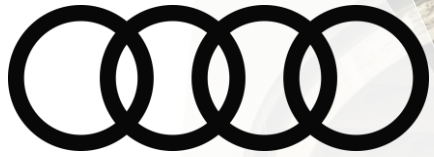


TALKING BUSINESS

Investor Dinner with UBS Fieldtrip Group

Ingolstadt, May 16, 2019





TALKING BUSINESS

Alexander Seitz, Board Member for Finance, China & Legal



AGENDA

**QUICK LOOK
INTO 2018**

**FIRST
MONTHS 2019**

**OUTLOOK
2019**

**TRANSFOR-
MATION PLAN**



YEAR 2018: CHALLENGING TRIP ON A BUMPY ROAD

**PRODUCT
INITIATIVE**

WLTP

**CHALLENGING
MACROS**

**HIGH UPFRONT
EXPENDITURE**

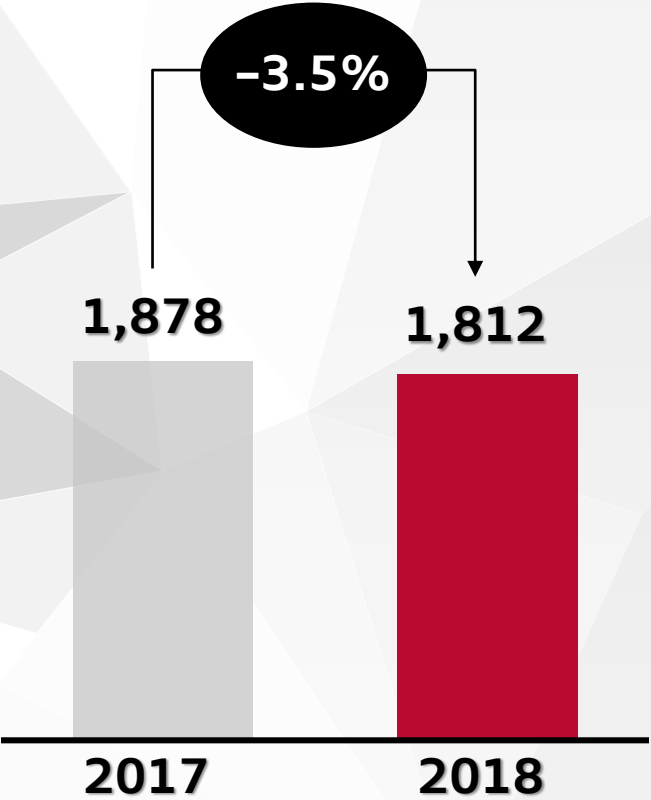
DIESEL FINE



CHALLENGING YEAR 2018

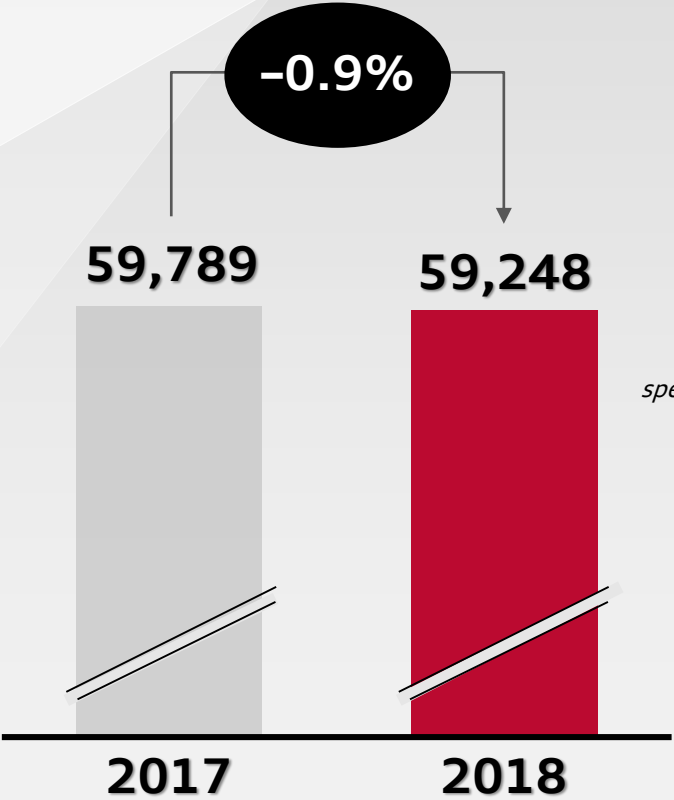
DELIVERIES

