

**VOLKSWAGEN**

AKTIENGESELLSCHAFT

**VOLKSWAGEN**

## **Leading the Transformation**

2021 Virtual Analyst and Investor Conference of  
Volkswagen Aktiengesellschaft

16.03.2021

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**Dr. Herbert Diess**

*Chairman of the Board  
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Volkswagen AG*



**Frank Witter**

*Chief Financial Officer  
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**Helen Beckermann**

*Head of Group Investor  
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**Dr. Christian Dahlheim**

*Director Group Sales  
Volkswagen AG*



**Dr. Arno Antlitz**

*CFO AUDI AG (Incoming  
CFO Volkswagen AG)*

# We are fully focused and in execution mode to become a tech company!

2020 has been an unprecedented challenging year, but...

- We delivered **robust results**
- We successfully started our **BEV ramp up** also in the volume segment
- We have laid the important groundwork to becoming a software-enabled car company

There is much more to come...

- We are in full **execution mode**
- We will continue to **scale up our platforms**
- We are very confident of our ability to be a **winner in the transformation**

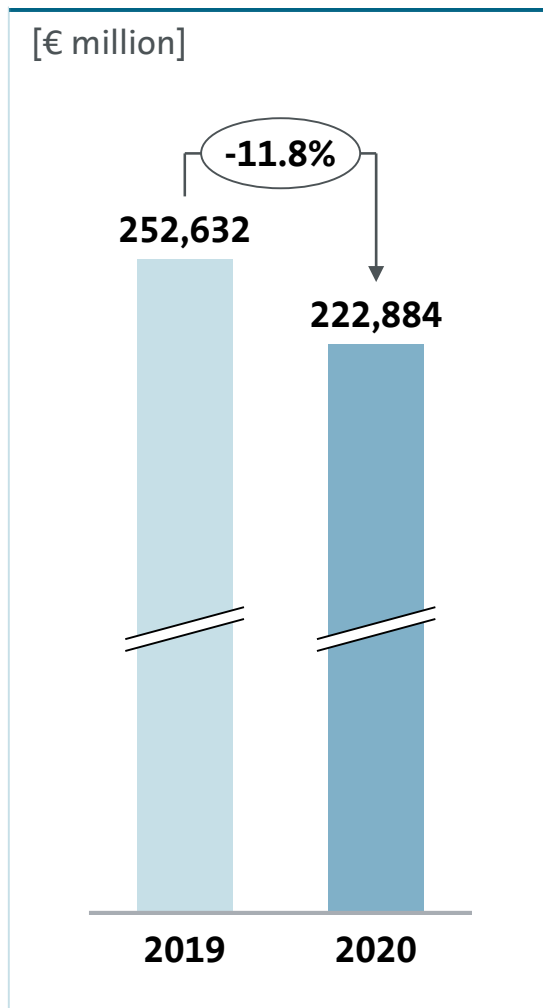


**We continue to fully stick to our Strategic Targets for 2025!**

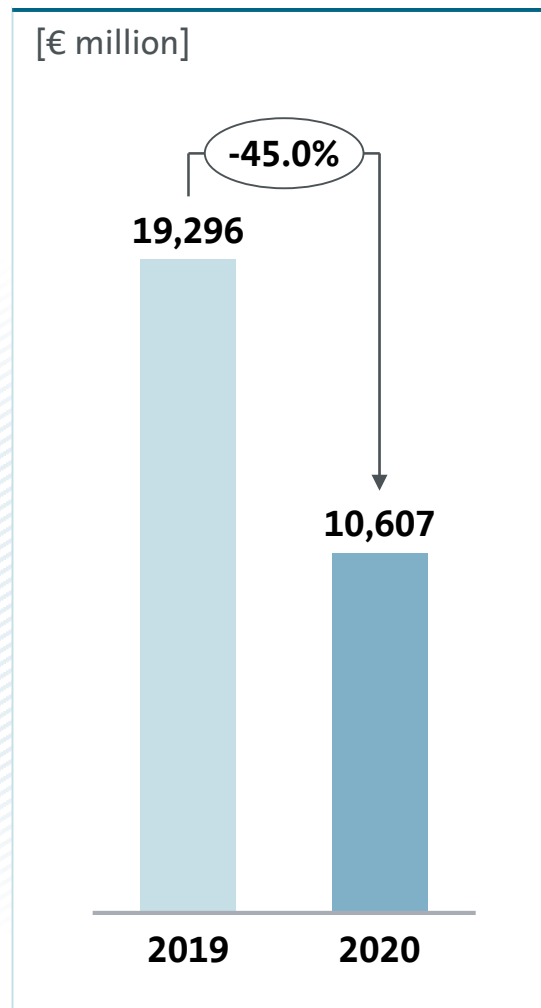
# Financial Highlights – Volkswagen Group

