

VOLKSWAGEN

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Leading the Transformation.

Analyst and Investor Call Q1
Volkswagen AG

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 Such statements are valid on the date of publication and can be superseded.

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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*

Overview: We have reached important milestones in Q1

Strong Q1 performance
in challenging environment



E-Mobility ramp-up
gains further momentum

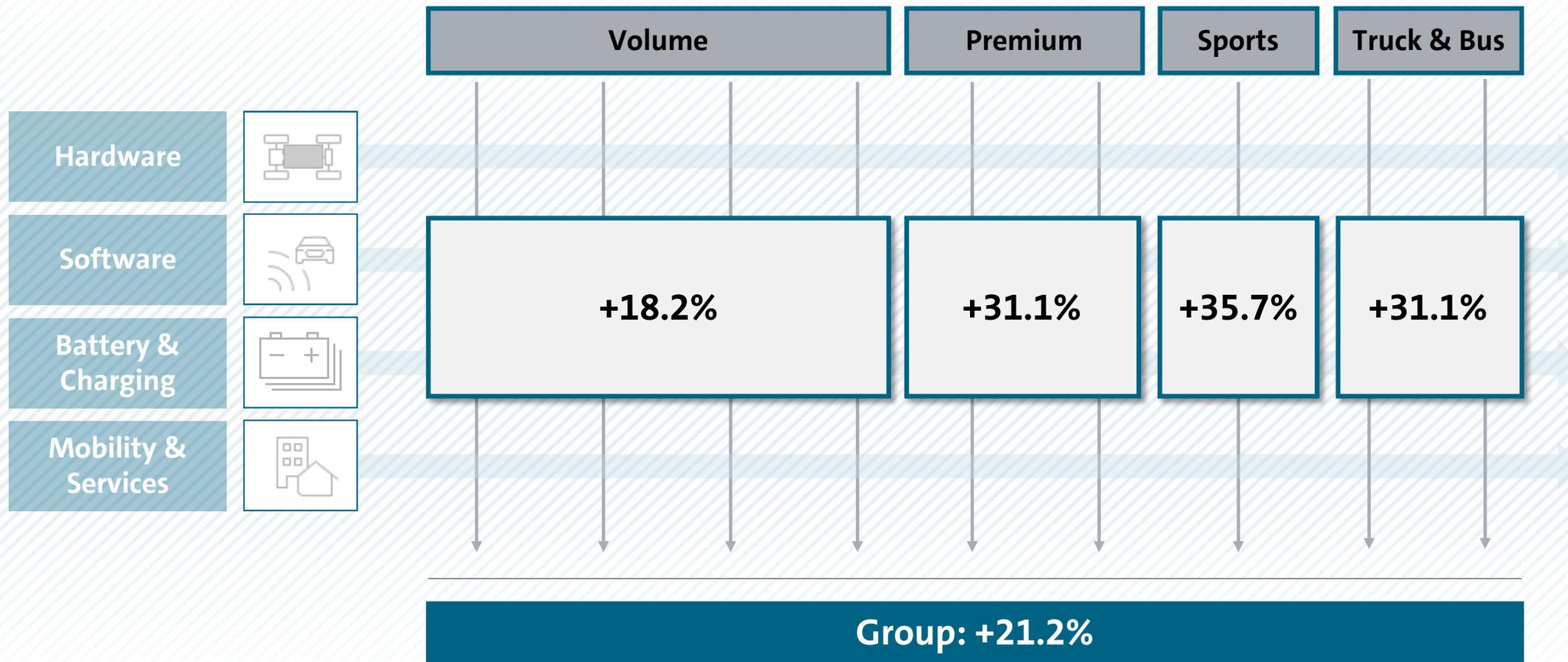


Group builds foundation
for future profit pools

Updated guidance
amid product momentum & cost cuts

All brand groups contribute to strong Q1 performance

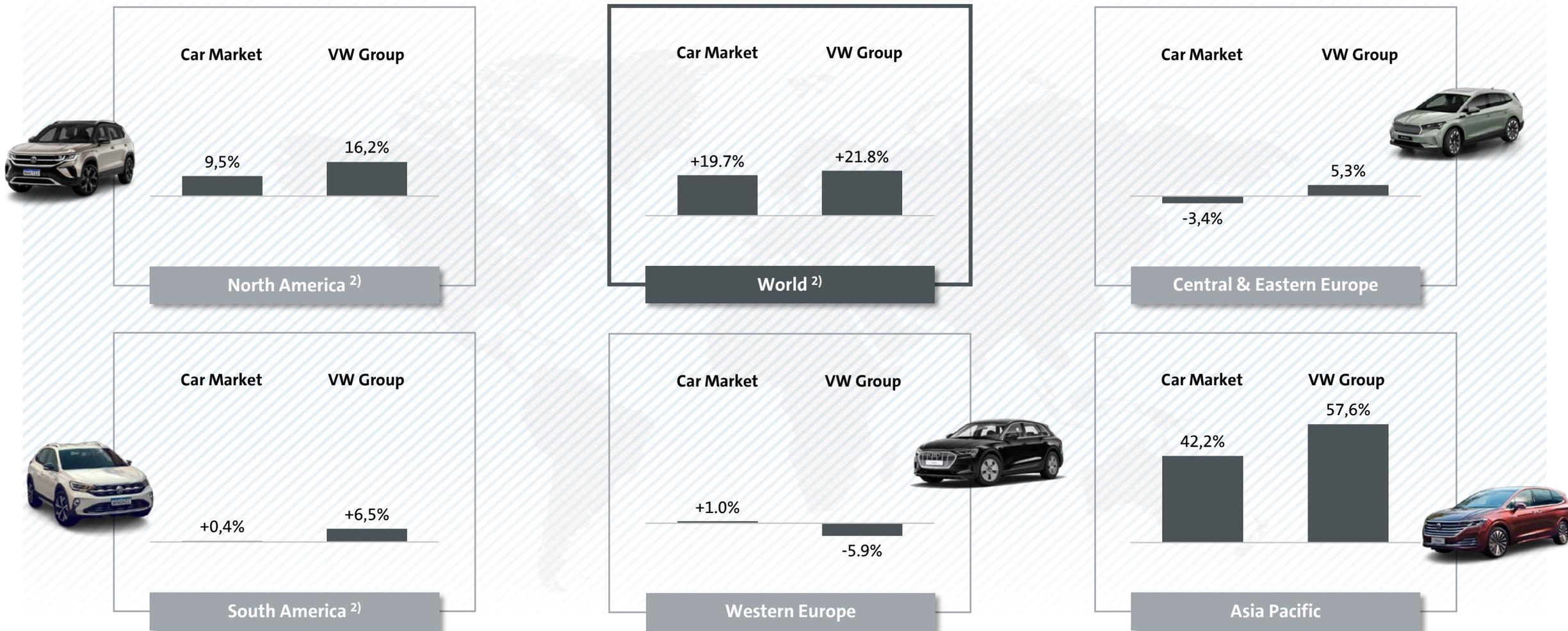
(Volkswagen Group¹⁾ Deliveries to Customers, January to March 2021 vs. 2020)



¹⁾ Excluding Ducati

Volkswagen Group gains market share in most major regions

Development World Car Market vs. Volkswagen Group Car Deliveries to Customers by Regions ¹⁾ (Growth y-o-y, January to March 2021 vs. 2020)

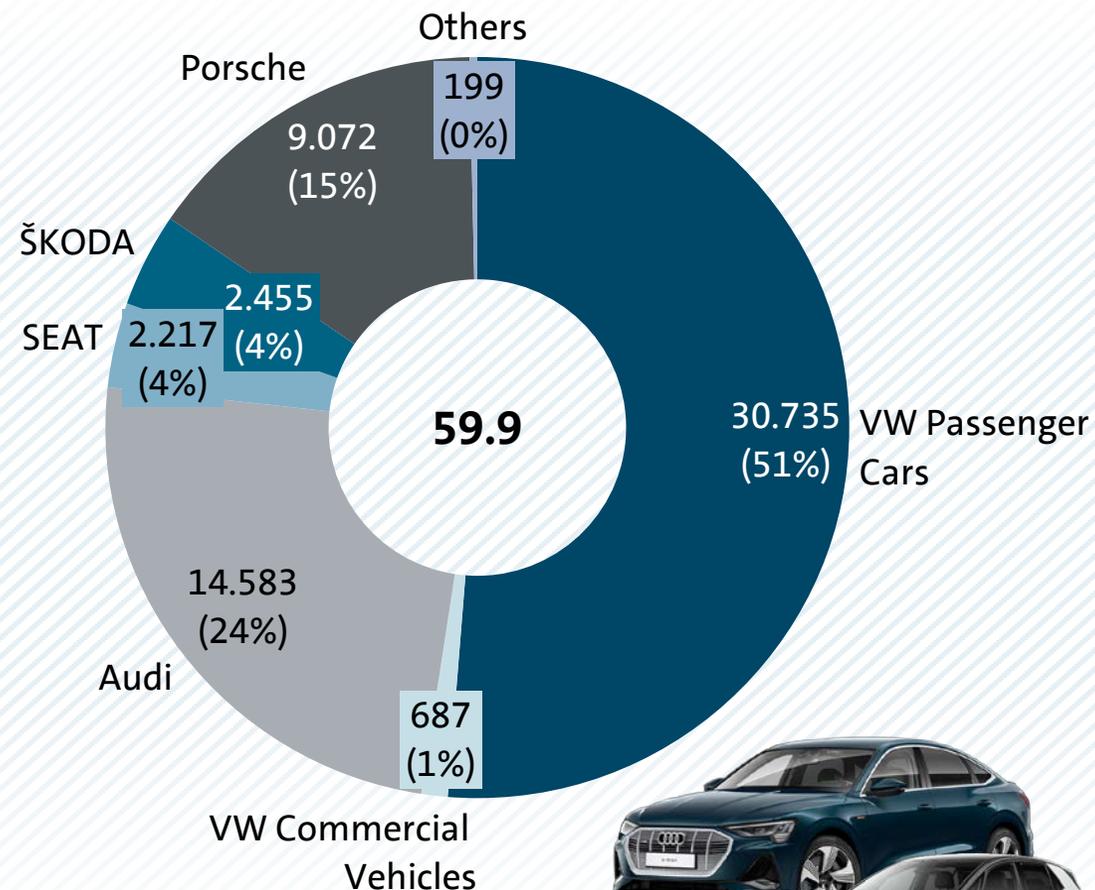
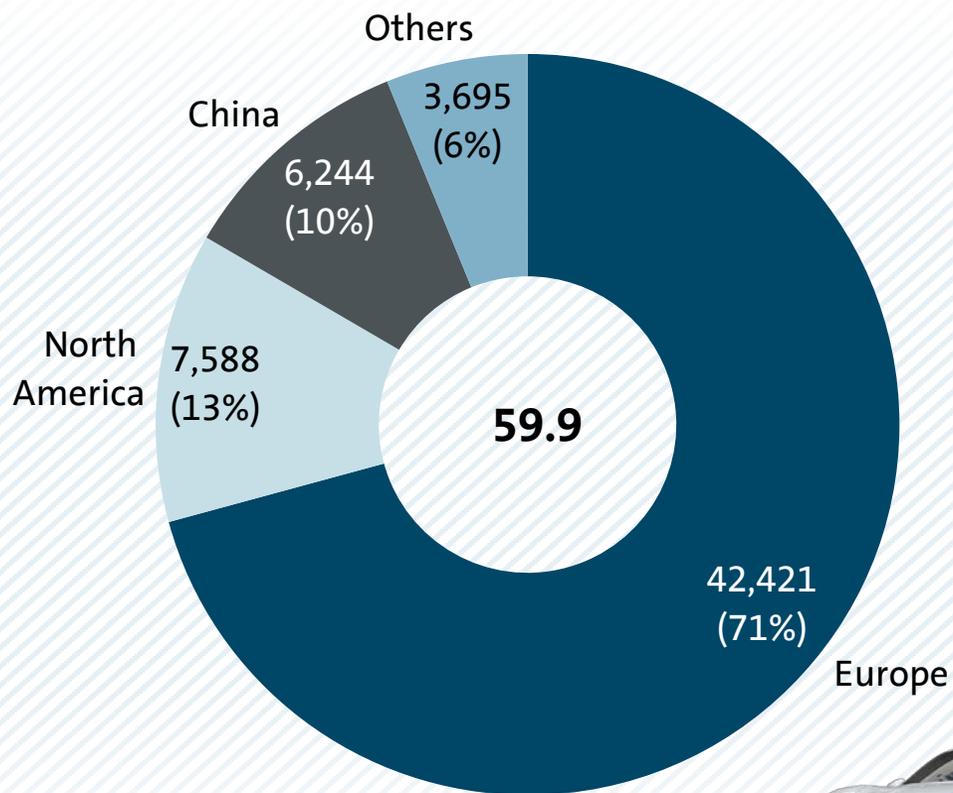


