

The background of the slide is a dark grey to black gradient, covered with a repeating pattern of the Mercedes-Benz logo (a three-pointed star in a triangle). The logos are arranged in a grid and vary in opacity and brightness, with a prominent bright white star in the lower right quadrant that has a lens flare effect.

Fixed Income Presentation  
Q2 2024  
Mercedes-Benz Group AG

# AGENDA

I. Mercedes-Benz Group Review Q2 2024

II. Divisional Review Q2 2024

III. Outlook FY 2024

IV. Funding

V. Sustainability

VI. Luxury

VII. Operating System

# Mercedes-Benz Group: Key messages



**Performance:** robust car and van sales in subdued market environment.

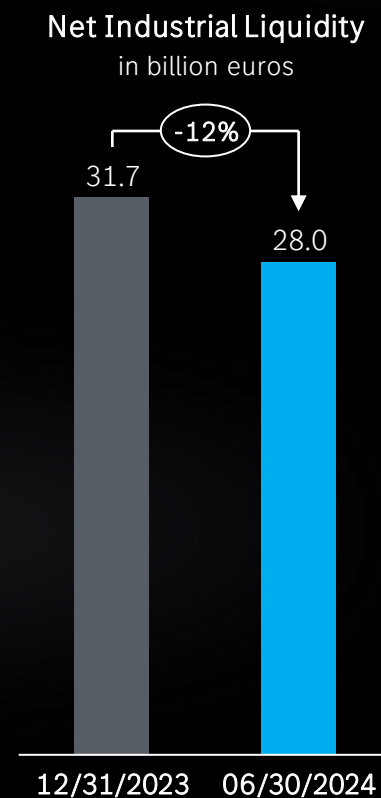
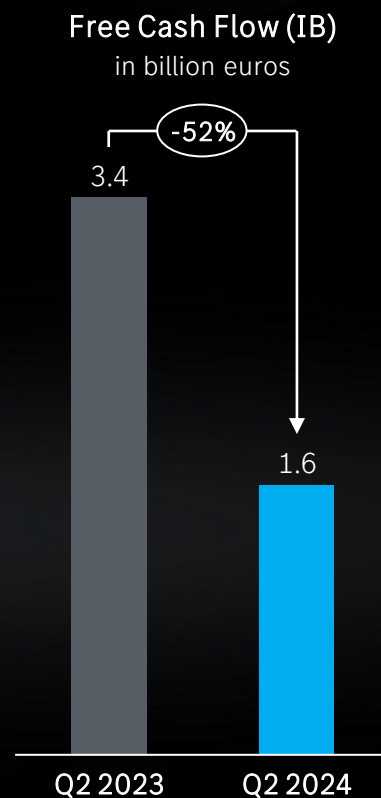
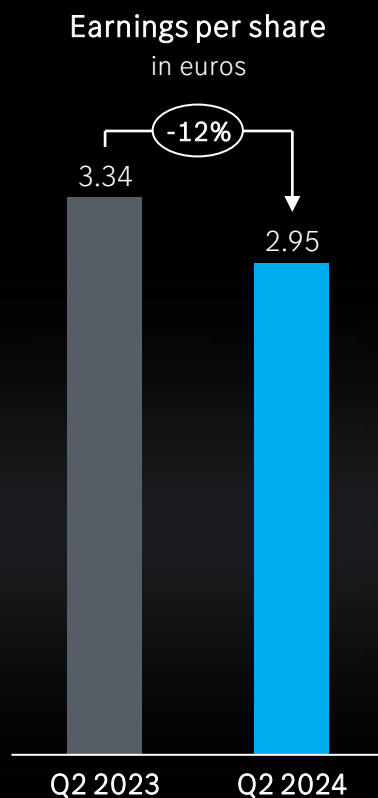
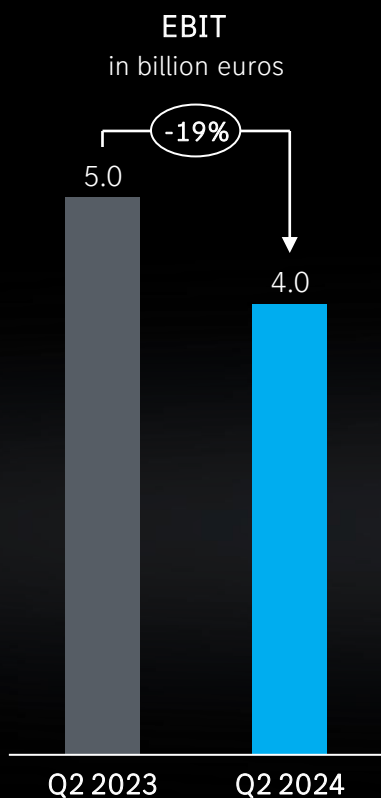
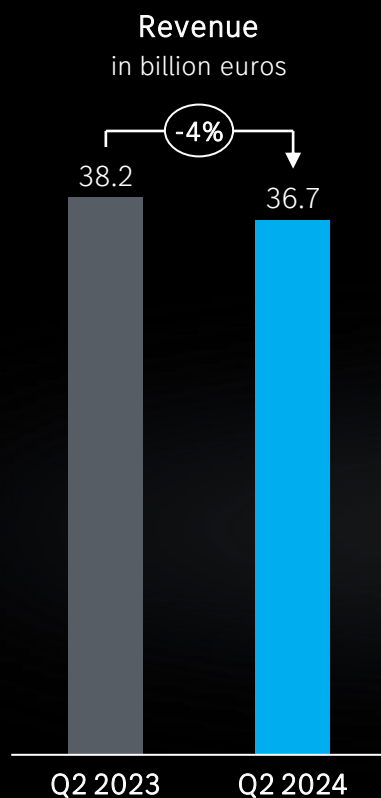
**Products:** world premiere of electric G-Class, extensive EQS upgrade & Mythos series Concept Mercedes-AMG PureSpeed. Further ramp-up of recently launched vehicles.

**Profitability:** Cars double digit margin. Vans very strong. MBM challenging environment.

**Technology:** new eCampus in Stuttgart-Untertürkheim, Progressing on roll out of L2+ (Automatic Lane Change) via OTA.

**Shareholder Return:** sustainable cash generation continued; share buyback accelerated. Dividend distributed in May.

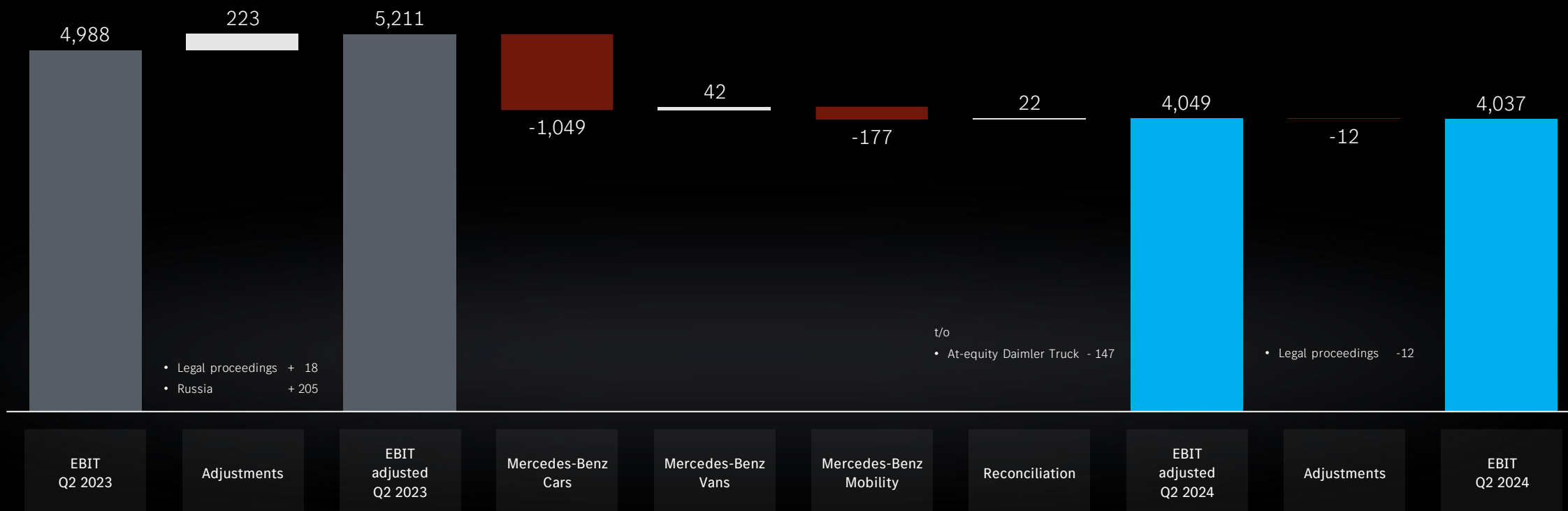
# Mercedes-Benz Group: Key figures





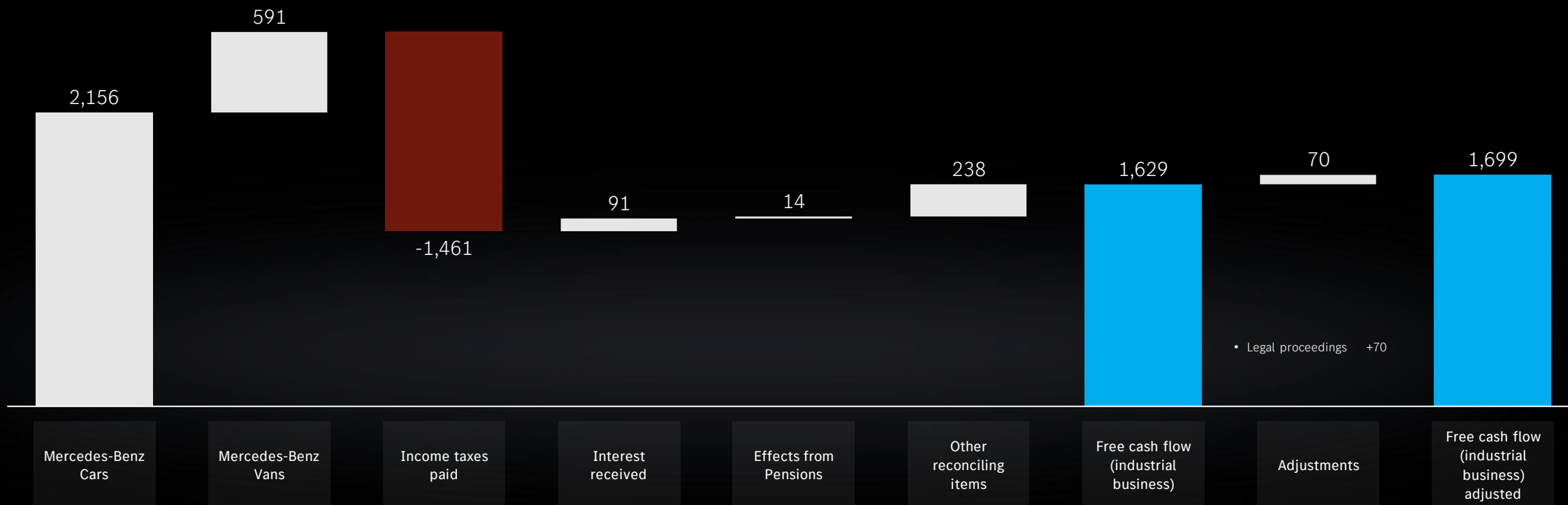
# Mercedes-Benz Group: EBIT

In million euros



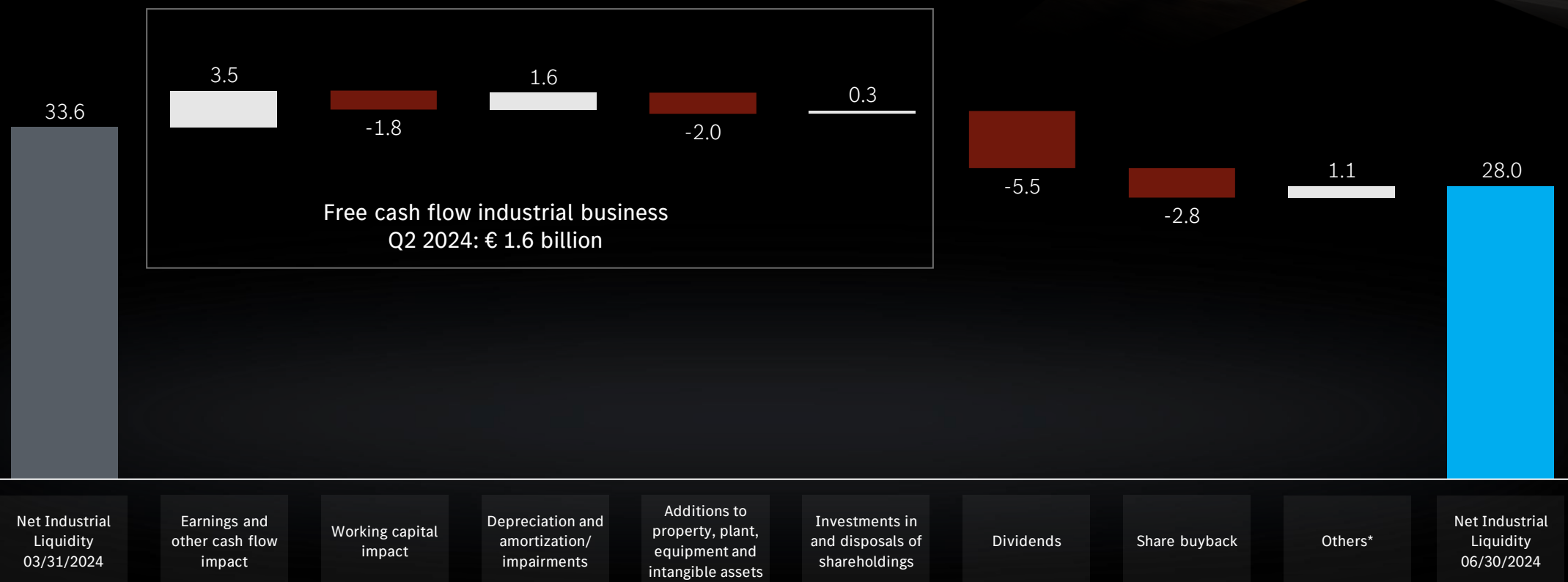
# Mercedes-Benz Group: Reconciliation from CFBIT to Free Cash Flow

In million euros



# Mercedes-Benz Group: Net Industrial Liquidity

In billion euros



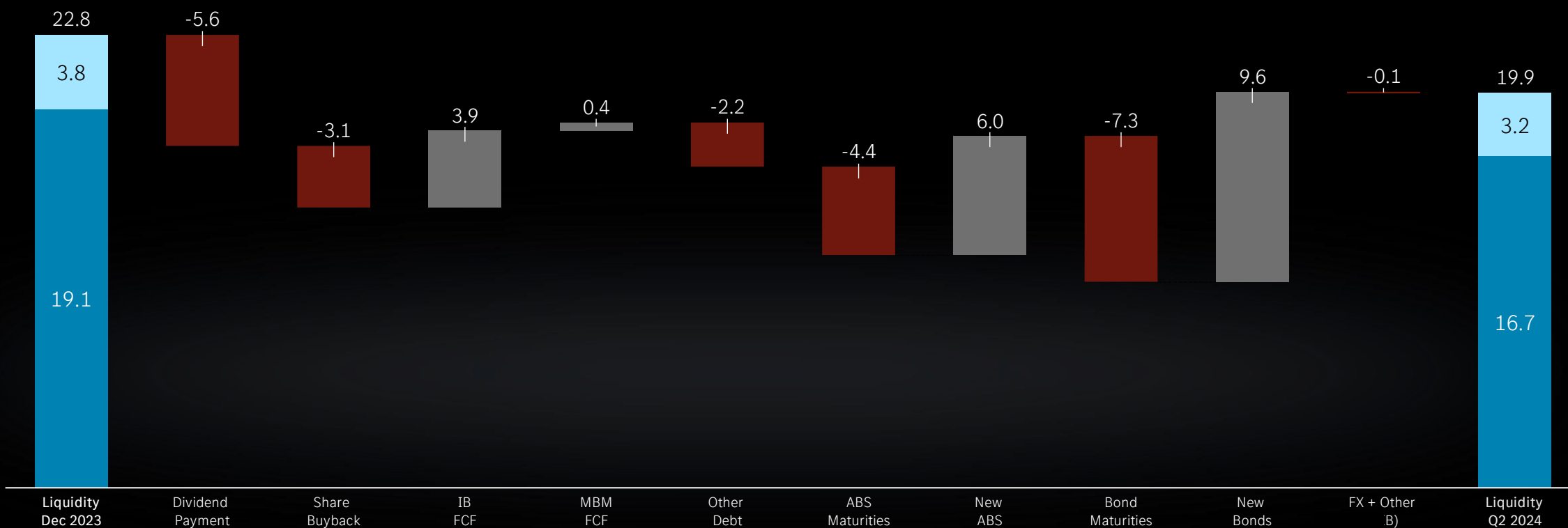
\* Mainly FX and MBM related effects

# Mercedes-Benz Group: Gross Liquidity

In billion euros



■ MBM  
■ Industrial Business

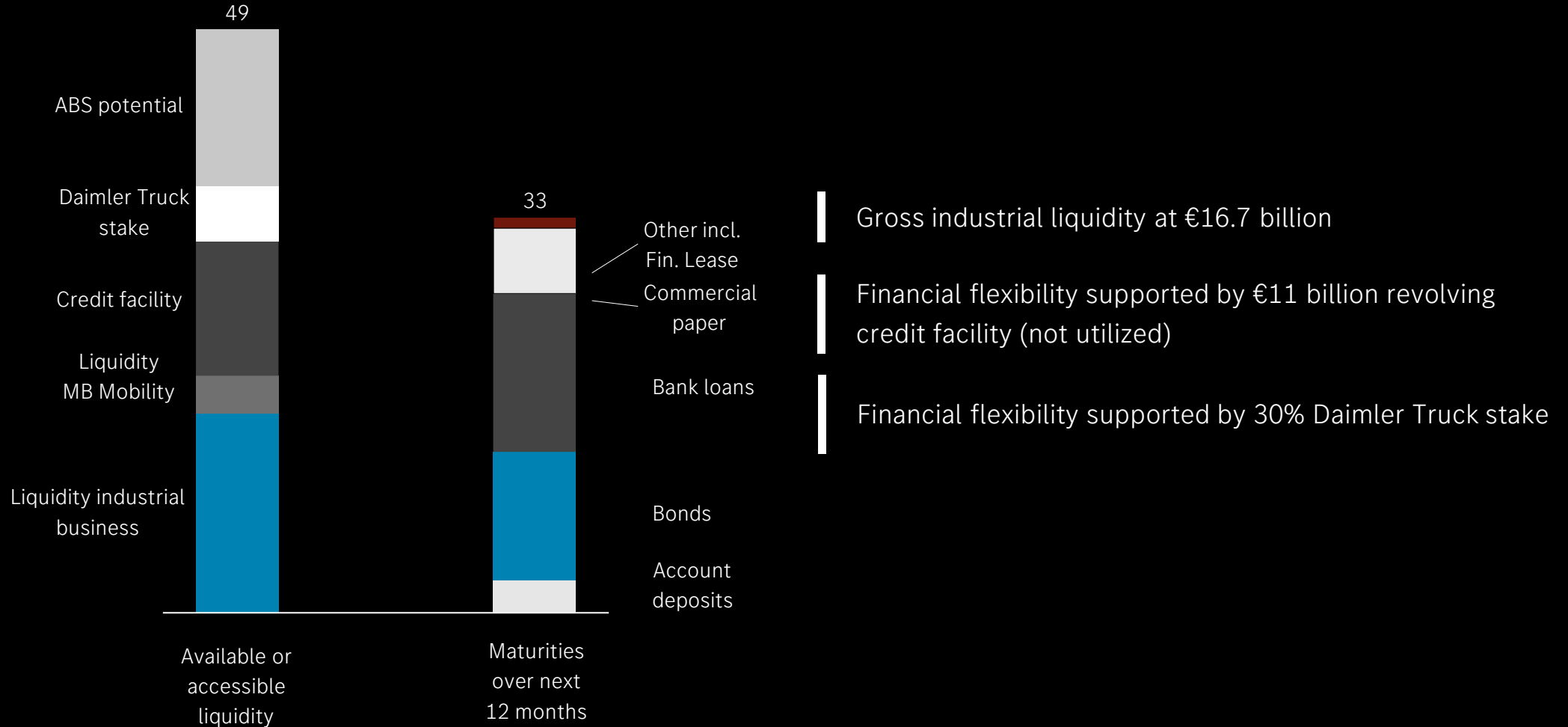


Note: Figures may not be additive due to rounding.

