

VOLKSWAGEN

AKTIENGESELLSCHAFT

引领变革

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CAPITAL MARKETS DAY 2019

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1 REVIEW 2018 & OUTLOOK 2019

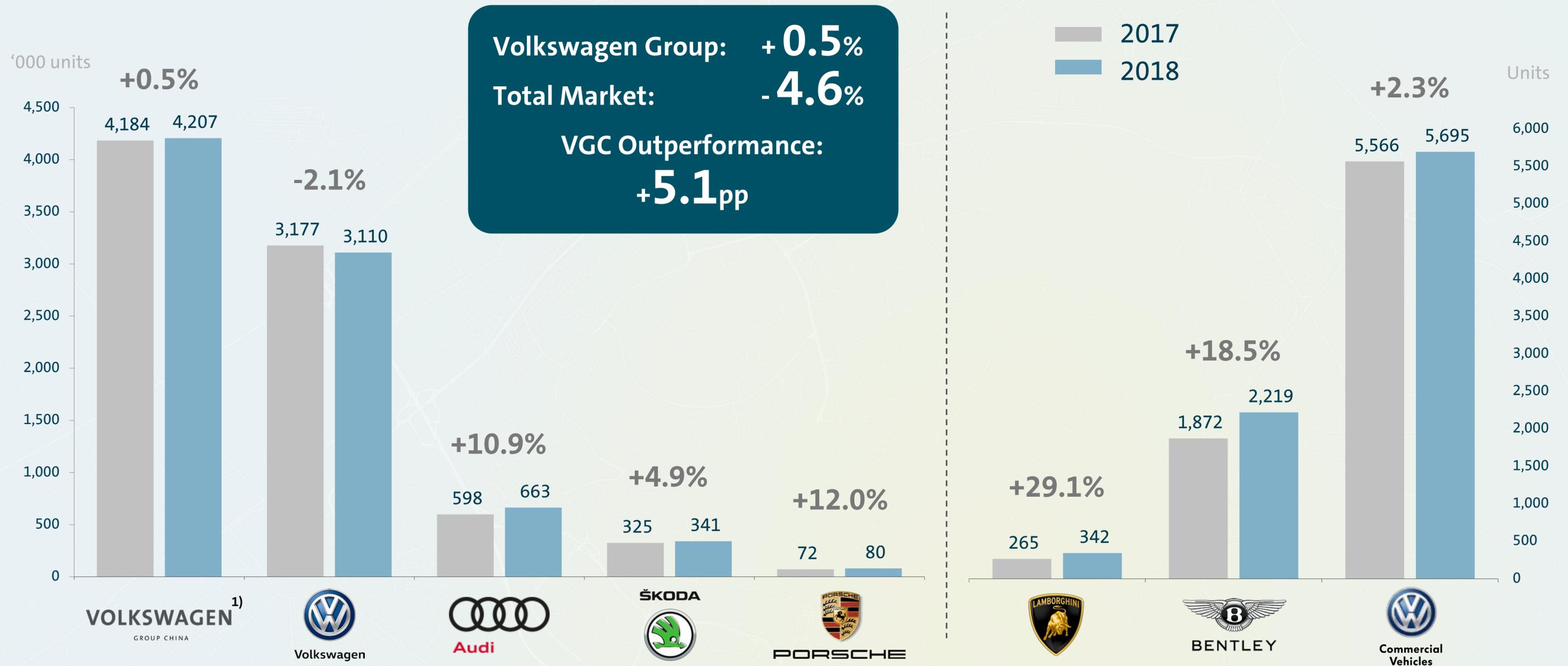
2 LOOKING INTO THE FUTURE

CHINA: 22.7 MILLION PASSENGER CARS SOLD IN THE WORLDWIDE BIGGEST MARKET IN 2018

Total market development
(in '000 units)



