

Škoda Auto: Strong earnings in 2023 demonstrate robust business model within ongoing transformation

- › **Financial results:** Škoda Auto Group reports record revenue of €26.5 billion in 2023, operating profit up 182.3% YoY to €1.8 billion; return on sales 6.7%
- › **Global deliveries:** Škoda Auto delivered 18.5 per cent more vehicles than in the previous year and achieved the sharpest rise in deliveries of the all-electric Enyaq family across all models (+52.1%)
- › **Internationalisation:** Car manufacturer enters dynamic growth markets of Vietnam and Kazakhstan
- › **Ongoing transformation:** Results prepare Škoda Auto to successfully navigate growing market volatility and necessary investments of billions of euros in e-mobility
- › **2024 outlook:** Battery-electric Compact SUV Elroq will kick-off e-mobility campaign

Mladá Boleslav, 15 March 2024 – The Škoda Auto Group¹⁾ achieved a record revenue of €26.5 billion in 2023 (2022: €21.0 billion; +26.2%). The company significantly increased its operating profit by 182.3% compared to the previous year to €1.8 billion (2022: €628 million euros). The Czech carmaker also improved its return on sales (RoS) to 6.7% (2022: 3%). Globally, Škoda Auto delivered 866,800 vehicles to customers last year (+18.5%). With 81,700 units sold, the Enyaq recorded the highest percentage growth among all models (+52.1%), making it one of the top-selling BEVs in many European markets. By entering the Vietnamese and Kazakh markets, the Czech car manufacturer continued to implement its internationalisation strategy. In addition, Škoda is also resolutely implementing its plans in the areas of digitalisation and electrification: The company is committed to investing billions of euros in e-mobility in the coming years. These strategic investments, coupled with the company's robust financial performance, are essential for ensuring its long-term success in the rapidly evolving automotive industry.

Klaus Zellmer, Škoda Auto CEO, says: "With our results for 2023, we have once again demonstrated the resilience of our business model and great flexibility. Our strategy proves effective and our diverse model portfolio, which combines the best of both worlds, continues to strike a chord with our customers. I sincerely thank all Škodians as well as our retailers and partners around the world for their continued efforts. They are the ones who have made this possible under demanding circumstances and in a rapidly changing environment. We are aware that this result is just a snapshot as the competition keeps growing while the global markets and consumer confidence will remain volatile. Yet this solid foundation and the strategic measures are crucial for us to continue to make the necessary investments in our future. Today we are presenting the next important step in this regard: The design study of

our new all-electric city SUV crossover Škoda Epiq, which will be officially unveiled in 2025 with a price tag of around 25,000 euros, making e-mobility even more affordable.”

Holger Peters, Škoda Auto Board Member for Finance, IT and Legal Affairs, says:

“In 2023, we achieved the highest revenue in our company’s history; at 26.5 billion euros, a 26.2% increase over the previous year. At the same time, we more than doubled our return on sales to 6.7 per cent – without the special effects from the discontinuation of our activities in Russia, it would even have been as high as 7.5 per cent. This impressively proves: Our Next Level Efficiency+ program is working, and the measures taken are having the desired effect. From this position of strength, we are continuing to invest significant amounts in our ongoing transformation towards e-mobility and digitalisation despite market fluctuations and geopolitical uncertainties.”

Martin Jahn, Škoda Auto Board Member for Sales and Marketing, says: “We achieved great sales numbers in 2023 with the Enyaq securing fourth place among all battery-electric vehicles across Europe. In Germany, our most important single market, it took third place and in our domestic Czech market as well as in Slovakia, it even was the top-selling electric model. We have also made progress in other key strategic areas: Through our Škoda X Innovation Hub, we have consistently continued to digitalise the customer journey around the vehicle thanks to the integration of services such as Pay to Park or Pay to Fuel. And we have taken the right steps to win over new customers to our brand: Our recent entry into the important growth market of Vietnam is strengthening our brand in the ASEAN region. Furthermore, after establishing the strategic collaboration with our local partner in Kazakhstan we are ready to re-enter this promising market this year.”

