Meeting with Capital Research Global Investors
Munich, October 9, 2018
Anton Poll
Head of Financial Communication/Financial Analysis, AUDI AG
Deliveries Audi brand 1-9/2018

<table>
<thead>
<tr>
<th>Region</th>
<th>Cars Delivered</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>1,407,700</td>
<td>+2.0%</td>
</tr>
<tr>
<td>China</td>
<td>483,001 cars (418,670)</td>
<td>+15.4%</td>
</tr>
<tr>
<td>Europe</td>
<td>616,200 cars (661,258)</td>
<td>-6.8%</td>
</tr>
<tr>
<td>USA</td>
<td>167,420 cars (160,914)</td>
<td>+4.0%</td>
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</tbody>
</table>
now.next.beyond.

H1/18  FY 18e  funding the future
strong revenue development

Revenue (EUR m)

- H1/2017: 30,011
- H1/2018: 31,183

+3.9%
9.2% RoS – best-in-class-profitability

Operating profit/margin (EUR m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>H1/2017</th>
<th>H1/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>1,436</td>
<td>1,461</td>
</tr>
<tr>
<td>Q1</td>
<td>1,244</td>
<td>1,300</td>
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</table>

+3.0%
keeping Audi on track

growing challenges

focusing on efficiency

China business
**continuous cost improvements**

<table>
<thead>
<tr>
<th>R&amp;D activities &amp; ratio (EUR m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1/2017 2,083</td>
</tr>
<tr>
<td>H1/2018 2,020</td>
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</table>

<table>
<thead>
<tr>
<th>R&amp;D ratio</th>
<th>within target corridor</th>
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</thead>
<tbody>
<tr>
<td>6.9%</td>
<td>H1/2017</td>
</tr>
<tr>
<td>6.5%</td>
<td>H1/2018</td>
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</tbody>
</table>
Capex discipline

Capex ratio

3.4%  
H1/2018

Capex & ratio

(H1/2017)
1,047  
3.4%

(H1/2018)
1,156  
9.5%
China business drives KPIs

+20% deliveries H1/2018
customer focus
JV performance
### Net cash flow (EUR m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1/2017</td>
<td>1,925</td>
</tr>
<tr>
<td>H1/2018</td>
<td>2,672</td>
</tr>
</tbody>
</table>

**Change:** +38.8% from H1/2017 to H1/2018

major contributor to VW Group NCF
Outlook: further WLTP-risks ahead

Deliveries: prior year’s record level

Revenue: slightly above prior year level

Operating Margin: 8-10%

Net Cash Flow: between €2.7 and 3.2 bn
Top-priority: funding the future

Front-up expenditure: €40bn until 2025

- Electric vehicles
- Digital business
- Autonomous driving
Audi Transformation Plan (ATP)

transforms and prioritizes resources

frees up a total of €10bn until 2022

secures Operating RoS 8-10%

2025
renewed C/D line up adds profitability
success story Audi China

7 attractive models from local production

1988 today
success story Audi China

7 attractive models from local production

every third Audi delivered to Chinese customer

1987 2017

597,866

1987 today 2017
China: double deliveries by 2022

- Launch of 10 all new SUVs
- Strengthen local R&D
- Double CKD portfolio
- Expand product range
- Expand business model
- JV with SAIC
- Independent sales company
- Digital services & mobility
early-to-market

built for series production at Brussels plant

designed on MLB modules

strong pricing paves the way for “New Premium“
next: group synergies enhance EV-profitability

30% efficiency gains

MEB

PPE

electric architectures within VW Group
continuous cost improvements

- material costs
- focus on USPs
- transformation of skills
Dr. Stefan Niemand
Head of Electrification, AUDI AG
Why are we going electric?
How did we address the questions we had?
Over the readiness program started early to address the fields of action for going electric.
Why with a fullsize SUV?
CUSTOMER DEMAND in C SEGMENT

GROWING SEGMENT

MAKING ELECTRIC CARS SEXY
Is it based on a combustion engine platform?
New platform design for a full electrical car considering characteristics like battery position & crash behavior.

