

HMC Investor Presentation

Hyundai Motor Company
March 2021

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

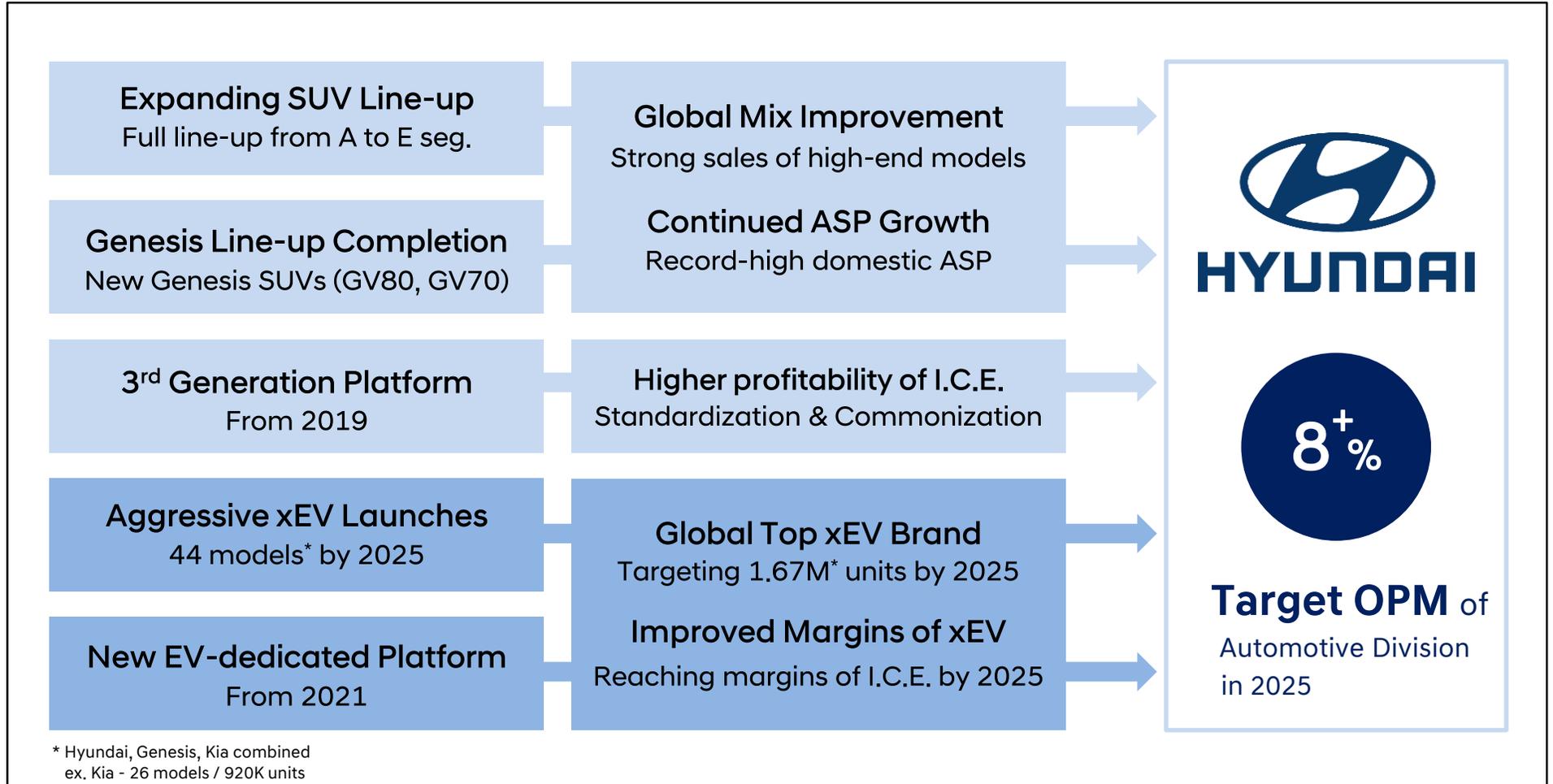
BEV Strategy P. 6

FCEV Strategy P. 8

Introducing “Motional” P. 11

Key Highlights

Earnings Improvement led by Strong Model Cycle

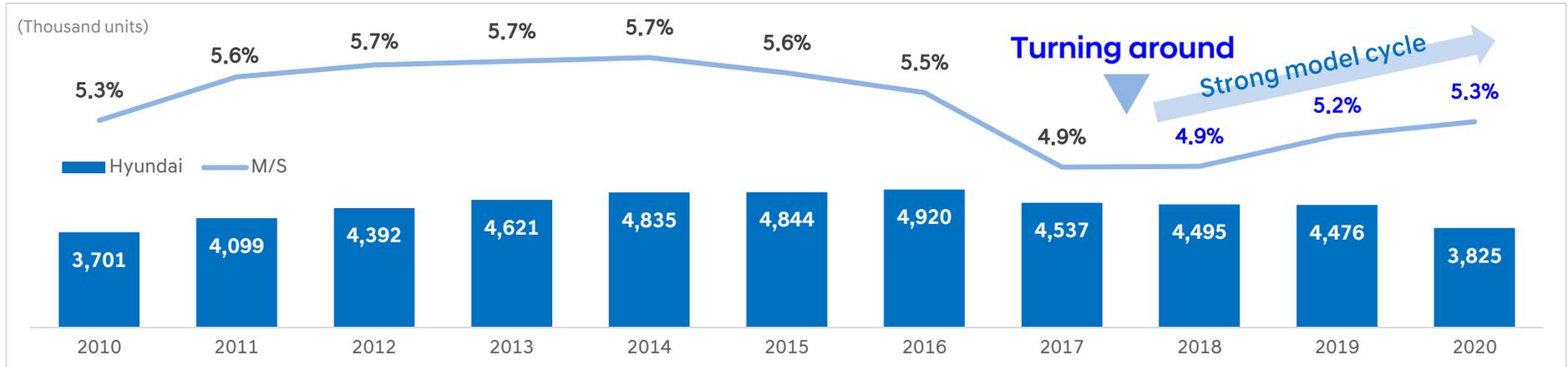


New Model Launch Schedule

	2020	2021	2022
SUV	 CRETA  SANTA FE F/L  TUCSON	 STARIA  NEW CUV  i20 CUV	 PALISADE F/L  ix35
SEDAN	 ELANTRA  i20  MISTRA	 AVANTE N  i20 N	 GRANDEUR  SONATA F/L
GENESIS	 GV80  GV70  G80  G70 F/L	 G90  G80 EV (Derivative)  CUV EV  G70 F/L	 GV70 EV
ECO-FRIENDLY	 TUCSON (HEV)	 IONIQ 5  MISTRA EV (China dedicated)	 CE  SUV EV (China dedicated)  GRANDEUR (HEV)

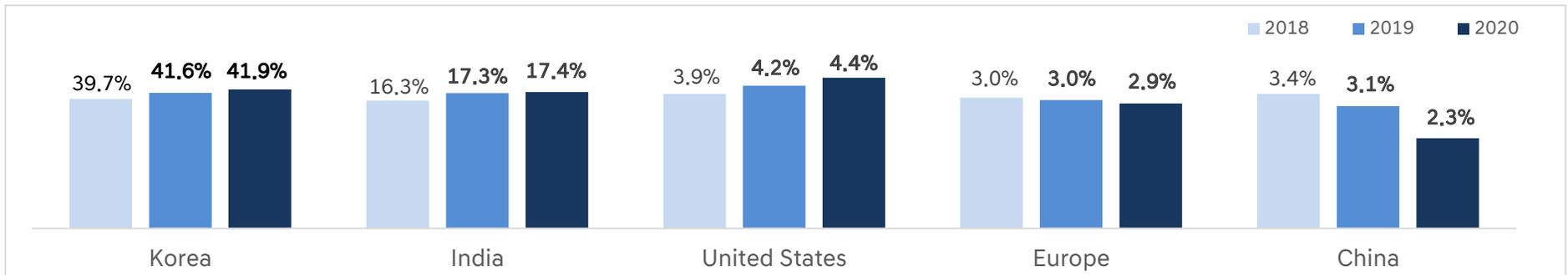
Global Sales and Market Share

Global sales and market share trend



· Source : IHS, Company data

Market share by region



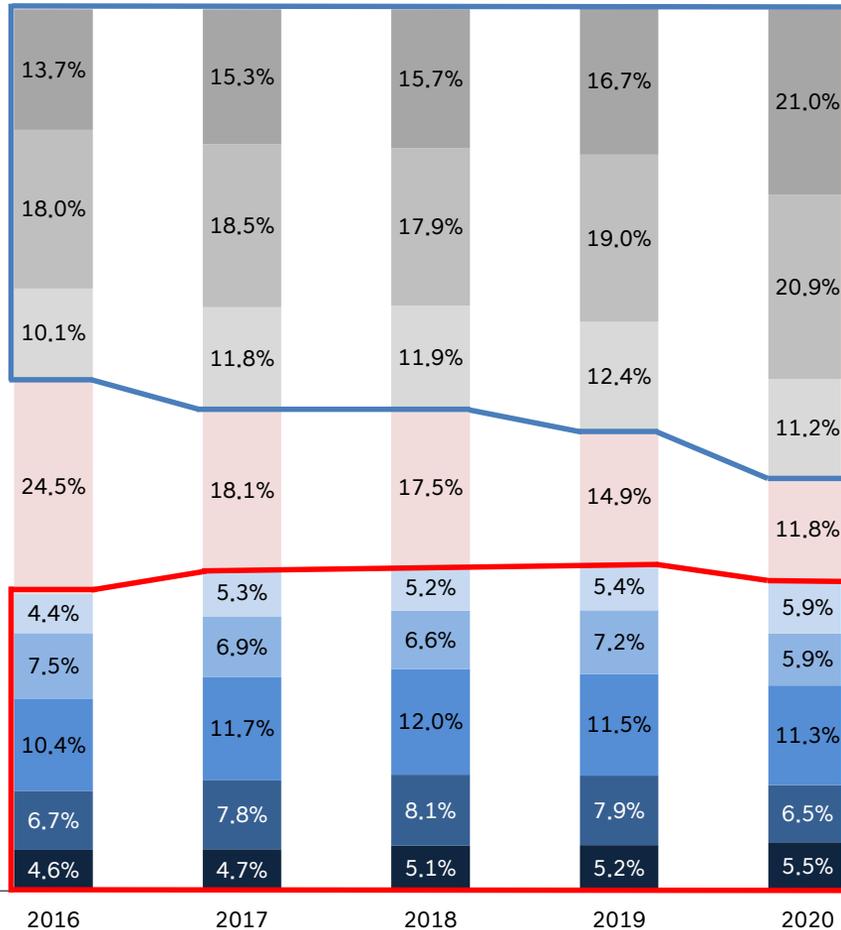
1st model launch of 3rd gen. platform by regions



Geographical Sales Mix

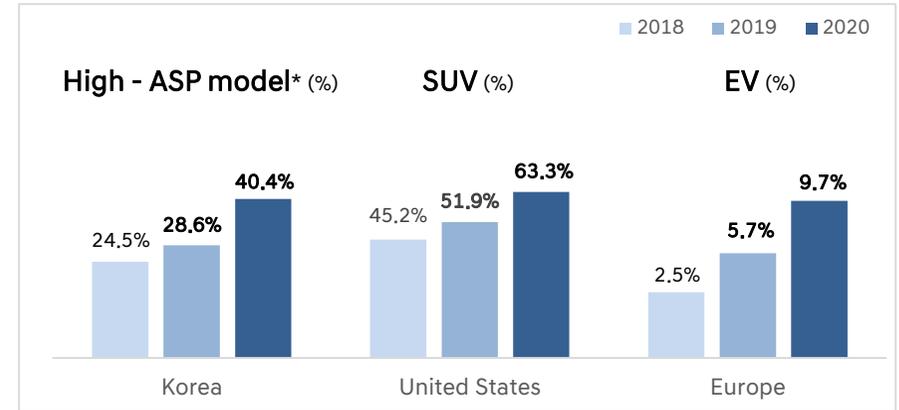
Sales by Region

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



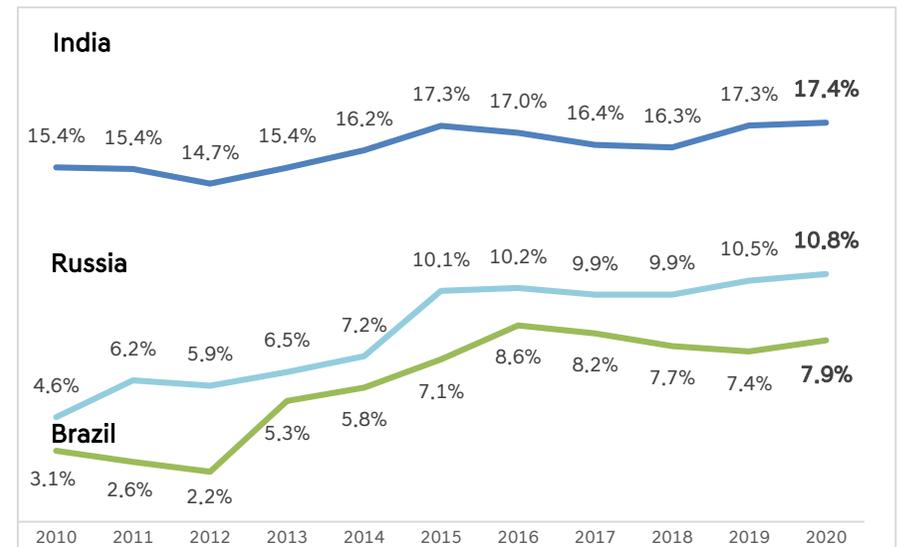
(Company Data, Wholesale)

