

Roadshow Presentation

Q2 2022

Mercedes-Benz Group AG

# AGENDA

## I. RESULTS Q1 2022

## II. OUTLOOK FY 2022

## III. STRATEGY

### 1. MERCEDES-BENZ CARS

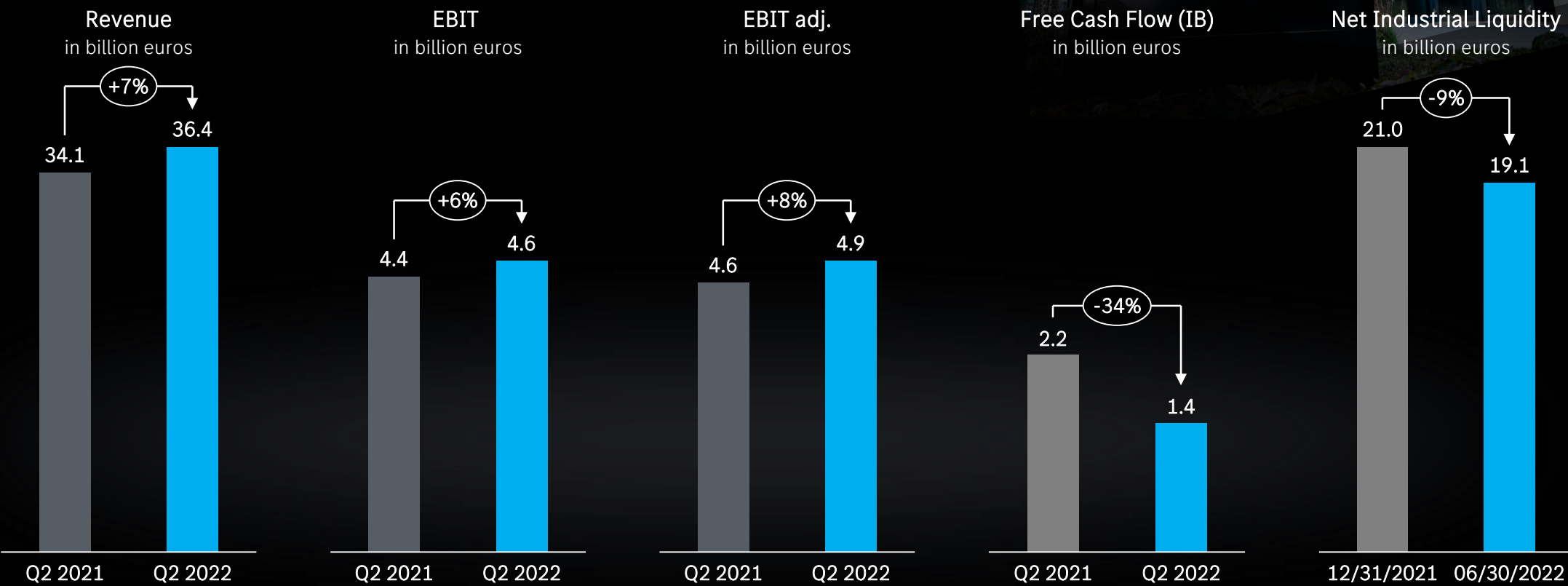
#### 1.1 LUXURY STRATEGY

#### 1.2 ELECTRIFICATION & AUTOMATED DRIVING

### 2. MERCEDES-BENZ VANS

### 3. MERCEDES-BENZ MOBILITY

# Mercedes-Benz Group: Key figures\*



# Mercedes-Benz Group: Minimizing the impact of limited gas supply



Mercedes-Benz is a global company. Risk of bottlenecks in gas supply existing in Europe. Gas supply at our plants currently stable.

First measures executed to reduce consumption; further significant reduction potential identified

Long-term plan to switch from gas to electricity & other renewable resources

In constant exchange with gas suppliers, production partners & relevant authorities



# Mercedes-Benz Group: Minimizing the impact of limited gas supply



Mercedes-Benz

**Performance:** Demonstrated resilience in challenging environment, vigilance towards macroeconomic & geopolitical developments

**Profitability:** Net pricing positive & healthy mix

**Products:** GLC world premiere, EQE start of sales, EQS SUV production ramp-up

**Technology:** EQXX with new efficiency record (>1,200 km), L3 system available for EQS & S-Class

**People:** Investment in training & qualification

**Strategy:** Sharpened focus of business model & product portfolio (Economics of Desire)

# Mercedes-Benz Cars:

## Preparing our production network for our all-electric portfolio



Decision reached on new production setup in close cooperation with employee representatives

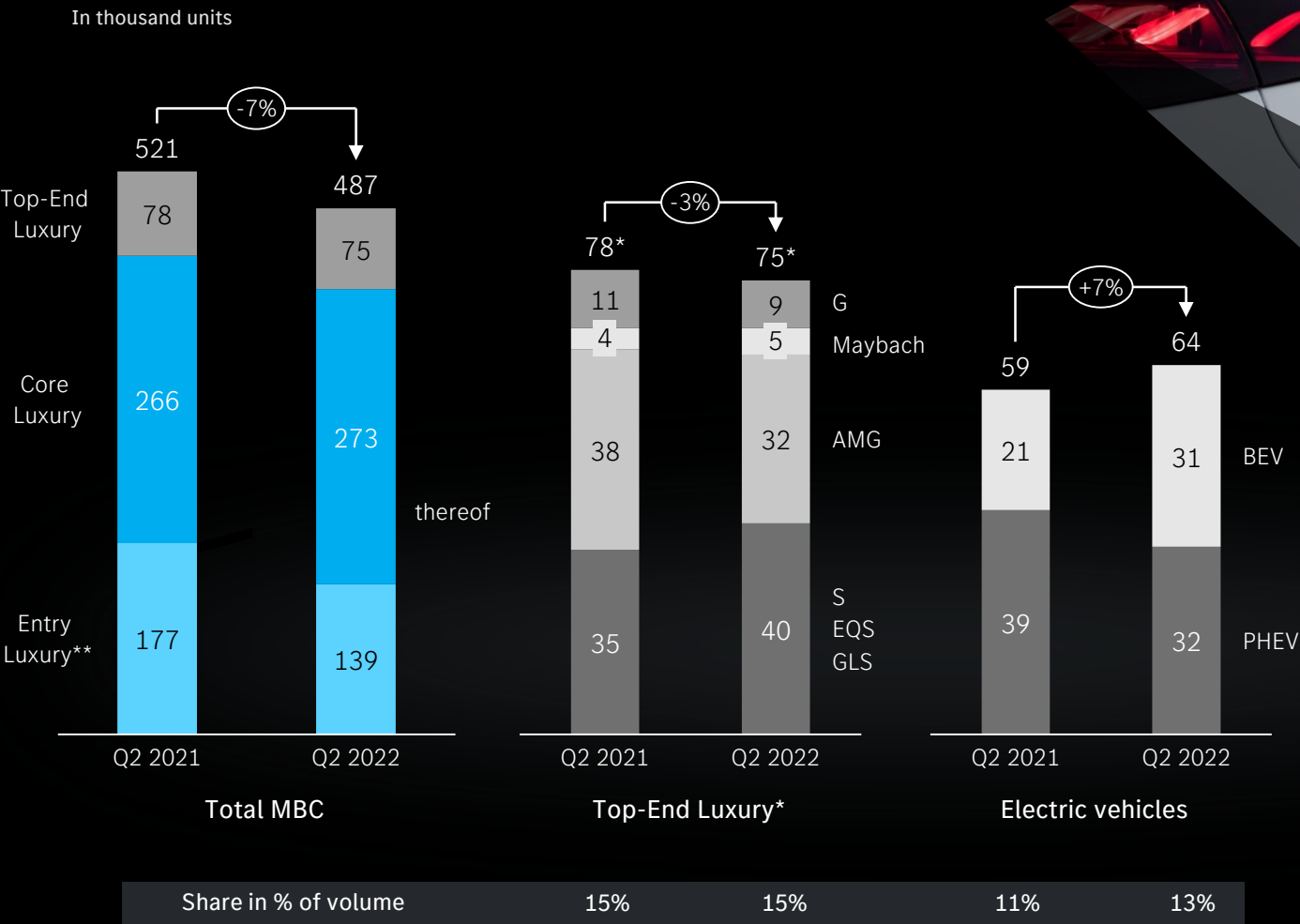
Foundation for rapid, efficient & flexible scaling of next-generation electric vehicles

Models of Entry (MMA) and Core (MB.EA) Luxury segment to be produced in Kecskemét from 2024

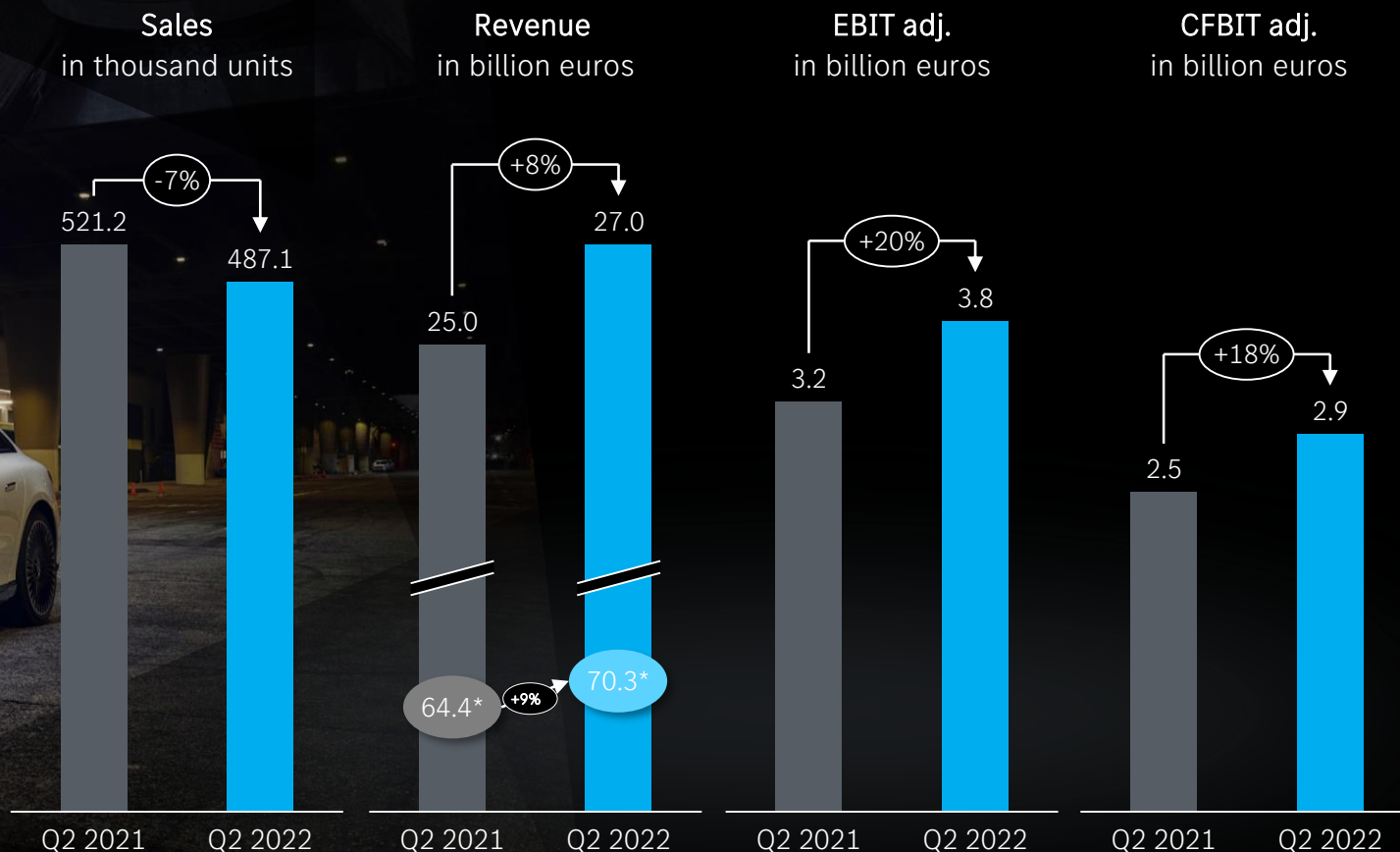
Bremen plant to manufacture cars based on electric MB.EA platform, AMG.EA will be built in Sindelfingen, MMA in Rastatt

