Bank of America Merrill Lynch

German Autos (virtual) Tour

May 19th, 2020

Audi e-tron Sportback

Power consumption combined*: 23.9–20.6 kWh/100km (NEFZ); 26.3–21.6 kWh/100km (WLTP)

CO₂ emissions combined*: 0 g/km
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German Autos (virtual) Tour

Dr. Arno Antlitz, CFO

May 19th, 2020
We face coronavirus pandemic with coordinated crisis management and safeguard our business.

- Ensuring employee safety
- Protecting liquidity
- Maintaining core processes
Through managing the balance between sales and production we could avoid major increase in inventories.

**Deliveries**
Audi brand in k units

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries</td>
<td>447</td>
<td>353</td>
</tr>
<tr>
<td>Change</td>
<td>-21%</td>
<td></td>
</tr>
</tbody>
</table>

**Inventories**
Audi brand in €bn

<table>
<thead>
<tr>
<th></th>
<th>March 31st, 2019</th>
<th>December 31st, 2019</th>
<th>March 31st, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>453</td>
<td>399</td>
<td>403</td>
</tr>
<tr>
<td>Change</td>
<td>-12%</td>
<td>+2%</td>
<td></td>
</tr>
</tbody>
</table>

Q1 2019
Q1 2020
Thanks to the Audi e-tron and the new Q3 family we could improve our mix, increased contribution from kits for local production in China.

**Revenues in €bn**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>-10%</strong></td>
<td>13.8</td>
<td>12.5</td>
</tr>
</tbody>
</table>

Audi e-tron: Power consumption combined*: 24.3–21.0 kWh/100km (NEFZ); 26.6–22.4 kWh/100km (WLTP). CO₂ emissions combined*: 0 g/km
Audi Q3: Combined fuel consumption in l/100 km: 7.6 – 4.7; combined CO₂ emissions in g/km: 174 – 124
Q1 operating profit burdened by pandemic-induced sales decline and a raw material / currency valuation effect.

Operating profit in €bn

1.1
- 0.5
- 0.8
+ 0.2

Q1 2019
Market / Volume
Raw materials / FX valuation
Product costs
Fixed costs
Other items
Q1 2020

€15m

~€0.5bn
Return on Sales > 4.0%
adjusted for negative fair values for commodity hedges and negative currency effect in Q1 2020

8.0% Return on Sales

0.1% Return on Sales

1) pro forma value, adjusted for the €0.5bn fair value effect in Q1 2020
Solid net cash flow despite challenging market development.

Strong liquidity base enables us to keep to our strategic commitments.

### Net Cash Flow

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Cash Flow in €m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>1,207</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>952</td>
</tr>
</tbody>
</table>

-21% decrease

### Net Liquidity

<table>
<thead>
<tr>
<th>Date</th>
<th>Net Liquidity in €bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31st 2019</td>
<td>21.8</td>
</tr>
<tr>
<td>March 31st 2020</td>
<td>18.8</td>
</tr>
</tbody>
</table>

-14% decrease

- Profit transfer to the VW group: - €3.8bn
- AEV GmbH sale: €650, €302
With global automotive markets expected to decline by 15-20%, we have adjusted our full year guidance.

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020 guidance</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries to customers</td>
<td>significantly below prior year</td>
<td>1,845,573 units</td>
</tr>
<tr>
<td>Revenue</td>
<td>significantly below prior year</td>
<td>€55,680m</td>
</tr>
<tr>
<td>Operating return on sales</td>
<td>significantly below prior year</td>
<td>8.1%</td>
</tr>
<tr>
<td>Net Cash Flow</td>
<td>below prior year</td>
<td>€3,160m</td>
</tr>
<tr>
<td>Return on investment</td>
<td>below prior year and below 9%</td>
<td>12.7%</td>
</tr>
<tr>
<td>R&amp;D ratio</td>
<td>below prior year</td>
<td>7.9%</td>
</tr>
<tr>
<td>Capex ratio</td>
<td>on prior year level</td>
<td>4.9%</td>
</tr>
</tbody>
</table>
With solid structures and competitive product substance
Audi shapes the transformation.
Audi e-tron Sportback 55 quattro: Combined electric power consumption in kWh/100 km (62.1 mi): 22.7 - 20.6 (NEFZ); Combined CO₂ emissions in g/km: 0. Information on fuel/power consumption and CO₂ emissions in ranges depending on the chosen equipment level of the car.
Shaping premium e-mobility
Dr. Claus Hegner, Head of PPE model line

Power consumption combined*: 24.3–21.0 kWh/100km (NEFZ); 26.6–22.4 kWh/100km (WLTP)
CO₂-emissions combined*: 0 g/km;

May 19th, 2020
Audi has an ambitious roadmap E: until 2025 NEV-share should increase to 40%, with around 20 fully electric models in the portfolio. 

**PHASE 1: ESTABLISHING**

- First Audi BEV
- 5 BEVs
- ramp up of MEB platform

**PHASE 2: SCALING**

- PHEV Push: ~10 PHEV models until 2022
- ~30 models
- ~20 BEVs
- ramp up of PPE platform

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1) NEV-share is defined as % of PHEVs & BEVs of the production. 2) China-only model. Audi e-tron: Power consumption combined*: 24.3–21.0 kWh/100km (NEFZ), 26.6–22.4 kWh/100km (WLTP). CO₂ emissions combined*: 0 g/km. Audi e-tron Sportback: Power consumption combined*: 23.9–20.6 kWh/100km (NEFZ), 26.3–21.6 kWh/100km (WLTP). CO₂ emissions combined*: 0 g/km.
We address profitable e-mobility holistically, looking into every step of the value chain.

- highly attractive portfolio
- volume & pricing
- new business models

+ consistent use of architectures
  - complexity reduction
  - advances in battery technology & scale effects
  - production & fixed costs
Shared platforms enable us to offer broad electric portfolio, covering all relevant customer segments.

**MLBevo**

**J1**

**MEB** ~20m vehicles by 2029

**PPE** ~6m vehicles by 2029

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**D**

- e-tron GT

**C**

- e-tron Sportback
- e-tron

**B**

**A**

- Q4 e-tron

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Audi e-tron: Power consumption combined*: 24.3–21.0 kWh/100km (NEFZ); 26.6–22.4 kWh/100km (WLTP) CO₂-emissions combined*: 0 g/km

Audi e-tron Sportback: Power consumption combined*: 23.9–20.6 kWh/100km (NEFZ); 26.3–21.6 kWh/100km (WLTP) CO₂-emissions combined*: 0 g/km

1) ~6m vehicles by 2029; ~20m vehicles by 2029.
From the conceptual stage we focus on design-to-cost and aim for high share of carry-over-parts.
Reduction in battery costs is pivotal for achieving high BEV profitability. With the PPE, we reduced complexity and improved battery costs.
We use group synergies beyond hardware. Car.Software organization centralizes development of car software and digital ecosystems.
High-end PPE-based vehicles bring functionality to the next level. Technological edge and high quality enable us to achieve premium pricing.

- sporty proportions & silhouette
- from Ingolstadt to Brussels on one charge
- from London to Blackpool on 15 min charge
- revolutionary driving experience
- ... more with S-versions

Advanced autonomous driving functions
Integration with new business
Digital services & updates

AUDI AG   Dr. Claus Hegner  Bank of America Merrill Lynch  |  German Autos (virtual) Tour    May 19th, 2020