



# Hyundai Motor Company Q3 2020 Business Results

Oct 26, 2020



# Cautionary Statement with Respect to Forward-Looking Statements

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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

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Global Wholesale

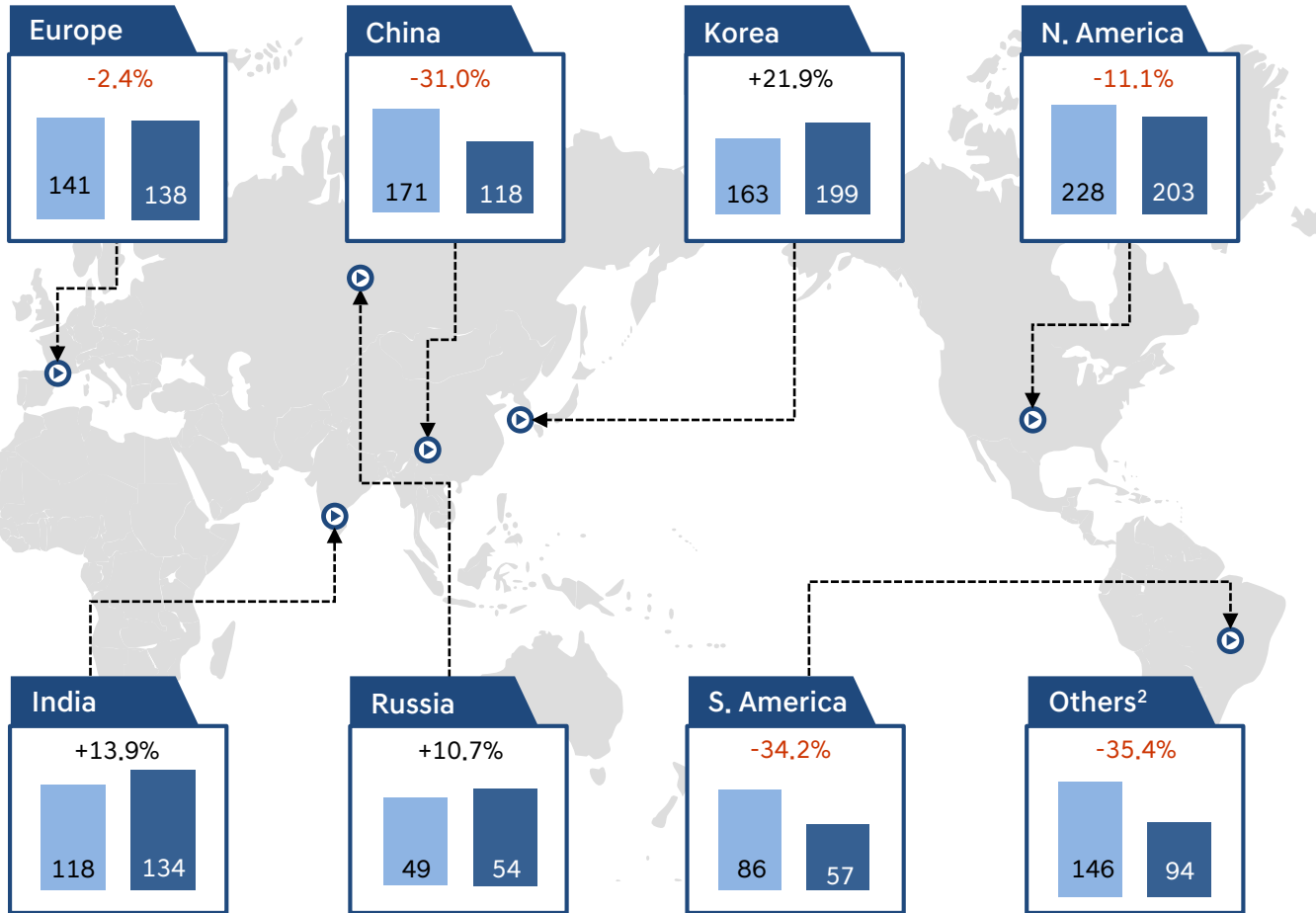
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# Global Wholesale

■ Q3 2019 ■ Q3 2020 (Thousand units)

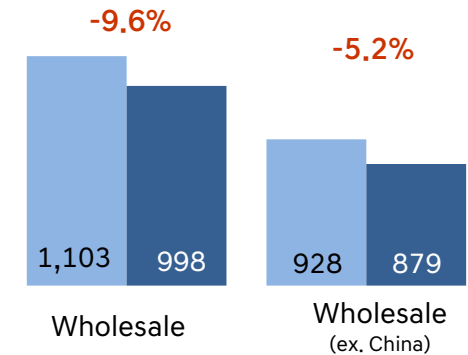


## Global Demand<sup>1</sup>

(10K units)

	Q3 2019	Q3 2020	YoY
Korea	42	46	+9.3%
US	433	391	-9.6%
Europe <sup>3</sup>	369	347	-6.1%
China	497	538	+8.2%
India	62	73	+16.9%
Global	2,111	1,992	-5.7%

## HMC Global Sales<sup>4</sup>



<sup>1</sup> US and Europe are based on retail sales, China ex-Factory, India wholesale

<sup>2</sup> MEA, Asia-Pacific, Other regions and CV(ex. Korea CV)

