



HARMONY AUTO  
和諧汽車

# 2023 全年业绩演示材料

## Full Year Results Presentation

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



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# Business Overview | Highlights of 2023 Annual Results



	<b>Total revenue</b>	<b>RMB 17.1 billion</b> (incl. commission income) in 2023, up by 1.7% year on year
	<b>Net profit</b>	<b>RMB 170 million</b> (excl. non-recurring items) in 2023
	<b>New cars sale volume</b>	<b>38,475</b> units in 2023, up by 8.4% from the same period last year, among which, Lincoln, Lexus and BMW increased by 24.0%, 10.1% and 6.4% respectively year-on-year
	<b>Revenue from new car sales</b>	<b>RMB 14.21 billion</b> in 2023
	<b>Comprehensive gross profit</b>	<b>RMB 1.4 billion</b> in 2023
	<b>Operating cash flow</b>	<b>RMB 320 million</b> in 2023, up by 59.0% compared with the corresponding period last year
	<b>Finance costs</b>	<b>RMB 130 million</b> in 2023, a year-on-year increase of 8.9%
	<b>Financial penetration rate</b>	<b>74.8%</b> , an increase of 14.0 percentage points over the same period last year, effectively driving financial commission and leasing income
	<b>Stocks buyback</b>	Since 2023, The Company has repurchased <b>7.34 million</b> stocks from the open market



# Business Overview | Mainland China Brand Portfolio

Operating 9 luxury brands



And 5 ultra-luxury brands





# Business Overview | Hong Kong and Overseas Brand Portfolio





# Business Overview | Overview of Sales Network



As of 31 December 2023, a total number of **80** authorized outlets across **17** provinces in **40** cities, Hong Kong, Thailand and Cambodia



Closed **8** stores and newly opened **11** stores

Expanded to the international new energy market and newly opened **7** overseas outlets

- **3** BYD showrooms: located in Hong Kong, China
- **3** BYD showrooms: located in Cambodia
- **1** AION showroom: located in Bangkok, Thailand



**5** stores under construction:

- **1** BYD Service Center: located in Yau Tong, Hong Kong, China
- **1** BYD 4S store: located in Tsuen Wan, Hong Kong, China
- **2** BYD showrooms: located in Manila, Philippines; and Singapore
- **1** AION Experience Center: located in Pathum Thani, Thailand



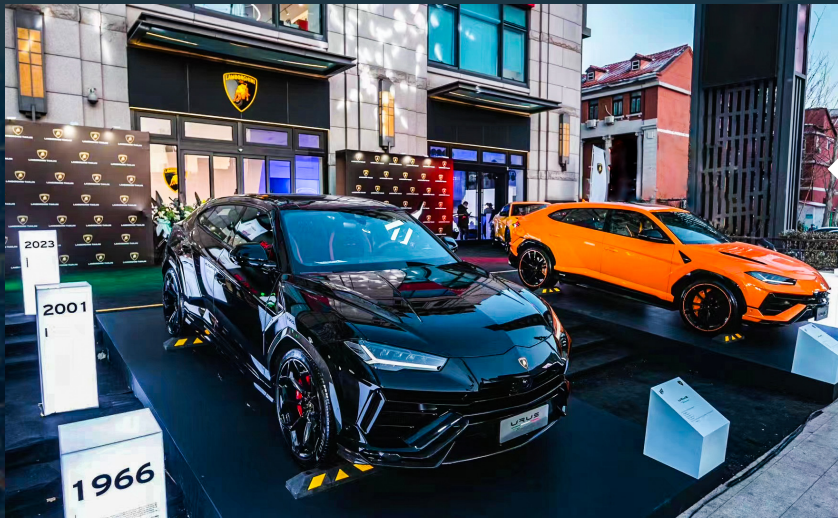
# Business Overview | New Outlets in Mainland China