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

## Q2 2024

In billion euros



# AGENDA

I. Mercedes-Benz Group Review Q2 2024

**II. Divisional Review Q2 2024**

III. Outlook FY 2024

IV. Funding

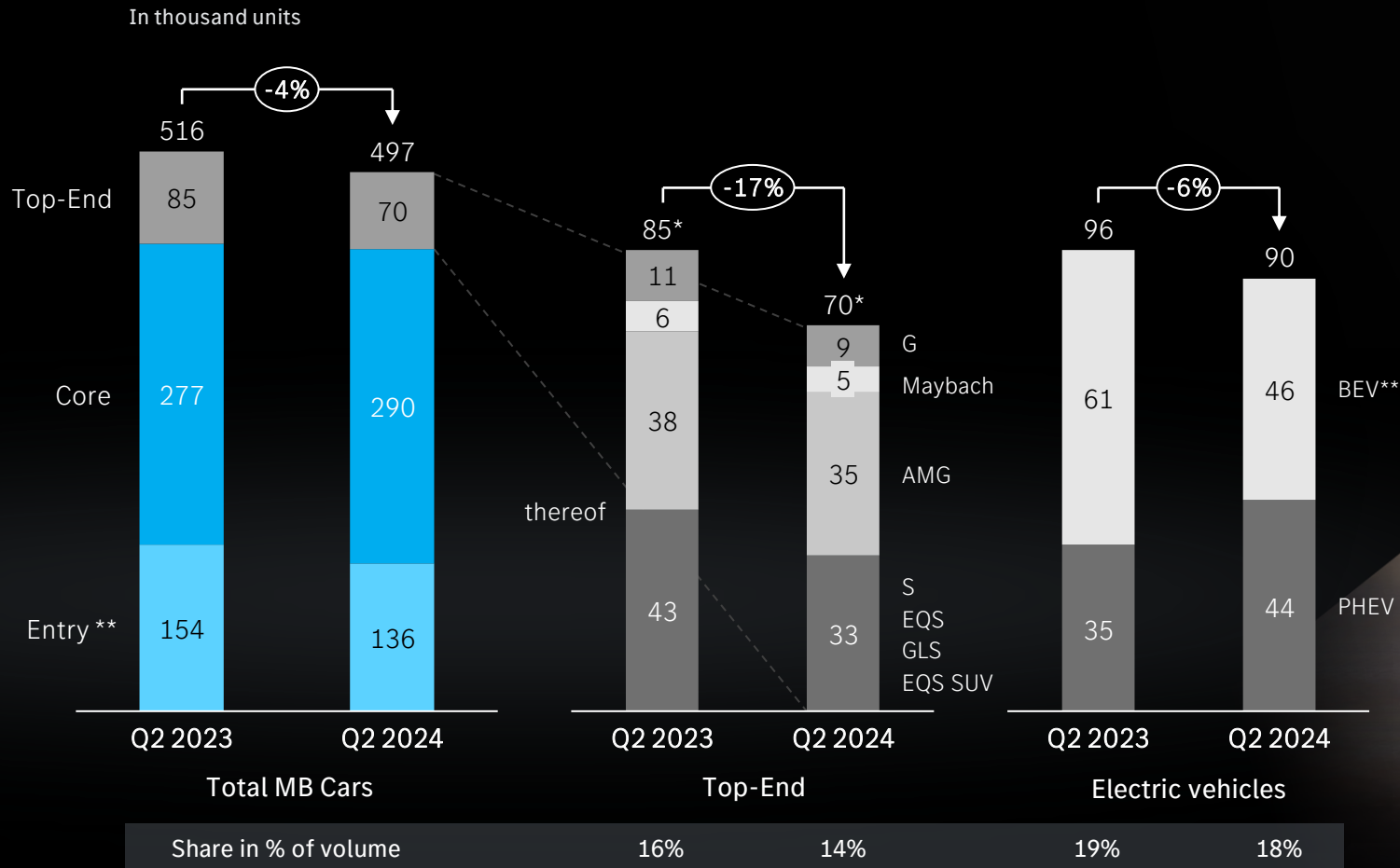
V. Sustainability

VI. Luxury

VII. Operating System



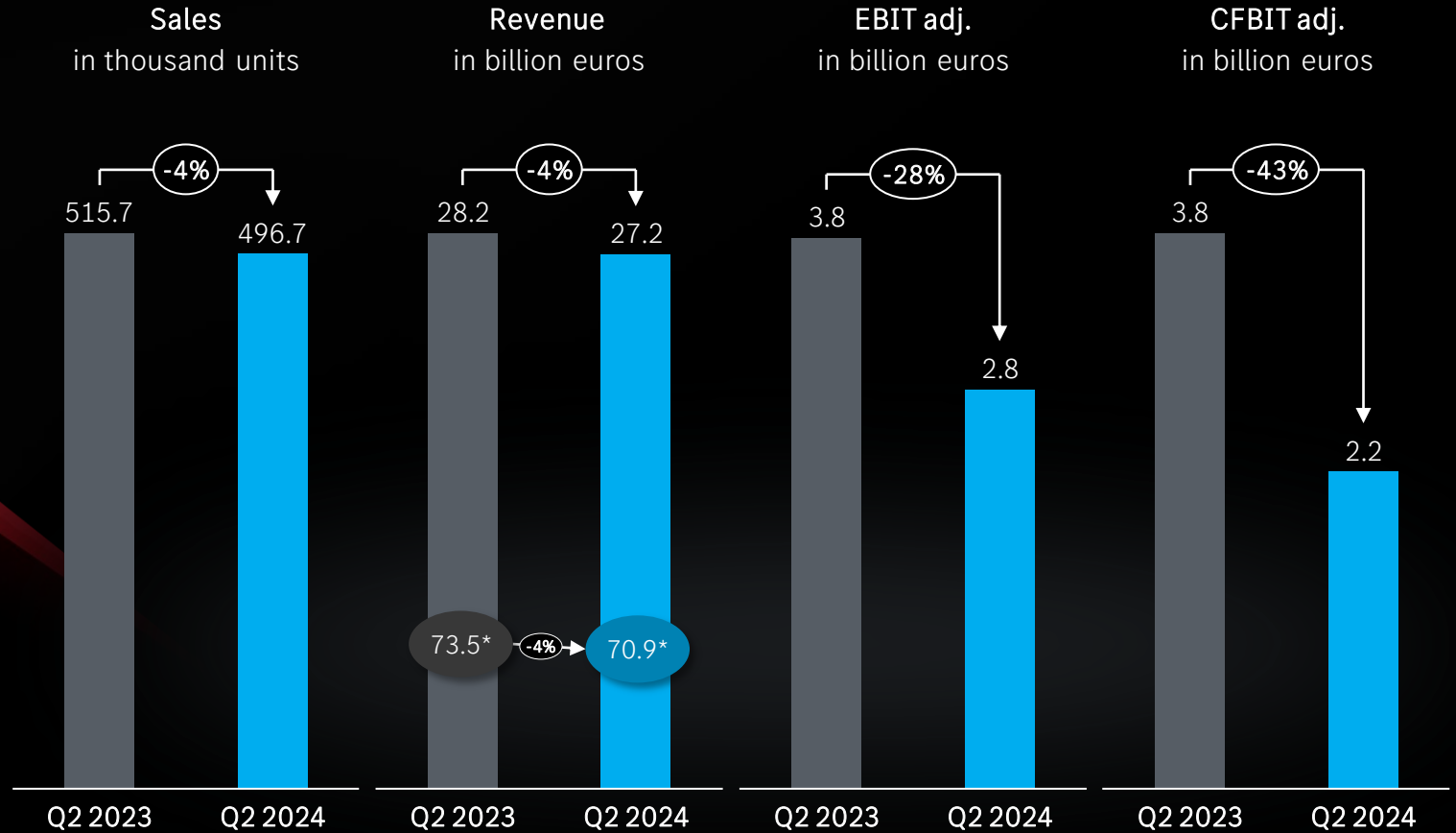
# Mercedes-Benz Cars: Top-End and electric vehicle unit sales



