UBS Flagship German Trip

Jürgen Rittersberger | Member of the Board of Management of AUDI AG Finance and Legal Affairs

Audi A6 e-tron concept: The vehicle shown here is a concept car that is not available as a production model.

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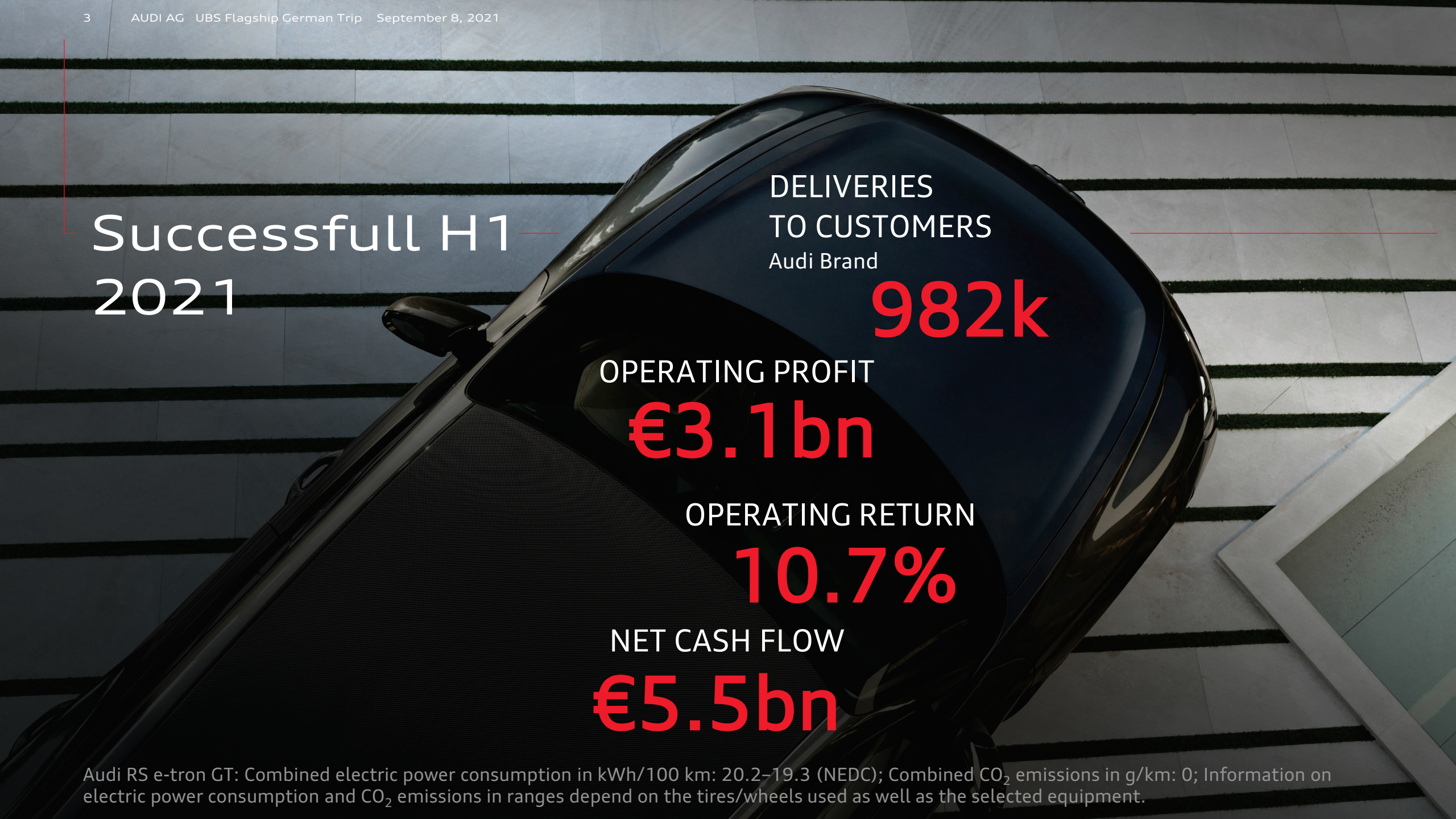


Successfull H1 2021

DELIVERIES TO CUSTOMERS
Audi Brand
982k

OPERATING PROFIT
€3.1bn

OPERATING RETURN
10.7%

NET CASH FLOW
€5.5bn

Audi RS e-tron GT: Combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); Combined CO_2 emissions in g/km: 0; Information on electric power consumption and CO_2 emissions in ranges depend on the tires/wheels used as well as the selected equipment.

Comprehensive management of semiconductor shortage limited production losses and supported strong H1. Situation in H2 remains challenging.

Production

- ↗ model and country mix optimization
- ↗ prioritization of BEV
- ↗ management of cancelled and extra shifts
- ↗ production of unfinished cars to ensure quick recovery

Inventories

- ↘ utilizing all stock capacities to service customer demand
- ↘ sale of used cars inventories

Sales

- ↗ tailor-made customer address
- ↗ regional prioritization
- ↗ dealer and customer support packages

2021 operating return guidance remains unchanged, net cash flow expected to be between €4.5bn to €5.5bn.

	2019	2020	2021 guidance
DELIVERIES TO CUSTOMERS Audi brand, in k units	1,846	**1,693** -8.3% ↘	**significantly above 2020** ↗
REVENUE in €bn	55.7	**50.0** -10.2% ↘	**significantly above 2020** ↗
OPERATING RETURN in % of revenue	8.1%	**5.1%** -3.0 ppt. ↘	**between 7 and 9%** strategic target corridor: 9-11% ↗
CASH R&D RATIO in % of revenue	7.9%	**7.3%** -0.6 ppt. ↘	**within the adjusted strategic target corridor of 6-7%** ↘
CAPEX RATIO in % of revenue	4.9%	**3.8%** -1.1 ppt. ↘	**within the adjusted strategic target corridor of 4-5%** ↗
NET CASH FLOW in €bn	3.2	**4.6** +45.2% ↗ new	**between €4.5bn and €5.5bn** ↗
RETURN ON INVESTMENT in %	12.7%	**7.4%** -5.3 ppt. ↘	**between 12 and 15%** strategic target: above 21% ↗

Vorsprung

2030

AMBITION

3m CARS p.a.

RoS >11%

30m USERS

increasing ESG consideration

SUSTAINABLE GROWTH

LAST ICE SOP[1)] 2025

LAST ICE EOP[1)] 2033

1) Chinese market not included; SOP (Start of production); EOP (End of production);

Comprehensive action plan in the finance area will ensure operational performance and solid financial basis for the future.

