

**VOLKSWAGEN**

AKTIENGESELLSCHAFT

# Leading the Transformation.

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**Frank Witter**

Chief Financial Officer

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Investor Roadshow with Société Générale, Paris, 4<sup>th</sup> July 2019

## Disclaimer

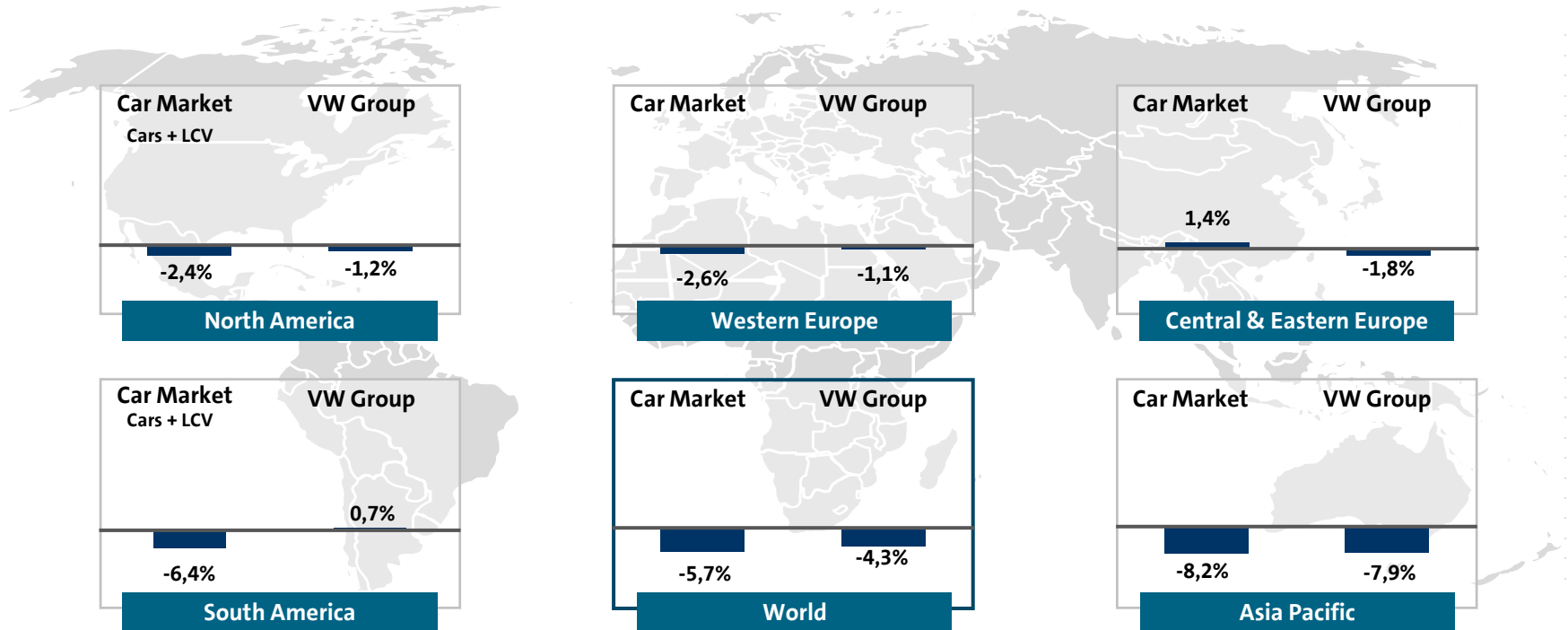
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Consequently, a negative impact relating to ongoing claims or investigations, any unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, and trade 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.

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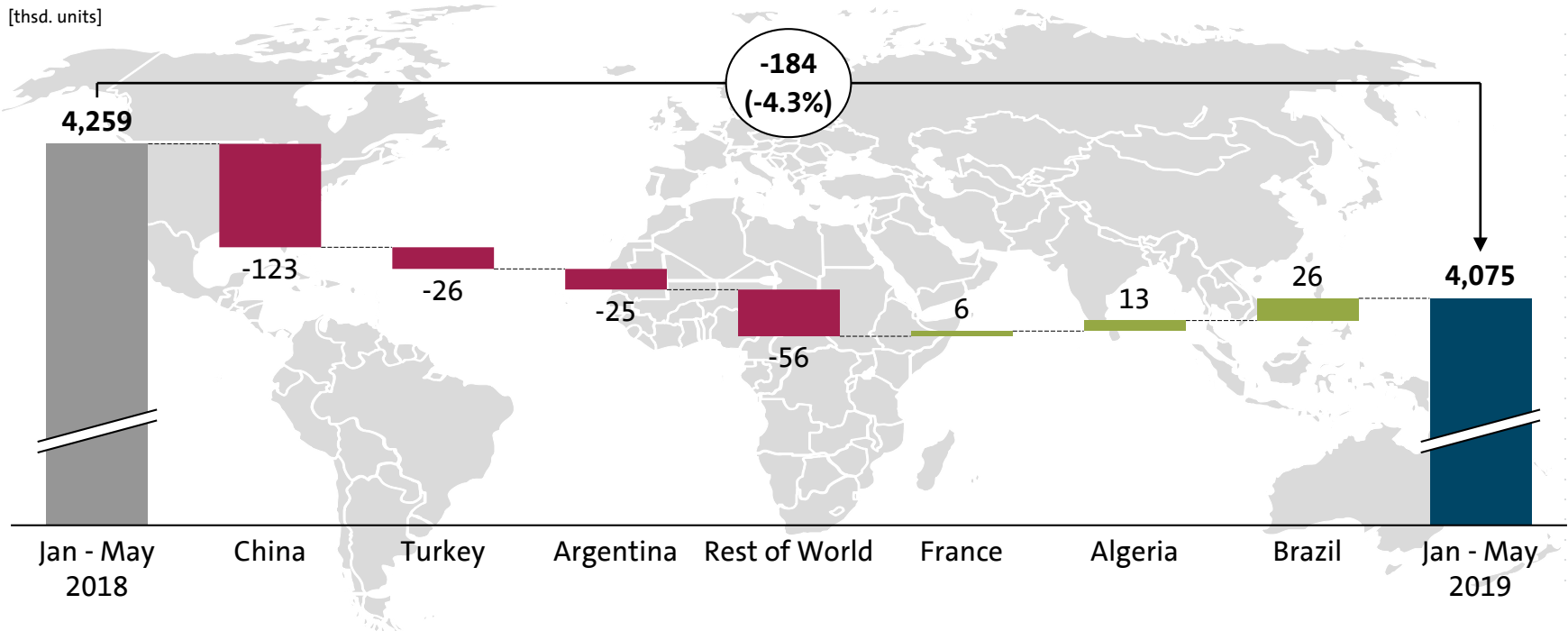
## Development World Car Market vs. Volkswagen Group Car Deliveries to Customers<sup>1)</sup> (Growth y-o-y in deliveries to customers, January to May 2019 vs. 2018)



<sup>1)</sup> Figures including Volkswagen Commercial Vehicles in North and South America, excluding Scania and MAN.

## Development Volkswagen Group Car Deliveries to Customers by Markets <sup>1)</sup> (Growth y-o-y in deliveries to customers, January to May 2019 vs. 2018)

[thsd. units]



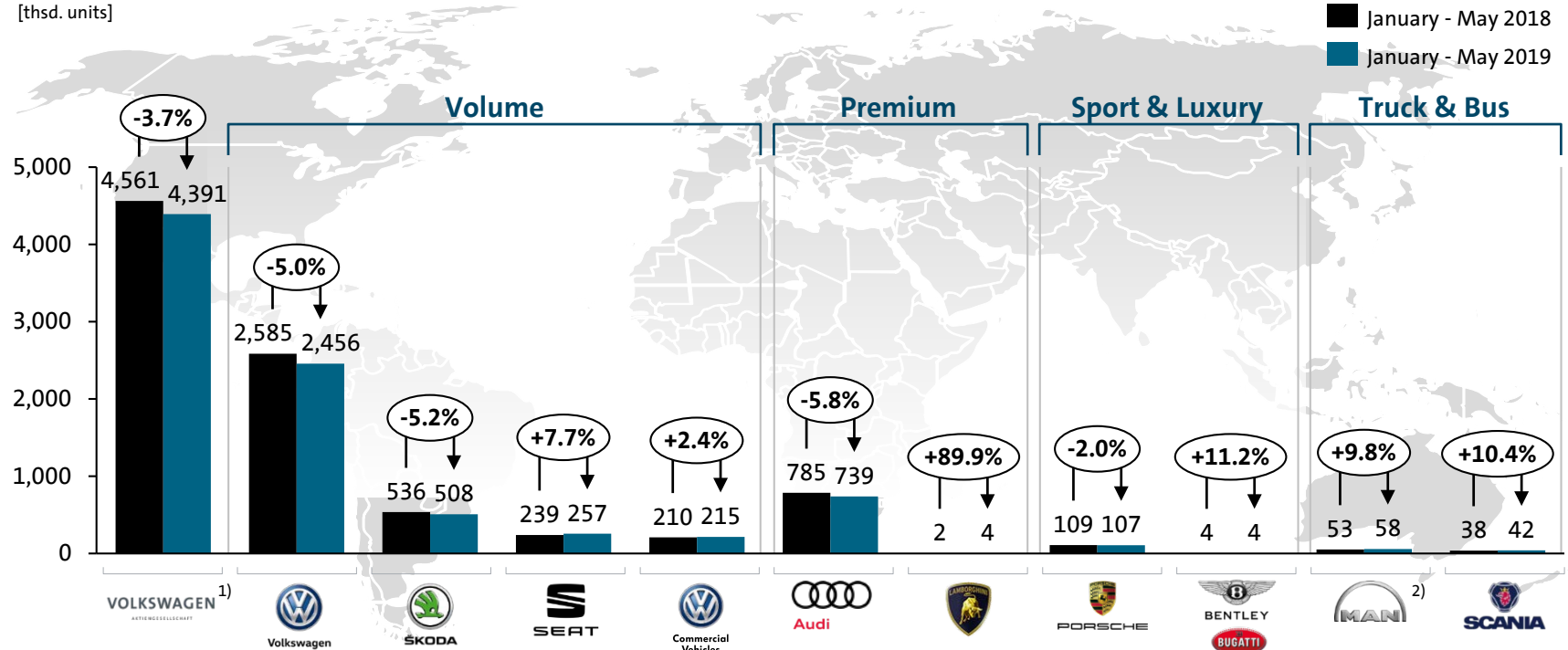
<sup>1)</sup> Figures including Volkswagen Commercial Vehicles in North and South America, excluding Scania and MAN.



## Volkswagen Group – Deliveries to Customers by Brands

(January to May 2019 vs. 2018)

[thsd. units]



<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -4.3% incl. Volkswagen Commercial Vehicles in North and South America, excl. Scania and MAN.

<sup>2)</sup> MAN incl. MAN Latin America Trucks and Busses GVW > 5t.

