

VOLKSWAGEN

AKTIENGESELLSCHAFT

Interim Report

JANUARY – MARCH 2019

Live INVESTOR and ANALYST Audio Webcast and Conference Call

MAY 2nd, 2019

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 economies of individual countries and markets, the regulatory framework 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 of Volkswagen Group members 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.

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.

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.

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Live Audio Webcast and Conference Call: January – March 2019



Frank Witter

Chief Financial Officer
Volkswagen AG



Dr. Christian Dahlheim

Director Group Sales
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Financial Highlights January – March 2019

Deliveries to customers total 2.6 million vehicles (-2.8%); decline particularly in Asia-Pacific, growth in Western Europe and South America; passenger car market share increased in a declining global market

Group sales revenue of €60.0 billion exceeds prior year by 3.1%

Operating profit before special items up by €0.6 billion to €4.8 (4.2) billion, includes positive Fair-value measurement of derivatives €0.4 billion above prior year

Operating result at €3.9 (4.2) billion, negative Special Items of €-1.0 billion relating to legal risks

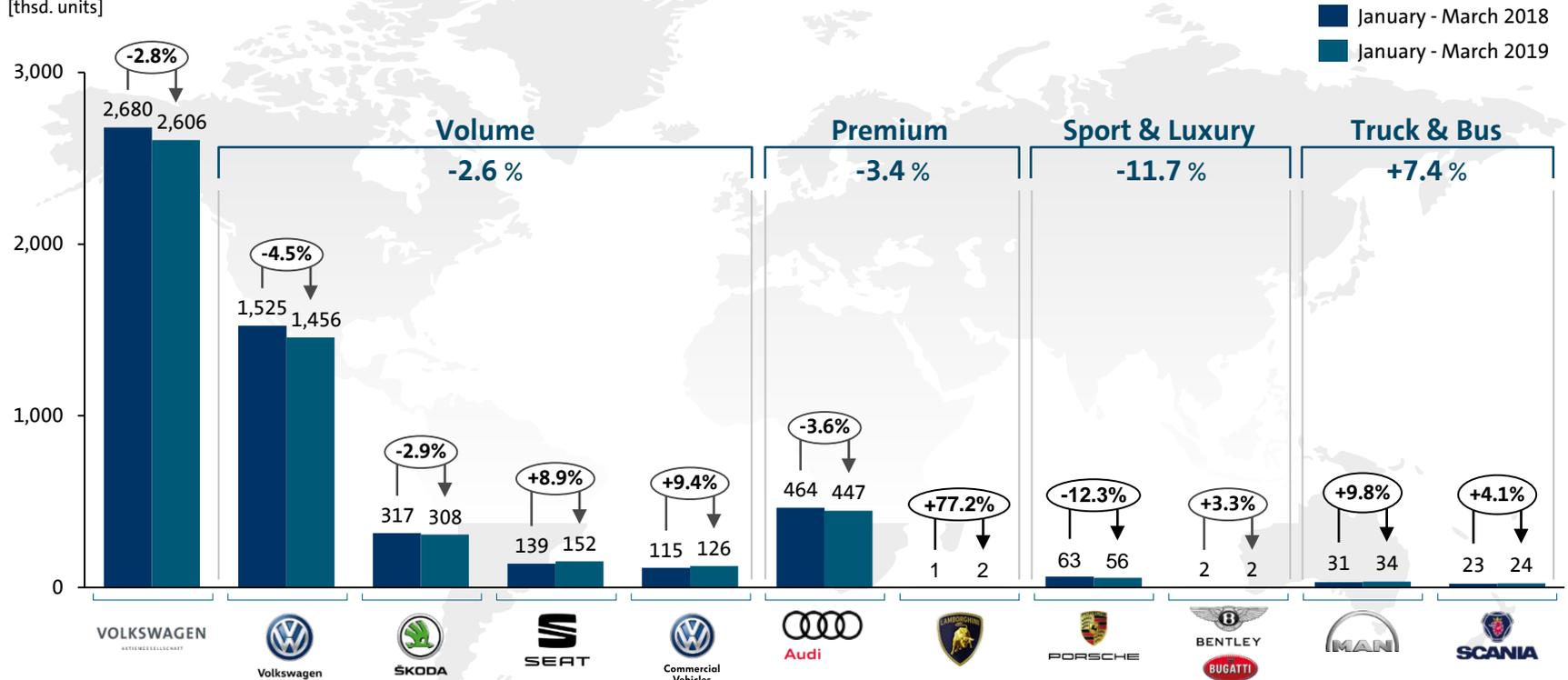
Profit before tax at €4.1 (4.5) billion

Automotive Division net cash flow down €0.4 billion to €2.0 billion; capex ratio of 4.0% (3.9%)

