

**VOLKSWAGEN**

AKTIENGESELLSCHAFT

# Interim Report

January - September 2019

**Live INVESTOR and ANALYST Audio Webcast and Conference Call**

October 30<sup>th</sup>, 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.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded. This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

## Live Audio Webcast and Conference Call: January – September 2019



**Frank Witter**

Chief Financial Officer  
Volkswagen AG



**Dr. Christian Dahlheim**

Director Group Sales  
Volkswagen AG



**Helen Beckermann**

Interim Head of  
Group Investor Relations  
Volkswagen AG

## Financial Highlights January – September 2019

**Deliveries to Volkswagen Group customers at 8.0 (8.1) million vehicles; decline in Asia-Pacific in particular; higher demand mainly in Western Europe and in South America; passenger car market share expands in declining overall market worldwide**

**Group sales revenue rose by 6.9% to €186.6 billion**

**Operating profit before special items climbs €1.5 billion to €14.8 billion; improvements especially in the mix and + €0.5 billion resulting from the fair value measurement on derivatives**

**Operating profit of €13.5 billion exceeds prior-year figure by €2.7 billion; negative special items of €-1.3 (-2.4) billion relating to the diesel issue**

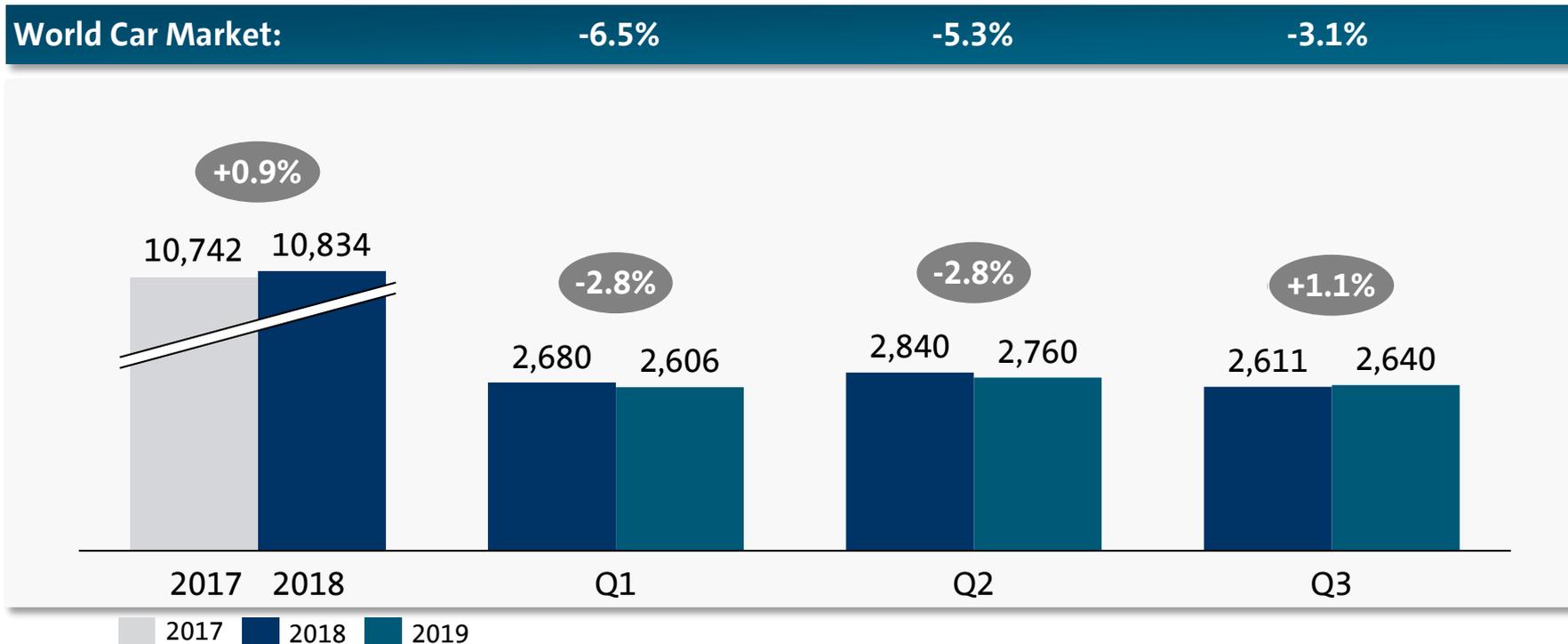
**Profit before tax improves to €14.6 (12.5) billion**