## Volkswagen Group – Key Financial Figures <sup>1)</sup>

(January to March 2019 vs. 2018)

thousand vehicles / € million	2019	2018 <sup>2)</sup>	+/- (%)
Vehicle Sales <sup>3)</sup>	2,583	2,769	-6.7
Sales revenue	60,012	58,228	+3.1
Operating profit before Special Items	4,849	4,211	+15.2
<i>% of sales revenue</i>	8.1	7.2	
Operating profit	3,868	4,211	-8.2
<i>% of sales revenue</i>	6.4	7.2	
Financial result	203	266	-23.7
of which: At-equity result <sup>4)</sup>	808	829	-2.5
of which: Other financial result	-605	-562	-7.7
Profit before tax	4,071	4,477	-9.1
<i>% Return on sales before tax</i>	6.8	7.7	
Profit after tax	3,053	3,300	-7.5

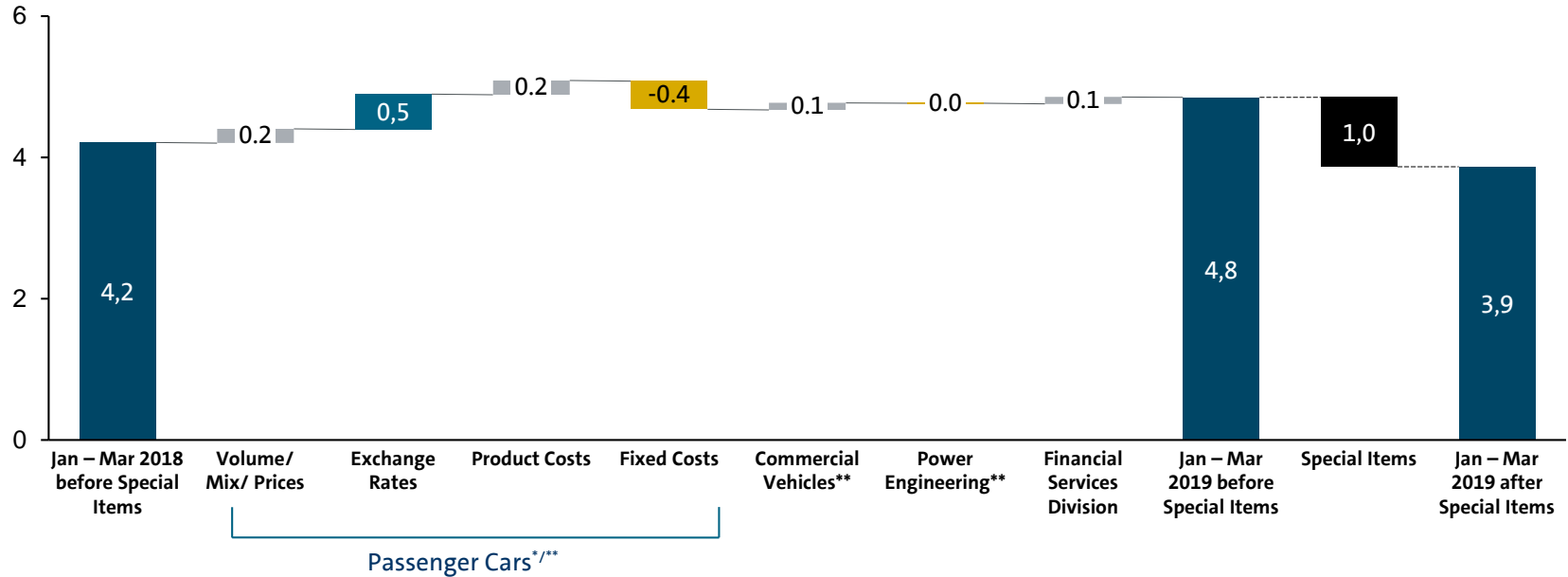
<sup>1)</sup> All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Including allocation of consolidation adjustments between the Automotive and Financial Services divisions. <sup>2)</sup> Prior-year figures were adjusted due to IFRS

<sup>3)</sup> Volume data including the unconsolidated Chinese joint ventures. <sup>4)</sup> The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €1,074 million (€1,163 million).

# Volkswagen Group – Analysis of Operating Profit <sup>1)</sup>

(January to March 2019 vs. 2018)

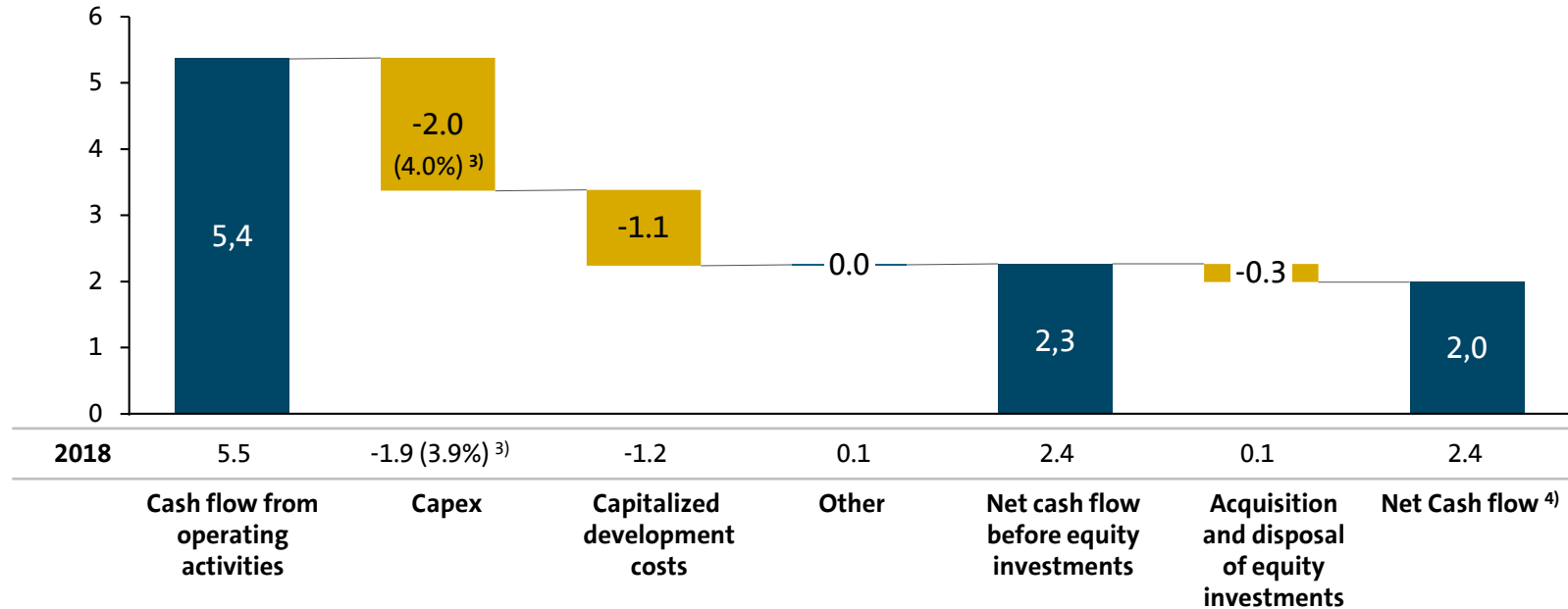
[€ billion]



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

# Automotive Division Net Cash Flow Development <sup>1) 2)</sup> (January to March 2019)

[€ billion]



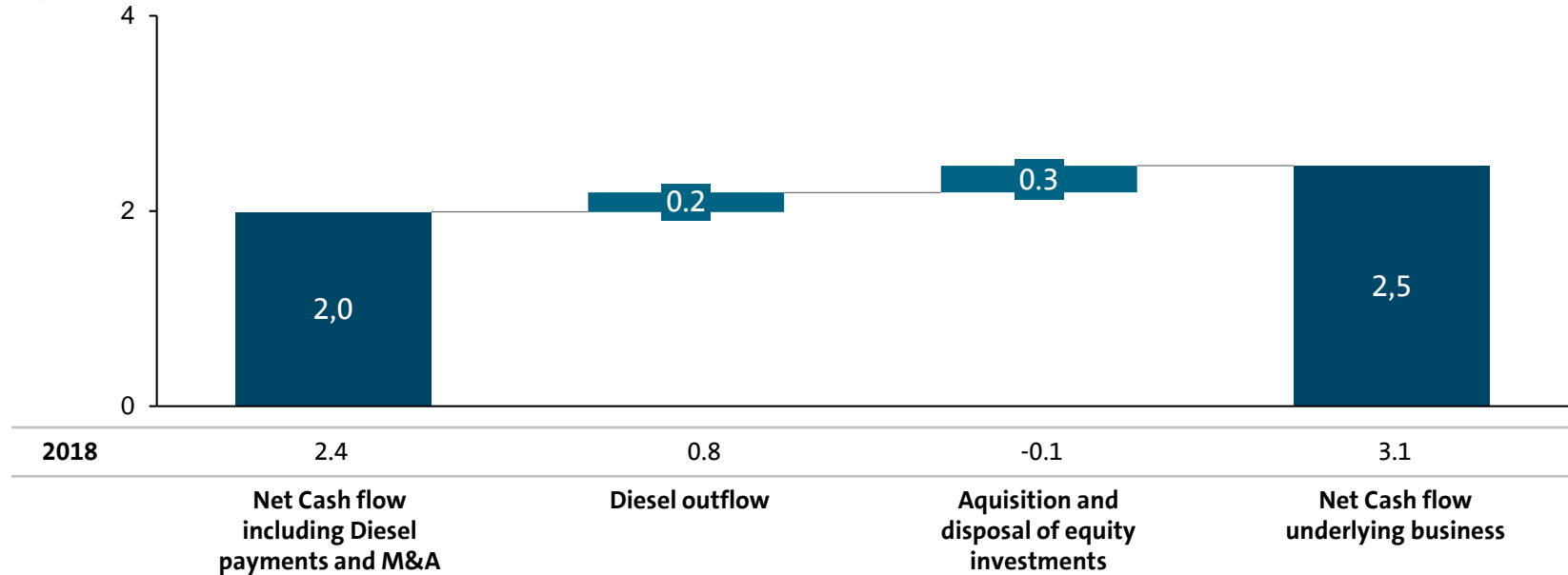
<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. <sup>2)</sup> Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

<sup>3)</sup> Capital expenditure for property, plant and equipment in % of Automotive sales revenue. <sup>4)</sup> Including Diesel payments and M&A.

# Automotive Division – Net Cash Flow <sup>1)</sup>

(January to March 2019)

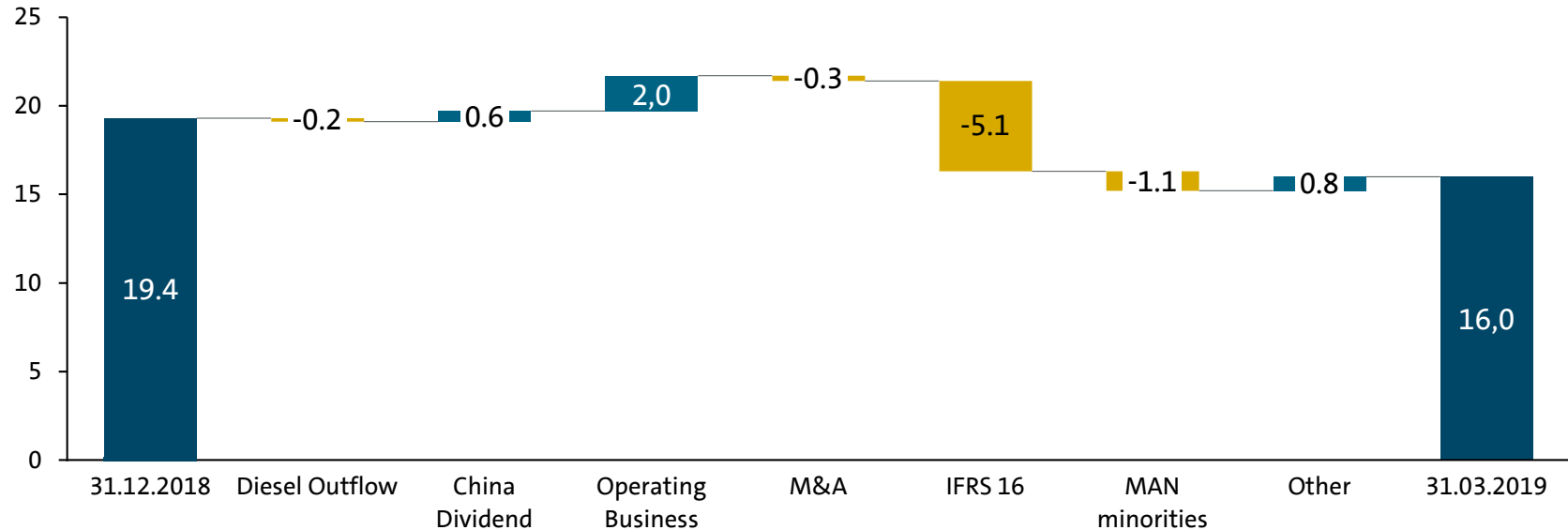
[€ billion]



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

## Automotive Division – Analysis of Net Liquidity <sup>1)</sup> (January to March 2019)

[€ billion]

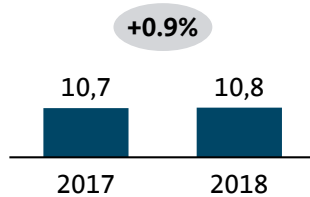


<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts.

