

Q1 2021  
Q1 2021

Quarterly Update Audi Group



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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# FINANCIAL HIGHLIGHTS & KPI OVERVIEW

# 2021 2021 Q1

↗ Strong momentum of Q4/2020 also in Q1/2021: 31% increase in deliveries to customers compared with prior-year period despite lasting regional sales restrictions and semiconductor bottlenecks – strong growth especially in China and USA

↗ Revenue rose by 13% supported by positive mix and price effects and reflects strong China business

↗ Operating profit reached €1.4bn and the operating margin 10.0% – tailwind as a result of positive valuation effects of commodity hedges

↗ Net cash flow strong with €3.1bn, supported by high profit, temporary and deferred working capital effects and capex discipline

↗ Audi outlook for 2021 remains unchanged: cautiously optimistic, however ongoing coronavirus pandemic and the current uncertainty regarding the supply of semiconductors complicate forecast

(numbers in brackets represent prior-year figures)



**Deliveries to customers**



of the Audi brand amounted to

**462,828**

(352,993)

31% increase ahead of the global automotive market, which rose by 20%.

Deliveries of fully electric models increased by 27% to

**14,583**

(11,458)



**Operating profit/margin**



increased to

**€1.4bn**

(€0.02bn)

Corresponding margin up to

**10.0%**

(0.1%)



**Revenue**



rose to

**€14.1bn**

(€12.5bn)



**Net cash flow/  
net liquidity**



NCF increased to **€3.1bn**

(€1.0bn)

Net liquidity fell to

**€17.8bn**

(€22.4bn as of Dec 31, 2020)



**R&D ratio**



went up to

**7.1%**

(6.8%)



**Capex ratio**



declined to

**2.0%**

(2.1%)

## 1. Highlights of the quarter – Selected model presentations

### Beginning of a new era: the Audi RS e-tron GT<sup>1</sup> and Audi e-tron GT quattro<sup>2</sup>



Electric mobility is becoming dynamic and fascinating, as proven by the Audi e-tron GT. The four-door coupé, which will be introduced in the market with the RS model at the same time, reinterprets the classic idea of the gran turismo: Its design is highly emotive, its technology is revolutionary. Two powerful electric motors provide dynamic driving performance and confident all-wheel drive. The high-voltage battery with a net energy content of 84 kWh enables ranges of up to 488 kilometers (WLTP, for the Audi e-tron GT quattro<sup>2</sup>) and can be recharged extremely quickly thanks to its 800-volt technology. Suspension, lights, controls, connectivity or e-tron sport sound: The Audi e-tron GT quattro<sup>2</sup> and the RS e-tron GT<sup>1</sup> demonstrate accumulated technical expertise and the Audi brand's passion for details.



<sup>1</sup> Audi RS e-tron GT:  
combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO<sub>2</sub> emissions in g/km: 0 (NEDC)  
Information on fuel/electric power consumption and CO<sub>2</sub> emissions in ranges depending on the chosen equipment level of the car.

<sup>2</sup> Audi e-tron GT quattro:  
combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO<sub>2</sub> emissions in g/km: 0 (NEDC)  
Information on fuel/electric power consumption and CO<sub>2</sub> emissions in ranges depending on the chosen equipment level of the car.

## 1. Highlights of the quarter – Selected model presentations

### Electric, efficient & emotional: Audi Q4 e-tron & Audi Q4 Sportback e-tron



Audi Q4 e-tron

The Audi Q4 e-tron and the Q4 Sportback e-tron are the first compact fully electric SUVs from the brand with the Four Rings.

Both of them impress with a new spacious dimension in the interior and pioneering solutions when it comes to operation, display and assist systems. The optional augmented reality head-up display connects the virtual and the real worlds in a totally new way.

The Audi Q4 e-tron achieves a maximum range of up to 520 kilometers in the WLTP cycle. It goes on sale in Europe in June 2021.



Audi Q4 Sportback e-tron

## 1. Highlights of the quarter – Milestones

### New Board members, responsibility for Bentley and NEV company in China

#### New Members of the Board of Management of AUDI AG

**Oliver Hoffmann** was named **Member of the Board of Management of AUDI AG for Technical Development**, effective March 1, 2021. He succeeded CEO Markus Duesmann, who has been fulfilling this position additionally since mid-June 2020. Previously, Oliver Hoffmann held the position of the division's Chief Operating Officer.

Furthermore, **Jürgen Rittersberger** was appointed as **Member of the Board of Management of AUDI AG for Finance and Legal Affairs**, effective April 1, 2021. Previously, Jürgen Rittersberger served as Corporate Secretary and Senior Vice President Group Strategy at Volkswagen AG. The former CFO Arno Antlitz moved to Volkswagen Group as Group CFO.



#### Audi strengthens business in China with new cooperation company

The brand with the Four Rings is deepening its partnership with First Automotive Works (FAW) and laying the foundation for continued success in China. **Audi and FAW confirmed a new cooperation company for the future production of electric vehicles based on the premium platform electric (PPE) in Changchun in the northeast of China.**

AUDI AG and Volkswagen Group China will receive a **60 percent share**, making this company the **first cooperation company with a majority interest held by Audi in China.**

Local production of the first PPE model manufactured by the AUDI FAW NEV Company Ltd. is scheduled to **start by 2024.**



Oliver Hoffmann



Jürgen Rittersberger

#### Audi takes on management responsibility for Bentley

From March 1, 2021, Audi **took over management responsibility for the Bentley brand.** Bentley is not consolidated in the Audi Group. In recent years, the British company has worked closely together with Porsche in the "Sport & Luxury" brand group.

Audi and Bentley intend to **leverage synergies in the future**, especially within the scope of their electrification strategies, and further drive the future topics of electric mobility and sustainability.

Bentley had announced in November 2020 that it intends to become **completely CO<sub>2</sub>-neutral by 2030.**

#### 奥迪一汽新能源汽车项目落位长春签约仪式

Signing Ceremony for Audi FAW NEV Project Settling in Changchun

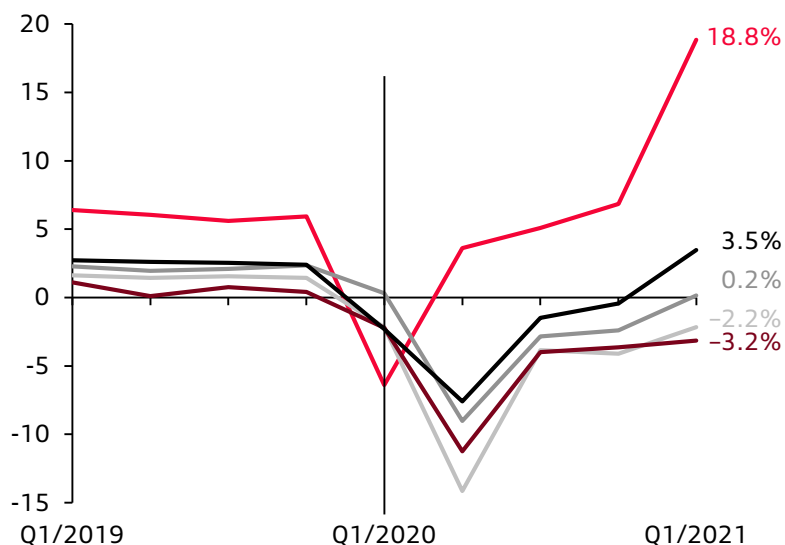


## 2. Finance and key figures – Economic environment

### Worldwide economy recovers, but impact of the pandemic still evident

#### Real GDP growth, quarterly by % change from a year earlier (Data: IHS Markit)

● World ● USA ● Europe ● China ● Germany

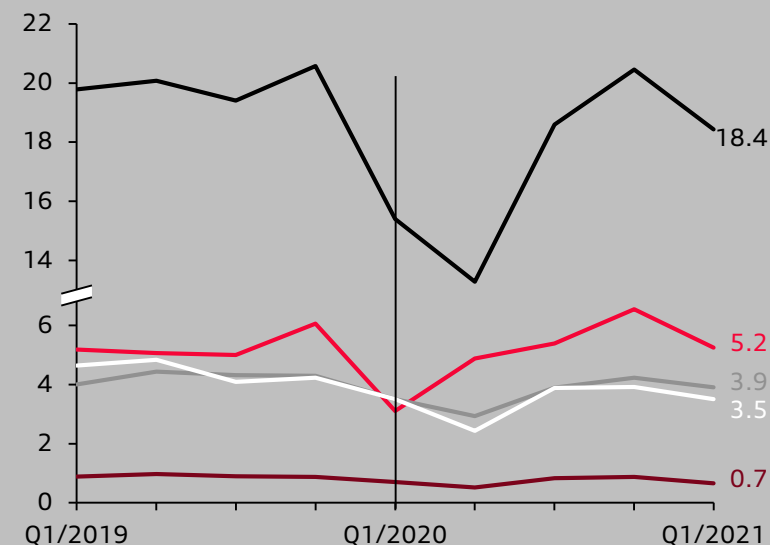


The world economy recorded **positive growth** compared with the prior-year period. For the advanced economies, the average rate of expansion of gross domestic product (GDP) approximately corresponded to the negative level of the first quarter of 2020 while the **emerging markets recorded a strong expansion**.

National developments in the reporting period depended on the negative impact of the coronavirus pandemic.

#### Automotive markets by region in million units

● World ● USA ● Europe ● China ● Germany



From January to March 2021, global **demand for passenger cars significantly increased** compared with the weak level of the prior-year quarter. However, different growth patterns across regions were mainly caused by the timing effect of the spreading pandemic.

The rise in demand for passenger cars in the reporting period was attributable in particular to the **favorable trend in China**.

