



# Hyundai Motor Company Q4 2022 and Annual Business Results

January 26, 2023



# 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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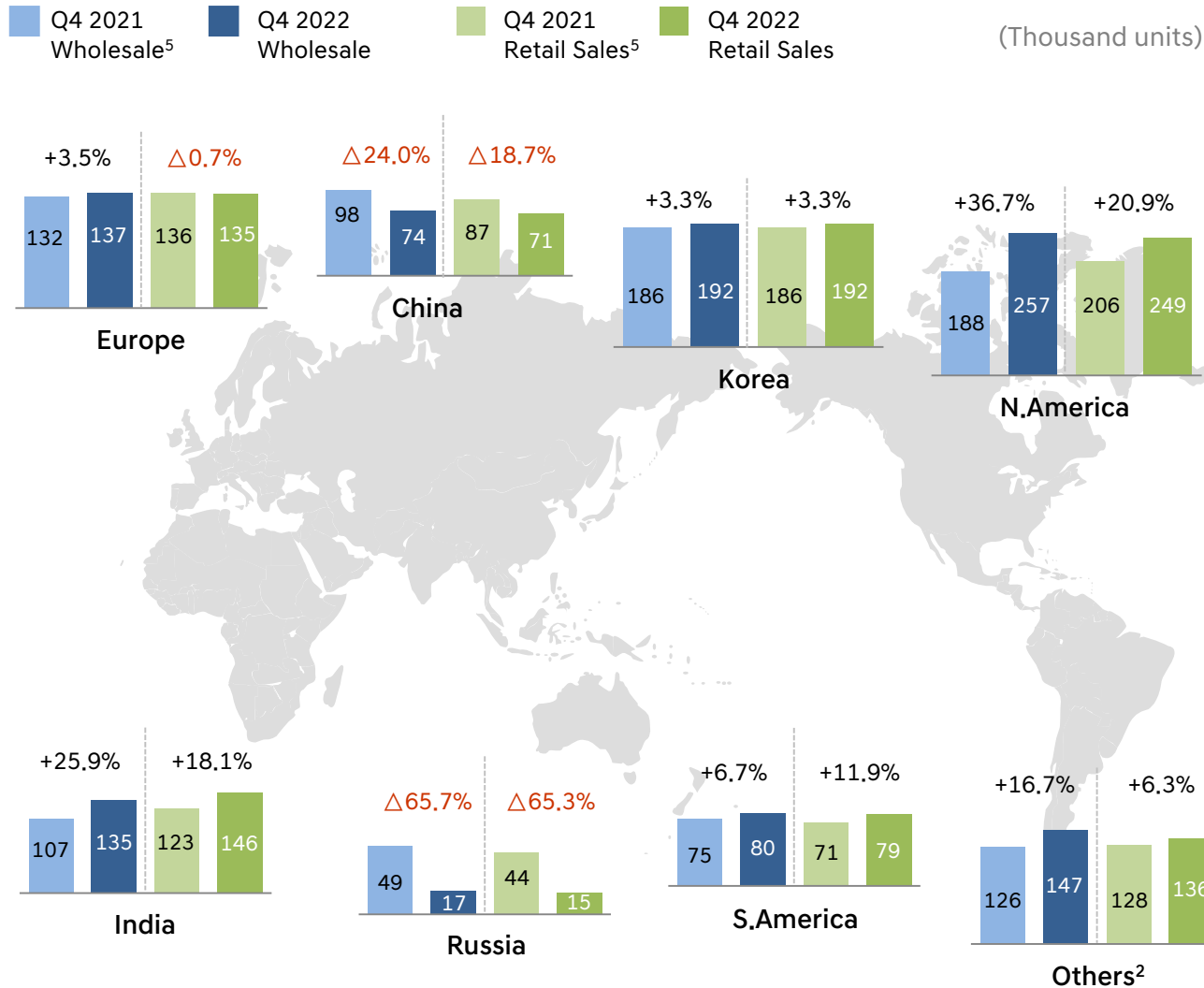
## Sales Summary

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# Global Wholesale / Retail Sales (Q4 2022)

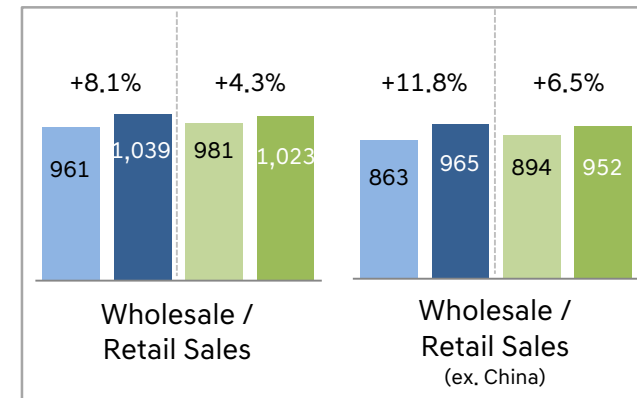


## Global Demand<sup>1</sup>

(10K units)

	Q4 2021	Q4 2022	YoY
Korea	42.4	46.3	+9.3%
US	330.5	361.1	+9.3%
Europe <sup>3</sup>	329.3	362.2	+10.0%
China	607.4	575.6	△5.2%
India	77.0	94.3	+22.5%
Global	1,936.2	2,031.1	+4.9%

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



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

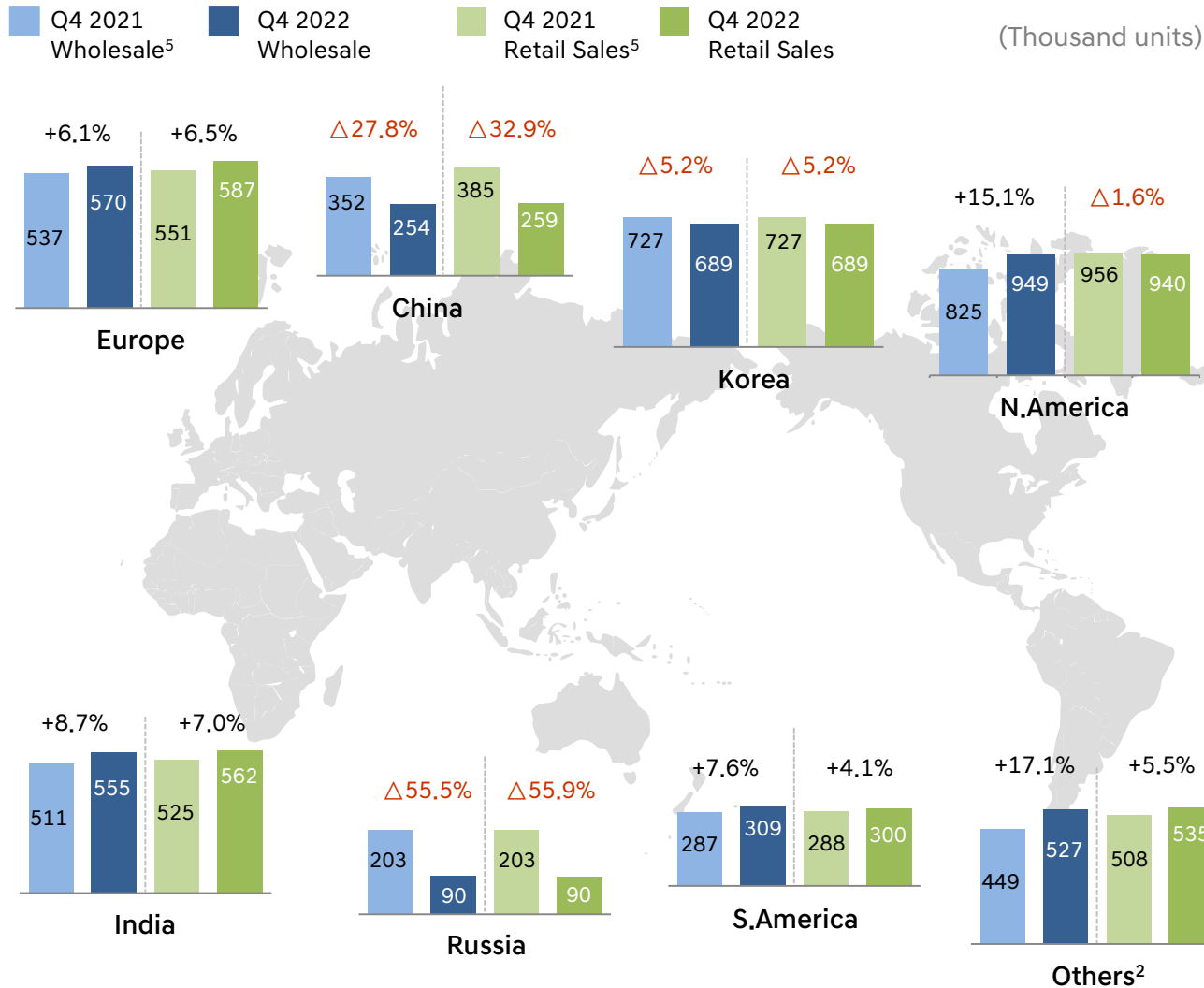
<sup>2</sup> AMEA, Asia-Pacific, Other regions, CV(ex. Korea, China CV)

