



北京汽车
BAIC MOTOR



BAIC Motor

2019 Business Results Presentation

March 2020, Beijing

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Part 1. Overview

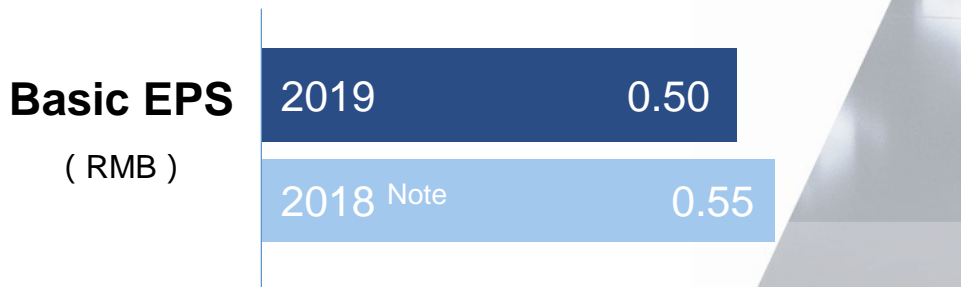
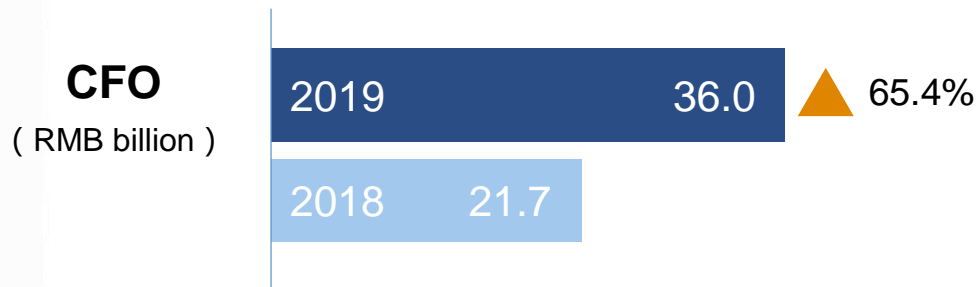
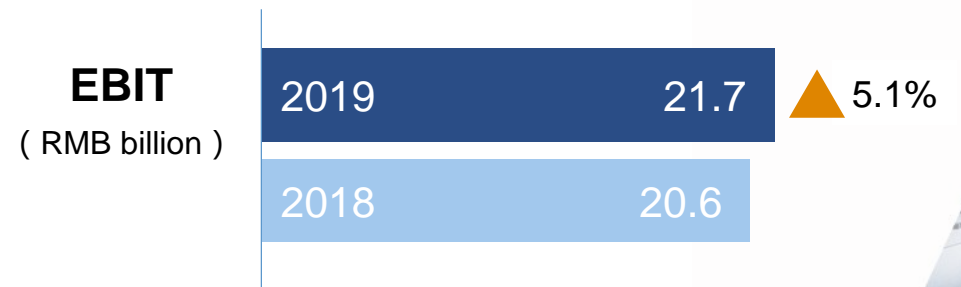
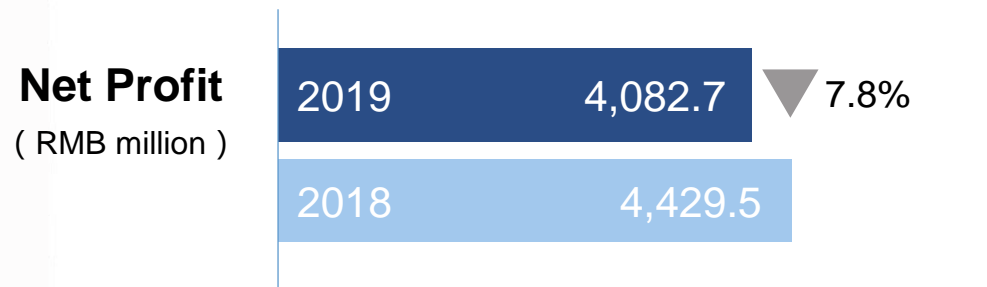
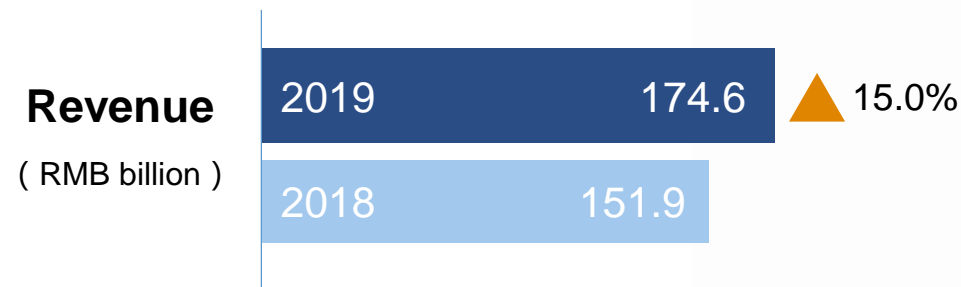
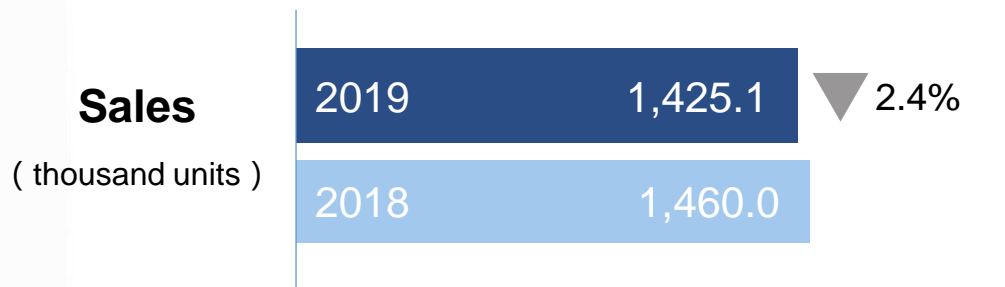


