

TALKING BUSINESS

Investor Breakfast with EquiVal Research

Anton Poll, Head of Audi IR

Jens van Eikels, Head of e-tron model range

2019 YTD WITH EFFECTS FROM WLTP & MODEL CHANGEOVERS

DELIVERIES

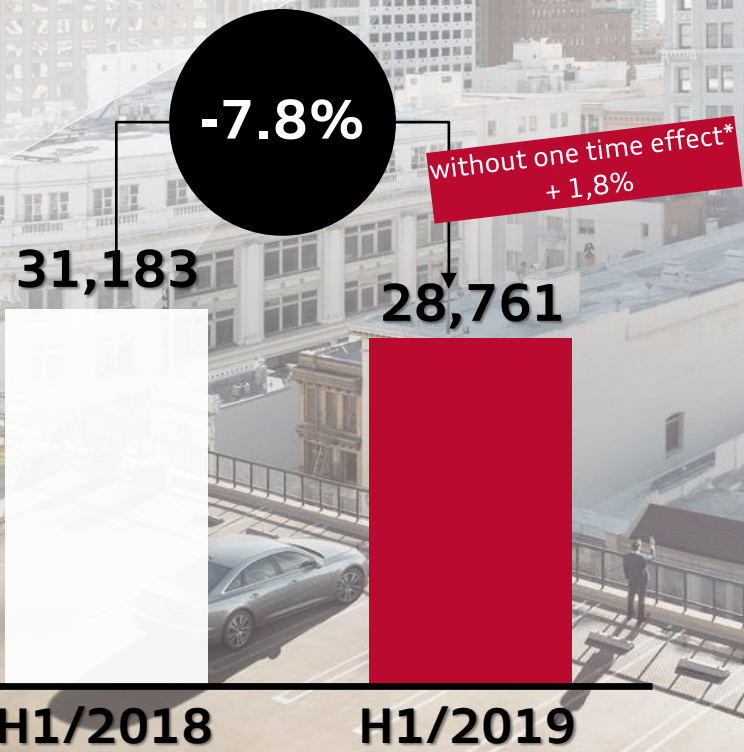
Audi brand, in units



AS EXPECTED: CHALLENGING OPERATING DEVELOPMENT IN FIRST HALF OF THE YEAR

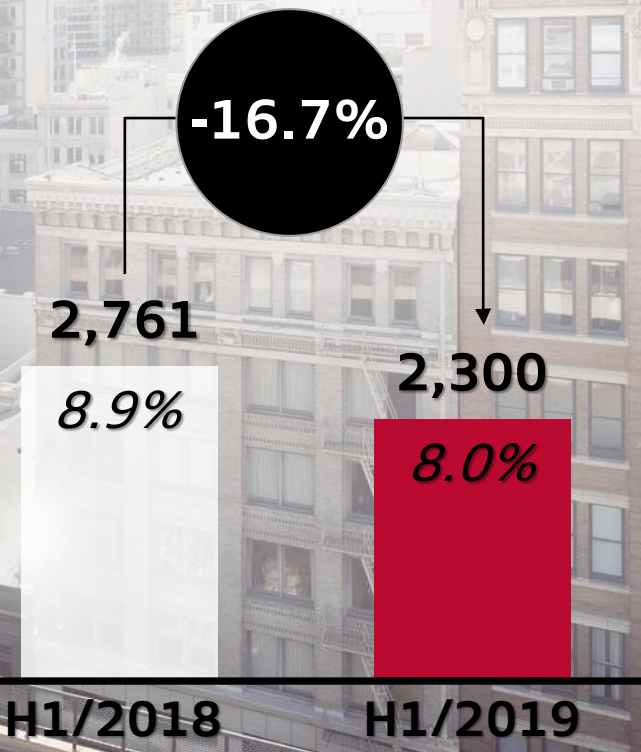
REVENUE

in m euros



OPERATING PROFIT

in m euros, in percent



* deconsolidation of multibrand sales companies

STRENGTHEN FINANCIAL POWER IN A CHALLENGING ENVIRONMENT

One time effect* from
deconsolidation

NET CASH FLOW

2,253 bn euros

(2018: 2,672**)

NET LIQUIDITY

21,034 bn euros

(June 30, 2018: 20,931**)



* deconsolidation of multinational sales companies

** prior year figure with positive impact from inflows from changes in participations



FORECAST FULL YEAR 2019 LARGELY STABLE

AUDI DELIVERIES

moderate increase

REVENUE

slight increase*

OPERATING

RETURN ON SALES

7.0 % to 8.5 %

NET CASH FLOW

2.5 bis 3.0 bn euros

* based on FY 2018 figures, which have been adjusted for the one time effect of the deconsolidation of multibrand sales companies

CHINA – A MARKET WITH A LOT OF CHANCES FOR AUDI



IN CHINA FOR CHINA

**strengthened
Research & Development**

LOCAL PRODUCTION

**12 models
by the end of 2022**

AMBITIOUS TARGET

**1m deliveries p.a.
perspectively**



MARKET LAUNCHES 2019

> 20

models





A1 citycarver

Fuel consumption combined*: 5.4-5.2 l/100 km; CO₂-emissions combined*: 122-118 g/km

Q3



Fuel consumption combined*: 7.6–4.7 l/100 km; CO₂-emissions combined*: 174–124 g/km;

A6L



China-only



 Audi Sport

RS 7 Sportback



and more to come...

