

Brand Group Core holds its own in a difficult environment – special items significantly impact overall result

The Brand Group Core (BGC) closed the first nine months of 2026 with an operating result of 4.33 billion euros, compared with 4.72 billion euros in the previous year.

The operating margin therefore declined from 4.4% to 4.1%.

Unit sales of 3.75 million vehicles and sales revenue of 106.4 billion euros were virtually on a par with the previous year.

Overall, operating performance was affected by a further deterioration in market conditions. Intensifying competition, higher expenditure on sales incentives, and negative mix effects put pressure on the operating margin across the entire brand group. Ongoing performance programs and initiatives to improve the cost base within the Brand Group Core are having a positive overall impact.

Driven by high fuel prices and government incentives, demand for battery-electric vehicles (BEVs) accelerated significantly, particularly in the German market.

However, this transition to BEVs is coming at the expense of volumes, and above all, to the detriment of the earnings contribution from higher-margin internal combustion engine (ICE) models.

In addition, earnings performance in the first nine months of 2026 was adversely affected by significant special items, particularly restructuring expenses, the planned sale of Volkswagen Osnabrück GmbH, and the discontinuation of ID.4 production in Chattanooga which has already been implemented.

This led in particular to a decline in the operating margin of the Volkswagen Passenger Cars brand to 1.3%, significantly below the original expectations. Excluding the special items mentioned above, the Volkswagen brand's operating margin after Q3 would have been 2.6%, while the BGC's operating margin would have stood at 4.9%.

The brand group's result was bolstered by the continued strong performance of the Škoda brand, which recorded a convincing operating margin of 8.3%.

Volkswagen Commercial Vehicles achieved an operating margin of 3.8 %, while SEAT & CUPRA posted an operating margin of 0.1%.

"The market environment remains extremely challenging – and special items are weighing on our result. This makes it all the more important for us to systematically continue on our chosen course and sharpen our priorities further. We are improving our cost base and optimizing working capital – while maintaining a high level of investment discipline. One specific measure is therefore to temporarily pause development work on the future ID.Golf at the Volkswagen brand until we can securely accommodate the necessary investments. At the Brand Group Core, we are making even greater use of the potential offered by our cross-brand governance. The new steering model is a key lever for making our cost base more competitive and thus achieving even greater efficiency."



David Powels, CFO Volkswagen brand & Brand Group Core

Brand Group Core key figures (Jan – Sept 2026)

Unit sales decline slightly to 3.75 million vehicles
(3.77 million vehicles in Q1-Q3 2025)

Unit sales were 0.5 % below the previous year's level. Declines at Volkswagen Passenger Cars, SEAT & CUPRA, and Volkswagen Commercial Vehicles were largely offset by growth at the Škoda brand.

Sales revenue virtually on par with previous year at 106.42 billion euros
(106.95 billion euros in Q1-Q3 2025)

Sales revenue at the Brand Group Core was 0.5% below the previous year's level. The decline at Volkswagen Passenger Cars was almost entirely offset by a significant increase in sales revenue at Škoda.

Operating result of 4.33 billion euros
(4.72 billion euros in Q1-Q3 2025)

Special items, particularly at Volkswagen Passenger Cars, mix effects, and market developments in China weighed on the operating result, while Škoda and in particular Volkswagen Commercial Vehicles recorded significant increases.

Operating margin of 4.1%
(4.4% in Q1-Q3 2025)

The BGC's operating margin was slightly below the previous year's level (-0.3 percentage points). Before special items, the BGC achieved an operating margin of 4.9%.

Net cash flow declines significantly to 1.43 billion euros
(4.34 billion euros in Q1-Q3 2025)

Net cash flow decreased by 2.9 billion euros year-on-year. The main factors were offsetting working capital effects, particularly changes in inventories, receivables, liabilities and provisions, as well as lower gross cash flow. Lower capital expenditures had an offsetting effect.

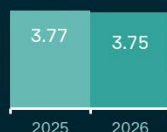
Brand Group Core Financial Performance

Jan - Sept 2025 vs. Jan - Sept 2026 (cumulative)

Vehicle Sales ¹⁾
[mill. units]



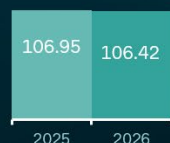
-0.5%



Sales
Revenue
[€ bn]



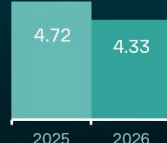
-0.5%



Operating
Result ²⁾
[€ bn]



-8.3%



Operating
Margin ^{2) 3)}
[%]



-0.3pp.



Net Cash
Flow
[mill. €]



-2,905



1) without China business.

2) incl. special items.

3) figures rounded.

BRAND GROUP CORE

Outlook

The Brand Group Core is continuing to push ahead with its course of cross-brand collaboration and systematic efficiency increases, thus directly addressing the challenging competitive environment.

A key lever in these efforts is the new BGC steering model: since the middle of the year, decisions have been made even more consistently from the perspective of the brand group as a whole. This fosters a culture of joint decision-making and creates additional scope for efficiency improvements.

