

# Danske Bank Fieldtrip

June 8, 2017



**Axel Strotbek**

Board Member for Finance, IT and Integrity, AUDI AG



## Markets



## Financials

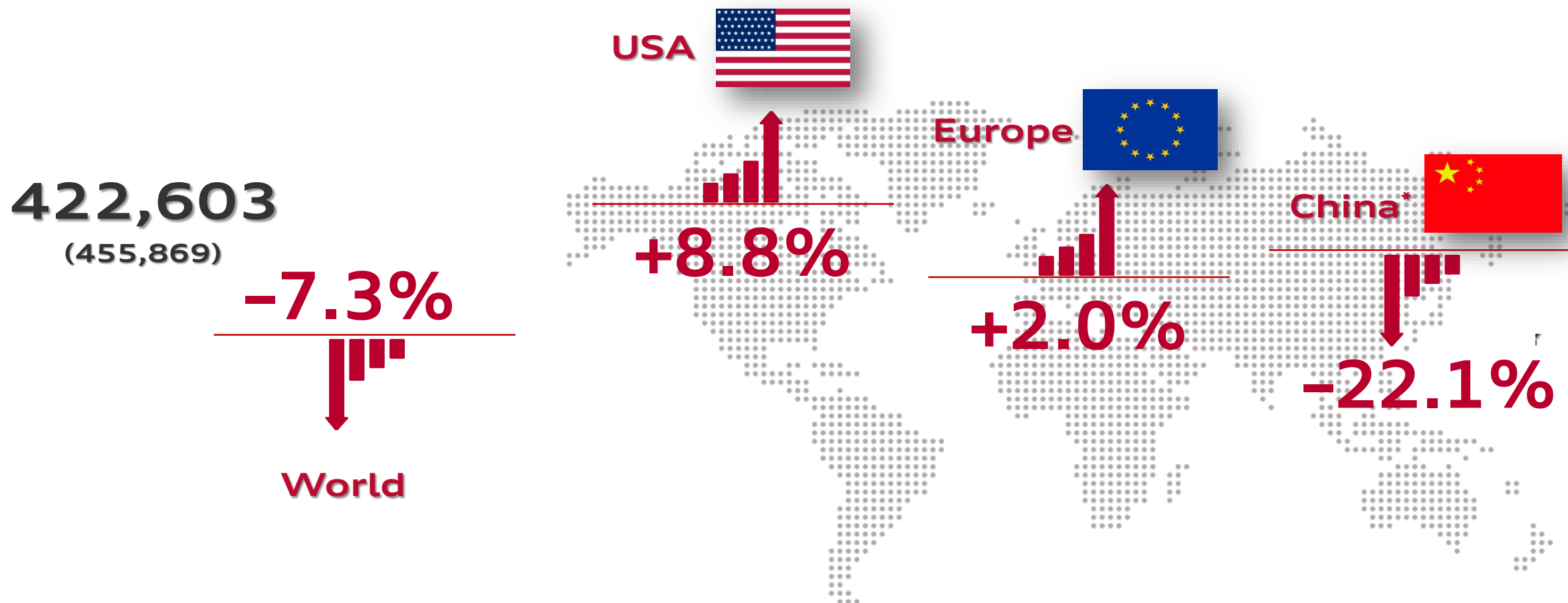


## Strategy



## First quarter 2017: Global sales strongly impacted by temporary extraordinary effects in China

Audi deliveries to customers in units and percent (1-3/2017 vs. 1-3/2016)



# In the US Audi deliveries increased substantially by 8.8 percent

Audi deliveries to customers in units and percent (1-3/2017 vs. 1-3/2016)

USA



+8.8%

45,647

(41,960)

#1

2016 ANNUAL  
AUTO ISSUE  
BEST & WORST NEW CARS  
SAFER CARS FOR EVERYONE → NEW TECHNOLOGY THAT SAVES LIVES  
**Consumer Reports**

