

J.P. Morgan Fieldtrip



Anton Poll

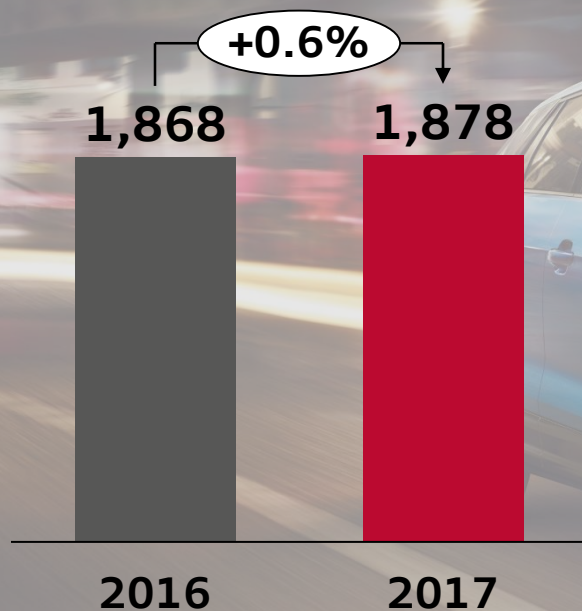
Head of Financial Communication/
Financial Analysis, AUDI AG

robust KPIs 2017



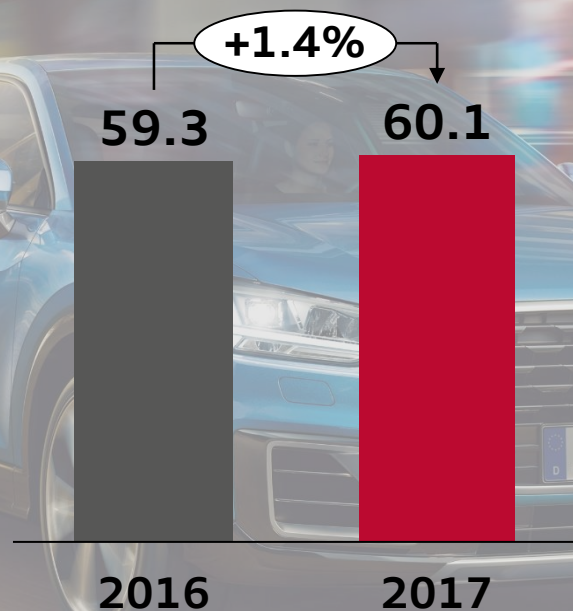
Deliveries
slightly above prior year

Audi brand, '000 vehicles



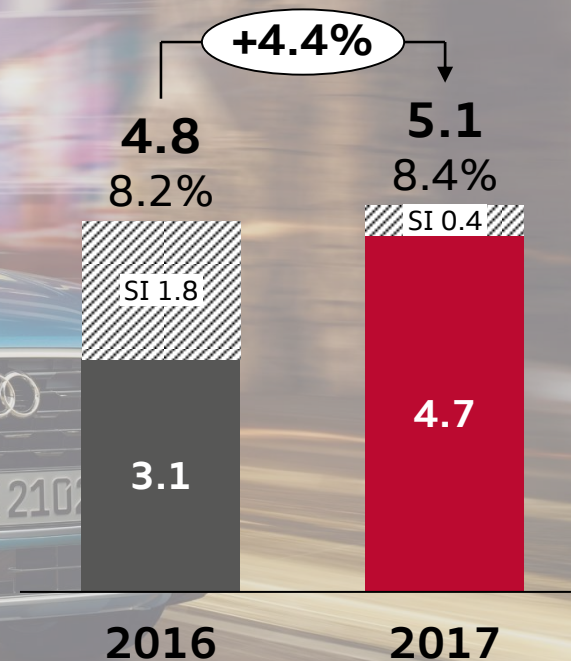
Revenue
slightly above prior year

EUR billion



Operating profit
before/after special items (SI)
above prior year

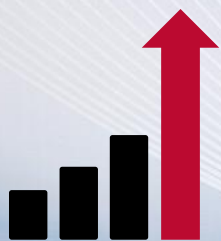
EUR billion



performance

slight increase

World
1,878,105 cars
(1,867,738)



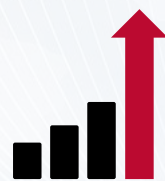
+0.6%



China

597,866 cars
(591,554)