# Volkswagen Group – Outlook for 2019



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

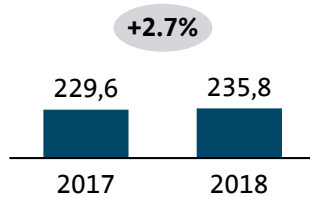


slightly exceed the prior-year

2019



**Sales revenue**  
(€ billion)

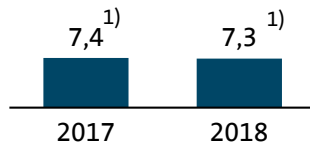


grow by as much as 5%

2019



**Operating return on sales**  
(%)



in the range of 6.5 – 7.5% before Special Items

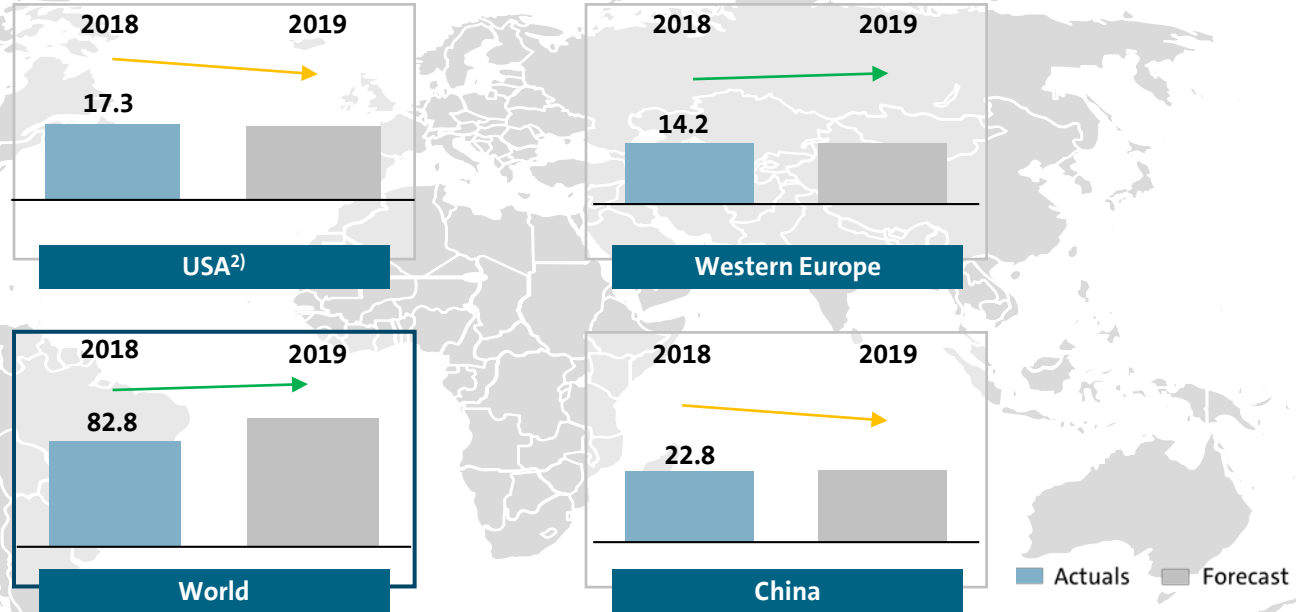
2019

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

# Global Passenger Car Market 2018 – 2019 <sup>1)</sup>

China remains largest driver of passenger car demand, Western Europe stable  
Slowdown in the US from a high level

[million units]



► Deliveries to customers of the Volkswagen Group in 2019 will still grow moderately amid continuously challenging market conditions.

<sup>1)</sup> Internal forecast; as of June, 2019. <sup>2)</sup> Volume for North & South America includes light commercial vehicles (definition 'Light Vehicles')



## New and Forthcoming Product Highlights in 2019 <sup>1)</sup>



Volkswagen



Audi



ŠKODA



SEAT



PORSCHE



BENTLEY



Commercial  
Vehicles

### Portfolio expansion and successor models ICE



T-Cross



Sagitar



B-SUV 5-Seater (US/CH)



A1 City Carver



Q3



Octavia Combi



ŠKODA Scala



Tarraco



Leon



911 Carrera



Cayenne Coupé



Flying Spur

### Portfolio expansion BEV



Bora BEV (CH)



Laida BEV (CH)



e-tron



e-tron Sportback



Citigo BEV

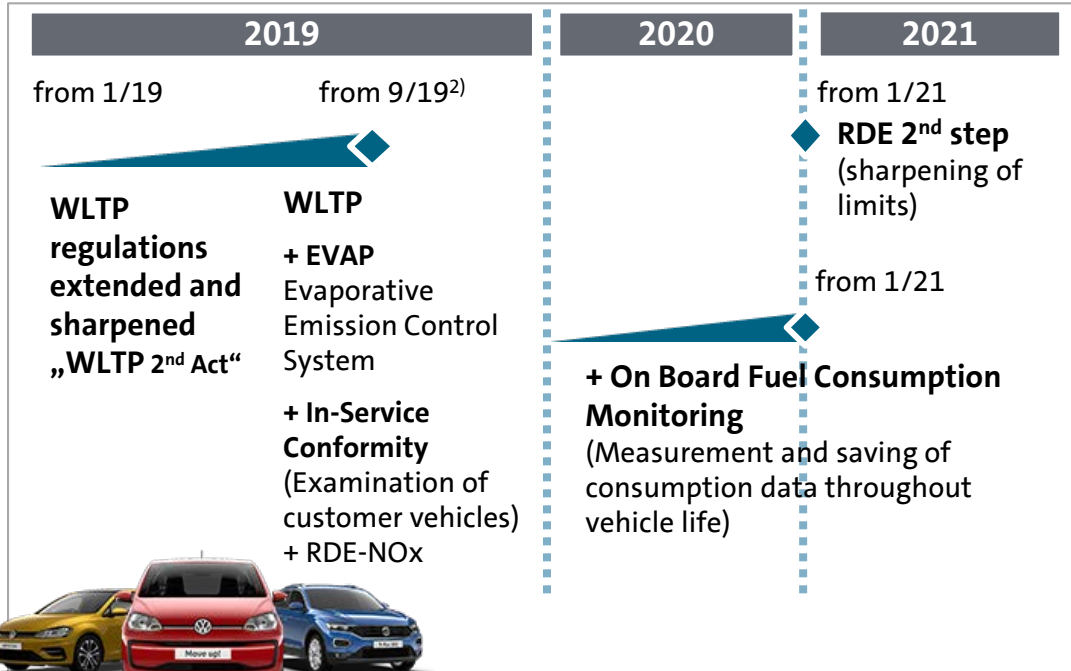


Taycan

<sup>1)</sup> Selected models planned.

# Emission requirements: WLTP<sup>1)</sup> is the “new normal”

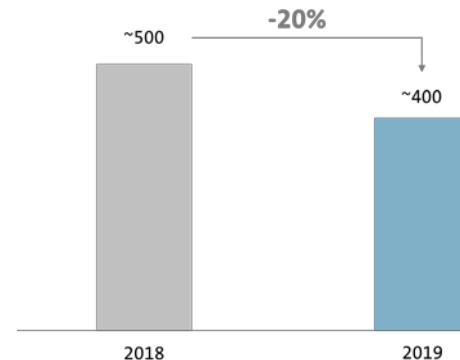
## Homologation Deadlines



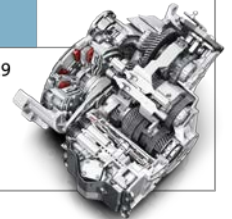
## Complexity Reduction

The majority of **engine/transmission combinations** need to be re-homologated and newly approved.

Volkswagen Volume Brands already acted:



► **Further complexity reduction in 2019 is under way.**



<sup>1)</sup> Worldwide Harmonized Light Vehicles Test Procedure <sup>2)</sup> Extended to Light Commercial Vehicles all new registrations .

## Clear Financial Targets and Milestones <sup>1)</sup>

Key financial targets	2016	2017	2018	2019 Targets	2020 Targets	2025 Targets
<b>Operating return on sales</b> <small>Before Special Items</small>	6.7%	7.4%	7.3%	6.5-7.5%	6.5-7.5%	7-8%
<b>Return on investment</b> <small>Automotive Division <u>before</u> Special Items</small>	13.9%	14.4%	13.1%	12-14%	13-15%	> 15%
<b>Capex ratio</b> <small>Automotive Division</small>	6.9%	6.4%	6.6%	6.5-7.0%	6%	6%
<b>R&amp;D cost ratio</b> <small>Automotive Division</small>	7.3%	6.7%	6.8%	6.5-7.0%	6%	6%
<b>Cash</b>						
<small>Automotive Division</small>						
<b>a) Net Cashflow<sup>2)</sup></b>	€ 4.9 bn	€ 10.3bn	€ 5.6 bn	≥ € 9bn	≥ € 10 bn	> € 10 bn
<b>b) Net Liquidity</b>	€ 27.2 bn	€ 22.4 bn	€ 19.4 bn	≥ € 15bn <sup>3)</sup>	> € 20 bn	~10% of Group turnover

<sup>1)</sup> As of 19th March, 2019. <sup>2)</sup> Ex diesel payments and M&A; cash outflows of around € 3 bn in 2016, € 16.1 bn in 2017 and € 5.3 bn in 2018. <sup>3)</sup> Including the negative one-off IFRS 16 impact, effective from 1st January, 2019.

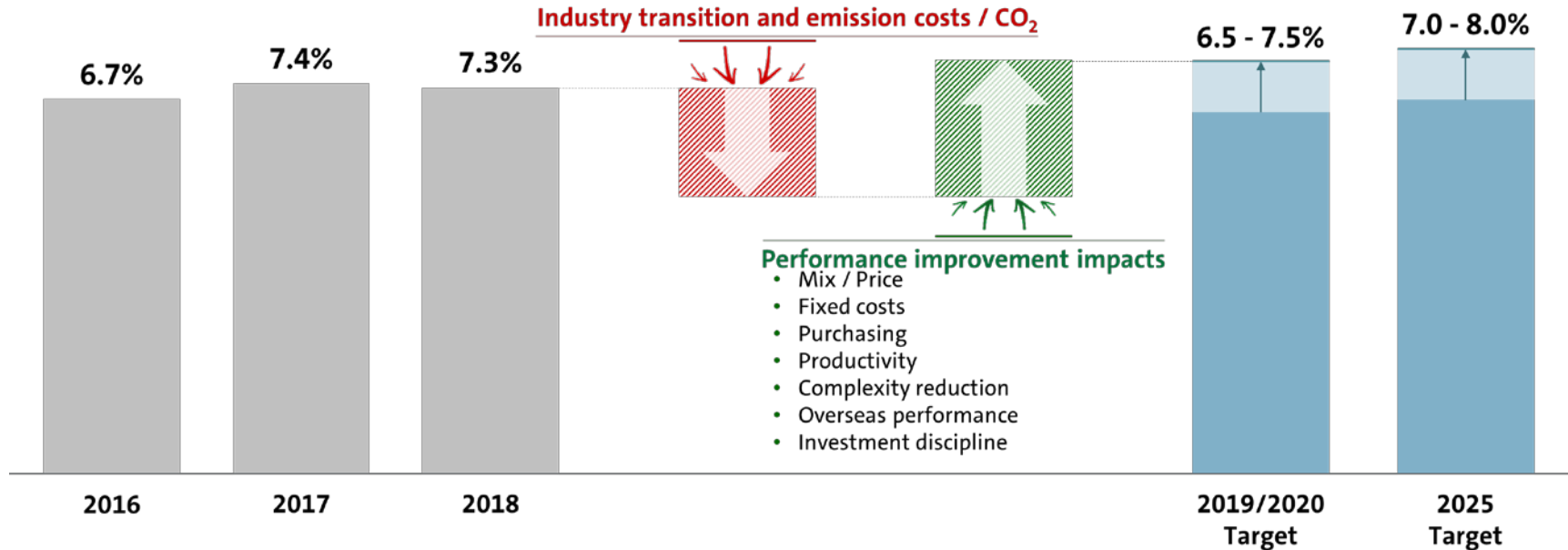
## Overview Brand Targets (RoS, RoE)

Return on Sales in % <sup>1)</sup>	<u>2016</u>	<u>2017</u>	<u>Target 2018</u>	<u>2018</u>	<u>Target 2019</u>	<u>Target 2020</u>	<u>Target 2025</u>
Volkswagen Group	6.7	7.4	6.5-7.5	7.3	6.5-7.5	6.5-7.5	7.0-8.0
Volkswagen Brand	1.8	4.1	4-5	3.8	4-5	4-5	≥6
Audi	8.2	8.4	8-10	7.9	7.0-8.5 <sup>2)</sup>	9-11 <sup>2)</sup>	9-11 <sup>2)</sup>
Porsche Automotive	17.4	18.5	>15	17.4	>15	>15	>15
ŠKODA	8.7	9.7	8-9	8.0	6-7	6-7	≥7
Volkswagen Commercial Vehicles	4.1	7.2	5-6	6.6	4-5	4-5	>6
TRATON Group <sup>3)</sup>	5.4	6.0	-	6.4	6.5-7.5	Over the cycle target of 9% <sup>4)</sup>	
Return on Equity (norm. 8%)	<u>2016</u>	<u>2017</u>	<u>Target 2018</u>	<u>2018</u>	<u>Target 2019</u>	<u>Target 2020</u>	<u>Target 2025</u>
Volkswagen Financial Services	15.6	15.8	14-16	15.8	14-16	14-16	20

<sup>1)</sup> Before special items. <sup>2)</sup> Effective 01/2019, operating return based on adjusted sales revenue without turnover from multi-brand sales companies. <sup>3)</sup> Incl. Scania Financial Services I Adj. Return on Sales for 2016 / 2017 / 2018 <sup>4)</sup> Strategic target TRATON Group wants to achieve over-the-cycle, incl. holding costs and consolidation effects.