+25.5%



A4



Q3



Q5



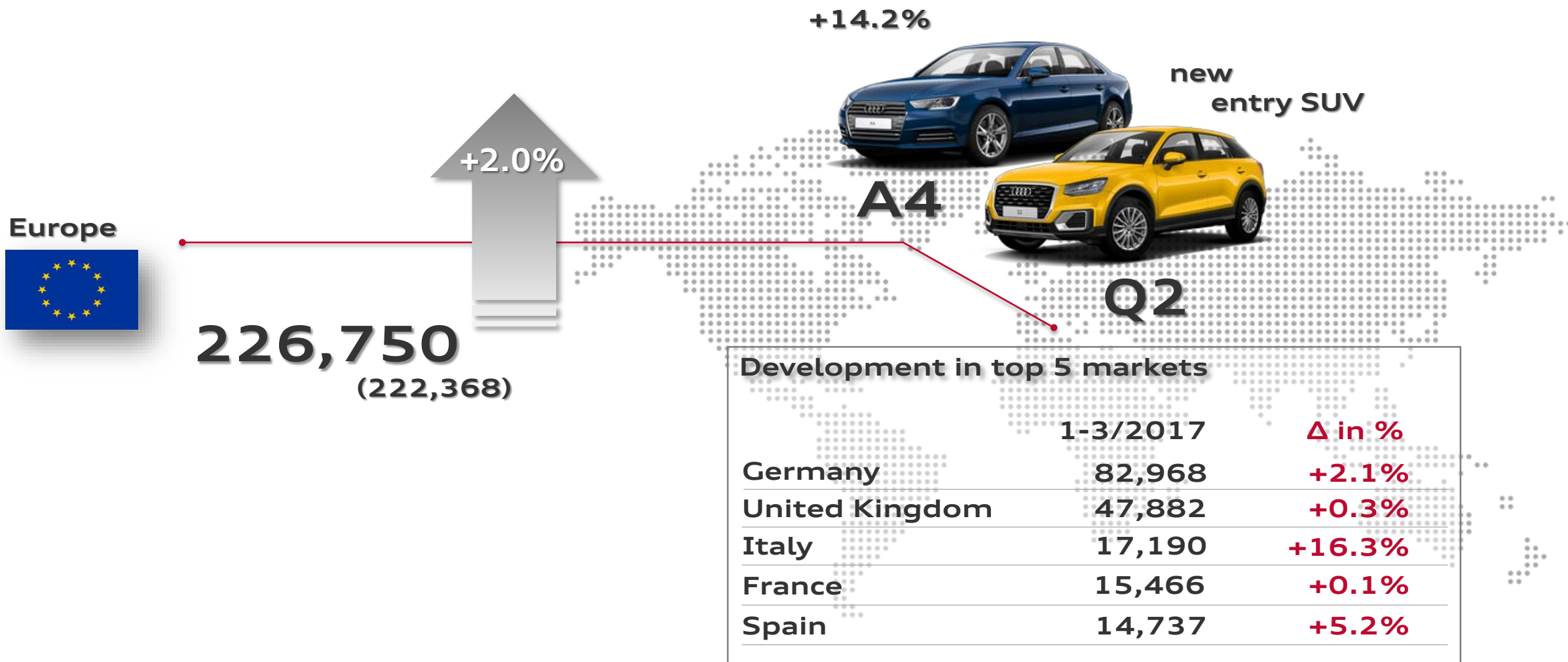
SUV-family:  
+19.4%

Q7



# Among the large European markets Audi registered further increases

Audi deliveries to customers in units and percent (1-3/2017 vs. 1-3/2016)



# Audi is preparing with its local partners for the planned next stage of growth

Audi deliveries to customers in units and percent (1-3/2017 vs. 1-3/2016)

