

HYUNDAI
GLOVIS

2019 Q2 Business Result

Global **Smart SCM** Provider



【 Disclaimer Statement 】

All financial statements contained in document is based in accordance with Korean International Financial Reporting Standards(K-IFRS).

Current presentation material includes forecasted outlooks.

The aforementioned forward-looking statements are influenced by changes in the management environment and relative events, and by their nature, these statements refer to uncertain circumstances.

Due to these uncertainties, the Company's actual future results may differ materially from those expressed or implied by such statements.

The information contained herein should not be utilized for any legal purposes in regards to investors' investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors' reliance on the information contained herein.

In addition, the information contained herein has been prepared in advance, prior to being audited by external auditors, solely for the convenience of investors of the Company, and is subject to change in the process of final auditing by external auditors

【 Table of Contents 】

▪ Performance	
- 2019 Q2 Business Results	4
- Performance by Div.	5
▪ Business	
【 Logistics 】	
- Domestic	6
- International	7
【 Shipping 】	
- Pure Car Carrier	8
- Bulk	9
【 Distribution 】	
- CKD	10
- Auto Biz / Other Distribution	11
▪ Appendix	
- Financial Statement	12
- Income Statement	13

2019 Q2 Result

(Unit : KRW 1 BN, %)

	'18 Q2	'19 Q1	'19 Q2	YoY	QoQ
Sales	4,231.2	4,220.8	4,496.1	+6.3%	+6.5%
Gross Profit	295.9	295.5	326.4	+10.3%	+10.5%
Operating Profit	180.6	185.3	202.2	+12.0%	+9.1%
OP Margin (%)	4.3	4.4	4.5		
E B I T D A	225.9	255.0 [*]	282.8 ^{**}	+25.2%	+10.9%
EBT	86.2	161.9	187.0	+116.9%	+15.5%
Net Profit	34.8	106.0	121.5	+249.1%	+14.6%

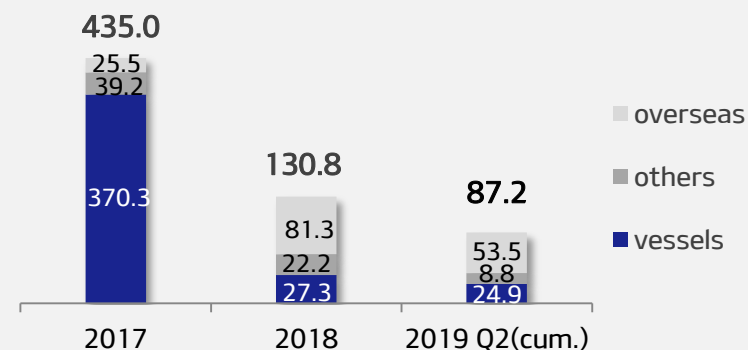
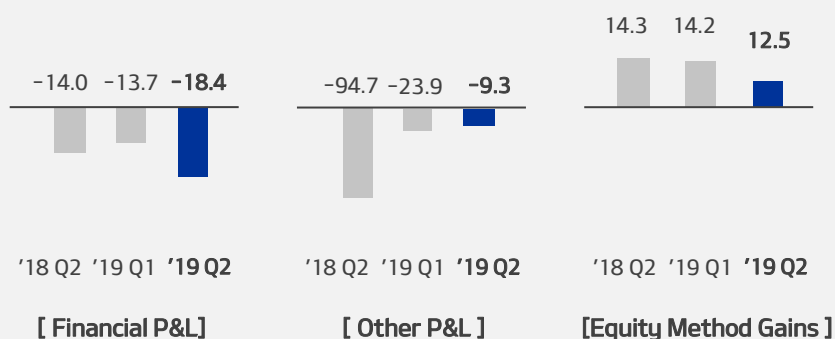
※ Lease(Usage rights) asset amortization KRW 23.0 BN included

※※ Lease(Usage rights) asset amortization KRW 29.6 BN included

Non-Operating P&L

CAPEX

(Unit : KRW 1 BN, %)



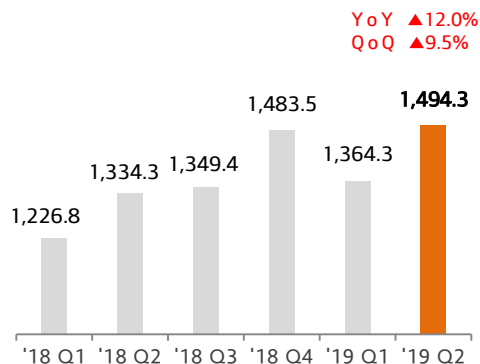
Performance by Div.

