

Investor Presentation for

**Autonomous Driving JV between
HMG & Aptiv**

September 2019

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Summary of Investment

- JV Investors : Hyundai Motor, Kia Motors, Hyundai Mobis
- JV Partner : APTIV Technologies Limited (former Delphi)
- Main Content: To form an autonomous driving joint venture with APTIV
 - ※ JV Structure : HMG 50% vs APTIV Technologies Limited 50%
- Purpose : Advance development and commercialization of Level 4/5 self-driving technologies

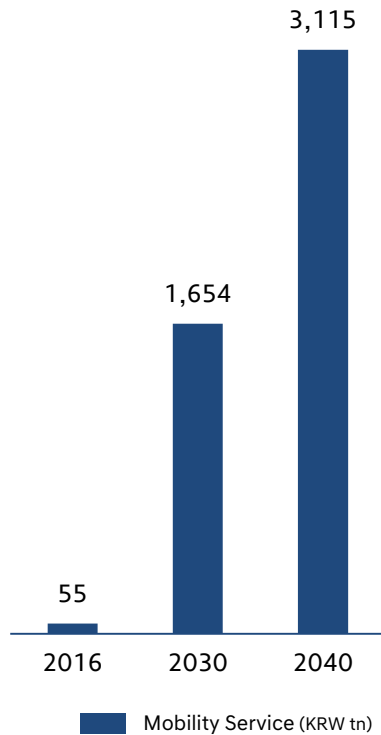
- Details:

Investment size	Total : US \$ 2.0bn
R&D Base	US, Korea, Singapore
Brand	New Brand (TBD)
BoD	Equal number of members from each side
Executive Team	CEO : appointed by APTIV CFO : appointed by HMG

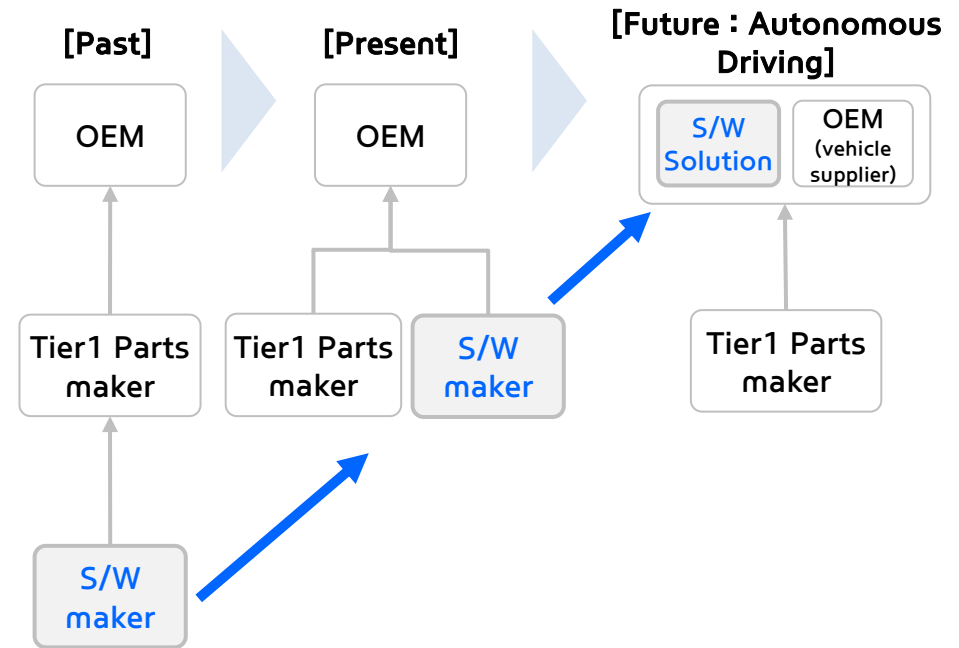
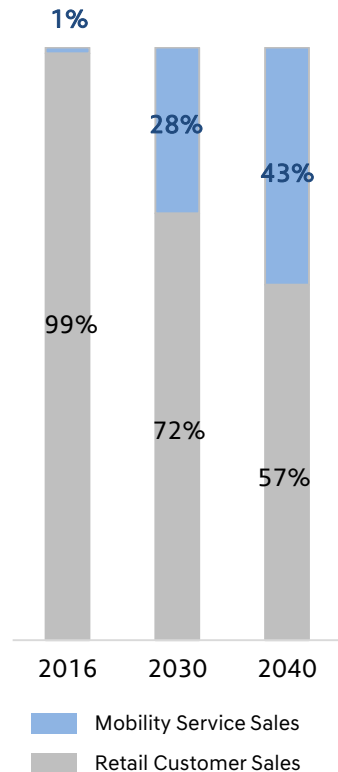
Background

