

Kia Corporation Investor Presentation

May 2023



Movement that inspires



**Company Name /
CI Logo**

SI & CX

Design / Product

Brand

**Corporate
Strategy**

Company Name / CI Logo



Kia Motors Corporation



Manufacturing-driven business model

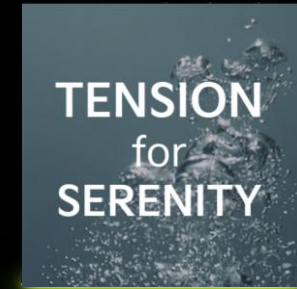
Expanding and transitioning into future mobility solutions



SI & CX



Design / Product



Expansion of the new design philosophy, the **"Opposites United"**



Reinforcement of high-performance/eco-friendly line-up and launch of strategic models
in emerging markets to meet various customer needs

Sustainable Mobility Solutions Provider

Planet

Shift to Sustainability

- Sponsoring Ocean Purification NGO (The Ocean Cleanup) as part of establishing resource circulation system
- Signed MOU with the Ministry of Oceans and Fisheries to promote Tidal Flat Restoration project
- Continue to strengthen CSR activities, such as revitalization of ageing/abandoned facilities (Kia Park projects in central & South America)



People

Shift our mindset

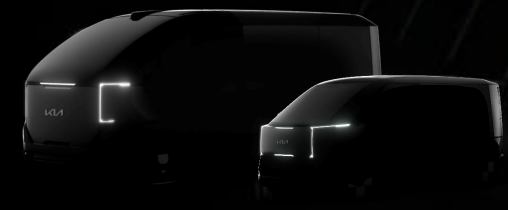
- Launch of customized customer channels (new website / total care / FoD-OTA)
- Internalizing customer-centered principles (Kia values & behaviors)



Profit

Shift our business

- Record performance in 2022 (revenue 86.5 trillion won, operating profit 7.2 trillion won)
- Increased green car sales contribution (2021 8% → 2022 13%)
- Entered new PBV markets through new partnerships



Transformation Scorecard

Virtuous Circle of "Product → Brand → Market Presence → Profitability / Future Investment"

01 Stronger Product

- Pricing : W21.6mn('18) → W31.9mn('22)
(CAGR : +10.2%)
- Volume : 2.8mn ('18) → 2.9mn ('22)
(CAGR : +0.7%)

02 Stickier Brand

- 1) Residual Value: 40('18)→ 55('22)
(2nd place of all OEMs)
- 2) VDS : 10th ('18) → 1st ('22)
(3 yrs in a row)
- 3) Conquest / Defection: #1 in industry

03 Firmer Presence

- Market Share
 - 1) U.S. : 3.4%('18) → 5.0%('22)
 - 2) W. Europe : 3.2%('18) → 4.8%('22)
 - 3) Global(ex-CN): 3.4%('18) → 5.1%('22)
(incl. CN: 3.8% in '22)

04 Better Finance

- EBIT margin : 2.1%('18) → 8.4%('22)
- ROE : 4%('18) → 15%('22)

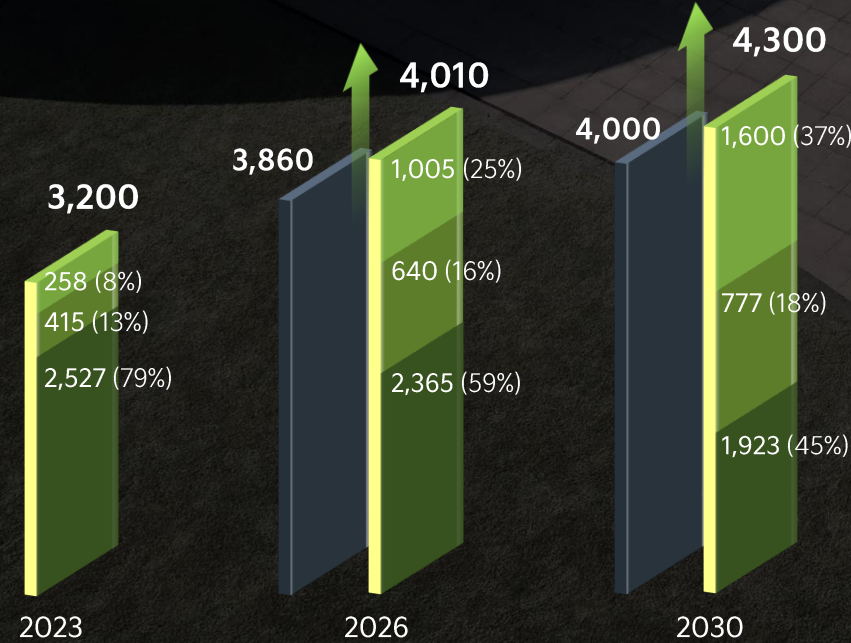
Kia 2030 Sales Plan

4.3M units by 2030 / Expansion of green car contribution in major markets (2023 : 29% → 2030 : 78%)

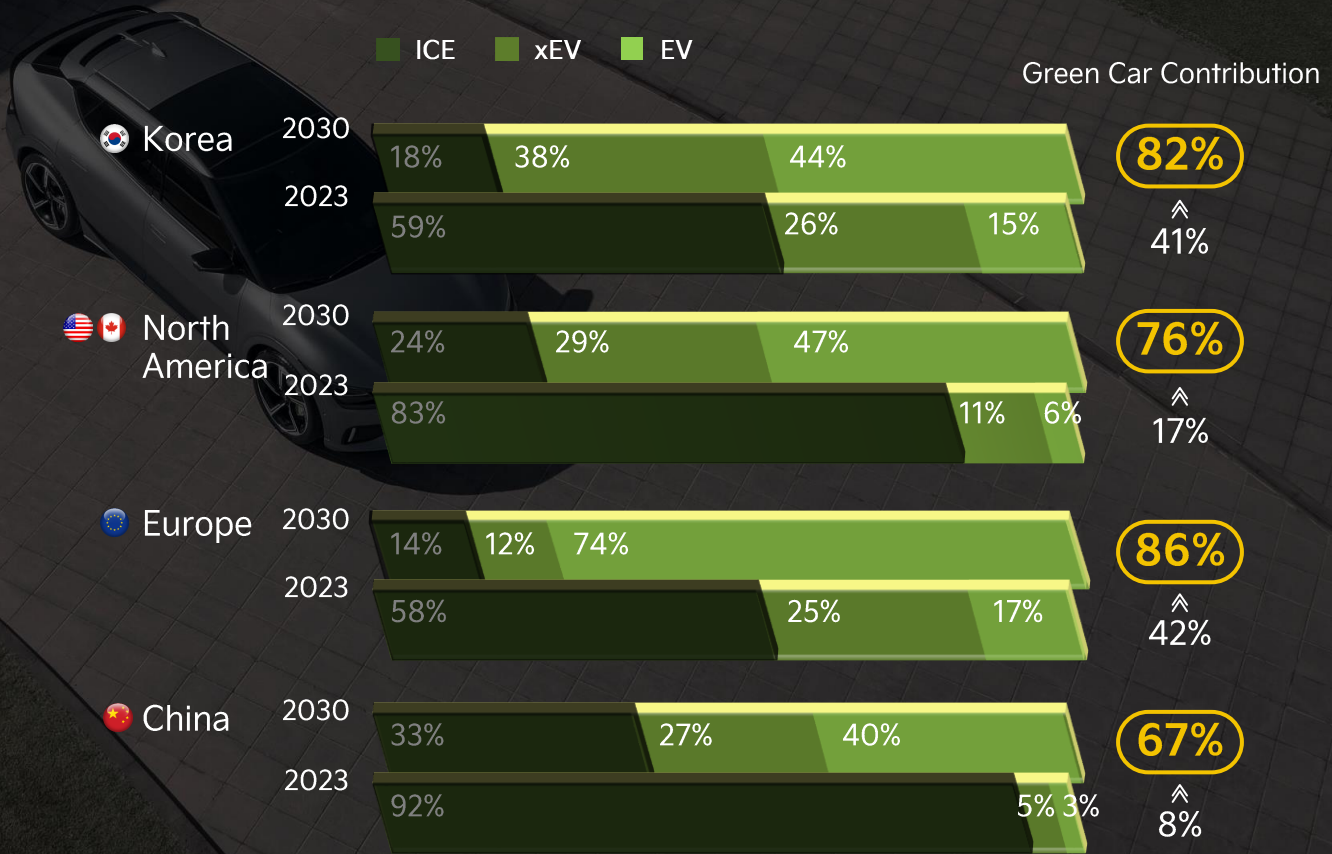
Long-term Sales Plan

(Unit : thousand units)

- EV
- xEV
- ICE
- 2022 CID
- 2023 CID
- ※ PBV excluded



Green Car Sales Contribution (2030)



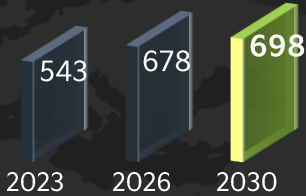
Global Sales Plan

4.3M units by 2030 through expansion of sales/production in major & emerging markets

(Unit : thousand units)
※ PBV excluded



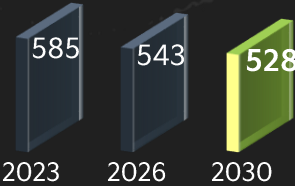
EUROPE



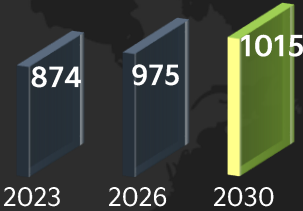
CHINA



KOREA



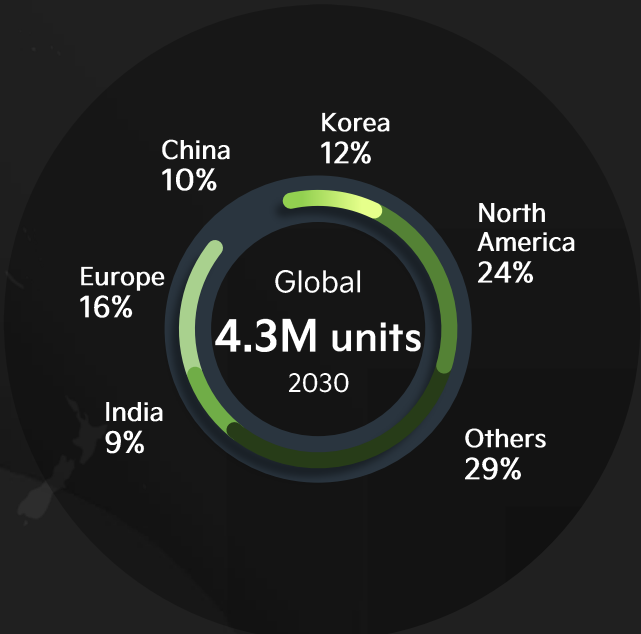
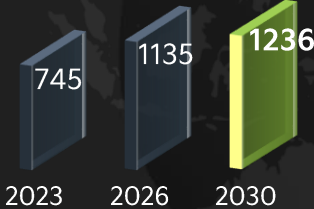
NORTH AMERICA



INDIA



OTHERS



Major Markets

2,685k

Emerging Markets

1,615k

EV Line-up Strategy

Launch of flagship model, the Kia EV9, and global volume models, to be followed by introduction of state-of-the-art global leading EV models

LINE-UP	2021	2022	2023	2024	2025	2026	2027	TOTAL
Passenger	-	-	1	1	-	1	-	3
SUV	1	1	2	1	3	-	1	9
Pick-up/ Commercial	1	-	-	-	-	2	-	3

Flagship Family SUV EV EV9



- Optimal EV performance based on e-GMP platform
- Space utilization that maximizes benefits of EV
- Prestige design, convenience features, autonomous driving, etc.

EV Volume Drive

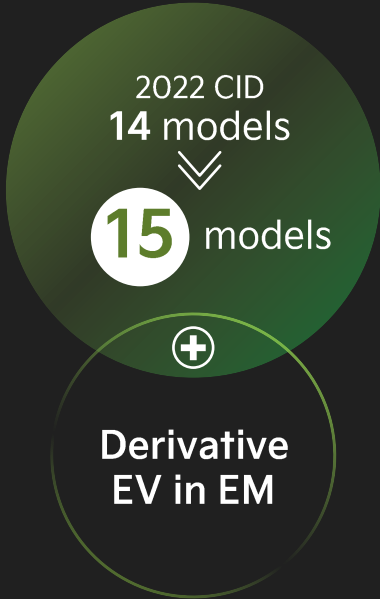


- Application of prestige EV technology to mass market EVs
- Concept development incorporating diverse market needs
- Accommodating distinctive life styles (urban, outdoor, etc.)

Top Notch Tech NEXT GEN EV



- Global leading EVs equipped with new next generation technology
- Innovative EVs with new exterior typology and next generation display



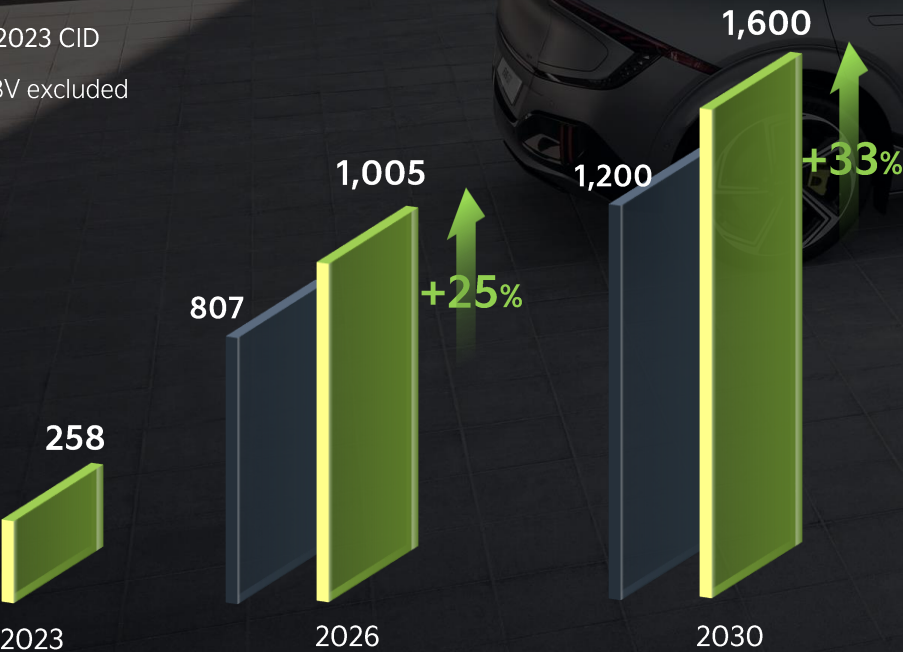
EV Volume-up

1.6M units EV sales by 2030 / EV contribution of 52% in major markets

Global EV Sales Plan

(Unit : thousand units)

