

**VOLKSWAGEN**

AKTIENGESELLSCHAFT

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**Leading the Transformation.**

Analyst and Investor Call Q3  
Volkswagen AG

28 October 2021

## 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.

Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates or commodities or the supply with parts relevant to the Volkswagen Group 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.

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 Such statements are valid on the date of publication and can be superseded.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.



**Herbert Diess**

*Chairman of the  
Board of Management  
Volkswagen AG*



**Arno Antlitz**

*Chief Financial Officer  
Volkswagen AG*



**Helen Beckermann**

*Head of  
Group Investor Relations  
Volkswagen AG*

# In a nutshell: strong recovery slowed by chip shortages

## Highly challenging Q3

After very strong H1

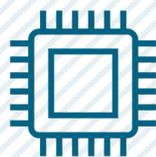


## BEV sales record

Doubled year-on-year

## Chip shortages more visible

Low point passed in Q3

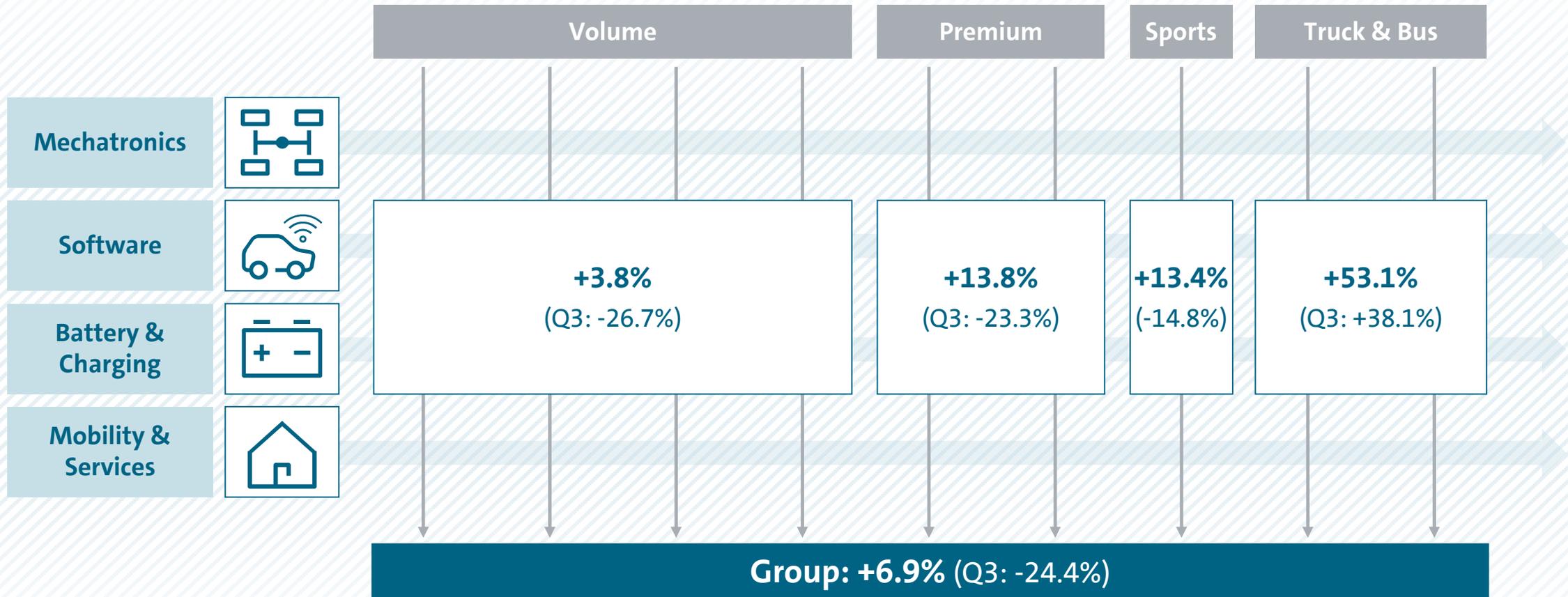


## Guidance confirmed

6.0-7.5% margin in 2021

# Passenger car brands hit by semiconductor shortages in Q3

Volkswagen Group<sup>1</sup> Deliveries to Customers, January to September 2021 vs. 2020



1 Excluding Ducati

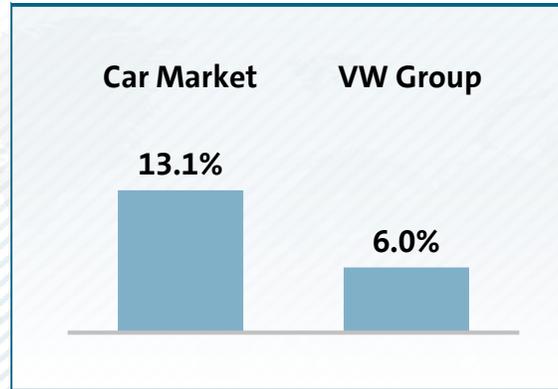
# In North America and Europe, Volkswagen Group gains market share<sup>1</sup>

## Growth y-o-y, January to September 2021 vs. 2020

### North America (incl. LCV)



### World<sup>1</sup>



### Central & Eastern Europe



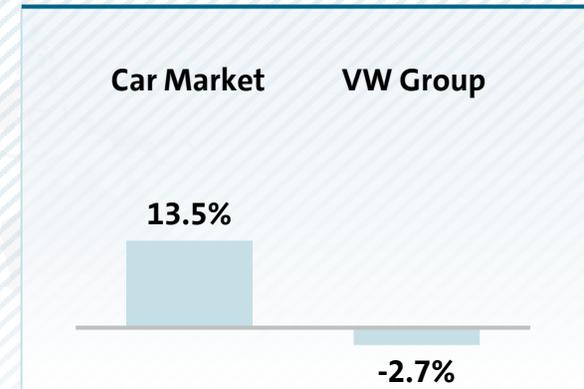
### South America (incl. LCV)



### Western Europe



### Asia Pacific

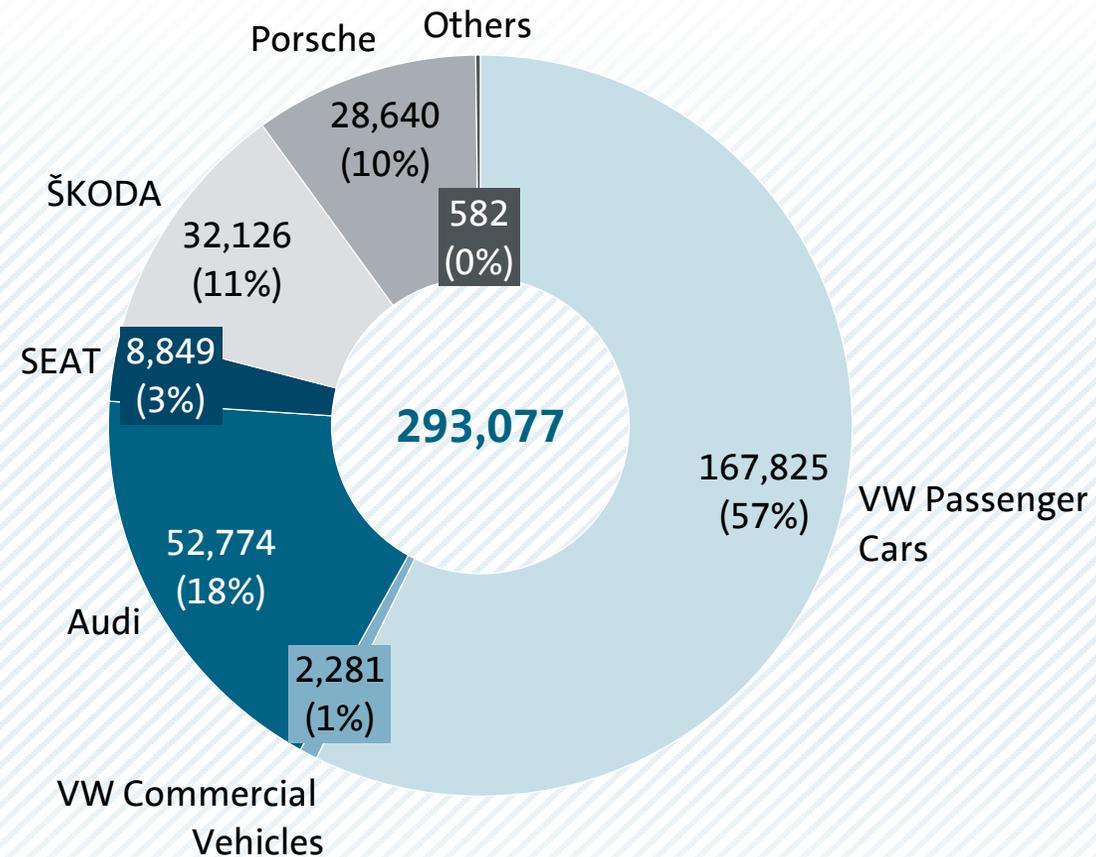
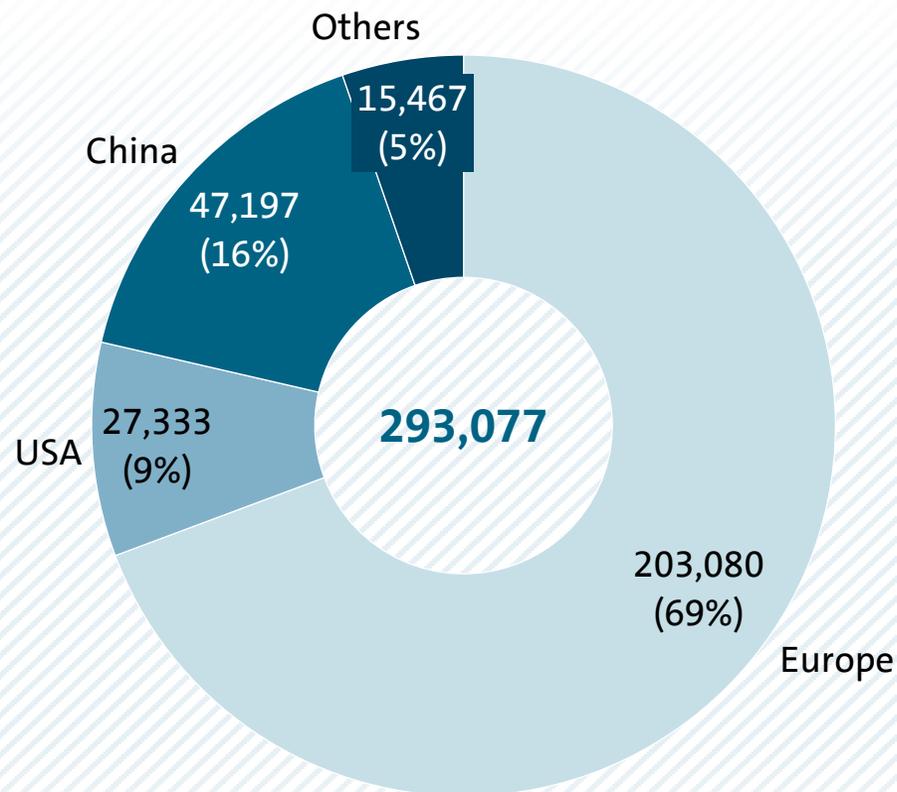


