



Hyundai Motor Company Q4 2019 and Annual Business Results

Jan 22, 2020



Cautionary Statement with Respect to Forward-Looking Statements

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 Summary

Global wholesale

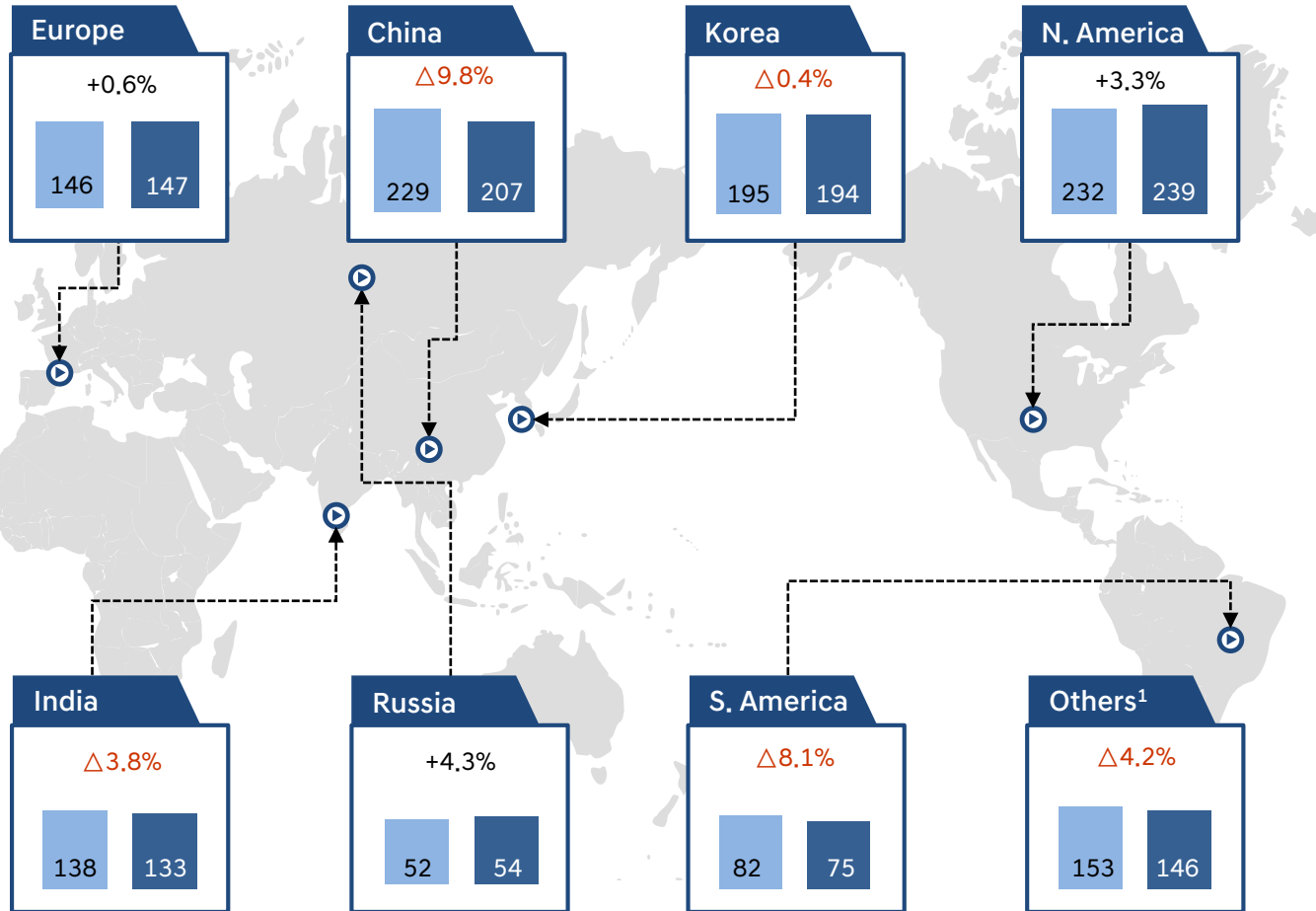
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Sales Analysis

P. 6 ~ 7

Global Wholesale

■ Q4 2018 ■ Q4 2019 (Thousand units)



¹ MEA, Asia-Pacific, Other regions, Commercial vehicles(ex. Korea CV)

² Western Europe excluding CV

³ Wholesale including CV

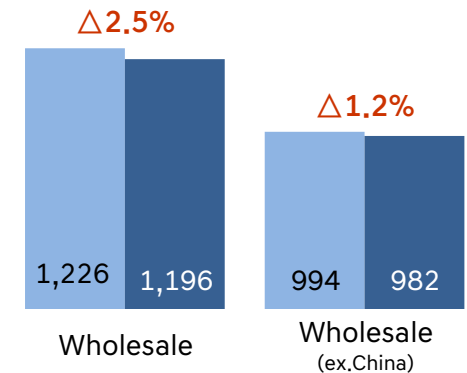
Global Demand

(10K units)

	Q4 2018	Q4 2019	YoY
Korea	48.3	49.2	+1.8%
US	436.8	429.1	-1.8%
Europe ²	331.6	368.8	+11.2%
China	619.1	591.3	-4.5%
India	78.7	78.7	0.0%
Global	2,359.8	2,331.5	-1.2%

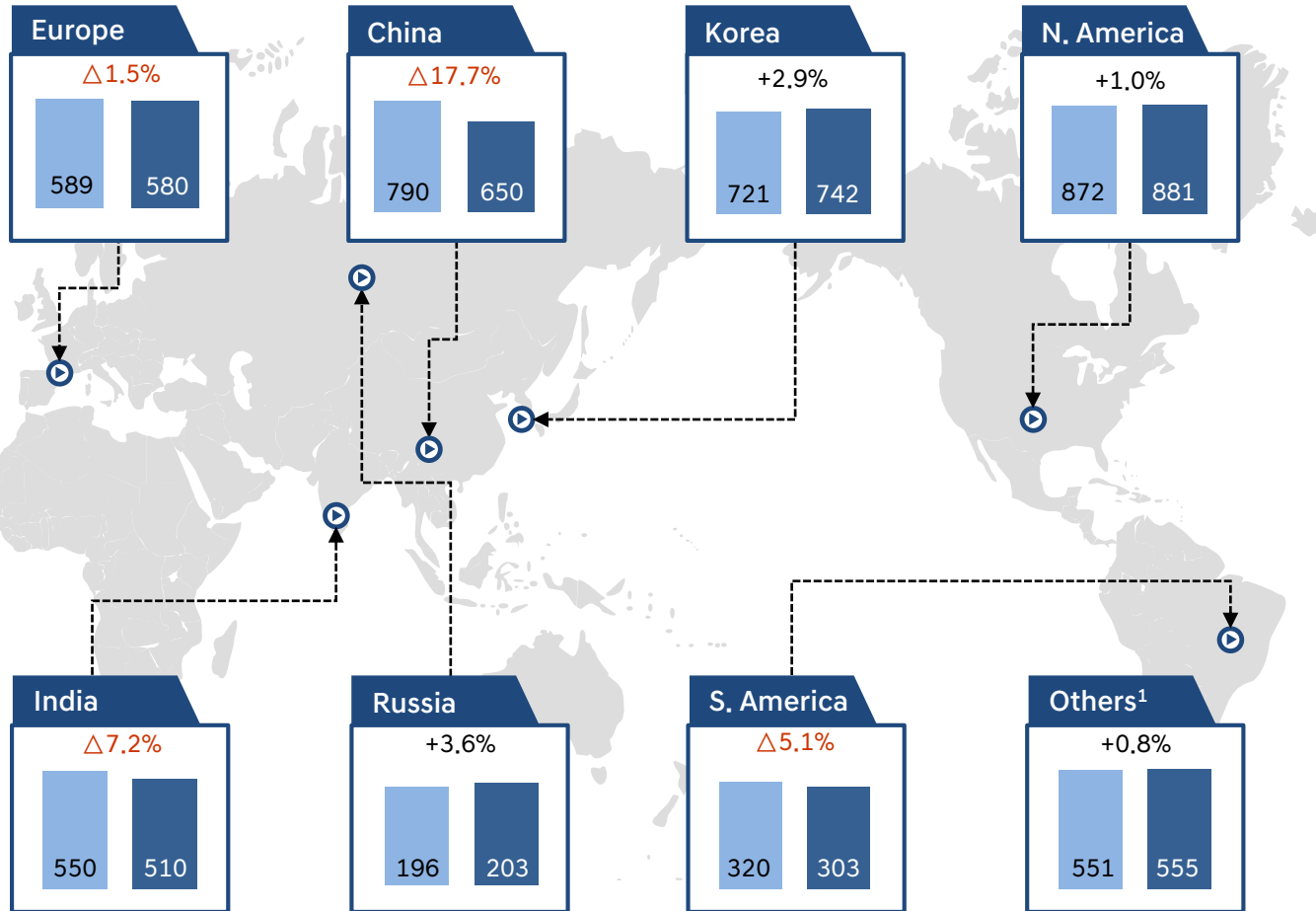
* Based on retail sales

HMC Global Sales³



Global Wholesale (Annual)

