



ANNUAL MEDIA CONFERENCE 2022

VOLKSWAGEN GROUP



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 or commodities relevant to the Volkswagen Group or the supply with parts (especially semiconductors), 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.

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Key Highlights 2021

SIGNIFICANT PROGRESS
in profitability and robustness of our business model shown despite significant semiconductor supply bottlenecks

- Improved earnings quality based on product, mix and pricing
- Overhead program ahead of schedule; significant progress in 2021
- Volkswagen brand achieved break-even in North- and South America after years of losses
- Our strong net cash flow safeguards the funding of the transformation

RESTRUCTURING AT MAN

initiated and the full takeover of Navistar will support TRATON's profitable Global champion strategy

SIGNIFICANT STEPS
in transformation achieved

- Re-tooling of our plants to produce electric vehicles fully under way
- Acceleration of BEV margin parity in Western Europe progressing
- Strengthened value drivers with investments along the battery value chain

NEW AUTO



Despite lower Sales, solid Figures due to our robust Business

January to December 2019 vs. 2020 vs. 2021

VEHICLES SALES

[m vehicles]



SALES REVENUE

[€ bn]



OPERATING PROFIT¹ AND MARGIN

[€ bn] Margin [%]



¹ before special items

Strong Automotive Net Cash Flow safeguards the Funding of the Transformation

January to December 2019 vs. 2020 vs. 2021

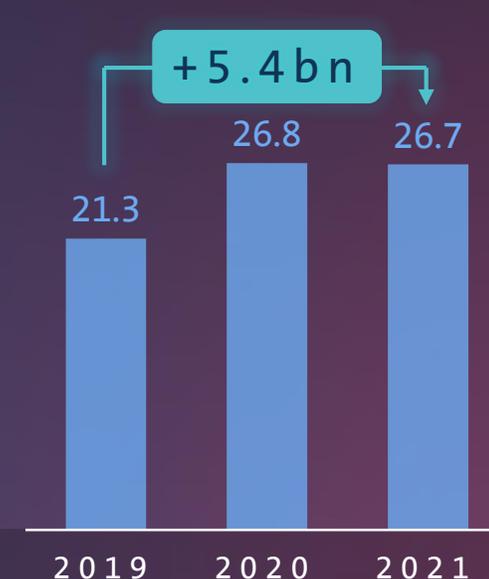
'CLEAN' NET CASH FLOW ^{1, 2}
[€ bn]



REPORTED NET CASH FLOW ¹
[€ bn]



NET LIQUIDITY ¹
[€ bn]



¹ Automotive Division

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

Solid Margins at Passenger Cars and Financial Services, Earnings at Commercial Vehicles impacted by extraordinary Effects

January to December 2019 vs. 2020 vs. 2021

AUTOMOTIVE DIVISION

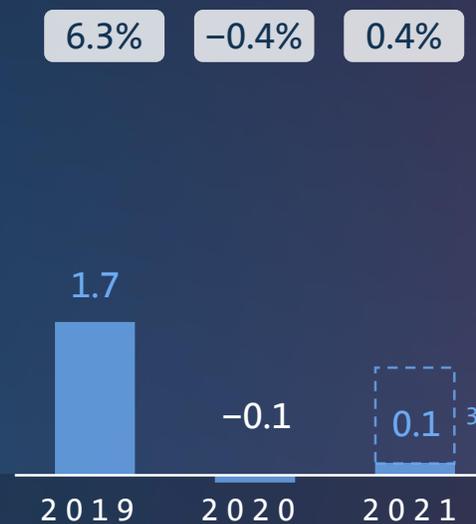
PASSENGER CARS ^{1,2}

EBIT [€ bn] incl. Margin [%]



COMMERCIAL VEHICLES

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 incl. restructuring of € -0.7 bn and EU antitrust proceedings of € -0.5 bn