<sup>3</sup> Europe excluding CV

<sup>4</sup> Wholesales including CV

<sup>5</sup> Sales number has changed due to change of region classification for Europe, India, Russia and Others

# Global Wholesale / Retail Sales (Annual)

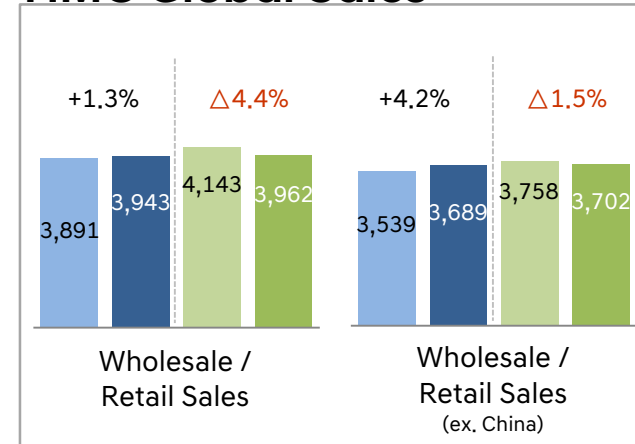


## Global Demand<sup>1</sup>

(10K units)

	2021	2022	
Korea	172.8	169.1	Δ2.1%
US	1,177.4	1,389.9	+18.0%
Europe <sup>3</sup>	1,463.4	1,370.2	Δ6.4%
China	1,988.8	2,105.7	+5.9%
India	310.8	382.0	+22.9%
Global	7,681.4	7,614.8	Δ0.9%

## 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> AMEA, Asia-Pacific, Other regions, CV(ex. Korea CV)

<sup>3</sup> Europe excluding CV

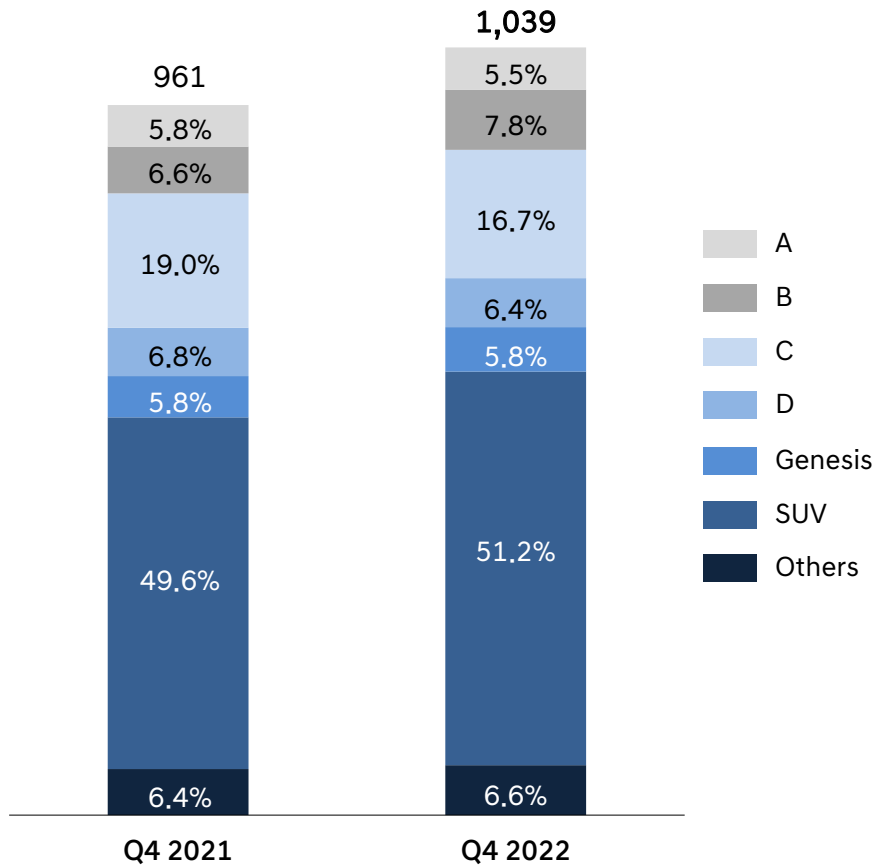
<sup>4</sup> Wholesales including CV

<sup>5</sup> Sales number has changed due to change of region classification for Europe, India, Russia and Others

# Sales Analysis (Q4 2022)

## Sales by Segment

(Thousand units)



※ Based on wholesale

※ GV60, GV70, GV80 are included in Genesis, when included in SUV, the portion is 54.4%

## Key Growth Factors

*“Sales Rebound and Mix improvement continues”*

### Sales growth with eased supply issue

- Global Sales grew +8.1% YoY in Q4 2022
  - SUV Portion : Q4 2021 49.6% → Q4 2022 51.2%
  - Strong sales of Genesis SUV, Santa Fe/Tucson HEV/PHEV
- Genesis Sales grew 8.4% YoY in Q4 2022
- The All New Grandeur, 100K units of back orders



Tucson



G90



IONIQ 5



IONIQ 6

### Line-up in 2023



KONA FMC



AI3 SUV



IONIQ 5 N



SANTA FE FMC



C SUV EV

(CHINA ONLY)

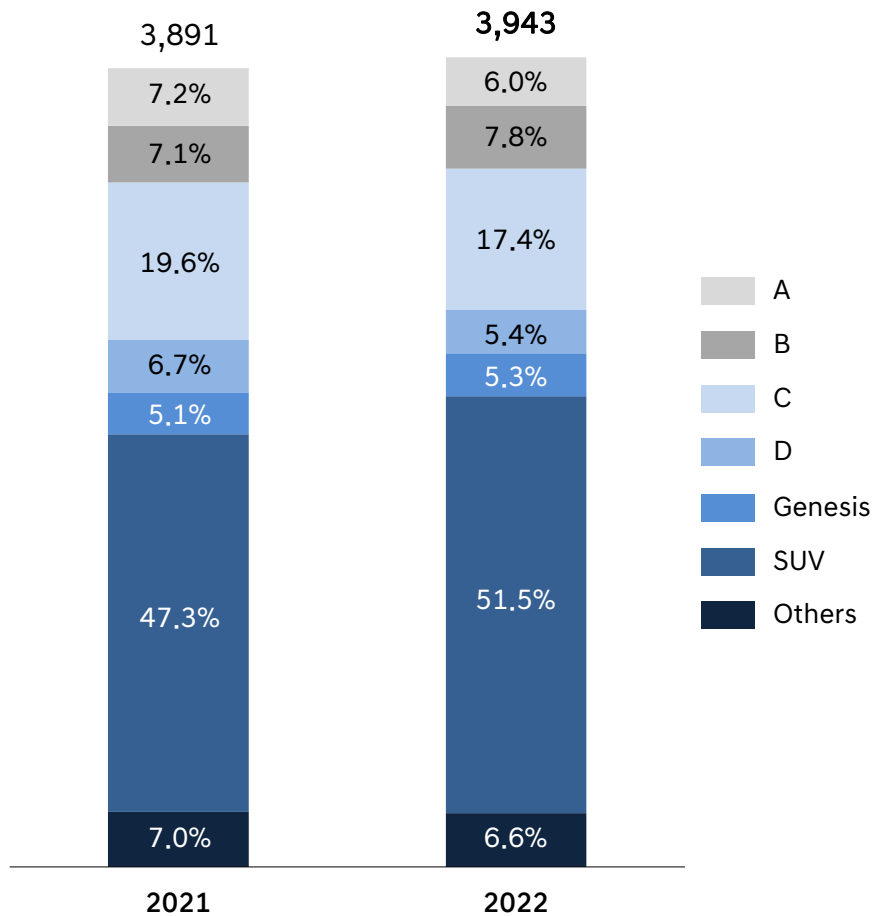
## Outlook

- Expect sales increase along with production expansion as chip supply issue is improving, but concerns of falling demand due to the economic recession
- Expand EV Sales with continued strong sales of IONIQ 5 and full-scale sales of IONIQ 6
- Strong sales of high-end models to continue with full-scale sales of The ALL New Grandeur and new model launch of Santa Fe

# Sales Analysis (Annual)

## Sales by Segment

(Thousand units)

