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Audi increases upfront expenditure for electric mobility

- **Consistently electric: plans for upfront expenditure totaling approximately €37 billion by 2024, thereof about €12 billion solely for electric mobility**
- **CFO Seitz: “The planning round supports our course of accelerated electrification.”**
- **Audi Transformation Plan has freed up more than €4 billion since it was started**
- **Fundamental agreement on Audi.Zukunft has positive implications for long-term competitiveness**

Ingolstadt, November 29, 2019 – AUDI AG has planned a total amount of approximately €37 billion for research and development expenditure and investment in property, plant and equipment over the next five years. Against the backdrop of its roadmap towards electrification, the manufacturer is planning upfront expenditure of €12 billion solely for electric mobility – more than ever before. The successful Audi Transformation Plan (ATP) is freeing up the necessary funds: Since the start of the program, the ATP has already contributed €4 billion to earnings. Furthermore, measures taken in the context of Audi.Zukunft are to free up approximately €6 billion for future investments by 2029.

In the context of its planning round, Audi has decided on upfront expenditure totaling approximately €37 billion for the years of 2020 through 2024. This amount comprises investment in property, plant and equipment as well as research and development expenditure. The current planning reflects a significant improvement in investment and cost discipline, as well as the strong prioritization of investments in electric mobility. “With our Consistently Audi strategy, we are accelerating our roadmap towards electrification. Our investment planning takes this into account,” says Alexander Seitz, Board of Management Member for Finance, China and Legal Affairs at AUDI AG. “At around €12 billion, we will spend more than ever before on electric mobility by 2024.”

By 2025, the Audi Group intends to have more than 30 electrified models in its product range – 20 of which will be fully electric. Audi intends to achieve about 40 percent of its worldwide unit sales with all-electric and hybridized automobiles by then. In order to achieve the rapid scaling



of electric mobility, Audi is working with Porsche to develop the premium electrification architecture (PPE) for large electric cars, and the Modular E Drive System (MEB) is being developed together with Volkswagen. The cross-brand architectures will enable high Group synergies to be utilized in the future.

In order to finance the high investment required to realign the business model, the company launched the Audi Transformation Plan (ATP) two years ago. This earnings-improvement program is to free up a total of €15 billion for future investments by 2022. The ATP has already contributed more than €4 billion to operating profit since it was launched. CFO Seitz: “With the ATP, we have significantly improved our spending discipline and our focus on investment. The course has been set for Audi to return to an operating return on sales within the strategic target corridor of 9 to 11 percent in the medium term.” Measures have already been identified for 80 percent of the program.

Audi.Zukunft, a fundamental agreement reached on Tuesday, November 26 between the company’s management and the employee representatives, will also make a crucial contribution towards ensuring Audi’s long-term competitiveness. The agreement includes the market-oriented optimization of strategic production capacities at the two German plants and socially responsible workforce adjustments. By strengthening new job profiles in apprenticeships and further training and by extending the employment guarantee until the end of 2029, the Works Council and the company’s management are sending an important signal to the employees of the plants in Germany. The measures agreed upon within the framework of Audi.Zukunft are expected to have a cumulative positive impact on earnings of approximately €6 billion by 2029, which is to be available for investments in the future. More information on the Audi.Zukunft fundamental agreement can be found in the [Audi MediaCenter](#).

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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.
