



Kia Motors Corporation

Investor Presentation

Nov 2020



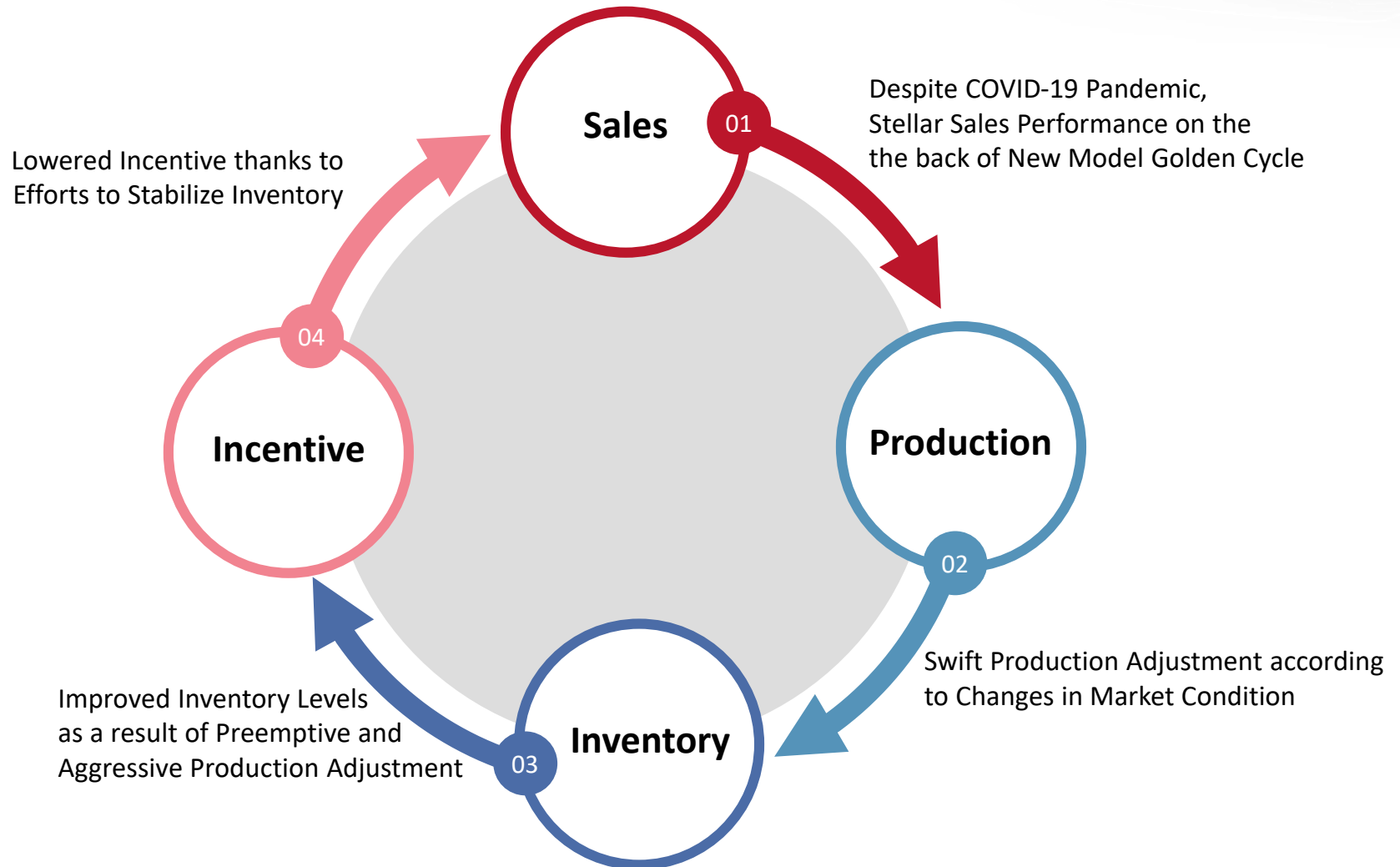
The Power to Surprise

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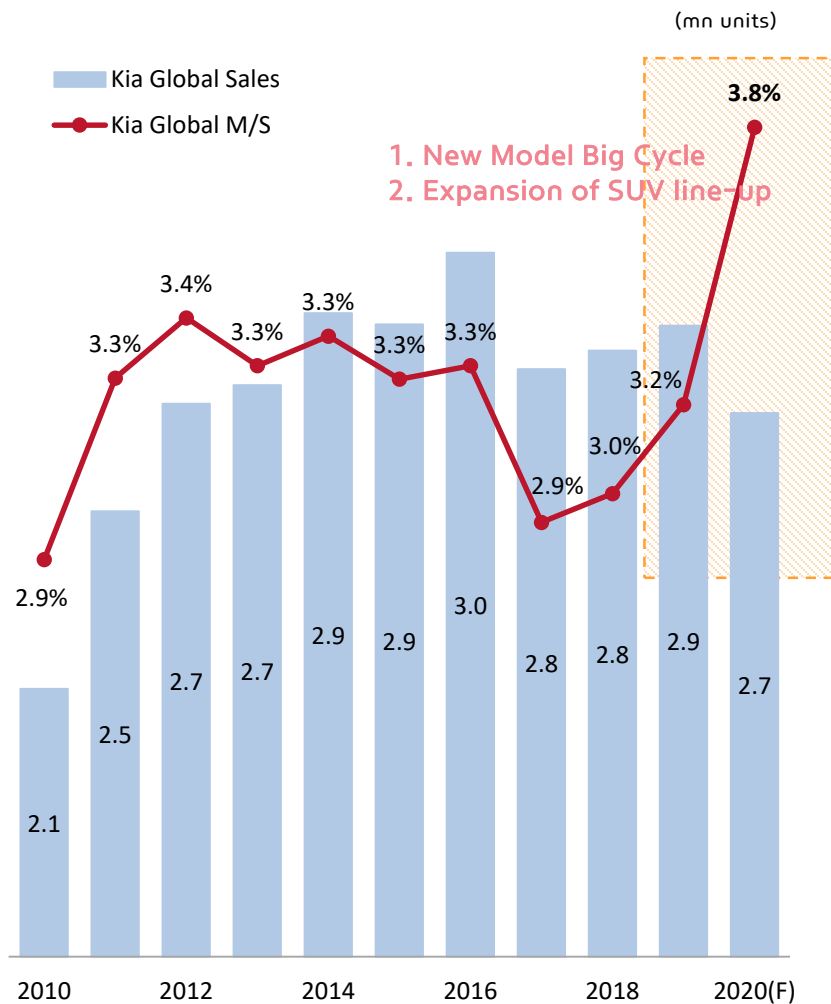
1 Key Investment Highlights

Operational Virtuous Circle



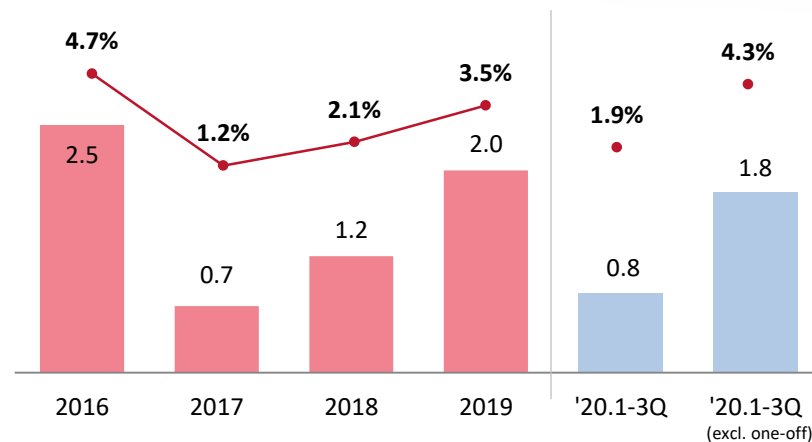
1 Key Investment Highlights

Growth of Global Sales and M/S

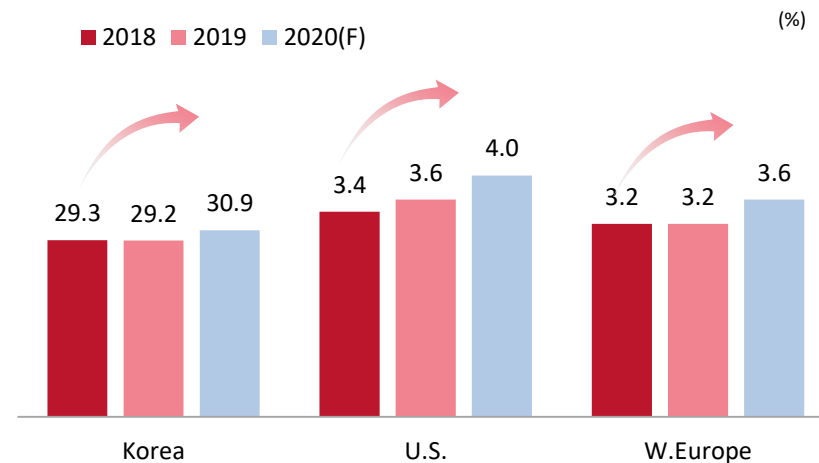


Profitability (Operating Profit)

(%, trn KRW)



M/S in Key Markets



What Drives Our Constant Improvement of Profitability ?

