

VOLKSWAGEN

Leading the Transformation.

Investor and Analyst Conference Call Q1 2022

May 4, 2022



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Board of Management
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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.

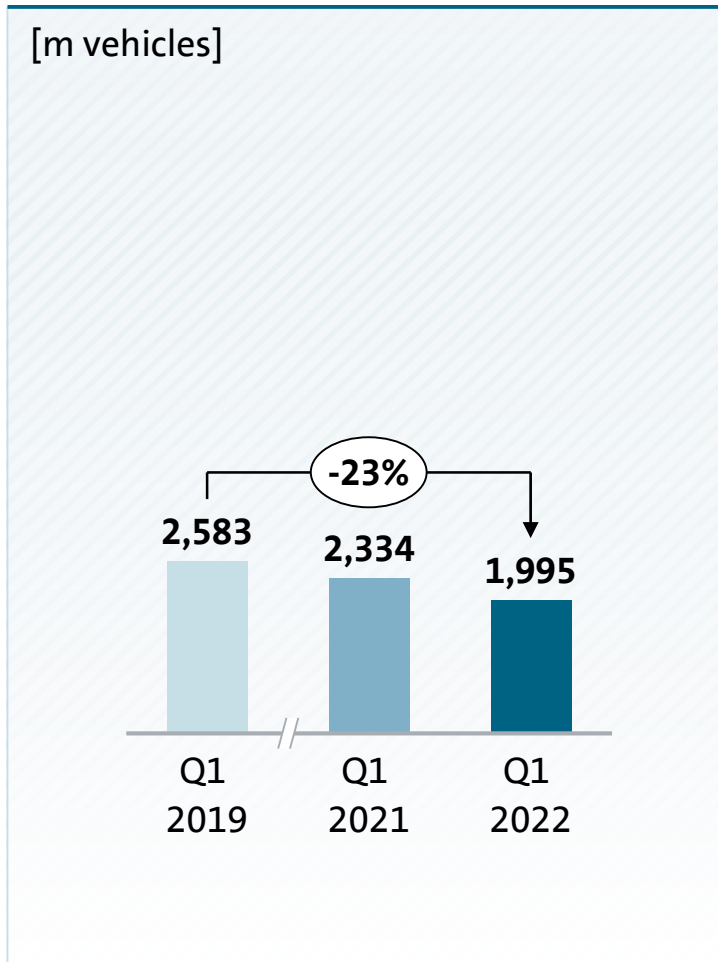
We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

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

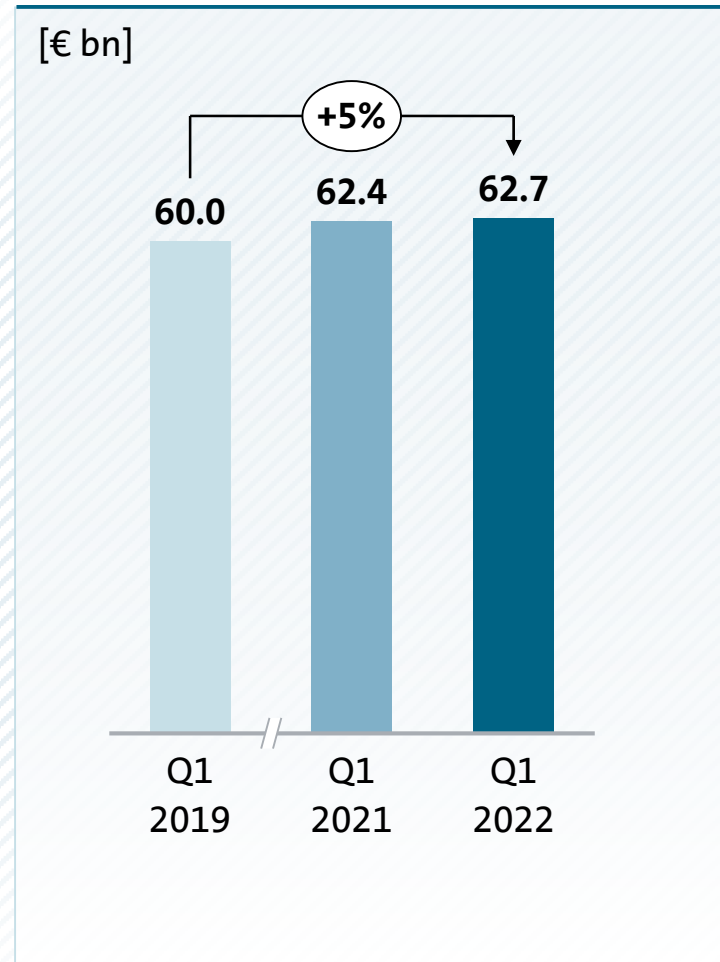
Solid figures reflect robust business model, despite lower vehicle sales