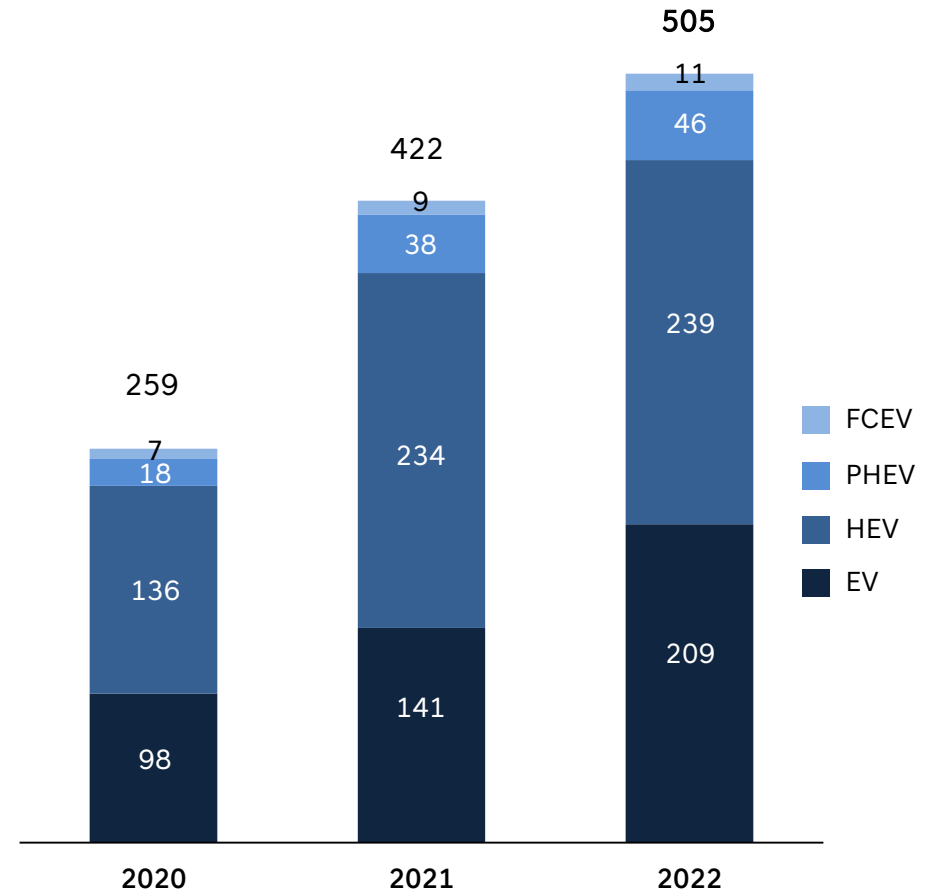


※ Based on wholesale

※ GV60, GV70, GV80 are included in Genesis, when included in SUV, the portion is 54.3%

## Global Sales Breakdown of Eco-Friendly Vehicles

(Thousand units)





# Financial Summary

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# Financial Summary (Q4 2022)

(Billion KRW)

	Q4 2021	Q3 2022	Q4 2022	YoY	QoQ
<b>Revenue</b>	31,026	37,705	38,524	+24.2%	+2.2%
Cost of Good Sold	25,097	30,348	30,737	+22.5%	1.3%
<b>Gross Profit</b>	5,929	7,357	7,787	+31.3%	+5.8%
Margin (%)	19.1%	19.5%	20.2%		
SG&A	4,399	5,805	4,428	+0.7%	△23.7%
<b>Operating Income</b>	1,530	1,552	3,359	+119.6%	+116.5%
Margin (%)	4.9%	4.1%	8.7%		
Non-operating Income	△56	490	△620	Loss Increase	TTR
<b>Income before Tax</b>	1,474	2,042	2,739	+85.8%	+34.1%
Tax	773	631	1,029	+33.1%	+63.1%
<b>Net Income</b>	701	1,411	1,710	+143.8%	+21.1%

# Financial Summary (Annual)

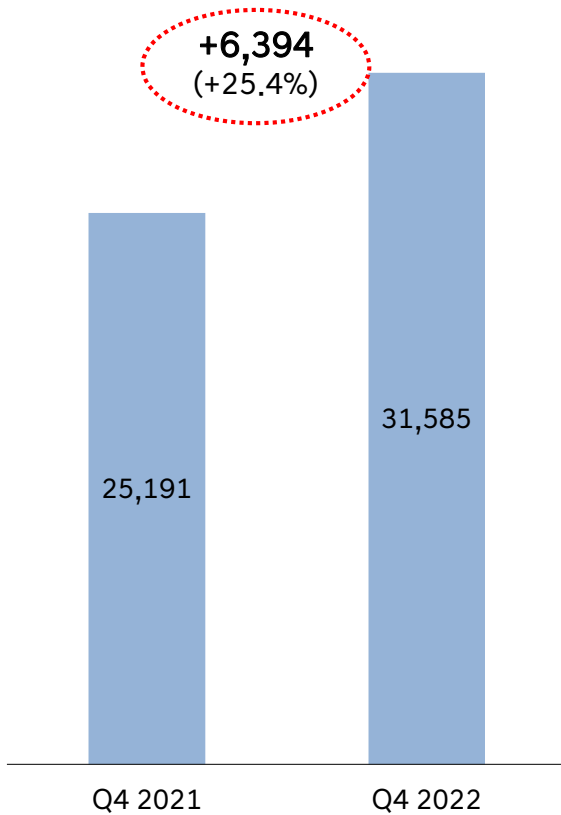
(Billion KRW)

	2021	2022	YoY
<b>Revenue</b>	<b>117,611</b>	<b>142,528</b>	+21.2%
Cost of Good Sold	95,681	114,210	+19.4%
<b>Gross Profit</b>	<b>21,930</b>	<b>28,318</b>	+29.1%
Margin (%)	18.6%	19.9%	
SG&A	15,251	18,498	+21.3%
<b>Operating Income</b>	<b>6,679</b>	<b>9,820</b>	+47.0%
Margin (%)	5.7%	6.9%	
Non-operating Income	1,281	1,128	△11.9%
<b>Income before Tax</b>	<b>7,960</b>	<b>10,948</b>	+37.5%
Tax	2,267	2,964	+30.8%
<b>Net Income</b>	<b>5,693</b>	<b>7,984</b>	+40.2%

# Revenue by Division (Q4 2022)

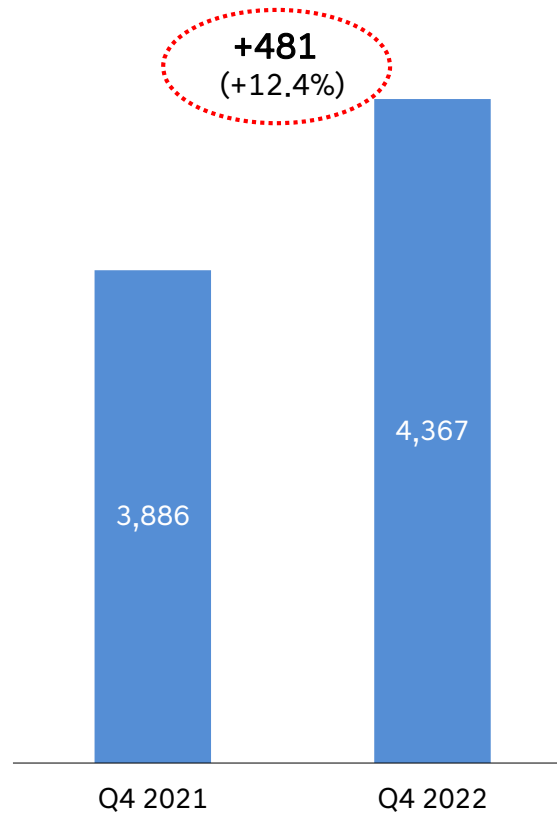
## Automotive

(Billion KRW)