Automotive Division net liquidity at €16.0 billion, negative net liquidity effect of €5.1 billion disclosed under IFRS 16

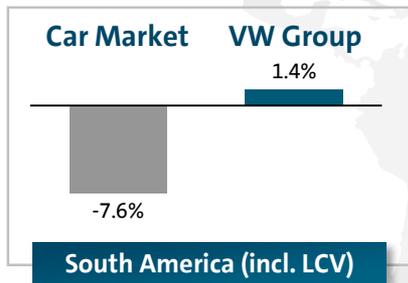
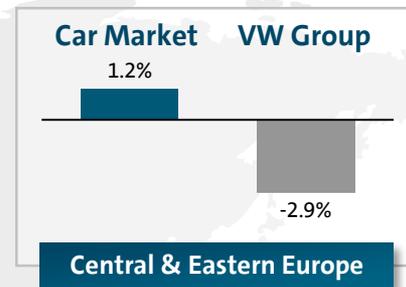
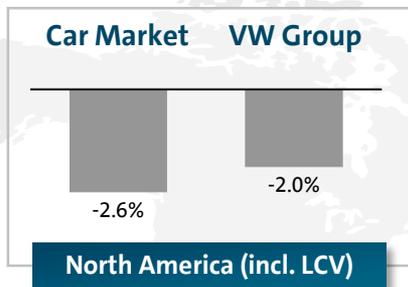
Volkswagen Group – Deliveries to Customers by Brands ¹⁾ (January to March 2019 vs. 2018)

[thsd. units]



¹⁾ Volkswagen Group excl. Ducati

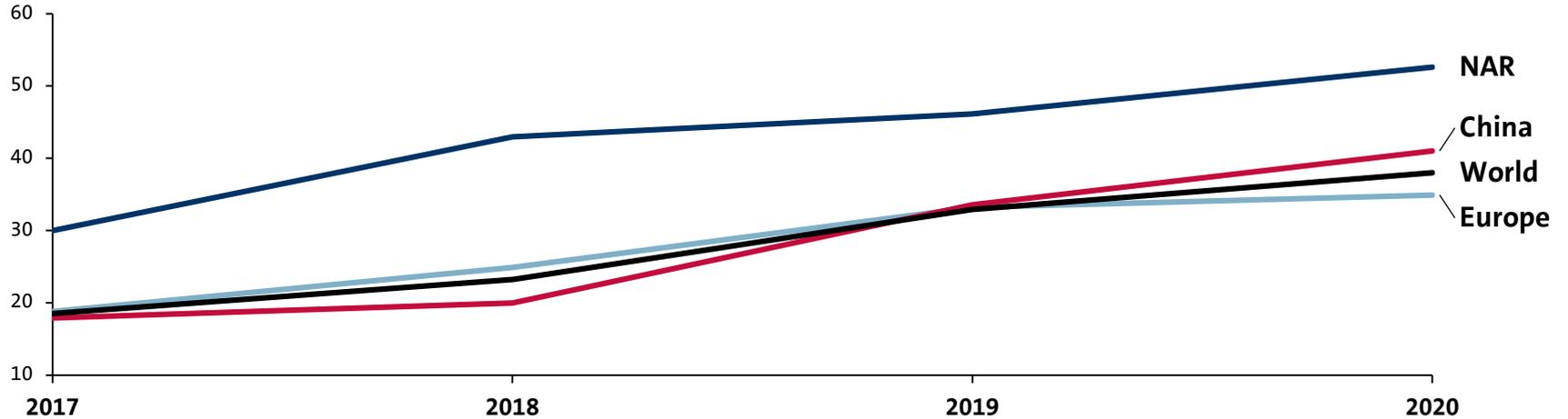
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers ¹⁾ (Growth y-o-y in deliveries to customers, January to March 2019 vs. 2018)



¹⁾ Volkswagen Group Passenger Cars excl. Volkswagen Commercial Vehicles ²⁾ Including LCV in North America & South America