Audi brand, '000 units



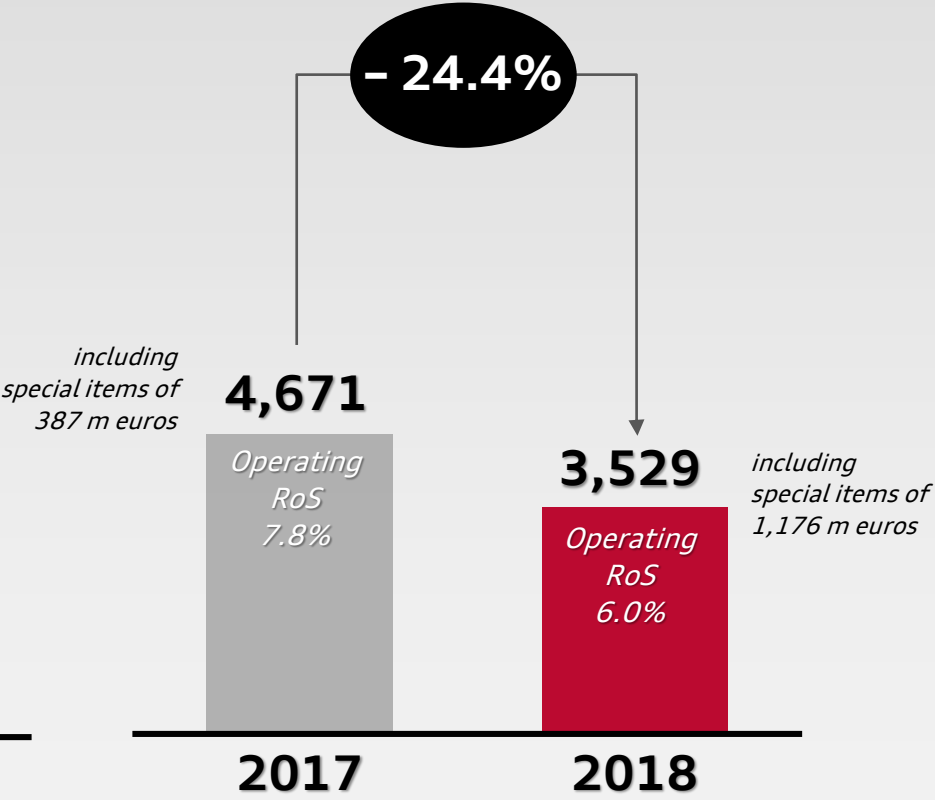
REVENUE

in euros million



OPERATING PROFIT *

in euros million



* Operating Profit before special items: 4,705 (5,058) m euros;
Operating RoS before special items: 7.9 (8.5)%

FY 2018 HAS NOT BEEN A LOST YEAR FOR AUDI

SUCCESSFUL STARTUP OF AUDI TRANSFORMATION PLAN

MEASURES WORTH

1.9 bn euros
IMPLEMENTED

E-TRON KICKED OFF AUDI'S ELECTRIC VEHICLE INITIATIVE



MAJOR CASH CONTRIBUTOR TO VW GROUP

2,141 m euros
NET CASHFLOW

CASH IS KING 



URUS TAKES LAMBORGHINI'S BUSINESS TO NEW LEVELS

5,750 TOTAL
DELIVERIES (+51%)