Ferrari Zhengzhou



Ferrari Xi'an



Lamborghini Tianjin

MHero Experience  
Center Zhengzhou





# Business Overview | New outlets in Hong Kong, China and Overseas



**BYD Sha Tin Showroom  
Hong Kong, China**



**BYD Sai Kung Showroom  
Hong Kong, China**



**BYD Tseung Kwan O Showroom  
Hong Kong, China**



**AION Future Park Showroom  
Thailand**



# Business Overview | Outlets Distribution



17 provinces in 40 cities

# Business Overview | Awards of Outlets in 2023



**Zhengzhou  
Vataple**

2023 BMW Genuine Accessories Excellence Dealer

**Zhengzhou  
Zhengdebao**

The best case of dealer marketing for the new BMW 7 Series in 2023

**Henan  
Zhongdebao**

2023 Enterprise Leasing Outstanding Dealer

2023 BMW West Region Market & CRM Joint Marketing Competition Winner Award

2023 BMW West District Public Relations and Communication Winning Dealer

The best cases of pure electric BMW iX dealer marketing activities in 2023

**Wuhan  
Handebao**

The best case of BMW after-sales service dealer marketing in 2023

**Luoyang  
Yudebao**

2023 BMW West Region Dealer Outstanding Marketing and CRM Joint Marketing Team

**Guangzhou  
Guangdebao**

BMW i Dealer of the Year Award 2023

**Anyang Andebao**

2023 West District New Energy Car Owner Image Communication Award and Public Relations Communication Winning Dealer

2023 BMW West Region Dealer Outstanding Marketing and CRM Joint Marketing Team



**Wuhan  
Huazheng**

2023 Bentley Dealer of Excellence

**Suzhou  
Ferrari**

Best Team Management in Ferrari Greater China 2023  
Best Marketing Manager of Ferrari Greater China 2023

**Nanjing  
Ruijun**

2023 Farah Best Dealer in Greater China  
Best Marketing Manager of Ferrari Greater China 2023  
Best Sales Ambassador of Ferrari Greater China 2023



**Zhengzhou  
Yuanda**

2023 LEXUS China "New Car Sales Award"

**Xiamen Yuanda**

2023 LEXUS China "Operation Exploration Award"

**Luoyang Yuanda**

2023 LEXUS China Value Chain Business Award

**Wuhan Hejun**

2023 Lincoln China After-Sales Best Growth Award



# Business Overview | Layout of NEV Business



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- Lay out the new energy vehicle industry and explore new business models
- Vigorously develop overseas markets for new energy vehicles
- The establishment of a positioning ecosystem covering the needs from the front-end (sales) to the back-end (maintenance + repair) of the new energy vehicle life cycle



**Note:** Blue represents regions where stores have been built as of December 31, 2023, and red represents regions where stores are under construction.

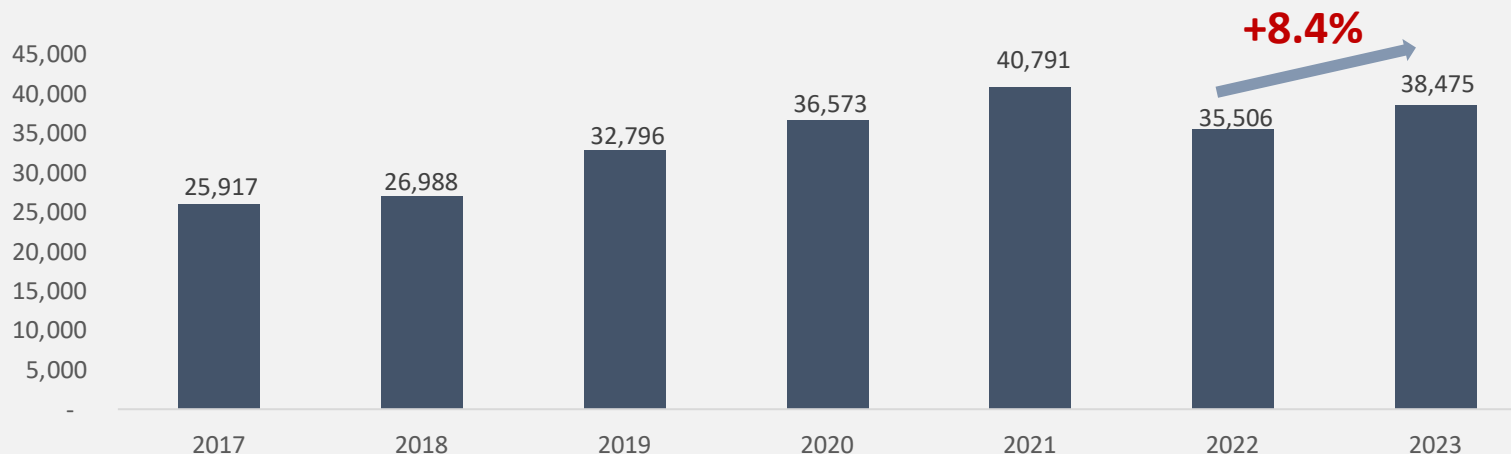
- New energy vehicle outlets have been expanded to Hong Kong, China, Thailand and Cambodia
- We are accelerating the deployment of new energy vehicle outlets in Southeast Asian countries such as the Philippines and Singapore

