

中国和谐新能源汽车控股有限公司

China Harmony New Energy Auto Holdings Ltd.

股票代码 Stock Code : 3836.HK



HARMONY AUTO

和諧汽車

2018半年业绩演示材料

2018 Interim Results Presentation



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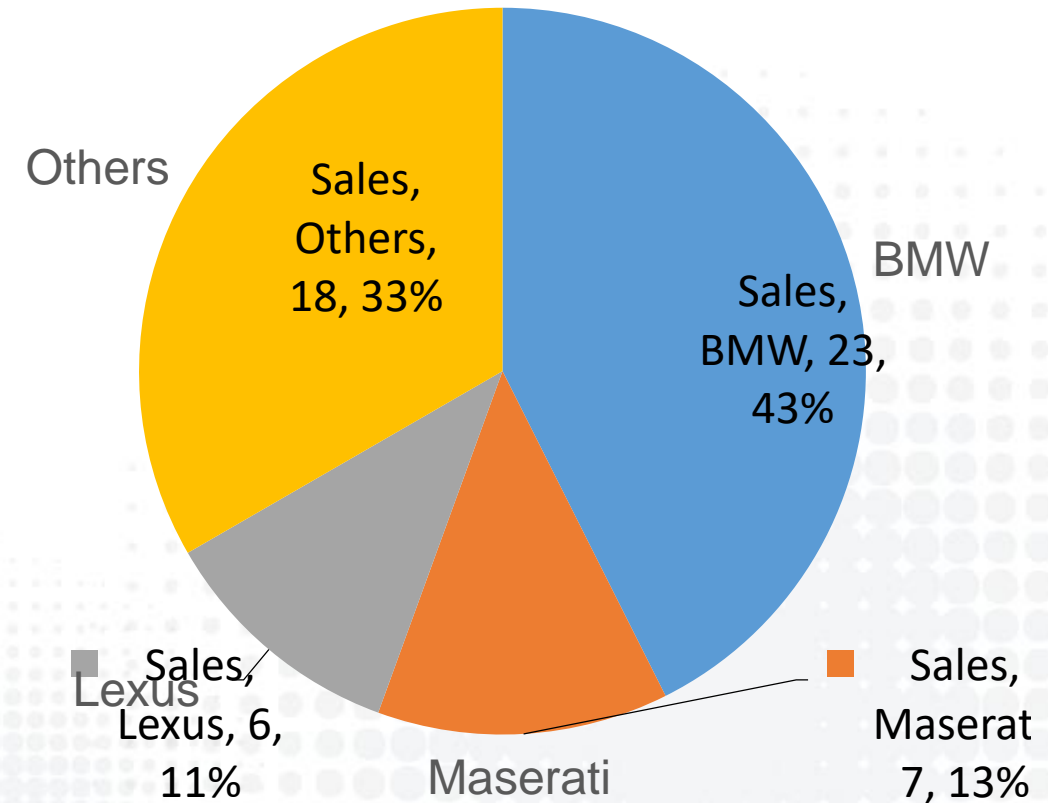
Operating 5 ultra-luxury brands: Bentley, Maserati, Aston Martin, Rolls-Royce and Ferrari



Operating 10 luxury brands: BMW, MINI, Lexus, Jaguar, Land Rover, Volvo, Zinoro, Alfa Romeo, Lincoln and Audi

	Opened	Authorized to open	Total
Authorized outlets of ultra-luxury brands	15	5	20
Authorized outlets of luxury brands	39	19	58
Total authorized outlets	54	24	78

