

**VOLKSWAGEN**

AKTIENGESELLSCHAFT

# 5-Year Planning Round: Enabling the Transformation.

**Live INVESTOR and ANALYST Audio Webcast and Conference Call**  
November 18th, 2019

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## 5-Year Planning Round: Enabling the transformation



**Dr. Herbert Diess**

Chairman of the Board  
of Management  
Volkswagen AG



**Dr. Christian Dahlheim**

Director Group Sales  
Volkswagen AG



**Frank Witter**

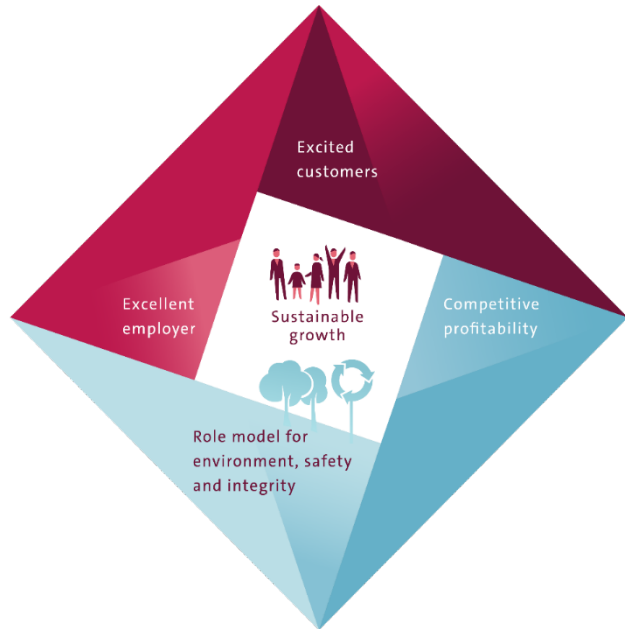
Chief Financial Officer  
Volkswagen AG



**Helen Beckermann**

Interim Head of  
Group Investor Relations  
Volkswagen AG

## We stick to our KPIs for the Planning Round 68



- „Together 2025+“ strategy is leading us
- We are well positioned with our **strong brand portfolio** and **diverse product range**
- We are committed to **unleashing value** for our stakeholders
- We strive for **fair market capitalization**

