

# 吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

## 2016 Final Results

22 March 2017



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# 2016 Full Year Results

- Attributable profit up 126% to RMB5.1 billion
- Sales volume up 50%
- Average selling price up 22%
- Revenue up 78%
- Improved margin levels

# 2016 Full Year Results

- Fully diluted earnings per share up 123% to RMB 57.33 cents
- 35% growth in free cash flow despite higher capex
- Cash dividend up 216% to HK12 cents



# 2016 Results Highlights

- Sales of all four new models exceeded expectations
- Strong sales of existing sedan models continued
- Significant mix improvement & higher ASP driven by new models
- New models accounted for 76% of the growth in 2016



# 2016 Results Highlights

- Record high net cash level of RMB13 billion at year end
- Well controlled selling and administrative expenses due to economies of scale
- Net FX gain of RMB242m partially offset by RMB172m bad debts write-off
- Net gain of RMB374m from disposal of JV interests



# Sales Volume Breakdown

(Y/E December)	2016	2015	YoY change
<b>Total</b>	<b>765,970</b>	<b>510,097</b>	<b>+50%</b>
- Domestic	744,191	484,363	+54%
- Exports	21,779	25,734	-15%
<b>Key Models:</b>			
New Emgrand	230,403	198,302	+16%
Vision	153,075	135,401	+13%
Kingkong	63,412	56,090	+13%
GC9	47,078	32,571	+45%
Vision SUV/GX7	69,059	57,533	+20%
Boyue	104,911	0	-
Emgrand GS	60,532	0	-
Emgrand GL	30,064	0	-

# 2016 Final Results

Y/E December (RMB m)	2016	2015	YoY change
Turnover/Revenue	53,722	30,138	+78%
Gross profit margin ratio*	18.3%	18.2%	+1%
Operating margin ratio**	11.1%	9.3%	+19%
Profit after tax	5,170	2,289	+126%
Attributable profit	5,112	2,261	+126%
Diluted EPS (RMB cents)#	57.33	25.66	+123%
Cash DPS (HK cents)	12.00	3.80	+216%

	<u>Dec-2016</u>	<u>Dec-2015</u>	
Shareholders' equity	24,437	19,524	+25%
Net cash###	12,848	7,279	+76%

\* Gross profit margin ratio = gross profit / turnover

\*\* Operating margin ratio = (pre-tax margin before net finance costs, share-based payments, gain on disposal of interests in joint-ventures and share of results of associates and joint ventures) / turnover

# 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 – senior notes



# Financial Analysis

Y/E December	2016	2015	YoY change
Sales of vehicles (RMB m)	52,846	28,853	+83%
Average unit price (RMB)	68,993	56,564	+22%
Return on equity	20.9%	11.6%	+81%
EBITDA ratio*	14.2%	13.0%	+9%
Selling expenses (% of T/O)	4.7%	5.2%	-10%
Admin. expenses (% of T/O)	4.8%	7.2%	-34%