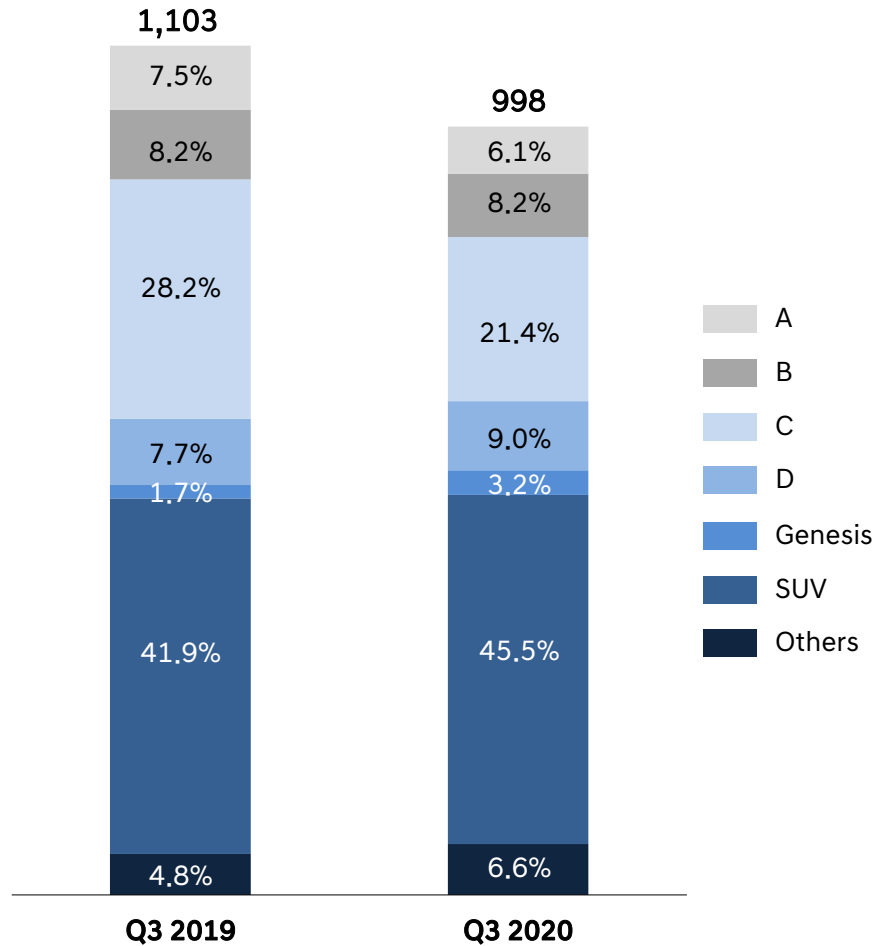
<sup>3</sup> Western Europe excluding CV

<sup>4</sup> Wholesale including CV, Q3 2020 sales including CKD sales

# Sales Analysis

## Sales by Segment

(Thousand units)



※ GV80 is included in Genesis, sales portion of SUV is 46.2% with GV80.

## Key Growth Factors

*“Mix improvement with high-end vehicle sales in major markets”*



Tucson

- **Launched The New Tucson, a full change model**
  - Launched in Q3 in domestic market
    - 10,842 units of pre-order on 1<sup>st</sup> day (+528% than previous model)
  - Global launches scheduled from Q4
    - '20 Q4 in Europe and '21 H1 in U.S.



G80

- **Mix improvement to continue from strong sales of high-end vehicles in domestic and U.S. markets**
  - Continued sales growth of G80, Grandeur, and Palisade in domestic market
    - Sales growth(YoY): G80 +214%, Grandeur +120%, Palisade +90%
    - Genesis sales account for 14.3% (YoY +6.8%p)



Palisade

- Strong sales of SUVs in U.S. (Venue, Palisade)
  - Sales of Palisade grew 85% YoY
  - SUV sales accounts for 64% (YoY +9.3%p)

## Outlook

- *Uncertainty toward global demand recovery* from possible second wave of COVID19
- *Genesis line-up expansion* with the new G70 and GV70 in Q4
- *New vehicle momentum continues* with global launches of new Elantra, Tucson, and the new Santa Fe

# Financial Summary

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# Financial Summary

(Billion KRW)