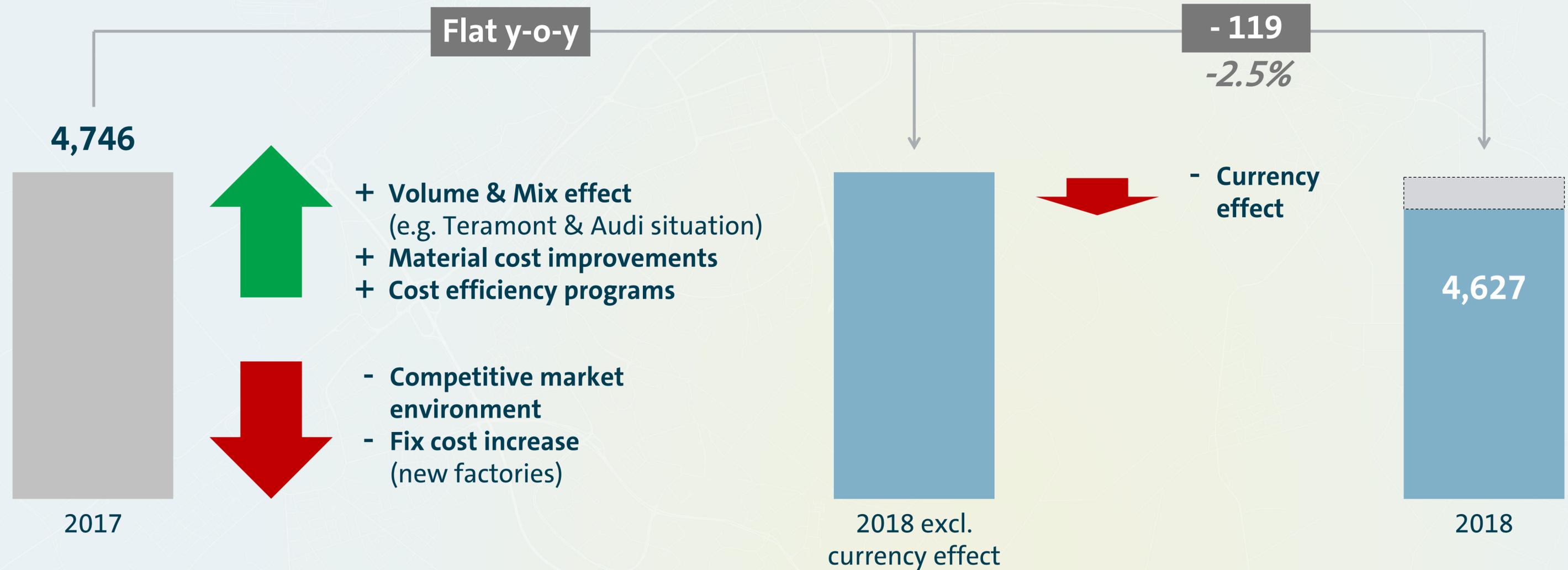
ALL BRANDS OUTPERFORMED THE MARKET IN A CHALLENGING ENVIRONMENT



¹⁾ incl. Hong Kong, excl. Ducati. Group numbers incl. MAN and Scania. All figures are rounded.

EXCLUDING THE NEGATIVE CURRENCY EFFECT THE OPERATING RESULT WAS ON LAST YEAR'S LEVEL

Proportionate operating profit of Chinese Joint Ventures
(in € million)



**JOINT VENTURE FINANCIALS 2018 – HIGHLIGHTS ON 100% LEVEL
DOUBLE-DIGIT PRE-TAX PROFIT MARGINS SUSTAINED**



Deliveries to customers

(in '000 units)

1,992 (+2.2%)

of which 1,391 Volkswagen and 601 Audi²⁾

2,019 (-1.3%)

of which 1,678 Volkswagen and 341 ŠKODA

Sales revenue

(in € million)

41,607 (+1.9%)

28,862 (+0.3%)

Pre-tax profit

(in € million)

4,851 (-1.1%)

4,588 (+0.7%)

Pre-tax profit margin

(in %)

11.7% (-0.1pp)

15.9% (+0.1pp)

¹⁾ SAIC Volkswagen financials do not include the SAIC Volkswagen Sales Company.

²⁾ Excluding deliveries of imported cars.