+1.1%

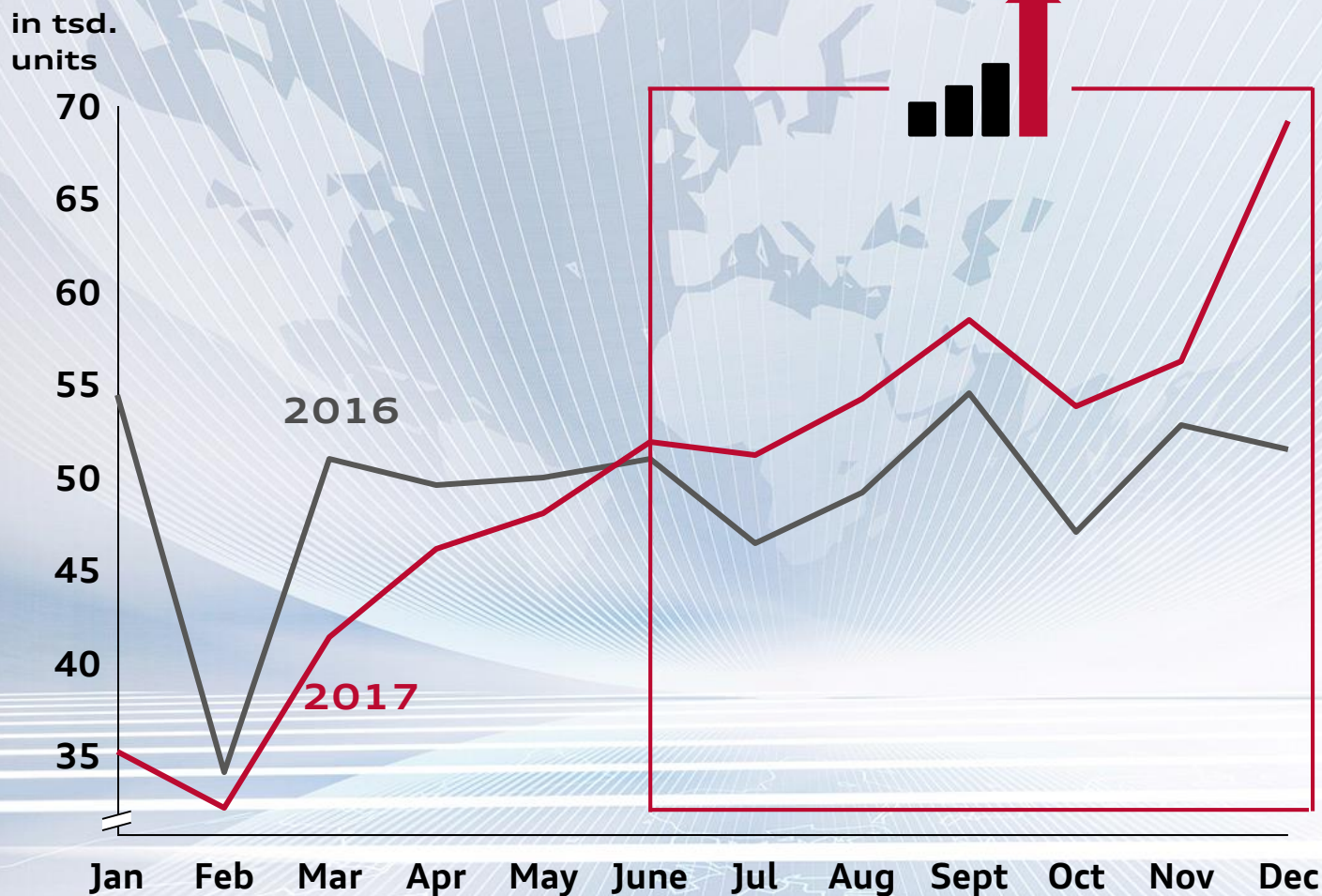


deliveries
Audi brand

2nd half sets new record



China deliveries
Audi brand

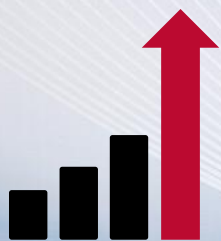


YoY
+14%
in 2nd half

confirms
premium
market
leadership
in China

slight increase

World
1,878,105 cars
(1,867,738)



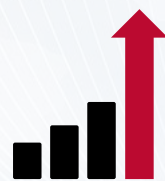
+0.6%



China

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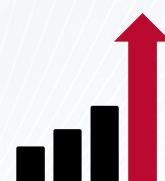
+1.1%



**Western
Europe**

805,388 cars
(801,116)

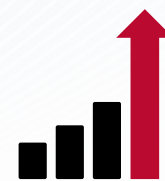
+0.5%



USA

226,511 cars
(210,213)

+7.8%



**Rest of
the world**

248,340 cars
(264,855)

-6.2%

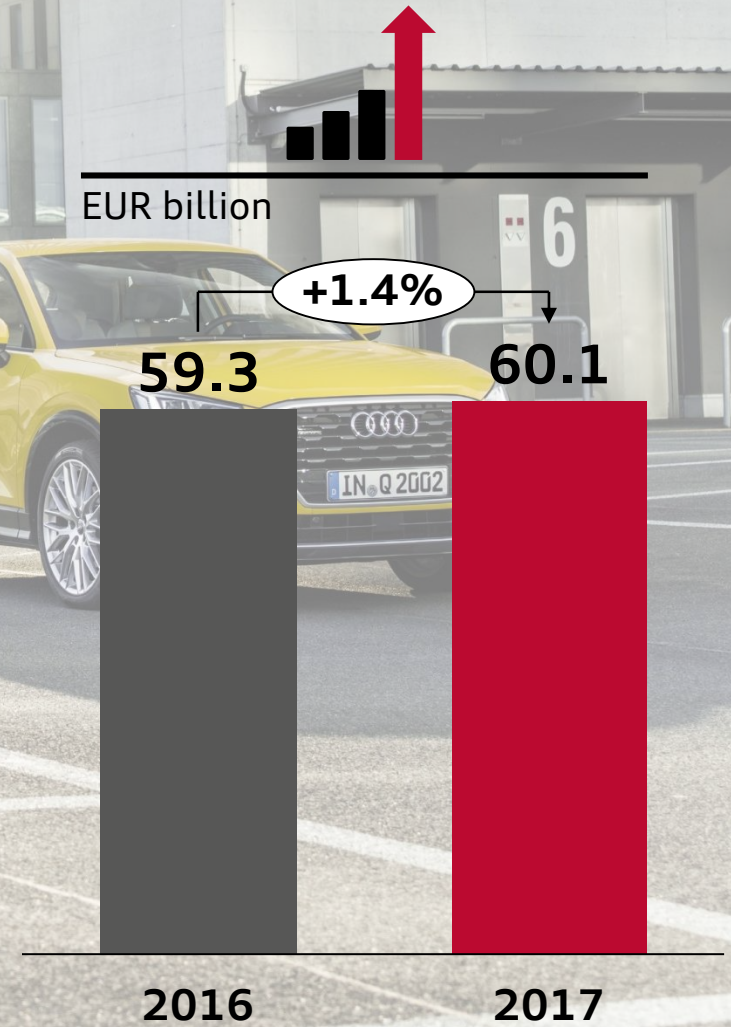


deliveries

Audi brand

passes 60bn EUR

revenue



speeds-up revenue

Lamborghini



+11.4%



1,009 (906)
EUR million



contributes stable revenue

Ducati



+0.8%

736 (731)
EUR million



Operating margin of 8.4%

4,846*
8.2%*

- ⊕ Pricing
- ⊕ Product costs/R&D
- ⊕ FX (net)
- ⊕ Genuine parts

- ⊖ Fix costs and depreciation
(e.g. related to production network)
- ⊖ Mix
- ⊖ CO₂

