

# HMC Investor Presentation

Hyundai Motor Company  
November 2020

# Retaining Core Strength

---

Key Highlights P. 1

## Mix Improvement & ASP Growth

New Model Big Cycle P. 2

Global Sales and Market Share P. 3

Geographic Sales Mix P. 4

Product Mix & ASP trend P. 5

## Future Growth Strategy

BEV Strategy P. 6

FCEV Strategy P. 8

Introducing “Motional” P. 11

# Key Highlights

## Earnings Improvement led by Strong Model Cycle

### Expanding SUV Line-up

Full line-up from A to E seg.

### Genesis Line-up Completion

New Genesis SUVs (GV80, GV70)

### 3<sup>rd</sup> Generation Platform

From 2019

### Aggressive xEV Launches

44 models\* by 2025

### New EV-dedicated Platform

From 2021

### Global Mix Improvement

Strong sales of high-end models

### Continued ASP Growth

Record-high domestic ASP

### Higher profitability of I.C.E.

Standardization & Commonization

### Global Top xEV Brand

Targeting 1.67M\* units by 2025

### Improved Margins of xEV

Reaching margins of I.C.E. by 2025



**HYUNDAI**

**8<sup>+</sup>%**

**Target OPM** of  
Automotive Division  
in 2025

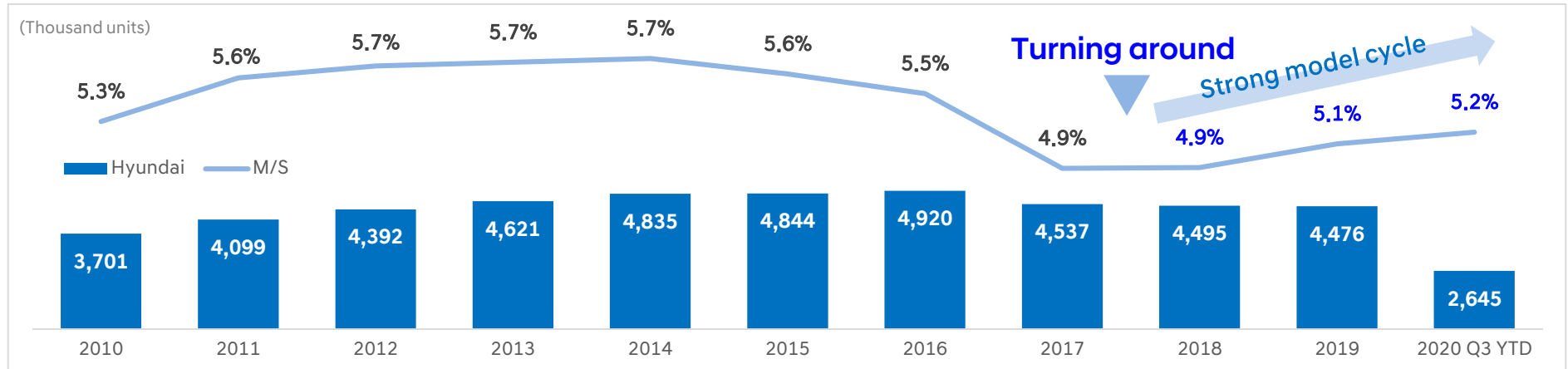
\* Hyundai, Genesis, Kia combined  
ex. Kia - 26 models / 920K units

# New Model Big Cycle

	2019	2020	2021~
SUV	 <b>PALISADE</b> <small>* 2018 in KOREA</small>  <b>VENUE</b>	 <b>CRETA</b>  <b>SANTA FE F/L</b>  <b>TUCSON</b>	 <b>NEW MPV</b>  <b>NEW CUV</b>  <b>NEW SUV</b>
SEDAN	 <b>SONATA</b>  <b>GRANDEUR F/L</b>	 <b>ELANTRA</b>  <b>i20</b>  <b>MISTRA</b>	 <b>ACCENT</b>  <b>GRANDEUR</b>
GENESIS	 <b>G90 F/L</b>	 <b>GV80</b>  <b>GV70</b>  <b>G80</b>  <b>G70 F/L</b>	 <b>G90</b>  <b>SEDAN EV</b> <small>(Derivative)</small>  <b>CUV EV</b>  <b>SUV EV</b> <small>(Derivative)</small>
ECO-FRIENDLY	 <b>KONA</b> <b>(HEV)</b>  <b>PORTER</b> <b>(LCV EV)</b>	 <b>TUCSON</b> <b>(HEV)</b>	 <b>CUV/SUV-EV</b>  <b>SEDAN -EV</b>  <b>NEXO</b>

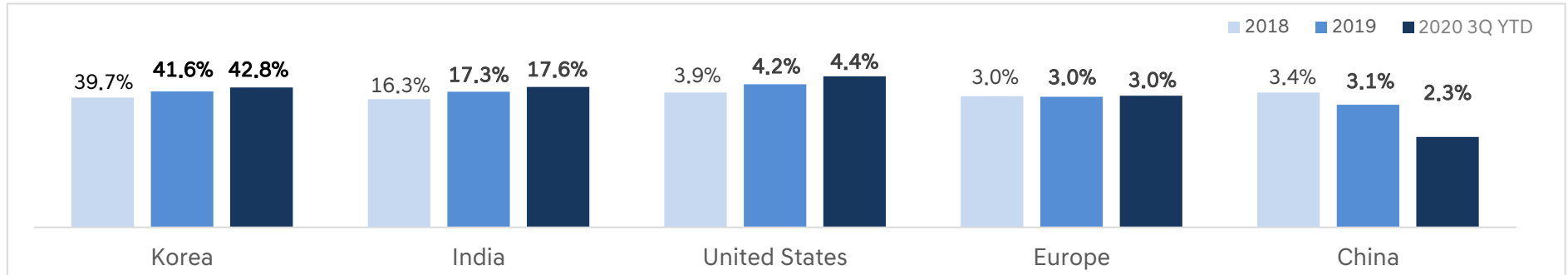
# Global Sales and Market Share

## Global sales and market share trend

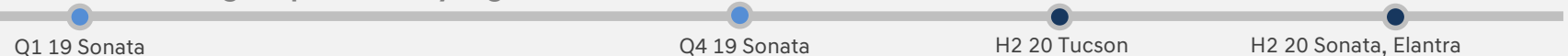


· Source : IHS, Company data

## Market share by region



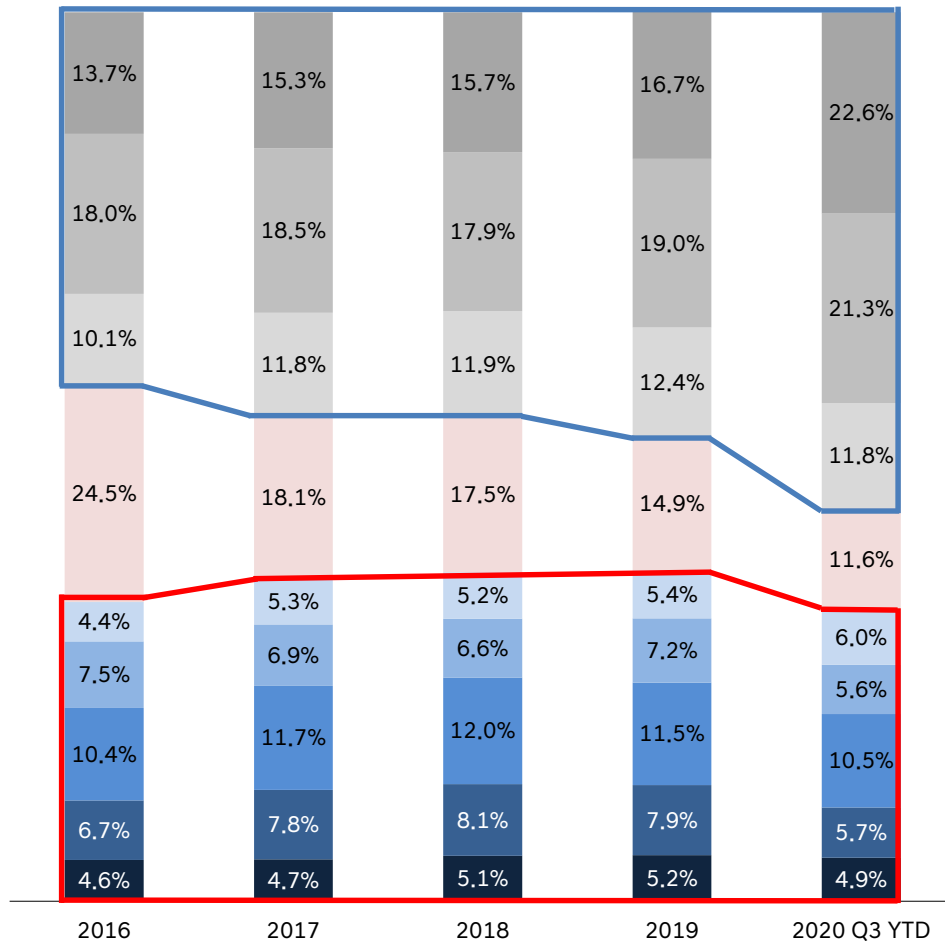
### 1<sup>st</sup> model launch of 3<sup>rd</sup> gen. platform by regions



# Geographical Sales Mix

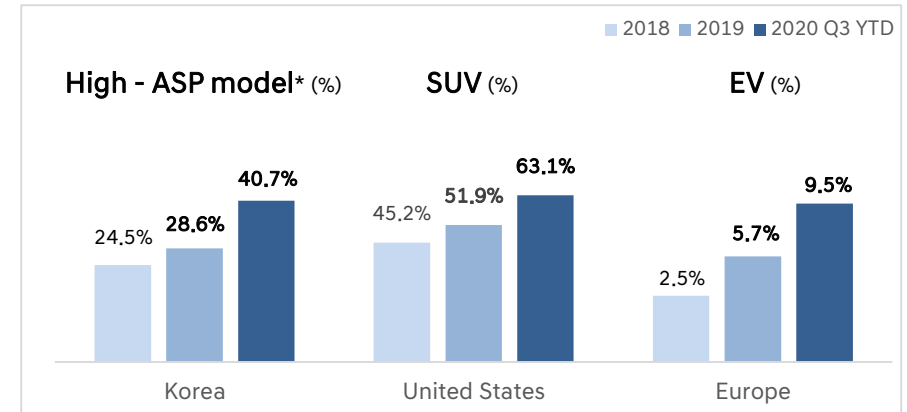
## Sales by Region

■ Korea ■ N.America ■ W.Europe ■ China ■ E.Europe, Russia  
 ■ AMEA ■ India ■ S. America ■ Others



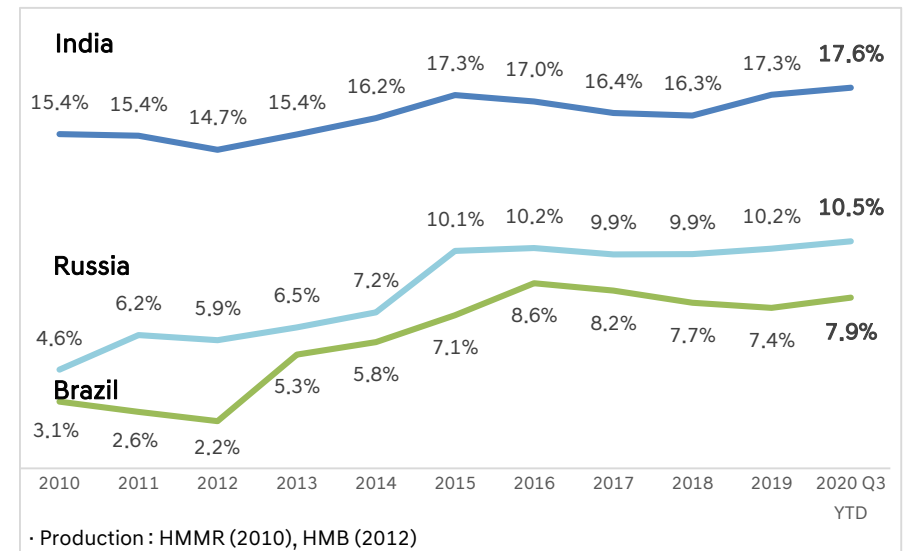
(Company Data, Wholesale)

