

Kia Corporation 2023 Q2 Business Results

July 27, 2023



Movement that inspires

Note to Investors

This presentation has been prepared with unaudited results of Q2 FY2023 for investors' convenience. Therefore, some numbers are subject to change upon review of Kia's independent auditors.



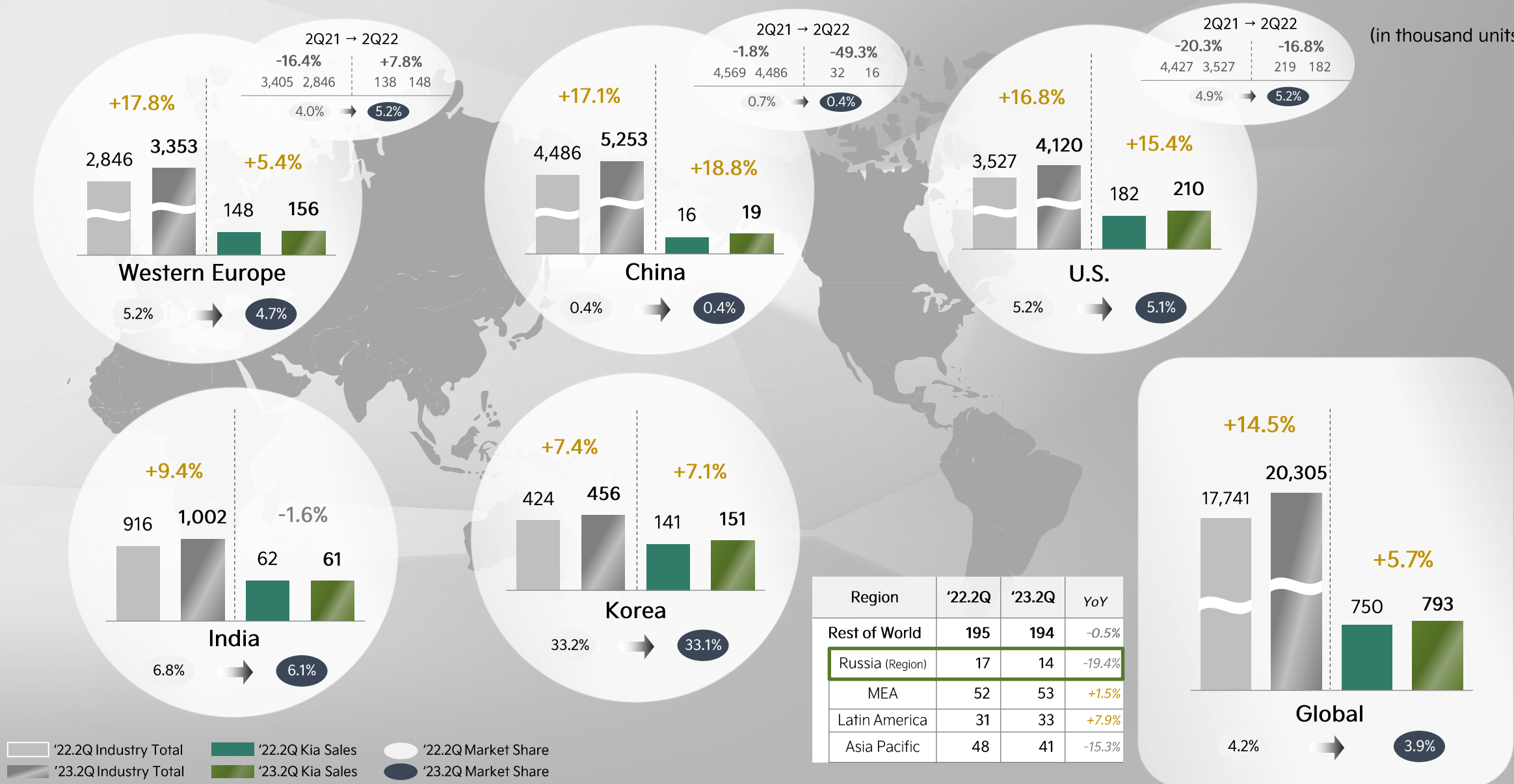
Movement that inspires

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Global Retail Sales (Q2)

(in thousand units)



Wholesale by Region (Q2)

(in thousand units)	'22.2Q	'23.2Q	YoY (%)
Wholesale	734	808	+10.1%
Korea	141	151	+7.1%
North America	220	261	+18.7%
U.S.	181	215	+19.0%
Europe	143	167	+17.0%
Western Europe	136	158	+16.2%
India	62	61	-0.6%
China	16	19	+18.8%
Russia & CIS	17	12	-31.1%
MEA	50	58	+15.2%
Latin America	38	36	-4.2%
Asia-Pacific	46	42	-10.1%

※ CKD / Special Vehicles Included

※ Special Vehicles : 2Q22 0.6k units(Korea 0.3k units, Export 0.3k units) → 2Q23 1.6k units(Korea 0.5k units, Export 1.1k units)

Consolidated Income Statement (Q2)

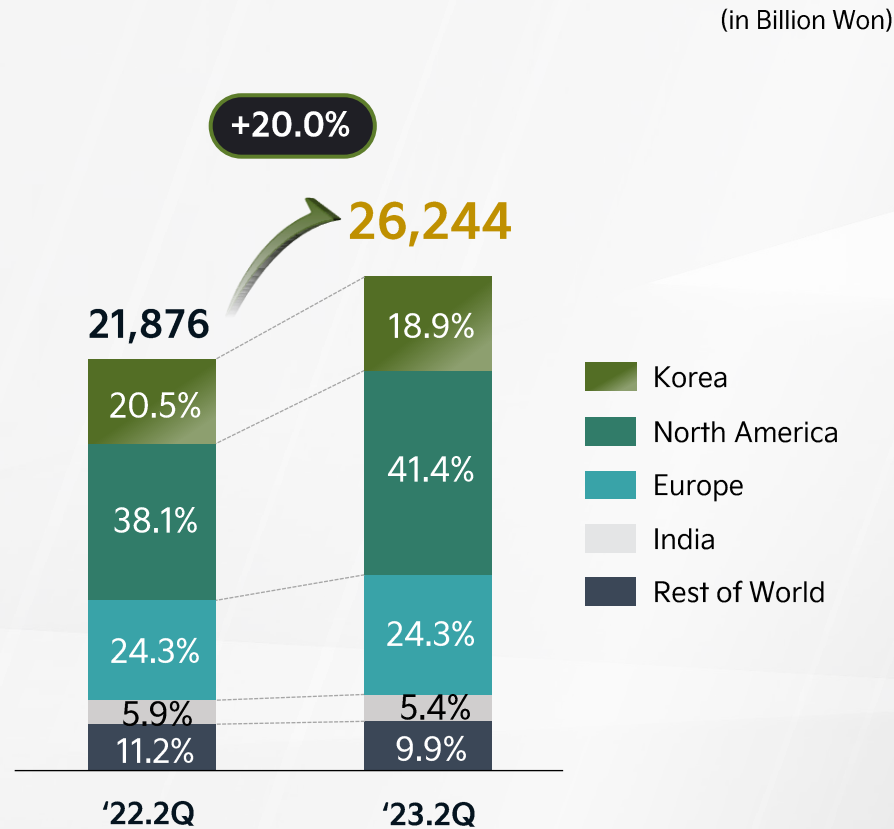
(in Billion Won)	'22.2Q	(% of sales)	'23.2Q	(% of sales)	YoY (%)
Sales Revenue	21,876	100%	26,244	100%	+20.0%
Cost of Sales	17,299	79.1%	20,178	76.9%	+16.6%
Gross Profit	4,577	20.9%	6,066	23.1%	+32.6%
SG&A	2,342	10.7%	2,663	10.1%	+13.7%
Operating Profit	2,234	10.2%	3,403	13.0%	+52.3%
Pre-tax Profit	2,624	12.0%	3,682	14.0%	+40.3%
Net Profit	1,881	8.6%	2,817	10.7%	+49.8%

※ Consolidated Sales Units : '22.2Q 697,594 units → '23.2Q 758,875 units (+61,281 units, +8.8%)

※ Average Currency Rate(USD/KRW) : '22.2Q KRW 1,260 → '23.2Q KRW 1,315 (+KRW 55 ↑, +4.4%)