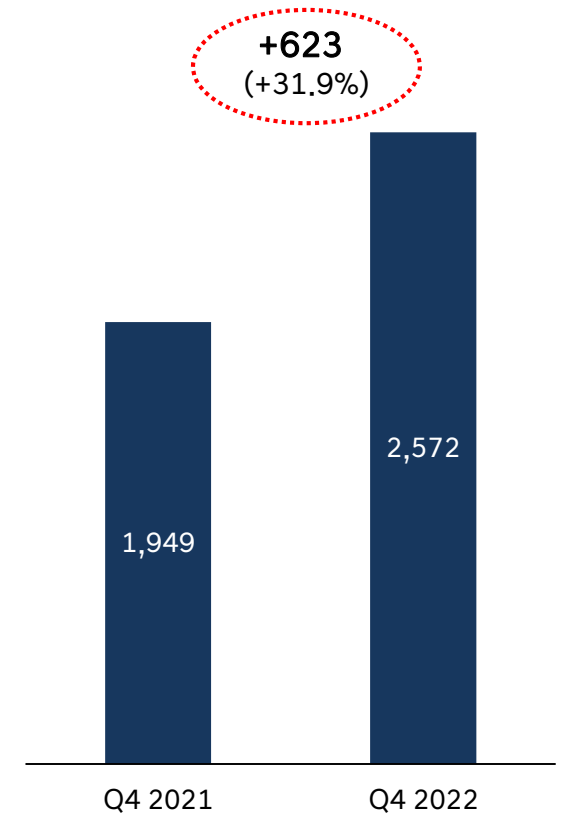
Sales Volume Growth

## Finance



Sales increase due to lease asset disposal

## Others

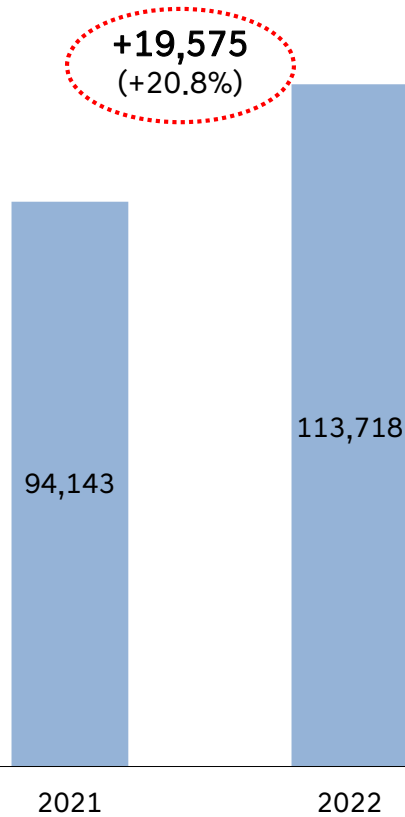


Sales Increase

# Revenue by Division (Annual)

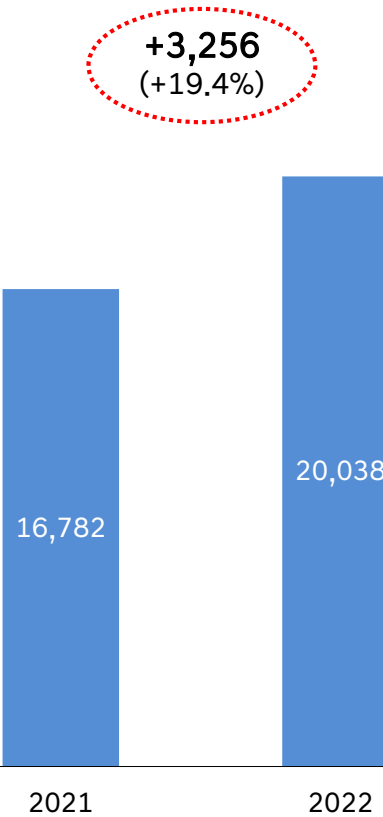
## Automotive

(Billion KRW)



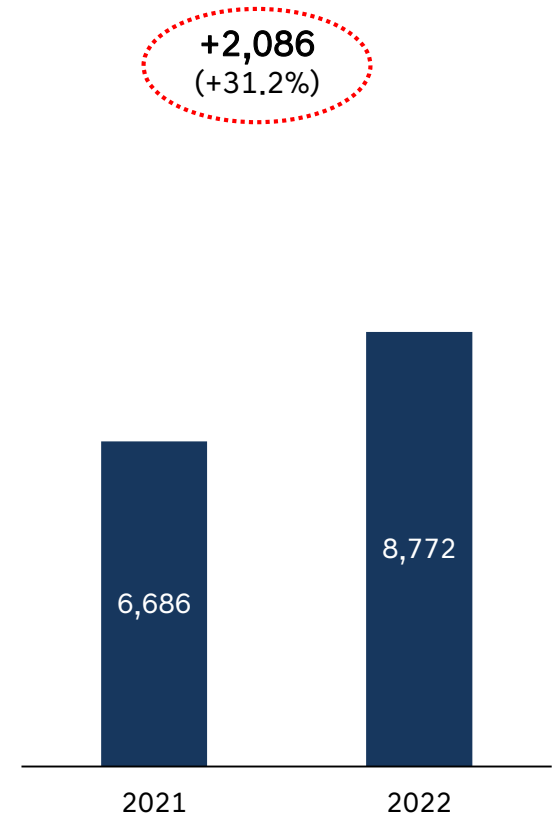
Product mix improvement

## Finance



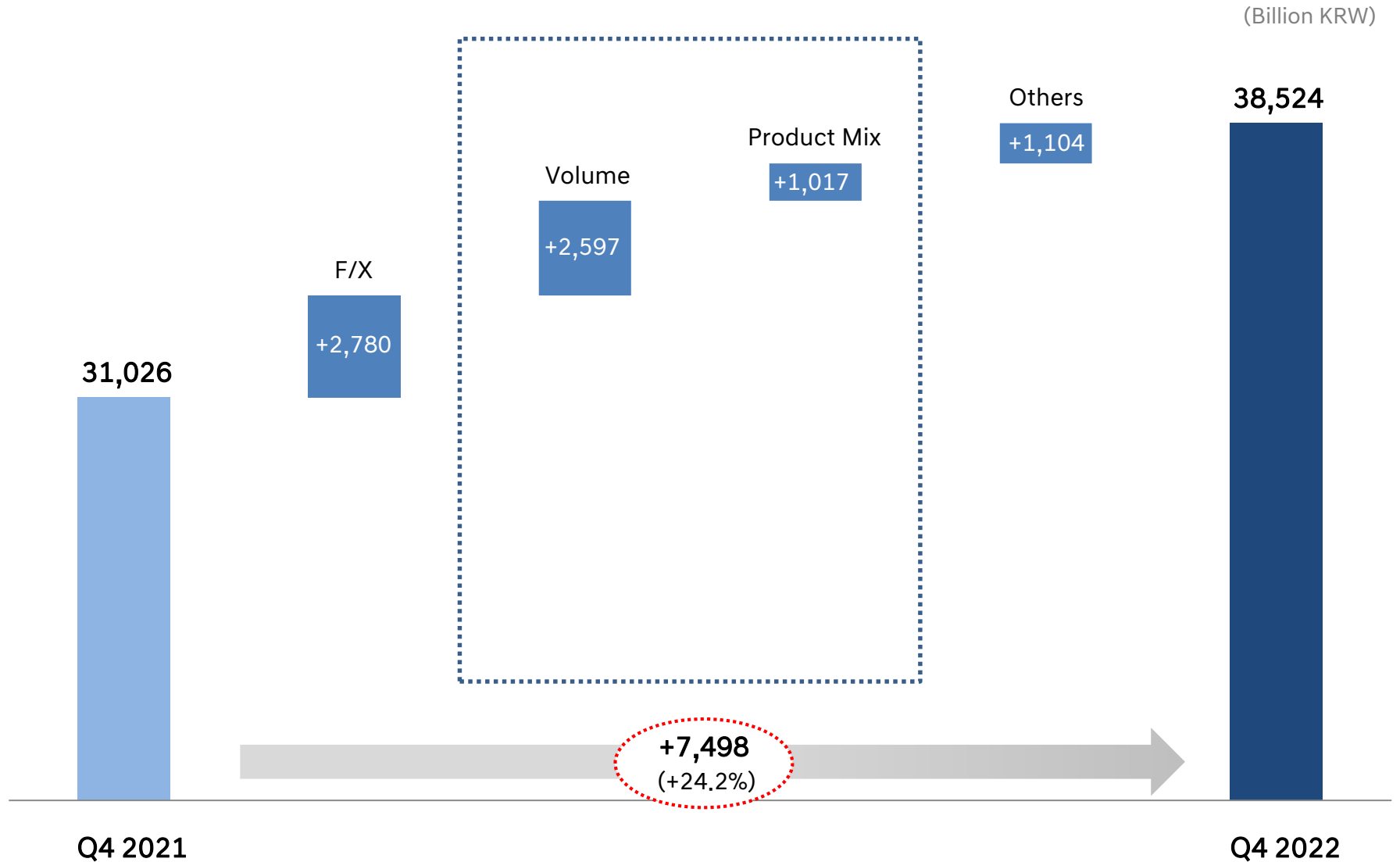
Sales increase due to lease asset disposal

