

# **Live INVESTOR and ANALYST Audio Webcast and Conference Call**

October 29<sup>th</sup>, 2020

# **Interim Report**

January - September 2020

## Disclaimer

The following presentations contain forward-looking statements and information on the business development of the Volkswagen Group. These statements may be spoken or written and can be recognized by terms such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words with similar meaning. These statements are based on assumptions, 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. These assumptions relate in particular to the development of the economic, political, and legal environment in individual countries and economic regions and the development of the automotive industry. Therefore the estimates given involve a degree of risk, and the actual developments may differ from those forecast. The Volkswagen Group currently faces additional risks and uncertainty related to pending claims and investigations in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

The outbreak of COVID-19 (commonly referred to as coronavirus) has negatively impacted economic and social conditions in primary markets of Volkswagen, including China and Europe, as public, private, and government entities have implemented containment measures. The continued spread of COVID-19 has caused shortages of necessary materials and parts from suppliers directly or indirectly affected by the outbreak and has caused operational disruptions and interruptions at Volkswagen's production facilities, which led to production downtimes. The COVID-19 pandemic and the respective containment measures might continue to have a negative impact in the future.

A negative development relating to ongoing claims or investigations, the continuation of COVID-19, an unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, and trade disputes among major trading partners will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates in particular relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

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.



**Frank Witter**

Chief Financial Officer  
Volkswagen AG



**Dr. Christian Dahlheim**

Director Group Sales  
Volkswagen AG



**Helen Beckermann**

Head of Group Investor Relations  
Volkswagen AG

## Financial Highlights January – September 2020

**Volkswagen Group's business heavily impacted by Covid-19 pandemic in first nine months of 2020; countermeasures implemented worldwide take effect**

**Deliveries to Volkswagen Group customers down 18.7% at 6.5 (8.0) million vehicles; declines in all regions, passenger car market share increased**

**Group sales revenue decreases by 16.7% to €155.5 billion**

**Operating profit before special items down €12.4 billion year-on-year at €2.4 billion; demand-related fall in volumes; negative effects of fair value measurement of derivatives to which hedge accounting is not applied and of exchange-rate factors set against non-cash gain on the contribution of AID to the autonomous driving joint venture with Ford**

**Positive operating result of €1.7 (13.5) billion; negative special items of €-0.7 (-1.3) billion relating to diesel issue**