**Temporary  
extraordinary  
effects**

China\*



**108,707**  
(139,540)

**-22.1%**

Launch of



**A6 L e-tron**

and



**Q7 e-tron**

**in 2017**





## Markets



## Financials



## Strategy



## Robust financial performance in a tough fiscal year 2016

### Turning.moment

**1,867,738** (1,803,246)

Deliveries to customers Audi brand

**59,317 EUR million** (58,420)

Revenue

**3,052 EUR million** (4,836)

Operating profit

**1,794 EUR million** (298)

Special items

**4,846 EUR million** (5,134)

Operating profit adjusted

**8.2%** (8.8)

Operating return on sales adjusted

**2,094 EUR million** (1,627)

Net cash flow

**17,232 EUR million** (16,420)

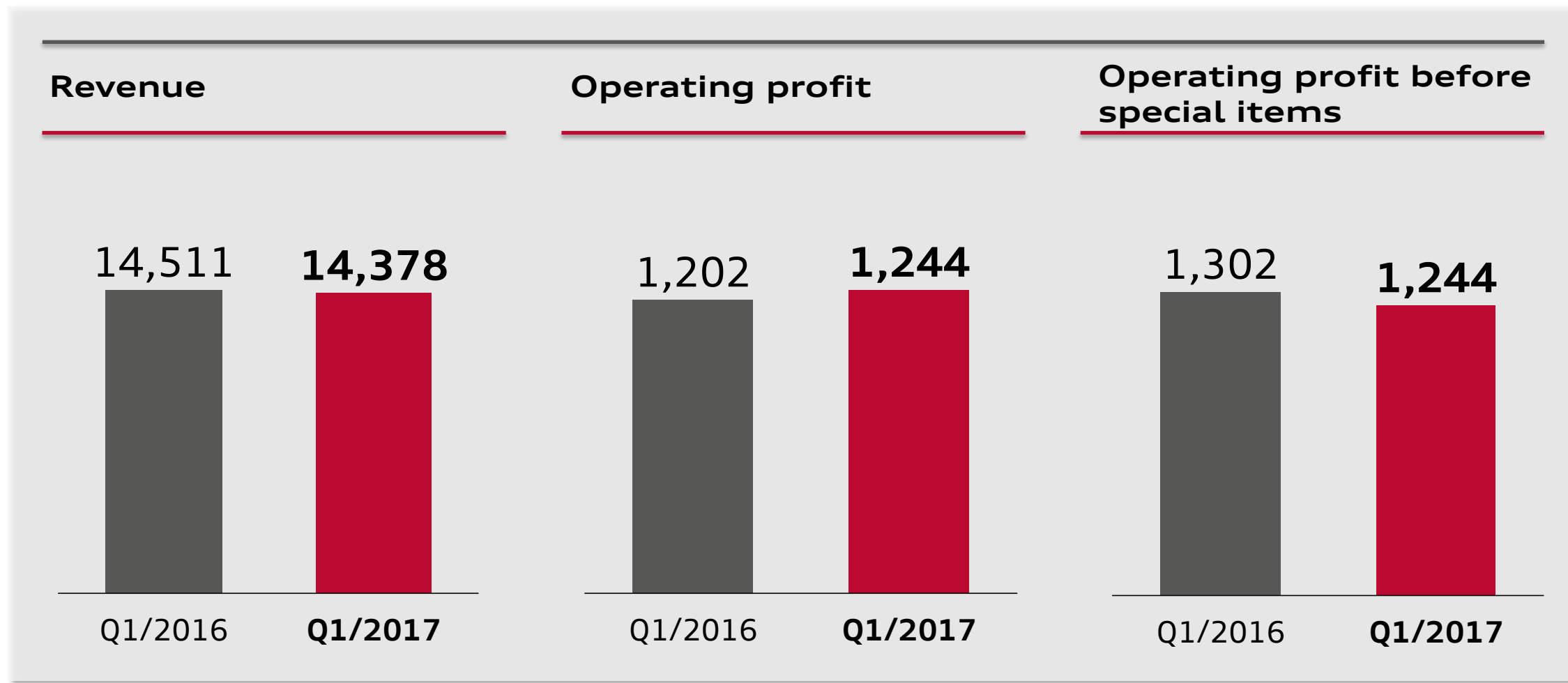
Net liquidity





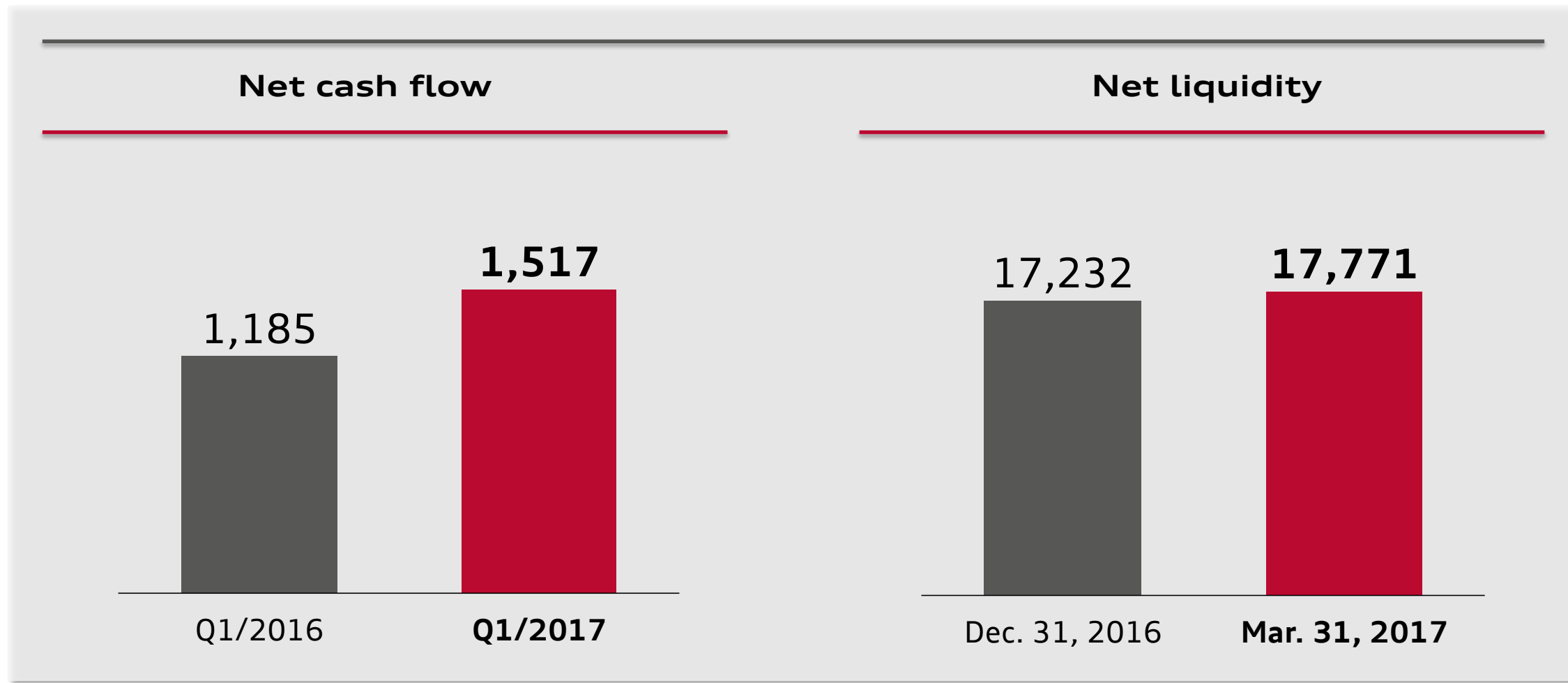
## Q1/2017: Audi Group achieved a sound financial performance

EUR million



## Q1/2017: Audi with strong ability to generate funds internally

EUR million



## Key performance indicators: Outlook 2017 remains ambitious

<b>Deliveries of cars of the Audi brand to customers</b>	slight increase
<b>Revenue</b>	slight increase
<b>Operating profit/ Operating return on sales</b>	within the strategic target corridor of 8 to 10%
<b>Return on investment</b>	within a range of 15 to 18%
<b>Net cash flow</b>	positive, significantly below the previous year due to diesel
<b>Ratio of capex</b>	within the strategic target corridor of 5.0 to 5.5%
<b>Research and development ratio</b>	slightly above the strategic target corridor of 6.0 to 6.5%





## Markets



## Financials



## Strategy



**We rejuvenate and extend our product range!**

**5** renewed core model series  
by mid **2018**,

**2** new Q-models

and **3** e-tron models by **2020**.



**We extend our successful Q-model lines by 2 completely new models!**





**Game Changer Urus – the most sporty Super Sports Utility Vehicle**

# **A new era of luxury at Lamborghini**

## **Launch in 2018**





**e-tron: the first full electric car from Audi – launch in 2018**

A blue Audi e-tron GT is shown driving on a paved road that curves through a hilly, dry landscape. The car is in motion, with a blurred background suggesting speed. The car's design is sleek and aerodynamic, with a prominent front grille featuring the Audi logo. The driver is visible through the windshield.

**e-tron**

**Range  
more than 500 km**



**e-tron Sportback will follow in 2019**

**New architecture of  
e-mobility**



**e-tron**



**We will electrify Audi models in each core series starting in 2021!**

# e-tron

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**Premium cooperation with Porsche**

## We digitize product and production!

**P**erspectively **connectivity** in every Audi,

**P**latform with **infotainment** and  
**digital services**

and **S**mart **Factory** as vision of  
**connected manufacturing.**



**We will gather together our customers and fans online and create added value for them**



**Digital platform**

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**We expect 10 million users by 2025 for integrated, connected premium mobility and digital services.**



## Revolutionary concept in the car industry



Function  
on demand

## Modular assembly



# Smart Factory

**We create sustainable offers for mobility!**

**e-tron** and further **electric cars** planned,  
strong **g-tron** family and innovative **fuels**,  
**mild-hybrids** in every model series by 2025  
and **n**ew rules for **sustainable supplier**  
**relations.**



**We develop technologies for urban mobility!**

**A**tttractive mobility services,

**T**echnology of piloted driving and parking

and **A**utonomous Intelligent Driving.





