



Interim Report First half year 2024

Mercedes-Benz Group



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Key Figures

Financial key figures of the Mercedes-Benz Group in the second quarter and in the first half year

	Q2 2024	Q2 2023	Change	Q1-2 2024	Q1-2 2023	Change
In millions of euros			in %			in %
Revenue	36,743	38,241	-4	72,616	75,757	-4
EBIT	4,037	4,988	-19	7,900	10,492	-25
Adjusted EBIT	4,049	5,211	-22	7,647	10,633	-28
Net profit	3,062	3,641	-16	6,087	7,652	-20
Earnings per share (in euros) ¹	2.95	3.34	-12	5.81	7.03	-17
Free cash flow of the industrial business	1,629	3,363	-52	3,862	5,527	-30
Adjusted free cash flow of the industrial business	1,699	3,479	-51	4,022	5,724	-30
Net liquidity of the industrial business (30 June)	27,998	25,845	+8	27,998	25,845	+8
Investments in property, plant and equipment	933	836	+12	1,592	1,625	-2
Research and development expenditure ²	2,334	2,415	-3	4,531	4,873	-7
thereof capitalized development costs	873	779	+12	1,602	1,554	+3

¹ Based on net profit attributable to shareholders of Mercedes-Benz Group AG.

² Adjustment in the first half year 2023: reduction of €20 million, of which €12 million in the first quarter of 2023 and €8 million in the second quarter of 2023. Further information can be found in the tables Condensed Consolidated Statement of Income/Loss for the three-month period ended 30 June and Condensed Consolidated Statement of Income/Loss for the six-month period ended 30 June in the chapter Profitability.

Financial key figures of the segments in the second quarter

	Mercedes-Benz Cars			Mercedes-Benz Vans		
	Q2 2024	Q2 2023	Change	Q2 2024	Q2 2023	Change
In millions of euros			in %			in %
Revenue	27,170	28,244	-4	4,774	5,123	-7
EBIT	2,756	3,852	-28	830	806	+3
Adjusted EBIT	2,763	3,812	-28	834	792	+5
Return on sales (in %)	10.1	13.6	.	17.4	15.7	.
Adjusted return on sales (in %)	10.2	13.5	.	17.5	15.5	.
CFBIT	2,156	3,769	-43	591	777	-24
Adjusted CFBIT	2,192	3,842	-43	624	819	-24
Adjusted cash conversion rate ¹	0.8	1.0	.	0.7	1.0	.
Investments in property, plant and equipment	806	779	+3	116	55	+111
Research and development expenditure	2,083	2,168	-4	249	235	+6
thereof capitalized development costs	754	697	+8	119	82	+45
				Mercedes-Benz Mobility		
	Q2 2024	Q2 2023	Change			
In millions of euros			in %			in %
Revenue	6,347	6,506	-2			
EBIT	271	172	+58			
Adjusted EBIT	271	448	-40			
Return on equity (in %)	8.4	4.9	.			
Adjusted return on equity (in %)	8.4	12.8	.			
New business	14,094	15,415	-9			

¹ The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

Non-financial key figures in the second quarter and in the first half year

	Mercedes-Benz Cars			Mercedes-Benz Vans		
	Q2 2024	Q2 2023	Change in %	Q2 2024	Q2 2023	Change in %
In units						
Total unit sales	496,712	515,746	-4	103,435	119,505	-13
thereof						
Electrified vehicles (xEVs)	89,963	95,910	-6	5,209	5,054	+3
All-electric vehicles (BEVs)	45,843	61,211	-25	5,209	5,054	+3
Plug-in hybrid vehicles (PHEVs)	44,120	34,699	+27	-	-	.
Share of electrified vehicles (xEVs) in % of unit sales	18.1	18.6	.	5.0	4.2	.
Share of all-electric vehicles (BEVs) in % of unit sales	9.2	11.9	.	5.0	4.2	.

	Mercedes-Benz Cars			Mercedes-Benz Vans		
	Q1-2 2024	Q1-2 2023	Change in %	Q1-2 2024	Q1-2 2023	Change in %
In units						
Total unit sales	959,690	1,019,229	-6	208,860	218,390	-4
thereof						
Electrified vehicles (xEVs)	180,140	187,608	-4	8,189	8,624	-5
All electric vehicles (BEVs)	93,364	112,850	-17	8,189	8,624	-5
Plug-in hybrid vehicles (PHEVs)	86,776	74,758	+16	-	-	.
Share of electrified vehicles (xEVs) in % of unit sales	18.8	18.4	.	3.9	3.9	.
Share of all-electric vehicles (BEVs) in % of unit sales	9.7	11.1	.	3.9	3.9	.

Reporting Principles

The Interim Report of Mercedes-Benz Group AG as of 30 June 2024 (half-yearly financial report) contains an Interim Group Management Report (Interim Management Report), condensed Interim Consolidated Financial Statements (Interim Financial Statements) and the Responsibility Statement of the Legal Representatives. In keeping with IAS 34 (Interim Financial Reporting), the Interim Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and their interpretations as endorsed by the European Union (EU) and effective at the reporting date. This Interim Management Report and these Interim Financial Statements also comply with the requirements of the German Securities Trading Act (WpHG).

This Interim Report should be read in conjunction with the Annual Report for financial year 2023 and the additional information contained therein.

The Group includes the segments Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Mobility. The reconciliation of the segments to the Group (reconciliation) presents the functions and services provided by the Group's headquarters. In addition, it includes equity investments that are not allocated to the segments, effects at the corporate level and the impact on earnings of eliminating intercompany transactions between the segments in the reconciliation.

The Interim Report is presented in euros (€). Unless otherwise stated, all amounts are stated in millions of euros. All figures shown are commercially rounded.

The Board of Management authorized the Interim Report for publication on 25 July 2024. It is published in German and English. The German version is binding.

The Interim Management Report and the Interim Financial Statements have been reviewed by the Mercedes-Benz Group's auditors.

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 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 this 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.

Interim Group Management Report

Important events

First quarter 2024

Review of future structure of Own Retail in Germany

On 19 January 2024, the Mercedes-Benz Group announced a comprehensive review of the structures of the Group's Own Retail in Germany. The review is open-ended as regards its outcome and will be conducted individually and step-by-step at each retail location. The Group expects the transformation process to take several years. Contract negotiations with potential buyers had not yet taken place as of the balance sheet date. At the present time, it is not possible to reliably estimate the effects on the profitability, cash flows and financial position.

Share buyback policy and further share buyback programme

On 21 February 2024, Mercedes-Benz Group AG resolved to implement a share buyback policy. Based on such policy, the future free cash flow of the industrial business (as available post potential small-scale M&A transactions) generated beyond the approximately 40%

dividend payout ratio of Mercedes-Benz Group net profit shall be used to fund share buybacks with the purpose of redeeming shares.

In this context, Mercedes-Benz Group AG has also resolved to conduct a further share buyback programme, through which it is intended to acquire treasury shares worth up to €3 billion (not including incidental costs) on the stock exchange and to then cancel them. The further share buyback programme is based on the authorization by the Annual General Meeting of Mercedes-Benz Group AG on 8 July 2020, authorizing the Board of Management to acquire, with the approval of the Supervisory Board, treasury shares up to a maximum of 10% of the share capital until 7 July 2025.

The additional share buyback programme commenced in May 2024 and is being implemented in parallel with the share buyback programme in the volume of up to €4 billion (not including incidental costs) which was started in March 2023. Both share buyback programmes are expected to be completed by the first quarter of 2025.

Future share buyback programmes are subject to the necessary resolutions of the company's corporate bodies required in each individual case.

Mercedes-Benz Group ESG Conference 2024

At the ESG conference on 20 March 2024, the Mercedes-Benz Group presented the progress it has made in achieving the sustainability targets. The Group continues to pursue the goal of making the entire new vehicle fleet net carbon-neutral¹ across all stages of the value chain by 2039. As part of the global expansion of the electric vehicle portfolio, the goal is to achieve an electrified vehicle share of up to 50% of new vehicle car fleet sales in the second half of the decade. An 80% reduction in CO₂ emissions is planned in production by the end of the decade². By 2039, 100% of the plants' energy requirements are to be covered by renewable sources of energy. In addition, social aspects and good corporate governance contribute to a holistic sustainability approach. Strategically focused and tactically flexible, the company remains environmentally and economically on the path towards a sustainable future.

¹ Net carbon-neutral means that carbon emissions that are not avoided or reduced at Mercedes-Benz are compensated for by certified offsetting projects.

² Scope 1 (direct CO₂ emissions from sources for which the company is directly responsible or which it controls) and Scope 2 emissions (indirect CO₂ emissions from purchased energy such as electricity and district heating that are generated externally but consumed by the company) in comparison to 2018.

Second quarter 2024

Annual General Meeting of Mercedes-Benz Group AG

At the Annual General Meeting of Mercedes-Benz Group AG on 8 May 2024, the shareholders approved a dividend of €5.30 per share for the 2023 year (2022: €5.20). The total distribution for the year 2023 was €5.5 billion (2022: €5.6 billion).

Dr Bernd Pischetsrieder stepped down from the Supervisory Board of Mercedes-Benz Group AG at the end of the Annual General Meeting. Dr Martin Bruder Müller was elected as Dr Pischetsrieder's successor as Chairman of the Supervisory Board. Dr Doris Höpke, ex-member of the Board of Management of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft (Munich Re) was elected as a new member of the Supervisory Board.

A further step towards establishing a complete circular economy with regard to end-of-life vehicles

On 15 May 2024, the Mercedes-Benz Group announced a memorandum of understanding with TSR Recycling GmbH & Co. KG for the recovery of secondary raw materials. The focus is on steel, aluminium, polymers, copper and glass. In this way, the Group is aiming to transition to a circular economy for end-of-life vehicles.

Events after the reporting period

Sustainable financing

In July 2024, Mercedes-Benz Group AG issued the first Green Auto Loan Asset-Backed Security (ABS) in China. The transaction has a volume of RMB765 million (approximately €100 million), a weighted average life of 1.42 years and a coupon rate of 1.87% p.a.

Business development

Automotive markets

The development of the **world economy** continued to be rather subdued in the second quarter of 2024 and thus in the complete first half of the year. The US economy remained robust, while economic output in the euro-zone again expanded only slightly in the second quarter. The growth momentum of the Chinese economy slowed slightly due to the weakness of private demand, while exports and manufacturing output increased significantly. However, the longer-term structural challenges, particularly in the real estate sector, remained. Inflation rates have fallen only slowly in many places in the year to date. Accordingly, only a few of the major central banks have made initial interest rate cuts. Overall, the key interest rates of many central banks remained at high levels.

In the **automotive markets**, weaker demand from customers became increasingly noticeable after the high order backlogs caused by the pandemic had been eliminated. Accordingly, the global **car market** was only roughly on a par with the previous year's level in the second quarter and was therefore only slightly up in the complete first half of the year. In Europe, the market volume in the second quarter was slightly above the previous year's level. In the past quarter, the US light vehicle market recorded a sales volume at the previous year's level. The Chinese market contracted slightly; the market situation in the premium and luxury segment in China remained weak.

The results in key **van markets** were mixed in the past quarter as well as during the complete first half of the year. In the Europe region, the market for mid-size and large vans in the second quarter was significantly above the previous year's level. The small van segment was also up significantly year-on-year in the same period. In the second quarter, the US market for large vans was at the same level as in the prior year. The Chinese market for mid-size vans recorded a significant decrease during this period.

Unit sales

Mercedes-Benz Cars

Mercedes-Benz Cars sold 496,700 units in the **second quarter of 2024** (Q2 2023: 515,700), an increase of 7% compared with the first quarter of 2024. In a challenging economic environment, unit sales fell by 4% compared to the same quarter of the previous year.

Unit sales in the **Top-End**¹ category grew by 6% compared to the previous quarter, accounting for 14% of total unit sales in the second quarter of 2024. However, unit sales of Top-End products remained significantly below the previous year's level. This was primarily due to model changes and a subdued market environment in Asia. Mercedes-AMG sold 34,900 units (Q2 2023: 38,000). The S-Class², the EQS², the GLS² and the EQS SUV² sold 33,400 units (Q2 2023: 43,200). The S-Class was able to maintain its market leadership in the major sales markets. The G-Class² sold 8,800 units (Q2 2023: 11,000). Mercedes-Maybach sold 5,400 vehicles (Q2 2023: 6,500).

¹ The Top-End category comprises all AMG models, including the AMG models of the various "Class" model ranges and their derivatives in the Core and Entry segments.

² Including Mercedes-Maybach and Mercedes AMG derivatives.

The **Core** category accounted for 58% of the overall portfolio's unit sales in the second quarter of 2024. The increase of 8% compared to the first quarter and 5% compared to the same quarter of the previous year in this category was primarily due to the improved availability of the GLC. Sales of the GLC¹ increased to 90,500 units (Q2 2023: 80,000). Sales of the E-Class¹ amounted to 77,600 units (Q2 2023: 82,000). Unit sales of the C-Class¹ rose to 84,100 saloons, estates, coupés and cabriolets (Q2 2023: 78,900). Sales of the GLE¹ reached 54,600 units (Q2 2023: 51,600).

The **Entry** category represented 28% of the entire portfolio in the second quarter of 2024. Sales of the A-Class¹ totalled 51,000 units (Q2 2023: 60,700). Sales of the B-Class¹ amounted to 3,800 vehicles (Q2 2023: 5,400). The GLA¹ reached 40,200 units sold (Q2 2023: 44,200), and the GLB¹ 47,100 units (Q2 2023: 48,000). A total of 1,800 smart vehicles were sold in the European market (Q2 2023: 4,900).