## (January to December 2020 vs. 2019)

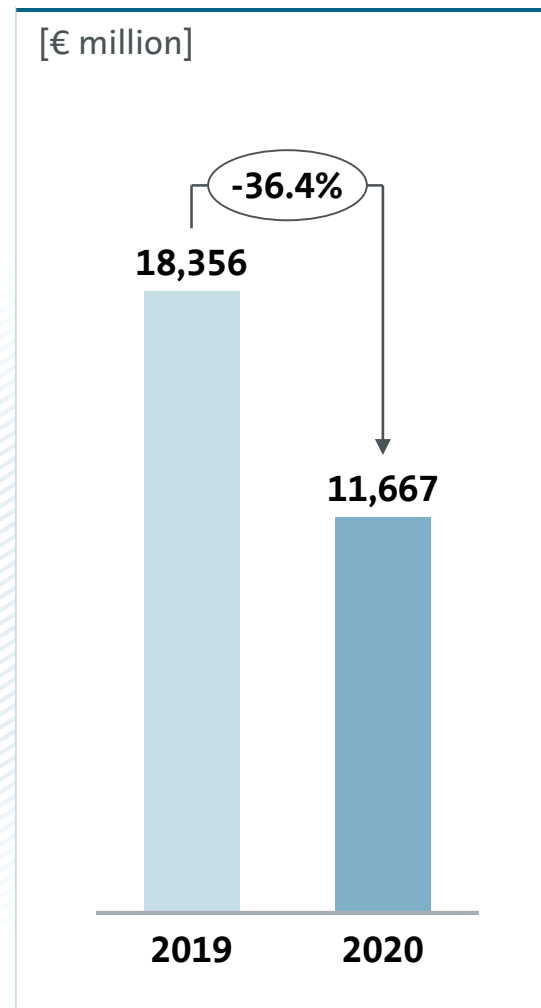
### Sales revenue



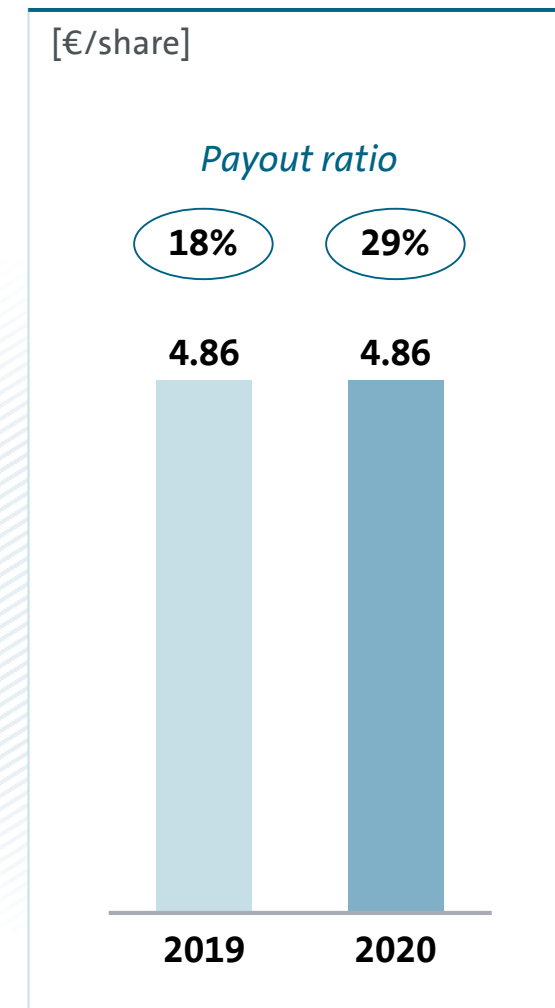
### Operating profit<sup>1)</sup>



### Profit before tax

