

# GEELY

## 吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code : 0175)



19th Asian Games  
Hangzhou 2022



GEELY AUTO

Official Prestige Partner of the 19th Asian Games Hangzhou 2022

### 2019 ANNUAL RESULTS

### 30 March 2020



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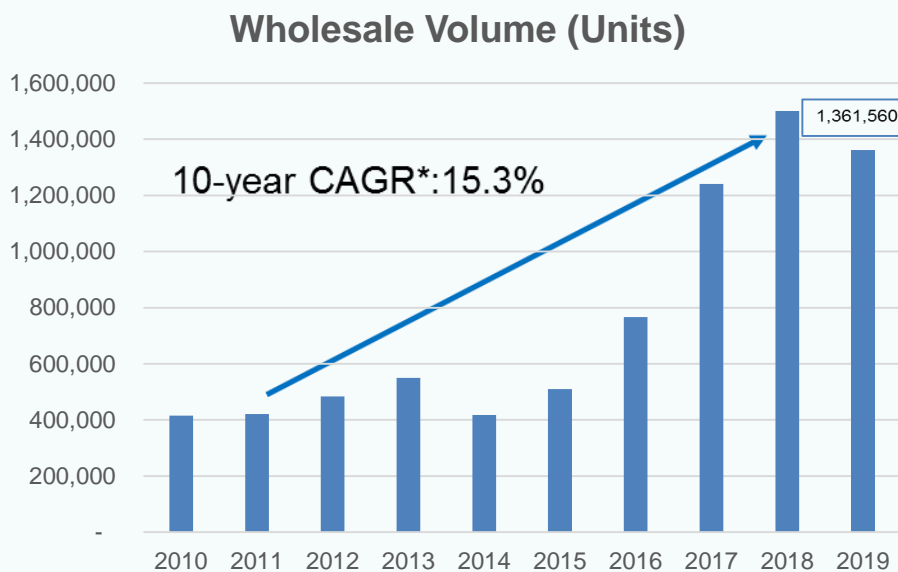
# 2019 FULL YEAR RESULTS

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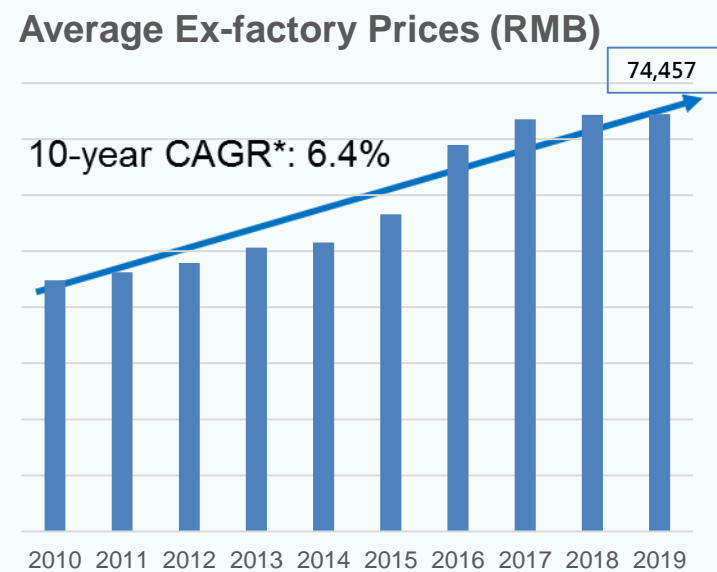
- Attributable profit -35% to RMB8.19 billion
- Wholesale volume -9% YoY
- Retail sales volume +1%YoY
- Flat average selling price
- Lower margins (GP at 17.4%; OP at 8.9%)
- Cash dividend payout increased to 25%
- Very strong financial position with RMB19 billion cash