# Improving Group Return on Sales despite significant headwinds

Operating margin<sup>1)</sup>  
(% of sales revenue)



<sup>1)</sup> Before special items.

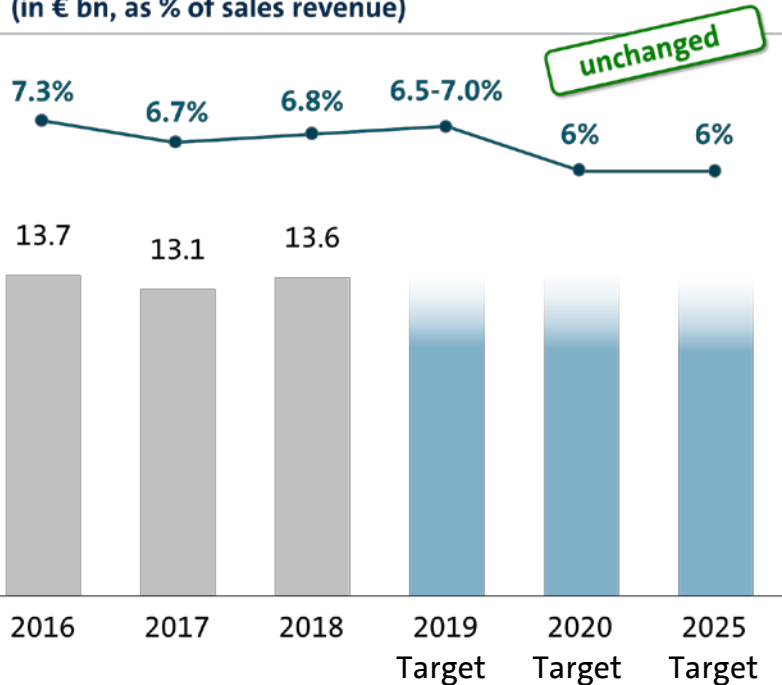
## Securing Group KPI's: Profit Improvement programs

	 <b>Future Pact/ Profit Improv. Program</b>	 <b>Included in ,Grip 2025+‘</b>
Volume	 <b>Attack Plan</b>	 <b>100+/ Full Cost Optim.</b>
Premium	 <b>Transformation Plan</b>	
Sport & Luxury	 <b>Profit Improv. Program</b>	 <b>Transformation Plan</b>
Financial Services	 <b>Opex</b>	
Commercial Vehicles	 <b>Focus on synergies</b>	
Group	 <b>Lean and focused (GI 12)</b>	

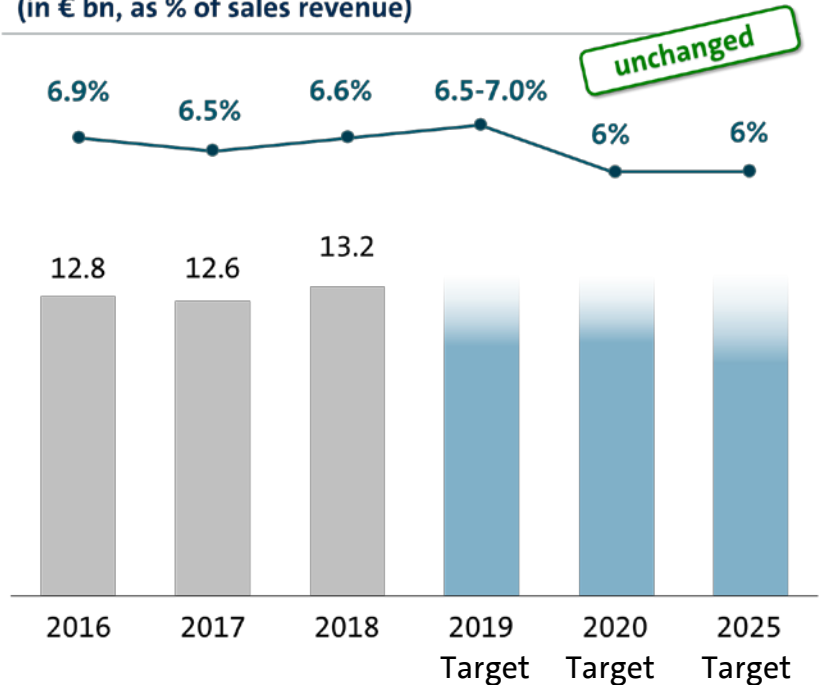


# Discipline: Maintaining R&D and CAPEX Targets

R&D Automotive Division  
(in € bn, as % of sales revenue)

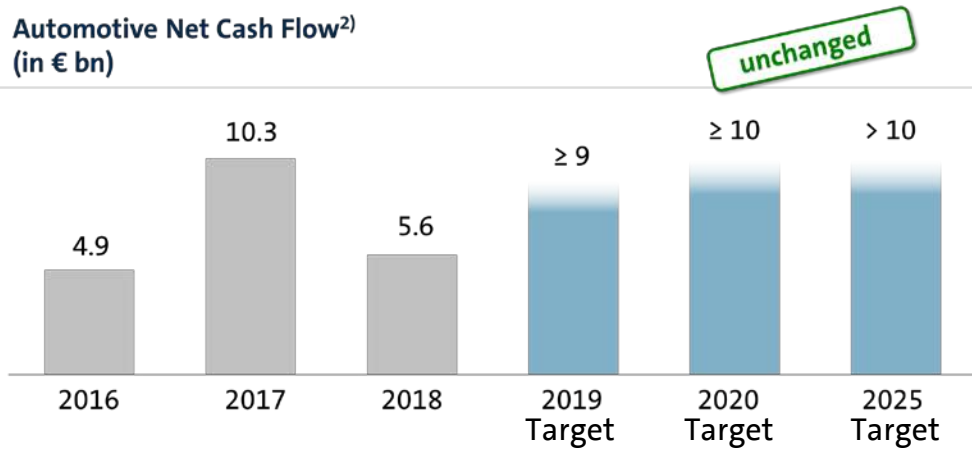


CAPEX Automotive Division  
(in € bn, as % of sales revenue)



## Generate cash (1): Self funding<sup>1)</sup>

Automotive Net Cash Flow<sup>2)</sup>  
(in € bn)



- ✓ Improving working capital management
- ✓ Robust China dividends
- ✓ Cash is King!



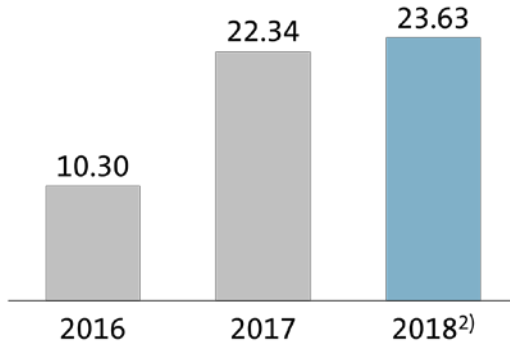
<sup>1)</sup> Incl. allocation of consolidation adjustments between Automotive and Financial Services divisions.

<sup>2)</sup> Before Diesel related outflows and M&A.

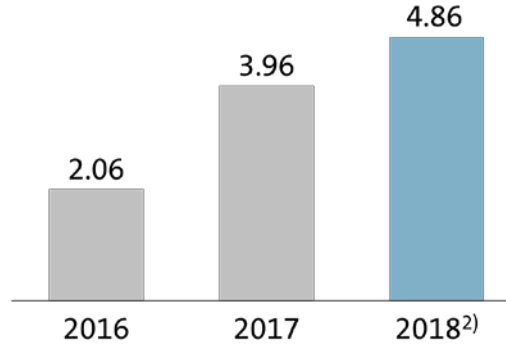


## Generate Cash (2): Attractive Dividend

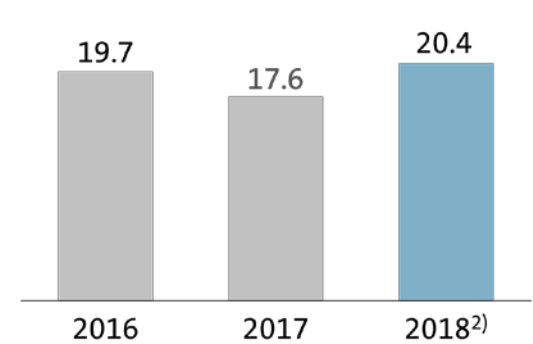
Earnings per Preference Share  
(€)



Dividend per Preference Share  
(€)



Dividend pay-out ratio<sup>1)</sup>  
(%)



Target EPS:  $\geq 30$  € by 2020

Target Dividend Pay-Out Ratio: 30%

<sup>1)</sup> Total dividend in percent of net income attributable to shareholders of Volkswagen AG. <sup>2)</sup> Dividend proposal.

# STRATEGY 2025 – Initiatives at a glance

GROW  
PROFITABLY

- 1 Sharpen positioning of brands
- 2 Develop winning vehicle and drivetrain portfolio
- 3 Streamline modular architectures
- 4 Partner with regional players to win in economy segment



Transform  
core business

- 10 Build mobility solutions business
- 11 Develop and expand attractive and profitable smart mobility offering

- 12 Improve operational excellence
- 13 Optimize business portfolio

DEVELOP  
STRATEGIC  
CAPABILITIES

- 5 Develop self-driving system for autonomous vehicles and artificial intelligence in-house
- 6 Develop battery technology as new core competency
- 7 Develop best-in-class user experience across brands and customer touchpoints



Build  
mobility solutions  
business



Secure  
funding

ENHANCE  
ENTREPRE-  
NEURIAL SPIRIT

- 8 Implement model line organization
- 9 Realign "Components" business

14 Drive digital transformation

15 Create organization 4.0



Strengthen  
innovation power

## Enhanced Strategy: Together 2025+

- Accelerating industry changes
- New Group structure
- Leadership changes on board level

Together 2025



2016



2018



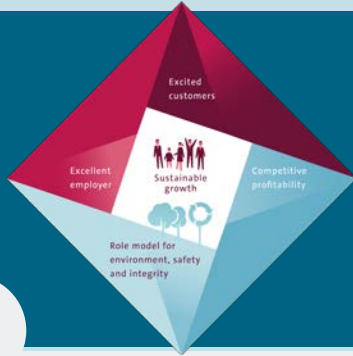
2019

**Continuation of strategic direction**

- Increase **focus and speed**
- New **purpose-driven vision**:  
Shaping mobility – for generations to come

# Together 2025+ : Increased focus and speed towards a purpose-driven vision

Our new vision



## Shaping mobility – for generations to come.

Our updated action plan



Best Governance



Best Performance



Best Brand Equity



Software-enabled car company



Excellent Leadership

















Functional strategies

Our belief

Values and integrity

## Creation of Brand Groups reduces the complexity of the Group structure

Volume	Premium	Sport & Luxury	Truck & Bus	Procurement/ Components	Finance & IT	China
<b>VW</b>  Volkswagen	<b>Audi</b> 	<b>Porsche</b>  PORSCHE	<b>MAN</b> 	<b>Procurement</b>	 VOLKSWAGEN FINANCIAL SERVICES THE KEY TO MOBILITY	<b>Region China</b>
<b>Škoda</b>  ŠKODA	<b>Lamborghini<sup>1)</sup></b> 	<b>Bentley</b>  BENTLEY	<b>Scania</b> 	<b>Components</b>		
<b>SEAT</b>  SEAT	<b>Ducati<sup>1)</sup></b> 	<b>Bugatti</b> 	<b>Power Engineering<sup>1)</sup></b>			
<b>VW LCV</b>  Commercial Vehicles						
<b>MOIA</b> 						

<sup>1)</sup> Allocation to be verified.

## Investing heavily in our transformation



Up to the end of **2023**: We will be putting more than **€44 bn** into our mobility for the future: there of € 30bn in e-mobility and rest in digitalization, autonomous driving and mobility services.

Amounts to roughly one third of total expenditure for the years 2019-2023.

As of 19th November, 2018.



