

# Kia Corporation Investor Presentation

May 2024

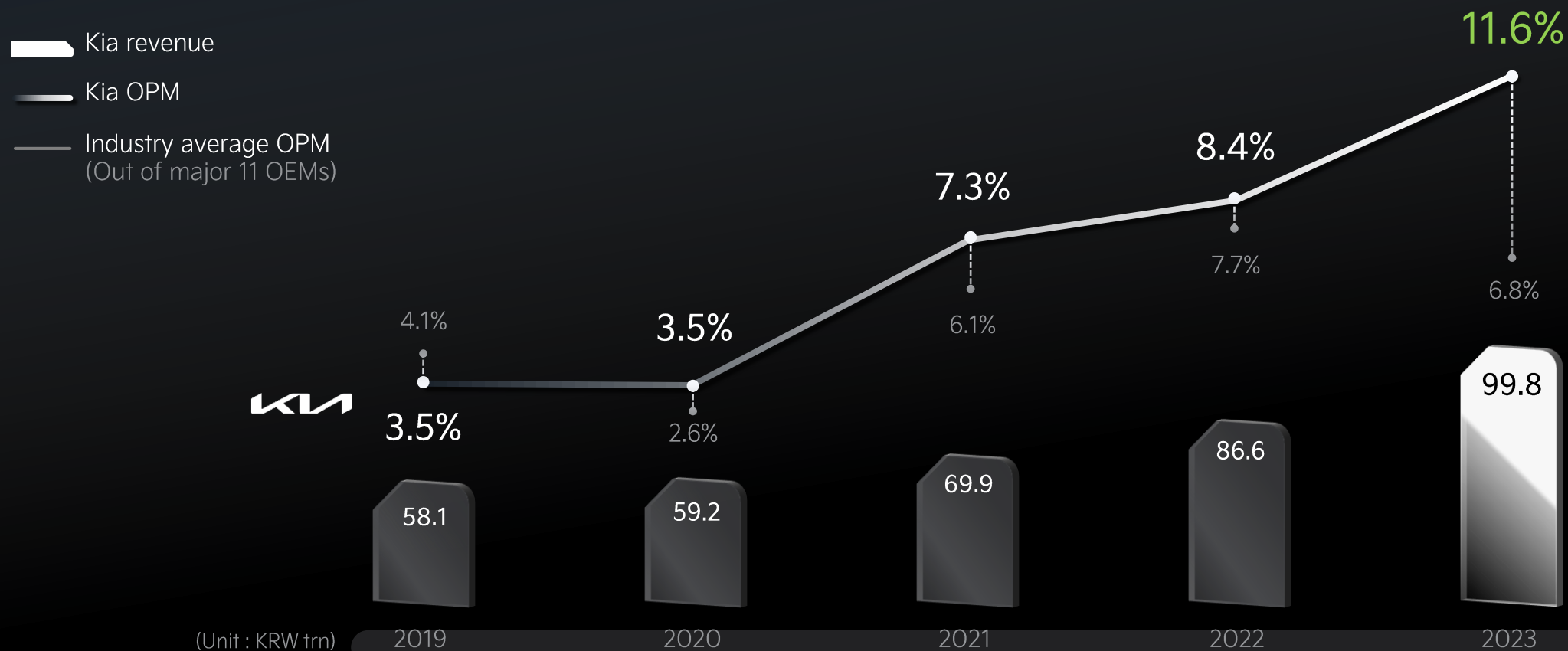


Movement that inspires

# 2023 Review



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



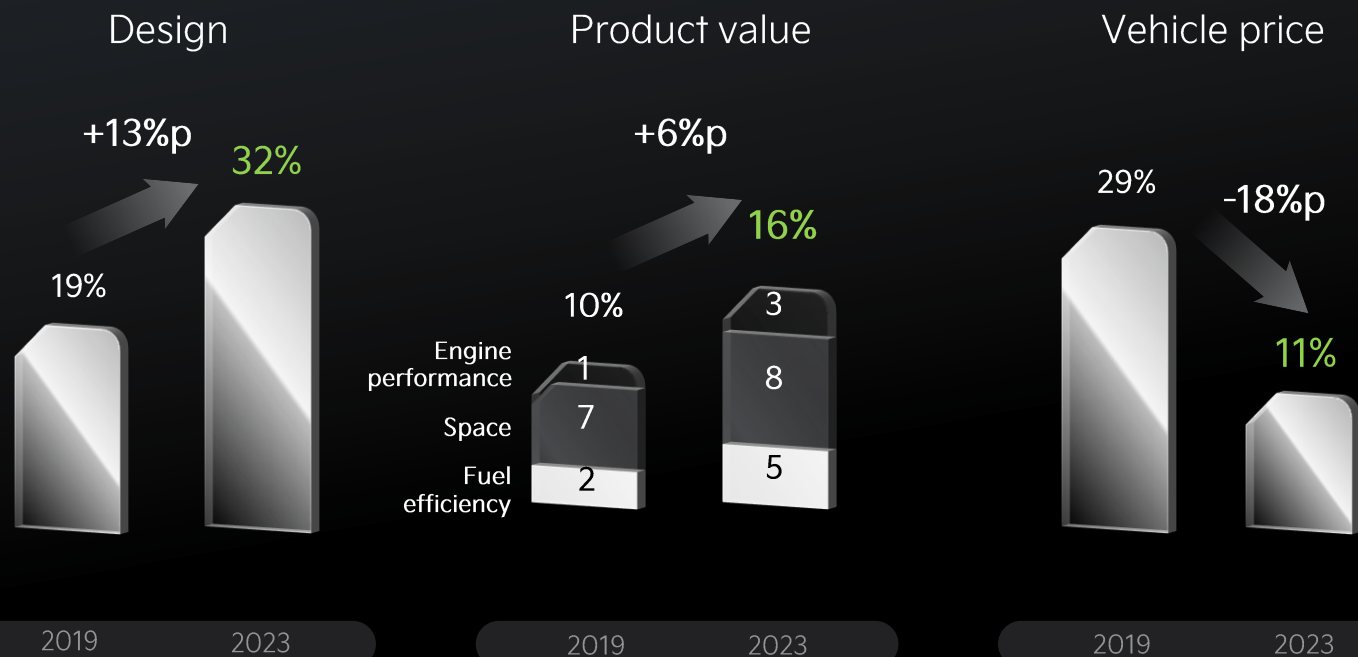
# Product Factors



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

## Key Purchasing Factors 2019 vs 2023

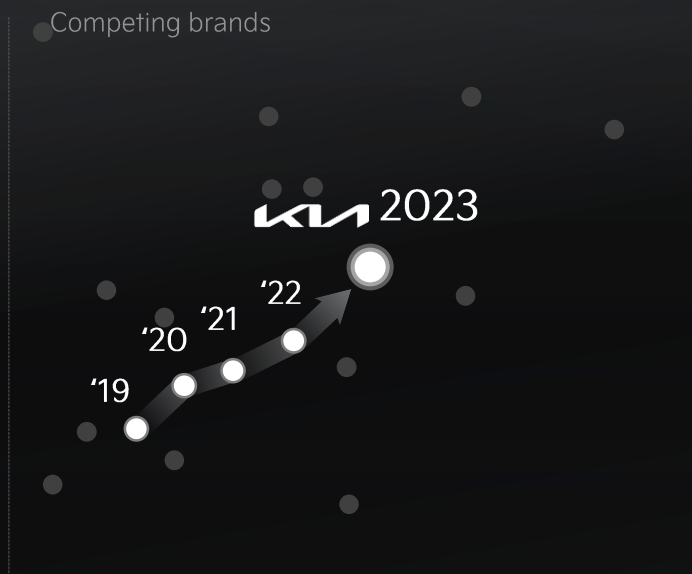
Design and product value has become the main reason to purchase



Primary purchasing factors according to global customer survey by Kia

## Improvements in Brand Positioning

Price premium



Global brand tracker by Kia

Brand power

# Pricing Factors

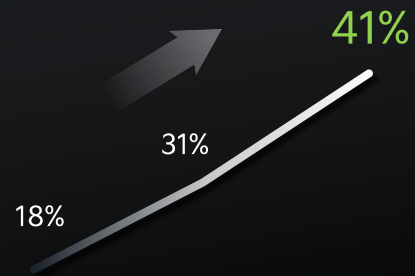


ASP boost from enhanced product and value pricing → Accelerated revenue growth

## Product Value Enhancement

Active adoption of new specs  
& tech features

High-trim selection rate



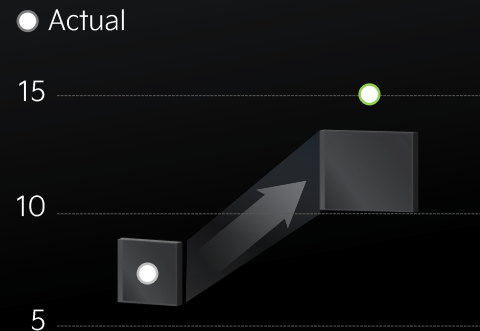
2019 2021 2023  
U.S. Sportage, Sorento, & Telluride combined

## Quality Operation

Pricing based on higher-  
margin target

Increase in target margin

(Unit: %)



