

Hyundai Motor Company 2018 1Q Business Results

April 26, 2018



In the presentation that follows and in related comments by Hyundai Motor's management, our use of the words "expect," "anticipate," "project," "estimate," "forecast," "objective," "plan," "goal," "outlook," "target," "pursue" and similar expressions is intended to identify forward looking statements.

The financial data discussed herein are presented on a preliminary basis before the audit from our Independent Auditor; final data will be included in HMC's Independent auditor's report. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors. Such factors include, among others, the following : changes in economic conditions, currency exchange rates or political stability; shortages of fuel, labor strikes or work stoppages; market acceptance of the corporation's new products; significant changes in the competitive environment; changes in laws, regulations and tax rates; and the ability of the corporation to achieve reductions in cost and employment levels to realize production efficiencies and implement capital expenditures at levels and times planned by management.

We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

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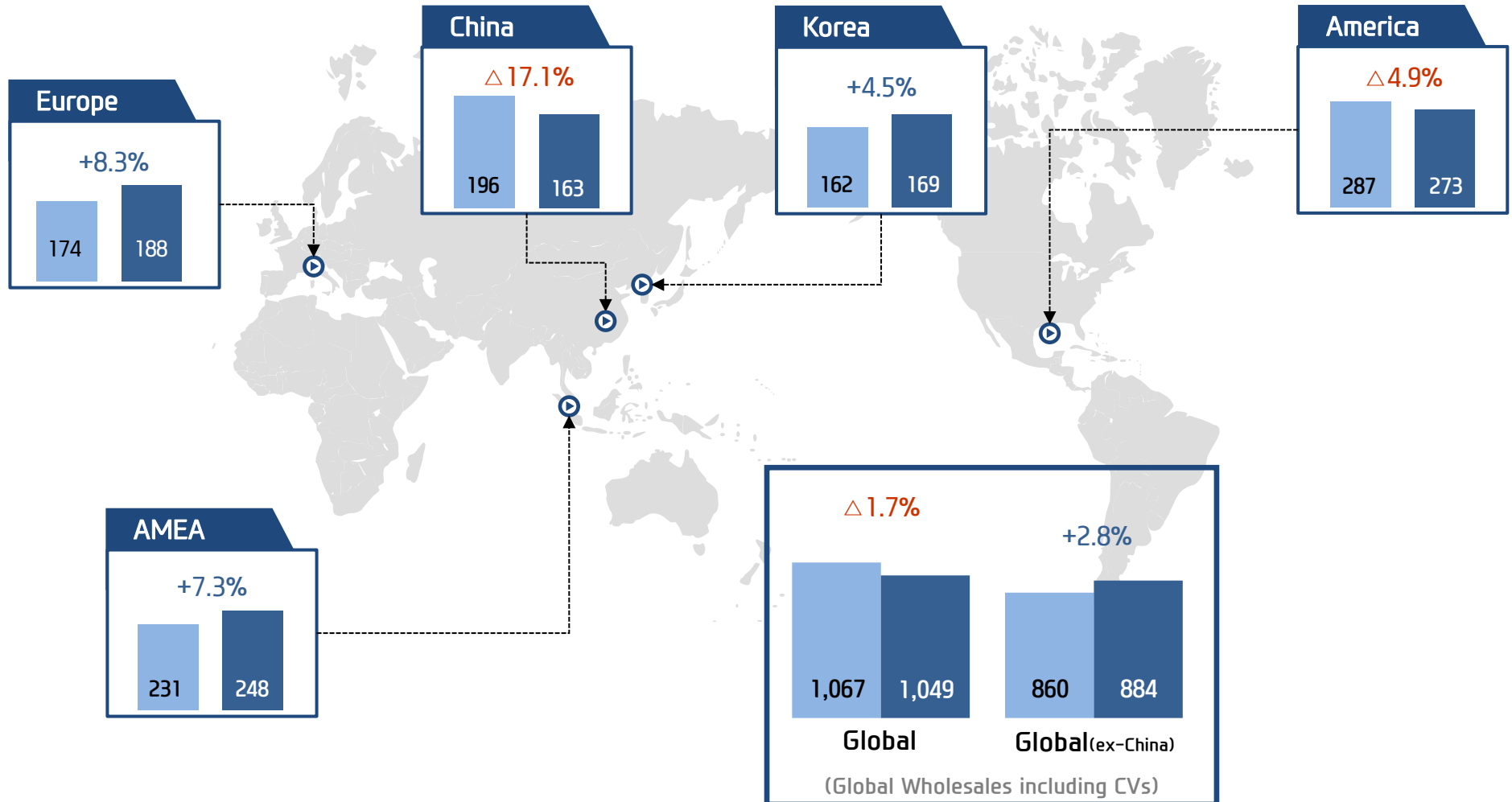
- **Sales Results**

