

Kia Corporation Investor Presentation

August 2024

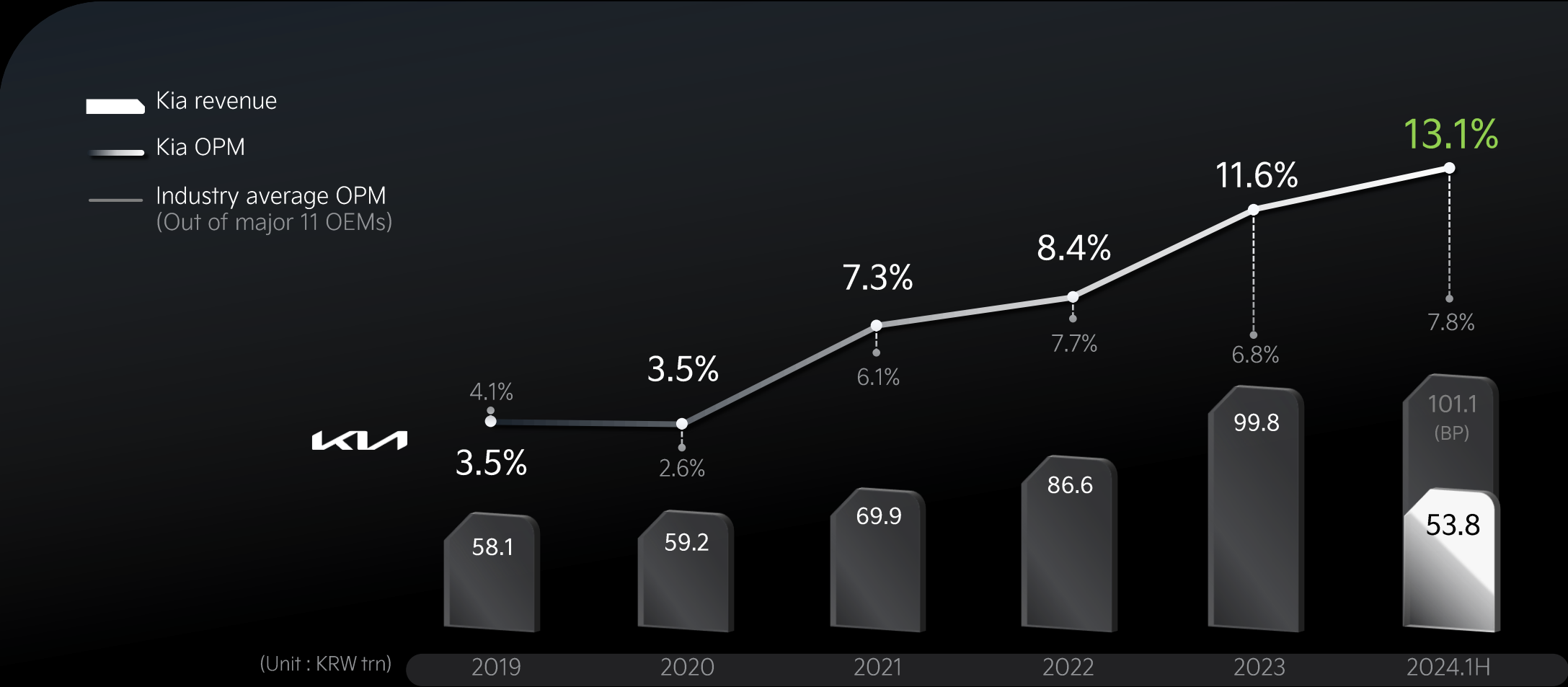


Movement that inspires

2024.1H Review



Revenue growth and improved profitability since 'Kia Transformation' in 2021



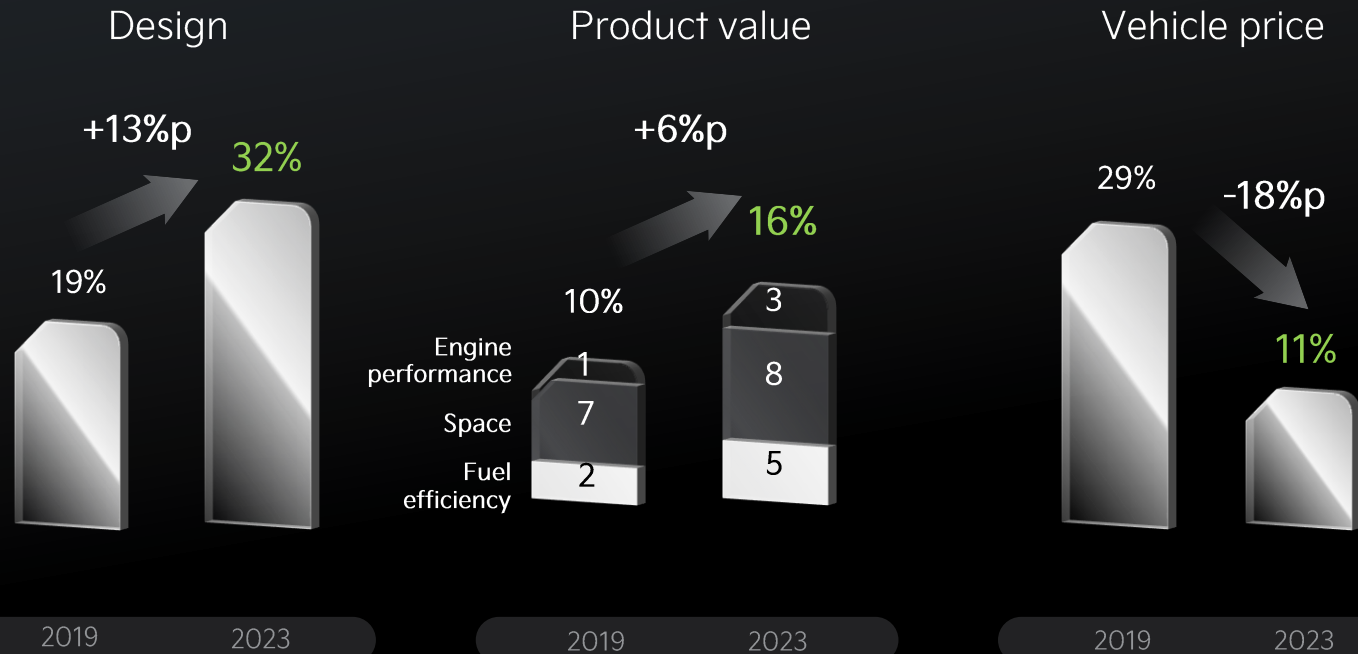
Product Factors



Transforming into a product-focused brand, recognized for design and product value

Key Purchasing Factors 2019 vs 2023

Design and product value has become the main reason to purchase



Primary purchasing factors according to global customer survey by Kia

Improvements in Brand Positioning

Price premium



Pricing Factors

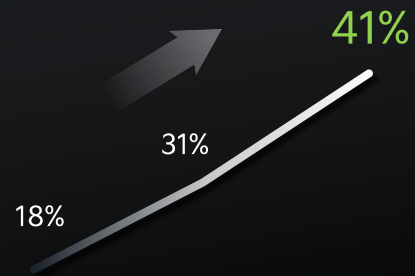


ASP boost from enhanced product and value pricing → Accelerated revenue growth

Product Value Enhancement

Active adoption of new specs
& tech features

High-trim selection rate



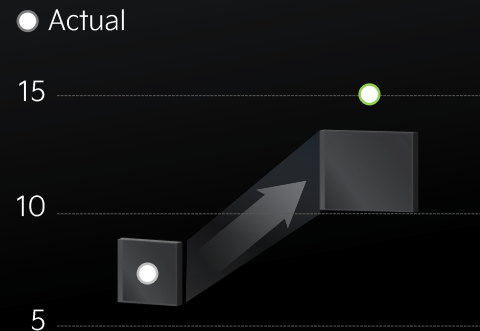
2019 2021 2023
U.S. Sportage, Sorento, & Telluride combined

Quality Operation

Pricing based on higher-
margin target

Increase in target margin

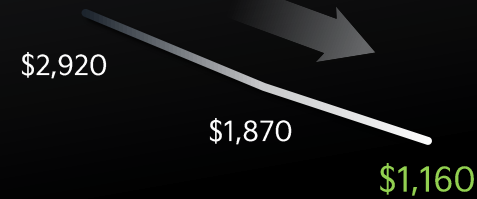
(Unit: %)



2019 2023
Sportage & Sorento combined

Push → Pull strategy

Incentive



2019 2021 2023
Overseas subsidiaries combined

Improved ASP

Consolidated ASP

(Unit: Million KRW)



2019 2021 2023

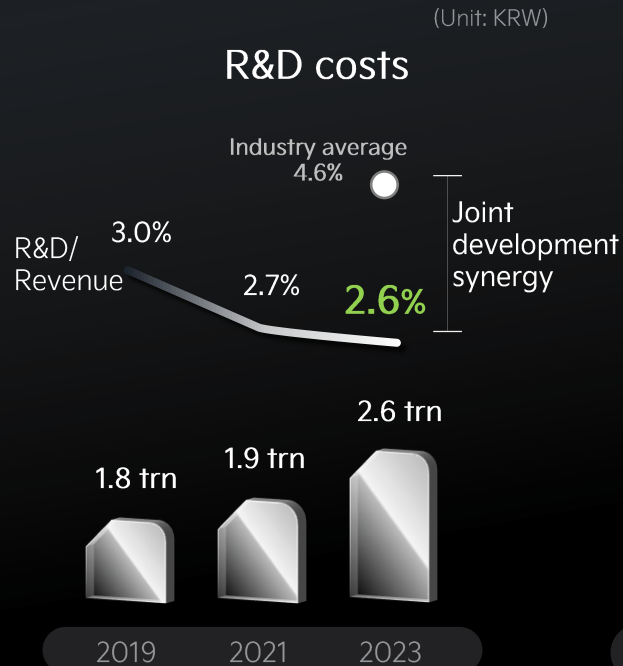
Cost Factors



Securing cost competitiveness through efficient cost management

R&D Efficiency

Synergy in joint development of platforms and new technology within HMG

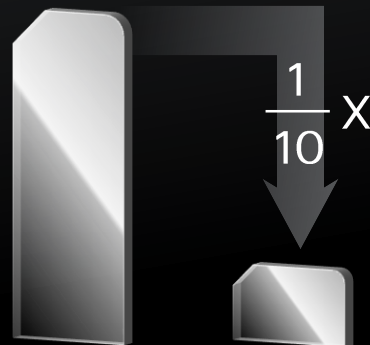


Industry average : 6 major OEMs for 1Q23~3Q23

CapEx Efficiency

EV line conversion from existing ICE line

CapEx



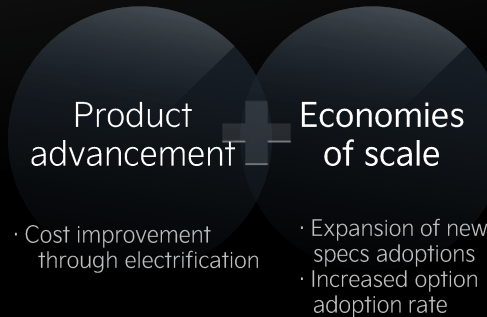
Dedicated EV production Mixed EV production

Dedicated : Gwangmyeong EVO plant,
Mixed : Hwaseong EV6 mixed production

Product Competitiveness

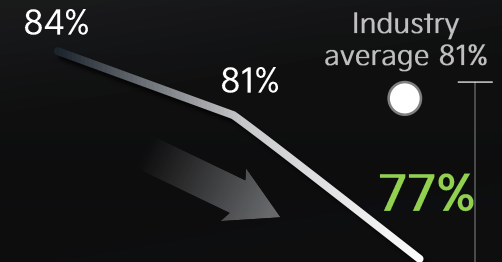
Improved cost efficiency through product advancement

Cost improvement structure



Cost Competitiveness

COGS ratio



2019 2021 2023

Industry average : 6 major OEMs for 1Q23~3Q23

Maintain Pull Strategy



Maintain a virtuous cycle through efficient inventory & incentive management, improving residual value and profitability