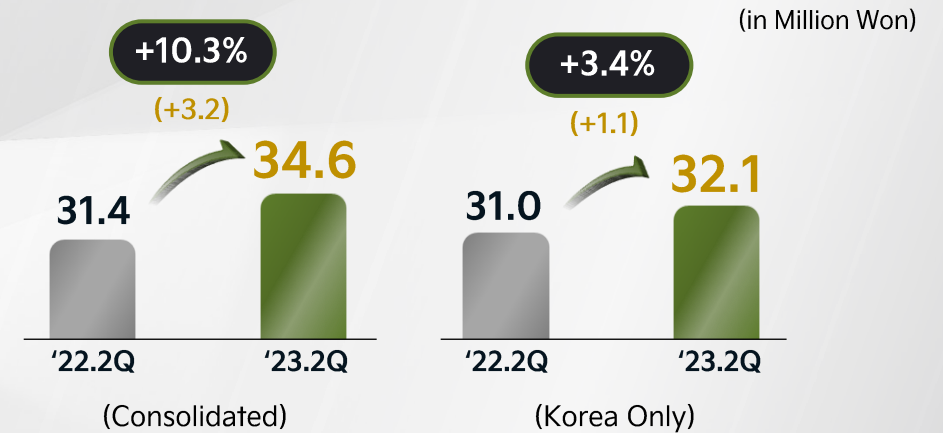
Revenue Analysis

Revenue Analysis

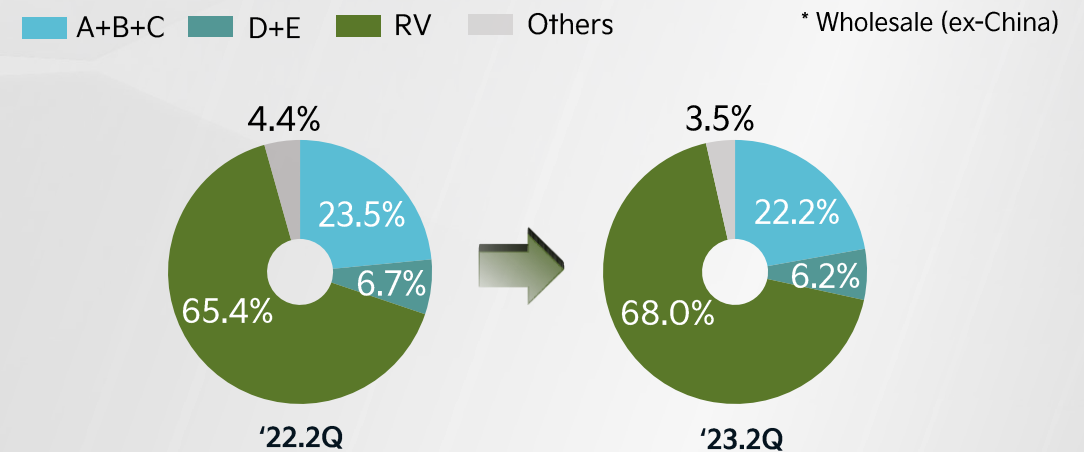


- * Korea : Kia HQ Korea domestic revenue
- * North America : US, Canada, Mexico wholesale revenue + export revenue
- * Europe : Europe, Russia wholesale revenue + export revenue
- * India : India wholesale + export revenue
- * Rest of World : Kia HQ direct export revenue, Asia-Pacific wholesale revenue

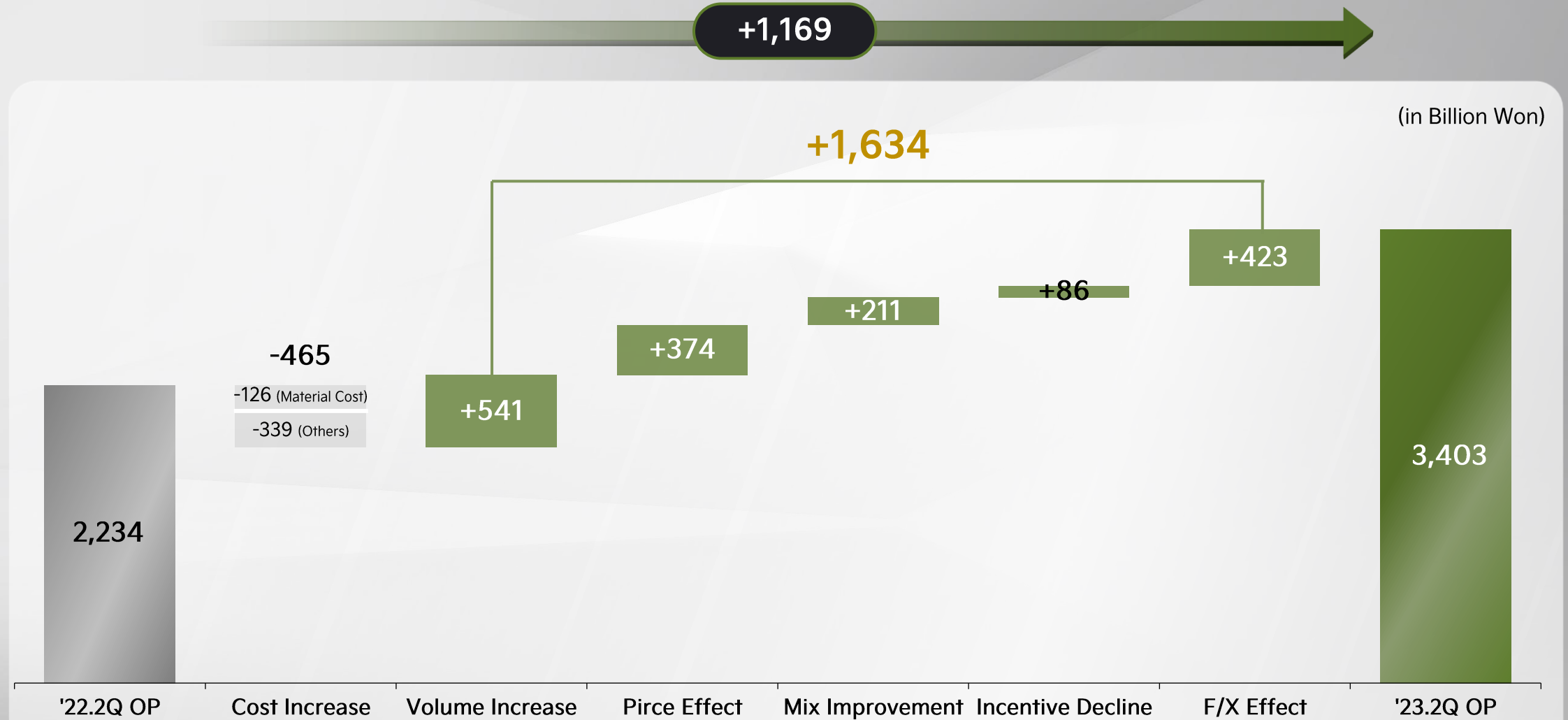
ASP



Sales by Segment



Operating Profit Analysis (Q2)

