Mercedes-Benz
Press Information
October 25, 2024

Mercedes-Benz Q3 profitability impacted by market dynamics while preserving solid cash generation

- **Performance:** Solid sales for Mercedes-Benz Cars and Vans. Mercedes-Benz Cars profitability impacted by subdued macro environment and fierce competition. Mercedes-Benz Vans continued to deliver good results. Mercedes-Benz Mobility navigated challenging market conditions.
- **Capital Allocation:** Strong cash generation continued. Share buyback cash outs reach €4.3 billion year-to-date.
- **Outlook:** Group outlook on EBIT and Free Cash Flow remains in line with September 19th update.

Stuttgart (Germany) – Mercedes-Benz Group AG generated solid sales in the third quarter despite product transitions, a challenging market environment and fierce competition, particularly in China. Continued Free Cash Flow generation from the industrial business reached €2.39 billion for Q3 (Q3 2023: €2.35 billion) supported by favourable working capital development. Net liquidity reached €28.73 billion (Q3 2023: €28.49 billion).

"The Q3 results do not meet our ambitions. Nonetheless Mercedes-Benz continues to generate solid cash flows even in challenging times. We are taking a prudent view about market evolution going forward and we will step up all efforts on further efficiency increases and cost improvements across the business."
Harald Wilhelm, Chief Financial Officer of Mercedes-Benz Group AG

Divisional results

For **Mercedes-Benz Cars** weaker macroeconomic conditions and fierce competition, mainly in Asia, outweighed improved product availability leading to adjusted earnings before interest and taxes (EBIT) of €1.2 billion (Q3 2023: €3.4 billion). As previously announced in September, Q3 EBIT was weaker compared with the second quarter due to softer net pricing and a less favourable sales mix, leading to an adjusted Return on Sales (RoS) of 4.7% in the quarter. In addition to tougher market conditions, the Q3 sales mix was also impacted by product transitions, for example the all-new ICE and BEV versions of the G-Class, which will be available in major markets in Q4.

The adjusted Return on Sales (RoS) for **Mercedes-Benz Vans** was below the previous year with 13.5% (Q3 2023: 15%), driven by lower sales and in line with expectations. A healthy sales mix supported by improved product substance partially compensated lower sales volumes. Furthermore, cost improvements continued.

The adjusted EBIT for **Mercedes-Benz Mobility** decreased to €285 million mainly driven by a lower interest margin (Q3 2023: €363 million). The interest margin was impacted by the interest rate development in a competitive environment. As a result, the adjusted return on equity (RoE) reached 8.9% (Q3 2023: 10.4%).

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Chairman of the Supervisory Board: Martin Brudermüller
Board of Management: Ola Källenius, Chairman; Jörg Burzer, Renata Jungo Brüngger, Sabine Kohleisen, Markus Schäfer, Britta Seeger, Hubertus Troska, Harald Wilhelm

Outlook

At Mercedes-Benz Cars full-year sales are seen slightly below 2023. Sales in Q4 are expected in the vicinity of Q3. Global Top-End Vehicle (TEV) sales in Q4 are seen with positive momentum supported by availability of the G-Class, the Mercedes-AMG E-Class, Mercedes-AMG GT and the SL. The share of BEV and plug-in hybrid vehicles (xEV's) is seen between 18% to 19% in 2024.
The guidance for the adjusted return on sales is seen at 7.5% to 8.5%. Mercedes-Benz Vans adjusted RoS is seen in the range between 14% and 15%.
The adjusted return on equity for Mercedes-Benz Mobility is seen in the range of 8.5% to 9.5% for 2024.
Group revenue is seen slightly below the prior year. As communicated on September 19th, Mercedes-Benz Group EBIT and Cash Flow are seen significantly below the prior-year level.