<sup>1</sup> Volkswagen Group Passenger Cars incl. LCV in North America & South America

# BEV ramp-up accelerates – deliveries doubled in Q3

Deliveries by regions and brands January to September 2021<sup>1</sup>

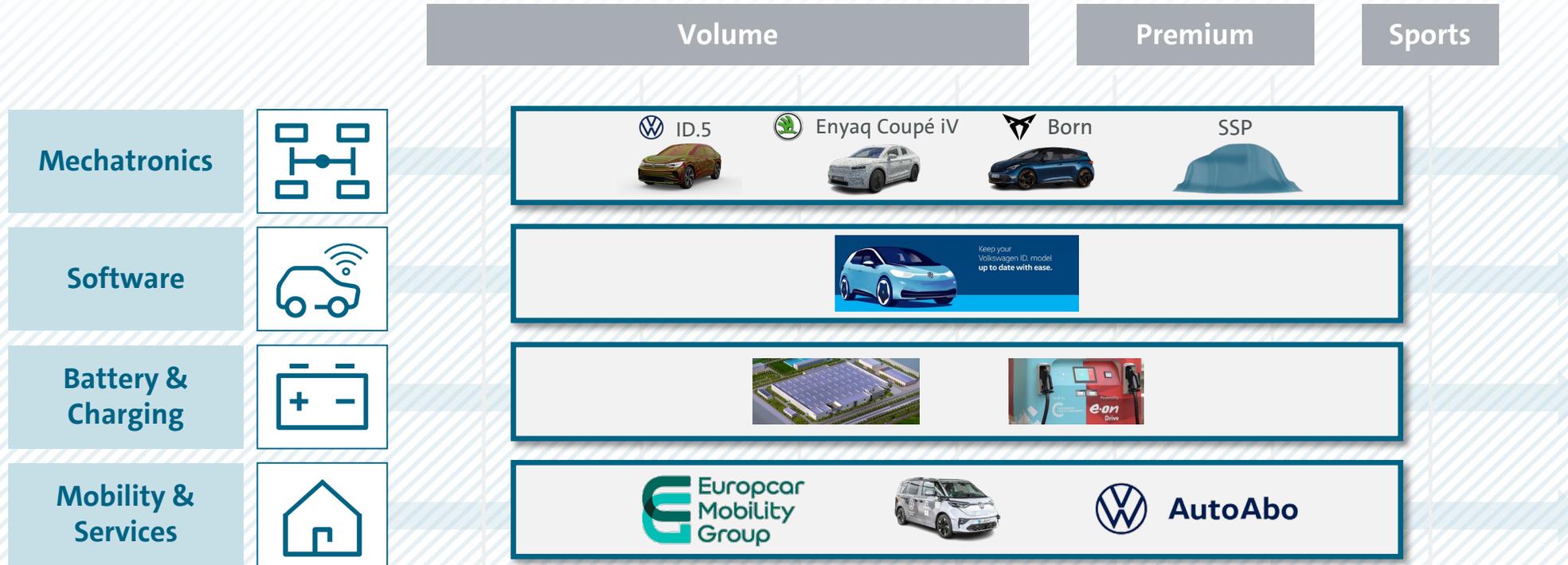
[Thsd units]



<sup>1</sup> Europe: EU 27+2+UK, China: Incl. HK

# NEW AUTO - Volkswagen Group Strategy

## Group lays foundation to tap into future profit pools

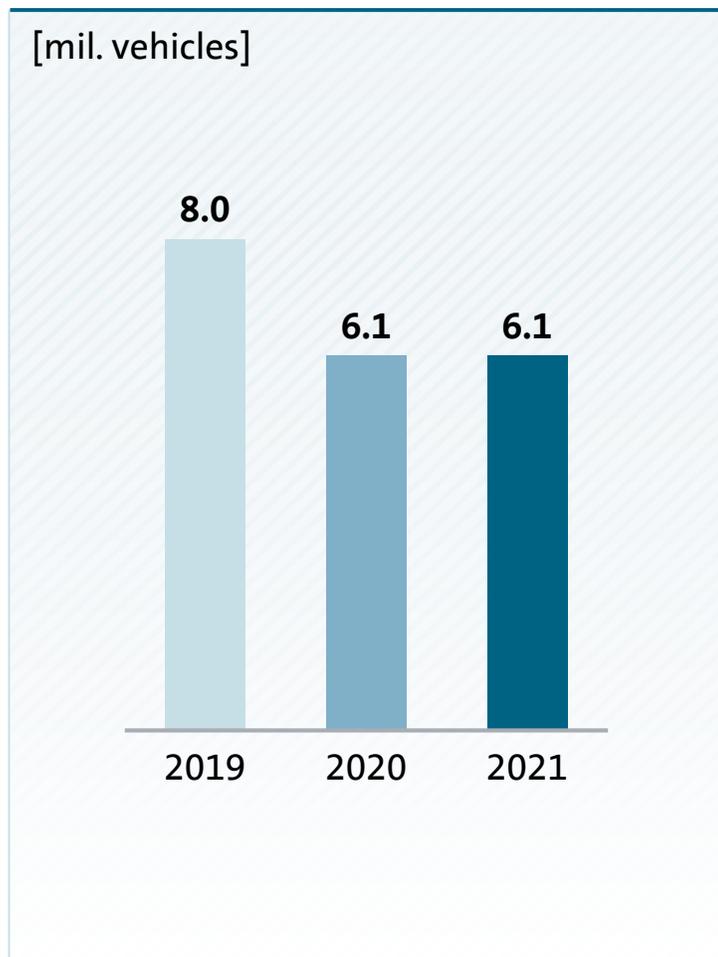


ID.5 – The car is a camouflaged near-production concept; Enyaq Coupe iV - The car is a camouflaged near-production concept; Born – power consumption in kWh/100 km (combined): 14.6 (NEDC), CO2-emissions in g/km: 0 (combined); efficiency class: A+++  
ID. BUZZ AD – The car is not for sale yet

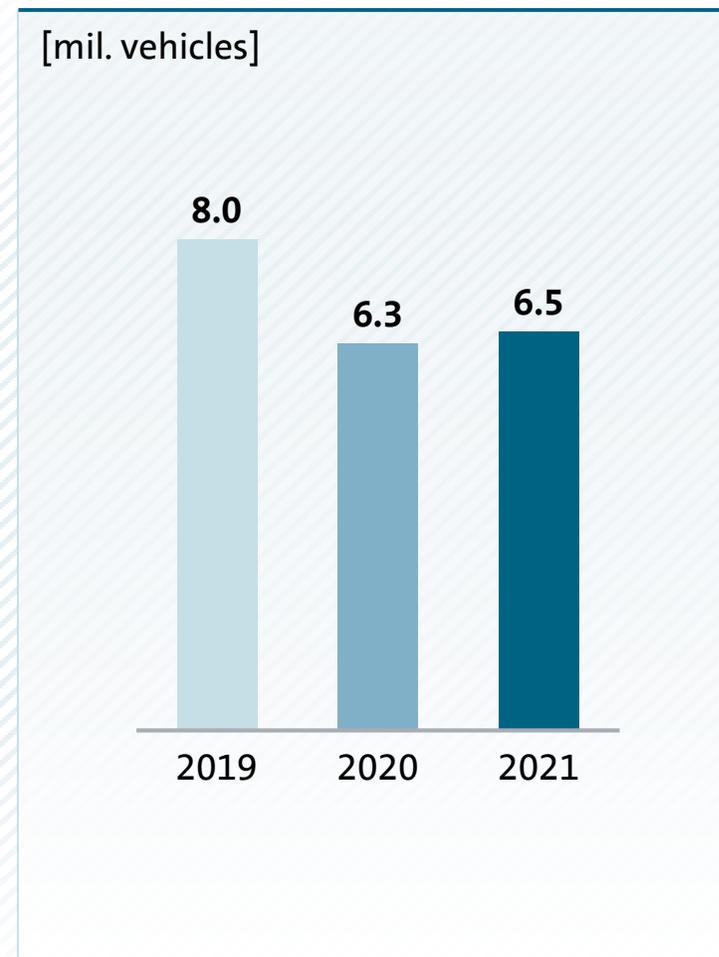
# Financial Highlights – Volkswagen Group