2019 2023  
Sportage & Sorento combined

Push → Pull strategy

Incentive

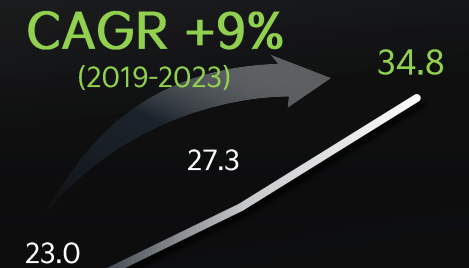


2019 2021 2023  
Overseas subsidiaries combined

## Improved ASP

Consolidated ASP

(Unit: Million KRW)



2019 2021 2023

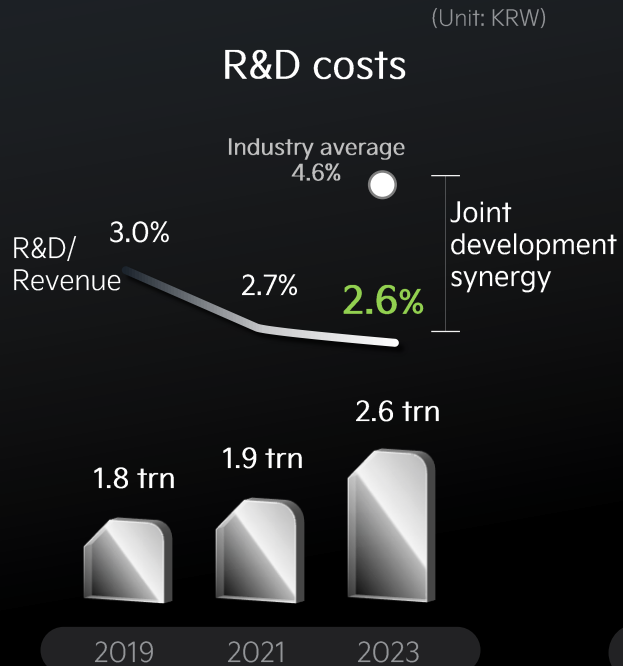
# Cost Factors



Securing cost competitiveness through efficient cost management

## R&D Efficiency

Synergy in joint development of platforms and new technology within HMG

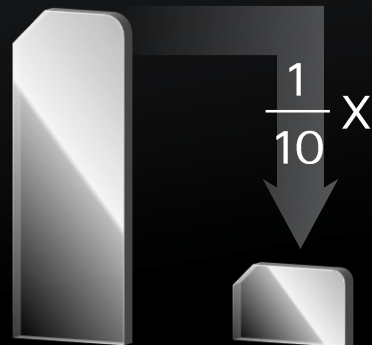


Industry average : 6 major OEMs for 1Q23~3Q23

## CapEx Efficiency

EV line conversion from existing ICE line

### CapEx



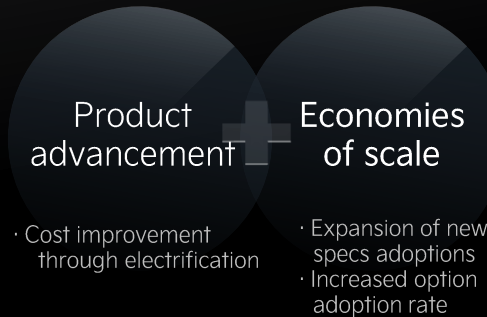
Dedicated EV production      Mixed EV production

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

## Product Competitiveness

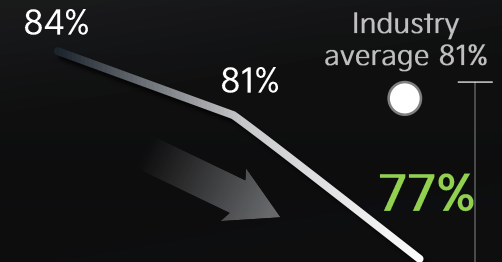
Improved cost efficiency through product advancement

### Cost improvement structure



## Cost Competitiveness

### COGS ratio



2019      2021      2023

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

# Maintain Pull Strategy



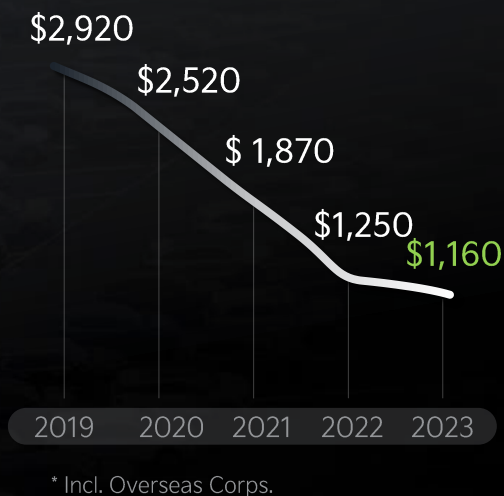
Maintain a virtuous cycle through efficient inventory & incentive management, improving residual value and profitability



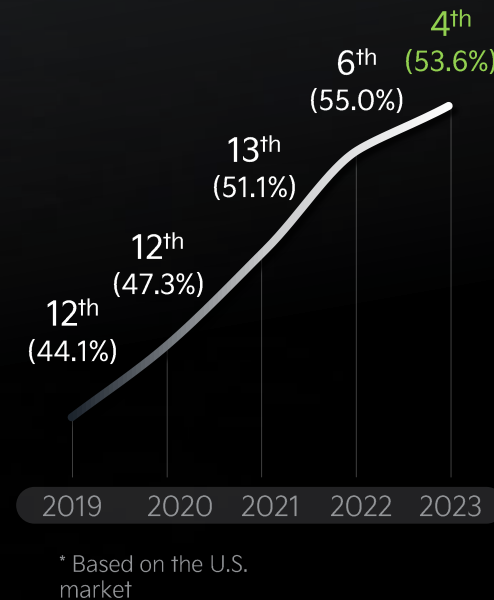
Inventory



Incentives



Residual Value



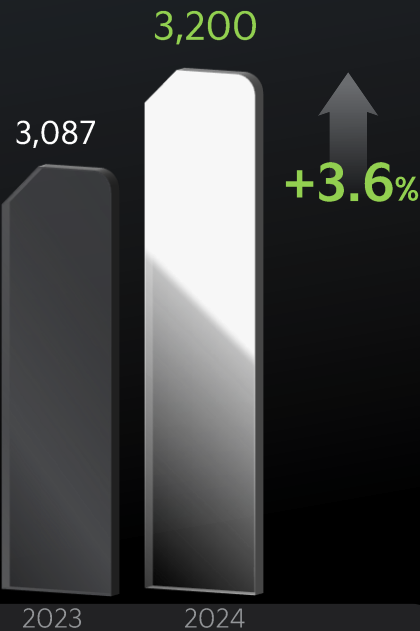
# 2024 Financial Business Plan



Profit growth driven by sales expansion based on improved earnings structure

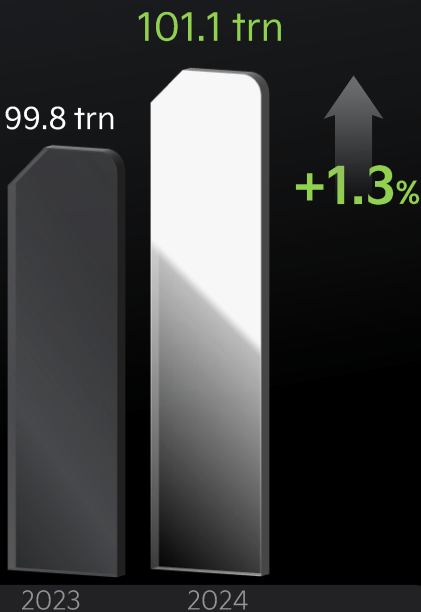
## Wholesale

(Unit: '000)



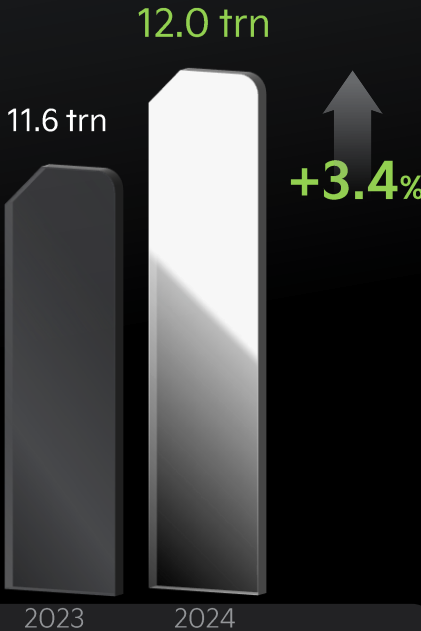
## Sales Revenue

(Unit: KRW)

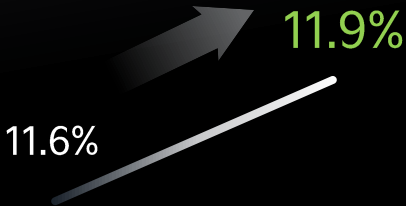


## Operating Profits

(Unit: KRW)



