
Media information

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CEO Herbert Diess at the Annual General Meeting: “With NEW AUTO, we will reinvent Volkswagen”

- Group sets course for biggest transformation in company's history with new strategy up to 2030
- CEO Diess reaffirms raised margin target of 8 to 9 percent by 2025
- Annual General Meeting decides on new remuneration system with specific ESG targets
- Strong first half of 2021: Deliveries significantly increased, electric volume more than doubled, operating profit expected to be in the range of €11 billion
- CEO Diess: “Individual mobility has a bright future. With our strong brands and global technology platforms, we have a clear plan to play a leading role in the new world of mobility, too.”

Berlin, July 22, 2021 – The Volkswagen Group considers itself well equipped for a zero-emission and autonomous future of mobility. “With our NEW AUTO strategy, we will reinvent Volkswagen by 2030,” said CEO Herbert Diess at the virtual Annual General Meeting of the Volkswagen Group. “The cars on our roads will be sustainable, safe, smart and ultimately autonomous within the next ten years. Individual mobility has a bright future. With our strong brands and global technology platforms, we have a clear plan to play a leading role in the new world of mobility, too.”



Innovativeness, technological expertise, speed and size will gain importance in the future. Backed by its ability to scale platforms globally, the Volkswagen Group intends to further expand its share of the e-mobility market, Diess said. He reaffirmed his conviction that e-mobility is the only way to significantly reduce CO₂ emissions in road traffic over the next ten years, and also referred to plans

recently presented by the EU Commission. “Our goal is to become the world market leader for e-vehicles,” Diess stated.

Strong first half of 2021

In the first six months of 2021, the Volkswagen Group made further progress on this path despite the COVID-19 pandemic and global semiconductor shortages: By the end of June, deliveries increased significantly by 27.9 percent over the previous year to around five million vehicles. The Group continued its successful electric offensive and delivered 170,939 all-electric vehicles to customers in the first six months. This was more than twice as many as in the same period of the previous year. Herbert Diess: "With a 26 percent market share, the Volkswagen Group sold more electric cars in Europe in the first half of the year than any other company." With its own production in the core markets of China and the U.S., Volkswagen considers itself well-positioned to continue the swift ramp up of e-mobility worldwide. "We assume that our margins in e-mobility and ICE business will already be at the same level in two to three years." In preparation for the annual Planning Round in November, the Group has increased the corridor for the operating return on sales in 2025 from 7-8 to 8-9 percent.

The financial performance of the Volkswagen Group already improved significantly in the first half of 2021: Based on preliminary figures, the company expects a high operating profit of around €11 billion (-1.49) for the first half of the year. Net cash flow in the Automotive Division is expected to be around €10 (-4.8) billion.

Dividend proposal unchanged

The Board of Management and Supervisory Board proposed to the Annual General Meeting a dividend of €4.80 per ordinary share and €4.86 per preferred share for fiscal 2020. This would be at the same level as in fiscal 2018 and 2019. Due to the consequences of the COVID-19 pandemic, €855 million of the remaining net profit from the successful fiscal year 2019 was carried forward to fiscal 2020 last year.

The Supervisory Board also submitted the new remuneration system for the Board of Management members to the Annual General Meeting for approval. This was revised in fiscal year 2020 and has already been in effect since January 2021. In addition to other adjustments, in particular, it implements environmental, social and governance targets (ESG targets). The Volkswagen Group thereby underscores its commitment to decarbonization and greater sustainability.

Successful brands as one of the Volkswagen Group's strengths

In the **Premium brand group**, the lead brand **AUDI** achieved a strong operating profit and record deliveries in the first half of 2021. The focus is on the electrification and digitalization of the model portfolio. Herbert Diess: "No other premium manufacturer offers a similar range of electric cars." AUDI will continue to expand this – among other things, with the Artemis high-tech project. "Yet again, AUDI is thus developing the most cutting-edge technologies for the entire Group," Diess said. These would also be used at **Bentley**. He added that bundling the British luxury brand with **Lamborghini** and **Ducati** in the Premium brand group would make it possible to position AUDI technology in an even higher price segment and benefit from greater economies of scale.