January to March 2019 vs. 2021 vs. 2022

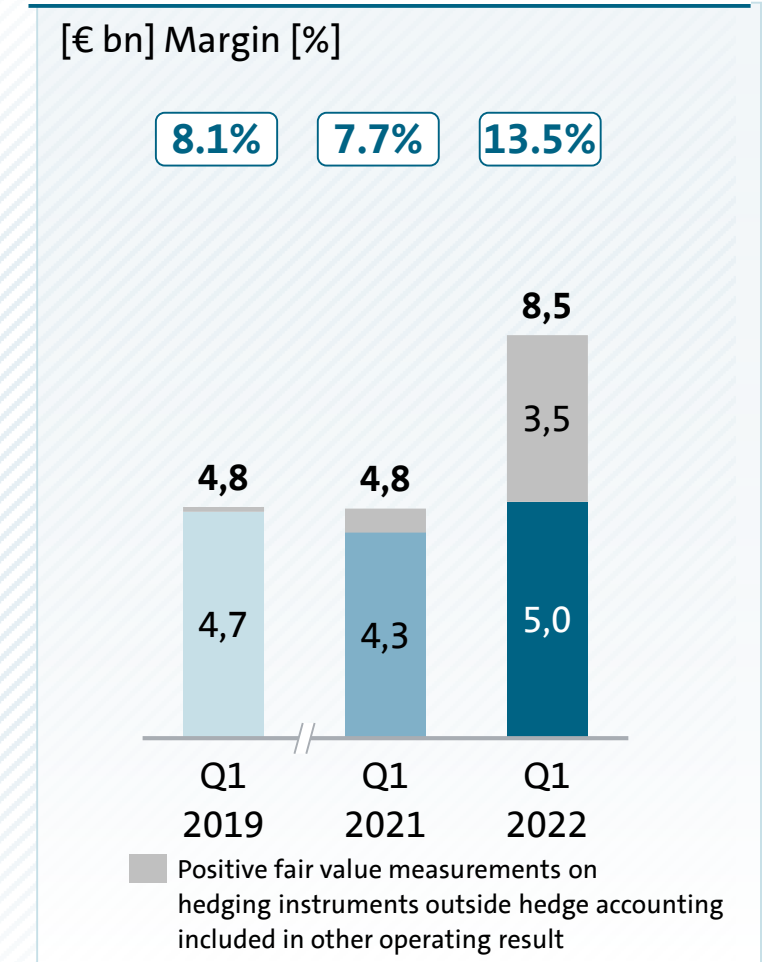
Vehicle Sales



Sales Revenue



Operating Profit ¹ and Margin



¹ before special items

Midterm 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

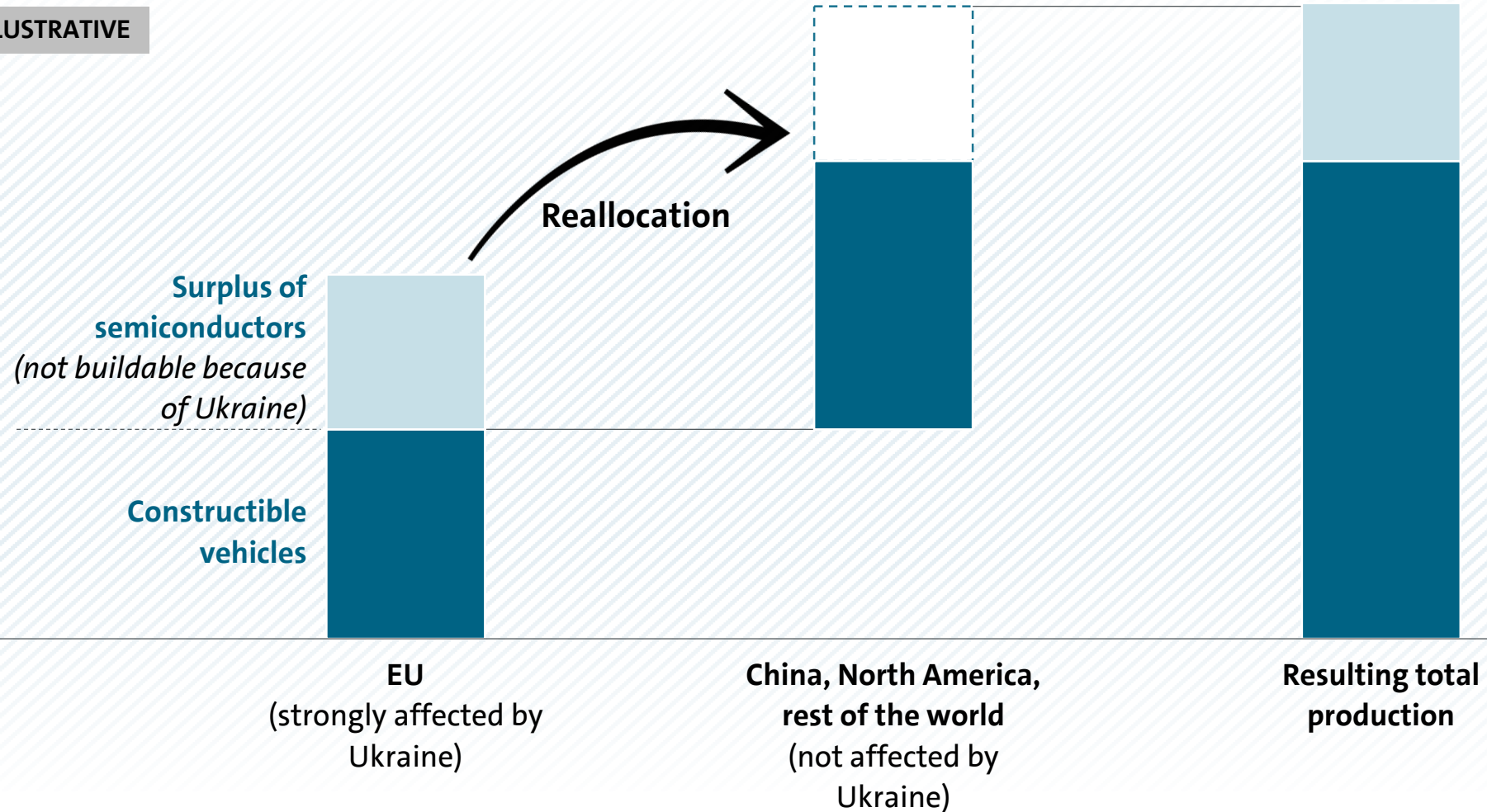
Accelerated NEV-transition in China

- **In Q1 29.000 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**

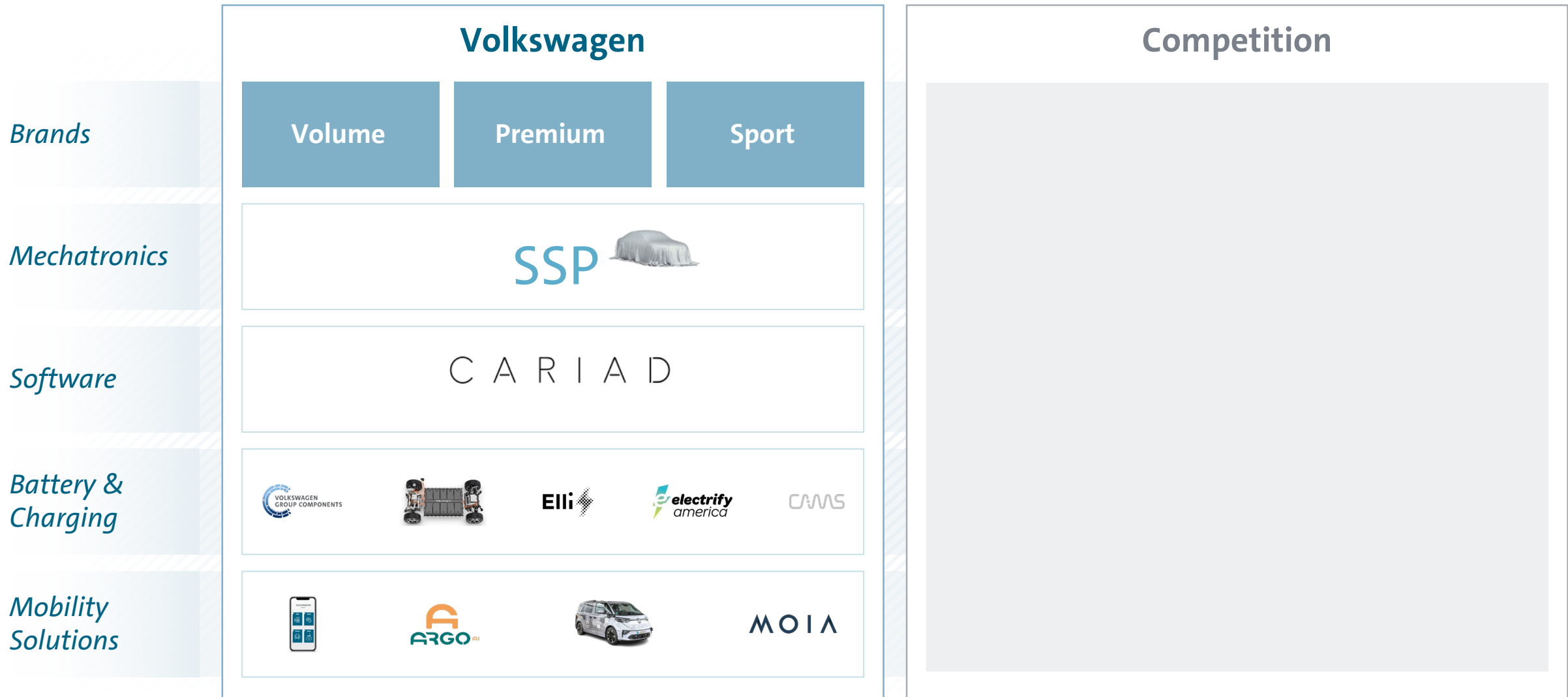
Short term measures: Adaptation to dynamic market environment

Reallocation logic

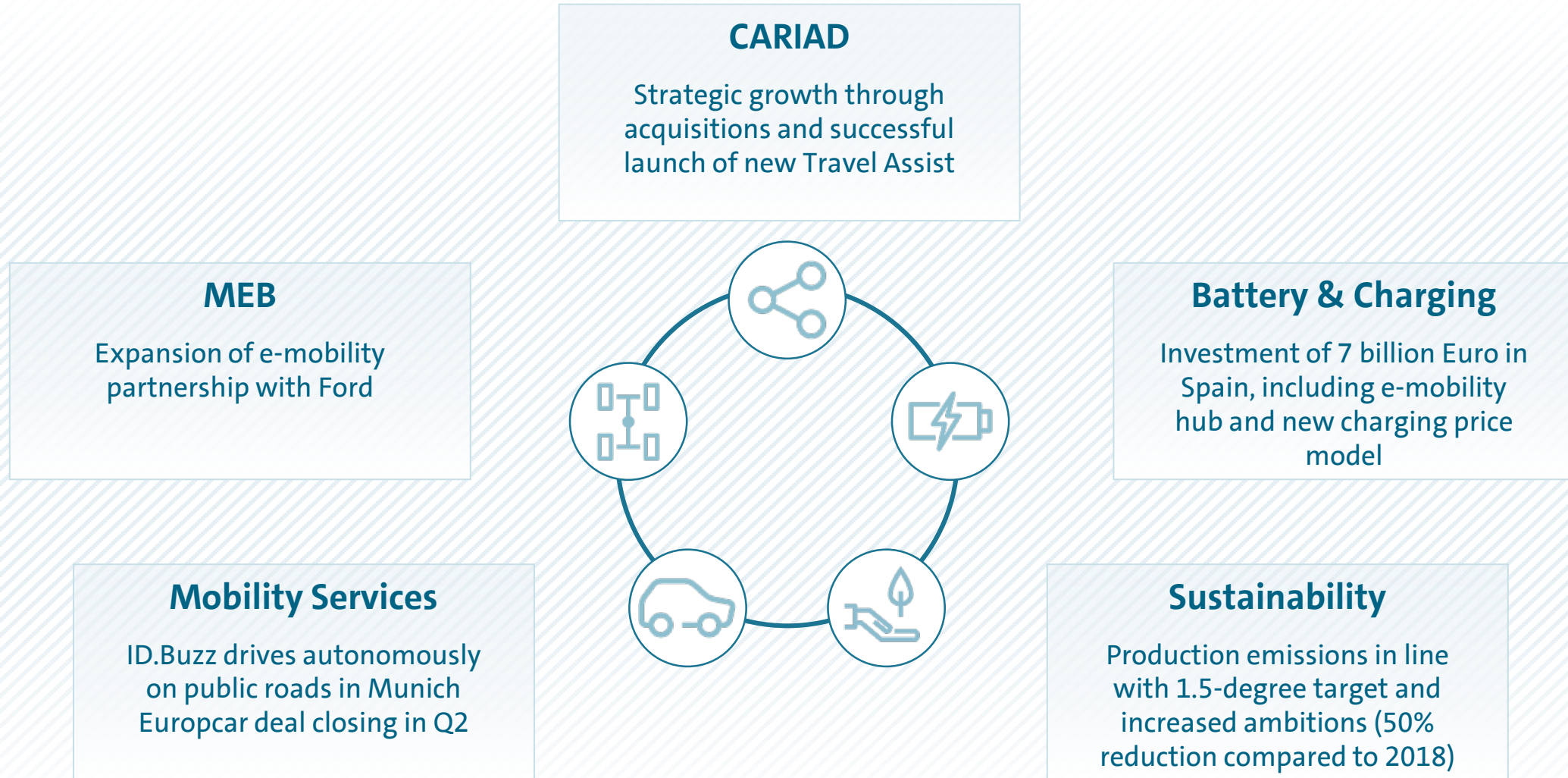
ILLUSTRATIVE



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

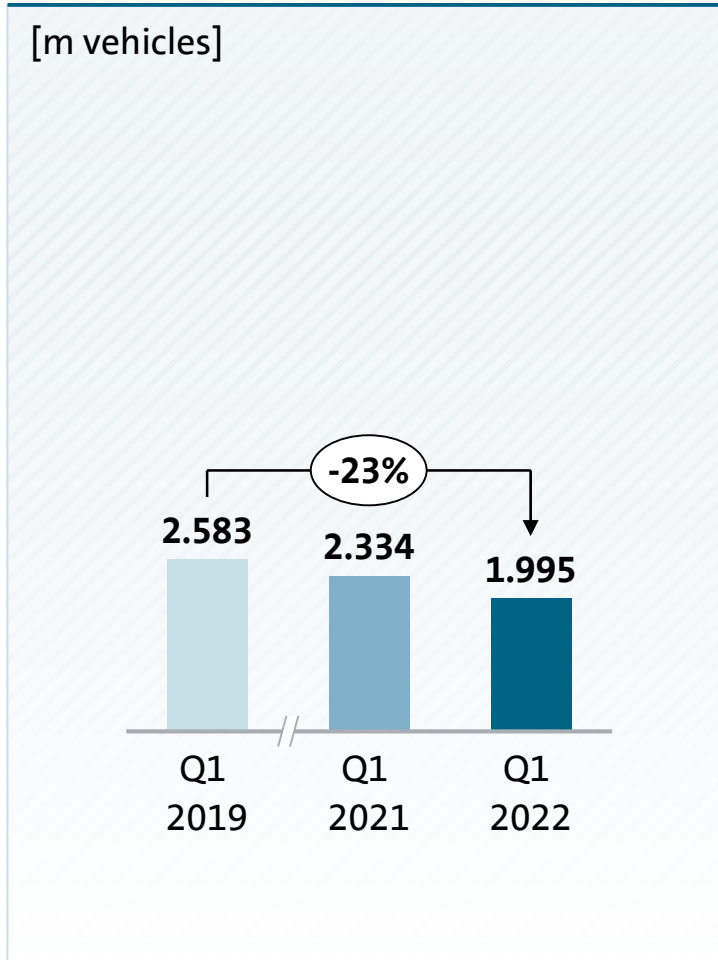
COVID in China

- 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

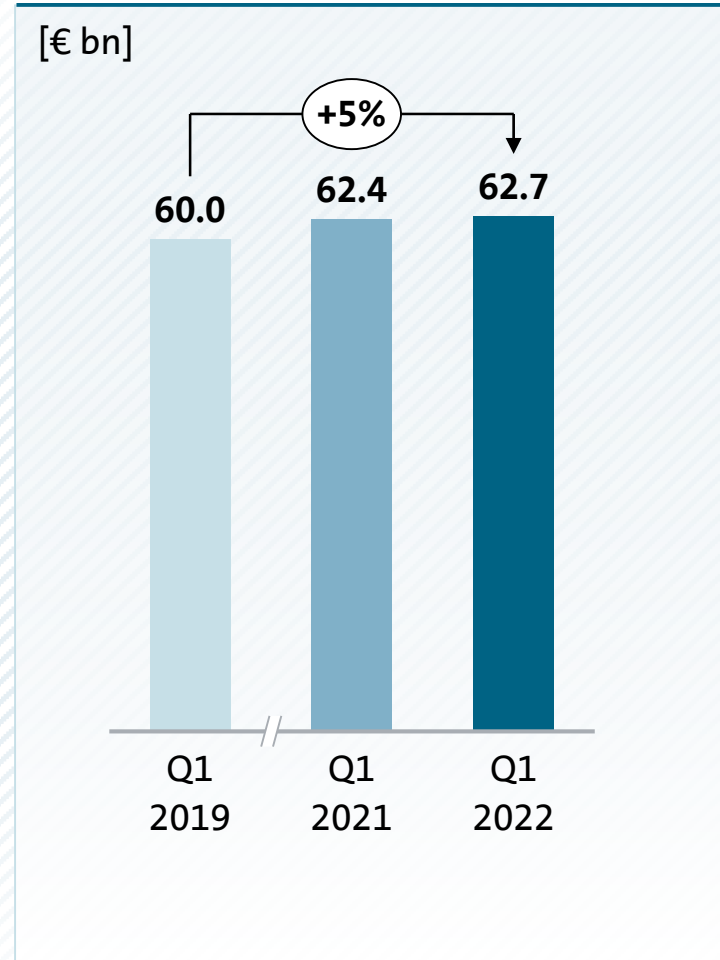
Solid Figures Despite lower Sales are Testimony to our robust Business Model

