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**Annual Press Conference 2023**

16. 3. 2023

**Martin Jahn, Škoda Auto Board Member for Sales and Marketing**

Speech

Dear guests, a very warm welcome to today’s Annual Press Conference.

I’ll now continue in Czech.

My colleagues have already mentioned the challenging environment we are in. So I won’t go into further details on that.

I’d like to start by thanking all our employees, partners and dealers.

In keeping with tradition, I’ll begin with the new-car sales figures. Despite the ongoing challenging situation, Škoda Auto delivered 731,300 cars to its customers worldwide. In absolute terms, this represents a clear decline on previous years, but we have managed to maintain key positions and achieve numerous strong results:

**Western Europe**

* Germany – Škoda is the number-one import brand here (for 14 years in a row) – a major success!
* Austria – Škoda is number two in this market with an almost 9% market share.
* A very high market share of 2.8% in Spain and the highest-ever market share in France and Italy – almost 2%

**Central Europe**

* Here, we are number one in the Czech Republic.
* Number one in Slovakia.
* Number two in Poland.
* All-time records: Vehicles delivered to customers in India (51,900) and New Zealand (2,200).

I’d like to go into more detail on the Indian market given our regional responsibility for this within the VW Group.

I’m delighted that we more than doubled our sales result in India last year. An increase of 128% equates to 51,900 cars and ninth position in the market overall. The backbone of our sales success was the already well-established Kushaq SUV and the all-new Slavia launched last March. These two models alone accounted for nearly 50,000 sales. What’s more, the Slavia shot into second place in the competitive A0 NB segment.

Let’s now turn to the sales performance of each model. Škoda’s modern model portfolio continues to attract the attention of customers.

The Octavia is still our bestseller, with over 140,000 units delivered to customers in 2022. This is by no means par the course, as the premises of an important supplier was completely destroyed in a fire at the beginning of the year, which had a major impact on the availability of parts and our production.

Accounting for almost 50% of all deliveries to customers, the SUVs/CUVs in Škoda’s portfolio were in greater demand than ever. The most successful SUV was the Kamiq with 96,300 units delivered, followed by the Kodiaq (94,500 units) and the Karoq (87,700 units).

In 2022, the all-electric Enyaq iV family was expanded to include the all-new Enyaq Coupé iV. Delivering 53,700 units, we increased sales by 20% compared to the previous year. What’s especially important to us is that these models are making a crucial contribution to our commitments to reducing CO2 across the EU, the UK and Switzerland.

The Enyaq family – our first BEV models – have been very well received by customers and the media alike.

The Enyaq iV is the best-selling electric car in

* the Netherlands
* Denmark
* Finland
* the Czech Republic
* and Slovakia

The media have also confirmed the great popularity of our Enyaq family, awarding it major prizes, including

* the ‘Golden Steering Wheel’ in Germany
* and ‘Car of the Year’ in Finland.

We are confident that the other electric cars we are working on today will be equally successful.

As we mentioned when we were discussing the Next Level – Škoda Strategy 2030, developing new markets is crucially important. That’s why we are very pleased to have signed an agreement with our strong partner in Vietnam in October 2022, enabling us to enter the market this year. With more than 100 million inhabitants, we’re convinced this market represents another important milestone in our internationalisation strategy.

The first Škoda models – the Karoq and Kodiaq – will go on sale in Vietnam in the second quarter of this year.

The first deliveries to customers are planned for July 2023. Thanks to the local production of cars from CKD format from 2024 onwards and the arrival of the Octavia and Superb imported from Europe, we will soon become a relevant player in this market.

The current estimate of the initial sales potential is 30,000 vehicles a year. However, we generally believe that sales of up to 40,000 vehicles a year are possible. Klaus Zellmer will return to our expansion plans and potential later on.

