

Welcome

Mercedes-Benz South Africa
Debt Investor Call 2022

5 May 2022



Mercedes-Benz Group

Fixed Income Presentation

Q1 2022

Jürgen Vogt
Head of Debt Capital Markets & Risk Management
Mercedes-Benz Group AG



AGENDA

I. MERCEDES-BENZ GROUP REVIEW Q1 2022

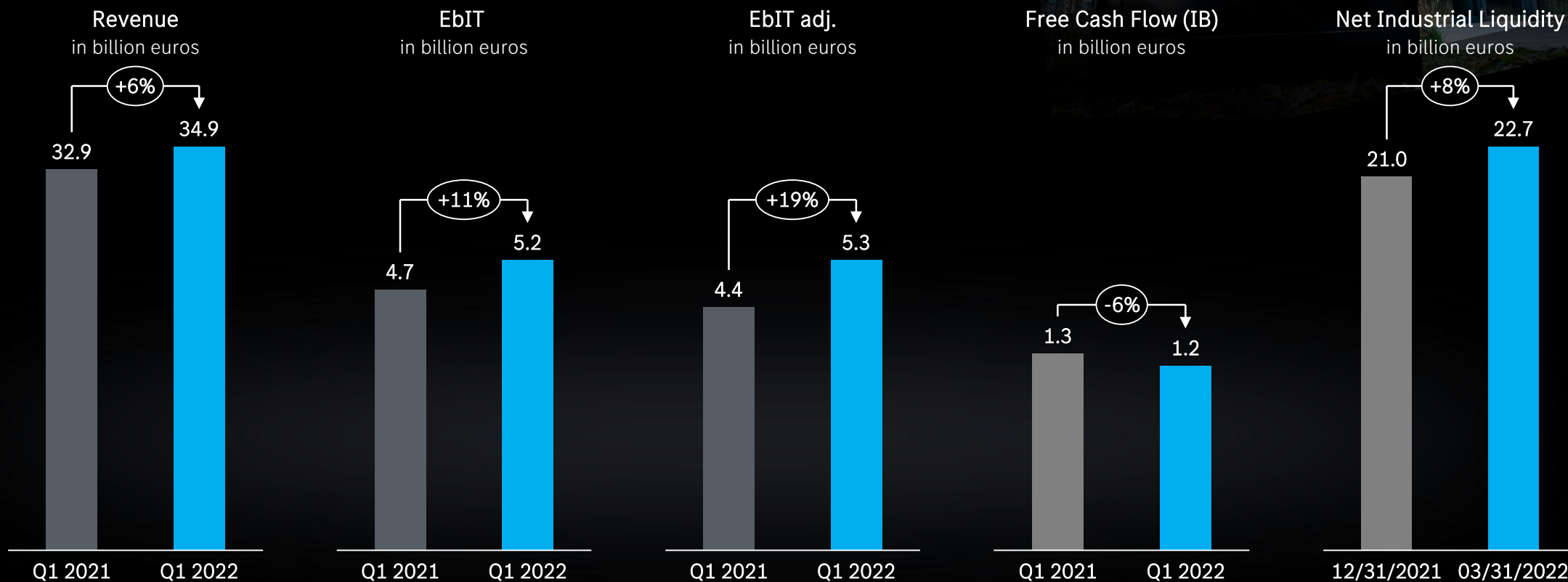
II. OUTLOOK FY 2022

III. FUNDING

IV. SUSTAINABILITY

Mercedes-Benz Group

Key Figures*

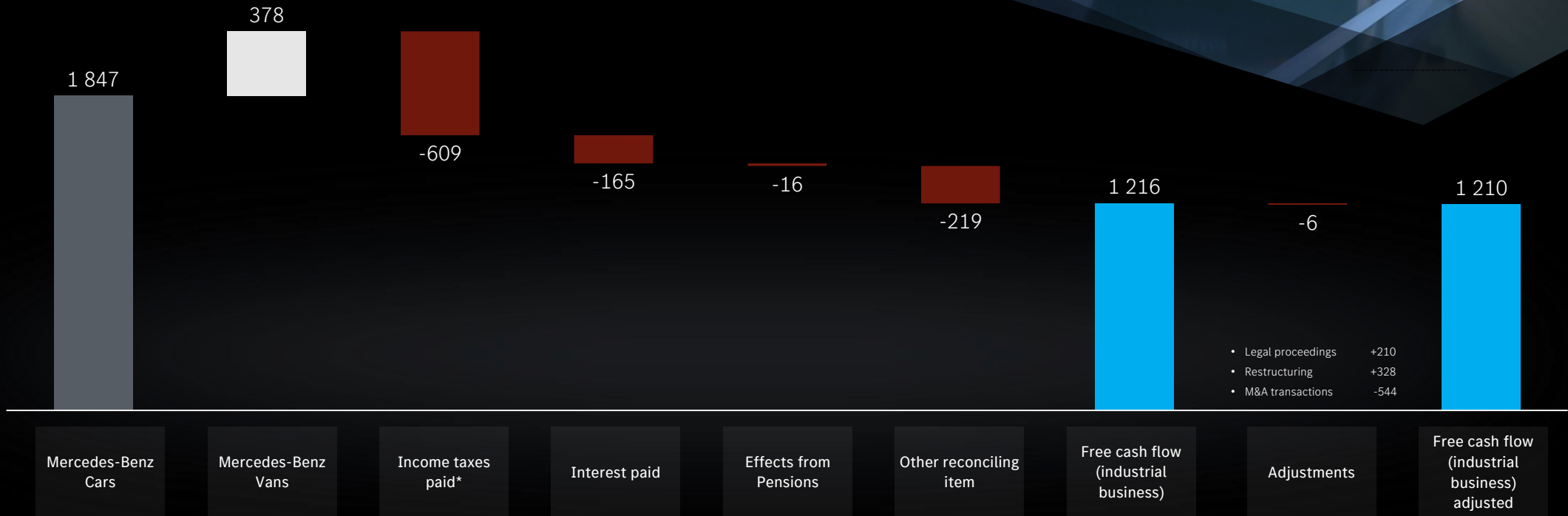


* 2021 figures continuing operations only

Mercedes-Benz Group

Reconciliation from CFBIT to Free Cash Flow

In million euros

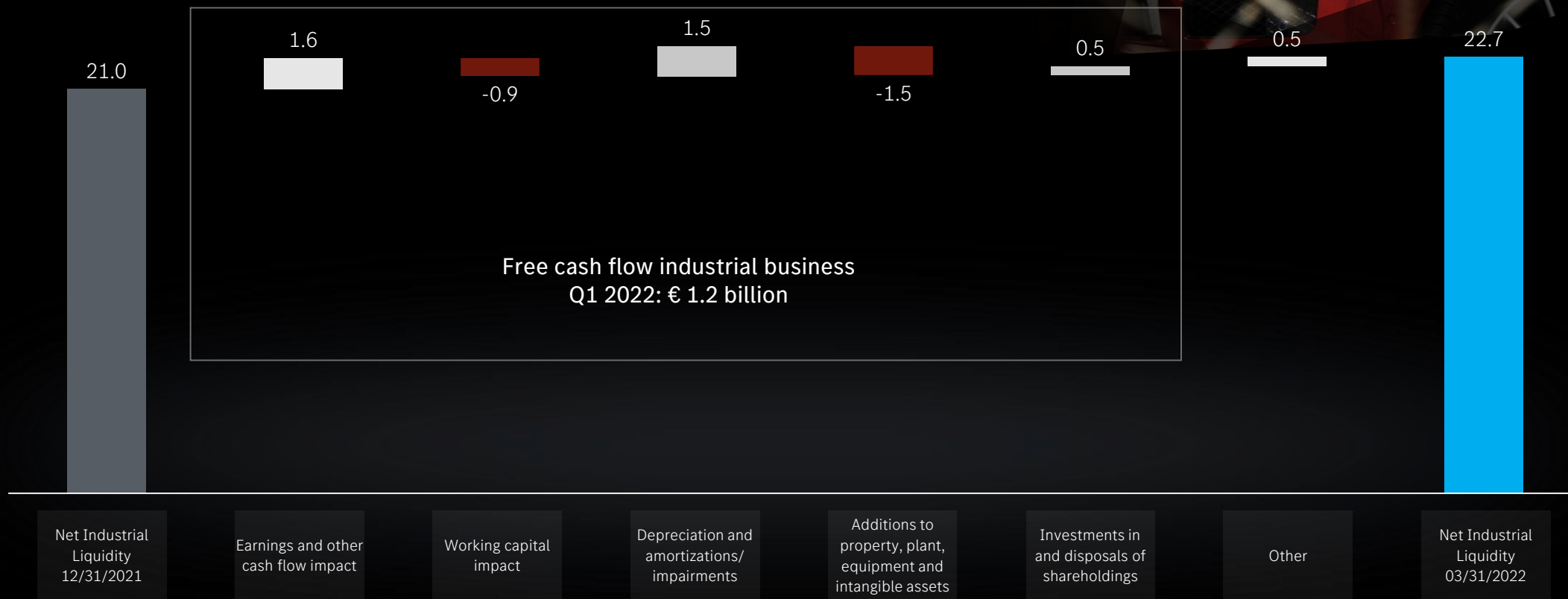


* includes internal tax prepayments from Mercedes-Benz Mobility to the industrial business

