Q1 2018 Business Result

Mahindra
Rise.

SSANGYONG MOTOR

본 자료는 2018년 1분기 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.

Q1 2018 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.

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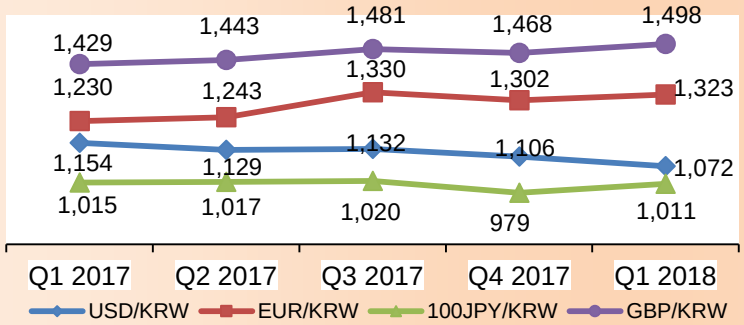
Q1 2018 Review

Market

- **Q1 2018 domestic market decrease : -0.6% (vs. Q1 2017)**
  - PC market decrease (-4.2%)
  - SUV market growth (+16.3%) with new car effect

Currency

- **F/X movements**
  (Q1 2018 USD/KRW Avg.: KRW 1,072/USD, -7.1% yoy)



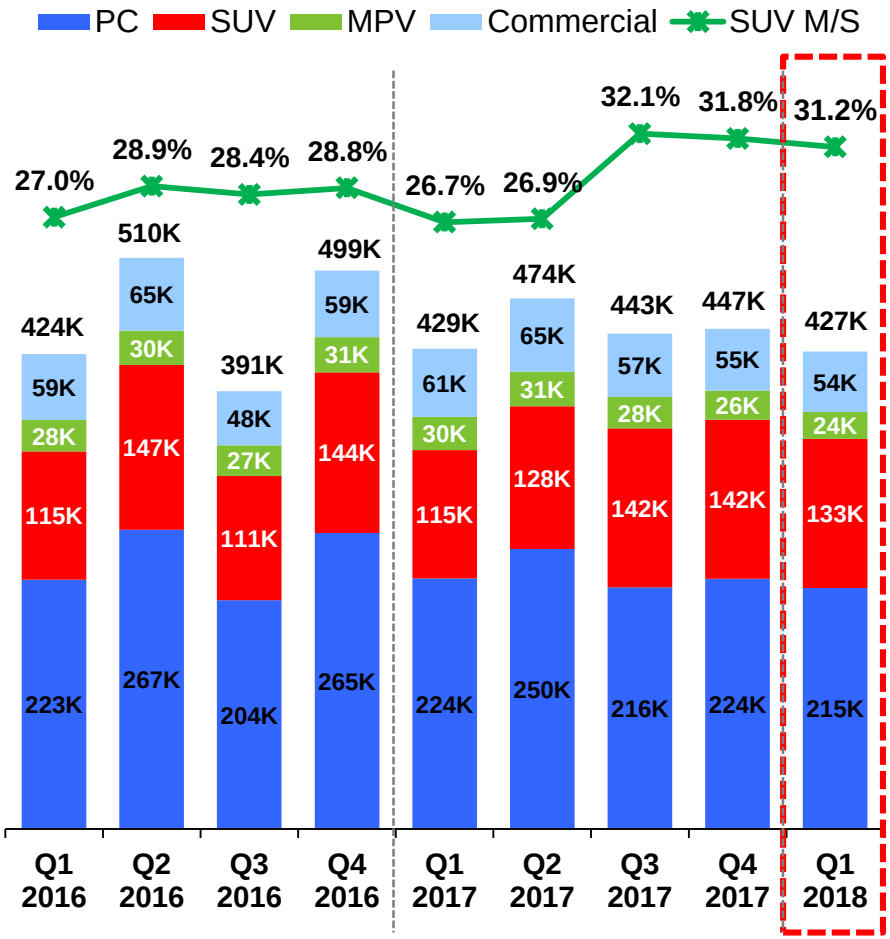
Q1 2018 avg.	Price	Chg. % (vs. Q1 2017)
USD/KRW	1,072	-7.1%
EUR/KRW	1,323	7.1%
100JPY/KRW	1,011	-2.6%
GBP/KRW	1,498	4.4%

