



Volkswagen Commercial Vehicles, Annual Press Conference 2023, Speech Carsten Intra, CEO

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Carsten Intra PART I: A look back at 2022

Ladies and gentlemen,

I would like to welcome you as well.

Thank you for your interest in the development of our company. I am very pleased!

Dear Ladies and Gentlemen,
the past financial year 2022 was a challenging year for Volkswagen Commercial Vehicles in many respects.
And this in very challenging times overall. However: Above all, it was a very successful year for our commercial vehicles!
A year we are very proud of!

You know the special challenges:

- Inflation at record levels, which also burdens our customers.
- An unstable supply chain with ever new uncertainties.
- The pandemic - hopefully we have overcome it now. But in 2022, it still significantly limited all of our scope for action.
- And finally, we had to witness the beginning of a terrible war. In the middle of Europe. The misery has lasted longer than a year now.

Nevertheless: 2022 was a successful year economically. My colleague on the Executive Board, Michael Obrowski will explain the financial results and deliveries to you in detail.

But before that, I would like to present the most important key figures.

We have significantly increased our turnover - to 11.5 billion euros.

We were also able to increase our operating profit. It amounts to a strong 529 million euros. A very clear increase!

A very pleasing result. A result that we are very proud of.

Volkswagen Nutzfahrzeuge

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Especially because the figures came from an excellent team effort with contributions by all of our colleagues from all areas of Volkswagen Commercial Vehicles.

Many thanks

- for your great commitment
- for your flexibility when it was particularly needed
- and your contribution to cost discipline

For this commitment, many thanks on behalf of the entire Board!
We, the employees of VWCV, have a very special team. Last year we proved this once again in an impressive way.

Ladies and Gentlemen,

these figures are more than a snapshot.

One year ago, we presented our strategy to you here: GRIP 2030. With this strategy, we are making Volkswagen Commercial Vehicles fit for the future. Our latest results show that we are on the right track.

That is exactly what I would like to talk to you about again today.

About what we have already achieved in the past business year. You will see: we have achieved a lot!

Then, I would like to explain to you what we have specifically planned for the next twelve months.

So, first let's take a brief look back.

You might remember. We formulated four strategic fields of action with GRIP 2030. Target dimensions, if you like. We have made very good progress in all of them.

Topic 1: 360° E-Mobility:

The ID. Buzz stands for electrification, for digitalisation and sustainability like no other VWCV vehicle. We introduced it last year and successfully launched it in our markets. The interest was and is huge. Thus, in 2022, the ID. Buzz represented the success of VWCV as a whole. A great product!

Topic 2: Product & Services:

We are also experiencing great interest in the new Amarok. I will come back to both vehicles separately in a moment. But there is more to it than that. After all, we successfully marketed the new Multivan in many markets for its first full year. And we continue to make history with our California range.

Topic 3: New Business and AD:

With regard to autonomous driving, we are also absolutely on target - and with a new partner. We remain committed to our goals. I will explain where we stand in more detail in a moment.

Topic 4: People and transformation:

Our new production hall under construction, new facilities in the paint shop, training and further education and new ways of cooperating in our work: All this happens practically behind the scenes.

It is the comprehensive transformation of our organisation and our own

willingness to change which are the foundation for future success. This is why we are investing massively in the future viability of our businesses. And even more so in our strong workforce.

Ladies and Gentlemen,
let's move on to the highlights. There were a few of these last year. First and foremost, of course, the launch of our ID. Buzz - which we have all been looking forward to...

Our electric Bulli has shaped the year 2022 like no other vehicle on the market. Fully electric. Fully networked. Appealing. The ID. Buzz is the Volkswagen Group's halo car.

It is technology and a popular figure all in one.

Wherever it appears, people turn around and are clearly delighted!

For us, the ID. Buzz is also an important milestone in the electrification of our fleet. It is the platform for the next stages of autonomous driving. And for services that will be based on it.

The ID. Buzz got off to a flying start:

From the Covered Drive to the world premiere and events for journalists and dealers - to a very, very successful pre-sale. More than 21,000 orders even before the market launch. In the meantime - as of today - we have already sold more than 32,000 vehicles.

It is this enthusiasm of our customers that makes VWCV strong! But the ID. Buzz also impresses the expert juries. That is why it was awarded almost all the important national and international prizes in his debut year. Including VAN OF THE YEAR, CAR OF THE YEAR by WHAT CAR?, Car of the Year in Germany, the Golden Steering Wheel, ... and many more

Thanks to the ID. Buzz, we more than doubled deliveries of all-electric vehicles - to 7,500 last year. A number that will now quickly multiply. This is how we implement our GRIP strategy step by step. As you know, we have set ourselves a concrete goal here. By 2030, 55 percent of VWCV cars are to be battery-electric vehicles.

But let's also talk about the second highlight, the second newcomer of the past business year. About the new Amarok. Our new premium pick-up. It follows on seamlessly from its predecessor.

This is where technological innovation meets lifestyle.

All I can say is: Wow! What a car.

This vehicle again has what it takes to turn customers into fans.