Up to the end of **2023**: Two thirds of total expenditure are being put into the **conventional vehicle and drive portfolio** in order to meet the CO2 requirements.



On top, up to the end of **2023**: Volkswagen Group and its **joint-venture partners in China** will be making around **€15 bn** available for e-mobility, autonomous driving, digitalization and new mobility services.



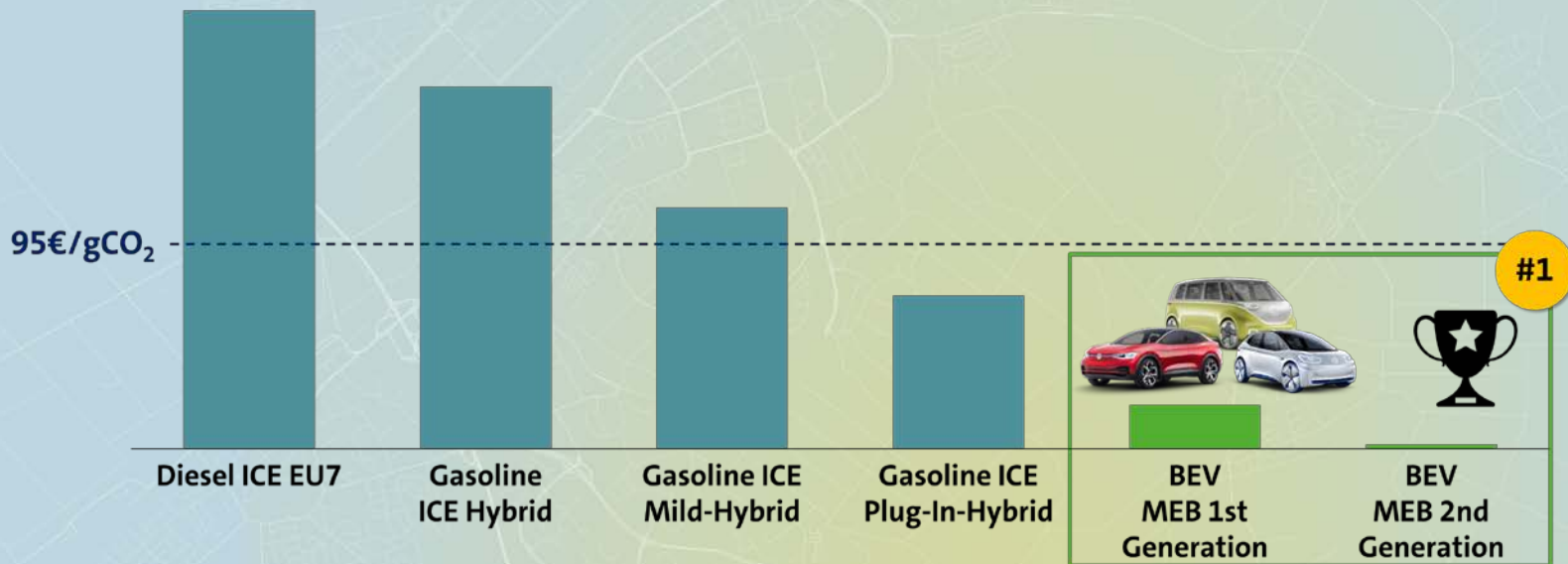
Investments of around **€1 bn** planned to set up **battery cell production** facility with partner in Lower Saxony.

As of 3rd May, 2019.



# BEVs are First choice as the most cost efficient solution for CO<sub>2</sub> reduction

MEASURES FOR CO<sub>2</sub> REDUCTION IN €/G CO<sub>2</sub>



# Scalable Technology: The dedicated platforms (MEB/PPE) guarantee superior customer experience, scale and versatility



Long wheelbase  
short overhangs



Spacious interior for  
driver & passengers



No center tunnel



Various  
bodystyles



Big wheels



Rear-wheel  
& four-wheel drive



Central  
computing unit



Trunk volume  
~ ICE



New Design

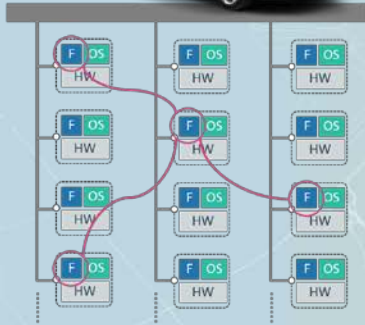




# The car becomes the most complex internet device



Car



distributed customer functions

Control units: approx. **70**

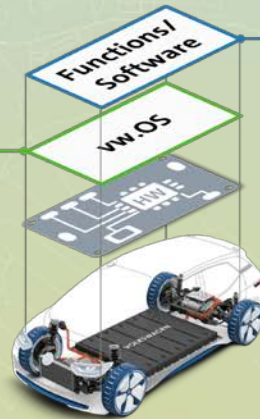
No own Software stacks

Today

Fully connected car



vw.OS Basic Software: Operating System



Software Stacks: Infotainment, Navigation, Emergency Assist ...

Cloud/ Backend

High Performance Computers **3-5**

+ Further control units for safety relevant functions

Development of Volkswagen's own Software stacks

Tomorrow

## Expanding production of electric vehicles worldwide on a massive scale by the end of 2022



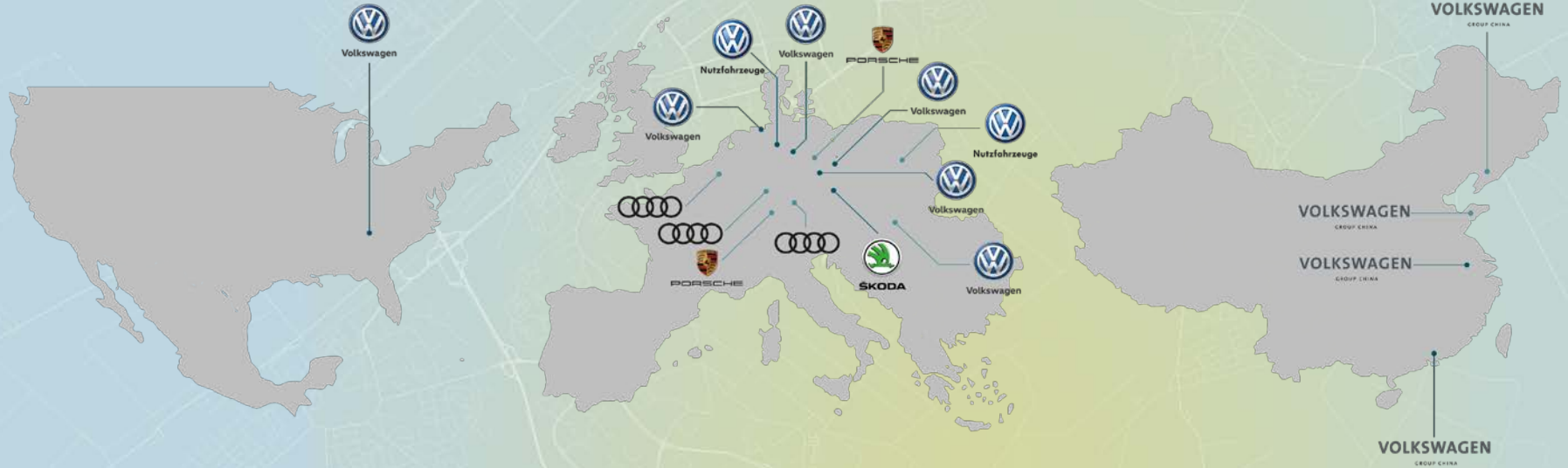
NORTH AMERICA



EUROPE



CHINA



# Huge worldwide BEV offensive on the way to CO2 neutrality by 2050

BEV worldwide (in million) based on expected Group deliveries to customers

Roadmap **E**

PREMIUM

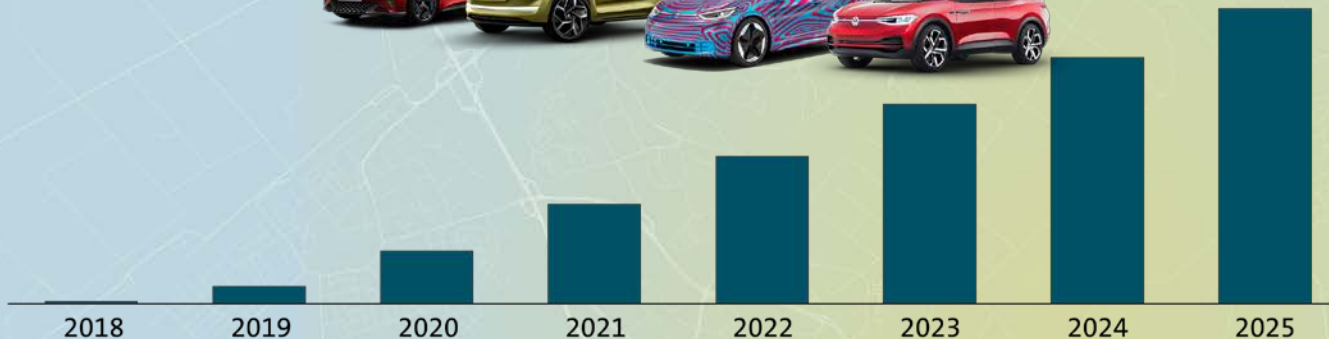


VOLUME



> 70 models

~ 3.0



„Zero Emission“  
in the existing fleet

COP21 - CMP11  
PARIS 2015  
UN CLIMATE CHANGE CONFERENCE

CO<sub>2</sub> NEUTRAL

2050

## Volkswagen is gathering momentum with the first MEB vehicle ID.3

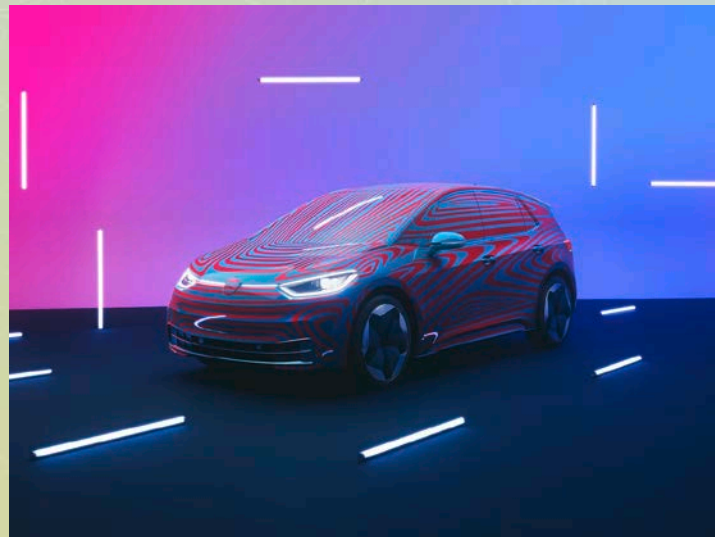
A new era begins

**ID.3 will come with ranges from 330 to 550 kilometers (WLTP) and starting price of under €30,000 in Germany**

### **Pre-booking of special edition ID.3 1st:**

Already ca. 23,000 registrations with an excellent customer response

- limited to 30,000 vehicles
- range of 420 km (WLTP)
- starting price of less than €40,000 in Germany
- including charging of electric power for a year at no cost up to a maximum of 2,000 kWh
- Registration deposit is €1,000



## BEV challenges addressed by three key elements

### Usability / Range



e-Golf

up to 231 km (WLTP)



MEB-platform

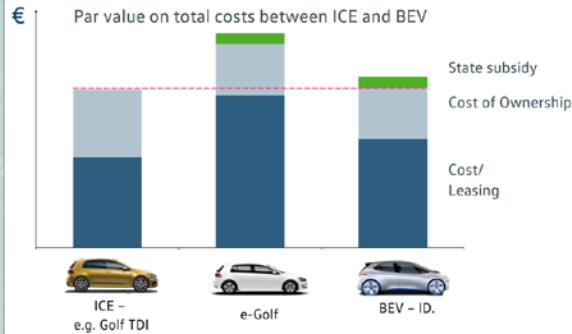
330 km (WLTP)

up to 550 km (WLTP)

scalable



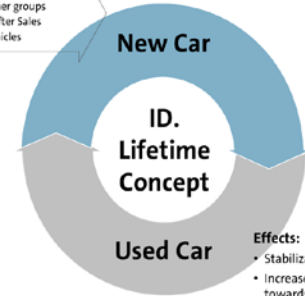
### Total Cost of Ownership



### Systematic Sales Approach

**"Rate instead of price":**

- Leasing for all customer groups
- Package offers incl. After Sales
- For new and used vehicles