SYMC Vehicle sales

- **Q1 2018 Total : 30,664 units (-10% vs. Q1 2017)**
  - Domestic : Steady vehicle sales with Rexton brand launch effect
    - · Rexton Sports: 8,214 units (+40%), G4 Rexton : 4,019 units (+356%)
  - Export decreased by 32% (yoy)

Domestic Market Trend

➢ Quarterly market trend
(Including imported cars)



※ Unit: vehicles
(Imported cars → PC, SUV, MPV)

- **Q1 2018 (vs. Q1 2017)**

  - Total market : -0.6%
    (Domestic makers : -4.1%, Imported : +22.6%)

  - PC : -4.2%

  - SUV : +16.3%
    (Domestic makers : +16.8%, Imported : +13.0%)

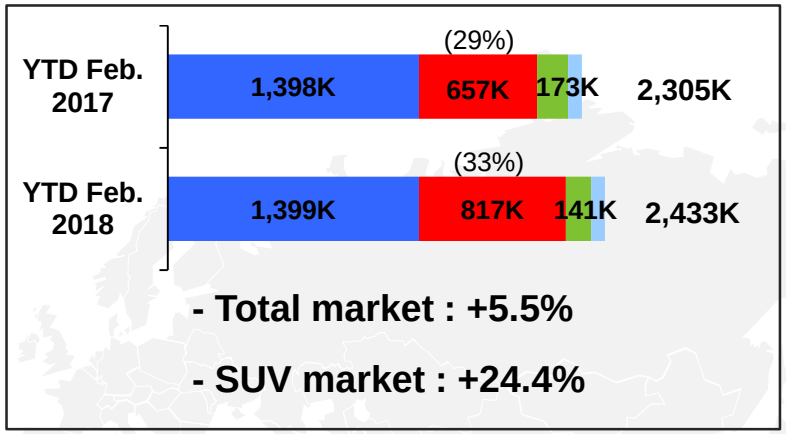
  - MPV : -16.0%

  - SUV M/S : 31.2% (+4.5%p vs. Q1 2017)

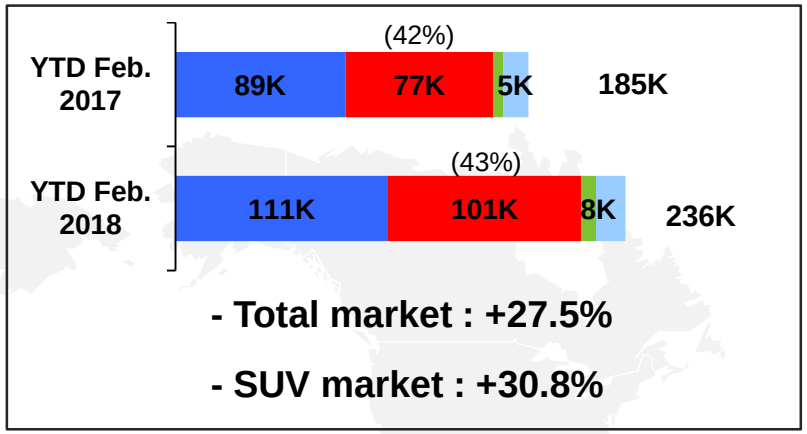
  - SYMC market share in total market: -0.1%p
    Q1 2017: Q1 2018 = 5.7% : 5.6%

Overseas Market Trend

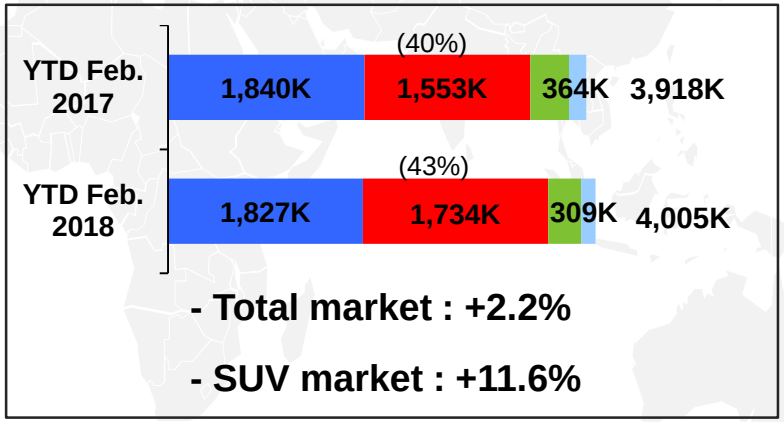
➢ Europe (28 Countries)