SHORT-TERM 2021/22

Securing profitability

- Margin-oriented volume steering
- Operating performance

MID-/LONG-TERM

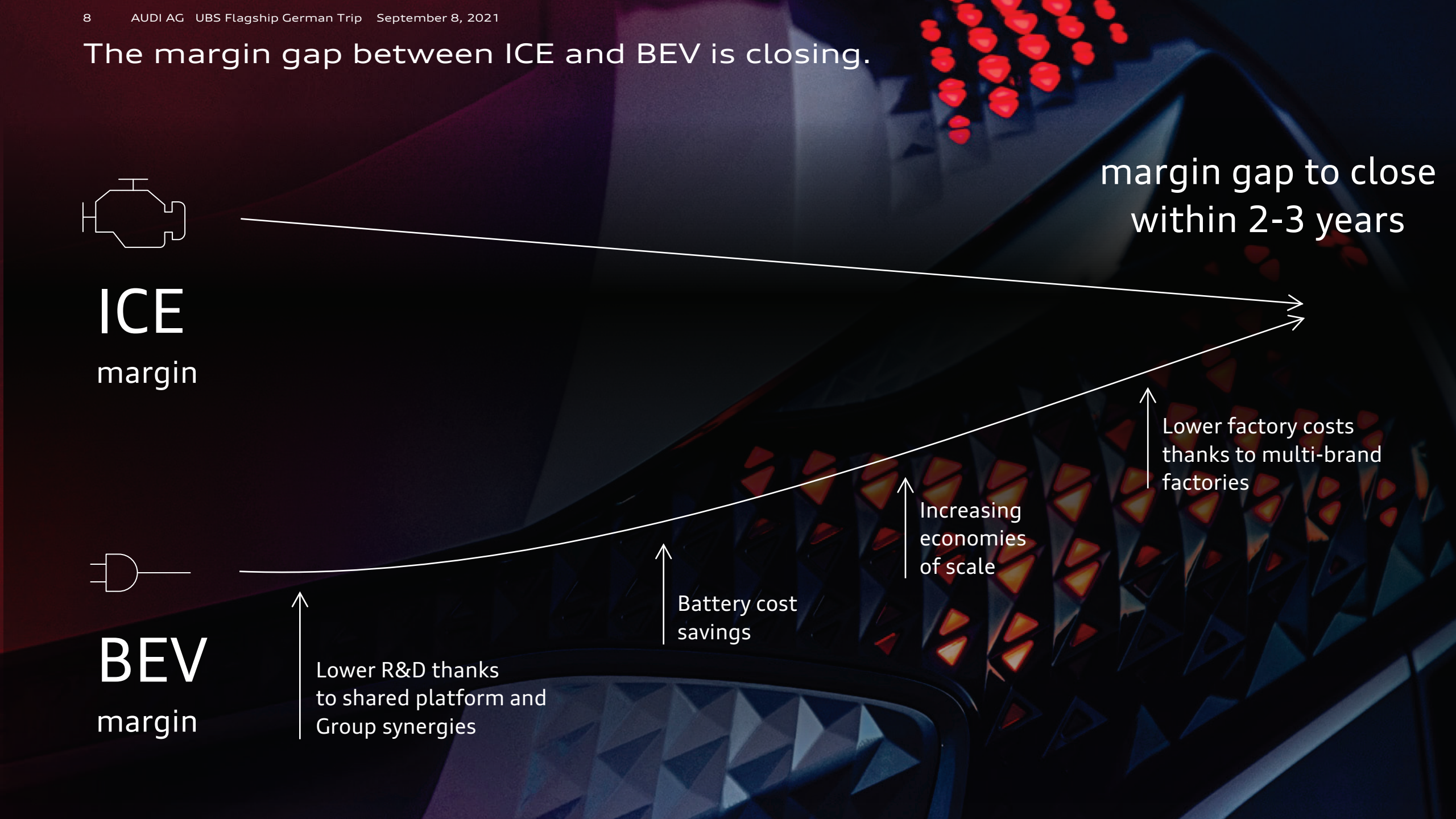
Sustainable value creation

- Portfolio profitability
- New business models
- Brand group steering
- China business
- ESG-performance

Team transformation

- Organisational development
- Powerful team
- Digitalization boost
- Compliance & governance

The margin gap between ICE and BEV is closing.



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Fermín Soneira Santos | Head of Product Line for Electric Models from the A to C Segment
Dr. Joachim Doerr | Project Lead PPE

Audi A6 e-tron concept: The vehicle shown here is a concept car that is not available as a production model.

Audi’s e-roadmap is well underway.

e-tron
THE PIONEER

over
~100k
sold
since SOP

e-tron GT
THE BRAND SHAPER

Q4 e-tron
THE ACCESSIBLE E-TRON

PPE
THE NEXT LEVEL

Audi e-tron: Combined electric power consumption in kWh/100 km: 24.3 – 21.0 (NEDC); Combined CO_2 emissions in g/km: 0; Audi RS e-tron GT: Combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC), 22.5–20.6 (WLTP); combined CO_2 emissions in g/km: 0; Audi Q4 Sportback 50 e-tron quattro: Combined electric power consumption in kWh/100 km: 20.9 –17.6 (WLTP); 17.9 – 16.4 (NEDC); Combined CO_2 emissions in g/km: 0; Information on fuel/power consumption and CO_2 emissions in ranges depending on the chosen equipment level of the car. Audi A6 e-tron concept: The vehicle shown here is a concept car that is not available as a production model.

We benefit greatly from the synergies in the Volkswagen Group both in hardware and software: PPE scales high-performance features for the broader market.

Hardware BEV PLATFORMS

J1

PPE

MEB

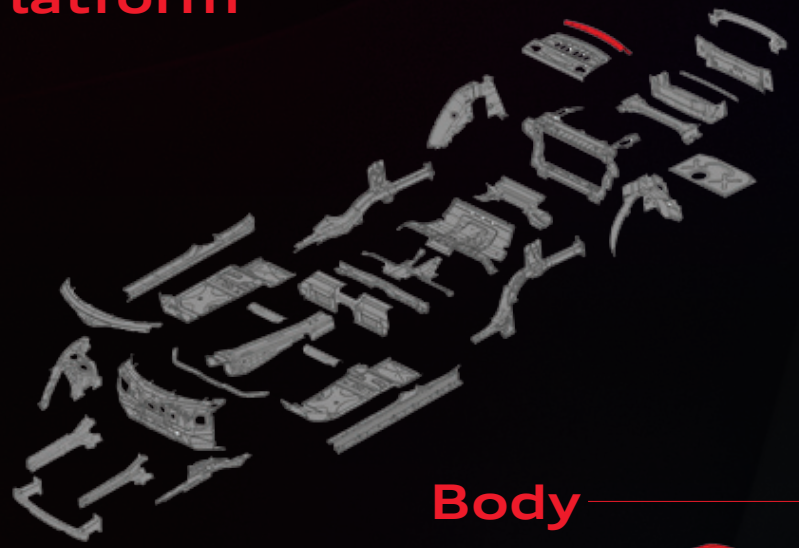
Software

CARIAD

UNIFIED TECHNOLOGY
AND SOFTWARE PLATFORM
FOR ALL VEHICLES
IN THE VOLKSWAGEN GROUP

Audi e-tron GT and Porsche Taycan are using carry-over parts on a large scale, thanks to J1 platform.

