5-Year Planning Round 2022-2026

Fireside Chat with Bernstein
Dr. Arno Antlitz, CFO Volkswagen AG

December 10, 2021
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 Such statements are valid on the date of publication and can be superseded.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.
PR70 – Investment plan for 2022-2026

Arno Antlitz
Chief Financial Officer
Volkswagen AG

Rolf Woller
Head of Group Treasury and
Investor Relations
Recovery to pre-Covid levels in most markets expected in 2023 by market analysts

Passenger Car Total Markets by Region

[million units]

CAGR

North America (incl. LCV)

South America\(^1\) (incl. LCV)

Western Europe

Central and Eastern Europe

World

---

\(^1\) South America includes Brazil, Argentina, Chile and Venezuela

Source: IHS Markit Automotive, MarketInsight New Registration data, 11/2021
Targeting BEV Leadership by 2025
BEV Share of Total Vehicle Sales in %

- ID.5
- ID.4 (US)
- Q5 e-tron (China)
- Q6 e-tron
- e-Macan
- ID. BUZZ

רגולום

2021e
2023e
2025e
2026e
2030e

≈50%
≈25%
≈20%
≈11%
5-6%
Investment in electrification ensures 3.5m BEV units capacity by 2026

EUR billions

<table>
<thead>
<tr>
<th>PR 67</th>
<th>PR 68</th>
<th>PR 69</th>
<th>PR 70</th>
</tr>
</thead>
<tbody>
<tr>
<td>~32 (21%)</td>
<td>~33 (23%)</td>
<td>~35 (24%)</td>
<td>~89 (56%)</td>
</tr>
<tr>
<td>~44 (30%)</td>
<td>~59 (40%)</td>
<td>~73 (50%)</td>
<td>~30 (19%)</td>
</tr>
<tr>
<td>~8 (5%)</td>
<td>~14 (10%)</td>
<td>~27 (18%)</td>
<td>~8 (5%)</td>
</tr>
<tr>
<td>~4 (3%)</td>
<td>~12 (9%)</td>
<td>~11 (7%)</td>
<td></td>
</tr>
</tbody>
</table>

- Software/ Digital technology
- Hybrid powertrains
- BEV’s/Electrification
Financing the transformation: Fixed cost program remains ahead of schedule
YTD September 2021

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

EUR bn

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>Base 2020</th>
<th>FY 2021</th>
<th>Target 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-Q3</td>
<td>~30 bn €</td>
<td>~28 bn €</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td>~10%</td>
<td></td>
</tr>
<tr>
<td>~ -8%</td>
<td></td>
<td></td>
<td></td>
<td>~28 bn €</td>
</tr>
</tbody>
</table>

Plant Program
(Productivity & Overhead)

Working Capital Management/Cashflow Orientation

Purchasing Program

Fixed Cost
(w/o R&D, Capex)

Pricing & other sales costs optimization
# Robust business case

## Key financial targets

<table>
<thead>
<tr>
<th></th>
<th>2019 Actual</th>
<th>2020 Actual</th>
<th>2021 Outlook</th>
<th>2023 Interim Strategic Targets</th>
<th>2025/26 Strategic Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating return on sales</strong> Before Special Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.6</td>
<td>4.8</td>
<td>6.0-7.5</td>
<td>7-9</td>
<td>8-9</td>
</tr>
<tr>
<td><strong>Return on investment</strong> Automotive Division before Special Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11.2</td>
<td>6.5</td>
<td>&gt;9</td>
<td>~14</td>
<td>&gt;15</td>
</tr>
<tr>
<td><strong>Capex ratio</strong> Automotive Division</td>
<td></td>
<td></td>
<td>~5</td>
<td>~6</td>
<td>~5</td>
</tr>
<tr>
<td></td>
<td>6.6</td>
<td>6.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R&amp;D cost ratio</strong> Automotive Division</td>
<td></td>
<td></td>
<td>~7</td>
<td>~6.5</td>
<td>~6</td>
</tr>
<tr>
<td></td>
<td>6.7</td>
<td>8.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash</strong> Automotive Division</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) <strong>Clean Net Cashflow</strong> Automotive Division w/o Diesel and M&amp;A</td>
<td>13.5</td>
<td>10.0</td>
<td>~15</td>
<td>13-15</td>
<td>~15</td>
</tr>
<tr>
<td>b) <strong>Net Liquidity</strong></td>
<td>21.3</td>
<td>26.8</td>
<td>~25(^1)</td>
<td></td>
<td>~10% of Group sales revenue</td>
</tr>
</tbody>
</table>

1 Including M&A

---

EUR billions

---

\(^1\) Including M&A
## Targets by Brands Planning Round 70 – selected brands
### 2022-2026, Percent

<table>
<thead>
<tr>
<th>Brand targets – RoS</th>
<th>2023</th>
<th>2025/2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen</td>
<td>6</td>
<td>&gt;6</td>
</tr>
<tr>
<td>Audi</td>
<td>9-11</td>
<td>9-11</td>
</tr>
<tr>
<td>Porsche</td>
<td>&gt;15</td>
<td>&gt;15</td>
</tr>
<tr>
<td>Volkswagen Group</td>
<td>7-9</td>
<td>8-9</td>
</tr>
<tr>
<td>Volkswagen Financial Services (RoE)(^1)</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

\(^1\) RoE on normalized Equity of 8%
Step-by-step we will Shift the Focus towards Brand Groups and Value Drivers

Value drivers
- BEV Hardware
- Software
- Battery & Charging
- Mobility Solutions
- Tech. Components
- Group Services/Financial Services

Customers, brand positioning, performance programs, synergies, delivery

Strong positioning of our China JV`s as unique assets

Focus on technology/software roadmap and mobility services

In brand P&L/books
Key Elements – Changes in Financial Steering (as of 01.01.2022)

Key elements of improved financial steering

- Additional information on BEV performance
- Reporting of brand groups (Volume, Premium)¹ (financial reporting, target setting, etc)
- Platforms – Establishment of CARIAD as a separate reporting entity
- Separate reporting of Tech / Components divisions
- Reporting of TRATON Group (only)

¹ While keeping transparency on brand level for Volume Group
We have ambitious BEV-targets. We aim to double our BEV volumes every second year and target 50% in 2030.

PR70 is embracing our New Auto Strategy: the majority of total investments is designated to new technologies such as Software and electrification including investments in platforms, components, battery capacity and fascinating new products.

We are fully committed to transform this company. We will reduce our CO2 footprint significantly and we want and will capture value in the upcoming revenue pools, especially BEV and software.

While transforming our business towards NEW AUTO we keep an eye on margins, costs and net cash flows.

Management is fully committed to deliver on targets.