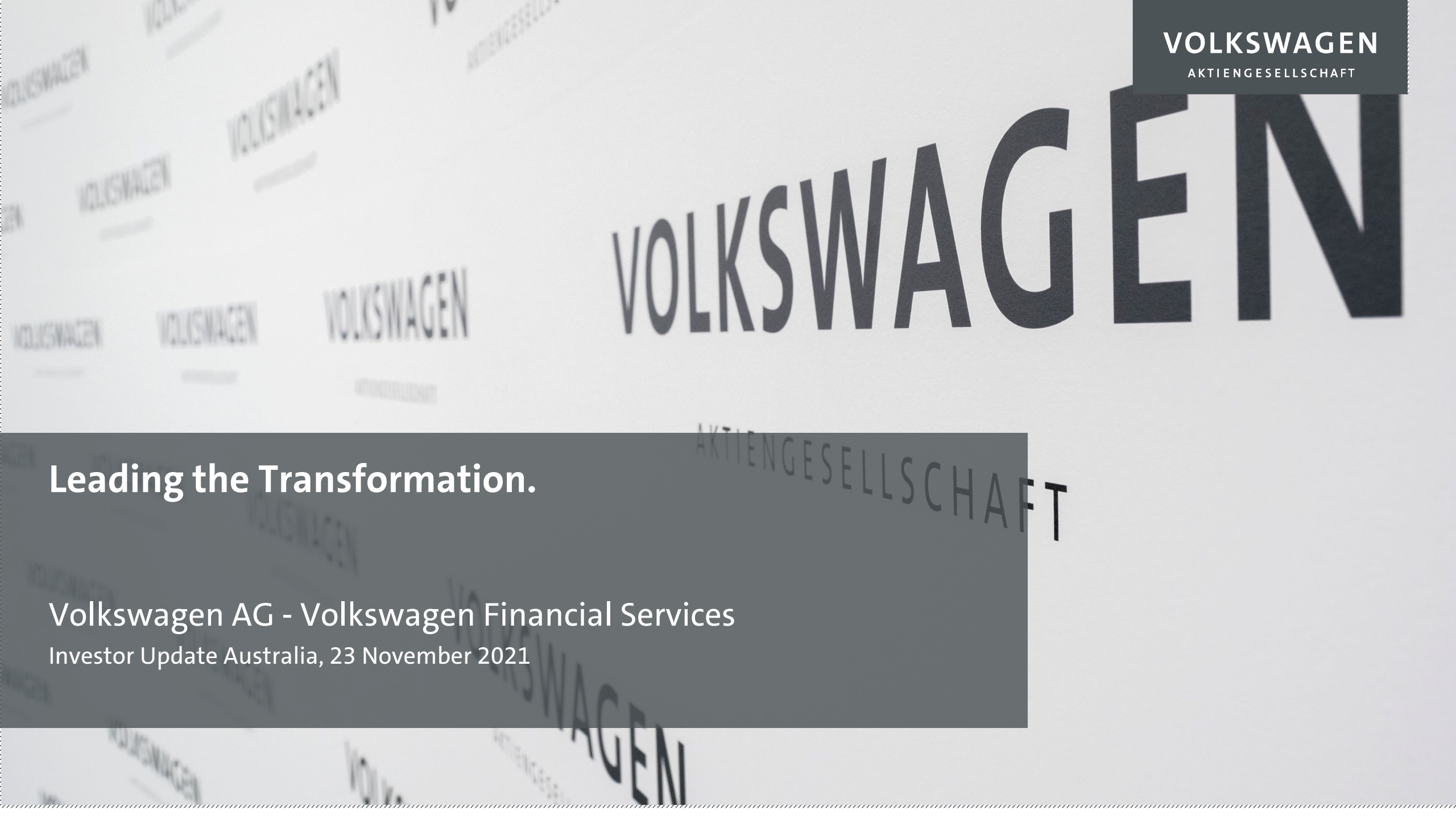

Leading the Transformation.

Volkswagen AG - Volkswagen Financial Services

Investor Update Australia, 23 November 2021

Disclaimer

The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates or commodities relevant to the Volkswagen Group or deviations in the actual effects of the Covid-19 pandemic from the scenario presented will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Leading the Transformation.

Deliveries to Customers

In Europe and North America, Volkswagen Group gains market share[1]

Growth y-o-y, January to October 2021 vs. 2020

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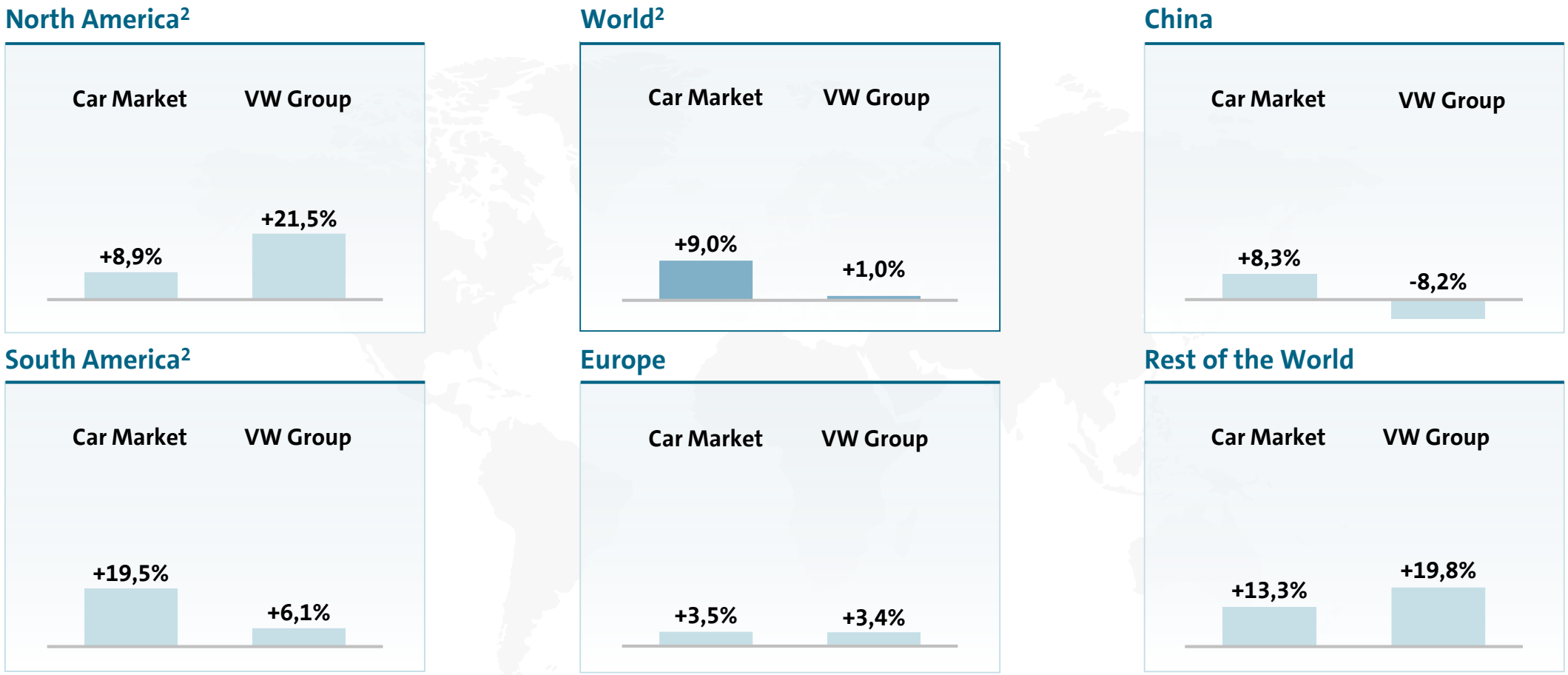
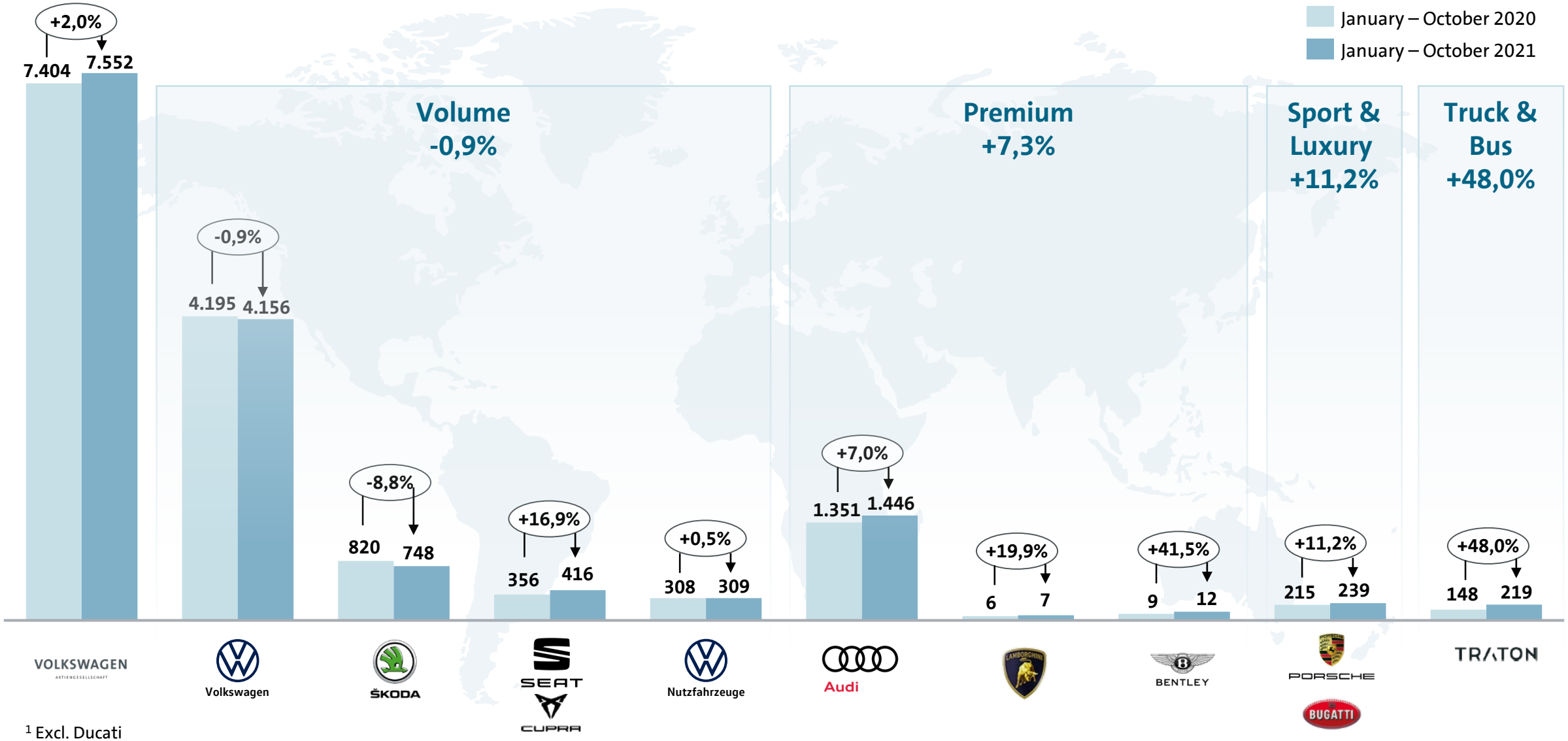


[1] Volkswagen Group Passenger Cars excl. Volkswagen Commercial Vehicles [2] incl. LCV in North America & South America

Volkswagen Group – Deliveries to Customers by Brands [1]
(January to October 2020 vs. 2021)

[thd. veh.]

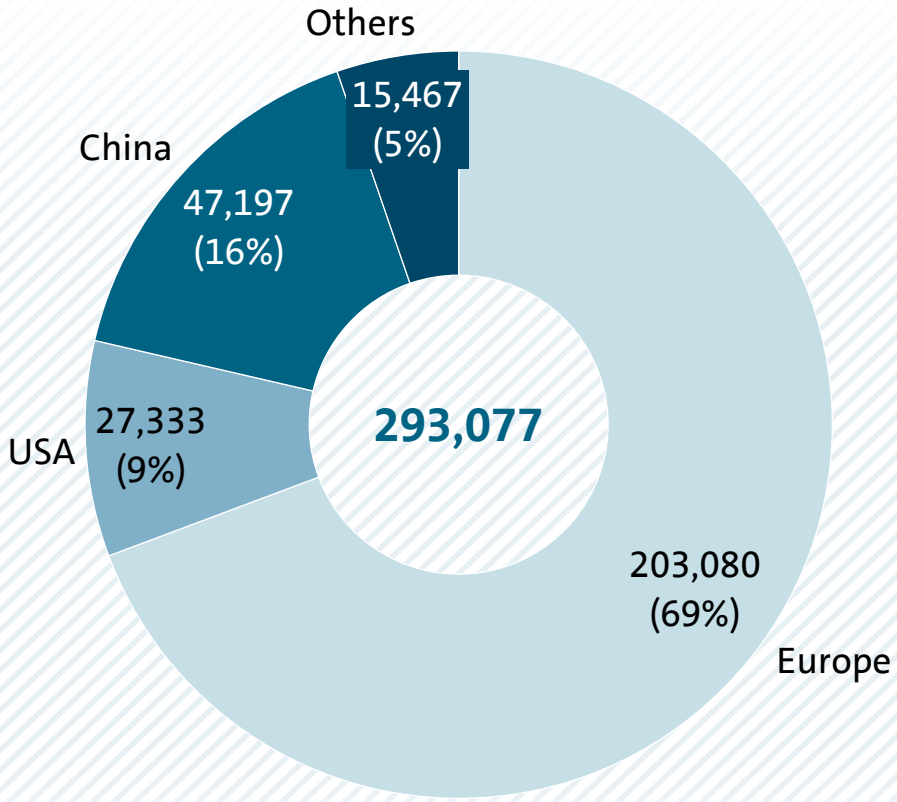


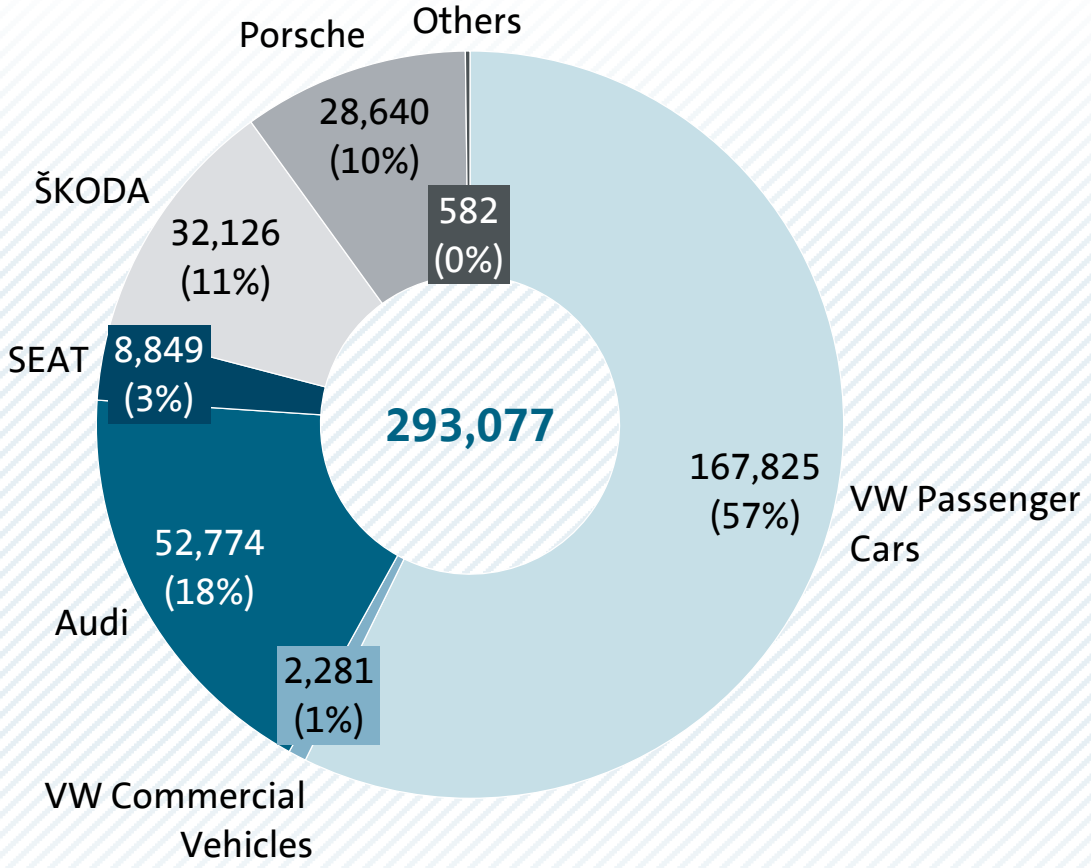
[1] Excl. Ducati

BEV ramp-up accelerates – deliveries doubled in Q3

Deliveries by regions and brands January to September 2021[1]

[Thsd units]





[1] Europe: EU 27+2+UK, China: Incl. HK

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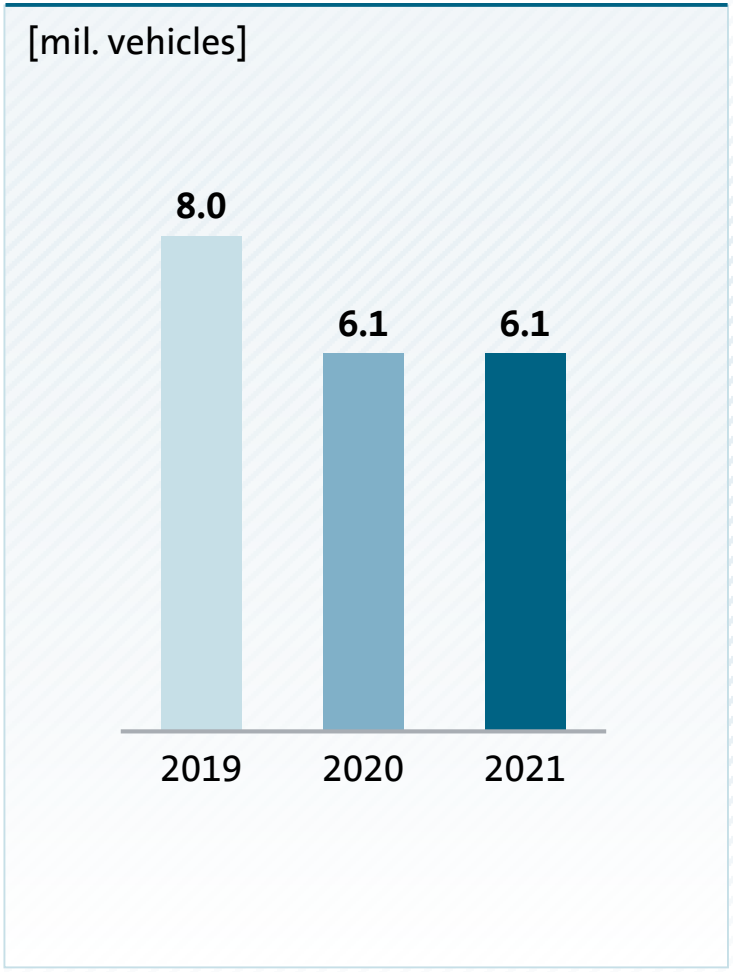
Leading the Transformation.

Key Financials

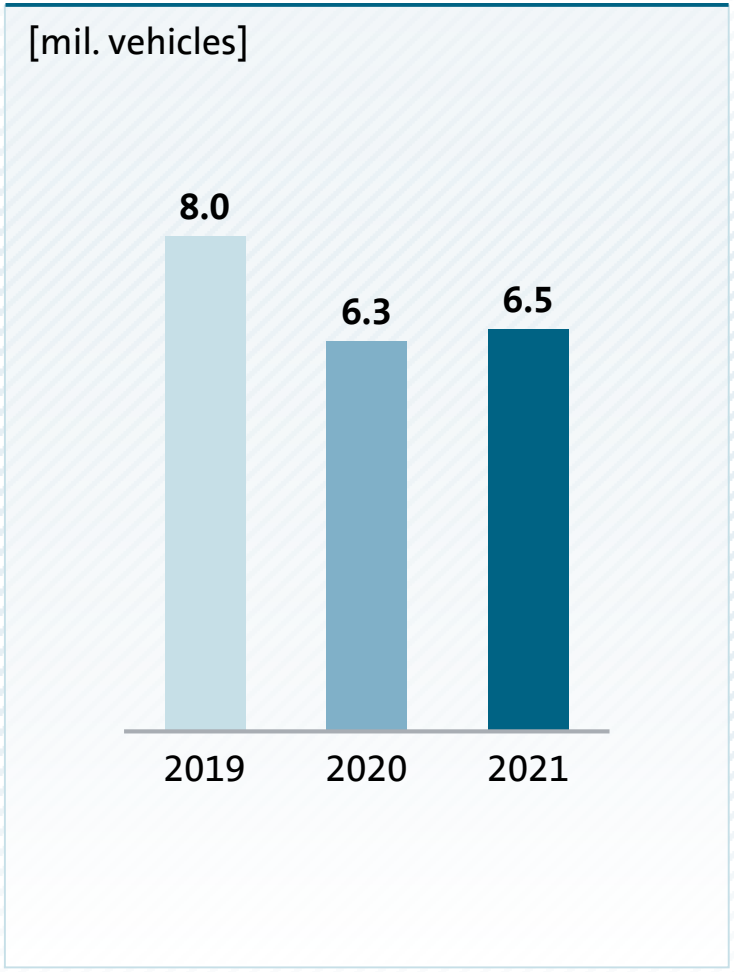
Financial Highlights – Volkswagen Group

January to September 2021 vs. 2020 vs. 2019

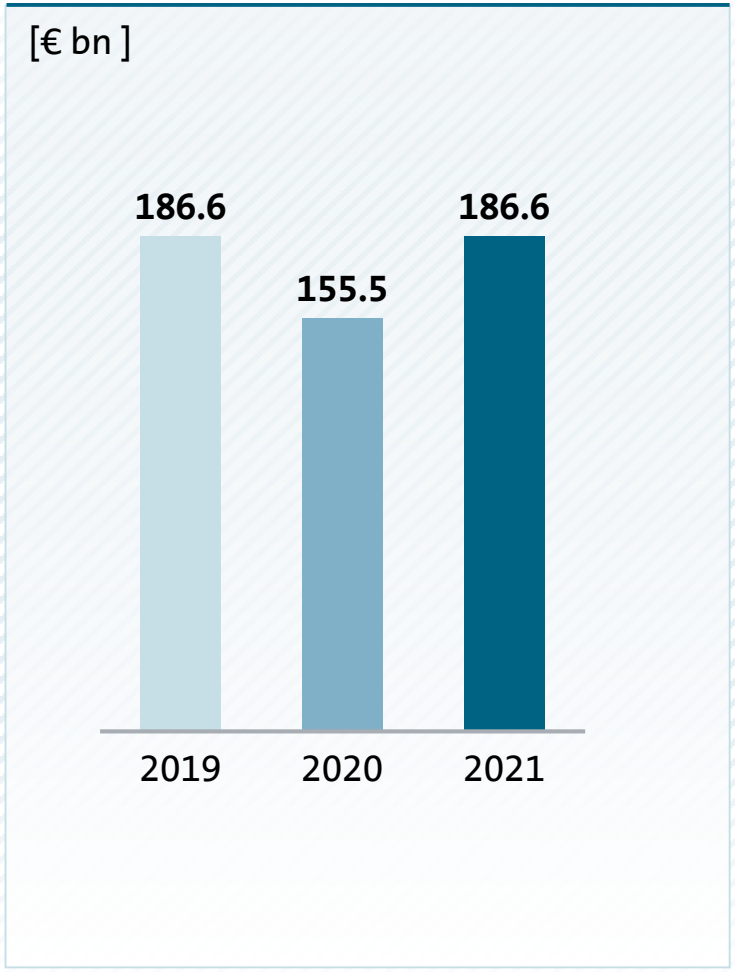
Production Q1-Q3



Vehicles Sales Q1-Q3



Sales Revenue Q1-Q3



Strong Operating Result and Automotive Cash Flow development

Safeguarding liquidity to finance future

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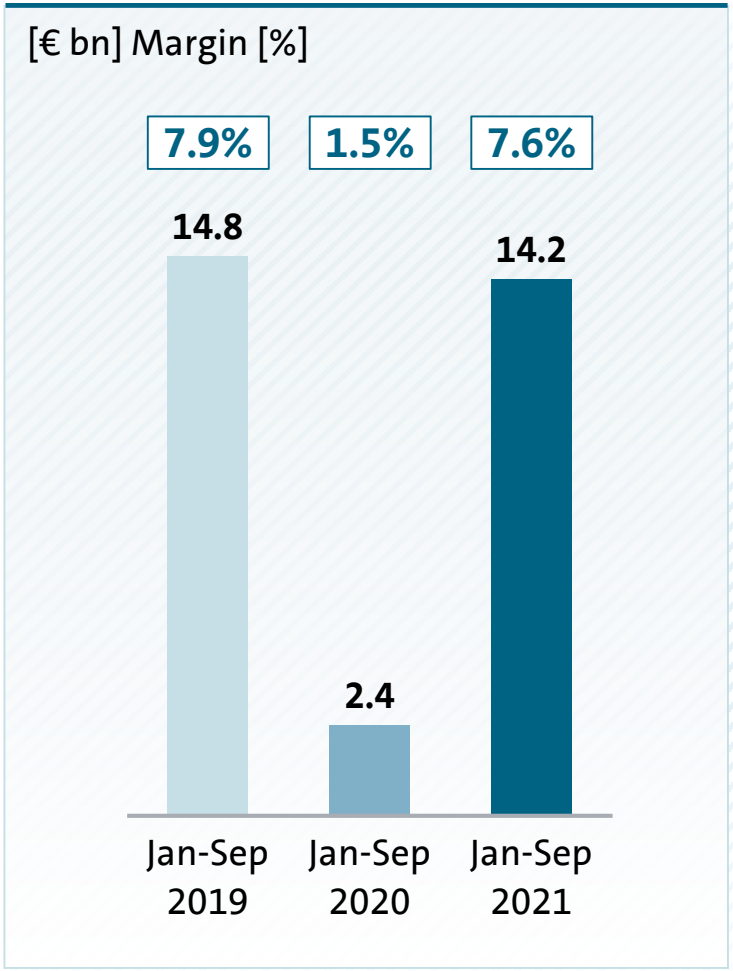
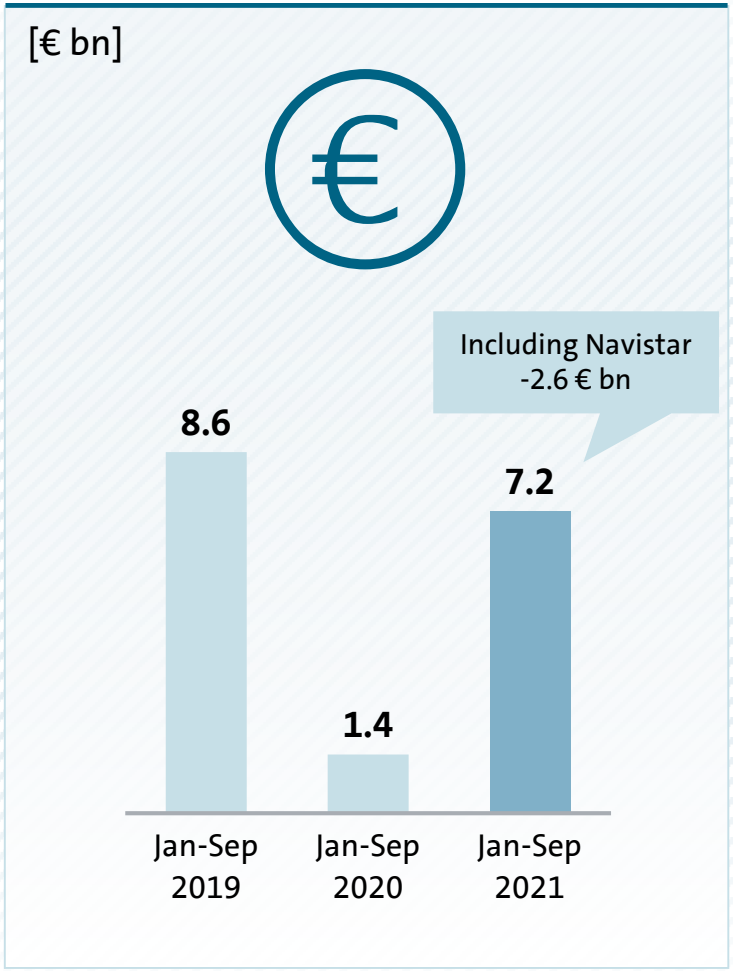
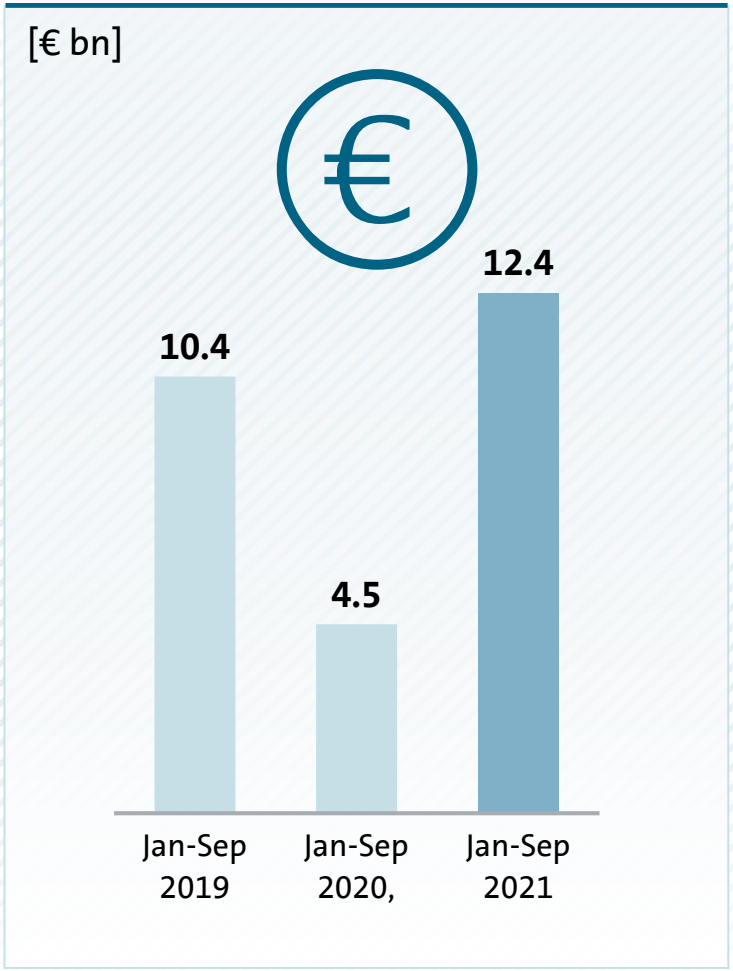
Operating Profit[1] and Margin



Reported Net Cash Flow



'Clean' Net Cash Flow[2]



[1] before Special Items

[2] Reported net cash flow before M&A and Diesel

Automotive Division – Analysis of Net Liquidity[1]
January to September 2021

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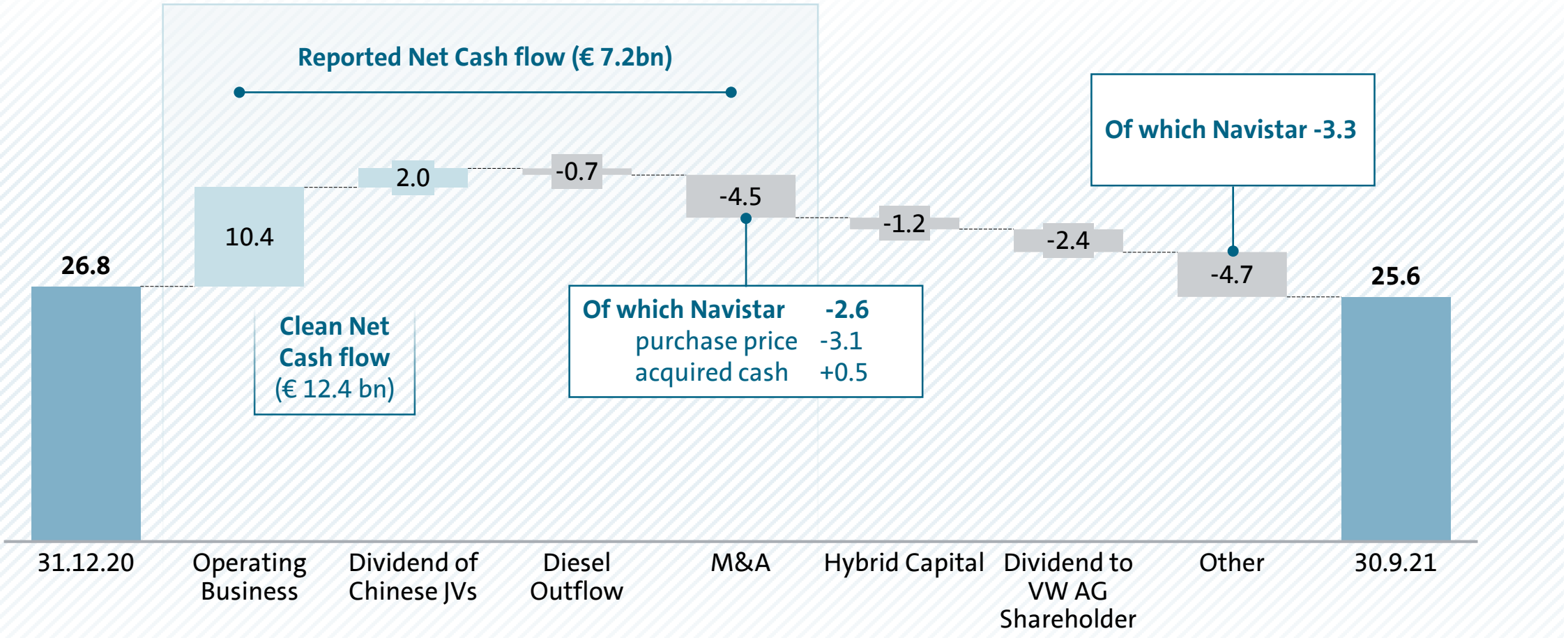
[€ bn]



1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts

Focus on cash flow

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Net Cash Flow by Brands, € mil.

