Investor Dinner with UBS Fieldtrip Group
Ingolstadt, May 16, 2019
TALKING BUSINESS
Alexander Seitz, Board Member for Finance, China & Legal
AGENDA

QUICK LOOK INTO 2018

FIRST MONTHS 2019

OUTLOOK 2019

TRANSFORMATION PLAN
YEAR 2018: CHALLENGING TRIP ON A BUMPY ROAD

PRODUCT INITIATIVE

CHALLENGING MACROS

HIGH UPFRONT EXPENDITURE

DIESEL FINE

WLTP
CHALLENGING YEAR 2018

DELIVERIES
Audi brand, ’000 units

-3.5%

1,878 1,812

2017 2018

REVENUE
in euros million

-0.9%

59,789 59,248

2017 2018

OPERATING PROFIT *
in euros million

-24.4%

4,671 3,529

2017 2018

* Operating Profit before special items: 4,705 (5,058) m euros;
Operating RoS before special items: 7.9 (8.5)%

including special items of 387 m euros

including special items of 1,176 m euros

Operating RoS 7.8%

Operating RoS 6.0%
FY 2018 HAS NOT BEEN A LOST YEAR FOR AUDI

SUCCESSFUL STARTUP OF AUDI TRANSFORMATION PLAN

E-TRON KICKED OFF AUDI’S ELECTRIC VEHILCE INITIATIVE

MAJOR CASH CONTRIBUTOR TO VW GROUP

URUS TAKES LAMBORGHINI’S BUSINESS TO NEW LEVELS

RECORD SALES & MARKET LEADER IN CHINA

PRODUCT INITIATIVE PUSHES MIX TO C- AND D-SEGMENT

MEASURES WORTH 1.9 bn euros IMPLEMENTED

2,141 m euros NET CASHFLOW

TOTAL 5,750 TOTAL DELIVERIES (+51%)

663 TSD DELIVERIES (+11%)

DOUBLE DIGIT MARGIN

TOTAL OF 20 NEW MODELS & DERIVATIVES

COMPLETEY RENEWED C/D-SEGMENT
FIRST 4 MONTHS: TYPE APPROVAL PROCESS ALMOST COMPLETED BUT STILL IMPACTING DELIVERIES, BURDENS FROM MODEL INITIATIVE

WORLDWIDE

Audi brand, units

-5.9%

624,634

587,550

1-4/2018

1-4/2019
Q1: REVENUE WITH DEEP IMPACT FROM NSC*-DECONSOLIDATION

in euros million

-9.8%

Q1/2018 15,320 Q1/2019 13,812

without NSC-deconsolidation close to prior year level

*NSC = Multi brand National Sales Companies
EARNINGS DEVELOPMENT ROBUST, BUT EFFECTED BY ONGOING PRODUCT INITIATIVE, HIGH UPFRONT EXPENDITURE AND WLTP

OPERATING PROFIT & RoS

<table>
<thead>
<tr>
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<th>Q1/2018</th>
<th>Q1/2019</th>
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<tbody>
<tr>
<td>Profit</td>
<td>1,300</td>
<td>1,100</td>
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<tr>
<td>RoS</td>
<td>-15.4%</td>
<td>8.0%</td>
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in euros million, in percent
THANKS TO OUR STRONG CASH GENERATING ABILITY
AUDI HAS AGAIN CONTRIBUTED WELL TO VW GROUP NET CASH FLOW

**net cash flow**

1,207 m euros  
(Q1/2018: 1,919)

**net liquidity**

20,058 m euros  
(Q1/2018: 20,210)
FY 2019 OUTLOOK CONFIRMED. CHALLENGES REMAIN

REVENUE
slight increase

DELIVERIES
moderate increase

OPERATING RoS
7.0% to 8.5%

NET CASH FLOW
2.5 to 3.0 bn euros
FRESH IMPETUS: MODEL INITIATIVE PUSHES PRODUCT MIX

- approx. 20 new models and derivatives launched in 2018
- completely renewed C-/D-segment
- C-/D-ratio improved
- further focus on models with high margins

ADDITIONAL 20 models & derivatives TO COME THROUGHOUT 2019
NEXT STAGE OF ELECTRIC VEHICLE INITIATIVE

- strong feedback for Audi e-tron
- more than 30 electrified models to come until 2025
- crucial group synergies with electric architectures MEB and PPE starting from 2020ies
E-MOMENTUM CONTINUES: AUDI E-TRON SPORTBACK

- Sportback derivative from Audi e-tron
- higher pricing position
- asset-light approach
- Production car will be presented to world public in 2019
E-MOMENTUM CONTINUES: AUDI E-TRON GT

- Audi Sport goes electric
- Group synergies realized with Porsche Taycan
- Most emotional & sporty version of electric mobility

PRODUCT MOMENTUM NEEDS TO BE FINANCED...
AUDI TRANSFORMATION PLAN FREES UP RESOURCES FOR THE FUTURE

**New mind set**

**Profit zone**
**Prior to**

**Comfort zone**

**Increased target**

15 bn euros
by 2022

**Concrete measures**

for 70% of the target
TRANSFORMATION PLAN MAINTAINS PREMIUM MARGIN IN THE MEDIUM TERM

~30% from revenue increases  
~70% from cost savings

TARGET of approx. EUR 15 BN 
BY 2022
STRONGER FOCUS ON RoI TO REDUCE CAPITAL EMPLOYED

RoI = \frac{\text{OPERATING PROFIT}}{\text{CAPITAL EMPLOYED}}

"OUTPUT"

"INPUT"

OVERALL TARGET:

make AUDI MORE PROFITABLE and VALUABLE
CO₂ IS THE NEW CURRENCY FOR ALL PRODUCT DECISIONS

PROJECT MARGIN

CO₂ BONUS

CO₂ MALUS
ALL EYES ON CHINA. STRATEGY RELOADED.

- new Audi Q3 from new local plant Tianjin
- kick off of electric vehicle initiative: Audi e-tron and Q2 L e-tron from local production
- 12 locally produced models by 2022
- ambitious China-strategy with clear goal: double deliveries in the Chinese market in the mid term
ELECTRIC HAS GONE AUDI

Dr. Stefan Niemand, Head of Electrification
CUSTOMER DEMAND in C SEGMENT

GROWING SEGMENT

MAKING ELECTRIC CARS SEXY
E-roadmap

BEV platform
PPE

BEV platform
MEB

BEV dedicated platform

PHEV

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

Q4 e-tron

Q7 e-tron
A3 e-tron

Q5, A6/7/8 e-tron

2016
2020
2025
Electrification
It’s much more than just the vehicle!

Electric Mobility ONLY works as a SYSTEM
FLEXIBILITY on the road

COMFORT @Home

Private Charging

Public Charging

Premium Turnkey Solutions

HASSLE FREE from day one
CHARGING USE-CASES

- **Home Charging**: Charging at home
  - Used >85%
  - Must have

- **Semi-public Charging**: Charging at work
  - Used < 5%
  - Nice to have

- **Public Charging**: Charging at public areas
  - Used < 5%
  - Nice to have

- **Fast Charging**: Charging along highways
  - Used ~ 10%
  - Must have

**LONG RANGE capability is a buy or no-buy criteria!**
Stand: 14.05.2019

DER PLAN  IN BETRIEB  IM AUFBAU
400        093        049
Ladeparks bis 2020  Ladeparks  Ladeparks
E-TRON CHARGING SERVICE

ONE Premium Access Europe-wide

› 100,000+ 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
Intelligent Charging at HOME

Audi e-tron  +  Audi charging system connect  +  partner

= intelligent charging@home
Revolution needs action. We tackle.
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