SSANGYONG MOTOR COMPANY

2019 Annual Business Result

오픈형 렉스턴, Life is Open
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.
Contents

I. 2019 Review

II. Market analysis

III. Performance analysis

IV. Financials
   - Income Statement

V. SYMC Focus in 2020 & Beyond
**Vehicle Sales**

- Total: 135,235 units (-8,074 units, -6% yoy)
- Domestic (-1%): Despite vehicle sales increase in 1st half thanks to new cars’ launch effect, slight slowing due to competition intensified by new cars’ launch by competitors in 2nd half
- Export (-20%): Asia Pacific and E. Europe grew despite de-growth in all other regions

**Korando**

- Total vehicle sales: 23,481 units (+15,441 units, +192% vs. 2018)
  - Dom.: +13,803 units, +382% / Exp.: +1,638 units, +37%
- Sales increase trend after gasoline model launch in August

**Labor Relations**

- Self-rescue program agreement for the business normalization
- No production interruption for 10 consecutive years
- Stable relationship between management and labor union
Market Trend / Domestic - Quarterly

- **Q4 2019 (vs. Q4 2018)**
  - Total market: +1.7%
    (Domestic makers: -0.6%, Imported: +16.9%)
  - PC: -2.4%
  - SUV: +16.0% with new cars’ launch and expected tax support termination
    (Domestic makers: +12.9%, Imported: +40.2%)
  - SUV M/S: 39.2% (+4.8%p vs. Q4 2018)
  - SYMC market share
    - Total market: 5.7% (-0.7%p yoy)
    - SUV market: 14.5% (-3.8%p yoy)

※ Unit: vehicles
※ Imported cars → PC, SUV, MPV / Pick-up: SUV
Yearly market trend (Including imported cars)

- **2019 (vs. 2018)**
  - Total market: -1.8%
    - (Domestic makers: -0.9%, Imported: -7.4%)
  - PC: -7.3%
  - SUV: +9.7% due to new car launch effect
    - (Domestic makers: +10.4%, Imported: +5.0%)
  - SUV M/S: 36.7% (+3.8%p vs. 2018)
  - SYMC market share
    - Total market: 6.1% (+0.1%p yoy)
    - SUV market: 16.4% (-1.4%p yoy)

※ Unit: vehicles
※ Imported cars → PC, SUV, MPV / Pick-up: SUV
### SYMC Sales Volume / Q4 2019

(Unit: vehicle)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Diff.</th>
<th>Chg. %</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>31,068</td>
<td>27,859</td>
<td>-3,209</td>
<td>-10%</td>
<td>- Korando: 6,170 units (+5,220 units)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>→ Sales volume increase trend thanks to</td>
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<td></td>
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<td></td>
<td></td>
<td>Korando Gasoline model launch</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>- Tivoli brand: 7,276 units (-5,455 units)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>→ Intensified competition by competitors'</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>launch of new cars</td>
</tr>
<tr>
<td>Portion</td>
<td>76%</td>
<td>82%</td>
<td>+6%p</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export (Including CKD)</td>
<td>9,995</td>
<td>6,013</td>
<td>-3,982</td>
<td>-40%</td>
<td>- Region-wise</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Middle East &amp; Africa: 1,303 units (+111%)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• W. Europe: 2,613 units (-47%)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Asia pacific: 1,021 units (-43%)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• South America: 562 units (-77%)</td>
</tr>
<tr>
<td>Portion</td>
<td>24%</td>
<td>18%</td>
<td>-6%p</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>41,063</td>
<td>33,872</td>
<td>-4,010</td>
<td>-18%</td>
<td>- Korando: 8,720 units (+5,991 units)</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>2019</td>
<td>Diff.</td>
<td>Chg. %</td>
<td>Remark</td>
</tr>
<tr>
<td>---------------------</td>
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<td>------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| **Domestic**        | 109,140| 107,789| -1,351| -1%    | - New cars’ launch effect  
  - Korando: 17,413 units (+13,803 units)  
  - Steady sales volume of Sports models  
  - Sports models: 41,330 units (-691 units) |
| **Export**          | 34,169 | 27,446 | -6,723| -20%   | - Region-wise  
  - E. Europe: 1,745 units (+135%)  
  - Asia pacific: 6,266 units (+44%)  
  - W. Europe: 12,039 units (-14%)  
  - South America: 4,473 units (-51%)  
  - Middle East & Africa: 2,923 units (-51%) |
| **Total**           | 143,309| 135,235| -8,074| -6%    | - Korando: 23,481 units (+15,441 units)  
  - Sports models: 47,009 units (-2,358 units) |
Region-wise Export / 2019 Annual