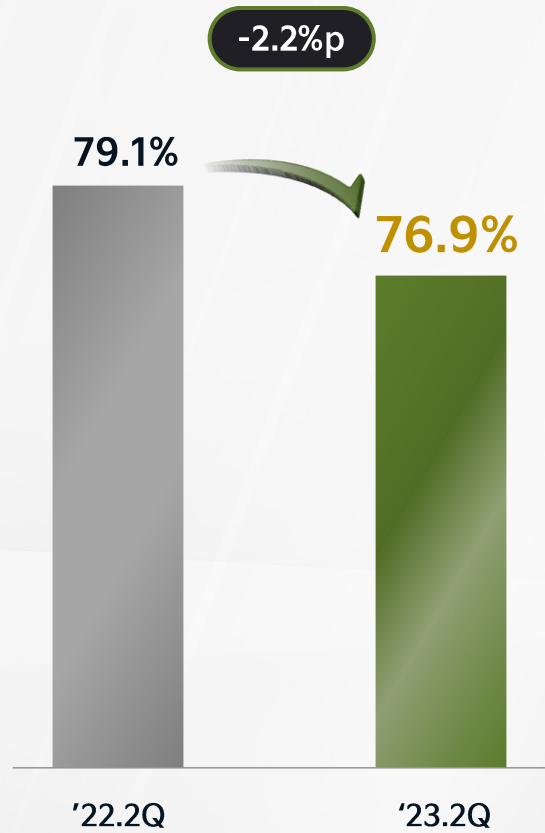


COS & SG&A



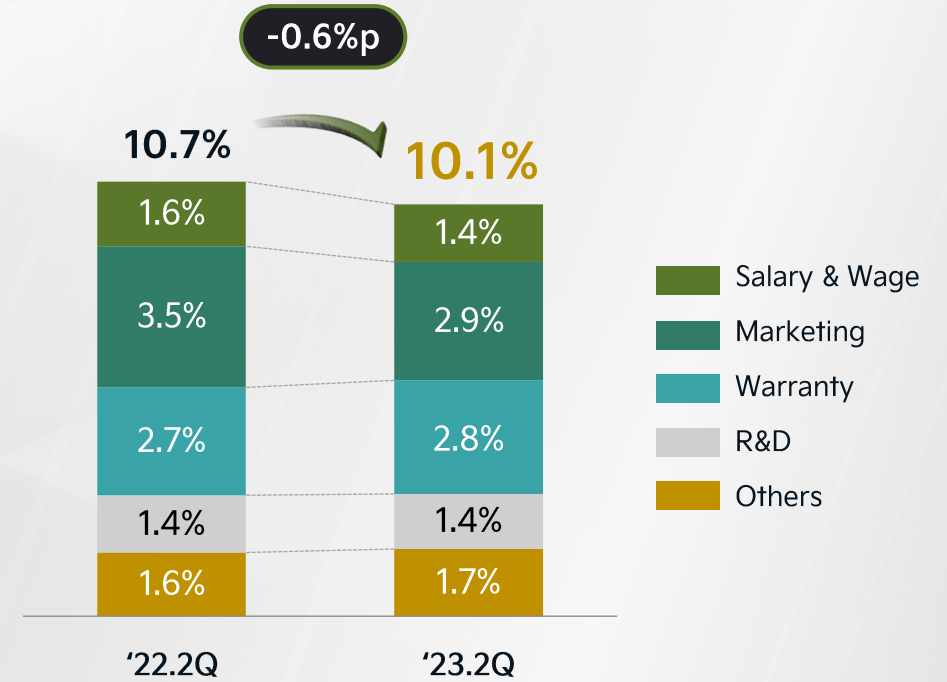
Cost of Sales

(% of Sales Revenue)



SG&A

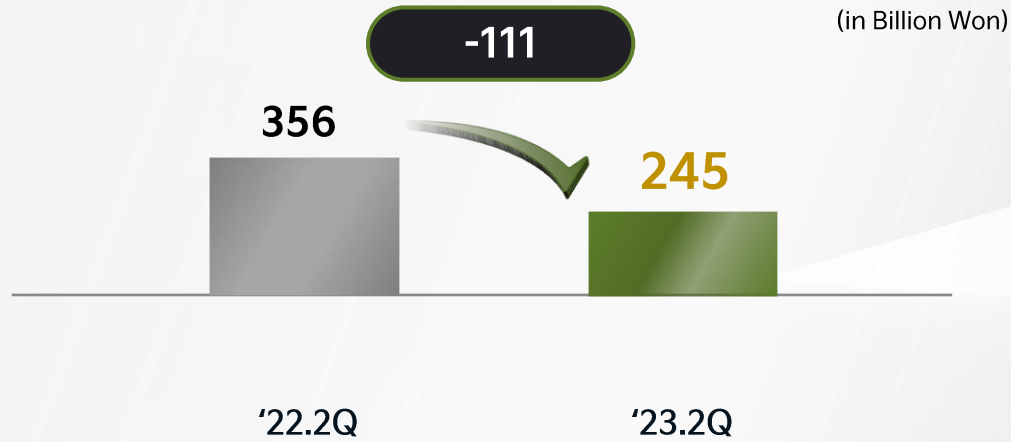
(% of Sales Revenue)



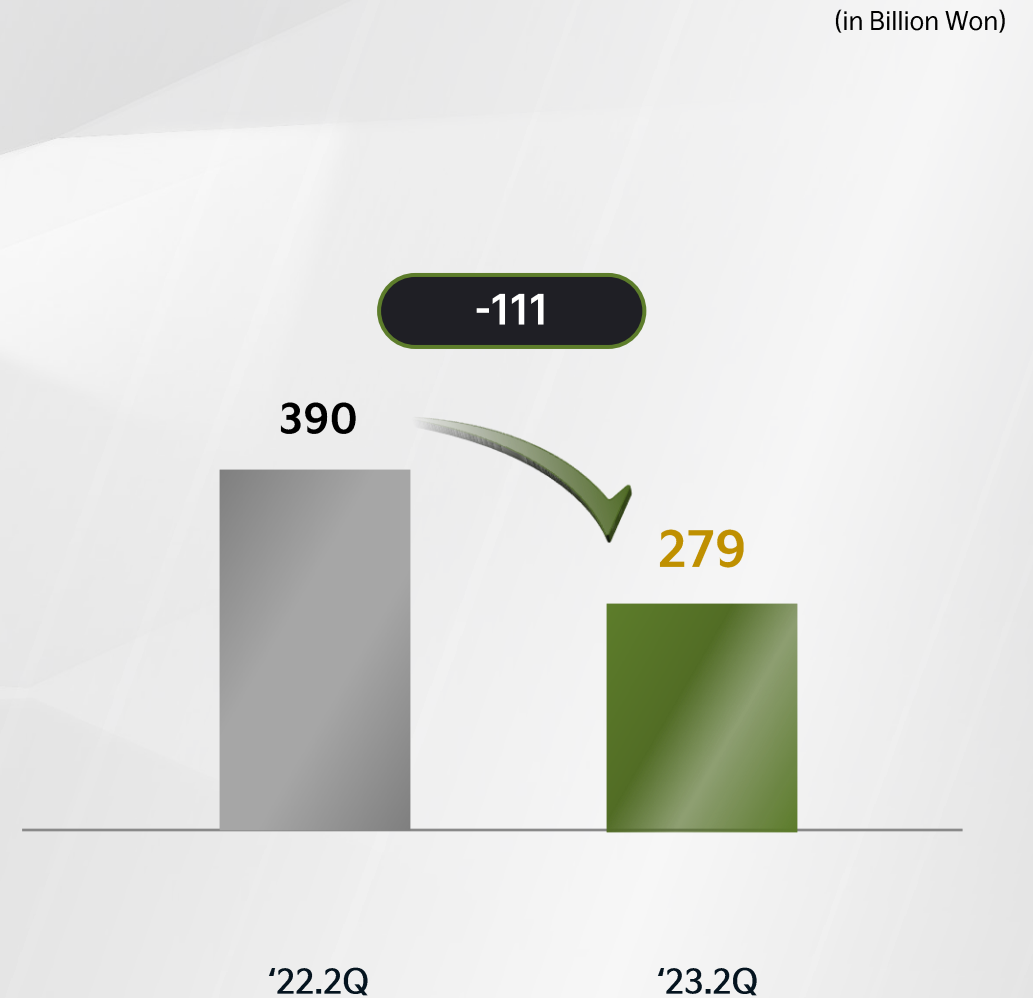
* Marketing Expenses :
Advertising + Sales Promotion + Overseas Marketing + Sales Commission

Non-Operating Items

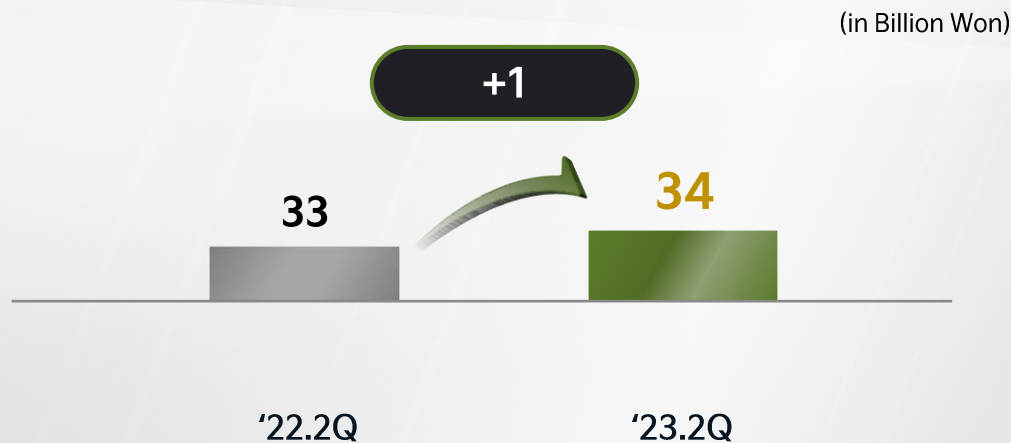
Equity Earnings (a)