Passenger Cars – Volume Brand Group Performance

January to December 2020 vs. 2021



// Skoda Enyaq iV: Power consumption combined: 11.9-15.2 kWh/100km (NEDC), CO₂ emissions combined: 0g/km, CO₂ efficiency class: A+++ // Volkswagen ID.4: Energy consumption combined: 15.6-16.3 kWh/100km (NEDC), CO₂ emissions combined: 0g/km, CO₂ efficiency class: A+++ // Cupra Born: Power consumption combined: 13.7-16.0 kWh/100km (NEDC), CO₂ emissions combined: 0g/km, CO₂ efficiency class: A+++ // Volkswagen ID.Buzz: Vehicle in launch phase

Volkswagen Brand achieved Break-even in North- and South America



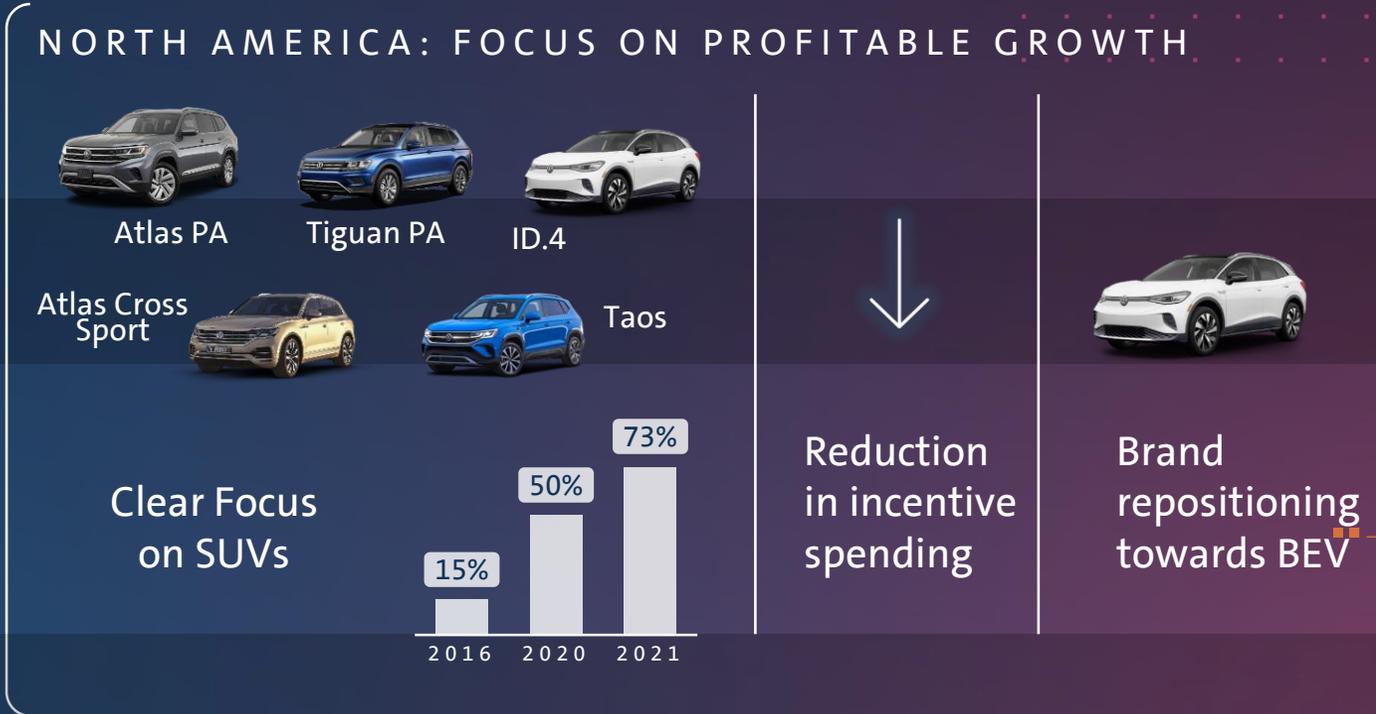
schematic overview

Volkswagen Tiguan PA, Atlas-Models, Taos, Nivus: Vehicles are not sold in Germany

