

KLAUS-DIETER SCHÜRMAN

ŠKODA AUTO CFO

WE DELIVER ON OUR STRATEGY 2025

Target 2025: Return on Sales $\geq 7\%$ (ŠKODA AUTO Group)



SUV Campaign



Internationalisation



Digitalisation



eMobility

EXCELLENT RESULTS OF ŠKODA AUTO GROUP IN 2018

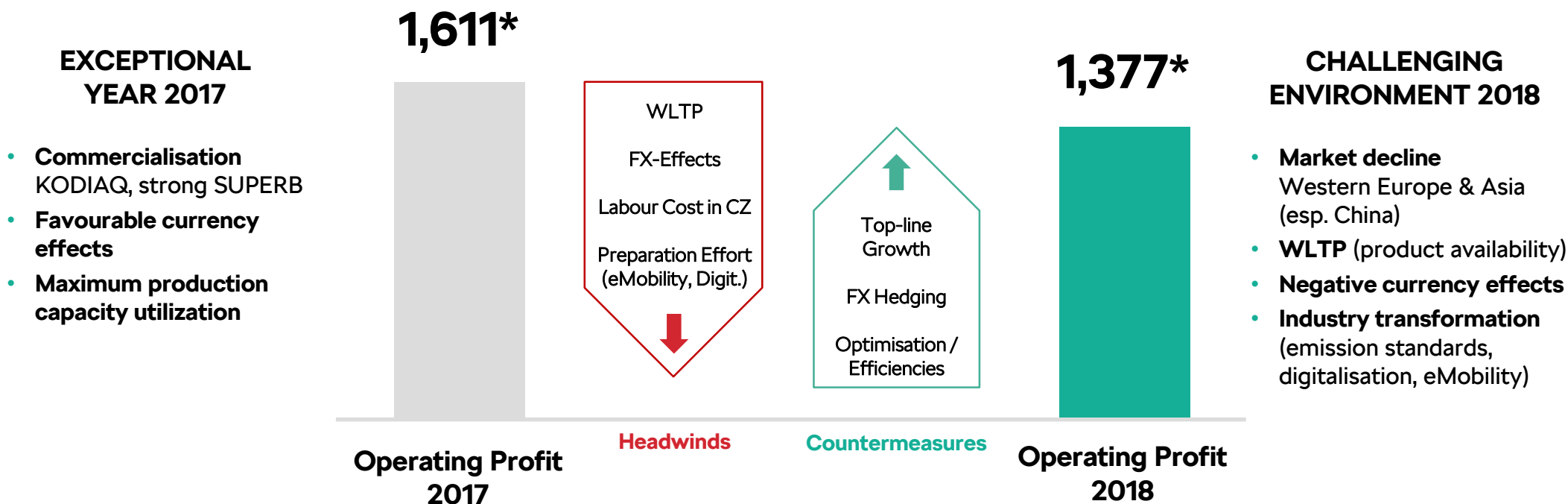
Key figures 2018 (ŠKODA AUTO Group)

	2018	2017	Change
Deliveries to customers incl. China Cars (thsd.)	1,254	1,201	+4.4%
Deliveries to customers w/o China Cars (thsd.)	913	876	+4.2%
Sales revenue € (million)	17,293	16,559	+4.4%
Operating profit € (million)	1,377	1,611	(14.5%) [WLTP, FX, etc.]
Return on Sales (ROS) %	8.0	9.7	(1.7 ppt)*
Profit for the year € (million)	1,184	1,274	(7.1%)

*percentage points

ŠKODA AUTO GROUP WITH STRONG PERFORMANCE DESPITE HEADWINDS

Operating profit bridge 2018 (ŠKODA AUTO Group)