January to March 2019 vs. 2021 vs. 2022

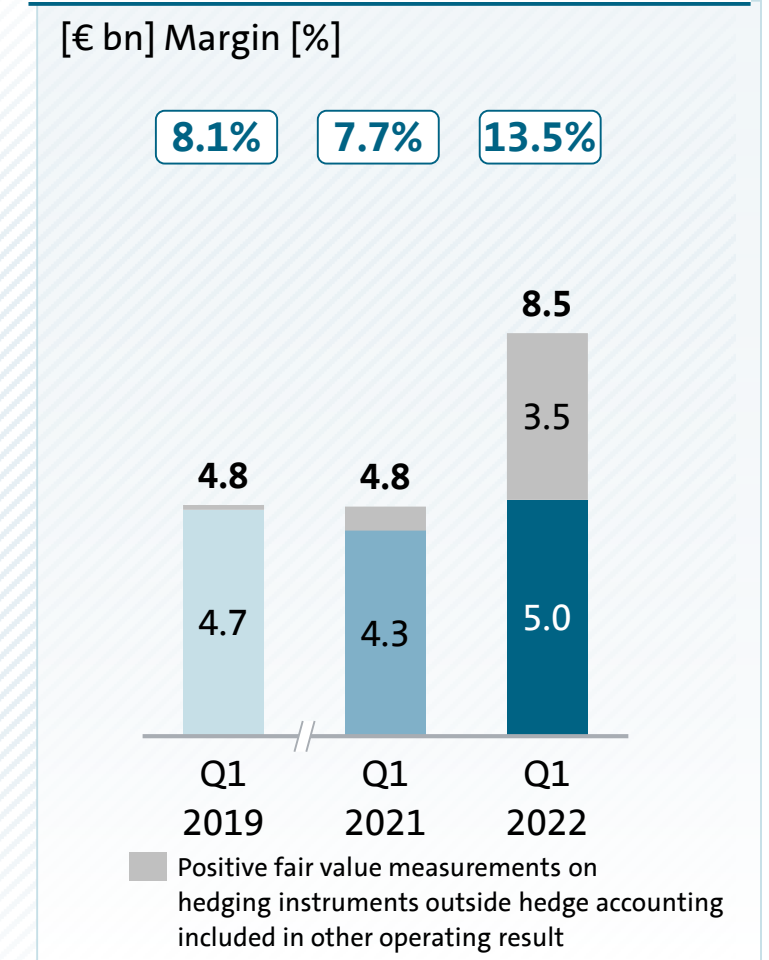
Vehicles Sales



Sales Revenue



Operating Profit ¹ and Margin

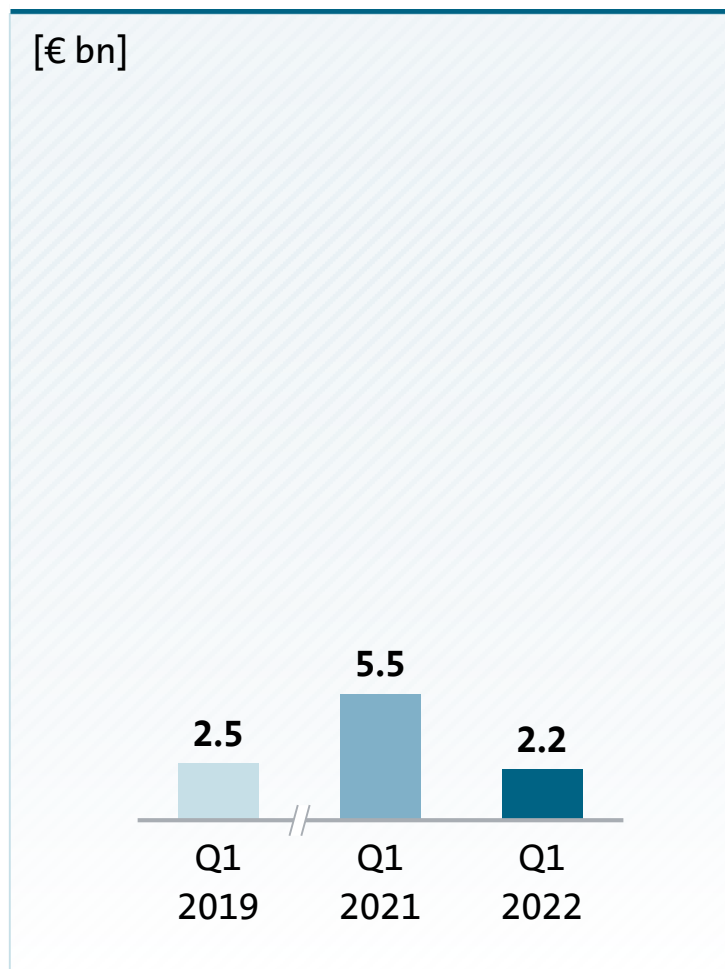


¹ before special items

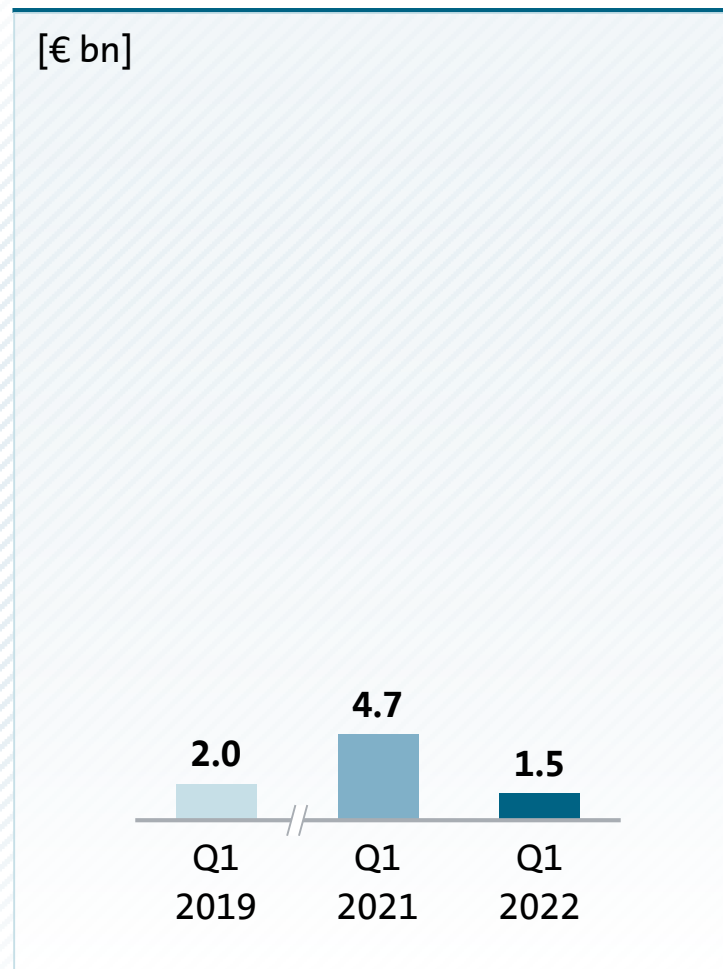
Automotive Clean Net Cash in Q1 impacted by negative Changes in Working Capital; Automotive Net Liquidity up

January to March 2019 vs. 2021 vs. 2022

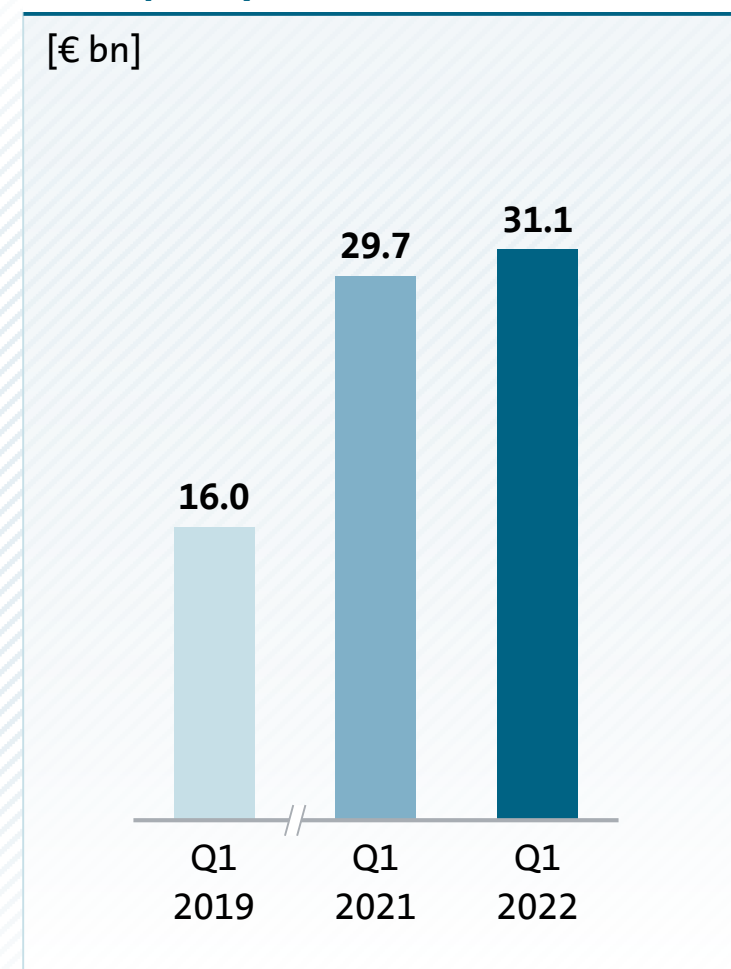
'Clean' Net Cash Flow ^{1,2}



Reported Net Cash Flow ¹



Net Liquidity ¹

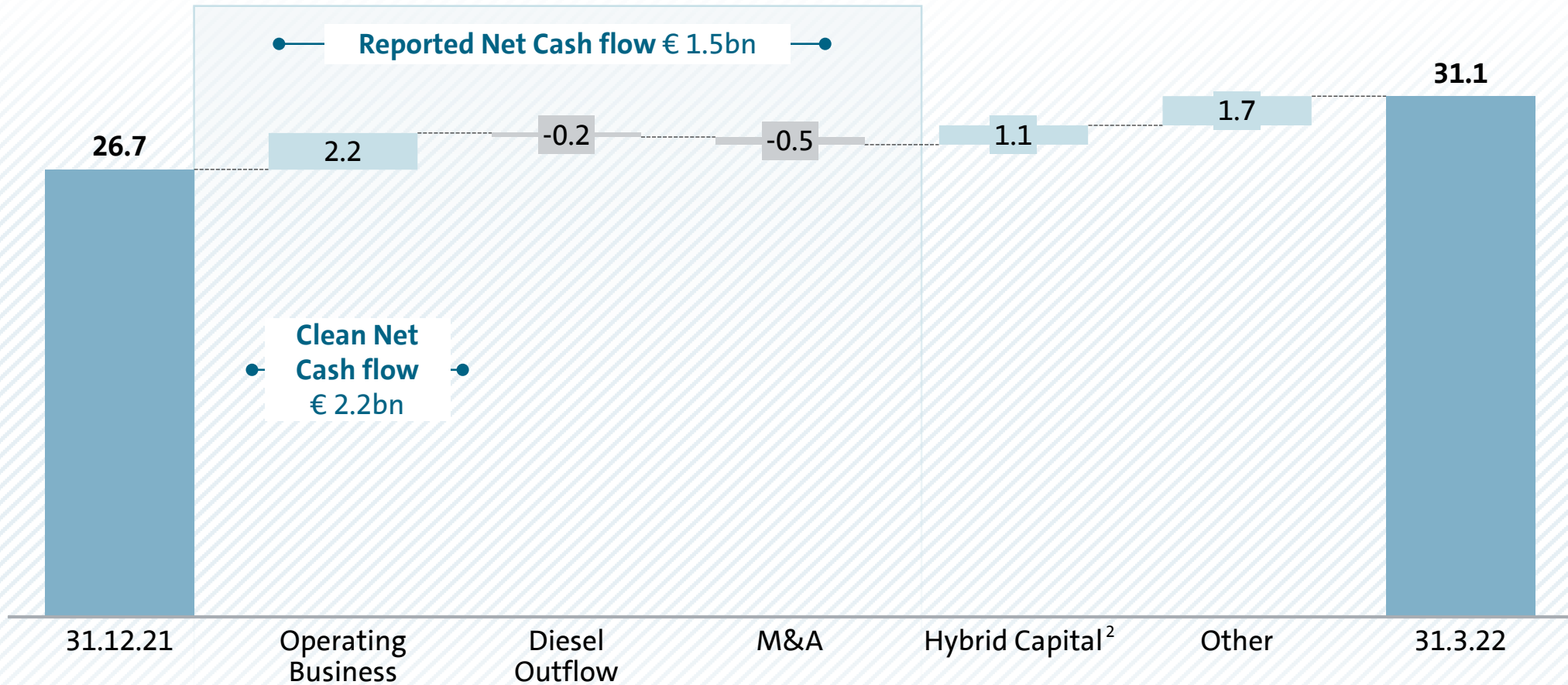


¹ Automotive Division

² Reported net cash flow before M&A and Diesel payments

Automotive Division – Net Liquidity ¹ up significantly January to March 2022

[€ bn]