Volkswagen Group – Expected SUV Share by Region ¹⁾ (2017 – 2020)

[SUV share in %]



Touareg
Tayron
Tharu

Q8
Q3
Urus

Tarraco
T-Cross
Teramont X

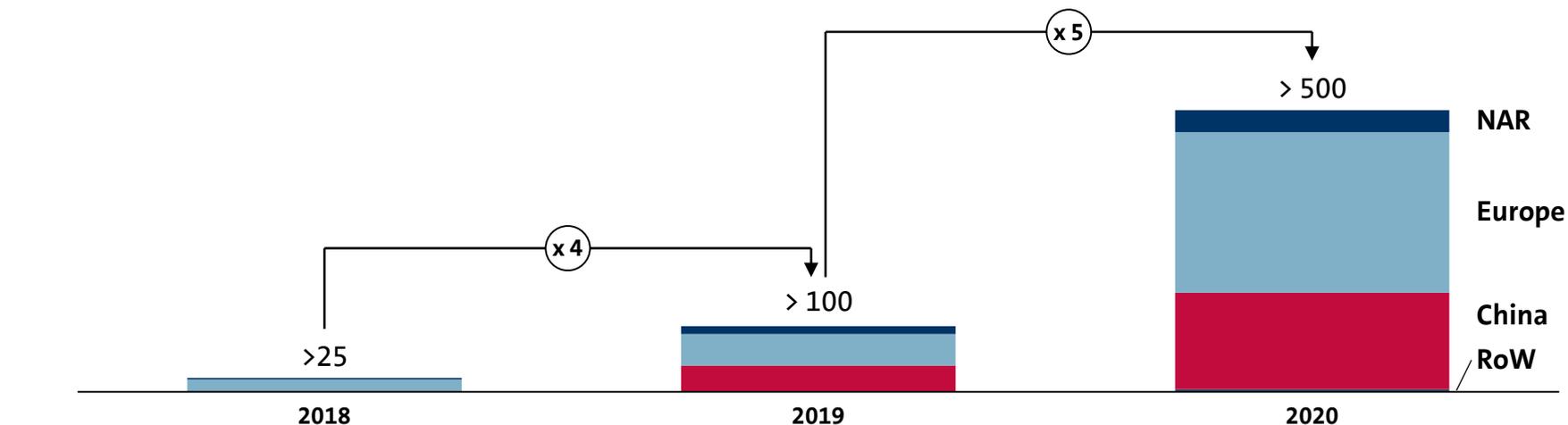
e-tron
Macan FL
Cayenne Coupé



¹⁾ Volkswagen Group excl. Ducati

Volkswagen Group – Expected BEV volumes by Region ¹⁾ (2018 – 2020)