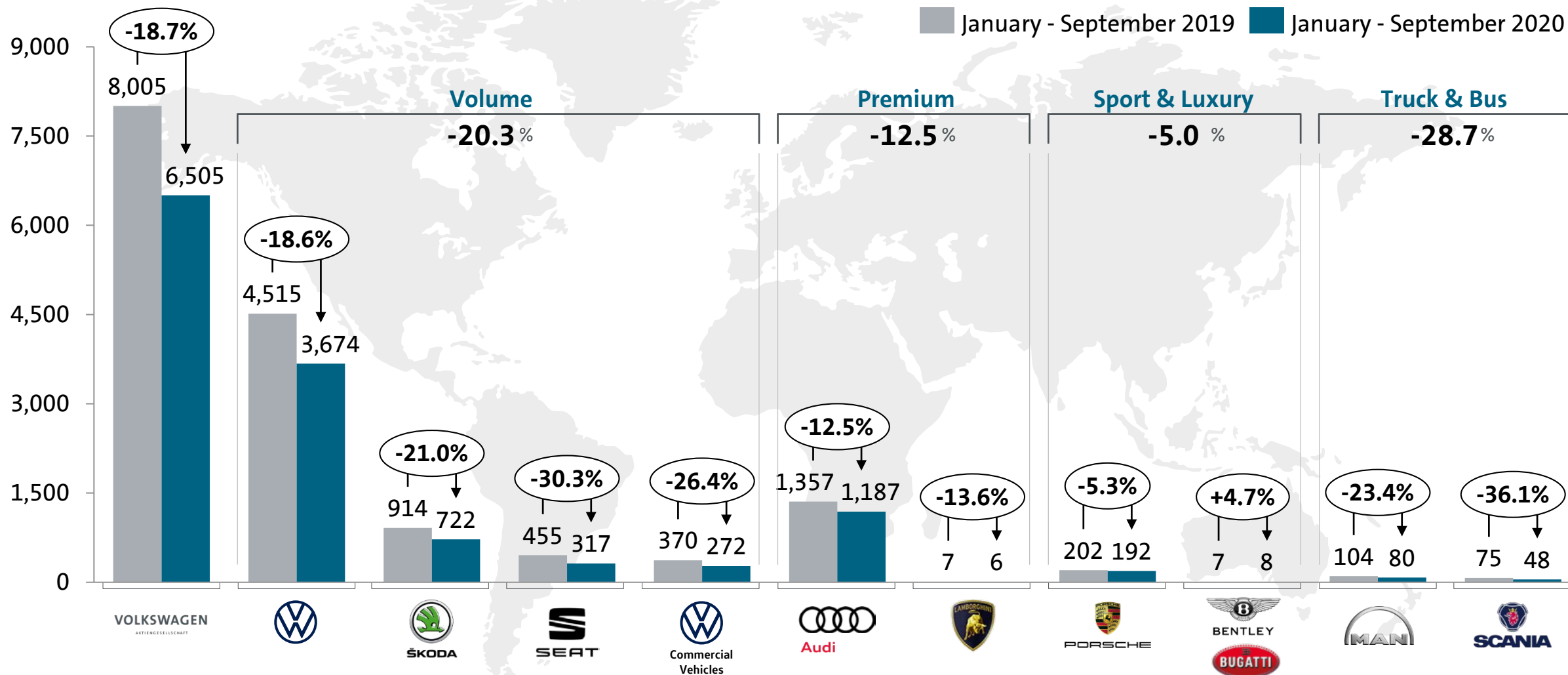
**Profit before tax comes to €2.3 (14.6) billion**

**Automotive Division's net cash flow at €1.4 (8.6) billion; and reflects the normalization in working capital throughout the entire nine-month period; capex ratio of 5.1 (5.2)%**

**Net liquidity in the