

VOLKSWAGEN

AKTIENGESELLSCHAFT

VOLKSWAGEN

Leading the Transformation

2021 Virtual Analyst and Investor Conference of
Volkswagen Aktiengesellschaft

16.03.2021

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 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.

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Analyst and Investor Conference 2021



Dr. Herbert Diess

*Chairman of the Board
of Management
Volkswagen AG*



Frank Witter

*Chief Financial Officer
Volkswagen AG*



Helen Beckermann

*Head of Group Investor
Relations Volkswagen
AG*



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**



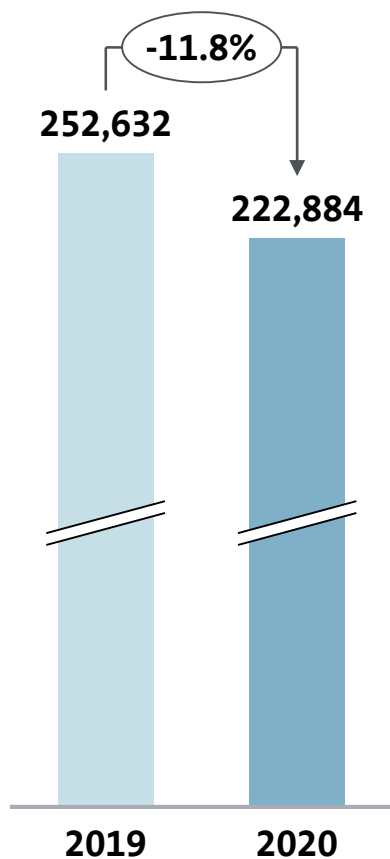
We continue to fully stick to our Strategic Targets for 2025!

Financial Highlights – Volkswagen Group

(January to December 2020 vs. 2019)

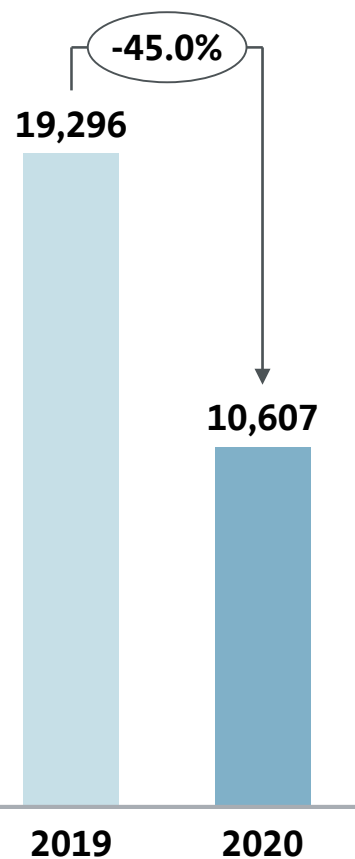
Sales revenue

[€ million]



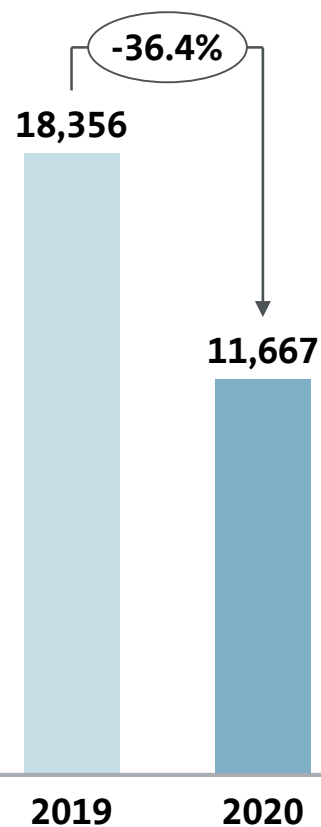
Operating profit¹⁾

[€ million]



Profit before tax

[€ million]