(Unit : KRW 1 BN, %)

【 Logistics 】

- Sales increase due to Car production/sales increase (YoY)
- Continuous TPL increase (YoY)

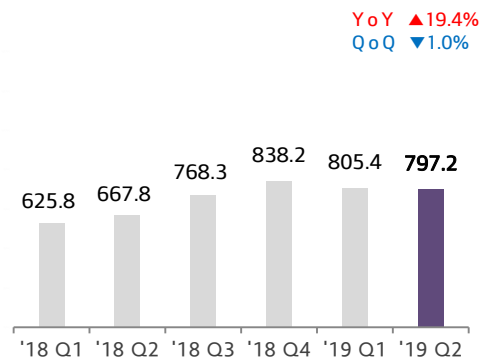
Sales



【 Shipping 】

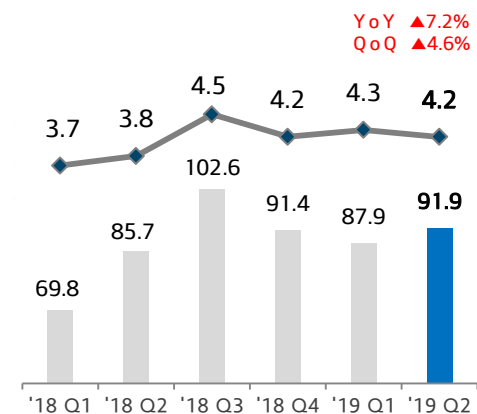
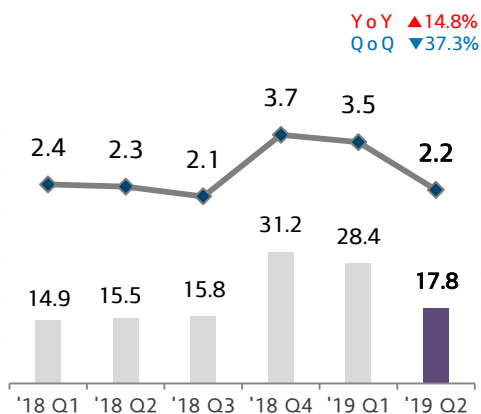
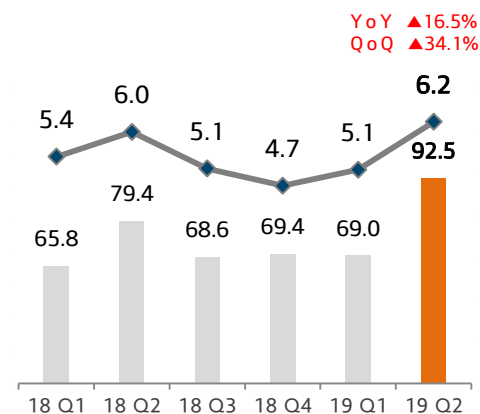
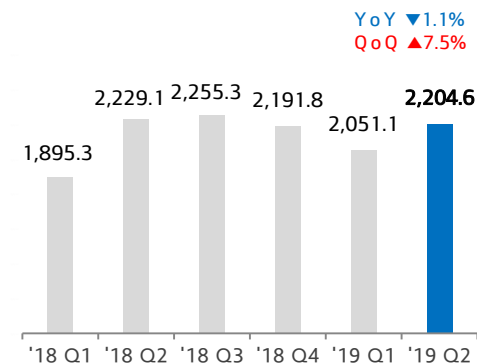
- PCC sales increase due to third party volume increase
(third party sales proportion exceeded 50% in '19 Q2)

