

## **ŠKODA Annual Press Conference**

22.03.2022, Mladá Boleslav

Opening Speech, Thomas Schäfer  
CEO ŠKODA AUTO

### **Review 2021**

Status 3.0., 22.03.2022, 08:00 Uhr

## Auf einen Blick

<b>Was?</b>	Jahrespressekonferenz ŠKODA AUTO a.s.
<b>Wann?</b>	22.03.2022
<b>Wo?</b>	ŠKODA Museum, L&K Hall
<b>Agenda/ Rundown</b>	<p>10:00 – 10:04 Welcome by Jens Katemann</p> <p><b>10:04 – 10:30 1<sup>st</sup> part speech - Mr. Schäfer (review 2021)</b></p> <p>10:30 – 10:50 Speech - Mr. Schenk</p> <p>10:50 – 11:05 Speech – Mr. Jahn</p> <p>11:05 – 11:15 2<sup>nd</sup> part speech – Mr. Schäfer (outlook 2022)</p> <p>11:15 – 11:30 Q&amp;As (all available BoMs)</p> <p>11:30 – 11:40 Group Pictures</p>
<b>Art des Beitrags</b>	Opening Speech
<b>Länge</b>	25 minutes
<b>Sprache</b>	Englishh (Übersetzung in CZ)
<b>Publikum</b>	Livestream im Internet
<b>Begleitende Kommunikationsmaßnahmen</b>	<ul style="list-style-type: none"> <li>• Livestream (EN u. CZ)</li> <li>• PM</li> <li>• Twitter</li> <li>• Storyboard</li> <li>• Intranet</li> <li>• LinkedIn Live</li> </ul>
<b>Kommunikationsziele</b>	<ul style="list-style-type: none"> <li>• <b>Zusammenfassen:</b> ŠKODA AUTO in 2021</li> <li>• <b>Einordnen:</b> Finanzergebnis 2021</li> <li>• <b>Erläutern:</b> Strategische Entscheidungen 2021</li> </ul>
<b>Setting</b>	<ul style="list-style-type: none"> <li>• high table</li> <li>• headset</li> <li>• LED wall</li> <li>• teleprompter</li> </ul>
<b>Redebegleitung/ Charts</b>	yes (EN+CZ)
<b>Film(e)</b>	Yes (product & corporate highlights 2021)

**INTRO**

Dear guests, dear friends of the ŠKODA brand,

I would also like to welcome you to ŠKODA AUTO's Annual Press Conference this year.

It is difficult to express in words what has happened in the past weeks. We are dismayed by the war in Ukraine and hope for the cessation of hostilities and a return to diplomacy following international law.

The first thought you have when you see a disaster like this is about the people. We are very concerned for those in Ukraine, especially the families of our more than 600 Ukrainian colleagues working here in the Czech Republic. The same applies to the team of our contract manufacturer Eurocar as well as the several thousand colleagues at our local suppliers in Ukraine.

***Ukraine Support***

We are fully aware the humanitarian crisis will last for a very long time. Therefore, we have taken specific support measures in collaboration with our social partner KOVO as the first humanitarian steps. Many more will follow:

As the ŠKODA brand, we have donated over 20 million Czech crowns to various aid organisations and humanitarian causes.

We are helping to transport aid from the Czech Republic to Ukraine via ŠKODA Logistics. More than 10 fully loaded trucks have been delivered already and more are to come. Furthermore, we are providing cars to Czech aid organisations to support them in delivering the material donations.

Over 270,000 Ukrainian refugees have already arrived in the Czech Republic. We are doing our best to support them locally, in cooperation with the communities, like for example the town of Mladá Boleslav. Our help comes from the heart and is planned strategically; we are helping directly with everyday necessities as well as handling the situation from a long-term perspective, with integration at the fore: I am very proud of a

local school we helped to establish two weeks ago. Now, over 600 children and adults are attending Czech language classes every day.