- Create new opportunities in **autonomous driving** and **mobility service** to cope with paradigm shift in automotive industry
- **LV4/5 autonomous driving** is the core technology in growing mobility service industry
 - ➔ Securing S/W technology is essential for HMG's mobility service competitiveness

Mobility Service market outlook



Global vehicle type sales



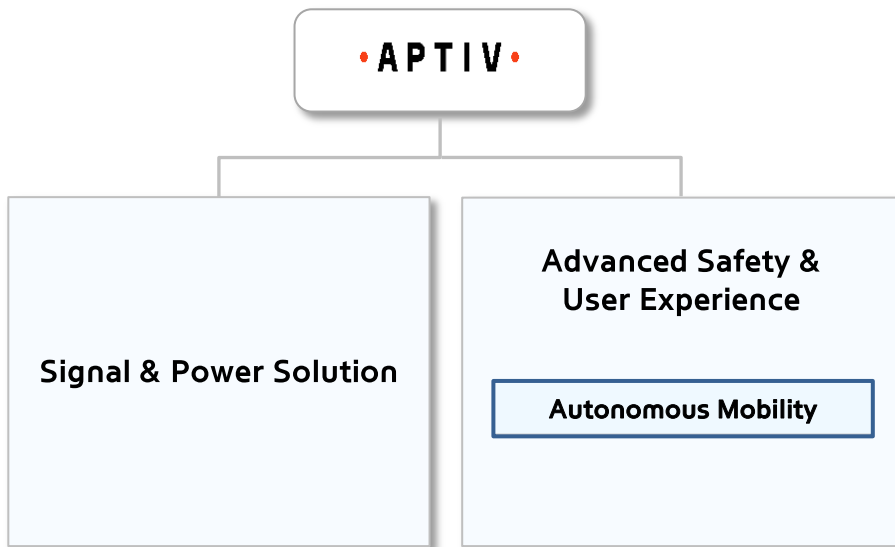
Source : BCG, Roland Berger, PwC Analysis

Introduction to APTIV

APTIV Overview

- Delphi(Former) spun off its powertrain division to 'Delphi Technologies' and electrical division to 'APTIV'

- Business : Signal & Power Solutions and AS & UX (Advanced Safety & User Experience)
- Sales/Asset : \$14.4bn (2018) / \$13.1bn (1H 2019)
- Market Cap : \$21.1bn (Closing price as of Sep 2, 2019)



Why APTIV?

- Ideal form of investment for the collaboration on equal terms

 WAYMO	 RENAULT NISSAN	Investment other than JV
 CRUISE	 GM  HONDA	
 Uber	 TOYOTA	
 ARGO AI	 Ford  VW	

- Maximize the synergy between technology company and OEM



- Experience and understanding in automobile businesses

- Accumulated understandings and knowledges of auto industry from former auto parts company, Delphi