No restriction from ICE platforms.

Intelligent modular approach.
Is it a „one-off“?
THE AUDI E-TRON
is the beginning...

...of an ELECTRIC
MODEL OFFENSIVE
E-Roadmap

BEV platform
PPE

BEV platform
MEB

BEV dedicated
platform

PHEV

2016 2020 2025

Audi e-tron
Audi e-tron SB
Audi e-tron GT

Q7 e-tron
A3 e-tron
What about the battery?
Battery assembly at carbon-neutral factory in Brussels

Cell modules in cooperation

Wroclaw

Budapest

Brussels
BATTERY

Car life: construction

432 Li-Ion cells
36 modules

699kg weight

2.28 m * 1.63 m * 0.34 m
dimensions

Biggest challenges

too heavy  too big  too expensive

~ 33% material costs
What happens with the battery after car life?
1st & 2nd Life

Production → Car use → Return / Repair

1st Life

Recycling

2nd Life

Stationary Storage
SECOND LIFE

Stationary energy storage from a sustainable and economic point of view

RECYCLING

Running pilot projects on the retrieval, disassembly of batteries and separation of the several raw materials
Why are we going to Brussels?
Chances and synergy effects by shifting the Audi A1 to Martorell (Spain)

Learning in a dedicated “e-plant“

Bundling of know how & expertise

In the future...

Electric cars in all of our plants worldwide

Overall flexibility - ICE & electric cars on one production line
What is the role of our factory in Győr?
Pre-development & knowledge building started early in the technical center

Series production of electric motors started in July 2018

Actually installed capacity of 400 electric motors per day can be increased gradually

New winding and inserting center

Modular method in production cell
How can the customer use an electric car with ease?
PRIVATE

CHARGING AT HOME

~85% of charging events

Private parking space

At the workplace

PUBLIC

CHARGING ON THE ROAD

5-10% of charging events

Motorway services

CHARGING AT DESTINATION

5-10% of charging events

Customer parking

Public car parks
How long does charging take?
At home, charging over night is sufficient, on the road every minute counts
How do we ease private charging?
Everyday charging solution with up to 11 kW as standard equipment

CHARGING SYSTEM COMPACT

Double charging power & smart charging functions with photovoltaic integration

CHARGING SYSTEM CONNECT

Premium Turnkey Solutions through installation service

Everyday backbone for charging the Audi e-tron

Offers & Solutions differ regionally
Is intelligent charging necessary?
Forecasted Household Load: 29c/kWh
Forecasted PV Output: 12c/kWh

Home-Energy Management System (HEMS)

- Grid Price Table
- EV charging profile
- House consumption
- PV production
- Grid price table

House consumption
PV production
Is a long distance trip a challenge?
USA
484 stations by the end of 2019

USA
484 stations

Europe
400 stations by 2020

Ionity
What about other public charging facilities?
E-TRON CHARGING SERVICE
ONE Premium Access Europe-wide

- 70,000+ AC/DC charging points with up to 50 kW
- 2000+ High Power Charging points with up to 350 kW
- International roaming via Hubject, e-Clearing, etc.
- 220+ Charge point operators in 16 countries
Do I have to use several apps & maps?
RELAXED TRAVELLING
with the e-tron route planner

Convenient route planning in the car or via myAudi App

- Calculation of the **required charging stations** taking account of the current traffic situation
- **Display of the arrival time** including the necessary charging time
- Navigation continues outside of the vehicle *(First/Last Mile)*
Can I charge my EV at my workplace?
Audi invests 115 Mio. EUR in charging infrastructure

- Ingolstadt: 3,240
- Neckarsulm: 1,000
- Brussels: 74
- Győr: 14
- San José Chiapa: 23
started early to address the fields of action for going electric
THANK YOU!
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