	Net Cash Flow (including Diesel Payout)	Diesel Payout
Volkswagen Passenger Cars	-1.173	-453
SEAT	147	
Škoda	321	
Volkswagen Commercial Vehicles	343	
Audi	7.917	-36
Bentley	367	
Porsche Automotive	2.881	
MAN Commercial Vehicles	688	
Scania Vehicles and Services	170	
Other[1]	-4.441	-230
Automotive Division Reported Net Cash[2]	**7.220**	

All figures shown are rounded, minor discrepancies may arise from addition of these amounts

[1] Consolidation and other non-brand companies including CARIAD

[2] Including allocation of consolidation adjustments between the Automotive and Financial Services divisions

Volkswagen Group – Funding Programs & Outstandings
September 30, 2021

Money and Capital Markets	In € billion	Borrowings	In € billion
Commercial Papers	11.3	Bank Borrowings	29.4
Bonds *thereof: Hybrid Bonds*	97.3 *14.3*	Direct Banking Deposits	25.6
ABS	42.0	Financial Leases	5.6
		Other	6.6

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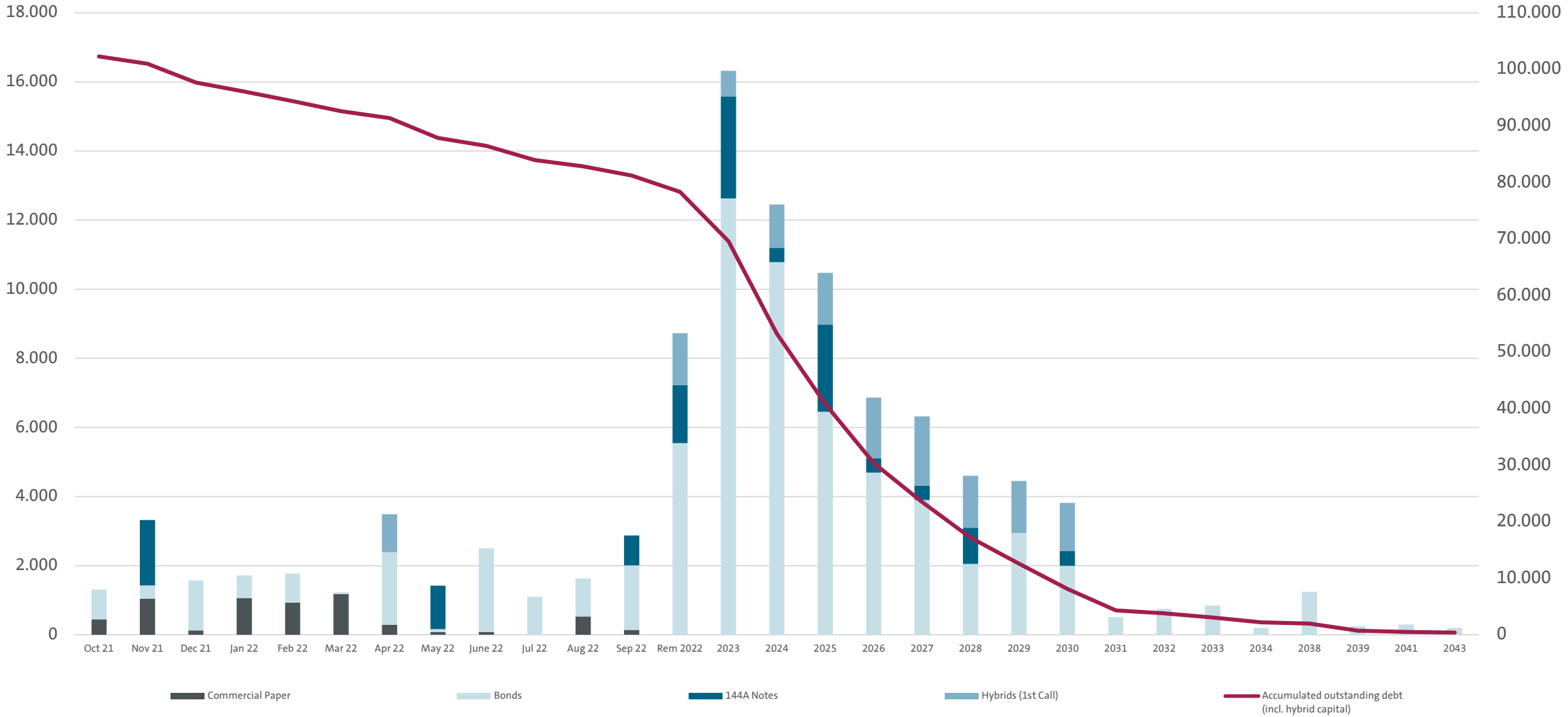
Volkswagen Group Funding Strategy – Bond Maturity Profile
As of September 30, 2021 (in € million)



Source: Volkswagen Group

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Volkswagen Group Funding Strategy – Overview
As of September 30, 2021

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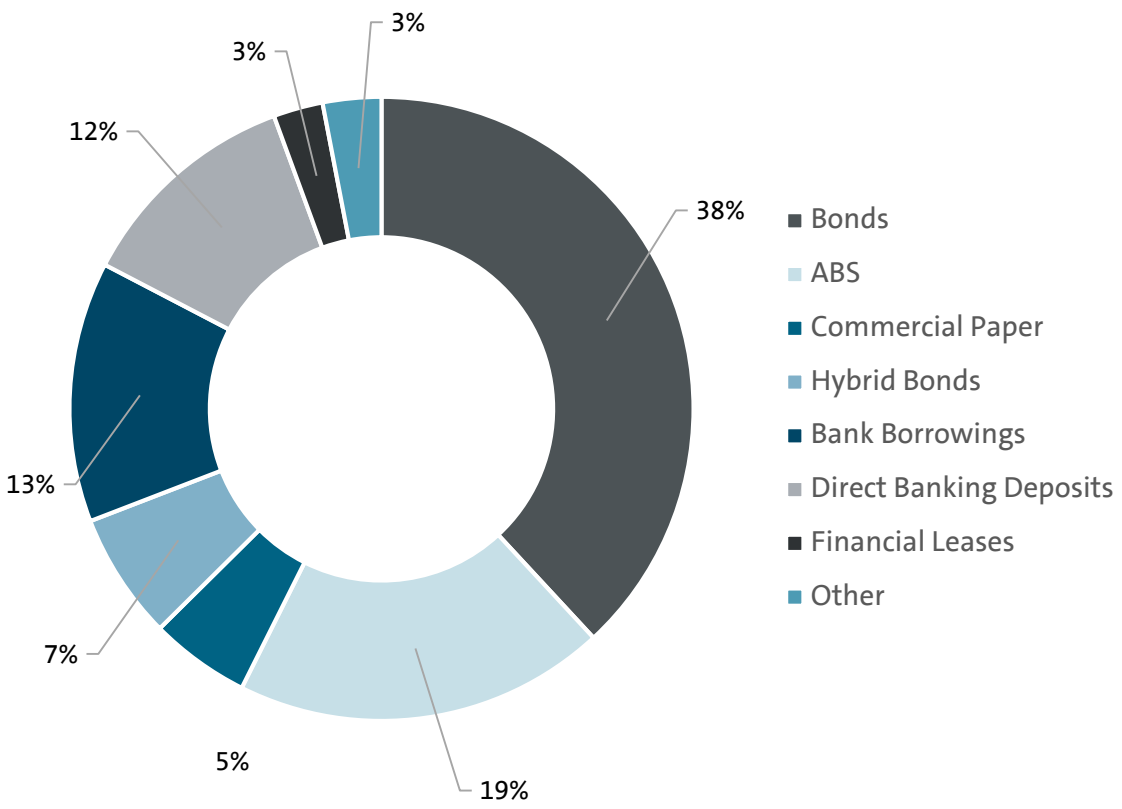
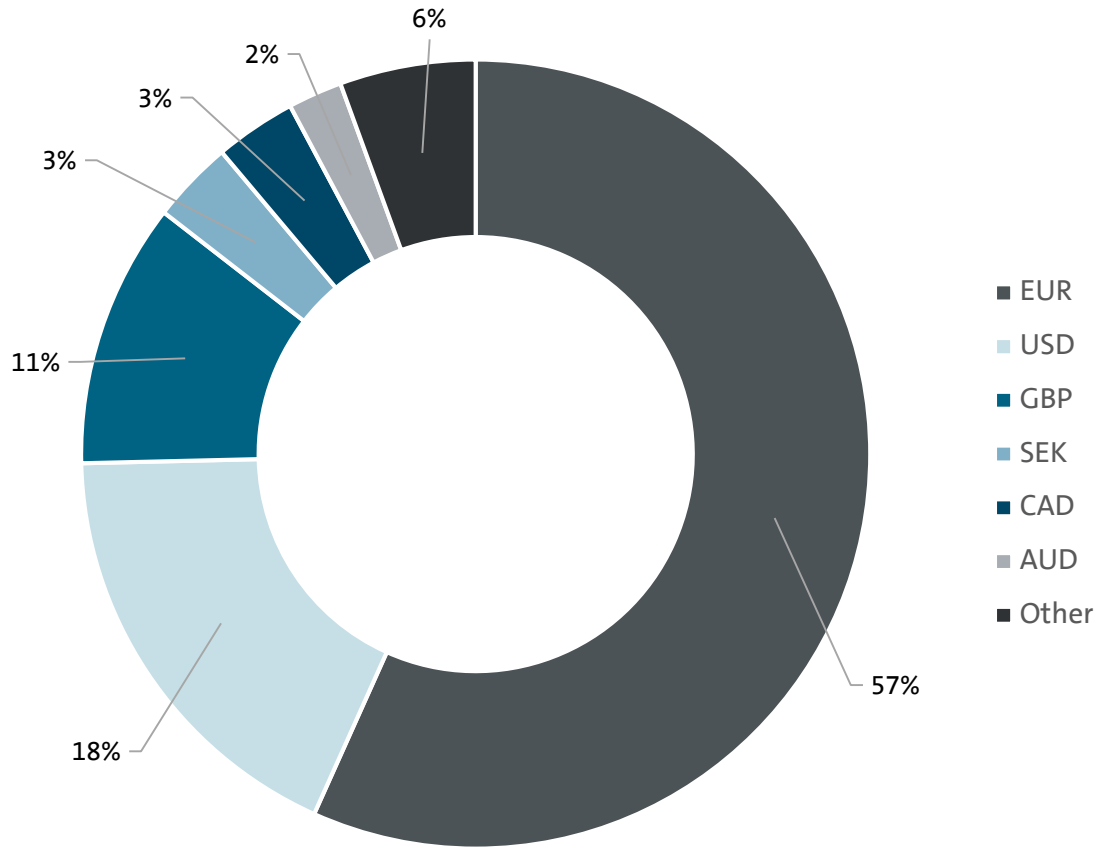
Funding Sources in €bn



Currency Breakdown in %

(ABS, Commercial Paper and Bonds, ex. Hybrid Bonds)



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Leading the Transformation.

Outlook & Operative Excellence

Volkswagen Group – Outlook for 2021

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	2019	2020	2021
Deliveries to customers '000 vehicles	11.0	9.3	In line with prior year NEU
Sales revenue € billion	252.6	222.9	Considerably higher than the prior-year figure NEU
Operating return on sales %	7.6 [1]	4.8 [1]	In the range of 6.0 % to 7.5% before and after Special Items
Automotive Reported Net Cash flow € billion	10.8	6.4	Noticeably higher than the prior year
Automotive Clean Net Cash flow € billion	13.5	10.0	Around 15bn NEU

[1] Before Special Items

Financing the transformation: Fixed cost program ahead of schedule, further progress in Q3[1]

YTD September

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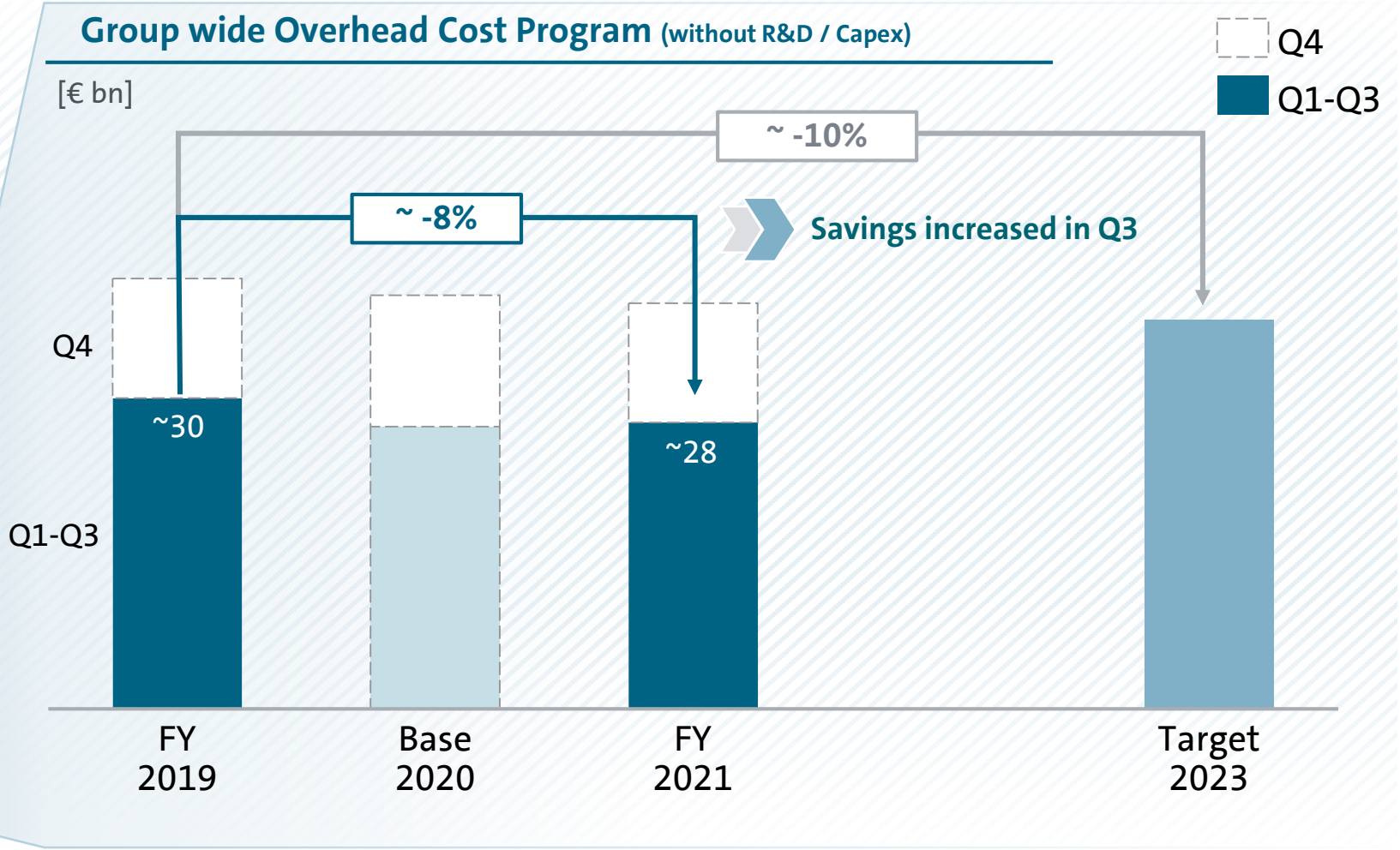
Product-related Cost Optimization R&D, Capex

Plant Program (Productivity & Overhead)

Working Capital Management / Cashflow Orientation

Purchasing Program (7% until 2023)

Fixed Cost (w/o R&D, Capex)



[1] All figures shown are rounded, minor discrepancies may arise from addition of these amounts

Automotive new car revenue pools are expected to shift fundamentally due to new technologies

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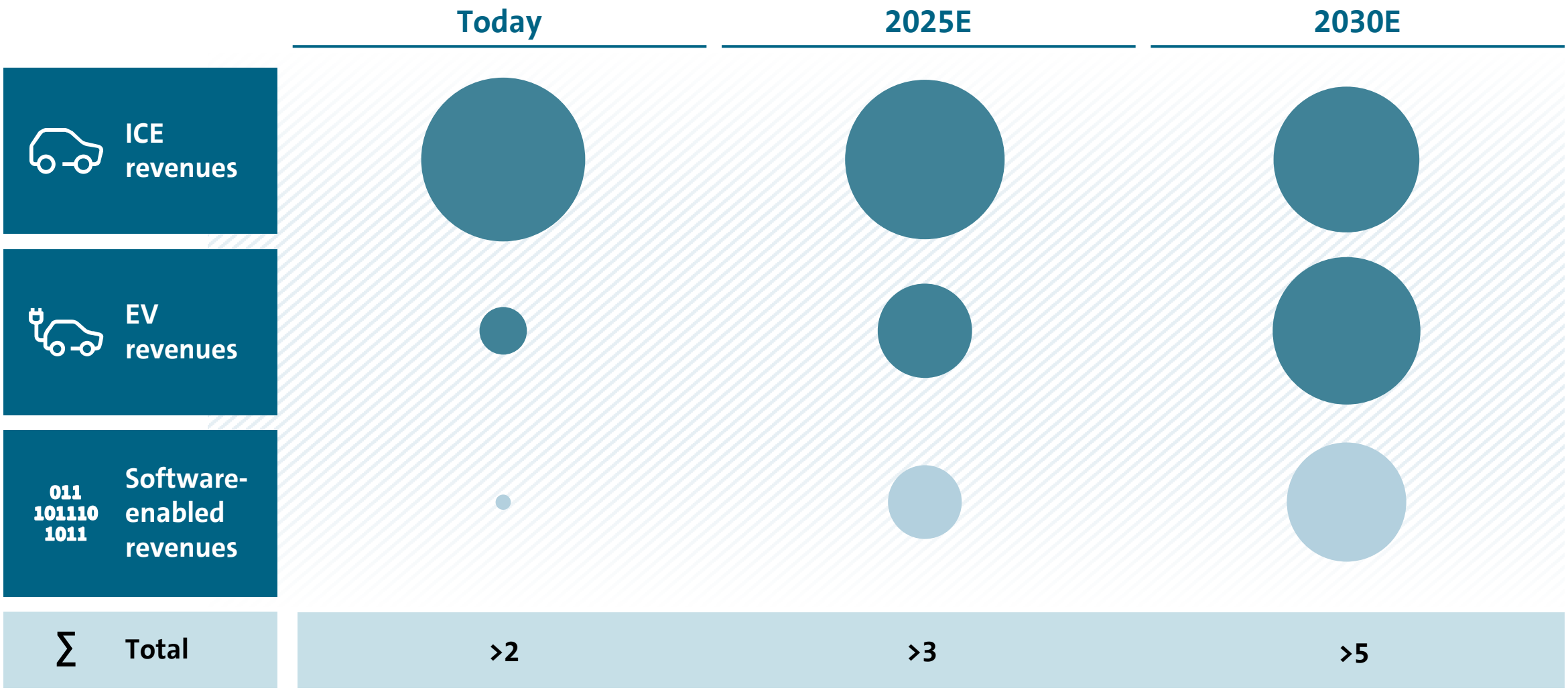
Schematic overview



Values in € trillion

Schematic overview based on internal and external analysis

Volkswagen Groups' ambition – keeping the relative scale with MQB

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ICE Margin

Declining demand for ICE

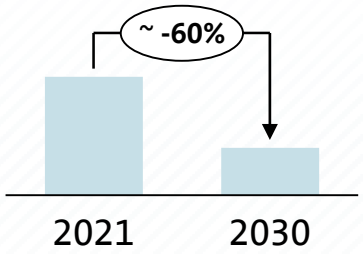
Tightening emissions regulations (e.g. EU7)

Tax disadvantages

2025/ 2030

ICE complexity reduction

(models, EU)



Product substance MQB

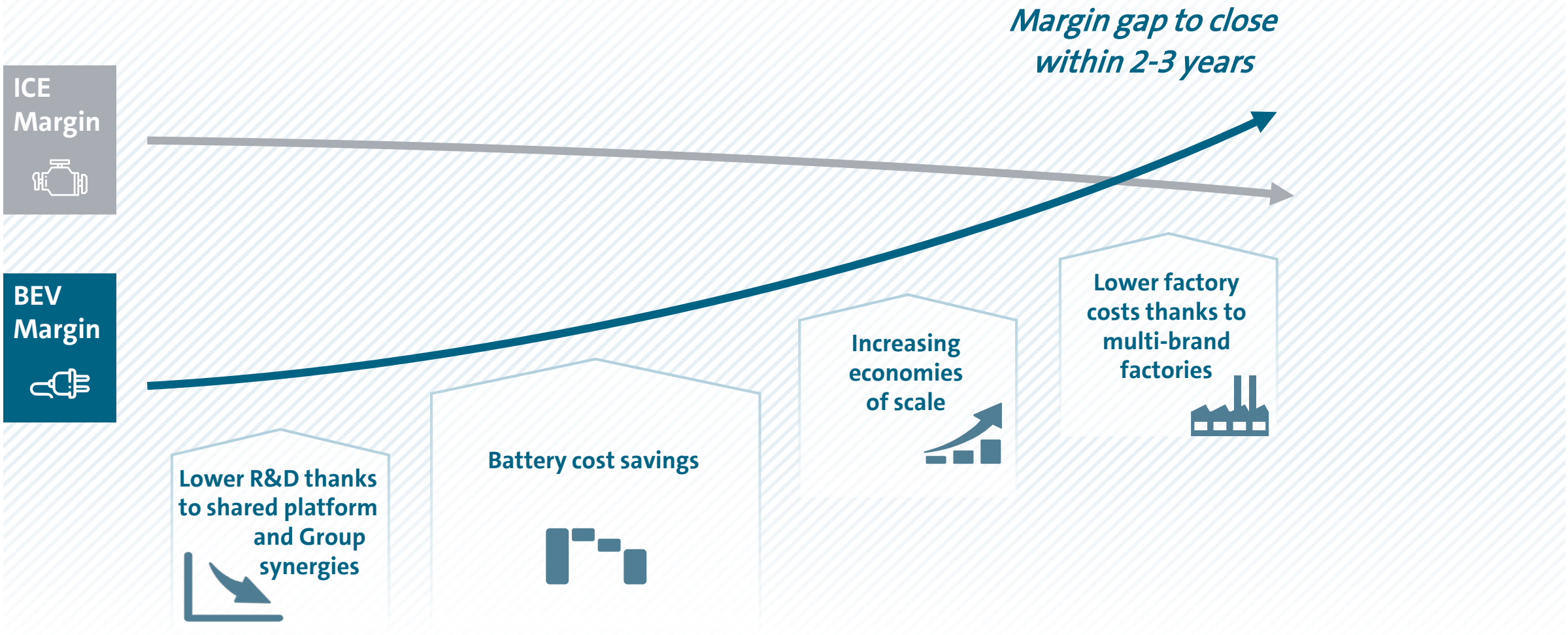
2nd hardware life cycle

minimal additional structural funding

MQB - scale

Factory utilization
to bundle production of multi-brand ICEs

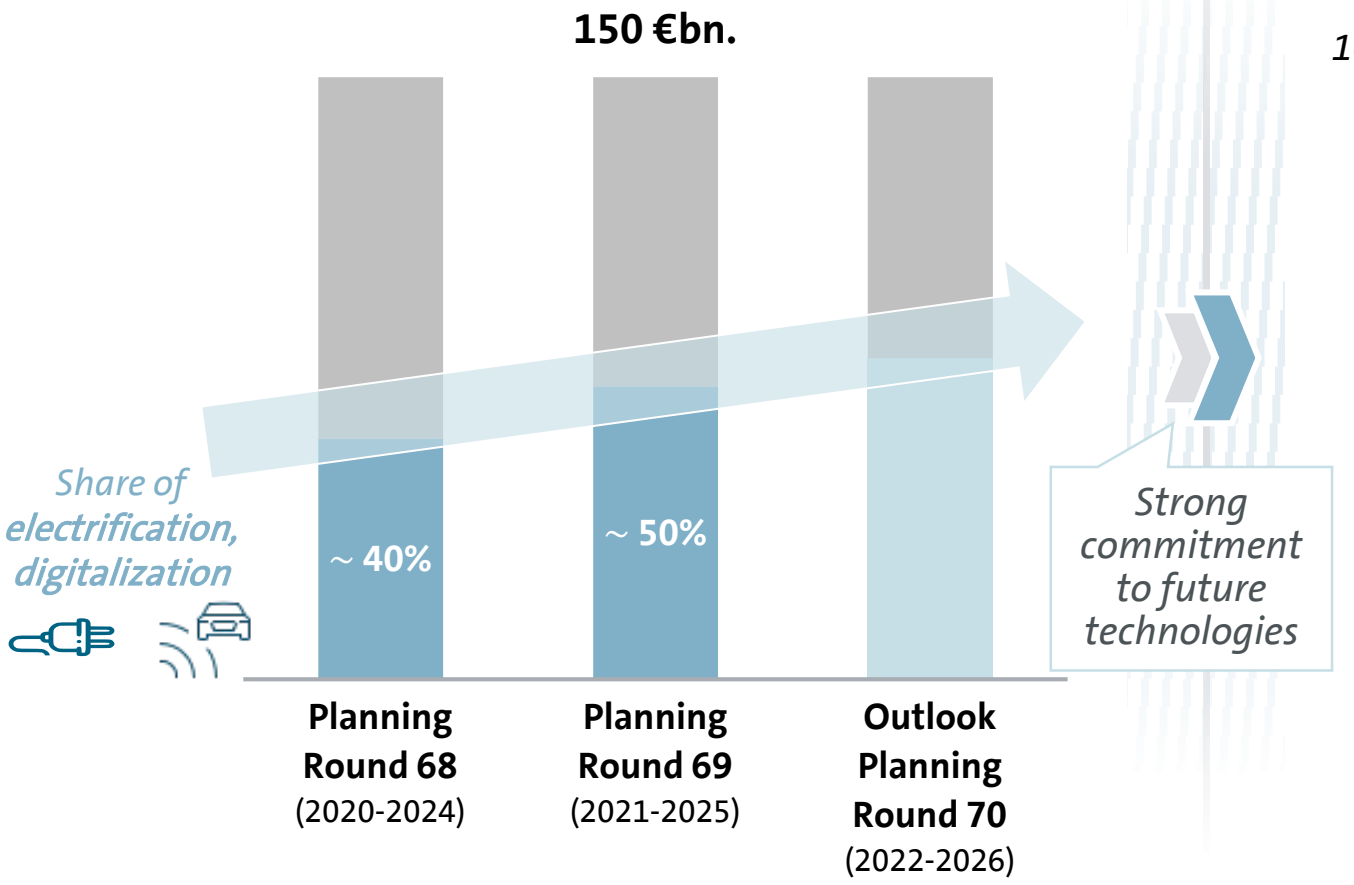
Ambition: Achieving margin parity between BEV and ICE within 2-3 years