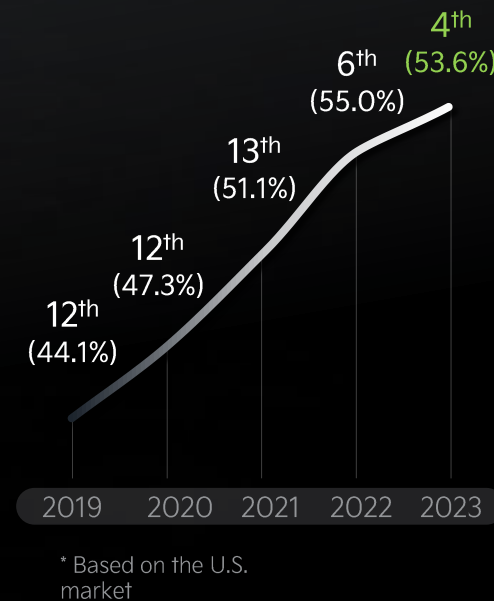
Inventory



Incentives



Residual Value

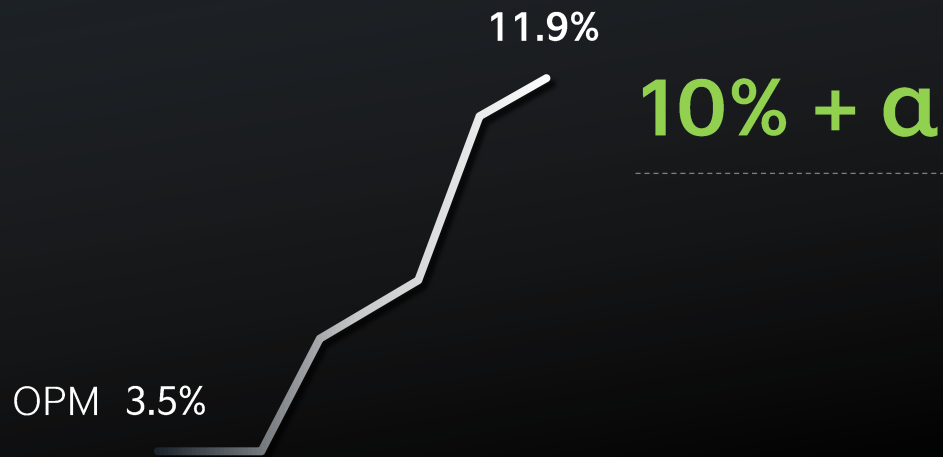


Mid-to Long-term Profitability Target

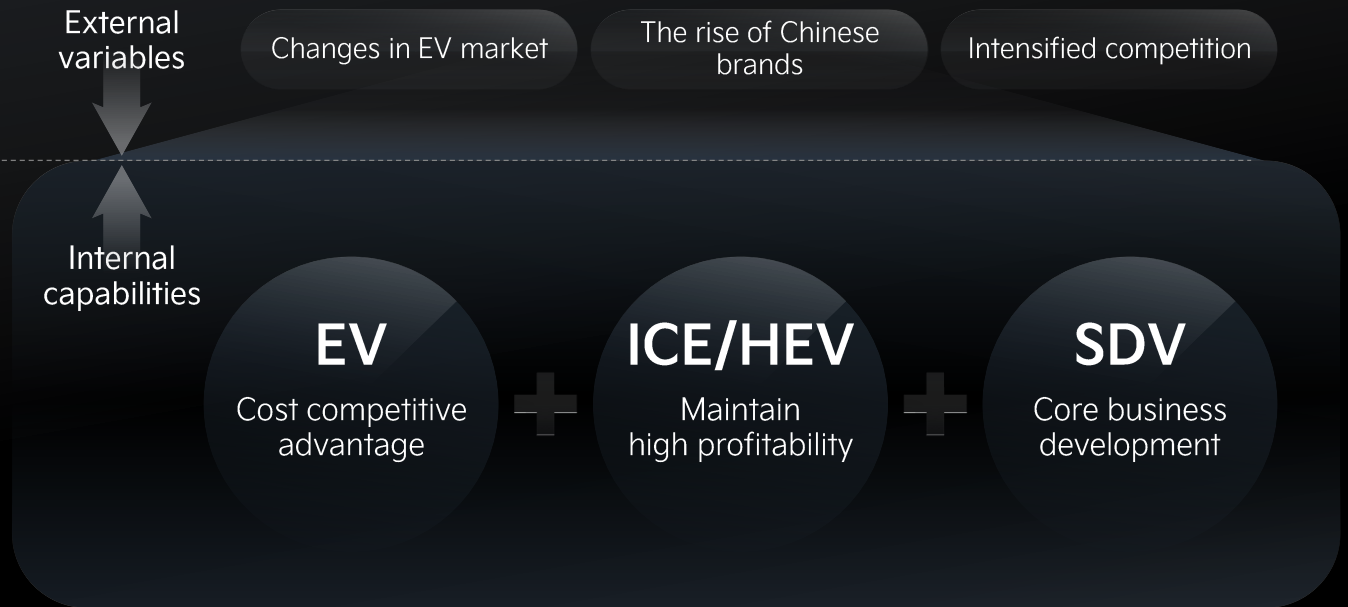
Setting sustainable profitability target of 10%+α based on internal capabilities



Kia Transformation



Mid-to Long-term Sustainable Profitability



2019

...

2024

...

HEV Profitability Enhancement

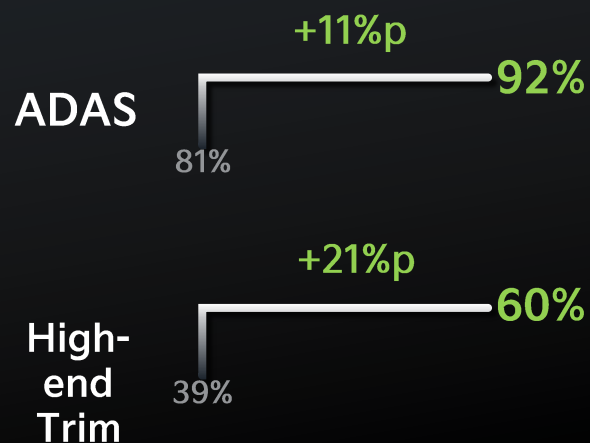


Achieve double-digit margin via expanding HEV premium and cost reduction

→ Strengthen scale benefit through line-up expansion and volume increase

HEV Premium

High-end trim/option selection rate



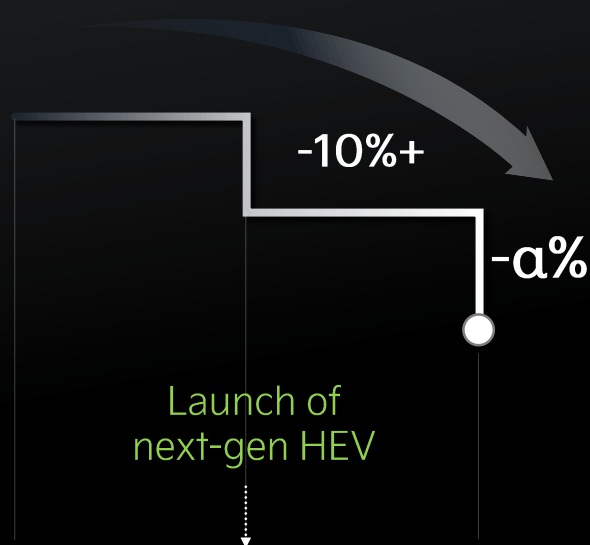
ICE

HEV

※ Based on 2023 Sorento (domestic)

HEV System Cost Reduction

Specification/resource optimization



2021

2025

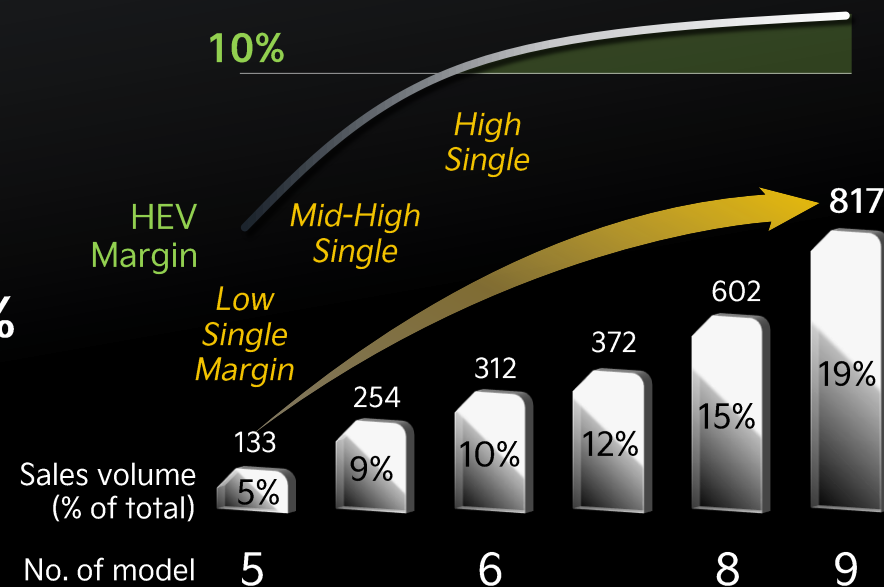
2030

※ HEV System: engine, transmission, motor, etc.

Economy of Scale

Line-up expansion

(Unit: Thousand)



2021

2022

2023

2024

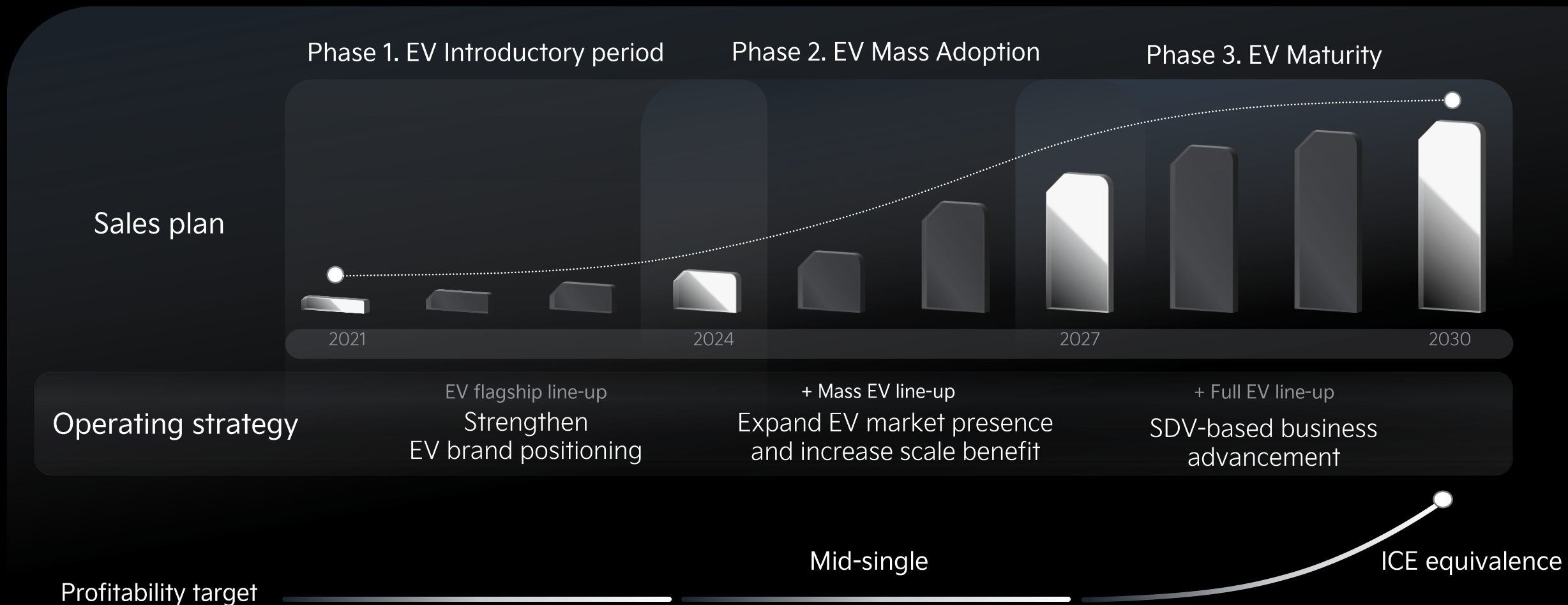
2027

2030

EV Strategy in Response to Changes in EV Market



Launching mass EV line-up to preoccupy market → Expanding profitability in the mature EV market

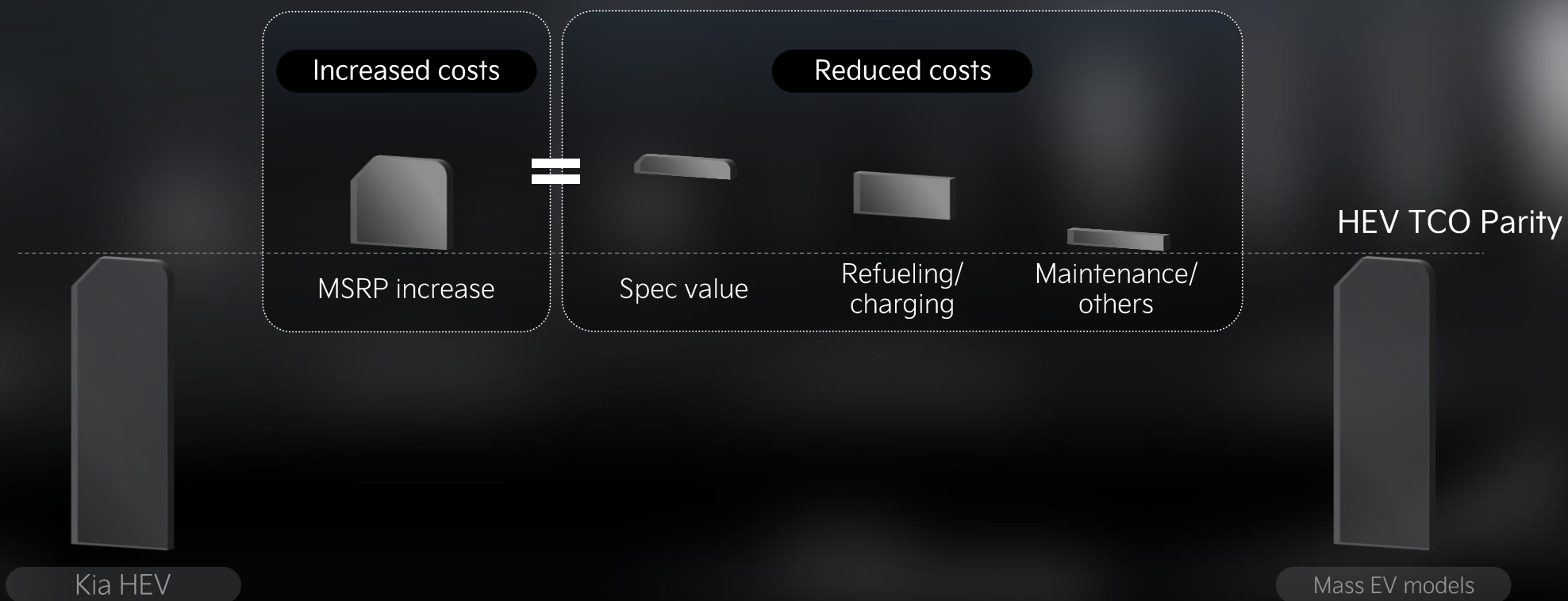


EV Strategy in Response to Changes in EV Market



Launching mass EV line-up to preoccupy market → Expanding profitability in the mature EV market

HEV TCO Parity : Secure competitive pricing based on cost competitiveness



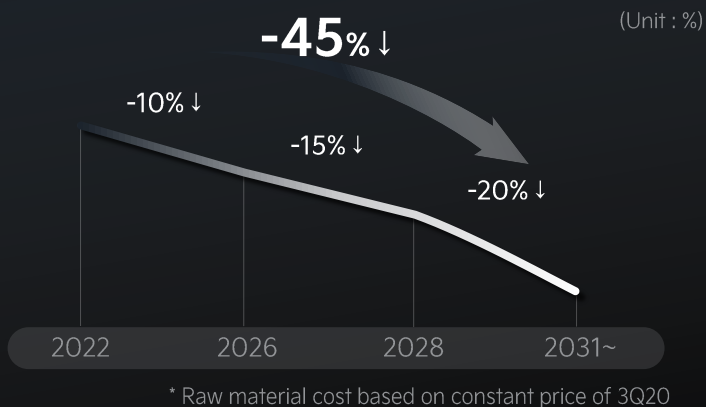
※ Based on domestic specifications

Cost Saving for EV



Elevate EV margin through comprehensive cost reduction, battery diversification, and technology innovation

PE Cost Reduction



Global battery supply pool expansion

Weight reduction/battery efficiency enhancement

PE cost reduction vs. 2022 -45% ↓

* PE(Power Electronics) : battery, motor, ICCU, etc.