5,058*
8.4%*

2016

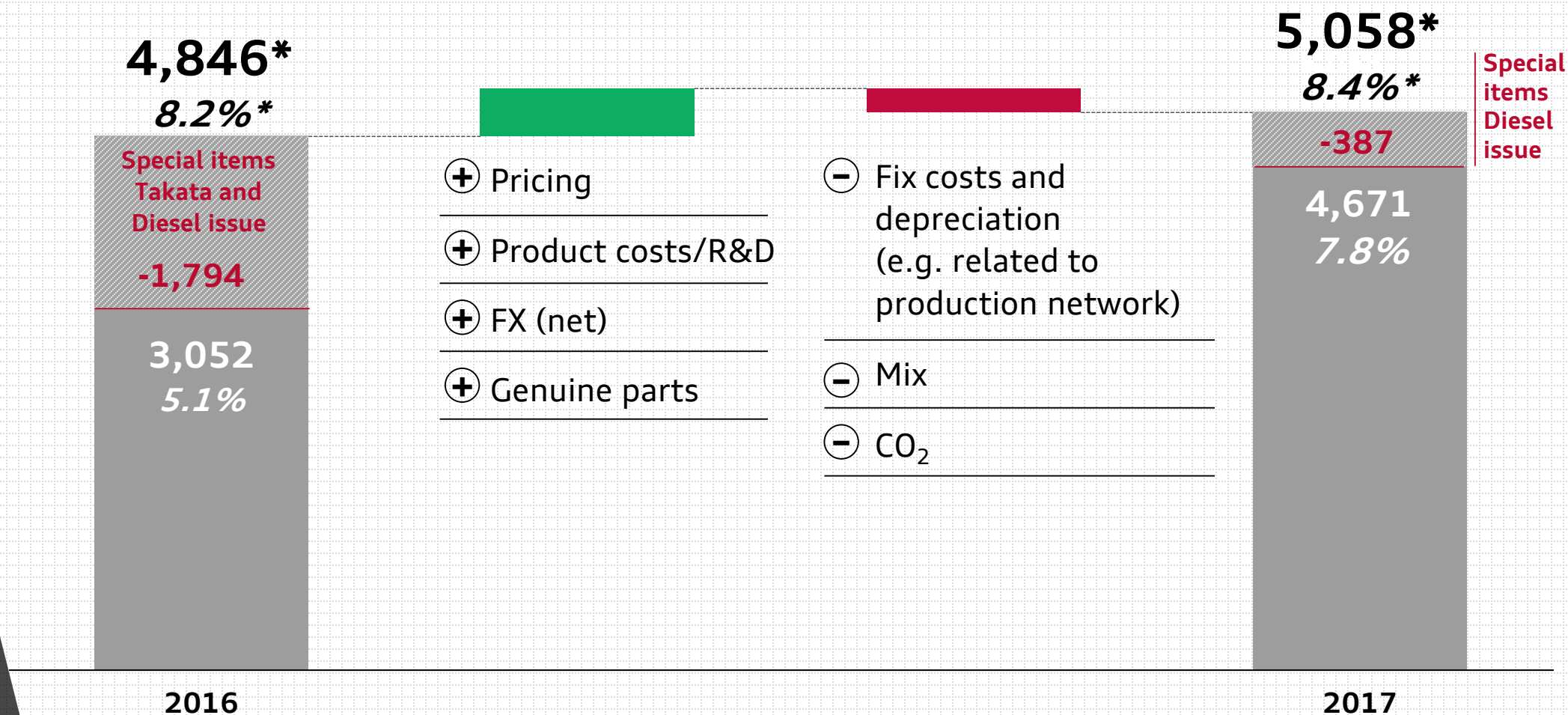
2017

* KPI adjusted by special items

profit analysis

impacted by special items

profit analysis



* KPI adjusted by special items

financial strength

net cash flow



4,312 (2,094)
EUR million



diesel issue



sale of
participation



20,788 (17,232)
EUR million

net liquidity



new models



FX-headwinds



2018

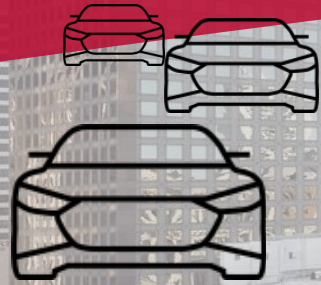
new technologies



new regulations



deliveries



prior year
level

2018



between
8 - 10 %

operating margin

revenue



slight
increase



between
2.7 and **3.2**
billion EUR

net cash flow

more than 20 launches in 2018

new products

e-tron
Q3 A1

A6

Urus

Q8

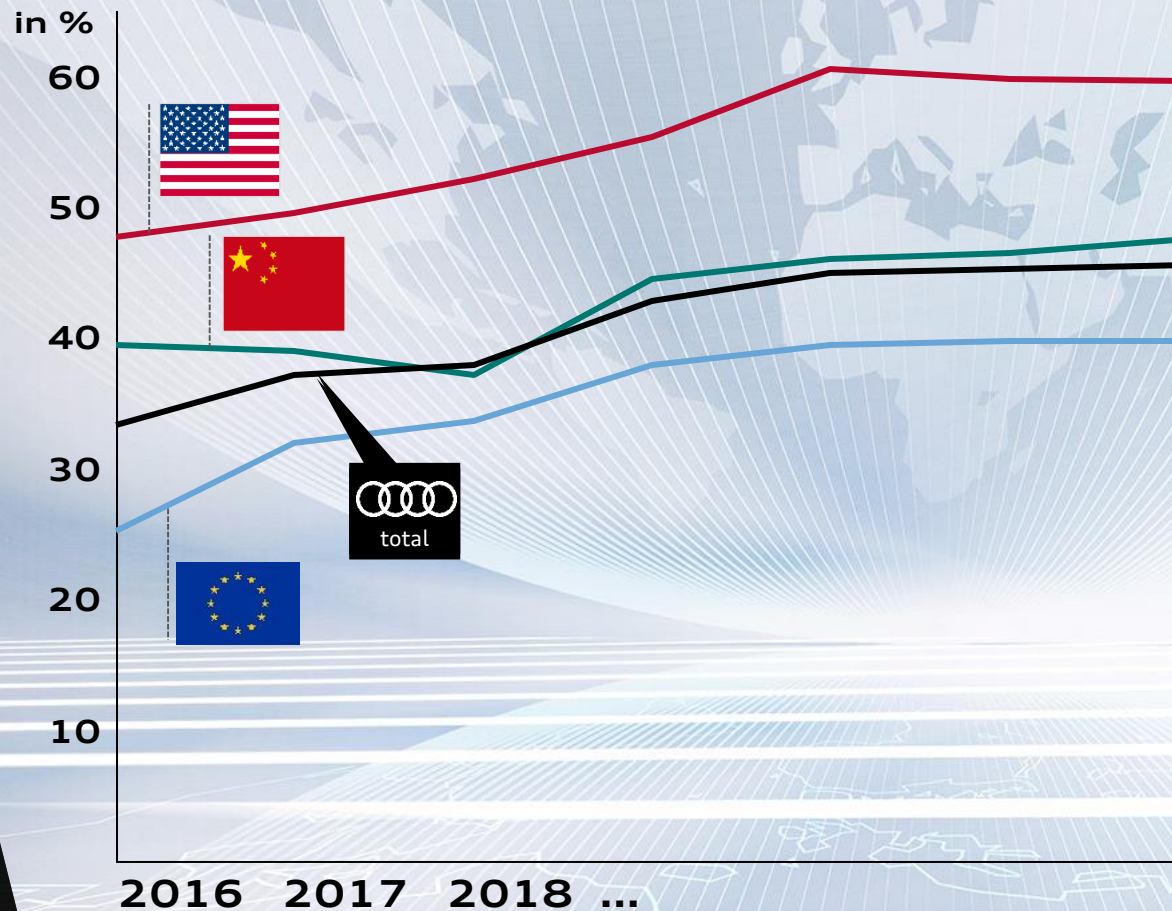
...and many
more to come



at 37% – and increasing...