## January to September 2021 vs. 2020 vs. 2019

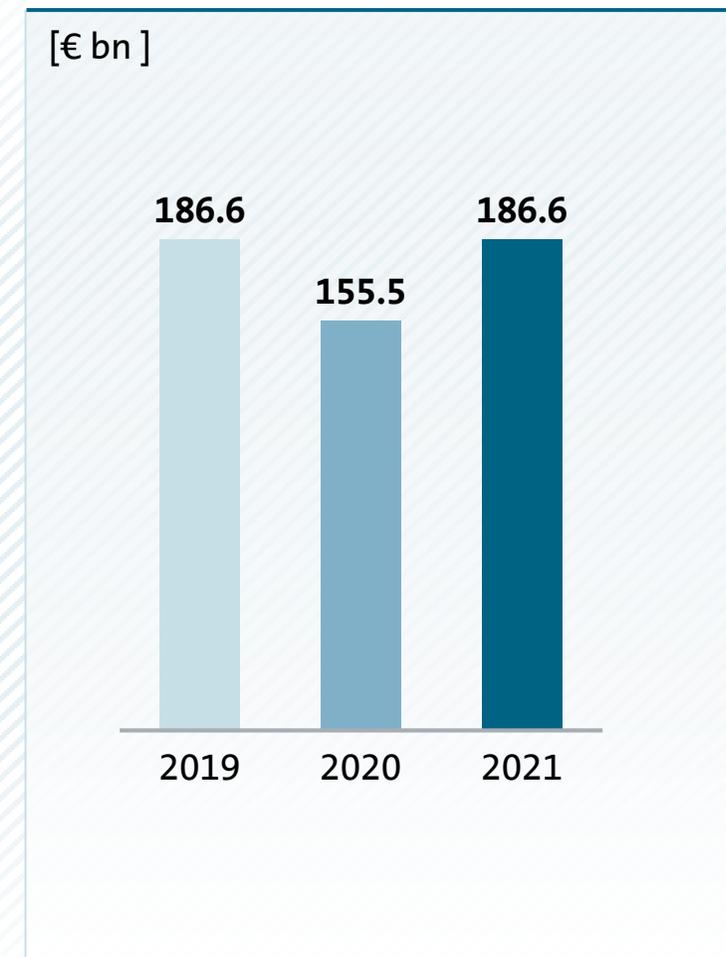
### Production Q1-Q3



### Vehicles Sales Q1-Q3



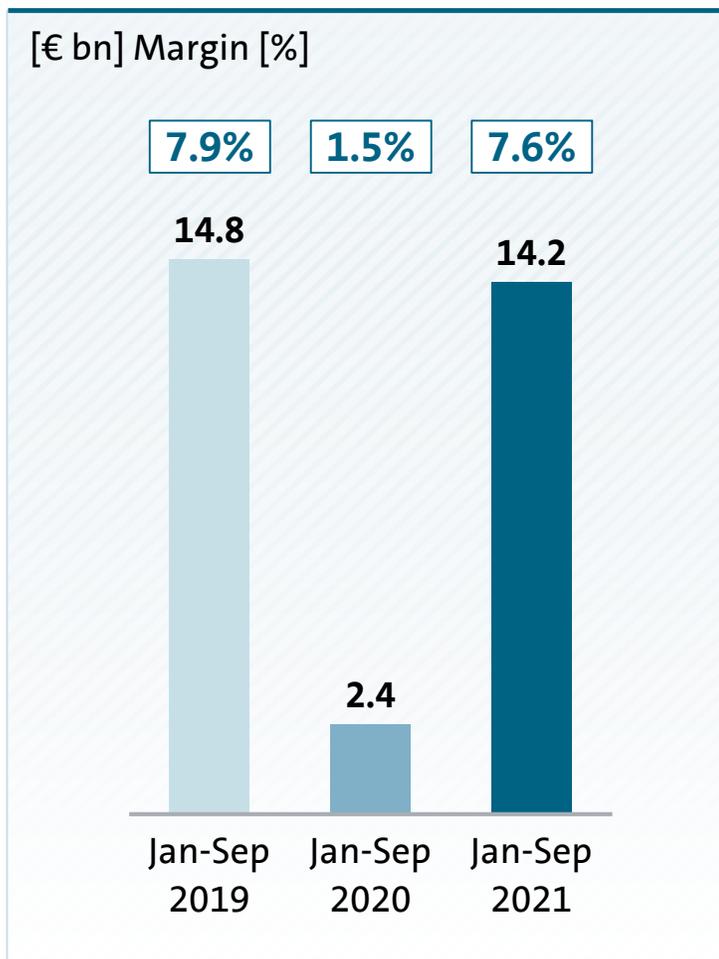
### Sales Revenue Q1-Q3



# Strong Operating Result and Automotive Cash Flow development

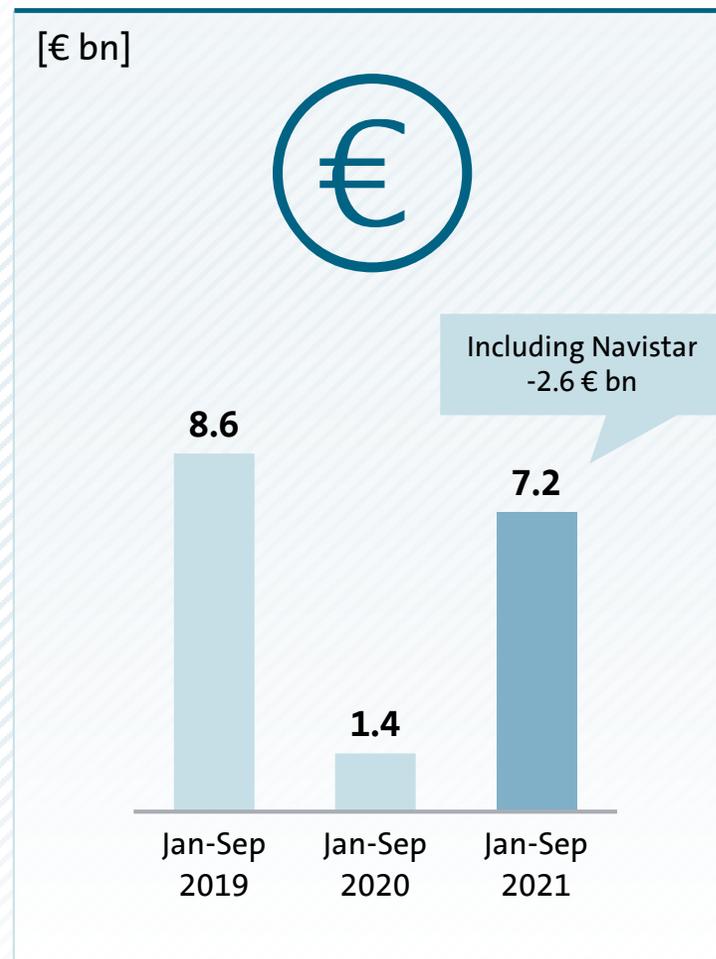
## Safeguarding liquidity to finance future

### Operating Profit<sup>1</sup> and Margin

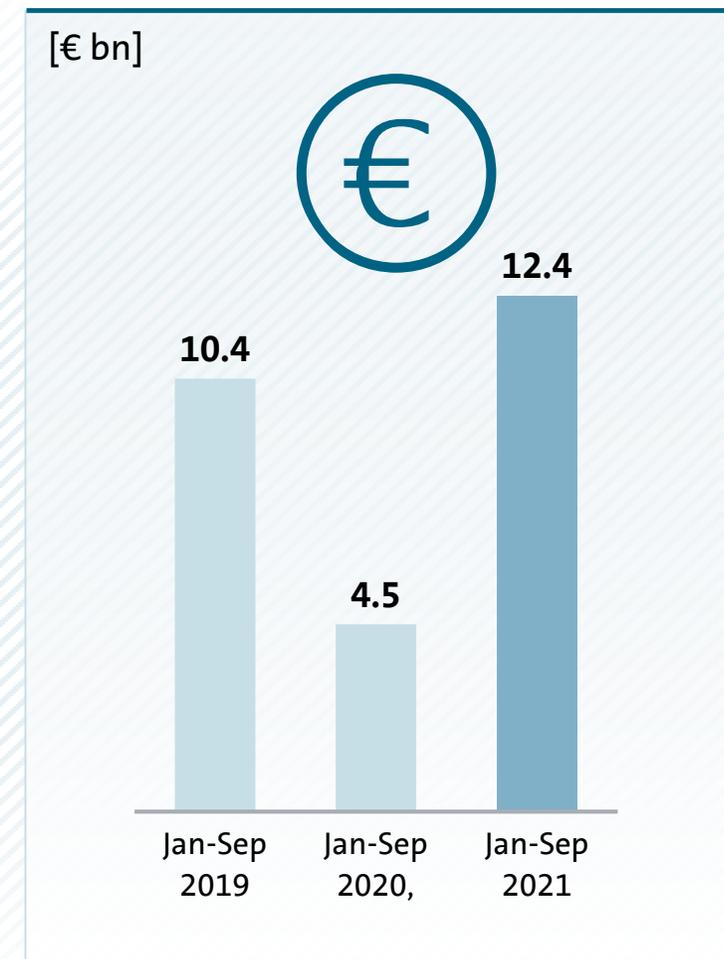


<sup>1</sup> before Special Items

### Reported Net Cash Flow



### 'Clean' Net Cash Flow<sup>2</sup>

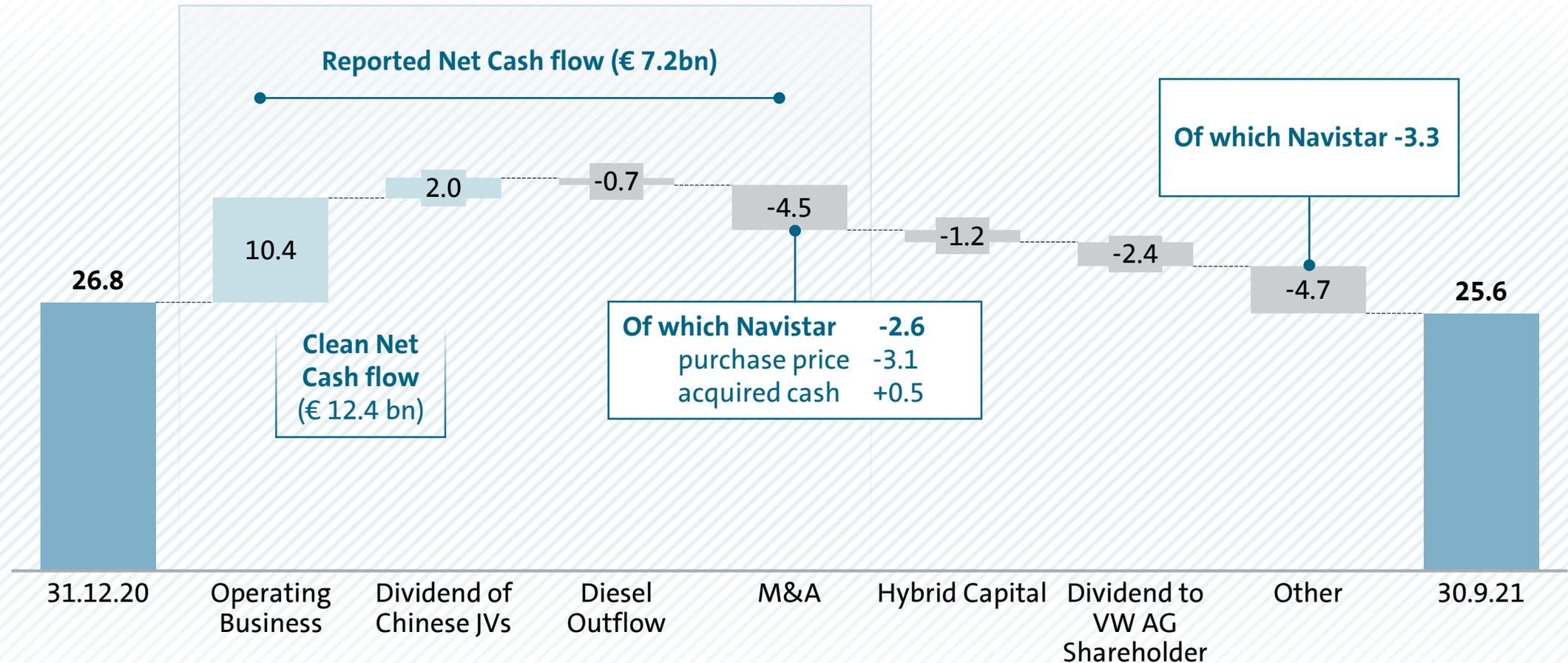


<sup>2</sup> Reported net cash flow before M&A and Diesel

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

## January to September 2021

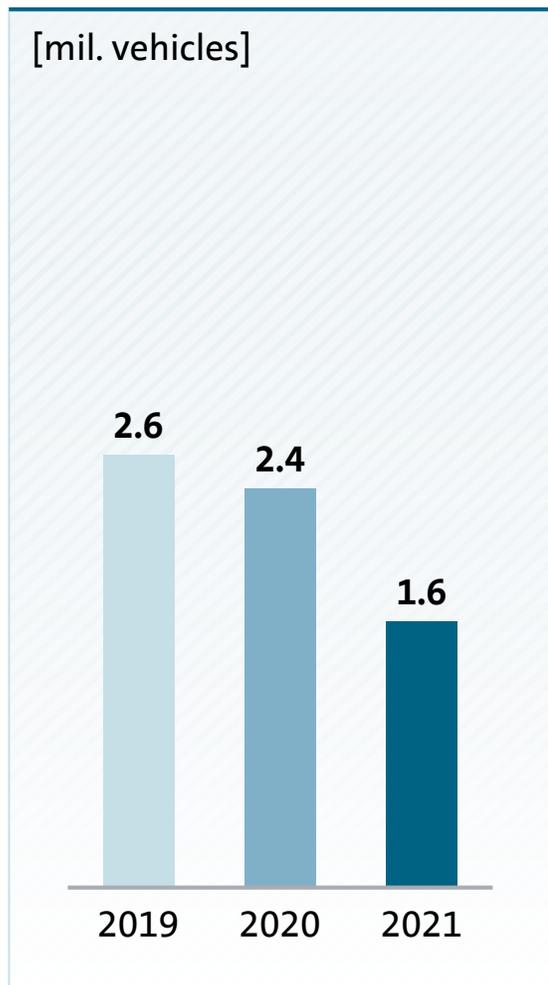
[€ bn]



