



Audi Investor & Analyst Day

March 16, 2017





Audi Investor & Analyst Day

Dr. Dietmar Voggenreiter
Board Member for Sales & Marketing



The background is a dark, rich red. Overlaid on this are numerous thin, glowing red lines that form a large, sweeping arc across the upper half of the image. These lines have a motion-blur or light-trail effect, giving a sense of dynamic movement. The lines are more concentrated and brighter on the right side of the arc, where they appear to originate or end.

2016

YEAR 2016

1.87

MILLION CARS

ANOTHER RECORD –
BREAKING YEAR 2016

+97%

VOLUME GROWTH

COMPARED TO 2009

MARKET PERFORMANCE

+5.3%

NORTH AMERICA
GROWTH IN 2016

+7.1%

EUROPE
GROWTH IN 2016

+0.5%

ASIA-PACIFIC
GROWTH IN 2016

HIGHLIGHTS 2016



164,000 UNITS

THE NEW AUDI A4

EUROPE'S MARKET LEADER
IN ITS PREMIUM SEGMENT



HIGHLIGHTS 2016

100,000 UNITS

THE AUDI Q7

DOUBLED THE AVERAGE ANNUAL
SALES OF ITS PREDECESSOR

HIGHLIGHTS 2016

20,000

CARS SOLD
IN 2016

+18%

SALES VOLUME
GROWTH IN 2016



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2017

MARKET PERFORMANCE

2017

+14.3%

USA

GROWTH Jan-Feb

+2.5%

EUROPE

GROWTH Jan-Feb

-24.0%

CHINA

GROWTH Jan-Feb

SALES & MARKETING PROGRAM

Audi. Reloaded

FUTURE BUSINESS
MODEL

80%

PRODUCT



20%

DIGITAL SERVICES



GUIDING PRINCIPLE

myAudi

e-tron

Audi.Reloaded

We drive profitable growth
through brand desirability and
inspiring customer experiences.