[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



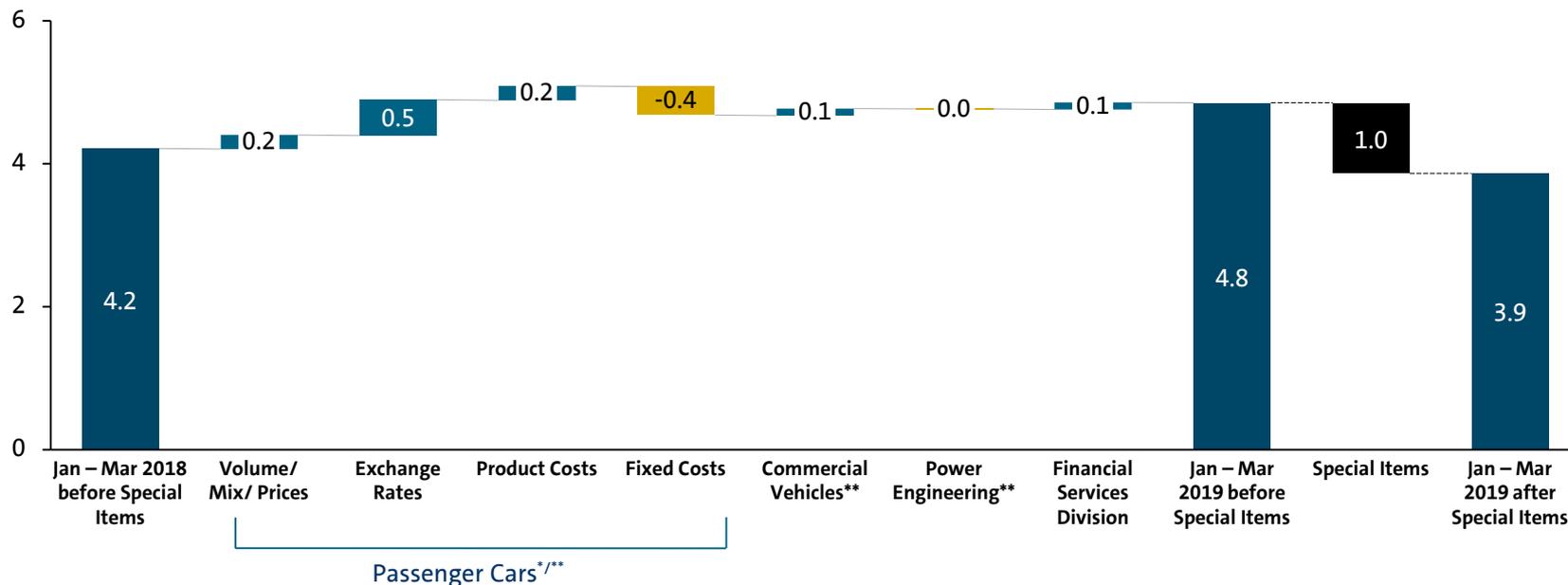
e-Mii
e-Citigo

¹⁾ Volkswagen Group excl. Ducati

Volkswagen Group – Analysis of Operating Profit ¹⁾

(January to March 2019 vs. 2018)

[€ billion]



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

Volkswagen Group – Analysis by Business Line ¹⁾

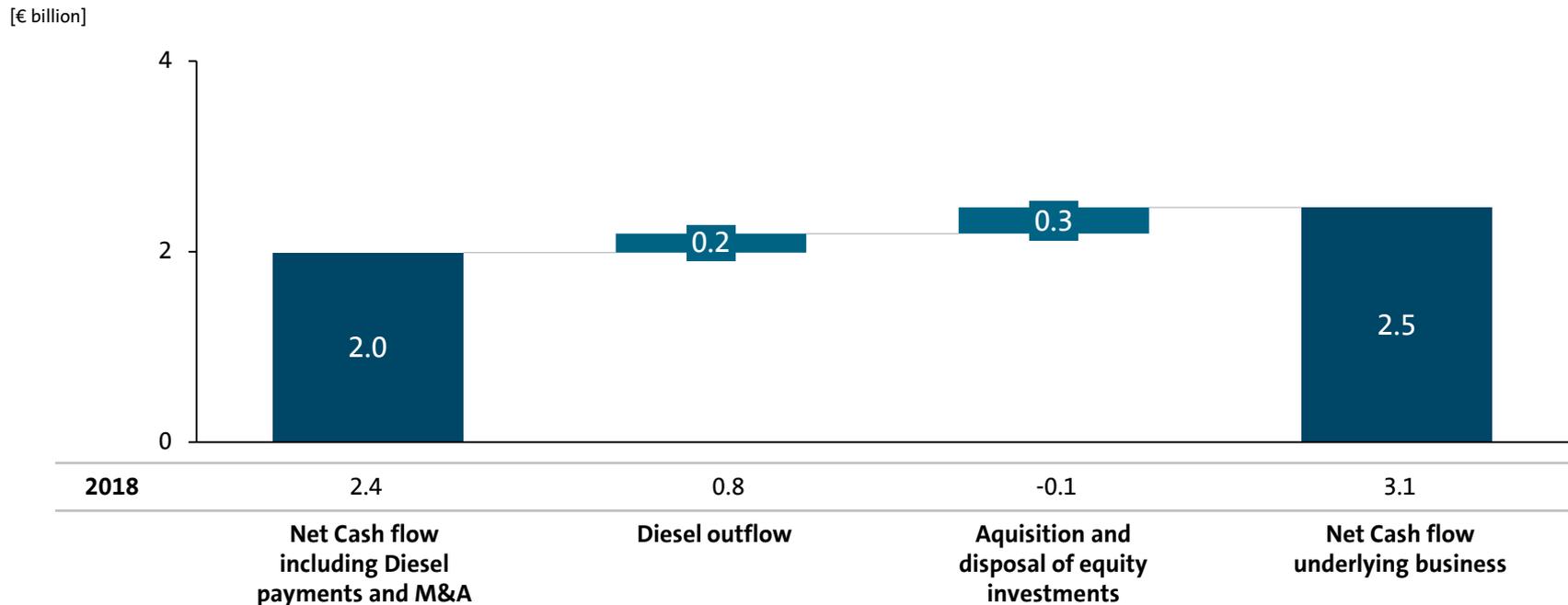
(January to March 2019 vs. 2018)

