



Bank of America Merrill Lynch

# German Autos (virtual) Tour

May 19th, 2020



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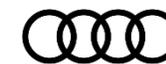
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# German Autos (virtual) Tour

Dr. Arno Antlitz, CFO

May 19th, 2020





# We face coronavirus pandemic with coordinated crisis management and safeguard our business.



**Ensuring  
employee safety**



**Protecting  
liquidity**



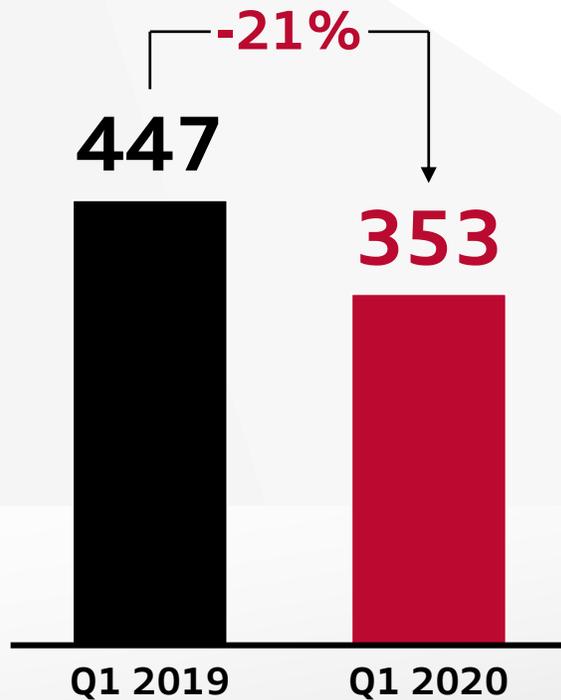
**Maintaining  
core processes**



Through managing the balance between sales and production we could avoid major increase in inventories.

