

Hyundai Motor Company 2017 3Q Business Results

October 26, 2017



In the presentation that follows and in related comments by Hyundai Motor's management, our use of the words "expect," "anticipate," "project," "estimate," "forecast," "objective," "plan," "goal," "outlook," "target," "pursue" and similar expressions is intended to identify forward looking statements.

The financial data discussed herein are presented on a preliminary basis before the audit from our Independent Auditor; final data will be included in HMC's Independent auditor's report. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors. Such factors include, among others, the following : changes in economic conditions, currency exchange rates or political stability; shortages of fuel, labor strikes or work stoppages; market acceptance of the corporation's new products; significant changes in the competitive environment; changes in laws, regulations and tax rates; and the ability of the corporation to achieve reductions in cost and employment levels to realize production efficiencies and implement capital expenditures at levels and times planned by management.

We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

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Sales Summary : Sales by plant

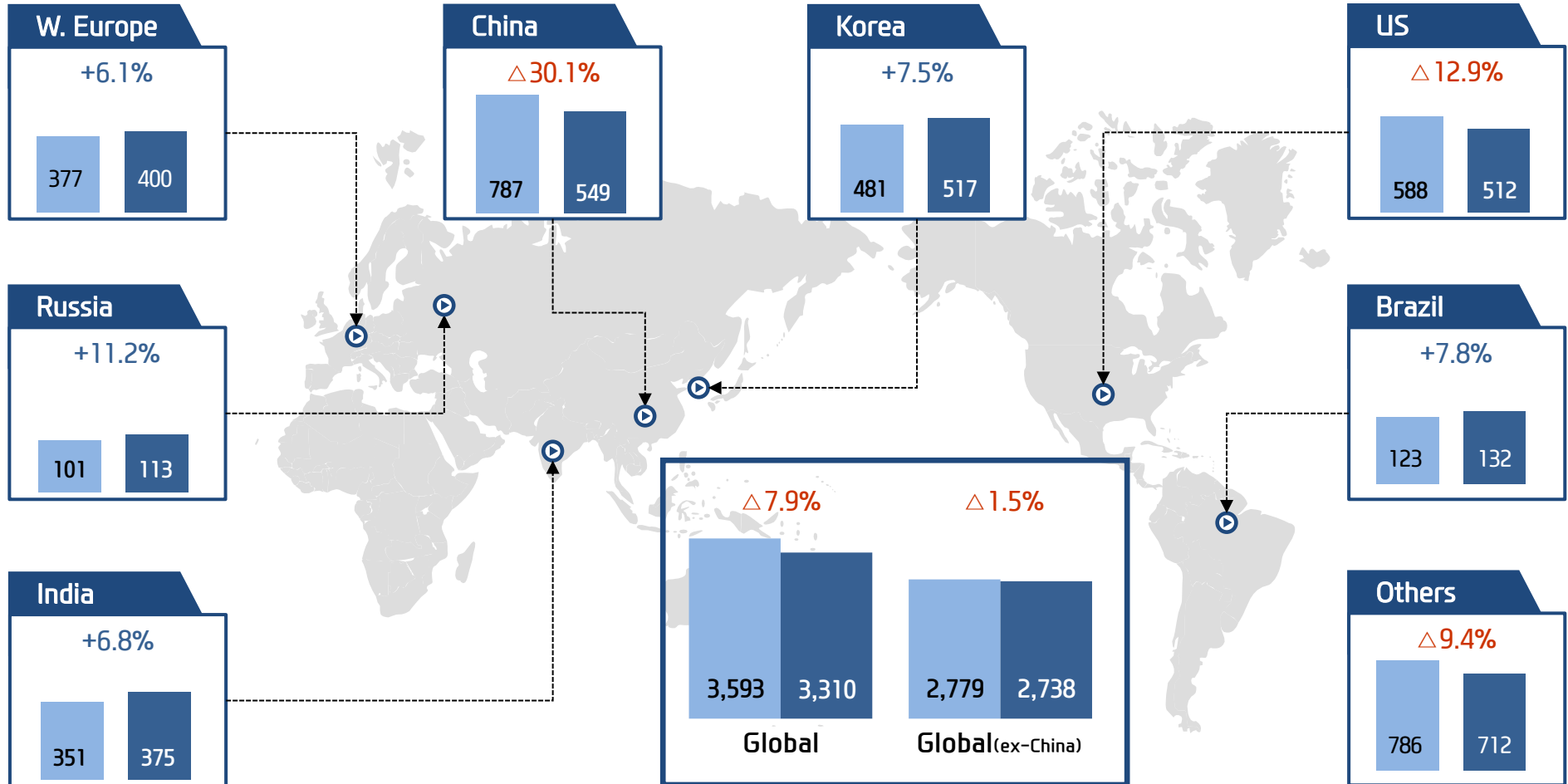


(Thousand units)	'16. 3Q	'16. 1-3Q	'17. 3Q	'17. 1-3Q	'17. 3Q vs '16. 3Q	'17. 1-3Q vs '16. 1-3Q
Korea	318	1,179	393	1,257	+23.8%	+6.6%
India	175	483	178	495	+1.6%	+2.4%
US	103	301	75	265	△26.5%	△11.8%
Czech	82	269	77	265	△6.1%	△1.5%
Turkey	47	167	50	168	+6.4%	+0.9%
Russia	54	151	56	169	+2.2%	+11.8%
Brazil	42	116	49	133	+17.1%	+14.1%
Sub-total (ex-China)	822	2,669	879	2,755	+7.0%	+3.2%
China	256	779	188	489	△26.6%	△37.2%
China (CV)	7	30	4	25	△35.0%	△16.8%
Total	1,085	3,478	1,071	3,269	△1.2%	△6.0%

Sales Summary : Retail Sales



■ 2016. 1-3Q ■ 2017. 1-3Q (Thousand units)



- **Financial Summary**

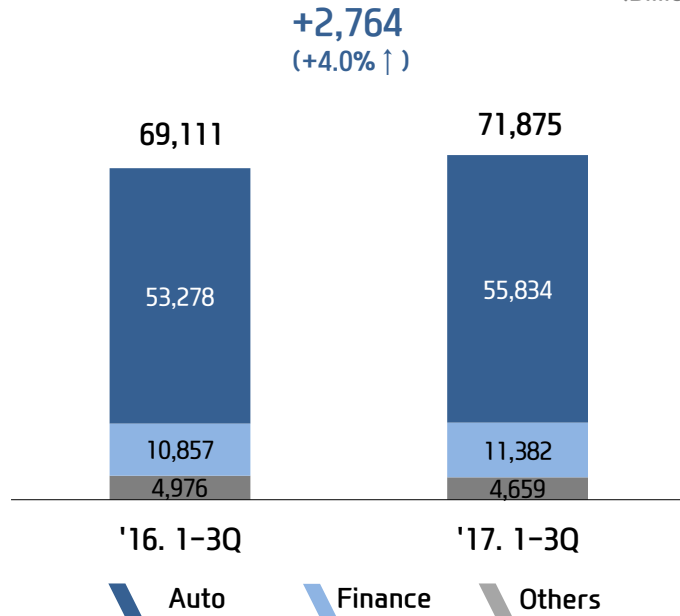
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Revenue and Operating Income Analysis



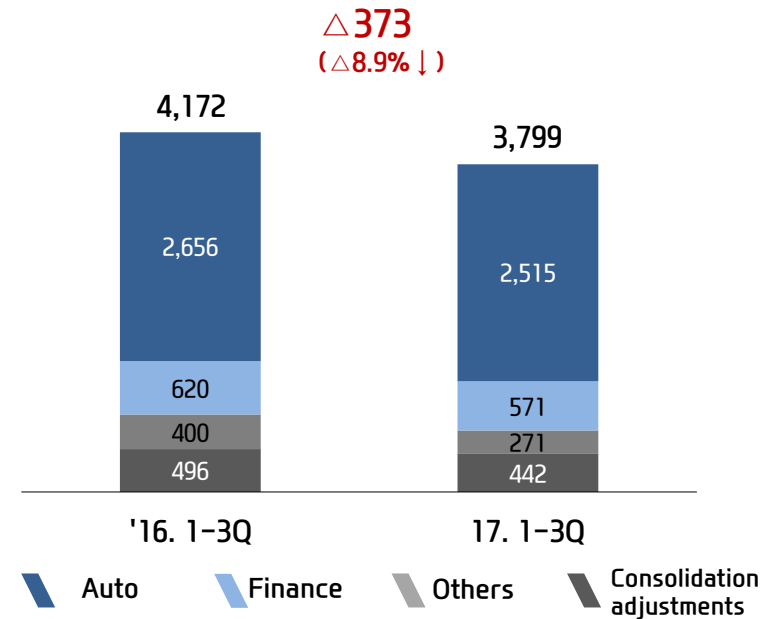
Revenue by division

(Billion KRW)



