

Financial performance indicators

Audi Group posts record profit thanks to good market performance and strong brands, net cash flow at a high level.

Financial performance

The Audi Group generated revenue of EUR 61,753 (53,068) million in the 2022 fiscal year. The 16.4 percent increase compared with the previous year despite an almost constant number of vehicles sold was due to strong price enforcement as well as to the first-time consolidation of the Bentley brand as of January 1, 2022.

Revenue from the sale of cars of the Audi brand increased to EUR 41,081 (36,476) million. In particular, the fully electric models Audi Q4 e-tron, Audi e-tron and Audi e-tron GT¹ posted strong year-on-year sales growth. The Audi A3 and Audi Q5 model lines also made a substantial contribution to revenue growth. During the reporting period, the Lamborghini brand increased revenue from the vehicle business by 20.6

percent to EUR 2,193 (1,818) million. The Bentley brand recorded revenue from the vehicle business of EUR 3,300 million, while the Ducati brand also posted a record figure of EUR 917 (738) million.

The other revenue of the Audi Group was noticeably higher than in the prior-year period at EUR 15,008 (14,089) million. The main reason for this was, above all, increased revenue from sales of genuine parts and engines. This was countered by slightly lower income from parts deliveries to China.

In the year under review, revenue by region gave a positive picture. For example, the Premium brand group posted very strong revenue growth of 44.4 percent in the USA, to EUR 12,706 (8,801) million. While revenue in Europe also increased to

¹ Audi understands the name Audi e-tron GT to mean the models Audi e-tron GT quattro (electric power consumption (combined) in kWh/100 km: 21.6–19.6 (WLTP); CO₂ emissions (combined) in g/km: 0*) and Audi RS e-tron GT (electric power consumption (combined) in kWh/100 km: 22.1–19.8 (WLTP); CO₂ emissions (combined) in g/km: 0.*

² As well as the revenue from Audi vehicles (FBU) exported to China, this line item also includes revenue from deliveries of parts to China. Other income from the China business is reported in the financial result.

* Information on electric power consumption and CO₂ emissions in ranges depends on the vehicle's selected equipment. Consumption and emission figures for the vehicle are available only according to WLTP and not according to NEDC.

Condensed income statement, Audi Group

EUR million	2022	2021	Δ in %
Revenue	61,753	53,068	16.4
Cost of goods sold	-52,237	-45,756	14.2
Gross profit from sales	9,516	7,313	30.1
Distribution expenses	-3,184	-3,084	3.2
Administrative expenses	-759	-655	15.9
Other operating result	1,977	1,925	2.7
Operating profit	7,550	5,498	37.3
Financial result	1,522	1,430	6.4
Profit before tax	9,072	6,929	30.9
Income tax expense	-1,956	-1,280	52.8
Profit after tax	7,116	5,649	26.0

EUR 30,460 (26,936) million, in China² it remained virtually unchanged from the previous year at EUR 11,081 (11,230) million.

Cost of goods sold increased, mainly due to high expenses for production materials and procurement.

Alongside the first-time consolidation of Bentley, the primary reasons for this were the higher proportion of electric vehicles sold and the increase in commodity and parts prices in the year under review.

Condensed balance sheet, Audi Group

<i>EUR million</i>	12/31/2022	12/31/2021	Δ in %
Non-current assets	32,675	31,754	2.9
Current assets	38,119	33,445	14.0
of which inventories	8,336	7,090	17.6
of which trade receivables	5,471	4,416	23.9
of which cash and cash equivalents	9,599	11,628	-17.5
Assets held for sale and for distribution to shareholders	18	926	-98.1
Total assets	70,812	66,124	7.1
Equity	31,582	26,012	21.4
Liabilities	39,230	39,548	-0.8
of which non-current liabilities	14,415	17,149	-15.9
of which current liabilities	24,815	22,399	10.8
of which trade payables	8,632	6,667	29.5
Liabilities held for sale and for distribution to shareholders	-	564	-100
Total equity and liabilities	70,812	66,124	7.1

Financial position

In the 2022 fiscal year, the Audi Group generated cash flow from operating activities of EUR 10,028 (11,471) million.