Battery Diversification



LFP battery utilization

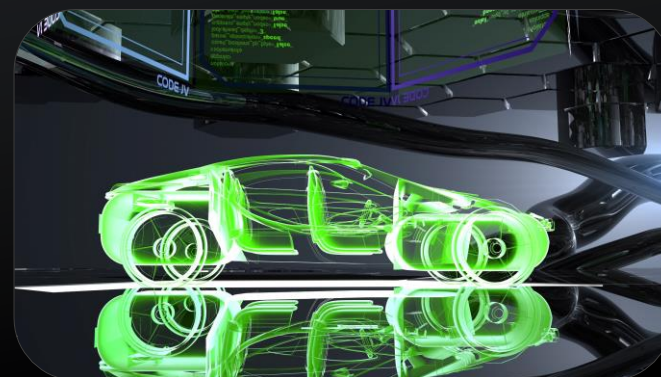
Form factor diversification

Optimized performance for entry-level models

Diversifying form factors based on next-gen platform

Battery cost -10 ~ -20% vs. NCM

Next-gen EV Platform Development



Minimized parts & system complexity based on IMA

Increased commonization ratio led by expanded coverage

Parts_(ex-PE) cost -10 ~ -20% vs. current platform

* IMA : Integrated Modular Architecture

Investment Plan for Next 5 Years

Accelerated resource allocation to business transition



(Unit: KRW)

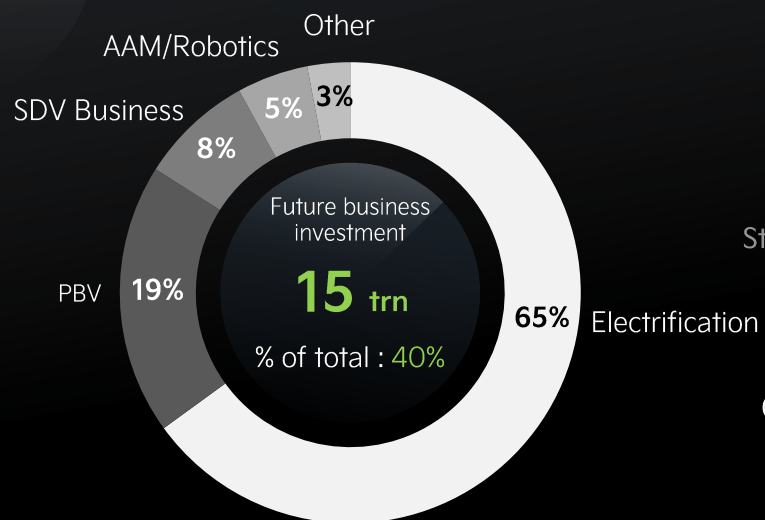
+5 trn (14%)

Previous 5yr Plan
(2023-2027)

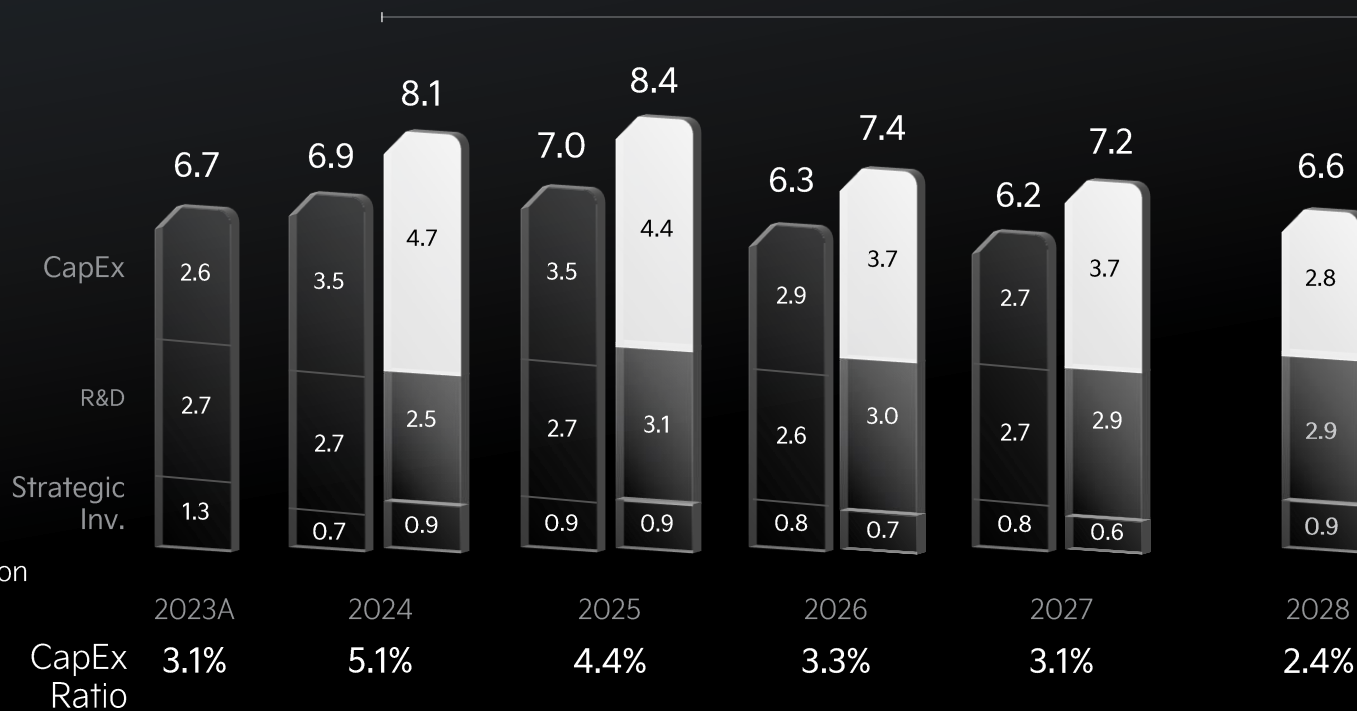
33 trn

New 5yr Plan
(2024-2028)

38 trn



2024~2028 Investment Plan



Shareholder Return Policy

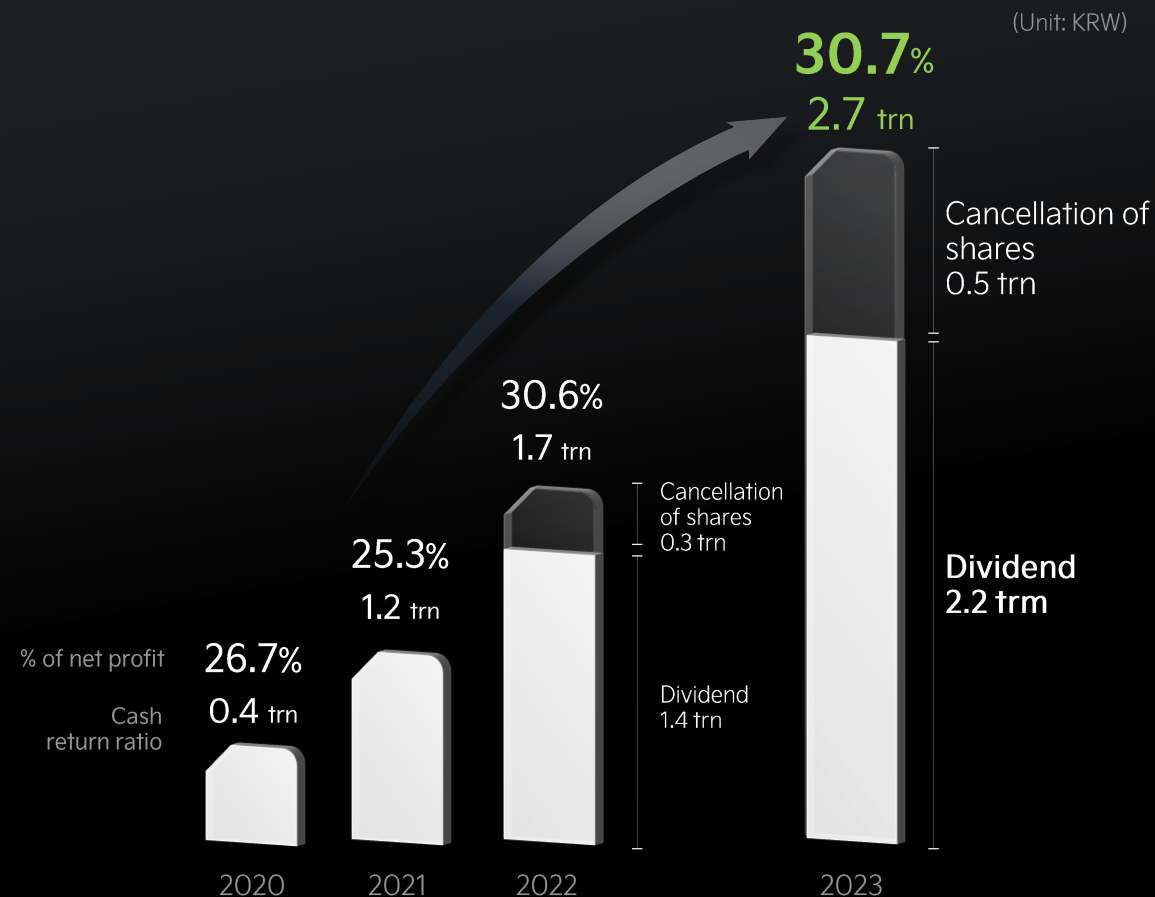
Accelerated cash return ratio through enhanced profitability



Payout Ratio
20~35%
of net profit

Buyback Program

5-Year Long-term plan (2024~)
500 Billion Max. amount/year
50% Cancellation
Additional 50% cancellation (upon achieving 3QTD financial target)





2030 Mid-to Long-term Strategy

Global Sales by 2030: 4.3 Million Units



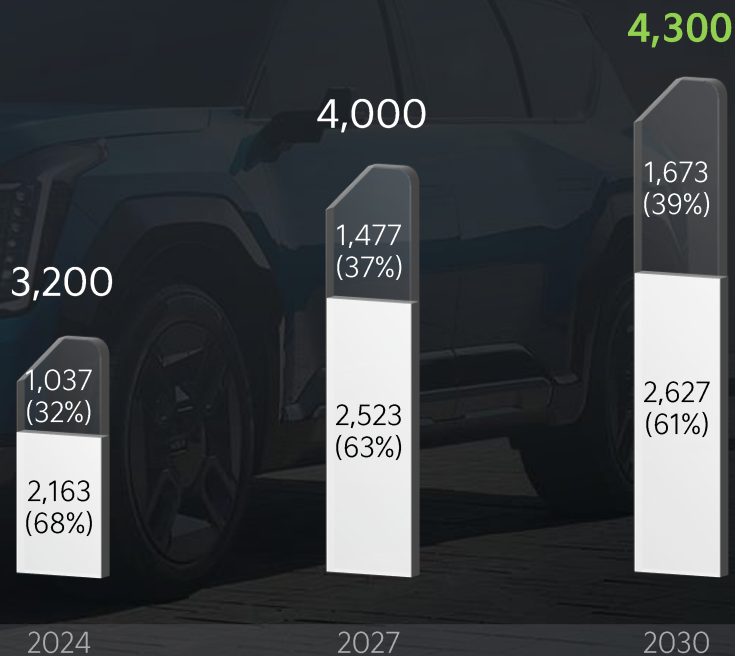
- Major markets: 2.6 million units / Emerging markets: 1.7 million units

Mid-to Long-term Sales Plan

(Unit: Thousand)

Emerging

Major



Major Markets¹⁾

- Secure tier 1 EV brand position via establishment of full EV line-up
- Achieve continuous growth by enhancing product competitiveness and developing local manufacturing bases
- Create new demand through PBV

Emerging Markets

- Diversify production locations to respond to emerging market demands
- Differentiate brand image through enhanced customer experience
- Develop optimized line-up in line with EV growth rate

¹⁾ North America, EU, KR, CN

Regional Sales Plan



Global sales by 2030: 4.3 million units

- Major markets: 2.6 million units / Emerging markets: 1.7 million units

North America



Europe



India



(Unit: Thousand)

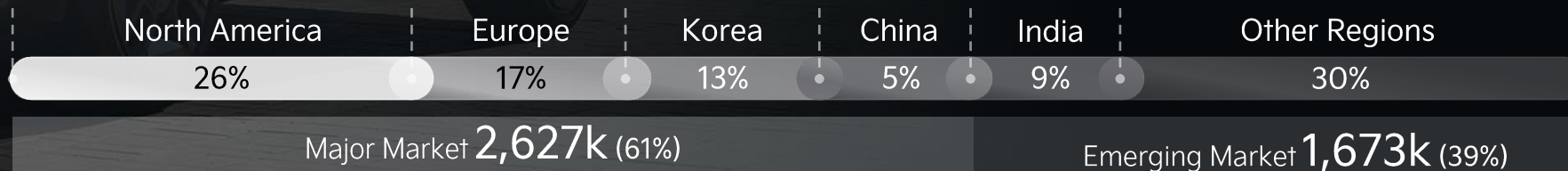
Korea



China



Other Regions



※ 2,163k as of 2024

※ 1,037k as of 2024

Global
4.3 Million
(2030)