2018 2019 (Thousand units)



¹ MEA, Asia-Pacific, Other regions, Commercial vehicles(ex. Korea CV)

² Western Europe excluding CV

³ Wholesales including CV

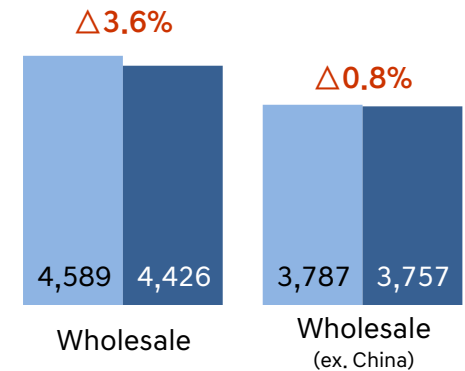
Global Demand

(10K units)

	2018	2019	YoY
Korea	181.3	178.0	△1.8%
US	1,727.4	1,704.8	△1.3%
Europe ²	1,562.4	1,580.6	+1.2%
China	2,237.5	2,067.9	△7.6%
India	337.1	295.4	△12.4
Global	9,441.9	2,183.4	△4.4%

* Based on retail sales

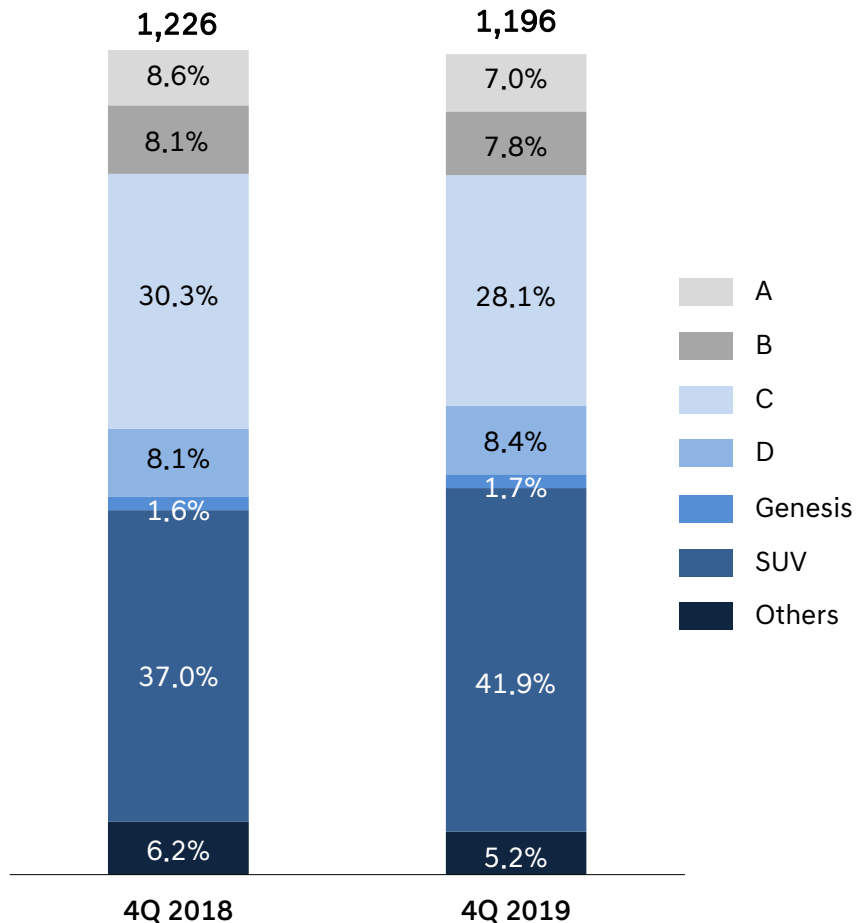
HMC Global Sales³



Sales Analysis (Q4 2019)

Sales by Segment

(Thousand units)



Key Growth Factor

"Mix improvement led by sales of Palisade in Korea/US and Kona in Europe"



Palisade

- Annual sales of 50K units in Korea based on strong demand and higher production capacity
- Capturing M/S in large SUV segment in U.S. - 28.7K units sold since launch



Grandeur

- 'Best-selling Car of 2019' in Korea
- Further sales increase after launch of 'The New Grandeur' in Nov (HEV popular as well)



Kona

- Continued global sales growth(including EV and HEV)
- Sold 27.3K units in Europe in Q4 (YoY +40%) - EV +122% YoY, HEV launched in Q3

Outlook

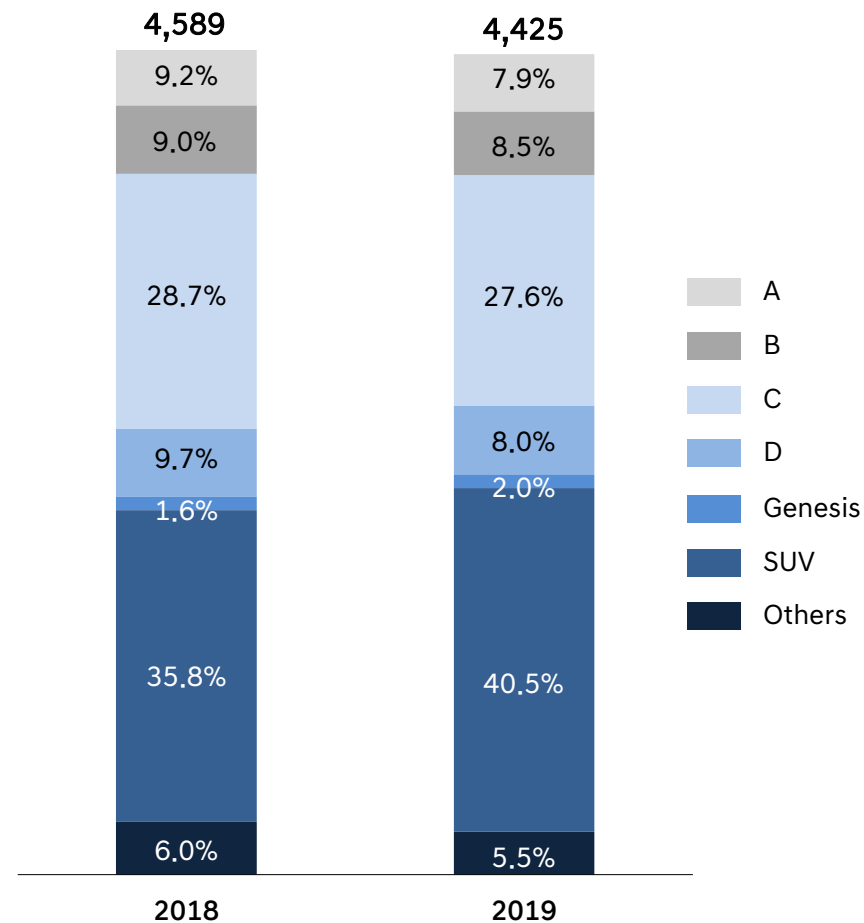
"SUV mix improvement to continue with GV80 launch in Jan 2020"

- Continued SUV mix improvement and strengthening new model cycle with launches of GV80, new Tucson, and new Creta
- Genesis line-up expansion: GV80, G80(H1), and GV70(H2)

