# Company Origin

Volkswagen (VW), a German automobile manufacturer headquartered in Wolfsburg, Lower Saxony, Germany, was founded in 1937 by the German Labour Front under the Nazi Party. The company was initially part of the Strength Through Joy program aimed at making cars affordable for the average German. The iconic Beetle, designed by Ferdinand Porsche, emerged from this initiative, featuring an air-cooled rear engine and a distinctive rounded shape for better aerodynamics.

Following World War II, the British Army officer Ivan Hirst played a pivotal role in reviving Volkswagen. Under his guidance, the factory in Wolfsburg was repurposed for civilian vehicle production, leading to the mass production of the Beetle. By the 1950s, the Beetle had become a symbol of post-war German regeneration and economic recovery. Volkswagen of America was established in 1955, marking the brands entry into the U.S. market.

Throughout the 1960s and 1970s, Volkswagen expanded its product line and global presence. The company acquired Auto Union and NSU Motorenwerke AG, which led to the creation of the modern Audi brand. The introduction of models like the Golf and Passat in the 1970s marked a significant shift towards front-wheel-drive, water-cooled engines, setting new standards in the automotive industry.

In recent decades, Volkswagen has continued to innovate and expand. The company has made significant investments in electric vehicles (EVs), aiming to launch at least 30 EV models by 2025. The acquisition of a stake in the American EV startup Rivian and a partnership with Chinese EV maker Xpeng highlight Volkswagens commitment to leading the transition to electric mobility.

# Mission

Volkswagen aims to make the health system work better for everyone, focusing on enhancing the performance of the health system and improving overall health and well-being.

# Vision

The company envisions a world where each day is safer and more secure than the one before, continually delivering innovation to enable secure digital transformation.

# Values

Volkswagen is driven by values of integrity, compassion, relationships, innovation, and performance. These values guide the companys efforts to expand access to high-quality, affordable healthcare and empower people with the information and tools they need to make personal health choices and decisions.

# Company Overview

Volkswagen (VW) is a leading global automobile manufacturer headquartered in Wolfsburg, Lower Saxony, Germany. The company operates under the Volkswagen Group, which includes several renowned brands such as Audi, Porsche, Bentley, Bugatti, Lamborghini, SEAT, and Škoda. Volkswagen Group is Europes largest motor vehicle manufacturer and one of the worlds largest automotive companies by sales volume.

## Product Lines

Volkswagen offers a diverse range of vehicles, including hatchbacks, sedans, SUVs, and electric vehicles (EVs). Key models include the Golf, Passat, Tiguan, and the ID series of electric vehicles. The company has been a pioneer in the automotive industry, known for its iconic Beetle and its shift towards front-wheel-drive, water-cooled engines with models like the Golf and Passat.

## Electric Vehicles (EVs)

Volkswagen is heavily investing in electric mobility, aiming to launch at least 30 EV models by 2025. The company has introduced several EV models under its ID series, such as the ID.3, ID.4, ID.5, and the recently launched ID.7. Volkswagens commitment to EVs is further highlighted by its investments in American EV startup Rivian and a partnership with Chinese EV maker Xpeng.

## Financial Performance

For the first nine months of 2023, Volkswagen reported sales revenue of 235 billion, up by 16 year-over-year. The company achieved an operating result of 16.2 billion, corresponding to a margin of 6.9. Despite challenges in the Chinese market, Volkswagens strong performance in Europe and North America contributed to these robust financial results. The company also generated a net cash flow of 4.9 billion in the automotive division.

## Geographical Reach

Volkswagens largest market is China, accounting for a significant portion of its sales and profits. However, the company also has a strong presence in Europe and North America. In recent years, Volkswagen has been focusing on expanding its footprint in the U.S. market, particularly through its investment in the Scout brand and the establishment of a battery plant in Canada.

## Strategic Initiatives

Volkswagen has launched several strategic initiatives to enhance its competitiveness and operational efficiency. These include

* Performance Programs Aimed at improving productivity and reducing costs across various brands and regions.
* Platform Strategy Developing new platforms for EVs and integrating advanced technologies like autonomous driving and in-car infotainment systems.
* Battery and Charging Infrastructure Investing in battery production facilities and expanding high-power charging (HPC) networks worldwide.
* Sustainability Committed to decarbonization and achieving ambitious ESG targets.