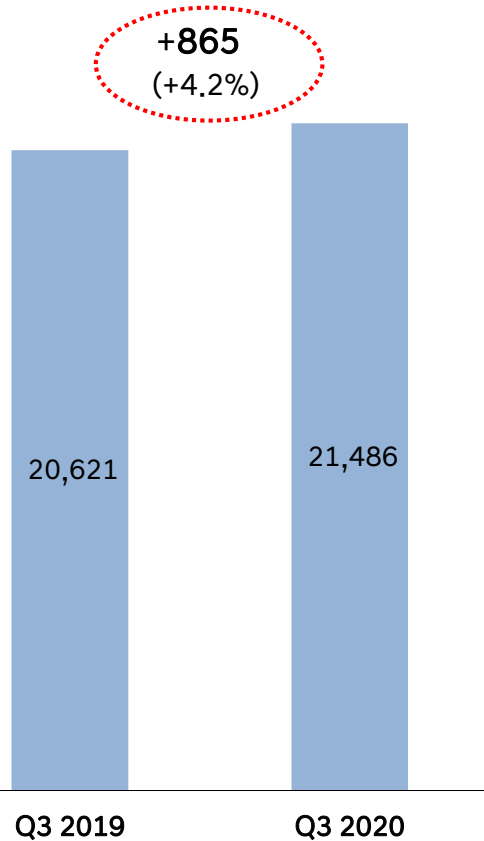
	Q3 2019	Q2 2020	Q3 2020	YoY	QoQ
<b>Revenue</b>	<b>26,969</b>	<b>21,859</b>	<b>27,576</b>	2.3%	26.2%
Cost of Good Sold	22,540	18,147	22,451	-0.4%	23.7%
<b>Gross Profit</b>	<b>4,428</b>	<b>3,712</b>	<b>5,125</b>	15.7%	38.1%
Margin (%)	16.4%	17.0%	18.6%		
SG&A	4,050	3,122	5,439	34.3%	74.2%
<b>Operating Income</b>	<b>379</b>	<b>590</b>	<b>-314</b>	TTR	TTR
Margin (%)	1.4%	2.7%	-1.1%		
Non-operating Income	50	6	-48	TTR	TTR
<b>Income before Tax</b>	<b>429</b>	<b>596</b>	<b>-362</b>	TTR	TTR
Tax	-31	219	-174	-	-
<b>Net Income</b>	<b>460</b>	<b>377</b>	<b>-189</b>	TTR	TTR



# Revenue by Division

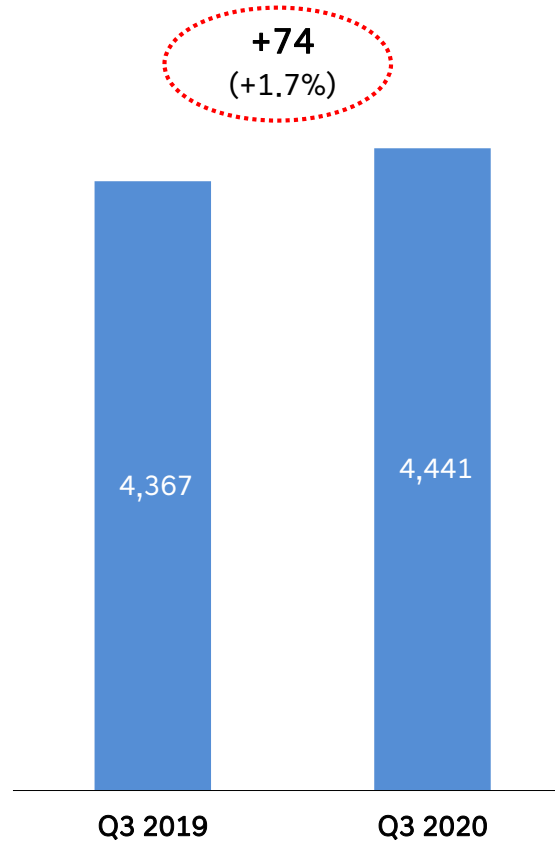
## Automotive

(Billion KRW)