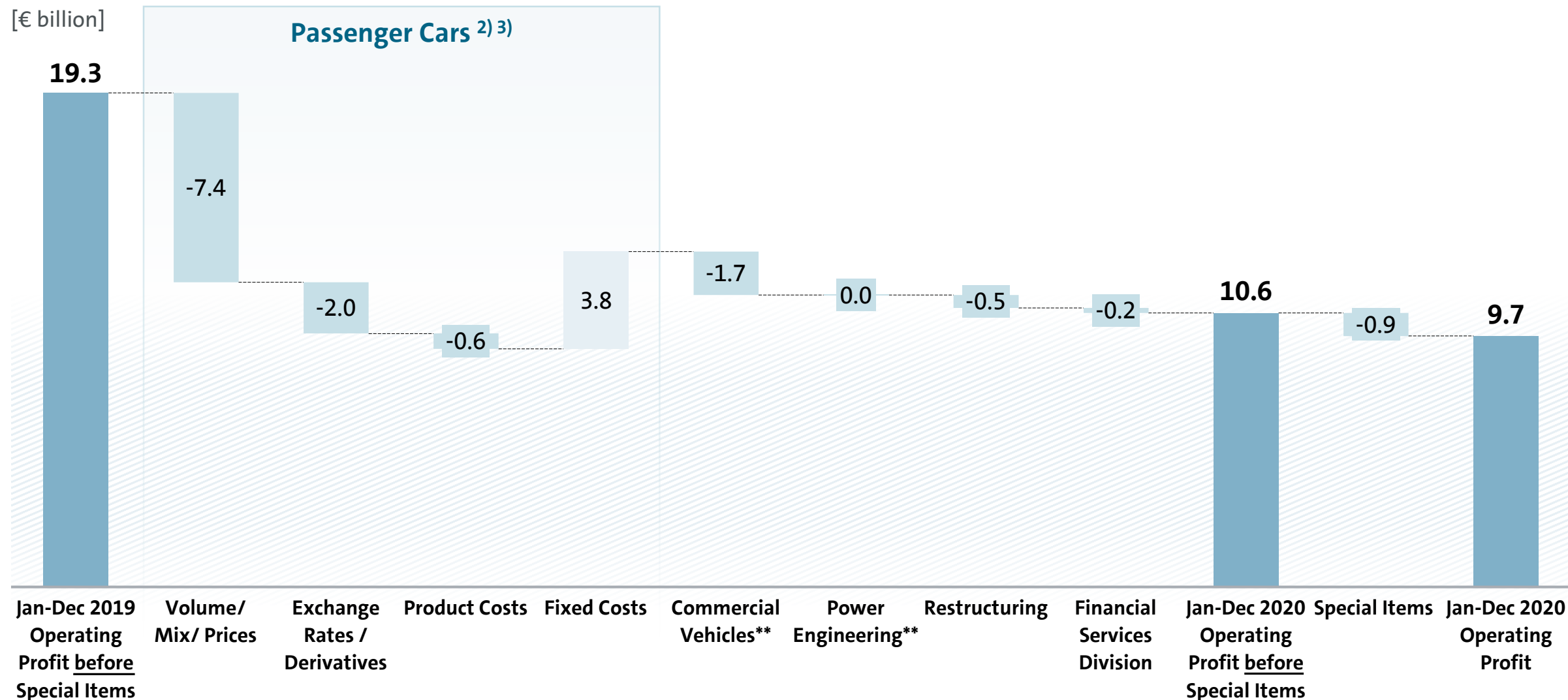
Dividend proposal²⁾

[€/share]