Results Summary



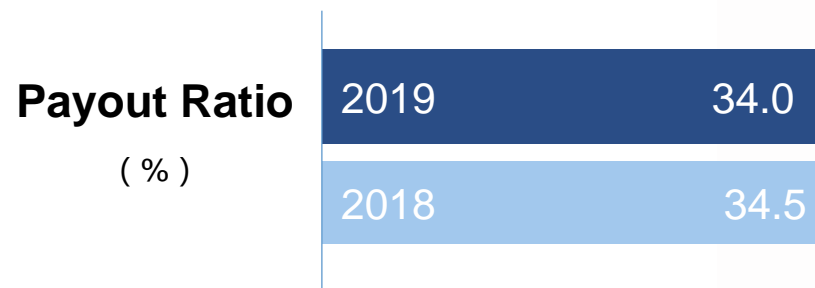
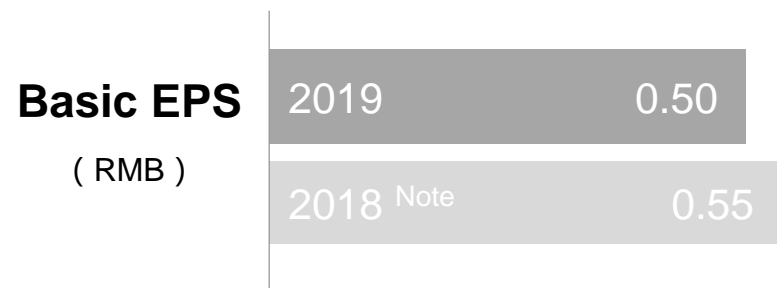
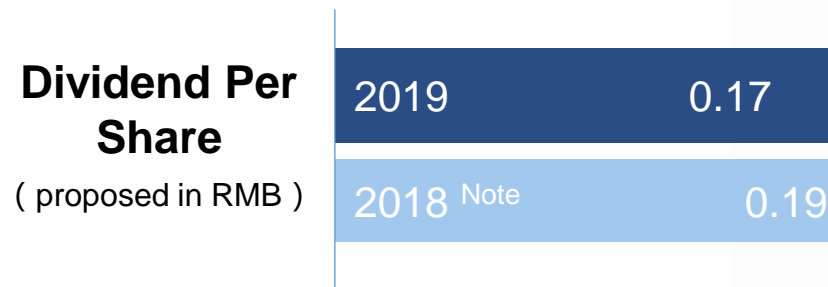
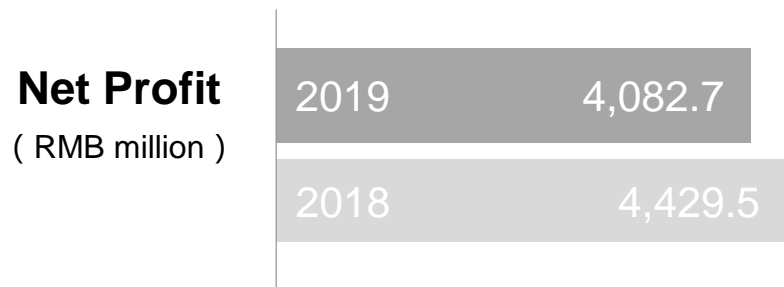
- Sales** | The Group's total sales volume in 2019 was 1.425 million units, representing a yoy decrease of 2.4%, and outperforming the industry.
- Self-owned Beijing brand** | The Group promoted the “two-wheel drive” strategy of intelligentization and electrification, with the NEV sales volume accounting for more than 60% and launched the new “BEIJING” brand to improved the product strength.
- Beijing Benz** | Maintained rapid and healthy growth, with the sales volume accounting for over 80% of the sales volume of Mercedes-Benz PV in China. Improved the capacity arrangement for the electrification era, and launched first EV EQC.
- Beijing Hyundai** | Performance under pressure influenced by industry competition and structural adjustment. New-generation vehicle models were launched and highly praised, and getting ahead in terms of electric products.
- Financial performance** | Business performance in 2019 were stable, with net profit of RMB4,083 million and EPS reaching RMB0.5 and relatively sufficient operating cash flow.
- Dividend** | The Board recommended a dividend of RMB0.17 per share, with the dividend payout ratio of approximately 34%.