FURTHER KEY ACHIEVEMENTS OF VOLKSWAGEN GROUP CHINA IN 2018

1. Start of production in **4 new factories**
2. **Increase of SUV offering**
from 6 to 14 locally produced SUVs
3. **Reduction of fleet consumption** to 6.1l/100km¹⁾
and **factory CO₂ output -13%**
4. **JAC and SEAT step forward as partners** to
intensify e-mobility development
5. **Ground breaking for MEB production** in China



¹⁾ FAW-Volkswagen and SAIC VOLKSWAGEN locally produced vehicle fleet.

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!**

1 REVIEW 2018 & OUTLOOK 2019

2 LOOKING INTO THE FUTURE

CHINESE MARKET SHOWS A NORMALIZATION AND OFFERS SUBSTANTIAL GROWTH POTENTIAL

Passenger vehicle market



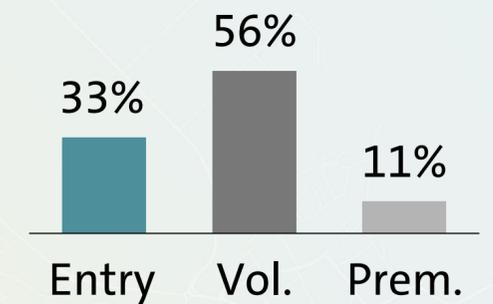
Source: Forecast by IHS (as of Jan 2019)