Platform



Body

Interior

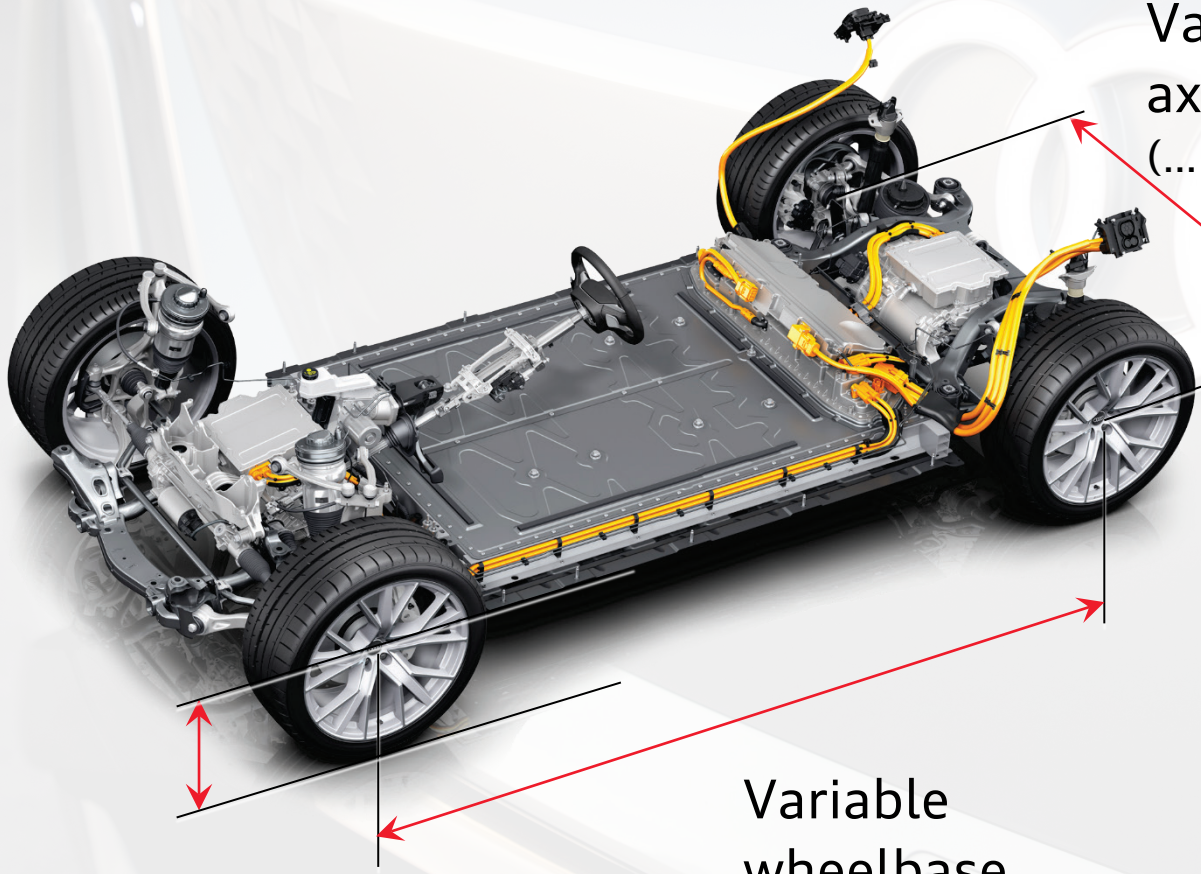
carry-over parts modified parts new parts

Shared platform is not an obstacle to realize brand-specific vehicle design and characteristics.

Taycan 4S : Combined electric power consumption* in kWh/100 km: 28.7 – 26.2 (NEDC); combined CO_2 emissions* in g/km: 0 (NEDC); Information on fuel/power consumption and CO_2 emissions in ranges depending on the chosen equipment level of the car.

Audi RS e-tron GT: Combined electric power consumption* in kWh/100 km: 20.2–19.3 (NEDC), 22.5–20.6 (WLTP); combined CO_2 emissions* in g/km: 0 (NEDC); Information on fuel/power consumption and CO_2 emissions in ranges depending on the chosen equipment level of the car.

PPE provides high level of flexibility, enabling products in B to D segment across the Volkswagen Group.



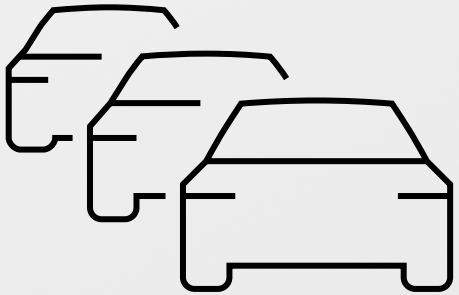
Variable
axle track
(... 1641 – 1714mm ...)

Variable
wheelbase
(... 2890 – 3080mm ...)

Variable
ground clearance
enabling Sedans & SUV
(... 152 – 217mm ...)

high platform flexibility

enables broad range of models



A6 e-tron concept shows: the PPE platform will enable superior performance.

Design

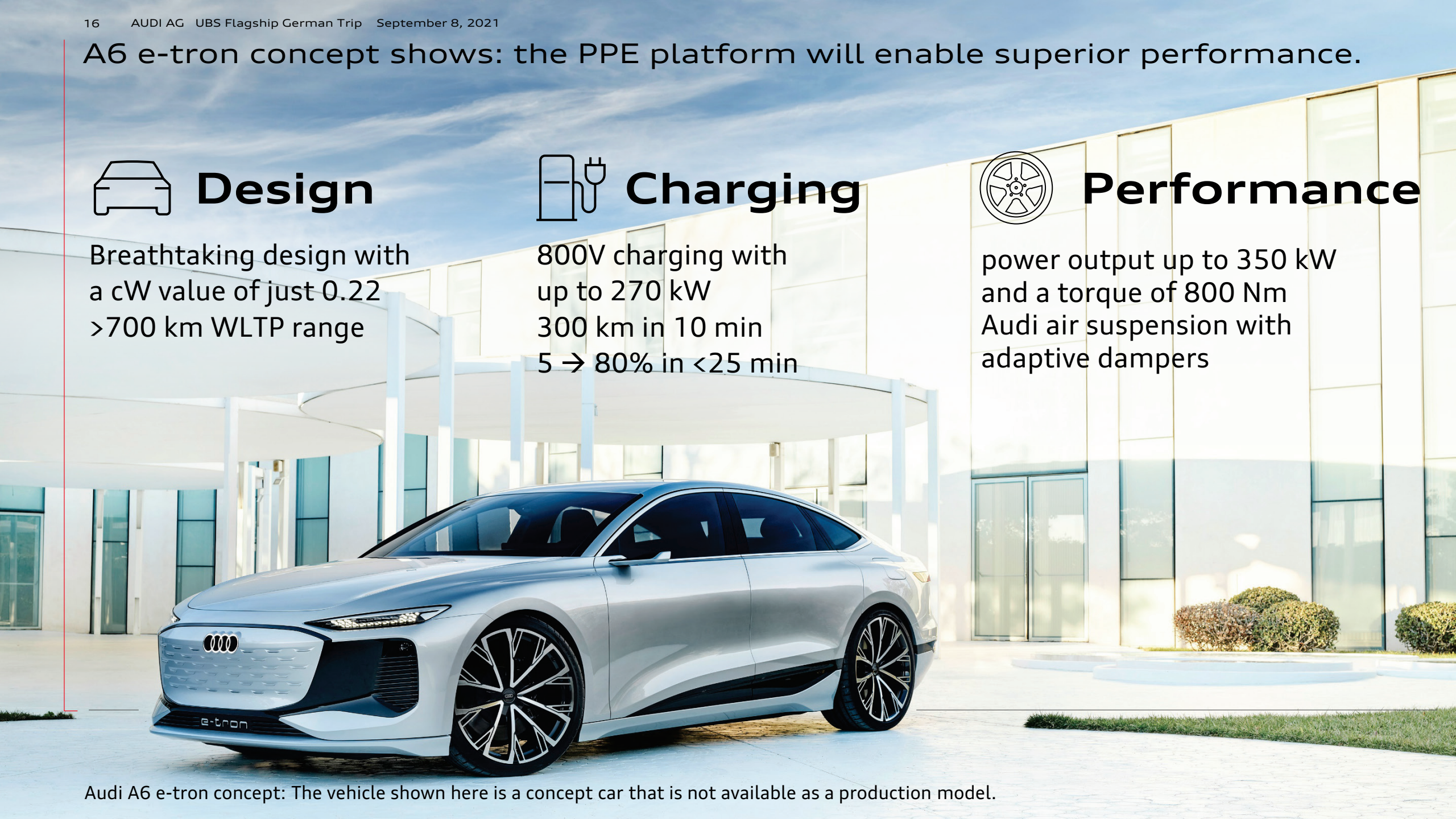
Breathtaking design with
a cW value of just 0.22
>700 km WLTP range