Operating Profit



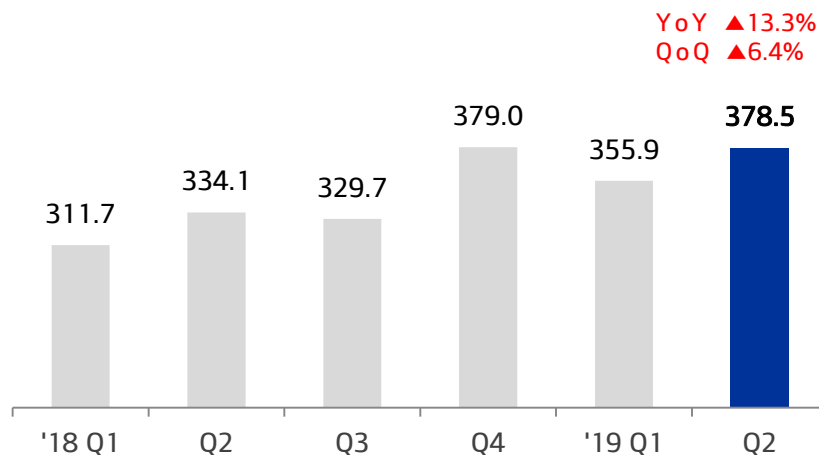
【 Distribution 】

- Used car auction sales increase due to consumption tax↓ & new model launch (YoY)
- Other distribution sales decrease due to raw material price drop (YoY)



【 Sales 】

(Unit : KRW 1 BN)



Check Point

- HMC/KMC domestic sales and production increased
- Continuous TPL volume increase

Business Outlook

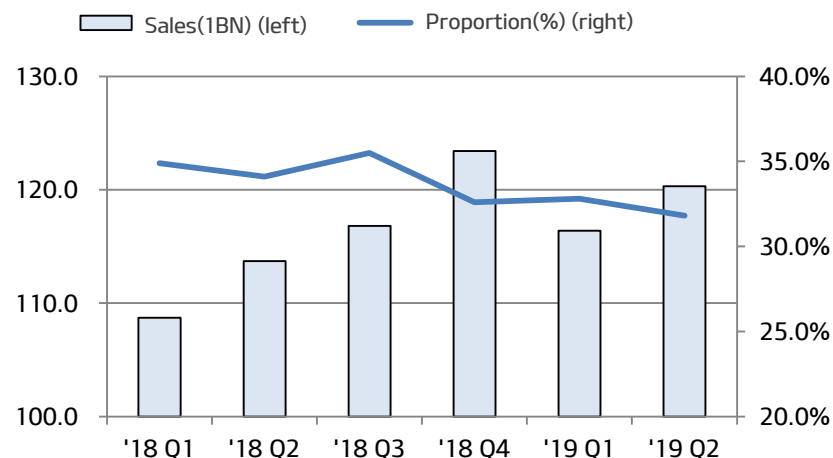
- Finished Car Industry
 - Sales increase with consumption tax ↓ & new model launch
- Steel Industry
 - Slower growth YoY, due to global economic slowdown and intensified trade tension
- Distribution Industry
 - Growth based on online shopping mall as e-commerce market continuously develops

【 HMC·KMC Domestic Sales 】

(Unit : cars)

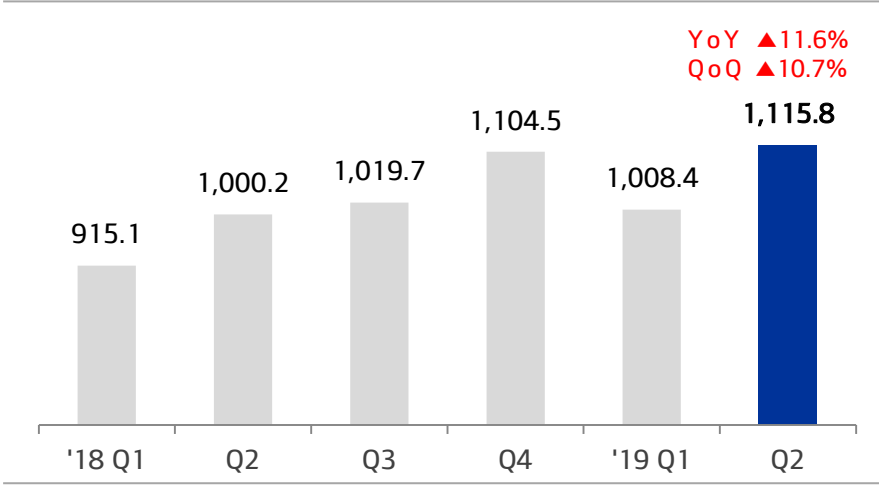
	'18 Q2	'19 Q1	'19 Q2
HMC	185,178	183,957	200,156
KMC	143,050	115,465	127,405
Total	328,228	299,422	327,561