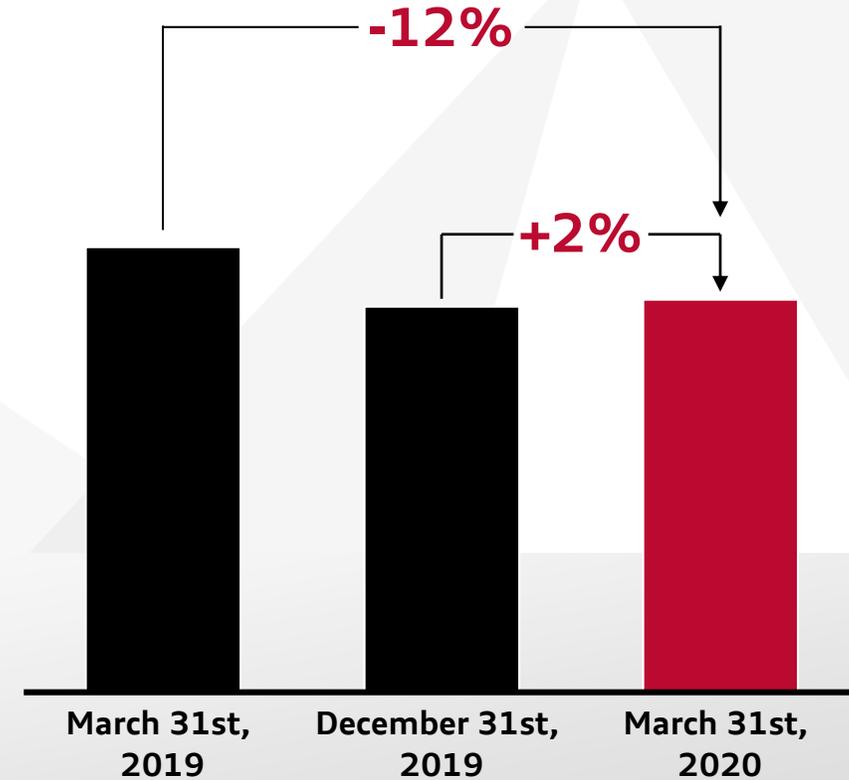
## Deliveries

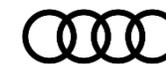
Audi brand in k units



## Inventories

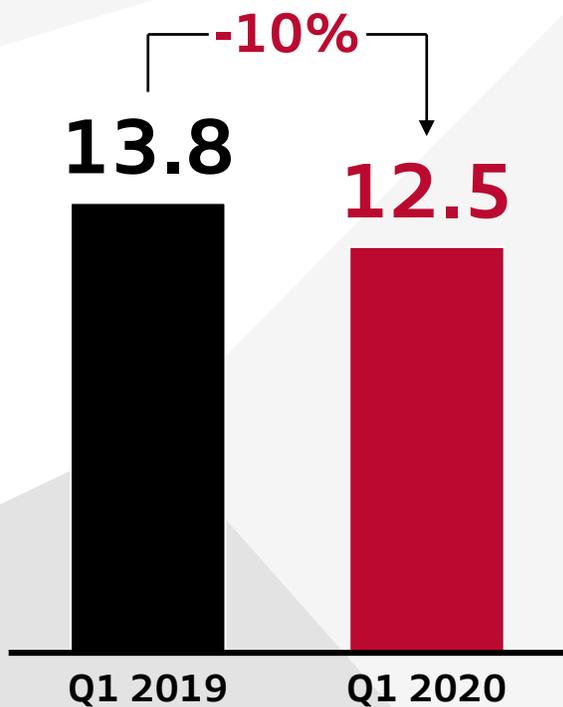
Audi brand in €bn





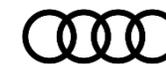
Thanks to the Audi e-tron and the new Q3 family we could improve our mix, increased contribution from kits for local production in China.