Non-OP Income (a+b)



Financial & Other Income / Expense (b)



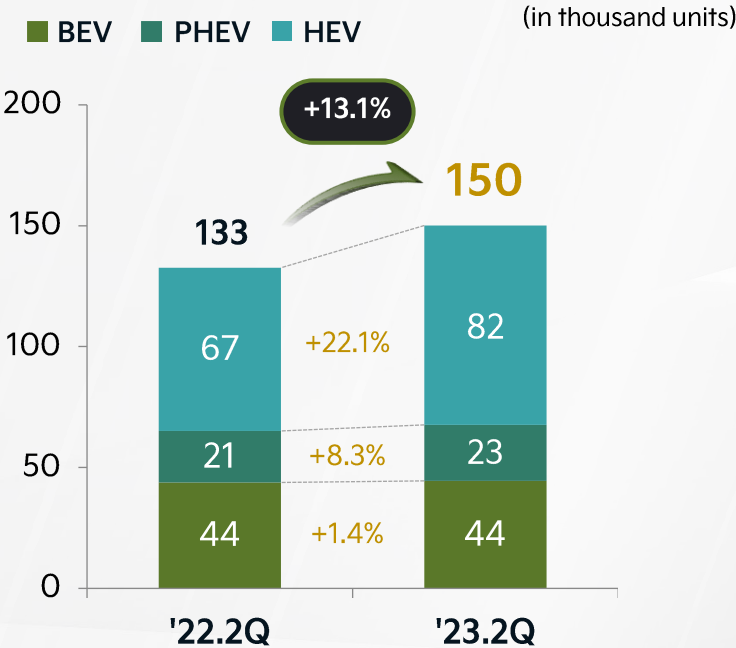
Consolidated Balance Sheet

(in Billion Won)	2022 Year-end	'23.2Q-end	Change
Asset	73,711	78,397	+4,686
Current Asset	34,147	37,414	+3,267
*Cash (a)	19,398	20,554	+1,156
Liability (b)	34,368	35,460	+1,092
Current Liability	25,378	26,782	+1,404
Debt (c)	7,473	5,190	-2,283
*Net Cash (a) - (c)	11,925	15,364	+3,439
Equity (d)	39,343	42,937	+3,594
Liability to Equity Ratio (b)/(d)	87.4%	82.6%	-4.8%p

* Cash = Cash & Cash Equivalents + ST Financial Instruments + ST Available-for-sale Financial Asset

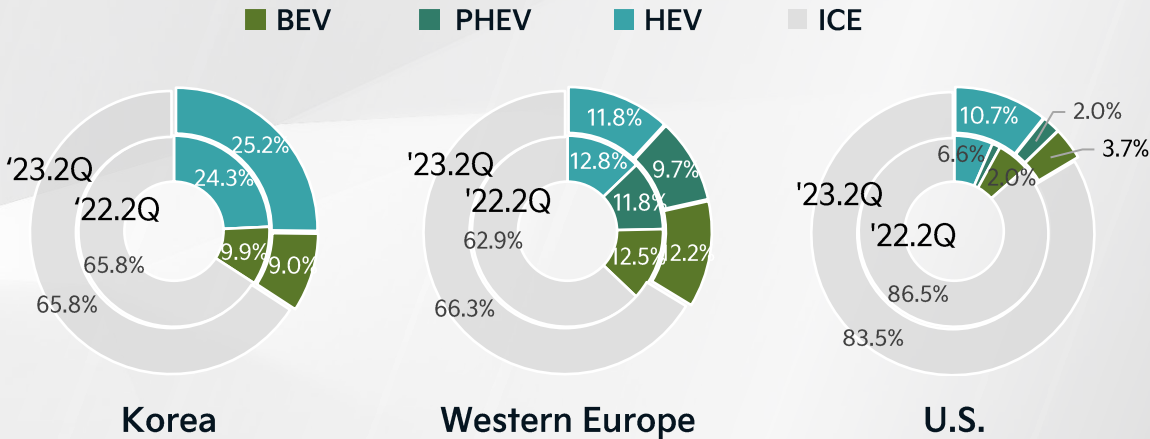
Green Car Sales Summary (Q2)

Global Sales (Retail)

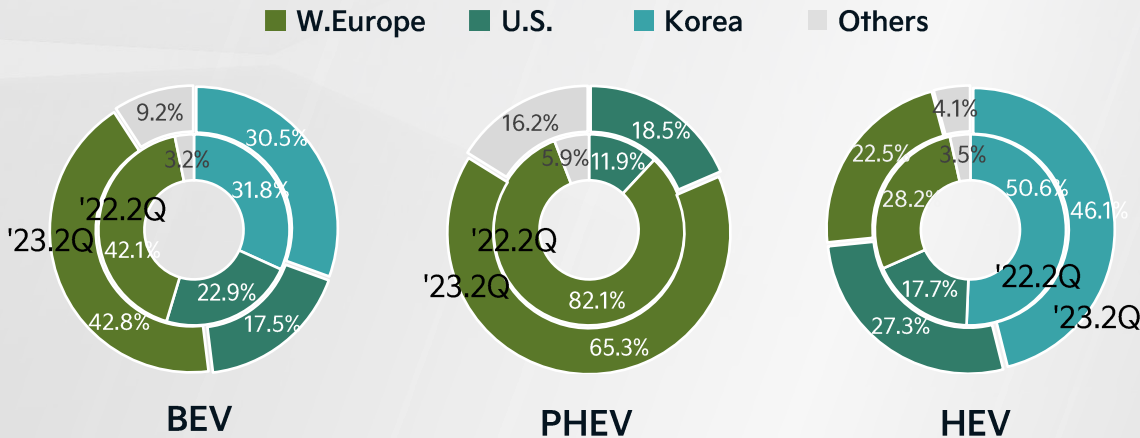


% of Sales	'22.2Q	'23.2Q
HEV	9.0%	10.4%
PHEV	2.8%	2.9%
BEV	5.8%	5.6%
ICE	82.3%	81.1%
Total Sales	750k units	793k units

Green Car Sales Contribution in Major Markets



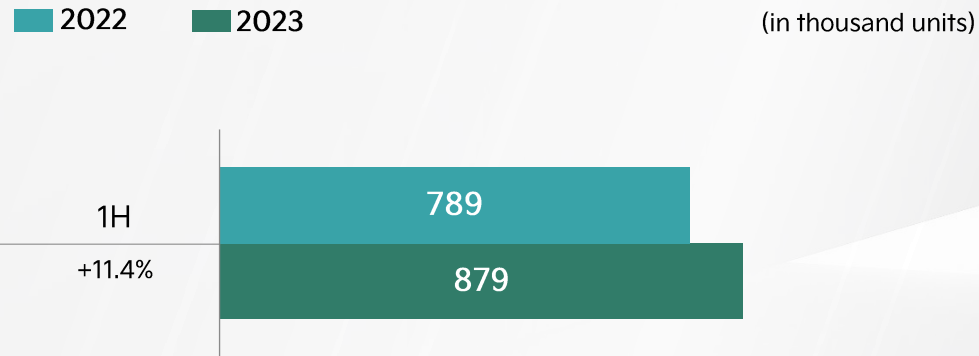
Market Division of Green Car Sales by Type



Appendix

- Sales Performance by Market (Korea, U.S., Western Europe, India, China)
 - Global Retail Sales (1H)
 - Consolidated Income Statement (1H)
 - Global Market Share Trend
 - Cash Flow Highlights
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Industry Demand



