

Audi Investor & Analyst Meeting



Bram Schot

Temporary Chairman of the Board of Management
Board Member for Sales and Marketing



Global Sales YTD

Audi



+5.5 %

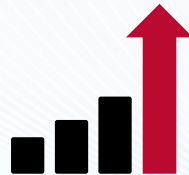
1,268,564

Core regions

China

417,234 cars
(+57,009)

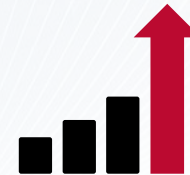
+15.8%



North America

183,555 cars
(+8,136)

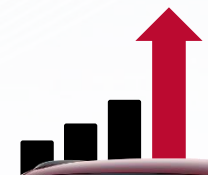
+4.6%



Western Europe

543,894 cars
(+572)

+0.1%



Audi

Top 10 markets YTD

	2018	Delta vs. previous year	
1. CHINA (incl. Hong Kong)	417,234	+57,009	+15.8%
2. GERMANY	211,769	+1,684	+0.8%
3. USA	148,070	+6,464	+4.6%
4. GREAT BRITAIN	110,265	+1,158	+1.1%
5. ITALY	44,103	-1,607	-3.5%
6. SPAIN (incl. Canary Islands)	43,442	+4,972	+12.9%
7. FRANCE	38,846	-2,767	-6.6%
8. CANADA	25,814	+1,139	+4.6%
9. BELGIUM	21,988	-766	-3.4%
10. JAPAN	17,619	+70	+0.4%
WORLD	1,268,564	+66,515	+5.5%



100% electric
100%
Audi DNA

holistic
approach

360°
system
offer

e-tron initiative



Outlook

By 2025,
more than
20 electrified models

New full-size class complete



Important A-segment models



Alexander Seitz

Board Member for Finance, China, Compliance & Integrity



now.next.beyond.

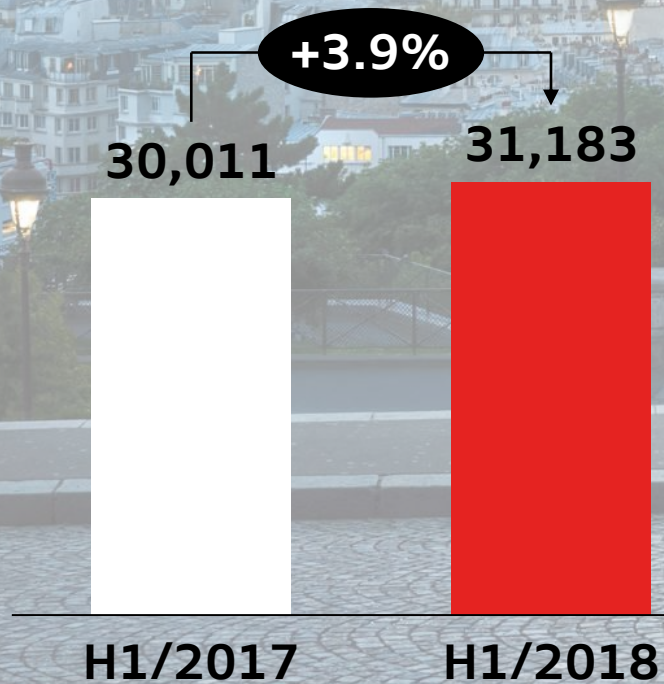
H1/18

FY 18e

**funding
the
future**

strong revenue development

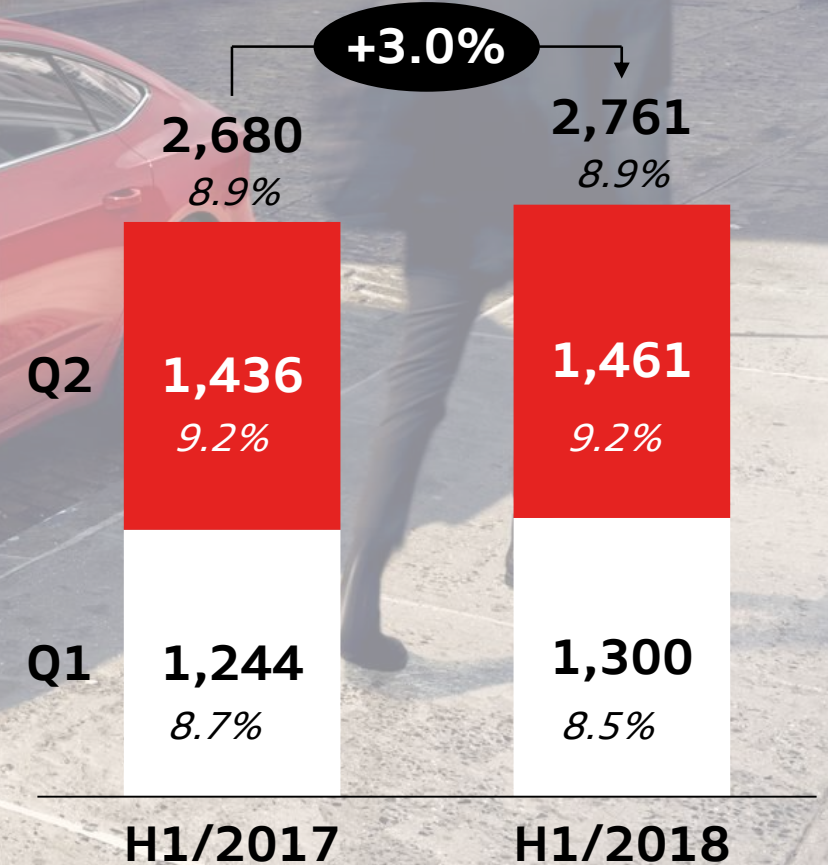
Revenue
(EUR m)



9.2% RoS – best-in-class-profitability

strong Q2

Operating profit & margin (EUR m)



keeping Audi on track



growing
challenges

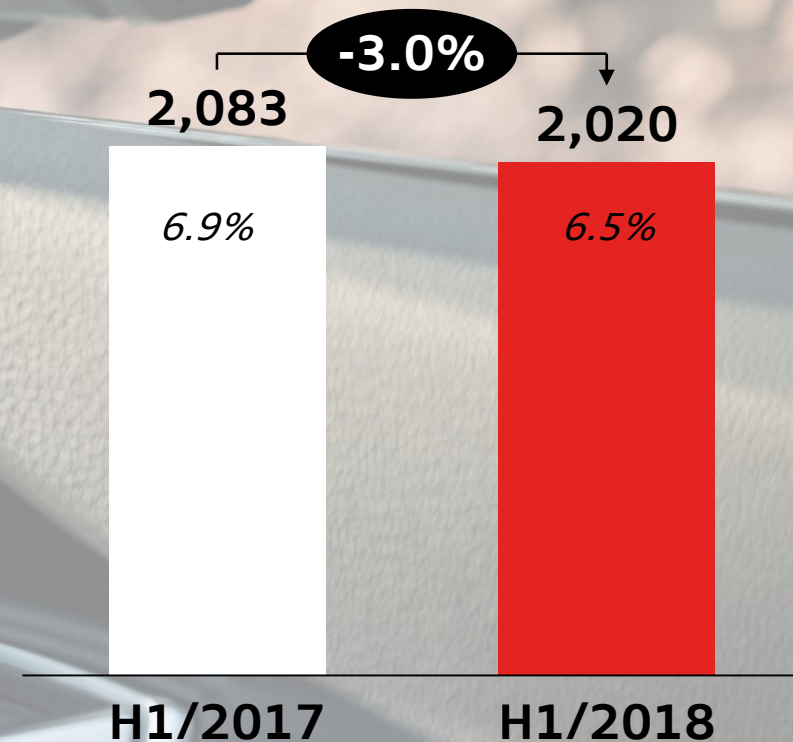
focusing
on
efficiency

China
business

continuous cost improvements



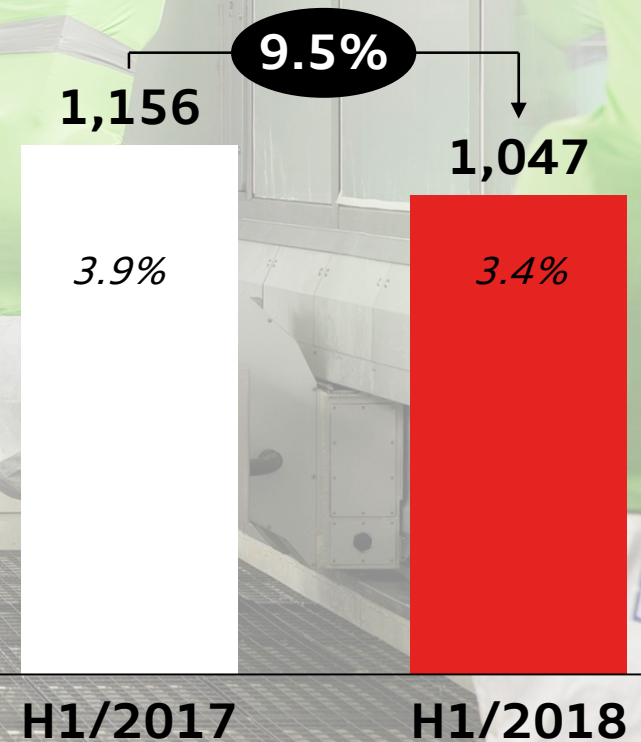
R&D activities & ratio (EUR m)