Reallocation of resources towards future technologies

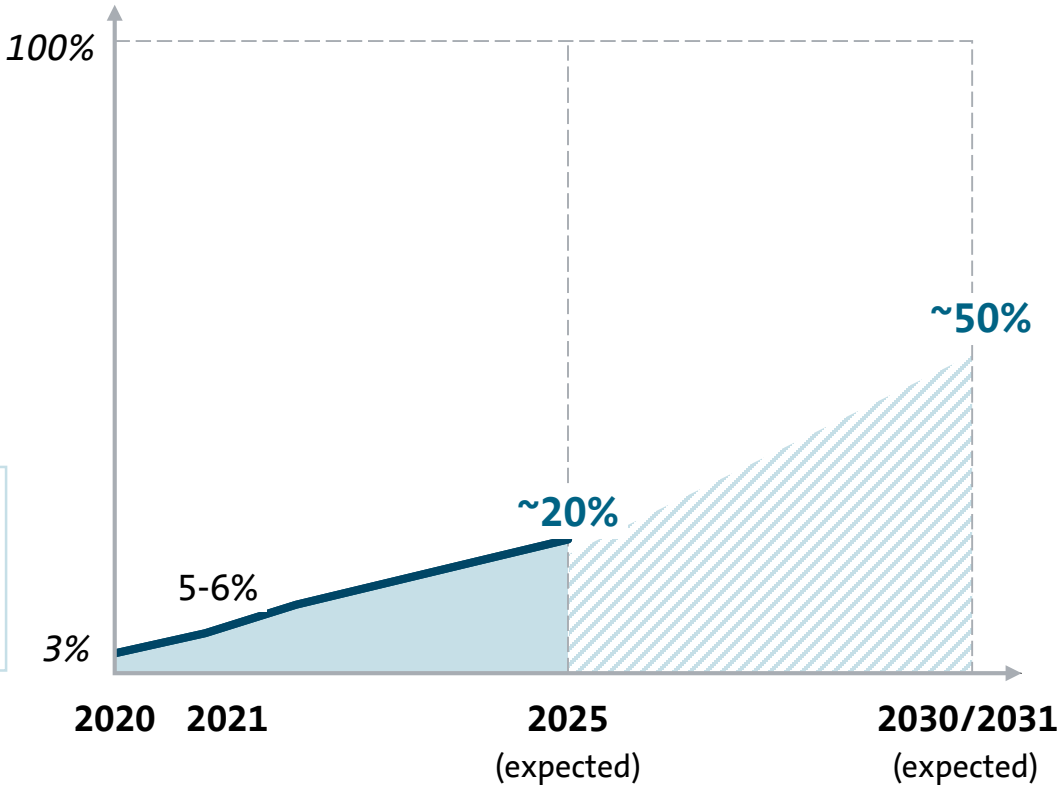
Investment in R&D/ Capex

in €bn



BEV Share Volkswagen Group

Worldwide, in % of sales



Capturing Groupwide Synergies - especially in Capex well under way

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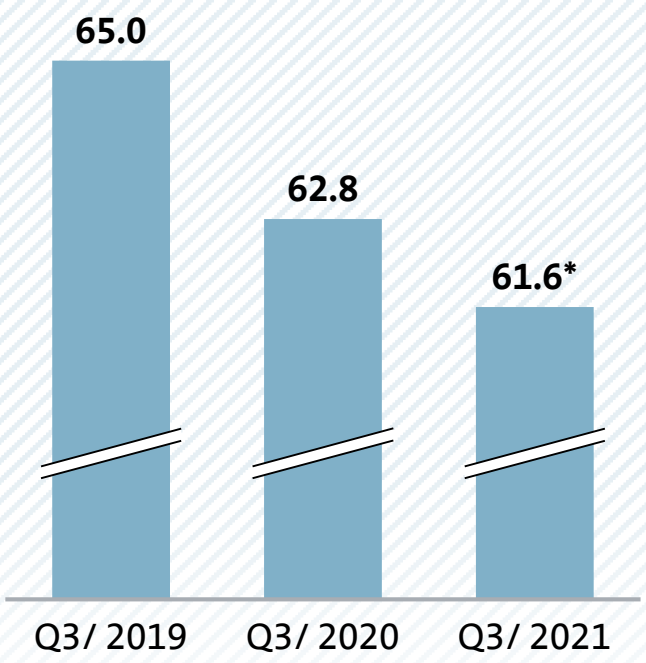
Property, Plant and Equipment[1]

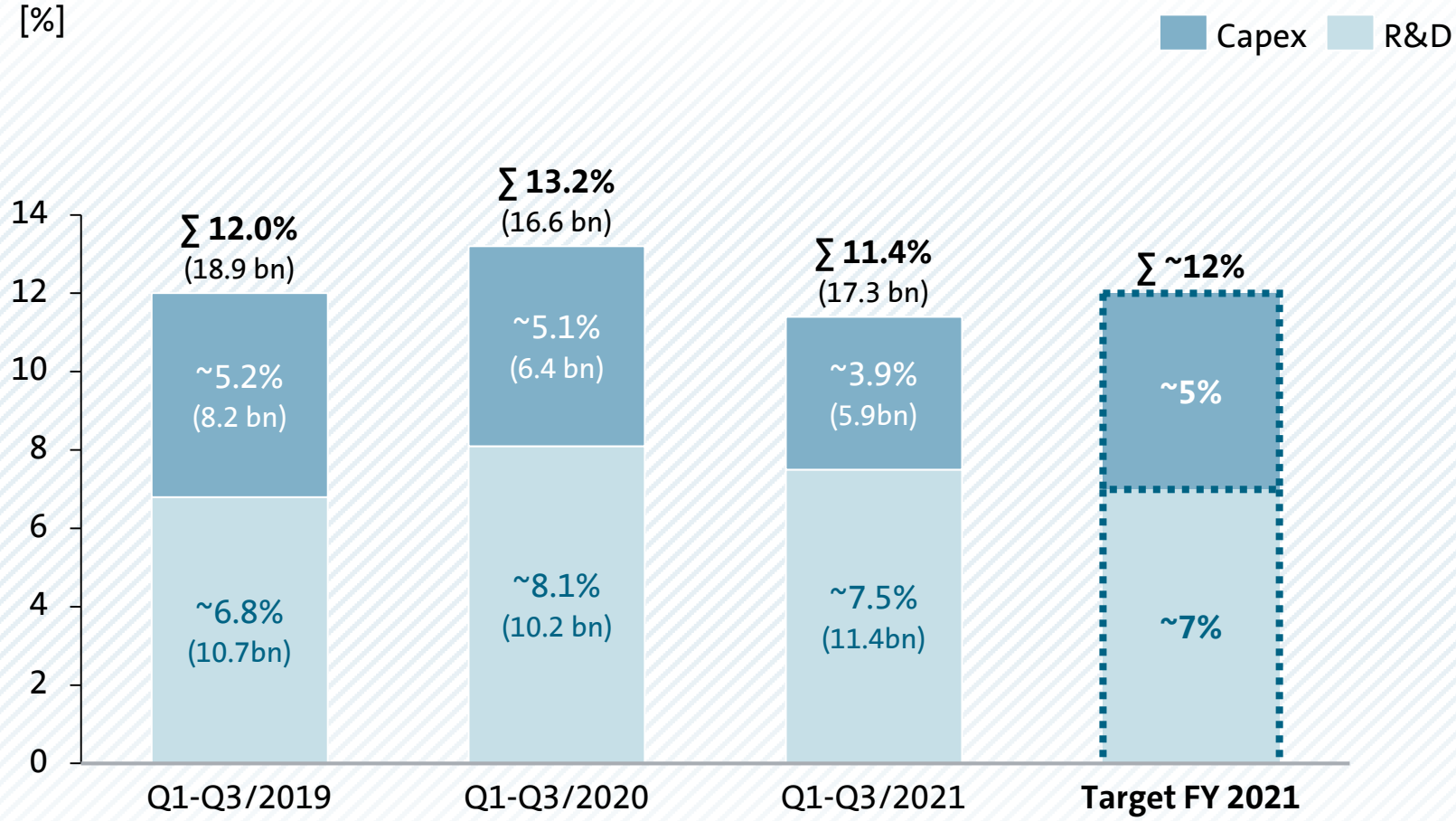
[€ bn]

Increased Capex efficiency



R&D / Capex – Absolute and Ratio (Automotive Division)

[%]



1 Automotive Division
*) Navistar fully compensated

Value drivers I: Step-by-step we will steer our individual brand performance with focus along value drivers

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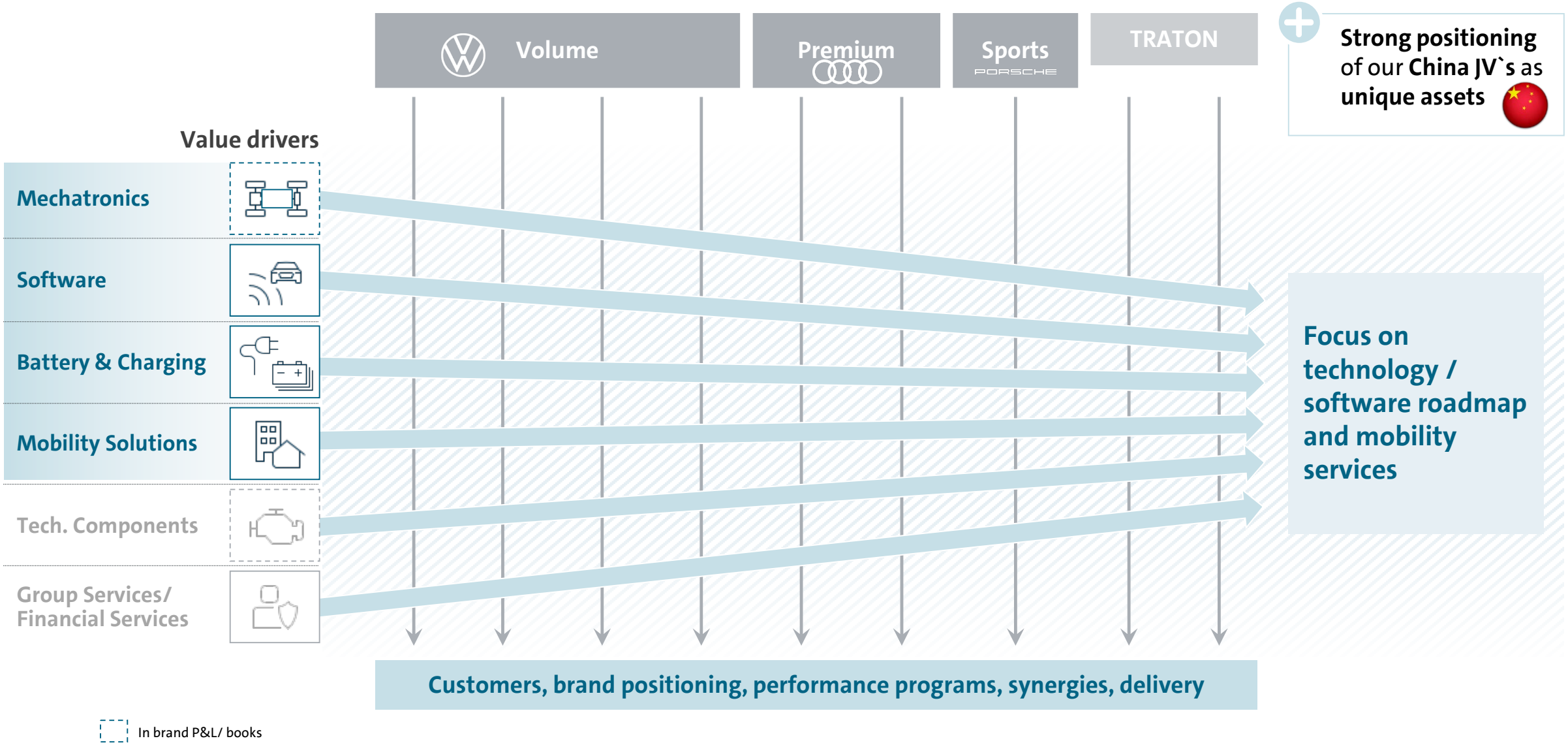
SCHEMATIC



Strong positioning of our **China JV`s** as **unique assets**

Focus on technology / software roadmap and mobility services

NEW AUTO - Volkswagen Group Strategy

Group lays foundation to tap into future profit pools

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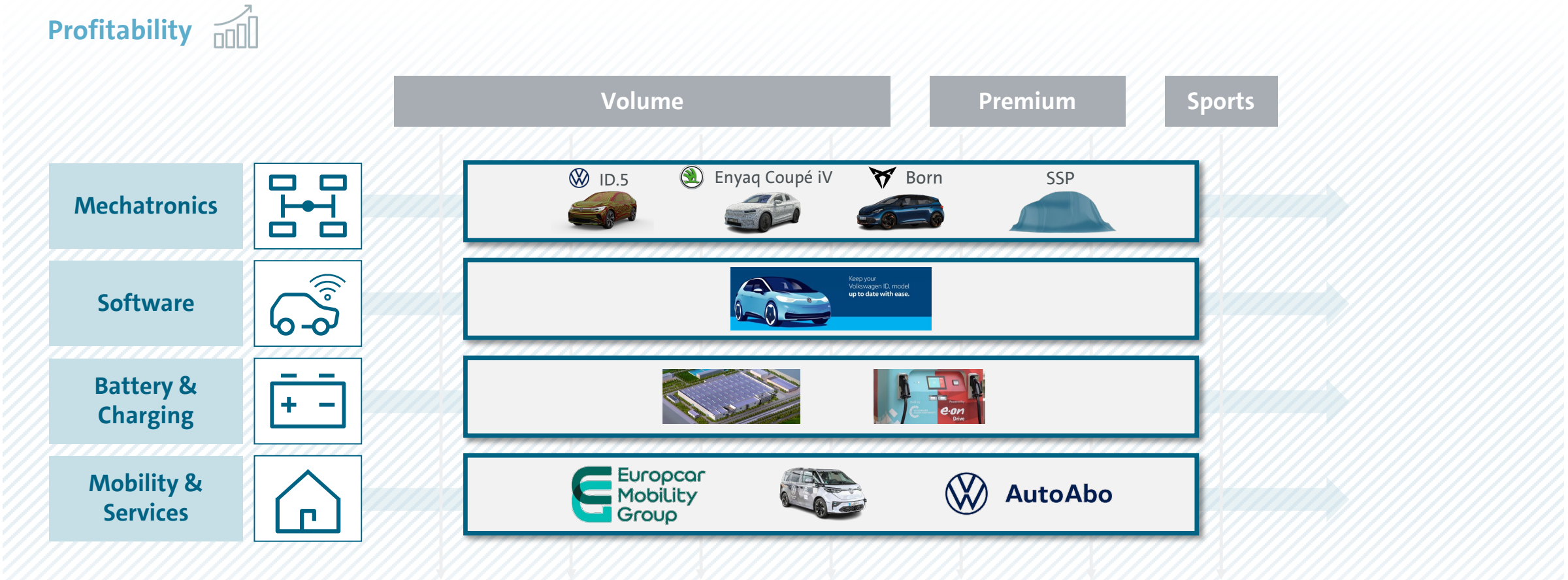

ID.5 – The car is a camouflaged near-production concept; Enyaq Coupe iV - The car is a camouflaged near-production concept; Born – power consumption in kWh/100 km (combined): 14.6 (NEDC), CO2-emissions in g/km: 0 (combined); efficiency class: A+++
ID. BUZZ AD – The car is not for sale yet

CARIAD business model: Software is the key differentiator for the future, scale is key

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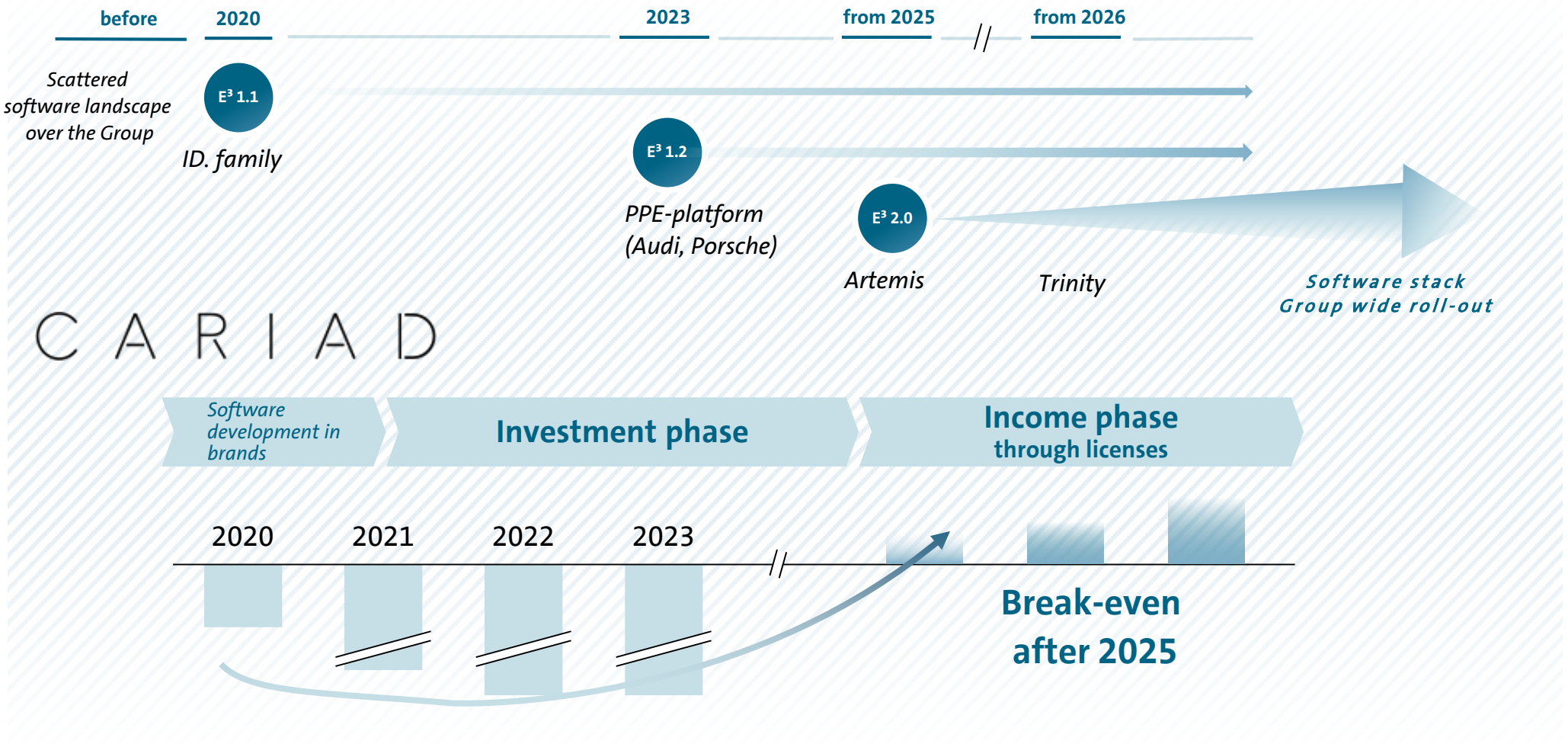
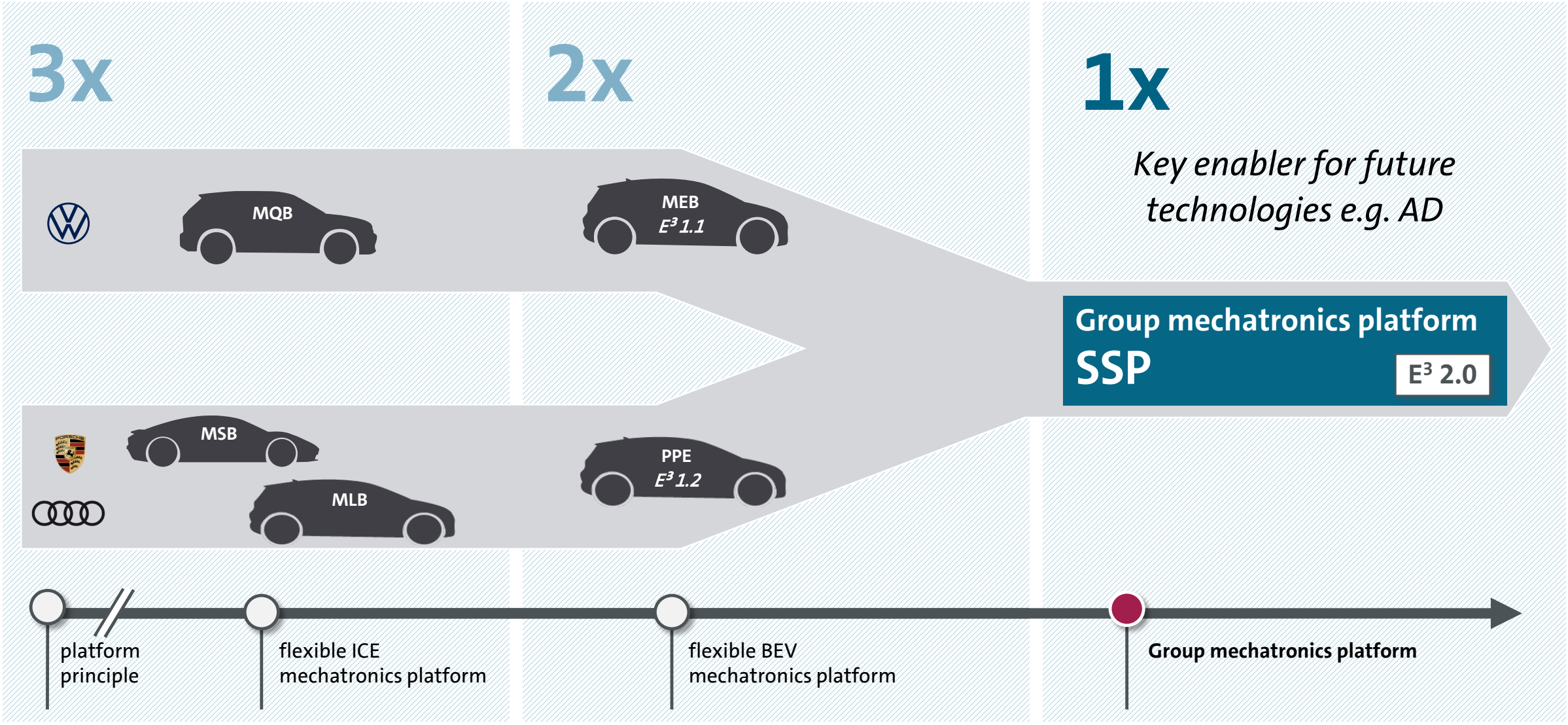
Example Software

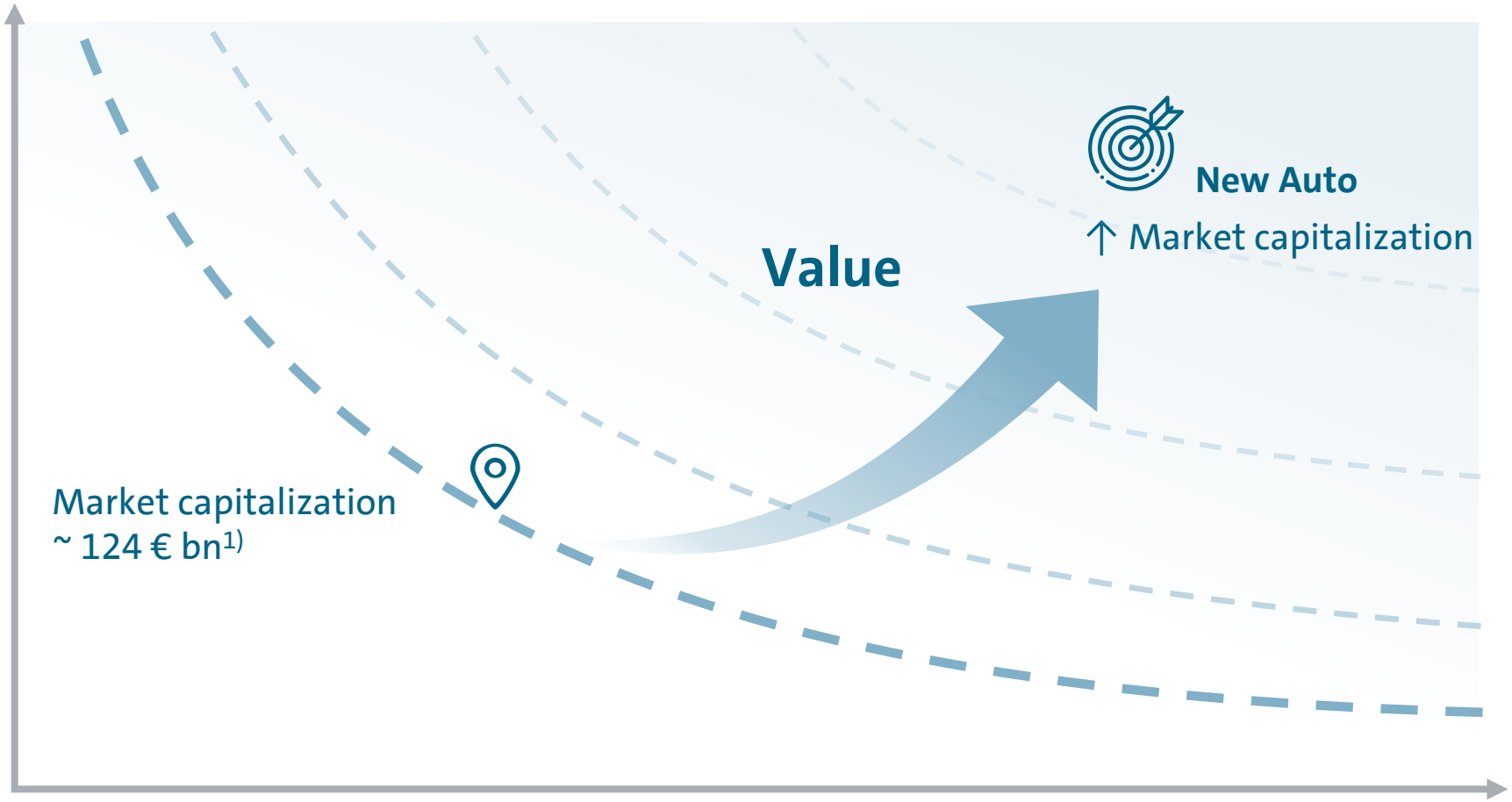
Planned stand-alone Business model CARIAD



Variants are reducing complexity along the converging path towards a Group mechatronics platform – SSP (Scalable Systems Platform)



Levers for value creation: Execution of transformation



[1] Status 07/07/2021

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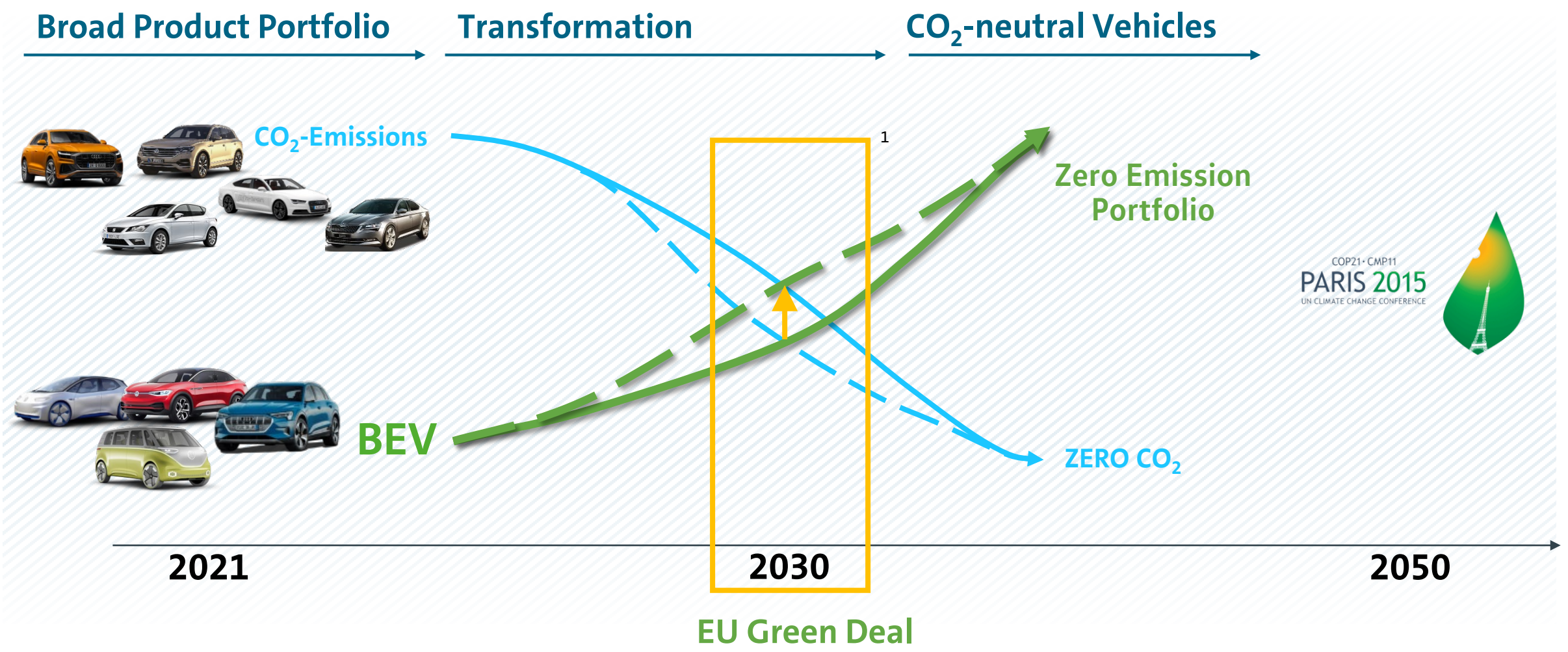
Leading the Transformation.