## Competitive mix in Developed Market



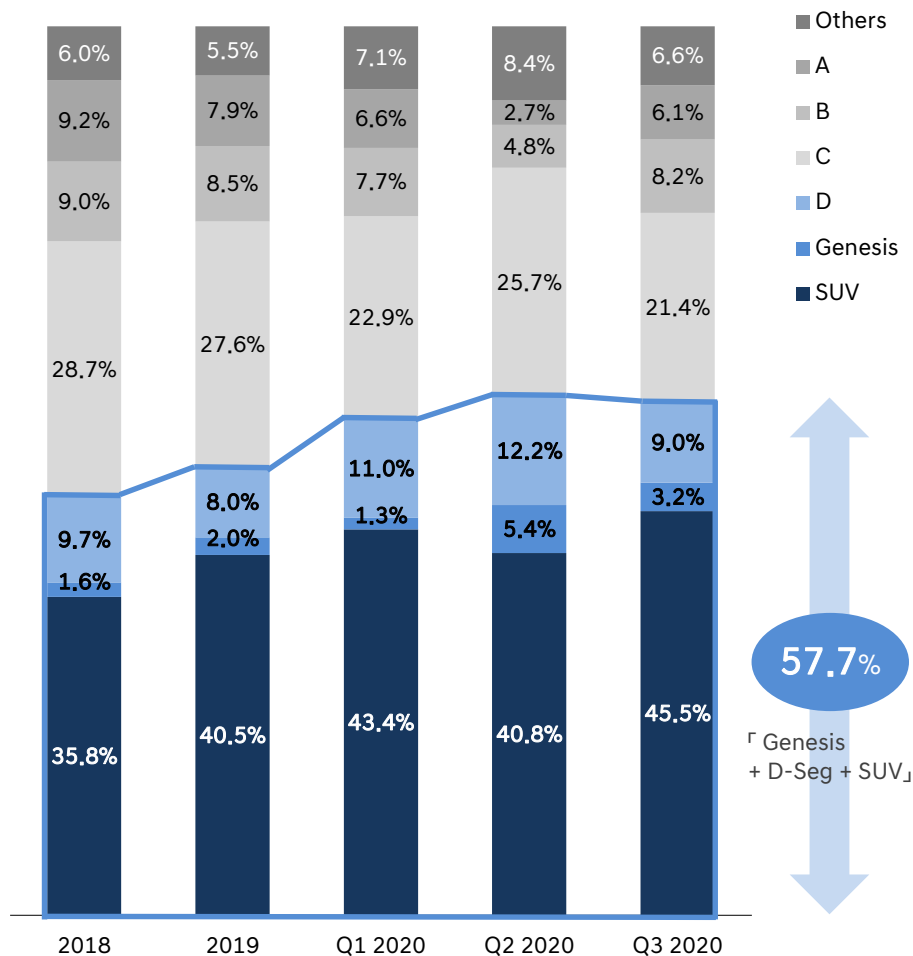
\* Genesis + Grandeur + Palisade

## Strong M/S in Emerging Market



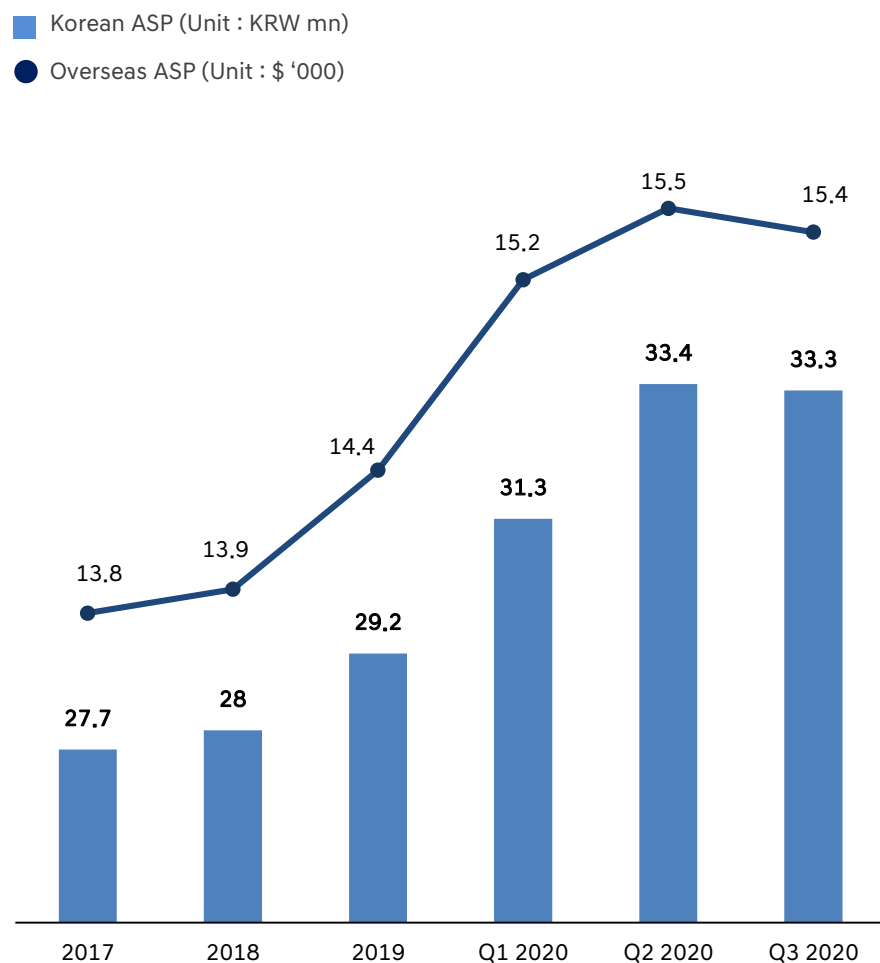
# Product Mix & ASP Trend

## Sales mix by segment (Wholesale)



• GV80 is included in Genesis

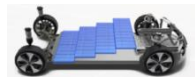
## Increasing Average Selling Price



# BEV Strategy

## Strengthening Technological Edge

### [ EV-dedicated Platform ]



E-GMP

Product Enhancement

Cost Efficiency

### [ Ultra Fast Charging ]



Ultra Fast Charging  
20 min. (up to 80%)

800V System  
voltage

Similar to fueling  
experience

### [ Business Expansion ]

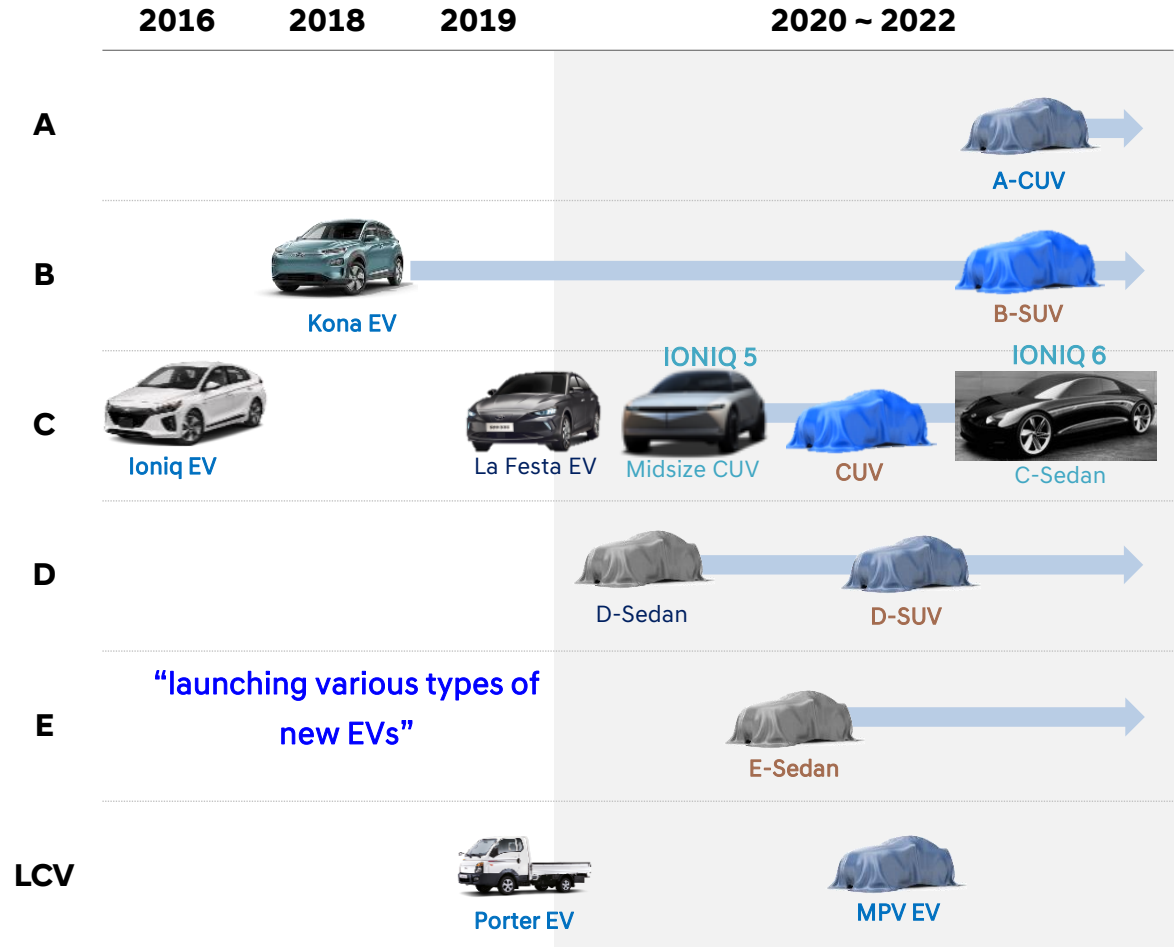


New business model

Charging  
Infrastructure

Battery  
Related Biz

## HMC BEV Line-up 「 IONIQ & GENESIS 」



· Launch schedule is subject to change

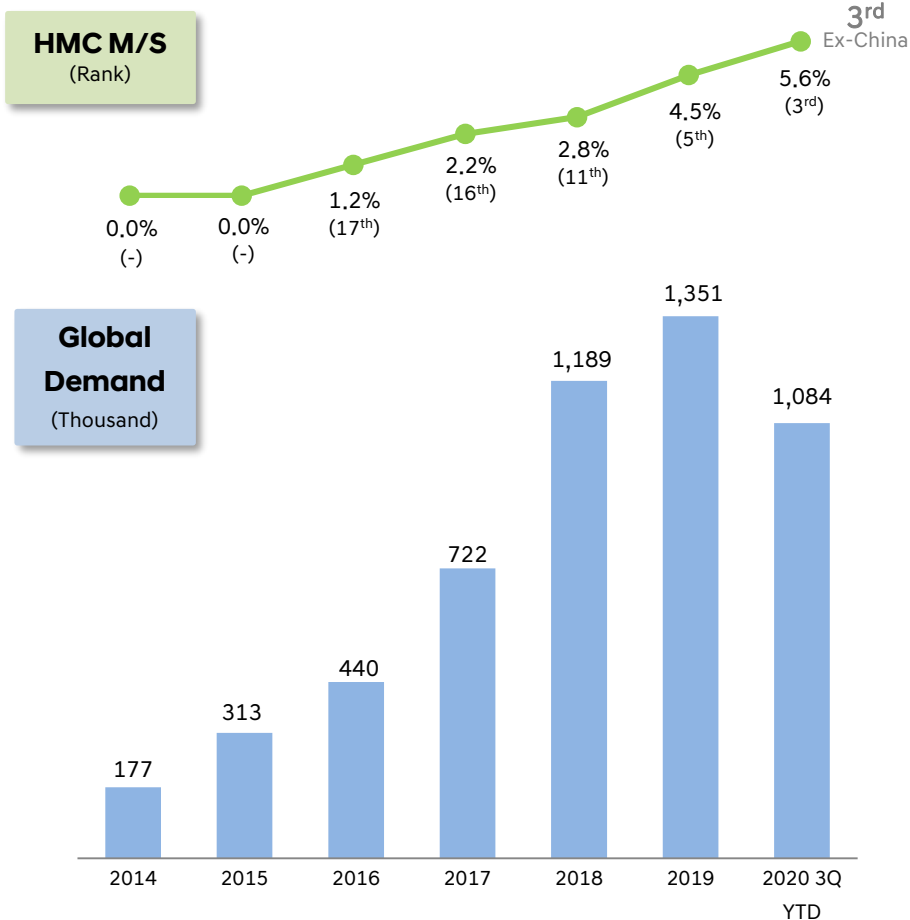
1) E-GMP : Electric Global Modular Platform