# Business Overview | New Car Sales Business



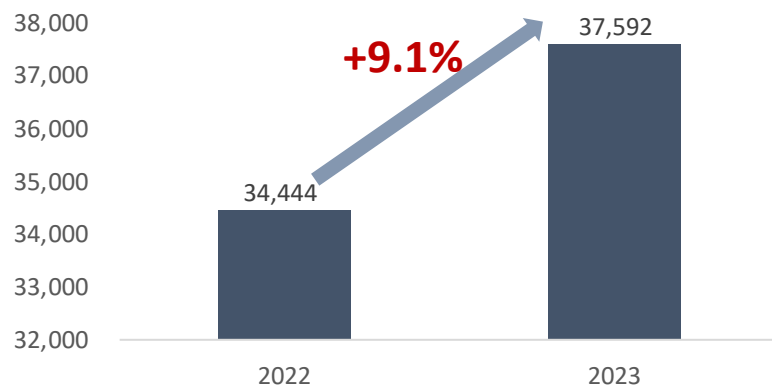
## Historical New Car Sales

Unit: car



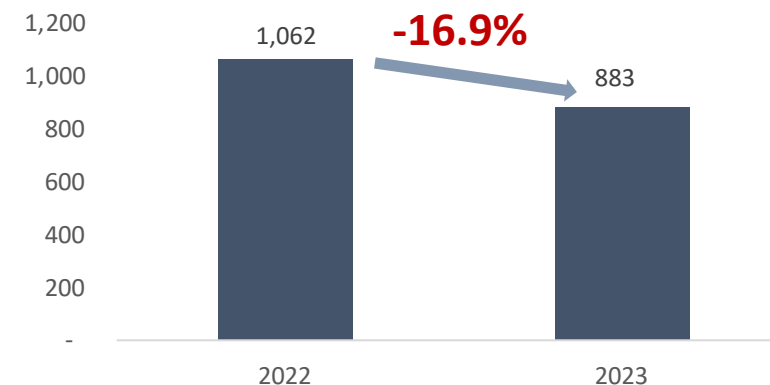
## Luxury Brands

Unit: car



## Ultra Luxury Brands

Unit: car





# Business Overview | Volume Analysis of Key Brands

## Retail volume in China

824,932  
(Incl. Mini)