	Real GDP growth in %		Automotive markets in vehicles		
	1-3/2021	1-3/2020	1-3/2021	1-3/2020	Δ %
Europe	-2.2	-2.2	3,506,844	3,503,091	0.1
of which Germany	-3.2	-2.2	656,663	701,362	-6.4
USA	0.2	0.3	3,907,974	3,509,930	11.3
China <sup>1</sup>	18.8	-6.4	5,246,012	3,100,713	69.2
<b>Worldwide</b>	<b>3.5</b>	<b>-2.3</b>	<b>18,435,154</b>	<b>15,401,943</b>	<b>19.7</b>

<sup>1</sup> Chinese car market including Hong Kong

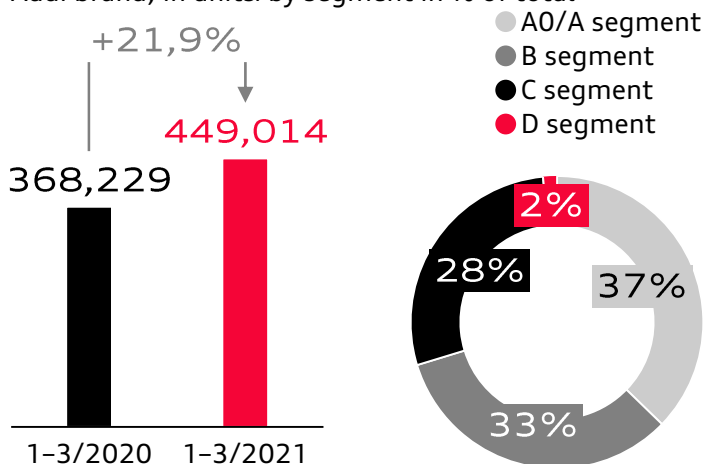


## 2. Finance and key figures – Production, Audi brand

### Increase in production driven by the Chinese sites – NEV share increased to 7.9%

#### Production

Audi brand, in units/by segment in % of total



Between January and March 2021, the Audi brand **produced** a total of **449,014** (368,229) cars. This figure includes 164,643 (91,180) Audi vehicles built locally by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China).

The **21.9% increase** in production volume compared with the coronavirus-impacted prior-year period is largely attributable to higher production at the Chinese sites. Compared with the prior year period, the number of locally produced vehicles in China increased **by 80.6%**.

At the same time, **semiconductor supply shortages** led to adjustments and negatively influenced the production volumes at some production sites in the first three months of the year.

The **New Energy Vehicle (NEV) share** – in other words, battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV) as a proportion of total Audi production – **reached 7.9% (5.9%)** in the first three months of the year.

In the first quarter 2021, the production of the **new Audi Q4 e-tron family** started in the Volkswagen multi-brand plant in Zwickau. The fully electric compact model is the first fully electric Audi SUV to be produced in Germany.

#### Production

Audi brand, by site in units



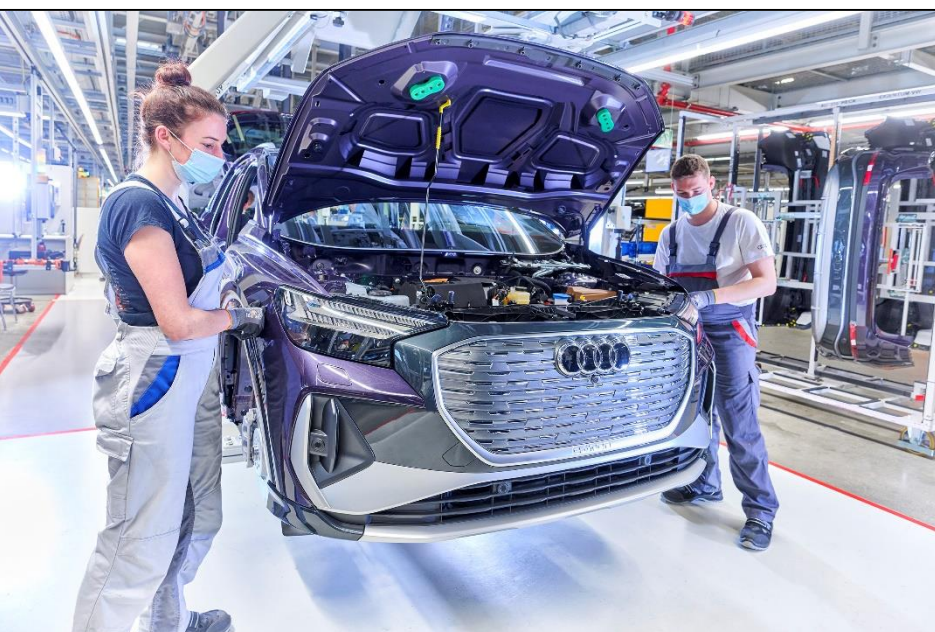
	1-3/2021	1-3/2020	Δ %
Ingolstadt (GER)	86,543	94,354	-8.3
Neckarsulm (GER)	48,773	47,972	1.7
Győr (HUN)	46,860	43,722	7.2
San José Chiapa (MEX)	32,343	34,265	-5.6
Brussels (BEL)	11,465	8,668	32.3
China (all sites)	164,643	91,180	80.6
Other sites	58,387	48,068	21.5
<b>Total</b>	<b>449,014</b>	<b>368,229</b>	<b>21.9</b>

of electrified vehicles in units

	1-3/2021	1-3/2020	Δ %
BEV production	14,536	9,060	60.4
PHEV production	20,861	12,785	63.2
<b>Total</b>	<b>35,397</b>	<b>21,845</b>	<b>62.0</b>

#### NEV share

in % of total





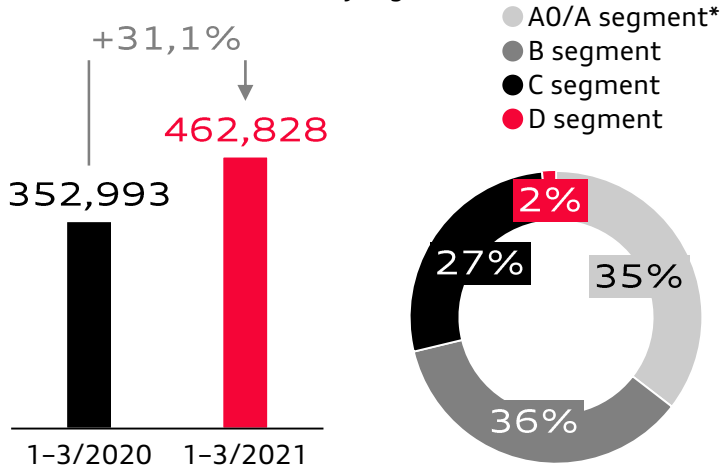


## 2. Finance and key figures – Deliveries to customers, Audi brand

### Significant growth in deliveries – China & USA with strong C/D segment

#### Deliveries to customers

Audi brand, in units/in % by region



The **Audi brand** delivered **462,828** (352,993) cars to customers worldwide in the first three months of the year, despite semiconductor supply shortages. Audi managed to take the momentum of the strong fourth quarter of 2020 into 2021 and delivered **31.1%** more cars to customers than in the coronavirus-impacted prior-year period.

A huge portion of the positive development in deliveries in the first quarter is attributable to **China**. Driven by strong demand, the **deliveries to customers** in China increased by **83.0%**.

In the **United States**, Audi showed significant growth from January to March 2021. Deliveries of Audi brand vehicles increased by **32.6%** and thus exceeded the 11.3% growth of the overall car market.

The **European market** was still burdened by restrictions related to the coronavirus pandemic. Within this challenging market environment, Audi delivered **-6.1% fewer cars** to customers than in the prior-year period.

Due to the attractive product portfolio, deliveries increased throughout all segments in the first three months of the year. Especially the models in the **C/D segment\*** with the Q7, Q8, A6, A7, A8 and Audi e-tron model lines were in high demand by customers. The share of vehicles delivered in the C/D segment increased by **3.3 ppt** compared with the prior-year period.

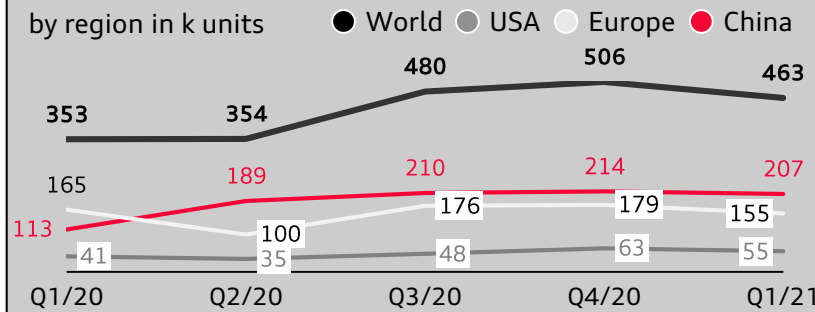
\* Detailed information on car segments can be found in the Audi Fact Pack

#### Deliveries to customers

Audi brand, by region in units



	1-3/2021	1-3/2020	Δ %
Europe	155,325	165,389	-6.1
<i>of which Germany</i>	<i>47,523</i>	<i>62,959</i>	<i>-24.5</i>
China incl. Hong Kong	207,386	113,330	83.0
USA	54,840	41,367	32.6
Other markets	45,277	32,907	37.6
<b>Total</b>	<b>462,828</b>	<b>352,993</b>	<b>31.1</b>