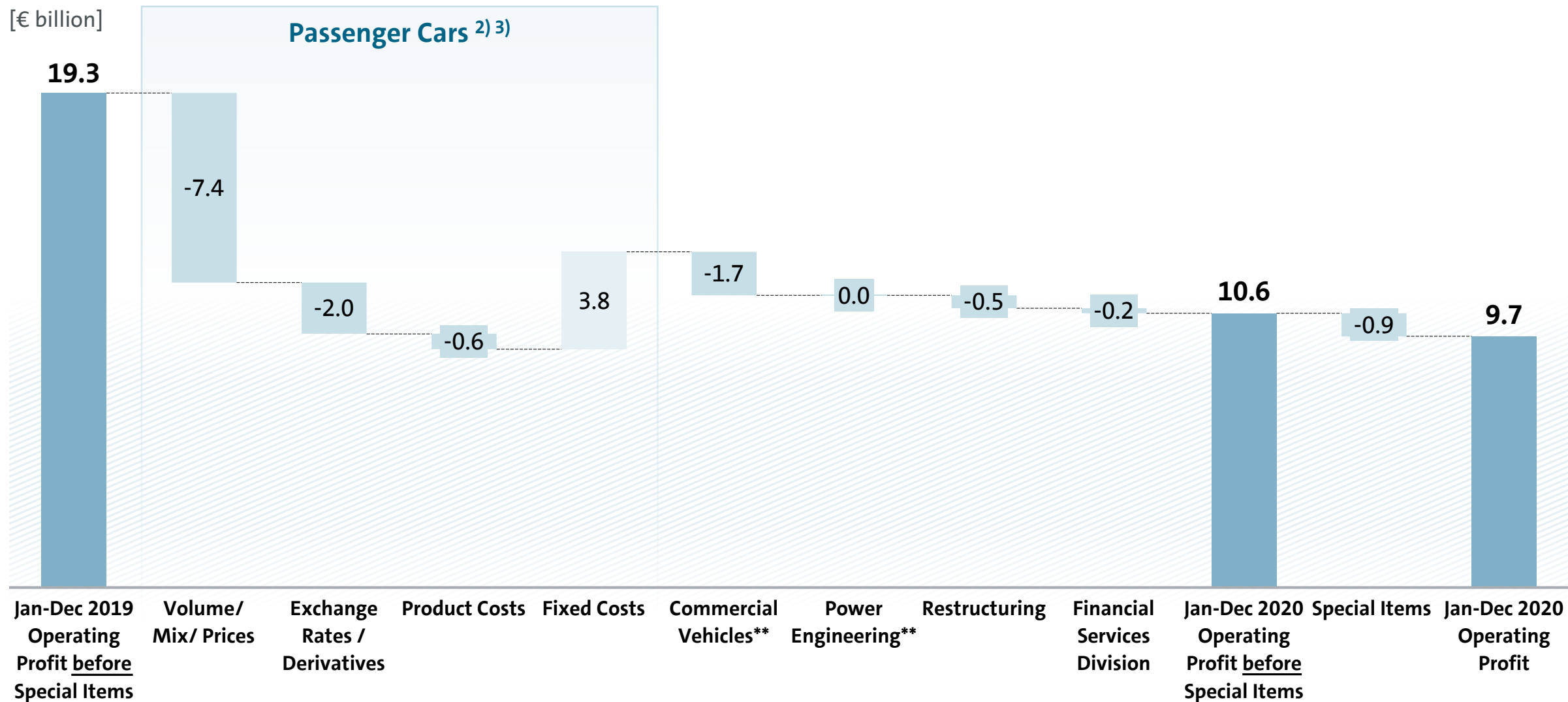


### Dividend proposal<sup>2)</sup>



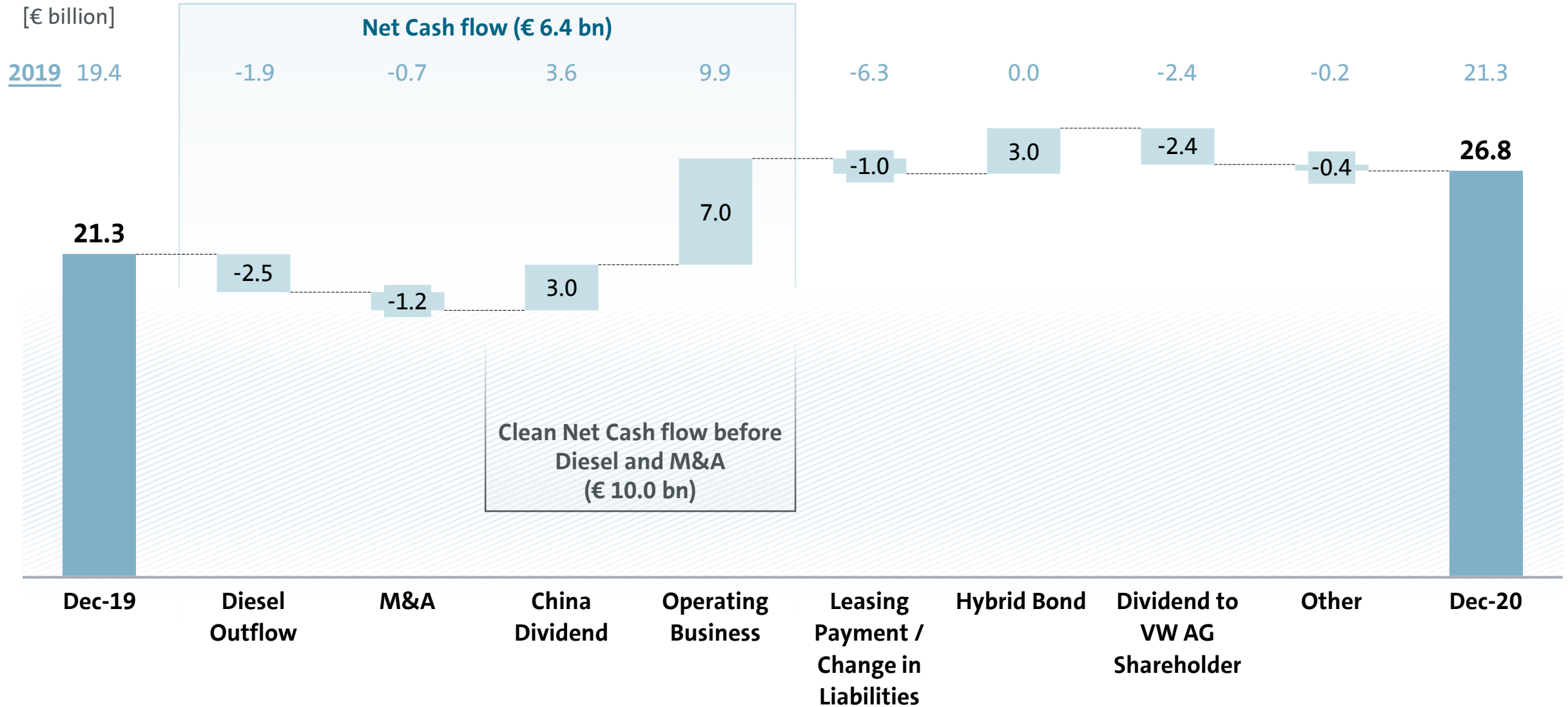
1) Before special items 2) Per preference share. Per ordinary share 4.80 (2019: 4.80) €

