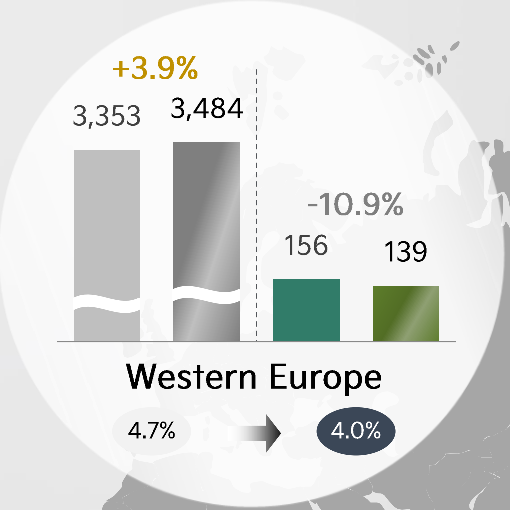
Kia Corporation Investor Presentation

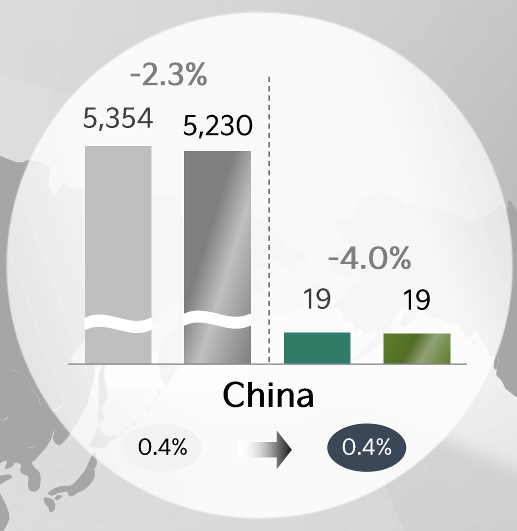
Sept. 2024

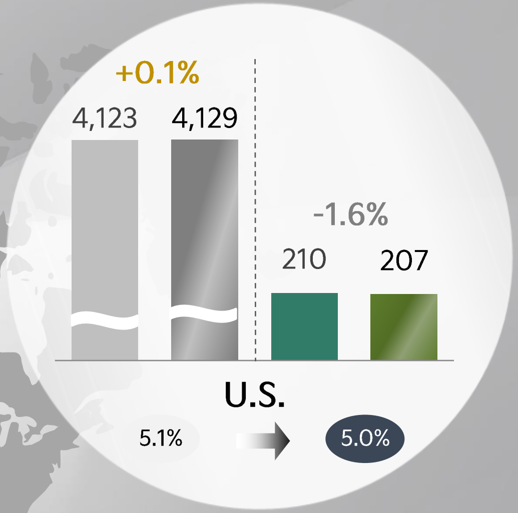
Movement that inspires

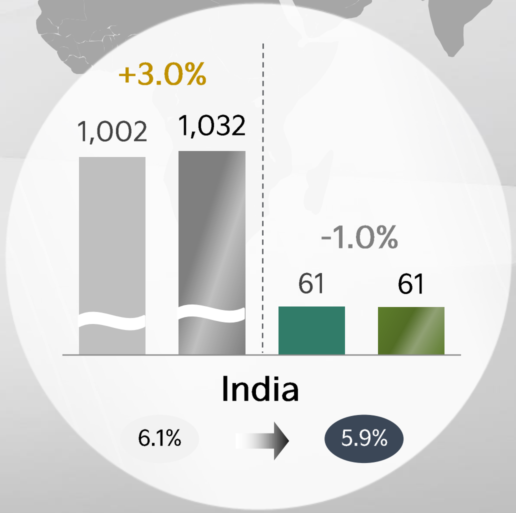
Global Retail Sales

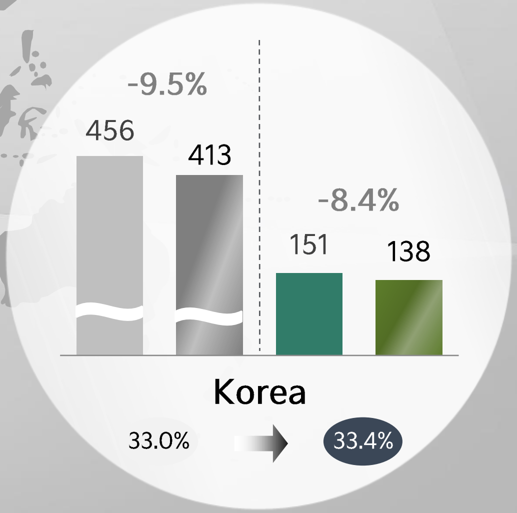
(Units : '000, %)



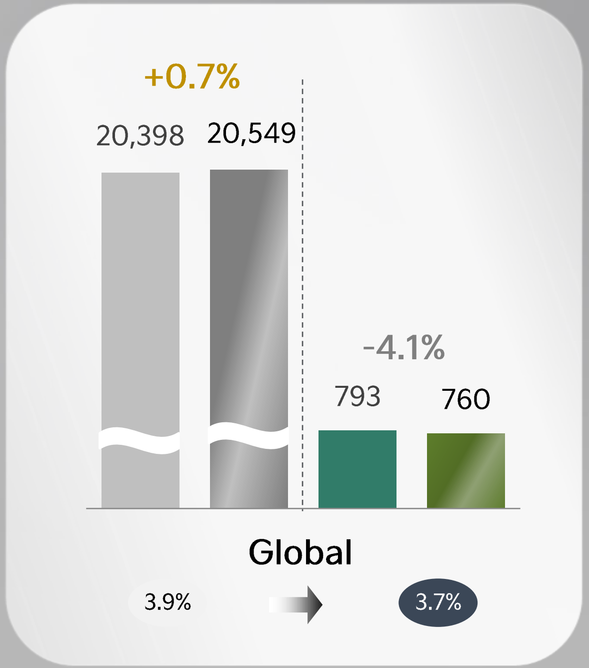








Region	2Q23	2Q24	YoY
Rest of World	194	200	+3.2%
Russia (Region)	14	11	-18.0%
MEA	53	55	+3.7%
Latin America	33	35	+6.4%
Asia Pacific	41	42	+2.6%



2Q23 Industry Total
2Q24 Industry Total
2Q23 Kia Sales
2Q24 Kia Sales
2Q23 Market Share
2Q24 Market Share

* Western Europe industry demand : ACEA, China/India sales : Wholesale ※ CKD / Special Vehicles Included

Wholesale by Region

(Units : '000)	2Q23	2Q24	YoY (%)
Wholesale	808	795	-1.6%
Korea	151	138	-8.4%
North America	261	278	+6.4%
U.S.	215	225	+4.3%
Europe	167	146	-12.5%
Western Europe	158	138	-12.5%
India	61	61	-1.0%
China	19	19	-4.0%
Russia & CIS	12	14	+19.2%
MEA	58	57	-2.0%
Latin America	36	39	+7.3%
Asia-Pacific	42	43	+4.6%

※ CKD / Special Vehicles Included

※ Special Vehicles : [2Q23] 1.6k units (Korea 0.5k units, Overseas 1.1k units) → [2Q24] 1.3k units (Korea 0.5k units, Overseas 0.8k units)

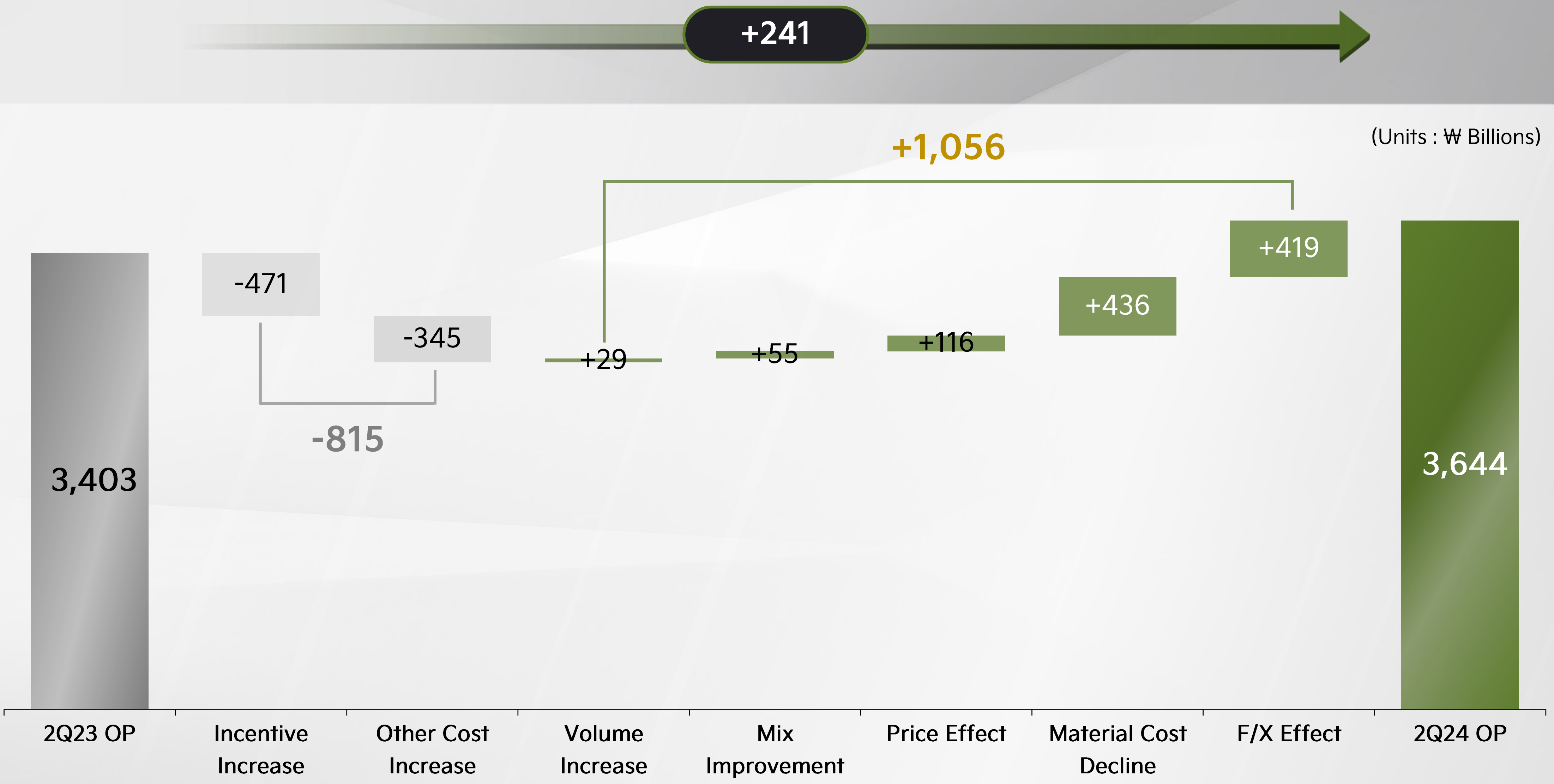
Consolidated Income Statement

(Units : ₩ Billion)	2Q23	(% of sales)	2Q24	(% of sales)	YoY (%)
Sales Revenue	**26,244**	***100%***	**27,568**	***100%***	***+5.0%***
Cost of Sales	20,178	*76.9%*	20,922	*75.9%*	*+3.7%*
Gross Profit	**6,066**	***23.1%***	**6,646**	***24.1%***	***+9.5%***
SG&A	2,663	*10.1%*	3,002	*10.9%*	*+12.7%*
Operating Profit	**3,403**	***13.0%***	**3,644**	***13.2%***	***+7.1%***
Pre-tax Profit	**3,682**	***14.0%***	**4,040**	***14.7%***	***+9.7%***
Net Profit	**2,817**	***10.7%***	**2,957**	***10.7%***	***+5.0%***

※ Consolidated Sales Unit : [2Q23] 770,451 units → [2Q24] 759,131 units (-11,320 units, -1.5%)

※ Average F/X Rate : USD/KRW [2Q23] ₩1,315 → [2Q24] ₩1,371 (+₩56↑, +4.3%)

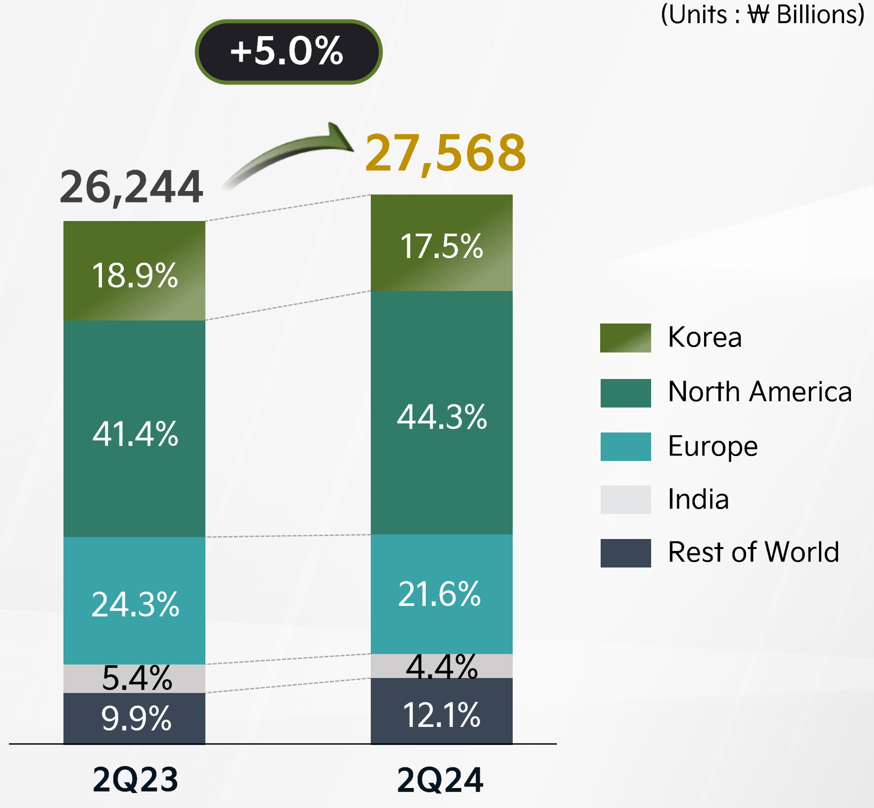
Operating Profit Analysis



※ Other cost : - ₩182.4bn for warranty expense, etc.