¹⁾ Volkswagen Group Passenger Cars excl. Volkswagen Commercial Vehicles ²⁾ incl. LCV in North America & South America

e-tron - power consumption in kWh/100 km (combined): 24.3-21.4 (NEDC), 26.1-21.7 (WLTP); CO₂-emissions in g/km: 0 (combined); efficiency class: A+; Enyaq iV - power consumption in kWh/100 km (combined): 16.0-14.4 (NEDC); CO₂-emissions in g/km: 0 (combined); efficiency class: A+; Viloran, Nivus, Taos - not for sale in Europe

BEV deliveries are gaining broad momentum due to several launches in Q1¹⁾ (January to March 2021)

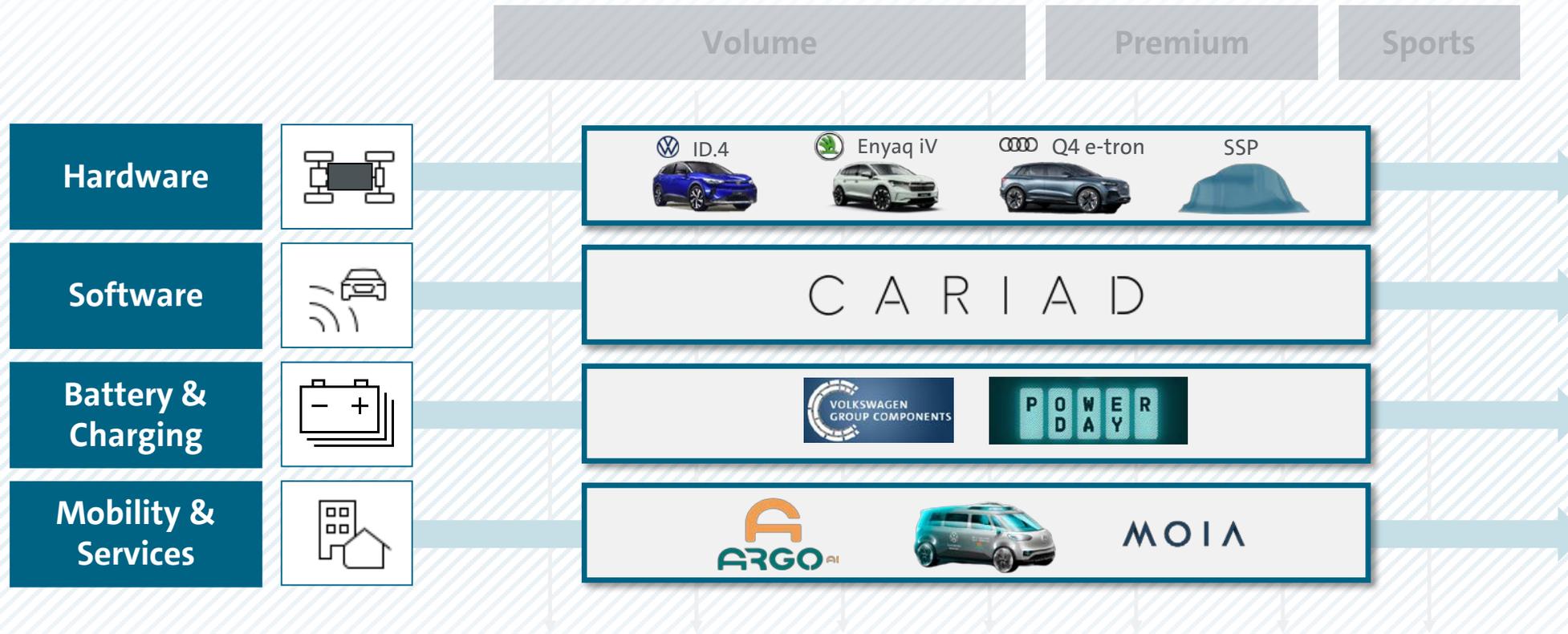
[thsd units]



¹⁾ Europe: EU 27+2+UK, China: Incl. HK

e-tron S Sportback - power consumption in kWh/100 km (combined): 28.3-26.4 (NEDC), 28.1-25.6 (WLTP); CO₂-emissions in g/km: 0 (combined); efficiency class: A+; ID.3 - power consumption in kWh/100 km (combined): 15.4-13.1 (NEDC); CO₂-emissions in g/km: 0 (combined); efficiency class: A+

Group lays foundation to tap into future profit pools

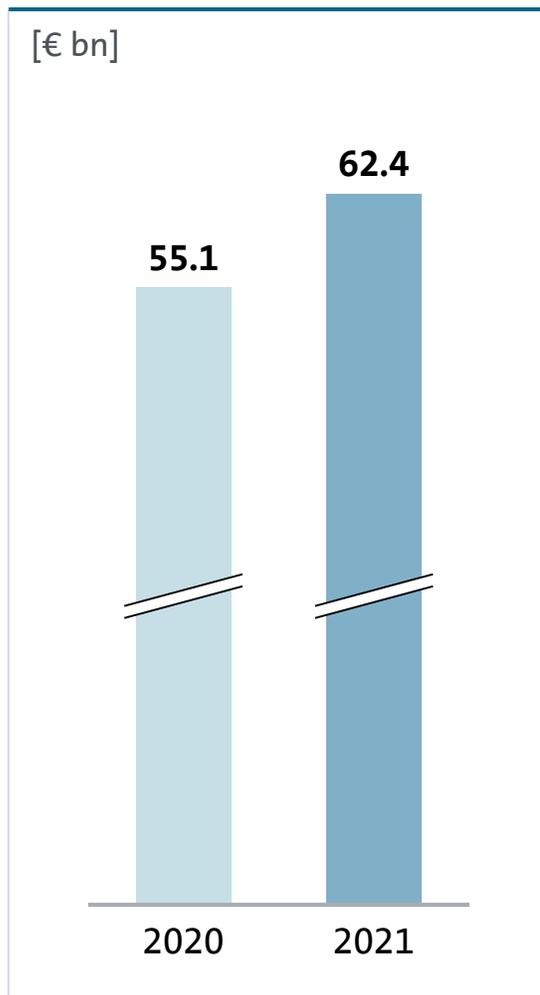


ID.4 - power consumption in kWh/100 km (combined): 16.9-15.5 (NEDC); CO2-emissions in g/km: 0 (combined); efficiency class: A+; Enyaq iV - power consumption in kWh/100 km (combined): 16.0-14.4 (NEDC); CO2-emissions in g/km: 0 (combined); efficiency class: A+; Q4 e-tron - power consumption in kWh/100 km (combined): 17.3-15.8 (NEDC), 19.0-17.0 (WLTP); CO2-emissions in g/km: 0 (combined); efficiency class: A+; ID.Buzz - Concept Car

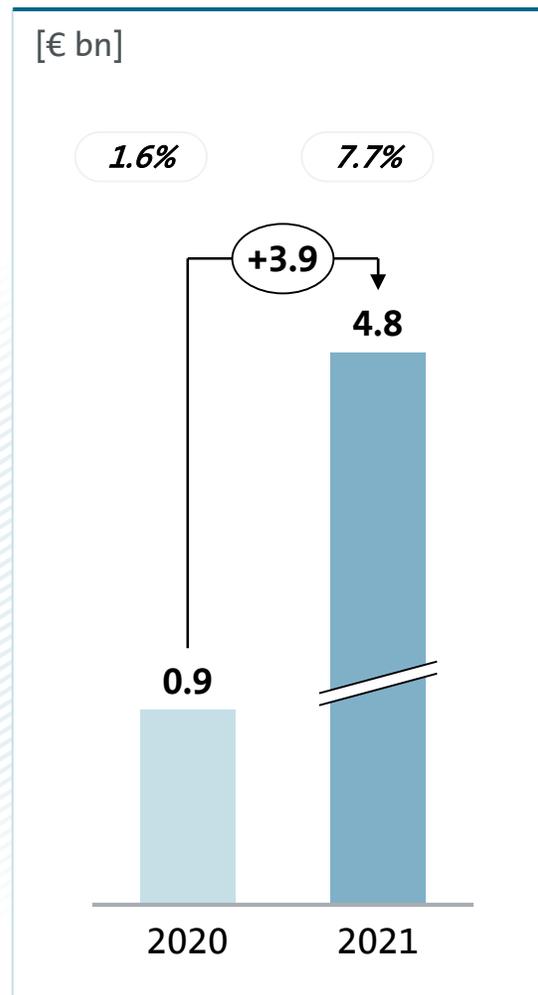
Financial Highlights – Volkswagen Group

(January to March 2021 vs. 2020)