Mercedes-Benz Group

Net Industrial Liquidity

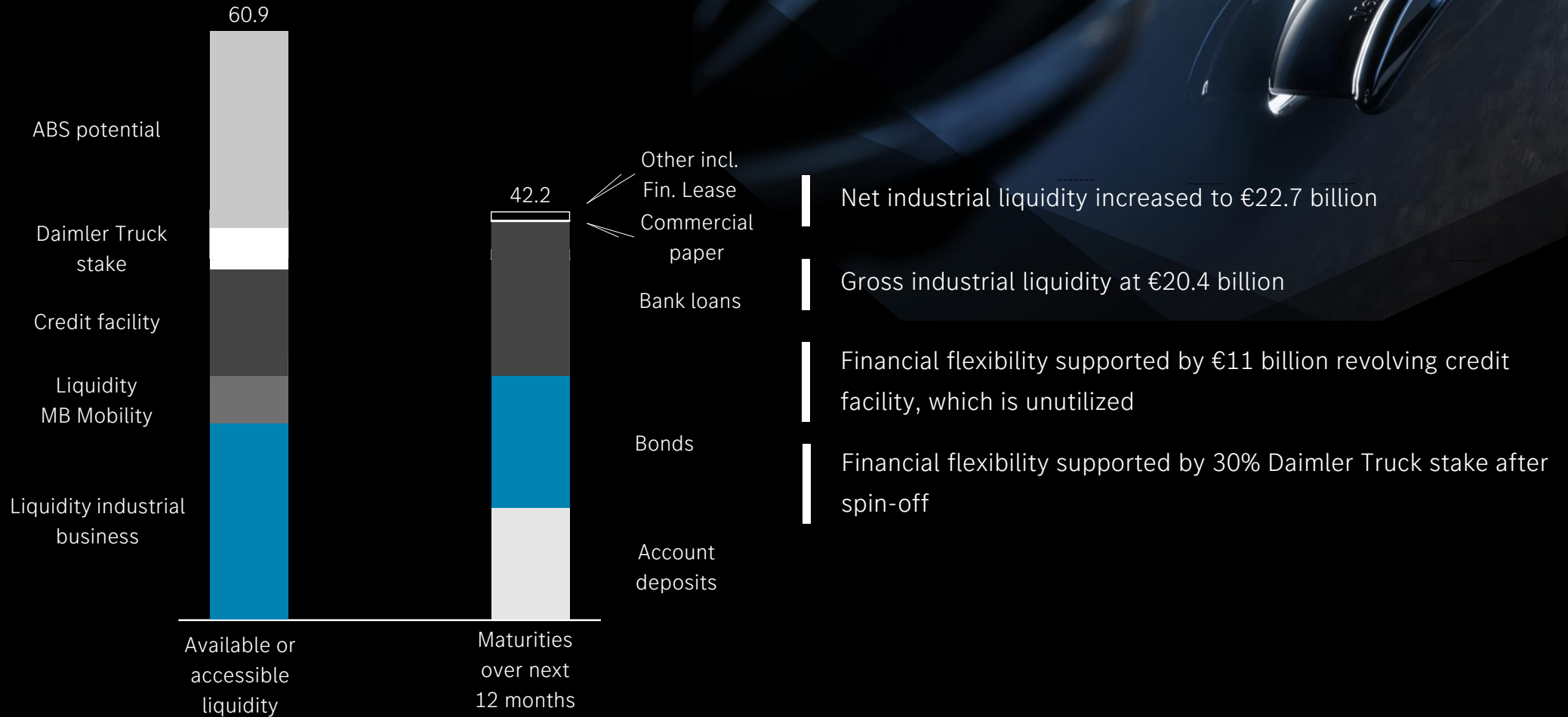
In billion euros



Mercedes-Benz Group

Financial flexibility over a 12-month period

In billion euros



AGENDA

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Mercedes-Benz Group

Guidance 2022

ASSUMPTION

The macroeconomic and geopolitical conditions continue to be characterized by an exceptional degree of uncertainty. The main factor contributing to this is the war in Ukraine, with 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, but could possibly have substantial negative consequences for our business activities, should it escalate beyond its current state. In addition to further geopolitical uncertainty, the continuing bottlenecks in the supply of semiconductors and other industrial upstream products and the significant inflationary pressure complicate the outlook for consumers and companies. And not least the further course of the pandemic, and in particular the strict countermeasures in China, hold uncertainties for the expected development of the market, supply chain and production.

The base for the comparative guidance are the respective continued operations KPIs of 2021.

Revenue	Slightly above
EbIT	At prior-year level
Free Cash Flow (Industrial Business)	Slightly below
CO ₂ emission (g/km)	At prior-year level



Strategic priorities for this year - implementation on track



Scale
electric
vehicles

Significant increase of
BEV sales

Grow
luxury
business

CMD May 19th

Accelerate
car
software

CMD preparation

Alleviate
supply
constraints

Deep sourcing progress

Focus
relentlessly
on costs

On course

AGENDA

I. MERCEDES-BENZ GROUP REVIEW Q1 2022

II. OUTLOOK FY 2022

III. **FUNDING**

IV. SUSTAINABILITY

Our funding strategy is built on strict principles

Targeting Financial Independence

No dependence from single markets, instruments, banks or investors

Diversification of funding sources and instruments:
Bank Loans, Bonds, ABS, Commercial Paper, Deposits

No Covenants and asset pledges, no Credit Support Agreements

Maximizing Financial Flexibility

Keeping prudent amount of Cash and Committed Credit Facility

New markets funded via global and local banks first

Early capital market funding to save credit capacity in growth regions

Stringent Global Funding Policy

Liquidity matched funding

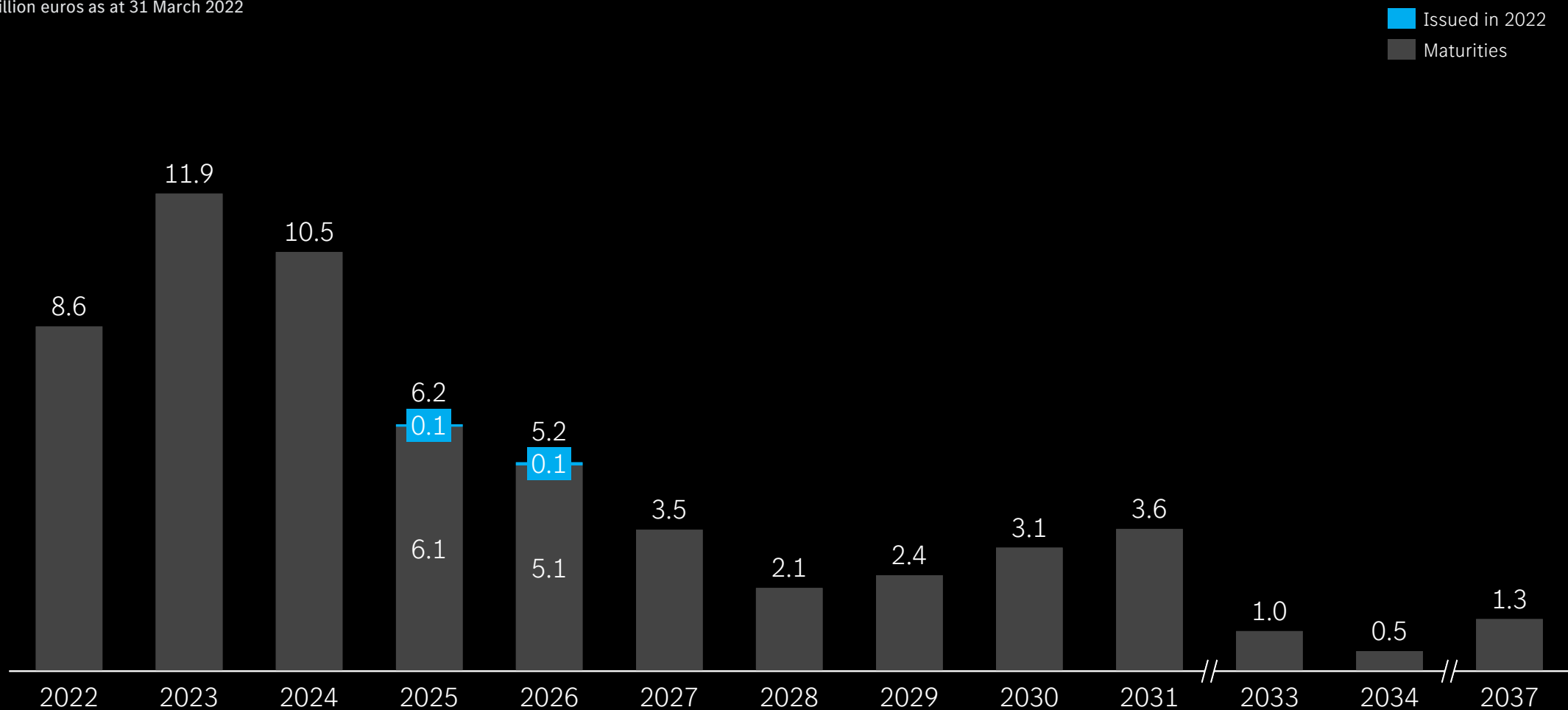
Interest rate matched funding

Currency matched funding

Country matched funding

Well balanced Bond Maturity Profile

In billion euros as at 31 March 2022



To ensure sustainable portfolio growth, we mitigate risk and volatility through a balanced mix of funding instruments

Capital Markets

Strengthen our global footprint and use market opportunities

Bank Loans

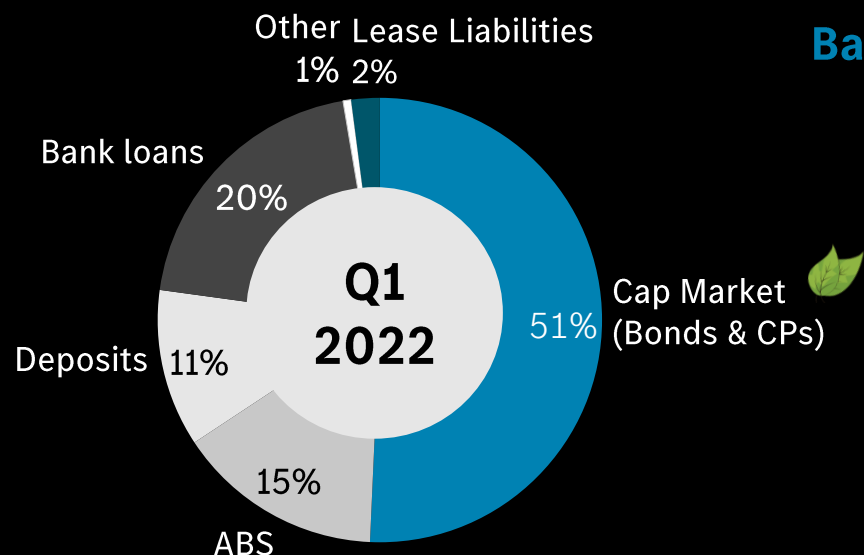
Deepen our excellent bank relationships

ABS

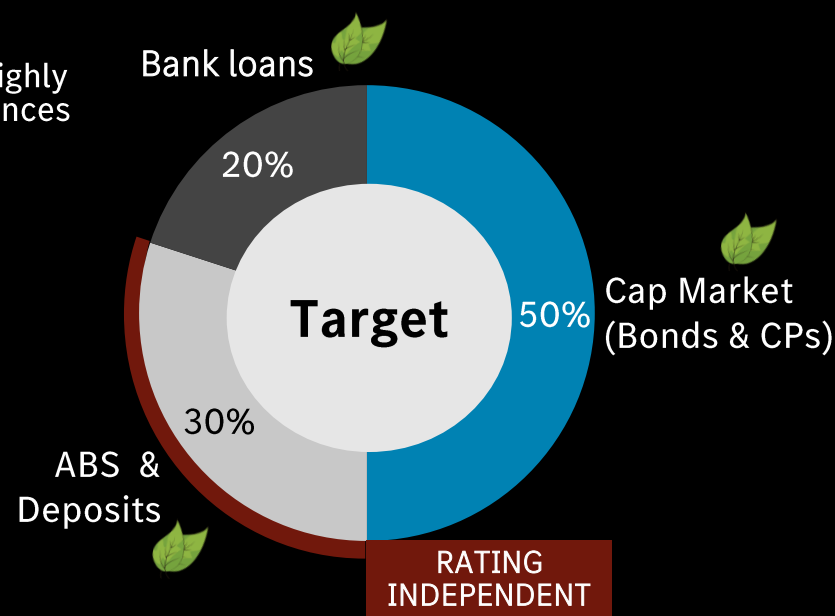
Globally expand our highly competitive ABS issuances


Deposit

Maintain well controllable liquidity reserve



Total: EUR 118 bn



 Planned to increase Green Finance Share in the upcoming years

Mercedes-Benz Group's financial KPIs set to support a strong rating

Current Ratings:

Agency	Long-term	Outlook	Short-term
Standard & Poor's:	A-	stable	A-2
Moody's:	A3	positive	P-2
Fitch:	A-	stable	F1
DBRS:	A (low)	stable	R-1 (low)
Scope:	A	stable	S-1

AGENDA

I. MERCEDES-BENZ GROUP REVIEW Q1 2022

II. OUTLOOK FY 2022

III. FUNDING

IV. SUSTAINABILITY

We follow a holistic sustainable business strategy
Ecological, social, economical



Ambition 2039 - our commitment to CO₂ neutrality over lifecycle

Supply chain

Production & Logistics

Well-to-tank

Tank-to-wheel

End-of-life



SBTi

SBTi

SBTi

CO₂-neutral
supply chain

CO₂-neutral
production & logistics

CO₂-neutral
energy generation

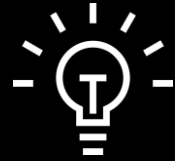
CO₂-neutral
vehicle operation

CO₂-neutral
recycling

Mercedes-Benz Group's green finance framework is part of our sustainable business strategy



Use of
proceeds



Project
evaluation and
selection



Management
of proceeds



Reporting*



External
review

Mercedes-Benz Group's green finance framework is developed to be in line with both the ICMA Green Bond Principles, as well as LMA and APLMA Green Loan Principles. It is Mercedes-Benz Group's intention to follow best practises as market standards develop and as the EU Taxonomy and the EU Green Bond Standard enter into force.