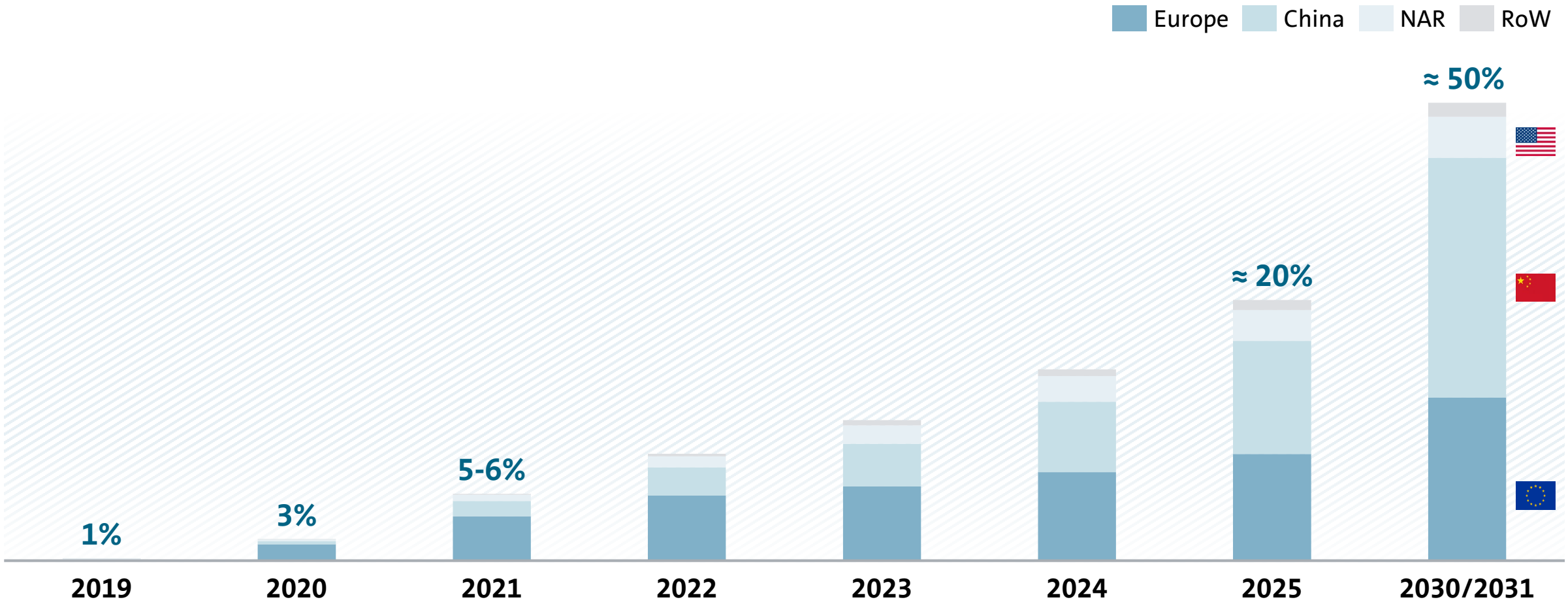
Strategy – Shaping e-mobility

“Go to zero” Transformation of portfolio underway



[1] Shift illustrates EU (Fitfor55) and USA (Biden Plan)

Significant increase in BEV deliveries will support our CO_2 compliance. Green Deal to increase BEV-volume in Europe even further beyond 2025.



Source: Internal Planning

2021 BEV Deliveries to Customers Plan: ID.4, Enyaq iV and Q4 e-tron launches accelerate BEV sales

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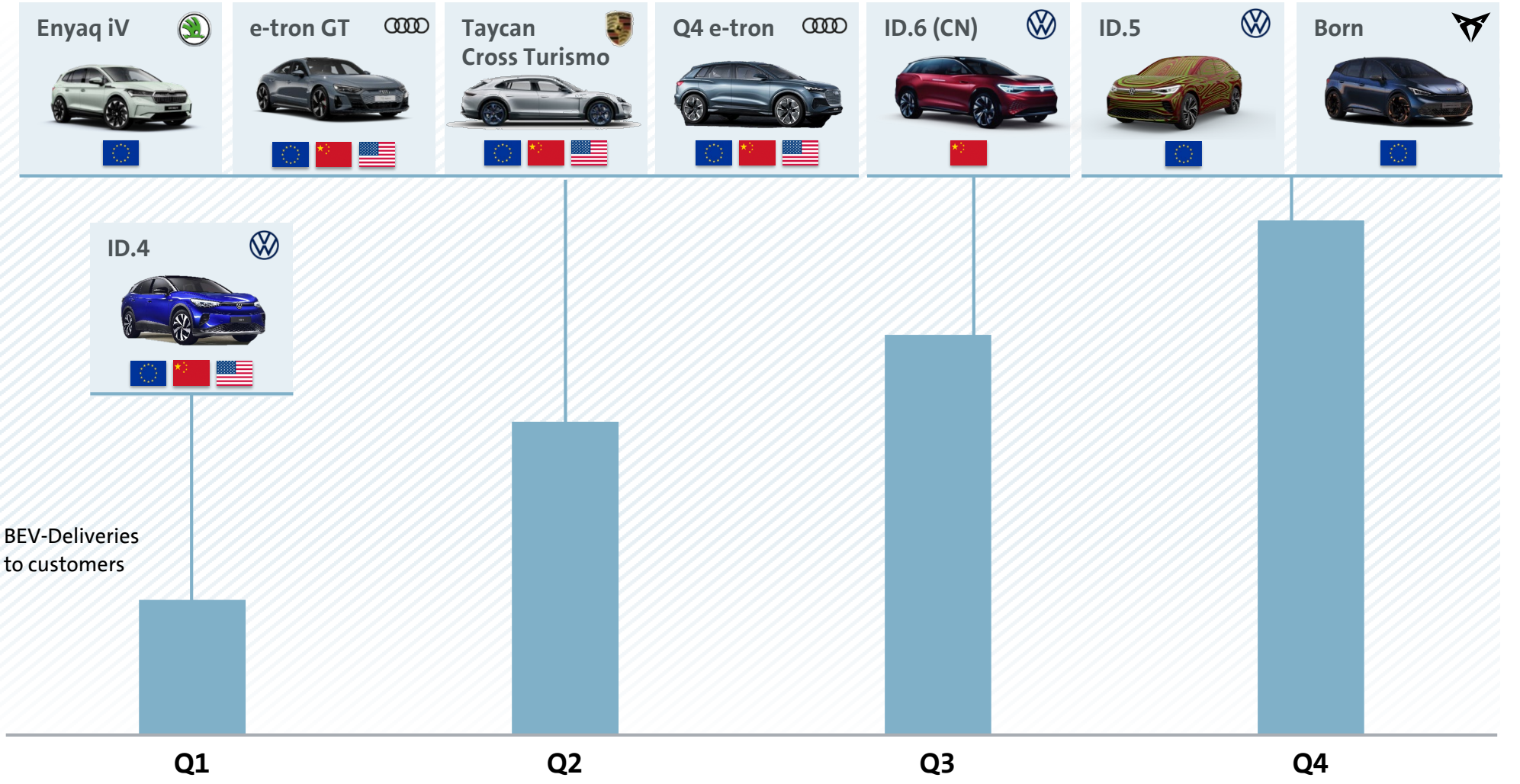
Launched Models

ID.3 (2020)

e-tron (2019)/
e-tron SB (2020)

Taycan (2020)



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Forthcoming worldwide BEV model launches will drive transition to real BEV player.

2022

2023

2024

2025

ID. BUZZ People

Commercial Vehicles

ID. BUZZ Cargo

Commercial Vehicles

Q6 e-tron

Macan electric

Aero B

Aero B
Shooting Brake

ID. LIFE

MEB starts to scale up, already one million production capacity in 2021

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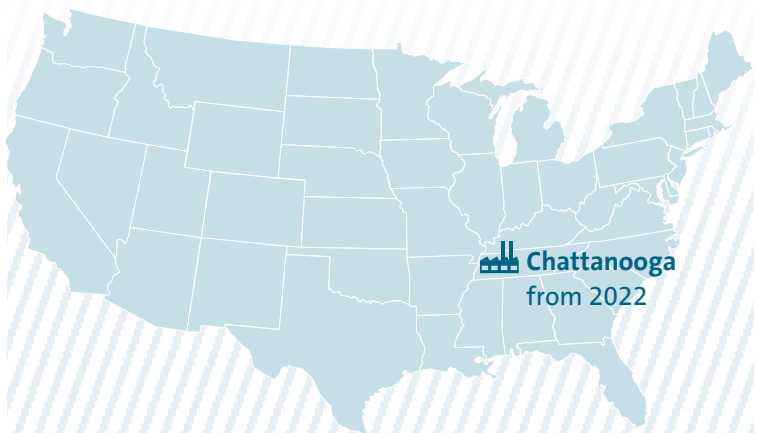
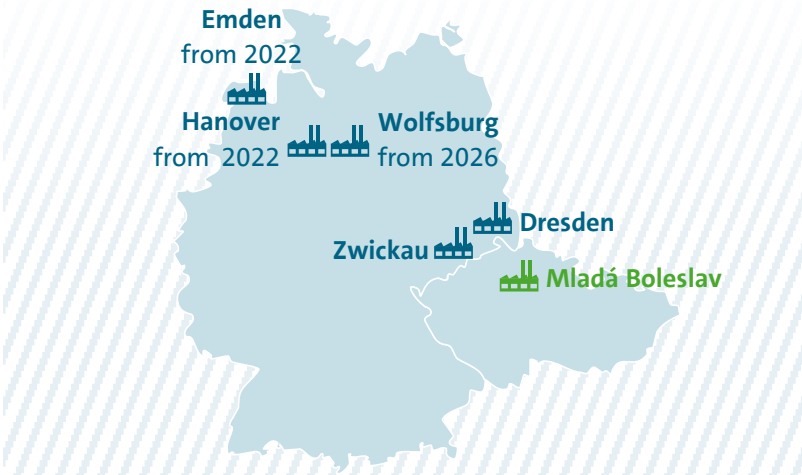
USA



VW ID.4

Europe



VW ID.3

VW ID.4

Audi Q4 e.tron

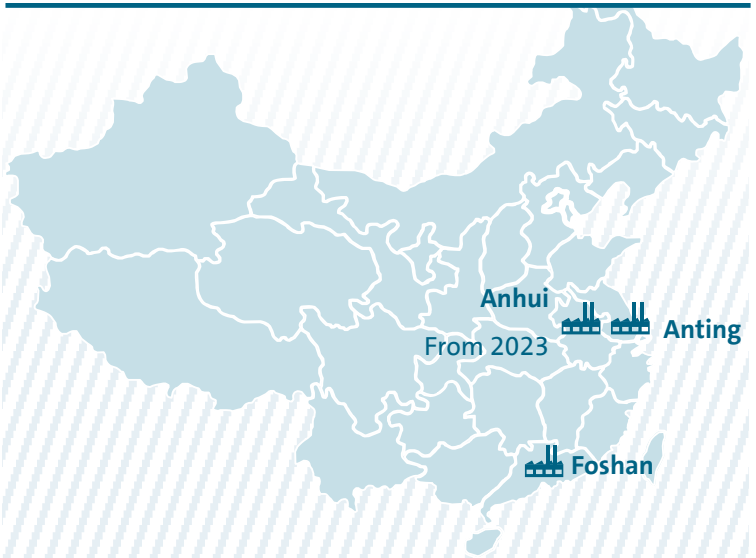
VW ID. BUZZ

VW Trinity

Cupra el Born

Skoda Enyaq

China



VW ID.3 (CN)

VW ID.4 (CN)

VW ID.6 (CN)

Principle of Closed Loop Battery Materials

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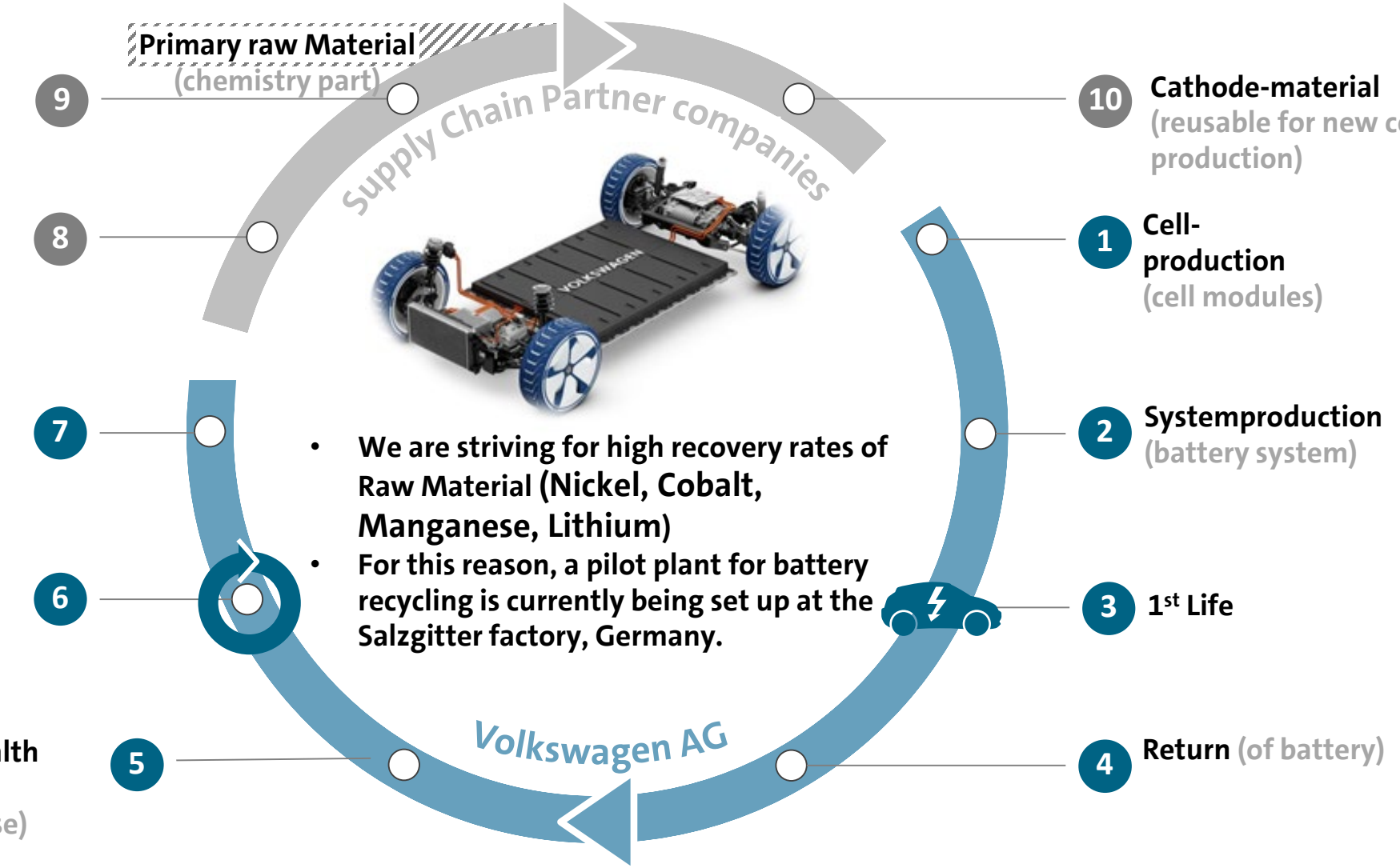

Volkswagen and Ford: Alliance delivers significant strategic and economic benefits

Collaboration Projects

VEHICLE DEVELOPMENT & PRODUCTION
PICKUP, CITY VAN, ONE-TON VAN

- Production of up to 8m units of the three commercial vehicles starting around 2022
- Through the cooperation, existing facilities will be much better utilized; e.g. City Van to be build in Poznan (VW plant)

VW TO SUPPLY MEB PLATFORM TO FORD
(MODULAR ELECTRIC TOOLKIT)

- 600k MEB platforms and associated components (battery systems) delivered by VW
- $10-20bn deal value

PROJECTS IN AUTONOMOUS DRIVING WITH
ARGO AI

- Collaboration with Argo AI aims for industry leading Self-Driving System platform

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ChargePoint, Inc
NAME
Emre Ulucak
Hold Near Reader
Pay Cash
19
20

Volkswagen Group will shape mobility offerings along the entire value chain – independently or jointly with strategic partners

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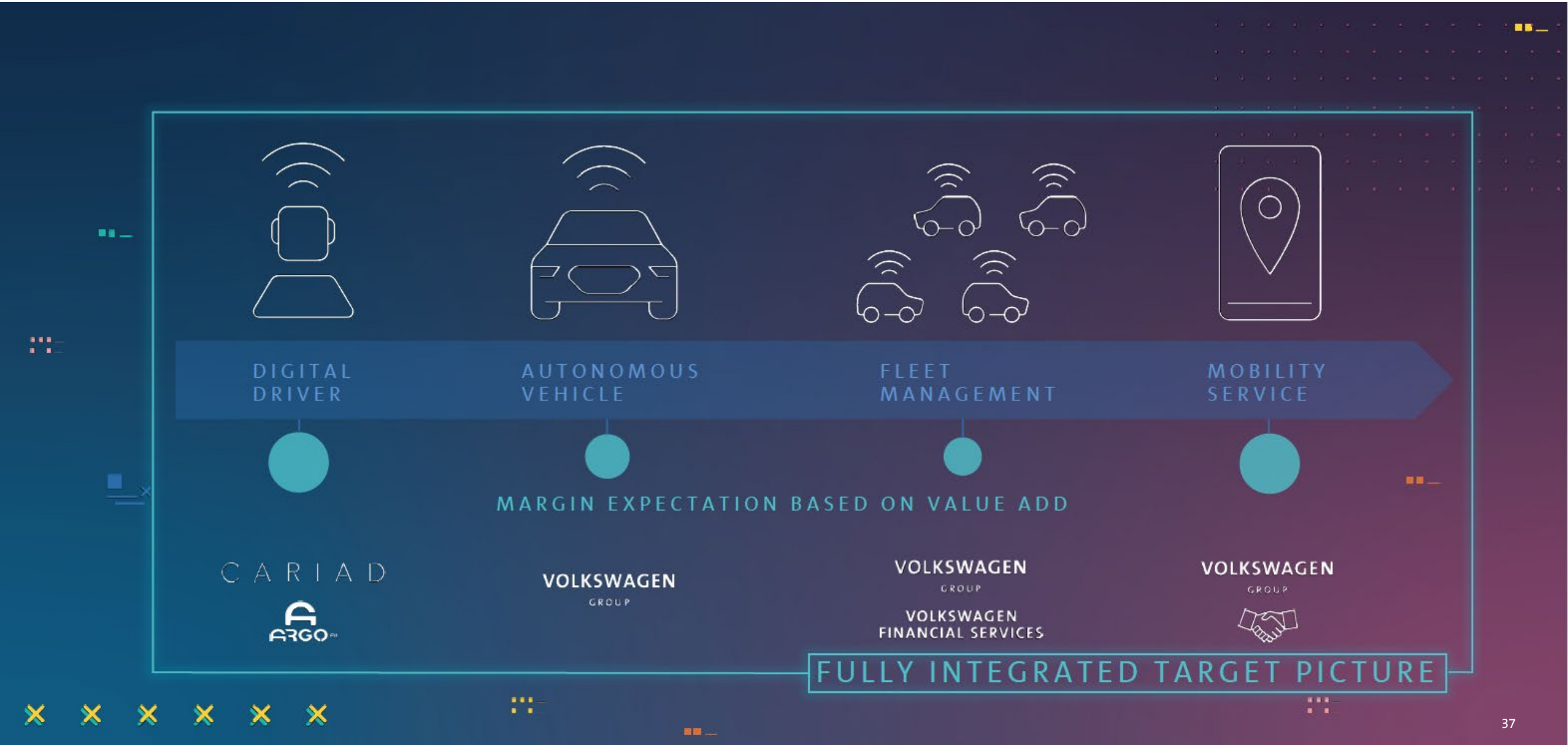
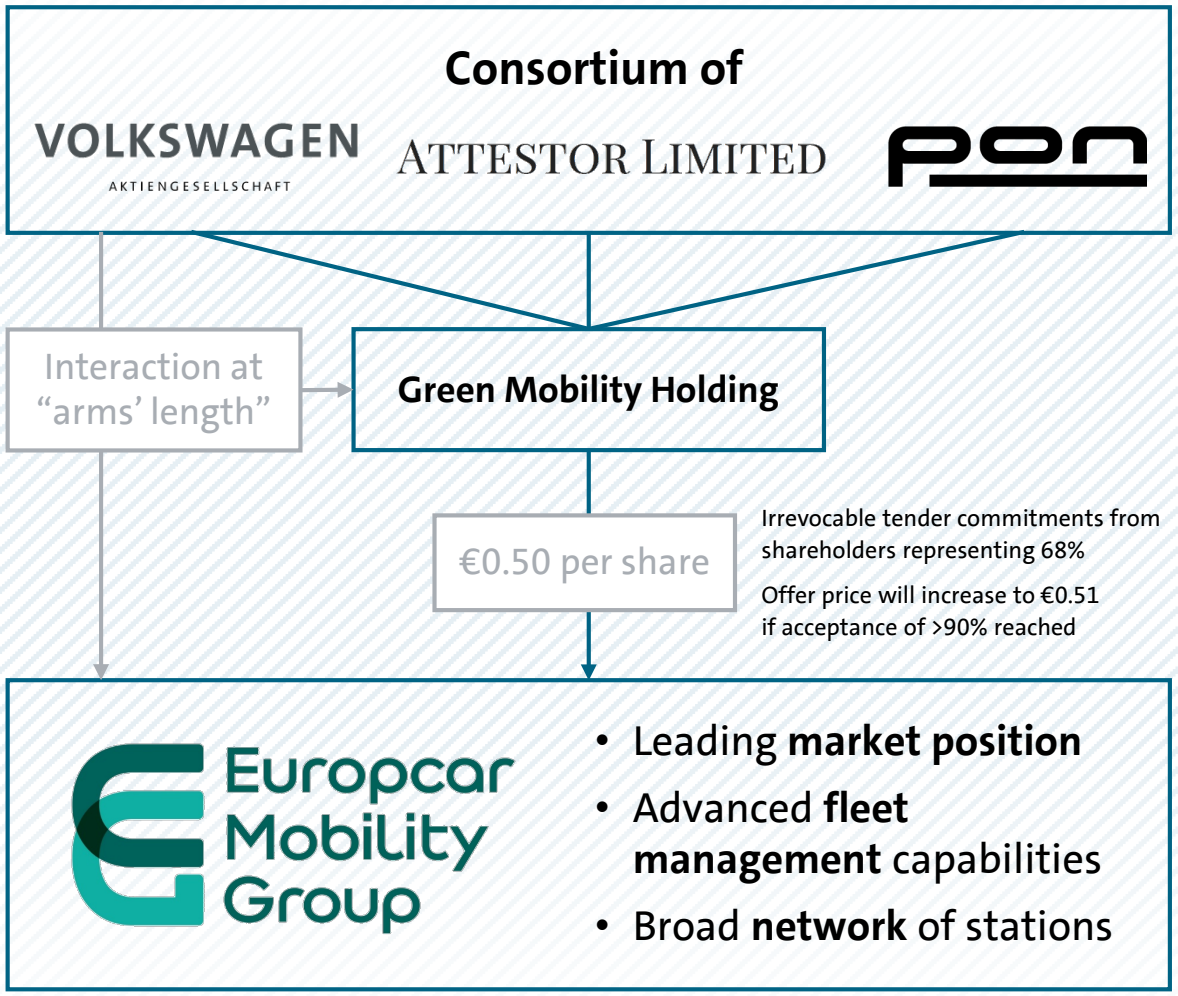


Europcar deal provides compelling opportunity to create a leading mobility platform

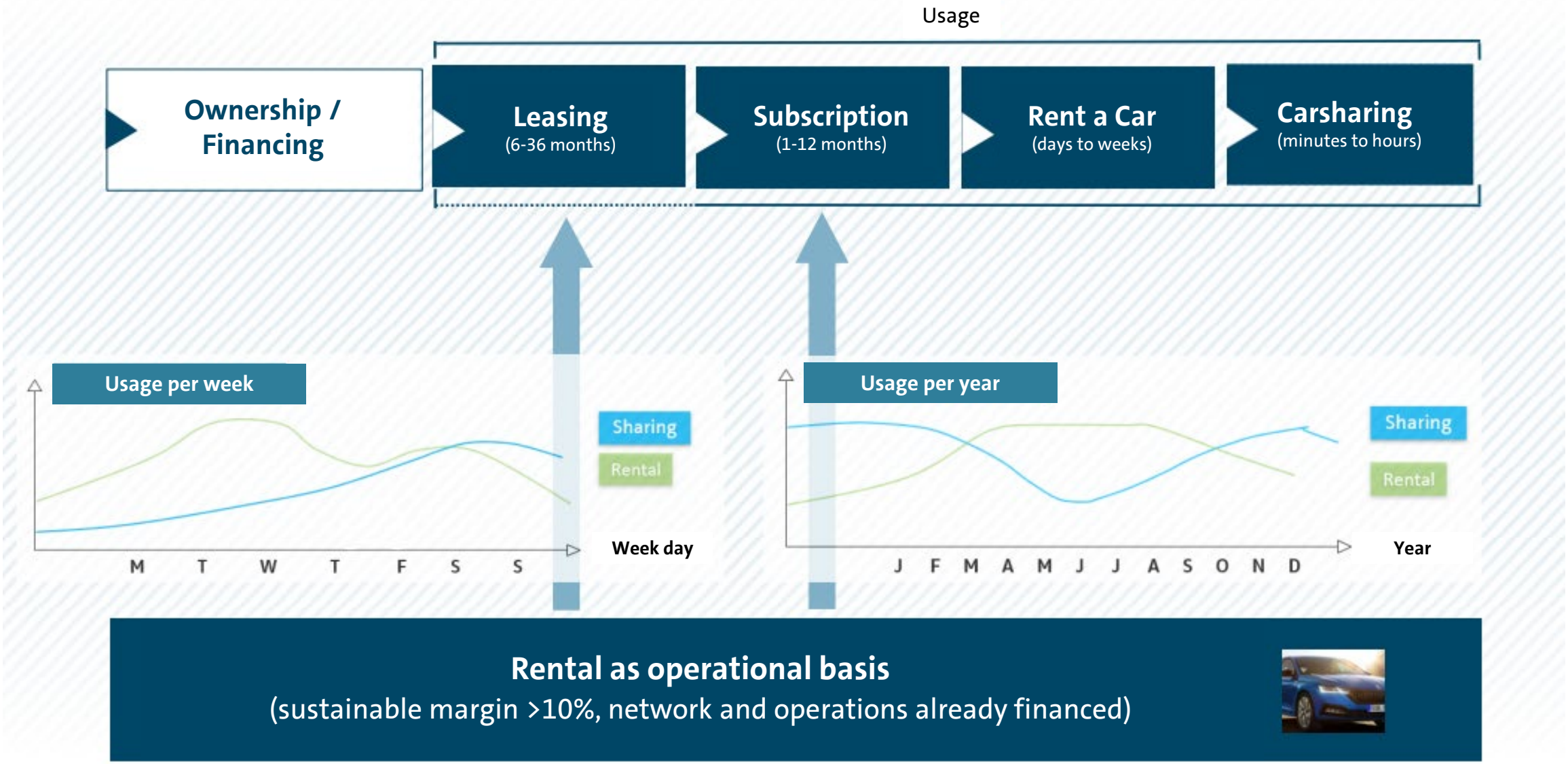


Accelerated delivery of mobility services targets

- Customers increasingly demand **new and innovative on-demand mobility solutions**, such as subscription and sharing models
- Building a **leading mobility platform** is a key priority of NEW AUTO strategy through 2030
- Leveraging the strong **transformation capabilities of Attestor** as well as the **international mobility services and customer experience of Pon**
- **Develop and transform** Europcar's business and **selectively add further services** from Volkswagen Group brands

VW Group Strategy

Continuing trend from ownership to usage of services



Rental as operational basis

(sustainable margin >10%, network and operations already financed)

Source: BCG "Mobility and Subscription", Feb 2021

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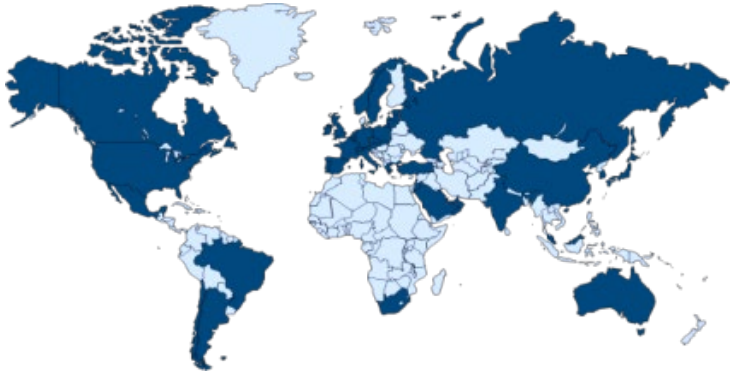
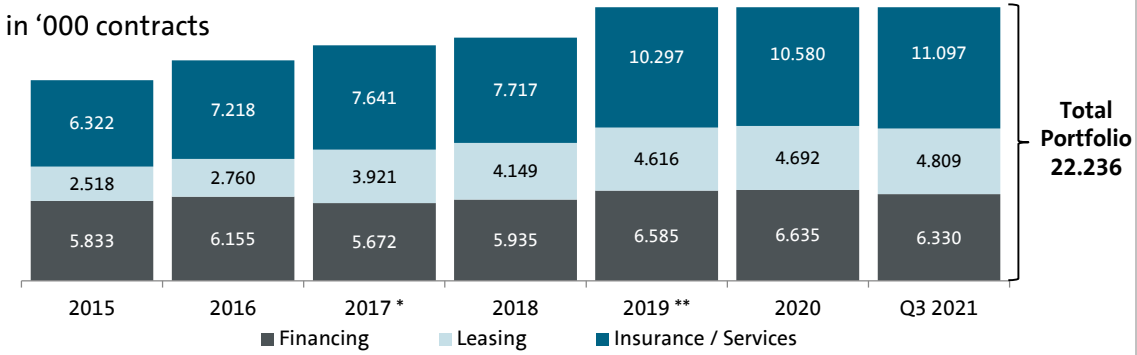
Volkswagen Financial Services [1]: global, well diversified and successful