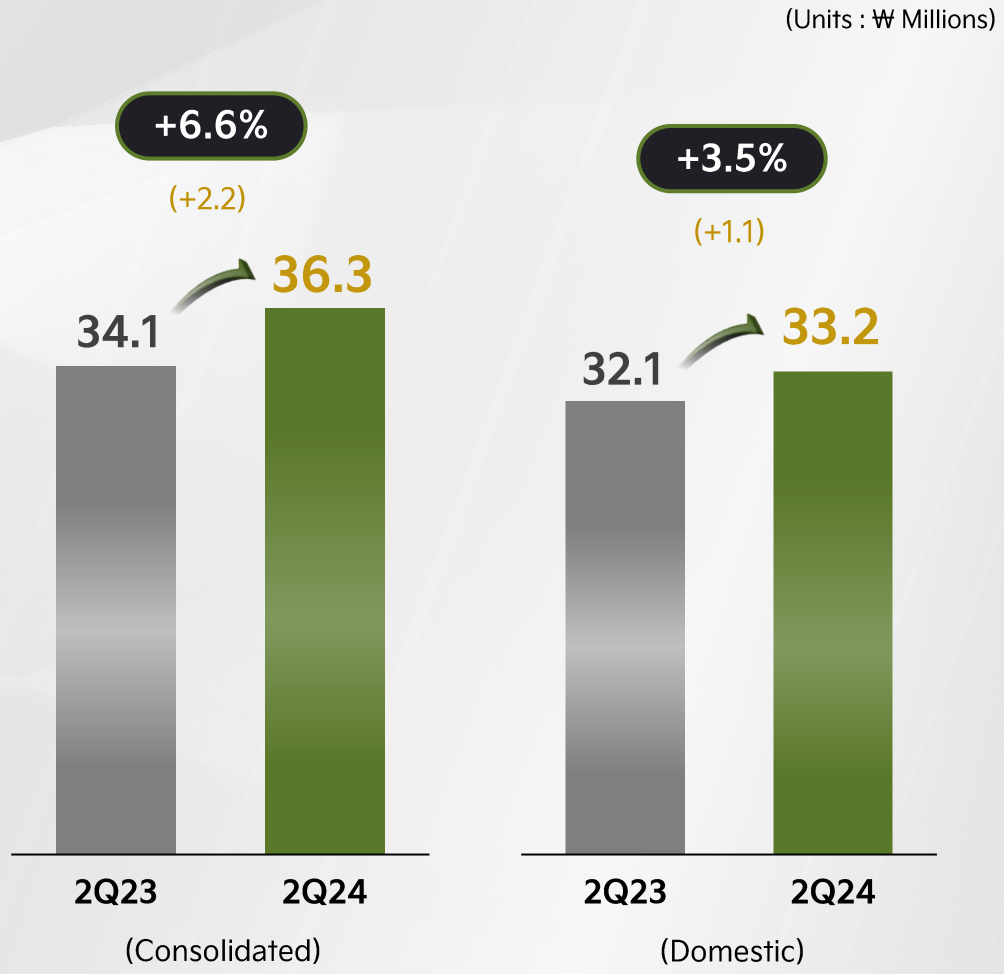
Revenue Analysis

Revenue by Region



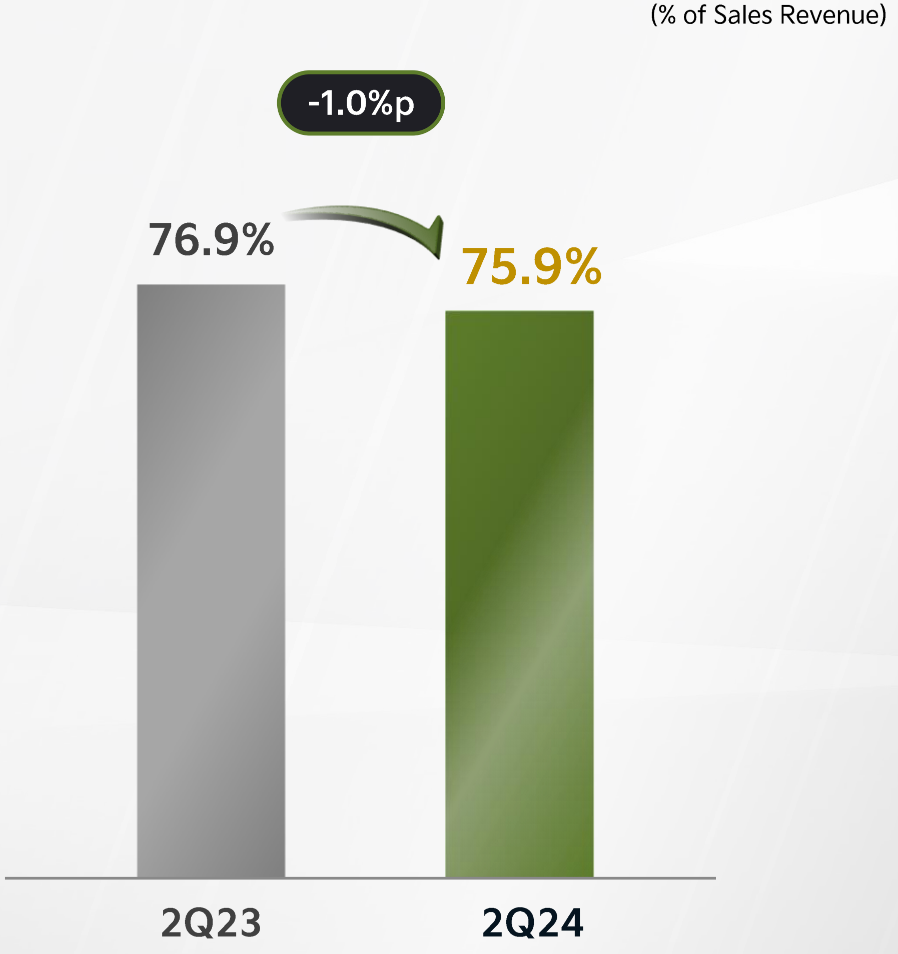
* Korea : Korea plant's domestic revenue
* North America : US, Canada, Mexico wholesale revenue + export revenue
* Europe : Europe, Russia wholesale revenue + export revenue
* India : India wholesale + export revenue
* Rest of World : Korea plant's direct export revenue, Asia-Pacific wholesale revenue

ASP

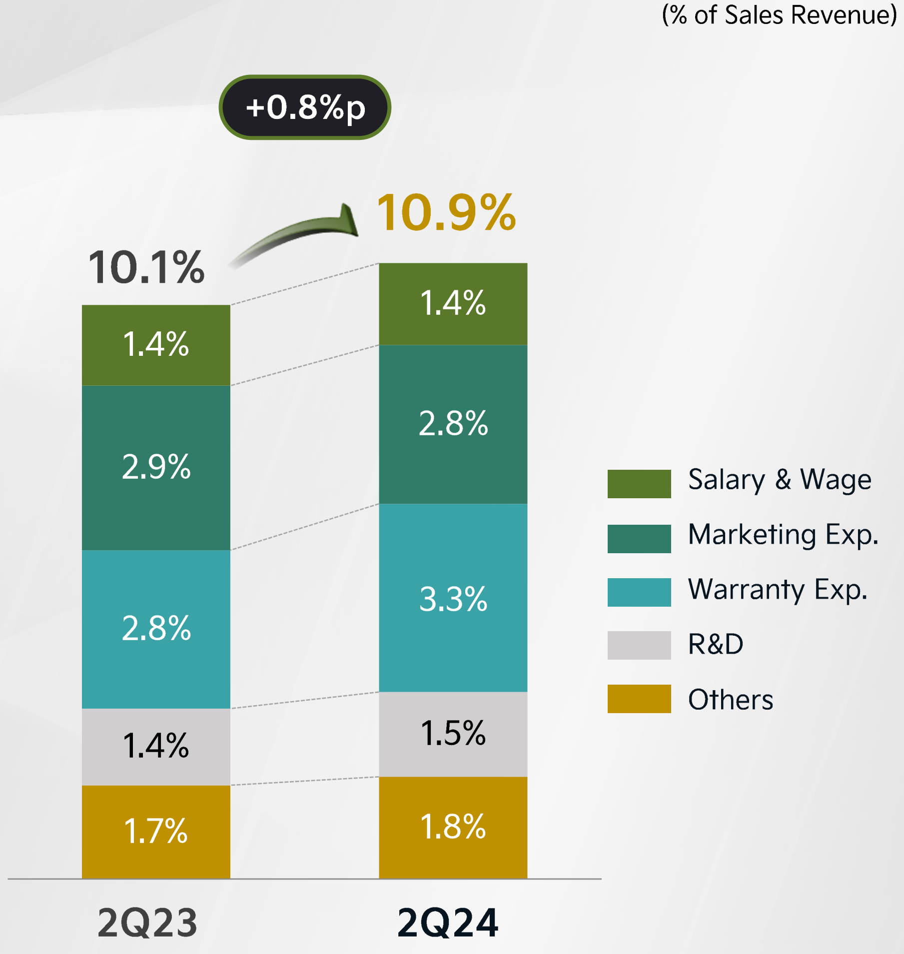


COS & SG&A

Cost of Sales Ratio



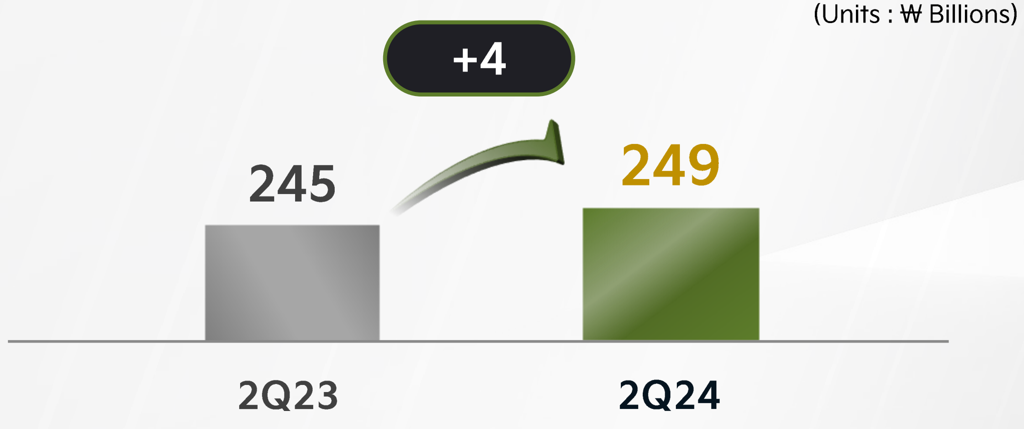
SG&A Expense



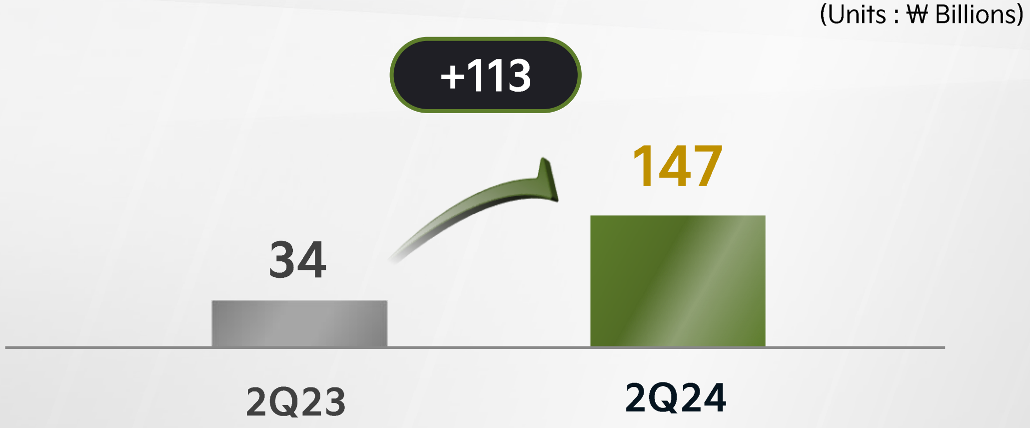
* Marketing Expenses :
Advertising + Sales Promotion + Overseas Marketing + Sales Commission

Non-Operating Items

Equity Income (a)



Financial & Other Income / Expense (b)



Non-OP Income (a+b)

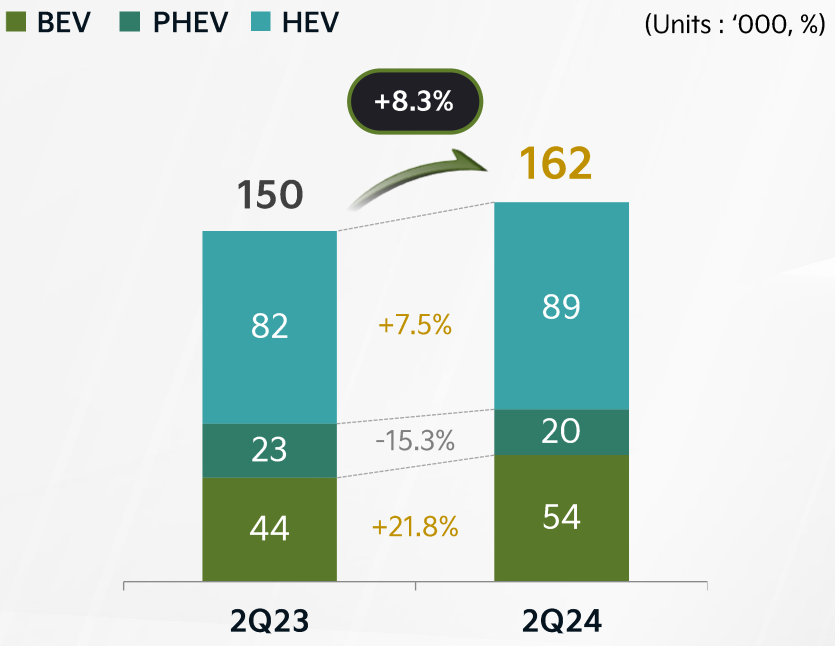
Consolidated Balance Sheet

(Units : ₩ Billions)	2023 Year-end	2Q24-end	Change
Assets	**80,628**	**86,046**	*+5,418*
Current Assets	37,466	38,955	*+1,488*
*Cash (a)	20,533	19,434	*-1,099*
Liabilities (b)	**34,070**	**35,214**	*+1,145*
Current Liabilities	25,674	26,821	*+1,147*
Debt (c)	3,800	3,234	*-566*
*Net Cash (a) - (c)	16,733	16,200	*-533*
Equity (d)	**46,558**	**50,832**	*+4,273*
Liabilities to Equity Ratio (b)/(d)	**73.2%**	**69.3%**	*-3.9%p*