Key Figures



Note: In terms of the company's 2018 EPS, due to the H-share placing in April 2018, the weighted share capital in 2018 is less than that in 2019

Dividend Proposed



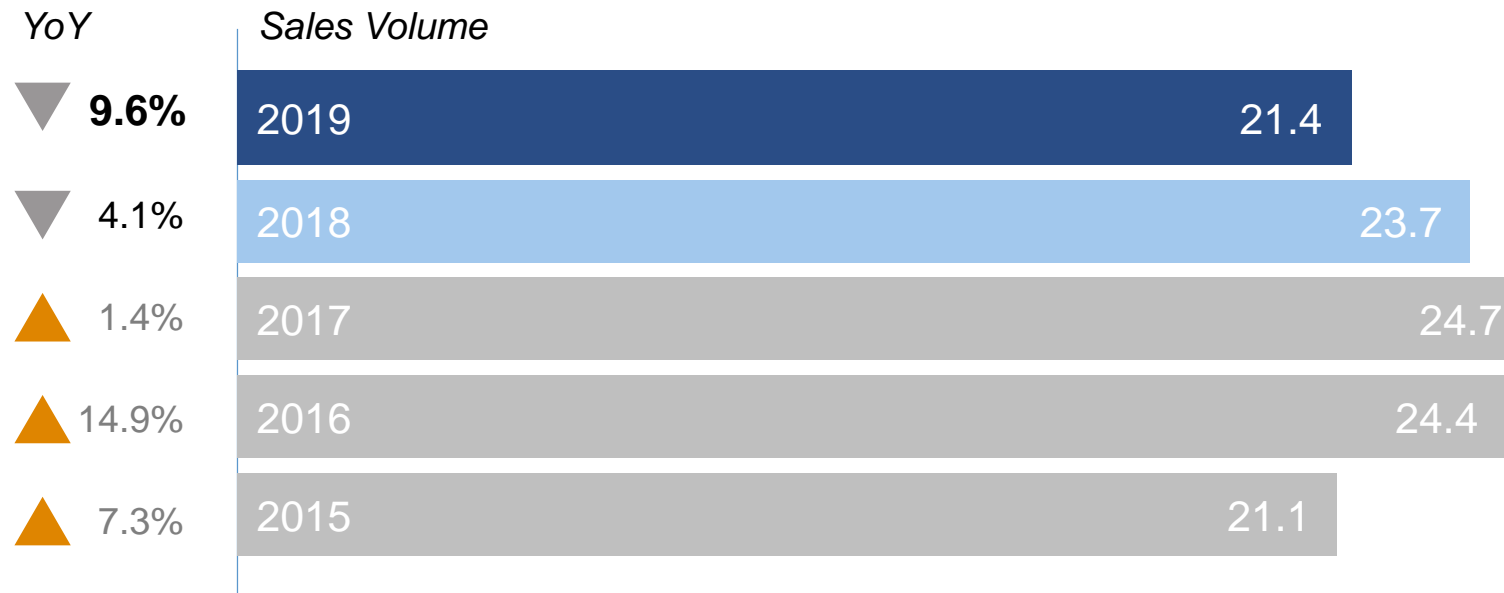
Part 2. Industry Development in 2019



2019: Second Consecutive Decrease Year of PV Industry

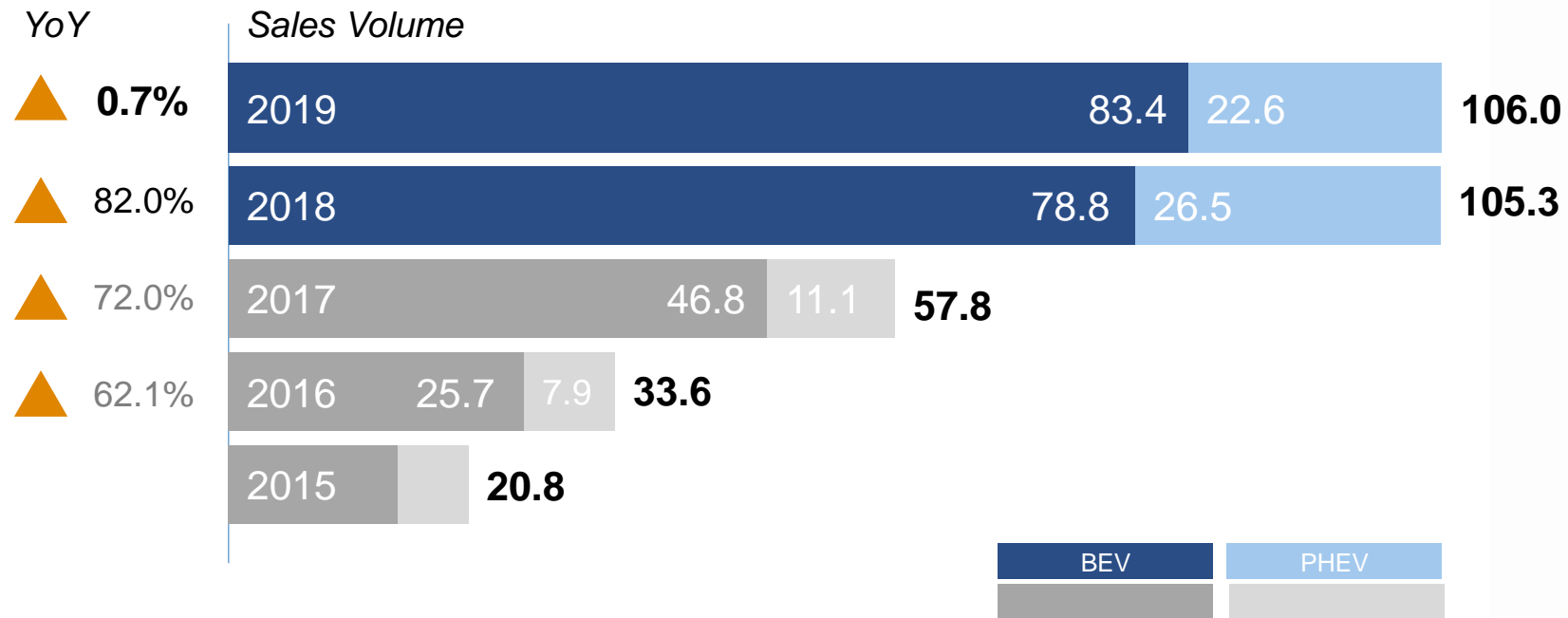


Annual Sales Volume and Growth Rate of PV Market in China (million units)



