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|  |  | Press Information October 26, 2022 |
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# Mercedes-Benz posts robust Q3 profit in a demanding environment

* **Profitable growth:** Group revenue increased 19% to €37.7 billion in Q3; EBIT up 83% to €5.2 billion compared to Q3 2021
* **Resilience at work:** Mercedes-Benz Cars adjusted Return on Sales (RoS) in Q3 reaches 14.5% (Q3 2021: 8.8%); Mercedes-Benz Vans adjusted Return on Sales at 12.7% (Q3 2021: 5.3%)
* **Electrification accelerated:** Mercedes-Benz passenger car BEV sales more than doubled; eight battery electric vehicles now on sale with EQE SUV introduced and EQS SUV & EQE in production
* **Outlook raised:** Mercedes-Benz Cars adjusted RoS for the full-year now seen in the range of 13%-15%, Mercedes-Benz Vans adjusted RoS now seen at 9%-11%

Stuttgart (Germany) – Mercedes-Benz Group AG (ticker symbol: MBG) delivered solid financial results in the third quarter of 2022 as robust demand and healthy pricing for cars and vans, as well as cost discipline, helped to lift Earnings Before Interest and Taxes (EBIT) by 83% to €5.2 billion (Q3 2021: €2.8 billion). Group revenue increased by 19% to €37.7 billion (Q3 2021: €31.6 billion). The adjusted Return on Sales at Mercedes-Benz Cars reached 14.5% and 12.7% at Mercedes-Benz Vans.

Mercedes-Benz saw robust demand especially for its Top-End and electric vehicles as customer orders exceed the constrained supply in large part due to the ongoing semiconductor shortages and bottlenecks in logistics. As the transformation towards an all-electric future continues, Mercedes-Benz Passenger Car BEV sales more than doubled in the first nine months of the year (+156%) and increased by 183% in the third quarter.

*”Mercedes-Benz once again delivered solid results thanks to the robust demand for our desirable products. In combination with our ongoing financial discipline, we are making the company more resilient and setting the pace for the months ahead, as we continue accelerating our transformation,”* said Harald Wilhelm,Chief Financial Officer of Mercedes-Benz Group AG**.**

As energy supply uncertainties in Europe and the ongoing COVID challenges in Asia continue to impact consumer sentiment, the company remains vigilant and is preparing to safeguard supply chains and to maximise the potential for reducing or substituting the use of natural gas in vehicle production. Mercedes-Benz continues to see a gas reduction potential of around 50% in Germany if regional pooling is possible. As part of the company’s strategic goal of switching from gas to renewable electricity and other energy sources, Mercedes-Benz unveiled plans to build a wind farm at its test track in Papenburg, northern Germany, with an output of over 100 MW - more than 15% of Mercedes-Benz Group AG’s electricity needs in Germany from the middle of the decade.

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| **Mercedes-Benz Group\*** | **Q3 2022** | **Q3 2021** | **Change 22/21** | **Q1-Q3 2022** | **Q1-Q3 2021** | **Change 22/21** |
| **Revenue\*\*** | 37,716 | 31,647 | +19% | 109,014 | 98,653 | +11% |
| **EBIT\*\*** | 5,196 |  2,838 | +83% | 15,047 | 11,913 | +26% |
| **EBIT adjusted\*\*** | 5,344 | 3,109 | +72% | 15,584 | 12,114 | +29% |
| **Net profit/loss\*\*** | 3,998 | 1,964 | +104% | 10,782 | 8,573 | +26% |
| **Free cash flow (industrial business)\*\*** | 3,016 | 3,001 | +0% | 5,649 | 6,459 | -13% |
| **Free cash flow (industrial business) adjusted\*\*** | 3,309 | 3,522 | -6% | 6,588 | 8,510 | -23% |
| **Earnings per share (EPS) in EUR** | 3.66 | 1.74 | +110% | 9.83 | 7.76 | +27% |
| \* from continuing operations \*\* in millions of € |  |  |  |  |  |  |

**Investments, free cash flow, liquidity**

The Free Cash Flow of the industrial business amounted to €3.0 billion (Q3 2021: €3.0 billion), impacted by the build-up of inventories as a result of semiconductor bottlenecks, a model-related production ramp-up and logistical bottlenecks. Inventories rose compared to historically low levels last year. The adjusted free cash flow of the industrial business was €3.3 billion (Q3 2021: €3.5 billion). The net liquidity of the industrial business as of September 30 amounted to €23.3 billion (end of 2021: €21.0 billion). The Group’s investments into property, plant & equipment amounted to €0.8 billion in the third quarter of 2022 (Q3 2021: €1.1 billion). Mercedes-Benz Cars invested €0.7 billion in property, plant & equipment (Q3 2021: €0.8 billion) and Mercedes-Benz Vans invested €0.1 billion (Q3 2021: €0.1 billion). At Group level, research and development expenditure in the third quarter amounted to €2.3 billion (Q3 2021: €2.2 billion).