* Cash = Cash & Cash Equivalents + ST Financial Instruments + ST Available-for-sale Financial Assets

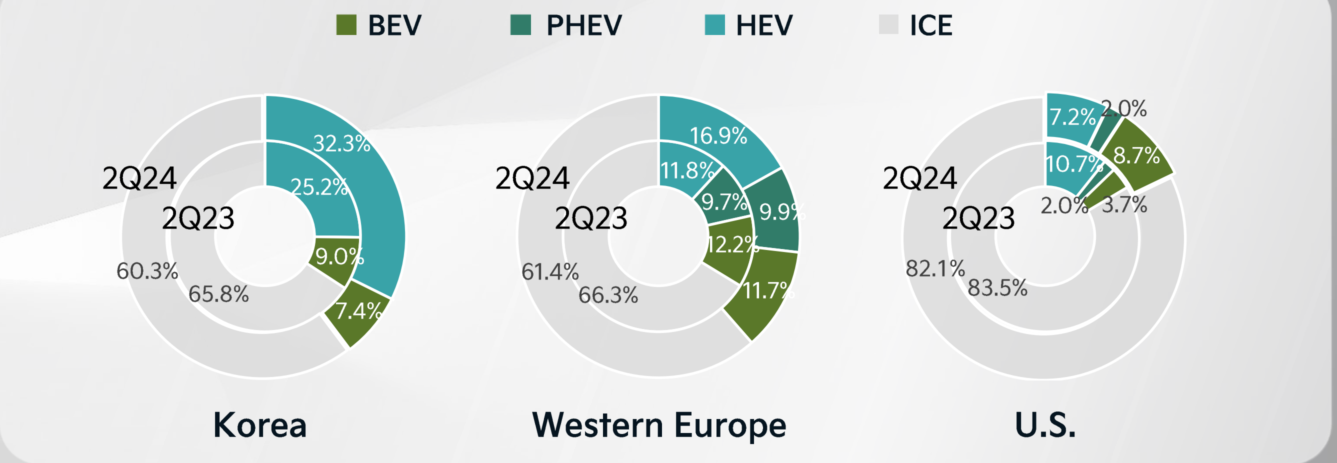
Green Car Sales Summary

Global Retail Sales

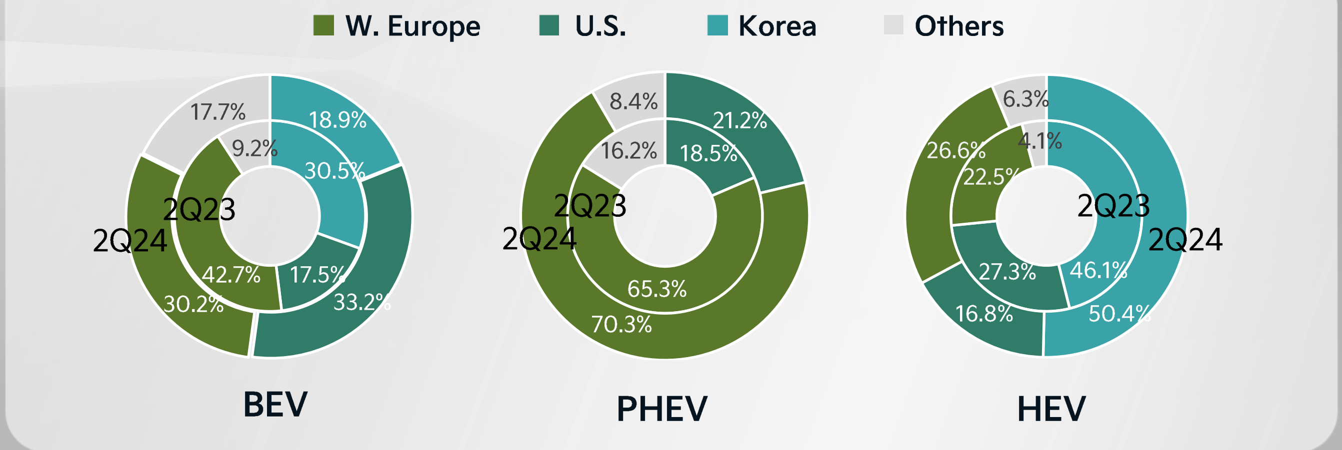


% of Sales	2Q23	2Q24
HEV	10.4%	11.7%
PHEV	2.9%	2.6%
BEV	5.6%	7.1%
xEV	18.9%	21.4%
ICE	81.1%	78.6%
Total Sales (units)	793k	760k

Green Car Sales Contribution in Major Markets



Market Division of Green Car Sales by Type

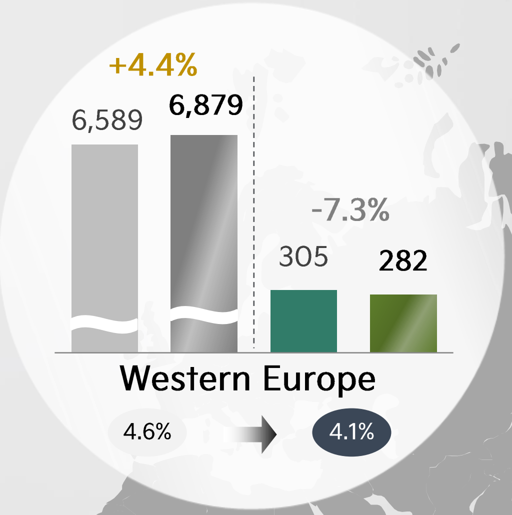


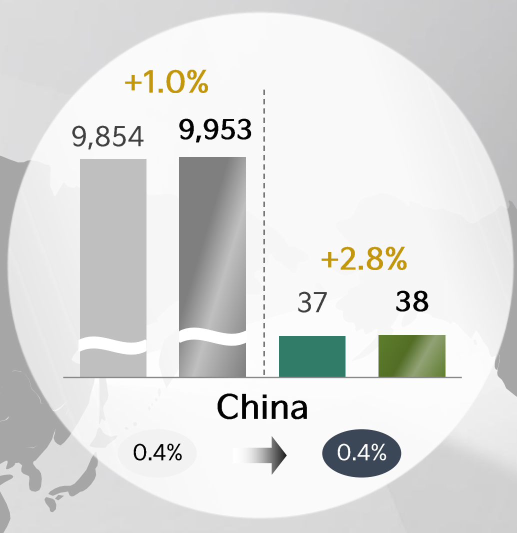
Appendix

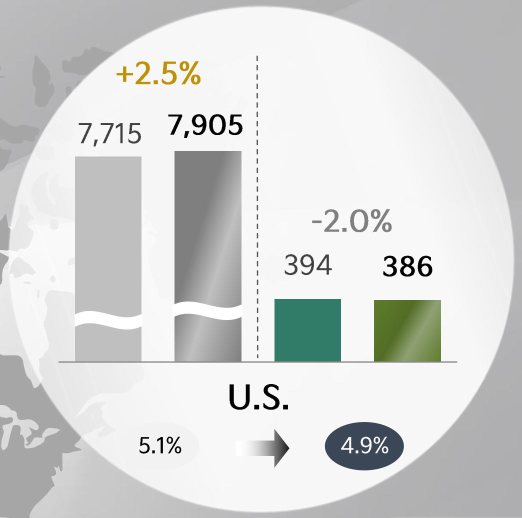
- Global Retail Sales (1H)
- Consolidated Income Statement (1H)
- Cash Flow Highlights
- Sales Performance by Market (Korea, U.S., Western Europe, India, China)
- Global Market Share Trend

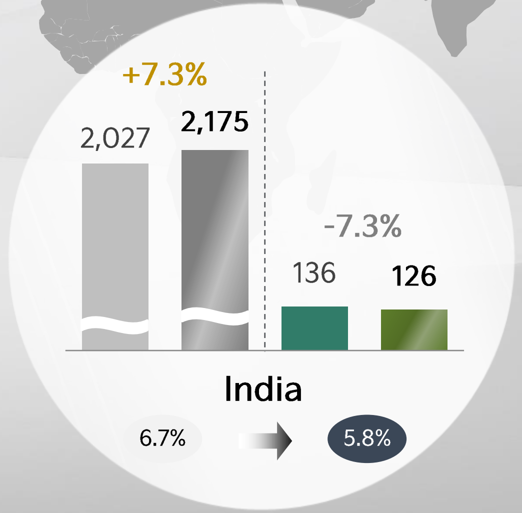
Global Retail Sales (1H)

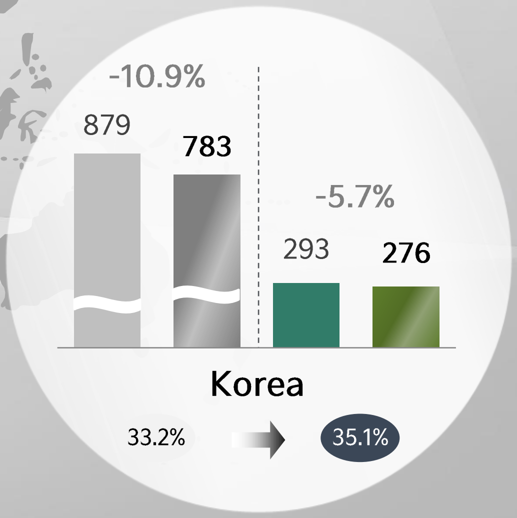
(Units : ‘000, %)



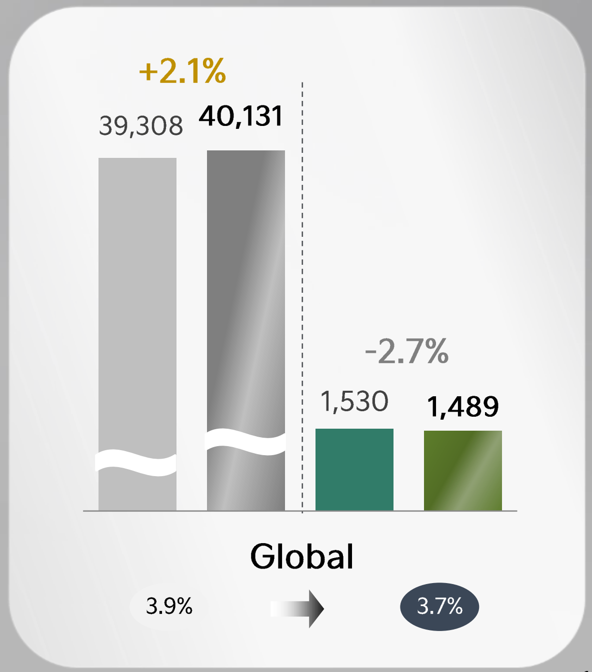








Region	1H23	1H24	YoY
Rest of World	375	391	+4.1%
Russia (Region)	26	25	-6.3%
MEA	103	109	+5.8%
Latin America	64	68	+6.3%
Asia Pacific	103	111	+8.1%



1H23 Industry Total | 1H23 Kia Sales | 1H23 Market Share
1H24 Industry Total | 1H24 Kia Sales | 1H24 Market Share

* Western Europe industry demand : ACEA, China/India sales : Wholesale ※ CKD / Special Vehicles Included

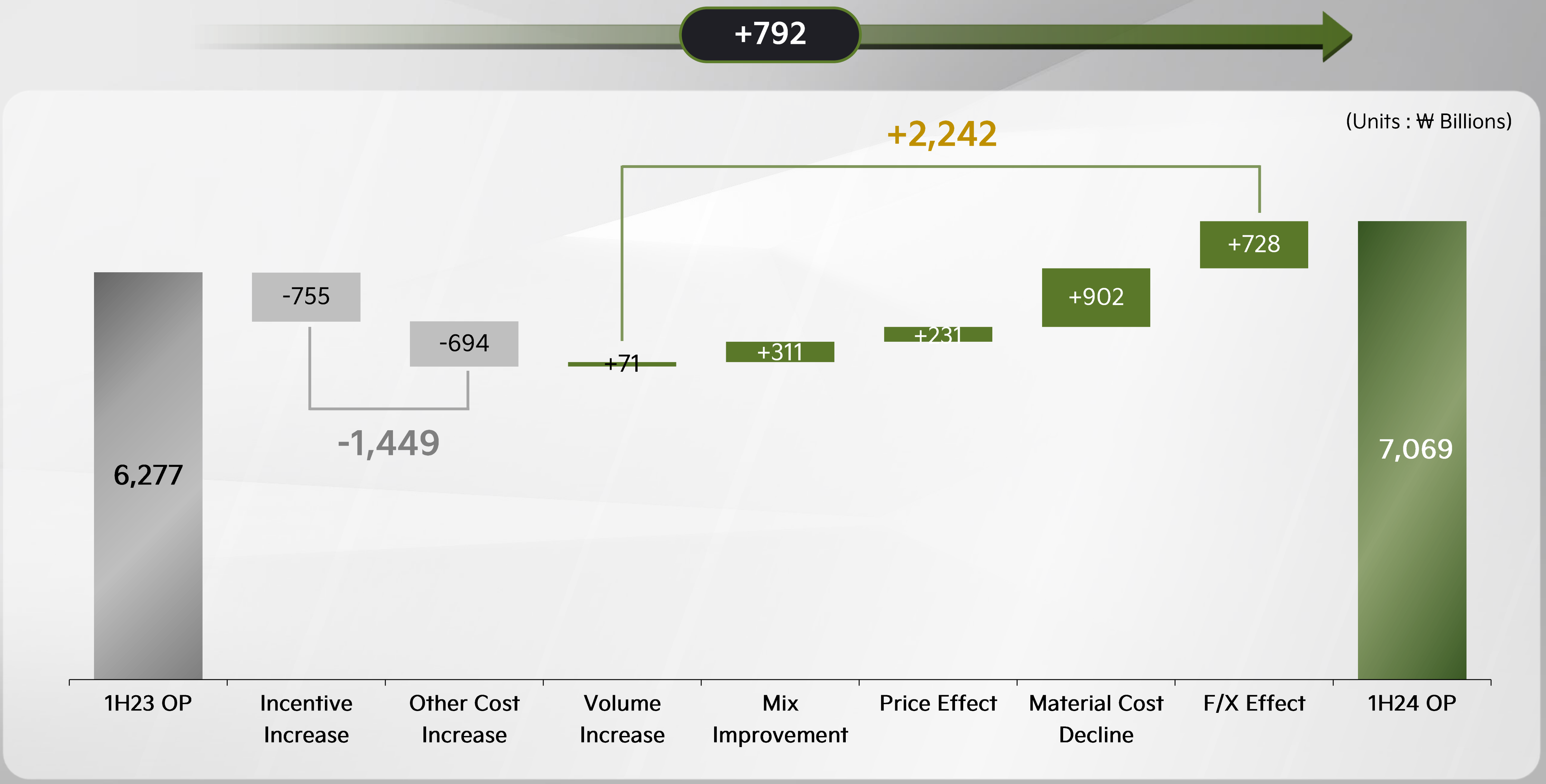
Consolidated Income Statement (1H)