Volkswagen Group – Analysis of Operating Profit ¹⁾

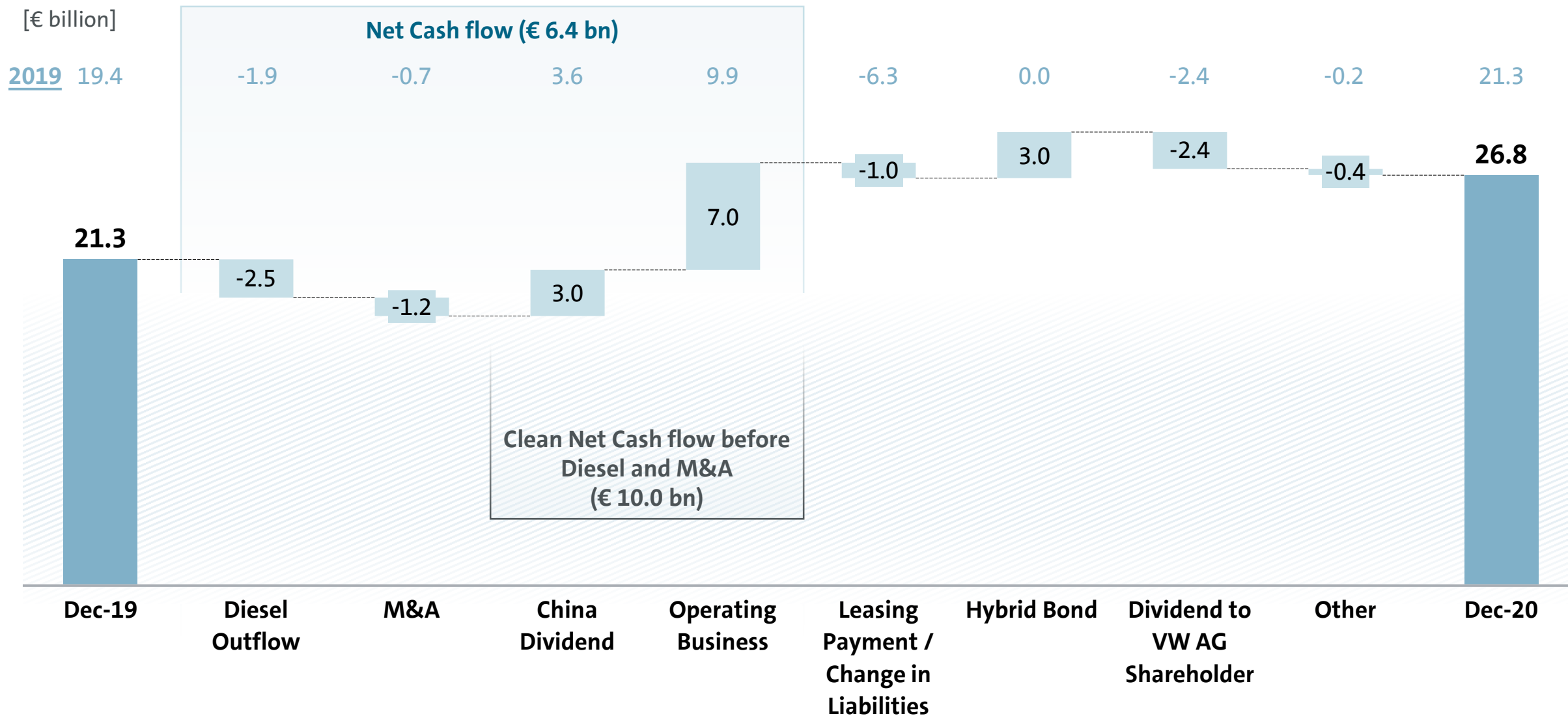
(January to December 2020)



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 ¹⁾

(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 <i>Actual</i>	2020 <i>Actual</i>	2021 Outlook	(Set in 11/20!) 2022 <i>Interim Targets</i>	2025 <i>Strategic Targets</i>
Operating return on sales <i>Before Special Items</i>		7.6%	4.8%	5.0 - 6.5%	6.0 - 7.0%	7.0 - 8.0%
Return on investment <i>Automotive Division before Special Items</i>		11.2%	6.5%	> 9.0%	10.0 - 12.0%	> 14.0%
CapEx ratio <i>Automotive Division</i>		6.6%	6.1%	~6.0%	6.0-6.5%	~6.0%
R&D cost ratio <i>Automotive Division</i>		6.7%	7.6%	~7.0%	6.5-7.0%	~6.0%
Cash <i>Automotive Division</i>	a) Net Cashflow¹⁾	€ 13.5 bn.	€ 10.0 bn.	> € 10 bn.	> € 10 bn.	> € 10 bn.
	b) Net Liquidity	€ 21.3 bn.	€ 26.8 bn.	moderately above previous year's level	> € 20 bn.	~10% of Group turnover