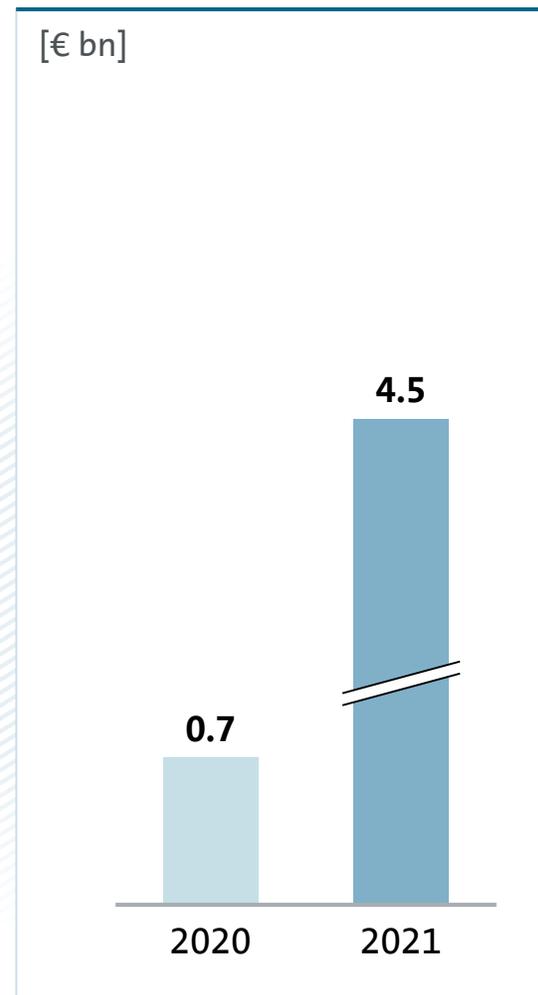
Sales revenue



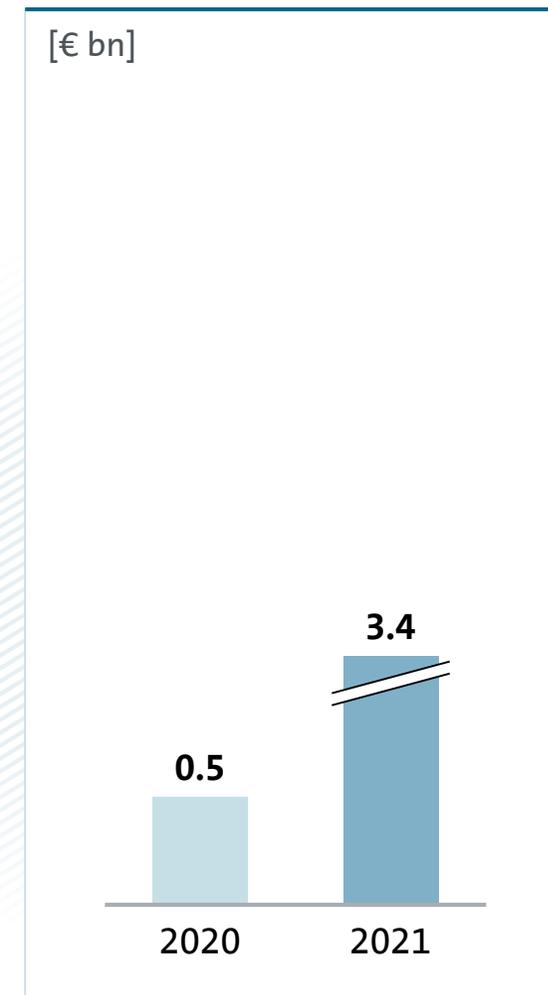
Operating profit & margin



Profit before tax

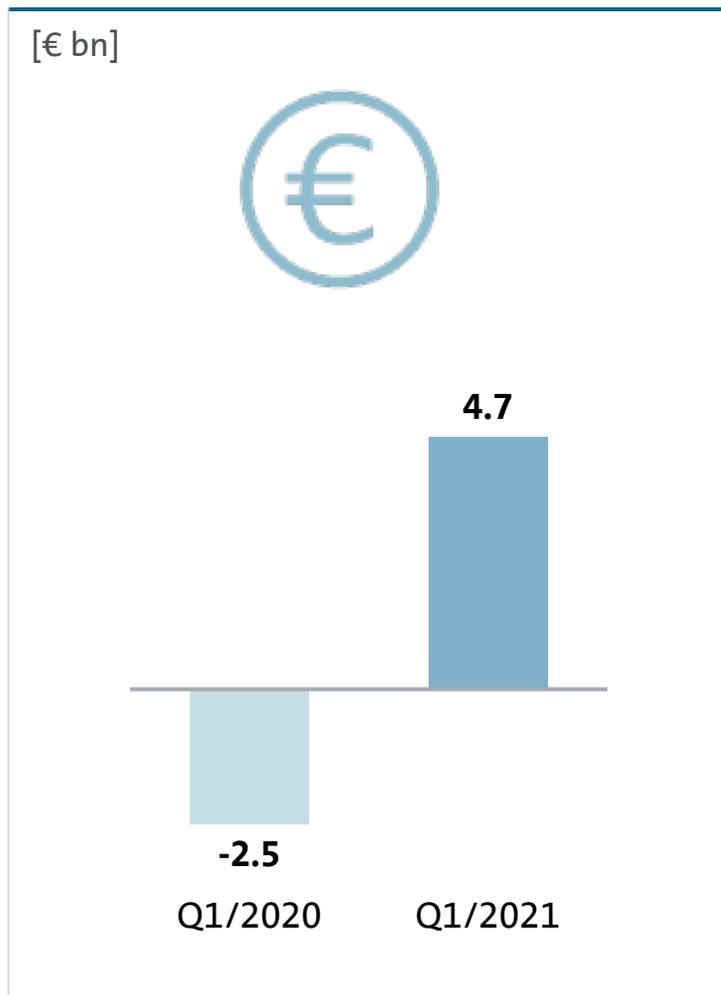


Profit after tax

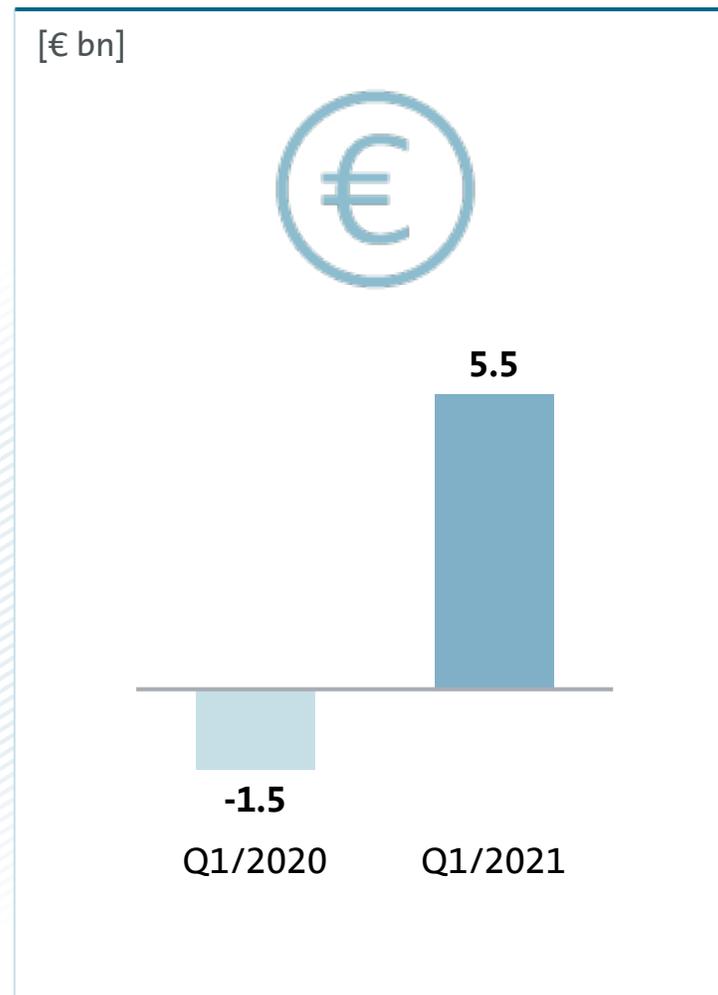


Strong Automotive Cash Flow development – Safeguarding liquidity to finance future – Automotive Division