Strong global presence

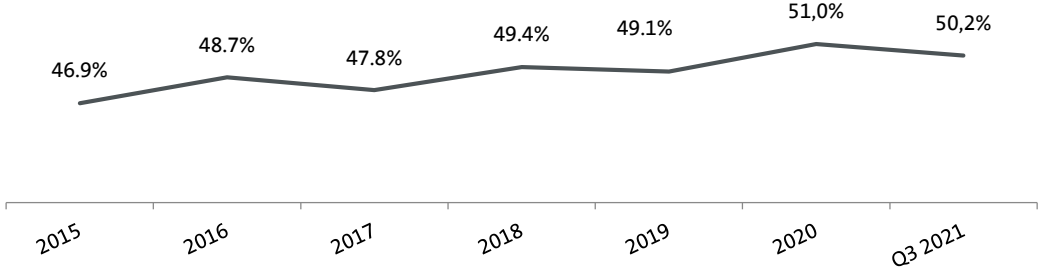


Continuous portfolio expansion

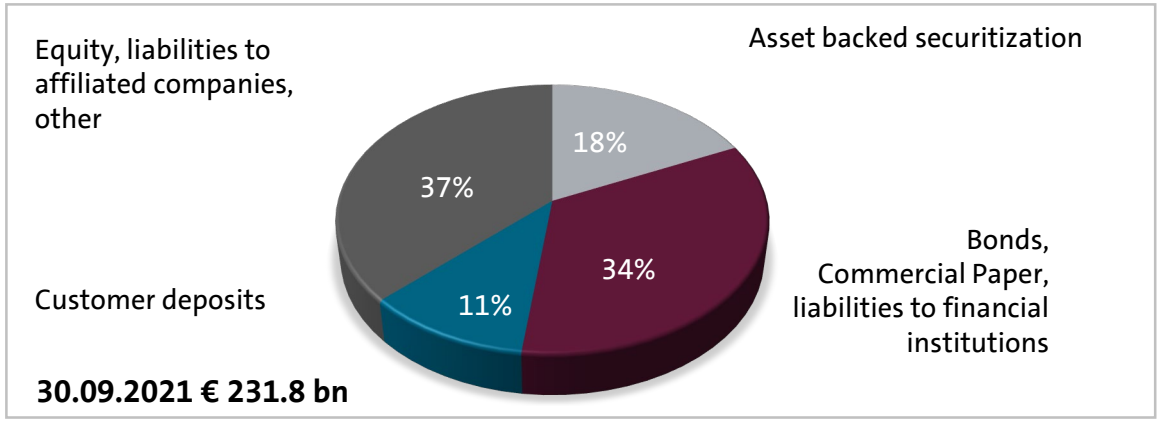


*) Reclassification Finance / Lease contracts **) contracts from international JVs included

Rising penetration rates (without China)



Diversified funding structure



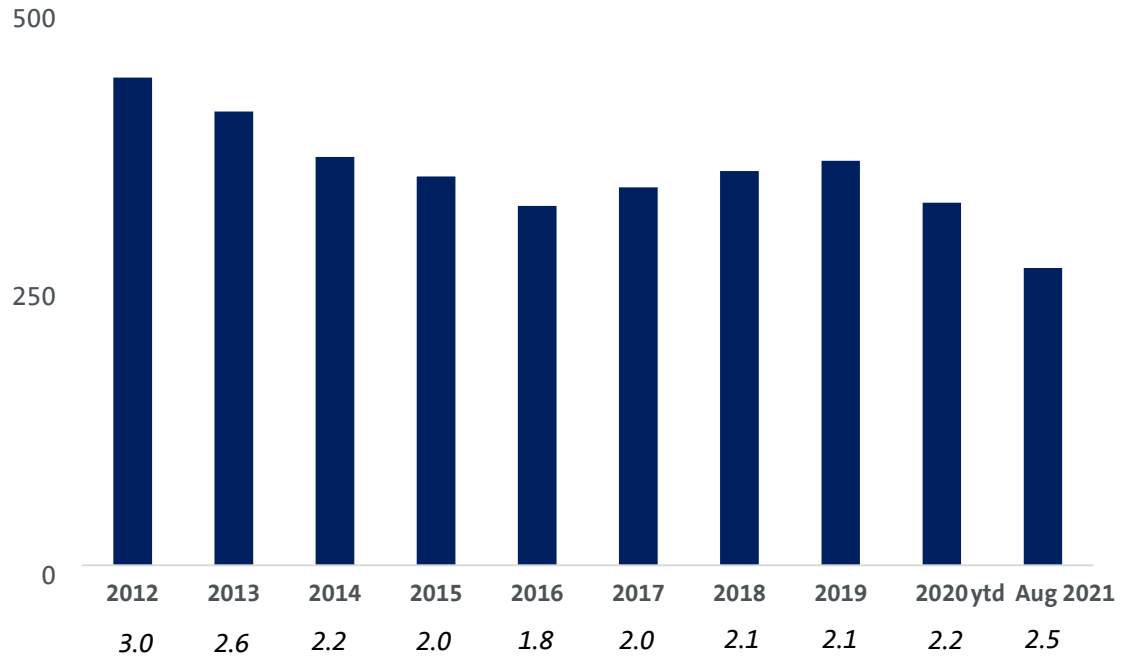
[1] Excl. activities of Scania and Porsche Holding Salzburg; incl. Financial Services of Porsche AG and MAN Financial Services.

Volkswagen Brand – Turnaround in the US expected for 2021

- **Focus on efficient local production and logistics**
  - > 90% of US sales produced in North America
  - Lower material costs and one-offs due to less complexity
  - First local production on MEB platform from 2022

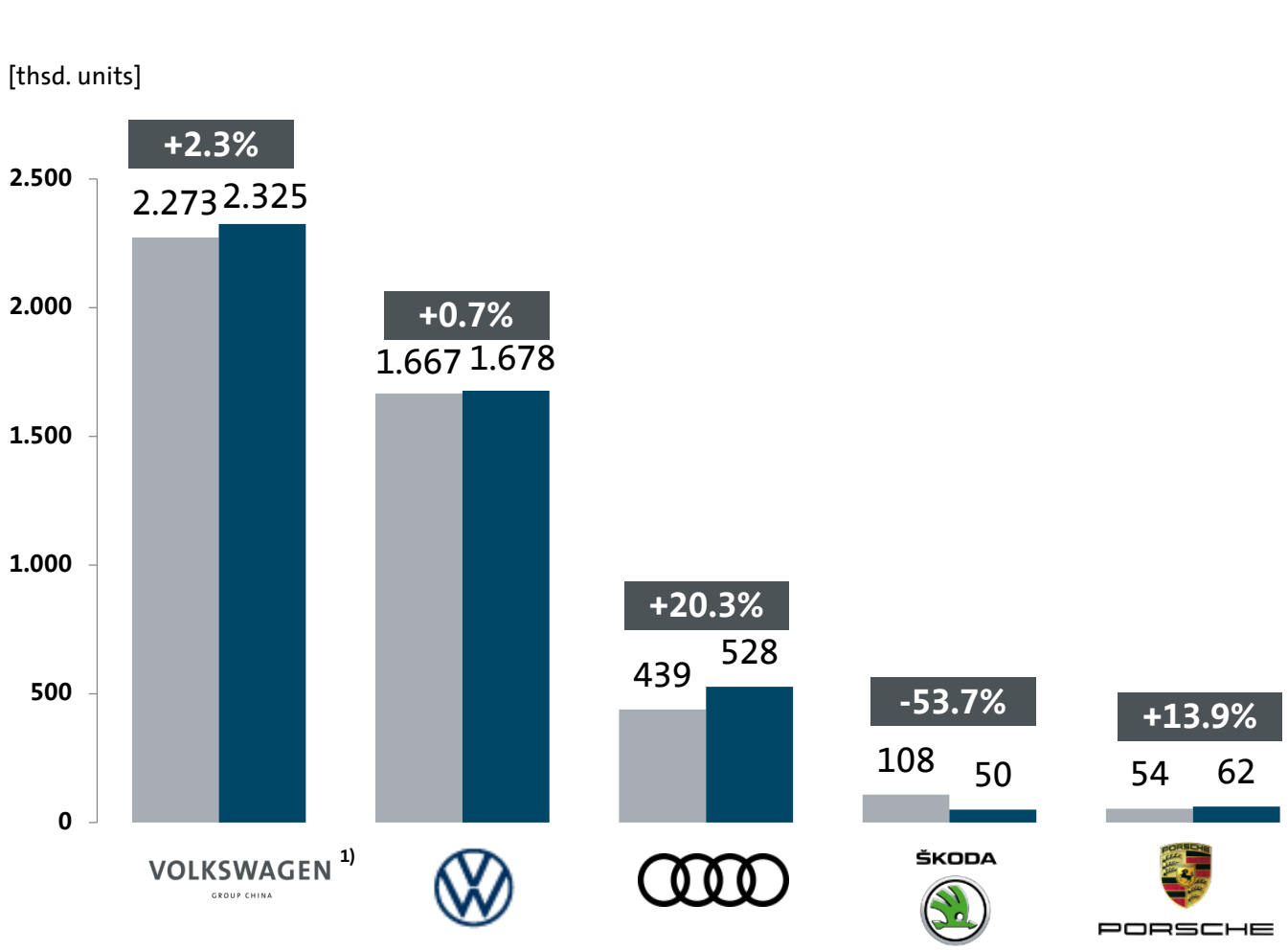
- **Product portfolio based on market demand**
  - Significant reduction in incentive spend
  - Improved model mix to higher profitability SUVs that fit the market
- **Fix costs improvements**

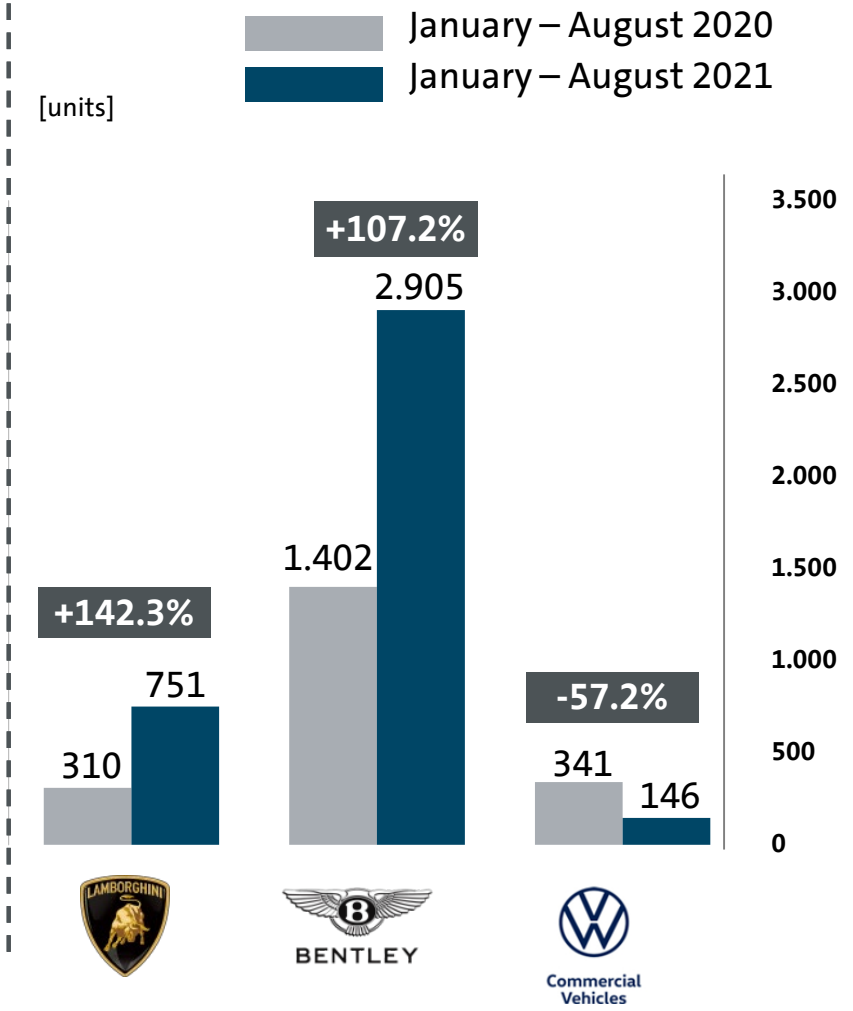
Deliveries to US customers, '000 units */ Market share in %*



2020	New 2021	New 2022/2023
Atlas Cross Sport	ID.4	Localized ID.4
Atlas PA	New Golf GTI	Atlas PA2
	Tiguan PA	Cross Sport PA
	Jetta PA	
	Taos (new Compact SUV)	

Volkswagen Group China performance
(January to August 2020 vs. 2021)





[1] Incl. Hong Kong, excl. Ducati. Group numbers incl. Volkswagen Commercial Vehicles, Scania and MAN.

China Joint Ventures – Proportionate Operating Profit

s. Q3 Chart

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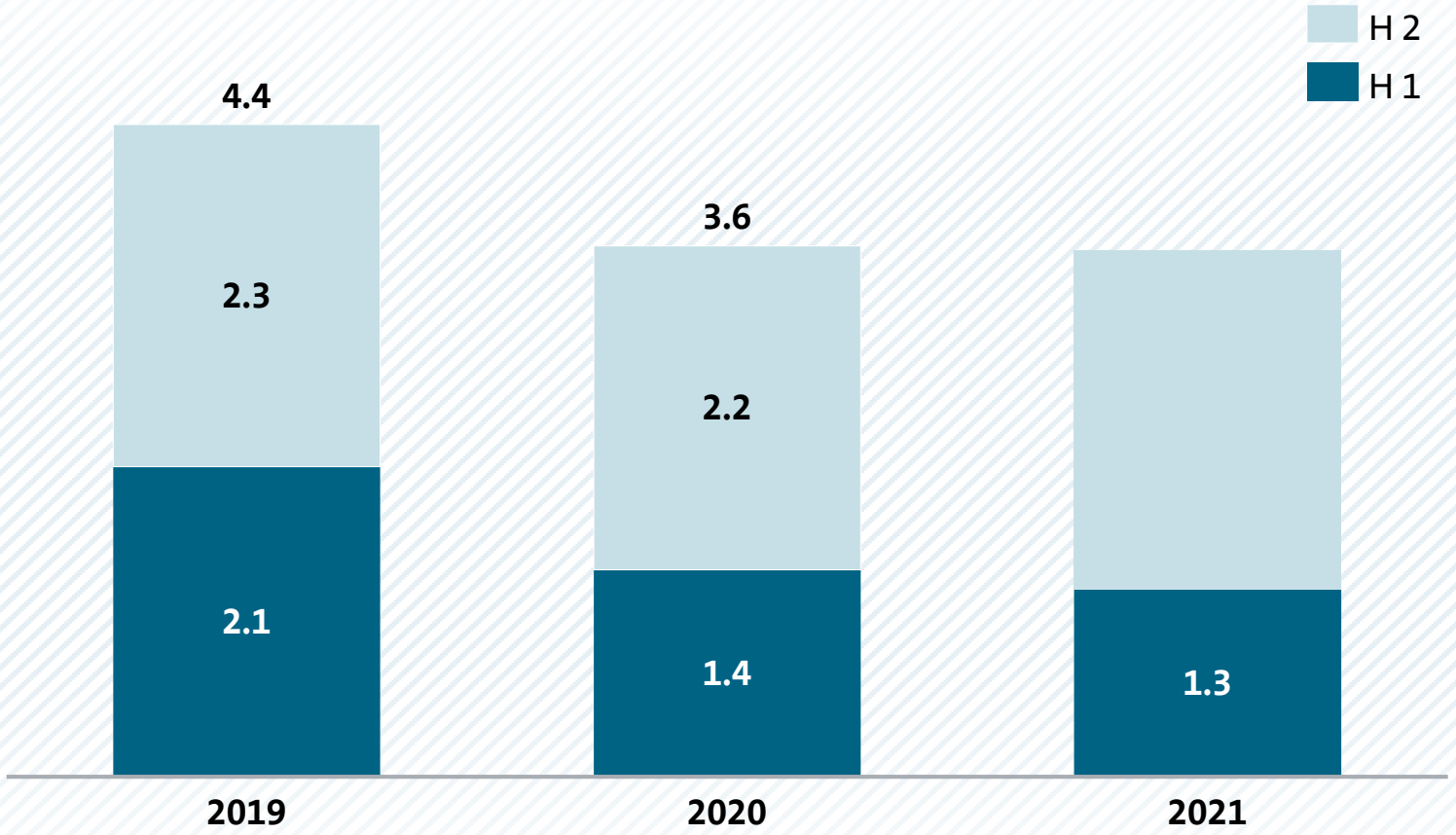
[€ bn]



Drivers

- Continued strong premium performance, especially FAW-VW
- Q2 2021 stronger affected by chip shortage
- Competition in lower volume segment negatively impacted brand Volkswagen and ŠKODA
- Upfront-Investment SAIC Audi

- **Catch up program SVW initiated**

Our NEV portfolio is expected to grow to 30+ locally-produced models* until 2030

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		2021	2025 (est.)	2030 (est.)
Total CN market		21.7 mn	25+ mn	30+ mn
CN NEV market share		>10%	>20%	>40%
VW China NEV models		**15+**	**20+**	**20+**
Details by brands	VW	13	13	13
	Audi	3	5	5
	Other brands	--	2	2
	VOLKSWAGEN GROUP CHINA	**16**	**20**	**20**

Source: VGC database *Without import vehicles

Enable NEV growth plan with ambitious ramp-up of battery and production capacity

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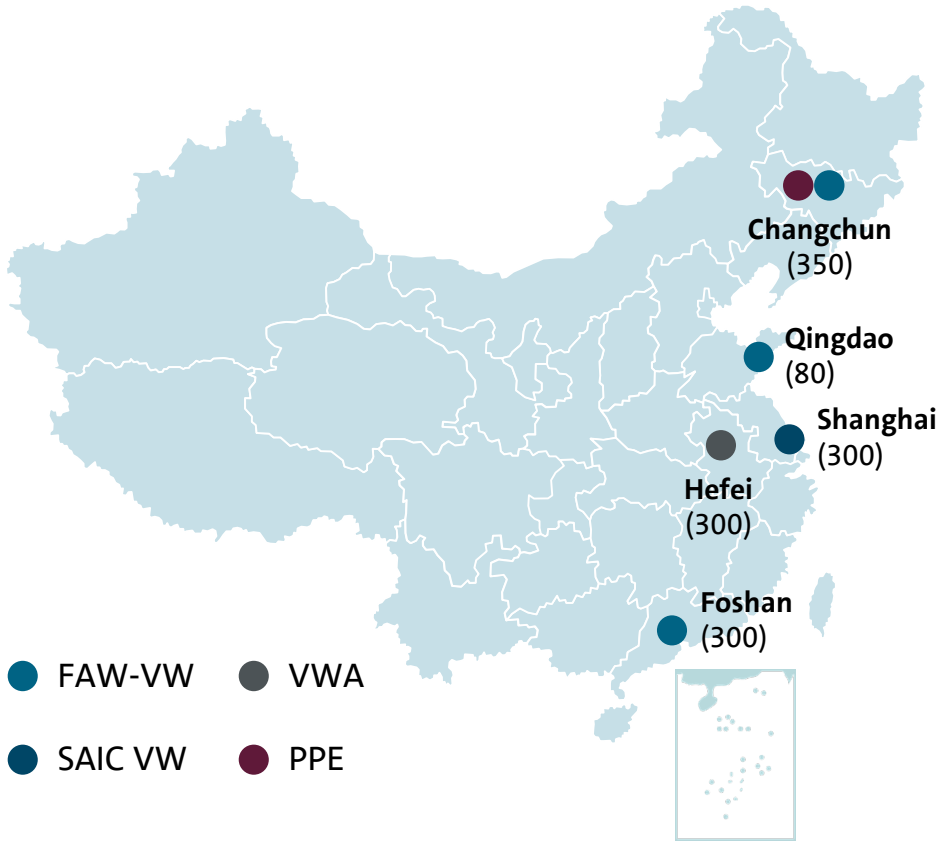
[in thousands]



- NEV production capacity is expected to be ramped up to **> 1.0 mn** by 2025
- Continuously growing **battery cell demand**
- Partnering with **Gotion High-Tech**
- Ongoing cooperation with **local suppliers**
- Staggered approach to **build up partnerships**
- Continuous **supplier qualification** accordingly to **Volkswagen standards**

Leading the Transformation.

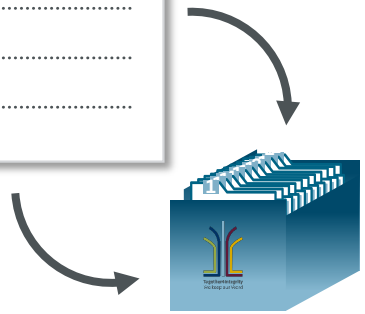
Integrity & Compliance

Together4Integrity is Volkswagen's holistic Integrity and Compliance program

Tailored content bundled in toolbox

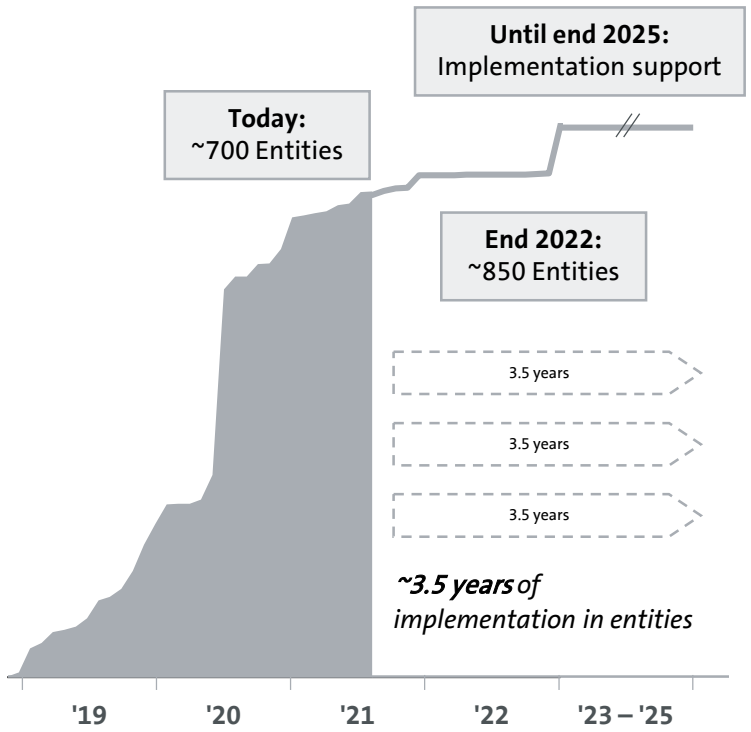
~120 Deliverables across 11 Key Initiatives

1. HR Compliance Policies & Procedures
2. Code of Conduct
3. Integrity Program
4. Risk Management and Controls
5. Internal Compliance Risk Assessment
6. Whistleblower System & Incident Response
7. M&A and Compliance for NCS
8. Business Partner Due Diligence
9. Product Compliance
10. Environmental Compliance
11. Anti-Corruption



Rapid roll-out of content in entities

Cumulative number of rolled-out entities over time



Effectiveness Assurance

Worldwide testing to ensure sustainable implementation

Monitor Testing as benchmark and standard for methodology & quality

Finalization of remaining **Monitor Testings in High Priority Entities**

Additional **risk-based testings** across Group Functions & Entities

Tracking with real-time data and targeted reporting

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Investor Relations Team

We are pleased to answer your inquiries regarding Volkswagen shares and other capital market related questions.

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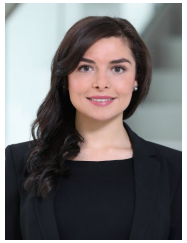

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The official website of Volkswagen Group Investor Relations. Company topics, brandchannels, innovation and informations.

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Leading the Transformation.

Appendix

The Shareholder Structure, Supervisory and Management Board

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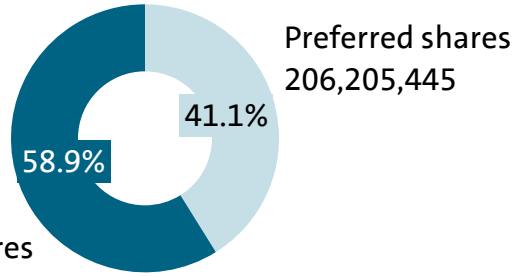
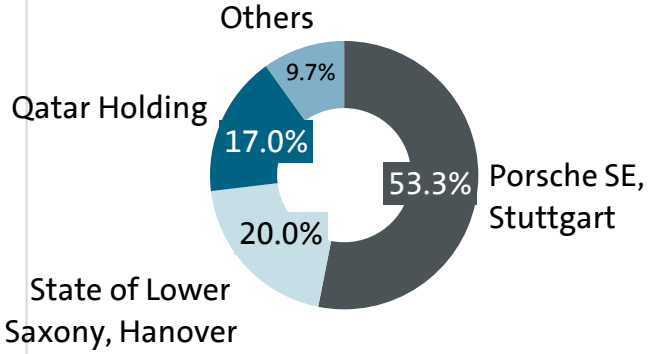
Shareholder Structure of Volkswagen AG

Number of Outstanding Shares



Current Voting Rights Distribution



(as at December 31, 2020)

Supervisory Board of Volkswagen AG

Chairman	Hans Dieter Pötsch
Members	Dr. Hussain Ali Al Abdulla Dr. Hessa Sultan Al Jaber Dr. Bernd Althusmann Daniela Cavallo Mathías Carnero Dr. Hans-Peter Fischer Marianne Heiß Jörg Hofmann Dr. Louise Kiesling Peter Mosch Bertina Murkovic Dr. jur. Hans Michel Piëch Dr. jur. Ferdinand Oliver Porsche Dr. rer. comm. Wolfgang Porsche Conny Schönhardt Stephan Weil Werner Weresch

Board of Management of Volkswagen AG[1)]

Chairman of the Board of Management of Volkswagen AG	Dr. Herbert Diess
Brand Group 'Sport & Luxury'	Dr. Oliver Blume
Brand Group 'Premium'	Markus Duesmann
Functional Responsibility 'Human Resources' and Brand Group 'Truck & Bus'	Gunnar Kilian
Functional Responsibility 'Integrity & Legal Affairs'	Hiltrud D. Werner
Functional Responsibility 'Finance & IT'	Dr. Arno Antlitz
Functional Responsibility 'Procurement'	Murat Aksel
Functional Responsibility 'Components'	Thomas Schmall-von Westerhold

[1)] Each Board Member is responsible for one or more functions within the Volkswagen Group. The work of the Board of Management of Volkswagen AG is supported by the boards of the brands and regions as well as by the other group business units and holdings.

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VOLKSWAGEN
FINANCIAL SERVICES
THE KEY TO MOBILITY

The Key to Mobility
Creating Value with Volkswagen Financial Services

Investor Update
Volkswagen Financial Services AG and Volkswagen Bank GmbH

Disclaimer

The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates or commodities relevant to the Volkswagen Group or deviations in the actual effects of the Covid-19 pandemic from the scenario presented will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.
We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded. This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Under the brand “Volkswagen Financial Services – the key to mobility“ the subsidiaries of Volkswagen Financial Services AG as well as its sister company Volkswagen Bank GmbH render various services under the joint brand "Volkswagen Financial Services". Such services are banking services (through Volkswagen Bank GmbH), leasing services (through Volkswagen Leasing GmbH), insurance services (through Volkswagen Versicherung AG, Volkswagen Autoversicherung AG) as well as mobility services (inter alia through Volkswagen Leasing GmbH). In addition, insurance products of other providers are offered.

Agenda

1 Overview Volkswagen Financial Services

2 Risk Management

3 Funding

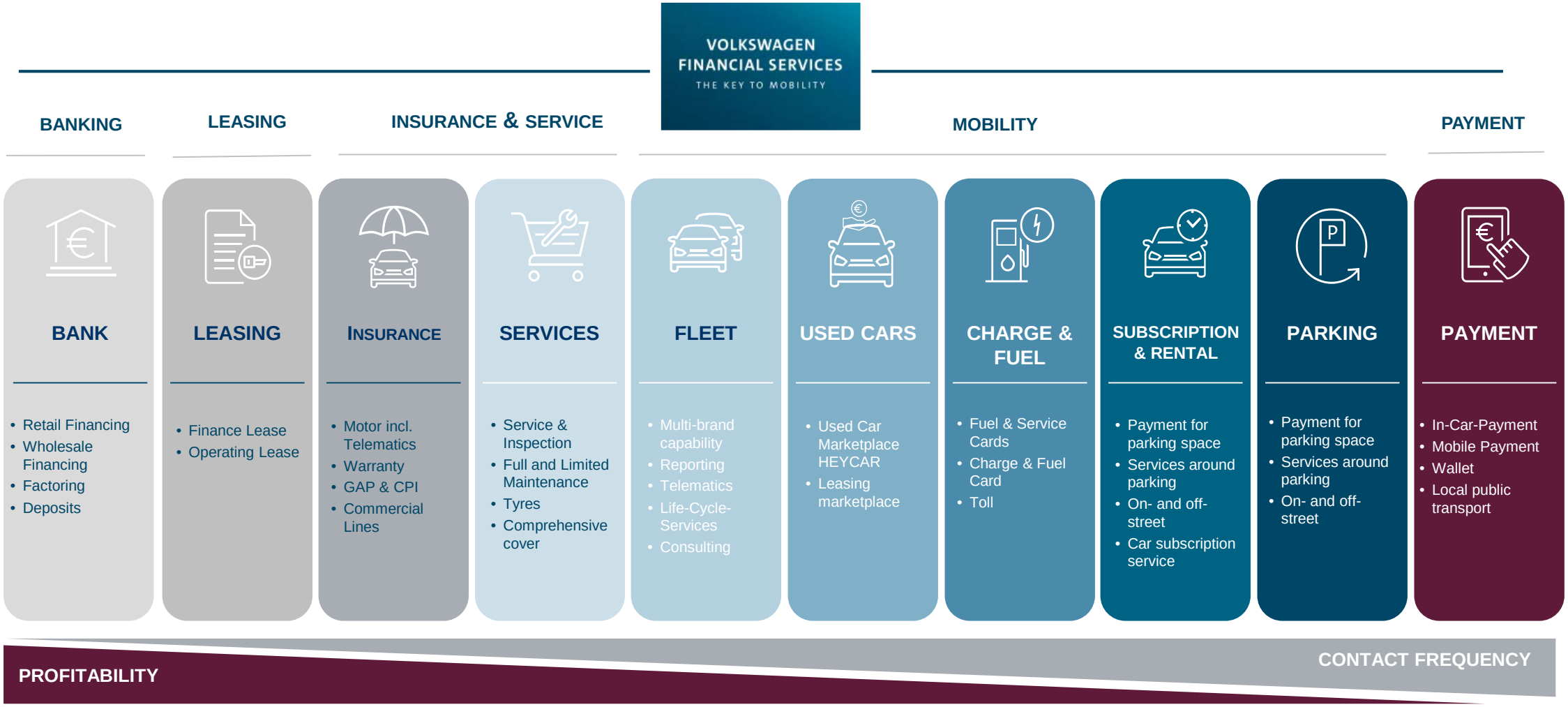
4 Strategy and Initiatives

Overview
Volkswagen Financial Services

Volkswagen Group – Management Model

* Brand Group Leads: VW PC; Audi; Porsche

We offer the whole range of services under one roof*

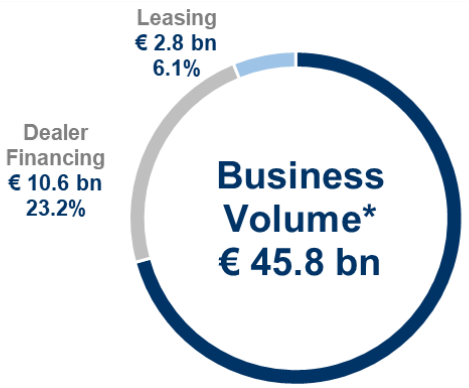


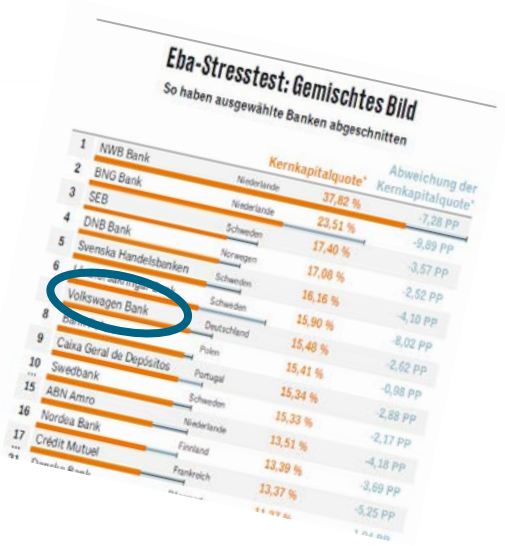
* Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.