	1-3/2021	1-3/2020	Δ %
BEV deliveries	14,583	11,458	27.3
<i>BEV share</i>	<i>3.2</i>	<i>3.2</i>	<i>-0.1 ppt</i>
SUV deliveries	214,640	158,647	+35.3
<i>SUV share</i>	<i>46.4</i>	<i>44.9</i>	<i>+1.5 ppt</i>
CKD China	185,196	109,445	69.2
<i>CKD China share</i>	<i>40.0</i>	<i>31.0</i>	<i>+9.0 ppt</i>

## 2. Finance and key figures – Income statement

### Operating profit increased due to market recovery & positive valuation effects

#### Income statement

Audi Group, in €m/in % of revenue



	1-3/2021	1-3/2020	Δ %
Revenue	14,067	12,454	12.9
Cost of goods sold	-12,011	-11,130	7.9
<b>Gross profit</b>	<b>2,055</b>	<b>1,324</b>	<b>55.3</b>
Distribution expenses	-794	-665	19.3
Administrative expenses	-147	-158	-6.8
Other operating result	289	-486	X
<b>Operating profit</b>	<b>1,404</b>	<b>15</b>	<b>X</b>
<i>Return on sales (ROS)</i>	<i>10.0</i>	<i>0.1</i>	<i>+9.9 ppt</i>
of which Automotive segment	1,383	16	X
<i>ROS Automotive segment</i>	<i>10.0</i>	<i>0.1</i>	<i>+9.9 ppt</i>
of which Motorcycles segment	21	-1	X
<i>ROS Motorcycles segment</i>	<i>10.5</i>	<i>-0.8</i>	<i>+11.3 ppt</i>
Financial result	285	530	-46.2
of which China business	254	95	X
<b>Profit before tax</b>	<b>1,689</b>	<b>545</b>	<b>X</b>
Income tax expense	-218	-114	X
<b>Profit after tax</b>	<b>1,472</b>	<b>431</b>	<b>X</b>

↗ The Audi Group generated **revenue** of €14,067m (€12,454m) in the first three months of 2021. The year-on-year increase was mainly attributable to higher sales of our vehicles, especially in the C/D segment including BEVs, and therefore a favorable product mix with a strong price position. Additionally, higher sales of parts and components for local production in China also led to increasing revenue.

↗ **Cost of goods sold** increased due to the higher sales volume. **Distribution expenses** rose mainly because of a sales provision related to a recall in North America for the third generation of Audi A3 models.

**Administrative costs** decreased as a result of lower overhead costs driven by our general cost discipline and fixed costs program.

↗ The **other operating result** included a significant positive valuation effect from raw material hedges driven by higher prices as well as positive currency effects.

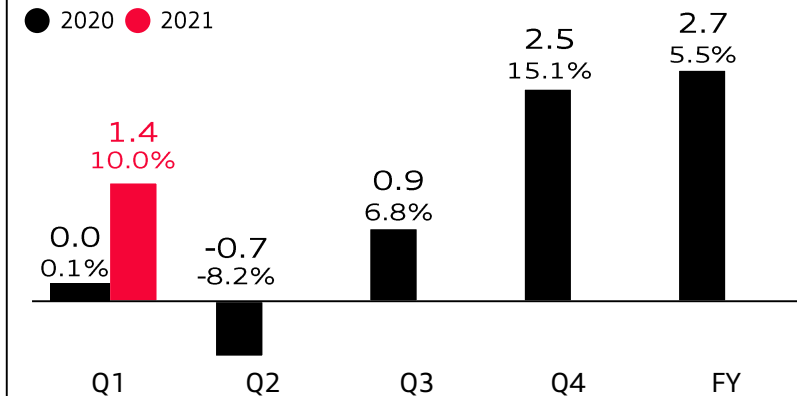
↗ The **operating profit** of the Audi Group reached €1,404m (€15m) and therefore the **operating margin** was 10.0% (0.1%).

↘ Despite a **strong China business**, the **financial result decreased** as the prior-year period was positively influenced by the sale of the Audi Electronics Venture GmbH to Volkswagen, which had a deconsolidation effect of €589m.

↗ **Profit before tax** came in at **€1,689m** (€545m).

#### Operating profit (before special items)

in €bn/in % of revenue



Audi A3 Sportback TFSI e



## 2. Finance and key figures – Balance sheet

### Balance sheet influenced by investment discipline and profit transfer to VW

#### Balance sheet

Audi Group, in €m



	March 31, 2021	Dec. 31, 2020	Δ %
Non-current assets	31,973	32,443	-1.4
Current assets	31,759	34,785	-8.7
Assets held for distribution to owners	1,400	-	X
<b>Balance sheet total</b>	<b>65,133</b>	<b>67,229</b>	<b>-3.1</b>
Equity	25,403	24,253	4.7
Liabilities	39,103	42,975	-9.0
<i>of which non-current liabilities</i>	<i>16,732</i>	<i>17,638</i>	<i>-5.1</i>
<i>of which current liabilities</i>	<i>22,371</i>	<i>25,337</i>	<i>-11.7</i>
Liabilities held for distribution to owners	627	-	X
<b>Balance sheet total</b>	<b>65,133</b>	<b>67,229</b>	<b>-3.1</b>

↘ **Non-current assets** were down slightly compared with December 31, 2020, mostly as a result of lower property, plant and equipment which is in line with our investment discipline.

↘ **Current assets** decreased mainly due to lower cash and cash equivalents as a consequence of the profit transfer from 2020 to Volkswagen AG, Wolfsburg.

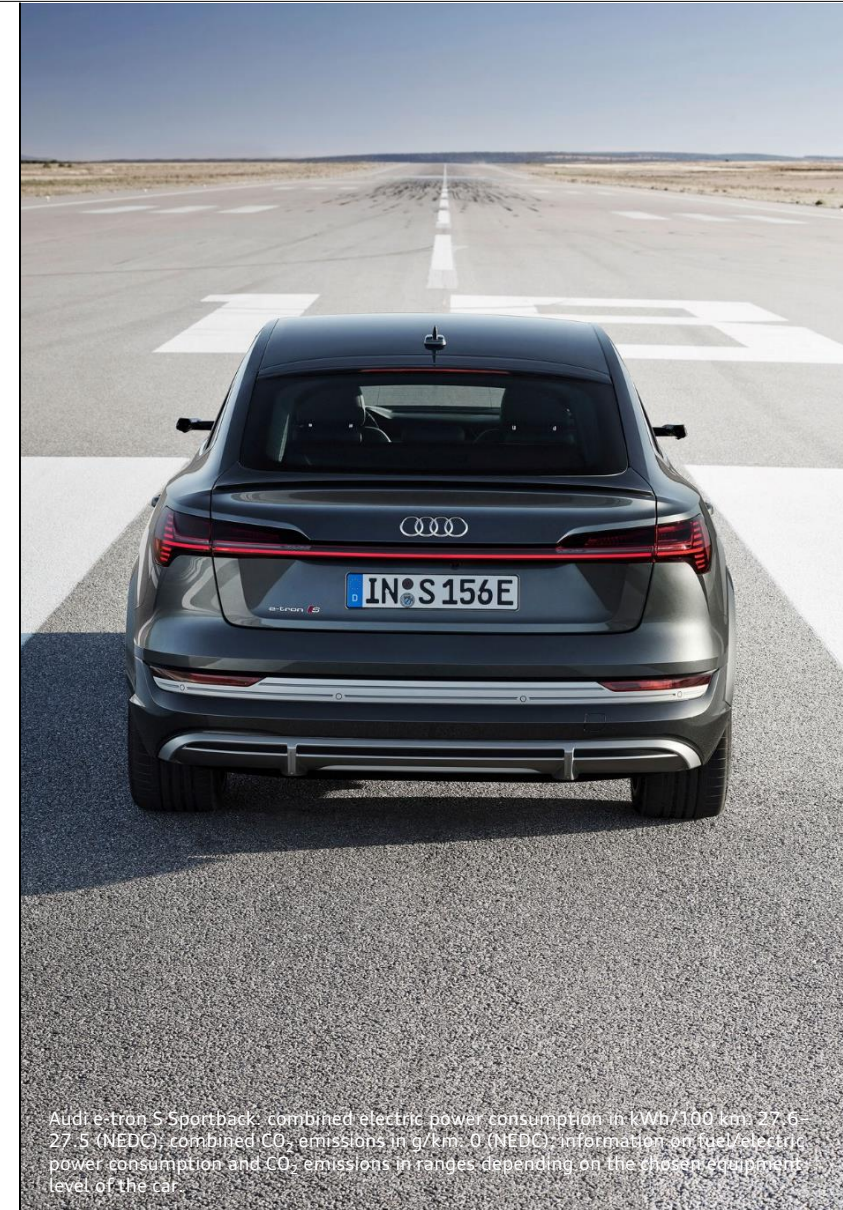
↗ **Assets classified as held for distribution to owners** are in connection with the agreed transfer of national sales companies within the Volkswagen Group.

↗ **Equity** increased slightly, affected by higher retained earnings; the **equity ratio** amounted to **39.0%** (36.1%).

↘ **Non-current liabilities** declined due to lower provisions for pensions driven by increased interest rates, among other things.

↘ The reduction of **current liabilities** was primarily caused by the payment of the profit transfer from 2020 to Volkswagen AG, while trade payables rose compared with December 31, 2020.

↗ **Liabilities held for distribution to owners** are also in connection with the agreed transfer of national sales companies within the Volkswagen Group.



Audi e-tron S Sportback: combined electric power consumption in kWh/100 km: 27.6-27.5 (NEDC); combined CO<sub>2</sub> emissions in g/km: 0 (NEDC); information on fuel/electric power consumption and CO<sub>2</sub> emissions in ranges depending on the chosen equipment level of the car.