Competitive mix in Developed Market



* Genesis + Grandeur + Palisade

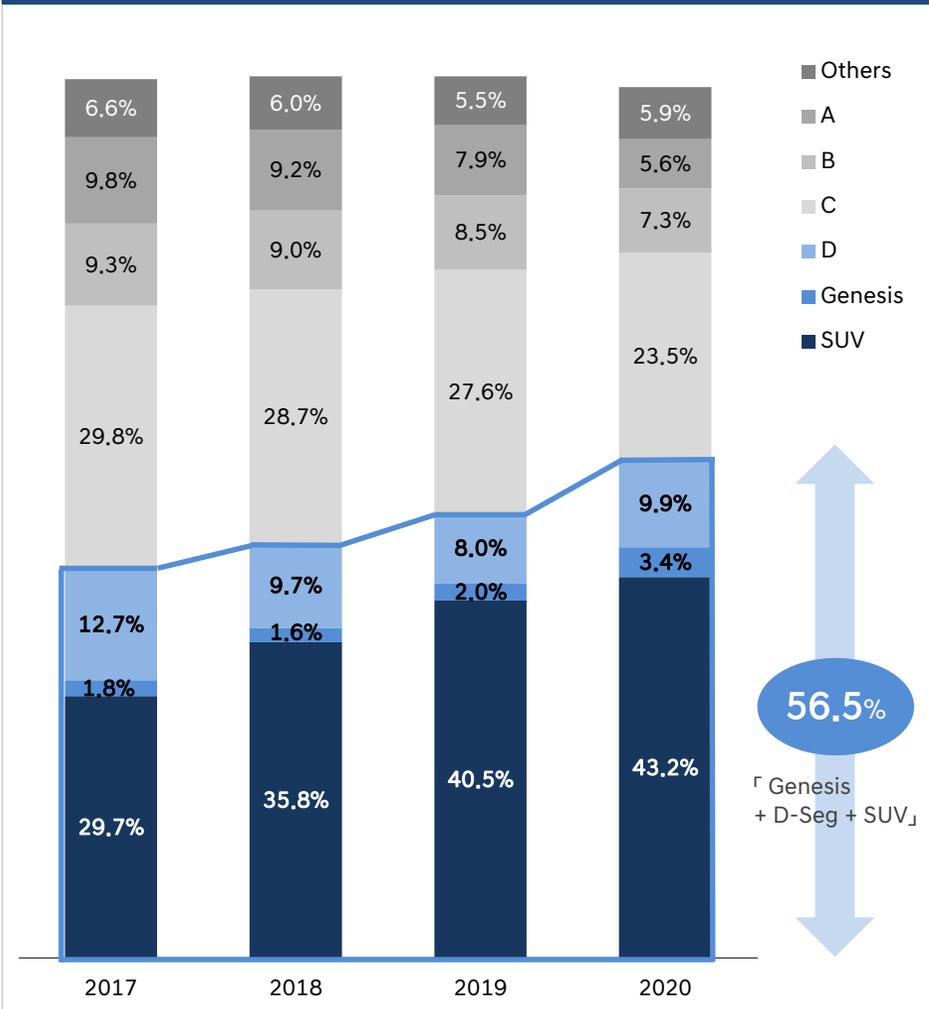
Strong M/S in Emerging Market



· Production : HMMR (2010), HMB (2012)

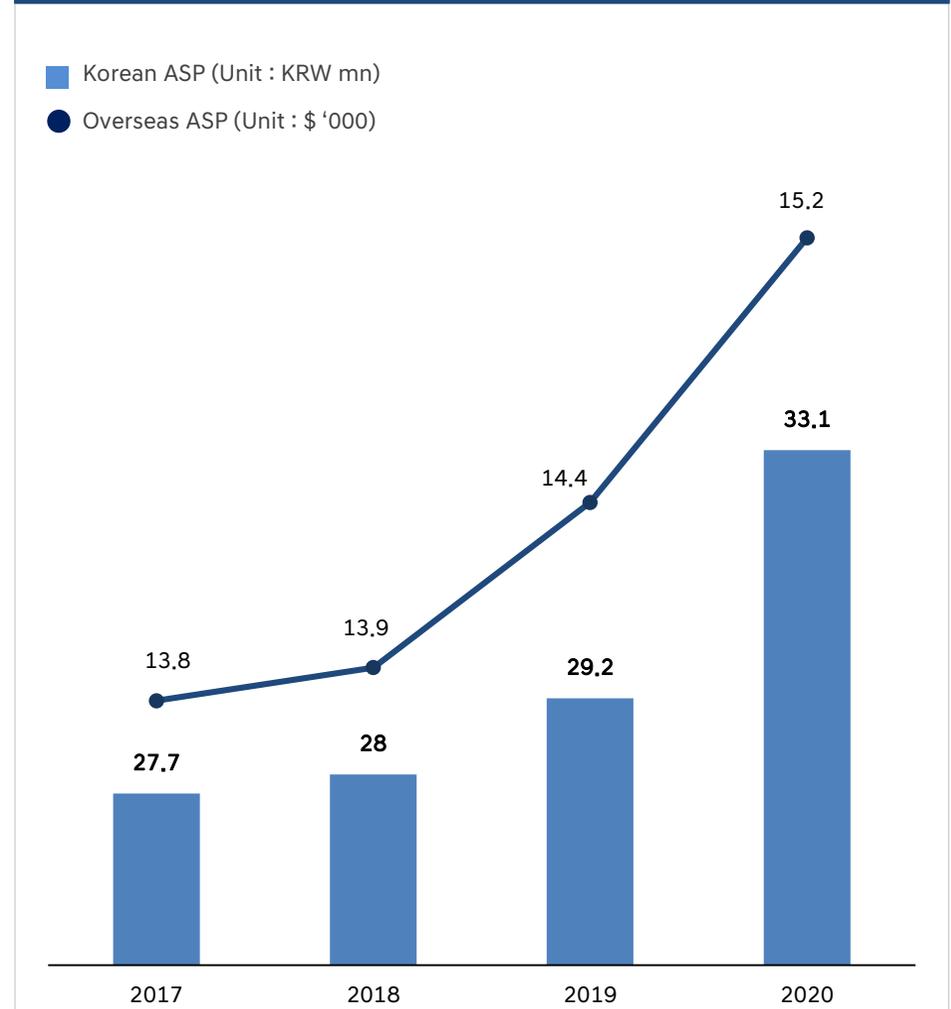
Product Mix & ASP Trend

Sales mix by segment (Wholesale)



· GV80 is included in Genesis

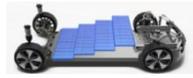
Increasing Average Selling Price



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]