Capex discipline

Capex ratio
3.4%
H1/2018

Capex & ratio (EUR m)



China business drives global KPIs

**+20%
deliveries**
H1/2018

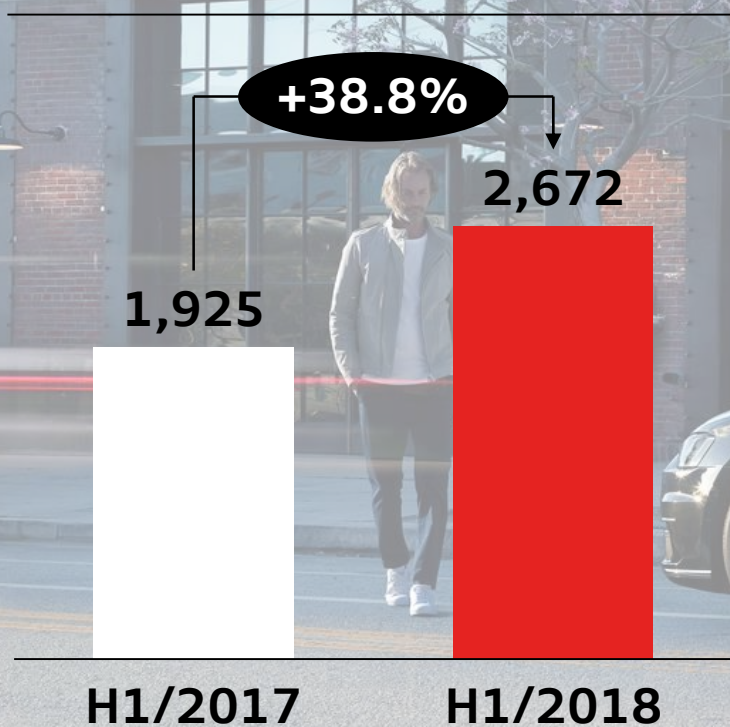
**customer
focus**

**JV
performance**



major contributor to VW Group NCF

Net cash flow
(EUR m)



ambitious outlook despite WLTP

Deliveries

prior year's
record level

Revenue

slightly above
prior year level

Operating Margin

of 8-10%



Net Cash Flow

between
€2.7 and 3.2 bn

FY 2018

top-priority: funding the future

upfront
expenditure
€40 bn
until 2025

autonomous driving

digital business

electric vehicles



Audi Transformation Plan (ATP)

transforms
and
prioritizes
resources

frees up
a total of
€ **10**^{bn}
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**



1987

today

**every third Audi delivered
to Chinese customer**

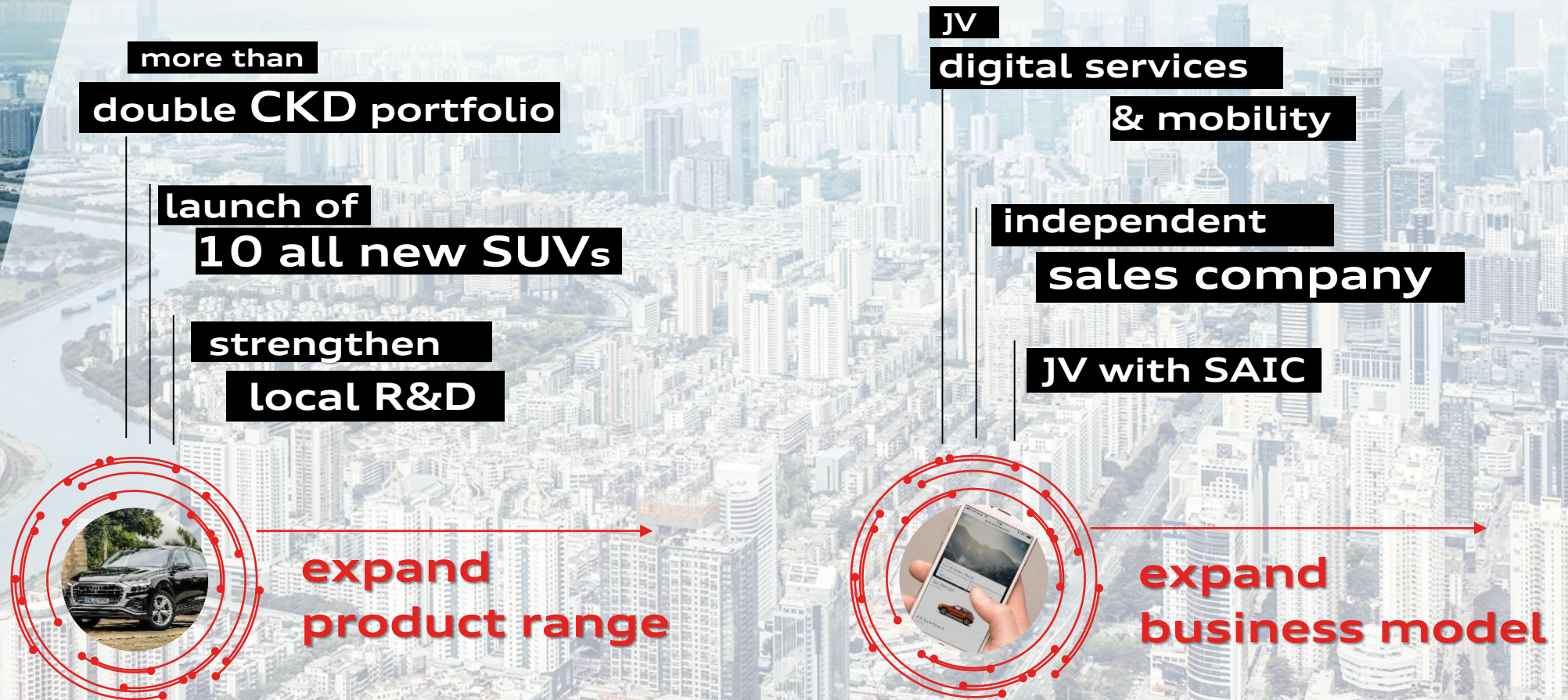


1987

2017

597,866

China: double deliveries by 2022



continuous cost improvements



material costs



focus on USPs



transformation of skills

early-to-market

built for series production
at Brussels plant

designed on MLB
modules

strong pricing paves
the way for
“New Premium”