2022 CID
2023 CID
※ PBV excluded



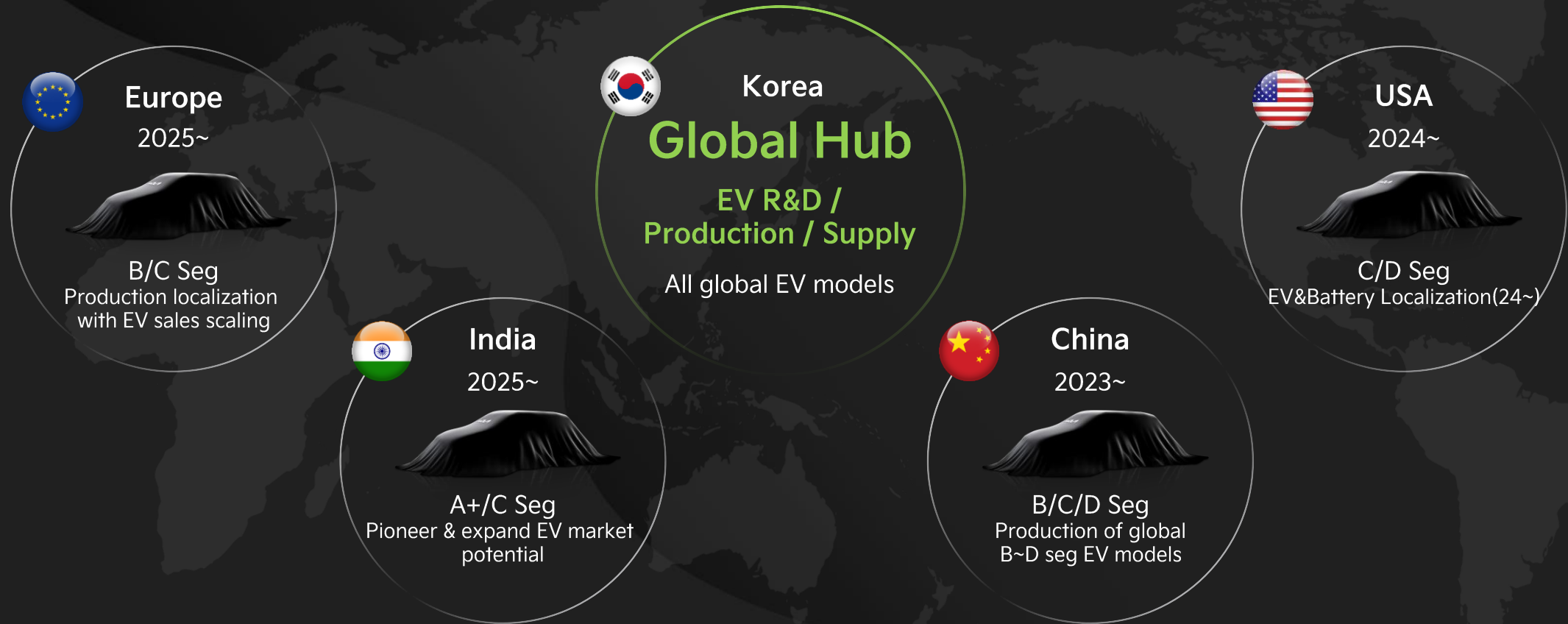
EV Sales Plan for Major Markets

(Unit : thousand units)

			2023	2026	2030	Compared to 2022 CID (2030)
	Korea	Units	85	155	233	+4
		%	15%	28%	44%	-
	North America	Units	55	308	475	+163
		%	6%	32%	47%	+11%p
	Europe	Units	93	347	515	+115
		%	17%	51%	74%	+11%p
	China	Units	6	90	180	+22
		%	3%	27%	40%	+3%p
Major Market Total		Units	239	900	1,403	+304
		%	11%	36%	52%	+7%p

Global EV Supply Chain

Expand local production of main segment models by region responding to fast changing EV market

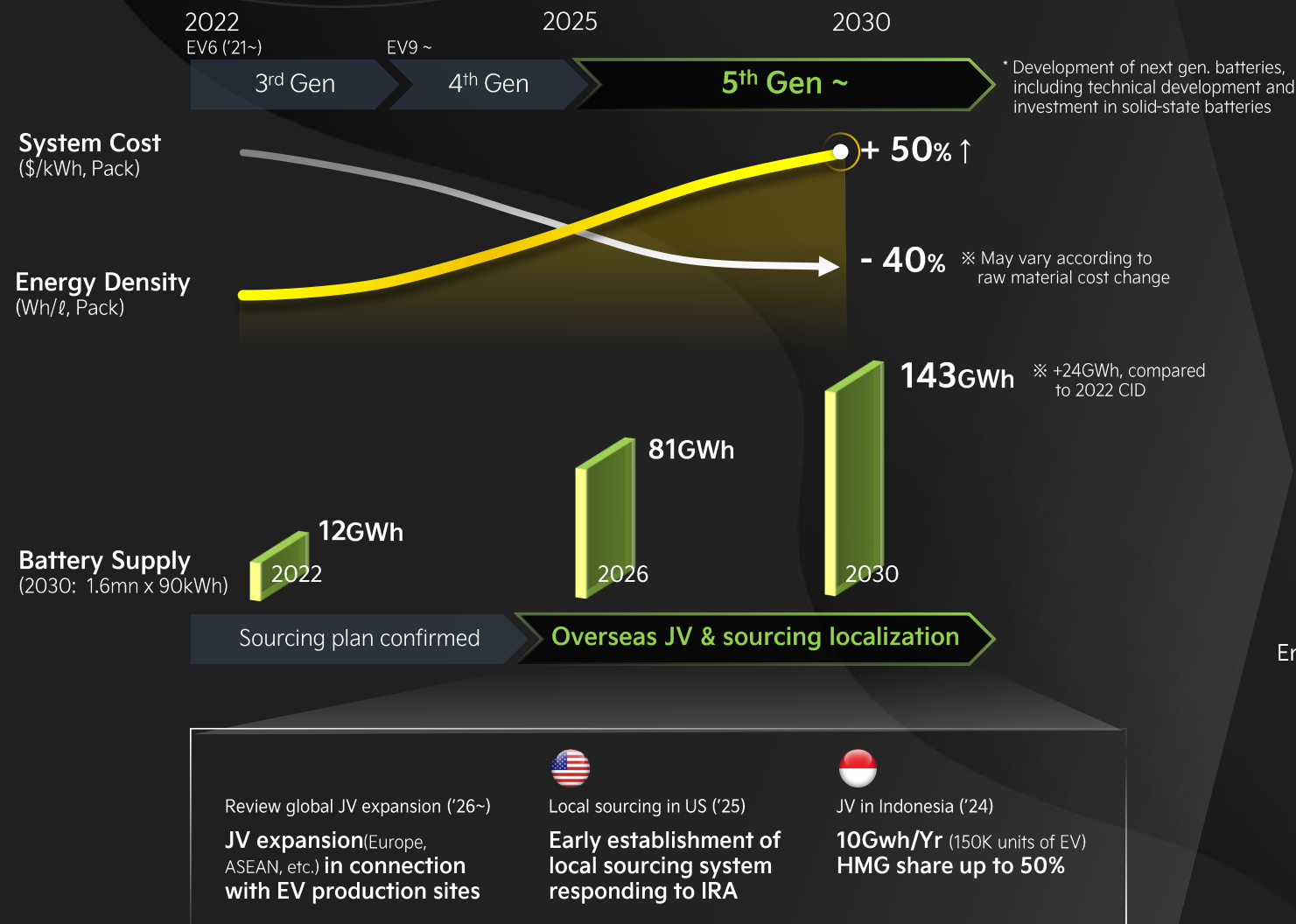


*CRMA : Critical Raw Materials Act

**IRA : Inflation Reduction Act

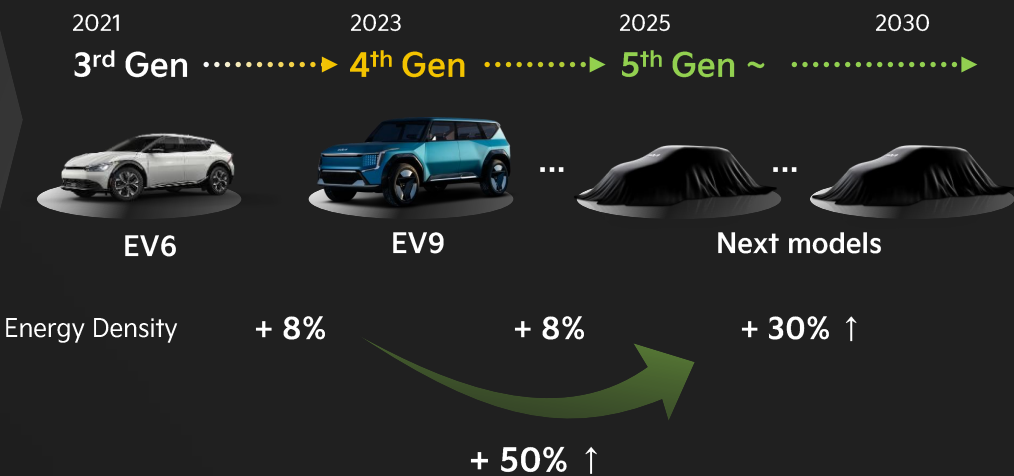
Battery Strategy Roadmap

Continued advancement of battery technology while stabilizing battery supply by region



Battery Technology Advancement

Enhanced competitiveness with improved charging speed & range



Reducing weight and securing AER competitiveness

Kia EV Product Strategy

Connectivity

Seamless and simple
connection

Autonomous

High safety
autonomous technology

Performance

High performance
GT models

Design

Eco-friendly sustainable
approach



Connectivity

Seamless, simple, and integrated connectivity via interworking networks

Maximize vehicle experience synergy by integrating connectivity with EVs



Connected Car Cloud

- Vehicle data analysis through high-performance car cloud
- Flexible connectivity through integrated and centralized controller with high efficiency



OTA and FoD Expansion

- Up-to-date vehicle management with latest firmware upgrades through OTA
- Development of additional FoD items to offer diverse products



Extended Application

- Expand connectivity service to ME&A, AP, and C&SA

Performance

GT trim enabling dynamic powerful driving emotions on road



EV6 GT Trim



- Explosive acceleration : 0- 100Km/h in 3.5 seconds
- GT drive mode
- Electronically controlled suspension and monoblock with caliper/large diameter brake

EV9 GT Trim



- Rich output : 0-100Km/h in 4 seconds
- Fast acceleration through high-power dual motors / all-wheel drive
- Stable driving during fast acceleration through reinforced suspension & electronic braking systems

GT Trim for Future EV Models

GT trim performance direction by vehicle type

SUV	Sedan / CUV	City Car
Rich Performance	On-road Driving Performance	Urban Performance
Differentiated interior/exterior design	Stable driving comfort at high speed through high-performance motors and safety-oriented tuning	Rich performance / powerful acceleration / agile responsiveness

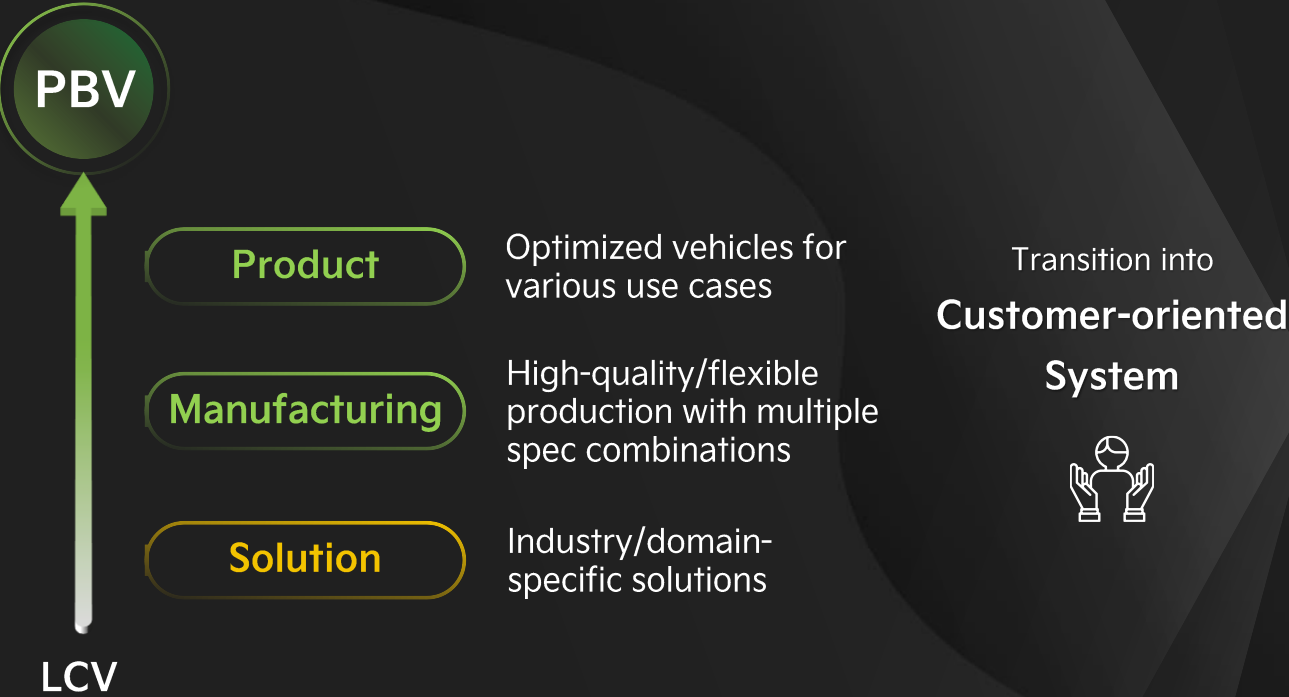
PBV Strategy



Movement that inspires

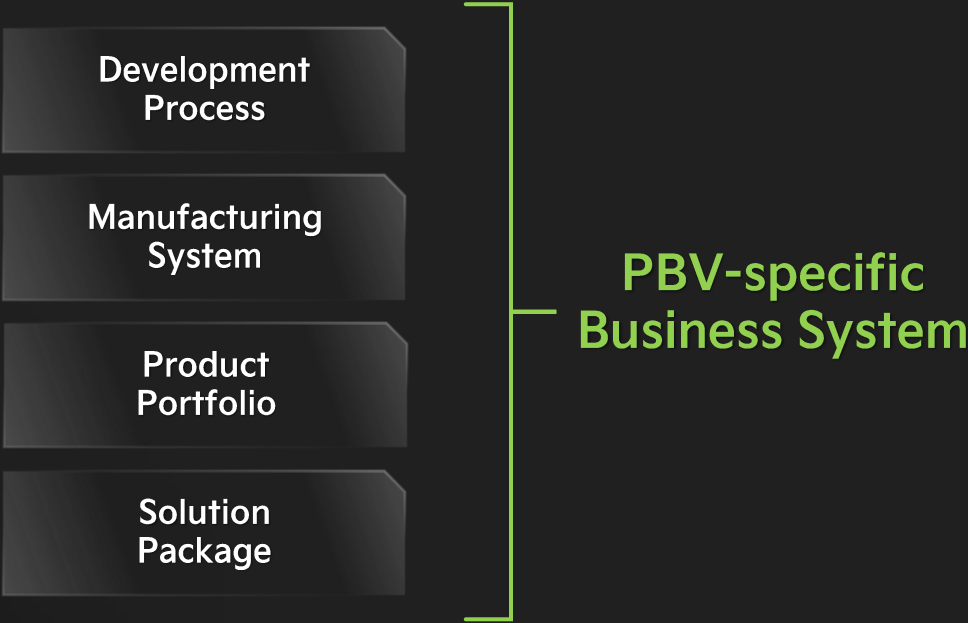
PBV-dedicated Business System

LCV vs. PBV



Business System Optimization

「Vehicle + Solution」to serve customer needs



* PBV : Purpose Built Vehicle * LCV : Light Commercial Vehicle

PBV Full Line-up



Mid PBV
The 1st dedicated PBV



Mid PBV
+ AD (Robotaxi)