DOUBLE DIGIT
MARGIN



RECORD SALES & MARKET LEADER IN CHINA

663 TSD
DELIVERIES(+11%)



PRODUCT INITIATIVE PUSHES MIX TO C- AND D-SEGMENT

TOTAL OF 20 NEW MODELS & DERIVATIVES



COMPLETELY
RENEWED C/D-SEGMENT

FIRST 4 MONTHS: TYPE APPROVAL PROCESS ALMOST COMPLETED

BUT STILL IMPACTING DELIVERIES, BURDENS FROM MODEL INITIATIVE

WORLDWIDE

Audi brand, units

624,634

-5.9%

587,550

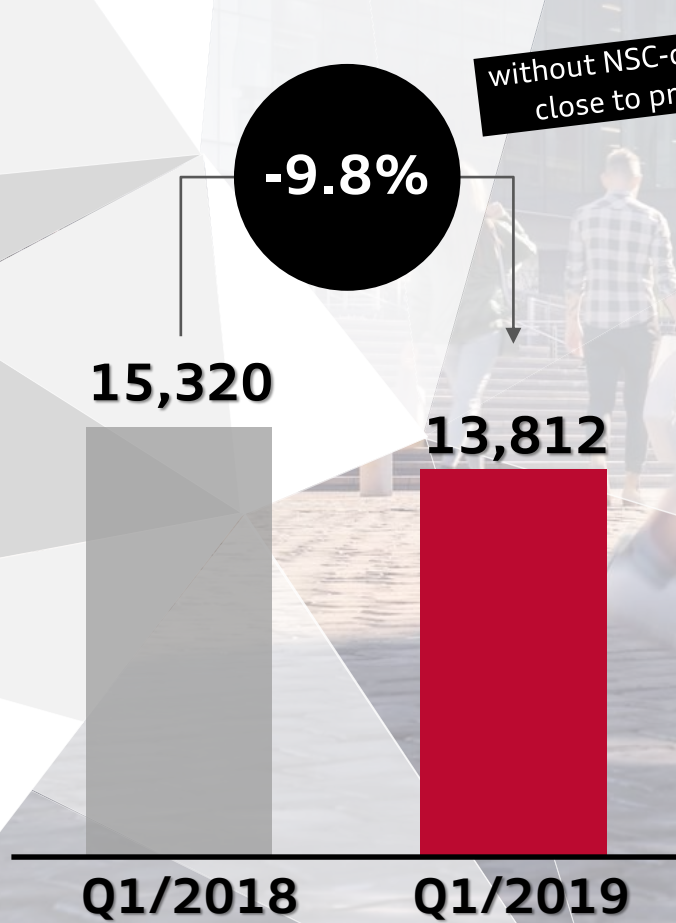
1-4/2018

1-4/2019



Q1: REVENUE WITH DEEP IMPACT FROM NSC*-DECONSOLIDATION

in euros million

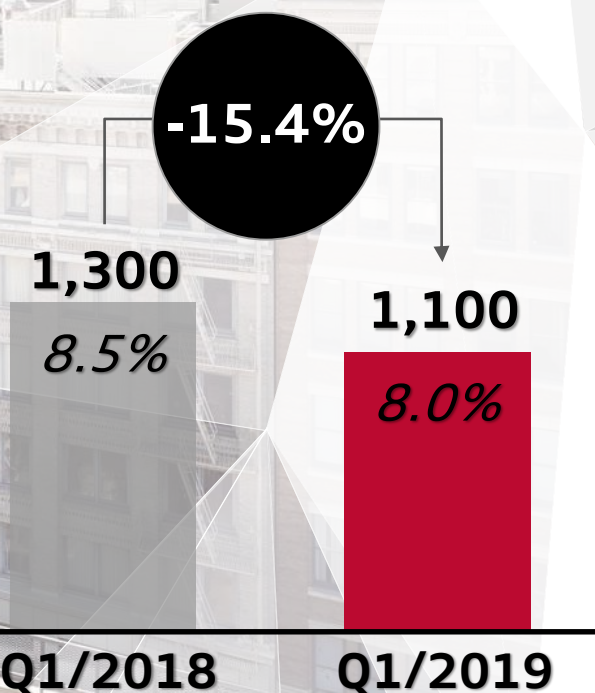


*NSC = Multi brand National Sales Companies

EARNINGS DEVELOPMENT ROBUST, BUT EFFECTED BY ONGOING PRODUCT INITIATIVE, HIGH UPFRONT EXPENDITURE AND WLTP

OPERATING PROFIT & RoS

in euros million, in percent



THANKS TO OUR STRONG CASH GENERATING ABILITY

AUDI HAS AGAIN CONTRIBUTED WELL TO VW GROUP NET CASH FLOW

net cash flow

1,207 m euros

(Q1/2018: 1,919)

one time effect
NSC-deconsolidation

net liquidity

20,058 m euros

(Q1/2018: 20,210)