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



# Mercedes-Benz Cars: Financials

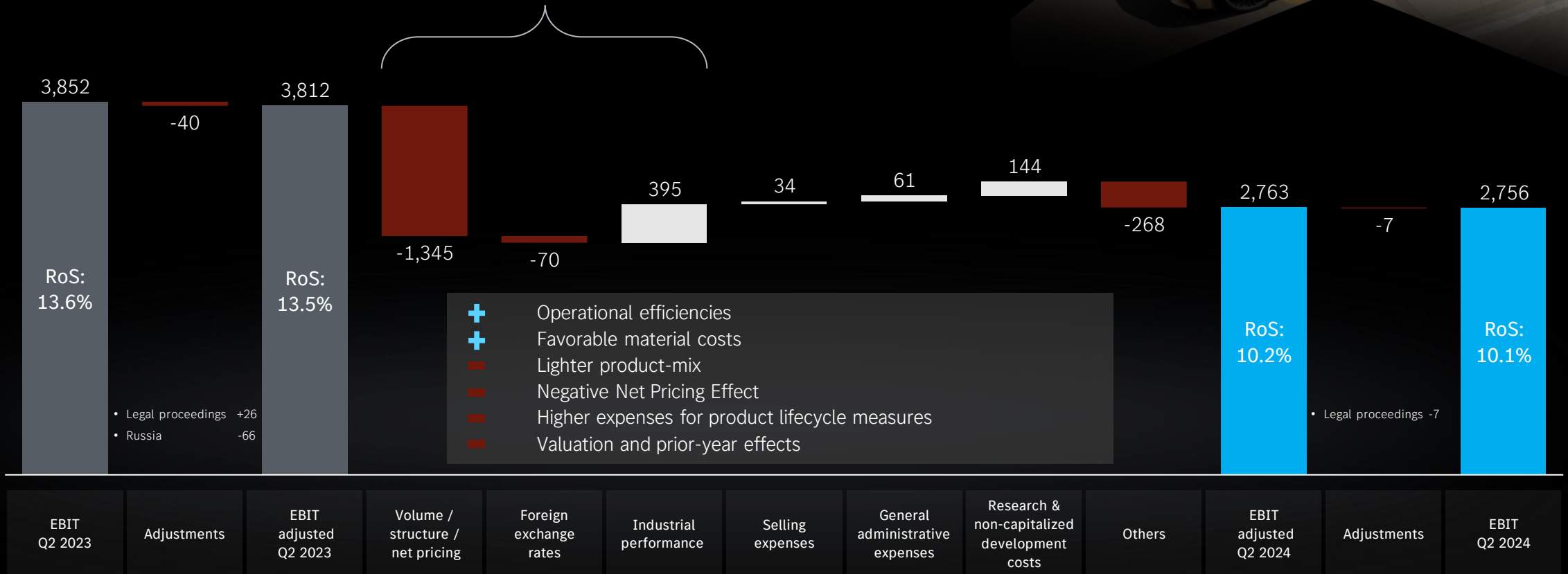


\* ASP in thousand euros excl. Smart, BBAC sales and pbp revenues

# Mercedes-Benz Cars: EBIT & RoS

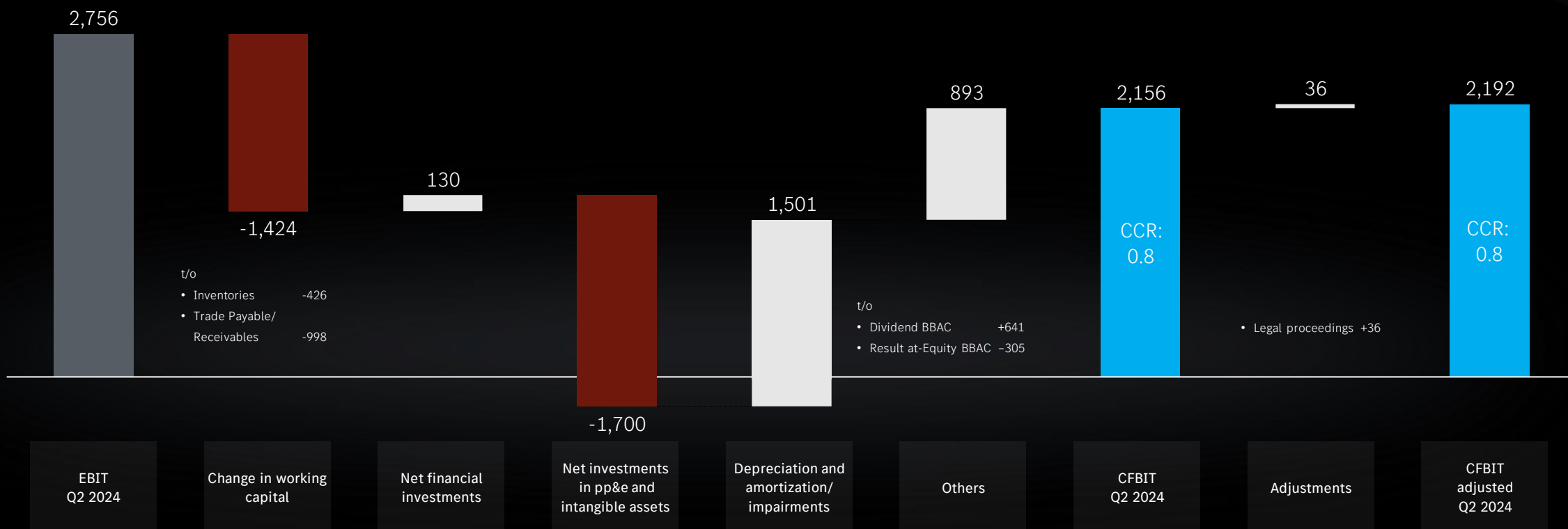
In million euros

Gross Profit -1,020

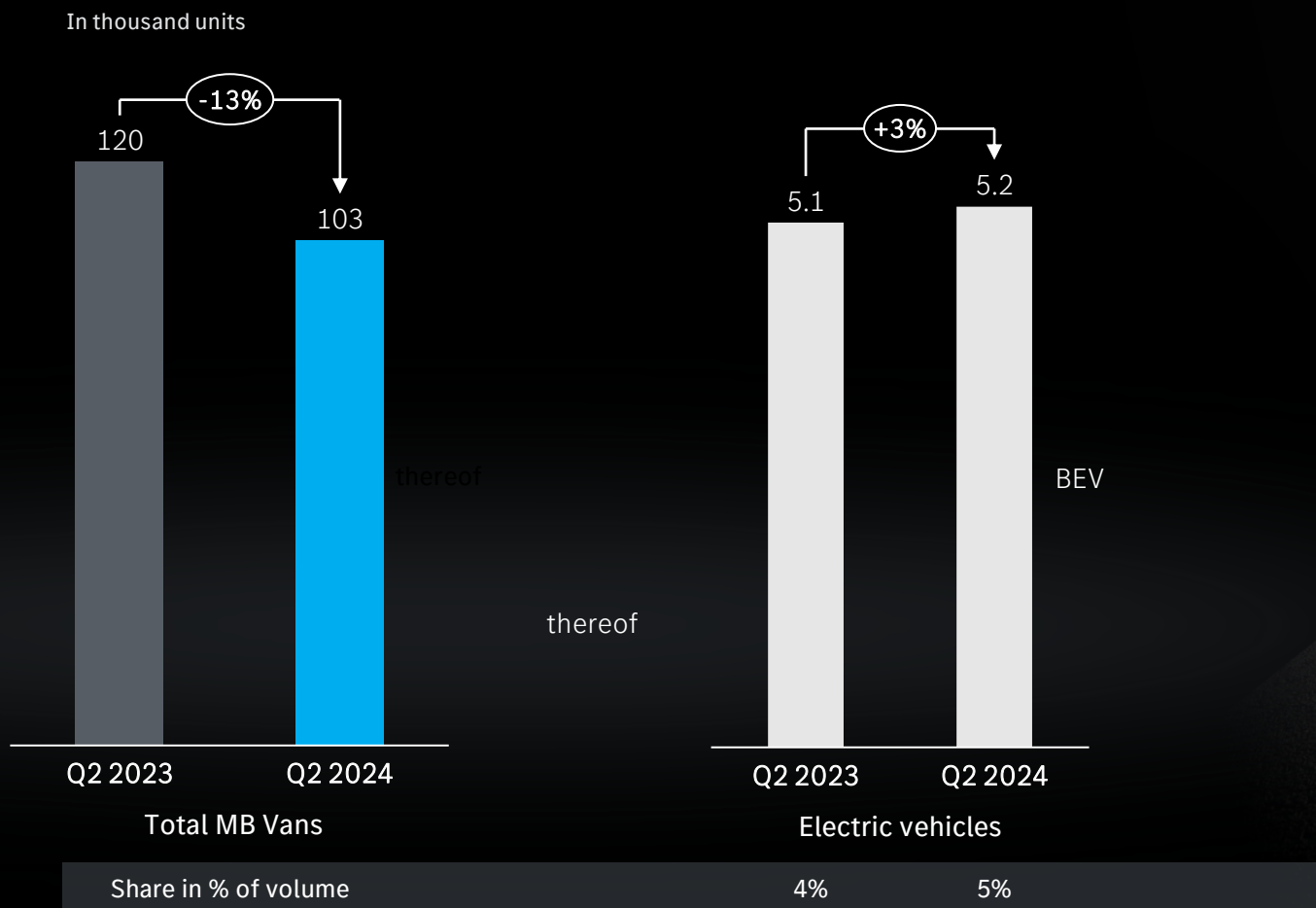


# Mercedes-Benz Cars: EBIT to CFBIT

In million euros

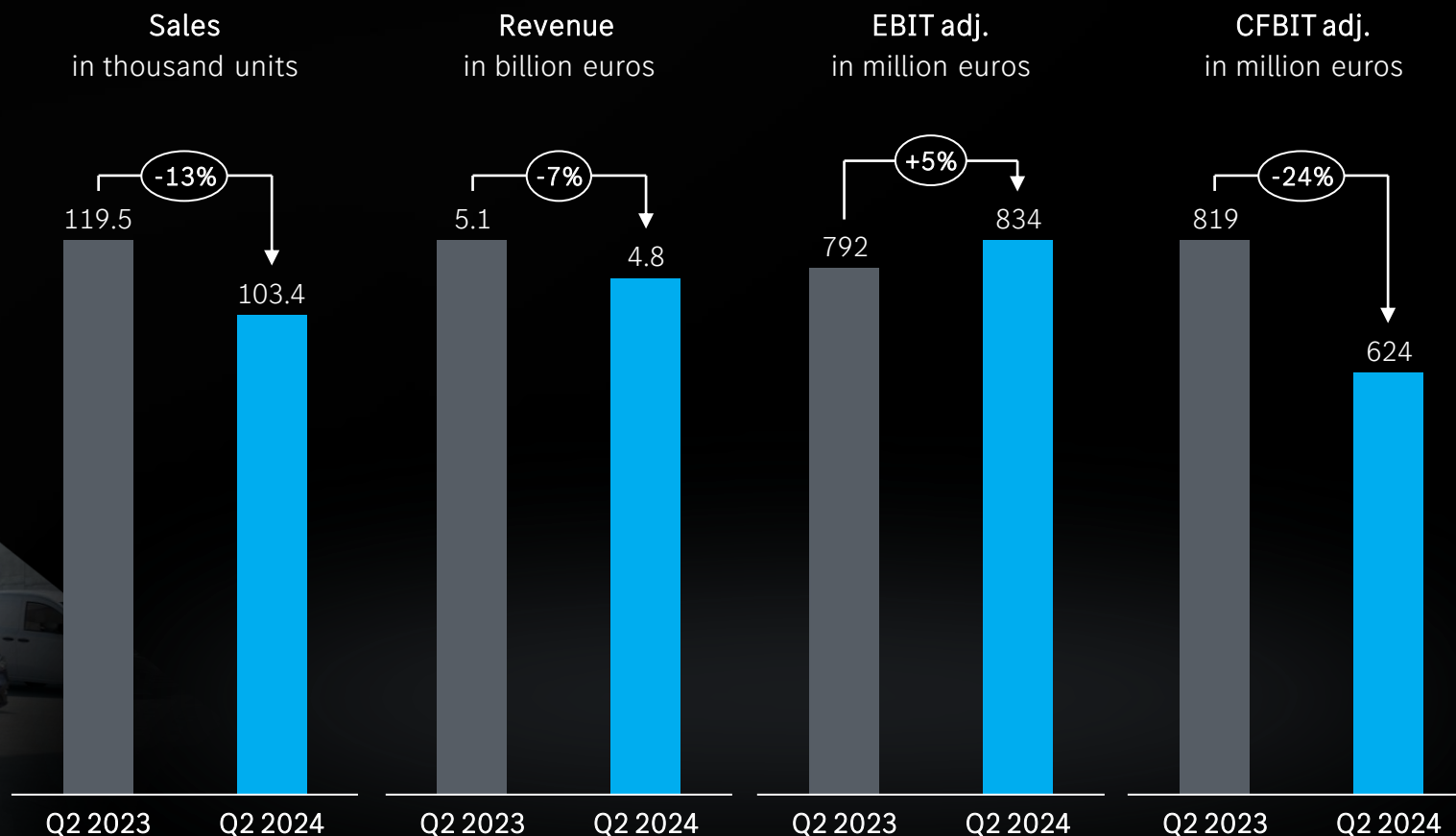


# Mercedes-Benz Vans: Electric vehicle unit sales





# Mercedes-Benz Vans: Financials



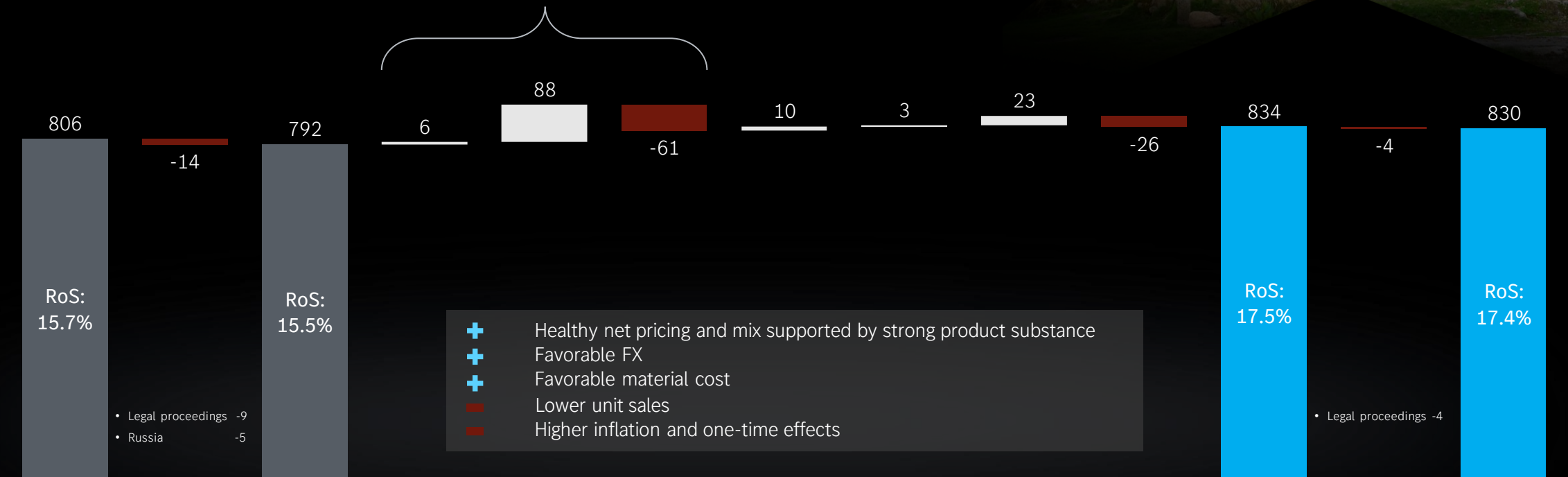


# Mercedes-Benz Vans: EBIT & RoS

In million euros



Gross Profit +32

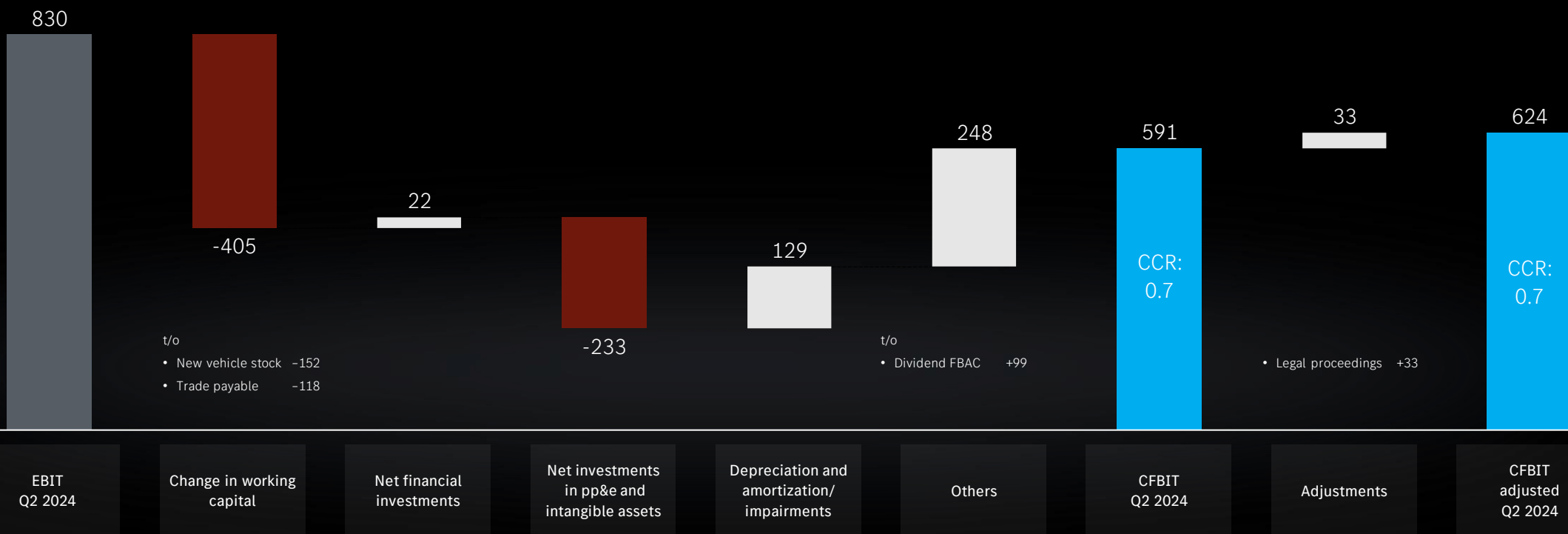


- + Healthy net pricing and mix supported by strong product substance
- + Favorable FX
- + Favorable material cost
- Lower unit sales
- Higher inflation and one-time effects

EBIT Q2 2023	Adjustments	EBIT adjusted Q2 2023	Volume / structure / net pricing	Foreign exchange rates	Industrial performance	Selling expenses	General administrative expenses	Research & non-capitalized development costs	Others	EBIT adjusted Q2 2024	Adjustments	EBIT Q2 2024
--------------	-------------	-----------------------	----------------------------------	------------------------	------------------------	------------------	---------------------------------	--	--------	-----------------------	-------------	--------------

# Mercedes-Benz Vans: EBIT to CFBIT

In million euros



# Mercedes-Benz Mobility: Financials



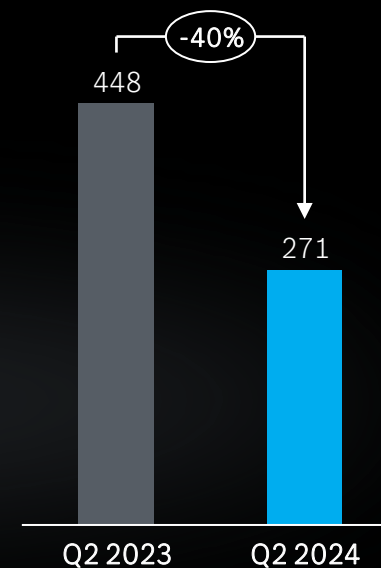
New Business  
in billion euros



Contract Volume  
in billion euros



EBIT adj.  
in million euros

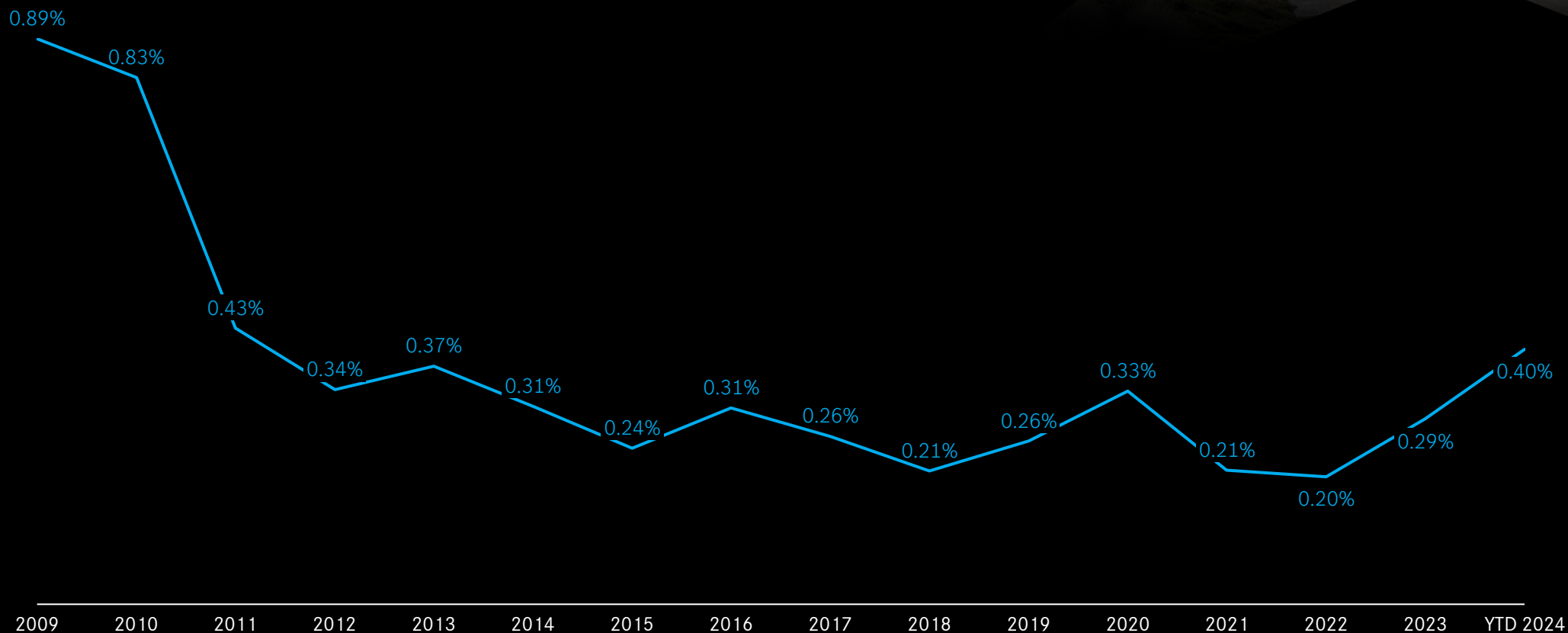


# Mercedes-Benz Mobility: EBIT & RoE

In million euros



# Mercedes-Benz Mobility: Net credit losses\*



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

# AGENDA

I. Mercedes-Benz Group Review Q2 2024

II. Divisional Review Q2 2024

III. Outlook FY 2024

IV. Funding

V. Sustainability

VI. Luxury

VII. Operating System



# Mercedes-Benz Divisional Guidance 2024



## ASSUMPTION

The assumptions regarding the economic situation and the development of automotive markets continue to be characterized by a degree of uncertainty. In addition to unexpected macroeconomic developments, uncertainties for the global economy and the business development of the Mercedes-Benz Group may arise in particular from geopolitical events and trade policy.

Unit Sales	Mercedes-Benz Cars	Slightly below
	Mercedes-Benz Vans	Slightly below
xEV share	Mercedes-Benz Cars (xEV)	19 to 20 %
	Mercedes-Benz Vans (xEV)	5 to 7 %
Return on Sales (adjusted*)	Mercedes-Benz Cars	7.5 to 8.5 %
	Mercedes-Benz Vans	14 to 15 %
	Mercedes-Benz Mobility (RoE)	8.5 to 9.5 %
Cash Conversion Rate** (adjusted)	Mercedes-Benz Cars	0.8 to 1.0
	Mercedes-Benz Vans	0.6 to 0.8
Investment in pp&e	Mercedes-Benz Cars	Significantly above
	Mercedes-Benz Vans	Significantly above
R&D expenditure	Mercedes-Benz Cars	At prior-year level
	Mercedes-Benz Vans	Significantly above

\* The adjustments include material adjustments if they lead to significant effects in a reporting period. These material adjustments relate in particular to legal proceedings and related measures, restructuring measures and M&A transactions.

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

# Mercedes-Benz Group Guidance 2024



## ASSUMPTION

The assumptions regarding the economic situation and the development of automotive markets continue to be characterized by a degree of uncertainty. In addition to unexpected macroeconomic developments, uncertainties for the global economy and the business development of the Mercedes-Benz Group may arise in particular from geopolitical events and trade policy.