**Automotive Division's net cash flow of €8.6 billion up €5.1 billion on the low previous year's figure; capex ratio of 5.2 (5.3)%**

**Net liquidity in the Automotive Division at €19.8 billion; negative effect of €5.3 billion on the disclosure of the net liquidity due to the application of the new IFRS 16**

# Development Volkswagen Group Deliveries to Customers<sup>1)</sup>

(in comparison to previous year)

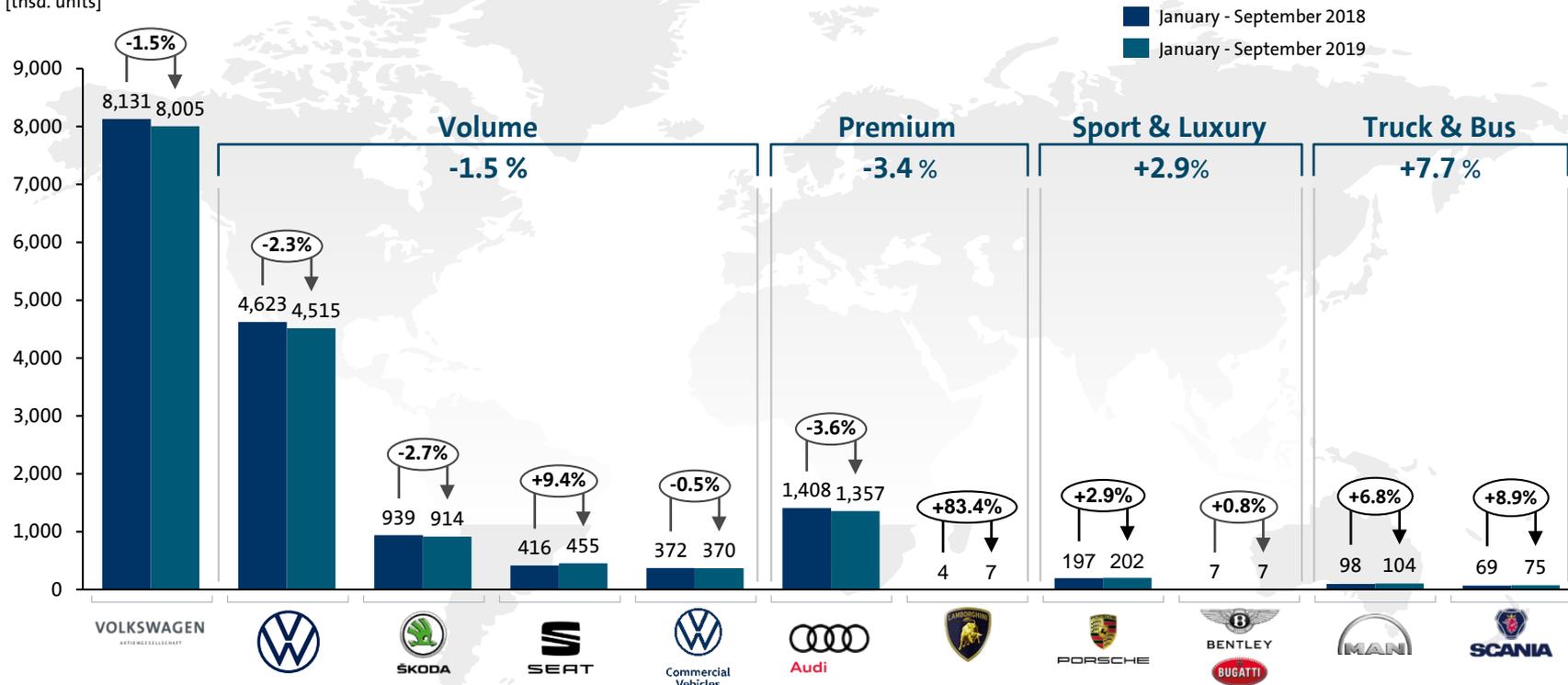


<sup>1)</sup> Volkswagen Group excl. Ducati

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

(January to September 2019 vs. 2018)

