



Mercedes-Benz

Press Information

February 20, 2025

Mastering Transformation: Mercedes-Benz lays out its roadmap for profitable growth

- **Cash generation:** Solid cash generation with a €9.2 billion free cash flow from the industrial business in 2024.
- **Performance:** Comprehensive performance enhancement plan (Next Level Performance) seeks to return Mercedes-Benz Cars to a double-digit adjusted Return on Sales (RoS) margin.
- **Outlook 2025:** Group revenue expected slightly below prior-year level, Group EBIT and free cash flow from the industrial business expected significantly below prior-year level.
- **Shareholder returns:** Capital allocation framework in place. Dividend of €4.30 per share proposed and new share buyback programme for a maximum of up to €5 billion in up to 24 months decided, subject to Annual General Meeting approval to buy back up to 10% of share capital.

Stuttgart (Germany) - Mercedes-Benz Group AG (ticker symbol: MBG) delivered solid financial results for 2024 and unveiled a multi-year product and performance enhancement plan to strengthen the company's resilience.

“Mercedes-Benz Group delivered solid results in a very challenging environment thanks to a range of outstanding products and strict cost discipline. To ensure the company's future competitiveness in an increasingly uncertain world, we are taking steps to make the company leaner, faster and stronger, while readying an intense product launch campaign for multiple new vehicles starting with the all new CLA.”

Ola Kaellenius, Chief Executive Officer of Mercedes-Benz Group AG

Mercedes-Benz's product launch programme starts in 2025 with the CLA, followed by a major upgrade of the S-Class in 2026, an all-electric GLC and C-Class, as well as a string of BEV and electrified high-tech ICE launches at Mercedes-AMG. Overall, sales are expected to gain traction after dozens of new or refreshed models reach the markets until 2027.

To strengthen its competitiveness and resilience, Mercedes-Benz has launched a comprehensive performance enhancement programme – known as Next Level Performance. Through a set of initiatives, Mercedes-Benz Group aims to further leverage growth potential through its direct sales channel, elevate the customer service experience to a new level and to boost revenue quality. In addition, the company will take steps to make its global production footprint more efficient and more flexible. The company plans to cut production costs by 10% until 2027. Material costs will be tackled in close collaboration with suppliers and fixed-cost reductions will continue through to 2027, building on significant progress achieved over the past four years.

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Chairman of the Supervisory Board: Martin Brudermüller

Board of Management: Ola Källenius, Chairman; Jörg Burzer, Renata Jungo Brüngger, Mathias Geisen, Sabine Kohleisen, Markus Schäfer, Britta Seeger, Oliver Thöne, Hubertus Troska, Harald Wilhelm

Technology and design

Going forward a coherent design language will be used across the entire portfolio. BEV and electrified high-tech ICE models will exploit their respective strengths, without sacrificing space, elegance, convenience or efficiency. Thanks to intelligent modularisation, Mercedes-Benz will offer a unified tech stack in infotainment and Advanced Driver Assistance Systems (ADAS), a consistent customer experience as well as best-in-class roominess and perfect proportions while keeping a tight grip on costs and manufacturing flexibility, allowing Mercedes-Benz to tailor products to specific markets like China.

2024 results

Group earnings before interest and taxes (EBIT) reached €13.6 billion (2023: €19.7 billion). Group revenues came in at €145.6 billion (2023: €152.4 billion). The free cash flow from the industrial business reached €9.2 billion (2023: €11.3 billion) mainly due to a very high cash conversion rate at Cars and Vans. The net liquidity of the industrial business reached €31.4 billion (end of 2023: €31.1 billion) remaining on a similar level as the prior year, demonstrating strong cash generation at work, despite more than €10 billion cashout for dividend payments and share buybacks in 2024.

Mercedes-Benz Group	FY 2024	FY 2023	Change 24/23
Revenue*	145,594	152,390	-4.5%
Earnings before interest and taxes (EBIT)*	13,599	19,660	-30.8%
Net profit/loss*	10,409	14,531	-28.4%
Free cash flow industrial business (FCF)*	9,152	11,316	-19.1%
Earnings per share (EPS) in EUR	10.19	13.46	-24.3%

* in millions of €

Divisional results

The adjusted EBIT at **Mercedes-Benz Cars** fell to €8.7 billion (2023: €14.3 billion) on lower volumes, particularly in China, negative net pricing and an unfavourable model mix. The adjusted RoS in 2024 was 8.1% (2023: 12.6%). Research and Development costs remained on a high level due to investments for future platforms and technologies, particularly for MB.OS, while investments in PP&E remained at the previous year's level.

Mercedes-Benz Cars	FY 2024	FY 2023	Change 24/23
Unit Sales	1,983,403	2,044,051	-3.0%
- thereof xEV	367,610	401,943	-8.5%
- thereof BEV	185,059	240,668	-23.1%
Share of xEV in unit sales in %	18.5	19.7	-
Revenue*	107,761	112,756	-4.4%
Earnings before interest and taxes (EBIT)*	8,460	14,224	-40.5%
Adjusted earnings before interest and taxes (EBIT)*	8,677	14,252	-39.1%
Adjusted return on sales (RoS) in %	8.1	12.6	-4.5%pts
Cash flow before interest and taxes (CFBIT)*	8,963	12,336	-27.3%
Adjusted cash conversion rate (CCR)	1.0	0.9	-

* in millions of €

Adjusted EBIT at **Mercedes-Benz Vans** reached €2.8 billion (2023: €3.1 billion) and the adjusted RoS remained almost at the previous year's level, at 14.6% (2023: 15.1%). A healthy mix supported by improved product substance partially offset lower overall sales. Furthermore, in the challenging environment, the comprehensive cost initiative further supported profitability. Research and Development costs remained on a high level due to investments into the new, further flexibilised van architecture with two variants: Van Electric Architecture (VAN.EA) for BEV models and Van Combustion Architecture (VAN.CA) for ICE models.

