

B.29

Balance sheet structure of Mercedes-Benz Group AG

	31 Dec. 2022	31 Dec. 2021
In millions of euros		
Assets		
Non-current assets	40,001	41,131
Receivables, securities and other assets	36,617	32,583
Cash and cash equivalents	7,450	9,047
Current assets	44,067	41,630
Prepaid expenses	188	231
Total assets	84,256	82,992
Equity and liabilities		
Share capital	3,070	3,070
(conditional capital, €500 million)		
Capital reserve	11,480	11,480
Retained earnings	16,854	13,540
Distributable profit	5,563	5,349
Equity	36,967	33,439
Provisions for pensions and similar obligations	401	128
Other provisions	2,713	1,775
Provisions	3,114	1,903
Trade payables	222	358
Other liabilities	43,940	47,271
Liabilities	44,162	47,629
Deferred income	13	21
Total equity and liabilities	84,256	82,992

The **Statements of Cash Flows** of Mercedes-Benz Group AG according to the German Commercial Code (HGB) are drawn up in line with the German accounting standard DRS 21. In an exception to DRS 21, dividends from subsidiaries as well as intra-Group offsetting of services from corporate functions are presented in Cash Flow from operating activities even when they are offset by means of cash pooling procedures. The same applies to capital increases and capital repayments from subsidiaries being presented in Cash Flow from investing activities. An offsetting recognition of cash pooling procedures takes place in Cash Flow from financing activities.

Cash flow from operating activities resulted in a net cash outflow of €1.9 billion in 2022 (2021: cash inflow of €3.3 billion). The decrease compared to the previous year was due in particular to lower distributions from subsidiaries. Furthermore tax payments increased by €1.7 billion compared to the previous year.

Cash flow from investing activities resulted in a net cash inflow of €1.6 billion in 2022 (2021: cash outflow of €1.0 billion). The cash inflow was due in particular to the acquisitions and disposals of securities within the context of liquidity management (2022: €1.1 billion, 2021: cash outflow of €1.2 billion). Additionally corporate restructuring associated with the spin-off and hive-down of the Daimler commercial vehicle business had negatively impacted the cash flow from investing activities in 2021. Capital repayments and disposals of subsidiaries had had an opposing, positively effect on the cash flow in the previous year.

Cash flow from financing activities resulted in a net cash outflow of €1.3 billion in the reporting period (2021: €0.9 billion). The change is explained by the higher dividend payment to the shareholders of Mercedes-Benz Group AG and the increased repayment of external financing liabilities. On the other side the financing provided to subsidiaries in connection with central financial and liquidity management resulted in a positive effect on cash flow from financing activities.

Equity increased by €3.6 billion to €37.0 billion in 2022. This increase was a result of the net profit amounting to €8.9 billion, of which €3.3 billion was transferred to retained earnings pursuant to Section 58 Subsection 2 of the German Stock Corporation Act (AktG). On the other hand, equity decreased by €5.3 billion due to the dividend payment to the shareholders of Mercedes-Benz Group AG. The equity ratio as of the reporting date was 43.9% (2021: 40.3%). Mercedes-Benz Group AG held no treasury shares as of 31 December 2022.

Provisions increased by €1.2 billion to €3.1 billion. This was mainly due to the increase in provisions for contingent losses resulting from derivative financial instruments, income taxes and pension obligations.

Liabilities decreased by €3.4 billion to €44.2 billion. This was mainly due to the decrease of bonds in the amount of €6.6 billion. However, liabilities to subsidiaries increased by €3.3 billion.

Consolidated Statement of Income

D.01

	Note	2022	2021
In millions of euros			
Revenue	5	150,017	133,893
Cost of sales	6	-115,997	-103,218
Gross profit		34,020	30,675
Selling expenses	6	-9,482	-9,194
General administrative expenses	6	-2,584	-2,808
Research and non-capitalised development costs	6	-5,602	-5,467
Other operating income	7	3,323	2,888
Other operating expense	7	-1,289	-1,735
Gains/losses on equity-method investments, net	14	1,732	1,352
Other financial income/expense, net	8	340	317
Earnings before interest and taxes (EBIT)	35	20,458	16,028
Interest income	9	273	212
Interest expense	9	-427	-429
Profit from continuing operations before taxes		20,304	15,811
Income taxes	10	-5,495	-4,761
Profit from continuing operations		14,809	11,050
Profit/loss from discontinued operations after taxes		-	12,346
Net profit		14,809	23,396
thereof profit attributable to non-controlling interests		308	390
thereof profit attributable to shareholders of Mercedes-Benz Group AG		14,501	23,006
thereof from continuing operations		14,501	10,695
thereof from discontinued operations		-	12,311
Earnings per share (in euros)			
For profit attributable to shareholders of Mercedes-Benz Group AG	37		
Basic		13.55	21.50
thereof from continuing operations		13.55	10.00
thereof from discontinued operations		-	11.50
Diluted		13.55	21.50
thereof from continuing operations		13.55	10.00
thereof from discontinued operations		-	11.50