# The transformation of our portfolio has started

Broad product portfolio

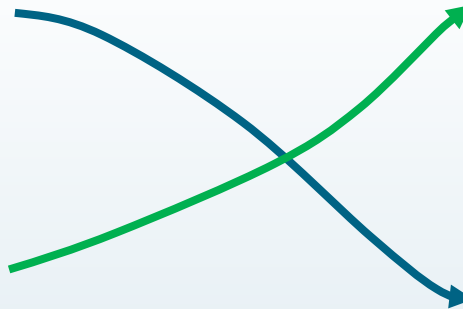
Transformation

CO<sub>2</sub> neutral cars



ICE

BEV



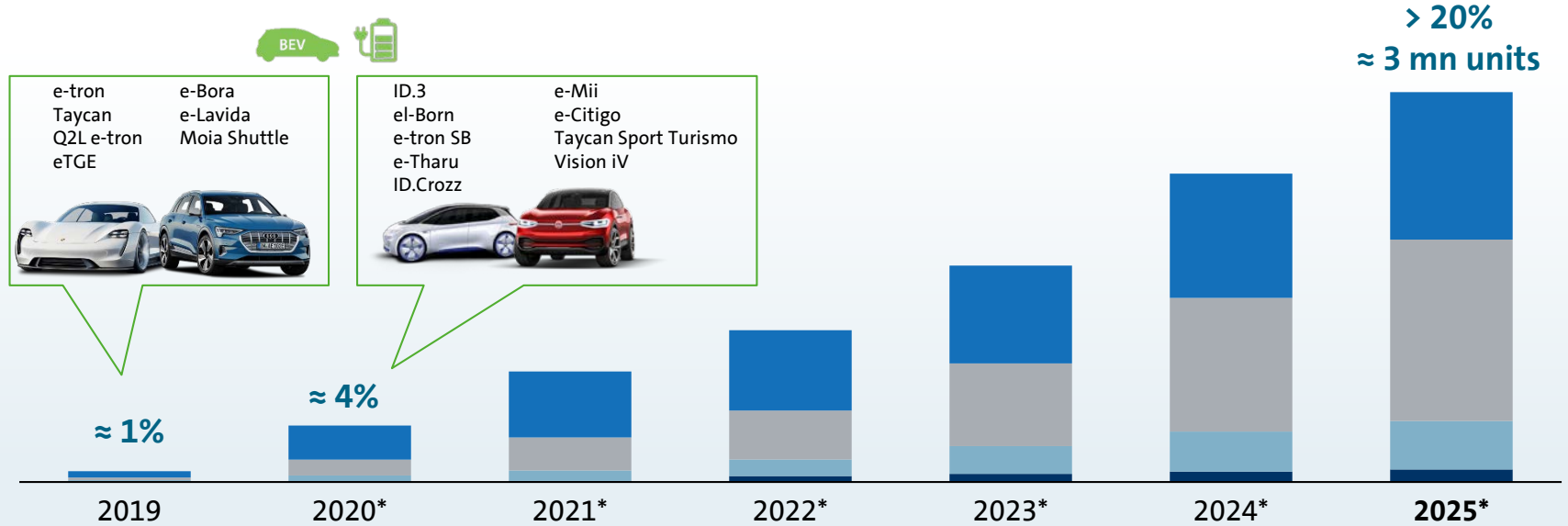
2020

2050

# Significant increase in BEV deliveries will support CO<sub>2</sub> compliance

## Volkswagen Group – BEV volume by regions (BEV share of total Group Deliveries in %)

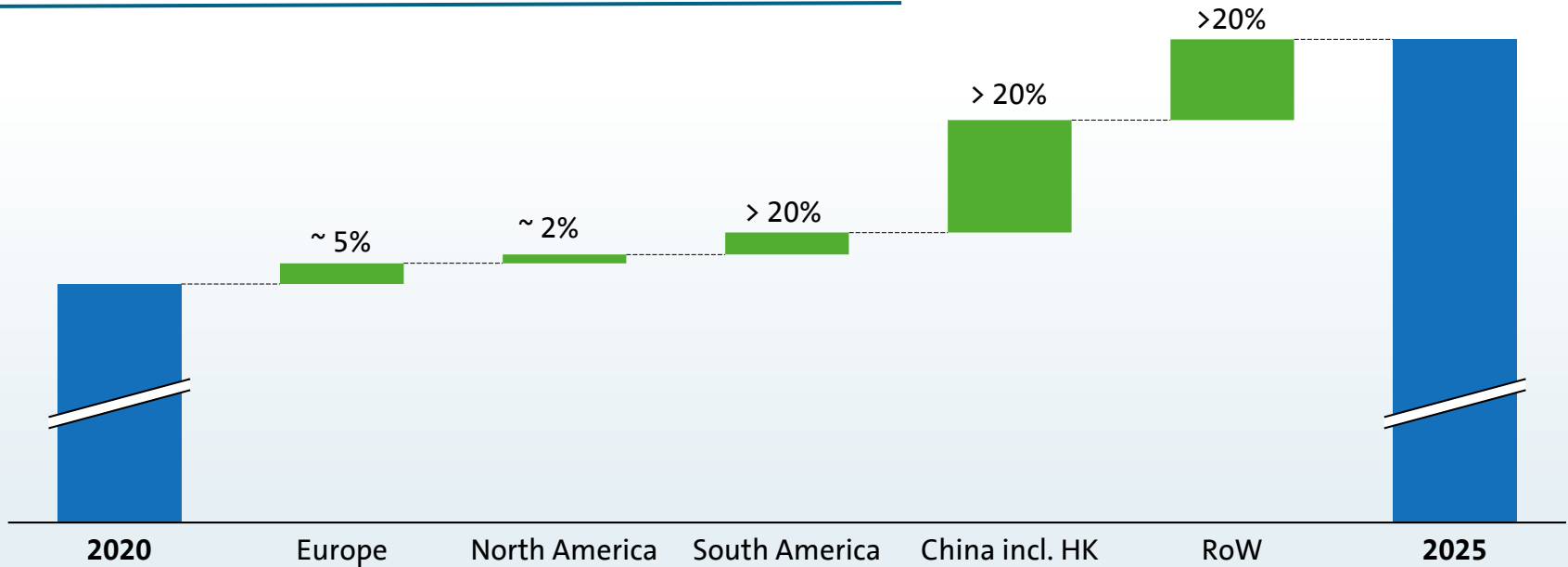
Europe China NAR RoW



\* Target

# Development Global passenger car markets

## Markets by regions (2020-2025)



## Group KPI's confirmed








Key financial targets	2016 Actual	2017 Actual	2018 Actual	2019 Outlook	2020 Strategic Targets	2025 Strategic Targets
<b>Operating return on sales</b> Before Special Items	6.7%	7.4%	7.3%	6.5-7.5%	6.5-7.5%	7-8%
<b>Return on investment</b> Automotive Division <u>before</u> Special Items	13.9%	14.4%	13.1%	12-14%	12-14% <sup>2)</sup>	>14% <sup>2)</sup>
<b>Capex ratio</b> Automotive Division	6.9%	6.4%	6.6%	6.5-7%	6%	6%
<b>R&amp;D cost ratio</b> Automotive Division	7.3%	6.7%	6.8%	6.5-7%	6%	6%
<b>Cash</b> <b>a) Net Cashflow<sup>1)</sup></b> Automotive Division	€ 4.9 bn	€ 10.3 bn	€5.6 bn	≥ €9 bn	≥ € 10 bn	> € 10 bn
<b>b) Net Liquidity</b>	€ 27.2bn	€ 22.4 bn	€ 19.4 bn	> € 15 bn <sup>2)</sup>	> € 20 bn <sup>2)</sup>	~10% of Group turnover

<sup>1)</sup> Ex Diesel payments and M&A <sup>2)</sup> Including the negative IFRS 16 impact, effective from 1st January 2019.