- Infrastructure with well-established global R&D centers

- Boston, Pittsburg, Santa Monica, Singapore, Las Vegas, + Korea will be added

JV Structure

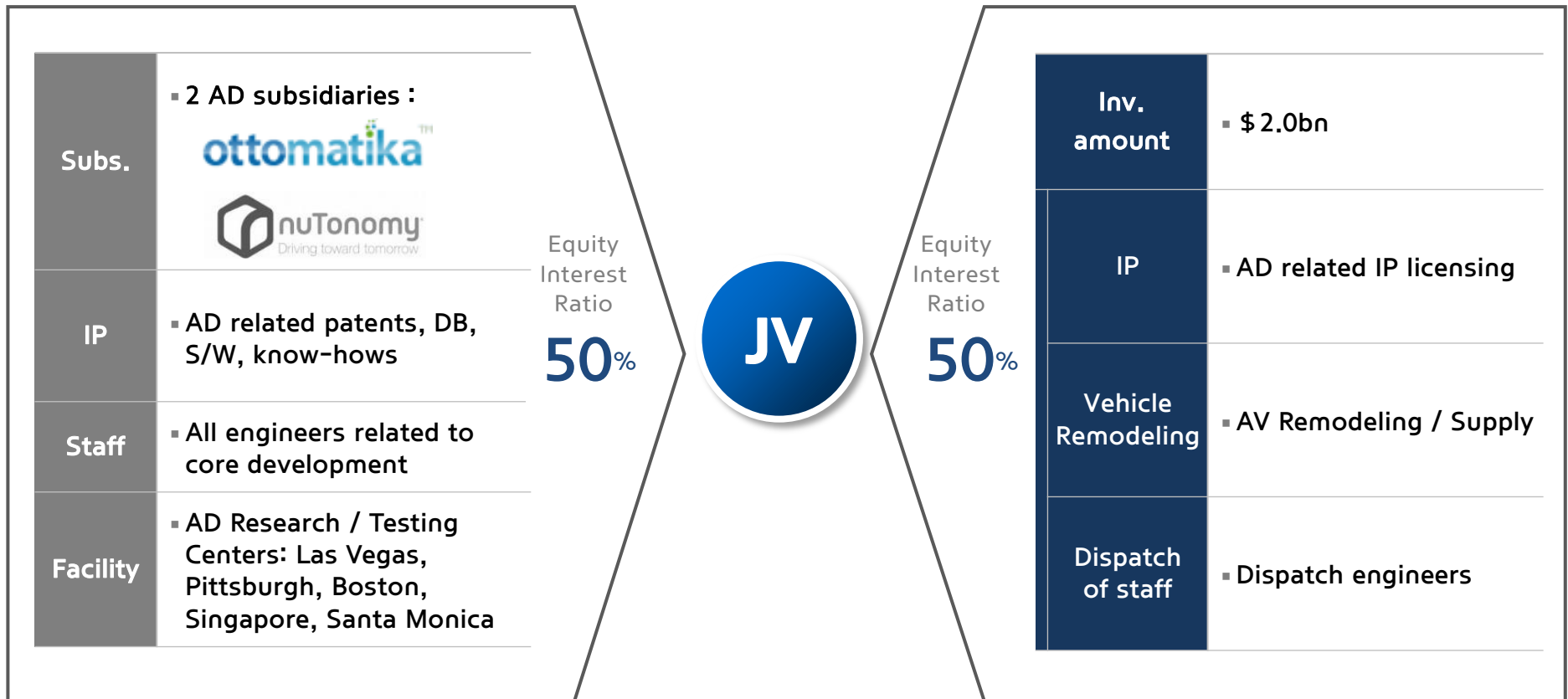
- APTIV and HMG will establish a JV with **50:50 stakes** for the AD solution development

(Post-money value \$4.0bn)

[APTIV] All assets related to Level 4/5 AD tech. + [HMG] Total investment amount of \$2.0bn

• **APTIV** •

HYUNDAI
MOTOR GROUP



HMG Investment Structure

- The Unit-holding structure will be **Hyundai 26% +1 unit, Kia 14% and Mobis 10% -1 unit**

(Exchange Rate : 1,191.1KRW/\$)