FY 2019 OUTLOOK CONFIRMED. CHALLENGES REMAIN

DELIVERIES
moderate increase

REVENUE
slight increase

OPERATING RoS
7.0% to 8.5%

NET CASH FLOW
2.5 to 3.0 bn euros

FRESH IMPETUS: MODEL INITIATIVE PUSHES PRODUCT MIX



- approx. 20 new models and derivatives launched in 2018
- completely renewed C-/D-segment
- C-/D-ratio improved
- further focus on models with high margins

ADDITIONAL

20 models & derivatives

TO COME THROUGHOUT 2019

NEXT STAGE OF ELECTRIC VEHICLE INITIATIVE



- strong feedback for Audi e-tron
- more than 30 electrified models to come until 2025
- crucial group synergies with electric architectures MEB and PPE starting from 2020ies



e-tron

E-MOMENTUM CONTINUES: AUDI E-TRON SPORTBACK

- Sportback derivative from Audi e-tron
- higher pricing position
- asset-light approach
- Production car will be presented to world public in 2019

the
charged
next

Committed To Vision Zero



E-MOMENTUM CONTINUES: AUDI E-TRON GT

- Audi Sport goes electric
- Group synergies realized with Porsche Taycan
- most emotional & sporty version of electric mobility



PRODUCT MOMENTUM NEEDS

TO BE FINANCED...