Large PBV

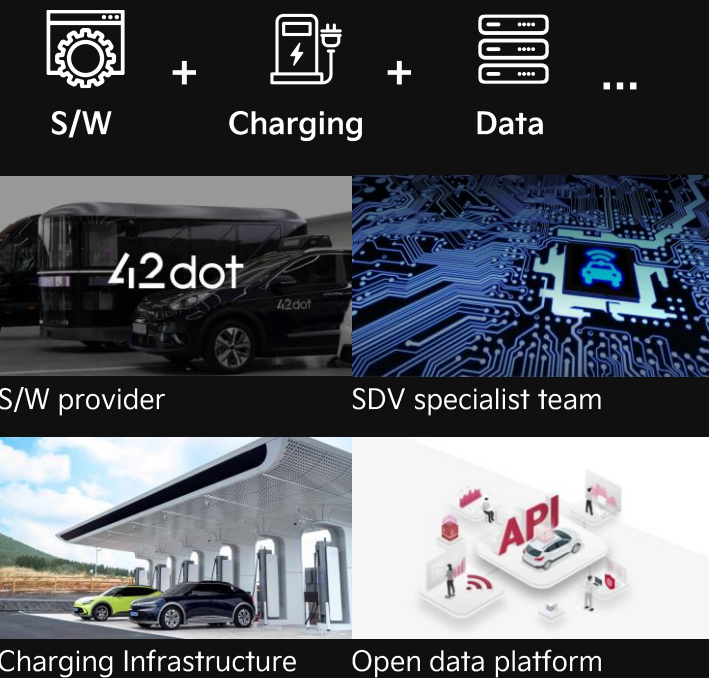


Small PBV

Domain-specific S/W Solution

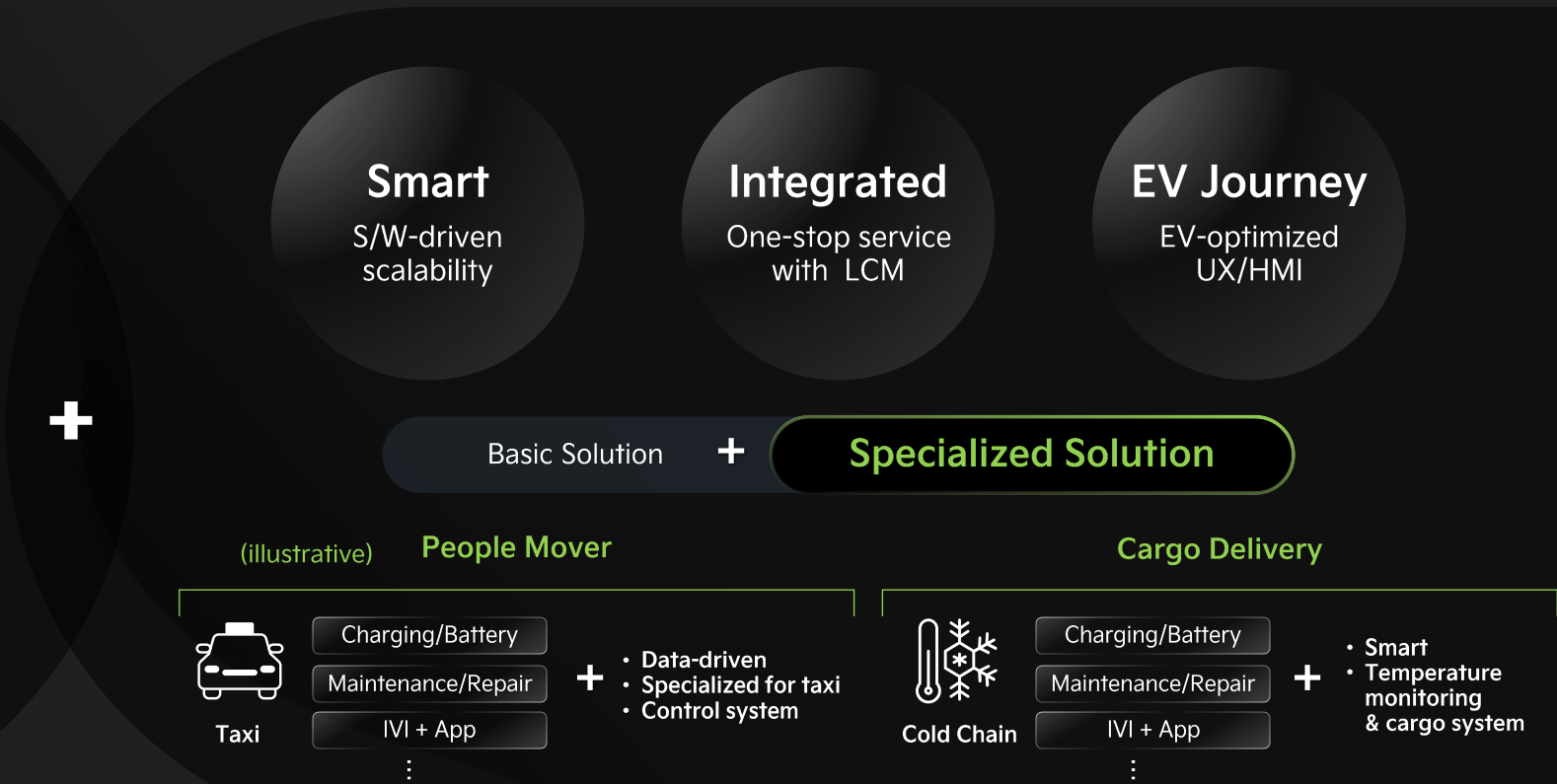
HMG Competency

S/W solution framework



Kia's PBV Solution

S/W based integrated PBV solutions



Innovative Flexible Production System

**Automated
Inspection**

Quality Enhancement



**PBV-dedicated
Plant in AutoLand Hwaseong**

High Quality & Manufacturing Flexibility
based on Innovative EV Production

BTO System

Lead Time Reduction
Inventory Optimization



**Flexible Cell
Manufacturing**

Automated
Logistics / Assembly



* BTO : Build to Order

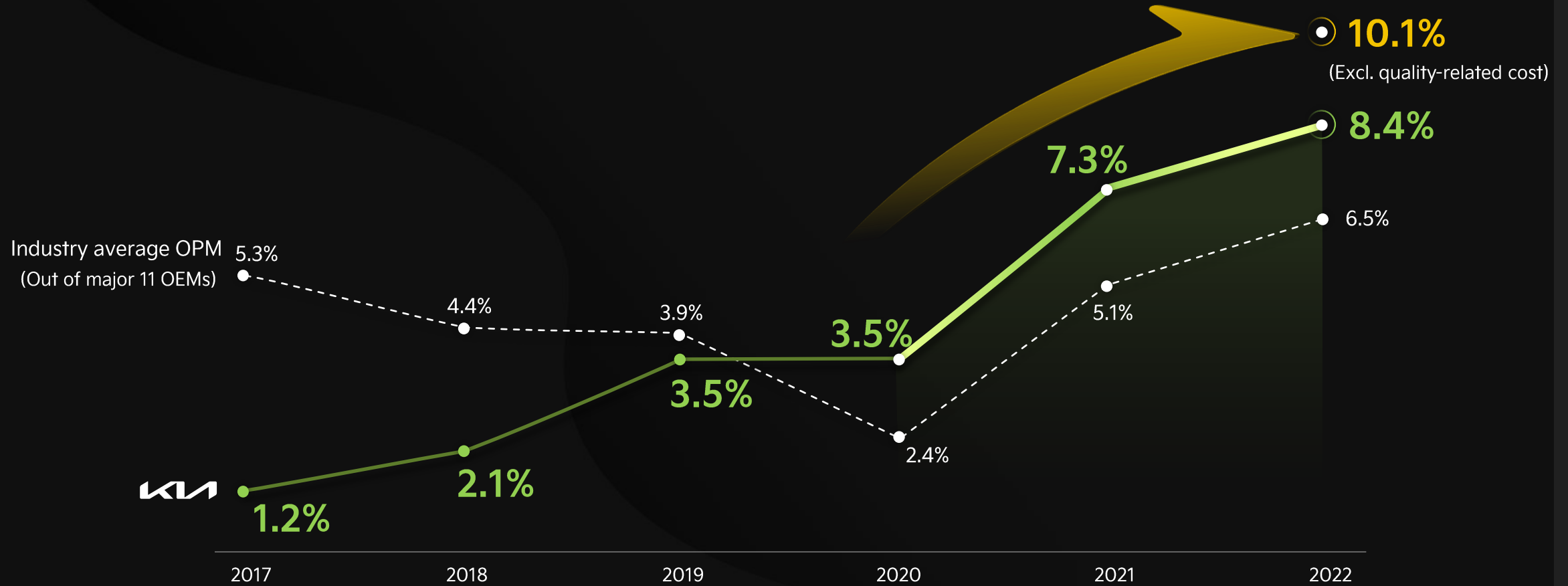
Financial Strategy



Movement that inspires

2022 Review

Global top-tier level of profitability

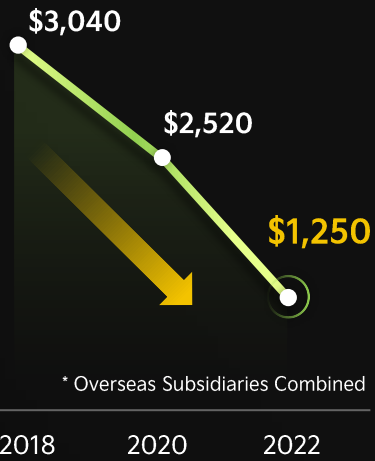


Key Financial Performance

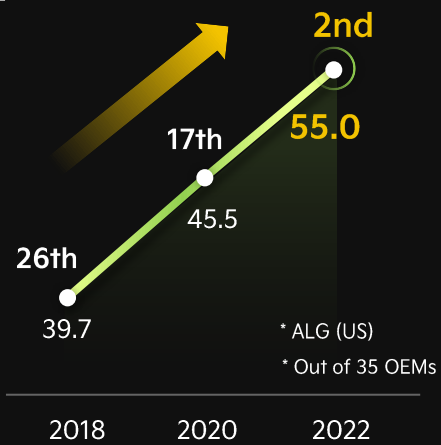
ASP



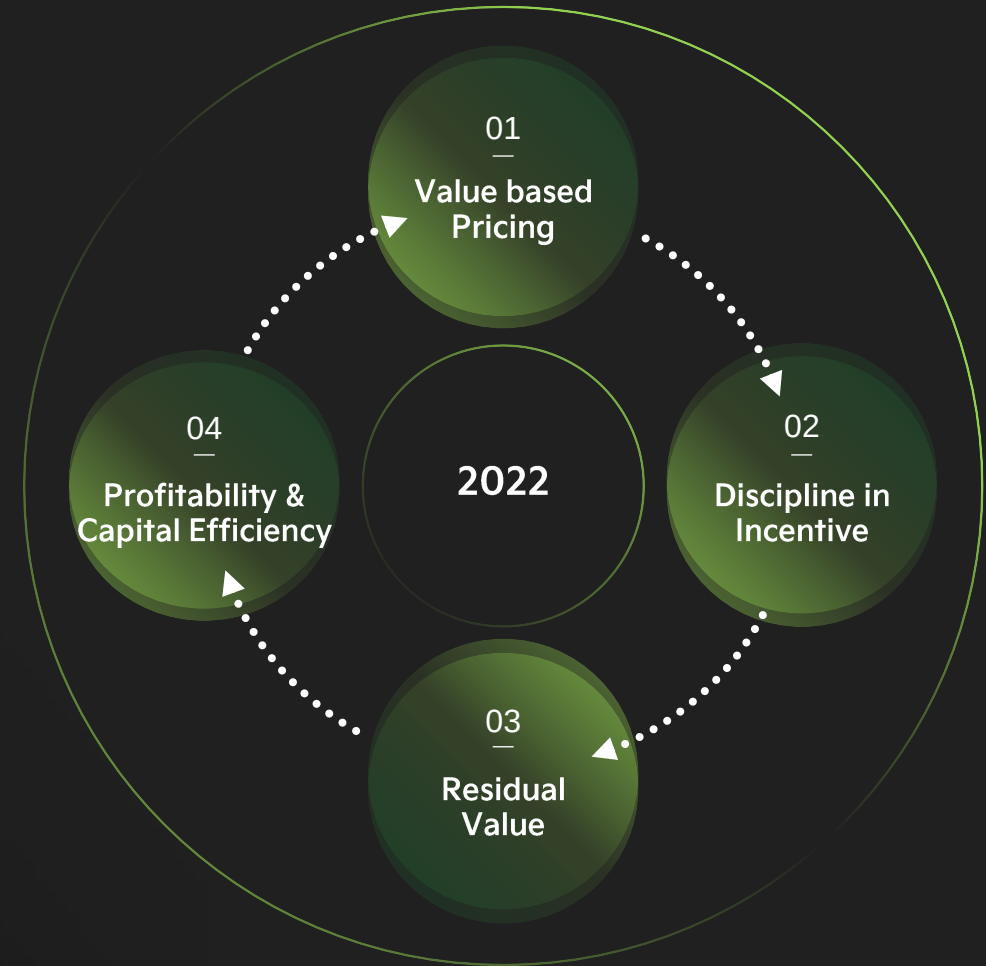
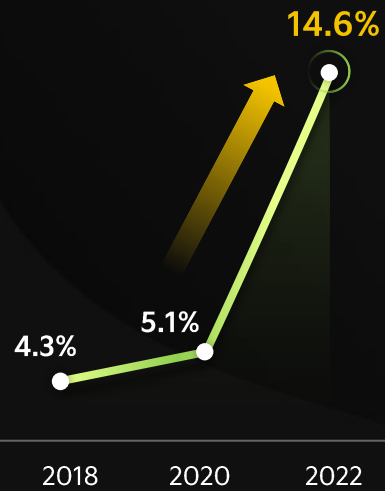
Incentive