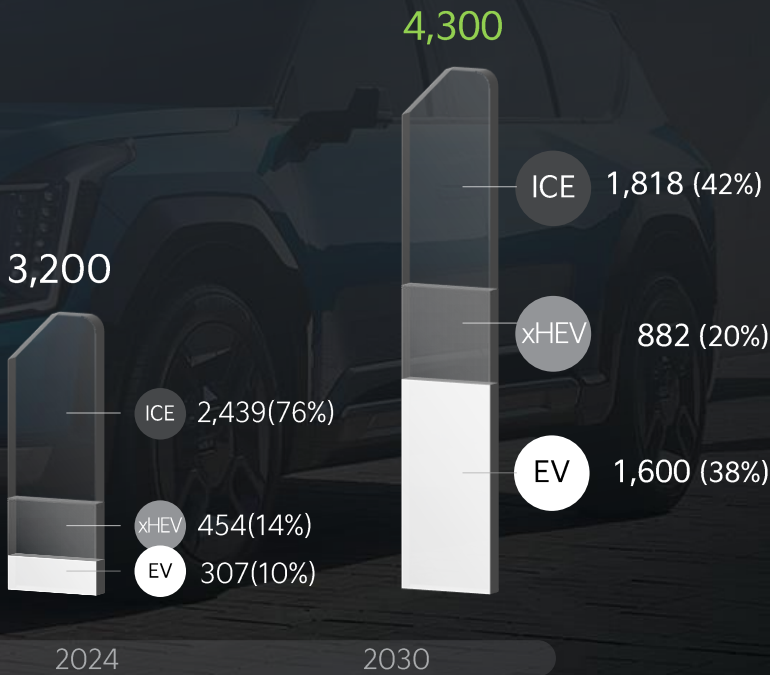
Green Car Sales Plan



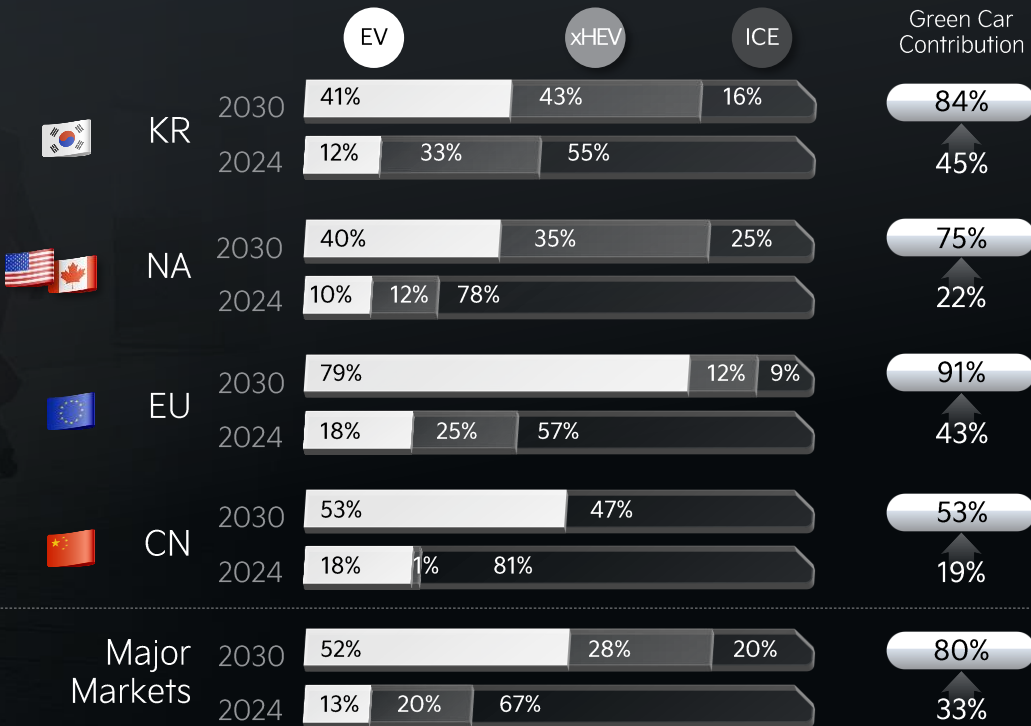
Green car sales by 2030: 2.48 million units (58%)

- Major markets : EV 52%, xHEV 28%, totaling 80% of sales

Sales Plan by Powertrain (Unit: Thousand)



Major Markets Product Mix (2030) (Unit: Thousand)



HEV Line-up Reinforcement



- New HEV model launches
- +21% CAGR from 2024 to 2028

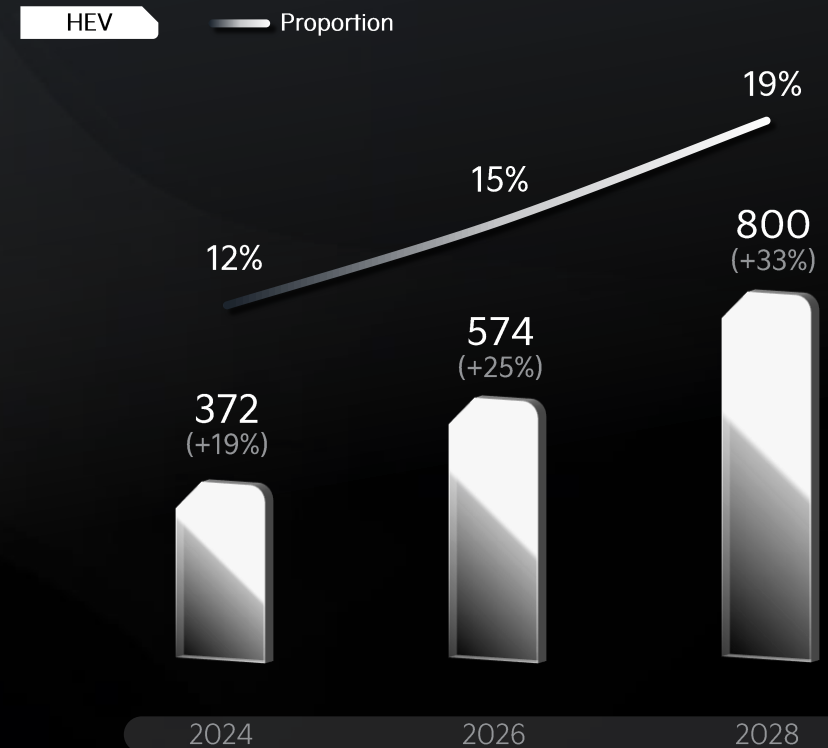
HEV Line-up

(Number of Models)

	2024	2026	2028
Passenger	2	2	2
SUV	4	6	7
Total	6	8	9

HEV Sales Contribution

(Unit: Thousand / % YoY)



Hybrid Vehicle Operation Plan



Enhancing hybrid performance through improvements in power, torque, and fuel efficiency

Next-gen hybrid powertrain strategy

Responding to increasing demand of sub-compact & mid-size HEVs
Expansion of large & compact size HEVs

Next-gen hybrid powertrain development

Enhanced power and fuel efficiency to diversify HEV offerings

Current

Only offered on sub-compact & mid-size vehicles

Large

Mid-Size

Sub-compact
& Mid-size Vehicles

Compact

Future Hybrid Strategy

Expand into compact & large-size vehicles

Large

Large size HEV

Mid-Size

Sub-compact
& Mid-size Vehicles

Compact

Compact HEV

EV Sales Plan by Region

Global EV sales: 1.6 million units (38%)

EV sales in major markets: 1.4 million units (52%)



Global EV Sales Plan

(Unit: Thousand)

2024



307

2027



1,147

2030



1,600

Major Markets EV Sales Plan

(Unit: Thousand)

		2024	2027	2030
 KR	Units	64	159	227
	Percentage of Total	12%	28%	41%
 NA	Units	93	323	437
	Percentage of Total	10%	30%	40%
 EU	Units	106	455	593
	Percentage of Total	18%	63%	79%
 CN	Units	21	68	115
	Percentage of Total	18%	39%	53%
Major Markets	Units	284	1,005	1,372
	Percentage of Total	13%	40%	52%

EV Line-up Strategy

- Line-up expansion of mass EV models from 2024
- Business expansion through pioneering the PBV market



New Line-up	2023	2024	2025	2026	2027
EV	3	1	4	1	1
PBV	-	-	1	-	1
EV Total	3	1	5	1	2

Vehicles in Operation (2027)

13

2

15



Flagship EV

EV6, EV9 showcase
innovative EV brand image



Mass EV

EV3, EV4 to lead mass adoption



PBV

Secure new growth engines
through new business creation

Mass EV Model Launch

Introducing new mass EV Models



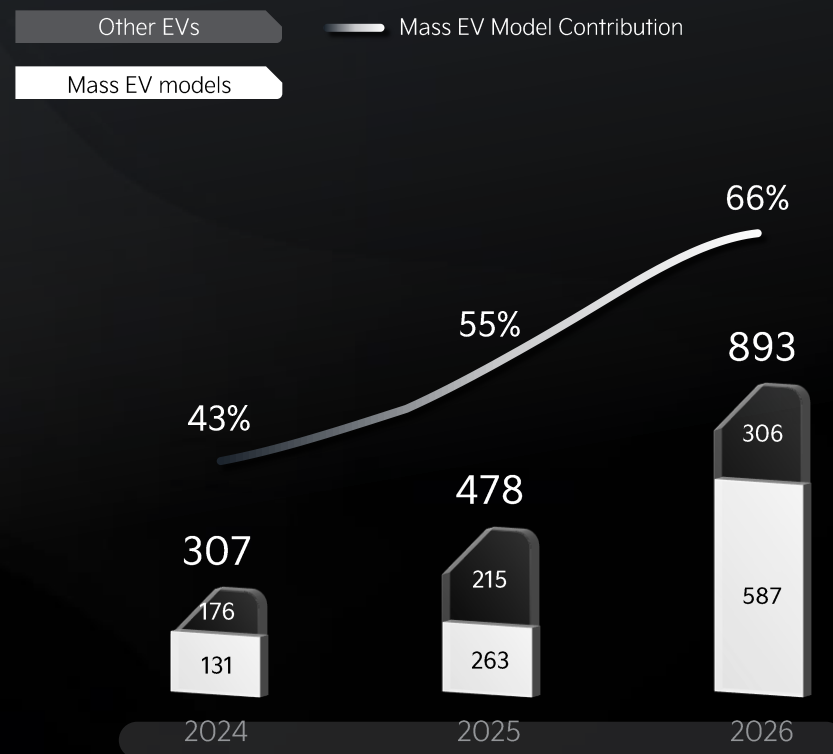
Mass EV Model Line-up

(Number of Models)

		2024	2025	2026
Major Markets	Dedicated EVs	1	4	4
	Derivative EVs	2	2	2
	Total	3	6	6
Emerging Markets	Dedicated EVs	2	4	4
	Derivative EVs	1	3	3
	Total	3	7	7

Mass Model Sales Contribution

(Unit: Thousand / %)



Supply Optimization Through Flexible Manufacturing Systems



- Implementing flexible ICE-xEV production to respond to market changes
- Enhancing EV competitiveness through EV-dedicated plants

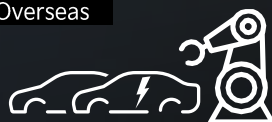
Mixed Production Line in Existing Plants + EV-dedicated Plants

Mixed Production Lines

13

7 Domestic

6 Overseas



Expanding ICE ↔ xEV Mixed Production Lines
to Flexibly Respond to Market Changes

EV-dedicated Plants

2



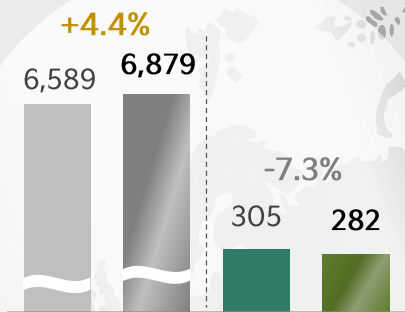
Introduce Mass EV Models
To Achieve Economies of Scale



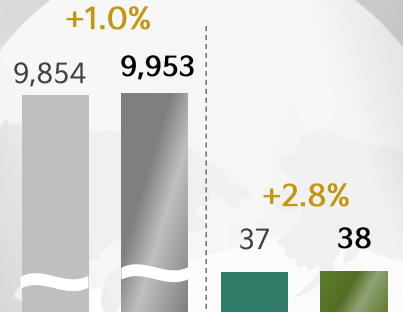
1H24 Business Results

Global Retail Sales (1H)

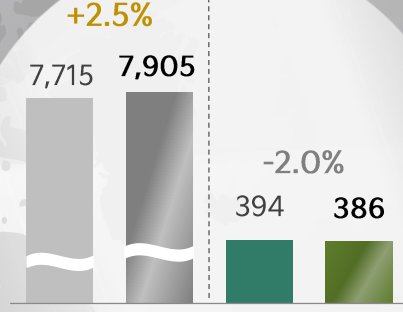
(Units : '000, %)



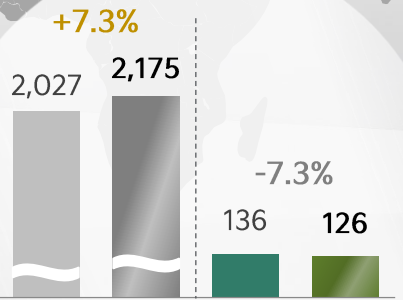
Western Europe



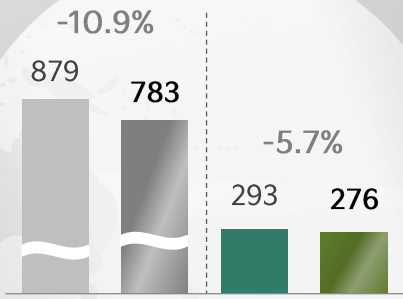
China



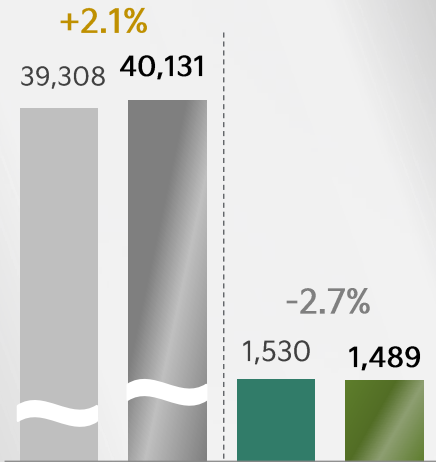
U.S.



