

# 吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

## 2014 Annual Results

18 March 2015

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*Note: Sources of all data contained in this presentation are from Geely Automobile Holdings Ltd. except specified otherwise.*

# Financial Summary

Y/E December (RMB m)	2014	2013	YoY change
Sales volume (units)	417,851	549,468	-24%
Turnover/Revenue	21,738	28,708	-24%
Gross profit margin ratio*	18.2%	20.1%	-9%
Operating margin ratio**	9.2%	12.0%	-24%
Profit after tax	1,449	2,680	-46%
Attributable profit	1,431	2,663	-46%
EPS (RMB cents)#	16.25	30.42	-47%
Cash dividend/share (HK cents)	2.5	4.6	-46%
Shareholders' equity	17,288	16,068	8%
Net cash###	4,739	4,618	3%

\* Gross profit margin ratio = gross profit / turnover

\*\* Operating margin ratio = (pre-tax margin before net finance costs, share-based payments and share of results of associates and joint venture) / turnover

# 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 – senior notes

# Results Highlights

- 2014 results affected by restructuring of our domestic sales channel and weaker exports sales
- Net profit down 46% to RMB1,431 million in 2014
- Foreign exchange loss of RMB 650 million, mainly at the Group's subsidiary in Russia
- The results were also affected by 16.8% drop in the domestic sales volume and 49.8% drop in the export sales volume

## Positives

- Strong financial position with net cash at RMB 4.7 billion at the end of 2014
- 2% increase in average ex-factory price due to better product mix
- Launches of successful new models Xindihao and New Vision
- Selling expenses down 27%; Administrative expenses down 31% if exchange losses were excluded
- Maintaining good customer satisfaction as indicated by J.D.Power Asia Pacific 2014 China Customer Service Index (CSI) Study<sup>SM</sup>

## Sales Volume Breakdown

Model	2014	2013	YoY change
EC7	83,270	192,226	-57%
Xindihao	79,343	-	-
Kingkong/New Kingkong	72,380	51,247	41%
GC7/SC7/Vision	64,700	117,485	-45%
GX7/SX7/GX9	63,300	64,298	-2%
Geely Panda	24,770	35,085	-29%
Free Cruiser	17,406	37,857	-54%
SC6	7,168	27,607	-74%
EC8	3,186	10,284	-69%
SC3	1,585	12,241	-87%
Others	743	1138	-35%
Total	417,851	549,468	-24%

# 2014 Sales Performance

**Overall:** 417,851 units, -24.0% YoY  
**Domestic:** 358,130 units -16.8% YoY  
**Exports:** 59,721 units -49.8% YoY

Mid-Size Sedans  
(Xindihao+EC7+GC7+SC7+Vision)

**227,313 units -26.6% YoY**



SUVs (GX9+GX7+SX7)

**63,300 units -1.6% YoY**



## Consolidated Income Statement

Y/E Dec (RMB m)	2014	2013	YoY change
Turnover/Revenue	21,738	28,708	-24%
Gross Profit	3,963	5,766	-31%
Other Income	1,055	1,062	-1%
Selling Expenses	-1,250	-1,705	-27%
Admin. Expenses	-1,772	-1,682	5%
Share-based Payments	-60	-87	-31%
Finance Costs, net	-24	-40	-41%
Taxation	-494	-624	-21%
Net Profit Attributable to Equity Holders	1,431	2,663	-46%