A Seg ← B&C Seg → E Seg
MPV

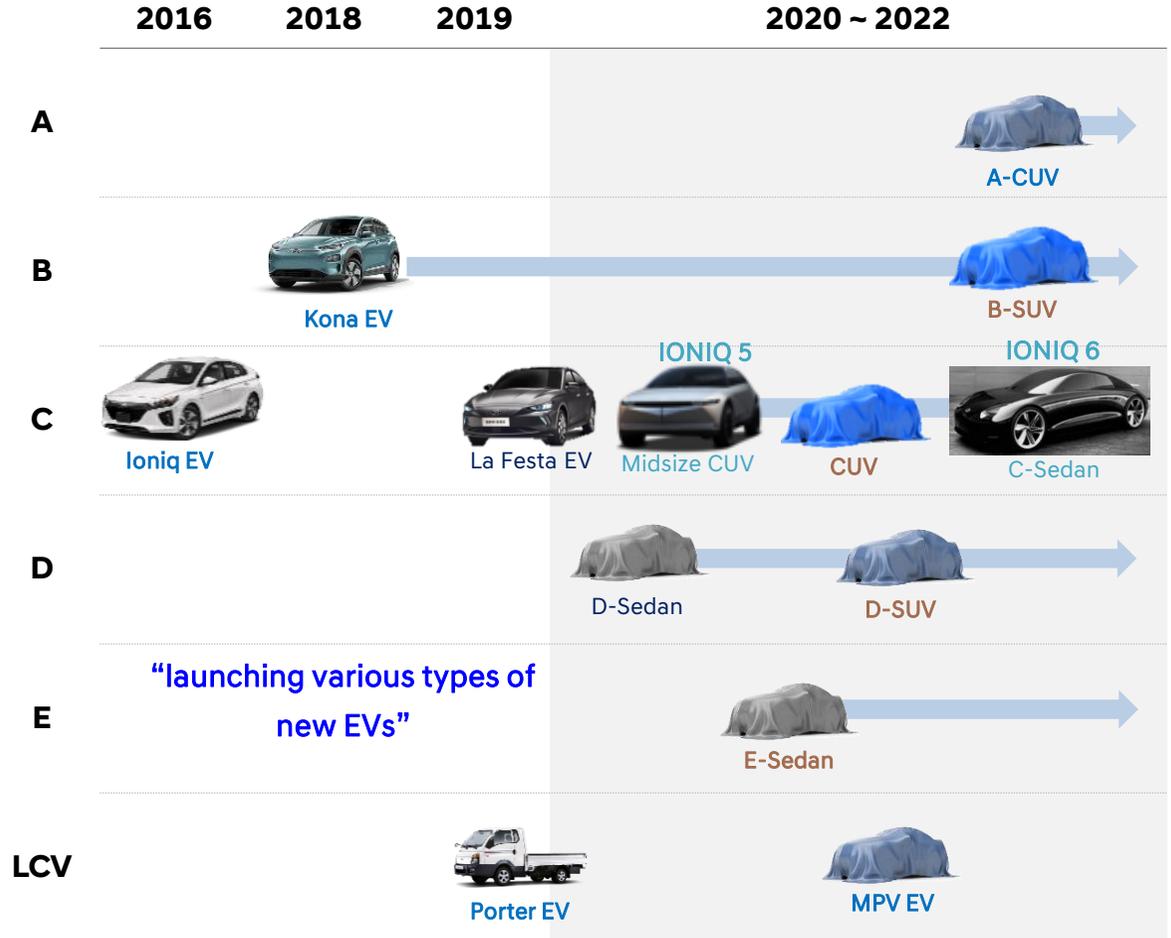
New business model

Charging
Infrastructure

Battery
Related Biz

1) E-GMP : Electric Global Modular Platform

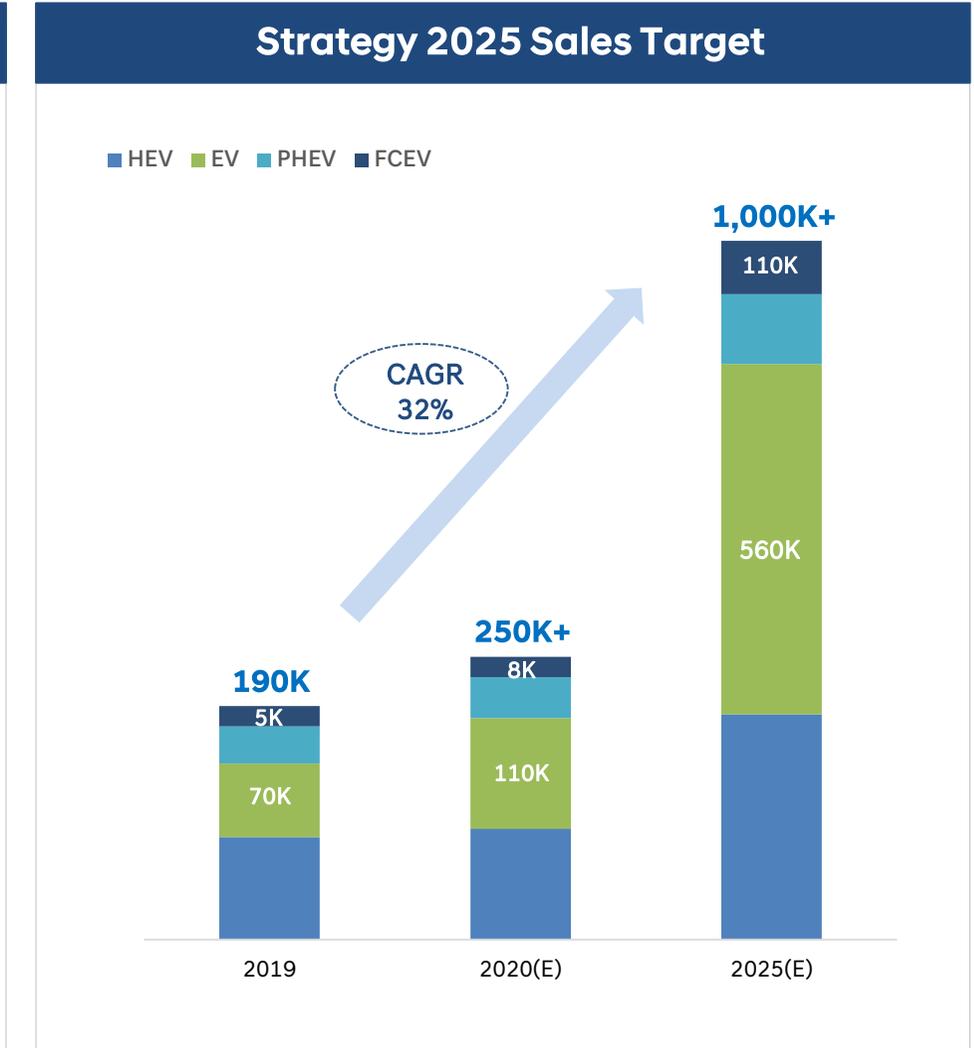
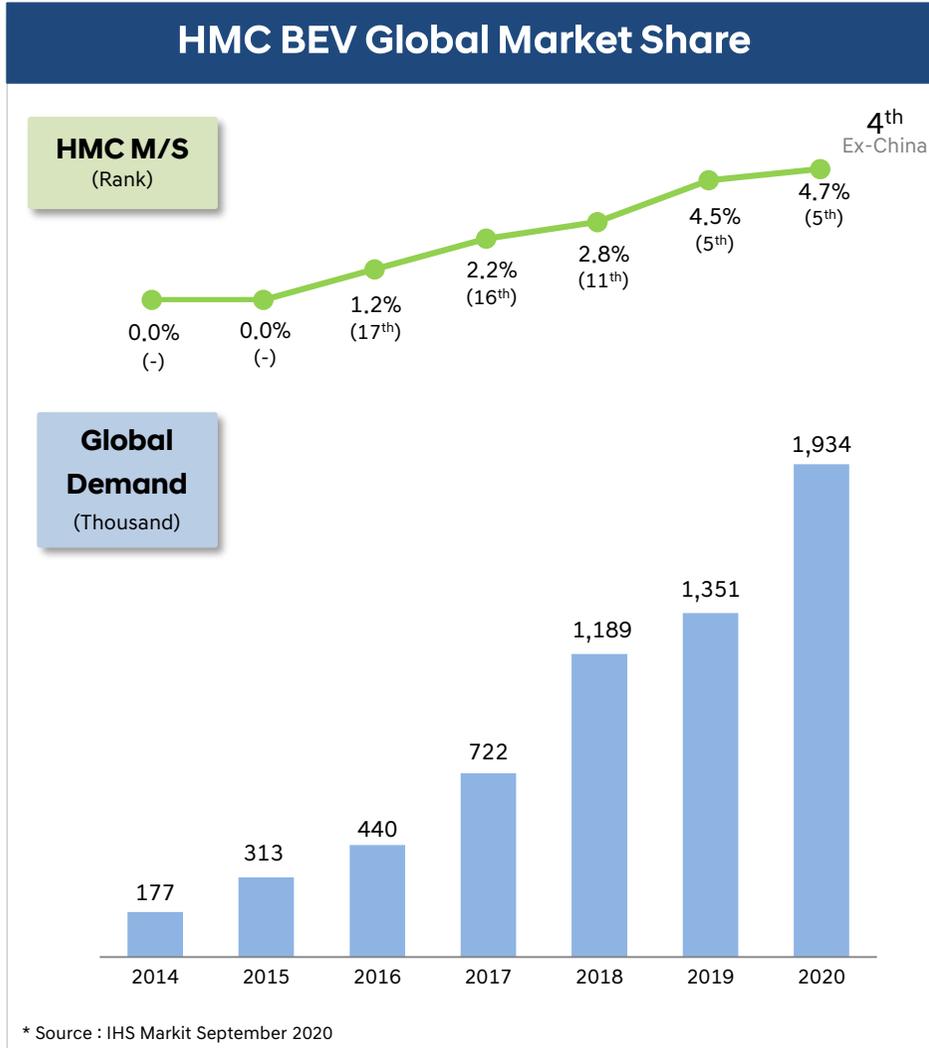
HMC BEV Line-up 「 IONIQ & GENESIS 」



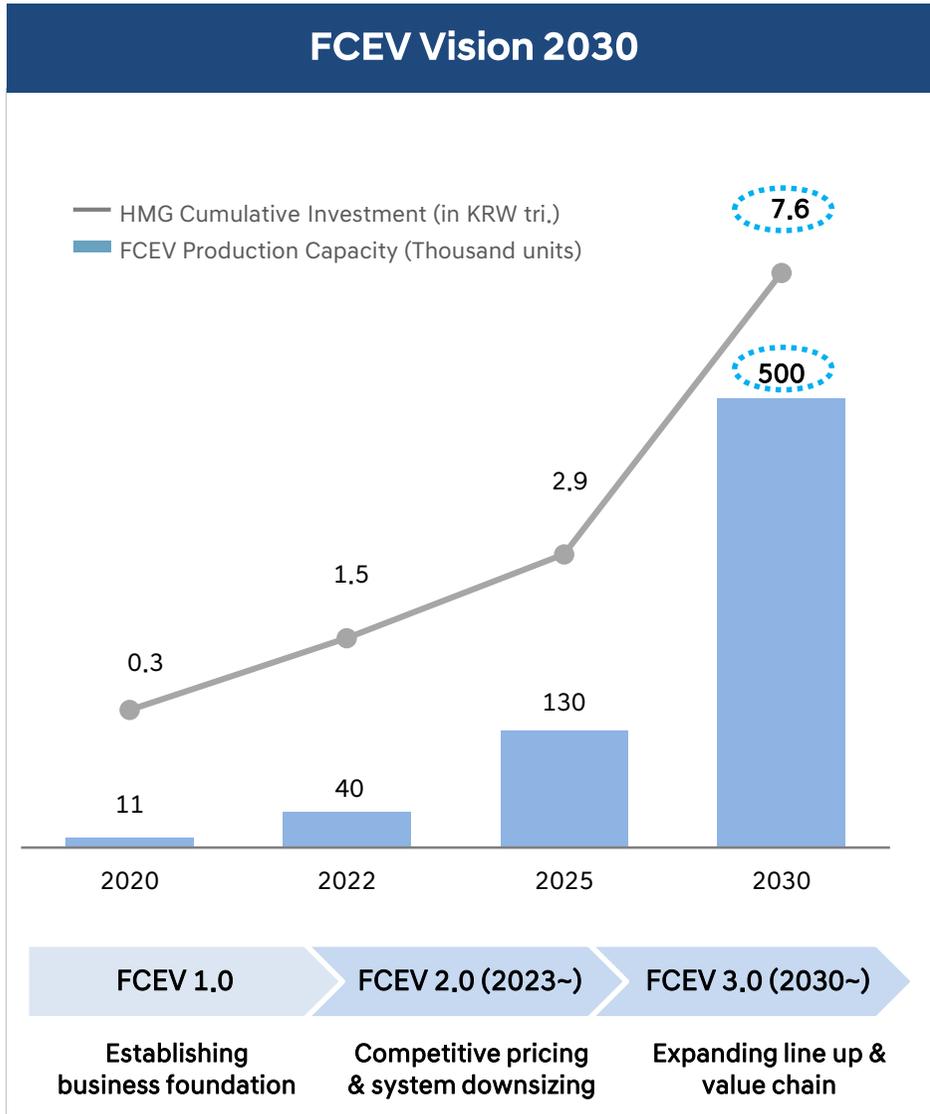
· Launch schedule is subject to change

Strong Market Position in EV

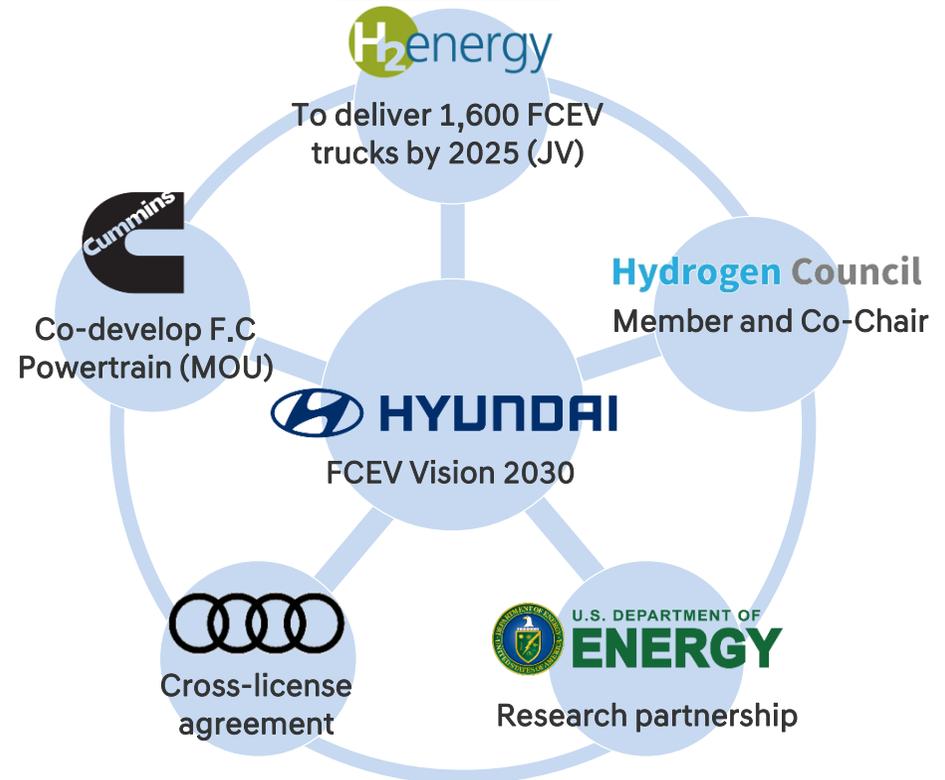
Enhancing Market Position in EV Market



FCEV Strategy



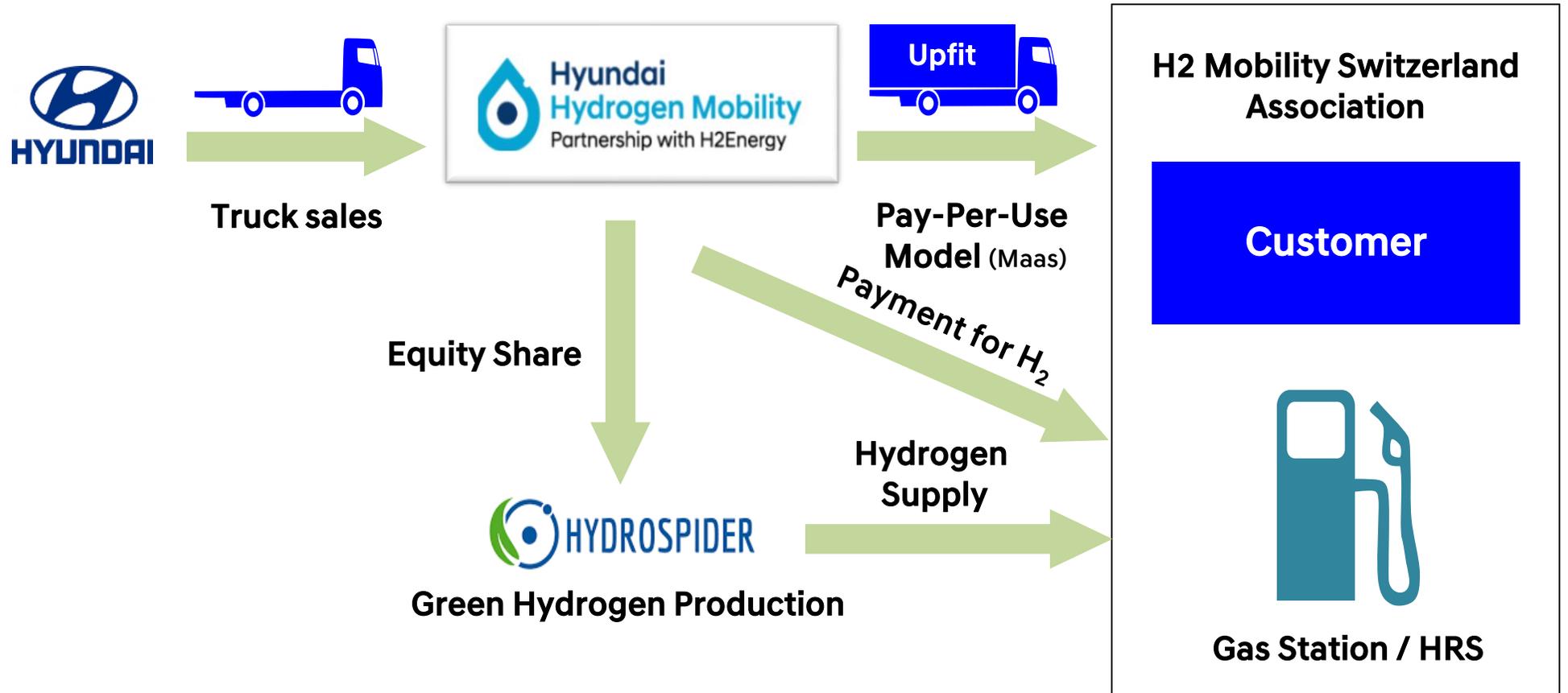
Vitalizing Hydrogen Society



FCEV Strategy (continued)