Audi AI



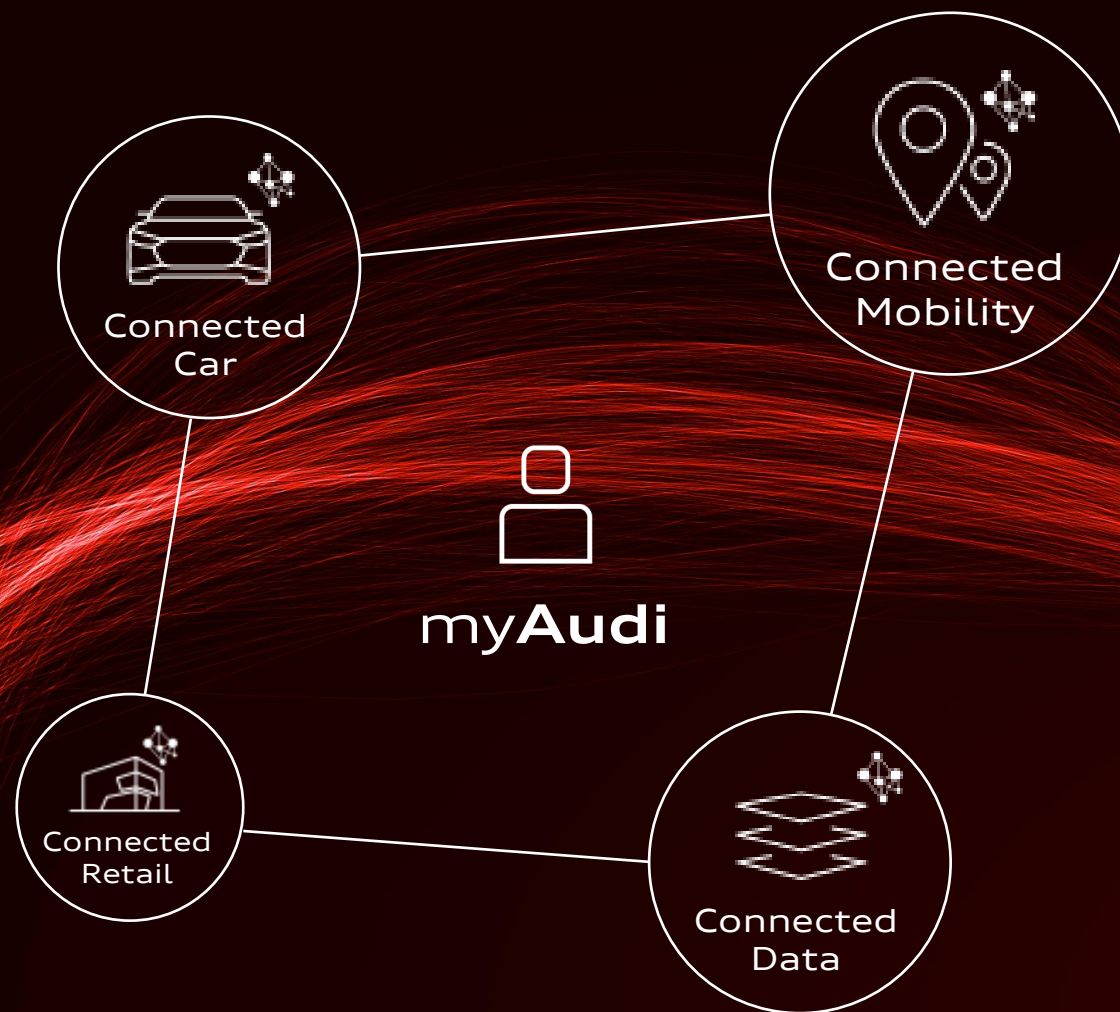
Audi Investor & Analyst Day

Nils Wollny

Digital Business Strategy &
Customer Experience



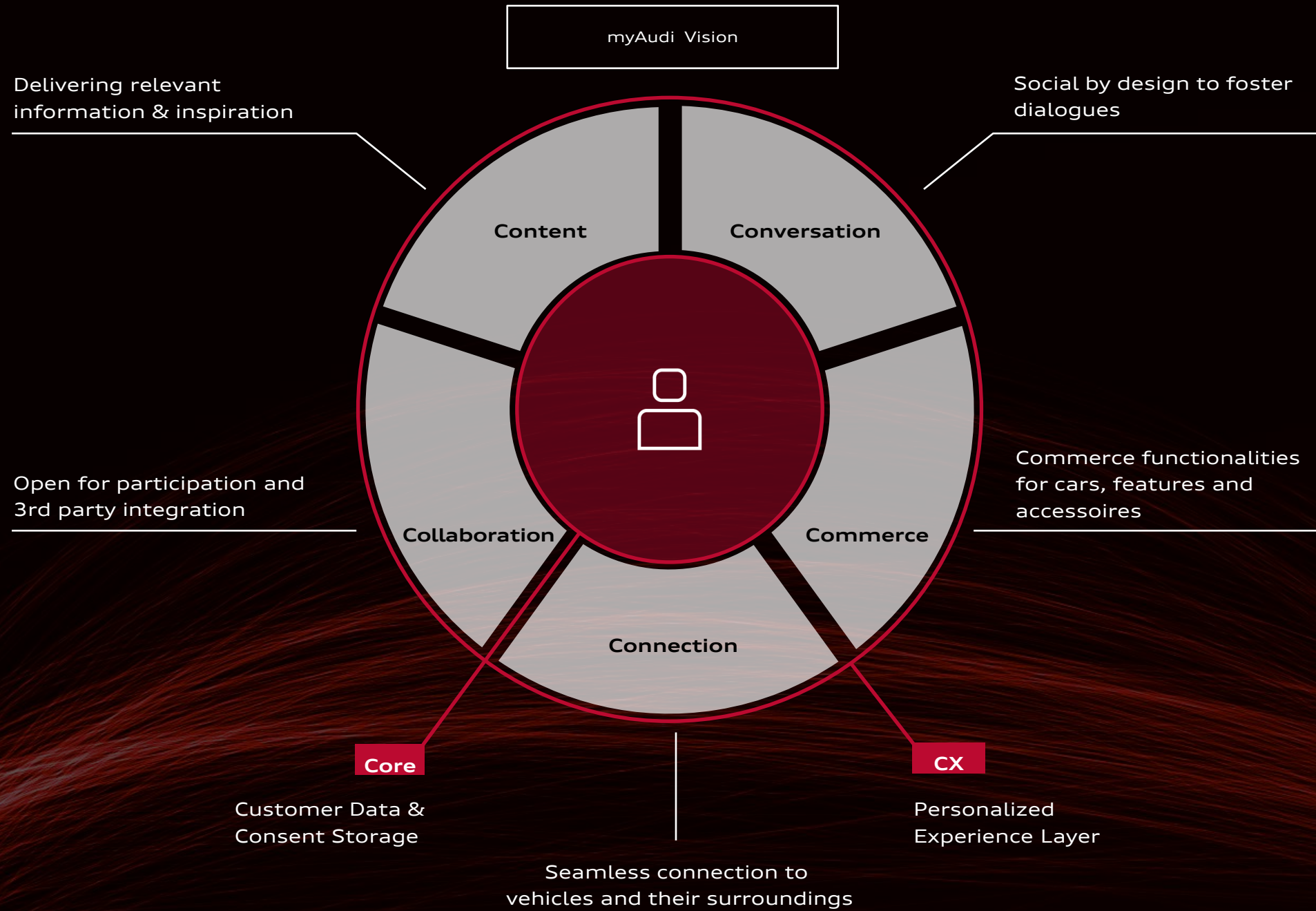
Audi Digital Strategy 2025



myAudi Vision

myAudi

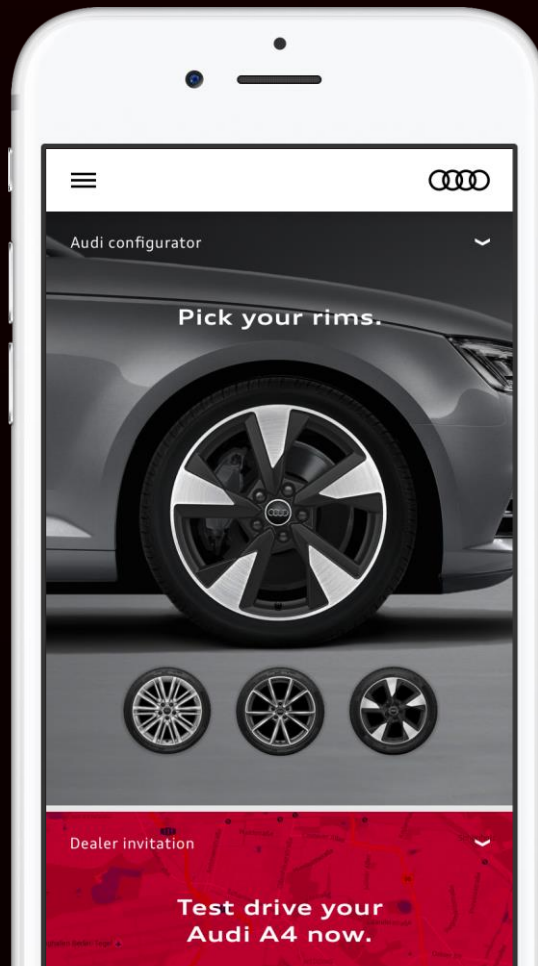
**Connecting to
everything
that drives you.**