2019: Micro Growth of NEV Products

Sales and growth of the new energy PV (ten thousand units, '0000)



2019: Frequent Publication of Policies for Guiding Transformation and Upgrade



Frequent Publication of Industrial Regulatory and Guiding Policies

2018

- Adjustment of policies for foreign investment
- Implementation of the “dual-credit” scheme
- Adjustment to the tariffs on vehicles and parts
- Reduction in the value-added tax rate

2019

- Further reduction in value-added taxes and the social security premium rate
- Early implementation of the “China VI” in certain regions
- Publication by ministries and commissions of policies to stabilize automobile consumption
- Continued decrease in the new energy subsidies
- Relaxation of purchase restriction and increase in the supply in certain regions
- Cancellation of the white list for power batteries
- Amendments to the “dual-credit” policy for comments

Part 3. Operating Performance of the Group in 2019

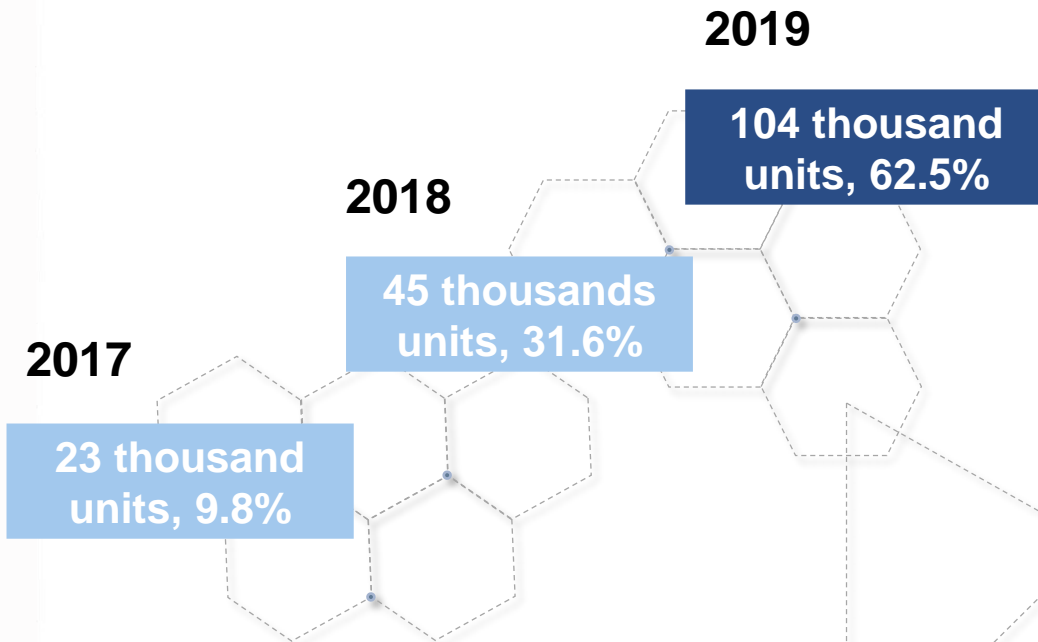


Beijing Brand: Continuously Optimizing Mix, BEV Percentage Over 60%

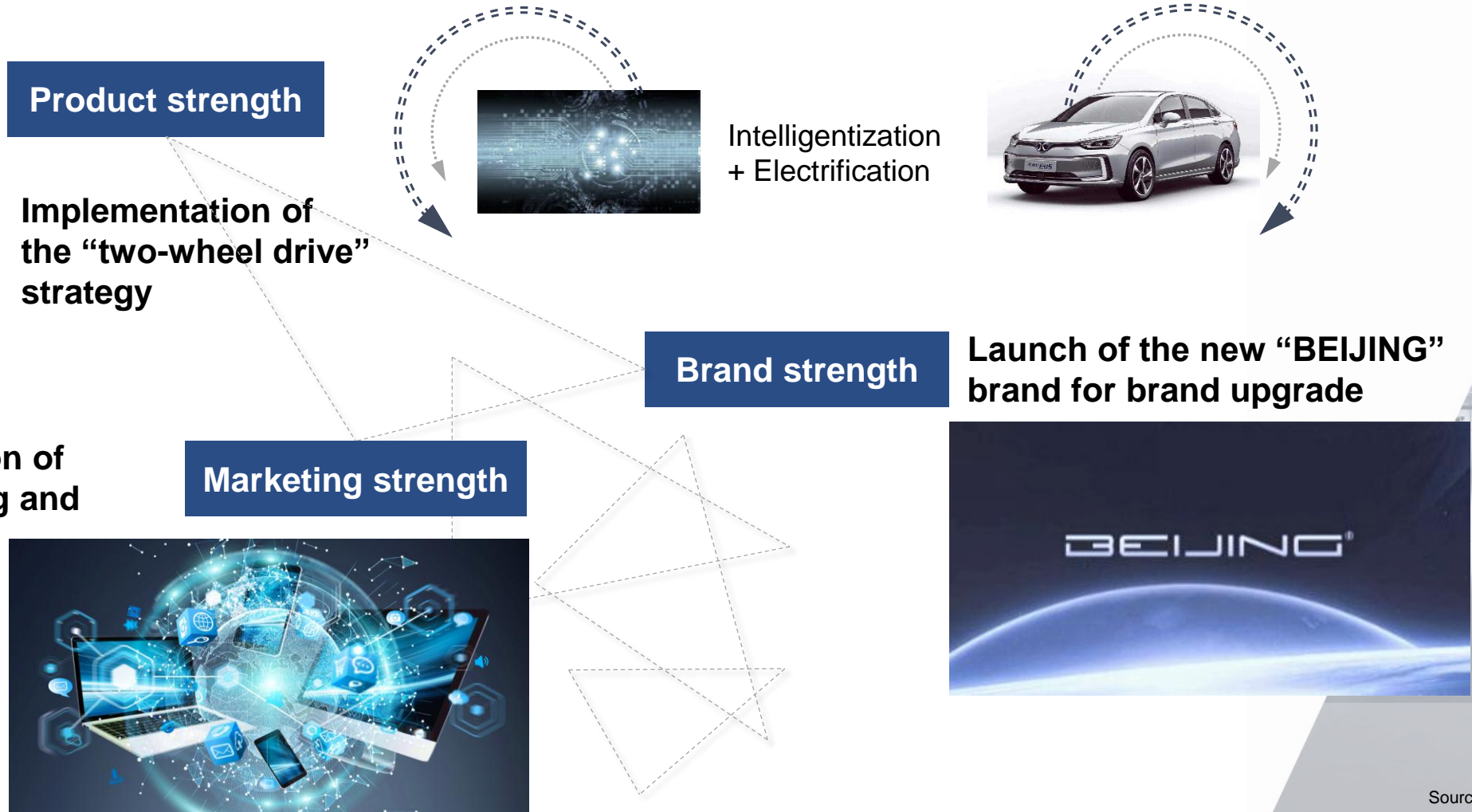


● BEV's Volume Percentage

● EU5: the best sale model of the year



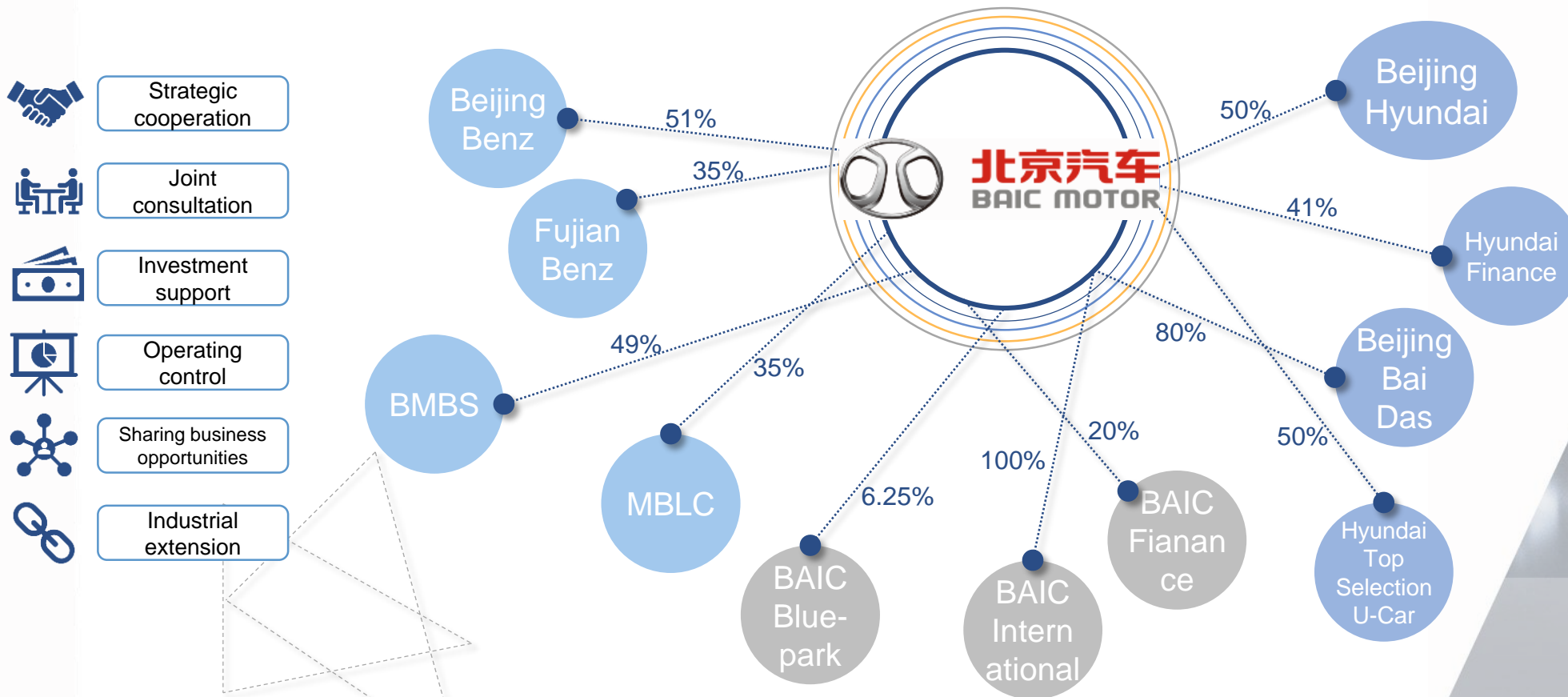
Beijing Brand: Progress in “Improvement in Three Strengths”