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

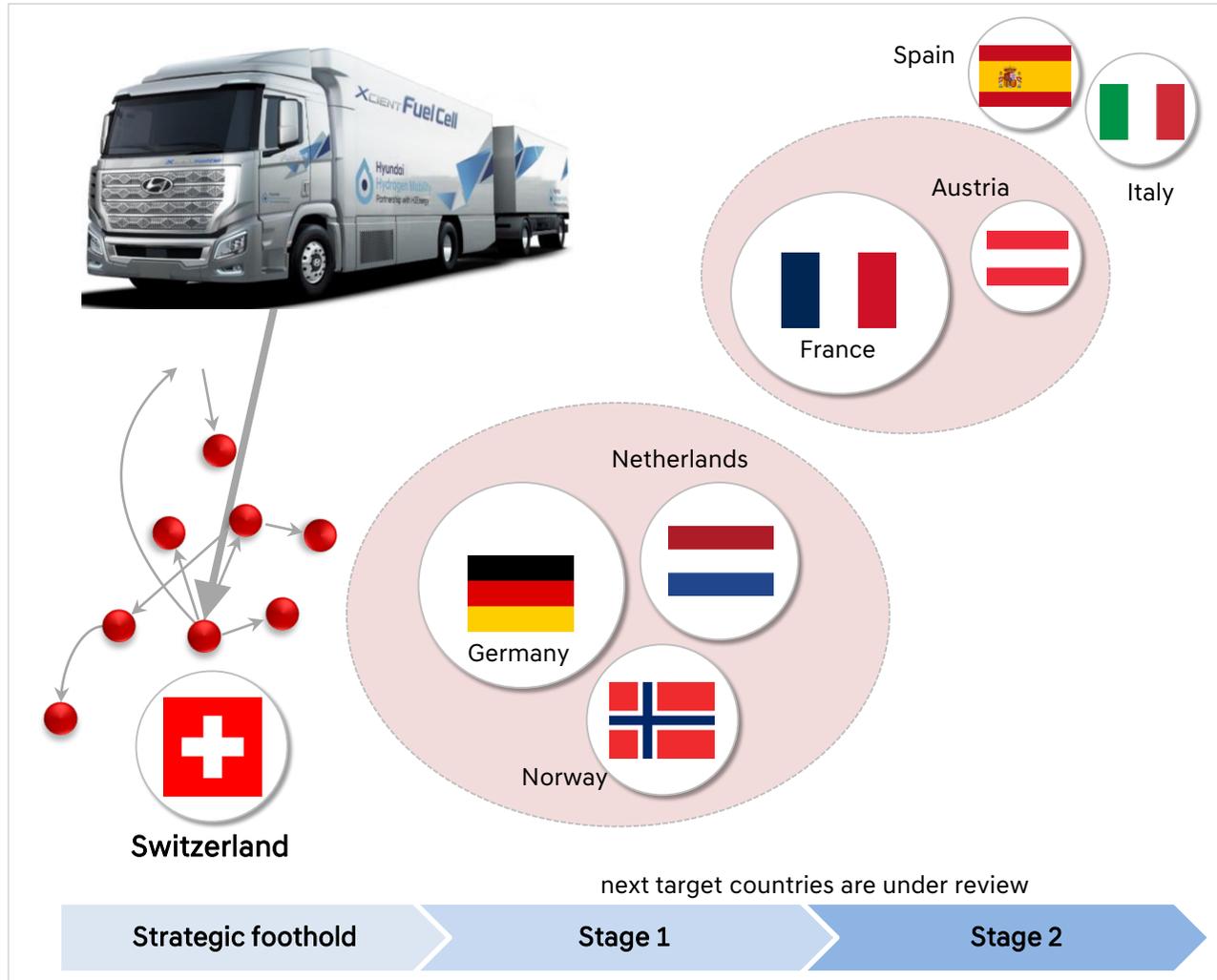
First 50 units will be delivered this year from September 2020 (First global commercialization)



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

○ · Potential market size of FCEV trucks

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

~'23

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

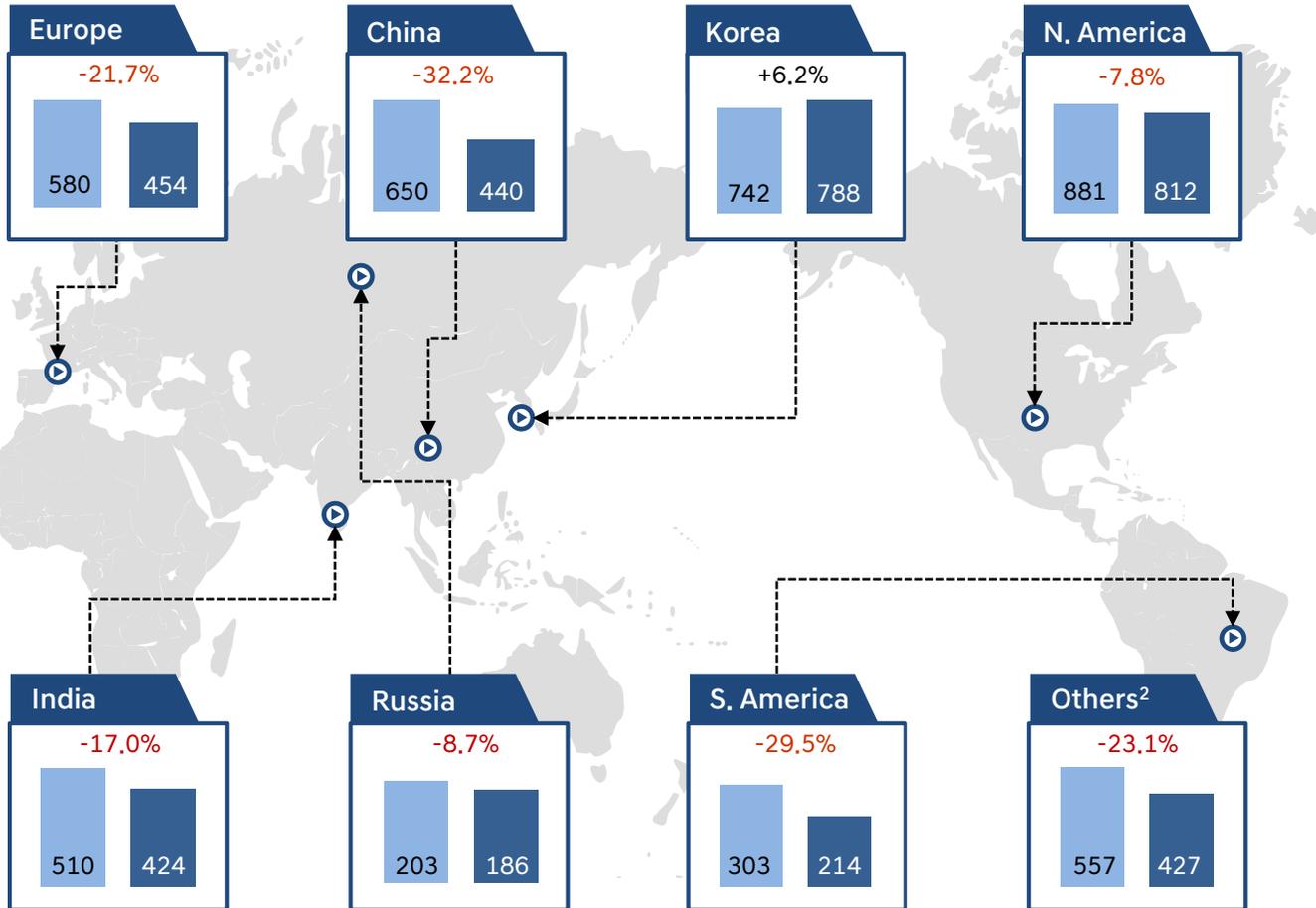
P. 18

Russia / Brazil

P. 19

Global Wholesale (Annual)

■ 2019 ■ 2020 (Thousand units)



Global Demand¹

(10K units)

	2019	2020	YoY
Korea	174.4	185.0	+6.1%
US	1,706.1	1,457.5	-14.6%
Europe ³	1,580.6	1,196.1	-24.3%
China	2,080.4	1,943.6	-6.6%
India	295.4	244.0	-17.4%
Global	8,670.0	7,264.0	-16.2%

HMC Global Sales⁴



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

² Middle East and Africa, Asia-Pacific, Other regions and Commercial Vehicle (ex. Korea CV)

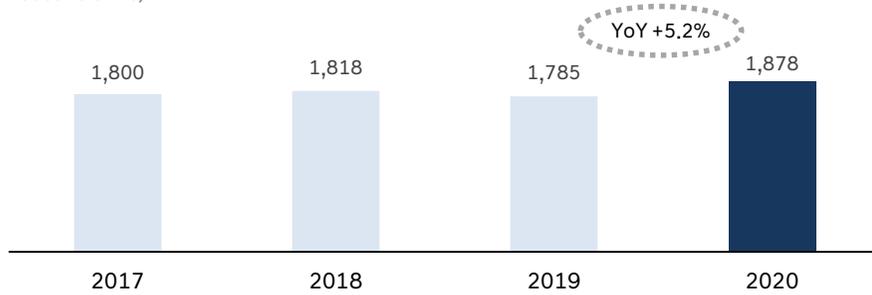
³ Western Europe excluding CV

⁴ Wholesale including CV, Q4 2020 sales including CKD sales

Korea Market

Industry Demand

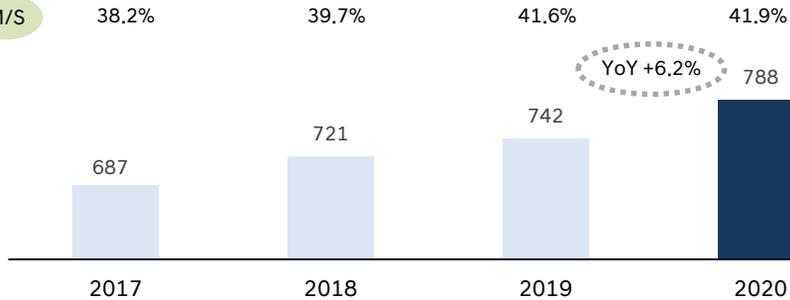
(Thousand units)



Hyundai Sales

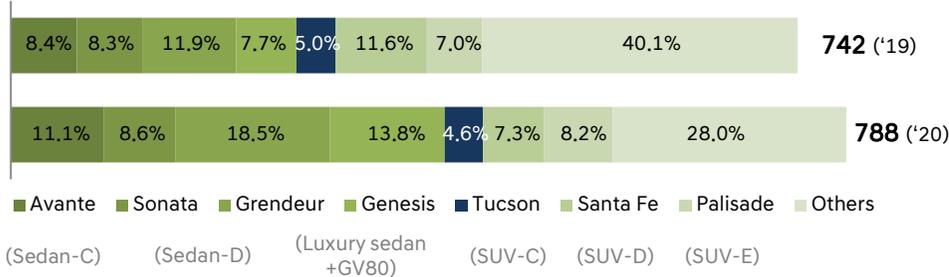
(Thousand units)

