



DR. FRANCISCO JAVIER GARCÍA SANZ  
CHAIRMAN OF THE BOARD OF  
DIRECTORS OF SEAT

**“SEAT WILL  
CONTINUE TO  
SURPRISE”**



# SEAT



LUCA DE MEO  
CHAIRMAN OF THE EXECUTIVE  
COMMITTEE OF SEAT

**DR. FRANCISCO JAVIER GARCÍA SANZ, CHAIRMAN OF THE BOARD OF DIRECTORS OF SEAT, AND LUCA DE MEO, CHAIRMAN OF THE EXECUTIVE COMMITTEE OF SEAT, TALK ABOUT SEAT AND THE FUTURE OF THE CAR.**



“SEAT’S PLAN FOR THE FUTURE IS PERFECTLY INTEGRATED INTO THE BUSINESS STRATEGY OF THE VOLKSWAGEN GROUP”

**Mr. de Meo, you came, you saw and you conquered. In 2015, SEAT became profitable for the first time in years and in 2016 it has settled onto the path of sustainable profitability. Who is to thank for this?**

**DE MEO/** All of SEAT’s professionals are to thank, those that are here today and those that have passed through this company. The last few years have been difficult and the return to profitability is having a very beneficial effect within the company. Now we are making money and people’s mentality has changed. We have entered into a virtuous circle of value creation. This is no surprise, since before we were dedicating a large part of our efforts to fighting fires and now, those efforts are dedicated to thinking about future projects and continuous improvement. The hard work is paying off.

**Mr. García Sanz, you chair the Board of Directors of SEAT and are a member of the Management Board of the Volkswagen Group. Can we say that SEAT has finally found its space within the Group?**

**DR. GARCÍA SANZ/** It has always had its space. I joined the Executive Committee of SEAT in 1995 and, for example, two years earlier Volkswagen had made a large investment to build the most modern factory in Europe in Martorell (Barcelona). And now we have the biggest product offensive the company has ever launched before us, with an investment of 3,300 million euros between 2015 and 2019. In Wolfsburg there have never been any doubts about SEAT.

**Does the expansion of the range of cars guarantee SEAT’s future profitability?**

**DE MEO/** Profitability has to extend beyond 2019 and the current investments planned. It must be sustainable. What gives me the most confidence is that we have achieved these results before having our new models. The SEAT Ateca, launched in mid-2016, is selling very well and in 2017 the new Ibiza and the Arona, our urban SUV, will arrive. And the SUV offensive will not end there. SEAT will continue to surprise.



**Mr. García Sanz, as head of the Purchases division of the whole Volkswagen Group, how do you assess SEAT’s contribution to auxiliary industries in Spain? What do you think of the Martorell factory being the first one to implement the new modular platform of the Volkswagen Group for its urban cars, the MQB A0?**

**DR. GARCÍA SANZ/** The implementation of the new platform shows that SEAT’s plan for the future, both as a brand and from an industrial point of view, is perfectly integrated into the business strategy of the Volkswagen Group. At the same time, this is going to allow synergies to be established between different models of the Group and to increase its profitability, as well as increasing our ability to find suppliers in the Iberian Peninsula. In other words, it is going to prove beneficial for component companies located in Spain. SEAT already makes 60% of its purchases from national suppliers, some 4,000 million euros each year, and in the future we will see how the volume of billing of these suppliers continues to grow.

**The new Ibiza and the Arona will be introduced in 2017, the Audi A1 will arrive in 2018, and the Leon family has just been renovated. How many vehicles will Martorell be able to produce?**

**DR. GARCÍA SANZ/** SEAT has one of the largest factories of the Volkswagen Group in the world and, what is more, it is one of





the most efficient. It is also the factory that produces the most cars in Spain, which is the eighth largest manufacturer worldwide. But what is more, SEAT is the only Spanish automotive company that creates, develops, manufactures and sells cars. The Technical Centre, with over 1,000 highly-qualified employees, works on projects of all the brands of the Group, and SEAT is the largest Spanish investor in R&D. Our company generates almost 100,000 direct, indirect and induced jobs. We export to the tune of over 7,000 million euros, around 3% of Spain's total exports, and our turnover reached almost 8,600 million, nearly 1% of the national GDP. That's not bad at all.