The year-on-year decline despite the increased profit was especially attributable to higher income tax payments and the negative change in working capital. This was mainly due to the increase in trade receivables resulting from higher volume sales at year-end and increased inventories as a consequence of the improved supply situation in particular and also because of logistics delays. The increase in trade payables had a positive effect on working capital while lower provisions had a negative impact.

Investing activities attributable to operating activities came to EUR -5,221 (-3,714) million in the year under review.

Capital expenditure increased to EUR -2,590 (-1,990) million, mainly due to investments for the construction of the new plant by the fully consolidated Audi FAW NEV Co., Ltd., Changchun (China). The capex ratio in the year under review was 4.2 (3.8) percent.

The capitalized development costs also increased in the reporting period. Changes in participations, such as the first-time contribution to Audi Formula Racing GmbH, Neuburg an der Donau, and transfer of sales companies, had a growth effect on investing activities.

Net cash flow remains strong and net liquidity high

Net cash flow of the Audi Group in the year under review amounted to EUR 4,808 (7,757) million, the second-highest amount in the company's history following the extremely high prior-year value.

Cash flow from investing activities came to EUR -8,369 (-2,973) million and included cash deposits and loans granted within the Volkswagen Group.

Cash flow from financing activities amounted to EUR -4,327 (-7,946) million. It mainly comprised the profit transfer to Volkswagen AG of EUR -4,025 million for 2021.

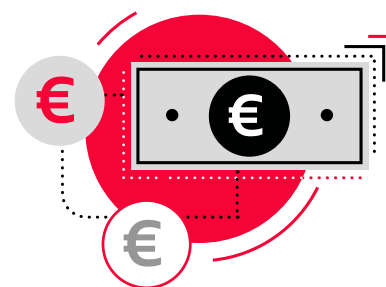
As of the reporting date, cash and cash equivalents decreased to EUR 9,599 (12,022) million. The net liquidity of the Audi Group as of December 31, 2022, was almost unchanged at EUR 22,570 (22,674) million.

Audi is investing in a sustainable future

To drive forward its transformation to a provider of sustainable and connected premium mobility, the Audi Group is earmarking investments⁹ of around EUR 28 billion for electrification and digitalization based on the planning round approved at the start of 2023. With a total investment of around EUR 43 billion, almost two-thirds of the upfront expenditure is going into these future-oriented topics.

⁹ Capital investments include capital expenditure and research and development costs.

Net cash flow



4,808

EUR million

Condensed cash flow statement, Audi Group

EUR million	2022	2021	Δ in %
Cash and cash equivalents as of January 1	12,235 ¹⁰	11,152	9.7
Cash flow from operating activities	10,028	11,471	-12.6
Investing activities attributable to operating activities	-5,221	-3,714	40.6
of which capital expenditure ¹¹	-2,590	-1,990	30.1
of which additions to capitalized development costs	-2,079	-1,772	17.3
of which change in participations	-697	12	X
of which other cash changes	145	36	X
Net cash flow	4,808	7,757	-38.0
Change in cash deposits and loans extended	-3,148	740	X
Capital contributions from non-controlling interests	143	191	-25.2
Profit transfer to the Volkswagen Group	-4,025	-7,830	-48.6
Dividend payments to non-controlling interests	-	-52	-100
Lease payments, change in miscellaneous financial liabilities	-445	-255	74.7
Change in cash and cash equivalents due to changes in exchange rates	32	319	-90.0
Change in cash and cash equivalents	-2,636	870	X
Cash and cash equivalents as of December 31	9,599	12,022	-20.2
Net liquidity as of December 31	22,570	22,674	-0.5
Cash flow from investing activities	-8,369	-2,973	X
Cash flow from financing activities	-4,327	-7,946	-45.5

¹⁰ Includes EUR 213 million in connection with the first-time consolidation of Bentley as of January 1, 2022.

¹¹ Capital expenditure includes investments in property, plant and equipment, investment property and other intangible assets according to the cash flow statement.