# Technologies for the city of the future



**Piloted parking and driving**

**HERE digital maps with real-time reality index**

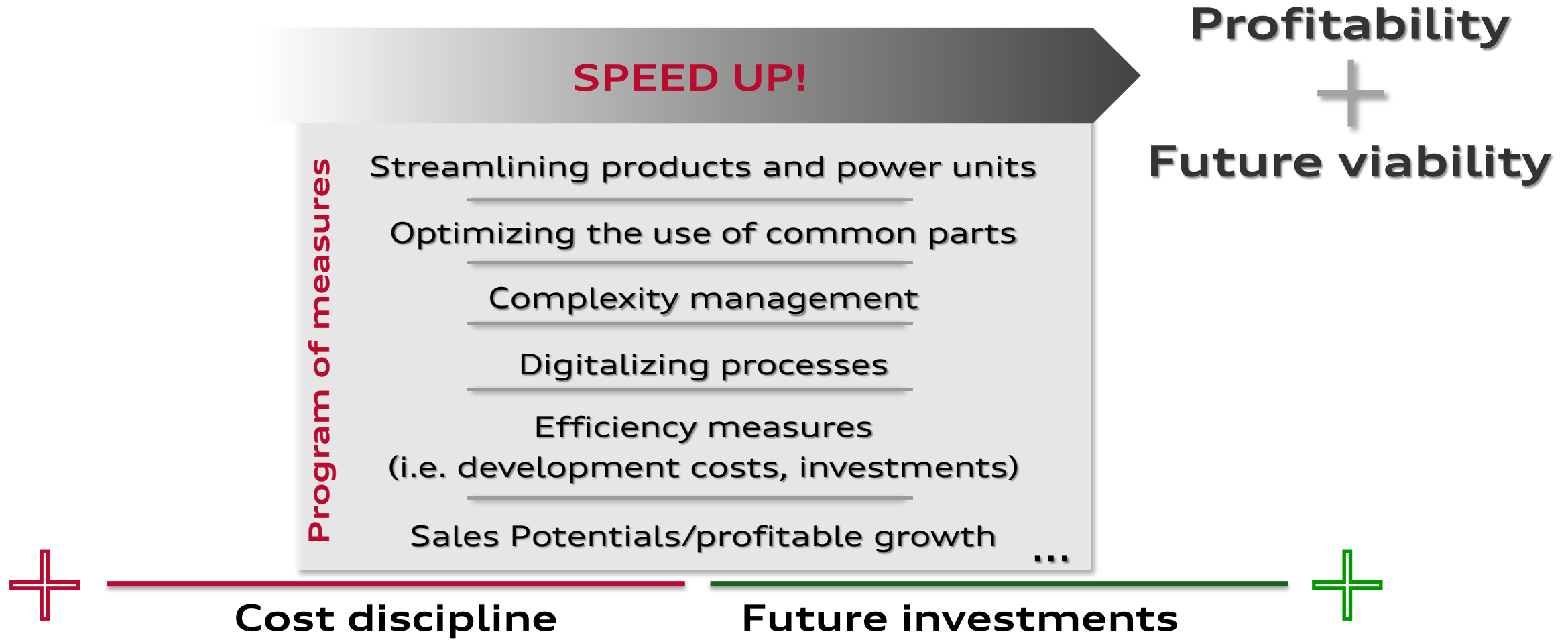


**Connected stoplights, parking spaces and parking garages**

**Swarm intelligence in Internet of Things**



**Clear focus on return, efficiency and process and cost optimization!**



# Audi 2025 – clear goals, clear responsibilities, clear measurability

## Strategic goals

**Digitalization**

**Sustainability**

**Urbanization**

Financial long-term targets are the framework

**1**

Operating  
return on sales:  
8 – 10%

**2**

Return on  
investment:  
21%

**3**

R&D ratio:  
6,0 – 6,5%

**4**

Ratio of capex:  
5,0 – 5,5%

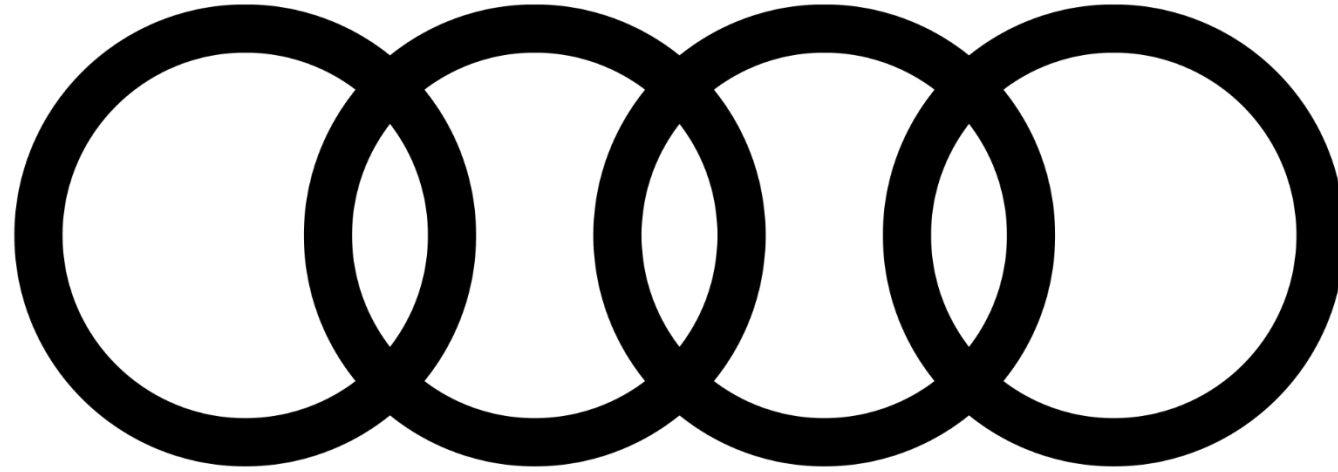
**5**

Positive net  
cash flow

Projects directly reported to  
the Board of Management

**Agility constitutes  
an Audi core competence!**





**Vorsprung remains our promise!**





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June 8, 2017



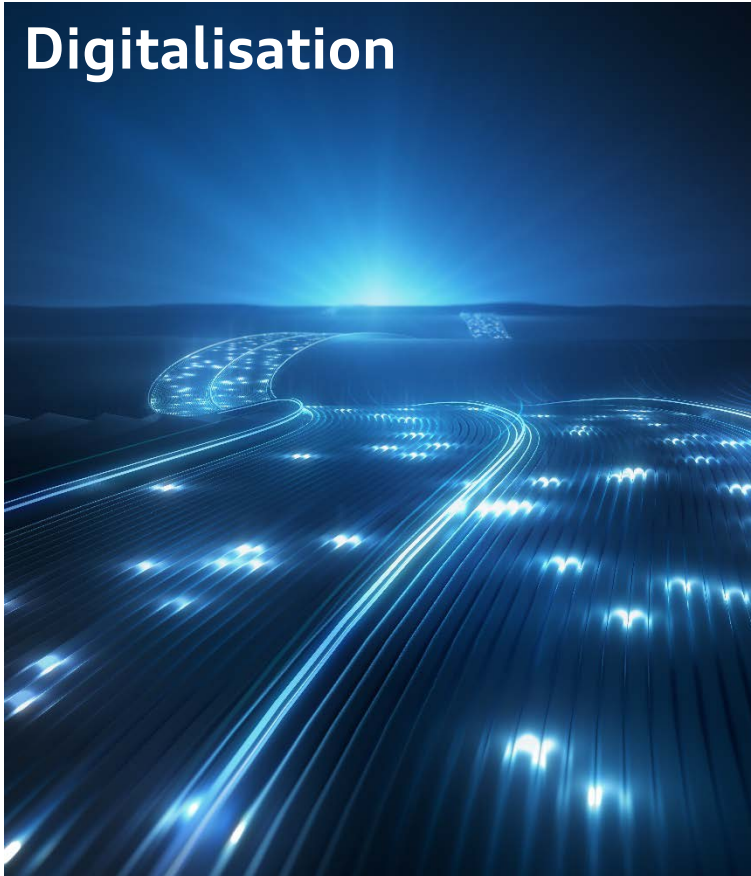
**Dr. Miklos Kiss**

Head of Predevelopment Automated Driving, AUDI AG