## 2. Finance and key figures – Cash flow statement and net liquidity

Besides strong performance, high net cash flow influenced by temporary effects

### Cash flow statement

Audi Group, in €m



	1-3/ 2021	1-3/ 2020	Δ %
<b>Cash flow from operating activities</b>	<b>3,830</b>	<b>1,028</b>	<b>X</b>
Investing activities attributable to operating activities	-745	-76	X
<i>of which capital expenditure</i>	-281	-265	5.9
<i>of which capitalized development costs</i>	-466	-306	51.9
<i>of which acquisition and sale of participations</i>	-4	482	X
<b>Net cash flow</b>	<b>3,085</b>	<b>952</b>	<b>X</b>
<b>Cash flow from investing activities</b>	<b>-866</b>	<b>-497</b>	<b>X</b>
<b>Cash flow from financing activities</b>	<b>-5,866</b>	<b>-3,775</b>	<b>55.4</b>
<b>Net liquidity (Mar 31, 2021 compared to Dec 31, 2020)</b>	<b>17,779</b>	<b>22,377</b>	<b>-20.5</b>

↗ In the first three months of 2021, the Audi Group generated a **cash flow from operating activities** of €3,830m (€1,028m). Compared to the previous year, the higher profit and the favorable working capital development influenced by temporary and deferred effects – such as cash inflows from the strong Q4/2020 – had a huge impact on the growth.

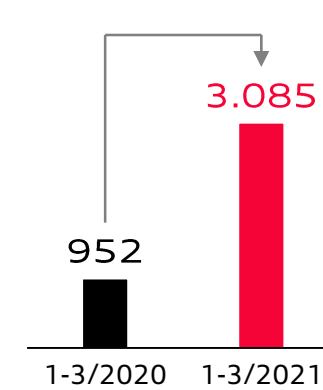
↘ **Investing activities attributable to operating activities** resulted in –€745m (–€76m) in the first quarter of 2021. The main drivers for this development were higher capitalized R&D costs as well as the one-time effect of the sale of the Audi Electronics Venture GmbH to Volkswagen in the prior-year period. The **ratio of capex** was **2.0%** (2.1%) in Q1/2021.

↗ The **net cash flow** of the Audi Group totaled €3,085m (€952m) in the reporting period.

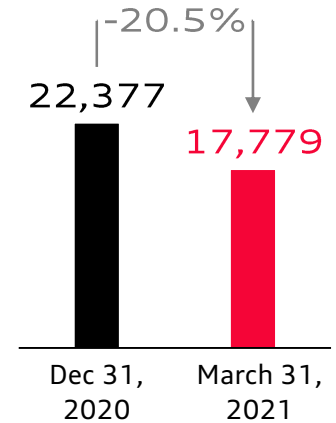
↘ **Cash flow from financing activities** amounted to –€5,866m (–€3,775m). It mainly included the profit transfer to Volkswagen AG for 2020.

↘ The **net liquidity** of the Audi Group as of March 31, 2021, amounted to a total of €17,779m (Dec 31, 2020: €22,377m).

### Net cash flow in €m



### Net liquidity in €m



Audi R8 Spyder

## 2. Finance and key figures – R&D and capex

### R&D ratio within strategic target – capex reflect investment discipline

#### Research & development

in €m

	1-3/2021	1-3/2020	Δ %
R&D activities	1,002	842	19.0
<i>R&amp;D ratio</i>	<i>7.1%</i>	<i>6.8%</i>	
Capitalized R&D	466	306	51.9
<i>Capitalization ratio</i>	<i>46.4%</i>	<i>36.4%</i>	
Amortization and reversals of capitalized R&D	330	293	12.6
<b>R&amp;D expenses</b>	<b>867</b>	<b>829</b>	<b>4.6</b>

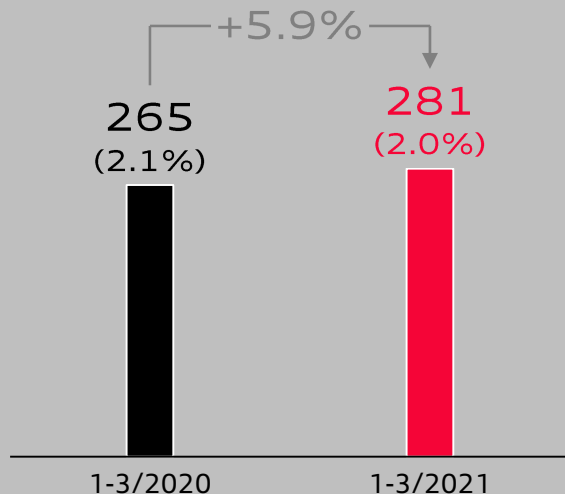
↗ In the first quarter of 2021, R&D activities increased to **€1,002m** and reflect the investments in future projects. The increase is based on additional costs for future topics such as electrification and digitalization. As a result, the **R&D ratio amounted to 7.1%**.

↗ While the **capitalization ratio increased to 46.4%** – reflecting current product lifecycle – **R&D expenses reached €867m**.

↗ **Capital expenditure went up by 5.9% to €281m**. The **capex ratio reached 2.0%** and therefore reflects the ongoing investment discipline of the Audi Group.

#### Capital expenditure

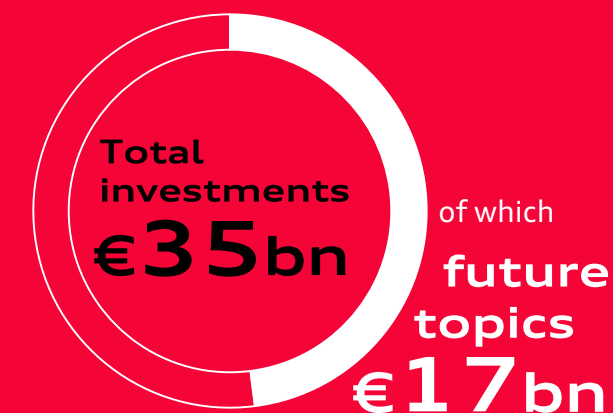
in €m/in % of revenues



Audi A8 TFSI e

#### Investment in the future

R&D activities & capex, in €bn, Σ 2021-2025<sup>1)</sup>



**Electrification**  
**€10bn**



**Hybridization**  
**€5bn**



**Digitalization<sup>2)</sup>**  
**€3bn**

1) All figures rounded to the nearest billion; discrepancies may arise when figures are added together individually.

2) Including other future topics, not including CARIAD budget.

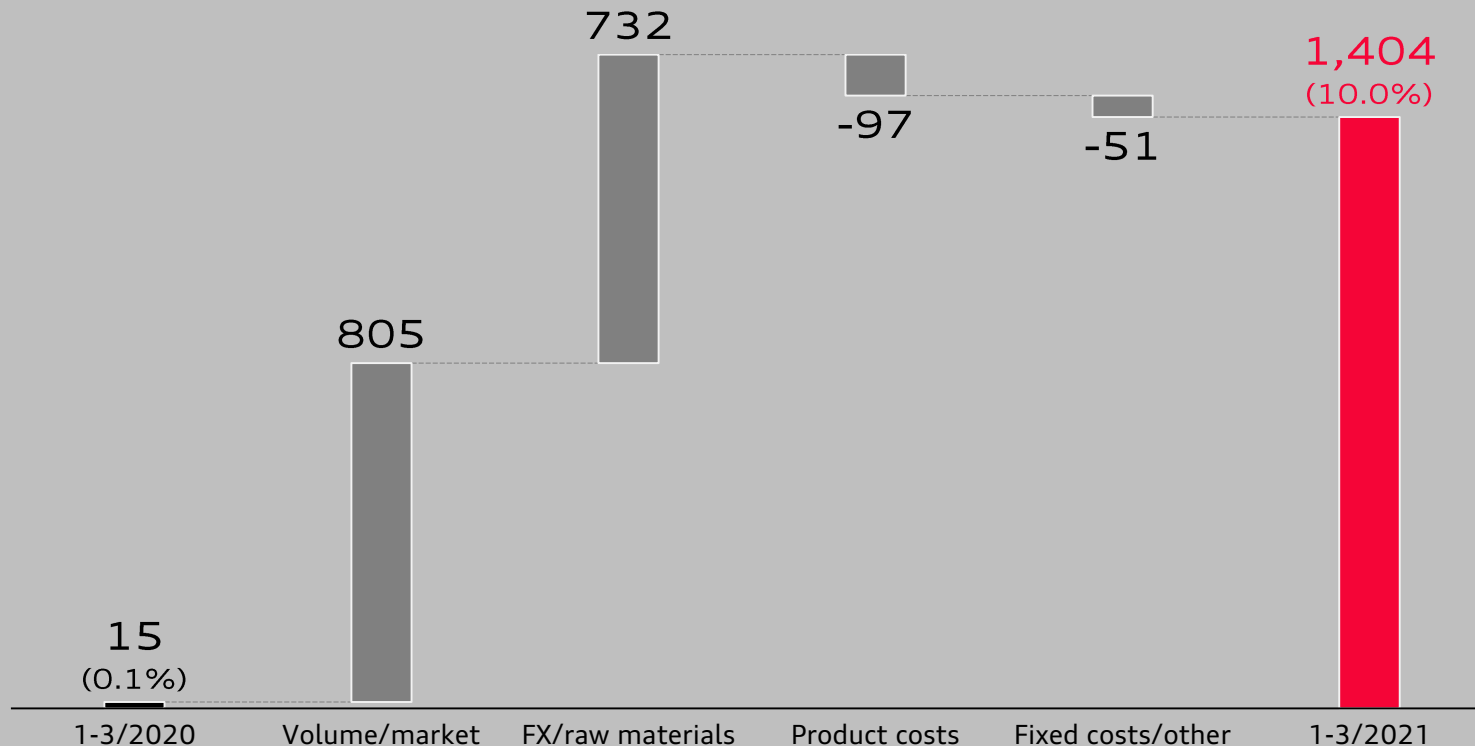


## 2. Finance and key figures – Value drivers: operating profit Q1/2020

### Volume/market effects and valuation of raw material hedges boost profit

#### Operating profit bridge

in €m/in % of revenue



#### Prior year:

1,100	-521	-760	-51	247	15
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➤ **Volume/market:** Higher volumes – both FBU and supply for local production in China, better model and country mix as well as better pricing led to strong growth in the first quarter of 2021. This was supplemented by a better performance by Lamborghini and Ducati.