Stellar ASP Hike to be Heightened

- **Record-high ASP rise to be strengthened**
 - Refreshed new models (K5 / Sorento / Carnival)
 - Trim mix improvement
 - Higher optionality preference
- **Onward ASP increase based on Structural changes**
 - Growing consumer preference for ADAS features
 - Enhanced consumer perception for Kia brand

Continued Mix Improvements

- **New Model Golden Cycle**
 - 2019 : Telluride, Seltos, K5
 - 2020 : Sorento, Carnival
 - 2021 : K7, Sportage
- **Successful expansion to new SUV segments**
 - Telluride(Mid-Sized SUV)
 - Seltos(B-SUV)
- **Product & Geographic Sales Mix improvement**
 - RV sales ratio 60% by 2022

Securing Sustainable Volume Growth

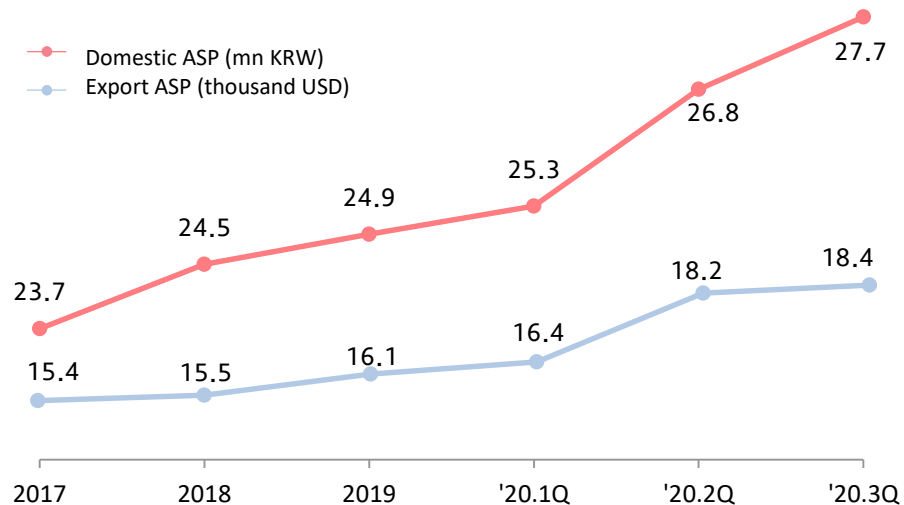
- **India to lead long-term growth**
 - Fully Ramp-up with only SUVs and MPVs
 - Started to generate profit from its first quarter ('19.4Q) due to high demand of Seltos
- **CKD volume expansion in high-tariff EM**
 - 2020 : 87k → 2025 : 345k



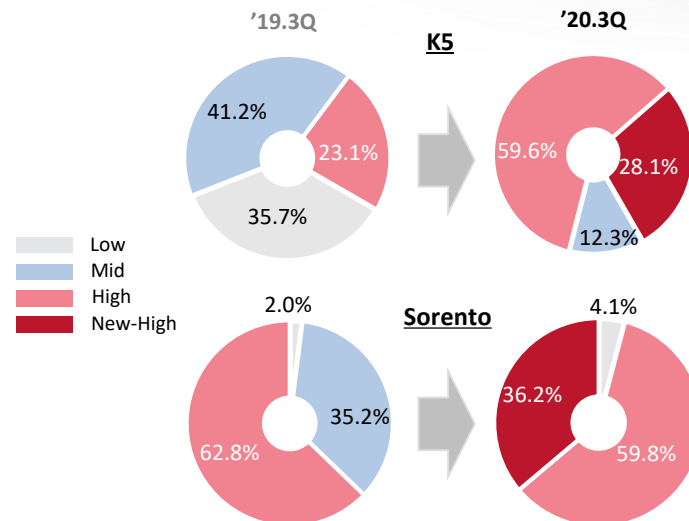
**Expecting Further Accelerated Profitability Improvement
Driven by Fundamental Change of ASP/Mix Profile**

① Strong ASP Growth : ① Korea Domestic Market

ASP Trend



Sales % by Trim



Option Selection Rate ('19.3Q vs. '20.3Q)



DRIVE Wise ⁽¹⁾



UVO Navigation



HUD / Premium Sound⁽²⁾

K5

23% → **71%**

48% → **86%**

24% / 18%

Sorento

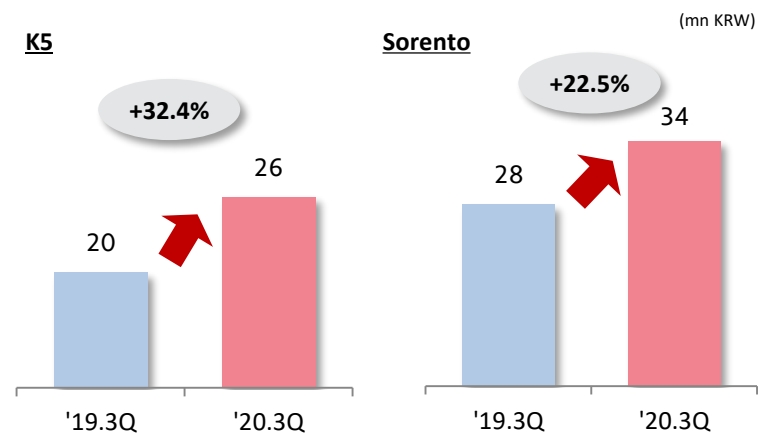
58% → **83%**

73% → **96%**

34% / 17%

(1) ADAS Full Package (2) Newly added to new models

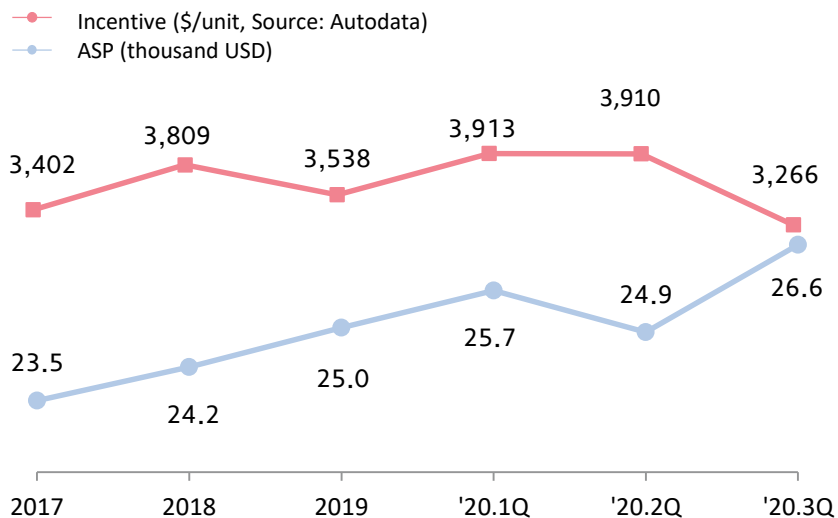
New Model ASP



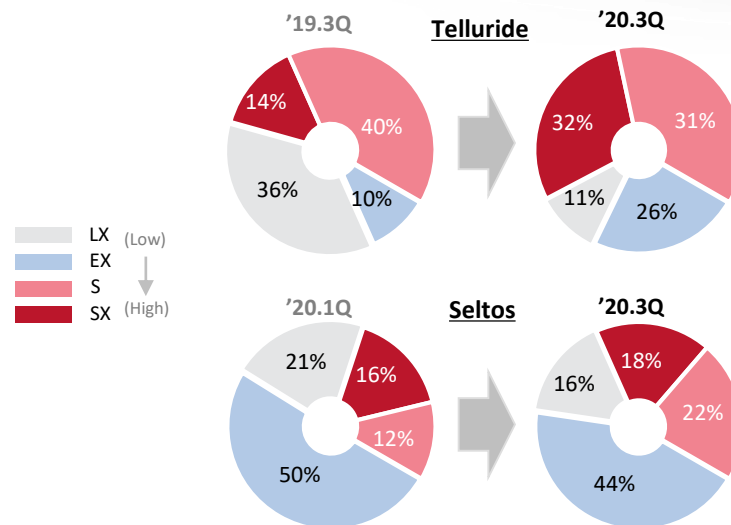
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① Strong ASP Growth : ② U.S. Market

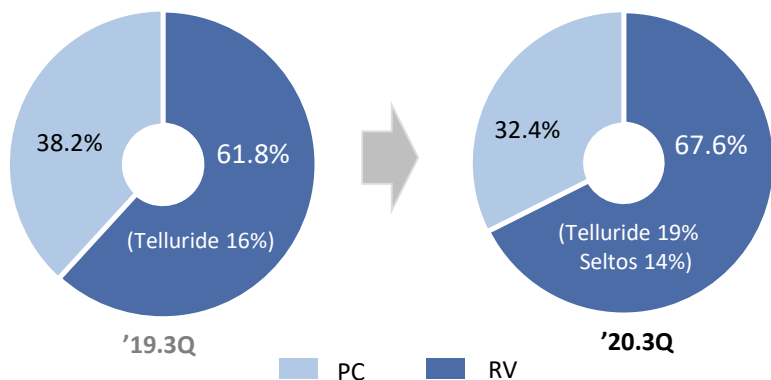
ASP & Incentive Trend



Sales % by Trim



Sales % by Segment




Telluride Customer Demographic

Category	Telluride	Sorento	MID-SUV Average
Gen Y/Z	39%	34%	37%
Income (average)	\$84,304	\$70,559	\$84,957
Bachelor's(4-yr)	34%	26%	33%
Female %	42%	51%	43%

Source: JD Power PIN

2 New Model Golden Cycle

	2019	2020	2021
PC	 <p>K5 * Launch in Korea Domestic Market</p>	 <p>K5 * Launch in U.S., China</p>	 <p>K7</p>
SUV	 <p>Telluride (U.S. specific model) Seltos</p>	 <p>Sorento Carnival Sonet (India Strategic Model)</p>	 <p>Sportage Carnival KY (India Strategic Model)</p>
Green Cars	 <p>K5 HEV Soul EV</p>	 <p>Sorento HEV/PHEV Bongo EV</p>	 <p>CV * 1ST E-GMP Dedicated Model Sportage HEV K7 HEV</p>

2 Successful Entry into New RV Segment

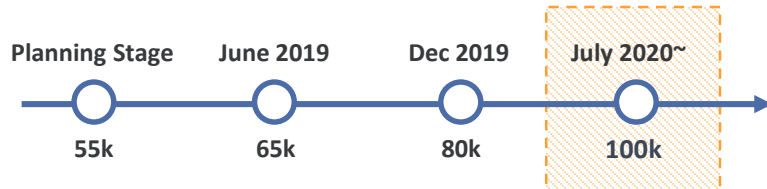
Product Information



< Telluride >

Segment	Mid - SUV
Launch	Feb 2019
Dimension (L/W/H/WB)	5,000 / 1,990 / 1,750 / 2,900
Sales Plan	100k units / yr

