

# BOARD REPORT

TEAM UMCC – UNIVERSITY OF MÜNSTER, GERMANY

KEVIN-ALEXANDER KLUS; MAIKE LAMMERS; CARMEN PÖLKING; ANN-KATHRIN TRILSBACH



# Agenda

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Executive Summary

2

E-Mobility Strategy

3

Paris Accord and Environmental Legislation

4

Strategic Sourcing of Cobalt Supplies

5

Strategy, Structure & Cost Optimization

6

Product Portfolio Rationalization

7

Conclusion

Executive  
Summary

E-Mobility Strategy

Paris Accord &  
Legislation

Strategic Sourcing  
of Cobalt Supplies

Strategy, Structure &  
Cost Optimization

Product Portfolio  
Rationalization

Conclusion

# Key recommendations

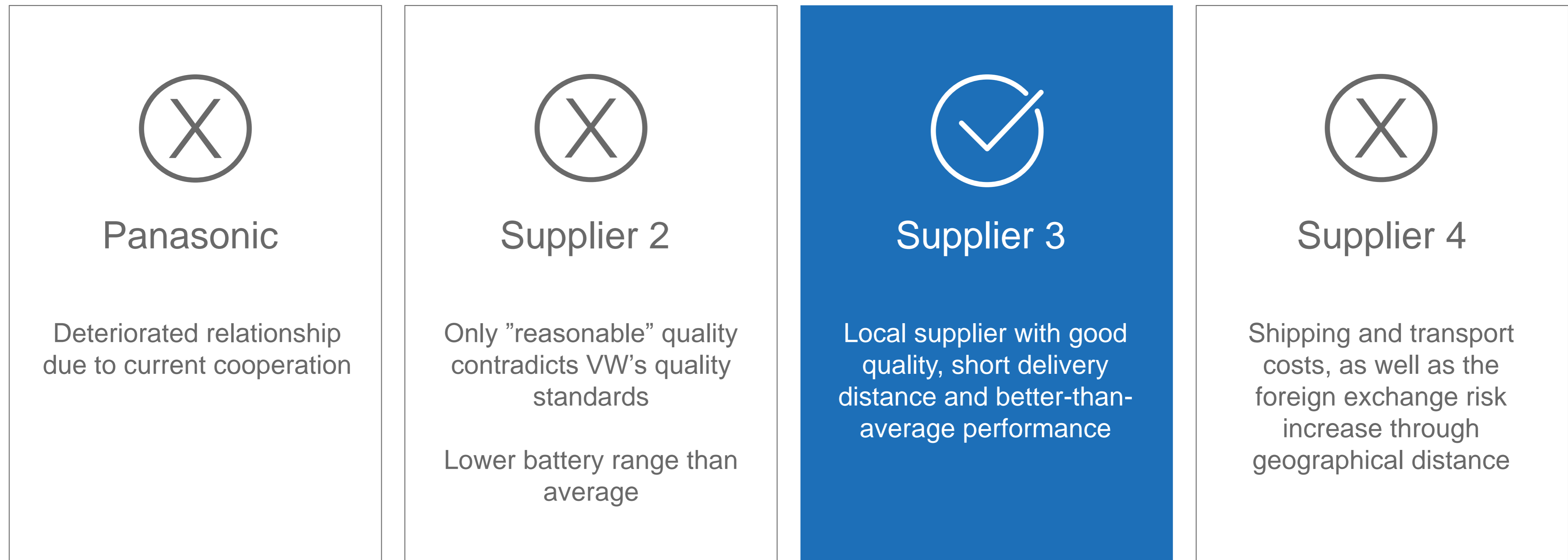
<ul style="list-style-type: none"> <li>• Multibrand empire</li> <li>• Well recognized brand portfolio</li> <li>• Number one car manufacturer</li> <li>• Worldwide production capacities</li> </ul> <p style="text-align: right;"><b>S</b></p>	<ul style="list-style-type: none"> <li>• Damaged brand image due to diesel scandal</li> <li>• Competitive drawback in e-mobility</li> <li>• High average emissions</li> <li>• Complexity of product portfolio</li> </ul> <p style="text-align: right;"><b>W</b></p>
<ul style="list-style-type: none"> <li>• Increasing sales in South America with potential to further growth</li> <li>• Pioneer for Toolkit strategy and enabler for mass production of e-mobility</li> <li>• Image improvements</li> </ul> <p style="text-align: right;"><b>O</b></p>	<ul style="list-style-type: none"> <li>• Strong regulation on diesel</li> <li>• Scarcity of raw materials</li> <li>• Unstable conditions in emerging markets</li> <li>• Changes in economic situation, saturated markets</li> <li>• Patent and licensing infringements</li> </ul> <p style="text-align: right;"><b>T</b></p>