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income/Loss

D.02

	2022	2021
In millions of euros		
Net profit	14,809	23,396
Currency translation adjustments (restated)	297	3,120
Debt instruments		
Unrealized gains/losses pre-tax	-47	-4
Taxes on unrealized gains/losses and on reclassifications	14	-
Debt instruments after tax	-33	-4
Derivative financial instruments		
Unrealized gains/losses pre-tax	877	-1,765
Reclassifications to profit and loss pre-tax	1,489	537
Taxes on unrealized gains/losses and on reclassifications	-688	362
Derivative financial instruments after tax	1,678	-866
Gains/losses on equity-method investments		
Unrealized gains/losses pre-tax	200	-
Taxes on unrealized gains/losses and on reclassifications	-12	-
Gains/losses on equity-method investments after tax	188	-
Items that may be reclassified to profit/loss (restated)	2,130	2,250
Equity instruments		
Unrealized gains/losses pre-tax	-440	64
Taxes on unrealized gains/losses and on reclassifications	43	-18
Equity instruments after tax	-397	46
Actuarial gains/losses from pensions and similar obligations		
Actuarial gains/losses from pensions and similar obligations pre-tax	3,558	4,702
Taxes on actuarial gains/losses from pensions and similar obligations	-1,240	-1,122
Actuarial gains/losses from pensions and similar obligations after tax	2,318	3,580
Gains/losses on equity-method investments		
Unrealized gains/losses pre-tax	430	-
Taxes on unrealized gains/losses and on reclassifications	-144	-
Gains/losses on equity-method investments after tax	286	-
Items that will not be reclassified to profit/loss	2,207	3,626
Other comprehensive income/loss after taxes (restated)	4,337	5,876
thereof income/loss attributable to non-controlling interests after taxes	-32	75
thereof income/loss attributable to shareholders of Mercedes-Benz Group AG after taxes (restated)	4,369	5,801
Total comprehensive income (restated)	19,146	29,272
thereof income/loss attributable to non-controlling interests	276	465
thereof income/loss attributable to shareholders of Mercedes-Benz Group AG (restated)	18,870	28,807

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Consolidated Statement of Financial Position

D.03

		At 31 December	
		2022	2021
In millions of euros			
Assets			
Intangible assets	11	15,869	15,005
Property, plant and equipment	12	27,250	27,859
Equipment on operating leases	13	41,552	44,471
Equity-method investments	14	13,530	13,588
Receivables from financial services	15	48,237	46,955
Marketable debt securities and similar investments	16	823	873
Other financial assets	17	4,478	3,181
Deferred tax assets	10	3,725	3,434
Other assets	18	1,677	1,536
Total non-current assets		157,141	156,902
Inventories	19	25,621	21,466
Trade receivables	20	8,100	7,673
Receivables from financial services	15	37,312	33,670
Cash and cash equivalents		17,679	23,120
Marketable debt securities and similar investments	16	6,237	6,706
Other financial assets	17	3,453	3,079
Other assets	18	4,472	4,073
Assets held for sale	3	-	3,142
Total current assets		102,874	102,929
Total assets		260,015	259,831

		At 31 December	
		2022	2021
In millions of euros			
Equity and liabilities			
Share capital		3,070	3,070
Capital reserves		11,718	11,723
Retained earnings (restated)		67,695	55,926
Other reserves (restated)		2,932	1,232
Treasury shares		-	-
Equity attributable to shareholders of Mercedes-Benz Group AG		85,415	71,951
Non-controlling interests		1,125	1,216
Total equity	21	86,540	73,167
Provisions for pensions and similar obligations	23	1,021	5,359
Provisions for other risks	24	6,438	7,909
Financing liabilities	25	62,051	73,543
Other financial liabilities	26	2,524	1,808
Deferred tax liabilities	10	6,910	4,488
Deferred income	27	1,234	1,175
Contract and refund liabilities	28	3,656	3,980
Other liabilities	29	1,238	727
Total non-current liabilities		85,072	98,989
Trade payables		12,204	10,655
Provisions for other risks	24	9,585	8,053
Financing liabilities	25	49,786	52,300
Other financial liabilities	26	5,404	5,997
Deferred income	27	1,391	1,486
Contract and refund liabilities	28	6,898	5,929
Other liabilities	29	3,135	3,086
Liabilities held for sale	3	-	169
Total current liabilities		88,403	87,675
Total equity and liabilities		260,015	259,831

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Consolidated Statement of Cash Flows

