# Company Thesis

Volkswagen AG (VW) stands as a paragon of resilience and innovation within the global automotive industry. Founded in 1937 by the German Labour Front, Volkswagen has evolved from its origins in Nazi Germany to become a symbol of post-war regeneration and economic prowess. The companys journey from producing the iconic Beetle to becoming the flagship brand of the Volkswagen Group, the largest automotive manufacturer by worldwide sales in 2016 and 2017, is a testament to its enduring legacy and adaptability.

Volkswagens history is marked by significant milestones, including its revival post-World War II under British Army officer Ivan Hirst, which set the stage for its global expansion. The companys strategic decisions, such as the acquisition of Audi and the development of the Golf, have cemented its reputation for engineering excellence and innovation. The introduction of the Golf in 1974, which followed the trend set by the 1959 Mini with its transversely mounted, water-cooled engine, revolutionized the small family car market and has remained a cornerstone of Volkswagens product lineup.

In recent years, Volkswagen has demonstrated a robust commitment to electrification and digitalization, positioning itself at the forefront of the automotive industrys transformation. The companys strategic investments in electric vehicles (EVs) and software development underscore its forward-thinking approach. Volkswagens ambitious goal to launch at least 30 EV models by 2025 and to have electric versions of all its vehicle models by 2030 reflects its dedication to sustainable mobility. The partnership with Rivian, aimed at leveraging Rivians advanced EV architecture to accelerate Volkswagens software transformation, exemplifies the companys strategic collaborations to enhance its technological capabilities.

Volkswagens global footprint is extensive, with manufacturing and assembly facilities in numerous countries, including Germany, China, the United States, and Brazil. This international presence not only supports its production capabilities but also enables it to cater to diverse markets effectively. The companys strong market position in China, which accounts for 40 of its sales and profits, highlights its strategic importance and the potential for future growth in the worlds largest automotive market.

The companys resilience is further demonstrated by its ability to navigate challenges such as the diesel emissions scandal and the recent global supply chain disruptions. Volkswagens proactive measures, including the commissioning of an independent audit of its Xinjiang plant to address human rights concerns, reflect its commitment to ethical business practices and corporate responsibility.

Volkswagens vision for the future is encapsulated in its focus on electrification, digitalization, and sustainability. The companys strategic initiatives, such as the development of the ID. series of electric vehicles and the establishment of PowerCo for battery production, are pivotal to its long-term success. Volkswagens ability to blend its rich heritage with cutting-edge technology and innovation positions it as a compelling investment opportunity in the evolving automotive landscape.

# Company Basics

## CEO (Tenure)

* Oliver Blume (since September 2022)

## Market Cap

* 63.8 billion (as of recent reports)

## Multiples (Current year)

* Not explicitly provided in the text

## 1, 3-Year, 5-Year Return (Ann. Through 2024)

* Not explicitly provided in the text

## Business Mix (of 2023 Sales)

* Not explicitly provided in the text

## Geographic Mix (of Sales)

* China accounts for 40 of sales and profits
* Other regions include Germany, the United States, Brazil, and several other countries with manufacturing or assembly facilities

## Key Financials (2023)

* Sales Revenue 322.3 billion
* Operating Profit 22.6 billion
* Operating Margin 7.0
* Net Cash Flow 10.7 billion
* Automotive Net Liquidity 40.3 billion

# Recent Developments

## Electric Vehicles

* Volkswagen aims to launch at least 30 EV models by 2025 and have electric versions of all its vehicle models by 2030

## Partnerships

* Recently announced a partnership with Rivian to leverage its advanced EV architecture

## Strategic Initiatives

* Focus on electrification, digitalization, and sustainability, including the development of the ID. series of electric vehicles and the establishment of PowerCo for battery production

# Challenges

## Market Share in China

* Currently struggling with a market share of only 4 in the electric vehicle segment

## Supply Chain Issues

* Recent global supply chain disruptions and the diesel emissions scandal have posed significant challenges

# Commitment to Ethics

* Volkswagen has commissioned an independent audit of its Xinjiang plant to address human rights concerns

This concise summary provides a snapshot of Volkswagen AGs current status, financial health, and strategic direction.