# Strong Market Position in EV

## Enhancing Market Position in EV Market

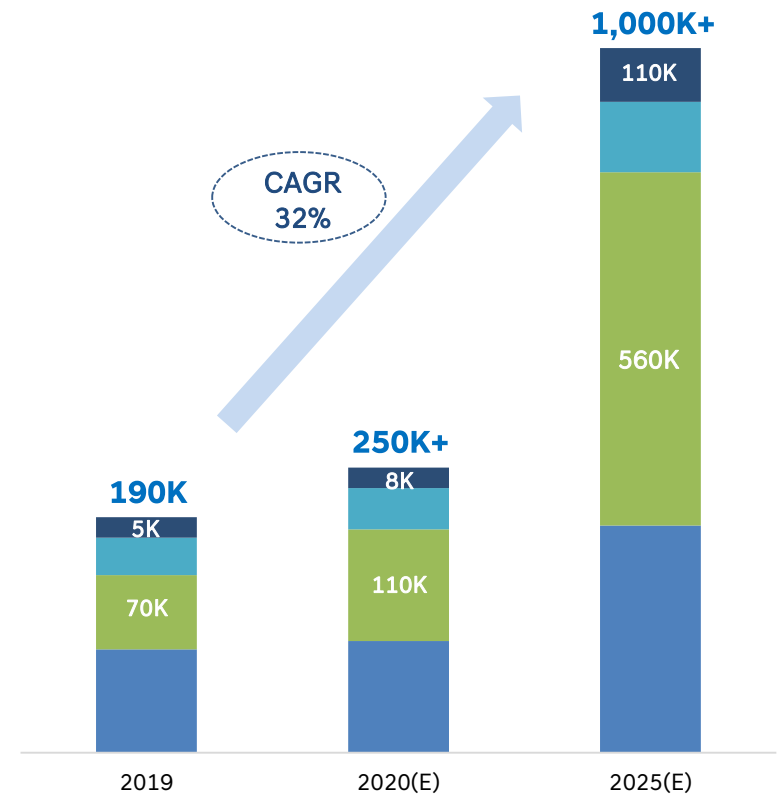
### HMC BEV Global Market Share



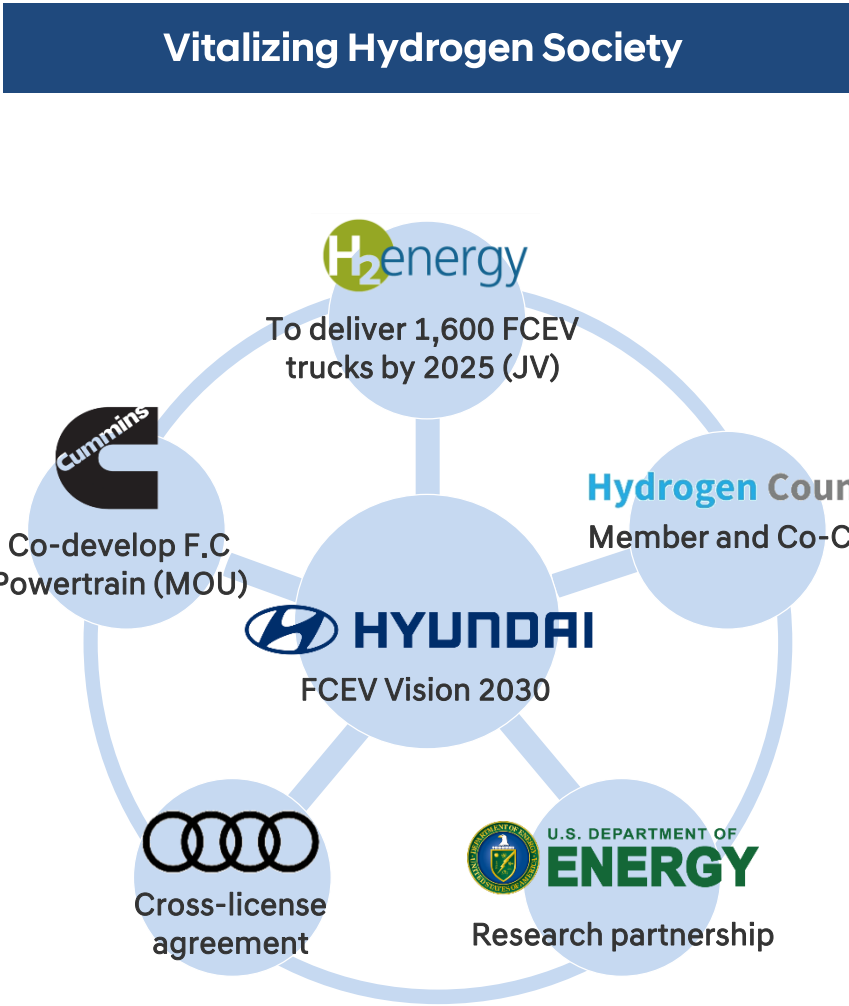
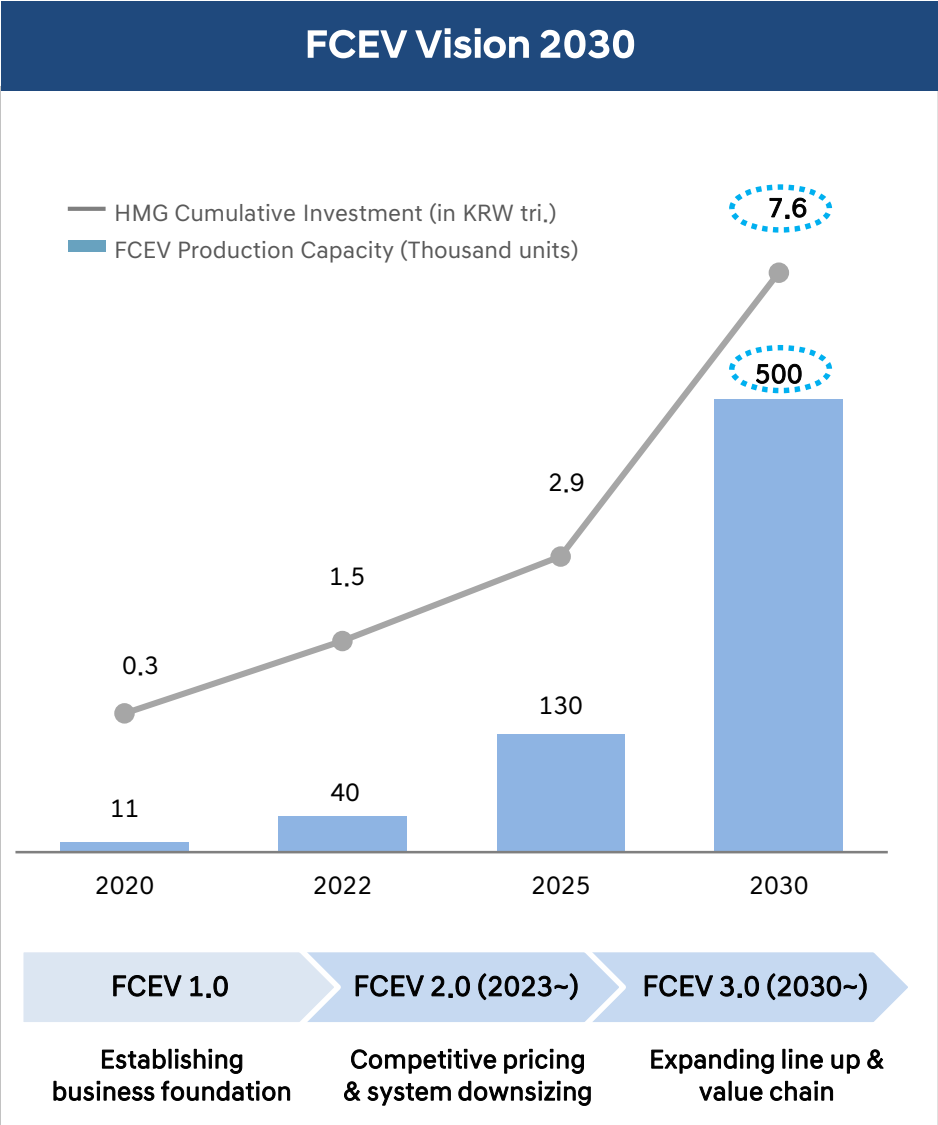
\* Source : IHS Markit September 2020

### Strategy 2025 Sales Target

■ HEV ■ EV ■ PHEV ■ FCEV



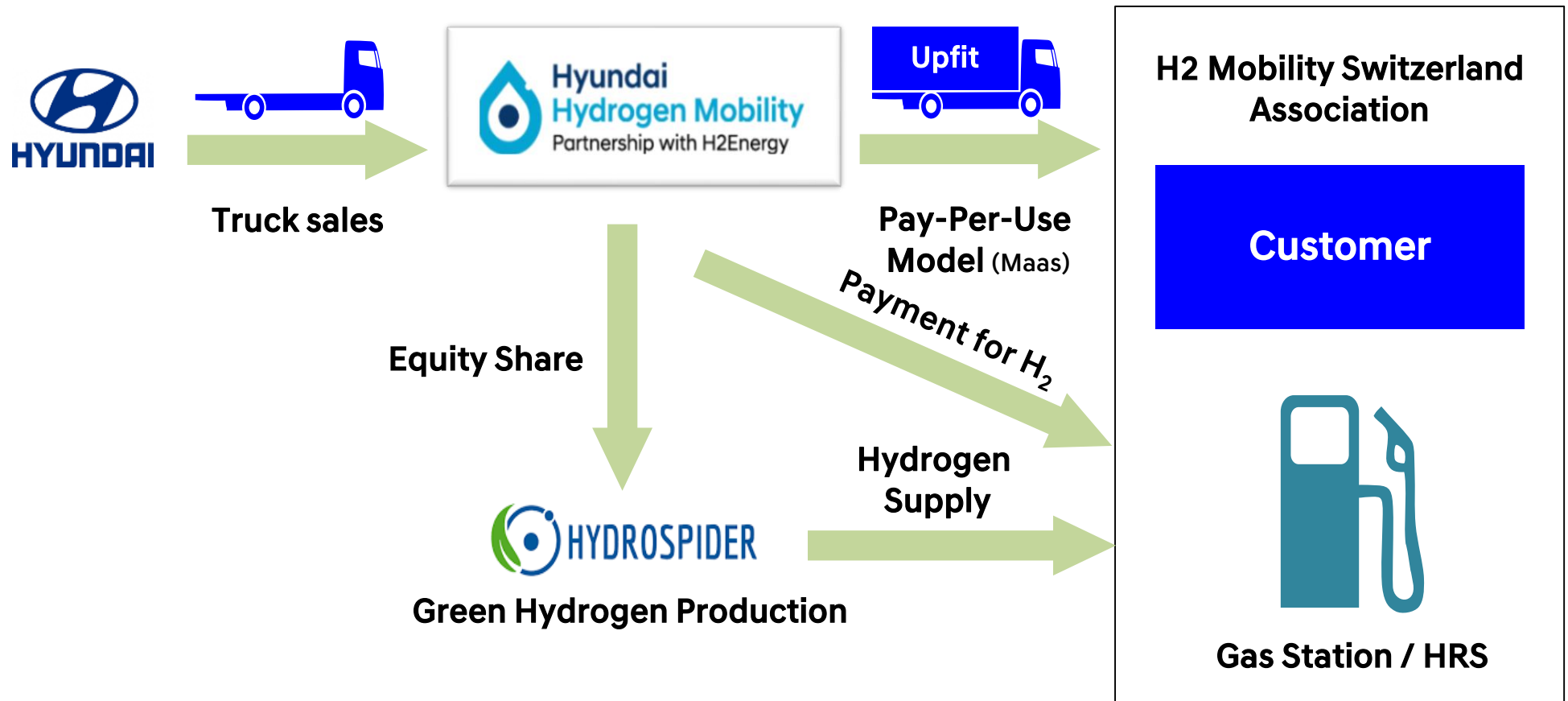
# FCEV Strategy



# FCEV Strategy (continued)

## Business Structure in Switzerland to bring 1,600 HD FCEV truck in operation by 2025

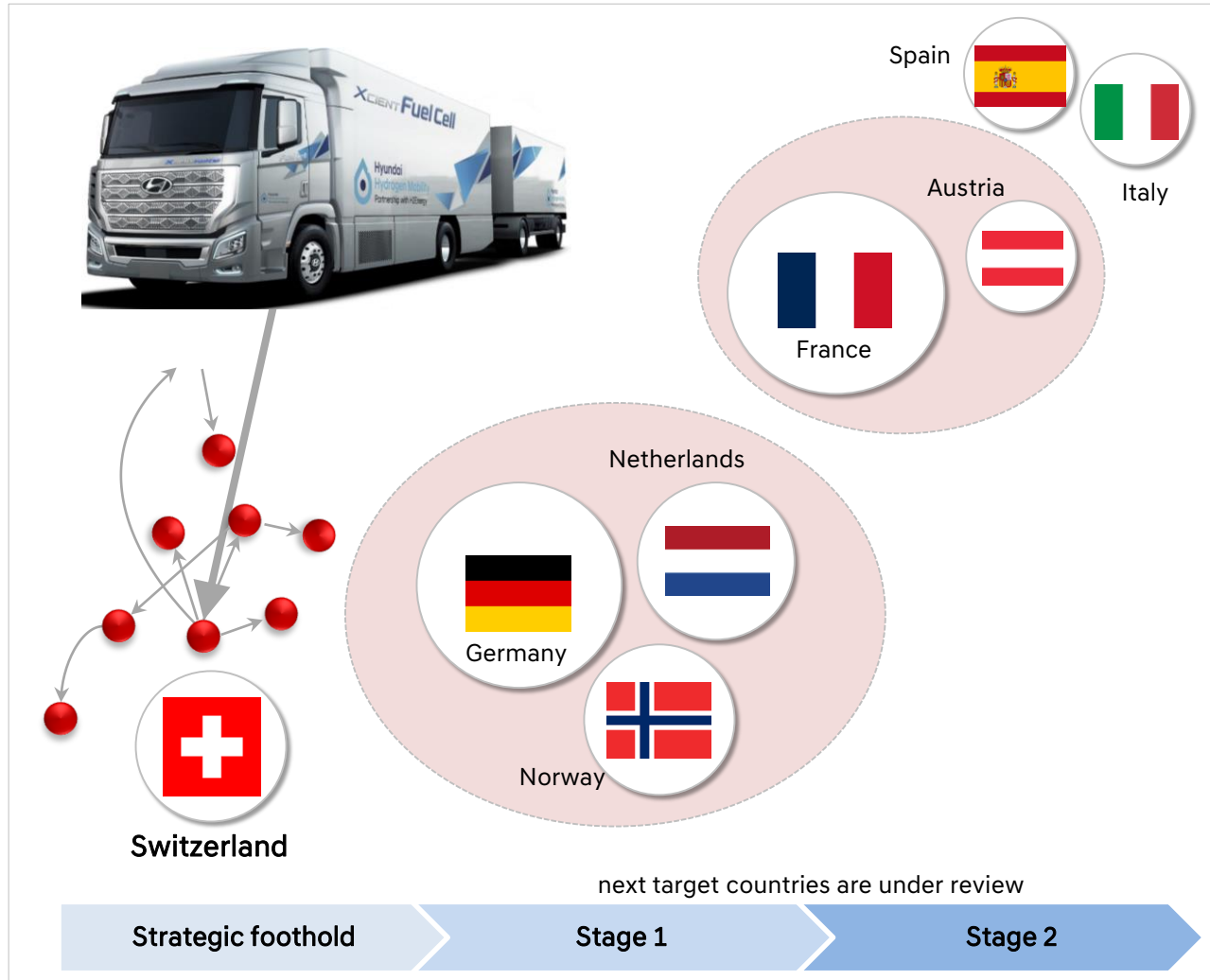
First 50 units will be delivered this year from September 2020 (First global commercialization)



# FCEV Strategy (continued)



## European market entry strategy



## Business Expansion based on Country specific differences

- ✓ Governmental goals
- ✓ Direct or indirect subsidies
- ✓ Energy prices and surplus energy
- ✓ Hydrogen price
- ✓ Private or public initiatives
- ✓ Status of infrastructure
- ✓ City bans for diesel truck/bus

# Introducing “Motional”

## Introducing “Motional”, an autonomous driving joint venture between HMG and Aptiv



- **Established** : March 2020
- **Share Structure** : Hyundai Motor Group, Aptiv (50:50 Joint Venture)  
(HMC 26%, Kia 14%, Mobis 10%)
- **Headquarter** : Boston
- **Track record**
  - First fully-autonomous Cross-country drive in U.S. ('15)
  - The launch of the world's first robo taxi pilot (Singapore '16)
  - Operation of the world's most-established public robo taxi fleet (Las Vegas; '18 ~ present)
  - The fleet has provided over 100,000 rides, with 98% of riders rating their experience five-out-of-five stars
- **Business** : Develop and sale of autonomous driving solutions