【 3PL sales & proportion (within Domestic Logistics) 】



【 Sales 】

(Unit : KRW 1 BN)



Check Point

- Revenue increase from improved car production in the US (YoY)
- Container forwarding volume increase

Business Outlook

- Improved car sales environment driven by HMC/KMC's new model launch

【 Logistics sales of Overseas Subsidiaries 】 (Unit : KRW 1 BN)

	'18 Q2	'19 Q1	'19 Q2	YoY (%)	QoQ (%)
Americas	394.1	381.2	457.0	16.0	19.9
Europe	262.6	254.3	278.6	6.1	9.6
Asia Pacific	95.8	92.7	94.5	△1.4	1.9

【 Americas 】

- Oversea subsidiary's logistics sales increased along with HMC·KMC's US production and sales increase (YoY)

【 Europe 】

- Oversea subsidiary's logistics sales increased as local long distance transportation and forwarding volume increased (YoY)

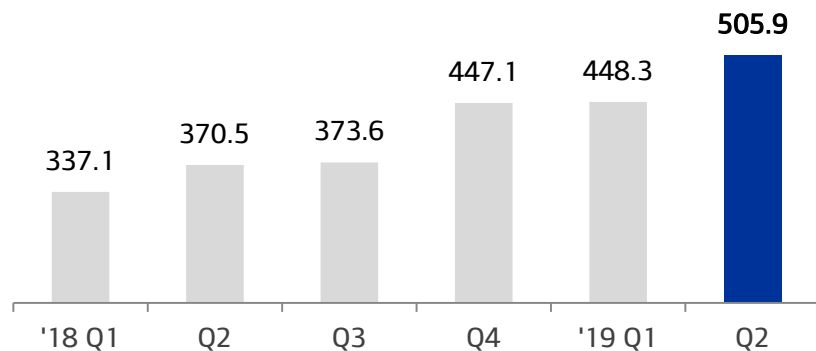
【 Asia Pacific 】

- Finished car inland logistics volume in India decreased (YoY)

【 Sales 】

(Unit : KRW 1 BN)

YoY ▲36.5%
QoQ ▲12.8%



Check Point

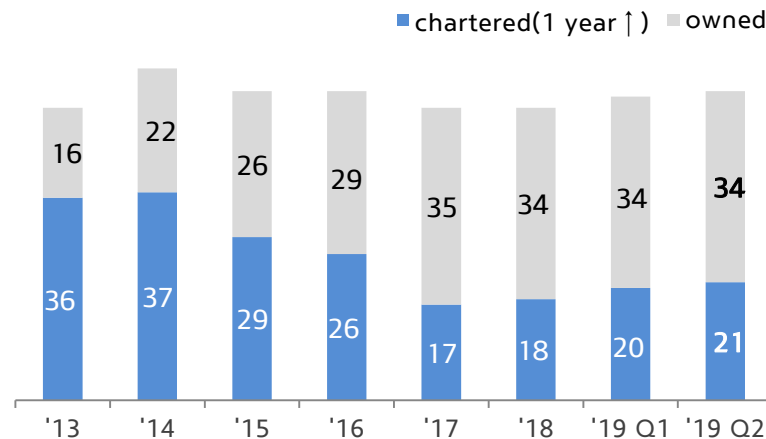
- Continuous increase in TPL contract volume
- HMC/KMC domestic export volume increase

