

What Volkswagen Group's 2025 Annual Report assumes, believes and expects

Source: Volkswagen AG - Annual Report, 2025 (670 pages). Public document.

Five assumptions worth your attention

These claims are never argued for directly, but the strategy depends on them.

Volkswagen bets that workforce downsizing in Germany will yield net savings without triggering severe operational disruptions or labor unrest.

Why it matters: The Group plans to eliminate around 50,000 jobs in Germany by 2030 to achieve over 6 billion EUR in net annual cost savings, after saving 1 billion EUR in 2025.

What would prove or disprove it: Disclosures in future annual reports showing net cost reductions exceeding 6 billion EUR by 2030 without major strike actions.

Volkswagen assumes its regional software joint venture with Rivian will successfully deliver competitive zonal architecture for Western markets.

Why it matters: Volkswagen is investing up to 5.8 billion USD in Rivian and the joint venture through 2028 to power its future Western electric vehicles starting with the ID. Every1 in 2027.

What would prove or disprove it: Commercial launch of the ID. Every1 in 2027 featuring the Rivian joint venture's electronic and software architecture.

Volkswagen assumes localized China-specific developments with XPeng and CARIAD will reverse or stabilize market share declines in China.

Why it matters: Deliveries in China dropped 8.0% to 2,588 thousand units (excluding JVs) in 2025, while the Group plans 30 new electrified models in China by 2027 under its 'In China for China' strategy.

What would prove or disprove it: Volkswagen Group China delivery volumes and market share figures in the 2026 and 2027 Annual Reports.

Volkswagen assumes internal battery cell production via PowerCo will achieve cost competitiveness and technical parity against established Asian suppliers.

Why it matters: PowerCo began operations at its Salzgitter factory in late 2025 and is ramping up Valencia to produce unified cells for entry-level electric urban cars.

What would prove or disprove it: PowerCo cell production volume metrics and gross margin contributions reported in future financial statements.

Volkswagen assumes long-term operating return on sales can recover to 8% to 10% despite structural cost headwinds in Europe.

Why it matters: Operating return on sales dropped from 5.9% in 2024 to 2.8% in 2025, driven by US tariffs, goodwill impairments, and high European cost structures.

What would prove or disprove it: Group annual consolidated operating return on sales reaching the 8% to 10% target range by 2030.

The fuller list

Sorted by how the document itself frames each claim.

Category	Claim	Source
<i>Stated outright</i>	Volkswagen expects Group operating return on sales to reach 8% to 10% by 2030, supported by strict cost discipline and performance programs.	<i>Letter to Shareholders</i>
<i>Stated outright</i>	Volkswagen plans to launch over 20 new vehicle models globally in 2026 across various drive systems.	<i>Letter to Shareholders</i>
<i>Stated outright</i>	Volkswagen expects the automotive investment ratio to decline to approximately 9% of sales revenue by 2030.	<i>Group Management Report</i>
<i>Stated outright (risk framing)</i>	US tariff increases of up to 25% imposed in 2025 directly burdened operating result by 2.9 billion EUR.	<i>Results of Operations</i>
<i>Stated outright (risk framing)</i>	Postponement of all-electric platforms at Porsche required 2.0 billion EUR in impairment and provision expenses in 2025.	<i>Results of Operations</i>
<i>Stated outright (risk framing)</i>	Inability to meet European CO2 fleet emissions standards resulted in 0.5 billion EUR in provision expenses in 2025.	<i>Results of Operations</i>
<i>Partly third-party</i>	The global economy grew in 2025 at a pace similar to 2024, supported by interest rate cuts from central banks.	<i>Group Management Report</i>
<i>Partly third-party</i>	Global passenger car market volume grew 3.0% in 2025 to 81.8 million units, while global BEV volume grew 22.6%.	<i>Group Management Report</i>
<i>Asserted, no evidence shown</i>	Demand for use-based vehicle and mobility services such as subscription models and robotaxis will soar up to 2035.	<i>Goals and Strategies</i>
<i>Asserted, no evidence shown</i>	Models developed under the 'In China for China' strategy will enable Volkswagen to tap new export market opportunities.	<i>Letter to Shareholders</i>
<i>Aspiration, no numbers</i>	Volkswagen aims to become 'The Global Automotive Tech Driver' through resilient regional positioning and software leadership.	<i>Goals and Strategies</i>
<i>Aspiration, no numbers</i>	Volkswagen aims to become a mobility provider with positive added value for nature and society under its regenerate+ strategy.	<i>Goals and Strategies</i>
<i>Implicit, derived from the figures</i>	Volkswagen relies on high cash flow generation in Europe to finance capital-intensive electric and software transformations elsewhere.	<i>Results of Operations</i>

Category	Claim	Source
<i>Implicit, derived from the figures</i>	Scout brand range-extender petrol tech assumption implies battery-only SUVs remain inadequate for US market expectations.	<i>Letter to Shareholders</i>
<i>Standard legal boilerplate</i>	Forward-looking statements are based on assumptions regarding economic, political, and legal environments that carry inherent risk and uncertainty.	<i>About this report</i>

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