Fuel consumption combined*: 11.6 - 11.4 l/100 km; CO₂-emissions combined*: 170 g/km

AUDI POSITIONS ITSELF FOR THE FUTURE

& CAPEX
Research & Development expenditure

40 bn euros

until 2023*

* total projected expenditure according to planning round

TRANSFORMATION PLAN FREES UP RESOURCES FOR THE FUTURE

INCREASED TARGET

15 bn euros
by the end of 2022

NEW MINDSET

profit zone prior
to comfort zone

CONCRETE MEASURES

for **70%**
of the target



AUDI.ZUKUNFT TACKLES LONGTERM COMPETITIVENESS

A close-up photograph of a person's hands wearing white work gloves, adjusting a multi-faceted, chrome headlight on a dark-colored car. The background is blurred, showing an industrial setting like a factory or workshop.

VALUE CHAIN

**core activities
& distribution of tasks**

examined

ON THE TEST STAND

**benefits not covered
by collective wage agreements**

ENTREPRENEURIAL FLEXIBILITY

**future-proof
shift system**

OUR VISION

Unleash the **beauty**
of sustainable
mobility



BRAND POSITIONING

MOST PROGRESSIVE PREMIUM BRAND

best

customer experience

exciting customer-relevant

innovations

breathtaking

design



OUR VISION

CO₂-neutral mobility with strongest range of **electric models** amongst the premium competitors

increasing **expectations** for plug-in hybrids and electric cars to **40%** of unit sales

reducing **CO₂ footprint** of Audi fleet over its entire lifecycle **by 2025**

in the long-term perspective, **to manage without CO₂ emissions** throughout the company



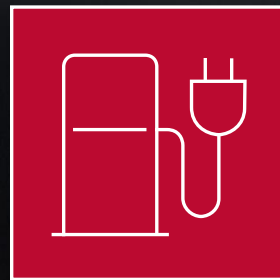
Consistently
Audi



What:



consistently
customer



consistently
electric



consistently
connected



consistently
sustainable

CONSISTENLY ELECTRIC

AUDI E-TRON IS THE FIRST STEP



e-tron

combined electrical consumption in kWh/100 km*: 26.4 - 22.9 (WLTP); 24.6 - 23.7 (NEDC); combined CO₂ emissions in g/km: 0



PERFORMANCE

Audi RS7 rally car with 'quattro' and 'NEED FOR SPEED' branding.



100% Audi DNA

A hand working on a car part on the left, and an Audi RS7 concept car on the right.



**DESIGN &
QUALITY**

A hand touching a car part.



TECHNOLOGY

Audi RS7 concept car with 'Audi piloted driving' and 'RS 7 concept' text.

WHY E-TRON?