For us, the Amarok is more than simply a new edition. With it, we strengthen our profile as a supplier of high-quality and robust off-road vehicles and pick-ups. A vehicle class, in other words, that represents the perfect mobility solution for many regions of the world.

And that because it is the only sensible one there.

A few selling points:

More engine-transmission variants, more payload, more towing capacity: in short, a real workhorse. We have equipped the Amarok with more than 30 driver assistance systems. More than 20 of them are found in this segment for the first time.

The third highlight in 2022, our Multivan, is exactly that.

Conceptually, this completely redesigned van has made a huge leap forward compared to its predecessor: For the first time, a plug-in hybrid is part of the broad powertrain programme. It also has a new evolutionary level of networked assistance, control and infotainment systems on board.

The Multivan is tailored to families and sporty, active people. With its innovative seating and interior system, it is suitable for a wide range of uses: from family and leisure vehicle to high-end shuttle.

It is the most variable Multivan of all time. We are not the only ones who see it that way; above all our customers do too, and this is also reflected in all the test reports.

We are proud of the many awards and the joy of our customers! Our entire range of vehicles - especially the new Multivan - has received top ratings and awards from expert juries and customers in the past year. Among them:

- *the Caddy Cargo as Small Van of the Year and Commercial Vehicle of the Year*
- *the Transporter as Commercial Vehicle of the Year,*
- *the California 6.1 Ocean as motorhome of the year*
- *and the New Multivan twice with the iF Design Award and winner of the Autotrophy.*

Ladies and Gentlemen,

let me briefly summarise the highlights of the past year:

- With the all-electric ID. Buzz, we have successfully launched the Halo car in the Group
- The new Amarok follows on seamlessly from its predecessor and offers many technical innovations in the pick-up segment
- The Multivan inspires with its variability
- Our vehicles are TOP rated by expert audiences, journalists and our customers. Nationally and internationally. This leads to strong order intake and well-filled order books
- We are on schedule with our Group responsibility for the development of autonomous driving.
- Our strong operating profit of more than half a billion euros is again above the previous year's result
- In one sentence: VWCV is on course!

So much for looking in the rear-view mirror.

Immediately afterwards, I would like to look ahead with you. I will explain to you what we have specifically planned for the current business year. And where we currently stand with it.

Before that, however, my Board colleague Michael Obrowski will present the financial figures to you in detail. Thank you very much up to this point!

Here you go, Michael!

CARSTEN INTRA PART II: 10-POINT-PLAN 2023, OUTLOOK

Thank you very much, Michael.

I think these figures speak for themselves.

And they give us a strong tailwind for realising our projects.

And I would like to look at these projects together with you now.

We offer our customers more than just vehicles. We are already working on solutions for future mobility needs. And we do this in - and for - a changing society. Because our vehicles transport the entire society with all its individual requirements for transport solutions. From ambulances and mobile workshop vans to campers for families and individualists. From vehicles for people with disabilities to autonomous mobility solutions in future. We at VWCV include everyone. For us, this is also an expression of sustainable action. Just as we want to contribute to providing future generations with a future worth living. That is how we see ourselves. More: ESG, the three major dimensions of sustainability - they are environmental, social and governance - they are an integral parts of our DNA.

Ladies and Gentlemen,

we transport success, freedom and the future.

That is our vision. Our claim. Our goal.

These are the 3 pillars of our success and this is the promise to our customers: Success, freedom and a future!

We are Europe's top supplier of commercial vehicles.

We are Europe's number one for family and leisure.

And we are in the pole position in the giant market for autonomous mobility solutions.

Our GRIP 2030 strategy is in place, and it shows us the way. I explained to you at the beginning the important milestones we have already reached. Now we want to take the next steps. We are setting an important course for this in this business year.

That is why we have prescribed a 10-point plan for 2023. The measures have direct payoffs for our own strategy, that of the Volume brand group and, of course, that of the Group as a whole.

I would like to present the ten points to you today.

They are important to us because they show very clearly how we are implementing our strategy step by step.

Top 1: Clear financial targets

You have just seen the figures in black and white. We are - as far as our profit is concerned - on the right track. By 2027, we want to achieve an EBIT

of over one billion euros. On the way there, we are aiming for a renewed increase in earnings in 2023. And a similar increase in return on sales but also a clearly positive cash flow. Michael Obrowski has just explained this to you.

Top 2: Customer focus and premium status

The second point is particularly close to my heart. Many of our customers are rightly fans of our vehicles. We consistently put our clients at the centre of everything we do - which means we make decisions with their best interests in mind: from the first contact, to the purchase decision, to the use, to the next purchase. We want to understand and consider their needs even better in the future. That's why we establish a holistic view of all the touchpoints they have with us. In doing so, the highest quality and highest customer satisfaction is our claim for commercial customers, private users and future customers of our autonomous MaaS and TaaS services.

Top 3: BEV Transformation

You know our ambitions and goals. The transformation of our fleet continues to gather pace. We are introducing the fully electric ID. Buzz with a long wheelbase this year - with it the Bulli returns to the North American market. We are working on a successor to the T6.1 Transporter, which will also be available in an electric version. We are preparing for the Caddy with hybrid drive and an electric Crafter successor. This goes hand in hand with the further development of our national and international sales.