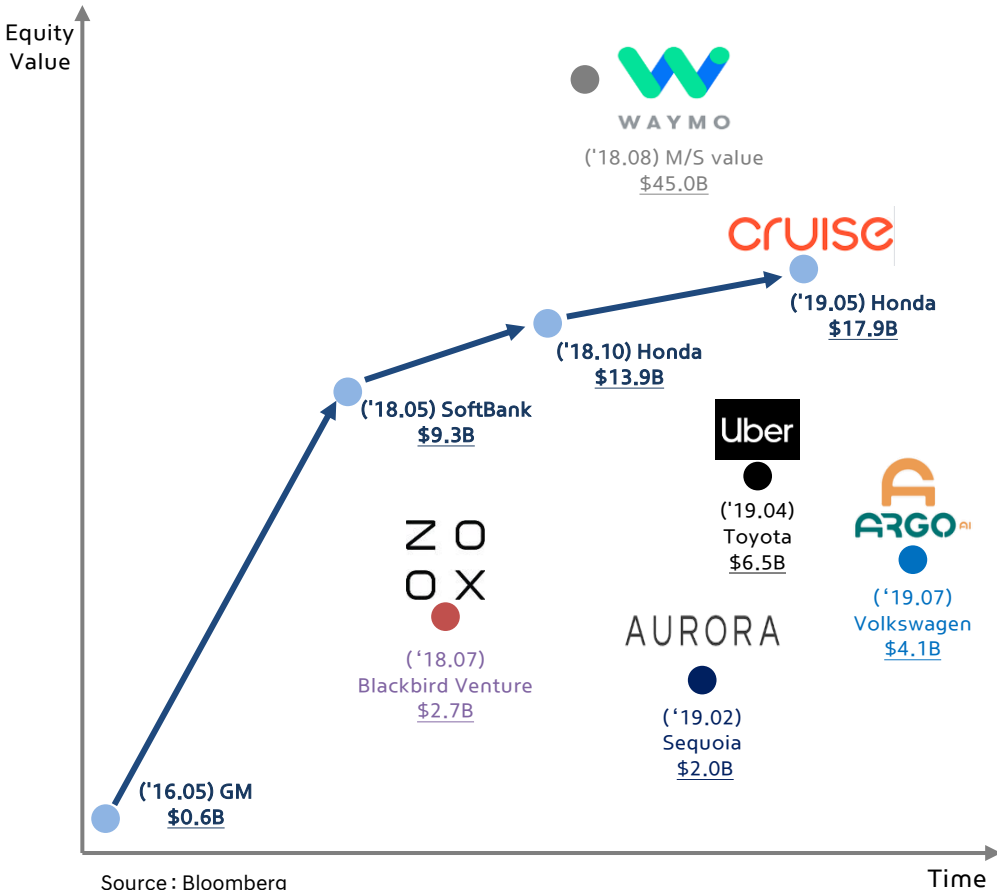
Company	Investment (USD)	(KRW)	Unit-holding
 HYUNDAI	1,040mn	1,238.7 _{bn}	26% +1 unit
 KIA	560mn	667.0 _{bn}	14%
 MOBIS	400mn	476.4 _{bn}	10% -1 unit
Total	2,000mn	2,382.1 _{bn}	50%

※ The exact investment amount is subject to change

Valuation

- Value continues to grow as necessity and importance of autonomous driving technology increase
 - Accumulated test driving data is crucial to R&D process
 - New start-ups unlikely to intervene the market and win shares

- Conservative key assumptions to properly assess the value of the JV company
 - Uncertainties of market growth rate and competition
 - Thorough evaluation for algorithm and technology competitiveness of APTIV