MAJOR OPPORTUNITIES FOR THE FUTURE



Body style trend - SUV

Entry segment



New Energy Vehicles

New technologies



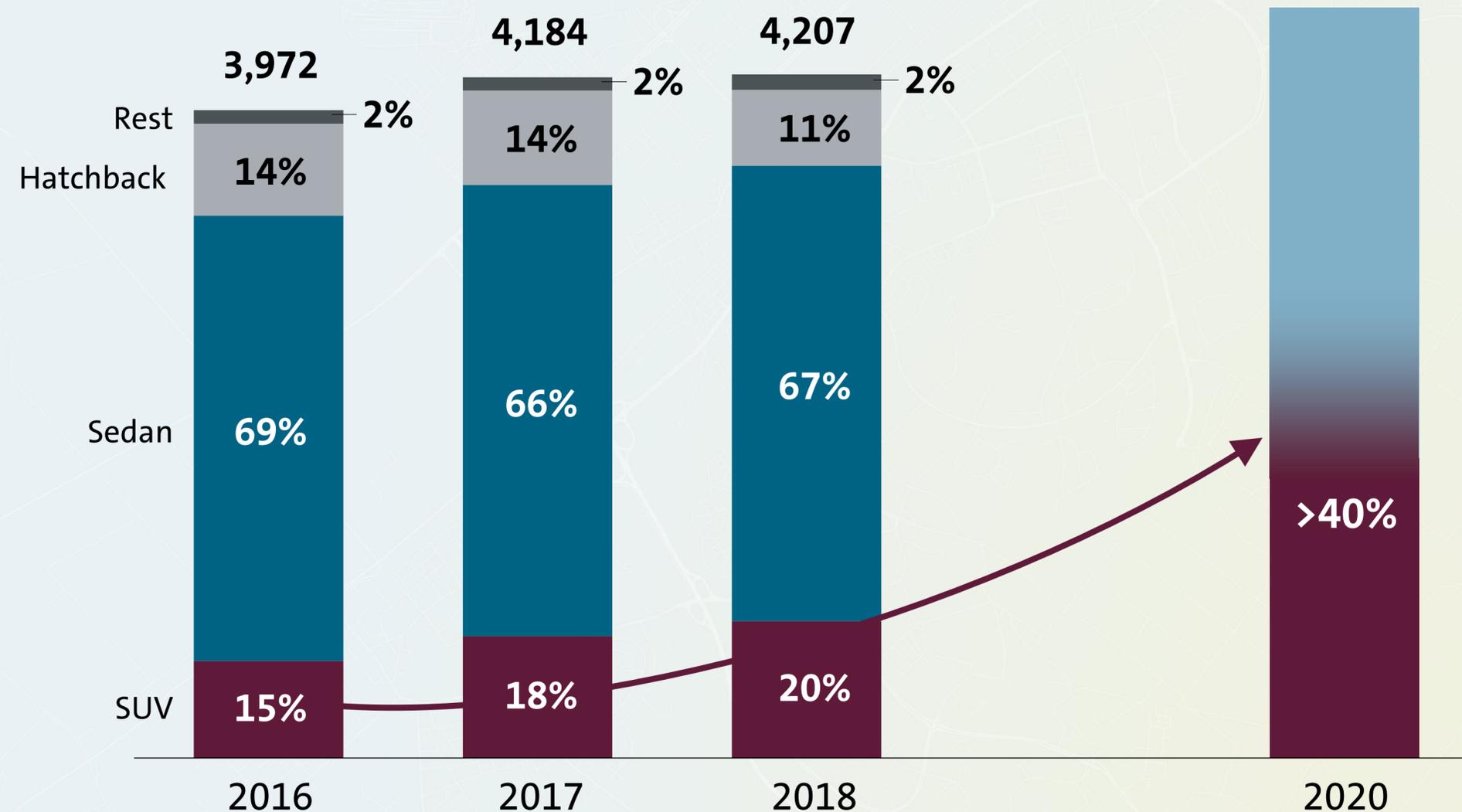
Mobility services

Autonomous driving



WE CONTINUE WITH OUR SUV OFFENSIVE TO INCREASE OUR PRODUCT MIX AND SECURE PROFITS

Volkswagen Group deliveries by body style in China
(in '000 units)



In **2018** Volkswagen Group China increased **SUV deliveries** by **12%** to a SUV share of **20%**