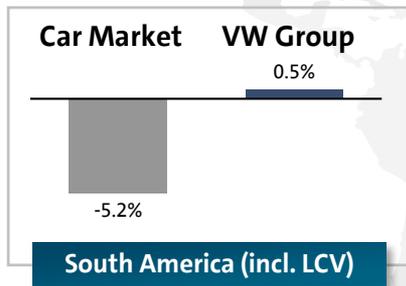
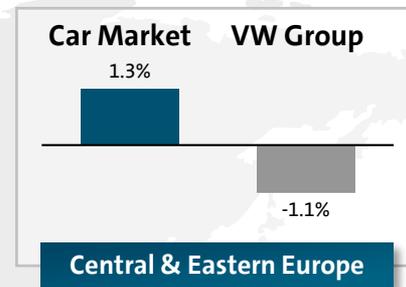
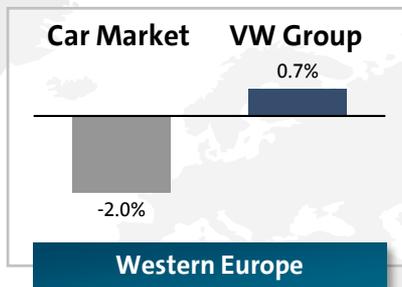
[thsd. units]



<sup>1)</sup> Volkswagen Group excl. Ducati

## Development World Car Market vs. Volkswagen Group Car Deliveries to Customers <sup>1)</sup>

(Growth y-o-y in deliveries to customers, January to September 2019 vs. 2018)



<sup>1)</sup> Volkswagen Group Passenger Cars excl. Volkswagen Commercial Vehicles <sup>2)</sup> incl. LCV in North America & South America