Residual Value



ROE



Structural Drivers of Profitability

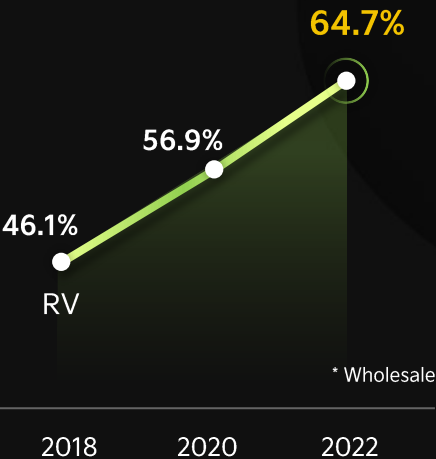
Pricing based on higher margin target, RV mix improvement ← Product competitiveness / Brand power

Pricing based on Higher Margin Target

- Actual
- Target



Mix Improvement



Product / Brand Power



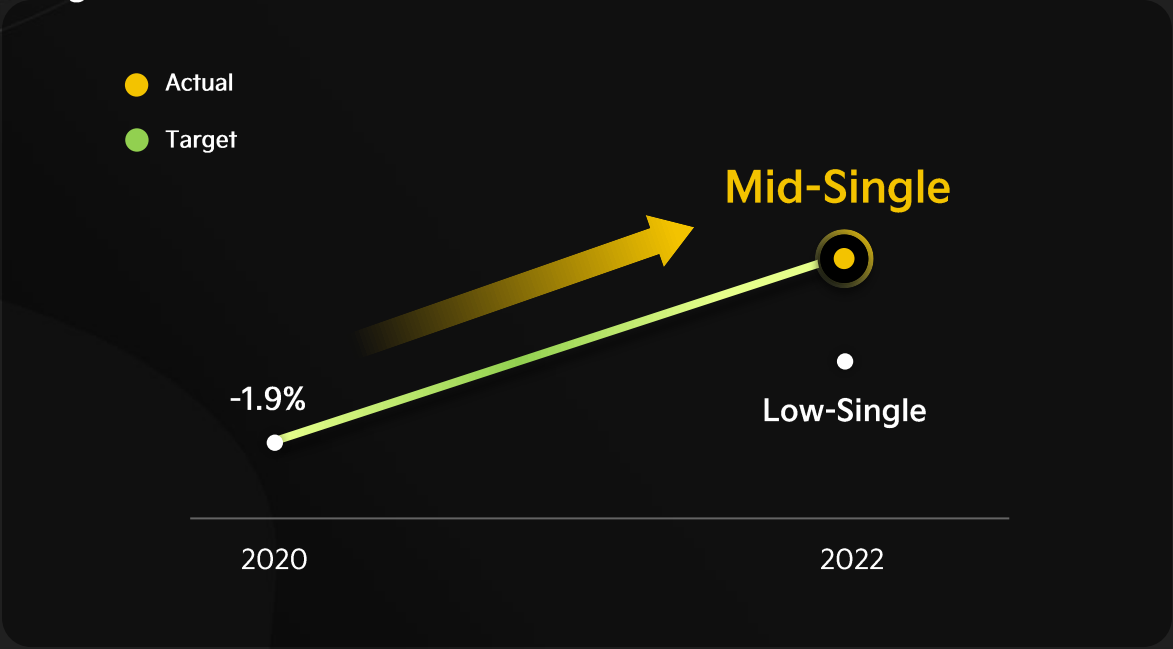
J.D. Power 2022
Brand with most number of
APEAL(Automotive Performance,
Execution and Layout)



Car of the Year in Key Markets

Top Notch EV Profitability

Actual profitability outperformed target



R&D Efficiency

- Sharing of R&D expense
- Commonization of EV Platform

CAPEX Efficiency

- EV line conversion from existing ICE line

Mix Improvement

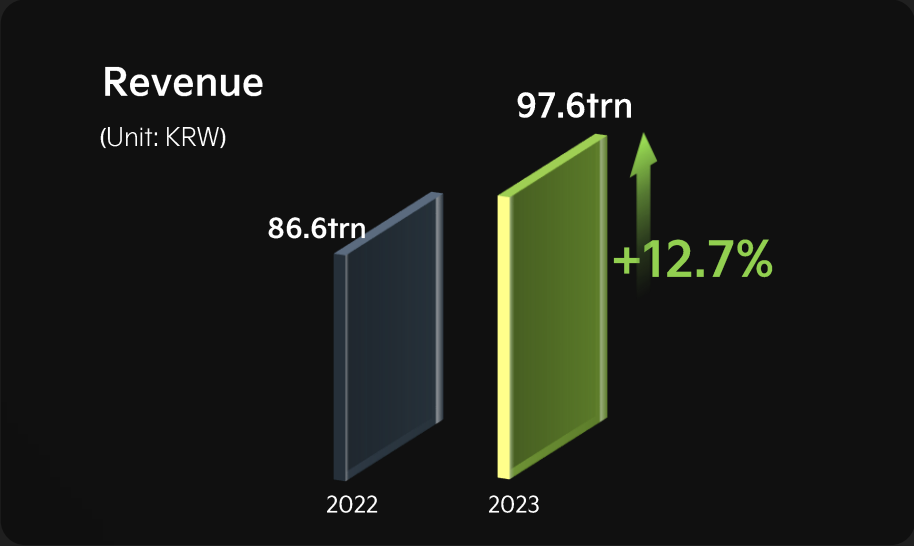
- Sales of higher-end trim / option selection increase

Cost Saving for Core Parts

- Optimization of battery module structure
- Increase cost efficiency and open bidding

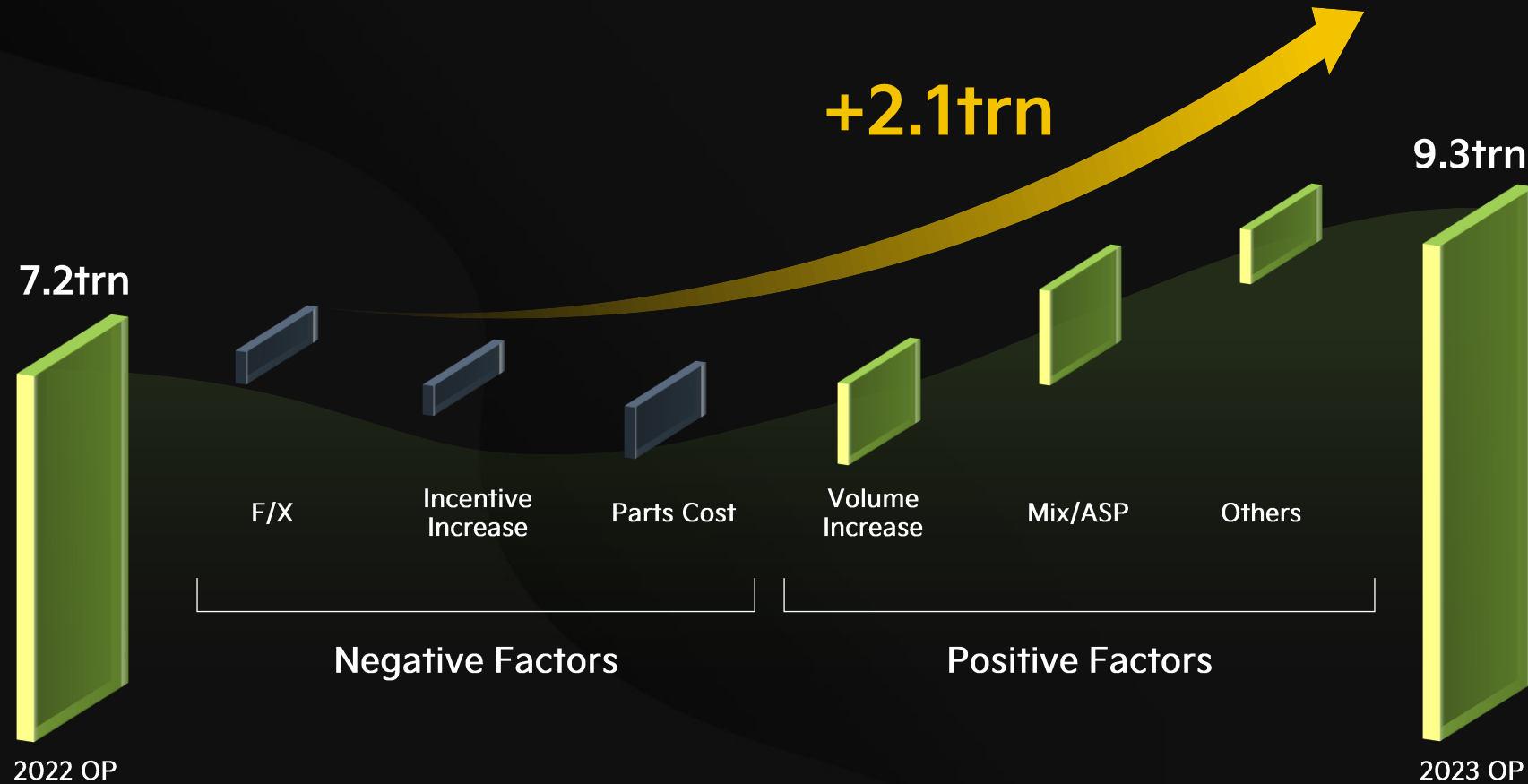
2023 Financial Business Plan

Normalization of sales volume, operating leverage from ASP/Mix improvement



2022-2023 EBIT Bridge

Cost side pressures to be offset by fundamental factors to boost EBIT by ₩2.1trn

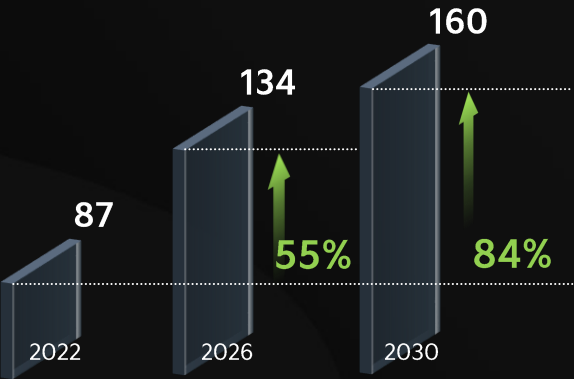


Mid-to-Long Term Target

Maintain solid profitability throughout EV transition
 New business opportunity from software/service

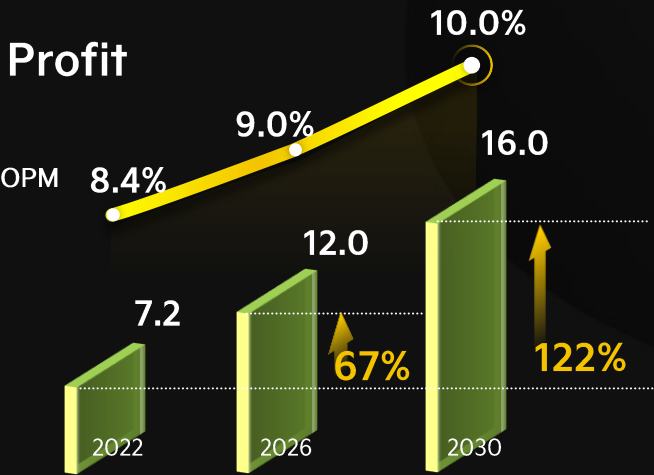
Revenue

(Unit : KRW trn)



Operating Profit

(Unit : KRW trn)



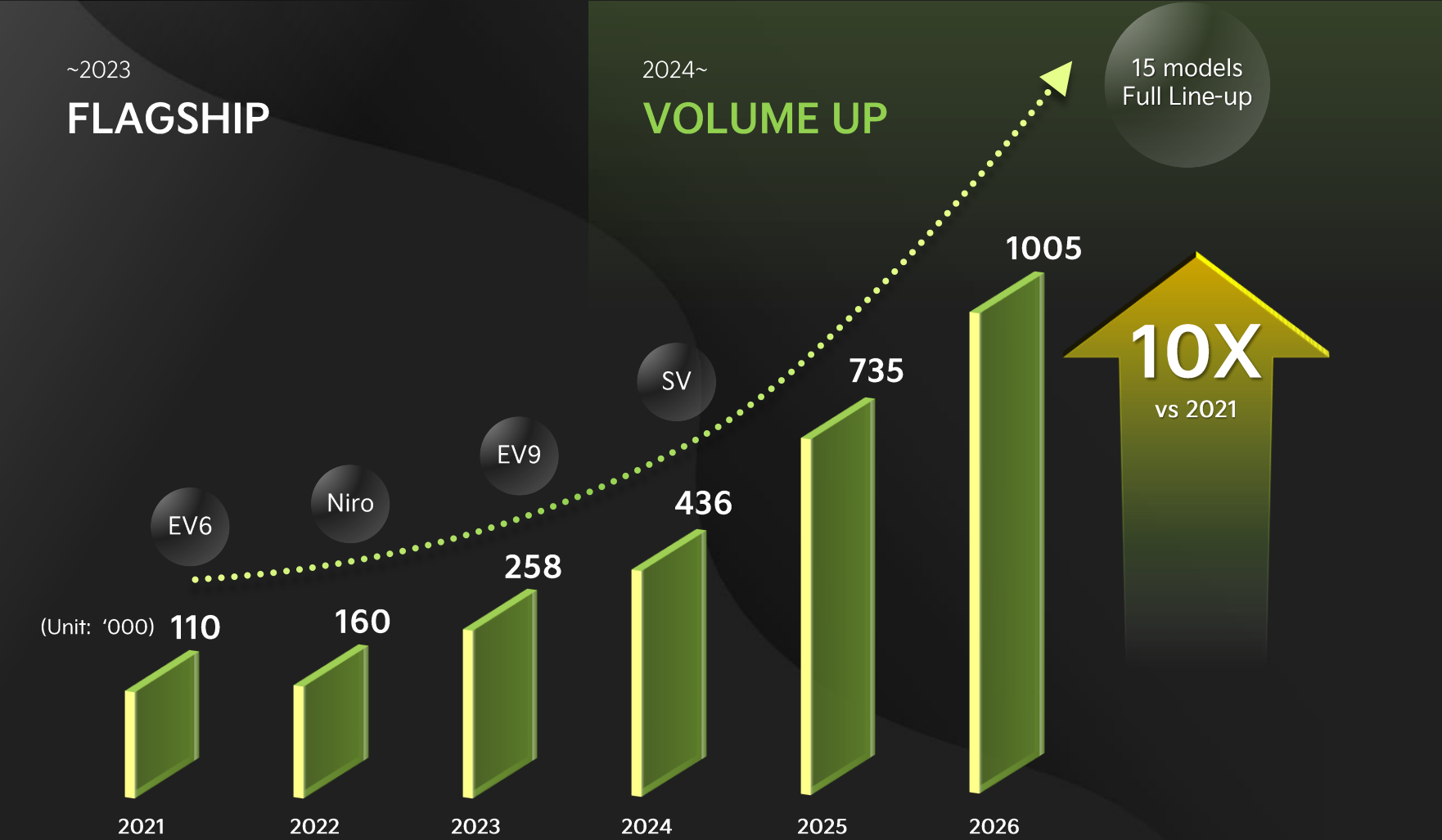
EV centric
 volume growth
 fueling EV profit
 contribution