< Telluride Capacity Expansion → 100k Annual Capacity >

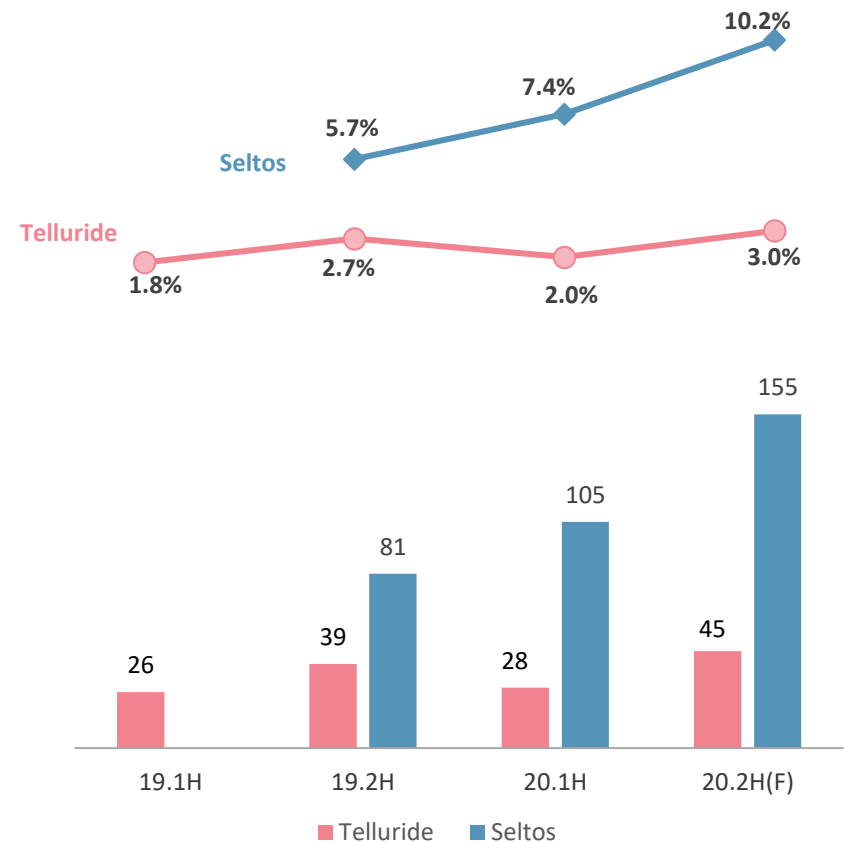


< Seltos >

Segment	B - SUV
Launch	July 2019
Dimension (L/W/H/WB)	4,375 / 1,800 1,600 / 2,630
Sales	310k units / yr

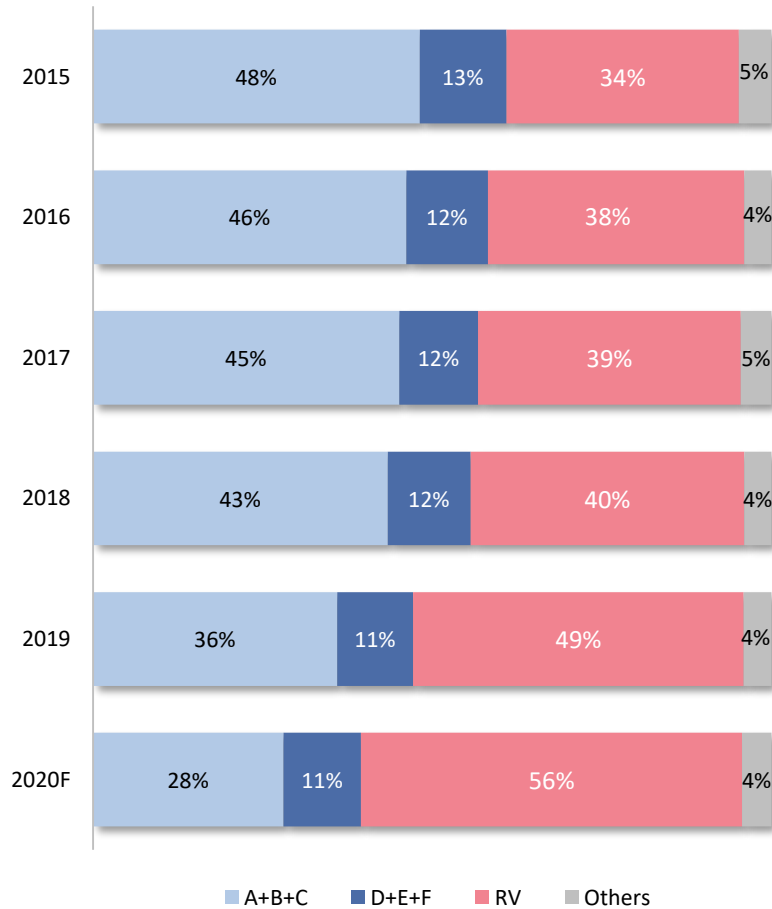
Sales Contribution Rate

(in thousand units, % of total retail sales)

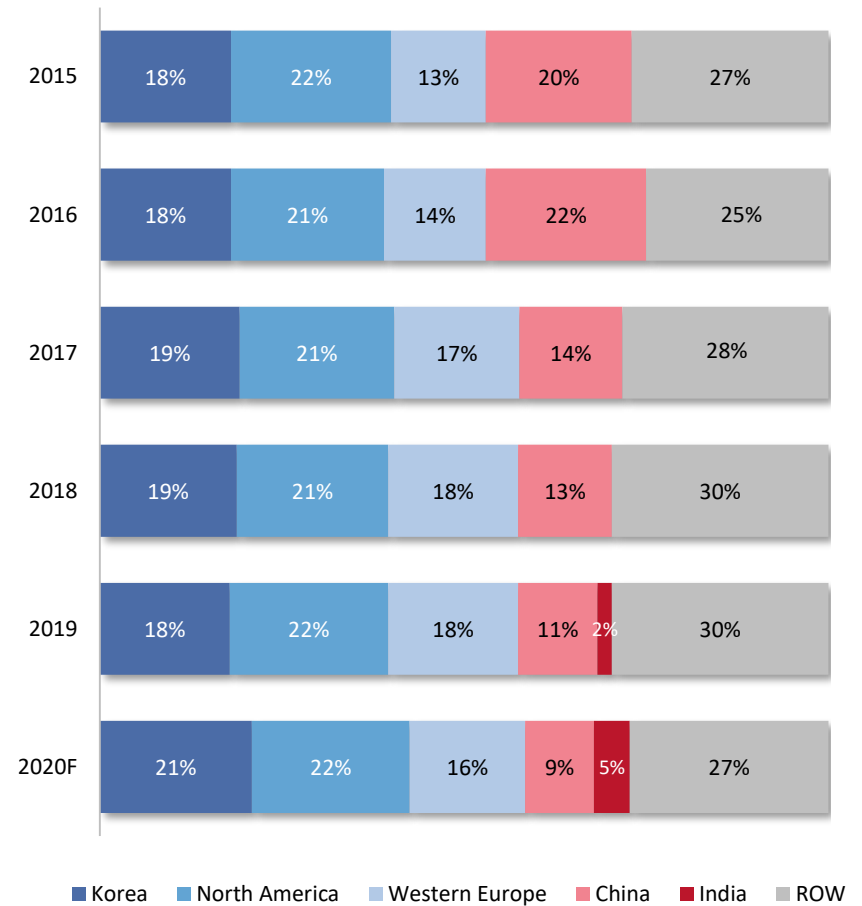


2 Change of Product & Geographical Mix

RV focused Product Mix Trend

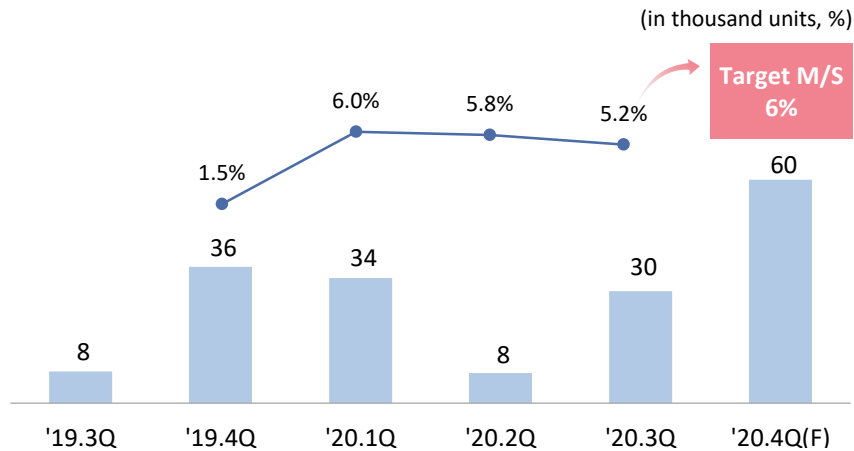


Geographical Mix Trend

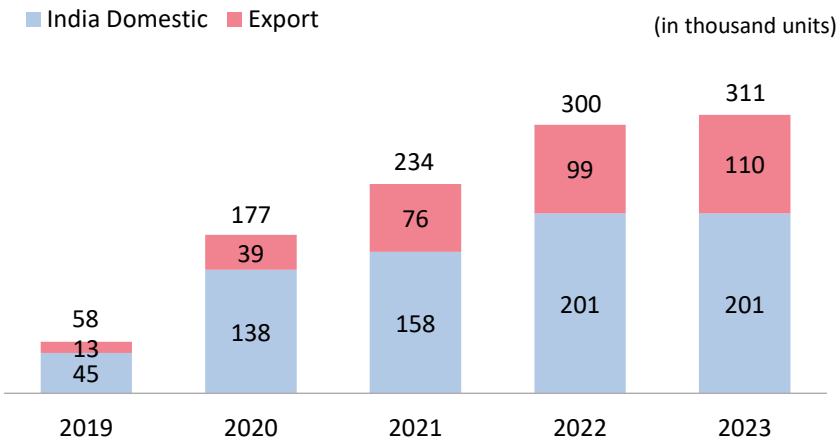


3 India : New Volume Growth Driver

India Sales (Retail)