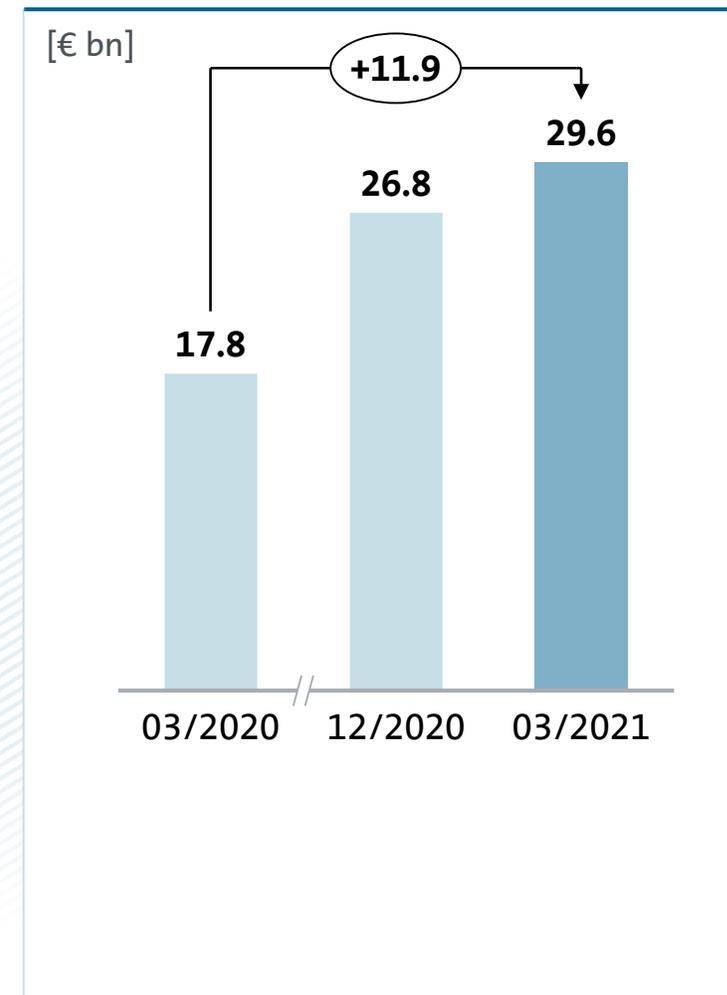
Reported Net Cash Flow



'Clean' Net Cash Flow ¹⁾

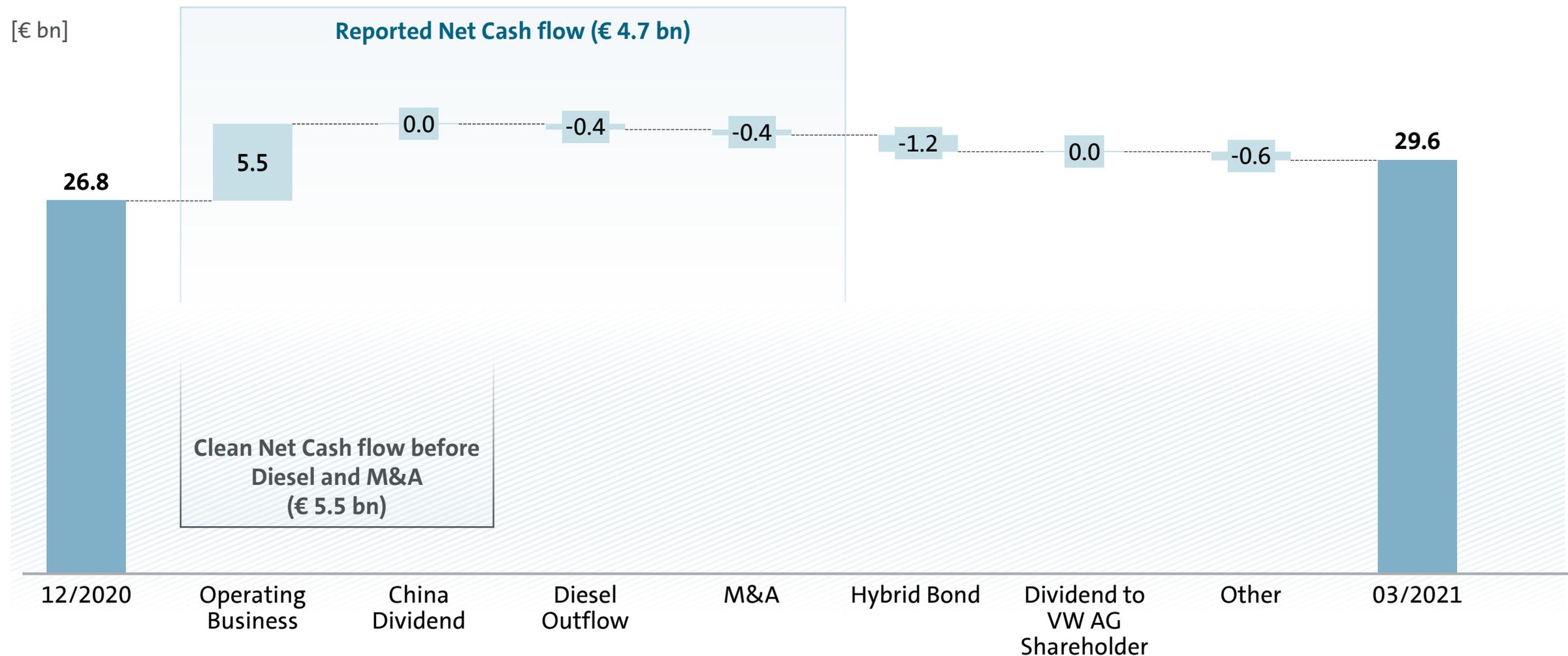


Net Liquidity



1) Reported net cash flow before M&A and Diesel.

Automotive Division – Analysis of Net Liquidity ¹⁾ (January to March 2021)

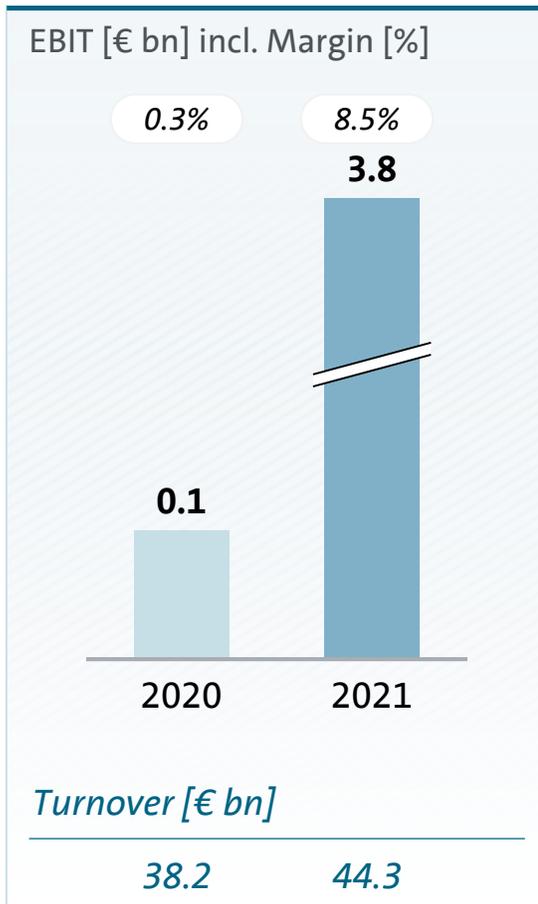


1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.

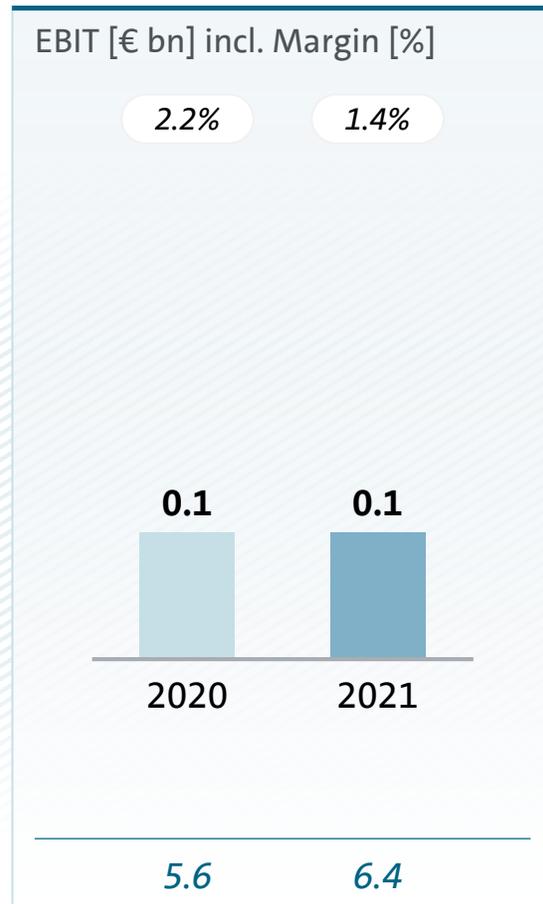
EBIT per Key Business Areas (January to March 2021 vs. 2020)