Accelerated EV
 profitability

Software/Service
 monetization

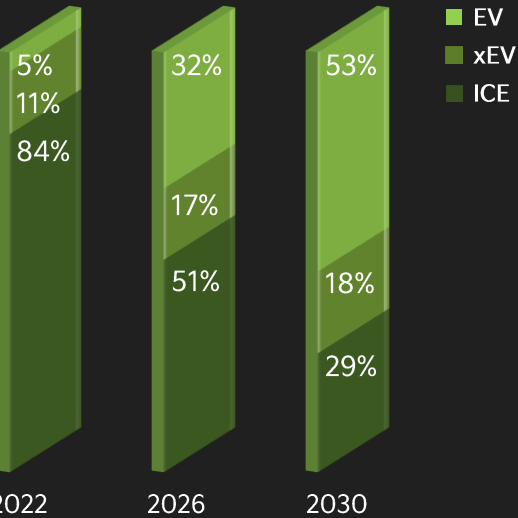
EV Centric Volume Growth Fueling EV Profit Contribution

Entering the phase of full-scale sales expansion, realizing economies of scale



EBIT Mix by Powertrain

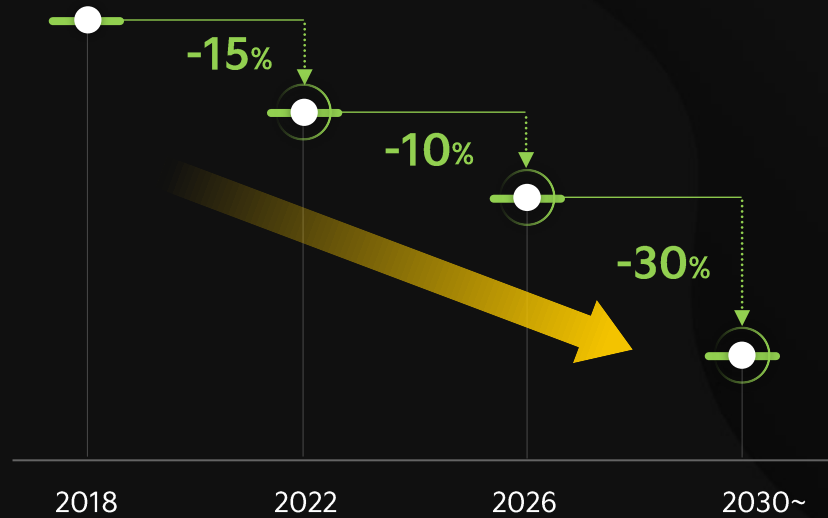
(Unit :%)



Cost Savings for Core EV Parts

Industry leading cost advantages from
 - battery module structure
 Cost efficiency and open bidding

Battery

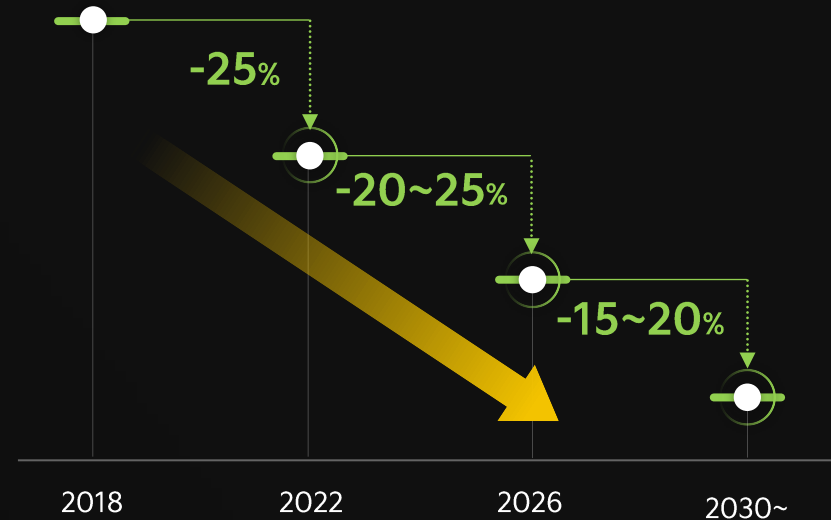


* Assumption : raw material cost constant from 3Q20

Motor System/ICCU

* Motor System : Drive Motor + Inverter + Reducer

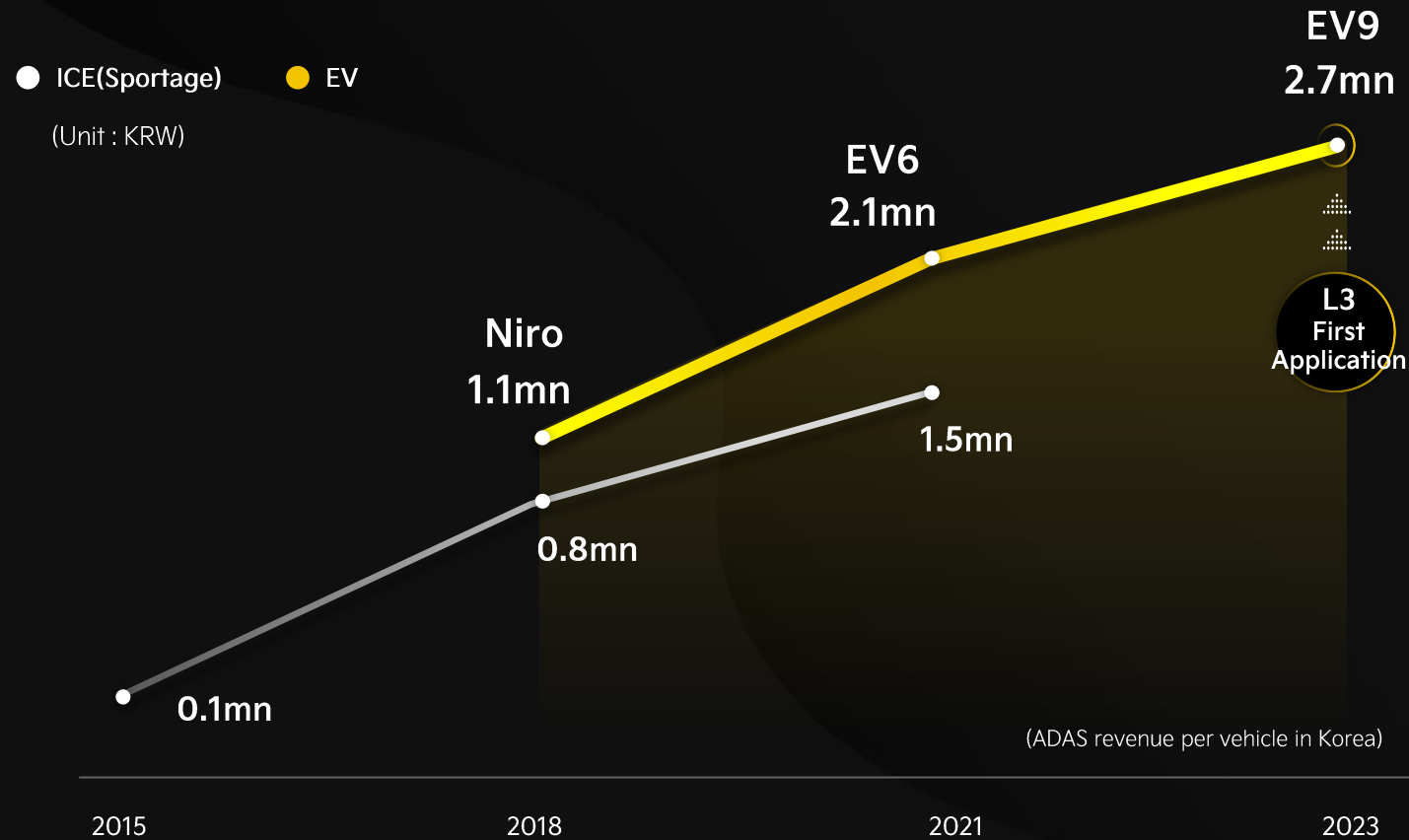
* ICCU : Integrated Charging Control Unit



* Assumption : raw material cost constant from 3Q20

Software, Service Monetization

Accelerated capitalization on vehicle technology



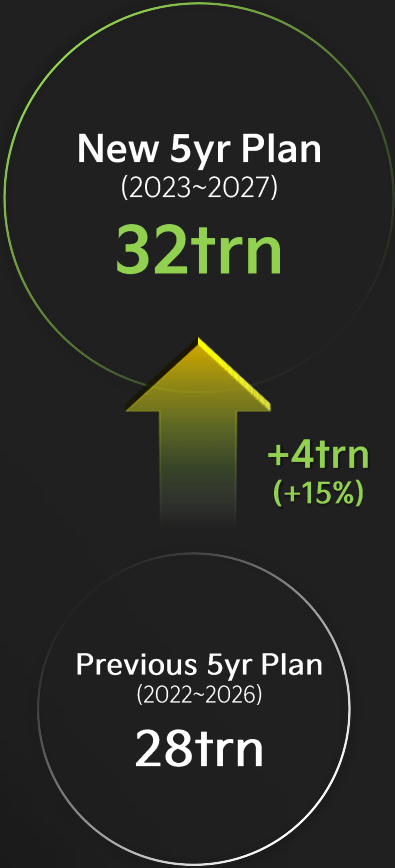
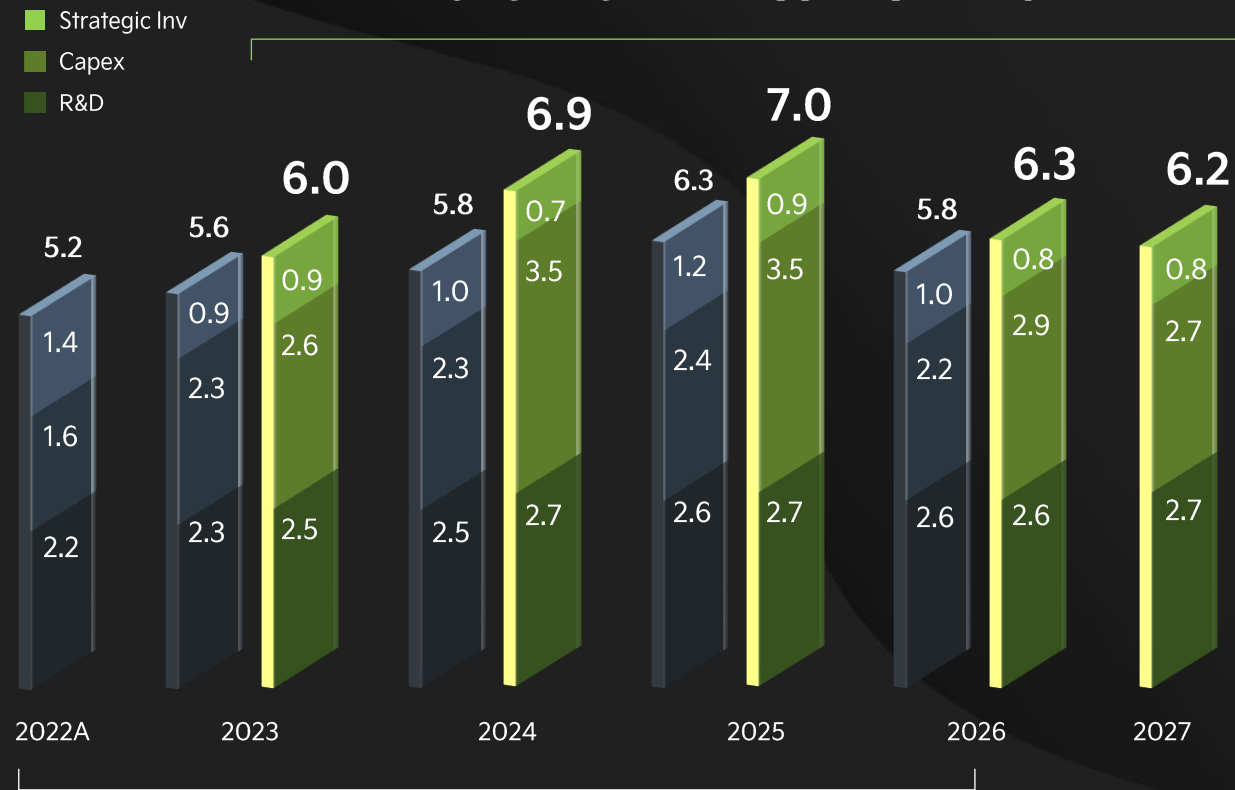
ADAS Market Size



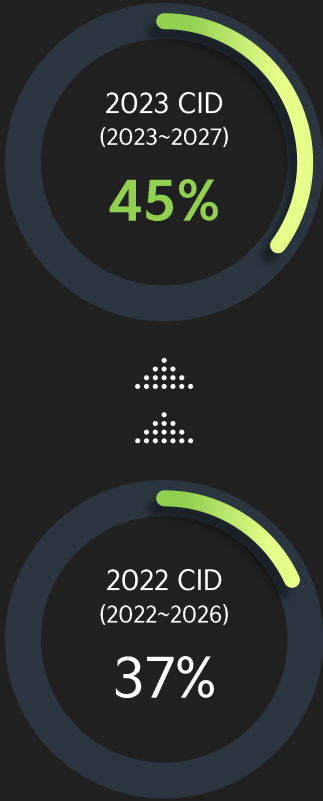
Investment Plan for Next 5 Years

Accelerated resource allocation to business transition

2023~2027 Investment Plan



% of Future Business Investment



Shareholder Return Policy

Accelerating shareholder's value through dividend growth
 Long-term plan for share buyback & cancellation