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

² Placement hybrid bond €2.3 bn; repayment hybrid bond €-1.1 bn

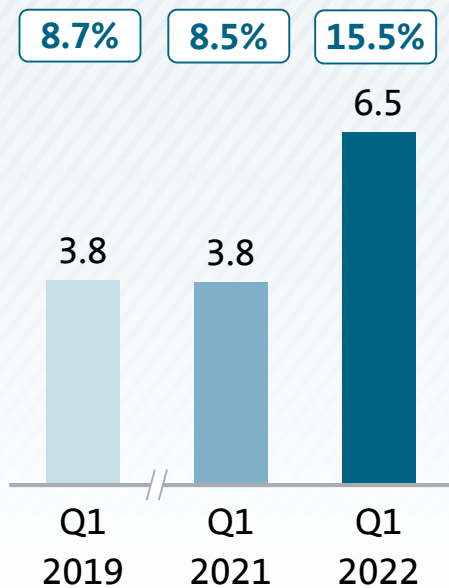
Solid Margins in all Divisions

January to March 2019 vs. 2021 vs. 2022

Automotive Division

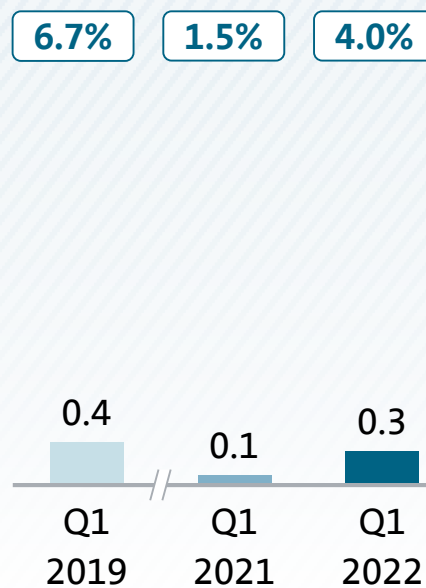
Passenger Cars^{1,2}

EBIT [€ bn]
incl. Margin [%]



Commercial Vehicles³⁾

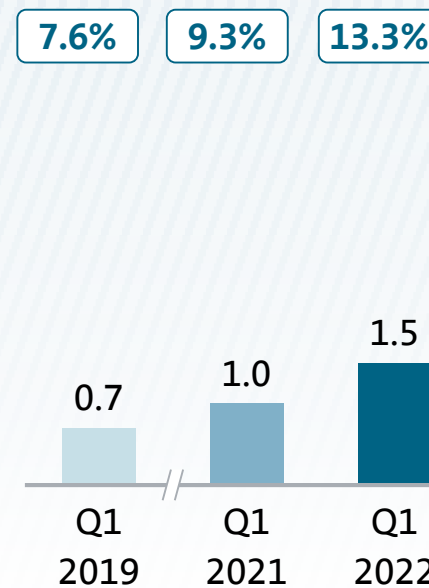
EBIT [€ bn]
incl. Margin [%]



Financial Services Division

Financial Services

EBIT [€ bn]
incl. Margin [%]



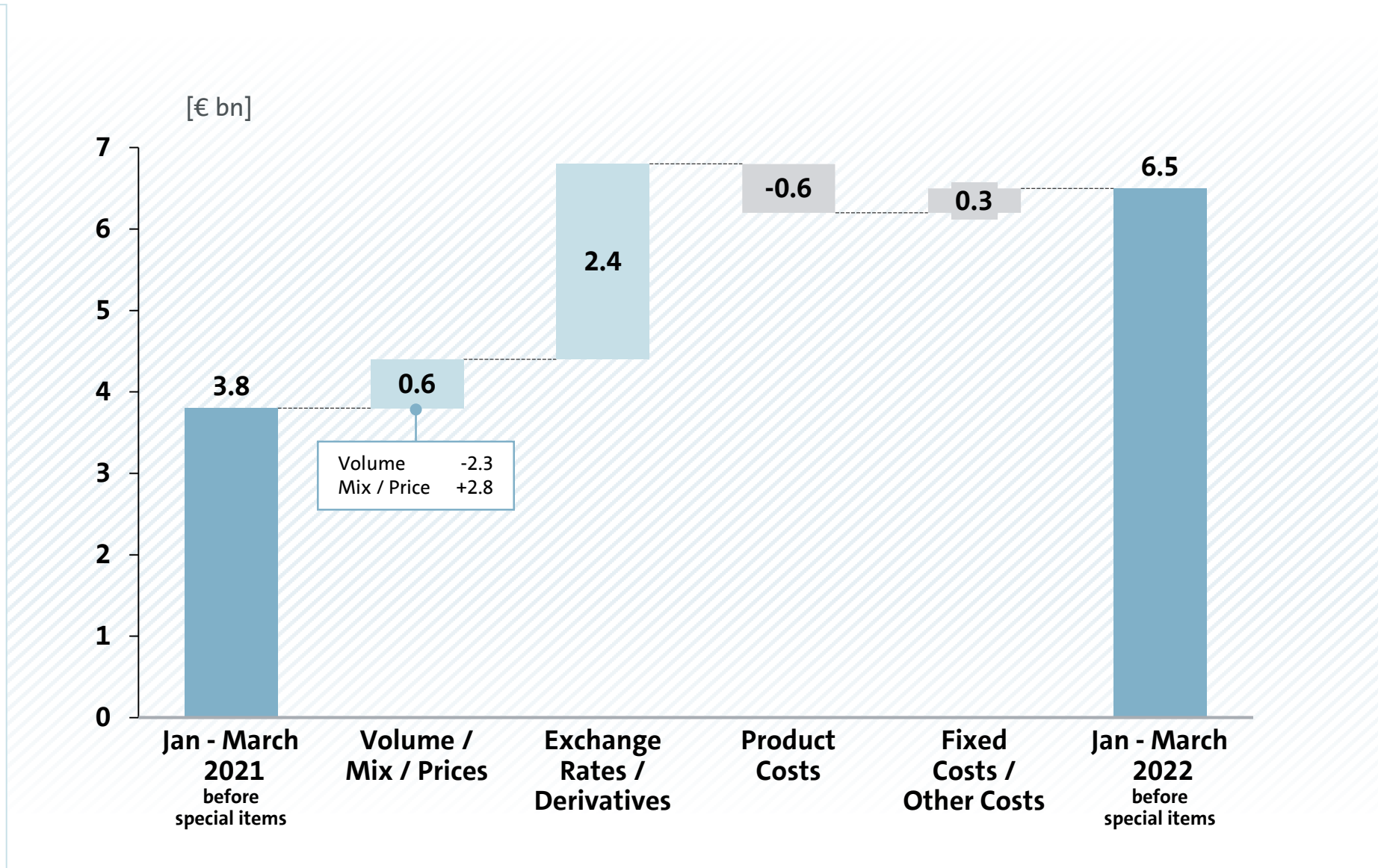
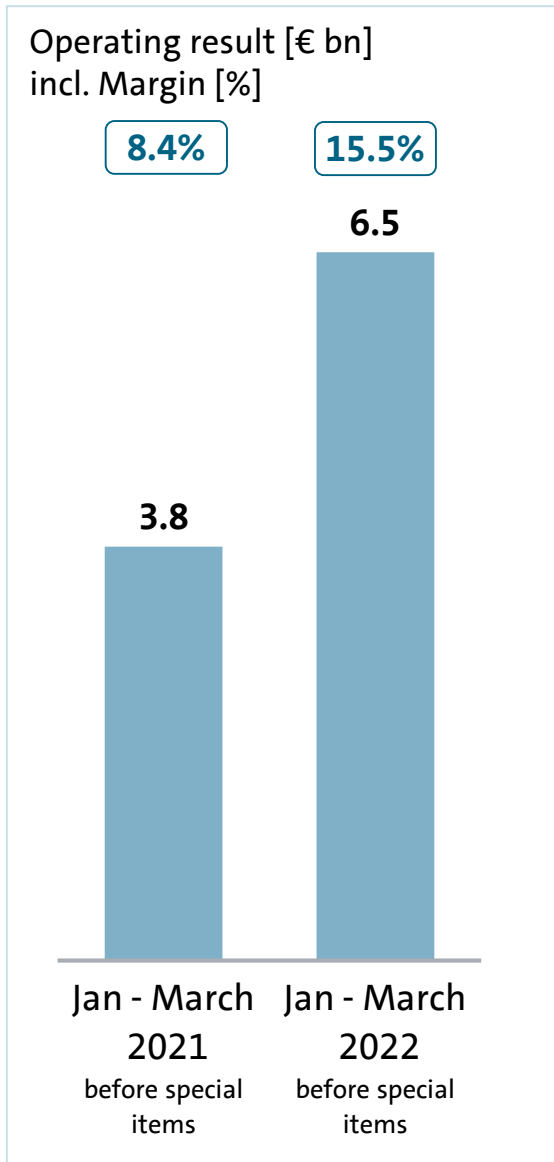
¹ before special items

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

³ TRATON excluding Financial Services

Operating Result Passenger Cars (before special items) – EBIT Bridge

January to March 2021 vs. 2022



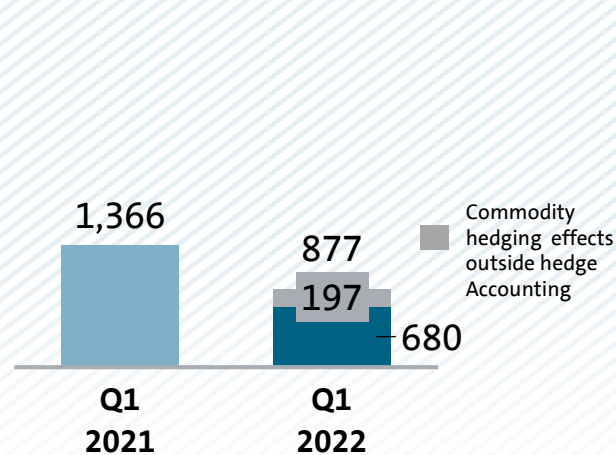
Passenger Cars – Brand Group Performance

January to March 2021 vs. 2022

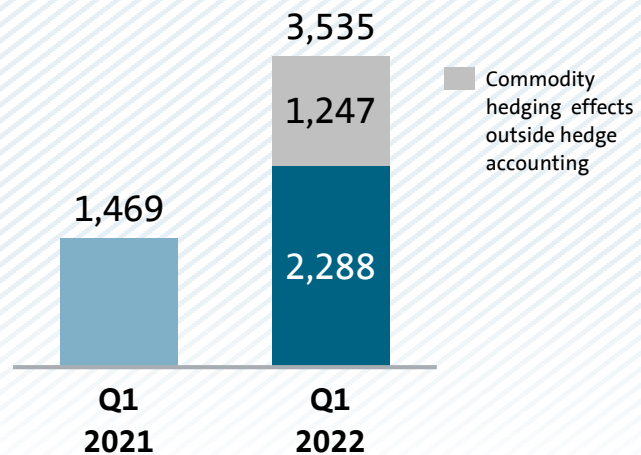
EBIT ¹ [€ m] incl. Margin [%]