Business Outlook

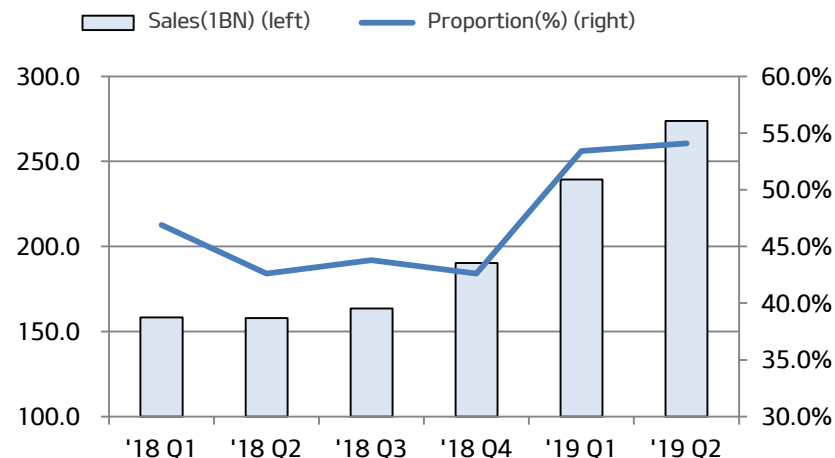
- Uncertainty in major countries' finished car business might continue due to decrease in global industrial demand
- Recovery in finished car volume to Middle East as oil price increases

【 Vessel Fleet 】

(Unit : vessels)

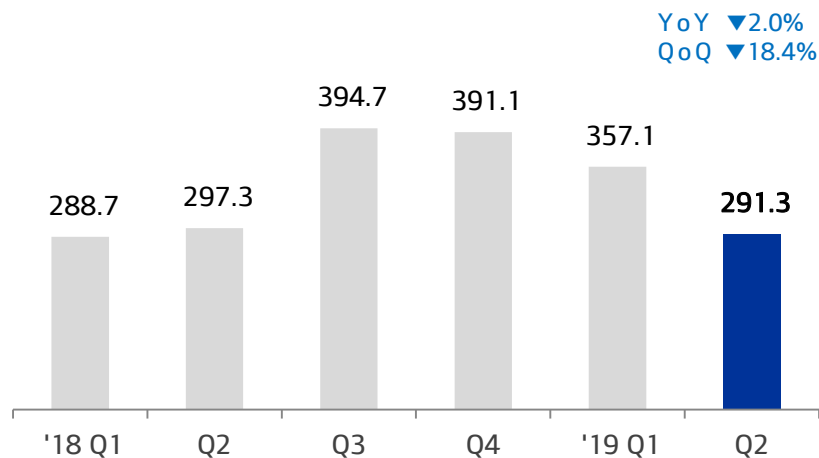


【 3PL sales & proportion (within PCC Business) 】



【 Sales 】

(Unit : KRW 1 BN)