Overall, the **share of electrified vehicles** reached 18.1% of Mercedes-Benz Cars' total unit sales in the second quarter of 2024 (Q2 2023: 18.6%). This corresponds to 90,000 units (Q2 2023: 95,900). The pace of the ramp-up of electric vehicles slowed in key markets. In the second quarter of 2024, there was a 25% decrease in sales of all-electric vehicles compared to the same quarter of the previous year. In Germany, the decrease was partially due to the discontinuation of the environmental bonus for electric vehicles in December 2023. Demand for plug-in hybrid vehicles led to a 27% increase in unit sales in the second quarter of 2024 compared to the same quarter of the previous year.

Mercedes-Benz Cars sold 959,700 units in the **first half of 2024**. Unit sales thus decreased by 6% compared to the prior-year period. Model changeovers and a subdued market environment in Asia impacted unit sales in the first six months of the year.

Electrified vehicles' share of total unit sales reached 18.8% in the first six months of 2024 (Q1-2 2023: 18.4%). The increased demand for plug-in hybrids led to a worldwide increase in sales of 16% to 86,800 units compared to the previous year. Sales of all-electric vehicles fell by 17% to 93,400 units in the first half of 2024.

At 317,600 units, sales in Europe (European Union, United Kingdom, Switzerland and Norway) were at the prior-year level (Q1-2 2023: 321,000). Strong growth of 24% to 27,400 units was recorded in France. In the United Kingdom, 50,700 units were sold, 35% more than in the first half of 2023. In Germany, on the other hand, unit sales fell by 16% to 99,700 units. In China, sales decreased by 9% to 341,500 units (Q1-2 2023: 374,600). In North America, unit sales totalled 168,200 vehicles (Q1-2 2023: 173,900). At 151,200 units (Q1-2 2023: 152,600), unit sales in the region's main market, the United States, were at the prior-year's level.

¹ Including electrified vehicles and Mercedes AMG derivatives.

Mercedes-Benz Cars unit sales

	Q2 2024	Q2 2023	Change	Q1-2 2024	Q1-2 2023	Change
In units			in %			in %
Total unit sales	496,712	515,746	-4	959,690	1,019,229	-6
Top-End	70,339	84,792	-17	136,893	176,564	-22
% share of unit sales	14	16		14	17	
Core	290,015	276,808	+5	557,677	525,191	+6
% share of unit sales	58	54		58	52	
Entry	136,358	154,146	-12	265,120	317,474	-16
% share of unit sales	28	30		28	31	
thereof						
Electrified vehicles (xEVs)	89,963	95,910	-6	180,140	187,608	-4
All-electric vehicles (BEVs)	45,843	61,211	-25	93,364	112,850	-17
Plug-in hybrid vehicles (PHEVs)	44,120	34,699	+27	86,776	74,758	+16
Share of electrified vehicles in % of unit sales	18.1	18.6		18.8	18.4	

Mercedes-Benz Vans

Mercedes-Benz Vans sold 103,400 vehicles in the **second quarter of 2024** (Q2 2023: 119,500) and thus remained at the level of the first quarter of 2024 (105,400 vehicles).

While the previous year's quarter recorded the strongest second quarter ever in terms of unit sales, the second quarter of 2024 was influenced by model changeovers of mid-size and large vans as well as the ramp-up of the new eSprinter, among other things.

Sales of large vans (Sprinter/eSprinter) amounted to 52,400 units (Q2 2023: 65,400). Sales of mid-size vans (Vito/eVito, V-Class/EQV) totalled 42,400 units (Q2 2023: 46,800). Sales of small vans (Citan/eCitan, T-Class/EQT¹) amounted to 8,600 units (Q2 2023: 7,300).

Sales of electrified vans amounted to 5,200 units in the second quarter of 2024 (Q2 2023: 5,100). These were exclusively all-electric models. The **share of electrified vehicles** reached 5% of total unit sales (Q2 2023: 4%).

Mercedes-Benz Vans sold 208,900 vehicles in the **first half of 2024** (Q1-2 2023: 218,400). While sales development in Europe (European Union, United Kingdom, Switzerland and Norway) remained stable, the scheduled discontinuation of the Metris in the United States led to a decrease in sales in North America.

Sales of large vans (Sprinter/eSprinter) amounted to 109,100 units (Q1-2 2023: 116,800). Sales of mid-size vans (Vito/eVito, V-Class/EQV) totalled 84,900 units (Q1-2 2023: 86,200). Sales of small vans (Citan/eCitan, T-Class/EQT¹) amounted to 14,900 units (Q1-2 2023: 15,500).

Sales of electrified vans amounted to 8,200 units in the first half of 2024 (Q1-2 2023: 8,600). These were exclusively all-electric models. The **share of electrified vehicles** reached 4% of total unit sales (Q1-2 2023: 4%).

The total market for all-electric models of large, mid-size and small vans in the core region of Europe decreased in both the second quarter and the first half of 2024.

Mercedes-Benz Mobility

In the period ended 30 June 2024, the Mercedes-Benz Mobility division recorded a contract volume of €135.7 billion, on a par with 31 December 2023 (€135.0 billion).

Influenced by developments in unit sales and the persistently high level of competition in the financial services sector, the number of new financing and leasing contracts in the **second quarter of 2024** was 303,700 (Q2 2023: 357,500), significantly lower than the same period last year by 15%.

At €14.1 billion (Q2 2023: €15.4 billion), the volume of new business dropped significantly by 9% in the second quarter of 2024. However, the decrease was lower compared to the development in the number of contracts due to a higher average financing and leasing volume per contract.

Developments in unit sales and in the financial services sector also had an impact on financing and leasing contracts in the **first half of 2024**, which at 622,000 were significantly lower than the same period last year by 11% (Q1-2 2023: 698,800).

At €28.8 billion (Q1-2 2023: €30.1 billion), new business was 4% below the prior-year period due to a higher average financing and leasing volume per contract.

¹ WLTP: combined energy consumption: 20.7-19.3 kWh/100 km; combined CO₂ emissions: 0 g/km; CO₂ class: A.

In Germany, new business decreased by 15% in the first half of 2024. New business in China was also 35% below the previous year's level. By contrast, the US market saw new business rise by 3% compared to the same period of the previous year.

Investment and research activities

Investments in property, plant and equipment

The investments in property, plant and equipment of the **Mercedes-Benz Group** amounted to €0.9 billion in the second quarter of 2024 (Q2 2023: €0.8 billion). In the first six months of 2024, the Group invested €1.6 billion in property, plant and equipment, and thus remained unchanged from the first half of the previous year.

Key drivers at **Mercedes-Benz Cars** in the second quarter and first half of 2024 were investments in the production facilities for the future model ranges. At **Mercedes-Benz Vans**, the main drivers were the planned transformation to an all-electric Mercedes-Benz van fleet and investments in van plants to expand production.

Investments in property, plant and equipment¹

	Q2 2024	Q2 2023	Change	Q1-2 2024	Q1-2 2023	Change
In millions of euros			in %			in %
Mercedes-Benz Group	933	836	+12	1,592	1,625	-2
thereof Mercedes-Benz Cars	806	779	+3	1,407	1,511	-7
thereof Mercedes-Benz Vans	116	55	+111	162	106	+53

¹ The investments in property, plant and equipment correspond to additions to property, plant and equipment in the Consolidated Statement of Cash Flows.

Research and development expenditure

The research and development expenditure of the **Mercedes-Benz Group** amounted to €2.3 billion in the second quarter of 2024 (Q2 2023: €2.4 billion), of which €0.9 billion (Q2 2023: €0.8 billion) was capitalized. In the first six months of 2024, research and development expenditure amounted to €4.5 billion (Q1-2 2023: 4.9 billion), of which €1.6 billion (Q1-2 2023: €1.6 billion) was capitalized.

In terms of research and development activities, the focus at **Mercedes-Benz Cars** in both the second quarter and the first half of 2024 was on the electrification of the vehicle portfolio, on the expansion of digitization and the renewal of the existing model ranges. At **Mercedes-Benz Vans**, research and development activities were dominated by the electrification of the van fleet. The new, modular and scalable van architecture VAN.EA as well as the modernization of the existing model ranges played a major role in this.

Research and development

	Q2 2024	Q2 2023	Change	Q1-2 2024	Q1-2 2023	Change
In millions of euros			in %			in %
Research and development expenditure ¹	2,334	2,415	-3	4,531	4,873	-7
thereof Mercedes-Benz Cars	2,083	2,168	-4	4,016	4,422	-9
thereof Mercedes-Benz Vans	249	235	+6	490	426	+15
Research and non-capitalized development costs ¹	1,461	1,636	-11	2,929	3,319	-12
Capitalized development costs	873	779	+12	1,602	1,554	+3
Capitalization rate in %	37	32		35	32	

¹ Adjustment carried out in the first half of 2023: Reduction of €20 million, of which €12 million adjustment in the first quarter and €8 million in the second quarter. Further information can be found in the table Condensed Consolidated Statement of Income/Loss for the three-month period ended 30 June in the chapter Profitability.

Profitability, cash flows and financial position

The profitability, cash flows and financial position shows, in addition to the figures for the Mercedes-Benz Group, figures for the industrial business and the segment Mercedes-Benz Mobility. The industrial business comprises the automotive segments Mercedes-Benz Cars and Mercedes-Benz Vans. The effects from intra-Group eliminations between the industrial business and Mercedes-Benz Mobility, as well as items at the corporate level, are generally allocated to the industrial business.

Profitability

Consolidated Statement of Income/Loss of the Mercedes-Benz Group for the three-month period ended 30 June 2024

Revenue of €36,743 million in the second quarter of 2024 was slightly below the prior-year quarter figure of €38,241 million. This was due to the slight decrease in unit sales, an unfavourable product mix, negative net pricing effects and a negative development of exchange rates.

Cost of sales amounted to €28,919 million in the second quarter of 2024 (Q2 2023: €29,250 million). The decrease in the second quarter was mainly due to the slight drop in unit sales and lower material costs. This was offset by increased expenses for measures in connection with product lifecycles.

As a result, **gross profit in relation to revenue** in the second quarter of 2024 was significantly below the level of the same quarter of the previous year.

Selling expenses were at the same level as in the prior-year quarter, while **general administrative expenses** were below the level of the same quarter of the previous year mainly due to lower personnel expenses.

Research and non-capitalized development costs in the second quarter were significantly below the prior-year level. The decrease is mainly due to lower expenses in connection with existing vehicle models.

The **other operating income/expense** in the second quarter of 2024 was significantly above the level of the same quarter of the previous year. In the previous year, expenses in connection with the discontinuation of business activities in Russia had a negative impact on the results.

In particular, the lower proportional contribution of the investment in Daimler Truck Holding AG due to an impairment loss led to a decrease in the **gains/losses on equity-method investments**.

The **other financial income** in the second quarter of 2024 amounted to €11 million (Q2 2023: €101 million).

EBIT amounted to €4,037 million in the second quarter of 2024 and was thus significantly below the prior-year level of €4,988 million.

Net **interest income/expense** improved in the second quarter of 2024, in particular as a result of higher interest income in connection with the global increase in interest rates, to €129 million (Q2 2023: €97 million).

The **income tax expense** recognized in the second quarter of 2024 amounted to €1,104 million (Q2 2023: €1,444 million). The tax rate was 26.5% (Q2 2023: 28.4%). The somewhat lower effective tax rate is mainly due to the new assessment of deferred tax assets.

Net profit amounted to €3,062 million in the second quarter of 2024 (Q2 2023: €3,641 million). **Non-controlling interests** accounted for a profit of €46 million (Q2 2023: €78 million). The **share of net profit attributable to shareholders of Mercedes-Benz Group AG** amounted to €3,016 million (Q2 2023: €3,563 million). This led to a decrease in **earnings per share** to €2.95 (Q2 2023: €3.34).

The calculation of earnings per share (basic) is based on an average number of outstanding shares of 1,022.1 million (Q2 2023: 1,065.4 million).

Further information on the items in the Consolidated Statement of Income/Loss can be found in the Notes to the Interim Consolidated Financial Statements.

Condensed Consolidated Statement of Income/Loss for the three-month period ended 30 June

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	Q2 2024	Q2 2023 ¹	Q2 2024	Q2 2023 ¹	Q2 2024	Q2 2023
In millions of euros						
Revenue	36,743	38,241	30,396	31,735	6,347	6,506
Cost of sales	-28,919	-29,250	-23,178	-23,554	-5,741	-5,696
Gross profit in relation to revenue	7,824	8,991	7,218	8,181	606	810
Selling expenses	-2,441	-2,519	-2,264	-2,337	-177	-182
General administrative expenses	-619	-746	-424	-525	-195	-221
Research and non-capitalized development costs	-1,461	-1,636	-1,461	-1,636	-	-
Other operating income/expense	392	266	348	497	44	-231
Gains/losses on equity-method investments, net	331	531	339	535	-8	-4
Other financial income/expense, net	11	101	10	101	1	-
EBIT	4,037	4,988	3,766	4,816	271	172
Interest income/expense	129	97	129	97	-	-
Profit before income taxes	4,166	5,085	3,895	4,913	271	172
Income taxes	-1,104	-1,444	-1,031	-1,384	-73	-60
Net profit	3,062	3,641	2,864	3,529	198	112
thereof profit attributable to non-controlling interests	46	78				
thereof profit attributable to shareholders of Mercedes-Benz Group AG	3,016	3,563				
Earnings per share (in euros)						
for profit attributable to shareholders of Mercedes-Benz Group AG						
Basic	2.95	3.34				
Diluted	2.95	3.34				

1 Increase in the general administrative expenses in the second quarter of 2023 of €45 million from the adjustment of the elimination of intra-Group transactions between the segments in the reconciliation: Reclassification of €34 million from the cost of sales, €8 million from the research and non-capitalized development costs and €3 million from the selling expenses.