- ◇ **Wholesales**

Sales Results : Wholesales



■ 2017. 1Q ■ 2018. 1Q (Thousand units)



Source: Company Data (excluding CKD, excluding CVs for each region except Korea)

- **Financial Summary**

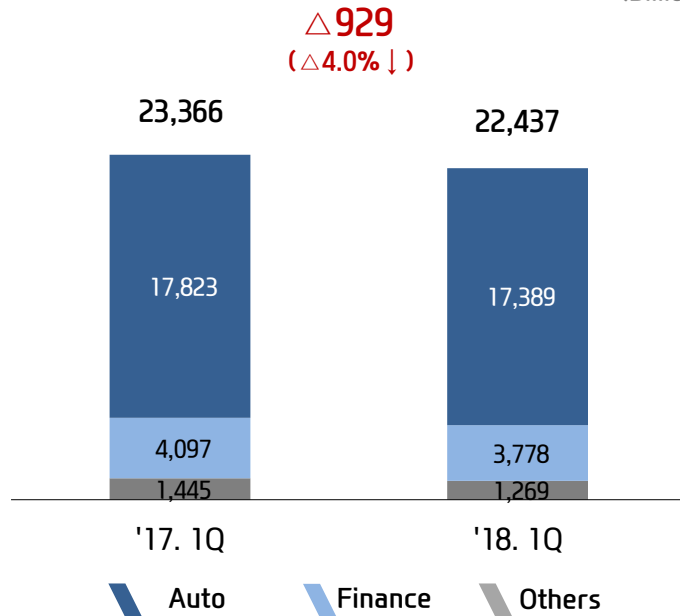
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Revenue and Operating Income Analysis



Revenue by division

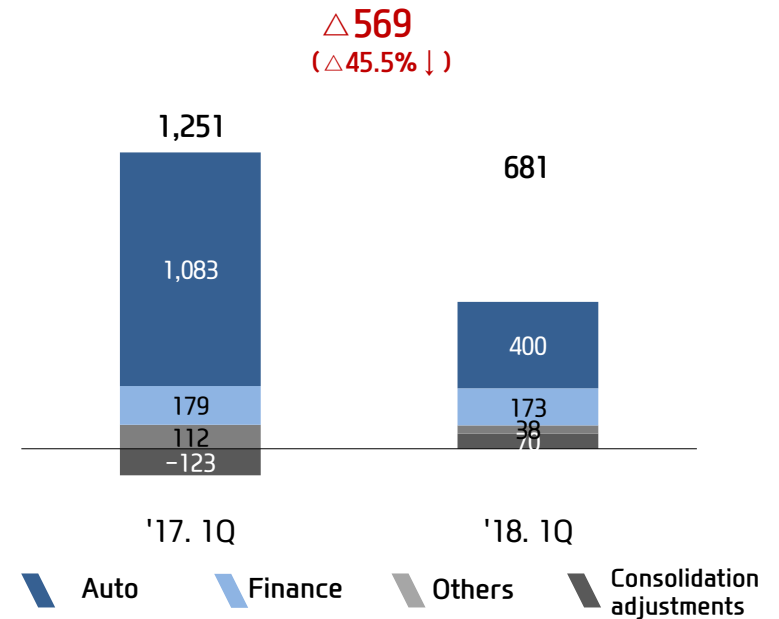
(Billion KRW)



- ▷ Negative revenue impact from strong Korean won
- ▷ Finance operation deteriorated by severe competition