thousand vehicles / € million	Vehicle sales		Sales revenue		Operating profit	
	2019	2018	2019	2018	2019	2018
Volkswagen Passenger Cars	910	912	21,538	20,115	921	879
Audi	305	394	13,812	15,320	1,100	1,300
ŠKODA	275	256	4,920	4,547	410	437
SEAT	176	167	3,053	2,782	89	85
Bentley	3	2	456	351	49	-44
Porsche Automotive ²⁾	57	61	5,224	5,438	829	939
Volkswagen Commercial Vehicles	129	117	3,294	2,945	291	224
Scania ³⁾	24	23	3,350	3,029	370	301
MAN Commercial Vehicles	34	31	2,988	2,771	115	83
Power Engineering	-	-	891	766	9	21
VW China ⁴⁾	901	1,040	-	-	-	-
Other ⁵⁾	-229	-233	-8,220	-7,834	28	-622
Volkswagen Financial Services	-	-	8,706	7,999	638	608
Volkswagen Group before Special Items	-	-	-	-	4,849	4,211
Special Items	-	-	-	-	-981	-
Volkswagen Group	2,583	2,769	60,012	58,228	3,868	4,211
Automotive Division ⁶⁾	2,583	2,769	50,777	49,743	3,166	3,572
of which: Passenger Cars ⁷⁾	2,526	2,716	43,581	43,243	2,803	3,301
of which: Commercial Vehicles ⁷⁾	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

¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Porsche (Automotive and Financial Services): sales revenue € 5,799 (5,936) million, operating profit € 868 (976) million. ³⁾ Scania (Automotive and Financial Services): sales revenue € 3,458 (3,118) million, operating profit € 402 (331) million. ⁴⁾ 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. ⁵⁾ 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. ⁶⁾ Including allocation of consolidation adjustments between the Automotive and Financial Services divisions. ⁷⁾ Since 1st January 2019 Volkswagen Commercial Vehicles is reported in the Automotive division, prior year figures have been adjusted.

Automotive Division – Net Cash Flow ¹⁾

(January to March 2019)