myAudi Vision

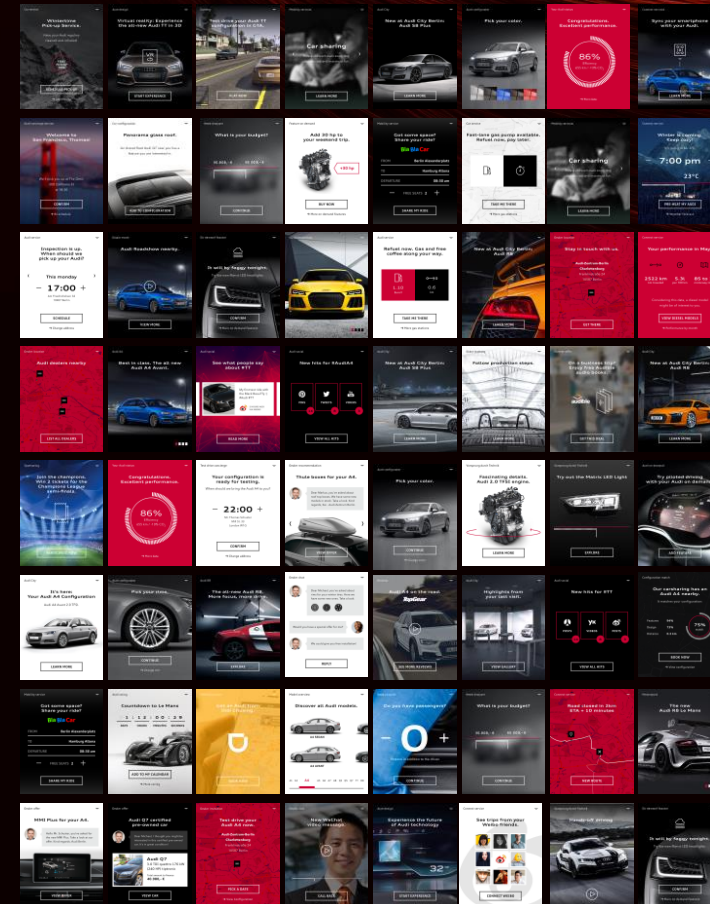
The Pulse

A hyper-individual value stream that is habit-forming



The Beats