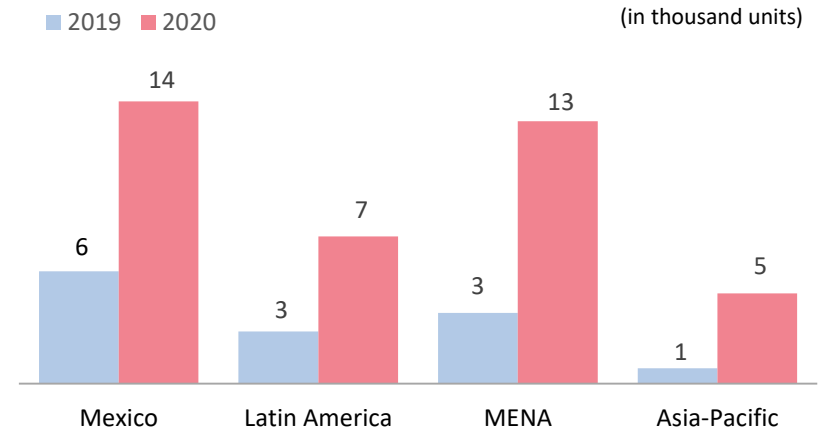
Mid-long term Volume Plan (India Plant)



Product Line-Up (RV Specialized Premium Brand)

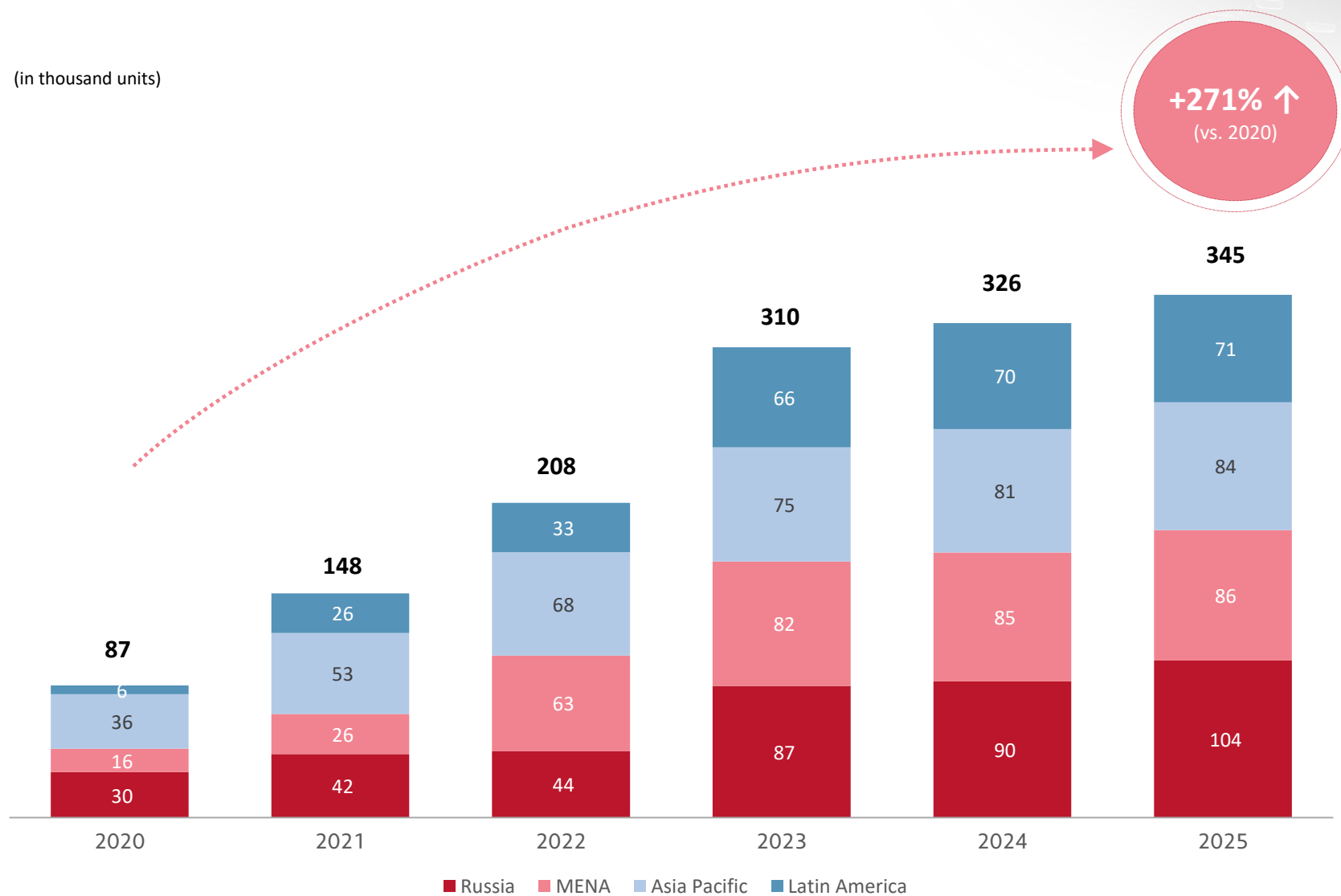
			
Model	Seltos	Sonet	New MPV
Segment	B-SUV	A-SUV	MPV-Mid
Launch	Aug 2019	Sept 2020	Jan 2022
Sales Plan	India	70k units / yr	100k units / yr
	Export	41k units / yr	44k units / yr
		50k units / yr	26k units / yr

Export Volume to Emerging Markets



3 CKD Volume Expansion in Emerging Markets

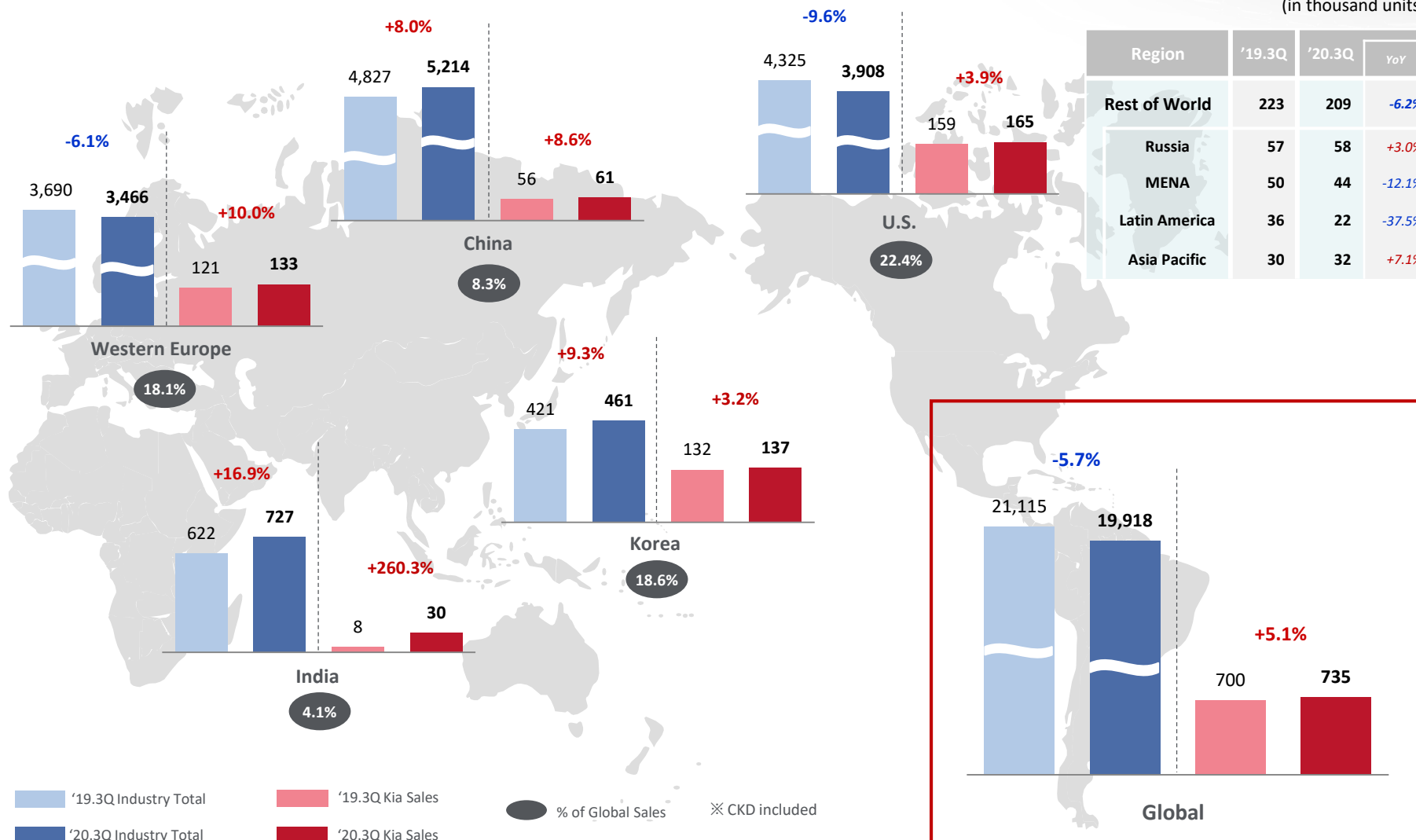
(in thousand units)





2. Recent Developments

(in thousand units)



2 Wholesale & Ex-factory Sales Results



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(in thousands)	'19.3Q	'20.3Q	Change %
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Wholesale	702	699	-0.4
Korea	132	137	+3.2
U.S.	163	154	-5.0
Europe	119	120	+1.6
China	55	63	+15.1
India	14	38	+175.7
ROW	219	187	-14.6

