○ Decision Making
● Information Sharing
○ Directions

AM Live Presentation

Month 00, 2016
Management & Administration Division
General Affairs Team

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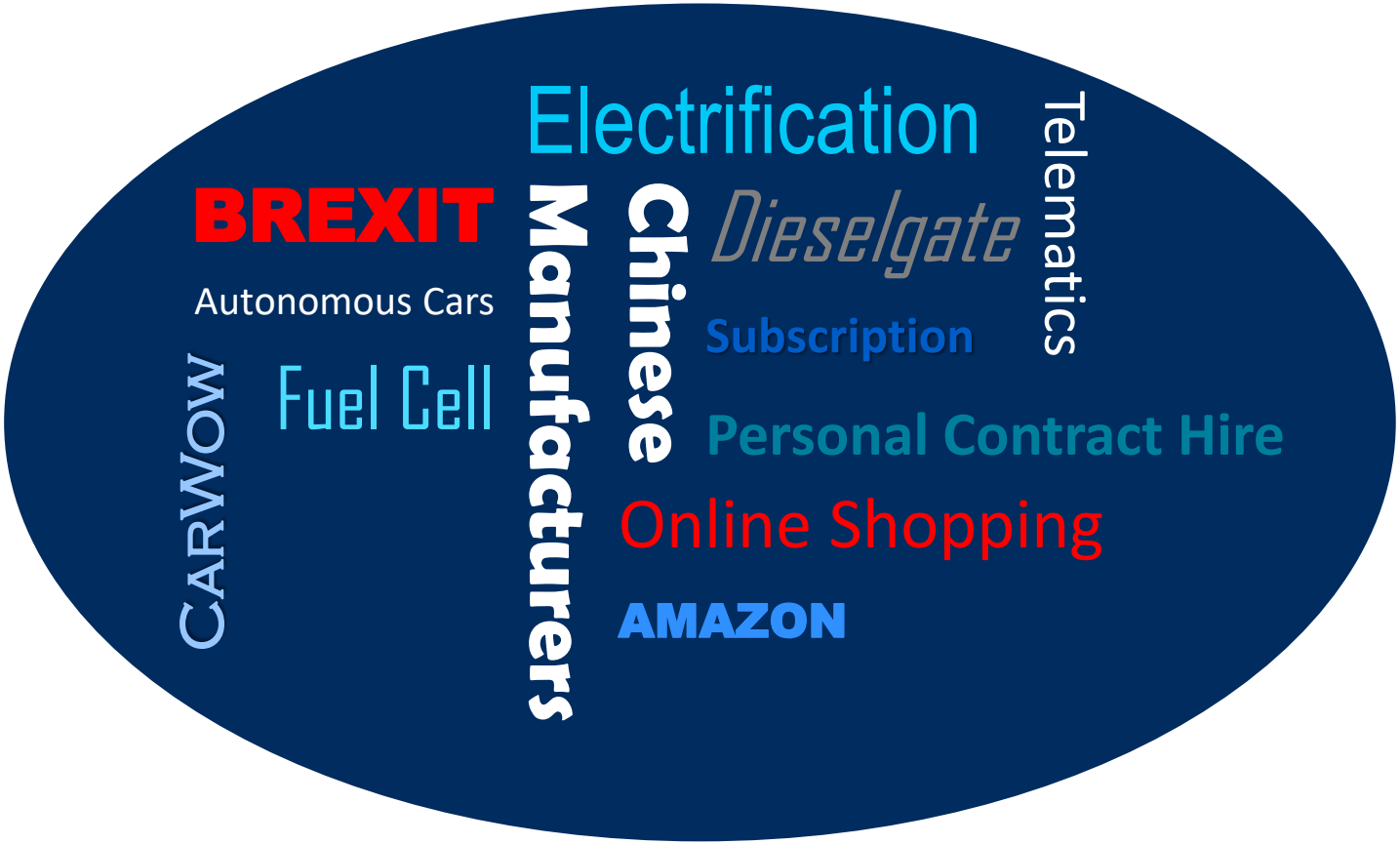
Tony Whitehorn

President and CEO

Hyundai Motor UK Limited

A time of change


Electrification
Telematics
BREXIT
Chinese Manufacturers
Dieselgate
Autonomous Cars
Subscription
CARWOW
Fuel Cell
Personal Contract Hire
Online Shopping
AMAZON

