Media information

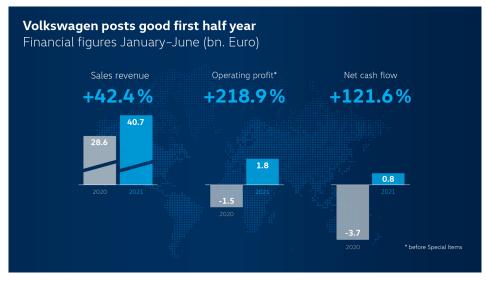


July 30, 2021

Volkswagen posts a strong first half

- Volkswagen Passenger Cars brand sees a marked increase in deliveries, sales revenue and earnings in the first half of 2021 despite considerable challenges
- Sales revenue of EUR 40.7 billion, operating profit of EUR 1.8 billion, operating net cash flow of EUR 0.8 billion
- Volkswagen CFO Alexander Seitz: "Strict cost discipline and higher volumes are giving a boost to our financial figures"
- Effects of the semiconductor shortage minimized through smart management of the markets and warehouse management – "very challenging" third quarter expected
- Outlook for 2021 as a whole of an operating return on sales between 3 and 4 percent confirmed

Wolfsburg – Volkswagen finished the first half of 2021 on a successful note thanks to efficient crisis management, strict cost discipline and systematic implementation of its ACCELERATE strategy. Despite the coronavirus pandemic and the semiconductor shortage, the number of vehicles delivered worldwide rose to around 2.7 million – 500,000 more than in the previous year. This increase was partly achieved through smart warehouse and supply management. Market share was also expanded in nearly all regions. Sales revenue climbed by 42 percent year-on-year to EUR 40.7 billion on the back of significant growth in sales volume (H1 2020: EUR 28.6 billion). Earnings improved by EUR 3.3 billion year-on-year to around EUR 1.8 billion, giving an operating return on sales of 4.4 percent.



Volkswagen CFO Alexander Seitz: "We succeeded in further reducing our fixed cost ratio. Our strict cost discipline, the good progress we have made in implementing our strategic realignment in North and South America, results-oriented management of the markets and significant volume growth are giving a boost to our financial figures." The operating net cash flow before special items was positive at EUR 0.8 billion. "This shows that we are well on the way to achieving our goal of an operating net cash flow of between EUR 1 and EUR 2 billion in 2023."

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Outlook for 2021 confirmed

Now that the first six months have ended, the Volkswagen brand confirms its forecast for the current fiscal year. Seitz: "Although there are signs that the supply bottlenecks for semiconductors are beginning to ease, we expect a very challenging third quarter from a supply perspective. Nevertheless, we are confirming our outlook for the year as a whole. We anticipate a significant year-on-year increase in deliveries and sales revenue in 2021 and still aim to post an operating return on sales in the target corridor between 3 and 4 percent. We are sticking to our target margin of 6 percent by 2023 and aim to position the brand for sustainable profitability."

Financial figures Volkswagen Passenger Cars – H1 2021

	January - June 2020	January - June 2021	Change in %
Deliveries (thousand)	2,199	2,703	+22.9%
Vehicle sales (thousand)	1,134	1,552	+36.9%
Sales revenue (€ million)	28,580	40,689	+42.4%
Operating profit (€ million)	-1,491	1,773	+218.9%
Net cash flow (€ million)	-3,705	800	+121.6%

Deliveries Volkswagen Passenger Cars - H1 2021

	January - June 2020	January - June 2021	Change in %
Western Europe	478,200	616,700	+29.0%
Central & Eastern Europe	91,700	120,300	+31.2%
North America	208,400	289,900	+39.1%
South America	148,000	207,700	+40.3%
China	1,167,800	1,331,900	+14.1%
Rest of Asia-Pacific	52,900	61,800	+16.8%
Middle East/Africa	51,800	74,900	+44.7%
World	2,198,900	2,703,200	+22.9%

The Volkswagen Passenger Cars brand is present around the world in more than 150 markets and produces vehicles at more than 30 locations in 13 countries. In 2020, Volkswagen delivered around 5.3 million vehicles. These include best-sellers such as the Golf, Tiguan, Jetta and Passat as well as the all-electric ID.3 and ID.4. Currently more than 184,000 people are working at Volkswagen around the world. Added to this are more than 10,000 dealers and service partners with 86,000 employees. With its ACCELERATE strategy, Volkswagen is consistently implementing its evolution as a software-based mobility provider.