Revenue	At prior-year level
EBIT	Significantly below
Free Cash Flow (Industrial Business)	Significantly below

# Mercedes-Benz Group/Divisional Guidance Ranges\*

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

\* X = Actual Guidance Figure



# We will continue to execute our strategy



Top-End ramp-up  
supporting sales & mix  
in second half

Maintain cost  
discipline, resilience  
at work

Further momentum  
generated by several  
initiatives, e.g. BEAT



We will be able to cater to different customer needs well into the 2030s  
All new models aim to exceed highest customer expectations



Flexibility to offer  
ICE & BEV during  
transition phase

Product offensive 2025ff  
with new positions &  
significant upgrades

Desirable offerings  
in all segments

# AGENDA

I. Mercedes-Benz Group Review Q2 2024

II. Divisional Review Q2 2024

III. Outlook FY 2024

**IV. Funding**

V. Sustainability

VI. Luxury

VII. Operating System



# Our funding strategy is built on strict principles

## Targeting Financial Independence

No dependence from single markets, instruments, banks or investors

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

No Covenants and asset pledges, no Credit Support Agreements

## Maximizing Financial Flexibility

Keeping prudent amount of Cash and Committed Credit Facility

New markets funded via global and local banks first

Early capital market funding to save credit capacity in growth regions

## Stringent Global Funding Policy

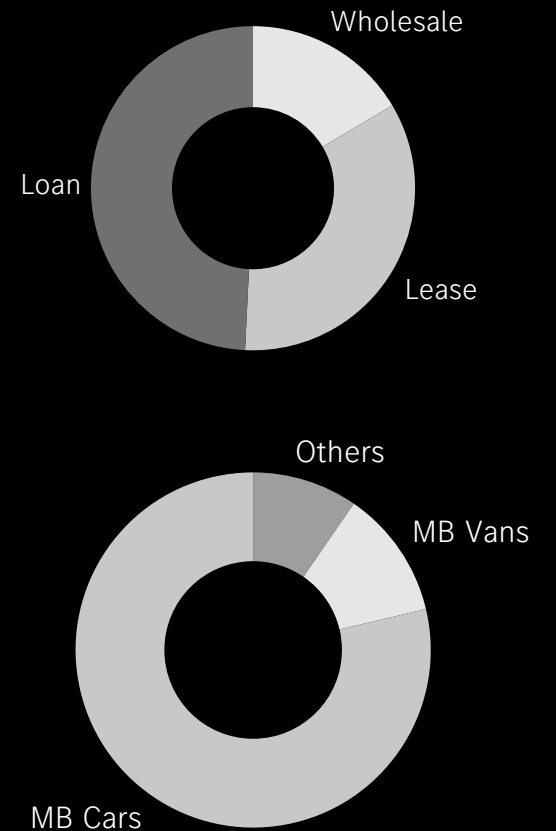
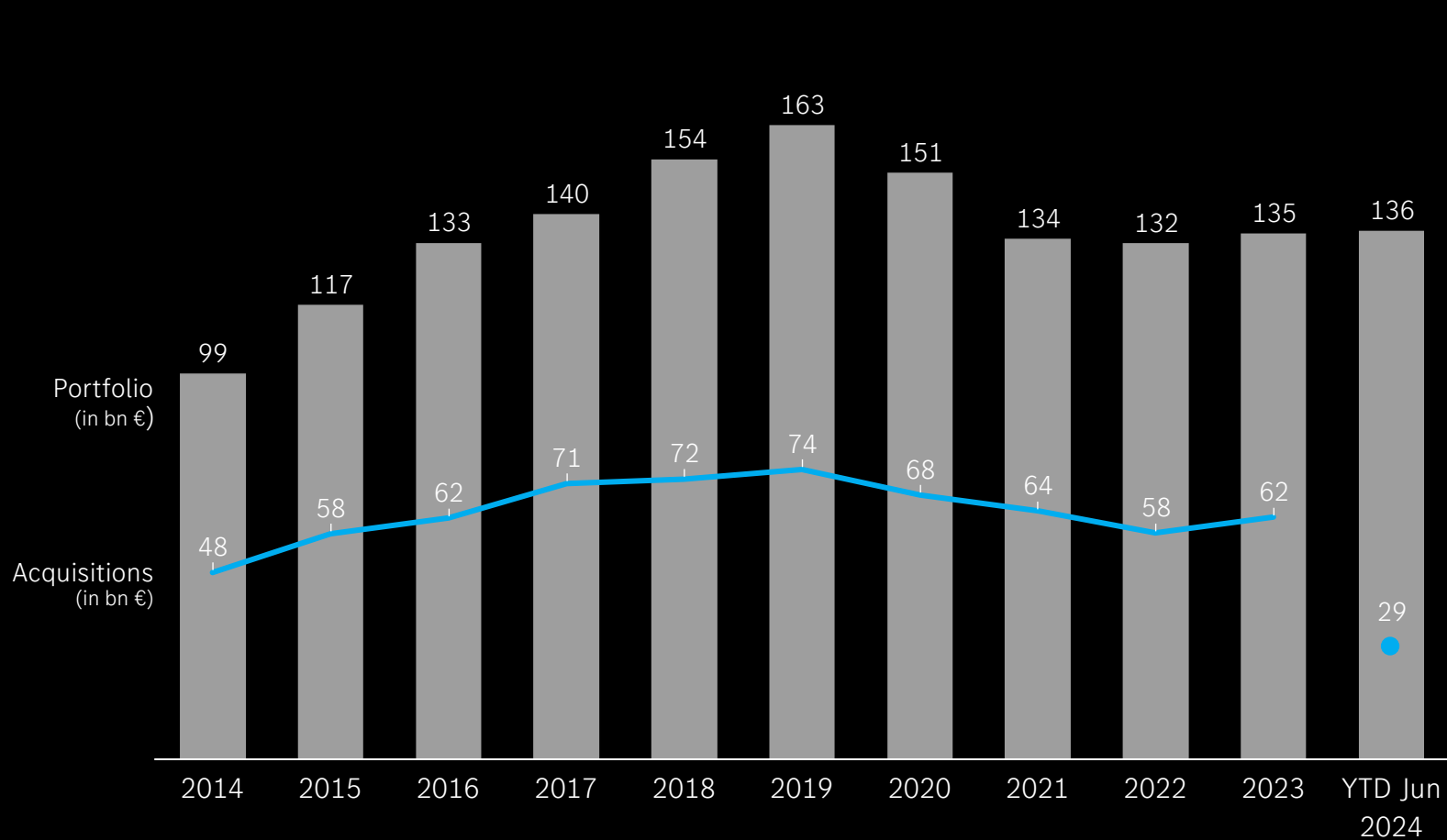
Liquidity matched funding

Interest rate matched funding

Currency matched funding

Country matched funding

# Portfolio at Mercedes-Benz Mobility remained stable compared to 2023



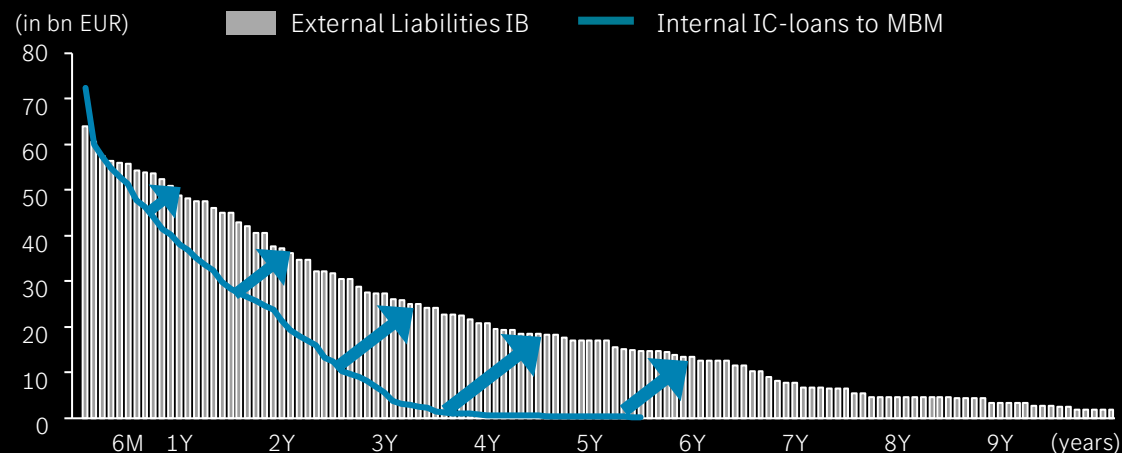
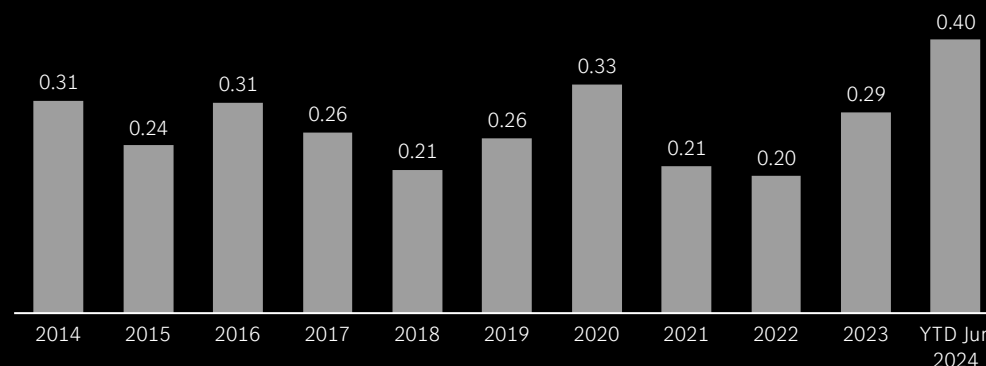
# Mercedes-Benz Mobility business with stringent credit management and solid refinancing

Net credit losses increased mainly driven by the consumer segment in the US market. Due to the still challenging situation in US net credit losses are expected to remain on an elevated level in the year 2024.

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

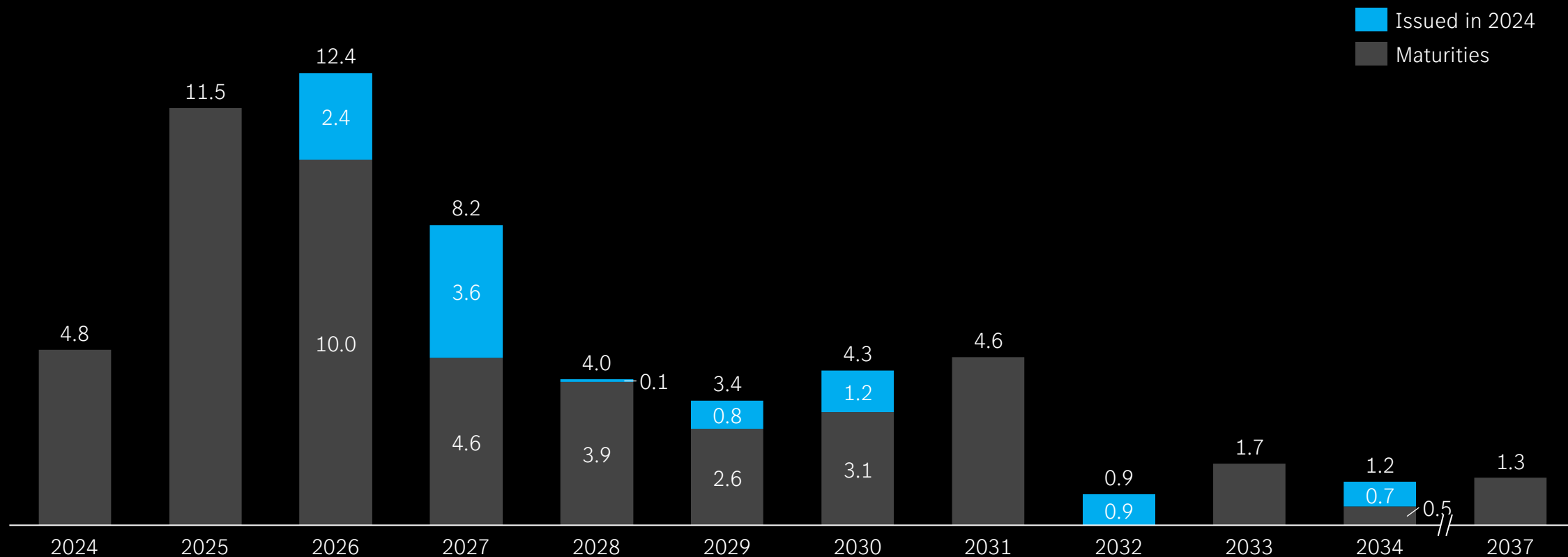
External liabilities of Mercedes-Benz Group have a longer duration due to capital market refinancing than internal allocation to MBM via IC-loans.