*Investor Allocation and Impact Report published in September 2021

Mercedes-Benz Group's ESG Ratings

(as of February 2022)

MSCI



MSCI ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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Upgraded
from
BBB to A

(last update MBG score 09/2021)



SUSTAINALYTICS

ESG Risk Rating

22.8

 Medium Risk

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

Leading position
in the sub-industry
peer group
rank 6 out of 71

(last update MBG score 02/2022)

ISS ESG



Corporate ESG Performance

Prime

RATED BY
ISS ESG

Ranked with the
highest rating
in the auto sector
Prime Status (C+)

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 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 South Africa Overview & Manufacturing

Andreas Brand
Chief Executive Officer
Mercedes-Benz South Africa Ltd



Mercedes-Benz South Africa Skilled and Committed Workforce



A Great Place To Work



Sustained Production Excellence

Mercedes-Benz South Africa We Take Care of Our People



Mercedes-Benz South Africa

Board of Directors and Executive Committee

Independent
Non-Executive Directors



Dr Joachim Schmidt
Chairperson of the Board



**Ambassador Nozipho
January-Bardill**
Independent Director



Sindi Zilwa
Independent Director



Nontuthuko Mbhele
Independent Director



Fikile de Buck
Independent Director

Non-Executive
Directors



Dr Jörg Burzer
Mercedes-Benz AG



Britta Seeger
Mercedes-Benz AG



Matthias Lührs
Mercedes-Benz AG

Alternate Director
B Seeger



Florian Hohenwarter
Mercedes-Benz AG

Alternate Director
J Burzer

Executive Directors &
Executive Committee



Andreas Brand
Group CEO &
Executive Director
Manufacturing



Mark Raine
Co-CEO &
Executive Director
Passenger Cars



Klaus Eser
CFO &
Executive Director
Finance & Controlling



Abey Kgotle
Executive Director
Human Resources



Robert Hoffmann
CEO Mercedes-Benz
Financial Services
South Africa



Nadia Trimmel
Vice President
Mercedes-Benz Vans



Denis Peterson
General Counsel and
Company Secretary

Mercedes-Benz South Africa

Response to a Dynamic Operating Environment



Labour
Stability



Siyaphambili
Agreement



Education &
Skills Pool



Mercedes-Benz
Learning Academy



Establishment of
MBSA IT Hub



Celebrating 25 Years
of Women on the
Production Line



Exchange Rate &
Economic Developments



New Generation C-
Class Ramp Up



Response to
COVID-19



National & International
Policy Developments



Continuous
Stakeholder
Engagement

Announced &
Delivered

Mercedes-Benz South Africa Broad-Based Black Economic Empowerment Strategy



Mercedes-Benz South Africa Corporate Social Responsibility

20 000

Youth Empowered Through
Organisations That Use Sport
To Tackle Social Issues



1 000

Food Parcels Donated To Citizens
Impacted y Riots & Flood Relief
Parcels

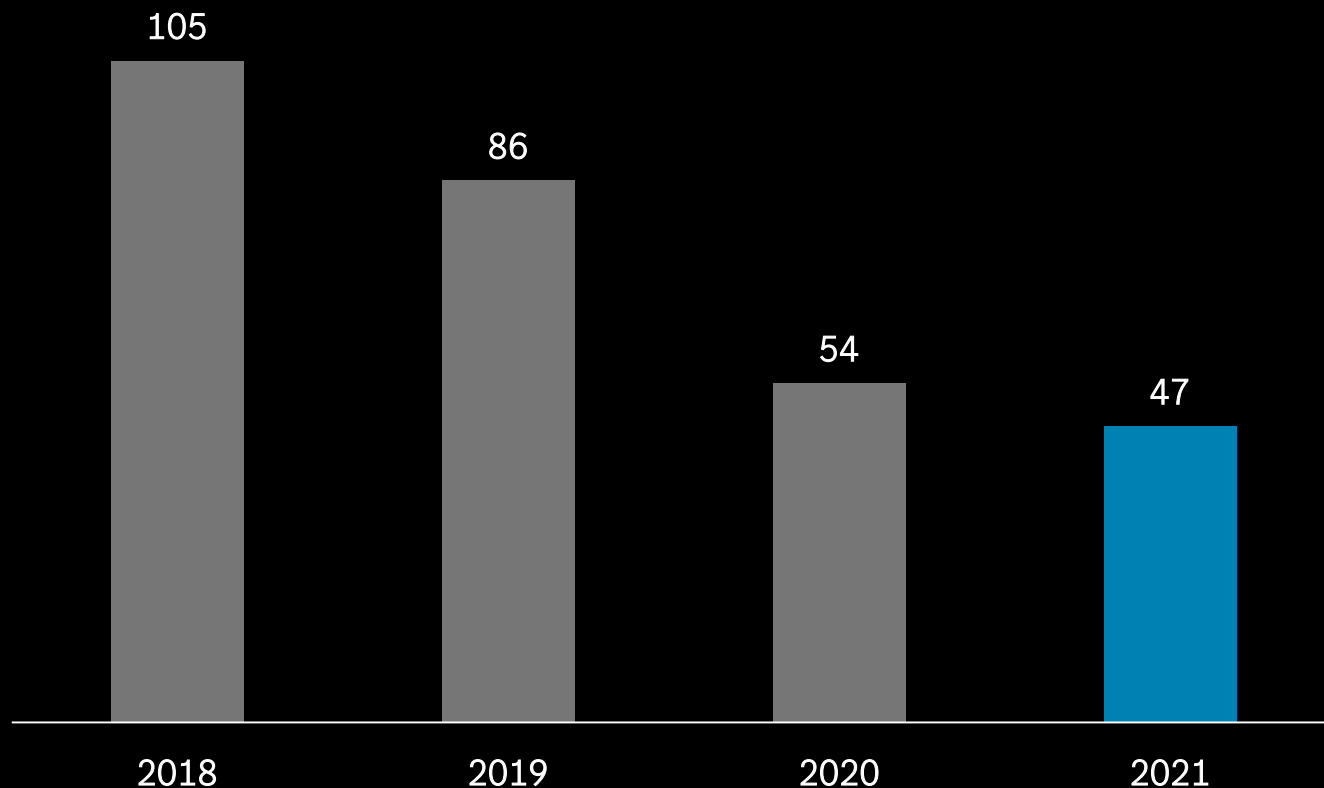


17 000

Education Beneficiaries

Mercedes-Benz South Africa Successful Ramp Up and Change Over to New Generation C-Class

Vehicles Produced
in '000 units



- ✓ Successful change over
- ⚡ Semi-conductor shortage as global challenge

Mercedes-Benz South Africa

We Are Ready For The Next Life Cycle!



Facilities



Equipment



People



Mercedes-Benz South Africa On Track Towards CO₂-Neutral Production

Paintshop

IP2 Process
Saves 37% Energy p.a.



Bodyshop

Photovoltaic Pilot
Application with
Peak Generation of
600KW p.a.



AMBITION 2039



Workforce

Cultivating a
sustainability
mindset



Mercedes-Benz South Africa

We Are Ready to Produce the New Generation C-Class



Factory and Product



Market Introduction



Worldwide Market Supply



More to Come...

Out of Africa for the World!

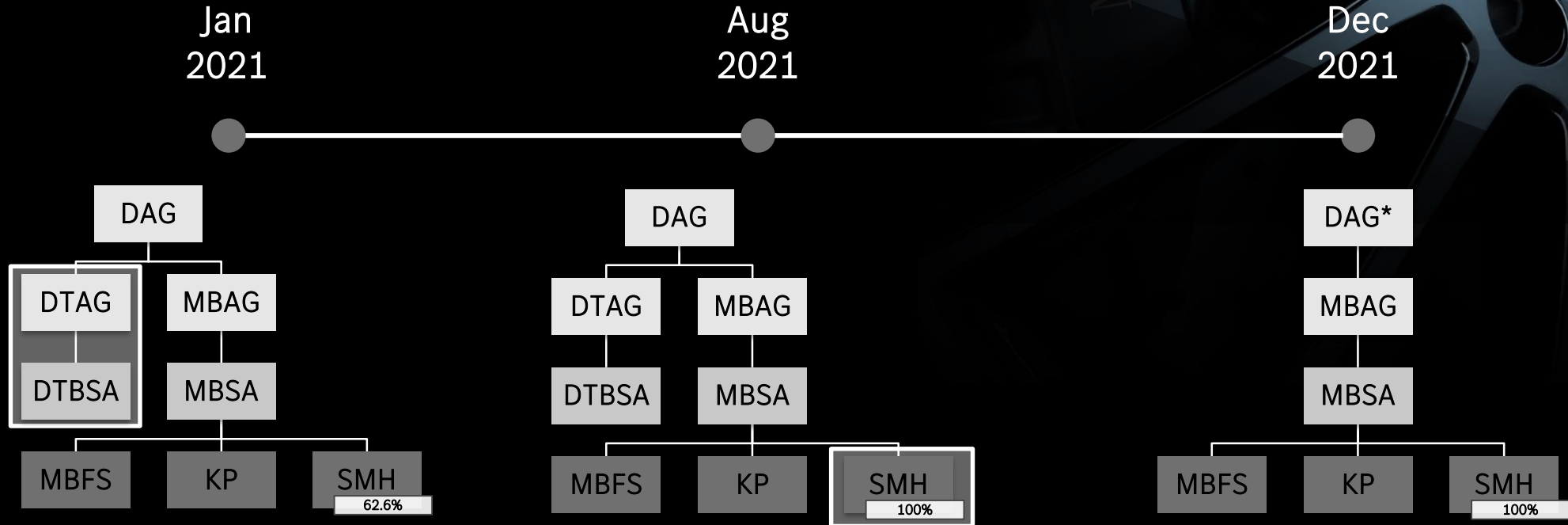


Mercedes-Benz South Africa Financial Results

Klaus Eser
Chief Financial Officer
Mercedes-Benz South Africa Ltd



Mercedes-Benz South Africa Group Structure



Daimler Trucks and Buses Southern Africa (Pty) Ltd Sold to Daimler Truck AG

Sandown Motor Holdings (Pty) Ltd Becomes Wholly-Owned Subsidiary

Spin-off and Listing of Daimler Truck Holding AG

* Daimler AG renamed Mercedes-Benz Group AG in Feb 2022

Mercedes-Benz South Africa Spin-Off and Listing of Truck and Bus Business



Project Focus Successfully Completed

Financial Services Business Split by Asset Carve Out

Results Impacted by Loss on Sale of Portion of Business

Mercedes-Benz South Africa Sale of Own Retail Cars and Vans (SMH)