**DE MEO/** In 2016 we produced almost 450,000 cars and since 2009, production has grown by 50%. And we have done so while improving quality. In SEAT, we have reached the highest levels of quality in the Group. For example, here we manufacture the Audi Q3 and, if we look at consumers' assessments, that is one of the best models of the Audi range. And, of course, what passes through Martorell is not the only thing that matters. SEAT is more than one factory and the goal in the next few years is to internationalise the brand much more. From Barcelona to the world.

**Let's leave production to one side and let's focus on sales. The figures are now similar to those of 2007, the year before the start of the financial crisis. Are you satisfied?**

**DE MEO/** We have closed 2016 with a balance of almost 410,000 cars sold, 2.2% more than last year. In the last four years, sales to final customers have increased by nearly 30%. We are satisfied by the excellent reception that the Ateca has had. In hardly six months since its launch, we sold some 25,000 units. The Leon and the Alhambra have also performed very well and have achieved the highest sales in their history. Furthermore, the Ibiza has reached the end of its fourth generation with a very high volume of sales. With the renovation of the Leon, the launch of the fifth generation of the Ibiza and the new Arona, 2017 is going to be a very special year for SEAT.

**"2017 IS GOING TO BE A VERY SPECIAL YEAR FOR SEAT"**

**The automotive industry is undergoing a second industrial revolution. Electrification, automated driving and the connected car are transforming not only the car but manufacturers' business model. Giants such as Google and Apple want a portion of the business, and Uber and car-sharing businesses also call into question the need to buy a car. What is SEAT's vision?**

**DR. GARCÍA SANZ/** Electric mobility, full connectivity, automated driving and new





consumer trends will change the face of the sector as we know it, and will bring a future that was unthinkable a few years ago. There is no doubt that these are the major challenges facing the car industry. SEAT will benefit from the advances that the Volkswagen Group makes in the fields of the electrification of models and automated driving. In the field of the connected car, we want SEAT to be a frontrunner within the Group.

**DE MEO/** Our great challenge is to turn the car into a new piece of interconnection hardware in which the driver can continue to manage their life while they travel. The car must become the command centre of the so-called Internet of Things and its driver must feel that they command it with ease, through voice sensors or opting for automated driving when they consider it necessary. And SEAT wants to be there, among the group of companies that will lead the transformation that the sector is undergoing with the connected car. Just as our brand motorised Spanish society in the 60s, now we want to play an active role in the proliferation of the connected car. We have younger customers than the rest of the European manufacturers, digital natives, so

they are more connected and accustomed to consuming digitally. That is why we want to become a benchmark when it comes to giving them what they are asking for.

**You have announced that in 2017 you will open a new research centre in Barcelona for the development of these new technologies. How many people will work there? What is the purpose behind the creation of this centre?**

**DR. GARCÍA SANZ/** That's right.

In 2017 we will open in Barcelona the sixth international research centre, the Metropolis:Lab Barcelona, which will be added to the network of digital hubs of the Volkswagen Group. The other five are in the headquarters in Wolfsburg (two), in Berlin, in Munich and in San Francisco, linked to Silicon Valley. The one in Barcelona will be under the management of SEAT and will work for all the brands of the Group. It will employ 50 engineers and qualified staff and its objective is to lead in all matters related to urban mobility. The Metropolis:Lab Barcelona will combine mobile and data technology to create solutions that facilitate and make safer the relationship between residents, the smart city and the mobility systems of the cities of the future.

