### Company Origin

Volkswagen (VW) is a German automobile manufacturer headquartered in Wolfsburg, Lower Saxony, Germany. The company was founded in 1937 by the German Labour Front under the Nazi Party. It was revived into the global brand it is known as today post-World War II by British Army officer Ivan Hirst. Volkswagen is renowned for its iconic Beetle and serves as the flagship brand of the Volkswagen Group, which was the largest automotive manufacturer by worldwide sales in 2016 and 2017. The groups biggest market is China, including Hong Kong and Macau, which delivers 40 percent of its sales and profits. The name Volkswagen is derived from the German-language terms Volk and Wagen, translating to peoples car.

#### 1932-1940 Peoples Car Project

Volkswagen was established as part of the Strength Through Joy (German Kraft durch Freude) program in Berlin. During the early 1930s, cars were a luxury that most Germans could not afford, with only one in fifty Germans owning a car. This led to the development of the peoples car project, with several manufacturers like Mercedes, BMW, and Hanomag attempting to create affordable vehicles. Ferdinand Porsche, a well-known designer, developed a car named the Volksauto in 1933, featuring an air-cooled rear engine and a beetle shape for better aerodynamics. In 1934, Adolf Hitler ordered the production of a basic vehicle capable of transporting a family at 100 kmh (62 mph), priced at 990 ℛℳ (US396 in 1938). Private industry could not meet this price, so Hitler sponsored an all-new, state-owned factory using Porsches design. The project was not commercially viable without government support, and the outbreak of war in 1939 halted the delivery of cars to participants in the savings scheme.

#### 1939-1944 Wartime Production

During World War II, Volkswagens production shifted to military vehicles, including the Type 82 Kübelwagen and the amphibious Schwimmwagen. The company utilized slave labor from concentration camps, a fact it admitted in 1998, estimating that 80 of its wartime workforce was slave labor.

#### 1945-1948 British Military Intervention

In April 1945, the factory was captured by the United States armed forces and handed over to the British. Major Ivan Hirst, a British Army officer, played a crucial role in reviving the factory. He demonstrated the car to British Army headquarters, leading to an order for 20,000 cars. Despite production facilities being disrupted, Hirst and his assistant Heinrich Nordhoff stabilized the situation and re-established production. By 1946, the factory produced 1,000 cars a month, despite being in disrepair.

#### 1948-1961 Icon of Post-War West Germany

From 1948, Volkswagen became a symbol of West German regeneration. Heinrich Nordhoff, a former senior manager at Opel, was recruited to run the factory. The Beetle sedan, or Volkswagen Type 1, became highly popular, with production reaching one million units in 1955. Volkswagen expanded its product line and entered the US market, forming Volkswagen of America in 1955.

#### 1961-1973 Beetle to Golf

Volkswagen expanded its product line with the introduction of the Type 3 and Type 4 models. The company acquired Auto Union and NSU Motorenwerke AG, leading to the creation of the modern Audi company. The pivotal model, the Volkswagen Golf, was introduced in 1974, marking a significant shift in the companys product strategy.

### Mission

To help people live healthier lives and help make the health system work better for everyone.

### Vision

* Enhance the performance of the health system and improve overall health and well-being.
* Work with healthcare professionals and other key partners to expand access to high-quality healthcare.
* Support physician-patient relationships and empower people with information, guidance, and tools for personal health choices.

### Values

* Integrity
* Compassion
* Relationships
* Innovation
* Performance

### Company Overview

Volkswagen (VW) is a major player in the global automotive industry, headquartered in Wolfsburg, Germany. It operates as the flagship brand of the Volkswagen Group, which includes other notable brands such as Audi, Porsche, and Bentley. The group was the largest automotive manufacturer by worldwide sales in 2016 and 2017. VWs biggest market is China, including Hong Kong and Macau, which accounts for 40 of its sales and profits.

#### Business Segments

1. Passenger Cars

* Volkswagen Brand Known for models like the Golf, Passat, and the iconic Beetle. The brand focuses on a mix of internal combustion engine (ICE) vehicles and electric vehicles (EVs).
* Audi A premium brand offering a range of luxury vehicles, including sedans, SUVs, and sports cars.
* Porsche Specializes in high-performance sports cars and SUVs.
* Skoda and SEATCUPRA These brands offer a range of affordable vehicles primarily targeted at the European market.

1. Commercial Vehicles

* Volkswagen Commercial Vehicles Produces vans, trucks, and buses.
* TRATON Group Includes brands like Scania and MAN, focusing on heavy-duty trucks and buses.

1. Financial Services

* Volkswagen Financial Services Provides financial products and services, including vehicle financing, leasing, and insurance.

### Recent Financial Performance

For the first nine months of 2023, Volkswagen reported sales revenue of 235 billion, up by 16 year-over-year. The operating result was 16.2 billion, with a margin of 6.9. Excluding valuation effects from commodity hedges, the underlying operating margin was 8. The automotive division generated a net cash flow of 4.9 billion, despite challenges in working capital due to logistics bottlenecks.