Overview and Outlook

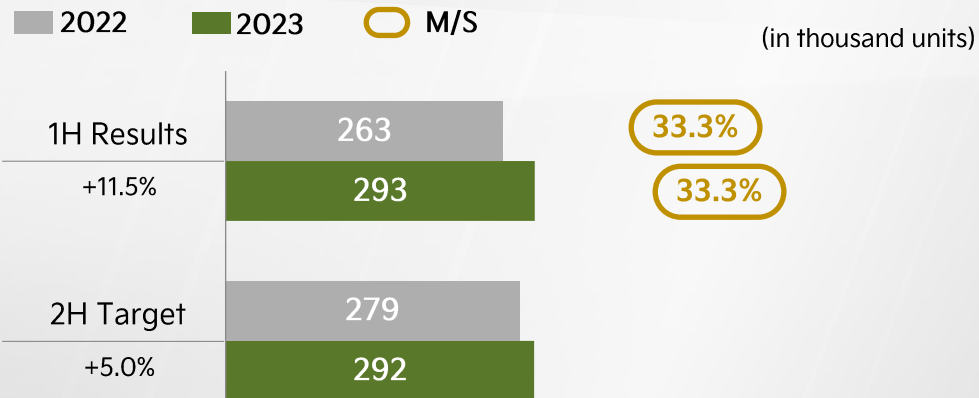
1H Overview

- Industry demand recorded 879k units (YoY +11.4%)
 - High growth due to **low base and normalization of production**
 - Continued trend of RV and Green Car(HEV, EV) driven growth

2H Outlook

- Despite higher base, **similar YoY demand** due to pent-up demand
- Despite end of excise tax cut, purchase burden expected to be mitigated by **easing of tax standard and stabilization of interest rate**

Kia (Retail)



※ Industry Demand and M/S includes imported brands

Results and Initiative

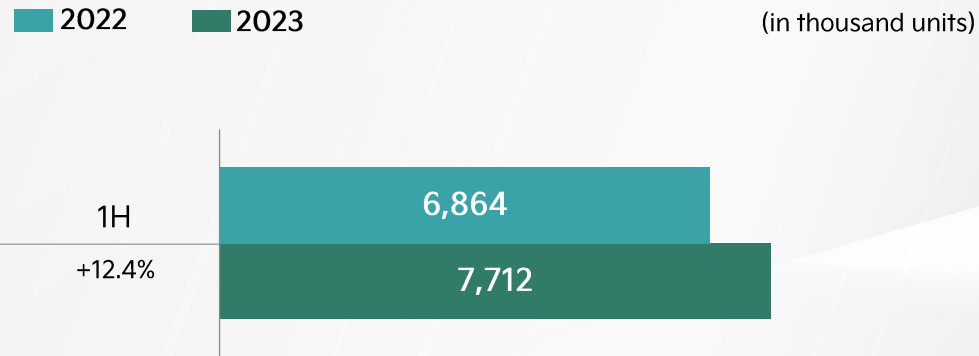
1H Results

- Recorded highest 1H sales** and maintained 33% M/S
- Continued RV and green car contribution** in line with industry trend

2H Initiatives

- Maintain momentum with PE launches of volume models**(Sorento, K5)
- Continue to increase RV portion** on the back of high RV backorders
- Increase test drive channels** to expand accessibility to Kia EVs

Industry Demand



Overview and Outlook

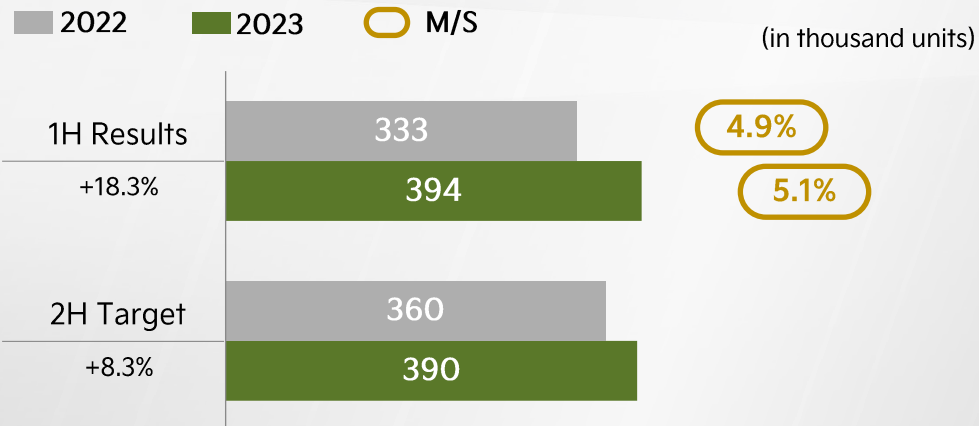
1H Overview

- Industry demand recorded 7,712k units (YoY +12.4%)
- A low base and improved supply situation led to high growth

2H Outlook

- Despite supply recovery, increased interest rates and car prices expected to lead to limited sales recovery

Kia (Retail)



Results and Initiative

1H Results

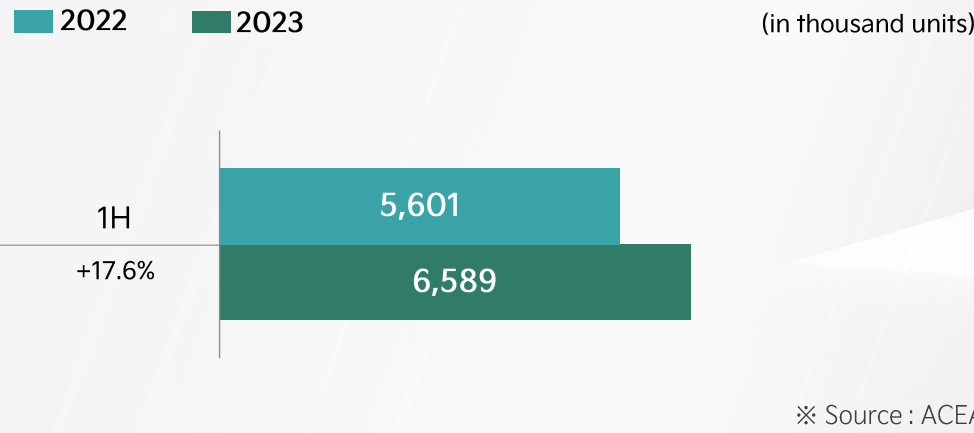
- M/S expanded on the back of strong demand and maximum utilization of available inventory
- RV mix improved thanks to continuous sales increase of RVs

2H Initiatives

- Strengthen marketing to promote further sales of key SUV models
- Strengthen EV competitiveness to secure momentum in line with IRA
- Successfully launch our flagship EV, EV9 (Production in Sept, Launch in Nov)

Western Europe

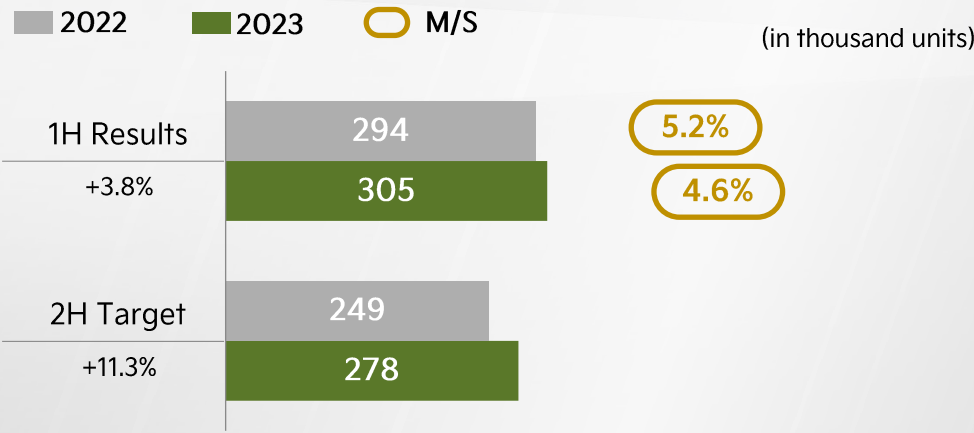
Industry Demand



Overview and Outlook

- 1H Overview
 - Industry demand recorded 6,589k units (YoY +17.6%)
 - Low base effect and supply increase by OEMs led to growth
- 2H Outlook
 - Weaker demand growth outlook due to disappearance of the base effect and economic slowdown concerns amid high interest rates