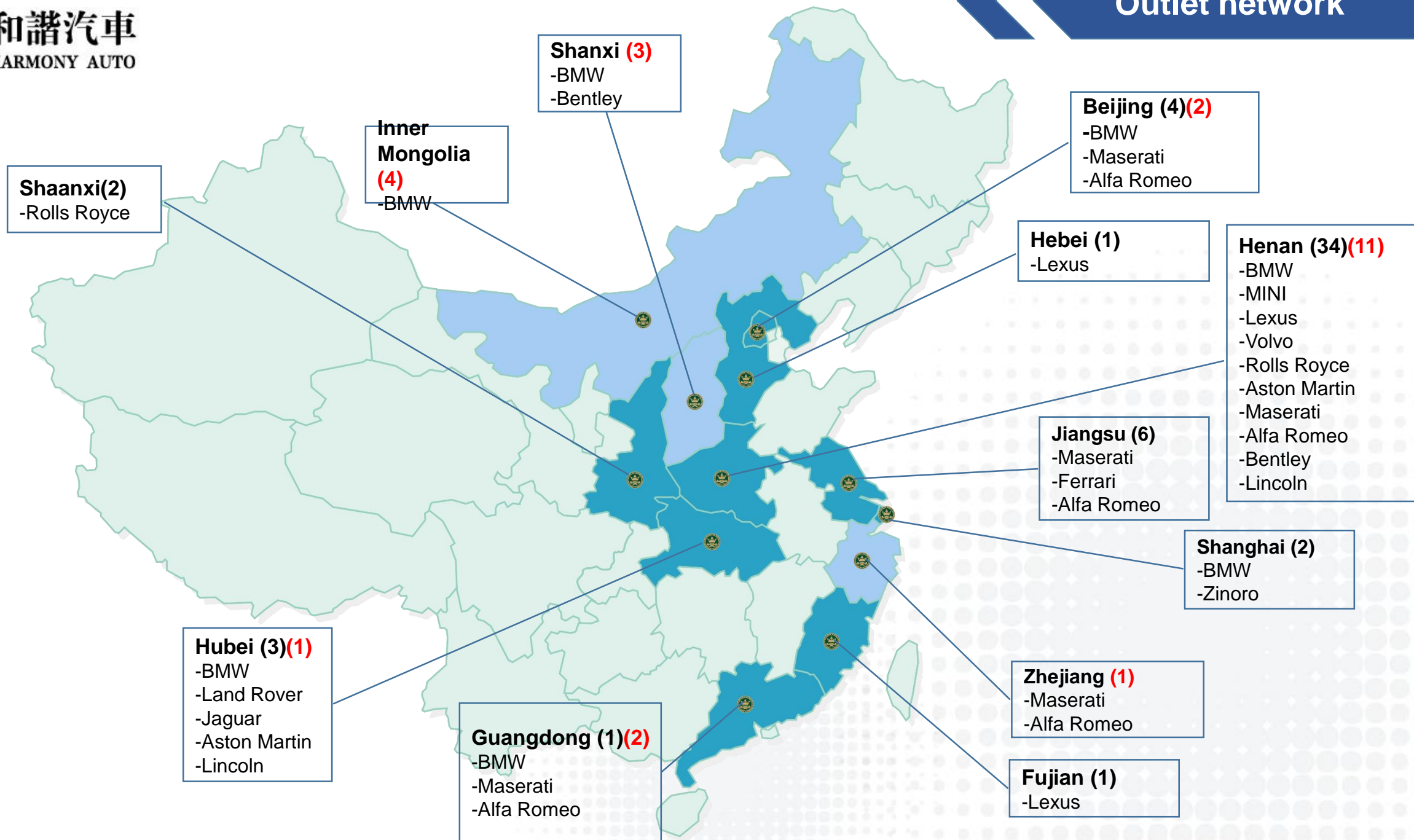
Brand distribution of opened outlets





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Outlet network



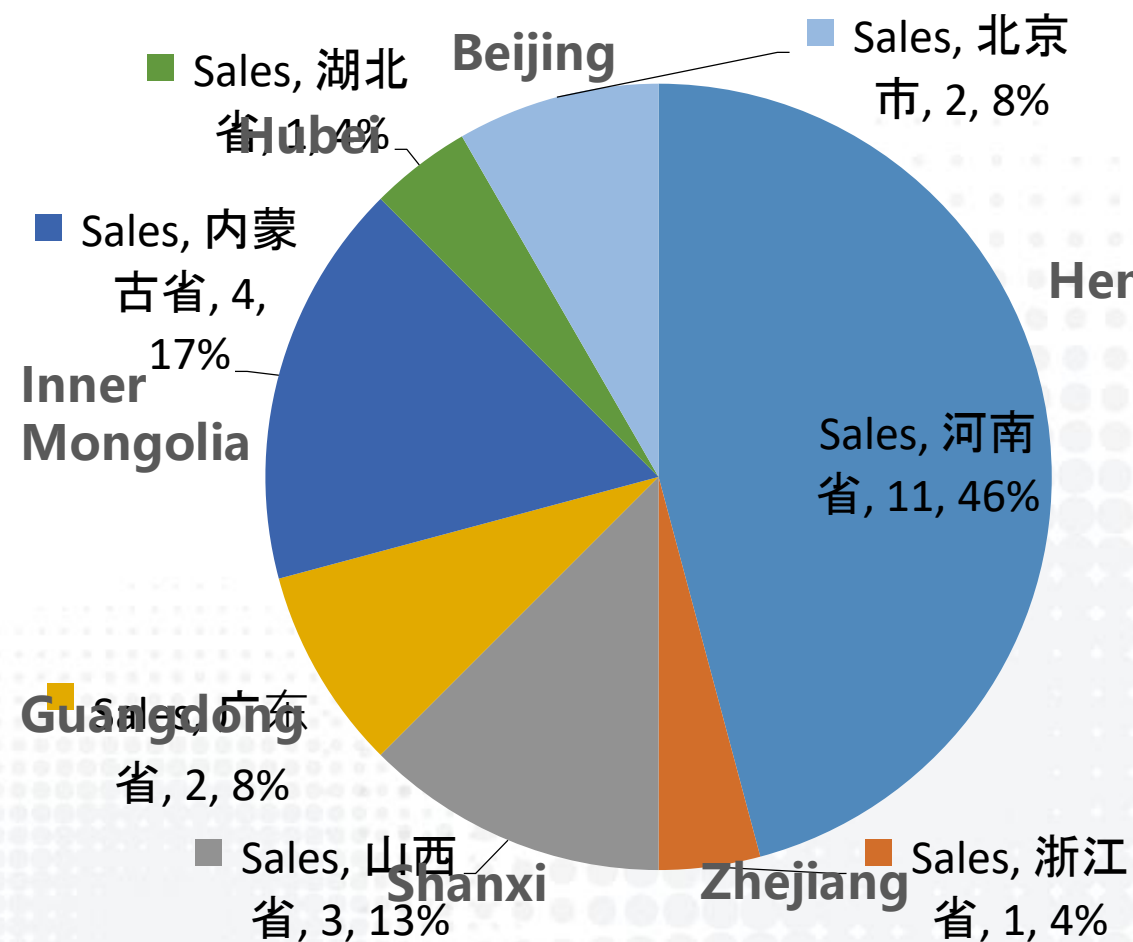


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Outlet Expansion

Authorized to open	Number of outlets
	7
	4
	2
	2
	5
	1
	2
	1
Total	24

Regional distribution of outlets authorized to open





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New products keep rolling out



Lexus ES



Lincoln MKC



BMW X7

2020



Maserati C-class SUV



BMW X3



Lexus UX

2019



BMW 3 Series



Volvo XC40



BMW X2



BMW 7 Series

2018
H2



BMW X5



BMW 8 Series



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FMC- Byton





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Model Display





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M-Byte





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K-Byte



-Concept and design

Munich, Germany

Auto Concept, Design and Engineering R&D Center

Global headquarter, R&D and manufacturing base

Nanjing, China

Global headquarter and main functional department which is responsible for local R&D, engineering and manufacturing

Beijing, China

Be responsible for government affairs and external relations

Shanghai, China

Global market sales and design studio

Hong Kong, China

Financing

R&D and software development

Silicon Valley, USA

Cutting-edge technology R&D center which is responsible for the development of software and hardware related to user experience



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Comprehensive
advantages





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Partners

Supplier partners



Strategic partners





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B series fund
raising



中国一汽

CATL



启迪控股
TUSHOLDINGS

Other
investors

After B series fund raising of US\$500 million, the Company is
valued at US\$2.2 billion





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Model display

2019 D-class luxury SUV



- The length, width and height of new auto are 4,860mm,1960mm and1650mm
- The wheel base reaches 2,945 mm
- The vehicle weight is 2,090-2,350 kg
- The cruising range is 400/520 km
- 80% of electricity will be charged in full in 30 minutes
- The highest speed is 180km/h
- The acceleration of 0-100km/h in 5.5 seconds

2021 D-class luxury sedan



- The length, width and height of new auto are 4950mm,1950mm and 1500mm
- The wheel base reaches 3000mm
- The cruising range is 400/520 km
- 80% of electricity will be charged in full in 30 minutes

2022 E-class luxury MPV



- MPV
- A blue ocean market in China, with fast development
- The CAGR during 2011-2016 of 41.5%
- Benchmarking model: Toyota Alphard

2017

2018

2019

2020

2021

2022

-Product R&D

Vehicle structure and conceptual design

Technology R&D of vehicle and platform

Industrialization & mass production testing

SUV launch

Sedan launch

MPV launch

- Product manufacturing

Signing & planning

Land development and factory construction

Equipment installation

Pilot production

With a total capacity of 300,000 vehicles, the Company produces three models under a platform

Marketing and sales

Brand release

Brand promotion

The establishment of sales network

Setting foot in 26 cities and deep layout in tier-2 cities

Entering the European and American markets, targeting global layout

Released the first SUV concept at the CES show in Las Vegas, USA

Completed B round of financing of US\$500 million and released Sedan concept

Released MPV concept at the Shanghai Auto Show in April

Started SUV production and submitted application for listing in Hong Kong/USA

Started Sedan production and realized L4 AD

Started MPV production and realized L5 AD



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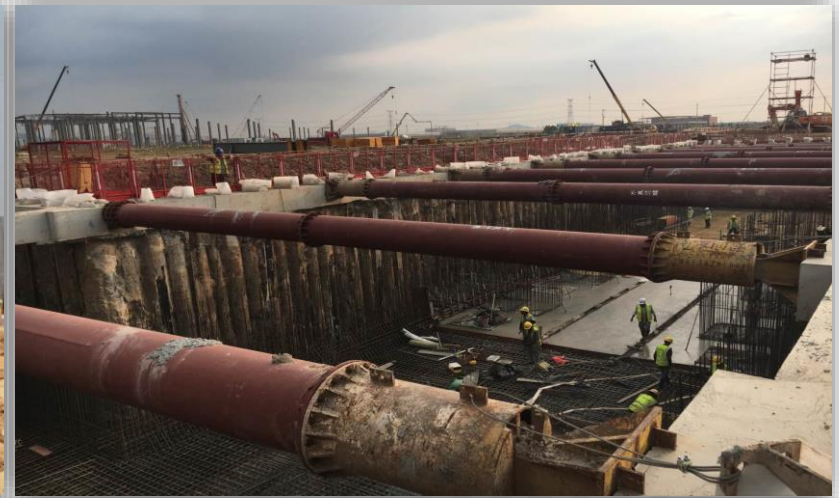
Trial Workshop