**How important has Barcelona been in taking this decision?**

**DE MEO/** To help us achieve the objective that we have set ourselves, we have Barcelona, the city where we were born as an automotive company and which today is the fifth most digital city in Europe. This is why we have signed an agreement with the city's council to tackle challenges together, such as promoting innovation, sustainable mobility, setting up entrepreneurial projects and industrial competitiveness. Barcelona has 15 universities, two of the best business schools in the world, 10 of the major start-ups in Europe and, of course, the Mobile World Congress and the Smart City Expo, the two most important technological trade shows in the world in their respective sectors. It is an ideal breeding ground to develop a technological project such as ours, with the firm intention that SEAT, Barcelona and Spain can be leaders in car connectivity.

**Internally, how is SEAT tackling the digitalisation process? Have you identified new business models?**

**DE MEO/** As a company, at SEAT we are in the midst of a digital transformation process. For this reason, we have created the Easy Mobility Team, a cross-departmental team whose objective is to lead the company's digital transformation based on three areas of work: digitalisation and R&D, customer experience and business development. We are working on the concept of Easy mobility. In 2017 we are going to launch a car sharing service pilot project for our employees. The project is known as SEAT Connected Sharing and it



## “THE EASY MOBILITY TEAM WAS BORN TO LEAD THE SEAT’S DIGITAL TRANSFORMATION”

will incorporate various mobility solutions based on shared transport. The system will allow the corporate fleet of cars to be used when they are not in operation, as well as allowing the exchange of vehicles among individuals and the possibility for employees to share them in their journeys.

**DR. GARCÍA SANZ/** The car is undergoing its most profound transformation in the last hundred years, not only in the vehicle itself but also in the possibility to generate new services around the car, that is, to create a mobility ecosystem. This generates new opportunities for SEAT since the need for mobility exists and will continue to exist.

**In the industrial sphere, digitalisation has also arrived. There is talk of the so-called Industry 4.0. How is SEAT approaching this challenge?**

**DR. GARCÍA SANZ/** Up to now, the technical innovations provided efficiency and greater productivity to the manufacturing processes. However, now digital technology provides the possibility to process the thousands and thousands of pieces of data that are created in hundreds of devices – data generated by machines, customers, suppliers or competitors. Industry 4.0 creates systems to order,

process and distribute the information in order to make the most efficient decisions. The interconnection of machines with data systems will allow us to adapt to each of our customers’ needs.

**DE MEO/** The automotive industry is facing changes that will completely transform its activity, which is why it is key that the staff are ready to respond to these challenges and to the new demands of industry 4.0. As such, in 2016 we signed a new collective labour agreement which is modern and flexible, consolidates a stable labour framework and will help us to consolidate ourselves as a strong and competitive company. SEAT is also a benchmark in labour relations in Spain, which we mustn’t forget is the fourth largest economy in Europe.

**In an increasingly interconnected world, you suddenly announce the creation of a ‘flagship store’ in Barcelona. Despite becoming increasingly digital, do customers in the end still want to feel the product?**

**DE MEO/** Of course, and not just feel it. Cars are sensory and involve all the senses. With the flagship store that we will open in Barcelona, and with all our dealership network, we want to be even closer to customers, to anticipate their demands and to provide them a unique, easy and digital brand experience from the very moment they consider buying a car. Customers

have different needs and we must adapt to them. This is why last year we launched the SEAT Live Store, the brand’s first virtual showroom, and we will also open a physical shop in a shopping centre in London to increase our visibility and to access the more than 26 million visits it receives each year. The customer has been, is and always will be our priority. SEAT’s digital strategy has customers at the centre of the experience.

**What will the future bring us? How would you define the car of the future in an idea?**

**DR. GARCÍA SANZ/** The future of the car will involve electrification, the autonomous vehicle and full connectivity, as well as making our customers’ driving experience increasingly easy. SEAT is in ‘pole position’ in the connected vehicle and in smart mobility services.

**DE MEO/** SEAT is in the midst of a comprehensive transformation that will take us to another level in the space of just a few years. Our ambition is to be a leader in the development of the connected car. We want to make things EASY!