➤ **FX/raw materials:** Positive valuation effects from raw material hedges due to higher prices influenced the operating profit positively in a year-on-year comparison.

➤ **Product costs** developed negatively compared to the prior year due to increased raw material prices.

➤ **Fixed costs/other:** The negative effect was based on higher R&D expenses – despite a higher capitalization rate of 46% (36%), while the remaining fixed costs stayed mostly stable compared to the prior-year period, which was affected by the coronavirus. Additionally, the item includes sales provisions for an A3 recall in North America.

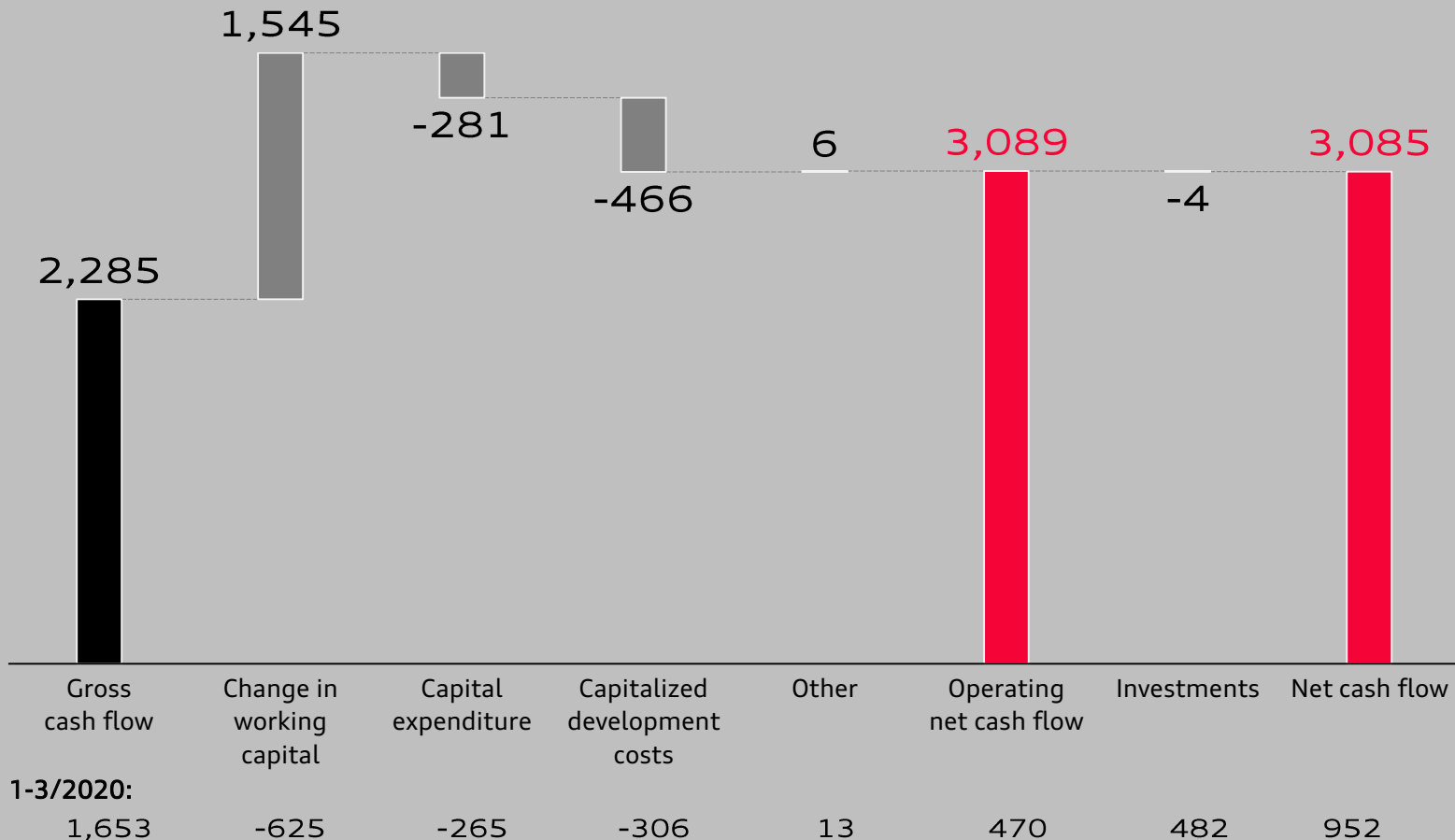


## 2. Finance and key figures – Value drivers: net cash flow Q1/2021

### Good gross cash flow and push from working capital

#### Net cash flow bridge

in €m



↗ **Gross cash flow** was mainly affected by the high profit.

↗ **The change in working capital** reflects only slightly higher trade receivables as a result of strong sales in the fourth quarter of 2020 and therefore high cash inflows at the beginning of 2021. Additionally, the increase in inventories was lower than planned due to a high market demand and bottlenecks in the supply chain. Trade payables rose significantly, mainly influenced by temporary effects. The main reasons were the higher production volume – especially in March 2021 – and higher liabilities in connection with R&D spending as well as personnel-related liabilities for employees. Provisions increased due to the A3 recall in the USA, among other things.

↘ As a result of our investment discipline we were able to keep **capital expenditure** at a constant level.

↘ The change in **capitalized development costs** mainly reflects the current product lifecycle.



## 2. Finance and key figures – Value drivers: workforce

### Workforce at Audi Group decreased in accordance with Audi.Zukunft

In the first quarter of the 2021 financial year, the **Audi Group workforce** totaled **86,365** (89,747) employees.

This reduction was largely based on the **Audi.Zukunft** fundamental agreement concluded in 2019. More than 1,300 employees of AUDI AG took up the early-retirement offer and left the company on July 1, 2020.

The number of employees at **Audi Hungaria Zrt.** was also reduced as a result of fluctuation and adaptation of the production program. The deconsolidation of **Autonomous Intelligent Driving GmbH**, Munich, also brought a reduction in the workforce.

#### Audi.Zukunft

consistent realization of Audi.Zukunft, in short:

- focus in 2021 is necessary transformation of competencies & retraining in future job profiles
- optimization of strategic production capacity at the two German sites
- socially acceptable adaptation of jobs along the basis of demographic developments by employment of additional **2,000 employees** for future topics
- at the same time extending **job guarantees until the end of 2029**

**Goal: maintain the long-term competitiveness of the German sites, secure the strategic target corridor for ROS of 9 to 11%**

#### Workforce Audi Group

as of March 31



	3/2021	3/2020	Δ %
Domestic companies <sup>1</sup>	57,283	59,992	-4.5
Foreign companies	26,415	26,905	-1.8
<b>Employees</b>	<b>83,698</b>	<b>86,897</b>	<b>-3.7</b>
Apprentices	2,214	2,386	-7.2
Employees of Audi Group companies	85,912	89,283	-3.8
Staff employed from other Volkswagen Group companies not belonging to the Audi Group	453	464	-2.4
<b>Workforce Audi Group</b>	<b>86,365</b>	<b>89,747</b>	<b>-3.8</b>

<sup>1</sup> Of these employees, 2,204 (2,038) were in the passive stage of their partial retirement.

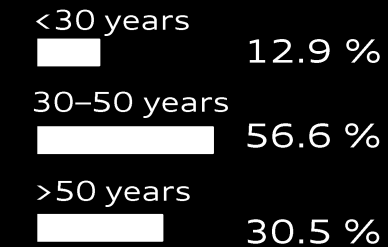


#### Structural data

FY 2020 (as of Dec. 31)

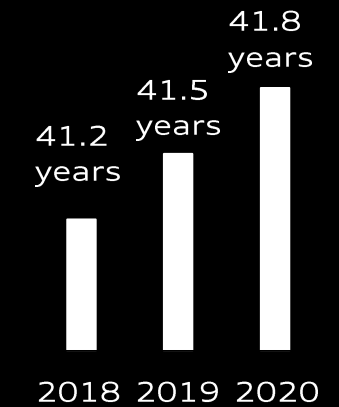
##### Age structure

(AUDI AG, excl. apprentices)



##### Average age

(AUDI AG, excl. apprentices and fixed-term employees)



Proportion of women  
(in percent, Audi Group)

15.2



Turnover rate  
(in percent, excl. apprentices, average figure for the year)

0.6



Average length of service  
(in years, excl. apprentices)

18.3



Average training time per employee  
(in hours, indirect employees)

9.0





## 2. Finance and key figures – Lamborghini

### Lamborghini shows strong start in 2021 – deliveries above pre-pandemic level

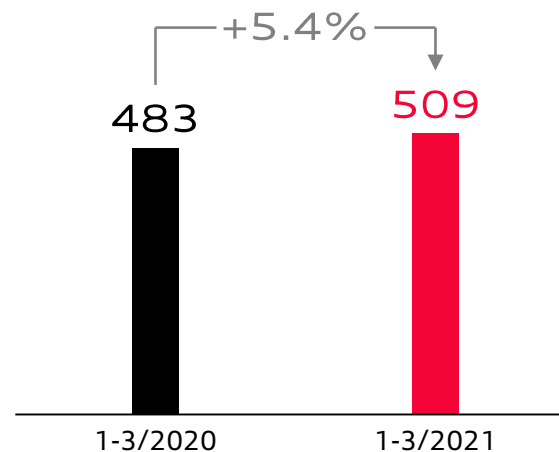


Lamborghini Sián Roadster:  
combined fuel consumption in l/100 km: 19.8 (NEDC);  
combined CO<sub>2</sub> emissions in g/km: 449 (NEDC)



The luxury brand Lamborghini got off to a strong start in the first three months of 2021. Deliveries recorded the best first quarter ever, increasing by 24.6% versus the prior-year period and exceeding the 2019 pre-pandemic level. The increase in deliveries was coupled with a solid 5.4% growth in revenue in Q1/2021, contributing to the operating profit of the Audi Group. Thanks to a much stronger and growing order book and an attractive product portfolio, Lamborghini is looking optimistically toward the remainder of the year.