Wow-moments – radically adaptive to contextual needs



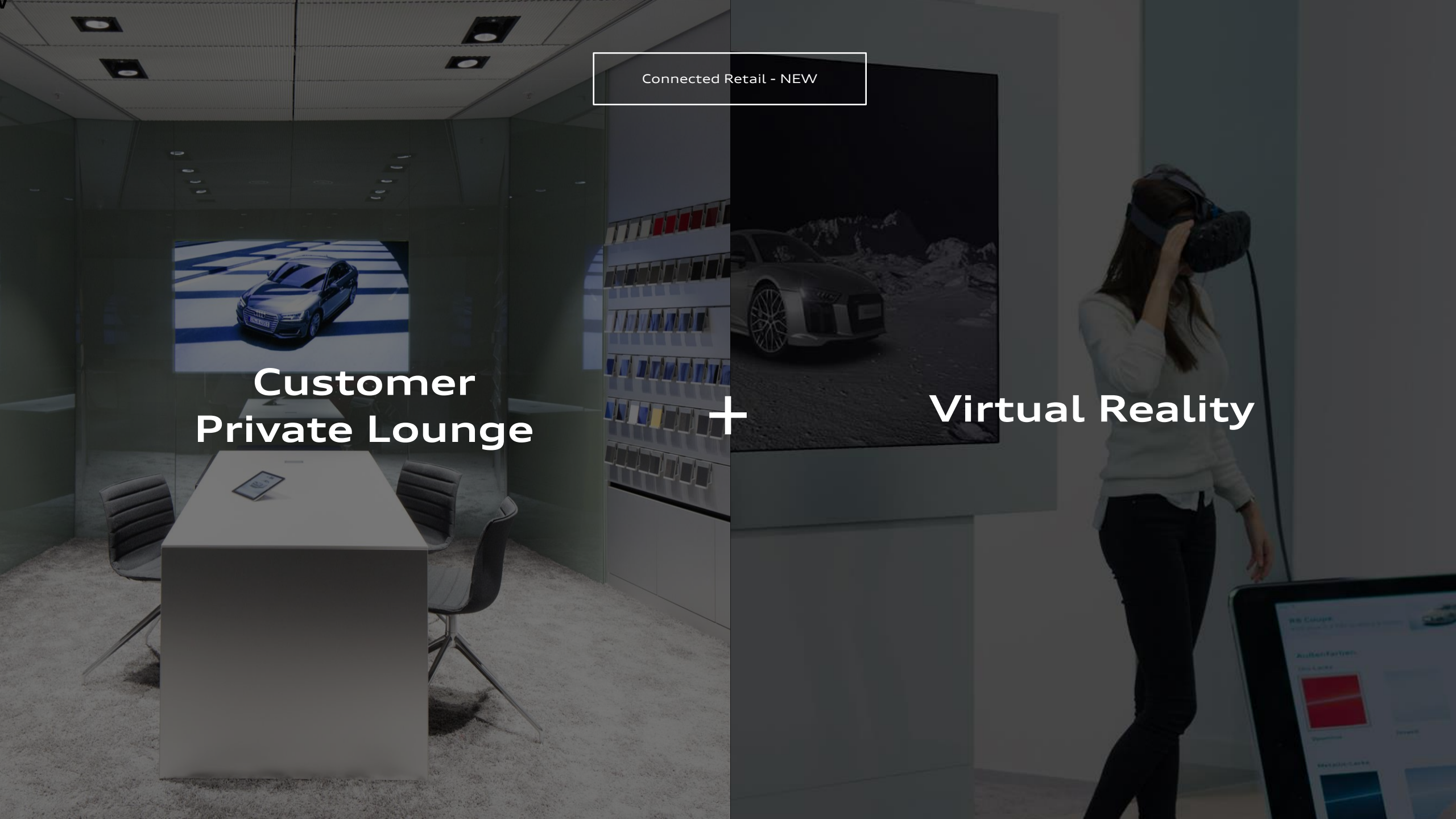


Connected Retail - NEW

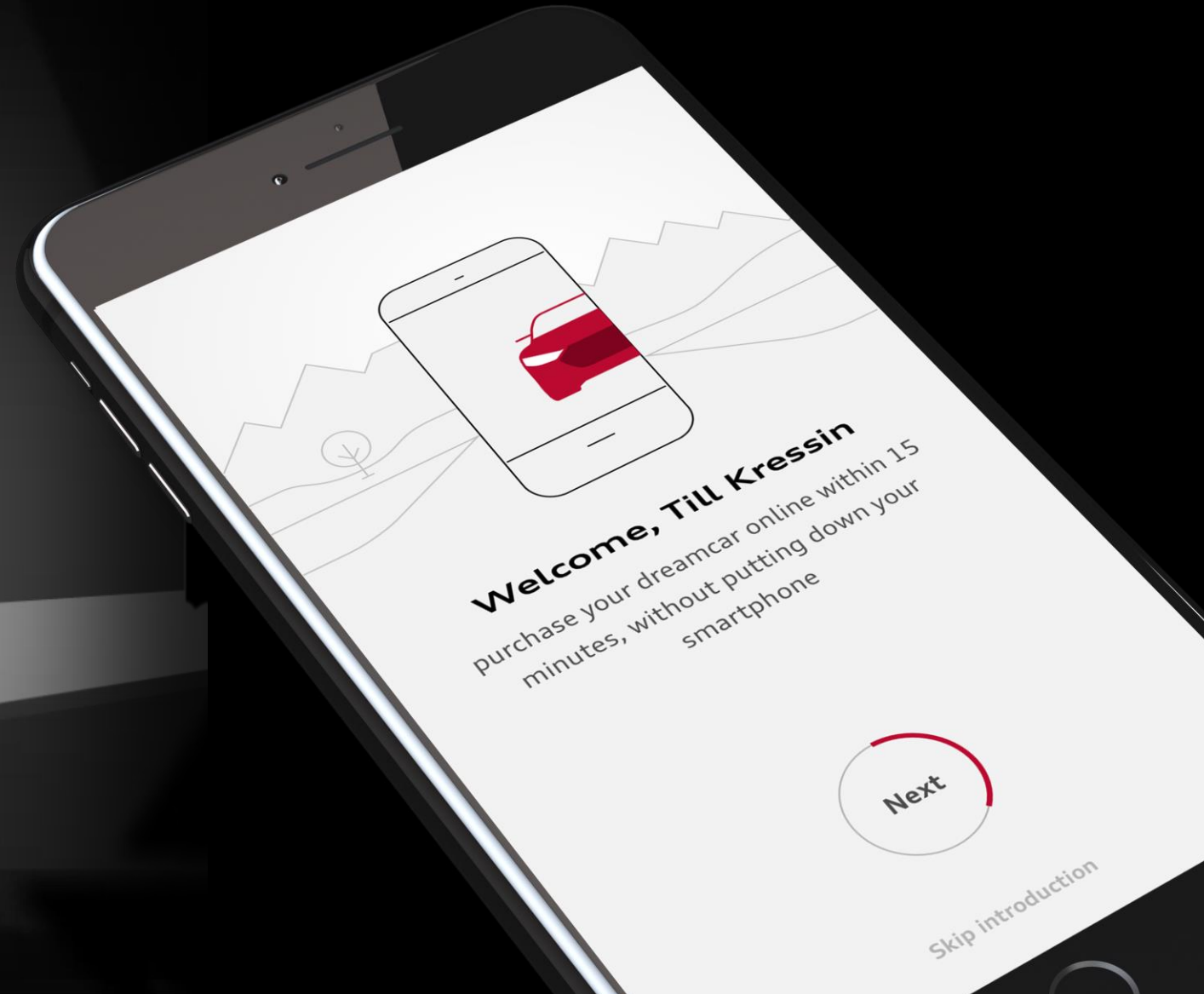
Customer