## Market introductions in Q4 2019



**Audi Q3 Sportback**



**Volkswagen Lavida BEV (China)**



**Porsche Taycan BEV (USA)**

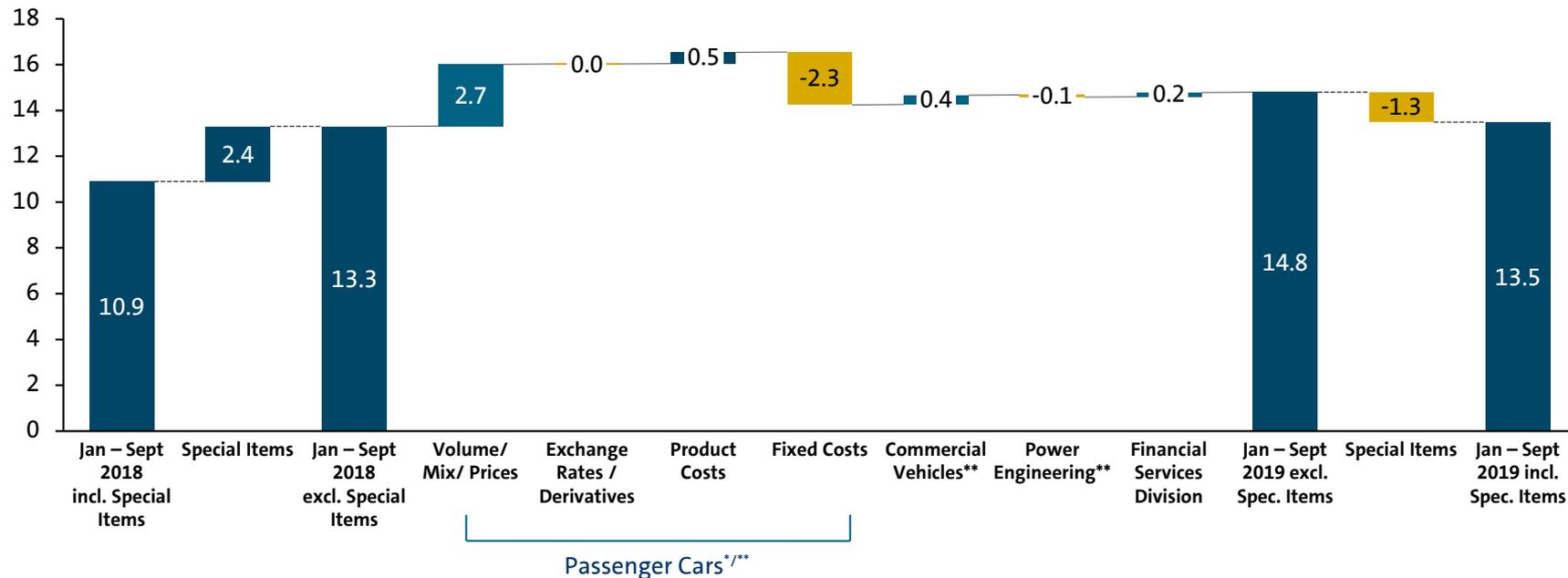


**VW Commercial Vehicles T6/Multivan PA**

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

(January to September 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

## Volkswagen Group – Analysis by Business Line <sup>1)</sup>

(January to September 2019 vs. 2018)

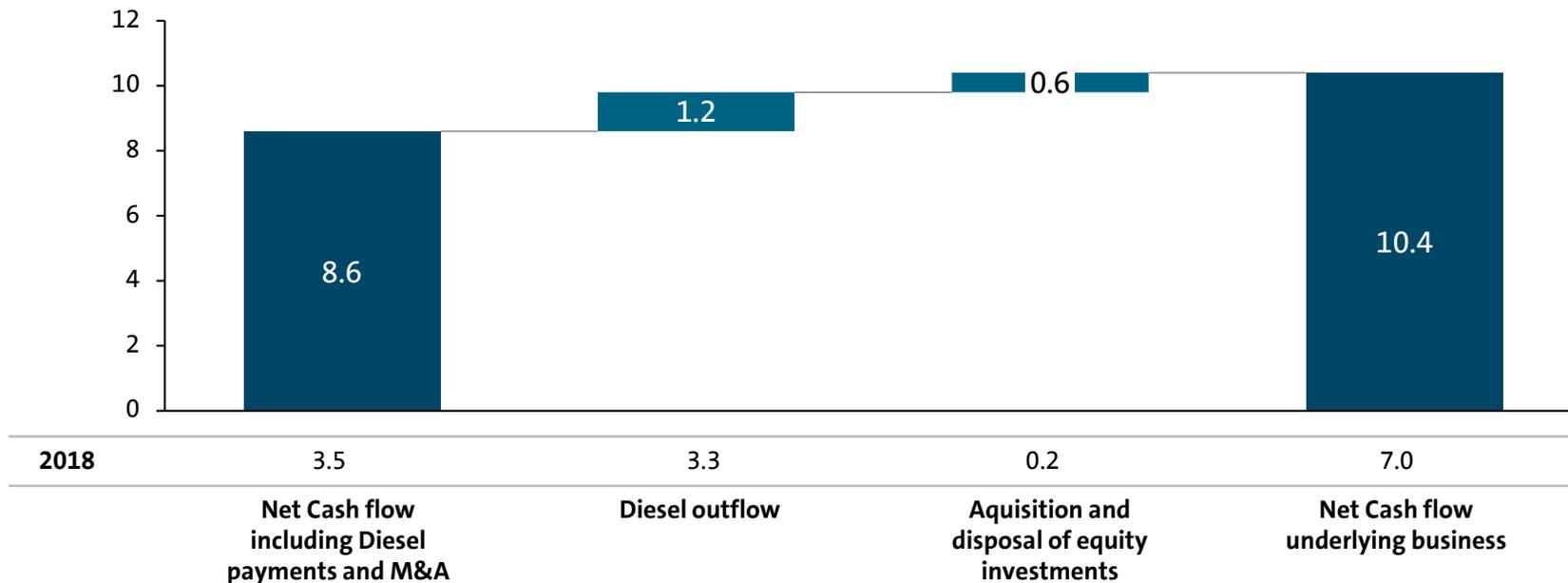
thousand vehicles / € million	Vehicle sales		Sales revenue		Operating profit	
	2019	2018	2019	2018	2019	2018
Volkswagen Passenger Cars	2,754	2,753	65,447	62,508	3,152	2,330
Audi	900	1,107	41,332	44,257	3,239	3,671
ŠKODA	805	698	14,811	12,598	1,175	1,083
SEAT	517	462	8,828	7,744	248	237
Bentley	7	7	1,306	1,092	65	-137
Porsche Automotive <sup>2)</sup>	205	190	18,666	17,507	3,200	3,197
