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ŠKODA AUTO achieves operating profit of 228 million euros in first half of 2020 despite COVID-19 pandemic

- › Negative impact on vehicle deliveries and earnings in the first half of the year due to measures to contain the COVID-19 pandemic and related economic effects
- › ŠKODA AUTO achieves positive operating profit of 228 million euros despite plant shutdowns and disruption to sales channels
- › From January to June ŠKODA delivers 426,700 vehicles to customers around the world
- › Sales revenue reaches 7.55 billion euros in first half of the year; return on sales at 3.0%
- › ŠKODA AUTO continues to invest in developing the company

Mladá Boleslav, 31 July 2020 – The measures to contain the coronavirus pandemic also had a negative impact on ŠKODA AUTO's vehicle deliveries and financial indicators in the first half of 2020. The ŠKODA AUTO Group's* sales revenue was €7.55 billion in the first six months, but the operating profit still amounted to €228 million – despite the 39-day shutdown of the Czech plants and the disruption to the sales channels, particularly in April. Against this background, the return on sales stood at 3.0%. ŠKODA AUTO delivered a total of 426,700 vehicles to customers from January to June. Since June, the Czech automobile manufacturer has been experiencing the positive effects of its restart programmes, which have been adapted to each market, and incoming orders have recently exceeded last year's level. Provided the COVID-19 situation does not deteriorate significantly again, ŠKODA AUTO expects the conditions on the world markets to stabilise gradually over the coming weeks and months. Investments in tangible assets remained at a high level of 261 million euros over the past six months; ŠKODA AUTO continues to invest consistently in the company's future and development.

ŠKODA AUTO CEO Bernhard Maier explains: “ŠKODA AUTO has performed well in recent years and has a solid financial foundation. In response to the current exceptional situation caused by the COVID-19 pandemic, we immediately implemented comprehensive measures to stabilise sales, sales revenue and operating profit. These measures are already proving effective and we will consistently continue along this path in the months ahead. I am convinced, that ŠKODA will emerge from this situation even stronger.”

Klaus-Dieter Schürmann, ŠKODA AUTO Board Member for Finance and IT, adds: “Our goal is to continuously improve on the current level through to the end of the year. To achieve this, we are consistently pursuing our ongoing performance programme. The same applies to our recently introduced short-term special measures focusing on overheads and material costs as well as optimising expenses and current assets.”

Despite the 39-day shutdown of its Czech plants and the economic impact of the measures to contain the COVID 19 pandemic, ŠKODA AUTO posted an operating profit of 228 million euros. At the end of April, the car manufacturer gradually ramped up vehicle production again as planned, observing the necessary health protection measures. As the car dealerships in the European



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markets have reopened, customer demand for vehicles has noticeably increased. At the same time, the sales channels have been largely restored and are functioning smoothly.

Alain Favey, ŠKODA AUTO Board Member for Sales and Marketing, explains: "Although our worldwide deliveries to customers decreased in the first six months of the year due to the exceptional starting position, the outlook is positive: in June we were able to make significant gains compared to the previous months. We are particularly well positioned with our attractive, modern model portfolio. In order to support the positive developments on the international markets, ŠKODA has introduced comprehensive restart programmes for its trade partners alongside the government support measures, which we warmly welcome. Against this background, we expect a recovery in the third quarter and anticipate a return to the previous year's level in the fourth quarter."

The company remains committed to its medium and long-term goals and is consistently rolling out the largest model campaign in its history. The manufacturer plans to launch 30 new models, derivatives, product upgrades or variants between 2019 and the end of 2022. Also, with the all-electric ENYAQ iV, it is taking a major step forward in implementing its electric mobility strategy – the SUV is ŠKODA's first electric vehicle to be developed as such from the outset. The most important ŠKODA model in 2020 will be presented to the public for the first time in September.

ŠKODA AUTO Group* – Key figures in the first half of the year, January to June 2020/2019**:

		January – June		2020/2019 change in %
		2020	2019	
Deliveries to customers	Cars	426,700	620,900	-31.3
Deliveries to customers excl. China	Cars	349,300	495,000	-29.4
Production***	Cars	357,000	528,700	-32.5
Sales****	Cars	371,900	559,900	-33.6
Sales revenue	Million EUR	7,546	10,154	-25.7
Operating profit	Million EUR	228	824	-72.3
Return on Sales	Per cent	3.0	8.1	
Investments in tangible assets	Million EUR	261	369	-29.3
Net cash flow	Million EUR	-25	1,025	-102.4

* ŠKODA AUTO Group comprises ŠKODA AUTO a.s., ŠKODA AUTO Slovensko s.r.o., ŠKODA AUTO Deutschland GmbH, ŠKODA AUTO Volkswagen India Private Ltd. and a share in the company OOO VOLKSWAGEN Group RUS.