Payout Ratio

20~35%

of Net Profit

Buyback Program

5yr

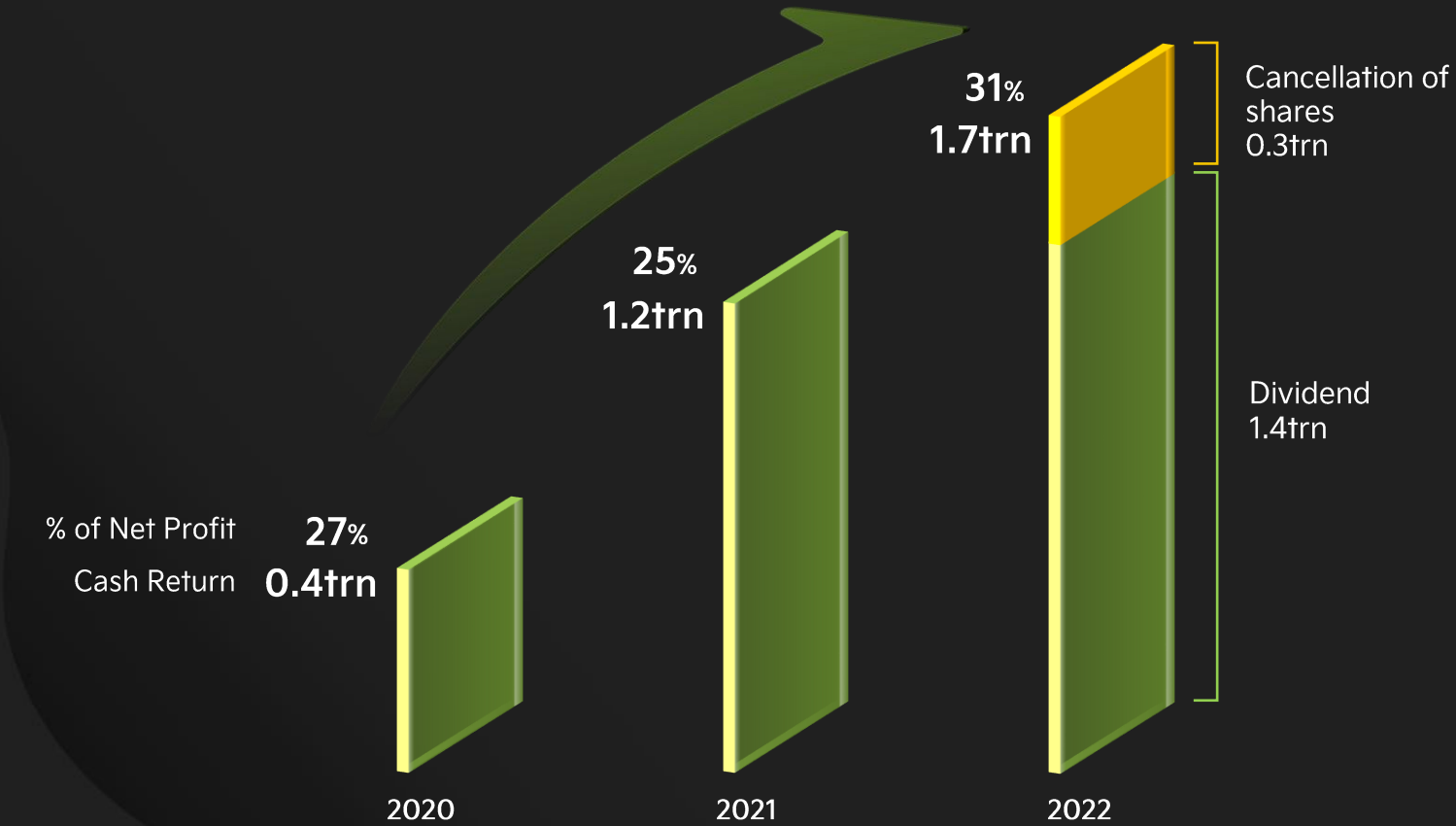
Long-term Plan

500bn

Max.Amount/year

50%

Cancellation



Appendix : 2023 1Q Business Results

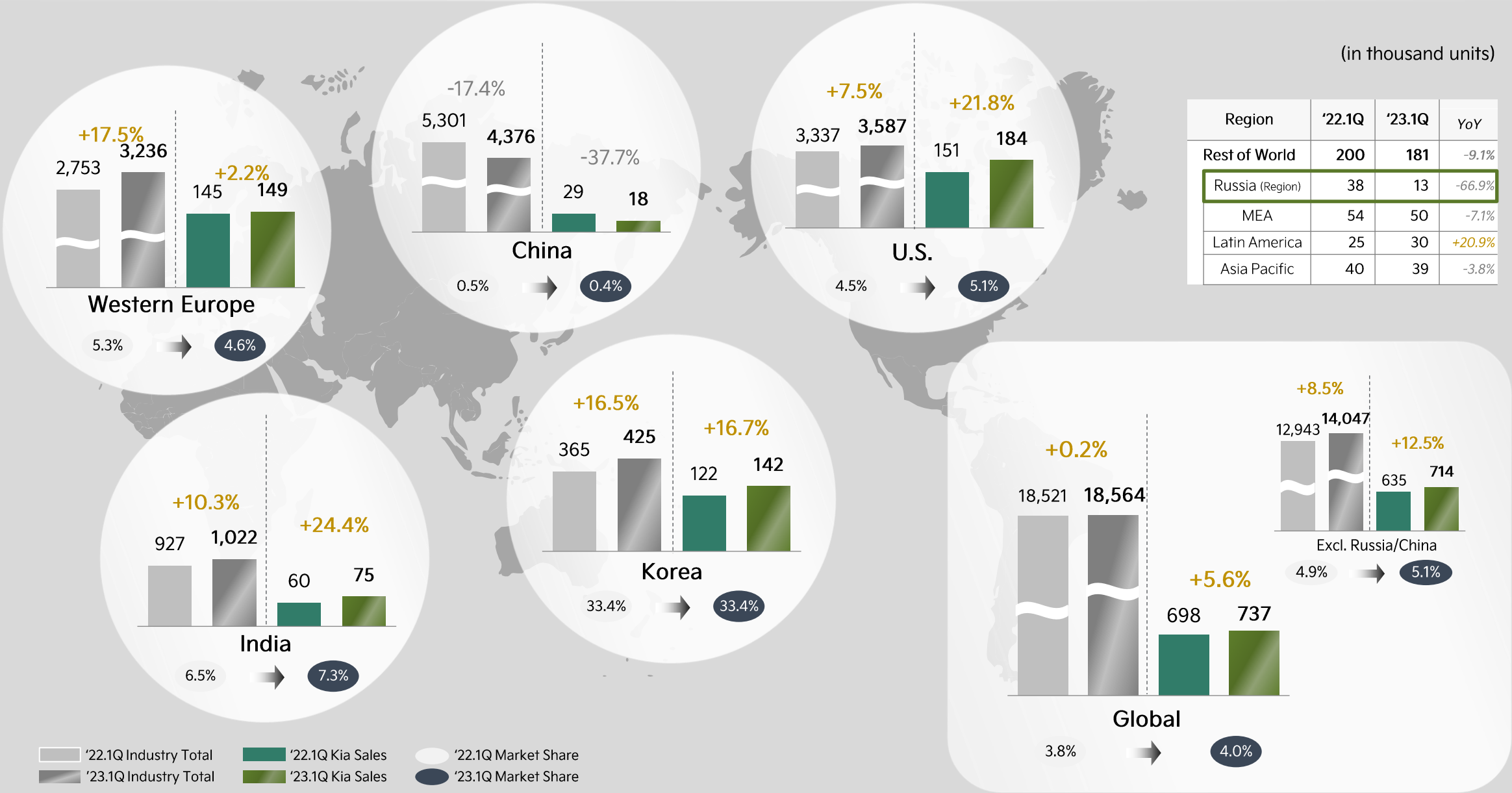


- Global Retail Sales
- Consolidated Income Statement
- OP Analysis
- Sales Performance by Market (Korea, U.S., Western Europe, India, China)
- Global Market Share Trend
- Cash Flow Highlights

Global Retail Sales

(in thousand units)

Region	'22.1Q	'23.1Q	YoY
Rest of World	200	181	-9.1%
Russia (Region)	38	13	-66.9%
MEA	54	50	-7.1%
Latin America	25	30	+20.9%
Asia Pacific	40	39	-3.8%



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

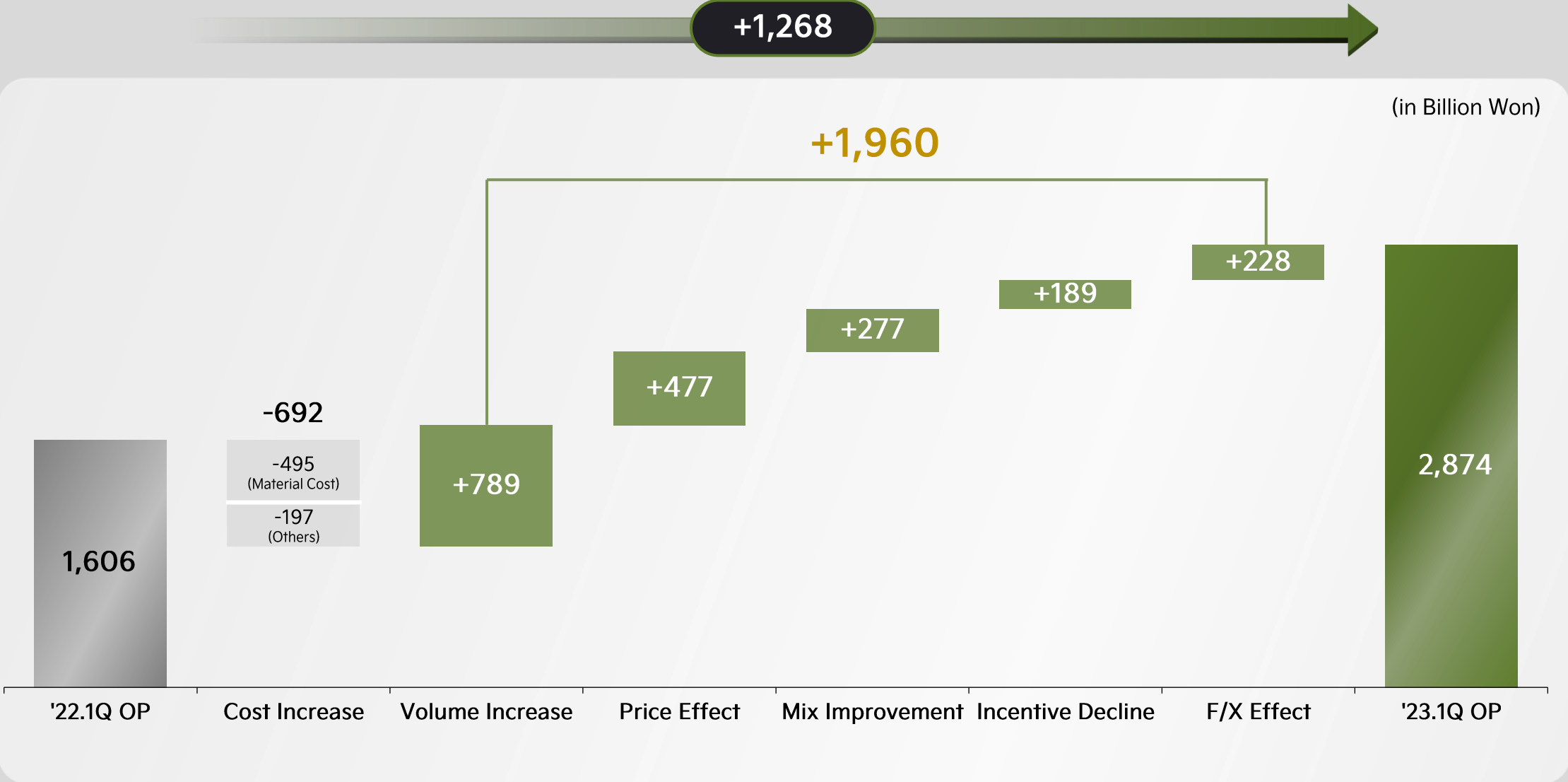
Consolidated Income Statement

(in Billion Won)	'22.1Q	(% of sales)	'23.1Q	(% of sales)	YoY (%)
Sales Revenue	18,357	100%	23,691	100%	+29.1%
Cost of Sales	14,766	80.4%	18,317	77.3%	+24.0%
Gross Profit	3,591	19.6%	5,373	22.7%	+49.6%
SG&A	1,984	10.8%	2,499	10.6%	+25.9%
Operating Profit	1,606	8.8%	2,874	12.1%	+78.9%
Pre-tax Profit	1,518	8.3%	3,142	13.3%	+107.0%
Net Profit	1,033	5.6%	2,120	8.9%	+105.3%

※ Consolidated Sales Units : '22.1Q 633,401 units → '23.1Q 725,126 units (+91,725 units, +14.5%)

※ Average Currency Rate (USD/KRW) : '22.1Q KRW 1,205 → '23.1Q KRW 1,276 (+KRW 71 ↑, +5.9%)

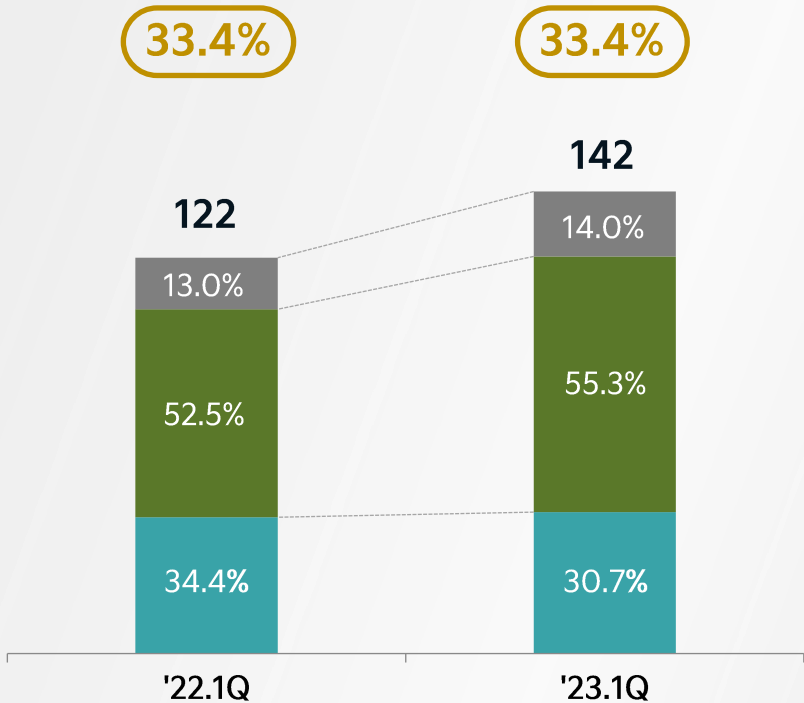
Operating Profit Analysis



Korea Market

Sales & Market Share

■ CV ■ RV ■ PC ○ M/S (in thousand units)



※ Including imported brands

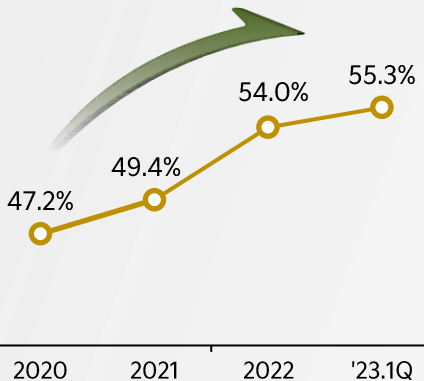
Sales Summary

Industry +16.5%

[YoY]