e-tron

next: group synergies enhance EV-profitability



MEB



30%
efficiency
gains

PPE

electric architectures within VW Group

Dr. Stefan Niemand

Head of Electrification



**Why are we
going electric?**



LAW



**CUSTOMER BEHAVIOR
& DEMAND**



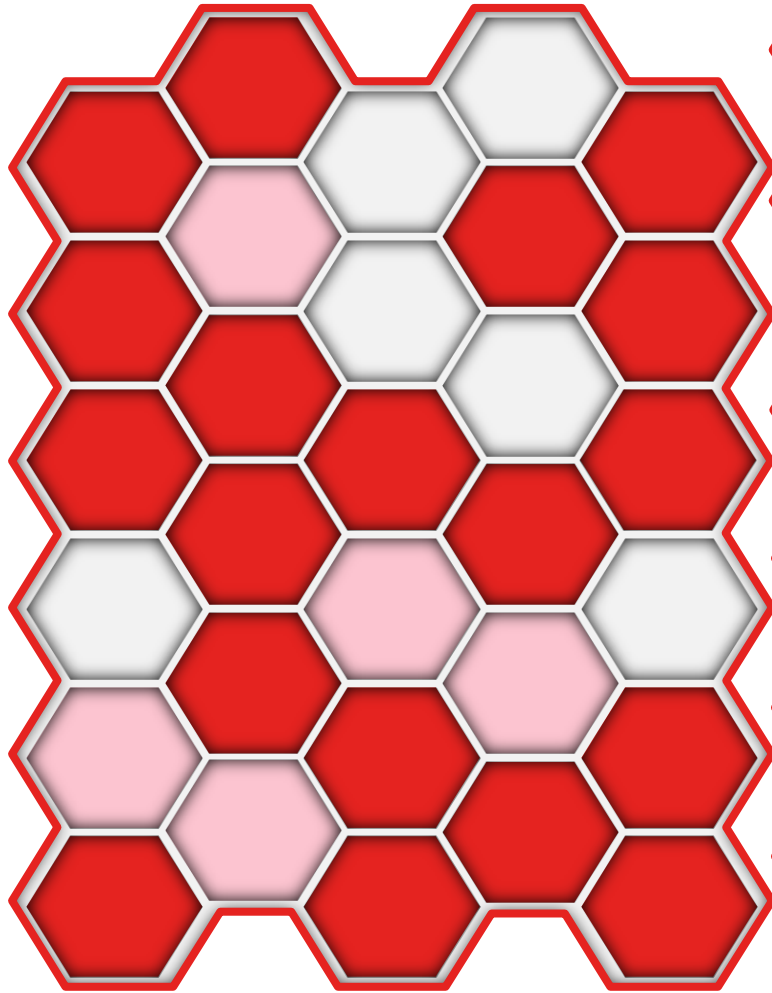
SUSTAINABILITY

How did we
address the
questions we had?

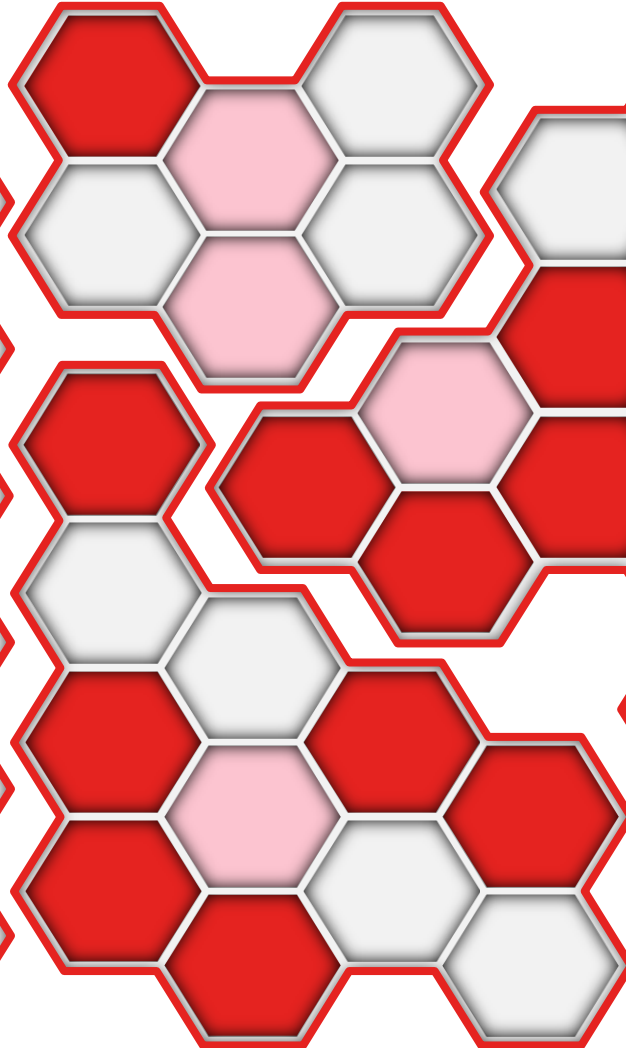
e.readiness program

started early to
address the fields
of action for
going electric

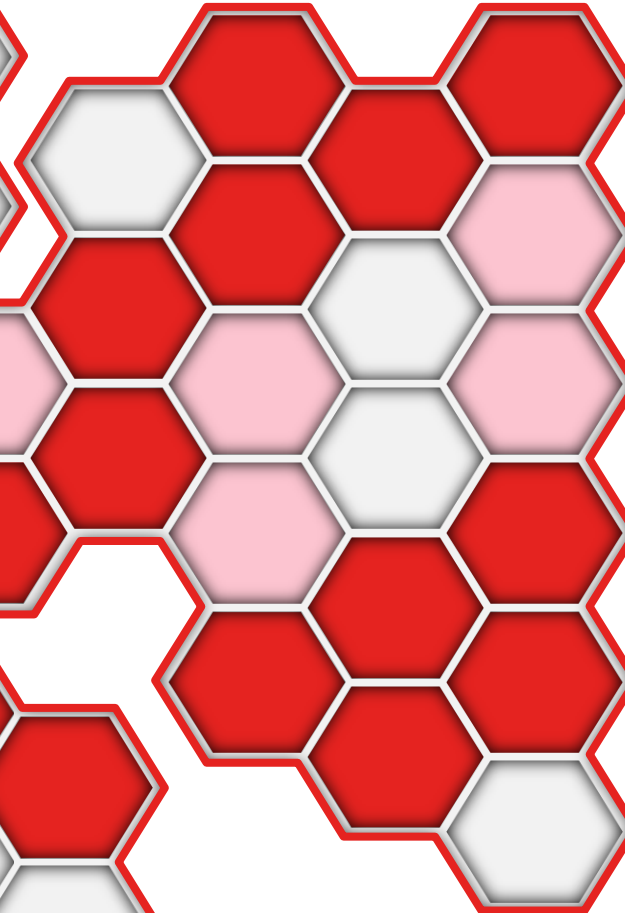
OVERALL



ENGINE



CHARGING



BATTERY

**Why with a
fullsize SUV?**



CUSTOMER
DEMAND in
C SEGMENT

GROWING
SEGMENT

MAKING
ELECTRIC CARS
SEXY

**Is it based on a
combustion engine
platform?**



Seats



Infotainment



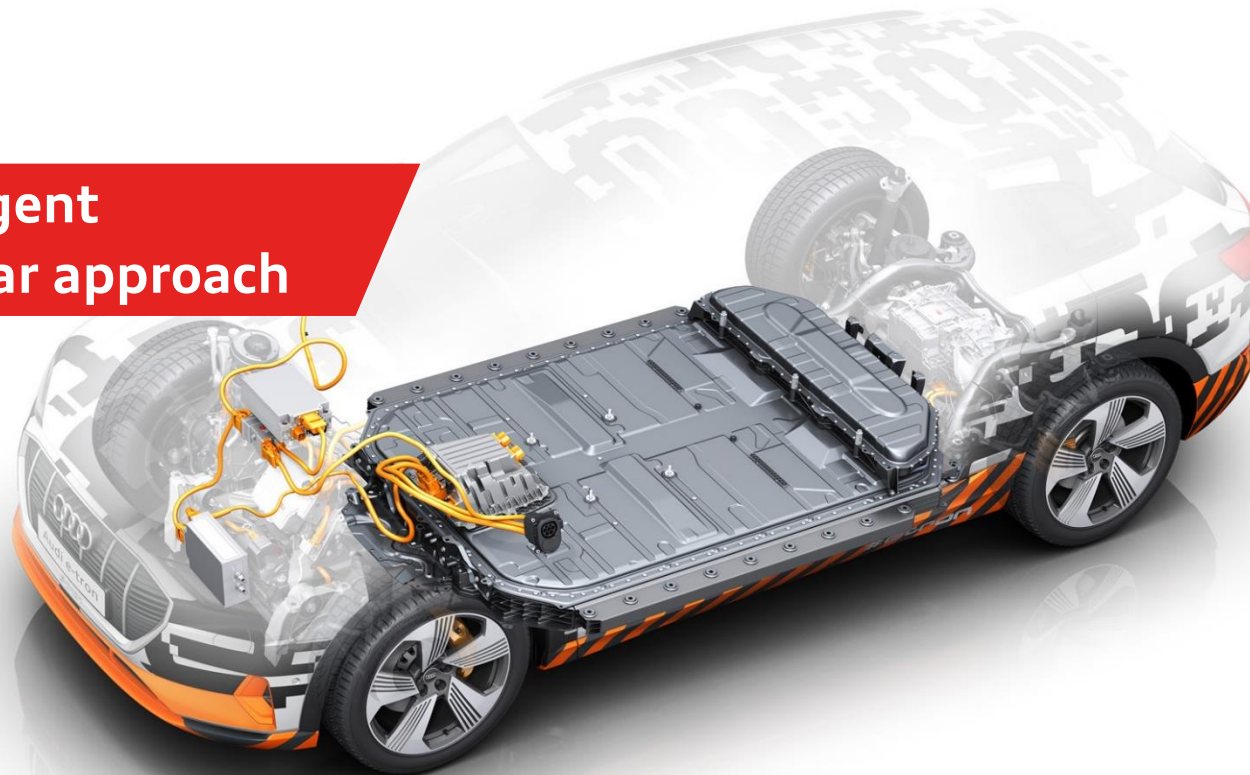
Suspension &
Brakes

...