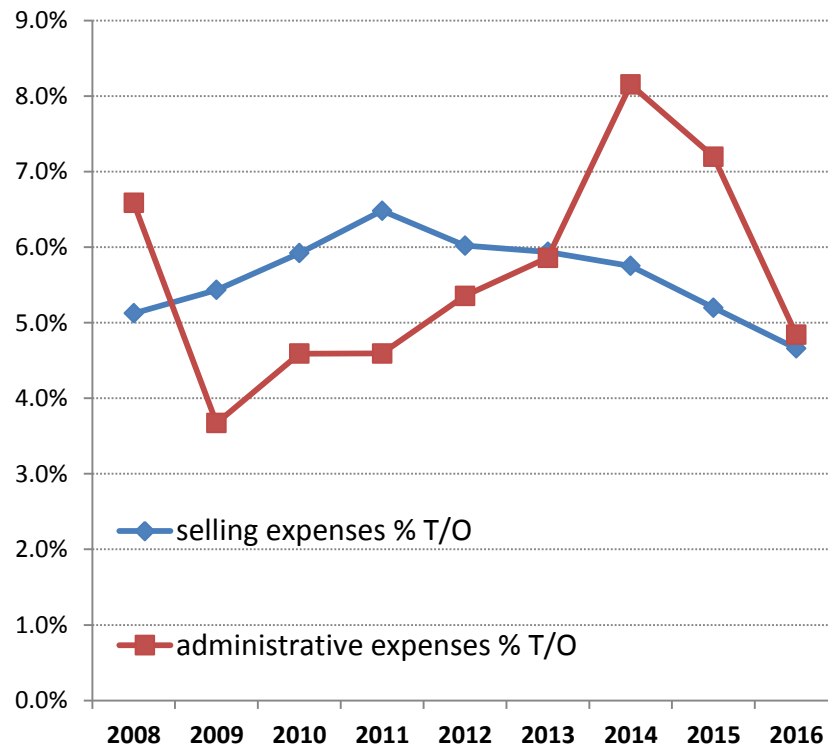
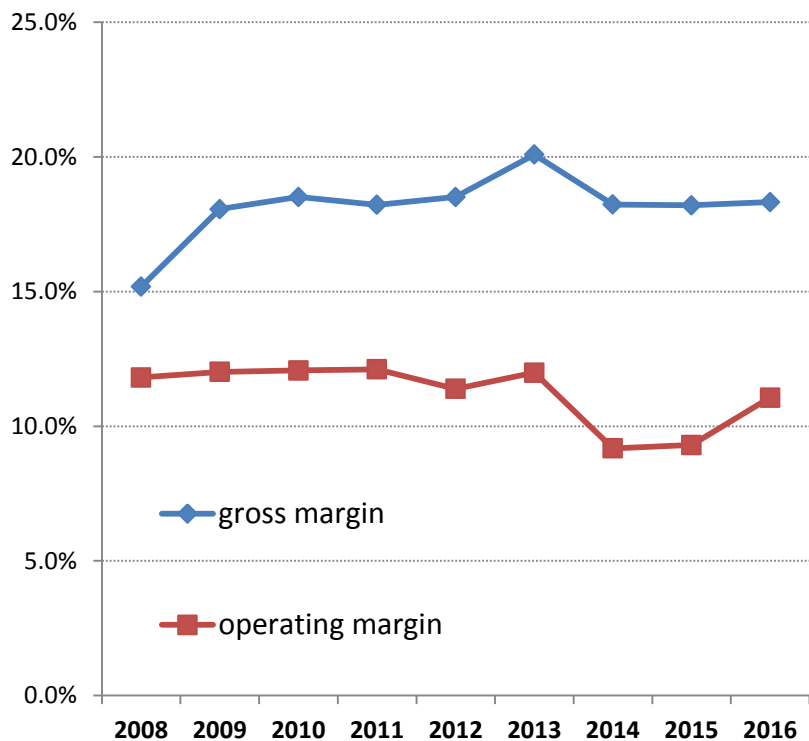
\* EBITDA margin ratio = (Profit for the year plus taxes, depreciation and amortization, and finance costs , minus other income other than government subsidies) / turnover

# Financial Summary

- Subsidy income down 5%
- Improved operational efficiency as reflected by significant improvement in operating margin
- Higher capex at RMB4.0bn to support faster growth
- Genius AFC approached breakeven



# Profitability



# Operational Summary

- New product cycle well received
- SUVs now 31% of total sales volume vs 12% a year ago
- Genius AFC achieved its business plan and is on track for faster growth & positive return
- Global launch of “Lynk&Co” brand
- Customer after service satisfaction continued to improve
- Exports sales volume down 15%



# 2017 Outlooks

- The strongest new model renewal cycle to continue
- Improved overall market environment
- New CMA models under “Lynk&Co” brand to facilitate entry to new markets
- Further increase in Capex to sustain future growth
- Target to sell 1,000,000 units of vehicles in 2017, +31% YoY



# New Products

- Two new compact SUVs
- Upgraded versions of existing major models
- New HEV, PHEV models
- New models from CMA platform



# YTD Sales Performance

## (First 2 Months of 2017)

- Monthly sales volume of “Boyue” exceeded 20,000 units so far in 2017
- Total sales volume +105% YoY
- Domestic sales volume +113% YoY
- Exports sales volume - 60% YoY
- Well on track to achieve FY sales volume target



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