## Others



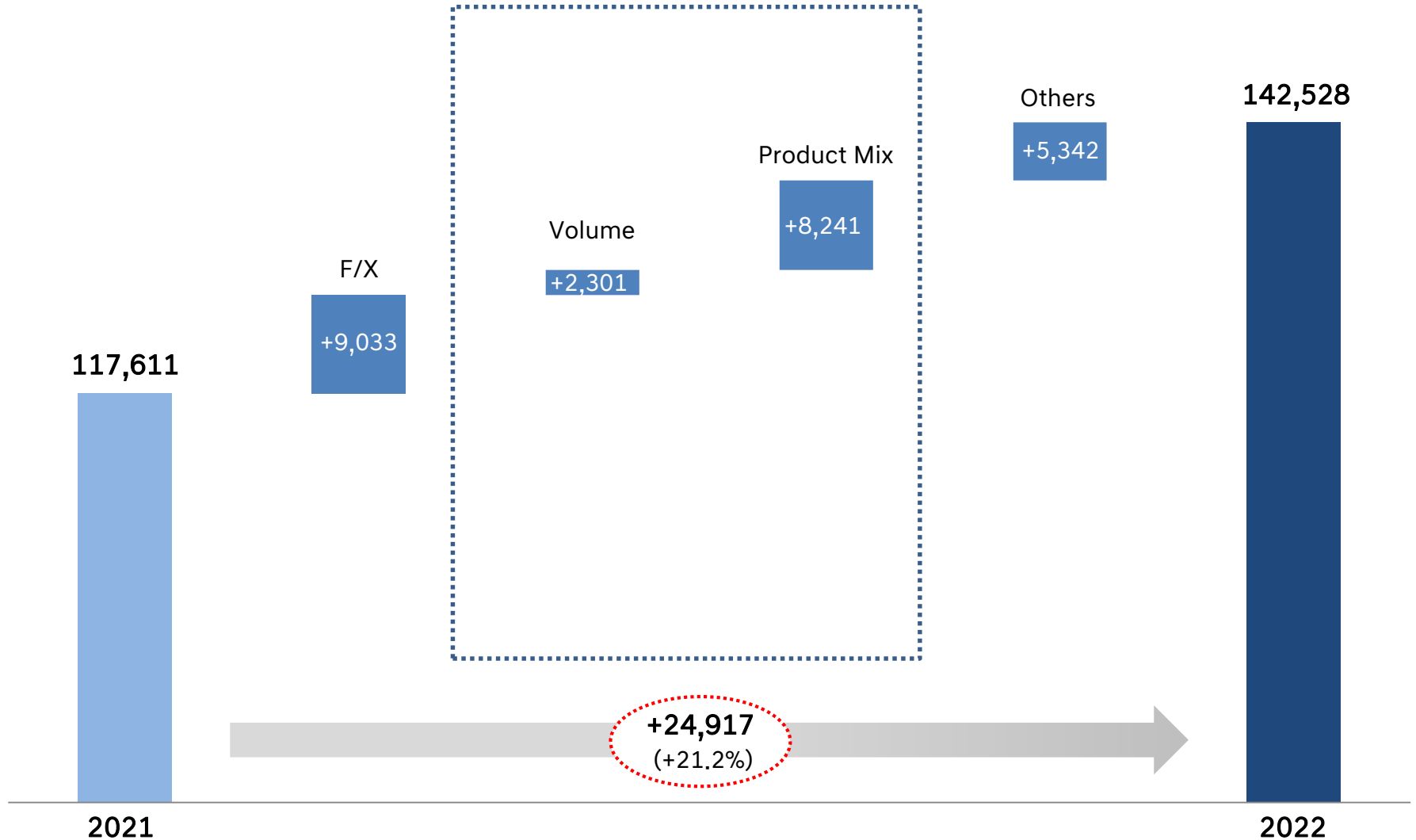
Sales Increase

# Revenue Analysis (Q4 2022)



# Revenue Analysis (Annual)

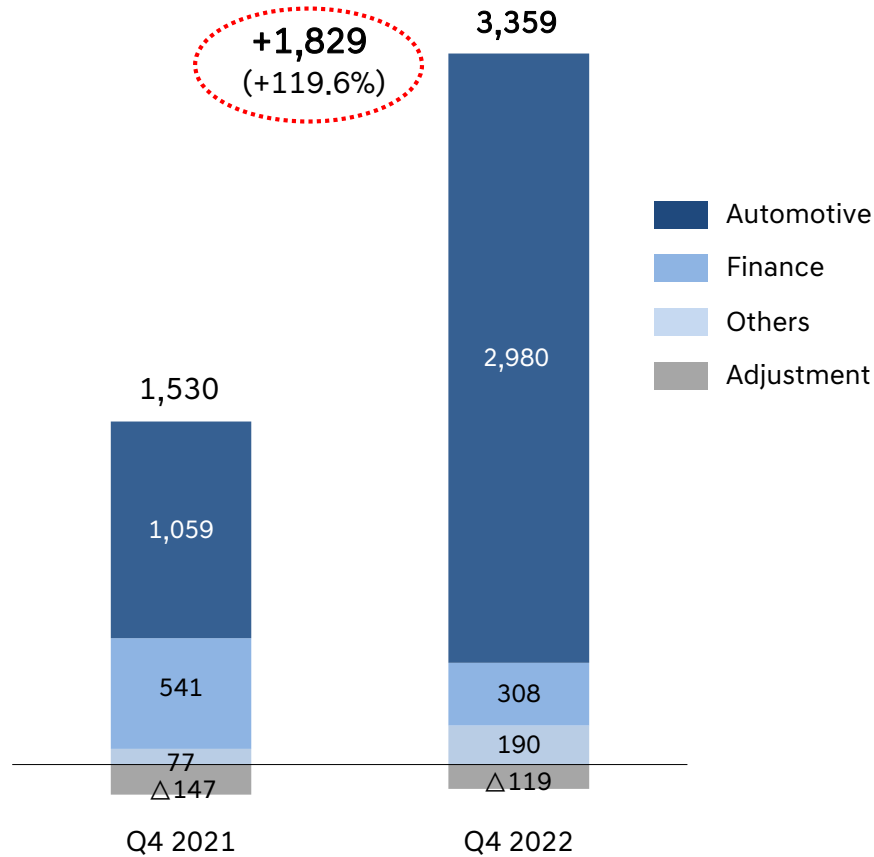
(Billion KRW)



# Operating Income Breakdown (Q4 2022)

## Operating Income by Division

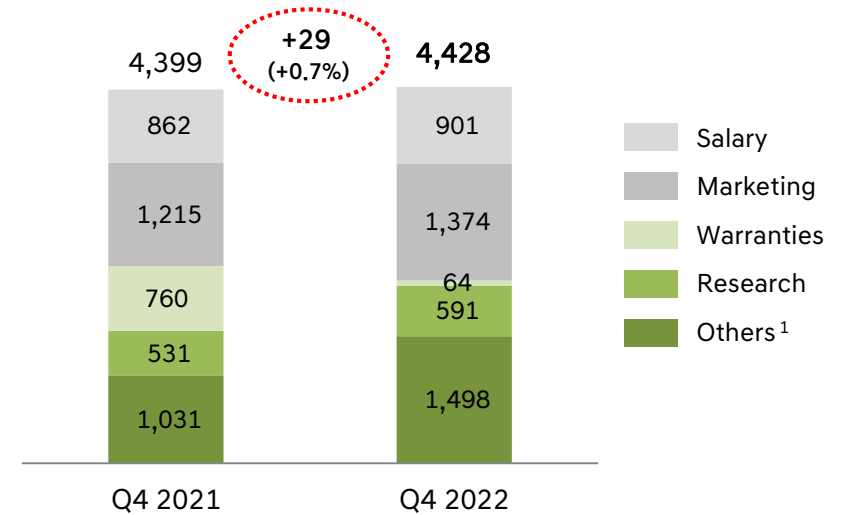
(Billion KRW)



## COGS Ratio



## SG&A



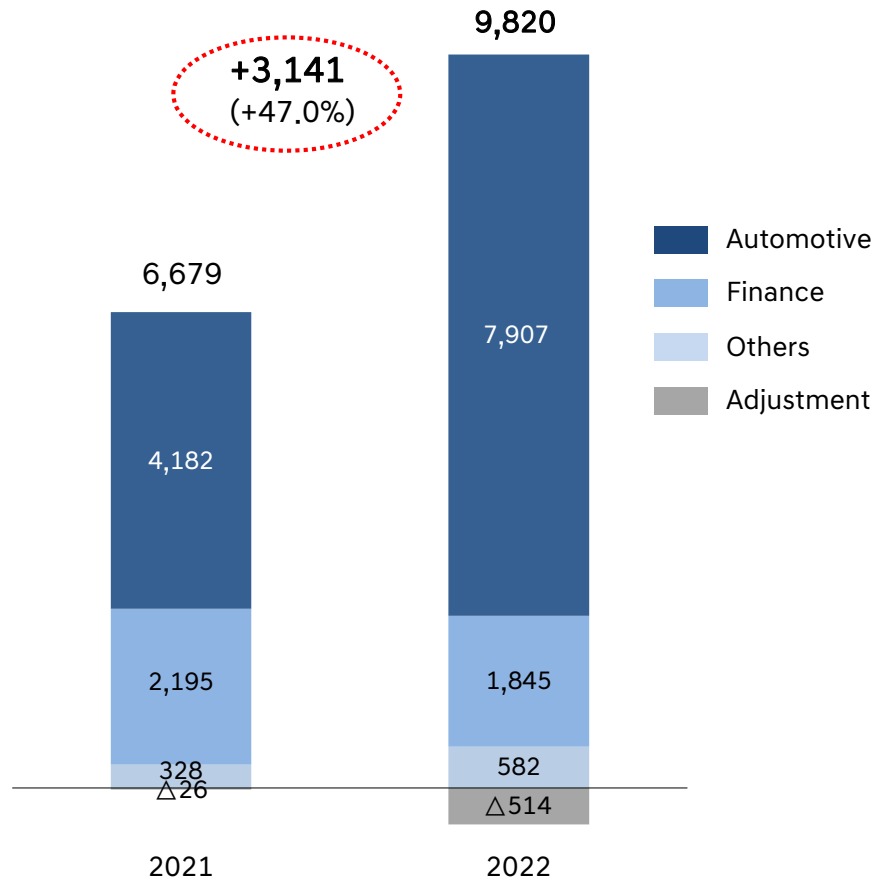
<sup>1</sup> Commission Fees, depreciation, etc.