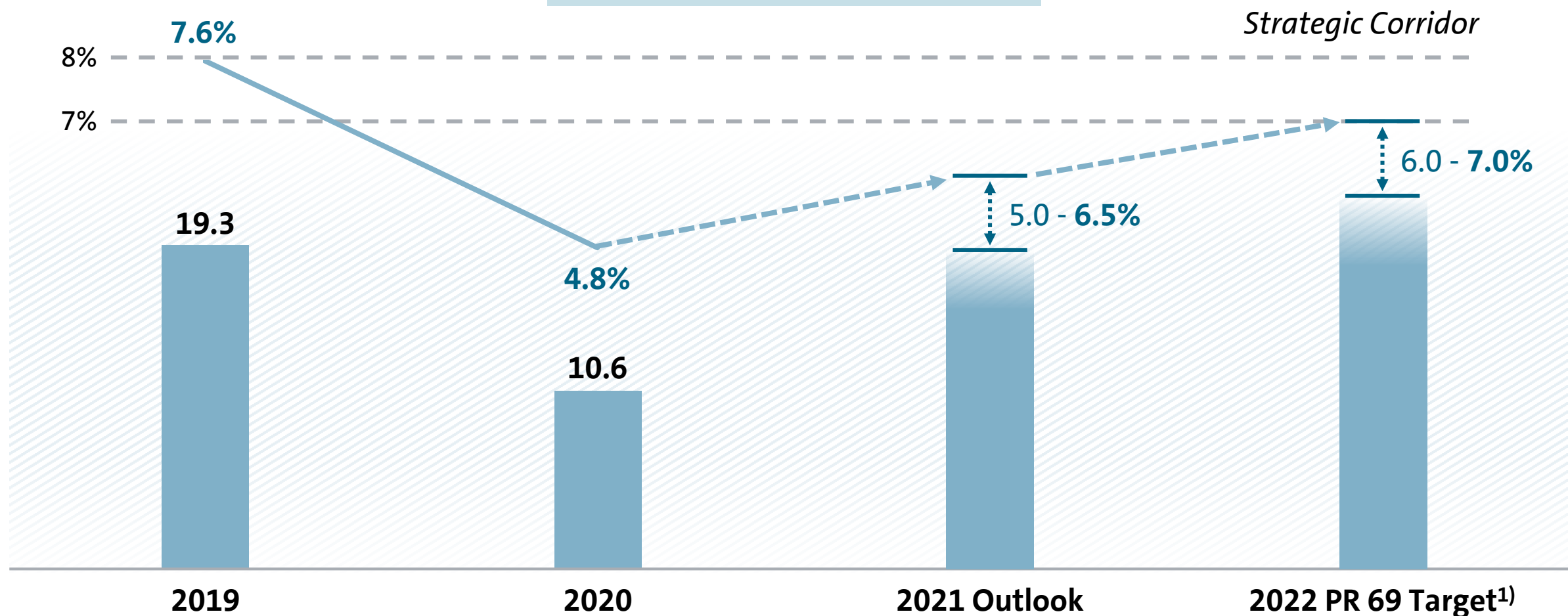
1) Excluding Diesel payments and M&A.
Please note: Navistar not yet included. The transaction is targeted to close in mid 2021.