# Mercedes-Benz Cars:

## Top-End Luxury and electric vehicle unit sales

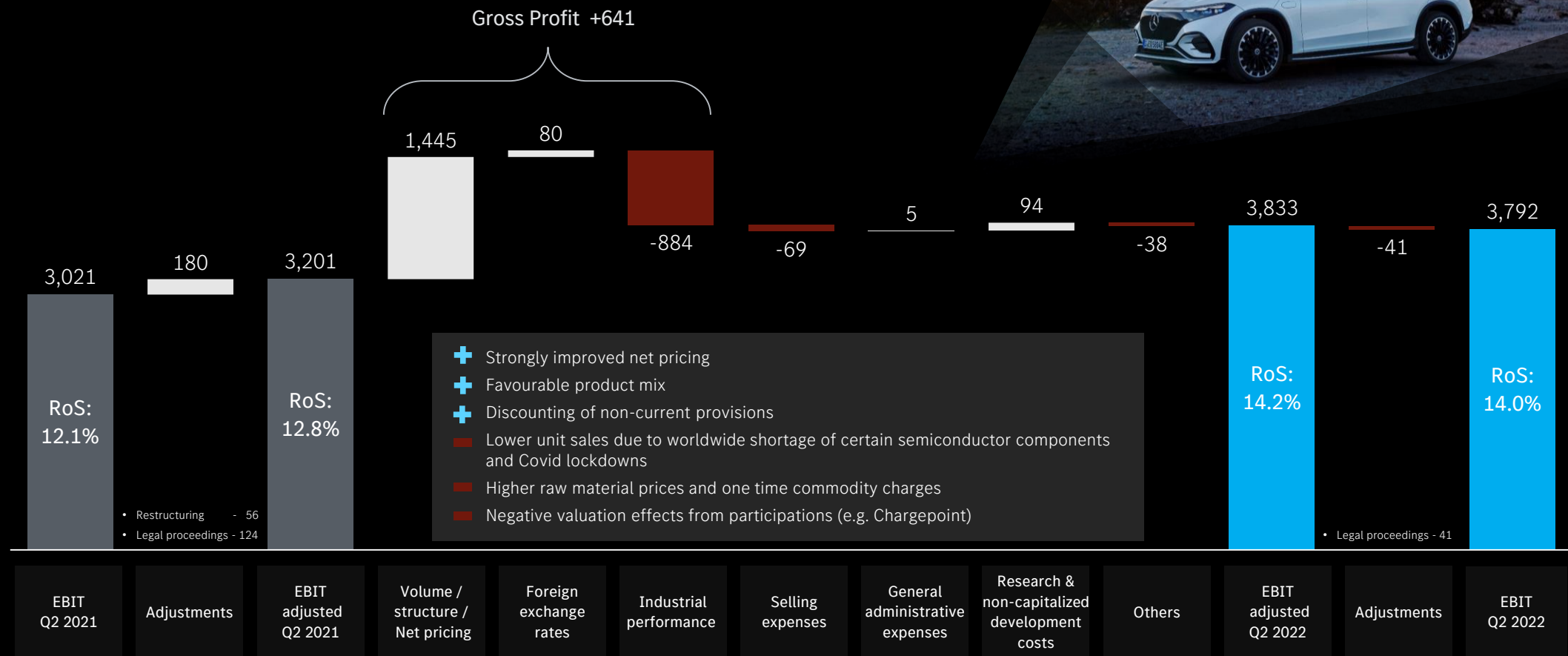


# Mercedes-Benz Cars: Financials



# Mercedes-Benz Cars: Q2 2022 EBIT & RoS

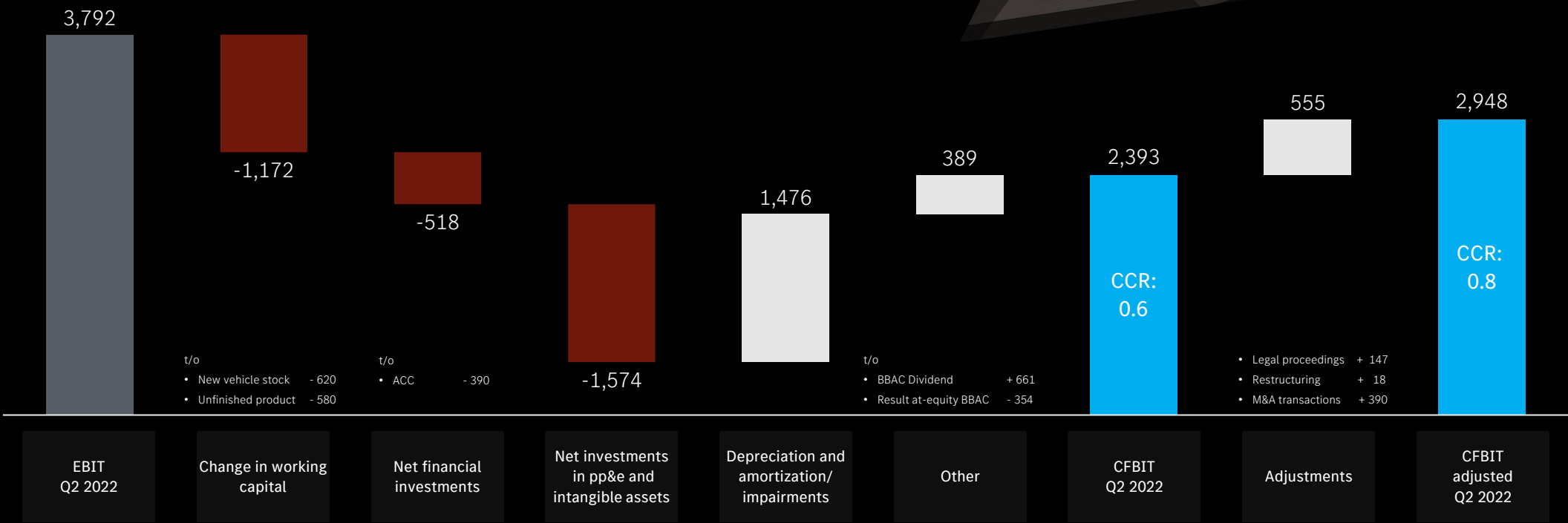
In million euros





# Mercedes-Benz Cars: EBIT to CFBIT

In million euros





# Mercedes-Benz Vans: Key messages



**Performance:** Stable unit sales and increased revenue despite semiconductor shortage

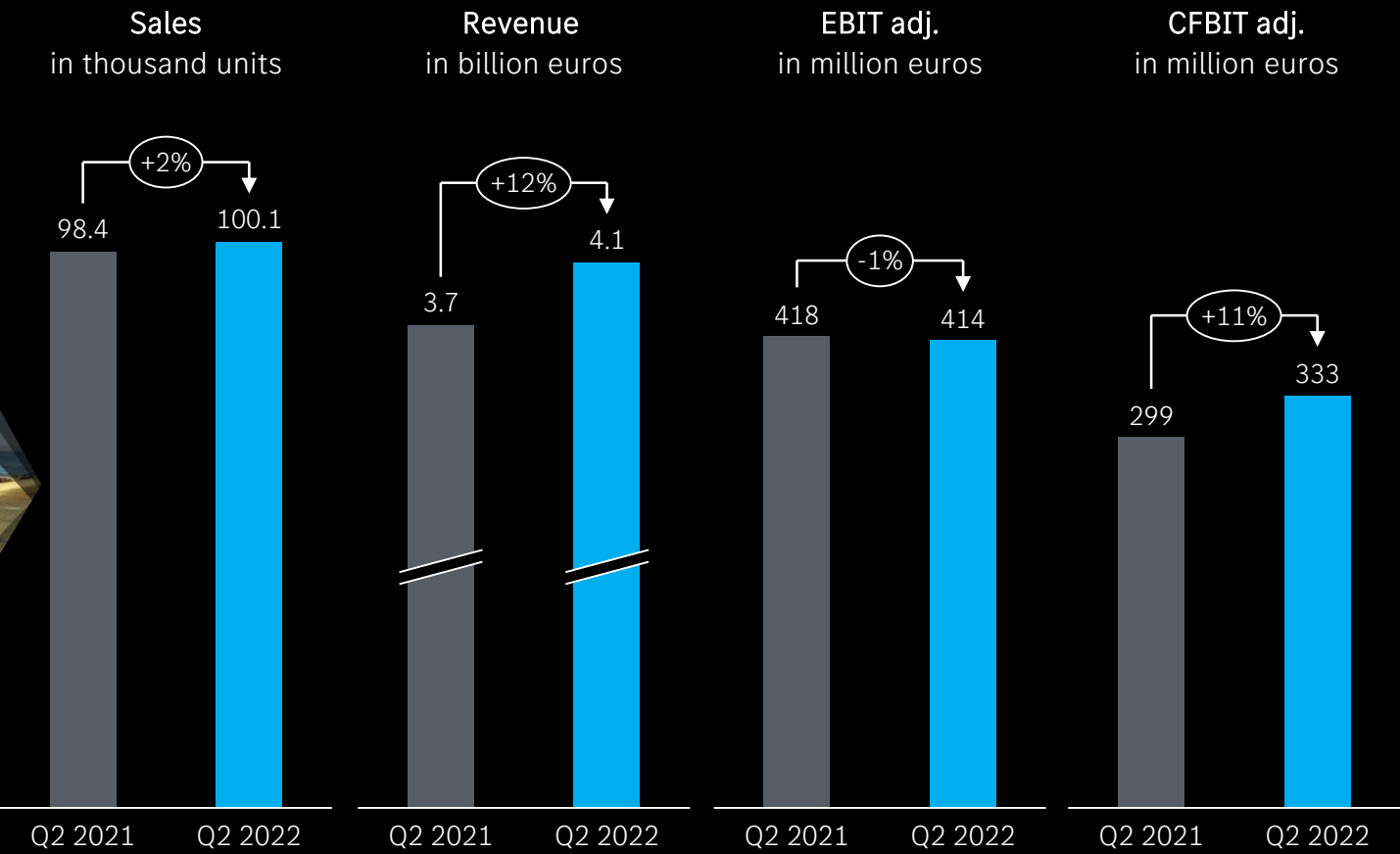
**Market:** Record sales of Sprinter and Metris in the US

**Profitability:** Double digit margin reflects healthy mix and pricing

**Electrification:** Share of eVans increased significantly vs. prior year (+>50%), in particular commercial eVans

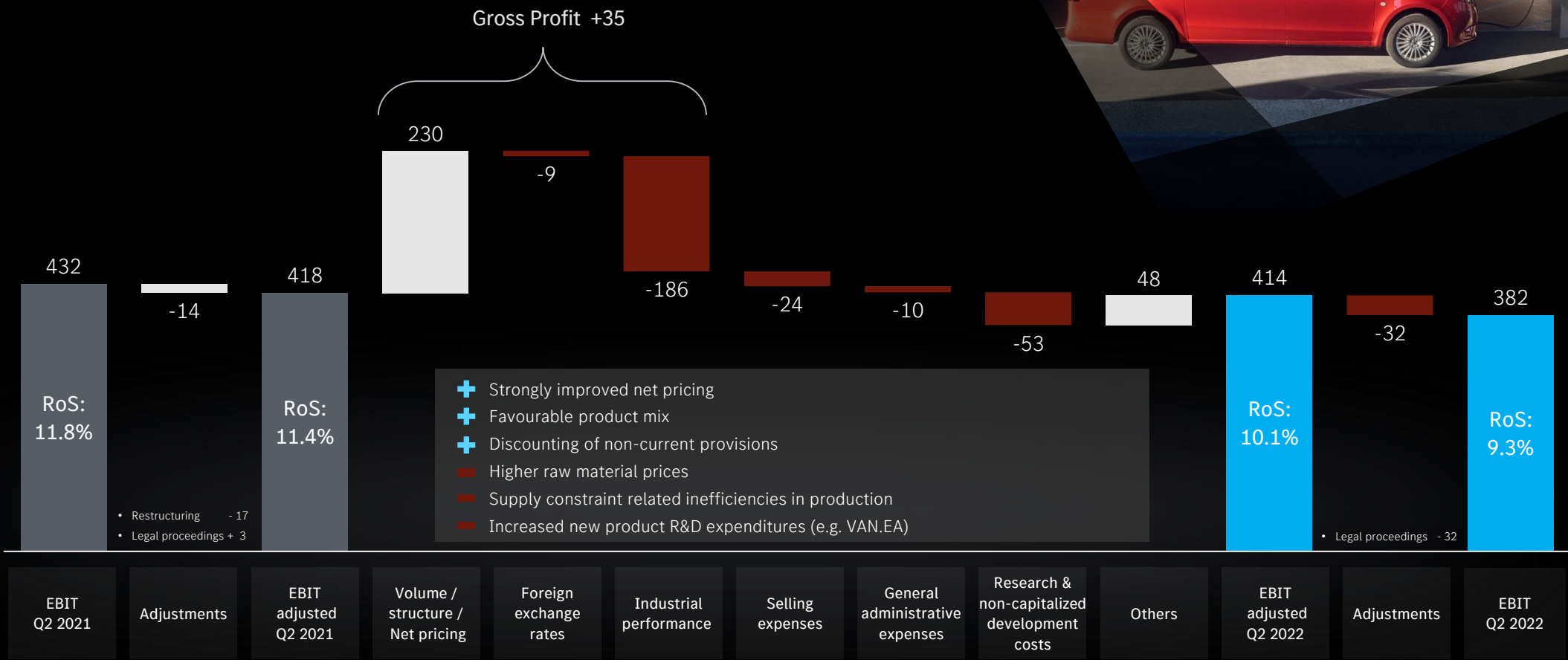
**Strategy:** Focus on lead in electric and preparing for EV transition (e.g. VAN.EA)

# Mercedes-Benz Vans: Financials



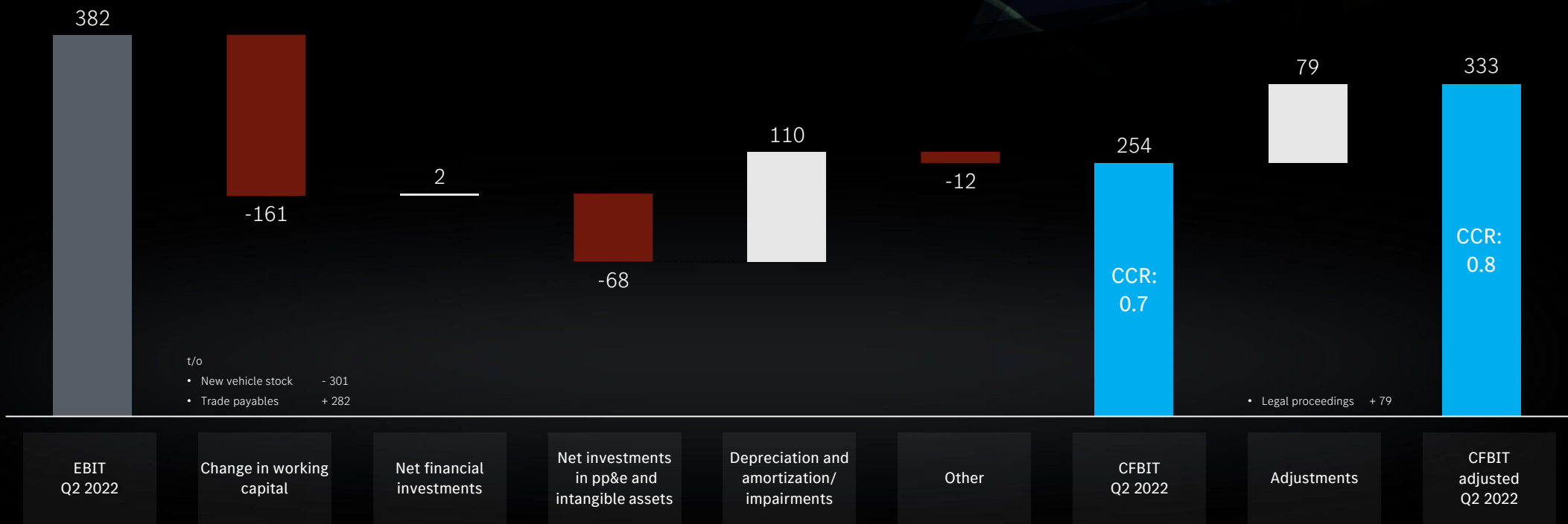
# Mercedes-Benz Vans: Q2 2022 EBIT & RoS

In million euros



# Mercedes-Benz Vans: EBIT to CFBIT

In million euros



# Mercedes-Benz Mobility: Key messages

New business still impacted due to supply constraints and lower penetration

Interest margin remains stable despite increasing interest rates

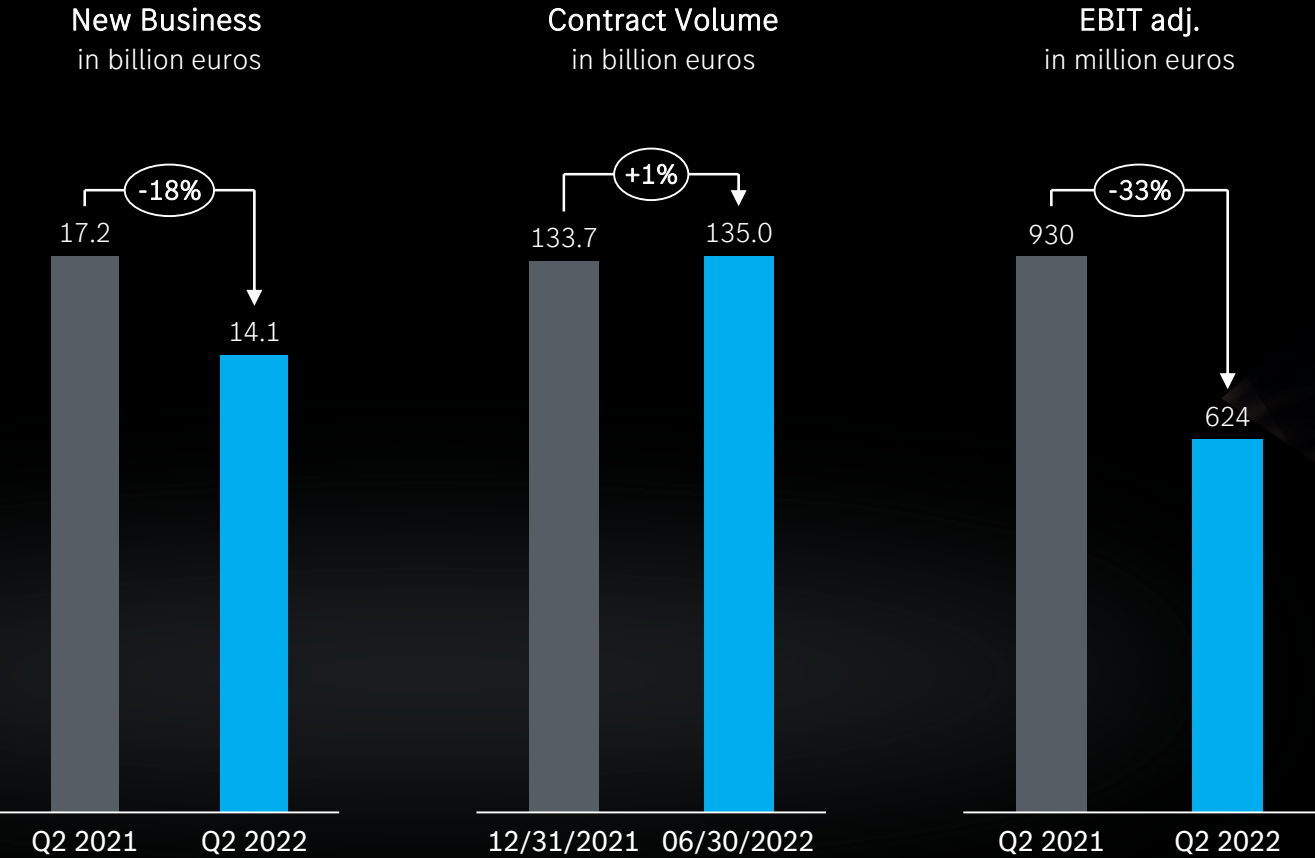
Net credit losses at low level similar to 2021

Increase in Cost of Credit Risk driven by weaker macroeconomic outlook

Successful sale of ShareNow to further streamline the mobility participations portfolio



