Petr JANEBA
Head of Internatinal Sales Steering
Škoda Auto a.s.

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The AUTOMOTIVE INDUSTRY is facing huge challenges.

Besides selling cars OEMs have to consider new business opportunities on their way to a sustainable, software oriented and data driven mobility provider.

In the near future it is necessary to create and build new (digital) business models.

Automotive contended with many CHALLENGES during past few years

Covid pandemic

- Decreased demand
- Production shutdowns
- Supply chain disruptions
- Financial difficulties
- Marketing and sales challenges

Supply chain disruptions

- Production delays
- Reduced vehicle output
- Increased costs
- Customer dissatisfaction
- Impact on revenue

Inflation rate

- Increased production costs
- Price adjustments
- Consumer purchasing power
- Supply chain pressures
- Financial planning

New legislation rules

- CO2 regulation for passenger cars
- EURO7 (still proposed emission limits)
- Market competitiveness
- Consumer perception
- Innovation opportunities

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VW GROUP goes through the electrification/digitalization to the TRANSFORMATION

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SEAT

Audi

CUPRA

PORSCHE

LAMBORGHINI

BENTLEY

DUCATI

VOLUME	SPORT	PREMIUM

mechatronics

software

battery&charging

mobility solutions

WORLDWIDE GROUP TRANSFORMATION

VW Group Strategy GOALS until 2030

	2023	2025	2030	
CO_2	**Neutrality** Vrchlabí plant (CZ) net CO2-neutral from 2020	**Zero** Indian plants balance CO2-neutral	**-50%** EU fleet emissions (2020 - 2030)	**Zero** All energy in CZ plants will be CO2-neutral in the second half of this decade
ICE / BEV				
Software				
Customer Jorney	**Digital showroom**	**Future retail experience reflecting changing Customer behavior**		

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MAIN goals/challenges for VW Group as well for Škoda Auto a.s.

Electrification

- Sustainable transportation
- Extensive EV lineup
- Advanced battery technology
- Charging infrastructure
- Environmental impact

eMobility solution

- Electric vehicles
- Sustainability
- Innovation

Digitalization

- Connected vehicles
- Digital customer experience
- Data-driven insights
- Smart manufacturing
- Mobility solutions

Sustainability

- Decarbonization
- Circular economy
- People in the transformation
- Diversity & Integrity
- Supply Chain and Human Rights

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Škoda product portfolio contents currently 26 models (ICE, BEV, PHEV) and despite the challenging situation throughout 2022, we delivered 731,300 cars worldwide

Octavia |
141,100

Kodiaq |
94,500

Kamiq |
96,300

Fabia |
92,700

Karoq |
87,700

Central Europe
147,900 cars (-9.8%)

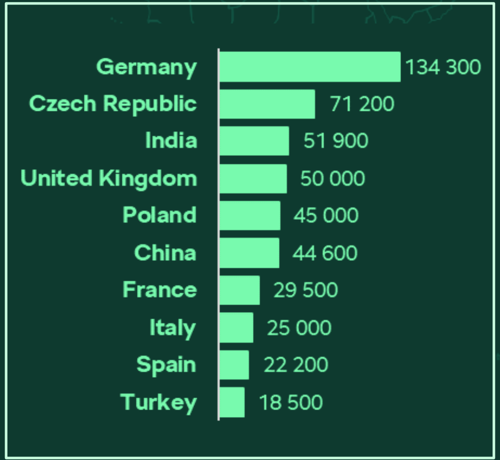
Eastern Europe w/o RUS
31,600 cars (-11.9%)

-16.7% vs. 2021

Western Europe
377,000 cars (-7.8%)

India
51,900 cars (+127.7%)

Top 10 markets



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NEXT LEVEL

ŠKODA strategy 2030

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Three TOP Škoda PRIORITIES are setting the strategic direction

STRATEGIC CORNERSTONES

EXPAND

Develop Škoda Auto into **one of the five bestselling car brands in Europe** by further **strengthening its position in the entry-level segments** and expanding the model portfolio with **at least three more all-electric models**.

EXPLORE

Position Škoda Auto as **the leading European car manufacturer** in the growth markets of **India and North Africa**.

ENGAGE

Concrete goals focused on a **digital customer experience, sustainability, diversity, and training and development**. (e.g. Škoda Auto will become the benchmark for a Simply Clever user experience)

EFFICIENCY and SIMPLYCITY

Key guiding principles across the entire organisation as well as our model portfolio.

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Škoda strategic Goals for 2030

TOP 5

in Europe by 2030

Strengthen our position in the entry-level segments, by offering particularly affordable models and electrifying the portfolio.

At least

3 new electric Models 2026

3 2030

Three new models as early as 2026, 3 more to follow till 2030.

70 %

of electric cars

The all-electric share of the Škoda brand's European vehicle sales will rise to over 70% by 2030.