Private Lounge

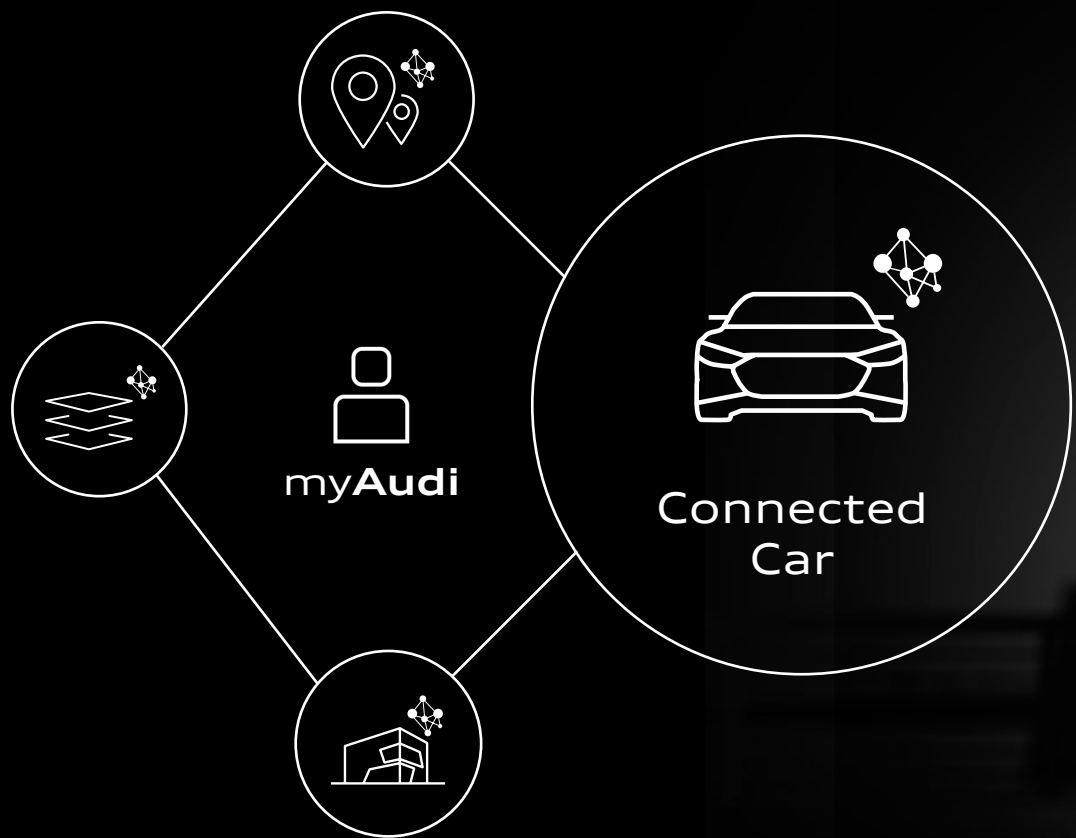
+

Virtual Reality

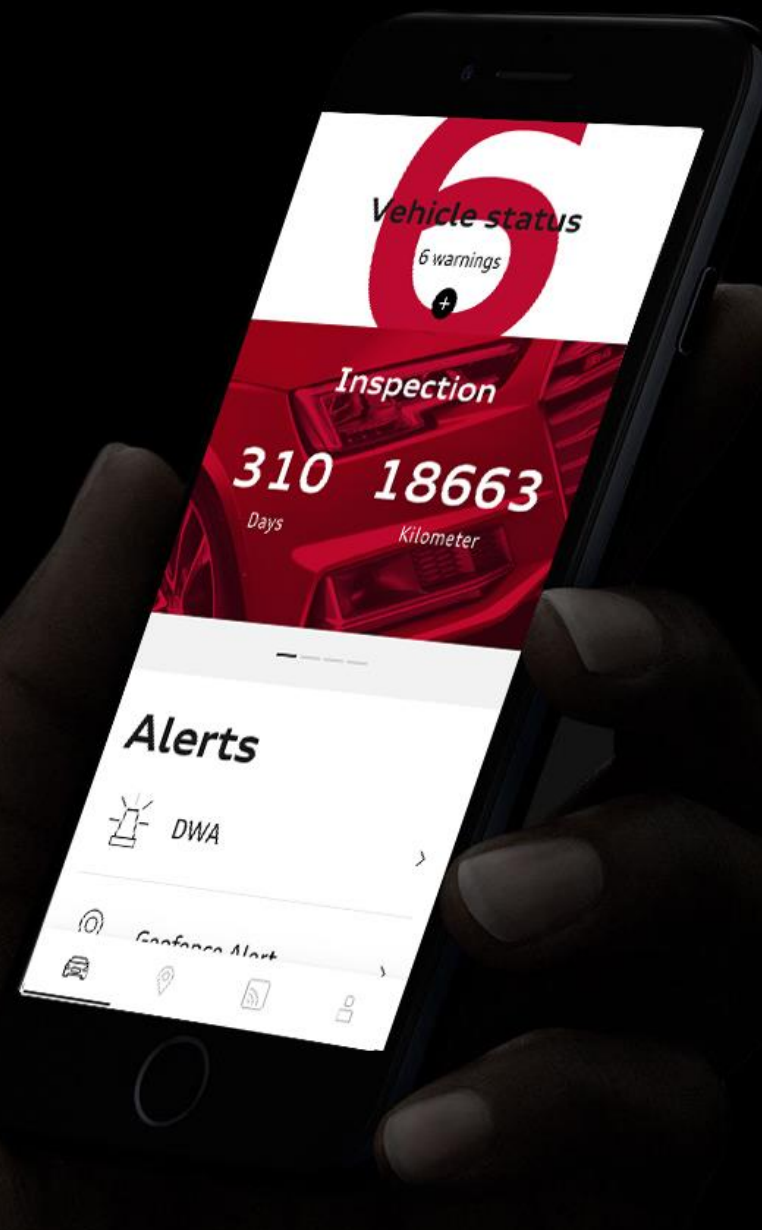
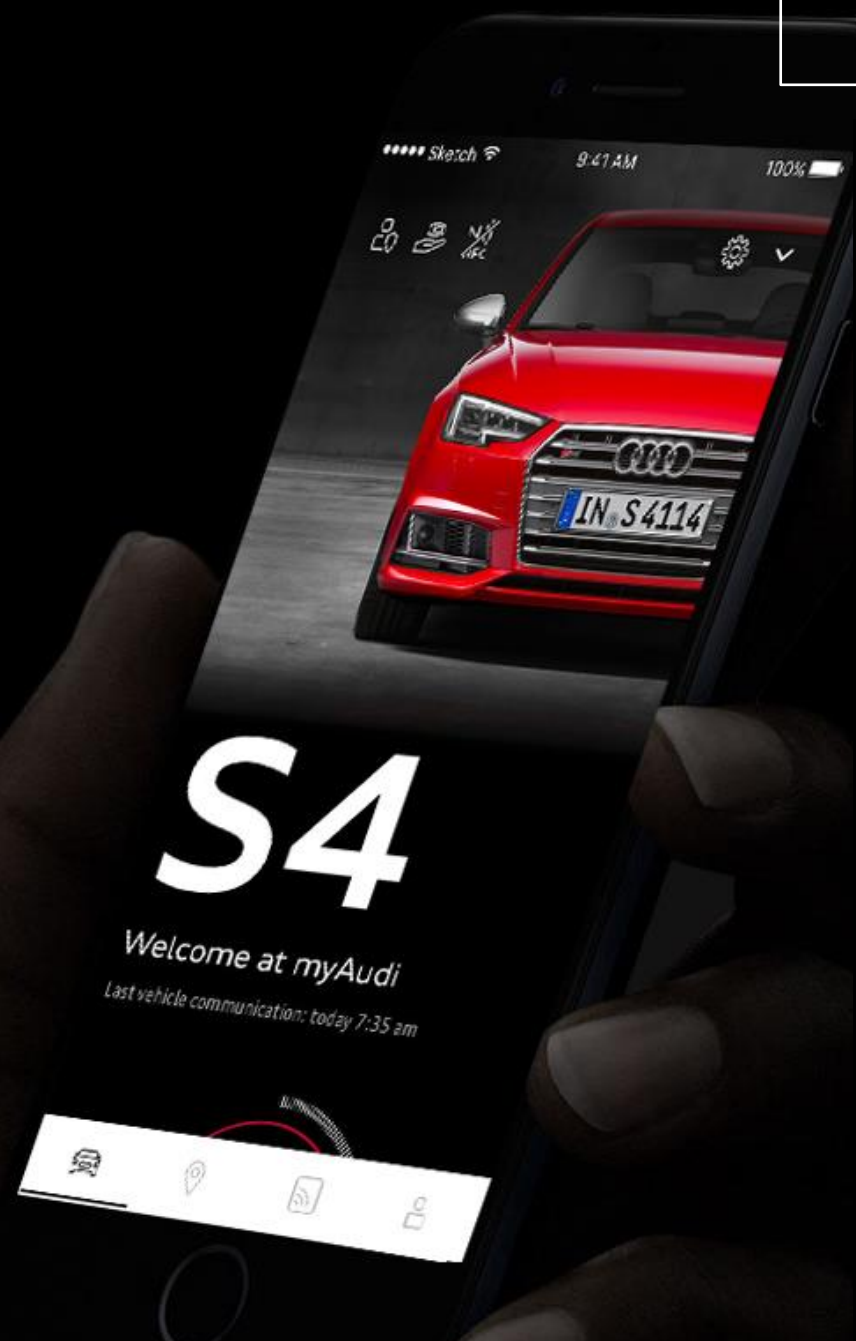


