



Update of transformation plan

Press Information

## **Mercedes-Benz Untertürkheim plant to produce batteries for electric vehicles**

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- Mercedes-Benz consistently continues its electric offensive.
- Untertürkheim extends its lead plant function within the powertrain production network including electrified powertrain components.
- Battery production is to be added as a new product group.
- More than 250 new jobs will be created in the e-mobility production area.
- New agreement significantly increases the plant's efficiency.
- In addition to powertrain components with a new focus on electric mobility, Untertürkheim also focuses on the pillars of lightweight construction and axles.

Stuttgart - The Mercedes-Benz Untertürkheim plant will be further developed into a high-tech location for electric components, thus offering employees good prospects in the coming era of electric mobility. The basis for the transformation of the tradition-rich plant is a set of measures that has been jointly approved by the plant's management and works council. It paves the way for a successive transition from the production of conventional engines, transmissions and axles to the future powertrain components for electric vehicles. This includes, for example, a new battery production at the site and the assembly of electric modules for front and rear axles. This makes the Untertürkheim plant a competence center for the integration of the entire electric powertrain into production.

“In the global production network of Mercedes-Benz Cars, we are actively shaping the future and showing that we can do both: sprint and marathon. In the coming years, we plan to produce a rising number of powertrains for conventional and hybrid vehicles. At the same time, we are creating competitive conditions in our plants with regard to electric mobility. With this further development, Untertürkheim will continue to be the lead plant in the

global powertrain production network,” states Markus Schäfer, Member of the Divisional Board of Mercedes-Benz Cars, Production and Supply Chain.

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In order to ensure competitiveness, the company agreement reached between the plant’s management and works council includes measures to enhance flexibility and efficiency. This refers for example to the optimization of the plant’s operating time as well as to variable shift models and flexible workforce deployment.

“After intensive discussions with the works council, we have reached an agreement that places the Untertürkheim plant on a competitive basis. At the same time, we are moving forward in the direction of electric mobility. This is excellent news for the employees and the region. In the future, products from our plant will be in every electric vehicle from Mercedes-Benz. The transformation of the Untertürkheim plant in the Neckar Valley with its long tradition has thus been initiated,” states Frank Deiß, Site Manager Mercedes-Benz Untertürkheim Plant and Head of Production Powertrain Mercedes-Benz Cars.

The establishment of a flexible battery production will bring a completely new product to the Untertürkheim plant. If the combustion engine so far has been the “heart” of the conventional powertrain, the battery is the heart of an electric vehicle. In the future, for example, the passenger car plant in Sindelfingen will be supplied with batteries for electric vehicles of the EQ product and technology brand from Untertürkheim. This means that Daimler is now planning the fourth battery factory in its global battery production network, after the two plants in Kamenz and one in Beijing. Battery production in Untertürkheim will be located in the Brühl section of the plant.

The plant’s management and works council have also agreed that powertrain modules for electric vehicles from the compact to the upper and luxury class of the EQ product and technology brand will be assembled in Untertürkheim. Increasing numbers of conventional axles will still to be produced. Untertürkheim will continue to benefit from its existing expertise in lightweight construction for axles and structural components used in vehicles with combustion engines as well as in electric vehicles.

In order to pool expertise in the field of battery-electric vehicles, Untertürkheim will set up a “project house eATS” in order to develop

additional know-how for the next generation of an electric drive system (eATS). This leads to an even closer interaction between development and production.

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The so-called “E-Technikum” at the Mettingen section of the plant that was agreed upon in the first stage of negotiations is to be further developed and significantly expanded. This means that the Untertürkheim plant will obtain a competence center in which electric-drive prototypes will be built. In this way, the plant is ensuring important know-how as a ramp-up factory, in particular for battery production as well as for the integration of future key technologies in production.

“Untertürkheim is taking a large step towards electric mobility. We want to produce the electric-drive system in the Neckar Valley. This decision is the basis for that. We are getting a project house in which experts from our research and development department will develop know-how for the electric drive systems of future EQ models. In addition, battery-system assembly is being set up in the Neckar Valley. The technology factory will be expanded, thus strengthening our competencies for alternative drive systems. These are good signals for the Untertürkheim plant,” states Wolfgang Nieke, Chairman of the Works Council Mercedes-Benz Untertürkheim Plant.

### **Contribution to competitive conditions at the plant**

The current agreement is based on the transformation plan from 2015 and defines further steps of development. This still includes the production of increasing numbers of highly efficient conventional combustion engines and of plug-in hybrid systems. Since then, the Untertürkheim plant has also been responsible for the assembly of fuel-cell systems. With the new agreement, stack production for the fuel-cell is added in Untertürkheim to fuel cell system assembly. As agreed upon in the 2015 transformation plan, several billion euros will further be invested into the future development of the Untertürkheim site in the next years.

In total, the agreement creates over 250 new jobs in the area of e-mobility and has long-term effects for safeguarding the employees at the site.

By 2025, fully electric vehicles are to account for between 15 and 25 percent of the total unit sales of Mercedes-Benz. At the moment, the Untertürkheim plant is operating at full capacity. The company anticipates ongoing growth in the

production of conventional engines, transmissions, axles and components in the foreseeable future.

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### **About the Mercedes-Benz Untertürkheim plant**

The Mercedes-Benz Untertürkheim plant looks back on more than 110 years of tradition. It is the lead plant in the global powertrain production and the home of the Daimler headquarter. With more than 19,000 employees, the plant produces engines, axles, transmissions and components. The tradition-rich plant is a high-tech location and a center of competence for high-efficient engines, hybrid powertrains and the production of fuel-cell systems. Research and Development is also located here with a test track. The site comprises of six facilities which are all located in the Neckar Valley next to Stuttgart. While Untertürkheim and Bad Cannstatt produce engines and also host forging activities, the transmissions are produced in Hedelfingen. The axle production and the foundry are located in Mettingen. The training centre is based in Brühl, the flexible production facilities are in Esslingen.

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