

## Media information

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## Volkswagen confirms strategic financial targets of Together 2025+

- Strategic financial targets for operating return on sales, return on investment, capex ratio and R&D cost ratio, net cashflow and net liquidity confirmed
- Outlook for the current fiscal year 2019 confirmed

Wolfsburg, November 18, 2019 – The Volkswagen Group has in principle confirmed the strategic targets set out in its strategy Together 2025+ for operating return on sales, return on investment, capex ratio and R&D cost ratio, net cashflow and net liquidity within the Planning Round 68. “We are continuing to pursue our ambitious strategic financial targets for 2020 and 2025. We also confirm our outlook for 2019. The Volkswagen Group remains very robust in the face of increasingly difficult economic conditions. However, we will have to apply systematic cost discipline to reach our long-term goals,” Frank Witter, the member of the Volkswagen Group Board of Management responsible for Finance and IT, said in describing the impact of Planning Round 68 on the strategic financial targets.

In 2020, the operating profit before special items should remain at 6.5 percent to 7.5 percent. A level of 7 percent to 8 percent is being strived for by 2025. The return on investment in the Automotive Division should be between 12 percent and 14 percent from 2020 onwards and more than 14 percent starting in 2025. The Group will continue to pursue its strategic targets for the capex ratio and the R&D cost ratio. Each should be 6 percent from 2020 onwards. The aim is to achieve net cashflow of at least EUR 10 billion and a net liquidity in the Automotive Division of more than EUR 20 billion by then.

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### Group KPI's for 2019, 2020 and 2025 confirmed

Key financial targets	2016 Actual	2017 Actual	2018 Actual	2019 Outlook	2020 Strategic Targets	2025 Strategic 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 before Special Items</small>	13.9%	14.4%	13.1%	12-14%	12-14% <sup>2)</sup>	>14% <sup>2)</sup>
<b>Capex ratio</b> <small>Automotive Division</small>	6.9%	6.4%	6.6%	6.5-7%	6%	6%
<b>R&amp;D cost ratio</b> <small>Automotive Division</small>	7.3%	6.7%	6.8%	6.5-7%	6%	6%
<b>Cash</b>						
<small>Automotive Division</small>						
<b>a) Net Cashflow<sup>1)</sup></b>	€ 4.9 bn	€ 10.3bn	€ 5.6bn	≥€9bn	≥ € 10 bn	> € 10 bn
<b>b) Net Liquidity</b>	€ 27.2 bn	€ 22.4 bn	€ 19.4 bn	>15bn <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.

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## Note to editors:

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## About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The Group comprises twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products include ranges from pick-ups, buses and heavy trucks. Every weekday, 664,496 employees around the globe produce on average 44,567 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2018, the total number of vehicles supplied to customers by the Group globally was 10,8 million (2017: 10,7 million). The passenger car global market share was 12.3 per cent. In Western Europe 22.0 per cent of all new passenger cars come from the Volkswagen Group. Group sales revenue in 2018 totalled €235.8 billion (2017: €231 billion). Earnings after tax in 2017 amounted to €17.1 billion (2017: €11.6 billion).

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