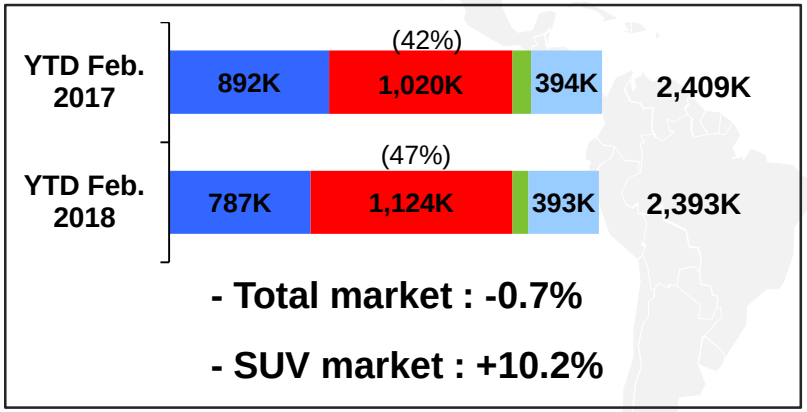
➢ Russia



➢ China



➢ USA



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

PC | SUV | MPV | Others (US Pick-up)

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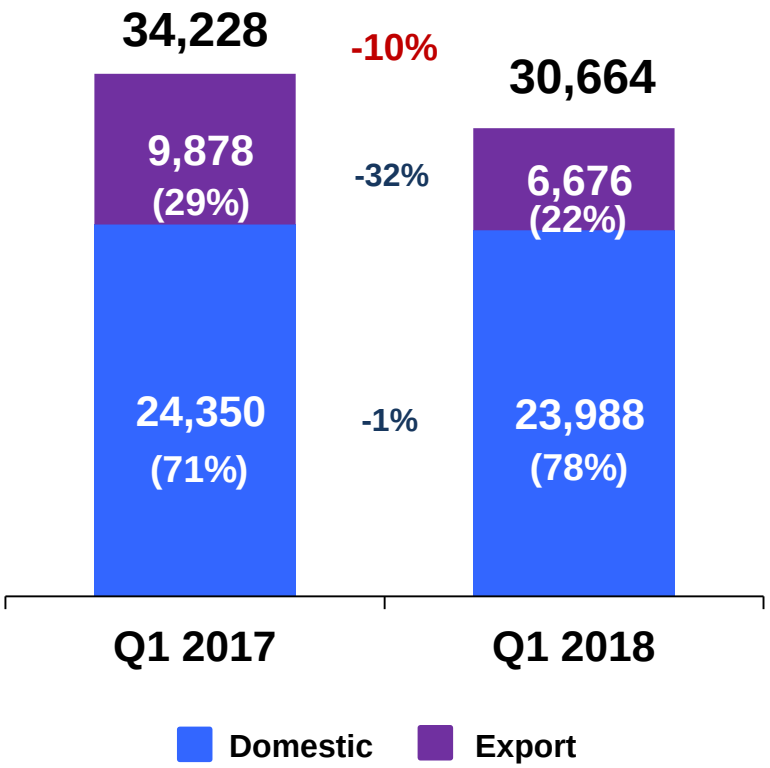
SYMC Sales Volume in Q1 2018