# Milestones in future mobility

## Digitalisation



## Urbanisation



## Sustainability





# Piloted driving as an influence on megatrends

## 1 Enhanced safety



## Eco-friendly driving 2



## 3 More comfort for the customer



## Efficient use of the transportation infrastructure 4



Piloted  
driving



## Broad range of driver assistance functions already in production today

### Standard features

- › Hold assist
- › Audi pre sense basic
- › Audi pre sense city
- › Park assist rear
- › Adjustable speed limiter
- › Cruise control system
- › Break recommendation function

### Tour assistance package

- › Turn assist left
- › Adaptive cruise control
- › Audi active lane assist
- › Audi pre sense front
- › Obstacle avoidance assist
- › Camera-based traffic sign recognition
- › Predictive efficiency assistant
- › Traffic jam assist

### City assistance package

- › Audi side assist
- › Exit warning
- › Audi pre sense rear
- › Park assist plus
- › Rear cross-traffic assist
- › Reversing camera

### Additional options

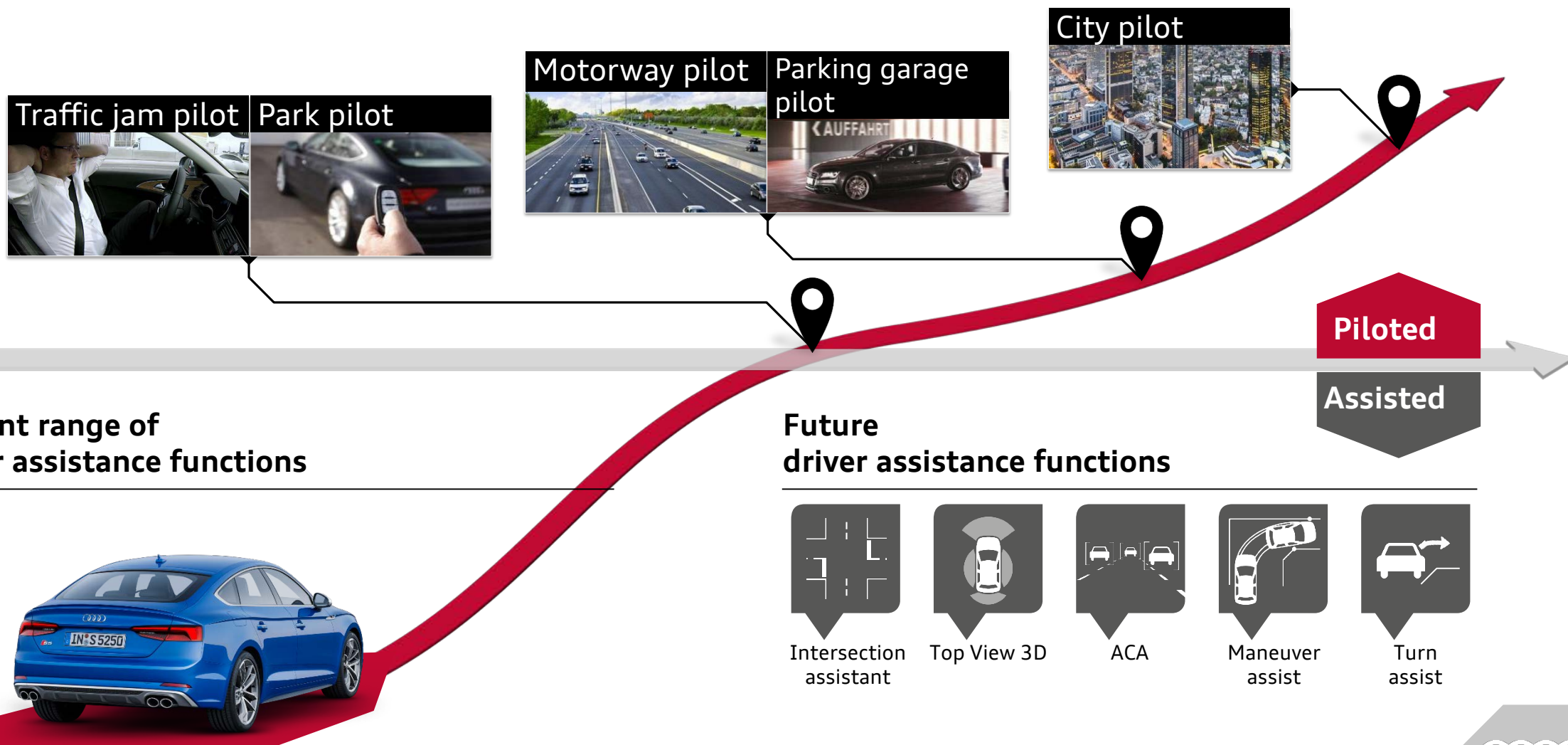
- › Trailer assist
- › Main beam assist
- › MMI navigation plus with MMI touch
- › Night vision assistant