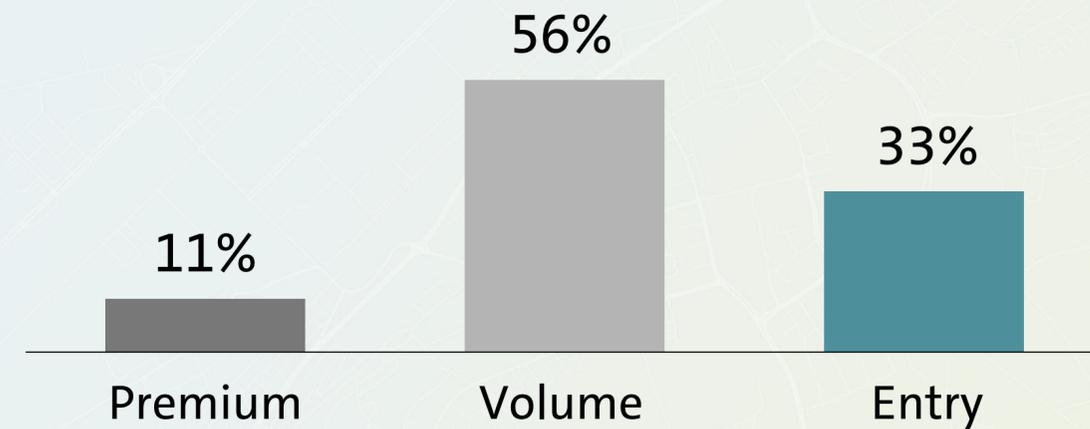
In **2019** we will launch **8 SUV** – **5 locally** produced

We expect that in the year **2020** at least **40%** of all Volkswagen Group vehicles sold in China will be **SUVs**.

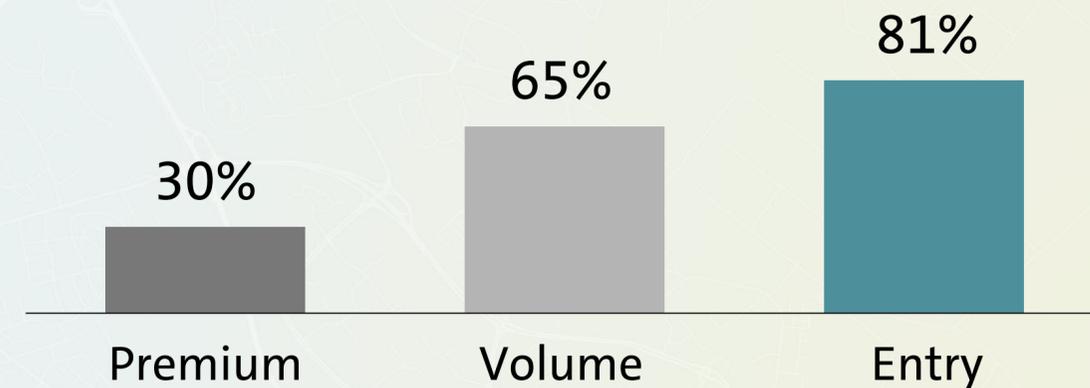
JETTA – THE NEW BRAND WITH OUTSTANDING PRICE-VALUE-RATIO FOR THE YOUNG, ASPIRING CHINESE CAR BUYER