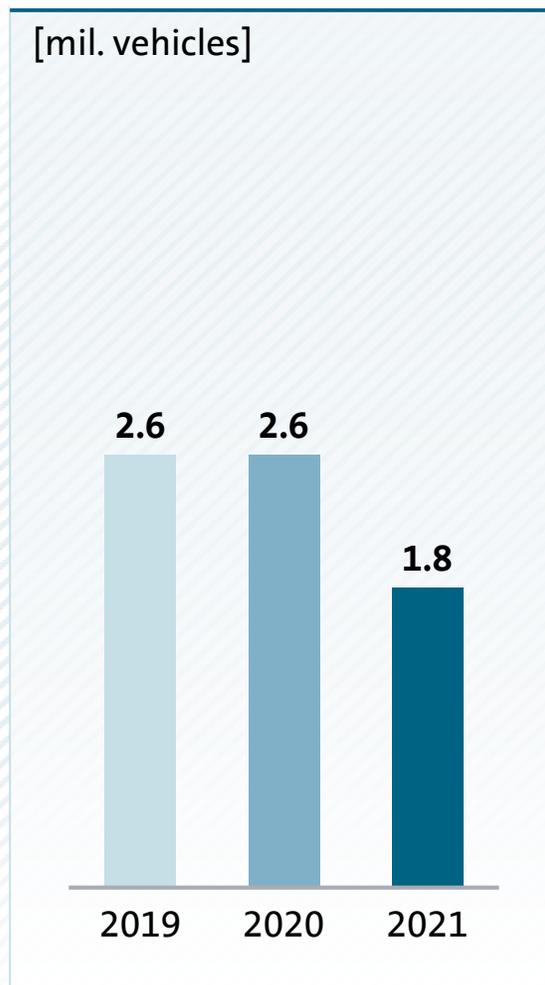
1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts

## Q3 – Especially impacted by Semiconductor

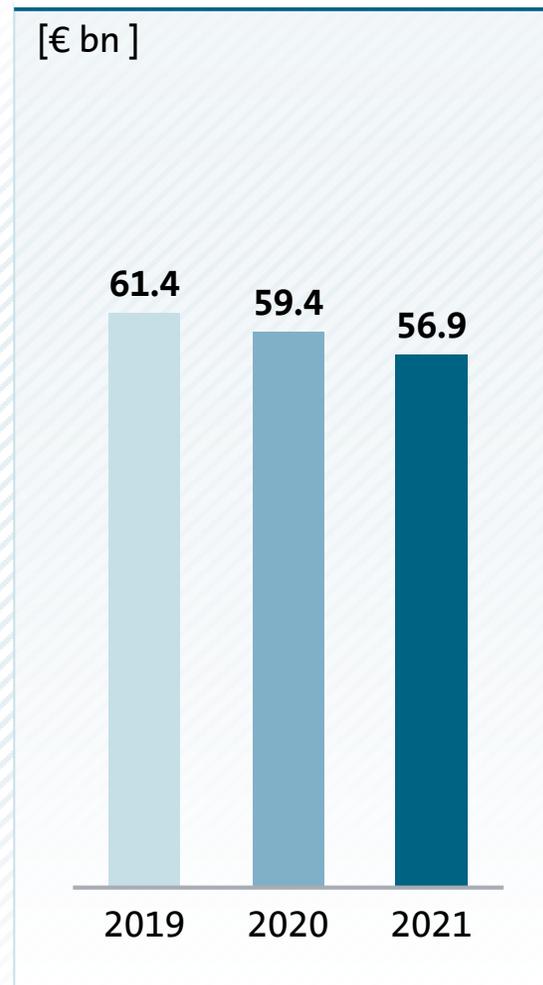
### Production Q3



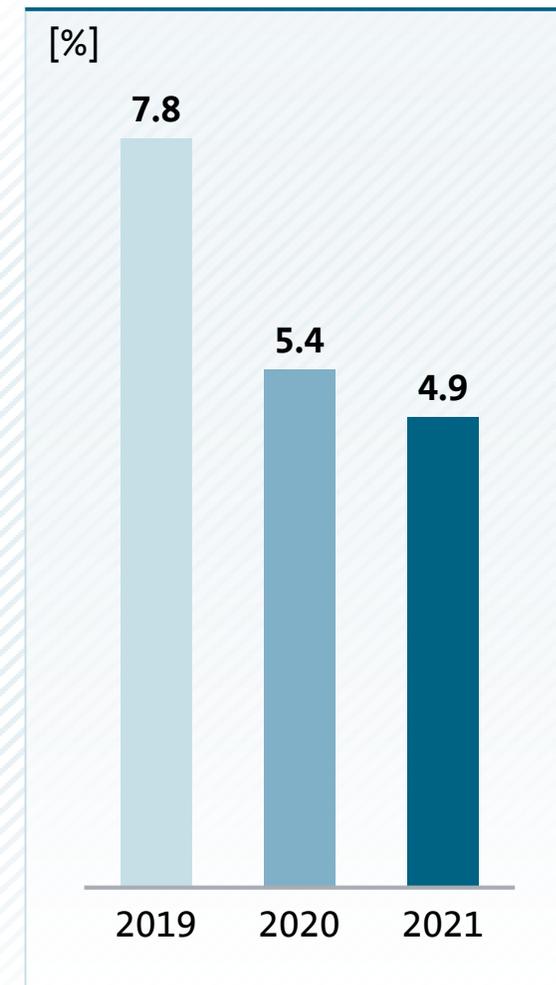
### Vehicles Sales Q3



### Sales Revenue Q3



### Margins<sup>1</sup> Q3



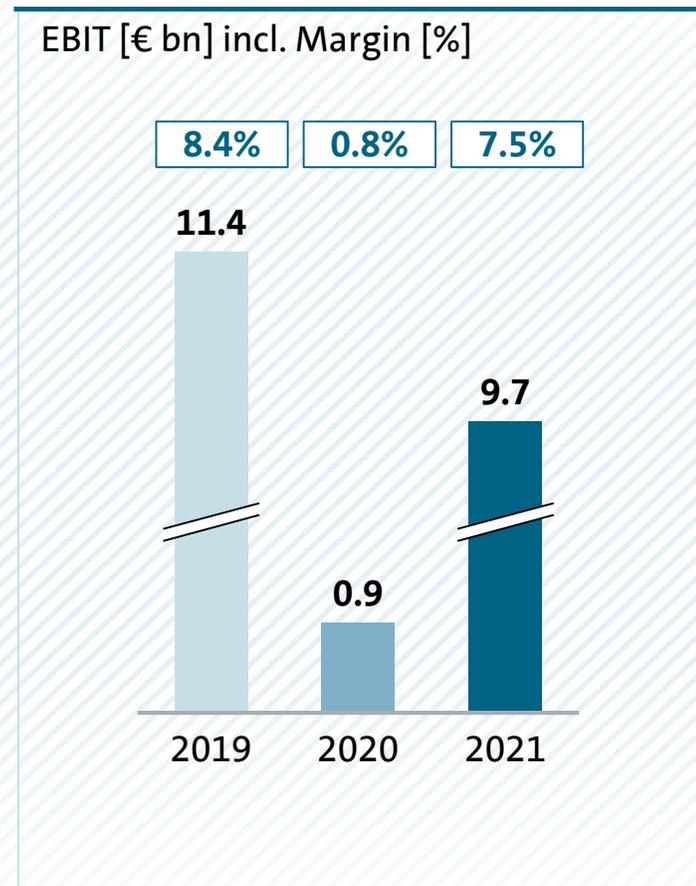
<sup>1</sup> before Special Items

# EBIT per Key Business Areas

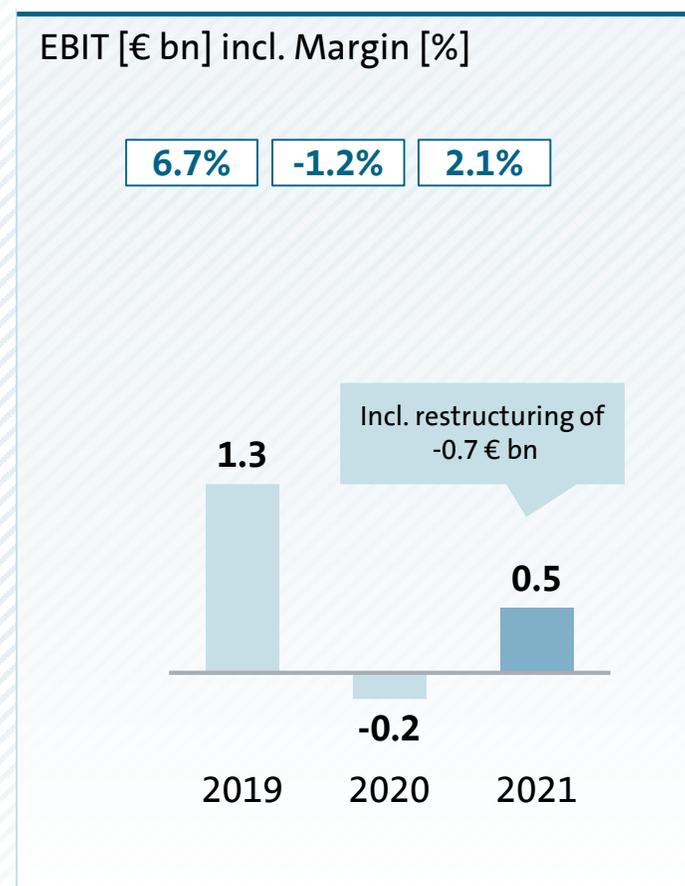
January to September 2021 vs. 2020 vs. 2019