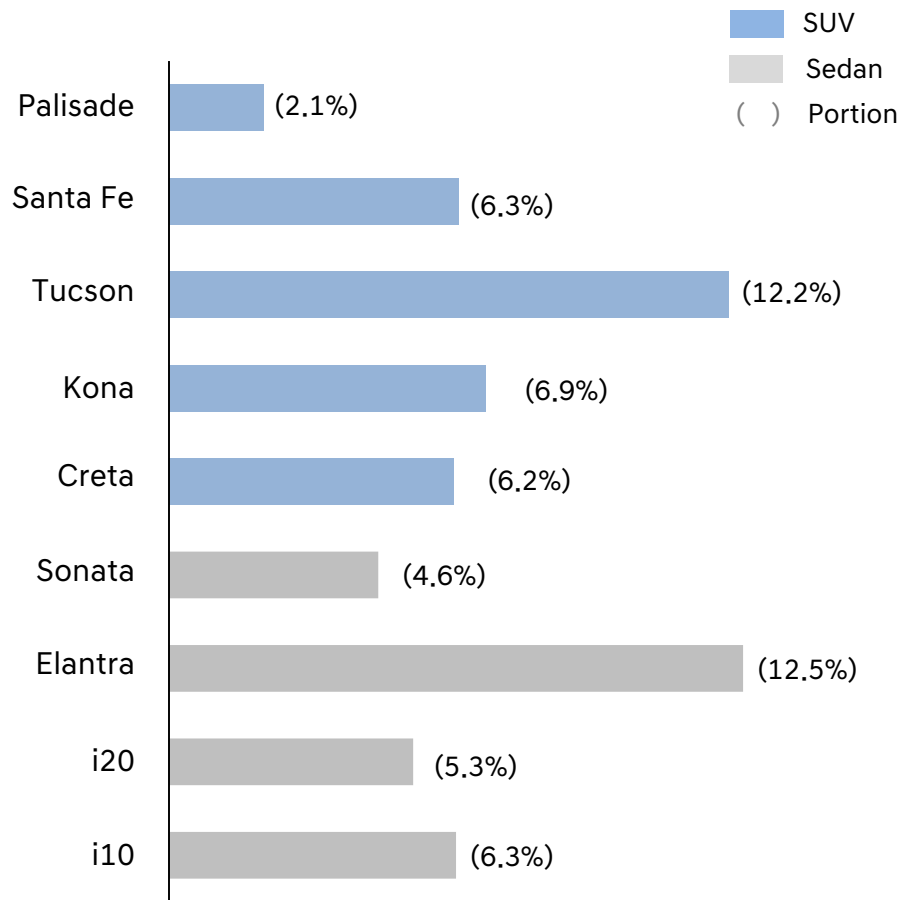
Sales Analysis (2019)

Sales by Segment

(Thousand units)



Global Sales by Model (wholesale)



Financial Summary

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Financial Summary (Q4 2019)

(Billion KRW)

	Q4 2018	Q3 2019	Q4 2019	YoY	QoQ
Revenue	25,231	26,969	27,868	+10.5%	+3.3%
Cost of Good Sold	21,175	22,540	23,125	+9.2%	+2.6%
Gross Profit	4,056	4,428	4,744	+17.0%	+7.1%
Margin (%)	16.1%	16.4%	17.0%		
SG&A	3,554	4,050	3,500	△1.5%	△13.6%
Operating Income	501	379	1,244	+148.2%	+228.5%
Margin (%)	2.0%	1.4%	4.5%		
Non-operating Income	△389	50	△32		
Tax	316	△31	360	13.9%	-
Net Income	△203	460	851	Turn-to-Profit	+84.8%

Financial Summary (2019)

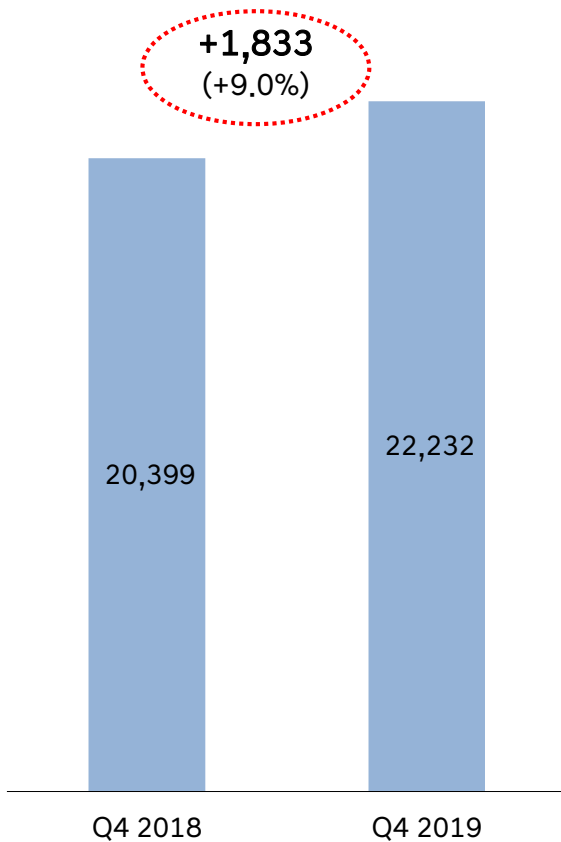
(Billion KRW)

	2018	2019	YoY
Revenue	96,813	105,790	+9.3%
Cost of Good Sold	81,670	88,083	+7.9%
Gross Profit	15,142	17,708	+16.9%
Margin (%)	15.6%	16.7%	
SG&A	12,720	14,023	+10.2%
Operating Income	2,422	3,685	+52.1%
Margin (%)	2.5%	3.5%	
Non-operating Income	107	558	+419.7%
Tax	885	978	+10.6%
Net Income	1,645	3,265	+98.5%

Revenue by Division (Q4 2019)

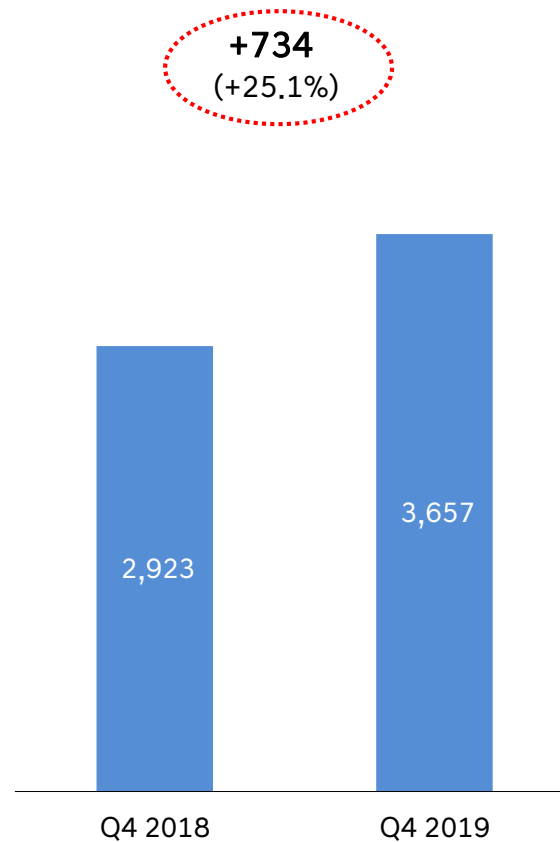
Automotive

(Billion KRW)



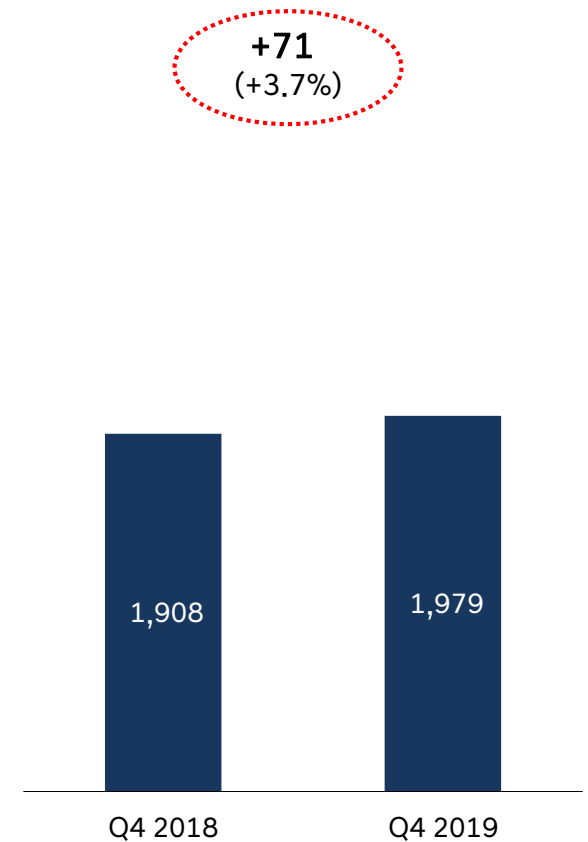
Mix improvement

Finance



Increase in new vehicle sales
in Korea / U.S.