Check Point

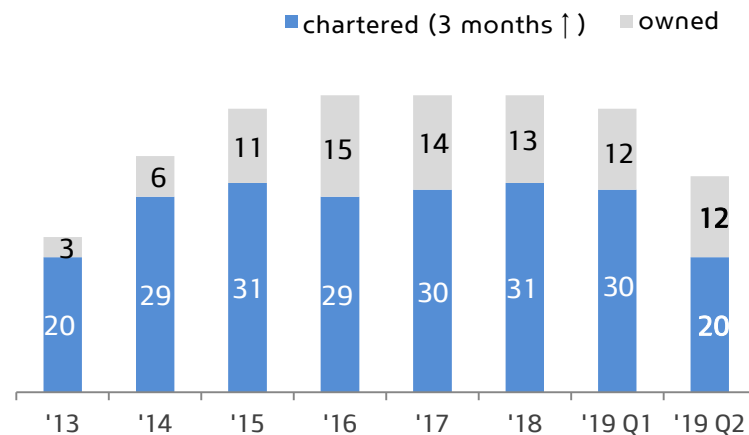
- Spot contract shipping decrease

Business Outlook

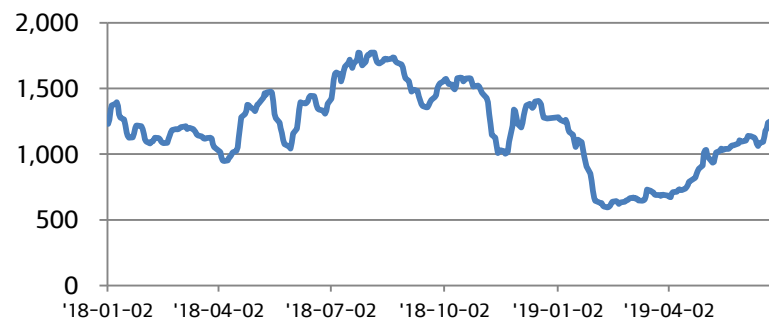
- Recovery in Iron ore volume to China as China expands infrastructure investment
- Coal demand decrease due to global manufacturing business stagnation

【 Vessel Fleet 】

(Unit : vessels)



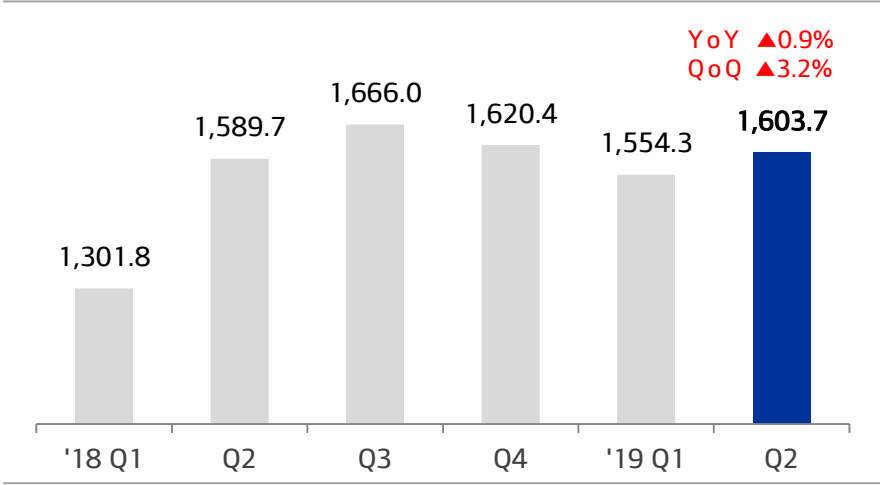
【 Baltic Dry Index 】



	'18 Q2	'18 Q3	'18 Q4	'19 Q1	'19 Q2
Avg.	1,260	1,607	1,363	798	995

【 Sales 】

(Unit : KRW 1 BN)



Check Point

- Recovery in US supply volume with new model launch, etc. (YoY)
- Increase in other non-affiliate CKD volume (YoY)

Business Outlook

- Uncertainty in auto industry demand grows as global trade issues continue
- Expect increased global demand in SUV & EV to continue

【 Capacity of Overseas Plant / Car Models 】

		Capacity (annual)	Car Models
HMC	Alabama	370,000	Santa fe, Avante, Sonata
	Czech	300,000	Tucson, i30
	Turkey	200,000	i10, i20
	Russia	200,000	Solaris, Creta
	Brazil	180,000	HB20, Creta
KMC	Georgia	340,000	Sorento, Telluride, K5
	Slovakia	330,000	Sportage, Ceed
	Mexico	400,000	K3, Rio

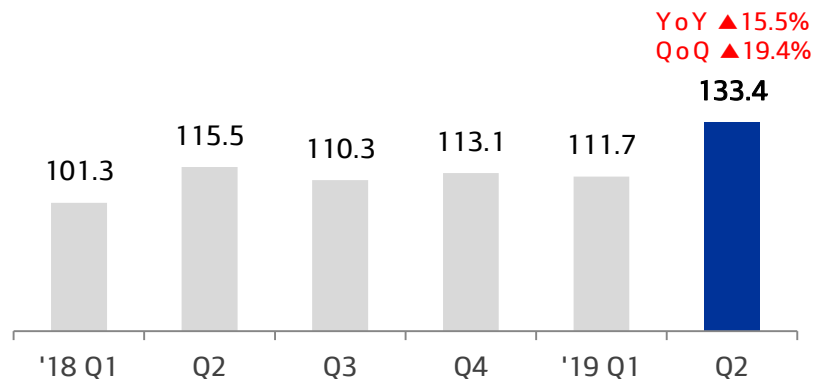
※Reference : HMC·KMC IR material

Distribution

Auto Biz (Used car Auction)