Volkswagen Commercial Vehicles	344	337	8,756	8,572	497	628
Scania <sup>3)</sup>	76	69	10,427	9,337	1,209	888
MAN Commercial Vehicles	104	98	9,175	8,599	297	222
Power Engineering	-	-	2,873	2,489	91	142
VW China <sup>4)</sup>	2,815	3,021	-	-	-	-
Other <sup>5)</sup>	-543	-619	-22,949	-24,762	-411	-872
Volkswagen Financial Services	-	-	27,946	24,635	2,035	1,915
<b>Volkswagen Group before Special Items</b>	-	-	-	-	<b>14,795</b>	<b>13,306</b>
Special Items	-	-	-	-	-1,257	-2,435
<b>Volkswagen Group</b>	<b>7,983</b>	<b>8,123</b>	<b>186,617</b>	<b>174,577</b>	<b>13,539</b>	<b>10,871</b>
Automotive Division <sup>6)</sup>	7,983	8,123	157,031	148,424	11,313	8,832
of which: Passenger Cars <sup>7)</sup>	7,803	7,956	134,666	128,218	10,103	8,021
of which: Commercial Vehicles <sup>7)</sup>	180	167	19,491	17,717	1,307	857
of which: Power Engineering	-	-	2,873	2,489	-98	-46
Financial Services Division	-	-	29,587	26,153	2,226	2,039