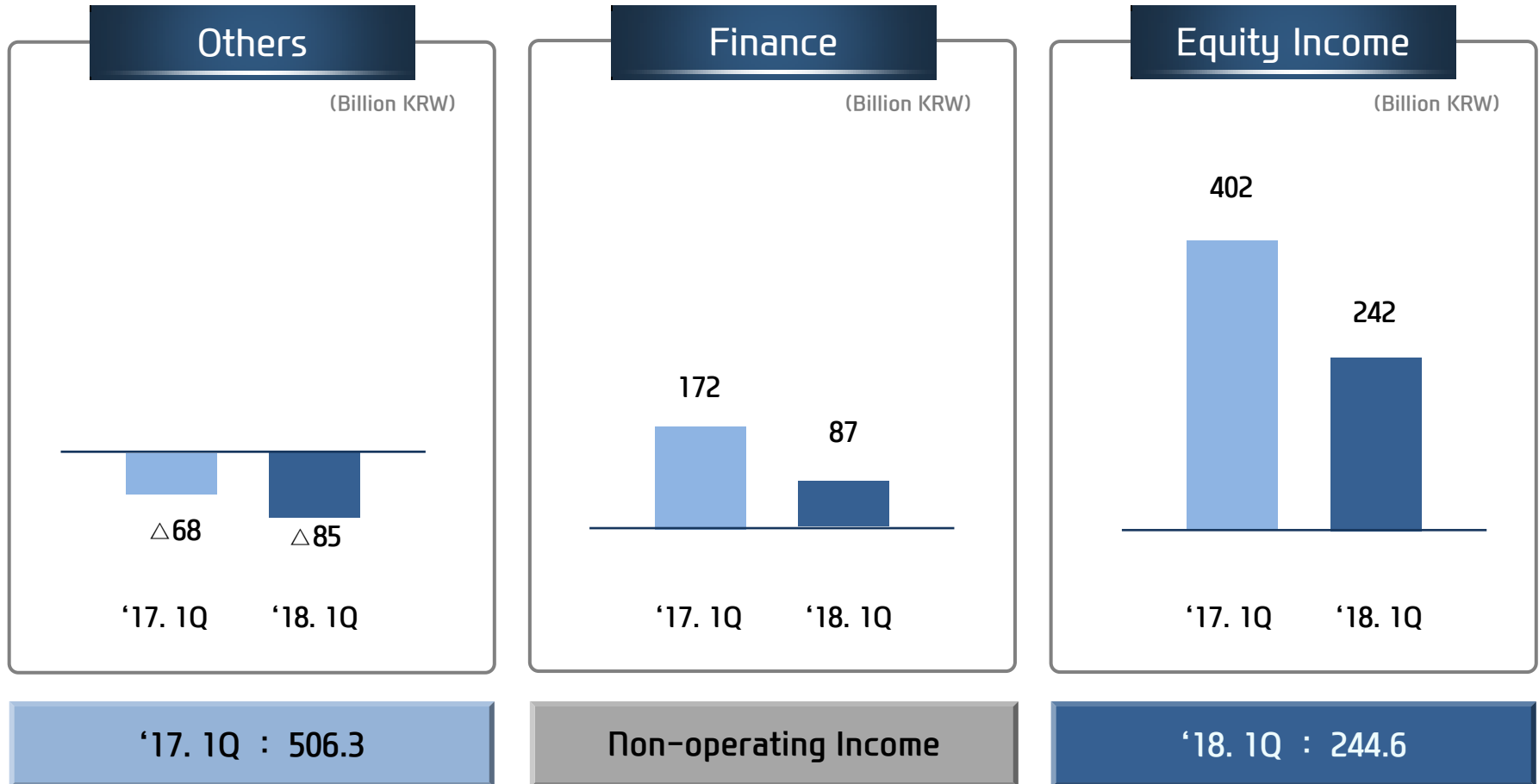
Operating income by division

(Billion KRW)



- ▷ Partial strike during 1Q worsened cost structure
- ▷ Other division margin decreased due to China operation