## Challenges and Opportunities

Volkswagen faces several challenges, including intense competition in the EV market, particularly from Chinese manufacturers, and the need to comply with stricter emission regulations in Europe. However, the companys strong brand portfolio, ongoing investments in technology and innovation, and strategic partnerships position it well to capitalize on the growing demand for electric and autonomous vehicles.

## Customer Base

Volkswagen serves a diverse customer base, ranging from individual consumers to fleet operators. The company is committed to providing high-quality, affordable vehicles that meet the evolving needs of its customers. Volkswagens Financial Services division offers a range of financing, leasing, and insurance products to support vehicle sales and enhance customer loyalty.

## Future Outlook

Volkswagen aims to continue its transformation towards electric mobility and digitalization. The company is focused on launching new EV models, expanding its global production capacity, and leveraging synergies across its brand portfolio. With a solid financial foundation and a clear strategic vision, Volkswagen is well-positioned to navigate the challenges and opportunities in the rapidly evolving automotive industry.

# Organization and Leadership

Volkswagen (VW) operates under a complex organizational structure, with the Volkswagen Group overseeing multiple renowned brands, including Audi, Porsche, Bentley, Bugatti, Lamborghini, SEAT, and Škoda. The company is headquartered in Wolfsburg, Lower Saxony, Germany, and employs over 120,000 people in Germany alone. The role of Works Councils and IG Metall is significant, ensuring strong labor representation and collective agreements.

## Leadership

* CEO Oliver Blume, who also serves as the CEO of Porsche, took over Volkswagen in 2022. Blume has been instrumental in steering the company through its transition towards electric vehicles (EVs) and digitalization.
* CFO and COO Arno Antlitz, responsible for financial oversight and operational efficiency, has been pivotal in managing the companys financial health and strategic initiatives.
* Supervisory Board Includes representatives from the Porsche-Piëch family and the State of Lower Saxony, reflecting the companys unique governance structure.

## Corporate Governance

Volkswagens corporate governance is characterized by a two-tier system of voting and non-voting stock, giving significant influence to the Porsche-Piëch family and the State of Lower Saxony. This structure has been a point of contention among investors, who argue that it complicates decision-making and affects the companys market valuation.

### Governance Highlights

* Supervisory Board Comprises members from the Porsche-Piëch family, the State of Lower Saxony, and labor representatives. This board is responsible for overseeing the management and strategic direction of the company.
* Executive Board Responsible for day-to-day operations and implementing the strategic decisions made by the Supervisory Board.

## Operations

Volkswagens operations are extensive and global, with manufacturing and assembly facilities in multiple countries, including Germany, China, the United States, Mexico, and Brazil. The company has been focusing on expanding its electric vehicle (EV) production capabilities and enhancing its digital infrastructure.

### Key Operational Initiatives

* Platform Strategy Developing new platforms for EVs, such as the MEB (Modular Electric Drive Matrix) and PPE (Premium Platform Electric), to streamline production and reduce costs.
* Battery Production Establishing battery production facilities, including a significant investment in a battery plant in Salzgitter, Germany, and another in Canada. The company aims to secure raw materials and develop advanced battery technologies like dry coating to improve efficiency and reduce costs.
* Performance Programs Implementing performance programs across various brands and regions to enhance productivity and reduce costs. These programs include measures to improve product lines, increase plant productivity, and optimize fixed costs.

## Customers and Suppliers

Volkswagen serves a diverse customer base, ranging from individual consumers to fleet operators. The companys Financial Services division offers a range of financing, leasing, and insurance products to support vehicle sales and enhance customer loyalty.

### Customer Segmentation

* Individual Consumers Volkswagen provides a wide range of vehicles, from affordable hatchbacks to luxury sedans and SUVs, catering to different market segments.
* Fleet Operators The company offers specialized vehicles and services for commercial and fleet customers, including financing and leasing options.

### Supplier Management

* Volkswagen maintains a robust supply chain, sourcing components and raw materials from a global network of suppliers. The company has implemented stringent supplier standards to ensure quality and sustainability.
* Supply Chain Challenges The company has faced challenges related to semiconductor shortages and logistics bottlenecks, which have impacted production schedules. Volkswagen is actively working to mitigate these issues through strategic partnerships and supply chain optimization.

## Recent Developments

* Unionization Workers at Volkswagens Tennessee factory recently voted to join the United Auto Workers (UAW), marking a significant development in the companys labor relations in the United States.
* Audit in Xinjiang Volkswagen has announced plans to commission an independent audit of its factory in Xinjiang, China, following concerns about human rights practices in the region. This move aims to address investor and public concerns about the companys operations in China.