

Brand Group Core reports solid results for 2024 in a challenging environment



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Our independent core brands make us as a brand group strong and innovative.

Together, we are not only getting better, but also becoming more efficient as regards future topics such as battery costs, development time and software quality. The solid financial results in the challenging 2024 financial year confirm that our strategy is working. And we will soon quite literally be putting our full power on the road with the Electric Urban Car Family: we will show that it is possible to develop and build low-cost compact electric cars in Europe – and give them the charisma of three separate brands, each with a clearly differentiated presence. Only the Brand Group Core can do that.”

The Volkswagen, Škoda, SEAT/Cupra and Volkswagen Commercial Vehicles brands worked closely together in the last financial year. Jointly optimized processes strengthened the resilience of the Brand Group Core. Despite necessary restructuring – at the Volkswagen brand in particular – the brand group reported a solid operating result of some 7 billion euros in a challenging market environment. The successful implementation of model ramp-ups together with moderate increases in vehicle sales and sales revenue underscore the increased resilience of the brand group in the face of external challenges.

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Key figures (Jan. – Dec. 2024)

| Brand Group Core vehicle sales rose to 4.96 million (4.83 million vehicles in 2023)

Brand Group Core sales revenue improved slightly to 140.0 billion

euros (137.8 billion euros in 2023) | | Moderate 2.8% year-on-year growth in vehicle sales – overall, the core brands grew market share.

In an intensively competitive environment, there was a slight 1.6% increase in the Brand Group Core's sales revenue due to a positive mix and higher vehicle sales by the Volkswagen brand. |

| Brand Group Core operating result came in at 6.96 billion euros Euro (7.27 billion euros in 2023) despite expenses for restructuring measures| | In addition to higher fixed costs, expenses for restructuring measures impacted the result. Volume and mix effects, optimized material costs and the reversal of personnel-related provisions due to the collective bargaining agreement had a positive effect.|

| Brand Group Core operating margin of 5.0% after restructuring (5.3% in 2023) | | There was a slight decrease of 0.3% in the operating margin due to restructuring costs and including the reversal of provisions.|

| Net cash flow fell by | | The decrease in net cash flow is due to the increase in inventories. This was attributable to numerous model ramp-ups as well as higher investments in the future viability of the brand group.|

“Despite intense competition with challenging global developments, we reported a solid overall result for the Volkswagen brand in the 2024 financial year. Vehicle sales and sales revenue were higher than the previous year.

However, costs for necessary restructuring measures had a significant impact on our performance. All in all, the year marked a turning point for us – we are now working consistently to make our organization more cost efficient and achieve sustainable success.”

The Brand Group Core stands for strong individual brands, each focusing on different consumer groups. In 2024, the volume brands increased their market presence in Europe by 0.9 percentage points to 20.1% with the launch of new models. The fact that the brand group was able to grow both vehicle sales and market share in Europe in spite of the generally difficult market environment is testimony to the attractiveness of the current model range – and to the successful coordination of positioning among the individual core brands.

The Volkswagen brand held its own in a challenging market environment in 2024 and proved its strategic strength. Weaker demand, particularly with reference to electric vehicles at the beginning of the year, led to higher purchase incentives. Numerous new models had a short-term negative impact on profitability. With its performance program, Volkswagen optimized the price-performance ratio, reduced product costs and tightened the structure for overheads. For example, factory costs per vehicle at Volkswagen brand plants were 3% lower than the previous year, in part as a result of optimizing shifts. At the same time, the Volkswagen brand used financial resources to reduce personnel costs in administration with a view to strengthening efficiency and competitiveness.

The Brand Group Core is steadily growing closer together – in the coming years, the brand group will concentrate on further increasing efficiency as well as consistently expanding cross-brand collaboration. Going forward, the brand group's global production network of 22 locations will be organized in five production regions. This will leverage cross-brand synergies and regional cost advantages with a view to establishing efficient and future-oriented production.

The number of country clusters for technical development will also be reduced across all brands to be able to respond to specific market requirements and customer wishes more effectively and efficiently in future. In parallel, development times for new vehicles will be shortened in order to respond faster to market changes.

Work on the Electric Urban Car Family is in full swing across all brands. Under the project led by Seat/CUPRA, the Brand Group Core will be launching electric cars in the 25,000-euro class from 2026. The four models – two from the Volkswagen brand and one each from CUPRA and Škoda – will be built at the Spanish plants in Martorell and Pamplona. The Electric Urban Car Family will unlock synergy potential totaling 650 million euros across the entire product life cycle.

The “Zukunft Volkswagen” program agreed at the end of December 2024 laid the foundation for the competitiveness of Volkswagen AG in Germany. The program combines economic stability and sustainable employment. It paves the way for the Volkswagen brand as the main pillar of the Brand Group Core to become the global technologically leading volume manufacturer by 2030.

That is why the Brand Group Core is targeting continuous increases in earnings in the coming years underpinned by the effects of the ongoing performance programs at all volume brands. Intensive efforts are already underway to implement the measures that have been decided – and thus generate a pathway to a medium-term return on sales of 8% for the Brand Group Core.

Overview of the brands in the Brand Group Core

Volkswagen Passenger Cars delivered 3,109,007 vehicles (excluding China, including external manufacturing) in the 2024 financial year, a year-on-year increase of 3.1%. This was in part attributable to the fact that sales of the ID. models picked up in the second half of the year. Sales revenue ran at 88.26 billion euros. The operating result decreased by 27% to 2.59 billion euros. The operating margin after restructuring decreased to 2.9% compared with 4.1% in the previous year.

Škoda Auto reported its best financial year ever in 2024. Driven by the 6.9% increase in the brand's global deliveries to 926,600 vehicles, the consistent implementation of the Next Level Efficiency+ program and other effects, the Czech automaker reported an operating result of 2.3 billion euros, corresponding to an increase of 30.0%.

There was a further rise in the operating margin to 8.3%, reflecting the excellent overall financial performance and the resilience of Škoda Auto. This enables the company to master the upcoming challenges of the increasingly intense transformation from a position of strength.

SEAT/CUPRA reported year-on-year volume growth of 5.9%, delivering 636,807 vehicles. There was a slight 1.4% rise in sales revenue to 14.53 billion euros. The operating result increased by 1.3% to 633 million euros. The operating margin remained unchanged at 4.4%.

Volkswagen Commercial Vehicles

Volkswagen Commercial Vehicles (VWN) delivered 404,412 vehicles in 2024 – a decrease of 4.3%. This is attributable to the model changeover to the new Transporter, that has now joined the Multivan and ID. Buzz to complete the trio. At 15.1 billion euros, sales revenue was similar to the prior-year level (-1.3%). The operating result after restructuring fell by 14.9% to 743 million euros. The operating margin

after restructuring was 4.9%, a decrease of 0.8 percentage points compared with the previous year.

Key figures for the Brand Group Core:

| Key financials | 2024 | 2023 | Change

| Vehicle sales | | 4,960 | 4,826 |

| Sales revenue | 140,004 million € | 137,770 million € | +1.6% |

| Operating result before special items, after restructuring | 6,961 million € | 7,273 million € | -4.3% |

| Operating margin before special items, after restructuring | 5,0% | 5,3% | -0.3%-points |

| Net cash flow | 4,680 million € | 5,625 million € | -16.8% |

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

1) before special items, after restructuring measures

2) excl. China; incl. external manufacturing

3) comprises Škoda Auto Group sales to distribution companies incl. other Group brands

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