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**

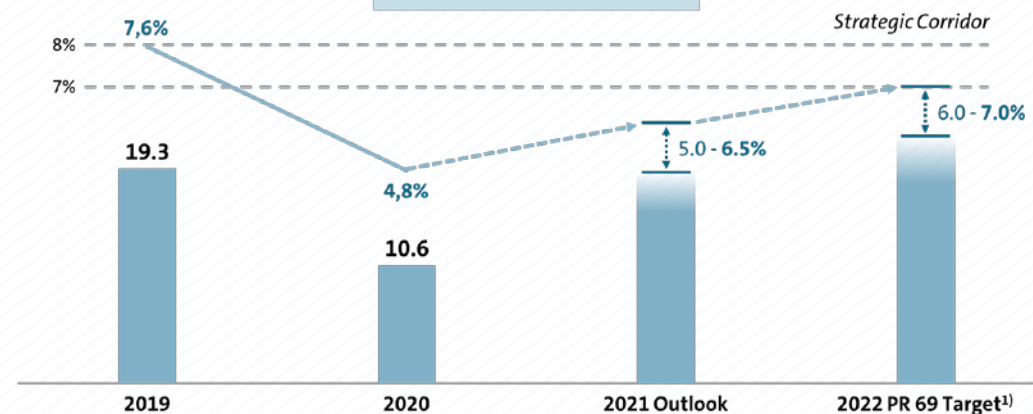
Strong net cashflow and **liquidity focus**



Operating result, operating return on sales

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

2025 Strategic Target: 7-8% ✓



¹⁾ Status as of mid-November 2020

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

With a robust business model we strive for upside potential

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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