+

Intelligent
modular approach

New platform design for a
full electrical car considering characteristics
like **battery position & crash behavior**
No restriction from ICE platforms



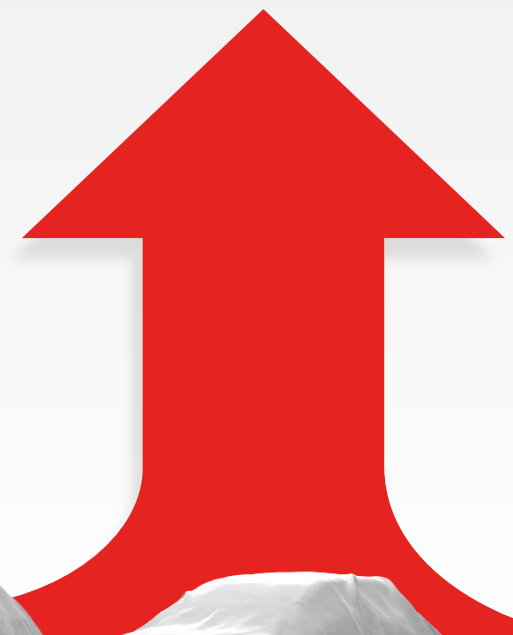
Is it a „one-off“?

THE AUDI E-TRON

is the beginning...