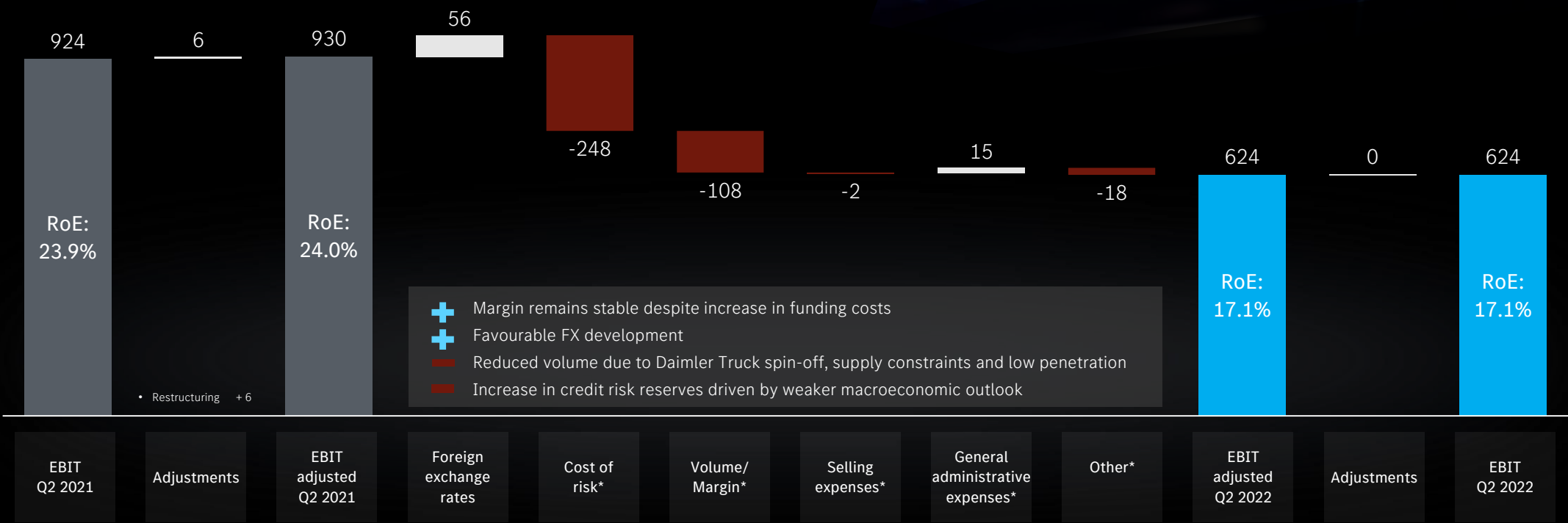
# Mercedes-Benz Mobility: Financials





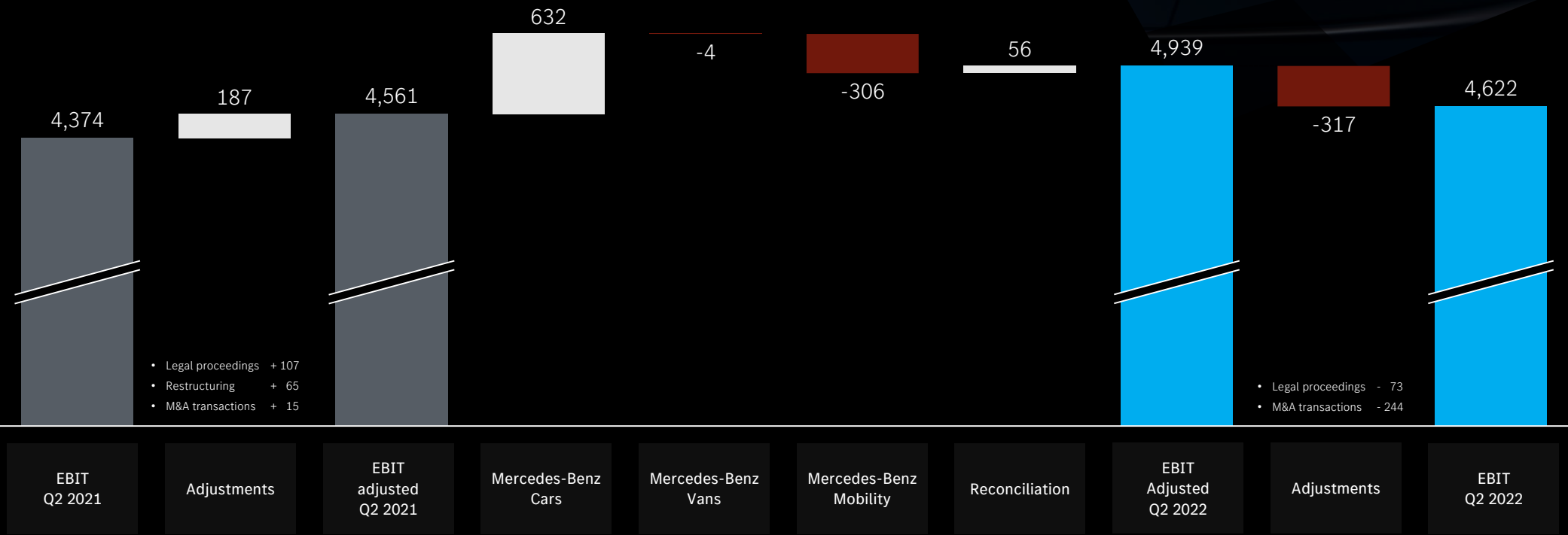
# Mercedes-Benz Mobility: Q2 2022 EBIT & RoE

In million euros



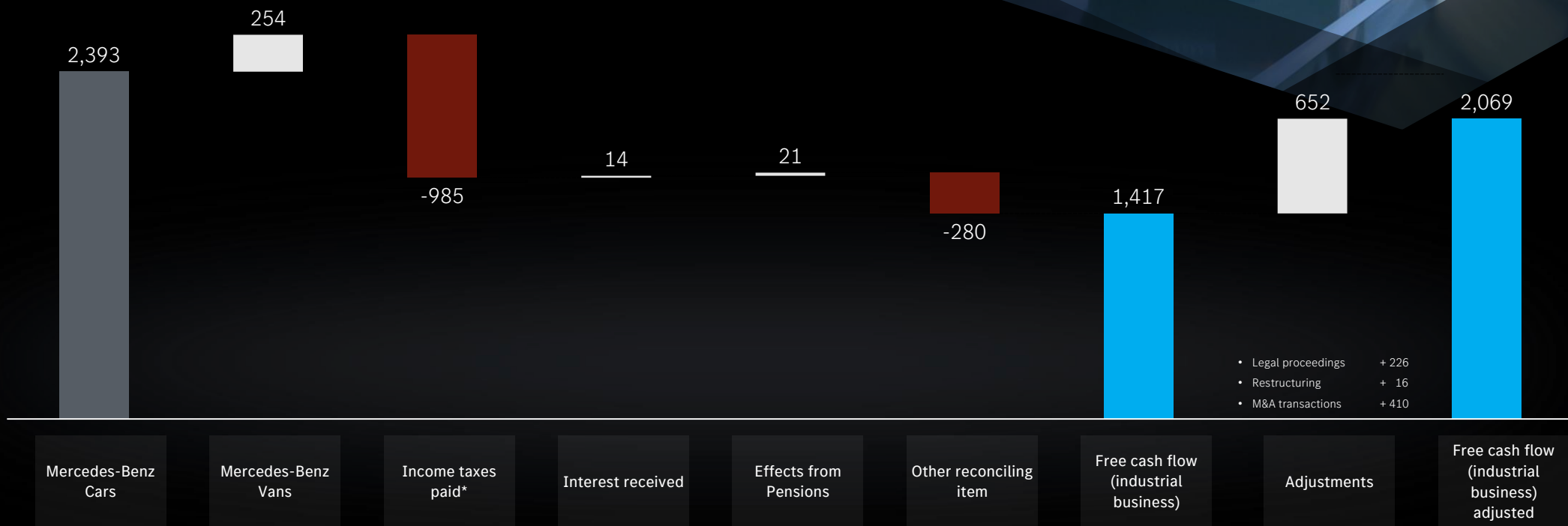
# Mercedes-Benz Group: Q2 2022 EBIT\*

In million euros



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

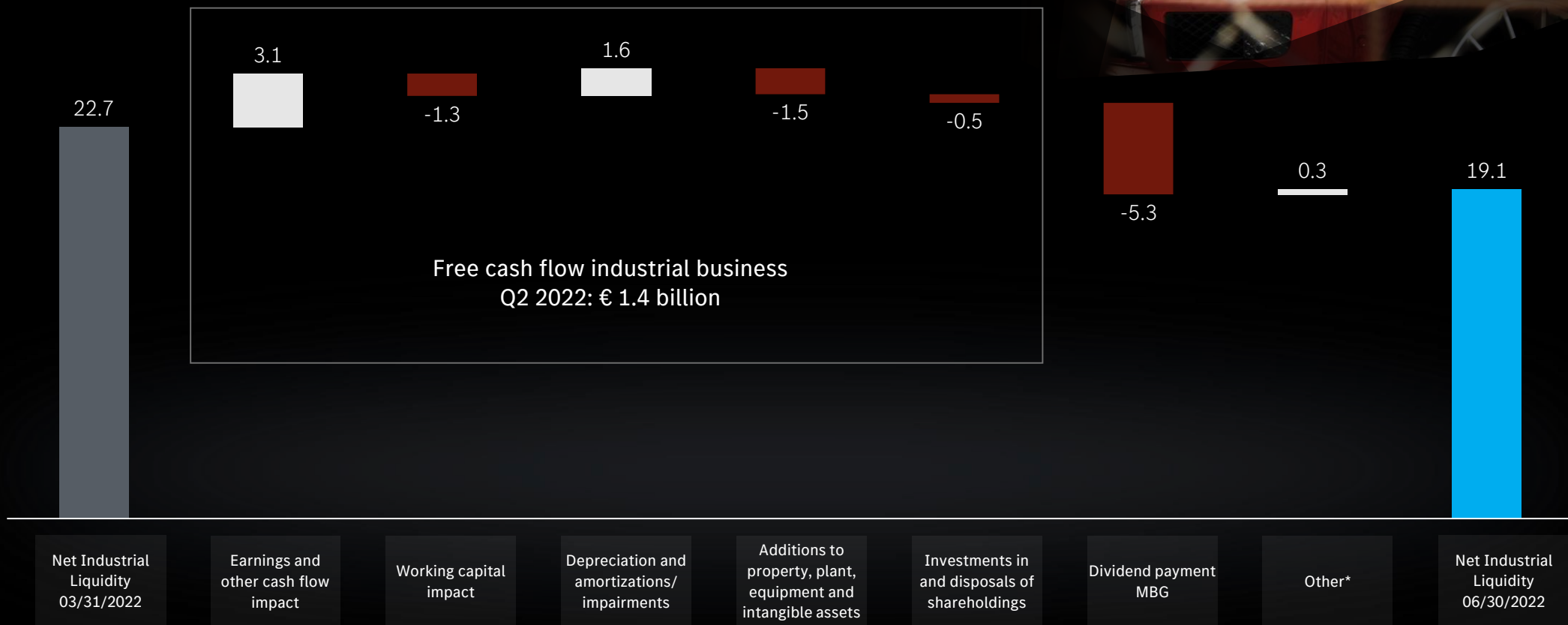
In million euros



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

# Mercedes-Benz Group: Net Industrial Liquidity

In billion euros



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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. A key 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 and have not yet been taken into account in our key figures, but could possibly have substantial negative consequences for our business activities, should it escalate beyond its current state. In addition, the continued very high inflationary pressure for consumers and companies and the associated central-bank increases in interest rates as well as ongoing bottlenecks in global supply chains make the outlook more difficult. Not least the further course of the pandemic, in particular in China, holds uncertainties for the expected development of the market.

Unit Sales	Mercedes-Benz Cars	Slightly above
	Mercedes-Benz Vans	Slightly above
Return on Sales (adjusted*)	Mercedes-Benz Cars	12 to 14 %
	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	Significantly below
	Mercedes-Benz Vans	Significantly above
R&D expenditure	Mercedes-Benz Cars	Significantly above
	Mercedes-Benz Vans	Significantly above

\* The adjustments include material adjustments if they lead to significant effects in a reporting period. These material adjustments relate in particular to legal proceedings and related measures, restructuring measures and M&A transactions (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. A key 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 and have not yet been taken into account in our key figures, but could possibly have substantial negative consequences for our business activities, should it escalate beyond its current state. In addition, the continued very high inflationary pressure for consumers and companies and the associated central-bank increases in interest rates as well as ongoing bottlenecks in global supply chains make the outlook more difficult. Not least the further course of the pandemic, in particular in China, holds uncertainties for the expected development of the market.

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

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

\* CO<sub>2</sub> emissions of the new car fleet in Europe (European Union, Norway and Iceland)



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# Strategic priorities for this year – implementation on track



Scale  
electric  
vehicles

Significant increase of  
BEV sales

Grow  
luxury  
business

MBSU May 19th

Accelerate  
car  
software

MBSU preparation

Alleviate  
supply  
constraints

Deep sourcing progress

Focus  
relentlessly  
on costs

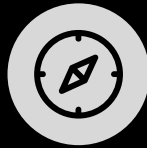
On course

# Three levers to sustainably improve our cash flow



## “Free up cash”

- Reduction of working capital: from purchase to production to sales
- Joint optimization of inventories along the value chain
- Target: generate as much cash inflow as possible as early as possible and as little cash out as possible as late as possible



## “Improve cash flow steering”

- Creating more transparency and visibility
- Integration of cash flow as an established part of our management and decision-making processes



## “Establish cash flow culture”

- Cash flow as part of the Mercedes-Benz DNA: from management to employees
- Demonstrating how everyone can positively influence the cash flow in their day-to-day work
- Establishing cash flow orientation as the basis for responsible management of the scarce resource “money”

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

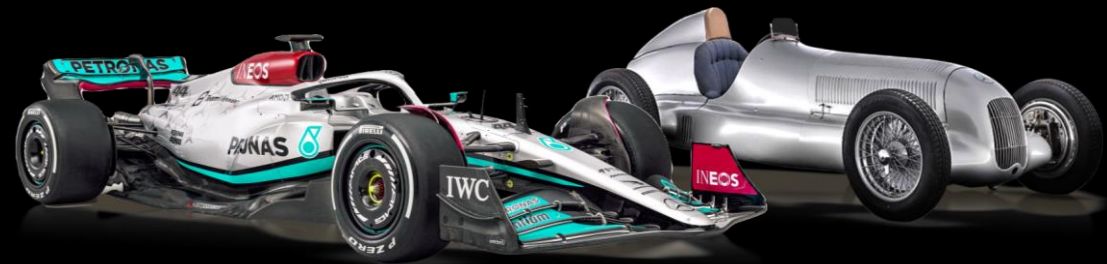
## Heritage:

Mercedes-Benz is built on constant reinvention



## Formula 1:

The power of F1 for our brand



Source: Interbrand Best Global Brands 2021



# Zeitgeist relevance: There's no luxury without sustainability

Our sustainability goals:

2022

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

2025

Up to  
50% xEVs

2030

ready to go all electric  
where market  
conditions allow

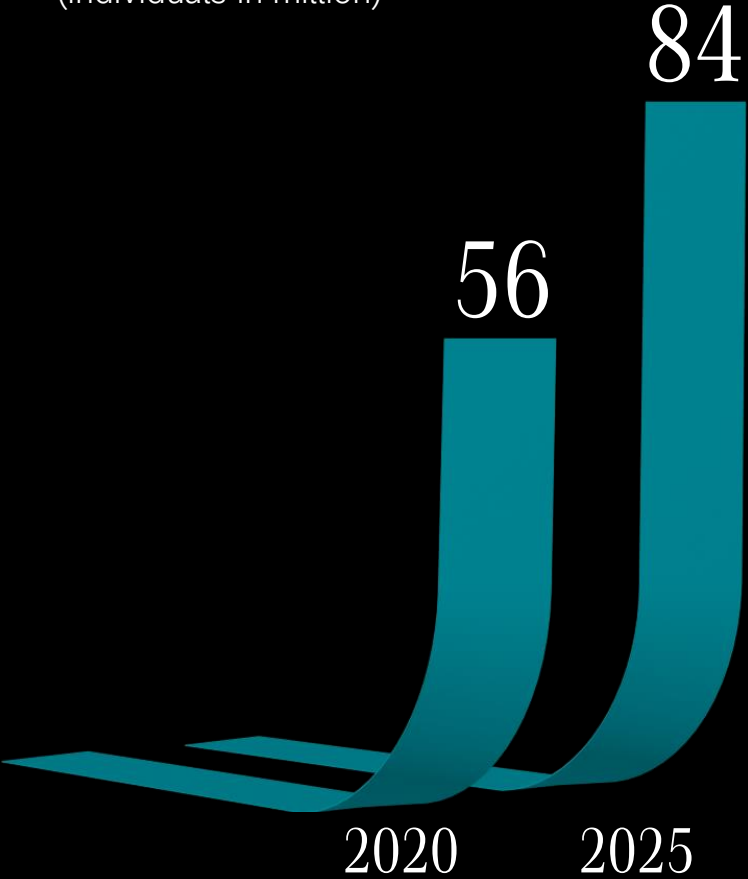
2039

Carbon  
neutrality



# Growth: The luxury segment is resilient, profitable and accelerating

Adults with wealth above USD 1 m  
(individuals in million)



Wealth growth even in mature markets  
(individuals in million)

North America	22	↗	28
Europe	16	↗	24
China	5	↗	10

Source: Credit Suisse, Global Wealth Report 2021

# Understanding our customers



50%

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

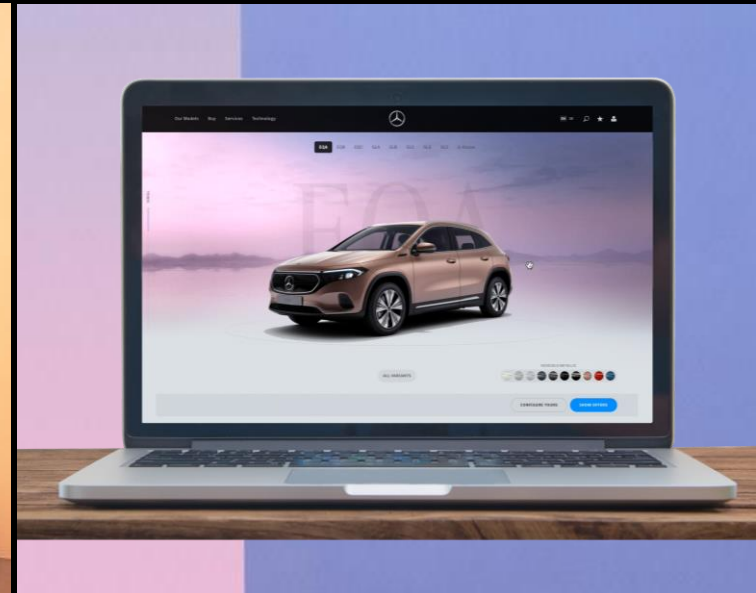
Source: Credit Suisse, "Global Wealth Report 2021"



~180%

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

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



60%

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

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

# Approaching our customers

Specific Mercedes-AMG touchpoints  
continue to grow worldwide



Digitalisation drives the importance of the  
physical brand experience



Direct sales:  
one giant leap for our customers and for us

Our ambition for 2025

20 markets  
globally

over 80%  
direct sales in Europe

25% online  
sales



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

+30%

Top-end vehicle unit sales in 2021



~60%

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





# Developing Desire

Strong Brands  
Refined Portfolio



Cutting-edge  
Technology



Sensory  
Product Experience



Sustainability



# Desire for... TECH

## Digital innovations for China



# Our game plan: generate returns consistent with our luxury status

## What we are going to do

- Focus on **pricing power**
- Optimise product portfolio
- Tap full **potential of top-end segment**
- **Exit lower margin products and channels**
- **Control investment and capacity** while driving up contribution margins



## The financial Impact

- **Drive ASP higher**
- Find a **superior operating equilibrium**
- **Structurally higher profitability and improved margin resilience**
- **Higher return on invested capital**