At a glance as of 30.06.2021

Volkswagen Bank GmbH

Total assets	€ 65.3 billion
Equity	€ 10.7 billion
Customer deposits	€ 26.6 billion
Operating profit	€ 430 million
Employees	1,908
Contracts (units)	3.6 million

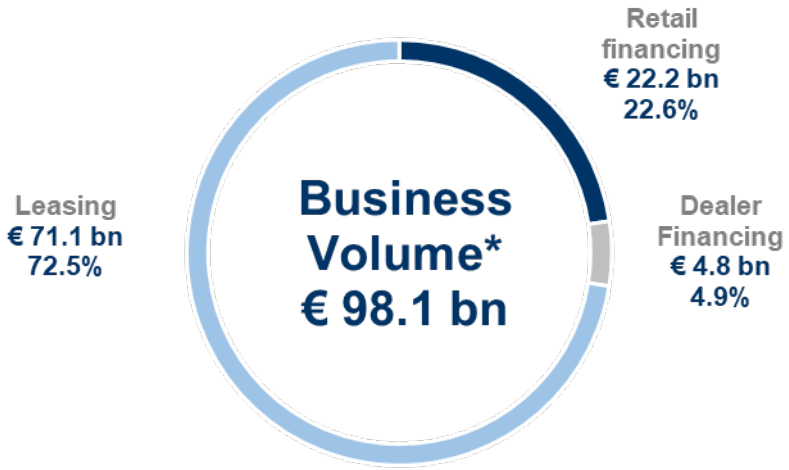




*Receivables + Leased Assets

Volkswagen Financial Services AG

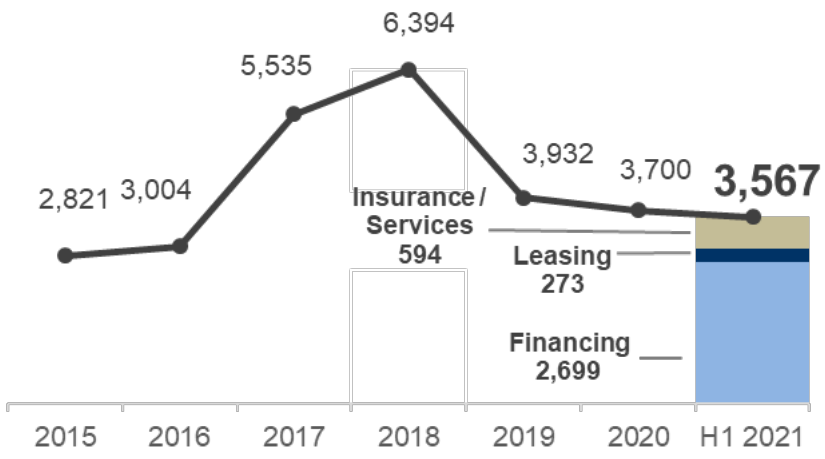
Total assets	€ 124.5 billion
Equity	€ 14.4 billion
Customer deposits	€ 14.2 million
Operating profit	€ 972 million
Employees	10,947
Contracts (units)	15.8 million



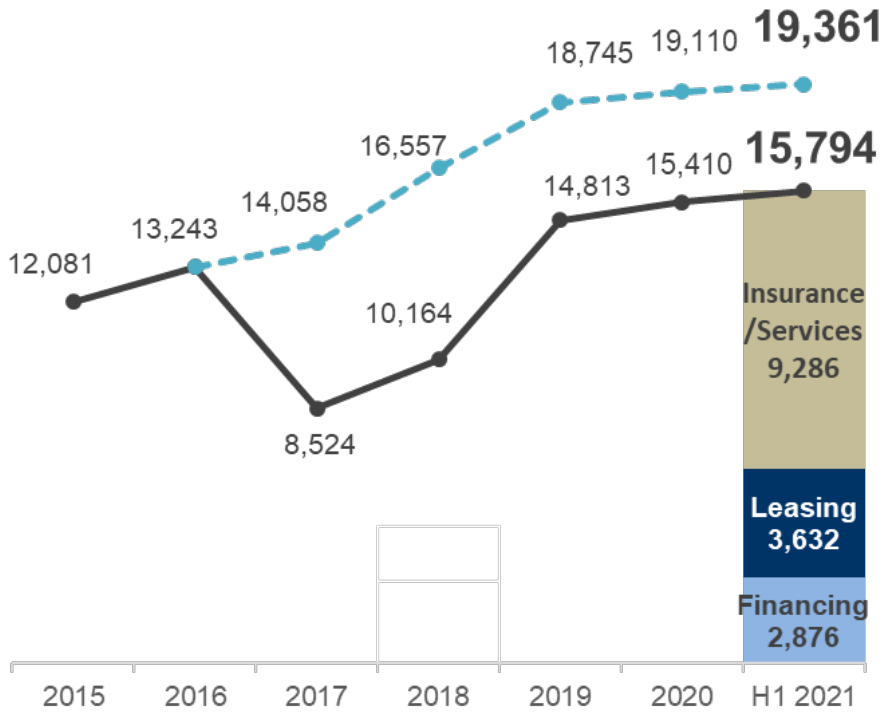
*Receivables + Leased Assets

Contract portfolio

Volkswagen Bank GmbH
in ’000 units



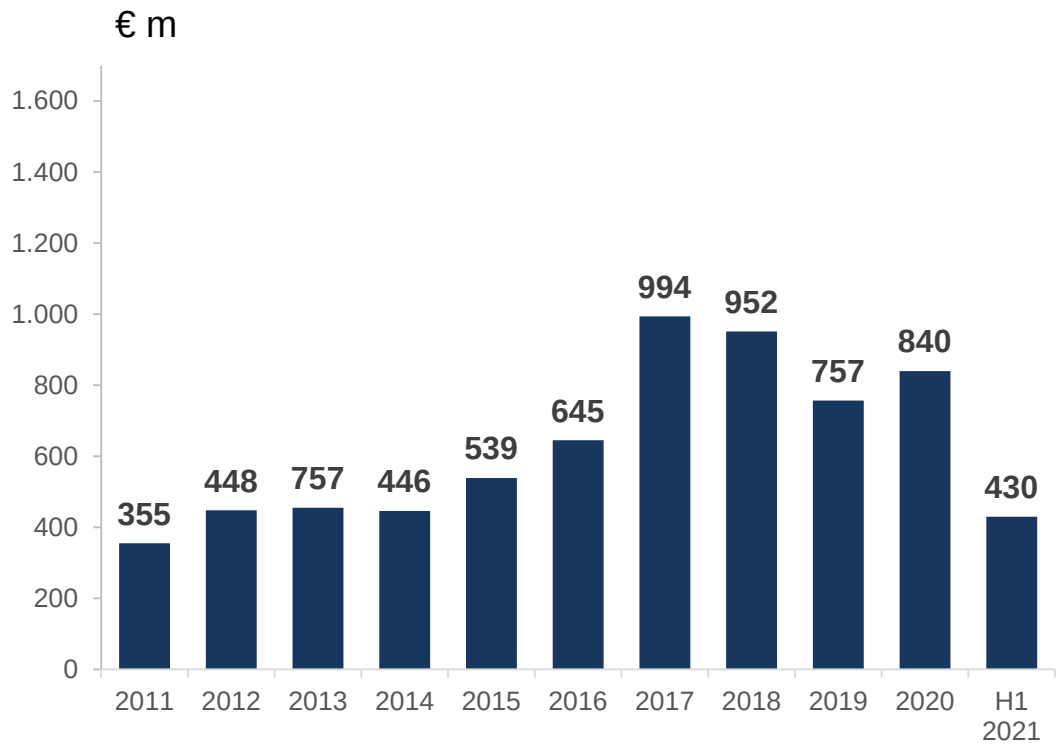
Volkswagen Financial Services AG*
in ’000 units



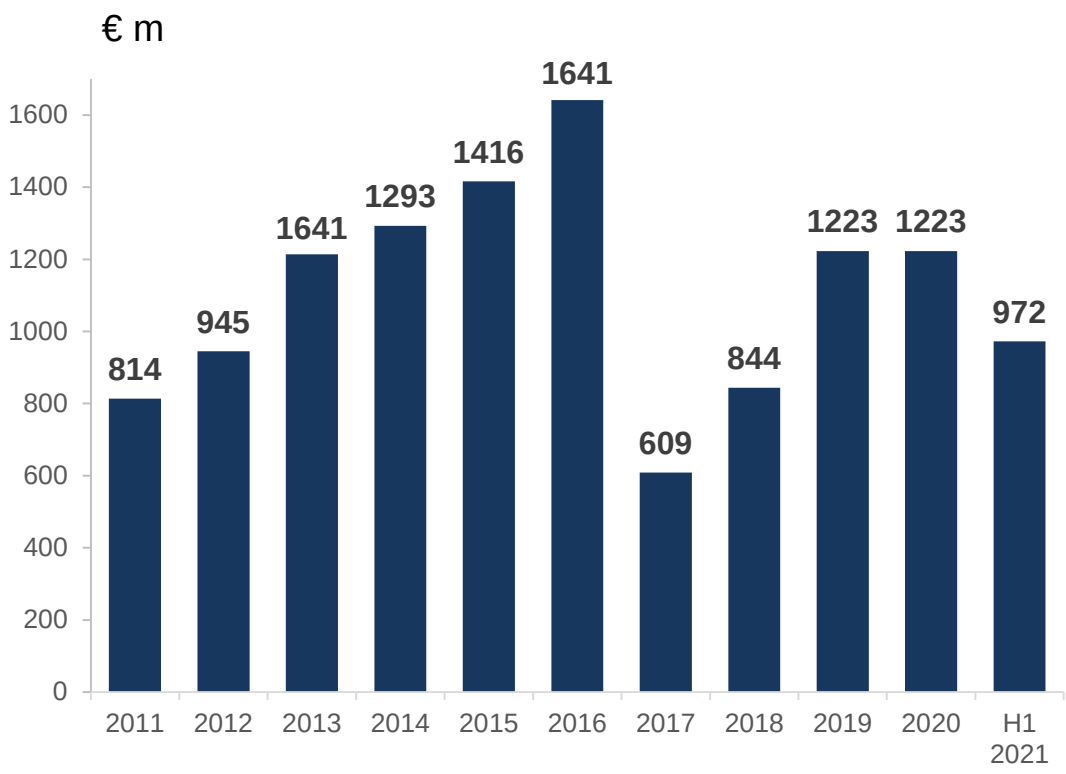
* Figures of Volkswagen Bank GmbH consolidated within Volkswagen Financial Services AG until 2016

Operating income

Volkswagen Bank GmbH



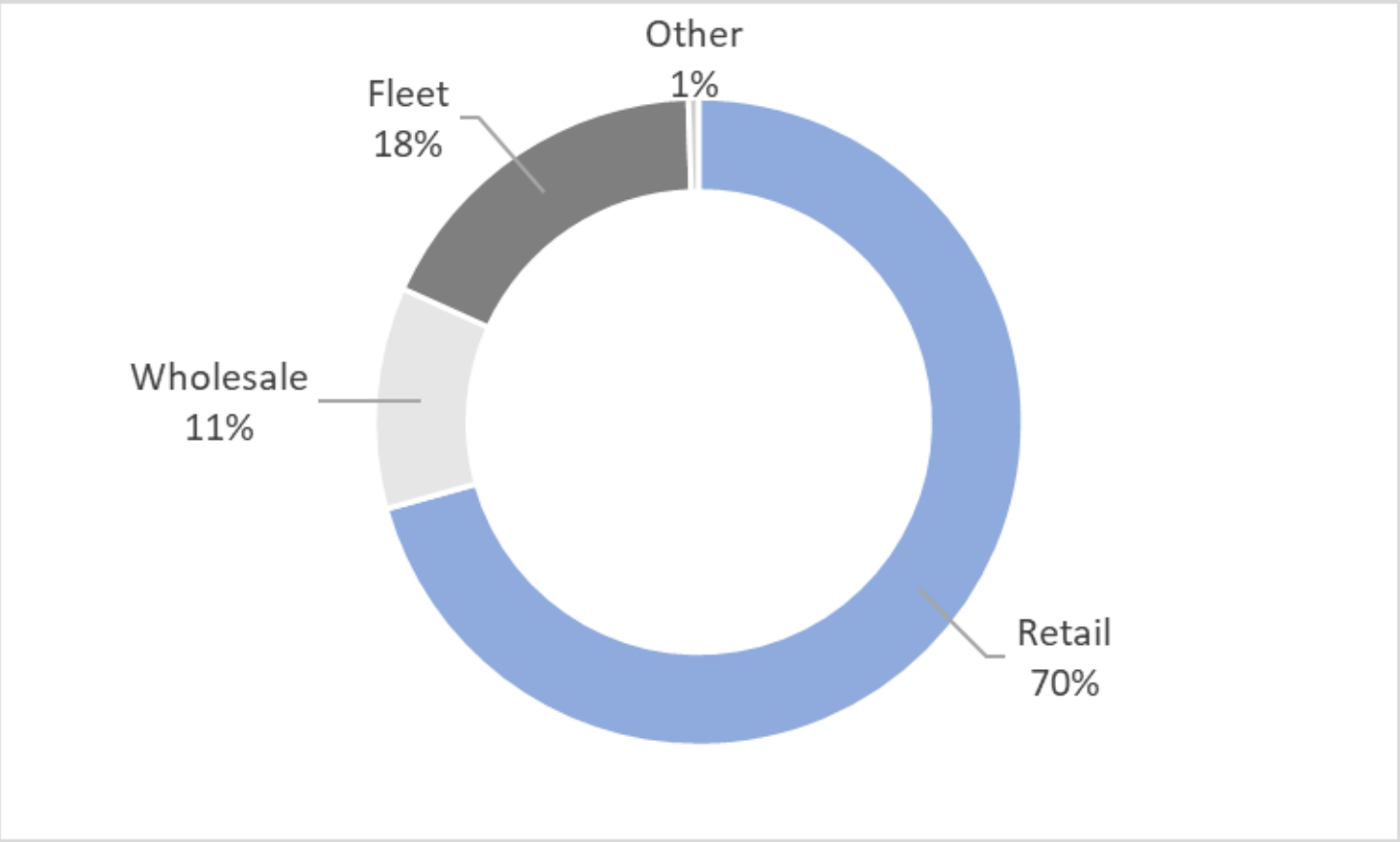
Volkswagen Financial Services AG*



*** Figures of Volkswagen Bank GmbH consolidated within Volkswagen Financial Services AG until 2016**

Risk Management

Portfolio structure Volkswagen Financial Services



Credit Risk is the predominant risk type whereof the major share is originated from well diversified retail business with a low risk profile.

Other substantial risk types:

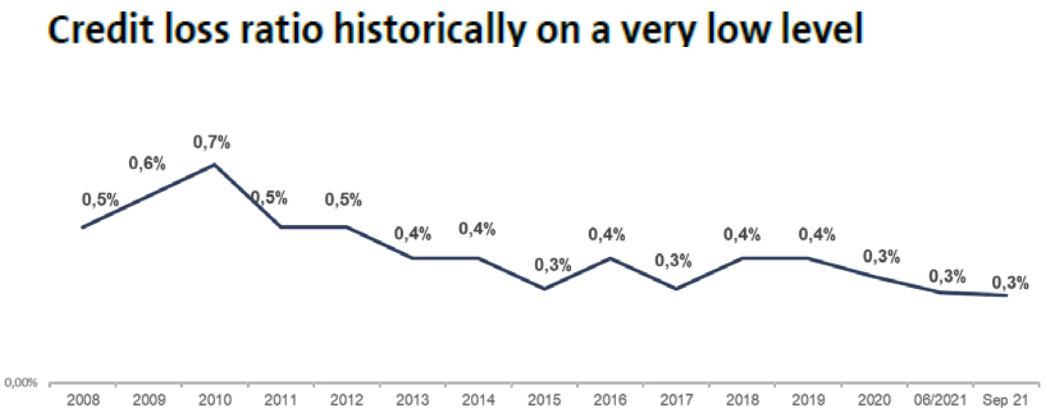
- **Residual Value Risk**
- **Earnings Risk**
- **Operational Risk**
- **Marketprice Risk**
- **Shareholder Risk**

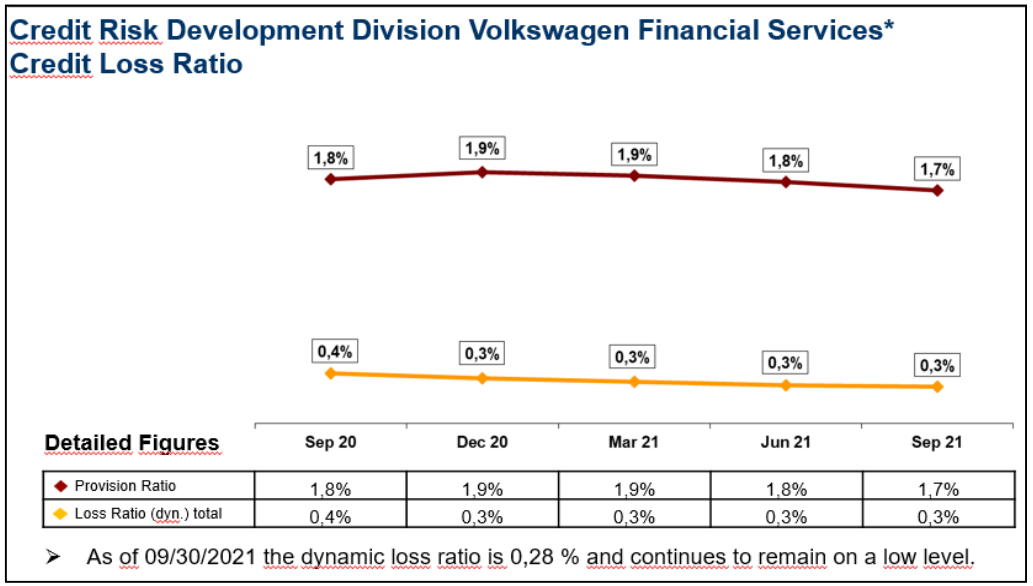
Credit risk management at Volkswagen Financial Services

- During the Covid-19 pandemic Volkswagen Financial Services has so far no material defaults on the credit risk side.
- In history and until today our credit losses (dynamic loss ratio = drawings on provisions including direct write-offs relative to the average volume of receivables) have been on a very low level (0.28% as of 30.09.2021).
- The in the beginning of the year technical increased default ratio by implementation of new CRR default definition in VWL GmbH (major effect in Fleet portfolio) and VW Bank GmbH currently slightly improves again.

<u>Forecast:</u>

- We expect the risk situation to remain stable. We continue to monitor the risk development closely and will react appropriately if needed.



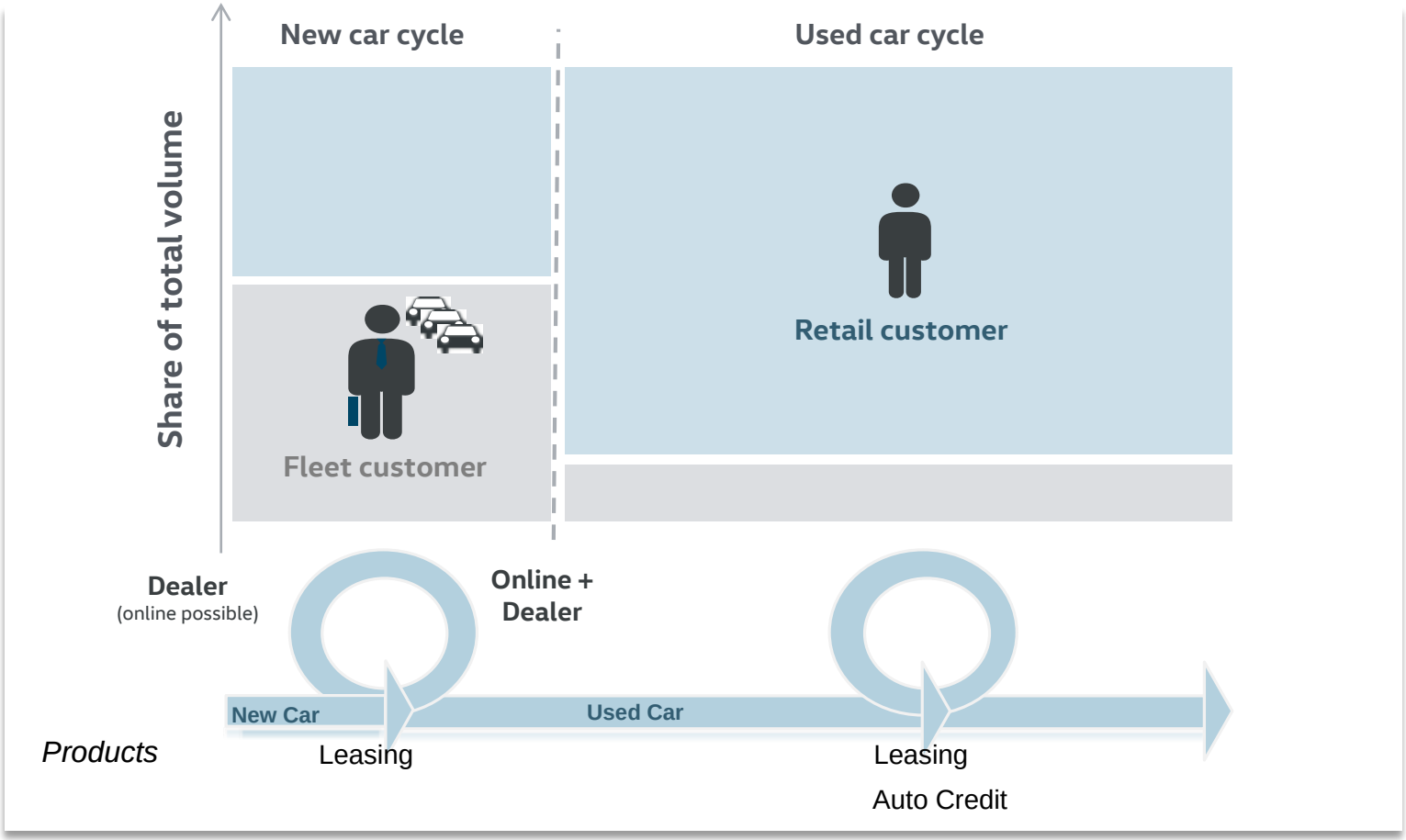


Residual value risk management at Volkswagen Financial Services

- The current positive trend in the development of used car prices is related to an increased demand in the used car market, driven by the current shortage of new car deliveries due to the chip shortage and the trend to a second vehicle by private customers. Due to these effects we assume this trend to be a short term effect only.
- Priority of Volkswagen Financial Services is to support the sales of the Volkswagen group brands and to **keep the residual values stable** by offering attractive financial service products e.g. the **used car platform Heycar**.
- We are monitoring the development of residual values very closely.
- Provisioning is done **conservatively**. All residual value risks completely covered by risk provisions and equity.

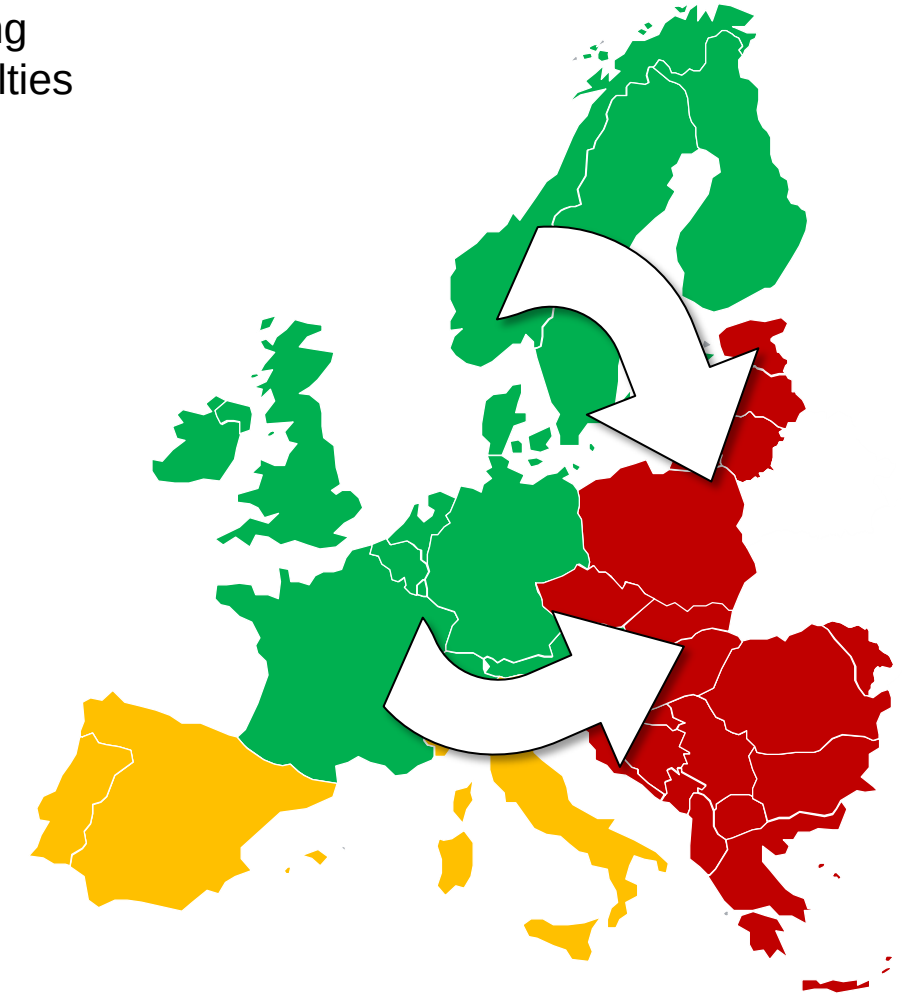
Volkswagen Financial Services Lifetime Concept | Stabilizing residual values and increasing customer loyalty

EV Lifetime Concept



Residual value & future sales channels for used combustion vehicles

- Registration of new ICE* in mid-/northern Europe will decreasing significantly in the next years (e-support by governments, penalties on ICE, approx. Euro-7 etc.)
- Demand on used ICE in these markets will decrease. Residual values will get under pressure
- Used ICE will be sold in south- and east european countries



Funding

Volkswagen Financial Services organisational structure and guarantee scheme

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Rating: BBB+ (s) / A3 (s)[1]
100% Shareholder
Control and Profit & Loss Transfer Agreement

Volkswagen Financial Services AG
Rating: BBB+ (s) / A3 (s)[1]