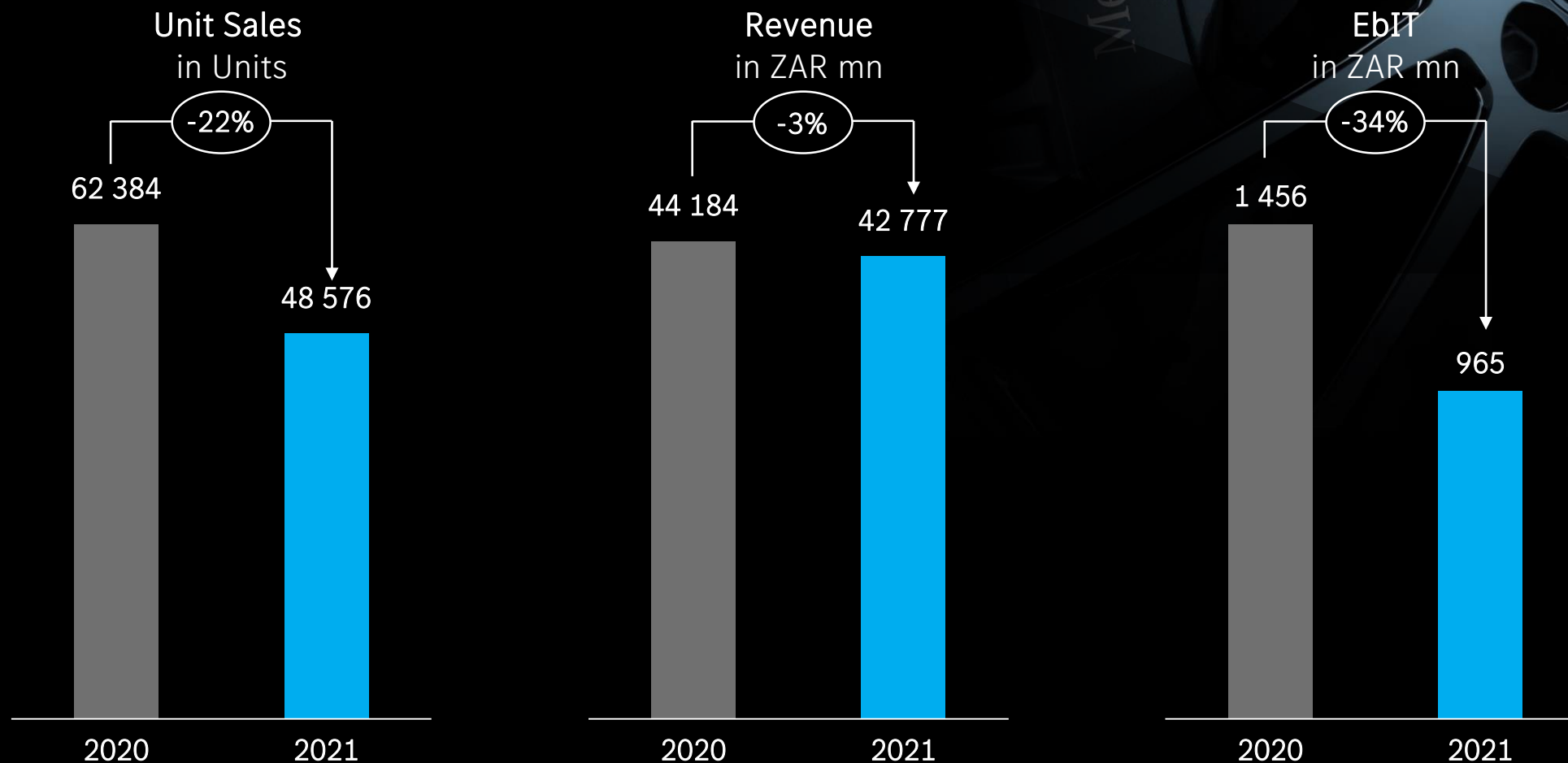
Focus on Core Business

Implementation of Agent Model

Reduction of Break Even Point

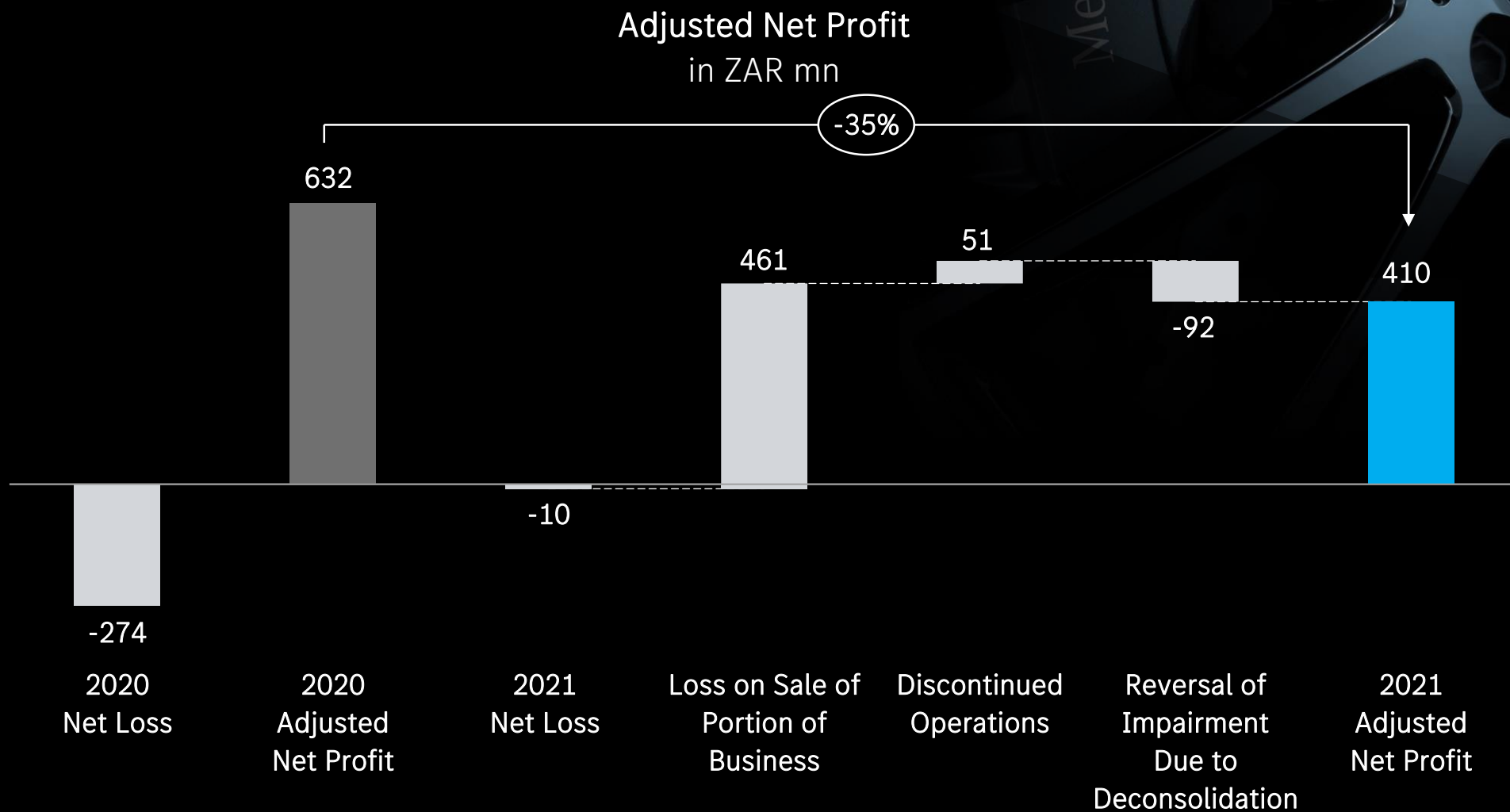
Mercedes-Benz South Africa

Key Figures*

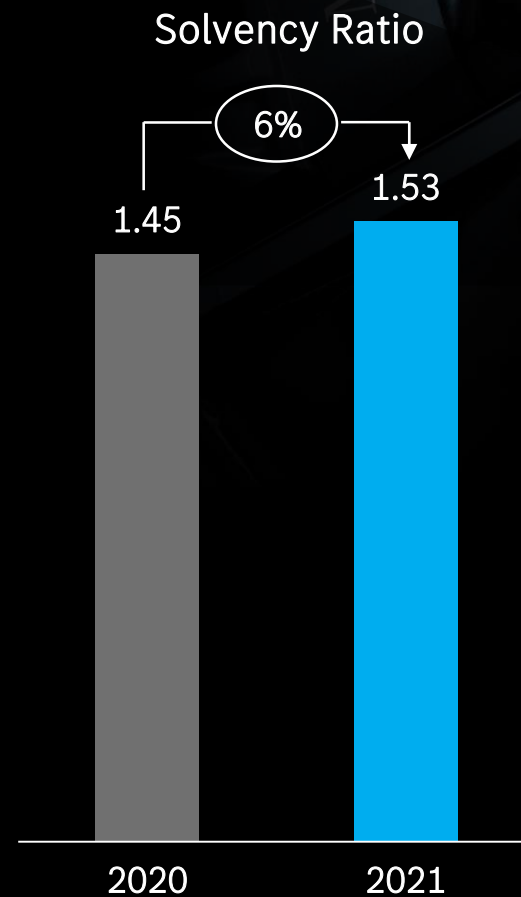
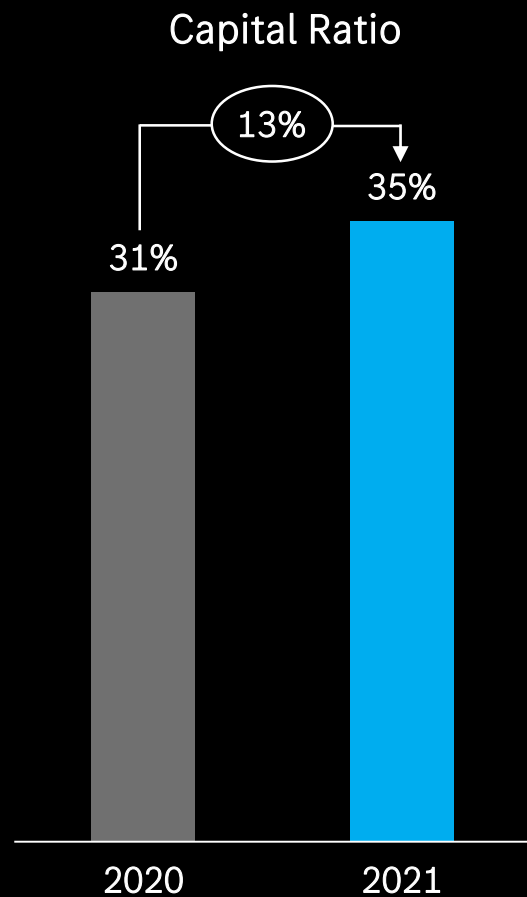