EBIT of the segments for the three-month period ended 30 June 2024

In the second quarter of 2024, the **Mercedes-Benz Cars** segment reported once again a double digit (adjusted) return on sales despite a significant decrease in adjusted EBIT, which was influenced by the following material factors:

- Lower material costs
- Unfavourable product mix
- Negative net pricing effects
- Increased expenses for measures in connection with product lifecycles

In the second quarter of 2024, expenses from the measurement of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles were adjusted in EBIT.

In the second quarter of 2023, income in connection with the discontinuation of business activities in Russia was adjusted in EBIT.

The **Mercedes-Benz Vans** segment was able to achieve an adjusted EBIT at the level of the already high prior-year period. The development of earnings showed the following main influencing factors:

- Healthy net pricing and favourable product mix as a result of a strong product substance
- Positive development of exchange rates
- Lower material costs
- Decreasing unit sales
- Inflation-related additional costs

In the second quarter of 2024, expenses from the measurement of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles were adjusted in EBIT.

In the second quarter of 2023, income in connection with the discontinuation of business activities in Russia was adjusted in EBIT.

In the second quarter of 2024, the **Mercedes-Benz Mobility** segment reported a significant decrease in adjusted EBIT as a result of a challenging environment. The segment's earnings were primarily influenced by the following factors:

- Lower functional costs as a result of efficiency measures
- Lower interest margin due to the development of interest rates and increased competition in the financial services sector
- Increased cost of credit risk, primarily in the United States

In the second quarter of 2023, expenses in connection with the discontinuation of business activities in Russia were adjusted in EBIT.

In the second quarter of 2024, the EBIT of the **reconciliation** was at the level of the same quarter of the previous year.

EBIT for the three-month period ended 30 June

	Mercedes-Benz Group		Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Mobility		Reconciliation	
	Q2 2024	Q2 2023 ²	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023 ²
In millions of euros										
Revenue	36,743	38,241	27,170	28,244	4,774	5,123	6,347	6,506	-1,548	-1,632
Cost of sales	-28,919	-29,250	-21,239	-21,275	-3,457	-3,857	-5,741	-5,696	1,518	1,578
Gross profit in relation to revenue	7,824	8,991	5,931	6,969	1,317	1,266	606	810	-30	-54
Selling expenses	-2,441	-2,519	-1,968	-2,002	-346	-356	-177	-182	50	21
General administrative expenses	-619	-746	-346	-407	-61	-64	-195	-221	-17	-54
Research and non-capitalized development costs	-1,461	-1,636	-1,327	-1,471	-130	-153	-	-	-4	-12
Other income/expense	734	898	466	763	50	113	37	-235	181	257
EBIT	4,037	4,988	2,756	3,852	830	806	271	172	180	158
Legal proceedings (and related measures)	12	18	7	26	4	-9	-	-	1	1
Restructuring measures	-	-	-	-	-	-	-	-	-	-
M&A transactions	-	-	-	-	-	-	-	-	-	-
Expenses in connection with adjustments of the business activities in Russia	-	205	-	-66	-	-5	-	276	-	-
Adjusted EBIT	4,049	5,211	2,763	3,812	834	792	271	448	181	159
Return on sales/return on equity (in %)¹			10.1	13.6	17.4	15.7	8.4	4.9		
Adjusted return on sales/return on equity (in %)¹			10.2	13.5	17.5	15.5	8.4	12.8		

1 (Adjusted) return on sales of the segments Mercedes-Benz Cars and Mercedes-Benz Vans is calculated as the ratio of (adjusted) EBIT to revenue. The (adjusted) return on equity of the segment Mercedes-Benz Mobility is determined as the ratio of (adjusted) EBIT (annualized) to the average equity of each quarter.

2 Increase in the general administrative expenses in the second quarter of 2023 of €45 million from the adjustment of the elimination of intra-Group transactions between the segments in the reconciliation: Reclassification of €34 million from the cost of sales, €8 million from the research and non-capitalized development costs and €3 million from the selling expenses.

Consolidated Statement of Income/Loss of the Mercedes-Benz Group for the six-month period ended 30 June 2024

Revenue of €72,616 million in the first six months of 2024 was slightly below the level of the prior-year period (Q1-2 2023: €75,757 million). This was due to the slight decrease in unit sales, an unfavourable product and market mix, negative net pricing effects and a negative development of exchange rates.

Cost of sales amounted to €57,686 million in the first six months of 2024 (Q1-2 2023: €57,316 million). The slight drop in unit sales and lower material costs were offset by the increased cost of credit risk, primarily in the United States, and higher expenses for measures in connection with product lifecycles.

As a result, **gross profit in relation to revenue** in the first six months of 2024 was significantly below the level of the previous year.

Selling expenses were at the same level as in the previous year, while **general administrative expenses** were below the level of the previous year mainly due to lower personnel expenses.

Research and non-capitalized development costs in the first six months were significantly below the prior-year level. The decrease is mostly due to reduced expenses in connection with existing vehicle models.

The **other operating income/expense** in the first six months of 2024 was significantly above the level of the previous year. This was primarily due to income from the measurement of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles. In the previous year, expenses in connection with the discontinuation of business activities in Russia had a negative impact on the results.

In particular, the lower income from the Chinese investments led to a decrease in the **gains/losses on equity-method investments**. By contrast, the proportional contribution of the investment in Daimler Truck Holding AG was higher than in the previous year.

The **other financial income** in the first six months of 2024 amounted to €1 million (Q1-2 2023: €62 million).

EBIT amounted to €7,900 million in the first six months of 2024 and was thus significantly below the €10,492 million of the prior year. Exchange-rate effects had a slight negative net impact.

Net **interest income/expense** improved in the first six months of 2024, in particular as a result of higher interest income in connection with the global increase in interest rates, to €295 million (Q1-2 2023: €162 million).

The **income tax expense** recognized in the first six months of 2024 amounted to €2,108 million (Q1-2 2023: €3,002 million). The tax rate was 25.7% (Q1-2 2023: 28.2%). The slightly lower effective tax rate is mainly due to the new assessments of tax risks and deferred tax assets.

Net profit amounted to €6,087 million in the first six months of 2024 (Q1-2 2023: €7,652 million). **Non-controlling interests** accounted for a profit of €97 million (Q1-2 2023: €144 million). The **share of net profit attributable to shareholders of Mercedes-Benz Group AG** amounted to €5,990 million (Q1-2 2023: €7,508 million). This led to a decrease in **earnings per share** to €5.81 (Q1-2 2023: €7.03).

The calculation of earnings per share (basic) is based on an average number of outstanding shares of 1,030.3 million (Q1-2 2023: 1,067.6 million).

Further information on the items in the Consolidated Statement of Income/Loss can be found in the Notes to the Interim Consolidated Financial Statements.

Condensed Consolidated Statement of Income/Loss for the six-month period ended 30 June

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	Q1-2 2024	Q1-2 2023 ¹	Q1-2 2024	Q1-2 2023 ¹	Q1-2 2024	Q1-2 2023
In millions of euros						
Revenue	72,616	75,757	59,414	62,612	13,202	13,145
Cost of sales	-57,686	-57,316	-45,716	-45,905	-11,970	-11,411
Gross profit in relation to revenue	14,930	18,441	13,698	16,707	1,232	1,734
Selling expenses	-4,786	-4,873	-4,446	-4,513	-340	-360
General administrative expenses	-1,335	-1,458	-936	-1,038	-399	-420
Research and non-capitalized development costs	-2,929	-3,319	-2,929	-3,319	-	-
Other operating income/expense	1,098	596	1,018	813	80	-217
Gains/losses on equity-method investments, net	921	1,043	944	1,070	-23	-27
Other financial income/expense, net	1	62	1	61	-	1
EBIT	7,900	10,492	7,350	9,781	550	711
Interest income/expense	295	162	296	162	-1	-
Profit before income taxes	8,195	10,654	7,646	9,943	549	711
Income taxes	-2,108	-3,002	-1,949	-2,786	-159	-216
Net profit	6,087	7,652	5,697	7,157	390	495
thereof profit attributable to non-controlling interests	97	144				
thereof profit attributable to shareholders of Mercedes-Benz Group AG	5,990	7,508				
Earnings per share (in euros) for profit attributable to shareholders of Mercedes-Benz Group AG						
Basic	5.81	7.03				
Diluted	5.81	7.03				

1 Increase in the general administrative expenses in the first six months of 2023 of €108 million from the adjustment of the elimination of intra-Group transactions between the segments in the reconciliation: Reclassification of €77 million from the cost of sales, €20 million from the research and non-capitalized development costs and €11 million from the selling expenses.

EBIT of the segments for the six-month period ended 30 June 2024

In the first six months of 2024, the **Mercedes-Benz Cars** segment reported a significant decrease in adjusted EBIT in a challenging environment and was influenced by the following material factors:

- Lower material costs
- Lower research and non-capitalized development costs for existing vehicle models
- Unfavourable product and market mix
- Decreasing unit sales
- Increased expenses for measures in connection with product lifecycles
- Negative net pricing effects

In the first six months of 2024, income from the measurement of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles was adjusted in EBIT.

In the first half of 2023, income in connection with the discontinuation of business activities in Russia was adjusted in EBIT.

The **Mercedes-Benz Vans** segment was able to achieve an adjusted EBIT slightly above the already high level of the prior-year period. The development of earnings showed the following main influencing factors:

- Healthy net pricing and favourable product mix as a result of a strong product substance
- Positive development of exchange rates
- Lower material costs
- Decreasing unit sales
- Inflation-related additional costs

In the first six months of 2024, income from the measurement of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles was adjusted in EBIT.

In the first half of 2023, income in connection with the discontinuation of business activities in Russia was adjusted in EBIT.

In the first six months of 2024, the **Mercedes-Benz Mobility** segment reported a significant decrease in adjusted EBIT as a result of a challenging environment. The segment's earnings were primarily influenced by the following factors:

- Lower functional costs as a result of efficiency measures
- Lower interest margin due to the development of interest rates and increased competition in the financial services sector
- Increased cost of credit risk, primarily in the United States
- Reduced remarketing result at Athlon

In the first half of 2023, expenses in connection with the discontinuation of business activities in Russia were adjusted in EBIT.

In the first six months of 2024, the EBIT of the **reconciliation** in particular includes the positive earnings contribution of the equity-method investment in Daimler Truck Holding AG.

EBIT for the six-month period ended 30 June

	Mercedes-Benz Group		Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Mobility		Reconciliation	
	Q1-2 2024	Q1-2 2023 ²	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023 ²
In millions of euros										
Revenue	72,616	75,757	52,883	56,056	9,667	9,738	13,202	13,145	-3,136	-3,182
Cost of sales	-57,686	-57,316	-41,610	-41,735	-7,171	-7,264	-11,970	-11,411	3,065	3,094
Gross profit in relation to revenue	14,930	18,441	11,273	14,321	2,496	2,474	1,232	1,734	-71	-88
Selling expenses	-4,786	-4,873	-3,794	-3,862	-702	-685	-340	-360	50	34
General administrative expenses	-1,335	-1,458	-735	-817	-125	-118	-399	-420	-76	-103
Research and non-capitalized development costs	-2,929	-3,319	-2,659	-3,040	-244	-254	-	-	-26	-25
Other income/expense	2,020	1,701	1,127	1,398	338	151	57	-243	498	395
EBIT	7,900	10,492	5,212	8,000	1,763	1,568	550	711	375	213
Legal proceedings (and related measures)	-253	-64	-126	-9	-129	-52	-	-	2	-3
Restructuring measures	-	-	-	-	-	-	-	-	-	-
M&A transactions	-	-	-	-	-	-	-	-	-	-
Expenses in connection with adjustments of the business activities in Russia	-	205	-	-66	-	-5	-	276	-	-
Adjusted EBIT	7,647	10,633	5,086	7,925	1,634	1,511	550	987	377	210
Return on sales/return on equity (in %)¹			9.9	14.3	18.2	16.1	8.5	10.2		
Adjusted return on sales/return on equity (in %)¹			9.6	14.1	16.9	15.5	8.5	14.2		

1 (Adjusted) return on sales of the segments Mercedes-Benz Cars and Mercedes-Benz Vans is calculated as the ratio of (adjusted) EBIT to revenue. The (adjusted) return on equity of the segment Mercedes-Benz Mobility is determined as the ratio of (adjusted) EBIT (annualized) to the average equity of each quarter.

2 Increase in the general administrative expenses in the first six months of 2023 of €108 million from the adjustment of the elimination of intra-Group transactions between the segments in the reconciliation: Reclassification of €77 million from the cost of sales, €20 million from the research and non-capitalized development costs and €11 million from the selling expenses.