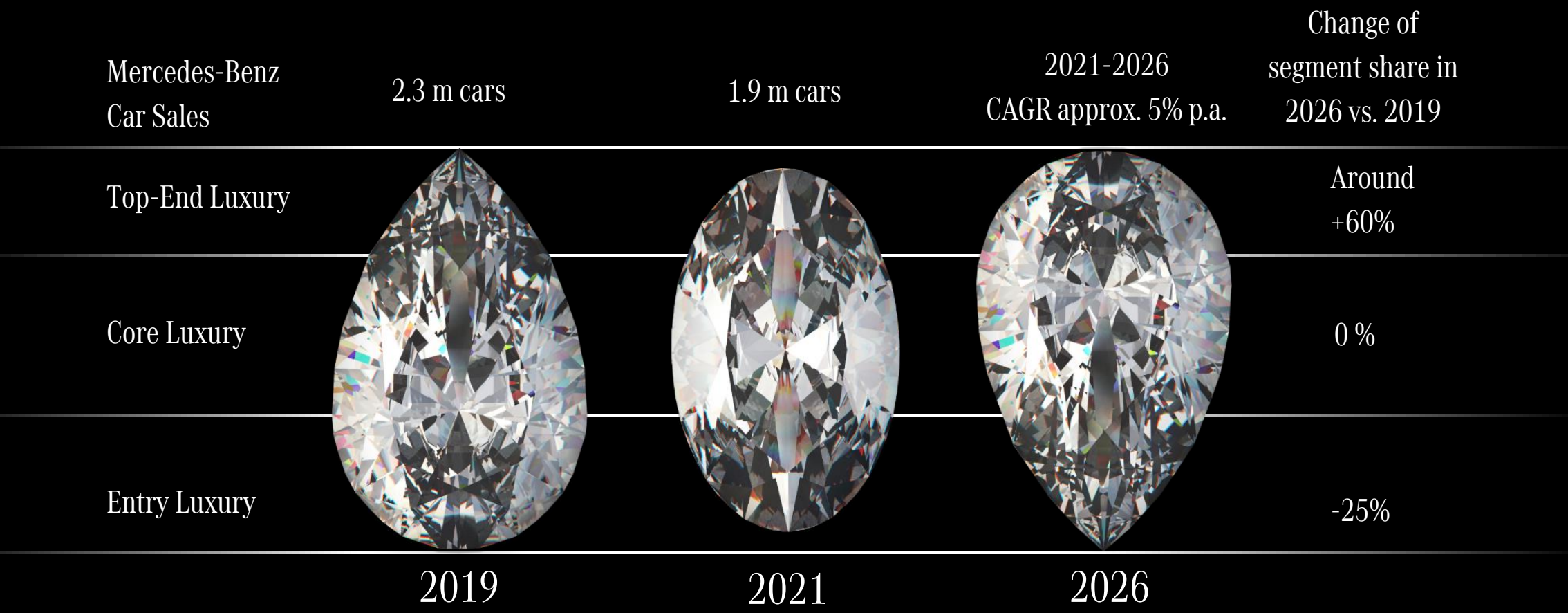
# The power of pricing is part of our strategy

## Key Levers

- Superior **brand** drives pricing power
  - Strong **products** enable ambitious **initial price setting** versus competition
  - Sustainable **price escalation**
  - Tight **discounts**: from sales push to lifecycle management
  - **Direct sales** model allows grip on pricing
- 
- » Clear objective to continually raise our net pricing yoy
  - » Ambition to compensate raw material cost increases via pricing
  - » We will continue to control pricing and supply even if competitors pursue a volume strategy

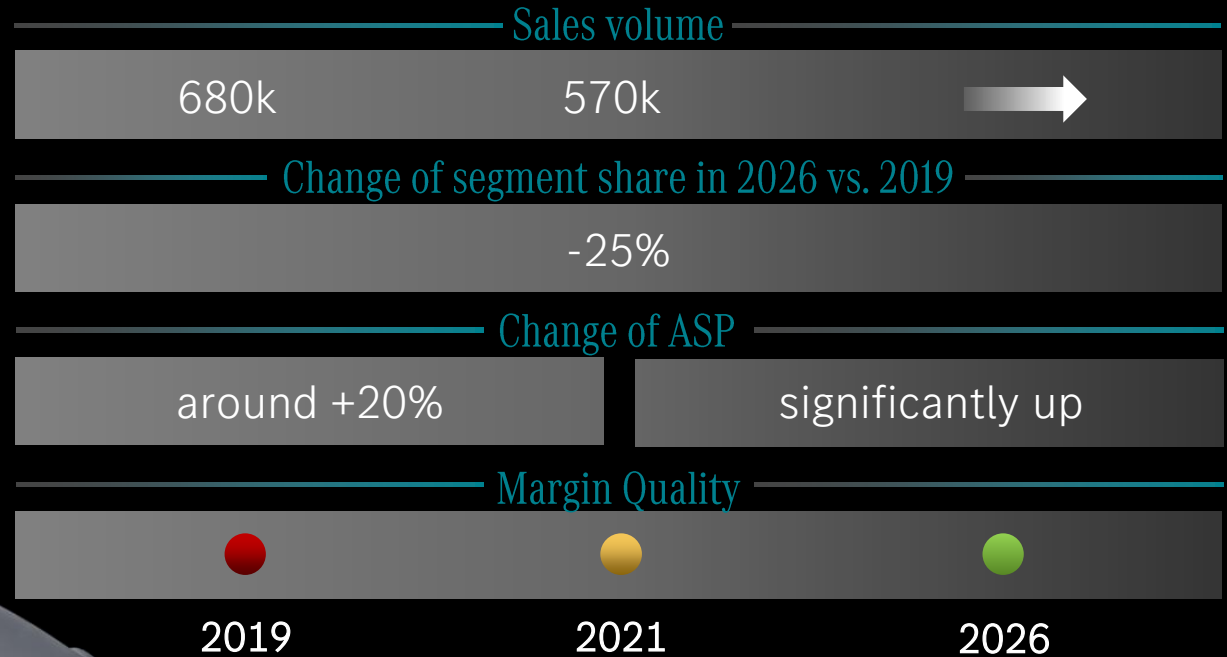


# Reshaped model portfolio will drive profitable sales growth



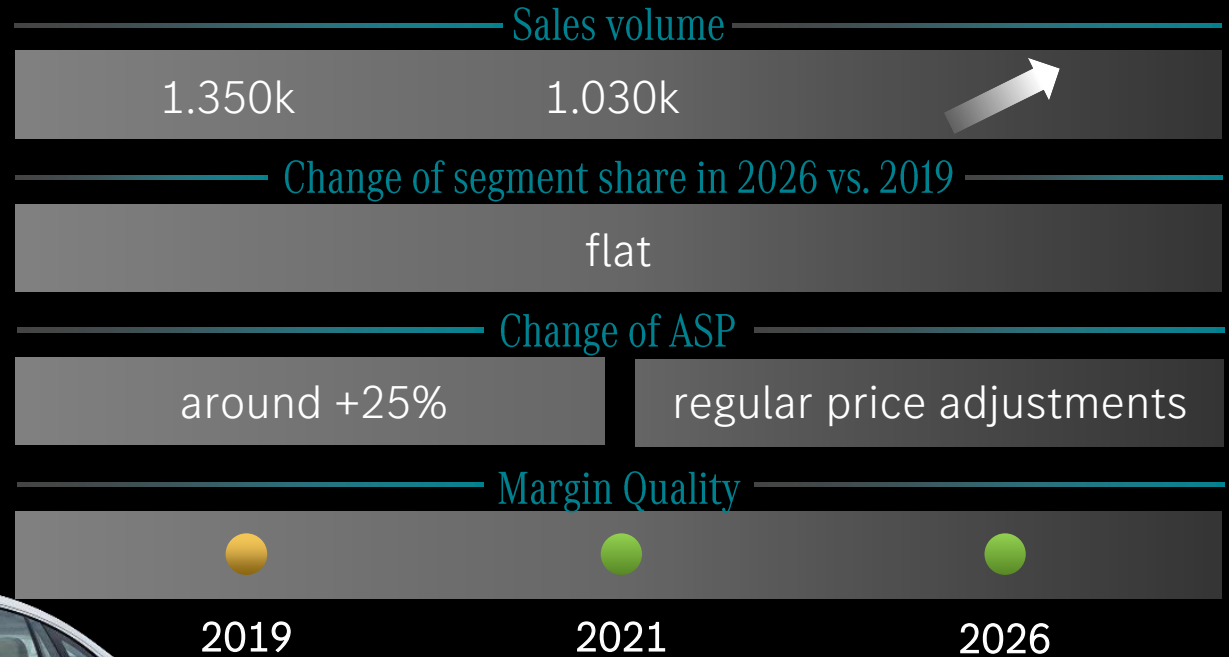
# Entry Luxury – Focus & Elevate

- Elevate to Entry Luxury
- Product range refocused on **fewer and more upscale portfolio positions**: 4 bodystyles instead of 7
- The new entrance point of the portfolio is **being redefined** with the next generation of vehicles
- **Margin threshold** supports Group margin ambition



# Core Luxury – Grow & Refine

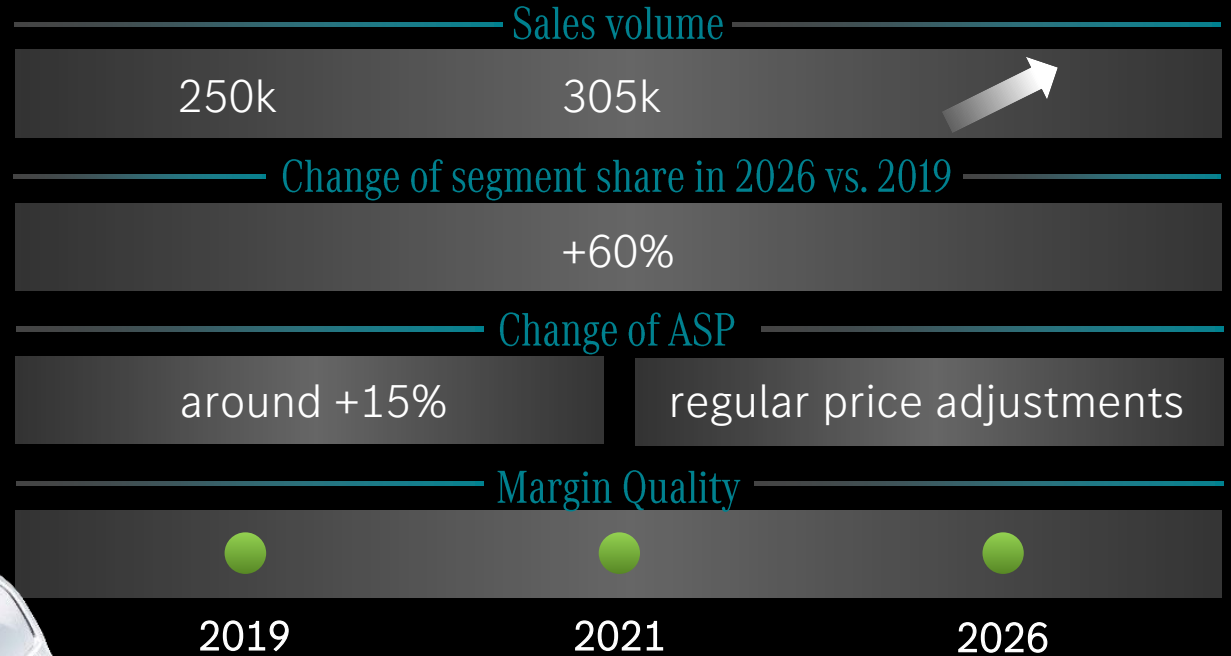
- Core Luxury going electric on an accelerated timescale, leveraging EVA (EQE, EQE-SUV) and then MB.EA architectures
- Very attractive C-Class in the market  
GLC to launch end of 2022  
Brand new E-Class in 2023
- Protect healthy margins on the way to BEV





# Top-End Luxury – Expand & Enhance

- Starting point: Over 300k top-end luxury units with ASP of > € 100k and top-end profitability
- Sustainable segment growth
- Desirable products fueling growth: EQS, EQS-SUV, EQS-SUV Maybach, SL, GT, AMG-EA
- Ultra exclusive collectibles and luxury customer experience

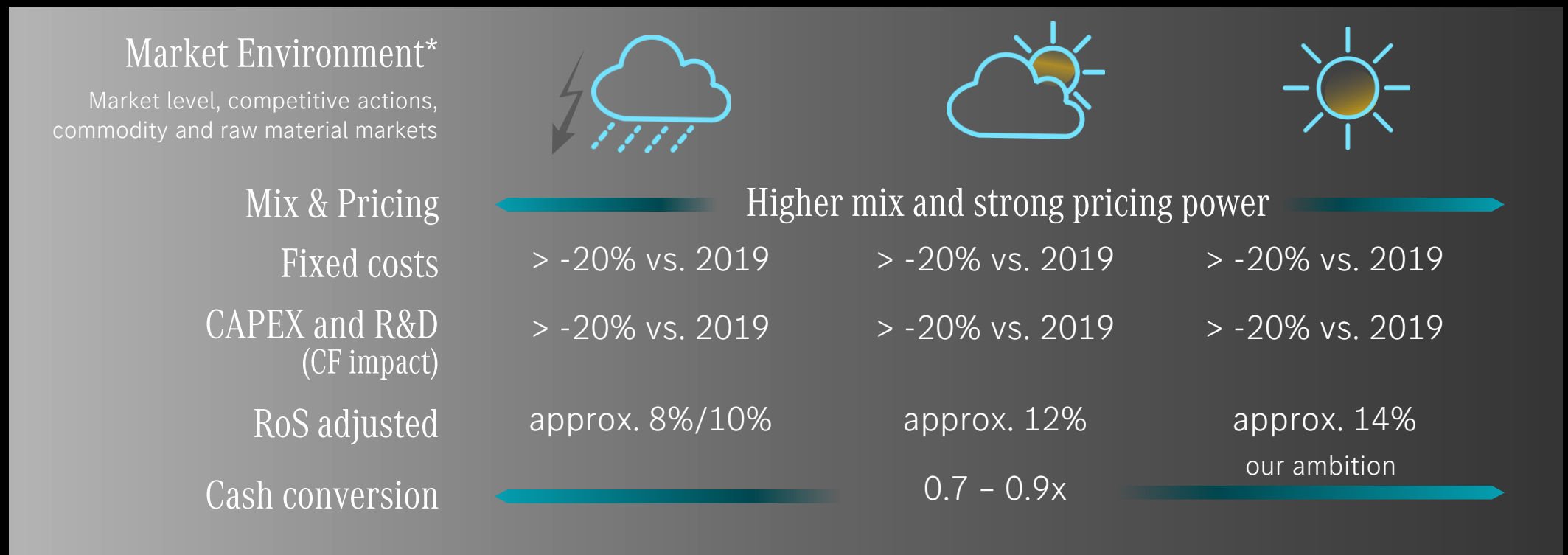


# Changing our economic equation

- Enhance ROIC: control the denominator while raising the numerator (operating and cash margins)
- Drive growth through high utilisation, 'reverse auction' of available capacity to build the most profitable models
- 75% of capital allocation focused on top-end and core segment where the returns are most promising
- Intelligent and careful capital allocation to build EV capabilities and supply chain