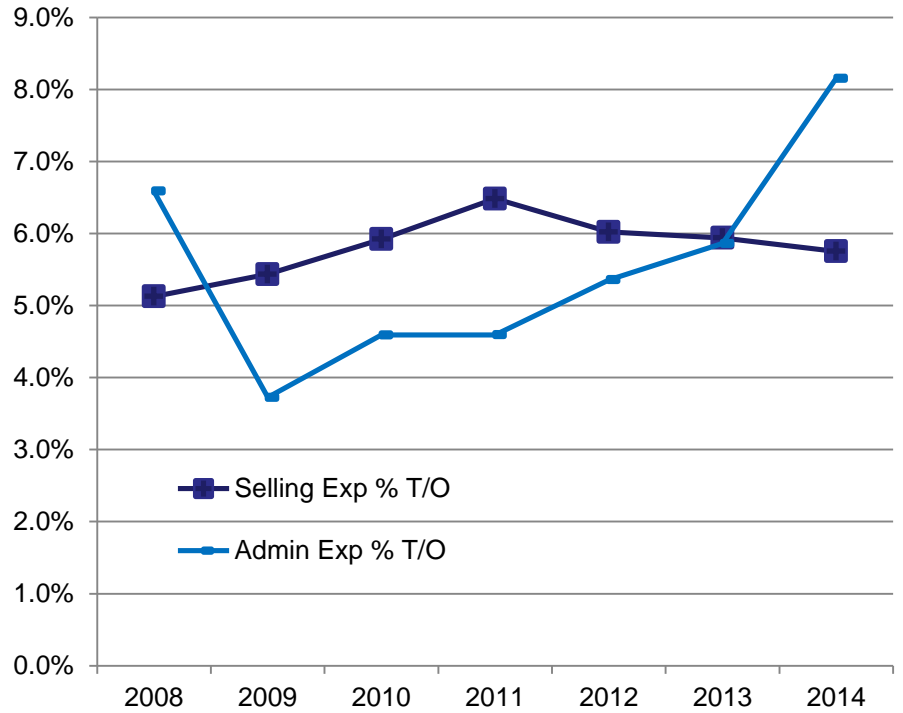
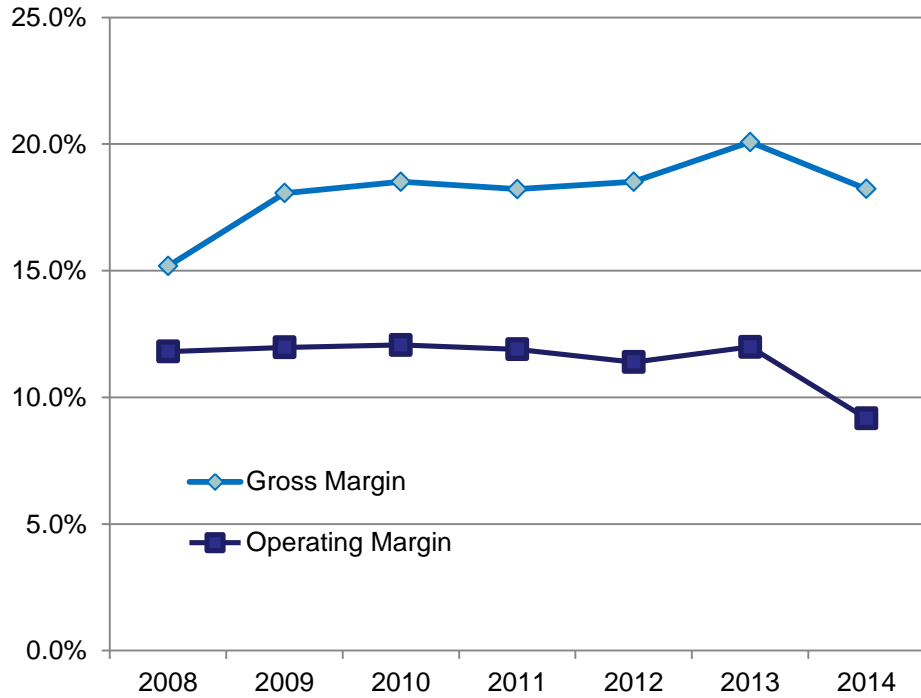
# Net Profit

- The earnings performance in 2014 was a result of:
  - Fall in both domestic and export sales volume
  - 23% fall in vehicle sales revenue
  - Higher effective tax rate (25.4% vs. 18.9%)
  - Foreign exchange loss of RMB 650 million

but partly offset by:

- Stable subsidy income
- 2% increase in average ex-factory price due to better product mix
- Falling selling expenses (-27% YoY)
- Decrease in net finance costs (-41% YoY)

# Profitability



# Consolidated Statement of Financial Position

(RMB m)	31-Dec-14	31-Dec-13	YoY change
Non-current Assets	11,977	11,348	6%
Inventories	1,620	1,784	-9%
Trade/other Receivables	16,385	14,785	11%
Total Cash/Bank Balance	7,251	5,583	30%
Trade/other Payables	13,222	16,075	-18%
Short-term Borrowings	692	966	-28%
Senior Notes	1,820	0	-
Shareholders' Equity	17,288	16,068	8%

