
Media information

NO. 87/2020

Volkswagen AG withdraws 2020 full-year outlook due to business impacts from covid-19 pandemic

- **Announcement of preliminary Q1 2020 results**

Wolfsburg, April 16, 2020 - The ongoing Covid-19 pandemic has also had a significant impact on Volkswagen Group's business. As a result, the automobile retail network has largely come to a standstill. The resulting decline in customer demand and supplier bottlenecks led to production stops within the Volkswagen Group. The aforementioned developments have a negative impact on the expected financial results of the Volkswagen Group.

Based on preliminary figures, the Volkswagen Group expects for the first quarter of 2020:

- Sales revenue of around 55 billion Euros.
- Operating profit of 0.9 billion Euros and a return on sales margin of around 1.6 percent. The turbulent raw material and financial markets led to significant negative fair value impacts from commodity derivatives and negative currency effects, which burdened the first quarter 2020 result by 1.3 billion Euros.
- The automotive net cash flow amounted to a negative 2.5 billion Euros. The main drivers were the weaker underlying operating result due to the pandemic and negative effects in working capital from higher inventories and lower liabilities.
- Automotive net liquidity amounted to 17.8 billion Euros.

The Volkswagen Group has already implemented extensive counter measures to reduce costs. Securing liquidity has the highest priority and optimizing working capital and prioritizing investments are key focus areas.

The Volkswagen Group is planning the phased restart of production with enhanced safety standards for the workforce. As can be seen from the positive developments in China, economic recovery during the course of the year appears possible.

Due to the current developments, the Executive Board of Volkswagen AG assumes for now that the full year outlook for 2020, which was published with the 2019 Annual Report, can no longer be achieved.

VOLKSWAGEN

AKTIENGESELLSCHAFT

It is currently not possible to determine when a new outlook can be made for the full year. The impacts resulting from the pandemic on customer demand, the supply chain and production cannot currently be accurately forecasted.



Volkswagen AG

Deputy Head of Corporate Communications

Contact Dr. Christoph Ludewig

Phone +49-5361-9-875 75

E-mail christoph.ludewig@volkswagen.de | www.volkswagen-newsroom.com



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, 671.205 employees around the globe produce on average 44,567 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2019, the total number of vehicles delivered to customers by the Group globally was 10.97 million (2018: 10.83 million). The passenger car global market share was 12.9 percent. Group sales revenue in 2019 totaled EUR 252.6 billion (2018: EUR 235.8 billion). Earnings after tax in the fiscal year now ended amounted to EUR 14.0 billion (2018: EUR 12.2 billion).