### Parking assistance package

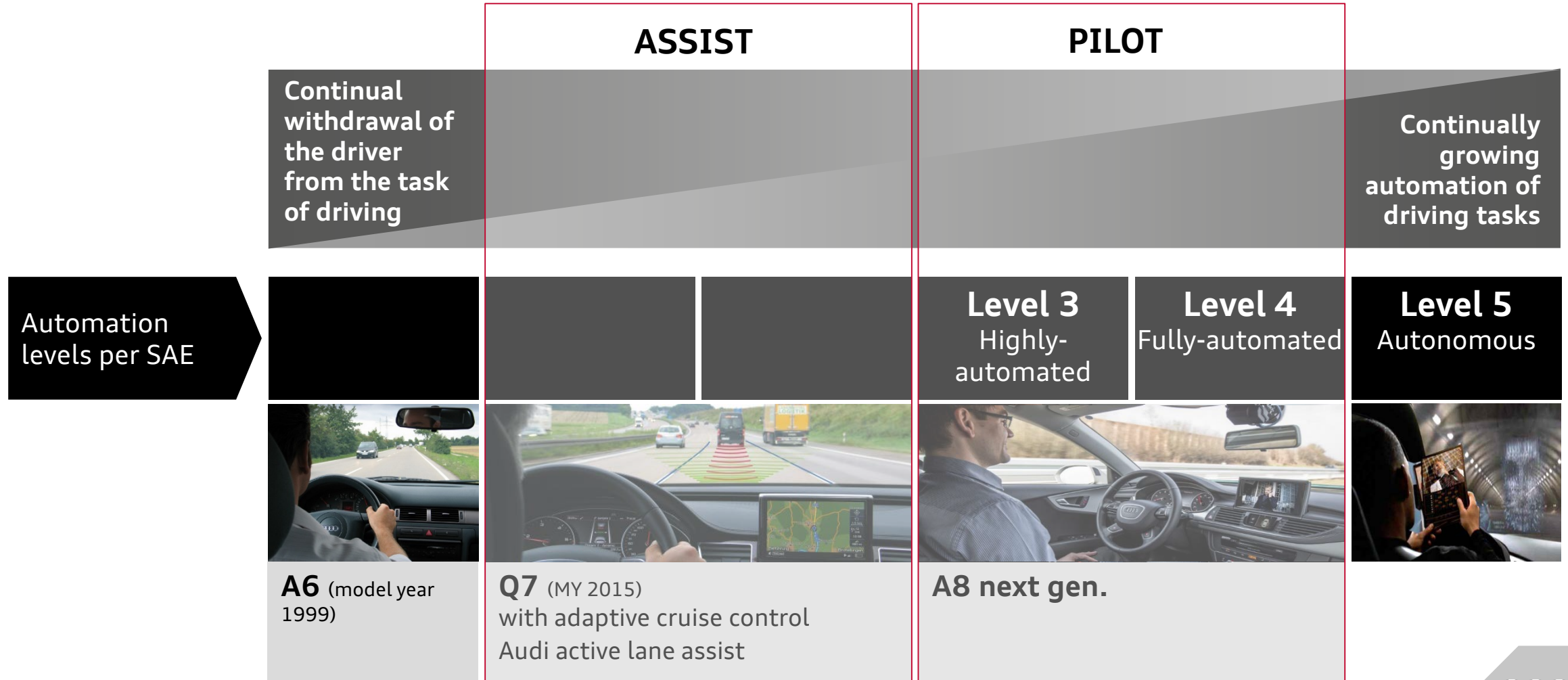
- › Surroundings camera
- › Park assist



# Evolutionary advanced development driver assistance & piloted functions



## Each evolutionary stage will relieve the driver more

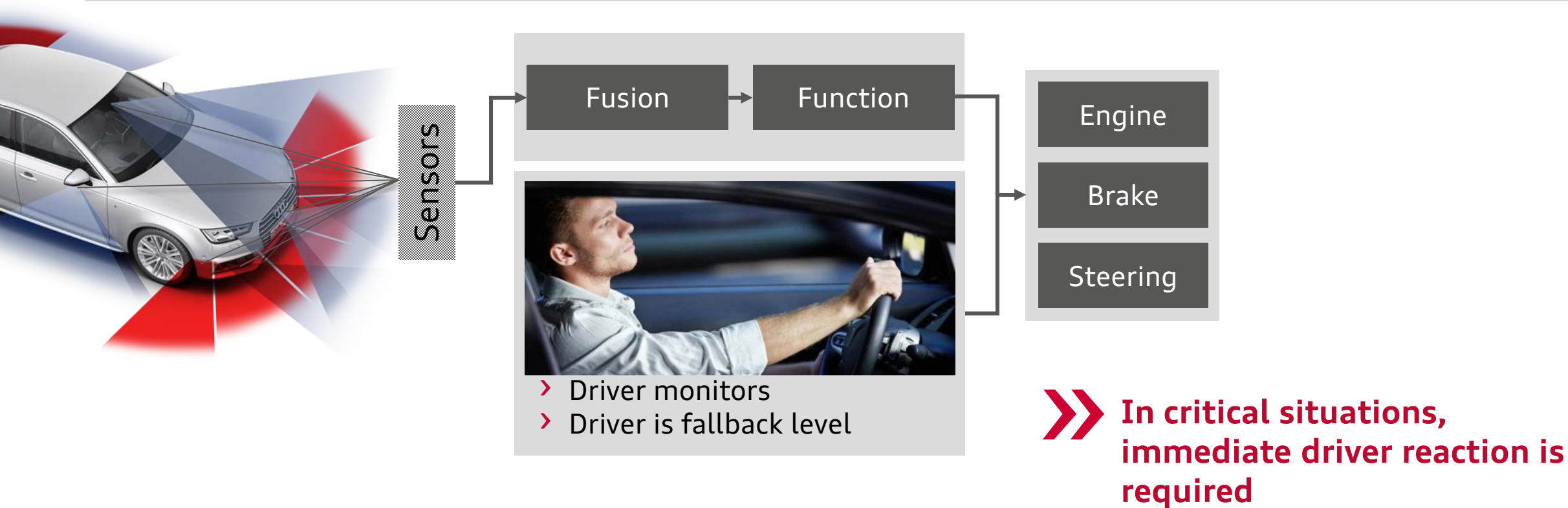




**In piloted driving, a technical fallback level assumes the primary monitoring function in the task of