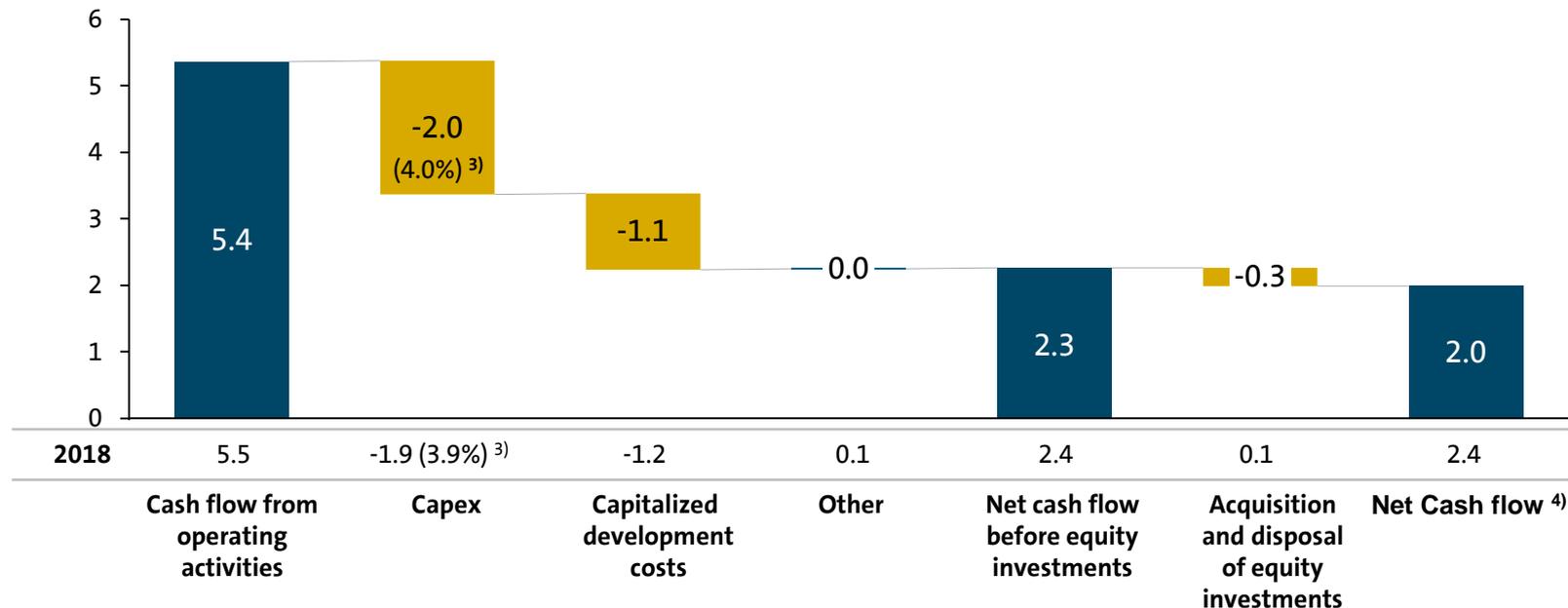


¹⁾ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

Automotive Division – Net Cash Flow Development ^{1) 2)}

(January to March 2019)

[€ billion]

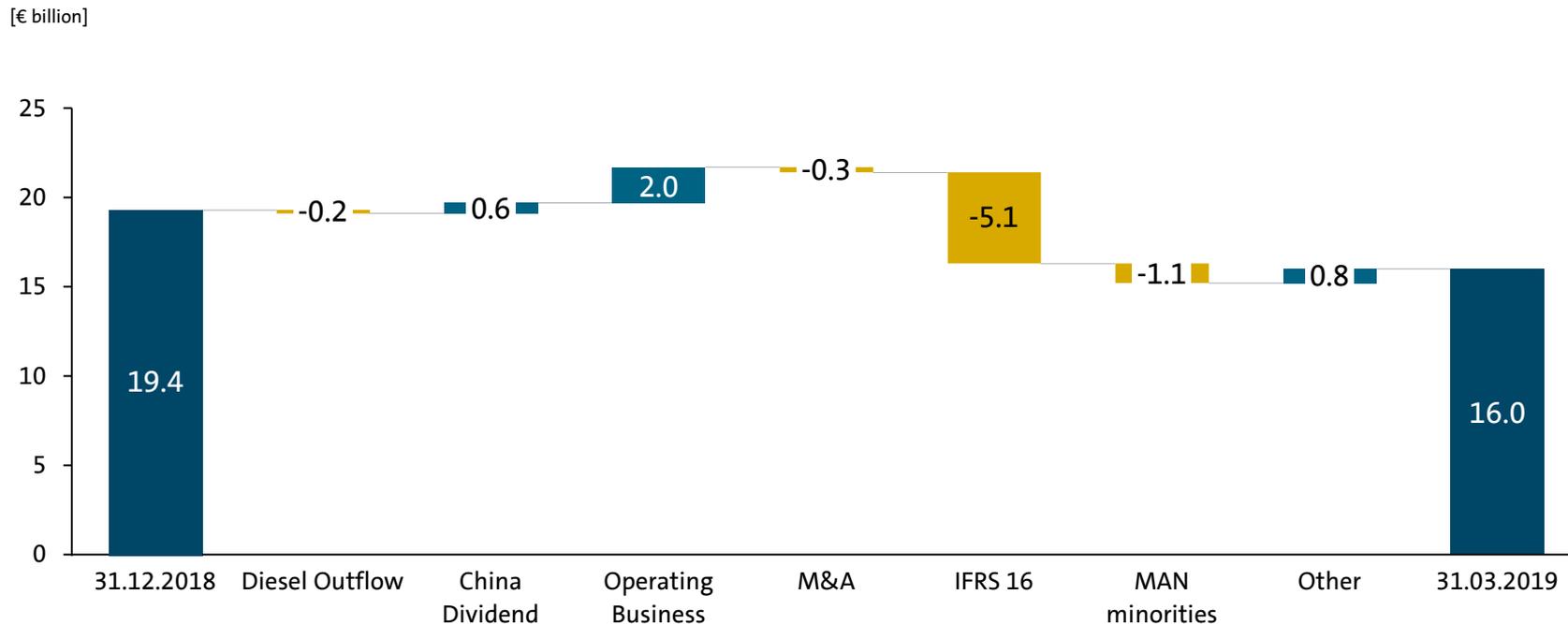


¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

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

Automotive Division – Analysis of Net Liquidity ¹⁾

(January to March 2019)