M/S



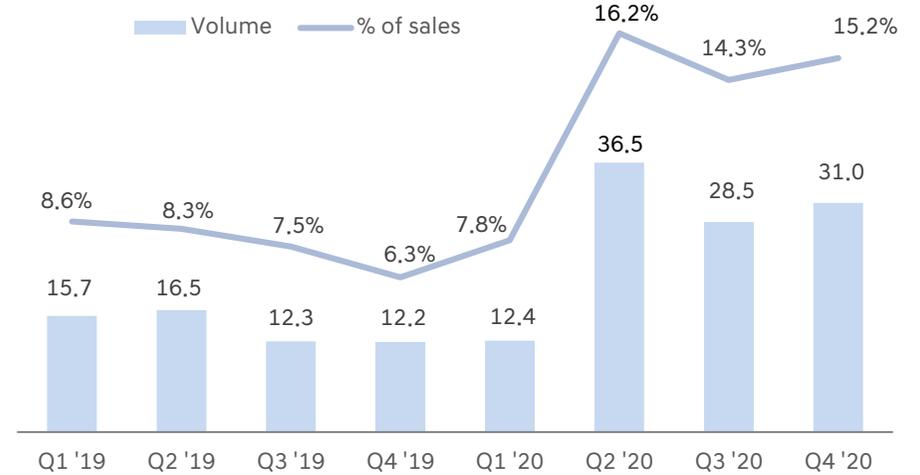
Sales by Model

(Thousand units)



Genesis Sales Increase

(Thousand units)



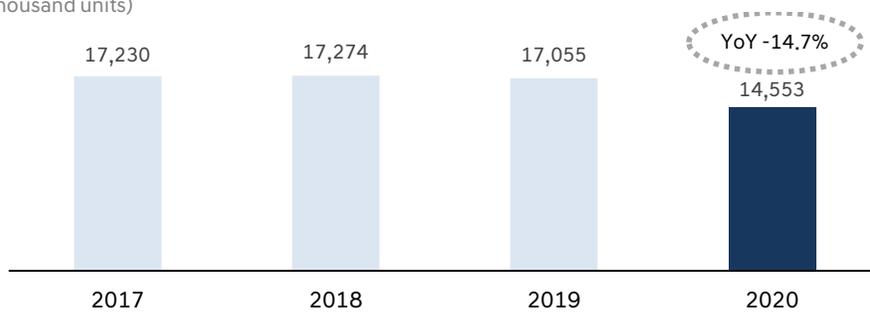
Strong New Vehicle Cycle to continue



US Market

Industry Demand

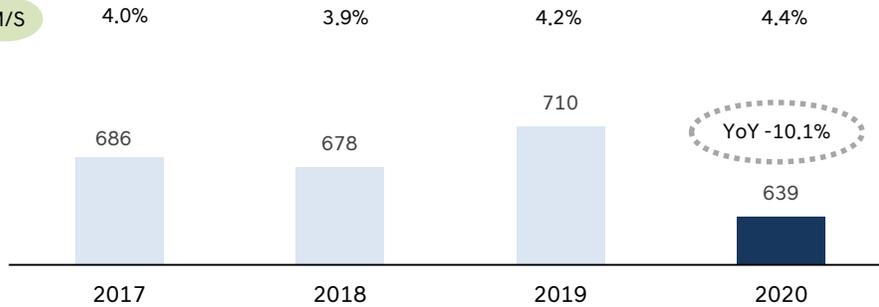
(Thousand units)



Hyundai Sales

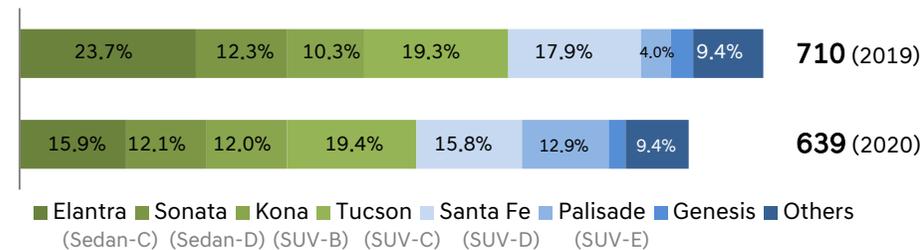
(Thousand units)

M/S



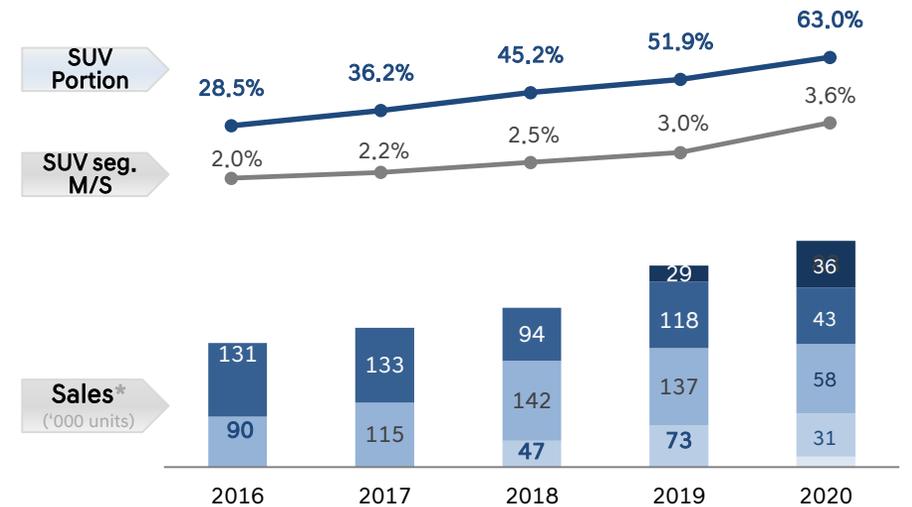
Sales by Model

(Thousand units)



SUV Sales Trend

■ Venue ■ Kona ■ Tucson ■ Santa Fe ■ Palisade



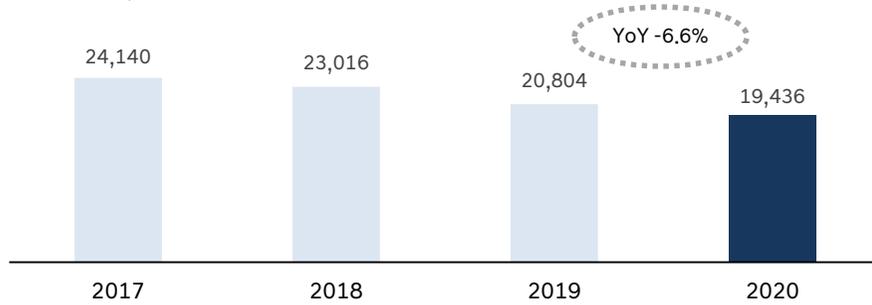
Strong New Vehicle Cycle to continue

	2020	2021
Sedan	 New Elantra	
Genesis	  Genesis SUV GV80 New Genesis G80	 Genesis SUV GV70
SUV	 Santa Fe F/L	   New Tucson IONIQ 5 Santa Cruz

China Market

Industry Demand

(Thousand units)

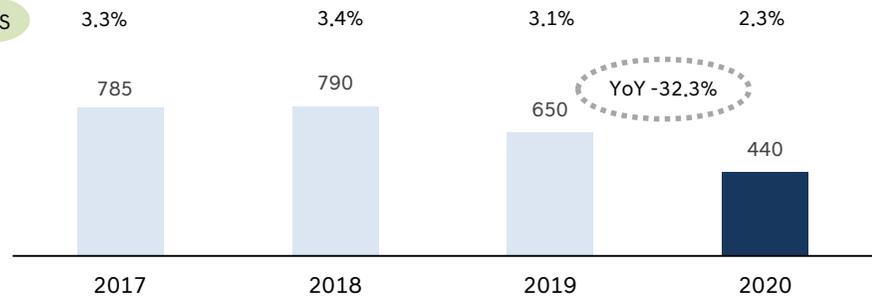


Hyundai Sales

(Wholesales)

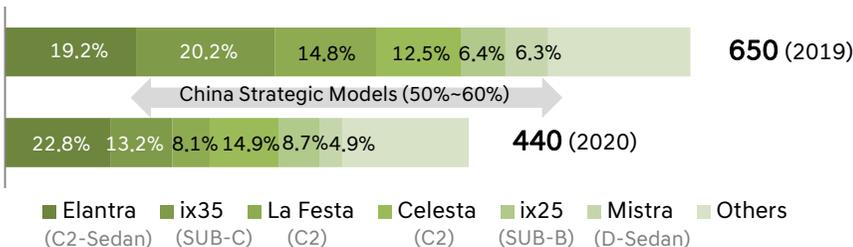
(Thousand units)

M/S



Sales by Model

(Thousand units)



China Strategy

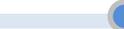
Successful new car launch

Long-term roadmap for sustainable growth

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

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

New Model Line-up

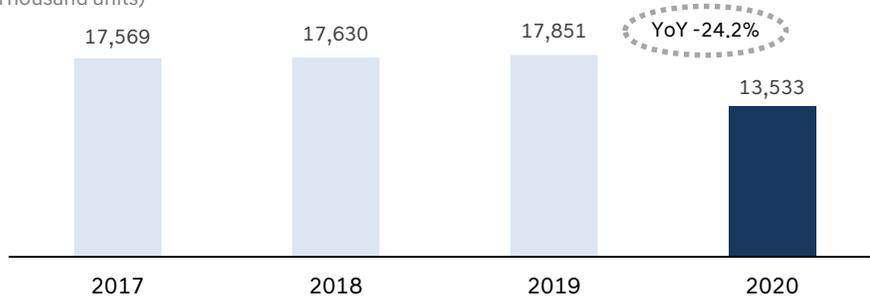
	2020	2021
Sedan	 Elantra	 Mistra  La Festa F/L
SUV	 ix35 F/L	 Tucson  Custo
EV	 La Festa EV	 Mistra EV

* Palisade will be imported from Korea
· Launch schedule is subject to change

W. Europe Market

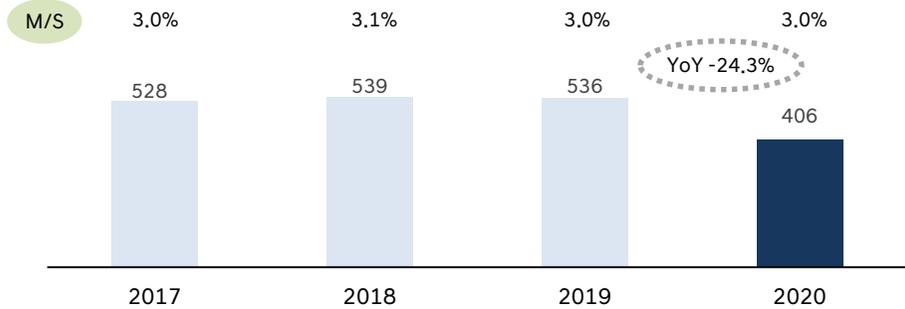
Industry Demand

(Thousand units)



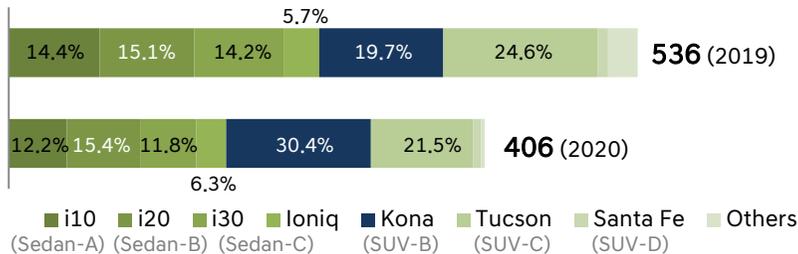
Hyundai Sales

(Thousand units)



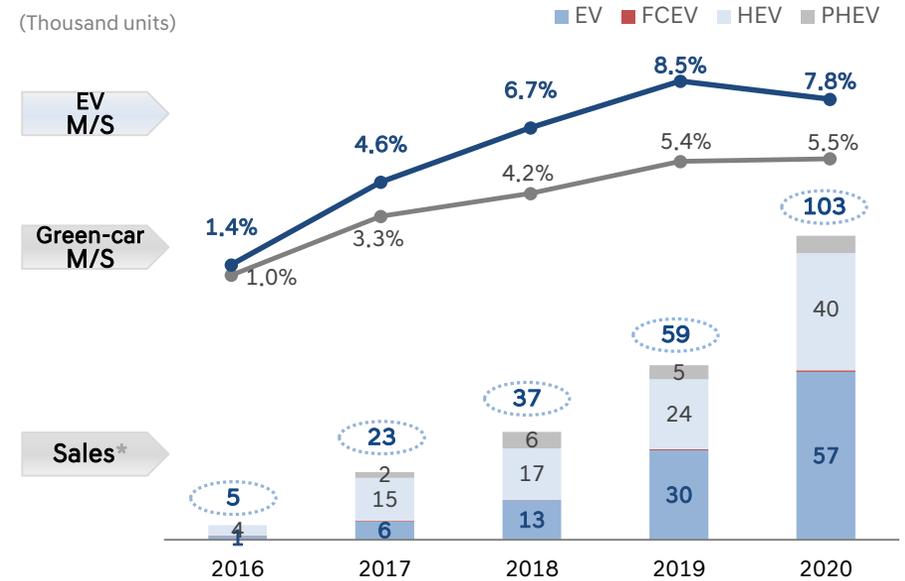
Sales by Model

(Thousand units)