As a brand that wants to be close to its customers and users, it’s our customers who define our corporate strategy. If we want to steer Škoda in the right direction, we need to get to know them as well as possible. They’re changing just as the world around them is changing. For them, tradition is an important value, but they also have a strong desire to explore. What we found from our global research is that this customer group is defined by a specific mindset rather than demographics, and this truly is a global phenomenon. These customers are found in every market, albeit with slight differences, but they have certain characteristics in common:

* A desire to explore, learn new things and shape their own lives.
* A strong focus on caring for loved ones and their surroundings.
* An awareness that climate change is already having a tangible impact on everyday life   
  and on their families.
* As well as a desire to travel, explore and be creative.

The results of these studies guided the development of our new Brand Strategy, built on our desire to be a bold companion for our customers to explore the world and our drive to help the world live smarter. We’ll be providing customers with the means to explore the world in style – sustainably, safely and confidently with products that feature our new Modern Solid design. We share their interest in all things new and their desire to explore and improve the world. There is scientific evidence showing that the more we explore, the smarter we live.

Let’s move on to another crucial area of our business – digitalisation.

As I mentioned at the beginning, we also have a strong focus on digital products. And in this regard, we were able to make significant progress and set new records in 2022. I’m very proud to report that almost 100% of our BEV customers are engaged with our connectivity services. This is enormously important to us and is a prerequisite for us being able to offer additional intelligent products to our customers in the future. We recorded a 20% increase in the renewal rate for connectivity services, which highlights the continuous increase of customer loyalty in the digital world. By consistently expanding and connecting our digital ecosystem for our customers, we also achieved a 22% boost in customer interest in sales, after-sales and servicing. This is a significant increase and demonstrates that customers are embracing the online environment.

Mobile phones are a huge part of our daily life, and this is how we’d like to stay connected to our customers. For this reason, advancing mobile services is a crucial aspect of our digital strategy. We want to develop a unique experience for all our customers, allowing them to gain access to relevant information at each stage of interacting with the Škoda brand. To this end, we’ll be launching three new features in 2023:

* Discover News
* Waiting Period
* Loyalty Programme

‘Discover news’ will provide customers with valuable product and brand information in line with Skoda’s Human Touch approach. The Waiting Period feature will support customers as they wait for their car, which is particularly useful given the current supply chain difficulties. Finally, we’ll be integrating our ‘Loyalty programme’ into the MySkoda App to deliver an optimal user experience.

Dear guests, as you’ve already heard, we unveiled our new logo and wordmark in August 2022. These feature new, fresh and modern colours, which I think complement the brand perfectly.

Alongside core features including

* authenticity
* contemporary style
* and youthfulness

It was also very important for us to respect the brand’s rich heritage when creating the new brand identity.

The signature Škoda caron (háček) above the S, which has always been a part of the logo, has now been integrated into the letter itself. This gives the wordmark a more compact and coherent form, while still incorporating its linguistic roots.

Škoda’s colour palette features two dominant green hues, namely electric and emerald green, which capture the brand’s essence and create a unique and unmistakable look.

In short, Škoda is a brand with green blood in its veins.

This is our new brand identity – a new look and feel honouring our ‘digital first’ approach and reflecting our core brand values:

* human
* simplifying
* and surprising

After the first month, the feedback was 99% positive. This is based on responses both internally from employees and externally from dealers and the media.

Škoda is also rolling out its new corporate identity across the dealer network, where the design of individual elements has been modified. We began this process under the updated Brand Strategy in 2022. One of the most visible changes is the main pillar, which is now a wordmark in place of the traditional logo. It’s a modern look that our contemporary explorers certainly deserve. The new identity is already being rolled out and will arrive across the board early next year. It will be launched at our dealers in Vietnam and India as early as 2023.

Dear guests,

I’ll sum up by saying: All the strategic fields in Sales and Marketing, including new customer groups, our Brand Identity and new digital innovations are harmonised and bundled under our Škoda Corporate Strategy, with the clear goal of achieving sustainable success throughout the transformation decade and beyond.

Welcome to Next Level Škoda!

Thank you for listening, and now I’ll hand back to Klaus Zellmer.