SUV-ratio

Audi brand, 2017



e-tron

...

transforming to future fields

Audi.2025

Audi. Vorsprung. 2025.



Digitalization



Sustainability



New/ Urban
Mobility

Audi. Vorsprung. 2025.



2016

2017

2018

2019

2020

2021

2022

2023

2024

2025

value for our customers

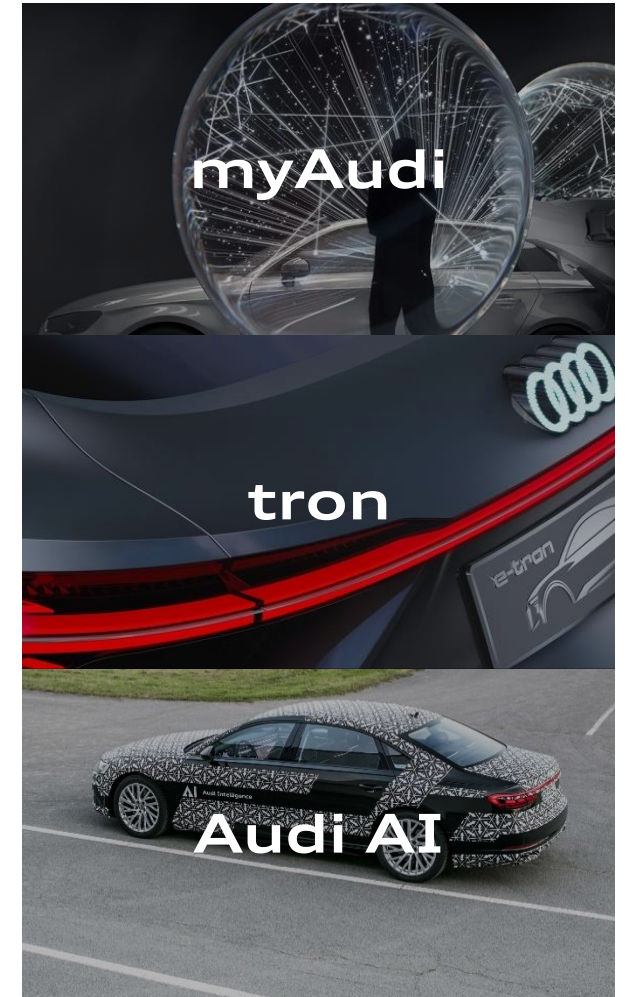
Audi Origins



Changes



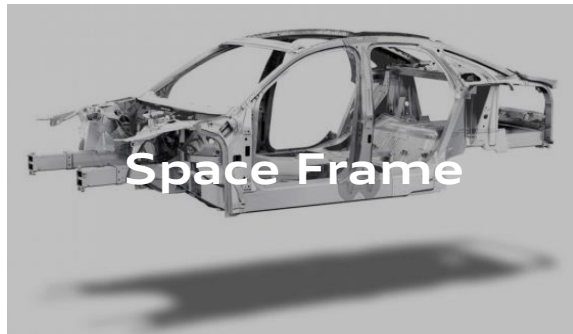
Audi tomorrow



TRANSFORMATION

value for our customers

Audi Origins



Changes



Online-Used car platform
live since October 2017

Digitalization



100 Audi VR Experience equipped
dealers until end of 2017



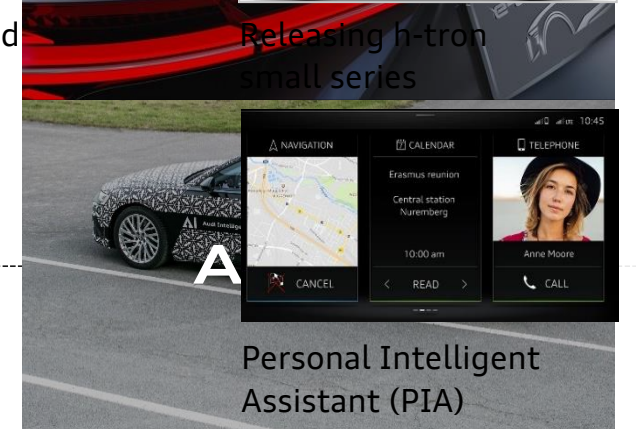
Sustainability



New/ Urban Mobility



Audi tomorrow



TRANSFORMATION

Digital Elements

Connected
Retail

+500 in 2017



Audi on demand

myAudi



...coming up 2018

e-tron



>4,000
pre-orders

high performance EV

e-tron



transforming to future fields

Audi. Vorsprung. 2025.



Digitalization



Sustainability



New/ Urban
Mobility



Audi
Action and Transformation Plan

€ 10
billion

Audi SPEED UP!



2016

2017

2018

2019

2020

2021

2022

2023

2024

2025

Audi.2025

transforming to future fields

Audi.2025



Action and Transformation Plan

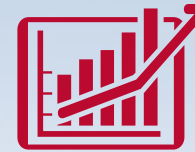
future viability



Upfront expenditure of more than EUR 40 bn. till 2022 to secure competitiveness.



