




Sustainability goes from good-to-have to must-to-have



AUTOMOTIVE
MAKING A
DISRUPTIVE
CHANGE

Turning
Point

SUSTAINABILITY
ELECTRIFICATION
DIGITALIZATION

COMPETENCE
NEW BUSINESS
MODEL

Changes in the automotive environment

HOME > FINANCE

The Chevy Bolt is crushing the Tesla Model 3

Matthew DeBord Jan 3, 2018, 12:36 PM CST



The Chevy Bolt. Hollis Johnson/Business Insider

- Chevy sold over 3,000 Bolts in December.
- Tesla will likely sell fewer Model 3's than that for the entire fourth quarter.
- If the sales trend continues, Chevy could be selling 5,000 Bolts every month by mid-2018.

06:05 fre 21 apr.

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in Sök Startside Ditt nätverk Jobb Meddelanden Aviseringar Du För Företag



Ralf Brandstätter

Member of the Board of Management of Volkswagen AG | China Operations

Gå till profil



Ralf Brandstätter • Följer

Member of the Board of Management of Vol...
1 tim •

Interesting insights into our "in China for China" strategy. Have a look....

Se översättning



Volkswagen Group

1 340 345 följare
13 tim •

+ Följ

Three pillars of our China strategy:

- Consideration of the customer perspective
- More speed in development and localization
- Autonomous decisions [#inChina4China](#)

Listen to the explanations in detail from our CEO Oliver Blume here!

Se översättning



and therefore we have three important criteria

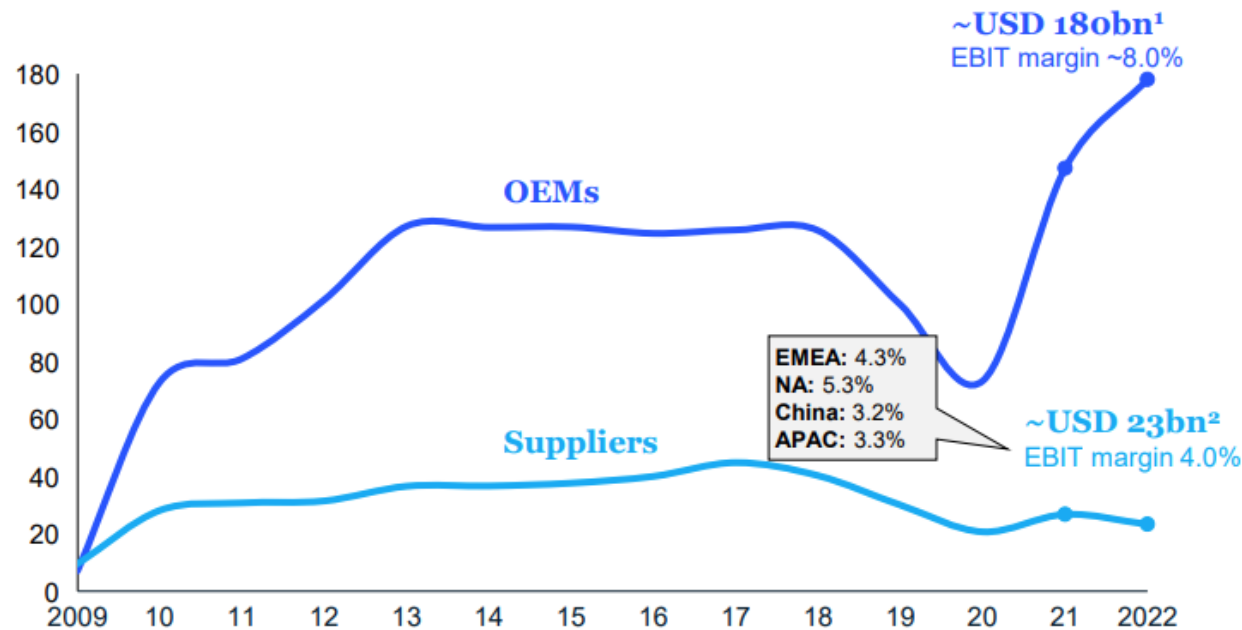
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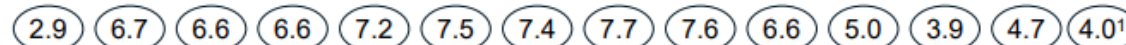
Suppliers continue to lose profitability in 2022, while OEMs expand their margin

External perspective

Global automotive OEM and supplier EBIT development, USD bn



Supplier EBIT Margin



1. Core automotive operating profit, including China JVs; EBIT margin based on 2022 H2 | 2. EBIT margin for Annualized from 9M results
Note: Includes top 20 OEMs and top 100 listed automotive suppliers

Source: S&P Capital IQ, McKinsey Automotive Profit Pool, McKinsey Top Supplier Database (December 2022)