* Key Figures for Continuing Operations only

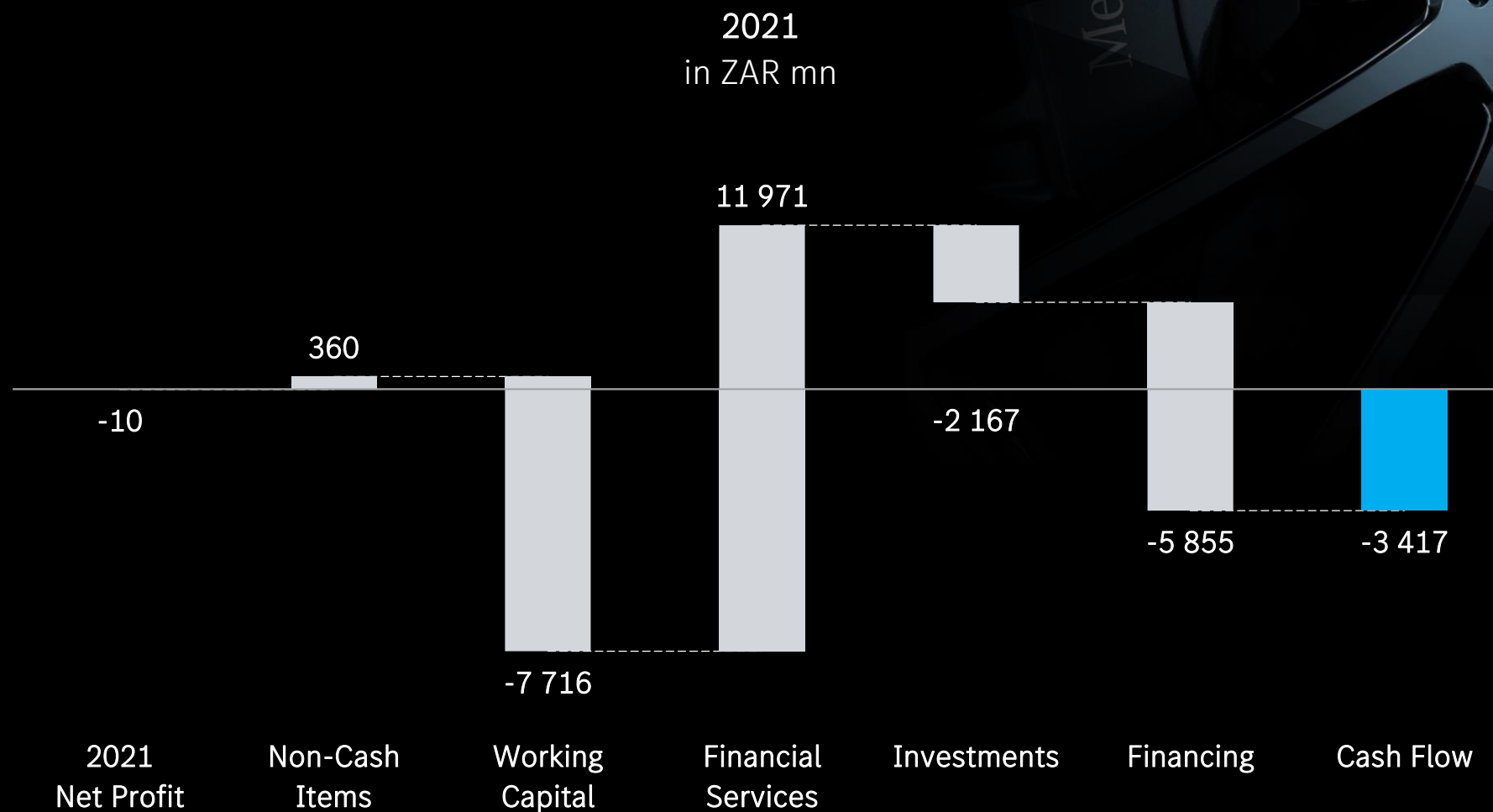
Mercedes-Benz South Africa Adjusted Net Profit



Mercedes-Benz South Africa Financial Position



Mercedes-Benz South Africa Cash Flow

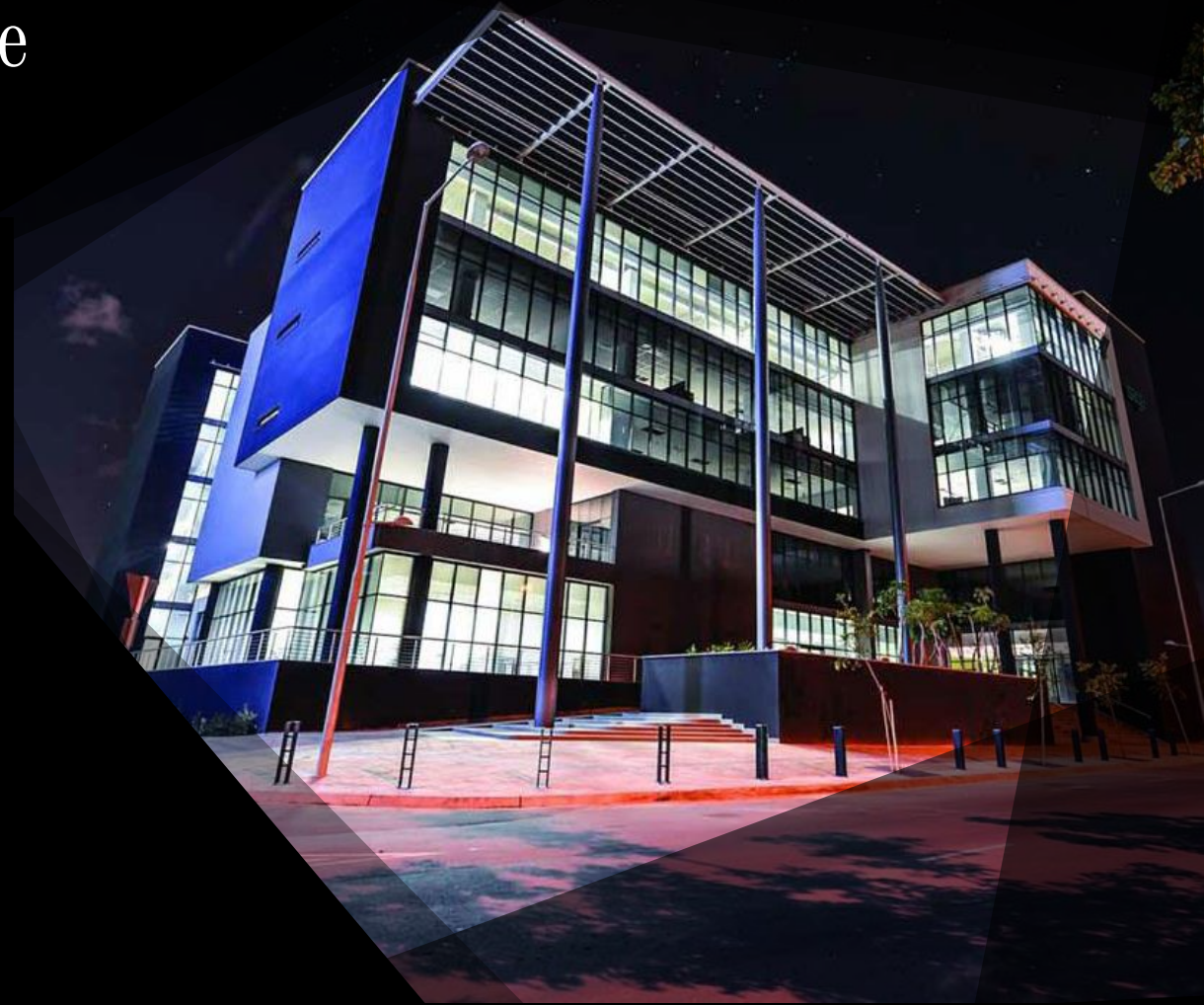


Mercedes-Benz South Africa Sale of Zwartkop Campus and HQ Move

State-of-the-Art Facilities at Prime Location

★★★★ Green Star SA Certified Rating by GBCSA

Smaller Campus Better Suited to Hybrid Working Model





Mercedes-Benz South Africa
Mercedes-Benz Cars

Mark Raine
Co-Chief Executive Officer
Mercedes-Benz South Africa Ltd

2021 - The year that was...

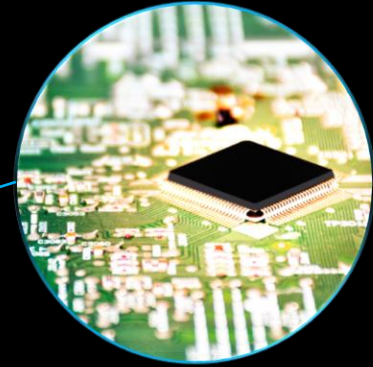
COVID-19 & Lockdowns



July Unrest



Global Chip and Component Shortages



Port Congestion & Logistics Issues



Market Recovery path L-Shaped



Introducing and Ramping Up Our New C-Class



Suez Canal Blockage & Resultant Shipping Crisis



2021 & 2022 - Success Story across the Entire Value Chain

Sales



Maximising Sales from Stock
Improving Sales Mix
Highest AMG Share

Customer Services



Robust Aftersales Performance
Successful Implementation of
Right-to-Repair

People



Top Employer Award
Great Employee Satisfaction
Results & Post-COVID-19
Revitalisation

Digital Transformation



eCommerce Ramp Up &
Revised Online Presence

Brand

Sunday Times
TOPBRANDS

Successful C-Class Launch &
cont. high (coolest*) brand
perception

Reach for the Stars



Employee Based Improvement
Measures Programme

Structural Topics



Sale of Own Retail Operations
& Move to New Office Facilities

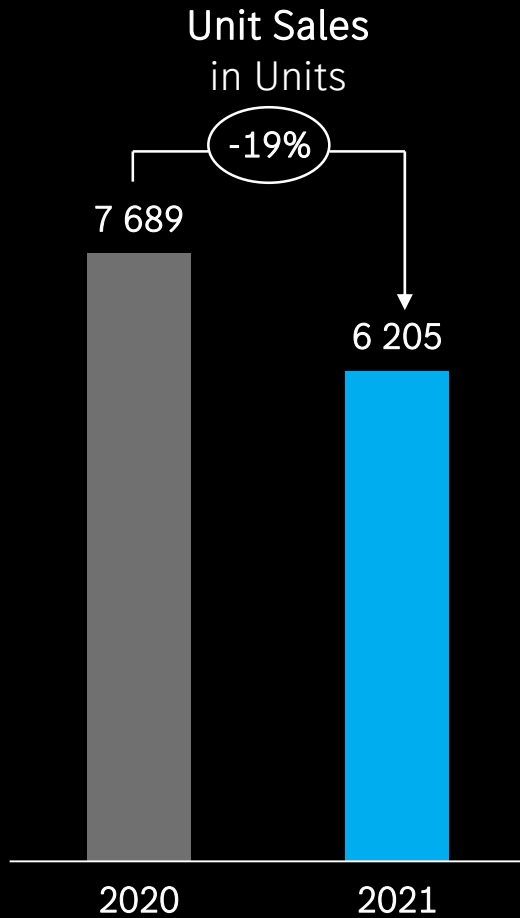
Strategic Roadmap



Measures & Initiatives to
Target Sustainable Growth in
2022

Mercedes-Benz Cars

Key Performance Indicators 2021



Market Share

2%

AMG Share

16%

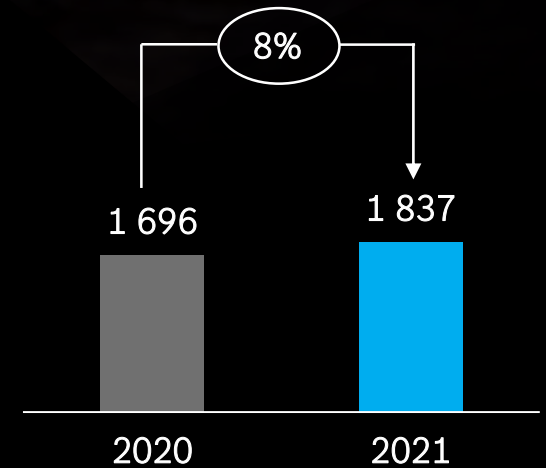
CSI

4.78
Sales
4.38
AS

Agent
Profitability

>1.7%
RoS

After-sales
in ZAR mn



Reasons for Optimism...



