

**VOLKSWAGEN**

AKTIENGESELLSCHAFT

**VOLKSWAGEN**

**Leading the Transformation.**

Media Call Q1 2022

May 4, 2022

## Disclaimer

The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast.

At the time of preparing these presentations, it is not yet possible to conclusively assess the specific effects of the latest developments in the Russia-Ukraine conflict on the Volkswagen Group's business, nor is it possible to predict with sufficient certainty to what extent further escalation of the Russia-Ukraine conflict will impact on the global economy and growth in the industry in fiscal year 2022.

Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, energy and other commodities or commodities relevant to the Volkswagen Group or the supply with parts, or deviations in the actual effects of the Covid-19 pandemic from the scenario presented will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.



**Herbert Diess**

Chairman of the  
Board of Management  
*Volkswagen AG*



**Arno Antlitz**

Chief Financial  
Officer  
*Volkswagen AG*



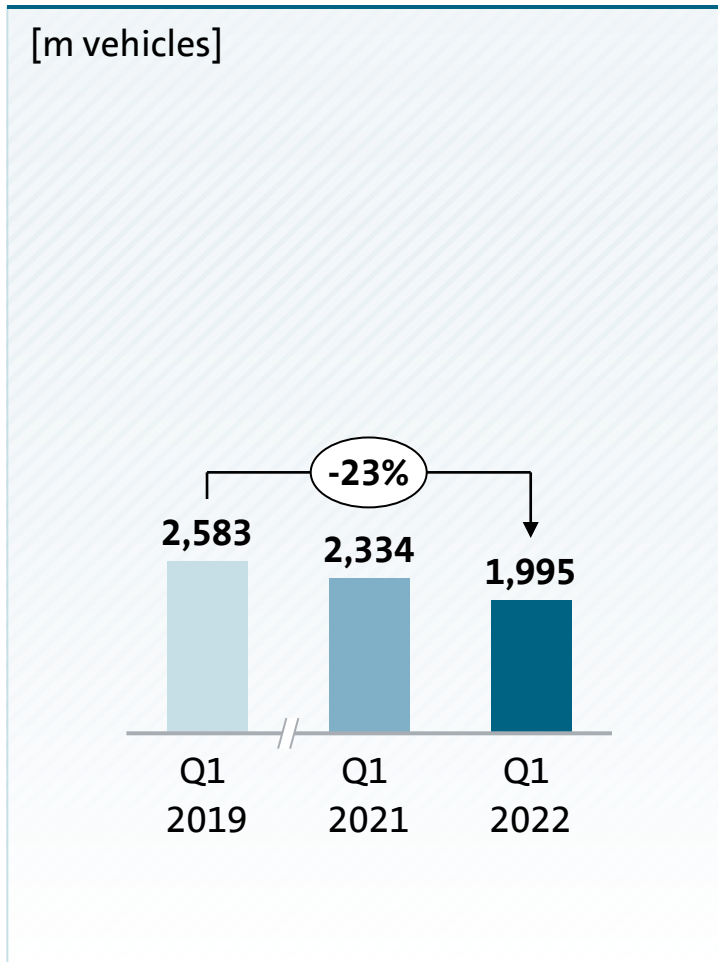
**Nicole Mommsen**

Head of  
Global Group Communications  
*Volkswagen AG*

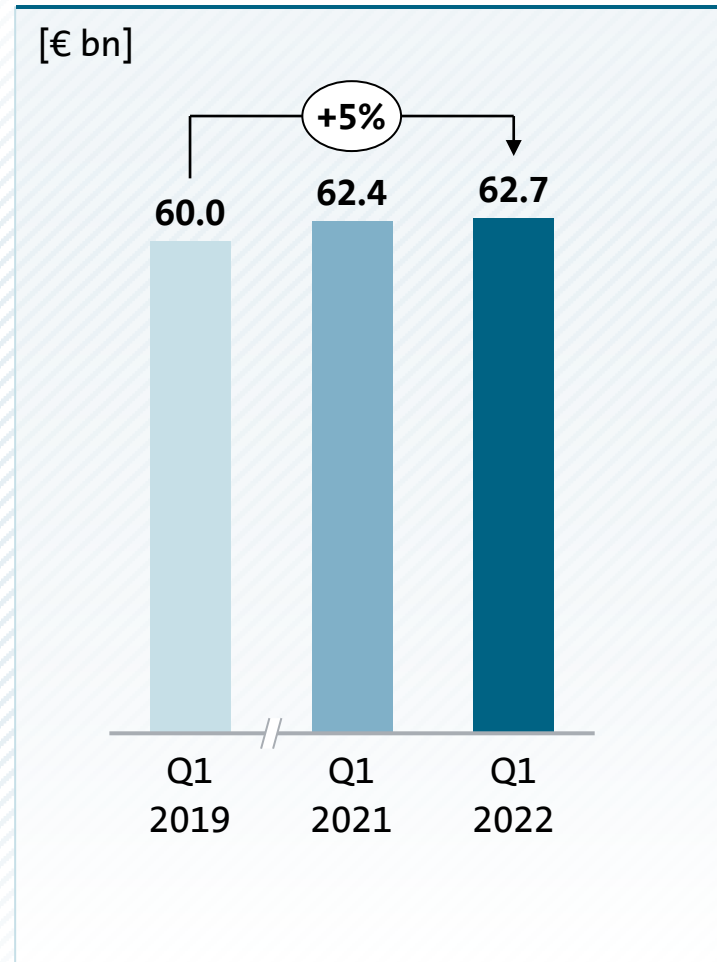
# Solid figures reflect robust business model, despite lower vehicle sales

## January to March 2019 vs. 2021 vs. 2022

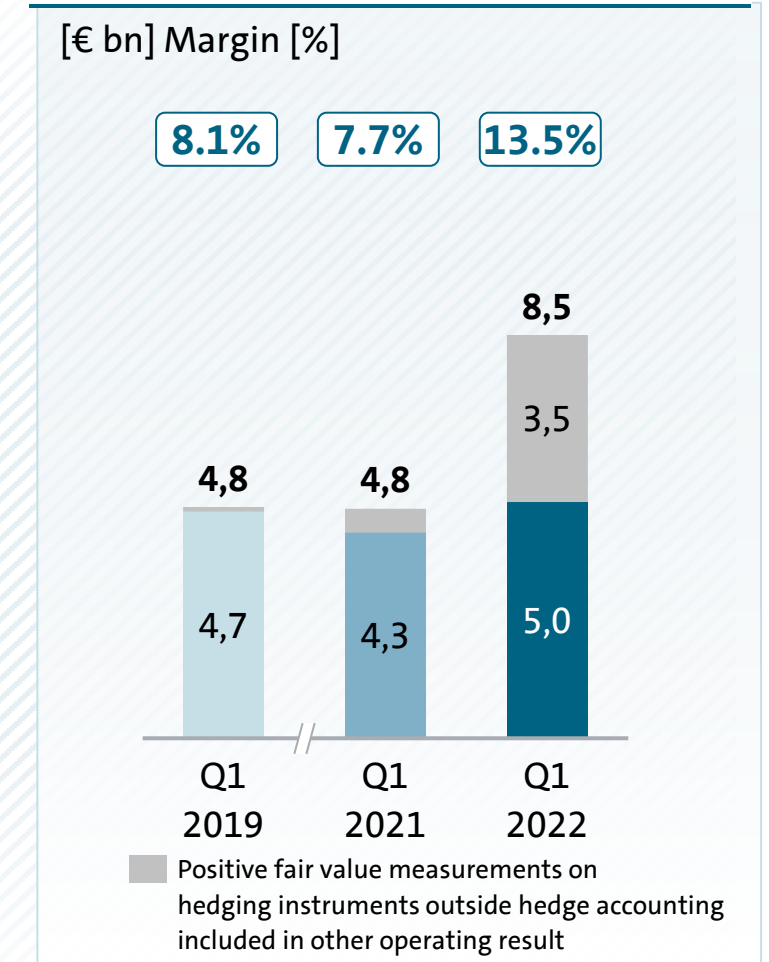
### Vehicle Sales



### Sales Revenue



### Operating Profit <sup>1</sup> and Margin



<sup>1</sup> before special items

## Mid-term strategy: Our setup will be even more global

### Ambitious growth plan in the U.S.

- Raise of Group's overall market share to **10% by 2030**
- **Investment of \$ 7.1 billion** to boost product line-up, R&D and manufacturing
- **Launch of locally assembled ID.4 in 2022**
- **Regional sourcing and production with 95% of all cars** for the region being built in the region

