



中升集團控股有限公司

ZHONGSHENG GROUP HOLDINGS LIMITED

2020
年度业绩报告
Annual Results

ZHONGSHENG GROUP
LIFETIME PARTNER

中升集團 · 終生夥伴



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中升集團控股有限公司
ZHONGSHENG GROUP HOLDINGS LIMITED



Achievements

Achievements



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New Car Sales

New car sales volume was 500,609 units in 2020, increased by 9.9 % as compared to the same period of 2019.

After-sales and Accessories

Revenue from after-sales and accessories segment increased by 13.5 %, to RMB 20.3billion.

Value Added Services

Income from value added services increased by 9.2 %(like for like 15.9%) , to RMB3.2 billion.

Stable growth in Net Profit

Profit attributable to owners of the parent was RMB 5.5 billion, increased by 23.1 % as compared to the same period of 2019.

Further Optimized Network

As of 31 December 2020, we had 373 dealership stores under operation, including 218 luxury brands stores and 155 mid-to-high end brands stores.

New business development

Planned to initiate strategic cooperation with top NEV OEMs to carry out pilot dealerships.

Capital Market Operations

Successfully issued a new five year USD 588 million zero coupon CB and a five year USD450 million 3% coupon USD bond.

Recognitions

Ranked No. 1 in comprehensive competitiveness among the China Top 100 Dealer Groups for 5 consecutive years; Ranked No. 2 in 2020 "China Top 100 Dealer Groups "based on revenue scale; Ranked No. 82 by "Fortune China 500" ; CEO selected as Forbes China's "best CEO of China's listed companies" in 2020.

Awarded investment grade rating (baa3, BBB-, BBB-) by Moody' s, Fitch Ratings and S&P.



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Business Update

Brand Mix and Dealerships

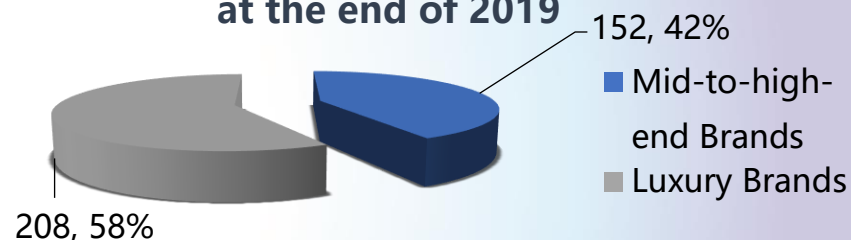
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「Brand plus Region」 Continuous focus on luxury brands and TOYOTA, expansions to first and second-tier and provincial capital cities, especially in southern and Eastern China. As of 31 December 2020, the total number of dealerships reached 373, covering 24 provinces and regions, and over 90 cities across China.

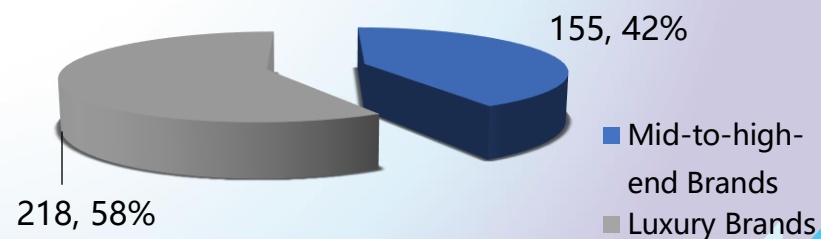
Major Brands Dealerships

Luxury Brands	No. of Dealership	Mid-to-high-end Brands	No. of Dealership
 Mercedes-Benz	<u>63</u>	 TOYOTA	<u>93</u>
 LEXUS	<u>45</u>	 NISSAN	<u>35</u>
 Audi	<u>30</u>	 HONDA	<u>23</u>
 BMW	<u>25</u>		
 VOLVO	<u>21</u>		
 JAGUAR LAND-ROVER	<u>16</u>		

