



HARMONY AUTO  
和諧汽車

# 2022 全年业绩演示材料

Full Year Results Presentation

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中国和谐汽车控股有限公司  
China Harmony Auto Holding Ltd.



股票代码 Stock Code : 03836.HK

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# Content



Business Overview



Financial Analysis



Development Strategies

# Business Overview | Highlights of 2022 interim results



	<b>Total Revenue</b>	<b>RMB 16.7 billion</b> (incl. commission income) in 2022 , down by 9.1% year on year
	<b>Net Profit</b>	<b>RMB 160 million</b> (excl. non-recurring items) in 2022
	<b>New cars sale volume</b>	<b>35,506</b> units in 2022, decreasing by 13.0% from the same period last year, among which, Ferrari, Bentley and Rolls-Royce increased by 250.0%, 14.1% and 7.3% respectively year-on-year
	<b>Revenue from new cars sale</b>	<b>RMB 14.3 billion</b> in 2022
	<b>Comprehensive gross profit</b>	<b>RMB 1.49 billion</b> in 2022
	<b>Operating cash flow</b>	<b>RMB 780 million</b> in 2022, rising by 0.7% compared with the corresponding period last year
	<b>Financial expense</b>	<b>RMB 120 million</b> of financial expense, a year-on-year decrease of 7.3%
	<b>Financial penetration rate</b>	<b>60.8%</b> , an increase of 1.0% over the same period last year, effectively driving financial commission and leasing income
	<b>Stocks buyback and principle shareholder increased stake</b>	Since 2022, The Company has repurchased over <b>32 million</b> stocks from the open market

Operating 9 luxury brands



And 5 ultra-luxury brands





As of 31 Dec 2022, a total number of **77** authorized outlets across 16 provinces in 40 cities



Convert **1** store and open **1** store

We converted 1 store of Maserati into Bentley to improve the sales efficiency and profitability.

- **1** Bentley: located in Beijing
- **1** Lincoln: located in Wuhan



**3** stores under construction:

- **2** Ferrari: located in Zhengzhou, and Xi' an
- **1** Lamborghini: located in Tianjin

# Business Overview | Network Expansion



Bentley Beijing



LINCOLN

Lincoln Wuhan



# Business Overview | Outlets Distribution



- Cover 16 provinces and 40 cities



# Business Overview | Awards of our outlets in 2022 1H



**Beijing**

Best Cases of Marketing Activities of After-sales Service Dealers in 2022

**Zhengzhou**

Excellent General Manager of Used Car Finance Business in BMW Finance West Region  
Excellent Marketing & CRM Team of BMW West Region Dealers in 2022

**HeNan**

2022 Cases of National Excellent Marketing Activities  
Top 10 in Western Region for M Brand Dealer Marketing

**WuHan**

2022 National Excellent Cases of BMW Officially Certified Used Cars

**LuoYang**

2022 BMW West Region Electric Vehicle Sales Contest - Top 10  
Operation Management West Region  
2022 Brand New BMW i3 Dealer Integrated Marketing Best Case  
Incentive Plan-National BP

**ZhouKou**

2022 BMW Dealer Excellence Award  
2022 New BMW iX3 New BMW X3 Dealer Marketing Activities  
National Excellent Cases  
2022 BMW Dealer Excellence Award

**HeNan**

2022 MINI West District Outstanding Marketing Manager Award  
2022 MINI West District Outstanding General Manager Award  
2022SRP Service Star



**KunMing**

Best Team Management in Ferrari Greater China  
Best After-sales Ambassador of Ferrari Greater China

**SuZhou**

Best Ferrari Dealer in Greater China

**ZhengZhou**

Harmony Auto won the 2022 Outstanding Sales  
Performance Dealer Group Award  
Rolls-Royce Zhengzhou won the 2022 Best After-Sales  
Manager Award

**XiAn**

Rolls-Royce Motor Cars Xi'an won the 2022 Best Customer  
Retention Award

**WuXi**

2022 Maserati Best Aftermarket PDI Dealer in China

**Beijing**

2022 Maserati North District Best Market Share Dealer  
2022 Maserati Best After-sales Service Dealer in China



LINCOLN

**CangZhou**

2022 Lexus China Brave the Wind and Waves Award

**Wuhan**

2022 Outstanding General Manager of South China Region  
Lincoln China Marketing Excellence Award Silver Award in  
2022 Second Quarter

**Shangqiu**

Lincoln West China Sales Development Award In the first  
half of 2022

**ZhengZhou**

2022 Four-Star Dealer

# Business Overview | NEV layout — NEV Aftersales



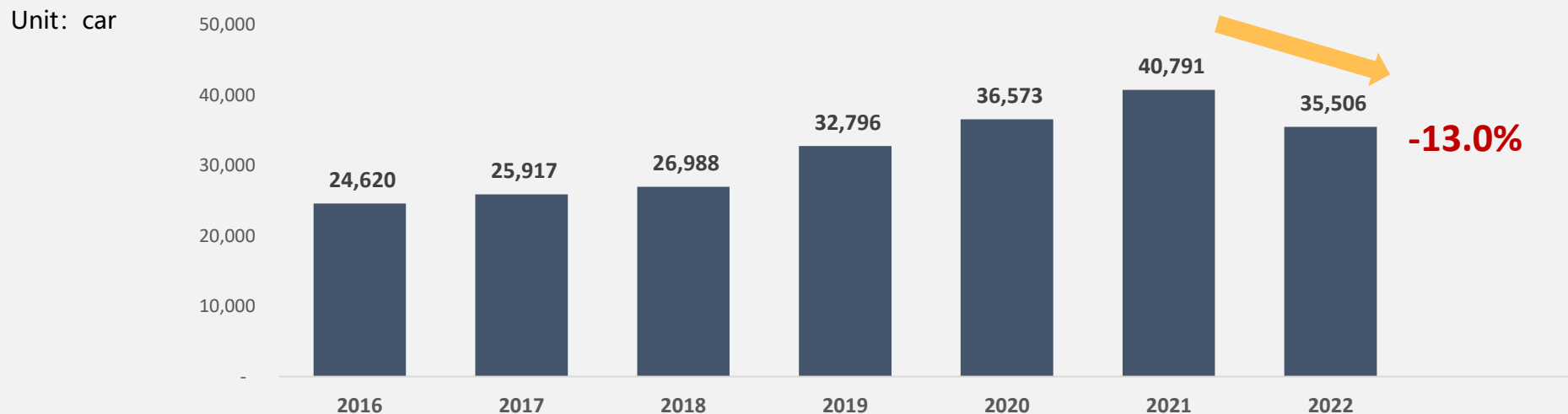
HARMONY AUTO  
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Financial  
investment