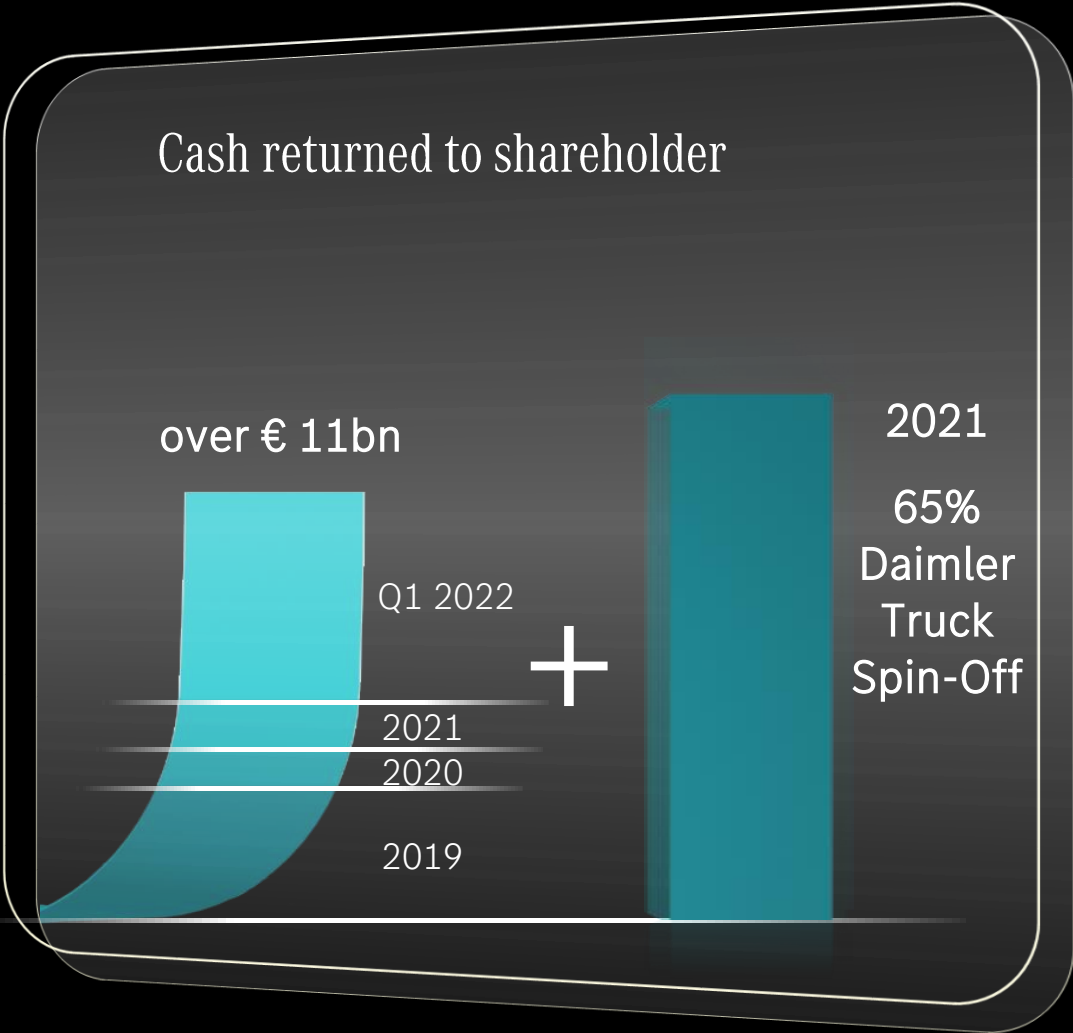
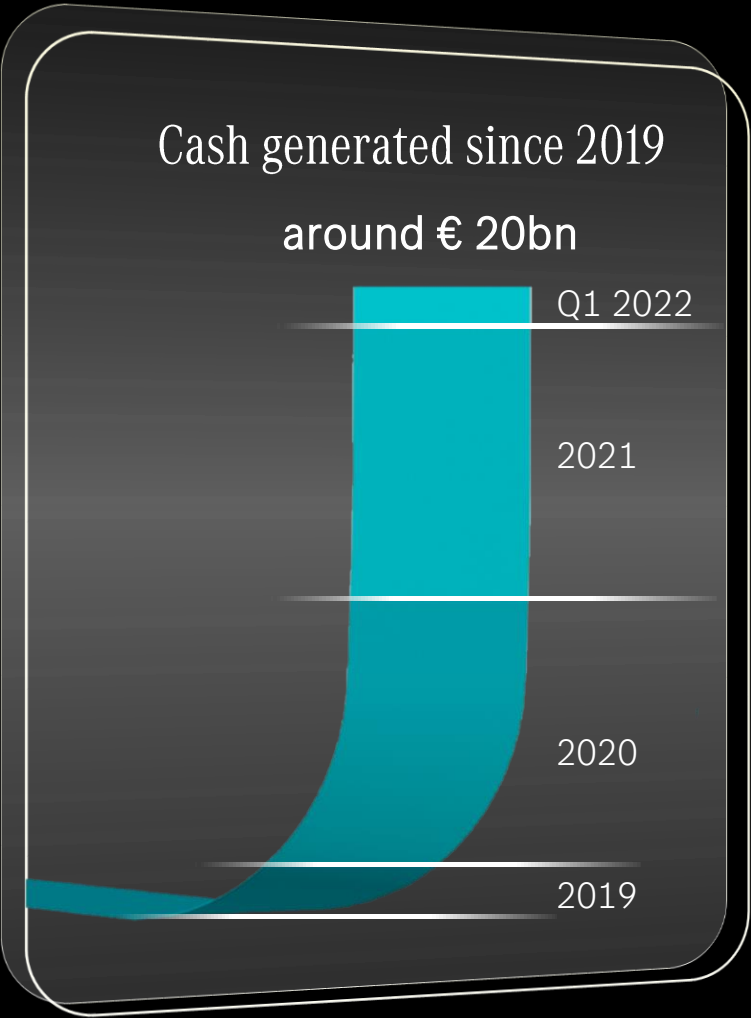


# Our financial ambitions for Mercedes-Benz Cars in 2025: structurally higher profitability and lower margin volatility



\* Market Environment compromises of the above listed external factors. There might also be situations, which are impossible for us to forecast and not covered within the weather chart e.g. „black swans“ like Covid-19 in 2020. Major tectonic shifts on raw material side or on the geo-political side might be further potential examples. By the nature of these events providing a margin forecast for such extreme scenarios is not possible.

# Cash culture at work



# Bottom line

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





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# Ambition 2039 – our commitment to CO<sub>2</sub> neutrality over lifecycle

Supply chain



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

Production & Logistics



SBTi

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

Well-to-tank



SBTi

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

Tank-to-wheel



SBTi

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

End-of-life



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

Mercedes-Benz will be ready to go

all-electric  
within this decade

# At the end of the decade, our focus will be on BEV only

By 2025, our customers will be able to choose an **all-electric alternative for every model** we make

It's our ambition to drive the **plug-in hybrid & BEV share up to 50% 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**



# The EQS: the first electric vehicle in the luxury class



Launched in 2021

WLTP ranges of up to 780 kilometres<sup>1</sup>

With its  $C_d$  figure<sup>2</sup> from as low as 0.20 the EQS is the world's most aerodynamic production car.

Drive powers from 245 to 385 kW. A performance version with up to 560 kW is being planned

Power for up to another 300 kilometres (WLTP) is recharged in just 15 minutes<sup>3</sup>

<sup>1</sup> The electrical consumption (and information based thereon) has been determined on the basis of Commission Regulation (EC) 692/2008 according to NEDC and Commission Regulation (EU) 2017/1151 according to WLTP.

<sup>2</sup>  $C_d$  figure 0.20: EQS 450+ with 19-inch AMG wheel/tyre combination and AMG Line exterior (available in the EU from the end of 2021) in the SPORT drive program

<sup>3</sup> Charging speed at DC fast charging stations with 500 amps



# The EQE: the new business avant-garde



Global launch: mid-2022

Depending on the on-board equipment and configuration, WLTP operating ranges of up to 654 kilometres\*.

A lithium-ion battery with 10 cell modules is installed.

In 15 minutes it is possible to charge the EQE with up to 35.55 kWh – this corresponds to a range of up to 250 kilometres based on the WLTP range\*.

The battery certificate stands for the long service life of the high-voltage batteries. It is valid up to a term of ten years or up to 250,000 kilometres.

\* Range and electrical consumption have been determined on the basis of Commission Regulation (EC) No. 2017/1151/EU

# The EQS SUV: Redefined SUV luxury



Launch: Second half of 2022

WLTP ranges of up to 660 kilometres<sup>1</sup>

Lithium-ion battery with up to 12 cell modules

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

15 minutes, power corresponding to a range of up to 250 kilometres<sup>2</sup> can be recharged on the basis of the WLTP range

The 6-phase design makes the permanently excited synchronous motor (PSM) particularly powerful. Its peak power is 265 kW.

<sup>1</sup> 536-660 km are the provisional range figures of the EQS 450+ (WLTP: Combined power consumption: 23.0-18.6 kWh/100 km; combined CO<sub>2</sub> emissions: 0 g/km). Data on power consumption and range are provisional and were voluntarily determined internally in accordance with the "WLTP test procedure" certification method. There are no confirmed figures from an officially recognised testing organisation to date. Deviations from the final data are possible.

<sup>2</sup> Provisional figures for the EQS 450+ (WLTP): combined power consumption: 23.0-18.6 kWh/100 km; combined CO<sub>2</sub> emissions: 0 g/km). Data on power consumption and range are provisional and were voluntarily determined internally in accordance with the "WLTP test procedure" certification method. There are no confirmed figures from an officially recognised testing organisation to date. Deviations from the final data are possible.

# Our electric product rollout is running at full speed

In Q2 Mercedes-Benz was able to almost doubled battery electric EQ models sales to 23,500 units (+90%).

In total, the Mercedes-Benz Cars xEVs (PHEVs and BEVs including smart) reached 65,400 units (+2%) in Q2.

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



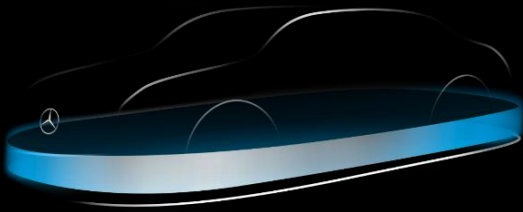
EQE SUV



Electrified T-Class

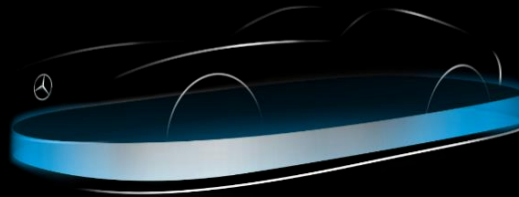
# Three Mercedes-Benz EV-only architectures to be launched in 2025

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



MB.EA

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



AMG.EA

dedicated performance  
electric-vehicle architecture



VAN.EA

for electric vans  
and light commercial  
vehicles

\* where market conditions allow

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

Our targets:

Capacity of more than 200 Gigawatt hours

8 new cell factories around the world:

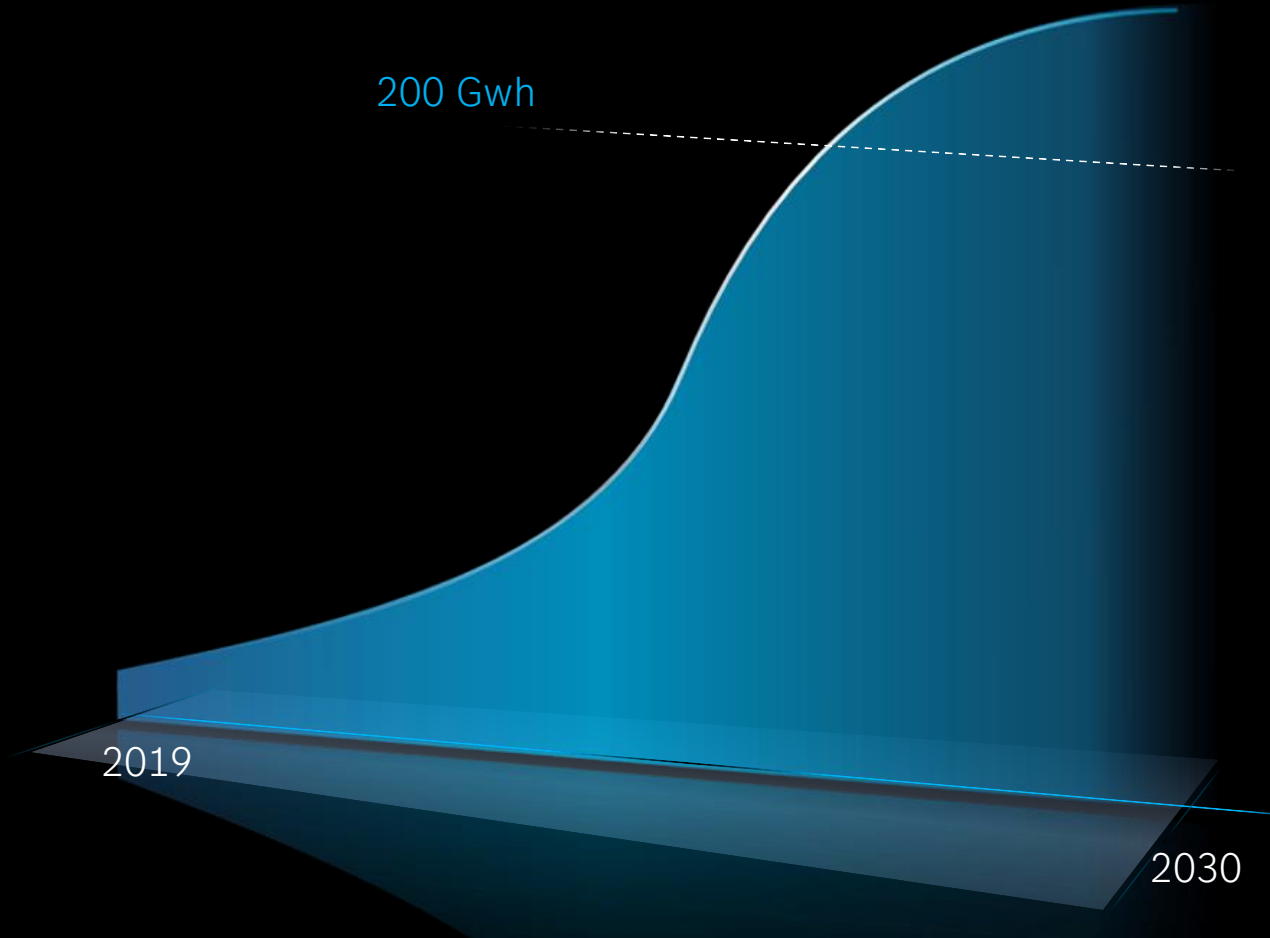
one in the U.S., four in Europe with our partners

Our partners are:

CATL, FARASIS, ACC, AESC

Needed battery volume for all car lines

200 Gwh





# By joining ACC, we build a European battery champion

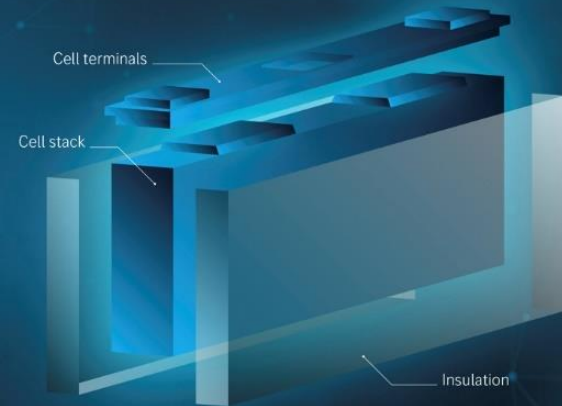
We take a one third stake in [Automotive Cells Company \(ACC\)](#).

Our goal: [Joint development and production of cells and modules in Europe](#).

[ACC](#) will reach a capacity of [at least 120 Gigawatt hours](#) in Europe by the end of the decade.

[ACC](#) will [supply](#) Mercedes-Benz with [high-performance battery technologies](#) from its production locations from mid of the decade.

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



# Our batteries will be highly standardized

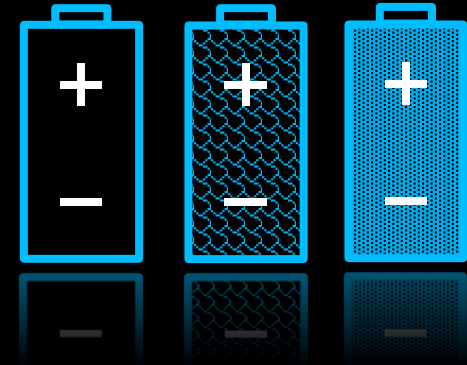
More than 90% of all future Mercedes-Benz vehicles will be based on a common battery platform

We are aiming for a modular battery system that consists of uniformly designed components and standard interfaces to the entire vehicle

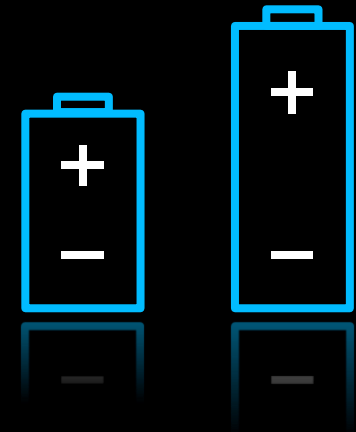
Only two differentiating characteristics will create the necessary variance in terms of range, charging and life performance: cell chemistry and size

## Differentiating factors

Chemistry



Size



# Developing the next generation battery cell technology

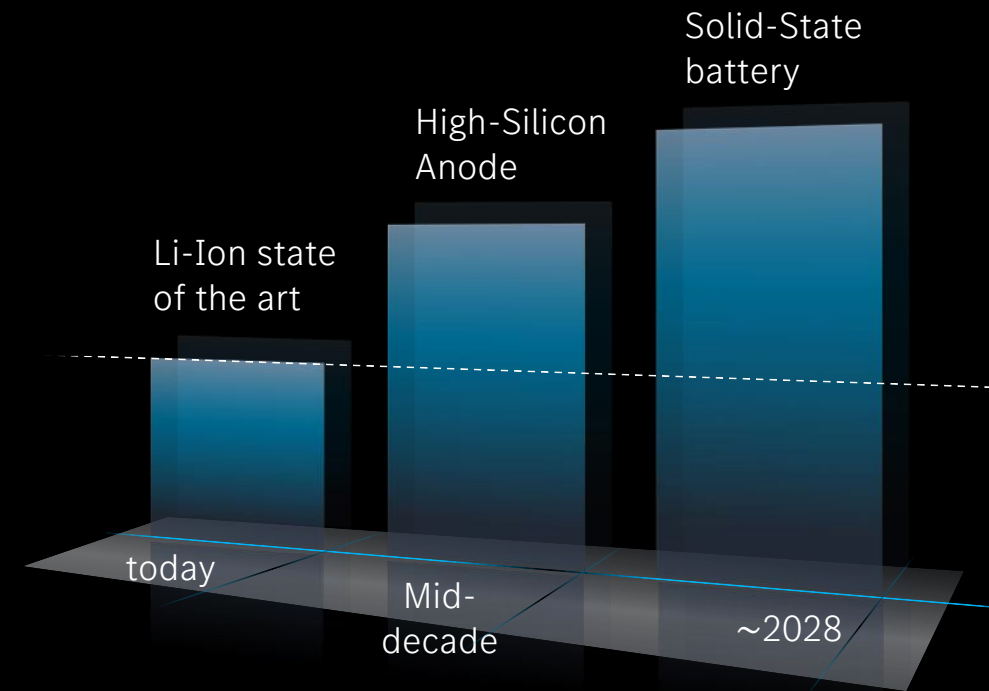
**High-Silicon Anode:** increasing energy density by using silicon-carbon composite in the anode

**Solid-State:** pushing energy density beyond limits of conventional lithium-ion cell, doubling energy capacity and reducing weight in same packaging space, enduring more charging cycles over lifetime

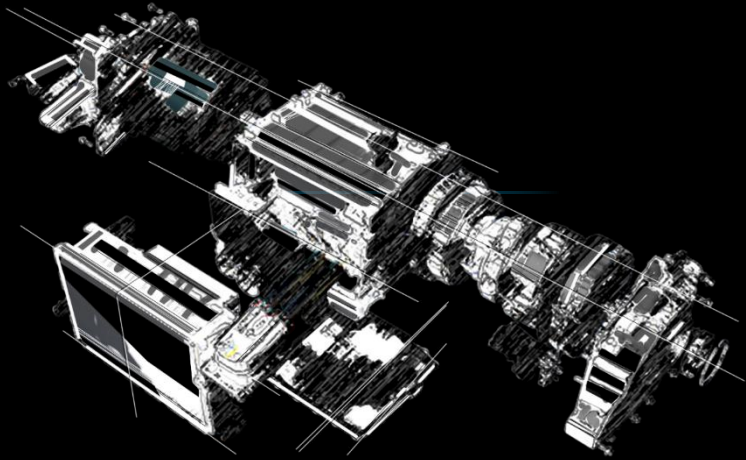
**Several cooperations** with existing and new partners like Sila, Prologium and Factorial to accelerate development of both technologies

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

Expected energy density



# In-house electric motors are a key part of our strategy



**eATS 2.0:** In-house developed and built electric drive unit with radial motor: Outstanding performance for majority of key products.