# Volkswagen Group – Analysis of Operating Profit <sup>1)</sup> (January to December 2020)



1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. 2) without FS 3) including PPA

# Automotive Division – Analysis of Net Liquidity <sup>1)</sup> (January to December 2020)



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

# With a robust business model we strive for upside potential

Key Financial Targets		2019	2020	2021	(Set in 11/20!) 2022	2025
		Actual	Actual	Outlook	Interim Targets	Strategic Targets
Cash Automotive Division	<b>Operating return on sales</b> <i>Before Special Items</i>	7.6%	4.8%	5.0 - 6.5%	6.0 - 7.0%	7.0 - 8.0%
	<b>Return on investment</b> <i>Automotive Division before Special Items</i>	11.2%	6.5%	> 9.0%	10.0 - 12.0%	> 14.0%
	<b>CapEx ratio</b> <i>Automotive Division</i>	6.6%	6.1%	~6.0%	6.0-6.5%	~6.0%
	<b>R&amp;D cost ratio</b> <i>Automotive Division</i>	6.7%	7.6%	~7.0%	6.5-7.0%	~6.0%
	<b>a) Net Cashflow<sup>1)</sup></b>	€ 13.5 bn.	€ 10.0 bn.	> € 10 bn.	> € 10 bn.	> € 10 bn.
<b>b) Net Liquidity</b>	€ 21.3 bn.	€ 26.8 bn.	moderately above previous year's level	> € 20 bn.	~10% of Group turnover	

1) Excluding Diesel payments and M&A.  
 Please note: Navistar not yet included. The transaction is targeted to close in mid 2021.