Automotive Division

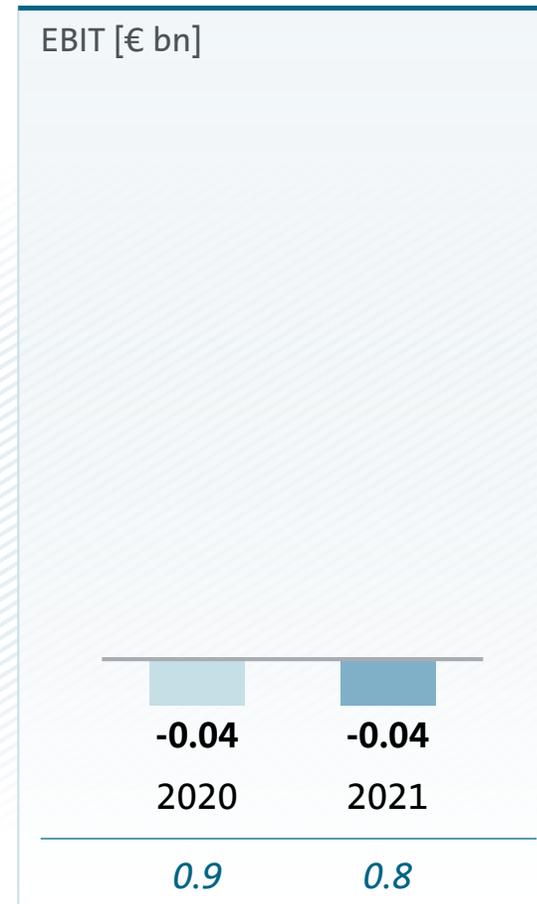
Passenger Cars



Commercial Vehicles

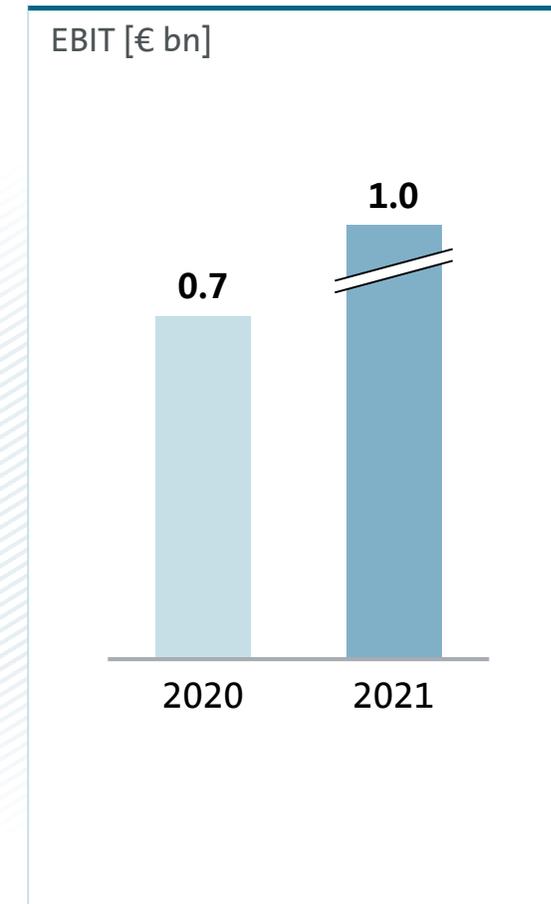


Power Engineering



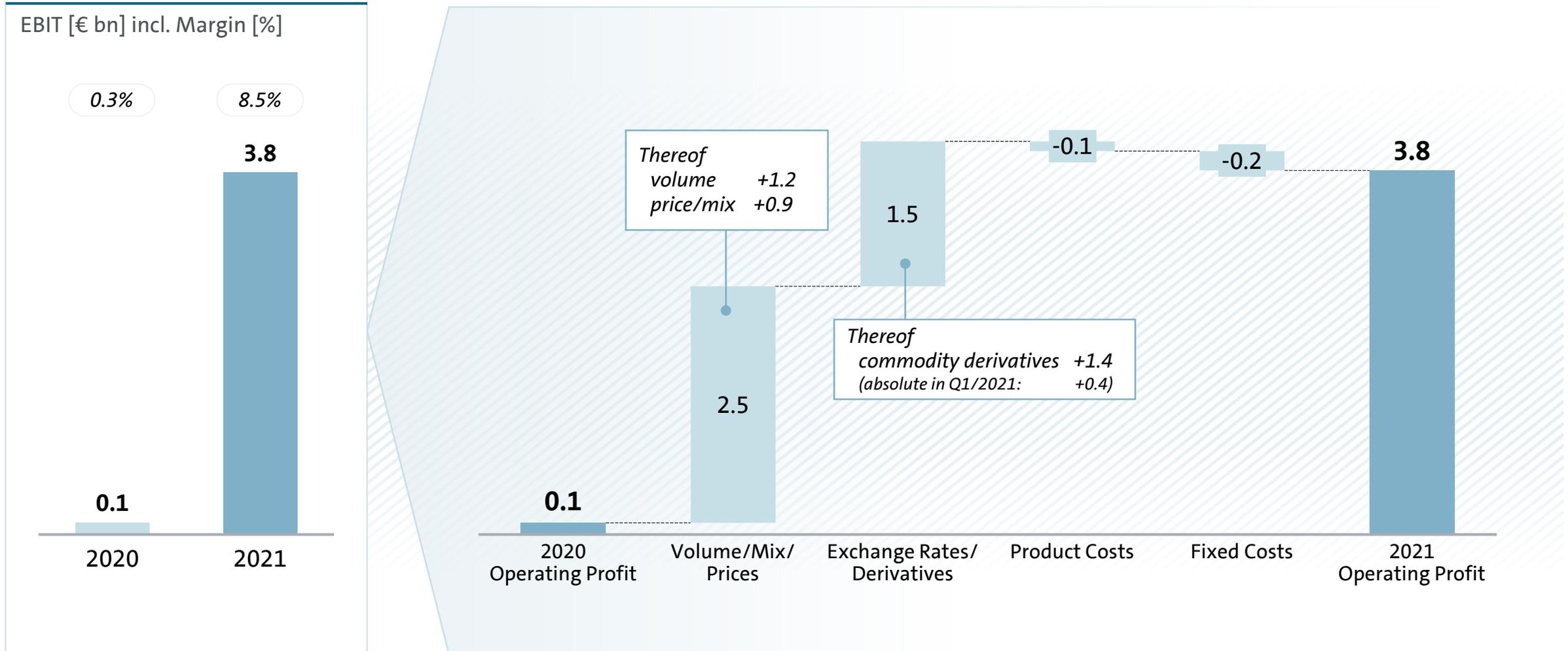
Financial Services Division

Financial Services



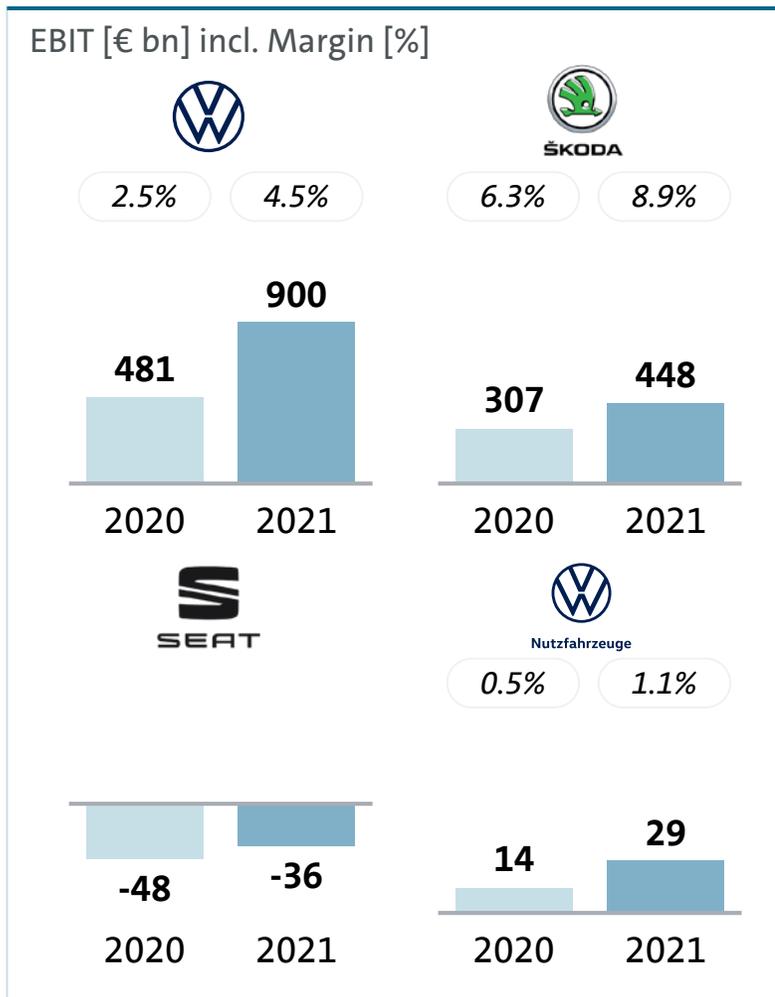
Passenger Cars EBIT-Bridge (January to March 2021 vs. 2020)

Passenger Cars

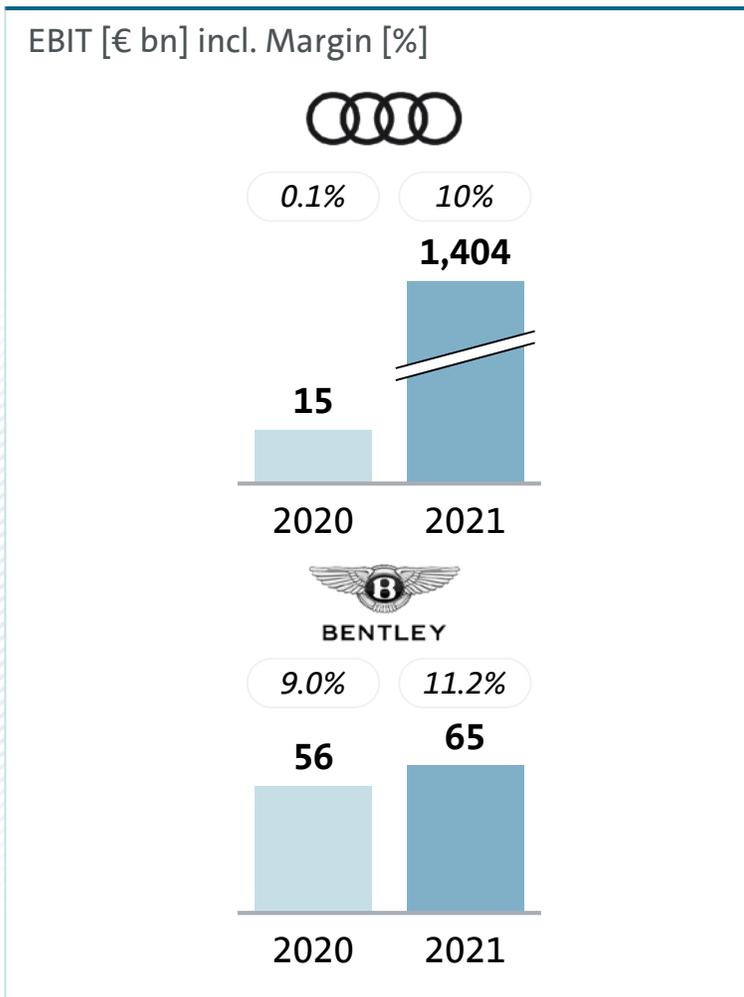


Volkswagen Passenger Cars – Brand Groups Performance (January to March 2021 vs. 2020)