Charging

800V charging with
up to 270 kW
300 km in 10 min
5 → 80% in <25 min

Performance

power output up to 350 kW
and a torque of 800 Nm
Audi air suspension with
adaptive dampers



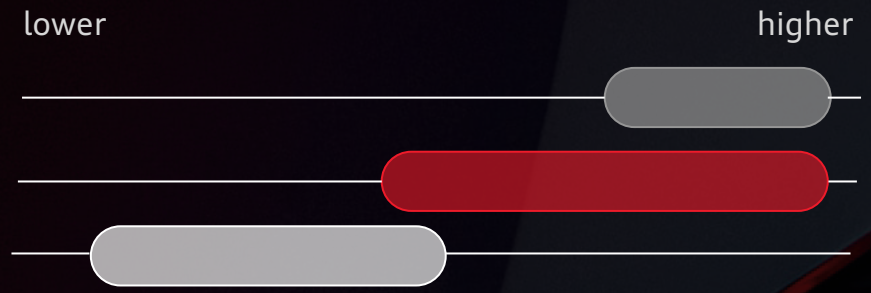
Audi A6 e-tron concept: The vehicle shown here is a concept car that is not available as a production model.

With the PPE we scale the high-end performance of the J1 platform and cover broad range of customer segments.

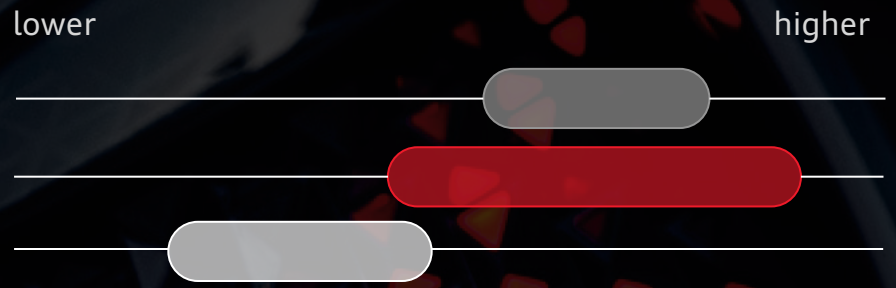
Comparative performance

MEB PPE J1

Performance
kW

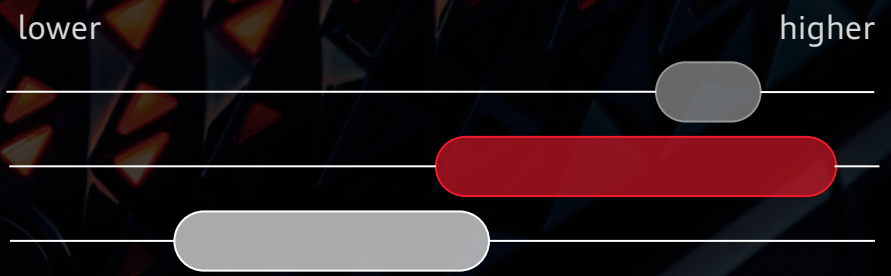


Torque
Nm



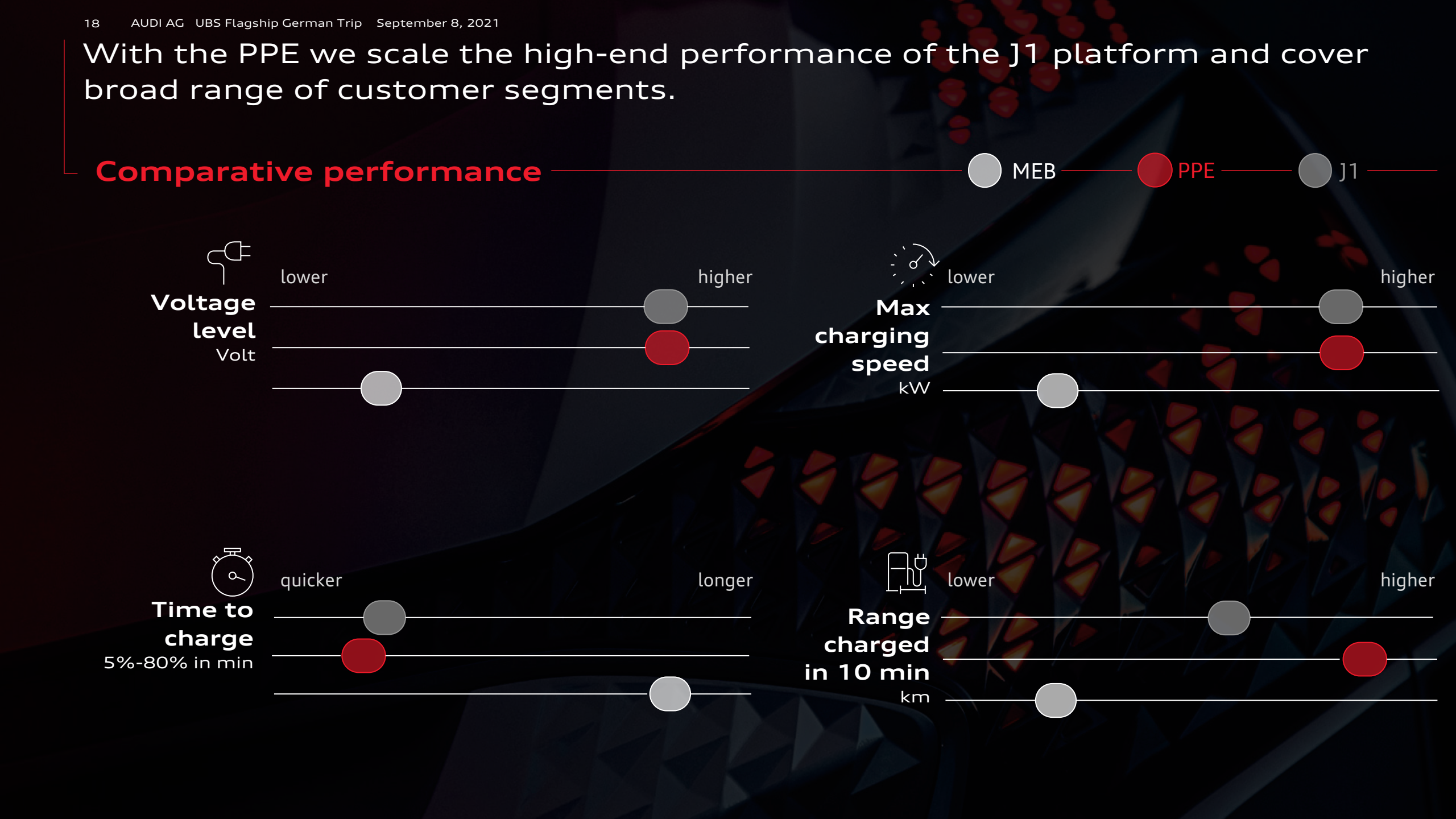
Range
km WLTP

Battery gross capacity
kWh



With the PPE we scale the high-end performance of the J1 platform and cover broad range of customer segments.

Comparative performance