# Financial Analysis

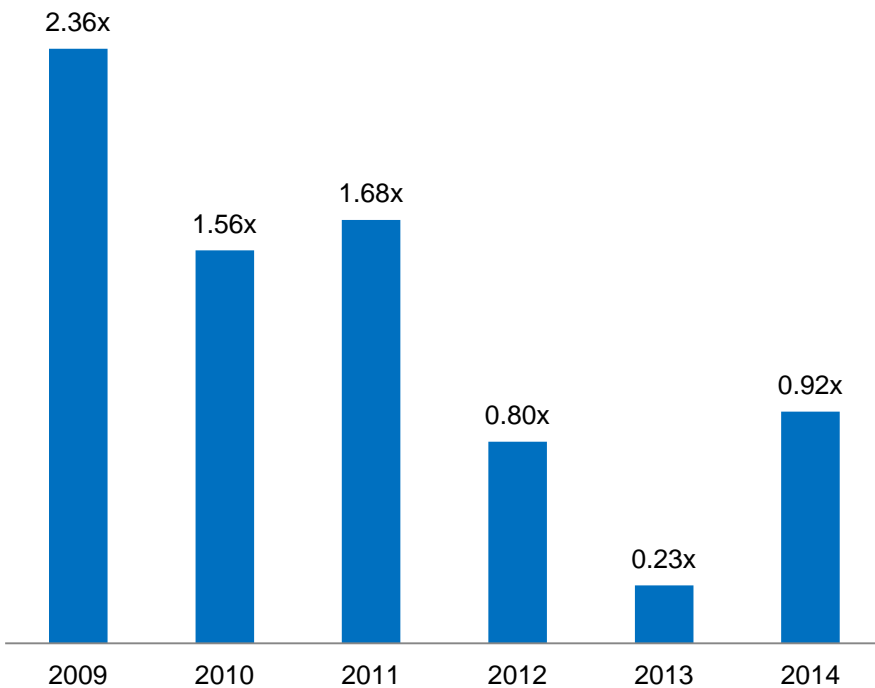
Y/E Dec	2014	2013	YoY change
Sales of Vehicles (RMB m)	21,534	27,828	-23%
Average Unit Price (RMB)	51,536	50,646	2%
Return on Equity	8.3%	16.6%	-50%
Gross Margin Ratio*	18.2%	20.1%	-9%
Operating Margin Ratio**	9.2%	12.0%	-24%
Selling Expenses (% of T/O)	5.8%	5.9%	-2%
Admin. Expenses (% of T/O)	8.2%	5.9%	39%

\* Gross profit margin ratio = gross profit / turnover

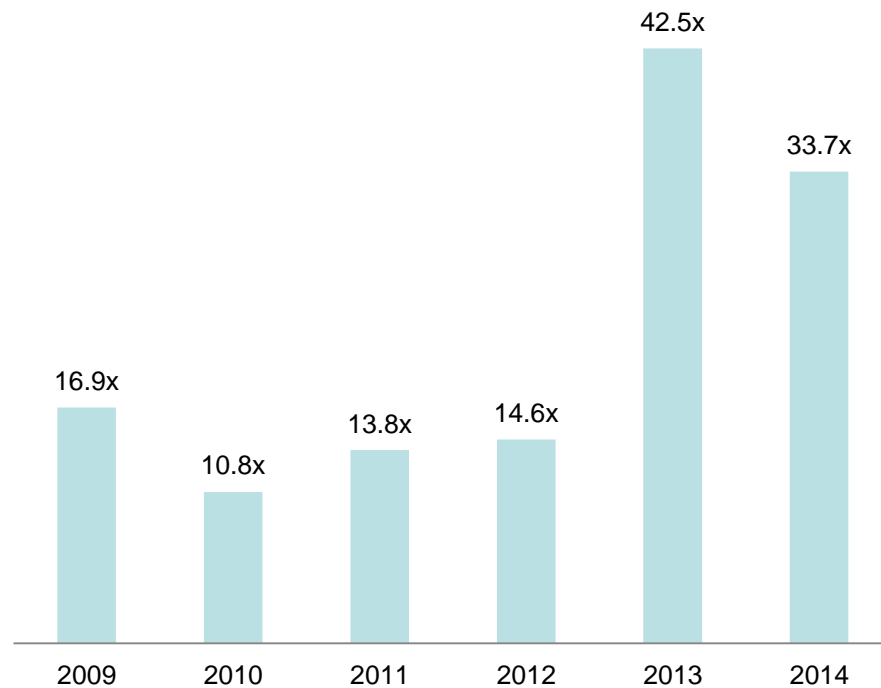
\*\* Operating margin ratio = (pre-tax margin before net finance costs , share-based payments and share of results of associates and joint venture) / turnover