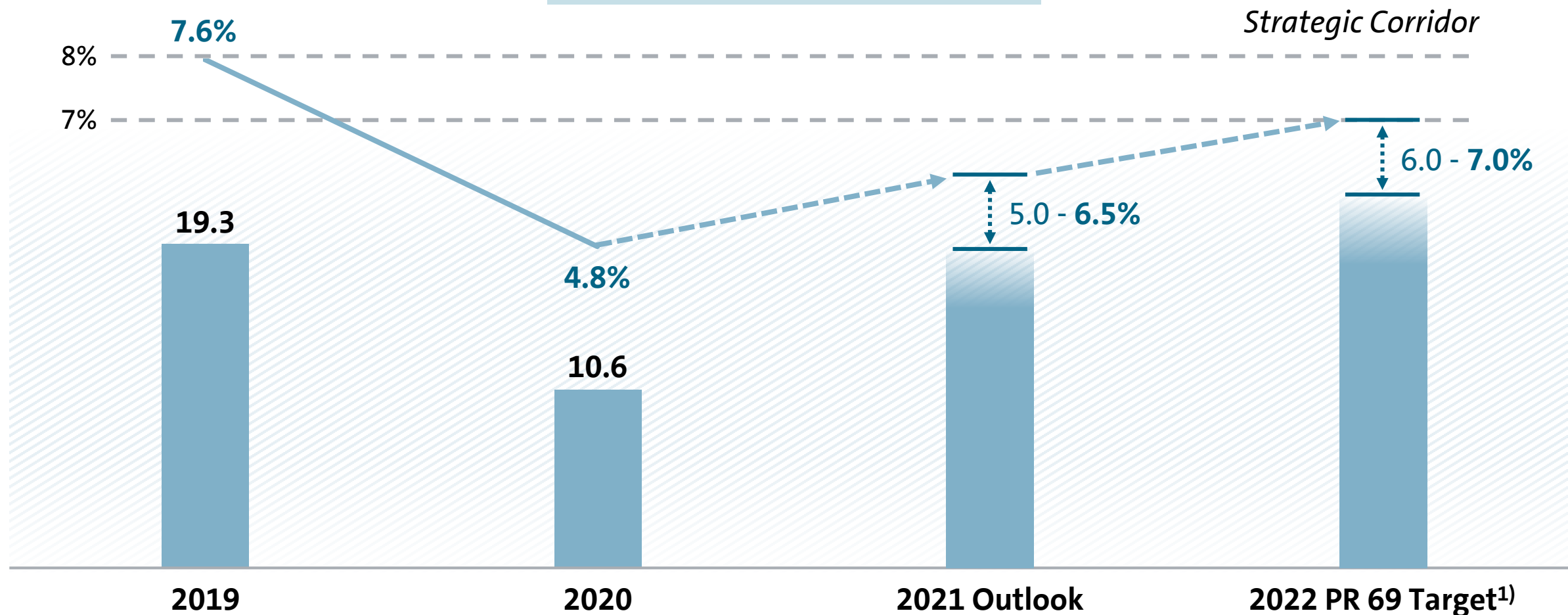


# Financial Outlook 2021

## Operating result, operating return on sales

Volkswagen Group, before special items  
[in €bn. / %]

2025 Strategic Target: 7-8% 



1) Status as of mid-November 2020

# Financial Outlook 2021 – Key Drivers of Performance

Further market recovery and continued discipline on the cost side

**Sales and revenue momentum**  
(e.g. from product launches, BEV ramp-up)

**Investment and cost discipline to secure operating results**

At the same time, **no compromise** when it comes to **product investments** in **future technologies**

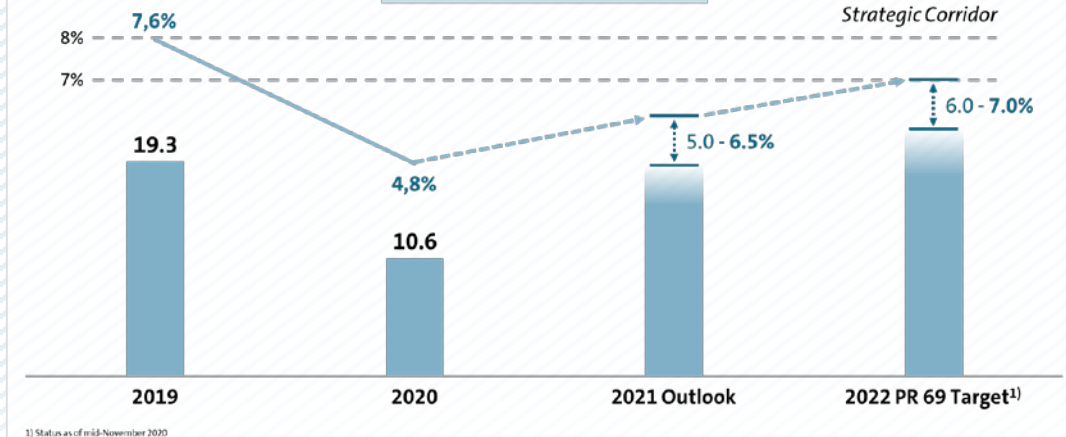
**Strong net cashflow** and **liquidity focus**



## Operating result, operating return on sales

Volkswagen Group, before special items  
[in €bn. / %]

2025 Strategic Target: 7-8% ✓



**Ambition 2022: Re-entry into the strategic corridor of 7-8%**

# With a robust business model we strive for upside potential

Key Financial Targets		2019	2020	2021	(Set in 11/20!) 2022	2025
		Actual	Actual	Outlook	Interim Targets	Strategic Targets
<b>Operating return on sales</b> <i>Before Special Items</i>		7.6%	4.8%	5.0 - 6.5%	6.0 - 7.0%	7.0 - 8.0%
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# CFO Agenda: Focus on financial steering of the transformation