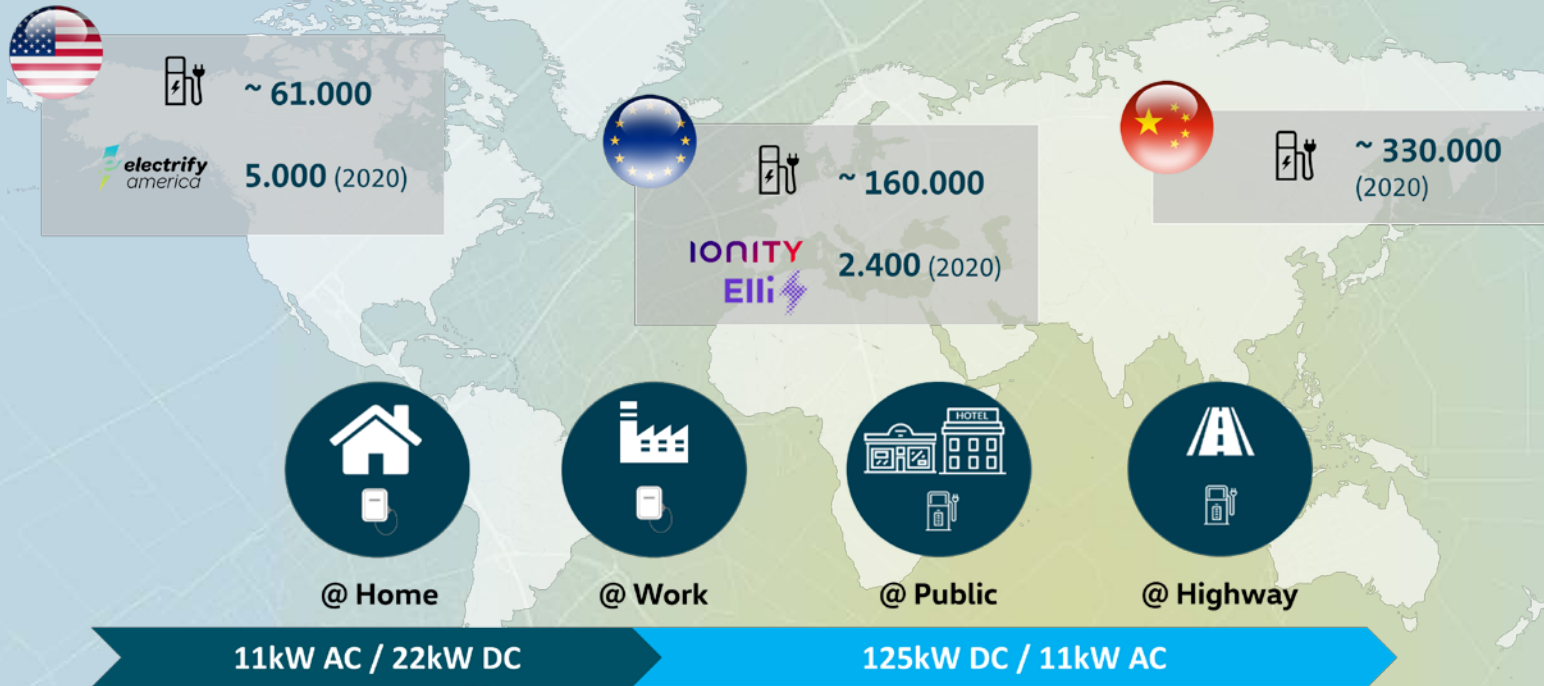


**Effects:**

- Stabilization of residual values
- Increase of customer loyalty towards dealers & brand



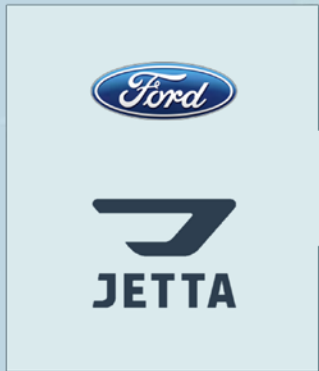
# The charging infrastructure: An enabler for the transformation to e-mobility



<sup>1)</sup> As of 12th March, 2019.

## Driving forward Strategy: New collaborative approach

### Market/ Product



### E-Mobility services



### Software



### Technology



**New Scale dimensions**

## Key Messages

1.

Leading the transformation to e-mobility

2.

Cost effective transformation path

3.

First in transforming into software OEM

4.

Increased focus on value creation

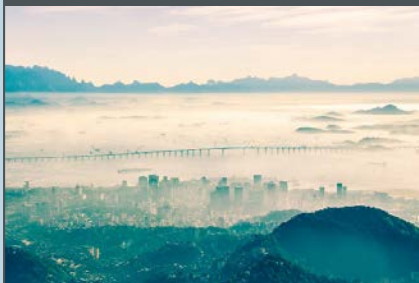




## TRATON Group – New Era for TRATON with IPO

- TRATON shares began trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of Nasdaq Stockholm (Large Cap Segment) in June 2019.
- Significant step to create additional value for all stakeholders and drive the Global Champion strategy.

### Global Champion



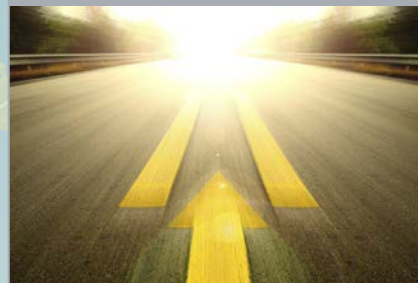
- Scale and global reach through leading brands and strategic alliance partners
- Unique platform enabling growth and positioning for best-in-class profitability

### Growth



- Customer value focused product and service offering
- New product generations
- Further expansion in key geographies

### Profitability



- Concrete path to profitability improvement
- Stand-alone brand performance and synergies
- Earnings growth and cash generation potential

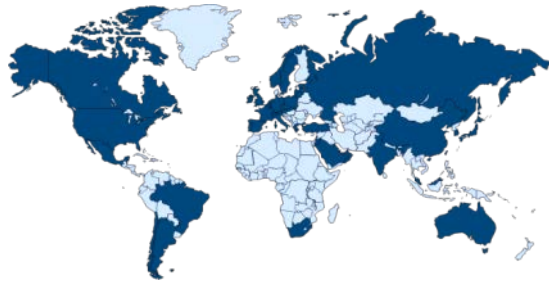
### Execution



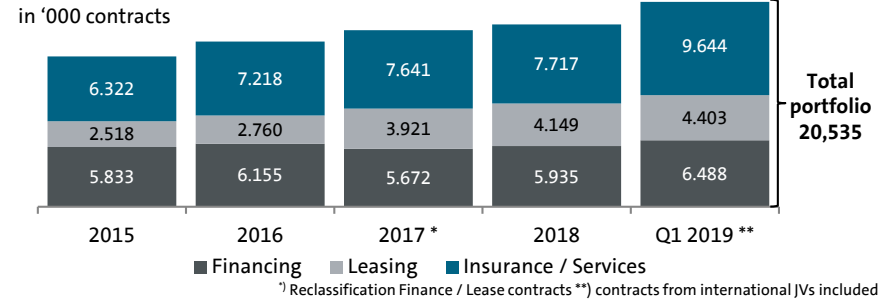
- Strong team with industry-leading track record
- Committed to Global Champion strategy

# Volkswagen Financial Services <sup>1)</sup>: global, well diversified and successful

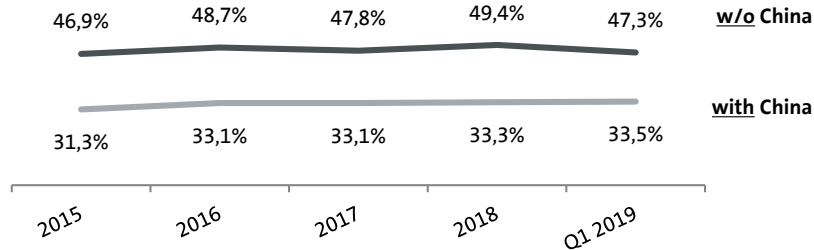
## Strong global presence



## Continuous portfolio expansion



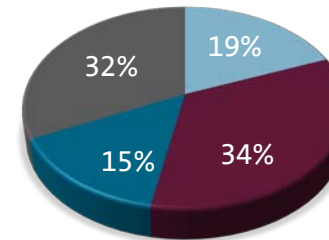
## Rising penetration rates



## Diversified funding structure

Equity, liabilities to affiliated companies, other

Customer deposits



Asset backed securitization

Bonds, Commercial Paper, liabilities to financial institutions

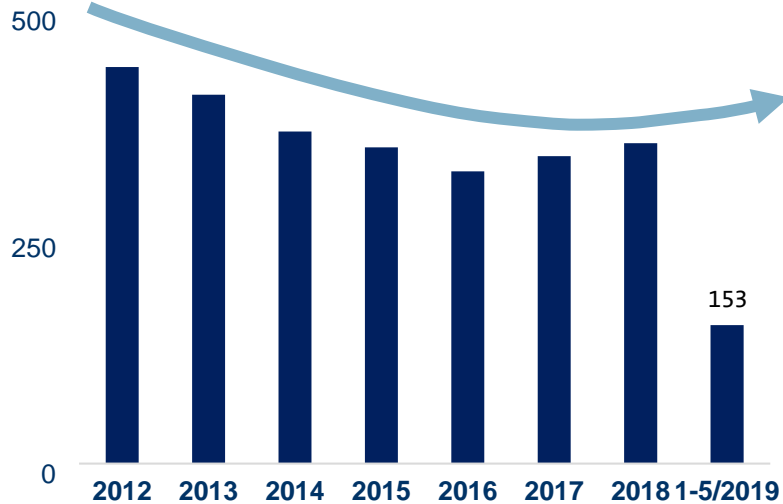
31.03.2019: € 210.2 bn

<sup>1)</sup> Excl. activities of Scania and Porsche Holding Salzburg; incl. Financial Services of Porsche AG and MAN Financial Services.



## Volkswagen Brand – Pushing the Turnaround in the US with new products

Deliveries to US customers, '000' units



Year	Market Share %
2012	3.0
2013	2.6
2014	2.2
2015	2.0
2016	1.8
2017	2.0
2018	2.0
1-5/2019	-

SUV offensive #1	Sedans	SUV offensive #2
<p><b>2017</b></p>  <p><b>Atlas</b></p>  <p><b>Tiguan</b></p>  <p><b>Refreshed Golf</b></p>	<p><b>2018-19</b></p>  <p><b>Jetta</b></p>  <p><b>Passat</b></p>  <p><b>Arteon</b></p>	<p><b>2019-21</b></p>  <p><b>Midsize SUV 5s</b></p>  <p><b>Compact SUV</b></p>  <p><b>ID Crozz</b></p>

## Volkswagen Group China looks forward to a successful year 2019



	2018	2019
Total Market Growth	22.7m (-4.6%)	
Volkswagen Group China Deliveries	4.2m (+0.5%)	
Prop. Operating Profit	€ 4.6bn (-2.5%)	