Developing &  
commercializing  
SAE Level 4 Vehicles

Provide driverless system  
to Robo Taxi provider



### Business Plan

~'20

Begin testing  
Fully driverless system

~'22

Commercialize its driverless  
systems & technology

## Recent Updates

---

### Global Retail Sales

P. 13

### Market Updates

Korea

P. 14

United States

P. 15

China

P. 16

W. Europe

P. 17

India

P. 18

Russia / Brazil

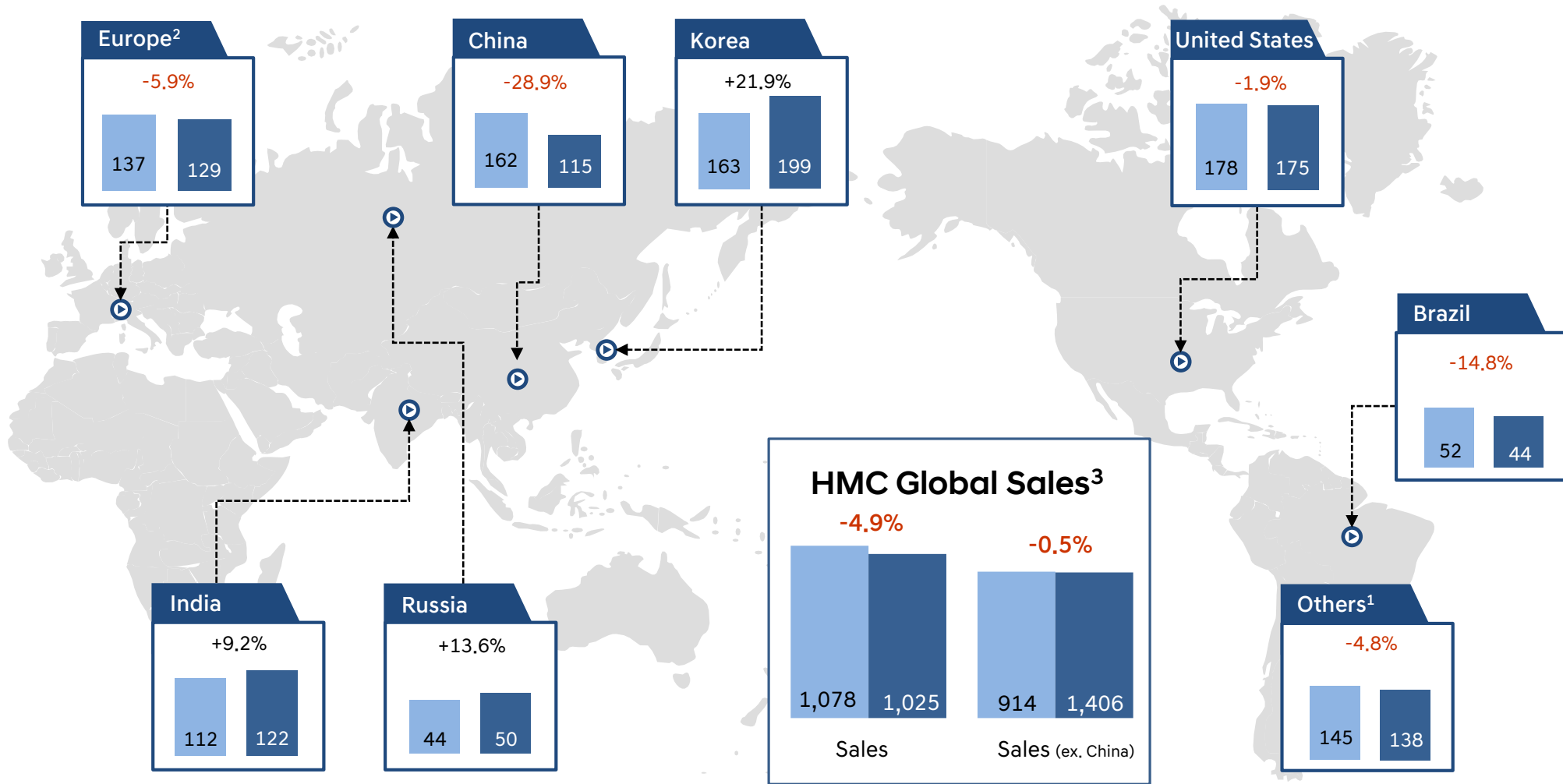
P. 19

# 2020 Global Sales (Retail Sales)

■ Q3 2019

■ Q3 2020

(Thousand units)



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

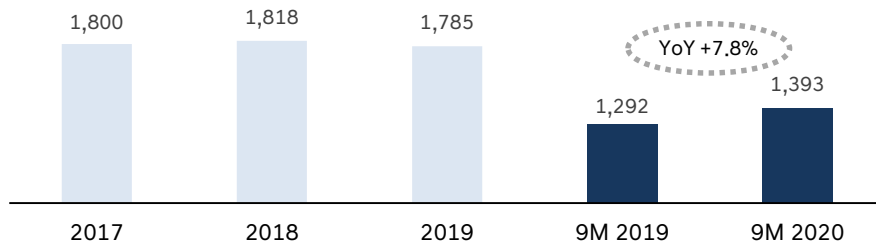
<sup>2</sup> Western Europe excluding CV

<sup>3</sup> Retail sales including CV and overseas CKD ('19 : 21,446 units, '20 : 20,053 units)

# Korea Market

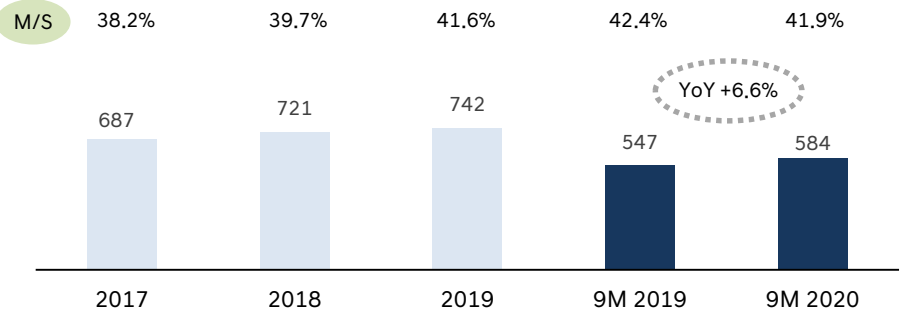
## Industry Demand

(Thousand units)



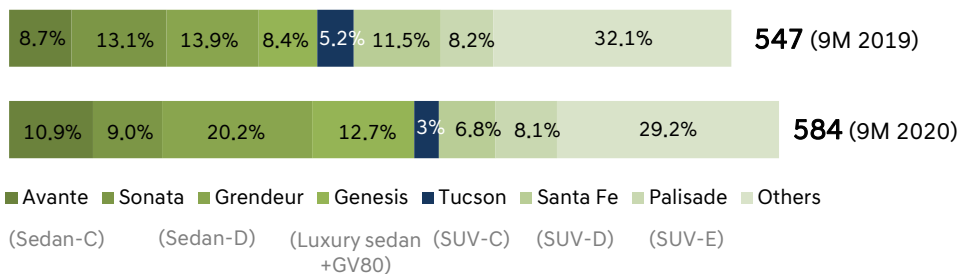
## Hyundai Sales

(Thousand units)



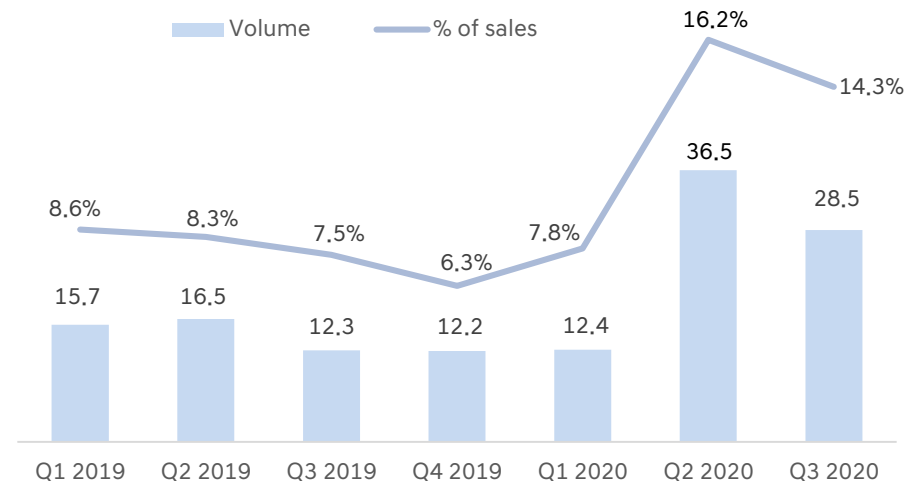
## Sales by Model

(Thousand units)



## Genesis Sales Increase

(Thousand units)



## Strong New Vehicle Cycle to continue

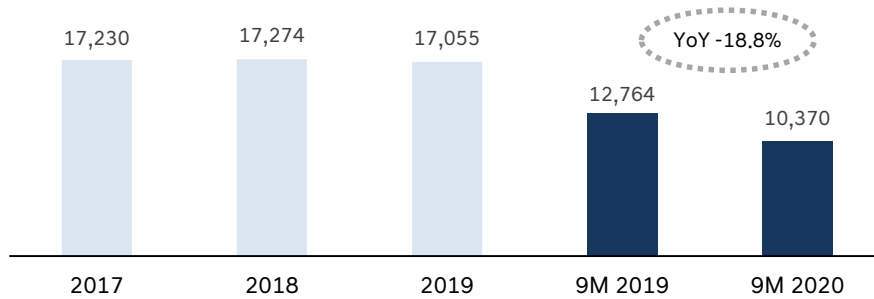
	2018 ~ 19	2020
Sedan	 Sonata  Grandeur F/L	 New Elantra
Genesis		 Genesis SUV GV80  New Genesis G80  Genesis SUV GV70
SUV	 Palisade  Venue	 New Tucson  Santa Fe F/L



# US Market

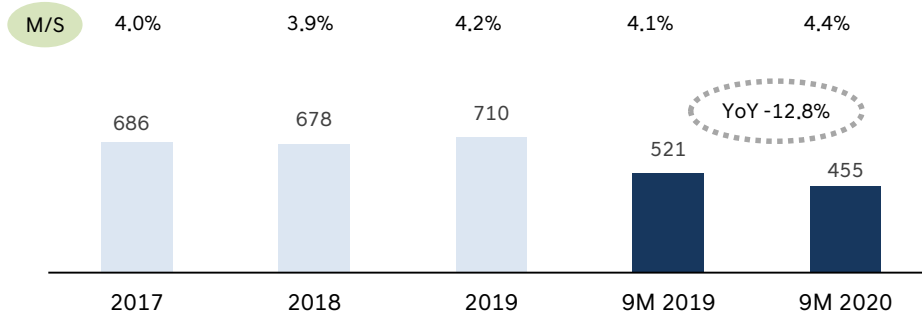
## Industry Demand

(Thousand units)



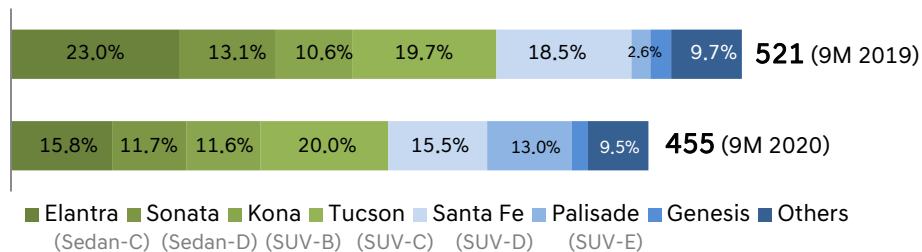
## Hyundai Sales

(Thousand units)



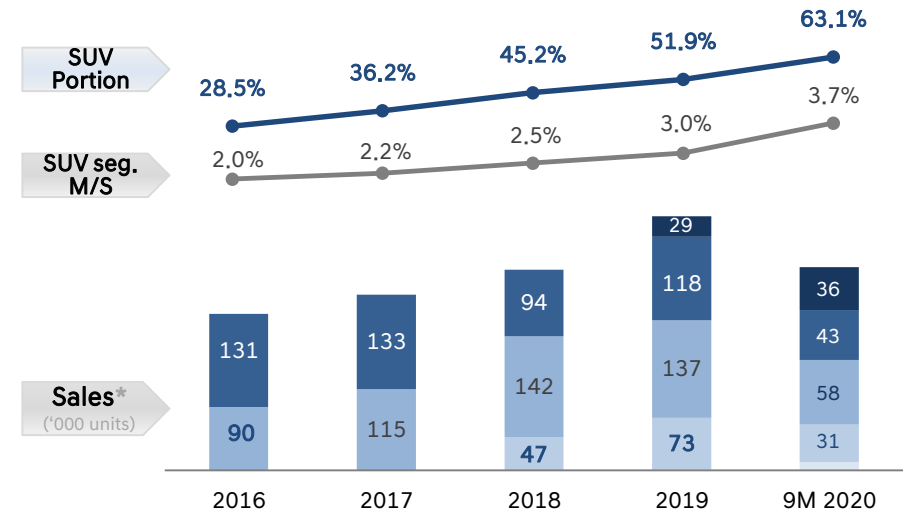
## Sales by Model

(Thousand units)



## SUV Sales Trend

■ Venue ■ Kona ■ Tucson ■ Santa Fe ■ Palisade



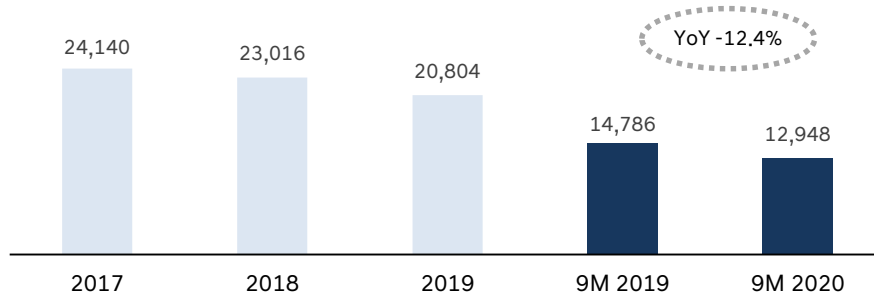
## Profit recovery by improving quality of sales



# China Market

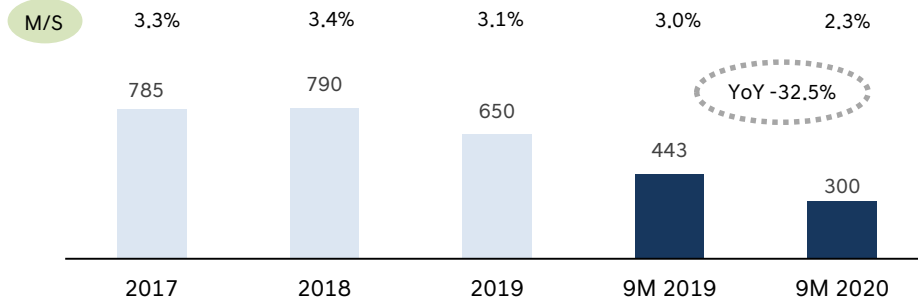
## Industry Demand

(Thousand units)



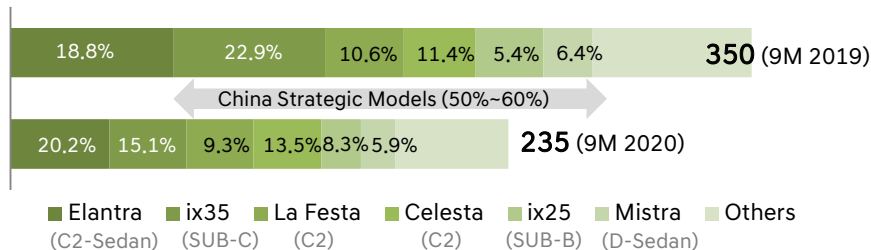
## Hyundai Sales (Wholesales)

(Thousand units)



## Sales by Model

(Thousand units)



## China Strategy




Successful new car launch

- Recover sales and M/S
- Improve profitability & dealer competitiveness

Long-term roadmap for sustainable growth

- Focus on EV & Genesis
- Optimize capacity & dealer network

## New Model Line-up

	Newly Launched	2020-2021
Sedan	 Elantra	Palisade* Mistra La Festa F/L
SUV	 Palisade*	ix35 F/L Tucson New MPV
EV	 La Festa EV	Mistra EV IONIQ 5

