Brand Group Core with stable sales revenue and product offensive in first half of 2024 - High fixed costs and one-off effects significantly impact profitability of Volkswagen brand

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The Brand Group Core made progress with its performance programs in the first half of 2024. However, despite all the cost-cutting measures already underway we need to reduce our fixed costs still further in order to stay firmly on course in this difficult market environment.

The additional headwind is clearly evident in our key figures, particularly for the Volkswagen brand: fixed costs have risen in the first half of the year – and could not be offset by vehicle sales or sales revenue. Moreover, provisions for termination agreements at Volkswagen AG also affected earnings. Without special items we would have achieved an operating margin of 6.0% for our Brand Group Core, but we cannot afford to be satisfied with this performance, also bearing in mind that the share of electric vehicles – with their current lower margins – will increase going forward.

It is vital that we continue to do all we can to execute our performance programs – and above all to systematically tap into the synergies between the brands in the Brand Group Core."

Thomas Schäfer, Member of the Board of Management of Volkswagen AG, Head of the Brand Group Core & CEO of the Volkswagen Passenger Cars brand

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