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## Media information

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## Volkswagen Group brings 2018 to successful close

- **Sales revenue of EUR 235.8 billion exceeds previous year by EUR 6.3 billion; operating profit before special items of EUR 17.1 (17.0) billion at prior-year level**
- **Net liquidity in Automobile Division again robust, at EUR 19.4 (22.4) billion**
- **Board of Management and Supervisory Board propose increase in dividend to EUR 4.80 (3.90) per ordinary share and EUR 4.86 (3.96) per preferred share**
- **Deliveries to customers in 2019 expected to be slightly up on previous year sales revenue expected to exceed previous year by up to 5 percent and operating return on sales anticipated at between 6.5 and 7.5 percent**

**Wolfsburg, February 22, 2019 – The Volkswagen Group has brought the 2018 fiscal year to a successful conclusion. Based on sales revenue of EUR 235.8 billion – a rise of EUR 6.3 billion – the operating profit before special items of EUR 17.1 (17.0) billion was on a level with the previous year. At 7.3 percent (7.4 percent), the operating return on sales before special items was at the upper end of the target range set for 2018. The operating profit stood at EUR 13.9 (13.8) billion; as in the previous year, the figure was negatively impacted by special items of EUR 3.2 (3.2) billion in connection with the diesel issue. Net liquidity in the Automobile Division was again robust, at EUR 19.4 (22.4) billion. The Board of Management and the Supervisory Board propose an increase in dividend to EUR 4.80 (3.90) per ordinary share and EUR 4.86 (3.96) per preferred share.**

Dr. Herbert Diess, Chairman of the Board of Management of Volkswagen AG, explained: “We put in a decent showing in 2018, especially against the backdrop of the changeover to the WLTP, which led to considerable upheaval in our sales performance. The headwinds in key markets are expected to strengthen further in 2019. Our e-offensive will gather momentum as new models are launched. Overall, however, we will have to redouble our efforts to meet our ambitious targets in the new fiscal year.”

The Group’s continued positive operational performance in 2018 was carried by a slight overall increase in the number of vehicles delivered. Worldwide, the Volkswagen Group’s deliveries to customers increased by 0.9 percent to 10.8 million vehicles – a new record. Growth was recorded in particular in Europe, South America and the Asia-Pacific region. Volume and mix improvements had a positive impact on sales revenue, offset to a small extent by exchange rates. Profit before

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tax went up to EUR 15.6 (13.7) billion and the share of operating profit attributable to the Chinese joint ventures was similar to the prior-year level, at EUR 4.6 (4.7) billion.

Net liquidity in the Automobile Division was again robust, at EUR 19.4 (22.4) billion. Net cash flow in the Automotive Division was EUR –0.3 billion and, as expected, significantly better than in the previous year (EUR –6.0 billion). Lower cash outflows in connection with the diesel issue were, however, set against a WLTP-related increase in inventories and receivables. The research and development (R&D) ratio stood at 6.8 percent, after 6.7 percent in the previous year. The capex ratio was 6.6 percent, compared with 6.5 percent a year earlier. “Our operating business proved resilient once again and we are satisfied with the overall result. Sales revenue performance benefited from an improved mix, while currency effects had a negative effect. The Group’s financial situation remains solid. The Group’s ongoing transformation in connection with the electrification and digitalization of the fleet will once again require tight cost discipline in 2019.” says Frank Witter, member of the Group Board of Management responsible for Finance and IT.

## Outlook

Volkswagen expects that deliveries to customers of the Volkswagen Group in 2019 will slightly exceed the prior-year figure amid continuously challenging market conditions. Challenges will arise particularly from the economic situation, the increasing intensity of competition, exchange rate volatility and stricter WLTP requirements. Volkswagen expects the sales revenues of the Volkswagen Group to grow by as much as 5% year-on-year. In terms of the operating profit for the Group and the Passenger Cars Business Area, Volkswagen forecasts an operating return on sales in the range of 6.5–7.5% in 2019. For the Commercial Vehicles Business Area, an operating return on sales of between 6.0–7.0% is anticipated. In the Power Engineering Business Area, a loss around the previous year’s level amid a slight rise in sales revenue is expected. For the Financial Services Division, Volkswagen is forecasting a moderate increase in sales revenues and an operating profit at the prior-year level.

In the Automotive Division, the R&D ratio and the ratio of capex to sales revenue will probably fluctuate in the range of 6.5–7.0 percent in 2019. Cash outflows resulting from the diesel issue will negatively impact the cash flow again in 2019 but, as things stand at present, the effect will be substantially lower than in the reporting period. Consequently, we anticipate a positive net cash flow for 2019 that will be up significantly on the prior-year figure.

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## Note:

Details on the performance of the brands and business fields of the Volkswagen Group will be published at around 7.00 a.m. ahead of the financial statement press conference. Traton is expected to publish the key figures for 2018 at 1.00 p.m. on February 25.

This text, images and a document are available at:

[www.volkswagen-newsroom.com](http://www.volkswagen-newsroom.com).



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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 include ranges from pick-ups, buses and heavy trucks. Every weekday, 664,496 employees around the globe produce on average 44,170 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2018, the total number of vehicles supplied to customers by the Group globally was 10,834 million (2017: 10,741 million). The passenger car global market share was 12.1 per cent. In Western Europe 22.0 per cent of all new passenger cars come from the Volkswagen Group. Group sales revenue in 2017 totalled €231 billion (2016: €217 billion). Earnings after tax in 2017 amounted to €11.6 billion (2016: €5.4 billion).

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