## Prioritization

- 1 E-Mobility Strategy
- 2 Paris Accord and Environmental Legislation
- 3 Strategic Sourcing of Cobalt Supplies in Afrika
- 4 Strategy, Structure and Cost Optimization
- 5 Product Portfolio Rationalization

# Supplier choice with partnership as the chosen type of cooperation

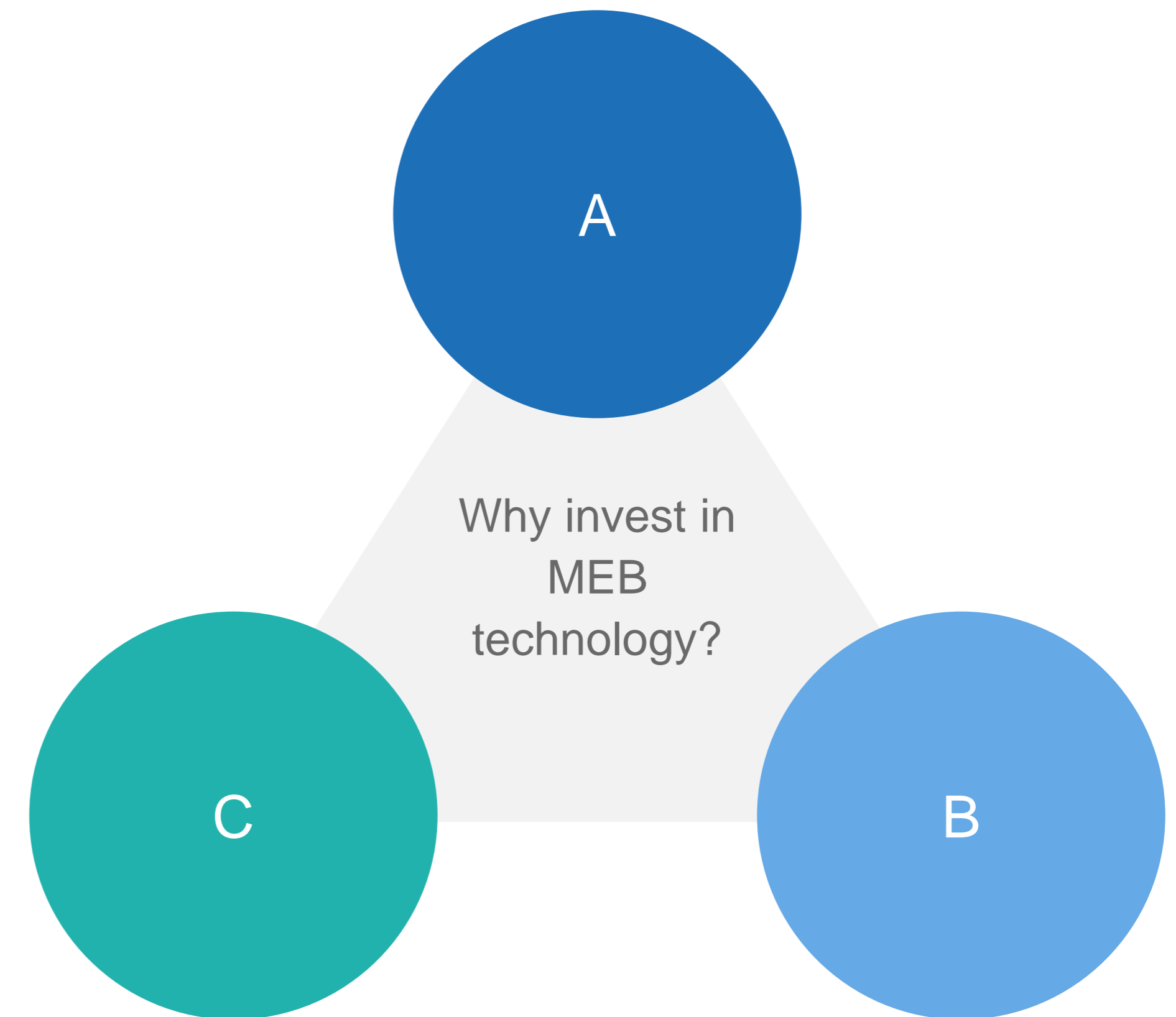


Higher prices and the limited capacity of S3 will be compensated by the absence of exchange risks and releasing capacity at VW due to product portfolio rationalization