Status of the automotive supplier industry

Challenges to the value chain

Short-term

Macroeconomic risks

Trade wars, market saturation

COVID-19 crisis

CN new vehicle sales -8% YoY in 11/2

Supply chain shortages

Semiconductor, Magnesium, green materials

Inflation

10.6% in Eurozone in October 2022

Long-term disruptions

Shift to EVs

>50% of global sales in 2030

Autonomous driving

~60% of Top20 OEMs plan L4 by 2025

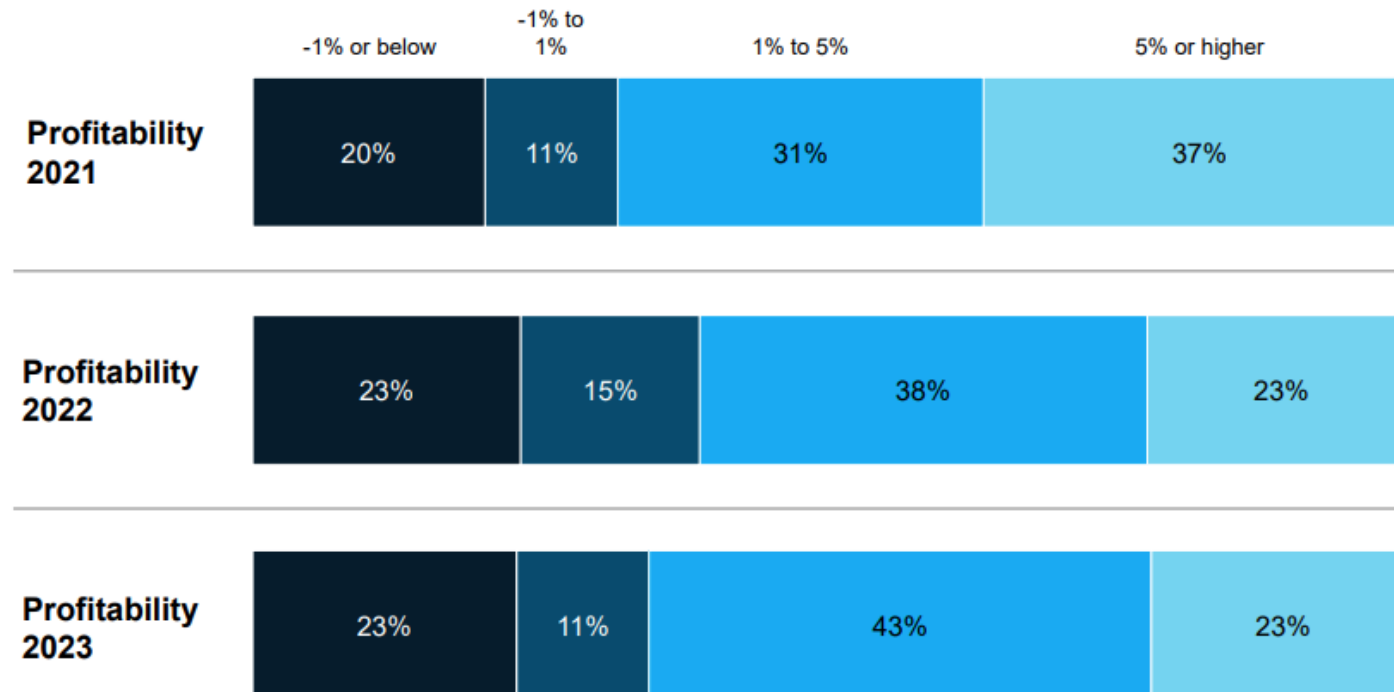
SW-centric recurring revenues

Potential of ~USD 250-400bn by 2030

However, industry profitability expected to remain at low levels in 2023

Survey conducted between February 6th – February 24th, 2023

What overall profitability (EBIT-margin) do you expect?¹



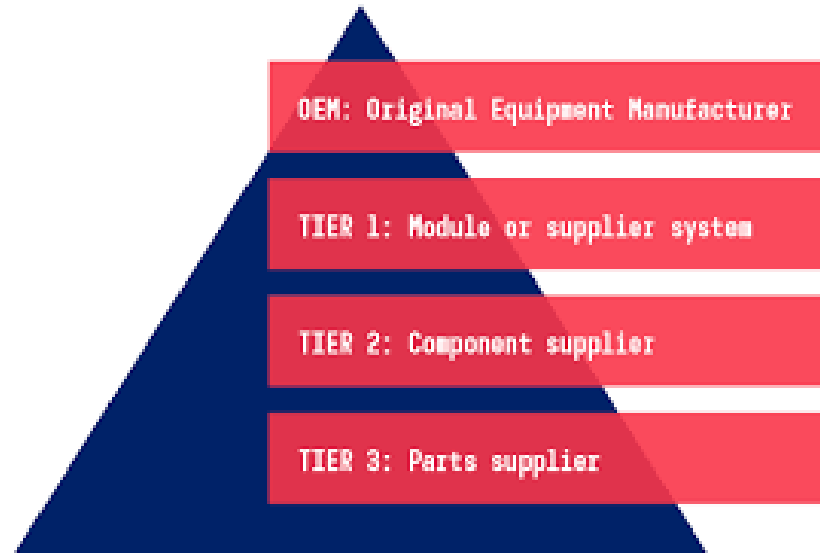
1. N=36 (September 22nd - October 11th, 2021), N=32 (September 19th - October 7th, 2022), N=49 (February 6th - February 24th, 2023)