driving**

## System concept - Assisted driving

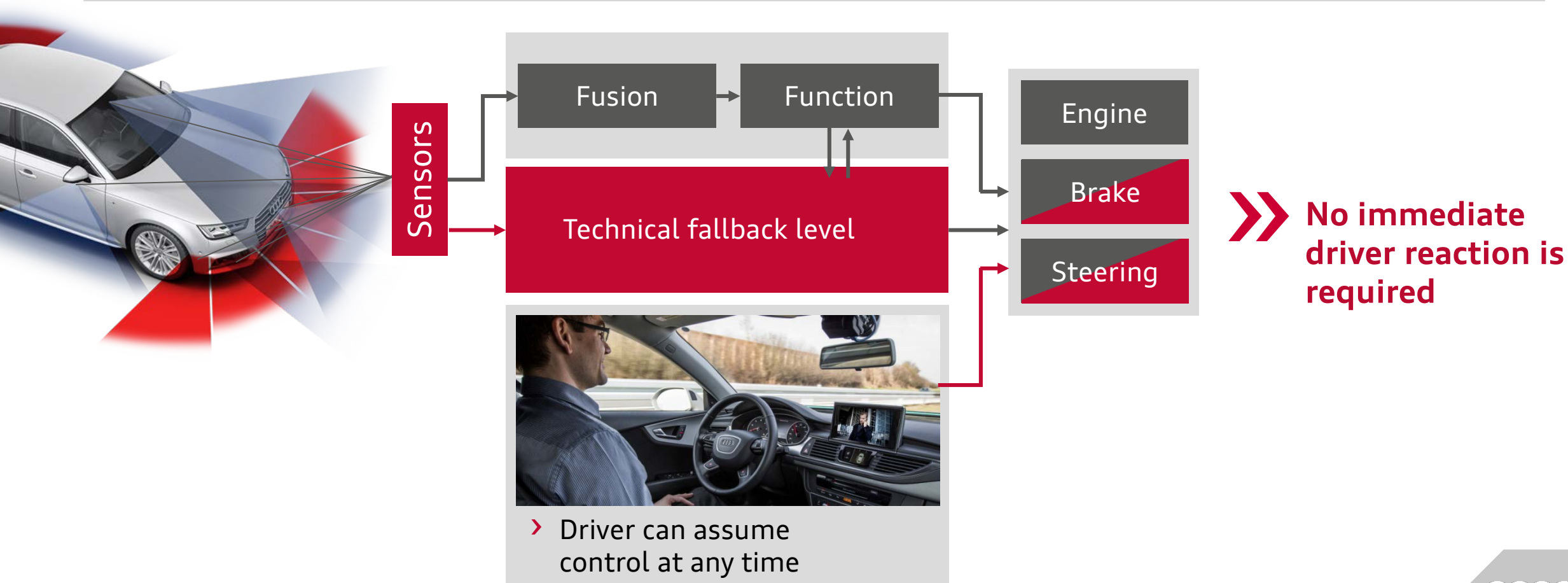
(Schematic)



**In piloted driving, a technical fallback level assumes the primary monitoring function in the task of driving**

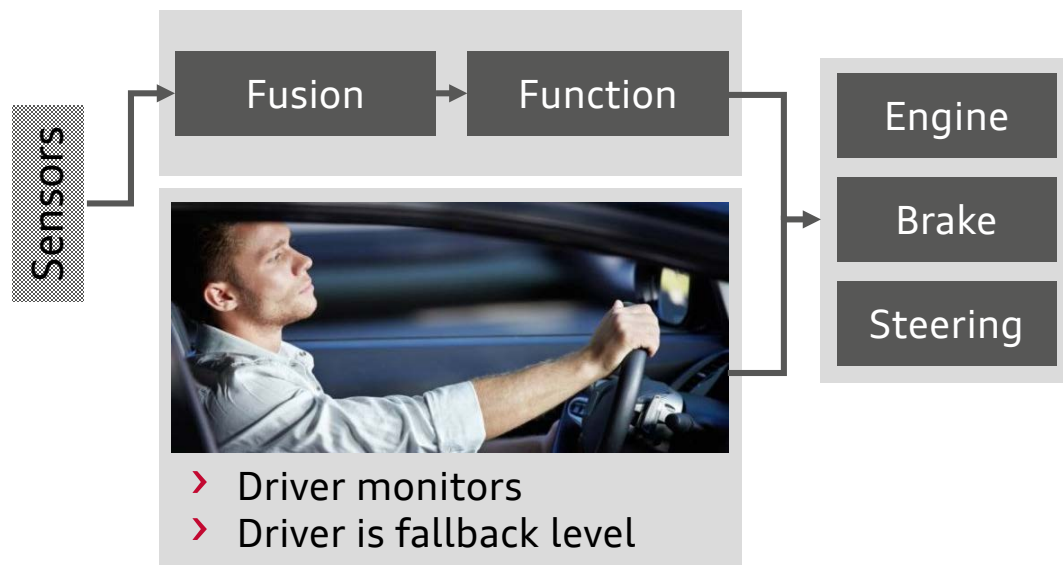
## System concept - Piloted driving

(Schematic)



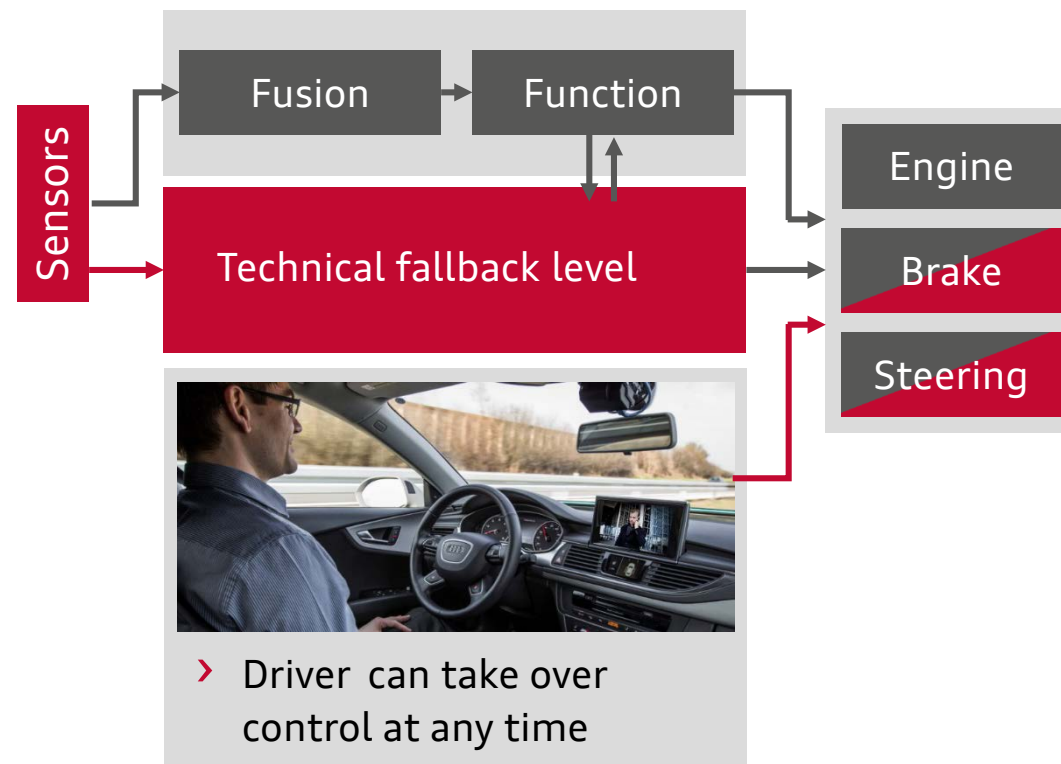
# Piloted driving – comfortable and safe on the road