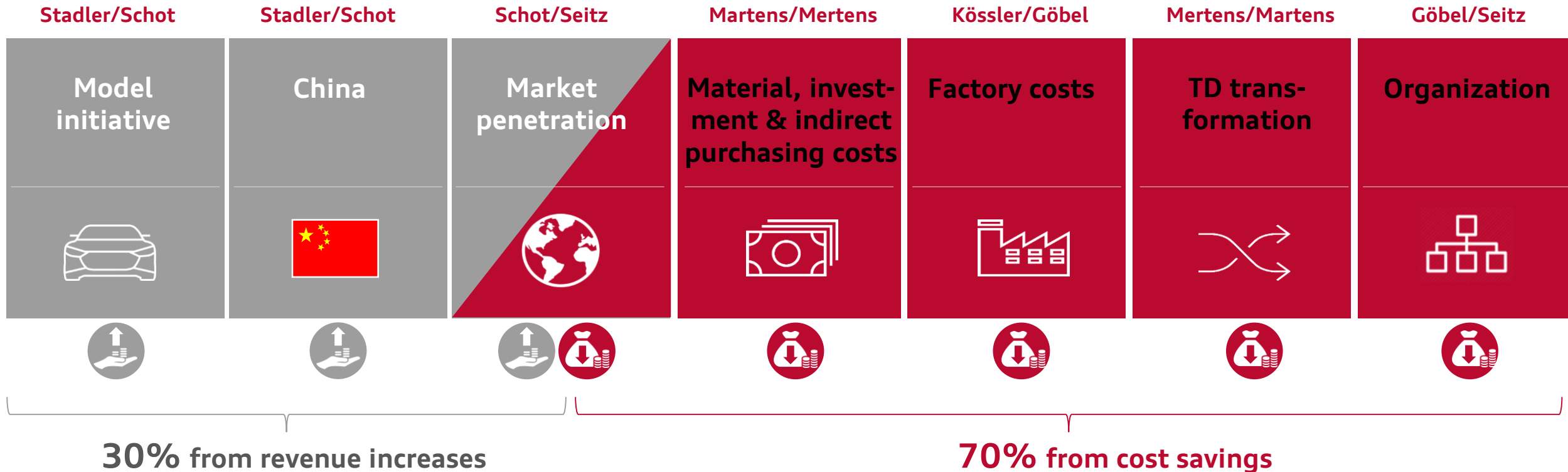
Free up more than EUR 10 bn. for CO₂, electric and autonomous driving and digitization.



Maintain profitability in the corridor of 8 to 10% over the longterm.



Action and Transformation Plan

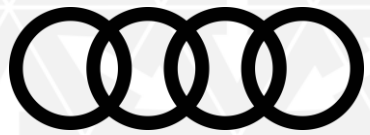


Target of more than **EUR 10 billion**

best opportunity ever

next



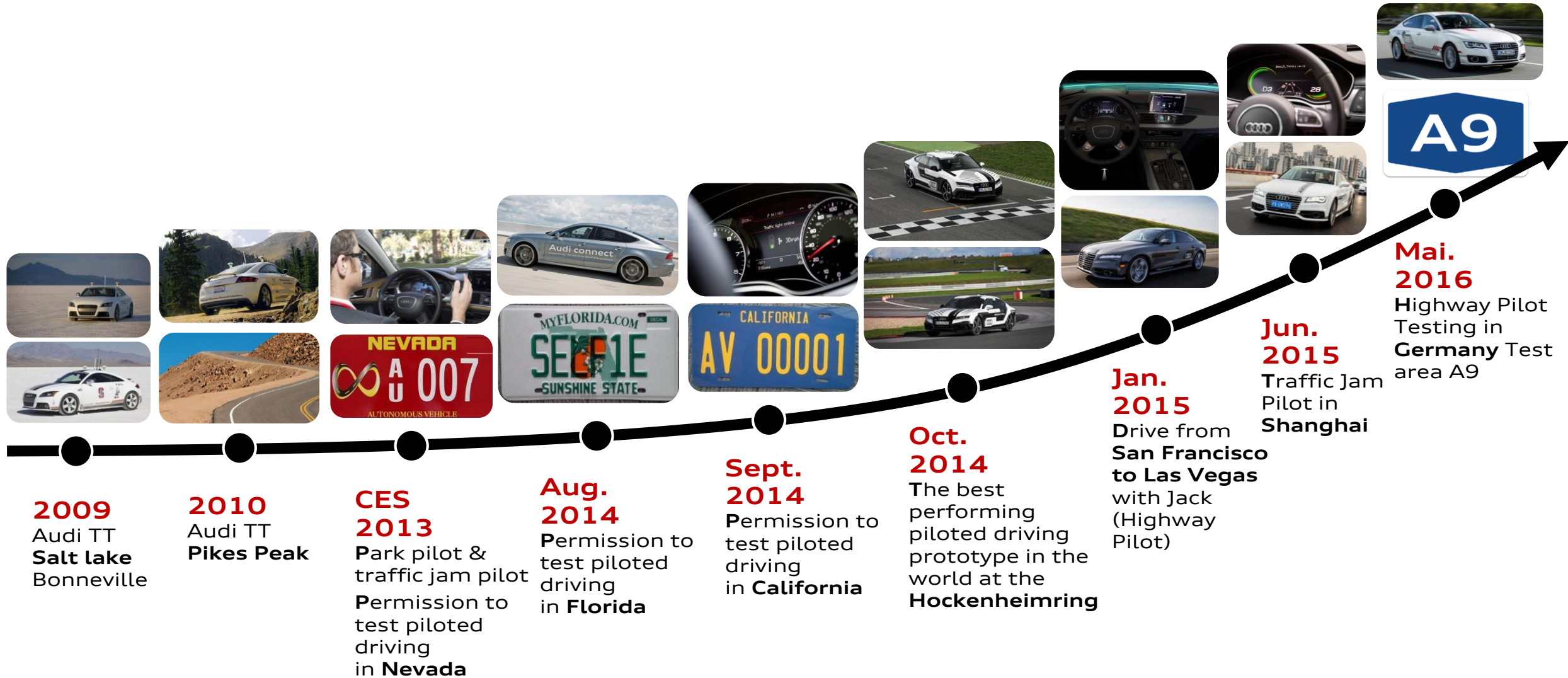


Audi's approach to autonomous driving

Dr. Miklos Kiss

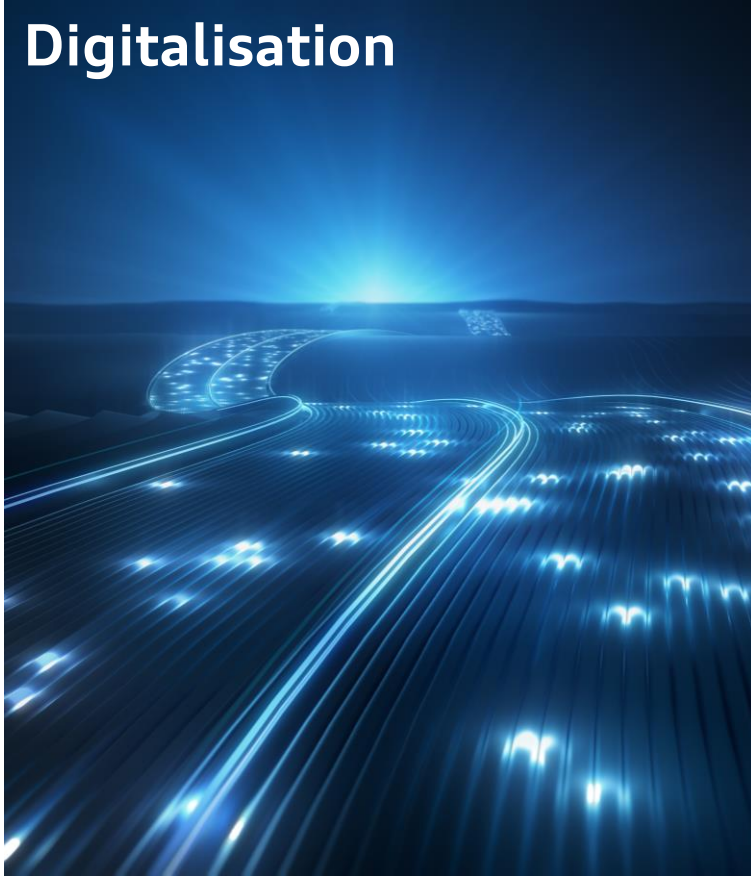
Pre-Development Automated Driving Functions

