

Volkswagen's 2023 profits rise, outlook for this year cautious

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German auto giant Volkswagen on Wednesday reported a forecast-beating rise in profits for 2023, boosted by higher vehicle deliveries, but gave a cautious outlook for this year.

Net profit rose 13.1 percent to 17.9 billion euros (\$19.6 billion) from the previous year. Sales rose more than 15 percent to 322.3 billion euros.

Analysts surveyed by financial data firm FactSet had forecast profits to come in at 15.7 billion euros, slightly lower than 2022.

In all, Volkswagen delivered some 9.2 million cars to customers in 2023, an improvement of 12 percent.

This was the first increase in deliveries following three straight years of declines, after production was disrupted by shortages of key components amid supply chain issues.

The [auto](#) giant's units sold rose by 20 percent in Europe and in the North America region by 18 percent.

In China, sales also grew, but at a far more modest rate of 1.6 percent. The growth was slower than in the previous year and was the latest evidence that Volkswagen is losing ground in its most important market.

Volkswagen has fallen behind domestic competitors in China, losing its title as the best-selling auto brand to BYD.

The 10-brand group—whose models include Audi, Porsche and Skoda—last year singled out China and the United States as key markets for its future growth, and it is also looking to increase [profit margins](#).

Looking ahead, the German auto giant expects vehicle deliveries to advance in 2024, but by up to just three percent, due to tougher international competition and potential supply chain problems.

It warned of "persistently high inflation in major economic regions" as well as the "continuing geopolitical tensions and conflicts," pointing to

the Ukraine-Russia war and "confrontations in the Middle East".

Volkswagen sold 771,000 battery-powered cars in 2023, 35 percent more than the previous year, but still only 8.3 percent of the group's total sales.

The carmaker has plowed huge sums into producing more [electric vehicles](#) but there have been concerns that this shift is stalling, amid low demand and a weak global economy.

In recent months, Volkswagen has flagged plans to reduce its workforce and also unveiled a 10-billion-euro savings plan as it seeks to boost profitability and reboot the faltering electric shift.

Its profit margins are languishing below its long-term target of between nine and 11 percent.

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