**Ultra-high performance axial motors** for our forthcoming AMG's. Axial flux technology allows for unmatched power density, performance, acceleration

Electric motor and power electronics company **YASA Ltd.** will be a **fully owned subsidiary of Mercedes-Benz**. Acquisition will take our electric drive tech to a new level



# VISION EQXX – taking electric range and efficiency to an entirely new level

Efficiency means achieving more from less. The VISION EQXX is packed with [efficiency improvements](#) that push the envelope with a mixture of advanced technology and talented teamwork.

Following its record-breaking maiden drive from Stuttgart to Cassis (France) in April, the research vehicle set the bar even higher, with a [1,202-kilometre road trip](#) from Stuttgart to Silverstone in the UK. Throughout the road trip, the VISION EQXX took advantage of its [innovative thermal management system](#) to achieve an average consumption of [8.3 kWh/100 km](#) in the face of heavy traffic and summer temperatures.

## VISION EQXX: key technical data at a glance

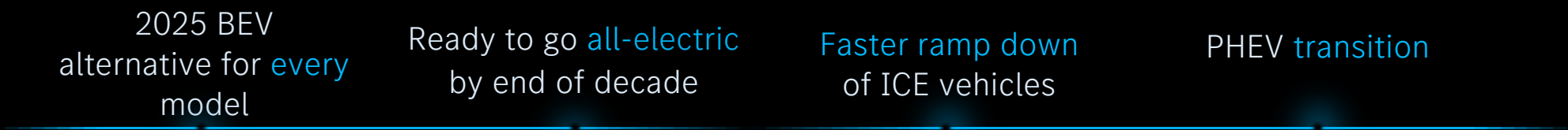
Battery energy content, usable	kWh	<100
Max. system voltage	Volts	>900
Energy consumption	kWh/100 km (miles/kWh)	8.3 (7.5)
c <sub>d</sub> value		0.17
Front face	m <sup>2</sup>	2.12
Power	kW	180
Wheelbase	mm	2,800
Length/width/height	mm	4,975/1,870/1,348
Unladen vehicle weight	kg	1,755



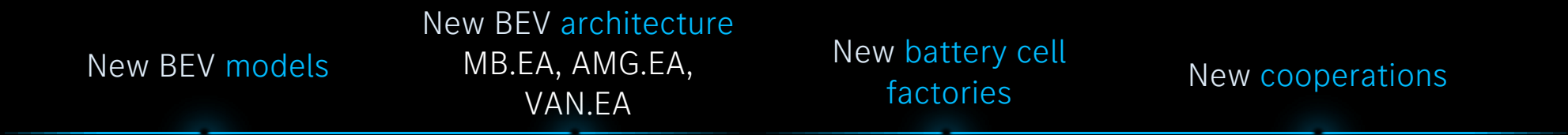


# Our transition plan to go BEV-only

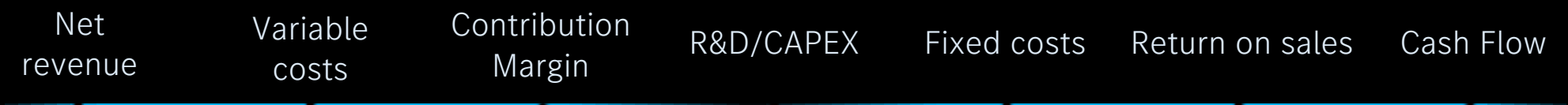
## What we told you



## What we are going to do



## How we steer our financials



# BEV cost reduction focus

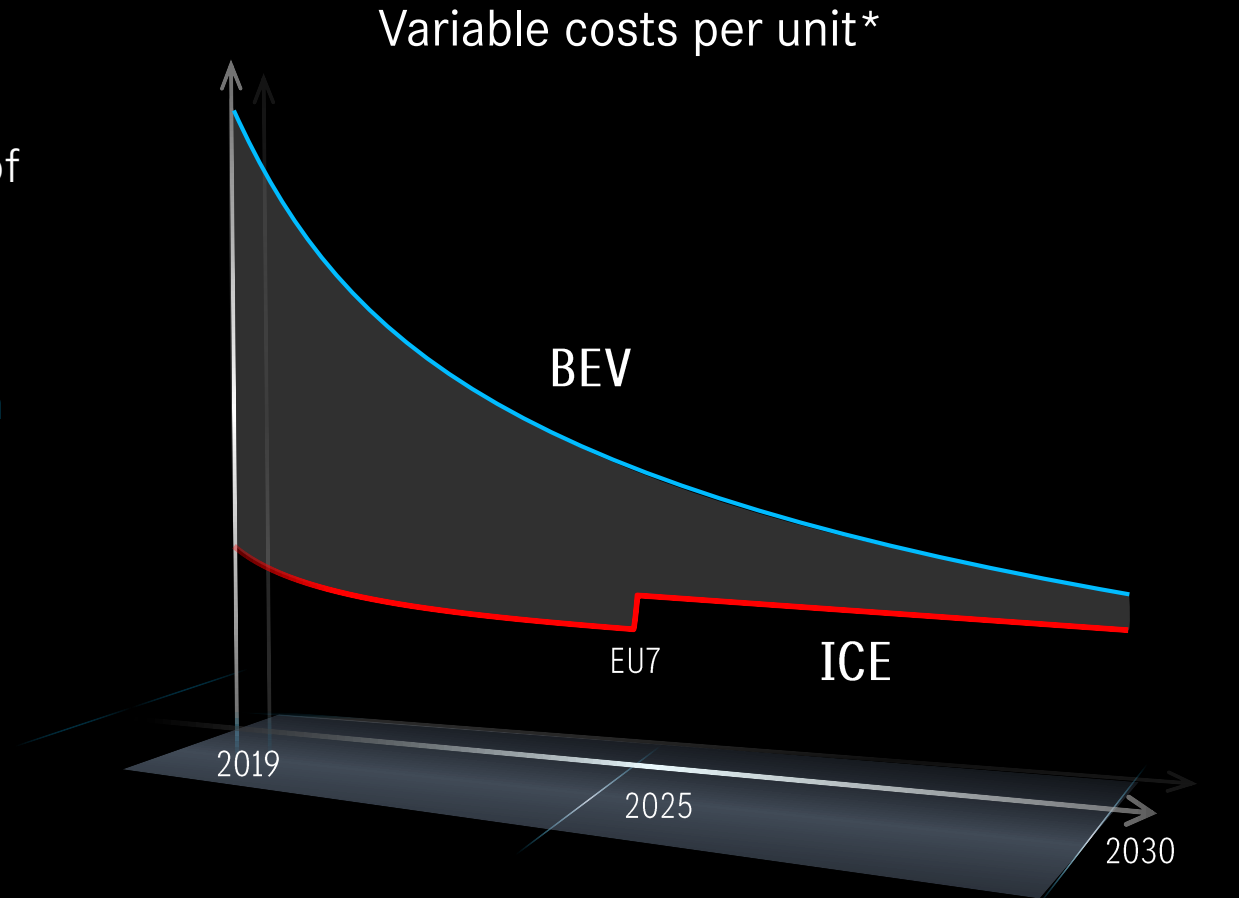
## Key levers

Material and manufacturing cost reduction of  
1% until 2025

Further cost reduction on electric drive train  
from 2025 to 2030

Decreasing cell costs and common battery  
platforms

Scalable modular electric only architectures



\* schematic and before mix change

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

## Key levers

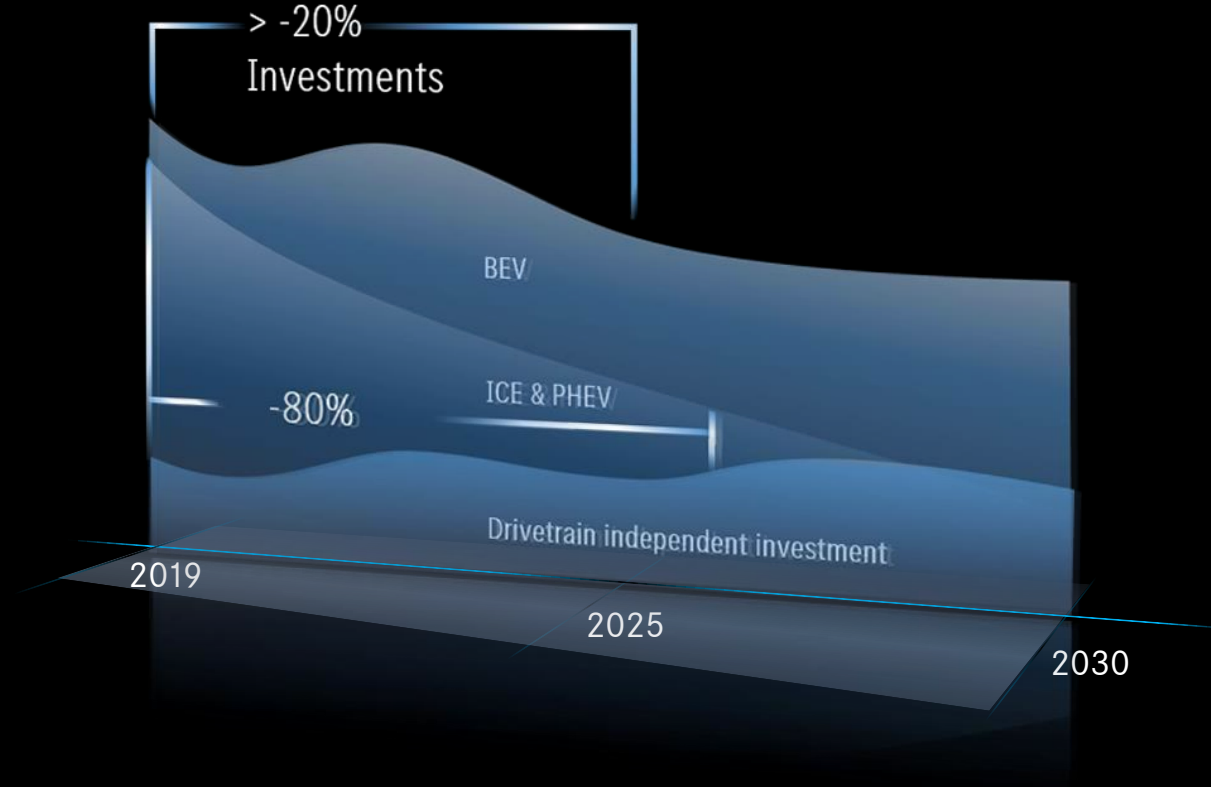
Additional investments for new BEV architecture MB.EA, AMG.EA, VAN.EA and intensified battery footprint

Radically reduced non-BEV investments

Capex share of investments decreasing

>20% investment reduction until 2025 and further decreases afterwards

## CAPEX and R&D investments\*



# Fixed cost reduction targets stepped up

## Key levers

Covid 2020: significant fixed cost reduction

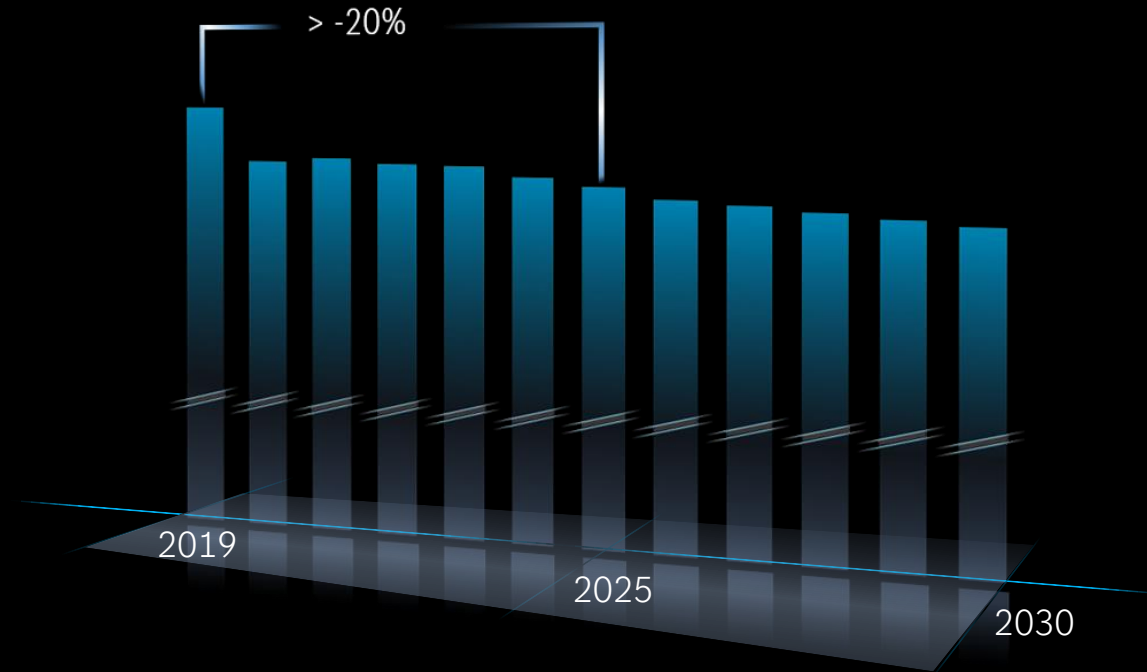
2021: temporary effects replaced by permanent measures