(in thousands)	'19.3Q	'20.3Q	Change %
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Ex-factory	650	641	-1.4
Korea Plant	350	343	-1.9
Domestic	132	137	+3.2
Export	218	206	-5.1
Overseas Plant	300	298	-0.8
U.S.	71	68	-3.5
China	66	66	+0.3
Europe	78	64	-18.7
Mexico	71	51	-28.7
India	14	49	+245.2

※ Europe Sales : Western Europe / China : Dongfeng-Yueda-Kia(DYK) only

※ CKD sales included : Russia, Latin America, MENA, Asia-Pacific



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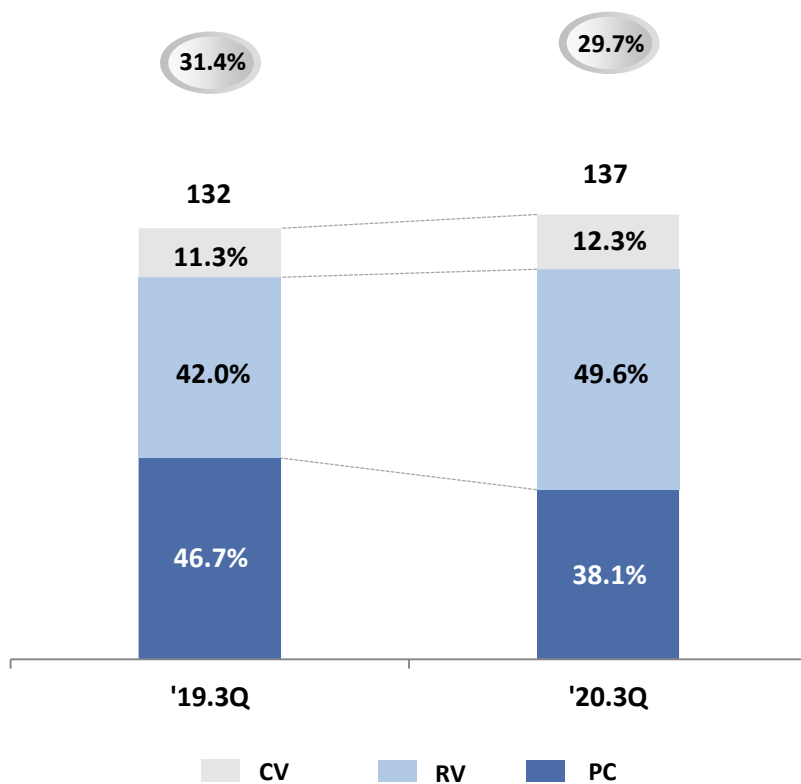
2 Korea Market



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Sales & Market Share

(In thousand units, %)



※ Industry demand and M/S : Foreign brands included

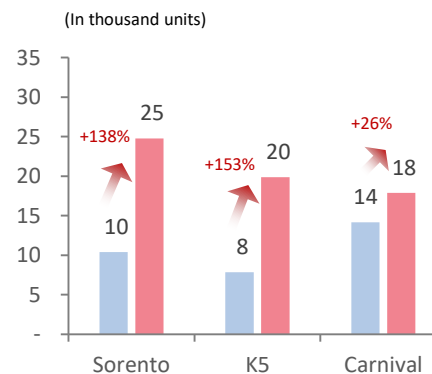
Sales Summary

Industry +9.3%

[YoY]

Kia +3.2%

▣ Sales by Key Models



▣ New Carnival



Segment	MPV
Launch	Aug 2020
Dimension (L/W/H/WB)	5,155 / 1,995 / 1,740 / 3,090
Sales Plan	60K units/yr

► 3Q Results

- Sales increase driven by new models(Sorento/K5/Carnival) but underperformed industry growth due to high base(Seltos/K7/Mohave)
- Carnival recorded more than 10k deliveries in 1 month (Sept 2020)

► Initiatives

- Continue sales performance of key volume new models
- Diversify purchase method options(subscription)/payment plans
- Strengthen sales promotion for year end Korea Sale Festa



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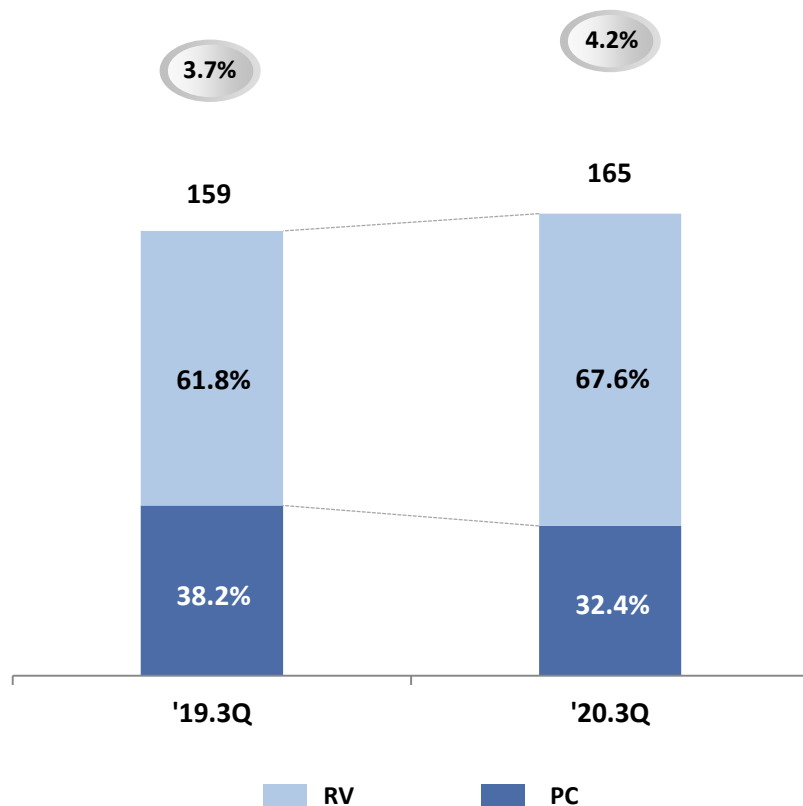
2 U.S. Market



The Power to Surprise

Sales & Market Share

(in thousand units, %)



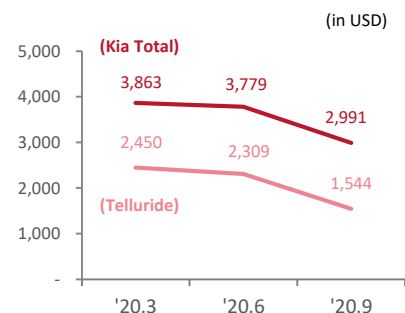
Sales Summary

Industry -9.6%

[YoY]

Kia +3.9%

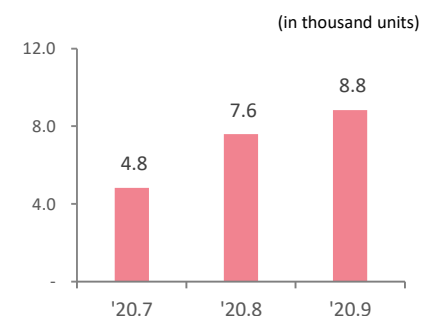
US Incentive Trend



* Source : AutoData

Telluride Capacity Expansion

※ Annual Capacity 100k(from 80k)



* Retail Sales

3Q Results

- Fast recovery after easing of lockdown
→ Despite industry decline(-9.6%), Kia achieved turnaround (+3.9%)
- Virtuous cycle of stabilized inventory and incentive spending
(Sept 2020 MOS : 2.4 months, incentive : \$ 2,991 vs. industry average \$ 4,030)

Initiatives

- Sales increase and mix improvement with SUVs(Telluride/Seltos)
 - Telluride capacity increased to 100k per annum(from July 2020)
 - SUV sales portion increase(2019 58% → ' 20.1Q 62% → 2Q 65% → 3Q 68%)
- Continue new model effect with refreshed K5/Sorento(Nov)



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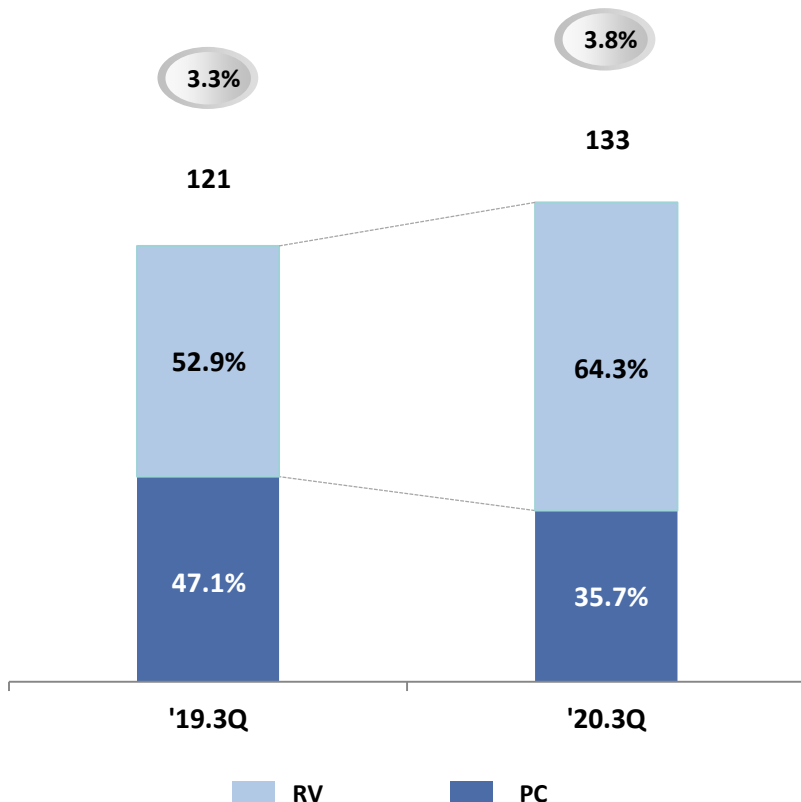
2 Europe Market



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Sales & Market Share

(in thousand units,%)