More than 50% reduction in CO_2

Škoda Auto has significantly tightened the environmental goals: fleet emissions will decrease by more than 50% compared to 2020.

Strong position in key GROWTH REGIONS

Develop Škoda Auto into the leading European brand at international markets, and assume additional responsibility at Volkswagen Group level.

Return on sales of at least 8 %

Ambitious financial targets: cost leadership among core European competitors and sustainable return on sales of at least 8%.

Škoda HIGLIGHTS last year

New Brand appearance

A new brand picture mark enhances the Brand‘s appearance on digital communication Channels.

Škoda‘s new brans identity is currently being introduce in information and Communication materials and later **will be Rolle out in future models.**

Production of MEB batteries

Battery systems for the Volkswagen Group's MEB Cars have also been produce in Mladá Boleslav since May 2022.
This is the only batteries are used in Škoda, VW, Audi and SEAT models.
Škoda Auto plans To open another assembly line in 2023, increasing the **total capacity to 1,500 batteries per day**

Entry into the Vietnam

In cooperation with its local partner, Thanh Cong Motor Vietnam (TC Motor), the Czech carmaker will start offering the first **European models there this year**.

The company anticipates an initial Sales volume of 30 ths. units per year, with the local assembly of the 2 Indien models launching in 2024

Awards for Škoda cars

Škoda cars are very popular among customers and experts, evidenced by numerous awards.
Škoda Enyaq Coupé RS iV won the Golden Steering Wheel 2022 award in the mid-size SUV category,
The long-time bestseller **Škoda Octavia won the Best Cars 2022 in the compact class**

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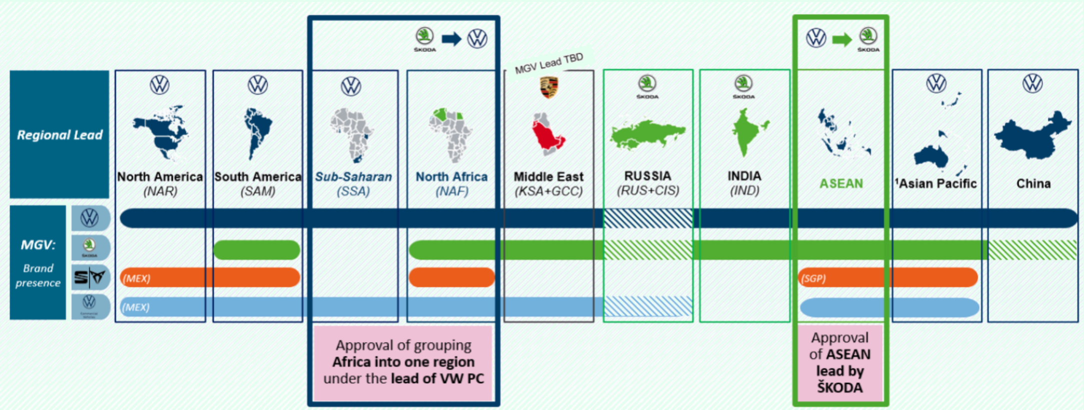
Škoda Auto as LEADER in ASEAN STRATEGY at VW Group (Group brand Volumes)

GENERAL info

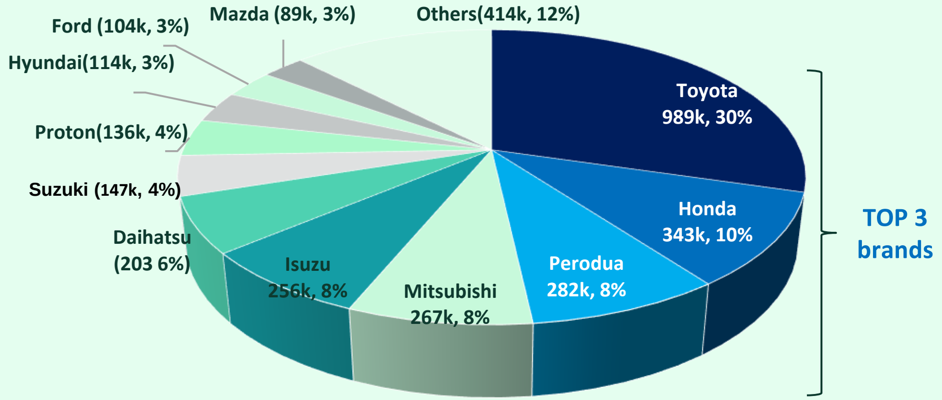
- 09/2022 - Change of VW Group ASEAN strategy lead



- Active markets:
  - Škoda – Singapore, Vietnam (1st VW group CKD assembly in ASEAN)
  - VW Group : Malaysia, Indonesia, Singapore, Vietnam, Philippines
  - Project markets : Brunei, Cambodia, Philippines, Malaysia
- VW Group procurement evaluates cell assembly and CKD assembly of BEVs in Indonesia
- ASEAN market BEV transformation is the main trigger for VW Strategy