(Units : ₩ Billion)	1H23	(% of sales)	1H24	(% of sales)	YoY (%)
Sales Revenue	**49,935**	***100%***	**53,781**	***100%***	***+7.7%***
Cost of Sales	38,495	*77.1%*	40,899	*76.0%*	*+6.2%*
Gross Profit	**11,440**	***22.9%***	**12,882**	***24.0%***	***+12.6%***
SG&A	5,163	*10.3%*	5,812	*10.8%*	*+12.6%*
Operating Profit	**6,277**	***12.6%***	**7,069**	***13.1%***	***+12.6%***
Pre-tax Profit	**6,824**	***13.7%***	**7,825**	***14.5%***	***+14.7%***
Net Profit	**4,937**	***9.9%***	**5,766**	***10.7%***	***+16.8%***

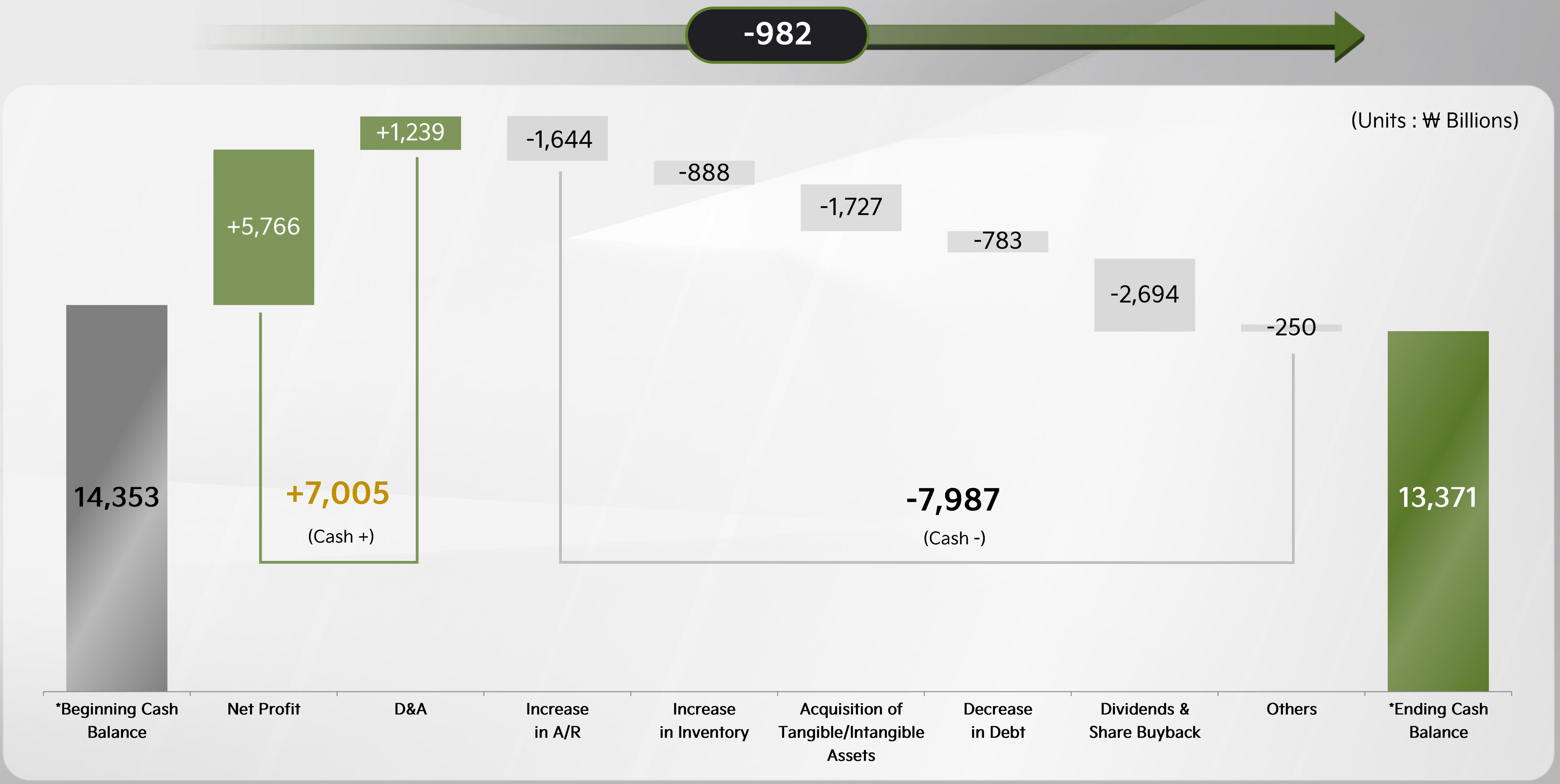
※ Consolidated Sales Unit : [1H23] 1,506,038 units → [1H24] 1,484,559 units (-21,479 units, -1.4%)

※ Average F/X Rate : USD/KRW [1H23] ₩1,295 → [1H24] ₩1,350 (+₩55↑, +4.2%)

Operating Profit Analysis (1H)



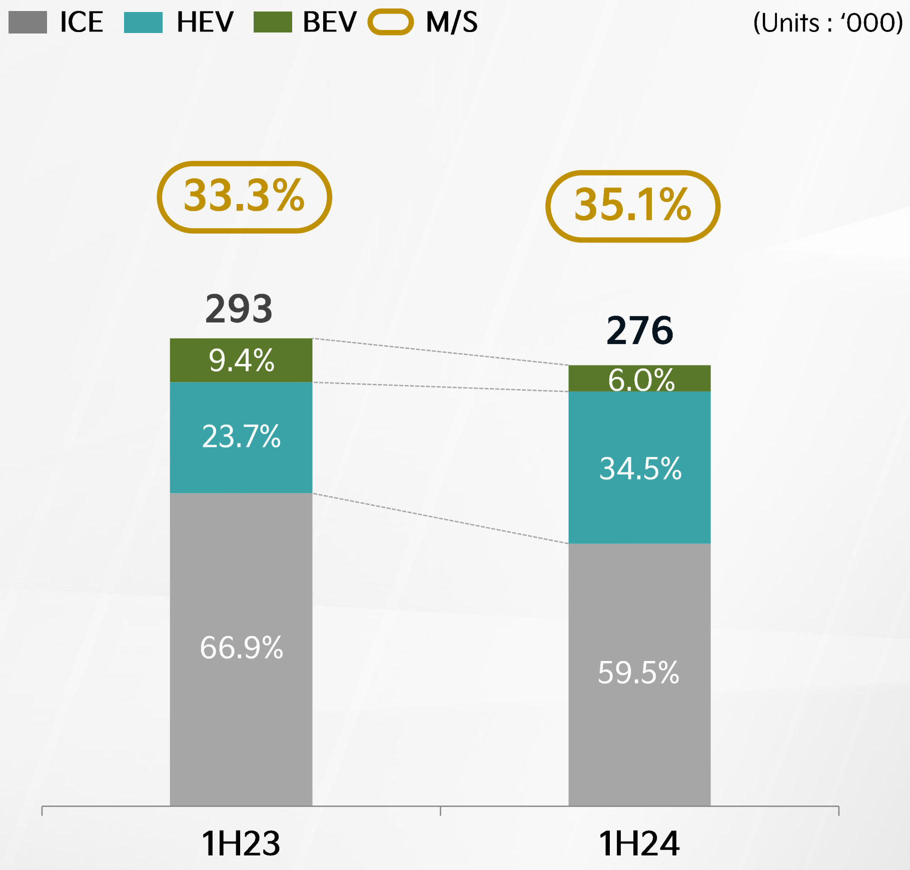
Cash Flow Highlights



* Beginning/Ending Cash Balance excludes ST financial instruments & ST Available-for-sales Financial Asset

Korea (1H)

Sales & Market Share

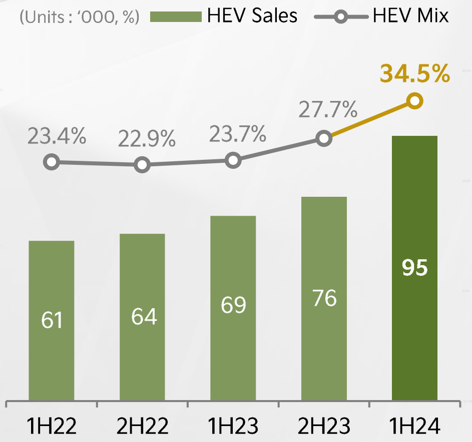


※ M/S : Including imported brands while excluding special vehicles

Sales Summary

Industry -10.9% [YoY] Kia -5.7%

HEV Sales Contribution



The newly unveiled EV3

Launch	July 2024
A E R (Long Range)	[81.4kWh] **501km** (WLTP 600km) Fast-charging (10-80%) : 31min
Features	Widescreen Display, i-Pedal 3.0, High-tech (ADAS, FoD, OTA, HUD), AI Assistant, In-vehicle & Outdoor V2L

1H Results

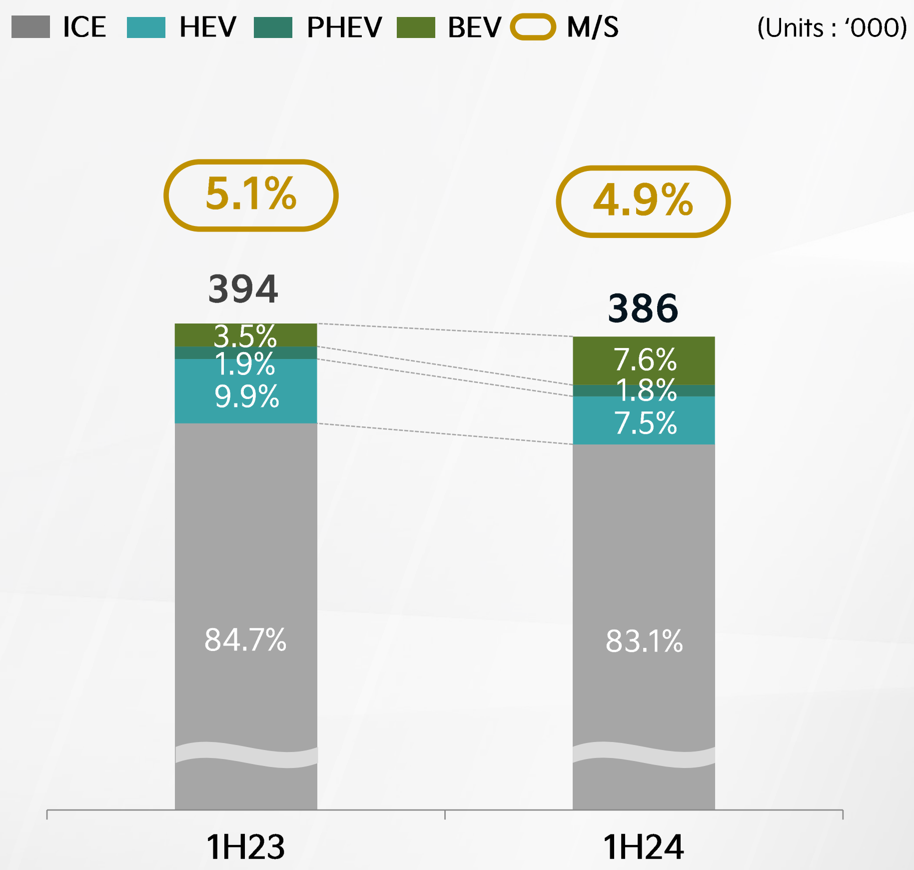
- Despite -11% auto demand, HEV/RVs sales led M/S growth of +2%p
  - HEV Mix : [1H23] 23.7% → [1H24] 34.5% (+10.8%p YoY)
  - RV Mix : [1H23] 57.3% → [1H24] 65.2% (+7.9%p YoY)
- ASP Growth Continued : ['23.1H] ₩31.9mil → ['24.1H] ₩33.1mil (+3.8% YoY)

2H Initiatives

- Strong market presence with HEV/RVs (Sorento, Carnival, and Sportage, etc.)
- Lead EV popularity with newly unveiled EV3 and EV6 PE model
- Maintain sales momentum with K8(3Q) and Sportage(4Q) PE model launches

U.S. (1H)