Increased deliveries, strong results

In 2023, Škoda Auto successfully delivered 866,800 vehicles to customers, an 18.5% increase over the previous year. The all-electric Enyaq recorded by far the most substantial growth among all Škoda models at 52.1% YoY. Financially, the Škoda Auto Group reports a record revenue of €26.5 billion in 2023 (2022: €21.0 billion; +26.2%). The company significantly increased its operating profit by 182.3% over the previous year to €1.8 billion (2022: €628 million). The RoS also improved to 6.7% (2022: 3%). Škoda Auto achieved these results against the backdrop of a challenging market environment, geopolitical uncertainties, increasing material and commodity prices and decreasing purchasing power. The car manufacturer will use this strong foundation to make significant investments in its future.

Škoda Auto Group¹⁾ – Key figures from January to December 2023²⁾

		2023	2022	Change in %
Deliveries to customers	cars	866,800	731,300	18.5
Deliveries to customers, excluding China	cars	844,000	686,700	22.9
Production ³⁾	cars	1,006,800	862,000	16.8
Sales ⁴⁾	cars	1,056,000	862,600	22.4
Sales revenue	€ million	26,536	21,026	26.2
Operating profit	€ million	1,773	628	182.3
Return on sales	%	6.7	3.0	
Return on sales excl. Russia ⁵⁾	%	7.5	6.2	
Investments	€ million	1,913	2,009	-4.8
Net cash flow	€ million	938	489	91.8

¹⁾ Škoda Auto Group comprises Škoda Auto a.s., Škoda Auto Slovensko s.r.o., Škoda Auto Deutschland GmbH, Škoda Auto Volkswagen India Pvt. Ltd. and until May 2023, the Group also included OOO Volkswagen Group Rus, the financial results of which are included until then.

²⁾ Percentage deviations are calculated from non-rounded figures.

³⁾ Comprises production in the Škoda Auto Group, excluding production at partner assembly plants in China, Slovakia and Germany, but including other Group brands such as SEAT, VW and AUDI; vehicle production excluding part/complete kits.

⁴⁾ Comprises Škoda Auto Group sales to distribution companies, including other Group brands including SEAT, VW, Audi, Porsche and Lamborghini; vehicle sales excluding part/complete kits.

⁵⁾ In May 2023, the Volkswagen Group completed the sale of its assets in OOO Volkswagen Group Rus to OOO Art-Finance, supported by the Russian Dealer Avilon.

Attractive, comprehensively updated model portfolio

These financial achievements were driven by Škoda's modernised line-up, offering customers the most extensive range of models and powertrains in the brand's history. This includes purely battery-electric vehicles, plug-in and mild-hybrid drivetrains, as well as highly efficient combustion engines. Over the past year, Škoda has comprehensively upgraded its model portfolio: The refreshed compact models Scala and Kamiq were joined by the latest generations of Škoda's flagship models, the Kodiaq and Superb, building on the success of their predecessors. In addition, the production of the Superb has been relocated from Kvasiny to the Volkswagen brand's plant in Bratislava. It is now produced alongside the Volkswagen Passat, delivering considerable synergy effects within the Brand Group Core.

Further focusing on digitalisation and customer centricity in 2023

Achieving future success in the core automotive sector rests on software development. In 2023, establishing the Prague-based innovation hub, Škoda X, marked a decisive step towards the rapid development and integration of customer-focused innovations into Škoda's vehicles. This includes the in-car implementation of the AI-based chatbot ChatGPT, along with introducing digital services such as Pay to Park, Pay to Fuel, and the Digital Certificate, among other features. The Czech automaker is firmly committed to continuing

its journey in digitalisation and invest in digital services, connectivity features, and advanced machine learning technologies over the coming years.

Successfully implementing Škoda Auto's internationalisation strategy

In addition to continuous investments in key strategic areas, Škoda is consistently expanding its global footprint into dynamic market regions to ensure long-term success. In 2023, Škoda Auto entered the Vietnamese market, strategically leading the way for the Brand Group Core. The market offers promising growth opportunities and serves as a gateway to the dynamic ASEAN region. Additionally, Škoda Auto has announced its return to Kazakhstan, where the brand will offer the Kodiaq, Kamiq, Karoq and Octavia models, assembled locally in Kostanay.