Green-car Sales Trend

(Thousand units)



Expand Green-car line ups

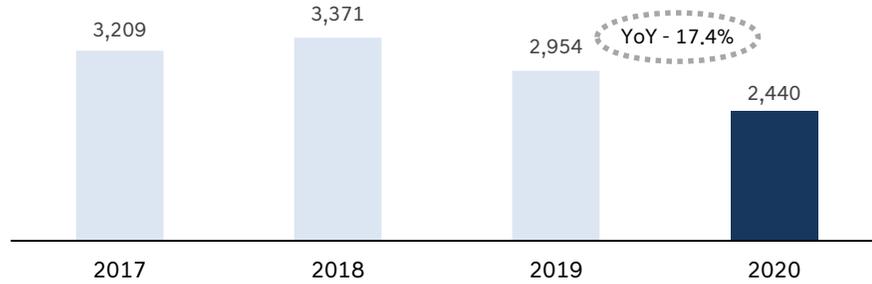
- Maximize EV & FCEV sales and Expand green-car line-up

	2020				2021			
New Model	· Tucson HEV · Santa Fe HEV				· IONIQ 5 (1 st E-GMP EV) · Tucson PHEV · Santa Fe PHEV			
Line-up	EV	HEV	PHEV	FCEV	EV	HEV	PHEV	FCEV
	2	4	1	1	3	4	3	1

India Market

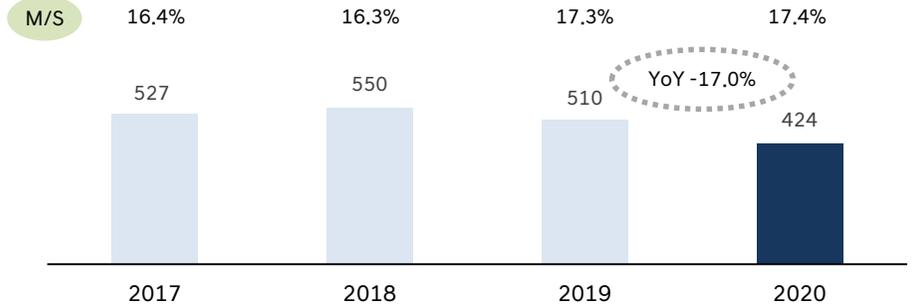
Industry Demand

(Thousand units)



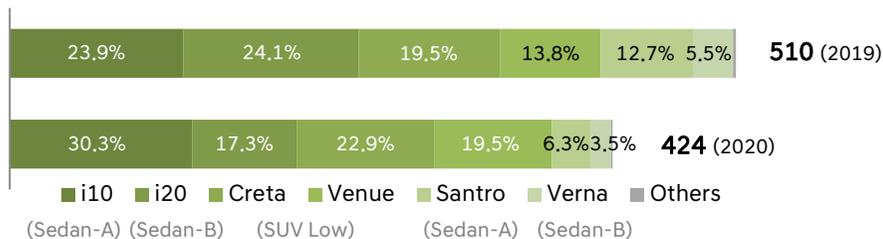
Hyundai Sales

(Thousand units)



Sales by Model

(Thousand units)



Winning M/S with Refreshed Line-up

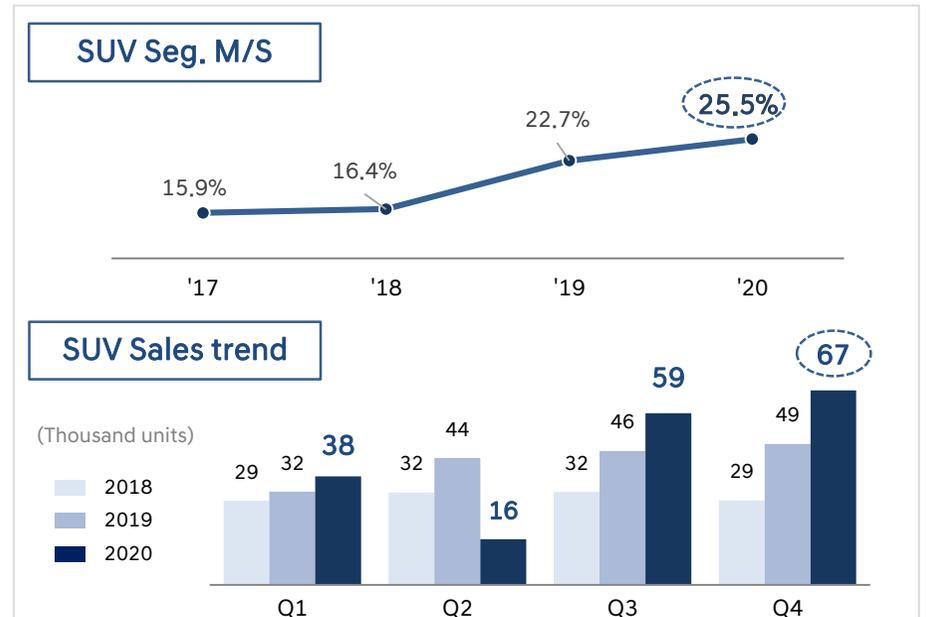
H1 2020

H2 2020

2021



SUV Leadership

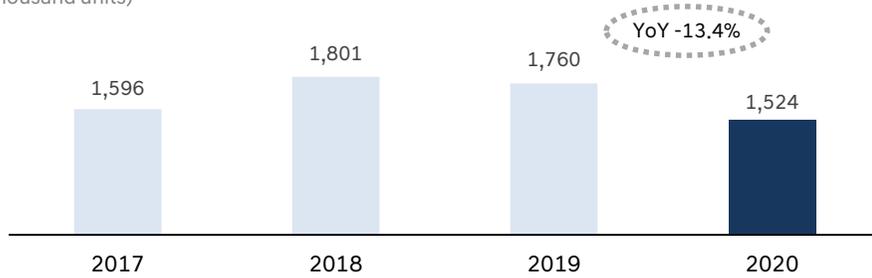


Russia/Brazil Market

Russia

Industry Demand

(Thousand units)



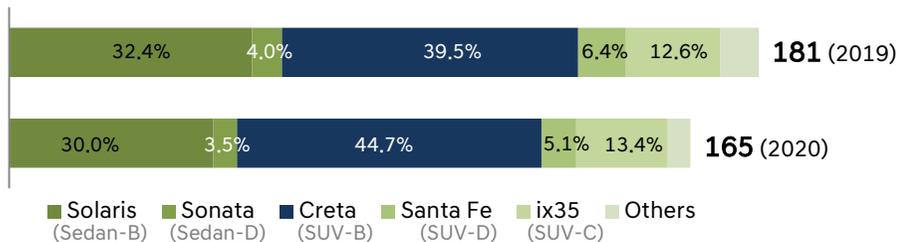
Hyundai Sales

(Thousand units)



Sales by Model

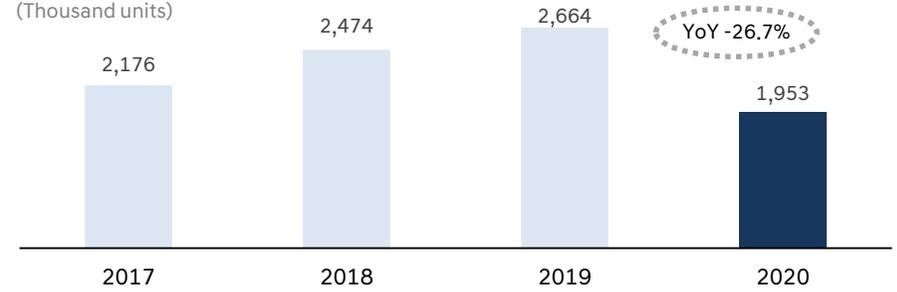
(Thousand units)



Brazil

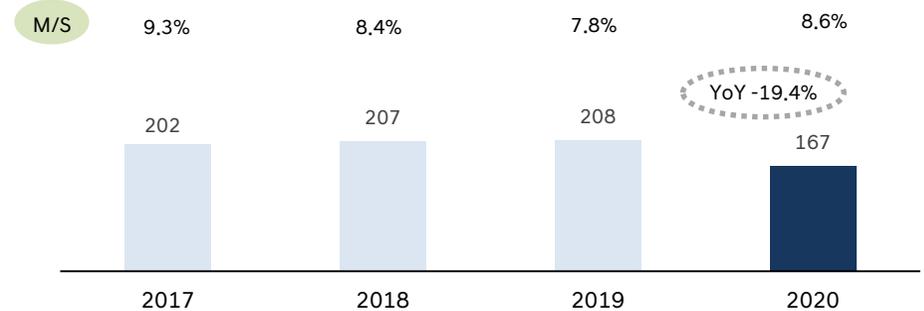
Industry Demand

(Thousand units)



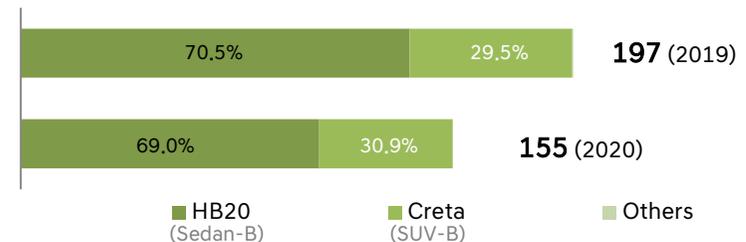
Hyundai Sales

(Thousand units)



Sales by Model

(Thousand units)

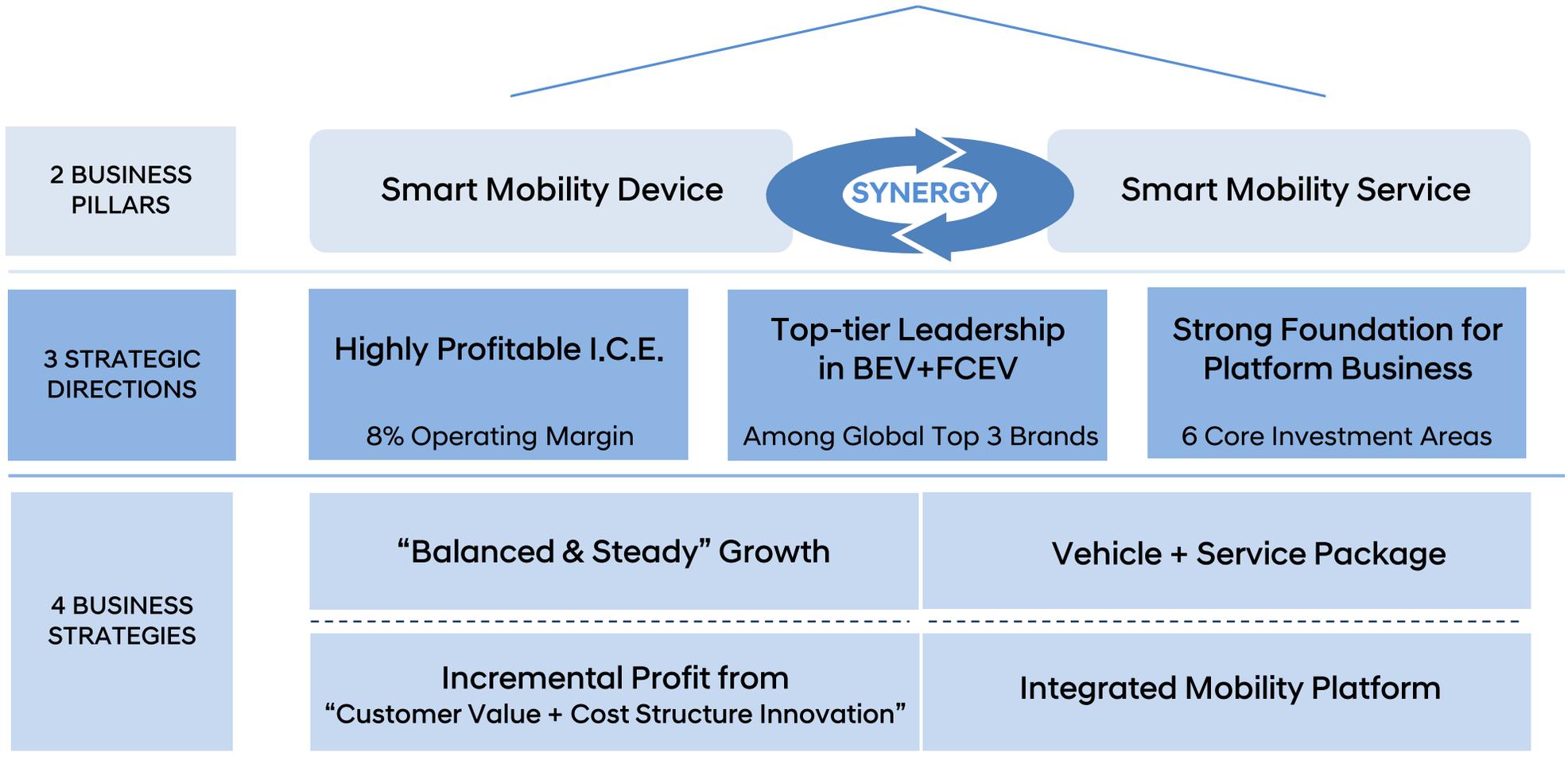


Strategy 2025

Strategy 2025	P. 21
Mid to Long-term Business Target	P. 22
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Preparing for the Future	P. 25