Automotive Division at €24.8 billion; successful placement of hybrid notes strengthens capital base; dividend payment of €2.4 billion in October**

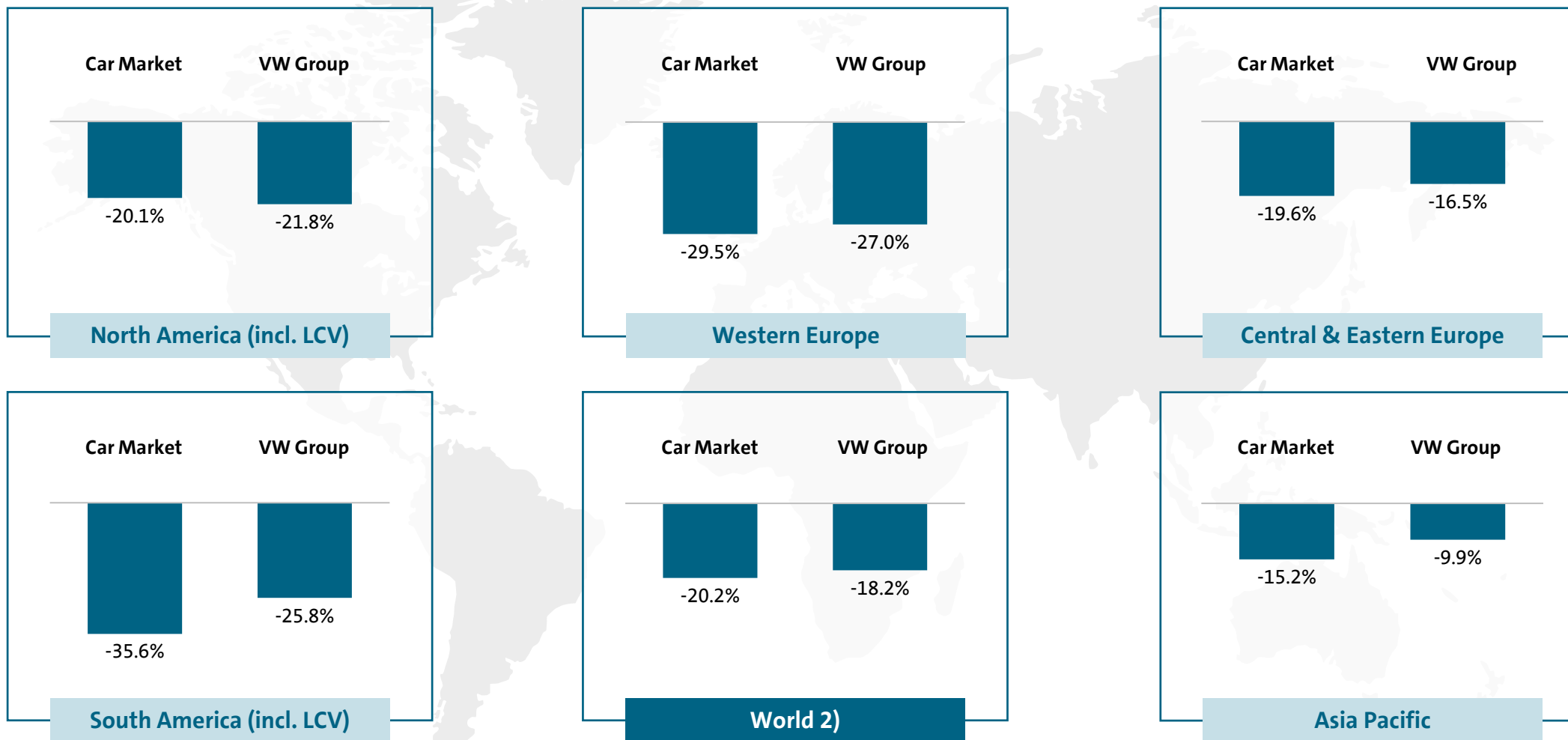
# Volkswagen Group – Deliveries to Customers by Brands <sup>1)</sup> (January to September 2020 vs. 2019)