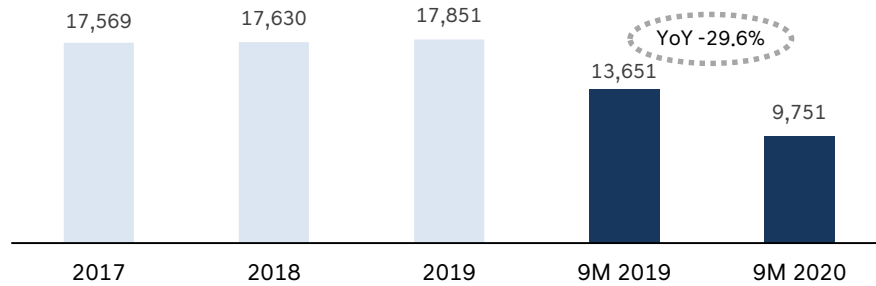
\* Palisade will be imported from Korea

Launch schedule is subject to change

# W. Europe Market

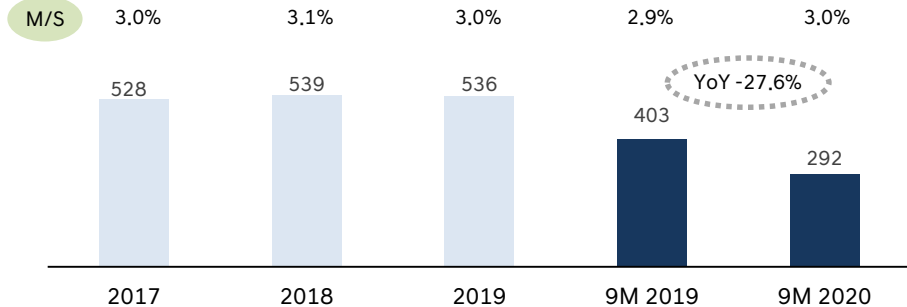
## Industry Demand

(Thousand units)



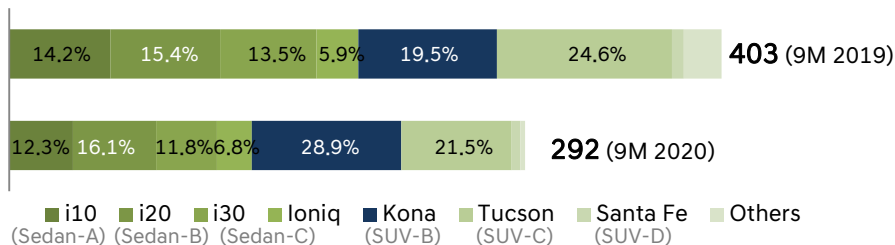
## Hyundai Sales

(Thousand units)



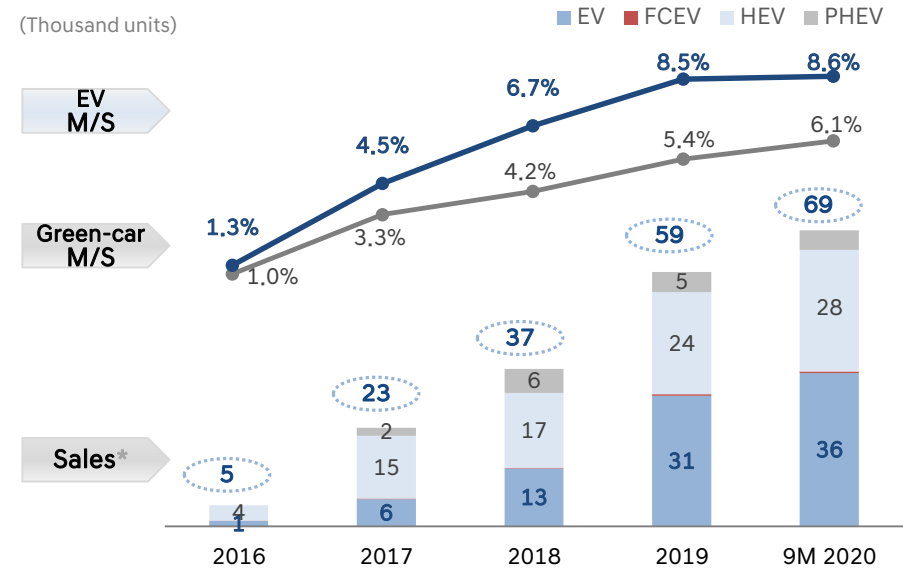
## Sales by Model

(Thousand units)



## Green-car Sales Trend

(Thousand units)



## How to meet the new CO<sub>2</sub> target in 2020

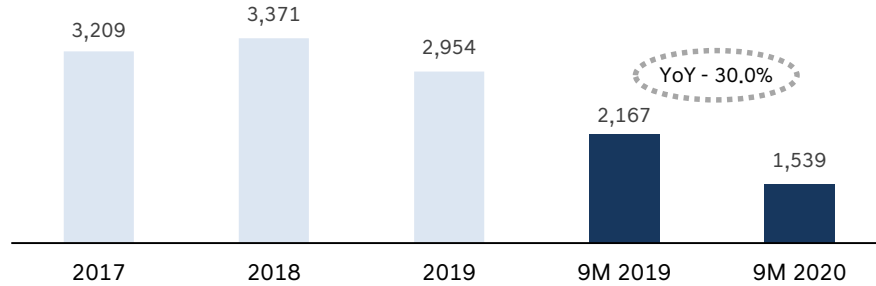
- Maximize EV & FCEV sales and Expand green-car line-up

	2019				2020				2021			
<b>New Model</b>	· Kona HEV · IONIQ F/L				· Tucson HEV · Santa Fe HEV/PHEV				· IONIQ 5 (1 <sup>st</sup> E-GMP EV) · Tucson PHEV			
<b>Line-up</b>	EV	HEV	PHEV	FCEV	EV	HEV	PHEV	FCEV	EV	HEV	PHEV	FCEV
	2	2	1	1	2	4	2	1	3	4	3	1

# India Market

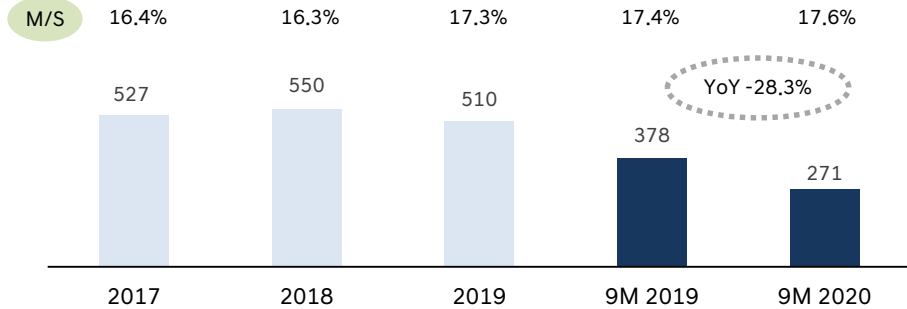
## Industry Demand

(Thousand units)



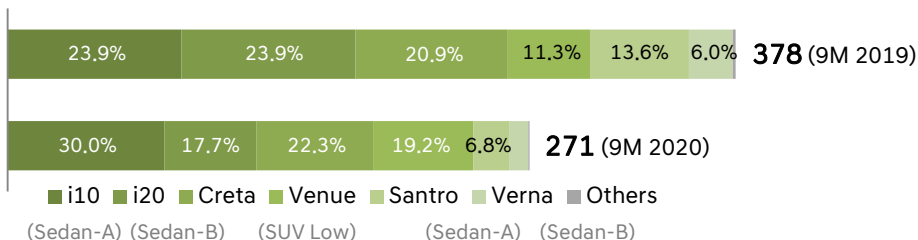
## Hyundai Sales

(Thousand units)



## Sales by Model

(Thousand units)



## Winning M/S with Refreshed Line-up

Q4 2019

H1 2020

H2 2020

2021

i10 Nios & Aura

Creta

i20

Elantra



Compact - high

SUV-Low

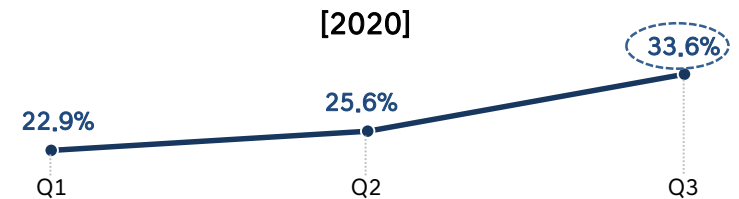
Compact - prem

Premium

Restore sales momentum with volume models

## SUV Leadership

SUV seg. M/S



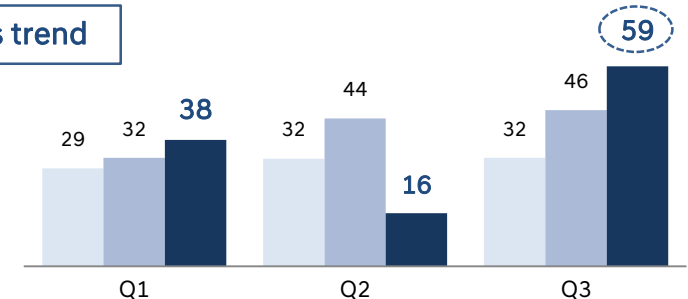
SUV Sales trend

(Thousand units)

2018

2019

2020

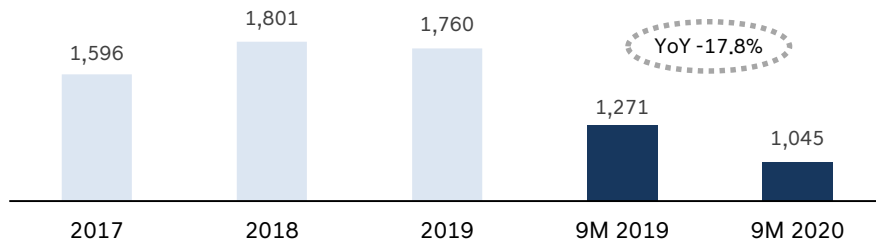


# Russia/Brazil Markets

## Russia

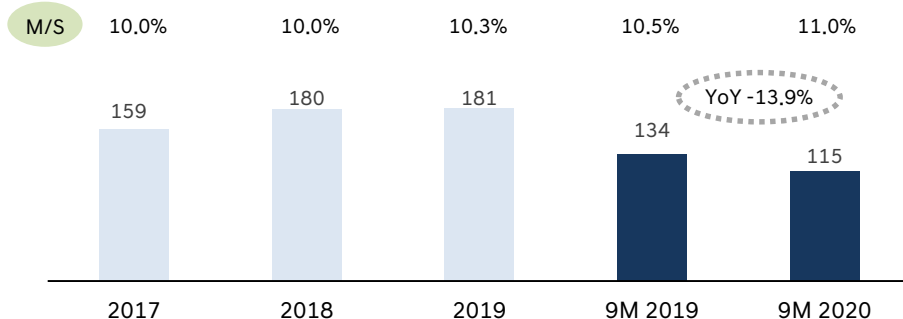
### Industry Demand

(Thousand units)



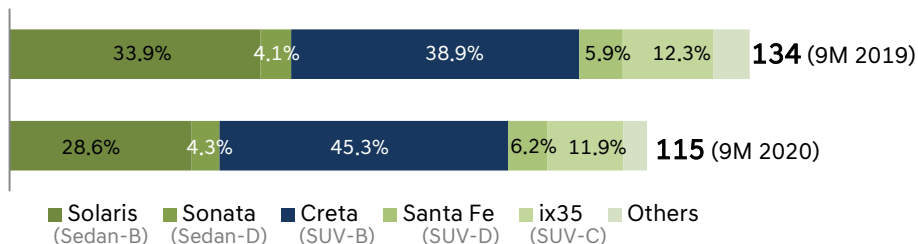
### Hyundai Sales

(Thousand units)



### Sales by Model

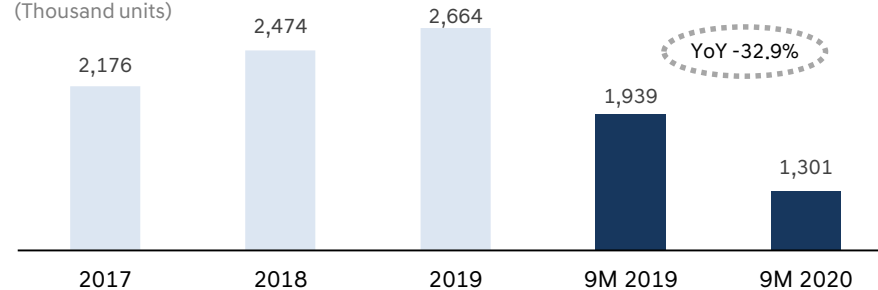
(Thousand units)



## Brazil

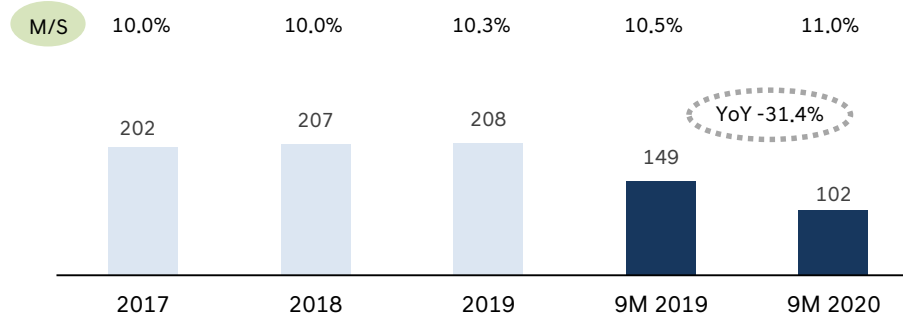
### Industry Demand

(Thousand units)



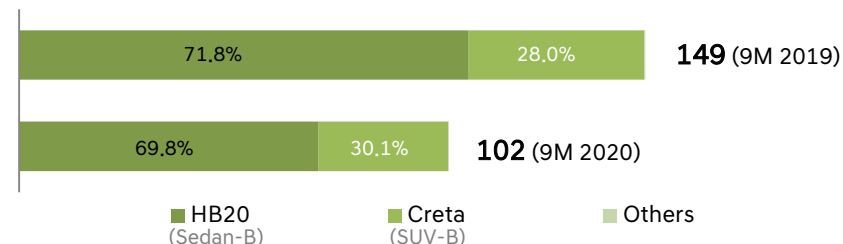
### Hyundai Sales

(Thousand units)



