

SEAT S.A. posts annual turnover of 10.5 billion euros, second highest in company's history

- 2022 was the year of the company's financial turnaround
- Operating profit increased by 550 million euros to 179 million euros before one-time restructuring cost provision of 293 million euros; profit after tax increased 324 million euros to 68 million euros
- In 2023, SEAT S.A. will accelerate its transformation towards electrification and CUPRA growth
- With the largest single industrial investment in Spanish history, the Future: Fast Forward project is making history
- CUPRA is cementing its position in Europe and expanding to the rest of the world

Barcelona, 22/03/2023. Today, SEAT S.A. presented its 2022 results and the next steps in its strategy. The company's turnover grew 14% from 9,256 million euros to 10,513 million euros. This is the second-largest turnover in the company's 73-year history, behind 2019's record 11,157 million euros. Operating profit rose 550 million euros to 179 million euros (2021: -371 million euros), before one-time restructuring costs of 293 million euros. This represents an improvement in return on sales of 5.7 percentage points, from a negative 4% to a positive 1.7%. Profit after tax increased 324 million euros to 68 million euros (2021: -256 million euros). The results confirm that 2022 was the year of the company's financial turnaround.

"Amidst a perfect storm of challenges, in 2022 SEAT S.A. took historic decisions that will define our story in the coming years," said Wayne Griffiths, CEO of SEAT S.A. **"Prioritising CUPRA, implementing a new cost reduction plan and reshaping the way we work were crucial to guarantee long-term stability for the company. SEAT S.A. also took a major step forward towards electrification when, together with the Volkswagen Group, PowerCo and the Future: Fast Forward partners, we committed to invest 10 billion euros in transforming Spain into a European hub for the electric vehicle."**

With this investment and a more robust business structure, 2023 will see SEAT S.A. move at full speed with the electrification of Martorell and prepare for CUPRA's biggest product offensive, which begins in 2024.

SEAT S.A. has already had a strong start to 2023 with 71,500 deliveries in the first two months of the year. This is a rise of 27% compared to the same period in 2022 and provides a foundation for increasing sales in 2023. SEAT brand deliveries rose 12%, while CUPRA continues to experience exponential growth with an increase of 75%.

2022: A new era for SEAT S.A.

In 2022, the automotive industry continued to experience challenges including the shortage of semiconductors. These factors limited SEAT S.A.'s global production capacity, which remained at similar levels to 2021 with close to 480,000 cars manufactured, but far below pre-pandemic figures. However, the company achieved a significant financial turnaround despite these external influences.

"SEAT S.A.'s business structure is more robust today and we are continuing building an even more solid financial structure over time. Although our volume of cars sold in 2022 was 4% lower than 2021 due to semiconductor shortages, our turnover grew 14% versus 2021 and revenue per vehicle increased by 18%. The company turnaround was achieved thanks to the increase in the proportion of CUPRA models sold, an aggressive revenue management strategy, overhead cost reductions and efficiency improvements," said David Powels, Vice-President for Finance and IT at SEAT S.A.

EBITDA grew from 278 million euros in 2021 to 798 million euros before the one-time restructuring costs. This is the highest level in the past five years. The company continued on its strategic investment path, with 880 million euros going into investments and R&D expenses in 2022. This shows SEAT S.A.'s ongoing commitment to bring future products to the market and continue building the CUPRA brand.

2023: Accelerating SEAT S.A.'s transformation

SEAT S.A.'s transformation from combustion to electrification is moving at great pace, paving the way for a new chapter of growth in the company's history. At the Annual Press Conference, the company announced an acceleration in 2023 of key projects including its own electrification and organisational transformation, as well as an increased focus on boosting the growth of its CUPRA brand.

"We are at the start of a crucial year in SEAT S.A.'s history. We know the future is electric and we have a clear vision and motivated team determined to make this transition. If 2022 was the kickoff of our transformation, 2023 will be the year of its acceleration. We built Martorell 30 years ago to create a new era of growth for SEAT. Now we are in a second era: the next big milestone in the history of this company," added Wayne Griffiths.

This year marks the 30th anniversary of the Martorell site and SEAT S.A. is investing a total of three billion euros into its electrification. Martorell will become one of the Volkswagen Group's production hubs for electric vehicles and a crucial part of the electric vehicle value chain in Spain. Furthermore, SEAT S.A. will lead the Volkswagen Group's cluster for the development of Small BEV, the family of cars that will democratize sustainable urban mobility. By 2025, Martorell will produce electric vehicles for different Group brands.

The Group's ambition is to produce three million BEVs in total across Martorell and Pamplona between 2025 and 2030. SEAT S.A. is also working hard for a battery pack assembly plant and a second vehicle platform for Martorell, with the aim to increase its share of the EV value chain and remain competitive in the longterm.

In its journey towards becoming a more sustainable company, in 2023 SEAT S.A. will launch its new ESG strategy. One of the main pillars of this strategy will be the development of a "Circular Economy Hub" that will allow the company to fully capture the value that the car and battery offer through industrial projects of reuse, remanufacturing and recycling. It also offers a sustainable industrial plan for the company's site in Barcelona where the hub will be located.

CUPRA growth strategy to 2030

CUPRA has the ambition to be one of the Top 100 Best Global brands by 2030. To achieve this objective, it will be supported by its six levers for future growth. These levers include the brand's globalization. This year alone, CUPRA plans on opening new City Garages in Berlin, Madrid, Manchester and Paris. As part of its ambition to become a truly global brand, CUPRA is currently analysing entry into North America. It is testing the brand with potential clients, and results so far are promising and positive. Furthermore, it will add 500 new CUPRA Masters in 2023, taking the total to 2,000.

The brand is currently preparing for its biggest-ever product offensive, which will begin in 2024 with the launch of the CUPRA Tavascan and CUPRA Terramar, followed by the CUPRA UrbanRebel in 2025. These new models will allow the brand to enter new segments and markets and reach its mid-term goal to sell 500,000 cars a year.

SEAT S.A. is the only company that designs, develops, manufactures and markets cars in Spain. A member of the Volkswagen Group, the multinational has its headquarters in Martorell (Barcelona) and sells vehicles under the CUPRA and SEAT brands.

SEAT S.A. exports more than 80% of its vehicles and is present in more than 70 countries. The company employs over 14,000 professionals and has three production centres – Martorell, El Prat de Llobregat and Barcelona, where it manufactures the SEAT Ibiza, SEAT Arona, Leon family and the CUPRA Formentor. Additionally, SEAT S.A. produces the CUPRA Born and the SEAT Tarraco in Germany and the Ateca family in the Czech Republic. SEAT MÓ is the company's business unit that covers urban mobility products and solutions, while its operating centres also include SEAT CODE, a software development hub, and CASA SEAT, located in the heart of Barcelona.

The company is playing a leading role in turning Spain into an EV hub in Europe. Through the Future: Fast Forward project, SEAT S.A., the Volkswagen Group and their partners are investing 10 billion euros into the electrification of the country.

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