+3.2% yoy

181,411

-0.8% yoy

1,490

+21.5% yoy

3,006

-26.8% yoy

1,600

+6.1% yoy



## Harmony's sales volume

+6.4% yoy

28,465

+10.1% yoy

4,266

-8.0% yoy

219

-18.5% yoy

251

-10.2% yoy

79

14

Note: as of 31 Dec 2023; Unit: car

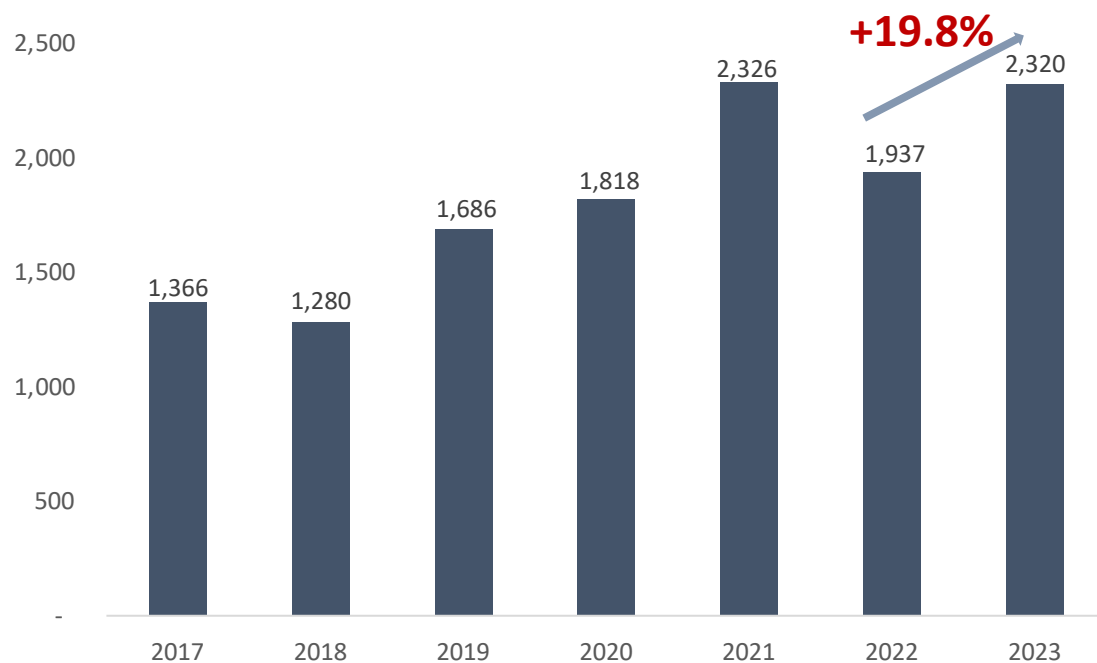


# Business Overview | After-sales and Quality Services



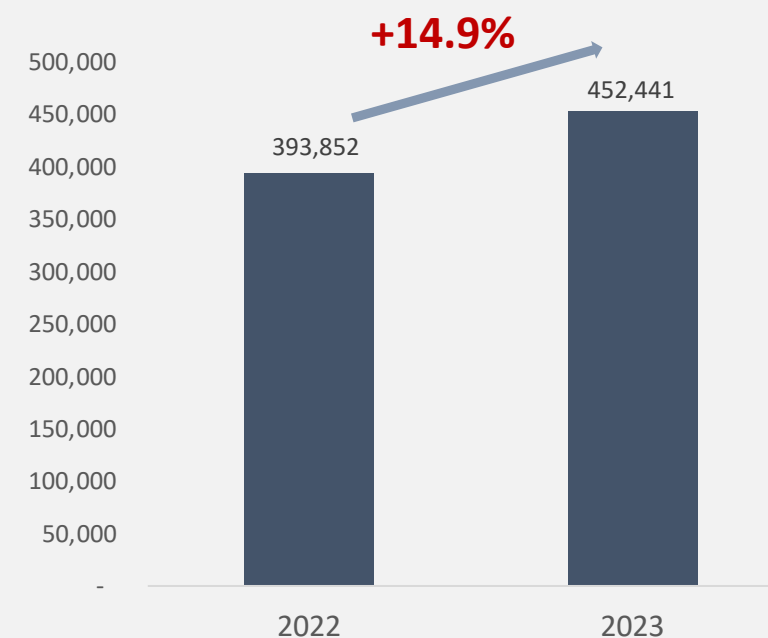
## Revenue from aftersales service

Unit: RMB Million



## Repaired units

Unit: Car



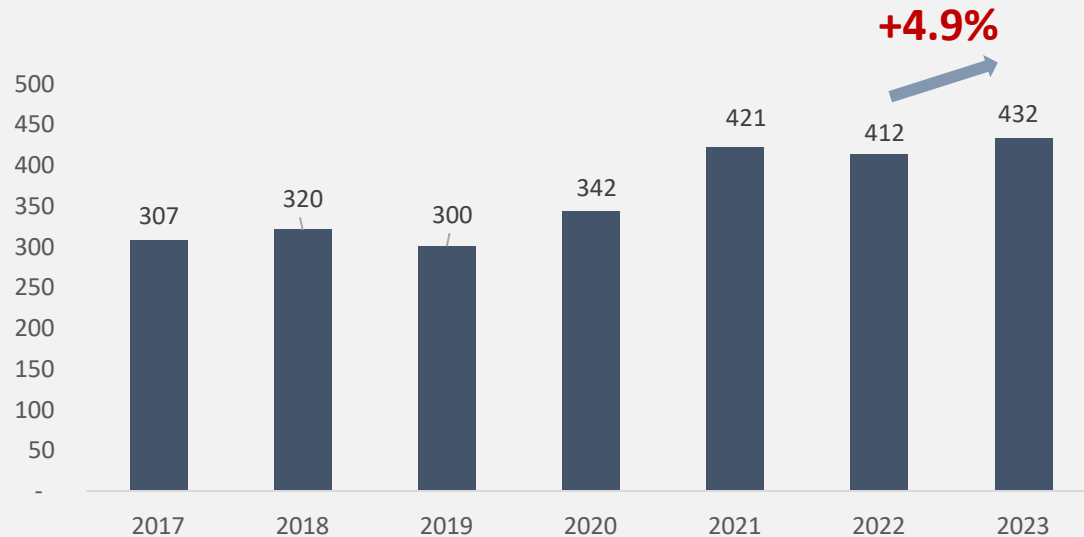
# Business Overview | Value-added services business:

## Auto finance and other value-added services drive growth



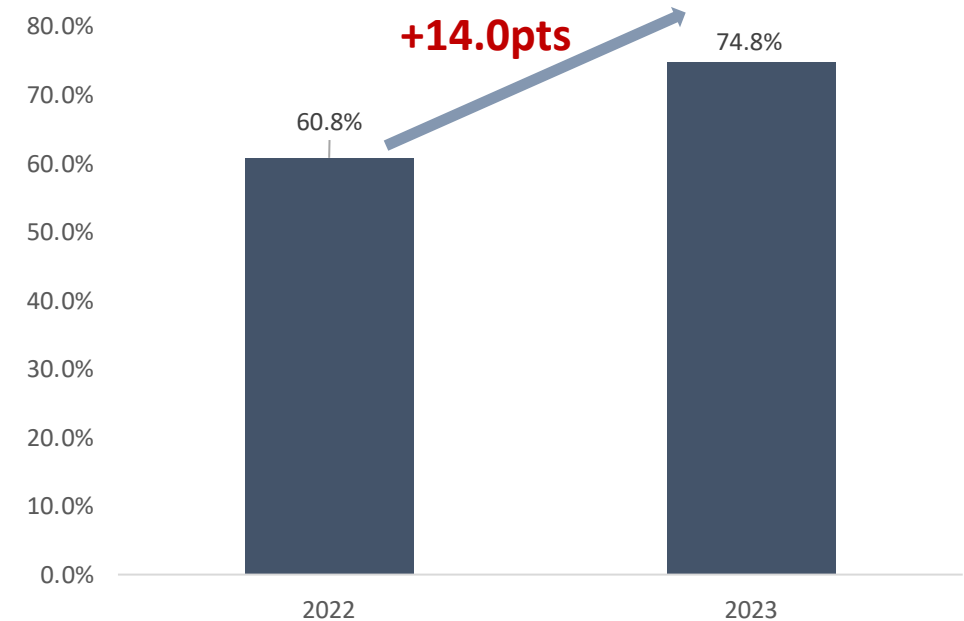
### Revenue from value-added service

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 on Key Indicators

# Financial Analysis | Financial Performance

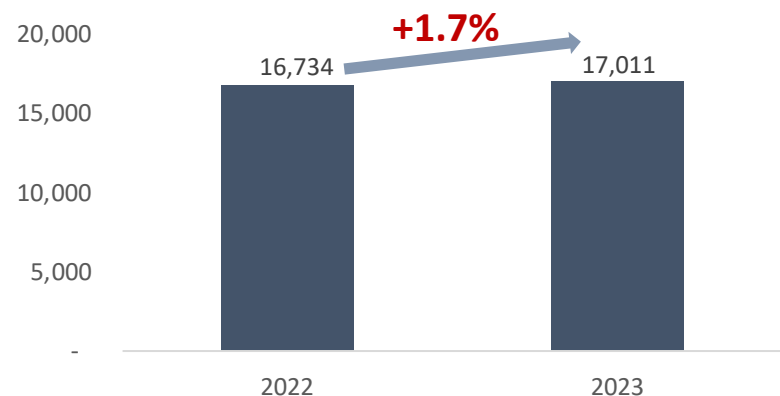


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## Comprehensive Revenue

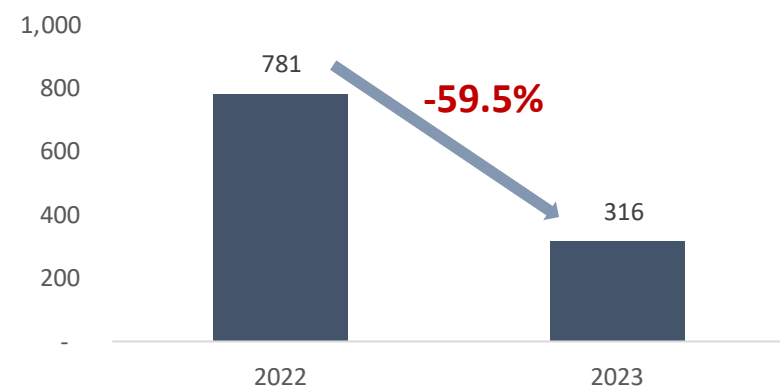
(incl. commission income)