achieved milestones



milestones in future mobility

Digitalisation



Urbanisation



Sustainability



automated 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



automated
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

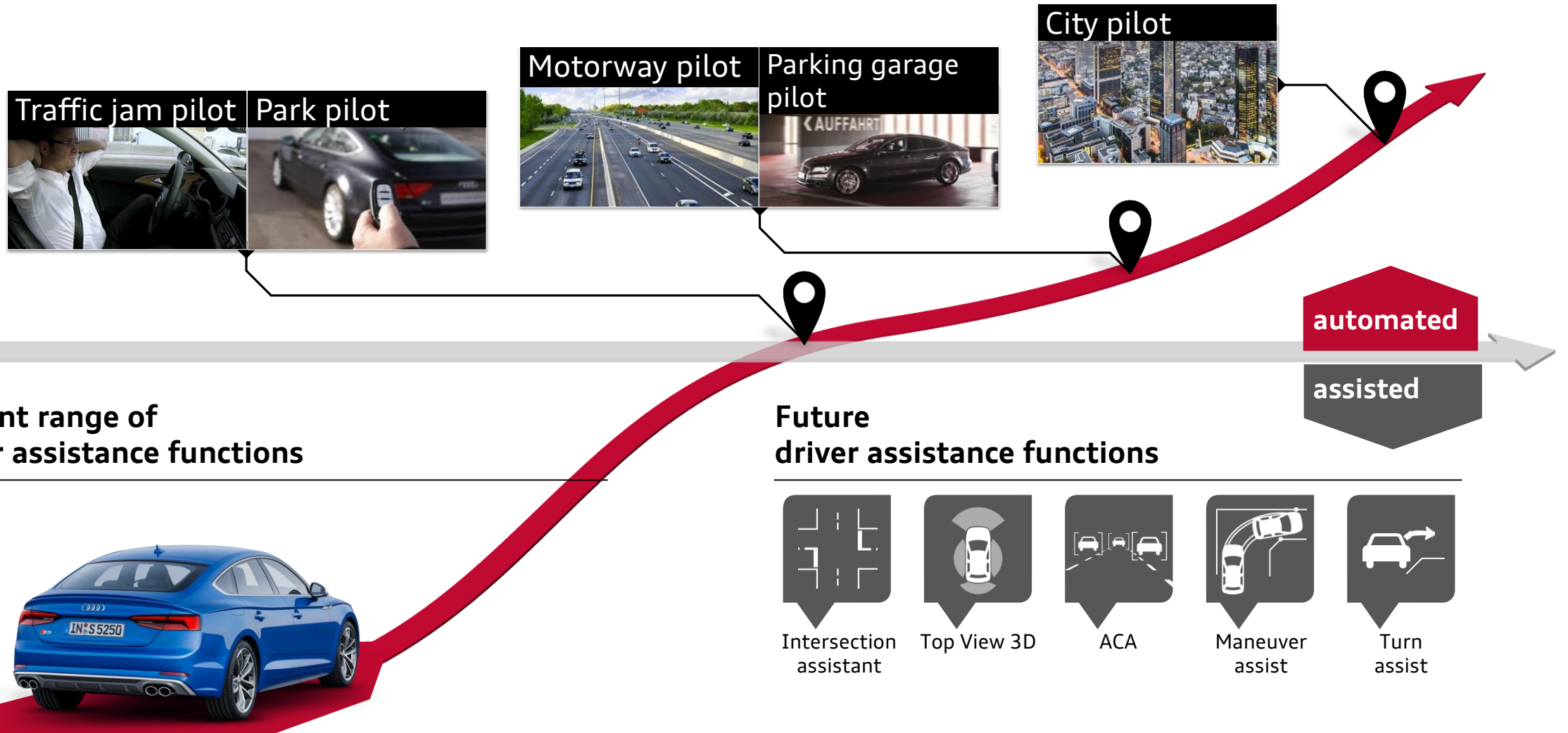
- › Trailer assist
- › Main beam assist
- › MMI navigation plus with MMI touch
- › Night vision assistant

Parking assistance package

- › Surroundings camera
- › Park assist



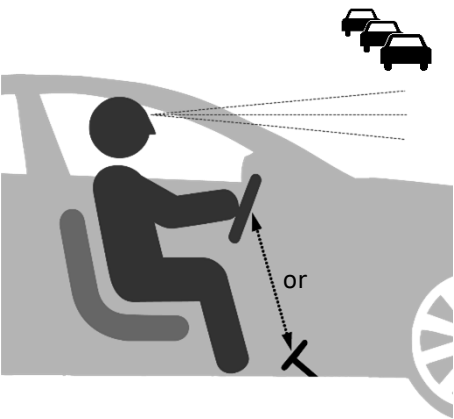
evolutionary advanced development driver assistance & automated functions



levels of driving automation (SAE international)

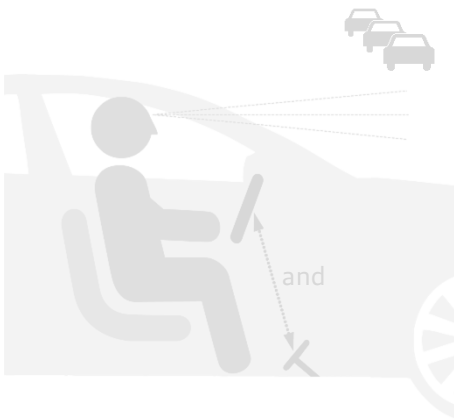
each evolutionary stage will relieve the driver more