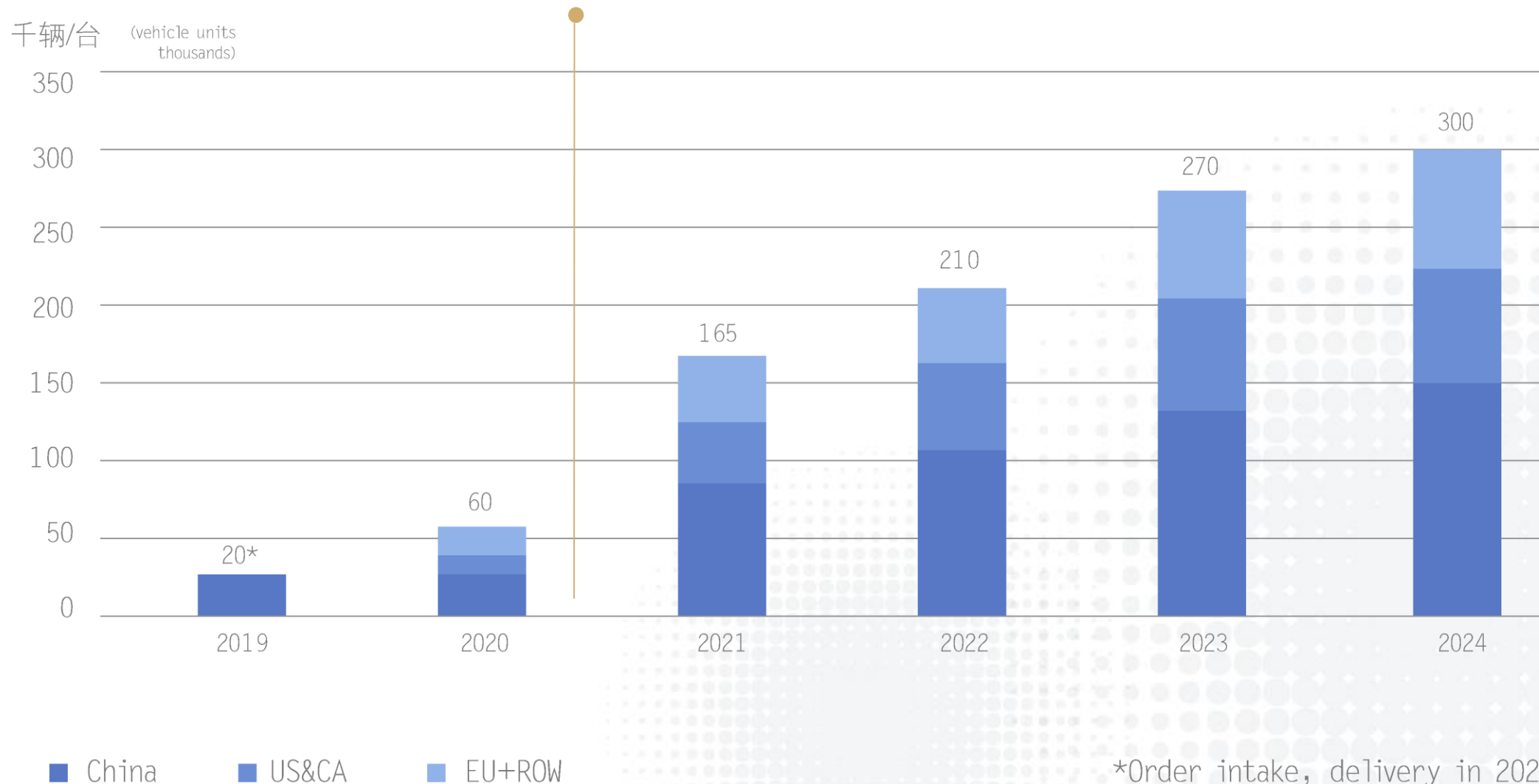
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Project Progress





It is expected to be breakeven when the sales volume reaches 95,000 which can be achieved in 2021.





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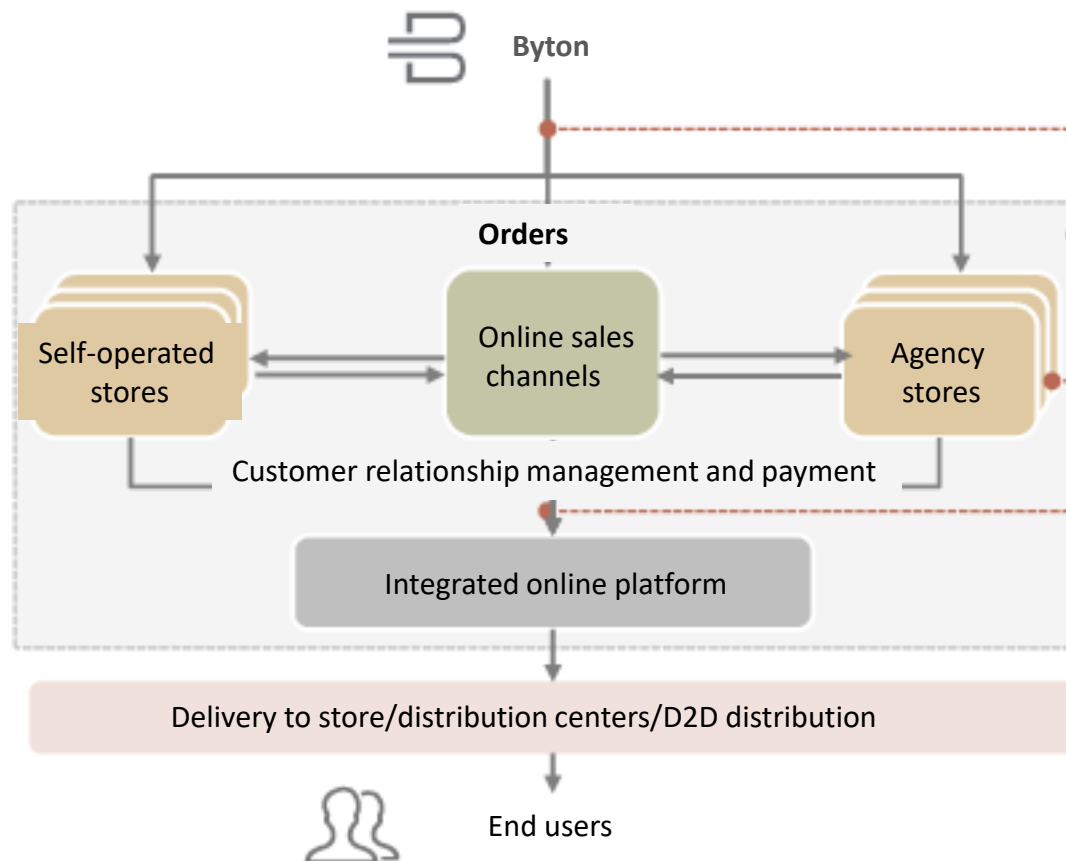


Byton experience store will open in Shanghai in the fourth quarter of 2018 and the first batch of brand stores will enter 26 cities in China. The Company plans to open more than 30 brand stores in China by the end of 2020.



The Group has signed with FMC to operate showrooms in Beijing and Guangzhou. We are now negotiating to acquire operation rights in more cities.

Overview of direct sales model of Byton



Main characteristics

1 Direct sales

Centered with consumers, the direct sales provides the most perfect product and service experience to consumers with direct sales model.

2 Online and offline integrated sales channels

The channels provide online and offline integrated digital platforms and tools, enhance data integration and collaborate partners to offer all-around services to customers.

3 Zero inventory of partners

It has effectively solved the pain points of partners in their operation, kept no inventory and eased the financial pressure of partners.

4 Order-driven sales

Orders and production are produced according to consumer demand and consumers' individual needs are satisfied.



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- FMC
- Independent after-sales business

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Financial Highlights



High frequency service

Community outlets

Community outlets + Center outlets

Cost-effective service with fast response service
Attracting customers with low cost and transforming into center outlets



High-end maintenance, providing the source of profits

Low frequency service

Center outlets



Supply chain advantages of parts

Connecting with shareholders' abundant supply chain resources of parts



Washing, beauty and fast maintenance

Providing high-frequency customer-sticky service



Professional maintenance

Providing stamping injection with high gross margin and technology Repair service for accident vehicles