Unit: RMB Million



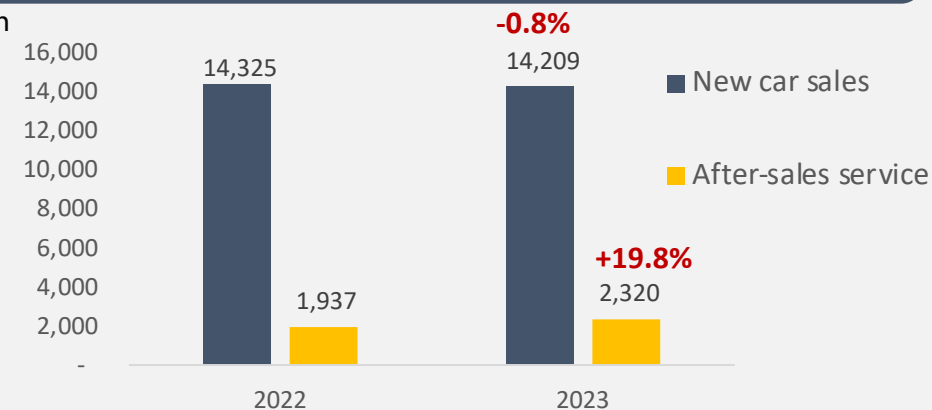
## Operating cash flow

Unit: RMB Million

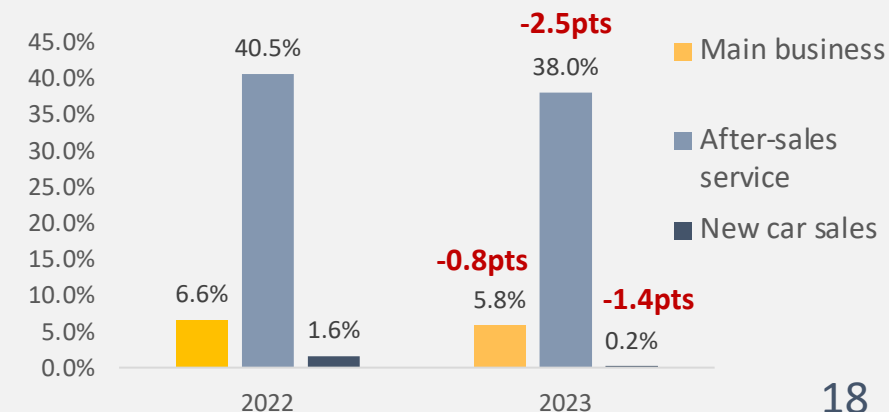


## Revenue from new cars sales and aftersales services

Unit: RMB Million



## Gross profit margin of main and sub-business

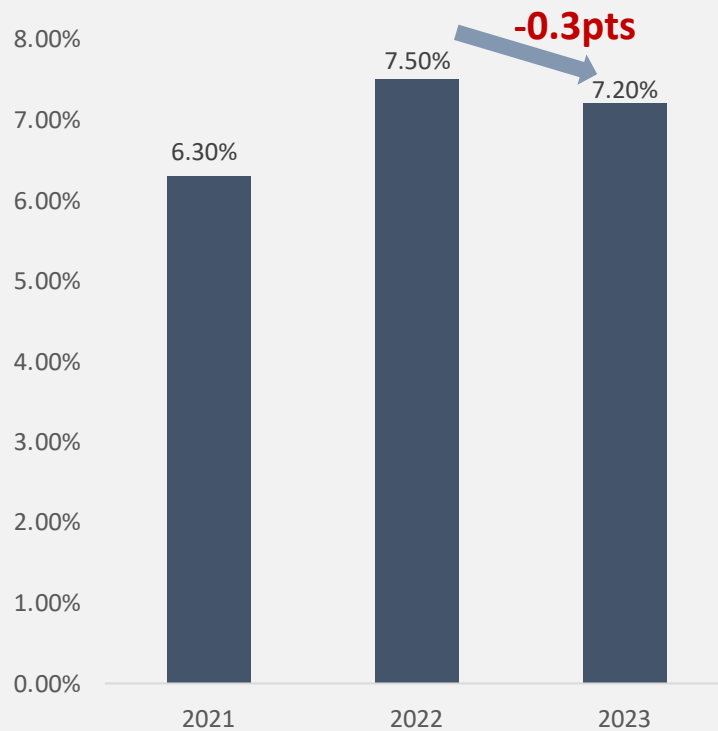




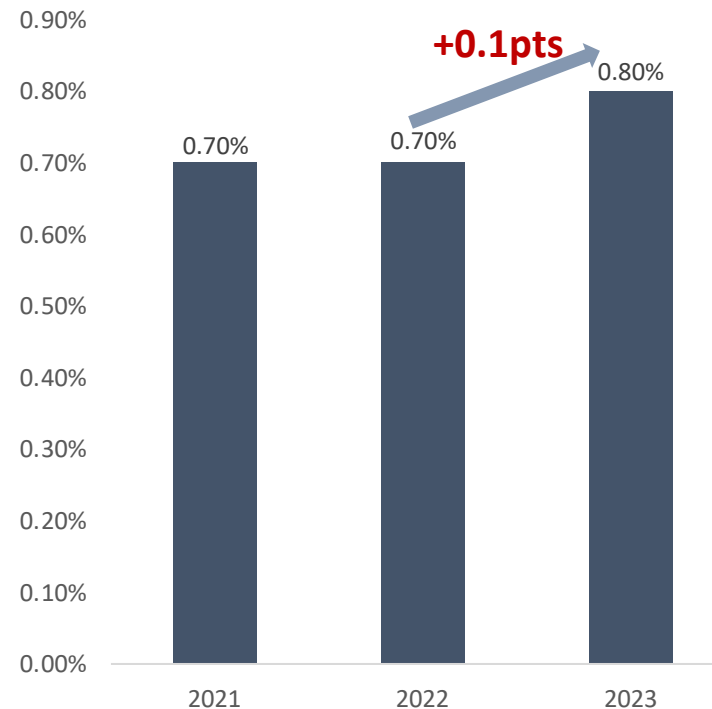
# Financial Analysis | Cost Management and Debt Analysis