[thsd. units]



<sup>1)</sup> Volkswagen Group excl. Ducati

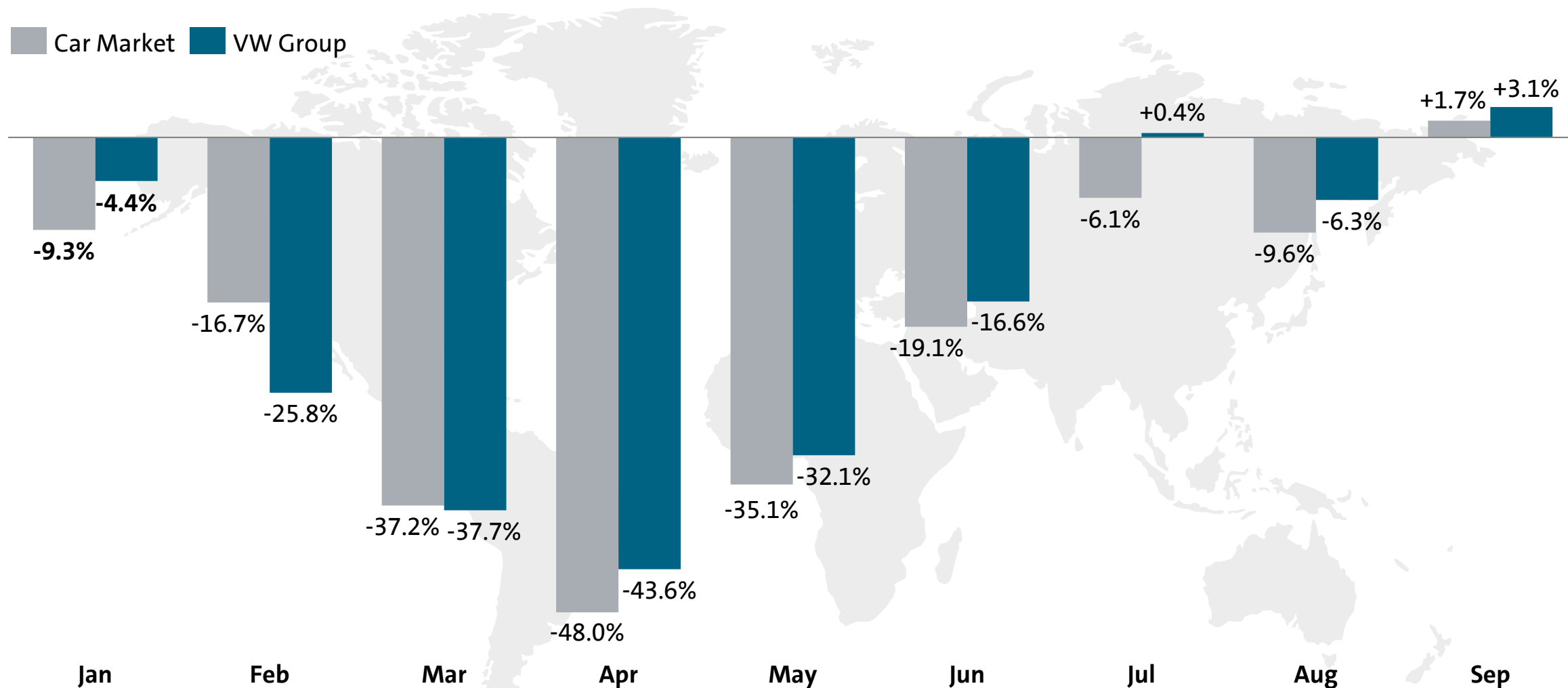
# Development World Car Market vs. Volkswagen Group Car Deliveries to Customers by Regions <sup>1)</sup> (Growth y-o-y, January to September 2020 vs. 2019)