Dealerships under operation at the end of 2019

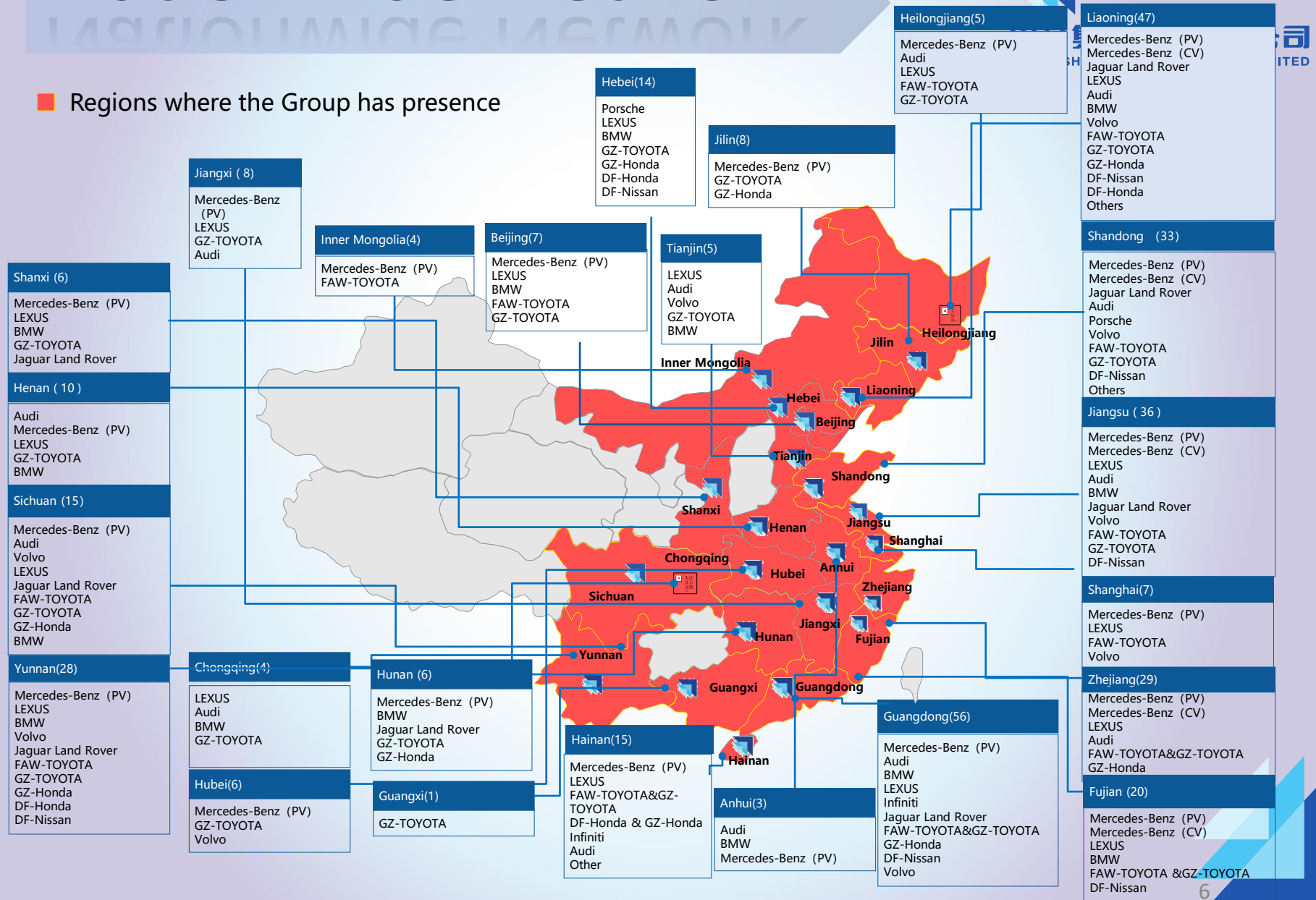


Dealerships under operation at the end of 2020



Nationwide Network

Regions where the Group has presence

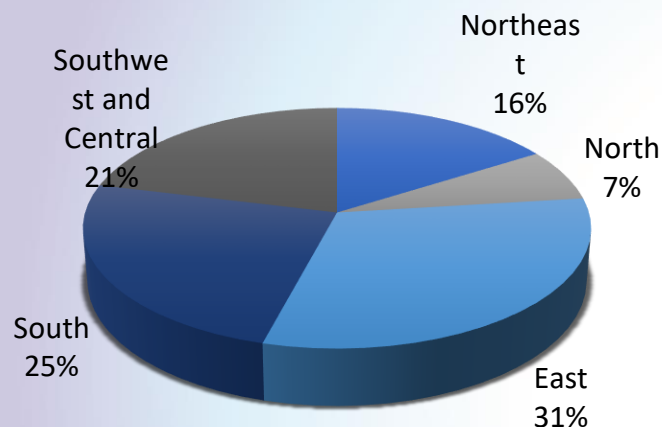


Regions & Expansion



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Regional Distribution



Newly Added Major Dealerships

	2020	City
Mercedes	10	Kunming, Wuhan, Dongguan, Huaian, etc.
Lexus	1	Beijing
BMW	6	Beijing, Shenzhen, Tianjin, Nanjing, Kunming, Chengdu
TOYOTA	4	Shenzhen, Tianjin, Changsha, Nanchang

Acquisitions of Major Brands in 2020

Brand	City
BMW	Beijing, Shenzhen, Chengdu
Mercedes	Wuhan, Huaian, etc.

Operation Capability



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Lexus

- ♦ **Dalian**
Lexus National Outstanding Dealership
Excellent Used Car Dealership Award
Outstanding Contribution Award for Flagship Dealership
- ♦ **Wuxi**
Lexus National Outstanding Dealership
- ♦ **Ningbo**
EV innovation and Practice Award
- ♦ **Maoming**
Outstanding Contribution to Market Share

BMW

- ♦ **Shenzhen**
2020 National sales elites and management team(Southern China) -Top 5 sales managers
- ♦ **Zhanjiang**
2020 QOR project Gold Award
- ♦ **Beijing**
Best performance award for customer experience Promotion project

Audi

- ♦ **Dalian**
2020 Special Contribution Award