With the PPE platform we continue to balance differentiation with the use of carry-over parts.

Audi Q6 e-tron vs. Porsche Macan (BEV)

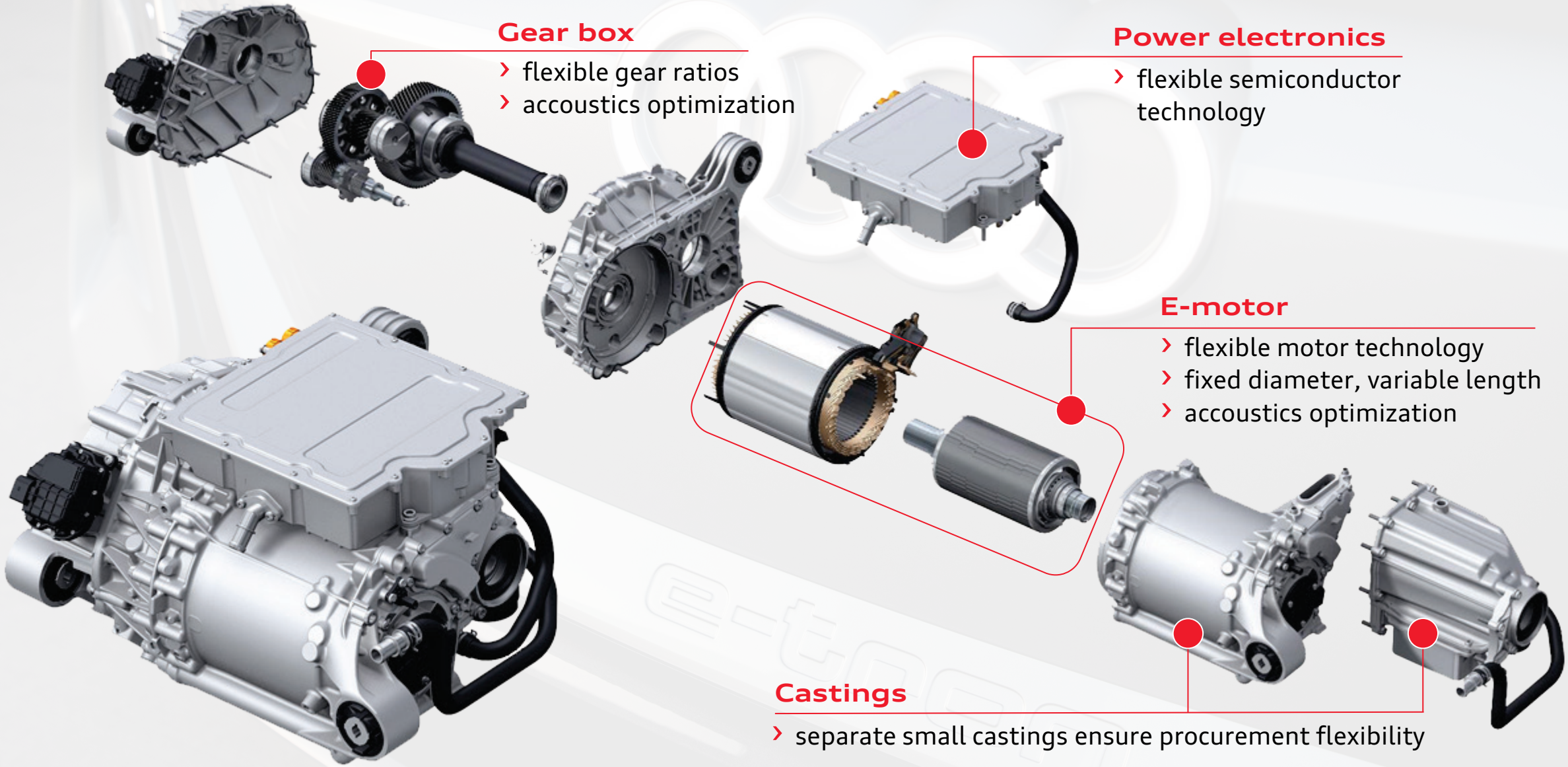
Audi Q6 e-tron vs. Audi A6 e-tron

carry-over parts

modified parts

new parts

E-axle development with the design-to cost approach: reduced variance combined with flexibility in key components enabling highest efficiency and performance.



Gear box

- flexible gear ratios
- accoustics optimization

Power electronics

- flexible semiconductor technology

E-motor

- flexible motor technology
- fixed diameter, variable length
- accoustics optimization

Castings

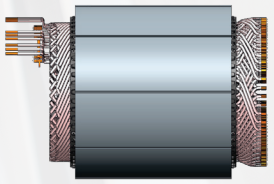
- separate small castings ensure procurement flexibility

The key components in the PPE e-axle kit follow a strict modular logic with a high level of carry-over parts.

