Mercedes-Benz

Press Information
September 24, 2021

Mercedes-Benz to join ACC and build a European battery champion with global ambitions

- Mercedes-Benz to become an equal shareholder in Automotive Cells Company (ACC) together with Stellantis and TotalEnergies, with each partner holding a 33% equity stake.
- Mercedes-Benz to provide technology and production know-how to ACC.
- Mercedes-Benz and its partners to accelerate ACC's development, with sustainable cutting edge cell technology, highly competitive costs and an objective of at least 120 Gigawatt hours of cell capacity by the end of the decade.

Stuttgart – On its path toward an all-electric future, Mercedes-Benz is taking an equity stake in European battery cell manufacturer Automotive Cells Company (ACC) to scale up development and production of next-generation high-performance battery cells and modules. As announced in July 2021, Mercedes-Benz will be ready to go fully electric by the end of the decade – wherever market conditions allow. To reach its target, the company needs a total battery production capacity of more than 200 Gigawatt hours by the end of the decade and plans to build eight cell factories worldwide together with partners, four of them in Europe. Joining ACC is the next step on the luxury car maker's strategic course from "Electric first" to "Electric only".

"Mercedes-Benz pursues a very ambitious transformation plan and this investment marks a strategic milestone on our path to CO_2 neutrality. Together with ACC, we will develop and efficiently produce battery cells and modules in Europe – tailor-made to the specific Mercedes-Benz requirements", says Ola Källenius, CEO of Daimler AG and Mercedes-Benz AG. "This new partnership allows us to secure supply, to take advantage of economies of scale, and to provide our customers with superior battery technology. On top of that we can help to ensure that Europe remains at the heart of the auto industry – even in an electric era: With Mercedes-Benz as a new partner, ACC aims to more than double capacity at its European sites to support Europe's industrial competitiveness in the design and manufacturing of battery cells."

The entire ACC project will require an investment volume of more than seven billion euros – in a combination of equity, debt and subsidies – to reach a capacity of at least 120 Gigawatt hours in Europe by the end of the decade. Mercedes-Benz will invest a mid-three-digit-million euros amount next year. In total, the investments are expected to remain below one billion Euros. The transaction is subject to customary closing conditions, including agreement on definitive documentation and regulatory approvals.

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Yann Vincent, CEO of ACC says: “To have Mercedes-Benz join us as a new shareholder is a major milestone for ACC. Mercedes-Benz will bring a vote of confidence in our technology roadmap and product competitiveness that significantly strengthens ACC’s business potential and underpins our ambitious growth plans. This is our contribution to an electric and sustainable future.”

“Mercedes-Benz will take a strategic 33 percent equity stake in ACC. Following the investment, we will hold two out of six seats on ACC’s Supervisory Board alongside TotalEnergies and Stellantis as equal shareholders”, says Markus Schäfer, Member of the Board of Management of Daimler AG and Mercedes-Benz AG; responsible for Daimler Group Research and Mercedes-Benz Cars COO. “Our goal is to continue to integrate the most advanced and sustainable battery cells in our EQ models. Therefore, we will provide our technological and production know-how to ACC. Mercedes-Benz will further complement high end cell development with its newly planned pilot plant ‘Drive Systems Campus’ in Stuttgart from 2023 onwards.”

ACC will supply Mercedes-Benz with high-performance battery technologies from its production locations from mid of the decade. The battery cell manufacturer is examining the expansion of its production network to include further locations in Europe.

Mercedes-Benz is pursuing widespread research and development activities in the field of battery technology. The company will contribute this expertise and support the expansion of ACC’s production network based on the brand’s benchmark quality standards. With Saft, an affiliate of TotalEnergies, Mercedes-Benz has a partner with over 100 years of experience in the field of long-life batteries and battery systems for applications critical to safety, back-up power and electric and hybrid drives. Stellantis brings industrialisation expertise to the joint venture through its brand diversity, size and global footprint. Together with its partners, Mercedes-Benz customers can benefit from the joint venture’s unique combination of technological know-how, production experience and scale.

With the investment, Mercedes-Benz is driving forward the industrialisation of advanced and sustainable cell technologies in Europe. Mercedes-Benz is expanding its established partner portfolio in order to safeguard the degree of localisation in the procurement of battery cells and modules as a key technology for the age of electric mobility.

Efficient and sustainable cell technologies

Mercedes-Benz relies on a modular, highly standardised battery kit that allows the integration of battery cells and modules from different development partners through uniformly designed components and interfaces. The aim of the partnership is the joint development of cells and battery modules that meet the high energy density, charging power and performance requirements of Mercedes-Benz. The joint expertise of the partners in cell technology and cell production means that distinctive variations in the modular system can be optimally realised with respect to cell chemistry and cell height. The partners are also exploring further leaps in battery technology, for example with regard to high silicon anode and solid-state batteries.

With Ambition 2039, Mercedes-Benz is pursuing the goal of CO_2 neutrality along the entire value chain. The CO_2 neutral production of battery cells is an important component, and a specific requirement for all partners. ACC will therefore primarily use electricity from renewable energies for the production of high-performance battery technologies. Other important sustainability aspects are the responsible sourcing of raw materials and the intelligent use of resources. For the battery cells, only battery raw materials which were extracted from certified mines will be used. In addition, the partners are reducing critical materials with the use of new technologies. For a closed raw material cycle, ACC battery cells will be over 95% recyclable. The battery cell manufacturer is an important partner for the European Union to implement the sustainability requirements for a green battery in Europe as part of the Green Deal.

About ACC

ACC was founded in 2020 and to date combines the expertise of Stellantis, TotalEnergies and Mercedes-Benz with complementary skills and experience. ACC's goal is to become the European market leader for car battery cells and modules that allow clean and efficient mobility for all. The R&D center in Bordeaux (France) is operational and the pilot site in Nersac (France) will start production at the end of this year.

Further information about Mercedes-Benz is available at www.mercedes-benz.com. Press information and digital services for journalists and multipliers can be found on our Mercedes me media online platform at media.mercedes-benz.com as well as on our Daimler global media site at media.daimler.com. Learn more about current topics and events related to Mercedes-Benz Cars & Vans on our @MB_Press Twitter channel at www.twitter.com/MB_Press.

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, labor 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 AG at a glance
Mercedes-Benz AG is responsible for the global business of Mercedes-Benz Cars and Mercedes-Benz Vans, with over 170,000 employees worldwide. Ola Källenius is Chairman of the Board of Management of Mercedes-Benz AG. The company focuses on the development, production and sales of passenger cars, vans and vehicle-related services. Furthermore, the company aspires to be the leader in the fields of electric mobility and vehicle software. The product portfolio comprises the Mercedes-Benz brand with the brands of Mercedes-AMG, Mercedes-Maybach, Mercedes-EQ, G-Class and the smart brand. The Mercedes me brand offers access to the digital services from Mercedes-Benz. Mercedes-Benz AG is one of the world's largest manufacturers of luxury passenger cars. In 2020 it sold around 2.1 million passenger cars and nearly 375,000 vans. In its two business segments, Mercedes-Benz AG is continually expanding its worldwide production network with around 35 production sites on four continents, while gearing itself to meet the requirements of electric mobility. At the same time, the company is constructing and extending its global battery production network on three continents. As sustainability is the guiding principle of the Mercedes-Benz strategy and for the company itself, this means creating lasting value for all stakeholders: for customers, employees, investors, business partners and society as a whole. The basis for this is Daimler's sustainable business strategy. The company thus takes responsibility for the economic, ecological and social effects of its business activities and looks at the entire value chain.