## Revenues in €bn



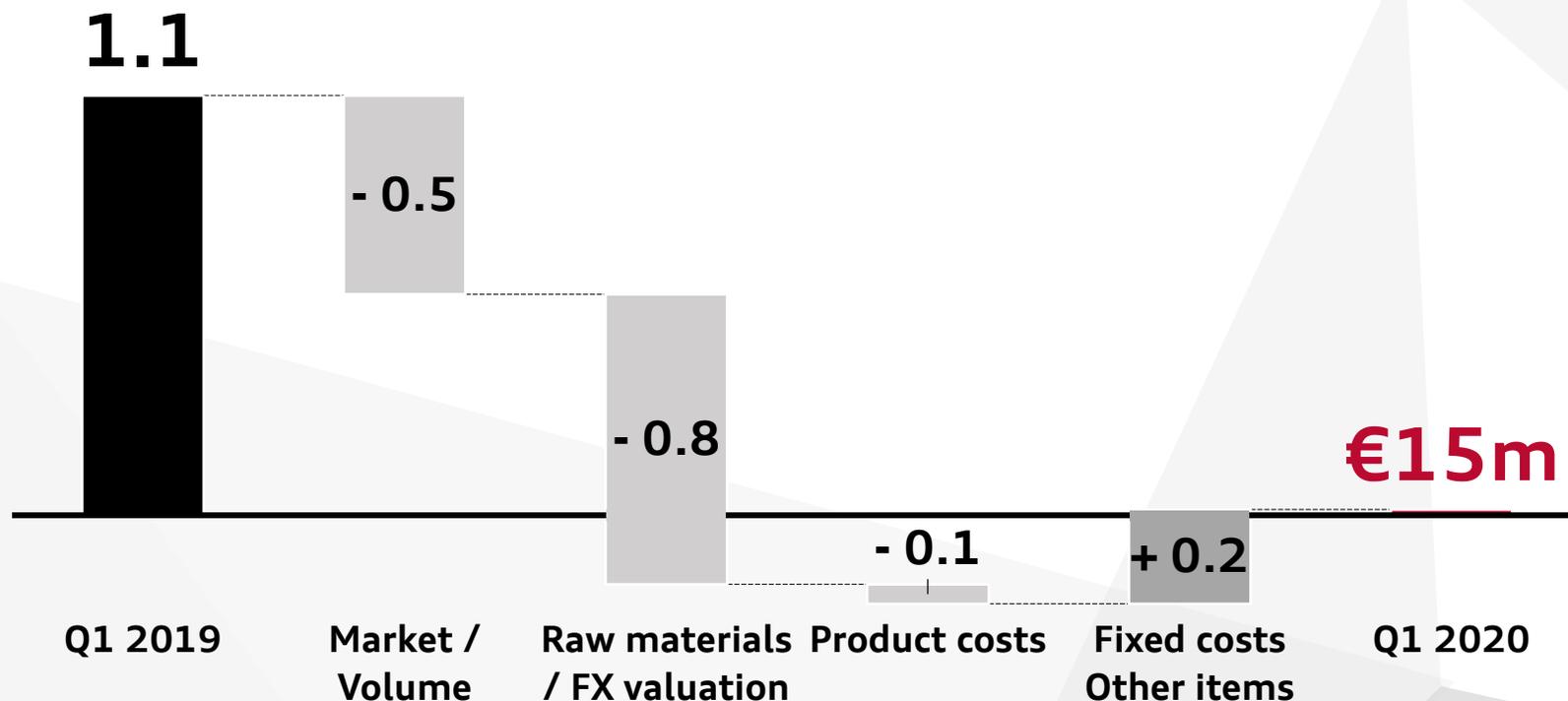
Q3





# Q1 operating profit burdened by pandemic-induced sales decline and a raw material / currency valuation effect.

## Operating profit in €bn



**ADJUSTED<sup>1)</sup> OPERATING PROFIT**

**~€0.5bn**

**Return on Sales > 4.0%**

adjusted for negative fair values for commodity hedges and negative currency effect in Q1 2020

