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## **AUDI AG: Robust figures for the third quarter**

- **Audi Group after nine months of the year: revenue of €41.3 billion; operating profit of €3.2 billion; operating return on sales of 7.8 percent**
- **CFO Alexander Seitz: “Steering the Audi Group solidly through a year of adverse factors.”**
- **Net cash flow of €3.3 billion demonstrates high self-financing power again**
- **Earnings forecast affirmed in a difficult environment**

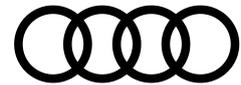
**Ingolstadt, October 31, 2019 – In a challenging second half of the year, the Audi Group stabilized its deliveries and posted robust figures for the third quarter. Adjusted for the effects of deconsolidating the multi-brand importers, revenue was higher than in the prior-year period. Operating profit reflects the decrease in deliveries and ongoing high upfront expenditure for the future. Cash generation continues to be a strength of the Audi Group: A net cash flow of €3.3 billion confirms the company’s first-class solvency. With a view to the full year, the Audi Group now anticipates a slight increase in deliveries compared with 2018 and affirms its forecast for its key financial metrics.**

“The year 2019 remains testing for the automotive industry. However, our financial statements for the third quarter show that the Audi Group is resilient even in strong headwinds,” says Alexander Seitz, Member of the Board of Management for Finance, China and Legal Affairs at AUDI AG. “We aim to steer the Audi Group solidly through the current challenges while setting the right course for long-term competitiveness.”

From January through September, the company delivered 1,357,102 automobiles of the Audi brand to customers (2018: 1,407,672). While deliveries were still adversely impacted in the first half of the year by aftereffects of the transition to the WLTP test cycle and by numerous model changes, the Audi brand reduced the accumulated decrease to 3.6 percent in the third quarter. As a result, the brand with the Four Rings was able to strengthen its market share in the year to September in an overall market that contracted by 5.0 percent. In Europe, following the second stage of the WLTP changeover, nearly all model variants have been homologized and are available in the car configurator. Internationally as well, the brand with the Four Rings expects impulses from its model initiative: The new Q3 has already been launched successfully in the United States, for example. In China, the all-electric Audi e-tron\* and the Q8 will be launched in the fourth quarter.

The stated equipment, data and prices relate to the model range offered in Germany and may be subject to changes and errors.

\*The fuel consumption of all models named and available on the German market can be found in the list provided at the end of this MediaInfo.



In the first nine months of this year, the Audi Group generated revenue of €41,332 million (2018: €44,257 million). The decrease reflects a change in the Audi Group's consolidated group. Whereas the revenue and earnings of multi-brand importers were booked at the level of the Audi Group until the end of 2018, they are presented in the financial statements of the Volkswagen Group as of 2019. Adjusted for these effects, the Audi Group's revenue in the first nine months of the year was slightly higher than in the prior-year period. In the automobile business of the Audi brand, the model initiative resulted in an improved product mix: Thanks to the market success of the full-size models such as the Q8, A6 Avant and the all-electric Audi e-tron\*, the Audi brand increased its revenue by 5.8 percent. At Lamborghini, business continued to be driven by strong demand for the Urus\* super SUV and the revenue of the Lamborghini brand rose to €1,343 million (2018: €813 million).

The Audi Group posted operating profit of €3,239 million for the first three quarters of the year (2018: €2,871 million). Operating profit in the prior-year period had been reduced by special items in connection with the fine of €800 million imposed by the Munich II Public Prosecutor's Office. In the first nine months of 2019, there were adverse effects on the Audi Group's operating performance primarily from the lower number of cars delivered and the resulting lower utilization of plant capacity. Higher advance expenditure for future technologies also had an initially negative impact on earnings. Higher personnel costs were partially offset by lower selling expenses. Additional positive impulses for the key financial metrics came from the Audi Transformation Plan (ATP): From January through September alone, the company implemented numerous measures that will boost its operating performance by more than €1.3 billion over the full year. Since the program started in 2018, the ATP has already freed up more than €3.3 billion.

The operating return on sales was 7.8 percent in the first three quarters (2018: 6.5 percent). The revenue-reducing effects of deconsolidating the multi-brand importers had a positive impact on this metric.

The Audi Group's profit before tax increased to €3,668 million (2018: €3,458 million). This figure includes financial income of €429 million, which is lower than in the first nine months of last year primarily due to measurement effects (2018: €586 million).

With a net cash flow of €3,271 million (2018: €3,116 million), the Audi Group once again confirmed its financial strength. The negative one-time effect from the deconsolidation of the multi-brand importers was more than offset through increased discipline and a strong focus on expenditure and investment.

In the third quarter, the Audi Group further stabilized its performance in a challenging market environment. From July through September, the brand with the Four Rings delivered 450,922 vehicles, almost as many as in the prior-year quarter (2018: 458,439). After adjusting for the

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effects of deconsolidating the multi-brand importers, third quarter revenue of €12,571 million was higher than last year (2018: €13,074 million). The Audi Group achieved third-quarter operating profit of €938 million and an operating return on sales of 7.5 percent (2018: €110 million and 0.8 percent). The fine of €800 million imposed by the Munich II Public Prosecutor's Office had substantially impacted the previous year's figures.

