

MERCEDES-BENZ  
GROUP

**ESG**

CONFERENCE

**2024**

---

Tomorrow drives Mercedes-Benz.

# SUSTAINABLE FINANCE

HARALD WILHELM

Member of the Board of Management of Mercedes-Benz Group AG,  
Finance & Controlling/Mercedes-Benz Mobility

---

# SUSTAINABILITY IS ABOUT SECURING OUR LONG-TERM FUTURE

INVENTED THE MODERN CAR

138 years ago



INVESTING IN THE FUTURE

€ 14 BN

CapEx PP&E and R&D expenditures 2023\*



\* Mercedes-Benz Group

# FINANCING THE TRANSFORMATION

BEV  
STRATEGIC CONSISTENCY

&

ICE  
TACTICAL FLEXIBILITY

Investment share EVs\*

47 %

Free cash flow since 2020

€ 36 BN

-20 %

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

\*proportion of taxonomy-aligned CapEx PP&E and R&D expenditures Mercedes-Benz Group

# OPTIMISING OUR FOOTPRINT

## MITIGATING TRANSFORMATION RISKS

### CAPACITY



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

### TRANSFORMATION



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

### FLEXIBILITY



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

\* Plug-in hybrids and all-electric vehicles

# OPTIMISING OUR COST BASE

## MITIGATING TRANSFORMATION RISKS

### SCALE



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

### BATTERIES



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

### PROCUREMENT

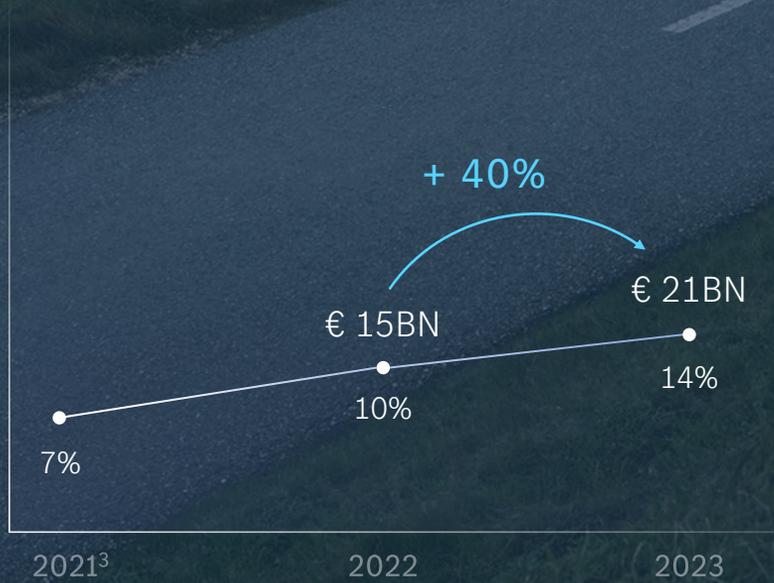


Targeting the reduction of material costs in the coming years

# EU TAXONOMY-ALIGNED SHARES<sup>1</sup>

TAXONOMY REPORTING DEMONSTRATES PROGRESS TOWARDS CARBON NEUTRALITY

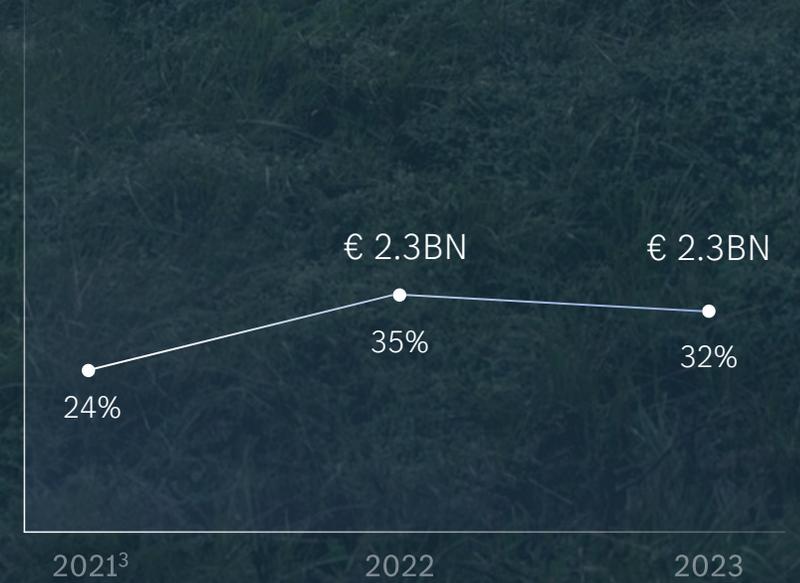
## REVENUES



## CAPITAL EXPENDITURES<sup>2</sup>



## OPERATING EXPENSES schematic



>40% capitalised R&D	CapEx intang. Assets <sup>4</sup>	54%   € 1.9bn	→ + 47% →	€ 2.8bn   61%
>35% CapEx pp&e	CapEx pp&e	44%   € 1.9bn		€ 1.9bn   48%

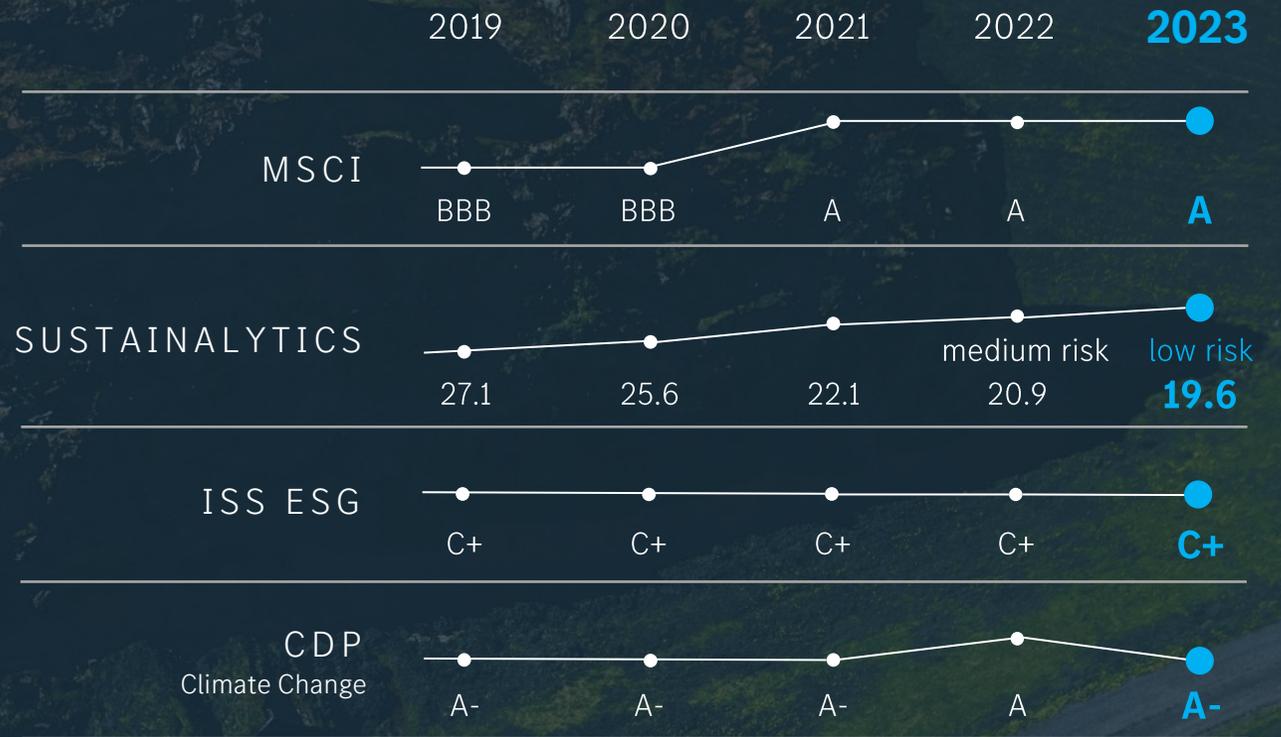
<sup>1</sup> Comprehensive EU Taxonomy reporting in Annual Report 2023 <sup>2</sup> CapEx without additions to equipment on operating leases; Taxonomy-aligned CapEx of 24% <sup>3</sup> Voluntary reporting on the proportion of economic activities relating to low-carbon vehicles (below the limit value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