## 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**

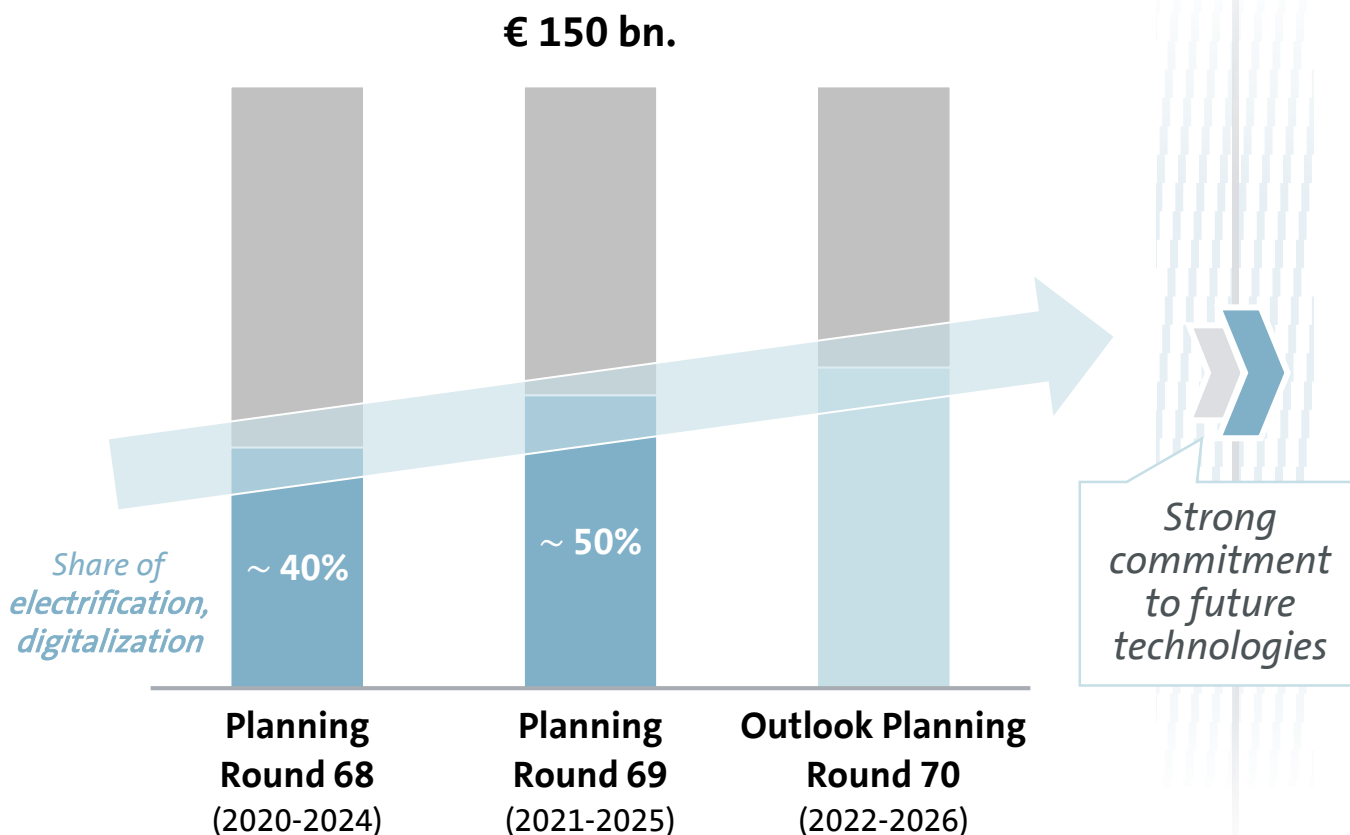


*Acting based on **integrity and values***

# Steering the transformation: Strong commitment to investment in new technology while keeping combustion engine cars competitive

