



ŠKODA
SIMPLY CLEVER

PRESS RELEASE

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2016 ŠKODA achieves new records in vehicle sales and financial results

- › Worldwide deliveries of 1,126,500 vehicles reach new highs (+ 6.7%)
- › ŠKODA achieves new record sales revenue of 13.7 billion euros (+ 9.8%)
- › Operating profit grows by 30.8 percent to 1.197 billion euros
- › New best value in the strongest single market: 317,100 deliveries in China
- › ŠKODA is on course for growth: Best January and February of all time with 174,900 deliveries
- › ŠKODA continues product campaign in 2017, presenting eleven model innovations

Mladá Boleslav, 22 March 2017 – ŠKODA's record performance continues. The Czech carmaker achieved new best values in 2016, both in terms of global vehicle sales and financial results. Compared to the previous year, deliveries rose by 6.7% to 1,126,500 vehicles (2015: 1,055,500). In the same period, sales revenue also increased by 9.8% to 13.7 billion euros (2015: 12.5 billion euros), thereby also reaching a new record high. The traditional Czech brand recorded an increase of 30.8% in operating profit at 1.197 billion euros (2015: 915 million euros). ŠKODA has set the course for further growth with Strategy 2025 and the associated model campaign. The brand expects additional growth impetus in particular from the introduction of the new ŠKODA KODIAQ SUV, the upgraded ŠKODA OCTAVIA as well as other new models the company will be presenting in the course of the year.

"The results of the 2016 financial year exceeded our expectations. Achieving three record years in a row demonstrates the success of our sustainable growth strategy," says ŠKODA CEO, Bernhard Maier. "With our Strategy 2025, we will consistently promote the growth of the ŠKODA brand over the coming years. In this context, we will renew and expand our model portfolio, and open up new markets, segments and digital business areas. We will also be focusing on the electrification of our vehicles. We are going to launch the first purely battery-powered ŠKODA model on the market in 2020. A first idea of how the electric future of ŠKODA might look will be presented at the motor show in Shanghai."

Digitization, connectivity and new mobile services are among the cornerstones of Strategy 2025. Our aim is to develop completely new mobility services for ŠKODA customers. "The car will remain the core of our offer. We will be complementing this with services that make daily driving easier, safer, more comfortable and efficient. ŠKODA will be transitioning from being purely a car manufacturer to a mobility services provider. One component of this future-oriented strategy is the new ŠKODA AUTO DigiLab in Prague, with which we are strengthening our innovation and digital development expertise," Maier continued.

"Our profitable growth is primarily based on four pillars: a higher number of vehicles delivered, the utilization of capacities of our plants, an improved model mix, and optimized product costs," says ŠKODA CFO Klaus-Dieter Schürmann.





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ŠKODA achieved new best figures in sales revenue and operating profit in the 2016 financial year. Sales revenue grew to 13.7 billion euros (2015: 12.5 billion euros), thus surpassing the previous record figure set in 2015 by 9.8%. Operating profit increased by 30.8% to 1.197 billion euros (2015: 915 million euros). This corresponds to 8.7% of the sales revenue (2015: 7.3%).

The profit before tax rose by 38.7% to 1.173 billion euros (2015: 846 million euros). After tax, the profit for 2016 was 951 million euros (2015: 708 million euros), 34.3% above the previous year. Investments amounted to 548 million euros in 2016 (2015: 591 million euros).

ŠKODA delivered a new record number of 1,126,500 vehicles to customers worldwide in 2016. This corresponds to an increase of around 71,000 vehicles or 6.7% compared to 2015 (1,055,500 deliveries). ŠKODA's sales reached new highs in numerous key markets such as China (317,100), Germany (165,200), Great Britain (80,300) and Poland (56,200). In Turkey (28,900), France (23,000) and Israel (20,400), more people than ever before received a new ŠKODA car in 2016.

Last year marked the 25th anniversary of the successful partnership between the Volkswagen Group and the traditional Czech brand; a period in which ŠKODA transformed from being a regional market leader into an internationally successful car manufacturer. The product highlight of 2016 was the world premiere of the new large SUV ŠKODA KODIAQ in Berlin and its subsequent trade-fair debut at the Paris Motor Show. The KODIAQ marks the launch of the Czech carmaker's broad SUV campaign with which the company intends to reach new customers and segments, expand its market shares and strengthen its position on the global markets.

"The success of the ŠKODA brand in the 2016 fiscal year can be attributed to the great commitment of the entire workforce. We would like to thank all our employees as well as the KOVO trade union, which constructively supported the company's growth throughout 2016," says Bohdan Wojnar ŠKODA Board Member for HR.

"ŠKODA greatly appreciates the efforts of its employees, which is also reflected in their remuneration. The average wage at the company has increased by 30% since 2010. We are also intensively preparing our employees for the future challenges related to Industry 4.0, especially with regard to developing their IT skills," adds Wojnar.

ŠKODA has also made a strong start to 2017. In January and February, the brand achieved new records, increasing its deliveries to customers in the first two months by 2.7% to 174,900 units (2016: 172,300 vehicles). In March, the extensively revised OCTAVIA, RAPID, RAPID SPACEBACK and CITIGO series, as well as the KODIAQ SCOUT and KODIAQ SPORTLINE, OCTAVIA RS 245 and OCTAVIA SCOUT model versions celebrated their world premiere at the Geneva Motor Show. ŠKODA will be presenting a total of eleven model innovations in 2017.





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ŠKODA AUTO Group in figures:

		2016	2015	Change in %
Deliveries to customers	Thousand cars	1,126	1,056	+6.7
Deliveries without China	Thousand cars	811	774	+4.8
Production ¹	Thousand cars	1,152	1,037	+11.1
Production ŠKODA plants ²	Thousand cars	776	694	+11.8
Sales ³	Thousand cars	814	747	+9.0
Employees ⁴	people	29,580	26,646	+11.0
Sales revenue	Million EUR	13,705	12,486	+9.8
Operating profit	Million EUR	1,197	915	+30.8
Return on Sales	%	+8.7	+7.3	-
Profit before tax	Million EUR	1,173	846	+38.7
Profit after tax	Million EUR	951	708	+34.3
Net Cash Flow	Million EUR	1,057	913	15.8
Investments (w/o capitalized development costs)	Million EUR	548	591	-7.3

1) ŠKODA brand worldwide

2) Comprises Production of the ŠKODA brand, without production in China, Slovakia, Russia or India, but does include other Group brands, such as SEAT, Audi and VW; Vehicle production without part/complete kits

3) Vehicle sales without part/complete kits

4) Number of employees without agency staff, but including trainees

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Media image:



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Source: ŠKODA AUTO

ŠKODA AUTO

- › is one of the longest-established vehicle manufacturers in the world. The company was founded in 1895 – during the pioneering days of the automobile. Today, the company's headquarters remain in Mladá Boleslav.
- › currently offers the following models in the range: CITIGO, FABIA, RAPID, OCTAVIA, YETI, KODIAQ and SUPERB.
- › in 2016 delivered more than 1 million vehicles to customers worldwide.
- › has belonged to Volkswagen Group since 1991. The Volkswagen Group is one of the most successful vehicle manufacturers in the world. ŠKODA, in association with the Group, independently manufactures and develops vehicles, as well as components, engines and gear transmissions.
- › operates at three locations in the Czech Republic, produces in China, Russia, Slovakia and India mainly through Group partnerships, as well as in Ukraine and Kazakhstan through local partners.
- › employs over 30,000 people globally and is active in more than 100 markets.