Others



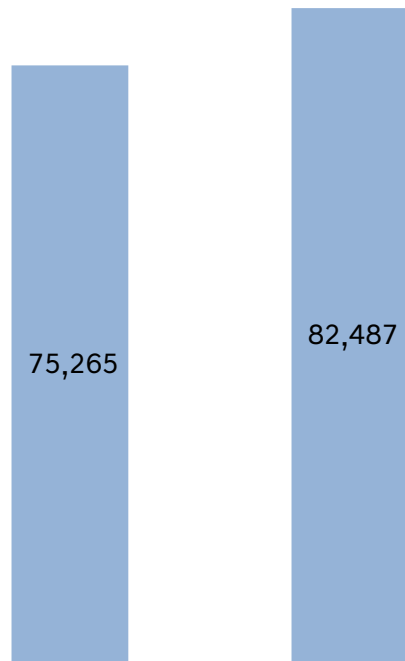
Continued sales growth

Revenue by Division (2019)

Automotive

(Billion KRW)

+7,221
(+9.6%)



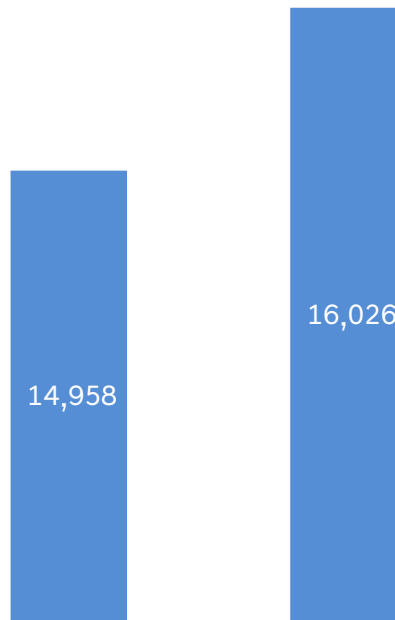
2018

2019

Mix improvement and
incentive reduction

Finance

+1,068
(+7.1%)



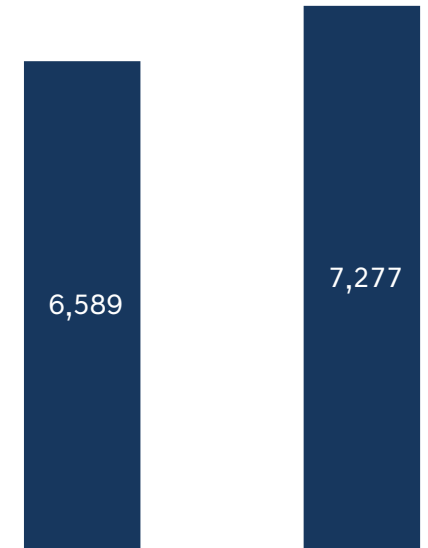
2018

2019

Improved residual value

Others

+688
(+10.4%)



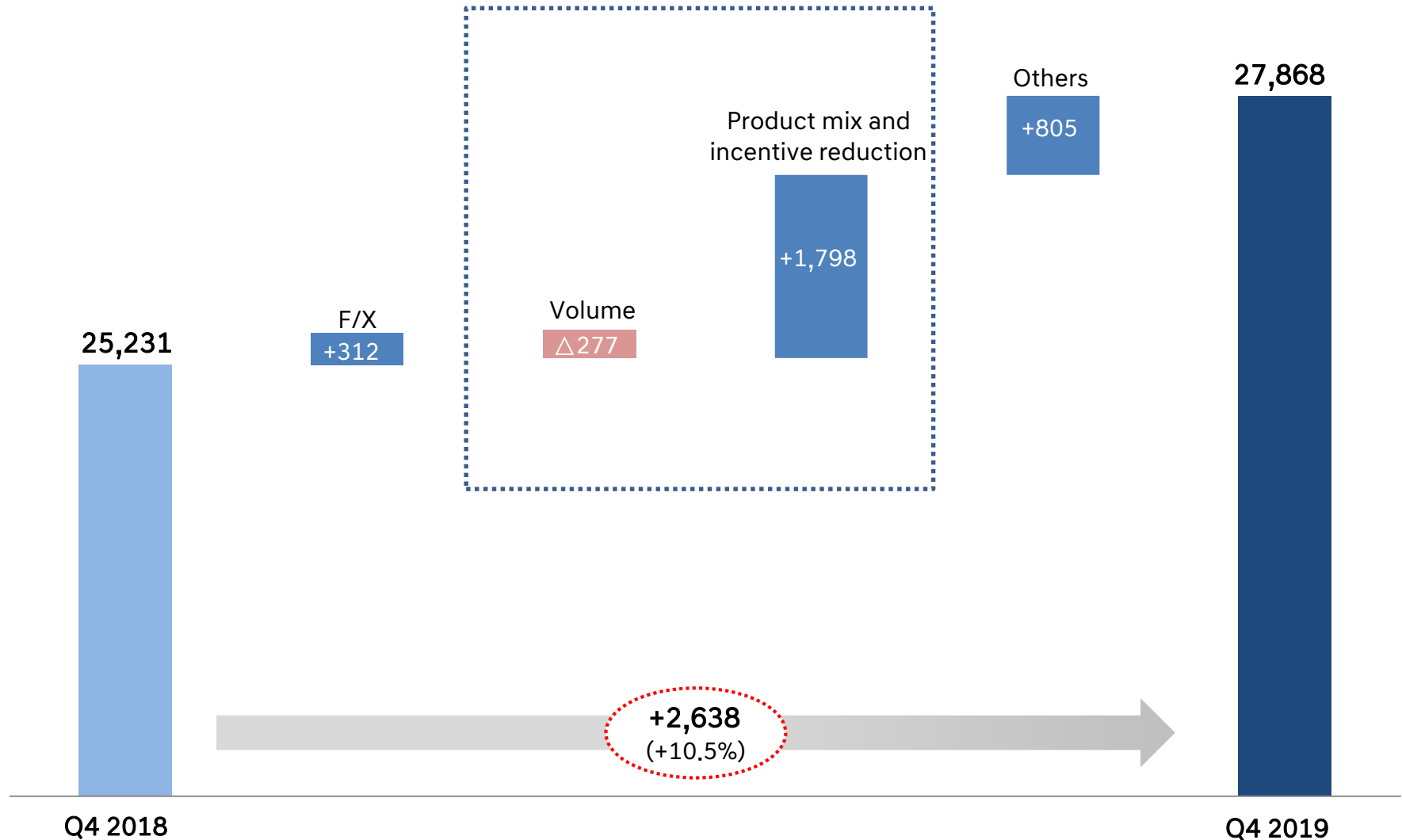
2018

2019

Continuous sales growth

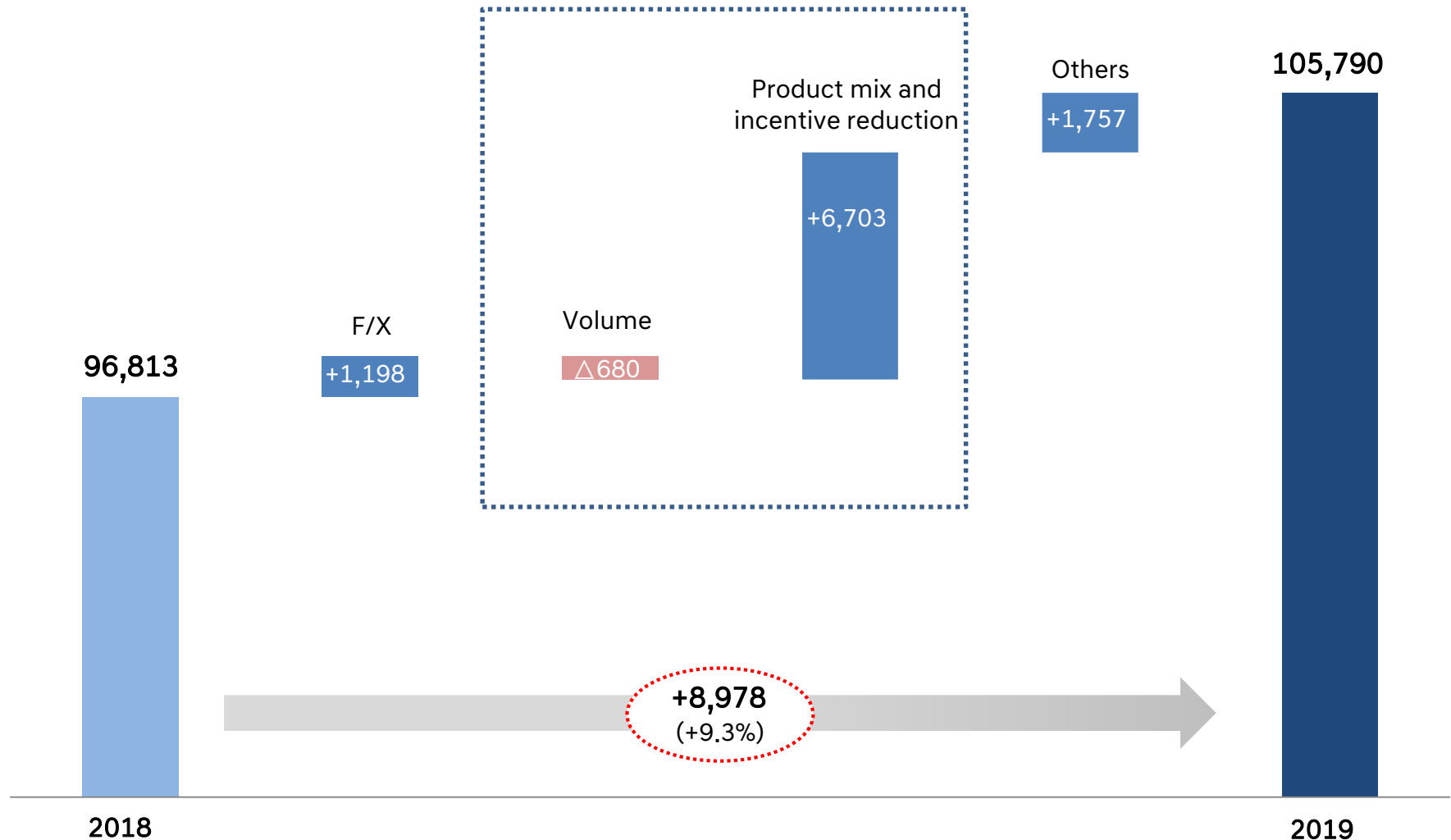
Revenue Analysis (Q4 2019)