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

Volkswagen Group – Outlook for 2019



Deliveries to customers
(‘000 vehicles)

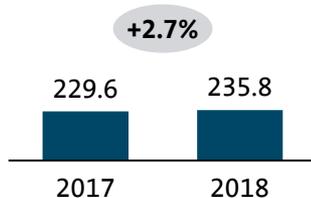


slightly exceed the prior-year

2019



Sales revenue
(€ billion)

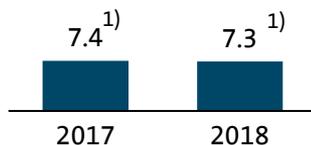


grow by as much as 5%

2019



Operating return on sales
(%)



in the range of 6.5 – 7.5% before Special Items

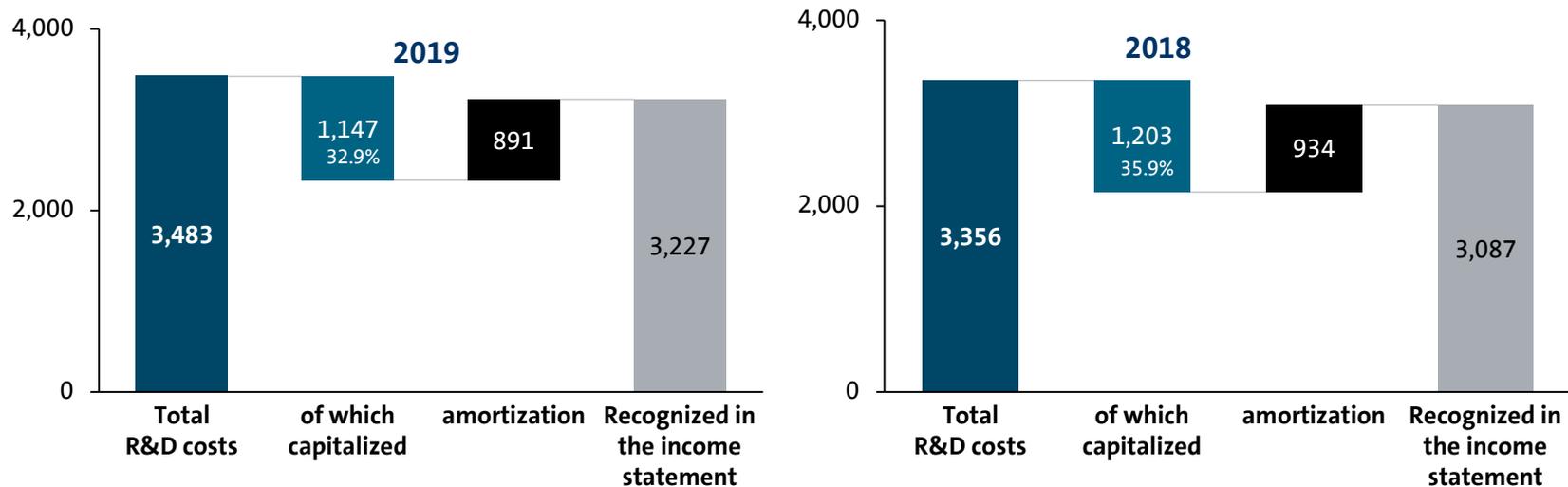
2019

¹⁾ before Special Items.

Automotive Division – Research and Development Costs

(January to March 2019 vs. 2018)

[€ million]



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VW ID. Buggy



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Porsche Taycan



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ŠKODA Scala



VOLKSWAGEN

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SEAT Tarraco



VOLKSWAGEN

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VW Commercial Vehicles T 6.1



VOLKSWAGEN

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Audi e-tron



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Bentley Continental GT Convertible



VOLKSWAGEN

AKTIENGESELLSCHAFT

Lamborghini Huracán EVO Spyder



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Bugatti La Voiture Noire



Scania L 320 6x2 Plug-in- Hybrid



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