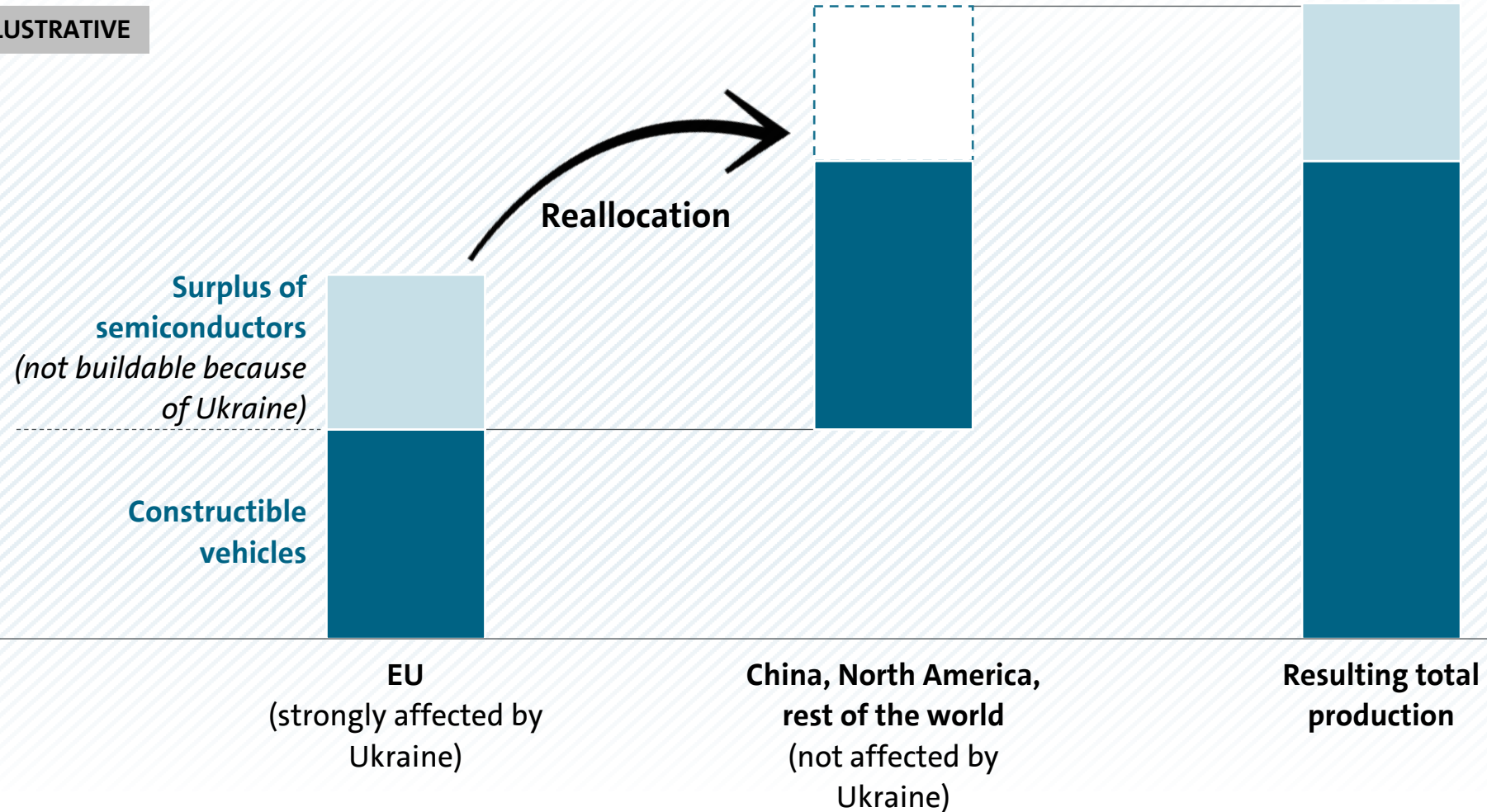
### Accelerated NEV-transition in China

- **In Q1 28.800 BEVs delivered - one third of the Group's worldwide BEV deliveries**
- **Electric premium cars with Audi-FAW in Changchun from 2024**
- **New regional CARIAD subsidiary – double staff (600 today) in coming years**
- **Ralf Brandstätter pushing cross-brand and cross-platform approach as new China CEO**

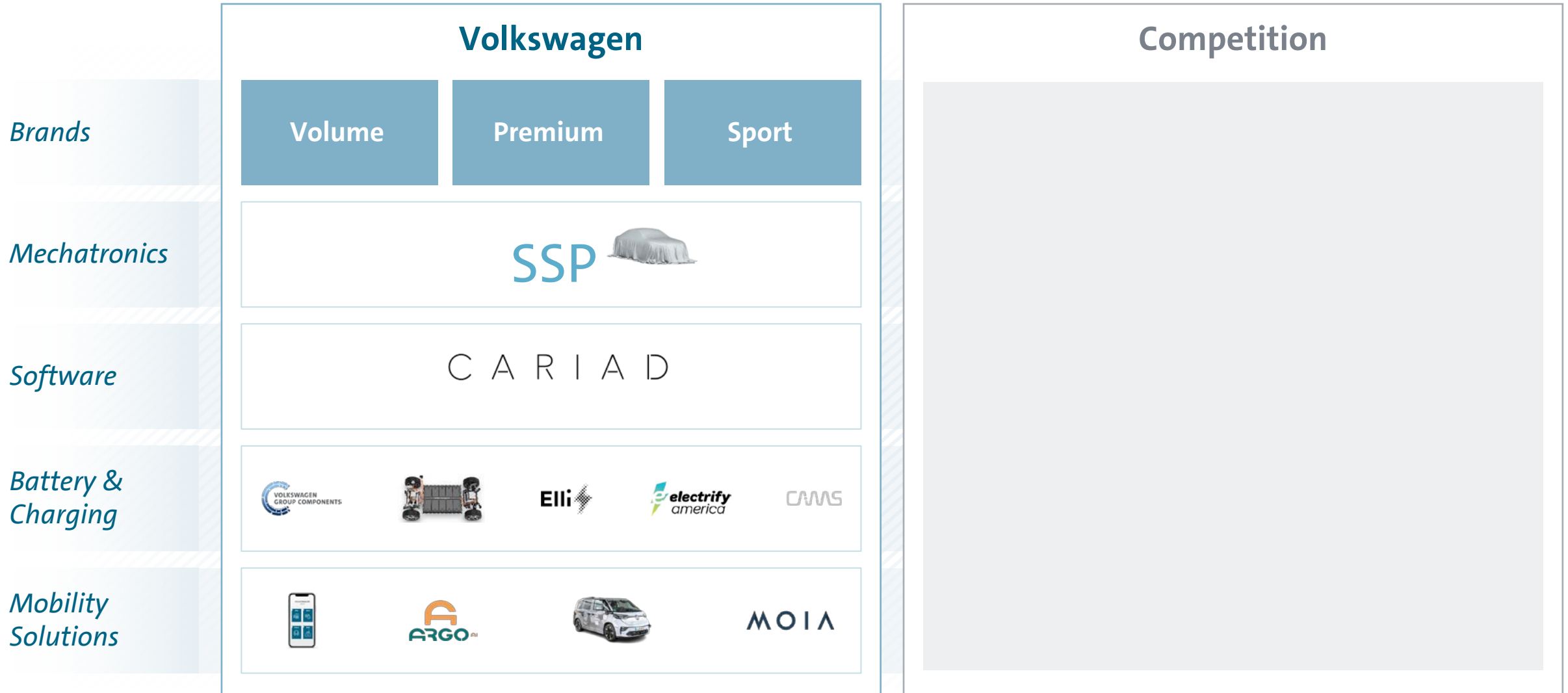
# Short-term measures: Adaptation to dynamic market environment