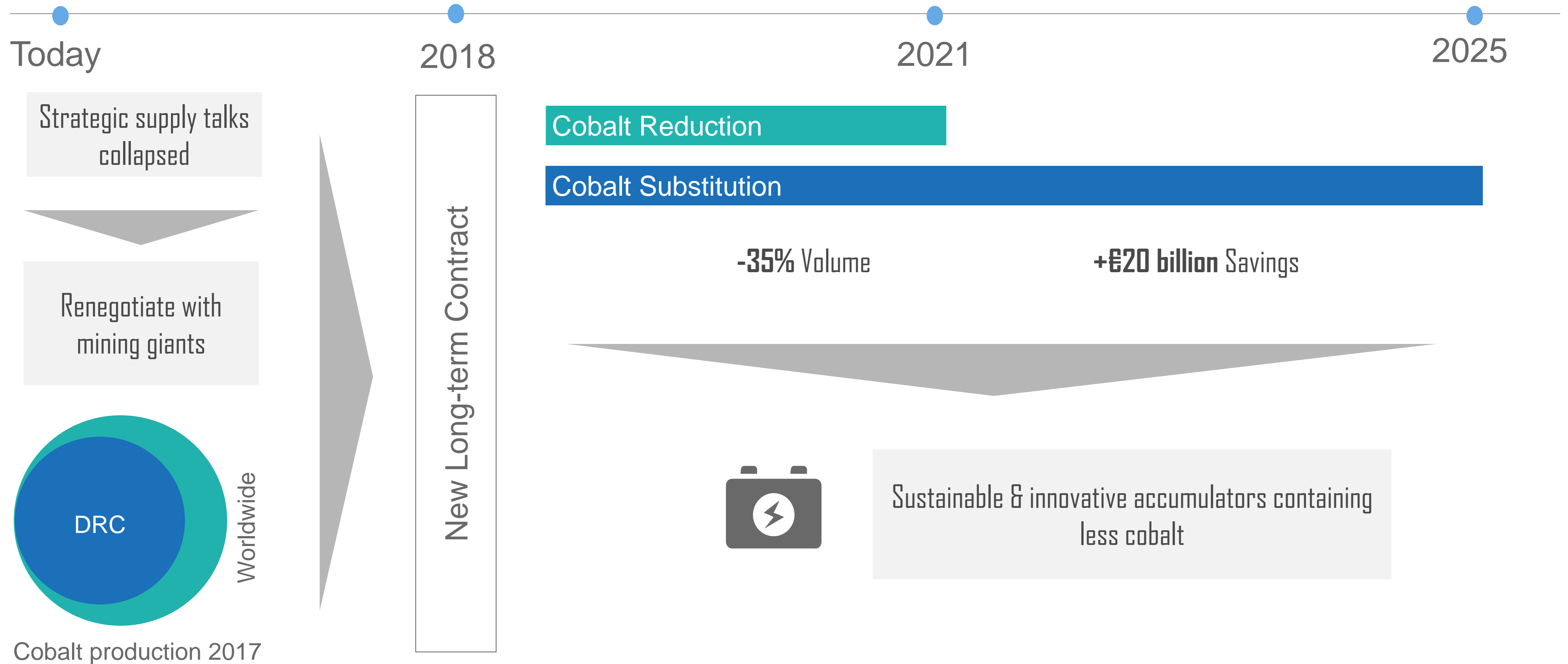
# Choose MEB for adaptability to new strategy