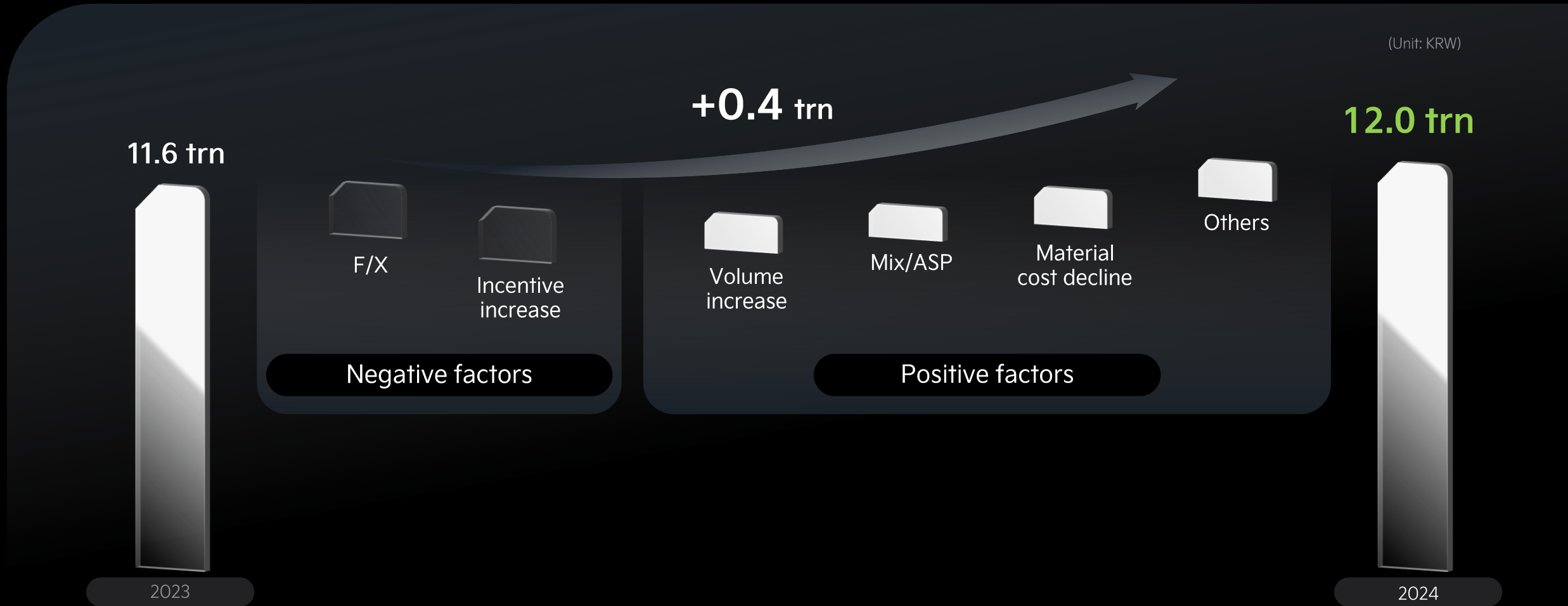
OPM



# 2023-2024 EBIT Bridge



Projected ₩0.4trn operating profit growth, driven by volume increase and Mix/ASP improvement, despite F/X and incentive pressures

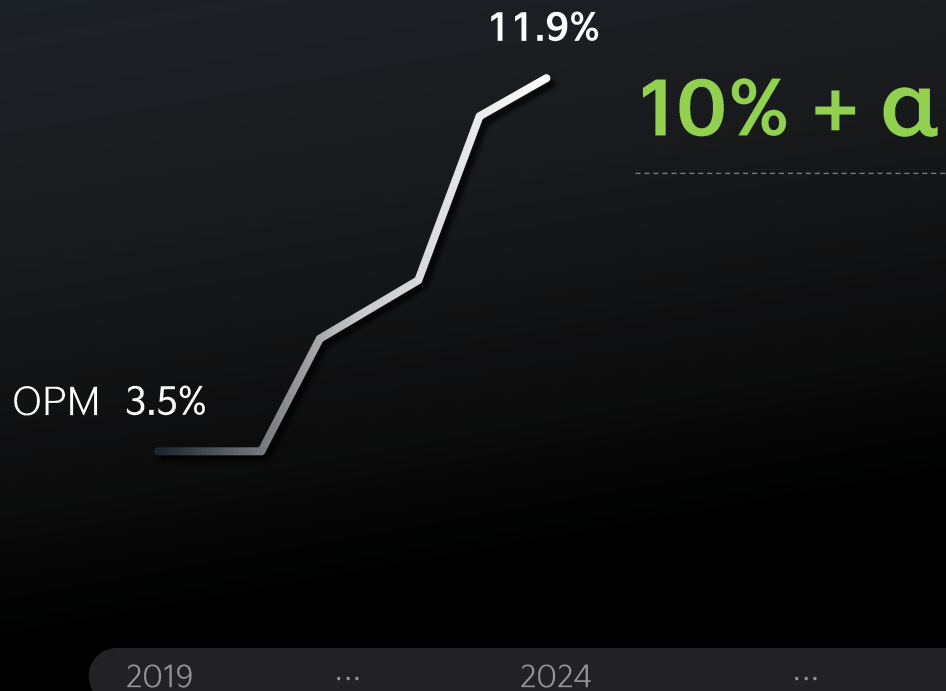


# Mid-to Long-term Profitability Target

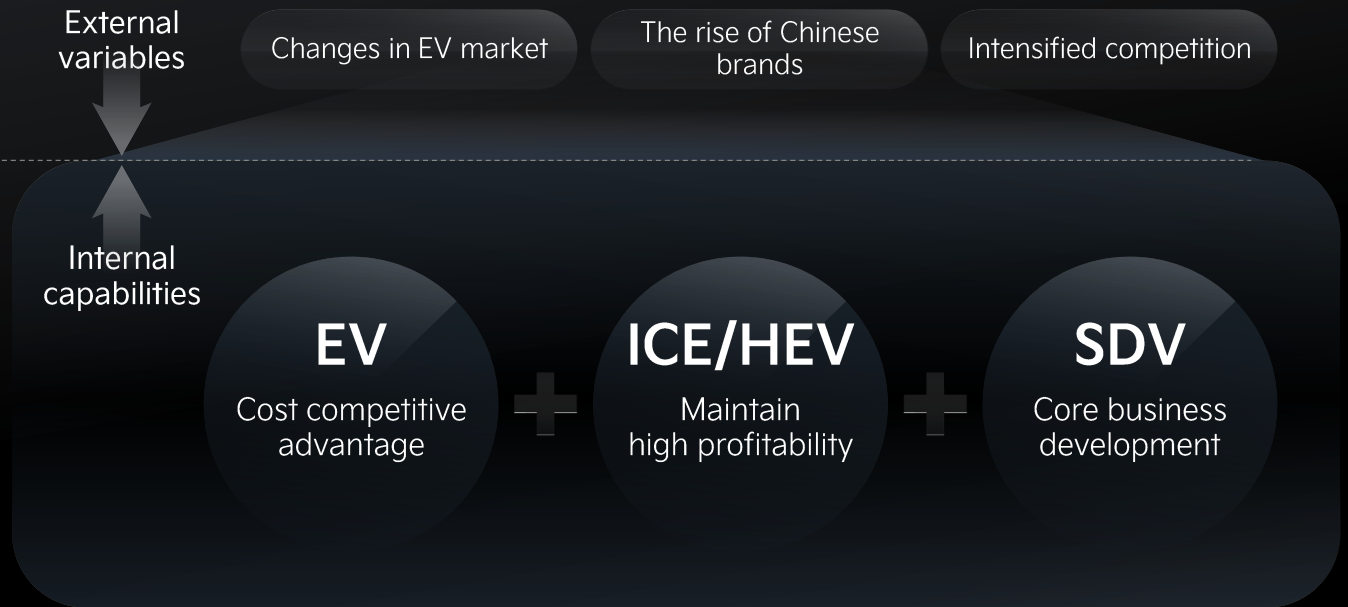
Setting sustainable profitability target of 10%+α based on internal capabilities