Chinese total market 2018 by segment



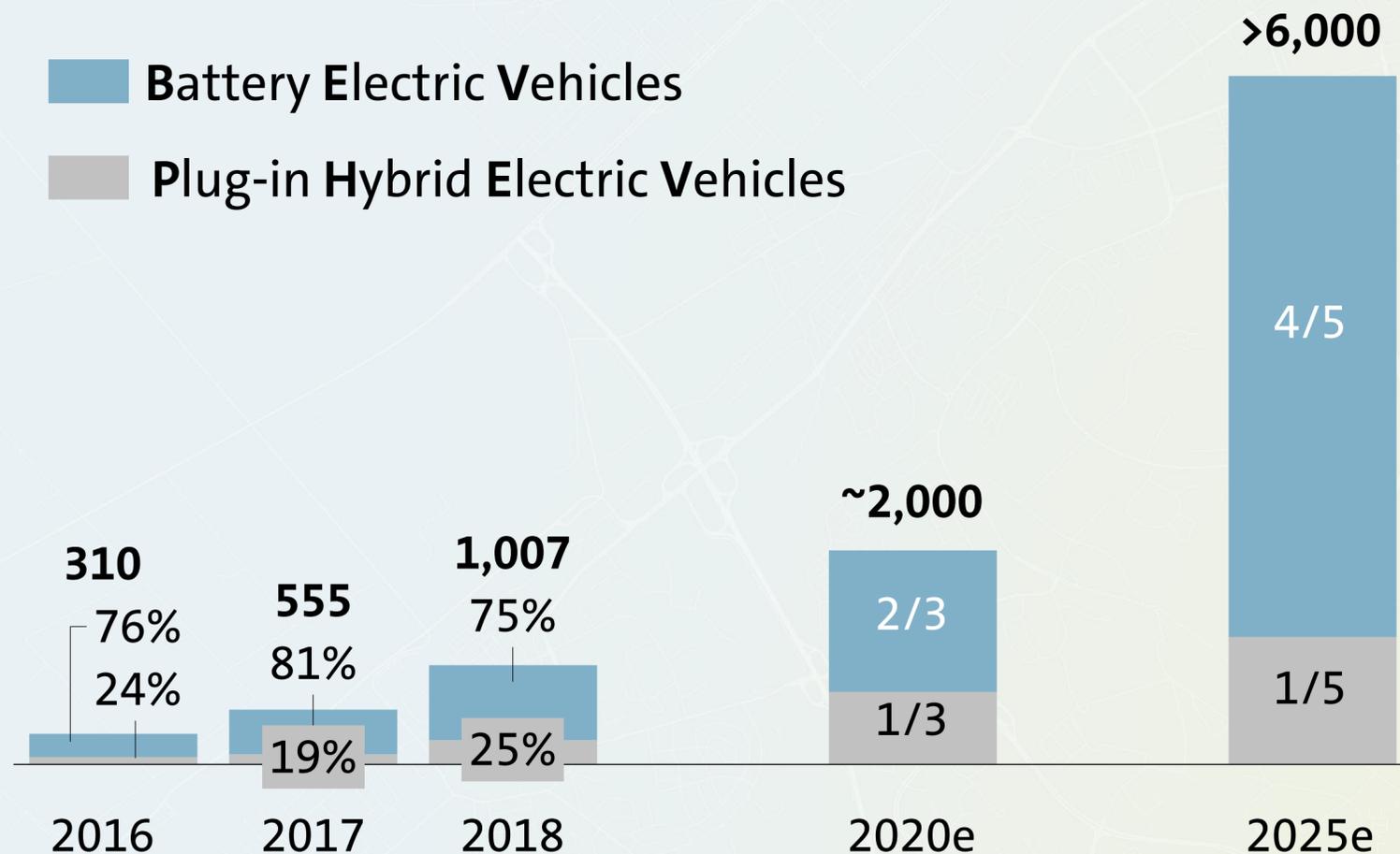
First-time car buyers per segment



- **Born from Volkswagen and built in China**
- **Part of FAW-Volkswagen**
- **Increase of market coverage**
- **Entrance to individual mobility**
- **Focus on Chinese entry market segment and first-time car buyers**
- **2 SUVs and 1 Sedan**
- **Market launch in 3rd quarter**

VOLKSWAGEN GROUP CHINA STARTS ITS NEV OFFENSIVE IN 2019

New Energy Passenger Vehicles Market (in '000 units)



Volkswagen Group China

In 2020

Target **>400.000** NEV sales

>30 NEV models of all our brands

50% of them locally produced

In 2025

Almost **40** locally produced NEV models

Prepared to deliver **1.5 million** NEVs

VOLKSWAGEN GROUP WILL FURTHER STRENGTHEN THE RESEARCH & DEVELOPMENT CAPABILITIES IN CHINA



More **competencies in China**

Development in China
together with Europe

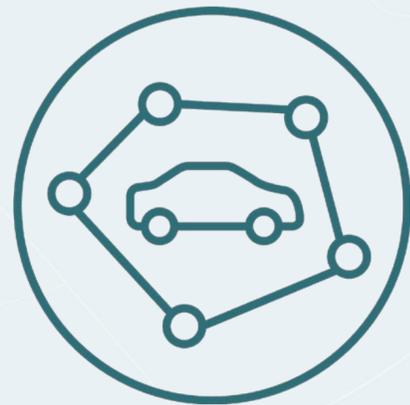
Future Center China

Strong skill set in new technologies

Encourage **exchange**



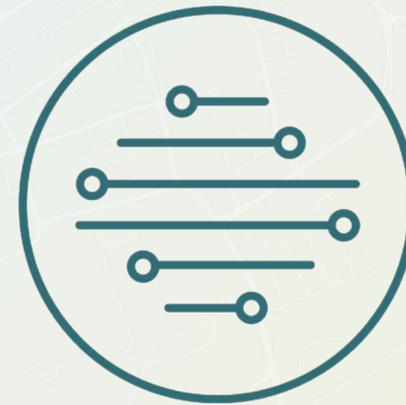
WE ESTABLISHED MOBILITY ASIA AS 100% VOLKSWAGEN GROUP ENTITY TO DRIVE THE TRANSFORMATION TOWARDS A LEADING PROVIDER OF SUSTAINABLE MOBILITY