## Reallocation logic

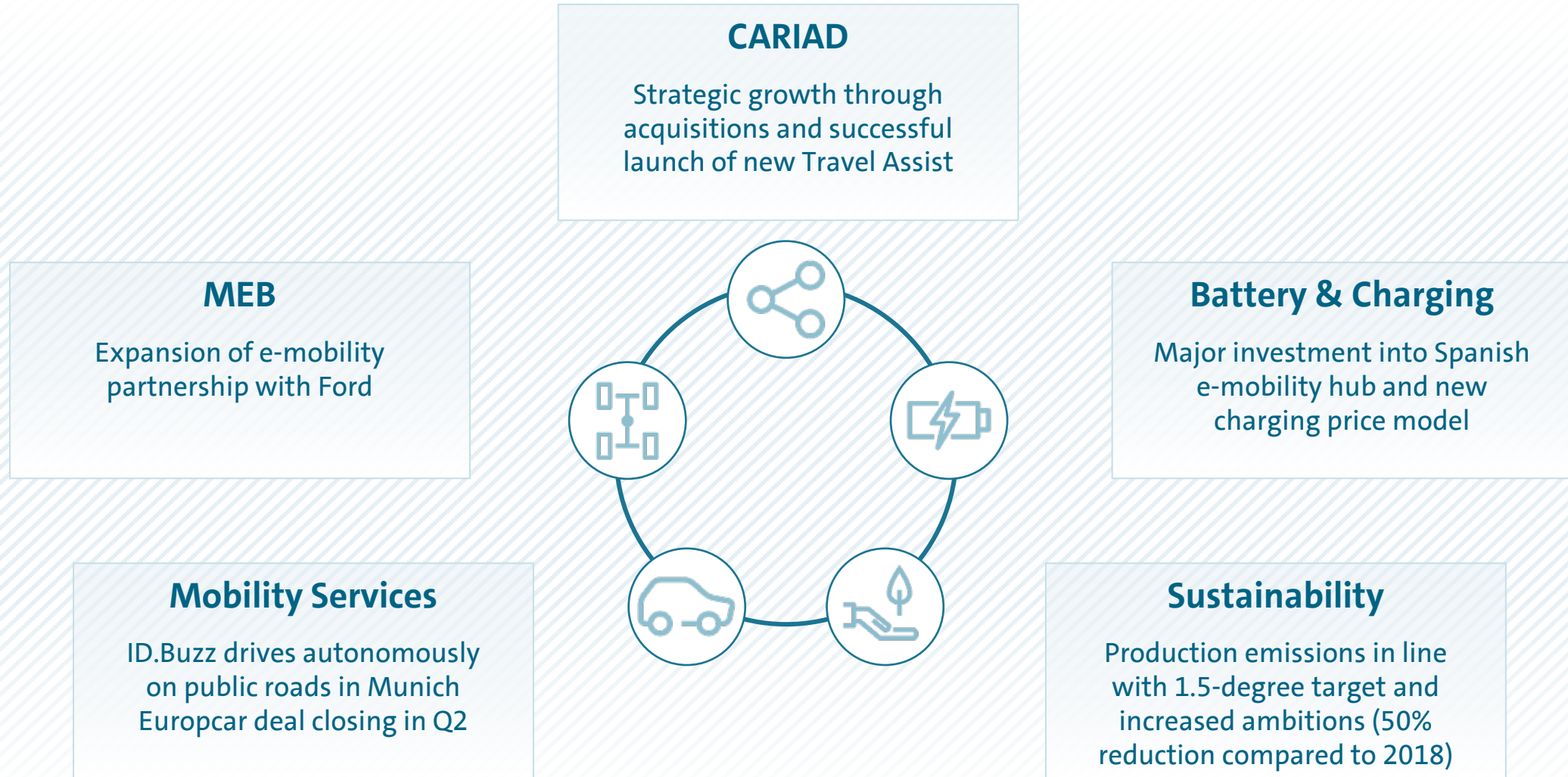
ILLUSTRATIVE



# NEW AUTO strategy: From a classic OEM to a vertically integrated mobility company



# Transformation: Five major proof points





# Key Highlights Q1 2022



**Further robustness demonstrated in Q1 2022 despite ongoing semiconductor shortage, wiring harness supply bottlenecks, resurgence of COVID-19 in certain regions and volatile raw material costs**

- Sales revenues only slightly down (adj. for first time consolidation of Navistar) despite further decline in unit sales (-340K)
- Operating profit before positive fair value measurements outside hedge accounting above Q1 21
- Overhead costs fully in our sight while keeping investments in transformation high



**Start of BEV plants Emden and Chattanooga in 2022 according to plan**

- BEV production in 3 core regions will drive scale and efficiency up



**Science Based Targets initiative confirms increased 1.5 degrees climate targets in production**

Volkswagen ID.5



Porsche Taycan GTS Sport Turismo



Volkswagen ID. Buzz



Škoda Enyaq iV Coupé



Audi A6 Avant e-tron



**New Auto**

Škoda Enyaq iV Coupé: Power consumption combined: 14.0 kWh/100km (NEDC), CO2 emissions combined: 0g/km, CO2 efficiency class: A+++

Porsche Taycan GTS Sport Turismo: Power consumption combined: 26.0 kWh/100km (NEDC), CO2 emissions combined: 0g/km, CO2 efficiency class: A+++

ID.5/ID.Buzz: Vehicles are near-production concept cars

Audi A6 Avant e-tron: Concept car

# Supply Chain Disruptions due to COVID-19 and geopolitical Tensions

## Countermeasures implemented

### War in the Ukraine

- War in the Ukraine led to supply disruptions and production stoppages at key wiring harness suppliers
- Supporting our partners was top priority before taking countermeasures
  - Duplicating production to other countries as backup to existing capacity
  - Increasing the production of purchased parts at other suppliers
  - Securing logistics chains

### Semiconductor bottlenecks

- Q1 2022 continued to be affected by shortfalls in supply due to the structural shortage of semiconductors
- We anticipate that the supply of chips will improve in H2 2022, compared with H1 2022 by
  - Increased transparency in the value chain
  - Structural changes in contractual agreements
  - Increasing supply channel effectiveness