## Kia Transformation



## Mid-to Long-term Sustainable Profitability



# HEV Profitability Enhancement

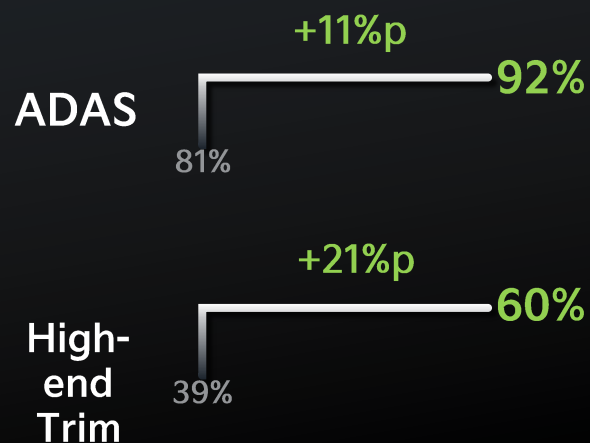


Achieve double-digit margin via expanding HEV premium and cost reduction

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

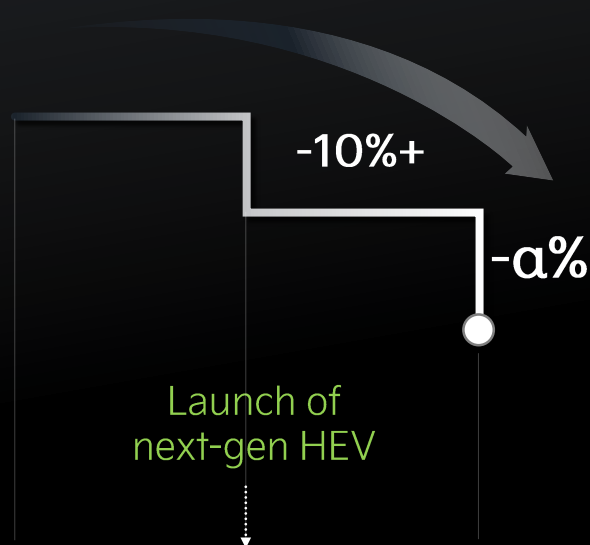
## HEV Premium

High-end trim/option selection rate



## HEV System Cost Reduction

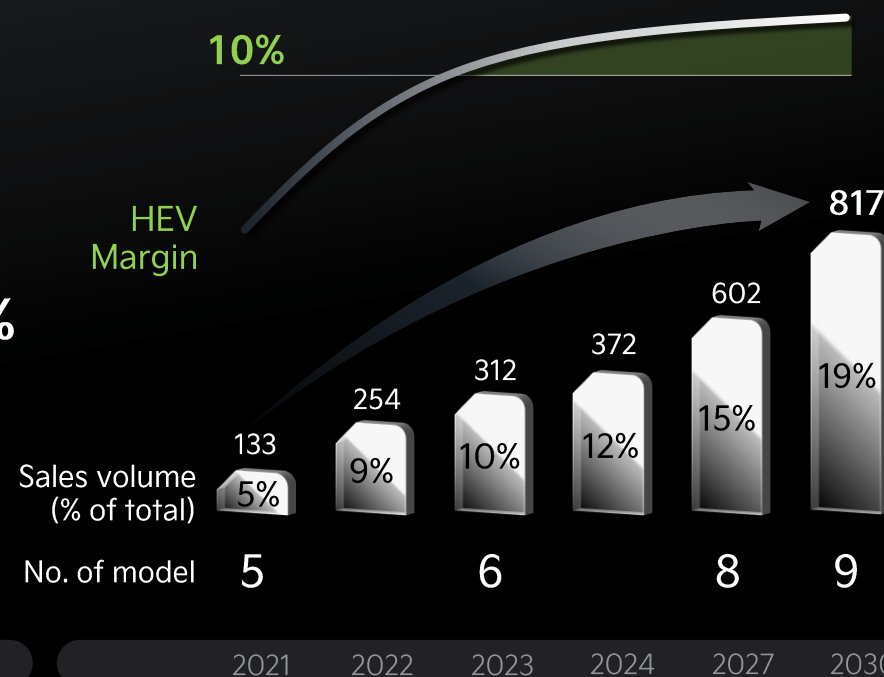
Specification/resource optimization



## Economy of Scale

Line-up expansion

(Unit: Thousand)



ICE

HEV

2021

2025

2030

2021

2022

2023

2024

2027

2030

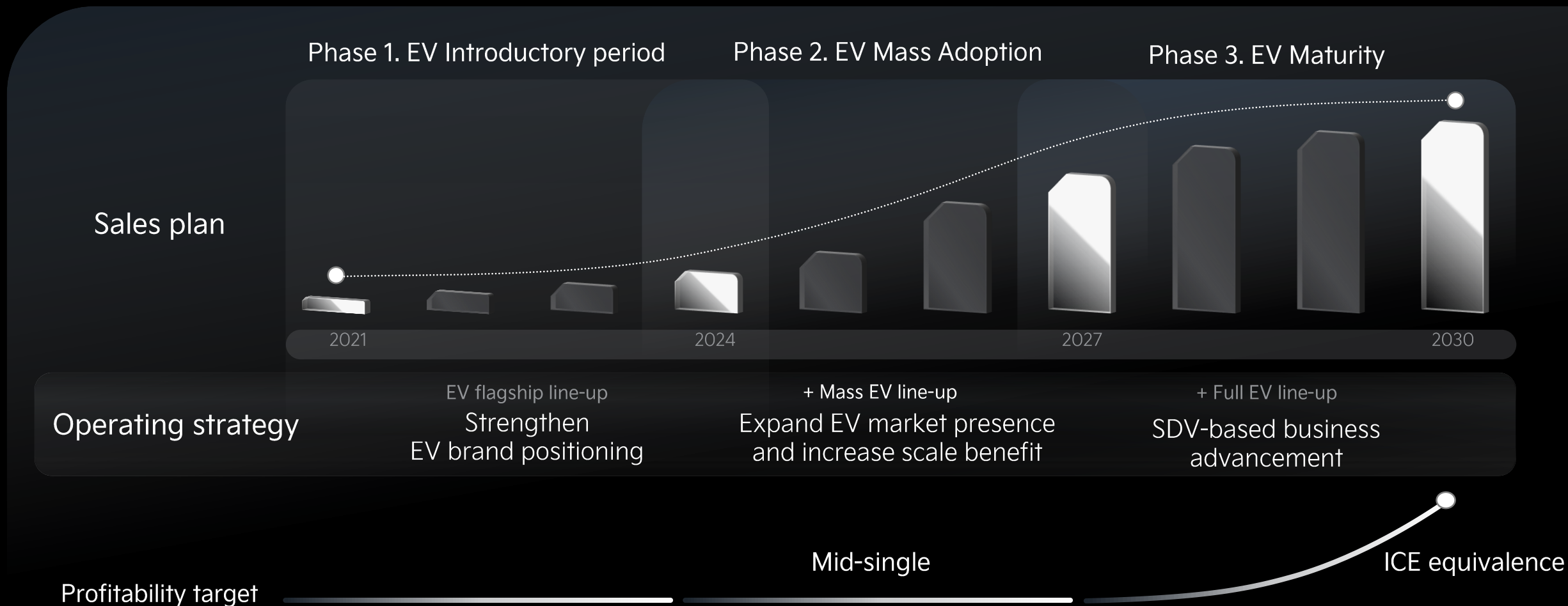
※ Based on 2023 Sorento (domestic)