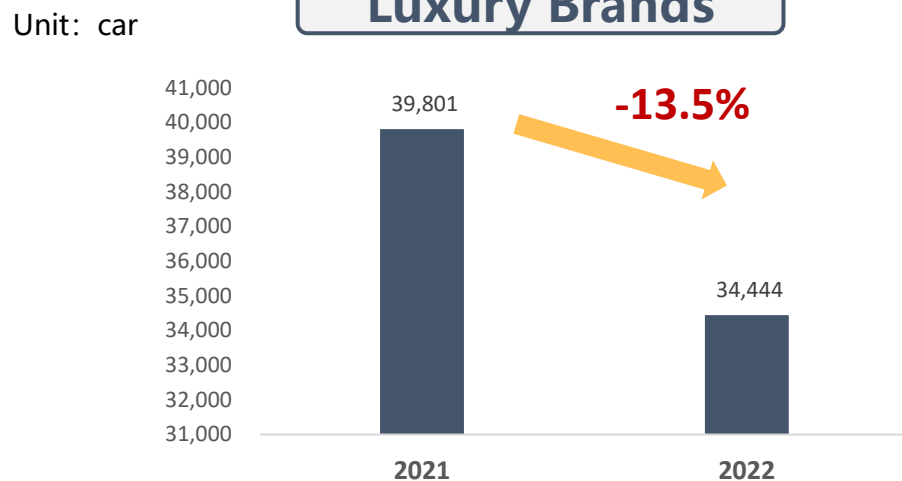


- Navigating the new business model in the world of NEV
- Focus on building up an ecosystem that covers the frontend (sales) to backend demand (aftersales + repair)
- Dangdang New Energy, an O2O platform specializing in NEV sales and aftersales services
- Established strategic partnership with 10 NEV brands, incl. Nio, Xpeng, and Li Auto;