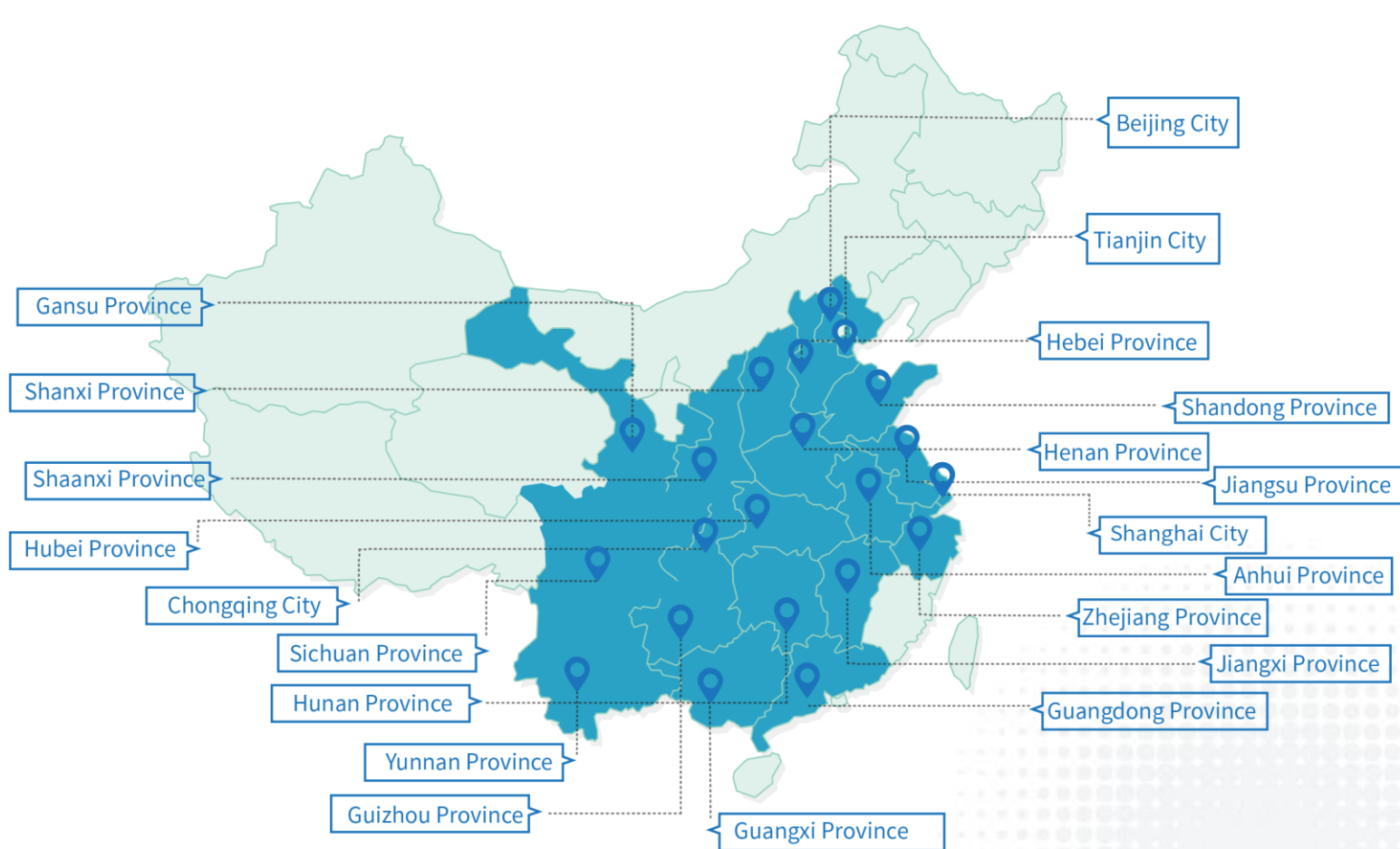
Deep cooperation with insurance companies

Through deep cooperation with insurance companies, the Company constantly improves its capability in attracting customers and has its loss assessment price higher than the industry average.



SAAS system

Strong SAAS system supports transparent store operation and closed-loop customer service, forming an integrated management mechanism of finance and business.



At present, Harmony Repair has a total of 80 outlets, including 42 center outlets (29 obtain A-class maintenance qualification and 13 obtain B-class maintenance qualification) and 38 community outlets (obtaining C-class maintenance qualification), covering four municipalities and 33 cities in 18 provinces across the country. The service outlets of its center outlets across the country have all obtained qualification in designated outlets, loss assessment, claim settlement and direct compensation from top three insurance companies.

Center
outlets



Stamping injection



Parts supply



Machine
maintenance



Insurance



Average gross floor area: 2000m²+



Average positions: 25+



Average number of staff: 30+

Parts logistics

Communi
ty outlets



Maintenance



Washing and
beautifying



Average gross floor area: 900m²+



Average positions: 5+



Average number of staff: 8+

Complex repair
and BP push



- ☹️ Single procurement channel, mainly relying on OEM
- ☹️ Auto price is subject to OEM
- ☹️ Closed procurement platform
- ☹️ High inventory backlog indicators: parts fund, inventory depth and slow-moving
- ☹️ inventory make up high proportions and slow turnover rate of parts
- ☹️ Limited delivery speed of parts (72 hours for fast delivery)
- ☹️ Parts procurement plan simulates matching sales order



- 😊 Diversified procurement channels: Parts supply system + service providers in auto parts center + OEM plants
- 😊 Market-oriented prices
- 😊 Open-ended smart procurement platform
- 😊 No inventory backlog indicators: parts fund, inventory depth and slow-moving inventory make up low proportions and fast turnover rate of parts
- 😊 Fast delivery speed of parts (2 hours for fast delivery)
- 😊 Parts procurement based on one-to-one sales orders



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Professional
Technologies



With reference to the ASE technician certification standard of the United States, the Company has built a technician certification system that meets the standard of harmonious development. It also has successively established its flight technician team and expert technician team, served by technical experts who have long and rich experience in luxury auto service including Benz, Audi, BMW, etc.

01

Technician
certification
standard



As TESLA is an electric vehicle leader in the world, Harmony Repair selected 12 technicians to study TESLA maintenance technology in batches in the United States and passed the TESLA technical certification. The 12 technicians become the first batch of TESLA global certified technicians in China. 14 technicians of Harmony Repair have obtained the first batch of certified technicians from NIO, which is a well-known auto manufacturer in China's high-performance electric vehicles.

02

New energy
vehicle after-
sales
technology



Based on the ultra-luxury auto carbon fiber composite repair technology of the US military technology, Harmony Repair has become the sole carbon fiber repair service provider in China.