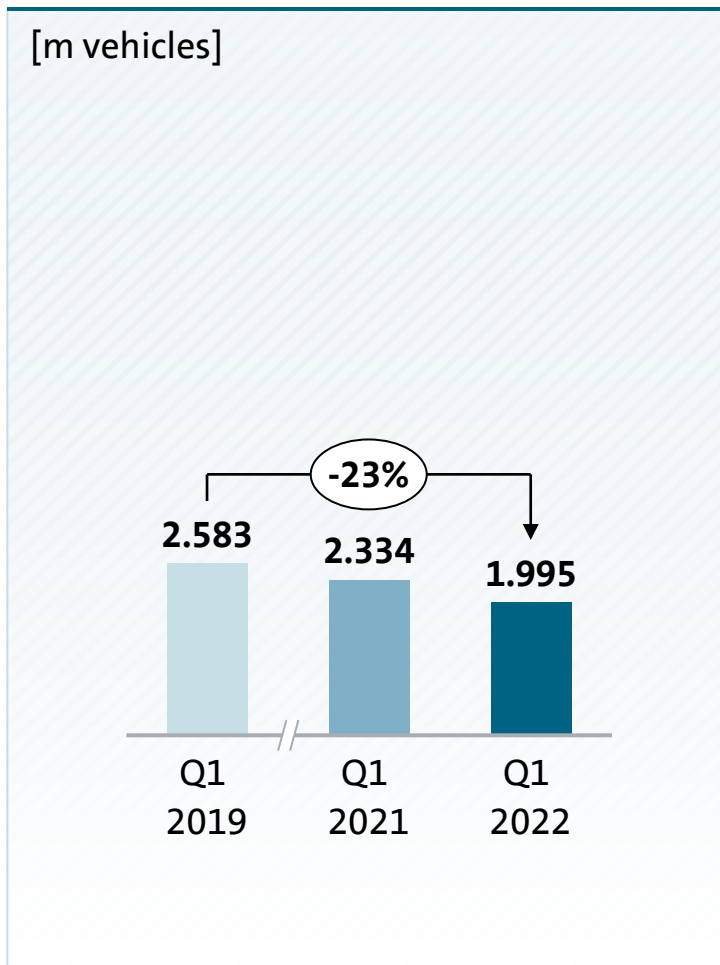
### COVID in China

- Resurgence of COVID-19 pandemic and zero COVID policy started to impact operations in March 2022
- Currently we are securing critical logistic routes and organize stock piling of critical parts to ensure rapid production ramp up
- Production catch-up program initiated

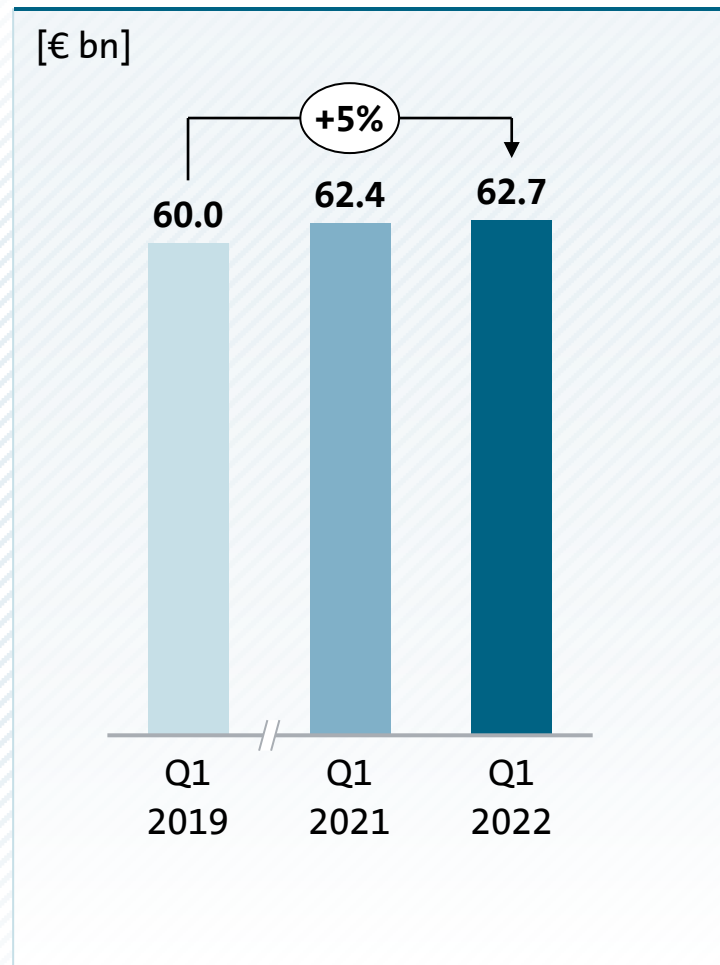
# Solid Figures Despite lower Sales are Testimony to our robust Business Model