# SALES PERFORMANCE



\* CAGR: Compound Annual Growth Rate

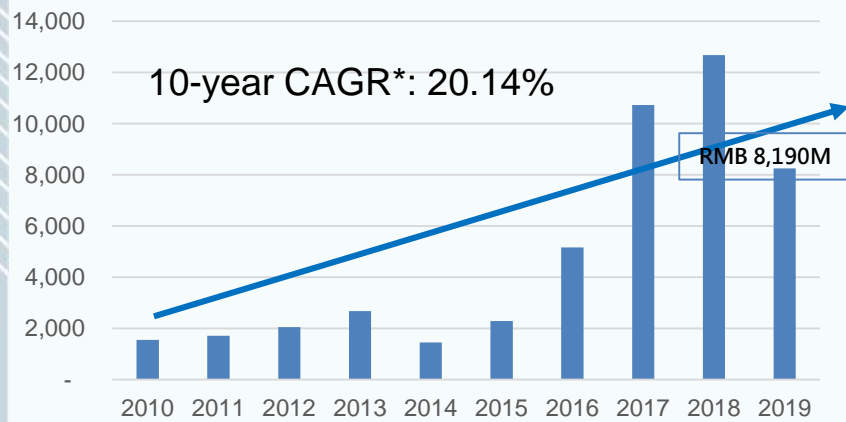


\* Average Ex-factory Prices excluding Lynk&Co

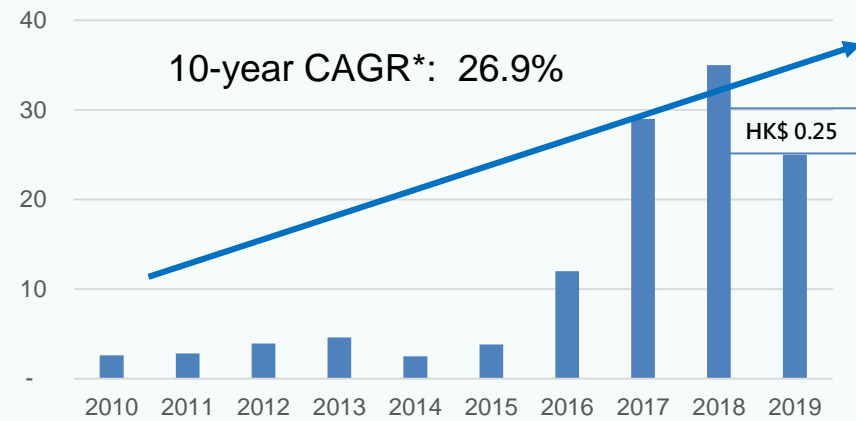
# SHAREHOLDERS' RETURN



### Net Profit (RMB Mn)



### Cash DPS\*(HK cents)



# 2019 HIGHLIGHTS

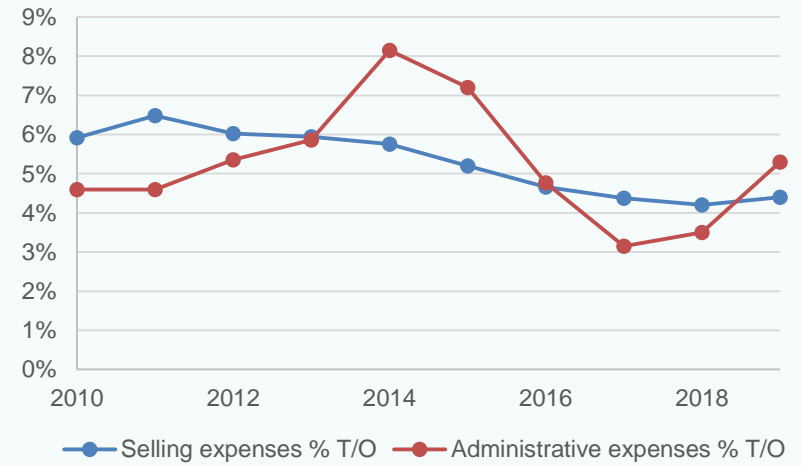
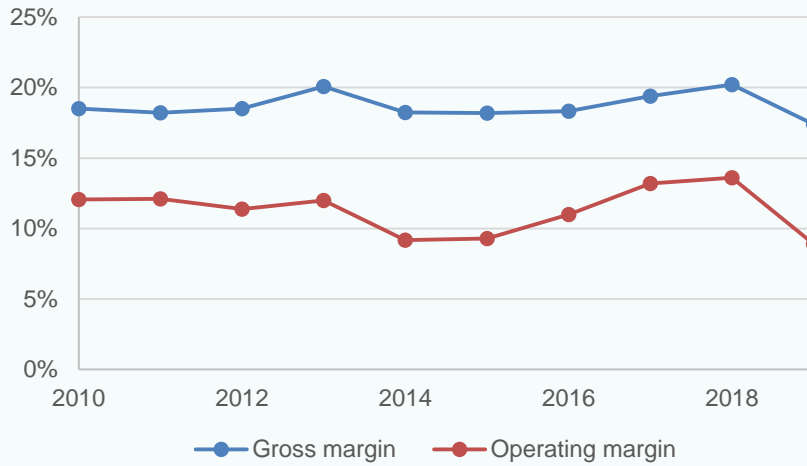
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- Higher retail market share at 6.5% (2018: 6.2%)
- Successful launch of pure electric car brand “Geometry”
- Profit contribution from joint-ventures (mainly Genius AFC & Lynk&Co) up 24%
- NEEV sales volume up 69%
- Total R&D expenses up 59% to maintain competitiveness