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



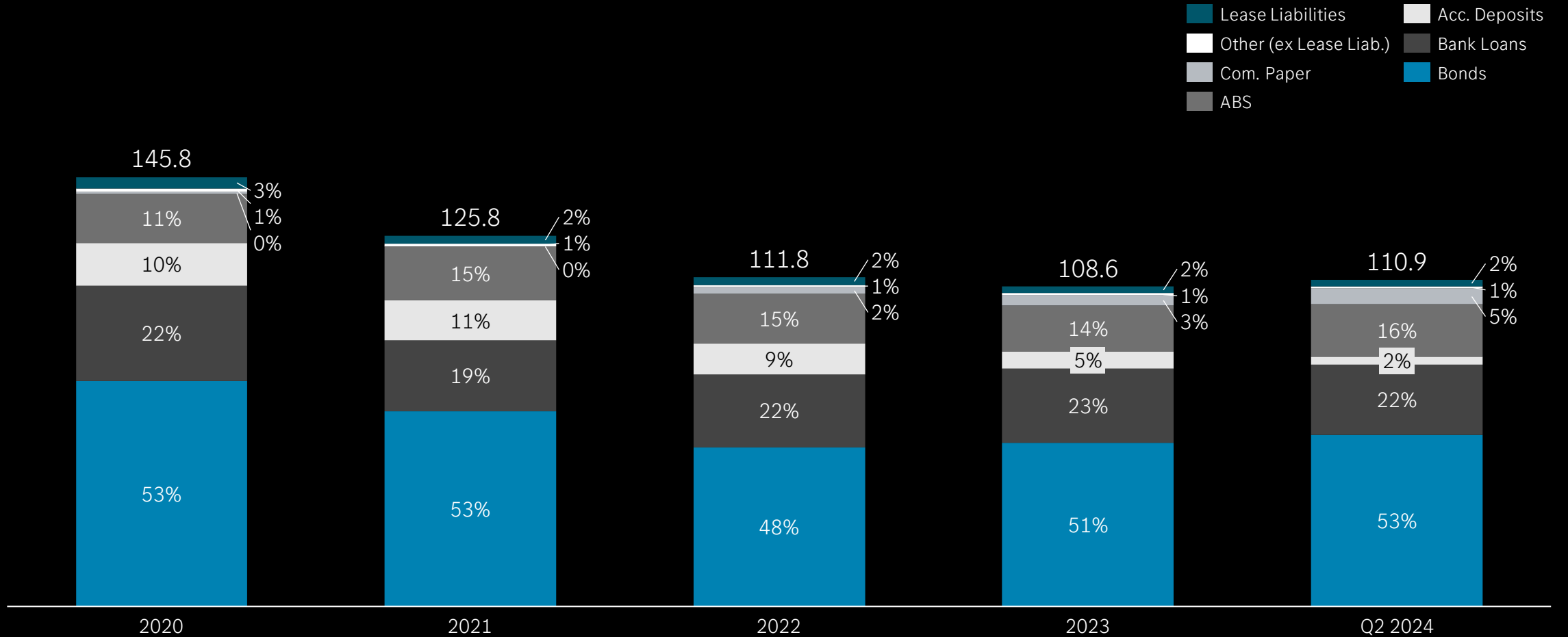
# Well balanced bond maturity profile

in billions of EUR as of June 30<sup>th</sup>, 2024

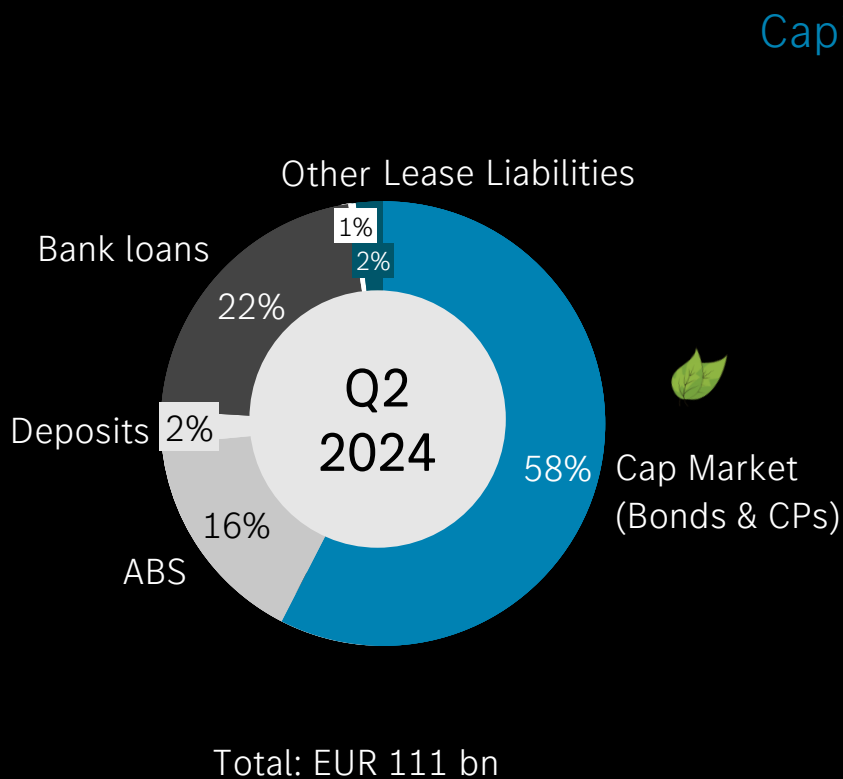


# Financing liabilities show a diversified funding mix

in billions of EUR



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



## Capital Markets

Strengthen our global footprint and use market opportunities

## Bank Loans

Deepen our excellent bank relationships

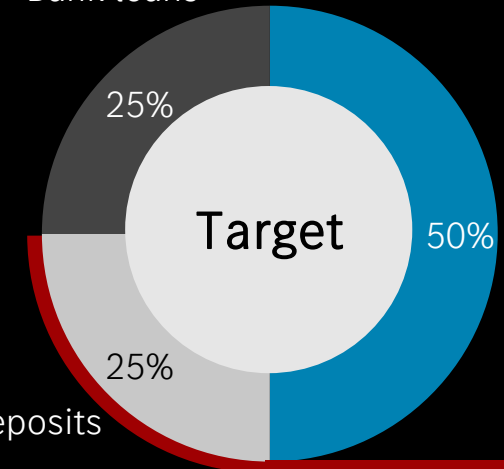
## ABS

Globally expand our highly competitive ABS issuances

## Deposits

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

## Bank loans

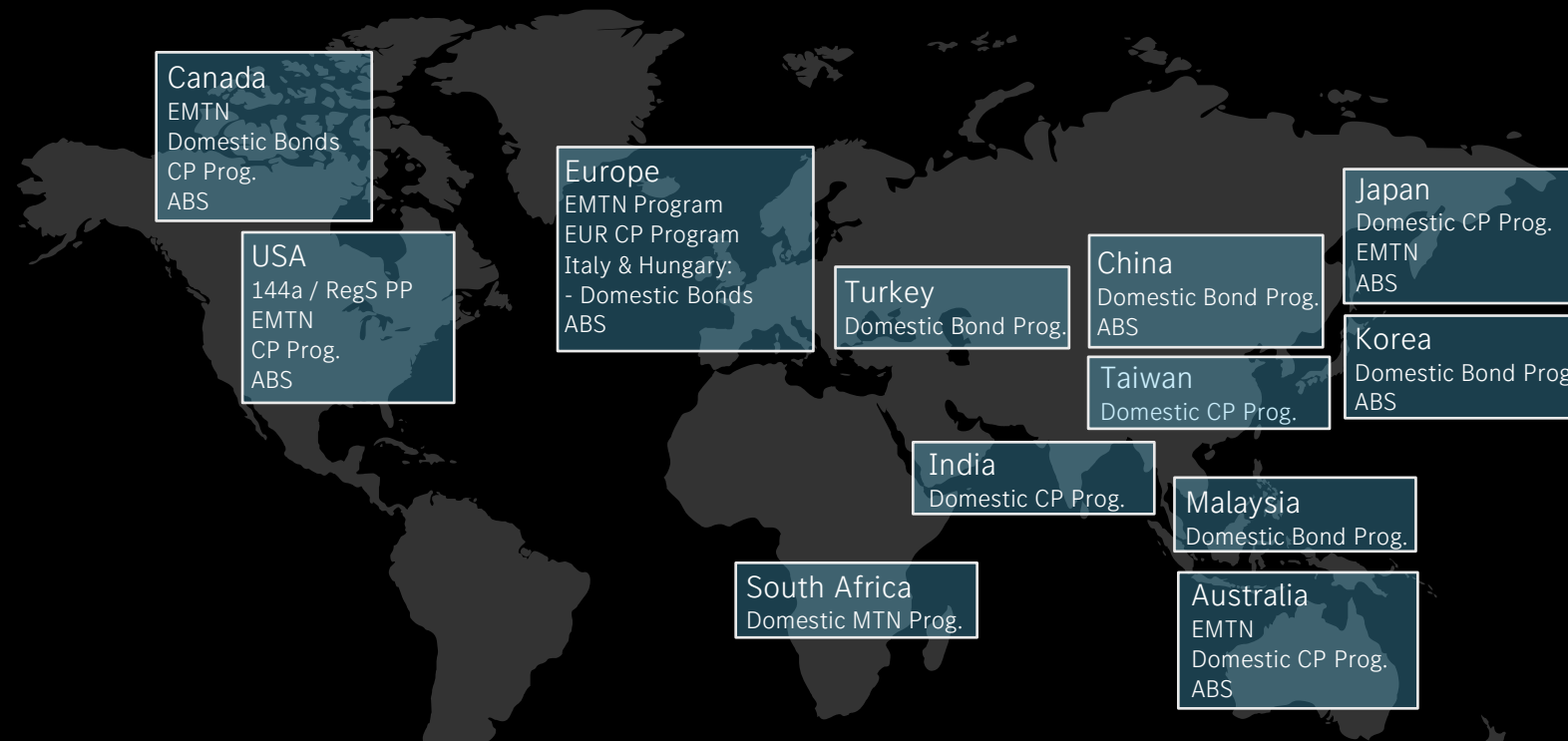


**RATING INDEPENDENT**



Planned to increase Green Finance Share in the upcoming years

# Diversified global funding base: continuously matched with MBM requirements



Bonds			ABS			Bank Loans		
Currency	Volume	%	Currency	Volume	%	Currency	Volume	%
EUR	32.1	55%	ZAR	0.4	1%	USD	9.2	52%
USD	19.3	33%	AUD	0.4	1%	CNY	3.4	19%
CNY	2.1	4%	MYR	0.3	1%	EUR	2.0	11%
GBP	1.2	2%	KRW	0.3	0%	GBP	1.3	8%
CAD	1.1	2%	JPY	0.2	0%	AUD	0.9	5%
CHF	0.6	1%	Other (HUF, SEK, HKD, NOK)	0.3	0%	JPY	0.5	3%
						CAD	0.4	2%
<b>Total (EUR bn)</b>	<b>58</b>		<b>Currencies</b>	<b>15</b>		<b>Total (EUR bn)</b>	<b>18</b>	
						<b>Currencies</b>	<b>7</b>	

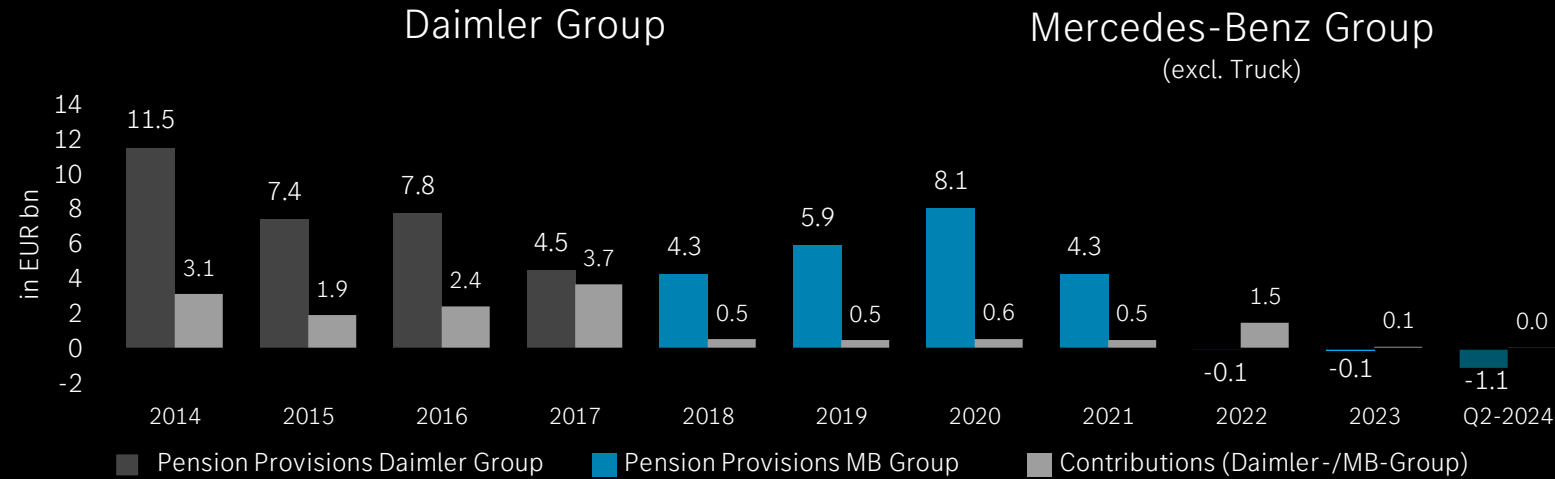
110 banks providing funding of EUR 24 bn in 30 countries

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

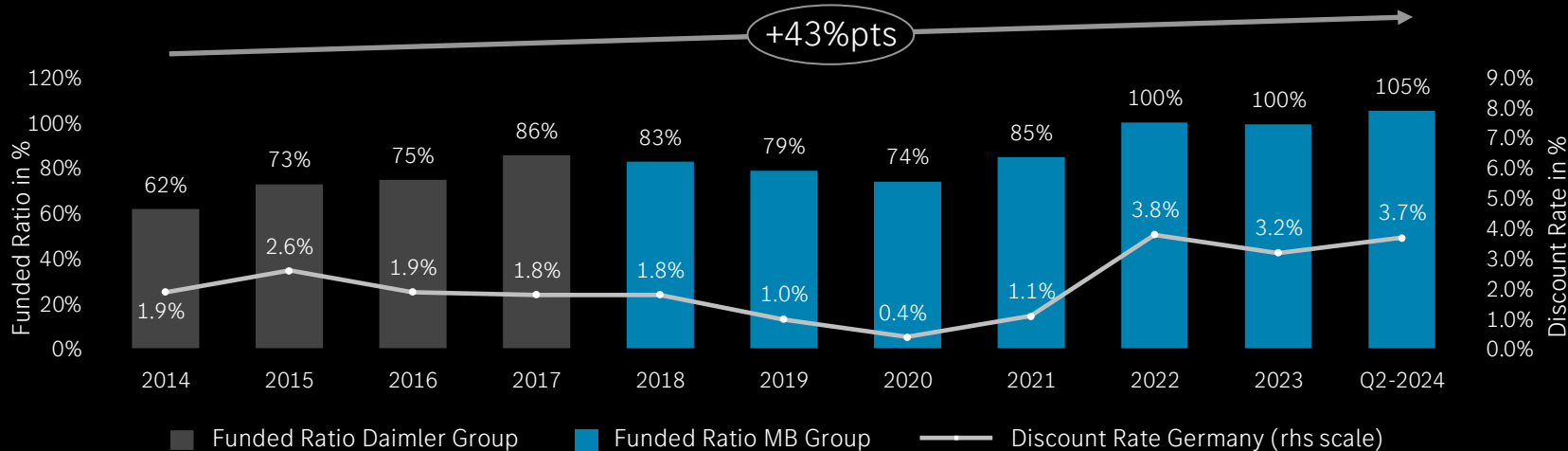
	Agency	Long-term	Outlook	Short-term
Current Ratings:	Standard & Poor's:	A	stable	A-1
	Moody's:	A2	stable	P-1
	Fitch:	A	stable	F1+
	DBRS:	A	stable	R-1 (low)
	Scope:	A+	stable	S-1+



# Funded Ratio of pension obligations at approximately 105%



Solid capital structure: on a net basis, no more pension provisions since 12/2022



Funded Ratio improved in 2024 due to positive asset returns and increasing discount rates

# AGENDA

I. Mercedes-Benz Group Review Q2 2024

II. Divisional Review Q2 2024

III. Outlook FY 2024

IV. Funding

**V. Sustainability**

VI. Luxury

VII. Operating System

# The pace of the transformation is set by customers and market conditions

We will be able to cater to different customer needs until well into the 2030s

as high as **50%**

expected xEV\* share of new vehicles at Mercedes-Benz Cars in 2<sup>nd</sup> half of this decade

**-20%**

Investments targeted vs. 2019 in 2<sup>nd</sup> half of decade





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



**Production:** The ambition for all Mercedes-Benz production plants worldwide is to run 100 percent on renewable energy with zero CO<sub>2</sub> emissions by 2039



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



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



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

\* Net carbon-neutrality means that carbon emissions that are not avoided or reduced at Mercedes-Benz are compensated for by certified offsetting projects

# Ambition 2039 - Our commitment to net carbon-neutrality<sup>1</sup>

Supply chain



Production & logistics



Well-to-tank



Tank-to-wheel



End-of-life



**2020:** 49.7 t CO<sub>2</sub> emissions per vehicle, Mercedes-Benz Cars<sup>3</sup>

**2023:** 46.3 t CO<sub>2</sub> emissions per vehicle, Mercedes-Benz Cars<sup>3</sup>

**By end of the decade:** Reduction of the CO<sub>2</sub> emissions per car in the new vehicle fleet up to 50% along all stages of the value chain<sup>4, 5</sup>

**2039:** Net carbon-neutral fleet of new Mercedes-Benz vehicles along all stages of the value chain

<sup>1</sup> Net carbon-neutral means not causing any CO<sub>2</sub> emissions and compensating any CO<sub>2</sub> emissions that do occur through certified projects to offset emissions

<sup>2</sup> SBTi- Science-based target initiative; Mercedes-Benz AG targets for scope 1 and 2 as well as scope 3 (use phase) emissions approved in 2019


<sup>3</sup> Incl. scope 1, scope 2 and selected scope 3 CO<sub>2</sub>-emission categories concerning vehicle lifecycle

<sup>4</sup> The pace of transformation is determined by market conditions and customers

<sup>5</sup> Compared to 2020 (value chain stages: procured goods, production, logistics, fuel and energy generation, driving operation, disassembly and treatment processes) Targeted reduction by up to 50% by the end of this decade vs. 2020




# MMA FAMILY integrates technology from VISION EQXX — the most efficient Mercedes we have ever built

 Mercedes-Benz Electric Drive Unit  
(MB.EDU) with up to

93 % efficiency

 Consumption of  
~12 kWh/100 km

 15 min charging delivers  
up to 400 km range

 Range of more than  
750 km\*

 800 V system enables up to  
300 kW DC charging



\*WLTP: In real driving conditions, deviations from the certified standard values may occur. The real values are influenced by a variety of individual factors, e.g. individual driving style, environmental and route conditions.

# VISION EQXX - third successful long-distance mission

## MISSION 1



Average consumption of  
**8.7 kWh/100 km**  
**7.1 miles/kWh\***  
over 1,008 km

## MISSION 2



Average consumption of  
**8.3 kWh/100 km**  
**7.5 miles/kWh\***  
over 1,202 km

## MISSION 3



Average consumption of  
**7.4 kWh/100 km**  
**8.4 miles/kWh\***  
over 1,010 km

\*On-board consumption without charging losses



# eCAMPUS: Developing high-performance cells with "Mercedes-Benz DNA"

## The Chemistry Lab

Develops and evaluates cell chemistries and advanced cell designs in various formats – from button cells to small multi-layer pouch cells

## The Flexible Cell Lab

Builds and tests large prototype cells in automotive format

## The Industrial Cell Lab

Produces the prototype cells on an industrial scale and includes electrode manufacturing, cell assembly, electrolyte filling, forming and finishing

Complete product and process chain for cell development and production



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



## Global Joint Ventures

EU: >3,300 HPC plugs built

China: >7,000\* HPC plugs by 2026

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



## MB branded HPC network

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



## Adding more options

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

\* Figures are target values



# Mitigating transformation risks - optimising our footprint

## CAPACITY



Structural adjustment and realignment of production capacity and volume, e.g. sale of Hambach and Russian plants

## TRANSFORMATION



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

## FLEXIBILITY



Maximum flexibility with xEVs\* and combustion engine vehicles on the same production line

\* Plug-in hybrids and all-electric vehicles

# Mitigating transformation risks - optimising our cost base

## SCALE



Future all-electric architectures designed in a way to use common components and synergy parts

## BATTERIES



> 30 % reduction in €/kWh battery cost possible in the coming years, while improving efficiency & charging time

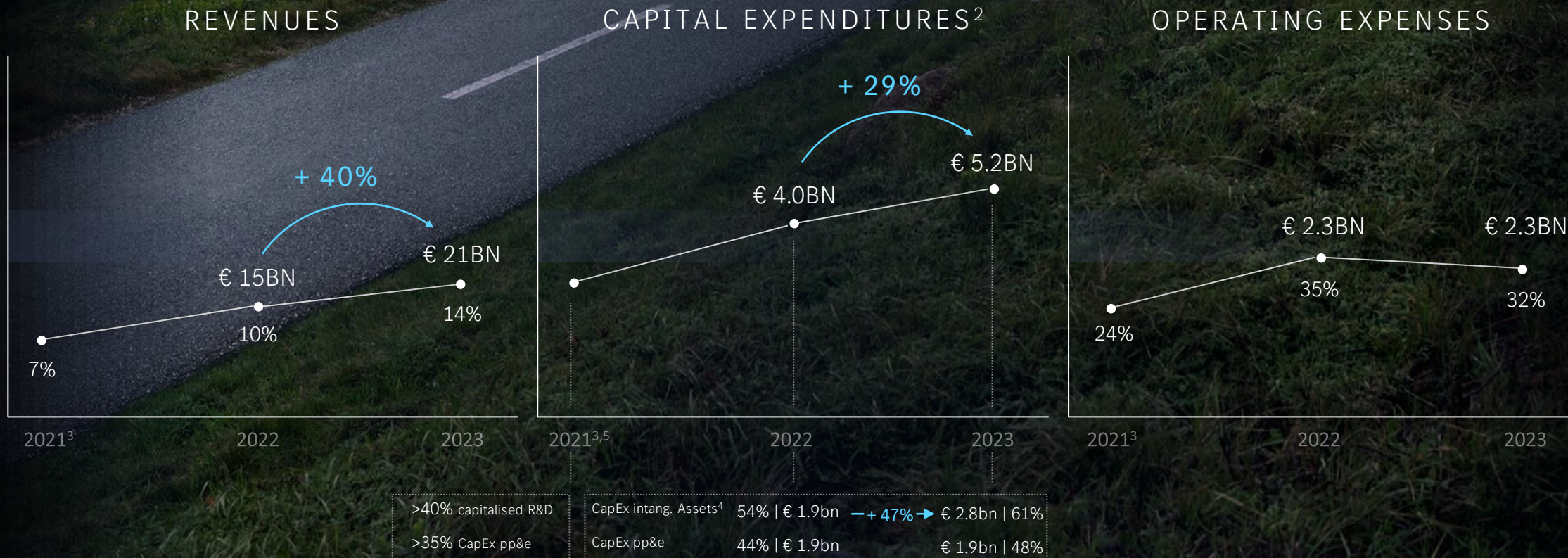
## PROCUREMENT



Targeting the reduction of material costs in the coming years



# EU Taxonomy-aligned shares<sup>1</sup> - Taxonomy reporting demonstrates progress towards carbon neutrality



<sup>1</sup> Comprehensive EU Taxonomy reporting in Annual Report 2023 <sup>2</sup> CapEx without additions to equipment on operating leases; Taxonomy-aligned CapEx of 24%  
<sup>3</sup> Voluntary reporting on the proportion of economic activities relating to low-carbon vehicles (below the limit value of 50g CO<sub>2</sub>/km) <sup>4</sup> Mainly capitalised development cost <sup>5</sup> Including capital expenditure on non-current assets related to Daimler's commercial vehicle business until its first classification as available for sale or disbursement in accordance with IFRS 5 by July 30, 2022

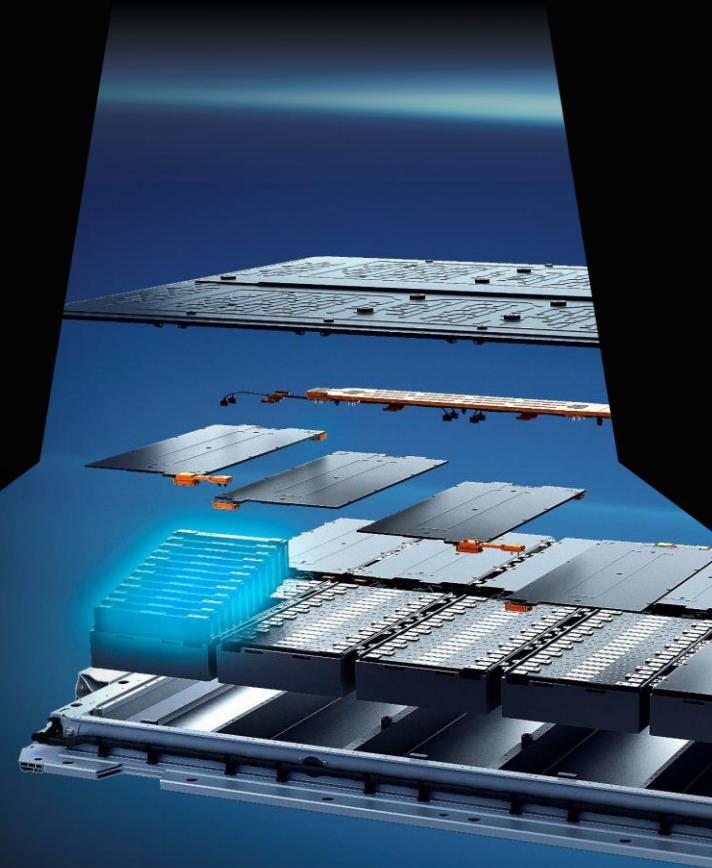
# Together with our partners, we will expand our activities in battery cells and systems