**Modular electric drive matrix (MEB):**  
applicable to conventional engines and to  
produce electric vehicles

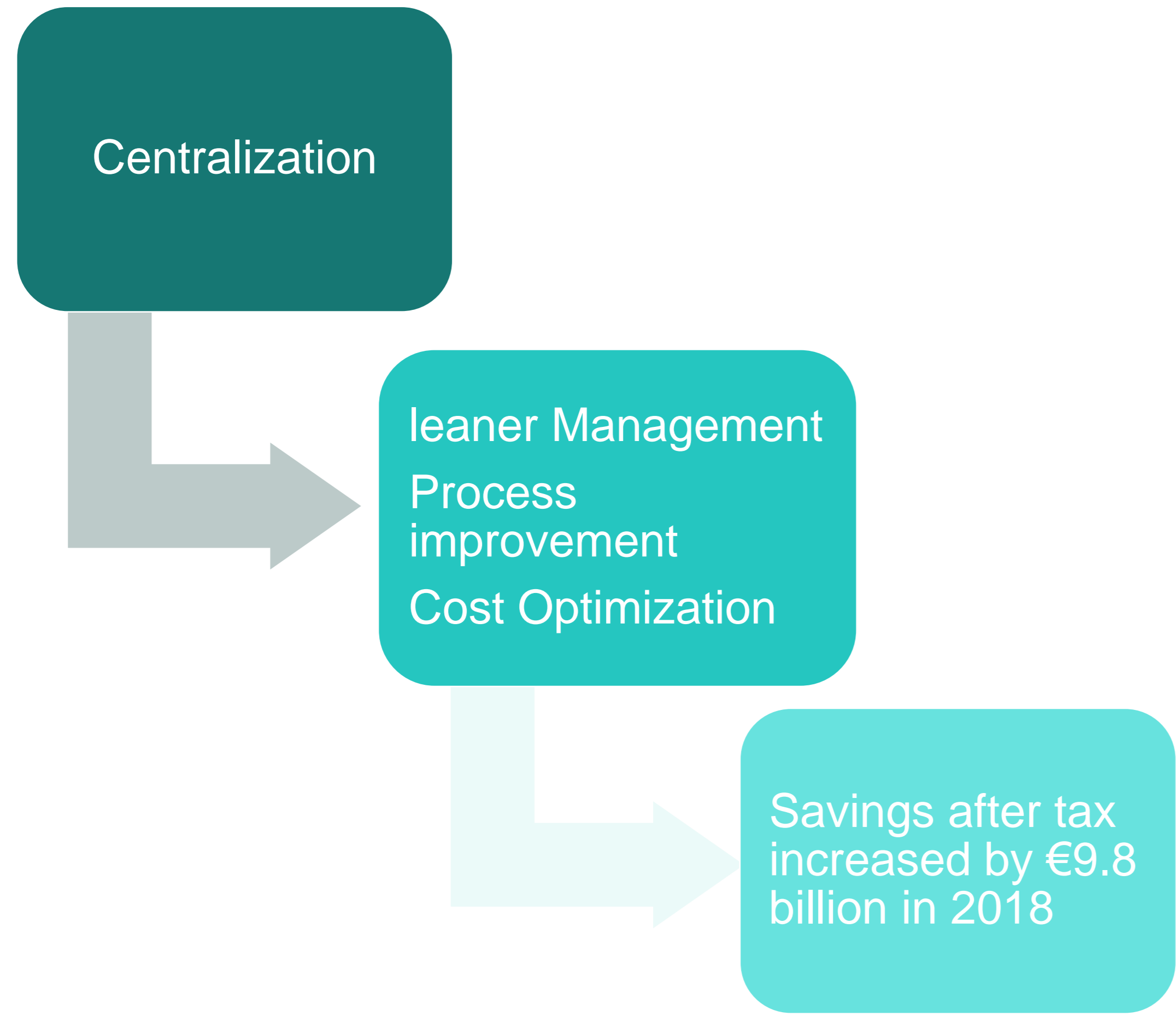
- ✓ Potential to make VW industry's leading example of combining profitable business with environmental protection
- ✓ Increased focus on sustainability would make VW's cars more attractive to customers
- ✓ technology indispensable for success of Strategy 2025 - Roadmap E