# PROFITABILITY



# GENIUS AFC

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- Provision of automobile financing for 3 key auto brands under Zhejiang Geely Group
- Additional capital injection of RMB2 billion by shareholders to support growth
- Loan assets increased from RMB19.3 billion by end of 2018 to RMB31.6 billion by end of 2019
- Negligibly low default rate
- Net profit more than doubled to RMB509 million (2018: RMB217 million)



吉致汽车金融  
GENIUS AFC



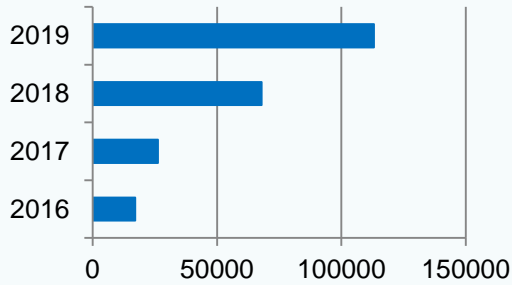
# LYNK&CO

- Sales volume +6% to 128,066 units in 2019
- Launch of PHEV version for “02” & “03”
- Net profit down 27% YoY to RMB486 million due to price pressure
- 263 “LYNK&CO Centres” and 21 “LYNK&CO Spaces” in China

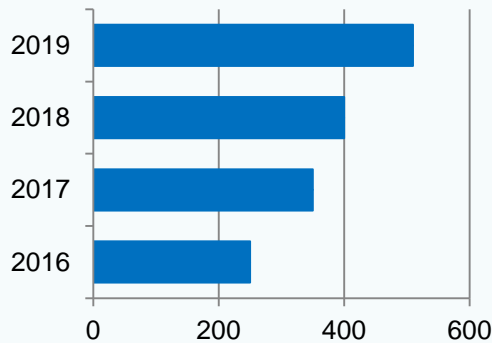


# NEW ENERGY AND ELECTRIFIED VEHICLES (NEEVs)

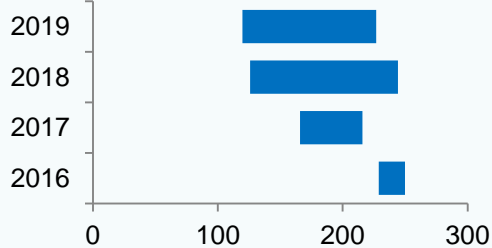
NEEVs - Sales Volume (units)





EV - Range Per Charge (km)



Price Range (RMB '000)



## New NEEV models

2019			
	Xingyue MHEV	Xingyue PHEV	Geometry A
2019			
	Binyue MHEV	Binyue PHEV	Jiaji MHEV/PHEV
2018			
	Borui GE MHEV	Borui GE PHEV	01 PHEV
2018			
	Emgrand EV350	Emgrand EV450	GSe
2017			
	Emgrand EV300 (2017)	Emgrand PHEV (2017)	Emgrand EV (2016)