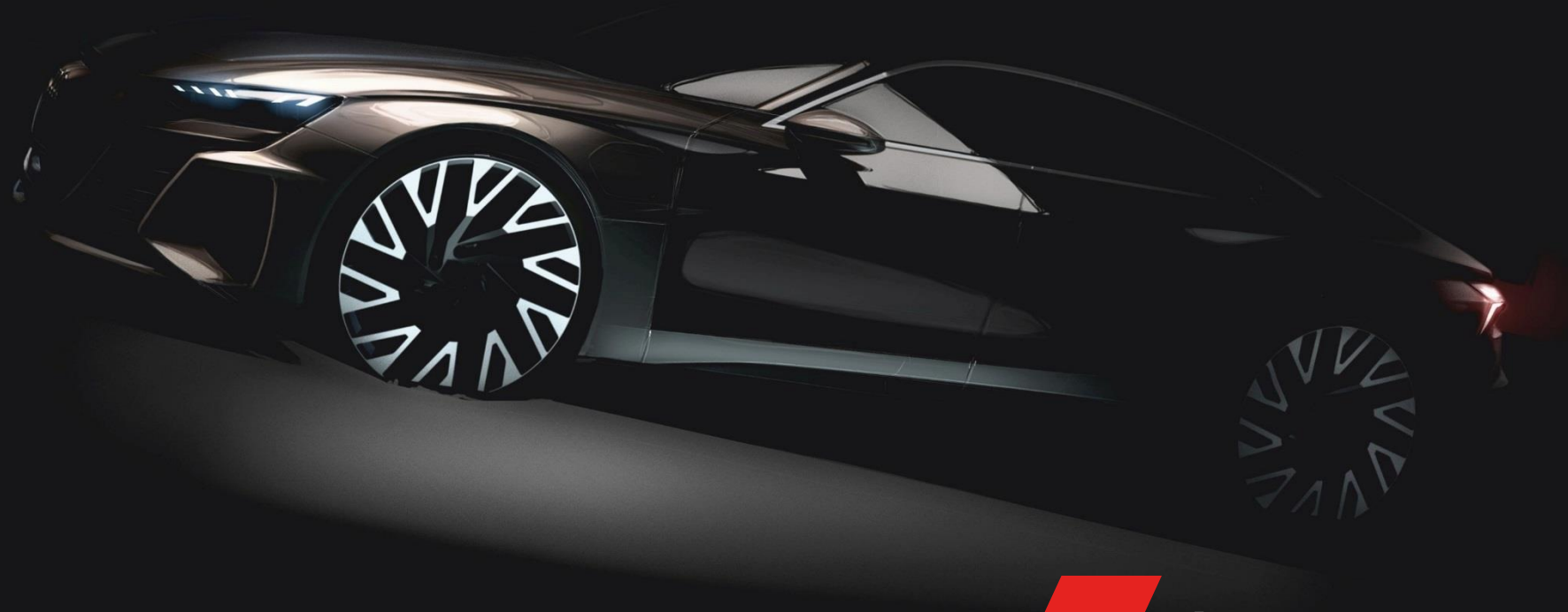


...of an **ELECTRIC**
MODEL OFFENSIVE





 Audi e-tron Sportback 2019



 Audi e-tron GT 2020

E-Roadmap

BEV platform
PPE



BEV platform
MEB



BEV
dedicated
platform



PHEV



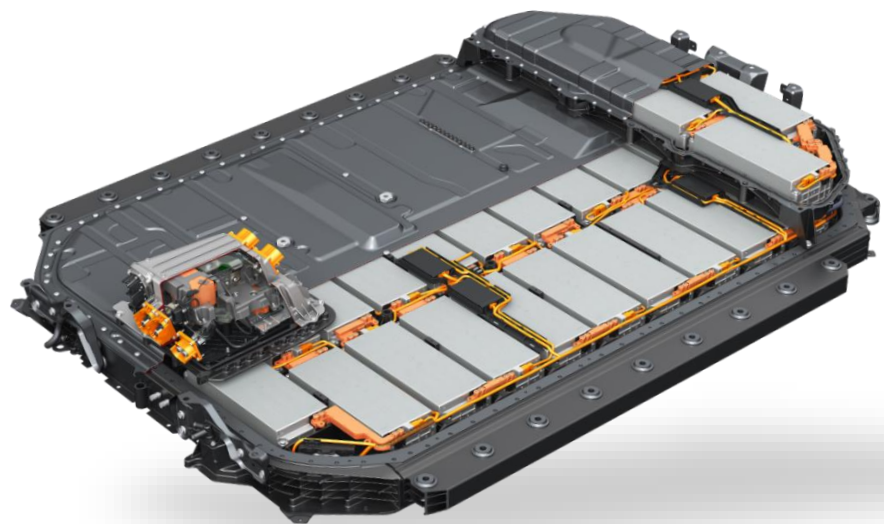
2016

2020

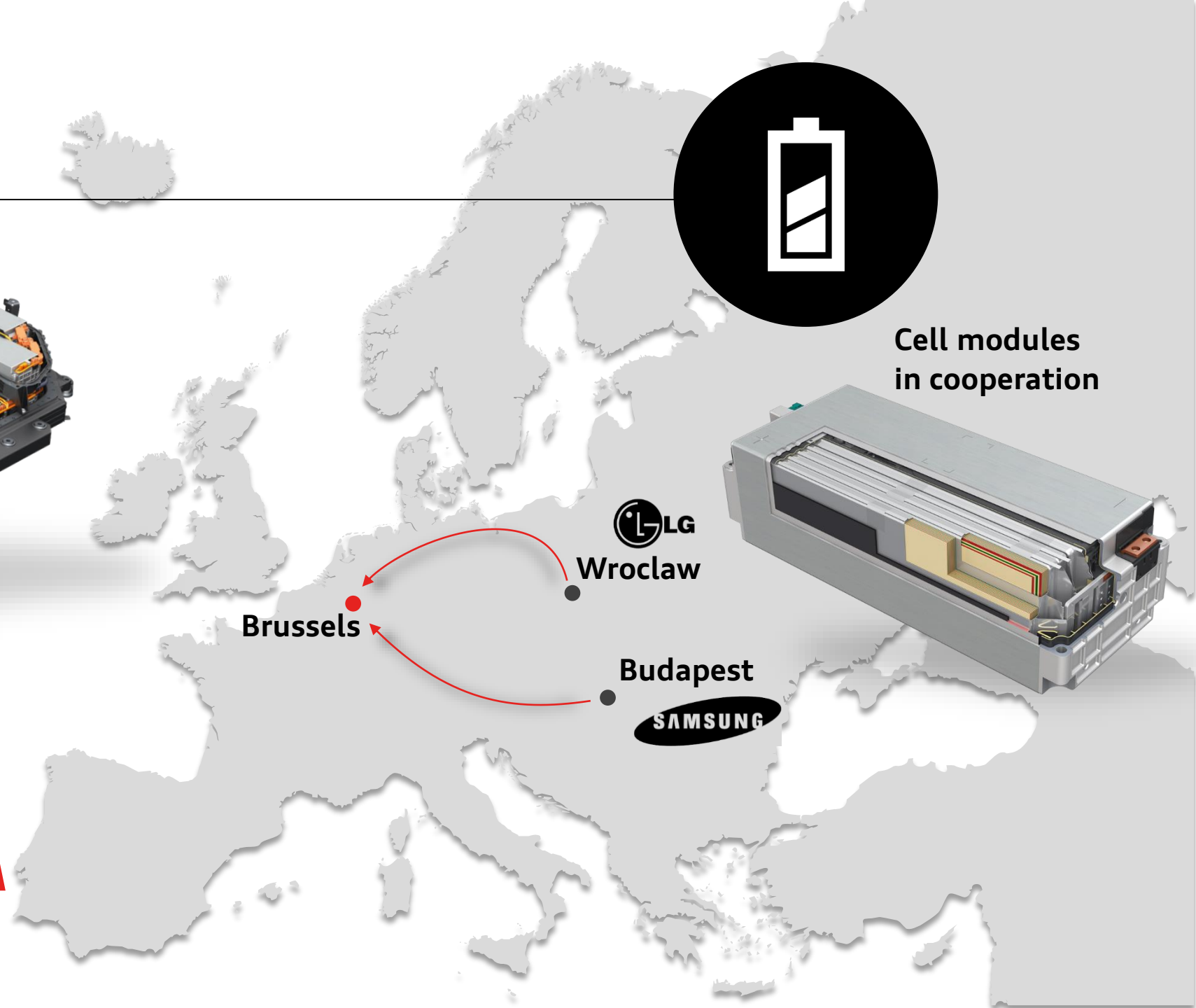
2025

What about
the battery?

BATTERY



Battery assembly at carbon-neutral factory in Brussels



Cell modules
in cooperation



Wroclaw

Budapest

SAMSUNG

Brussels

BATTERY



Car life construction

432 Li-Ion cells
36 modules

699kg weight

2,28 m *
1,63 m * dimensions
0,34 m

Biggest challenges

too heavy

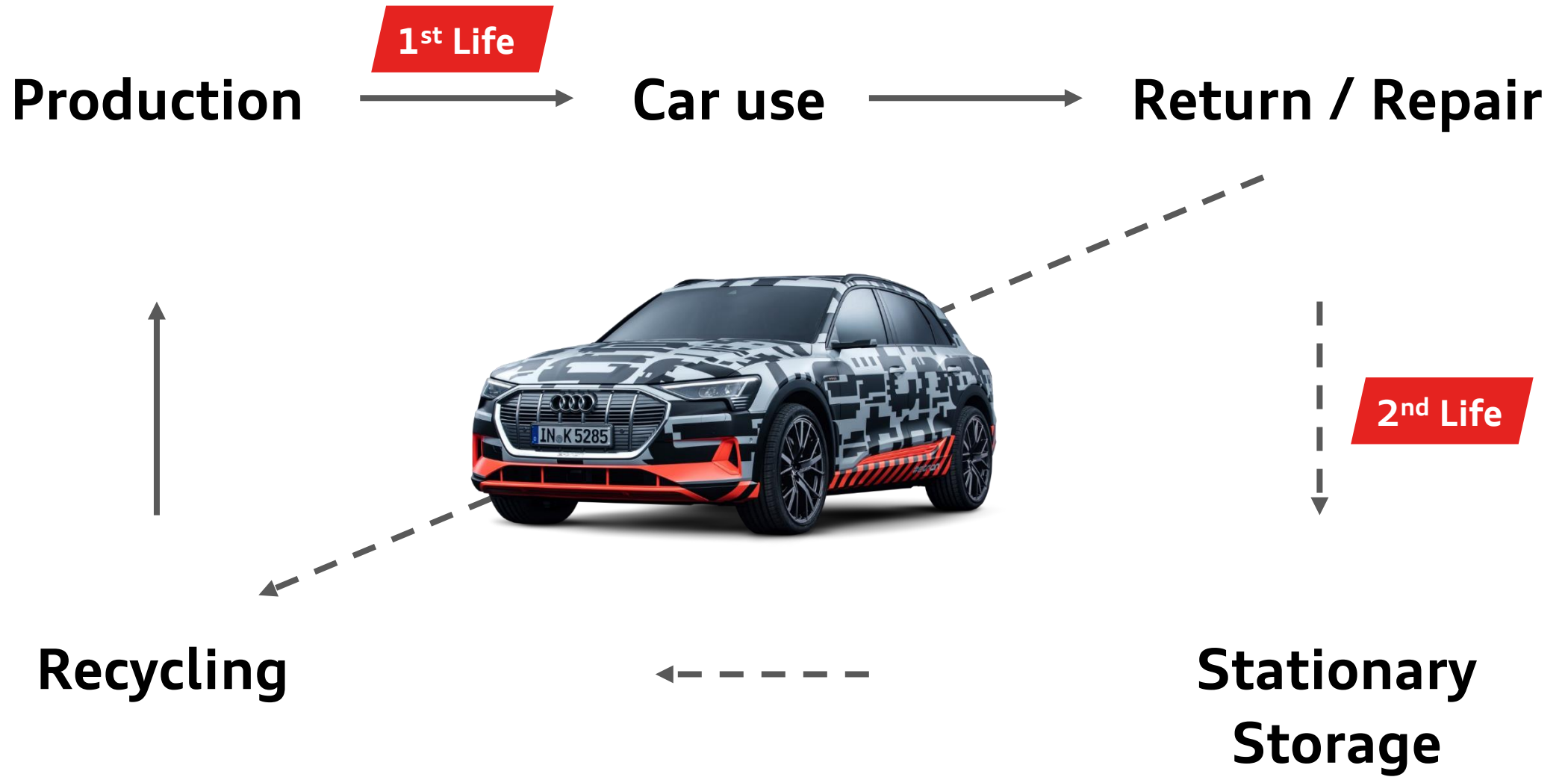
too big

too expensive

~ 33% material costs

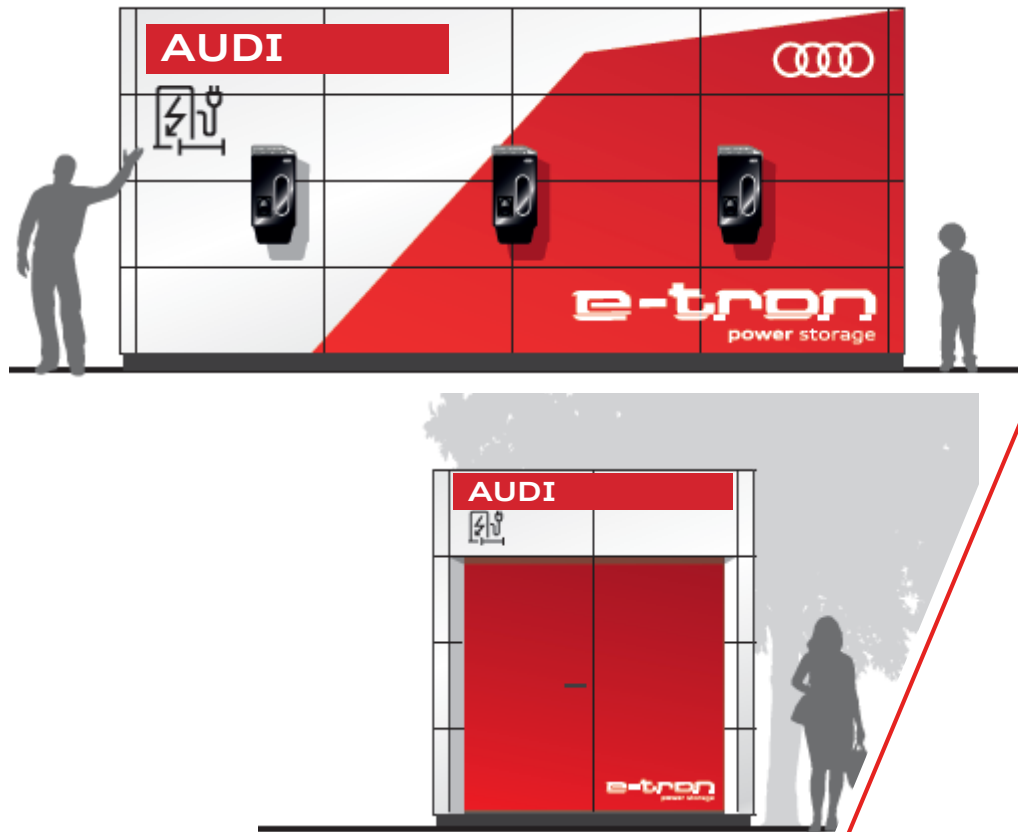
What happens with the
battery after car life?

