# Company Thesis

## Overview

Volkswagen AG (VW) is a German automobile manufacturer headquartered in Wolfsburg, Lower Saxony, Germany. Founded in 1937 by the German Labour Front under the Nazi Party, the company was revived 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 accounts for 40 percent of its sales and profits.

## Historical Background

Volkswagens journey began with the Peoples Car project, aimed at making cars affordable for the average German family. The companys early years were marked by the production of the KdF-Wagen, which later evolved into the Beetle, a car that became a global icon. During World War II, Volkswagen shifted to military vehicle production, but it was the post-war period that truly defined its resurgence. Under British control, the company was revitalized, and by the 1950s, it had established itself as a significant player in the global automotive market.

## Expansion and Innovation

The 1960s and 1970s saw Volkswagen expanding its product line and acquiring other brands, such as Audi, which contributed to its technological expertise. The introduction of models like the Golf and Passat in the 1970s marked a pivotal point in Volkswagens history, setting the stage for its future growth. The company continued to innovate and expand, launching new models and entering new markets.

## Recent Challenges and Resilience

In recent years, Volkswagen has faced significant challenges, including the Dieselgate scandal in 2015, which had a profound impact on its reputation and financial performance. Despite these setbacks, the company has demonstrated resilience and a commitment to transformation.

## Strategic Initiatives

Volkswagen has made substantial investments in electric vehicles (EVs) and digitalization, aiming to become a leader in the EV market. The company plans to launch at least 30 EV models by 2025 and aims for electric versions of all its vehicle models by 2030. Volkswagens strategic initiatives include partnerships with companies like Xpeng and Rivian to enhance its EV capabilities and software development. The company is also focusing on regional growth, particularly in North America and China, while maintaining its strong presence in Europe.

## Commitment to Sustainability

Volkswagens commitment to sustainability is evident in its investments in battery technology and renewable energy sources. With a rich history, a diverse portfolio of brands, and a clear vision for the future, Volkswagen is well-positioned to navigate the challenges of the automotive industry and capitalize on emerging opportunities. The companys focus on innovation, sustainability, and regional growth makes it an attractive investment for those looking to be part of the evolving automotive landscape.