



**ŠKODA**  
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## ŠKODA continues its success in 2017

- › Sales record: from January to June, ŠKODA records 585,000 deliveries worldwide
- › In the first half of 2017, sales revenue of more than 8 billion euros for the first time
- › Operating profit of 860 million euros in the first six months; increase of 25.5%
- › ŠKODA AUTO employs over 30,000 people; production in eight countries; active in more than 100 markets worldwide
- › Milestone: since becoming part of Volkswagen Group in 1991, the brand has built over 15 million vehicles
- › ŠKODA has been active in the Chinese market since 2007; more than 2 million vehicles delivered in ten years; China has been the brand's largest sales market since 2010
- › With electromobility and digitalisation, the Strategy 2025 establishes pillars for sustainable growth; mobility services complement classic vehicle business
- › Sport sponsoring and collaborations enhance the brand's emotional appeal

Mladá Boleslav, 11 September 2017 – The long-established Czech manufacturer is looking back on the best half year in the company's 122-year history. Thanks to its SUV campaign, ŠKODA is about to see another surge in growth and, with the ŠKODA Strategy 2025, the company is well positioned for upcoming challenges. After last year's 25<sup>th</sup> anniversary of joining Volkswagen Group, in 2017 ŠKODA celebrated the milestone of producing its 15 millionth vehicle as a Volkswagen Group brand. In its largest individual market, China, ŠKODA has exceeded the mark of 2 million cars delivered in just ten years. Algeria became a new ŠKODA production site in 2017.

ŠKODA AUTO currently employs over 30,000 people and is active in more than 100 markets. The company operates three production facilities in the Czech Republic: the vehicle plants at the Mladá Boleslav headquarters and in Kvasiny as well as the component plant in Vrchlabí. ŠKODA also produces its vehicles in China, Russia, Slovakia, Algeria and India mainly through Group partnerships, as well as in Ukraine and Kazakhstan with local partners. Currently, ŠKODA offers seven passenger car model ranges: CITIGO, FABIA, RAPID, OCTAVIA, KAROQ, KODIAQ and SUPERB.

### Global deliveries on course for new record

From January to June, deliveries to customers rose by 2.8% to a new record of 585,000 vehicles. At present, there are strong indications that ŠKODA will deliver over 1 million vehicles to customers within a calendar year for the fourth time in a row. ŠKODA exceeded the one-million mark for the first time in 2014.

In **Western Europe**, ŠKODA increased sales in the first half of the year by 4.1% to 252,300 vehicles (January to June 2016: 242,500 vehicles). In **Central Europe**, ŠKODA delivered 109,800 units in the first half of the year, 14.0% more vehicles than in the same period of the previous year (January to June 2016: 96,300 vehicles). In the world's largest individual market, **China**, the long-established Czech brand sold 134,000 vehicles in the first half of the year (January to June 2016: 145,800 vehicles; -8.1%). This decrease is largely due to the ongoing model range overhaul. ŠKODA anticipated this development and expects demand to return to normal.





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In mid-2017, ŠKODA celebrated the milestone of the **15 millionth vehicle built** since joining Volkswagen Group. After the fresh start under the umbrella of Volkswagen Group in 1991, the Czech brand initially offered one model range and sold 170,000 cars per year. In 2016, the manufacturer achieved a new record figure with 1,126,500 deliveries being made worldwide. Today, ŠKODA is represented by seven model ranges and 40 model variants in all of the important segments. With 5.6 million cars, the ŠKODA OCTAVIA has the biggest share in the 15 million vehicles built since the brand became part of Volkswagen Group. This is followed by the small car, the ŠKODA FABIA, with 4 million and the ŠKODA SUPERB with just over 1 million cars built.

## **For the first time, sales revenue of over 8 billion euros in a half-year period**

ŠKODA AUTO's sales revenues increased by 22.6% to 8.720 billion euros in the first half of the year (first half of 2016: 7.114 billion euros). In the same period, operating profit significantly increased by 25.5% to 860 million euros (first half of 2016: 685 million euros). The return on sales was 9.9%, up from 9.6% in the first half of 2016. Net cash flow reached 1.159 billion euros (first half of 2016: 583 million euros).