Market has been in a downward spiral.
We have plenty of upwards potential.



Challenging economic and political landscape.
Essentially it can only get better.



Disruption & transformation of the market in various ways.
We need to be agile and adapt to new market trends.



MBSA & Agents have done their homework.
Sound foundation for future growth & capitalising on market potential.

A Customer-Centric Growth Strategy for the South African Market



No. 1 & 10k Sales
ZAR 2bn Parts Turnover
CSI No. 1

DIGITAL **TRANSFORMATION**
FURTHER **ENHANCE THE OWNERSHIP** EXPERIENCE
FIRST CLASS TOUCHPOINTS
MOST DESIRABLE **LUXURY BRAND**
SALES GROWTH & PRODUCT OFFENSIVE
FOCUS ON OUR **SPECIALITY BRANDS**

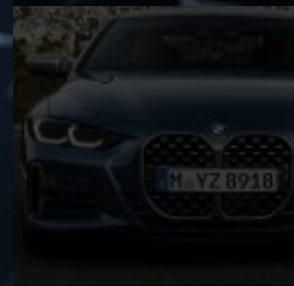
Online
First
Strategy

EQ
Focus

Road to
Recovery

Reach
for the
Stars

People
Topics



Mercedes-Benz Speciality Brands: Next Wave of the Product Offensive



Aftersales Growth Offensive and Future Ready Transformation

Aftersales
Growth &
Revenue
Generation

- Right-to-Repair Mitigation Measures
- Accident Management
- Body & Paint

Increased
Penetration
& Retention

- Star Parts
- Star Service
- Service Contract Offensive

EQ
Readiness

- Technician and Workshop Training & Tooling
- Battery Check-up Process
- Additional Revenue Streams

Digital
Services

- Digital Service Drive
- Online Appointment Booking
- Subscription Model

Enhanced
Ownership
Experience

- Luxury Service & Top End Customer Experience
- Accessories & Collection
- CRM Strategy

Sustainable Network & Partner Strategy

Franchise Attractiveness as a Key Pillar



AGENT PROFITABILITY AND FOCUS ON REDUCTION OF COST OF RETAIL

- Profitable dealer network with high shock absorption and sustainable revenue streams

NETWORK CONSOLIDATION WITH RIGHT SIZED DEALER NETWORK

- Allows for future growth
- Sale of Own Retail (Sandown Motor Holdings)

DIGITAL TRANSFORMATION AND OMNI-CHANNEL STRATEGY

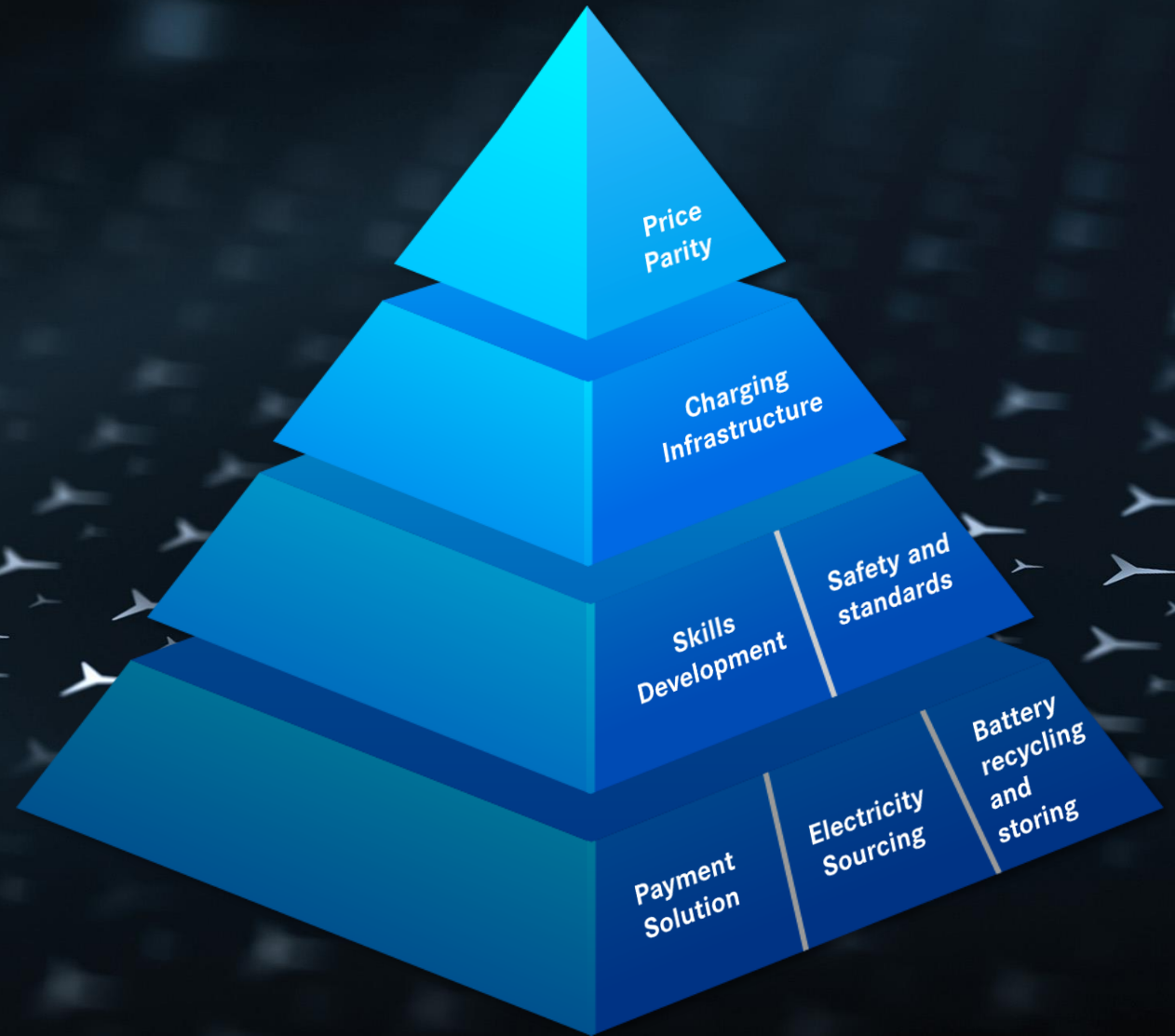
- Digitalisation @ Retail & customer solutions
- eCommerce to compliment the physical retail channel

LEAD IN ELECTRIC

from compact model to
performance luxury saloon and MPV

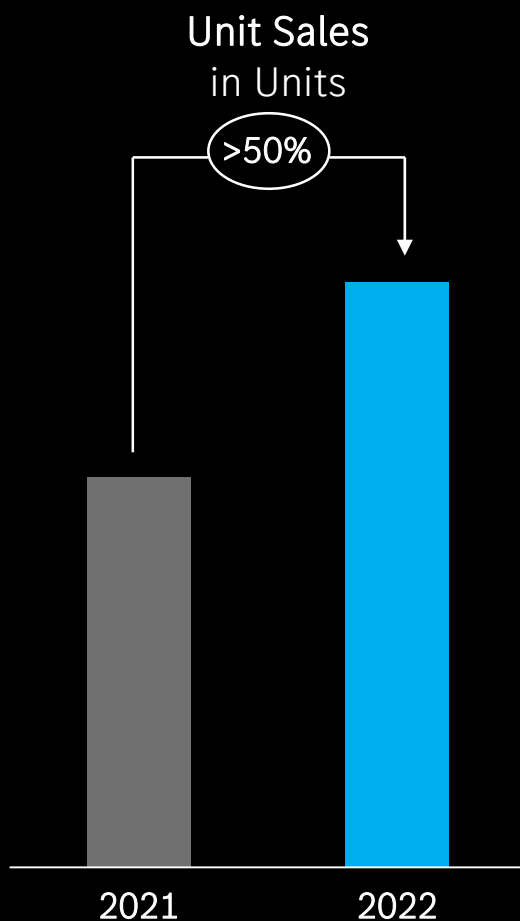


Mercedes-EQ - Driving the eMobility Transformation Forward in the EV Space



Where does that get us?

Healthy Profitable and Sustainable Growth



Market Share

~3%

AMG Share

~ 15%

CSI

~ 4.8
Sales
~ 4.4
AS

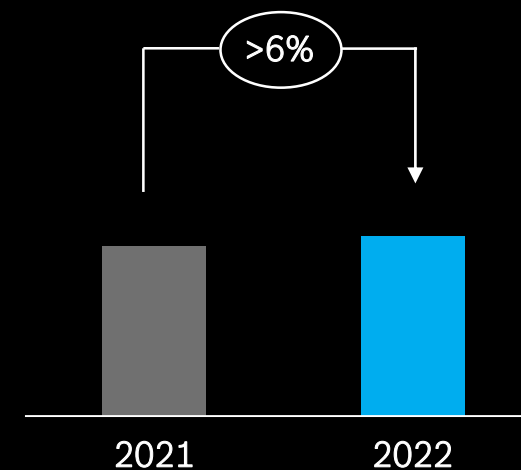
Agent
Profitability

>2.0%
RoS



Aftersales
in ZAR mn

>6%



The Future is Electrifying!

