



Brand Group Core with robust unit sales and sales revenue development – High fixed costs impact profitability

“Despite stable vehicle sales, in part bolstered by the launch of attractive new models such as the Tiguan, Golf and the all-electric ID.7 Tourer, we were not able to offset higher fixed costs in the third quarter, especially at the VW brand.

Moreover, the market headwinds have become even stronger in recent months. That is why we need more far-reaching measures to finance necessary investments and thus safeguard the future of Volkswagen for the long term. In order to increase our profitability, we must vigorously expand and execute our performance programs. We have strong products, from ICEs and hybrids through to all-electric models. Provided we keep our eyes on the ball as regards costs, this is an excellent foundation for a good future.”



David Powels, new Member of the Board of Management of the Volkswagen Brand responsible for “Finance” since October 1, 2024, and responsible for Finance at the Brand Group Core

Key figures (Jan. – Sept. 2024)



Unit sales of 3.63 million vehicles in the first nine months (3.57 million vehicles in Q1-Q3 2023).

Slight growth of 1.5% in unit sales in the first nine months of the year compared with the same prior-year period (Q3 2023: +0.7%).

Brand Group Core sales revenue of 101.5 billion euros in year to date at a stable level (101.1 billion euros in Q1-Q3 2023).

Stable sales volumes in a challenging competitive environment due to slightly higher unit sales and pricing measures.

Operating result came in at 4.49 billion euros (2023: 4.99 billion euros).

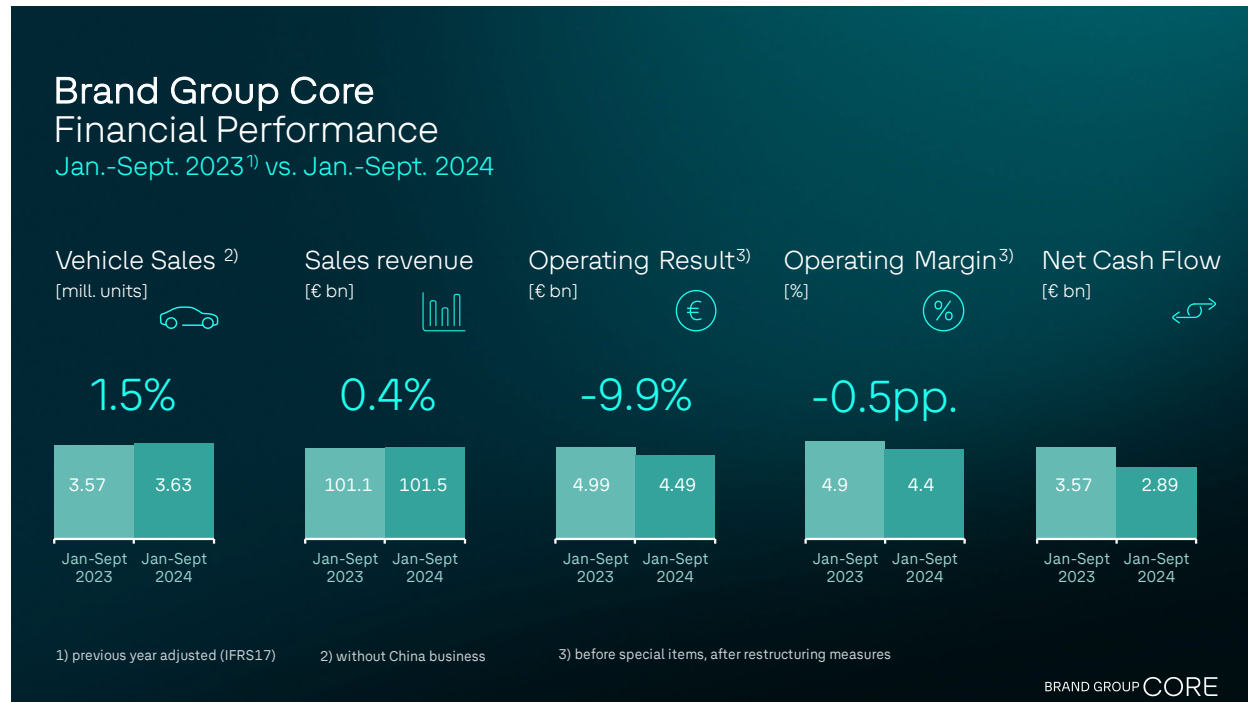
Higher fixed costs and expenses for restructuring measures impacted the operating result and could not be offset by volume growth.

Brand Group Core operating margin of 4.4% in the first three quarters of the year (4.9% in Q1-Q3 2023).

Adjusted for provisions for termination agreements, the Brand Group Core's operating return on sales in the first three quarters came in at 5.2%, but was only 3.2% in Q3 2024.

Net cash flow of 2.89 billion euros was 19.0% lower than the comparable prior-year period.

Higher inventories as a result of the model offensive and a rise in receivables led to a decrease in net cash flow.



Outlook

In a year shaped by a persistently weak economic environment, more intense competition and political challenges, the Brand Group Core continues to concentrate in 2024 on successful model ramp-ups and execution of the performance programs in the various brands. With a clear focus on strict cost efficiency and the realization of synergies generated by cooperation, the Brand Group is currently developing more far-reaching measures to secure necessary investments for the future – and to increase profitability in the coming quarters. The basic principle is: Costs and expenditure down, efficiency, productivity and competitiveness up. The brands' performance programs are closely tailored to these goals. The ambition is to further extend quality leadership, innovativeness and product substance for the long term.

