VOLKSWAGEN GROUP

NO. 69/2026

Media information

July 24, 2026

Volkswagen Group stays on track in challenging environment and expects improved margin in the second half of the year

"The realignment of Volkswagen Group over the past three years is delivering results. Throughout the group. For the full year, we expect a robust performance above the prior year in a challenging environment – even though our operating result in the first half was around 12 percent below the prior year. Globally, we delivered more cars than in the previous year – excluding the Chinese market, which slumped by 20 percent. Our order book also reflects a positive trend: more than 70,000 orders for our new Electric Urban Car Family around the ID. Polo in just a few weeks – and orders for all-electric vehicles in Europe increased by more than 50 percent in the second quarter. Our products are achieving top scores in comparative tests, awards, and quality studies. Applying disciplined cost managed, we have managed to offset continued unavoidable headwinds in the double-digit billions. At the same time, the environment for the automotive industry remains extremely challenging: geopolitical crises, trade conflicts, high regulatory requirements, volatile markets and intensified competition. In an unprecedented risk scenario, Volkswagen Group enters the next phase of its transformation – from a position of strength and with a clear understanding of the opportunities ahead. With the most comprehensive and far-reaching program in the company's history – for products, technologies, competitiveness, structures and growth areas. With our future plan, we will become even more innovative, faster, more attractive and robust - and sustainably ensure the Volkswagen Group's success."

Oliver Blume, CEO Volkswagen Group

"We are launching attractive new vehicles, consistently implementing our software roadmap, reducing investments and overhead costs. At the same time, we generated a Net Cash Flow of 3.2 billion euro in the first half of the year.
Despite such progress, our operating margin of 3.8 percent remains too low and underlines the call to action. In an environment where the Chinese total market is down by 20 percent and Chinese competitors are increasing exports and thereby competitive pressure in Europe, the currently planned initiatives are not sufficient.
We must accelerate efforts to structurally lower our cost base and sustainably improve our earnings quality. This includes improved vehicle cost structures, lower overhead costs, higher efficiency in our plants, faster technology development, and quicker decision-making processes.
Therefore we need to significantly reduce complexity - in our product portfolio and platforms, in our equity portfolio, as well as in our leadership and decision-making structures.
What matters now is swift and consistent implementation."

Arno Antlitz, CFO and COO Volkswagen Group

Key Figures

158.1 billion EUR in sales revenue in H1 2026, at prior-year level (H1 2025: 158.4 billion EUR)

Sales revenue in the first half of 2026 remained largely at prior-year level despite a challenging market environment (-0.2%). Increase in sales revenue in Financial Services (+7.9%) almost offsets the decline in the automotive division (-2.1%). In the second quarter, sales revenue amounted to 82.4 billion EUR (+2.0%).

5.9 billion EUR Operating Result in H1 2026, 11.6% below H1 2025 (6.7 billion EUR); operating return on sales of 3.8%

Decline in Operating Result by 0.8 billion EUR, primarily due to expenses of around 0.5 billion EUR related to the discontinuation of the US production of the ID.4, as well as negative mix effects. Lower costs for restructuring measures, exchange rate effects and lower fixed costs were only able to partly offset these negative impacts. In the second quarter, Operating Result came in at 3.5 billion EUR (-9.5%), with an operating return on sales of 4.2%.

6.9 billion EUR Operating Result before special items in H1 2026

Adjusted for special items such as the production halt of the ID.4 in North America and restructuring costs, operating return on sales in H1 2026 is 4.3%.

3.2 billion EUR Net Cash Flow in the Automotive Division in H1 2026 (H1 2025: -1.4 billion EUR)

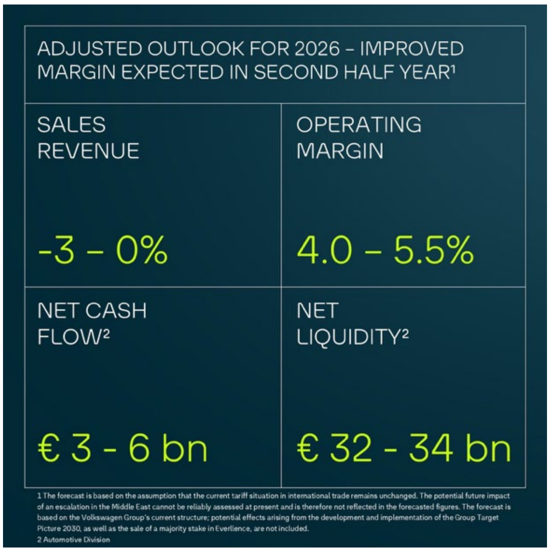
Increase in gross cash flow of 1.3 billion EUR, driven among other things by lower tax payments, a reduction in cash outflow for working capital, and lower expenditure on investments in fixed assets and research & development, resulted in a strong net cash flow significantly higher than in the previous year.