// Volkswagen Tiguan TSI OPF 180 kW (245 PS): Fuel consumption combined: 7.2 l/100km (NEDC), CO₂ emissions combined: 164 g/km, CO₂ efficiency class: C

// Volkswagen ID.4: Power consumption combined: 15.6-16.3 kWh/100km (NEDC), CO₂ emissions combined: 0g/km, CO₂ efficiency class: A+++

Volkswagen Brand achieved Break-even in North- and South America

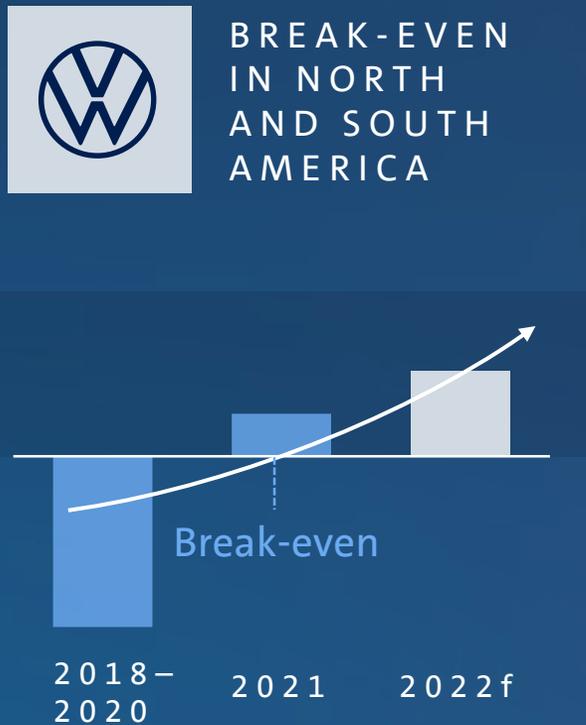


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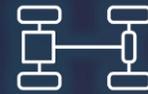
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SOUTH AMERICA: FOCUS ON MARGIN



Product renewal

High proportion on MQB platform

ca. 50% of the VW Brand



Restructuring program

incl. capacity adjustments, reducing up to 3,000 heads in SAM



Debt reduction and interest cost savings

approx. € 0.9 bn less financial debt vs. 2019

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Passenger Cars – Premium Brand Group Performance

January to December 2020 vs. 2021



e-tron



e-tron Sportback



Bentayga

// Audi e-tron/Sportback: Power consumption combined: 20.9-24.6 kWh/100km (NEDC), CO₂ emissions combined: 0g/km, CO₂ efficiency class: A+++
 // Bentley Bentayga S: Fuel consumption combined: 12.0 l/100km (NEDC), CO₂ emissions combined: 272g/km, CO₂ efficiency class: E

Passenger Cars – Sport & Luxury Brand Group Performance

January to December 2020 vs. 2021



Taycan

// Porsche Taycan Turbo S: Power consumption combined: 28.5 kWh/100km (NEDC), CO₂ emissions combined: 0g/km, CO₂ efficiency class: A+++

Financial Services Division

January to December 2020 vs. 2021

FINANCIAL SERVICES

Sales Revenue [€ bn]

40.8 44.0

2020

2021

EBIT [€ bn] ; Margin [%]