# Operating Income Breakdown (Annual)

## Operating Income by Division

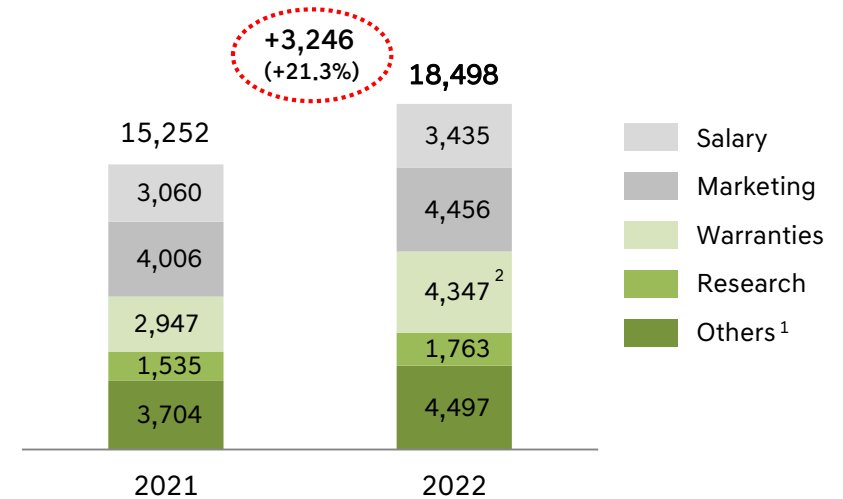
(Billion KRW)



## COGS Ratio



## SG&A

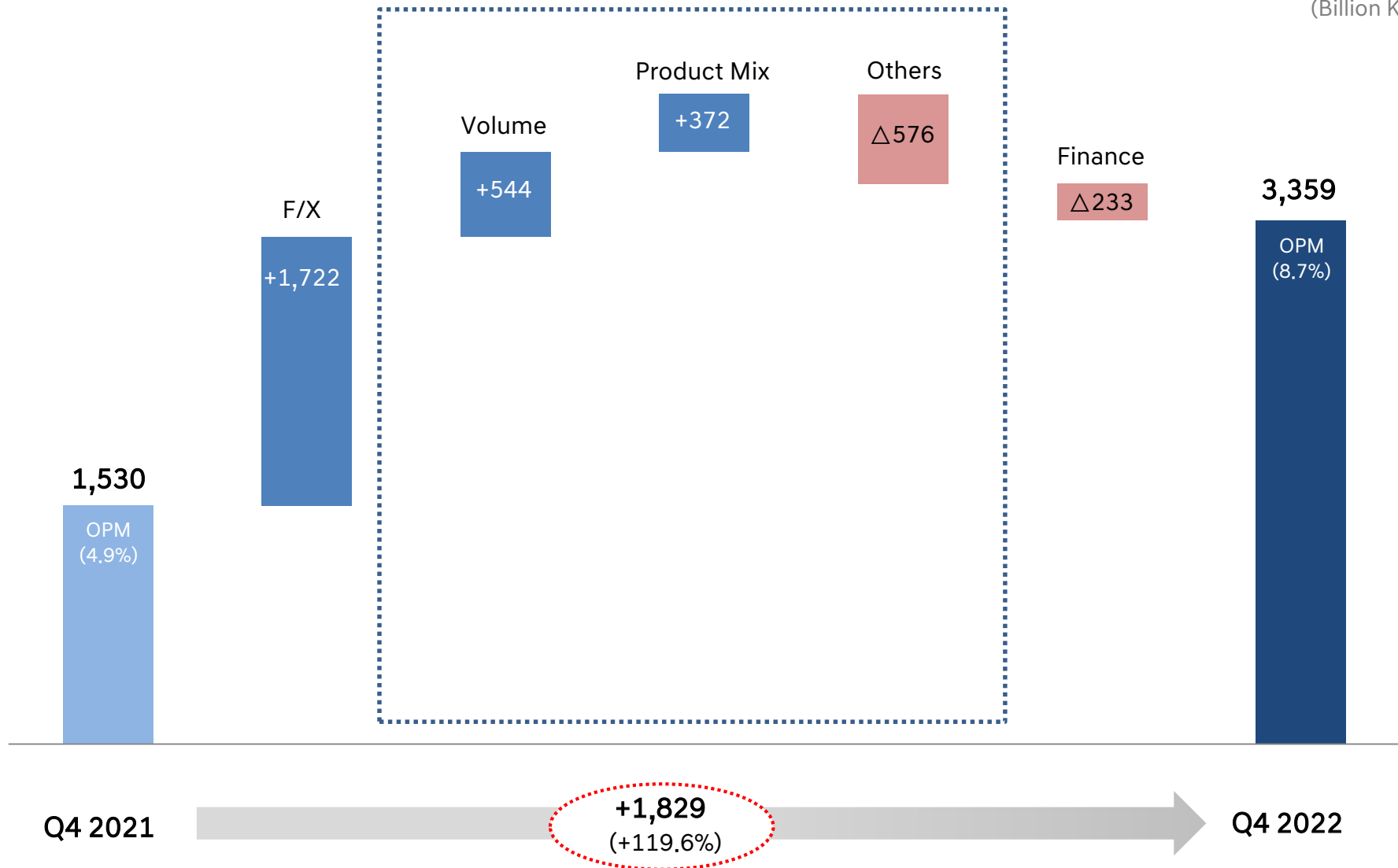


<sup>1</sup> Commission Fees, depreciation, etc.

<sup>2</sup> Including KRW 1.36tn of provision cost

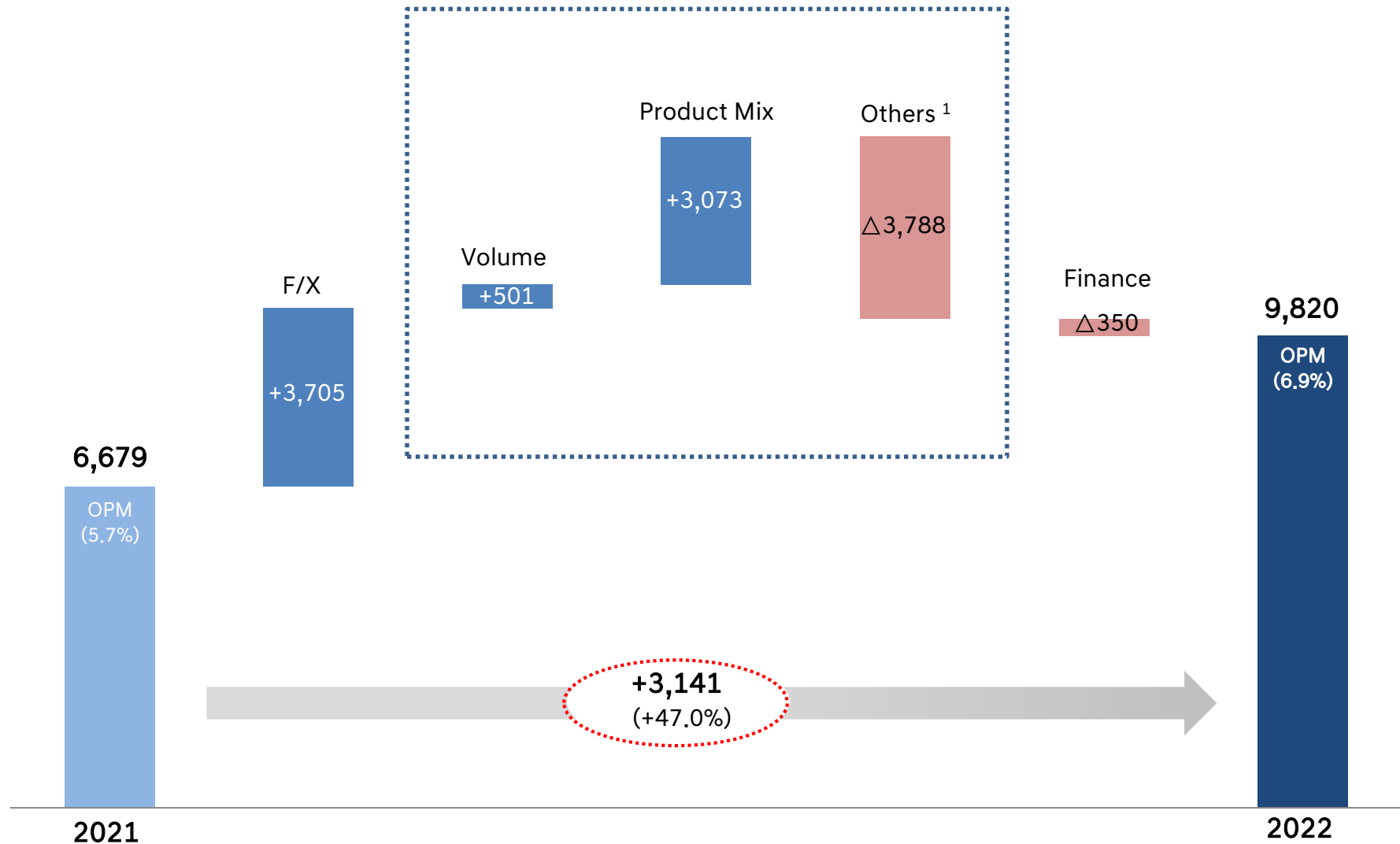
# Operating Income Analysis (Q4 2022)