# Secure and reduce the cobalt needs

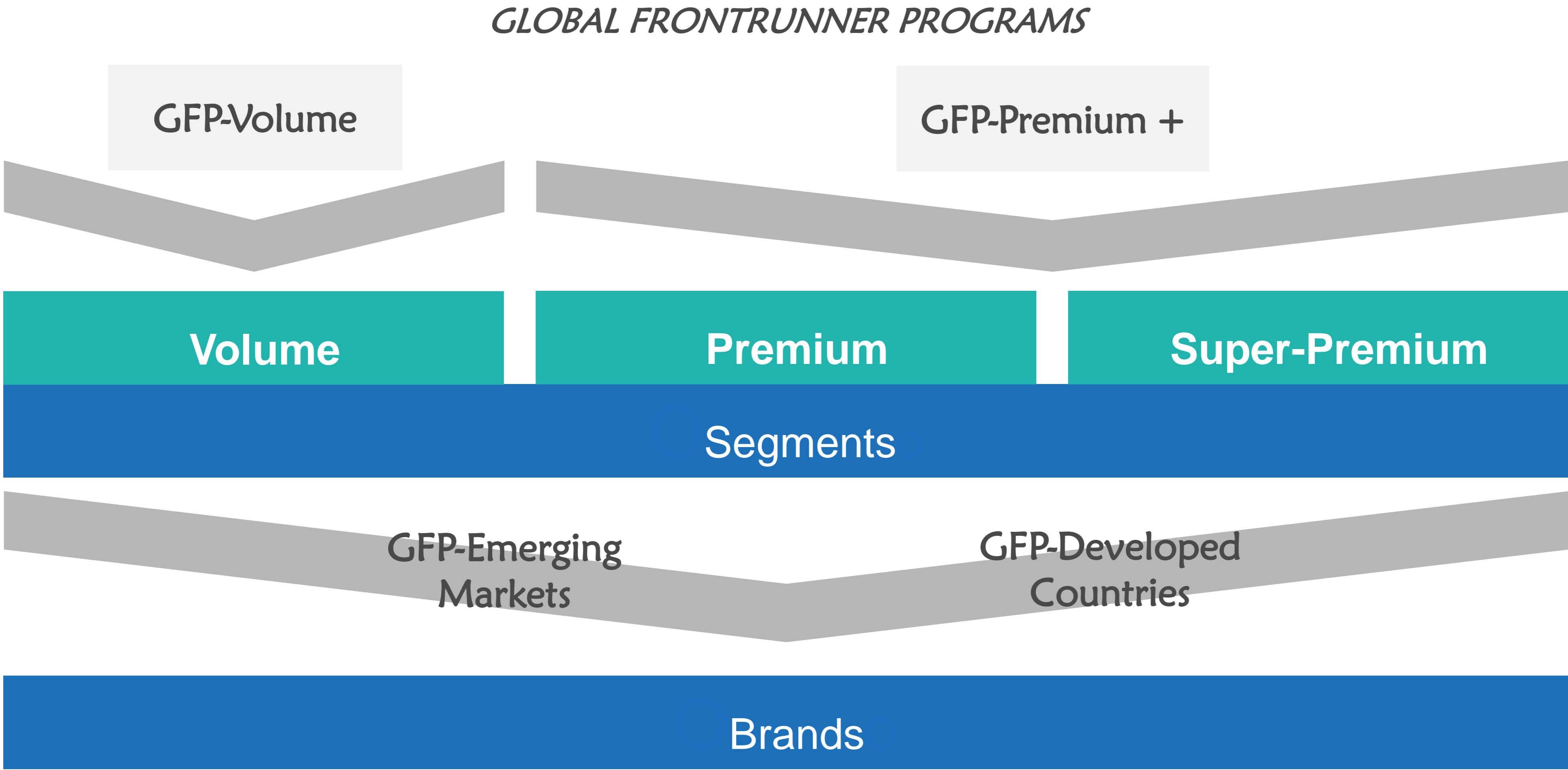


# Use saving potential to optimize cost structure



Functions & Source of Saving	Expected saving value
Procurement, Factory Overheads	1,5%
Human Resources including Wages and Salaries	2,0%
Marketing, Distribution, Pricing and Trade Discounts	2,5%

# Cover various segments with setting an agenda





# Concentration on a slim and efficient producto portfolio

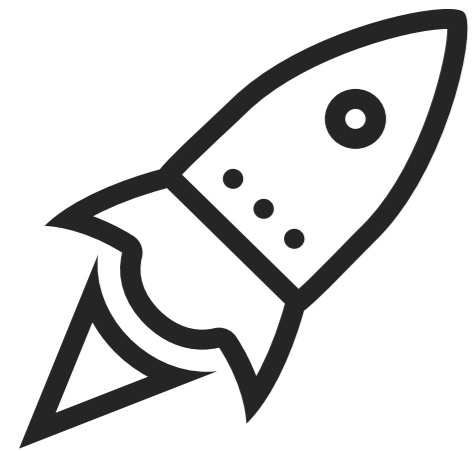


- Identification of **loss-making cars** to cease their production
- **Price reduction** in the volume range in key emerging market

- Identify **inefficient car models** (< 50.000 sold units) & remove them progressively → first step: production stop of Toledo and Mii
- Carry out a **market analysis** & **reduce the price** of those car models in the volume range that are in particular in demand

- Creation of a **slim product portfolio**
- satisfaction of rising demand and **strong customer base** in emerging markets
- Potential customers & free production capacities for **the e-mobility segment**

# The Outcome



- Remaining a big leader on the market through constant innovation



- Ensuring fair working conditions for all people along the value chain and a clear vision based on VW's core competencies



- Offering environmentally friendly choices and by that contributing to the world-wide reduction CO2 and other pollutants



All whilst remaining profitable both in the short-term and long-term