### Company Origin

Volkswagen (VW), a German automobile manufacturer, was founded in 1937 by the German Labour Front under the Nazi Party. The company was initially part of the Peoples Car project aimed at making cars affordable for the average German family. The iconic Beetle, designed by Ferdinand Porsche, became the symbol of this initiative. However, the outbreak of World War II shifted VWs focus to military vehicle production, including the Type 82 Kübelwagen and the amphibious Schwimmwagen.

Post-war, the British Army officer Ivan Hirst played a crucial role in reviving VW. Under his leadership, the factory in Wolfsburg was repurposed to produce civilian vehicles, and the Beetle became a global success. By the 1950s, VW had established itself as a key player in the automotive industry, expanding its market reach to the United States and other countries.

In the 1960s and 70s, VW diversified its product line and acquired other brands, including Audi and NSU Motorenwerke AG. The introduction of models like the Golf and Passat in the 1970s marked a significant shift towards more modern, front-wheel-drive vehicles. The Golf, in particular, became a cornerstone of VWs lineup and has remained one of the best-selling cars globally.

The 1990s and early 2000s saw VW expanding its global footprint further, with new factories in China, Brazil, and the United States. The company also acquired luxury brands like Bentley, Bugatti, and Lamborghini, enhancing its market position. However, VW faced significant challenges, including the Dieselgate scandal in 2015, which involved the manipulation of emissions tests. This crisis led to substantial financial penalties and a shift in focus towards electric vehicles (EVs).

In recent years, VW has committed to a significant transformation, aiming to become a leader in the EV market. The company has announced plans to launch numerous EV models and invest heavily in battery technology and autonomous driving. This strategic pivot is part of VWs broader vision to lead the automotive industrys transition to sustainable mobility.

### Mission

VW aims to offer attractive, safe, and environmentally sound vehicles which can compete in an increasingly tough market and set world standards in their respective classes.

### Vision

VW envisions a future of sustainable mobility, where electric vehicles and innovative technologies drive the automotive industry towards a greener and more connected world.

### Values

The companys core values include innovation, sustainability, quality, and customer satisfaction. VW strives to integrate these values into every aspect of its operations, from product development to customer service.

### What

Volkswagen (VW) operates as a global automotive manufacturer with a diverse portfolio of brands and products. The company is structured into several key segments, including passenger cars, commercial vehicles, and financial services.

#### Passenger Cars

VWs passenger car segment includes a wide range of vehicles from compact cars to luxury sedans. The brand lineup features iconic models such as the Golf, Passat, and Beetle, along with newer electric vehicles (EVs) like the ID.3 and ID.4. The company also owns several premium and luxury brands, including Audi, Porsche, Bentley, Bugatti, and Lamborghini. These brands contribute significantly to VWs revenue and market presence, offering a mix of internal combustion engine (ICE) vehicles and EVs.

#### Commercial Vehicles

The commercial vehicles segment includes brands like Volkswagen Commercial Vehicles, Scania, and MAN. This division focuses on producing trucks, buses, and light commercial vehicles. The segment has shown strong performance, with significant contributions to the groups overall revenue and operating profit. For instance, in the first nine months of 2023, commercial vehicles recorded an operating result of 2.7 billion, nearly tripling the level from the same period in 2022.

#### Financial Services

Volkswagen Financial Services provides a range of financial products and services, including vehicle financing, leasing, and insurance. This division plays a crucial role in supporting vehicle sales and enhancing customer loyalty. Despite a challenging economic environment, the financial services segment recorded an operating result of 3 billion in the first nine months of 2023, maintaining a robust performance.

#### Electric Vehicles (EVs)

VW is aggressively expanding its EV lineup as part of its strategic pivot towards sustainable mobility. The company has launched several EV models under the ID. family, including the ID.3, ID.4, and the newly introduced ID.7. The EV segment is a critical focus area, with VW aiming to increase its BEV (Battery Electric Vehicle) share to 20 by 2025. In the first nine months of 2023, VW delivered 532,000 BEVs, representing 7.9 of its total deliveries.

### Global Operations

Volkswagen operates numerous manufacturing plants worldwide, including significant facilities in Germany, China, the United States, and Brazil. The companys global footprint enables it to serve various markets effectively and efficiently. For example, VWs Chinese joint ventures delivered approximately 2.3 million vehicles in the first nine months of 2023, despite a challenging market environment.

### Strategic Initiatives

VW has several strategic initiatives aimed at enhancing its competitiveness and ensuring long-term growth. These include

* Performance Programs Targeting cost reductions and efficiency improvements across various brands and segments.
* Platform Strategy Developing modular platforms like the MEB (Modular Electric Drive Matrix) for EVs to streamline production and reduce costs.
* Partnerships Collaborating with companies like Xpeng in China to develop new EV models and enhance technological capabilities.
* Battery Technology Investing in battery production through its subsidiary PowerCo and exploring advanced technologies like dry coating to improve efficiency and reduce costs.

### Financial Performance

In the first nine months of 2023, VW achieved sales revenue of 235 billion, up 16 year-over-year. The operating result was 16.2 billion, corresponding to a margin of 6.9. Excluding valuation effects from commodity hedges, the underlying operating margin was 8. Net cash flow in the automotive division totaled 4.9 billion, supported by strong operating performance and effective working capital management.

### Challenges and Outlook

VW faces several challenges, including fluctuating raw material prices, supply chain disruptions, and competitive pressures in the EV market. However, the company remains committed to its strategic goals and expects to deliver robust financial performance in the coming quarters. The full-year outlook for 2023 includes a target of 9 to 9.5 million vehicle deliveries and sales revenue growth of 10 to 15.

Overall, Volkswagen continues to leverage its diverse brand portfolio, global manufacturing capabilities, and strategic initiatives to navigate the evolving automotive landscape and drive long-term growth.