## January to March 2019 vs. 2021 vs. 2022

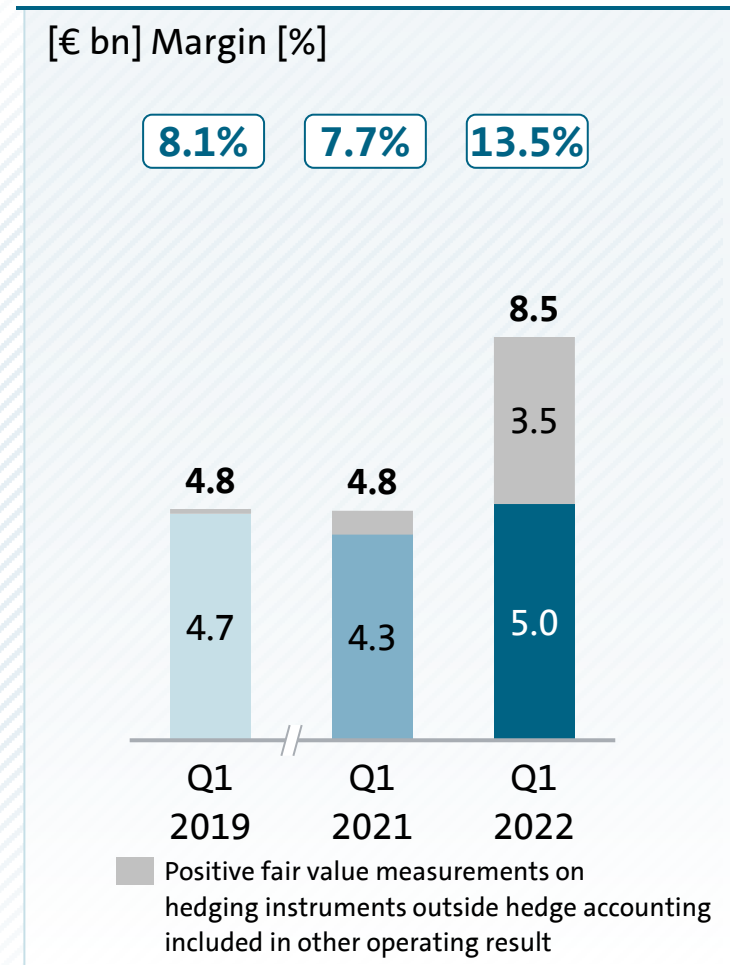
### Vehicles Sales



### Sales Revenue



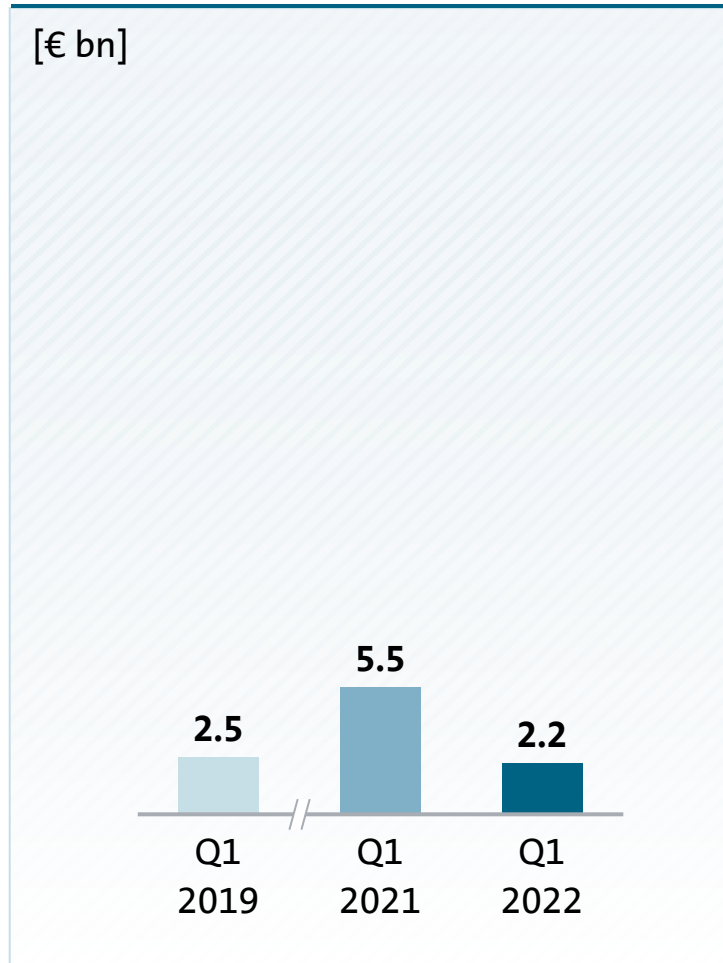
### Operating Profit <sup>1</sup> and Margin



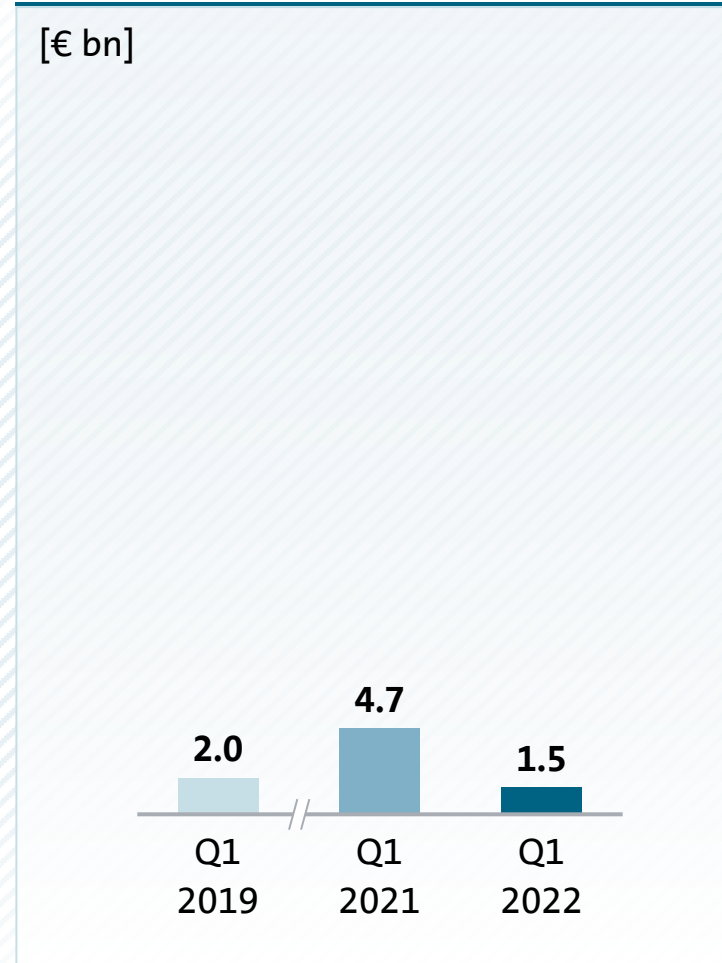
<sup>1</sup> before special items

# Automotive Clean Net Cash in Q1 impacted by negative Changes in Working Capital; Automotive Net Liquidity up January to March 2019 vs. 2021 vs. 2022

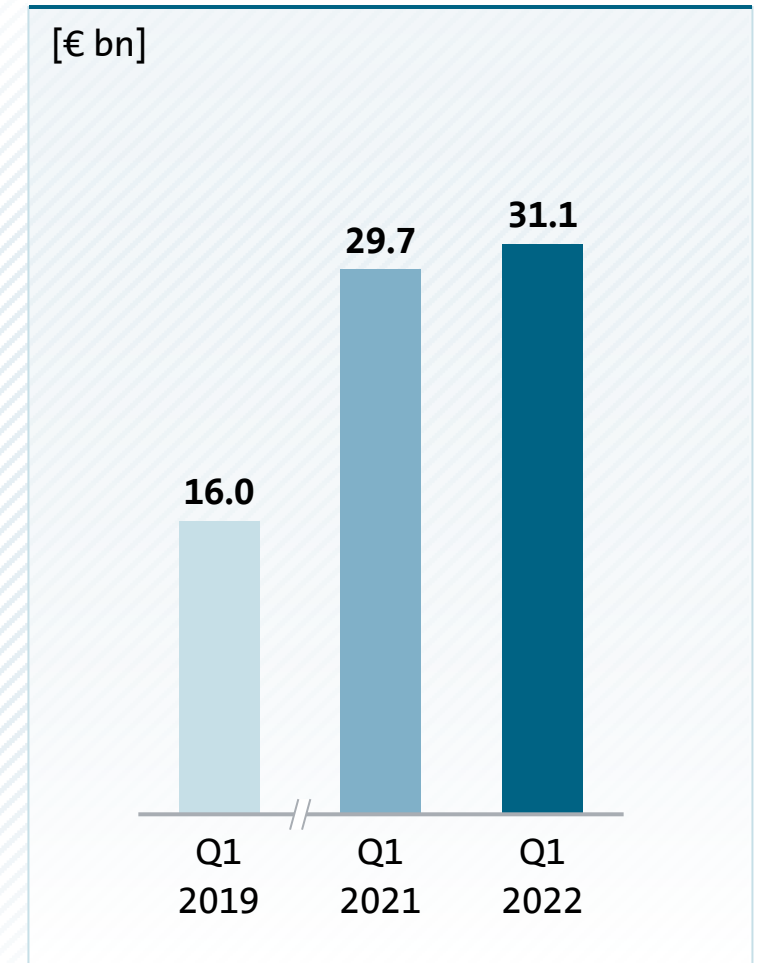
### 'Clean' Net Cash Flow <sup>1,2</sup>



### Reported Net Cash Flow <sup>1</sup>



### Net Liquidity <sup>1</sup>



<sup>1</sup> Automotive Division

<sup>2</sup> Reported net cash flow before M&A and Diesel payments

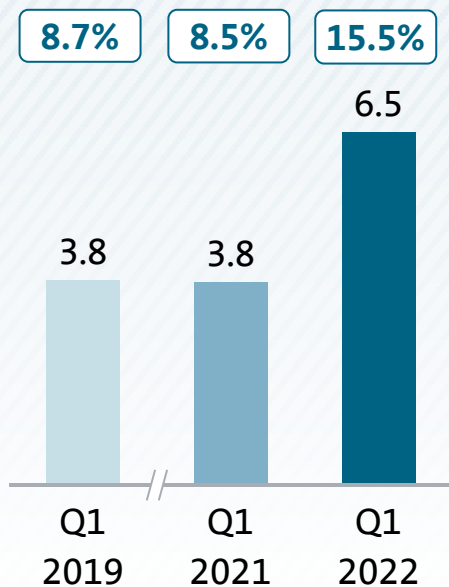
# Solid Margins in all Divisions

January to March 2019 vs. 2021 vs. 2022

## Automotive Division

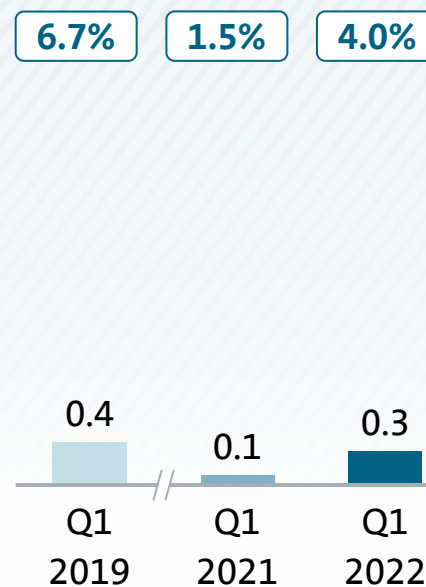
### Passenger Cars<sup>1, 2</sup>

EBIT [€ bn]  
incl. Margin [%]