【 Sales 】

(Unit : KRW 1 BN)

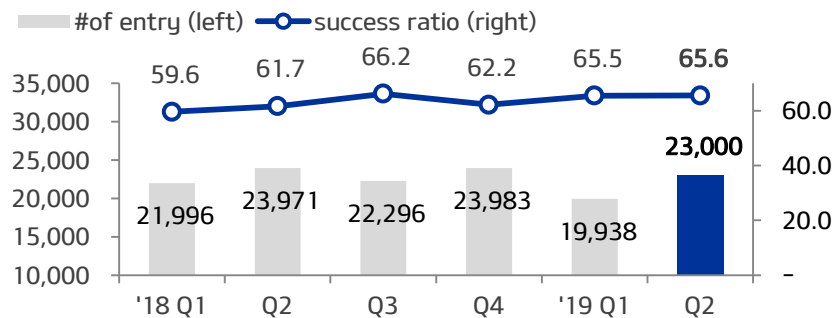


Check Point

- Success ratio increased as # of entry & purchase demand grew

Business Outlook

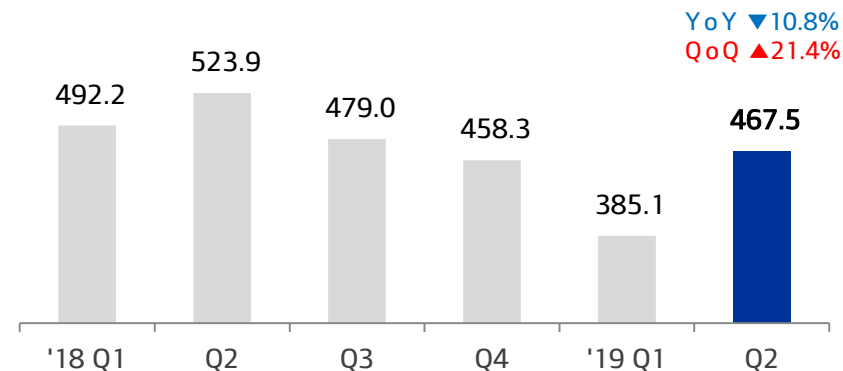
- Increase in transaction demand as LPG car purchase is available to everyone & also entering peak summer season, etc.



Other Distribution

【 Sales 】

(Unit : KRW 1 BN)

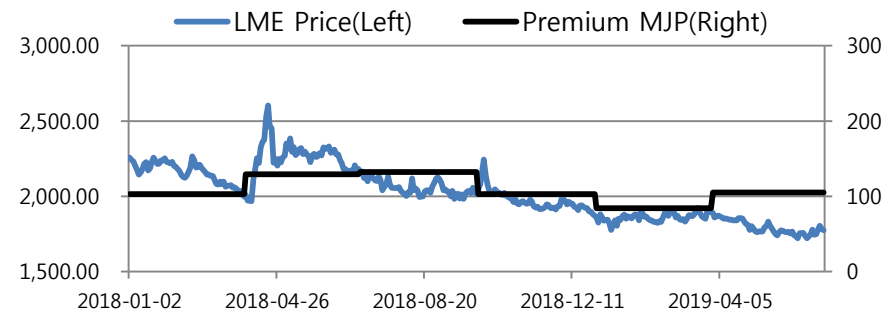


Check Point

- Nonferrous metal trading sales ↓ as raw material price ↓ (YoY)

Business Outlook

- Increase in nonferrous metal demand as US-China agrees to resume trade negotiations and China takes reflation measures
- Nonferrous metal price increase from weak dollar as possibility for US FOMC to reduce interest rate exists



Financial Statement

(Unit : KRW 1 BN)