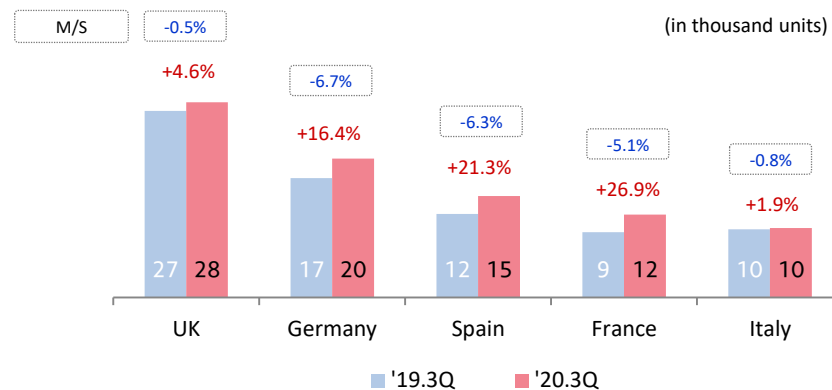
Sales Summary

Industry -6.1%

[YoY]

Kia +10.0%

Sales in Key Markets



3Q Results

- Eased lockdown and sales increase driven by green cars
- ※ '20.3Q Green Car sales portion : 28% ('20.3Q YTD 24% / 2020 target 24%)

Initiatives

- Increase M/S with sales increase of Niro/Ceed CUV
- Strengthen online promotion and marketing
- Increase sales of lucrative models(Sportage) after early completion of CO2 emission regulation target



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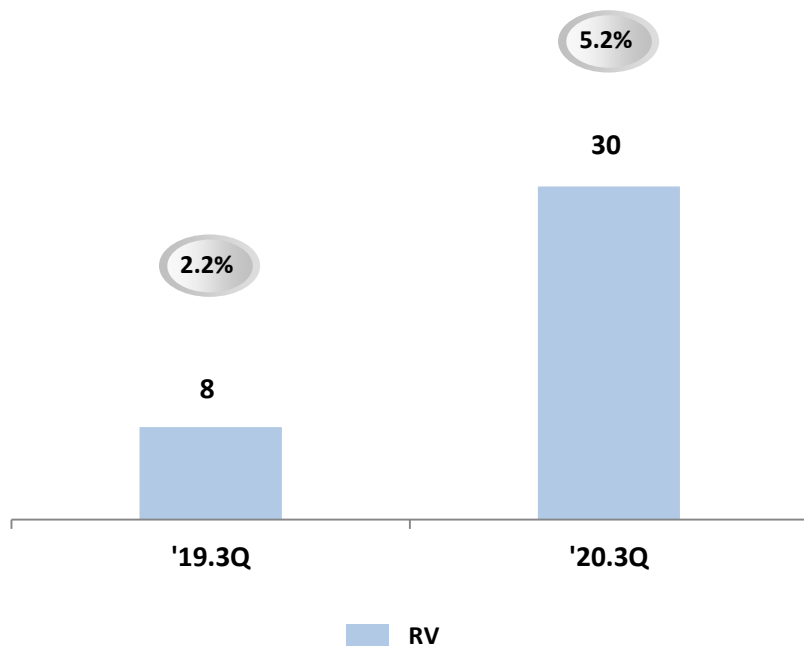
2 India Market



The Power to Surprise

Sales & Market Share

(in thousand units,%)



※ M/S : Wholesale

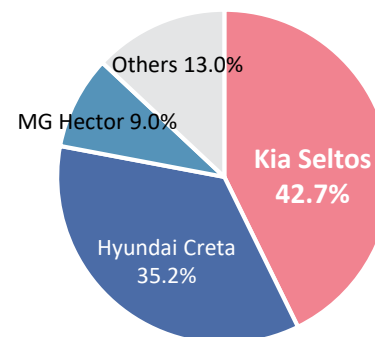
Sales Summary

Industry +16.9%

[YoY]

Kia +260.3%

■ SUV Mid M/S ('20.3Q YTD)



■ Sonet



Segment	SUV Low
Launch Date	Sept. 2020
Sales Plan	domestic
	100K/yr
Sales Plan	export
	50K units/yr

► 3Q Results

- Sales turnaround with Seltos/Sonet sales momentum
- Seltos : No.1 SUV (2020 3Q YTD)
- Sonet : 38k+ Preorders, No.1 in SUV Low in first month of launch
- Maintained Top 5 position in market from 1Q '20

► Initiatives

- Sonet : Increase new model effect with increased production
- Seltos : Continue strong sales momentum (launch 1st anniv. model)
- Strengthen marketing/promotion for festivity season (Oct ~ Nov)



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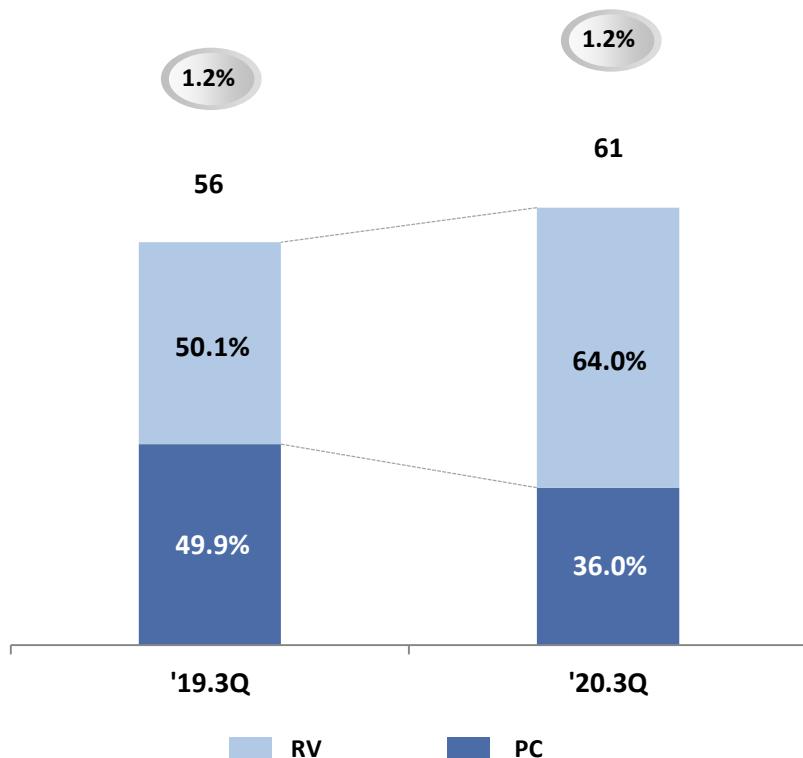
2 China Market



The Power to Surprise

Sales & Market Share

(in thousand units,%)



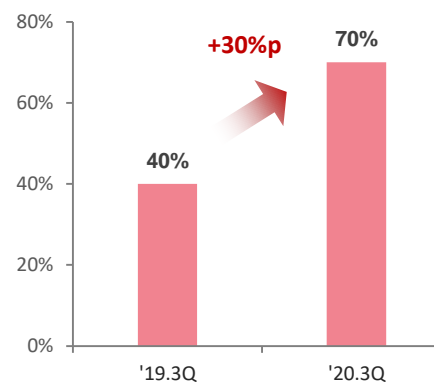
Sales Summary

Industry +8.0%

[YoY]

Kia +8.6%

Key Model Portion



* Key models : K3, K5, Zhipao, KX3

All New K5



Segment	D-Mid PC
Launch date	Sept 2020
Dimension (L/W/H/WB)	4,960 / 1,860 / 1,445 / 2,885
Sales Plan	60K units/yr

3Q Results

- Mix improvement and sales turnaround driven by key models
- Key models(K3, K5, Zhipao, KX3) drove 70% of sales → mix improvement
- SUV sales portion increased by +14%p ('19.3Q 50% → '20.3Q 64%)

Initiatives

- Maximize K5(launched in Sept 2020) sales momentum
- Recover market share by focusing on key models
- Optimize LT strategy roadmap to improve brand positioning
- Key strategy : improve brand positioning by elevating star models



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3. Strategy for Sustainable Growth

3 Electrification Roadmap

Present (2020)



Maximum Distance	385km	Maximum Distance	385km
Battery Capacity	64kWh	Battery Capacity	64kWh
Fast Charging	54 min.	Fast Charging	54 min.
Retail Sales in 2020	43K / Year	Retail Sales in 2020	10K / Year

- Derivative EV-focused
- Global Green Car M/S : 4.0%
Global EV M/S : 3.5%
- Global Sales Volume(F) : 62K
- BEP Level

EV-Dedicated Platform

Future (2025)

- 11 models to form full EV line-up
- 6 Dedicated EVs + 5 Derivative EVs

- Green Cars % of entire sales : 25%
EV % of entire sales : 12.3%
- Global EV M/S : 5~7%

Enhancing Cost Competitiveness

- On par with ICE vehicles, cost savings from
 - 1) 60% Material Cost Reduction
 - 2) 40% Streamline Sales Cost / New Specification / New business
- (+) Economy of Scale / Reduced Fixed Cost

3 Niro : Competitive Electric Vehicle

What makes Our Niro EV Competitive

Global
Top10 EV



385km

Superior Product

- **Fast Charging Technology**
 - 54mins (with 100kW fast charger)
- **Advanced ADAS features**
 - FCW, Smart Cruise Control, LFA, FCA, FCAA
- **Practical EV At affordable Price**

Smart Design

- **A unique position as an all-electric CUV**
- **Enlarged room space**
 - Dimension (L/W/H)
: 4,375 / 1,805 / 1,570 (mm)