**Divisional results**

**Mercedes-Benz Cars**
Mercedes-Benz Cars sales amounted to 530,400 vehicles in the third quarter (Q3 2021: 383,500). Revenue increased by 26% due to strong model mix and pricing, improving the adjusted EBIT by 106%. The adjusted Return on Sales rose to 14.5%.
Sales in the Top-End Luxury segment made up 15% of overall sales in the third quarter, slightly above the prior-year’s level of 78,800 units (+5%). S-Class sales in Q3 were up in all regions except the U.S., where a temporary internal model year certification delay held up deliveries. At AMG, a sales increase (14.5%) was achieved despite a model changeover for the C-Class variant. Sales of Core Luxury vehicles rose by 100,000 units to 293,300 vehicles (Q3 2021: 193,300). The Core Luxury segment includes the EQE, the C-Class and E-Class, as well as the best-selling GLC, which saw a successor vehicle launched in the third quarter with enhanced product substance. The EQE saw 6,000 sales during the quarter, matching the EQS. Electric vehicles had healthy margin quality, including for the EQA and EQB models.

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| **Mercedes-Benz Cars**  | **Q3 2022** | **Q3 2021** | **Change 22/21** | **Q1-Q3 2022** | **Q1-Q3 2021** | **Change 22/21** |
| **Sales in units** | 530,414 | 383,450 | +38% | 1,504,538 | 1,443,509 | +4% |
| -**thereof xEV**  | 84,850 | 60,959 | +39% | 222,444 | 182,686 | +22% |
| -**thereof BEV** | 37,069 | 18,784 | +97% | 95,688 | 57,895 | +65% |
| **Revenue\*** | 28,209 | 22,434 | +26% | 81,044 | 71,332 | +14% |
| **EBIT\*** | 4,034 | 1,838 | +119% | 12,097 | 8,649 | +40% |
| **EBIT adjusted\*** | 4,081 | 1,985 | +106% | 12,157 | 8,701 | +40% |
| **Return on Sales (RoS) in %** | 14.3 |  8.2 | +6.1%pts |  14.9 | 12.1 | +2.8%pts |
| **Return on Sales (RoS) adjusted in %** | 14.5 | 8.8 | +5.7%pts | 15.0 | 12.2 | +2.8%pts |
| **Cash Flow Before Interest and Taxes (CFBIT)\*** | 3,374 | 3,253 | +4% | 7,614 | 7,811 | -3% |
| **Cash Flow Before Interest and Taxes (CFBIT) adjusted\***  | 3,552 | 3,626 | -2% | 8,180 | 9,068 | -10% |
| **Cash Conversion Rate adjusted** | 0.9 | 1.8 | - | 0.7 | 1.0 | - |
| \*in millions of € |  |  |  |  |  |  |

**Mercedes-Benz Vans**

At Mercedes-Benz Vans, third-quarter unit sales reached 104,000 vehicles worldwide (Q3 2021: 88,000) despite semi-conductor shortages. Adjusted EBIT reached €0.5 billion (Q3 2021: €0.2 billion) thanks to continuing strong margin with healthy model mix and net pricing. In the first nine months of the year, Mercedes-Benz Vans increased sales of electric vans by one third compared to the year-earlier period.

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| **Mercedes-Benz Vans** | **Q3 2022** | **Q3 2021** | **Change 22/21** | **Q1-Q3 2022** | **Q1-Q3 2021** | **Change 22/21** |
| **Sales in units** | 103,978 | 87,954 | +18% | 292,611 | 274,740 | +7% |
| **Revenue\*** | 4,309 | 3,546 | +22% | 12,103 | 10,613 | +14% |
| **EBIT\*** | 497 | 165 | +201% | 1,227 | 887 | +38% |
| **EBIT adjusted\*** | 546 | 189 | +189% | 1,426 | 935 | +53% |
| **Return on Sales (RoS) in %** | 11.5 | 4.7 | +6.8%pts | 10.1 | 8.4 | +1.7%pts |
| **Return on Sales (RoS) adjusted in %** | 12.7 | 5.3 | +7.4%pts | 11.8 | 8.8 | +3.0%pts |
| **Cash Flow Before Interest and Taxes (CFBIT)\*** |  434 | 402 | +8% | 1,066 | 307 | +247% |
| **Cash Flow Before Interest and Taxes (CFBIT) adjusted\***  | 529 | 504 | +5% | 1,299 | 989 | +31% |
| **Cash Conversion Rate adjusted** | 1.0 | 2.7 | -  | 0.9 | 1.1 | - |
| \*in millions of € |  |  |  |  |  |  |
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**Mercedes-Benz Mobility**