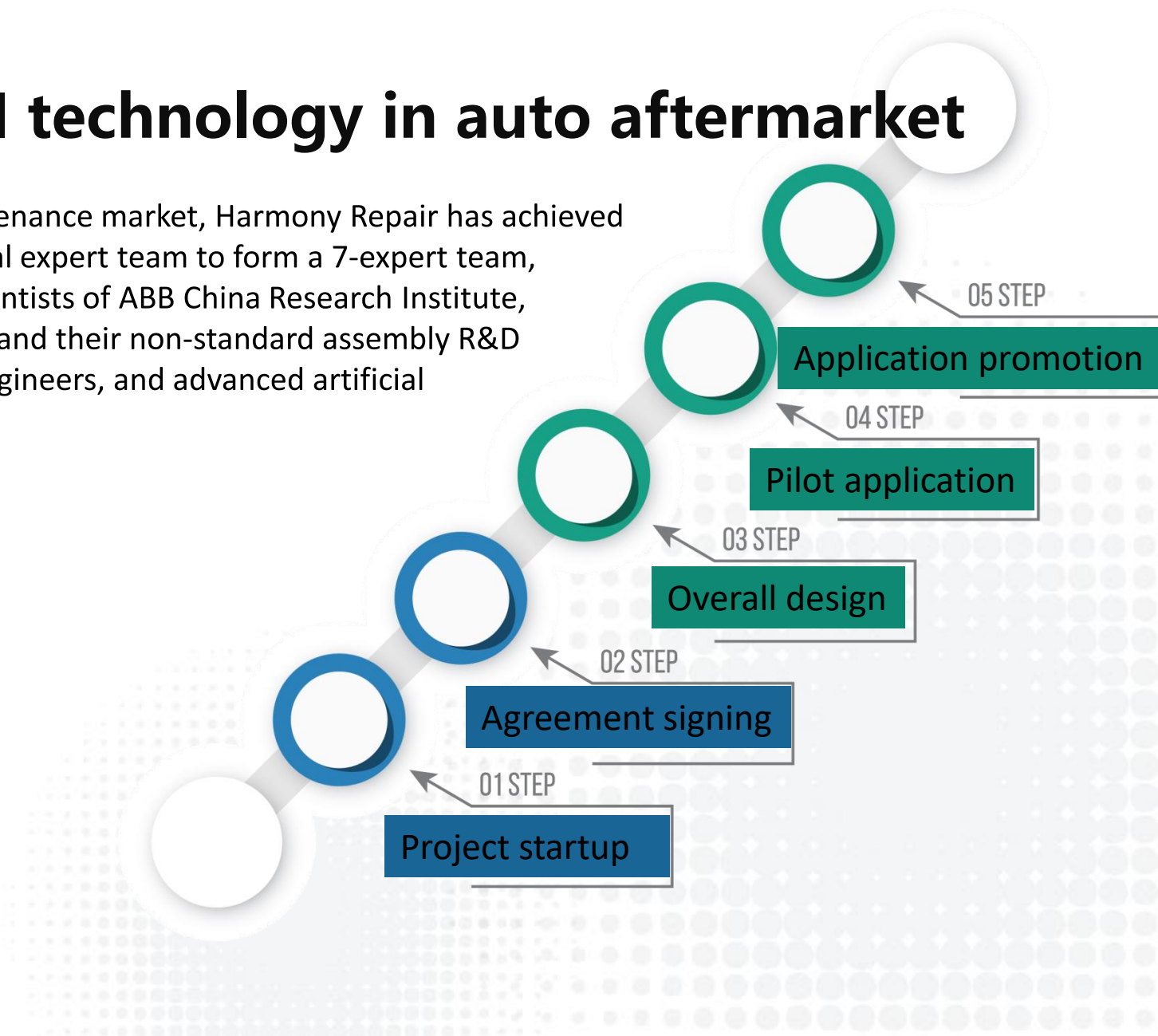
03

Carbon fiber
composite
repair
technology

Pioneer in the use of AI technology in auto aftermarket

As a user of AI technology in the after-sales maintenance market, Harmony Repair has achieved a strategic cooperation with a world-class technical expert team to form a 7-expert team, the members of which include the chief robot scientists of ABB China Research Institute, robot motion control & algorithm experts, robots and their non-standard assembly R&D personnel, robot R&D engineers, robot coating engineers, and advanced artificial intelligence algorithm experts.

Reduce construction costs and improve working efficiency
More environmental and more efficient





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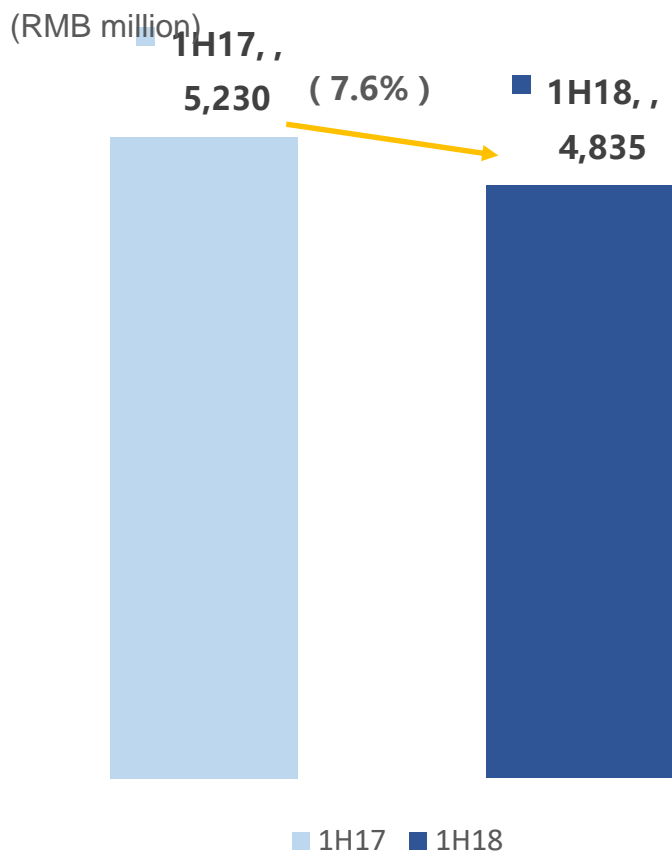


Two-wing Business Development

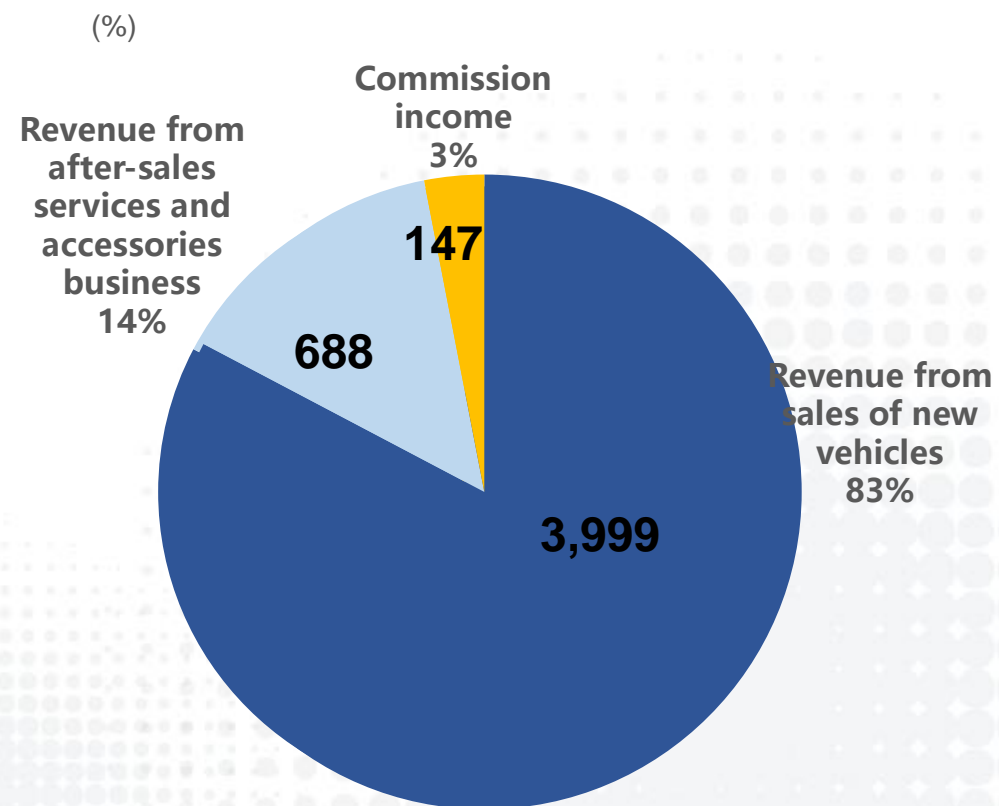


Financial Highlights

Comprehensive income



Comprehensive income structure

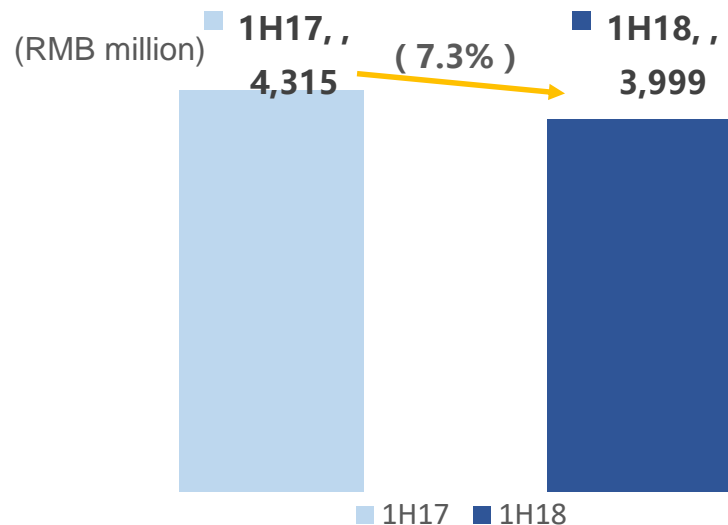




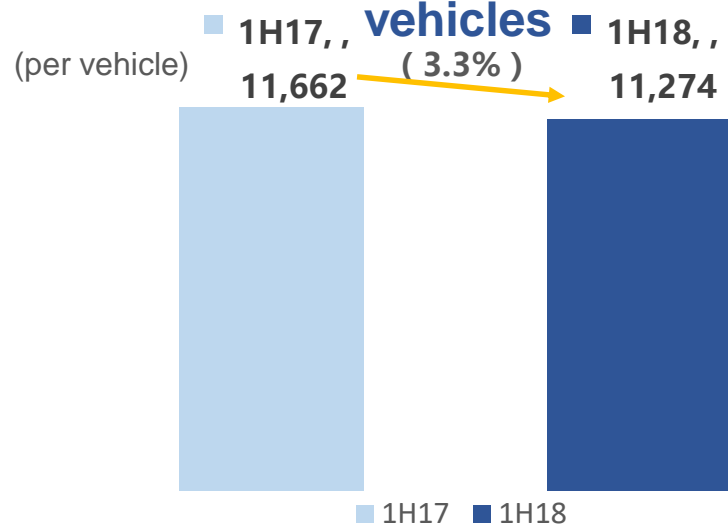
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New vehicles
sales business