1st & 2nd Life



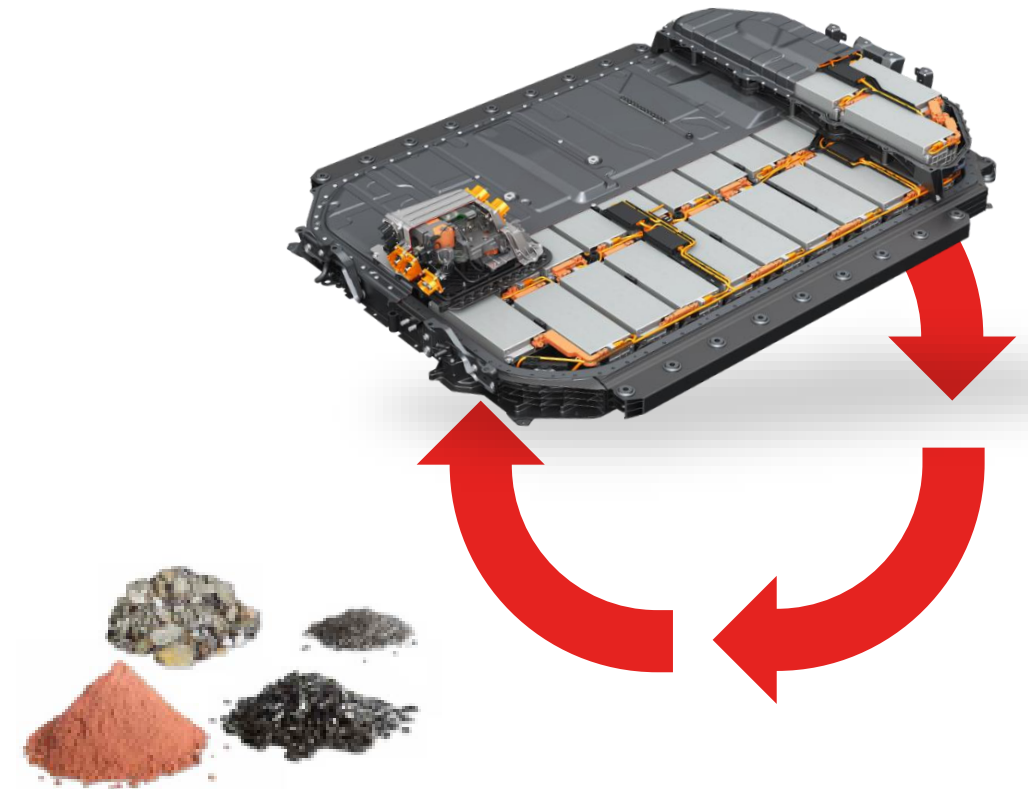
SECOND LIFE

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?**

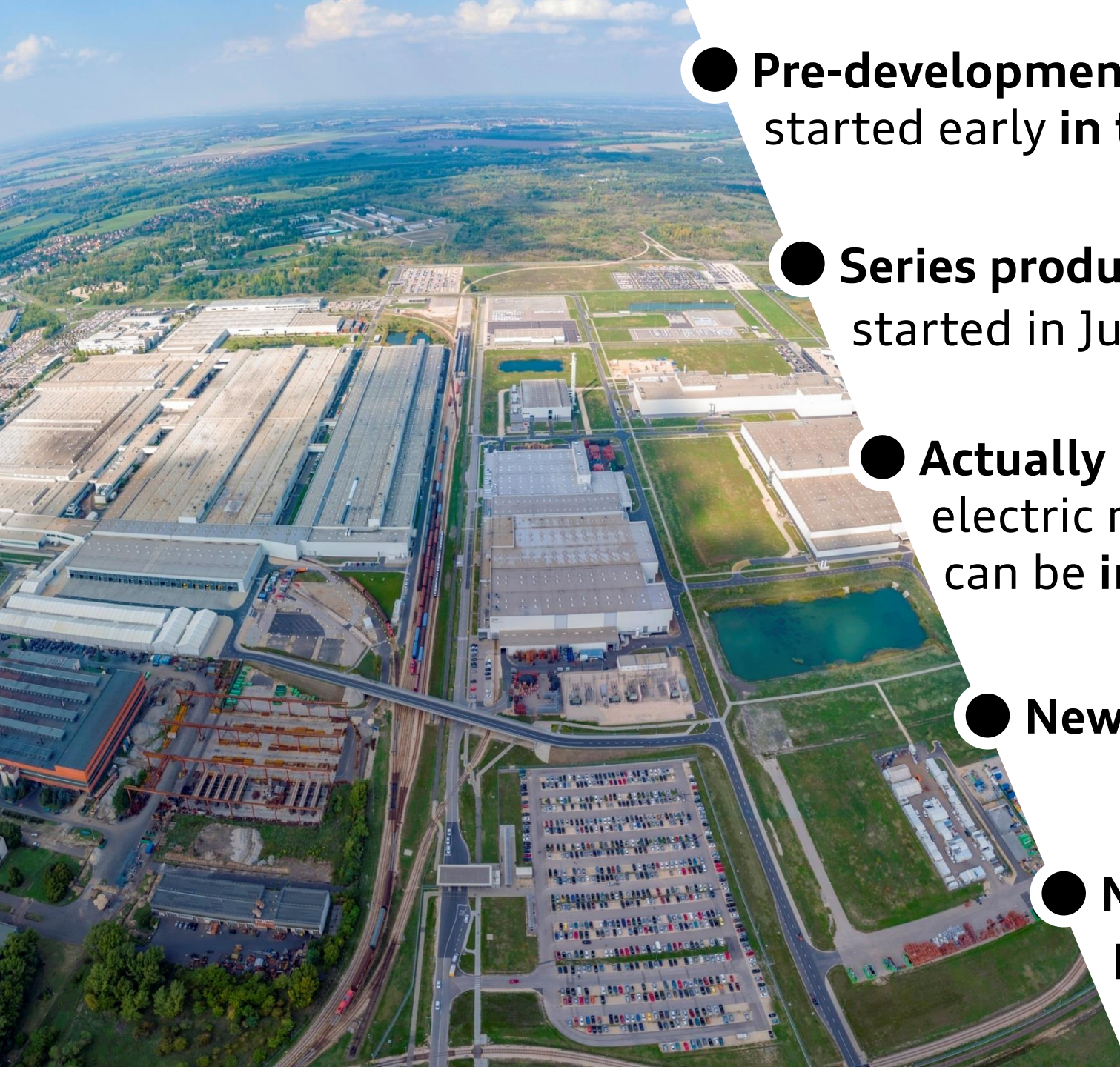


- Chances and synergy effects by shifting the Audi A1 to Martorell (Spain)
- Learning in a dedicated “e-plant”
- Bundling of know how & expertise