AUDI TRANSFORMATION PLAN FREES UP RESOURCES FOR THE FUTURE

new mind set

profit zone

prior to

comfort zone

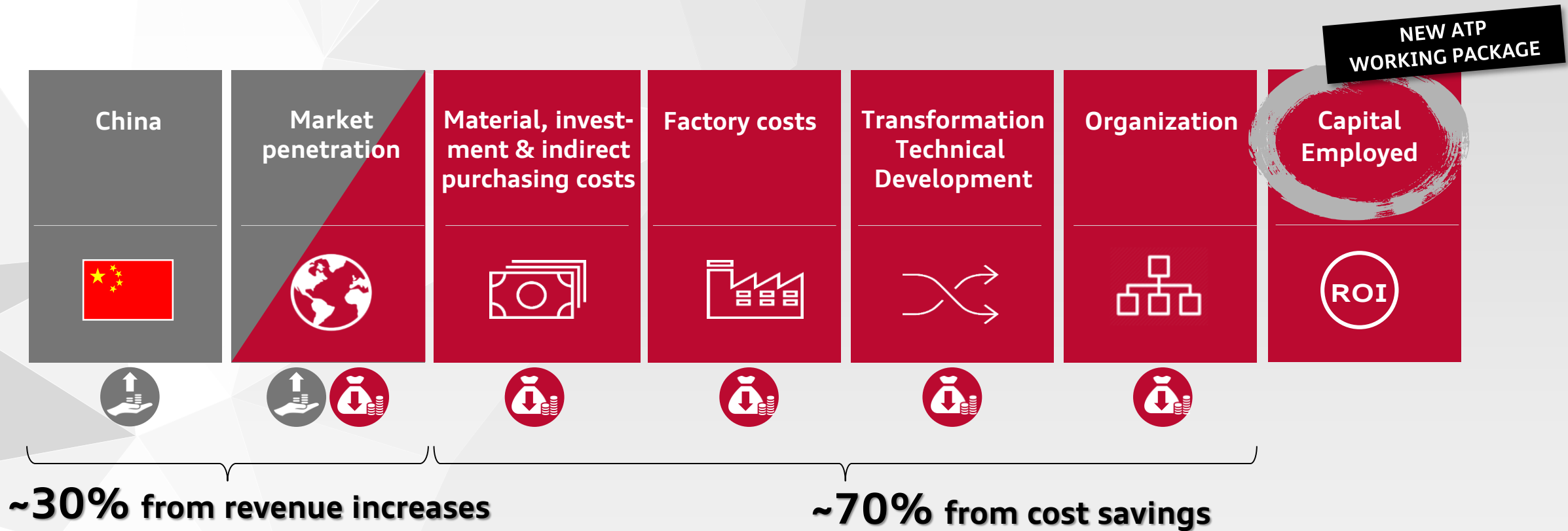
increased target

15 bn euros
by 2022

concrete measures

for **70%** of the target

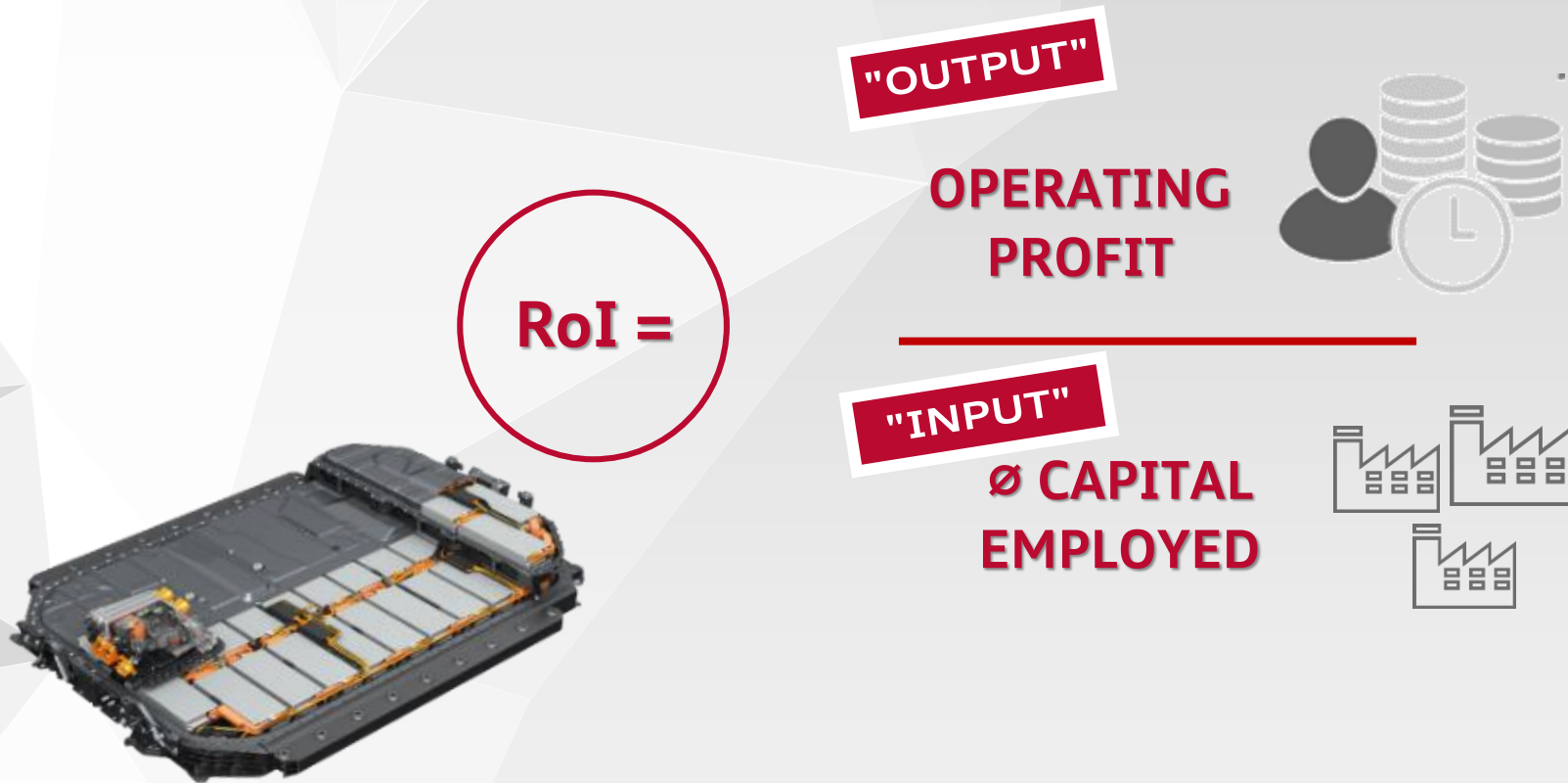
TRANSFORMATION PLAN MAINTAINS PREMIUM MARGIN IN THE MEDIUM TERM



TARGET of approx. EUR 15 BN

BY 2022

STRONGER FOCUS ON RoI TO REDUCE CAPITAL EMPLOYED



OVERALL TARGET:



make **AUDI MORE PROFITABLE** and **VALUABLE**

CO₂ IS THE NEW CURRENCY FOR ALL PRODUCT DECISIONS



CO₂ BONUS

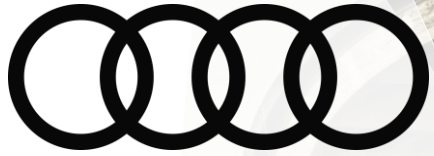
PROJECT MARGIN

CO₂ MALUS



ALL EYES ON CHINA. STRATEGY RELOADED.