# Leverage Ratio

**Total Debts/EBITDA**



**EBITDA/Gross Interest Expense**

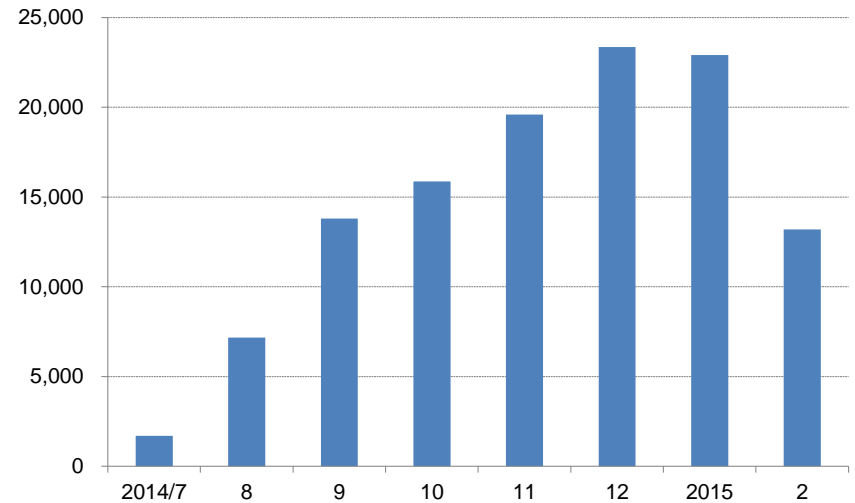


# New Product - Xindihaio



- Enhanced safety & comfort
- New turbo engines with larger power & better fuel efficiency
- New 6-speed manual gearbox
- NVH noise cancellation technology
- Enhanced storage space
- Bosch's V9.0 ABS+EBD
- HHC (Hill Hold Control)
- ESC (Electronic Stability Control)
- G-Netlink infotainment system with voice control
- G-Link mobile connectivity system

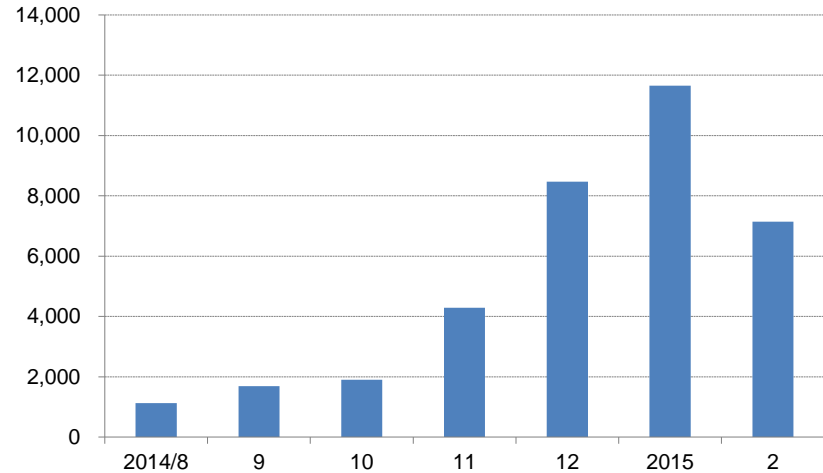
Monthly Sales Volume of Xindihaio



# New Product – New Vision



Monthly Sales Volume of Vision



- **Enhanced safety & comfort**
- **More efficient turbo engines**
- **New 6-speed manual gearbox**
- **360° 3-sensor parking assist system**
- **PEPS (Passive Entry/Passive Start)**
- **NVH noise cancellation technology**
- **4 Wheel Disc Brakes**
- **Bosch's V9.0 ABS+EBD**
- **Enhanced storage space**
- **G-Link mobile connectivity system**