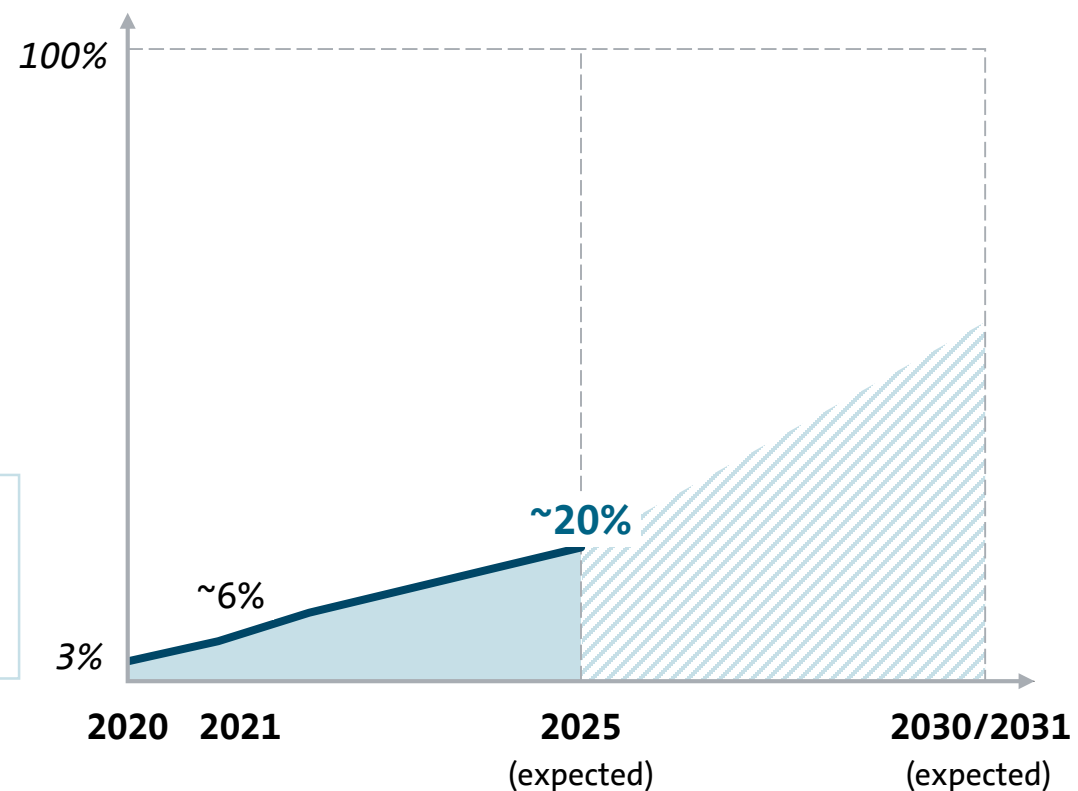
## Investment in R&D/ CapEx<sup>1)</sup>

in €bn



## BEV Share Volkswagen Group

Worldwide, in % of sales



1) Strategic targets for R&D/ CapEx: 6% R&D, 6% CapEx (CapEx in validation)

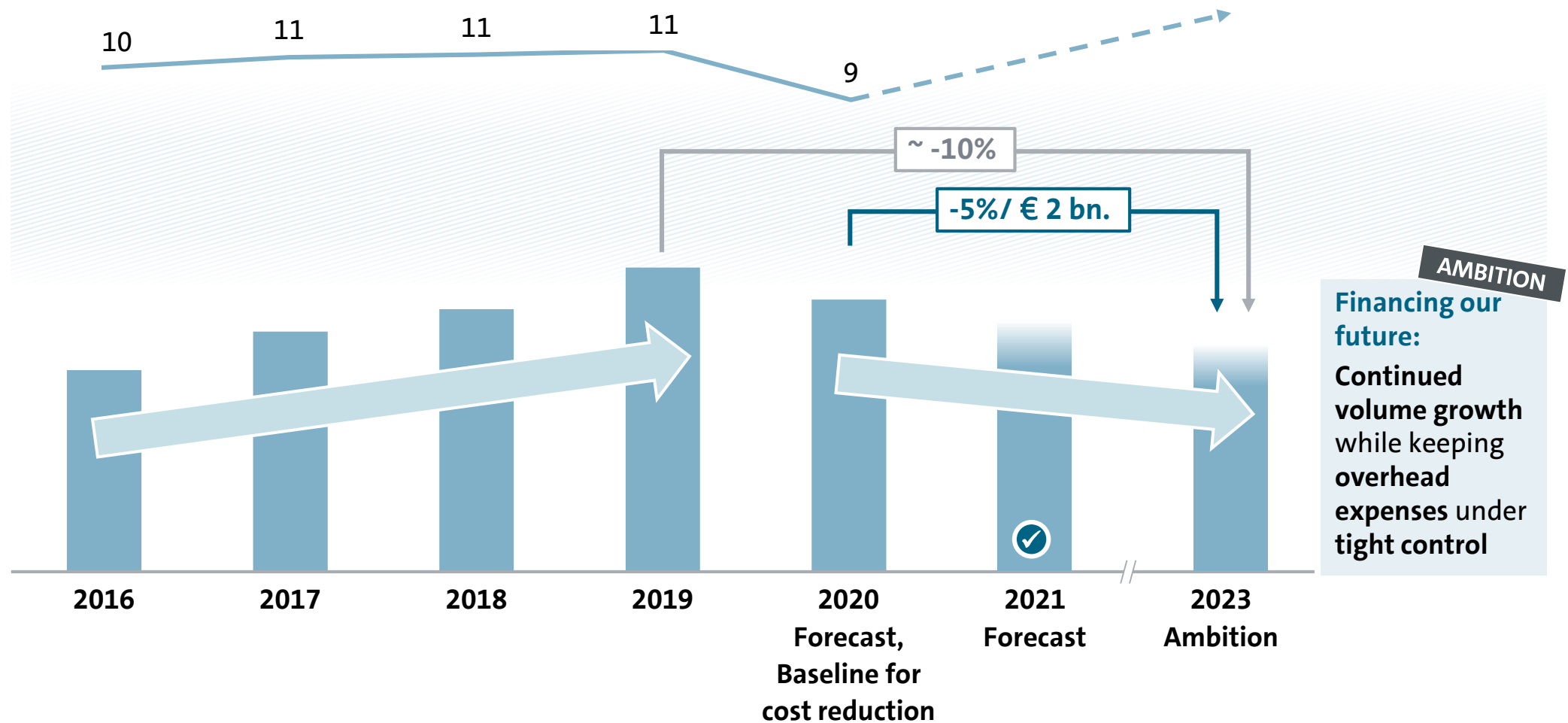
# Financing the transformation: Group-wide fixed cost initiative launched to provide headroom for accelerating the transformation