### Commercial Vehicles<sup>3)</sup>

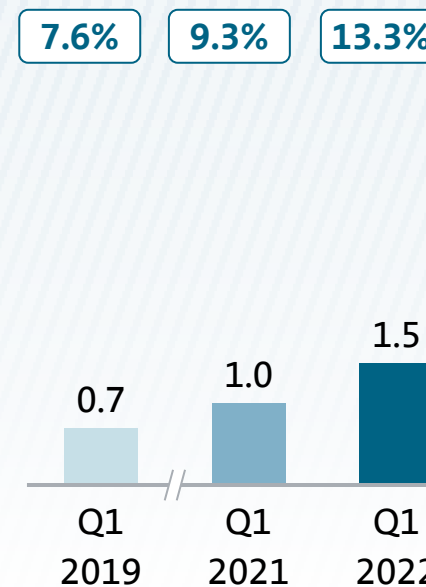
EBIT [€ bn]  
incl. Margin [%]



## Financial Services Division

### Financial Services

EBIT [€ bn]  
incl. Margin [%]



<sup>1</sup> before special items

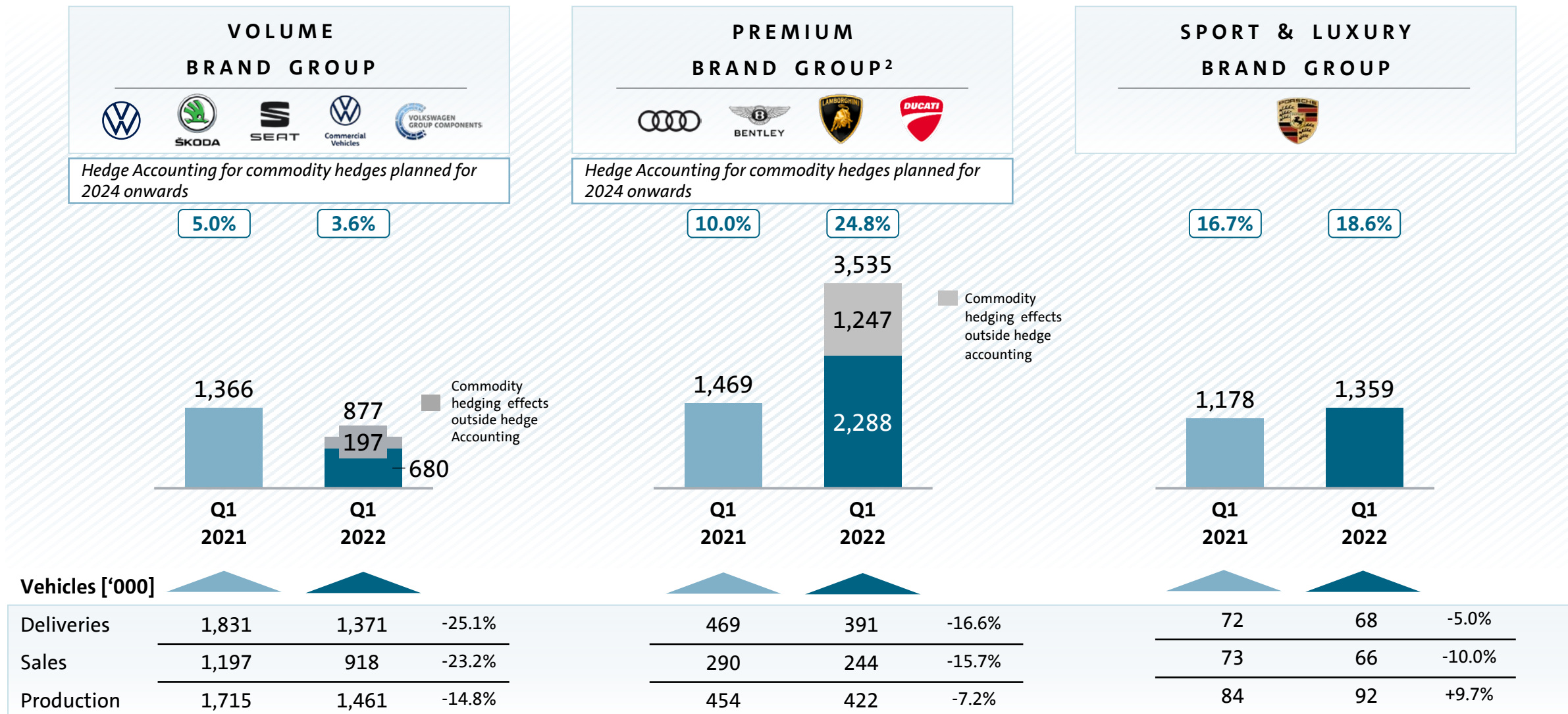
<sup>2</sup> Passenger Cars = Automotive Division ./. Commercial Vehicles, Power Engineering

<sup>3</sup> TRATON excluding Financial Services

# Passenger Cars – Brand Group Performance

## January to March 2021 vs. 2022

EBIT <sup>1</sup> [€ m] incl. Margin [%]