#### Revenue from the sale of cars in €m

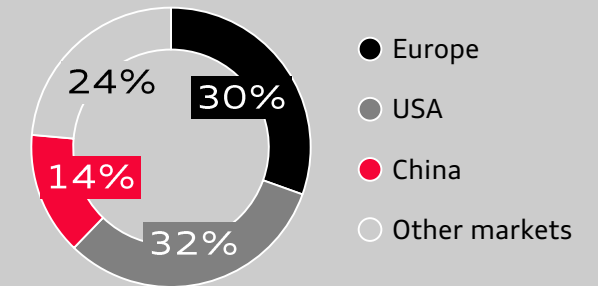


#### Deliveries to customers in units



	1-3/2021	1-3/2020	Δ %
Urus	1,382	1,153	19.9
Huracán	753	566	33.0
Aventador	287	225	27.6
<b>Lamborghini brand</b>	<b>2,422</b>	<b>1,944</b>	<b>24.6</b>

#### by region



#### Production in units



	1-3/2021	1-3/2020	Δ %
Urus	1,308	1,042	25.5
Huracán	630	489	28.8
Aventador	185	215	-14.0
<b>Lamborghini brand</b>	<b>2,123</b>	<b>1,746</b>	<b>21.6</b>



## 2. Finance and key figures – Ducati

### Ducati delivers convincing financial figures in Q1/2021



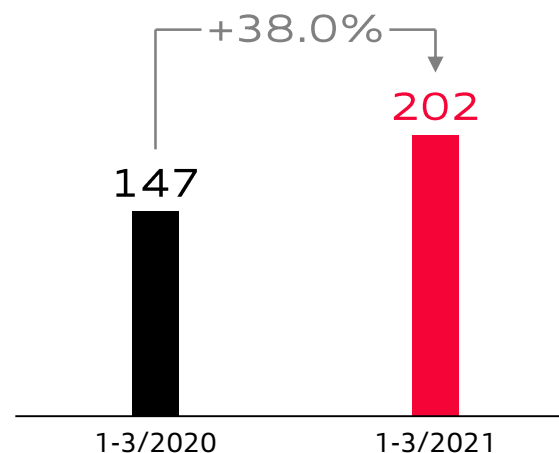
The Ducati brand delivered **12,803 (9,605)** motorcycles to customers worldwide in the first three months of 2021.

Driven by this sharp increase of **33.3%** in deliveries, but also due to an attractive product portfolio and a strong price position, Ducati significantly increased its revenue and operating profit in the first quarter. Both items not only surpassed the prior-year figures, but were even above the pre-pandemic level of 2019.

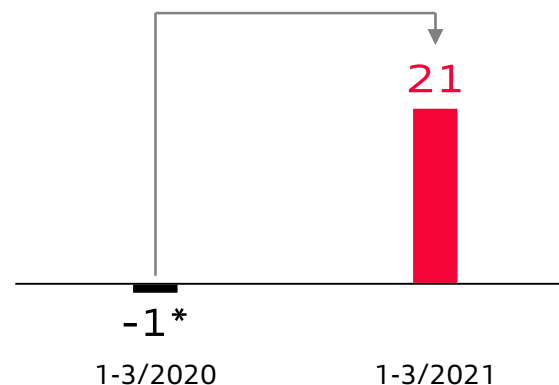


Ducati Superleggera V4

#### Revenue in €m



#### Operating profit in €m



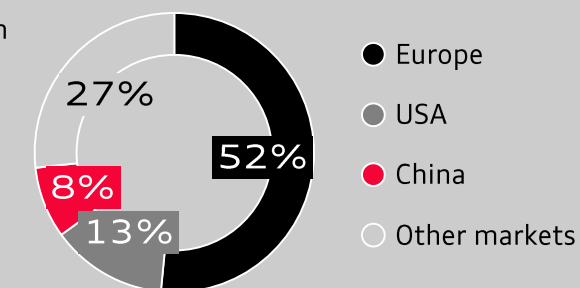
\*after purchase price allocation (ppa)  
Operating profit before ppa 2020: €5m

#### Deliveries to customers in units



	1-3/2021	1-3/2020	Δ %
Scrambler	2,635	1,761	49.6
Naked/Sport Cruiser (Diavel, Monster, Streetfighter)	3,629	2,472	46.8
Dual/Hyper (Hypermotard, Multistrada)	4,009	2,912	37.7
Sport (SuperSport, Panigale)	2,530	2,460	2.8
<b>Ducati brand</b>	<b>12,803</b>	<b>9,605</b>	<b>33.3</b>

#### by region



#### Production in units



	1-3/2021	1-3/2020	Δ %
Scrambler	3,229	2,451	31.7
Naked/Sport Cruiser (Diavel, Monster, Streetfighter)	3,842	3,427	12.1
Dual/Hyper (Hypermotard, Multistrada)	4,395	3,489	26.0
Sport (SuperSport, Panigale)	4,004	4,028	-0.6
<b>Ducati brand</b>	<b>15,470</b>	<b>13,395</b>	<b>15.5</b>



## 2. Finance and key figures – Guidance 2021

### Guidance 2021 unchanged – uncertainties due to coronavirus & semiconductors



Audi RS e-tron GT:  
combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC);  
combined CO<sub>2</sub> emissions in g/km: 0 (NEDC); information on fuel/electric power consumption  
and CO<sub>2</sub> emissions in ranges depending on the chosen equipment level of the car.

The Board of Management of AUDI AG anticipates that the global economy will stabilize in 2021 and grow approximately by 5%. Development in the global passenger car markets is expected to be significantly positive, though diverse across the regions.

In general, Audi is still looking at the remainder of 2021 with cautious optimism. However, the uncertain further development of the coronavirus pandemic in combination with the related recovery of the global economy complicates the forecast. There is still a risk regarding sufficient supply of semiconductors for the entire automotive industry. We are striving to keep the operating impacts of the current undersupply of semiconductors as low as possible and to compensate for them as far as possible during the remainder of the year.

#### Guidance 2021

	2020	2021 guidance	strategic target
Deliveries to customers in units	1,692,773	significantly above 2020	
Revenue in €m	49,973	significantly above 2020	
Operating return on sales in %	5.1%	between 7 and 9%	between 9 and 11%
Capex ratio in %	3.8%	within the strategic target corridor	between 4 and 5%
R&D ratio in %	7.3%	within the strategic target corridor	between 6 and 7%
Net cash flow in €m	4,589	between €3.5bn and €4.5bn	
Return on investment in %	7.4%	between 12 and 15%	above 21%



Audi e-tron GT quattro:  
combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO<sub>2</sub> emissions in g/km: 0 (NEDC)  
Audi RS e-tron GT:  
combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO<sub>2</sub> emissions in g/km: 0 (NEDC);  
information on fuel/electric power consumption and CO<sub>2</sub> emissions in ranges depending on the chosen equipment level of the car.



### 3. ESG – Environment – Social – Governance

## Supplementing Audi's financial communication with ESG-relevant information



**ENVIRONMENT**



**SOCIAL**



**GOVERNANCE**

The aspect of sustainability plays a key role for Audi. The three factors **Environment, Social and Governance (ESG)** are repeatedly addressed and are one important focus of communication. Audi's aim is to convey a transparent and credible picture regularly. This is offered in a compact form once a year in the Audi Report, but will also serve as an integral part of the Quarterly Update Audi Group. Therefore, this section includes information and proof-points on how Audi acts with integrity and sustainability, what synergies are exploited in the process, in which areas Audi is involved and what measures are implemented.

Audi takes the issue of climate protection seriously and wants to play an active role in shaping the cross-industry transformation – together with employees and suppliers. The goal is to offer highly attractive products and services while protecting the environment and conserving resources.

Additionally, Audi takes on responsibility for providing good working conditions, as well as ensuring high quality and sustainability standards within the whole supply chain.

Making corporate decisions holistically, responsibly, transparently and with integrity: Audi believes that operating with integrity means taking its responsibility to society seriously. The aim is to achieve an optimum for all participants: employees, suppliers, customers and society.



### 3. ESG – Environment (E)

## Board in dialogue: How Audi is helping to make the industry more sustainable

### Audi rethinks the car

Sustainability is currently the hot topic in the automotive industry – and will remain so for decades to come. The days of “faster, higher, farther” are over. “We have a unique opportunity right now to completely rethink the car, to conceptualize, to design, to interpret,” says Wortmann.

“Audi is embracing this responsibility.”

Read more on our [website](#).