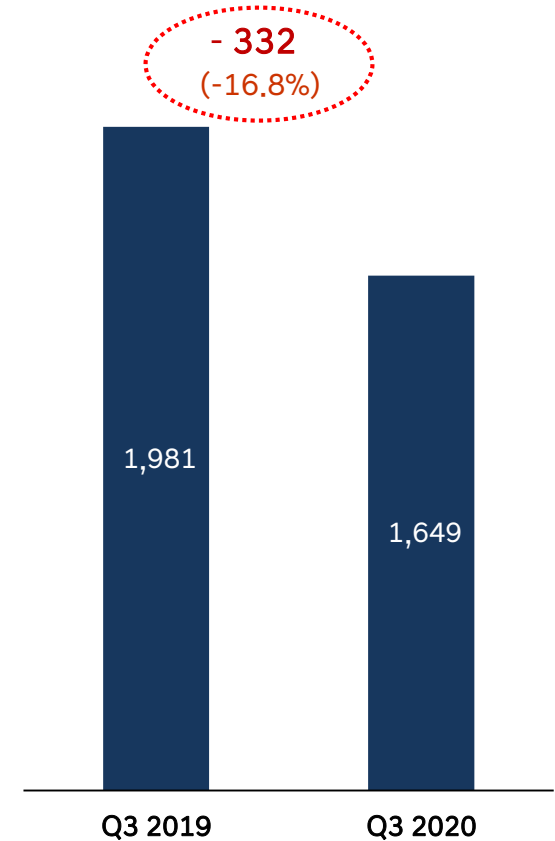
Vehicle mix improvement

## Finance



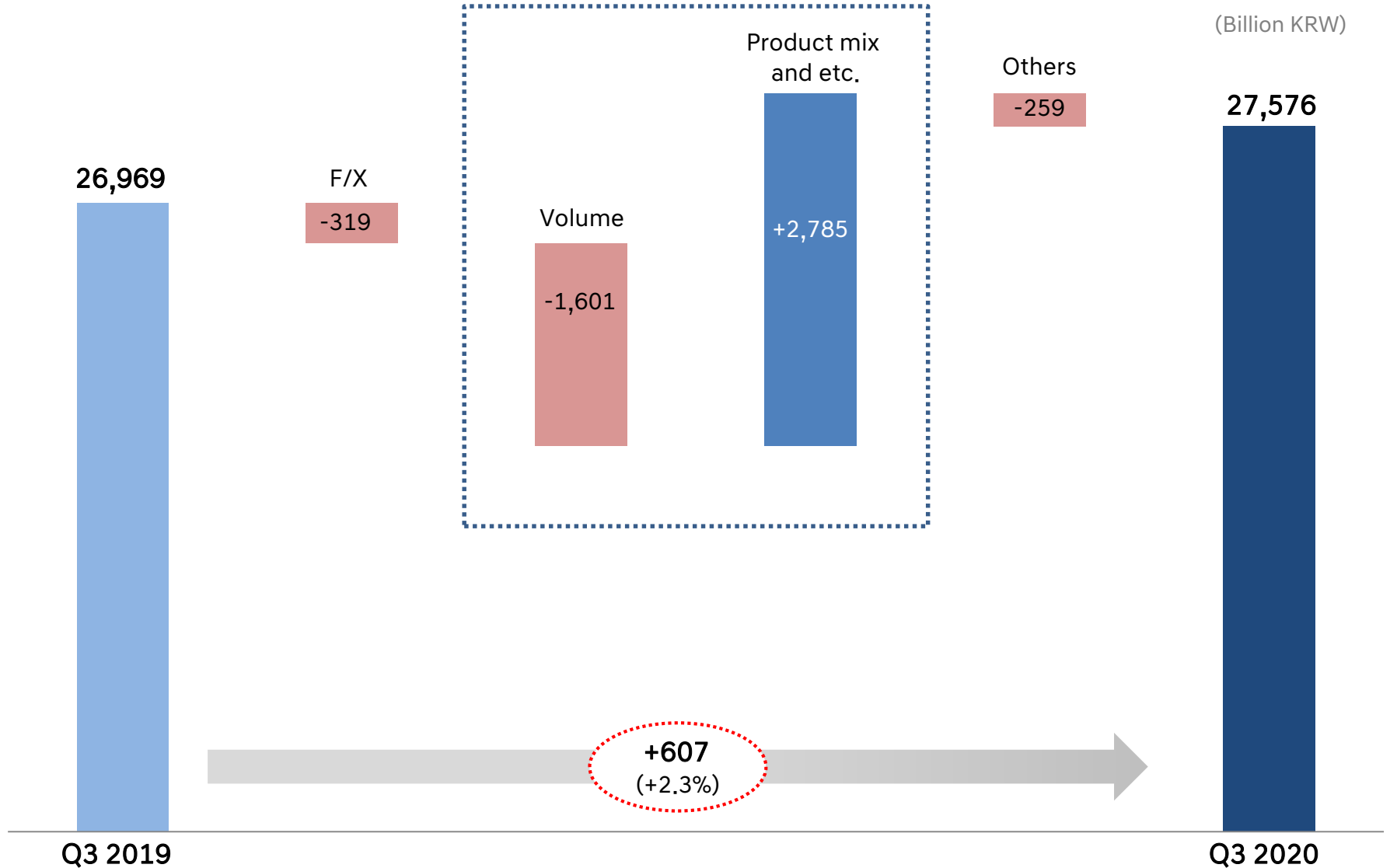
Residual values of vehicles improved

## Others



Sales decreased from COVID-19