Accounts	2015	2016	2017	2018	2019 Q2	%
Current Assets	3,717.6	3,935.8	3,872.0	4,458.0	4,642.2	4.1
① Cash & Cash Equivalent	676.1	595.2	529.3	641.4	689.0	
② Other Current Financial Assets	416.7	504.0	482.9	678.7	535.8	
Receivables	1,672.3	1,980.0	1,988.6	1,992.6	2,162.7	
Non-Current Assets	3,760.9	4,031.7	4,313.7	4,229.8	4,851.7	14.7
Accounting Change (Lease Assets)					(598.9)	
Total Assets	7,478.5	7,967.5	8,185.7	8,687.8	9,493.9	9.3
Current Liabilities	2,593.7	2,618.0	2,539.5	2,884.7	3,301.0	14.4
Payables	993.2	1,145.8	1,059.8	1,291.6	1,344.6	
③ Short-term Debt	1,051.4	1,013.6	863.5	1,099.3	1,152.4	
④ Current Financial Liabilities	72.8	46.6	44.4	100.8	446.7	
Non-current Liabilities	1,788.0	1,872.1	1,656.7	1,542.9	1,784.9	15.7
⑤ Long-term Payables	765.2	825.2	707.9	655.6	597.1	
⑥ Non-current Financial Liabilities	741.6	726.1	612.9	542.2	818.3	
Accounting Change (Lease Liabilities)					(613.8)	
Total Liabilities	4,381.7	4,490.1	4,196.2	4,427.6	5,085.9	14.9
Controlling Interest	3,096.7	3,477.1	3,989.3	4,260.2	4,408.0	3.5
Capital Stock	18.8	18.8	18.8	18.8	18.8	
Retained Earnings	2,836.8	3,231.2	3,803.7	4,117.3	4,221.2	2.5
Others	241.1	227.1	166.8	124.1	168.0	
Non-Controlling Interest	0.1	0.3	0.2	0.0	0.0	
Accounting Change					(△14.9)	
Total Stockholders' Equity	3,096.8	3,477.4	3,989.5	4,260.2	4,408.0 ※※	3.5
Debt-to-Equity Ratio (%)	141.5	129.1	105.2	103.9	115.4 (101.1) ※※	
※ Net Debt-to-Equity Ratio (%)	49.7	43.5	30.5	25.3	40.6 (26.6)	

※ Net Debt-to-Equity Ratio (%) = (③ + ④ + ⑤ + ⑥ - ① - ②) ÷ Total Stockholders' Equity

※※ Excluding Effects from Lease Liabilities

Income Statement

(Unit : KRW 1 BN)

Accounts	2016	2017	2018					2019			
			Total	Q1	Q2	Q3	Q4	Q1	Q2	YoY(%)	QoQ(%)
Sales	15,340.6	16,358.3	16,865.6	3,747.9	4,231.2	4,373.0	4,513.5	4,220.8	4,496.1	+6.3	+6.5
Cost of Goods Sold	14,234.8	15,226.2	15,714.8	3,514.6	3,935.3	4,059.7	4,205.2	3,925.3	4,169.7	+6.0	+6.2
Gross Profit	1,105.8	1,132.1	1,150.8	233.3	295.9	313.3	308.3	295.5	326.4	+10.3	+10.5
SG&A Expense	377.0	405.0	440.7	82.8	115.3	126.3	116.3	110.2	124.2	+7.7	+12.7
Operating Profit	728.8	727.1	710.1	150.5	180.6	187.0	192.0	185.3	202.2	+12.0	+9.1
Finance Income & Expense	-38.3	-41.7	-53.8	-10.4	-14.0	-15.3	-14.1	-13.7	-18.4		
Other income & Expense	-40.3	159.1	-69.5	10.0	-94.7	32.8	-17.6	-23.9	-9.3		
Equity Method Gains	53.7	44.8	39.5	9.2	14.3	13.7	2.3	14.2	12.5		
EBT	703.9	889.3	626.3	159.3	86.2	218.2	162.6	161.9	187.0	+116.9	+15.5
Income Tax Expense	198.2	208.8	118.9	44.5	51.4	64.3	28.7	55.9	65.5		
Net Profit	505.7	680.5	437.4	114.8	34.8	153.9	133.9	106.0	121.5	+249.1	+14.6