At the same time, the Brand Group Core is currently stepping up initiatives to further improve its cost base: specialized task forces are optimizing the vehicle mix between ICEs and electric models, thereby further reducing product costs. Additional measures include reducing advance expenditure to safeguard net cash flow and optimizing working capital.

In connection with the “Zukunft Volkswagen” agreement reached at the end of 2024, Volkswagen AG expects additional restructuring expenses arising from the expansion of early retirement arrangements.

Important momentum in the vehicle model portfolio is being generated by the new ID. Tiguan¹⁾, which celebrated its world premiere a few weeks ago – as well as the market launch of the Electric Urban Car Family. Shortly after their debut, 150,000 orders for the Volkswagen ID. Polo and ID. Cross²⁾, Škoda Epiq³⁾, and CUPRA Raval had already been received. The jointly developed models are being produced under the project leadership of SEAT & CUPRA in Martorell and Pamplona. Over their entire product life cycle, they are expected to generate synergy potential of around 600million euros.

Overview of the brands in the Brand Group Core:

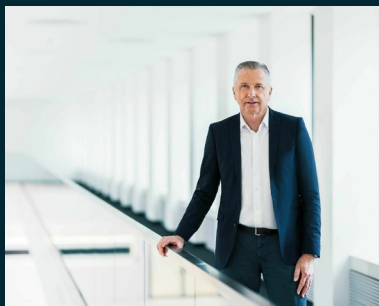
Volkswagen Passenger Cars



Volkswagen Passenger Cars unit sales totaled 2.24 million vehicles in the first nine months of 2026 (excluding China, including external manufacturing), a decrease of 1.7 % compared with the same period last year. While demand for electric vehicles in Germany was high, availability remained limited, at the same time as volumes for high-revenue ICE models fell.

Overall, the Volkswagen brand's delivery performance on international markets and in the regions was weak. At 61.95 billion euros, sales revenue was 2.9% lower than the level of the previous year. The operating result came in at 813 million euros (previous year: 1,476 million euros).

This was primarily due to higher expenditure on sales incentives, negative mix effects, and high special items, especially in respect of expenditure in connection with restructuring measures, the sale of Volkswagen Osnabrück GmbH, and discontinuation of ID.4 production in Chattanooga. Excluding the above-mentioned special items, the Volkswagen brand's cumulative operating margin after Q3 would have been 2.6%.



“Our electric vehicles are attractive, and we are seeing a significant upturn in demand. At the same time, they do not yet achieve the margins of our combustion engine models – this means the rising share of BEVs is currently increasing cost pressure. We are therefore systematically working on product costs, economies of scale, and a competitive cost base to achieve the necessary profitability for our electric models as well.”

David Powels, CFO Volkswagen brand & Brand Group Core

Volkswagen Commercial Vehicles



At 465 million euro (previous year: 220 million euros), Volkswagen Commercial Vehicles more than doubled its operating result in the first nine months of 2026, the operating margin improved to 3.8 % (previous year: 1.8 %). Key to this was the brand's disciplined approach to costs. At 320,444 vehicles, unit sales remained largely stable (previous year: 323,900 units), there was a moderate decrease of 2.0% in sales revenue to 12.3 billion euros. In contrast, deliveries to customers increased by 3.2% to 286,100 vehicles, with growth in all-electric models as high as 23.4 %. Developments in the third quarter were particularly strong: this was the strongest quarter of the year, with an operating result of 190 million euros (previous year: 13 million euros), and an increase in unit sales (+4.8 %) and sales revenue (+53 %) compared with the same prior-year quarter.



"Volkswagen Commercial Vehicles has more than doubled its operating result, despite nearly stable sales. This demonstrates what consistent cost management can achieve when sustained. With this development, Volkswagen Commercial Vehicles is making a noticeable contribution to the success of the entire brand group. At the same time, the new Transporter strengthens the B2B business with its wide range of powertrains and variants. Furthermore, the growing demand for all-electric transporters and vans confirms the importance of the electric portfolio."

Stefan Mecha, CEO Volkswagen Commercial Vehicles

SEAT & CUPRA



SEAT & CUPRA recorded an operating result of 6 million euros in the period from January to September 2026 (previous year: 16 million euros). Following the positive effects of the ELEVATE strategy and the performance program, particularly in the first half of the year, the economic environment became significantly more challenging in the third quarter. The accelerating pace of electrification in key European markets, growing competitive pressure, and geopolitical volatility impacted the company's performance. While the current market transformation confirms the electrification strategy of SEAT & CUPRA, it also underscores the need to further improve margins on all-electric vehicles. In response to these challenges, the company is tightening cost-control measures and rigorously driving forward its ELEVATE strategy, which is based on Martorell's growing role as an industrial powerhouse and the continuous growth of CUPRA.



"Our low profitability and low cash generation pose a serious threat to our capability to sufficiently invest in our future. The accelerating pace of electrification underscores the pressing need to swiftly improve the cost structure of our battery-electric vehicles. We will critically reprioritize all projected future investments and maintain rigorous cost discipline."