Strategy 2025

Smart Mobility Solution Provider



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⁺%

OP Margin

Expanding xEV based on competitive cost



Foundation for mobility service business

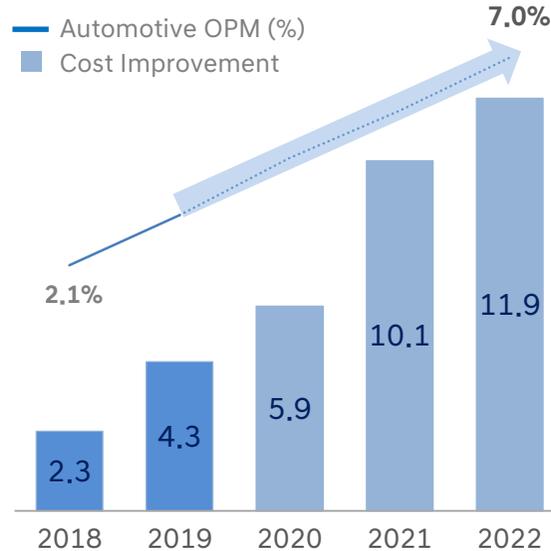
· OP and OPM : automotive division + consolidation adjustment

Cost Innovation Committee

Improvement Target

KRW34.5 T For 5 years

5-year Plan



8 Sub-committees



Strategic competitiveness

with company-wide
cost innovation

Achieve target profitability

by continuous
cost improvement

Effective bottom-up

Cost improvement activities

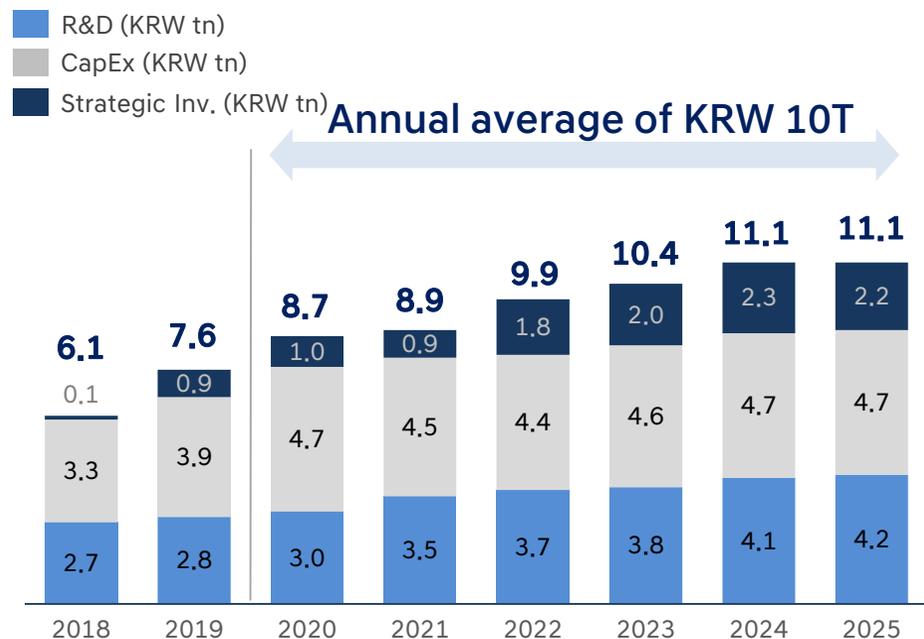
· OP improvement by revenue growth, improvement of COGS and SG&A

Long-term Investment Plan

6-year Investment Plan

2020-2025

KRW 60.1T of Investment



· CapEx : with changed classification in 2019

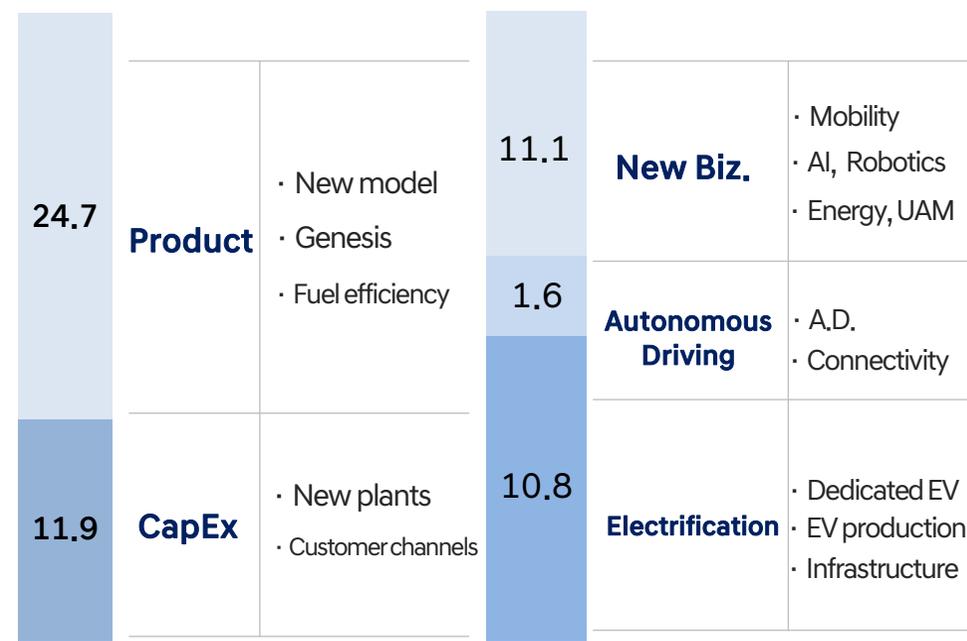
Investment Details

Core Business

KRW 36.6T

Investment for Growth

KRW 23.5T



· 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



Smart Mobility
Solution Business



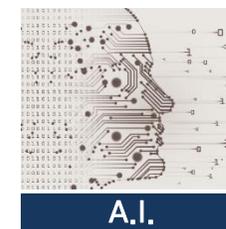
Robo-taxi /
Smart City



Fuel Cell / ESS



Wearable Robot



Autonomous
Vehicle



“Game Changer”

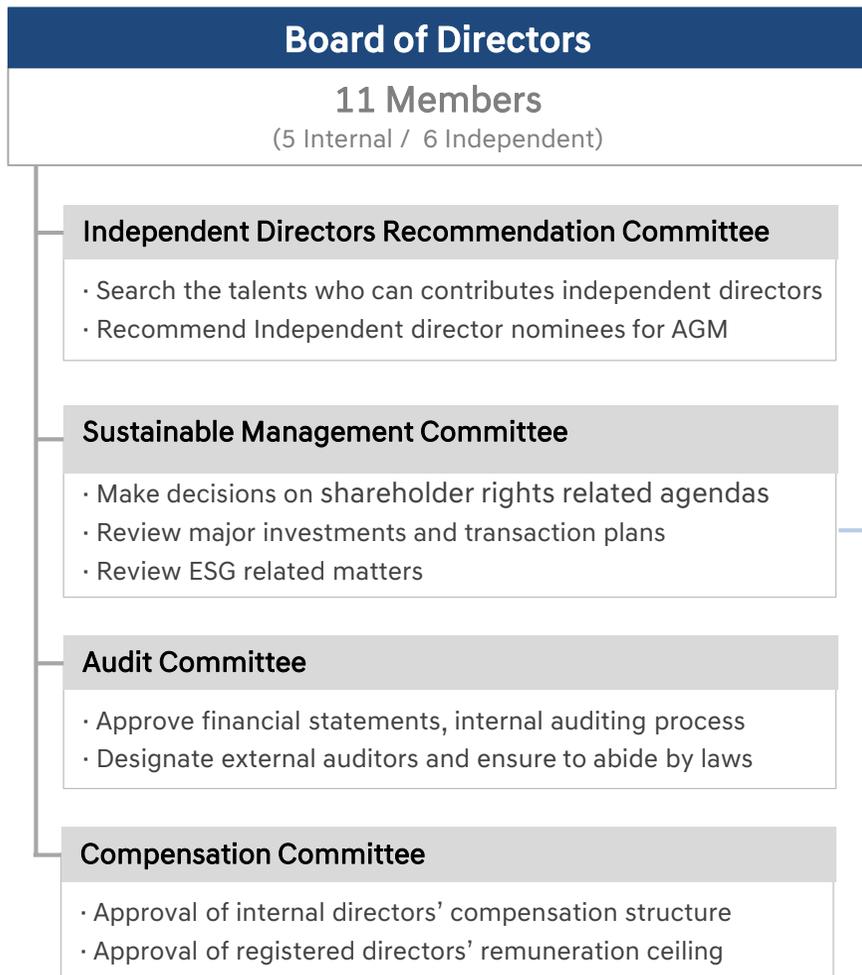
“Smart Mobility Service Provider”

Governance

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

BoD & Key Improvements

Committees of BoD



Highlights



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 1st 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

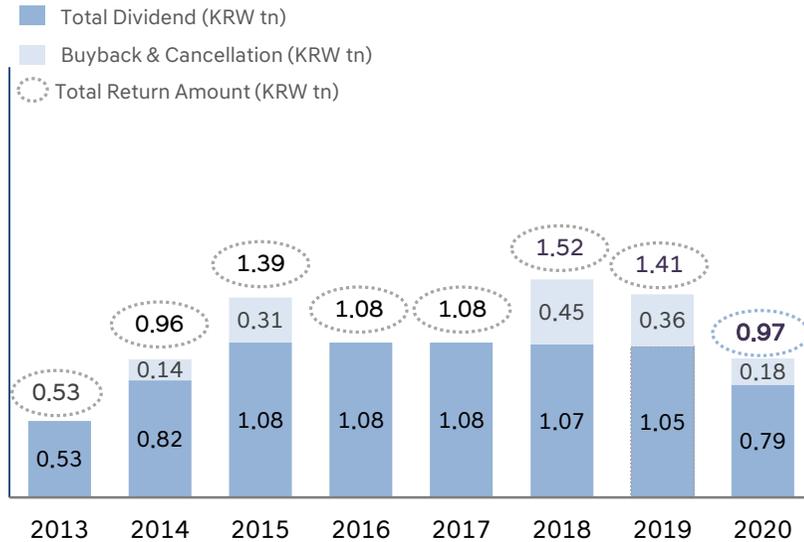
Phase IV

Continuing Effort (2021~)

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

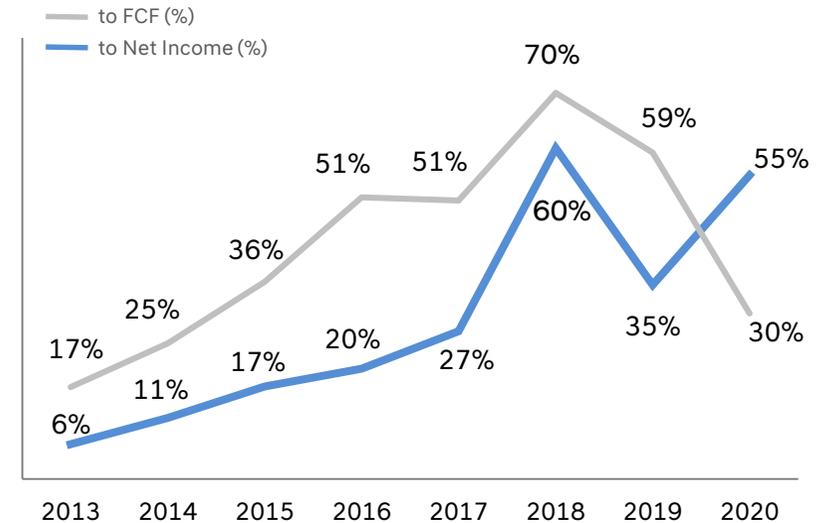
Shareholder Return

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
Finance Division	P. 34

Production capacity by plant

(Unit: 1,000 vehicles)	2020		Products	
	CAPA	Production		
 Korea (HMC)	1,742	1,618	PV (Hyundai & Genesis), CV	
 China (BHMC)	1,350	451	Elantra, Mistra, La Festa, ix25, ix35	
 India (HMI)	696	521	Creta, Venue, Nios, Aura, i20, Verna	
 US (HMMA)	370	269	Elantra, Sonata, Santa Fe	
 Czech (HMMC)	330	239	i30, Tucson, Kona EV	
 Turkey (HAOS)	200	137	i10, i20	
 Russia (HMMR)	200	219	Solaris, Creta	
 Brazil (HMB)	180	151	HB20, Creta	· Indonesian plant is under construction

