Volkswagen sees 'severe' virus impact but no annual loss ahead

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German car giant Volkswagen said Wednesday it expects to defy the impact of the coronavirus pandemic with a small operating profit in 2020, although the figure will be "severely" impacted.

The company withdrew existing full-year targets earlier this month as it released grim preliminary earnings data for January-March.

With unit sales and revenue forecast "significantly below" 2019 levels, VW "expects operating [profit](#) for 2020 to be severely below the prior year, but still to remain positive," it said in a statement unveiling full first-quarter results.

In final first quarter figures released Monday, [net profit](#) at the sprawling 12-brand group fell 83 percent year-on-year, to 517 million euros ($561 million).

Meanwhile VW's revenues fell just over eight percent to 55 billion euros.

"We've taken numerous counter-measures to cut costs and ensure liquidity and we continue to be robustly positioned financially," finance director Frank Witter said in a statement.

On March 31, VW was holding 17.8 billion euros in cash.

Across Europe's major markets, car sales plummeted in March as lockdown measures imposed to slow the coronavirus' spread wiped out swathes of everyday economic activity.

But there are glimmers of hope for VW in home market Germany, where dealerships have reopened and factories are restarting production at a slower pace.

Nevertheless, analysts at credit ratings agency Moody's expect a 14-percent drop in the global car market this year

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