ASEAN Key Information IST 2022

- TM 3.4 Mil. AaK (incl. Pick-up)
- TOP 3 brands 1.613k AaK, MS 48%
- SK core comp. 265k AaK, MS 8%
- SK potential 60-80k AaK p.a., MS 2-3%



No. of factories:

Toyota	7
Honda	8
Mitsubishi	4
Hyundai	1+1
Mazda	3
Nissan	2

Source: IHS database 2021

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TRADE WITHIN ASEAN AND IMPACT OF RCEP

The RCEP is a free trade agreement between ASEAN, Far East Asia and Oceania, creating a free trade zone covering ~30% of the world's GDP, trade and population

RCEP will become more impactful than ASEAN in regard to automotive policies

ASEAN members have implemented **high excise duties**, which make export non-feasible despite waiving custom duties for car imports

Custom **duties can be avoided by 40% LC**, but excise duties can be only extempt by individual **local government** incentives

RCEP MEMBERS

Country	LHD/RHD	REGION
China	LHD	Fast East Asia
South Korea	LHD	
Japan	RHD	
New Zeeland	RHD	Oceania
Australia	RHD	

Country	LHD/RHD	REGION
Singapore	RHD	ASEAN
Malaysia	RHD	
Indonesia	RHD	
Thailand	RHD	
Brunei	RHD	
Vietnam	LHD	
Cambodia	LHD	
Laos	LHD	
Myanmar	LHD	
Philippines	LHD	

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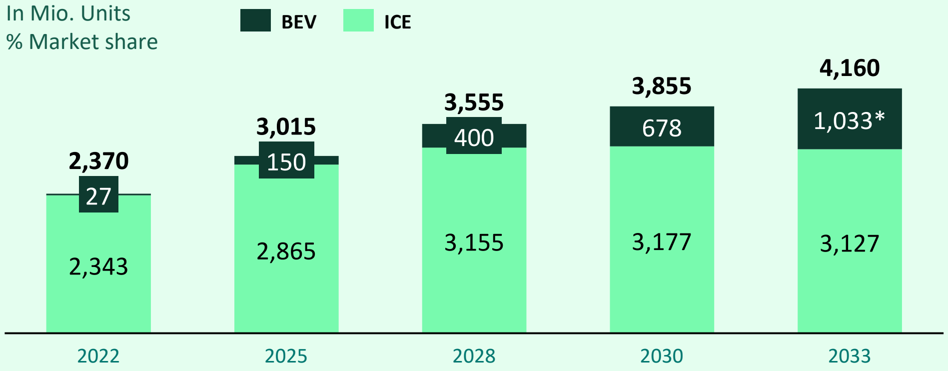
ROAD to BEV : segment to reach 30-35% share in ASEAN within 10 years

BEV transformation assumption



*BEV prediction 2033 : 1.3~1.5 (30~35%)

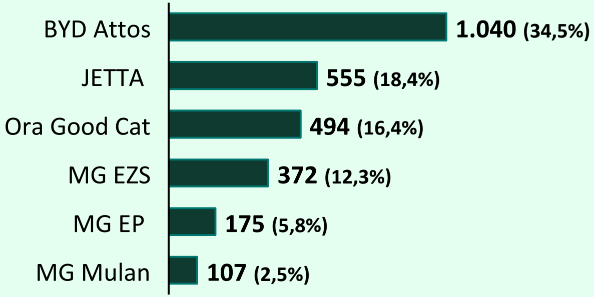
BEVs megacities

TOP 10 big cities

1	2	Jakarta	3,540	33,756,000	Indonesia
2	6	Manila	1,873	24,922,000	Philippines
3	16	Bangkok	3,199	18,007,000	Thailand
4	25	Ho Chi Minh City	1,638	15,136,000	Vietnam
5	50	Kuala Lumpur	2,165	8,911,000	Malaysia
6	58	Hanoi	963	7,547,000	Vietnam
7	59	Bandung	487	7,512,000	Indonesia
8	65	Surabaya	911	6,998,000	Indonesia
9	67	Yangon	603	6,874,000	Myanmar
10	81	Singapore	523	5,983,000	Singapore

Chinese focus on ASEAN

TOP 6 BEV models by sales in Thailand in 01/23



Note: TOP 6 brands in Thailand Σ 90,9% MS

In Units (% Market share)

Škoda in ASEAN

Since 2019: Importing from EU to selected countries

2023: Starting the import ICE models from India to Vietnam

2024: Start of production 2 ICE models by Vietnamese local partner

After 2025 : RHD manufacturing capacity in THA (MAL/IND)

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Thank you for your attention

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