3 main areas of change in the automotive industry

Car Technology and propulsion

Where to buy the car

Online / offline

Ownership vs Usage

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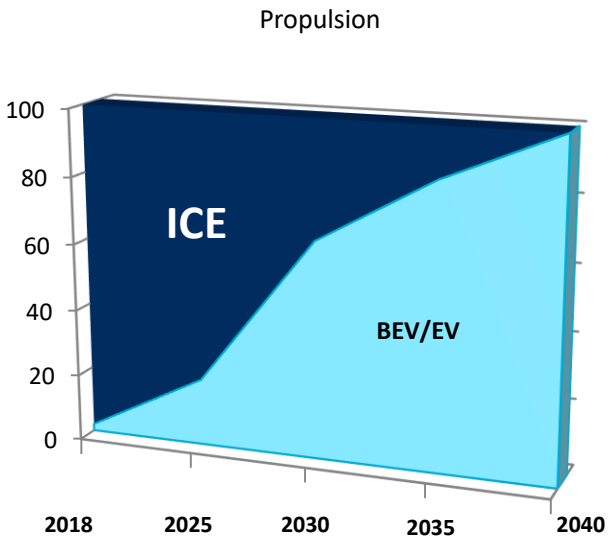
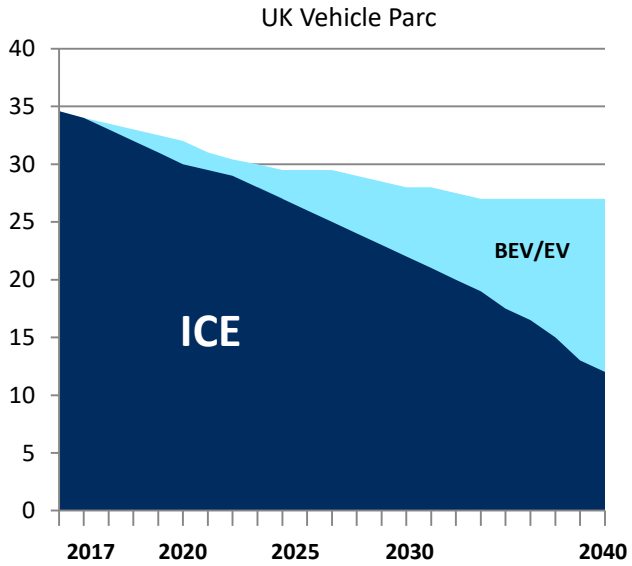
Propulsion in the UK



% EV/BEV

2018	2%
2025	20%
2030	65%
2035	85%
2040	100%



Requirements:

OEMs	-	vehicles
Suppliers	-	infrastructure
Government	-	fiscal incentives

Source: KPMG

Impact to the industry

	Diesel	Petrol	Hybrid	Plug in	Electric	Fuel Cell
Hyundai	✓	✓	✓	✓	✓	✓
Toyota	✓	✓	✓	✓	✗	✓
VW	✓	✓	✗	✓	✓	✗
Ford	✓	✓	✓	✗	✗	✗

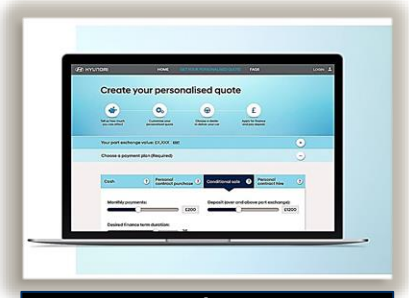
Direction of travel

- Challenges: Sales, Residual Value, Aftersales, Telematics

Where to buy the car

Dealership

City Store



Online

Direction of travel

	✓	✓	✓
TOYOTA	✓	✗	✗
	✓	✓	✗
Ford	✓	✓	✗

Challenge: Go to the people <u>not</u> expect people to come to you

Where to buy the car

City Store

Number of visitors = 250,000 per store

SALES

- Average age = 39
- Conquest = 96%
- 1st New Car = 86%
- Female = 54%

New demographic

Click to Buy

Number of visitors = 500,000 pa

Number of accounts opened = 3,000 pa

Kona EV

1 month = 500 order with deposits

Dealer - full margin

- handover

- add ons

Key = Dealer involvement

Challenge: Not a “race to the bottom” – all about transparent access

Ownership vs Usage

1990's	2000 - 2018	2018 - 2020	2020+
Outright Purchase / HP	PCP	PCH	Ownership?
	2008 = 30% 2017 = 75%	2018 = 15% 2020 = 35%	- Subscription - Daily/ hourly rental - Uber - Variable lease

Why the change?

Subscription?

Daily rental?

Uber?

Variable Lease?

Due to:

- Changing Workplace
  - ✓ Flexibility of workforce
  - ✓ Fixed term contracts
  - ✓ Part time employment
  - ✓ Zero hour contracts
- House ownership → renting
- Metropolitan costs

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Conclusion

Technology = change

Technology + connectivity = exponential change

There has never been a more turbulent time

→ Key = Flexibility

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