Sales & Market Share

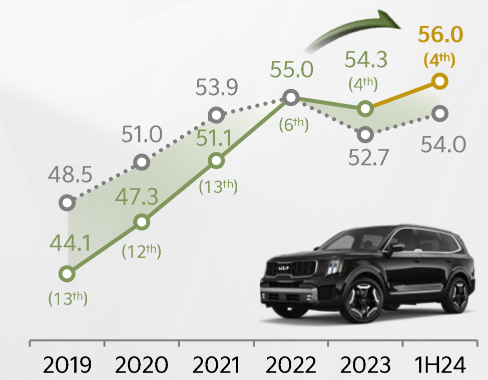


Sales Summary

Industry +2.5% [YoY] Kia -2.0%

Residual Value (Source : U.S. ALG Residual Value)

(Units : %)



Additional HEV Line-up

1H Results

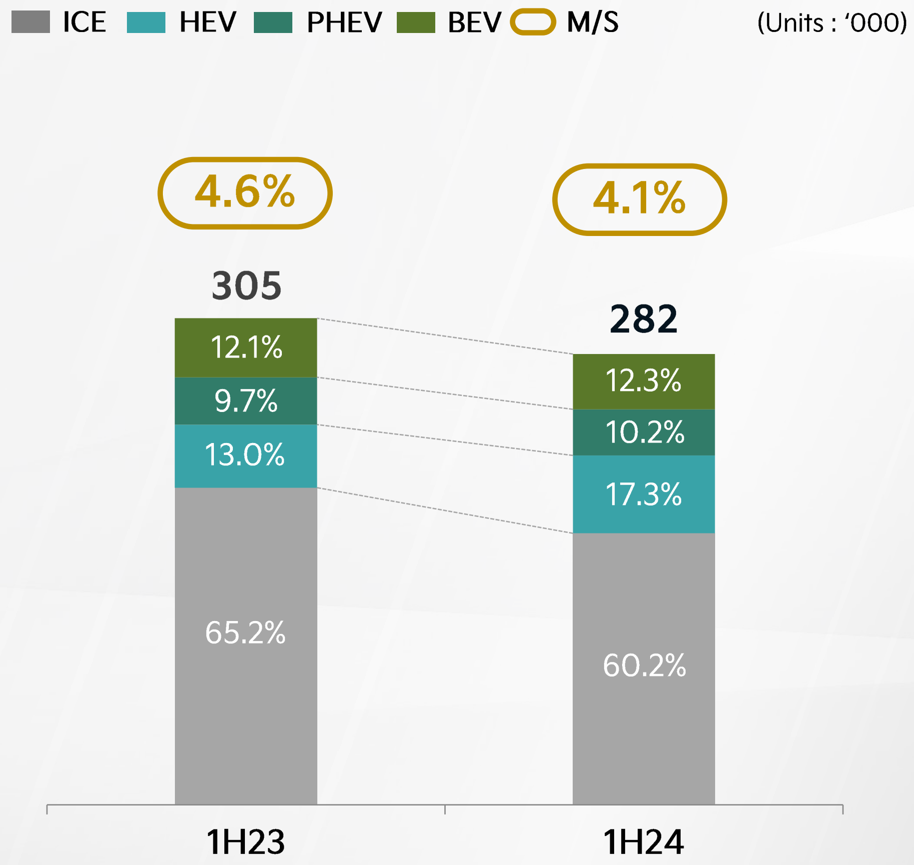
- Despite sales/production gap from Rio discontinuation and K5 plant transfer, RV mix improvement led higher profitability
  - RV Mix : [1H23] 71.7% → [1H24] 78.0% (+6.3%p YoY)
- Ranked 4th highest residual value due to pull-based incentive operation policy
  - Residual Value : [2020] 12th (47.3%) → [2022] 6th (55.0%) → [1H24] 4th (56.0%)

2H Initiatives

- Full roll-out of new HEV models and refreshed models
  - New launches : Sorento HEV (PE), Carnival HEV, K4, K5 (PE), EV6 (PE)
- EV sales promotions and efficient ICE inventory management
  - Leveraging on Georgia plants' flexible production line

Western Europe (1H)

Sales & Market Share

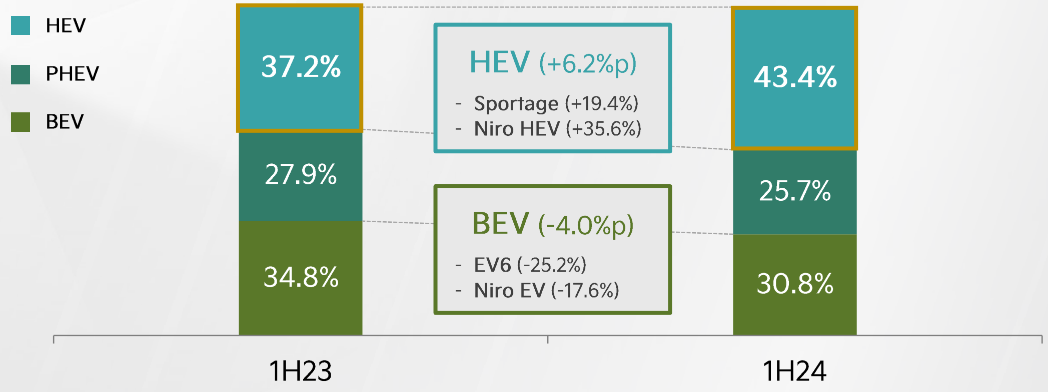


Sales Summary

Industry +4.4%	[YoY]	Kia -7.3%

Green Car Sales Contribution

(Units : %)



1H Results

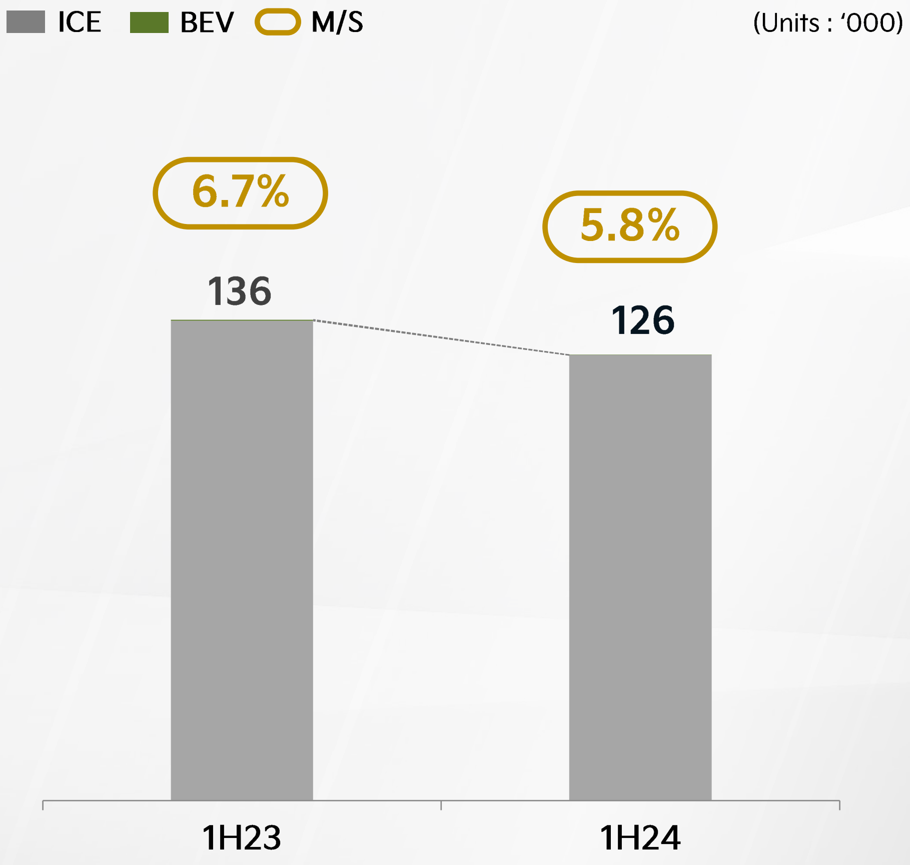
- Despite strong subcompact car(B seg & below) demand, supply constraints led to sales decrease of -28.2% YoY
  - Tight inventory in the subcompact car segment due to Rio's discontinuation(-18k units), and Picanto (-15.6% YoY) and Stonic's (-4.3% YoY) supply constraints
- EV sales fell by -6.3% YoY due to EV subsidy cuts and price competition

2H Initiatives

- Increase subcompact car(Picanto & Stonic) supplies to recover shortfall in 1H
- Strengthen EV sales momentum by launching new EV3 and EV6 PE models
  - Supply optimization based on EV backorders and rising HEV demand

India (1H)

Sales & Market Share

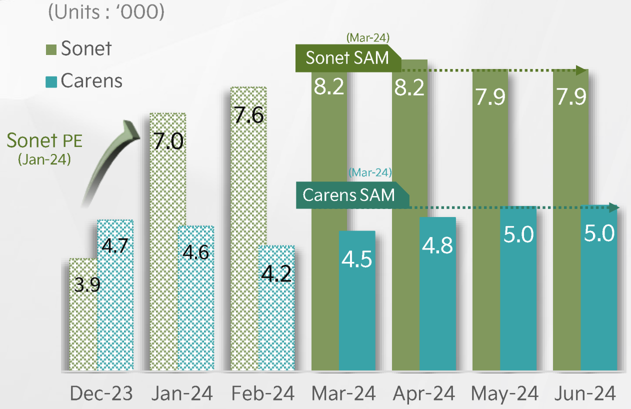


* M/S based on Wholesales

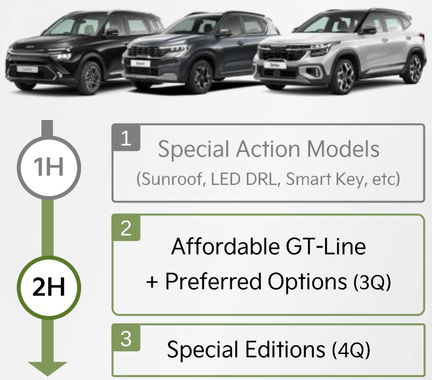
Sales Summary

Industry +7.3% [YoY] Kia -7.3%

Retail Sales Trend of S.A.M (Special Action Model)



Product Value Enhancements



1H Results

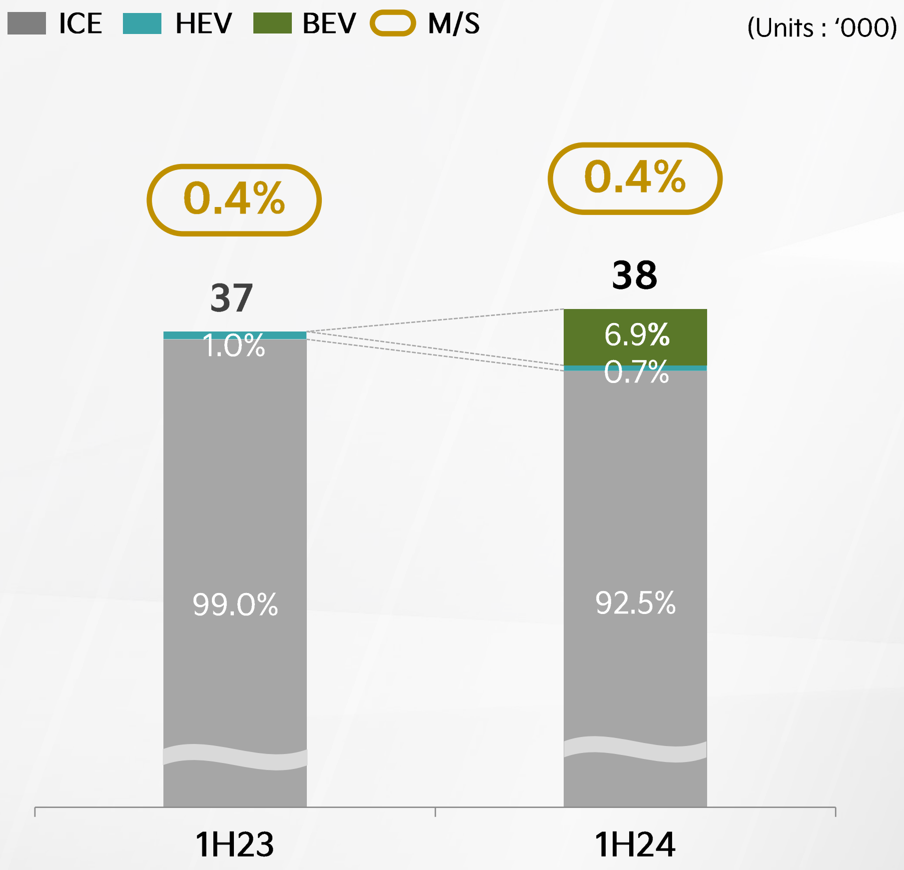
- Due to strong S.A.M sales, the monthly average sales of Sonet improved to 8k units and Carens to 5k units in 2Q24
  - Sonet (Retail) : [1Q24] 23k units → [2Q24] 24k units (+5.8% QoQ)
  - Carens (Retail) : [1Q24] 13k units → [2Q24] 15k units (+11.9% QoQ)
  - ▶ Virtuous cycle of sales and production by supply optimization based on customer demand
- Expanded market coverage with the opening of +75 new dealers in 1H24

2H Initiatives

- Regain sales momentum with improved features and product value
  - [3Q24] : Affordable GT-Line (Seltos, Sonet) → [4Q24] : Special Editions (all models)
- Expand dealer network and prepare launching plan for A-SUV volume model

China (1H)

Sales & Market Share



* M/S based on Wholesales

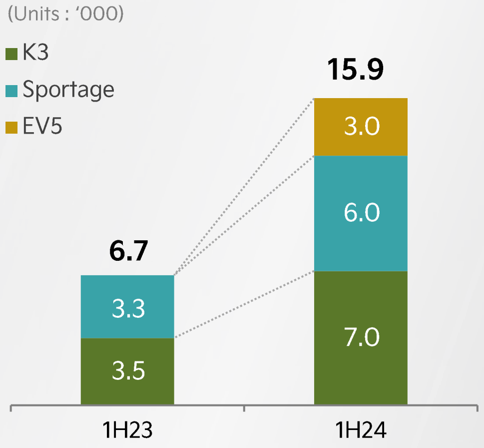
Sales Summary

Industry +1.0% [YoY] Kia +2.8%

First Dedicated EV

Model	EV5
Strategy	First dedicated EV (C-SUV) with LFP in China to drive EV volume
25MY Features	UX-specific features, Premium interior, etc.