(Billion KRW)



# Operating Income Analysis (Annual)

(Billion KRW)



<sup>1</sup> SG&A increase including marketing expense and investment and provision costs increase of KRW 1.36 tn related to Theta II GDI engine in Q3 2022

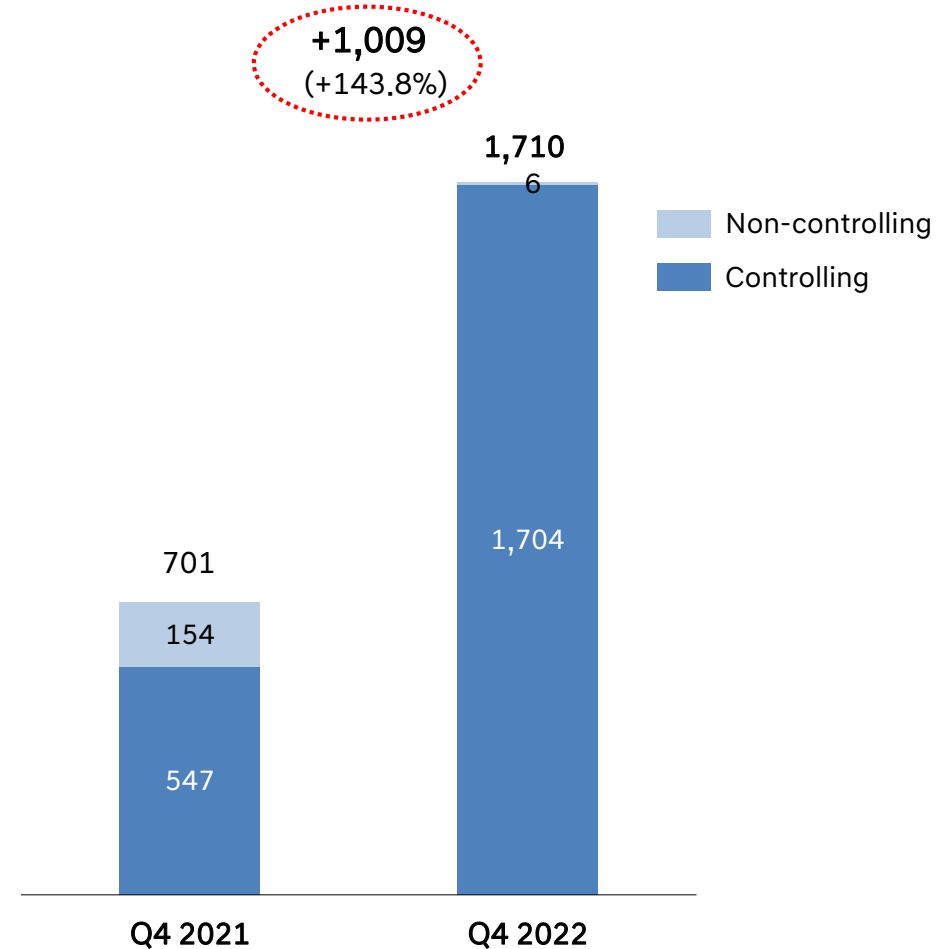
# Non-operating Income & Net Income (Q4 2022)

## Non-operating Income

(Billion KRW)