Profitability situation for industry remaining difficult as many suppliers are under heavy margin pressure and share of suppliers

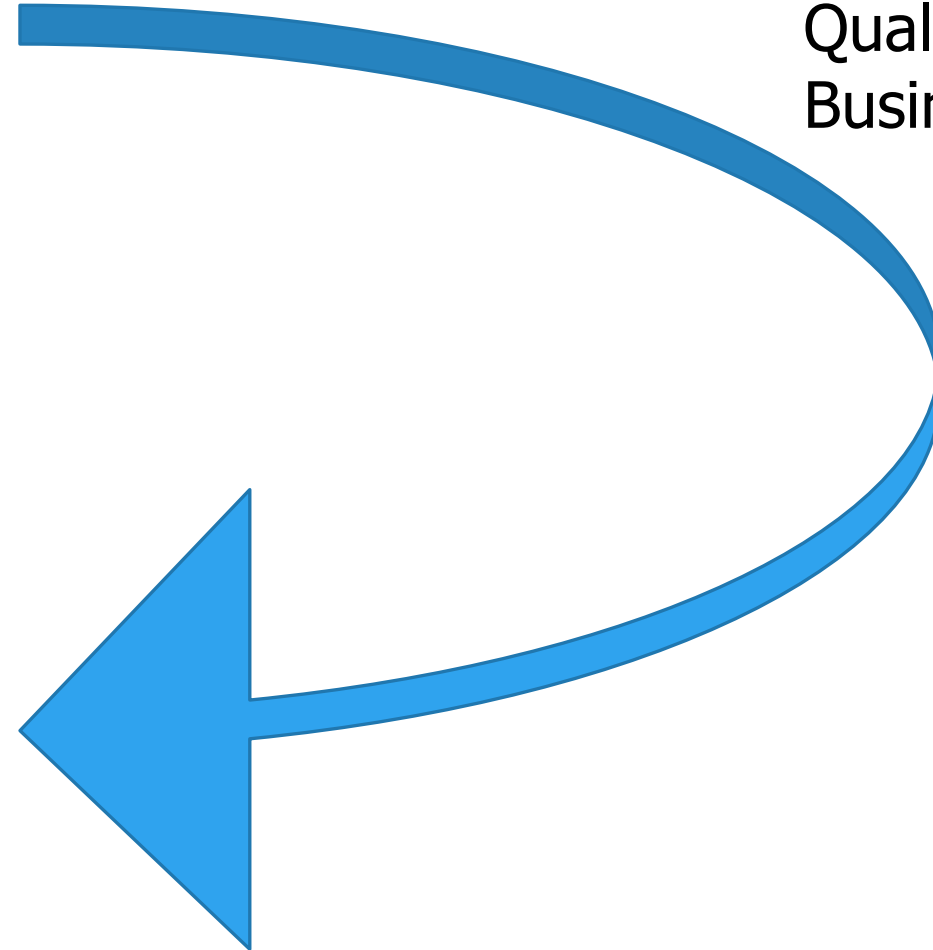
“ ” We’re good in volumes, but low in margins

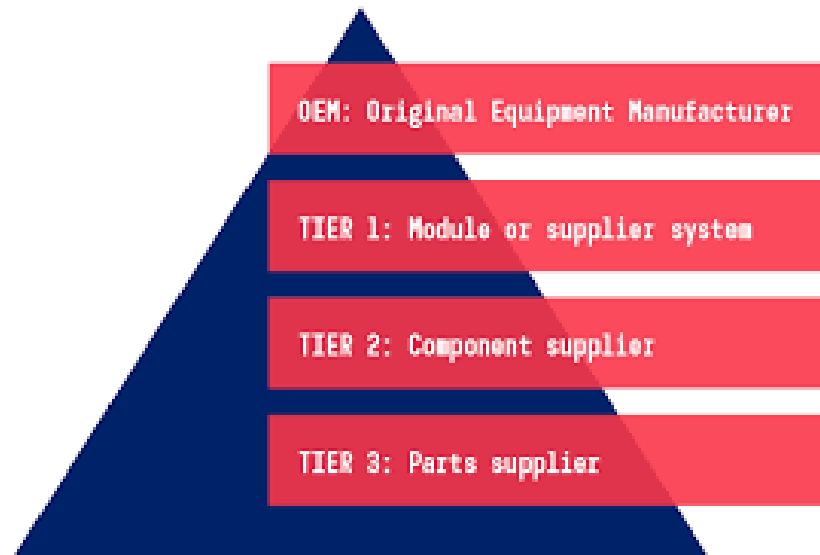
“ ” We might improve our profitability level **under the assumption of recovering 85%** of our cost increases

“ ” Our margins are **squeezed between** contracted LTAs and the recent inflation of variable cost



Technical
Quality
Business Model





Business
Social
Environment