**CUSTOMER DEMAND
IN C SEGMENT**

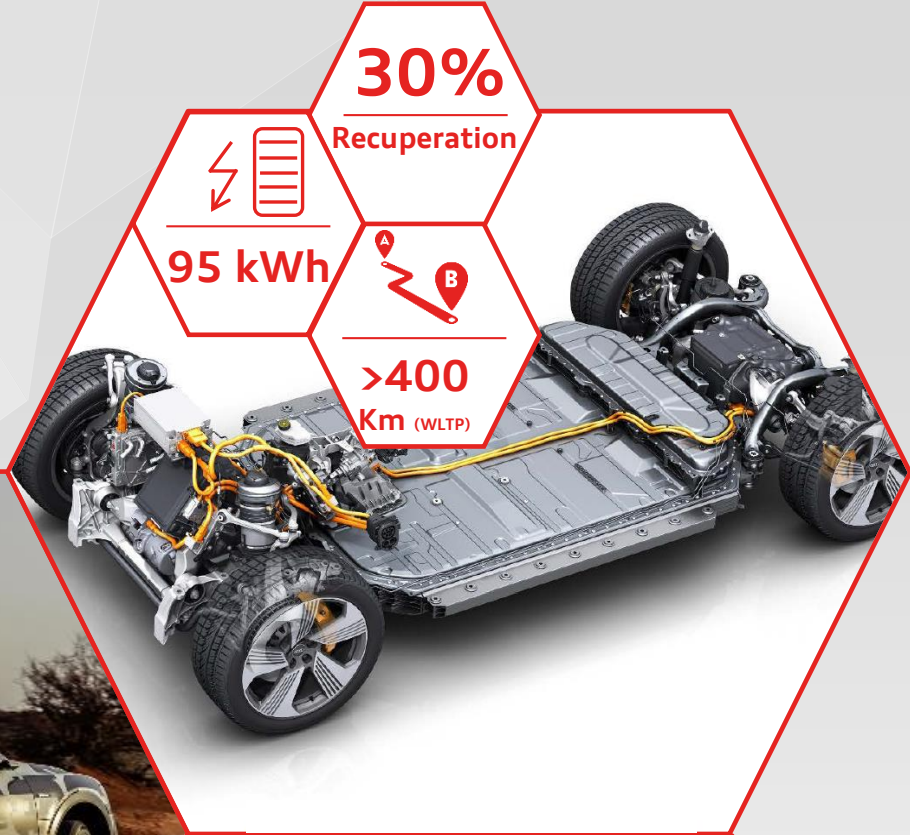
GROWING SEGMENT

**MAKING ELECTRIC CARS
DESIRABLE**



AUDI DNA

PERFORMANCE



30%
Recuperation

95 kWh

>400
Km (WLTP)

This block features a top-down view of the Audi e-tron's battery pack and chassis. The battery is a large, flat, grey rectangular unit mounted on the floor. Yellow high-voltage cables are visible connecting the battery to the front and rear electric motors. The chassis, including the suspension, steering, and wheels, is shown in a light grey color.



quattro

Offroad

cw: 0,27

This block contains three hexagonal icons. The top icon shows a car silhouette with a curved line above it, representing a low center of gravity. The middle icon is the Audi quattro logo, which consists of a four-wheel drive chassis diagram. The bottom icon is the Offroad logo, which is a stylized car silhouette with a roof rack. The text 'quattro' and 'Offroad' are placed below their respective icons, and 'cw: 0,27' is placed to the right of the top icon.



AUDI DNA

An aerial photograph showing three Audi e-tron GT electric sports cars driving on a two-lane asphalt road that curves through a rugged, mountainous landscape. The cars are white with black and red accents. The terrain is rocky and sparsely vegetated, with a dense forest of evergreen trees visible in the background under a clear sky. The lighting suggests late afternoon or early morning, with long shadows cast across the road.

HIGH POWER CHARGING WITH **150kW** USP!

OPTIONAL VIRTUAL SIDE-VIEW **MIRRORS** USP!

OPTIONAL **SECOND CHARGING SOCKET** USP!

BEST **RECUPERATION** SYSTEM (1 BOX-BRAKE) USP!

TRAILER HITCH 1,8T

REPRODUCIBLE DRIVING PERFORMANCE
WITHOUT DERATING

E-TRON SOLUTIONS FOR CHARGING & TRAVELLING

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



BUILDING INFRASTRUCTURE



IONITY

The word 'IONITY' is written in a large, bold, purple-to-pink gradient font across the center of the Europe map. Red arrows point from this text to various locations on the map.

e-tron

SPORTBACK
concept



INCREASE EFFICIENCY OF OUR INVESTMENTS

TARGET

at least
21 %
in the mid term

PROJECT MARGIN

incl.