- ♦ **Xinyang**
Best Dealership Award(Eastern China)
- ♦ **Sanya**
Best Market Development Award
- ♦ **Chongqing**
Best Sales Team Award
- ♦ **Taizhou**
Best Dealership Award(Southeast China)
- ♦ **Chengdu**
Best Used Car Sales Performance Award
Best New Car Sales Performance Award
- ♦ **Tianjin**
Best Sales Performance Award(Northern China)
Best Market Development Award

Mercedes

- ♦ **Chengdu**
“明日中坚力量” Excellent Dealership
- ♦ **Hangzhou**
2020 Best Operation Dealership
2020 Best Market Development Award
- ♦ **Zhangjiagang**
Best Sales Service Experience Award
- ♦ **Shenzhen**
Best Sales Award
- ♦ **Yunnan(CV)**
Best Retail Sales Arrangement Award(Western China)
- ♦ **Beijing**
Excellent Used Car Dealership Award
- ♦ **Wuxi**
Financial Star
- ♦ **Chengdu**
Best Sales Contribution Award(Mercedes-AMG)

Toyota

- ♦ **Guangzhou**
2020 national excellent comprehensive dealership
2020 outstanding management award (South China)
- ♦ **Shenzhen**
2020 Excellent Sales Performance Award
- ♦ **Nanjing**
2020 sales contribution award- FAW Toyota
- ♦ **Kodak**
- ♦ **Dalian**
Excellent Used Car Dealership Award (Northeastern China)
2020 Excellent marketing dealership
2020 Top 10 dealers Award
- ♦ **Haikou**
2020 Excellent Sales Award
2020 Five star after sales service dealership
2020 Top 20 sales awards