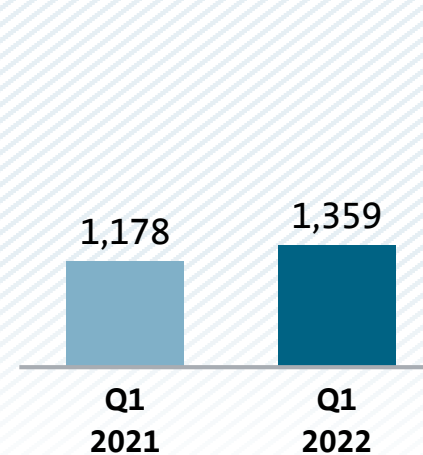
5.0% 3.6%



10.0% 24.8%



16.7% 18.6%



Vehicles ['000]

	Q1 2021	Q1 2022	% Change
Deliveries	1,831	1,371	-25.1%
Sales	1,197	918	-23.2%
Production	1,715	1,461	-14.8%

	Q1 2021	Q1 2022	% Change
Deliveries	469	391	-16.6%
Sales	290	244	-15.7%
Production	454	422	-7.2%

	Q1 2021	Q1 2022	% Change
Deliveries	72	68	-5.0%
Sales	73	66	-10.0%
Production	84	92	+9.7%

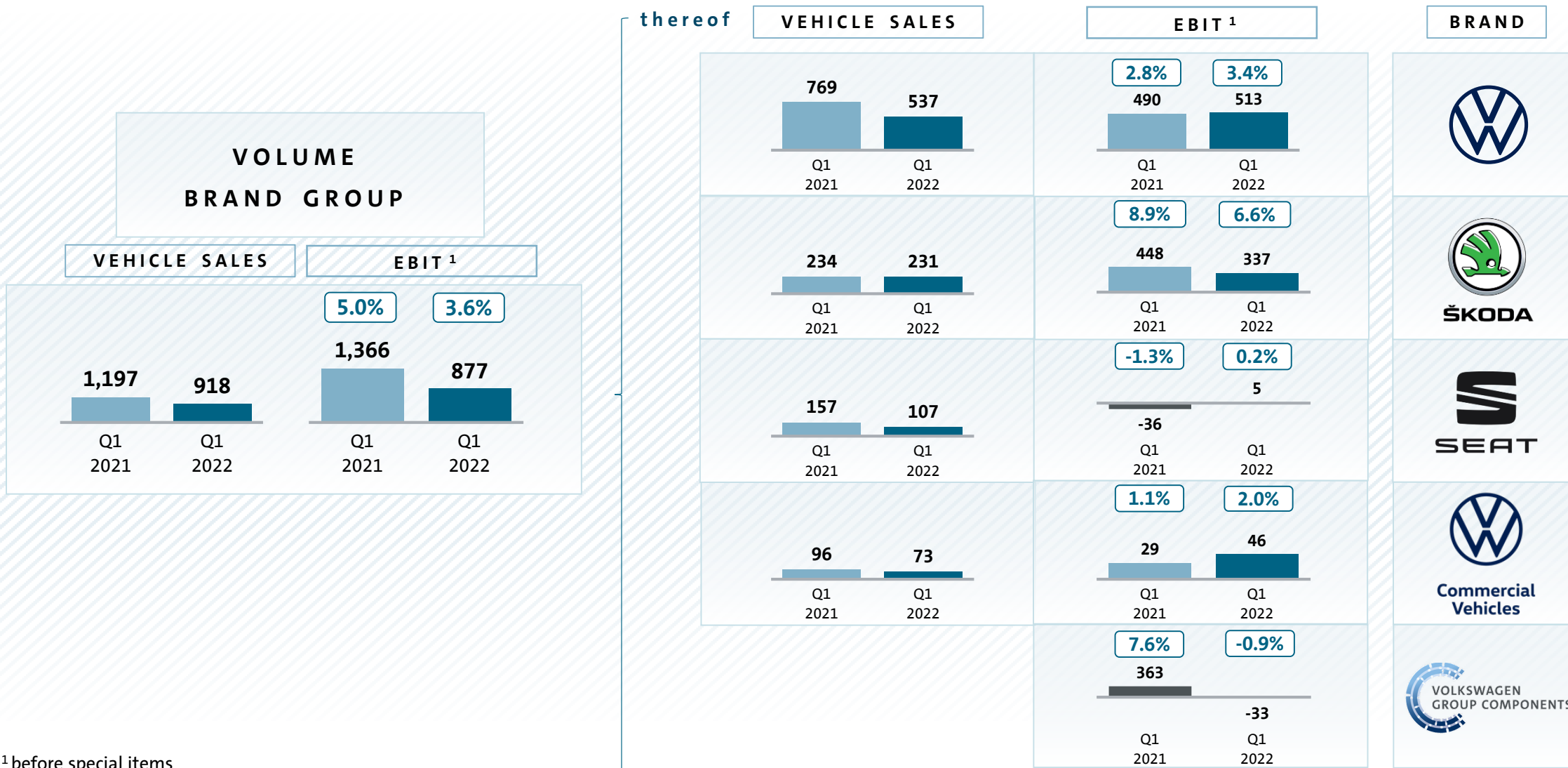
¹ before special items ² The previous year's figures were calculated by means of a simple addition with the Bentley figures

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 ¹ [€ m] incl. Margin [%], Vehicle Sales ['000]



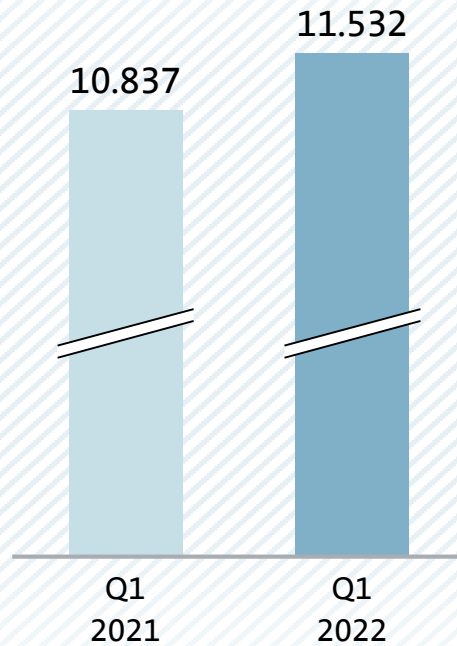
¹ before special items

Financial Services Division

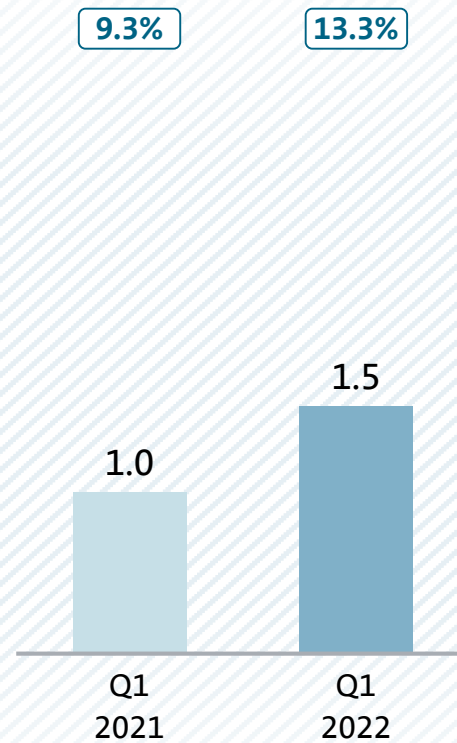
January to March 2021 to 2022

Financial Services

Sales Revenue [€ bn]



EBIT [€ bn] ; Margin [%]