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?**



HOME



ON THE ROAD



DESTINATION

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

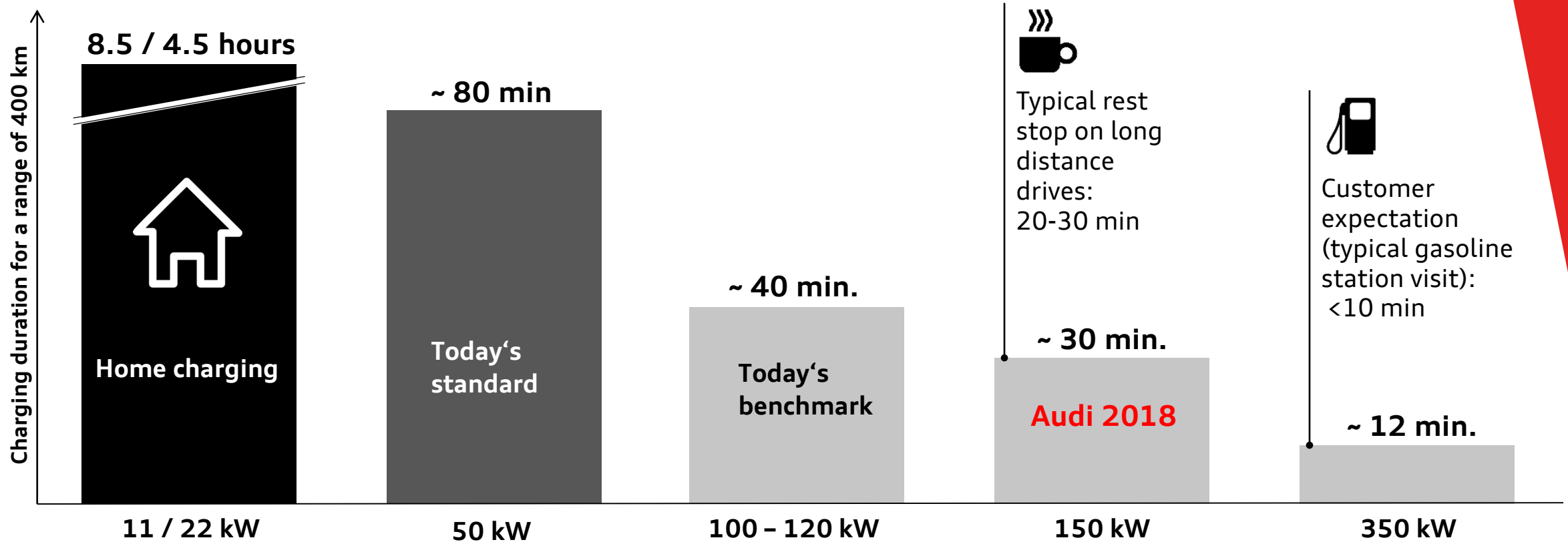
5-10%
of charging events

Customer
parking

Public car parks

How long does
charging take?

At home, charging over night is sufficient, on the road every minute counts



AC CHARGING

DC CHARGING

HIGH POWER
CHARGING (HPC)

How do we ease
private charging?

CHARGING SYSTEM **COMPACT**



Everyday
charging solution
with up to 11 kW
as standard
equipment

CHARGING SYSTEM **CONNECT**



Double
charging power
& smart charging
functions with
photovoltaic
integration



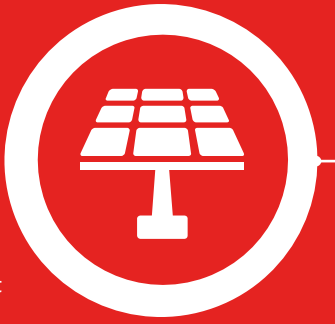
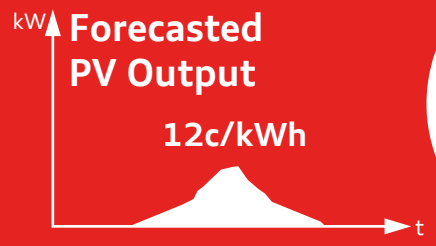
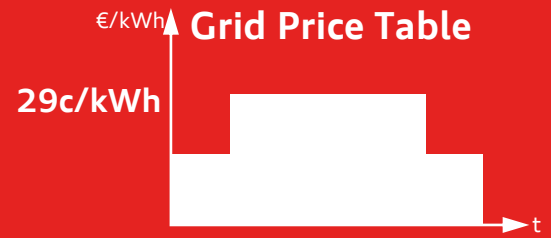
**Everyday
backbone
for
charging
the
Audi e-tron**



**Premium Turnkey Solutions through
installation service**

Offers & Solutions differ regionally

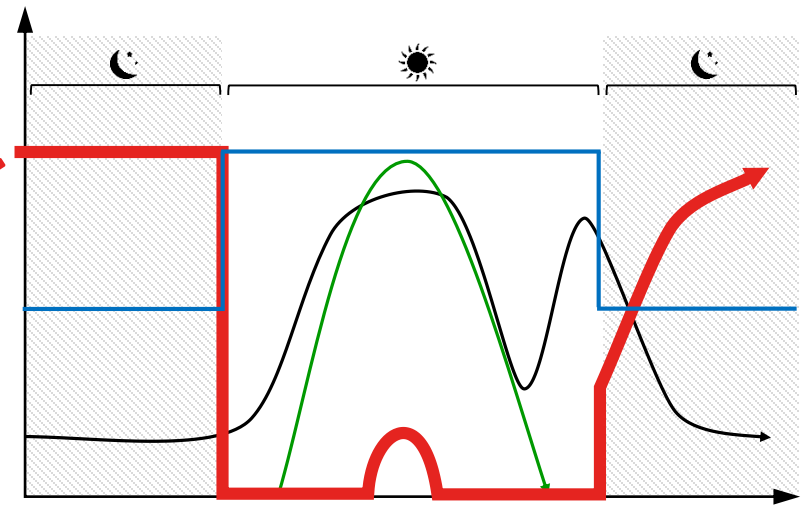
**Is intelligent
charging necessary?**



Home-Energy
Management-
system
HEMS



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



Is a long distance
trip a challenge?



USA

484
stations

by the end of 2019

EUROPE

400
stations

by 2020

IONITY

What about other

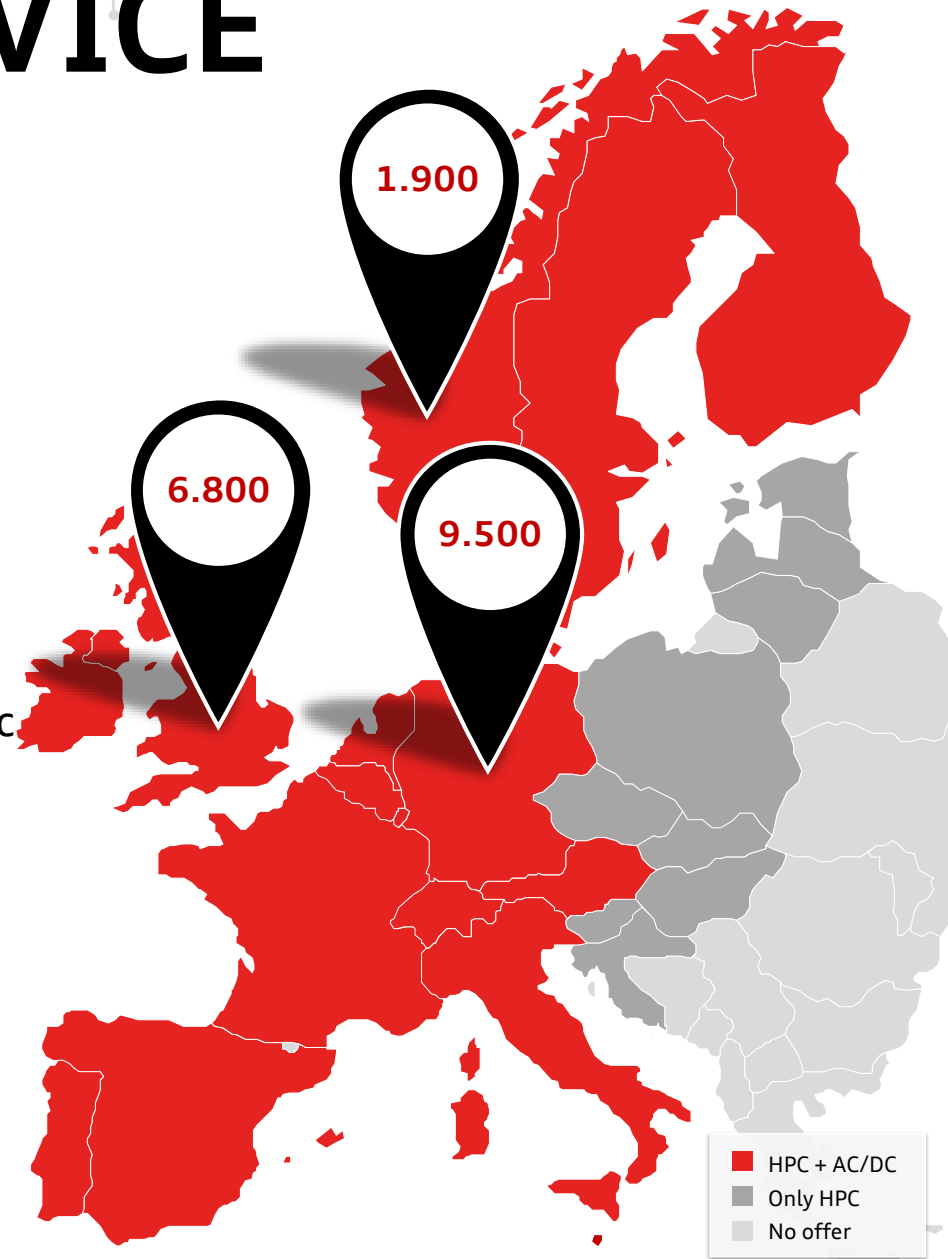
public charging facilities?