(Billion KRW)



Revenue Analysis (2019)

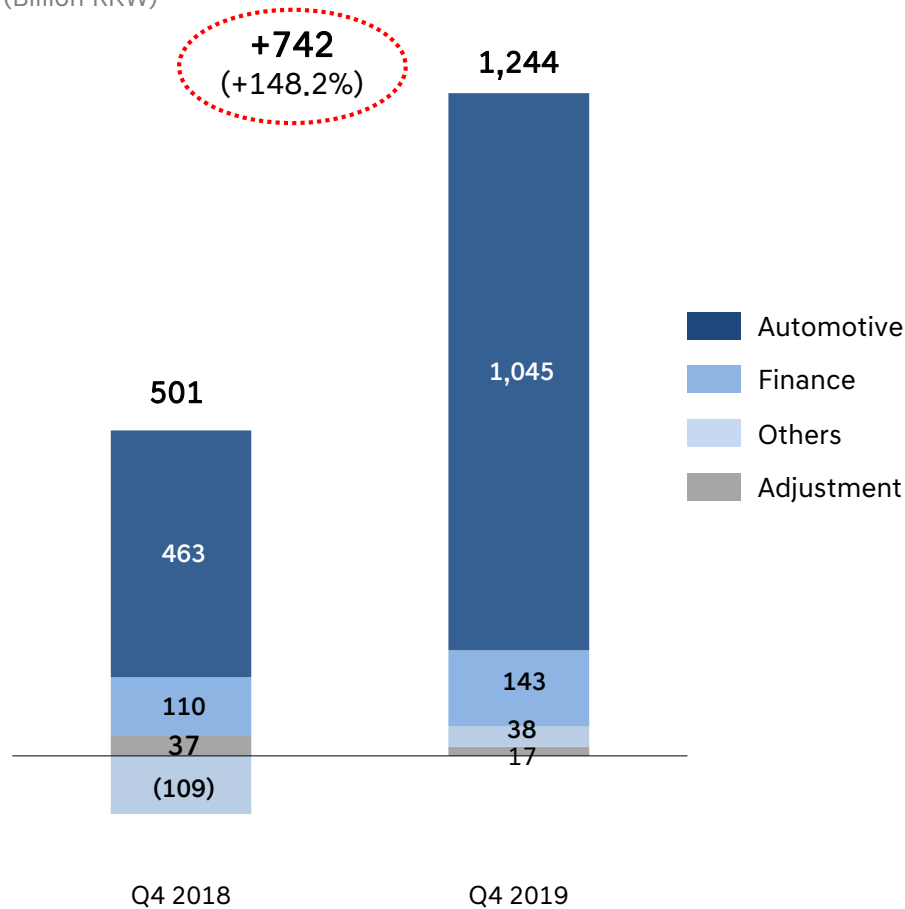
(Billion KRW)



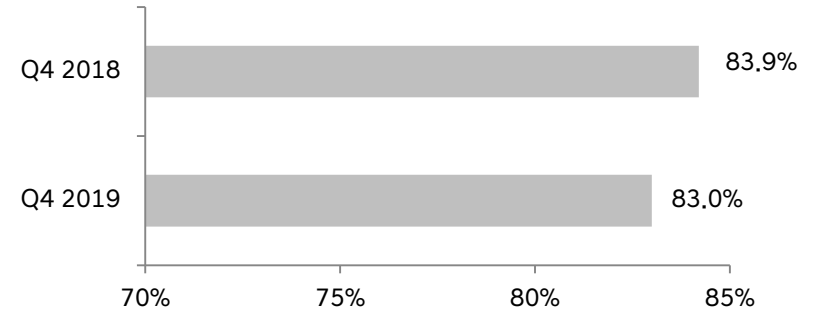
Operating Income Breakdown (Q4 2019)

Operating Income by Division

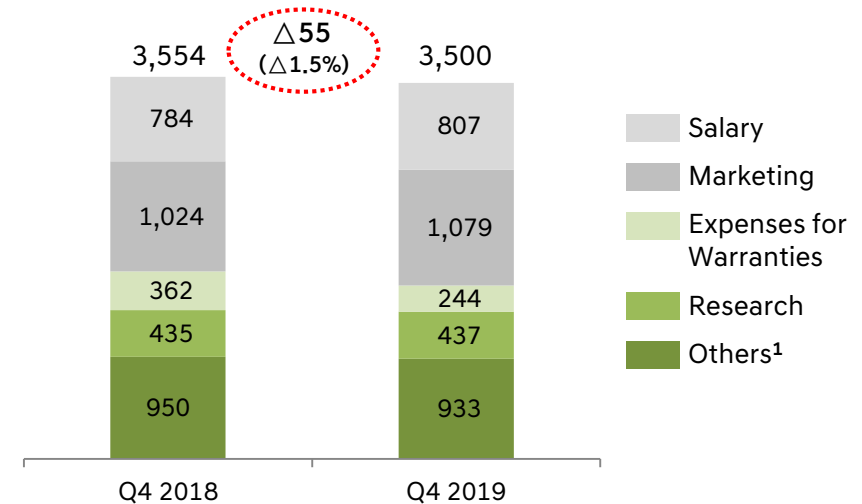
(Billion KRW)



COGS ratio



SG&A

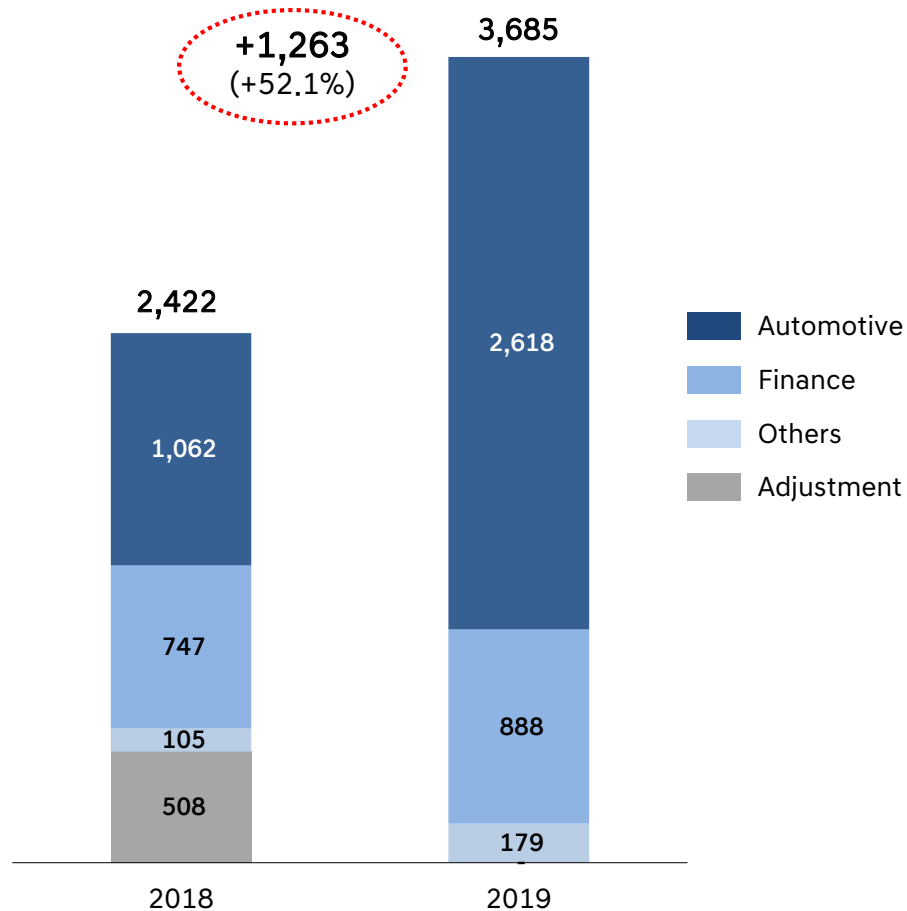


¹Commission fees, depreciation, etc.