Mercedes-Benz Group	Q3 2024	Q3 2023	Change 24/23	Q1-Q3 2024	Q1-Q3 2023	Change 24/23
Revenue*	34,528	37,001	-6.7%	107,144	112,414	-4.7%
Earnings before interest and taxes (EBIT)*	2,517	4,842	-48.0%	10,417	15,334	-32.1%
Net profit/loss*	1,719	3,719	-53.8%	7,806	11,371	-31.4%
Free Cash Flow industrial business (FCF)*	2,394	2,347	+2.0%	6,256	7,874	-20.5%
Earnings per share (EPS) in EUR	1.81	3.44	-47.5%	7.62	10.47	-27.2%

*in millions of €

Mercedes-Benz Cars	Q3 2024	Q3 2023	Change 24/23	Q1-Q3 2024	Q1-Q3 2023	Change 24/23
Sales in units	503,573	510,564	-1.4%	1,463,263	1,529,793	-4.3%
- thereof xEV	87,232	102,292	-14.7%	267,372	289,900	-7.8%
- thereof BEV	42,544	61,621	-31.0%	135,908	174,471	-22,1%
Share of xEV in unit sales in %	17.3	20.0	-	18.3	19.0	-
Revenue*	25,602	27,131	-5.6%	78,485	83,187	-5.7%
Earnings before interest and taxes (EBIT)*	1,198	3,312	-63.8%	6,410	11,312	-43.3%
Adjusted earnings before interest and taxes (EBIT)*	1,207	3,357	-64.0%	6,293	11,282	-44.2%
Adjusted return on sales (RoS) in %	4.7	12.4	-7.7%pts	8.0	13.6	-5.6%pts
Cash flow before interest and taxes (CFBIT)*	2,412	2,148	+12.3%	6,865	8,898	-22.8%
Adjusted cash conversion rate (CCR)	2.0	0.7	-	1.1	0.8	-

*in millions of €

Mercedes-Benz Vans	Q3 2024	Q3 2023	Change 24/23	Q1-Q3 2024	Q1-Q3 2023	Change 24/23
Sales in units	91,063	105,083	-13.3%	299,923	323,473	-7.3%
- thereof BEV	4,375	6,348	-31.1%	12,564	14,972	-16.1%
Share of BEV in unit sales in %	4.8	6.0	-	4.2	4.6	-
Revenue*	4,657	4,939	-5.7%	14,324	14,677	-2.4%
Earnings before interest and taxes (EBIT)*	618	715	-13.6%	2,381	2,283	+4.3%
Adjusted earnings before interest and taxes (EBIT) *	628	743	-15.5%	2,262	2,254	+0.4%
Adjusted return on sales (RoS) in %	13.5	15.0	-1.5%pts	15.8	15.4	+0.4%pts
Cash flow before interest and taxes (CFBIT)*	893	980	-8.9%	2,127	2,167	-1.8%
Adjusted cash conversion rate	1.5	1.4	-	1.0	1.0	-

*in millions of €

Mercedes-Benz Mobility	Q3 2024	Q3 2023	Change 24/23	Q1-Q3 2024	Q1-Q3 2023	Change 24/23
Revenue*	6,007	6,302	-4.7%	19,209	18,931	+1.5%
New business*	14,235	15,183	-6.2%	43,080	45,299	-4.9%
Contract volume (September, 30)*	134,298	133,840	+0.3%	134,298	135,027**	-0.5%
Earnings before interest and taxes (EBIT)*	285	363	-21.5%	835	1,074	-22.3%
Adjusted earnings before interest and taxes (EBIT) *	285	363	-21.5%	835	1,350	-38.1%
Return on equity (RoE) in %	8.9	10.4	-1.5%pts	8.6	10.3	-1.7%pts
Adjusted return on equity (RoE) in %	8.9	10.4	-1.5%pts	8.6	12.9	-4.3%pts

*in millions of €
** Year-end figure 2023

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Further information on Mercedes-Benz Group is available at:
media.mercedes-benz.com and **group.mercedes-benz.com**

Link to press information “Sales figures Q3 2024”: media.mercedes-benz.com/sales

Link to capital market presentation Q3 2024: group.mercedes-benz.com/q3-2024/en

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 high-end passenger cars and premium vans. Mercedes-Benz Mobility AG specialises in financial and mobility services. The products range from financing, leasing, vehicle subscription, rental and fleet management to insurance, innovative mobility services, digital payment solutions as well as products and services around charging. 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. Mercedes-Benz is consistently implementing its strategy to transform itself toward a fully electric 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, 10. Oct. 2024), Mercedes-AMG, Mercedes-Maybach 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 2023, the Group had a workforce of around 166,000 and sold around 2.5 million vehicles. Group revenues amounted to €153.2 billion and Group EBIT to €19.7 billion.