In the **Volume brand group**, the lead brand **Volkswagen** is also vigorously pursuing the electrification and digitalization of its portfolio with its ACCELERATE strategy. The brand strives to become the global market leader in battery-electric vehicles in the volume segment by 2025. With its broad all-electric ID. family comprising the ID.3, ID.4, ID.5¹ and ID.6² models and – from next year – the ID. BUZZ¹, it is building the most comprehensive product portfolio in the industry yet for this segment. Commenting on the role of the brand, Diess said: "With the Trinity future project, Volkswagen is introducing Artemis technology into the volume segment, as it has already done with the Modular Electric Drive Toolkit (MEB)."

As one example, he noted the recently unveiled all-electric CUPRA Born, which is based on the MEB platform. "The brand boasts an attractive portfolio of models with the CUPRA Formentor," Diess said. The **SEAT** and **CUPRA** brands are also pursuing an ambitious electrification plan, investing around €5 billion by 2025.

The **ŠKODA** brand is also pressing ahead with its model offensive. Diess commented: "The new OCTAVIA with hybrid drives and its Internet capability is the paragon in its class. ŠKODA has also advanced into the era of e-mobility with the ENYAQ." In addition, he noted that in the international arena, ŠKODA assumed responsibility for the regional markets of Russia and North Africa this year.

The **Volkswagen Commercial Vehicles** brand, together with its joint venture partner ARGO AI, is a technological pioneer in the development of autonomous shuttles for cities, such as the ID. BUZZ AD¹. At the same time, the brand recently introduced the new T7¹ based on the MQB, which will also be offered with a plug-in hybrid drive for the first time. Diess commented on the development of the brand: "Volkswagen Commercial Vehicles is evolving more and more into a lifestyle brand. The new T7 is innovative and digital, comfortable and functional. We will launch our most emotional electric car so far, the ID. BUZZ, next year."

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In the **Sports brand group** the Porsche brand is continuing its success story at a strong pace. It achieved a high operating profit and record deliveries in the first six months of the year. “Porsche is playing in a league of its own, with sustainable profit margins of more than 15 percent. Porsche even maintained its double digit profitability during the difficult year of 2020. The brand is stronger than ever before,” Diess said. The order backlog for the Taycan is currently four to five months. The **Bugatti** brand is to be integrated into a joint venture with Rimac, subject to regulatory approvals.

In the **commercial vehicle business, TRATON** expects to achieve sales of €13.6 billion in the first half of the year, matching the level of the same period in the pre-crisis year 2019. The order intake of more than 170,000 vehicles represents a record for the first six months. At the same time, the takeover of Navistar was successfully completed. Commenting on this, Diess said: “TRATON has further expanded its global footprint through the takeover of Navistar. As a result, the company is on the finishing straight of its Global Champion Strategy. TRATON will focus more strongly on the Chinese market moving ahead.” TRATON aims to speed up its transition toward e-mobility, too. A total of €1.6 billion will be invested in research and development in the field of e-mobility by 2025. Initial results are already apparent: The all-electric MAN Lion’s City E is already in service in Hamburg and other European cities.

- 1) The vehicle is not yet offered for sale.
- 2) The vehicle is not offered for sale in Europe.

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About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The Group comprises twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products range from pick-ups to buses and heavy trucks. Every weekday, 662.600 employees around the globe are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2020, the total number of vehicles delivered to customers by the Group globally was 9.31 million (2019: 10.98 million). Group sales revenue in 2020 totaled EUR 222.9 billion (2019: EUR 252.6 billion). Earnings after tax in 2020 ended amounted to EUR 8.8 billion (2019: EUR 14.0 billion).