**8.0%** Return on Sales

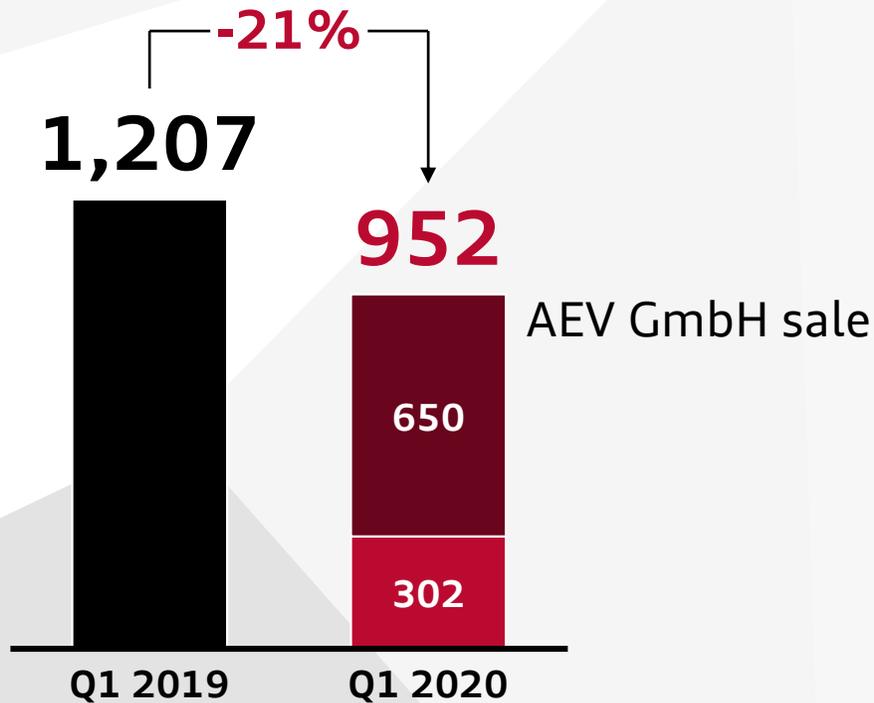
**0.1%** Return on Sales

1) pro forma value, adjusted for the €0.5bn fair value effect in Q1 2020

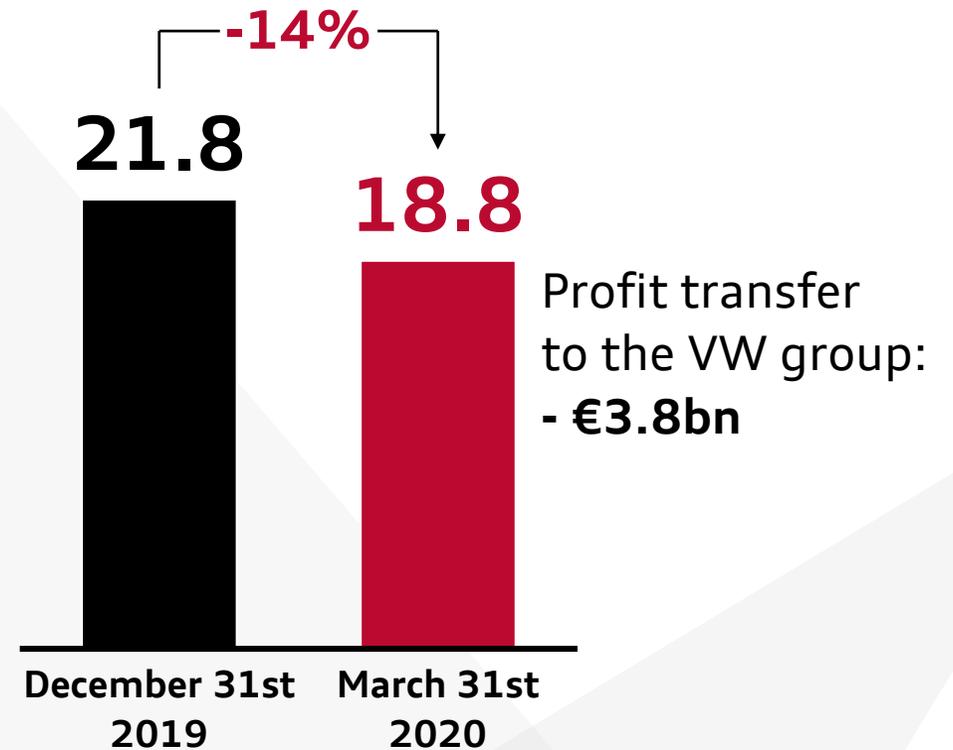


**Solid net cash flow despite challenging market development.**  
**Strong liquidity base enables us to keep to our strategic commitments.**

### Net Cash Flow in €m



### Net Liquidity in €bn





## With global automotive markets expected to decline by 15-20%, we have adjusted our full year guidance.

	<u>2020 guidance</u>	<u>FY 2019</u>
 <b>Deliveries to customers</b> Audi brand	significantly below prior year	1,845,573 units
 <b>Revenue</b> Audi Group	significantly below prior year	€55,680m
 <b>Operating return on sales</b> Audi Group	significantly below prior year	8.1%
 <b>Net Cash Flow</b> Audi Group	below prior year	€3,160m
 <b>Return on investment</b> Audi Group	below prior year and below 9% minimum rate of return	12.7%
 <b>R&amp;D ratio</b> Audi Group	below prior year	7.9%
 <b>Capex ratio</b> Audi Group	on prior year level	4.9%



# With solid structures and competitive product substance Audi shapes the transformation.





Audi e-tron Sportback 55 quattro: Combined electric power consumption in kWh/100 km (62.1 mi): 22.7 - 20.6 (NEFZ);  
Combined CO<sub>2</sub> emissions in g/km: 0 Information on fuel/power consumption and CO<sub>2</sub> emissions in ranges depending on the chosen equipment level of the car.