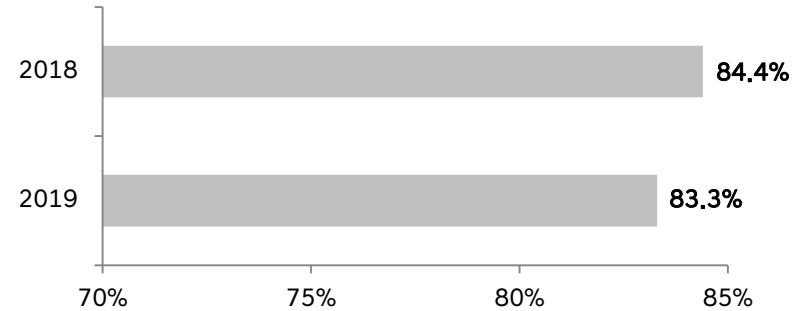
Operating Income Breakdown (Q4 2019)

Operating Income by Division

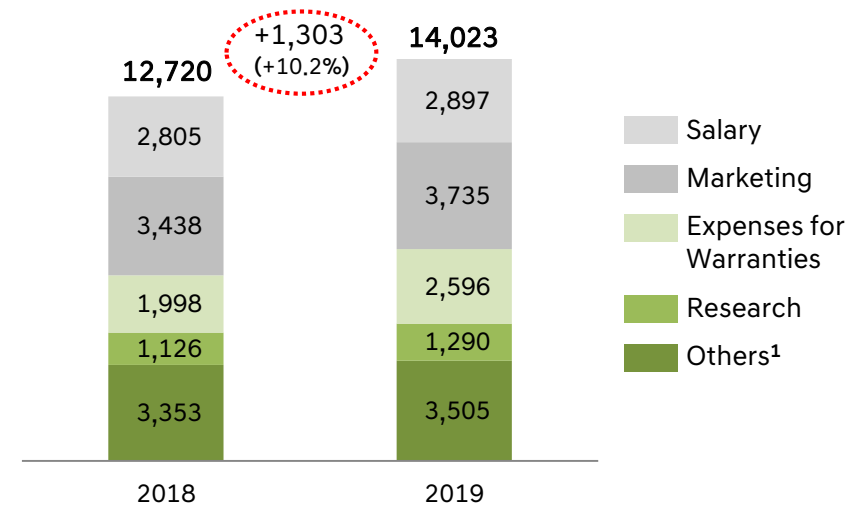
(Billion KRW)



COGS ratio



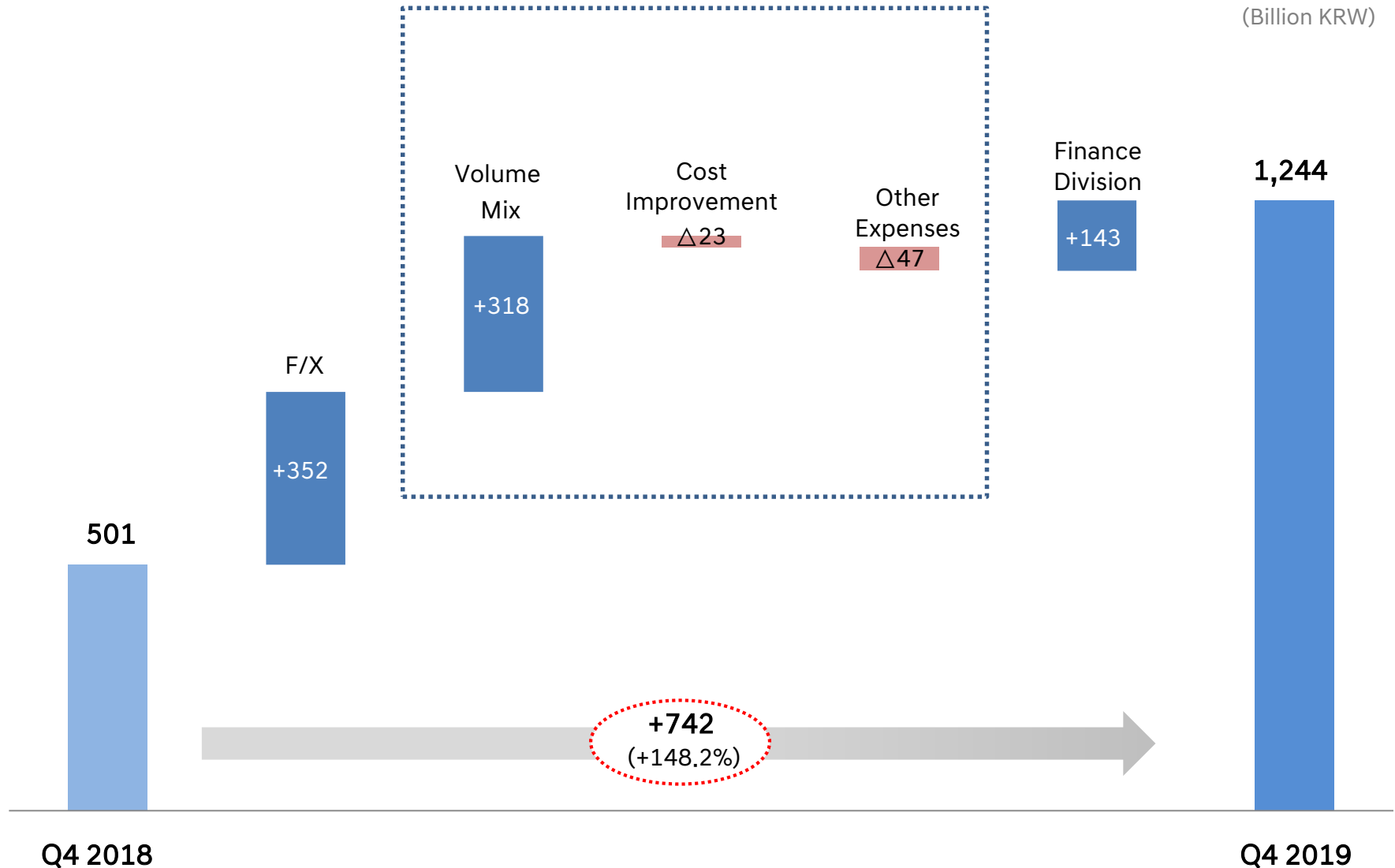
SG&A



¹Commission Fees, depreciation, etc.