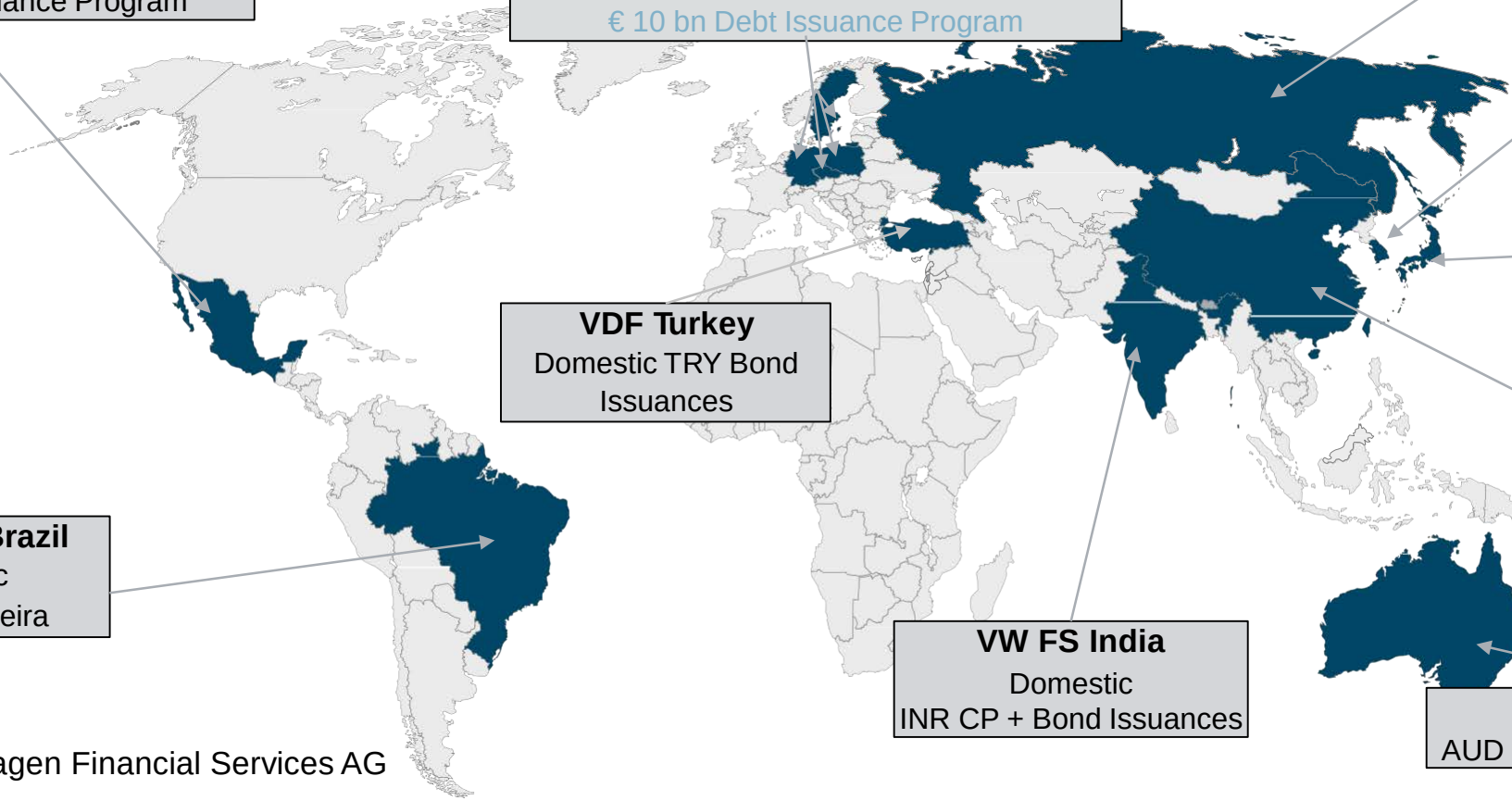
Guarantee

- Volkswagen Financial Services Australia
- Volkswagen Financial Services Japan
- Volkswagen Financial Services N.V.
- Volkswagen Leasing GmbH

Volkswagen Bank GmbH
Rating: BBB+ (s) / A1 (s)[1]

[1)]Credit Ratings from Standard&Poors / Moody's as per 25 June 2021; (n) Outlook negative, (s) Outlook stable, (RfD) Under Review for Downgrade

Worldwide capital market activities



Volkswagen Financial Services Group
€ 7.5 bn CP Program
€ 35 bn Debt Issuance Program
Volkswagen Bank
€ 2.5 bn CP Program
€ 10 bn Debt Issuance Program

Volkswagen Leasing Mexico*
MXN 20 bn Dual CP + MTN Program
VW Bank Mexico*
MXN 7 bn Debt Issuance Program

VW Bank Russia*
Domestic 100bn RUB Bond Program

VW FS Korea
Domestic KRW Bond Issuances

VW FS Japan*
JPY 60 bn ECP Program

VDF Turkey
Domestic TRY Bond Issuances

VW Finance (China)
Domestic RMB Bond Issuances

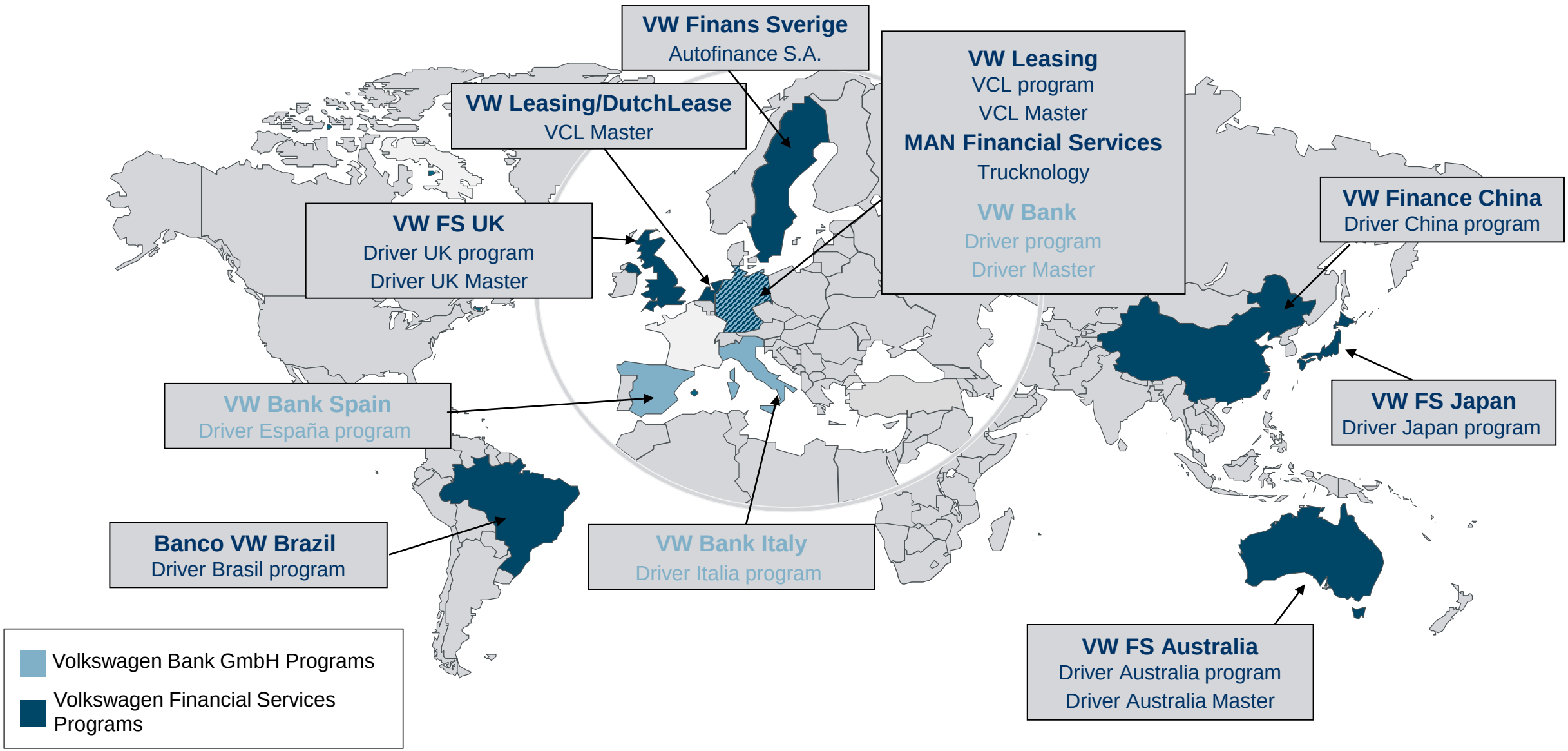
Banco VW Brazil
Domestic
Letra Financeira

VW FS India
Domestic
INR CP + Bond Issuances

VW FS Australia*
AUD 5 bn Debt Issuance Program

* Guarantee Volkswagen Financial Services AG

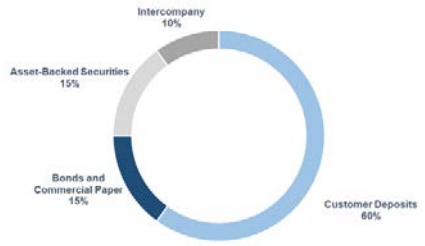
Worldwide ABS activities

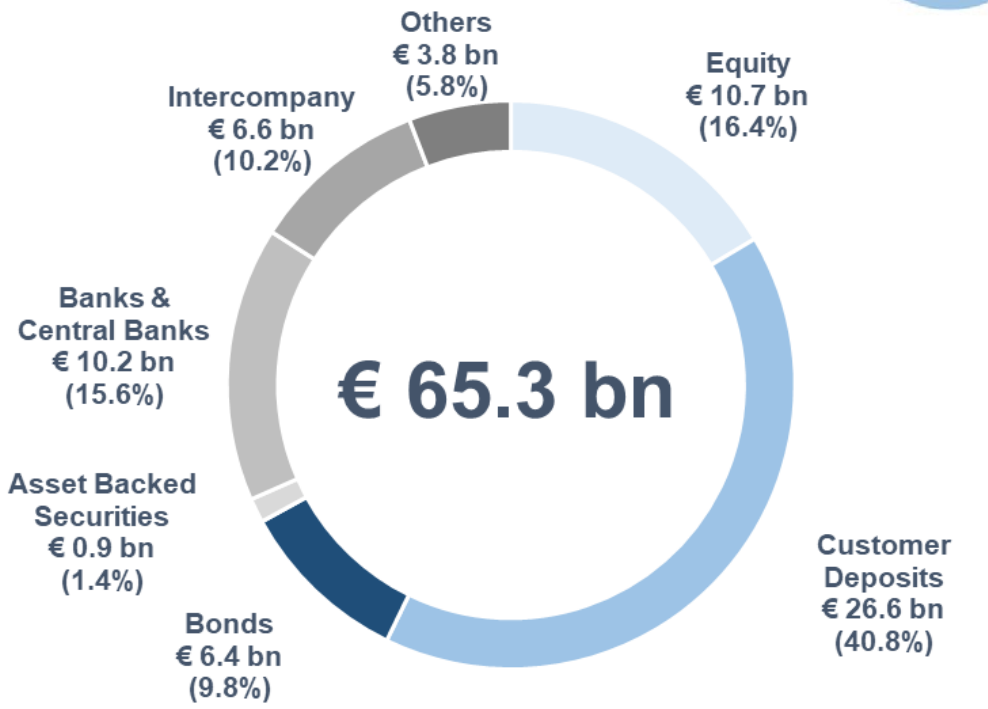


Strategic funding allocation as of 30.06.2021

Volkswagen Bank GmbH

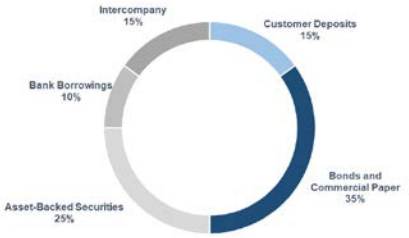
Strategic Funding Mix

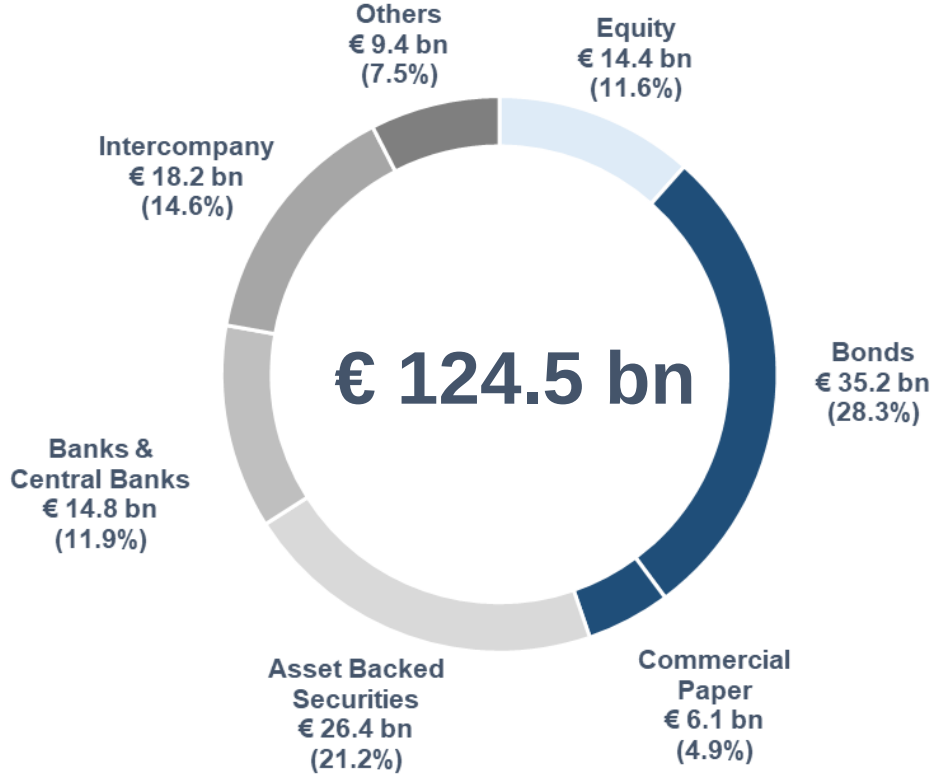




Volkswagen Financial Services AG

Strategic Funding Mix



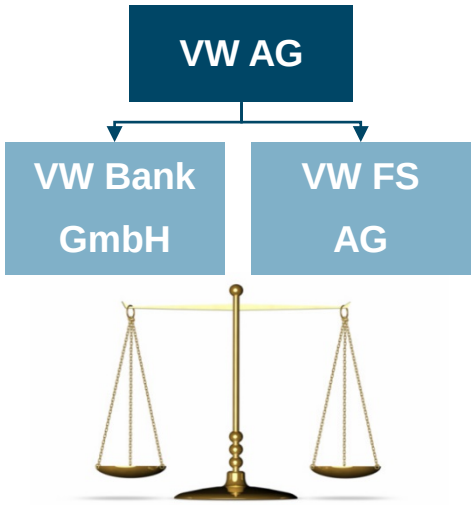


Strategy and Initiatives

Vision and targets of Route2025

All of Volkswagen Financial Services' initiatives help to create a strong basis for further growth - » sustainable growth and efficient use of equity «

Volume



Sustainable growth and efficient use of equity

Efficiency

OPEX

40%

Cost-Income-Ratio

Improving our existing business model

Touchpoints

Parking

paybyphone

Charging & Fueling

LOGPAY

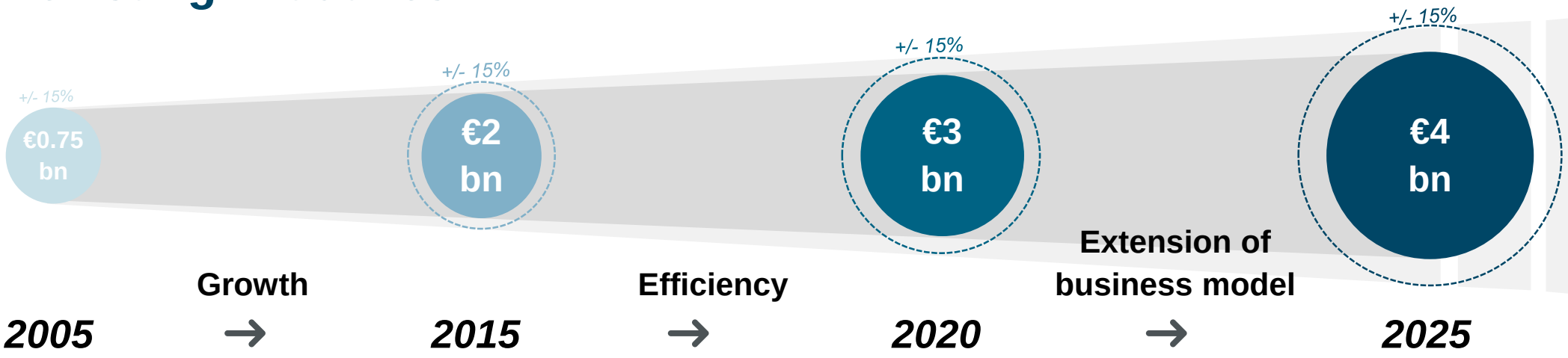
Creating digital touchpoints

Digitalization

Online journeys & direct sales channels

The new business model strengthens the competitive position of VWFS, creates synergies and is the necessary prerequisite to reach the full potential of existing initiatives

Sustainable Operating Profit VWFS



Initiatives

Growth

- New markets
- New products
- Cooperation brands + dealers
- Fleet via dealers

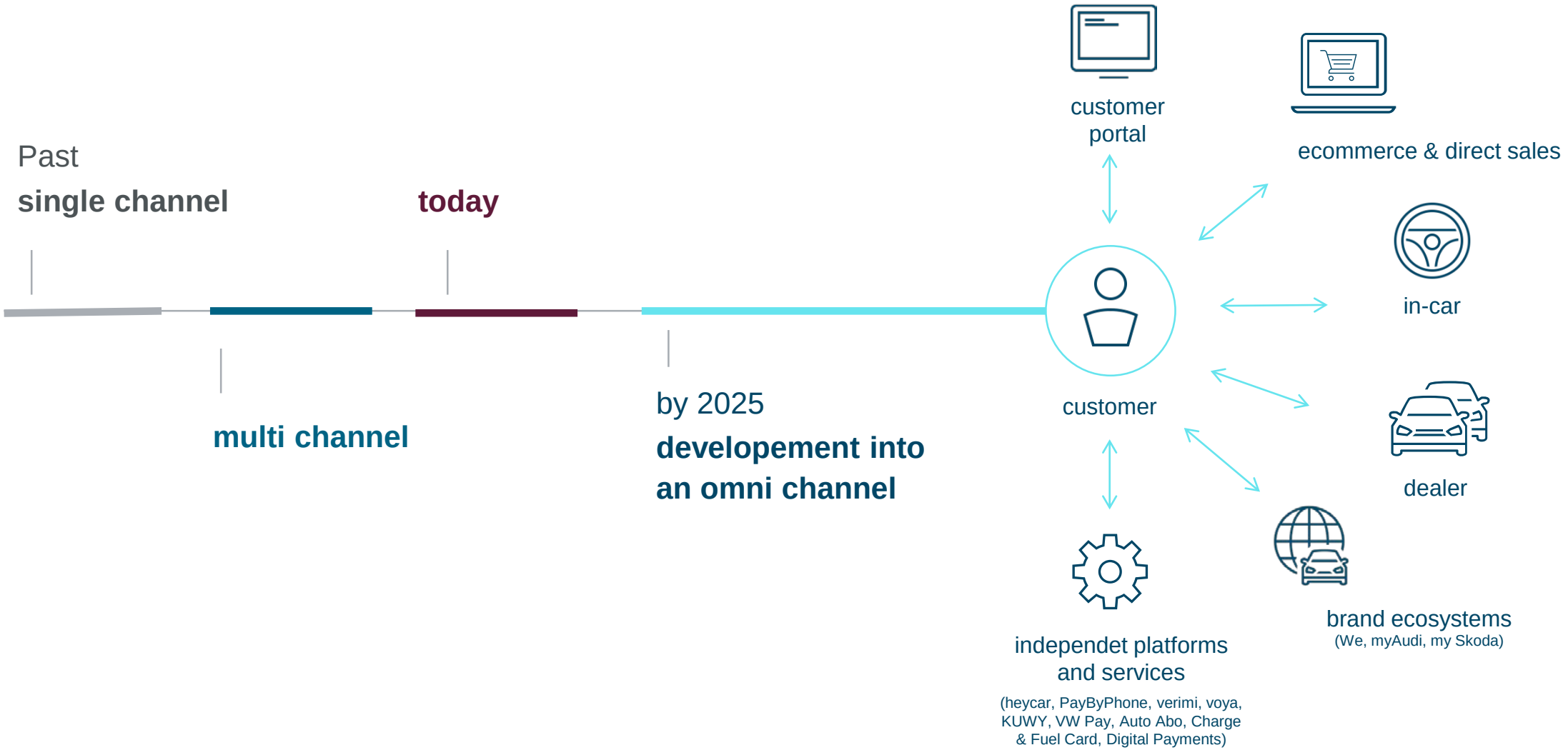
Efficiency

- Refinancing strategy
- Capital efficiency (Panda)
- OPEX 1.0
  - Productivity
  - Cost of Sales

Extension of business model

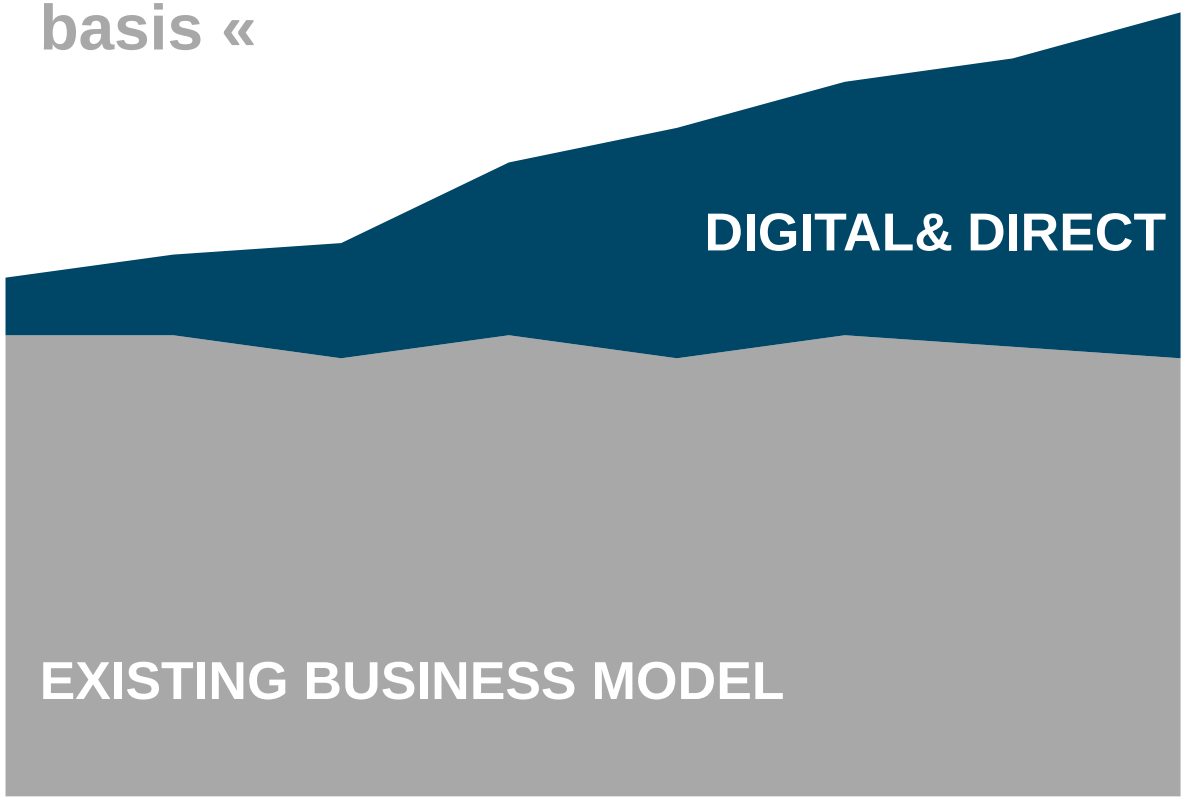
- Fleet International
- CRM[2]
- Data Driven Marketing
- Used Car Marketing

Volkswagen Financial Services will develop a full-featured omni channel sales path by 2025



COVID-19 as catalyst for new business models

» VWFS has started from a strong basis «



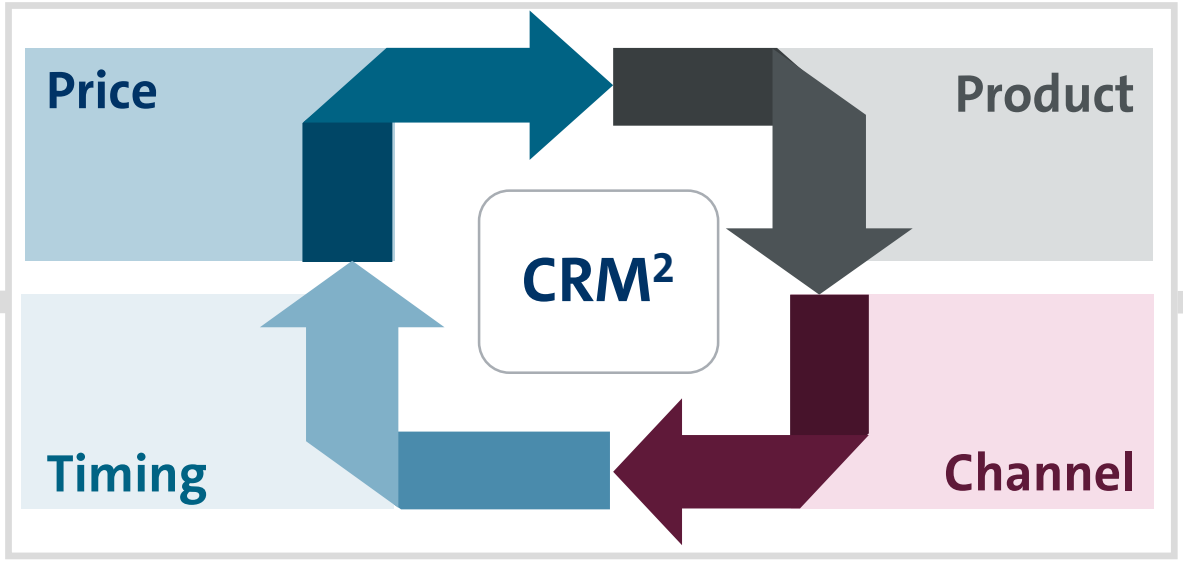
In the existing business model, VW FS has mainly indirect contact to customers, therefore we are adding a “Digital & Direct” channel

» Enabler Model «

» Digital & Direct «

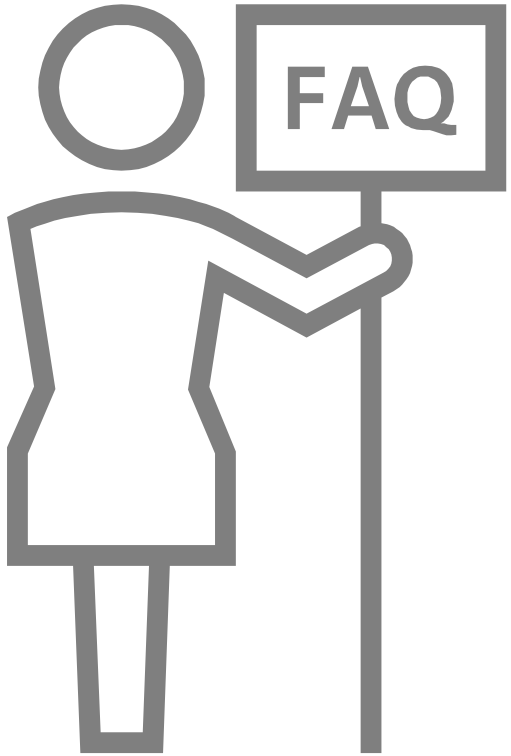
Digital & Direct has a clear aim: Optimize the customer & car lifetime value and identify the specific customer requirements

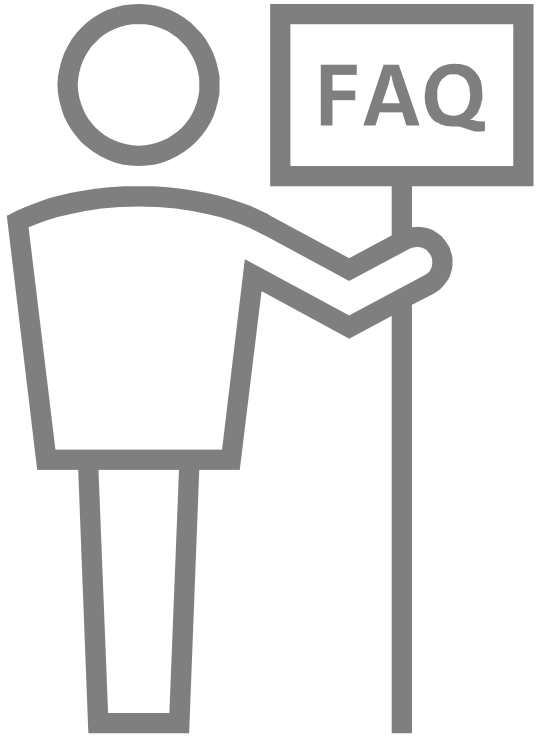
Customer



Car

Questions?





Thank You.

Volkswagen Bank GmbH
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38112 Braunschweig
Germany

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VOLKSWAGEN
FINANCIAL SERVICES

THE KEY TO MOBILITY

Vielen Dank!

Volkswagen Bank GmbH
Treasury - Investor Relations
Gifhorner Str. 57
38112 Braunschweig

BACKUP

Sustainability at Volkswagen Financial Services

Sustainability & corporate responsibility are a central component of our corporate value system

Volkswagen Financial Services and corporate responsibility
The four fields of action in our corporate responsibility strategy

PRODUCTS

Create intelligent mobility solutions
Our clients expect intelligent and environmentally friendly mobility solutions from us. For this purpose, we develop attractive financial solutions and service features.

ENVIRONMENT

Our efforts towards sustainability
With systematic environmental measures we reduce the impact of our business. By doing so, we act in a sustainable manner to make an active contribution to the protection of our environment.

DIALOGUE

Live transparency
We live the dialogue and create transparency about what we do. Social acceptance and a continuous communication with our stakeholders are a basis for our success.

PEOPLE

Value and create new perspectives
For our employees we are a top employer, because we respect their interests and enable a joint collaboration. At our locations we play an active role in driving a sustainable development.

NABU* moorland conservation projects with high climate relevance – Volkswagen Financial Services is actively involved since 2009

Moorland protection = climate protection, because:

- **500** billion metric tons of CO_2 are bound in moors, which is equivalent to …
- … **30 %** of the total carbon stored in the soil, twice as much as in all the world's forests put together.
- Since 2009, VW FS, together with NABU, has enabled the renaturation of over **6,000 hectares** of moorland in five countries. This corresponds to around **8,400** football fields.

X 8,400

*German Nature and Biodiversity Conservation Union

VW FS headquarters to become CO_2-neutral by 2023

- Environmental management system (DIN ISO 14001) implemented since 2014, certified annually by the German technical inspectorate TÜV.
- Electricity already being generated entirely from renewable energy sources.
- Committment to sustainable construction and building management, usage of the digital planning and construction method BIM (Building Information Modeling). Several buildings awarded the Sustainable Building Certificate from the German Sustainable Building Council (DGNB).
- The entire Braunschweig location is equipped with charging infrastructure for electric vehicles along with charging stations for e-bikes.