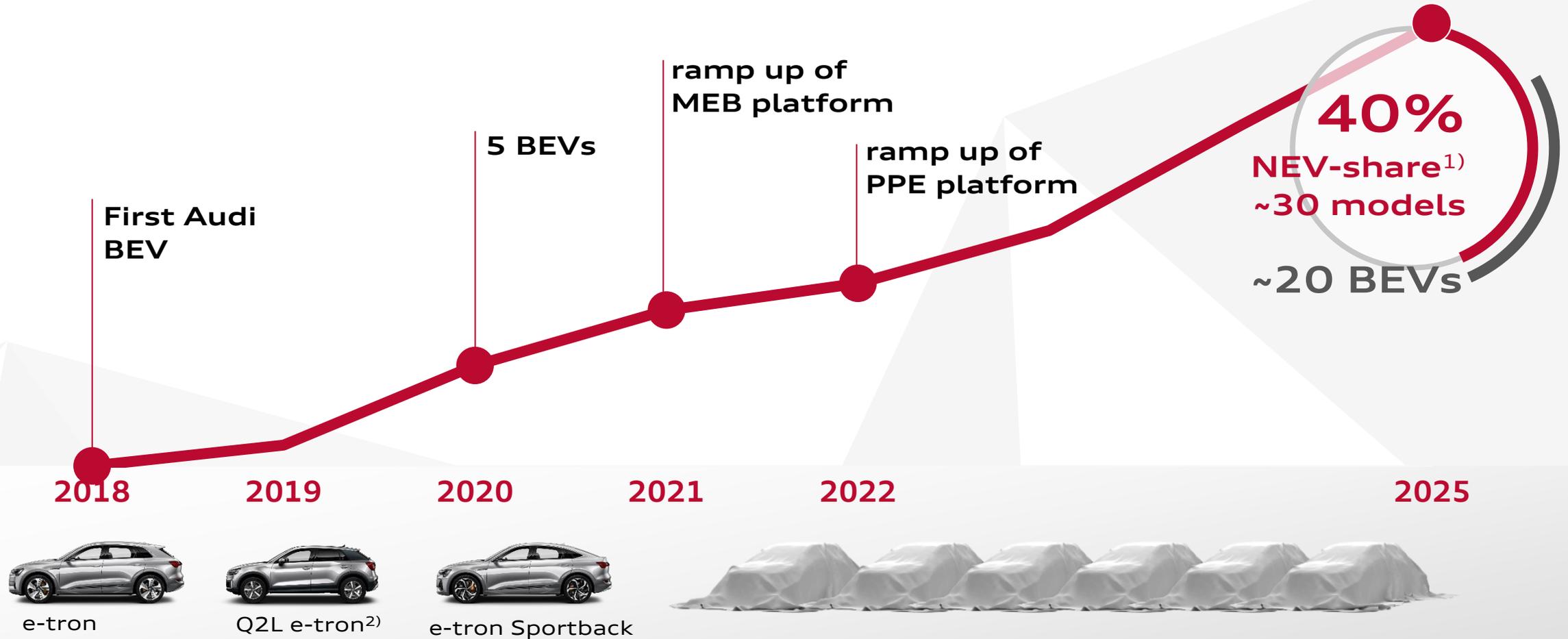
# — Shaping premium e-mobility

Dr. Claus Hegner, Head of PPE model line

May 19th, 2020



# Audi has an ambitious roadmap E: until 2025 NEV-share should increase to 40%, with around 20 fully electric models in the portfolio.



**PHASE 1: ESTABLISHING**

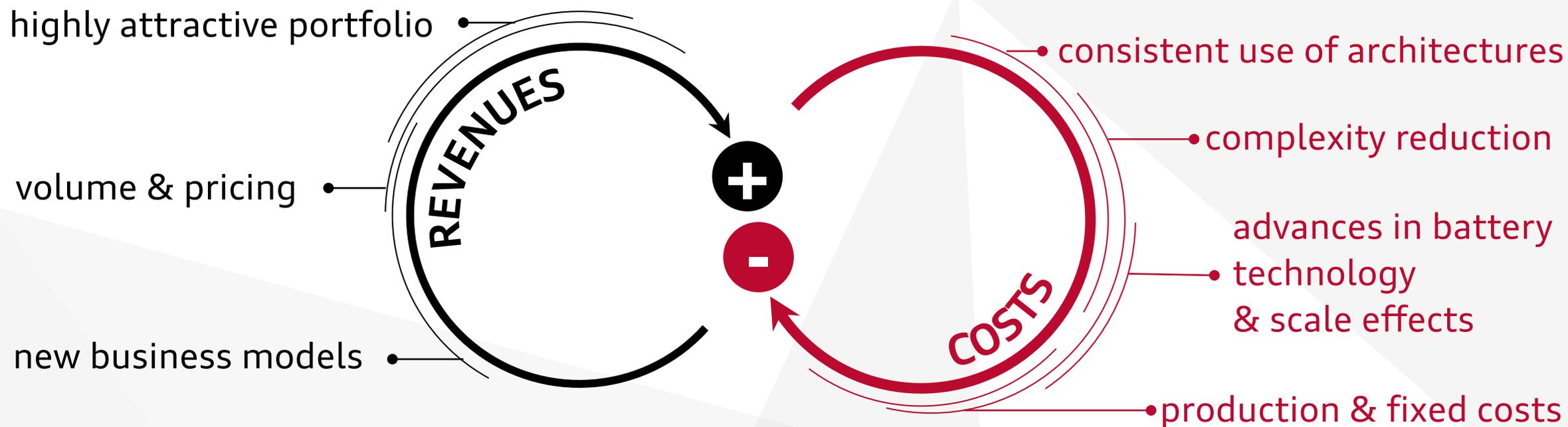
**PHASE 2: SCALING**

PHEV Push: ~10 PHEV models until 2022

1) NEV-share is defined as % of PHEVs & BEVs of the production. 2) China-only model. Audi e-tron: Power consumption combined\*: 24.3–21.0 kWh/100km (NEFZ); 26.6–22.4 kWh/100km (WLTP) CO<sub>2</sub>-emissions combined\*: 0 g/km; Audi e-tron Sportback: Power consumption combined\*: 23.9–20.6 kWh/100km (NEFZ); 26.3–21.6 kWh/100km (WLTP) CO<sub>2</sub>-emissions combined\*: 0 g/km