<sup>1)</sup> Volkswagen Group Passenger Cars excl. Volkswagen Commercial Vehicles <sup>2)</sup> incl. LCV in North America & South America

# Development World Car Market vs. Volkswagen Group Car Deliveries to Customers <sup>1)</sup>

(Growth y-o-y, January to September 2020 vs. 2019)



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## E-mobility: ID.4

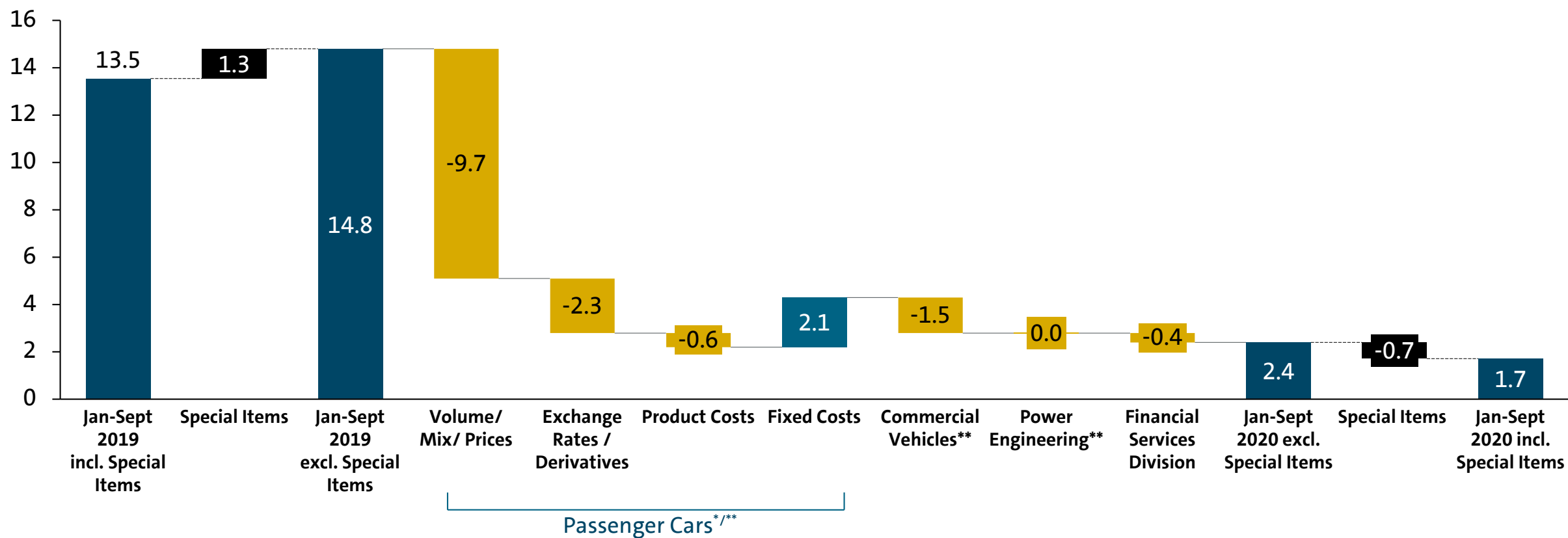


ID. 3, 150 kW / combined power consumption in kWh/100 km: 15.4 – 13.5; combined CO<sub>2</sub> emissions in g/km: 0; efficiency class: A+  
ID. 4, 150 kW / combined power consumption in kWh/100 km: 16.9 – 16.2; combined CO<sub>2</sub> emissions in g/km: 0; efficiency class: A+



# Volkswagen Group – Analysis of Operating Profit <sup>1)</sup> (January to September 2020)

[€ billion]



<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. \*) without FS \*\*) including PPA

# Volkswagen Group – Analysis by Business Line <sup>1)</sup>

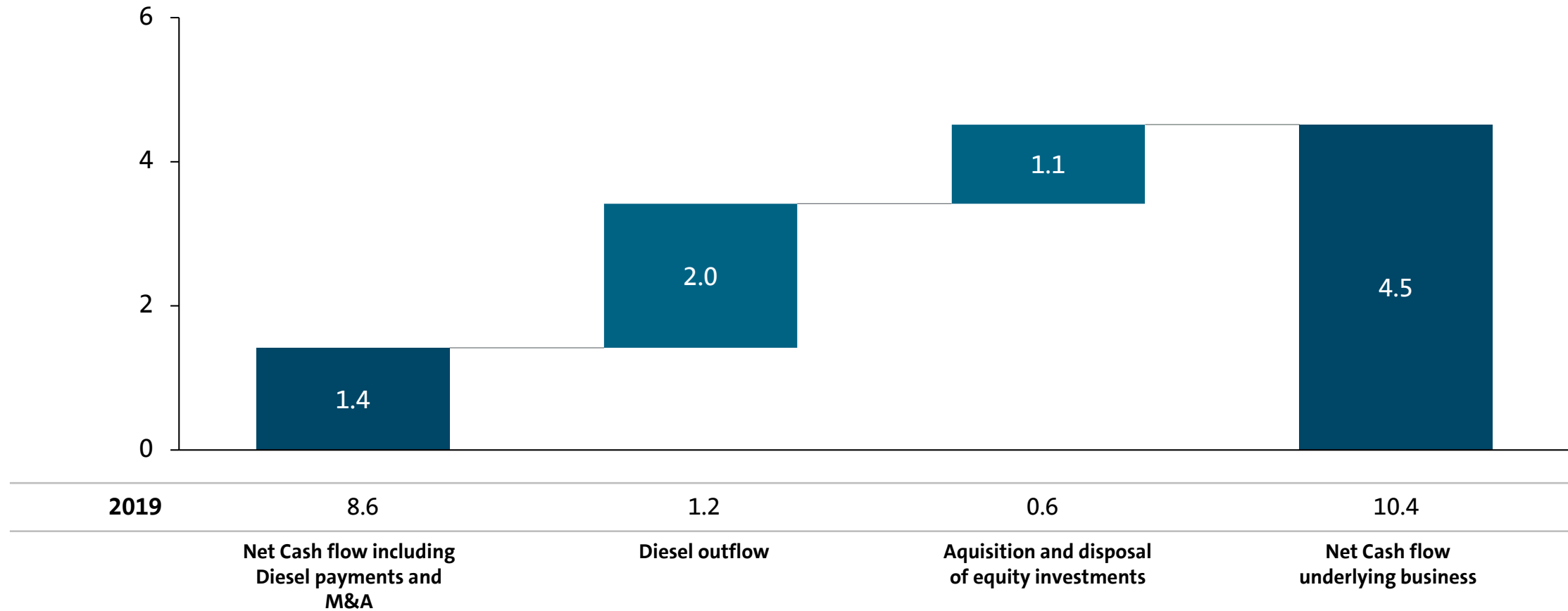
## (January to September 2020)