<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 € 20,490 (19,117) million, operating profit € 3,346 (3,329) million. <sup>3)</sup> Scania (Automotive and Financial Services): sales revenue € 10,762 (9,634) million, operating profit € 1,314 (991) 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 € 3,187 (3,330) 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 1<sup>st</sup> January 2019 Volkswagen Commercial Vehicles is reported in the Automotive division, prior year figures have been adjusted.

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

(January to September 2019)

[€ billion]

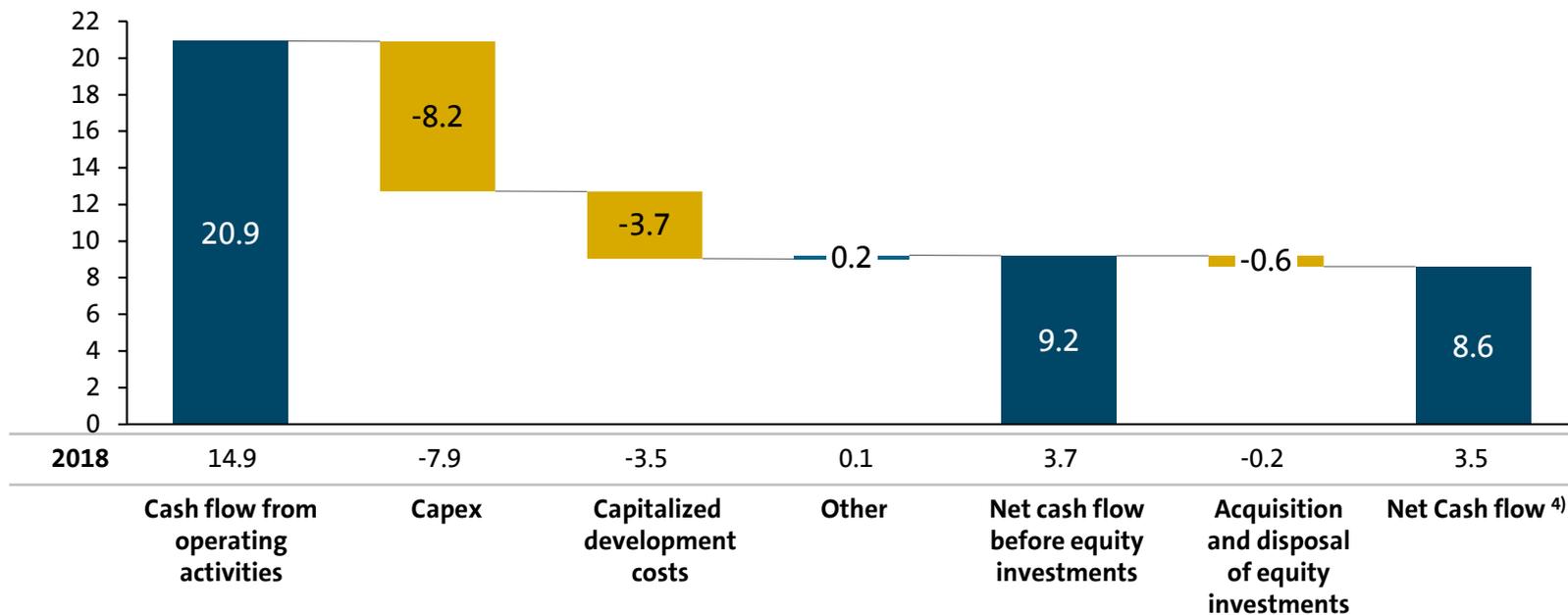


<sup>1)</sup> Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

## Automotive Division – Net Cash Flow Development <sup>1) 2)</sup>

(January to September 2019)

[€ billion]

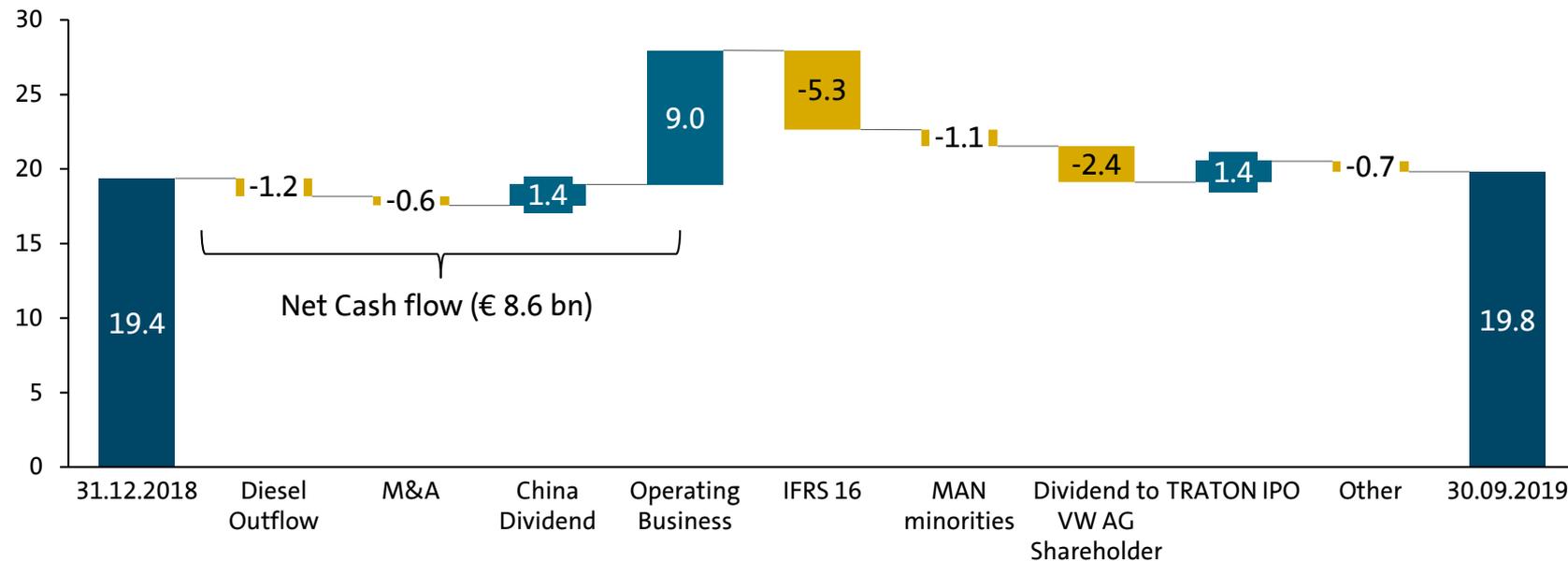


<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. <sup>2)</sup> Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

# Automotive Division – Analysis of Net Liquidity <sup>1)</sup>

(January to September 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)