In the third quarter of 2022, Mercedes-Benz Mobility reached an adjusted Return on Equity (RoE) of 15.8%. The new business of Mercedes-Benz Mobility declined slightly by 3% to €14.3 billion compared to the prior-year’s quarter. However, the prior-year figure still included the new business from Daimler Trucks & Buses until the spin-off of the Daimler commercial vehicle business. At the end of September 2022, contract volume amounted to €135.7 billion and was thus at the same level as at the end of 2021. Adjusted EBIT decreased to €0.6 billion compared to the prior-year’s quarter, driven by increased credit risk reserves because of a weaker macroeconomic outlook and due to headwinds in the form of increasing interest rates and the lower volume.

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|  **Mercedes-Benz Mobility** | **Q3 2022** | **Q3 2021** | **Change 22/21** | **Q1-Q3 2022** | **Q1-Q3 2021** | **Change 22/21** |
| **Revenue\*** |  6,599 |  6,855 | -4% | 20,096 |  20,695 | -3% |
| **New business\*** | 14,255 | 14,633 | -3% | 42,910 |  48,588 | -12% |
| **Contract volume (September, 30)\***  | 135,731  | 148,091 | -8% | 135,731 | 133,687\*\* | +2% |
| **EBIT\*** |  577 | 943 | -39% | 1,934 | 2,611 | -26% |
| **EBIT adjusted\*** | 577 | 943 | -39% | 1,934 | 2,564 | -25% |
| **Return on Equity (RoE) in %** | 15.8 | 23.3 | -7.5%pts | 17.7 | 22.5 | -4.8%pts |
| **Return on Equity (RoE) adjusted in %** |  15.8 | 23.3 | -7.5%pts | 17.7 | 22.1 | -4.4%pts |
| \*in millions of €\*\* Year-end figure 2021 |  |  |  |  |  |  |

**Outlook**

The macroeconomic and geopolitical conditions continue to be characterized by an exceptional

degree of uncertainty, including the war in Ukraine, its effects on supply chains and on the availability and the development of prices for energy and raw materials. Further effects due to the rapidly changing situation in Russia and Ukraine are not currently known and have not yet been taken into account in our key figures. An escalation beyond its current state could possibly have substantial negative consequences for Mercedes-Benz business activities.

In addition, the continued very high inflationary pressure for consumers and companies and the

associated central bank increases in interest rates as well as ongoing bottlenecks in global supply

chains make the outlook more difficult. Not least the further course of the pandemic, in particular in China, holds uncertainties for the expected development of the market.

**Mercedes-Benz Cars**
Mercedes-Benz Cars continues to expect sales slightly above last year and for demand to outstrip supply. Sales in the fourth quarter are seen above sales in Q4 last year. Mercedes-Benz Cars now expects the adjusted RoS for the full year to be in the range of 13%-15%, rather than 12%-14% seen earlier. The cash conversion rate for Mercedes-Benz Cars remains unchanged at between 0.8 to 1.0. Investments in property, plant & equipment and research and development remain unchanged at “significantly above” the prior-year level.

**Mercedes-Benz Vans**
Mercedes-Benz Vans expects sales to remain slightly above 2021 levels. The adjusted RoS at Mercedes-Benz Vans is now expected to be at 9% - 11%, rather than 8% - 10% previously. The cash conversion rate for Mercedes-Benz Vans has been adjusted to 0.8 to 1.0, from 0.6 to 0.8 previously. Investments in property, plant & equipment and research and development remain unchanged at “significantly above” the prior-year level.

**Mercedes-Benz Mobility**
The adjusted Return on Equity at Mercedes-Benz Mobility is still seen in the range of 16% to 18%.

