Škoda Auto Group generates solid earnings for 2022 within challenging environment

- **Škoda Auto Group[1)] increases revenues in 2022 to more than 21 billion euros**
- **Operating profit significantly impacted by financial burdens due to the war in Ukraine and subsequent suspension of business activities in Russia**
- **Return on sales of 3 per cent**
- **Škoda keeps investing in future technologies: 5.6 billion euros in e-mobility and 700 million euros in digitalisation by 2027**
- **The Next Level Efficiency+ program has been implemented and is running on track**

Mladá Boleslav, 16 March 2023 – The Škoda Auto Group[1)] delivered 731,300 vehicles worldwide in 2022 and increased its revenues year-on-year by 18.5% to 21 billion euros (2021: 17.7 billion euros). The market environment remained challenging due to the ongoing semiconductor shortage, persisting supply chain issues and a substantial increase in raw material prices. Thanks to effective countermeasures, the car manufacturer managed to achieve a positive operating profit amounting to 628 million euros (2021: 1.083 billion euros; -42%). This was attained despite the financial burden of extraordinary effects regarding the situation in Russia. The negative impacts related to the business in Russia were estimated at almost 700 million euros. Therefore, the return on sales without these extraordinary effects slightly exceeded last year's 6.1%, but dropped to 3.0% including extraordinary effects. Despite the current challenges, Škoda continues to be financially sound, pushing the internationaliziation of the company and keeps investing heavily into electromobility and digitalization.

In 2022, several external factors impacted the company's financial results: The sharp rise in the price of raw materials, the ongoing shortage of semiconductors and the financial burdens from the war in Ukraine made for a highly challenging market environment. Yet, thanks to efficient counter measures taking effect, the Škoda Auto Group[1)] was able to effectively mitigate the financial burdens.

Although the negative impacts related to the war in Ukraine and the extraordinary effects from the situation regarding Russia were estimated at almost 700 million euros, most of the key financial figures remain at a solid level.

The operating profit amounted to 628 million euros in the past fiscal year. Sales revenue in 2022 was significantly up on the previous year at 21 billion euros, (+18.5%). The return on sales remained positive at 3% while it fell by 3.1 percentage points, equally mirroring the financial hardships. The company managed to maintain a steady net cash flow at 489 million euros (2021: 554 million euros; -11.7%).

Klaus Zellmer, Škoda Auto CEO, says: "Against the backdrop of what is likely to have been the most challenging market environment in the company's history to date, Škoda Auto achieved a very solid financial result and proved once more its extreme resilience. Many have contributed to the fact that we were able to steer through this challenging year well. A big "thank you" to the entire team of 45,000 Škodians for their passion and commitment, but also to our dealers and partners worldwide. Together, we kept the company on track to deliver as many cars to our customers as possible. In 2022, we delivered 731,300 vehicles and generated a solid operating profit of 628 million euros. And also thank you to our faithful customers for their trust and continuously strong interest in our products, that particularly applies to our Enyaq iV family: Its sales increased by 20% in 2022. Furthermore we are heavily investing in the future of our company and conquer promising new growth markets and regions like South-East Asia as well as India. We take the comprehensive measures to make sure that Škoda Auto emerges from the current upheaval even stronger."

Christian Schenk, Škoda Auto Board Member for Finance and IT, adds: "We managed to increase our sales revenue by almost 20% year-on-year – despite comparatively low sales figures. The market is currently heavily distorted and the extraordinary effects from the situation regarding Russia negatively impacted our financial figures in the amount of almost 700 million euros. We effectively countersteered primarily with improvements in pricing, sales mix, and reinforcing the business in India. We also optimized fixed costs for production and administration whilst freeing up resources for the further transformation and future viability of the company. Between 2022 and 2027, we will invest significantly in electric mobility and comprehensively digitalise our vehicles throughout the entire user journey for example, including safety functions and connectivity. In order to achieve sound financial results and an ambitious Return on Sales target of more than 8% from 2025, the company has implemented the Next Level Efficiency+ Program from 2022."

Future viability thanks to efficiency programme and extensive investments

The company is continuing to press ahead with the Škoda Next Level Efficiency+ programme. By 2027, the Czech carmaker has set aside 5.6 billion euros for the transformation towards electric mobility. In the same period, Škoda will invest a further 700 million euros in digitalisation and also forge ahead with the internationalization of the company.

Latest annual report available on http://reporting.skoda-auto.com/and on the Škoda Storyboard.

Škoda Auto Group[1] – Key figures from January to December 2022[2]

		2022	2021	change in %
Deliveries to customers	cars	731,300	878,200	-16.7%
Deliveries to customers excl. China	cars	686,700	807,000	-14.9%
Production[3]	cars	862,000	770,600	11.9%
Sales[4]	cars	862,600	783,800	10.1%
Sales revenue	million EUR	21,026	17,743	18.5%
Operating profit	million EUR	628	1,083	-42.0%
Return on sales	%	3.0	6.1	
Investments in tangible assets	million EUR	1,157	782	48.0%
Net cash flow	million EUR	489	554	-11.7%

[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 OOO Volkswagen Group Rus.
[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, Russia 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

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Infographic and media image



Škoda Auto Group generates solid earnings for 2022 despite numerous challenges

The Škoda Auto Group[1)] delivered 731,300 vehicles worldwide in 2022 and increased its revenues year-on-year by 18.5% to 21 billion euros (2021: 17.7 billion euros). The market environment remained challenging due to the ongoing semiconductor shortage, persisting supply chain issues and a substantial increase in raw material prices.

Source: Škoda Auto



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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.
- is emerging as the leading European brand in important growth markets such as India or North Africa.
- currently offers its customers twelve passenger-car series: the Fabia, Rapid, Scala, Octavia and Superb as well as the Kamiq, Karoq, Kodiaq, Enyaq iV, Enyaq Coupé iV, Slavia and Kushaq.
- delivered over 731,000 vehicles to customers around the world in 2022.
- 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 not only vehicles but also components such as engines and transmissions in association with the Group.
- operates at three sites in the Czech Republic; has additional production capacity in China, Russia, Slovakia and India primarily through Group partnerships, as well as in Ukraine with a local partner.
- employs 45,000 people globally and is active in over 100 markets.