India



Korea



Global

Region	1H23	1H24	YoY
Rest of World	375	391	+4.1%
Russia (Region)	26	25	-6.3%
MEA	103	109	+5.8%
Latin America	64	68	+6.3%
Asia Pacific	103	111	+8.1%

1H23 Industry Total
 1H23 Kia Sales
 1H23 Market Share
 1H24 Industry Total
 1H24 Kia Sales
 1H24 Market Share

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

Wholesale by Region (1H)

(Units : '000)	1H23	1H24	YoY (%)
Wholesale	1,576	1,556	-1.3%
Korea	293	276	-5.7%
North America	507	533	+5.0%
U.S.	415	430	+3.4%
Europe	319	302	-5.4%
Western Europe	303	284	-6.1%
India	136	126	-7.3%
China	37	38	+2.8%
Russia & CIS	23	27	+16.2%
MEA	117	105	-10.3%
Latin America	65	67	+3.7%
Asia-Pacific	79	82	+3.7%

※ CKD / Special Vehicles Included

※ Special Vehicles : [23.1H] 2.6k units (Korea 0.7k units, Overseas 1.9k units) → [24.1H] 2.1k units (Korea 0.8k units, Overseas 1.3k units)

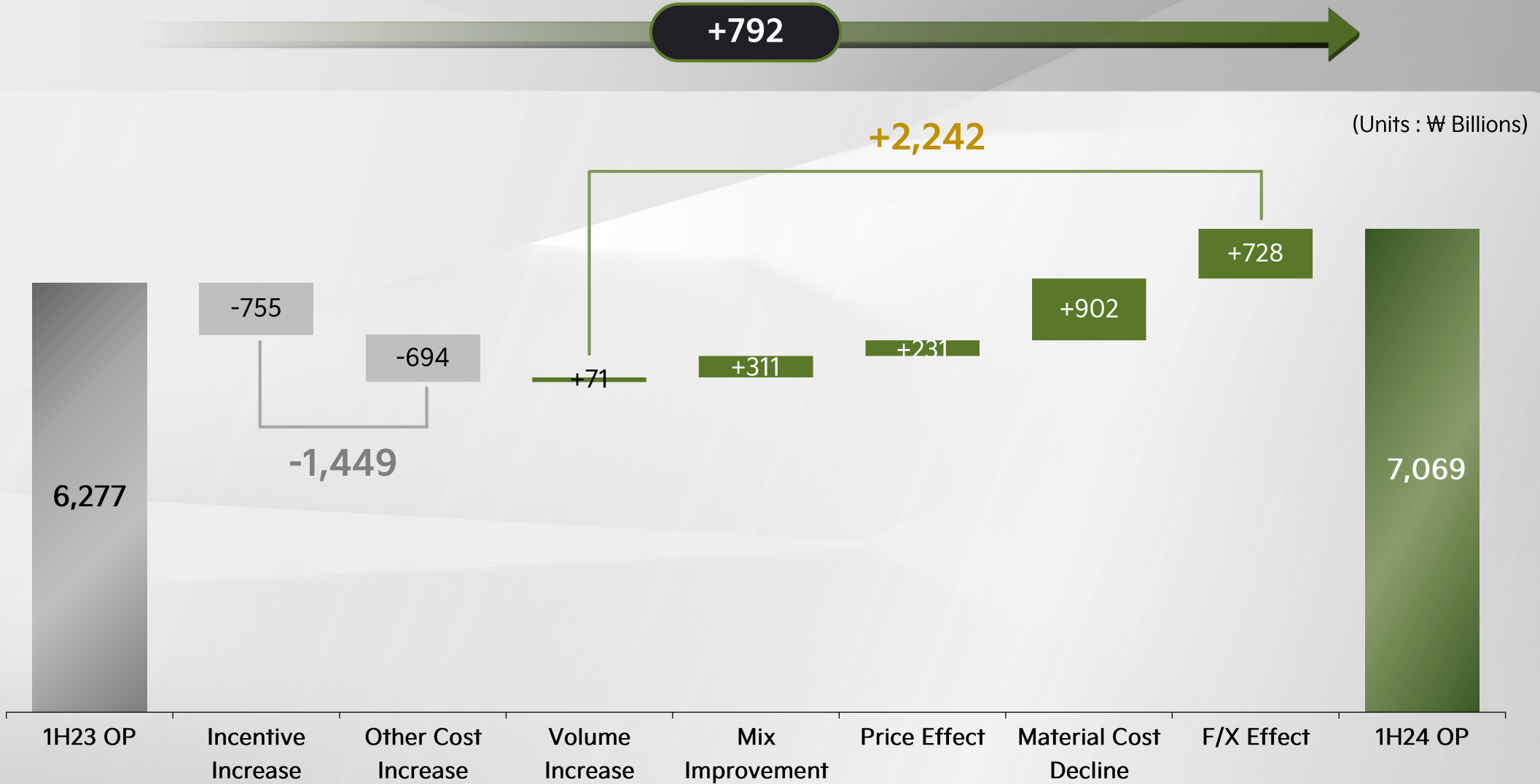
Consolidated Income Statement (1H)

(Units : ₩ Billion)	1H23	(% of sales)	1H24	(% of sales)	YoY (%)
Sales Revenue	49,935	100%	53,781	100%	+7.7%
Cost of Sales	38,495	77.1%	40,899	76.0%	+6.2%
Gross Profit	11,440	22.9%	12,882	24.0%	+12.6%
SG&A	5,163	10.3%	5,812	10.8%	+12.6%
Operating Profit	6,277	12.6%	7,069	13.1%	+12.6%
Pre-tax Profit	6,824	13.7%	7,825	14.5%	+14.7%
Net Profit	4,937	9.9%	5,766	10.7%	+16.8%

※ Consolidated Sales Unit : [1H23] 1,506,038 units → [1H24] 1,484,559 units (-21,479 units, -1.4%)

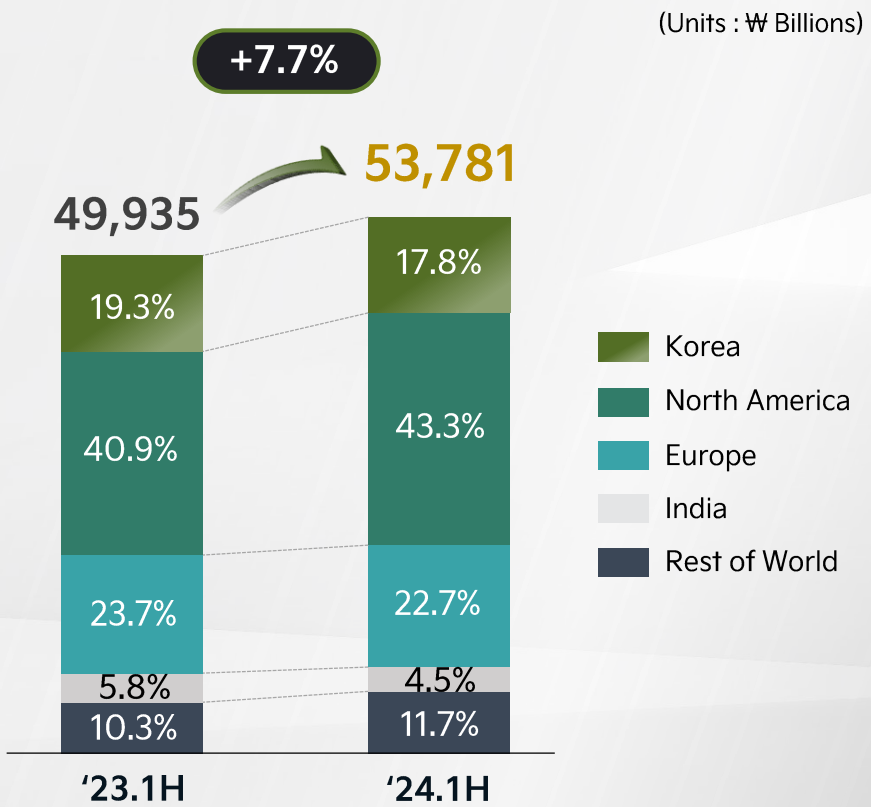
※ Average F/X Rate : USD/KRW [1H23] ₩1,295 → [1H24] ₩1,350 (+₩55 ↑, +4.2%)

Operating Profit Analysis (1H)



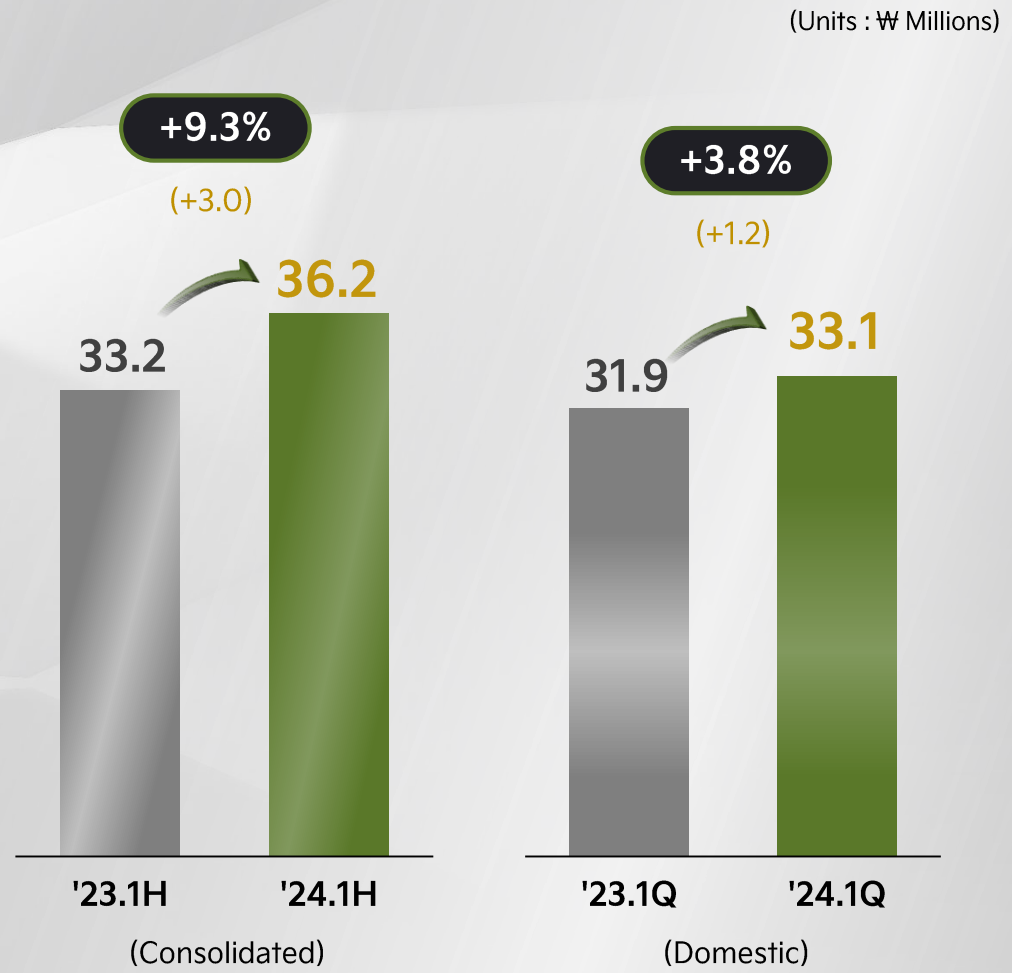
Revenue Analysis (1H)

Revenue by Region



* Korea : Korea plant's 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 : Korea plant's direct export revenue, Asia-Pacific wholesale revenue

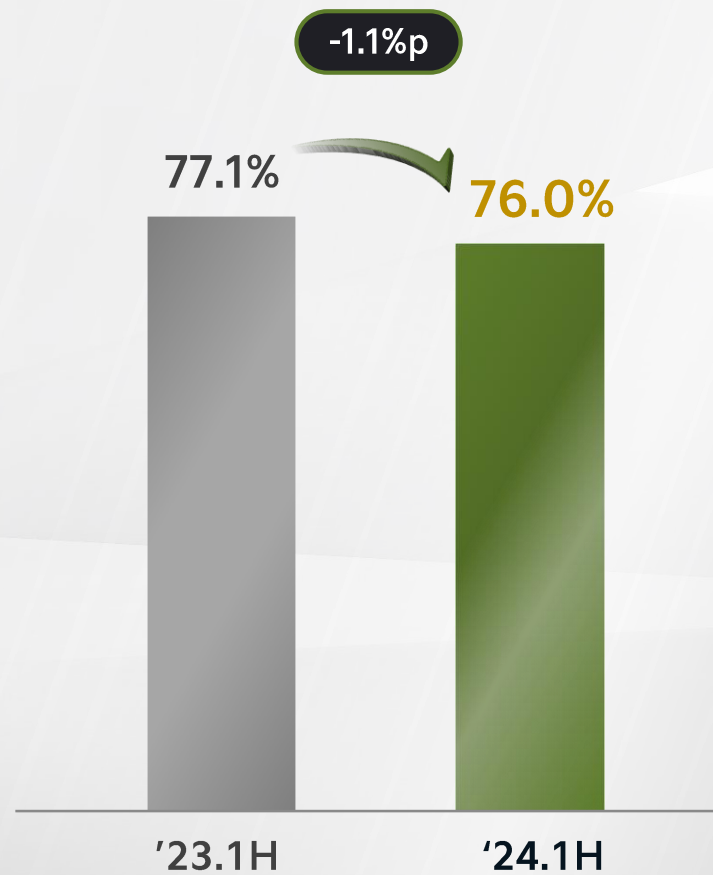
ASP



COS & SG&A (1H)