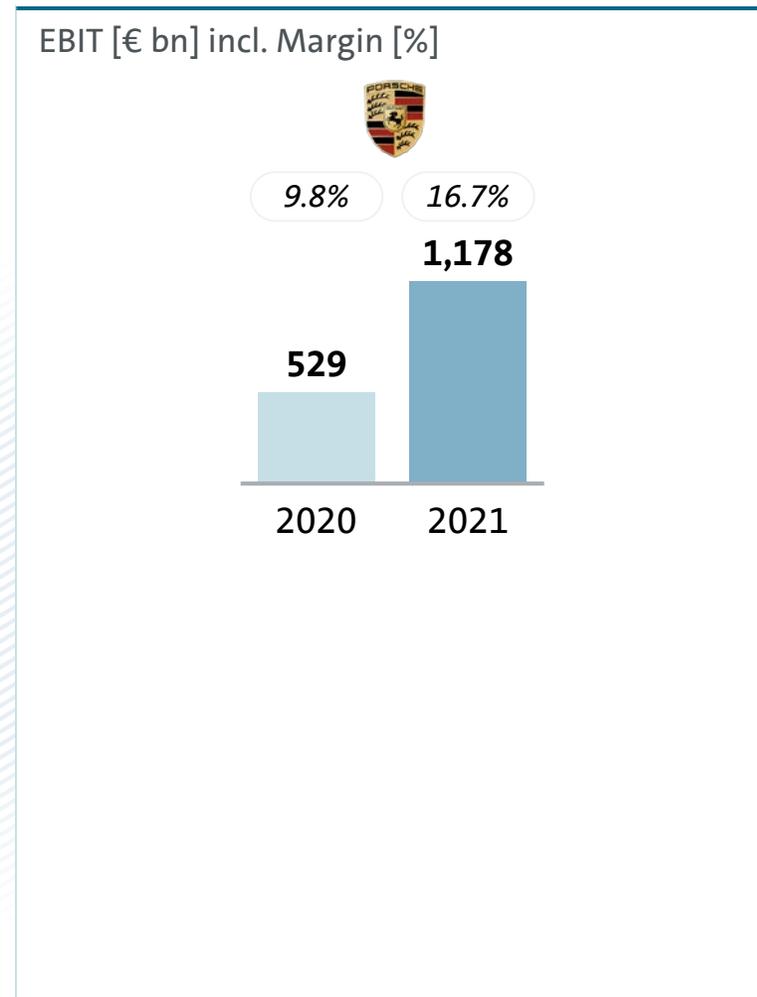
Volume Group



Premium Group

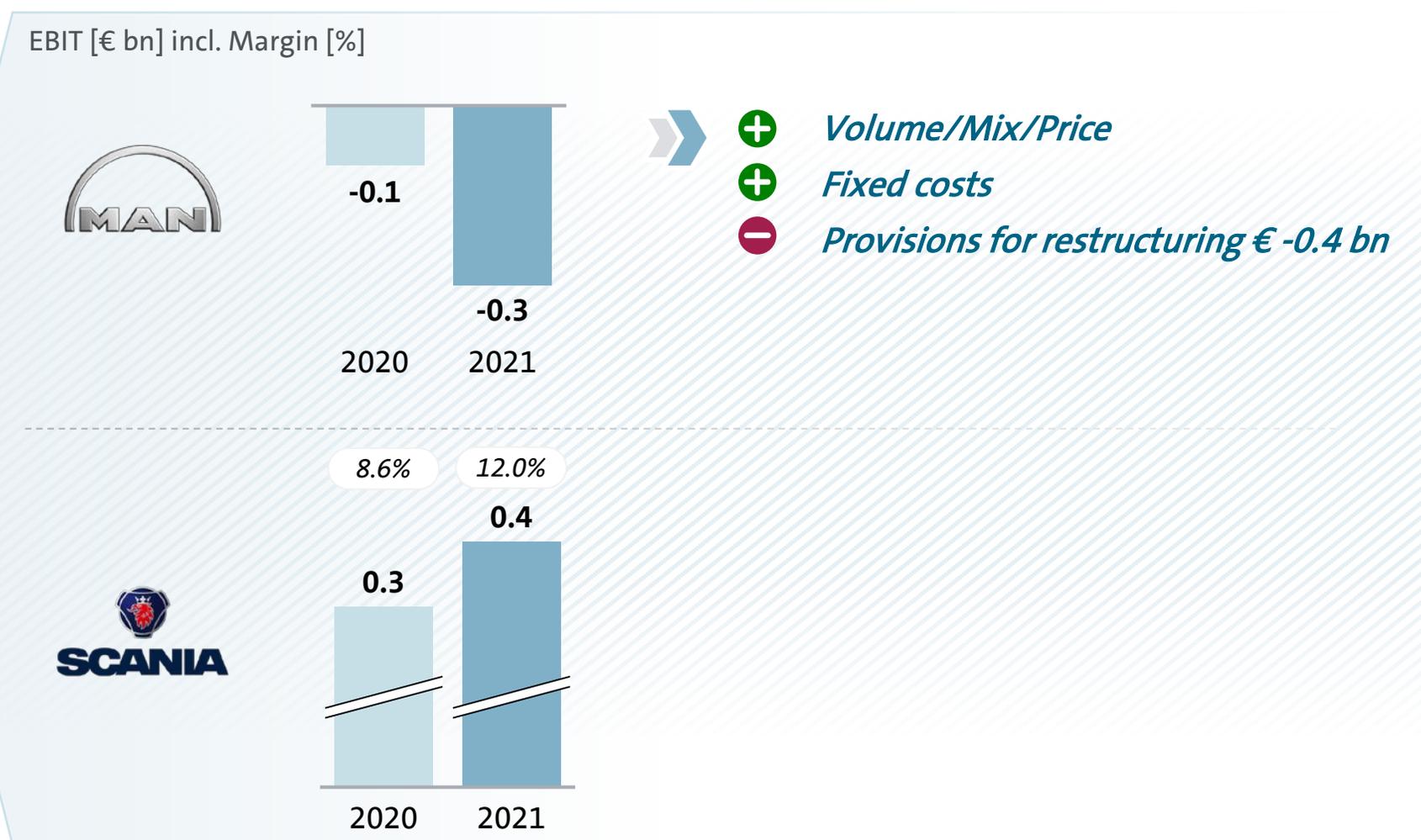
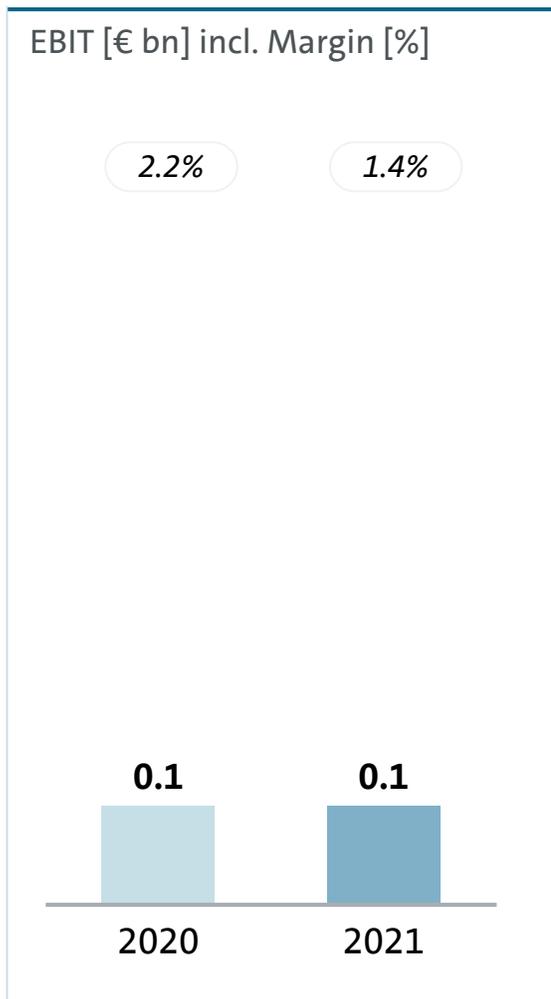


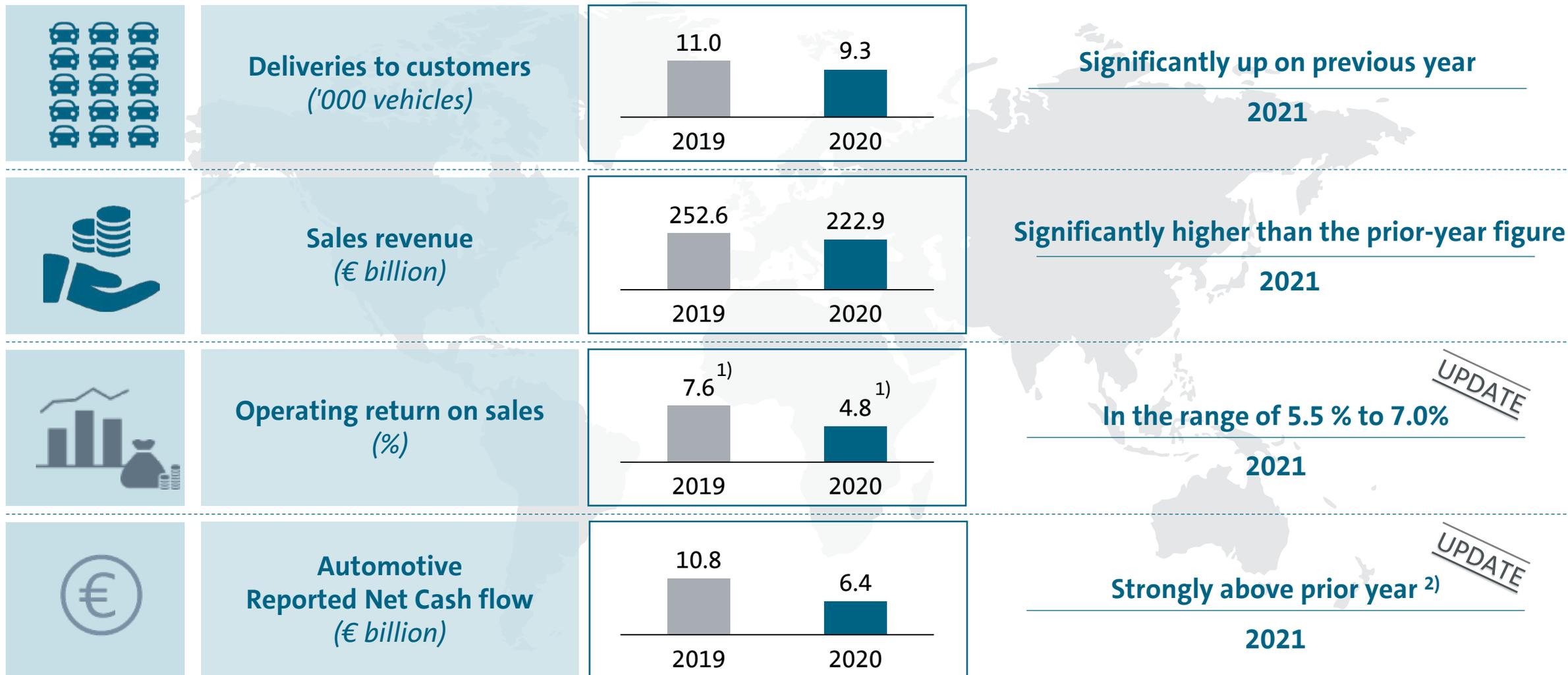
Sport & Luxury Group



Commercial Vehicles EBIT (January to March 2021 vs. 2020)

Commercial Vehicles/Trucks





1) Before Special Items. 2) Before Navistar.