Škoda Auto's 2023 sustainability achievements

In 2023, Škoda made tangible progress towards achieving its ambitious sustainability goals. In February 2023, Škoda commissioned a photovoltaic system at its Pune plant capable of generating up to 26.6 GWh of electricity annually, thereby meeting up to 30% of the site's electricity needs. Moreover, in autumn 2023, Škoda installed a rooftop solar system at its main plant in Mladá Boleslav. This generates more than two gigawatt hours (GWh) of emission-free electricity per year across an area of over 10,000 m². In addition, the heating plant operated by ŠKO-ENERGO announced transitioning from coal to 100% biomass. At its Czech facilities, Škoda Auto managed to reduce its environmental footprint by 56.4% in 2023 relative to 2010 across five key sustainability metrics: water usage, energy consumption, CO₂ emissions, waste production, and volatile substance emissions. The company remains focused on minimising the ecological impact of its operations along the entire value chain and is actively promoting circular economy principles. By 2030, Škoda Auto aims to achieve carbon neutrality at all its manufacturing sites in the Czech Republic and India.

Škoda's strategic EV rollout: Introducing the Elroq and Škoda Epiq

With the highly anticipated world premiere of the Škoda Elroq later this year, Škoda is accelerating its bold model campaign that includes the launch of six electric models in the coming years. With this step, the Czech car manufacturer will be expanding its electric portfolio into the crucial compact SUV segment. The Elroq will be Škoda's first electric model to embody the Modern Solid design language, further enhancing the exterior design of its EV range. Additionally, the recently previewed sub-compact SUV, the Škoda Epiq, offers a first glimpse of Škoda's approach to entry-level BEVs. Slated for launch in 2025 and priced attractively at around €25,000, the Škoda Epiq is set to open up the strategically important segment of electric sub-compact SUVs. In order to press ahead with the transformation toward electric mobility, the company is committed to investing billions of euros in e-mobility in the coming years.

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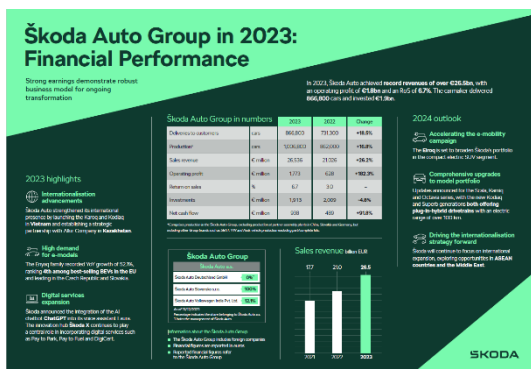
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Logo, infographic and pictures

**Škoda Auto brand logo**

The Czech carmaker's current brand logo since 2022.

Source: Škoda Auto

**Infographic: Škoda Auto: Strong earnings for 2023 lay solid foundation for electric transformation**

Škoda Auto achieved a record revenue of €26.5 billion in 2023, while the RoS stands at 6.7%; the operating profit grew to €1.8 billion. The company is committed to investing billions of euros in e-mobility in the coming years.

Source: Škoda Auto

**Škoda Auto's 2024 Annual Press Conference**

Škoda Auto CEO Klaus Zellmer at the car manufacturer's Annual Press Conference in Mladá Boleslav.

Source: Škoda Auto



Škoda Auto's 2024 Annual Press Conference

Holger Peters, Škoda Auto Board Member for Finance, IT and Legal Affairs at the car manufacturer's Annual Press Conference in Mladá Boleslav.

Source: Škoda Auto



Škoda Auto's 2024 Annual Press Conference

Martin Jahn, Škoda Auto Board Member for Sales and Marketing at the car manufacturer's annual press conference in Mladá Boleslav.

Source: Škoda Auto

Škoda Auto

- › is successfully steering through the new decade with the Next Level – Škoda Strategy 2030.
- › aims to be one of the five best-selling brands in Europe by 2030 with an attractive line-up in the entry-level segments and additional e-models.
- › effectively leverages existing potential in important growth markets such as India, North Africa, Vietnam and the ASEAN region.
- › currently offers its customers eleven passenger-car series: the Fabia, Scala, Octavia and Superb as well as the Kamiq, Karoq, Kodiaq, Enyaq, Enyaq Coupé, Slavia and Kushaq.
- › delivered over 866,000 vehicles to customers around the world in 2023.
- › has been a member of the Volkswagen Group for 30 years. The Volkswagen Group is one of the most successful vehicle manufacturers in the world.
- › independently manufactures and develops components such as MEB battery systems, engines and transmissions as part of the Volkswagen Group; these components are also used in vehicles of other Group brands.
- › operates at three sites in the Czech Republic; has additional production capacity in China, Slovakia and India primarily through Group partnerships, as well as in Ukraine with a local partner.
- › employs over 40,000 people globally and is active in around 100 markets.