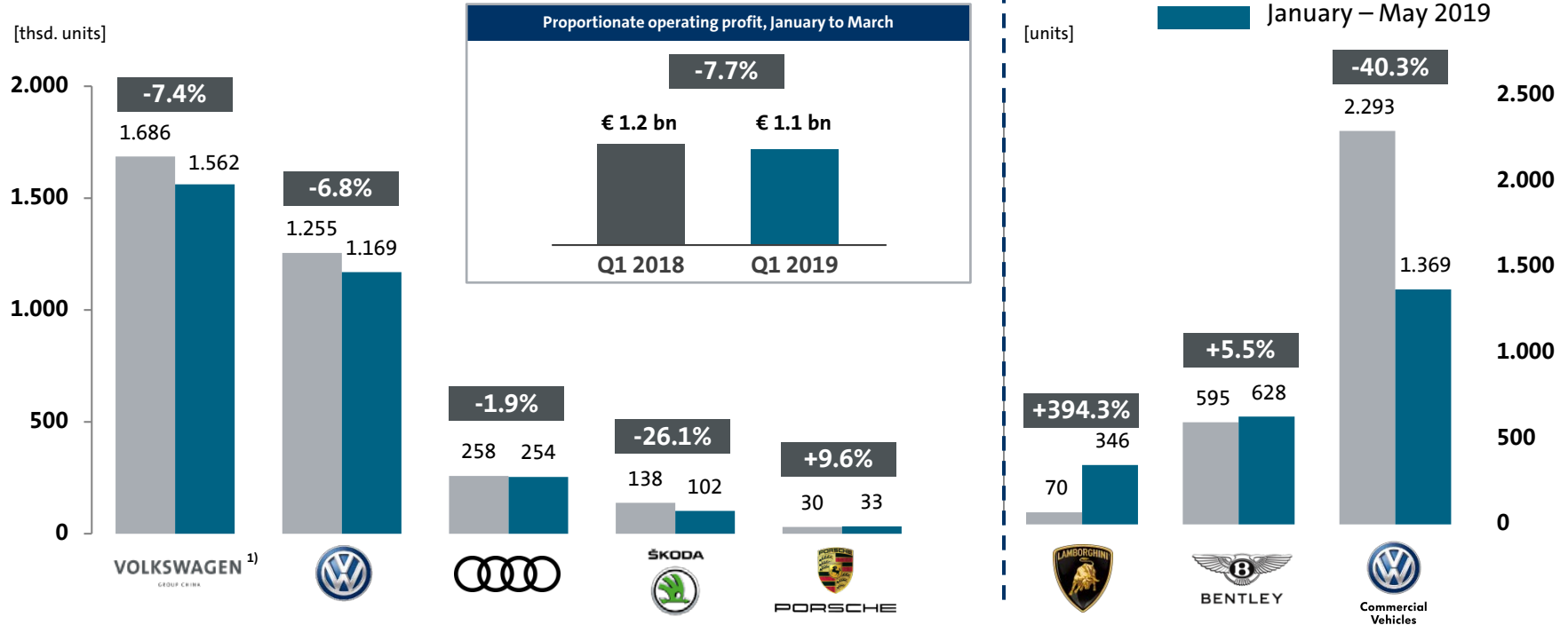


We, together with our Joint Venture partners,  
plan investments of more than **EUR 4 billion in 2019!**



## Volkswagen Group China performance

(January to May 2019 vs. 2018)



<sup>1)</sup> Incl. Hong Kong, excl. Ducati. Group numbers incl. Volkswagen Commercial Vehicles, Scania and MAN.

# Together4Integrity: Group-wide integrity and compliance program in full swing

## STRATEGY

Ethics and compliance is central to business strategy

## RISK MANAGEMENT

Ethics and compliance risks are identified, owned, managed and mitigated

## SPEAK-UP ENVIRONMENT

The organization encourages, protects and values the reporting of concerns and suspected wrongdoing



## CULTURE OF INTEGRITY

Leaders at all levels across the organization build and sustain a culture of integrity

## RESOLUTE ACCOUNTABILITY

The organization takes action and holds itself accountable when wrongdoing occurs

<sup>1)</sup> Group entities covered; as of 12th March, 2019.

## Group Compliance action plan for 2019

Standards, Organization	1	Whistleblower Group Guideline
	2	Staffing of Group Compliance
Processes & Tools	3	Strengthening the group-wide Compliance Organization
	4	Consistent Compliance Risk Assessment
	5	Worldwide Anti-Money Laundering System
	6	Risk-based revision of group guidelines
Business partner	7	New Business partner approval process for suppliers and sales organization
	8	Compliance in M&A transactions and post merger integration for non-controlled shareholdings
Certification	9	Support Monitorship + implementation of Monitor Recommendations

## Investor Relations Team

We are pleased to answer your inquiries regarding Volkswagen shares and other capital market related questions.



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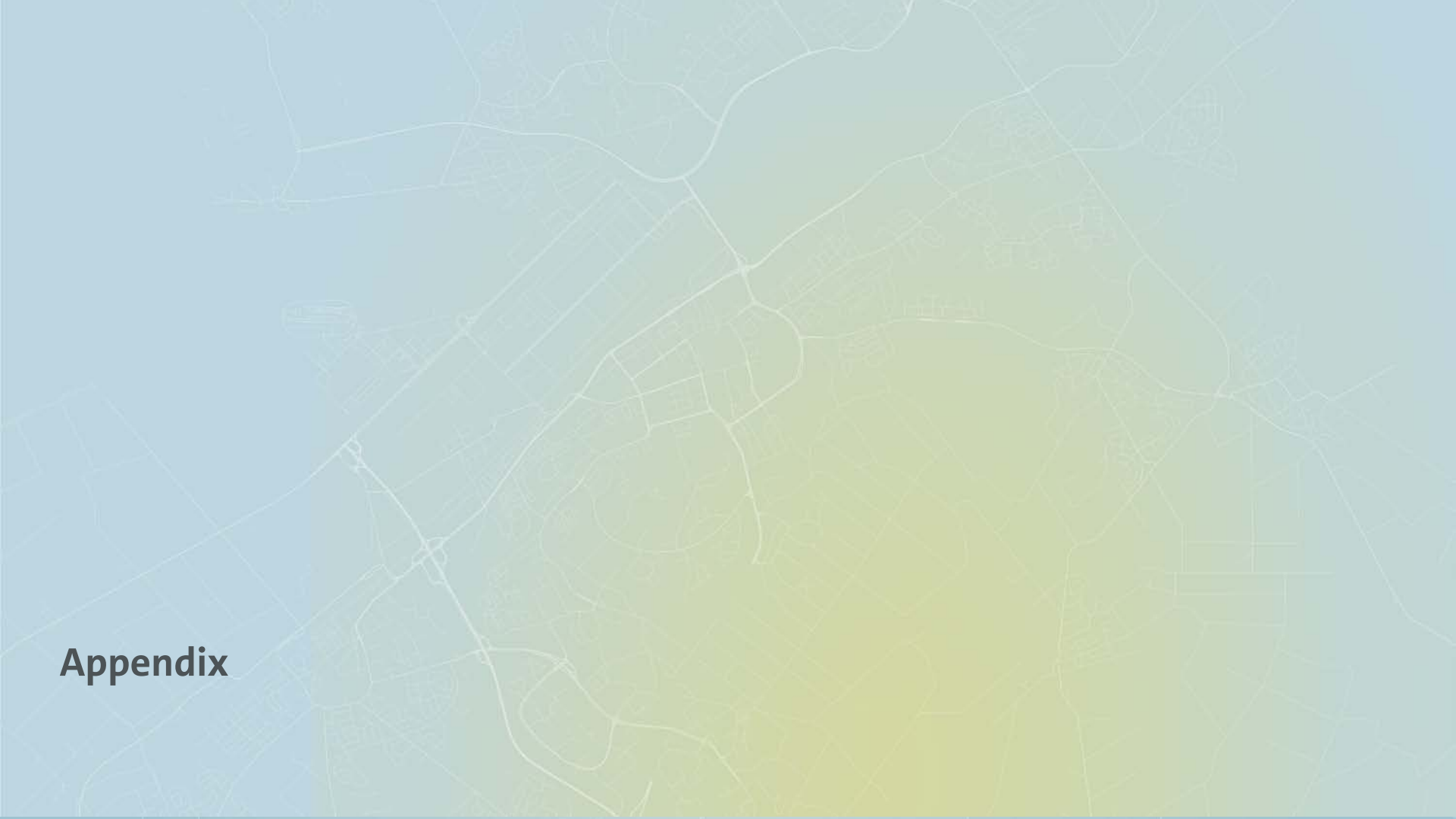
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Investor Relations

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Telephone: +49 5361 9 31106



The background of the slide is a stylized map of a city grid. The map is rendered in a light, semi-transparent white or light blue color, showing a complex network of streets and blocks. The map is overlaid on a background that transitions from a light blue on the left to a light green on the right. The word "Appendix" is written in a bold, black, sans-serif font in the lower-left corner of the slide.

# Appendix

# The Shareholder Structure, Supervisory and Management Board

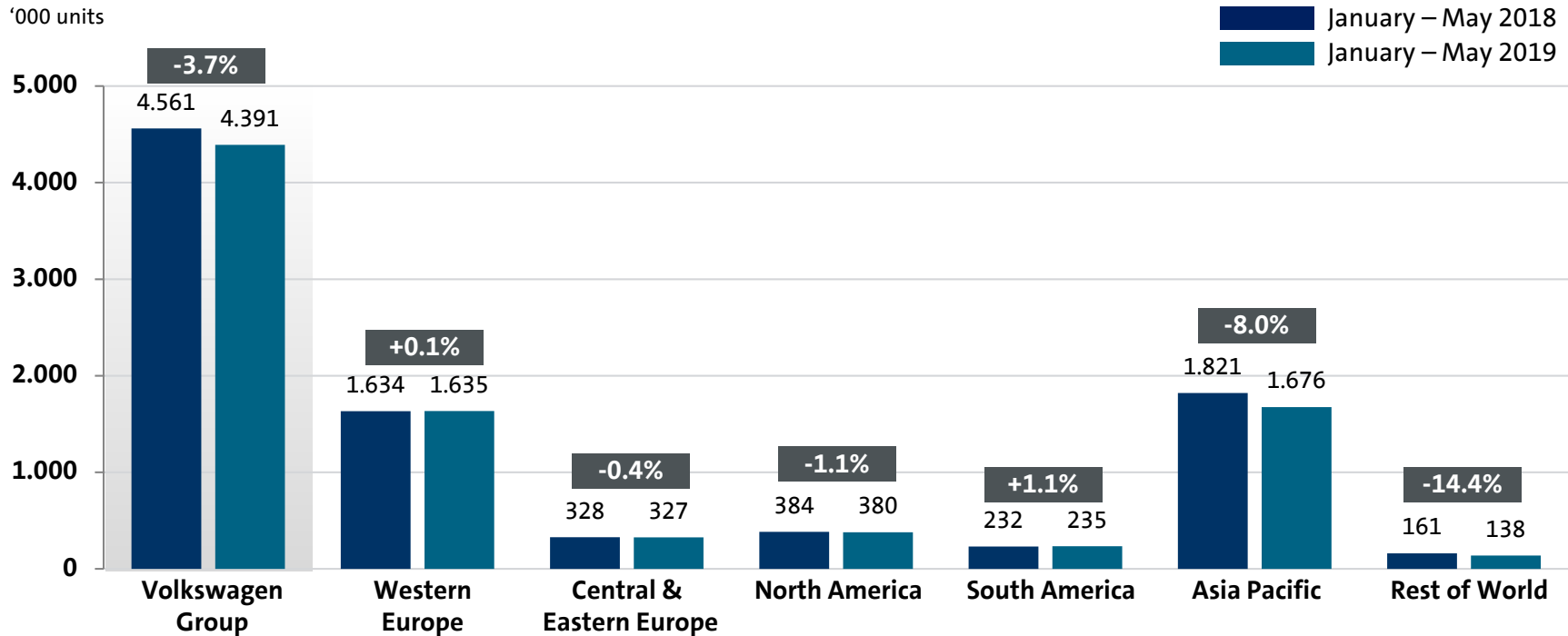
Shareholder Structure of Volkswagen AG	Supervisory Board of Volkswagen AG	Board of Management of Volkswagen AG <sup>1)</sup>
<p><b>Number of Outstanding Shares</b></p> <p>Preferred shares 206,205,445</p> <p>Ordinary shares 295,089,818</p> <p><b>Current Voting Rights Distribution</b></p> <p>Qatar Holding 17,0%</p> <p>State of Lower Saxony, Hanover 20,0%</p> <p>Porsche SE, Stuttgart<sup>2)</sup> 52,2%</p> <p>Others 10,8%</p> <p>(as at December 31, 2018)</p>	<p><b>Chairman</b> Hans Dieter Pötsch</p> <p><b>Members</b></p> <ul style="list-style-type: none"> <li>Dr. Hussain Ali Al Abdulla</li> <li>Dr. Hessa Sultan Al Jaber</li> <li>Dr. Bernd Althusmann</li> <li>Dr. Hans-Peter Fischer</li> <li>Marianne Heiß</li> <li>Jörg Hofmann</li> <li>Johan Järvklo</li> <li>Ulrike Jakob</li> <li>Dr. Louise Kiesling</li> <li>Peter Mosch</li> <li>Bertina Murkovic</li> <li>Bernd Osterloh</li> <li>Dr. jur. Hans Michel Piëch</li> <li>Dr. jur. Ferdinand Oliver Porsche</li> <li>Dr. rer. comm. Wolfgang Porsche</li> <li>Conny Schönhardt</li> <li>Athanasios Stimoniaris</li> <li>Stephan Weil</li> <li>Werner Weresch</li> </ul>	<p><b>Chairman of VW AG and VW Passenger Cars brand</b> Dr. Herbert Diess</p> <p><b>Porsche AG</b> Dr. Oliver Blume</p> <p><b>Human Resources</b> Gunnar Kilian</p> <p><b>TRATON Group</b> Andreas Renschler</p> <p><b>Audi AG</b> Abraham Schot</p> <p><b>Integrity and Legal Affairs</b> Hiltrud Dorothea Werner</p> <p><b>Finance and IT</b> Frank Witter</p> <p><b>Components and Procurement</b> Dr. Stefan Sommer</p>

<sup>1)</sup> Each Board Member is responsible for one or more functions within the Volkswagen Group. The work of the Board of Management of Volkswagen AG is supported by the boards of the brands and regions as well as by the other group business units and holdings. <sup>2)</sup> On March 13 2019, Porsche SE announced increase in voting rights to 53.1%.