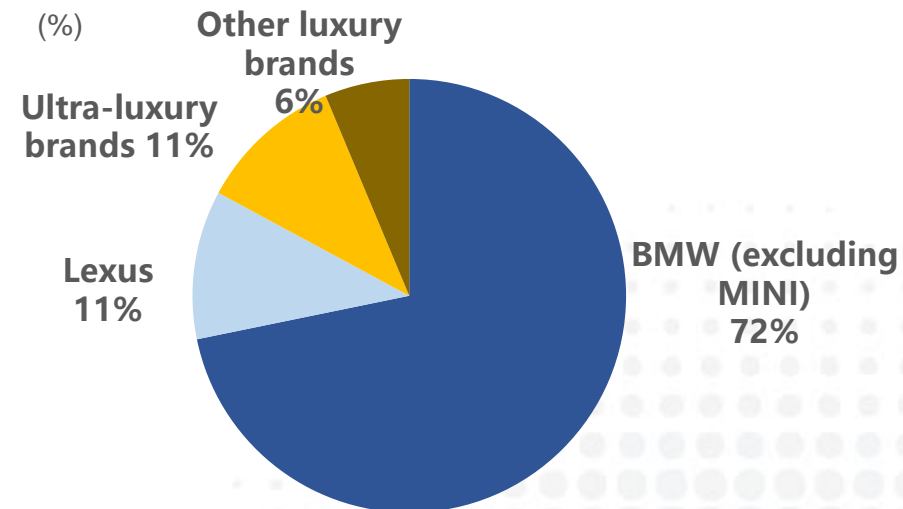
New vehicles sales



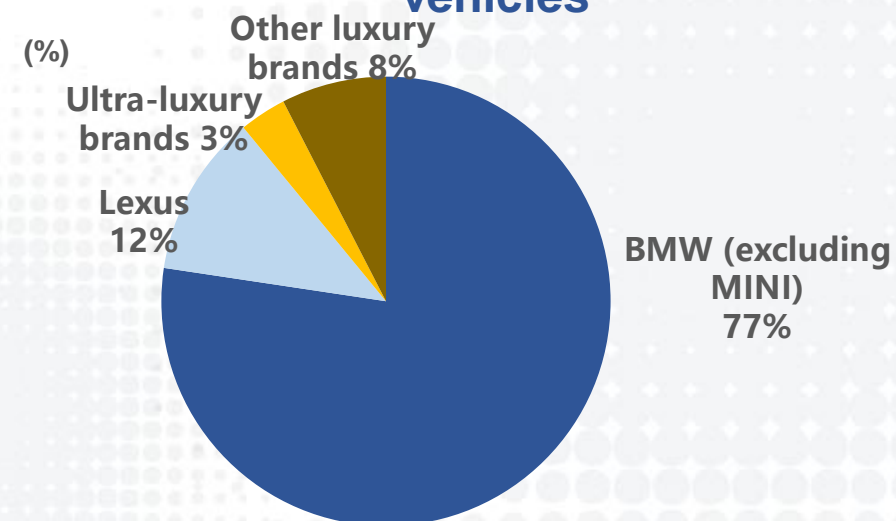
Sales volume of new vehicles



Structure of new vehicles sales

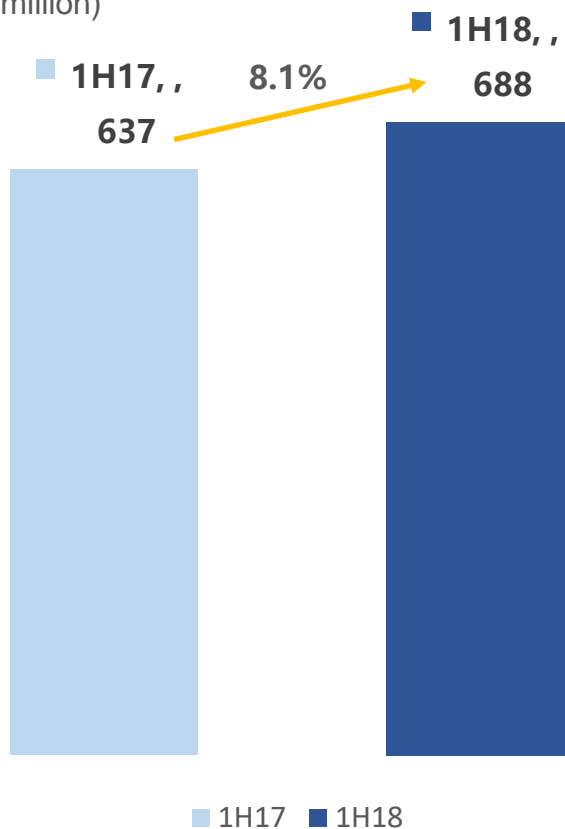


Sales volume structure of new vehicles



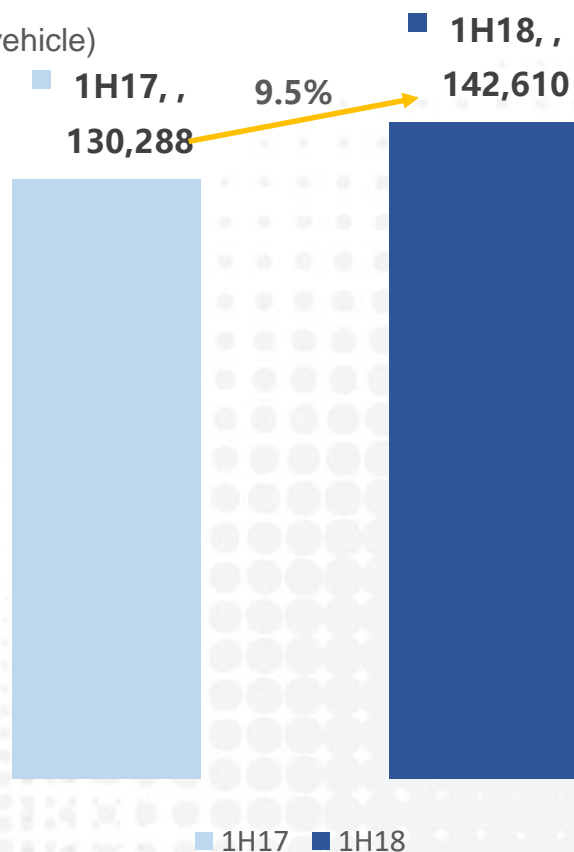
Revenue from after-sales and accessories business

(RMB million)



Number of vehicles under after- sales maintenance

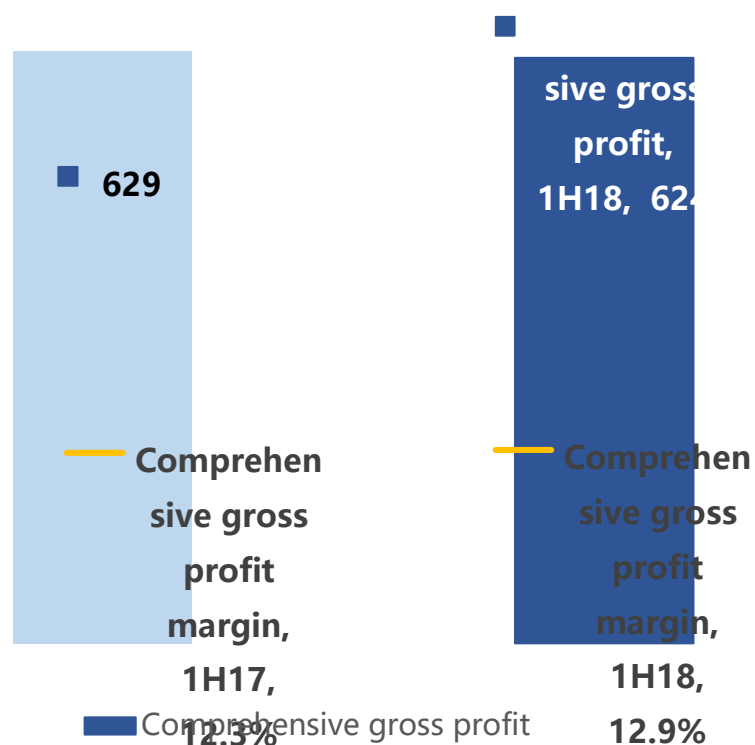
(per vehicle)