Beijing Brand: Investment management supports strategic development



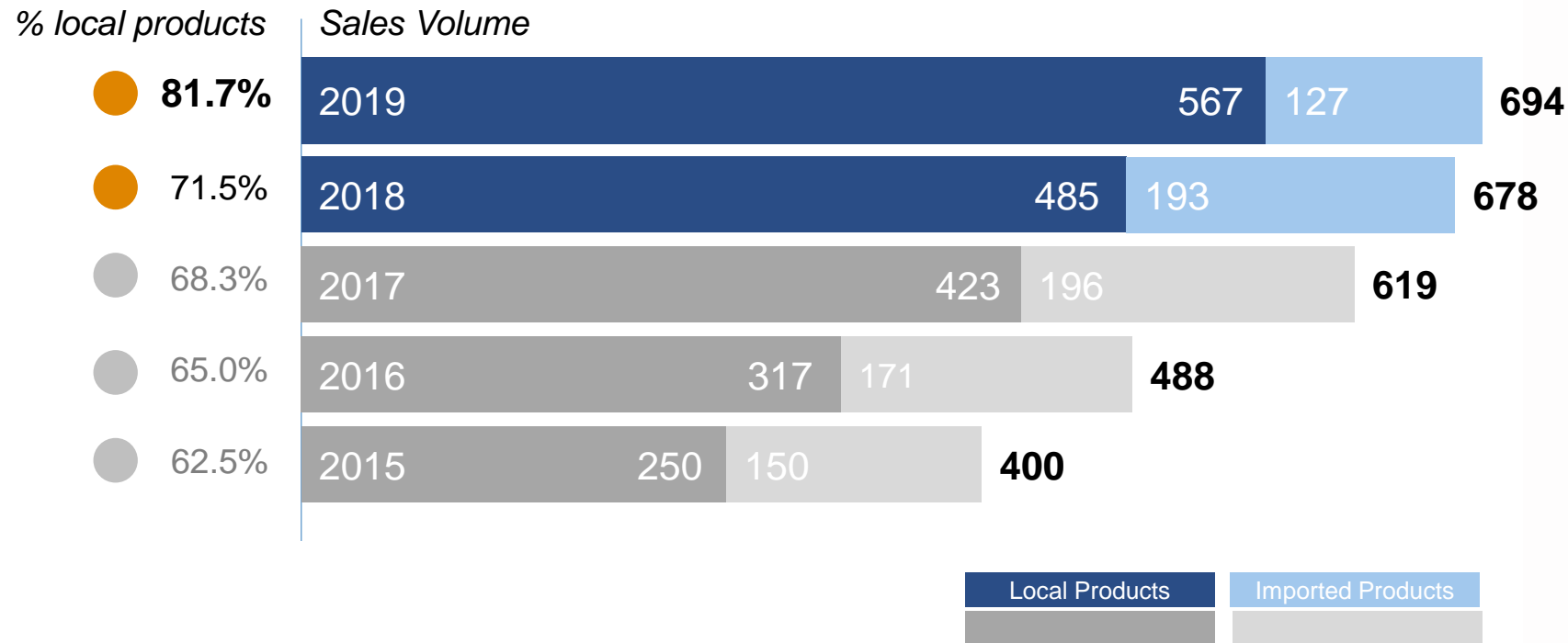
As the main body of the listed company, Beijing Brand directly invests and manages the joint venture entity



Beijing Benz: supporting Mercedes-Benz Brand sales in China



Sales of Mercedes-Benz PV in China (thousand units)

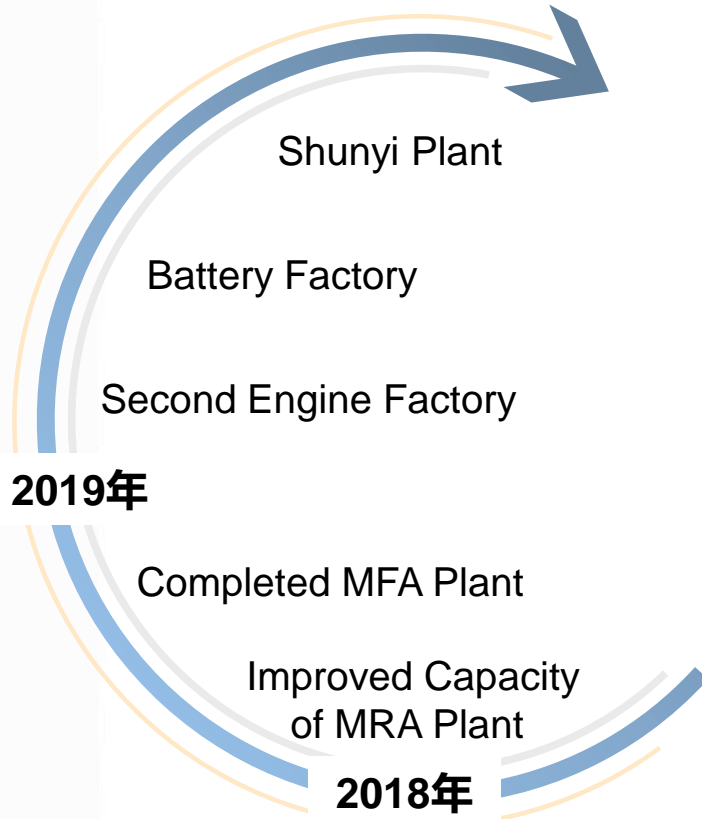


Beijing Benz: Gradually Improving Capacity and Products



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Gradually Improving Capacity