## Automotive Division

### Passenger Cars<sup>1</sup>

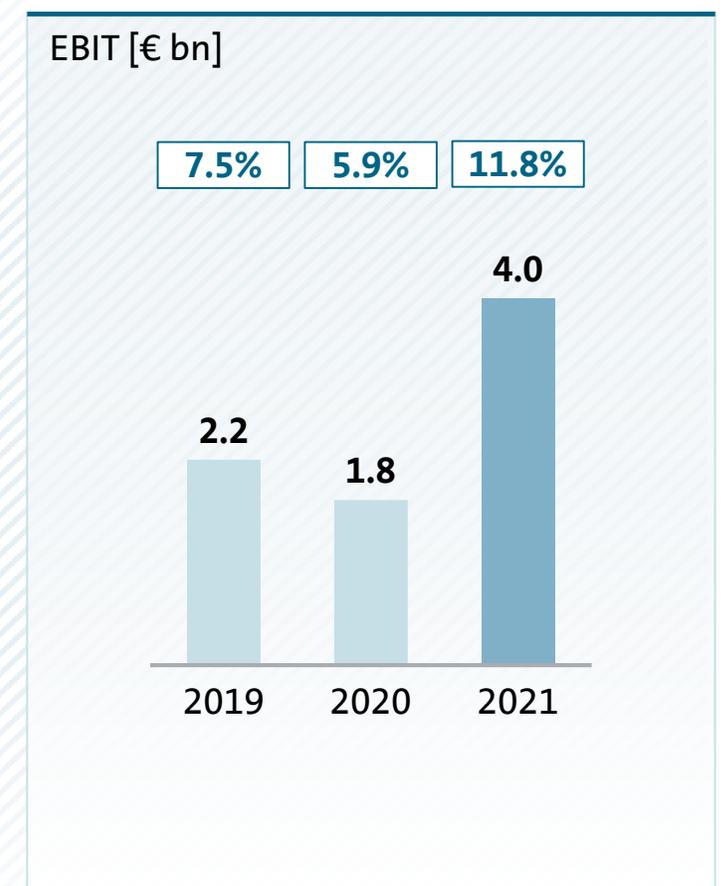


### Commercial Vehicles



## Financial Services Division

### Financial Services

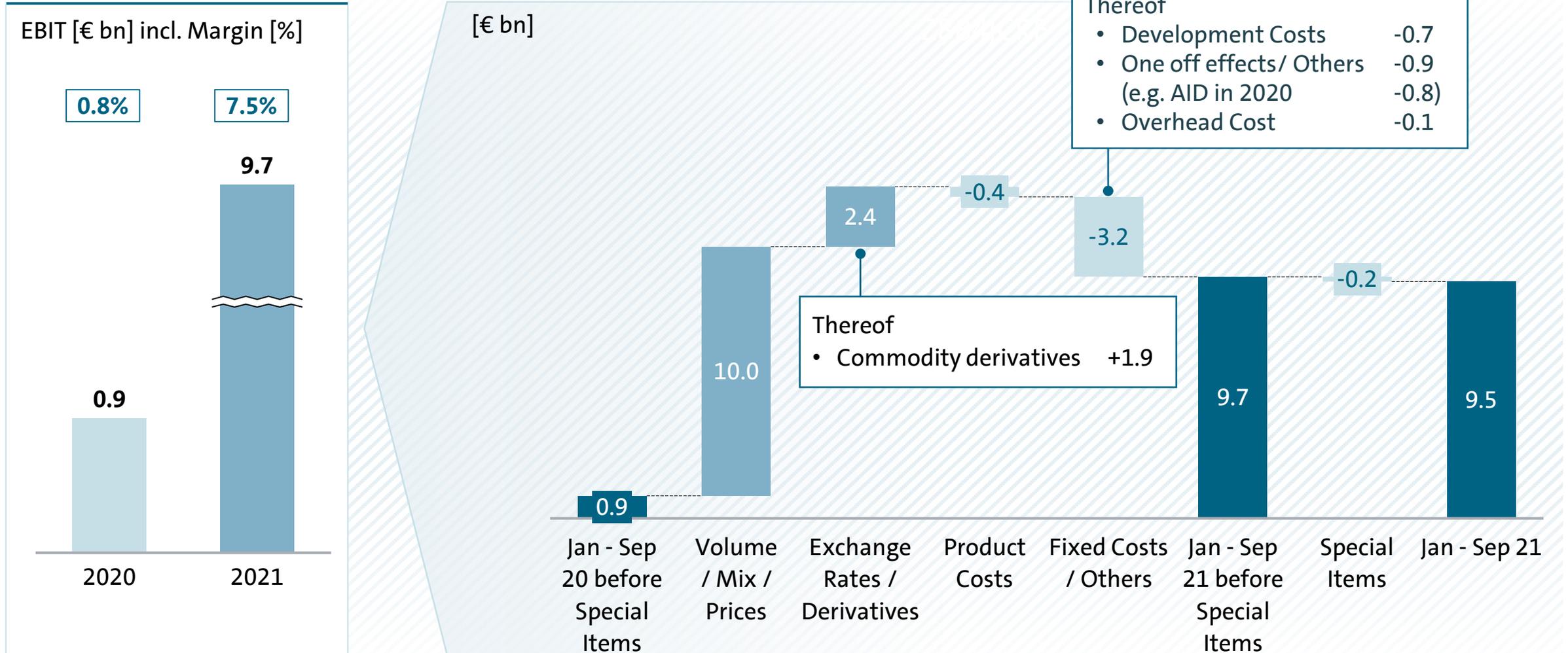


<sup>1</sup> before Special Items

# Passenger Cars EBIT-Bridge

## January to September 2021 vs. 2020

### Passenger Cars<sup>1</sup>

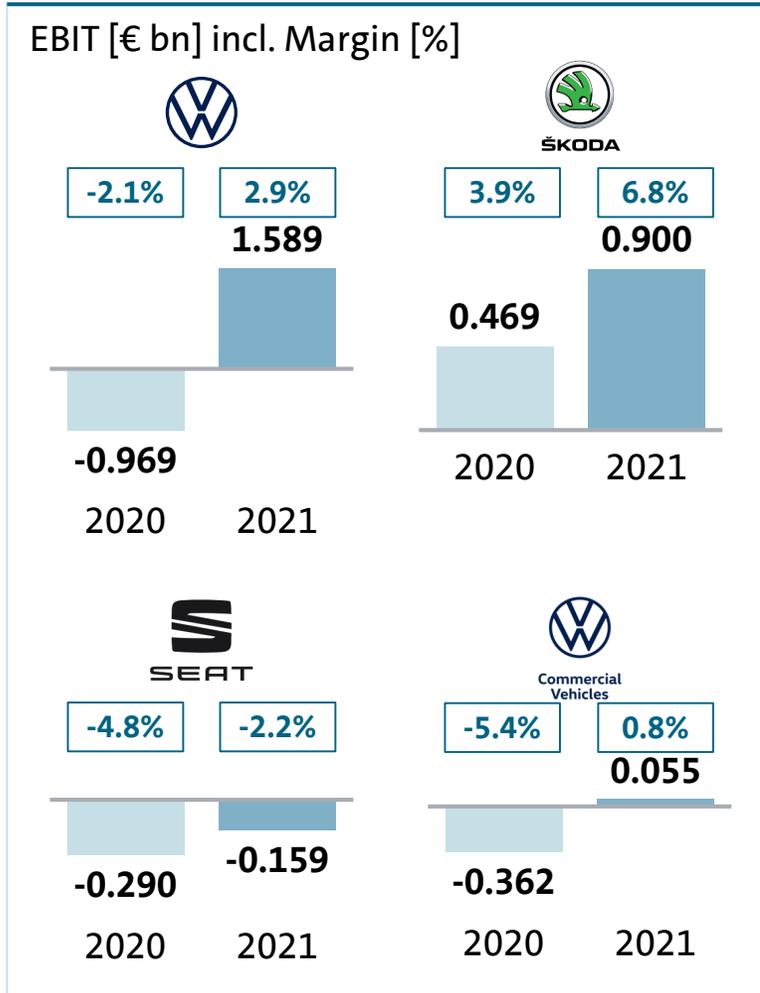


<sup>1</sup> before Special Items

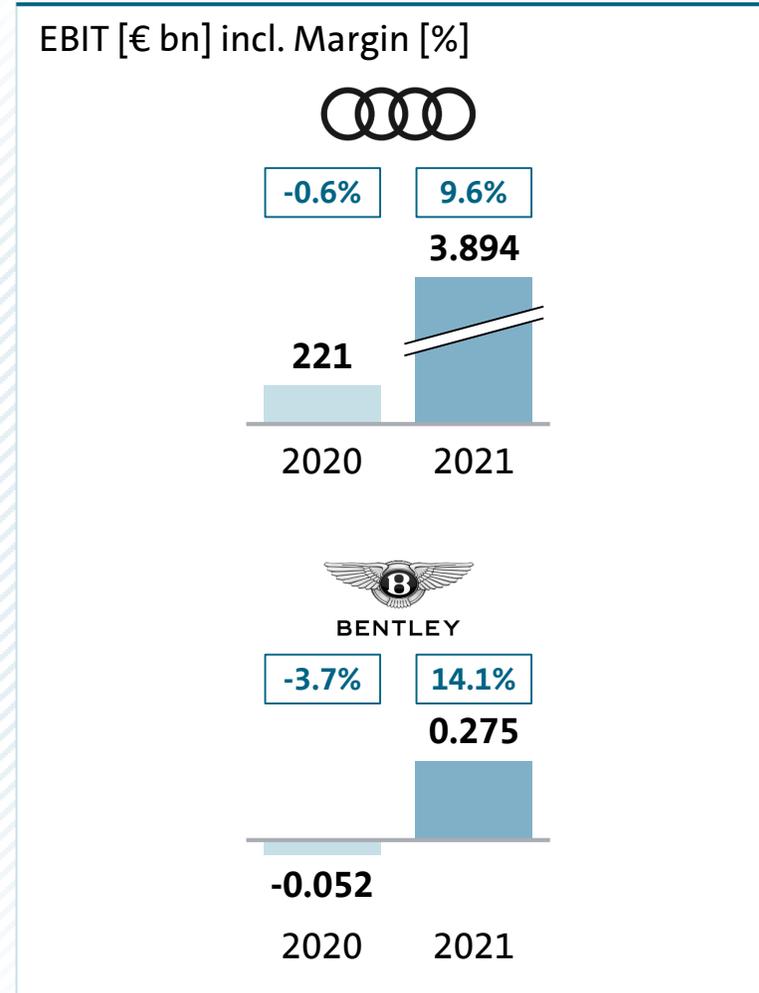
# Volkswagen Passenger Cars – Brand Groups Performance