- 
- A photograph of an Audi AI:ME concept car on display at an auto show. The car is a sleek, silver, two-seater with a futuristic design. It is positioned on a raised platform. In the background, a man in a suit is standing next to a silver Audi sedan. To the left, a yellow Audi SUV is also on display. The background features a large screen with the text 'Audi AI:ME' and a digital display of the concept car. The scene is illuminated with blue and white lights, and a crowd of people is visible in the background.
- new Audi Q3 from new local plant Tianjin
 - kick off of electric vehicle initiative: Audi e-tron and Q2L e-tron from local production
 - 12 locally produced models by 2022
 - ambitious China-strategy with clear goal: double deliveries in the Chinese market in the mid term



ELECTRIC HAS GONE AUDI

Dr. Stefan Niemand, Head of Electrification





CUSTOMER
DEMAND in
C SEGMENT

GROWING
SEGMENT

MAKING
ELECTRIC CARS
SEXY



 Audi e-tron Sportback 2019



 Audi e-tron GT 2020



Audi Q4 e-tron 2021

E-roadmap

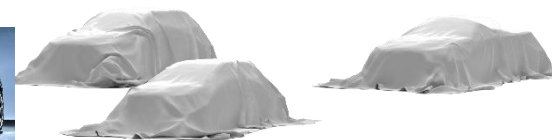
BEV platform
PPE



BEV platform
MEB



Q4 e-tron



BEV dedicated
platform



Audi
e-tron



Audi
e-tron SB



Audi
e-tron GT

PHEV



A3 e-tron

Q7 e-tron



Q5, A6/7/8 e-tron



2016

2020

2025

Electrification

It's much more than just the vehicle!



Electric Mobility **ONLY** works as a **SYSTEM**



COMFORT
@Home

**Private
Charging**



**Public
Charging**



FLEXIBILITY
on the road

**Premium
Turnkey Solutions**



HASSLE FREE
from day one

CHARGING USE-CASES

Home Charging

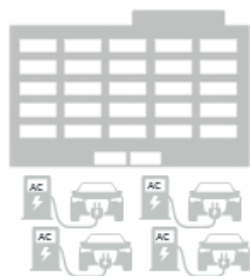


Charging at home

Used >85%

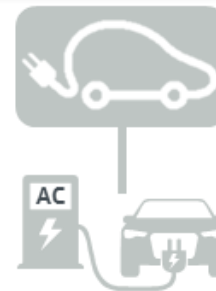
Must have

Semi-public Charging



Charging at work

Public Charging

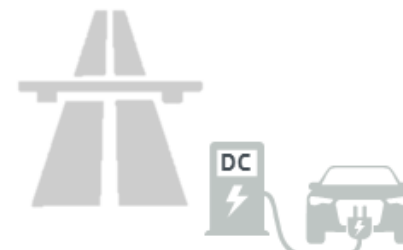


Charging at public areas

Used < 5%

Nice to have

Fast Charging



Charging along highways

Used ~ 10%

Must have



Critical factor for purchase decisions

LONG RANGE capability is a buy or no-buy criteria!