We also want to support them in health care, finding jobs and housing and becoming part of our community. Thank you to our colleagues in External Affairs, People and Culture, the ŠKODA Endowment Fund, the ŠKODA Academy and thanks also to our social partner KOVO, as well as all volunteers, for their very practical and sustainable support.

We are in daily contact with our colleagues on the ground in Ukraine – keeping them safe is our top priority. As far as our business in Russia is concerned, we have also taken swift action:

The Volkswagen Group has decided to halt the production of vehicles in Russia until further notice, and we are analysing the situation.

Dear guests,

Although the situation in Ukraine is distressing, let us nevertheless take a brief look at the previous fiscal year:

2021 was the second year of the crisis for us all. A state of emergency that has left its mark not only economically, but also on us personally.

### ***Screenshot NYT Headline***

The New York Times described the prevailing feeling of 2021 as 'languishing', referring to a term coined by American sociologist Corey Keyes.<sup>1</sup> It's a sense of stagnation and emptiness. It feels like you're looking at your life through a fogged-up windscreen.

### ***Vaccination***

## **CHALLENGES 2021:**

After two years of lockdowns, quarantine and isolation, I think everyone knows how that feels. I find it all the more remarkable that we have steered ŠKODA AUTO well through these 'languishing' times despite all the challenges.

2021 was another year marked by the coronavirus pandemic. The most effective countermeasure has been our successful vaccination campaign. We are going to continue pursuing this. I would like to take

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<sup>1</sup> <https://www.nytimes.com/2021/04/19/well/mind/covid-mental-health-languishing.html>

the opportunity today to thank our Anti-Covid team for their excellent work and the strong collaboration with our social partner KOVO.

Apart from the pandemic, the semiconductor shortage has also kept us on our toes. The shortage affected many sectors, such as consumer electronics and the automotive industry due to an unfortunate combination of factors. According to estimates, the semiconductor shortage cost our industry around 200 billion euros<sup>2</sup>. At ŠKODA, we lost more than 280,000 cars in 2021 as a result; we temporarily stopped our production lines and had to put our workforce on short-time work.

Nevertheless, we tried to build as many cars as possible. And we managed it well from an economic perspective – more on that in a moment. Our Board Member for Purchasing, **Karsten Schnake**, and his team pulled many all-nighters to find clever and often very creative solutions – not only for ŠKODA but also for the entire Volkswagen Group.

I really thank them wholeheartedly for their dedication.

## **COMPASS**

What started out as a semi-conductor task force is now being continued throughout the Group under the name **COMPASS**, so that the supply of parts can be secured over the long term, and any severe bottlenecks can be prevented in the future.

The fantastic work of the task force and **KOVO's** support have enabled us to safeguard employment for all Škodians – I would like to thank Jaroslav Povšlk, Chairman of KOVO union, and the entire team for their trusting cooperation. This shows how important it is to stand united on the same side in times like these and to ensure a clear view ahead!

## **2021 KPIs**

Dear guests,

Our corporate results reflect these challenging times, but they are also a measure of our resilience, our strong will and our perseverance:

A look at the most important key figures now shows us what this means specifically. As always, we distinguish between ŠKODA AUTO a.s. and

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<sup>2</sup> <https://www.springerprofessional.de/halbleiter/halbleitertechnik/das-muessen-sie-zur-halbleiter-krise-wissen/19356172>

the ŠKODA AUTO Group in the results. Christian Schenk will go into this in more detail in a moment. The sales figures I am mentioning refer to the ŠKODA brand and the financial numbers to the ŠKODA AUTO Group:

### ***KPI's***

- We delivered a total of **878,200 vehicles** in 2021. Due to the coronavirus pandemic and the semiconductor shortage, this was 12.6 per cent less than last year. Martin Jahn will give you the specific figures in a moment.
- ŠKODA also achieved an operating profit of **1.083 billion euros** in 2021 – under the circumstances, this is a great success. We mainly earned the money in the first half of the year, before the semiconductor shortage hit us hard.
- Our **return on sales** is a solid **6.1 per cent**. For a volume manufacturer, this is a very respectable result. We were able to 'save' most of our vehicles affected by the semiconductor shortage by storing and then retrofitting them. This was a courageous decision that enabled us to deliver the vehicles we thought we would lose. Our focus here was on 'value', not volume.