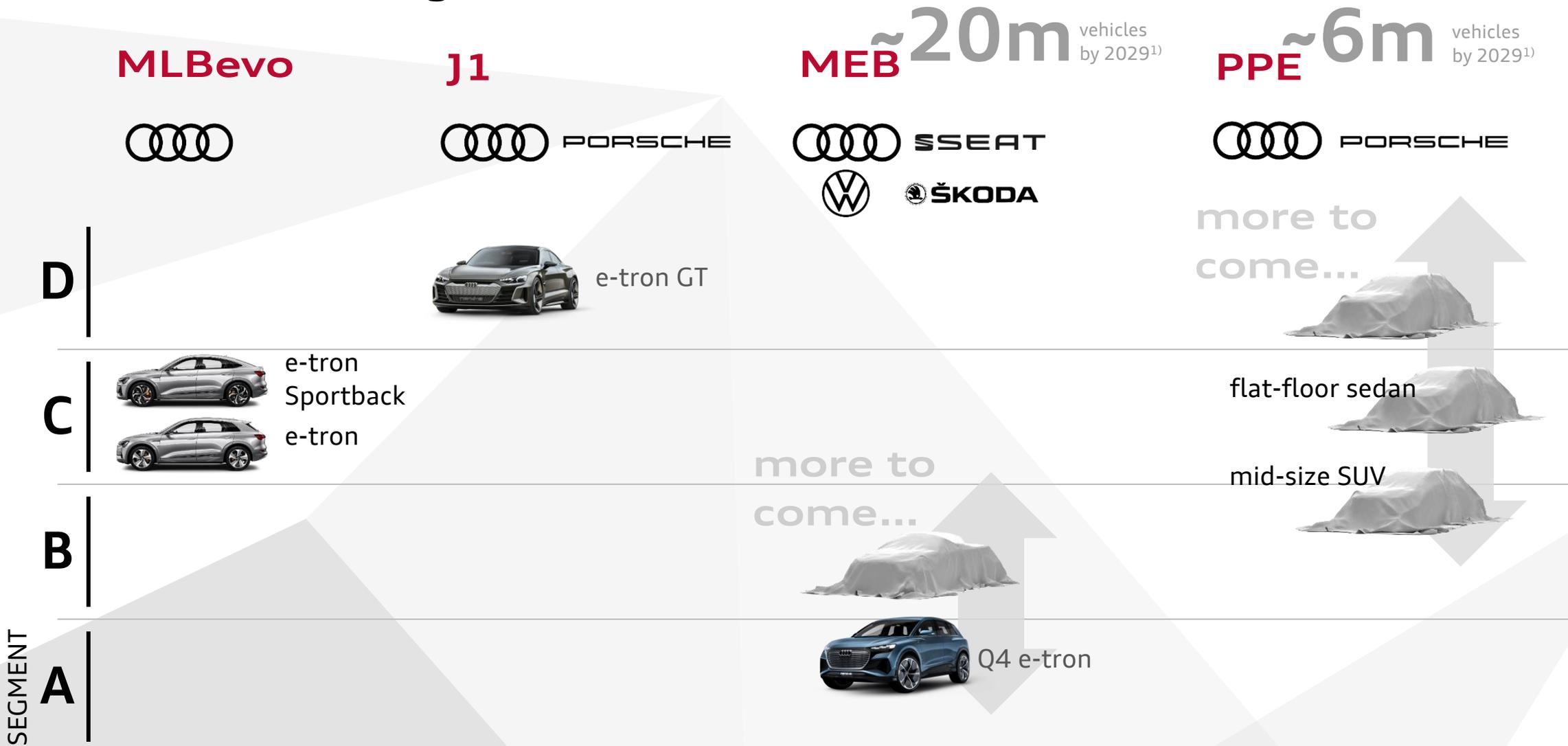


# We address profitable e-mobility holistically, looking into every step of the value chain.





# Shared platforms enable us to offer broad electric portfolio, covering all relevant customer segments.



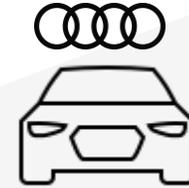
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From the conceptual stage we focus on design-to-cost and aim for high share of carry-over-parts.