Sales Trend of Key Models (Retail)



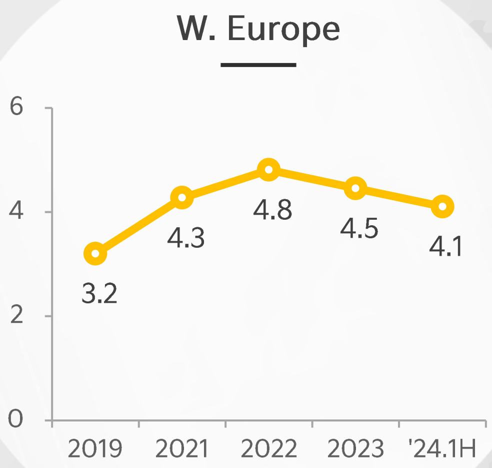
1H Results

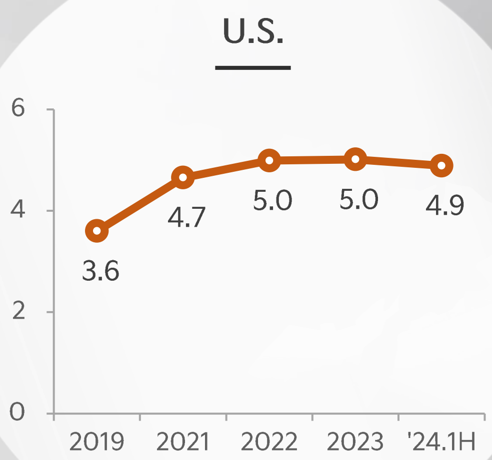
- Despite weakening ICE market condition, key models (K3, Sportage) sales increased
  - Amid intensified price competition, 3k units of the first dedicated EV5 sold
- Profitability improved with export expansion and plant utilization improvement
  - KCN exports : [1H23] : 26k units → [1H24] : 71k units (+173% YoY)

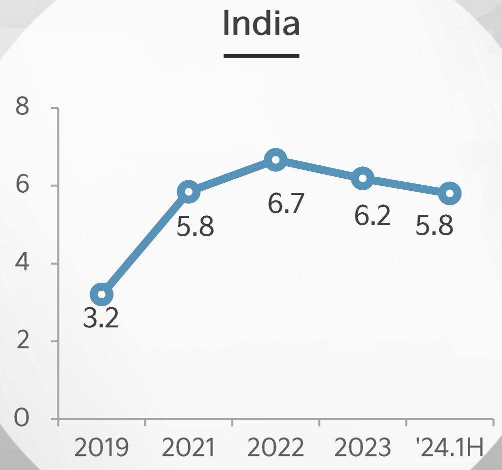
2H Initiatives

- Penetrate the economic RV market with locally produced Sonet model
  - Continuing to improve KCN utilization by expanding export models and diversifying regions
- Drive sales momentum with EV5 & EV6 marketing promotions and sales channels diversification

Global Market Share Trend







(Unit : %)

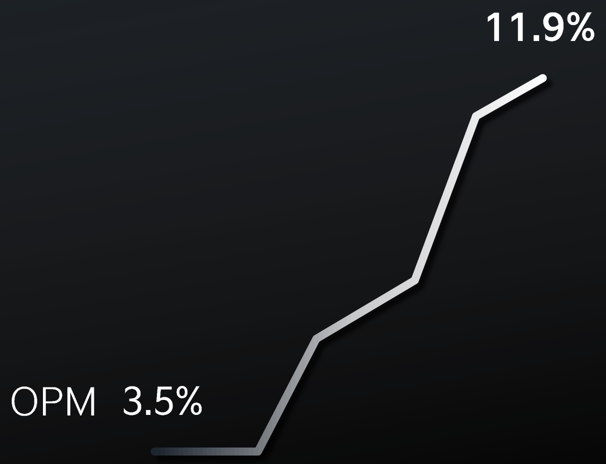
Region	2021	2022	2023	'24.1H
Russia(Region)	11.4	8.7	3.7	3.0
MEA	6.5	6.2	6.3	6.9
Latin America	3.0	3.3	3.4	3.6
Asia Pacific	3.5	3.5	3.2	3.3

2030 Mid-to Long-term Strategy

Mid-to Long-term Profitability Target

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

Kia Transformation



10% + α

2019 … 2024 …

Mid-to Long-term Sustainable Profitability

External variables

- Changes in EV market
- The rise of Chinese brands
- Intensified competition

Internal capabilities

EV
Cost competitive advantage

+

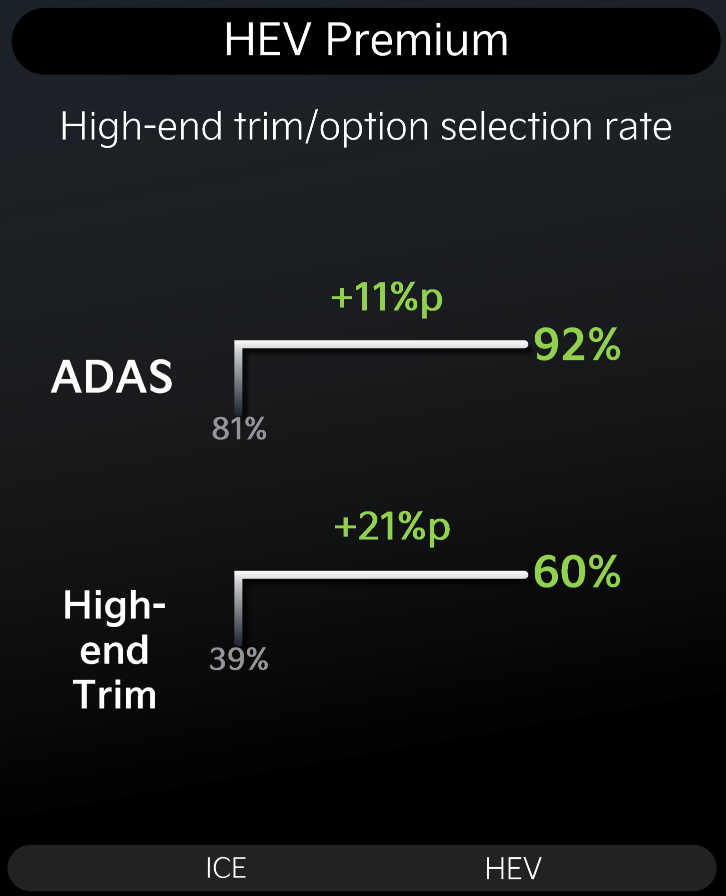
ICE/HEV
Maintain high profitability

+

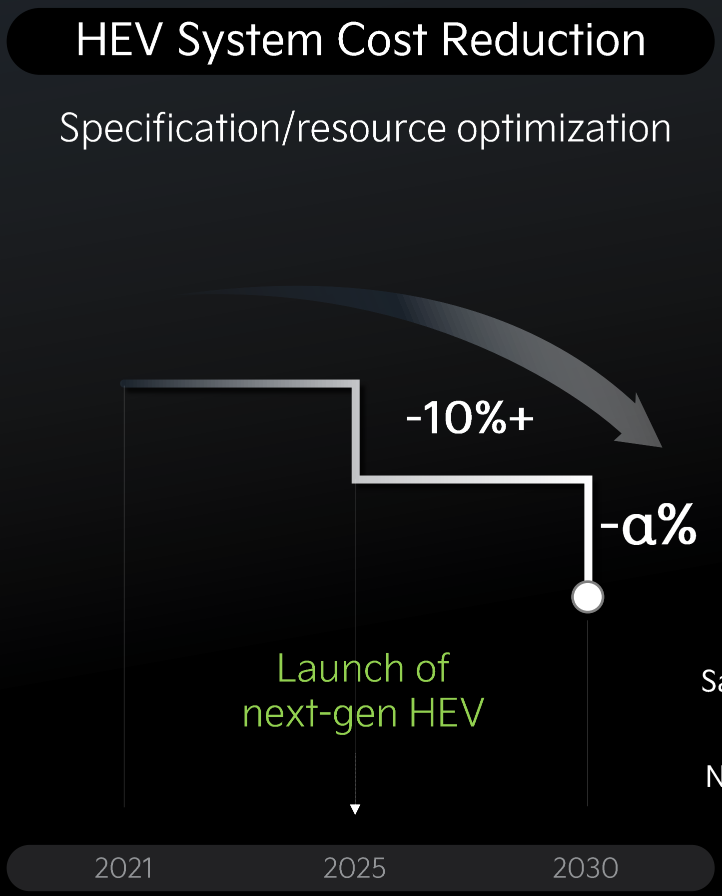
SDV
Core business development

HEV Profitability Enhancement

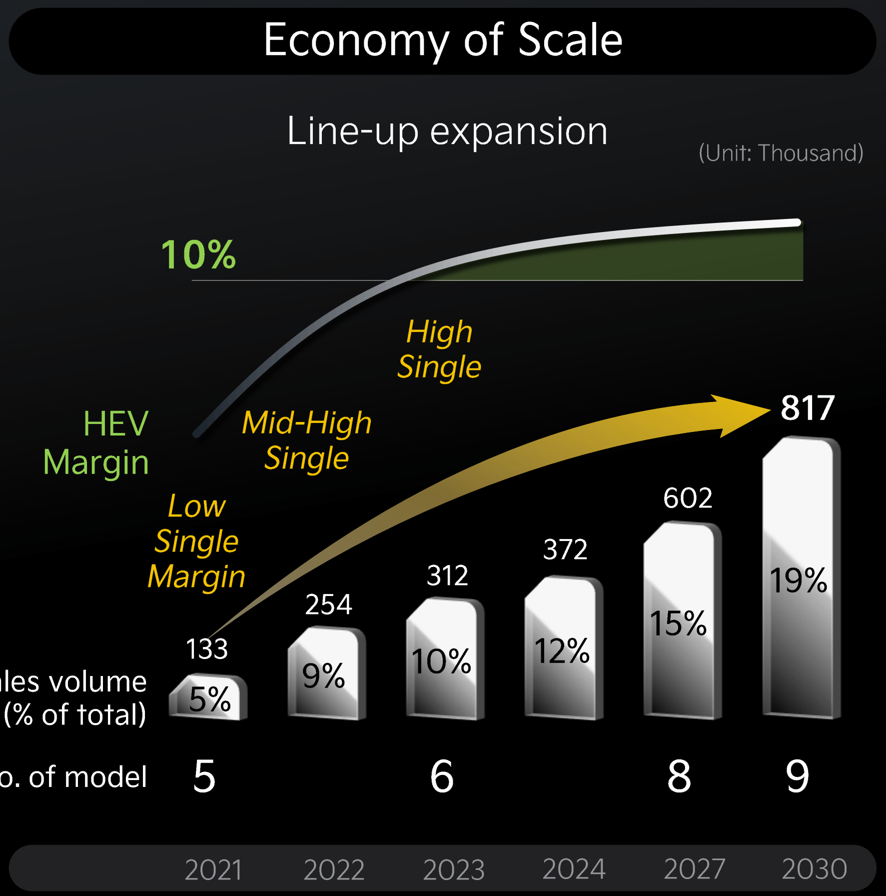
Achieve double-digit margin via expanding HEV premium and cost reduction
→ Strengthen scale benefit through line-up expansion and volume increase



※ Based on 2023 Sorento (domestic)



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

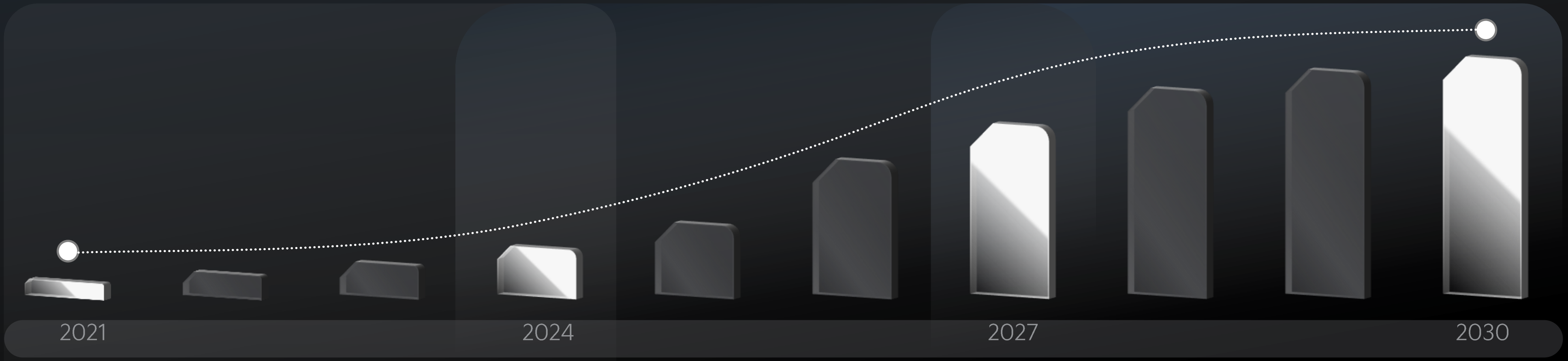


EV Strategy in Response to Changes in EV Market

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

Phase 1. EV Introductory period | Phase 2. EV Mass Adoption | Phase 3. EV Maturity