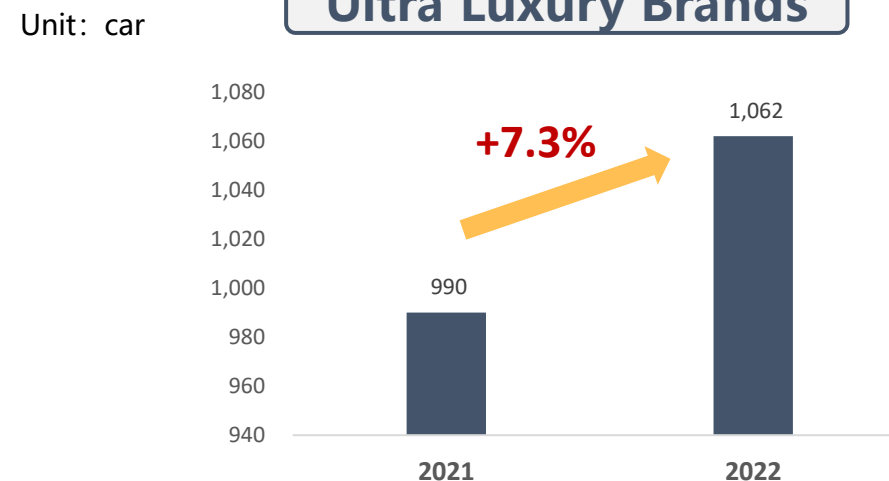
## Historical New Car Sales



## Luxury Brands

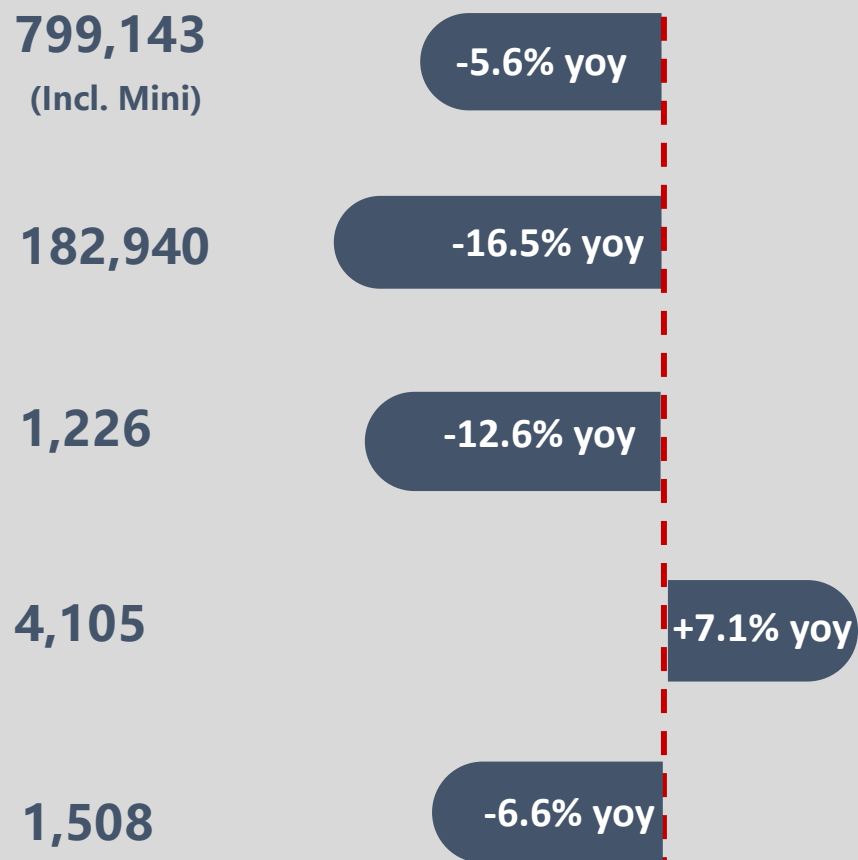


## Ultra Luxury Brands

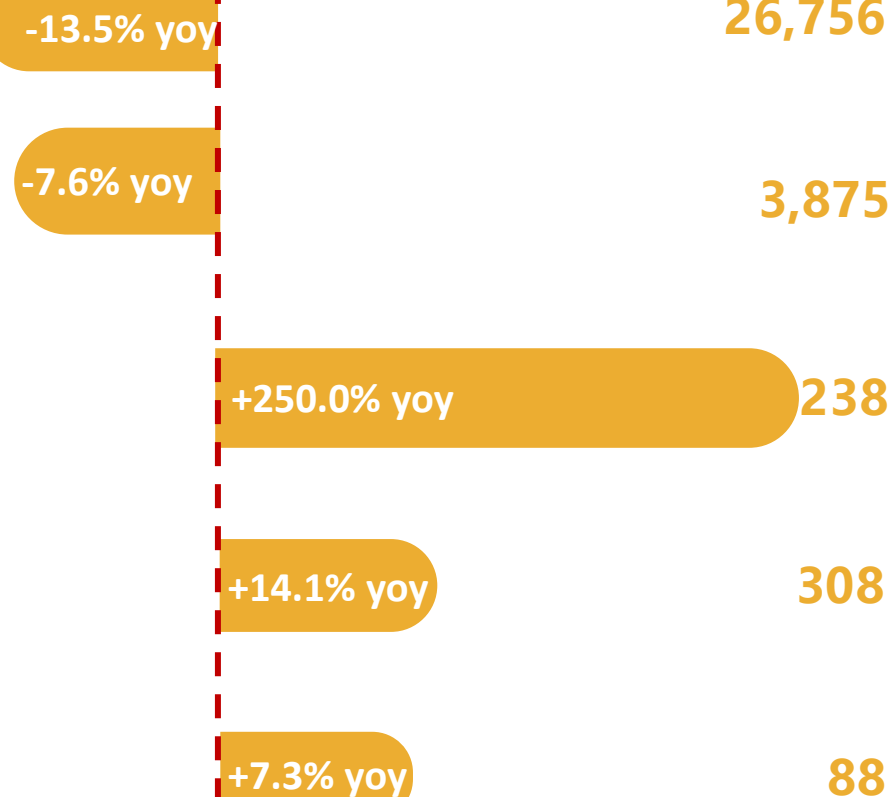


# Business Overview | Key brands' volume analysis

## Retail volume in China

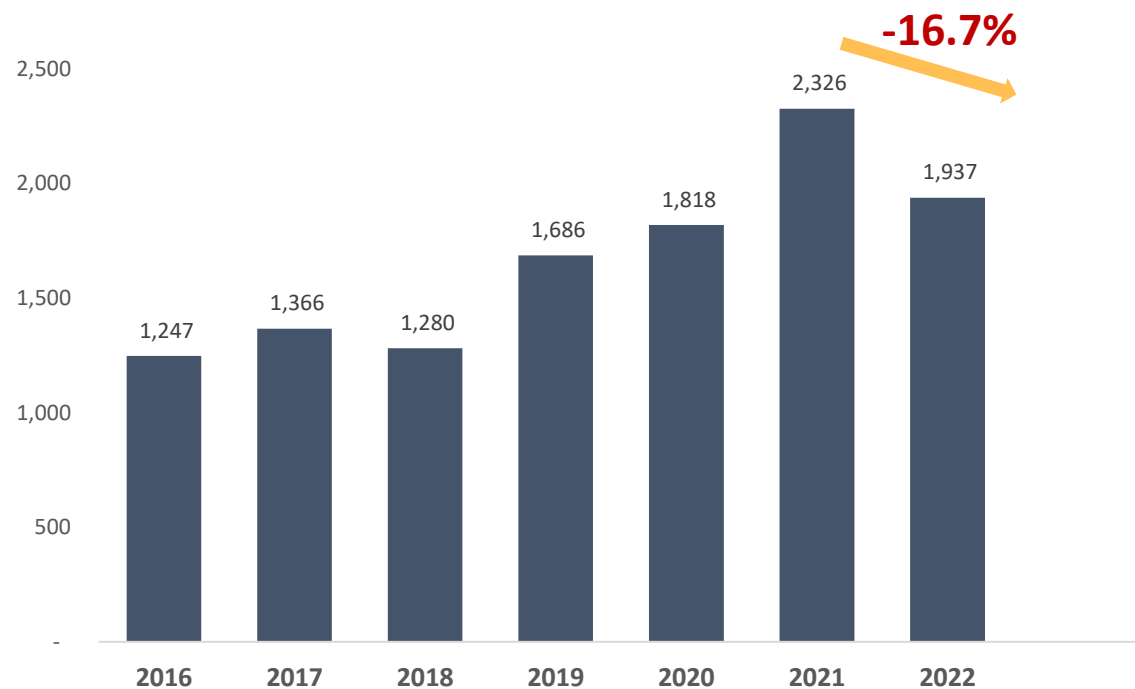


## Harmony's sales volume



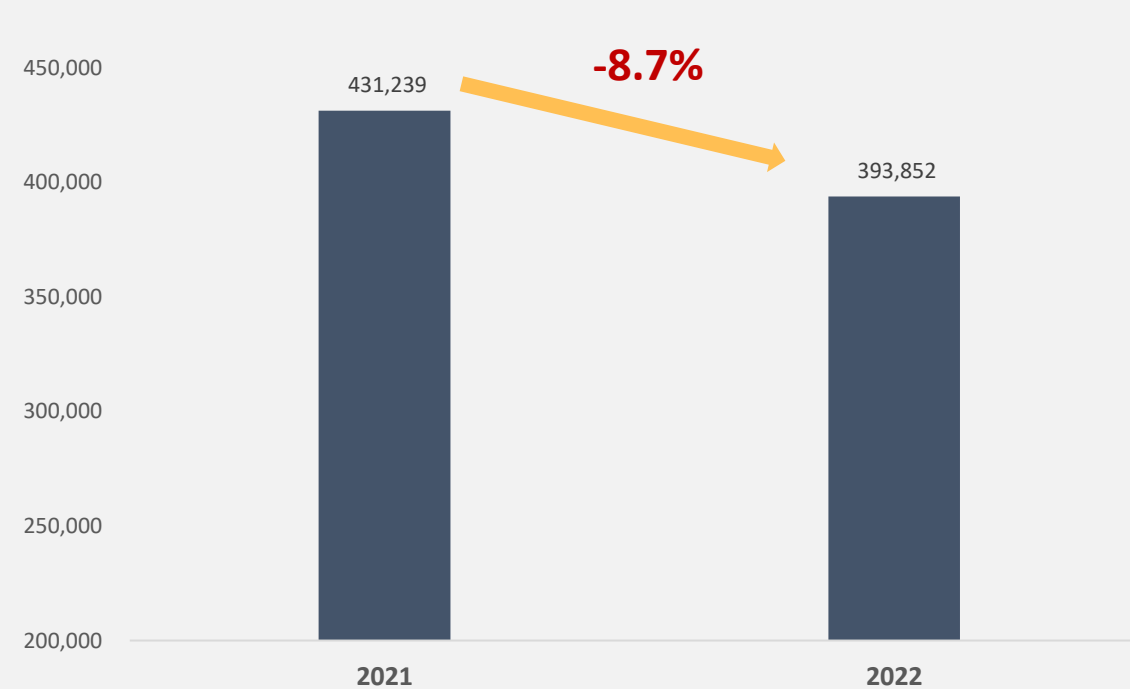