Cash flows

Condensed Consolidated Statement of Cash flows

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023
In millions of euros						
Cash and cash equivalents at beginning of period	15,972	17,679	13,117	14,094	2,855	3,585
thereof cash and cash equivalents classified as assets held for sale at beginning of period	10	-	10	-	-	-
Profit before income taxes	8,195	10,654	7,646	9,943	549	711
Depreciation and amortization/impairments	3,299	3,283	3,247	3,226	52	57
Other non-cash expense and income and gains/losses from disposals of assets	-1,072	-975	-1,104	-1,300	32	325
Change in operating assets and liabilities						
Inventories	-2,500	-3,809	-2,475	-3,806	-25	-3
Trade receivables and trade payables	947	2,180	975	2,095	-28	85
Receivables from financial services	956	-2,701	121	18	835	-2,719
Vehicles on operating leases	-906	355	62	-184	-968	539
Other operating assets and liabilities	-447	190	-578	-26	131	216
Dividends received from equity-method investments	1,217	1,354	1,217	1,354	-	-
Income taxes paid	-2,427	-3,186	-2,126	-2,521	-301	-665
Cash flow from operating activities	7,262	7,345	6,985	8,799	277	-1,454

Cash flows

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023
In millions of euros						
Additions to property, plant and equipment and intangible assets	-3,449	-3,569	-3,405	-3,544	-44	-25
Investments in and net cash inflows from disposals of shareholdings and other business operations	329	123	543	216	-214	-93
Acquisitions of and net cash inflows from sales of marketable debt securities and similar investments	-36	370	85	313	-121	57
Other cash flows	101	96	105	57	-4	39
Cash flow from investing activities	-3,055	-2,980	-2,672	-2,958	-383	-22
Change in financing liabilities	1,334	130	4,025	1,084	-2,691	-954
Dividends paid	-5,654	-5,727	-5,613	-5,722	-41	-5
Acquisition of treasury shares	-3,162	-710	-3,162	-710	-	-
Other cash inflows	79	105	77	66	2	39
Internal equity and financing transactions	-	-	-2,123	-1,441	2,123	1,441
Cash flow from financing activities	-7,403	-6,202	-6,796	-6,723	-607	521
Effect of foreign exchange-rate changes on cash and cash equivalents	86	-414	83	-340	3	-74
Cash and cash equivalents at end of period	12,862	15,428	10,717	12,872	2,145	2,556
thereof cash and cash equivalents classified as assets held for sale at end of period	11	-	11	-	-	-

Free cash flow of the industrial business

The free cash flow of the industrial business is regarded as a key performance indicator for the Mercedes-Benz Group. The free cash flow of the industrial business is derived from the reported cash flows from the operating and investing activities in the following table. The cash flows from purchases and sales of marketable debt securities and similar investments included in cash flow from investing activities are deducted, as those securities are allocated to liquidity and changes in them are thus not a part of the free cash flow. On the other hand, effects in connection with the recognition and measurement of right-of-use assets, which result from lessee accounting and are largely non-cash items, are included in the free cash flow of the industrial business. Other adjustments relate to effects from the financing of the Group's own dealerships and effects from internal deposits within the Group. In addition, the calculation of the free cash flow includes the cash flows to be shown under cash flow from financing activities in connection with the acquisition or disposal of interests in subsidiaries without loss of control.

Free cash flow of the industrial business

	Q1-2 2024	Q1-2 2023	Change
In millions of euros			
Cash flow from operating activities	6,985	8,799	-1,814
Cash flow from investing activities	-2,672	-2,958	+286
Change in marketable debt securities and similar investments	-85	-313	+228
Right-of-use assets	-153	-148	-5
Other adjustments	-213	147	-360
Free cash flow of the industrial business	3,862	5,527	-1,665
Legal proceedings (and related measures)	160	221	-61
Restructuring measures	-	101	-101
M&A transactions	-	-125	+125
Adjusted free cash flow of the industrial business	4,022	5,724	-1,702

The **free cash flow of the industrial business** amounted to €3.9 billion in the first six months of 2024 (Q1-2 2023: €5.5 billion) and was thus below the level of the prior-year period. The development compared to the same period of the previous year was influenced by the following, partly opposing factors:

- Lower profit before income taxes adjusted for non-cash items, opposed by lower income taxes paid

- Positive development of working capital mainly due to lower inventory build-up compared to the previous year; partly offset by a lower increase in trade payables

In the interest of greater transparency in reporting on the ongoing business, we additionally calculate and report an **adjusted free cash flow of the industrial business** of €4.0 billion (Q1-2 2023: €5.7 billion). The following adjustments were taken into account in the first six months of 2024 and 2023:

- The legal proceedings include payments by the industrial business in connection with ongoing governmental and legal proceedings and related measures taken with regard to Mercedes-Benz diesel vehicles
- In the first six months of 2023, the restructuring measures included payments made in connection with the programmes for the optimization of personnel costs
- Adjustments from M&A transactions included cash inflows from the purchase price payment for the sale of shares in Mercedes-Benz Grand Prix Ltd. in the first six months of 2023

As well as being calculated on the basis of the disclosed cash flows from operating and investing activities, the free cash flow of the industrial business can also be calculated on the basis of the cash flows before interest and taxes (CFBIT) of the automotive segments. The reconciliation from the CFBIT of Mercedes-Benz Cars and Mercedes-Benz Vans to the free cash flow of the industrial business also includes the payments for taxes and interest. The other reconciling items primarily comprise eliminations between the segments and items that are allocated to the industrial business but for which the automotive segments are not responsible.

The following table shows the reconciliation of the CFBIT of the automotive segments to the free cash flow of the industrial business.

Reconciliation from CFBIT to the free cash flow of the industrial business

	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023
In millions of euros				
CFBIT Mercedes-Benz Cars	2,156	3,769	4,453	6,750
CFBIT Mercedes-Benz Vans	591	777	1,234	1,187
Income taxes paid/refunded	-1,461	-1,532	-2,126	-2,521
Interest paid/received	91	85	238	40
Other reconciling items	252	264	63	71
Free cash flow of the industrial business	1,629	3,363	3,862	5,527

Free cash flow of the Mercedes-Benz Group

In the first six months of 2024, the free cash flow of the Mercedes-Benz Group resulted in a cash inflow of €4.3 billion (Q1-2 2023: €4.2 billion), which was thus at the prior-year level. The decline in free cash flow of the industrial business was offset by the year-on-year increase in free cash flow at Mercedes-Benz Mobility.

Cash flow from financing activities of the Mercedes-Benz Group

In the reporting period, the cash flow from financing activities of the Mercedes-Benz Group resulted in a cash outflow of €7.4 billion (Q1-2 2023: €6.2 billion). The higher cash outflow relative to the same period of the prior year is primarily due to the higher payments made in the reporting year as part of the share buyback programme. This was opposed in the first half of 2024 by higher net refinancing compared to the previous year.

CFBIT and cash conversion rate of the automotive segments

The CFBIT of the automotive segments is derived from EBIT and the change in net assets, and also includes additions to right-of-use assets. The following table shows the composition of CFBIT for Mercedes-Benz Cars and Mercedes-Benz Vans compared with the prior-year period. In addition, the reconciliation from CFBIT to adjusted CFBIT and the adjusted cash conversion rate for Mercedes-Benz Cars and Mercedes-Benz Vans are shown.

The line Other was impacted, among other things, by dividend payments from equity-method investments, payments for the settlement of payables and provisions recognized in previous years through profit or loss, and by the elimination of non-cash income and expenses included in EBIT.

Reconciliation to adjusted CFBIT for the three-month period ended 30 June

	Mercedes-Benz Cars		Mercedes-Benz Vans	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
In millions of euros				
EBIT	2,756	3,852	830	806
Change in working capital	-1,424	-482	-405	-283
Net financial investments	130	-52	22	-53
Net investments in property, plant and equipment and intangible assets	-1,700	-1,536	-233	-150
Depreciation and amortization/impairments	1,501	1,497	129	105
Other	893	490	248	352
CFBIT	2,156	3,769	591	777
Legal proceedings (and related measures)	36	73	33	42
Restructuring measures	-	-	-	-
M&A transactions	-	-	-	-
Adjusted CFBIT	2,192	3,842	624	819
Adjusted EBIT	2,763	3,812	834	792
Adjusted cash conversion rate¹	0.8	1.0	0.7	1.0

1 The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

Reconciliation to adjusted CFBIT for the six-month period ended 30 June

	Mercedes-Benz Cars		Mercedes-Benz Vans	
	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023
In millions of euros				
EBIT	5,212	8,000	1,763	1,568
Change in working capital	-1,116	-1,317	-365	-385
Net financial investments	105	298	31	-34
Net investments in property, plant and equipment and intangible assets	-3,079	-3,258	-409	-292
Depreciation and amortization/impairments	2,992	3,018	255	208
Other	339	9	-41	122
CFBIT	4,453	6,750	1,234	1,187
Legal proceedings (and related measures)	80	145	78	79
Restructuring measures	-	92	-	3
M&A transactions	-	-125	-	-
Adjusted CFBIT	4,533	6,862	1,312	1,269
Adjusted EBIT	5,086	7,925	1,634	1,511
Adjusted cash conversion rate¹	0.9	0.9	0.8	0.8

1 The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

Net liquidity and net debt

The **net liquidity of the industrial business**, which is shown in the following table, decreased by €3.7 billion to €28.0 billion since 31 December 2023. The decrease is mainly due to the dividend paid to the shareholders of Mercedes-Benz Group AG and the payments made in connection with the share buyback programme. This was partly offset by the positive free cash flow of the industrial business.

Net liquidity of the industrial business

	30 June 2024	31 Dec. 2023	Change
In millions of euros			
Cash and cash equivalents	10,717	13,117	-2,400
Marketable debt securities and similar investments	5,980	5,948	+32
Liquidity	16,697	19,065	-2,368
Financing liabilities ¹	12,035	13,320	-1,285
Market valuation and currency hedges for financing liabilities	-734	-726	-8
Financing liabilities (nominal)	11,301	12,594	-1,293
Net liquidity	27,998	31,659	-3,661

¹ Including liabilities from refinancing of internal dealerships.

As can be seen in the following table, after taking exchange-rate effects into account, the cash and cash equivalents of the Mercedes-Benz Group have decreased to €12.9 billion since 31 December 2023. Total liquidity, which also includes marketable debt securities and similar investments, decreased by €3.0 billion to €19.9 billion, as also shown in the following table.

Net debt at the Group level, which primarily results from refinancing the leasing and sales-financing business, increased by €5.2 billion to €91.8 billion compared with 31 December 2023.

Net debt of the Mercedes-Benz Group

	30 June 2024	31 Dec. 2023	Change
In millions of euros			
Cash and cash equivalents	12,862	15,972	-3,110
Marketable debt securities and similar investments	7,016	6,858	+158
Liquidity	19,878	22,830	-2,952
Financing liabilities	-110,946	-108,724	-2,222
Market valuation and currency hedges for financing liabilities	-731	-720	-11
Financing liabilities (nominal)	-111,677	-109,444	-2,233
Net debt	-91,799	-86,614	-5,185

Refinancing

The Mercedes-Benz Group once again successfully utilized the international money and capital markets for refinancing in the first six months of 2024.

During this period, the Mercedes-Benz Group had a cash inflow of €9.6 billion from the **issuance of bonds** (Q1-2 2023: €6.8 billion). The redemption of bonds resulted in cash outflows of €7.4 billion (Q1-2 2023: €7.3 billion).

Furthermore, in the first six months of 2024, **asset-backed securities (ABS) transactions** were conducted in Germany generating a volume of €0.7 billion (Q1-2 2023: €0.7 billion), in the United States with a volume of USD 2.1 billion (Q1-2 2023: USD 2.5 billion), in China with a volume of CNY 8.0 billion (Q1-2 2023: CNY 9.4 billion), in the UK with a volume of GBP 1.2 billion (Q1-2 2023: 0) and in Australia with a volume of AUD 1.5 billion (Q1-2 2023: 0).

In June 2024, the syndicated **credit line** of €11.0 billion was renewed in the same amount with a consortium of banks. The syndicated credit line had not been utilized as of the reporting date.

Financial position

As of 30 June 2024, the **balance sheet total** of the Group was at the level of 31 December 2023. Adjusted for exchange-rate effects, there was an decrease of €1.1 billion.

Condensed Consolidated Statement of Financial Position

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
In millions of euros						
Assets						
Intangible assets	17,963	17,593	17,400	17,022	563	571
Property, plant and equipment	25,981	26,090	25,686	25,797	295	293
Equipment on operating leases	42,907	41,712	14,660	14,445	28,247	27,267
Receivables from financial services	87,986	88,211	-113	-81	88,099	88,292
Equity-method investments	13,073	13,104	12,788	12,896	285	208
Inventories	29,747	27,294	28,760	26,126	987	1,168
Trade receivables	7,300	7,281	6,550	6,585	750	696
Cash and cash equivalents	12,851	15,962	10,706	13,107	2,145	2,855
Marketable debt securities and similar investments	7,016	6,858	5,980	5,948	1,036	910
thereof current	6,262	6,159	5,860	5,879	402	280
thereof non-current	754	699	120	69	634	630
Other financial assets	7,171	7,939	-7,010	-5,680	14,181	13,619
Other assets	10,869	10,183	2,092	1,005	8,777	9,178
Assets held for sale	309	795	309	795	-	-
Balance sheet total	263,173	263,022	117,808	117,965	145,365	145,057

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
In millions of euros						
Equity and liabilities						
Equity	91,138	92,816	78,437	79,802	12,701	13,014
Provisions	15,295	16,390	14,544	15,565	751	825
Financing liabilities	110,925	108,638	-12,174	-13,575	123,099	122,213
thereof current	41,040	44,914	-23,611	-23,343	64,651	68,257
thereof non-current	69,885	63,724	11,437	9,768	58,448	53,956
Trade payables ¹	13,717	12,705	12,492	11,502	1,225	1,203
Other financial liabilities ¹	7,096	6,792	4,372	3,820	2,724	2,972
Contract and refund liabilities	10,309	10,391	10,005	10,084	304	307
Other liabilities ¹	14,608	15,066	10,047	10,543	4,561	4,523
Liabilities held for sale	85	224	85	224	-	-
Total equity and liabilities	263,173	263,022	117,808	117,965	145,365	145,057

¹ From 1 January 2024, liabilities from customs and excise duties are reported uniformly under other liabilities. The previous year's figures were adjusted accordingly: €326 million and €123 million were reclassified from other current financial liabilities and trade payables respectively to other current liabilities.