CO₂
contribution

TARGET 2019

11 %
to
14 %

2018

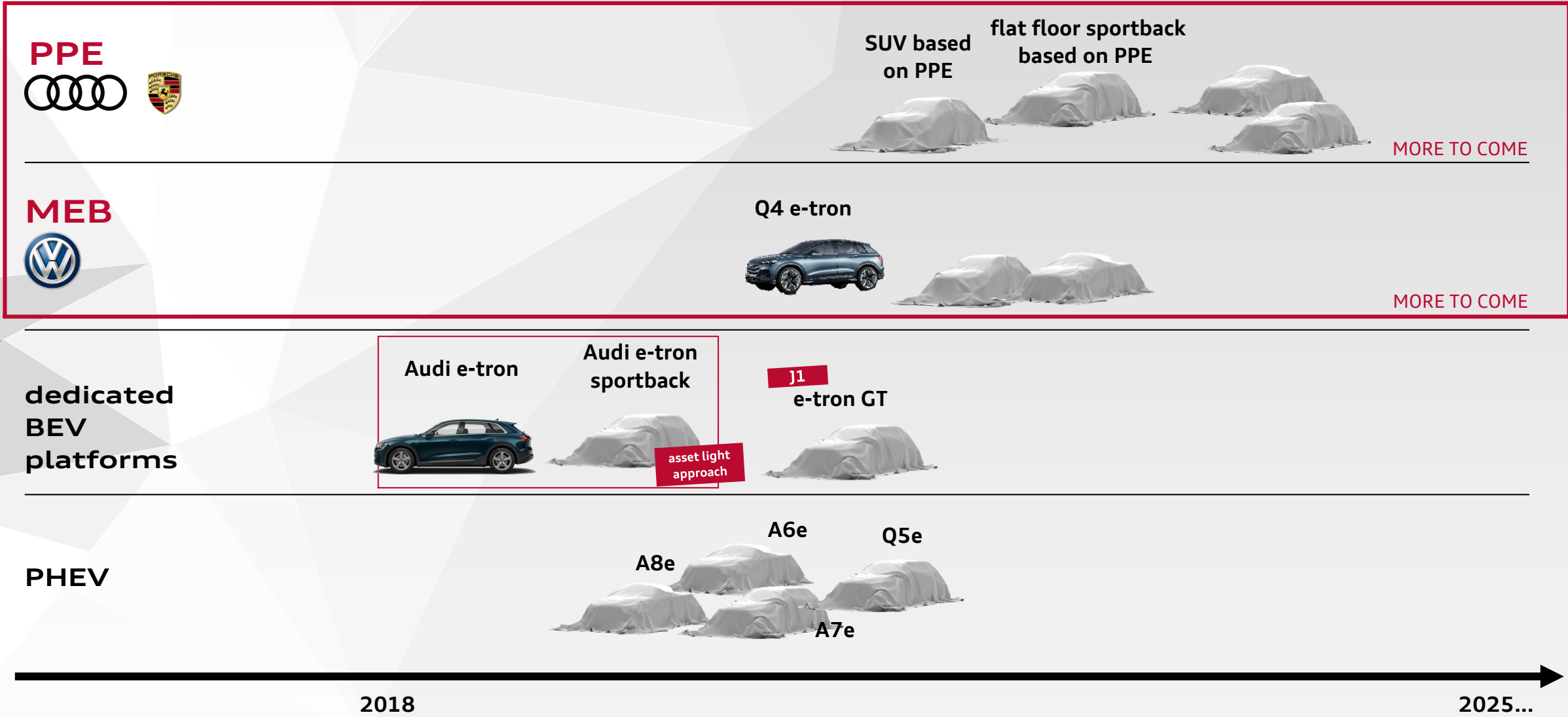
10 %

RETURN ON INVESTMENT



AMBITIOUS E-ROADMAP AHEAD

MAJOR GROUP SYNERGIES STARTING FROM 2020s



Q4 e-tron

concept





e-tron GT
concept

CONSISTENTLY CONNECTED



FUNCTION ON DEMAND



soon in **23 markets**

CONSISTENTLY SUSTAINABLE

**Brussels plant
CO₂-neutral location**

**successively in all plants
100% green electricity**

**Győr plant 2020
CO₂-neutral**

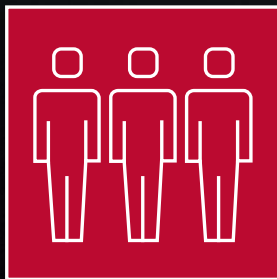
**heat supply in Germany
biogas**

**all plants by 2025
CO₂-neutral**

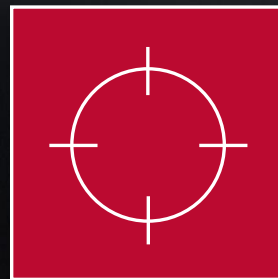
**additional measures
closed water cycle
targeted reuse of resources**

Consistently Audi

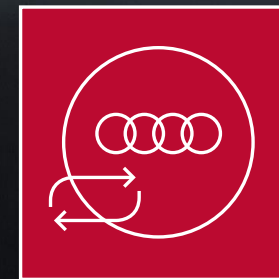
How:



consistently
team



consistently
focused



consistently
synergetic



consistently
profitable

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, 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, and trade disputes among major trading partners 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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* The specified fuel consumption and emission data have been determined according to the measurement procedures prescribed by law. Since 1st September 2017, certain new vehicles are already being type-approved according to the Worldwide Harmonized Light Vehicles Test Procedure (WLTP), a more realistic test procedure for measuring fuel consumption and CO₂ emissions. Starting on September 1st 2018, the New European Driving Cycle (NEDC) will be replaced by the WLTP in stages. Owing to the more realistic test conditions, the fuel consumption and CO₂ emissions measured according to the WLTP will, in many cases, be higher than those measured according to the NEDC. For further information on the differences between the WLTP and NEDC, please visit www.audi.de/wltp.

Fuel consumption and CO₂ emissions data as well as the efficiency classes are dependent on the choice of wheels and tyres.