Sales plan

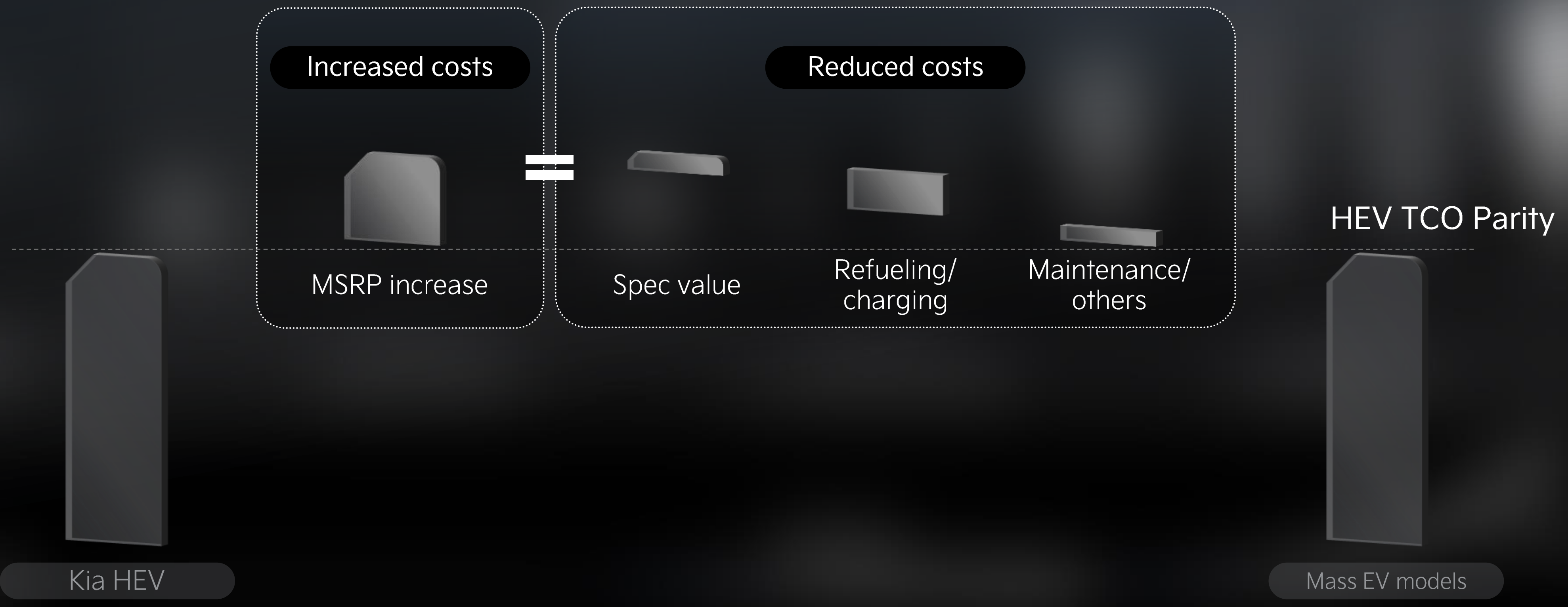


	Phase 1. EV Introductory period	Phase 2. EV Mass Adoption	Phase 3. EV Maturity
Operating strategy	EV flagship line-up Strengthen EV brand positioning	+ Mass EV line-up Expand EV market presence and increase scale benefit	+ Full EV line-up SDV-based business advancement
Profitability target		Mid-single	ICE equivalence

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

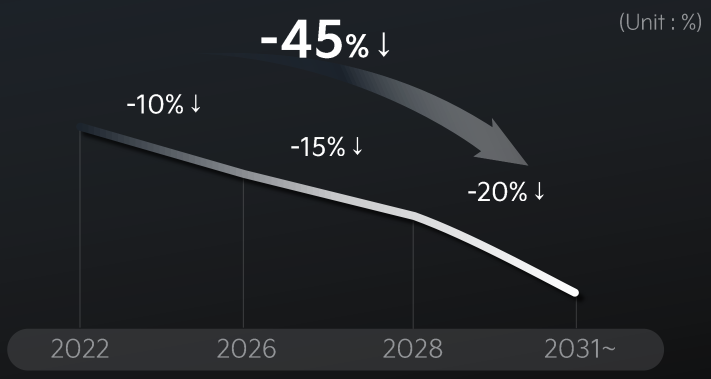


※ Based on domestic specifications

Cost Saving for EV

Elevate EV margin through comprehensive cost reduction, battery diversification, and technology innovation

PE Cost Reduction



* Raw material cost based on constant price of 3Q20

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

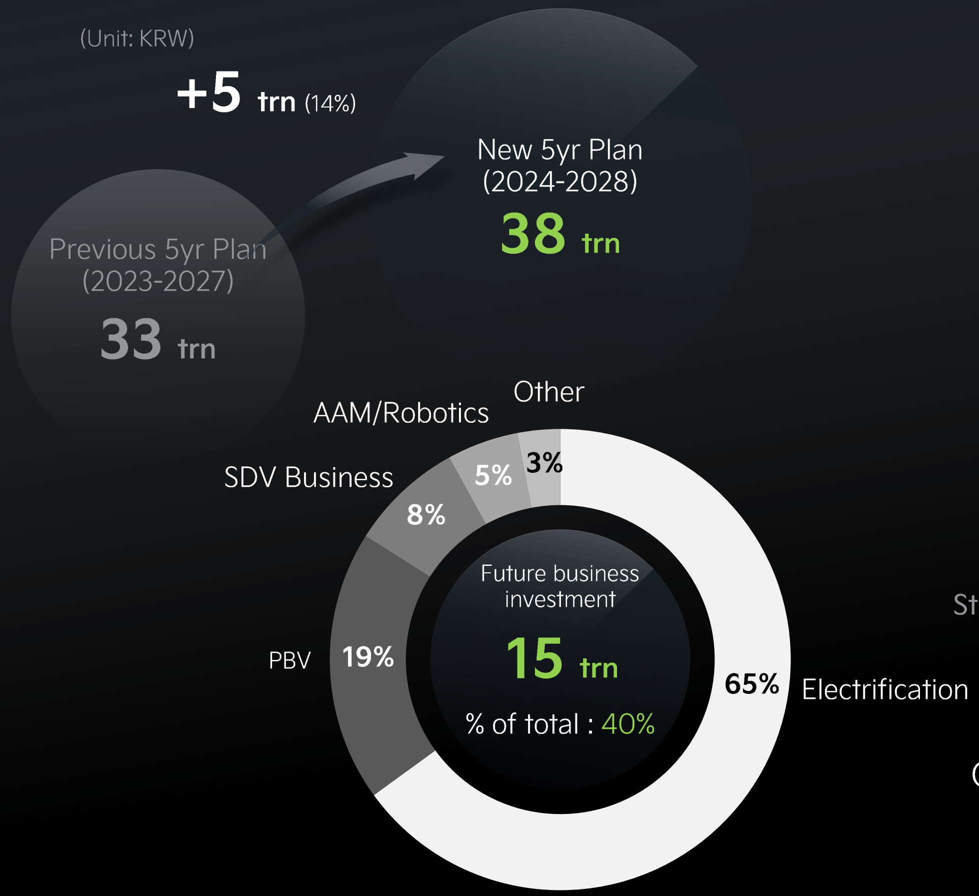
Increased commonization ratio led by expanded coverage

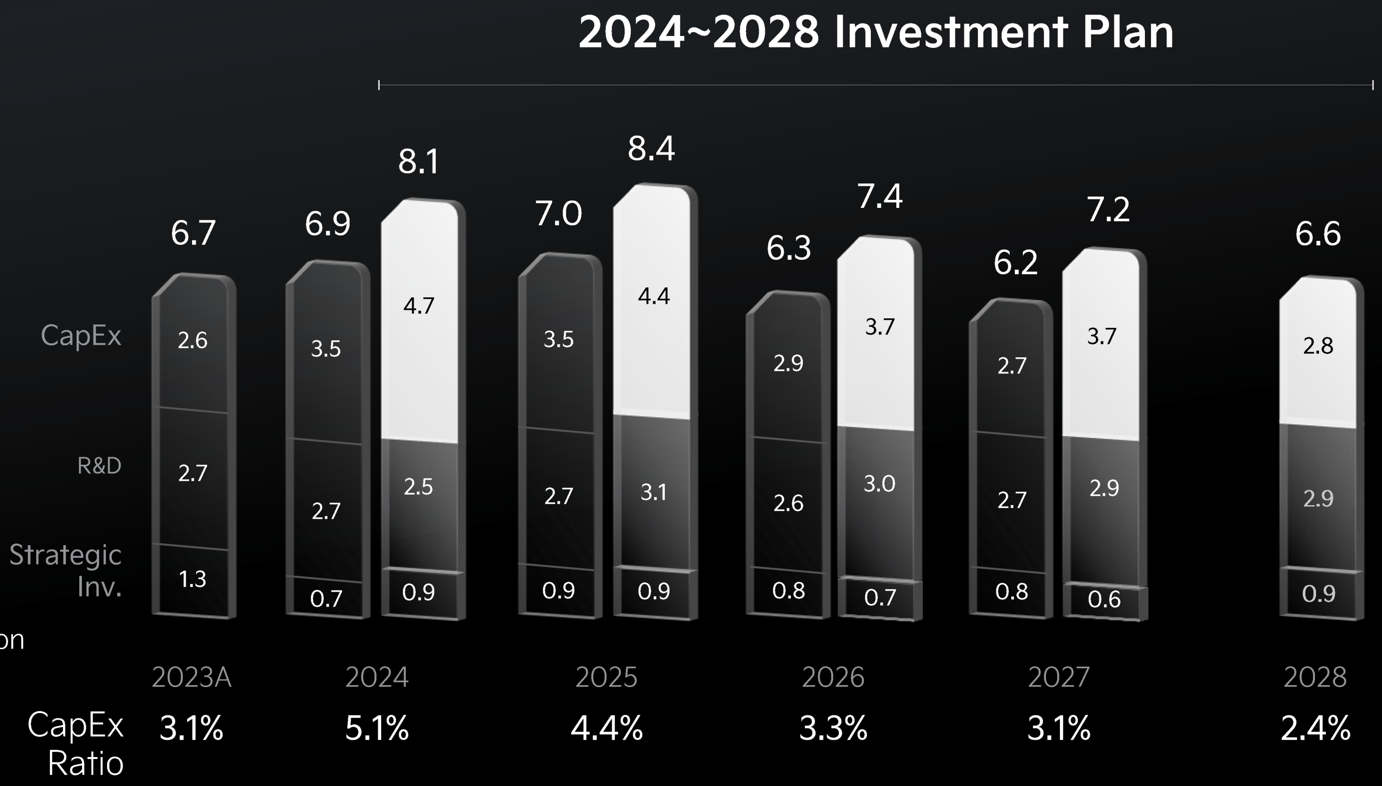
Parts(ex-PE) cost -10 ~ -20% vs. current platform

* IMA : Integrated Modular Architecture

Investment Plan for Next 5 Years

Accelerated resource allocation to business transition





Shareholder Return Policy

Accelerated cash return ratio through enhanced profitability

Payout Ratio

20~35%

of net profit

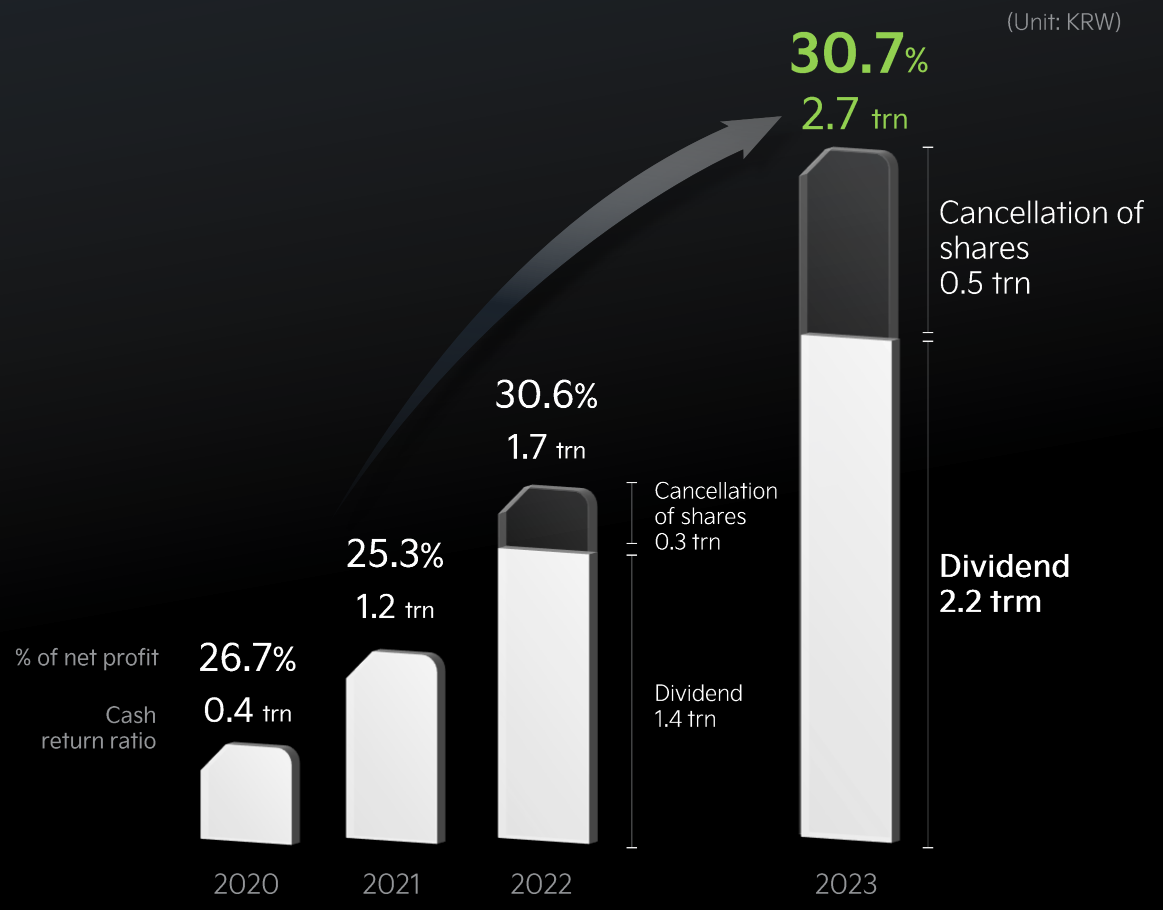
Buyback Program

5-Year Long-term plan (2024~)

500 Billion Max. amount/year

50% Cancellation

Additional 50% cancellation
(upon achieving 3QTD financial target)