Mercedes-Benz Mobility accounts for 55% of the Mercedes-Benz Group's balance sheet total, almost unchanged from 31 December 2023. Current assets account for 39% of the balance sheet total and are at the prior-year level. Current liabilities amount to 30% of the balance sheet total and are also at prior-year level.

Assets

Inventories increased compared to 31 December 2023, mainly due to increased inventories of finished products partially caused by high levels of vehicles in the process of delivery.

Equipment on operating leases increased compared to 31 December 2023 as a result of the increase in the operating lease portfolio, particularly in Europe and the United States.

Liabilities and equity

Compared to 31 December 2023 the Group's **equity** decreased from €92.8 billion to €91.1 billion. The decrease is mainly due to the dividend of €5.5 billion distributed to the shareholders of Mercedes-Benz Group AG and the acquisition of treasury shares for €3.2 billion as part of the share buyback programme. This was partly offset by the positive net profit of €6.1 billion.

The Group's **equity ratio** decreased to 34.6% (31 December 2023: 35.3%); the equity ratio for the industrial business was 66.6% (31 December 2023: 67.6%).

Provisions of €15.3 billion were below the level of €16.4 billion as of 31 December 2023. This was due in particular to the decrease in provisions for personnel and social obligations.

Financing liabilities of €110.9 billion were above the level of €108.6 billion as of 31 December 2023.

Trade payables were higher than the figures for 31 December 2023, partly due to the higher production level.

Further information on the assets presented in the Statement of Financial Position and on the Group's equity and liabilities is provided in the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity and the related notes in the Notes to the Interim Consolidated Financial Statements.

The following table shows the derivation of net assets of the automotive segments. They relate to the operating assets and liabilities for which the segments are responsible.

Derivation of net assets of the automotive segments

	Mercedes-Benz Cars		Mercedes-Benz Vans	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
In millions of euros				
Intangible assets	15,790	15,537	1,603	1,476
Property, plant and equipment	23,673	23,894	2,017	1,907
Inventories	25,406	23,226	3,446	3,011
Trade receivables	5,429	5,504	1,122	1,080
Other segment assets	24,490	25,274	3,087	3,012
Segment assets	94,788	93,435	11,275	10,486
thereof assets held for sale	224	657	65	98
Trade payables	11,032	10,247	1,482	1,379
Other segment liabilities	41,183	41,421	7,894	7,853
Segment liabilities	52,215	51,668	9,376	9,232
thereof liabilities held for sale	37	102	21	18
Net assets	42,573	41,767	1,899	1,254

Outlook

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.

Automotive markets

The outlook regarding the growth of the **world economy** has recently improved somewhat with regional differences. The US economy remains robust, while economic growth in the eurozone is expected to remain below average. In China, the government's growth target of around 5% is likely to be met. The monetary policy of central banks remains restrictive in many places and is likely to continue to dampen global growth. Overall, the growth of the global gross domestic product is therefore expected to be rather modest at around 2.5%.

Customer demand on the global **automotive markets** is expected to remain weaker. Against this backdrop, the global **car market** is only expected to grow slightly compared to the previous year in full-year 2024. The picture is similar across the regions. A slight increase in market volume is expected for Europe. Unit sales for the US light vehicle market are also likely to slightly exceed the level recorded in the previous year. A slight increase in market volume is also expected for China.

The situation in key **van markets** is mixed this year. In Europe, the full-year outlook for the market segment for mid-size and large vans improved recently. Slight growth is now expected compared to the previous year. The market volume for the small van segment in Europe is now also expected to be slightly above the previous year's level. The US market for large vans is expected to be slightly below the previous year's level. In China, the market volume for the mid-size van segment is now expected to be only at the prior-year level.

Overview of forecast key figures

The forecasts are forward-looking statements based on current expectations. The actual development may differ from the outlook described.

The following table shows the forward-looking statements in the chapter Outlook in the Annual Report 2023. Based on the expected development of the automotive markets, the table shows the updated forward-looking statements for the Interim Report as of 30 June 2024.

Forward-looking statements for the year 2024

	Annual Report 31 December 2023	Adjustments in the Interim Report 31 March 2024	Adjustments in the Interim Report 30 June 2024
Mercedes-Benz Group			
Revenue	At the prior-year level	-	-
EBIT	Slightly below the prior-year level	-	-
Free cash flow of the industrial business	Slightly below the prior-year level	-	-
Mercedes-Benz Cars			
Unit sales	At the prior-year level	-	-
Share of electrified vehicles (xEV)	19-21%	-	19-20%
Revenue	At the prior-year level	-	-
Adjusted return on sales	10-12%	-	10-11%
Adjusted cash conversion rate	0.8-1.0	-	-
Investments in property, plant and equipment	Significantly above the prior-year level	-	-
Research and development expenditure	At the prior-year level	-	-
Mercedes-Benz Vans			
Unit sales	Slightly below the prior-year level	-	-
Share of electrified vehicles (xEV)	6-8%	-	5-7%
Revenue	At the prior-year level	-	-
Adjusted return on sales	12-14%	-	14-15%
Adjusted cash conversion rate	0.6-0.8	-	-
Investments in property, plant and equipment	Significantly above the prior-year level	-	-
Research and development expenditure	Significantly above the prior-year level	-	-
Mercedes-Benz Mobility			
New business	Slightly above the prior-year level	At the prior-year level	Slightly below the prior-year level
Contract volume	At the prior-year level	-	-
Revenue	At the prior-year level	-	-
Adjusted return on equity	10-12%	-	8.5-9.5%

Risk and Opportunity Report

The Mercedes-Benz Group is exposed to a large number of risks that are directly linked with the business activities of Mercedes-Benz Group AG and its subsidiaries or that result from external influences. At the same time, it is important to identify opportunities in order to safeguard and enhance the competitiveness of the Mercedes-Benz Group.

At the Mercedes-Benz Group, the risk and opportunity management system is integrated into the value-based management and planning system and is a fixed component of the overall planning, management and reporting process. Changes in risks and opportunities are continuously monitored, assessed and, if necessary, incorporated into the planning during the year.

A detailed presentation of the risk and opportunity management system and the risk and opportunity situation is included in the chapter Risk and Opportunity Report in the Combined Management Report with Non-Financial Declaration of the Annual Report 2023.

Business risks, company-specific risks and financial risks and opportunities

Compared to the presentation therein, the business, company-specific and financial risks and opportunities did not give rise to significant changes in the reporting period.

Legal and tax risks and opportunities

Apart from the following statements, there were no significant changes to the legal and tax risks and opportunities.

Legal risks

Risks from legal proceedings in connection with diesel exhaust gas emissions – governmental proceedings

As already reported, in April 2016, the U.S. Department of Justice (DOJ) requested that the Mercedes-Benz Group conduct an internal investigation. The Mercedes-Benz Group conducted such an internal investigation in cooperation with the DOJ's investigation. In March 2024, the DOJ informed Mercedes-Benz Group that based on the information available to it, it has closed its investigation; thus, the DOJ will not bring any criminal charges against the Mercedes-Benz Group.

Furthermore, as previously reported, national antitrust authorities of various countries are also conducting investigations in connection with diesel exhaust gas emissions. In this context, in July 2024, the Brazilian antitrust authority opened an antitrust proceeding against some car manufacturers, including Mercedes-Benz Group AG.

Risks from legal proceedings in connection with diesel exhaust gas emissions – civil court proceedings

As previously reported, in July 2021 the Federation of German Consumer Organizations (Verbraucherzentrale Bundesverband e. V.) filed a model declaratory action (Musterfeststellungsklage) against Mercedes-Benz Group AG with the Stuttgart Higher Regional Court related to allegedly inadmissible defeat devices in vehicles. In March 2024, the Stuttgart Higher Regional Court largely granted the model declaratory action. Mercedes-Benz Group AG and, in respect of the dismissed claims, also the plaintiff have appealed against the decision to the Federal Court of Justice. Mercedes-Benz Group AG continues to regard the lawsuit as being without merit and will continue to defend itself against it.

Condensed Interim Consolidated Financial Statements



Consolidated Statement of Income/Loss

	Note	Q2 2024	Q2 2023 ¹	Q1-2 2024	Q1-2 2023 ¹
In millions of euros					
Revenue	3	36,743	38,241	72,616	75,757
Cost of sales	4	-28,919	-29,250	-57,686	-57,316
Gross profit in relation to revenue		7,824	8,991	14,930	18,441
Selling expenses	4	-2,441	-2,519	-4,786	-4,873
General administrative expenses	4	-619	-746	-1,335	-1,458
Research and non-capitalized development costs	4	-1,461	-1,636	-2,929	-3,319
Other operating income	5	532	557	1,324	1,005
Other operating expense	5	-140	-291	-226	-409
Gains/losses on equity-method investments, net	12	331	531	921	1,043
Other financial income/expense, net	6	11	101	1	62
Earnings before interest and taxes (EBIT)	21	4,037	4,988	7,900	10,492
Interest income	7	175	157	385	310
Interest expense	7	-46	-60	-90	-148
Profit before income taxes		4,166	5,085	8,195	10,654
Income taxes	8	-1,104	-1,444	-2,108	-3,002
Net profit		3,062	3,641	6,087	7,652
thereof profit attributable to non-controlling interests		46	78	97	144
thereof profit attributable to shareholders of Mercedes-Benz Group AG		3,016	3,563	5,990	7,508
Earnings per share (in euros)					
for profit attributable to shareholders of Mercedes-Benz Group AG					
Basic		2.95	3.34	5.81	7.03
Diluted		2.95	3.34	5.81	7.03

¹ Increase in the general administrative expenses in the second quarter of 2023 of €45 million from the adjustment of the elimination of intra-Group transactions between the segments in the reconciliation: Reclassification of €34 million from the cost of sales, €8 million from the research and non-capitalized development costs and €3 million from the selling expenses. Increase in the general administrative expenses in the first half of 2023 of €108 million from the adjustment of the elimination of intra-Group transactions between the segments in the reconciliation: Reclassification of €77 million from the cost of sales, €20 million from the research and non-capitalized development costs and €11 million from the selling expenses.

Consolidated Statement of Comprehensive Income/Loss

	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023
In millions of euros				
Net profit	3,062	3,641	6,087	7,652
Gains/losses from currency translation	200	-209	512	-598
Gains/losses on debt instruments	1	1	1	2
Gains/losses on derivative financial instruments	-285	464	-351	916
Gains/losses on equity-method investments, net	-30	-87	-26	-160
Items that may be reclassified to profit/loss in the Statement of Income in the future	-114	169	136	160
Actuarial gains/losses from pensions and similar obligations	-82	138	1,095	516
Gains/losses on equity instruments	-128	83	-119	173
Gains/losses on equity-method investments, net	-6	-10	37	-12
Items that will not be reclassified to profit/loss in the Statement of Income	-216	211	1,013	677
Other comprehensive income/loss after taxes	-330	380	1,149	837
thereof income/loss attributable to non-controlling interests after taxes	-1	-54	-5	-83
thereof income/loss attributable to shareholders of Mercedes-Benz Group AG after taxes	-329	434	1,154	920
Total comprehensive income/loss	2,732	4,021	7,236	8,489
thereof income/loss attributable to non-controlling interests	45	24	92	61
thereof income/loss attributable to shareholders of Mercedes-Benz Group AG	2,687	3,997	7,144	8,428

Consolidated Statement of Financial Position

	Note	30 June 2024	31 December 2023
In millions of euros			
Assets			
Intangible assets	9	17,963	17,593
Property, plant and equipment	10	25,981	26,090
Equipment on operating leases	11	42,907	41,712
Equity-method investments	12	13,073	13,104
Receivables from financial services	13	48,775	49,742
Marketable debt securities and similar investments		754	699
Other financial assets		3,413	4,340
Deferred tax assets	8	3,749	4,127
Other assets		2,691	1,583
Total non-current assets		159,306	158,990
Inventories	14	29,747	27,294
Trade receivables		7,300	7,281
Receivables from financial services	13	39,211	38,469
Cash and cash equivalents		12,851	15,962
Marketable debt securities and similar investments		6,262	6,159
Other financial assets		3,758	3,599
Other assets		4,429	4,473
Assets held for sale		309	795
Total current assets		103,867	104,032
Balance sheet total		263,173	263,022

	Note	30 June 2024	31 December 2023
Equity and liabilities			
Share capital		3,070	3,070
Capital reserves		11,718	11,718
Retained earnings		78,168	76,670
Other reserves		2,688	2,571
Treasury shares		-5,401	-2,256
Equity attributable to shareholders of Mercedes-Benz Group AG		90,243	91,773
Non-controlling interests		895	1,043
Total equity	15	91,138	92,816
Provisions for pensions and similar obligations	16	1,012	1,090
Provisions for other risks	17	6,884	7,345
Financing liabilities	18	69,885	63,724
Other financial liabilities		1,641	1,642
Deferred tax liabilities	8	7,672	7,714
Deferred income		1,254	1,223
Contract and refund liabilities		3,524	3,514
Other liabilities		1,182	1,520
Total non-current liabilities		93,054	87,772
Trade payables ¹		13,717	12,705
Provisions for other risks	17	7,399	7,955
Financing liabilities	18	41,040	44,914
Other financial liabilities ¹		5,455	5,150
Deferred income		1,522	1,478
Contract and refund liabilities		6,785	6,877
Other liabilities ¹		2,978	3,131
Liabilities held for sale		85	224
Total current liabilities		78,981	82,434
Total equity and liabilities		263,173	263,022

1 From January 1, 2024, VAT from customs duties and excise taxes will be shown uniformly in the other liabilities. The previous year's figures were adjusted accordingly: €326 million and €123 million, respectively, of the current other financial liabilities and of the trade payables were reclassified to the current other liabilities.