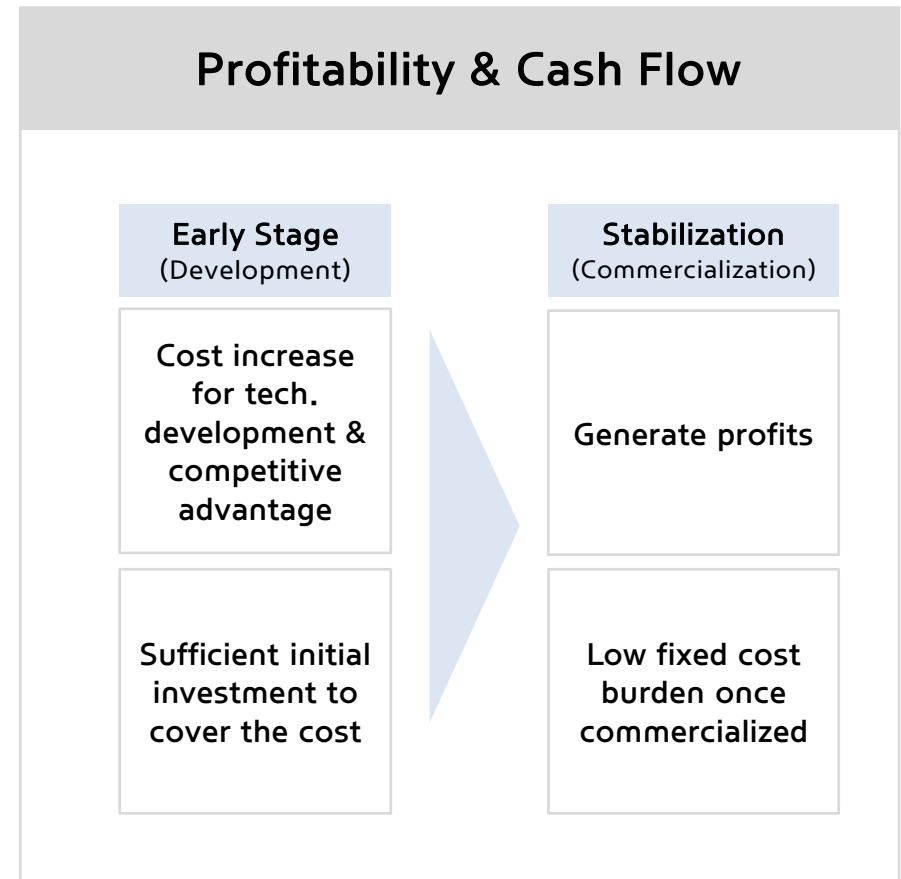
Assumptions	Description
Market Expectation	<p>Market size</p> <p>2016: KRW 55tn</p> <p>2030: KRW 1,650tn</p> <p>2040: KRW 3,115tn</p>
Market Share	<ul style="list-style-type: none"> M/S competition within oligopoly structure Dominated by few players with advanced tech. <p>Antitrust regulation limits MS less than 50%</p> <p>Different solutions to different geographical locations</p> <p>As autonomous flight market, new start-ups difficult to enter</p>
Technology	<p>Comprehensive Ranking</p> <p>1 st: WAYMO</p> <p>2 nd: CRUISE</p> <p>3 rd: ARGO</p> <p>4 th: APTIV</p>