## January to September 2021 vs. 2020

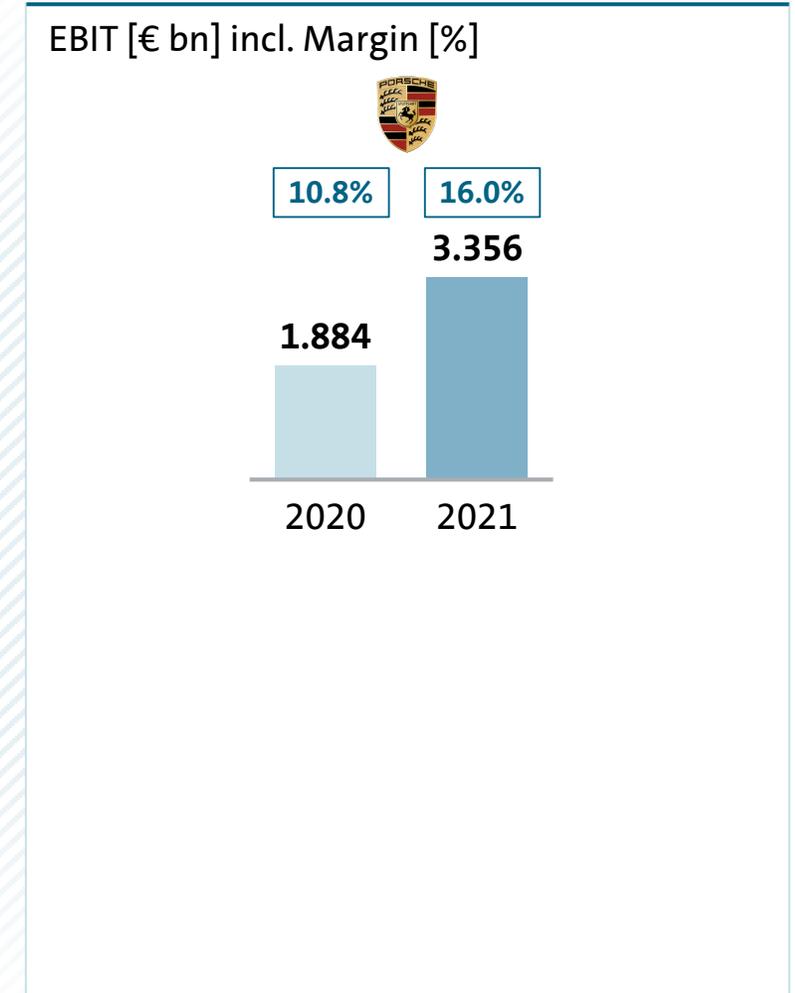
### Volume Group



### Premium Group



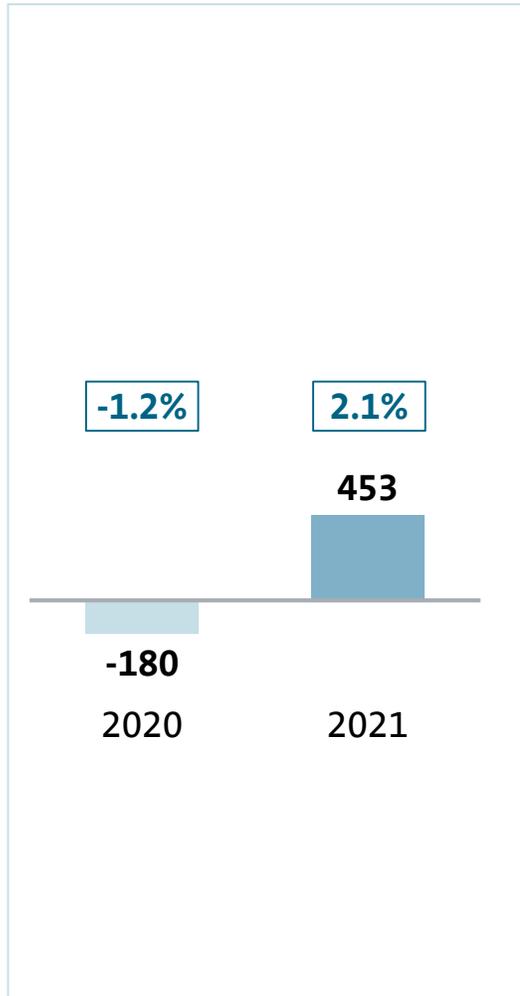
### Sport & Luxury Group



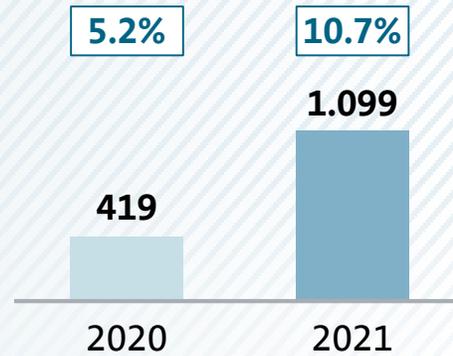
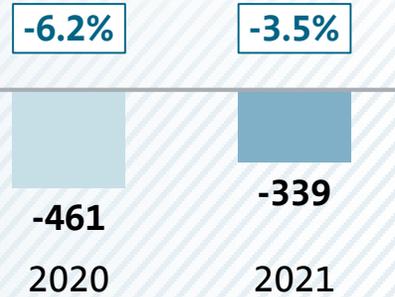
# Commercial Vehicles EBIT

January to September 2021 vs. 2020

## Commercial Vehicles/Trucks



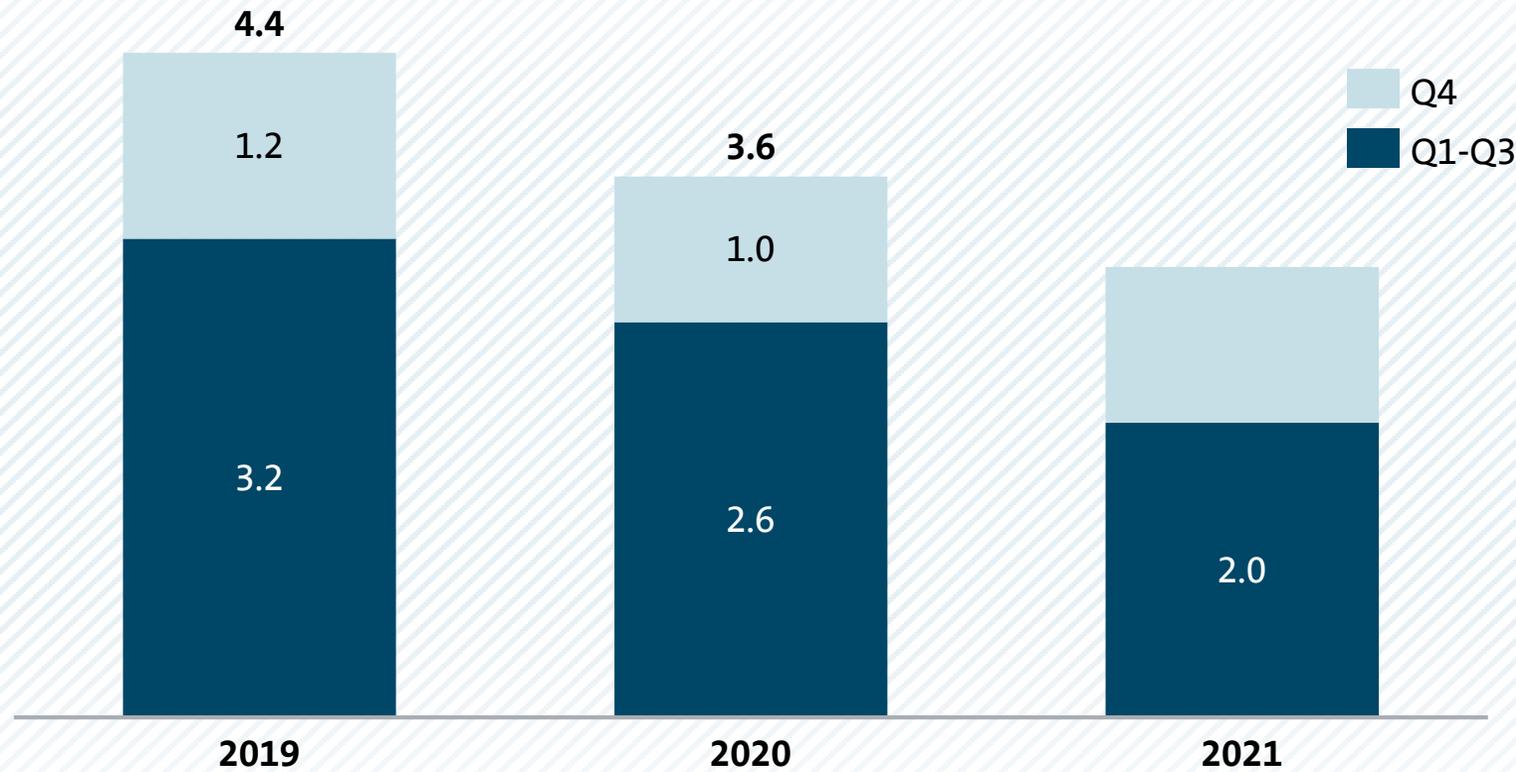
EBIT [€ mio.] incl. Margin [%]



- + Volume
- + Product mix
- + Fixed costs
- Restructuring costs
- Shortage of semiconductors

# China Joint Ventures – Proportionate Operating Profit

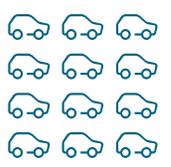
[€ bn]



### Drivers

- Continued strong premium performance, especially FAW-VW
- Q3 2021 stronger affected by chip shortage
- Upfront-Investment SAIC Audi

# Volkswagen Group – Outlook for 2021

|  |  | 2019             | 2020             | 2021  |
|--|--|------------------|------------------|---|
| <b>Deliveries to customers</b><br>'000 vehicles         |  | 11.0             | 9.3              | In line with prior year <b>NEU</b>                              |
| <b>Sales revenue</b><br>€ billion                       |  | 252.6            | 222.9            | Considerably higher than the prior-year figure <b>NEU</b>       |
| <b>Operating return on sales</b><br>%                   |  | 7.6 <sup>1</sup> | 4.8 <sup>1</sup> | In the range of 6.0 % to 7.5%<br>before and after Special Items |
| <b>Automotive Reported Net Cash flow</b><br>€ billion  |  | 10.8             | 6.4              | Noticeably higher than the prior year                           |
| <b>Automotive Clean Net Cash flow</b><br>€ billion    |  | 13.5             | 10.0             | Around 15bn <b>NEU</b>  |

1 Before Special Items

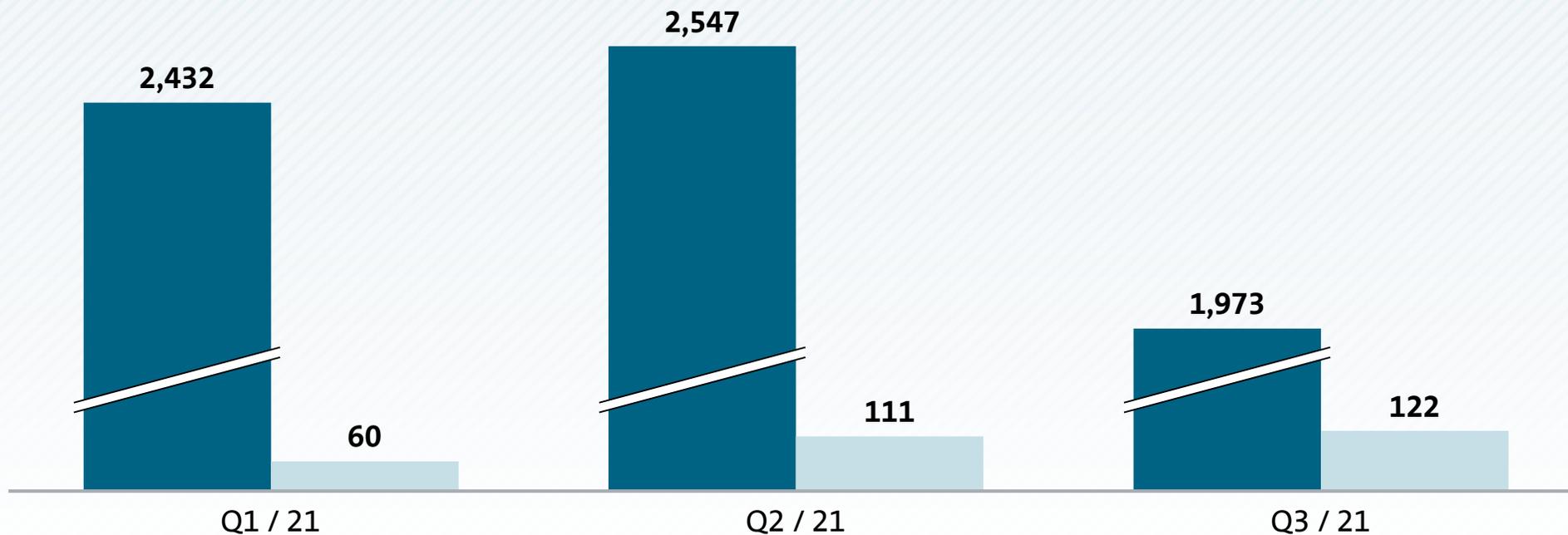
# BEV ramp-up pushing for scale effects

Share of total Deliveries to Customers

## Worldwide Deliveries to Customers

[thsd. vehicles] ■ total deliveries ■ thereof BEV

|            | Q1 / 21 | Q2 / 21 | Q3 / 21 | Target Full Year |
|------------|---------|---------|---------|------------------|
| BEV Share: | 2.5%    | 4.4%    | 6.2%    | 5%-6%            |