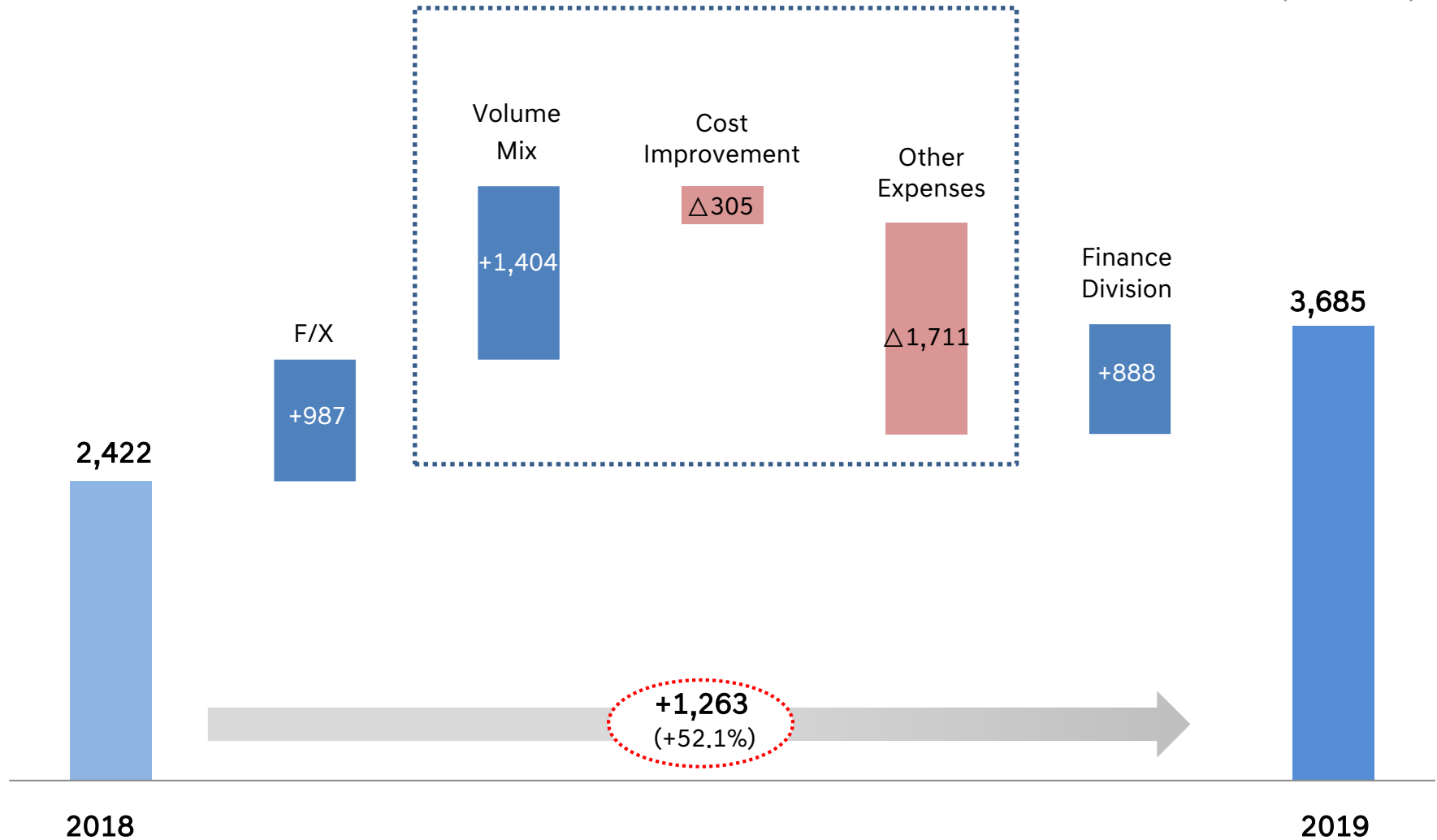
Operating Income Analysis (Q4 2019)

(Billion KRW)



Operating Income Analysis (2019)

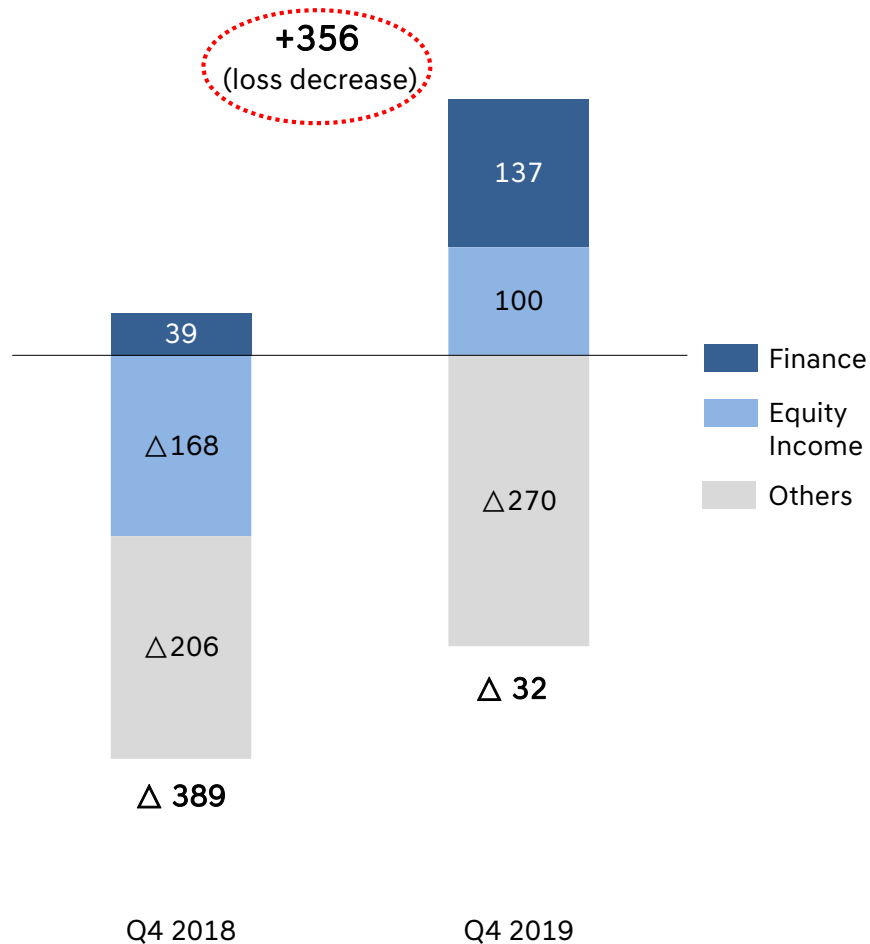
(Billion KRW)



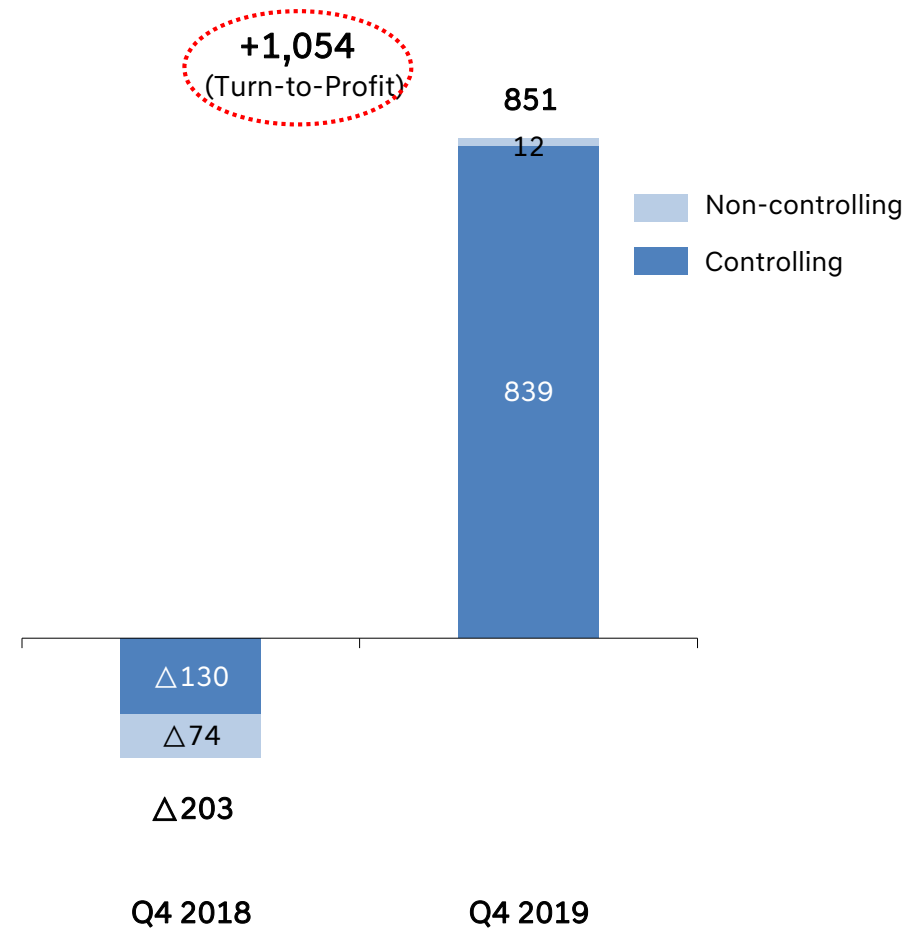
Non-operating Income & Net Income (Q4 2019)

Non-operating Income

(Billion KRW)