※ % out of export sales volume (Including CKD)

W. Europe

- 2018: 41%
- 2019: 44%

Asia Pacific

- 2018: 12%
- 2019: 23%

※ Including: India, Australia

Others

- 2018: 20%
- 2019: 17%

South America

- 2018: 27%
- 2019: 16%

※ Others: ME, AF, E. Europe
### Income Statement (Consolidated) / Q4 2019

(Unit: Billion krw)

<table>
<thead>
<tr>
<th>Category</th>
<th>Q4 2018 Value</th>
<th>%</th>
<th>Q4 2019 Value</th>
<th>%</th>
<th>Diff, Value</th>
<th>Chg. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue</td>
<td>1,052.7</td>
<td></td>
<td>919.2</td>
<td></td>
<td>-133.5</td>
<td>-12.7%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>910.5</td>
<td>86.5%</td>
<td>881.5</td>
<td>95.9%</td>
<td>-29.0</td>
<td>+9.4%p</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>142.2</td>
<td>13.5%</td>
<td>37.7</td>
<td>4.1%</td>
<td>-104.5</td>
<td>-9.4%p</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>145.7</td>
<td>13.8%</td>
<td>137.5</td>
<td>15.0%</td>
<td>-8.2</td>
<td>+1.1%p</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>-3.5</td>
<td>-0.3%</td>
<td>-99.8</td>
<td>-10.9%</td>
<td>-96.3</td>
<td>-10.5%p</td>
</tr>
<tr>
<td>PAT</td>
<td>-4.0</td>
<td>-0.4%</td>
<td>-155.9</td>
<td>-17.0%</td>
<td>-151.9</td>
<td>-16.6%p</td>
</tr>
<tr>
<td>EBITDA</td>
<td>53.4</td>
<td>5.1%</td>
<td>-22.0</td>
<td>-2.4%</td>
<td>-75.4</td>
<td>-7.5%p</td>
</tr>
</tbody>
</table>

※ EBITDA: Standalone
## Income Statement (Consolidated) / 2019 Annual

### Category

<table>
<thead>
<tr>
<th>Category</th>
<th>2018 Value</th>
<th>2018 %</th>
<th>2019 Value</th>
<th>2019 %</th>
<th>Diff, Value</th>
<th>Chg. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue</td>
<td>3,704.8</td>
<td></td>
<td>3,623.9</td>
<td></td>
<td>-80.9</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>3,242.5</td>
<td>87.5%</td>
<td>3,356.3</td>
<td>92.6%</td>
<td>+113.8</td>
<td>+5.1%p</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>462.3</td>
<td>12.5%</td>
<td>267.6</td>
<td>7.4%</td>
<td>-194.7</td>
<td>-5.1%p</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>526.4</td>
<td>14.2%</td>
<td>549.5</td>
<td>15.2%</td>
<td>+23.0</td>
<td>+1.0%p</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>-64.2</td>
<td>-1.7%</td>
<td>-281.9</td>
<td>-7.8%</td>
<td>-217.7</td>
<td>-6.0%p</td>
</tr>
<tr>
<td>PAT</td>
<td>-61.8</td>
<td>-1.7%</td>
<td>-341.4</td>
<td>-9.4%</td>
<td>-279.5</td>
<td>-7.8%p</td>
</tr>
<tr>
<td>EBITDA</td>
<td>152.3</td>
<td>4.1%</td>
<td>0.2</td>
<td>0.0%</td>
<td>-152.1</td>
<td>-4.1%p</td>
</tr>
</tbody>
</table>

※ EBITDA: Standalone
## 2020 & Beyond

### Short term

**Vehicle Sales**
- Focus on export business
  - New market entry: Middle East & Africa
  - Saudi Arabia CKD project in 2021

**New Car**
- Marketability improvement models’ introduction in 2020
- Electric car launch in early 2021

**Cost Reduction**
- Self-rescue program
  - Wage cut & Welfare suspension

### Long term

- Export localization driving

- New RV models, EV models to be launched in next 2-4 years

- Joint development & purchase
  - Platform sharing

### Fundamental Improvement

(R&D cost ↓ / Production cost ↓)