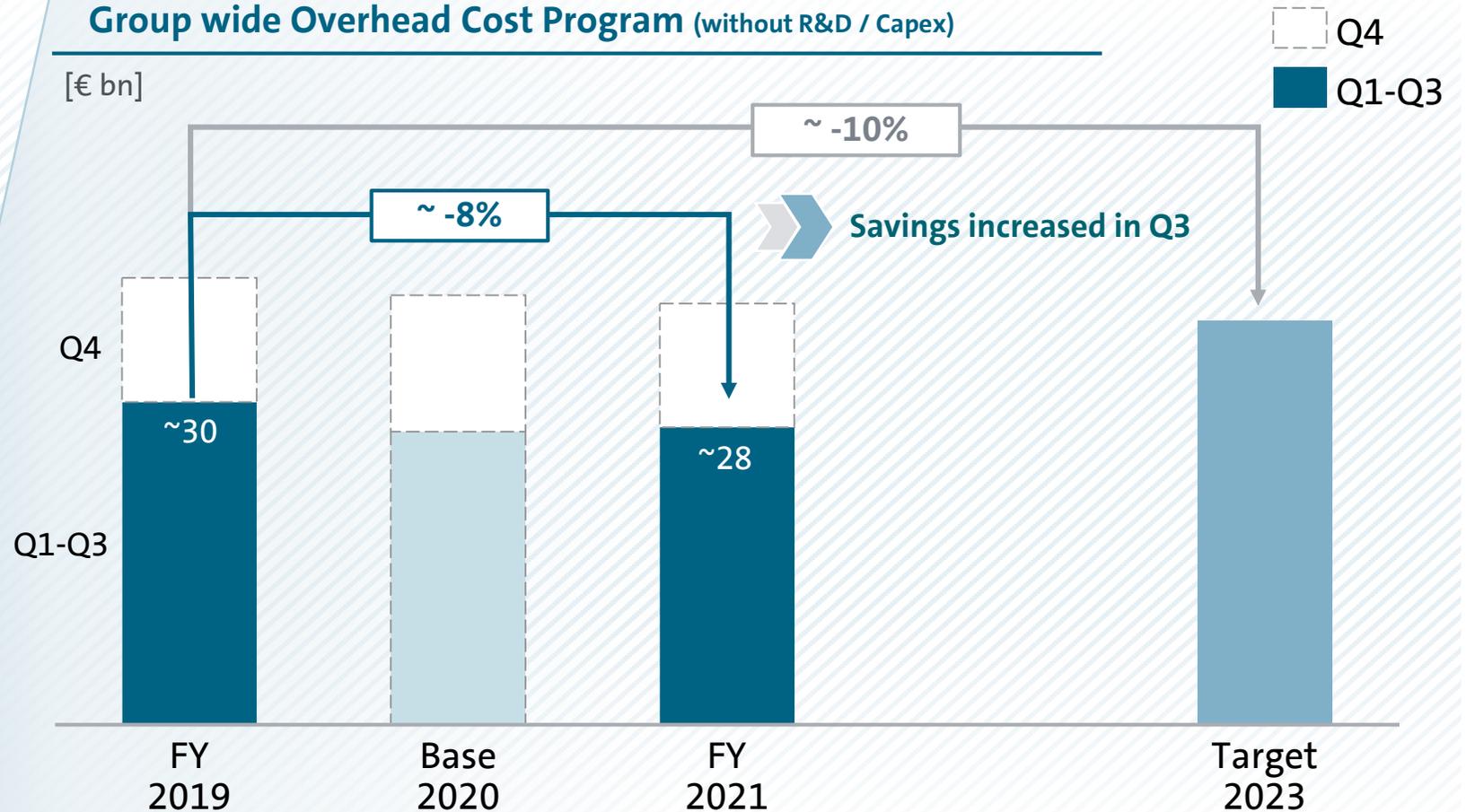


# Financing the transformation: Fixed cost program ahead of schedule, further progress in Q3<sup>1</sup>

## YTD September

- Product-related Cost Optimization R&D, Capex
- Plant Program (Productivity & Overhead)
- Working Capital Management / Cashflow Orientation
- Purchasing Program (7% until 2023)
- Fixed Cost (w/o R&D, Capex)**

### Group wide Overhead Cost Program (without R&D / Capex)



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

# Capturing Groupwide Synergies - especially in Capex well under way

## Property, Plant and Equipment<sup>1</sup>

[€ bn]

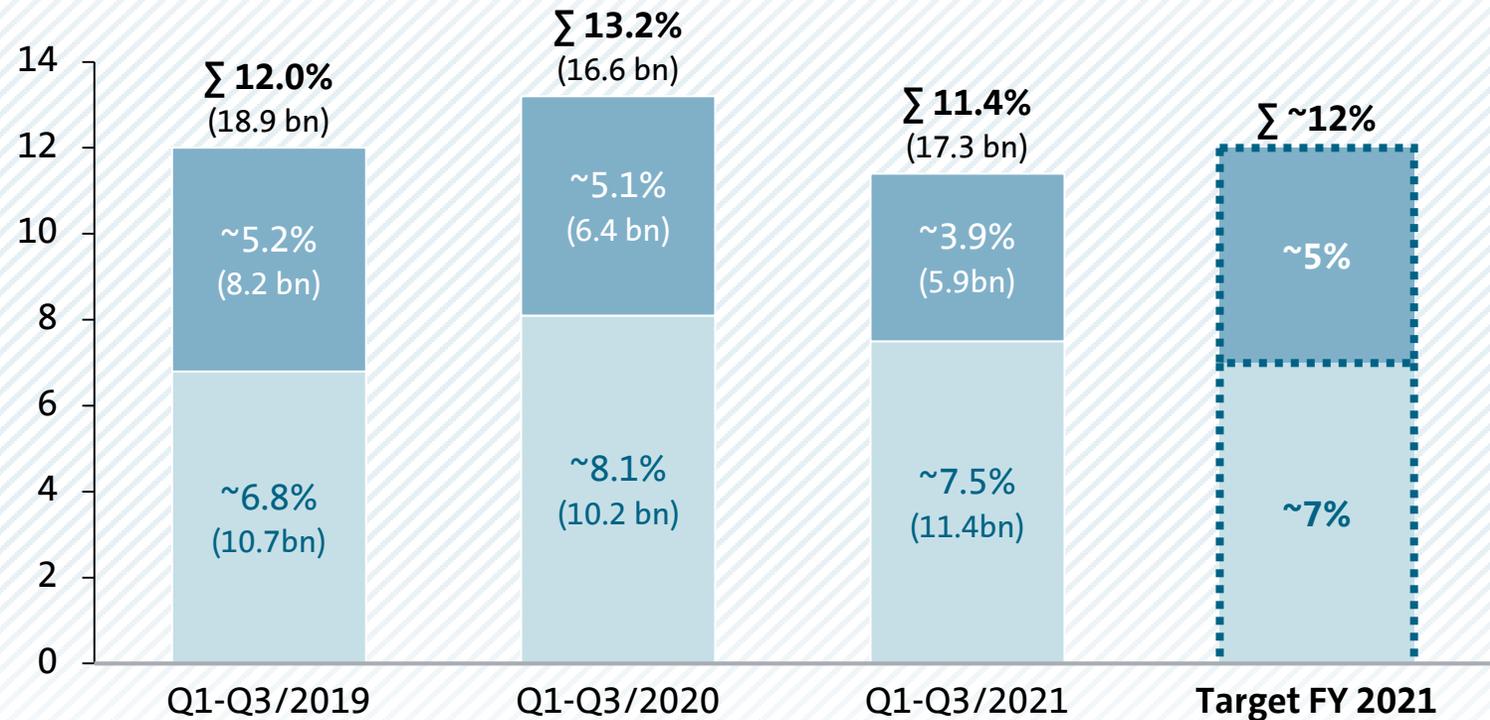
➤ Increased Capex efficiency



## R&D / Capex – Absolute and Ratio (Automotive Division)

[%]

■ Capex ■ R&D



<sup>1</sup> Automotive Division

\*) Navistar fully compensated

## Net Cash Flow by Brands, € mil.

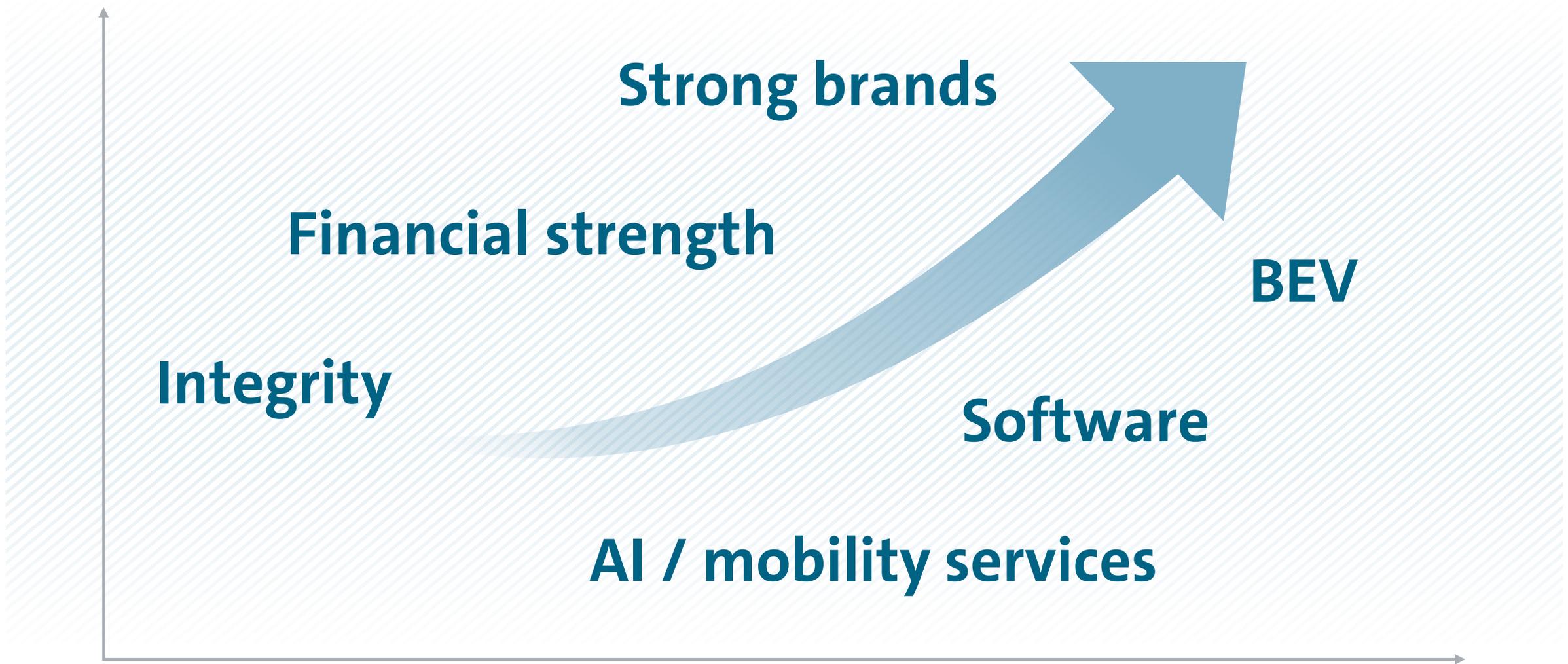
|  | Net Cash Flow (including Diesel Payout) | Diesel Payout |
|--|---|---------------|
| Volkswagen Passenger Cars                                | -1.173                                  | -453          |
| SEAT   | 147                                     |               |
| Škoda  | 321                                     |               |
| Volkswagen Commercial Vehicles                           | 343                                     |               |
| Audi   | 7.917                                   | -36           |
| Bentley  | 367                                     |               |
| Porsche Automotive                                       | 2.881                                   |               |
| MAN Commercial Vehicles                                  | 688                                     |               |
| Scania Vehicles and Services                             | 170                                     |               |
| Other <sup>1</sup>                                       | -4.441                                  | -230          |
| <b>Automotive Division Reported Net Cash<sup>2</sup></b> | <b>7.220</b>                            |               |