D.04

	2022	2021
In millions of euros		
Profit from continuing operations before taxes (2021: Profit from continuing and discontinued operations before taxes)	20,304	28,775
Depreciation and amortisation/impairments	6,521	6,980
Other non-cash expense and income	-1,296	-11,503
Gains (-)/losses (+) from disposals of assets	-990	-695
Change in operating assets and liabilities		
Inventories	-4,111	-2,561
Trade receivables and trade payables	1,029	1,694
Receivables from financial services	-5,327	3,879
Vehicles on operating leases	3,810	1,428
Other operating assets and liabilities	358	-1,261
Dividends received from equity-method investments	1,605	1,625
Income taxes paid	-5,009	-3,812
Cash flow from operating activities	16,894	24,549
Additions to property, plant and equipment	-3,481	-4,579
Additions to intangible assets	-3,418	-2,741
Proceeds from disposals of property, plant and equipment and intangible assets	469	826
Investments in shareholdings	-849	-573
Proceeds from disposals of shareholdings and other business operations	3,337	793
Acquisition of marketable debt securities and similar investments	-2,622	-5,694
Proceeds from sales of marketable debt securities and similar investments	3,084	4,385
Repayment of financing of Daimler's commercial vehicles business	-	6,853
Cash and cash equivalents disposed of from the deconsolidation of Daimler's commercial vehicles business	-	-5,489
Other	27	-7
Cash flow from investing activities	-3,453	-6,226
Change in short-term financing liabilities	172	1,463
Additions to long-term financing liabilities	38,429	42,196
Repayment of long-term financing liabilities	-51,945	-60,859
Dividend paid to shareholders of Mercedes-Benz Group AG	-5,349	-1,444
Dividends paid to non-controlling interests	-320	-366
Other	-19	-49
Cash flow from financing activities	-19,032	-19,059
Effect of foreign exchange rate changes on cash and cash equivalents	88	870
Net increase/decrease in cash and cash equivalents	-5,503	134
Cash and cash equivalents at beginning of period	23,182	23,048
Cash and cash equivalents at end of period	17,679	23,182
Less cash and cash equivalents classified as assets held for sale at end of year	-	62
Cash and cash equivalents at end of period (Consolidated Statement of Financial Position)	17,679	23,120

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Consolidated Statement of Changes in Equity

D.05

	Share capital	Capital reserves	Retained earnings (restated)	Currency translation (restated)	Other reserves Equity instruments/ debt instruments
In millions of euros					
Balance at 1 January 2021 (restated)	3,070	11,551	46,948	-1,353	206
Net profit	-	-	23,006	-	-
Other comprehensive income/loss before taxes	-	-	4,702	3,044	61
Deferred taxes on other comprehensive income	-	-	-1,122	-	-18
Total comprehensive income/loss	-	-	26,586	3,044	43
Dividends	-	-	-1,444	-	-
Changes from the spin-off and hive-down of Daimler's commercial vehicle business	-	-	-16,253	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	172	-	-	-
Other	-	-	89	-	-47
Balance at 31 December 2021 (restated)	3,070	11,723	55,926	1,691	202
Balance at 1 January 2022 (restated)	3,070	11,723	55,926	1,691	202
Net profit	-	-	14,501	-	-
Other comprehensive income/loss before taxes	-	-	3,991	470	-489
Deferred taxes on other comprehensive income	-	-	-1,383	-	55
Total comprehensive income/loss	-	-	17,109	470	-434
Dividends	-	-	-5,349	-	-
Changes in the consolidated group	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Other	-	-5	9	-	-9
Balance at 31 December 2022	3,070	11,718	67,695	2,161	-241

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Derivative financial instruments	Treasury share	Equity attributable to shareholders of Mercedes-Benz Group AG (restated)	Non- controlling interests	Total equity (restated)	
In millions of euros					
269	-	60,691	1,557	62,248	Balance at 1 January 2021 (restated)
-	-	23,006	390	23,396	Net profit
-1,228	-	6,579	75	6,654	Other comprehensive income/loss before taxes
362	-	-778	-	-778	Deferred taxes on other comprehensive income
-866	-	28,807	465	29,272	Total comprehensive income/loss
-	-	-1,444	-366	-1,810	Dividends
-	-	-16,253	-502	-16,755	Changes from the spin-off and hive-down of Daimler's commercial vehicle business
-	-48	-48	-	-48	Acquisition of treasury shares
-	48	48	-	48	Issue and disposal of treasury shares
-	-	172	13	185	Changes in ownership interests in subsidiaries
-64	-	-22	49	27	Other
-661	-	71,951	1,216	73,167	Balance at 31 December 2021 (restated)
-661	-	71,951	1,216	73,167	Balance at 1 January 2022 (restated)
-	-	14,501	308	14,809	Net profit
2,425	-	6,397	-32	6,365	Other comprehensive income/loss before taxes
-700	-	-2,028	-	-2,028	Deferred taxes on other comprehensive income
1,725	-	18,870	276	19,146	Total comprehensive income/loss
-	-	-5,349	-340	-5,689	Dividends
-	-	-	-29	-29	Changes in the consolidated group
-	-48	-48	-	-48	Acquisition of treasury shares
-	48	48	-	48	Issue and disposal of treasury shares
-52	-	-57	2	-55	Other
1,012	-	85,415	1,125	86,540	Balance at 31 December 2022