	Vehicle sales		Sales revenue		Operating profit		Operating margin	
	2020	2019	2020	2019	2020	2019	2020	2019
thousand vehicles / € million / percentage								
Volkswagen Passenger Cars	1,896	2,754	47,184	65,447	-969	3,152	-2.1%	4.8%
Audi	682	900	33,264	41,332	221	3,239	0.7%	7.8%
ŠKODA	596	805	12,038	14,811	469	1,175	3.9%	7.9%
SEAT	319	517	6,043	8,828	-290	248	-4.8%	2.8%
Bentley	8	7	1,397	1,306	-52	65	-3.7%	5.0%
Porsche Automotive <sup>2)</sup>	181	205	17,482	18,666	1,884	3,200	10.8%	17.1%
Volkswagen Commercial Vehicles	250	344	6,674	8,756	-362	497	-5.4%	5.7%
Scania <sup>3)</sup>	49	76	8,094	10,427	419	1,209	5.2%	11.6%
MAN Commercial Vehicles	80	104	7,461	9,175	-461	297	-6.2%	3.2%
Power Engineering	-	-	2,749	2,873	66	91	2.4%	3.2%
VW China <sup>4)</sup>	2,462	2,815	-	-	-	-	-	-
Other <sup>5)</sup>	-211	-543	-15,494	-22,949	-176	-411	-	-
Volkswagen Financial Services	-	-	28,595	27,946	1,632	2,035	-	-
<b>Volkswagen Group before Special Items</b>	-	-	-	-	2,380	14,795	<b>1.5%</b>	<b>7.9%</b>
Special Items	-	-	-	-	-687	-1,257		
<b>Volkswagen Group</b>	<b>6,311</b>	<b>7,983</b>	<b>155,486</b>	<b>186,617</b>	<b>1,693</b>	<b>13,539</b>	<b>1.1%</b>	<b>7.3%</b>
Automotive Division <sup>6)</sup>	6,311	7,983	125,301	157,031	-95	11,313	-	-
of which: Passenger Cars	6,182	7,803	107,132	134,666	185	10,103	-	-
of which: Commercial Vehicles	129	180	15,419	19,491	-180	1,307	-	-
of which: Power Engineering	-	-	2,749	2,873	-101	-98	-	-
Financial Services Division	-	-	30,185	29,587	1,789	2,226	-	-

<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. <sup>2)</sup> Porsche (Automotive and Financial Services): sales revenue € 19,406 (20,490) million, operating profit € 2,011 (3,346) million. <sup>3)</sup> Scania (Automotive and Financial Services): sales revenue € 8,414 (10,762) million, operating profit € 501 (1,314) million. <sup>4)</sup> The sales revenue and operating profits of the joint venture companies in China are not included in the figures for the Group. These Chinese companies are accounted for using the equity method and recorded a proportionate operating profit of € 2,632 (3,187) million. <sup>5)</sup> In operating profit mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation for Scania, Porsche Holding Salzburg, MAN and Porsche. <sup>6)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