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

Envision AESC

CATL

ACC





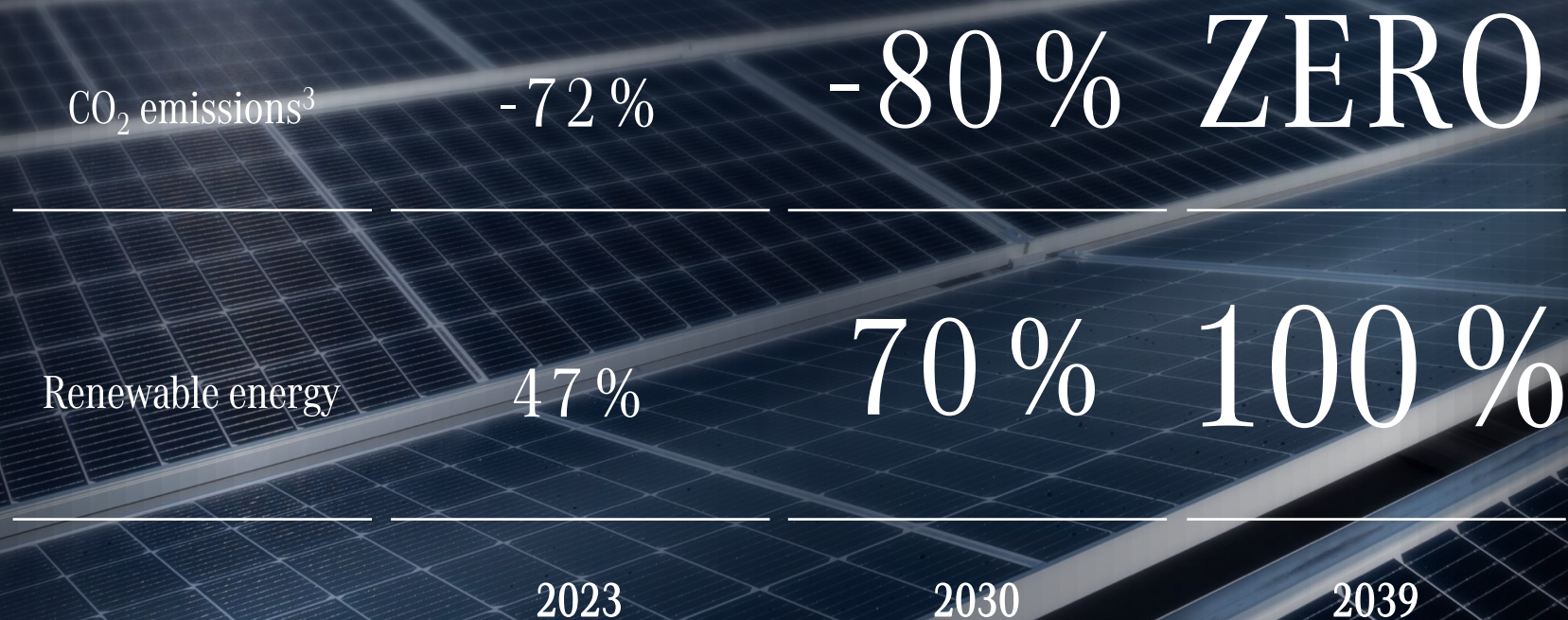
# We are addressing the battery cost challenge

> 30%

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

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

# Carbon reduction & renewable energy expansion at Mercedes-Benz Cars; net carbon-neutral production since 2022<sup>1,2</sup>



<sup>1</sup> All production plants operated by the Mercedes-Benz Group have been net carbon-neutral in terms of Scope 1 and Scope 2

<sup>2</sup> Net carbon-neutral means that no CO<sub>2</sub> emissions are created or any resulting CO<sub>2</sub> emissions are offset by certified compensation projects.

<sup>3</sup> Coming from 2018, CO<sub>2</sub> emissions scope 1 and scope 2

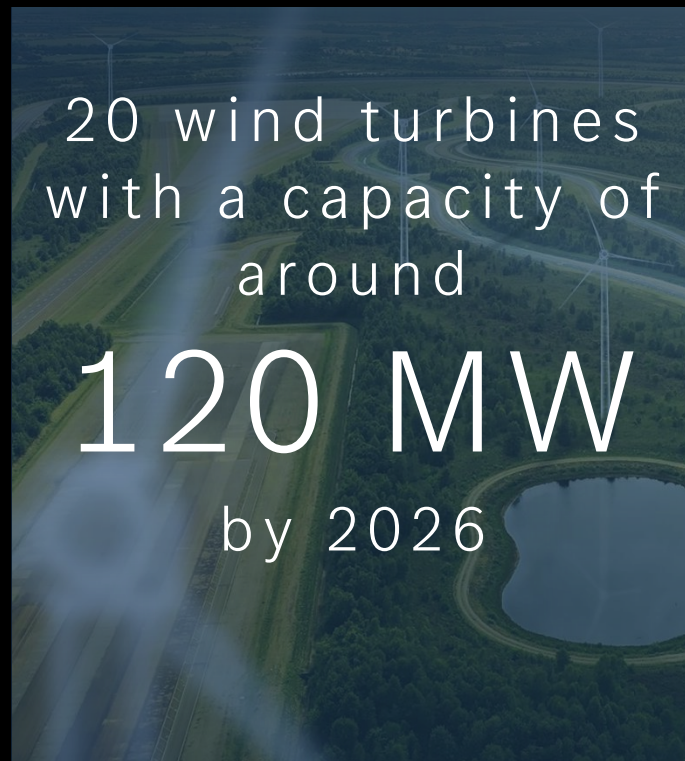


# Mercedes-Benz Group intends to cover more than 50% of its total electricity demand in Germany from new solar and wind power plants

## PHOTOVOLTAIC



## WINDPARK PAPENBURG



## WINDPARK WINDANKER



# We are establishing a net carbon-neutral\* supply chain

## STEEL

CARBON FOOTPRINT  
REDUCTION BY 40%

1/3 of body-in-white steel in the  
U.S.-sourced from electric arc furnaces

CO<sub>2</sub>-REDUCED STEEL FOR  
MORE THAN 1/3 OF DEMAND

Annual target for European  
press shops within this decade

## ALUMINIUM

1/3 of primary aluminium

for next BEV models in EU using electricity from renewable sources  
for electrolysis – goal is to extend to all aluminium sourced for our  
foundry in Mettingen (Germany)

CO<sub>2</sub> reduction per kg/Al of approx.\*

▶ 40–50 % starting in 2024

Developing further innovations for very-low-CO<sub>2</sub>  
aluminium parts with our partners

Targeted CO<sub>2</sub> reduction per kg/Al of approx.\*

>90 % by 2030



# Closing the loop with our net carbon-neutral\* battery recycling factory in Kuppenheim

PHASE 1 | FRONT-END RAMP-UP



>96% recovery rate

Plastics, Copper, Aluminium, Ferrum

Nickel, Cobalt, Manganese, Lithium, Carbon

Housing, Plastics, Cables, E/E-Components

Innovative mechanical-hydrometallurgical process

Recycling of lithium-ion batteries

BLACK MASS REFINING

MATERIAL SORTING



GRINDING



DISASSEMBLY

\* Net carbon-neutrality means that carbon emissions that are not avoided or reduced at Mercedes-Benz are compensated for by certified offsetting projects

# Our sustainable people plan focuses on a just transition for our employees



Target pictures of locations and entities

Becoming a lean, resilient, agile and innovative company

Hiring for our future



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

2.3 mn learning hours in 2023, +19% compared to 2022

~ 142.000 participations in trainings in digitalisation in 2023 worldwide



Modern, flexible and diverse working environment

30% share of women in senior management positions by 2030

77% ARE SATISFIED WORKING AT MERCEDES-BENZ +3% compared to 2021



# We finance our transformation in a sustainable manner

## GREEN FINANCE FRAMEWORK



In line with Ambition 2039

“DARK GREEN” by CICERO

Green Mercedes-Benz Mobility assets and Green ABS

## GREEN PANDA BOND



First automaker to issue a Green Panda Bond

Green Finance regional footprint expanded

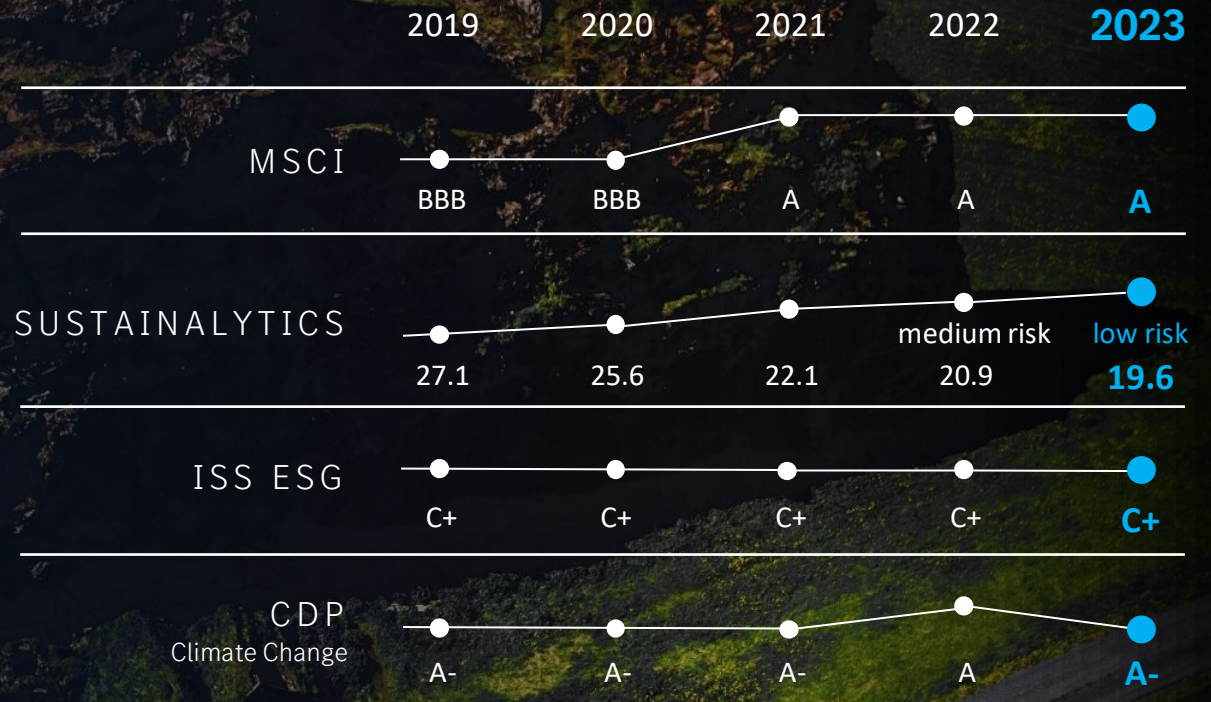
Net proceeds for BEVs

# Mercedes-Benz Group ESG ratings performance

Improvements at MSCI and Sustainalytics since 2019

Upgrade at Sustainalytics to low risk in October 2023

Maintained high level at ISS ESG and CDP Climate Change





# AGENDA

I. Mercedes-Benz Group Review Q2 2024

II. Divisional Review Q2 2024

III. Outlook FY 2024

IV. Funding

V. Sustainability

**VI. Luxury**

VII. Operating System

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

Heritage:

Mercedes-Benz is built on constant reinvention



Formula 1:

The power of F1 for our brand

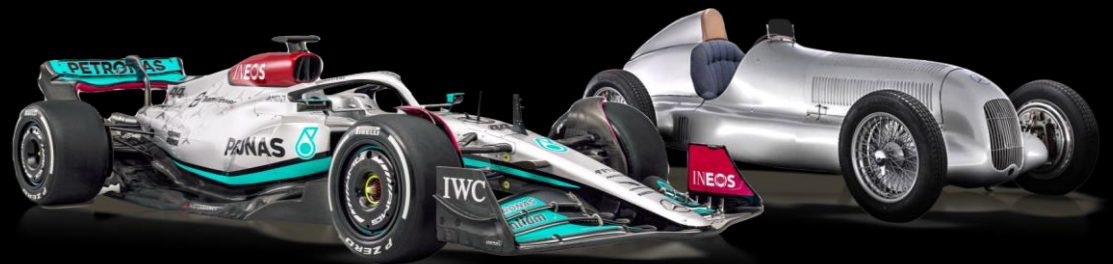
1.5 bn 70.5 mn

cumulative TV viewers<sup>2</sup>

social media followers<sup>2</sup>

\$61 bn

Mercedes-Benz brand value 2023  
which equals +9% vs. prior year<sup>1</sup>



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



## “The Mercedes-Benz Way”

Training for sales and service partners is taking place in 33 markets to elevate customer experience

## New retail brand concept

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

## Brand center network

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



# Concept Mercedes-AMG PureSpeed – expressive concept car gives a look at the first model in the Mythos series



Radical design concept kicks off the launch of the highly exclusive Mythos series

Concept Mercedes-AMG PureSpeed references the design language of legendary racing cars

Exclusive world premiere on the water as part of the Formula 1™ Monaco Grand Prix

Small series model to debut next year

Formula 1™ feeling for two people

# We put our customer at the center of our business



## Retail of the future

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



## eCommerce & digital customer experience

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

\* Benchmark Studies by Concertare and Psyma in 2023

## Our ambition for mid-decade

80% direct sales in Europe

20 markets globally

25% online sales



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

+31%

250k to 328k

Top-end vehicle unit sales 2023 vs. 2019

~60%

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



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



E-Class LWB fond developed in China for China



15

new models will be introduced to China in 2024

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

## What we are going to do

Focus on pricing power

Optimise product portfolio

Tap full potential of top-end segment

Exit lower margin products and channels

Control investment and capacity while driving up contribution margins



## The financial Impact

Drive ASP higher

Find a superior operating equilibrium

Structurally higher profitability and improved margin resilience

Higher return on invested capital

# The power of pricing is part of our strategy

## Key Levers

Superior brand drives pricing power

Strong products enable ambitious initial price setting versus competition

Sustainable price escalation

Tight discounts: from sales push to lifecycle management

Direct sales model allows grip on pricing

» Clear objective to continually raise our net pricing yoy

» We will continue to control pricing and supply even if competitors pursue a volume strategy



# Reshaped model portfolio will drive profitable sales growth

Mercedes-Benz  
Car Sales

2.3 m cars

2.0 m cars

Change of  
segment share in  
2026 vs. 2019

Top-End

328k units

Average ASP >100k €

Around  
+60%

Core

0 %

Entry

-25%



2019



2023



2026



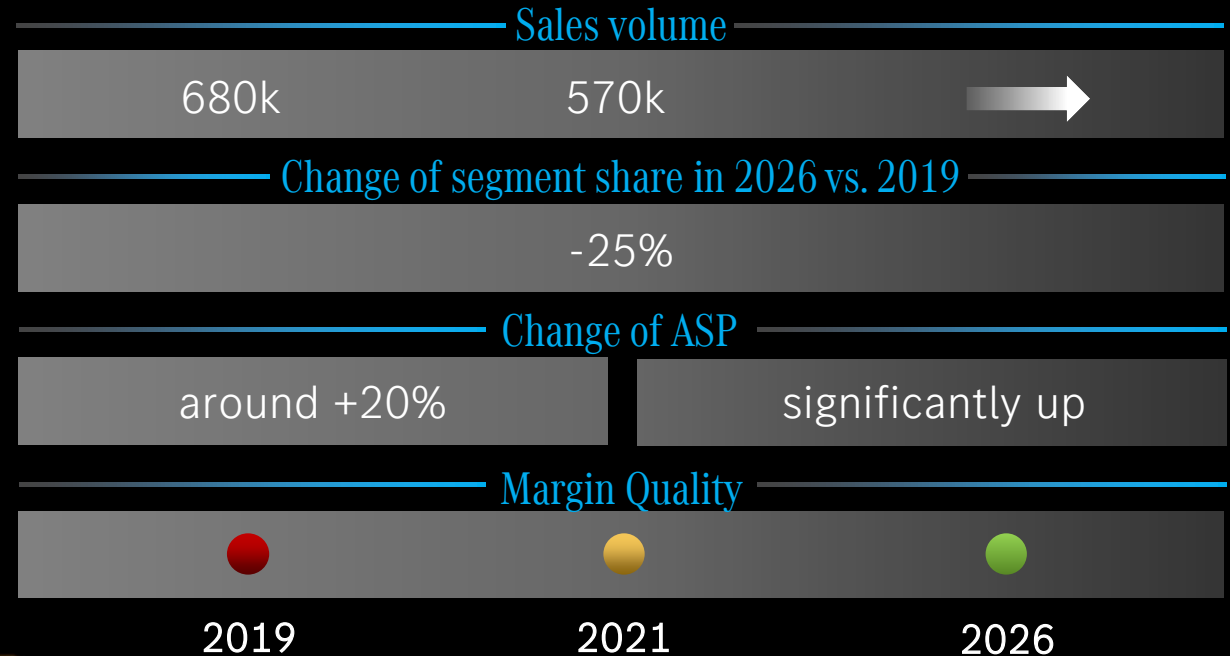
# Entry Segment - Focus & Elevate

## Elevate to Entry Luxury

Product range refocused on fewer and more upscale portfolio positions: MMA platform with CLA, CLA Shooting Brake, GLA and GLB

The new entrance point of the portfolio is being redefined with the next generation of vehicles