# ESG RATING PERFORMANCE

Improvements at MSCI and Sustainalytics since 2019

Upgrade at Sustainalytics to low risk in October 2023

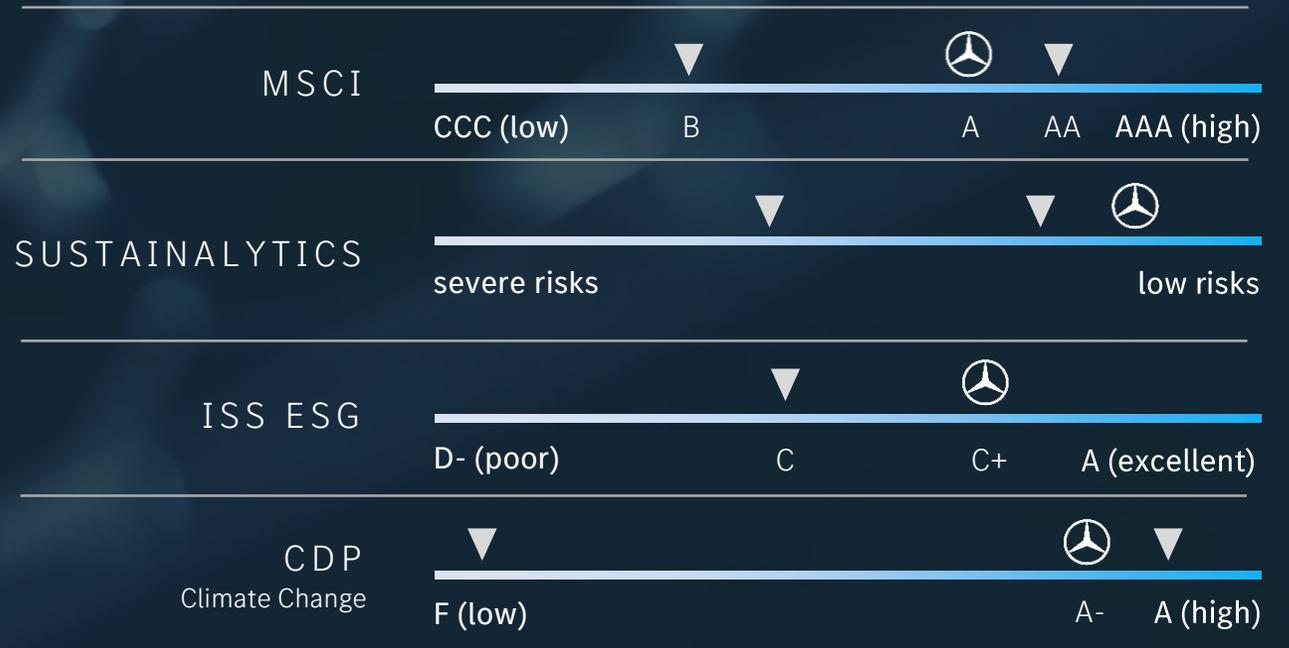
Maintained high level at ISS ESG and CDP Climate Change



# ESG RATING RESULTS 2023

Among the best-rated  
companies in the auto sector

Driven by execution of sustainable  
business strategy and Ambition 2039



▼ Best and worst competitor

# FOSTER SUSTAINABLE BUSINESS MODELS AS AN ACTIVE INVESTOR

ESG criteria play an increasingly important  
role when investing pension assets

---

Implementing ESG-themed investments

---

Definition of CO<sub>2</sub> reduction targets

# THE FINANCIAL DIMENSION OF THE TRANSFORMATION

Profitable and sustainable growth

---

Transformation strategy financed  
by current product portfolio

---

Strategically focused &  
tactically flexible



# DISCLAIMER

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