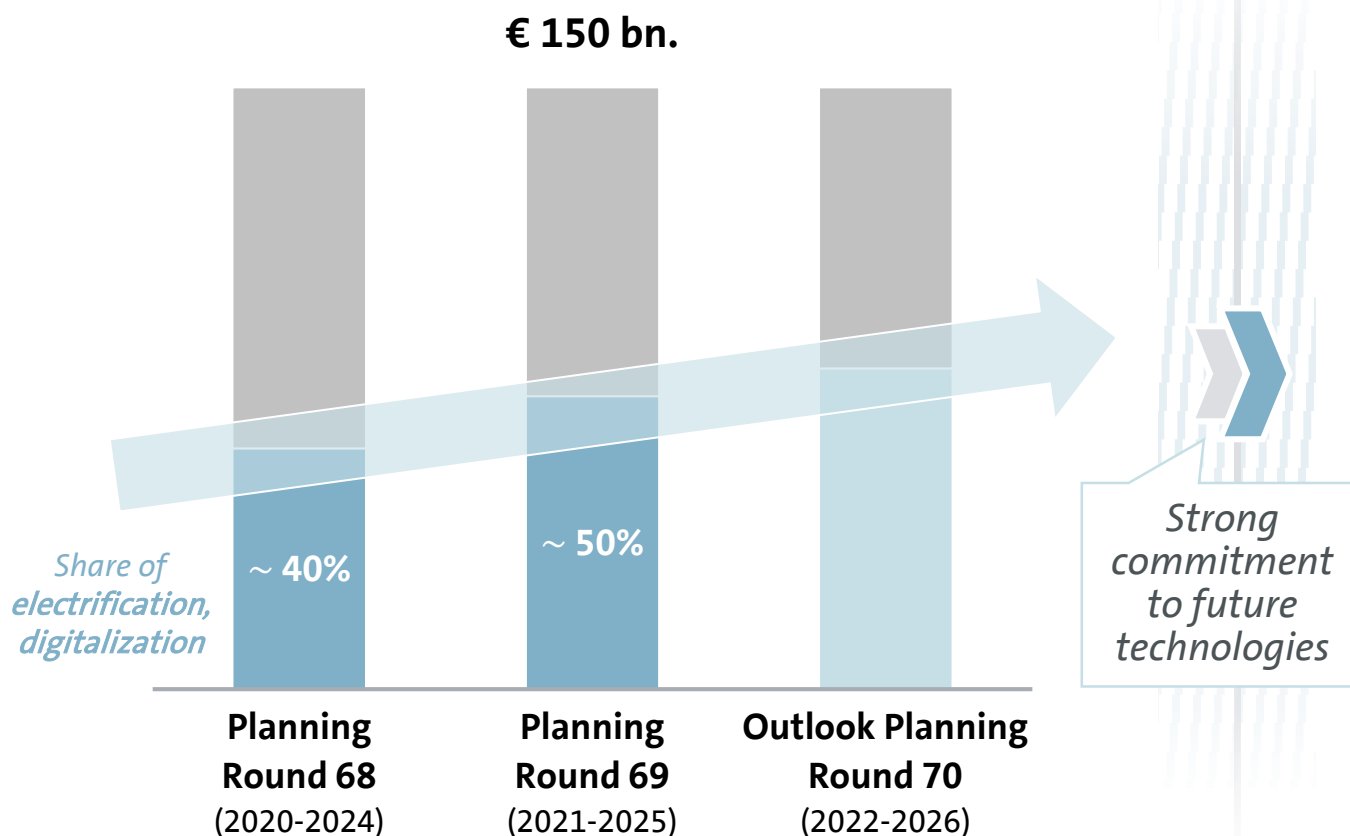


*Acting based on **integrity and values***

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

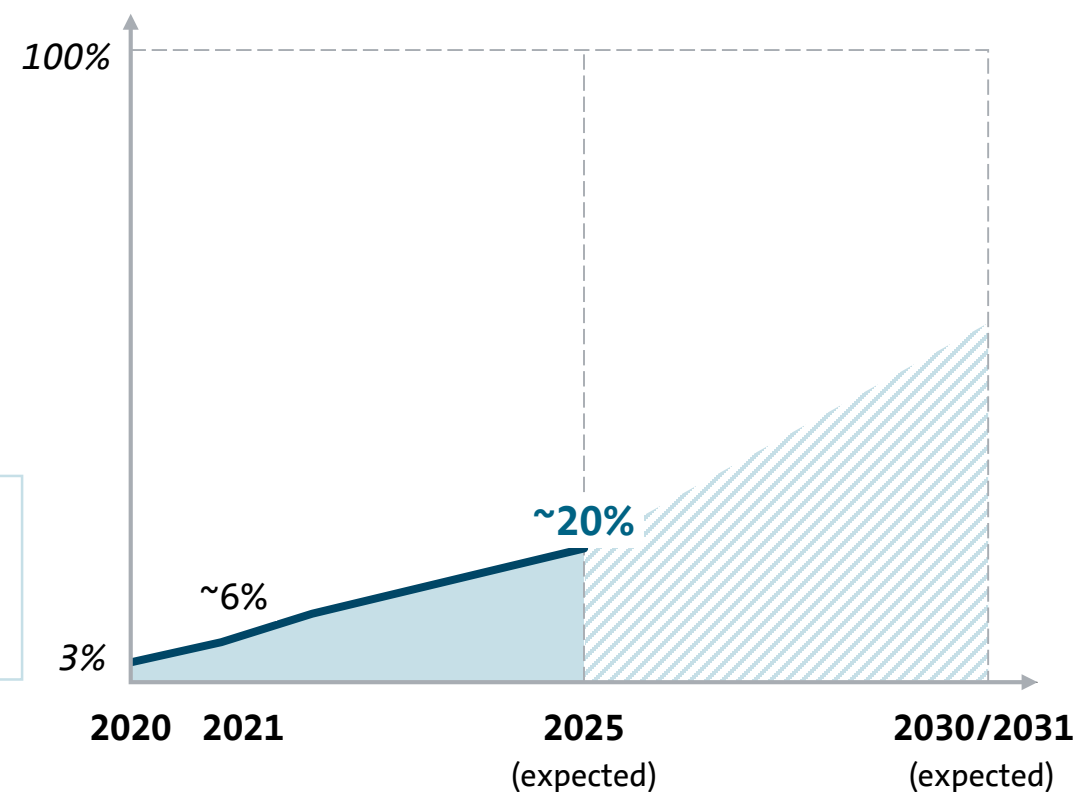
Investment in R&D/ CapEx¹⁾

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)