Kia +16.7%

RV Contribution Trend



EV9



Launch June 2023

Dimension (L/W/H/WB) 5,010 / 1,980 / 1,750 / 3,100

Sales Plan (2023) 27k units / year (16k units)

Q1 Results

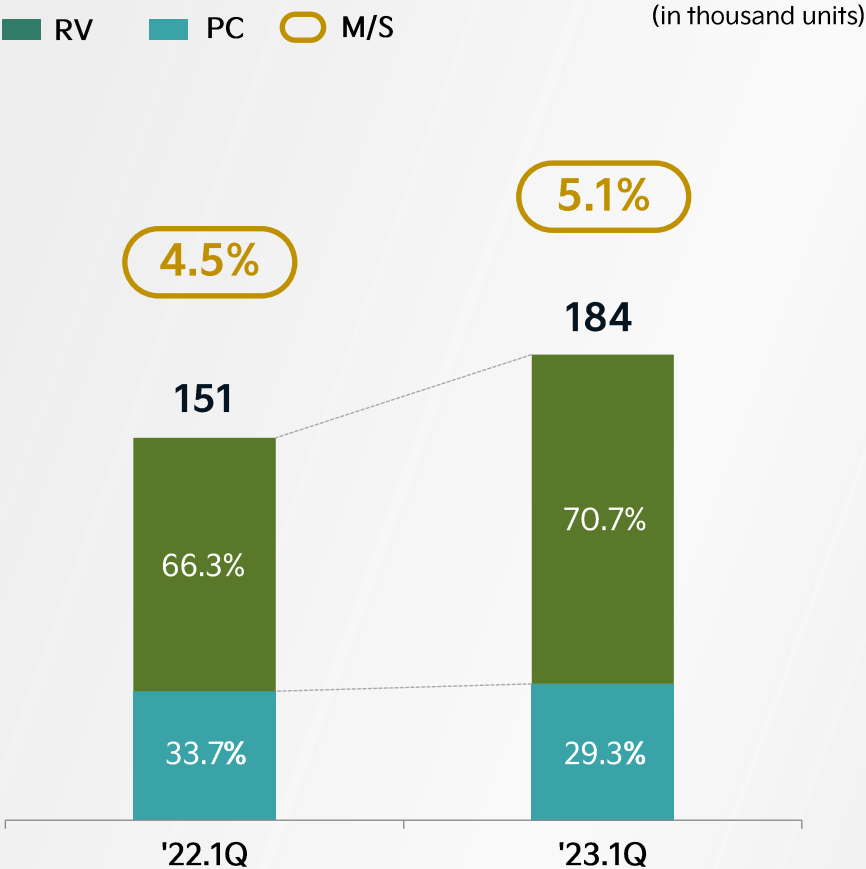
- RV / high tech features sales growth thanks to increased chip supply and weekend overtime
 - Mix improvement led to KRW 32mn(YoY +8.33%) ASP in Korea
- RV mix continued to improve, reaching a record high of 55.3%
 - [2021] 49.4% → [2022] 54.0% → [1Q23] 55.3%

Initiatives

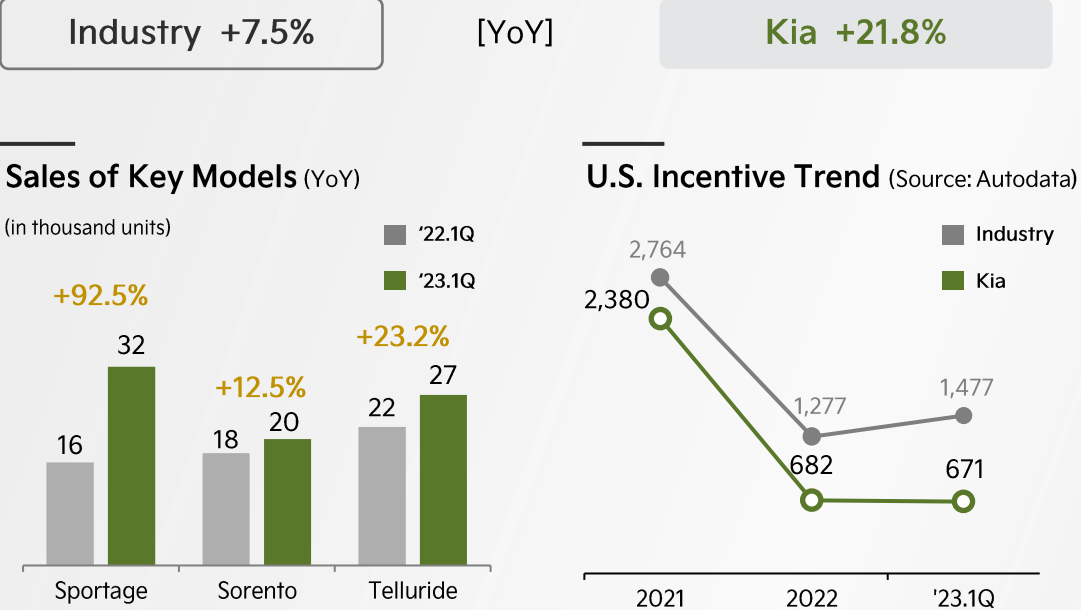
- Highest Q2 sales, driven by normalized production and backorders
 - Continue profitability expansion backed by strong high-spec RV demand
- Successfully launch EV9 to enhance brand equity and expand customer spectrum
- Maintain momentum with PE of volume models (Sorento, K5) in 2H

US Market

Sales & Market Share



Sales Summary



Q1 Results

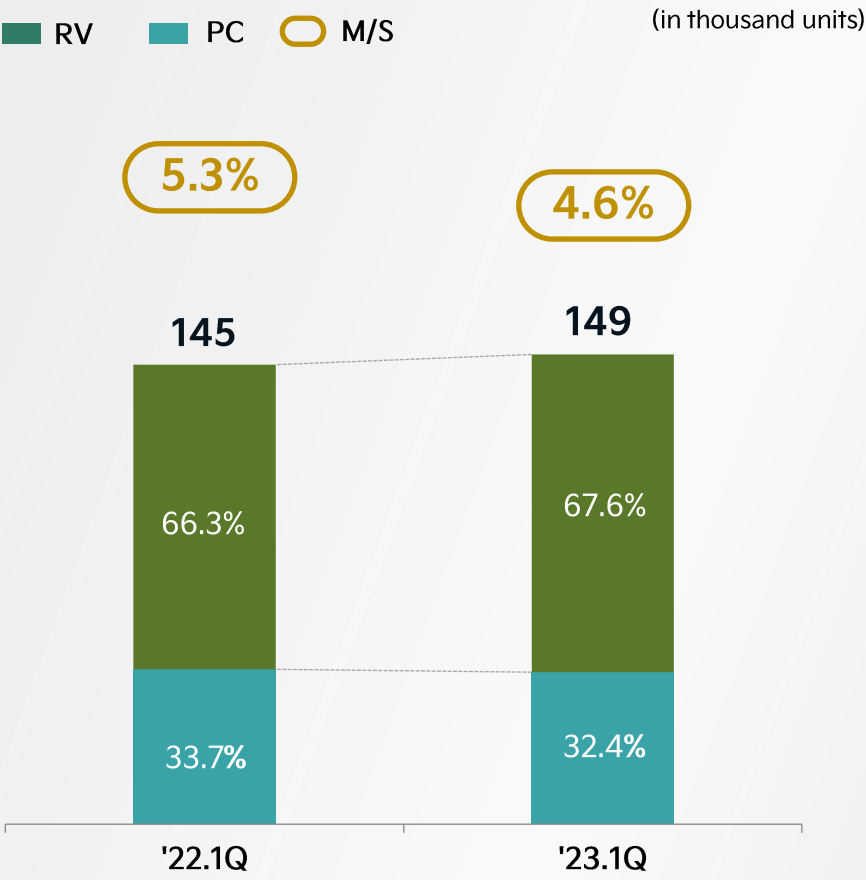
- Outperformed industry growth with continued strong RV sales performance and growth
- M/S greatly improved YoY : '22.1Q 4.5% → '23.1Q 5.1%(+0.6%p)

Initiatives

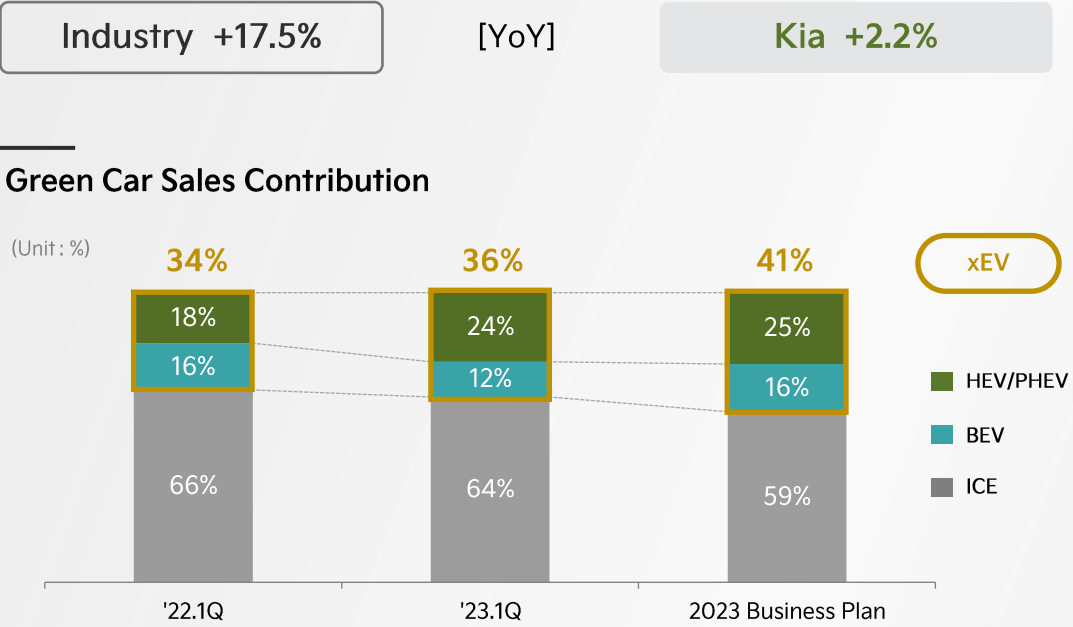
- Maintained industry's lowest level of incentive spending on the back of strong underlying demand
- Supply increase of lucrative RVs expected to enhance profitability
- Sportage production increase : Dual production from Korea + U.S. Plants
- Telluride annual capacity increase : ~2020 80k → 2020~100k → 2022~120k
- Various sales strategies being pursued to respond to IRA and to expand momentum of EV sales

Western Europe Market

Sales & Market Share



Sales Summary



Q1 Results

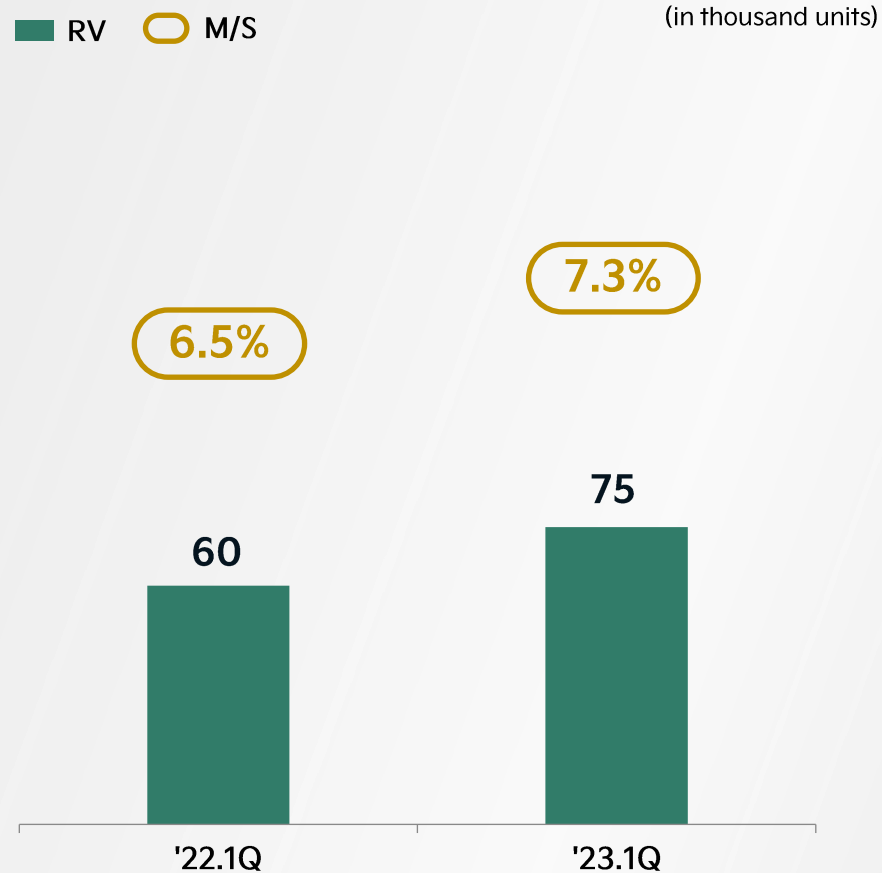
- Despite high base, strong sales of Sportage(1Q Retail +27% YoY) and RVs led to sales growth
- RV mix improvement continued, growing by +1.3%p YoY
- ['22.1Q] 66.3% → ['23.1Q] 67.6%

Initiatives

- Strengthen EV line-up with new models in 2H(EV6 GT, EV9) to improve EV market presence and meet CO₂ regulations
- Green car sales contribution to improve with strong sales of BEVs & Sportage HEV/PHEV
- ['22.1Q] 34% → ['23.1Q] 36% → [2023 Business Plan] 41%

India Market

Sales & Market Share (Wholesale)



Sales Summary

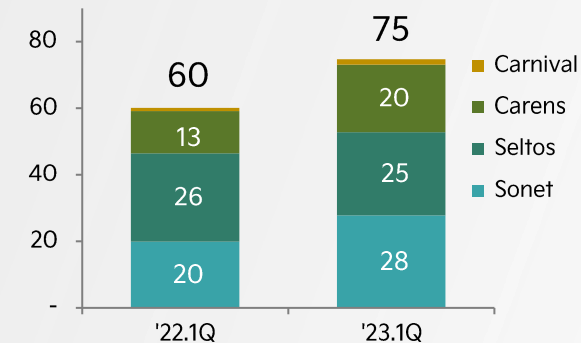
Industry +10.3%

[YoY]