Consolidated Statement of Cash Flows

	Q1-2 2024	Q1-2 2023
In millions of euros		
Profit before income taxes	8,195	10,654
Depreciation and amortization/impairments	3,299	3,283
Other non-cash expense and income	-974	-1,056
Gains (-)/losses (+) from disposals of assets	-98	81
Change in operating assets and liabilities		
Inventories	-2,500	-3,809
Trade receivables and trade payables	947	2,180
Receivables from financial services	956	-2,701
Vehicles on operating leases	-906	355
Other operating assets and liabilities	-447	190
Dividends received from equity-method investments	1,217	1,354
Income taxes paid	-2,427	-3,186
Cash flow from operating activities	7,262	7,345
Additions to property, plant and equipment	-1,592	-1,625
Additions to intangible assets	-1,857	-1,944
Net cash inflows from disposals of property, plant and equipment and intangible assets	81	151
Investments in shareholdings	-254	-220
Net cash inflows from disposals of shareholdings and other business operations	583	343
Acquisition of marketable debt securities and similar investments	-1,595	-4,087
Net cash inflows from sales of marketable debt securities and similar investments	1,559	4,457
Other cash flows	20	-55
Cash flow from investing activities	-3,055	-2,980

	Q1-2 2024	Q1-2 2023
In millions of euros		
Change in short-term financing liabilities	273	3,488
Additions to long-term financing liabilities	22,360	20,729
Repayment of long-term financing liabilities	-21,299	-24,087
Dividend paid to shareholders of Mercedes-Benz Group AG	-5,486	-5,556
Dividends paid to non-controlling interests	-168	-171
Acquisition of treasury shares	-3,162	-710
Other cash inflows	79	105
Cash flow from financing activities	-7,403	-6,202
Effect of foreign exchange-rate changes on cash and cash equivalents	86	-414
Change in cash and cash equivalents	-3,110	-2,251
Cash and cash equivalents at beginning of period	15,972	17,679
Less cash and cash equivalents classified as assets held for sale at beginning of period	10	-
Cash and cash equivalents at beginning of period (Consolidated Statement of Financial Position)	15,962	17,679
Cash and cash equivalents at end of period	12,862	15,428
Less cash and cash equivalents classified as assets held for sale at end of period	11	-
Cash and cash equivalents at end of period (Consolidated Statement of Financial Position)	12,851	15,428

Consolidated Statement of Changes in Equity

	Share capital	Capital reserves	Retained earnings	Other reserves			Treasury shares	Equity attributable to shareholders of Mercedes-Benz Group AG	Non-controlling interests	Total equity
				Difference of currency translation	Equity/debt instruments	Derivative financial instruments				
In millions of euros										
Balance at 1 January 2023	3,070	11,718	67,695	2,161	-241	1,012	-	85,415	1,125	86,540
Net profit	-	-	7,508	-	-	-	-	7,508	144	7,652
Other comprehensive income/loss after taxes	-	-	499	-674	181	914	-	920	-83	837
Total comprehensive income/loss	-	-	8,007	-674	181	914	-	8,428	61	8,489
Dividends	-	-	-5,556	-	-	-	-	-5,556	-209	-5,765
Capital increase	-	-	-	-	-	-	-	-	40	40
Acquisition of treasury shares	-	-	-	-	-	-	-709	-709	-	-709
Issue and disposal of treasury shares	-	-	-	-	-	-	66	66	-	66
Other	-	-	-	-	-1	15	-	14	-	14
Balance at 30 June 2023	3,070	11,718	70,146	1,487	-61	1,941	-643	87,658	1,017	88,675

				Other reserves			Treasury shares	Equity attributable to shareholders of Mercedes-Benz Group AG	Non-controlling interests	Total equity
	Share capital	Capital reserves	Retained earnings	Difference of currency translation	Equity/debt instruments	Derivative financial instruments				
In millions of euros										
Balance at 1 January 2024	3,070	11,718	76,670	1,199	-142	1,514	-2,256	91,773	1,043	92,816
Net profit	-	-	5,990	-	-	-	-	5,990	97	6,087
Other comprehensive income/loss after taxes	-	-	1,124	518	-111	-377	-	1,154	-5	1,149
Total comprehensive income/loss	-	-	7,114	518	-111	-377	-	7,144	92	7,236
Dividends	-	-	-5,486	-	-	-	-	-5,486	-234	-5,720
Changes in the consolidated group	-	-	-5	-	-	-	-	-5	-10	-15
Capital increase	-	-	-	-	-	-	-	-	2	2
Acquisition of treasury shares	-	-	-	-	-	-	-3,218	-3,218	-	-3,218
Issue and disposal of treasury shares	-	-	-	-	-	-	73	73	-	73
Other	-	-	-125	-	82	5	-	-38	2	-36
Balance at 30 June 2024	3,070	11,718	78,168	1,717	-171	1,142	-5,401	90,243	895	91,138

Notes to the Interim Consolidated Financial Statements

1. Basis of preparation

General information

These condensed Interim Consolidated Financial Statements (Interim Financial Statements) of Mercedes-Benz Group AG and its subsidiaries (“Mercedes-Benz Group” or “the Group”) have been prepared in accordance with Section 115 of the German Securities Trading Act (WpHG) and in conformity with the International Accounting Standard (IAS) 34 Interim Financial Reporting.

The Interim Financial Statements comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The reporting period of the Interim Financial Statements is the period from 1 January 2024 to 30 June 2024.

The Interim Report is presented in euros (€). Unless otherwise stated, all amounts are stated in millions of euros.

The Board of Management authorized the Interim Report for publication on 25 July 2024.

The Interim Financial Statements should be read in conjunction with the audited and published IFRS Consolidated Financial Statements and Notes thereto of 31 December 2023. The accounting policies applied by the Group in these Interim Financial Statements fundamentally correspond with those applied for the Consolidated Financial Statements for the year 2023.

Mercedes-Benz Group AG is a public limited liability company organized under the laws of the Federal Republic of Germany. The Company is entered in the Commercial Register of the Stuttgart District Court under the number HRB 19360 and its registered office is located at Mercedesstraße 120, 70372 Stuttgart, Germany.

All significant intercompany accounts and transactions have been eliminated. In the opinion of the management, the Interim Financial Statements reflect all adjustments (i.e., normal recurring adjustments) necessary for a fair presentation of the profitability, cash flows and financial position of the Group. Earnings in the interim periods presented are not necessarily indicative of the earnings that may be expected for any future period or for the full financial year.

IFRS issued, not yet endorsed by the EU and not adopted in the reporting period

In April 2024, the IASB published the standard **IFRS 18 Presentation and Disclosures in Financial Statements**. The standard aims to improve the presentation of financial information and to increase the transparency and comparability of financial statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements in future. Subject to adoption into European law, application will be mandatory for financial years beginning on or after 1 January 2027. Earlier application is permitted, but not planned in the Mercedes-Benz Group.

2. Significant disposals of investments

Sale of shares in the Russian subsidiaries

On 2 March 2022, the Mercedes-Benz Group decided to stop exporting cars and vans to Russia and to cease local production in Russia until further notice. At the end of October 2022, the Mercedes-Benz Group signed contracts with the Russian car dealer Avtodom AO for the sale of the shares in the Russian subsidiaries. With the closing of the transaction on 19 April 2023, the shares of Russian subsidiaries were deconsolidated.

The deconsolidation in the second quarter of 2023 involved the disposal of assets of €976 million, which were essentially composed of property, plant and equipment to the value of €290 million and receivables from financial services of €280 million. In addition, cash and cash equivalents of €91 million were also included. The liabilities of €1,065 million disposed of included in particular provisions of €636 million and financing liabilities of €347 million. The Group had issued a global guarantee for the financing liabilities to financial institutions, which ended when the transaction was completed.

The sale of the Russian subsidiaries resulted in no significant cash inflow. The cash outflow in the amount of the disposed cash and cash equivalents of €91 million was mainly attributable to the Mercedes-Benz Mobility segment.

The transaction costs amounted to €3 million. After realizing the currency reserve of €291 million, a loss on disposal of €205 million resulted in the second quarter of 2023. This was reported in other operating expenses. Expenses of €276 million were attributable to the Mercedes-Benz Mobility segment; the Mercedes-Benz Cars and Mercedes-Benz Vans segments generated income of €66 million and €5 million respectively.

Sale of retail activities and other sales companies

In 2023, the Mercedes-Benz Group decided to sell further sales companies in other European countries. The criteria for classification as assets and liabilities held for sale were met as of 31 December 2023. Assets of €309 million and liabilities of €85 million were therefore reported as assets and liabilities held for sale in the Consolidated Statement of Financial Position as of 30 June 2024 in accordance with IFRS 5. Of the assets, €224 million were attributable to the Mercedes-Benz Cars segment and €65 million to the Mercedes-Benz Vans segment. Assets mainly comprised inventories of €129 million as well as property, plant and equipment of €47 million. The liabilities, €37 million of which were

attributable to the Mercedes-Benz Cars segment and €21 million to the Mercedes-Benz Vans segment, mainly included other financial and non-financial liabilities.

In the first half of 2024, the Group divested retail activities in Italy, France, Sweden and Poland. The disposals resulted in an income of €79 million and a cash inflow of €251 million. The effects were mainly allocated to the Mercedes-Benz Cars segment. In July 2024 three further companies in Denmark, Portugal and the Netherlands were sold. As a result, €227 million of the assets and €50 million of the liabilities of the assets and liabilities classified as held for sale at 30 June 2024 will be deconsolidated in the third quarter. The sales will result in a provisional income of €27 million and a provisional cash inflow of €139 million in the third quarter.

The sales companies in Greece and other dealers in Europe had already been sold in the course of 2023. The disposals resulted in income of €186 million in the year 2023 (Q1-2 2023: €90 million). The cash inflow amounted to a total of €315 million in 2023 (Q1-2 2023: €203 million). The effects were mainly allocated to the Mercedes-Benz Cars segment.

Sale of Indonesian sales and production entities

The Mercedes-Benz Group sold its subsidiaries in Indonesia to a local investor with effect from 29 September 2023. In 2023, the sale of both companies resulted in an income of €89 million and a cash inflow of €140 million which were allocated to the Mercedes-Benz Cars segment. Assets decreased by €141 million and liabilities by €88 million as a result of the deconsolidation of the subsidiaries.

Sale of interests in Mercedes-Benz Grand Prix Ltd.

In the fourth quarter of 2021, the Mercedes-Benz Group signed the contractual agreements with Motorsports Invest Ltd. and INEOS Industries Holdings Ltd. on the sale of shares of Mercedes-Benz Grand Prix Ltd. The purchase price payment agreed for 2023 resulted in a cash inflow of €144 million, thereof €125 million in the first quarter of 2023.

3. Revenue

Revenue disclosed in the Consolidated Statement of Income/Loss includes revenue from contracts with customers in the scope of IFRS 15 (revenue according to IFRS 15) and other revenue not in the scope of IFRS 15.

Revenue according to IFRS 15 is disaggregated by the two categories – type of products and services, and geographical regions – and presented in the following table. The category type of products and services corresponds to the reported segments.

Other revenue primarily comprises revenue from the rental and leasing business and interest from the financial services business recognized using the effective-interest method.

Revenue for the three-month period ended 30 June

	Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Mobility		Total segments		Reconciliation ¹		Mercedes-Benz Group	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
In millions of euros												
Europe	8,971	9,186	3,194	3,179	1,109	1,326	13,274	13,691	-879	-942	12,395	12,749
North America	6,640	7,447	768	1,108	1,142	1,365	8,550	9,920	-45	-69	8,505	9,851
Asia	9,402	9,750	234	267	47	29	9,683	10,046	-1	-2	9,682	10,044
Other markets	1,308	1,161	486	480	2	21	1,796	1,662	-	-	1,796	1,662
Revenue according to IFRS 15	26,321	27,544	4,682	5,034	2,300	2,741	33,303	35,319	-925	-1,013	32,378	34,306
Other revenue	849	700	92	89	4,047	3,765	4,988	4,554	-623	-619	4,365	3,935
Total revenue	27,170	28,244	4,774	5,123	6,347	6,506	38,291	39,873	-1,548	-1,632	36,743	38,241

¹ The reconciliation includes eliminations of intra-Group revenue between the segments.

Revenue for the six-month period ended 30 June

	Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Mobility		Total segments		Reconciliation ¹		Mercedes-Benz Group	
	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023
In millions of euros												
Europe	18,547	18,919	6,329	6,289	2,682	2,735	27,558	27,943	-1,819	-1,808	25,739	26,135
North America	12,411	13,617	1,764	1,915	2,325	2,795	16,500	18,327	-99	-129	16,401	18,198
Asia	17,797	19,994	456	464	98	61	18,351	20,519	-2	-2	18,349	20,517
Other markets	2,490	2,297	944	908	23	43	3,457	3,248	-	-	3,457	3,248
Revenue according to IFRS 15	51,245	54,827	9,493	9,576	5,128	5,634	65,866	70,037	-1,920	-1,939	63,946	68,098
Other revenue	1,638	1,229	174	162	8,074	7,511	9,886	8,902	-1,216	-1,243	8,670	7,659
Total revenue	52,883	56,056	9,667	9,738	13,202	13,145	75,752	78,939	-3,136	-3,182	72,616	75,757

¹ The reconciliation includes eliminations of intra-Group revenue between the segments.

4. Functional costs

The **cost of sales** both in the second quarter and in the first half of the year 2024, was positively affected by the slightly decreased unit sales and lower material costs. This was negatively offset by higher cost of credit risk, primarily in the United States, and higher expenses for measures in connection with product lifecycles.

The **selling expenses** were at the prior-year level in the second quarter as well as in the first half of the year 2024.

Mainly due to lower personnel expenses, the **general administrative expenses** were below the prior-year level in the second quarter as well as in the first half of 2024.