Margin threshold supports Group margin ambition





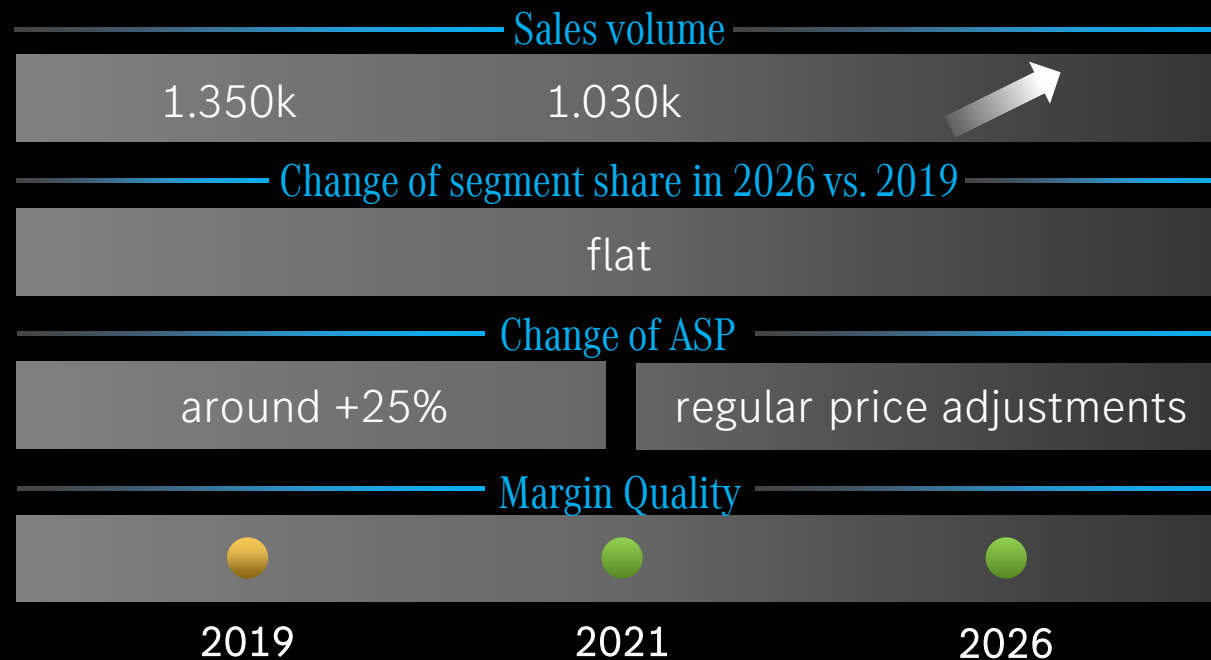
# Core Segment - Grow & Refine

## Core Luxury

Launch of new generation of mid-size volume vehicles (C-Class, GLC). New generation of large-size vehicles as ICE and BEV to follow

New GLC Coupé, CLE Coupé and E-Class Saloon & Estate launched in 2023

Protect healthy margins on the way to BEV



# Top-End Segment - Expand & Enhance

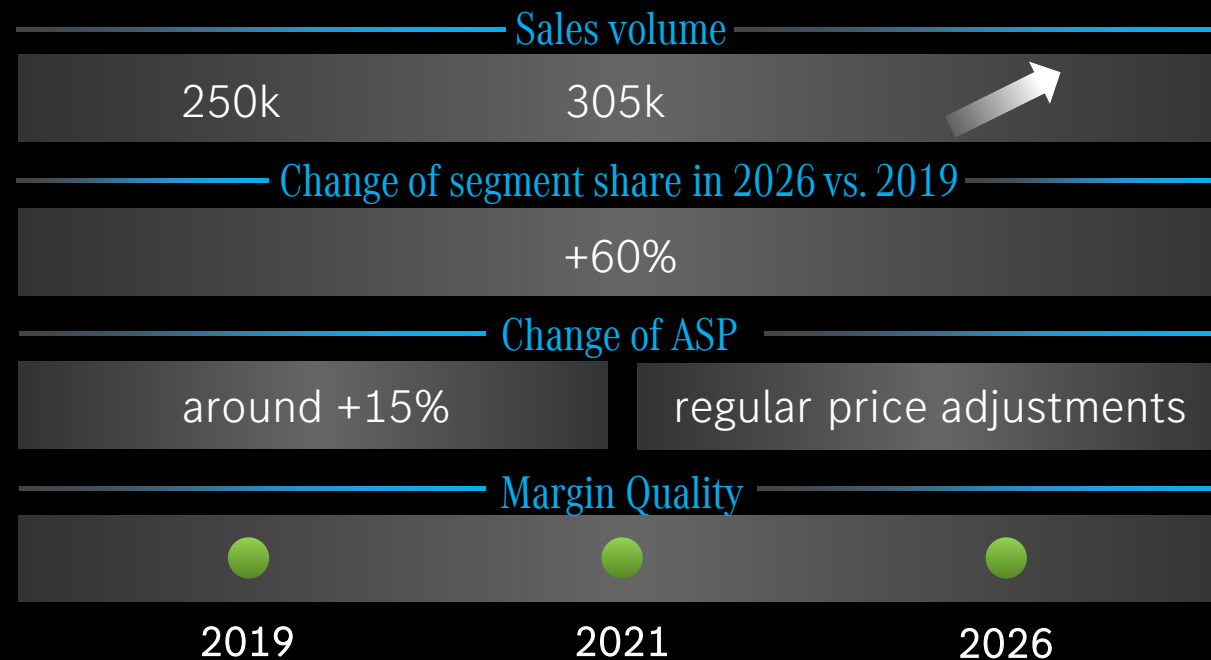
## Top End Luxury

New generation of top-end electric AMGs and large-size vehicles as ICE and BEV to follow

328k top-end luxury units with ASP of > € 100k

Desirable products fueling growth: G-Class, Mercedes-Maybach EQS-SUV, AMG SL and GT

Ultra exclusive collectibles and luxury customer experience like AMG Mythos Series



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



**S-Class:** strengthening position as undisputed market leader



**G-Class:** evolving the adventurous luxury icon in 2024



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



**AMG:** pushing forward performance luxury with new AMG GT family



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



Extension of individualisation program: MANUFAKTUR



Exclusive limited editions: Maybach by Virgil Abloh



Mythos: First Mythos car next year



Collaborations to shape the brand: Moncler

# Changing our economic equation

Enhance ROIC: control the denominator while raising the numerator (operating and cash margins)

Drive growth through high utilisation, ‚reverse auction‘ of available capacity to build the most profitable models

75% of capital allocation focused on top-end and core segment where the returns are most promising

Intelligent and careful capital allocation to build EV capabilities and supply chain





# We are continuously optimizing our footprint and our cost base



**Retail:** evaluating potential sale of own retail business in Germany



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



**Procurement:** target to reduce material costs in the next years

# Bottom line

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



# The essence of our brand and our way forward



ICONIC  
LUXURY



LEADING  
TECHNOLOGY



# AGENDA

I. Mercedes-Benz Group Review Q2 2024

II. Divisional Review Q2 2024

III. Outlook FY 2024

IV. Funding

V. Sustainability

VI. Luxury

VII. Operating System



# Mercedes-Benz continues to pioneer advancements in automated driving



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



**Advancing DRIVE PILOT (L3)**  
Aim to extend speed up to 95  
km/h in Germany by end of 2024,  
plans to go beyond



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

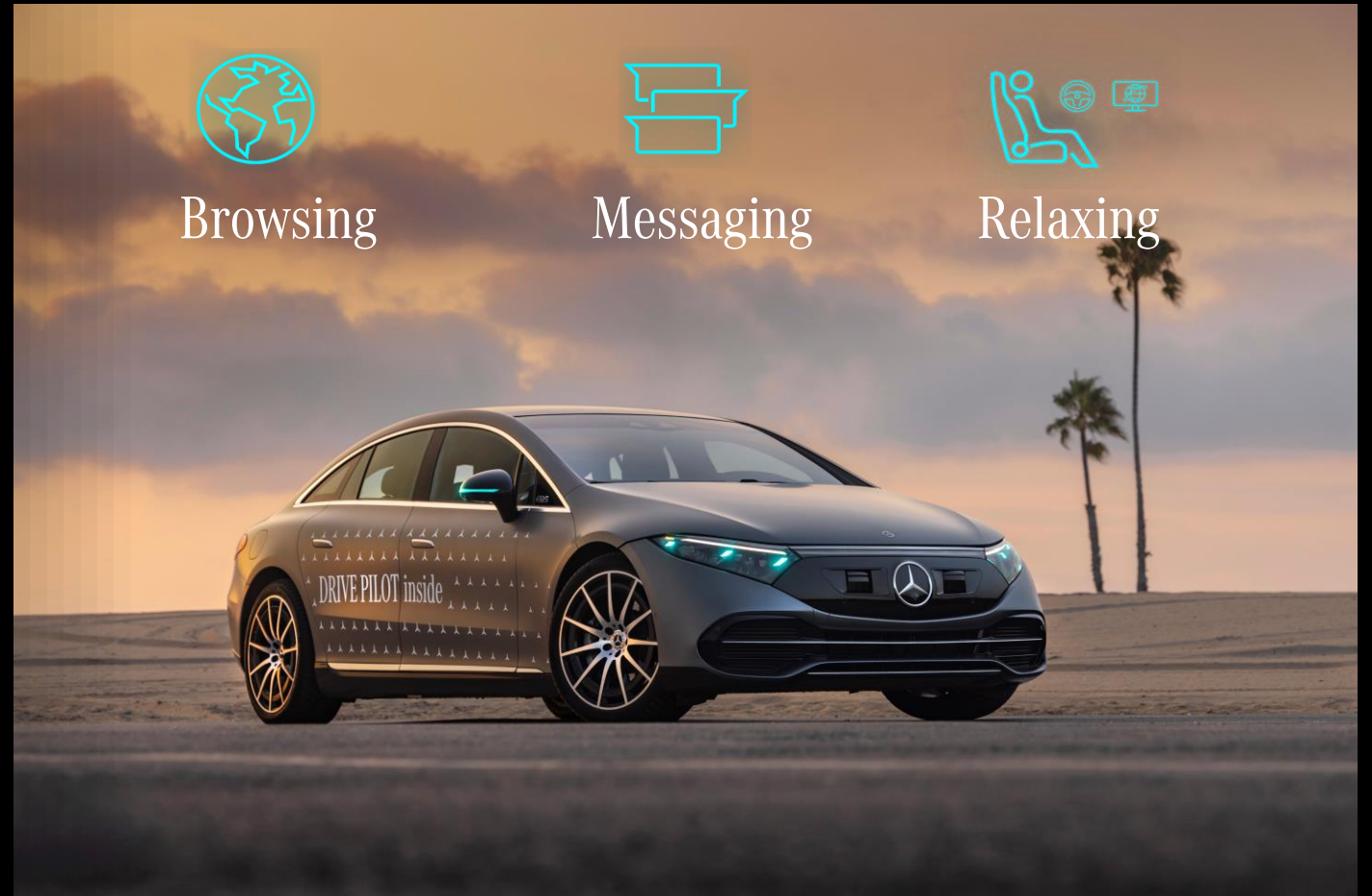
# Conditionally automated driving SAE-Level 3: DRIVE PILOT gives back time to customers

Mercedes-Benz is the **first car company in the world** to meet the UN-R157 regulation for **conditionally automated driving**.

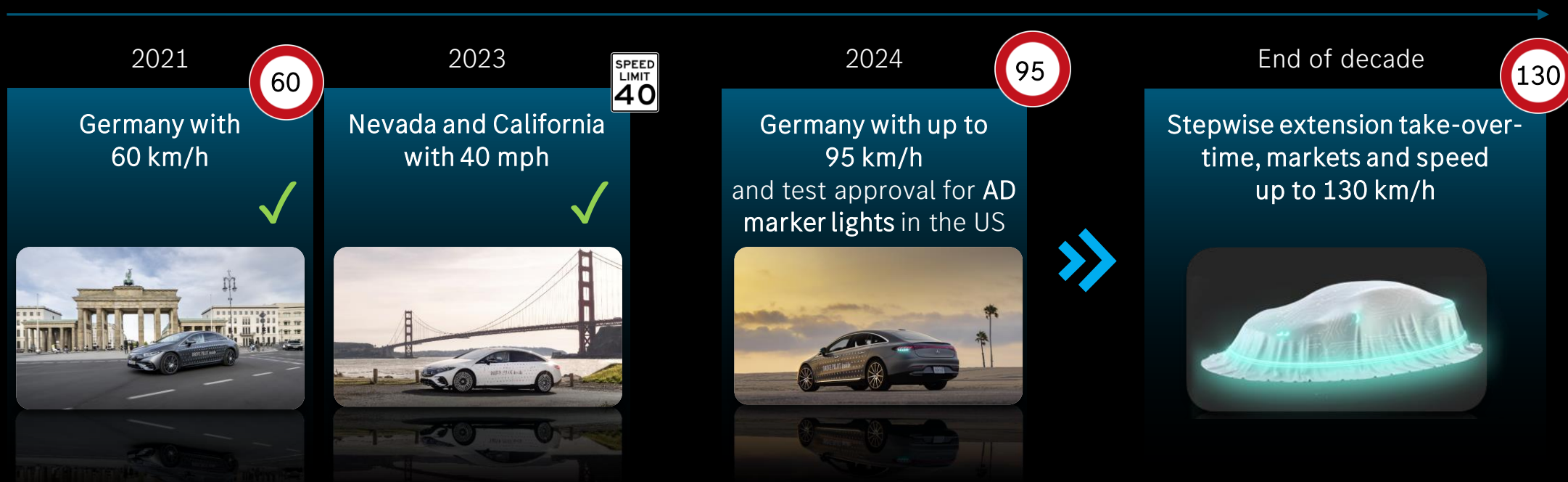
Orders for DRIVE PILOT for the S-Class and EQS started on May 17, 2022, in Germany.

The production-ready version of DRIVE PILOT had its on-road debut in California and Nevada in late 2023 with a limited fleet of DRIVE PILOT equipped EQS Sedans.

Mercedes-Benz plans for further customer deliveries of DRIVE PILOT equipped MY2024 EQS Sedan and S-Class models in early 2024 through participating authorized Mercedes-Benz dealers in California and Nevada.



# Continuous updates for DRIVE PILOT: Advanced speed and take-over time enables unseen in-cabin use cases only L3 vehicles can offer

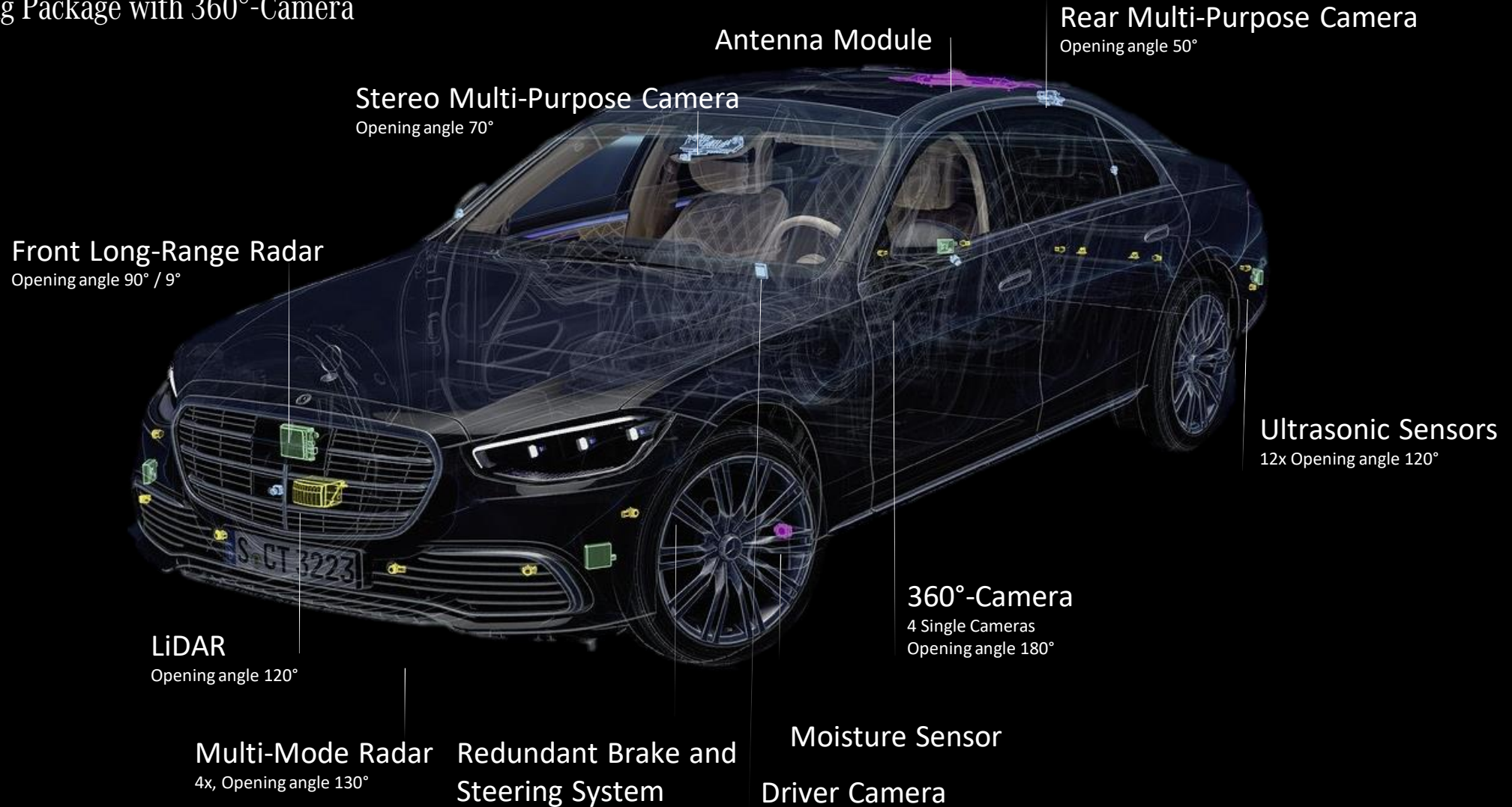


»» Give back time and offer highest driving comfort to our customers is our aim



# Driving Assistance Package with DRIVE PILOT

## Parking Package with 360°-Camera





# We are creating an exceptional digital experience



## Own operating system MB.OS

Launch in 2025 with MMA

## Chip-to-cloud architecture

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

## Next level infotainment

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

The fundamental building principles of our own operating system

# We are the architects

SPECIFY

DESIGN

DEVELOP

PROCURE/  
PARTNER

INTEGRATE

UPGRADE

# The fundamental building principles

1. Purpose-built and open to partners



2. Personalized services through one unique Mercedes Me ID



3. Privacy-by-design from the very beginning



4. Full over-the-air updatability and decoupled software and hardware releases



# All central to our own Mercedes-Benz Operating System

## MB.OS

Proprietary  
operating system

Four domains:  
Infotainment, Automated Driving,  
Body & Comfort, Driving & Charging