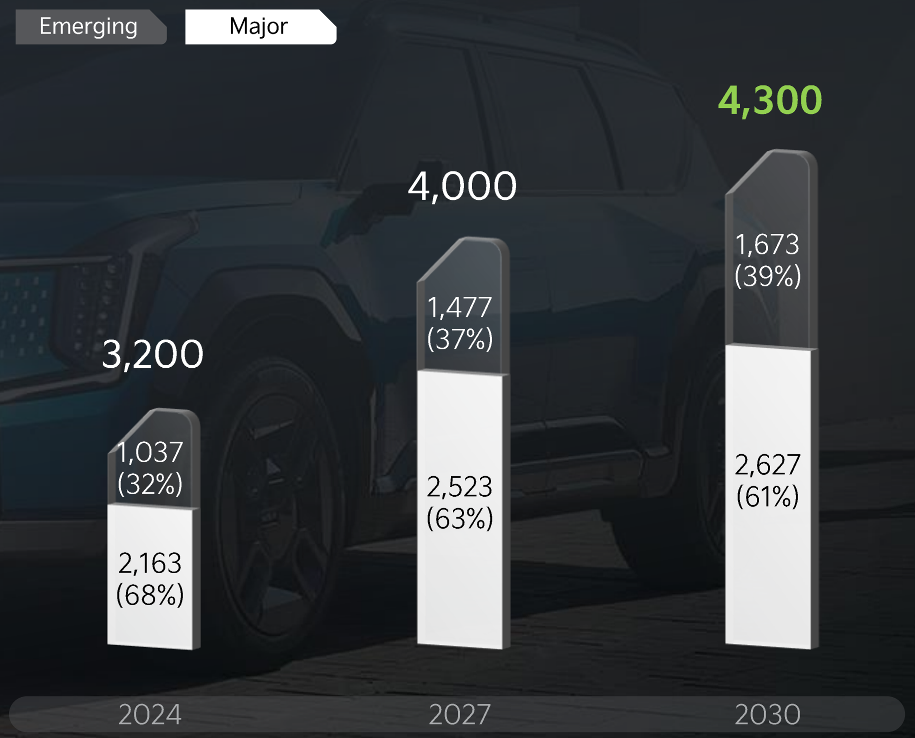


Global Sales by 2030: 4.3 Million Units

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

Mid-to Long-term Sales Plan

(Unit: Thousand)



Major Markets[1)]

- 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

1) 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

(Unit: Thousand)

Region	2024	2027	2030
North America	937	1063	1100
Europe	579	725	752
Korea	530	560	560
China	117	175	215
India	280	378	400
Other Regions	757	1099	1273

North America	Europe	Korea	China	India	Other Regions
26%	17%	13%	5%	9%	30%

Major Market 2,627k (61%)

※ 2,163k as of 2024

Emerging Market 1,673k (39%)

※ 1,037k as of 2024

Global
4.3 Million
(2030)

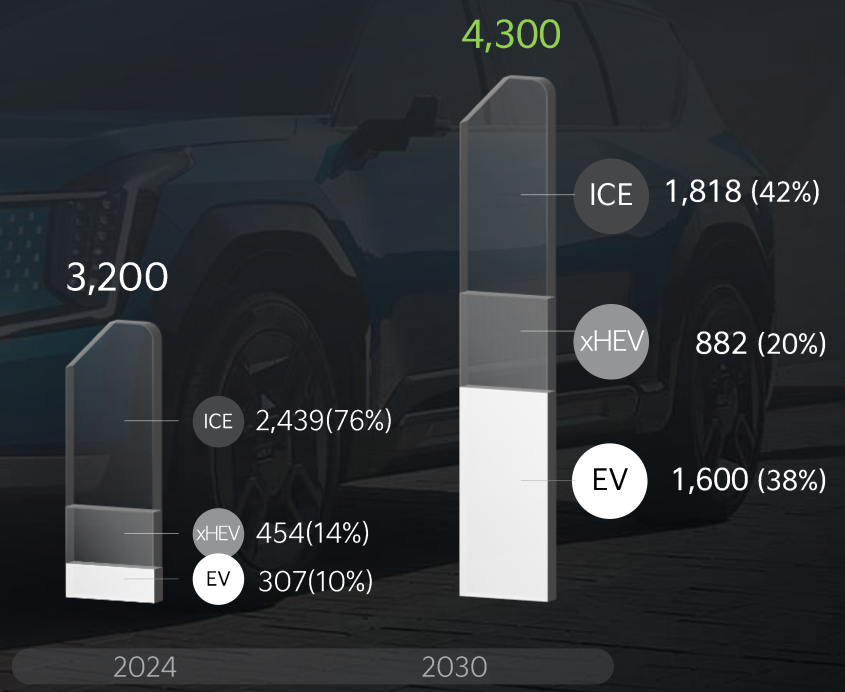
Green Car Sales Plan

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

- Major markets : EV 52%, xHEV 28%, totaling 80% of sales

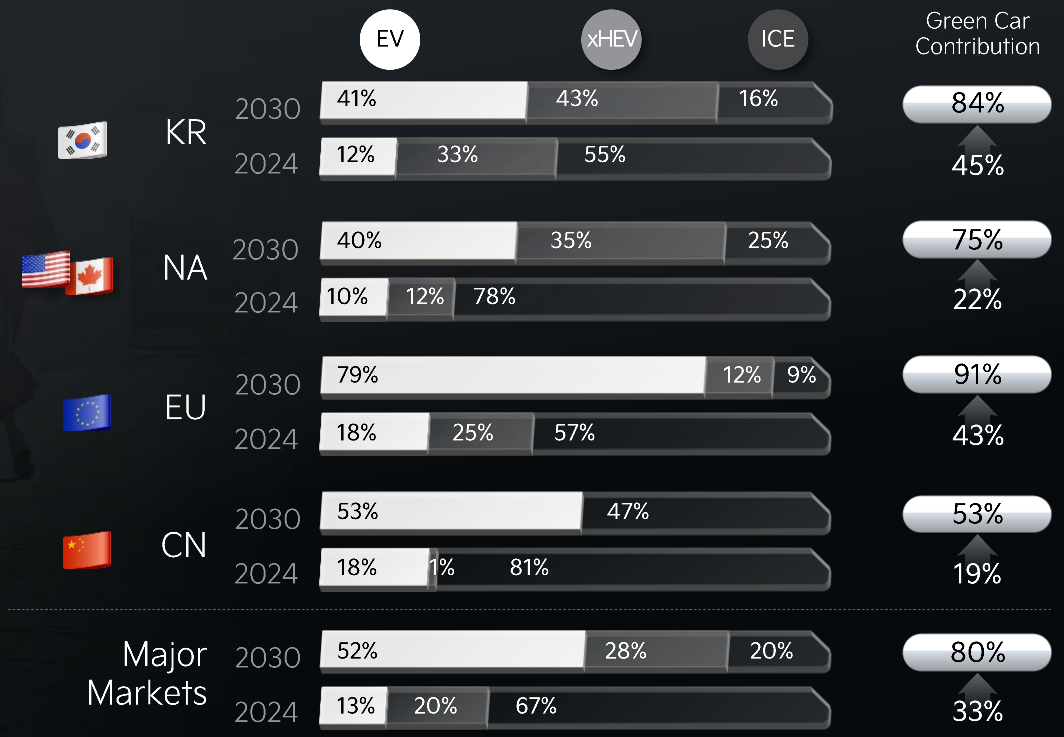
Sales Plan by Powertrain

(Unit: Thousand)



Major Markets Product Mix (2030)

(Unit: Thousand)



HEV Line-up Reinforcement

- New HEV model launches
- +21% CAGR from 2024 to 2028

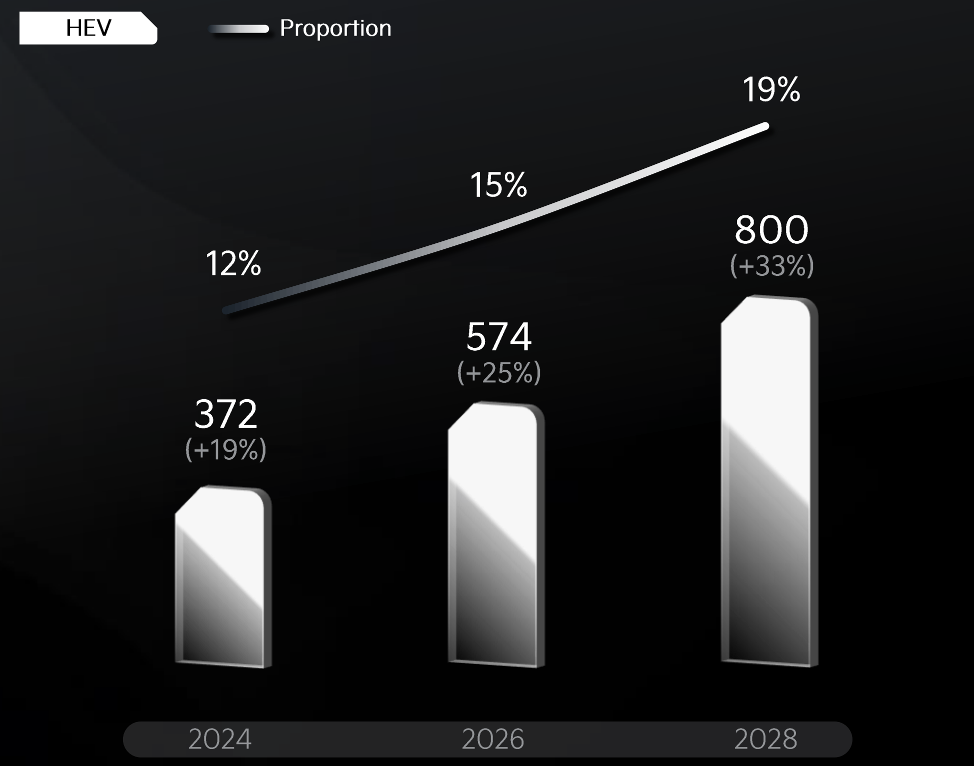
HEV Line-up

(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

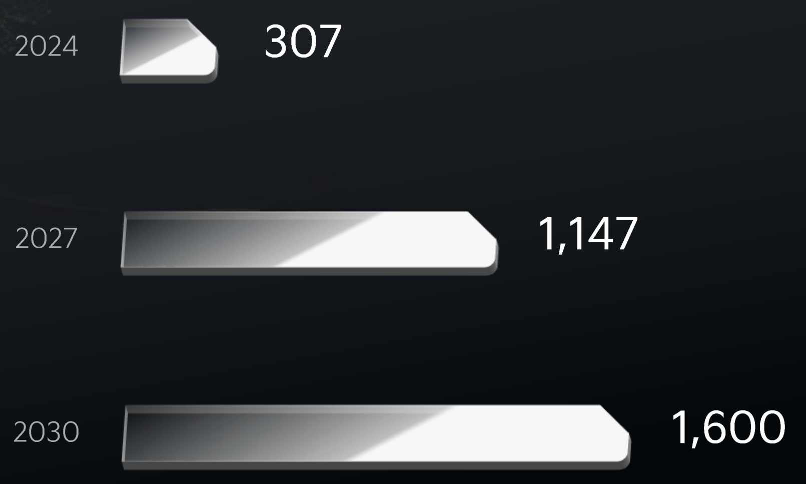
EV Sales Plan by Region

Global EV sales: 1.6 million units (38%)

EV sales in major markets: 1.4 million units (52%)

Global EV Sales Plan

(Unit: Thousand)



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	Vehicles in Operation (2027)
EV	3	1	4	1	1	13
PBV	-	-	1	-	1	2
EV Total	**3**	**1**	**5**	**1**	**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

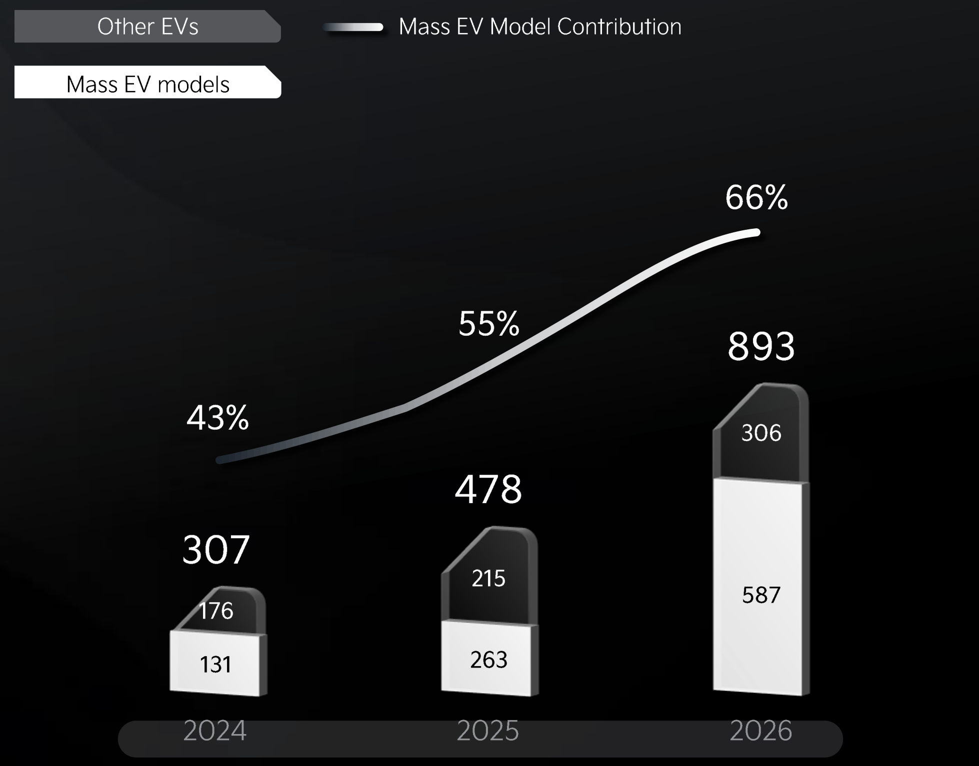
Mass EV Model Line-up

(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

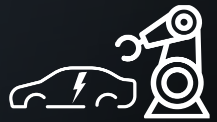
7 Domestic | 6 Overseas

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