its debut. For the first time, we will produce the long-wheelbase version in China for the Chinese market. The rear-seat comfort will be unique.

For decades, the S-Class has epitomised elegance and engineering excellence. It is the undisputed market leader in its category.

We will further strengthen this position. In 2026, the fundamentally redesigned S-Class will be launched.

In 2027, we will introduce the electric E-Class. Drivetrain, assistance systems, sense of space, comfort – the electric E-Class will push the boundaries of its segment.

We are massively enhancing the substance of our entire product range – from drivetrain efficiency to vehicle intelligence.

At the same time, we are defining new segments. The latest example: the Vision V. We presented it two weeks ago in Shanghai.

The Vision V showcases what luxurious mobility looks like.

It is a private lounge on wheels.

First-class for the road.

At the touch of a button, the interior transforms into a home cinema, a workspace, or a karaoke bar.

We see enormous potential for this vehicle –  
in Asia, but also in other regions around the world.

The Vision V is a concept vehicle.

But much of it will go into series production.

Starting as early as next year.

## RESILIENCE

To achieve this, we need the innovative power of our engineers – and the necessary financial strength.

This is the fourth factor for a successful future of Mercedes-Benz.

We are currently investing around 14 billion euros per year into our locations and development. But first, we have to earn that money.

This is why we aim to make our business even more resilient. We have launched a comprehensive programme for this.

It is called: Next Level Performance.

Within this programme, we want to:

- Position ourselves optimally towards our customers,
- ensure an exceptional brand experience,
- and continue to develop our strong corporate culture.

It also concerns our strategy for the world's most important market: China.

In recent years, we have dominated the premium and luxury vehicle market in China.

Now too, we are facing up to the intense competition —  
and stepping up our commitment.

We are bringing even more products to market that are tailored to the preferences of our Chinese customers. We will increase local development and production.

“Next Level Performance” is therefore about much more than just saving costs. But saving is also part of it.

We will prioritise investments.

And improve efficiency.

For our German sites, the company’s management and works council have agreed on a balanced package.

These measures will make us more competitive.

On this basis, we have extended employment security in Germany until the end of 2034.

But we all know: The best guarantee for the future is outstanding cars — at competitive costs.

## SHAREHOLDER

This also ensures that Mercedes-Benz remains an attractive investment for shareholders. This is a true measure of our success as a company.

This is my fifth point.

Between 2019 and 2024, we generated over 45 billion euros in cash flow.

We’ve shared this success with you, our shareholders.

Let’s assume you invested 100 euros in the company in 2019 – equivalent to two Daimler shares at the time.

Taking into account dividends, share buybacks, and the additional shares from the spin-off of Daimler Truck, your 100 euros would have doubled by the end of last year.

And we are maintaining our policy:

For 2024, we are proposing a dividend of 4.30 euros, representing a payout ratio of 41 per cent.

We remain committed to our capital allocation framework. However, the timing of share buybacks will be based on the market environment.

For this, dear shareholders, we kindly ask for your renewed authorisation today.

## POLITICS

Ladies and gentlemen,

the political climate is weighing on the global economy, financial markets, and companies – including ours.

Last week we presented our quarterly results.

In doing so, we emphasised: the situation is extremely volatile.

The future remains unpredictable.

We aim to cushion such turbulence as best we can. For instance, we have long relied on local production.

We want to build cars where they are sold — and we will intensify this approach.

At the same time, we will continue to advocate for free trade. Mercedes-Benz – like the entire automotive industry – has benefited from open markets.

I have therefore repeatedly spoken out – loudly and clearly – in favour of open markets.

I will continue to advocate for the interests of your company at every level.

A few months ago, I was elected President of the European Automobile Manufacturers' Association (ACEA).

This role opens up new opportunities to shape the future.

This applies to trade –  
but also to competitiveness.

We firmly stand by the goal of sustainable mobility.

But one thing is clear to me: We need a realistic and technology-open path to decarbonising the automotive industry in Europe.

A path driven by the market – not by penalties.

I want to help bridge the gap between political ambitions and economic reality.

Germany must once again become the driving force of Europe. That is my greatest wish for the new federal government, which has been in office since yesterday.

Greater financial flexibility can help push the country forward.

However, it does not strengthen competitiveness on its own.

For that, we need structural reforms. And an ambitious industrial policy. We need lower energy prices, fewer bureaucratic hurdles, a major digitalisation drive, and more flexible labour market regulations.

The start has been promising: two weeks ago, Vice Chancellor Klingbeil visited us in Sindelfingen. The commitment to the car and to Germany as an industrial location is important.

Now we need to see action.

## CLOSING

Ladies and gentlemen,

My speech today has been about 20 minutes long. The annual report has 453 pages.

But ultimately, it's quite simple:

- Focus on the customer.
- The most desirable cars.
- Groundbreaking technologies.
- A profitable company.
- An attractive investment.

That's what Mercedes is all about.

That's our promise. And that's what we intend to deliver.

But our success also has another dimension — a greater one. Let me end with a short story:

I receive a lot of letters. Some more enthusiastic, some less so...

But this particular message moved me deeply.

This is the Peregrini family from Mission Viejo, California.

On the evening of August 3rd, 2024, at eight o'clock, the daughter Leah was out with a friend — driving the family's C-Class.



Suddenly, she lost control.

She slammed into a crash barrier. The car rolled over several times. On impact, the vehicle caught fire.

The fire protection wall kept the flames away from the passenger cell. The side airbags formed a barrier against the shattered glass. They were able to exit the vehicle through the driver's door.

This is what the car looked like...

Doctors at the hospital said that fewer than 10 percent of people survive an accident like this.

Leah and her friend only suffered a few scrapes.

Her father John wrote to me, saying one could call it a miracle. But he would say that it was the safety technology of Mercedes-Benz that saved their lives.

The Peregrini family, in any case, will remain loyal Mercedes customers for life! Recently, they picked up their new GLC.

It is for stories like these that we at Mercedes get up every day. This is why my colleagues and I give our very best.

And we are delighted that you are with us on this journey.

Thank you very much!

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**Forward-looking statements:**

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 the communication regarding sustainability topics (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 the current Annual Report or in this Speech. 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.