## Revenue from aftersales service

Unit: RMB Million



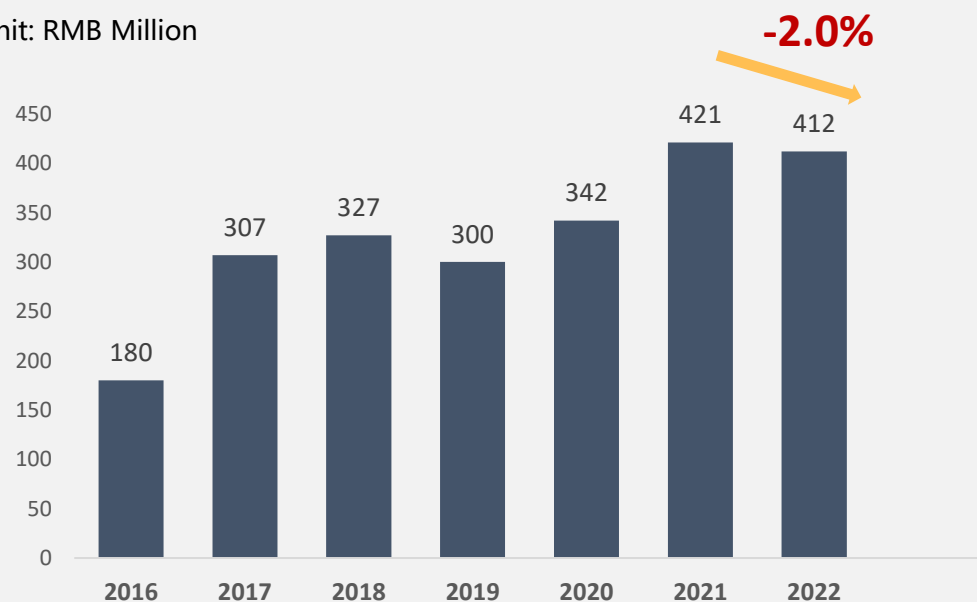
## Repaired units

Unit: Car



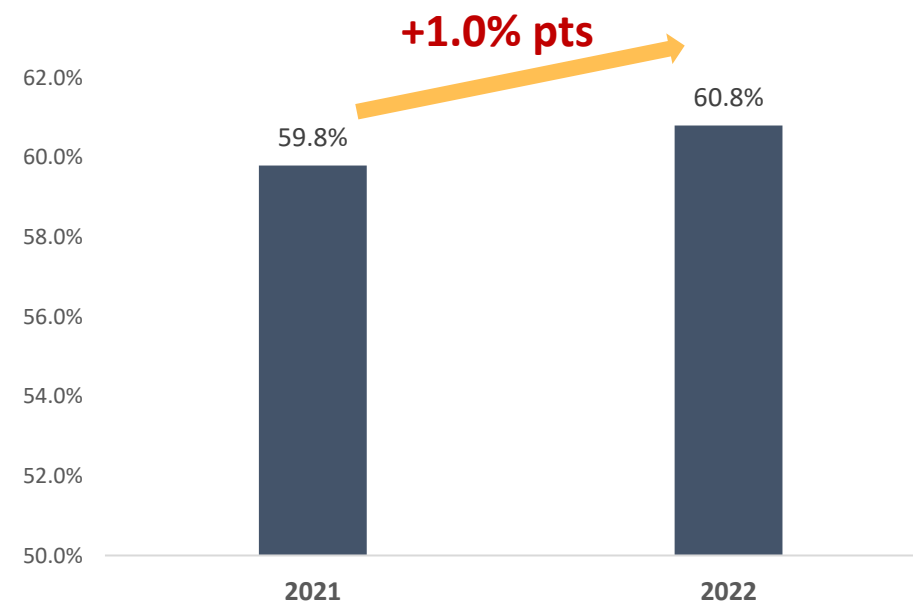
## Revenue from value-added service

Unit: RMB Million



\* Value-added business include financing leasing, auto financing and car insurance