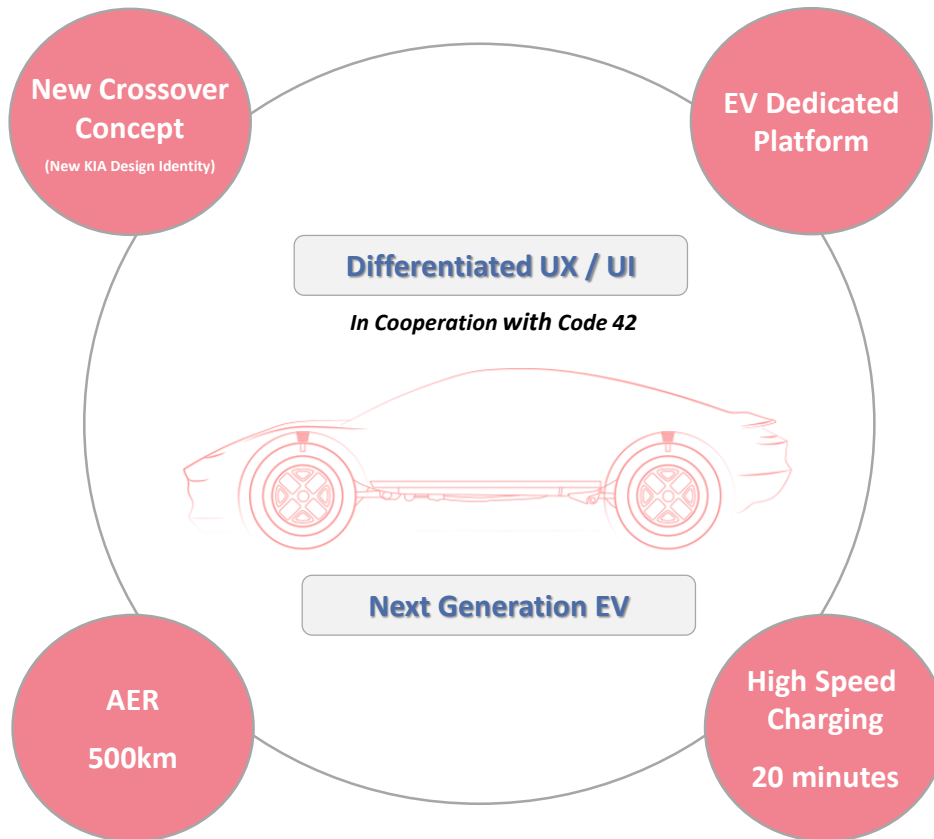
Long Driving Range

- **Maximum distance on single charge : 385Km/h**
- **Smart dual range option**
 - 385km (64kWh)
 - 246km (39.2kWh)



3 EV-Dedicated Line-up Strategy

CV : EV Dedicated Model



EV-Dedicated Platform



Product Strengths

- ✓ High flexibility of design
(able to create innovative interior/exterior design)
- ✓ Enhanced AER (All-Electric Range 500km)
- ✓ Improved Driving / Acceleration Performance (weight distribution advantage)



Efficiency

- ✓ Increased Parts Commonization / R&D Efficiency
- ✓ Stronger Cost Competitiveness
- ✓ Better Space Utilization



Innovation

- ✓ Higher Possibility of Innovative Changes
(development/production/sales/etc.)
- ✓ Reduction of Charging Time
(Possibility of using 800v high voltage system)

3 ESG Roadmap

ESG Achievements

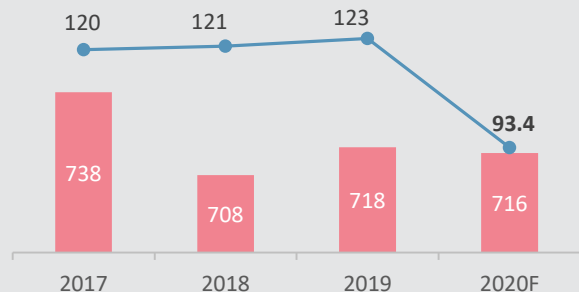
Environmental Management

- **Reducing Emissions**

- Addressing environmental issues worldwide
- Launching more green cars, particularly EVs
- Achieve 2020 CO2 target in EU

■ GHG Emissions (th tCO2-eq)

● Avg CO2 emissions (EU) (g/km)



Social Outreach

- **Included to KPI target**

- ESG performances included in top managements' KPI
- Enhancing transparency in handling consumer complaints (increasing online disclosures)

Rating	Total	E	S	G
2020	A	A	A+	B+
2019	B+	A	A	B
2018	B	A	A	C

Governance, Trust-based Management

- **Improving Transparency**

- Enhancing Shareholders' Value
- ESG risk-related decision-making (reporting to top management)
- Improving systems to protect shareholder rights (adopting an electric voting system)

BOD	- Planning to diversify BOD composition
Charter	- Introduced Corporate Governance Charter - Including company's commitment to all shareholders

Global Sustainability Leading Company in 2025

Protecting environment, Active communications with stakeholders, Sharing ESG-related information



4. Financial & Fundamentals

4 Profitability & Capital Expenditure Trend

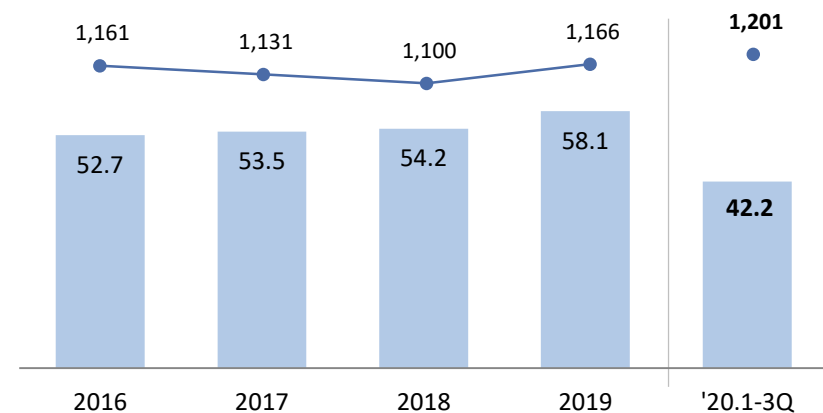


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Revenue

(KRW trn)

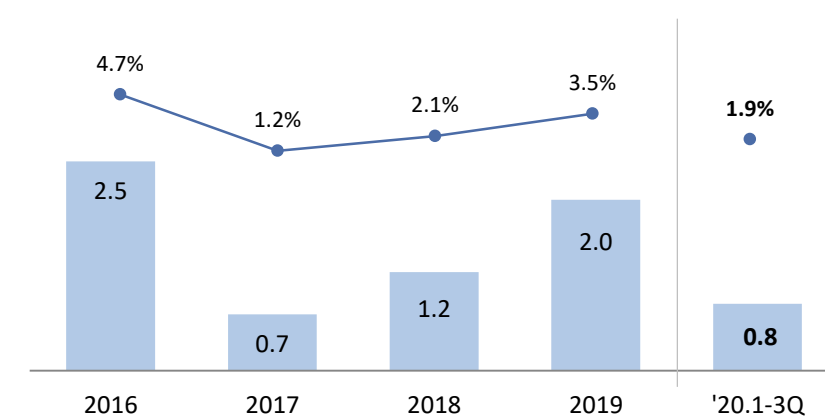
(KRW/USD FX Rate)



Operating Profit

(KRW trn)

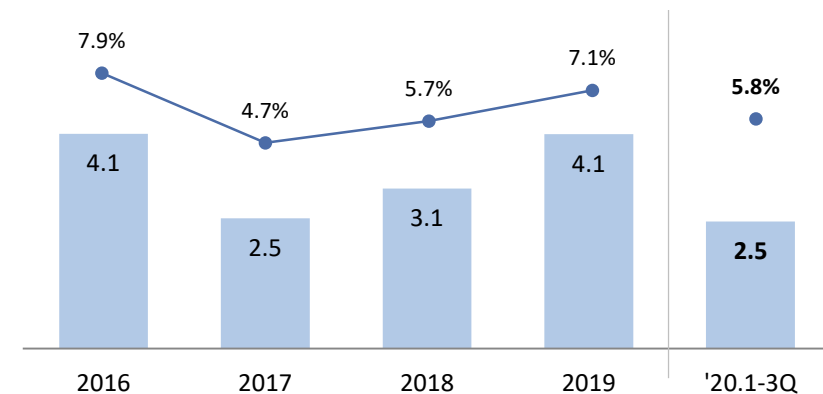
(% Margin)



EBITDA

(KRW trn)

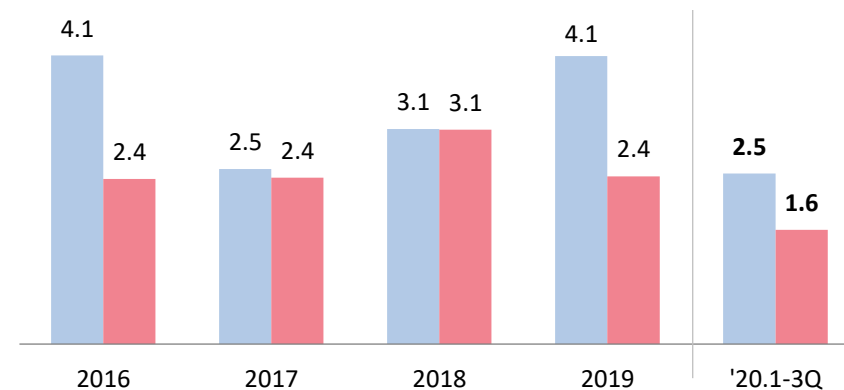
(% Margin)



EBITDA vs. CapEx

(KRW trn)

EBITDA CapEx



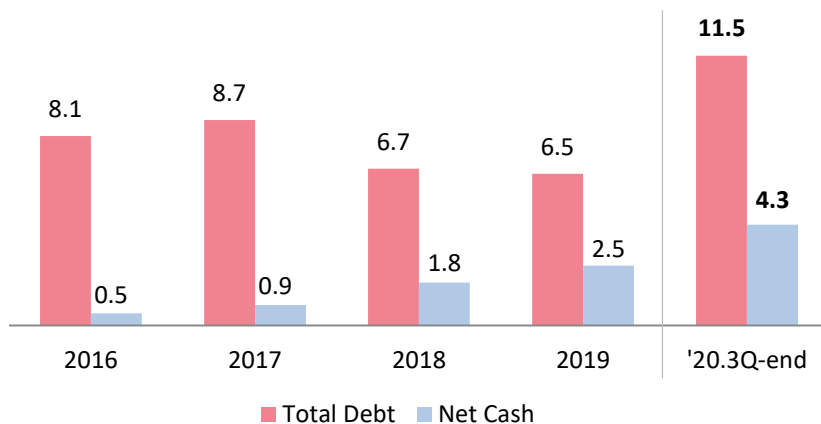
Note: CapEx = Acquisition of property, plant and equipment + Acquisition of intangible assets