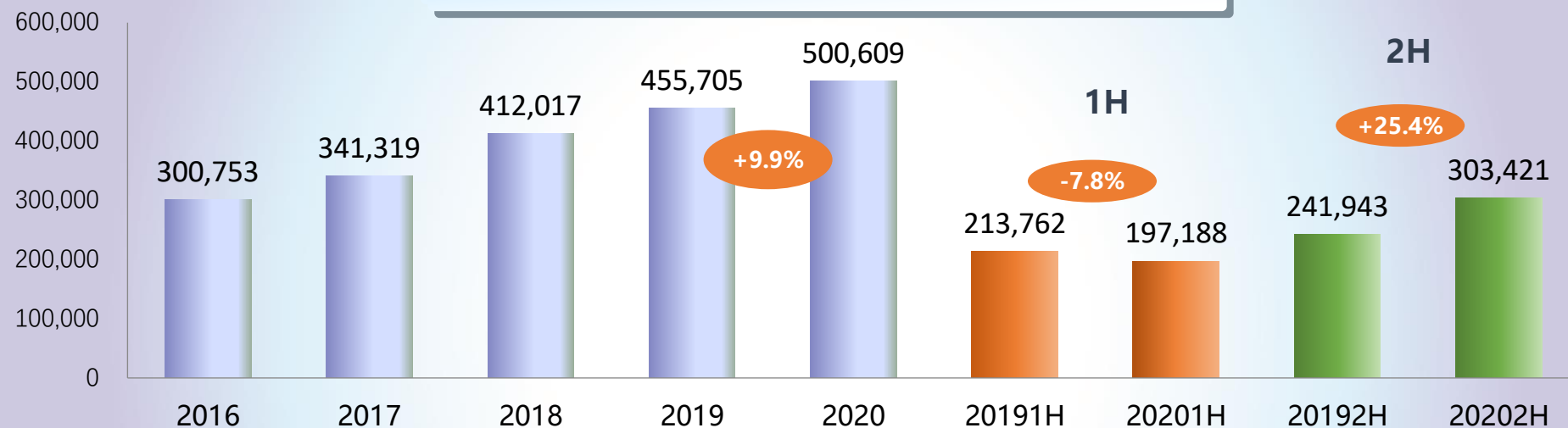
New Car Sales



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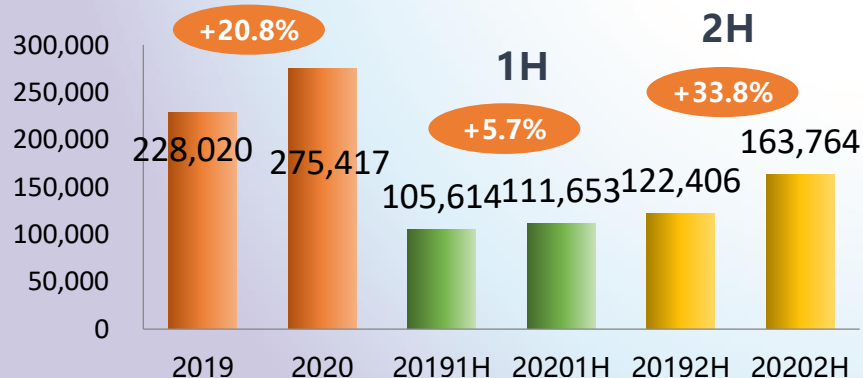
(units)

New Car Sales Volume



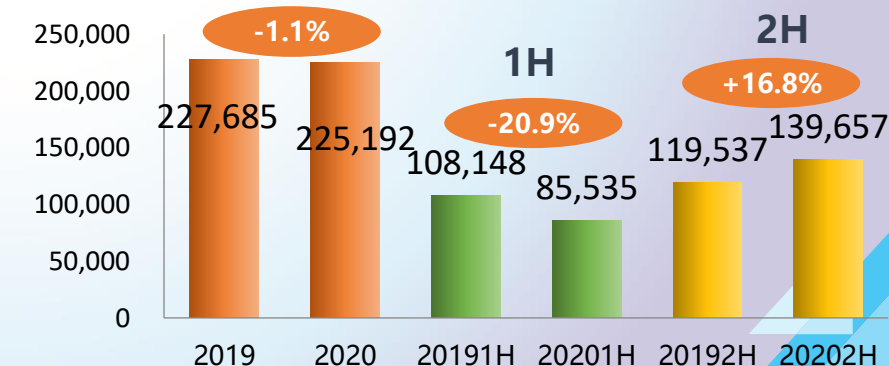
Luxury Brands Sales Volume

(units)