Connected Retail - NEXT





Connected Car - NEW



Connected Car - NEXT

≡ Audi Matrix-LED

myAudi

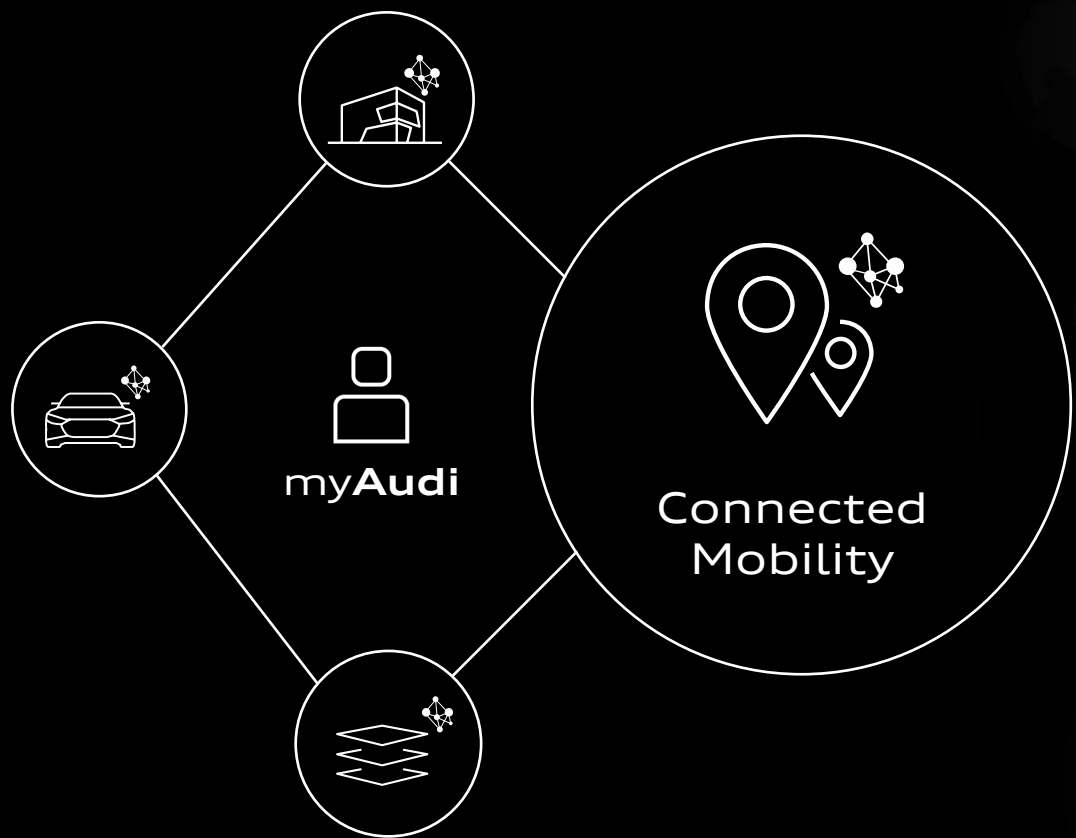
Audi Matrix-LED Package 1



Choose your favorite payment

☒ Monthly subscription
0,00 €

☐ Annual subscription
0,00 €



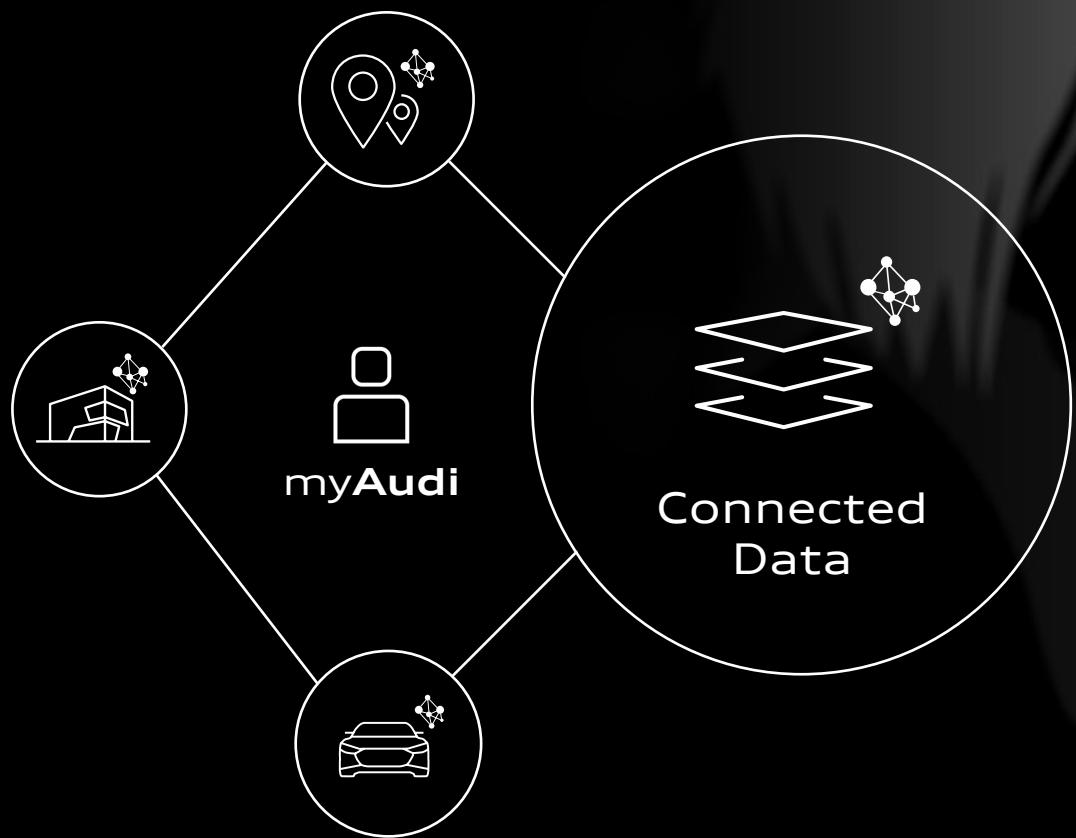
Connected Mobility - NEW



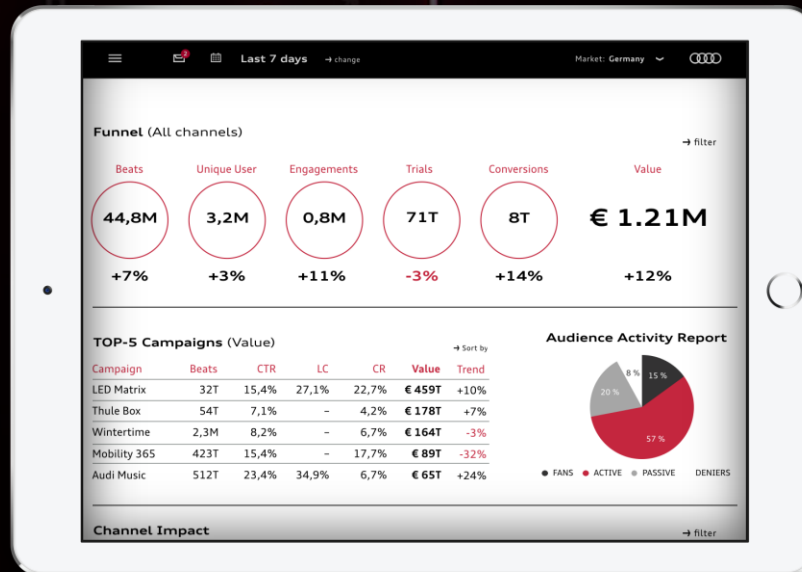
Connected Mobility - NEXT

Dealer Integration



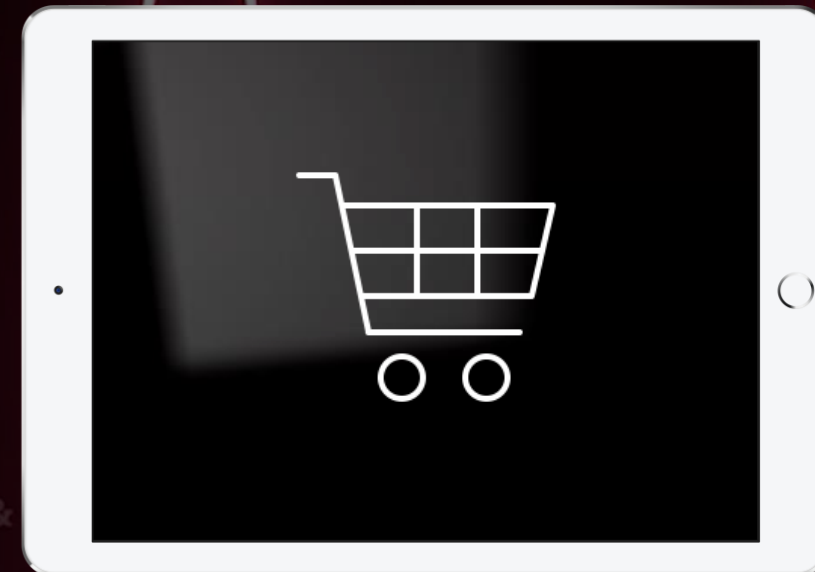


Connected Data - NEW



Digital Performance Dashboard

The flight-deck for data-driven Decisions



Data Marketplace

Connected Data - NEXT

here





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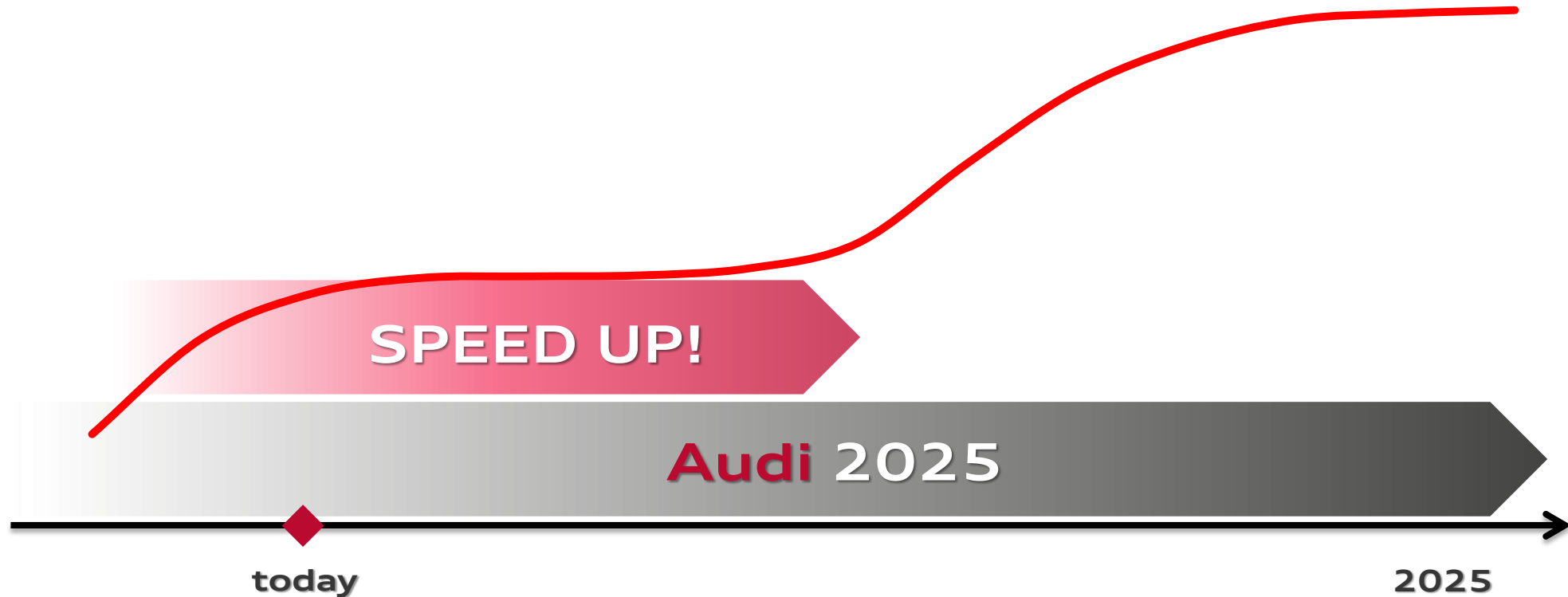
Axel Strotbek
Board Member for Finance & IT



Support program **SPEED UP!** ensures profitability

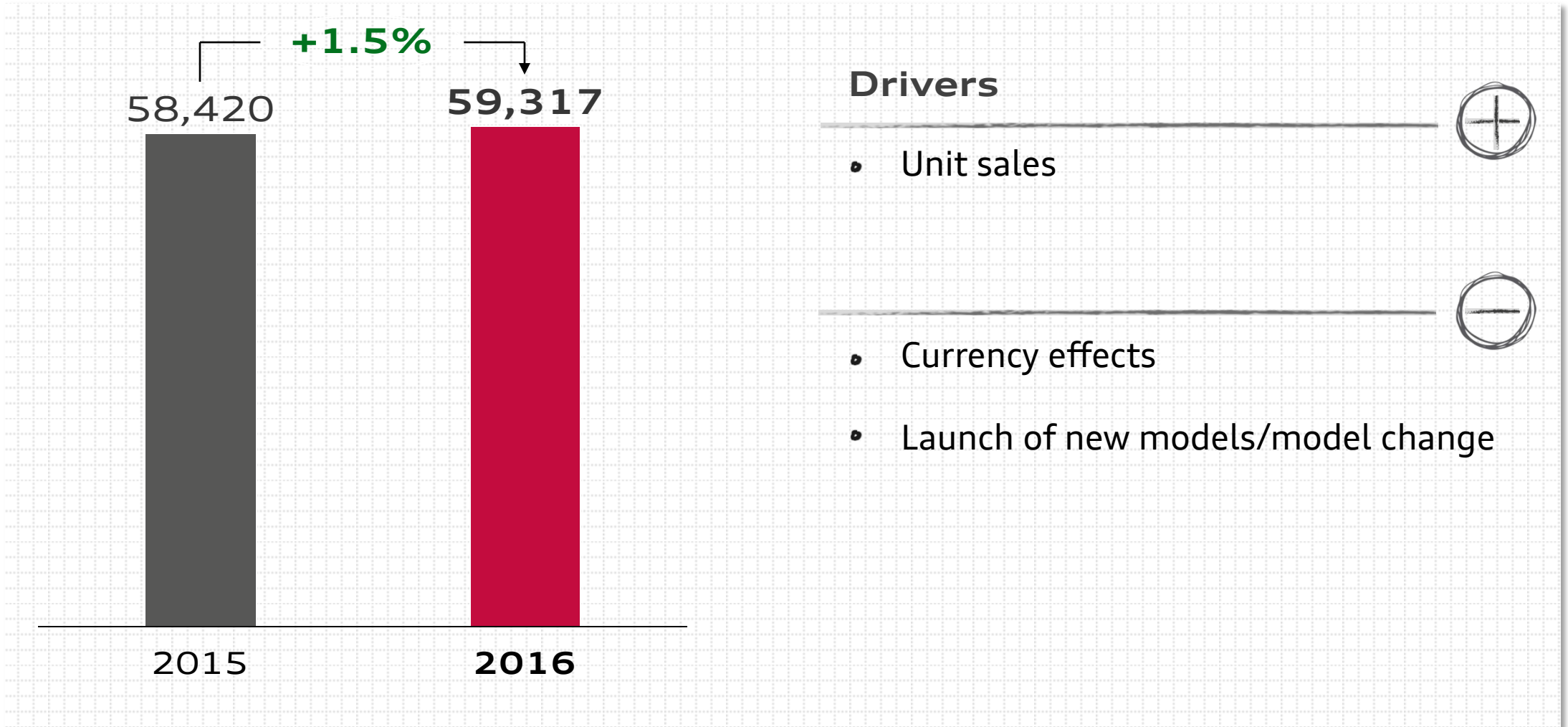
SPEED UP!

is the **first step** of the **long-term transformation** program



Audi revenue

EUR million



Selected items of the Income Statement

EUR million

	2016	2015
Cost of goods sold	49,390	47,043
⊕ Improvement in product costs/productivity		
⊖ Expansion of model and technology portfolio		
⊖ Ramp-up costs for new plant in Mexico		
⊖ Special items diesel		



Selected items of the Income Statement

EUR million

	2016	2015
Distribution costs	5,807	5,782
⊕ Lower marketing expenses		
⊖ Special items diesel		



Selected items of the Income Statement

EUR million

	2016	2015
Other operating result	-405	-119
⊕ Result of currency hedging transactions		
⊖ Special items diesel		



Key earnings figures

EUR million

	2016	2015
Operating profit	3,052	4,836
Special items	1,794	298
<i>thereof diesel</i>	1,632	228
<i>thereof Takata</i>	162	70
Operating profit adjusted	4,846	5,134
Operating return on sales adjusted	8.2%	8.8%



Audi has a strong ability to generate funds internally

2016 vs. 2015

2,094

(1,627)

Net cash flow

EUR million

Dec. 31, 2016 vs. Dec. 31, 2015

17,232

(16,420)

Net liquidity

EUR million



Clear focus on return!

SPEED UP!

- Streamlining products and power units
- Optimizing the use of common parts
- Complexity management
- Digitalizing processes
- Efficiency measures
(i.e. development costs, investments) ...