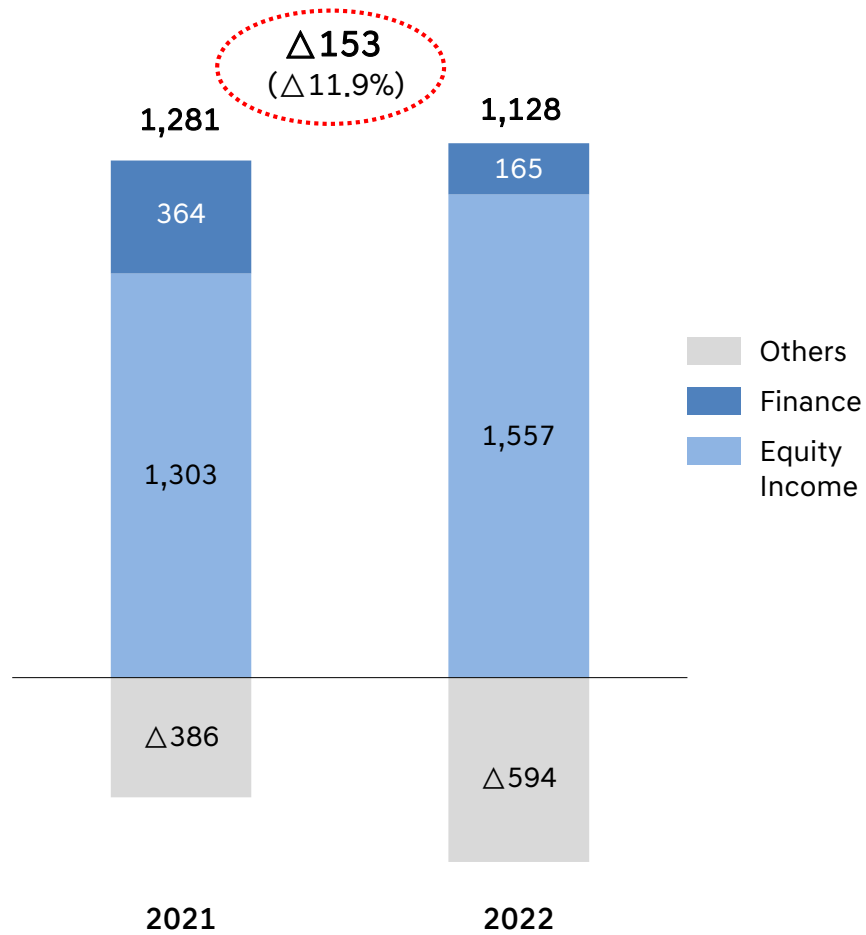
## Net Income



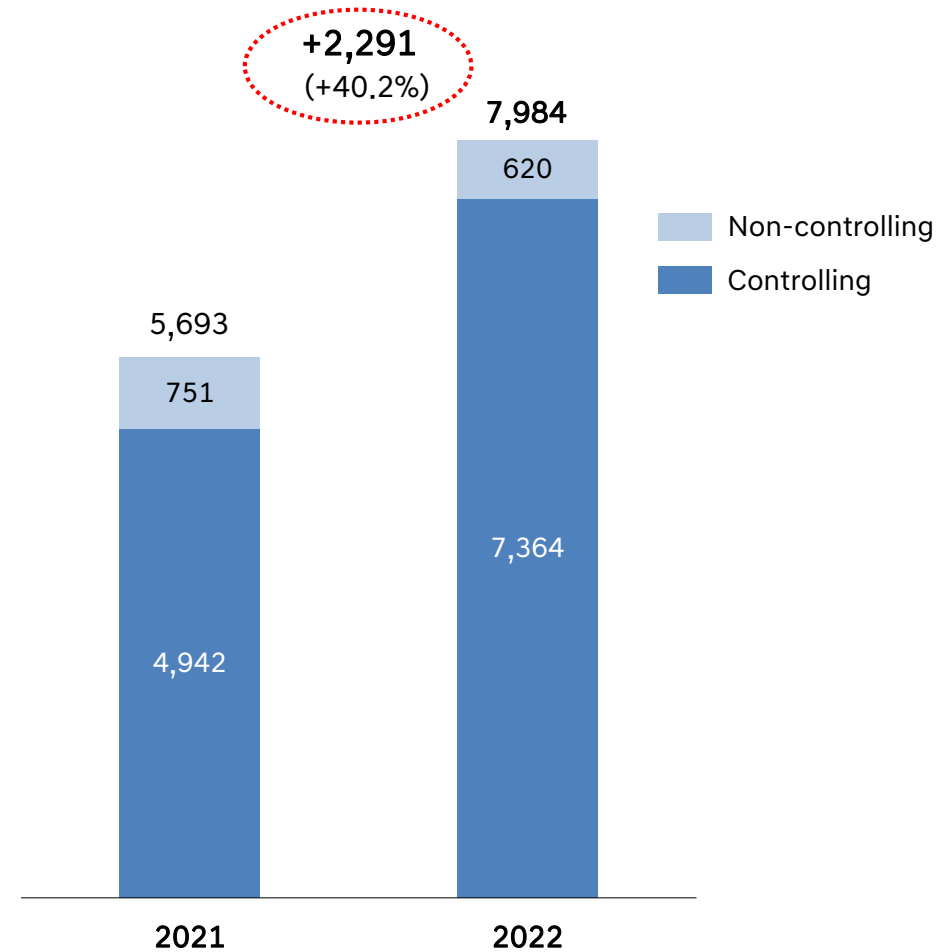
# Non-operating Income & Net Income (Annual)

## Non-operating Income

(Billion KRW)



## Net Income



# Major ESG Outcomes in 2022

With continuous endeavor to ESG integration, (e.g. first ESG NDR for a listed company in Korea and quantitative improvements in ESG related index), HMC ranked global NO. 1 in DJSI 2022 among industry competitors

## Major ESG Activities

*“First listing company in Korea to conduct ESG NDR”*

- Shared HMC ESG achievements and future strategies
- Shared 2045 Net-Zero, supply chain ESG management status & future ESG management goals based on investor concerns

*“Active communication with investors on ESG”*

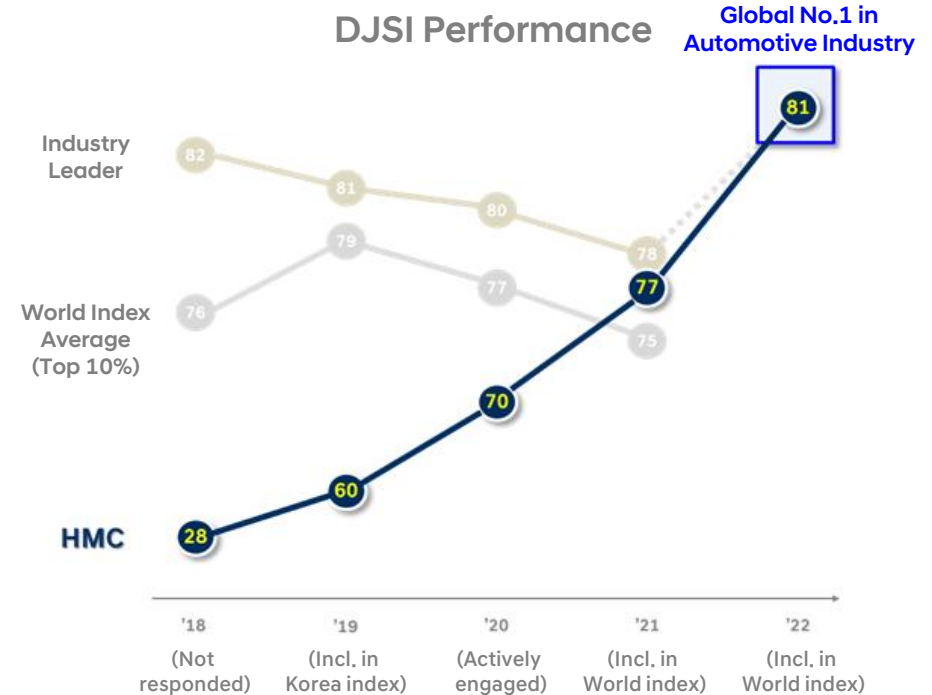
- Active ESG communication (Compared to 2021, No. of ESG meetings increased by more than 5 times)
- Expanded engagement with ESG-focused institutions including response to investor letters

### MSCI

2022 Rating: B (Numerical score increased from 2.0 to 2.6)

### CDP

2022 Climate A- / Water Security A (Rating increased, compared to B and A- respectively in 2021)



### Enhancement in 2022 at DJSI Evaluation

- Quantitative Results : Energy & Water usage reduction, Greenhouse gas emissions reduction, Human Capital ROI, etc.
- Policies : enhanced perks, regulations on discrimination & harassment prohibition, disclosure of conflict minerals policies
- Disclosure : strategic workforce management, cyber/IT security, human rights due diligence results, etc.

# Appendix

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Statement of Income P. 23

Statement of Financial Position P. 24

Statement of Cash Flows P. 25

# Statement of Income

(Billion KRW)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	YoY	QoQ
<b>Revenue</b>	<b>31,026</b>	<b>30,299</b>	<b>36,000</b>	<b>37,705</b>	<b>38,524</b>	+24.2%	+2.2%
<b>Gross Profit</b>	<b>5,929</b>	<b>5,773</b>	<b>7,400</b>	<b>7,357</b>	<b>7,787</b>	+31.3%	+5.8%
Margin (%)	19.1	19.1	20.6	19.5	20.2		
<b>SG&amp;A</b>	<b>4,399</b>	<b>3,844</b>	<b>4,420</b>	<b>5,805</b>	<b>4,428</b>	+0.7%	△23.7%
Portion (%)	14.2	12.7	12.3	15.4	11.5		
<b>Operating Income</b>	<b>1,530</b>	<b>1,929</b>	<b>2,980</b>	<b>1,552</b>	<b>3,359</b>	+119.6%	+116.5%
Margin (%)	4.9	6.4	8.3	4.1	8.7		
<b>Income before Tax</b>	<b>1,474</b>	<b>2,279</b>	<b>3,889</b>	<b>2,042</b>	<b>2,739</b>	+85.8%	+34.1%
Margin (%)	4.8	7.5	10.8	5.4	7.1		
<b>Net Income</b>	<b>701</b>	<b>1,777</b>	<b>3,085</b>	<b>1,411</b>	<b>1,710</b>	+143.8%	+21.1%
Margin (%)	2.3	5.9	8.6	3.7	4.4		
<b>D&amp;A<sup>1</sup></b>	<b>1,309</b>	<b>1,204</b>	<b>1,247</b>	<b>1,208</b>	<b>1,424</b>		
<b>EBITDA</b>	<b>2,839</b>	<b>3,133</b>	<b>4,227</b>	<b>2,760</b>	<b>4,784</b>		

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



# Statement of Financial Position

(Billion KRW)	Q4 2021	Q4 2022	Diff.	% change
<b>Asset</b>	<b>233,946</b>	<b>255,743</b>	+21,797	+9.3%
Current Asset <sup>(a)</sup>	88,565	96,389	+7,824	+8.8%
<b>Liabilities<sup>(b)</sup></b>	<b>151,331</b>	<b>164,846</b>	+13,515	+8.9%
Current Liability <sup>(c)</sup>	64,237	74,237	+10,000	+15.6%
Debt <sup>(d)</sup>	107,793	112,186	+4,393	+4.1%
Provision	10,879	12,431	+1,552	+14.3%
<b>Equity<sup>(e)</sup></b>	<b>82,616</b>	<b>90,897</b>	+8,281	+10.0%
Capital Stock	1,489	1,489	-	-
Capital Surplus	4,070	4,241	+171	+4.2%
Retained Earnings	73,168	79,954	+6,786	+9.3%
Current Ratio <sup>(a/c)</sup>	137.9%	129.8%		
Liability to Equity <sup>(b/e)</sup>	183.2%	181.4%		
Debt to Equity <sup>(d/e)</sup>	130.5%	123.4%		

# Statement of Cash Flows

(Billion KRW)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
<b>Beginning</b>	<b>12,764</b>	<b>12,796</b>	<b>14,151</b>	<b>16,129</b>	<b>19,585</b>
Net Income	701	1,777	3,085	1,412	1,710
Depreciation	791	764	792	755	870
Amortization	462	433	451	443	540
Acquisition of Tangible	△1,196	△1,175	△669	△766	△1,405
Acquisition of Intangible	△661	△289	△337	△312	△781
Dividends paid	△0	△0	△1,043	△312	-
Others	△65	△155	△301	2,236	345
<b>Ending</b>	<b>12,796</b>	<b>14,151</b>	<b>16,129</b>	<b>19,585</b>	<b>20,865</b>

# Thank you

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# Q&A

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