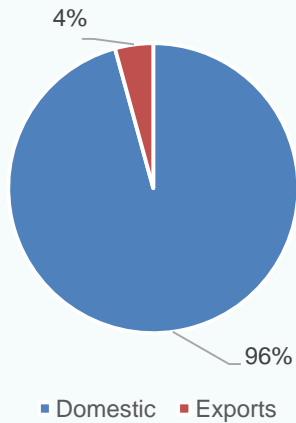
# SALES VOLUME BREAKDOWN

(Y/E December) Units		2019	2018	YoY change
<b>Total</b>	*	<b>1,361,560</b>	<b>1,500,838</b>	<b>-9%</b>
-Domestic	*	1,303,569	1,473,070	-12%
-Exports		57,991	27,768	109%
<b>Sedans</b>		530,123	647,221	-18%
<b>SUVs</b>		799,763	853,617	-6%
<b>MPVs</b>		31,674	-	-
<b>Geely</b>		1,221,352	1,380,424	-12%
<b>Geometry</b>		12,142	-	-
<b>Lynk&amp;Co</b>		128,066	120,414	6%
<b>NEEVs</b>		113,067	67,069	69%

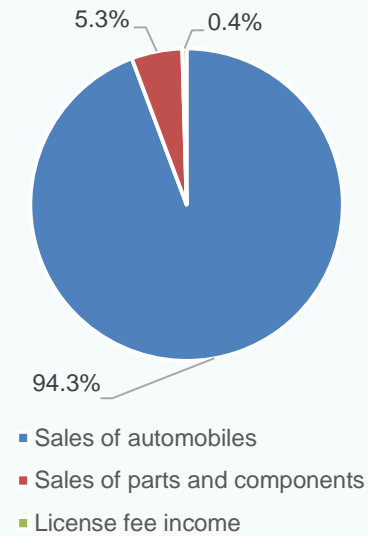
\* Including sales volume of Lynk&Co vehicles

# SALES VOLUME BREAKDOWN (CONTINUED)

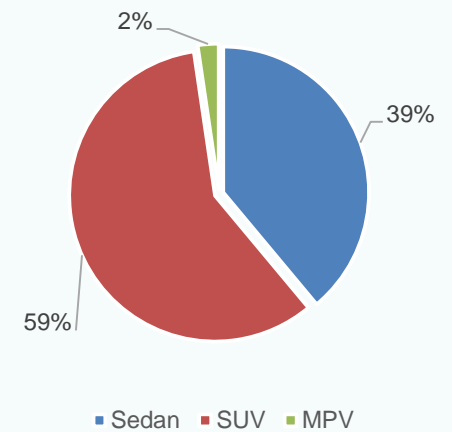
Sales by location



Revenue by nature



Automobile by segment



Key Models:

Sedan: New Emgrand, Vision, Emgrand GL, Lynk&Co 03  
 SUV: Boyue, Binyue, Vision X3, Emgrand GS, Vision SUV, Lynk&Co 01,  
 Lynk&Co 02, Vision S1  
 MPV: Jiaji

\*\* Source = China Association of Automobile Manufacturers ("CAAM")

# 2019 ANNUAL RESULTS

Y/E December	2019	2018	YoY change
Sales Volume (units)	1,361,560	1,500,838	-9%
Revenue(RMB mn)	97,401	106,595	-9%
Gross profit margin ratio*	17.4%	20.2%	-
Operating margin ratio**	8.9%	13.6%	-
Profit after tax(RMB mn)	8,261	12,674	-35%
Attributable profit(RMB mn)	8,190	12,553	-35%
Diluted EPS (RMB cents) <sup>#</sup>	89.21	136.83	-35%
Cash DPS (HK cents)	25.00	35.00	-29%
	<u>Dec-19</u>	<u>Dec-18</u>	
Shareholders' equity	54,436	44,944	21%
Net cash <sup>##</sup>	11,759	12,333	-5%

\* Gross profit margin ratio = gross profit / revenue

Operating margin ratio = (pre-tax margin before net finance costs , share-based payments, gain on disposal of subsidiaries and share of results of associates/joint ventures) / revenue

# Diluted EPS = profit attributable to equity holders of the Company (diluted) / weighted average number of ordinary shares (diluted)