Research and non-capitalized development costs

were significantly below the prior-year level in the second quarter as well as in the first half of 2024. The decrease is mostly due to reduced expenses in connection with existing vehicle models.

5. Other operating income and expense

Other operating income amounted to €532 million in the second quarter of 2024 (Q2 2023: €557 million) and €1,324 million in the first half of the year 2024 (Q1-2 2023: €1,005 million).

The increase in other operating income in the first half of the year 2024 mainly resulted from the measurement of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles.

Other operating expense was €140 million in the second quarter of 2024 (Q2 2023: €291 million) and €226 million in the first half of the year 2024 (Q1-2 2023: €409 million).

In the second quarter of 2023 expenses of €205 million resulted from the deconsolidation of the shares in the Russian subsidiaries which were mainly attributable to the Mercedes-Benz Mobility segment.

6. Other financial income/expense

The composition of other financial income/expense, net is shown in the following table.

Other financial income/expense, net

	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023
In millions of euros				
Income and expense from compounding and effects from changes in discount rates of provisions for other risks	-65	-20	-107	-120
Income and expense from equity instruments	-	76	-36	106
Income and expense from marketable debt securities and similar investments	65	58	132	83
Income and expense from foreign currency valuation of financial instruments	26	65	-96	6
Miscellaneous other financial income/expense, net	-15	-78	108	-13
	11	101	1	62

7. Interest income and interest expense

The composition of interest income and interest expense is shown in the following table.

Interest income and interest expense

	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023
In millions of euros				
Interest income				
Net interest income on the net assets of defined-benefit pension plans	7	8	13	15
Interest and similar income	168	149	372	295
	175	157	385	310
Interest expense				
Net interest expense on the net obligation from defined-benefit pension plans	-10	-10	-20	-20
Interest and similar expenses	-36	-50	-70	-128
	-46	-60	-90	-148

8. Income taxes

The following table shows profit before income taxes, income taxes and the derived effective tax rate.

Income taxes				
	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023
In millions of euros				
Profit before income taxes	4,166	5,085	8,195	10,654
Income taxes	-1,104	-1,444	-2,108	-3,002
Tax rate	26.5%	28.4%	25.7%	28.2%

9. Intangible assets

The composition of intangible assets is shown in the following table.

Intangible assets		
	30 June 2024	31 Dec. 2023
In millions of euros		
Goodwill	752	745
Development costs	15,774	15,149
Other intangible assets	1,437	1,699
	17,963	17,593

10. Property, plant and equipment

Property, plant and equipment as presented in the Consolidated Statement of Financial Position with a carrying amount of €25,981 million (31 December 2023: €26,090 million) also includes right-of-use assets of €2,262 million (31 December 2023: €2,318 million), that the Group received as lessee.

The following table shows the composition of property, plant and equipment.

Property, plant and equipment

	30 June 2024	31 Dec. 2023
In millions of euros		
Land, land rights and buildings, including buildings on land owned by others	9,367	9,429
thereof right-of-use assets from leasing	1,925	1,944
Technical equipment and machinery	7,428	7,898
thereof right-of-use assets from leasing	302	343
Other equipment, factory and office equipment	6,119	6,594
thereof right-of-use assets from leasing	35	31
Advance payments and construction in progress	3,067	2,169
	25,981	26,090

11. Equipment on operating leases

At 30 June 2024, the carrying amount of equipment on operating leases was €42,907 million (31 December 2023: €41,712 million). In the first six months of 2024, additions amounted to €11,562 million (Q1-2 2023: €9,986 million) and disposals to €7,051 million (Q1-2 2023: €6,846 million). Depreciation in the first half of 2024 was €3,786 million (Q1-2 2023: €3,540 million).

12. Equity-method investments

Associated companies

Income from associated companies includes in particular the pro-rata earnings of Beijing Benz Automotive Co., Ltd. (BBAC) and of Daimler Truck Holding AG (Daimler Truck).

The pro-rata earnings of **Daimler Truck** included in the Mercedes-Benz Group's Financial Statements are best possible estimates based on consensus data. The result in the first half of 2024 amounted to €369 million (Q1-2 2023: €307 million). Income of €101 million (Q2 2023: €248 million) is attributable to the second quarter of 2024. The income of the second quarter contains losses from an impairment of €120 million on an investment of Daimler Truck including effects from investor-level adjustments.

In May 2024, the Annual General Meeting of Daimler Truck resolved a dividend of €1.90. The distribution led to a cash inflow of €469 million and reduced the carrying amount of the investment accordingly. With the approval of the Supervisory Board, the Board of Management of Daimler Truck resolved a share buyback programme on 10 July 2023. The acquisition of the treasury shares on the stock exchange began on 2 August 2023. During the share buyback programme, the Mercedes-Benz Group did not sell any of its Daimler Truck shares. Consequently a shareholding of 30.91% is assumed for the development of the equity-method investment carrying amount as of 30 June 2024. The investment is reported in the reconciliation.

The proportional result of **BBAC** in the first half of 2024 amounted to €645 million (Q1-2 2023: €761 million). Of this amount, €305 million (Q2 2023: €335 million) were generated in the second quarter. In June the shareholders of BBAC resolved the distribution of a dividend of €642 million. The distribution reduced the shareholding's carrying amount accordingly and caused a cash inflow of €616 million. This equity interest is allocated to the Mercedes-Benz Cars segment.

There Holding B.V. recognized an impairment loss on the carrying amount of the investment in Here International B.V. in the second quarter of 2023 due to a reassessment of business development. The expenses of €92 million attributable to the Group were included in the gains/losses on equity-method investments and allocated to the Mercedes-Benz Cars segment.

Further information can be found in the Note Related party disclosures.

Summarized carrying amounts and gains/losses on equity-method investments¹

	Associated companies		Joint ventures		Total	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
In millions of euros						
Equity-method carrying amount on the balance sheet date	12,160	12,378	913	726	13,073	13,104
Equity-method gains/losses Q2	417	545	-86	-14	331	531
Equity-method gains/losses Q1-2	977	1,081	-56	-38	921	1,043

¹ Including investor-level adjustments.

13. Receivables from financial services

Receivables from financial services are shown in the following table.

Receivables from financial services

	30 June 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Sales financing with customers	16,837	30,785	47,622	17,578	31,940	49,518
Sales financing with dealers	15,929	5,291	21,220	14,261	4,824	19,085
Finance lease contracts	6,660	12,564	19,224	6,744	12,781	19,525
Residual-value receivables	234	802	1,036	302	836	1,138
Gross carrying amount	39,660	49,442	89,102	38,885	50,381	89,266
Loss allowances	-449	-667	-1,116	-416	-639	-1,055
Net carrying amount	39,211	48,775	87,986	38,469	49,742	88,211

14. Inventories

Inventories are comprised as follows.

Inventories	30 June 2024	31 Dec. 2023
In millions of euros		
Raw materials and manufacturing supplies	3,083	2,651
Work in progress	3,322	3,070
Finished goods, spare parts and products held for resale	23,077	21,216
Advance payments	265	357
	29,747	27,294

15. Equity

Approved capital

The Annual General Meeting held on 3 May 2023 authorized the Board of Management to increase the share capital by up to a total of €1 billion by 2 May 2028 with the approval of the Supervisory Board against cash and/or non-cash contributions (Approved Capital 2023). The authorization enables the exclusion of shareholders' subscription rights under certain conditions and within defined limits subject to the consent of the Supervisory Board.

No use has been made of the Approved Capital 2023 to date.

Share buyback programmes

On the basis of the authorization to acquire the Company's own shares given by the Annual General Meeting on 8 July 2020, the Board of Management, with the approval of the Supervisory Board, resolved a share buyback programme on 16 February 2023. The acquisition of treasury shares worth up to €4 billion (not including incidental costs) on the stock exchange over a period of up to two years began on 3 March 2023. The repurchased shares are to be cancelled at a later date. Mercedes-Benz Group AG has separately agreed with Beijing Automotive Group Co., Ltd. and Geely Group that they will each keep their share in all voting shares

of Mercedes-Benz Group AG below 10% by divesting their shares on a pro-rata basis concurrently with share buyback programmes.

On 21 February 2024, Mercedes-Benz Group AG resolved to implement a share buyback policy. Based on such policy, the future free cash flow of the industrial business (as available post potential small-scale M&A transactions) generated beyond the approximately 40% dividend payout ratio of Mercedes-Benz Group net profit shall be used to fund share buybacks with the purpose of redeeming shares.

In this context, Mercedes-Benz Group AG has also resolved to conduct a further share buyback programme, through which it is intended to acquire treasury shares worth up to €3 billion (not including incidental costs) on the stock exchange and to then cancel them. The further share buyback programme is based on the authorization by the Annual General Meeting of Mercedes-Benz Group AG on 8 July 2020, authorizing the Board of Management to acquire, with the approval of the Supervisory Board, treasury shares up to a maximum of 10% of the share capital until 7 July 2025.

The additional share buyback programme commenced in May 2024 and is being implemented in parallel with the share buyback programme in the volume of up to €4 billion (not including incidental costs) which was started in March 2023. Both share buyback programmes are expected to be completed by the first quarter of 2025.

From March 2023 to June 2024, as part of the share buyback programmes, 78 million of the company's own shares were repurchased at a purchase price of €5,104 million. The purchase price was recorded under treasury shares together with an outstanding compensation payment of €194 million and a liability of €103 million for buyback obligations as of 30 June 2024.

Future share buyback programmes are subject to the necessary resolutions of the company's corporate bodies required in each individual case.

Employee share purchase plan

In the first quarter of 2024 Mercedes-Benz Group AG purchased 1.0 million (Q1 2023: 0.9 million) Mercedes-Benz shares for a purchase price of €73 million (2023: €66 million) to be reissued to employees as employee shares directly based on Section 71 Subsection 1 No. 2 of the German Stock Corporation Act (AktG). The shares were reissued to employees on 27 March 2024.

Dividend

Under the German Stock Corporation Act (AktG), the dividend is paid out of the distributable profit reported in the Annual Financial Statements of Mercedes-Benz Group AG (parent company only) in accordance with the German Commercial Code (HGB). The Annual General Meeting on 8 May 2024 resolved the payment of €5,486 million of the distributable profit of Mercedes-Benz Group AG for the 2023 financial year as a dividend to the shareholders, equivalent to €5.30 per no-par-value share entitled to a dividend and the transfer of €563 million to retained earnings. A portion of €184 million of the amount transferred to retained earnings accounts for 34.7 million treasury shares not entitled to dividends held directly or indirectly by the Company at the time of the Annual General Meeting. The dividend was paid out on 14 May 2024.

For the 2022 financial year, in accordance with the adjusted proposal for the appropriation of profits, the 2023 Annual General Meeting resolved that €5,556 million (€5.20 per no-par-value share entitled to a dividend) be distributed to the shareholders from the distributable profit and the portion of €7 million from the distributable profit attributable to the 1.3 million treasury shares not entitled to dividends held by Mercedes-Benz Group AG at the time of the 2023 Annual General Meeting be allocated to retained earnings.

16. Pensions and similar obligations

The provisions for pensions and similar obligations consist of provisions for pension obligations of €669 million (31 December 2023: €760 million) and provisions for post-employment healthcare benefits of €343 million (31 December 2023: €330 million).

The funded status of the pension obligations is shown in the following table. The present value of the defined benefit obligations has decreased, in particular due to the increase of the discount rate in Germany to 3.7% (31 December 2023: 3.2%). The fair value of the plan assets reflects the positive return in the reporting period.

Development of funded status

	30 June 2024	31 Dec. 2023
In millions of euros		
Present value of the defined benefit obligations	20,953	21,992
Fair value of plan assets	22,088	21,890
Funded status	1,135	-102
actuarial loss due to asset ceiling	-15	-15
Net-liability / -asset	1,120	-117
thereof recognized in: Other assets	1,789	643
thereof recognized in: Provisions for pensions and similar obligations	-669	-760

17. Provisions for other risks

Provisions for other risks are comprised as shown in the following table.

Provisions for other risks

	30 June 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Product warranties	2,655	3,707	6,362	2,980	3,419	6,399
Personnel and social costs	1,714	1,963	3,677	2,580	2,092	4,672
Litigation risks and regulatory proceedings	885	887	1,772	675	1,429	2,104
Other	2,145	327	2,472	1,720	405	2,125
	7,399	6,884	14,283	7,955	7,345	15,300

18. Financing liabilities

Financing liabilities are comprised as follows.

Financing liabilities

	30 June 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Bonds	10,790	47,508	58,298	12,062	43,454	55,516
Commercial paper	5,511	17	5,528	3,452	18	3,470
Liabilities to financial institutions	13,239	10,677	23,916	15,619	9,698	25,317
Deposits in the direct banking business	2,710	-	2,710	5,625	134	5,759
Liabilities from ABS transactions	7,880	9,819	17,699	7,172	8,497	15,669
Lease liabilities	433	1,709	2,142	453	1,713	2,166
Loans, other financing liabilities	477	155	632	531	210	741
	41,040	69,885	110,925	44,914	63,724	108,638

19. Legal proceedings

As described in the Notes to the Consolidated Financial Statements as of 31 December 2023, Mercedes-Benz Group AG and its subsidiaries are confronted with various court proceedings, claims and governmental investigations and orders (legal proceedings) on a large number of topics.

Compared to the legal proceedings described therein, the following significant changes have occurred:

Diesel emission behaviour: governmental proceedings

As already reported, in April 2016, the U.S. Department of Justice (DOJ) requested that the Mercedes-Benz Group conduct an internal investigation. The Mercedes-Benz Group conducted such an internal investigation in cooperation with the DOJ's investigation. In March 2024, the DOJ informed Mercedes-Benz Group that based on the information available to it, it has closed its investigation; thus, the DOJ will not bring any criminal charges against the Mercedes-Benz Group.