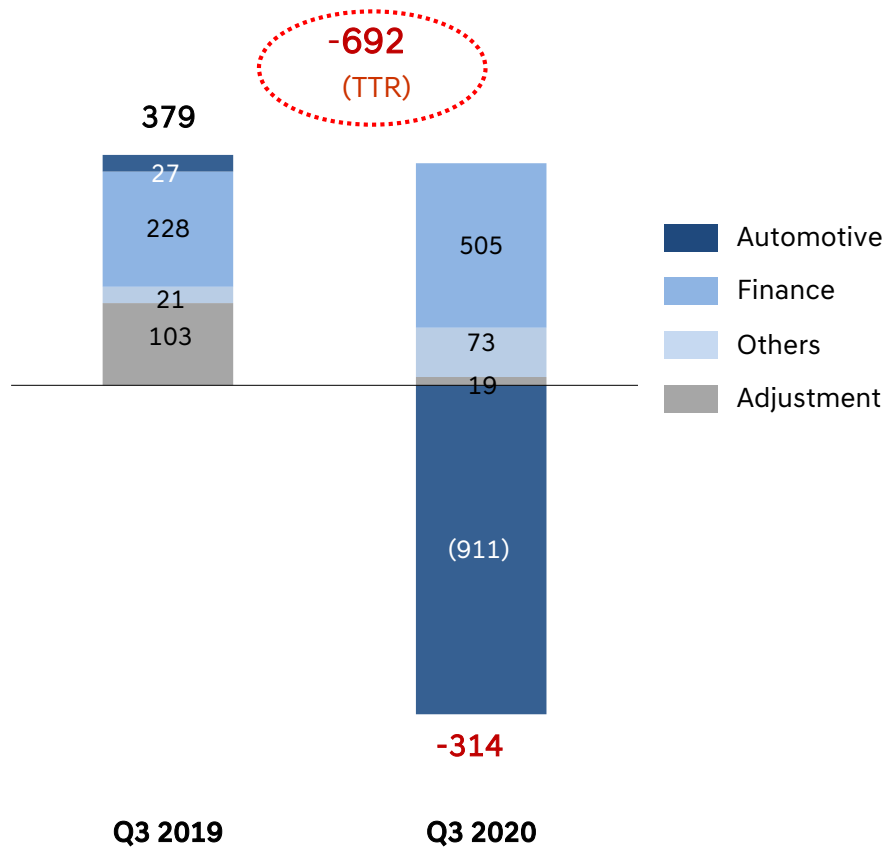
# Revenue Analysis



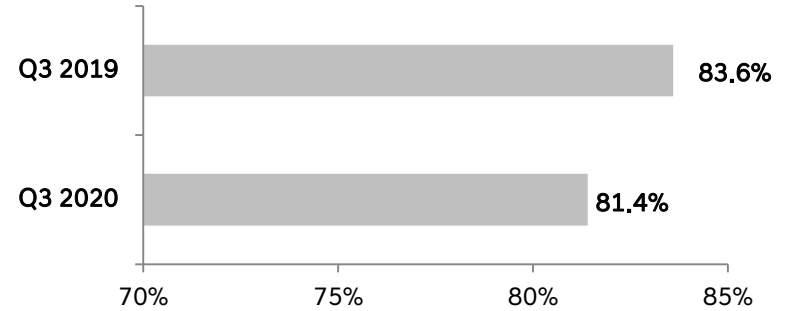
# Operating Income Breakdown

## Operating Income by Division

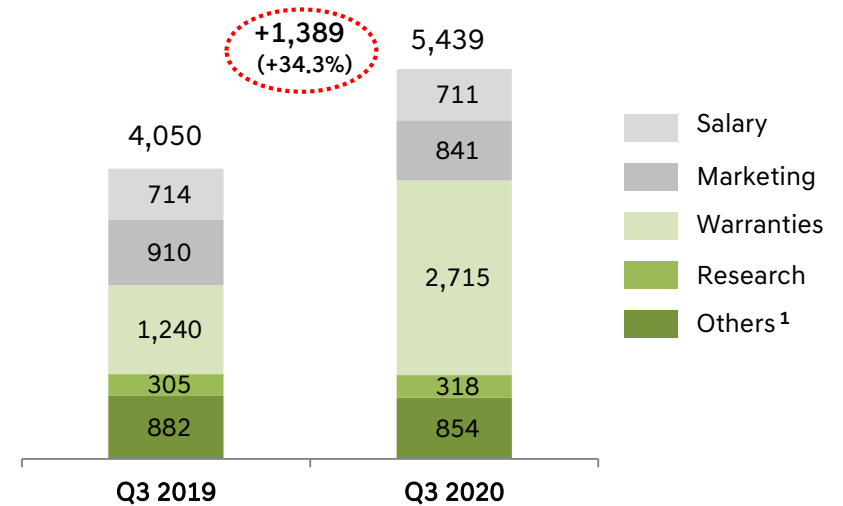
(Billion KRW)