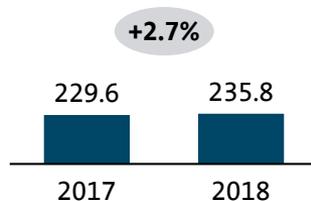


on the level of prior-year

2019



**Sales revenue**  
(€ billion)

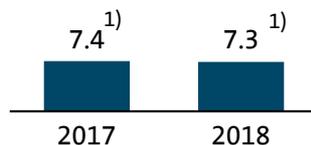


grow by as much as 5%

2019



**Operating return on sales**  
(%)



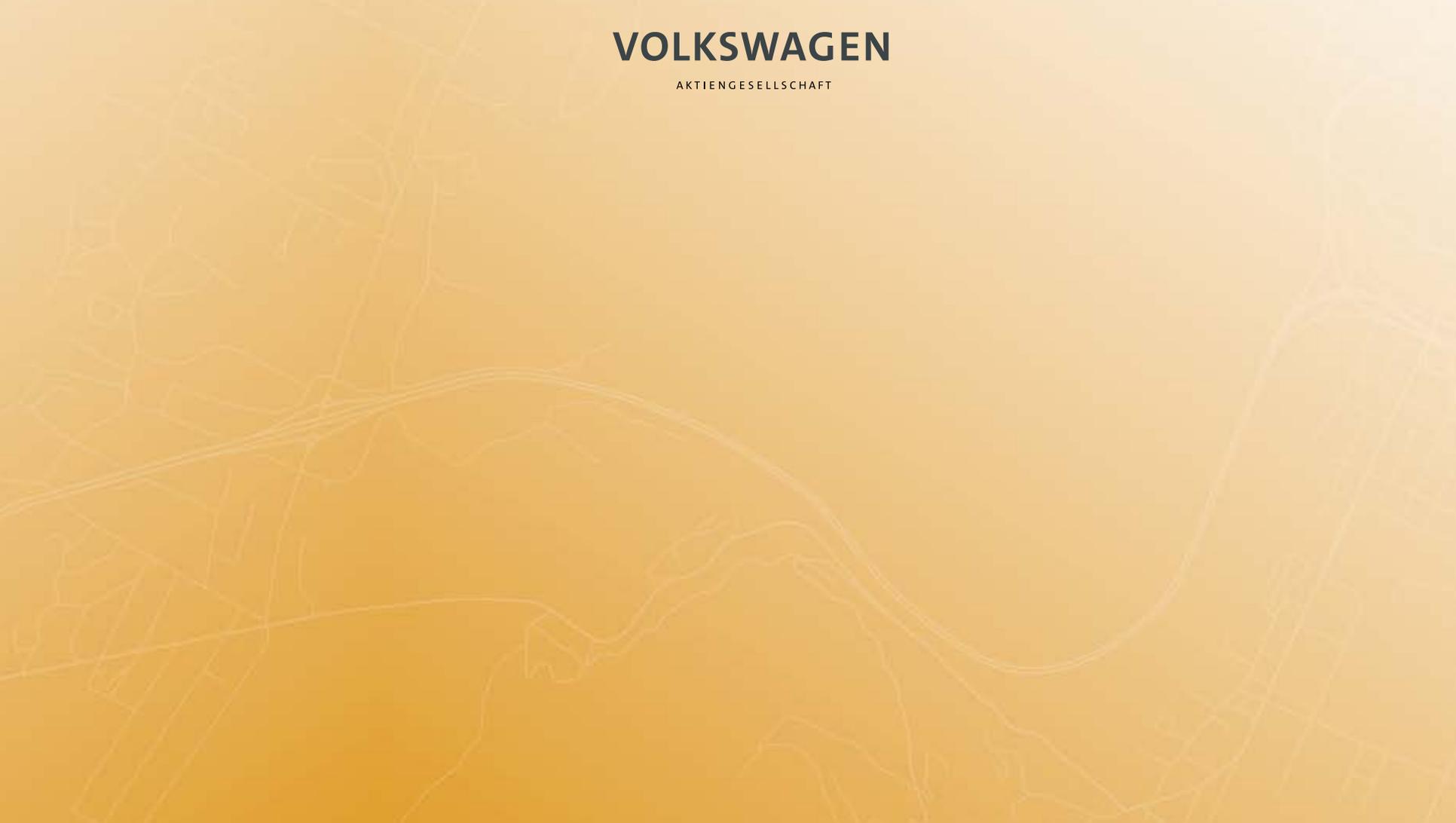
Range of 6.5 – 7.5% (before Special Items)

2019

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

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# Automotive Division – Research and Development Costs

(January to September 2019 vs. 2018)

[€ million]