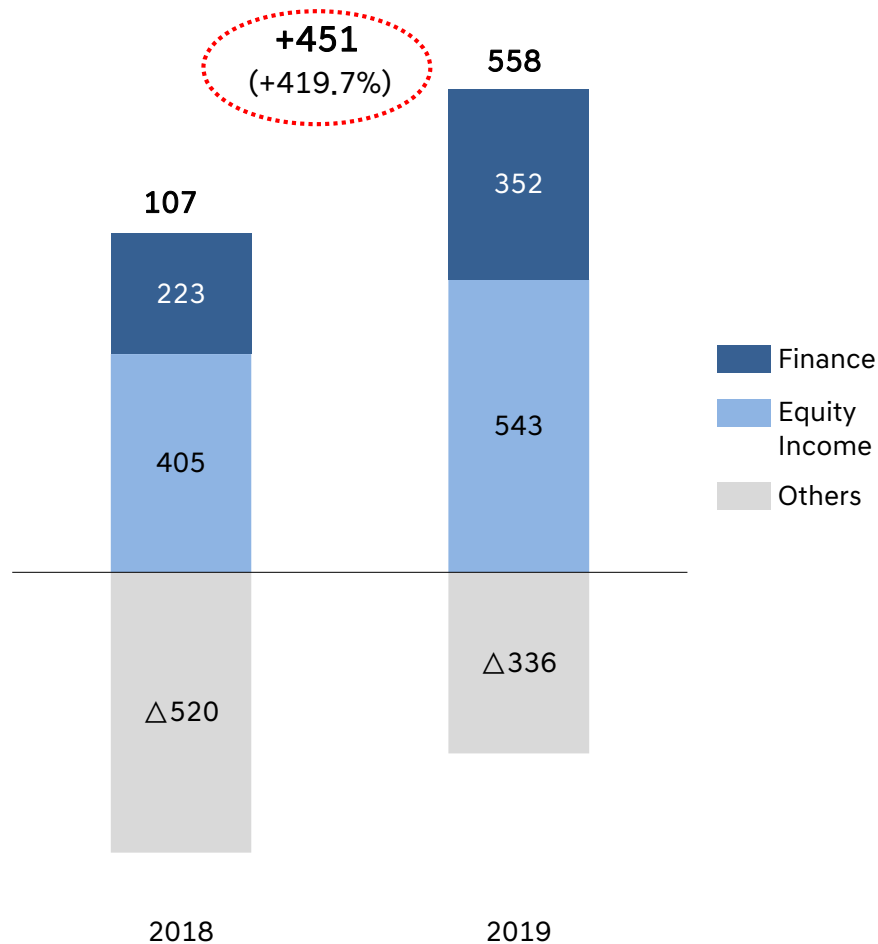
Net Income



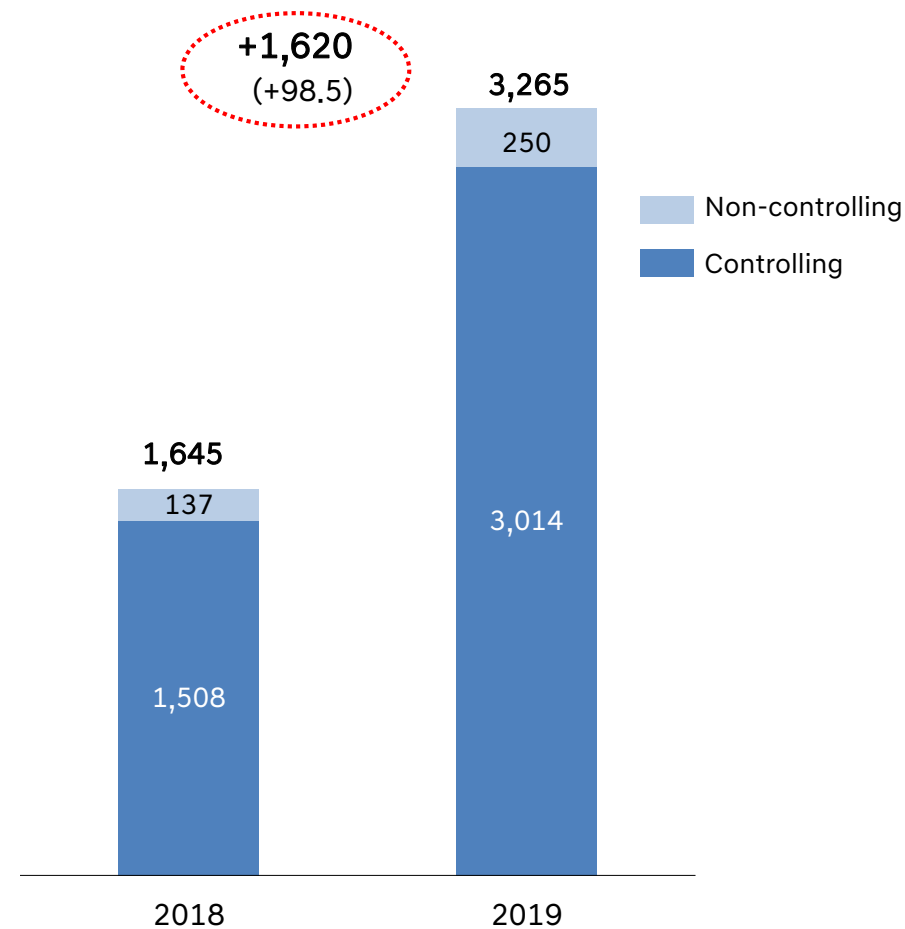
Non-operating Income & Net Income (2019)

Non-operating Income

(Billion KRW)



Net Income



Appendix

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Statement of Cash Flows	P. 26

2020 Business Plan (Wholesale)

(Thousand units)	2019	2020(P)	YoY
Total	4,426	4,576	+3.4%
Domestic (including CV)	742	732	△1.3%
Overseas	3,684	3,844	+4.4%
North America	881	906	+2.8%
Europe	580	558	△3.9%
India	510	525	+2.9%
Russia	203	199	△2.2%
South America	303	331	+9.0%
China	650	730	+12.3%
Others	555	596	+7.2%

* '20 Business Plan includes 52,700 units of CKD sales

Retail Sales by Region

(Thousand units)	Q4 2018	2018	Q4 2019	2019	Q4 2019 vs Q4 2018	2019 vs 2018
Korea	195	721	194	742	△0.4%	+2.9%
US	176	678	189	710	+7.1%	+4.7%
Western Europe	127	539	133	536	+4.3%	△0.6%
India	152	544	154	515	+0.9%	△5.3%
AMEA	81	297	84	325	+4.4%	+9.5%
Brazil	49	189	49	198	+0.7%	+4.5%
Russia	47	180	48	181	+0.4%	+0.5%
Others	142	589	142	553	△0.2%	△6.0%
Sub-total (ex-China)	970	3,737	992	3,760	+2.3%	+0.6%
China	221	746	194	710	△12.2%	△4.8%
China (CV)	3	12	2	6	△20.7%	△50.3%
Total	1,193	4,495	1,188	4,476	△0.4%	△0.4%

Statement of Income

(Billion KRW)	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	YoY	QoQ
Revenue	25,231	23,987	26,966	26,969	27,868	+10.5%	+3.3%
Gross Profit	3,999	3,913	4,623	4,428	4,744	+17.0%	+7.1%
Margin (%)	15.8	16.3	17.1	16.4	17.0		
SG&A	3,554	3,088	3,385	4,050	3,500	△1.5%	△13.6%
Portion (%)	14.1	12.9	12.6	15.0	12.6		
Operating Income	501	825	1,238	379	1,244	+148.2%	+228.6%
Margin (%)	2.0	3.4	4.6	1.4	4.5		
Income before tax	113	1,217	1,386	429	1,211	+975.9%	+182.3%
Margin (%)	0.4	5.1	5.1	1.6	4.3		
Net Income	△203	954	999	460	851	Turn-to-Profit	+84.8%
Margin (%)	NM	4.0	3.7	1.7	3.1		
D&A¹	954	959	994	1,018	1,042		
EBITDA	1,455	1,784	2,232	1,396	2,286		

¹ IFRS 16, depreciation of lease assets included

Statement of Financial Position

(Billion KRW)	Q3 2019	Q4 2019	Diff.	% change
Asset	191,670	194,565	2,895	1.5%
Current Asset ^(a)	75,868	76,137	268	0.4%
Liabilities^(b)	115,645	118,120	2,475	2.1%
Current Liability ^(c)	54,258	53,301	△957	△1.8%
Debt ^(d)	79,668	81,372	1,704	2.1%
Provision	7,593	7,126	△467	△6.1%
Equity^(e)	76,025	76,445	420	0.6%
Capital Stock	1,489	1,489	-	-
Capital Surplus	4,195	4,197	2	0.1%
Retained Earnings	67,439	68,284	845	1.3%
Current Ratio ^(a/c)	139.8%	142.8%		
Liability to Equity ^(b/e)	152.1%	154.5%		
Debt to Equity ^(d/e)	104.8%	106.4%		

Statement of Cash Flows

(Billion KRW)	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Beginning	9,336	9,114	8,953	9,492	9,209
Net Income	△203	954	999	461	851
Depreciation	611	605	629	646	665
Amortization	343	314	322	325	326
Acquisition of Tangible	△1,051	△1,047	△621	△862	△2,007
Acquisition of Intangible	△651	△279	△351	△418	△669
Dividends paid	-	△4	△855	△263	-
Others ¹⁾	729	△705	416	△172	307
Ending	9,114	8,953	9,492	9,209	8,682

¹ IFRS 16, depreciation of lease assets included

Thank you