## Penetration of auto financing



# Financial Analysis

- 🎯 Financial performance
- 🎯 Cost management and debt analysis
- 🎯 Breakdown of gross profit
- 🎯 Analysis over key indicators

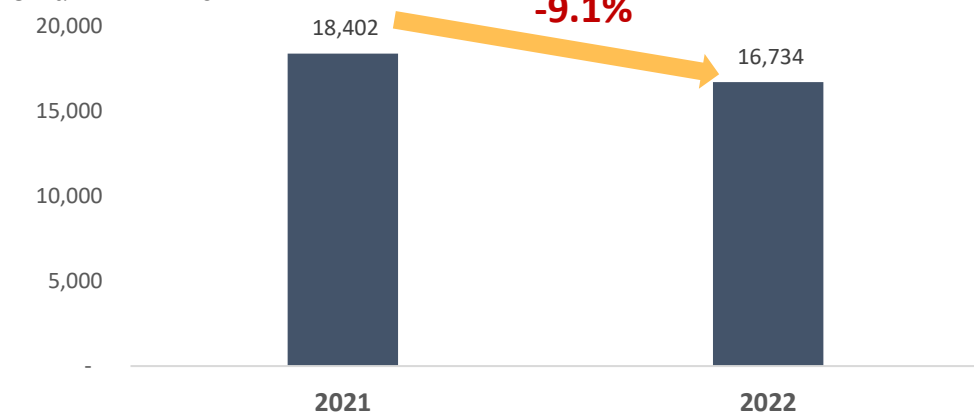
# Financial Analysis | Financial performance



## Comprehensive Revenue

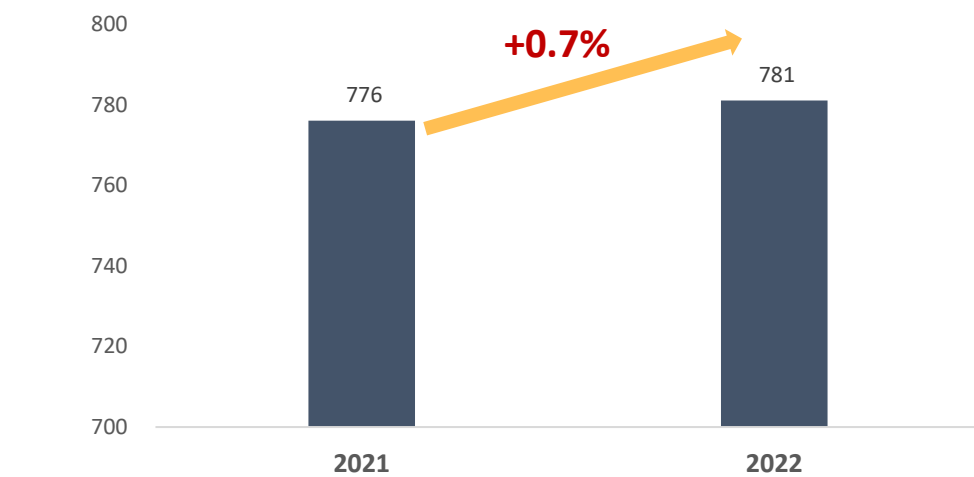
(incl. commission income)

