SSANGYONG MOTOR COMPANY

H1 2019 Business Result

본 자료는 2019년 상반기 실적에 대한 외부 감사인의 회계검토가 완료되지 않은 상태에서 투자자 여러분의 편의를 위하여 작성된 자료입니다. 따라서 본 자료의 일부 내용은 회계검토 과정에서 변경될 수 있음을 양지하시기 바랍니다.

H1 2019 business result is prepared for investors' consideration only before completion of independent auditors' review. Therefore, parts of contents on this material could be changeable during independent auditors' review.

H1 2019 Review

SUV Market

- **Domestic : Steady growth (+7.0% vs. H1 2018) in spite of total market decrease (-3.7% vs. H1 2018)**

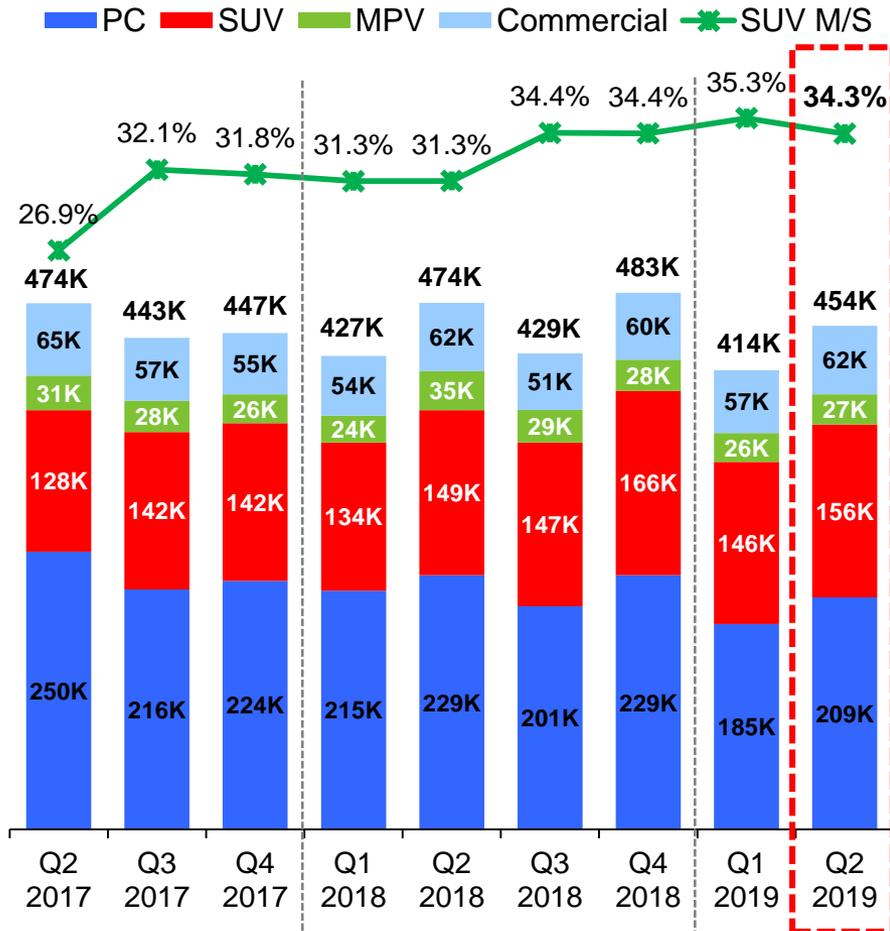- **Overseas : Increase in Europe & USA / Decrease in China**

SYMC Vehicle Sales

- **Total vehicle sales : 70,277 units (+5% YoY) / Dom. : +9%, Exp. : -8%**

  - Domestic: Rexton Sports KHAN(Jan.) and Korando(Mar.) launch effect in spite of strengthening competition in SUV market

  - Export: Sales slowdown in South America and Africa which had performed well last year despite good performance in Asia Pacific

Funding

- **Equity infusion of KRW 50 billion from M&M in January**

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Market Trend / Domestic - Quarterly
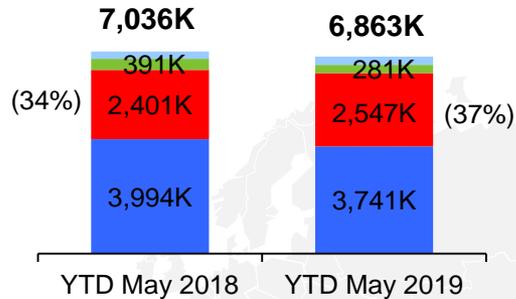