>20% fixed cost reduction until 2025 vs. 2019

2025ff: digitization of all business areas

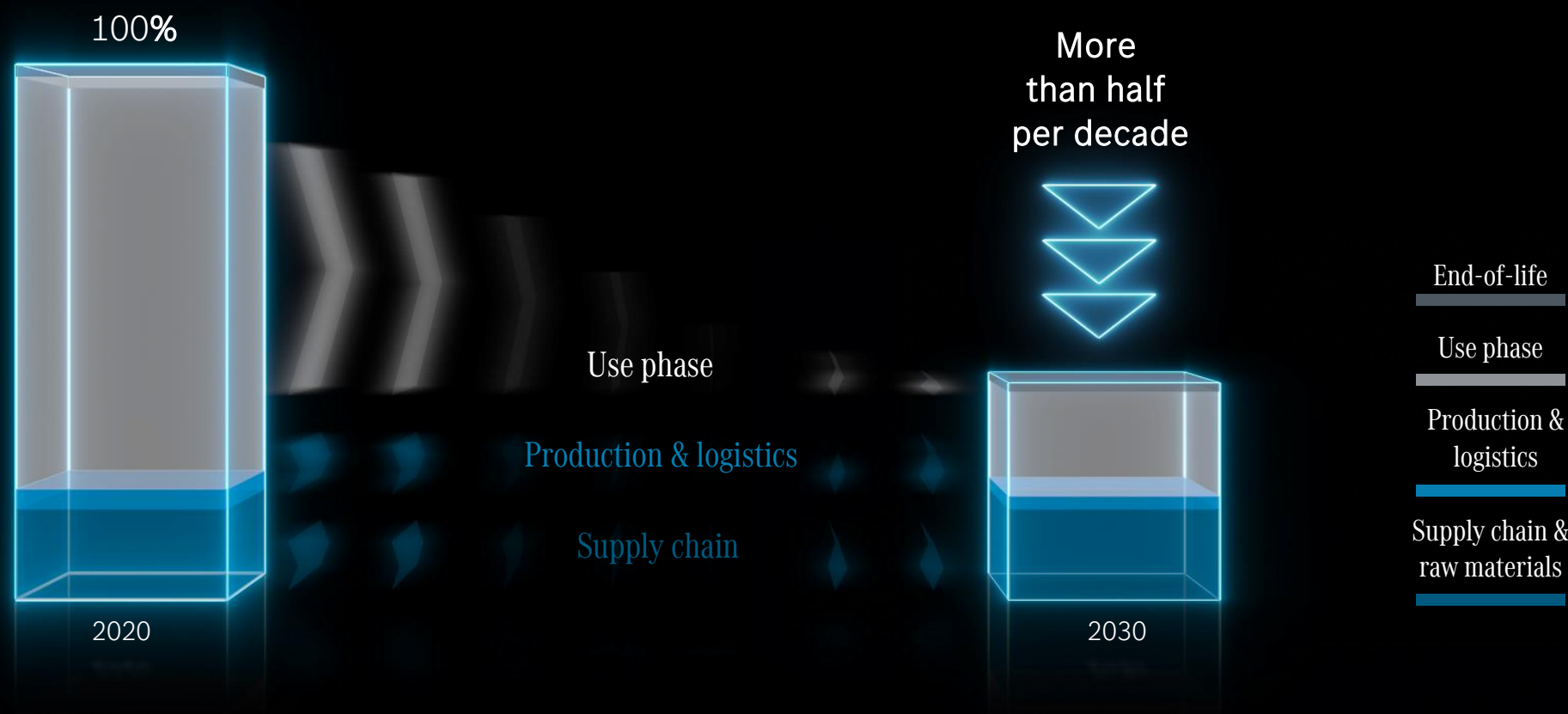
After 2025 further net reductions

## Fixed cost development\*



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

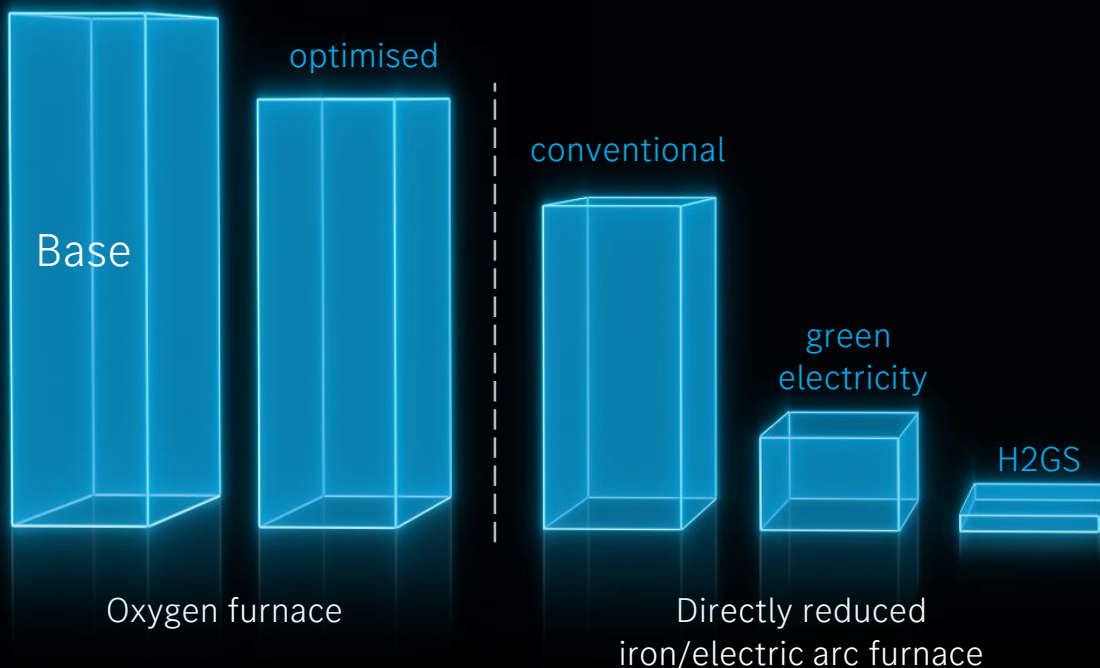
Mercedes-Benz Cars – on our way towards Ambition 2039 – we target the full lifecycle of the car





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

Steel – CO<sub>2</sub> reduction:



# ~90%

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

Further materials in focus:

Aluminium sheet/cast

Thermoplastics

Battery materials

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

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

All Mercedes-Benz plants worldwide [are producing 100% CO<sub>2</sub> neutrally in 2022](#)

We plan to cover [70% of our energy needs through renewable sources\\*](#) and will also produce energy on site

\*by 2030

## Mercedes-Benz global production network



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

At our Factory 56 in Sindelfingen  
“producing sustainability” is  
already reality

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

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

A new dimension in  
sustainable production



Greening of 40% of  
the roof area



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



Innovative  
DC grid



Energy storage from car  
batteries with a total capacity  
of 1,400 kWh



Use of recycled  
concrete in the frontal  
building of Factory 56



25% reduction in  
energy demand

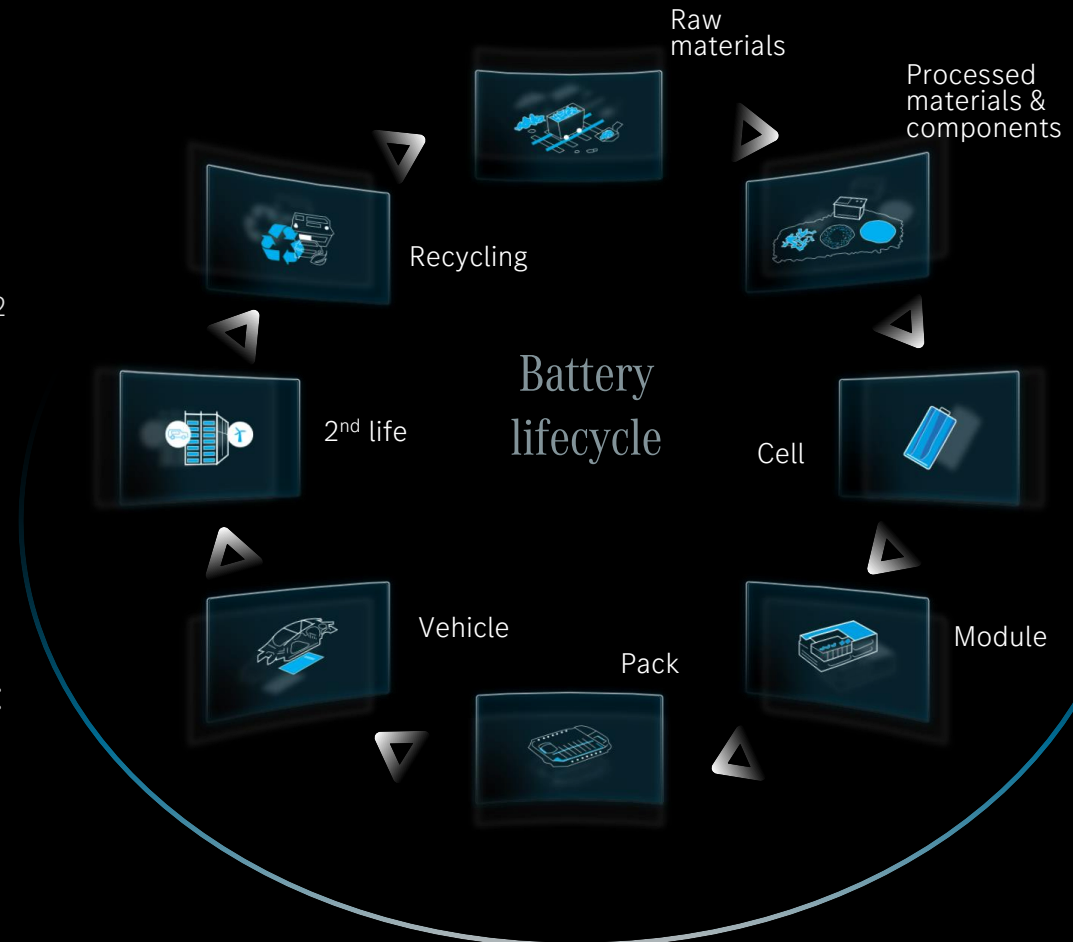
# We are establishing a green and CO<sub>2</sub> neutral supply chain

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

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

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

2020: [Big River Steel](#) reduced CO<sub>2</sub> emissions by >70% 2021: [Salzgitter AG](#) reduces CO<sub>2</sub> emissions by >60%  
2025: CO<sub>2</sub> free steel from [H2 Green Steel](#)  
2026: CO<sub>2</sub> free steel from [SSAB](#)



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

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





# The transformation of our workforce

## Re-shape

Streamlining  
our organization in a  
responsible way

## Re-skill

Developing  
future-oriented  
qualifications

## Re-charge

Meeting the  
Mercedes-Benz  
standard  
as an employer

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

Focus on staff fluctuation and fair solutions together  
with employee representatives

A dedicated qualification offensive enables and  
supports the transformation of our company

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

Turn2Learn: New and hybrid qualification push for  
continuing education at Mercedes-Benz worldwide

Lifelong learning: Global rollout of e-learning platforms

Customized learning paths for the entire professional  
life: Use in production and administration

Attractive contractual framework offering  
innovative employment conditions

30% women in leadership positions until  
2030

Hybrid working up to 100% where job  
conditions allow it

# Turn2Learn: unlimited possibilities for lifelong learning



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

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

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Ø 1,000 € per employee/ year



Existing Learning  
Opportunities

---

in Germany



Customized Learning  
Paths

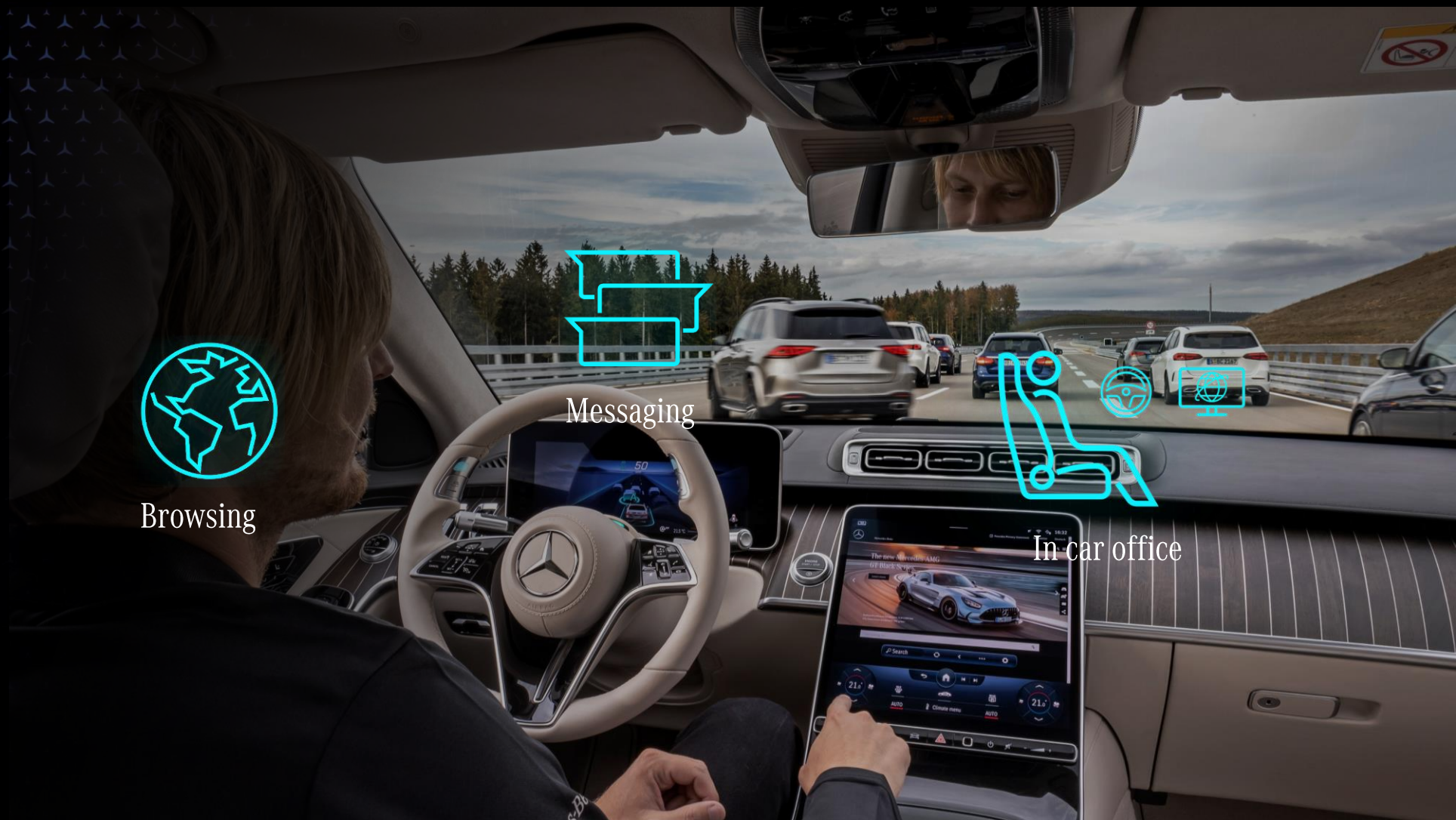
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eLearning  
Platforms



# Conditionally automated driving SAE-Level 3: Gain time through relaxed driving



# Driving Assistance Package with DRIVE PILOT

Parking Package with 360°-Camera

Antenna Module

Rear Multi-Purpose Camera  
Opening angle 50°

Stereo Multi-Purpose Camera  
Opening angle 70°

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

Ultrasonic Sensors  
12x Opening angle 120°

360°-Camera  
4 Single Cameras  
Opening angle 180°

LiDAR  
Opening angle 120°

Multi-Mode Radar  
4x, Opening angle 130°

Redundant Brake  
and Steering System

Moisture Sensor

Driver Camera



# General Design Rules of DRIVE PILOT

The “Operational Design Domain” (ODD) comprises the geographical area and conditions under which an automated driving system feature, such as DRIVE PILOT, is designed to operate.

- Road type
- Specific speed
- Machine-detectable lane markings
- The absence of tunnels, toll booths and traffic control devices (stop signs, traffic lights, etc.)
- Applicable legal requirements

Mercedes-Benz aims to continually expand the ODD of DRIVE PILOT.

Appropriate Weather

Physical Separation of Traffic Directions

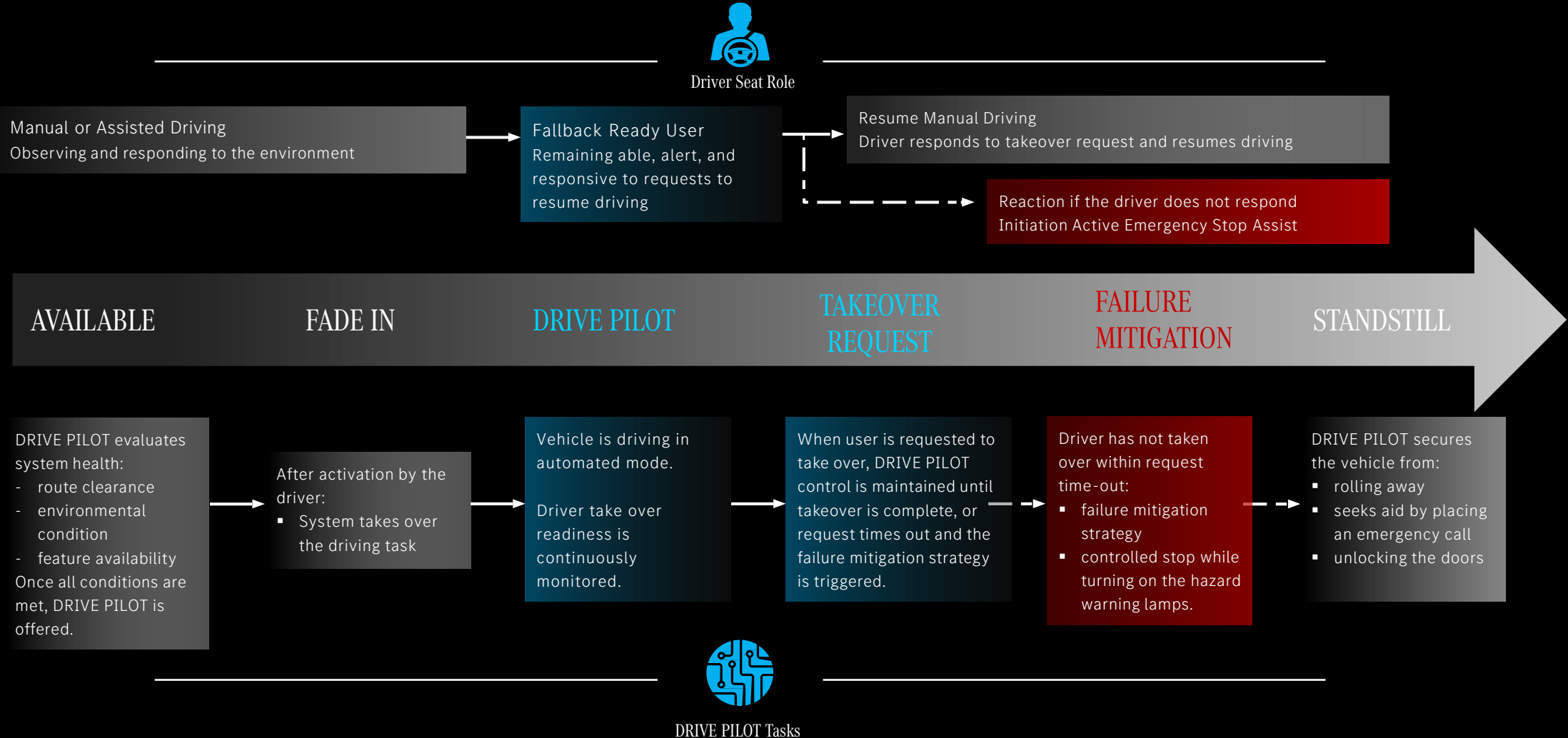
Moderate to Heavy Traffic Conditions

Route Clearance on HD Map

Machine Detectable Lane Markings



# Functional description of DRIVE PILOT



# Pricing of DRIVE PILOT

The system for conditionally automated driving (SAE Level 3) can be ordered since May 17, 2022 as an optional extra for the S-Class for 5,000 Euros and for the EQS for 7,430 Euros (Driver Assistance Package Plus: 2,430 Euros and DRIVE PILOT: 5,000 Euros) excl. VAT.