Unit: RMB Million



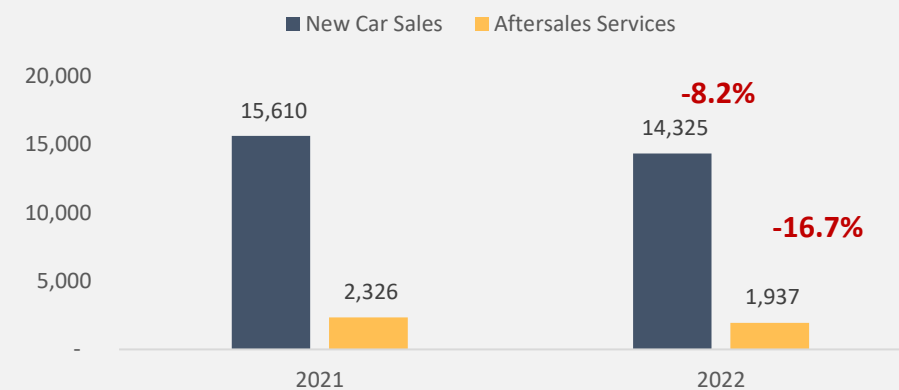
## Operating cash flow

Unit: RMB Million

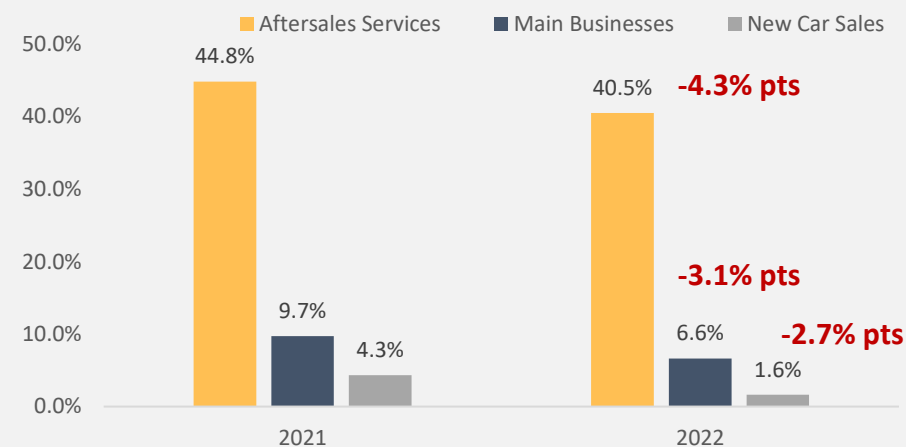


## Revenue from new cars sales and aftersales services

Unit: RMB Million



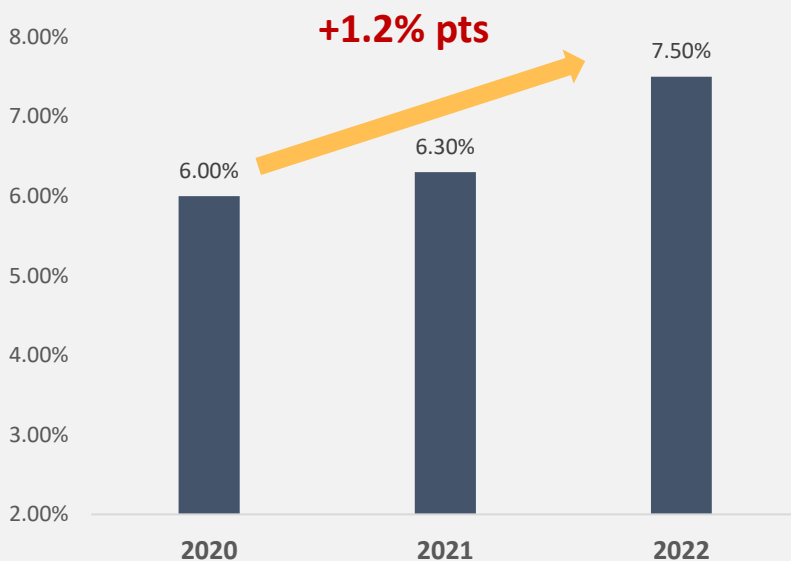
## Gross Margin by Business Segment





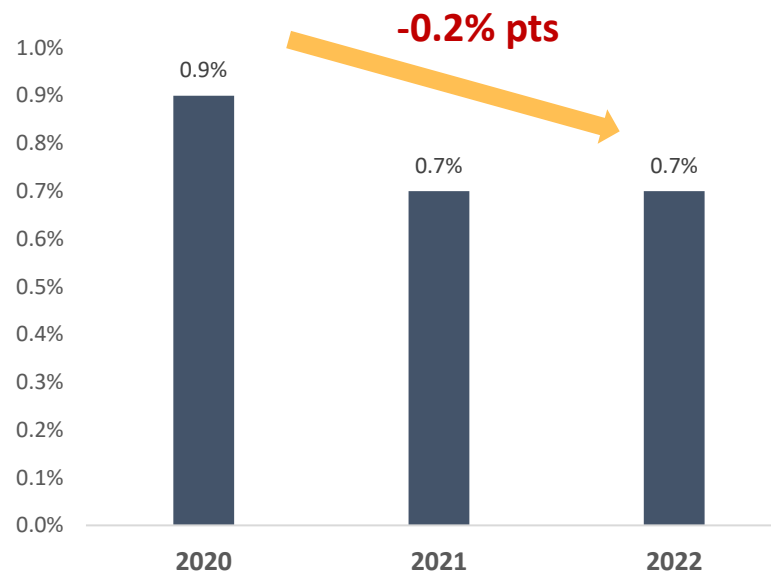