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

# EV Strategy in Response to Changes in EV Market



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

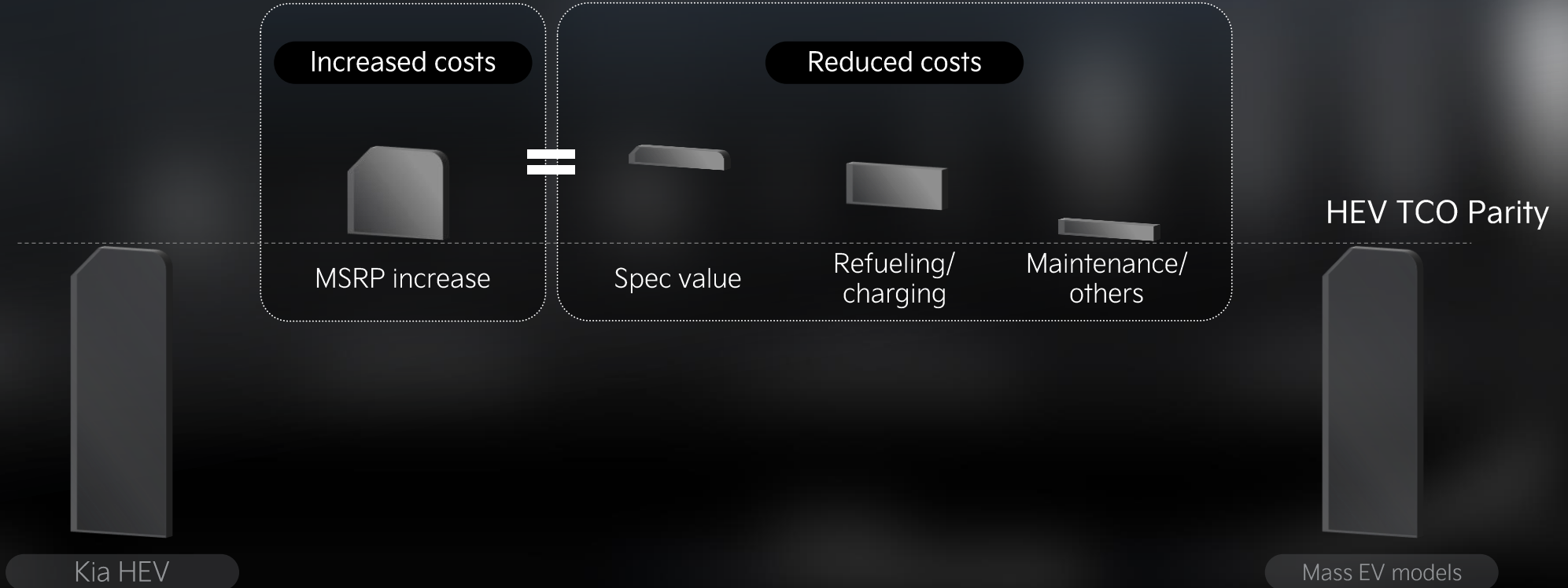


# EV Strategy in Response to Changes in EV Market



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



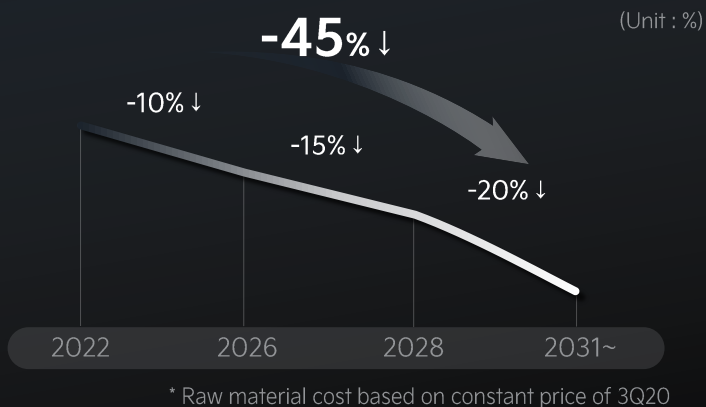
※ Based on domestic specifications

# 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

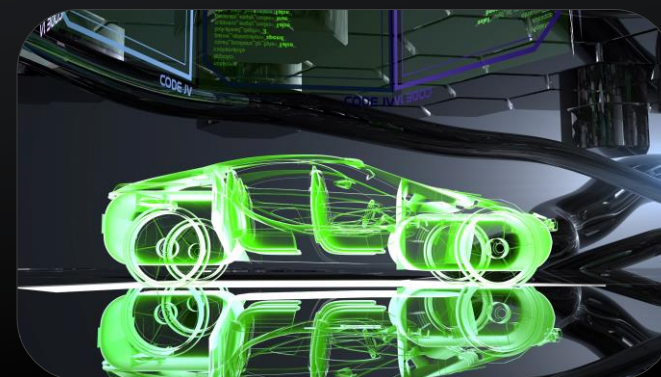
Form factor diversification

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<sub>(ex-PE)</sub> cost -10 ~ -20% vs. current platform**

\* IMA : Integrated Modular Architecture

# Investment Plan for Next 5 Years

Accelerated resource allocation to business transition



(Unit: KRW)

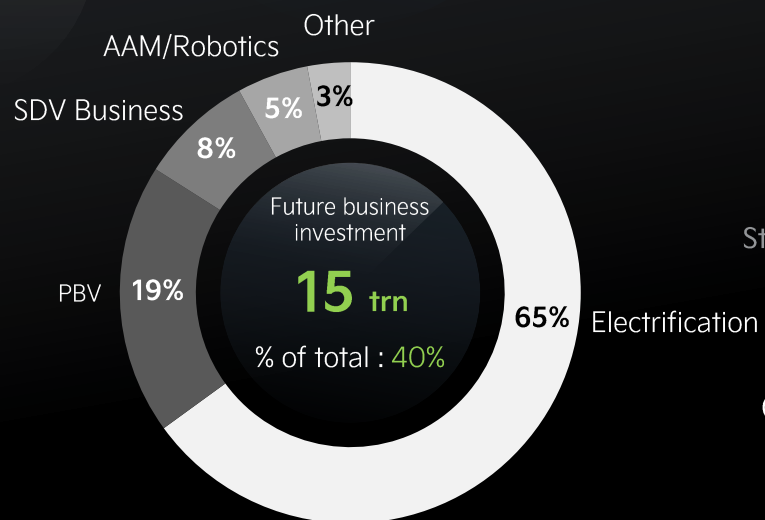
**+5 trn** (14%)

New 5yr Plan  
(2024-2028)

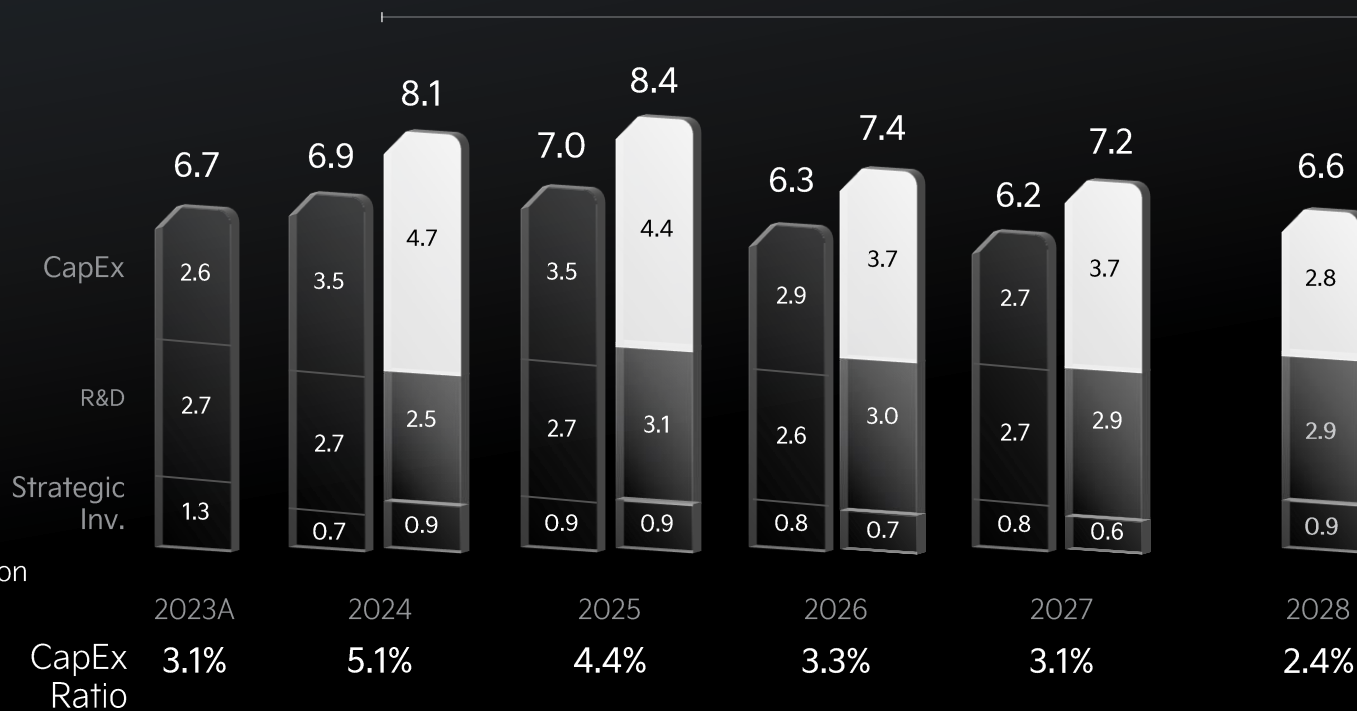
**38 trn**

Previous 5yr Plan  
(2023-2027)

**33 trn**



## 2024~2028 Investment Plan



# Shareholder Return Policy

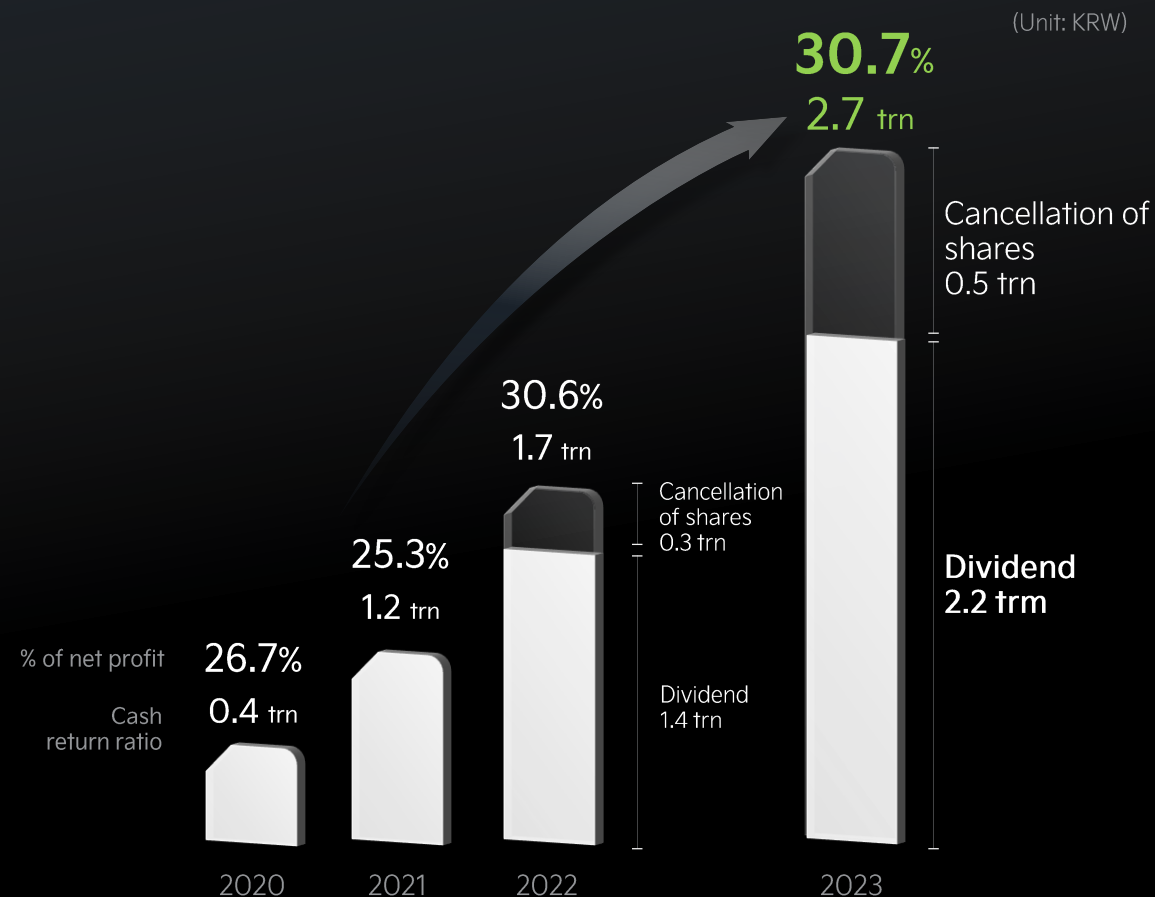
Accelerated cash return ratio through enhanced profitability