There is a trend for higher demand for the Polo and the ID. 7. The volume brands reached important milestones in the first nine months of the year with the launch of



attractive model innovations such as the Volkswagen Tiguan, Golf, ID.7 Tourer and VW Transporter, Škoda Octavia and Elroq as well as the CUPRA Terramar and Tavascan. The Brand Group Core therefore anticipates significantly more positive momentum in the coming months, as the market presence of the new models intensifies.

Overview of the brands in the Brand Group Core

Volkswagen Passenger Cars



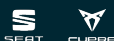
Volkswagen Passenger Cars delivered 2,260,151 vehicles in the first nine months of the year, 1% up on the comparable prior-year period. At 63.5 billion euros, sales revenue remained at a stable level. The operating result before special items decreased by 36.9% to 1.34 billion euros. As a result, the operating return for the period January - September decreased to 2.1% (previous year: 3.4%). The brand benefited from mix effects as well as optimized material costs, while higher fixed costs and expenses for restructuring measures impacted the result.

Škoda Auto



Škoda Auto continued its positive momentum in the first nine months of 2024. 671,300 vehicles were delivered to customers from January to September 2024, 4.5 % up on the comparable prior-year period. The car maker performed particularly well in Europe – better than the overall European market. The financial data underscore the company's strength: Sales revenue increased to 20.4 billion euros (+3.8 %), the operating result grew 34.8 % to 1.7 billion euros, the operating margin came in at 8.3 (6.4) %. The main drivers for earnings growth at Škoda Auto are a comprehensive model range and the efficient cost structure.

SEAT/CUPRA



SEAT/CUPRA reported moderate volume growth in the period under review, with vehicle deliveries running at 466,374 units, an increase of 2.6% compared with the same prior-year period. Sales revenue decreased by 3.0% to 10.5 billion euros. The operating result before special items ran at 415 million euros (previous year: 501 million euros). The operating return came in at 3.9% (-0.7 percentage points).

Volkswagen Commercial Vehicles



Volkswagen Commercial Vehicles (VWN) had a strong first half of 2024, and performance for the nine-month period stabilized at the prior-year level. Unit sales of 310,000 vehicles (previous year: 313,000) and sales revenue of 11.09 billion euros (previous year: 11.11 billion euros) remained at a similar level. Due to foreseeable special items in connection with restructuring measures, the operating result for the first nine months decreased to 606 million euros (previous year: 672 million euros) – the operating return therefore decreased by 0.5 percentage points to 5.5%



Key figures for the Brand Group Core:

Key financials	Jan. – Sept. 2024	Jan. – Sept. 2023	Change 24 /23
Unit sales (thousand units; incl. vehicles from other brands)	3,627	3,575	1.5%
Sales revenue	101,523 million €	101,060 million €	0.4%
Operating result before special items, after restructuring	4,491 million €	4,985 million €	-9.9%
Operating margin before special items, after restructuring	4.4%	4.9%	-0.5%-points
Net cash flow	2,894 million €	3,573 million €	-19.0%

Key figures for the brands belonging to the Brand Group Core¹⁾:

000 units/ mill €	Unit sales		Sales revenue		Operating result		Operating return	
	Jan.- Sept. 24	Jan.- Sept. 23	Jan.- Sept. 24	Jan.- Sept. 23	Jan.- Sept. 24	Jan.- Sept. 23	Jan.- Sept. 24	Jan.- Sept. 23
Volkswagen Passenger Cars	2,260	2,238	63,535	63,390	1,341	2,126	2.1%	3.4%
Škoda Auto	809	778	20,399	19,659	1,699	1,260	8.3%	6.4%
SEAT/CUPRA	466	454	10,515	10,837	415	501	3.9%	4.6%
Volkswagen Commercial Vehicles	310	313	11,093	11,109	606	672	5.5%	6.0%

1) before special items, after restructuring measures



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About the Volkswagen Group

The Volkswagen Group is one of the world's leading car makers, headquartered in Wolfsburg, Germany. It operates globally, with 114 production facilities in 17 European countries and 10 countries in the Americas, Asia and Africa. With around 684,000 employees worldwide. The Group's vehicles are sold in over 150 countries. With an unrivalled portfolio of strong global brands, leading technologies at scale, innovative ideas to tap into future profit pools and an entrepreneurial leadership team, the Volkswagen Group is committed to shaping the future of mobility through investments in electric and autonomous driving vehicles, digitalization and sustainability. In 2023, the total number of vehicles delivered to customers by the Group globally was 9.2 million (2022: 8.3 million). Group sales revenue in 2023 totaled EUR 322.3 billion (2022: EUR 279.1 billion). The operating result before special items in 2023 amounted to EUR 22.6 billion (2022: EUR 22.5 billion).

About the Brand Group Core

Within the Brand Group Core, 200,000 employees of the sister brands Volkswagen, Škoda, SEAT/CUPRA and VW Commercial Vehicles work together at 21 plants to realize their existing enormous synergy potential. By standardizing and streamlining processes and making greater use of joint resources, these brands can significantly improve overall efficiency – thus freeing up the space needed for the coordinated and sustainable development of best-in-class products in the relevant market segments. In order to act as the high-volume core of the Volkswagen Group, the Brand Group Core is targeting a sustainable consolidated return on sales of eight percent through the joint definition of clearly-defined key areas.