# Automotive Division – Net Cash Flow <sup>1)</sup> (January to September 2020)

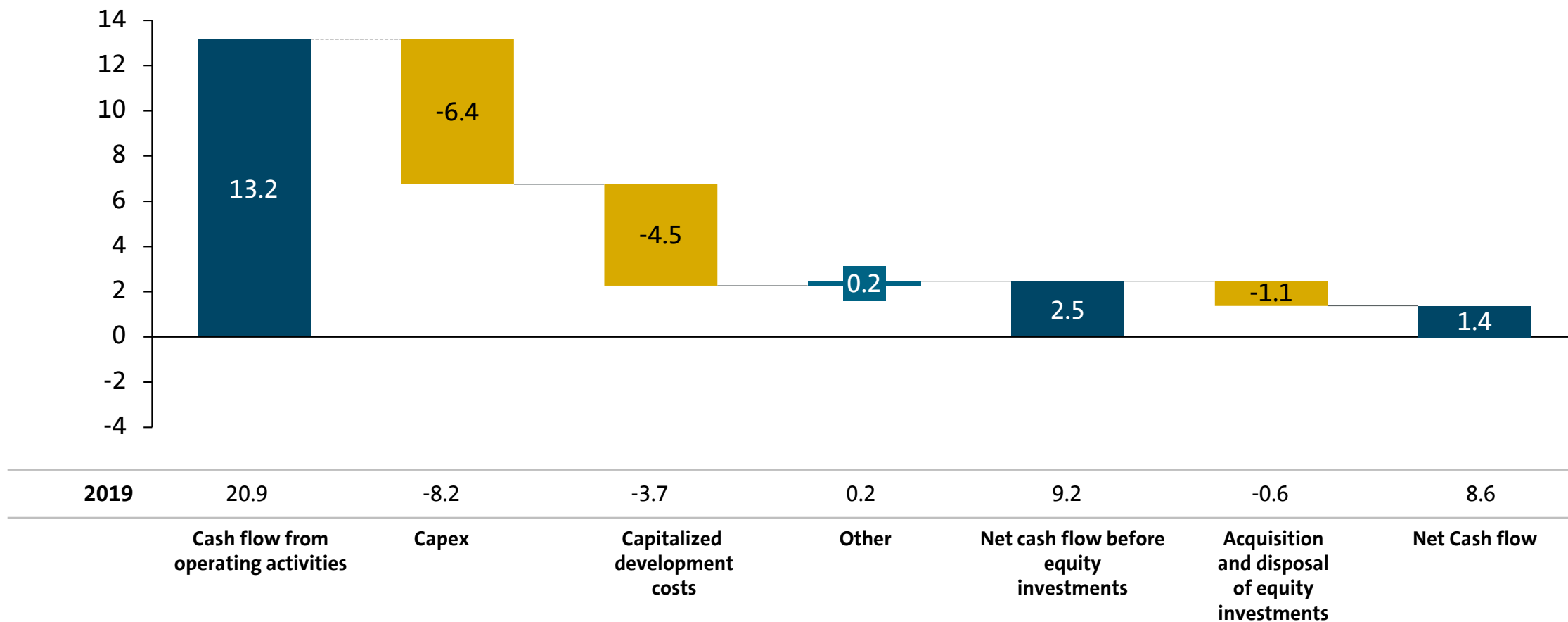
[€ billion]



<sup>1)</sup>Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

# Automotive Division – Net Cash Flow Development <sup>1)</sup> (January to September 2020)

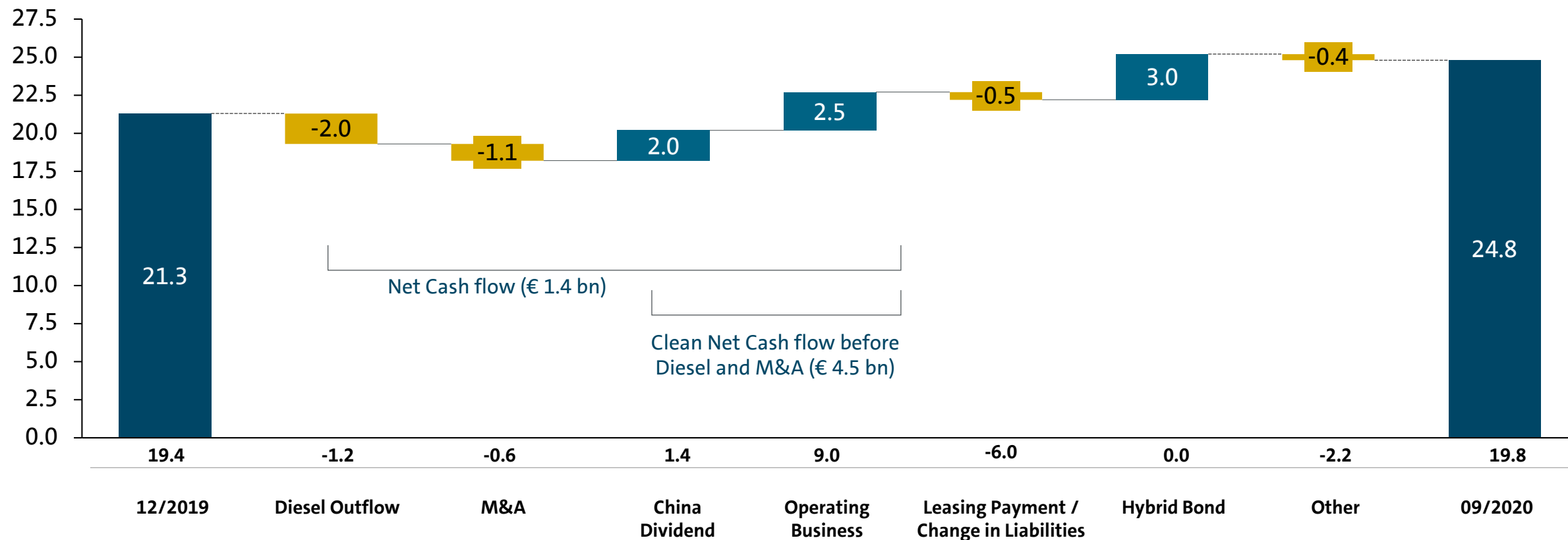
[€ billion]