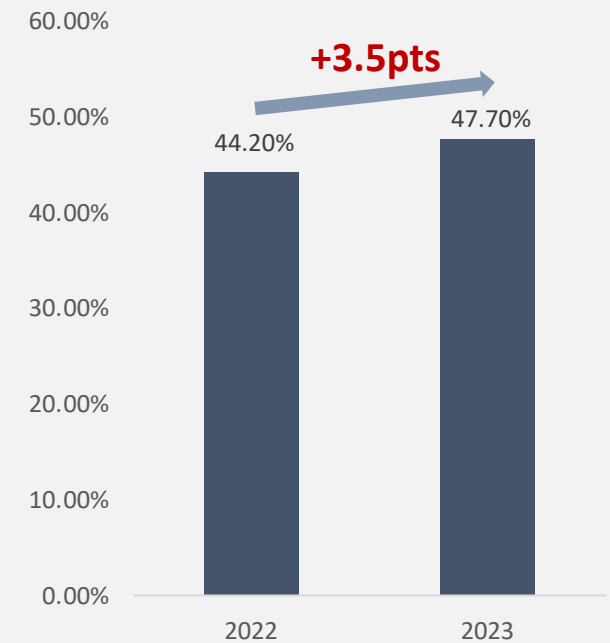
## SG&A Expense Ratio



## Financial Expense Ratio



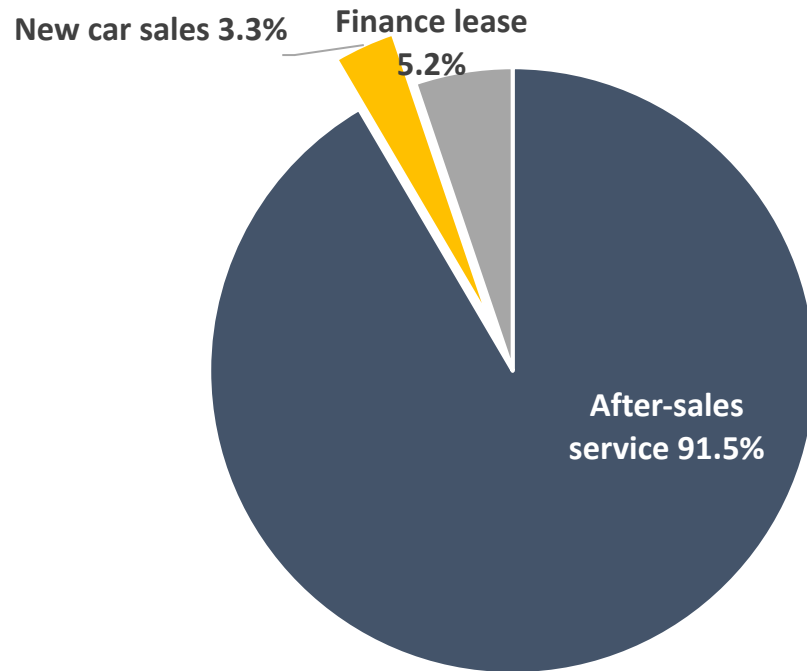
## Liability-To-Asset Ratio



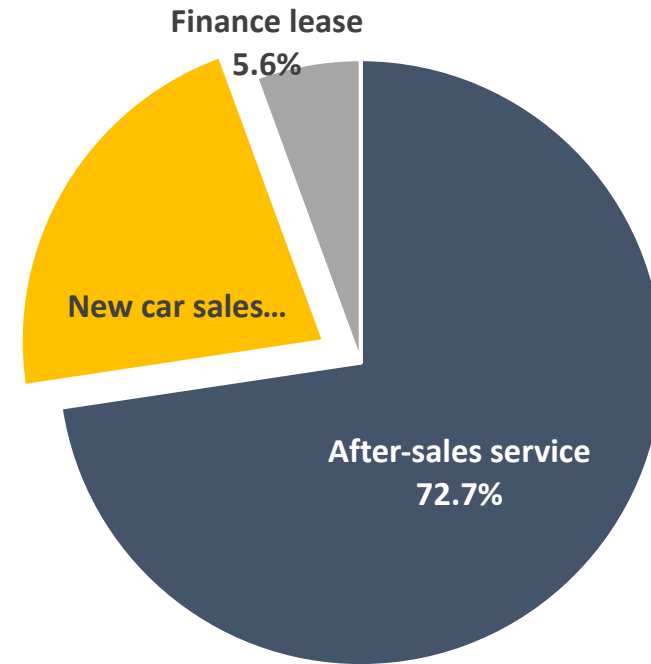
\*Affected by Impairment of assets for non-recurring items, the asset-liability ratio increased