7.4%

13.8%

3.0

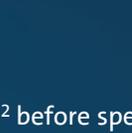
6.0

2020

2021

**VOLKSWAGEN
FINANCIAL SERVICES**
THE KEY TO MOBILITY

Volkswagen Group – Outlook for 2022 ¹

	ACTUAL			OUTLOOK 2022 ¹
	2020	2021		
 Deliveries to customers [m vehicles]	9.3	8.9	>>	 5% to 10% up on the previous year
 Sales revenue [€ bn]	222.9	250.2	>>	 8% to 13% higher than the prior-year figure
 Operating return on sales [%]	4.8 ²	8.0 ²	>>	 In the range of 7.0% to 8.5%
 Automotive Clean Net Cash flow [€ bn]	10.0	15.5	>>	 In the range of 13 – 15 bn €
 Automotive Reported Clean Net Cash flow [€ bn]	6.4	8.6	>>	 Same level as in the previous year ³
 Automotive Net Liquidity [€ bn]	26.8	26.7	>>	 Up to 15% higher than the prior-year figure
	2020	2021		

² before special items

³ including any cash outflows in connection with the EU antitrust proceedings against Scania

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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



Groupwide cost & efficiency programs



Capturing group-wide synergies



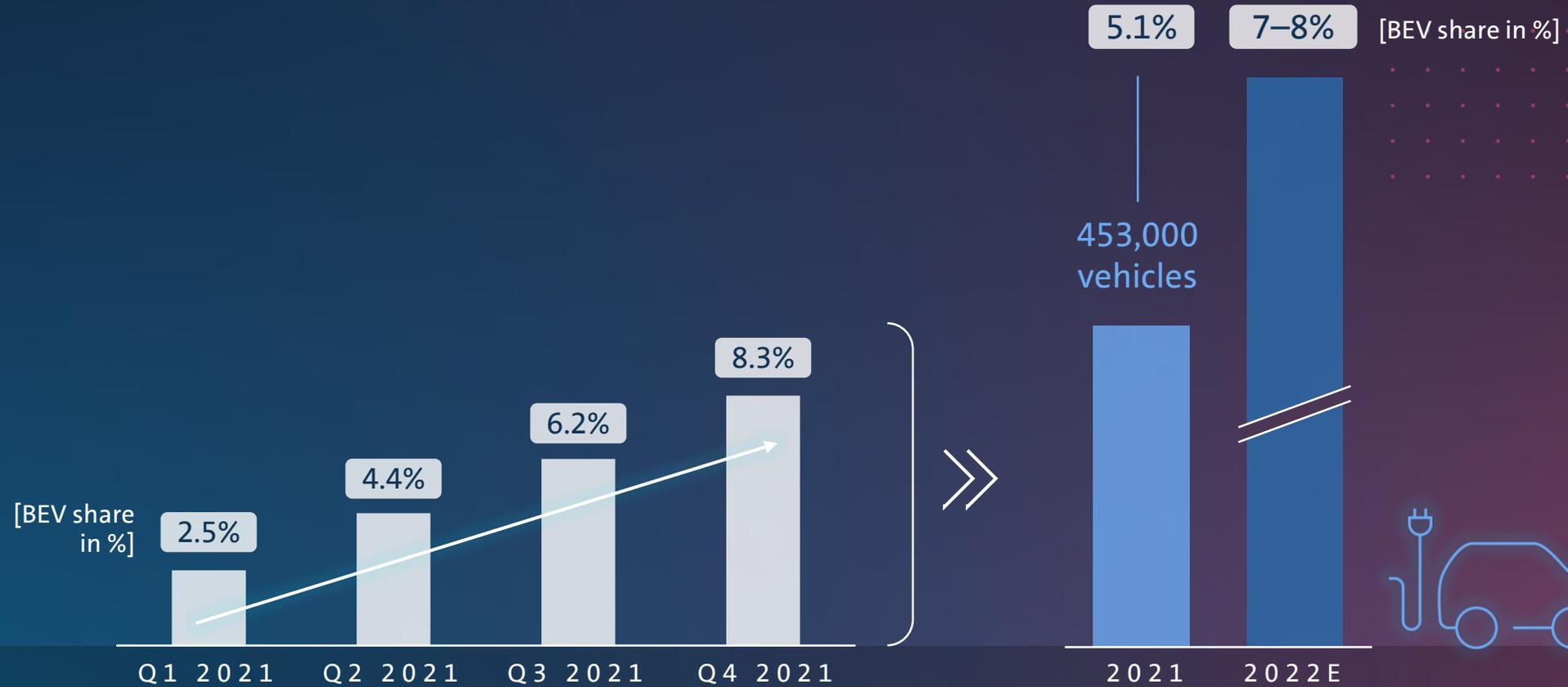
Managing margins and Cash Flows



Acting based on *integrity and values*

BEV ramp up pushing for Scale Effects

Q1–Q4 2021 and Outlook 2022



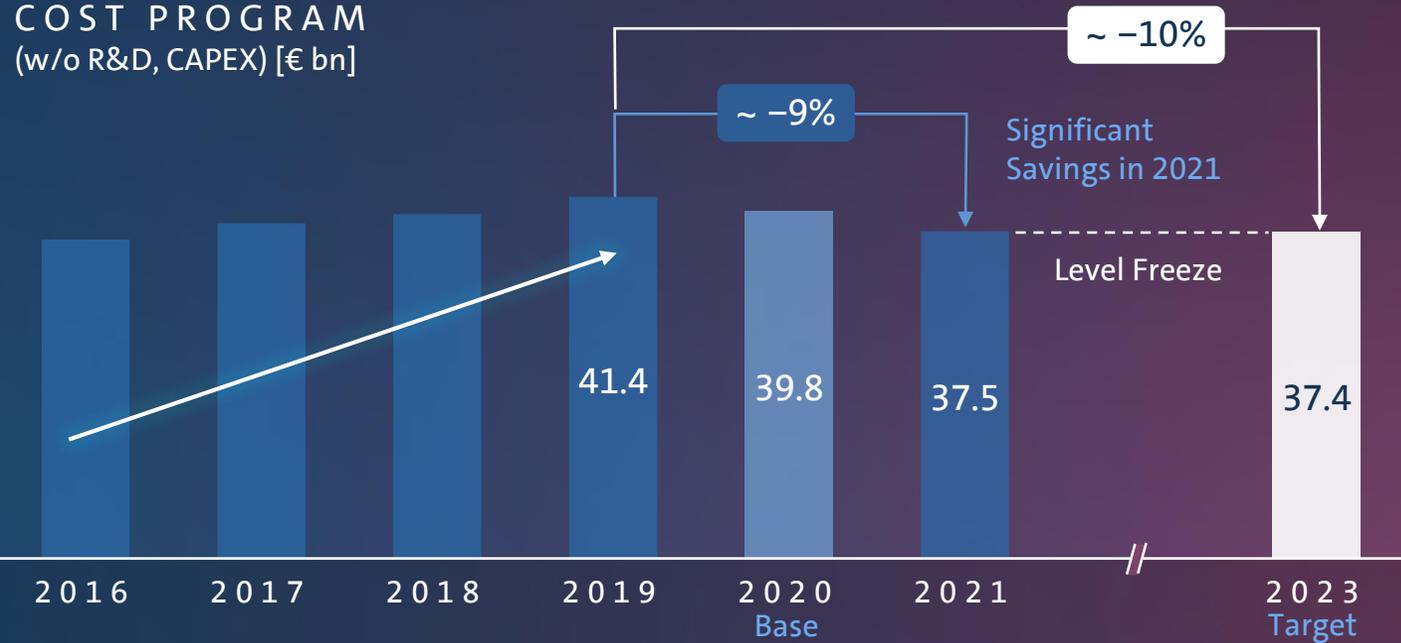
Financing the Transformation: Overhead Cost Program ahead of Schedule, significant Progress in 2021 ¹

- Plant program (Productivity & Overhead)
- Working capital management / cashflow orientation
- Purchasing program
- Overhead cost (w/o R&D, CAPEX)
- Pricing & other sales costs optimization

DELIVERIES TO CUSTOMERS
[in m units]