Level 1



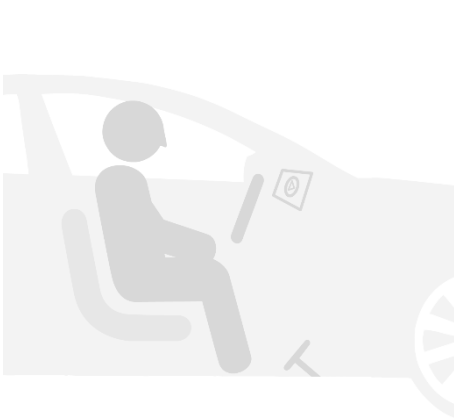
Driver Assistance

Level 2



Partial Automation

Level 3



Conditional Automation

Level 4



High Automation

Level 5

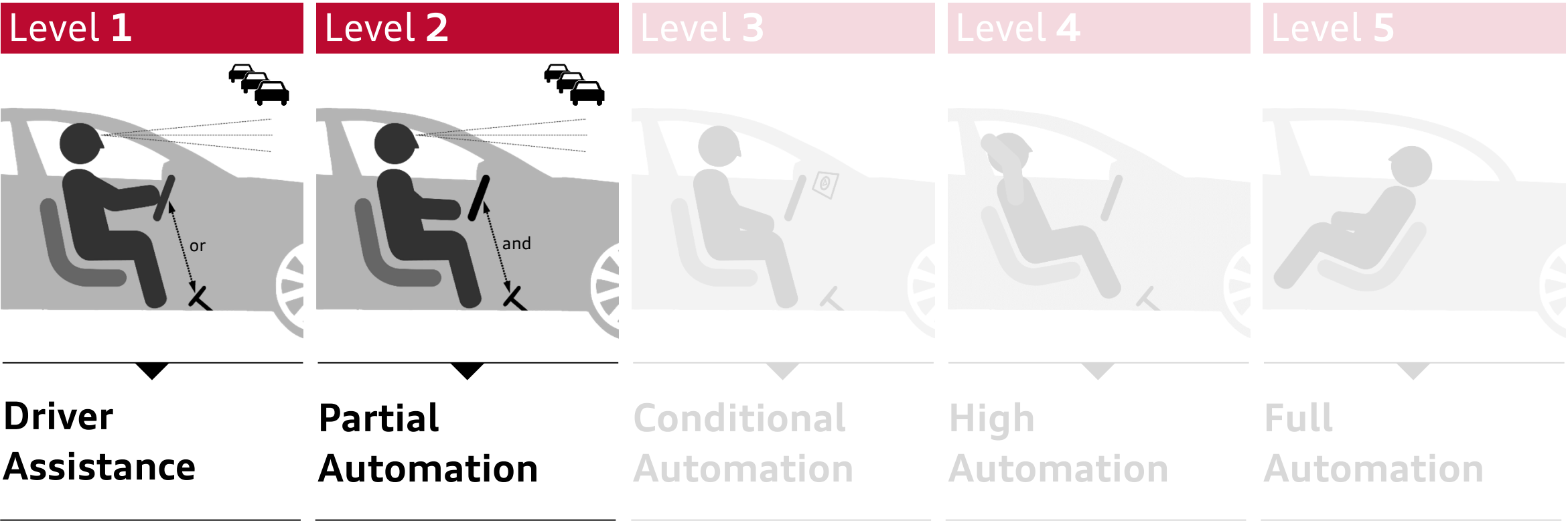


Full Automation



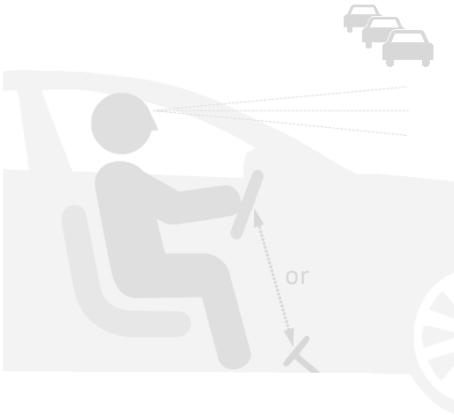
levels of driving automation (SAE international)

each evolutionary stage will relieve the driver more



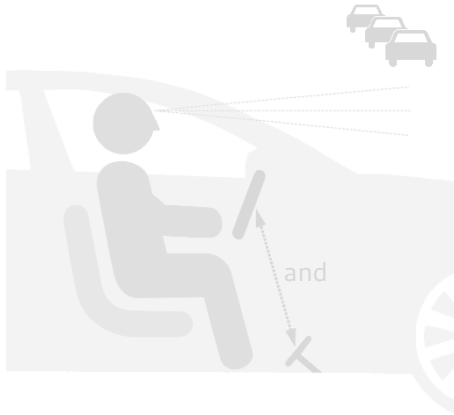
levels of driving automation (SAE international)
each evolutionary stage will relieve the driver more

Level 1



Driver
Assistance

Level 2



Partial
Automation

Level 3



Conditional
Automation

Level 4



High
Automation

Level 5



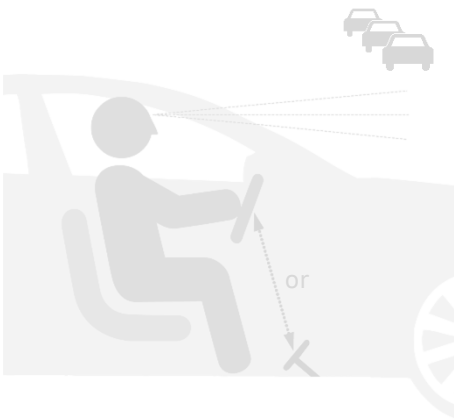
Full
Automation



levels of driving automation (SAE international)

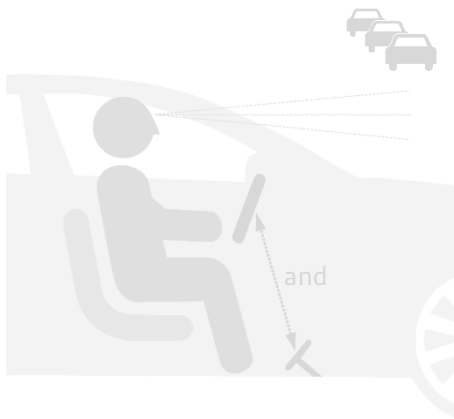
each evolutionary stage will relieve the driver more