Proof points of our Strategy

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**

Digitalization: Advancing in software/autonomous driving/services

Capturing **group-wide synergies**

Groupwide cost & efficiency programs

Brand positioning/pricing



*Acting based on **integrity and values***

Disciplined BEV ramp-up pushing for scale effects

CFO Focus Areas

Focus on product transformation

Digitalization

Capturing group-wide synergies

Groupwide cost & efficiency programs

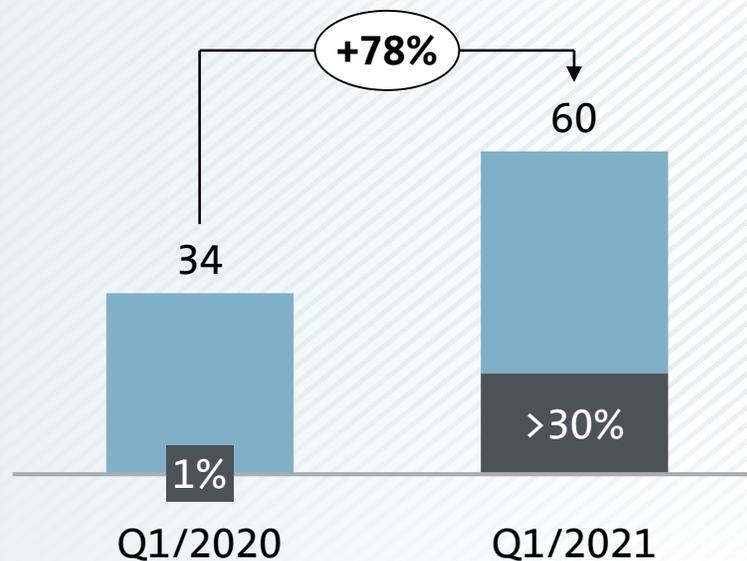
Brand positioning/pricing

Acting based on integrity and values

Deliveries to Customers

[thousand units]

■ MEB share



- *Scaling up MEB platform such as ID.4 worldwide (major launch March 2021)*
- *Sales almost doubled, very low tacticals*
- *Zwickau multi-brand plant as blue print started third shift in Q1 2021*
- *Over-the-air functionality for ID family; starting with regular updates this summer in Europe and in the US*
- *Synergy projects progressing, Audi launched Q4 e-tron based on MEB*

Business model: Software is a key differentiator for the future, 100% commitment to become Software-Enabled-Car-Company – scale is key

CFO Focus Areas



Operating result

[€ bn]

C A R I A D

Q1/2021



-0.2

Planned Business model CARIAD

Software development in brands

Investment phase (R&D)

Income phase through licenses

2020 2021 2022 2023



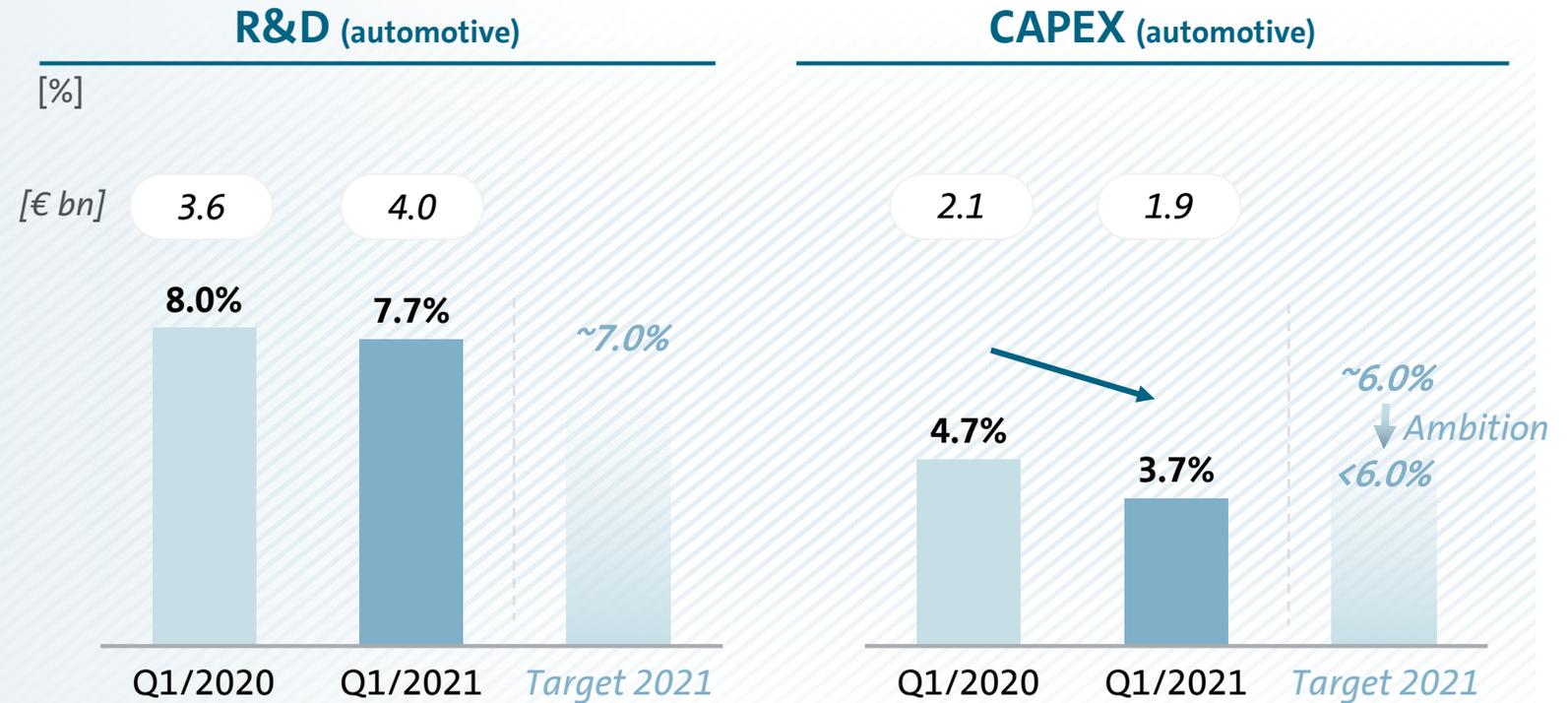
- *CARIAD currently included in 'Other line' 1)*
- *Brand R&D costs shifting to CARIAD*
- *Q1 2021:*
 - *R&D € 0.5 bn*
 - *ca. 4k headcount*

■ Based on primary R&D costs

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

R&D/CAPEX – Significant upfront investment in R&D necessary for transformation; Compensation on CAPEX through group wide synergies

CFO Focus Areas

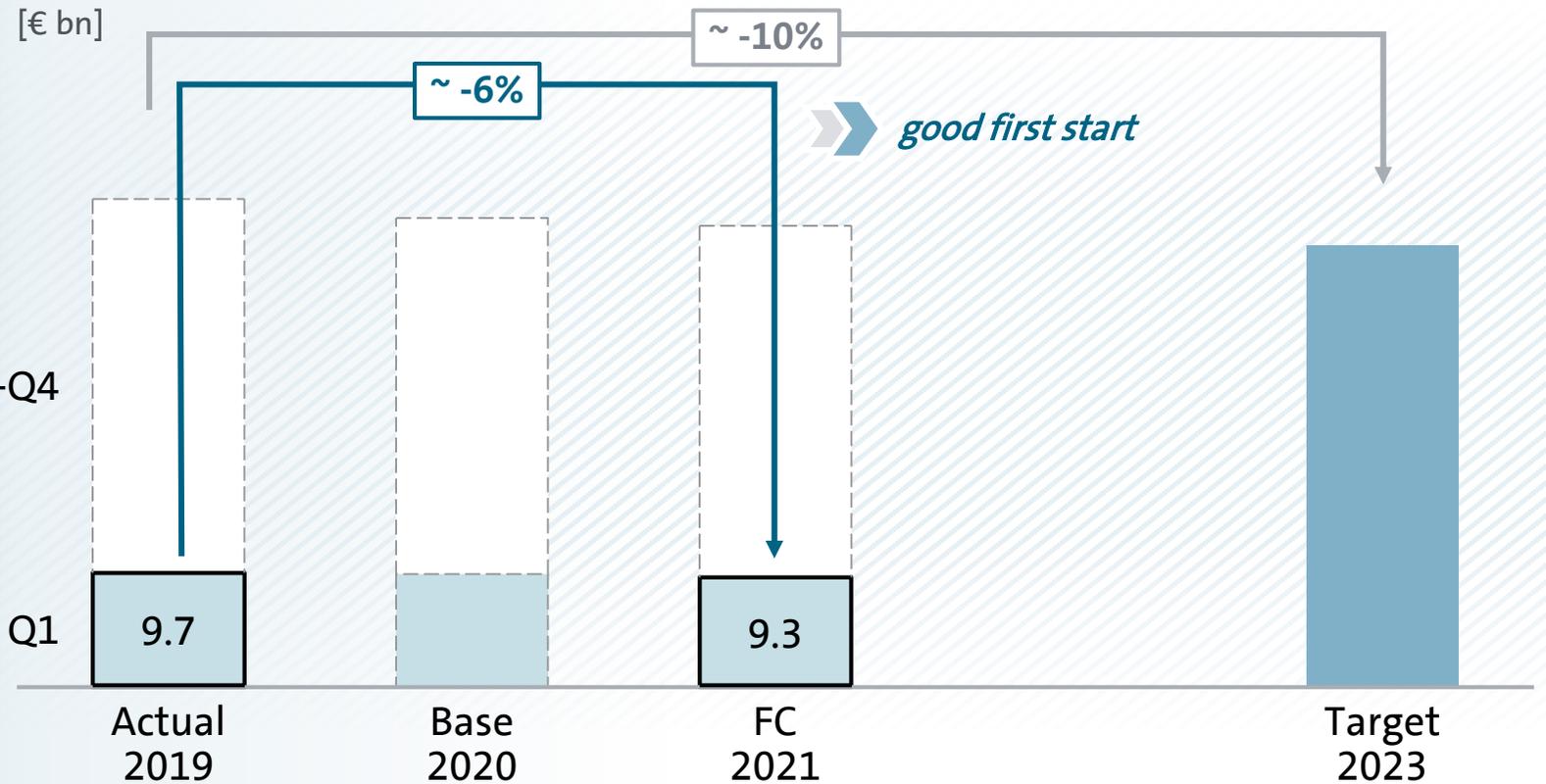


Financing the transformation: Fixed cost program ahead of schedule, further progress in Q1 ¹⁾