## Net cash = all cash /bank deposits – all bank borrowings – bonds payables - perpetual capital securities

# FINANCIAL ANALYSIS

Y/E December	2019	2018	YoY change
Sales of vehicles (RMB m) <sup>#</sup>	91,843	102,651	-11%
Average unit price (RMB) <sup>#</sup>	74,457	74,362	0%
Return on equity	15.0%	27.9%	-46%
EBITDA ratio*	13.0%	15.8%	-18%
Selling expenses (% of T/O)	4.4%	4.2%	6%
Admin. expenses (% of T/O)	5.3%	3.5%	50%

\* EBITDA margin ratio = (Profit for the year plus taxes, depreciation and amortization, and finance costs) / revenue

# Excluding sales volume of Lynk&Co vehicles



# FINANCIAL SUMMARY

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- Healthy financial position despite lower revenue and operating profit
- Strong net cash level at RMB11.8 billion
- Issuance of US\$500m senior perpetual capital securities to diversify funding sources
- Moody's credit rating outlook upgraded to "Baa3"/ stable (currently ratings under review for downgrade)
- Positive free cashflow



# NEW PRODUCTS

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## “Geely” brand:

- “Icon” compact SUV model
- “Haoyue” full size SUV
- A compact sedan model
- “NEEV” versions, facelifts, and annual upgrades for major models



## “Geometry” brand:

- A brand new electrified SUV model

# NEW PRODUCTS

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## “Lynk&Co” brand:

- Lynk&Co 05 Crossover
- Lynk&Co 06 Compact SUV
- Annual upgrades for existing models



# ENVIRONMENTAL, SOCIAL & GOVERNANCE (“ESG”)

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- Stay as constituent of the "Hang Seng Corporate Sustainability Benchmark Index ”
- Received an MSCI ESG Rating of **AA**
- Participated other international ESG ratings (S&P ESG Evaluations)
- Dedicated headcount for ESG



Hang Seng Corporate  
Sustainability Index  
Series Member 2019-2020

# ENVIRONMENT

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- Sales volume of NEEVs  
+69% YoY to 113,067 units
- NEEVs accounted for 8.3% of total sales volume (2018: 4.5%)
- 57% of existing models offer NEEV versions (2018: 33%)
- Formation of JVs with CATL & LG Chem to secure future supply of EV batteries



# GOVERNANCE

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- Clearer dividend policy
- Reduction of general mandate to issue shares from 20% to 10%
- More disclosure on capitalized R&D expenditure

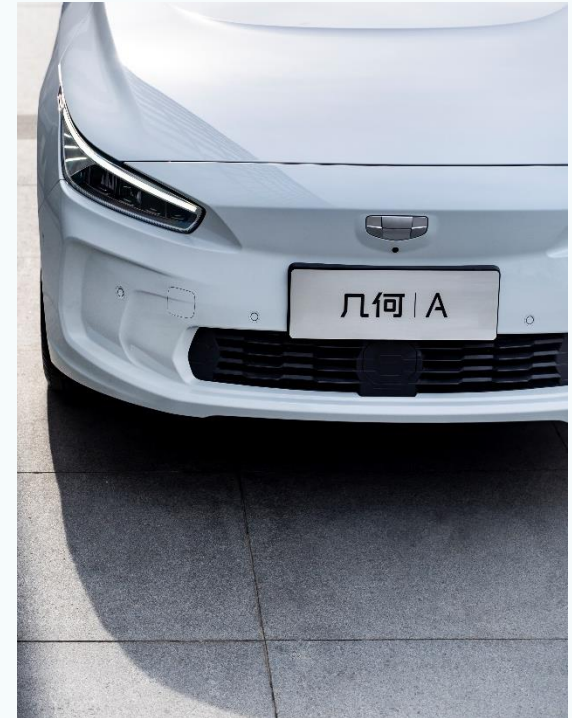




## GOVERNANCE (CONTINUED)

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- Strengthened internal control to save costs
- Reduced continuing connected transactions via restructuring
- Regained minority shareholders' approval to offer auto finance for Volvo Cars



# 2020 OUTLOOK

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- Uncertainties for passenger vehicle demand in China in 2020
- Target sales volume at 1.41 million units for 2020
- Production largely resumed after shut down caused by COVID-19 outbreak
- Significant increase in NEEV models
- Proposed restructuring through combination with Volvo Car to improve competitiveness
- Reduction of Capex by 11% to preserve cash

