Audi Investor and Analyst Day 2018

Alexander Seitz
Board Member for Finance, IT & Integrity, AUDI AG
robust KPIs 2017

- **Deliveries** slightly above prior year
  - Audi brand, ’000 vehicles
    - 2016: 1,868
    - 2017: 1,878
    - Change: +0.6%

- **Revenue** slightly above prior year
  - EUR billion
    - 2016: 59.3
    - 2017: 60.1
    - Change: +1.4%

- **Operating profit before/after special items (SI)** above prior year
  - EUR billion
    - 2016: 4.8
    - 2017: 5.1
    - Change: +4.4%

Deliveries slightly above prior year:
- Deliveries for the Audi brand were slightly above the prior year.
- Deliveries increased by 0.6% from 1,868 in 2016 to 1,878 in 2017.

Revenue slightly above prior year:
- Revenue for the Audi brand was slightly above the prior year.
- Revenue increased by 1.4% from EUR 59.3 billion in 2016 to EUR 60.1 billion in 2017.

Operating profit before/after special items (SI) above prior year:
- Operating profit before/after special items (SI) was above the prior year.
- Profit increased by 4.4% from EUR 4.8 billion in 2016 to EUR 5.1 billion in 2017.

Revenue and operating profit were both slightly above the prior year, indicating a stable and positive financial performance for the Audi brand in 2017.
passes 60bn EUR
speeds-up revenue

Lamborghini

1,009 (906) EUR million

+11.4%
contributes stable revenue
### Profit & Loss

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2017</th>
<th>2016</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>60,128</td>
<td>59,317</td>
<td>+1.4</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-50,545</td>
<td>-49,390</td>
<td>+2.3</td>
</tr>
<tr>
<td>Distribution costs</td>
<td>-5,297</td>
<td>-5,807</td>
<td>-8.8</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-685</td>
<td>-663</td>
<td>+3.3</td>
</tr>
<tr>
<td>Other operating result</td>
<td>1,069</td>
<td>-405</td>
<td>X</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>4,671</td>
<td>3,052</td>
<td>+53.1</td>
</tr>
<tr>
<td>Operating Profit before special items</td>
<td>5,058</td>
<td>4,846</td>
<td>+4.4</td>
</tr>
</tbody>
</table>
Operating margin of 8.4%

<table>
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<th>2016</th>
<th>2017</th>
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<tr>
<td>4,846*</td>
<td>5,058*</td>
</tr>
<tr>
<td>8.2%*</td>
<td>8.4%*</td>
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- **Pricing**
- **Product costs/R&D**
- **FX (net)**
- **Genuine parts**
- **Fix costs and depreciation** (e.g. related to production network)
- **Mix**
- **CO₂**

* KPI adjusted by special items
### Profit Analysis

<table>
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<th>2017</th>
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<tr>
<td><strong>3,052</strong></td>
<td><strong>5,058</strong>*</td>
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<td><strong>5.1%</strong></td>
<td><strong>8.4%</strong>*</td>
</tr>
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- **4,846*** (8.2%*)
- **Special items**
  - Takata and Diesel issue: -1,794
- **5,058*** (8.4%*)
  - Special items
  - Diesel issue: -387

#### Contributors to Profit

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<th>2017</th>
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<td><strong>+ Pricing</strong></td>
<td><strong>- Fix costs and depreciation</strong> (e.g. related to production network)</td>
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<tr>
<td><strong>Product costs/R&amp;D</strong></td>
<td><strong>- Mix</strong></td>
</tr>
<tr>
<td><strong>FX (net)</strong></td>
<td><strong>- CO2</strong></td>
</tr>
<tr>
<td><strong>Genuine parts</strong></td>
<td></td>
</tr>
</tbody>
</table>

* KPI adjusted by special items
financial strength

4,312 \text{ (2,094) } \text{ EUR million}

- diesel issue
- sale of participation

20,788 \text{ (17,232) } \text{ EUR million}
new models

FX-headwinds

new technologies

new regulations

2018
deliveries

revenue

prior year level

slight increase

between 8 - 10%

between 2.7 and 3.2 billion EUR

operating margin

net cash flow
Action and Transformation Plan

Upfront expenditure of more than EUR 40 bn. till 2022 to secure competitiveness.

Free up more than EUR 10 bn. for CO₂, electric and autonomous driving and digitization.

Maintain profitability in the corridor of 8 to 10% over the long term.
Action and Transformation Plan

Target of more than EUR 10 billion

- 30% from revenue increases
- 70% from cost savings
Global Sales 2017

1.88 mio.

+0.6%
Core regions

USA
226,511 cars (210,213)
+7.8%

Western Europe
805,388 cars (801,116)
+0.5%
Top Ten markets 2017

<table>
<thead>
<tr>
<th>Position</th>
<th>Country</th>
<th>2017</th>
<th>Delta vs. previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CHINA</td>
<td>597,866</td>
<td>+6,312 +1.1%</td>
</tr>
<tr>
<td>2</td>
<td>GERMANY</td>
<td>294,544</td>
<td>+1,237 +0.4%</td>
</tr>
<tr>
<td>3</td>
<td>USA</td>
<td>226,511</td>
<td>+16,298 +7.8%</td>
</tr>
<tr>
<td>4</td>
<td>GREAT BRITAIN</td>
<td>175,217</td>
<td>-2,348 -1.3%</td>
</tr>
<tr>
<td>5</td>
<td>ITALY</td>
<td>68,954</td>
<td>+6,524 +10.5%</td>
</tr>
<tr>
<td>6</td>
<td>FRANCE</td>
<td>63,980</td>
<td>+2,228 +3.6%</td>
</tr>
<tr>
<td>7</td>
<td>SPAIN (incl. Canary Islands)</td>
<td>56,083</td>
<td>+4,204 +8.1%</td>
</tr>
<tr>
<td>8</td>
<td>CANADA</td>
<td>36,007</td>
<td>+5,463 +17.9%</td>
</tr>
<tr>
<td>9</td>
<td>BELGIUM</td>
<td>32,760</td>
<td>-510 -1.5%</td>
</tr>
<tr>
<td>10</td>
<td>JAPAN</td>
<td>28,301</td>
<td>-151 -0.5%</td>
</tr>
<tr>
<td><strong>WORLD</strong></td>
<td><strong>1,878,105</strong></td>
<td></td>
<td><strong>+10,367 +0.6%</strong></td>
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Core regions

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China

30 years of success

1987  1

2017  6

2022
Constant Growth

24,000 RS-models
High performance electric vehicle
Digital Retail Elements

+500 in 2017
Audi on demand

Canada
USA
Great Britain
Denmark
Germany
France
Spain
Italy
Russia
China
South Korea
Japan
United Arab Emirates
Singapore
Australia
AUDI – THE MOST DESIRED PREMIUM BRAND

- BEST PRODUCTS AND PERFORMANCE
- LEADING PREMIUM EXPERIENCE
- IMAGE AND INNOVATION LEADERSHIP
Best opportunity ever
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