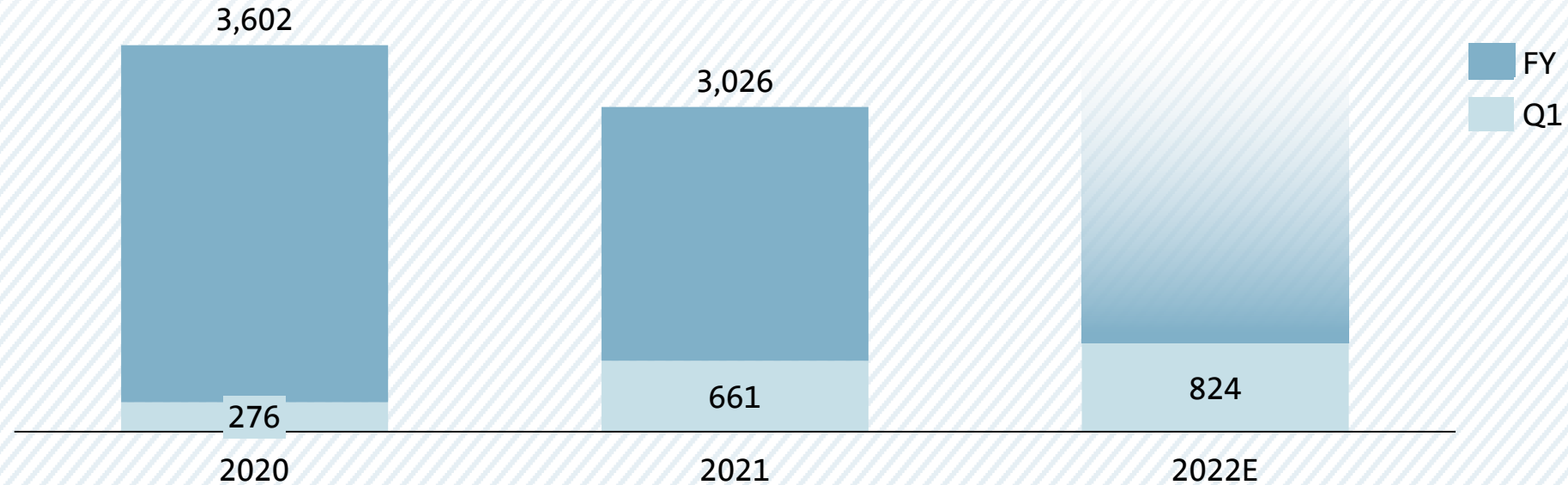


VOLKSWAGEN
FINANCIAL SERVICES
THE KEY TO MOBILITY

China Joint Ventures – Proportionate Operating Profit



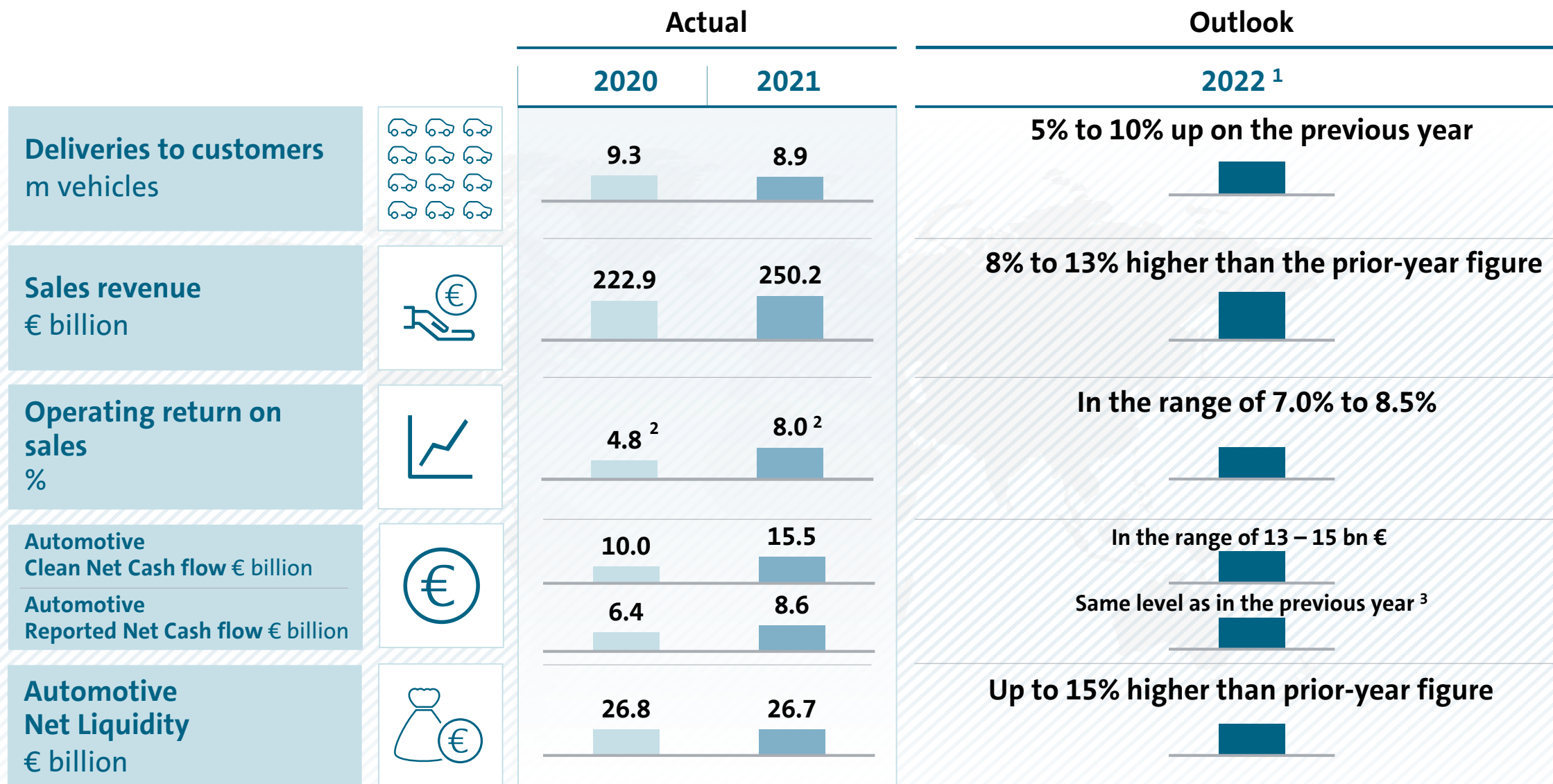
[€ m]



Drivers

- Continued impacts from semi supply bottlenecks and COVID related production disruptions towards the end of the 1st quarter
- Continued strong premium performance, performance of SAIC Volkswagen improved YoY
- SAIC Audi started production, thereby strengthening the local footprint
- Production catch-up program initiated

Volkswagen Group – Outlook for 2022 ¹ confirmed



¹ 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

² before special items

³ 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

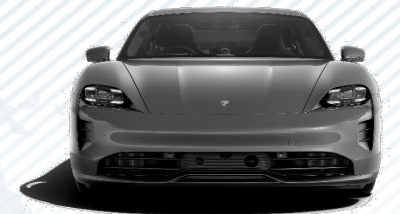
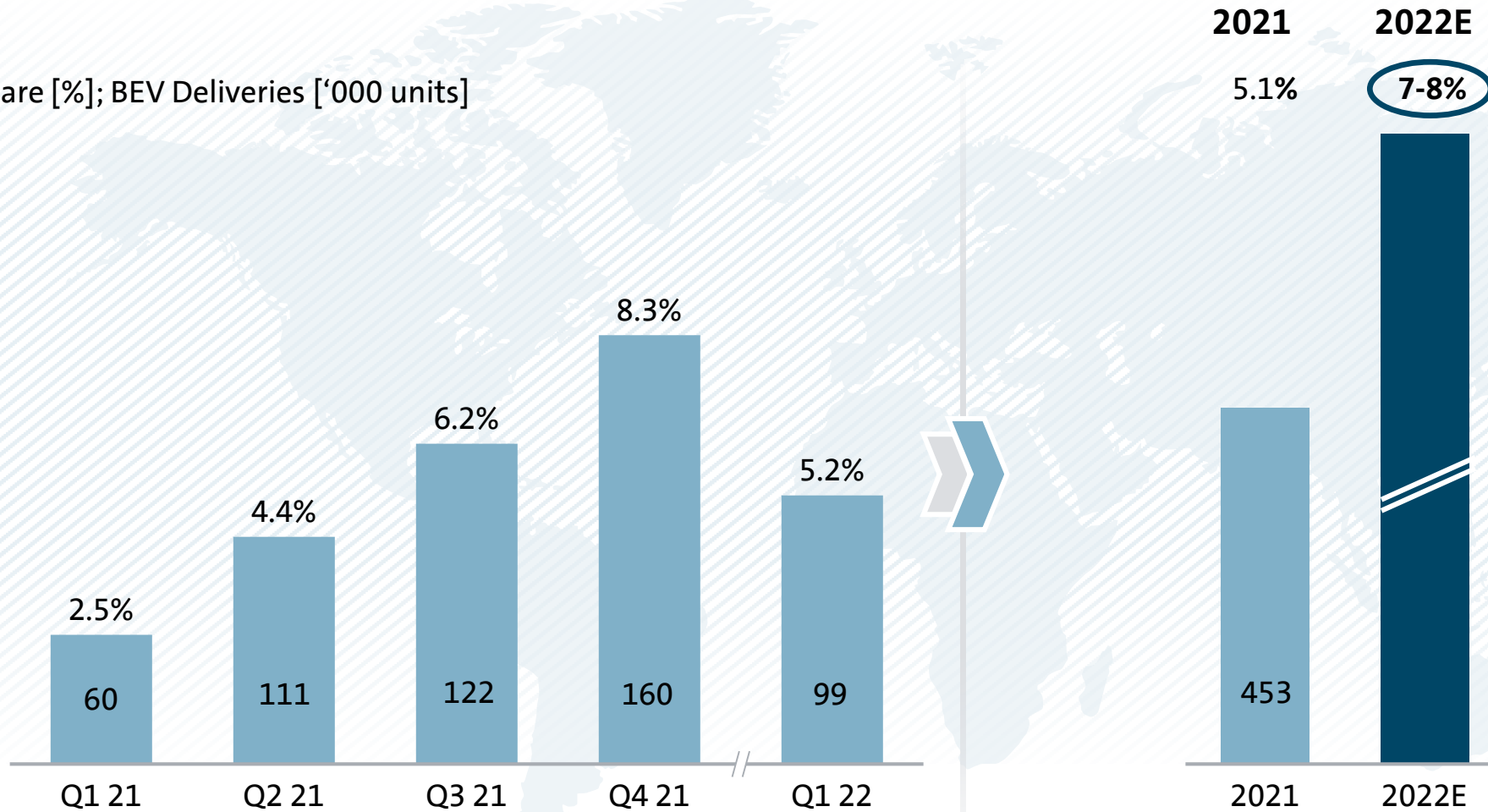


Acting based on integrity and values

BEV ramp up – Striving for Scale Effects

2021, Q1 2022 and Outlook

BEV Share [%]; BEV Deliveries ['000 units]



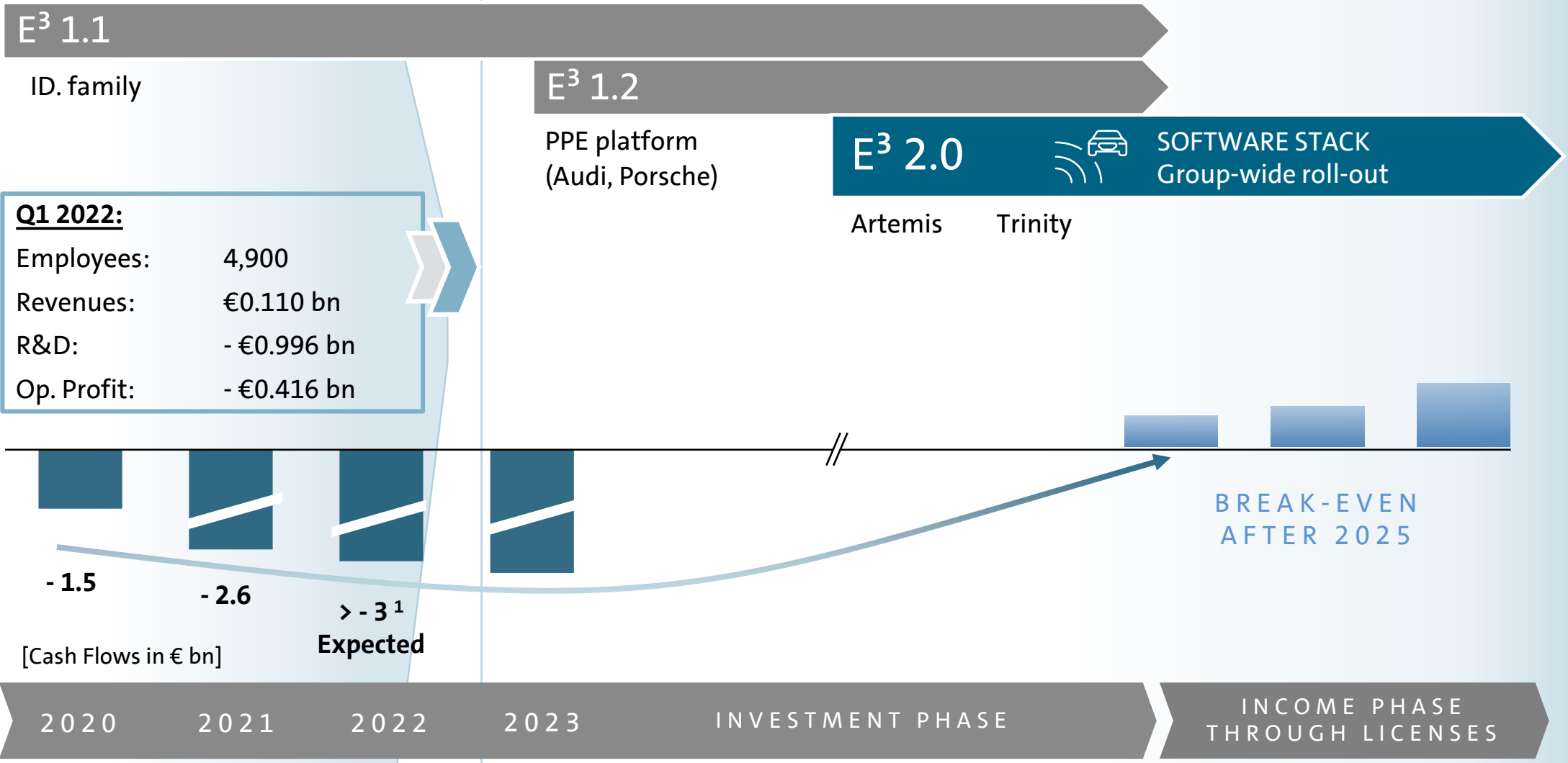
Volkswagen ID.5: Vehicle is a near-production concept car

Audi Q4 e-tron: Power consumption combined: 18.3–15.2 kWh/100 km (NEDC), 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+++

CARIAD business model – Software is the key differentiator for the future, scale is key