# Volkswagen Group – Deliveries to Customers by Markets<sup>1)</sup>

(January to May 2019 vs. 2018)

'000 units

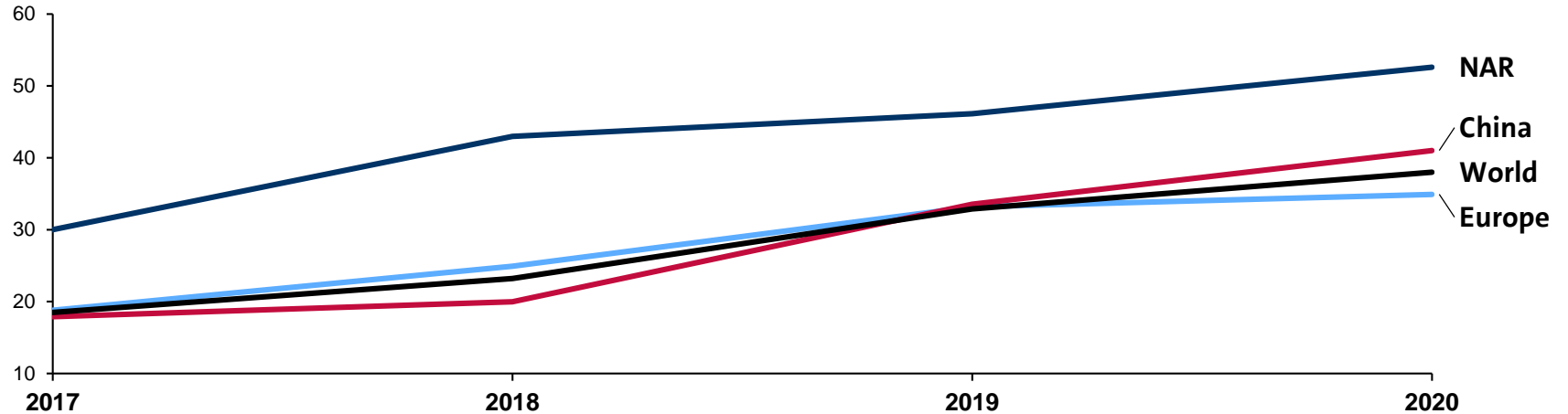


<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -4.3% incl. Volkswagen Commercial Vehicles in North and South America, excl. Scania and MAN.

## Strongly growing SUV trend <sup>1)</sup>

SUV mix by region based on expected Group deliveries to customers

[SUV share in %]



Touareg  
Tayron  
Tharu



Q8  
Q3  
Urus



Tarraco  
T-Cross  
Teramont X



e-tron  
Macan FL  
Cayenne Coupé

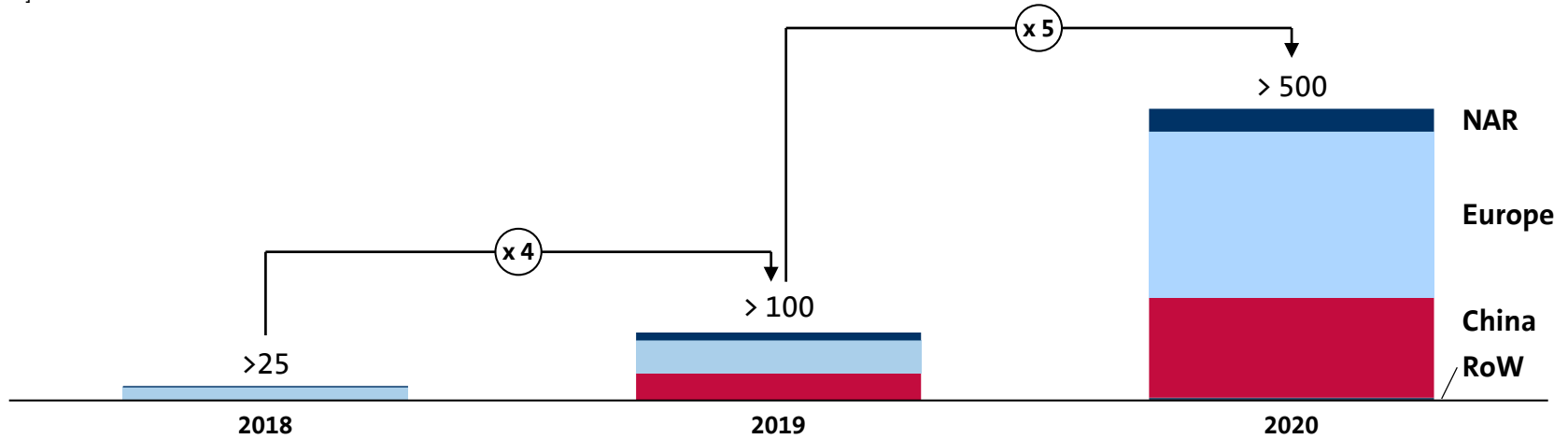


<sup>1)</sup> As of 2nd May, 2019.

## Strongly growing BEV trend <sup>1)</sup>

Sales by region based on expected Group deliveries to customers

[thsd. units]



e-Crafter  
e-Golf  
e-up!



e-tron  
Taycan  
Q2L e-tron

e-Bora  
e-Lavida  
e-Transporter

e-TGE  
e-Caddy  
Moia Shuttle



ID.  
ID. Crozz  
e-tron Spb









e-Mii  
e-Citigo



<sup>1)</sup> As of 2nd May, 2019.

## Better Earnings Quality & EPS growth <sup>1)</sup>

	Basis: Result 2016
Sales revenue (€ bn)	217.3
Operating profit (€ bn) before Special Items	14.6
Profit before tax (€ bn)	14.8
Earnings per Pref. Share before Special Items	~20 €

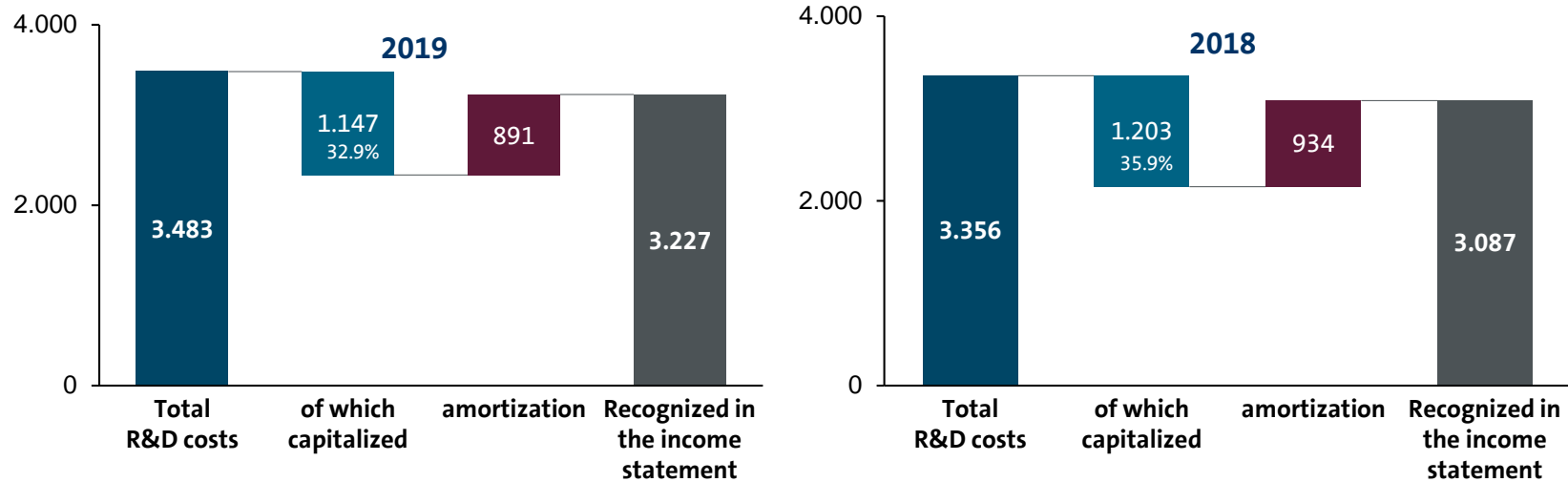
2020 Updated Targets		
CMD March 2017	PR 66	PR 67
+ > 20 % 	+ > 25 % 	+ > 25 %
+ 25 % 	+ ≥ 25 % 	+ > 30 %
+ ≥ 25 % 	+ ≥ 30 % 	+ ≥ 40 %
+ ≥ 25 % 	+ > 25 € 	+ ≥ 30 €

<sup>1)</sup> As of 19th November, 2018.

# Automotive Division – Research and Development Costs

January to March 2019 vs. 2018

[€million]



## Diesel issue: Special Items & payments

€ (bn)	Diesel special items	Payments
2015	Legal 7.0	
	Other items 9.2	
	<b>16.2</b>	
2016	Mainly legal risks 6.4	~3.0
2017	Buyback/retrofit program 2.2	
	Legal 1.0	
	<b>3.2</b>	
2018	Mainly legal risks 3.2	~5.3
2019 <sup>1)</sup>	Mainly legal risks 1.0	Expected ~2.4
Total	<b>30.0</b>	Payments made ~24.6

<sup>1)</sup> In Q1 Special Items of 981 million € were booked for diesel related legal risks, of which 535 million € related to Porsche and 400 million € to Volkswagen Passenger Cars.



## Volkswagen Group – Analysis by Business Line <sup>1)</sup> (January to March 2019 vs. 2018)

thousand vehicles / € million	Vehicle sales		Sales revenue		Operating profit		Margin	
	2019	2018	2019	2018	2019	2018	2019	2018
Volkswagen Passenger Cars	910	912	21,538	20,115	921	879	4.3%	4.4%
Audi	305	394	13,812	15,320	1,100	1,300	8.0%	8.5%
ŠKODA	275	256	4,920	4,547	410	437	8.3%	9.6%
SEAT	176	167	3,053	2,782	89	85	2.9%	3.1%
Bentley	3	2	456	351	49	-44	10.7%	-12.5%
Porsche Automotive <sup>2)</sup>	57	61	5,224	5,438	829	939	15.9%	17.3%
Volkswagen Commercial Vehicles	129	117	3,294	2,945	291	224	8.8%	7.6%
Scania <sup>3)</sup>	24	23	3,350	3,029	370	301	11.0%	9.9%
MAN Commercial Vehicles	34	31	2,988	2,771	115	83	3.8%	3.0%
Power Engineering	-	-	891	766	9	21	1.0%	2.7%
VW China <sup>4)</sup>	901	1,040	-	-	-	-	-	-
Other <sup>5)</sup>	-229	-233	-8,220	-7,834	28	-622	-	-
Volkswagen Financial Services	-	-	8,706	7,999	638	608	7.9%	7.6%
<b>Volkswagen Group before Special Items</b>	-	-	-	-	4,849	4,211	<b>8.1%</b>	<b>7.2%</b>
Special Items	-	-	-	-	-981	-	-	-
<b>Volkswagen Group</b>	<b>2,583</b>	<b>2,769</b>	<b>60,012</b>	<b>58,228</b>	<b>3,868</b>	<b>4,211</b>	<b>6.4%</b>	<b>7.2%</b>
Automotive Division <sup>6)</sup>	2,583	2,769	50,777	49,743	3,166	3,572		
of which: Passenger Cars <sup>7)</sup>	2,526	2,716	43,581	43,243	2,803	3,301		
of which: Commercial Vehicles <sup>7)</sup>	57	53	6,305	5,734	420	312		
of which: Power Engineering	-	-	891	766	-56	-42		
Financial Services Division	-	-	9,236	8,485	701	639		

<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 € 5,799 (5,936) million, operating profit € 868 (976) million. <sup>3)</sup> Scania (Automotive and Financial Services): sales revenue € 3,458 (3,118) million, operating profit € 402 (331) 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 € 1,074 (1,163) 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. <sup>7)</sup> Since 1st January 2019 Volkswagen Commercial Vehicles is reported in the Automotive division, prior year figures have been adjusted.

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GROUP