· Source: 2019 Annual business report, Company data

Wholesales by Region

(Thousand units)	Q4 2019	Q4 2020	YoY	2019	2020	YoY
Korea	194	204	+5.0%	742	788	+6.2%
North America	239	242	+1.0%	881	812	-7.8%
Europe	147	126	-14.2%	580	454	-21.7%
India	133	153	+15.3%	510	424	-17.0%
Russia	54	54	+0.6%	203	186	-8.7%
South America	75	83	-10.0%	303	214	-32.6%
Others ¹	146	136	-6.8%	555	427	-23.2%
Sub-total² (ex-China)	982	996	+1.5%	3,757	3,299	-12.2%
China (BHMC)	207	141	-31.8%	650	440	-32.2%
Total³	1,196	1,140	-4.7%	4,426	3,745	-15.4%

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

² 2019 ex-China excludes China CV

³ Wholesale including CV and CKD

Statement of Income

(KRW Bil.)	2018	2019	2020	Q4 2019	Q4 2020	YoY
Revenue	96,813	105,746	103,998	27,824	29,243	+5.1%
Gross Profit	15,142	17,655	18,482	4,691	5,379	+14.7%
Margin (%)	15.6	16.7	17.8	16.9	18.4	
SG&A	12,720	14,050	16,087	3,527	4,125	+6.0%
Portion (%)	13.1	13.3	15.5	12.7	14.1	
Operating Income	2,422	3,606	2,395	1,164	1,254	+7.7%
Margin (%)	2.5	3.4	2.3	4.2	4.3	
Income before tax	2,530	4,164	2,093	1,132	1,135	+0.3%
Margin (%)	2.6	3.9	2.0	4.1	3.9	
Net Income	1,645	3,186	1,925	772	1,183	+53.2%
Margin (%)	1.7	3.0	1.9	2.8	4.0	
D&A	3,762	4,012	4,381	1,041	1,120	
EBITDA	6,184	7,617	6,776	2,206	2,374	

Hyundai Capital

1 Assets: Auto focused asset portfolio, which has high prime customer mix

- New Car: Volume & asset growth from strong HMG domestic car sales
- Used Car: Volume up with diversified online & direct sales channels
- P-loan: Maintained prime-centric volume with X-sell to Auto customers
- Mortgage: Less market transactions & monthly volume cap maintained

2 Risk: Continued delinquency ratio drop from preemptive risk management

- Underwriting: Tightened policy of Non-Auto products, limited origination of low-credit customers
- 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 cut efforts

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

4 Treasury: Despite greater market volatility, portfolio stable with focus on long-term facilities

- Funding: Although market crunch occurred due to COVID-19, dealt by leveraging ABS and ESG bond
- Liquidity: Tightened liquidity policy to prepare for possible crisis

5 Global biz: Widened finance coverage to support HMG sales

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

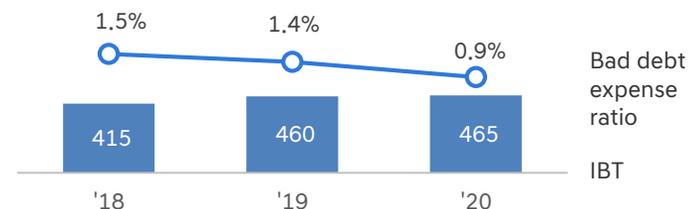
Asset Portfolio (TN KRW)



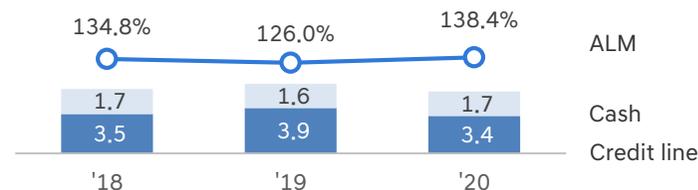
Asset Quality



P&L (BN KRW)



Liquidity (TN KRW)



Hyundai Card

1 Members: Growth in low-cost efficient channels (PLCC/Online)

- PLCC: Continually signing new partnerships
- ~'20 : HMC, KMC, emart, ebay, Costco, SSG.com, GS Caltex, Korean Air, Starbucks, Baemin
- '21 : Continue expanding partners including Socar(Jan), Musinsa and Naver

2 Volume: Reinforced channels to gain balanced growth of Credit Purchase and Financial Product

- Purchase: Auto volume ↑ from solid domestic car sales, Installment volume ↑ from expanded merchant promotions
- Financial: Prime-oriented CL volume grew in line with member expansion

3 P&L: Maximized with optimal cost structure & stable quality

- Card related cost: Reduced acquisition cost by increasing acquisition in low-cost efficient channels, continually cutting service fees by digitizing underwriting and servicing processes
- Bad debt expense: Declined as delinquency low from tighter risk action

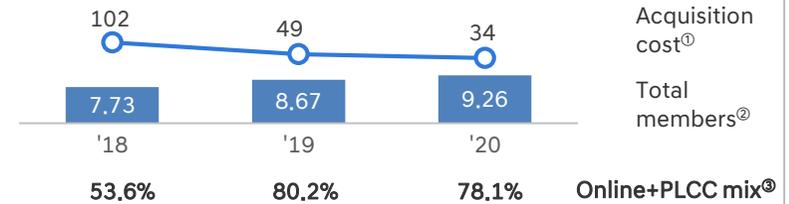
4 Treasury

- 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

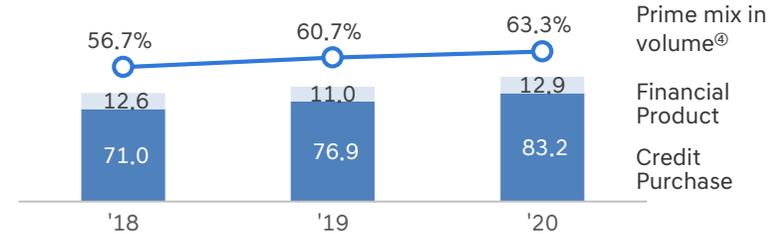
5 New growth engine: Reinforcing digital capacity

- Big Data Platform launched enabling x-marketing among PLCC partners

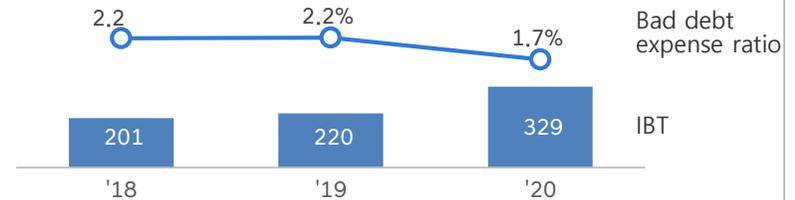
Members (KRW K, mn)



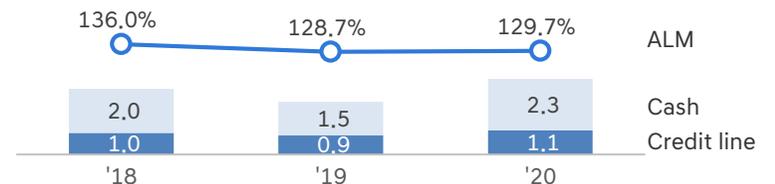
Volume (KRW tn)



Profits (KRW bn)



Liquidity (KRW tn)



Hyundai Commercial

1 Assets: Continued growth centering on Corporate Finance

- Industrial Finance: Maintaining prime centric volume stance and gained visible results in new business (rental, commercial vehicles, etc.)
- Corporate Finance: Increased prime PF assets and expanded Fee Biz (AR securitization/sell-down, etc.)

2 Risk: Maintained conservative policy as COVID-19 prolonged

- 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 P&L: Huge improvement from bad debt expense and equity income

- Bad debt expense%: Declined as delinquency low from tighter risk action
- Related companies: Increased equity method income from Hyundai Card and Fubon Hyundai Life

4 Treasury: Conservative policy as financial market is more volatile

- Funding: Maintaining longer liabilities maturity structure and diversified funding sources (ABS, long-term CP, etc.)
- Liquidity: Managing under tighter policy vs. existing guideline (6M coverage 108%, ALM 132% as of '20)

5 New growth engine: Enhanced data competitiveness with Platform Biz expansion

- Continually expanding platform services, e.g. Go-Truck, Go-Funding, etc.

Assets (TN KRW)



Quality



P&L (BN KRW)



Liquidity (TN KRW)



Hyundai Capital America (US)

1 Assets: Strong asset growth on OEM sales outperformance and solid financing penetration

- Loans: Growth driven by SUV line up expansion & penetration rate increase
- Lease: Control asset size to minimize possible lease residual risk

2 Risk management: Continued asset quality improvement with conservative UW and collection activities

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

3 Profits: Highest profitability driven by revenue growth & solid asset performance

- Revenue: Interest income increase with retail loan growth
- Lease RV: Strong used vehicle demand supported lease RV performance
- Bad debt expense: Provision increase in accordance with asset growth, but stabilized trend in 2H by improving macro outlook

4 Capital structure & liquidity

- Funding: 4Q Issued bond(0.7BN USD), ABS(1.2BN USD)
- Liquidity: Strong position supported by broad capital market access

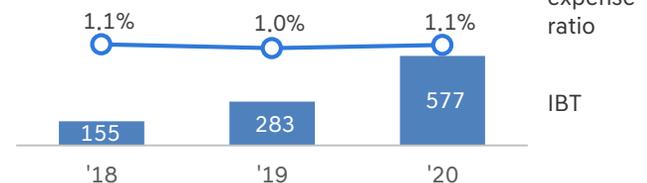
Asset Portfolio (TN KRW^①)



Asset Quality



Profits (BN KRW^③)



Liquidity (TN KRW^④)



Beijing Hyundai Automotive Finance (China)

1 Assets: Despite delay in car sales recovery, enhanced penetration rate and lengthened assets maturity to expand assets

- Volume: Increased penetration rate (YoY +3.7%p) to lessen volume decrease compared to car sales drop
- Longer asset maturity: Continually expanded revenue basis by shifting assets to longer tenor (24M→36M)

2 Risk: Index stable since year-beginning COVID-19 impact

- 30+%: Stable with updated internal risk model
- Quality: Recovered prime asset mix thru conservative risk management (Dec'19 78.4% → Dec'20 80.7%)

3 P&L: Annual net income +7.2% YoY from asset effect and reduced ordinary expenses

- Revenue: Interest income +2.4% YoY from accumulated financial assets
- Interest expense: Cost savings (YoY -0.48%p) from reduced new CoF

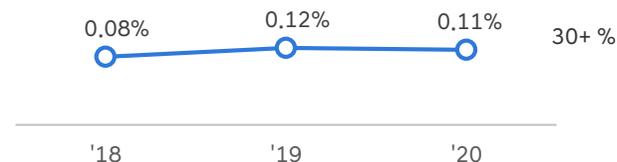
4 Treasury

- Funding: '21 plan approx. 20.7BN RMB (preparing 5.5BN RMB ABS in March)
- Liquidity: Preemptively increased cash holdings to prepare for a possible market crunch caused by a second COVID-19 wave

Assets (TN KRW^①)



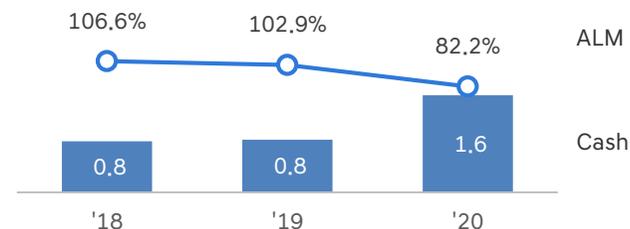
Quality



P&L (BN KRW^③)



Liquidity (TN KRW^④)



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.