C A R I A D

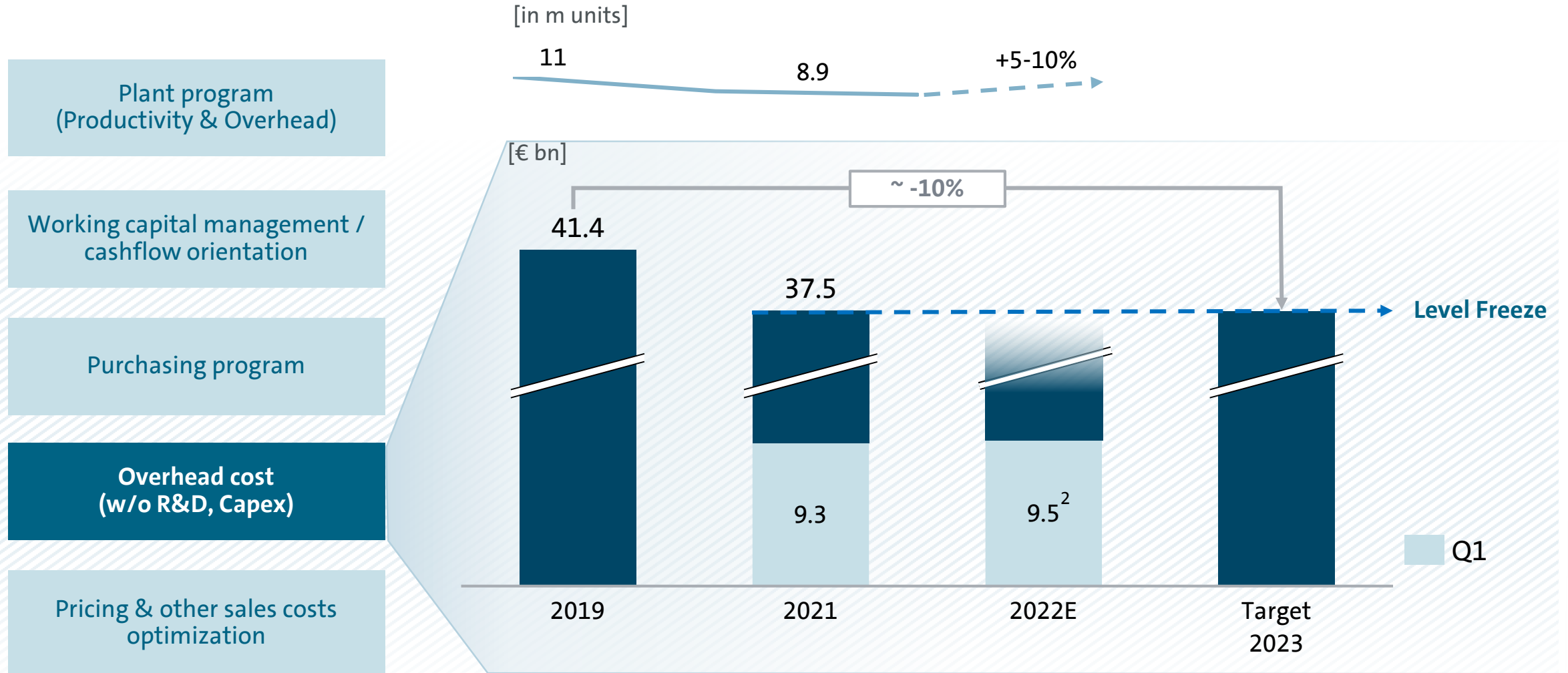


Schematic overview

¹ IP transfer included in brand groups since Q1 2022

Financing the Transformation: Overhead Cost Program ahead of Schedule; so far allowing for compensation of Fix Cost Increase¹

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



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

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

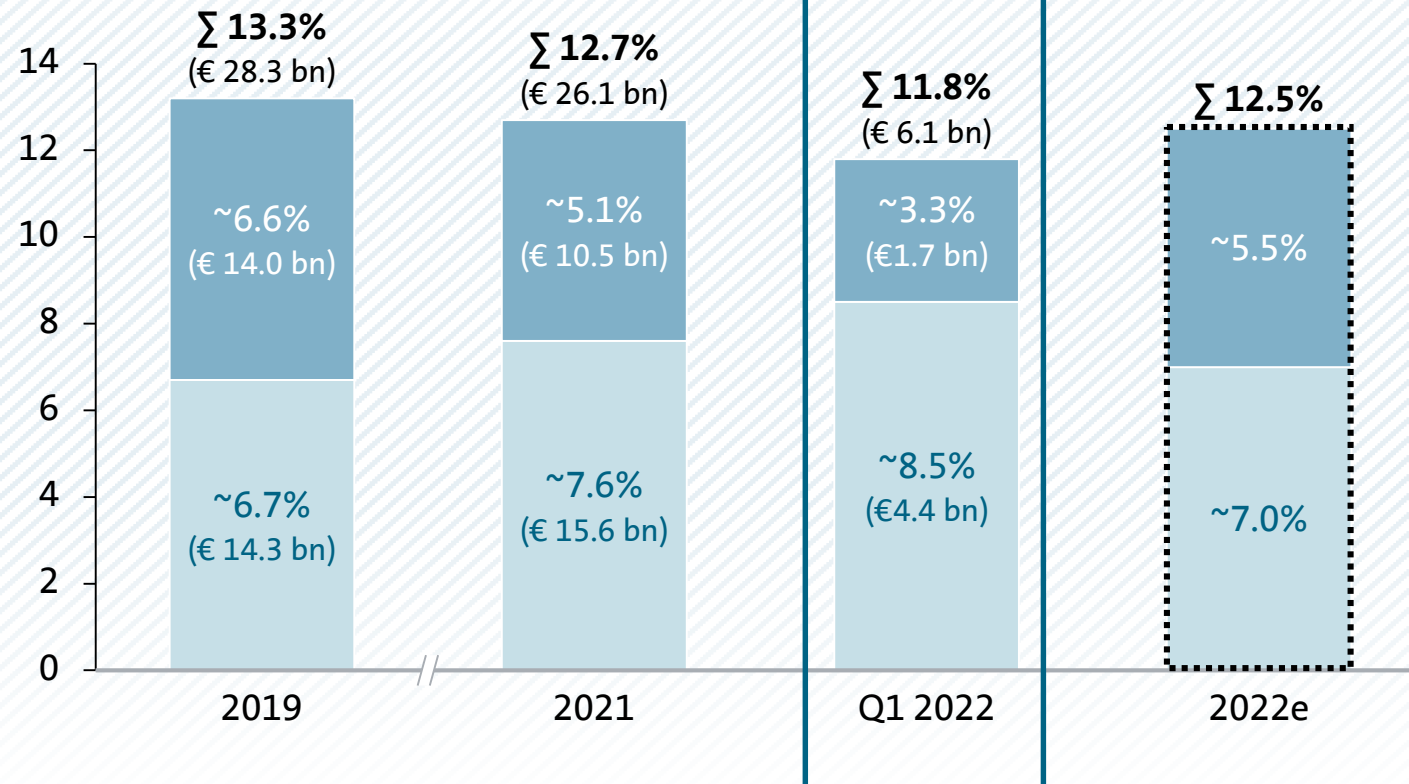
Increase in R&D especially for Software compensated by CAPEX Discipline

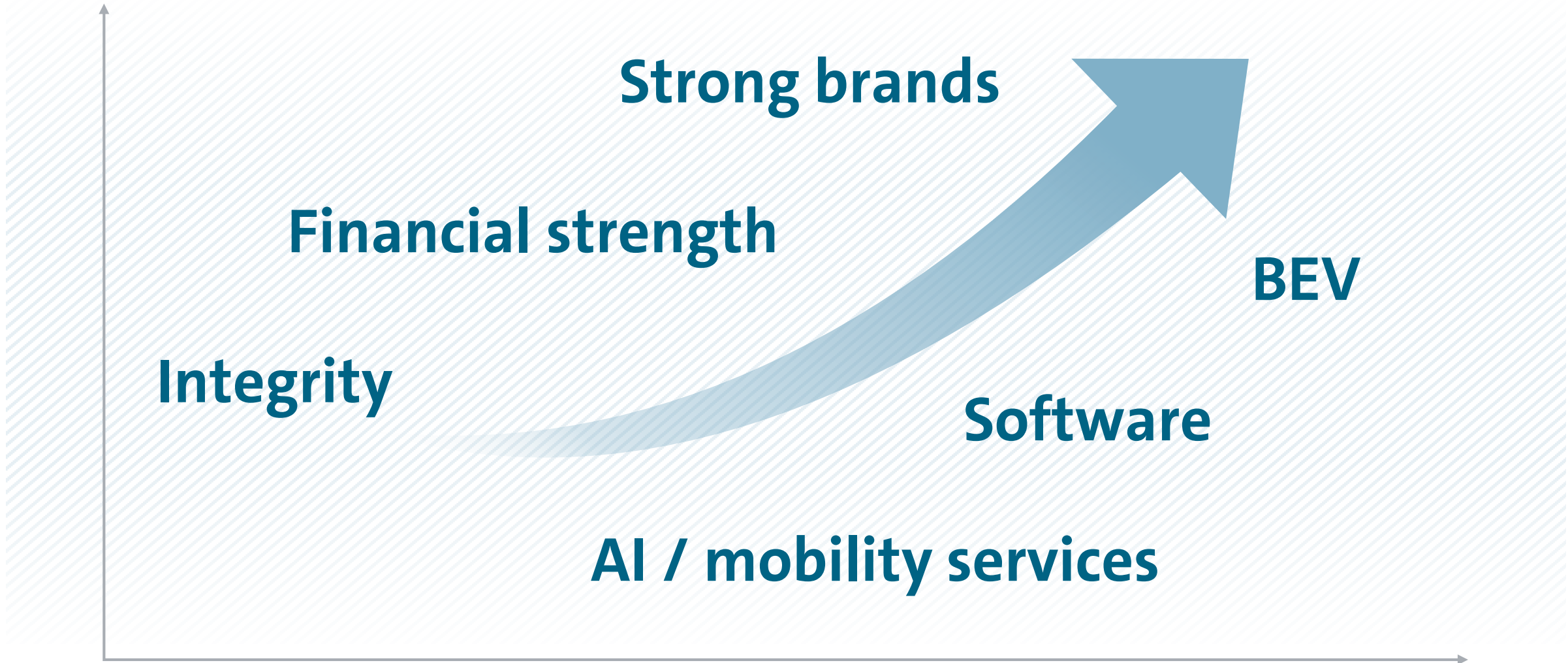
R&D / Capex – Absolute and Ratio (Automotive Division)

[%, €]

■ CAPEX ■ R&D

- ✓ Reducing complexity / variances
- ✓ Focus on synergies
- ✓ Multi brand production in MQB plants
- ✓ Investment in software





Backup

Volkswagen Group – Analysis by Brand and Business Field

January to March 2022

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT		OPERATING MARGIN	
	2022	2021	2022	2021	2022	2021	2022	2021
Tsd. Fahrzeuge/Mio. €								
Volume brand group	918	1,197	24,361	27,354	877	1,366	3.6	5.0
Volkswagen Passenger Cars	537	769	14,879	17,571	513	490	3.4	2.8
ŠKODA	231	234	5,101	5,049	337	448	6.6	8.9
SEAT	107	157	2,404	2,851	5	-36	0.2	-1.3
Volkswagen Commercial Vehicles	73	96	2,294	2,660	46	29	2.0	1.1
Tech. Components	–	–	3,614	4,762	-33	363	-0.9	7.6
Consolidation	-29	-59	-3,931	-5,540	9	73	–	–
Audi (Premium brand group) ¹	244	290	14,282	14,644	3,535	1,469	24.8	10.0
Porsche Automotive (Sport & Luxury brand group) ²	66	73	7,317	7,039	1,359	1,178	18.6	16.7
TRATON Commercial Vehicles ³	68	61	8,353	6,438	331	104	4.0	1.6
At equity accounted companies in China ⁴	765	800	–	–	–	–	–	–
MAN Energy Solutions	–	–	761	757	55	32	–	–
CARIAD	–	–	110	75	-416	-194	–	–
Volkswagen Financial Services	–	–	10,908	10,295	1,495	908	13.7	8.8
Other ⁵	-67	-86	-3,350	-4,225	1,217	-50	–	–
Volkswagen Group before special items	–	–	–	–	8,453	4,812	13.5	7.7
Special Items	–	–	–	–	-130	–	–	–
Volkswagen Group	1,995	2,334	62,742	62,376	8,323	4,812	13.3	7.7
Automotive Division ⁶	1,995	2,334	51,210	51,538	6,786	3,809	13.3	7.4
Of which: Passenger Cars Business Area	1,927	2,273	42,096	44,344	6,402	3,751	15.2	8.5
Commercial Vehicles Business Area	68	61	8,353	6,438	330	93	4.0	1.4
Power Engineering Business Area	–	–	761	757	54	-36	7.1	-4.8
Financial Services Division	–	–	11,532	10,837	1,537	1,003	13.3	9.3

1 The previous year's figures were calculated by means of a simple addition with the Bentley figures.

2 Porsche (including Financial Services): sales revenue €8,043 (7,726) million, operating result € 1,467 (1,249) million.