### Audi radically reduces its carbon footprint

So how can Audi as a company help create a sustainable and livable future? Board member Hildegard Wortmann believes the industry has a duty to respond to these questions with action and clearly formulated goals – just as Audi and the Volkswagen Group are already doing. For example, the entire Volkswagen Group is the first automaker to commit to the ambitious goals set forth in the Paris Climate Agreement. As a first milestone, Audi is aiming to **reduce the carbon footprint of its fleet by 30% by the year 2025 compared to 2015**; the entire Group wants to achieve net-zero emissions by 2050.

### Audi is helping reach this target through its Roadmap E.

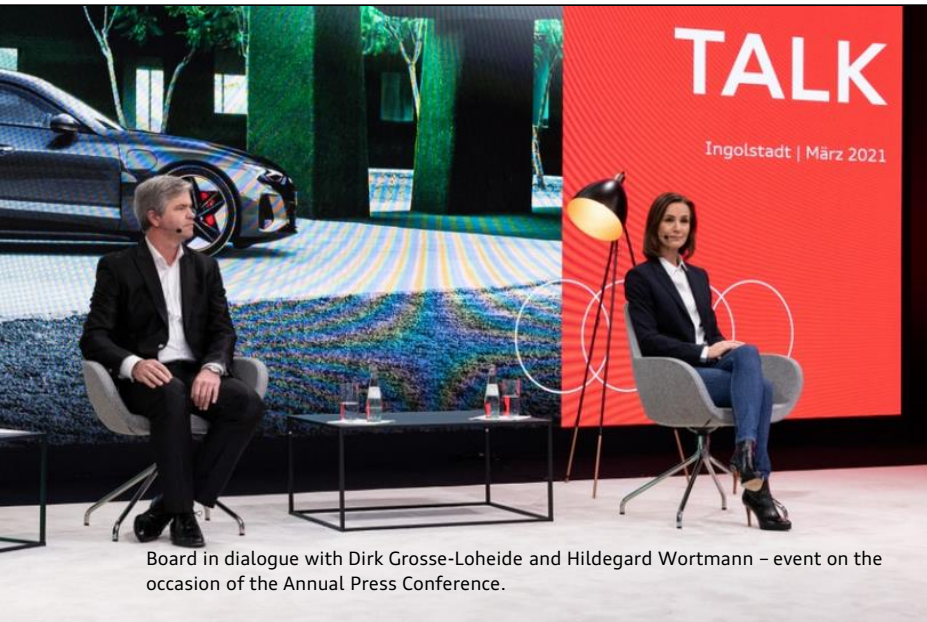
The number of all-electric vehicles in the company’s lineup will increase this year from the current three to seven models. **By 2025, the company intends to have more than 20 fully electric models on the market.** “We firmly believe that the future of transportation is electric,” Wortmann emphasizes.

By 2025 more than

**30**  
electrified models

including

**20**  
fully electric models



Board in dialogue with Dirk Grosse-Loheide and Hildegard Wortmann – event on the occasion of the Annual Press Conference.

### Audi’s goal: to achieve net-zero emissions at all sites by 2025

This shift toward electric cars goes far beyond just launching new models. “Our ability to have a positive impact is far greater than one would expect,” says Dirk Grosse-Loheide. But simply switching from an internal combustion engine to an electric drive system does not make a car sustainable. It’s just as important, he says, that electric cars are powered by green electricity – and that the production process is also climate-friendly.

In production and at the sites, Audi’s “Mission:Zero” is in full force – **the goal is for all of the company’s locations to achieve net-zero emissions by 2025.**



### 3. ESG – Social (S)

## How digitalization is improving sustainability in the supply chain

Digitization makes even more sustainability possible

**Sustainability means more than reducing carbon emissions.** In addition to the environmental aspects, Audi also assumes social responsibility and is committed to sustainable and transparent corporate governance.

Acting with entrepreneurial spirit inevitably involves risk, and it is essential to identify this risk early on and to act at all times in a way that ideally prevents it from arising or at least keeps it to a minimum. Audi has made risk-conscious conduct an integral part of its corporate philosophy and regularly reviews its in-house monitoring and inspection mechanisms. **The company also considers sustainability risks in its global supply chain.**



Audi uses artificial intelligence to monitor risk in its supply chain

**Audi is increasingly using digital tools for automated, proactive monitoring.** For example, Audi has joined Porsche and Volkswagen in using technology from Austrian start-up Prewave. This system aggregates publicly accessible news in more than 50 languages from around 150 countries. **Artificial intelligence then semantically analyzes the information and consolidates the various sources.**

The AI understands the content of the reports and classifies them based on any suspicion of potential sustainability violations. And because the AI is constantly learning, the system is constantly improving its ability to recognize emerging risks in reports. **This covers a broad spectrum. In the case of criteria from the “Social” category, for example, the focus is on labor law developments, unrest among the workforce, child labor and discrimination in the workplace.** Relevant criteria from the “Environment” category use public data for aspects such as air pollution, water pollution and consumption or waste problems. Audi is automatically informed whenever a potential sustainability risk begins to develop.

**“When it comes to tackling the complexity in our supply chains in a responsible manner, digital solutions are important enablers for sustainability.”**

- Susanne Lenz, strategist for sustainability in the supply chain at Audi

In its Code of Conduct for Business Partners, Audi has defined sustainability requirements for more than 14,000 direct suppliers in more than 60 countries and tasked them with passing these requirements on to their upstream partners as well. **The environmental, social and compliance guidelines that the Code of Conduct contains are a basis for collaboration and an established element of the risk assessment process.** One example of this is the Sustainability Rating. Audi uses this procedure to check whether its contractual partners are complying with the Code of Conduct and to determine its suppliers’ performance in terms of sustainability. Audi will only consider working with the companies that receive a positive outcome.



### 3. ESG – Governance (G)

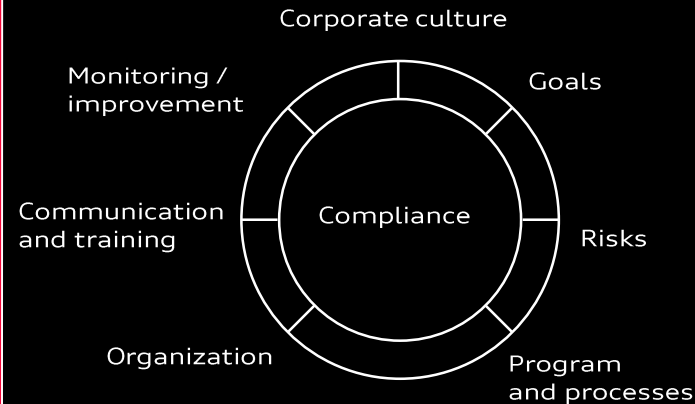
## Win-win-win-situation for humankind, society and the environment

Responsible and value-oriented corporate governance means making all decisions holistically, transparently and with integrity. Audi has implemented several programs and tools to ensure this goal.

#### Monitorship

The program is designed to prevent and detect violations of anti-fraud and environmental laws. The successful completion of the Monitorship was certified by Larry D. Thompson in September 2020 and applies to Volkswagen AG and its subsidiaries and affiliates – including AUDI AG.

### Audi Compliance Management System (CMS)



As part of its organizational duty, the Audi Board of Management has established a compliance management system and a compliance organization, which is divided into seven core elements (graph).

A Compliance Management System (CMS) refers to the principles, measures, processes and structures of the company for permanent compliance with laws and internal regulations by corporate bodies, employees and third parties. The Audi CMS also covers 44 subsidiaries and participations worldwide with predominantly local compliance officers acting as multipliers.

### Anti-corruption and prevention

Effective anti-corruption and prevention of corruption are regulated by Audi's own specialist department Integrity, Compliance and Risk Management.

The Code of Conduct provides employees with a concrete guideline on how to behave with integrity, thus also continuing the cultural change at Audi.

In 2020, the Compliance Organization of Audi supported 44 national and international affiliated companies with regard to the compliance focus topic of anti-corruption as well as implementing guidelines and holding training courses.

### Together4Integrity (T4I)

This is the integrity and compliance program of the Volkswagen Group and was introduced at AUDI AG back in 2018. The program is based on the principles of the Ethics & Compliance Initiative (ECI), a globally recognized standard for ethical corporate principles.

A large number of the T4I measures have already been implemented at the German sites of AUDI AG. At the same time, AUDI AG is responsible for rolling out the T4I program at its subsidiaries and participations.