The Blue Fleet

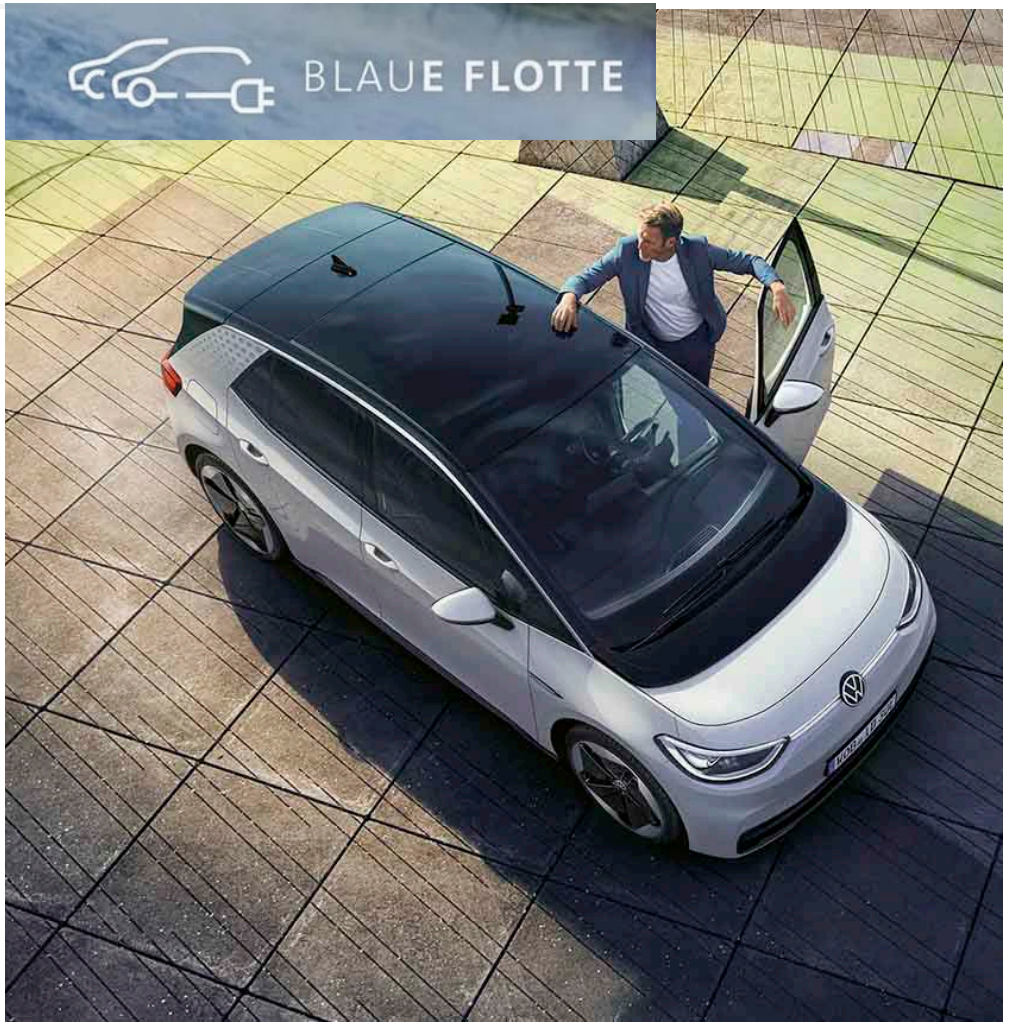
With their Blue Fleet e-vehicles, VW FS are setting an example for the benefit of the environment

- The Blue Fleet includes Battery Electric Vehicle (BEV) Group vehicles that are leased to corporate and fleet customers by Volkswagen Leasing GmbH.
- Under the Blue Fleet label, VW FS bundle all their consulting and service offers relating to e-mobility.
- In proportion to the BEV vehicles of the Group leased by fleet customers, VW FS also invest in moorland conservation projects that have a positive impact on the climate.

Reduced CO2 emissions with Group BEVs

Optimized carbon footprint with green power tariffs

Positive climate effect by moorland conservation projects



Being a TOP employer is an important goal within the ROUTE2025 strategy

- A participant in the prestigious Great Place to Work employer competition since 2004, VW FS took first place in the category **"Large companies with over 5,000 employees"** in 2021 for the fifth time in a row.
- VW FS have also won **European** awards twice already.
- Many local VW FS companies also take part in national competitions in their own respective countries for which the employees are surveyed anonymously.

Beste Arbeitgeber in Niedersachsen-Bremen 2021 | Deutschlands Beste Arbeitgeber 2021 | Great Place to Work® Zertifizierung April 2021 | Beste Arbeitgeber in Niedersachsen Bremen 2019 | Deutschlands Beste Arbeitgeber 2019 | Europas Beste Arbeitgeber 2019 - Multinational

VOLKSWAGEN FINANCIAL SERVICES

FINANCE. FLEET. INSURANCE. MOBILITY.

Volkswagen Financial Services Australia

Sept 2021

VWFS Australia
Company Presentation

Section 1 – Business Overview

Section 2 – Earning Assets

Section 3 – Funding

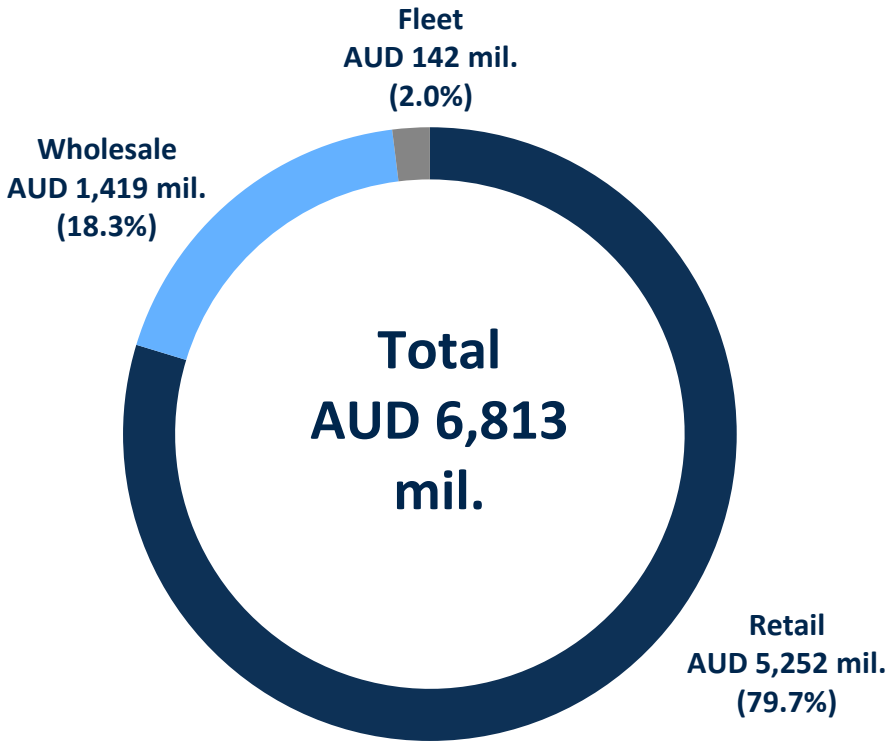
VWFS Australia – Overview

- 100% owned by VWFS AG (Germany)
- Incorporated in 2001
- Australian Credit Licence
- Australian Financial Services Licence
- Portfolio mix consists of circa 54% VW Group brands and 46% other brands
- Registered VWFS Australia Brands for Automotive Finance include Volkswagen, Audi, ŠKODA, Bentley, Lamborghini, Ducati, Porsche, Land Rover and Jaguar

Key Figures								
	2014	2015	2016	2017	2018	2019	2020	Sept 2021*
Retail receivables (AUDm)	2,238	2,498	3,179	3,877	4,741	4,863	5,112	5,252
Wholesale receivables (AUDm)	788	909	1,044	1,571	1,732	1,773	1,176	1,419
Fleet receivables (AUDm)	6	45	52	71	106	121	126	142
Profit before tax (AUDm)	15.1	14.6	11.8	23.7	46.6	49.7	77.2	92.2
Retail contracts (units)	72,555	84,438	105,001	128,496	156,453	171,923	179,131	180,109
Employees (head count)	133	132	130	140	147	158	165	159

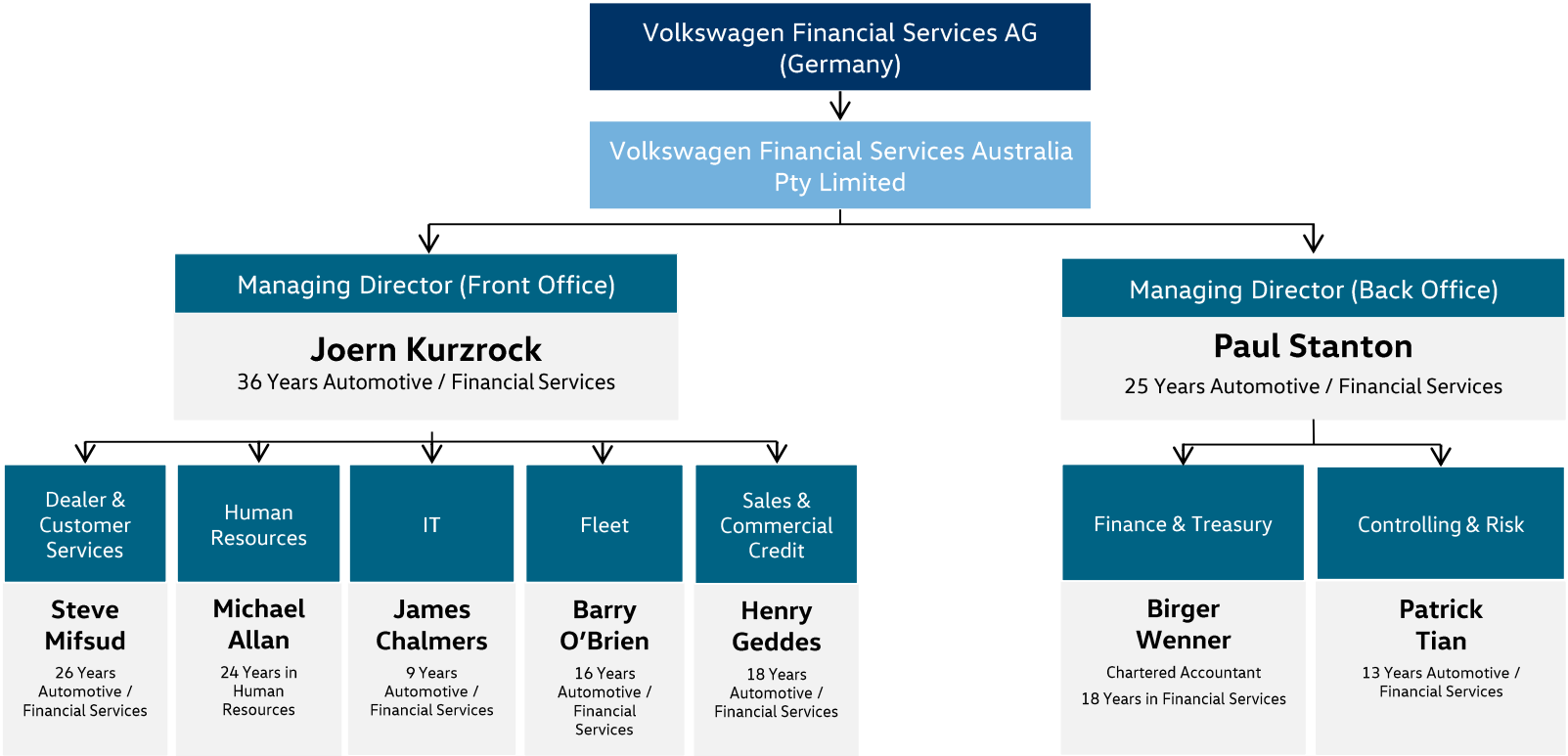
**Unaudited figures*

VWFS Australia – Portfolio Receivables



*** As at 30 Sept 2021**

VWFS Australia – Senior Management Team



VWFS Australia
Company Presentation

Section 1 – Business Overview

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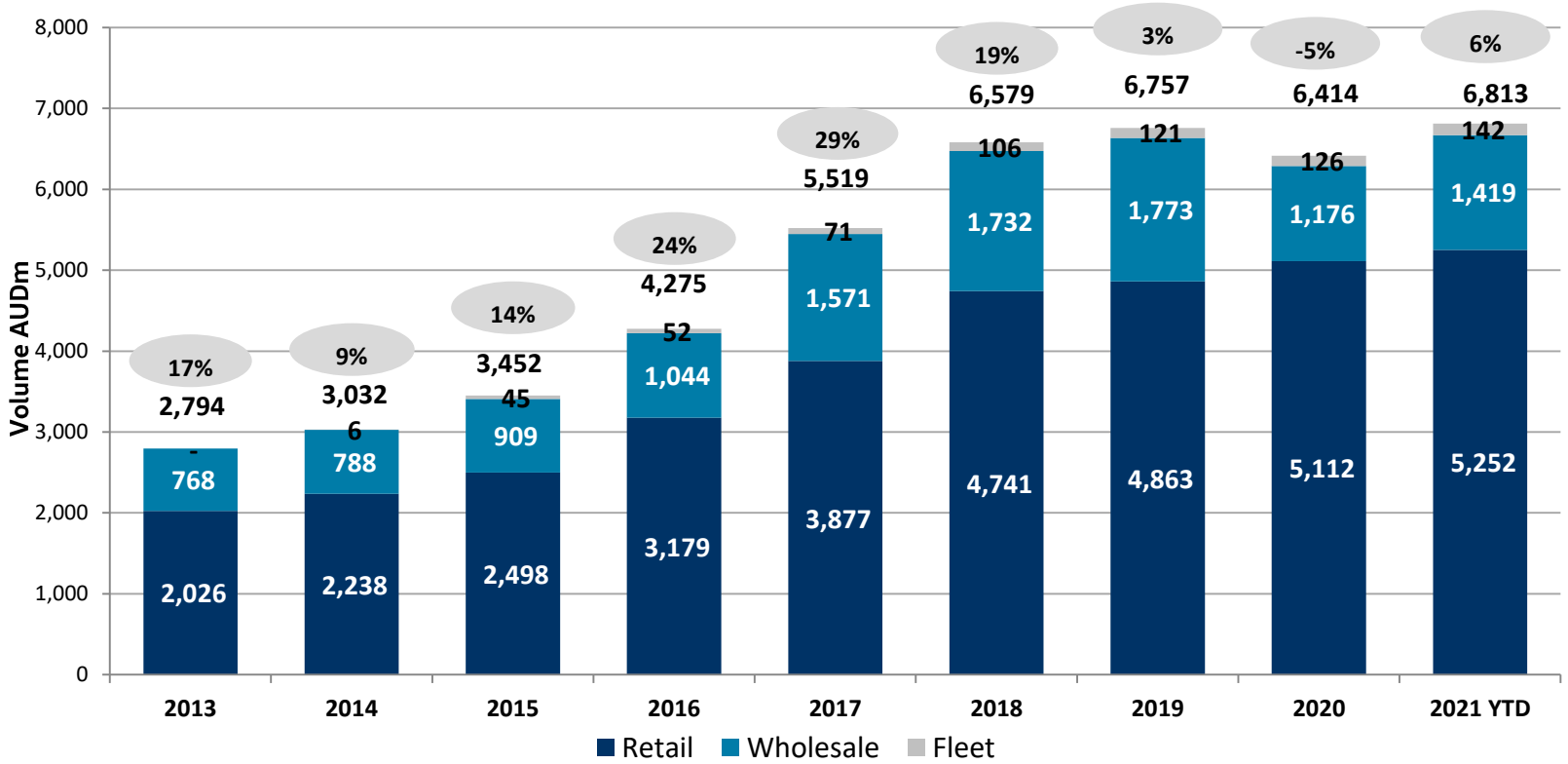
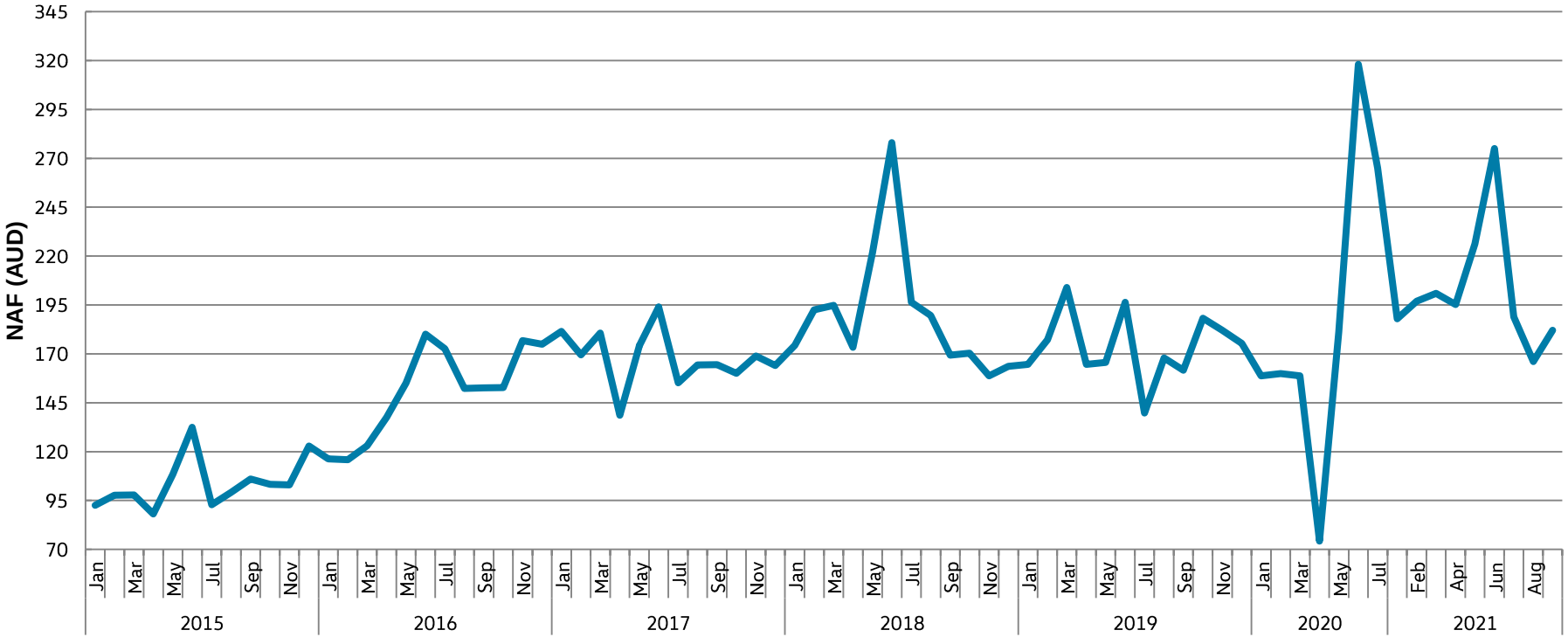
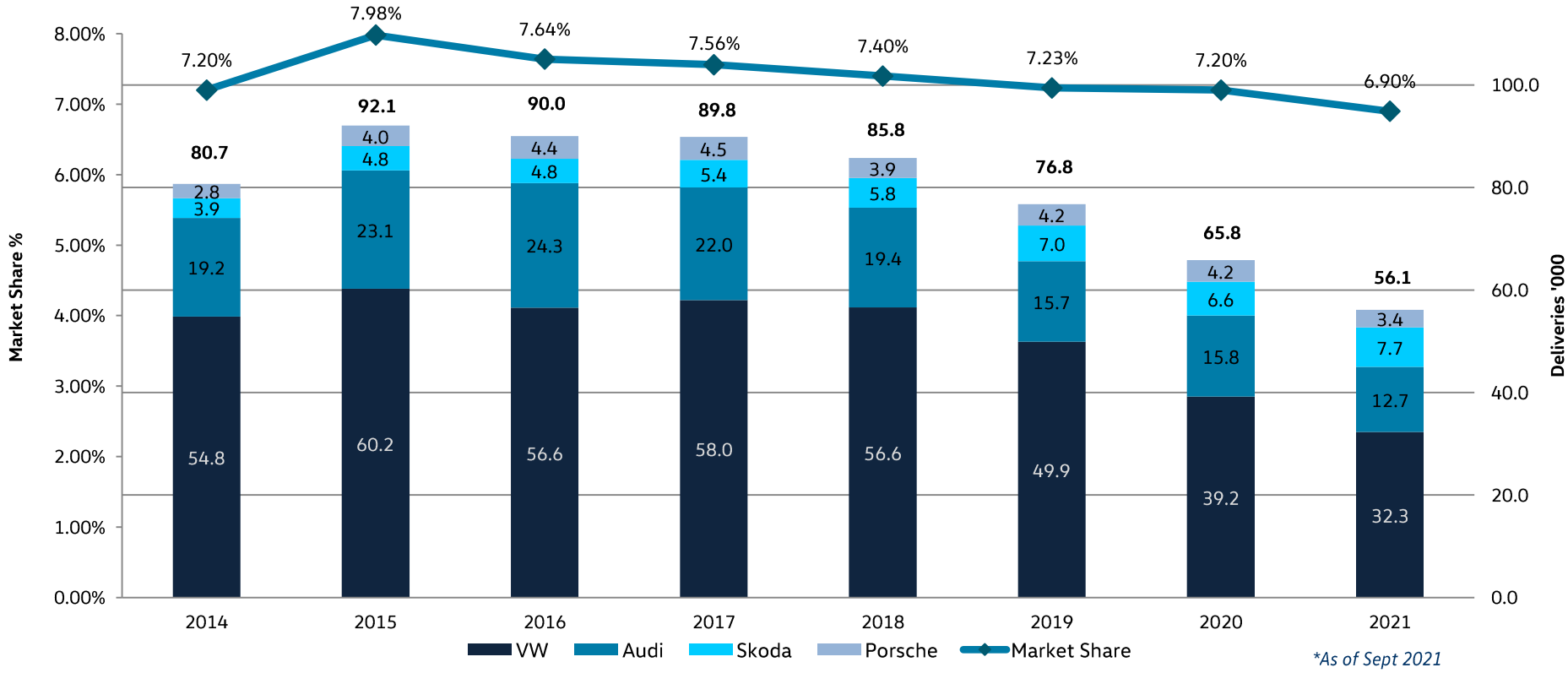
VWFS Australia – Total Earning Assets | Total Portfolio Size



VWFS Australia – Net Amount Financed Per Month

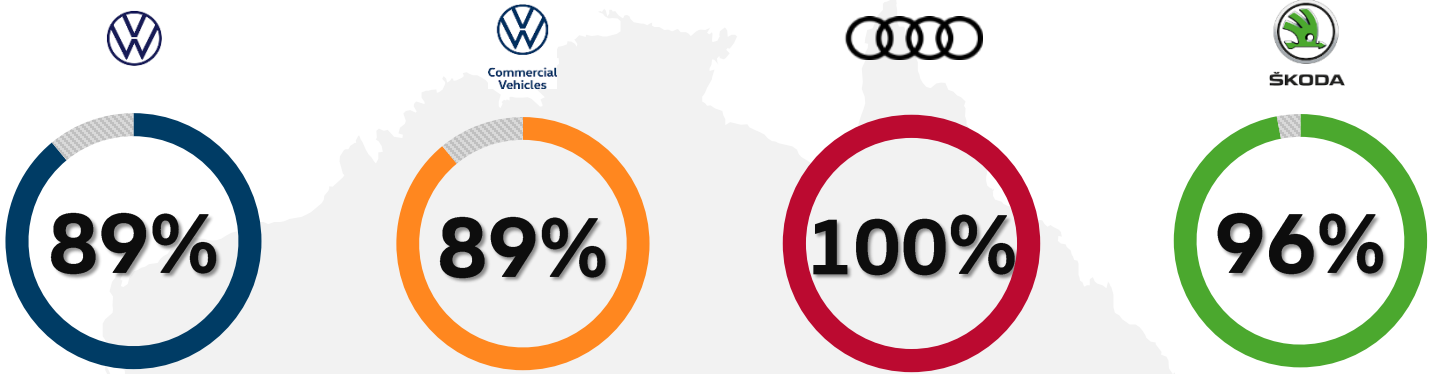


Volkswagen Group Core Brands – New Vehicle Deliveries and Market Share



*As of Sept 2021

Volkswagen Group Branded Dealers – Sept 2021



Sales Coverage

Fully Supported Dealer Volume Target / All Dealer Volume Target

100 Total Number: Dealers	**97** Total Number: Dealers	**40** Total Number: Dealers	**34** Total Number: Dealers
82 Total Number: FS* Dealers	**80** Total Number: FS* Dealers	**38** Total Number: FS* Dealers	**33** Total Number: FS* Dealers

VWFS Australia – Finance Penetration

	2014	2015	2016	2017	2018	2019	2020	Sep-21
Volkswagen (PV)	21.8%	24.3%	39.9%	40.1%	45.1%	48.9%	45.2%	38.8%
Volkswagen (CV)	31.1%	33.2%	42.0%	40.9%	45.4%	50.9%	55.7%	57.9%
Audi	36.4%	38.8%	44.7%	52.1%	56.6%	56.0%	53.8%	56.2%
ŠKODA	19.2%	31.3%	36.7%	30.9%	35.7%	40.3%	46.2%	37.6%
Porsche							13.3%	26.7%
Ducati							16.6%	5.4%
Combined Group	**26.8%**	**29.8%**	**41.4%**	**42.8%**	**47.2%**	**50.0%**	**46.3%**	**43.2%**

Volkswagen Group Brands – New Vehicle Market Share

Volkswagen has remained the number one European brand in Australia for the last 13 years

		Month		YTD		Variance +/- ppts.	
Rank	Brand	Sep-21	Sep-20	Sep-21	Sep-20	Month	YTD
1	Toyota	20,216	12,936	176,771	138,622	56%	28%
2	Mazda	6,555	7,000	83,565	60,574	-6%	38%
3	Ford	5,759	4,816	54,269	40,938	20%	33%
4	Hyundai	5,457	5,273	54,169	45,219	3%	20%
5	Kia	5,155	5,092	53,316	40,696	1%	31%
6	Mitsubishi	4,605	4,179	52,152	41,957	10%	24%
7	**Volkswagen**	**3,791**	**3,493**	**32,315**	**29,583**	**9%**	**9%**
8	Nissan	2,817	2,588	31,652	26,567	9%	19%
9	MG	3,010	1,554	28,878	9,628	94%	200%
10	Subaru	3,062	2,121	28,763	21,994	44%	31%
11	Isuzu Ute	3,130	1,546	28,437	13,646	102%	108%
12	Mercedes-Benz Cars	2,104	2,395	22,535	21,379	-12%	5%
13	BMW	1,465	2,007	18,965	17,012	-27%	11%
14	Honda	926	1,678	13,460	21,877	-45%	-38%
15	Suzuki	1,457	1,269	13,314	11,055	15%	20%
16	GWM	1,801	607	13,200	3,567	197%	270%
17	**Audi**	**1,124**	**1,280**	**12,651**	**10,832**	**-12%**	**17%**
18	LDV	1,372	910	10,899	5,449	51%	100%
19	**Skoda**	**612**	**627**	**7,745**	**4,534**	**-2%**	**71%**
20	Lexus	689	362	7,455	5,987	90%	25%
21	Volvo Car	615	661	7,339	5,291	-7%	39%
22	Isuzu	887	661	7,300	6,107	34%	20%
23	Jeep	795	481	5,976	3,791	65%	58%
24	Land Rover	433	339	5,693	4,632	28%	23%

Source: VFACTS Sept 2021

New Vehicle Volume Sold

Top 10 Manufacturers 2020 Comparison

Total market for new vehicle sales in 2021 has recovered by 26.6%

		YTD (Units Sold)		
Rank	Brand	Sep-21	Sep-20	% diff
1	Toyota	176,771	138,622	28%
2	Mazda	83,565	60,574	38%
3	Ford	54,269	40,938	33%
4	Hyundai	54,169	45,219	20%
5	Kia	53,316	40,696	31%
6	Mitsubishi	52,152	41,957	24%
7	**Volkswagen**	**32,315**	**29,583**	**9%**
8	Nissan	31,652	26,567	19%
9	MG	28,878	9,628	200%
10	Subaru	28,763	21,994	31%
Total Market		**816,140**	**644,891**	**27%**

Source: VFACTS Sept 2021

VWFS Australia
Company Presentation

Section 1 – Business Overview

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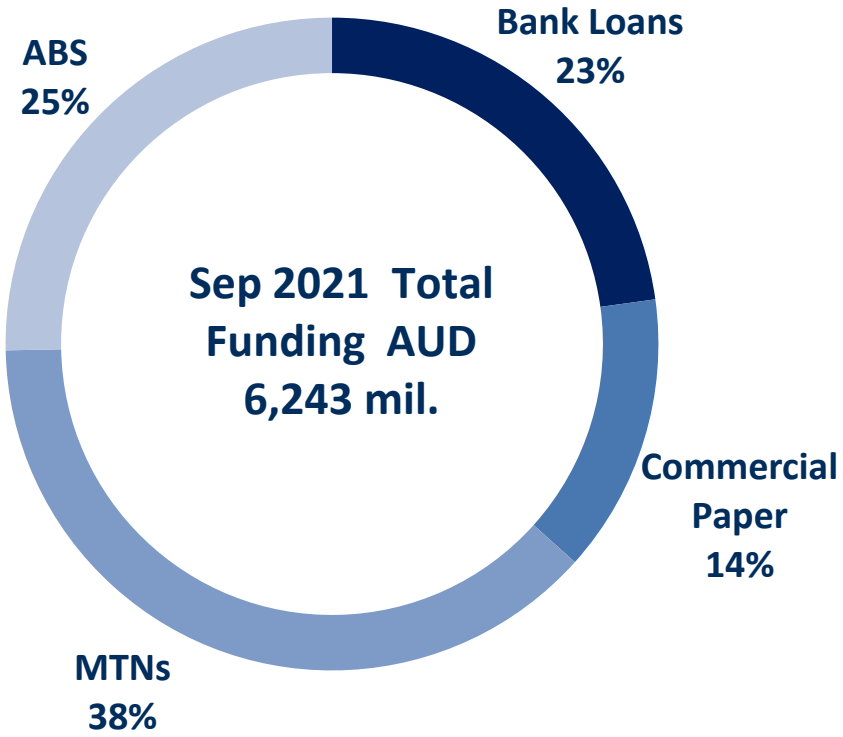
VWFS Australia – Funding Structure