This makes Mercedes-Benz the first car manufacturer in the world with an international valid certification for conditional automated driving, to offer such a system as an option ex-works for vehicles from series production.

Mercedes-Benz aims to apply for regulatory series certification for the two US states of California and Nevada by the end of the year, provided the legal situation permits the system operation.



# MB.OS

Mercedes-Benz Operating System



# The four domains of MB.OS

Infotainment



MBUX Hyperscreen



Automated Driving



L3 Drive Pilot



Body & Comfort



Energizing Comfort



Driving & Charging



Powertrain & Charging SW

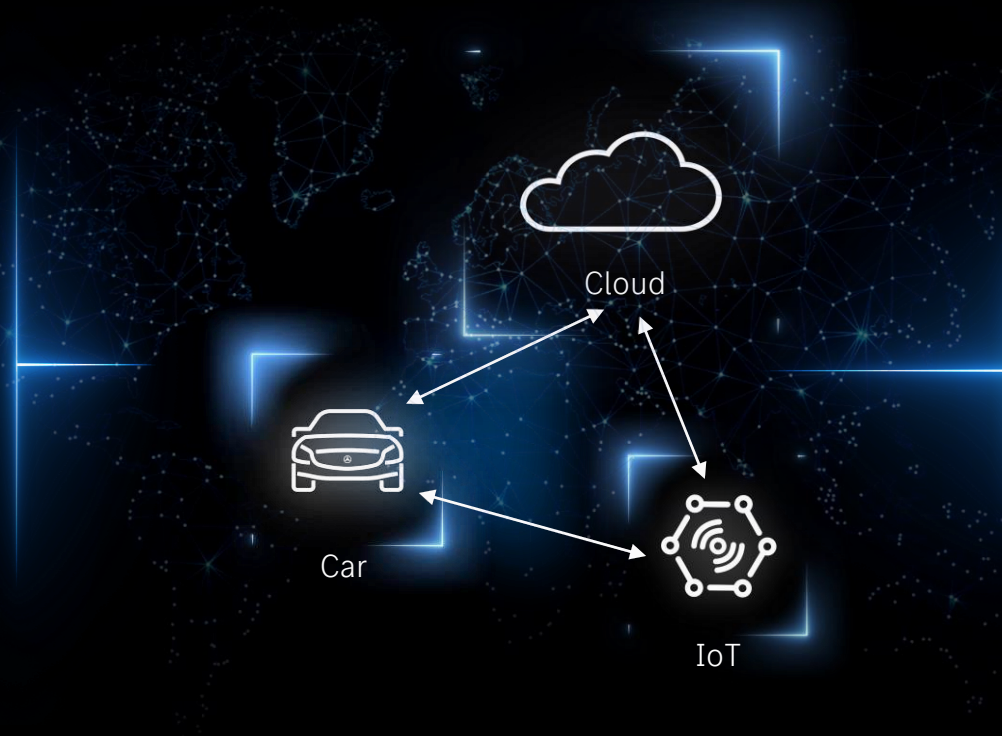


Example Features

# To sum it up what MB.OS is all about

## MB.OS

as the **central brain**  
and nervous system  
of our future vehicles  
separating hardware  
and software



### 4 service-oriented domains:

- Infotainment
- Automated Driving
- Body & Comfort
- Driving & Charging

Our **chip-to-cloud** stack enables real-time communication with our customers



# BBAC (Beijing Benz Automotive Cooperation) Joint Venture

## Key Facts

- BBAC is based on a **trustful partnership** with our long-term partner BAIC
- BBAC is the **largest Mercedes-Benz production** facility in the world with local R&D for passenger cars.
- Product ranges from Compact, Midsize, and Large-mid Segment (E-Class) as well as **PHEVs** and **fully electric vehicles** such as **EQA**, **EQB** and **EQC**. Local production of **EQE** will start 2022.
- **Engines** as well as **batteries** are also produced locally
- The **production** is **strongly integrated** in the worldwide Mercedes-Benz network with a **highly flexible production** set up and shift models throughout the locations BBAC-Yishuang (BDA) and BBAC-Shunyi.
- **BBAC-Shunyi** is the **new local production facility** as of 2018 and part of the jointly invested expansion program of above 11.9 Bn RMB.
- **Both partner** (BAIC and Mercedes-Benz) **sharing the investments** for new products.
- **CEO** and **CFO** are appointed by **Mercedes-Benz**.
- **MB contribution** by locally produced cars are **generated** via (i) supplies, (ii) royalties, and (iii) at equity results (see right chart).

## BBAC Figures disclosed by MBG

In EUR millions

	2019	2020	2021
<b>Sales Volume</b> (in thousand units)	567	611	561
<b>Revenue</b>	20,177	21,774	21,288
<b>Profit from continuing operations after taxes</b>	2,702	2,900	3,205
<b>BBAC Equity Result MB</b>	1,295	1,335	1,553
<b>BBAC Dividend MB</b>	1,137	1,718	1,523

# AGENDA

I. RESULTS Q1 2022

II. OUTLOOK FY 2022

III. STRATEGY

1. MERCEDES-BENZ CARS

1.1 LUXURY STRATEGY

1.2 ELECTRIFICATION & AUTOMATED DRIVING

2. MERCEDES-BENZ VANS

3. MERCEDES-BENZ MOBILITY

# Mercedes-Benz Vans Strategy

## Our Goal

We offer the world's most desirable vans and services

## Our Strategic Pillars

### Target

premium segments  
and focus on  
profitable growth

### Embrace

customers and  
grow recurrent  
revenues

### Lead

in electric  
drive and car  
software

### Lower

total cost base and  
improve industrial  
footprint

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

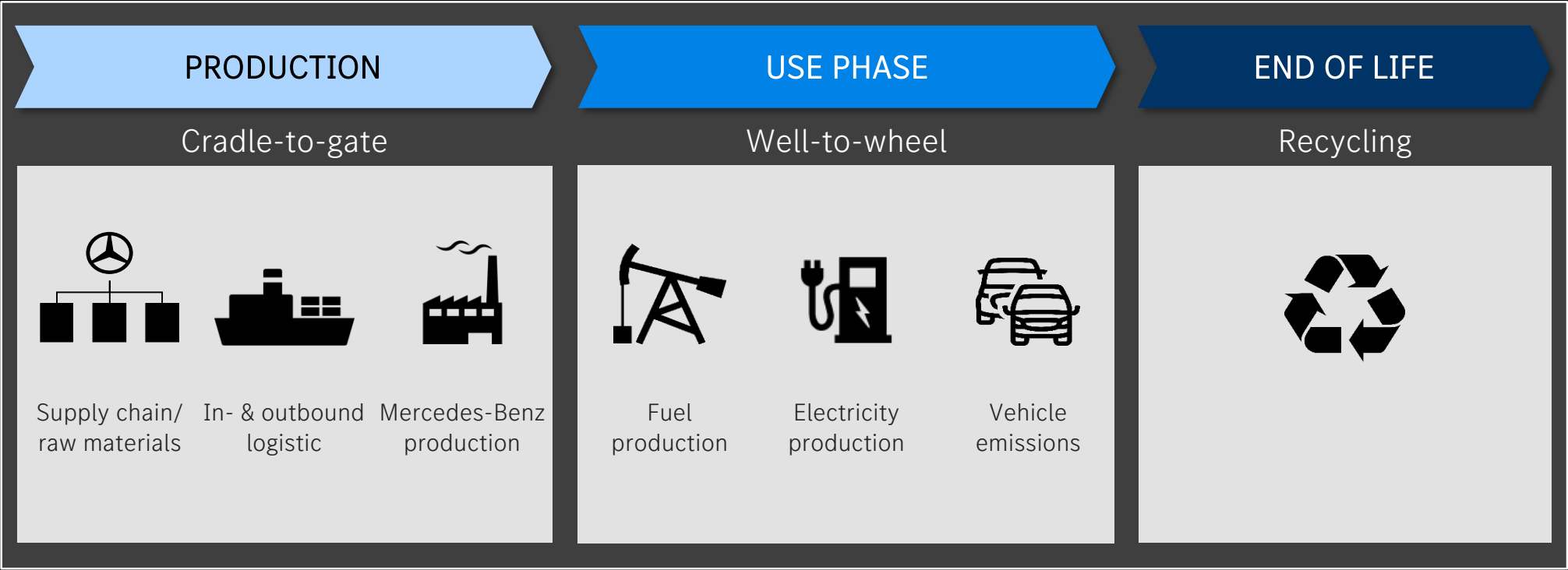
## Our Guiding Principles

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

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

# Mercedes-Benz Vans Ambition 2039

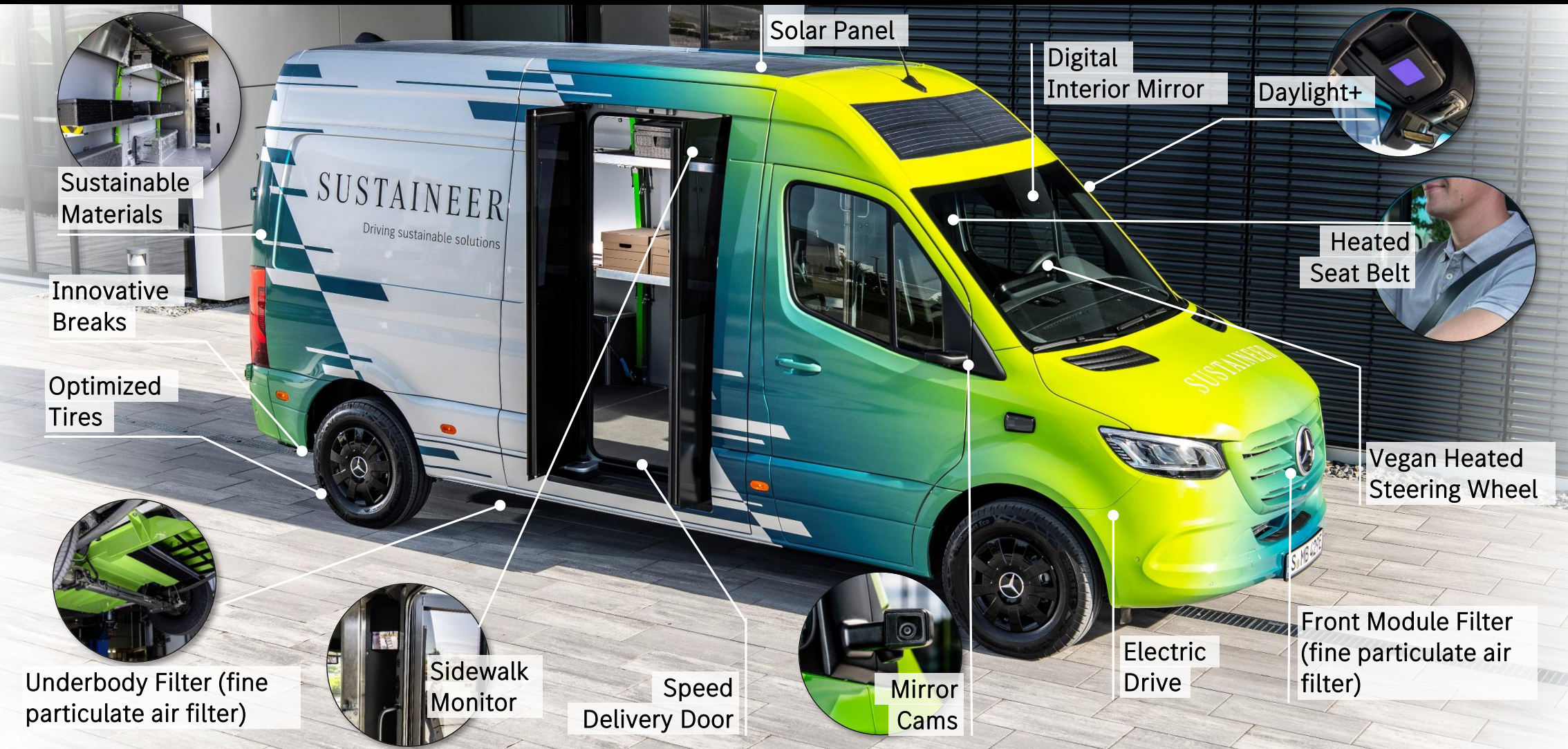
The ambition of Mercedes-Benz Vans is to make our fleet of new private and commercial Vans CO<sub>2</sub>-neutral over the entire lifecycle<sup>1</sup> by 2039.



<sup>1</sup> This includes vehicles that are sold by Mercedes-Benz AG or that are sold by Mercedes-Benz AG as general contractor, including upfitter solutions.



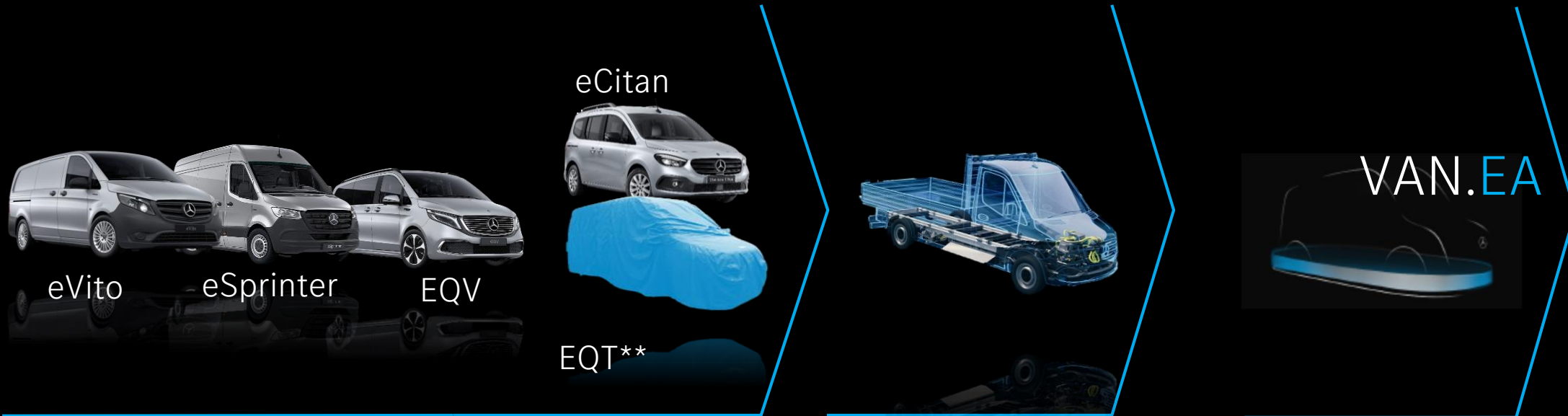
# Mercedes-Benz Vans SUSTAINER



# Strategy priority: Electrifying Mercedes-Benz Vans

Mercedes-Benz Vans is fully committed and dedicated to **electrification**

**Holistic Approach:** From small over mid-size to large, we electrify every van segment



current eVan portfolio

next generation  
eSprinter

all-new “electric  
only” architecture



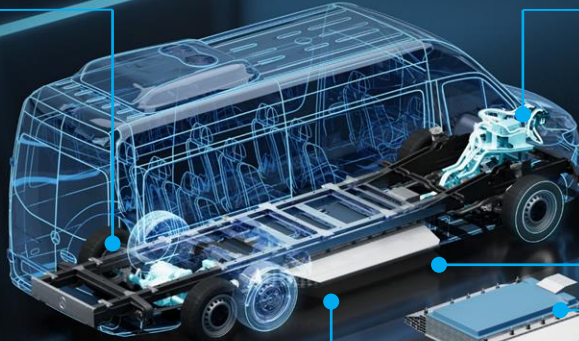
# The next-generation eSprinter

An intelligent, modular solution with three core elements

Rear module with  
electrically driven rear axle



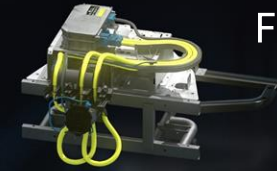
Underfloor module for  
high-voltage battery



Choice of

- 2 wheel bases
- 3 battery capacity levels

Large | Medium | Small



Front module for  
high-voltage  
components

# AGENDA

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### 2. MERCEDES-BENZ VANS

### 3. MERCEDES-BENZ MOBILITY

# Mercedes-Benz Mobility Strategy

WE MOVE YOU!

Best-in-class Mobility Services – Customer-centric, seamless & flexible

Sustainability  
Electrification  
Service Income

Seamlessly  
integrated  
customer  
experience

End-to-end  
automation &  
digitization

Data-driven  
company

High-performance culture



# Mercedes-Benz Mobility Role & Contribution

As an integral part of Mercedes-Benz, we secure the company's position as a global leader by **leveraging customer data** and insights generated through our numerous touchpoints with our clients. We retain them in the Mercedes-Benz ecosystem and offer services that are in great demand to **create additional income** and to **drive recurring revenues**.





# Mercedes-Benz Mobility Product Range

CREDIT

LEASING

FLEET


SUBSCRIPTION

RENT

INSURANCE

SERVICES  
CHARGING, PAYMENT, ETC.

WE MO>E YOU

A circular graphic containing images of a Mercedes-Benz Sprinter van, a silver sedan, and a dark blue sedan. Two people, a man and a woman, are standing next to the vehicles, looking at a smartphone. The background of the circular graphic is a dark, semi-transparent circle.

As integral part of the Mercedes-Benz customer journey

# Disclaimer

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel, raw materials or energy; disruption of production due to shortages of materials, or energy, labour strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in the current Annual Report or in 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.