## SG&A Expense Ratio

Unit: RMB Million

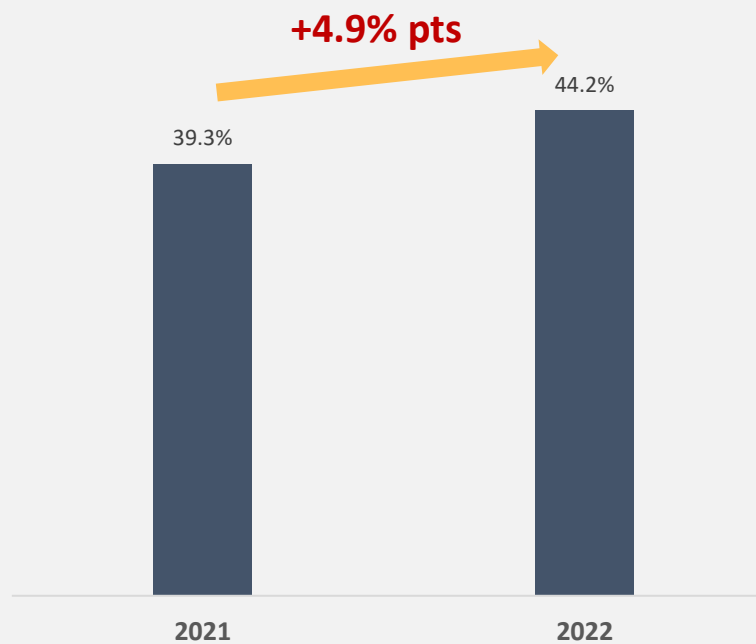


## Financial Expense Ratio

Unit: RMB Million

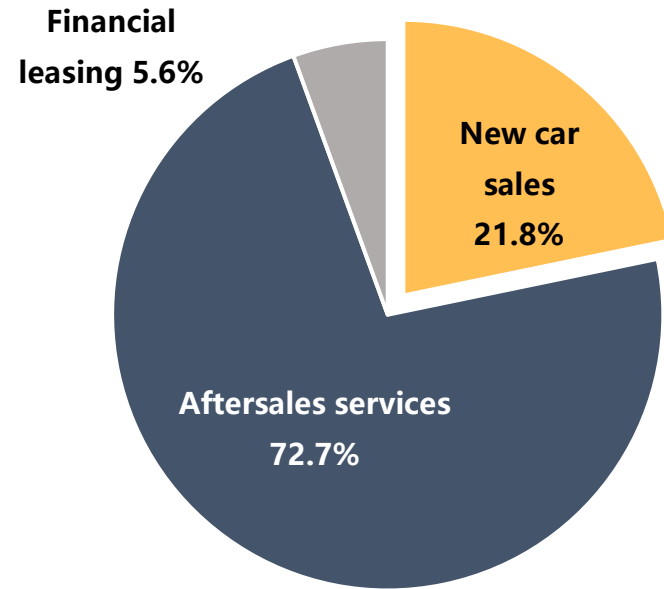


## Liability-To-Asset Ratio

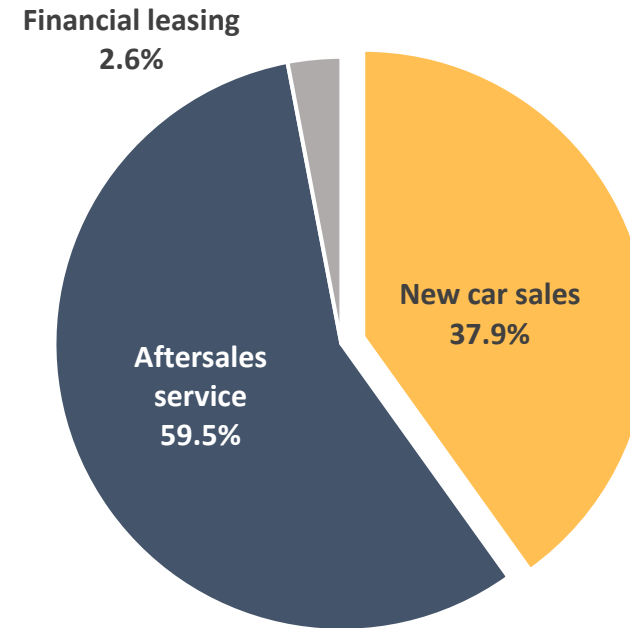


\*Affected by Impairment of assets for non-recurring items, the asset-liability ratio increased