Service-oriented  
chip-to-cloud architecture



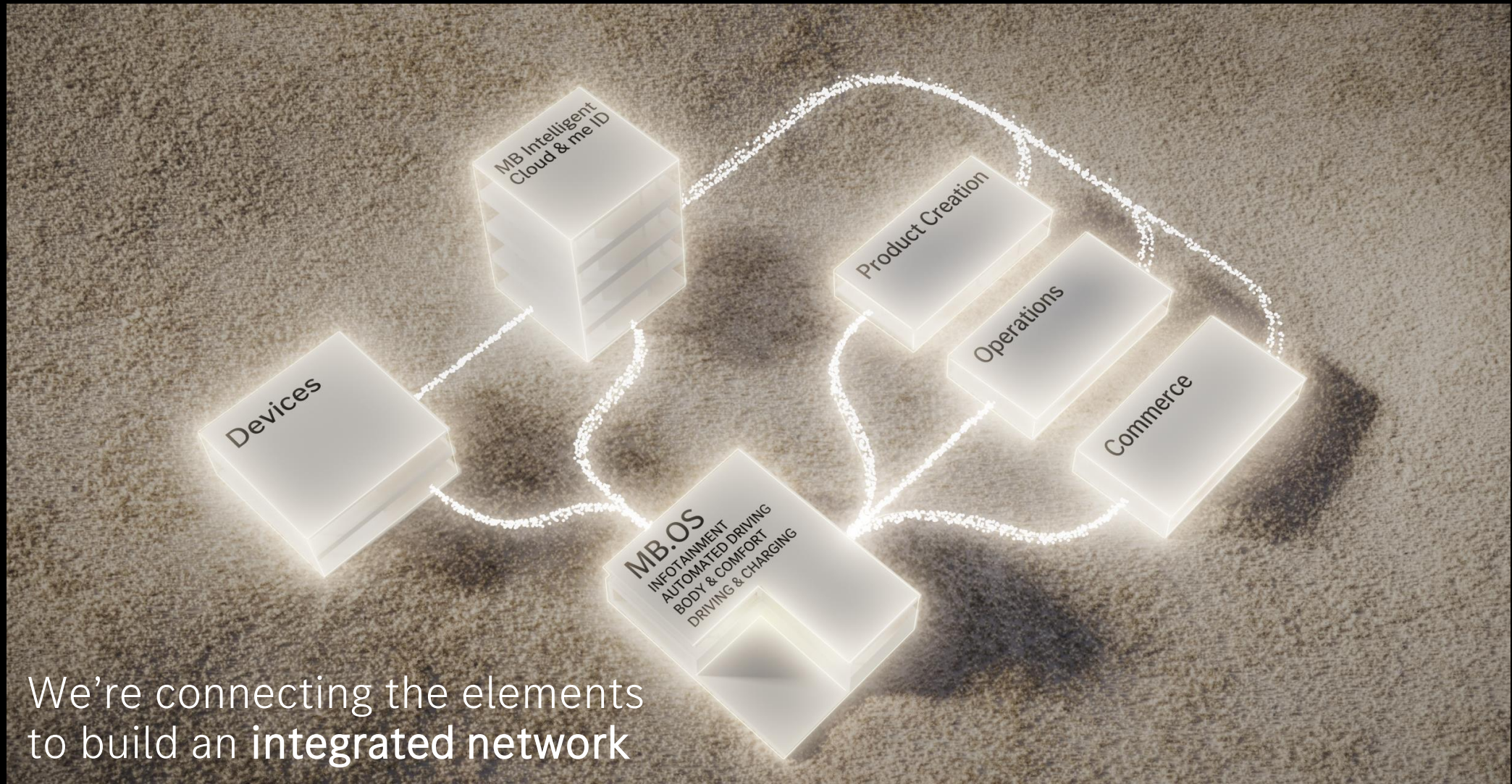
Delighting our customers with an extraordinary experience

The most desirable  
**HARDWARE CANVAS**



... for the most desirable  
**SOFTWARE CONTENT**

# It's about the operating system of our entire business





# Beneficial partnership with NVIDIA for MB.DRIVE

## Shared Effort

NVIDIA:  
AD base software  
Software updates  
SoC integration

Mercedes-Benz:  
Vehicles integration  
Application development  
Variable costs



+



## Joint Benefit

Common use of data,  
IP rights  
and codes

Faster development times

Optimized product costs

Shared proceeds

# Advancing next-generation Level 2 automated driving

## Leveraging machine learning

Best-in-class LiDAR

New dimension of processing power

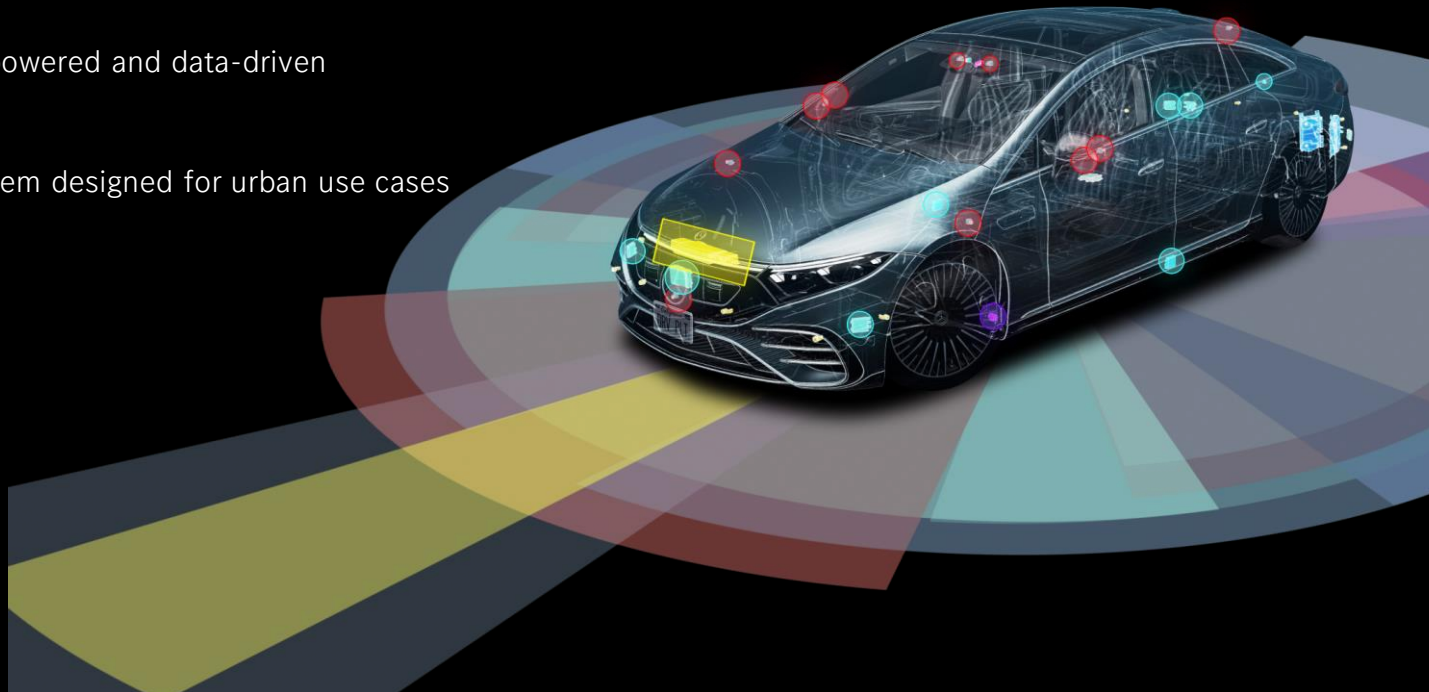
AI-powered and data-driven

System designed for urban use cases

Point-to-point assisted driving based on navigation

Substantially increased availability and ODD

Starting with MMA for entry segment





# Accelerating next-gen Level 3 automated driving with 2x computing power Giving customers back even more time

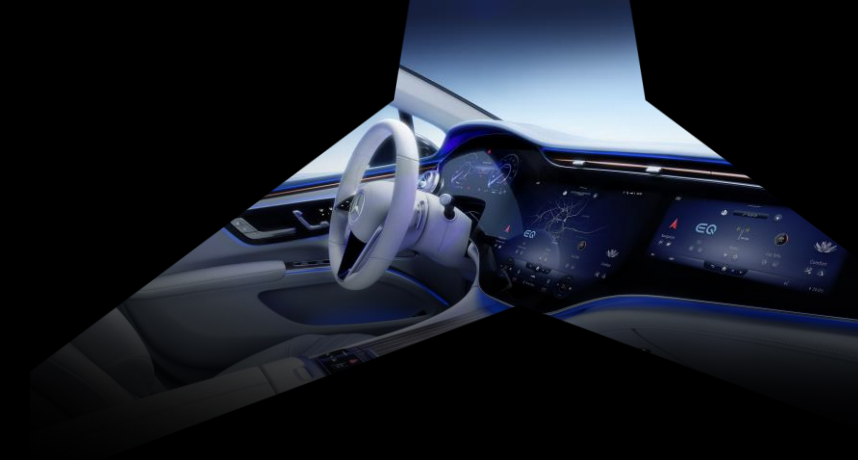
**Up to 130 km/h**  
in its final stage

Automatic Lane Change (ALC) and  
highway-to-highway transfer

Worldwide rollout to  
additional markets



# We are bundling the best functionalities into one MB.CONNECT package



The **MB.CONNECT** package will bundle a wide range of services **into one**

**High flexibility:** Available for a fixed-term three-year contract with vehicle purchase or via subscription

From 2025 onwards, **80% customer retention** expected (for vehicles in the one-to-six-year age)

A strong digital customer base as a springboard for future growth



# TODAY

Mercedes me is live in **50** markets

> **10 million** connected cars worldwide

# 2025

Mercedes me is planned to be live in **65** markets

... and targeting expansion to more than **16 million** connected

# MB.CHARGE - we offer fixed prices and priority access to our charging network



Transparent, **fixed-price charging rates**

**Priority access** for customers to the Mercedes-Benz HPC network

**> 80% customer retention** expected from 2025 onwards (for vehicles in the one-to-six-year age)



# MB.DRIVE - our expanded and new offerings for assisted and automated driving



Starting with MMA we aim to equip all new models with hardware for **enhanced assisted driving**

Ability to upgrade to a **higher degree of assistance** foreseen across whole lifecycle

**Conditionally automated driving functionalities** can be ordered from the factory

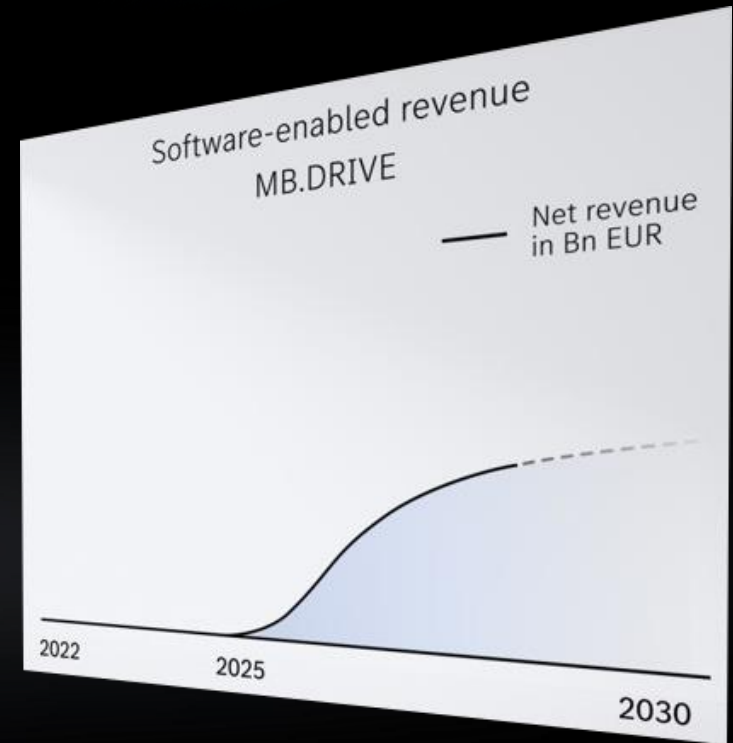
# MB.DRIVE unlocks new revenue and EBIT pools



Features available as factory and store sales

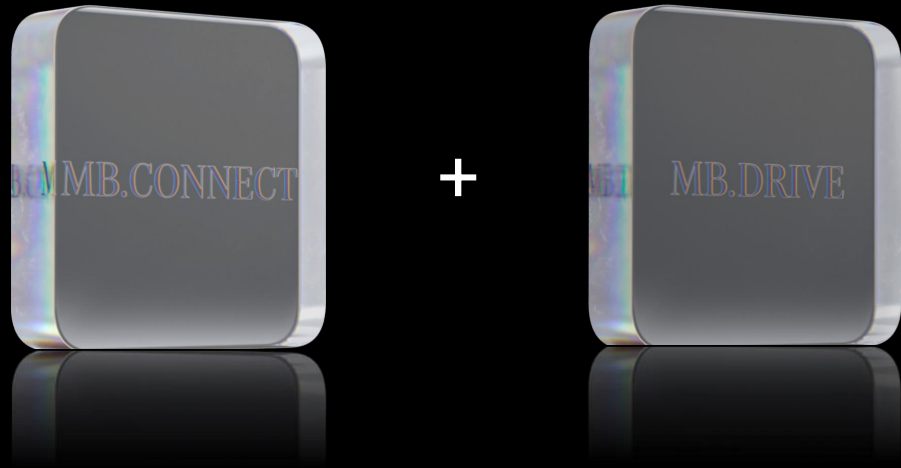
Low single-digit Bn EUR revenue by mid of the decade

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



Schematic graph

# Total software-enabled revenue development

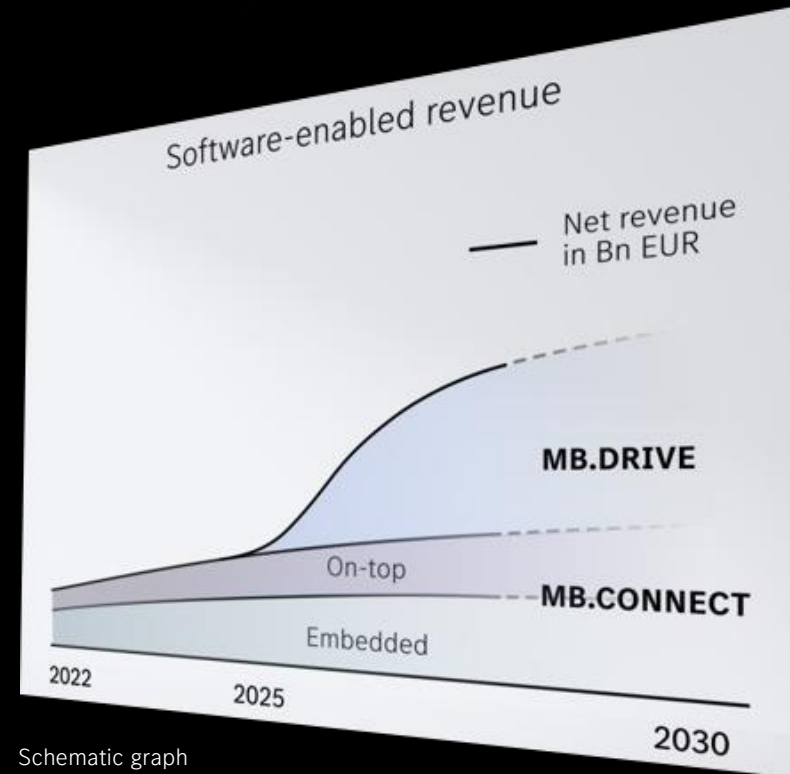


Low-to-mid single-digit Bn EUR revenue by mid of the decade

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

1 Bn EUR EBIT on track by mid of the decade

All figures part of existing weather chart



Schematic graph

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

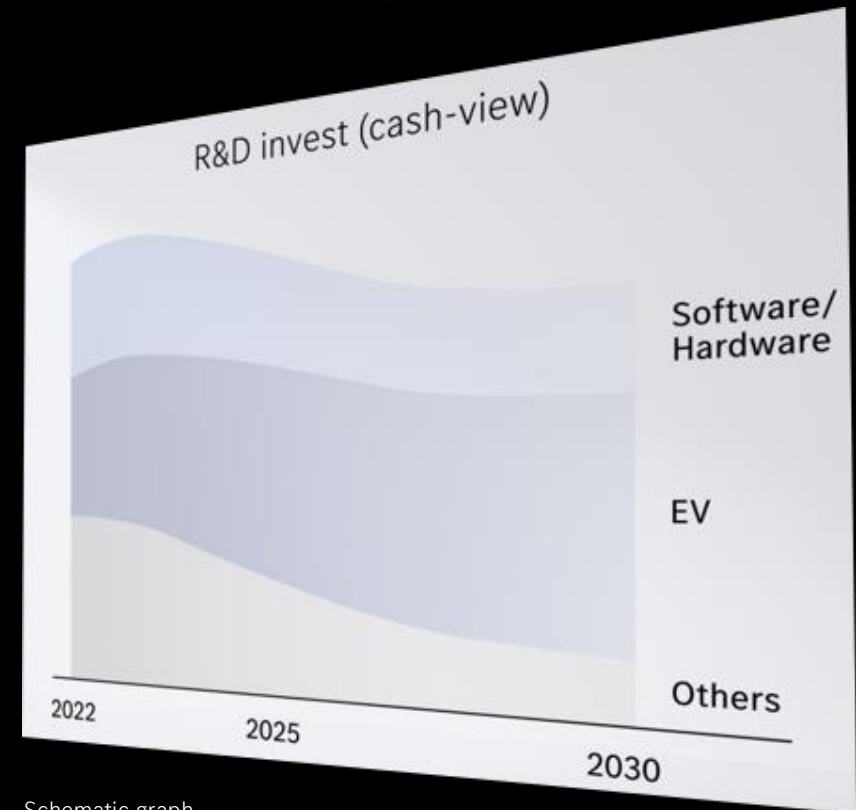


Increased share of R&D invest in EV and MB.OS software & hardware

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

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

Midterm invest reduction targets remain



Schematic graph



# We are the architects

Our promise: The world's most desirable cars

Our opportunity: Outstanding products & improved enterprise productivity

Our conviction: Software a core competence

Our realism: Technology partnerships essential

Our vision: Future proofing our valuable real estate

Our focus: Delivering MB.OS for the launch of MMA



# Disclaimer

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