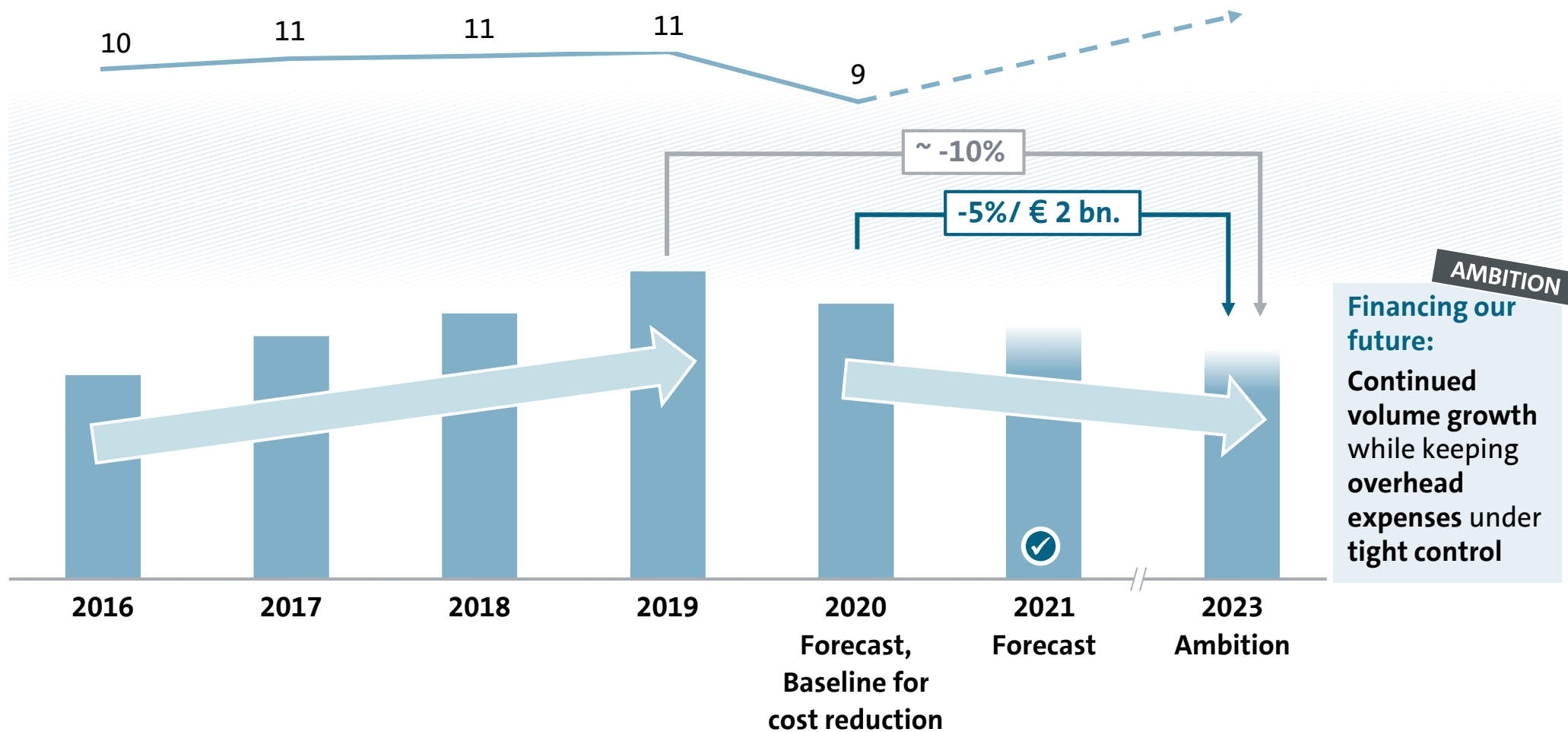
Financing the transformation: Group-wide fixed cost initiative launched to provide headroom for accelerating the transformation