## **Important pillars for a sustainable, positive company development**

With the Strategy 2025, ŠKODA AUTO has laid the foundations for continuous successful development in the coming years. The common goal of the numerous newly defined areas of action is to position the company for the coming transformation processes in the automotive industry and changes in society. Here, digitalisation plays a central role: models, production and company processes will comprehensively benefit from digital solutions. By means of digital services, ŠKODA AUTO also wants to develop new, high-growth business areas. Another focus is electromobility: ŠKODA will enter this market in the foreseeable future with plug-in hybrid models and purely electric models. By rigorously implementing this and further strategic initiatives, the company intends to grow in two dimensions: alongside further increases in the traditional car manufacturing business, new digital business models – mainly mobility services – are to provide strong growth stimuli.

The ŠKODA VISION E study impressively underlines ŠKODA's efforts in the areas of electromobility and autonomous driving. The VISION E is the first entirely electrically driven concept car in the company's 122-year history. It allows for a range of up to 500 km and can be charged both inductively and using a cable connection. The production model will be launched in 2020.

## **New production site in Algeria**

Another future component is the start of ŠKODA production at Volkswagen Group's multi-brand plant in Relizane, Algeria, approximately 280 km southwest of Algiers. The plant is operated together with local partner SOVAC and has four assembly lines. At present, the OCTAVIA model is being built here, while production of the FABIA is expected to start in 2018.

## **In 2017, ŠKODA has reached further milestones in the company's history**

In the first half of 2017, two impressive figures illustrate ŠKODA's great success in the Chinese market. The brand entered the Chinese market in 2007, exactly ten years ago. More than 2 million vehicles have been delivered to customers in China since then. Since 2010, China has been the Czech car manufacturer's largest individual market. Last year, ŠKODA achieved a new delivery record with 317,100 vehicles.





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In the coming years, ŠKODA wants to further strengthen its position in its most important individual market. For this purpose, the brand, together with its joint venture partner SAIC Motor Corporation, is investing more than two billion euros in the expansion of the model range. The ongoing SUV campaign is expected to further expand ŠKODA's position in the Chinese market. The aim is to double deliveries in China to over 600,000 units by 2020.

## **Sponsoring, motorsport and partnerships enhance the brand's emotional appeal**

Enhancing the brand's emotional appeal also supports ŠKODA's growth strategy. On the one hand, this is achieved through the expressive design language of the current models as well as the unmistakable derivatives which emphasise dynamism, elegance or a rugged appearance. On the other hand, ŠKODA emotionally charges the brand through numerous commitments and activities.

It is a ŠKODA tradition to demonstrate the dynamism of the brand and its models in **motorsport**. The involvement in rally sport has been the focus of this for many years. In 2017, the long-established Czech brand repeated its greatest success so far: ŠKODA Motorsport won the Team World Championship (WRC2) for the second year running. Furthermore, the Swedish duo of Pontus Tidemand / Jonas Andersson won the driver and co-driver World Rally Championship (WRC2) titles in a ŠKODA FABIA R5, thus succeeding the Finns Esapekka Lappi / Janne Ferm who had won for ŠKODA the year before.

At many high-level **classic car events** all over Europe, ŠKODA competed with extraordinary historic models. The selected old- and young-timers – mostly from the ŠKODA museum in Mladá Boleslav – are proof of the brand's proud tradition and the ingenuity of earlier generations of engineers.

## **The successful sport and culture sponsoring has been further expanded this year.**

ŠKODA is traditionally involved as a partner in ice hockey and cycling. This spring, ŠKODA even set a new world record: in 2017, the long-established Czech brand supported the **Ice Hockey World Championship** of the International Ice Hockey Federation (IIHF) for an impressive 25<sup>th</sup> time as the official main sponsor and vehicle partner. This is the longest world cup sponsoring in the history of all sports and earned ŠKODA a place in the Guinness Book of World Records.