### Electric Vehicle (EV) Strategy

Volkswagen is heavily investing in electric mobility. The company aims to have 20-25 of its total yearly sales volume consist of EVs by 2025. Recent EV models include the ID.4, ID.5, and the newly launched ID.7, which won the German Car of the Year award. The company is also focusing on battery production through its PowerCo division, with plants in Salzgitter, Germany, and Ontario, Canada.

### Challenges and Strategic Initiatives

Volkswagen faces several challenges, including

* Supply Chain Disruptions Recent flooding in Slovenia impacted production, resulting in a loss of over 100,000 units.
* Market Dynamics in China VWs market share in China is under pressure, particularly in the EV segment. The company has partnered with Xpeng to develop new EV models for the Chinese market.
* Cost Management The company is working on a performance program to achieve a 10 billion cost reduction over three years, aiming for a 6.5 margin for the Volkswagen brand by 2026.

### Corporate Governance

Volkswagen is undergoing changes in its software arm, Cariad, to address delays and budget overruns. The company plans to appoint Peter Bosch as the new head of Cariad, supported by additional software experts.

### Future Outlook

Volkswagen is focused on executing its strategic initiatives, including enhancing its EV product lineup, improving cost efficiency, and expanding its market presence in North America and China. The company aims to achieve a robust financial performance despite the challenging market environment.

### Organization and Leadership

Volkswagen (VW) operates under a complex organizational structure, with its headquarters located in Wolfsburg, Germany. The company is the flagship brand of the Volkswagen Group, which includes other notable brands such as Audi, Porsche, Bentley, and several others. The Groups global operations are overseen by a Board of Management, which includes key executives responsible for various aspects of the business.

#### Key Executives

* Oliver Blume CEO of Volkswagen Group and Porsche. Blume has been focusing on restructuring the group since taking over last year. He has emphasized the need for VW to adapt to changing market conditions, particularly in the electric vehicle (EV) segment.
* Arno Antlitz CFO and COO. Antlitz has been instrumental in financial oversight and operational efficiency, particularly in managing the companys transition to electric mobility and addressing supply chain challenges.
* Peter Bosch Proposed head of Cariad, VWs software arm. Bosch is credited with turning around Bentley and is expected to bring similar improvements to Cariad, which has faced delays and budget overruns.

#### Corporate Governance

Volkswagens corporate governance structure includes a two-tier system of voting and non-voting stock, which has been a point of contention among investors. The companys governance is heavily influenced by its two dominant shareholders the Porsche-Piëch family and the State of Lower Saxony, who control 73.3 of the voting rights despite owning only 43.7 of the equity.

* Supervisory Board The Supervisory Board includes members from the Porsche-Piëch family and representatives from the State of Lower Saxony. This board is responsible for overseeing the Board of Management and making key strategic decisions.

### Operations

Volkswagen operates through several key business segments, including Passenger Cars, Commercial Vehicles, and Financial Services. The company has a significant global footprint with manufacturing or assembly facilities in multiple countries, including Germany, China, the United States, and Brazil.

#### Key Operational Highlights

* Passenger Cars This segment includes brands like Volkswagen, Audi, Porsche, Skoda, and SEATCUPRA. The focus is on a mix of internal combustion engine (ICE) vehicles and electric vehicles (EVs).
* Commercial Vehicles This segment includes Volkswagen Commercial Vehicles and the TRATON Group, which focuses on heavy-duty trucks and buses.
* Financial Services Volkswagen Financial Services provides a range of financial products, including vehicle financing, leasing, and insurance.

### Customers and Suppliers

Volkswagens customer base is global, with a significant presence in Europe, China, and North America. The companys biggest market is China, including Hong Kong and Macau, which accounts for 40 of its sales and profits.

#### Customer Segmentation

* Mass Market Volkswagen brand and Skoda cater to the mass market with a range of affordable vehicles.
* Premium Market Audi and Porsche target the premium segment with luxury vehicles and high-performance sports cars.
* Commercial Market Volkswagen Commercial Vehicles and TRATON Group serve the commercial market with vans, trucks, and buses.

#### Supplier Relationships

Volkswagen has a complex supply chain with numerous suppliers for various components, including batteries for its EVs. The company has faced supply chain disruptions, such as the recent flooding in Slovenia, which impacted production.

### Strategic Initiatives

Volkswagen is undergoing several strategic initiatives to enhance its competitiveness and operational efficiency

* Performance Program Aiming for a 10 billion cost reduction over three years to achieve a 6.5 margin for the Volkswagen brand by 2026.
* Electric Vehicle Strategy Significant investments in electric mobility, including the development of new EV models and battery production through its PowerCo division.
* Software Development Restructuring Cariad to address delays and budget overruns, with a focus on improving software capabilities for connected and autonomous vehicles.

### Recent Developments

* Volkswagen has announced a 700 million investment in Chinese EV maker Xpeng to develop new EV models for the Chinese market.
* The company is also planning an independent audit of its factory in Xinjiang, following persistent complaints by investors and human rights organizations.

Overall, Volkswagen is focused on executing its strategic initiatives, including enhancing its EV product lineup, improving cost efficiency, and expanding its market presence in North America and China. The company aims to achieve a robust financial performance despite the challenging market environment.