Furthermore, as previously reported, national antitrust authorities of various countries are also conducting investigations in connection with diesel exhaust emissions. In this context, in July 2024, the Brazilian antitrust authority opened an antitrust proceeding against some car manufacturers, including Mercedes-Benz Group AG.

Diesel emission behaviour: consumer actions in Germany

As previously reported, in July 2021 the Federation of German Consumer Organizations (Verbraucherzentrale Bundesverband e. V.) filed a model declaratory action (Musterfeststellungsklage) against Mercedes-Benz Group AG with the Stuttgart Higher Regional Court related to allegedly inadmissible defeat devices in vehicles. In March 2024, the Stuttgart Higher Regional Court largely granted the model declaratory action. Mercedes-Benz Group AG and, in respect of the dismissed claims, also the plaintiff have appealed against the decision to the Federal Court of Justice. Mercedes-Benz Group AG continues to regard the lawsuit as being without merit and will continue to defend itself against it.

20. Financial instruments

The following table shows the carrying amounts and fair values of the respective classes of the Group's financial instruments, including assets and liabilities held for sale.

The fair values of financial instruments were calculated on the basis of market information available on the balance sheet date. The following methods and assumptions were used.

Marketable debt securities and similar investments, other financial assets and liabilities

Marketable debt securities are recognized at fair value through other comprehensive income or at fair value through profit or loss. Similar investments are measured at cost and are not included in the measurement hierarchy, as their carrying amount is a reasonable approximation of fair value due to the short terms of these financial instruments and the fundamentally low credit risk.

Equity instruments are recognized at fair value through other comprehensive income or at fair value through profit or loss.

Marketable debt securities and equity instruments recognized at fair value were measured using quoted market prices at the end of the reporting period. If quoted market prices are not available for these debt and equity instruments, fair value measurement is based on inputs that are either directly or indirectly observable in active markets. Fair values are calculated using recognized financial valuation models such as discounted cash flow models or multiples.

Other financial assets and liabilities recognized at fair value through profit or loss relate to derivative financial instruments not used in hedge accounting. These financial instruments as well as derivative financial instruments used in hedge accounting comprise:

- Derivative currency hedging contracts; the fair values of cross-currency interest rate swaps are determined on the basis of the discounted estimated future cash flows (taking account of credit premiums and default risks) using the market interest rates appropriate to the remaining terms of the financial instruments. The measurement of currency forwards is based on market quotes of forward curves. Currency options are measured with option-pricing models using market data.

- Derivative interest rate hedging contracts; the fair values of interest rate hedging instruments (e.g. interest rate swaps) are calculated on the basis of discounted estimated future cash flows (taking account of credit premiums and default risks) using the market interest rates appropriate to the remaining terms of the financial instruments.
- Derivative commodity hedging contracts; the fair values of commodity hedging contracts (e.g. commodity forwards) are determined on the basis of current reference prices with consideration of forward premiums and discounts and default risks.

Contract and refund liabilities

Contract and refund liabilities include obligations from sales transactions that qualify as financial instruments. Obligations from sales transactions should generally be regarded as current. Due to the short maturities of these financial instruments, it is assumed that their fair values are equal to their carrying amounts.

Carrying amounts and fair values of financial instruments

	30 June 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
Receivables from financial services	87,986	89,468	88,211	89,847
Trade receivables	7,341	7,341	7,419	7,419
Cash and cash equivalents	12,862	12,862	15,972	15,972
Marketable debt securities and similar investments	7,016	7,016	6,858	6,858
Recognized at fair value through profit or loss	5,854	5,854	5,611	5,611
Recognized at fair value through other comprehensive income	955	955	1,155	1,155
Measured at cost	207	207	92	92
Other financial assets				
Equity instruments and debt instruments	1,231	1,231	1,507	1,507
Recognized at fair value through profit or loss	599	599	649	649
Recognized at fair value through other comprehensive income	632	632	858	858
Other financial assets recognized at fair value through profit or loss	331	331	347	347
Derivative financial instruments used in hedge accounting	2,119	2,119	2,660	2,660
Other receivables and financial assets	3,134	3,134	3,013	3,013
Financial assets	122,020	123,502	125,987	127,623
Financing liabilities	108,788	107,887	106,517	106,007
Trade payables ¹	13,720	13,720	12,727	12,727
Other financial liabilities				
Financial liabilities recognized at fair value through profit or loss	153	153	188	188
Derivative financial instruments used in hedge accounting	1,144	1,144	1,115	1,115
Miscellaneous other financial liabilities ¹	5,812	5,812	5,526	5,526
Contract and refund liabilities				
Obligations from sales transactions	4,130	4,130	4,236	4,236
Financial liabilities	133,747	132,846	130,309	129,799

¹ The previous year's figures for trade payables and miscellaneous other financial liabilities were adjusted (ref. footnote Consolidated Statement of Financial Position).

The following table provides an overview of the classification into measurement hierarchies of financial assets and liabilities recognized at fair value (according to IFRS 13).

At the end of the reporting period, the Group reviews whether reclassifications between the fair-value hierarchies are necessary compared to 31 December of the previous year.

For the determination of the credit risk from derivative financial instruments which are allocated to the Level 2 measurement hierarchy, portfolios managed on the basis of net exposure are applied.

Measurement hierarchy of financial assets and liabilities recognized at fair value

	30 June 2024				31 December 2023			
	Total	Level 1 ¹	Level 2 ²	Level 3 ³	Total	Level 1 ¹	Level 2 ²	Level 3 ³
In millions of euros								
Marketable debt securities	6,809	6,755	54	-	6,766	6,712	54	-
Recognized at fair value through profit or loss	5,854	5,850	4	-	5,611	5,607	4	-
Recognized at fair value through other comprehensive income	955	905	50	-	1,155	1,105	50	-
Equity instruments and debt instruments	1,231	331	390	510	1,507	417	406	684
Recognized at fair value through profit or loss	599	38	169	392	649	59	214	376
Recognized at fair value through other comprehensive income	632	293	221	118	858	358	192	308
Other financial assets recognized at fair value through profit or loss	331	-	325	6	347	-	339	8
Derivative financial instruments used in hedge accounting	2,119	-	2,119	-	2,660	-	2,660	-
Financial assets recognized at fair value	10,490	7,086	2,888	516	11,280	7,129	3,459	692
Financial liabilities recognized at fair value through profit or loss	153	-	153	-	188	-	188	-
Derivative financial instruments used in hedge accounting	1,144	-	1,144	-	1,115	-	1,115	-
Financial liabilities recognized at fair value	1,297	-	1,297	-	1,303	-	1,303	-

1 Fair value measurement is based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.

2 Fair value measurement is based on inputs that are observable in active markets either directly (i.e., as prices) or indirectly (i.e., derived from prices).

3 Fair value measurement is based on inputs for which no observable market data is available.

21. Segment reporting

Segment reporting is presented in accordance with the internal management and reporting system.

Segment reporting for the three-month period ended 30 June

	Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Mobility		Total segments		Reconciliation		Mercedes-Benz Group	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
In millions of euros												
External revenue	25,904	26,939	4,560	5,045	6,279	6,257	36,743	38,241	-	-	36,743	38,241
Intra-Group revenue	1,266	1,305	214	78	68	249	1,548	1,632	-1,548	-1,632	-	-
Total revenue	27,170	28,244	4,774	5,123	6,347	6,506	38,291	39,873	-1,548	-1,632	36,743	38,241
Segment profit/loss (EBIT)	2,756	3,852	830	806	271	172	3,857	4,830	180	158	4,037	4,988

Segment reporting for the six-month period ended 30 June

	Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Mobility		Total segments		Reconciliation		Mercedes-Benz Group	
	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023	Q1-2 2024	Q1-2 2023
In millions of euros												
External revenue	50,381	53,618	9,347	9,463	12,888	12,676	72,616	75,757	-	-	72,616	75,757
Intra-Group revenue	2,502	2,438	320	275	314	469	3,136	3,182	-3,136	-3,182	-	-
Total revenue	52,883	56,056	9,667	9,738	13,202	13,145	75,752	78,939	-3,136	-3,182	72,616	75,757
Segment profit/loss (EBIT)	5,212	8,000	1,763	1,568	550	711	7,525	10,279	375	213	7,900	10,492

The reconciliation includes functions and services provided by the Group's headquarters as well as by equity investments not allocated to the segments (e.g. Daimler Truck Holding AG). In addition, the reconciliation includes items at the corporate level and the effects on earnings of eliminating intra-Group transactions between the segments. From 1 January 2024, effects of €226 million from the intra-Group refinancing of the financial services business by entities of the industrial business are shown in the segment Mercedes-Benz Cars.

Reconciliation of EBIT to Group figures

	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023
In millions of euros				
Total of segments' profit/loss (EBIT)	3,857	4,830	7,525	10,279
Gains/losses on equity-method investments, net ¹	113	270	362	339
Other reconciling items	33	-103	-71	-139
Eliminations	34	-9	84	13
EBIT as shown in the Consolidated Statement of Income/Loss	4,037	4,988	7,900	10,492

¹ Mainly includes the equity method gains/losses of the shares in Daimler Truck Holding AG.

22. Related party disclosures

Associated companies

A large proportion of the Group's transactions with associated companies relate to business relationships with the Daimler Truck Holding AG (Daimler Truck) and with LSH Auto International Limited (LSHAI) and LSH Auto Holdings Limited (LSHAH) as well as Beijing Benz Automotive Co., Ltd. (BBAC).

The Mercedes-Benz Mobility segment is continuing the leasing and sales-financing business for **Daimler Truck's** commercial vehicles in some markets.

To this end, Mercedes-Benz Mobility acquires these vehicles from Daimler Truck and leases them to the end customers. Because Daimler Truck provides residual value guarantees for these vehicles, a leasing contract (head lease) between Mercedes-Benz Mobility and Daimler Truck is shown. The contract between Mercedes-Benz Mobility and the end customer constitutes a sublease in this respect.

The receivables and right-of-use assets shown in the following table include demands for the repurchase of vehicles by Daimler Truck of €979 million (31 December 2023: €1,121 million) shown in receivables from financial services as well as right-of-use assets of €172 million (31 December 2023: €268 million) vis-à-vis Daimler Truck shown in leased assets.

Joint ventures

The Group has committed to providing additional funds for the equity-method investment in **Automotive Cells Company SE (ACC)**. In the first half of 2024 ACC drew down €130 million of these funds. In addition, in January 2024, a loan of €110 million issued by the Mercedes-Benz Group was converted into equity. At 30 June 2024, up to €692 million of contractually committed funds had not been drawn down (31 December 2023: €867 million). In July 2024, a further €125 million in committed funds was provided by the Mercedes-Benz Group. The shares in ACC are allocated to the Mercedes-Benz Cars segment.

Transactions with related parties

In millions of euros	Income from sales of goods and services and other income				Expense from purchases of goods and services and other expense			
	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023
Associated companies	4,433	4,345	8,228	8,367	454	699	1,051	1,137
thereof Daimler Truck Group ²	258	224	514	442	260	558	626	851
thereof LSHAI / LSHAH ³	1,423	2,235	3,171	4,558	40	64	139	145
thereof BBAC	2,157	1,881	3,943	3,358	109	77	240	141
Joint ventures	154	126	255	201	9	8	17	17
Companies controlled by related persons	-	-	-	-	115	-	215	-

In millions of euros	Receivables and right-of-use assets		Liabilities ¹	
	30 June 2024	31 Dec. 2023	30 June 2024	31 Dec. 2023
Associated companies	4,320	4,351	464	541
thereof Daimler Truck Group ²	1,376	1,682	255	299
thereof LSHAI / LSHAH ³	713	1,227	5	12
thereof BBAC	1,681	1,396	191	221
Joint ventures	166	223	1	17
Companies controlled by related persons	-	-	103	65

1 Including liabilities from default risks from guarantees for related parties.

2 Services by corporate functions (e.g. IT, Logistics and Human Resources) are temporarily included in addition to relationships in the scope of ordinary business, for example, the purchase and sale of goods and services and leasing agreements.

3 The company LSH Auto International Limited was reorganized in two legally independent entities. Both entities are allocated to the Mercedes-Benz Cars segment.

Further Information

Responsibility Statement of the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profitability of the Mercedes-Benz Group AG, and the Interim Management Report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Stuttgart, 25 July 2024

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Sabine Kohleisen

Markus Schäfer

Britta Seeger

Hubertus Troska

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Review Report

To Mercedes-Benz Group AG, Stuttgart

We have reviewed the condensed consolidated interim financial statements – comprising the Consolidated Statement of Income/Loss, the Consolidated Statement of Comprehensive Income/Loss, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and Notes to the Interim Consolidated Financial Statements – and the interim group management report of Mercedes-Benz Group AG, Stuttgart, for the period from 1 January to 30 June 2024 which are part of the half-year financial report pursuant to § [Article] 115 WpHG (“Wertpapierhandelsgesetz”: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and supplementary compliance with the International Standard on Review Engagements “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Stuttgart, 25 July 2024

PricewaterhouseCoopers GmbH
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Wirtschaftsprüfer
(German Public Auditor)

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Information on the Internet

Further information about the **Mercedes-Benz Group share** can be found at

 group.mercedes-benz.com/investors

The Mercedes-Benz Group AG Annual and Interim Reports and company financial statements are also available there. In addition, you can find the latest news, the financial calendar, presentations, various overviews of key figures, information on the share price and additional services.

The reports are published in German and English. The German version is binding.

For sustainability reasons, the Annual and Interim Reports are not printed in hard copy. We make all Annual and Interim Reports available online and as PDF files to download.

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