Operating income by division

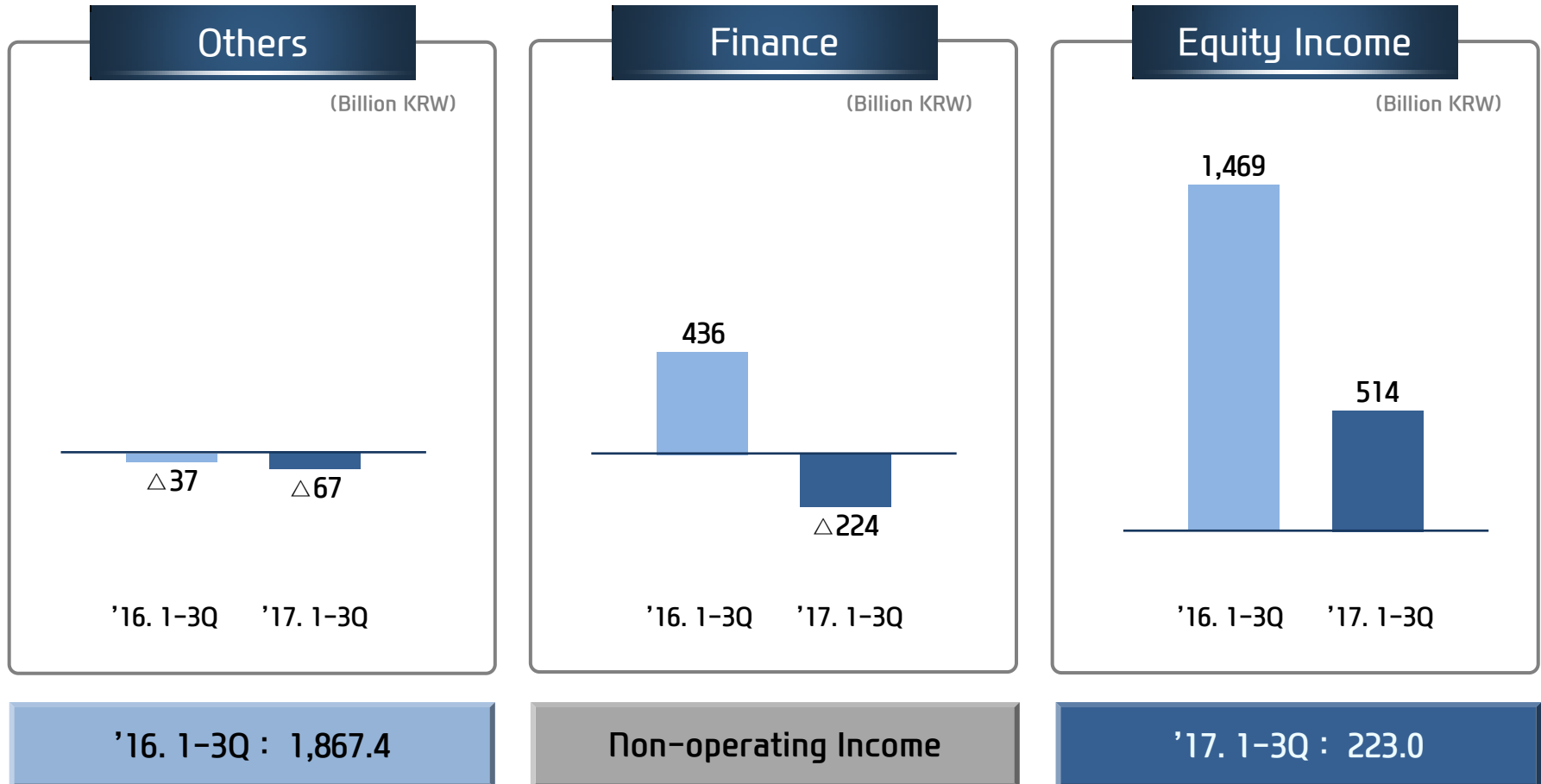
(Billion KRW)



- ▷ Auto : Solid sales in domestic and emerging markets, despite sluggish sales in the US markets
- ▷ Finance : Expanding financial products on new models

- ▷ Auto : Rising costs for recalls and incentives spending
- ▷ Finance : Loss from declining residual value in the US

Non-operating Income Analysis



- **Appendix**

- ◇ **Sales by Plant**

- ◇ **Consolidated Financial Statements**

Sales by Plant



(Billion KRW)	'16. 3Q	'16. 1-3Q	'17. 3Q	'17. 1-3Q	'17. 3Q vs '16. 3Q	'17. 1-3Q vs '16. 1-3Q
Korea (HMC)	7,997	29,685	9,742	31,786	+21.8%	+7.1%
India (HMI)	1,552	4,391	1,727	4,645	+11.3%	+5.8%
US (HMMA)	2,119	6,377	1,673	5,730	△21.0%	△10.2%
Czech (HMMC)	1,518	5,151	1,511	5,009	△0.5%	△2.8%
Turkey (HAOS)	652	2,394	744	2,292	+14.1%	△4.3%
Russia (HMMR)	553	1,411	698	2,121	+26.2%	+50.3%
Brazil (HMB)	426	1,150	643	1,729	+51.1%	+50.4%
China (BHMC)	4,437	14,036	3,002	7,573	△32.3%	△46.0%