# Financial Analysis | Breakdown of Gross Profit

Breakdown of Gross Profit for 2023



Breakdown of Gross Profit for 2022





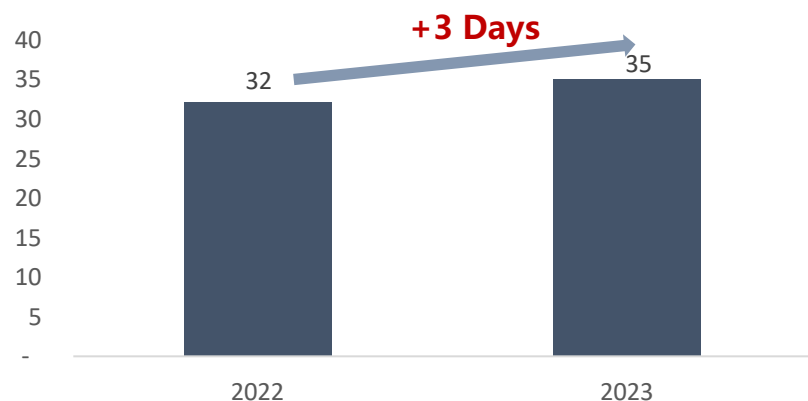
# Financial Analysis | Analysis on Key Indicators



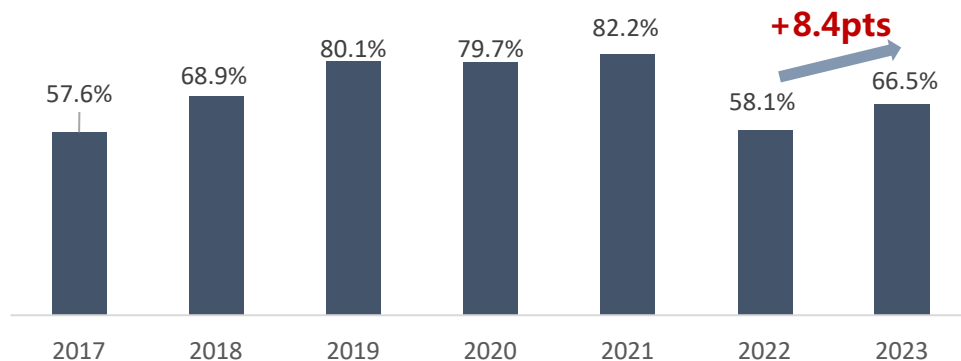
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## Inventory Turnover Days

Unit: Day

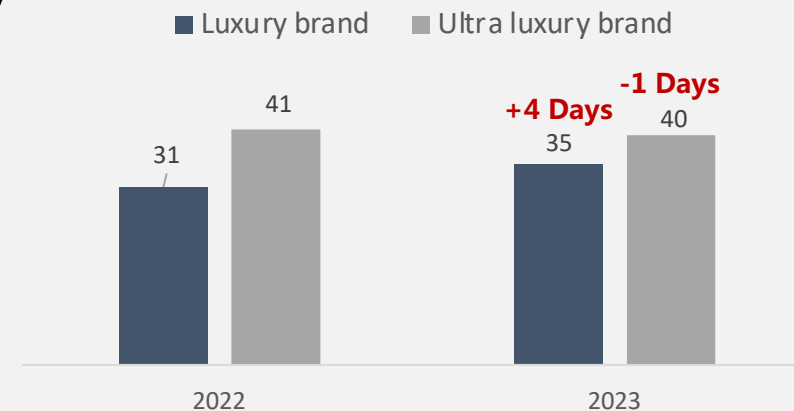


## Absorption Ratio

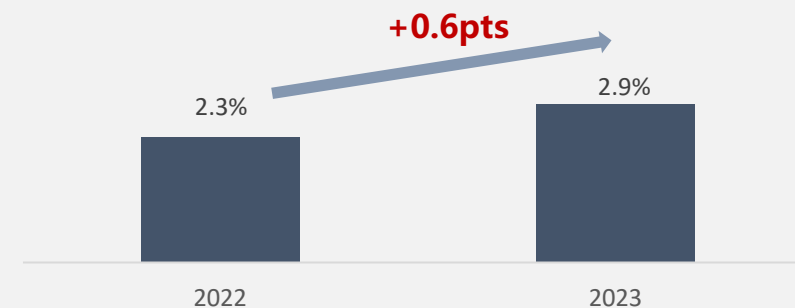


## Inventory Turnover Days by brands

Unit: Day



## Annualized ROE (excluding major non-recurring items)



According to the International Monetary Fund (IMF), China's economy is expected to continue its stable growth in 2024. This will contribute to boosting consumer confidence and providing a favorable development environment for the passenger car market.

The luxury car market in China has maintained a fast growth rate. According to a report by McKinsey, China has become the world's largest luxury car market, and this trend is expected to continue in 2024. With the expansion of the middle class and consumers' pursuit of high-end products, the luxury and ultra-luxury car market shows potential for expansion.

In 2023, China's exports of new energy vehicles showed strong momentum, with export sales increasing by 72% compared to the previous year. With the increasing recognition of Chinese brands in the international market, there will be greater opportunities for the overseas market of new energy vehicles to expand.

## Structural Growth





# Development Strategies | Three Focuses



# Development strategies | Focus on the core business



Steadily developing the domestic luxury car market and vigorously expanding the overseas NEV market





# 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



# Development Strategies | Focus on efficiency and quality



## 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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