4.0 million vehicle sales in H1 2026, 8.4% below H1 2025 (4.4 million vehicles)

Growth in South America (+5.2%), Western Europe (+1.3%) and Central and Eastern Europe (+9.6%) only partially offset significant total market-related declines in China (-31.6%); North America was slightly positive for the first half of the year (+0.9%) following growth in Q2.

Order bank in Europe up by around 12% compared with year-end 2025

The BEV order bank increased by more than 50% compared with the end of 2025, and the BEV share of the order bank rose to more than 30%. With more than 70,000 orders, the Electric Urban Car Family is significantly exceeding expectations.



Adjusted Outlook for 2026

The Volkswagen Group expects sales revenue in 2026 to develop within a range of –3 to 0 percent compared with the previous year (previously: range of 0 to +3 percent). The Group's operating return on sales is still expected to be between 4.0 and 5.5 percent.

In the Automotive Division, the company continues to expect an investment ratio of between 11 and 12 percent in 2026. Net cash flow for the year 2026 is expected to range between EUR 3 billion and EUR 6 billion. Net liquidity in the Automotive Division is expected to range between EUR 32 billion and EUR 34 billion in 2026. The Volkswagen Group continues to pursue its objective of maintaining a solid financing and liquidity policy.

Challenges are expected in particular from the macroeconomic environment, uncertainties regarding restrictions in international trade and geopolitical tensions, increasing competitive intensity, volatile commodity, energy and foreign exchange markets, as well as changing requirements resulting from emissions-related regulations.

The forecast is based on the assumption that the current tariff situation in international trade remains unchanged. The potential future impact of an escalation in the Middle East cannot be reliably assessed at present and is therefore not reflected in the forecasted figures. The forecast is based on the Volkswagen Group's current structure; potential effects arising from the development and implementation of the Group Target Picture 2030, as well as the sale of a majority stake in Everllence, are not included.

Further information on the brand groups

Core

Operating result for H1 2026 improved significantly to 3.6 billion EUR – an increase of 4.5% compared with prior-year period. Positive effects from optimised product costs, strict cost management and synergies within the brand group are reflected in a slight improvement in operating return on sales and an increase in revenue – despite a challenging market environment and increasing competitive pressure.

H1 2026 Results Core

Progressive

Operating result of 1.1 billion EUR, slightly exceeding the previous year figure. In a continued challenging market environment, factors such as strict cost discipline had a positive impact. The operating return on sales stood at 3.8% (previous year: 3.3%).

H1 2026 Results Progressive

Sport Luxury

Porsche Automotive achieved an operating result of 1.2 billion EUR (previous year: 0.8 billion EUR). Return on sales was 8.0%. Revenue amounted to 15.2 billion EUR (previous year: 16.1 billion EUR). Automotive net cash flow was 1.0 billion EUR, with a net cash flow margin of 6.7%. Earnings performance resulted from last year's comprehensive realignment, a strong price- and mix quality, and lower charges related to provisions from 2025.

H1 2026 Results Luxury

Trucks / TRATON

TRATON GROUP's order intake rose by 30% to 181,900 vehicles in the first half of 2026; with 21.1 billion EUR, the Group's revenue was almost on par with the previous year, whilst operating result stood at 942 million EUR (-24%), and the operating return on sales was 4.5% (-1.4ppt).

H1 2026 Results TRATON Group

CARIAD

In H1 2026, CARIAD increased its revenue by EUR 250 million to 815 million EUR, driven by software deliveries to the brand groups. The operating result improved significantly to -855 million EUR (previous year: -1,172 million EUR). This improvement highlights the impact of the transformation program and the consistent cost discipline across all areas.

Group Mobility

Operating result came in at 1.7 billion EUR (-7.6%) due to higher risk provisions.

Positive developments were seen in new contracts (+1.2%) and in the existing contract portfolio (+3.1%).