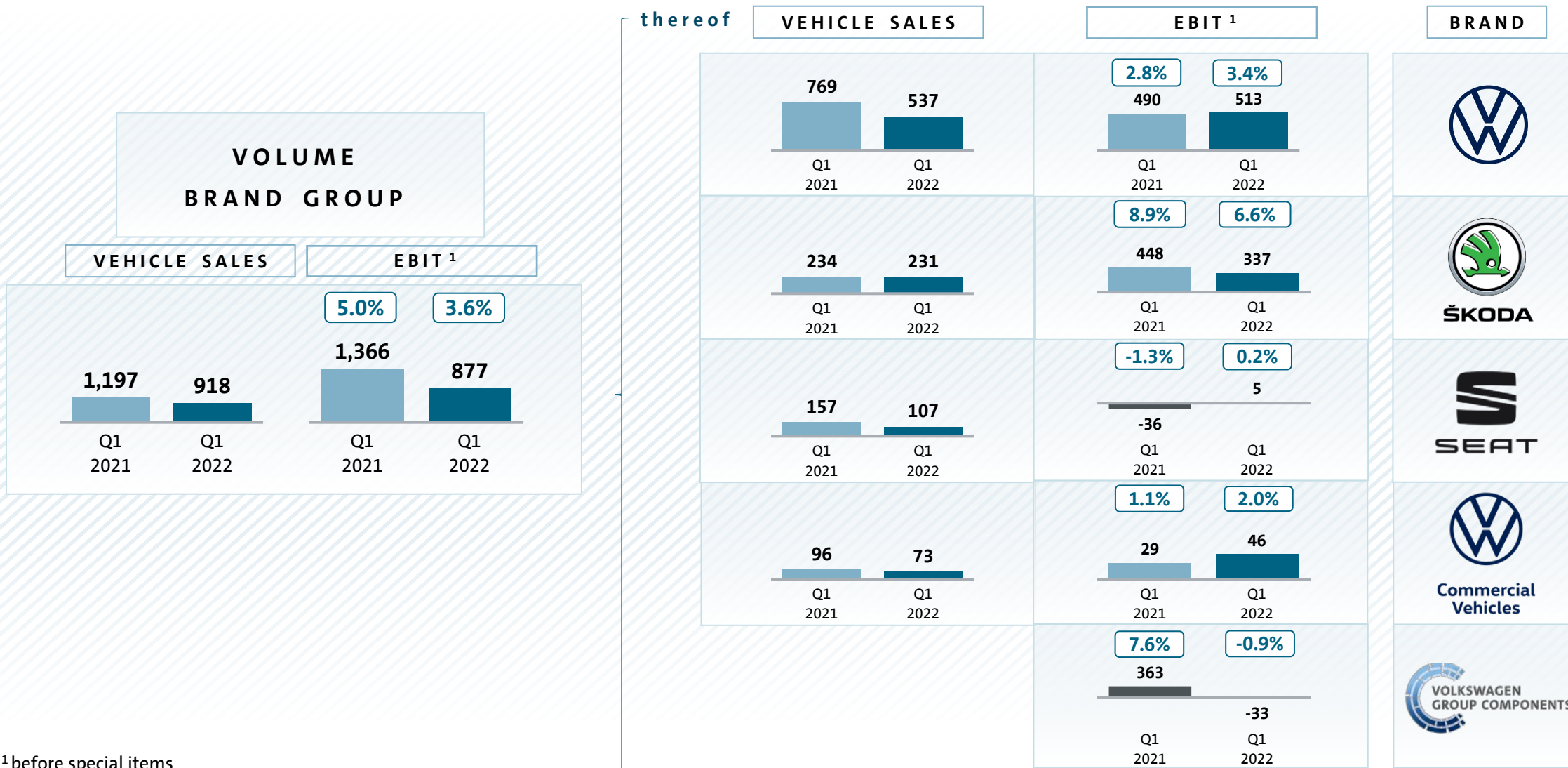
<sup>1</sup> before special items    <sup>2</sup> The previous year's figures were calculated by means of a simple addition with the Bentley figures

Note: Commodity hedging effects outside hedge accounting: 1,538m € relate to the VW Group holding; shown in 'other line' in table 'key figures' by brands and business fields

# Passenger Cars – Volume Brand Group Performance

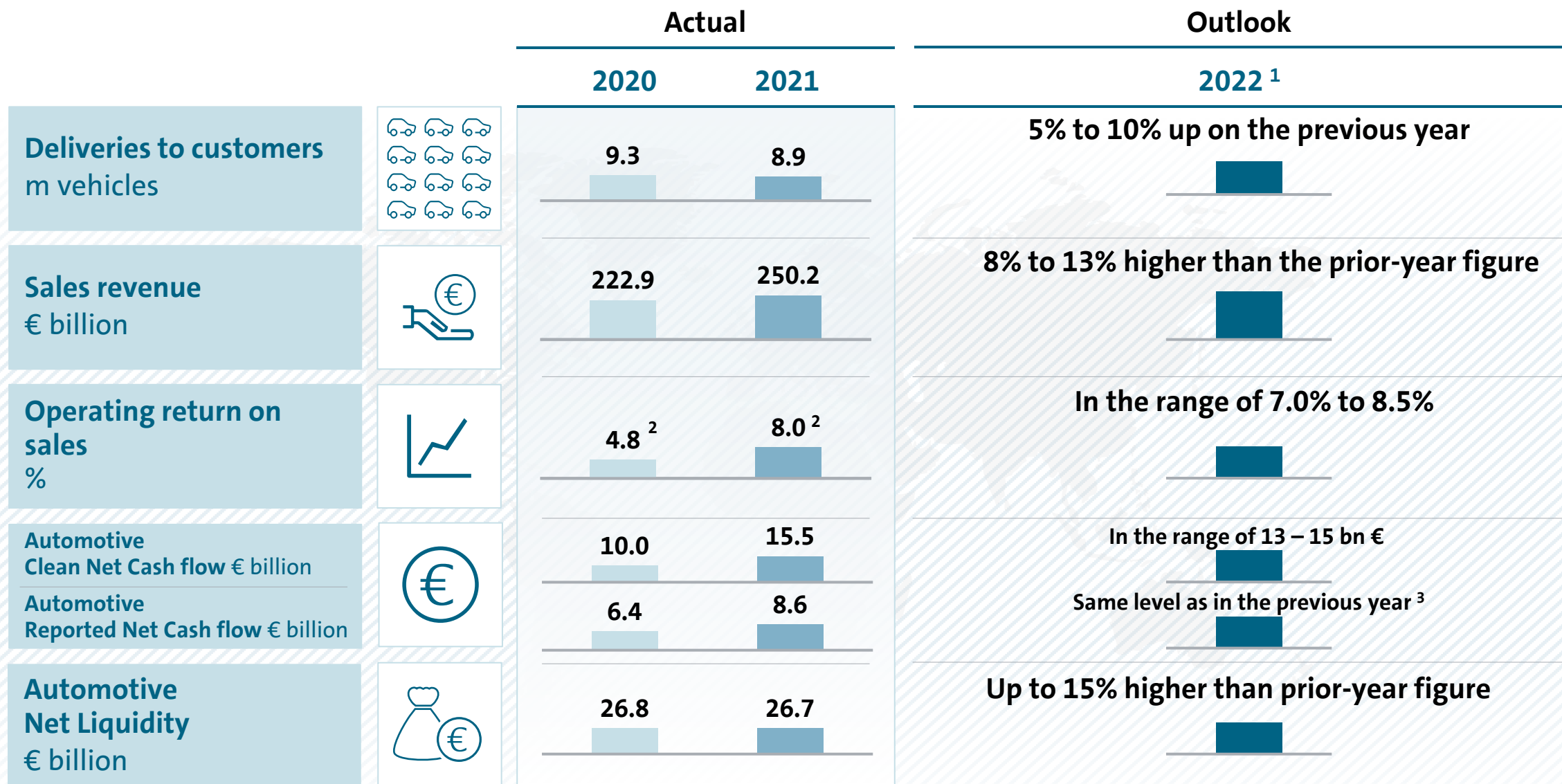
## January to March 2021 vs. 2022

EBIT <sup>1</sup> [€ m] incl. Margin [%], Vehicle Sales ['000]



<sup>1</sup> before special items

# Volkswagen Group – Outlook for 2022 <sup>1</sup> confirmed



<sup>1</sup> it is not yet possible to conclusively assess the specific effects of the latest developments in the Russia-Ukraine conflict on the Volkswagen Group's business, nor is it possible to predict with sufficient certainty to what extent further escalation of the Russia-Ukraine conflict will impact on the global economy and growth in the industry in fiscal year 2022

<sup>2</sup> before special items

<sup>3</sup> including any cash outflows in connection with the EU antitrust proceedings against Scania



# Proof Points of our Strategy – CFO Perspective

## Strategic CFO Targets

**Focused financial steering of the transformation**

(allocation of resources to future topics)



**Safeguarding and strengthening our financial foundation**

(... for continued investments in future technologies such as electrification, digital technology and autonomous driving)