** Percentage deviations are calculated from non-rounded figures.

*** 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.

**** Comprises ŠKODA AUTO Group sales to distribution companies, including other Group brands such as SEAT, VW, AUDI, PORSCHE and LAMBORGHINI; vehicle sales excluding part/complete kits



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First half of 2020: ŠKODA delivers 426,700 vehicles worldwide

From January to June, the Czech automaker delivered 426,700 vehicles to customers around the world (first half of 2019: 620,900 vehicles; -31.3%).

In **Western Europe**, ŠKODA recorded 181,700 deliveries from January to June (first half of 2019: 275,700 vehicles; -34.1%). In Germany, the brand's second-largest single market worldwide, the manufacturer delivered 63,600 vehicles in the first six months of the year (first half of 2019: 99,000 vehicles; -35.8%).

In **Central Europe**, deliveries in the first half of the year fell to 84,400 units (first half of 2019: 110,400 vehicles; -23.5%). In its domestic market, the Czech Republic, the car manufacturer recorded 39,400 deliveries in this period (first half of 2019: 48,000; -17.9%).

In **Eastern Europe excluding Russia**, deliveries in the first half of the year fell to 16,700 vehicles (first half of 2019: 24,500 vehicles; -32.0%).

In **Russia**, the manufacturer delivered 34,200 vehicles to customers between January and June (first half of 2019: 39,800 vehicles; -14.1%).

In **China**, the company's largest single market worldwide, ŠKODA delivered 77,400 vehicles in the first six months of the year (first half of 2019: 125,900 vehicles; -38.5%).

In **India**, the carmaker recorded 3,700 deliveries in the first half of the year (first half of 2019: 7,200 vehicles; -48.4%).

In the first six months, ŠKODA achieved significant growth in **Turkey**: 7,600 deliveries to customers corresponds to an increase of 45.8% compared to the same period last year (first half of 2019: 5,200 vehicles).

ŠKODA brand deliveries to customers in the first half of 2020 (in units, rounded off, listed by model; +/- in per cent compared to the first half of 2019):

ŠKODA OCTAVIA (110,700; -40.4%)
ŠKODA KODIAQ (60,700; -21.9%)
ŠKODA KAROQ (56,300; -23.7%)
ŠKODA KAMIQ (52,500; +144.9%)
ŠKODA FABIA (48,100; -50.6%)
ŠKODA SUPERB (37,800; -33.4%)
ŠKODA RAPID (28,100; -63.9%)
ŠKODA SCALA (27,300; +270.6%)
ŠKODA CITIGO (only sold in Europe: 5,200; -)



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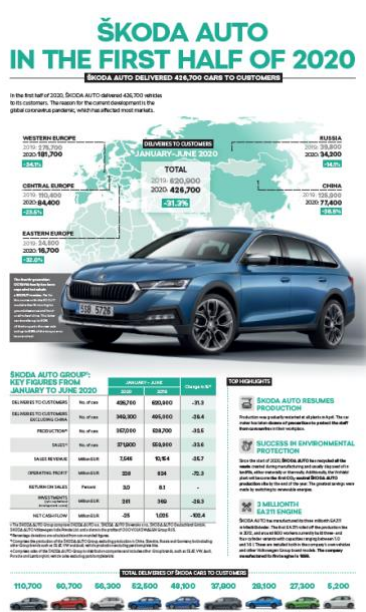
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Infographic: ŠKODA AUTO achieves operating profit of 228 million euros in first half of 2020 despite COVID-19 pandemic

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Source: ŠKODA AUTO



ŠKODA AUTO brand logo

Current brand logo of the car manufacturer ŠKODA AUTO since 2016.

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Source: ŠKODA AUTO



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- › is this year celebrating 125 years since the company was founded during the pioneering era of the automobile in 1895, making it one of the longest-established car manufacturers in the world.
- › currently offers its customers nine passenger-car series: the CITIGO, FABIA, RAPID, SCALA, OCTAVIA, KAROQ, KODIAQ, as well as the KAMIQ and the SUPERB.
- › delivered 1.24 million vehicles to customers around the world in 2019.
- › has belonged to Volkswagen Group since 1991. The Volkswagen Group is one of the most successful vehicle manufacturers in the world. In association with the Group, ŠKODA AUTO independently develops and manufactures vehicles, as well as components such as engines and transmissions.
- › operates at three locations in the Czech Republic; manufactures in China, Russia, Slovakia, Algeria and India mainly through Group partnerships, as well as in Ukraine and Kazakhstan with local partners.
- › employs over 42,000 people globally and is active in more than 100 markets.
- › is pressing ahead with the transformation from a traditional car manufacturer to the 'Simply Clever company for the best mobility solutions' as part of the ŠKODA 2025 Strategy.