# Securing Group KPIs with Countermeasures

## Profit Improvement Programms

Volume	 Future Pact/ Profit Improv. Program	 Included in 'Grip 2025+'
	 Attack Plan	 100+/ Full Cost Optim.
Premium	 Transformation Plan	
Sport & Luxury	 Profit Improv. Program	 Transformation Plan
Financial Services	VOLKSWAGEN FINANCIAL SERVICES Opex	
Commercial Vehicles	TRATON Focus on synergies	
Group	VOLKSWAGEN AG Lean and focused (GI 12)	

## Measures included

- Use of Toolkit Scale and Synergies
- Material Costs
- Less Complexity and Derivatives
- Production and Factory Costs
- More Efficient Group Functions
- Selling and Distribution Expenses
- Headcount Reduction
- Focus on Fix Costs

# CY 2020 - Updated

**Basis: Result 2016**

**2020 Updated**

CMD March 2017

PR 66

PR 67

PR 68

**Sales revenue (€ bn)**      **217.3**

+ > 20 %      + > 25 % ✓      + > 25 % ✓      + ≥ 20 % ✓

**Operating profit (€ bn)**  
before special items      **14.6**

+ 25 %      + ≥ 25 % ✓      + > 30 % ✓      + ≥ 25 % ✓

**Profit before tax (€ bn)**      **14.8**

+ ≥ 25 %      + ≥ 30 % ✓      + ≥ 40 % ✓      + ≥ 30 % ✓

**Earnings per Pref. Share**      **10.3 €**

≥ 25 €      > 25 € ✓      ≥ 30 € ✓      27-28 € ✓

## Enabling Strategy Together 2025+

**Strategy:** Remains unchanged

**Outcome PR 68:** Increased Headwinds compensated by robust Operational Performance!

**KPI's:** Still on track for Strategic Targets in 2020 and 2025!



**We are still on track!**

# Our worldwide SUV mix is expected to increase strongly

## Volkswagen Group - SUV share (in % of regional Group Deliveries to Customers)