Electric motors
same diameter / 3 different lenghts

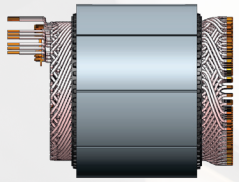
200mm

PSM[1)]



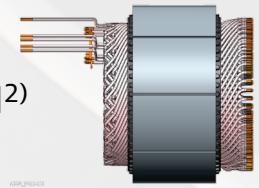
150mm

PSM[1)]



100mm

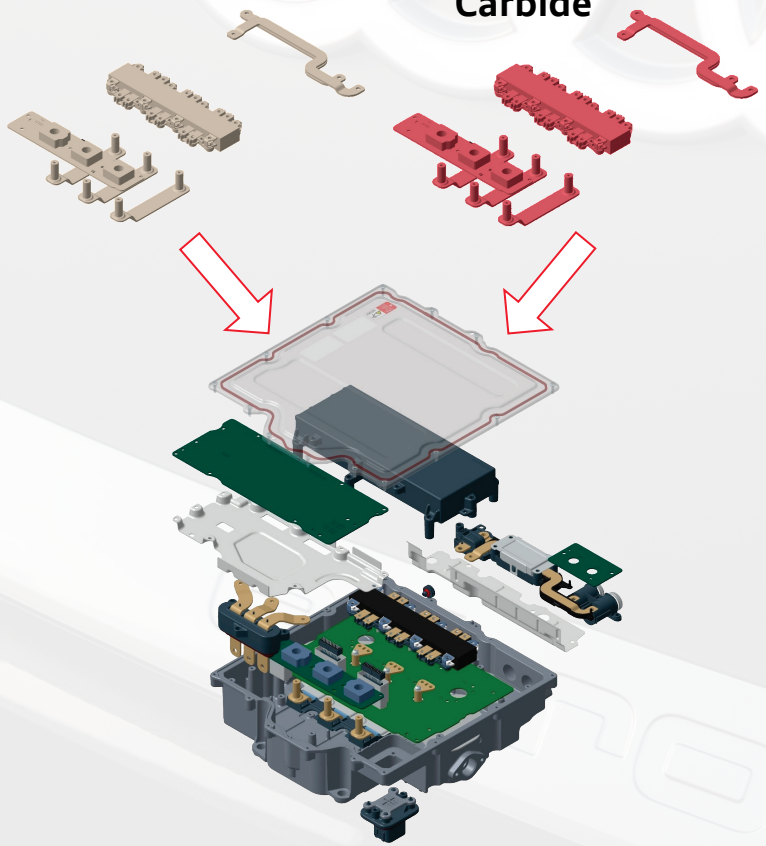
PSM[1)] & ASM[2)]



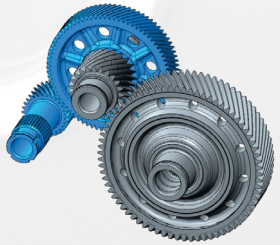
Power electronics
semiconductors Si & SiC

Silicium

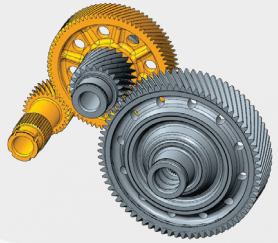
Silicium Carbide



Gearbox
up to 4 different gear ratios
realized via 1st reduction stage



i = 8.5

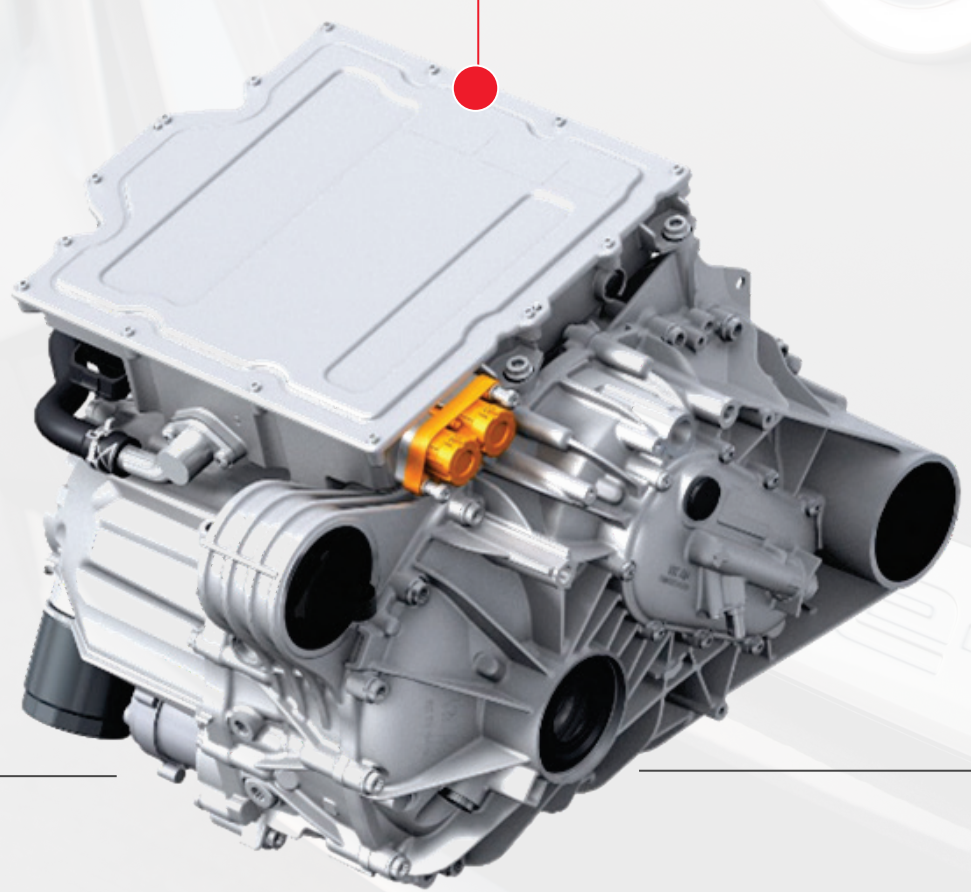


i = 11.0

[1)] PSM: Permanenterregte Synchron Maschine (permanent synchronous motor); [2)] ASM: Asynchron Maschine (asynchronous motor)

Technological advances and comprehensive system optimization lead to improved efficiency and performance.