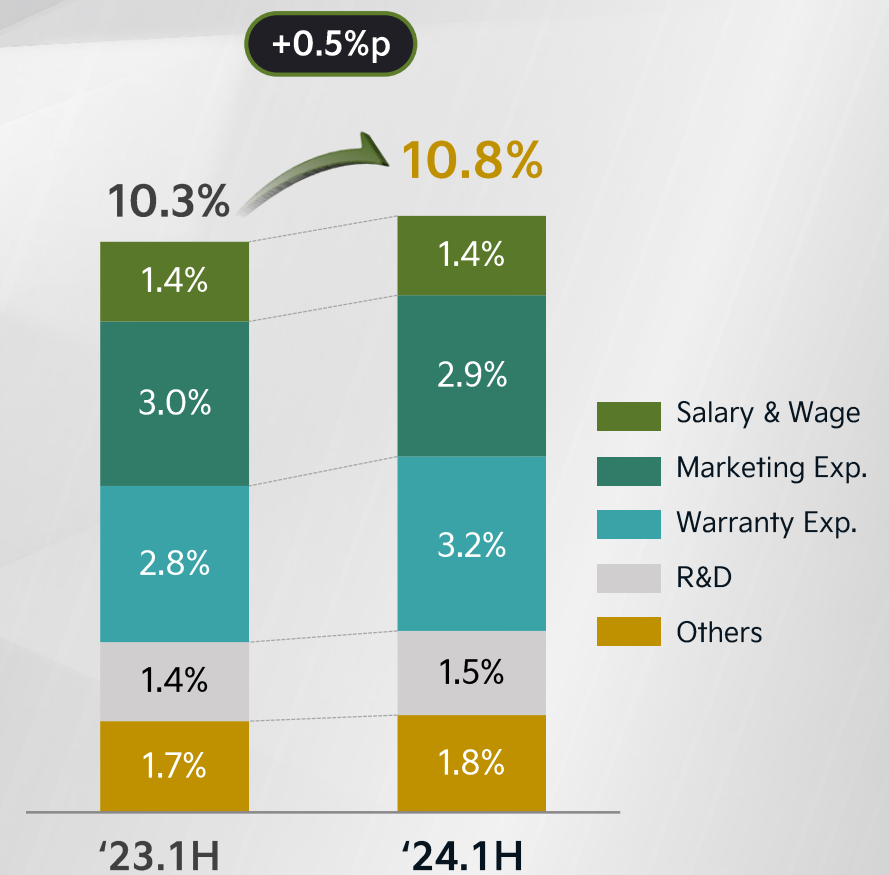
Cost of Sales Ratio

(% of Sales Revenue)



SG&A Expense

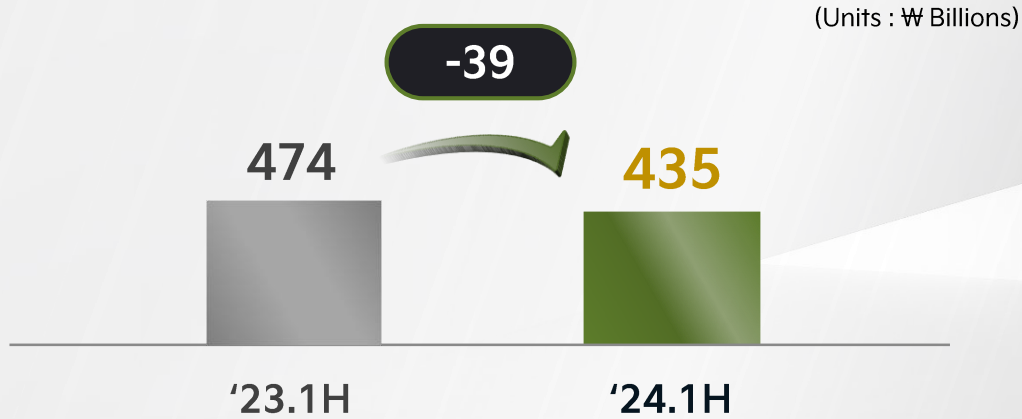
(% of Sales Revenue)



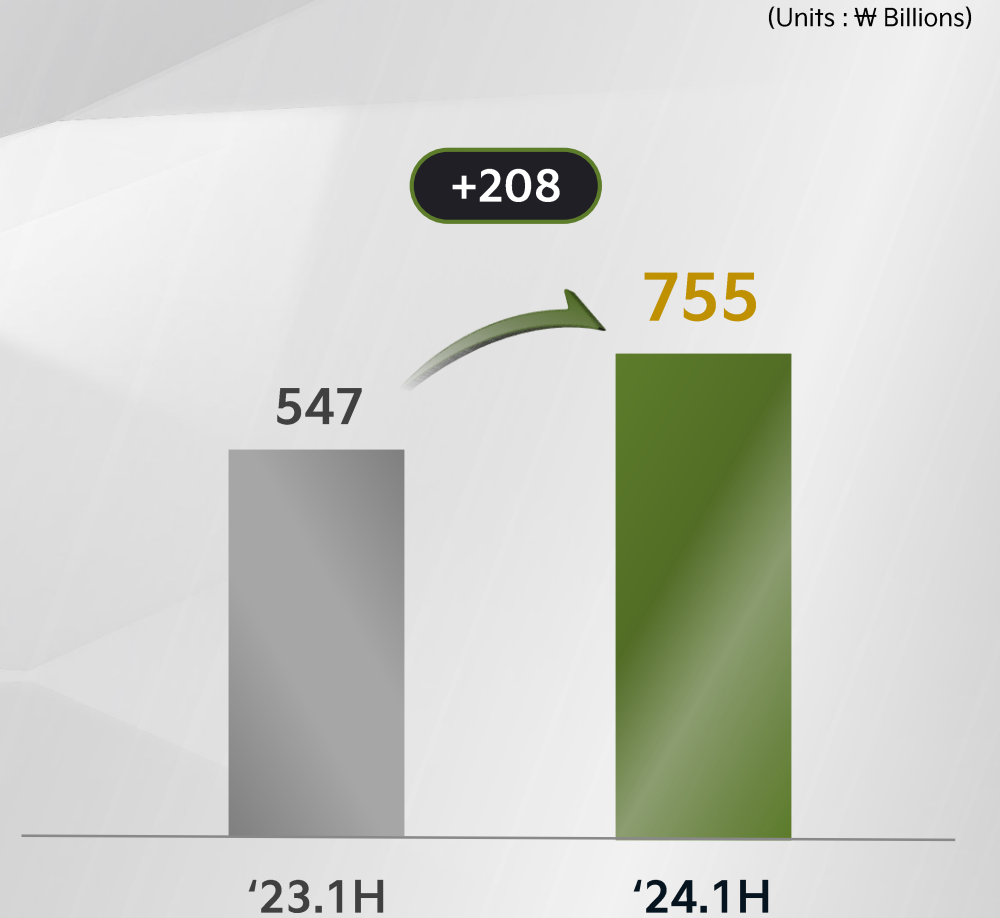
* Marketing Expenses :
Advertising + Sales Promotion + Overseas Marketing + Sales Commission

Non-Operating Items (1H)

Equity Income (a)



Non-OP Income (a+b)



Financial & Other Income / Expense (b)

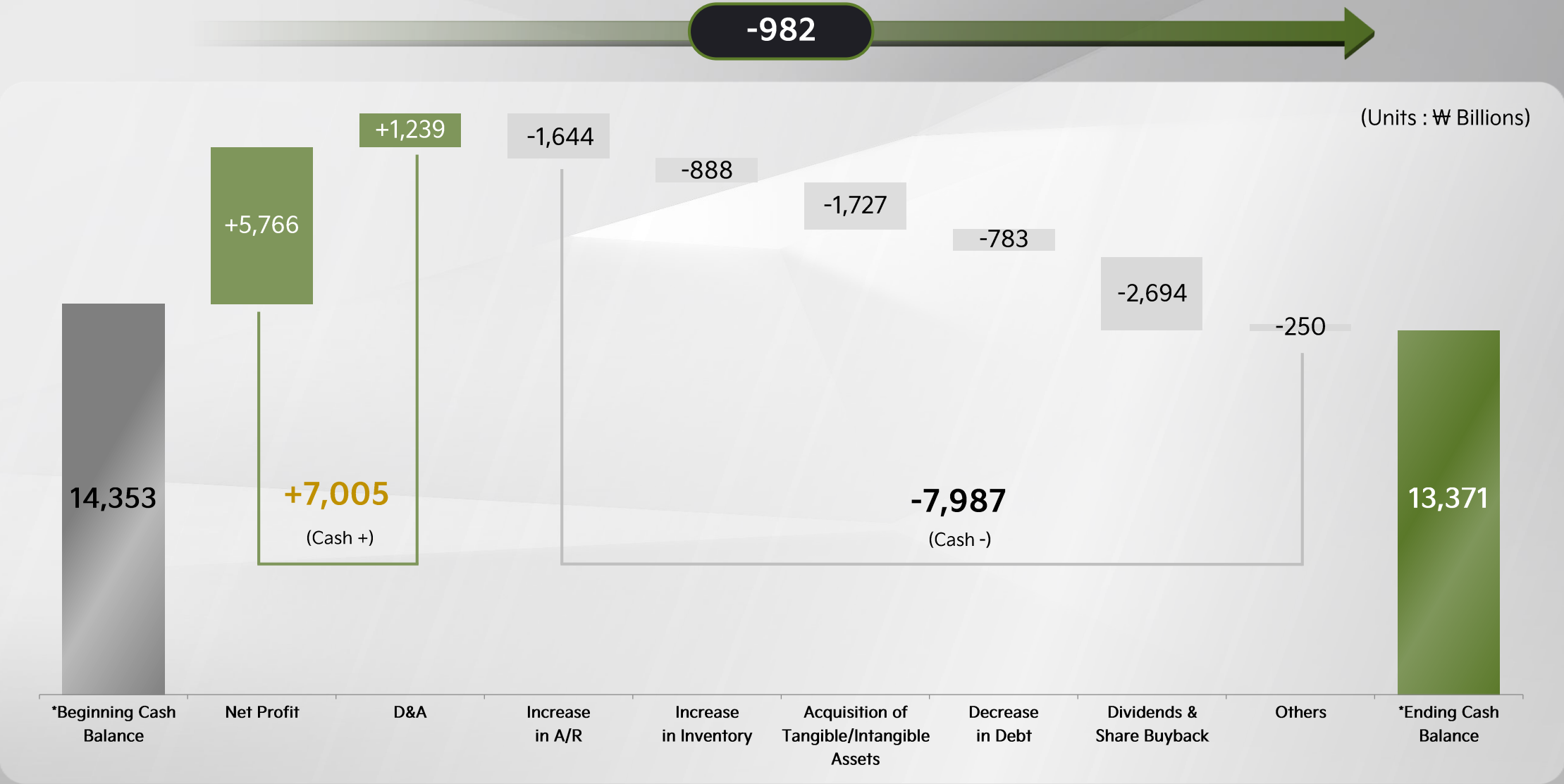


Consolidated Balance Sheet (1H)

(Units : ₩ Billions)	2023 Year-end	1H24-end	Change
Assets	80,628	86,046	+5,418
Current Assets	37,466	38,955	+1,488
*Cash (a)	20,533	19,434	-1,099
Liabilities (b)	34,070	35,214	+1,145
Current Liabilities	25,674	26,821	+1,147
Debt (c)	3,800	3,234	-566
*Net Cash (a) - (c)	16,733	16,200	-533
Equity (d)	46,558	50,832	+4,273
Liabilities to Equity Ratio (b)/(d)	73.2%	69.3%	-3.9%p

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

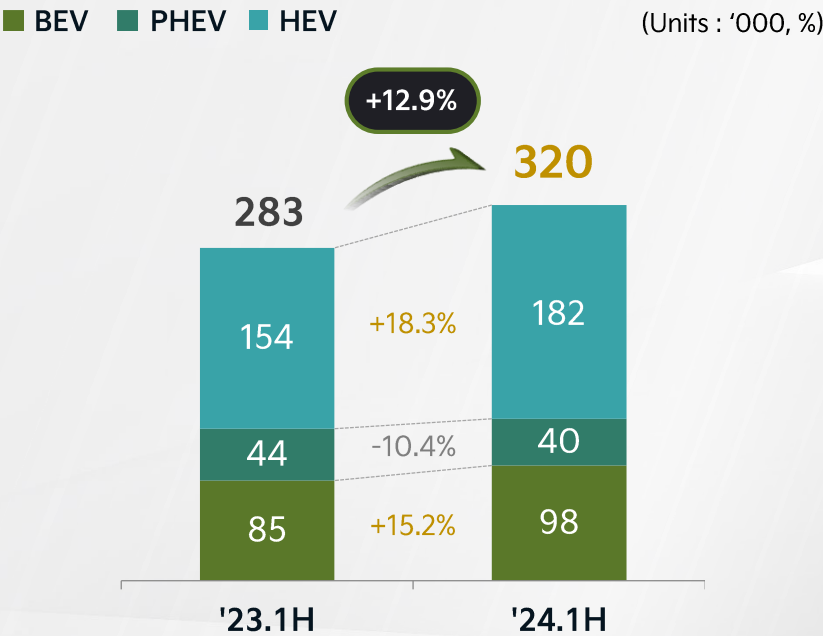
Cash Flow Highlights (1H)