**COP**

**~ 90%**  
entire vehicle



**SYNERGIES IN CURRENT PORTFOLIO**

**SYNERGIES WITH SISTER BRANDS**

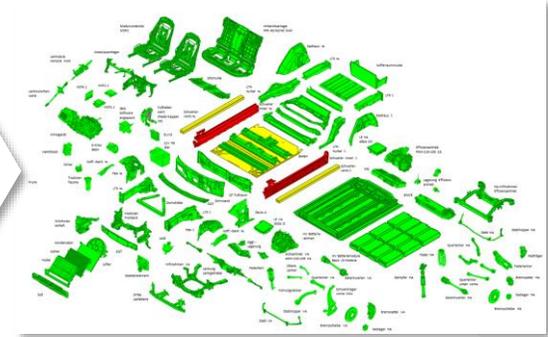
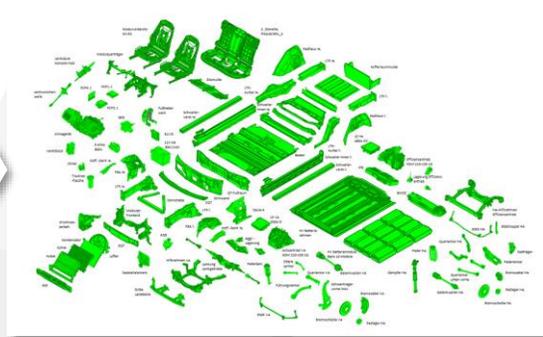
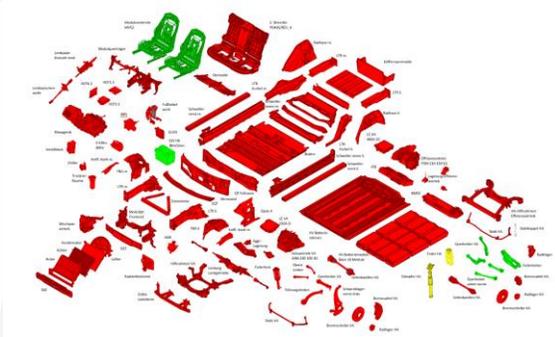
**SYNERGIES FOR DERIVATIVES / FOLLOWING PROJECTS**