PPE e-axle



800V HV system
→ ultra fast charging capability

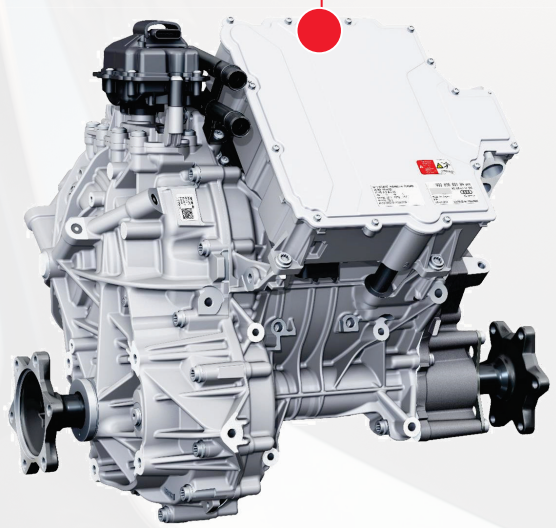
Silicium carbide semiconductors
→ highest efficiency in power electronics

Oil system for gears and e-motor with electric oil pump and dry sump lubrication
→ low friction and enhanced efficiency

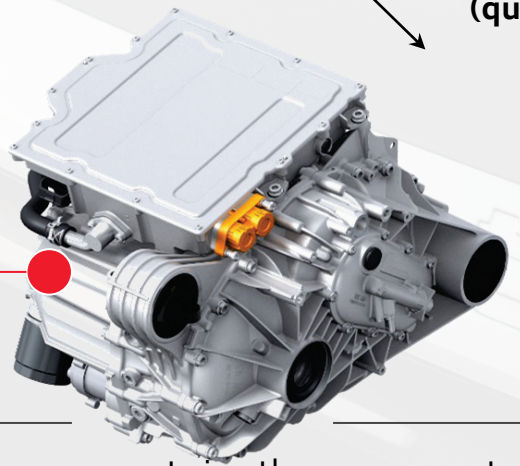
E-motor with hairpin winding and direct oil cooling for stator and rotor
→ high power density / reduction of rare earths

Major improvements in e-axle parameters result from know-how ramp up thanks to in-house development and industrialization.

e-tron electric front e-axle



comparable PPE electric front e-axle



Component level

- e-axle box dimensions **- ~30%**
- e-axle weight **- ~20%**
- e-motor dimensions **- ~35%**
- e-axle efficiency losses **halved**

vehicle level (quattro)

- system performance **+ ~33%**
- drivetrain costs **- ~15%**
- energy consumption[1] **- ~30%**

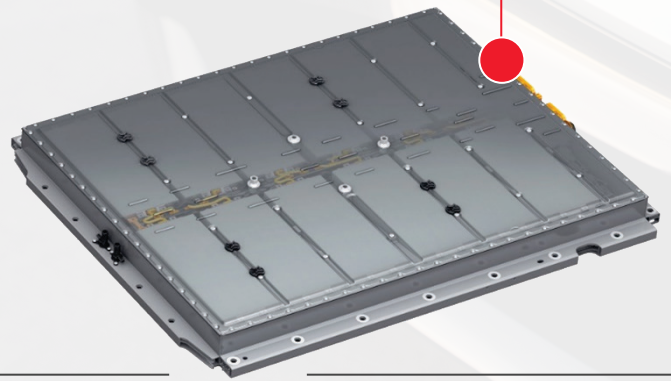
[1] Based on the full vehicle, including efficiency improvements in other components.

PPE battery system is “best of two worlds“ – combines high performance with industrialization benefits and ensures capabilities to integrate new technology.

J1 battery system

- **800V**
- 93kWh (gross)
- 32 modules (pouch)
- **Performance: 475kW**
- **Charging power: 270kW**
- **High-tech thermal management**
- Vehicle specific design
- Low volume manufacture

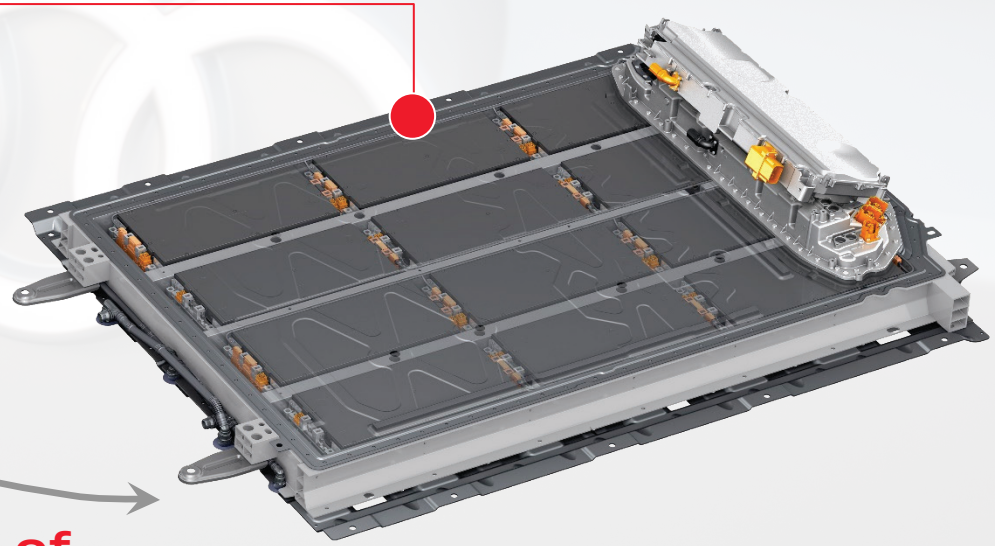
MEB battery system



- 400 V
- 82kWh (gross)
- **12 modules (prismatic** & pouch)
- Performance: 220kW
- Charging power: 125kW
- **Compact design**
- **High volume**
- **Industrialization**

“best of two worlds“

PPE battery system



- **800V**
- **100 kWh (gross)**
- **12 modules (prismatic)**
- **Performance: ~ 475kW**
- **Charging power: 270kW**
- **High-tech thermal management**
- **Compact design**
- **High volume**
- **Industrialization**

The next stage in the Volkswagen Group battery strategy will be the unified cell.

Q6 e-tron | A6 e-tron | "Artemis"

Optimized procurement

Unified cell / Cell-to-pack rollout

Value chain CO_2 emissions optimization

Supplier/partner selection takes CO_2 emissions into account e. g. Northvolt

Know-how build up and new technology readiness

Technical possibility of integration of new cell chemistries in the unified cell

Cost & complexity reduction

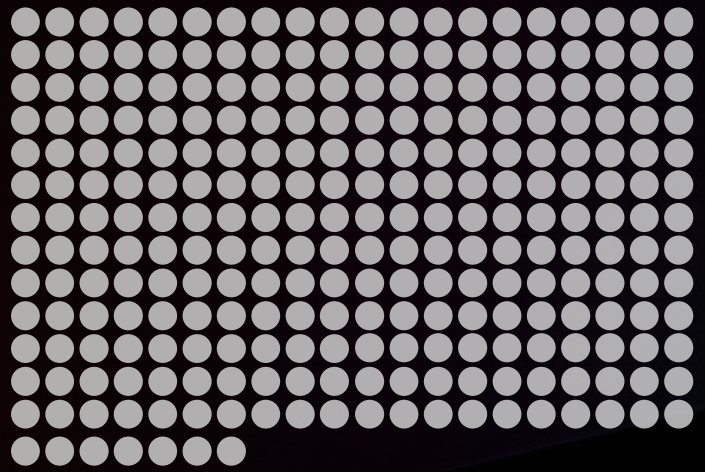
80% of VW Group applications covered by unified cell by 2030

Cell design	-15%
Production process	-10%
Cathode/anode material	-20%
Battery system concept	-5%

Premium customer experience: Transition from single option to focused option packages enables reduction of complexity.