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

1 Consolidation and other non-brand companies including CARIAD

2 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions

Overall ambition: Leading the transformation with integrity and based on our values



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Backup

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

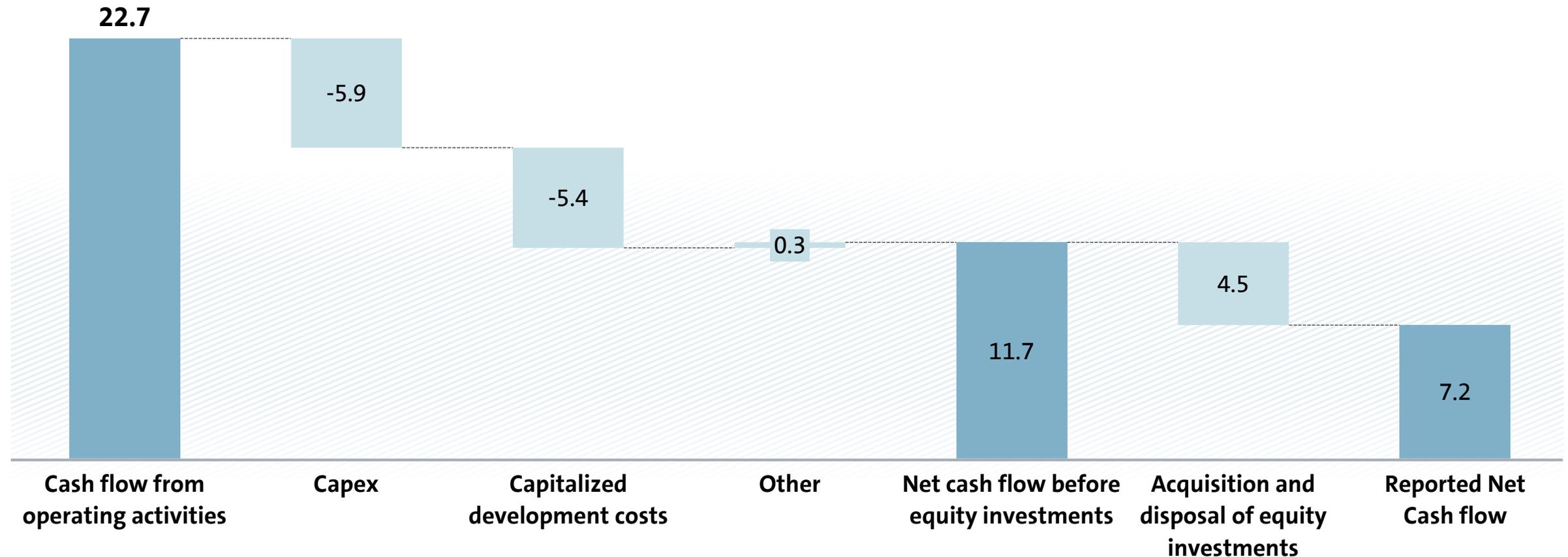
## (January to September 2021)

|  | Vehicle sales |              | Sales revenue  |                | Operating profit |              | Operating margin |             |
|--|---------------|--------------|----------------|----------------|------------------|--------------|------------------|-------------|
|  | 2021          | 2020         | 2021           | 2020           | 2021             | 2020         | 2021             | 2020        |
| thousand vehicles / € million / percentage   |               |              |                |                |                  |              |                  |             |
| Volkswagen Passenger Cars                    | 2,088         | 1,896        | 55,468         | 47,184         | 1,589            | -969         | 2.9%             | -2.1%       |
| ŠKODA  | 596           | 596          | 13,329         | 12,038         | 900              | 469          | 6.8%             | 3.9%        |
| SEAT   | 384           | 319          | 7,259          | 6,043          | -159             | -290         | -2.2%            | -4.8%       |
| Volkswagen Commercial Vehicles               | 246           | 250          | 7,276          | 6,674          | 55               | -362         | 0.8%             | -5.4%       |
| Audi   | 796           | 682          | 40,375         | 33,264         | 3,894            | 221          | 9.6%             | 0.6%        |
| Bentley                                      | 10            | 8            | 1,949          | 1,397          | 275              | -52          | 14.1%            | -3.7%       |
| Porsche Automotive <sup>2)</sup>             | 209           | 181          | 20,979         | 17,482         | 3,356            | 1,884        | 16.0%            | 10.8%       |
| Scania Vehicles and Services <sup>3)</sup>   | 68            | 49           | 10,251         | 8,094          | 1,099            | 419          | 10.7%            | 5.2%        |
| MAN Commercial Vehicles                      | 114           | 80           | 9,607          | 7,461          | -339             | -461         | -3.5%            | -6.2%       |
| Power Engineering <sup>4)</sup>              | –             | –            | 2,338          | 2,749          | 123              | 66           | 5.3%             | 2.4%        |
| VW China <sup>5)</sup>                       | 2,156         | 2,462        | –              | –              | –                | –            | –                | –           |
| Other <sup>6)</sup>                          | -202          | -211         | -14,266        | -15,494        | -292             | -176         | –                | –           |
| Volkswagen Financial Services                | –             | –            | 32,044         | 28,595         | 3,688            | 1,632        | –                | –           |
| <b>Volkswagen Group before Special Items</b> | –             | –            | –              | –              | 14,157           | 2,380        | 7.6%             | 1.5%        |
| Special Items                                | –             | –            | –              | –              | -203             | -687         | –                | –           |
| <b>Volkswagen Group</b>                      | <b>6,466</b>  | <b>6,311</b> | <b>186,599</b> | <b>155,486</b> | <b>13,953</b>    | <b>1,693</b> | <b>7.5%</b>      | <b>1.1%</b> |
| Automotive Division <sup>7)</sup>            | 6,466         | 6,311        | 152,869        | 125,301        | 9,986            | -95          | 6.6%             | -0.1%       |
| of which: Passenger Cars                     | 6,269         | 6,182        | 129,2229       | 107,132        | 9,534            | 185          | 7.4%             | 0.2%        |
| of which: Commercial Vehicles                | 196           | 129          | 21,305         | 15,419         | 453              | -180         | 2.2%             | -1.2%       |
| of which: Power Engineering                  | –             | –            | 2,338          | 2,749          | -1               | -101         | -0.04%           | -3.7%       |
| Financial Services Division                  | –             | –            | 33,730         | 30,185         | 3,967            | 1,789        | –                | –           |

<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 € 23,115 (19,406) million, operating profit € 3,559 (2,011) million. <sup>3)</sup> Scania (Automotive and Financial Services): sales revenue € 10,595 (8,416) million, operating profit € 1,262 (501) million. <sup>4)</sup> Prior year including operations from Renk <sup>5)</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 € 1,962 (2,632) million. <sup>6)</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, as well as companies not allocated to the brands. <sup>7)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

# Automotive Division – Net Cash Flow Development <sup>1)</sup> (January to September 2021)

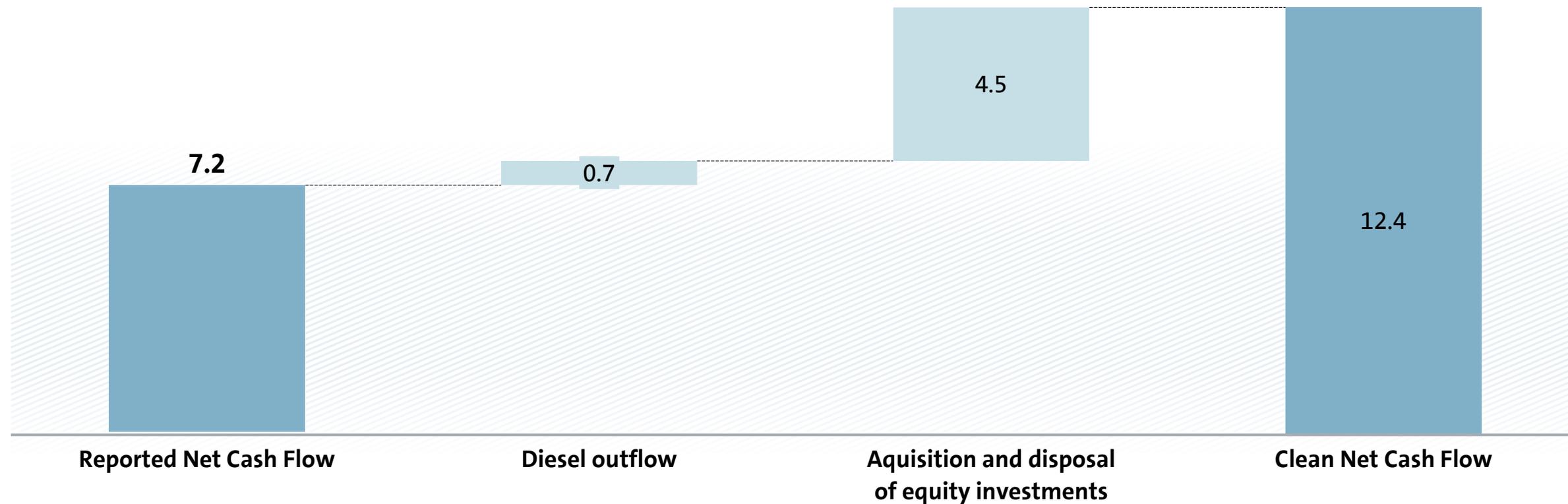
[€ bn]



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

# Automotive Division – Net Cash Flow <sup>1)</sup> (January to September 2021)

[€ bn]



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