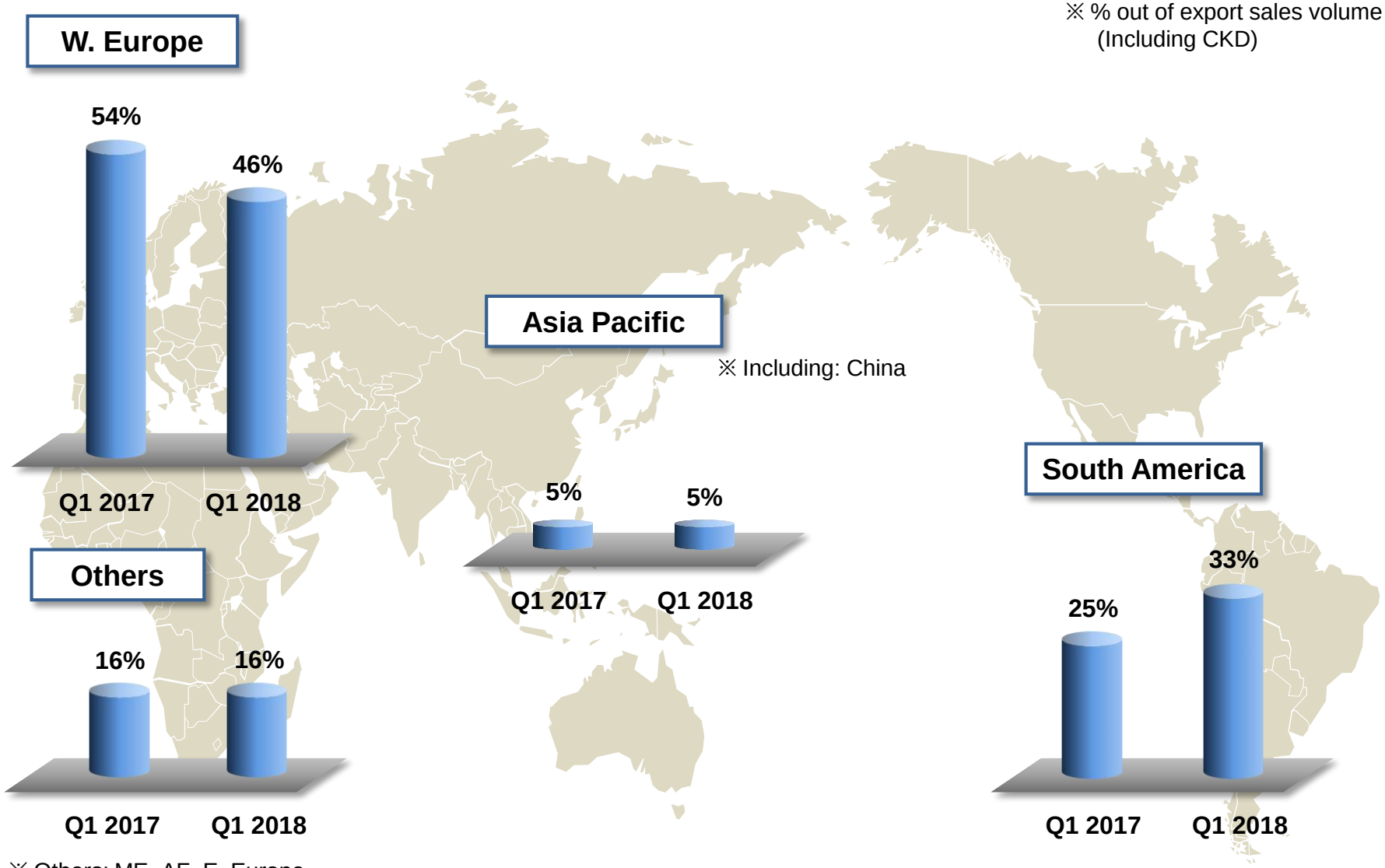


※ Unit: vehicle

- **Sales volume decrease**
  - Total sales : -3,564 units (-10%)
    - · Domestic : -362 units (-1%)
    - · Export : -3,202 units (-32%)
- **Domestic portion increase : +7%p**
  - Q1 2017 : Q1 2018 = 71% : 78%
- **G4 Rexton**
  - **A leading SUV model in SUV-E segment**
    - · 52% portion in domestic SUV-E segment
- **Sports model sales : 9,217 units**
  (+23%, vs. Q1 2017)
  - **Rexton Sports sales : 8,449 units**

Region-wise Export in Q1 2018

※ % out of export sales volume
(Including CKD)