Non-operating Income Analysis



- **Appendix**

- ◇ Sales by Plant

- ◇ Retail sales

- ◇ Revenues by Plant

- ◇ Consolidated Financial Statements

Sales Summary : Sales by plant

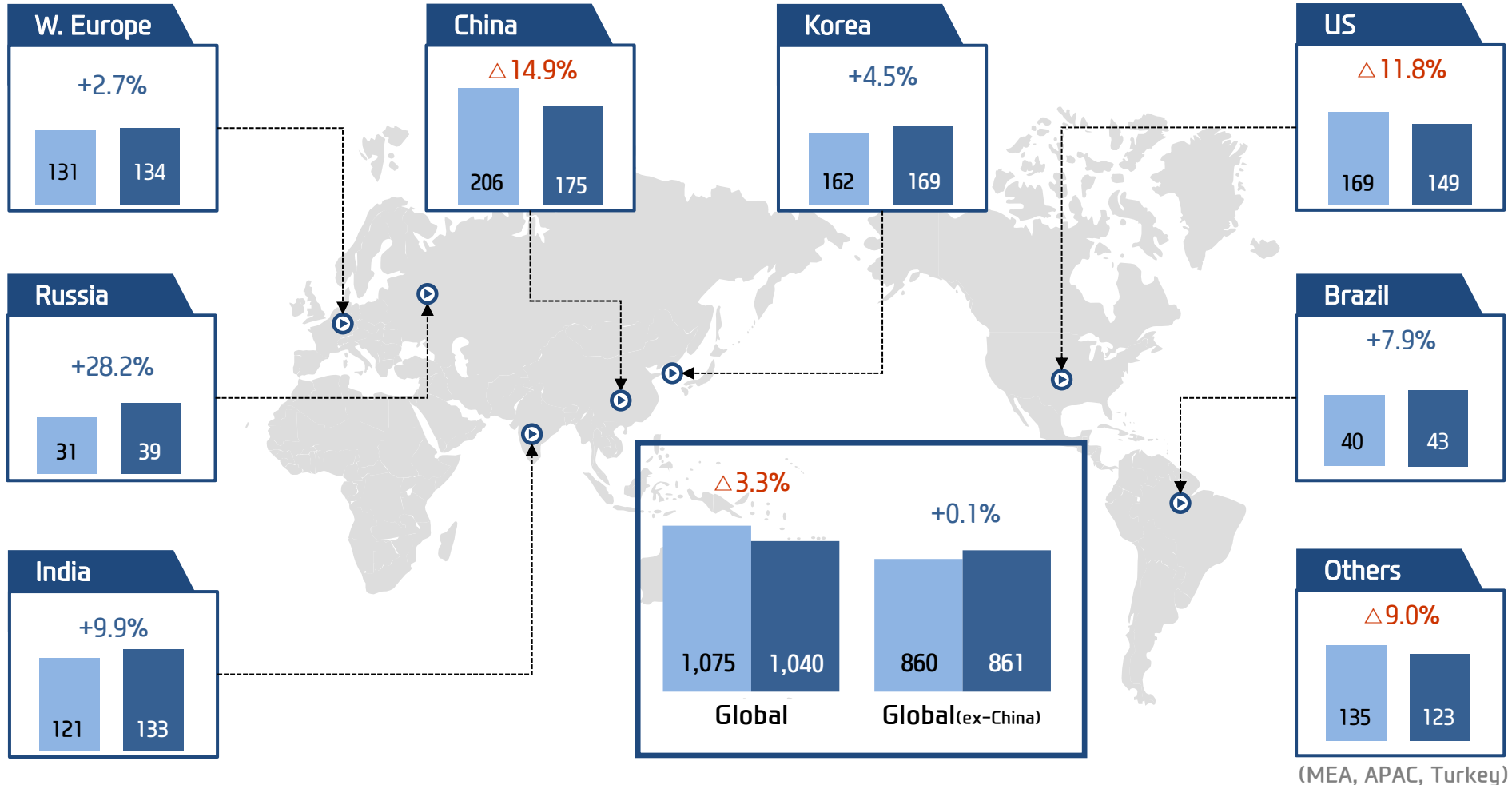


(Thousand units)	'17. 1Q	'17. 4Q	2017	'18. 1Q	'18. 1Q vs '17. 1Q	'18. 1Q vs '17. 4Q
Korea	380	395	1,653	382	+0.3%	△3.3%
India	160	183	678	172	+7.5%	△6.0%
US	94	63	328	65	△31.1%	+3.9%
Czech	98	90	355	82	△15.8%	△8.4%
Turkey	56	59	227	51	△8.1%	△12.6%
Russia	53	65	233	58	+9.7%	△9.9%
Brazil	41	49	182	41	+0.2%	△16.5%
Others		9	20	10		
Sub-total (ex-China)	883	911	3,676	862	△2.3%	△5.4%
China	196	296	785	163	△17.1%	△45.0%
China (CV)	11	4	29	3	△73.6%	△28.5%
Total	1,090	1,211	4,490	1,028	△5.7%	△15.1%

Sales Summary : Retail Sales



■ 2017. 1Q ■ 2018. 1Q (Thousand units)



Revenues by Plant



(Billion KRW)	'17. 1Q	'17. 4Q	2017	'18. 1Q	'18. 1Q vs '17. 1Q	'18. 1Q vs '17. 4Q
Korea (HMC)	10,318	9,819	41,605	9,672	△6.3%	△1.5%
India (HMI)	1,485	1,702	6,347	1,659	+11.7%	△2.5%
US (HMMA)	2,030	1,319	7,049	1,334	△34.3%	+1.2%
Czech (HMMC)	1,825	1,623	6,631	1,594	△12.7%	△1.8%
Turkey (HAOS)	709	884	3,176	724	+2.1%	△18.1%
Russia (HMMR)	653	817	2,938	745	+14.2%	△8.8%
Brazil (HMB)	540	624	2,353	505	△6.5%	△19.1%
China (BHMC)	3,168	4,577	12,149	2,712	△14.4%	△40.7%