The Audi Group looks with confidence to a challenging fourth quarter. "2019 will not be a record year, but the Audi Group is in a solid position," says Alexander Seitz. "We have already overcome some critical hurdles such as the changeover to WLTP 2nd Act. In the fourth quarter, we will continue to roll out our model initiative in the markets. The next stage of the Audi transformation plan will provide further impetus for short-, medium- and long-term profitability. For Audi to financially manage the transformation into a provider of sustainable premium mobility, however, we must also push forward consistently with the flexibilization of our plants and the flexibility of our workforce." The company aims to reach an agreement on the cornerstones of Audi.Zukunft by the end of the year. Taking into account the future product portfolio, long-term volume planning and the resulting allocation of car models to the plants, the focus will be on securing the long-term competitiveness of the Audi Group. This includes adjusting the strategic capacity of the plants and reviewing employment structures in line with demographic trends.

Against the backdrop of weaker volume growth in the first half of the year, the Audi Group anticipates slight growth of deliveries for the year as a whole. In its 2018 Annual Report, the Audi Group still expected a moderate increase in deliveries. The Audi Group affirms its forecasts for the key financial metrics of revenue, operating return on sales and net cash flow. It expects slight revenue growth, an operating return on sales of between 7.0 and 8.5 percent, and a net cash flow of between €2.5 and €3.0 billion.

Selected key figures of the Audi Group

	Q3		Jan. – Sept.	
	2019	2018	2019	2018
<b>Car deliveries</b> Audi brand	450,922	458,439	1,357,102	1,407,672
<b>Revenue</b> Audi Group in EUR million	12,571	13,074	41,332	44,257
<b>Operating profit</b> Audi Group in EUR million	938	110	3,239	2,871
<b>Operating return on sales</b> Audi Group in percent	7,5	0.8	7,8	6.5

[Download Audi Group Interim Financial Report](#)

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**\*Fuel consumption of the models named**

**Audi e-tron:**

Electricity consumption combined in kWh/100 km: 26.2 – 22.6 (WLTP); 24.6 – 23.7 (NEDC)

CO<sub>2</sub> emissions combined in g/km: 0

*Information on fuel/electricity consumption and CO<sub>2</sub> emissions in ranges depending on the selected equipment and accessories for the car.*

**Lamborghini Urus:**

Fuel consumption in l/100 km: 12.7

CO<sub>2</sub> emissions combined in g/km: 325

*Information on fuel/electricity consumption and CO<sub>2</sub> emissions in ranges depending on the selected equipment, accessories and tires for the car.*

The indicated consumption and emissions values were determined according to the legally specified measuring methods. Since September 1, 2017, type approval for certain new vehicles has been performed in accordance with the Worldwide Harmonized Light Vehicles Test Procedure (WLTP), a more realistic test procedure for measuring fuel consumption and CO<sub>2</sub> emissions. Beginning September 1, 2018, the WLTP will gradually replace the New European Driving Cycle (NEDC). Due to the realistic test conditions, the fuel consumption and CO<sub>2</sub> emission values measured are in many cases higher than the values measured according to the NEDC. Vehicle taxation could change accordingly as of September 1, 2018. Additional information about the differences between WLTP and NEDC is available at [www.audi.de/wltp](http://www.audi.de/wltp).

At the moment, it is still mandatory to communicate the NEDC values. In the case of new vehicles for which type approval was performed using WLTP, the NEDC values are derived from the WLTP values. WLTP values can be provided voluntarily until their use becomes mandatory. If NEDC values are indicated as a range, they do not refer to one, specific vehicle and are not an integral element of the offer.

They are provided only for the purpose of comparison between the various vehicle types. Additional equipment and accessories (attachment parts, tire size, etc.) can change relevant vehicle parameters, such as weight, rolling resistance and aerodynamics and, like weather and traffic conditions as well as individual driving style, influence a vehicle's electrical consumption, CO<sub>2</sub> emissions and performance figures. Fuel consumption and CO<sub>2</sub> emissions figures given in ranges depend on the tires/wheels used and chosen equipment level.

Further information on official fuel consumption figures and the official specific CO<sub>2</sub> emissions of new passenger cars can be found in the "Guide on the fuel economy, CO<sub>2</sub> emissions and power consumption of all new passenger car models," which is available free of charge at all sales dealerships and from DAT Deutsche Automobil Treuhand GmbH, Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Schornhausen, Germany ([www.dat.de](http://www.dat.de)).

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The Audi Group, with its brands Audi, Ducati and Lamborghini, is one of the most successful manufacturers of automobiles and motorcycles in the premium segment. It is present in more than 100 markets worldwide and produces at 18 locations in 13 countries. 100 percent subsidiaries of AUDI AG include Audi Sport GmbH (Neckarsulm), Automobili Lamborghini S.p.A. (Sant'Agata Bolognese, Italy) and Ducati Motor Holding S.p.A. (Bologna, Italy).

In 2018, the Audi Group delivered to customers about 1.812 million automobiles of the Audi brand, 5,750 sports cars of the Lamborghini brand and 53,004 motorcycles of the Ducati brand. In the 2018 fiscal year, AUDI AG achieved total revenue of €59.2 billion and an operating profit before special items of €4.7 billion. At present, approximately 90,000 people work for the company all over the world, more than 60,000 of them in Germany. Audi focuses on sustainable products and technologies for the future of mobility.

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