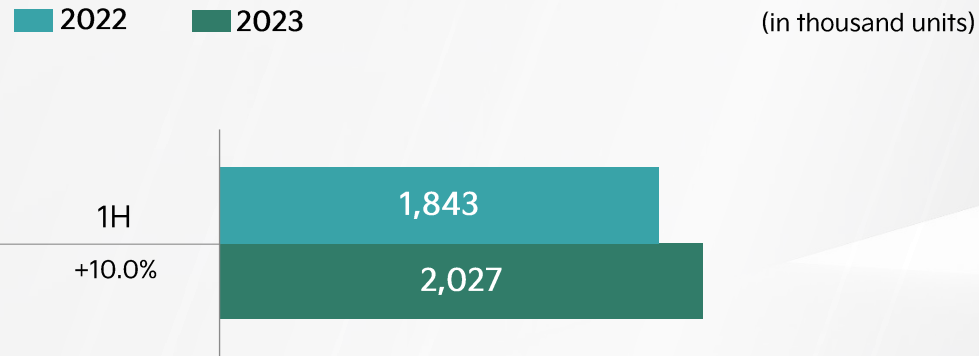
Kia (Retail)



Results and Initiative

- 1H Results
 - Despite a high base, improved supply and RV focused strong sales (EV6, Sportage, Sorento) led to sales growth
- 2H Initiatives
 - Marketing campaign(test drive) for successful launch of EV9 (July : Production, Oct : Launch)
 - Increase production from Slovakia Plant through weekend overtime and increase supply from Korea Plants to maintain sales momentum

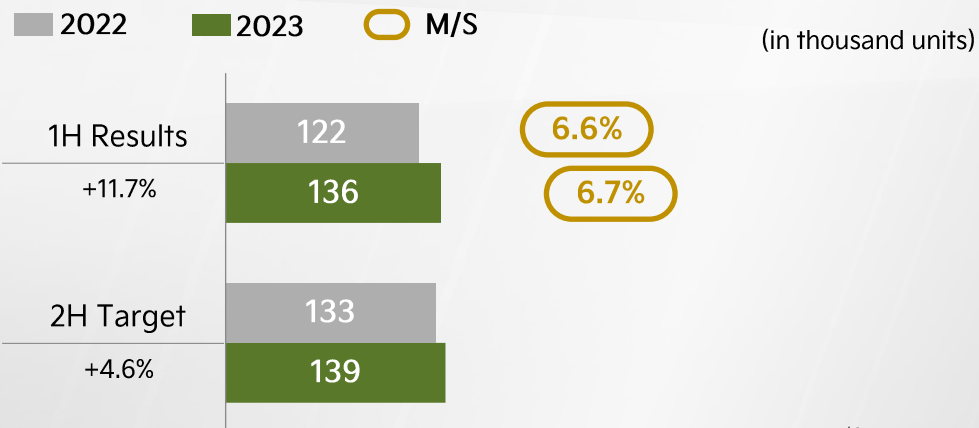
Industry Demand



Overview and Outlook

- 1H Overview
 - Industry demand recorded 2,027k units (YoY +10.0%)
 - In addition to low base effect, growth influenced by **resumption of economic activities and improvements in the production situation**
- 2H Outlook
 - **Limited growth is expected** due to depletion of pent-up demand and weakening consumer sentiment

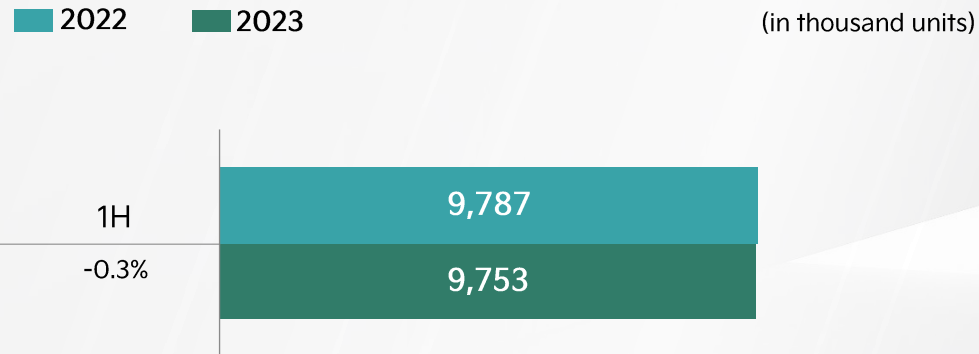
Kia (Wholesale)



Results and Initiative

- 1H Results
 - **Improved production situation and the new car effect of Carens** are led to sales growth and market share expansion
 - Q2 sales temporarily weakened compared to Q1 due to delayed demand of Seltos amid the **launch of Seltos PE model in July**
- 2H Initiatives
 - **Successfully launch Seltos PE model** to recover sales momentum
 - Early opening of new dealerships line with new model launches

Industry Demand



Overview and Outlook

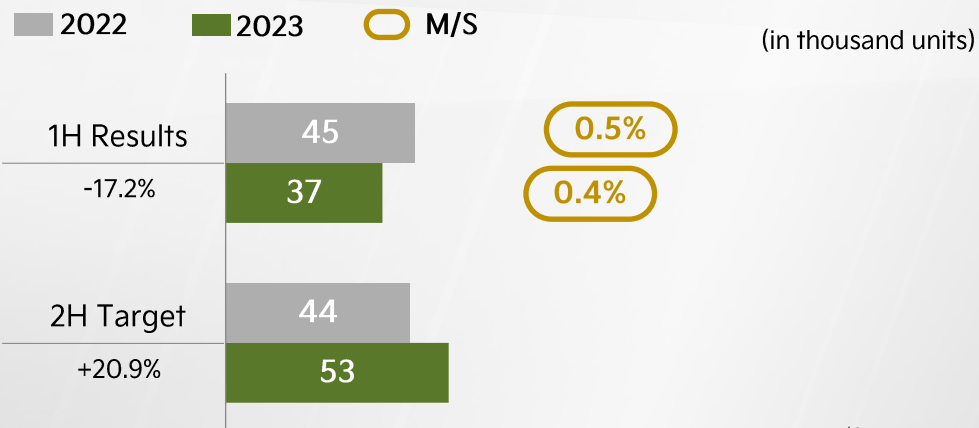
1H Overview

- Industry demand recorded 9,753k units (YoY -0.3%)
- After the end of purchase tax reduction last year, **sluggish demand lead to stagnated growth**

2H Outlook

- Low growth expected** from high base from purchase tax reduction last year and delayed economic recovery

Kia (Wholesale)



※ Industry Demand and M/S : Wholesale

Results and Initiative

1H Results

- Lack of EV models** in EV centric market and slow sales of ICEs led to sales decline