Further Enriching Product Mix



Beijing Benz: Multi-dimensional Product Breakthrough



New Models in 2019



GLB SUV
All New Platform



EQC Battery Electric SUV
Mercedes - Benz's World First BEV Model



A35 L AMG
First AMG Model Product in Beijing Benz



Beijing Hyundai: Introduced Flagship and Electric Model to Enhance Competitiveness



Strategic New Model Released 2019

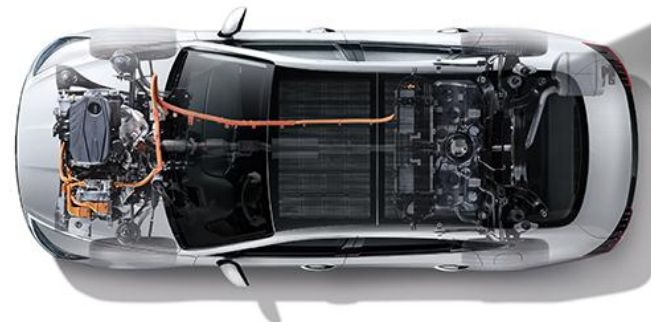
Beijing Hyundai SANTAFE 4th

Sensuous Sportiness	
Hyundai Smart Sense	
4930/1910/1720 mm , wheelbase 2865mm	
6/7 seats version	
Intelligent networking system	
Powerful fingerprint recognition system	

Encino EV NEDC 500 km



LA FESTA EV NEDC 490 km



ELANTRA - Lingdong PHEV Breakthrough in hybrid technology

Source: company information

Beijing Hyundai: Technology, Brand, Management and Control Deepening Innovation



Beijing Hyundai continuously promoted the optimization of products, technologies, marketing, management and control

Brand Marketing

SMART+ Strategy

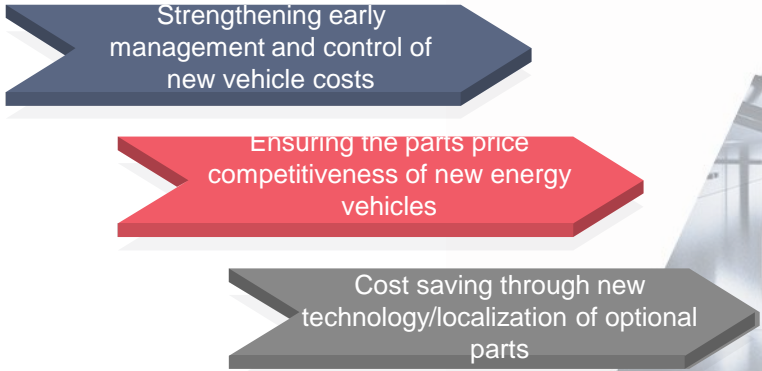
- SMART+ Clean
- SMART+ Connected
- SMART+ Freedom

Technology Improvement

3rd Generation Platform

- 设计更友善
- 碰撞更安全
- 操控更运动
- 气动更高效
- 多动力总成适配

Optimization of Cost Competitiveness



Corporation between partners



Source: company information

Part 4. Financial Figures



合并口径财务指标



北京汽车
BAIC MOTOR

Unit: million RMB

	2019	2018	YoY
Revenue	174,633	151,920	15.0%
Gross profit	37,487	37,007	1.3%
Selling and distribution expense	10,294	10,432	-1.3%
General and administrative expense	6,962	6,437	8.2%
Other gains / (losses), net	1,766	623	183.5%
Operating Profit	21,684	20,628	5.1%
Finance costs, net	64	357	-82.0%
Share of profit/ (loss) of investments accounted for using equity method	-305	904	-133.7%
Profit before income tax	21,314	21,175	0.7%
Profit for the year	14,323	14,271	0.4%
Attributable to equity holders of the Company	4,083	4,430	-7.8%
Basic and diluted EPS (RMB)	0.50	0.55	-9.1%



合并口径财务指标



Unit: million RMB

	2019.12.31	2018.12.31	YoY
Total assets	193,212	172,034	12.3%
Total liabilities	120,585	102,796	17.3%
Equity attributable to equity holders of the Company	50,403	48,415	4.1%

Unit: million RMB

	2019	2018	YoY
Cash flows from operating activities	35,953	21,733	65.4%
Cash flows from investing activities	-11,615	-9,532	21.8%
Cash flows from financing activities	-10,429	-13,700	-23.9%
Free cash flows, net	27,037	15,492	74.5%
Capex	8,329	6,414	29.9%
R&D expense	3,081	2,403	28.2%
Net debt / (cash)	-25,760	-11,527	123.5%

Source: audit report under IFRS

Part 5. 2020 Outlook



Resumption of Work and Production in Response to the Outbreak

Joint Ventures

- **Beijing Benz:** Paid attention to the development of the outbreak and make a plan to increase the production for the next stage. It dispatched its force to regions including Tianjin, for promoting. Now recovered to normal produce status.
- **Beijing Hyundai:** Resumed production on a factory-by-factory basis according to local policies. Made arrangements for allocation of parts from supporting enterprises on a daily basis. Now recovered to normal produce status.
- **Fujian Benz:** Resumed production on February 10.
- **Safety protection for resumption of work:** Efforts were strengthened for work including safety management of epidemic prevention materials, identification of potential hazards, information reporting, after the return of employees for work.