A Holistic and Aligned Strategic Roadmap for Profitable and Sustainable Growth



MERCEDES-EQ



Mercedes-Benz South Africa

Mercedes-Benz Vans

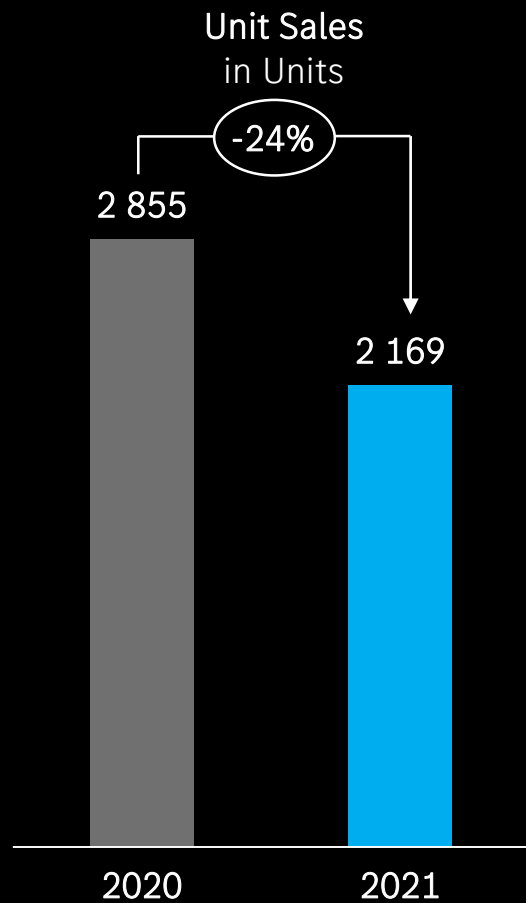
Nadia Trimmel

Vice President Mercedes-Benz Vans

Mercedes-Benz South Africa Ltd



Mercedes-Benz Vans Sales Performance



Mercedes-Benz Vans Market Trend



The New V300d V-Class
Best Sales Ever in 2021

Luxury Brand Maintaining
Market Share Month-on-month



New Model Line-up
Launched 2022

Targeting
All Transportation Sectors

Mercedes-Benz Vans

Sprinter Inkanyezi Success Story



Discover Value That Is Hard At Work

Sprinter Inkanyezi - Designed to Deliver

Mercedes-Benz Financial Services South Africa

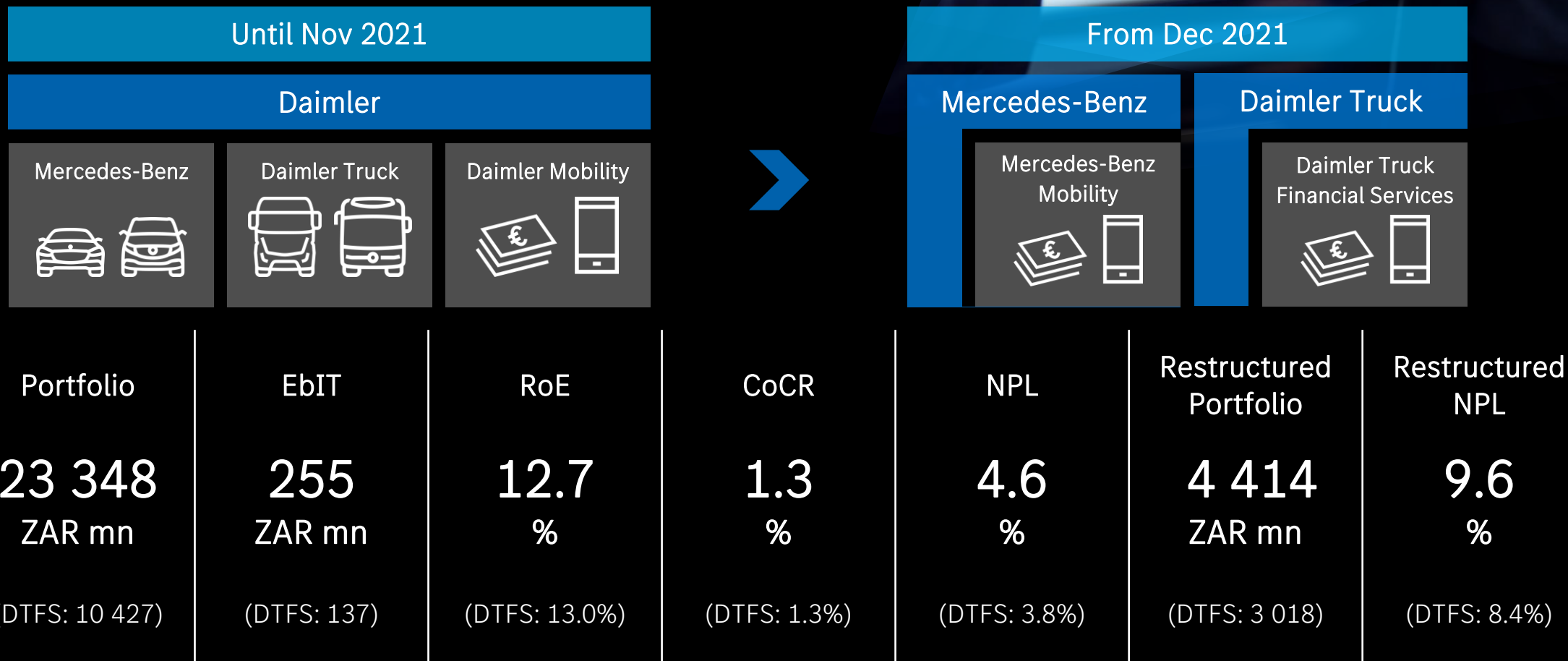
Financial and Operating Results

Robert Hoffmann
Chief Executive Officer
Mercedes-Benz Financial Services South Africa (Pty) Ltd



Mercedes-Benz Financial Services South Africa

In the Rear View Mirror: Project Focus



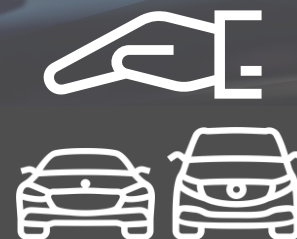
Mercedes-Benz Financial Services South Africa

Key Figures 2021



Portfolio	EbIT	RoE	CoCR	NPL	Restructured Portfolio	Restructured NPL
12 891 ZAR mn	237.8 ZAR mn	12.1 %	1.8 %	4.9 %	1 220 ZAR mn	8.0 %
(2020: 24 270)	(2020: 107.2)	(2020: 5.8%)	(2020: 1.7%)	(2020: 4.1%)	(2020: 6 247)	(2020: 2.2%)

Mercedes-Benz Financial Services South Africa Market Penetration 2021



MERCEDES-BENZ
CARS

39.9%

(2020: 39.0)

MERCEDES-BENZ
VANS

22.6%

(2020: 33.9)

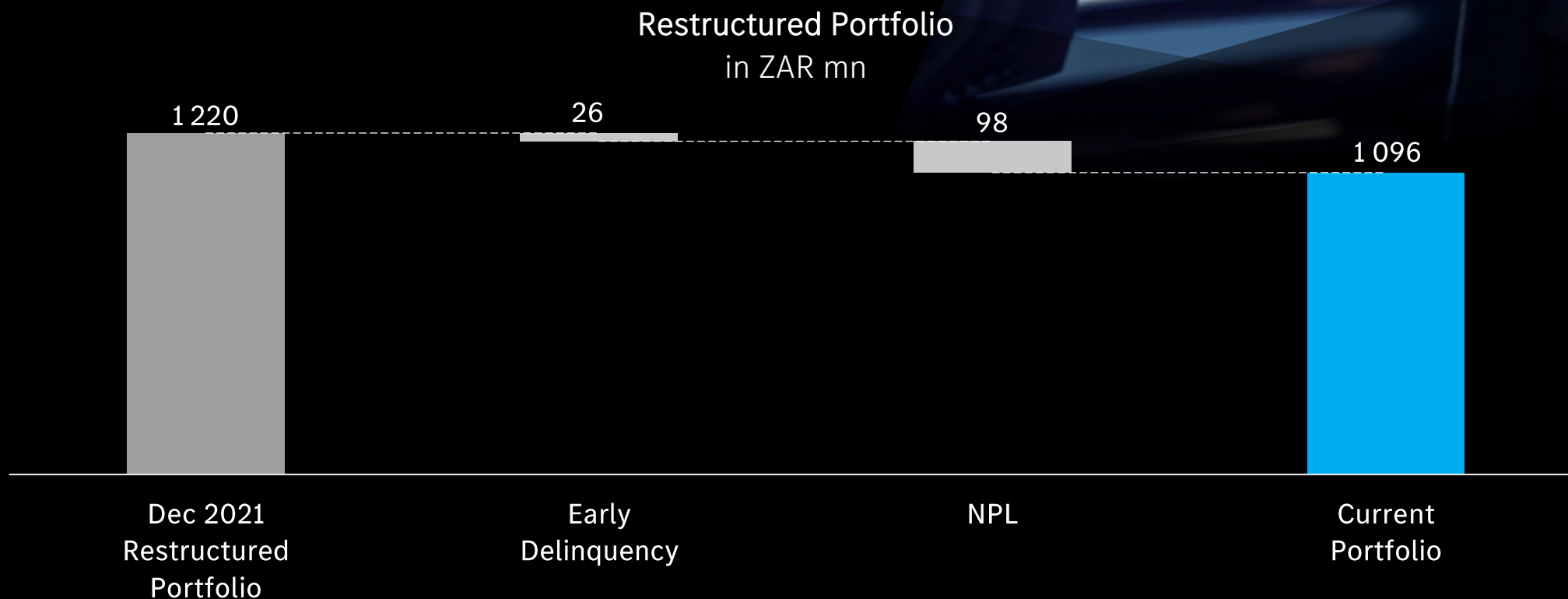
PC
INSURANCE

29.3%

(2020: 27.9)

Mercedes-Benz Financial Services South Africa

90% of Restructured Portfolio is Current



Mercedes-Benz Financial Services South Africa

Key Digital KPIs 2021



Automated
Credit Decision
Ratio

43.8%

(2020: 37.6%)

Share of Digital
Contracting

30.5%

(2020: 0%)

Share of Digital
Self Service

26.1%

(2020: 23.8%)

Share of
e-payment

92.6%

(2020: 91.5%)

Share of Digital
Early Collection

32.2%

(2020: 22.8%)

Share of Digital
Retention

23.9%

(2020: 17.7%)