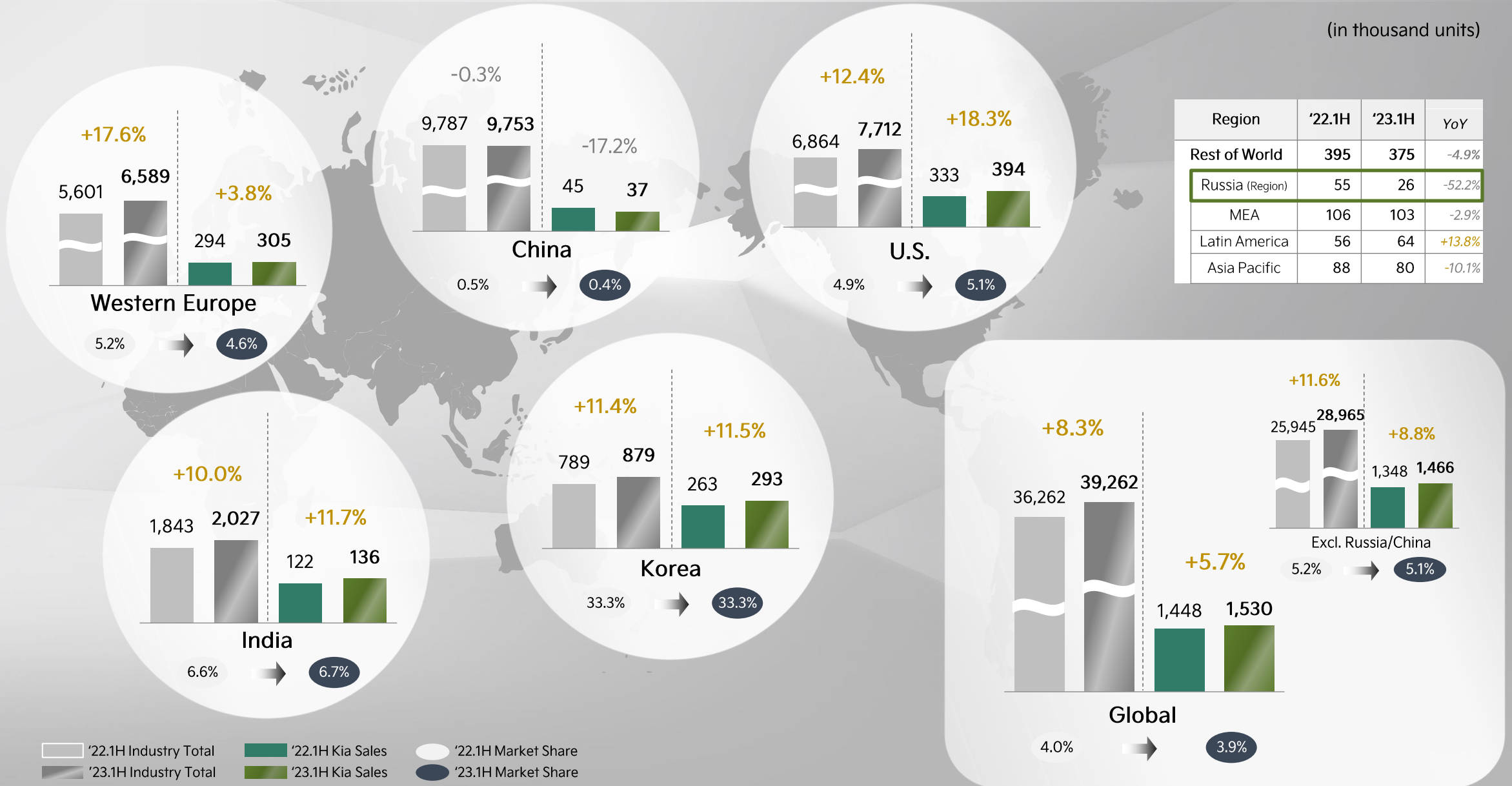
2H Initiatives

- EV transition to begin with launch of new EV line-up** (Aug : EV6, Nov : EV5)
- Reconstruction of dealer networks in major cities(1st & 2nd tier cities) through recruitment of large dealers
- Expansion of EV-exclusive sales channels facilitated through dealer collaborations and the establishment of city stores
- Expand export volume/models** and utilize idle capacity of China Plants

Global Retail Sales (1H)

(in thousand units)

Region	'22.1H	'23.1H	YoY
Rest of World	395	375	-4.9%
Russia (Region)	55	26	-52.2%
MEA	106	103	-2.9%
Latin America	56	64	+13.8%
Asia Pacific	88	80	-10.1%



* Western Europe industry demand : ACEA, China/India sales : Wholesale ※ CKD / Special Vehicles Included

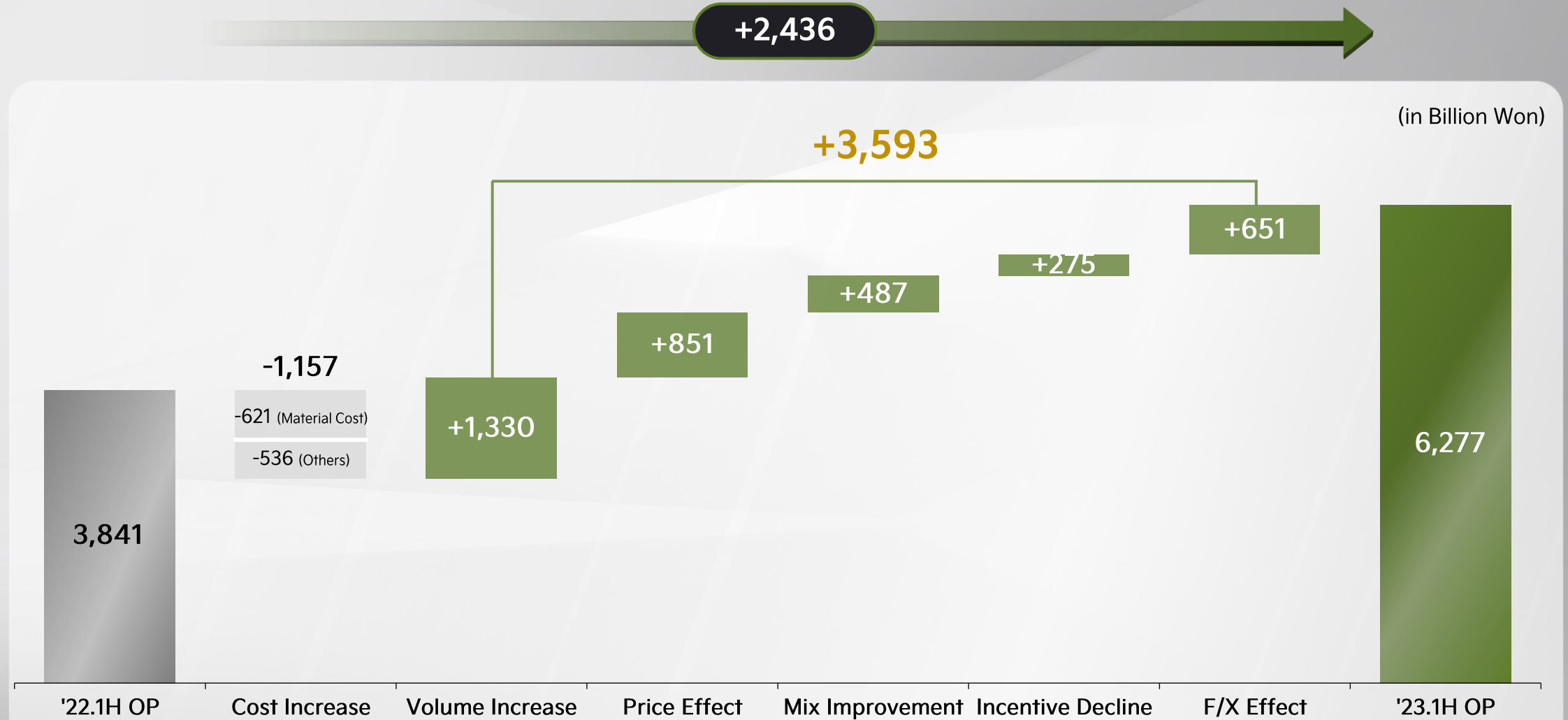
Consolidated Income Statement (1H)

(in Billion Won)	'22.1H	(% of sales)	'23.1H	(% of sales)	YoY (%)
Sales Revenue	40,233	100%	49,935	100%	+24.1%
Cost of Sales	32,066	79.7%	38,495	77.1%	+20.1%
Gross Profit	8,168	20.3%	11,440	22.9%	+40.1%
SG&A	4,327	10.8%	5,163	10.3%	+19.3%
Operating Profit	3,841	9.5%	6,277	12.6%	+63.4%
Pre-tax Profit	4,142	10.3%	6,824	13.7%	+64.8%
Net Profit	2,914	7.2%	4,937	9.9%	+69.4%

※ Consolidated Sales Units : '22.1H 1,330,995 units → '23.1H 1,484,001 units (+153,006 units, +11.5%)

※ Average Currency Rate(USD/KRW) : '22.1H KRW 1,233 → '23.1H KRW 1,295 (+KRW 62 ↑, +5.0%)