## CFO Focus Areas

Focus on **product transformation towards electric**

**Digitalization: Advancing in software/services**

**Group-wide cost & efficiency programs**

**Capturing group-wide synergies**

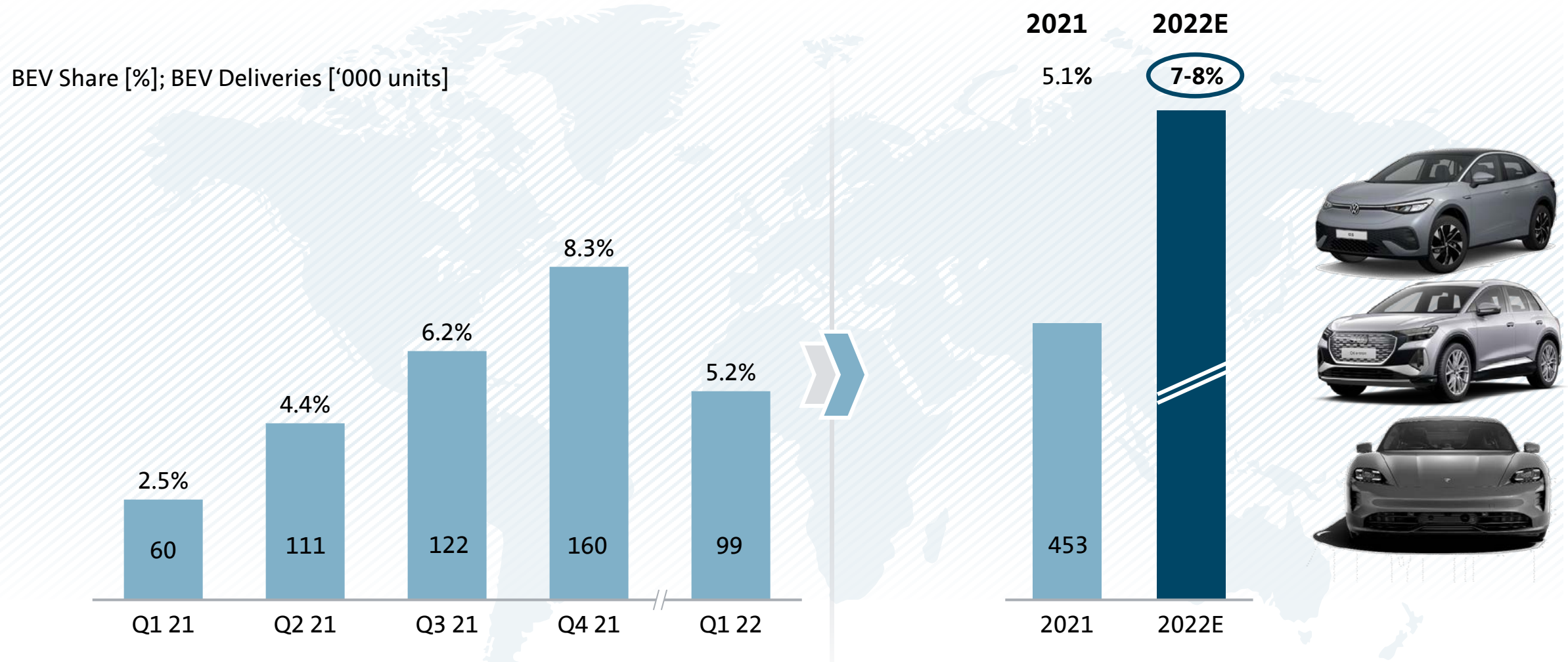
**Managing margins and Cash Flows**



*Acting based on integrity and values*

# BEV ramp up – Striving for Scale Effects

## 2021, Q1 2022 and Outlook



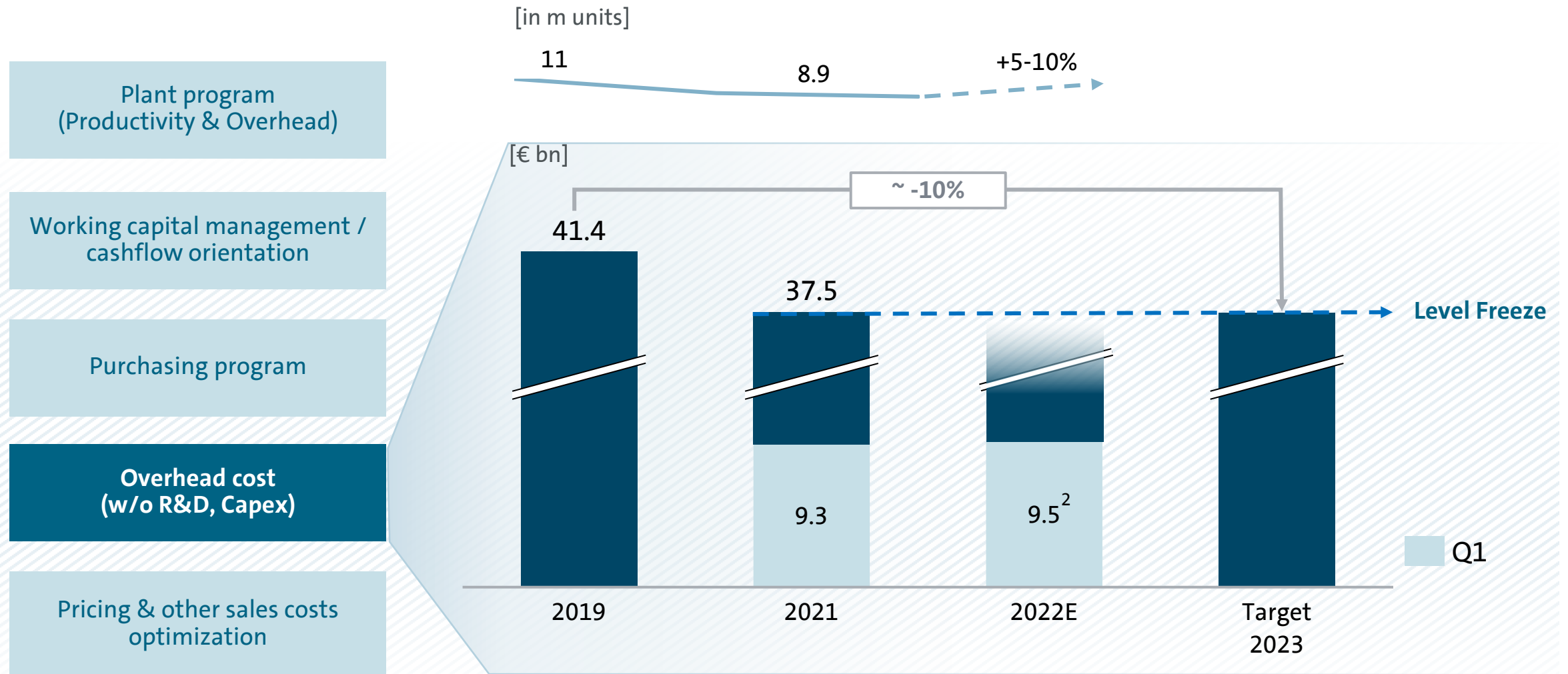
Volkswagen ID.5: Vehicle is a near-production concept car

Audi Q4 e-tron: Power consumption combined: 18.3–15.2 kWh/100 km (NEDC), CO<sub>2</sub> emissions combined: 0g/km, CO<sub>2</sub> efficiency class: A+++

Porsche Taycan GTS Sport Turismo: Power consumption combined: 26.0 kWh/100km (NEDC), CO<sub>2</sub> emissions combined: 0g/km, CO<sub>2</sub> efficiency class: A+++

# Financing the Transformation: Overhead Cost Program ahead of Schedule; so far allowing for compensation of Fix Cost Increase<sup>1</sup>

## Group-wide Overhead Cost Program (w/o R&D, CAPEX), Deliveries to customers



<sup>1</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts

<sup>2</sup> Thereof Passenger Cars €+ 0.1 bn y-o-y; Automotive Division €-0.2 bn y-o-y (Navistar not yet consolidated in Q1/21)