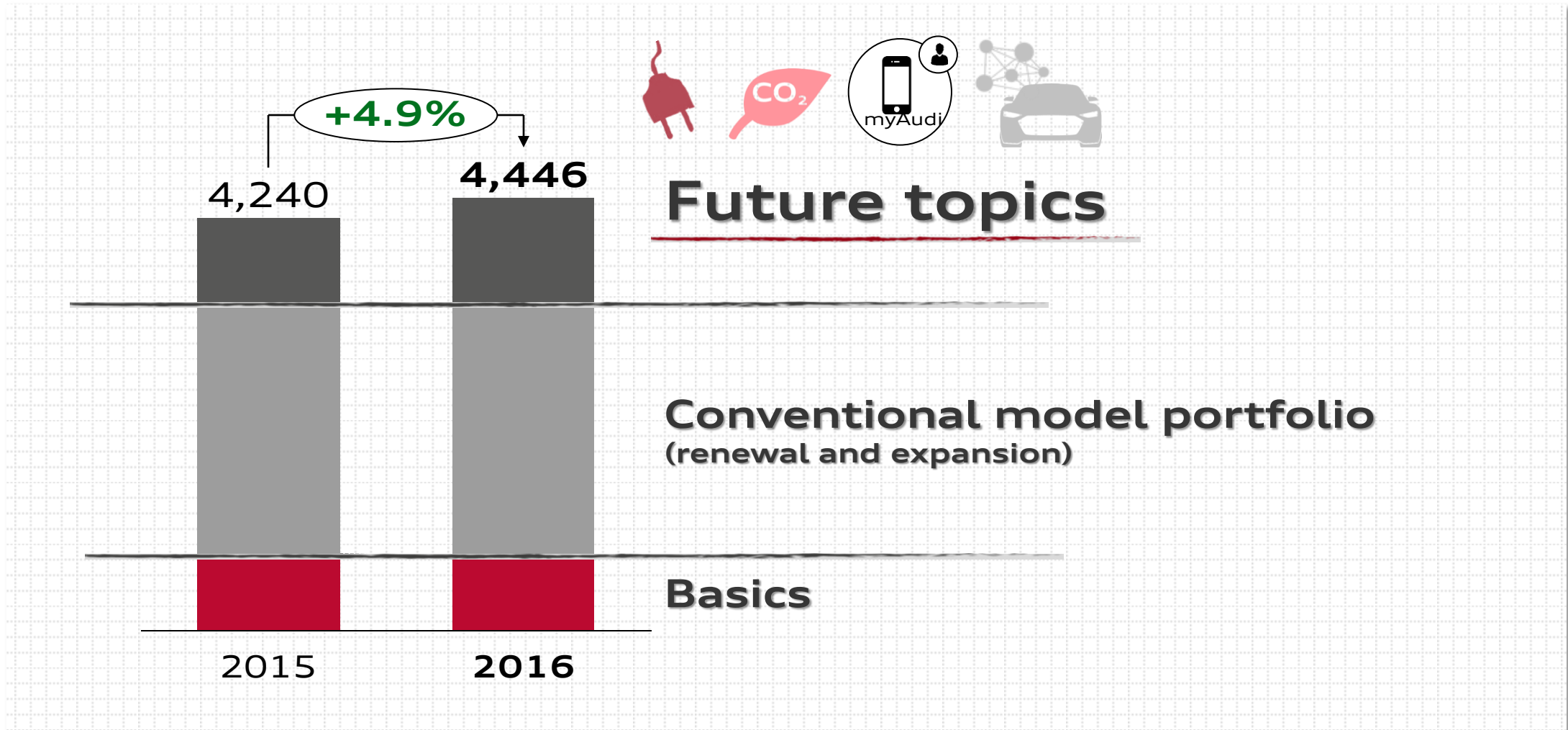
Cost discipline

Future investments



Research and development shifting into future topics

EUR million



E-Mobility

Launch of 3 fully electric cars by 2020



2018

Audi e-tron



2019

Audi e-tron Sportback



2020

Premium Compact car



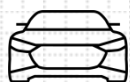
Function on Demand – we are expanding our business model



**Return per customer will be
a new performance metric!**



Outlook 2017 remains ambitious



Deliveries of cars of the Audi brand to customers

slight increase



Revenue

slight increase



**Operating profit/
Operating return on sales**

within the strategic target
corridor of 8 to 10%



Return on investment

within a range of 15 to 18%



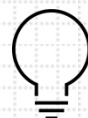
Net cash flow

positive, significantly below the
previous year level due to diesel



Ratio of capex

within the strategic target
corridor of 5.0 to 5.5%

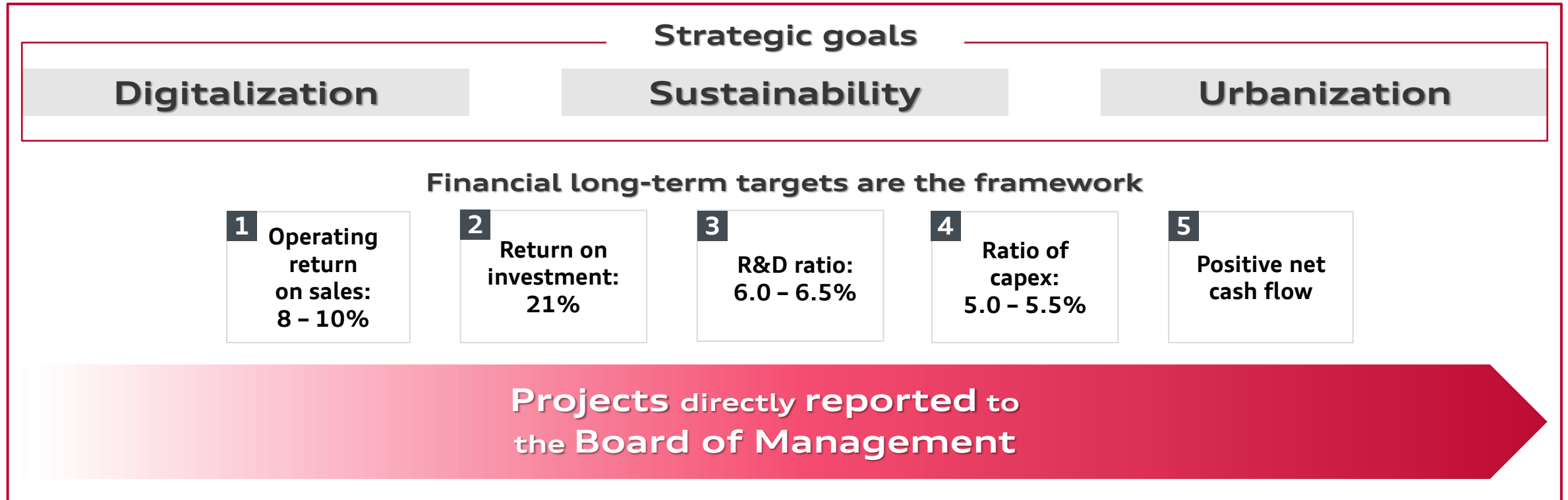


**Research and
development ratio**

slightly above the strategic
target corridor of 6.0 to 6.5%



Audi 2025 – Clear goals, clear responsibilities and clear measurability



**Agility constitutes
an Audi core competence!**



Vorsprung remains our promise!



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.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