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

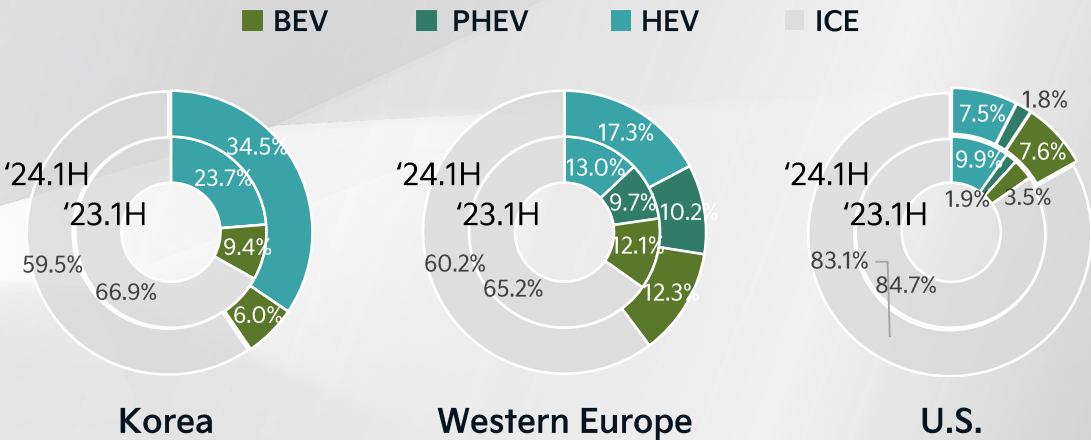
Green Car Sales Summary (1H)

Global Retail Sales

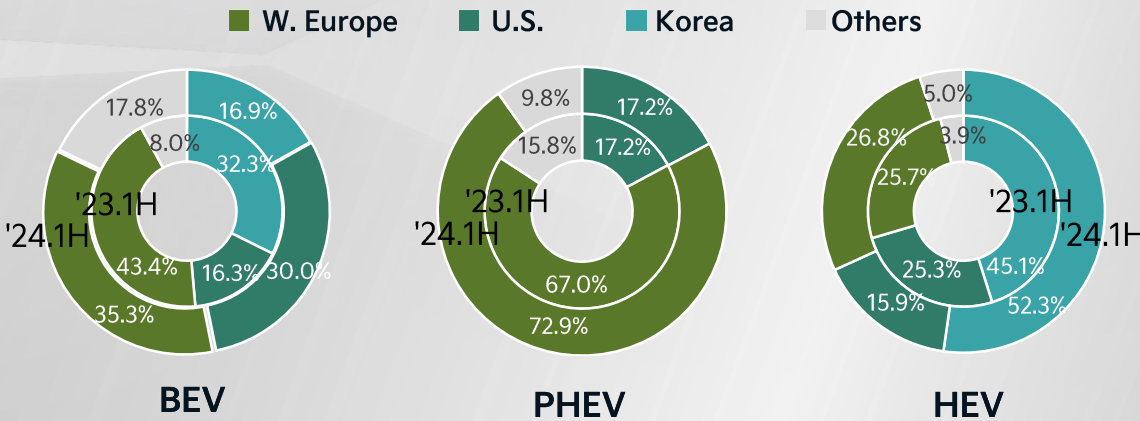


% of Sales	'23.1H	'24.1H
HEV	10.1%	12.2%
PHEV	2.9%	2.7%
BEV	5.6%	6.6%
xEV	18.5%	21.5%
ICE	81.5%	78.5%
Total Sales (units)	1,530k	1,489k

Green Car Sales Contribution in Major Markets



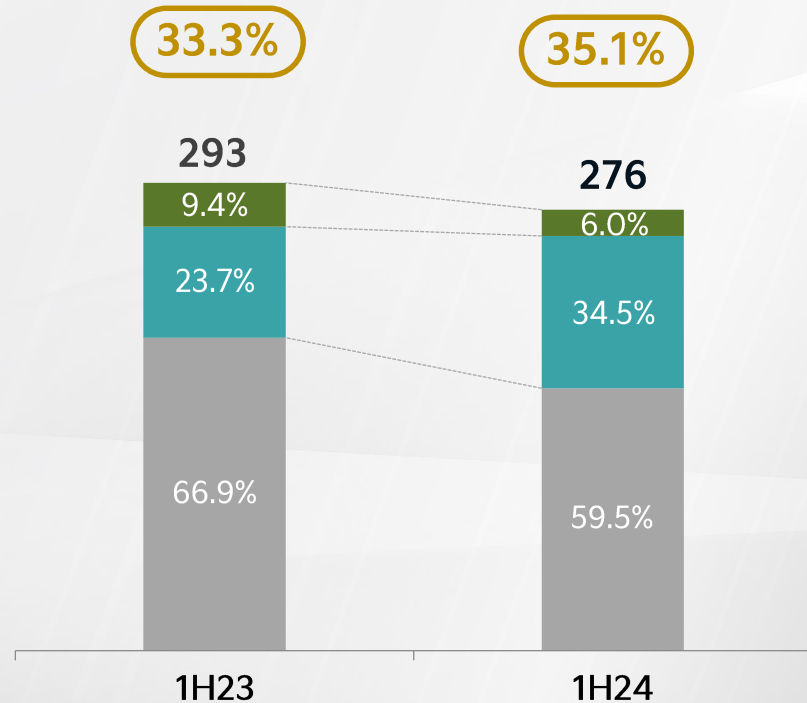
Market Division of Green Car Sales by Type



Sales & Market Share

ICE HEV BEV M/S

(Units : '000)



※ M/S : Including imported brands while excluding special vehicles

Sales Summary

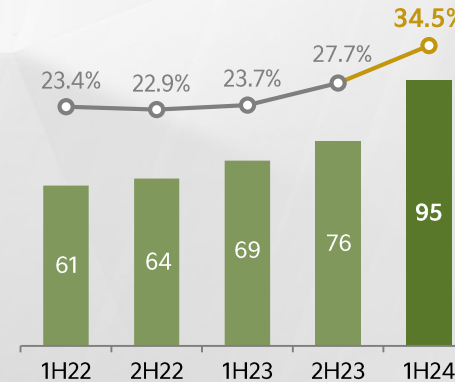
Industry -10.9%

[YoY]

Kia -5.7%

HEV Sales Contribution

(Units : '000, %) HEV Sales HEV Mix



The newly unveiled EV3



Launch

July 2024

A E R
(Long Range)

[81.4kWh] 501km (WLTP 600km)
Fast-charging (10-80%) : 31min

Features

Widescreen Display, i-Pedal 3.0,
High-tech (ADAS, FoD, OTA, HUD),
AI Assistant, In-vehicle & Outdoor V2L

1H Results

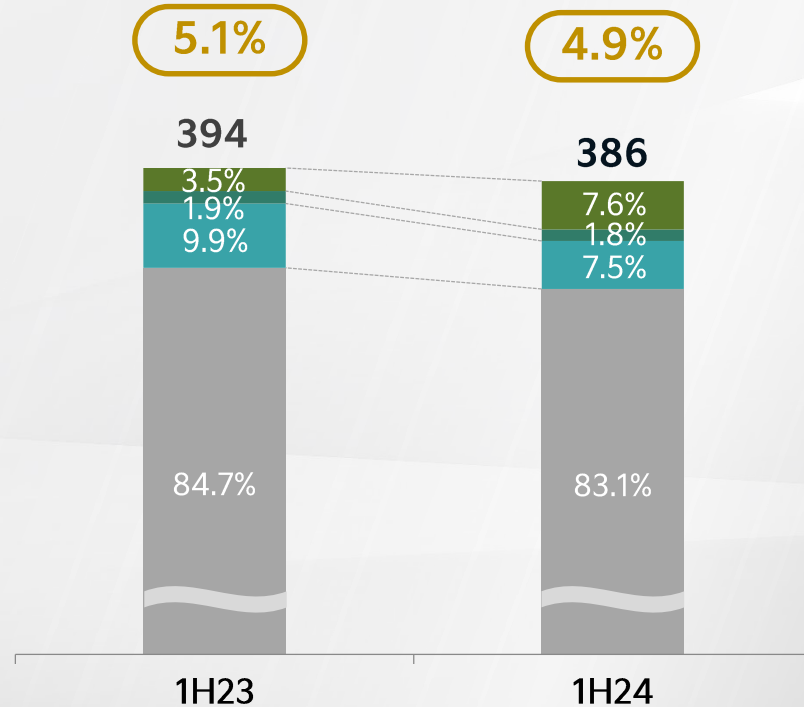
- Despite -11% auto demand, HEV/RVs sales led M/S growth of +2%p
- HEV Mix : [1H23] 23.7% → [1H24] 34.5% (+10.8%p YoY)
- RV Mix : [1H23] 57.3% → [1H24] 65.2% (+7.9%p YoY)
- ASP Growth Continued : ['23.1H] ₩31.9mil → ['24.1H] ₩33.1mil (+3.8% YoY)

2H Initiatives

- Strong market presence with HEV/RVs (Sorento, Carnival, and Sportage, etc.)
- Lead EV popularity with newly unveiled EV3 and EV6 PE model
- Maintain sales momentum with K8(3Q) and Sportage(4Q) PE model launches

Sales & Market Share

ICE HEV PHEV BEV M/S (Units : '000)



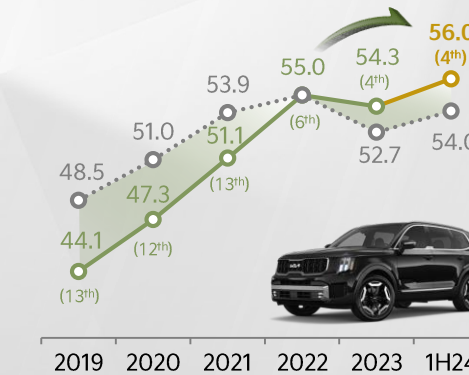
Sales Summary

Industry +2.5%

[YoY]

Kia -2.0%

Residual Value (Source : U.S. ALG Residual Value)
(Units : %)



Additional HEV Line-up



1H Results

- Despite sales/production gap from Rio discontinuation and K5 plant transfer, RV mix improvement led higher profitability
 - RV Mix : [1H23] 71.7% → [1H24] 78.0% (+6.3%p YoY)
- Ranked 4th highest residual value due to pull-based incentive operation policy
 - Residual Value : [2020] 12th (47.3%) → [2022] 6th (55.0%) → [1H24] 4th (56.0%)

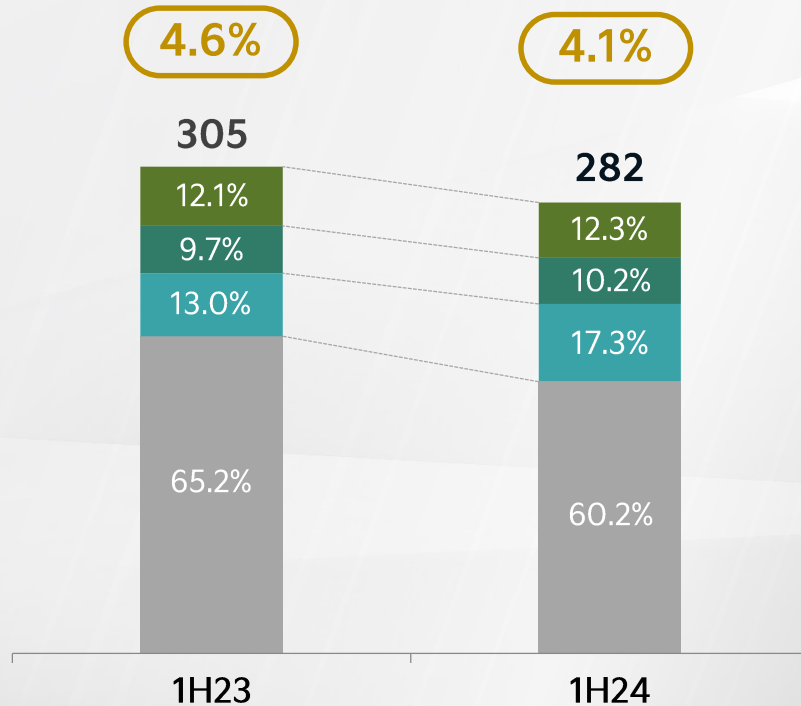
2H Initiatives

- Full roll-out of new HEV models and refreshed models
 - New launches : Sorento HEV (PE), Carnival HEV, K4, K5 (PE), EV6 (PE)
- EV sales promotions and efficient ICE inventory management
 - Leveraging on Georgia plants' flexible production line

Western Europe (1H)

Sales & Market Share

ICE HEV PHEV BEV M/S (Units : '000)



Sales Summary

Industry +4.4%

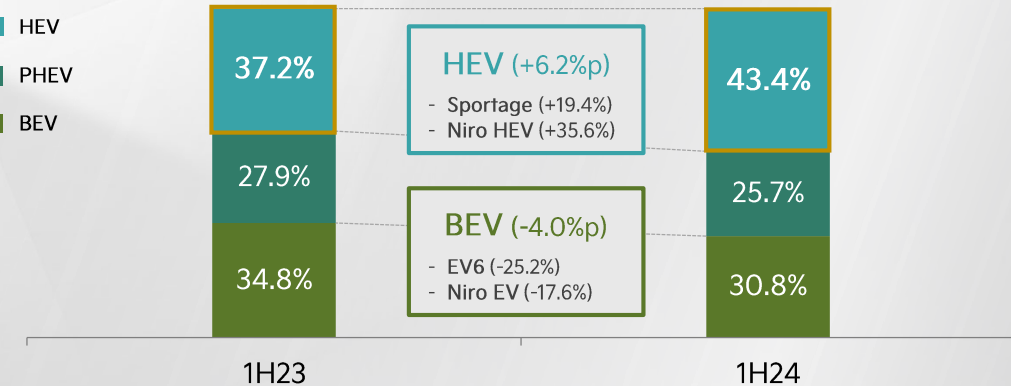
[YoY]

Kia -7.3%

Green Car Sales Contribution

(Units : %)