# New Products

- **GC9 B-segment Sedans (March 2015)**
- **Emgrand Electric Vehicles (mid-2015)**
- **Emgrand SUVs (end 2015)**
- **Compact SUVs (end 2015)**
- **Emgrand Cross Vehicles (early 2016)**
- **Emgrand 4-door Sedans (early 2016)**

**+ upgraded versions of SC7, GC7,  
Kingkong, Geely Panda**





# New Product – GC9 B Class Sedan

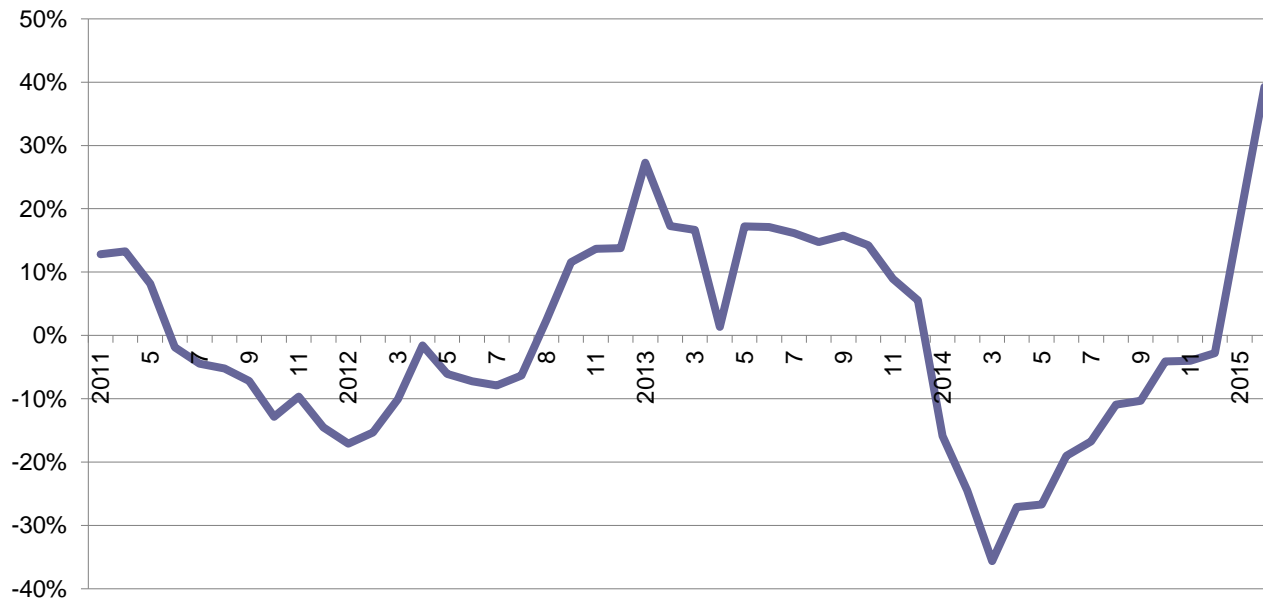


# 2015 Sales Performance

(First Two Months of 2015)

**Overall:** 92,022 units, +67% YoY  
**Domestic:** 85,177 units +77% YoY  
**Exports:** 6,845 units +0.2% YoY

Domestic Sales Volume (3MMA+/-%)



# Outlook

- Key challenges: rapid changes in economic and regulatory environment in China, fierce competition, increasingly demanding customer expectations, and political and social instability in major export markets
- Enhanced brand image, product quality and service quality, strong financial position, new cycle of product renewal
- Enhancing cooperation relationship with Volvo Cars– through China-Euro Vehicle Technology AB (CEVT) to develop the future C segment cars
- Planned launch of our first new energy vehicle
- Sales target set at 450,000 units in 2015 (+8% YoY)

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