For an impressive 14 years, ŠKODA has been the official partner and vehicle partner of the **Tour de France**. The company provides 250 vehicles for the organisation and for supporting the peloton at the biggest cycle race in the world. During the three weeks of continuous operation, the ŠKODA fleet covers a combined distance of approximately 2.8 million kilometres. Since 2004, the total distance covered at the Tour de France is over 30 million kilometres. Every day, a ŠKODA service team ensures that the 250 vehicles are optimally prepared for the coming stage. The top-of-the-range model, the ŠKODA SUPERB, assists the entire Tour as the 'Red Car' and serves Tour director Christian Prudhomme as a mobile control centre.

The close relationship between the long-established Czech brand and cycling has historical roots. 122 years ago, company founders Václav Laurin and Václav Klement started the production of bicycles before they began manufacturing cars. Cycling is a key pillar of ŠKODA's sponsorship strategy. Besides the Tour de France and the Vuelta in Spain, the brand supports other international and national cycle races as well as numerous sports events for the public.





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In mid-2017, ŠKODA has broadened its brand commitment by entering into a comprehensive partnership with the world famous Cirque du Soleil. The brand cooperation with the live entertainment company opens up numerous new opportunities to reach millions of potential new customers for ŠKODA.

## ŠKODA AUTO in the first half of 2017: facts and figures

### Deliveries to customers in the first half of 2017 in the brand's ten largest sales markets, in units; change in % (+/-) compared to 2016:

China	134,000	-8.1%
Germany	88,000	+1.8%
Czech Republic	51,200	+10.9%
United Kingdom	43,500	+3.1%
Poland	34,600	+17.2%
Russia	28,700	+6.7%
Israel	14,000	+11.6%
Italy	13,600	+18.4%
Spain	13,500	+2.5%
France	13,400	+8.9%

### Deliveries of the ŠKODA brand to customers in the first half of 2017 in units, rounded, by model; change in % (+/-) compared to 2016:

ŠKODA OCTAVIA	205,300	-6.5%
ŠKODA FABIA	111,100	+6.1%
ŠKODA RAPID	103,000	+0.4%
ŠKODA SUPERB	75,900	+8.3%
ŠKODA YETI	43,000	-18.0%
ŠKODA CITIGO	19,700	-1.6% (only sold in Europe)
ŠKODA KODIAQ	27,100	-





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## ŠKODA AUTO – Key figures for the first half of 2017/2016\*

	Units	2017	2016	Change in %
Deliveries to customers	no. of cars	585,000	569,400	+2.8
Deliveries to customers excluding China	no. of cars	451,000	423,600	+6.5
Production**	no. of cars	464,900	410,000	+13.4
Sales***	no. of cars	500,500	431,300	+16.0
Sales revenue	million EUR	8,720	7,114	+22.6
Operating profit	million EUR	860	685	+25.5
Return on sales	%	9.9	9.6	-
Net cash flow	million EUR	1,159	583	+98.8

\* Percentage deviations are calculated from non-rounded figures

\*\* Comprises the production of the ŠKODA brand, excluding production in China, Slovakia, Russia and India, but including other Group brands such as SEAT, Audi and VW; vehicle production excluding partial/complete knock-down kits

\*\*\* Comprises sales of the ŠKODA brand to sales organisations including other Group brands, such as SEAT, Audi and VW; vehicle sales excluding partial/complete knock-down kits

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### ŠKODA AUTO

- › is one of the longest-established car 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 model series: CITIGO, FABIA, RAPID, OCTAVIA, KAROQ, KODIAQ and SUPERB.
- › delivered more than 1 million vehicles to customers worldwide in 2016.
- › has been part of Volkswagen Group since 1991, 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 such as engines and gear transmissions.
- › operates at three locations in the Czech Republic; produces in China, Russia, Slovakia, Algeria and India mainly through Group partnerships, as well as in Ukraine and Kazakhstan with local partners.
- › employs over 30,000 people globally and is active in more than 100 markets.