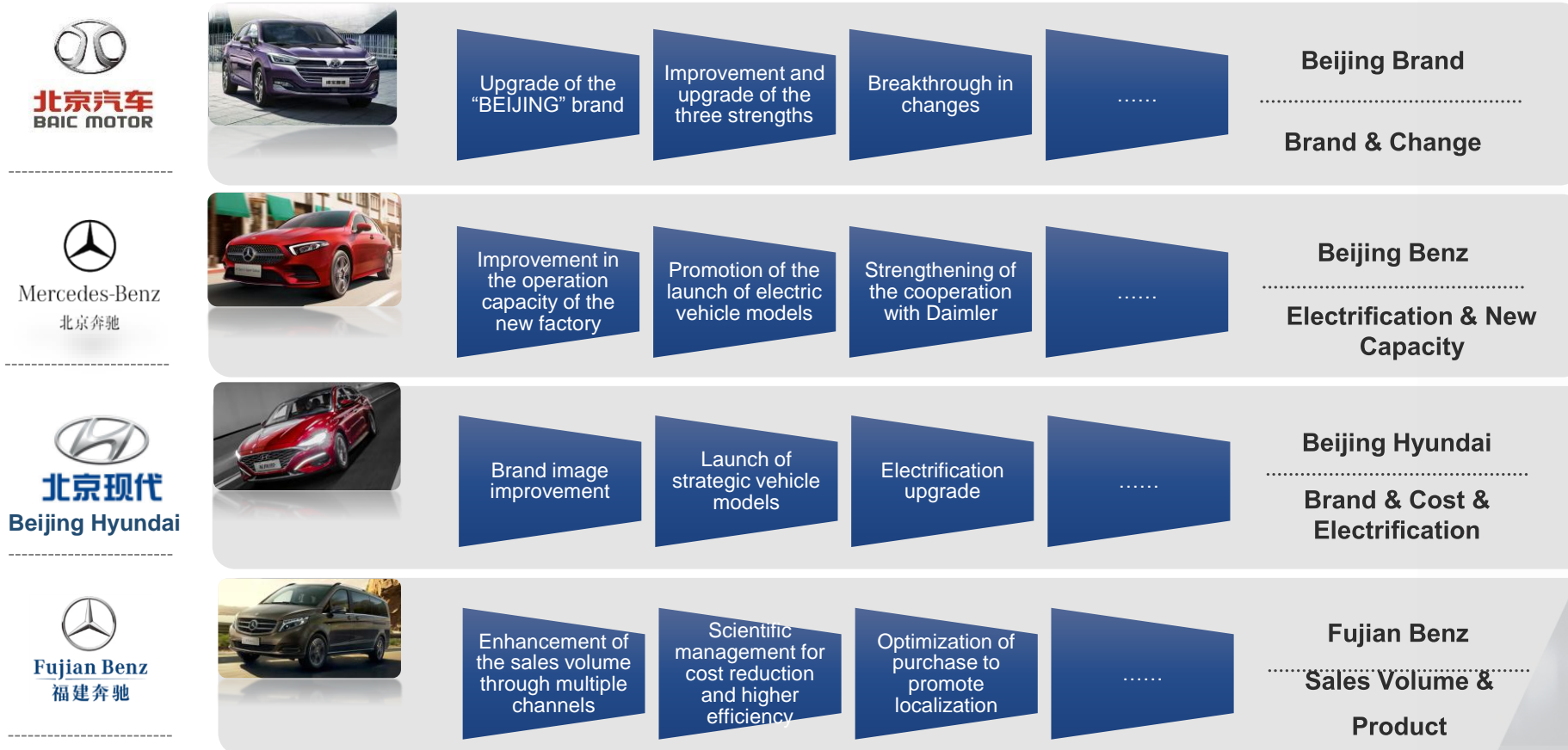
Beijing Brand

Measures to ensure Q1 sales

Strategies implemented during the outbreak - accumulation of strength during the outbreak

- Policy support-Corresponding support for dealers in terms of finance and operation
- Online marketing-Shift of the focus of customer acquisition by dealers to online channels
- Crisis as opportunity - Promotion of the deep change in the marketing model of the BEIJING brand
- Service assurance- Formulation of measures to ensure customer services
- Logistics assurance - Adjustment to the transport capacity structure and strengthening of information communication

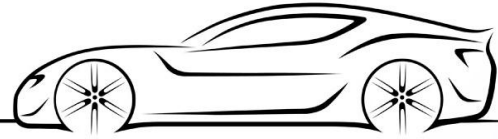
2020 Corporate Business Strategy



New Models Launching Plan in 2020



BEIJING U5 Facelift、EU5 Annual Version



BEIJING X7 ICE + PHEV Dual Models



Mercedes-Benz
北京奔驰



E-Class Facelift



All New GLA



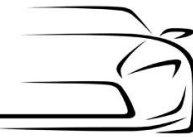
北京现代



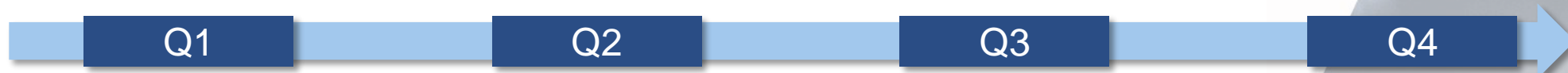
LaFesta EV



10th Generation Sonata



7th Generation Elantra





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