## COGS Ratio



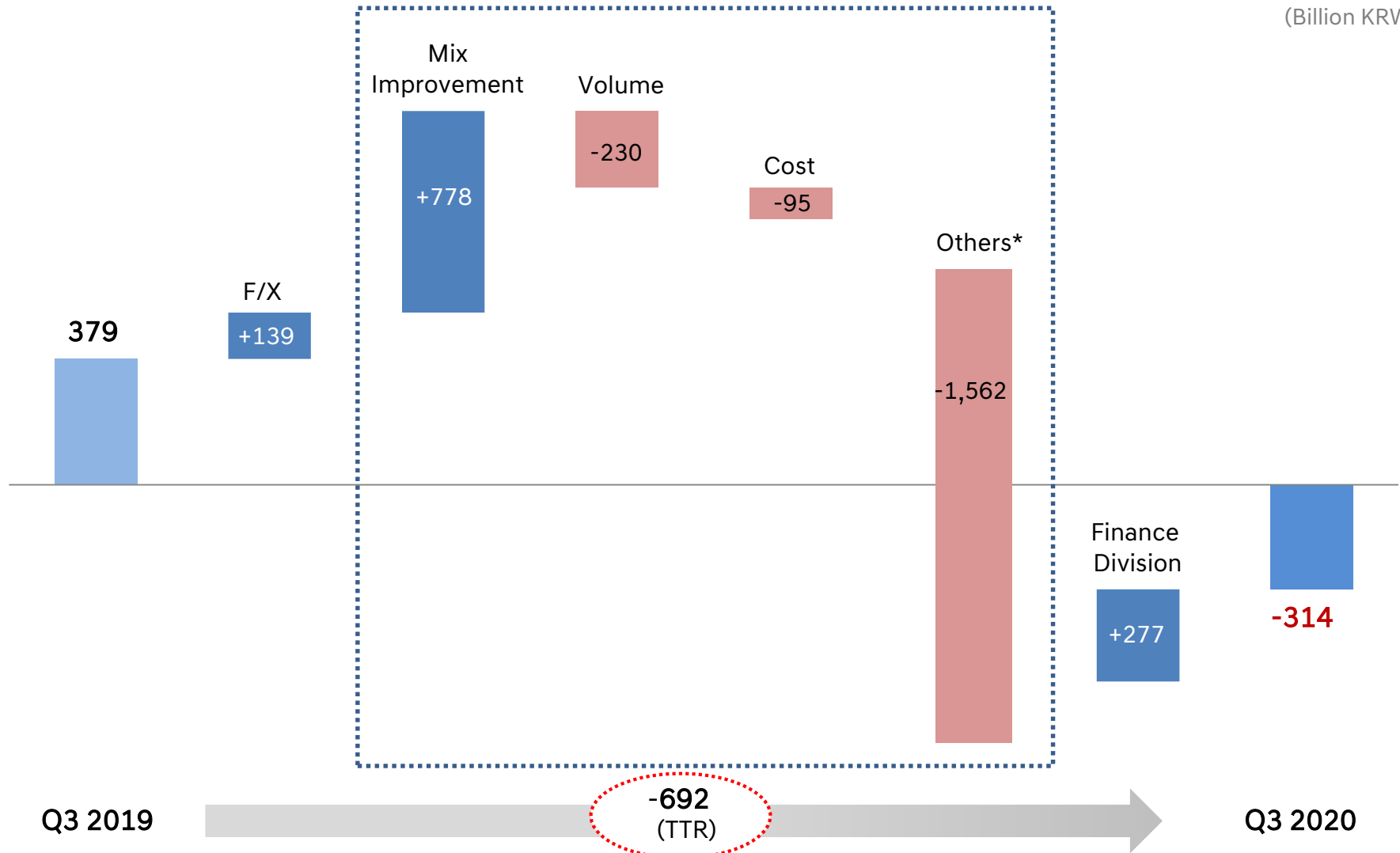
## SG&A



<sup>1</sup>Commission Fees, depreciation, etc.

# Operating Income Analysis

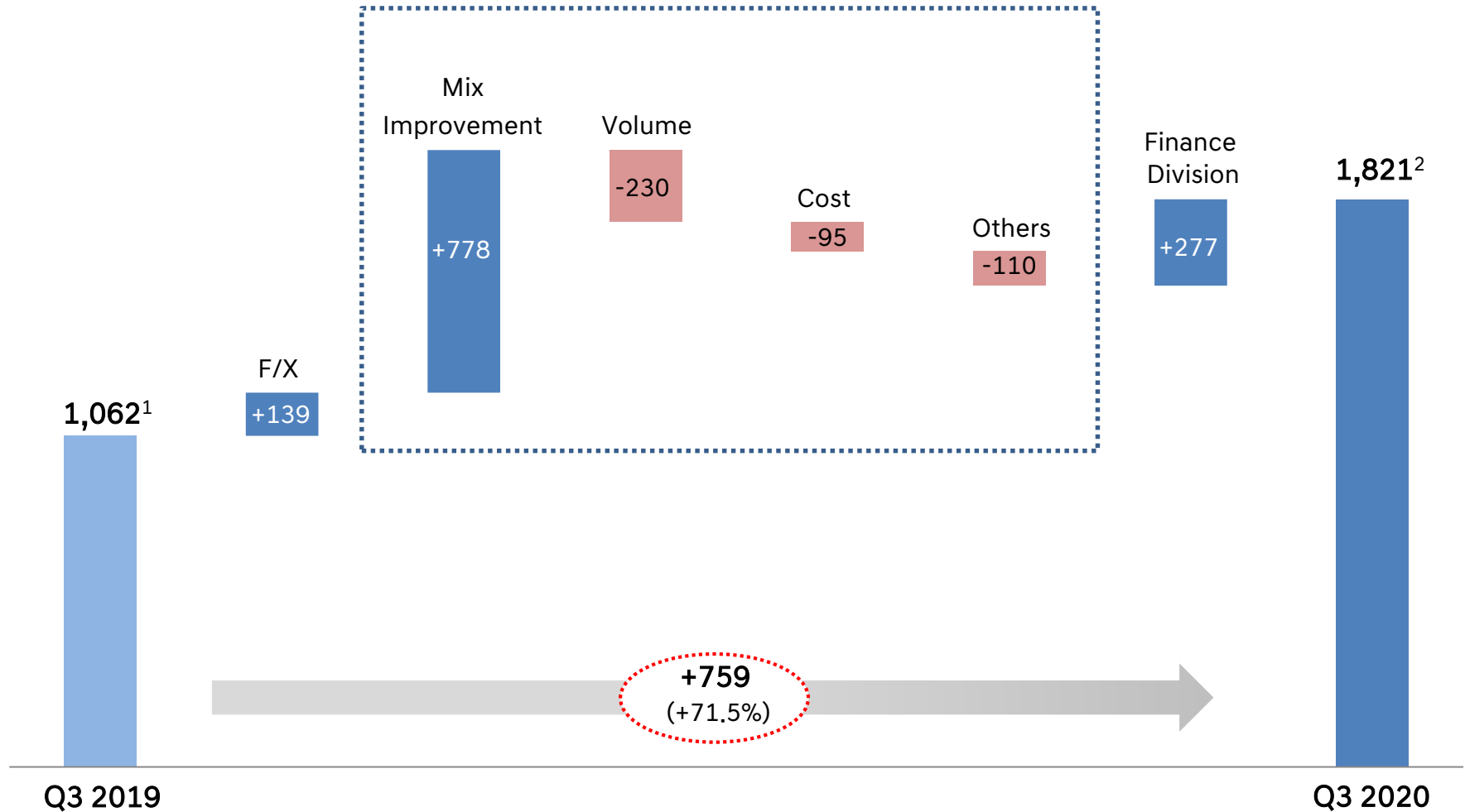
(Billion KRW)