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



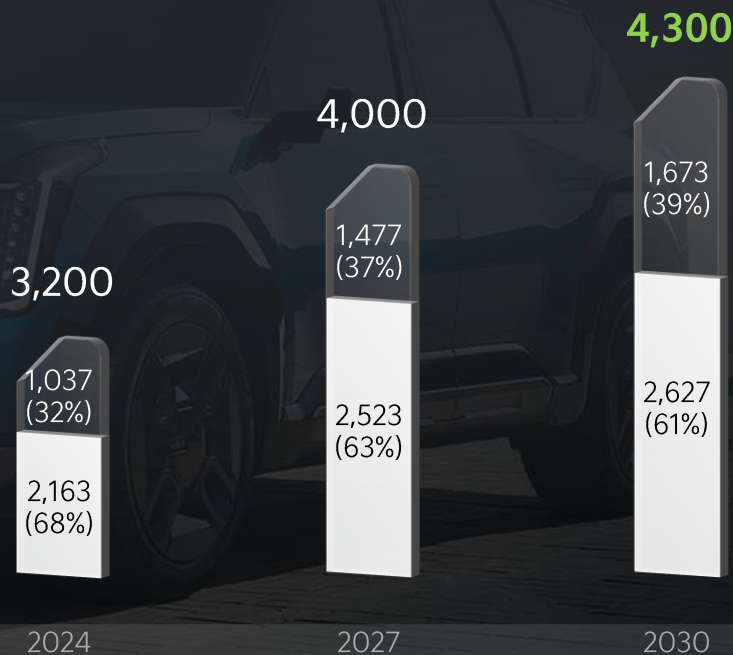
- Major markets: 2.6 million units / Emerging markets: 1.7 million units

## Mid-to Long-term Sales Plan

(Unit: Thousand)

Emerging

Major



### Major Markets<sup>1)</sup>

- 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

<sup>1)</sup> 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)

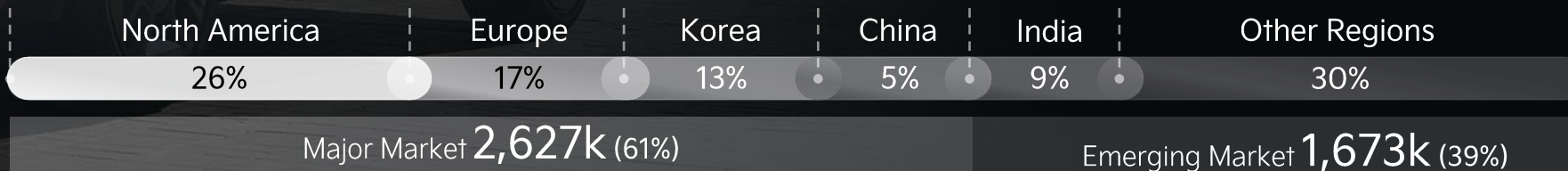
 Korea



 China



Other Regions



※ 2,163k as of 2024

※ 1,037k as of 2024

Global  
**4.3 Million**  
(2030)

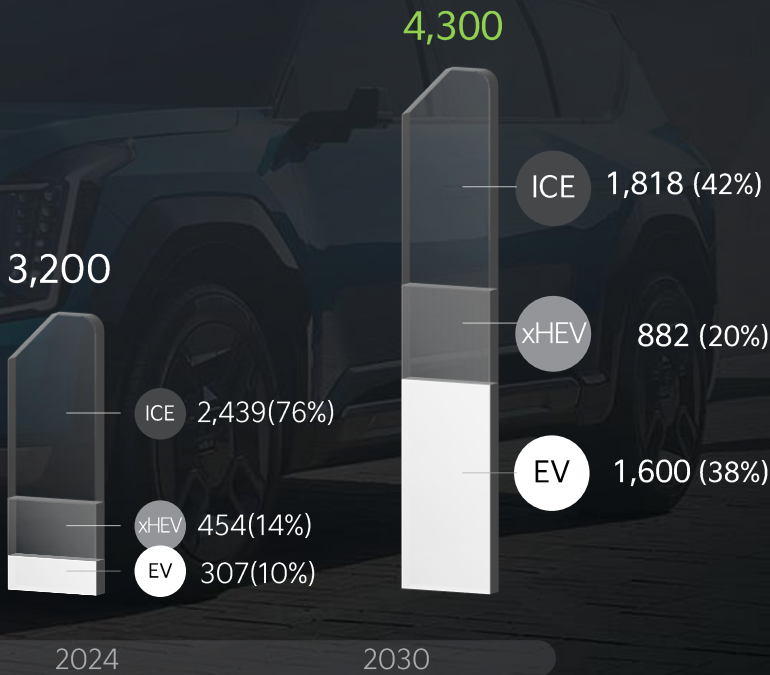
# Green Car Sales Plan



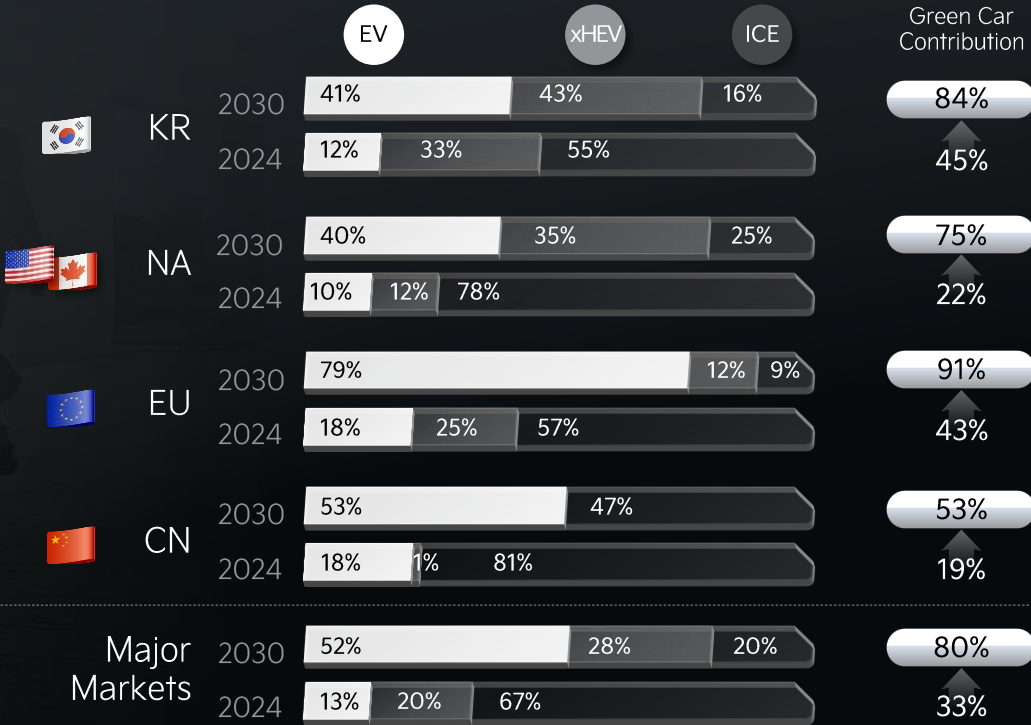
Green car sales by 2030: 2.48 million units (58%)