H1 2026 Results VW Group Mobility

Key Figures Volkswagen Group

	Q2			H1		
	2026	2025	%	**2026**	2025	%
Volume Data[1] in thousands						
Deliveries to customers (units)	2,077	2,272	-8.6	4,126	4,405	–6,3
Vehicle sales (units)	2,043	2,263	-9.7	3,997	4,363	-8,4
Production (units)	2,014	2,325	-13.4	4,171	4,519	-7,7
Employees (on Jun. 30, 2026/Dec. 31, 2025)				652.2	662.9	-1,6
Financial Data (IFRS), € million						
Sales revenue	82,444	80,806	2.0	158,102	158,364	–0.2
Operating result	3,469	3,834	–9.5	5,931	6,707	–11.6
Operating return on sales (%)	4.2	4.7		3.8	4.2	
Earnings before tax	2,538	3,314	–23.4	4,773	6,423	–25.7
Return on sales before tax (%)	3.1	4.1		3.0	4.1	
Earnings after tax	1,538	2,291	–32.9	3,103	4,477	–30.7
Automotive Division						
Cash flows from operating activities	6,301	5,714	10.3	12,963	10,410	24.5
Cash flows from investing activities attributable to operating activities[2]	5,128	6,237	–17.8	9,797	11,760	–16.7
Net cash flow	1,172	–523	-	3,166	–1,350	-
Net liquidity at June 30				32,750	28,387	15.4
Investment ratio	10.0	11.6		10.6	11.4	

1) Including the equity-accounted joint ventures in China. The prior-year deliveries have been updated based on statistical extrapolation.
2) Excluding acquisitions and disposals of equity investments: Q2 EUR 4,564 (5,563) million; H1 2026 EUR 9,386 (10,397) million.

Key figures by brand group and divisions from January 1 to June 30, 2026

	Vehicle sales		Sales revenue		Operating result		Operating margin	
Thousand vehicles/ € million	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Core brand group	2,590	2,527	73,035	72,480	3,611	3,455	4.9	4.8
Progressive brand group	528	574	29,177	32,573	1,122	1,087	3.8	3.3
Sport Luxury brand group[1]	121	135	15,158	16,138	1,208	832	8.0	5.2
CARIAD			815	564	-855	-1,172	–	–
Battery			88	11	-473	-592	–	–
Brand group Trucks	152	153	21,090	21,195	942	1,245	4.5	5.9
Equity-accounted companies in China[2]	856	1,242					–	–
Volkswagen Group Mobility			31,574	29,362	1,673	1,811	5.3	6.2
Other[3]	-249	-267	-12,836	-13,959	-1,048	230	-8.2	1.6
Volkswagen Group	**3,997**	**4,363**	**158,102**	**158,364**	**5,931**	**6,707**	**3.8**	**4.2**

1) Including Porsche Financial Services: sales revenue EUR 17,229 (18,157) million, operating result EUR 1,348 (1,007) million.
2) The sales revenue and operating result of the equity-accounted companies in China are not included in the consolidated figures; the share of the operating result generated by these companies amounted to EUR 184 (506) million.
3) In the operating result, mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation, as well as companies not allocated to the brands.

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About the Volkswagen Group

The Volkswagen Group is one of the world's leading car makers, headquartered in Wolfsburg, Germany. It operates globally, with 111 production facilities in 16 European countries and 10 countries in the Americas, Asia and Africa. With around 663,000 employees worldwide. The Group's vehicles are sold in over 150 countries.

With a comprehensive portfolio of strong global brands, leading technologies at scale, innovative ideas to tap into future profit pools and an entrepreneurial leadership team, the Volkswagen Group is committed to shaping the future of mobility through investments in electric and autonomous driving vehicles, digitalization and sustainability. The goal: As a "Global Automotive Tech Driver", to make the best automotive technologies accessible to customers worldwide - from entry-level mobility to the luxury segment.

In 2025, the total number of vehicles delivered to customers by the Group globally was 9.0 million (2024: 9.0 million). Group sales revenue in 2025 totaled EUR 321.9 billion (2024: EUR 324.7 billion). The operating result in 2025 amounted to EUR 8.9 billion (2024: EUR 19.1 billion).

THE GLOBAL AUTOMOTIVE **TECH DRIVER.**

Volkswagen Aktiengesellschaft

Registered Seat: Wolfsburg I Registration Court: Amtsgericht Braunschweig

HRB No.: 100484

Chairman of the Supervisory Board: Hans Dieter Pötsch

Board of Management: Oliver Blume (Chairman), Arno Antlitz, Ralf Brandstätter, Gernot Döllner, Manfred Döss, Thomas Schäfer, Thomas Schmall-von Westerholt, Hauke Stars