*million €

SOLID KEY FIGURES AT ŠKODA AUTO A.S. (CZ) IN 2018

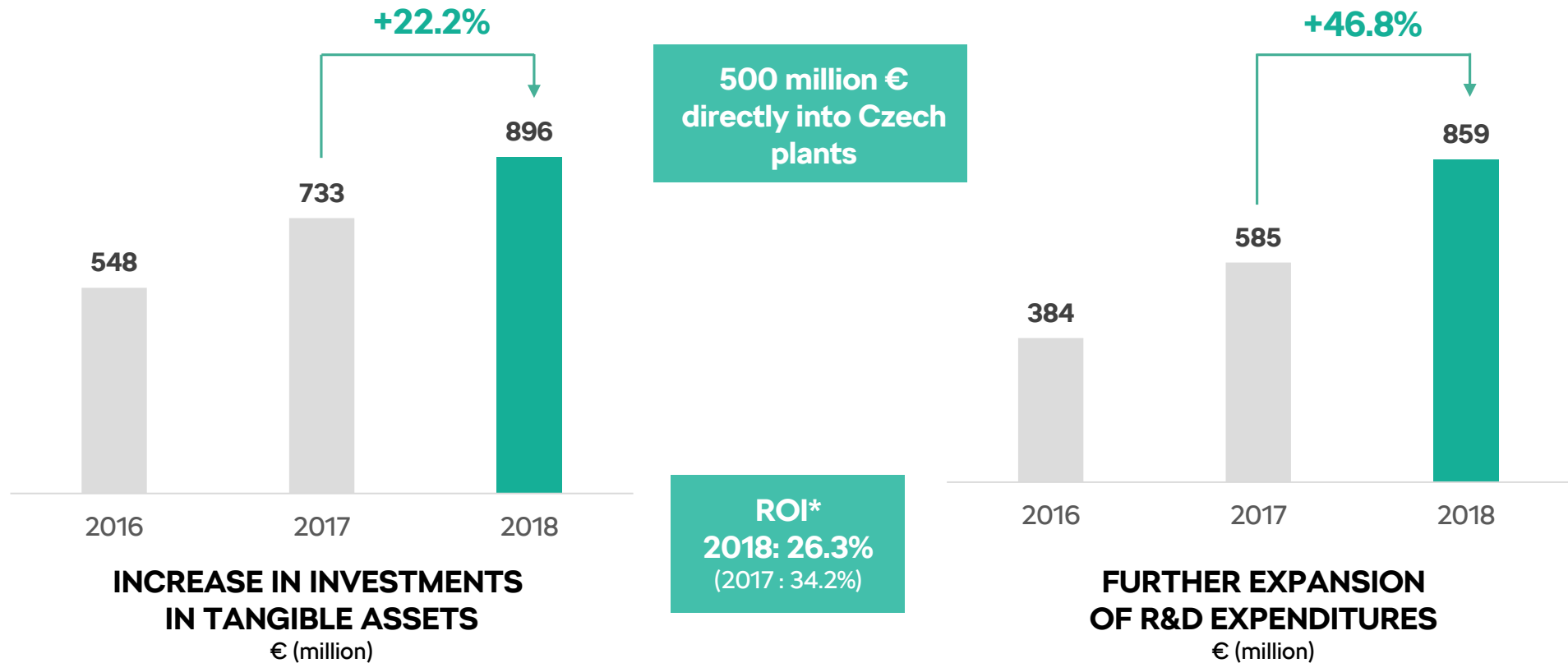
Key figures 2018 (ŠKODA AUTO a.s.)

	2018	2017	Change
Sales revenue CZK (million)	416,695	407,400	9,295
Operating profit CZK (million)	33,840	40,531	(6,691)
Profit before tax CZK (million)	35,131	39,125	(3,396)
Income tax expense* CZK (million)	6,239	7,284	(1,045)
Profit for the year CZK (million)	28,892	31,841	(2,950)

*including deferred tax

HIGHEST LEVEL OF INVESTMENTS IN HISTORY OF ŠKODA AUTO GROUP

Investment in tangible assets and R&D expenditures (ŠKODA AUTO Group)



*return on Investment

FUTURE INVESTMENTS OF ŠKODA AUTO GROUP TO SPEED UP CHANGE

Vision 2025: The 'Simply Clever' company for the best mobility solutions

INTERNATIONALISATION



EXAMPLE: INDIA 2.0

~1.0 billion € investment in tangible assets and R&D expenditures

TRANSFORMATION

Digitalisation/Connectivity



eMobility (PHEV/BEV)



Multimodal services



~2.0 billion € investment in tangible assets

~1.0 billion € R&D expenditures

> 3 BILLION EURO PERFORMANCE PROGRAMME AT ŠKODA AUTO GROUP

Programme in implementation – Goal: cumulative profit impact above 3 billion € until 2025



TASK

MEASURES

Reduce complexity	-----	[Engine/gearbox efficiency Product variants optimisation
Exploit market penetration	-----	[Active volume-mix management Offer optimisation & pricing strategy
Manage product cost	-----	[Product optimisation (incl. CO ₂) Value engineering & Design to manufacture
Control CAPEX & fixed costs (incl. labour cost)	-----	[Project prioritization & platform discipline Efficiency of indirect areas
SUSTAIN CASH GENERATION & MAINTAIN ROS	-----	[SAFEGUARD INTERNAL FINANCING & ENABLE TRANSFORMATION

SUMMARY

ŠKODA AUTO Group

- **WE DELIVER**

Strong overall performance in 2018 despite rising challenges and headwinds.

- **WE PUSH FURTHER**

New products in pipeline, internationalisation and eMobility on the move.

- **WE DRIVE CHANGE**

Speed up of transformation, further increased investments and R&D expenditures.

- **WE EXCEL**

Performance programme in execution to sustain required cash flow and profitability.

- **WE ACHIEVE**

Continued sustainable development of ŠKODA AUTO in the future.

DISCLAIMER

- This presentation contains perspective statements and information about the business development of the ŠKODA brand. Such statements can be made in writing or orally and be recognised from words such as 'expect', 'assume', 'intend', 'plan', 'believe', 'seek', 'estimate' and 'become', or other words with a similar meaning. This means that they are based on assumptions regarding the development of the economies in the individual countries and of the automotive industry in particular, which we have made based on the information available and which we considered to be realistic at the time of printing. The assessments made here include a certain element of risk, and the actual developments may deviate from the forecasts stated.
- Consequently, any unexpected decline in demand or any economic stagnation in our core markets such as in Western Europe (particularly Germany) or China will have a corresponding influence on our business development. This also applies in cases of considerable adjustments to the current exchange rate with regards to the euro, the US dollar, the British pound or the Chinese renminbi.
- Should one of these risks or others occur, or in the event that the assumptions that underlie these statements prove to be incorrect, the actual results may substantially deviate from those expressed by the statements or contained in them.
- We do not retrospectively update the perspective statements. These forecasts are valid at the time of publishing and may be replaced.