Mercedes-Benz Vans	FY 2024	FY 2023	Change 24/23
Unit Sales	405,610	447,790	-9.4%
- thereof BEV	19,516	22,666	-13.9%
Share of BEV in unit sales in %	4.8	5.1	-
Revenue*	19,320	20,288	-4.8%
Earnings before interest and taxes (EBIT)*	2,932	3,138	-6.6%
Adjusted earnings before interest and taxes (EBIT) *	2,825	3,063	-7.8%
Adjusted return on sales (RoS) in %	14.6	15.1	-0.5%pts
Cash flow before interest and taxes (CFBIT)*	2,705	2,817	-4.0%
Adjusted cash conversion rate (CCR)	1.0	1.0	-

* in millions of €

Mercedes-Benz Mobility remains a strong partner for Mercedes-Benz Cars and Vans. In 2024, Mercedes-Benz Mobility's total portfolio amounted to €138.1 billion (2023: €135.0 billion) while new business declined to €59.5 billion (2023: €62.0 billion). The adjusted EBIT came in at €1.1 billion (2023: €1.7 billion) and was impacted mainly due to a reduced interest margin resulting from interest rate developments and increased competition in the financial services sector, especially in China. As a result, the adjusted return on equity (RoE) declined to 8.7% (2023: 12.3%).

Mercedes-Benz Mobility	FY 2024	FY 2023	Change 24/23
Revenue*	25,083	25,571	-1.9%
New business*	59,486	62,014	-4.1%
Contract volume (December, 31)*	138,095	135,027	+2.3%
Earnings before interest and taxes (EBIT)*	1,134	1,302	-12.9%
Adjusted earnings before interest and taxes (EBIT) *	1,134	1,695	-33.1%
Adjusted return on equity (RoE) in %	8.7	12.3	-3.6%pts

* in millions of €

Dividend

At the Annual General Meeting on May 7, 2025, the Board of Management and the Supervisory Board will propose a dividend of €4.30 per share (2023: €5.30).

Share buyback policy

Mercedes-Benz has decided to buy back own shares worth up to a maximum €5 billion (not including incidental costs) on the stock exchange over a period of up to 24 months, subject to the renewal of the authorization by the Annual General Meeting in May 2025 to buy back own shares up to a maximum of 10% of the share capital. This buyback is based on and in line with the existing buyback policy, that any future free cash flow from the industrial business, (as available post potential small-scale M&A) generated beyond the approximately 40% dividend payout ratio of Group Net Income, shall be used to fund share buybacks with the purpose of redeeming shares.

Outlook

The **Mercedes-Benz Group** expects Group revenue in 2025 to be slightly below the prior-year level. In a market environment that remains challenging, Group EBIT is expected to be significantly below the previous year's level resulting out of divisional guidances. Group free cash flow from the industrial business is seen significantly below the strong level of 2024, due to lower EBIT at Mercedes-Benz Cars and Mercedes-Benz Vans and lower CCR at Mercedes-Benz Vans.

Outlook		FY 2024 Actuals	FY 2025 Guidance
Unit Sales	Mercedes-Benz Cars	1,983k units	Slightly below
	Mercedes-Benz Vans	406k units	Slightly below
xEV Share	Mercedes-Benz Cars (xEV)	19%	20 to 22%
	Mercedes-Benz Vans (xEV)	5%	8 to 10%
Adjusted* return on sales (RoS)	Mercedes-Benz Cars	8.1%	6 to 8%
	Mercedes-Benz Vans	14.6%	10 to 12%
	Mercedes-Benz Mobility (RoE)	8.7%	8 to 9%
Adjusted cash conversion rate (CCR)	Mercedes-Benz Cars	1.0	0.9 to 1.1
	Mercedes-Benz Vans	1.0	0.5 to 0.7
Investment in pp&e	Mercedes-Benz Cars	€3.4 billion	Significantly above
	Mercedes-Benz Vans	€0.6 billion	Significantly above
R&D expenditure	Mercedes-Benz Cars	€8.7 billion	At prior-year level
	Mercedes-Benz Vans	€1.0 billion	Significantly above

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

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

Link to capital market presentation on full year 2024: <https://group.mercedes-benz.com/results-2024/>

Pictures of the event will be available here: group-media.mercedes-benz.com

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Further information about Mercedes-Benz Group is available at:

media.mercedes-benz.com and group.mercedes-benz.com

The figures in this document are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.

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 the communication regarding sustainability topics (environmental, social or governance topics); price increases for fuel, raw materials or energy; disruption of production due to shortages of materials or energy, labour strikes or supplier insolvencies; a shift in consumer preferences towards smaller, lower-margin vehicles; a limited demand for all-electric vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; the resolution of pending governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in the current Annual Report or in the current Interim Report. If any of these risks and uncertainties materialises 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 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 2024, the Group had a workforce of around 175,000 and sold around 2.4 million vehicles. Group revenues amounted to €145.8 billion and Group EBIT to €13.7 billion.