Top 4: Implementation Strategy for Autonomous Driving

Let me explain a few things at this point: The exit from ARGO AI probably felt like a step backwards to the public. Some in the media even suspected that we would bury our plans. But the opposite is the case: We are accelerating our programme!

We are currently developing special vehicles for ride-hailing and pooling based on the ID. Buzz, similar to what MOIA already offers in Hamburg today, but autonomously driving in future. Cooperation with the CARIAD software unit is essential for us within the Group. In addition, we are currently negotiating a comprehensive package for Level 4 solutions with a new partner. We will introduce the new self-driving system in the first half of the year.

It remains so: Volkswagen Commercial Vehicles is the Group's leading brand for autonomous driving and is therefore also responsible for the development of the MaaS - Mobility as a Service and TaaS - Transport as a Service business fields. We are very grateful for this trust. In the first half of the year, we will continue our extensive test drives in Munich.

We also want to try out mobility services in Hamburg this year, that is, with test customers who book a ride. Expected in the fourth quarter.

We will present the production version of our ID. Buzz AD vehicles in 2025. This will then first be used in Hamburg at MOIA. Further cities in Germany and the USA will follow.

Top 5: Production planning and factory utilisation

Demand for our products remains very high. This is reflected in very long

delivery times for our customers. Reducing the order backlog is therefore an absolute priority for our customers this year - and thus for us. We will continue to ramp up our production and stabilise production at a high level at our locations.

For Hanover, for example, this means driving over 900 vehicles per day in the second half of the year. This would mean that our factories would run at full capacity.

Top 6: FORD VOLKSWAGEN ALLIANCE

There were also rumours regarding our alliance after the ARGO exit.

I would like to say this explicitly: Both sides are very satisfied with the alliance. And the joint balance sheet is quite impressive: We successfully brought the new Caddy to the finish line. On this basis, production of the Ford Tourneo Connect for our partner started successfully at our plant in Poznań last year.

The new Amarok is already at dealers in first countries. Our customers are thrilled with this vehicle - a real Amarok. In a few weeks, it will also celebrate its market launch here in Germany.

And as early as next year, we will introduce a joint one-tonne transporter. So all in all, very pleasing!

Top 7: Internationalisation

As close to home as we are, our business is international. We will still celebrate the ID. Buzz with a long wheelbase in 2023. This will then mark the return of the Bulli to the North American market.

We will launch the new Amarok in 2023 in South Africa and Australia. Plans to enter the Japanese market with the ID. Buzz are confirmed and preparations are underway. We have also made a decision on possible market entry in up to 15 additional countries. As you can see, the demand for our products is high worldwide - and we are taking advantage of this potential.

Top 8: California Universe

We want to expand the range around the business with our camping models - and thus offer our customers that special California feeling. These include digital services for the Cali Community, completely new services to complement the purchase of a vehicle... but also the show car presentation of the new California based on the Multivan. We are planning these for later in the year.

Top 9: People & Transformation

Ladies and Gentlemen, we have always emphasised: Transformation does not mean that we only build other cars. We are changing as an organisation because the world around us is changing. And because we want to be an influential part of this change.

Already for the start-up of the ID. Buzz production, around 4,000 colleagues have qualified themselves in high-voltage technology, among other things.

We are changing, and, in the process, the way we work together is fundamentally changing. The key words are desk sharing and collaboration, agile methods and hybrid working. But we are about culture. A culture characterised by diversity and tolerance as well as performance and respect. We want our colleagues to enjoy working successfully with us for the good of society as a VWCV family! We want to preserve and develop this culture!

Top 10: Sustainability

And this brings us to point 10. But it is anything but the final point. Rather, it is the basis and result of everything we do. ESG - that is, the three major dimensions of sustainability - are part of our DNA. All our actions are guided by this. I have already mentioned our target for 2030: By then we want to have more than 55 per cent BEV share in our fleet.

But our understanding of sustainability is more than electrification and does not end with CO₂ reduction. We want to actively contribute to handing over an intact foundation for living and working to future generations. That is our vision and our responsibility!

This year, we will be casting these into a meaningful ESG strategy. And also establish them in the company.

Ladies and Gentlemen,
that was a lot of information.

But I think it has become clear:
We have a strong strategy GRIP 2030, and we have made good progress!

We are transforming ourselves from a pure car manufacturer to a mobility service provider.

And we have a crystal clear strategy. It shows us the way. We will be implementing this strategy step by step. With the current 10-point plan, we have set ambitious milestones that we are aiming for within this business year. And we will achieve them. Just as you are accustomed to from us.

Yes, we are changing.
But we remain the reliable beneficiaries.
And yes, we do some things differently.
But our products remain what they have always been: vehicles that move society.

Ladies and Gentlemen,
thank you very much for your attention!

Maybe we'll see each other here in Hannover from 23 to 25 June. Then we can celebrate the big VW Bus Festival together with thousands of Bulli fans from all directions and all points on the globe. This will be a very special celebration. For the participants with their vehicles - but also for visitors to the event.

We are all looking forward to it. Please feel free to come by!

Thank you very much.