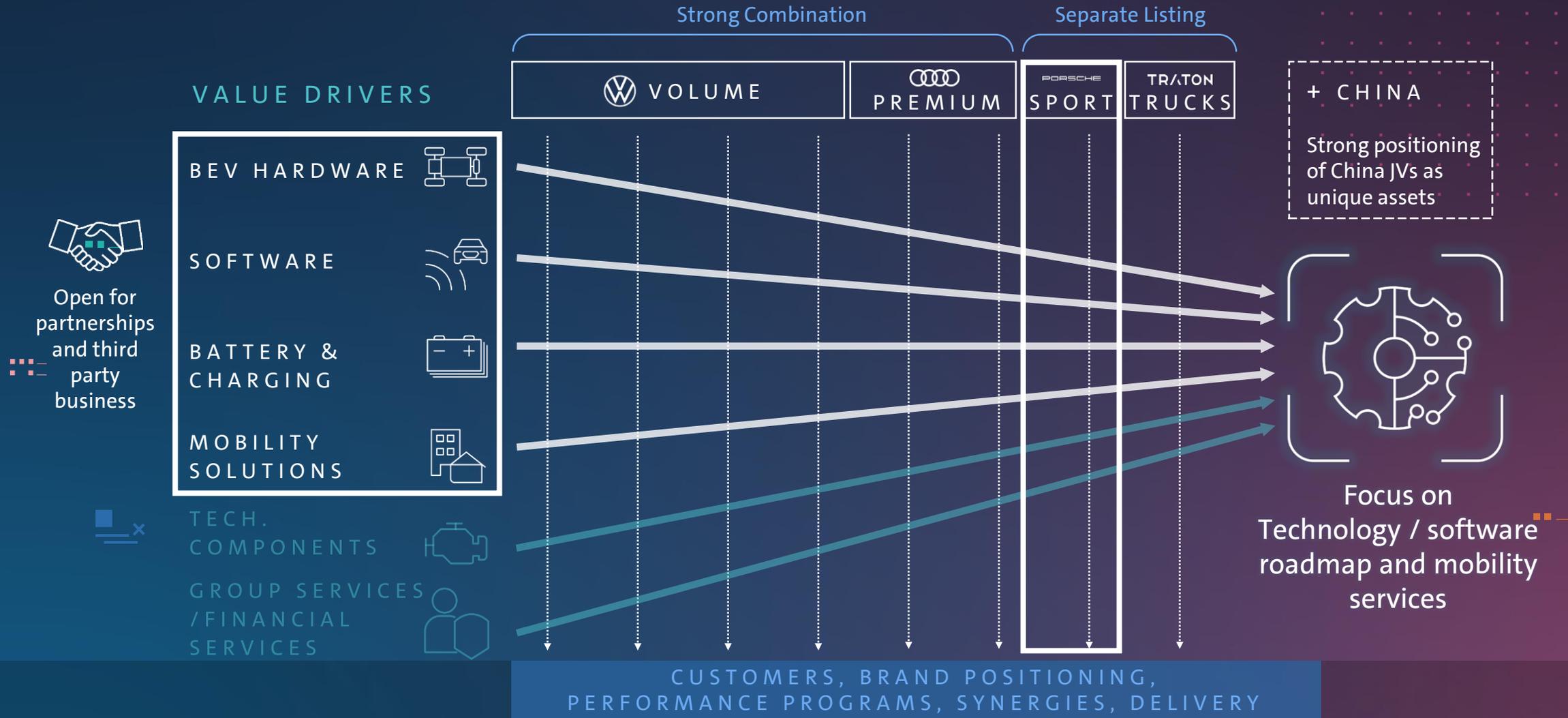


GROUP WIDE OVERHEAD COST PROGRAM
(w/o R&D, CAPEX) [€ bn]



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

Porsche would gain more entrepreneurial freedom while the IPO proceeds would contribute to the acceleration of the transformation



Overall Ambition: Leading the Transformation with Integrity and Based on our Values