- 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

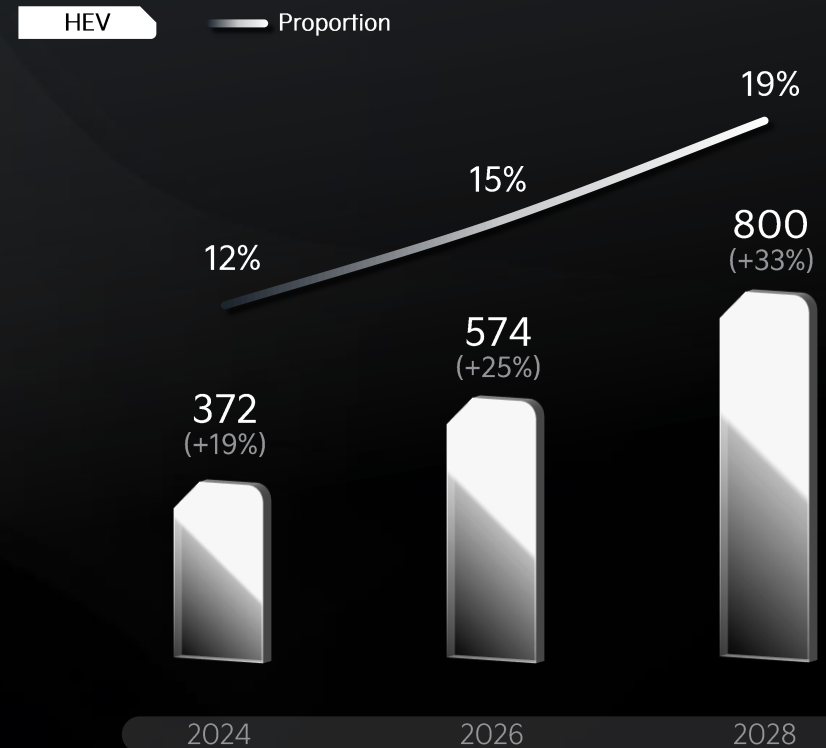
## HEV Line-up

(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



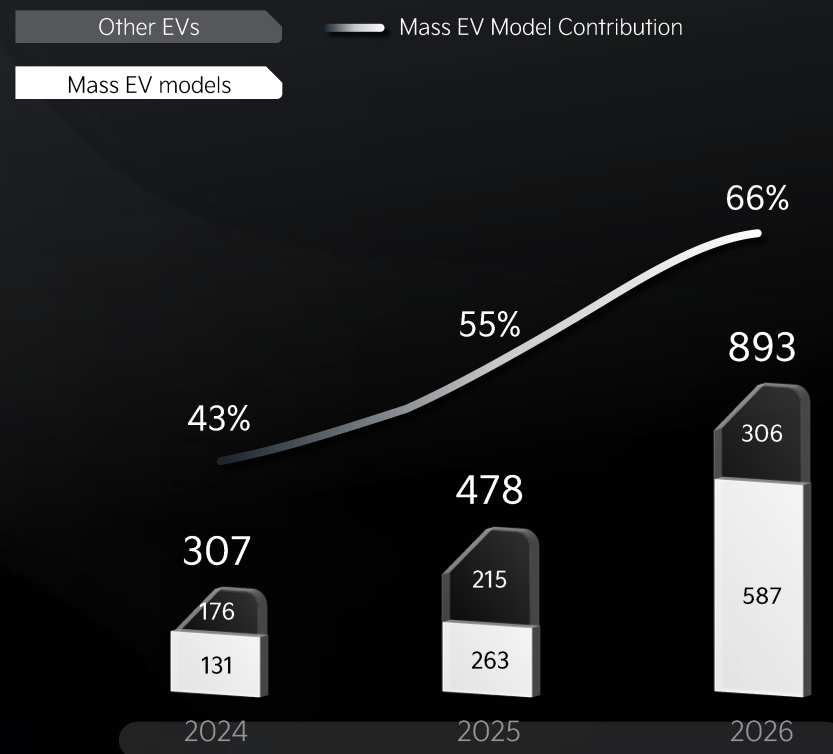
## Mass EV Model Line-up

(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

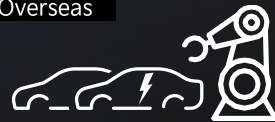
## Mixed Production Line in Existing Plants + EV-dedicated Plants

### Mixed Production Lines

13

7 Domestic

6 Overseas



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

### EV-dedicated Plants

2



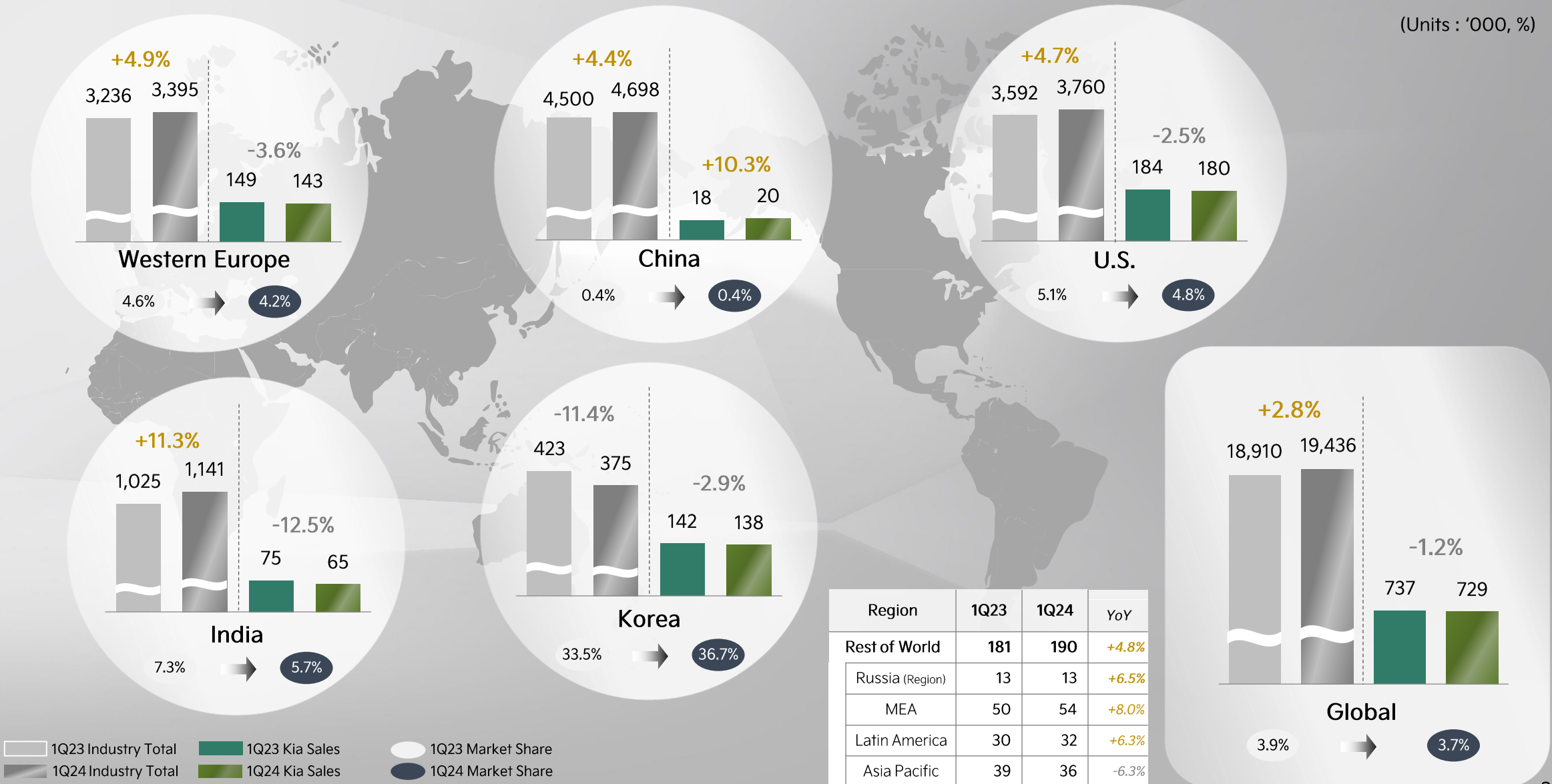
Introduce Mass EV Models  
To Achieve Economies of Scale



# 1Q24 Business Results

# Global Retail Sales

(Units : '000, %)



# Wholesale by Region

| (Units : '000)          | 1Q23       | 1Q24       | YoY (%)       |
|-------------------------|------------|------------|---------------|
| <b>Wholesale</b>        | <b>768</b> | <b>761</b> | <b>-1.0%</b>  |
| <b>Korea</b>            | <b>142</b> | <b>138</b> | <b>-2.9%</b>  |
| <b>North America</b>    | <b>246</b> | <b>255</b> | <b>+3.6%</b>  |
| U.S.                    | 200        | 205        | +2.5%         |
| <b>Europe</b>           | <b>152</b> | <b>156</b> | <b>+2.5%</b>  |
| Western Europe          | 145        | 146        | +0.9%         |
| <b>India</b>            | <b>75</b>  | <b>65</b>  | <b>-12.5%</b> |
| <b>China</b>            | <b>18</b>  | <b>20</b>  | <b>+10.3%</b> |
| <b>Russia &amp; CIS</b> | <b>11</b>  | <b>12</b>  | <b>+12.8%</b> |
| <b>MEA</b>              | <b>59</b>  | <b>48</b>  | <b>-18.5%</b> |
| <b>Latin America</b>    | <b>29</b>  | <b>28</b>  | <b>-0.9%</b>  |
| <b>Asia-Pacific</b>     | <b>37</b>  | <b>38</b>  | <b>+2.8%</b>  |

※ CKD / Special Vehicles Included

※ Special Vehicles : [1Q23] 1k units (Korea 0.3k units, Overseas 0.7k units) → [1Q24] 0.7k units (Korea 0.2k units, Overseas 0.5k units)

# Consolidated Income Statement

| (Units : ₩ Billion) | 1Q23   | (% of sales) | 1Q24   | (% of sales) | YoY (%) |
|---------------------|--------|--------------|--------|--------------|---------|
|                     |        |              |        |              |         |
| Sales Revenue       | 23,691 | 100%         | 26,213 | 100%         | +10.6%  |
| Cost of Sales       | 18,317 | 77.3%        | 19,977 | 76.2%        | +9.1%   |
| Gross Profit        | 5,373  | 22.7%        | 6,236  | 23.8%        | +16.1%  |
| SG&A                | 2,499  | 10.6%        | 2,810  | 10.7%        | +12.4%  |
| Operating Profit    | 2,874  | 12.1%        | 3,426  | 13.1%        | +19.2%  |
| Pre-tax Profit      | 3,142  | 13.3%        | 3,785  | 14.4%        | +20.4%  |
| Net Profit          | 2,120  | 8.9%         | 2,809  | 10.7%        | +32.5%  |