\* Others: Including KRW 2.1tn of provision costs related to Theta II GDI and other engines

# Operating Income Analysis (Pro Forma)

(Billion KRW)



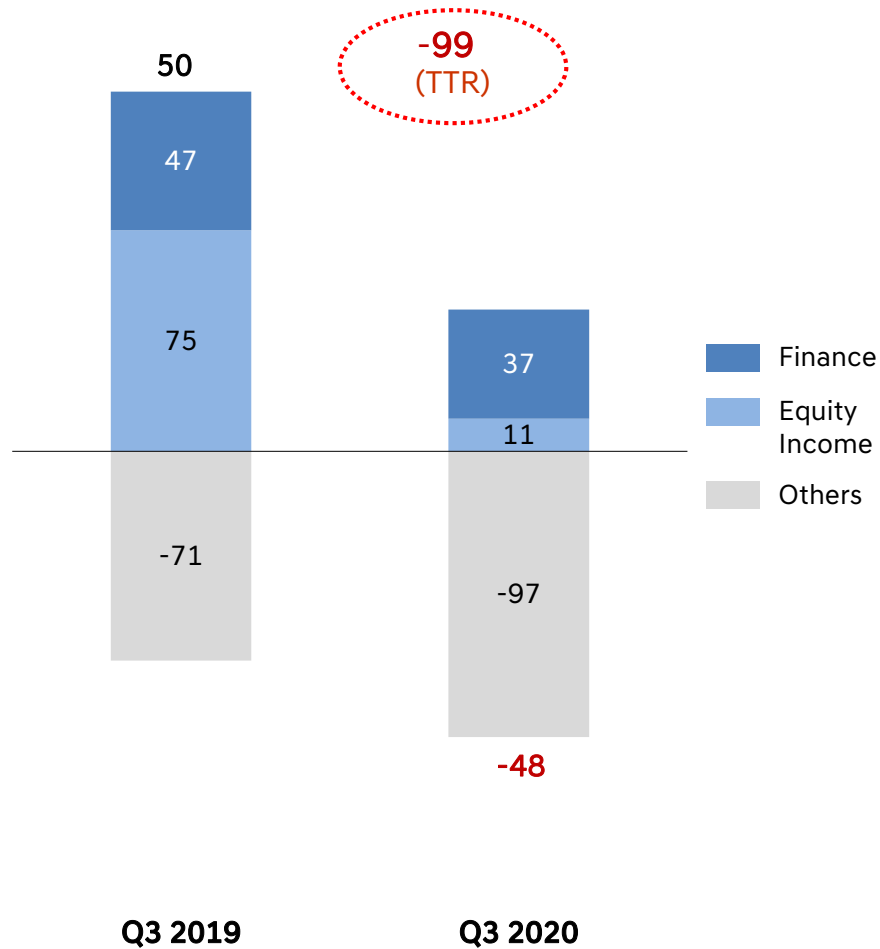
<sup>1</sup> Excluding expenses of KRW 600 bn related to settlement of Theta II GDI engine class action in Q3 2019

<sup>2</sup> Excluding provision expenses of KRW 2.1 tn related to Theta II GDI and other engines in Q3 2020