## Assisted driving



**>>> In critical situations, immediate driver reaction is required**

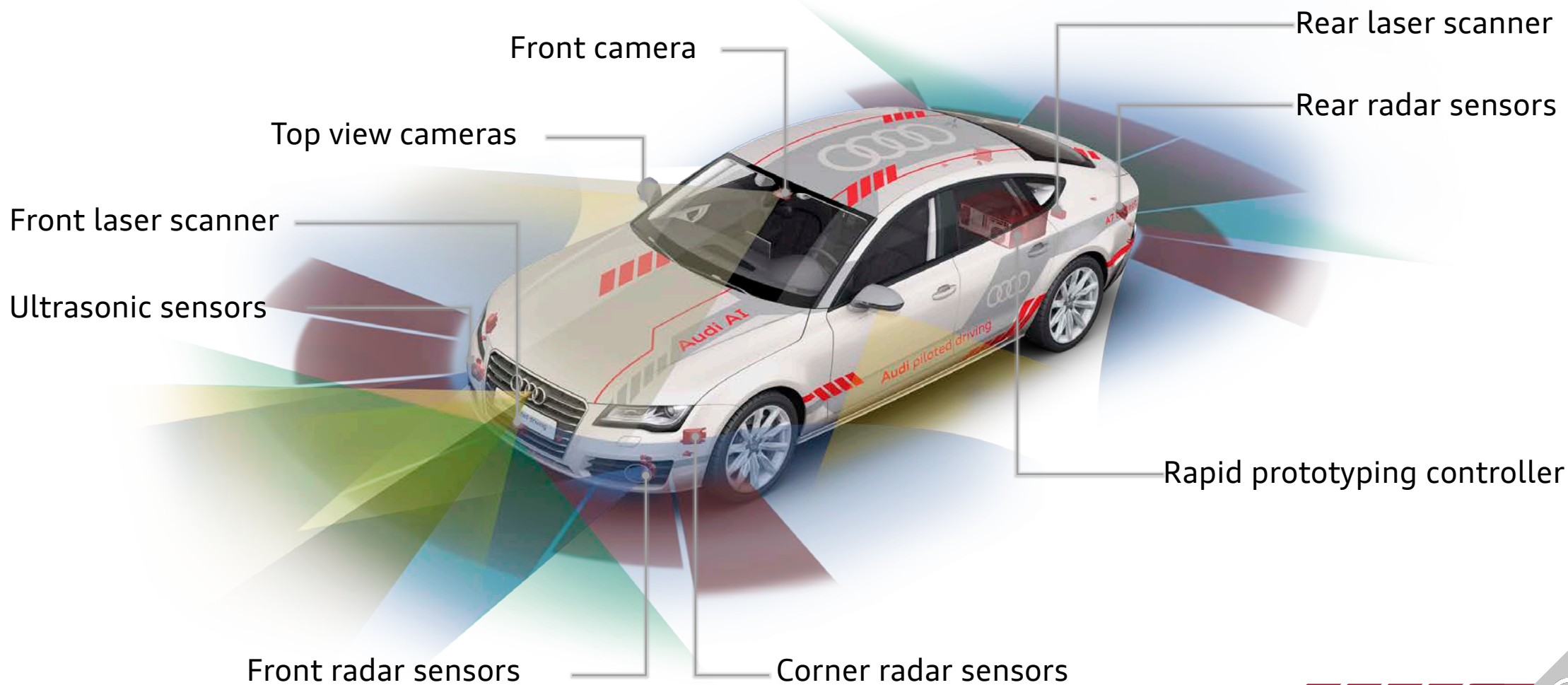
## Piloted driving



**>>> No immediate driver reaction required**



## Today's sensor set in piloted driving



# Cooperative driving behaviour that fits every situation



**Harmonious accelerating and braking**



**Intelligent lane changes**



**Maintaining distances (lateral)**



**Recognising the intentions of other road users**



**Allowing merging**



**Route guidance  
with high proportion of route driven by piloted driving**



# Combination of driving expertise with perception of surroundings

See

Communicate

Decide



... to drive safe





# Digital A9 Motorway Testing Area

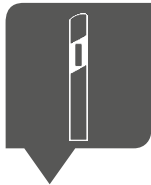
## Testing in the infrastructure of the future



### Construction measures



Road stripe markings



Side posts



Supplemental signs



Guard rails



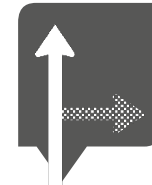
### Communication measures



Variable message traffic signs



Permission to use paved shoulders



Variable direction signs



Warnings



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# Thank you!

## Disclaimer

This presentation contains forward-looking statements and information on the business development of the Audi Group. These statements may be spoken or written and can be recognized by terms such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words with similar meaning. These statements are based on assumptions relating to the development of the economies of individual countries, and in particular of 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 involve a degree of risk, and the actual developments may differ from those forecast.

Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in China or the USA, will have a corresponding impact on the development of our business.

The same applies in the event of a significant shift in current exchange rates relative to the US dollar, sterling, yen and Chinese renminbi.

If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

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