※ Others: ME, AF, E. Europe

Income Statement(Consolidated) / Q1 2018

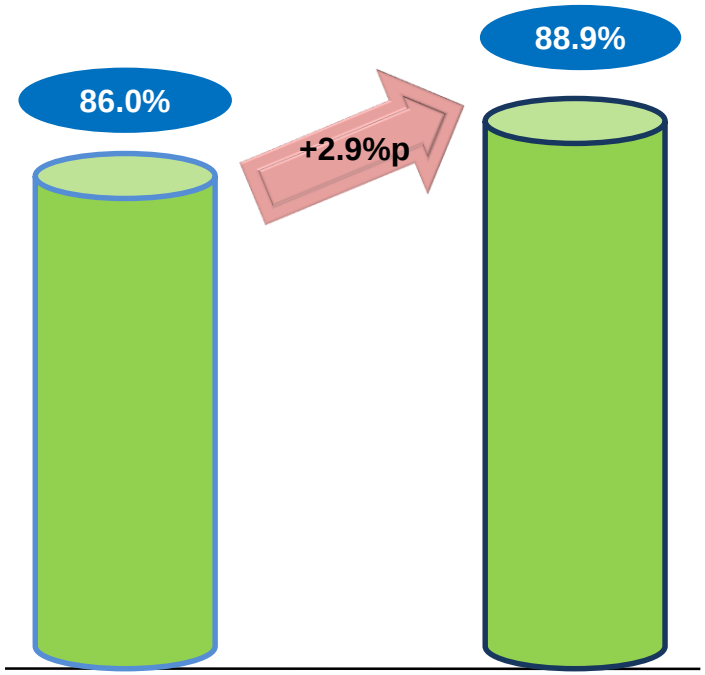
(Unit: billion krw)

Category	Q1 2017 [K-IFRS 1018]	Q1 2017 [K-IFRS 1115]	Q1 2018 [K-IFRS 1115]	vs. Q1 2017 [K-IFRS 1018]		vs. Q1 2017 [K-IFRS 1115]	
				Change	Change (%)	Change	Change (%)
Sales	788.7	781.5	808.8	20.1	2.5%	27.3	3.5%
Cost of sales	672.7	678.6	718.7	46.0	6.8%	40.1	5.9%
Gross Profit	116.0	102.9	90.1	-25.9	-22.3%	-12.8	-12.5%
SG&A	131.5	120.5	121.3	-10.2	-7.7%	0.8	0.7%
Operating Profit	**-15.5**	**-17.6**	**-31.3**	**-15.8**	**-**	**-13.7**	**-**
OP margin %	**-2.0%**	**-2.2%**	**-3.9%**	**-1.9%p**	**-**	**-1.7%p**	**-**
PAT	**-13.9**	**-15.3**	**-34.2**	**-20.3**	**-**	**-18.9**	**-**

Operating Costs / Q1 2018

➢ **vs. Q1 2017 (K-IFRS 1115)**

Cost of sales %

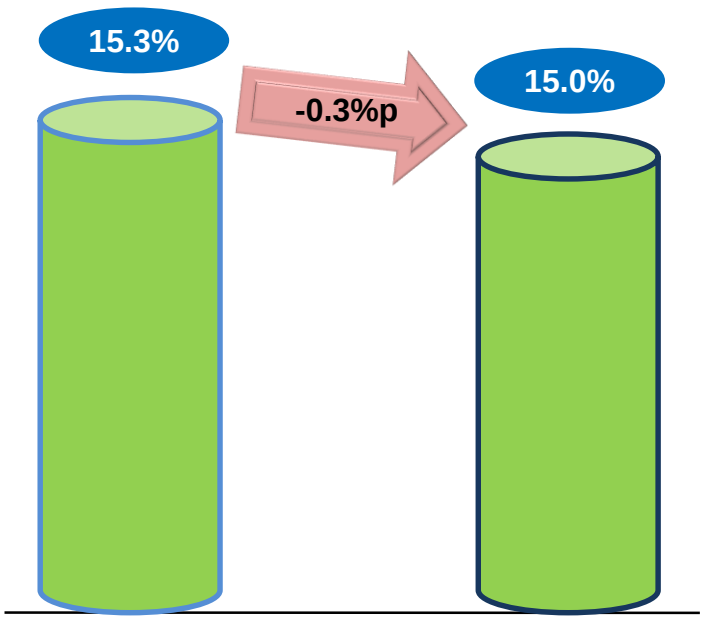


Q1 2017
[K-IFRS 1115]

Q1 2018
[K-IFRS 1115]

※ (Cost of Sales/Sales)*100

SG&A expense %



Q1 2017
[K-IFRS 1115]

Q1 2018
[K-IFRS 1115]

※ (SG&A expenses/Sales)*100

SYMC Focus in 2018

Vehicle sales

- G4 Rexton & Rexton Sports : Production increase with day-time 2-shift implementation from April
- New market penetration
  - India CKD (G4 Rexton) in H2
  - Brazil, Australia, etc.

New car development

- 2019 : SUV model (Korando C FMC)
- Electric vehicle & Connected car

Cost management

- Cost reduction program with part suppliers
- Working expenses control
- SY Auto Capital

Profitability Improvement