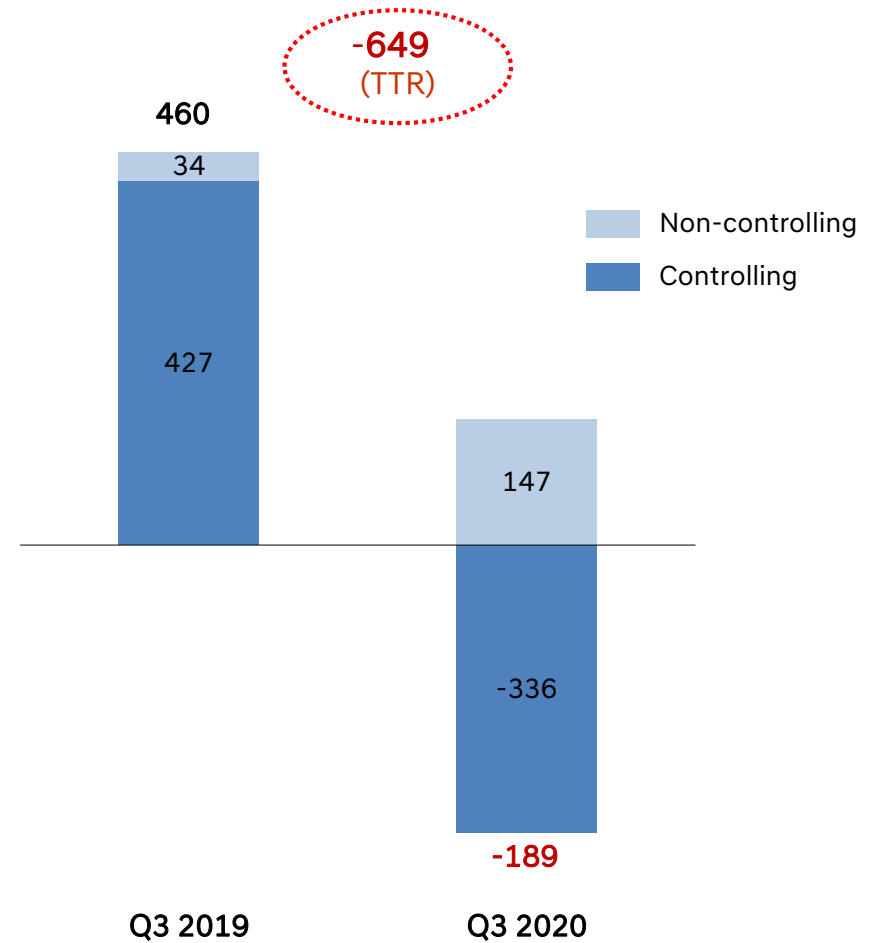
# Non-operating Income & Net Income

## Non-operating Income

(Billion KRW)



## Net Income



## **Appendix**

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# Retail Sales by Region

(Thousand units)	Q3 2019	Q3 2020	YoY
Korea	163	199	21.9%
US	178	175	-1.9%
Western Europe	137	129	-5.9%
India	112	122	9.2%
China	162	115	-28.9%
AMEA	85	53	-37.5%
Brazil	52	44	-14.8%
Russia	44	50	13.6%
Others	145	138	-4.8%
<b>Total</b>	<b>1,078</b>	<b>1,025</b>	<b>-4.9%</b>

※ 2020 sales includes CKD sales



# Statement of Income

(Billion KRW)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	YoY	QoQ
<b>Revenue</b>	<b>26,969</b>	<b>27,824</b>	<b>25,319</b>	<b>21,859</b>	<b>27,576</b>	2.3%	26.2%
<b>Gross Profit</b>	<b>4,428</b>	<b>4,691</b>	<b>4,265</b>	<b>3,712</b>	<b>5,125</b>	15.7%	38.1%
Margin (%)	16.4	16.9	16.8	17.0	18.6		
<b>SG&amp;A</b>	<b>4,050</b>	<b>3,527</b>	<b>3,402</b>	<b>3,122</b>	<b>5,439</b>	34.3%	74.2%
Portion (%)	15.0	12.7	13.4	14.3	19.7		
<b>Operating Income</b>	<b>379</b>	<b>1,164</b>	<b>864</b>	<b>590</b>	<b>-314</b>	TTR	TTR
Margin (%)	1.4	4.2	3.4	2.7	-1.1		
<b>Income before tax</b>	<b>429</b>	<b>1,132</b>	<b>724</b>	<b>596</b>	<b>-362</b>	TTR	TTR
Margin (%)	1.6	4.1	2.9	2.7	-1.3		
<b>Net Income</b>	<b>460</b>	<b>772</b>	<b>553</b>	<b>377</b>	<b>-189</b>	TTR	TTR
Margin (%)	1.7	2.8	2.2	1.7	-0.7		
<b>D&amp;A<sup>1</sup></b>	<b>1,018</b>	<b>1,041</b>	<b>1,059</b>	<b>1,088</b>	<b>1,114</b>		
<b>EBITDA</b>	<b>1,396</b>	<b>2,206</b>	<b>1,923</b>	<b>1,678</b>	<b>801</b>		

<sup>1</sup> Includes lease amortization under IFRS 16

# Statement of Financial Position

(Billion KRW)	End of 2019	Q3 2020	Diff.	% change
<b>Asset</b>	<b>194,512</b>	<b>207,096</b>	12,584	6.5%
Current Asset <sup>(a)</sup>	76,083	81,869	5,786	7.6%
<b>Liabilities<sup>(b)</sup></b>	<b>118,146</b>	<b>131,246</b>	13,100	11.1%
Current Liability <sup>(c)</sup>	53,314	57,820	4,506	8.5%
Debt <sup>(d)</sup>	81,372	90,903	9,531	11.7%
Provision	7,145	9,476	2,331	32.6%
<b>Equity<sup>(e)</sup></b>	<b>76,366</b>	<b>75,850</b>	-516	-0.7%
Capital Stock	1,489	1,489	0	0.0%
Capital Surplus	4,197	4,194	-3	-0.1%
Retained Earnings	68,250	67,787	-462	-0.7%
Current Ratio <sup>(a/c)</sup>	142.7%	141.6%		
Liability to Equity <sup>(b/e)</sup>	154.7%	173.0%		
Debt to Equity <sup>(d/e)</sup>	106.6%	119.8%		

# Statement of Cash Flows

(Billion KRW)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>Beginning</b>	<b>9,492</b>	<b>9,209</b>	<b>8,682</b>	<b>10,374</b>	<b>10,884</b>
Net Income	461	772	553	377	-189
Depreciation	646	665	663	676	703
Amortization	325	325	346	363	363
Acquisition of Tangible	-862	-1,056	-1,128	-1,062	-1,030
Acquisition of Intangible	-418	-669	-331	-397	-417
Dividends paid	-263	-	-4	-890	0
Others	-172	-563	1,593	1,442	1,993
<b>Ending</b>	<b>9,209</b>	<b>8,682</b>	<b>10,374</b>	<b>10,884</b>	<b>12,307</b>

# Thank you

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