Level 1



Driver Assistance

Level 2



Partial Automation

Level 3



Conditional Automation

Level 4



High Automation

Level 5

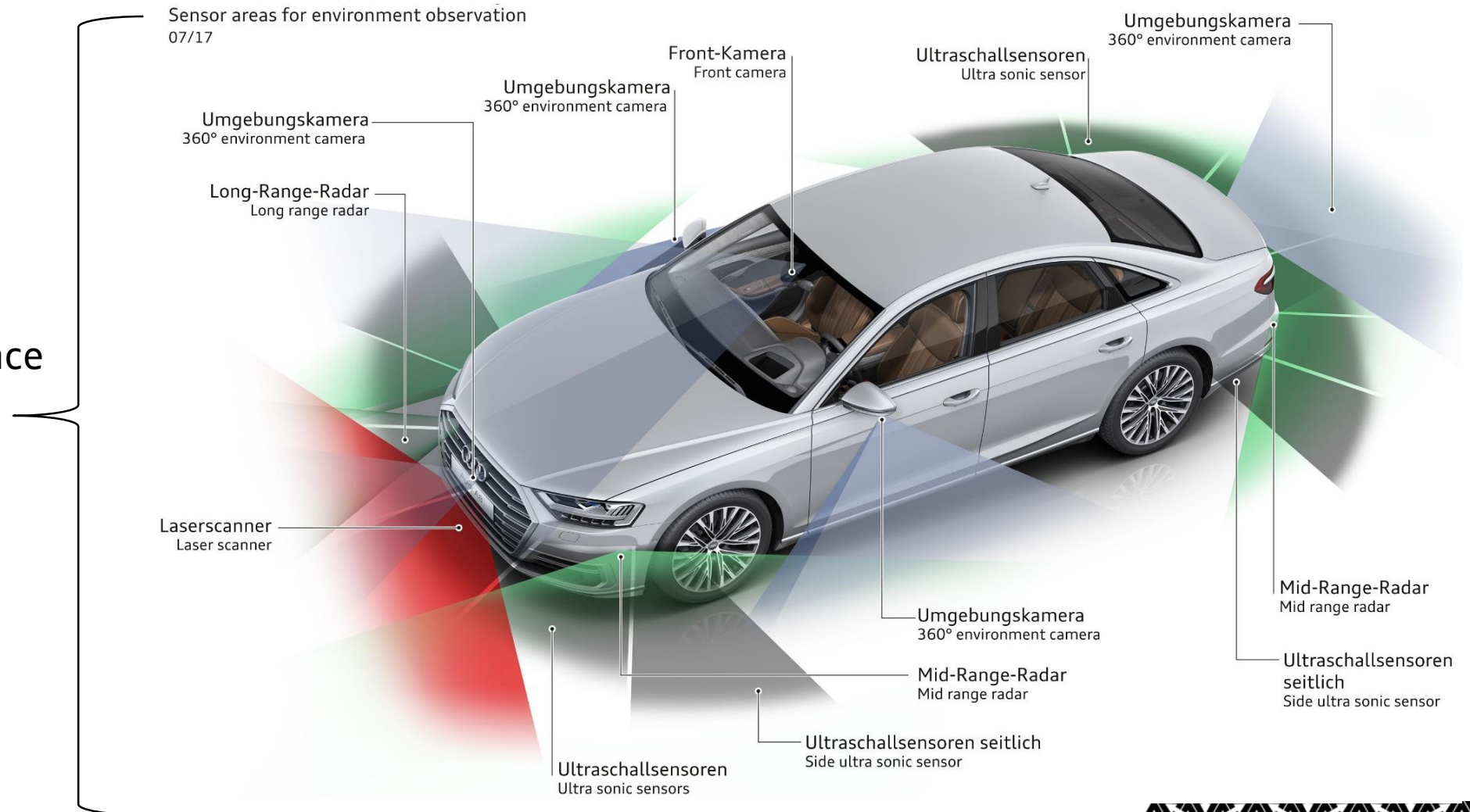


Full Automation



the new A8 has been developed for conditional automated driving (level 3)

central driver assistance
control unit
(zFAS)



the new A8 has been developed for conditional automated driving (level 3)

In 2018 we will gradually start to put the automated functions into series production.

Legal framework
(road traffic laws)



Technical regulations
(type approval / homologation)



the new A8 has been developed for conditional automated driving (level 3)

In 2018 we will gradually start to put the automated functions into series production.

Legal framework (road traffic laws)



- **National road traffic laws** regulate the behaviour of the driver on public roads.
- Conditional automation: The driver needs to have **the ability** to control his vehicle even if he is not performing the driving task. **National traffic legislation in different countries is currently amended to allow the use of Level 3 systems.**

the new A8 has been developed for conditional automated driving (level 3)

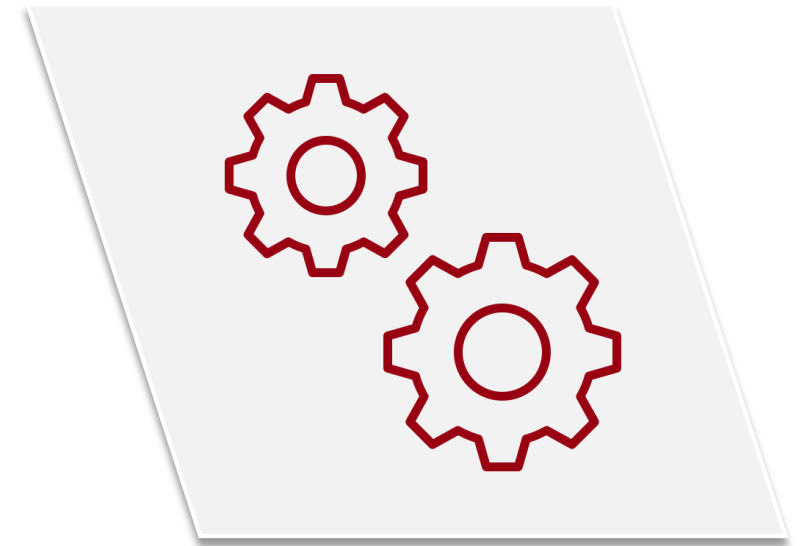
In 2018 we will gradually start to put the automated functions into series production.

- **Type approval** leads to the technical certification of the vehicle. The automaker must fulfil various technical regulations in order to gain the necessary approvals.

Focus: Technical regulation for the steering equipment (UN-R 79):

- At present **UN-R 79** is currently under amendment to allow **continuous steering by the system**.
- The amendment is necessary to address various aspects of automated driving.
- **Currently** the regulation permits continuous steering **without holding the steering wheel only at speeds not exceeding 10 km/h (6.2 mph)**.

Technical regulations
(type approval / homologation)





THANK YOU!