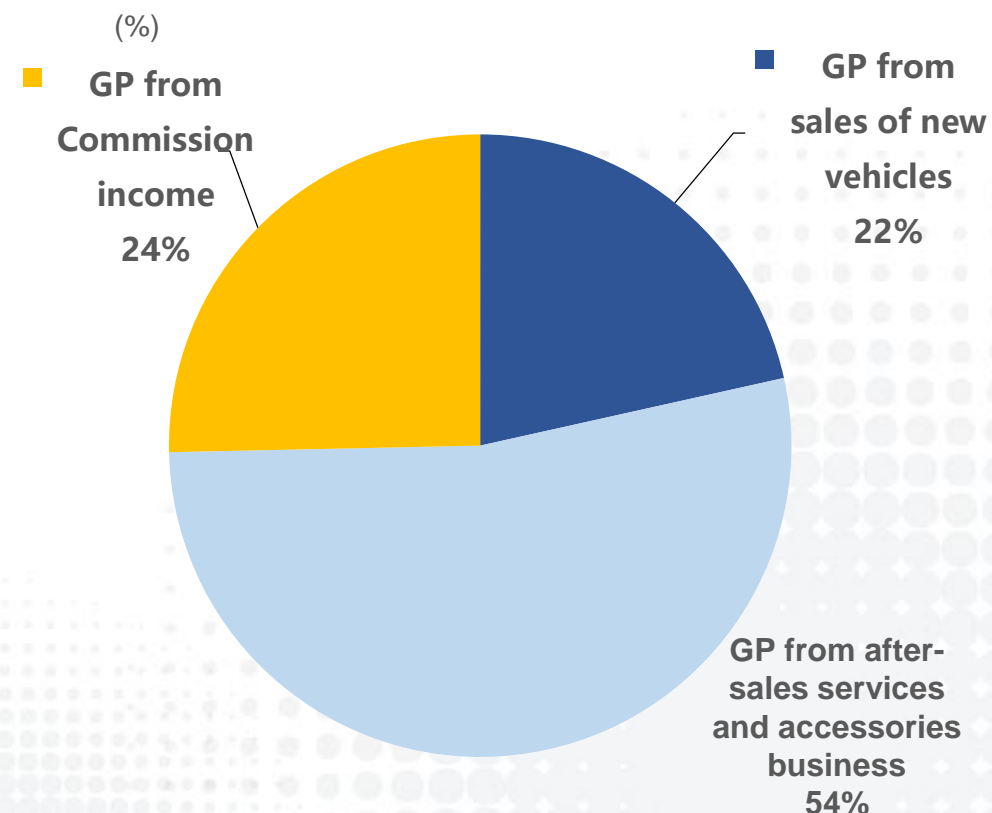
Note: The revenue of consolidated independent after-sales business has been excluded from the revenue of after-sales and accessories business in the first half of 2017 for comparison

Comprehensive gross profit

(RMB million)



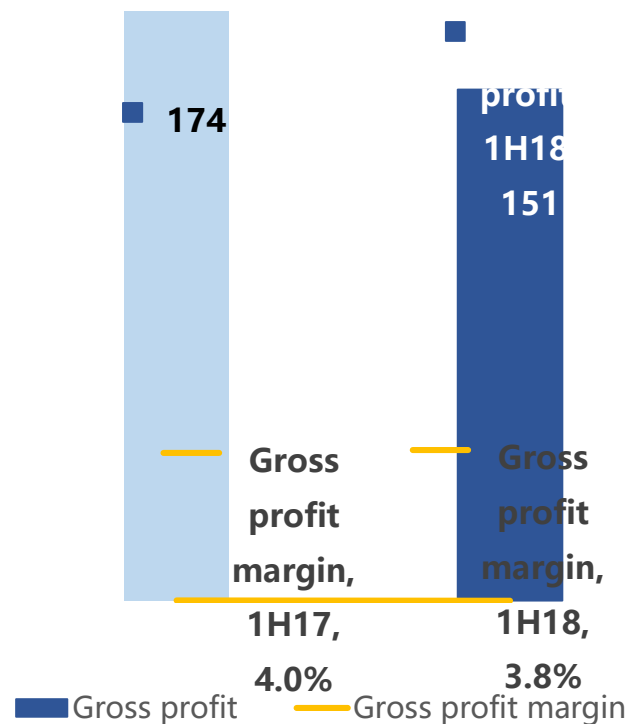
Structure of comprehensive gross profit



Note: The revenue of consolidated independent after-sales business has been excluded from the revenue of after-sales and accessories business in the first half of 2017 for comparison

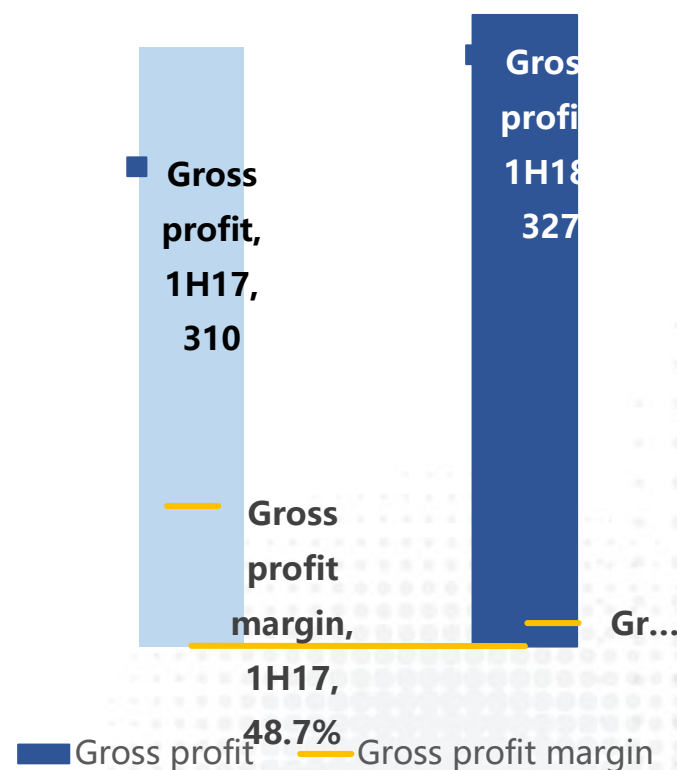
Gross profit from sales of new vehicles

(RMB million)



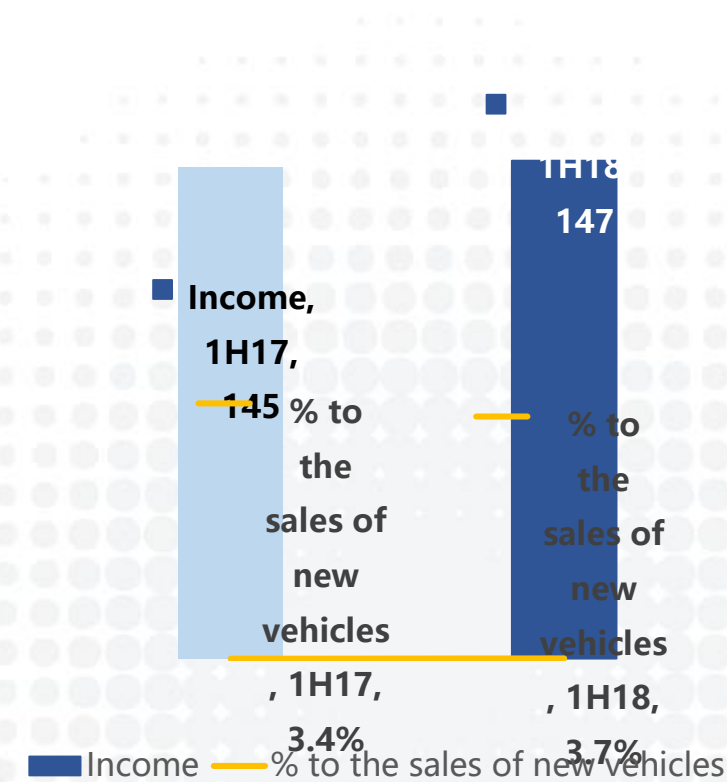
Gross profit from after-sales services and accessories business