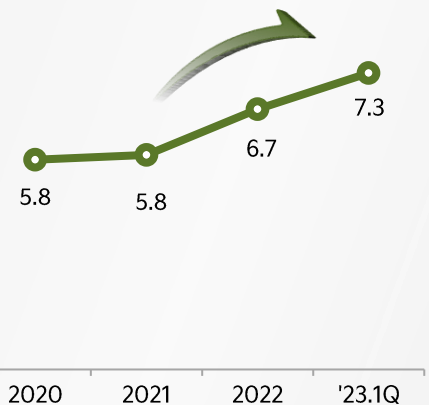
Kia +24.4%

India Sales Summary (Wholesale)

(in thousand units)



India M/S Trend



Q1 Results

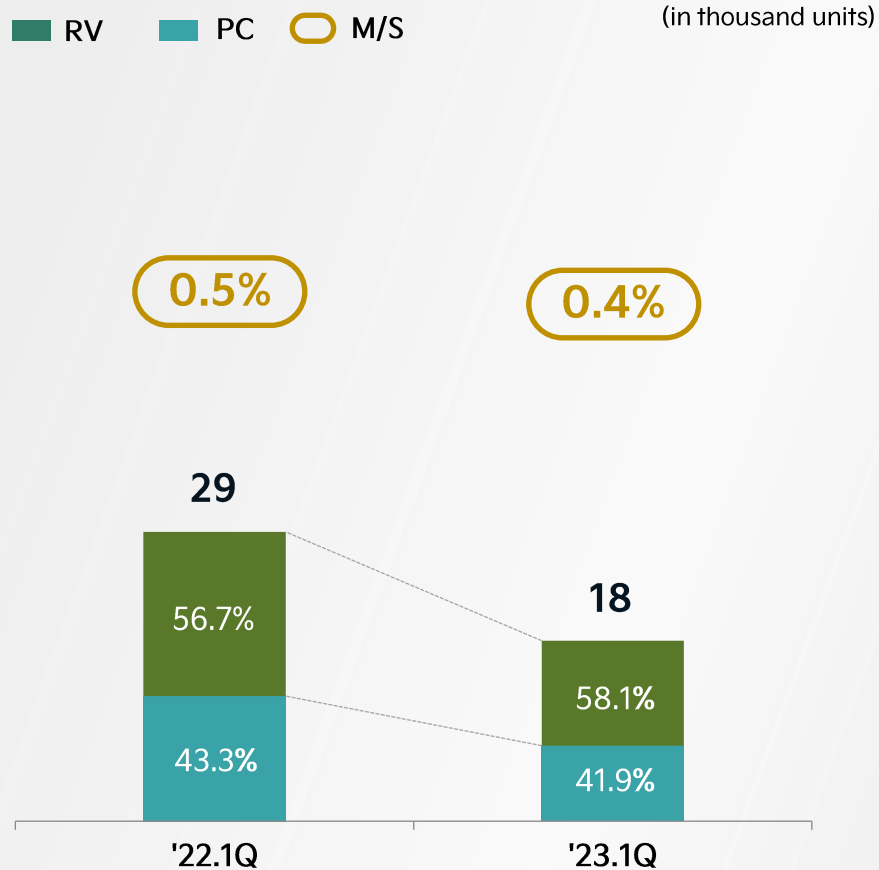
- Strong sales of new model Carens and production increase with 3 shifts led to sales growth
- India Plant Annual Capacity : 2021 329k units → 2022 373k units(+13%)
- M/S grew on the back of strong demand and improved capacity

Initiatives

- Efforts to strengthen EV6(Imported from Korea) marketing activities to enhance EV leading brand image
- Launch product enhanced models in 2H (Seltos, Sonet) to expand sales momentum

China Market

Sales & Market Share (Wholesale)



Sales Summary

Industry -17.4%

[YoY]

Kia -37.7%

2023 EV Sales Strategy



Model	EV6	EV5 (C-SUV EV)
Launch	June 2023	November 2023
Dimension (L/W/H/WB)	4,680 / 1,880 / 1,550 / 2,900	4,600 / 1,865 / 1,680 / 2,750
Strategy	Halo effect with launch of high performance GT model	Launch C-SUV EV (volume segment) to drive EV volume

Q1 Results

- Sales in Q1 sluggish due to impact of last year's pent-up demand as purchase tax reduction(10% → 5%) ended in December 2022
- Lack of EV line-up in an EV centric market led to limited sales

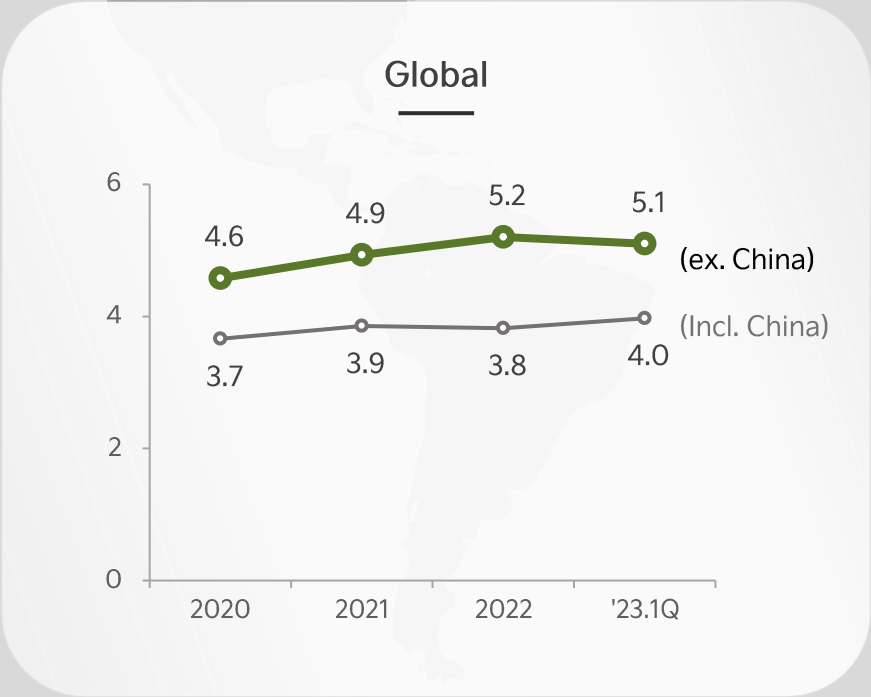
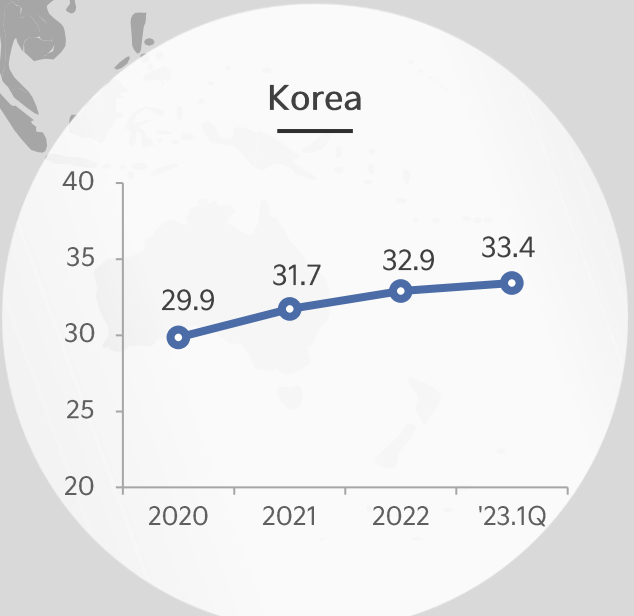
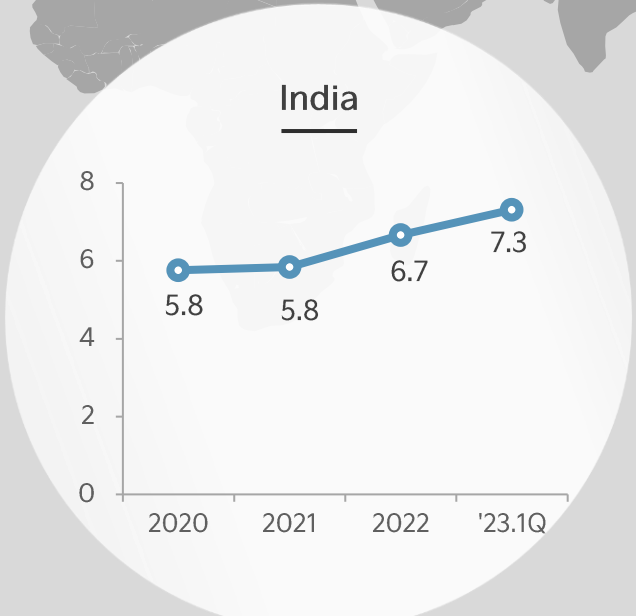
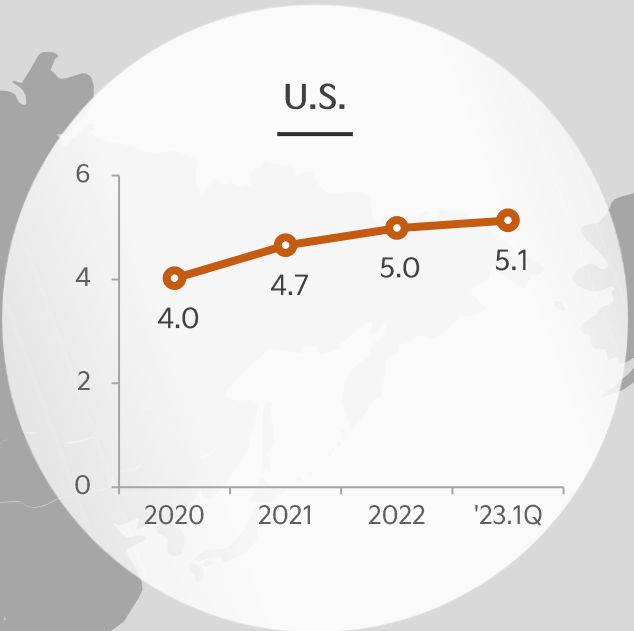
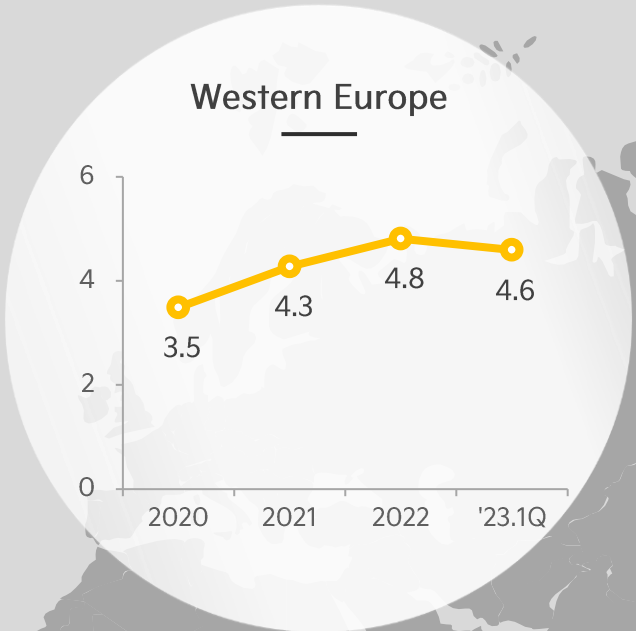
Initiatives

- Strengthen EV line-up (EV6, EV5) to transition to electrification
- Build EV dedicated sales channel by reconstructing dealer network with large dealers (Tier 1~2 cities) and dealer collaboration city stores
- Expand exports with idle capacity of China Plant and increase number of export models(2 → 4)

Global Market Share Trend

(Unit : %)

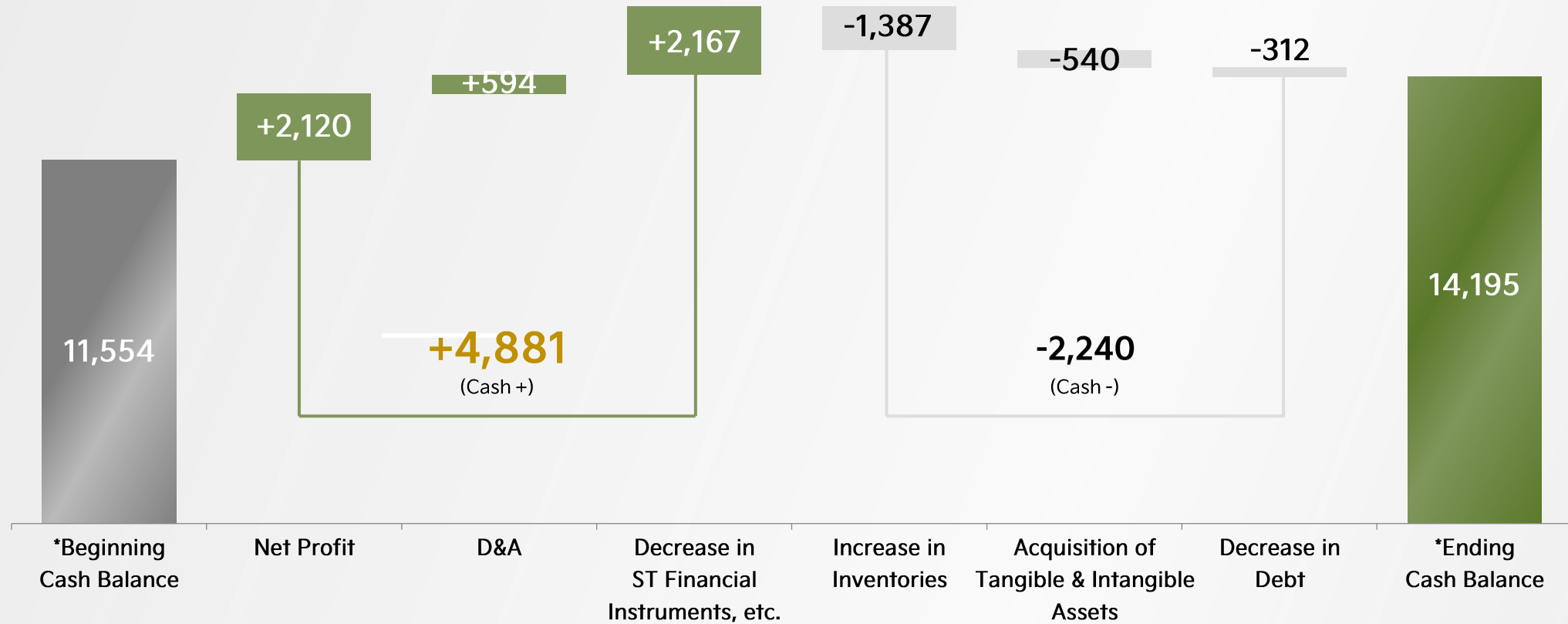
Rest of World	2020	2021	2022	'23.1Q
Russia (Region)	11.6	11.4	8.7	5.7
MEA	6.2	6.5	6.2	6.2
Latin America	2.5	3.0	3.3	3.6
Asia Pacific	3.0	3.5	3.5	3.2



Cash Flow Highlights



(in Billion Won)



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