USA

484
stations

by the end of 2019

EUROPE

400
stations

by 2020

IONITY

Stand: 14.05.2019



DER PLAN

400

Ladeparks bis 2020

IN BETRIEB

093

Ladeparks

IM AUFBAU

049

Ladeparks

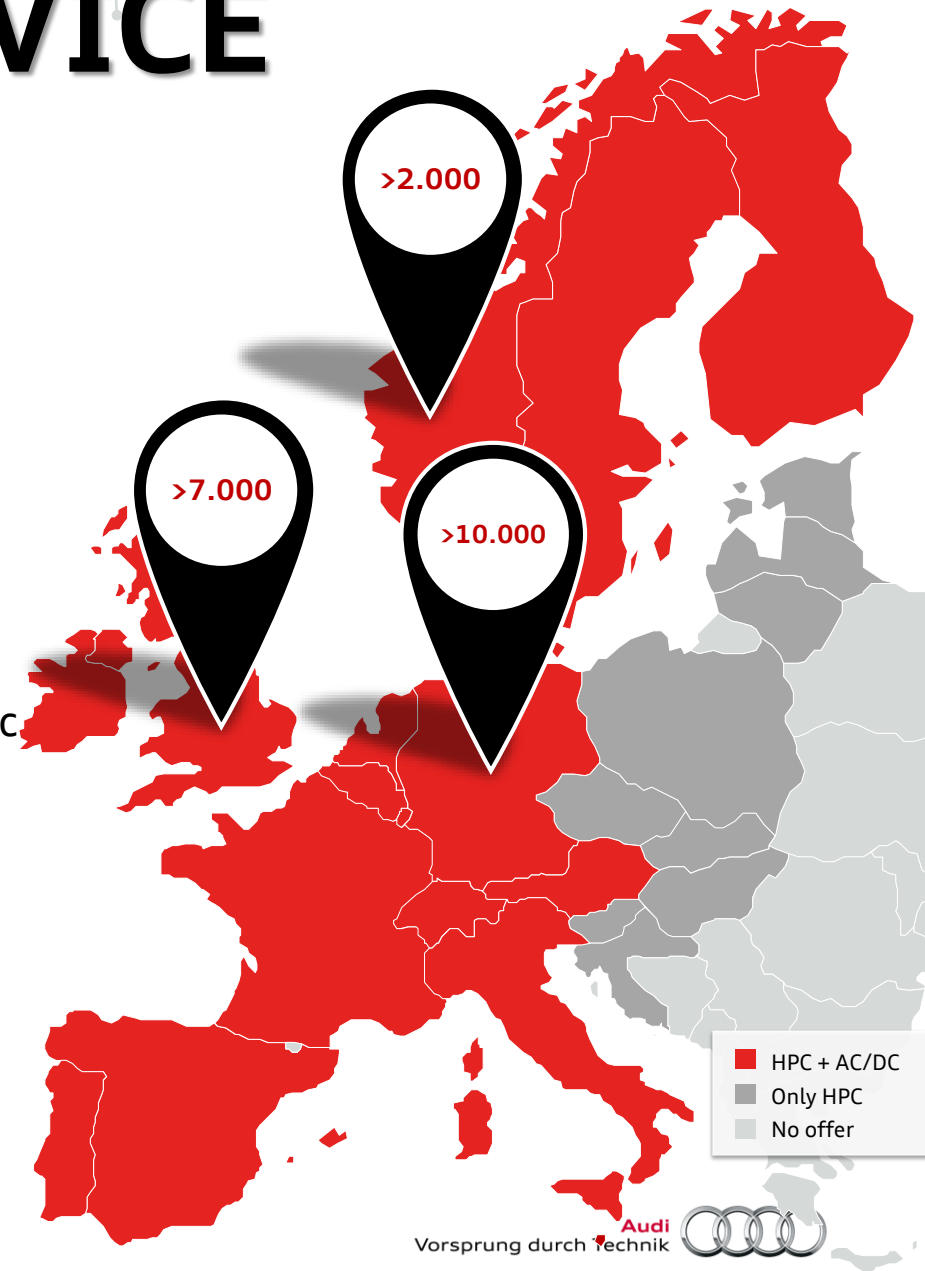




E-TRON CHARGING SERVICE

ONE Premium Access Europe-wide

- › **100.000+** AC/DC charging points with up to 50 kW
- › **2000+** High Power Charging points with up to 350 kW
- › **International** roaming via Hubject, e-Clearing, etc
- › **220+** Charge point operators in 16 countries



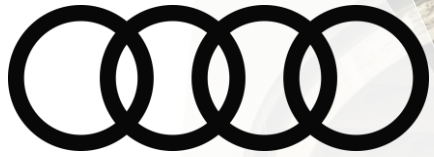
Intelligent Charging at HOME



Audi e-tron + Audi charging system connect + partner
= intelligent charging@home



**Revolution needs action.
We tackle.**



TALKING BUSINESS

Investor Dinner with UBS Fieldtrip Group

Ingolstadt, May 16, 2019



Disclaimer

The presentations contain forward-looking statements and information on the business development of the Volkswagen 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. These statements are based on assumptions, 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. These assumptions relate in particular to the development of the economies of individual countries and markets, the regulatory framework and the development of the automotive industry. Therefore the estimates given involve a degree of risk, and the actual developments may differ from those forecast. The Volkswagen Group currently faces additional risks and uncertainty related to pending claims and investigations of Volkswagen Group members in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

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.

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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