(RMB million)



Commission income

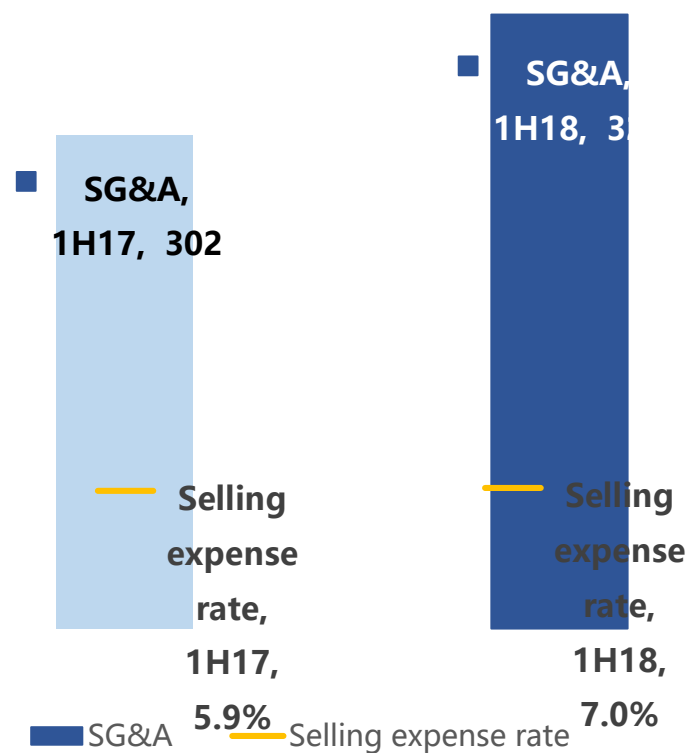
(RMB million)



Note: The revenue and cost of consolidated independent after-sales business has been excluded from the revenue of after-sales and accessories business in the first half of 2017 for comparison

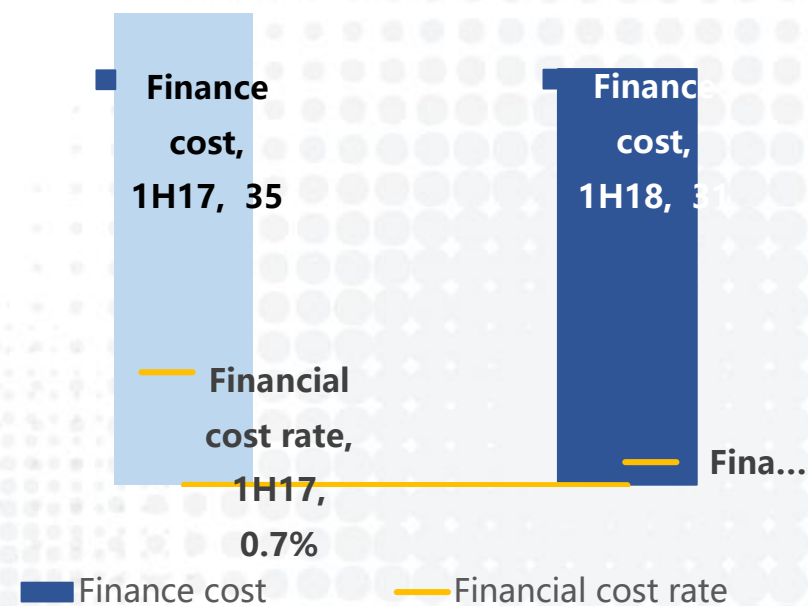
Selling and administrative expenses

(RMB million)



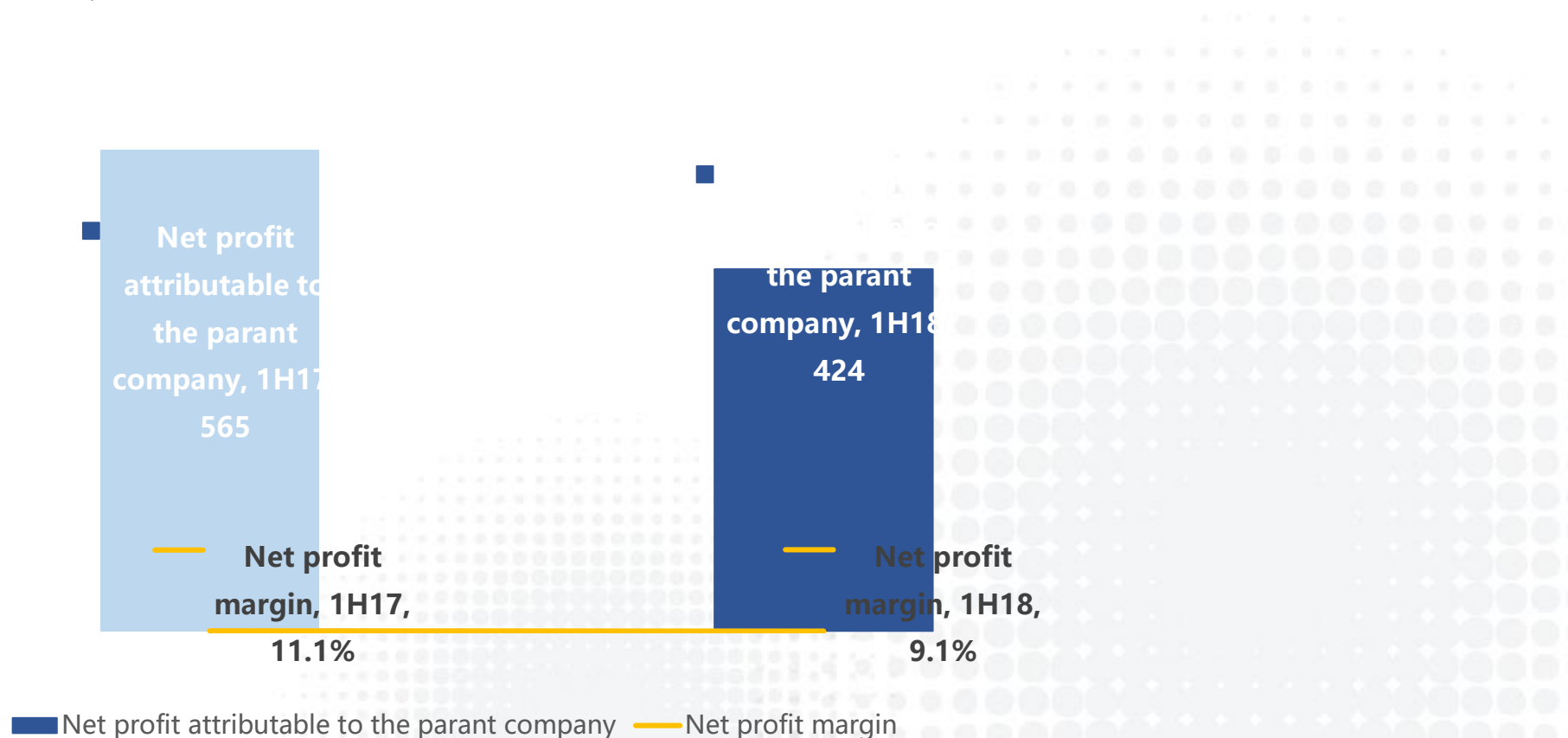
Finance cost

(RMB million)



Net profit attributable to the parent company

(RMB million)





RMB in million	From 1 January 2018 to 30 June 2018	From 1 January 2017 to 30 June 2017	Increase/(Decrease)
Comprehensive income ⁽¹⁾ ⁽³⁾	4,835	5,096	(5.1%)
Commission income	147	145	1.4%
Consolidated Gross Profit Margin ⁽²⁾ (%)	12.9%	12.3%	0.6 percentage points
Selling, administration and finance costs	358	337	6.3%
Net profits attributable to the parent company	424	565	(24.8%)
Inventory	1,431	1,271	12.5%
Total assets	10,293	10,077	2.1%
Bank loans and other borrowings	1,598	1,816	(12.0%)
Net assets	6,672	6,330	5.4%

Note:

1) Commission income is included in comprehensive income

2) Commission income is included in consolidated gross profit margin

3) The revenue of after-sales service and accessories business generated from consolidated independent after-sales business in the first half of 2017 has been excluded for comparison



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Thank You!