Despite all the difficulties, we safely steered the company through the second crisis year.

I would like to thank the entire team for this great achievement. A huge thanks to our dealers in the markets for their tireless efforts, our suppliers and partners for their high degree of flexibility and our customers for their trust in our brand.

Dear guests,

The opposite of 'languishing' – which the New York Times described as the dominant feeling in 2021 – is 'flourishing'. The feeling of floating. Forgetting time because you are so focused on your projects and achieving great results. And when we look back together on the highlights of last year, one thing becomes clear: ŠKODA AUTO was very much in the flow in 2021.

### ***Film***

## **REVIEW: ŠKODA'S SUCCESSES AND ACHIEVEMENTS IN 2021**

(...) FILM

As you can see, we had a lot going on in 2021!

### ***NLS 2030 Summary***

Among other things, we presented our new **NEXT LEVEL – ŠKODA STRATEGY 2030**. This strategy will make ŠKODA even more international, electrified and digital and thus fit for this decade. We quickly adapted the strategy to the respective departments, and we have already achieved some initial successes:

### ***Electromobility Info***

Let's start with electromobility. In 2021, the number of new registrations of all-electric cars in Europe increased by 80 per cent compared to 2020. In December, more electric cars were registered than diesel for the first time.<sup>3</sup> With our ENYAQ iV, we launched the right product at the right time, enabling us to celebrate strong results:

So far, we have received over **115,000 orders** for our first, all-electric ŠKODA SUV, and we have **delivered more than 50,000** of them worldwide. Even Pope Francis took a ride in one during a visit to Slovakia... – judging by the photo, it made a very good impression on him. 😊

Martin Jahn will explain in a moment what markets the ENYAQ iV has performed particularly well in.

In terms of electromobility, this was just the beginning: we have at least three more all-electric models below the ENYAQ iV in the pipeline, and we are thus consistently pursuing our path towards electrification. Our goal is to increase the share of ŠKODA brand sales in Europe to **50-70 per cent by 2030**. We expect a strong, well-timed boost from our new, highly emotive ENYAQ COUPÉ RS iV. These goals will future-proof the brand and jobs in the long term and strengthen ŠKODA's homeland as an automotive powerhouse.

### ***Electromobility Hub***

Dear guests,

We aim to transform the Czech Republic into an **e-mobility hub**: this includes localising e-components and battery production, focusing on renewable energies and expanding the charging infrastructure. Our goal

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<sup>3</sup> <https://www.elektroauto-news.net/2022/analyse-ende-dezember-mehr-e-autos-als-diesel-zugelassen>

is to transform our entire **value chain** into a **circular economy** and operate with CO<sub>2</sub>-neutral energy.

In doing so, we will be advancing a key component of our corporate strategy – **sustainability**. The important thing is: We walk our talk! And this applies to all areas of the company:

### ***SKODA's Sustainability progress***

- The **average emission value** of all our models delivered in 2021 was 3 grams per kilometre below the limit set by the European Union.
- We have the largest fleet of all-electric company vehicles in the Czech Republic, and we have doubled the number of our charging stations in the past year.
- In production in the Czech Republic, we managed to **save 11,000 tonnes of CO<sub>2</sub>** – as much as 7,000 commuters' cars emit each year.
- In addition, we were able to reduce our **water consumption** in production by more than a third and increase the proportion of recycled water by almost 50 per cent.
- While we're on the topic of recycling: Our customers have the option of choosing seat covers for the ENYAQ iV that are largely made from **recycled PET bottles**.
- And we became a **smoke-free company** last year. For me, this is also a sustainable decision that above all has a social component. By adopting this approach, we are a true trendsetter in corporate Czech Republic, and we have received high praise from many sides for our leading role in this regard.