Connectivity



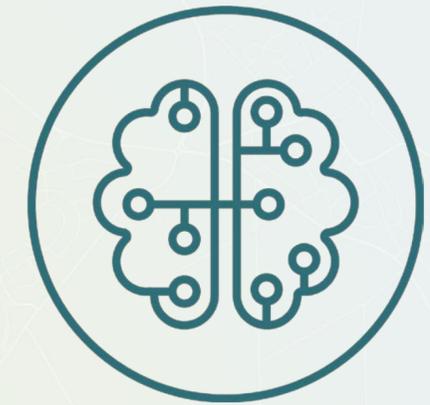
Smart mobility
eco-system



Services/
Data
Monetization



Autonomous
projects



Smart
infrastructure
ecosystem

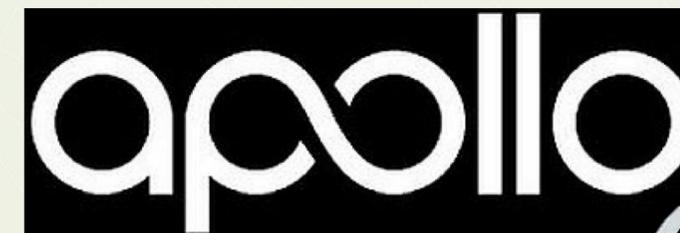
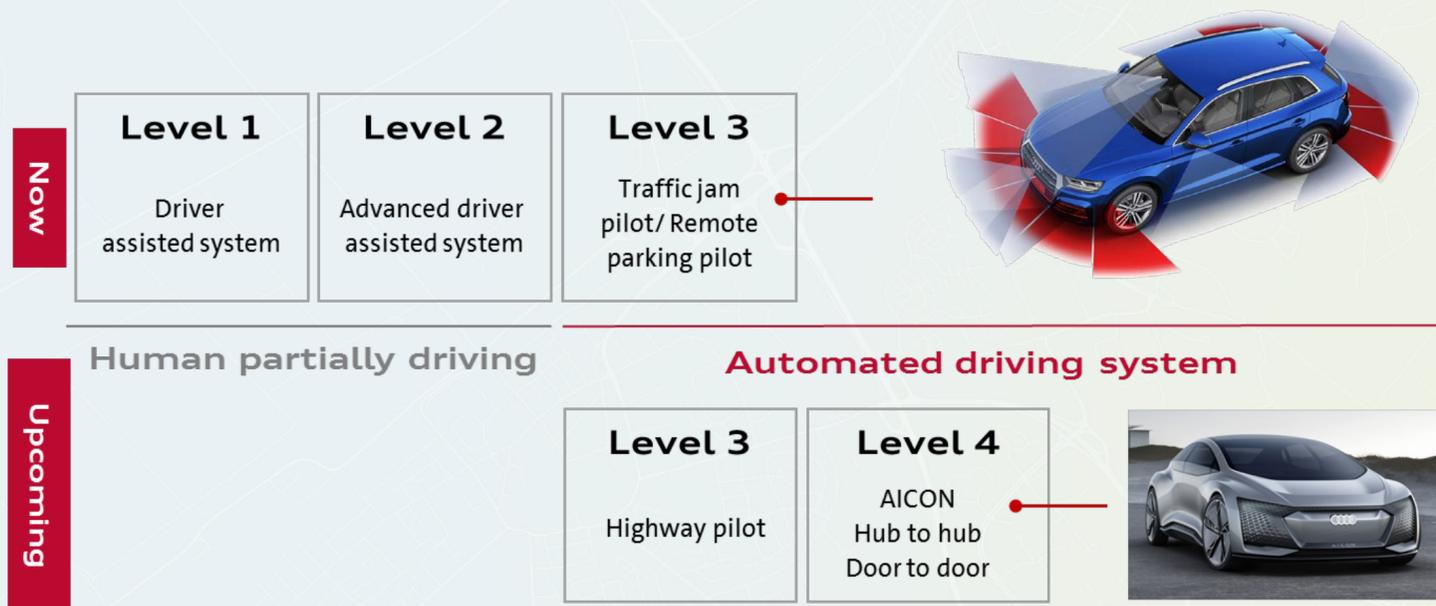
WE HEAVILY FOCUS IN-HOUSE AND TOGETHER WITH STRONG PARTNERS ON AUTONOMOUS DRIVING

In-house focus

- Audi, Volkswagen brand and Group R&D work together
- Test licenses for Level 4 highly automated driving received

Strong partners e.g. Apollo project

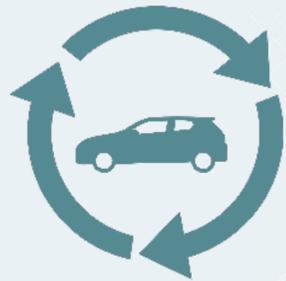
- Audi and Volkswagen joining Baidu's open-source-project
- >100 global members
- 1st project: automated parking service, Valet parking



VOLKSWAGEN GROUP CHINA IS WELL ON TRACK TO TACKLE THE TRANSFORMATION IN CHINA



Improve the **core business & secure funding**



Transform towards **more electrification**



Strengthen **innovation power**



Build **mobility solution business**