HEV
PHEV
BEV



1H Results

- Despite strong subcompact car(B seg & below) demand, supply constraints led to sales decrease of -28.2% YoY
- Tight inventory in the subcompact car segment due to Rio's discontinuation(-18k units), and Picanto (-15.6% YoY) and Stonic's (-4.3% YoY) supply constraints
- EV sales fell by -6.3% YoY due to EV subsidy cuts and price competition

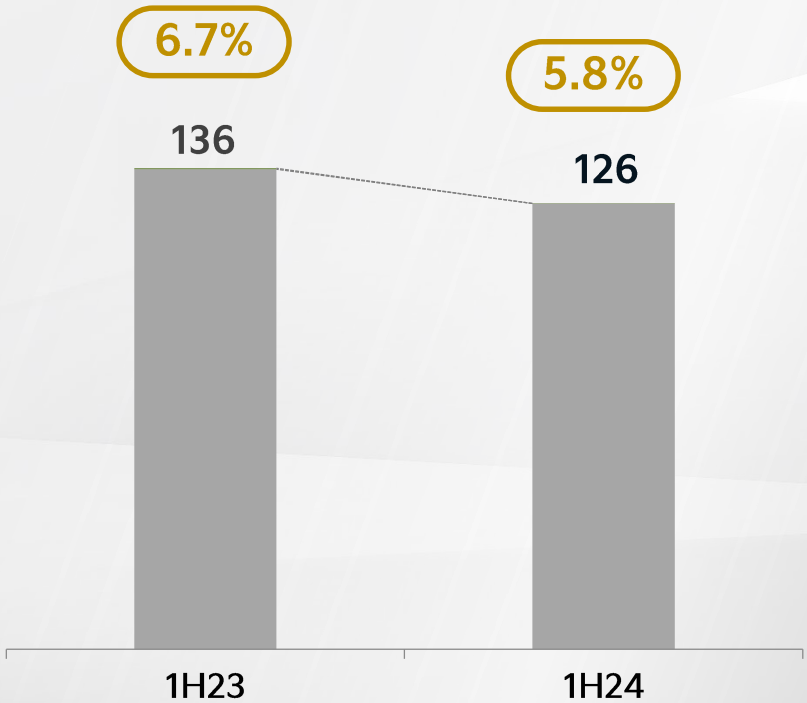
2H Initiatives

- Increase subcompact car(Picanto & Stonic) supplies to recover shortfall in 1H
- Strengthen EV sales momentum by launching new EV3 and EV6 PE models
- Supply optimization based on EV backorders and rising HEV demand

Sales & Market Share

ICE BEV M/S

(Units : '000)



* M/S based on Wholesales

Sales Summary

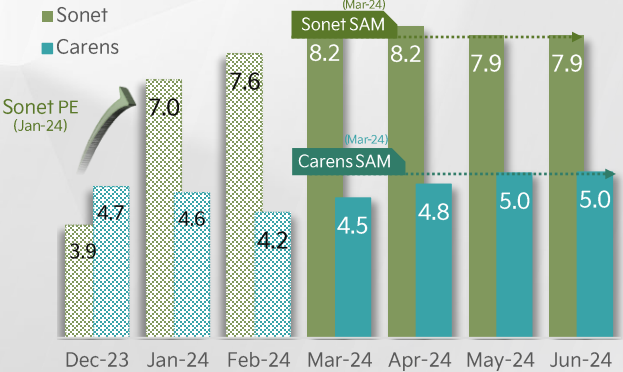
Industry +7.3%

[YoY]

Kia -7.3%

Retail Sales Trend of S.A.M (Special Action Model)

(Units : '000)



Product Value Enhancements



- 1H Special Action Models (Sunroof, LED DRL, Smart Key, etc)
- 2H Affordable GT-Line + Preferred Options (3Q)
- 3 Special Editions (4Q)

1H Results

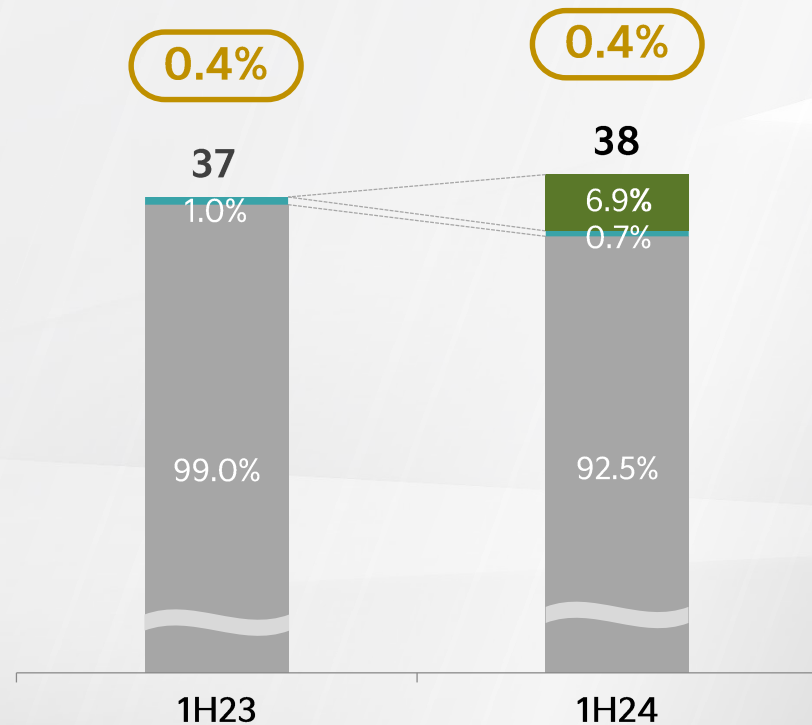
- Due to strong S.A.M sales, the monthly average sales of Sonet improved to 8k units and Carens to 5k units in 2Q24
 - Sonet (Retail) : [1Q24] 23k units → [2Q24] 24k units (+5.8% QoQ)
 - Carens (Retail) : [1Q24] 13k units → [2Q24] 15k units (+11.9% QoQ)
 - ▶ Virtuous cycle of sales and production by supply optimization based on customer demand
- Expanded market coverage with the opening of +75 new dealers in 1H24

2H Initiatives

- Regain sales momentum with improved features and product value
 - [3Q24] : Affordable GT-Line (Seltos, Sonet) → [4Q24] : Special Editions (all models)
- Expand dealer network and prepare launching plan for A-SUV volume model

Sales & Market Share

ICE HEV BEV M/S (Units : '000)



* M/S based on Wholesales

Sales Summary

Industry +1.0%

[YoY]

Kia +2.8%

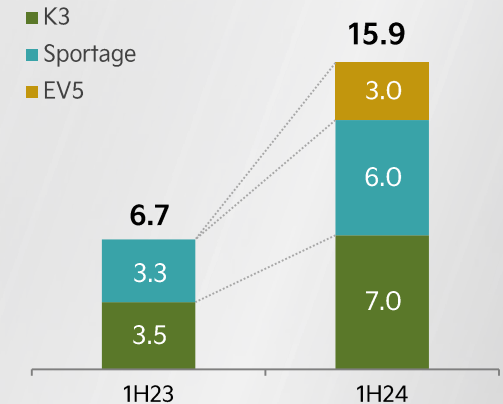
First Dedicated EV



Model	EV5
Strategy	First dedicated EV (c-suv) with LFP in China to drive EV volume
25MY Features	UX-specific features, Premium interior, etc.

Sales Trend of Key Models (Retail)

(Units : '000)



1H Results

- Despite weakening ICE market condition, key models (K3, Sportage) sales increased
 - Amid intensified price competition, 3k units of the first dedicated EV5 sold
- Profitability improved with export expansion and plant utilization improvement
 - KCN exports : [1H23] : 26k units → [1H24] : 71k units (+173% YoY)

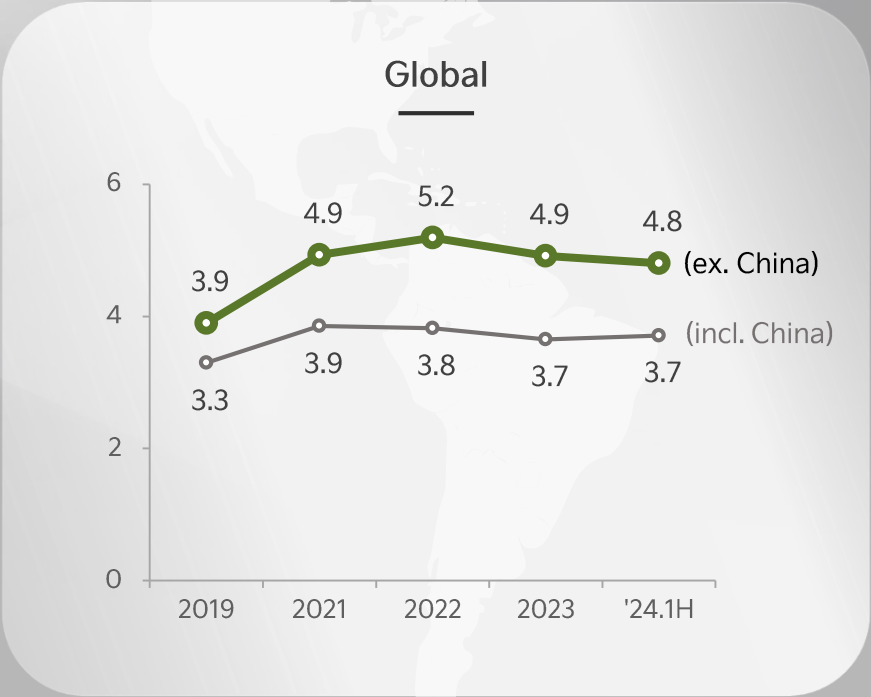
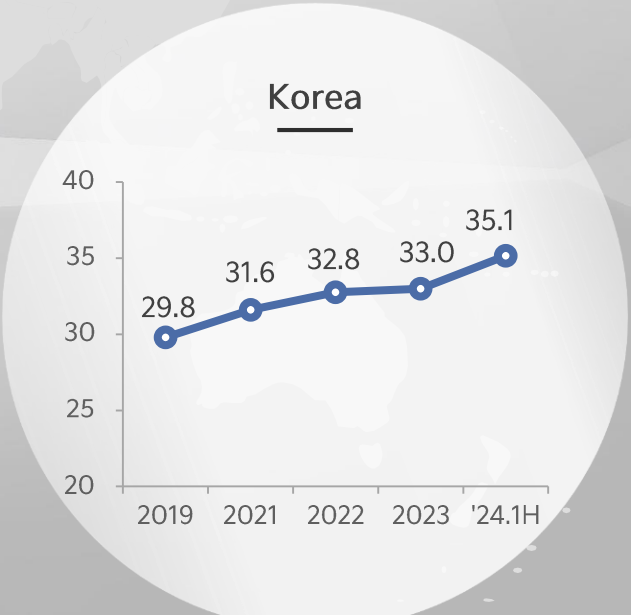
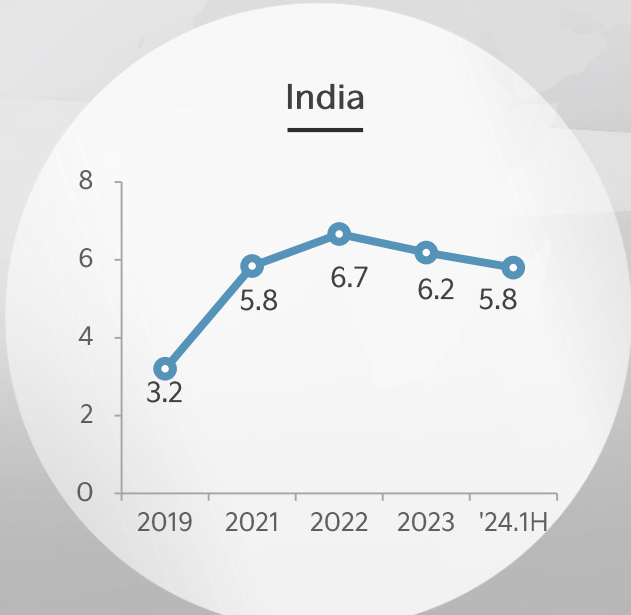
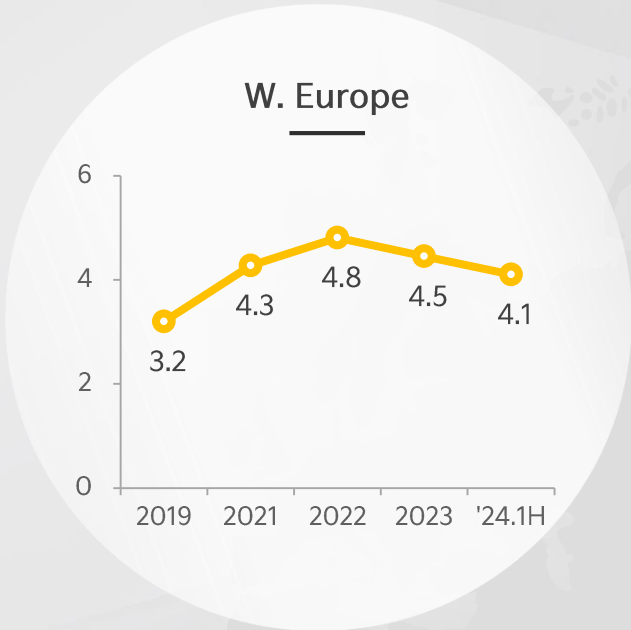
2H Initiatives

- Penetrate the economic RV market with locally produced Sonet model
 - Continuing to improve KCN utilization by expanding export models and diversifying regions
- Drive sales momentum with EV5 & EV6 marketing promotions and sales channels diversification

Global Market Share Trend (1H)

(Unit : %)

Region	2021	2022	2023	'24.1H
Russia(Region)	11.4	8.7	3.7	3.0
MEA	6.5	6.2	6.3	6.9
Latin America	3.0	3.3	3.4	3.6
Asia Pacific	3.5	3.5	3.2	3.3



Thank you.



Movement that inspires