### Sales by Model

(Thousand units)

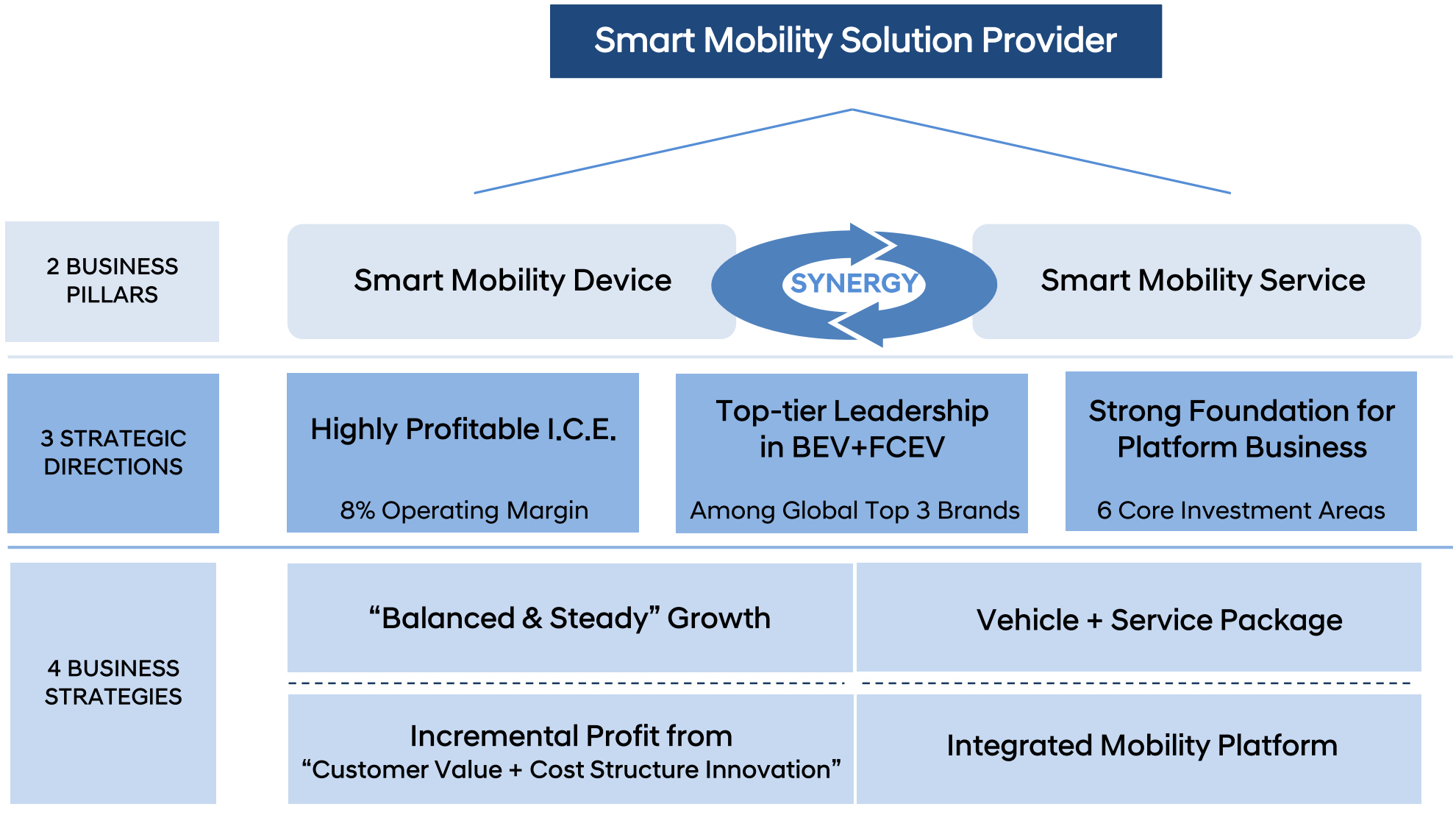


# Strategy 2025

---

Strategy 2025	P. 21
Mid to Long-term Business Target	P. 22
Cost Innovation Committee	P. 23
Long-term Investment Plan	P. 24
Preparing for the Future	P. 25

# Strategy 2025



# Mid to Long-term Business Target

2022

Improving cost competitiveness of  
I.C.E. and xEV

Automotive  
Division

7%

OP Margin

Regional Profit  
Center System



Cost Innovation  
Committee

## Improvement

- Accelerated cost innovation
- Sales expansion of Genesis brand

+1% pt

## Limitation

- Accelerated electrification
- Increasing investment in mobility service business

2025

Building strong growth foundation  
based on high profitability of  
the automotive division

Automotive  
Division

8<sup>+</sup>%

OP Margin

Expanding xEV  
based on  
competitive cost



Foundation for  
mobility service  
business

• OP and OPM : automotive division + consolidation adjustment

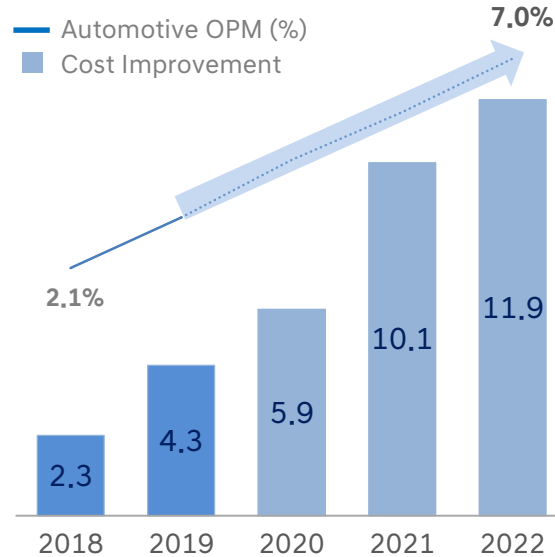


# Cost Innovation Committee

## Improvement Target

**KRW34.5 T** For 5 years

## 5-year Plan



## 8 Sub-committees

Commonization

Electrification

Regional Cost  
Optimization

Sales-related  
Cost

Productivity

Quality Cost

Genesis

Operational  
Efficiency

**Strategic competitiveness**

with company-wide  
cost innovation

**Achieve target profitability**

by continuous  
cost improvement

Effective bottom-up

**Cost improvement activities**

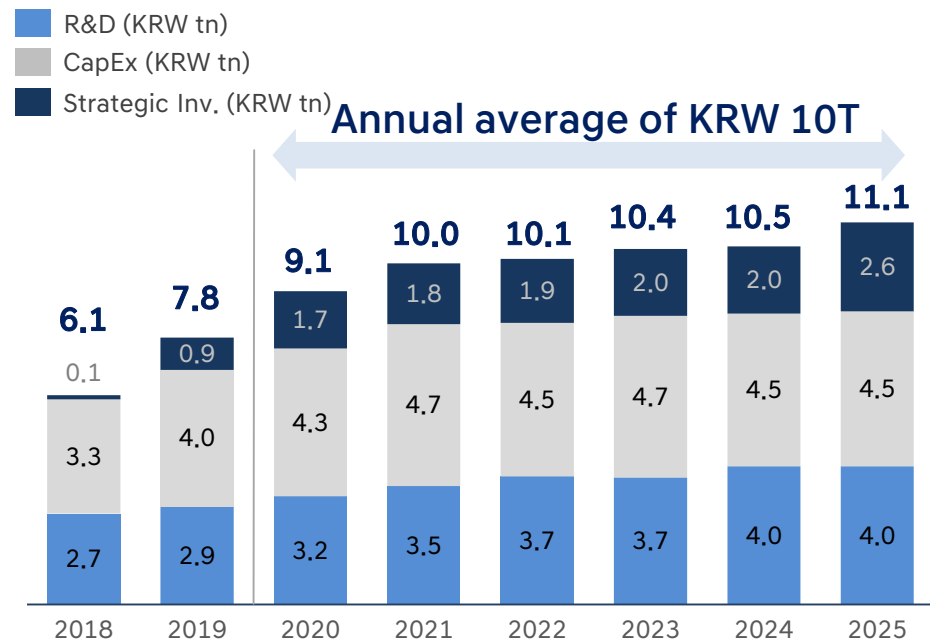
· OP improvement by revenue growth, improvement of COGS and SG&A

# Long-term Investment Plan

## 6-year Investment Plan

2020-2025

KRW **61.1T** of Investment

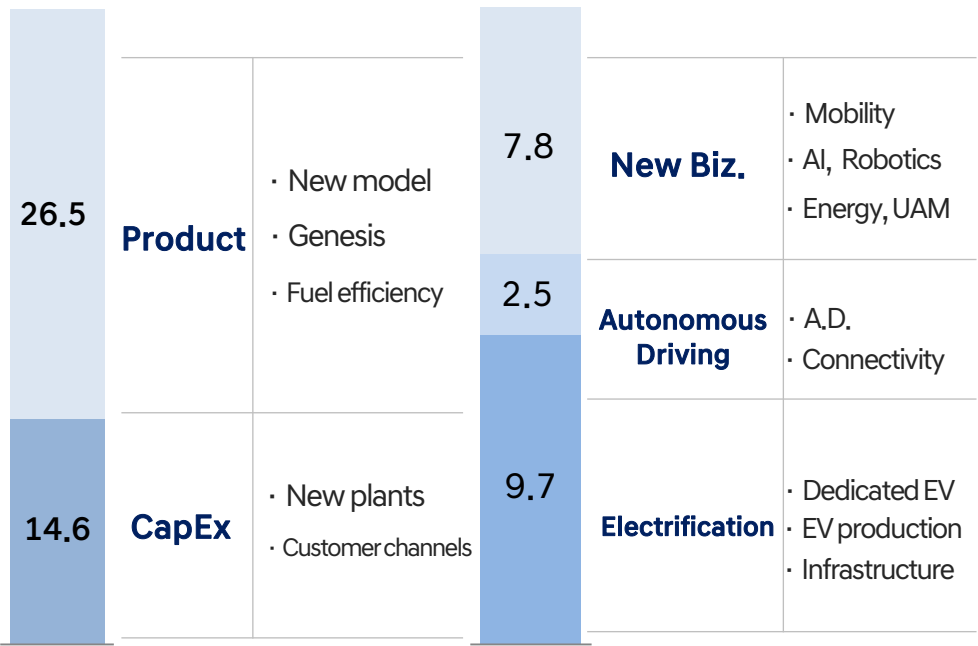


· CapEx : with changed classification in 2019

## Investment Details

Core Business  
KRW **41.1T**

Investment for Growth  
KRW **20.0T**



· Product includes capex in product development · Electrification : including all xEV

# Preparing for the Future – 6 Core Investment Areas

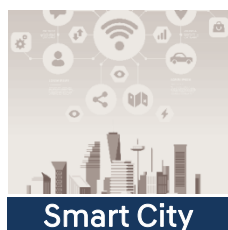


\* JV named Motional

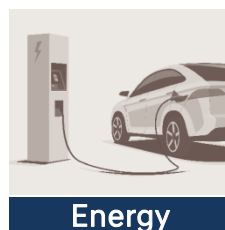
## 5 Core Investment Areas



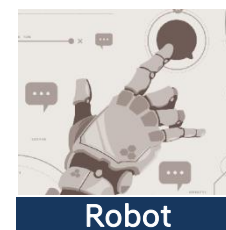
**MaaS**  
Smart Mobility  
Solution Business



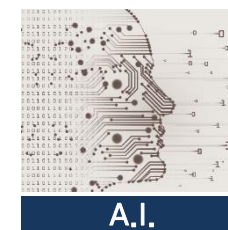
**Smart City**  
Robo-taxi /  
Smart City



**Energy**  
Fuel Cell / ESS



**Robot**  
Wearable Robot



**A.I.**  
Autonomous  
Vehicle



“Game Changer”

“Smart Mobility Service Provider”

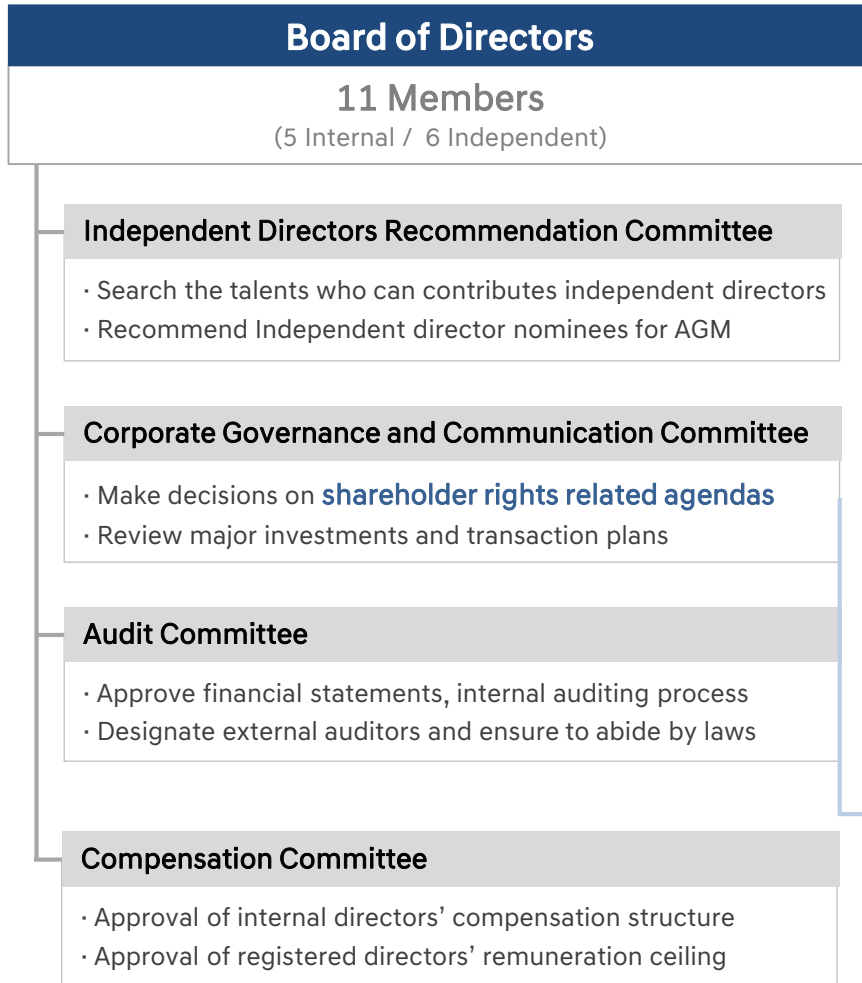
## Governance

---

BoD & Key Improvements	P. 27
ESG Enhancement Roadmap	P. 28
Shareholder Return	P. 29