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 Hubeject, 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

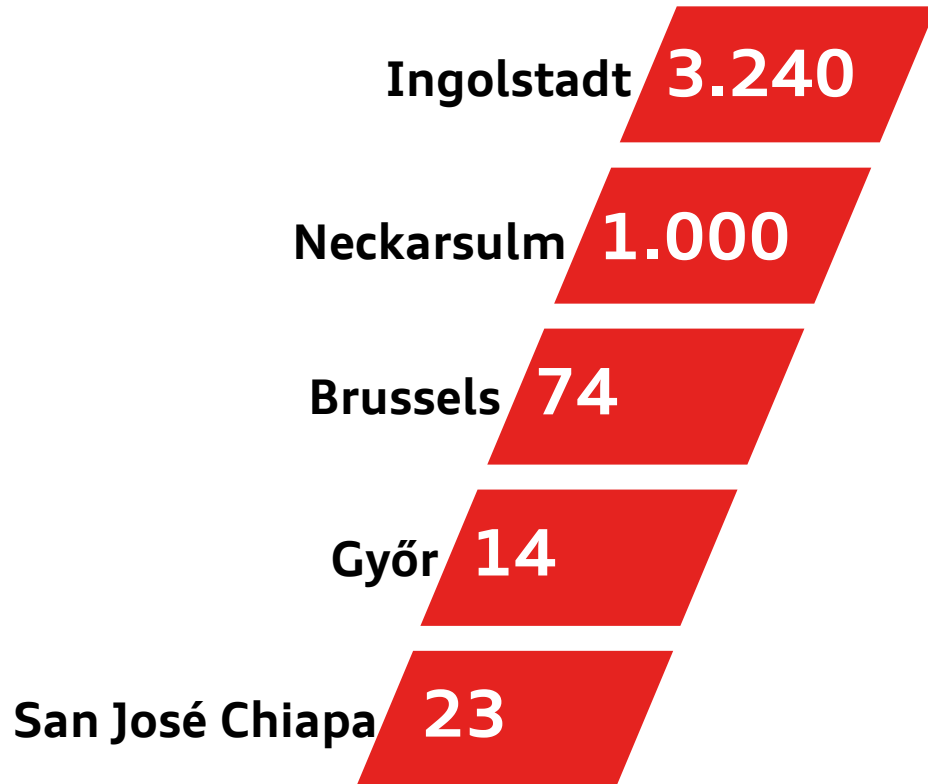
Display of the arrival time including the
necessary charging time

Navigation continues outside of the vehicle
(First/Last Mile)

A red parallelogram graphic, tilted to the right, containing a white capital letter 'C'.

**Can I charge my EV
at my workplace?**

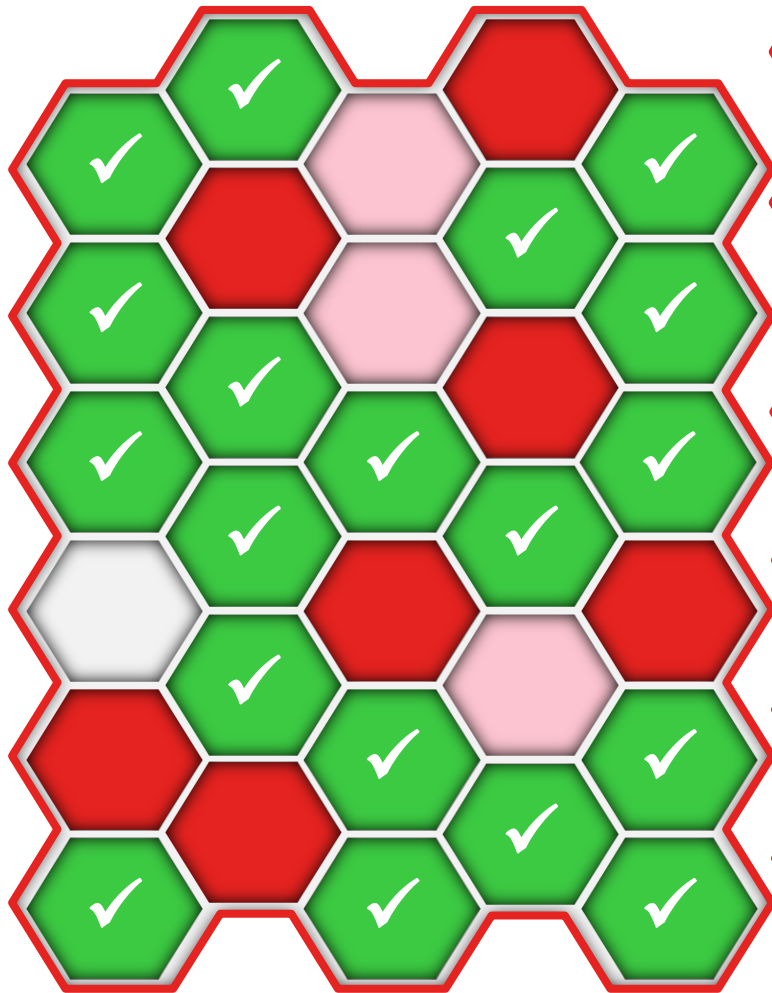
Audi invests 115 Mio. EUR in charging infrastructure



e.readiness program

started early to
address the fields
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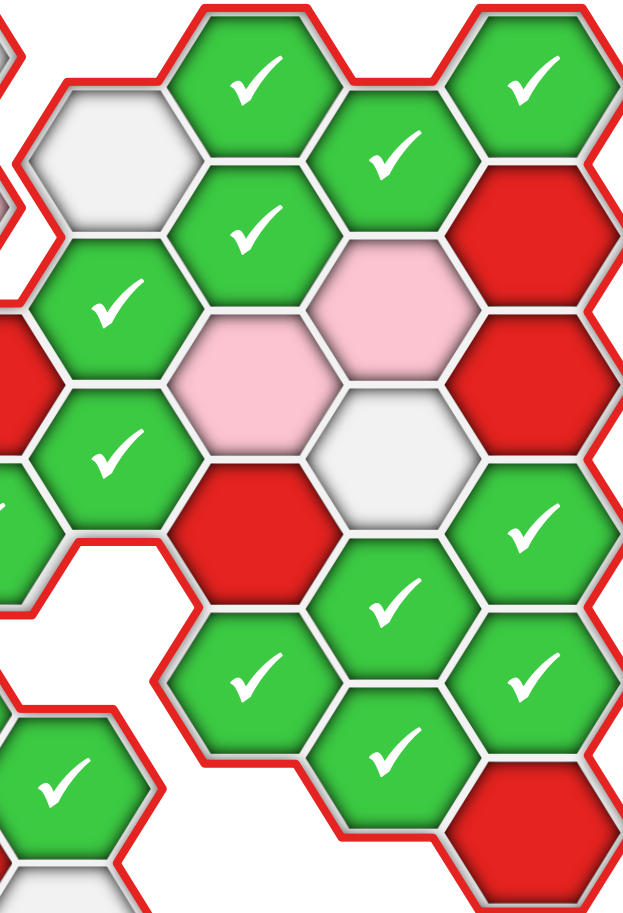
OVERALL



ENGINE



CHARGING



BATTERY

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Consequently, a negative impact relating to ongoing claims or investigations, any unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, 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 in particular relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

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