Statement of Income



(Billion KRW)	'16. 3Q	'16. 4Q	'17. 1Q	'17. 2Q	'17. 3Q	yoy	qoq
Revenue	22,084	24,538	23,366	24,308	24,201	+9.6%	△0.4%
Gross Profit	3,894	4,533	4,293	4,727	4,340	+11.4%	△8.2%
Margin (%)	17.6	18.5	18.4	19.4	17.9		
SG&A	2,826	3,512	3,043	3,382	3,135	+11.0%	△7.3%
Portion (%)	12.8	14.3	13.0	13.9	13.0		
Operating Income	1,068	1,021	1,251	1,344	1,204	+12.7%	△10.4%
Margin (%)	4.8	4.2	5.4	5.5	5.0		
Income before tax	1,495	1,267	1,757	1,165	1,100	△26.4%	△5.5%
Margin (%)	6.8	5.2	7.5	4.8	4.5		
Net Income	1,119	1,069	1,406	914	939	△16.1%	+2.8%
Margin (%)	5.1	4.4	6.0	3.8	3.9		
Depreciation	537	573	546	552	568		
Amortization	304	334	306	307	321		
EBITDA	1,908	1,927	2,102	2,203	2,093		

Selling, General & Administrative Expenses



(Billion KRW)	'16. 1-3Q	% of Sales	'17. 1-3Q	% of Sales	yoy
Sales	69,111	100%	71,875	100%	+4.0%
Salary	2,030	2.9%	1,982	2.8%	△2.3%
Marketing	2,395	3.5%	2,536	3.5%	+5.9%
Warranties related	995	1.4%	1,302	1.8%	+30.8%
Research	665	1.0%	683	1.0%	+2.7%
Others	2,900	4.2%	3,057	4.3%	+5.4%
Total	8,984	13.0%	9,560	13.3%	+6.4%

Statement of Income by division



(Billion KRW)	'16. 3Q	'16. 4Q	'17. 1Q	'17. 2Q	'17. 3Q	yoy	qoq
Revenue	22,084	24,538	23,366	24,308	24,201	+9.6%	△0.4%
Automotive	16,618	19,406	17,823	19,187	18,824	+13.3%	△1.9%
Finance	3,767	3,195	4,097	3,571	3,714	△1.4%	+4.0%
Others	1,699	1,937	1,445	1,550	1,664	△2.1%	+7.3%
Operating Income	1,068	1,021	1,251	1,344	1,204	+12.7%	△10.4%
Automotive	216	825	1,083	877	555	+157.3%	△36.8%
Finance	161	84	179	213	179	+11.1%	△16.0%
Others	145	174	112	76	83	△42.4%	+9.9%
Adjustment	547	-62	-123	178	387	△29.2%	+117.0%

Statement of Financial Position



(Billion KRW)	End-2016	End-3Q17	Diff.	% chg.
Asset	178,836	181,488	+2,652	+1.5%
Current Asset ^(a)	72,450	73,924	+1,474	+2.0%
Liabilities^(b)	106,491	106,889	+398	+0.4%
Current Liability ^(c)	43,610	42,208	△1,402	△3.2%
Debt ^(d)	73,444	74,105	+661	+0.9%
Provision	6,973	7,023	+51	+0.7%
Equity^(e)	72,345	74,598	+2,254	+3.1%
Capital Stock	1,489	1,489	+0	+0.0%
Capital Surplus	4,203	4,201	△1	△0.0%
Retained Earnings	64,361	66,274	+1,913	+3.0%
Current Ratio ^(a/c)	166.1 %	175.1%		
Liability to Equity ^(b/e)	147.2 %	143.3%		
Debt to Equity ^(d/e)	101.5 %	99.3%		
EBITDA/Interest Exp.	31.4x	26.0x		

Cash Flows



(Billion KRW)	'16. 3Q	'16. 4Q	'17. 1Q	'17. 2Q	'17. 3Q
Beginning	6,414	7,578	7,890	6,534	7,246
Net Income	1,119	1,069	1,406	914	939
Depreciation	537	573	546	552	568
Amortization	304	334	306	307	321
Acquisitions of Tangible	△510	△897	△644	△786	△743
Acquisitions of Intangible	△300	△500	△261	△325	△352
Dividends paid	△269			△846	△269
Others	285	△266	△2,708	896	1,362
Ending	7,578	7,890	6,534	7,246	9,073