## Cost base of the program (w/o R&D, CapEx), Deliveries to customers

Volkswagen Group, Automobile division

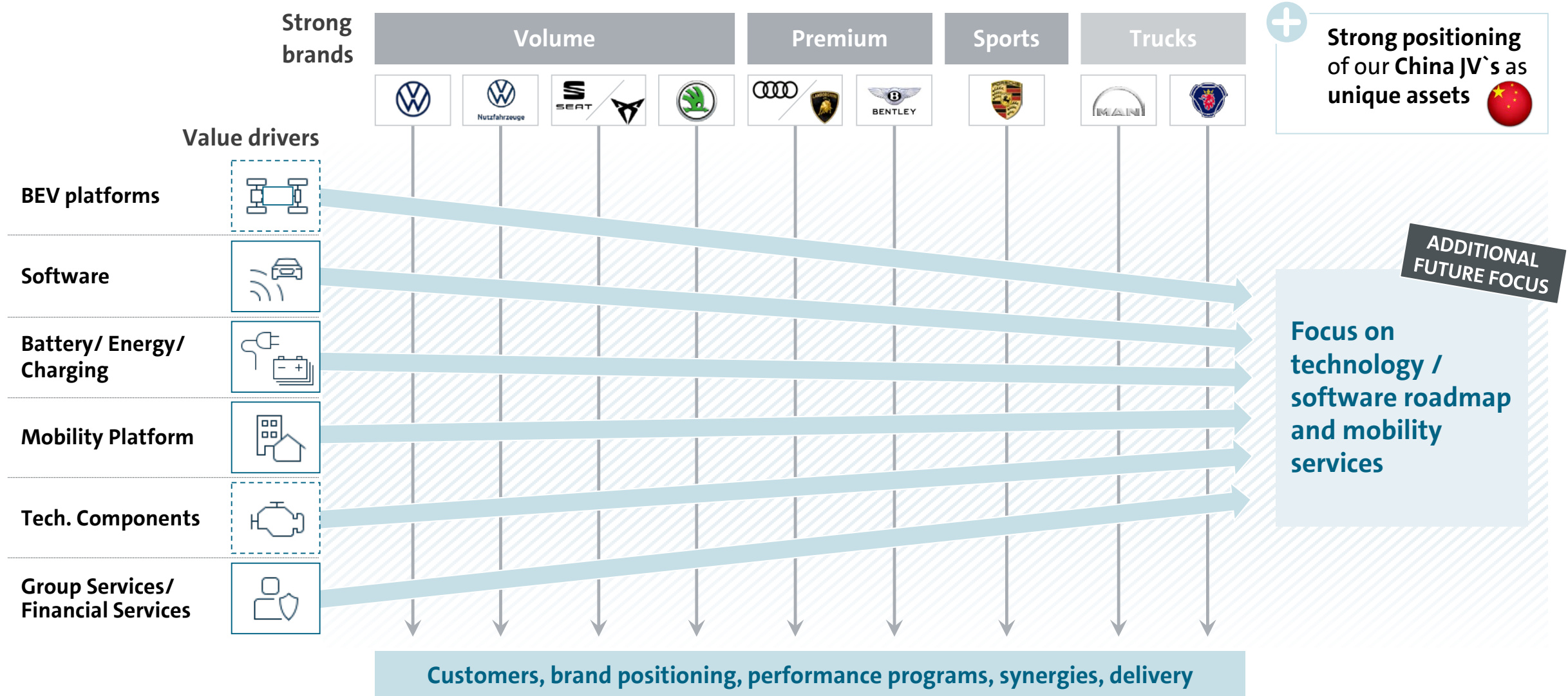
**Deliveries to customers**  
[in mn. vehicles]

**Cost base**  
(w/o R&D, CapEx)  
[in €bn.]



**AMBITION**  
Financing our future:  
Continued volume growth while keeping overhead expenses under tight control

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



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