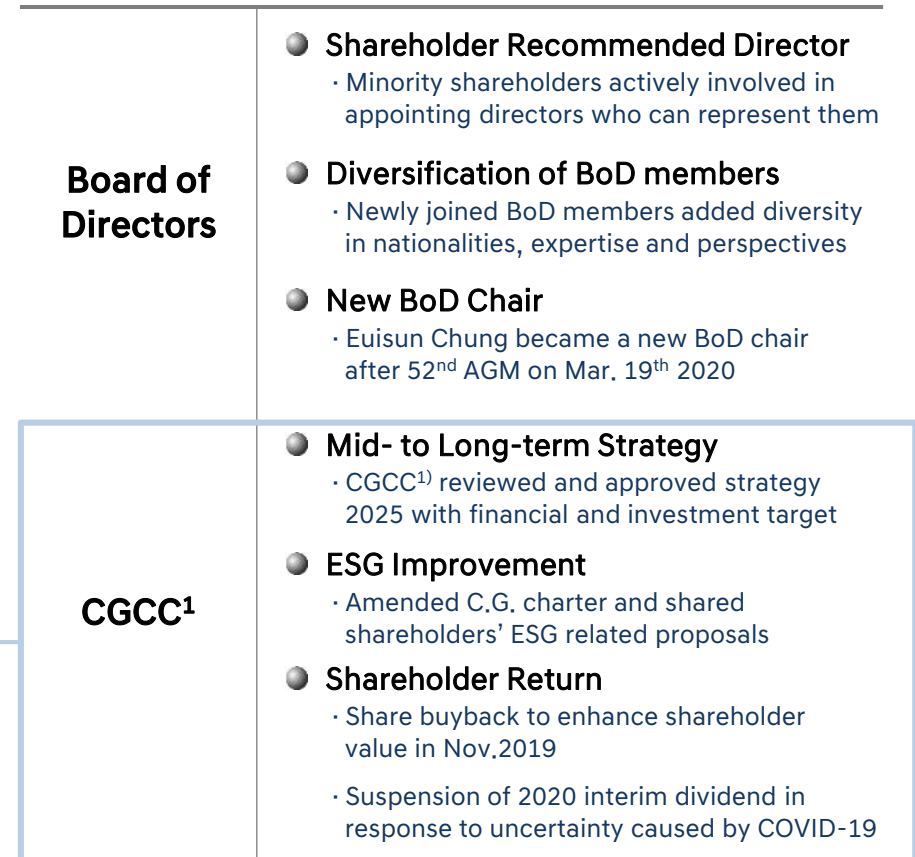
## BoD & Key Improvements

## Committees of BoD



## Highlights since 2019

## Continuous effort to secure sustainable growth and transparency



# ESG Enhancement Roadmap

## Growing Importance of ESG

- ESG is considered to be a key element for sustainable growth
- Market participants(equity, credit, government, etc.) take ESG as a necessary criteria when making investment decisions and policies
- Customers make purchasing decision and assign brand value based on ESG

### Phase I

#### Awareness (~2018)

- Report the market's interest in ESG to top management
- Offer ESG seminars to our Board members
- Open dialogue with rating & consulting firms
- Rank 1<sup>st</sup> place in Climate Change Actions by CDP

### Phase II

#### Initiation (~2019)

- Involve actively with ESG rating agencies (Sustainalytics, DJSI, MSCI)
- Include ESG ratings as one of CEO's KPI
- Share ESG matters with related departments

### Phase III

#### Advancement (~2020)

- Organize a team in charge of overall ESG strategy
- Review strategic approach and set up mid-to long-term plan
- Coordinate with all related teams to build stronger ESG

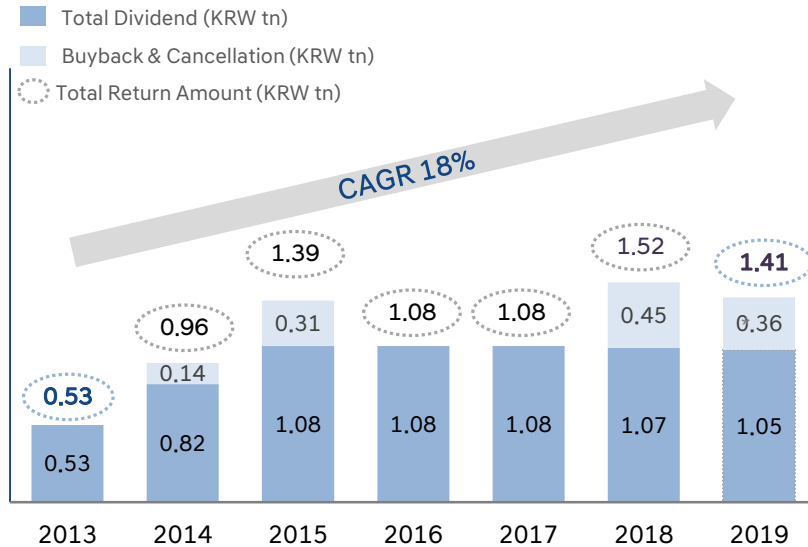
### Phase IV

#### Continuing Effort (2021~)

- Improve ESG practice to global peer level
- Expand our exemplary activities to the group
- Maintain high scores and rankings

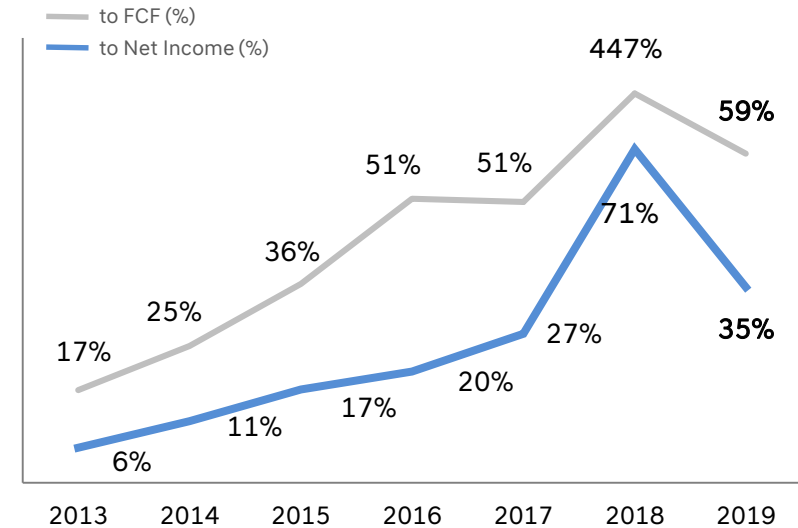
# Shareholder Return

## Shareholder Return



• Excluding Cancellation of treasury in Jul 2018 (2% of o/s shares)

## Payout Ratios



### 2017

- **Announced Dividend Policy**
  - Disburse 30~50% of free cash flow
  - Target peer level of payout ratio
- **Total Shareholder Return**
  - 1.1 trillion KRW (4,000won/share)
  - Payout ratios : 27% of NI, 50% of non-finance FCF

### 2018

- **Buyback and Cancellation**
  - 1% of o/s shares cancellation (Apr-Jul)
  - 1% of o/s shares buyback (Nov 2018-Feb 2019)
- **Total Shareholder Return**
  - 1.1 trillion KRW (4,000won/share)
  - 0.5 trillion KRW of share buyback

### 2019

- **Shares Buyback**
  - 1% of o/s shares buyback (Dec 2019-Mar 2020)
- **Total Shareholder Return**
  - 1.1 trillion KRW (4,000won/share)
  - 0.4 trillion KRW of share buyback

• Suspension of 2020 interim dividend in response to preemptively secure liquidity to uncertainty caused by COVID-19

## **Appendix**

---

**Production capacity by plant** P. 31

**Wholesales by Region** P. 32

**Statement of Income** P. 33

**Recent Earnings by Division** P. 34

**Finance Division** P. 35



# Production capacity by plant

		2019		Products	
		CAPA	Production		
(Unit: 1,000 vehicles)					
	Korea (HMC)	1,742	1,786	PV (Hyundai & Genesis), CV	
	China (BHMC)	1,350	658	Elantra, Mistra, La Festa, ix25, ix35	
	India (HMI)	696	682	Creta, Venue, Nios, Aura, i20	
	US (HMMA)	370	336	Elantra, Sonata, Santa Fe	
	Czech (HMMC)	330	310	i30, Tucson, Kona EV	
	Turkey (HAOS)	200	178	i10, i20	
	Russia (HMMR)	200	245	Solaris, Creta	
	Brazil (HMB)	180	206	HB20, Creta	 · Indonesian plant is under construction

· Source: 2019 Annual business report, Company data

# Wholesales by Region

(Thousand units)	Q3 2019	Q3 2020	YoY	9M 2019	9M 2020	YoY
Korea	163	199	+21.9%	547	584	+6.6%
North America	228	203	-11.1%	642	570	-11.1%
Europe	141	138	-2.4%	433	328	-24.2%
India	118	134	+13.9%	378	271	-28.3%
Russia	49	54	+10.7%	149	131	-12.1%
South America	86	57	-34.2%	228	131	-42.5%
Others <sup>1</sup>	146	94	-35.6%	399	287	-28.1%
<b>Sub-total<sup>2</sup> (ex-China)</b>	<b>928</b>	<b>879</b>	<b>-5.2%</b>	<b>2,776</b>	<b>2,302</b>	<b>-17.1%</b>
China (BHMC)	171	118	-31.0%	443	300	-32.5%
<b>Total<sup>3</sup></b>	<b>1,103</b>	<b>998</b>	<b>-9.6%</b>	<b>3,230</b>	<b>2,605</b>	<b>-19.3%</b>

<sup>1</sup> MEA, Asia-Pacific, Other regions, Commercial vehicles(ex, Korea CV)

<sup>2</sup> 2019 ex-China excludes China CV

<sup>3</sup> Wholesale including CV and CKD

# 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

# Recent Earnings by Division

(KRW Bil.)	2017	2018	2019
<b>Revenue</b>	<b>96,376</b>	<b>96,813</b>	<b>105,746</b>
<b>Automotive</b>	<b>74,490</b>	<b>75,265</b>	<b>82,487</b>
Portion (%)	77.3	77.7	78.0
Finance	15,415	14,958	16,027
Portion (%)	16.0	15.5	15.2
Others	6,471	6,589	7,233
Portion (%)	6.7	6.8	6.8
<b>Operating Income</b>	<b>4,575</b>	<b>2,422</b>	<b>3,606</b>
<b>Automotive</b>	<b>2,585</b>	<b>1,062</b>	<b>2,618</b>
Margin (%)	3.5	1.4	3.2
Finance	718	747	888
Margin (%)	4.7	5.0	5.5
Others	339	105	99
Margin (%)	5.2	1.6	1.4
Adjustment	932	508	0

Q1 2020	Q2 2020	Q3 2020	YoY
<b>25,319</b>	<b>21,859</b>	<b>27,576</b>	<b>+2.3%</b>
<b>19,555</b>	<b>16,057</b>	<b>21,486</b>	<b>+4.2%</b>
77.2	73.5		
4,176	4,341	4,441	+1.7%
16.5	19.9		
1,589	1,461	1,649	-16.8%
6.3	6.7		
<b>864</b>	<b>590</b>	<b>-314</b>	<b>TTR</b>
<b>569</b>	<b>295</b>	<b>-911</b>	<b>TTR</b>
2.9	1.8		
218	272	505	+121.6%
5.2	6.3		
71	42	73	+244.6%
4.5	2.9		
5	-19	19	

## 1 Assets: Auto centric portfolio (prime customers mix↑)

- New Car: HMG sales increase & Stronger OEM co-marketing
- Used Car: Channel diversification (online, direct sales) led to growth
- P-loan: Focused on auto prime customers
- Mortgage: Less market transactions & monthly volume cap maintained

## 2 Risk: Tightened risk to prepare for prolonged COVID-19

- Underwriting: Tightened policy of Non-Auto products
- Collection: Reinforced actions to prevent delinquency
- Non-Performing Loan: Established pre-write-off NPL sales process

## 3 Profits: Maintained with stable bad debt expense & cost savings

- Bad debt expense: Decrease from mix effect of an Auto centric portfolio
- SG&A: Optimized cost structure through process digitalization

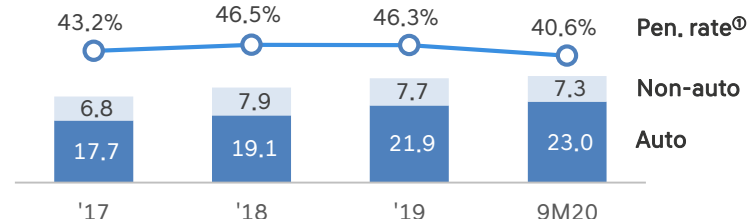
## 4 Treasury

- Funding: Leveraging short-term, ABS and offshore green bond
- Liquidity: Tightened liquidity policy to prepare for possible crisis

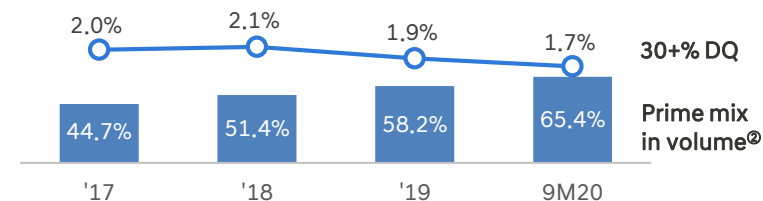
## 5 Global business: Widened finance coverage to support HMG sales

- Launched China Lease business, acquired Germany Sixt Leasing (3Q)

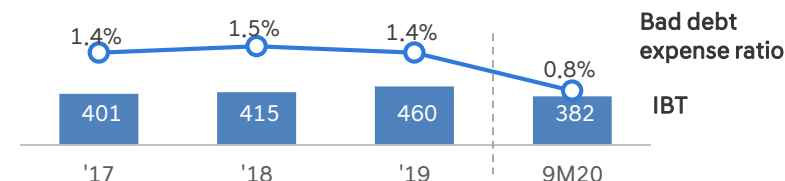
### Asset Portfolio (KRW tn)