Source : Navigant

Business model and business plan

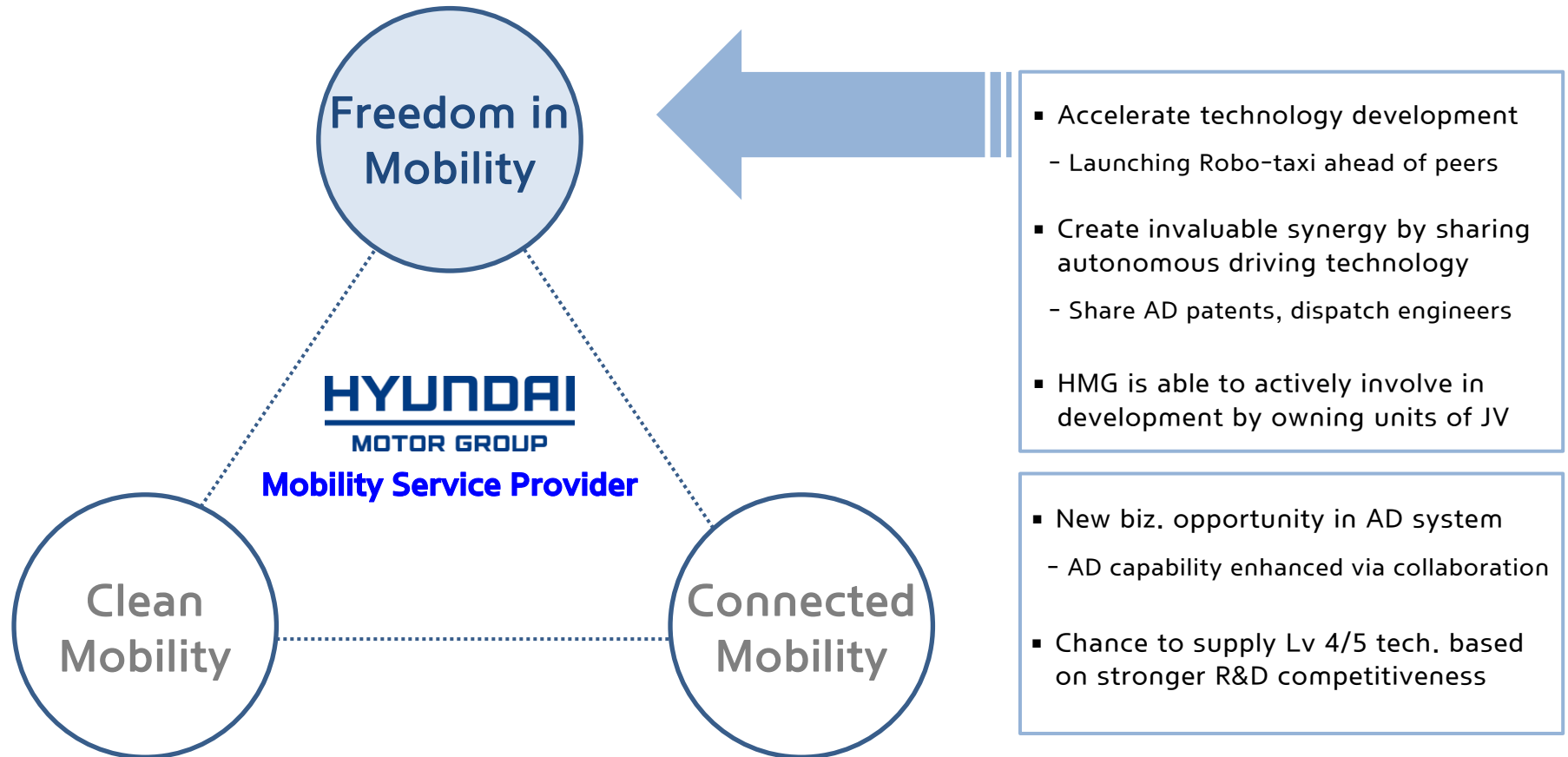
- Develop and sale of autonomous driving solutions to Mobility Service Providers
- Expect to commercialize the technology in 2022 and generate profit after stabilization

Business Model <small>(Provided by APTIV)</small>		
Items	Contents	Major Clients
AD solution Development. / Sales	<ul style="list-style-type: none"> • Equipping sensor/system on the vehicle • Updating driving performance and condition 	Mobility operators and OEM
Remote support	<ul style="list-style-type: none"> • Driving performance monitoring / analysis • Vehicle remote control and management 	
Data monetization	<ul style="list-style-type: none"> • Data gathering/analysis Data : Driving patterns, vehicle / road conditions, etc. 	Insurance, retail, transportation, service providers, etc.



Expected Benefits

- HMG to expand business to connectivity and mobility
- Enhance existing AD related business through securing leading technology



Thank you

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.