Audi Q5

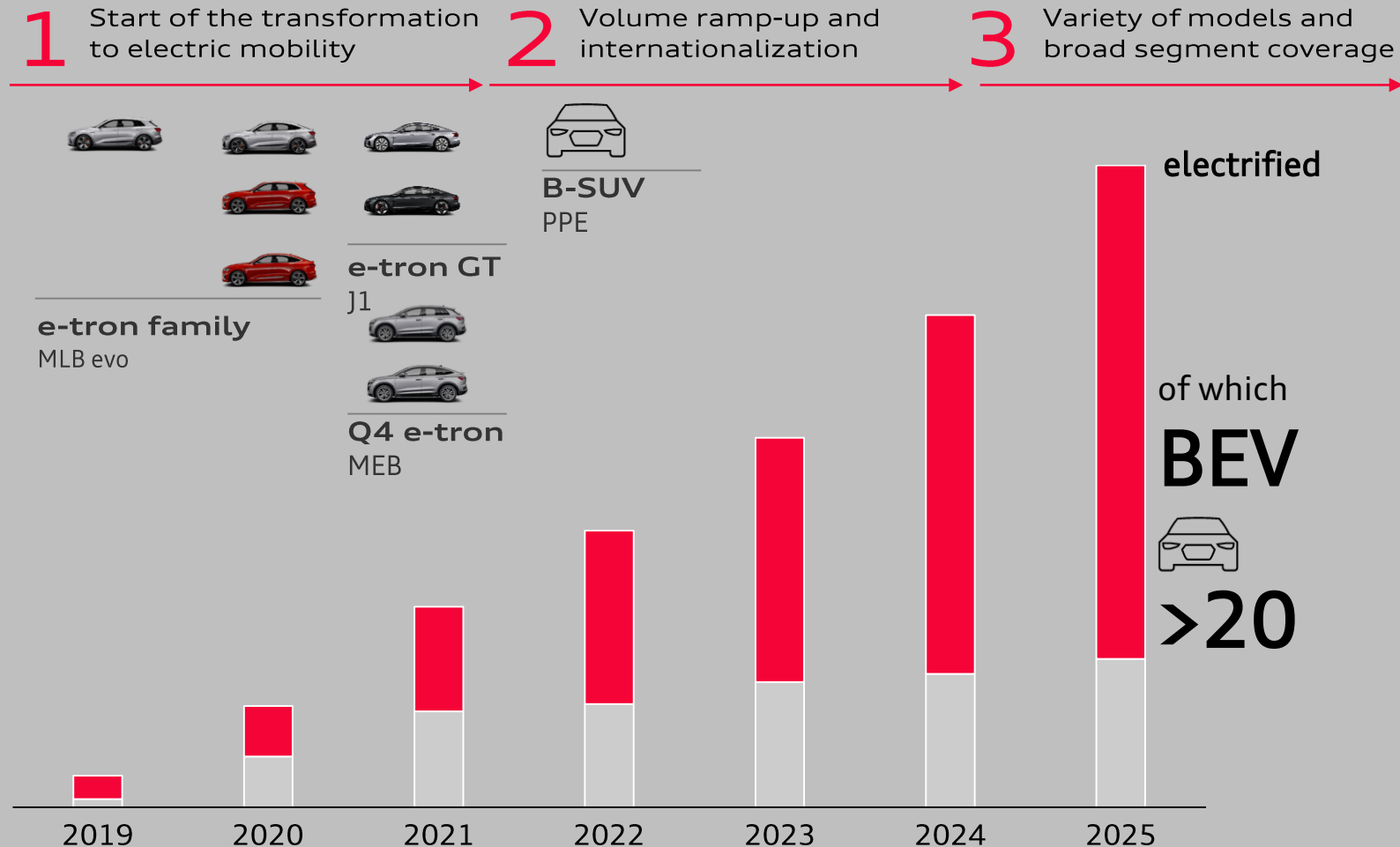


## 4. Audi Facts – Roadmap E

### Ambitious Roadmap E ensures competitiveness for the years to come

#### Roadmap E

○ PHEV ● BEV



2025  
powertrain mix  
in % of produced units

NEV share  
~1/3

● BEV ● PHEV ○ ICE



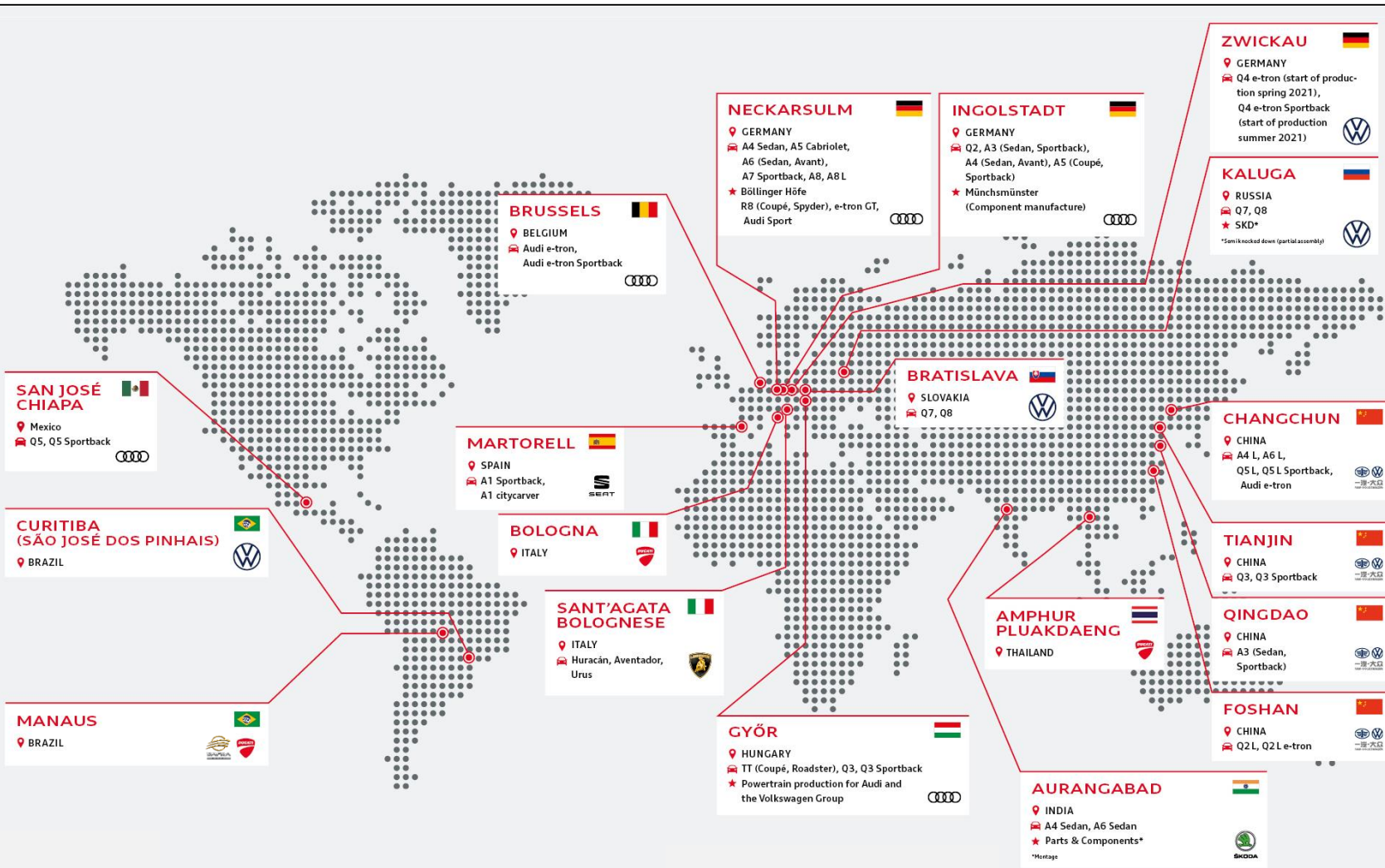
Audi is committed to the electrification of its fleet as this is the most efficient way to reduce CO<sub>2</sub> emissions. With the Audi e-tron family, the brand entered the electric age in 2019. Sales success is the testimony to precise positioning and competitive performance. Synergies within the Volkswagen Group play a pivotal role in scaling electric vehicles with attractive margins. Shared platforms enable Audi to benefit from R&D, production and process synergies. In 2021, with the market introduction of the Q4 e-tron family, Audi will benefit from the modular electric drive matrix (MEB), developed by Volkswagen Passenger Cars. Premium Platform Electric (PPE) jointly developed by Audi and Porsche will be the basis for the full-size class vehicles from 2022 onwards.





## 4. Audi Facts – Structures/locations of Audi production sites

In Q1, production of Q4 e-tron family started in the VW multi-brand site Zwickau



The Audi Group, with its brands Audi, Lamborghini and Ducati, is one of the most successful manufacturers of automobiles and motorcycles in the premium and supercar segment.

Audi stands for sporty vehicles, high build quality and progressive design – for “Vorsprung durch Technik.”

To play an instrumental role in shaping the transformation as we head into a new age of mobility, the company is implementing its strategy step by step.

Audi is present in more than 100 markets worldwide and produces at 19 locations in 12 countries.





# 4. Audi Facts – Audi model range

## Overview of Audi models (German market)

ICE PHEV BEV

**A1**



**A3**



**A4**



**A5**



**A6**



**A7**



**A8**



**TT**



**R8**



**e-tron**



**e-tron GT**



**Q4 e-tron**



**Q2**



**Q3**



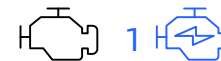
**Q5**



**Q7**



**Q8**



**NEV**

BEV 6x

PHEV 12x

## 4. Audi Facts – Financial calendar

### Upcoming events

Quarterly Update Q2/21  
July 30, 2021

Quarterly Update Q3/21  
October 29, 2021



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

## Disclaimer

The following presentations contain forward-looking statements and information on the business development of the Audi Group. These statements may be spoken or written and can be recognized by terms such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will” or words with similar meaning. These statements are based on assumptions, 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. These assumptions relate in particular to the development of the economies of individual countries and markets, the regulatory framework and the development of the automotive industry. Therefore, the estimates given involve a degree of risk, and the actual developments may differ from those forecast. The Audi Group currently faces additional risks and uncertainty related to pending claims and investigations in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Audi vehicles. The degree to which the Audi Group may be negatively affected by these ongoing claims and investigations remains uncertain. The recent outbreak of COVID-19 (commonly referred to as coronavirus) has negatively impacted and may continue to impact economic and social conditions in some of Audi's primary markets, including China and Europe, as public, private and government entities implement containment and quarantine measures. The continued spread of COVID-19 may cause shortages of necessary materials and parts from suppliers directly or indirectly affected by the outbreak and may cause operational disruptions and interruptions at Audi's production facilities, leading to significant production downtimes.

A negative development relating to ongoing claims or investigations, the continuation of COVID-19, an unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, and trade disputes among major trading partners will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates in particular relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna. If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements. We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

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