**Mercedes-Benz Group**
Revenue continues to be expected at “significantly above” 2021 levels. Group EBIT is now seen “significantly above” the prior year, rather than “slightly above.” Free Cash Flow from the industrial business remains at “prior-year level.”

Link to press information “Sales figures Q3 2022”:

Mercedes-Benz Cars: [group-media.mercedes-benz.com/Sales-Q3/cars](https://group-media.mercedes-benz.com/marsMediaSite/en/instance/ko/Mercedes-Benz-deliveries-up-21-in-Q3-with-robust-demand.xhtml?oid=54301724&ls=L2VuL2luc3RhbmNlL2tvL0J1c2luZXNzLU5ld3MueGh0bWw_b2lkPTkyNjU2NjUmcmVsSWQ9NjA4MjkmZnJvbU9pZD05MjY1NjY1JnJlc3VsdEluZm9UeXBlSWQ9NDA2MjYmdmlld1R5cGU9dGh1bWJzJnNvcnREZWZpbml0aW9uPVBVQkxJU0hFRF9BVC0yJnRodW1iU2NhbGVJbmRleD0xJnJvd0NvdW50c0luZGV4PTUmZnJvbUluZm9UeXBlSWQ9NDA2Mjg!&rs=3)

Mercedes-Benz Vans: [group-media.mercedes-benz.com/Sales-Q3/vans](https://group-media.mercedes-benz.com/marsMediaSite/en/instance/ko/Mercedes-Benz-Vans-increases-global-sales-by-4-in-the-third-quarter.xhtml?oid=54299838&ls=L2VuL2luc3RhbmNlL2tvL0J1c2luZXNzLU5ld3MueGh0bWw_b2lkPTkyNjU2NjUmcmVsSWQ9NjA4MjkmZnJvbU9pZD05MjY1NjY1JnJlc3VsdEluZm9UeXBlSWQ9NDA2MjYmdmlld1R5cGU9dGh1bWJzJnNvcnREZWZpbml0aW9uPVBVQkxJU0hFRF9BVC0yJnRodW1iU2NhbGVJbmRleD0xJnJvd0NvdW50c0luZGV4PTUmZnJvbUluZm9UeXBlSWQ9NDA2Mjg!&rs=2)

Link to capital market presentation Q3 2022: [group.mercedes-benz.com/q3-2022](https://group.mercedes-benz.com/q3-2022/en/)

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Further information on Mercedes-Benz Group is available at:
group-media.mercedes-benz.com and group.mercedes-benz.com ****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 decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labour strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in the current Annual Report or in the current Interim Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.

****Mercedes-Benz Group at a glance****

Mercedes-Benz Group AG is one of the world's most successful automotive companies. With Mercedes-Benz AG, the Group is one of the leading global suppliers of premium and luxury cars and vans. Mercedes-Benz Mobility AG offers financing, leasing, car subscription and car rental, fleet management, digital services for charging and payment, insurance brokerage, as well as innovative mobility services. The company founders, Gottlieb Daimler and
Carl Benz, made history by inventing the automobile in 1886. As a pioneer of automotive engineering, Mercedes-Benz sees shaping the future of mobility in a safe and sustainable way as both a motivation and obligation. The company's focus therefore remains on innovative and green technologies as well
as on safe and superior vehicles that both captivate and inspire. Mercedes-Benz continues to invest systematically in the development of efficient powertrains and sets the course for an all-electric future: The brand with the three-pointed star pursues the goal to go all-electric, where market conditions allow. Shifting from electric-first to electric-only, the world’s pre-eminent luxury car company is accelerating toward an emissions-free and software-driven future. The company's efforts are also focused on the intelligent connectivity of its vehicles, autonomous driving and new mobility concepts as Mercedes-Benz regards it as its aspiration and obligation to live up to its responsibility to society and the environment. Mercedes-Benz sells its vehicles and services in nearly every country of the world and has production facilities in Europe, North and Latin America, Asia and Africa. In addition to Mercedes-Benz, the world's most valuable luxury automotive brand (source: Interbrand study, 20 Oct. 2021), Mercedes-AMG, Mercedes-Maybach, Mercedes-EQ and Mercedes me as well as the brands of Mercedes-Benz Mobility: Mercedes-Benz Bank, Mercedes-Benz Financial Services and Athlon. The company is listed on the Frankfurt and Stuttgart stock exchanges (ticker symbol MBG). In 2021, the Group had a workforce of around 172,000 and sold 2.3 million vehicles. Group revenues amounted to €168.0 billion and Group EBIT to €29.1 billion.