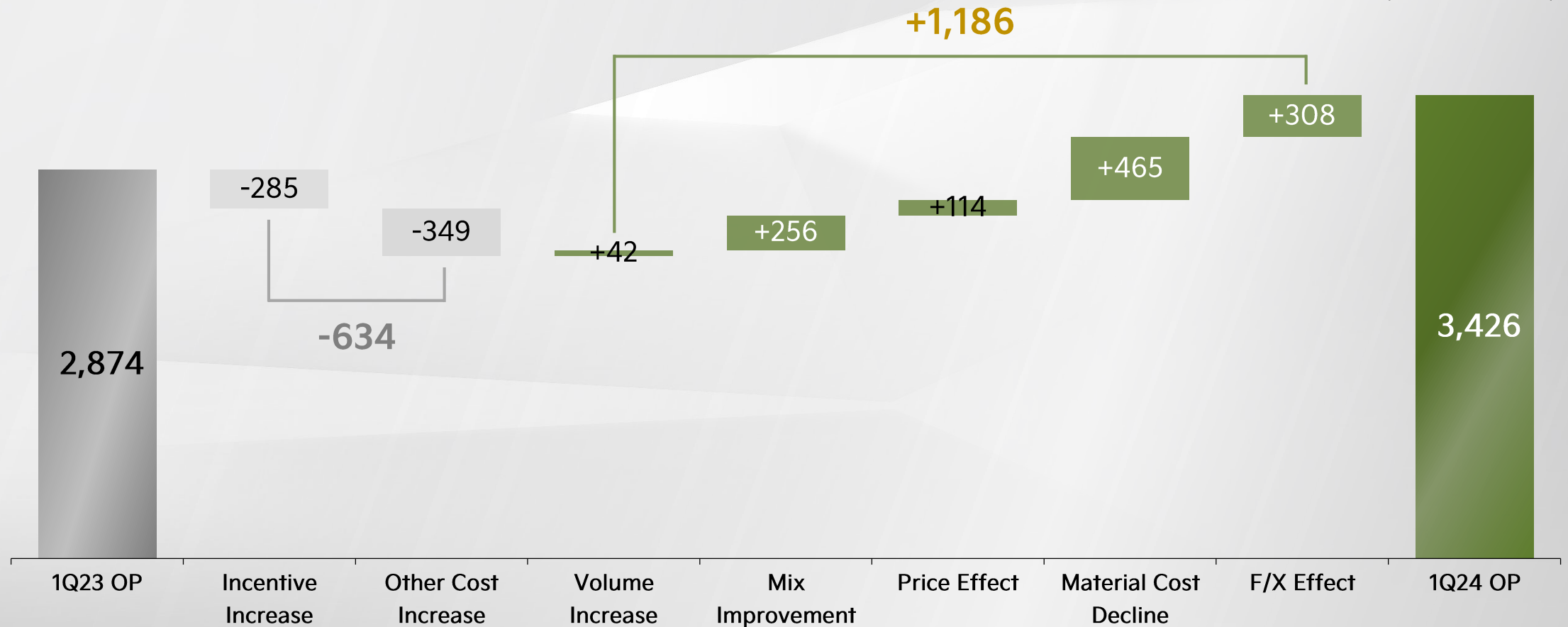
※ Consolidated Sales Unit : [1Q23] 735,587 units → [1Q24] 725,428 units (-10,159 units, -1.4%)

※ Average F/X Rate : USD/KRW [1Q23] ₩1,276 → [1Q24] ₩1,328 (+₩53 ↑, +4.1%)

# Operating Profit Analysis



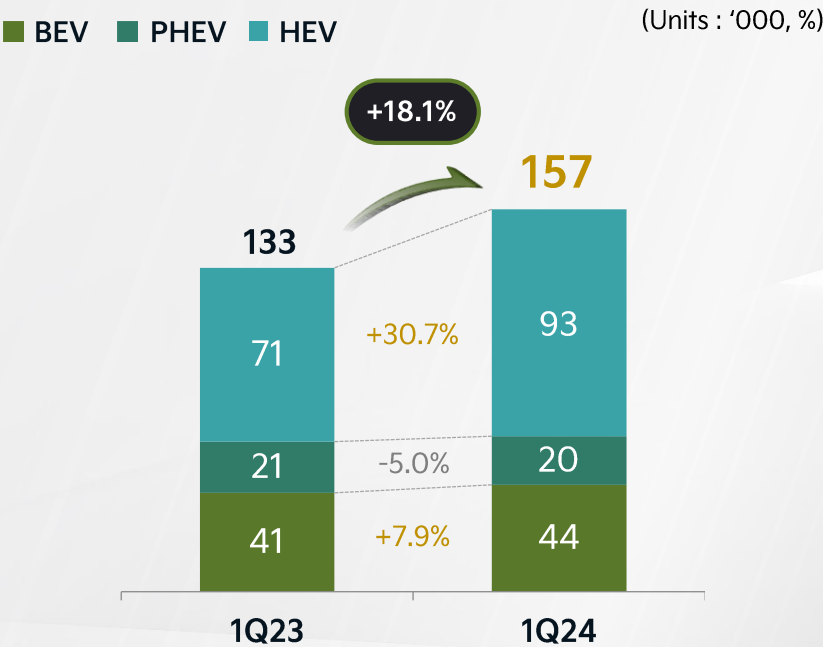
(Units : ₩ Billions)



※ Other cost : - ₩106.6bn for warranty expense, etc.

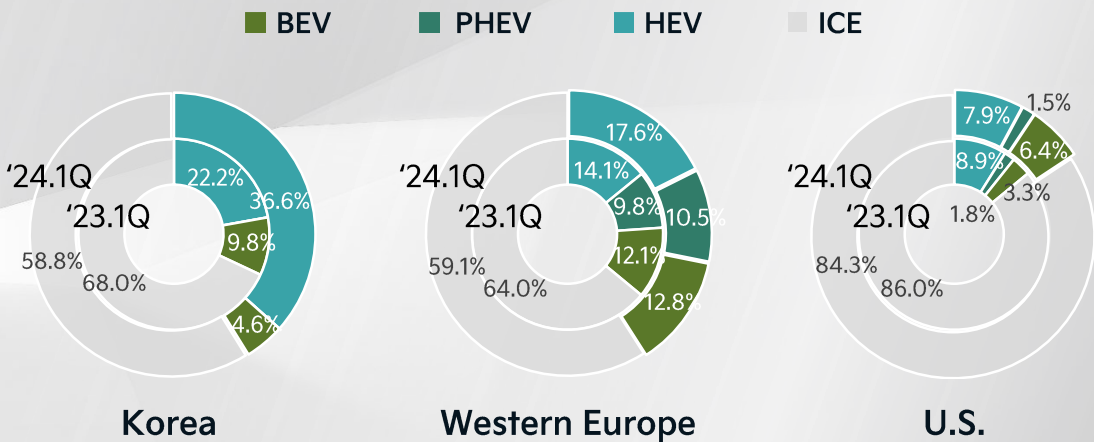
# Green Car Sales Summary

## Global Retail Sales

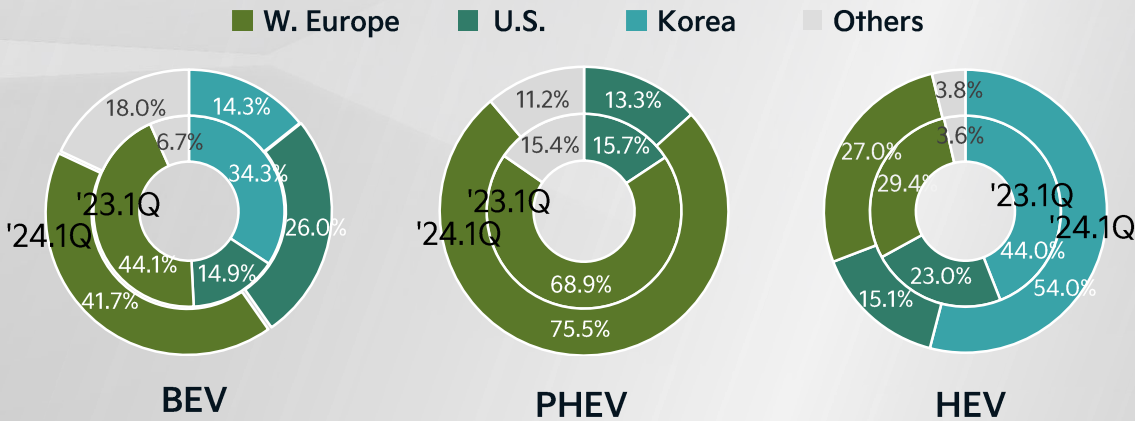


| % of Sales          | 1Q23  | 1Q24  |
|---------------------|-------|-------|
| HEV                 | 9.7%  | 12.8% |
| PHEV                | 2.9%  | 2.7%  |
| BEV                 | 5.5%  | 6.0%  |
| xEV                 | 18.1% | 21.6% |
| ICE                 | 81.9% | 78.4% |
| Total Sales (units) | 737k  | 729k  |

## Green Car Sales Contribution in Major Markets



## Market Division of Green Car Sales by Type



Thank you.



Movement that inspires