Statement of Income



(Billion KRW)	'17. 1Q	'17. 2Q	'17. 3Q	'17. 4Q	'18. 1Q	yoy	qoq
Revenue	23,366	24,308	24,201	24,501	22,437	△4.0%	△8.4%
Gross Profit	4,293	4,727	4,340	4,218	3,468	△19.2%	△17.8%
Margin (%)	18.4	19.4	17.9	17.2	15.5		
SG&A	3,043	3,382	3,135	3,443	2,786	△8.4%	△19.1%
Portion (%)	13.0	13.9	13.0	14.1	12.4		
Operating Income	1,251	1,344	1,204	775	681	△45.5%	△12.1%
Margin (%)	5.4	5.5	5.0	3.2	3.0		
Income before tax	1,757	1,165	1,100	416	926	△47.3%	+122.5%
Margin (%)	7.5	4.8	4.5	1.7	4.1		
Net Income	1,406	914	939	1,288	732	△48.0%	△43.2%
Margin (%)	6.0	3.8	3.9	5.3	3.3		
Depreciation	546	552	568	589	571		
Amortization	306	307	321	341	344		
EBITDA	2,102	2,203	2,093	1,705	1,596		

Selling, General & Administrative Expenses



(Billion KRW)	'17. 1Q		'18. 1Q		yoY
		% of Sales		% of Sales	
Sales	23,366	100%	22,437	100%	△4.0%
Salary	654	2.8%	658	2.9%	+0.5%
Marketing	811	3.5%	761	3.4%	△6.2%
Warranties related	414	1.8%	408	1.8%	△1.3%
Research	207	0.9%	202	0.9%	△2.6%
Others	956	4.1%	757	3.4%	△20.8%
Total	3,043	13.0%	2,786	12.4%	△8.4%

Statement of Income by division



(Billion KRW)	'17. 1Q	'17. 2Q	'17. 3Q	'17. 4Q	'18. 1Q	yoy	qoq
Revenue	23,366	24,308	24,201	24,501	22,437	△4.0%	△8.4%
Automotive	17,823	19,187	18,824	18,657	17,389	△2.4%	△6.8%
Finance	4,097	3,571	3,714	4,032	3,778	△7.8%	△6.3%
Others	1,445	1,550	1,664	1,812	1,269	△12.2%	△29.9%
Operating Income	1,251	1,344	1,204	775	681	△45.5%	△12.1%
Automotive	1,083	877	555	71	400	△63.1%	+467%
Finance	179	213	179	147	173	△3.5%	+17.6%
Others	112	76	83	68	38	△65.6%	△43.1%
Adjustment	-123	178	387	490	70	-	-

Statement of Financial Position



(Billion KRW)	End-2017	End-1Q18	Diff.	% chg.
Asset	178,199	175,569	△2,630	△1.5%
Current Asset ^(a)	73,976	71,247	△2,729	△3.7%
Liabilities^(b)	103,442	101,089	△2,353	△2.3%
Current Liability ^(c)	43,161	44,196	+1,035	+2.4%
Debt ^(d)	72,001	70,272	△1,729	△2.4%
Provision	6,654	6,598	△56	△0.8%
Equity^(e)	74,757	74,480	△277	△0.4%
Capital Stock	1,489	1,489	△0	△0.0%
Capital Surplus	4,201	4,201	0	0.0%
Retained Earnings	67,332	67,393	+61	+0.1%
Current Ratio ^(a/c)	171.4%	161.2%		
Liability to Equity ^(b/e)	138.4%	135.7%		
Debt to Equity ^(d/e)	96.3%	94.3%		
EBITDA/Interest Exp.	24.3x	21.6x		

Cash Flows



(Billion KRW)	'17. 1Q	'17. 2Q	'17. 3Q	'17. 4Q	'18. 1Q
Beginning	7,890	6,534	7,246	9,073	8,822
Net Income	1,406	914	939	1,288	732
Depreciation	546	552	568	589	571
Amortization	306	307	321	341	344
Acquisitions of Tangible	△644	△786	△743	△882	△914
Acquisitions of Intangible	△261	△325	△352	△526	△288
Dividends paid		△846	△269	△24	△23
Others	△2,708	896	1,362	△1,038	△848
Ending	6,534	7,246	9,073	8,822	8,393