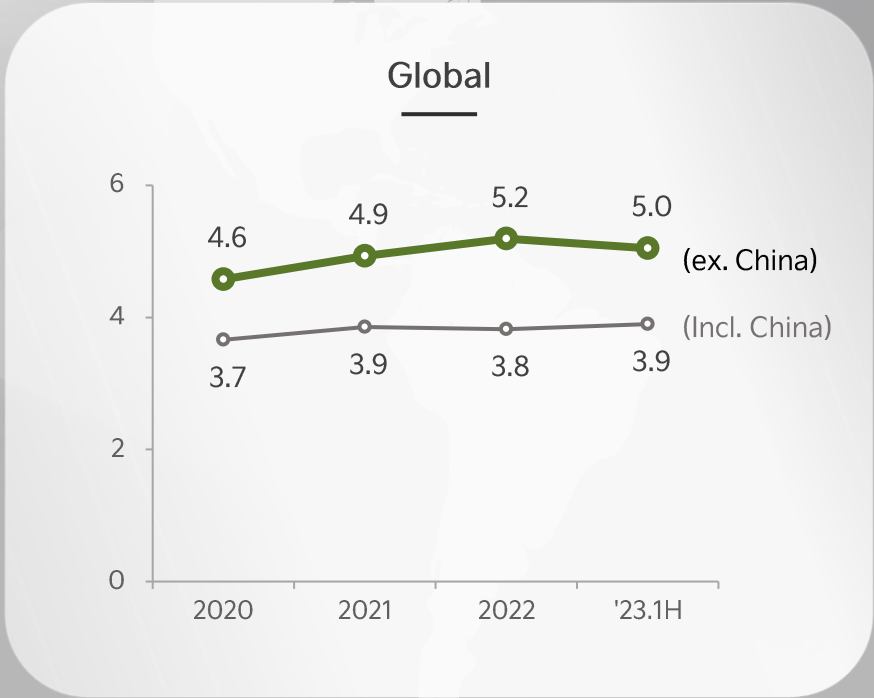
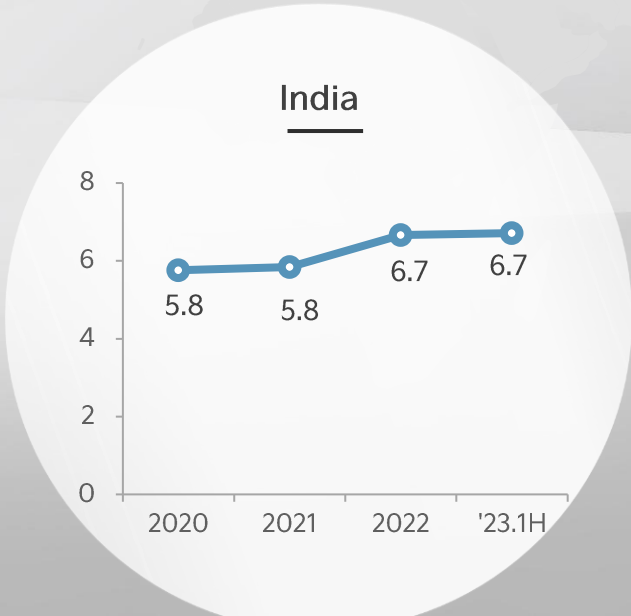
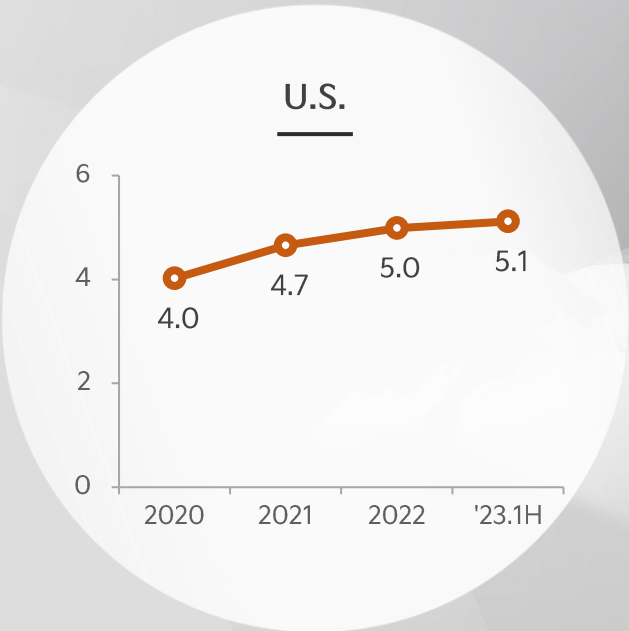
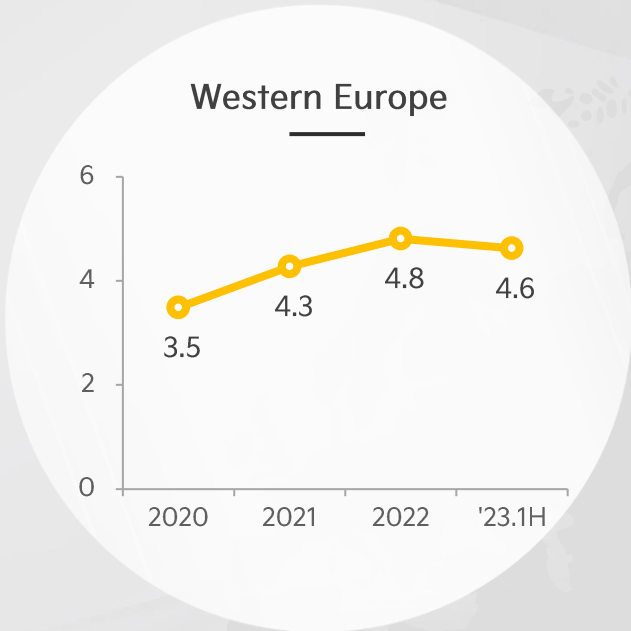
Operating Profit Analysis (1H)



Global Market Share Trend

(Unit : %)

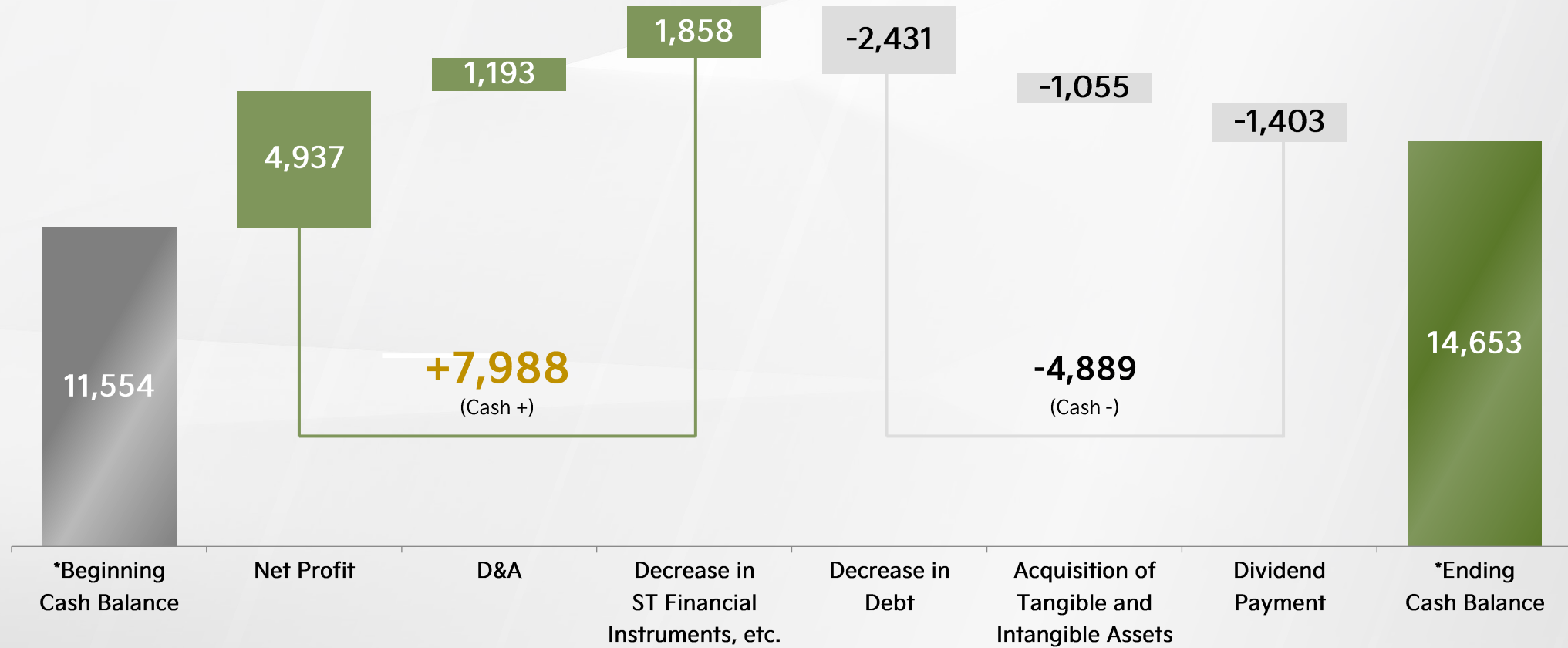
Region	2020	2021	2022	'23.1H
Russia (Region)	11.6	11.4	8.7	4.8
MEA	6.2	6.5	6.2	6.5
Latin America	2.5	3.0	3.3	3.5
Asia Pacific	3.0	3.5	3.5	3.3



Cash Flow Highlights



(in Billion Won)



* Beginning/Ending Cash Balance excludes ST financial instruments & ST Available-for-sales Financial Asset

Thank you.