Q2 2019 (vs. Q2 2018)

- Total market : -4.3%
  (Domestic makers : -1.2%, Imported : -21.4%)
- PC : -8.8%
- SUV : +4.9%
  (Domestic makers : +7.1%, Imported : -8.0%)
- SUV M/S : 34.3% (+3.0%p vs. Q2 2018)
- SYMC market share
  · Total market : 6.3% (+0.5%p vs. Q2 2018)
  · SUV market : 18.2% (+0.2%p vs. Q2 2018)

H1 2019 (vs. H1 2018)

- Total market : -3.7%
  (Domestic makers : -0.3%, Imported : -22.0%)
- PC : -11.3%
- SUV : +7.0%
  (Domestic makers : +9.0%, Imported : -4.9%)
- SUV M/S : 34.8% (+3.5%p vs. H1 2018)
- SYMC market share
  · Total market : 6.5% (+0.8%p vs. H1 2018)
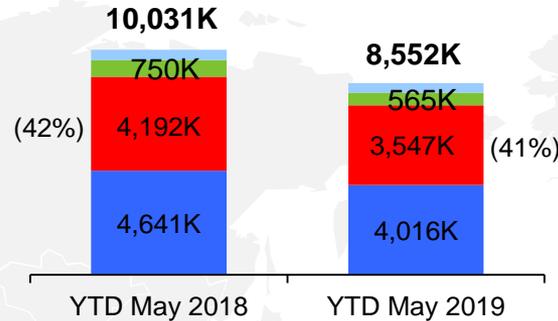 · SUV market : 18.3% (+0.6%p vs. H1 2018)

※ Unit: vehicles
※ Imported cars → PC, SUV, MPV / Sports models : SUV

Market Trend / Overseas

Europe (28 Countries)

7,036K
- 391K
- (34%) 2,401K
- 3,994K
- YTD May 2018

6,863K
- 281K
- 2,547K (37%)
- 3,741K
- YTD May 2019

- **Total market : -2.5%**
- **SUV market : +6.1%**

China

10,031K
- 750K
- (42%) 4,192K
- 4,641K
- YTD May 2018

8,552K
- 565K
- 3,547K (41%)
- 4,016K
- YTD May 2019

- **Total market : -14.7%**
- **SUV market : -15.4%**

USA

6,877K
- 1,149K
- (47%) 3,201K
- 2,266K
- YTD May 2018

6,728K
- 1,192K
- 3,249K (48%)
- 2,071K
- YTD May 2019
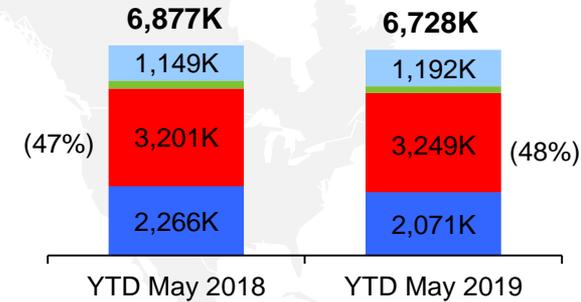
- **Total market : -2.2%**
- **SUV market : +1.5%**

Australia

450K
- 80K
- (46%) 205K
- 157K
- YTD May 2018

414 K
- 79K
- 196K (47%)
- 131K
- YTD May 2019
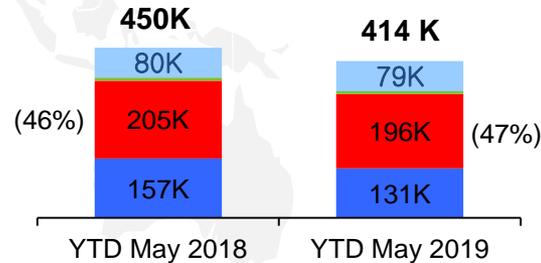
- **Total market : -8.0%**
- **SUV market : -4.3%**

※ Unit : Vehicle
※ Source : SYMC, Automotive News, Marklines
※ Excluding commercial vehicles
※ ( ) : SUV portion out of total market

■ PC   ■ SUV   ■ MPV   ■ Others (US, Australia: Pick-up)