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

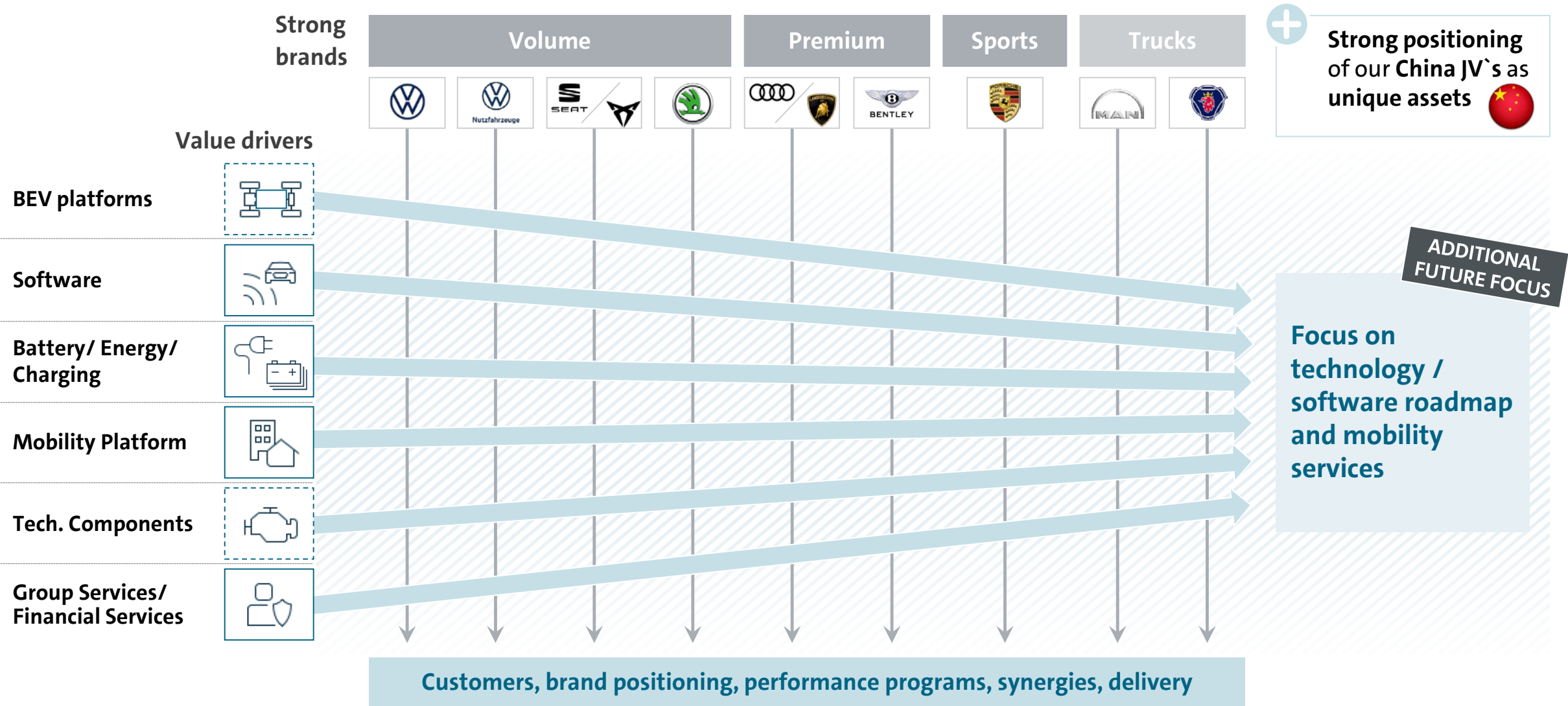
Volkswagen Group, Automobile division

Deliveries to customers
[in mn. vehicles]

Cost base
(w/o R&D, CapEx)
[in €bn.]



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