<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

# Automotive Division – Analysis of Net Liquidity <sup>1)</sup> (January to September 2020)

[€ billion]

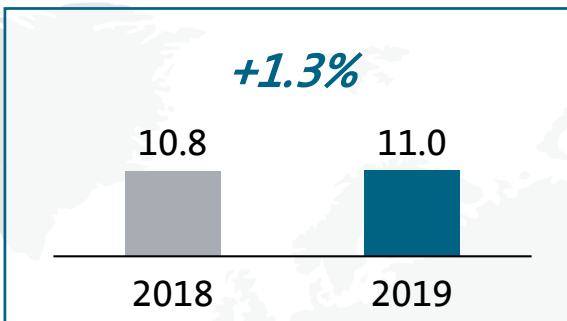


<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts.

# Volkswagen Group – Outlook for 2020



**Deliveries to customers**  
(*'000 vehicles*)

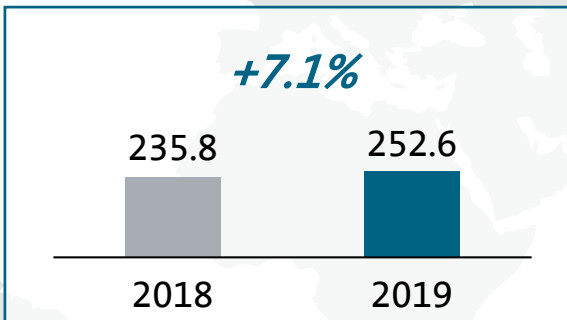


**Significantly below prior year**

**2020**

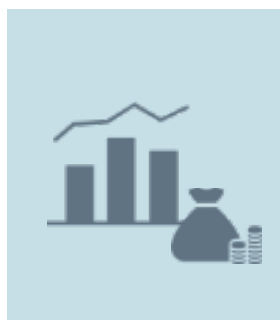


**Sales revenue**  
(*€ billion*)

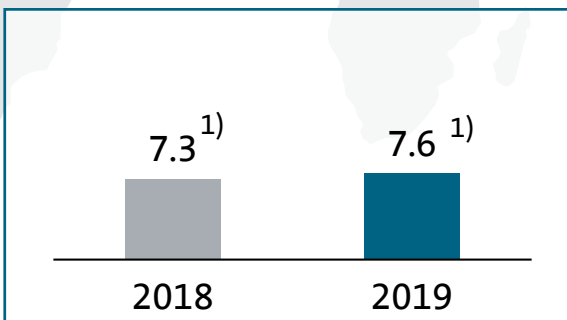


**Significantly below prior year**  
*with exception of Financial Services:*  
*on similar level as prior year*

**2020**



**Operating return on sales**  
(*%*)



**Operating result (before and including Special Items) severely below prior year**  
**However, positive**

**2020**

<sup>1)</sup> Before Special Items.