Mercedes-Benz Financial Services South Africa Outlook: Our Big Picture



Purpose

WE MO>E YOU

Ambition

Best-in-Class Mobility Services – Customer-Centric, Seamless & Flexible

Contribution

Retention | Service Income | Data

Focus On



Sustainability
Electrification
Service Income



Seamlessly
Integrated
Digital Sales



E2E Digitization &
Automation



Data-Driven
Company



High Performance Culture

Values

Financial & Social
Responsibility

Integrity,
Openness
& Respect

Inspired,
Empowered
& Diverse People

Customer
Focus

Commitment to
Excellence

Sustainability

Mercedes-Benz Financial Services South Africa Current Initiatives

Special Campaigns
Fixed Rate Agility Offer at
Prime+1%



Finance Penetration

Attractive Customer
Loyalty Program



Customer
Retention

Competitive, Transparent
Remuneration



Agent
Steering

Enhanced Product
Offering



Insurance/
Value-Added
Products

MBFS in the News

25

MBFS 25th Anniversary



Golf-Marketing



Social Media



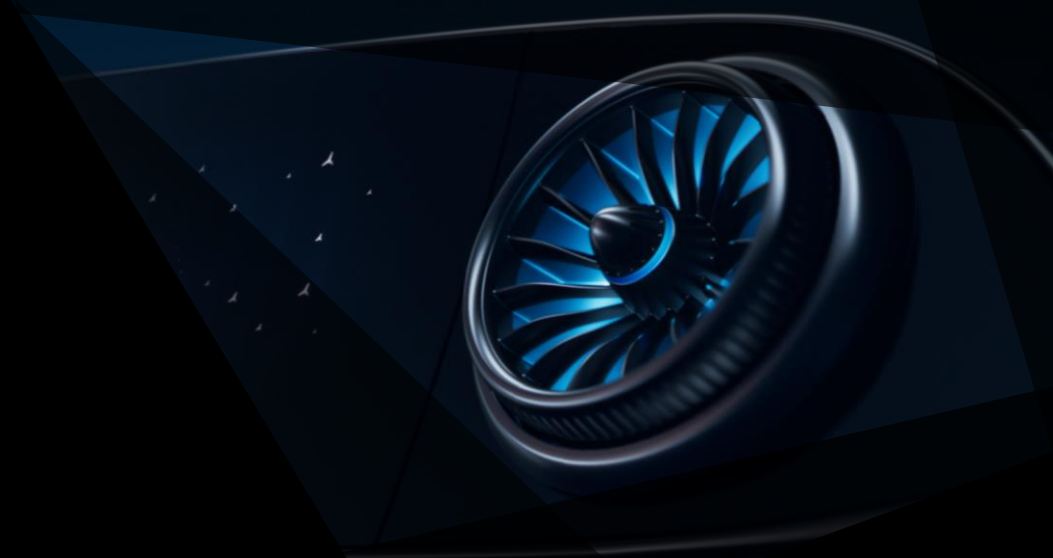
Corporate Social
Responsibility

Mercedes-Benz South Africa Funding

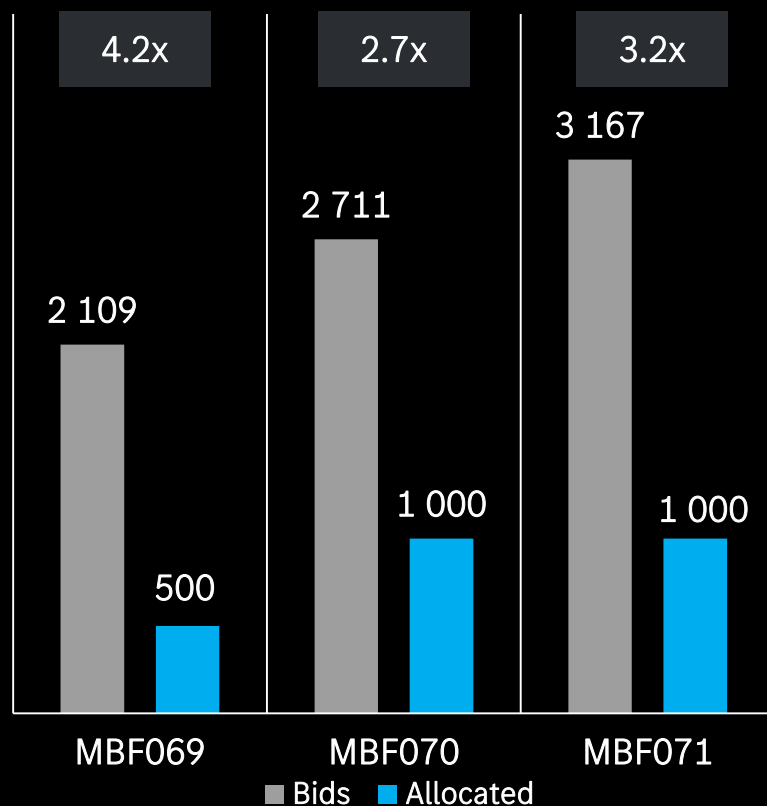
Dirk van der Bank
Senior Manager: Treasury
Mercedes-Benz South Africa Ltd



Mercedes-Benz South Africa Funding Highlights



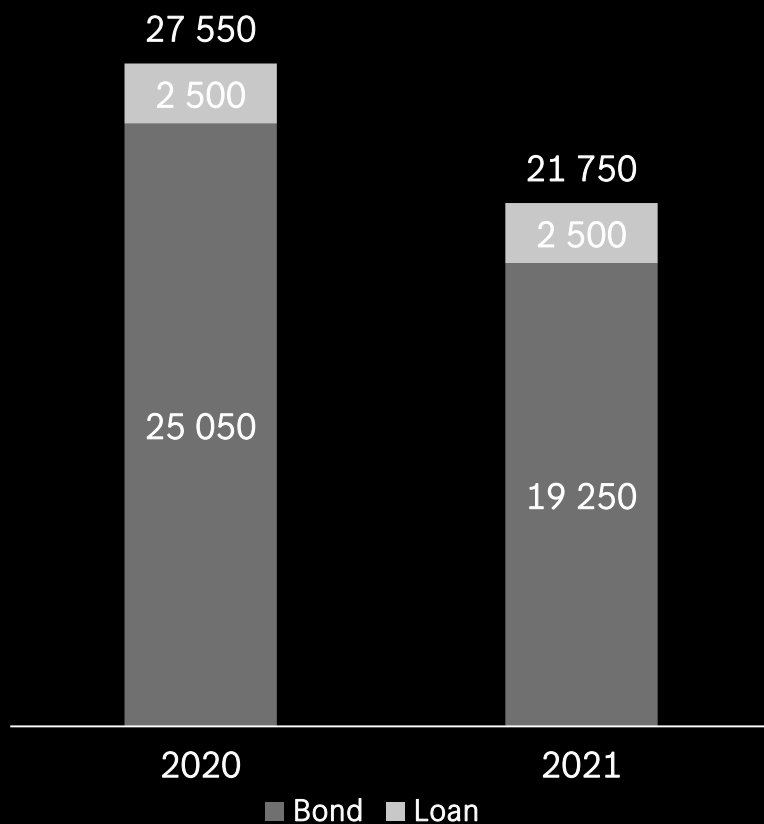
2021 Issuances
in ZAR mn



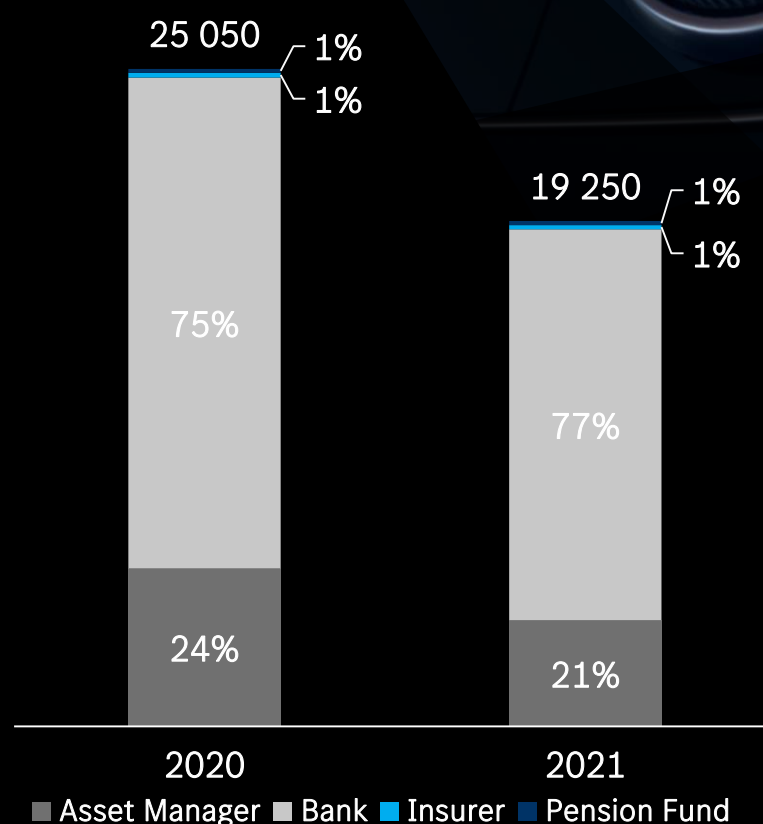
Instrument	MBF069	MBF070	MBF071
Tenor	1 Year	3 Year	3 Year
Price Guidance	70 - 80	105 -115	100 -110
Clearing Spread	75	105	99

Mercedes-Benz South Africa Funding Profile

Total Debt
in ZAR mn

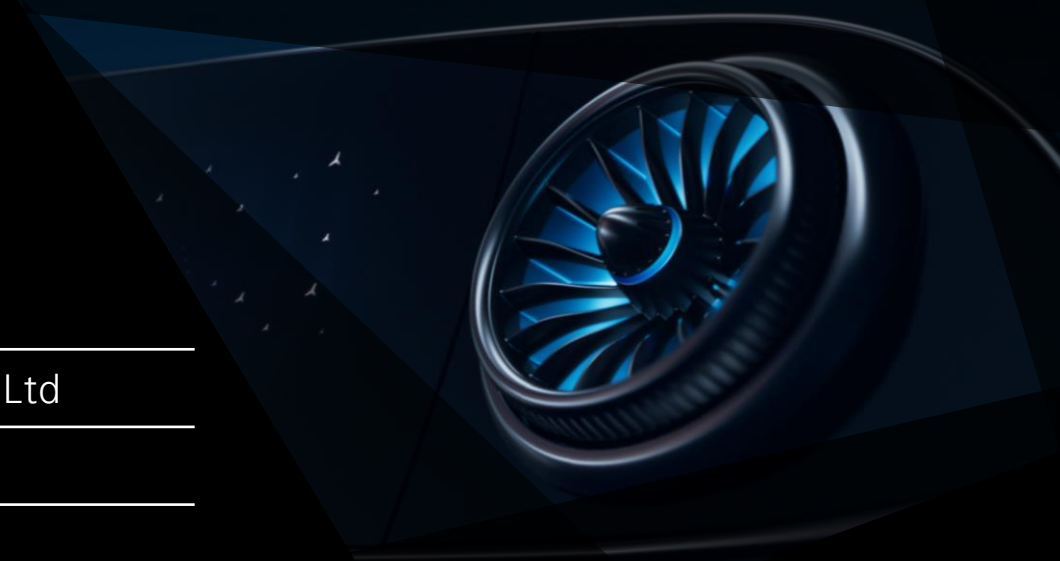


Listed Debt by Investor Type
in ZAR mn



Mercedes-Benz South Africa Auction Announcement

Issuer	Mercedes-Benz South Africa Ltd
Issuer Rating	AAA(zaf)
Guarantor	Mercedes-Benz Group AG
Guarantor Rating	A-
DMTN Programme Size	ZAR 35bn
Auction Date	26 May 2022
Settlement Date (T+3)	31 May 2022
Target Issuance Size	ZAR 1bn 3y FRN
Price Guidance	To Follow
Auction Time	9:00 – 11:00
Auction Methodology	Dutch Auction (No Feedback)



Thank you for attending the
Mercedes-Benz South Africa Debt Investor Call 2022!

Please direct any questions to

MBSA_Investor_Engagement@mercedes-benz.com