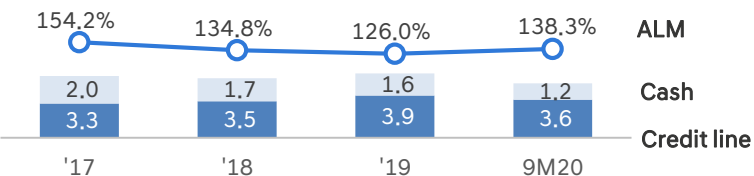
### Asset Quality



### Profits (KRW bn)



### Liquidity (KRW tn)



① Penetration rate ② P-loan and mortgage

## 1 Members: Grew in low-cost & high-efficiency channels

(PLCC, Online)

- PLCC: Continually signing new partnerships
  - ~'20.3Q: HMC, KMC, emart, ebay, Costco, SSG.com, GS Caltex, Korean Air
  - '20.4Q ~: Starbucks(Oct), BAEMIN('20.4Q), SOCAR('21), MUSINSA('21)

## 2 Volume: Gained balance growth of credit purchase & financial product

- Credit Purchase: Auto volume↑ based on solid domestic car sales, installment volume↑ from member expansion
- Financial Product: Volume of prime oriented Card Loan grew in line with member expansion

## 3 Profits: Maximized with optimal cost structure & stable quality

- Card related cost: Acquisition cost↓, due to PLCC channels & service fees↓ with digitalized processes
- Bad debt expense: Ratio improved with lower delinquency as a result of taking tighter risk actions

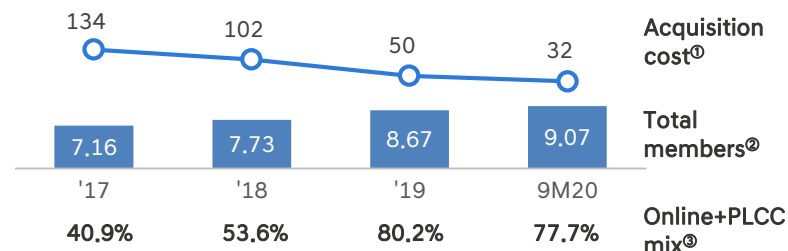
## 4 Treasury

- Funding: Sourced non-bond facilities (bank loan, ABS, etc.) to preemptively tackle short-term market crunch
- Liquidity: Increased cash holdings to prepare for possible crisis

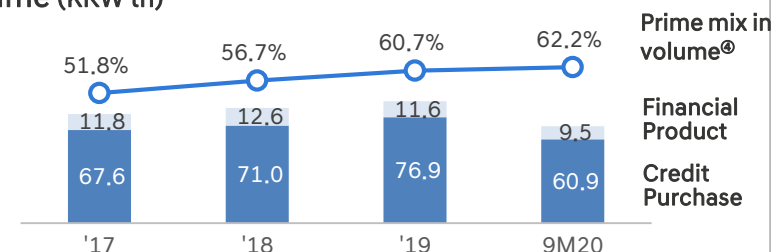
## 5 New growth engine: Transition to the data science company

- Building Big Data Platform to enable X-marketing between PLCC partners

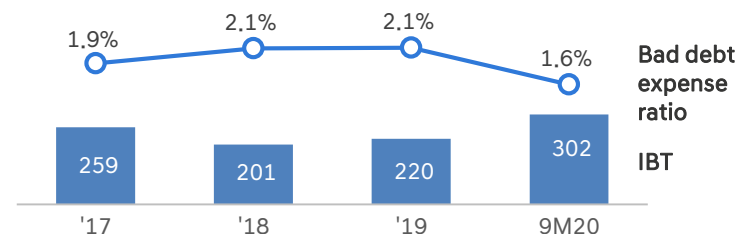
Members (KRW K, mn)



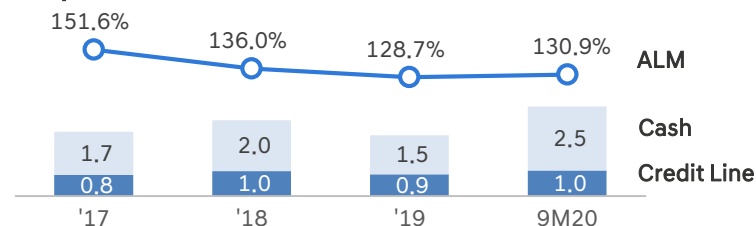
Volume (KRW tn)



Profits (KRW bn)



Liquidity (KRW tn)



## 1 Assets: Industrial finance turnaround & steady growth in corporate finance

- Industrial finance: maintained stable origination focusing on safe assets & visible results gained in new business
- Corporate finance: Increased volume in prime PF & NPL assets

## 2 Risk: Differentiated UW policy based on risk appetite

- Underwriting: Continually cutting off high-risk (multi-debt, thin file, etc.)
- Collection: Reinforced monitoring through field inspections & expediting collection on non-performing/high-risk receivables

## 3 Profits: Improved from solid bad debt expense & related company income

- Bad debt expense: Ratio improved with lower delinquency
- Related companies: Hyundai Card's strong performance continued, Fubon Hyundai Life's equity method income turned to surplus

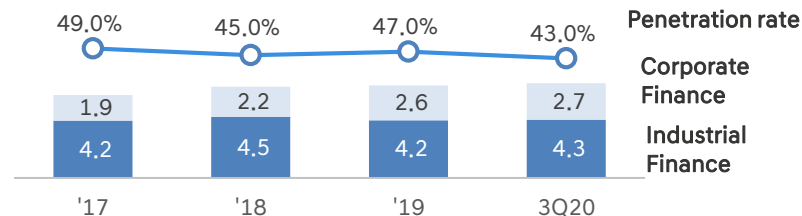
## 4 Treasury

- Funding: Diversified into long-term CP, sustainability bond, etc.
- Liquidity: Tightened liquidity policy to prepare for possible crisis (year-end targets: 6M Coverage 110%, ALM 130%)

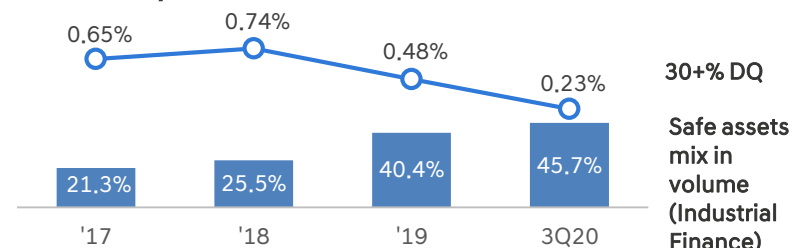
## 5 New growth engine: Shift to platform business

- Korea's first ever corporate finance market platform
- Deal matching and various corporate related services provided

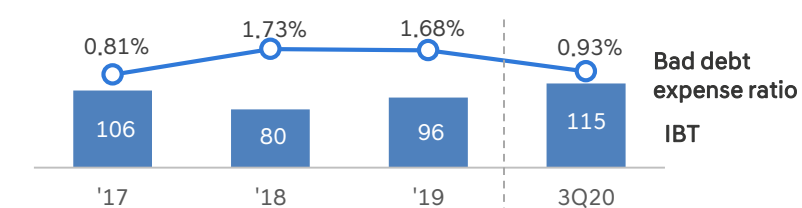
Asset Portfolio (KRW tn)



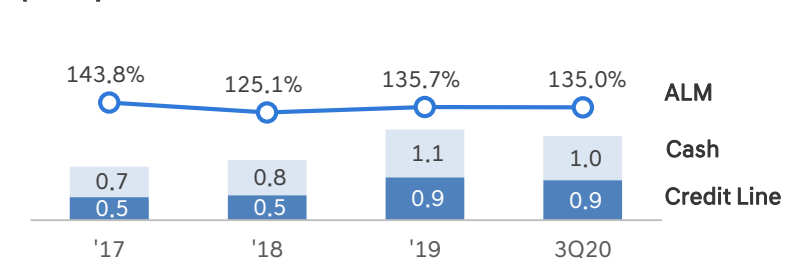
Asset Quality



Profits (KRW bn)



Liquidity (KRW tn)



# Hyundai Capital America (US)

## 1 Assets: Loan focused growth with OEM sales recovery based on better market share & higher penetration rate

- Loans: Growth driven by SUV line-up shift and pen. rate increase
- Lease: Control asset size to minimize possible lease residual risk

## 2 Risk management: Continued asset quality improvement with conservative UW policy & normalized collection activity

- 30+ %: Prime customer focused asset growth and stabilized quality performance with tighter underwriting
- Collection: Restart activity after COVID-19 deferral payment & repossessions hold

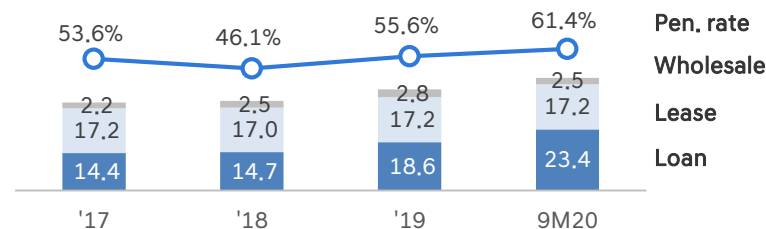
## 3 Profits: Stronger IBT with topline growth, recovered used vehicle value & stabilized bad debt expense

- Revenue: Interest income growth from expanded loan asset
- Lease RV: Recovered pricing with rebounded used vehicle demand
- Bad debt expense: stabilized due to strong customer payment performance

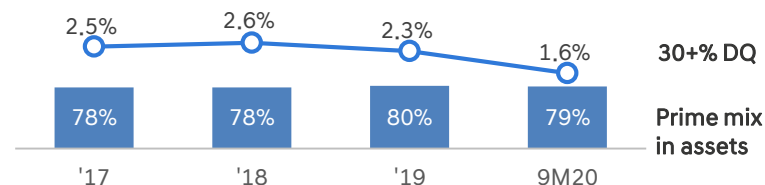
## 4 Capital structure & liquidity

- Funding: 3Q Issued bond(2.5BN USD) & lease ABS(1BN USD)
- Liquidity: Strong position supported by broad capital market access

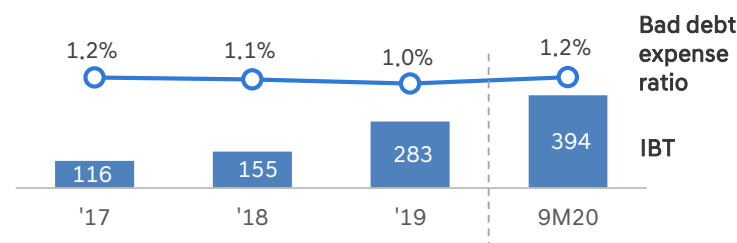
### Asset Portfolio (KRW tn <sup>②</sup>)



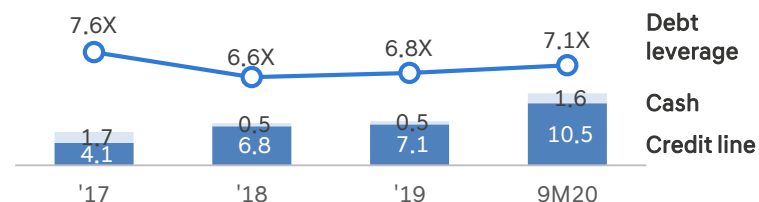
### Asset Quality



### Profits (KRW bn <sup>②</sup>)



### Liquidity (KRW tn <sup>②</sup>)





# Beijing Hyundai Automotive Finance (China)

## 1 Assets: Growth from stronger penetration rate & longer assets maturity

- Volume: Lessened impact of volume decline compared to drop in car sales by increasing penetration rate (YoY +4.7%p)
- Maturity lengthening: Continually expanding income basis by shifting assets to longer tenor (24M→36M)

## 2 Risk: Quality index stabilizing since year-beginning COVID-19 hit

- 30+%: Stabilizing since updating internal risk model (vs. Feb'20 0.24%)
- Quality: Recovered prime asset mix through conservative risk management (Feb'20 78.6% → Sep'20 81.0%)

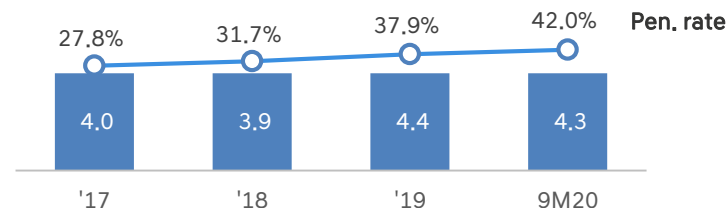
## 3 Profits: Income grew from asset effect & ordinary expenses reduction

- Operating revenues: Interest income grew 6.3% YoY as an effect of accumulated financial assets
- Ordinary expenses: Continually reduced with labor cost cuts and deferred marketing cost

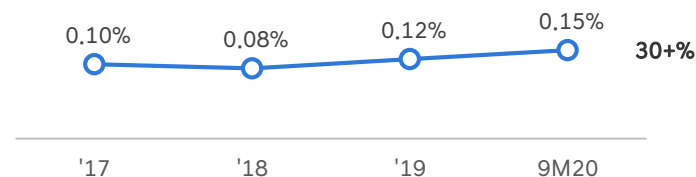
## 4 Treasury

- Funding: Obtained 1.4BN RMB bank loan, planning ABS/bond 6BN RMB in 4Q
- Liquidity: Preemptively increased cash holdings to prepare for a possible market crunch caused by a second COVID-19 wave

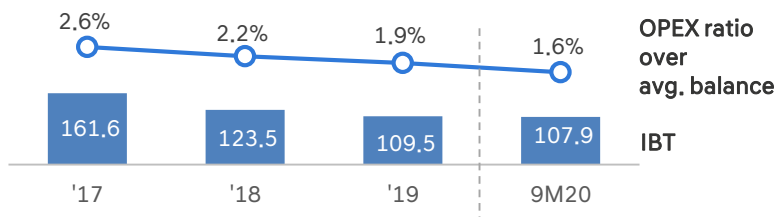
Asset (KRW tn<sup>①</sup>)



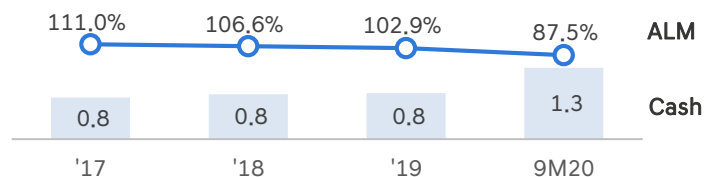
Asset Quality



Profits (KRW bn<sup>②</sup>)



Liquidity (KRW tn<sup>③</sup>)



# Cautionary Statement with Respect to Forward-Looking Statements

---

In the presentation 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. 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.