Breakdown of Gross Profit for 2022



Breakdown of Gross Profit for 2021

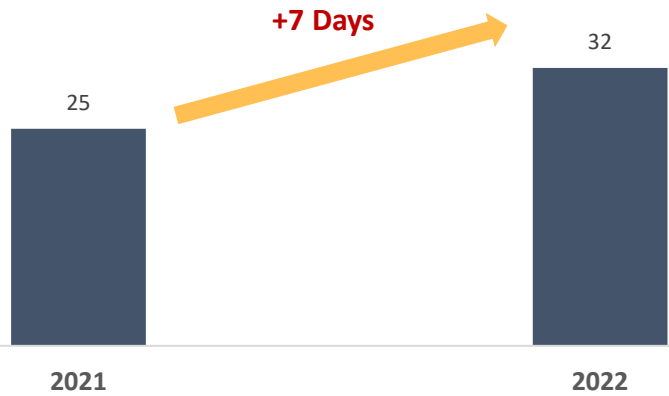


# Financial Analysis | Analysis on key indicators



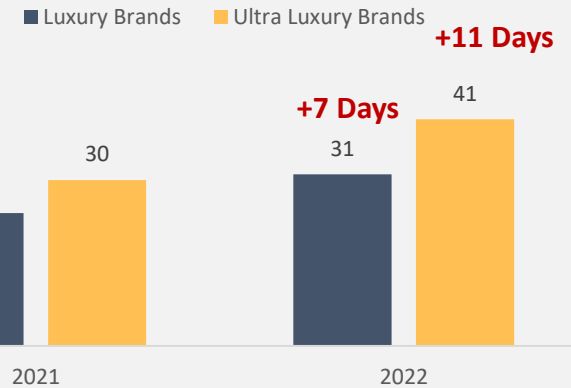
## Overall Inventory Days

Unit: Day

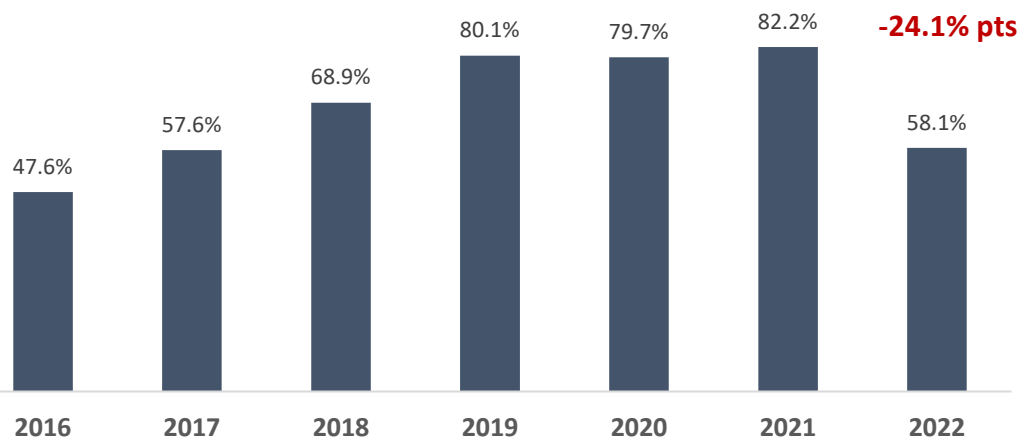


## Inventory Days by brands

Unit: Day

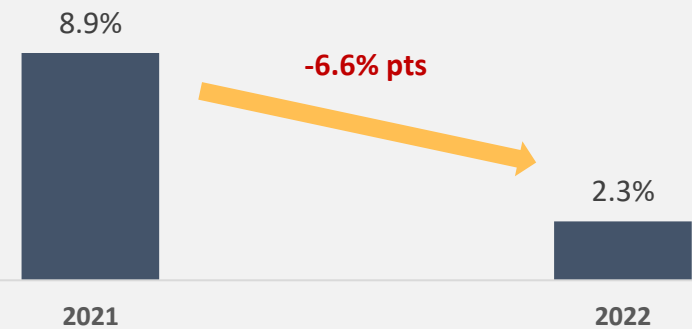


## Absorption Ratio



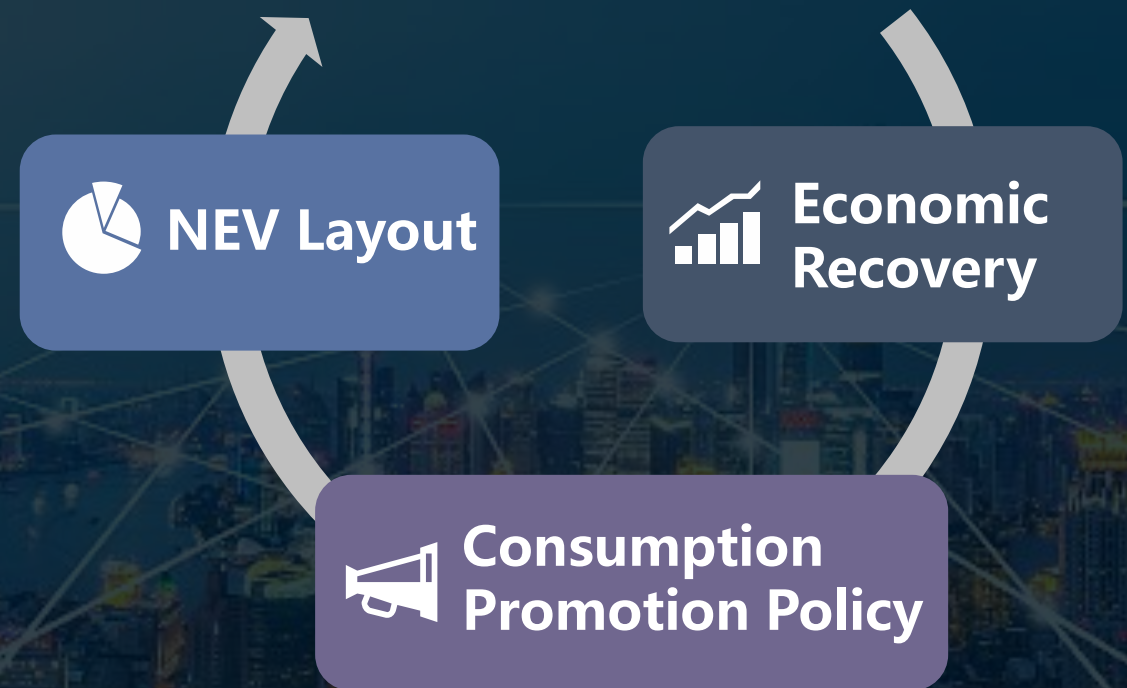
## Annualized ROE

(excluding the impairment of the major non-recurring items)



- The macro economy is in a period of bottoming out and recovery, and the trend brought about by consumption upgrades will further drive the demand for luxury and ultra-luxury vehicles.
- Policies such as financial subsidies, reduction of purchase tax and relaxation of car purchase restrictions will boost luxury car consumption.
- Traditional luxury brands are gradually enriching the product portfolio of new energy vehicles, seizing the opportunity of the reconstruction of the new energy vehicle pattern.
- Dealers with brand advantages will seize the opportunity of this round of luxury car demand recovery.

## Structural Growth




# Development Strategies | Three Focuses



# Development strategies | Focus on the core business

Focus on the core business, and spin off NEV business



 Focus on the core business



 To seek independent financing

# Development Strategies | Focus on the key brands

## Keep focusing on strategically important brands

**Consolidate** BMW, Lexus, Ferrari, Bentley, Rolls Royce



## Keep eyes on the network expansion

- Optimize distribution network in the core regions
- Expand the coverage into areas with great potentials



## Concentrate on core business

- Ride on the trend: NEV | Used cars
- Broad-based planning: Scale | Users Experience
- Execution: Management Tools | Talents Development

## Go boldly toward digitalization

- Manage every working process by the means of digitalization
- Use data analytics to improve sales channels

## Continue to enhance operating efficiency

- **One standard:** Performance-centric
- **Two mindsets:** Capability | Performance
- **Three reforms:** On the basis of the three reforms, the operation is refined to reduce costs and increase efficiency
- **Four cultures:** Simplicity | Efficiency | Happiness | Endeavour





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# Thank you!

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