

VW beats forecasts in 2018 still marked by diesel fallout

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Rising revenue and profits despite continuing headwinds from the fallout of the "dieselgate" emissions cheating scandal helped make for smiles at Volkswagen

Mammoth German carmaker Volkswagen reported Thursday growing profits and revenues in 2018, beating analysts' forecasts despite

enormous charges linked to its "dieselgate" emissions cheating scandal and headwinds from tough new pollution tests.

The Wolfsburg-based group said it boosted its bottom line 6.0 percent year-on-year to 12.15 billion euros (\$13.7 billion), higher than expectations from analysts surveyed by Factset.

Selling 10.8 million vehicles around the world from its 12 brands brought in 235.8 billion euros, with revenues posting slower growth than profits at 2.7 percent.

And operating, or underlying profit added just 1.0 percent, to 13.9 billion.

"We performed very well in spite of strong headwinds," chief executive Herbert Diess said in a statement.

One major burden was the WLTP emissions tests, introduced since VW's 2015 admission that it manipulated millions of cars worldwide to appear less polluting, .

The new process' introduction in September cost VW almost one billion euros by slowing production, a spokesman told AFP, with the effect visible in a fourth-quarter operating result 4.2 percent lower year-on-year, at 3.0 billion euros.

Meanwhile the group notched up 3.2 billion euros in special items to cover costs relating to "dieselgate", the same as the previous year.

A sizeable chunk of the costs came in Germany as VW paid a group-wide fine of 1.0 billion euros, while high-end subsidiary Audi had to forfeit 800 million euros.

Since 2015, legal costs, fines, buybacks, and refits to affected cars have cost VW 29 billion euros, the group said.

Looking ahead, VW said it had expanded its plans for a vast array of electric models over the coming decade to 70 rather than 50, aiming to sell 22 million battery-powered cars by 2028.

It hopes the offensive will help it meet strict new carbon dioxide emissions requirements in the European Union.

"The share of electric vehicles in the group fleet is to rise to at least 40 percent by 2030" with Korea's LG, Samsung and SK Innovation and China's CATL providing the vital battery cells to power the drive.

"Volkswagen is also taking a close look at possible participation in battery cell manufacturing facilities in Europe," it added.

On a closer time horizon, VW aims for "slightly" higher unit sales this year than in 2018, with revenues "as much as 5.0 percent" higher and an operating profit margin of between 6.5 and 7.5 percent—up from 5.9 percent last year.

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