Patrik Andreas Mayer, member of the SEAT & CUPRA brand Board of Management responsible for Finance & IT

Škoda Auto


SKODA

Škoda Auto continued its growth path in the first nine months of 2026. Global unit sales rose by 3.4% to 899,055 vehicles, and sales revenue grew by 3.5% to 23.1 billion euros. All-electric models were particularly in demand, with deliveries surging by 41.3%, and the Škoda Elroq standing out as the best-selling electric vehicle for the Volkswagen Group.

The operating result increased by 7.4% to 1.92 billion euros. With an operating margin of 8.3% (previous year: 8.0%), Škoda Auto underscored its position as a top-performing brand in terms of profitability. In the third quarter, the brand also increased its operating result by 10.3% to 557 million euros.



"Škoda Auto continues to grow profitably in a highly competitive environment, based on a customer-oriented business model and achieving strong results within the Brand Group Core.

In the first nine months, we increased deliveries by 6.1%, thus defending our position as Europe's second best-selling car brand. The operating result rose by 7.4%, and the operating margin reached 8.3%. We on the Board of Management are proud of our Škoda team and thank our supplier and dealer partners, as well as the Kovo union. We are honored by the trust our customers place in the brand. This provides an important foundation for tackling the mounting challenges in the coming year, including even higher competitive and margin pressure as a result of our successful electrification initiative."

**Holger Peters, Interim CEO Škoda Auto,
Member of the Board of Management responsible for Finance, IT and Legal Affairs**

Key figures for the Brand Group Core:

	Jan-Sept 2026	Jan-Sept 2025	Change 26 /25
Sales (including third-party vehicles)	3,753 thousand vehicles	3,771 thousand vehicles	-0.5%
Revenue	106.417 bn €	106.950 bn €	-0.5%
Operating result	4.326 bn €	4.719 bn €	-8.3%
Operating margin	4.1%	4.4%	-0.3%-points
Net cash flow	1.434 bn €	4.340 bn €	-2.925 bn €

Key figures for the brands belonging to the Brand Group Core:

	Unit sales		Sales revenue		Operating result		Operating margin	
Thousand units/million €	Jan-Sept 26	Jan-Sept 25	Jan-Sept 26	Jan-Sept 25	Jan-Sept 26	Jan-Sept 25	Jan-Sept 26	Jan-Sept 25
Volkswagen Passenger Cars	2,239,458 ^{*)}	2,279,197 ^{*)}	61,953	63,811	813	1,476	1.3%	2.3%
Volkswagen Commercial Vehicles	320,444	323,900	12,284	12,539	465	220	3.8%	1.8%
SEAT & CUPRA	467,688	480,627	11,109	11,241	6	16	0.1%	0.1%
Škoda Auto	899,055 ^{*)}	869,653 ^{*)}	23,132	22,342	1,923	1,790	8.3%	8.0%

^{*)} includes sales to sales companies incl. other Group brands

- 1) ID. Tiguan – Combined power consumption 17.3 - 14.6 kWh/100 km; combined CO₂ emissions 0 g/km; CO₂ class: A.
- 2) ID. Cross - combined power consumption 16.9-14.3 kWh/100 km; combined CO₂ emissions 0 g/km; CO₂ class: A.
- 3) Skoda Epiq - Near-production concept vehicle. The model is not yet available for sale.

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About Brand Group Core

The brands belonging to the Volkswagen Group are organized in the Brand Groups Core, Progressive, Sport Luxury and Trucks. The Volkswagen Group also includes CARIAD, Group Technology, Financial Services and MOIA. Within the Brand Group Core, more than 200,000 employees of the sister brands Volkswagen, Škoda, SEAT/CUPRA and VW Commercial Vehicles work together at over 20 plants to realize their existing enormous synergy potential.

By standardizing and streamlining processes and making greater use of joint resources, these brands can significantly improve overall efficiency – thus freeing up the space needed for the coordinated and sustainable development of best-in-class products in the relevant market segments.

About the Volkswagen Group

The Volkswagen Group is one of the world's leading car makers, headquartered in Wolfsburg, Germany. It operates globally, with 111 production facilities in 16 European countries and 10 countries in the Americas, Asia and Africa, with around 663,000 employees worldwide. The Group's vehicles are sold in over 150 countries.

With a comprehensive portfolio of strong global brands, leading technologies at scale, innovative ideas to tap into future profit pools and an entrepreneurial leadership team, the Volkswagen Group is committed to shaping the future of mobility through investments in electric and autonomous driving vehicles, digitalization and sustainability. The goal: As a 'Global Automotive Tech Driver,' to make the best automotive technologies accessible to customers worldwide - from entry-level mobility to the luxury segment.

In 2025, the total number of vehicles delivered to customers by the Group globally was 9.0 million (2024: 9.0 million). Group sales revenue in 2025 totaled EUR 321.9 billion (2024: EUR 324.7 billion). The operating result in 2025 amounted to EUR 8.9 billion (2024: EUR 19.1 billion).