3 Includes Navistar from July 1, 2021.

4 The sales revenue and operating result of the equity-accounted companies in China are not included in the consolidated figures; the share of the operating result generated by these companies amounted to €824 (661) million.

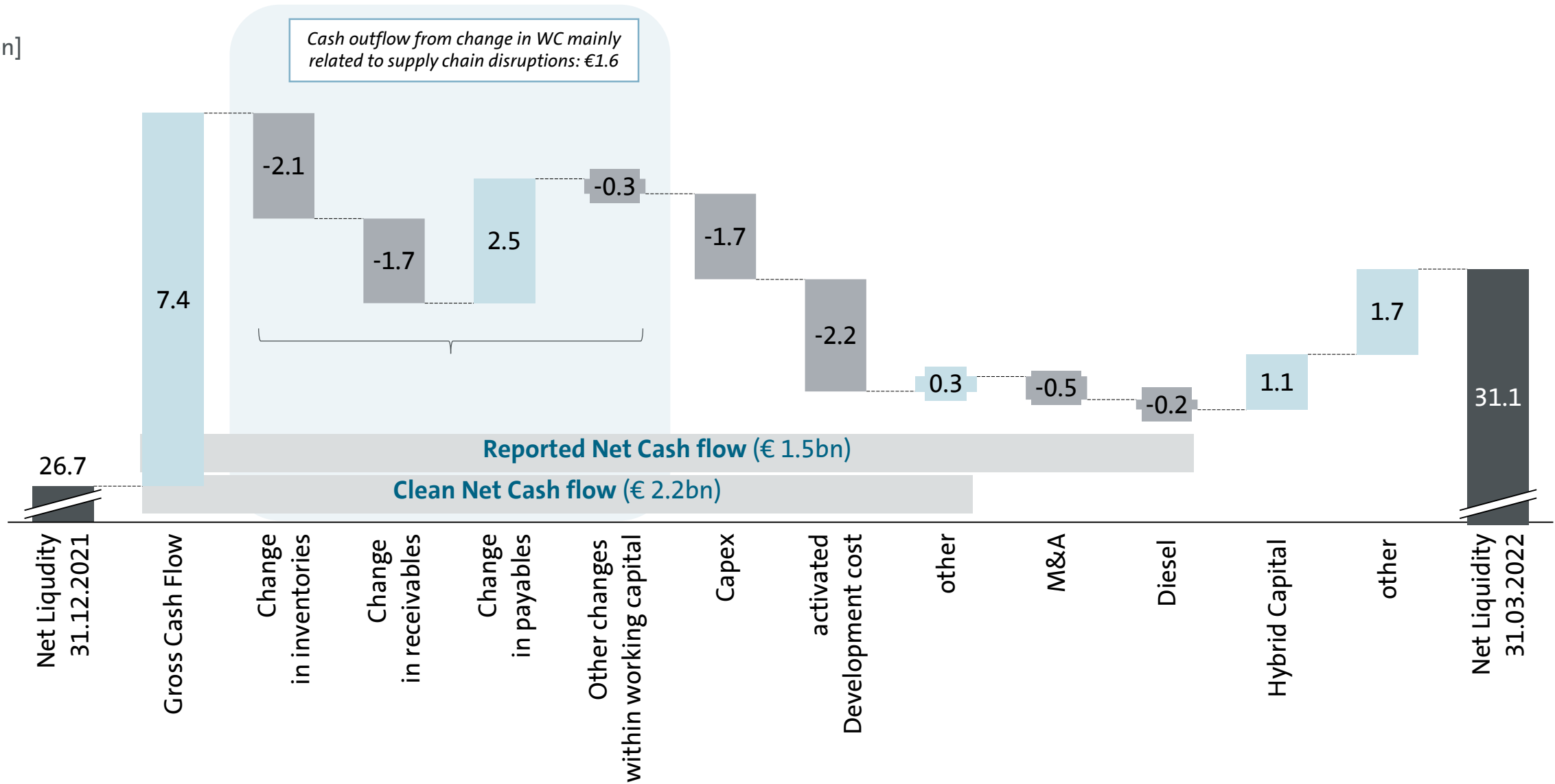
5 In the operating result, mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation, as well as companies not allocated to the brands.

6 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

Net Liquidity and Cash Flow Automotive Division

Solid Clean Net Cash Flow and DCM Activity drive Net Liquidity Position

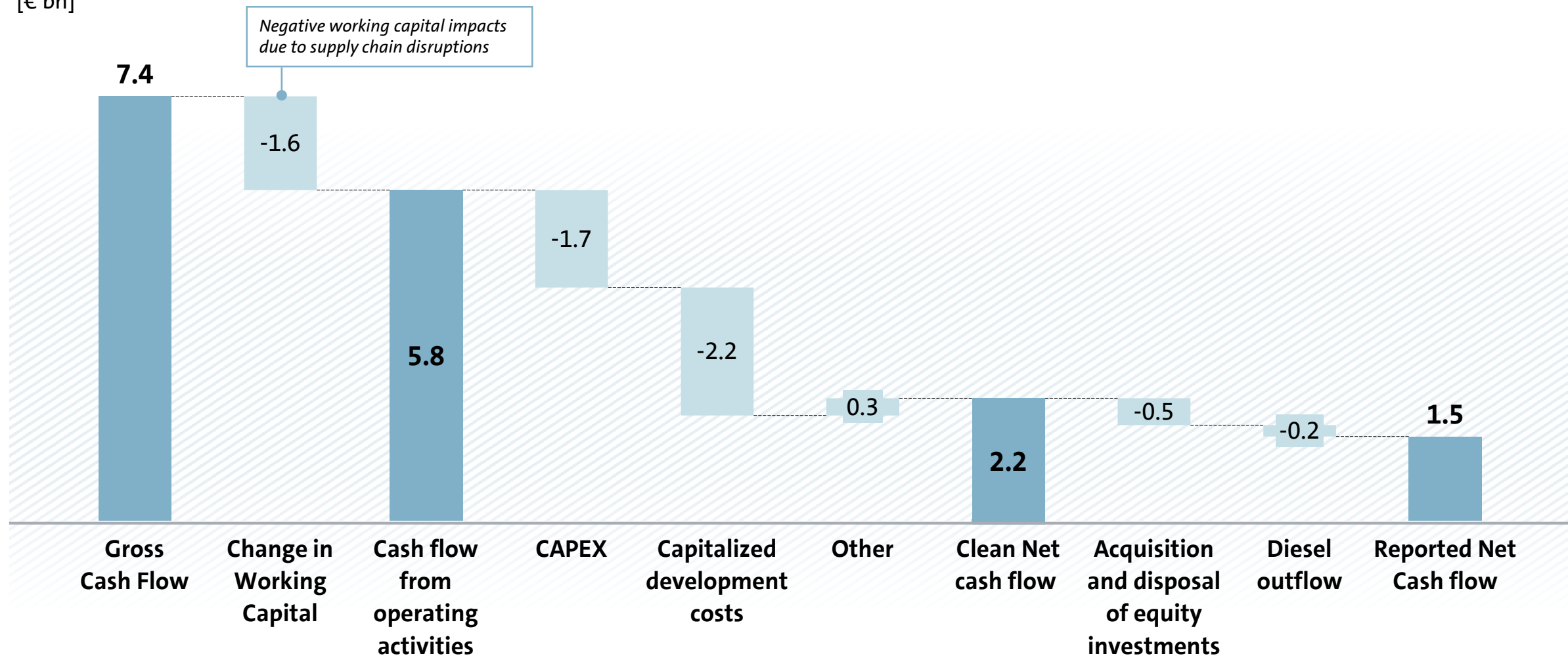
[€ bn]



Automotive Division – Net Cash Flow Development ¹

January to March 2022

[€ bn]



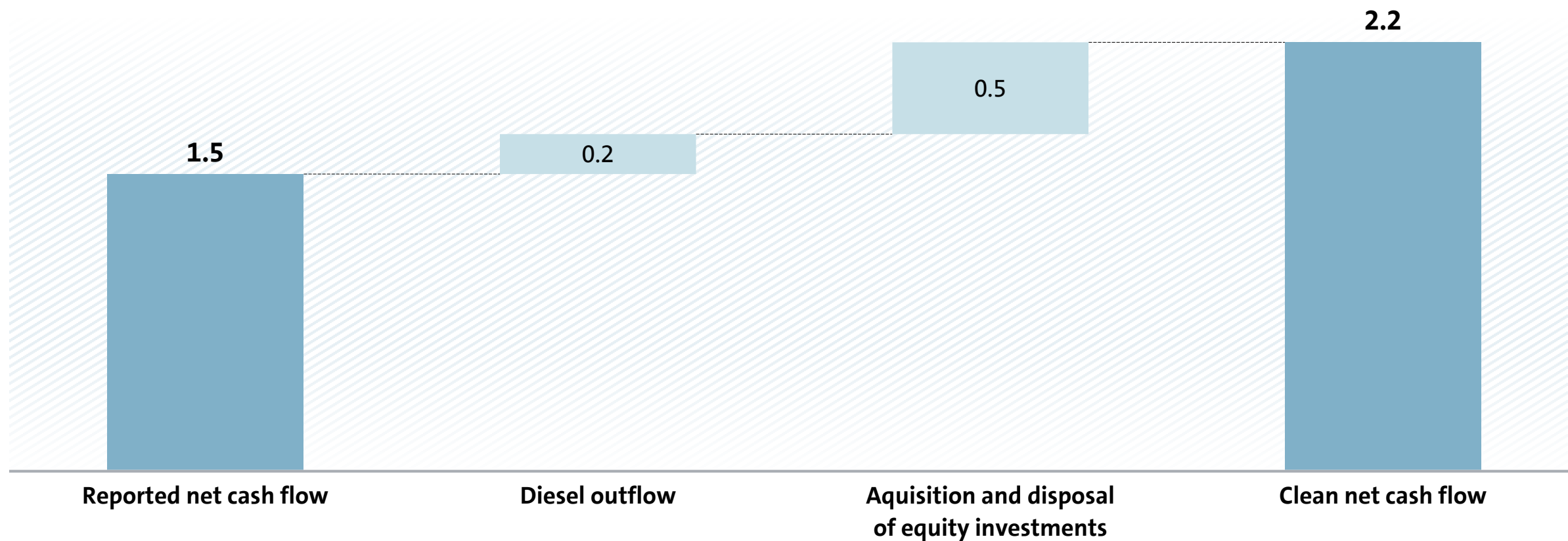
2021	7.2	+1.7	8.9	-1.9	-1.9	0.4	5.5	-0.4	-0.4	4.7
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¹ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. Including allocation of consolidation adjustments between Automotive and Financial Services divisions

Automotive Division – Net Cash Flow ¹

January to March 2022

[€ bn]



¹ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

What is in our Guidance?

» Elements already included in GUIDANCE for 2022 for the operating profit

- Favorable Price and Mix continue to support operating results
- Headwinds from raw material costs incl. product costs increase
- The semiconductor supply bottlenecks will improve in the second half of the year
- Substantial contribution to operating profits from TRATON
- A normalization of the result of the Financial Services Division from €6bn to €4.5bn

» What is not covered by our GUIDANCE

- A resurgence of the COVID-19-Pandemic situation
- The guidance presented is also subject to the further development of the crisis in Ukraine and in particular the impact on our supply chains and the global economy as a whole. At the time of preparing this outlook, there is a risk that the latest developments in the Russia-Ukraine conflict will have a negative impact on the Volkswagen Group's business.
- This may also result from bottlenecks in the supply chain. At the present time, it is not yet possible to conclusively assess the specific effects. Nor is it possible at this stage 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.
- The further development of the commodity markets also remains unpredictable, which in turn may have significant effects on the measurement of hedging instruments.