### ***External Sustainability Council***

To help us make even more progress in sustainability in the future, we became the first Czech company to establish an **external Sustainability Council**. The five renowned international experts are providing us with valuable impetus and new perspectives on how to fully unlock ŠKODA's potential.

One thing is clear: sustainability is not a fig leaf for us, but a rock-solid business case.

### ***Examples Digitalisation***



The same is true of digitalisation – we are focusing on digital services that bring our customers real added value. We call it **Simply Clever 2.0**:

- If you drive an ENYAQ iV, you can charge it easily and conveniently with our PowerPass at more than 290,000 charging stations in Europe.
- We are also using artificial intelligence, for example with our Citymove app, which was downloaded 230,000 times last year.
- To promote the training of IT specialists, we have co-founded the training institute '42 Prague'. Starting this summer, up to 450 future programmers will begin preparing for the jobs of the future here, without tuition fees.

Dear guests,

What else was going on at ŠKODA in 2021?

### ***Models***

In addition to our ENYAQ iV variants, we introduced new models such as the **FABIA** and our refreshed **SUVs KAROQ** and **KODIAQ**. They have been very well received by our customers. This is not only reflected in the strong sales figures but also in the many prestigious awards we won last year. More about that from Martin Jahn in a moment, but safe to say: The list is long; the trophy shelf at our headquarters will really need to be extended soon. 😊

We are delighted about this international appreciation and see it as confirmation that ŠKODA is an affordable, yet desirable and emotive brand

- with unique designs,
- excellent quality
- and the convincing brand values of simplifying, human and surprising.

Characteristics that are the best prerequisites for our goal of being one of the **top 5 car manufacturers in the EU** by 2030.

Dear guests,

ŠKODA is also on course for success outside Europe, for example in India.

### ***INDIA Models and numbers***

With the ŠKODA KUSHAQ, ŠKODA SLAVIA, the Volkswagen Taigun and the recently introduced Volkswagen Virtus, we have successfully put the India 2.0 project on the road. Thanks to a localisation rate of over 95 per cent, these models meet the needs of our customers in India perfectly. Our sales figures in the region have more than doubled since then, with nearly 35,000 incoming orders for the KUSHAQ and the recently launched SLAVIA.

### ***MQB A0 Global Platform 22***

But it's not just in terms of regions that ŠKODA is taking on important tasks within the Volkswagen Group: with the **MQB A0 Global platform**, we have had global responsibility for a Group platform for the first time since last year – a great honour for our engineers! And we are also well underway with developing the successor to the ŠKODA SUPERB and Volkswagen Passat – a good example of the incredible **synergy potential** offered by the Volkswagen Group that we are now leveraging together.

Dear guests,

### ***2021 Bucket List***

In summary, we achieved a lot in 2021, even in languishing times:

- With our new corporate strategy, we have a clear plan for this decade.
- We have made significant progress in electrification, sustainability and diversity.
- And we have strengthened our importance in our regions and within the Volkswagen Group.

Dear guests,

ŠKODA is in a solid position and on its way to a flourishing future. And now we are ready for the next stage: we are taking a big leap this year to make the brand even more modern.

What does that mean specifically?

Among other things, we are rolling out a new **design language**. We have called it **MODERN SOLID**.

### ***Teaser Picture Modern Solid***

Why are we doing this?

Because our customers' requirements are changing rapidly, we want to align ourselves even more closely with their lifestyles. In doing so, we are guided by our corporate vision – 'we will help the world live smarter'. I can assure you: There will be a real wow moment – both for our customers and for our competition, too. Martin Jahn will tell you a little bit more about that in a moment.

Dear guests,

For now, I'd like to hand over to our CFO Christian Schenk who will give you an overview of our financial figures. See you again in a few minutes!  
Thanks, Christian!

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