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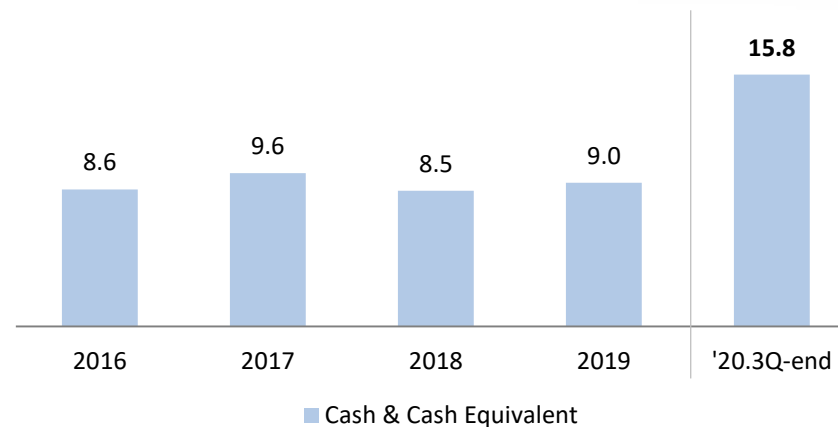
Total Debt vs. Net Cash

(KRW trn)



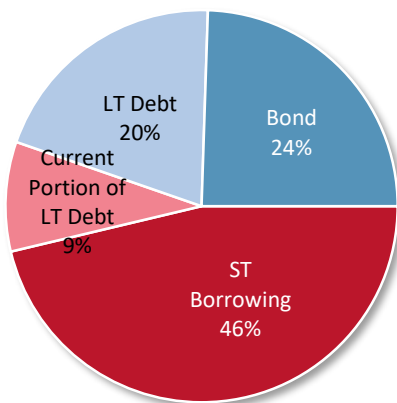
Total Liquidity ⁽¹⁾

(KRW trn)



Debt Composition

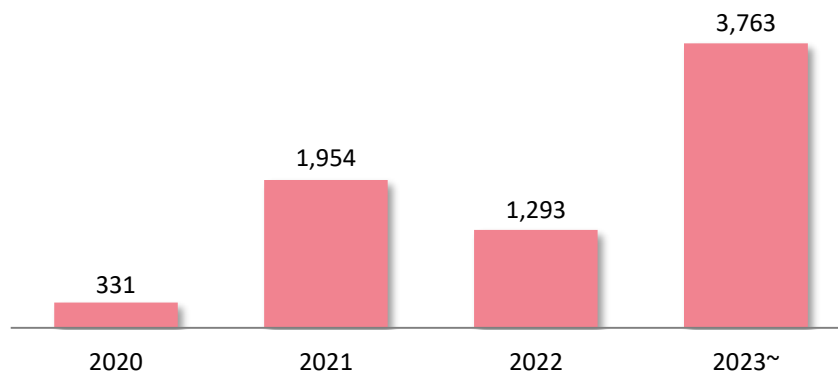
('20.3Q-end)



Total : KRW 11.5trn
(LT Debt 44%)

Debt Maturity Profile ⁽²⁾

(KRW bn, '20.3Q-end)

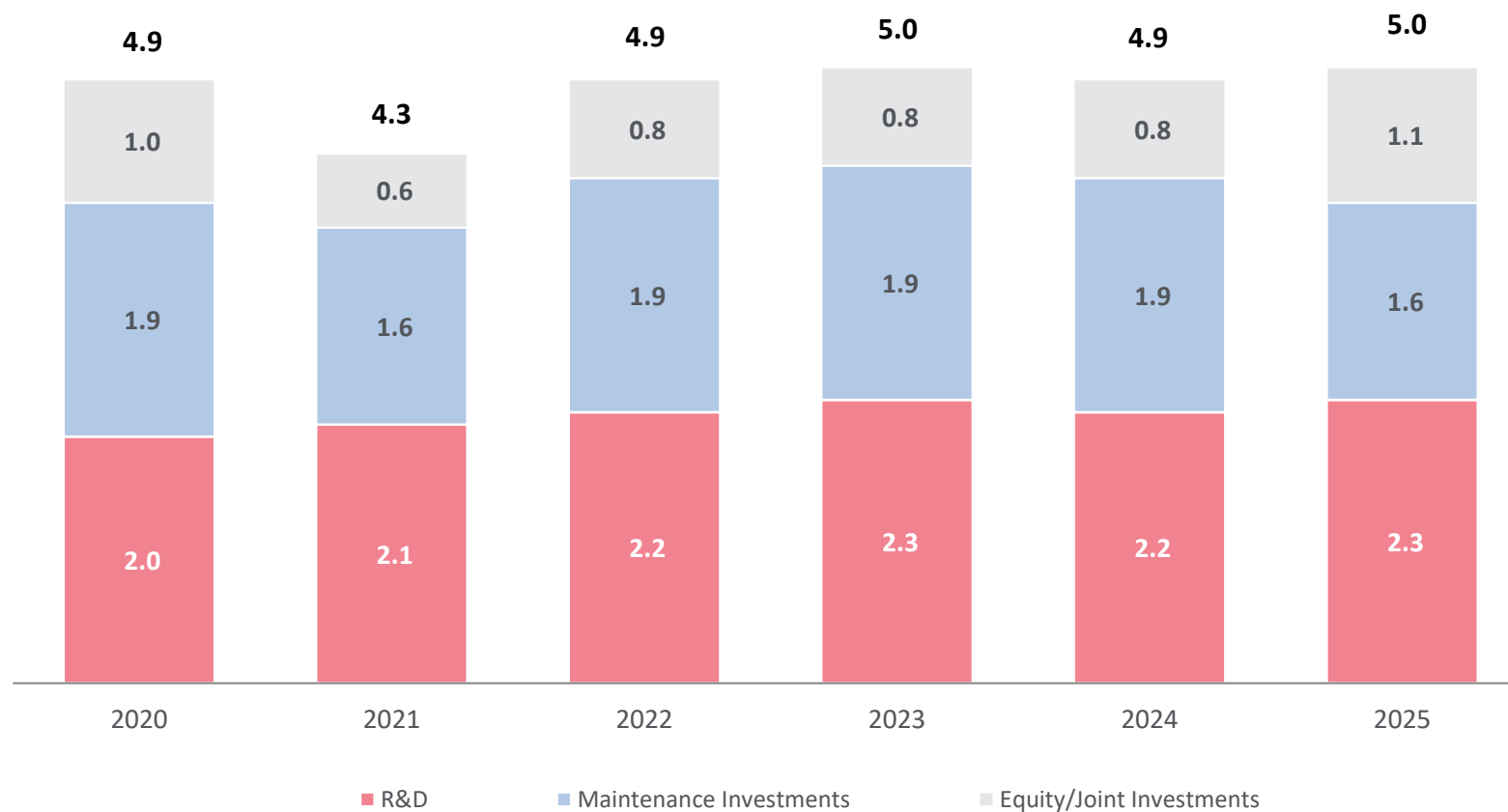


Note:

1. Liquidity includes ST Financial Instruments & ST Available for Sales Financial Assets
2. Excludes trade finance

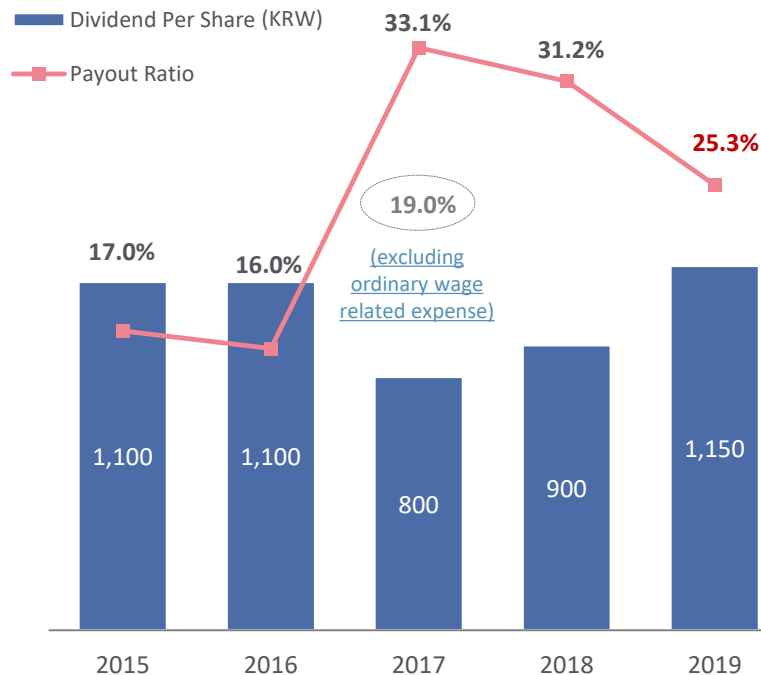
Stable Long-term Investment Plan

(KRW trn)



Note: Numbers indicate total investment spending

Historical Dividend Trend



	2015	2016	2017	2018	2019
Dividend Yield	2.1%	2.8%	2.4%	2.7%	2.6%

Shareholder Return Policy

2019

► Total Shareholder Return

- DPS : 1,150 won / share
- Payout Ratio : 25.3% (※ Dividend Yield : 2.6%)

ROE(A)
6.5%

2020 ~ 2022

► Balance between Returns & Investment

- Target Payout Ratio : 25 ~ 30%
- Secure resources for future business

ROE(F)
10.4%

2023 ~

► Actively Improve Shareholder Returns

- Maintain payout ratio of 25 ~ 30%
- Consider share buyback and cancellation

ROE(F)
10.6%



Thank You



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이 종목의 더 많은 IR정보 [확인하기](#)

IR GO 주주와 기업을 연결하고 응원합니다.