Today

Single options



Option packages

Q6 e-tron

example

- Packages definition based on customer experiences
- Convenient decision making by customer
- Sustainable premium look and feel through point-based evaluation
- Stable residual values

End-to-end electronics architecture E³ 2.0 is the key technology on the way to a software enabled car company.

E³ 2.0 Architecture CARIAD

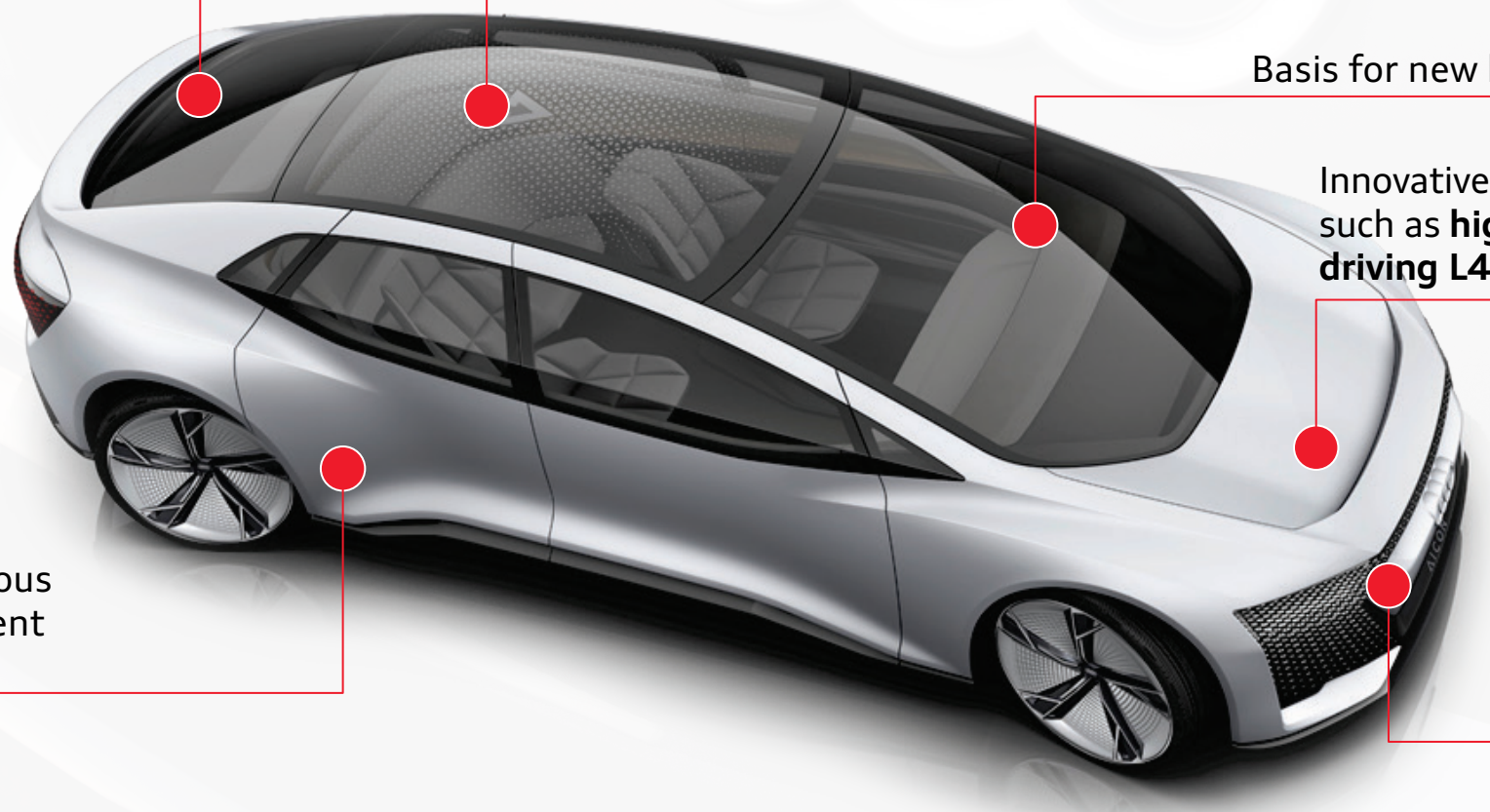
Hardware | **Software (incl. VW.OS)** | **Cloud**

Focus on **seamless hardware & software**

Worldwide scalable from **A0 to D segment**

Basis for new business models

Innovative customer functions such as **highly automated driving L4** and **Digital Assistant**



Over-the-air updates & upgrades enable continuous extension and advancement in customer experience

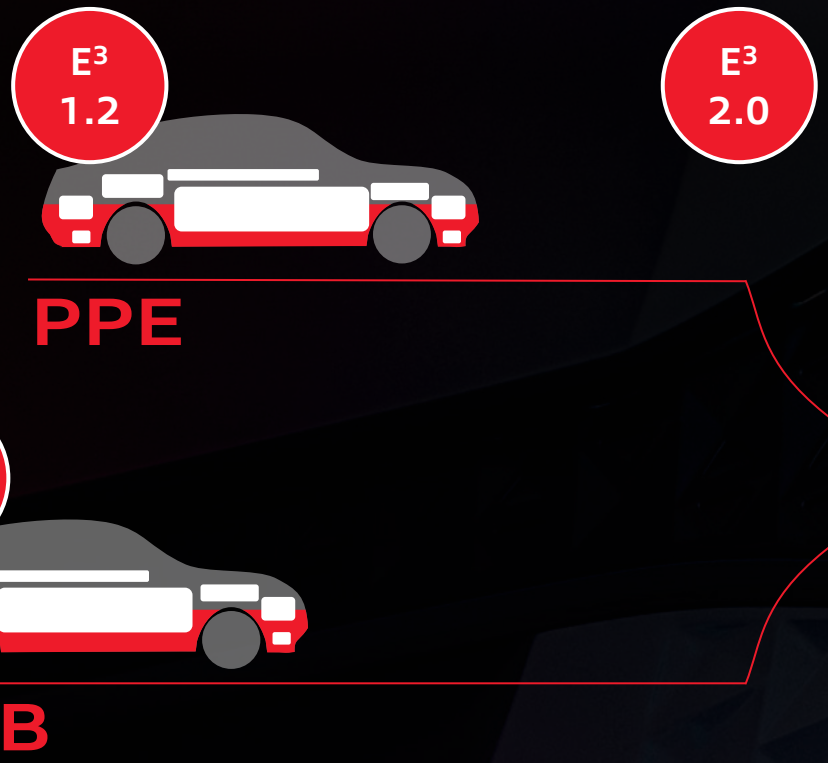
Big Loop foundation by data collection

The integration of hard- and software will be complete with the SSP (Scalable Systems Platform).

Modular Toolkit

Scalable Systems Platform

Q6 e-tron | A6 e-tron | "Artemis"



- Group-wide standardised systems
- Ecosystem approach
- High scalability
- High potential for 3rd party commercialization

Schematic representation does not reflect number of modules.

grandsphere concept

Audi grandsphere concept: The vehicle shown here is a concept car that is not available as a production model.

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