**Audi Mid Size SUV**  
(1st SUV on PPE)

**Macan BEV**

**next Audi SUV Derivative**

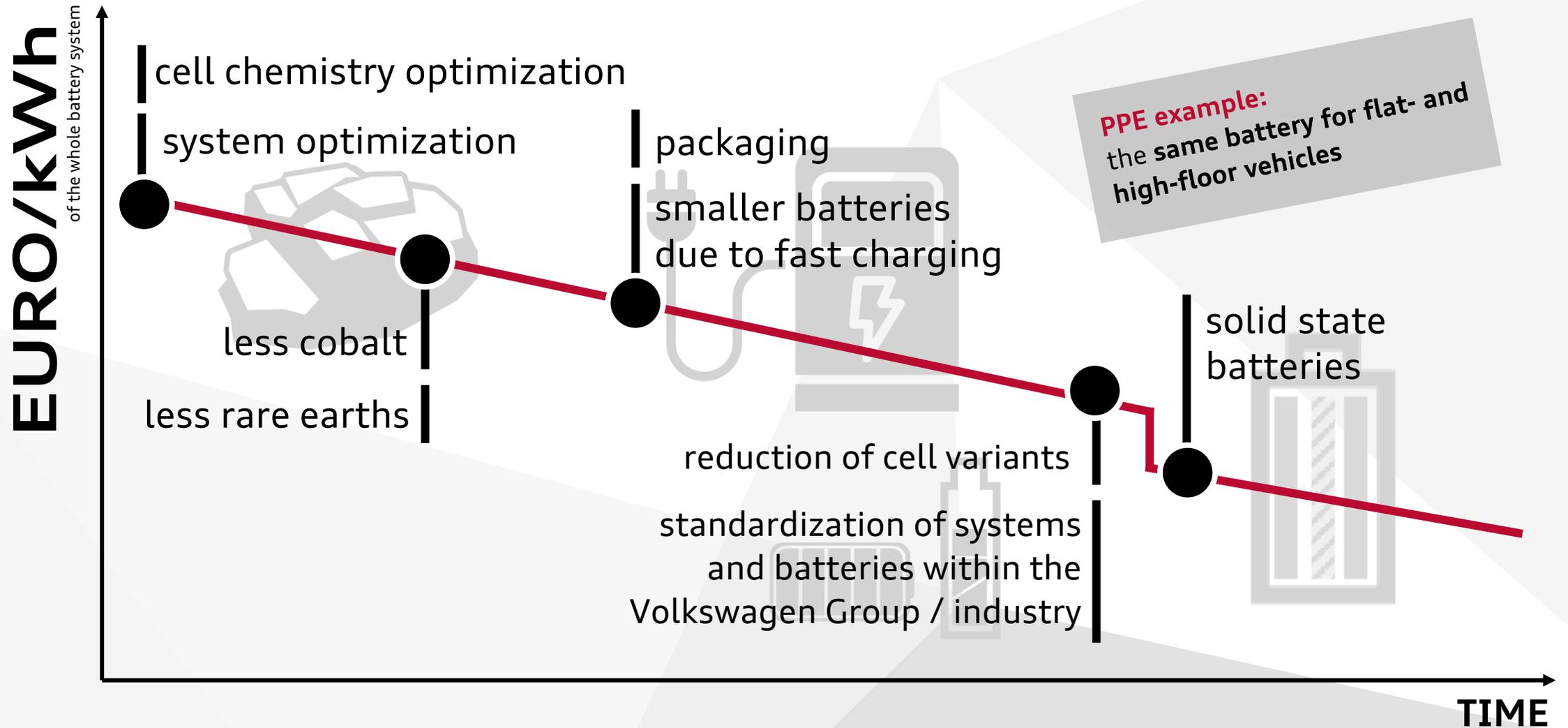
**Audi Mid Size SUV**  
Long Wheel Base



Example: Platform

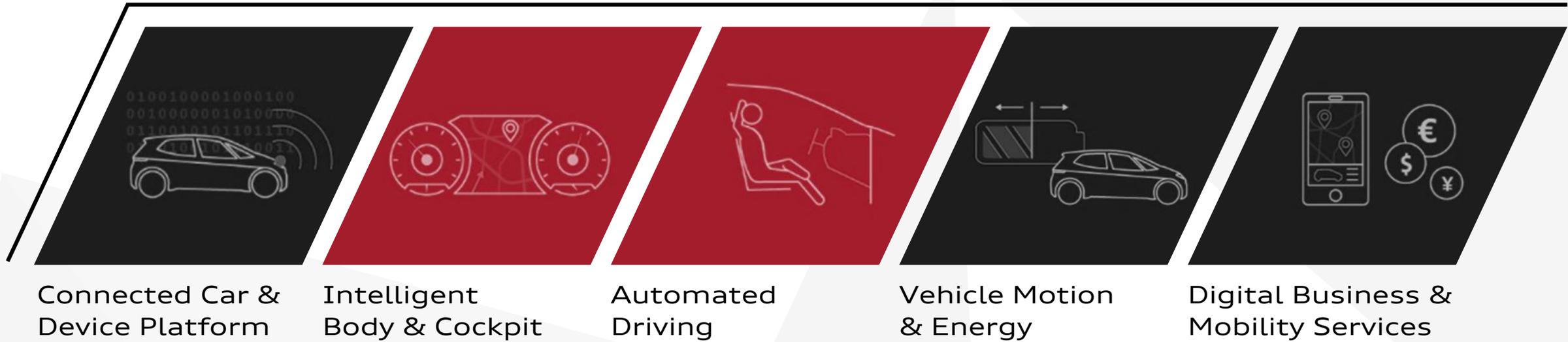


**Reduction in battery costs is pivotal for achieving high BEV profitability. With the PPE, we reduced complexity and improved battery costs.**





# We use group synergies beyond hardware. Car.Software organization centralizes development of car software and digital ecosystems.





# High-end PPE-based vehicles bring functionality to the next level. Technological edge and high quality enable us to achieve premium pricing.