CFO Focus Areas

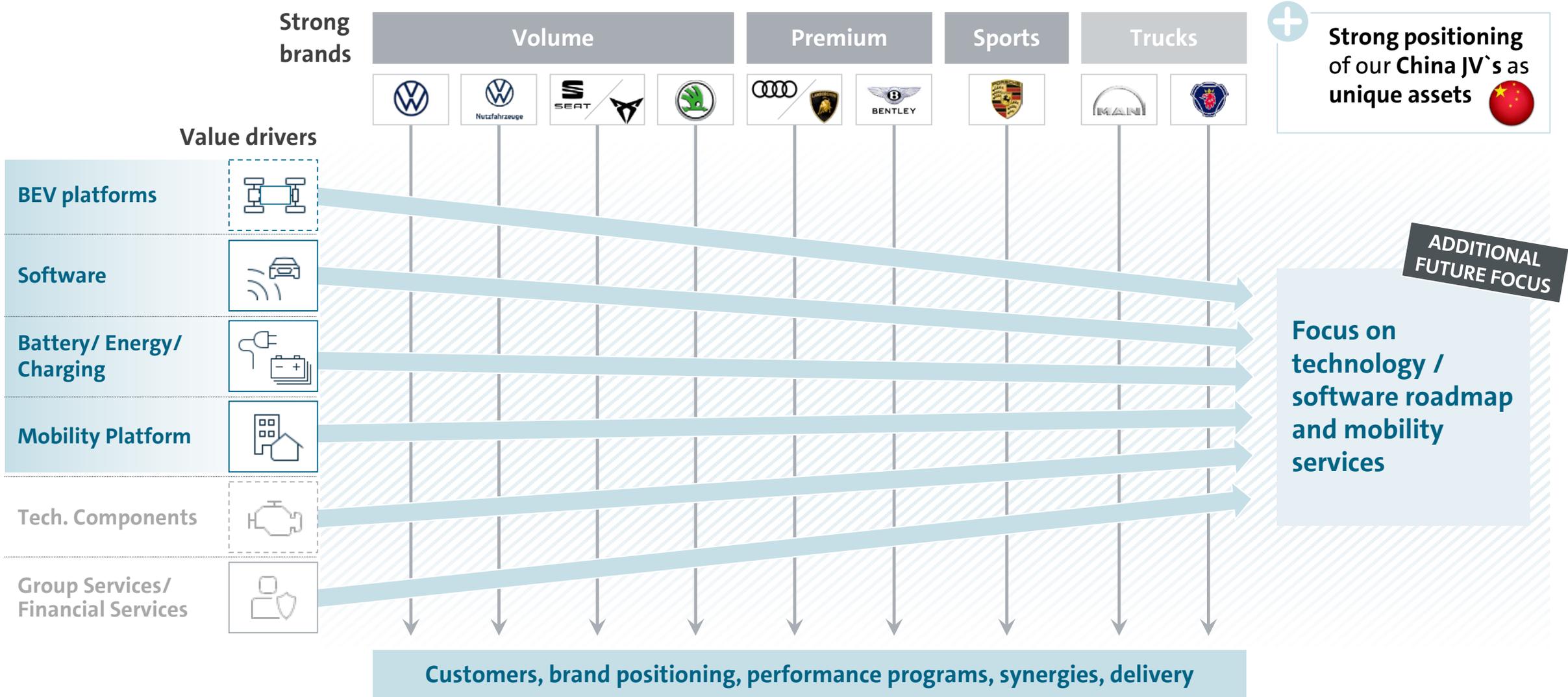


Group wide Cost Program (without R+D / Capex)



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

Step-by-step we will complement our current planning and steering of individual brand performance with focus along value drivers



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Backup

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Volkswagen Group – Analysis by Business Line ¹⁾

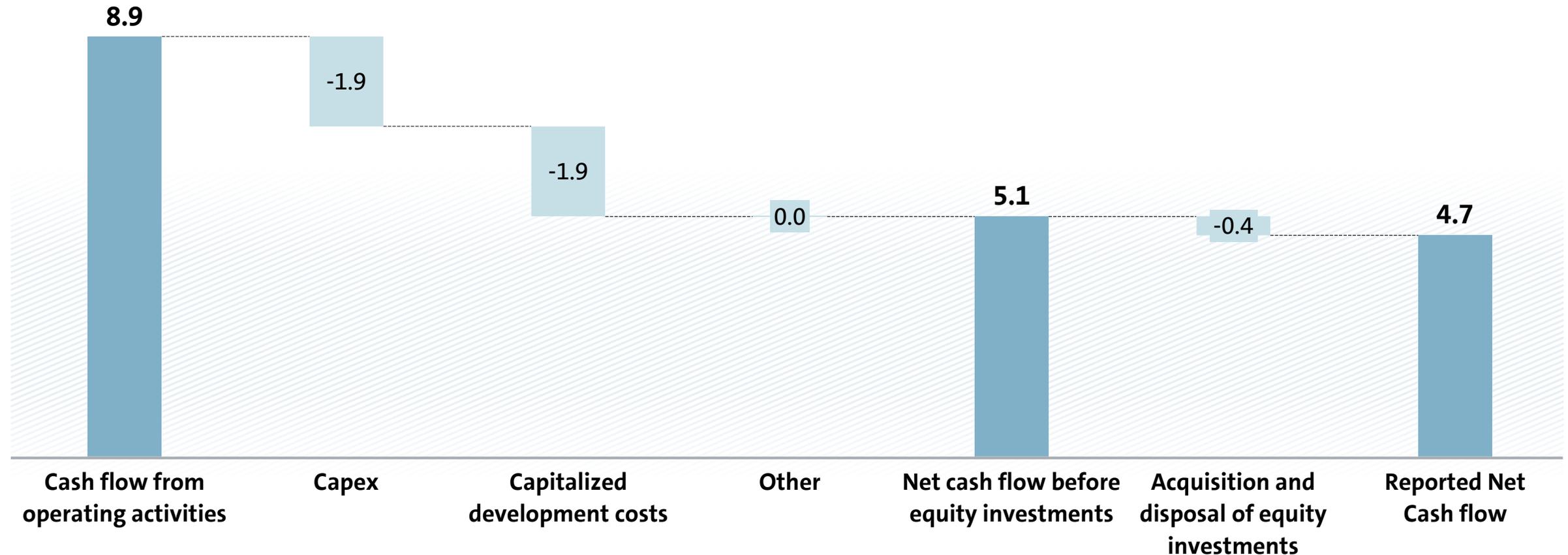
(January to March 2021)

	Vehicle sales		Sales revenue		Operating profit		Operating margin	
	2021	2020	2021	2020	2021	2020	2021	2020
thousand vehicles / € million / percentage								
Volkswagen Passenger Cars	769	765	19.984	18.965	900	481	4.5	2.5
ŠKODA	234	237	5.049	4.850	448	307	8.9	6.3
SEAT	157	140	2.851	2.558	-36	-48	-1.3	-1.9
Volkswagen Commercial Vehicles	96	99	2.660	2.671	29	14	1.1	0.5
Audi	287	268	14.067	12.454	1.404	15	10.0	0.1
Bentley	3	3	578	620	65	56	11.2	9.0
Porsche Automotive ²⁾	73	56	7.039	5.394	1.178	529	16.7	9.8
Scania ³⁾	23	19	3.420	2.982	409	256	12.0	8.6
MAN Commercial Vehicles	37	28	3.098	2.633	-279	-83	-9.0	-3.2
Power Engineering ⁴⁾	-	-	757	922	32	16	4.2	1.7
VW China ⁵⁾	800	503	-	-	-	-	-	-
Other ⁶⁾	-145	-180	-7.421	-8.842	-245	-1.293	-	-
Volkswagen Financial Services	-	-	10.295	9.847	908	654	-	-
Volkswagen Group	2,334	1,937	62.376	55.054	4.812	904	7.7	1.6
Automotive Division ⁷⁾	2,334	1,937	51.538	44,650	3,809	197	-	-
of which: Passenger Cars	2,273	1.891	44.344	38.165	3.751	120	-	-
of which: Commercial Vehicles	61	46	6.438	5.564	93	121	-	-
of which: Power Engineering	-	-	757	922	-36	-44	-	-
Financial Services Division	-	-	10,837	10,404	1,003	707	-	-

¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Porsche (Automotive and Financial Services): sales revenue € 7,726 (6,016) million, operating profit € 1,249 (572) million. ³⁾ Scania (Automotive and Financial Services): sales revenue € 3,527 (3,098) million, operating profit € 460 (282) million. ⁴⁾ Prior year including operations from Renk ⁴⁾ 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 € 661 (276) million. ⁵⁾ 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. ⁶⁾ Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

Automotive Division – Net Cash Flow Development ¹⁾ (January to March 2021)

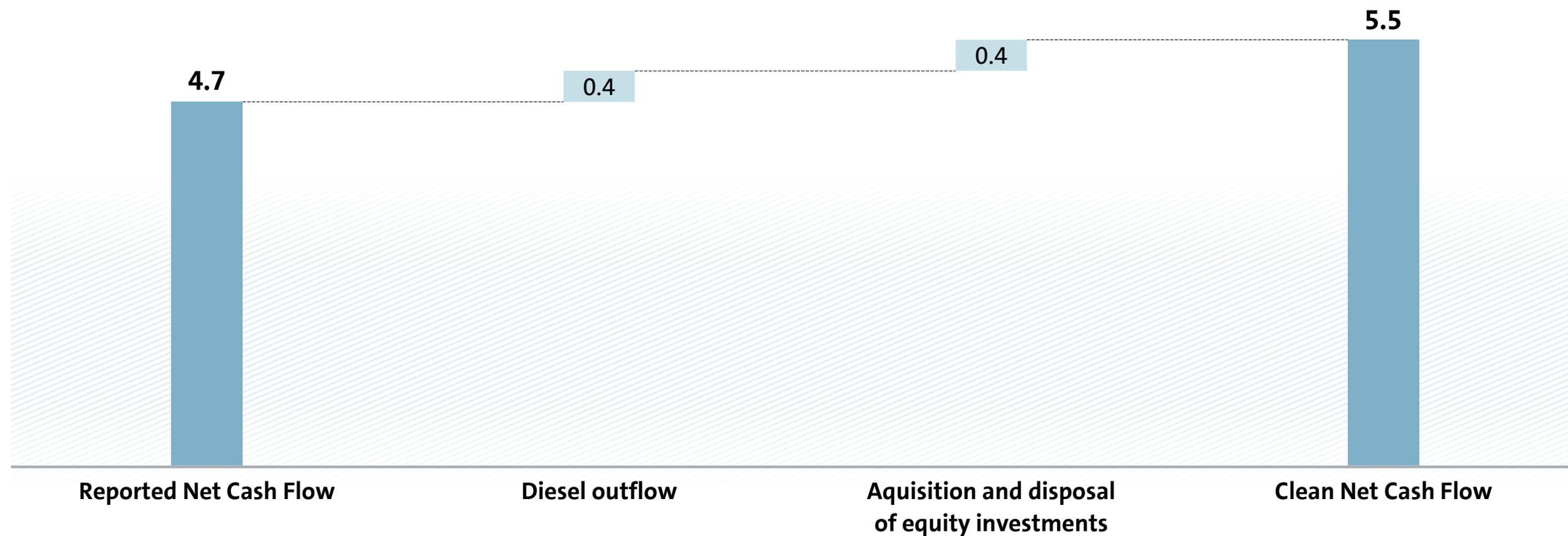
[€ bn]



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 ¹⁾ (January to March 2021)

[€ billion]



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