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SYMC Sales Volume / Q2 2019

	Q2 2018	Q2 2019	Diff.	Chg. %	Remark
Domestic	27,517	28,600	+1,083	+4%	- New car launch effect · Korando: 4,452 units (+3,600 units)
Portion	76%	81%	+5%p		
Export (Including CKD)	8,929	6,826	-2,103	-24%	- Local inventory exhaustion - Region-wise · Asia Pacific: 1,563 units (+99%) · South America: 1,307 units (-47%) · Others: 834 units (-61%)
Portion	24%	19%	-5%p		
Total	36,446	35,426	-1.020	-3%	- Korando: 5,178 units (+3,229 units)

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SYMC Sales Volume / H1 2019

	H1 2018	H1 2019	Diff.	Chg. %	Remark
Domestic	51,505	55,950	+4,445	+9%	- New cars' launch effect · Korando: 7,182 units (+5,387 units) · Sports models: 21,621 units (+2,456 units)
Portion	77%	80%	+3%p		
Export (Including CKD)	15,605	14,327	-1,278	-8%	- Sports models: 3,441 units (+492 units) - Region-wise · Asia Pacific: 4,195 units (+275%) · South America: 2,595 units (-46%) · Others: 1,582 units (-51%)
Portion	23%	20%	-3%p		
Total	67,110	70,277	+3,167	+5%	- Korando: 7,928 units (+4,108 units) - Sports models: 25,062 units (+2,948 units)

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Region-wise Export / H1 2019

※ % out of export sales volume (Including CKD)

W. Europe

42% (H1 2018) 42% (H1 2019)

Asia Pacific

※ Including: India, Australia

7% (H1 2018) 29% (H1 2019)

Others

21% (H1 2018) 12% (H1 2019)

※ Others: ME, AF, E. Europe

South America

30% (H1 2018) 17% (H1 2019)

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Income Statement(Consolidated) / Q2 2019

(Unit: Billion krw)

Category	Q2 2018		Q2 2019		Diff,		Chg. %
	Value	%	Value	%	Value	%	Value
Sales Revenue	**941.9**		**935.0**		**-6.8**		**-0.7%**
Cost of Sales	**820.9**	*87.2%*	**844.8**	*90.3%*	**+24.0**	*+3.2%p*	**2.9%**
Gross Profit	**121.0**	*12.8%*	**90.2**	*9.7%*	**-30.8**	*-3.2%p*	**-25.4%**
SG&A	**128.5**	*13.6%*	**139.4**	*14.9%*	**+10.9**	*+1.3%p*	**8.5%**
Operating Profit	**-7.5**	*-0.8%*	**-49.1**	*-5.3%*	**-41.6**	*-4.5%p*	**-**
PAT	**-5.4**	*-0.6%*	**-51.5**	*-5.5%*	**-46.1**	*-4.9%p*	**-**
EBITDA	**45.1**	*4.8%*	**23.3**	*2.5%*	**-21.8**	*-2.3%p*	**-48.3%**

Income Statement(Consolidated) / H1 2019

(Unit: Billion krw)

Category	H1 2018		H2 2019		Diff,		Chg. %
	Value	%	Value	%	Value	%	Value
Sales Revenue	**1,750.6**		**1,868.3**		**+117.6**		**6.7%**
Cost of Sales	**1,539.6**	*87.9%*	**1,663.7**	*89.1%*	**+124.2**	*+1.1%p*	**8.1%**
Gross Profit	**211.1**	*12.1%*	**204.5**	*10.9%*	**-6.5**	*-1.1%p*	**-3.1%**
SG&A	**249.8**	*14.3%*	**281.5**	*15.1%*	**+31.7**	*+0.8%p*	**12.7%**
Operating Profit	**-38.7**	*-2.2%*	**-76.9**	*-4.1%*	**-38.2**	*-1.9%p*	**-**
PAT	**-39.6**	*-2.3%*	**-77.6**	*-4.2%*	**-38.0**	*-1.9%p*	**-**
EBITDA	**67.6**	*3.9%*	**53.4**	*2.9%*	**-14.2**	*-1.0%p*	**-21.0%**

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SYMC Focus / H2 019 & Beyond

Expected to Increase Sales Volume

- **Domestic**

  - Korando gasoline engine model launch in August
    $\rightarrow$ Current trend is demand for gasoline engine model is increasing
  - Tivoli F/L launch in June
  - Various promotional activities and campaign to gain competitive advantages

- **Export**

  - Launch of new Korando in H2
  - Launch of Tivoli Face-lift model
  - New market entry

New Car Development

- Electric car and Connected car

- New RV models

M&M synergy

- Joint development & purchase collaboration to create value

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