Mid-to-high-end Brands Sales Volume

(units)



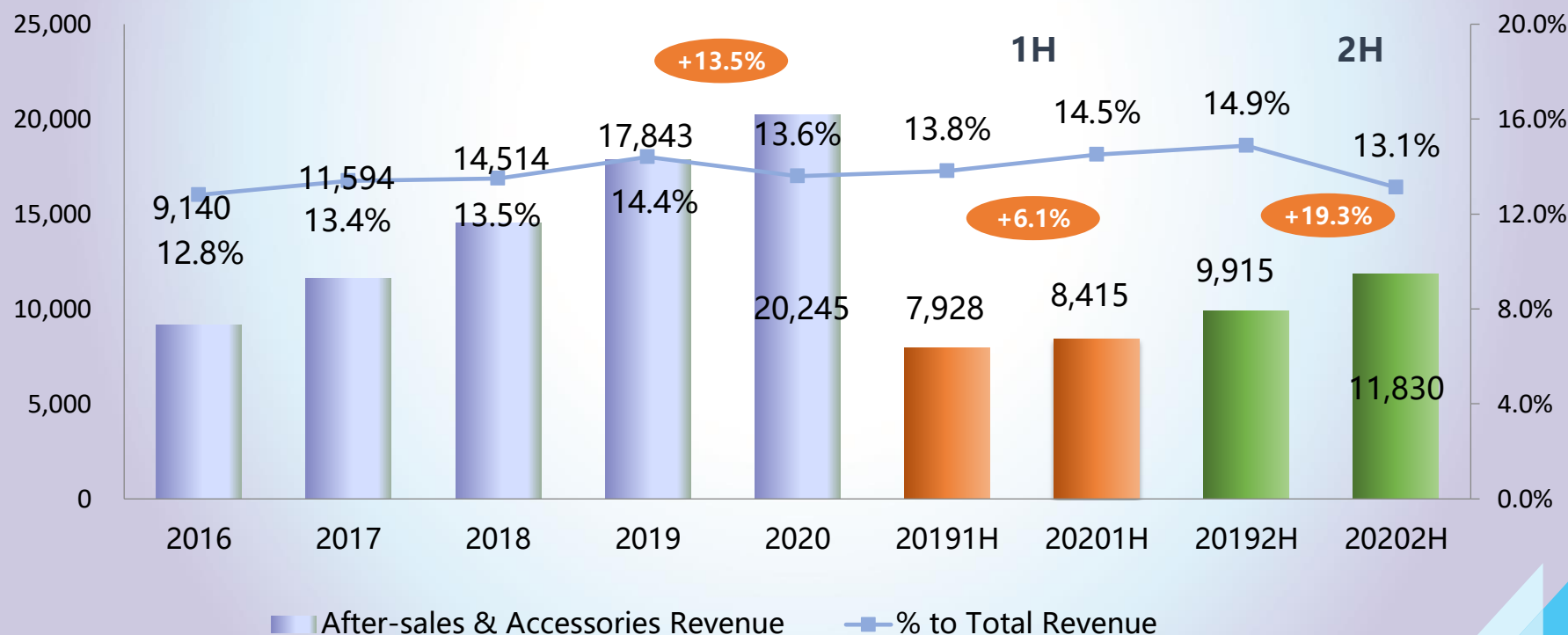
After-sales & Accessories



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Revenue from After-sales and Accessories

(RMB million)



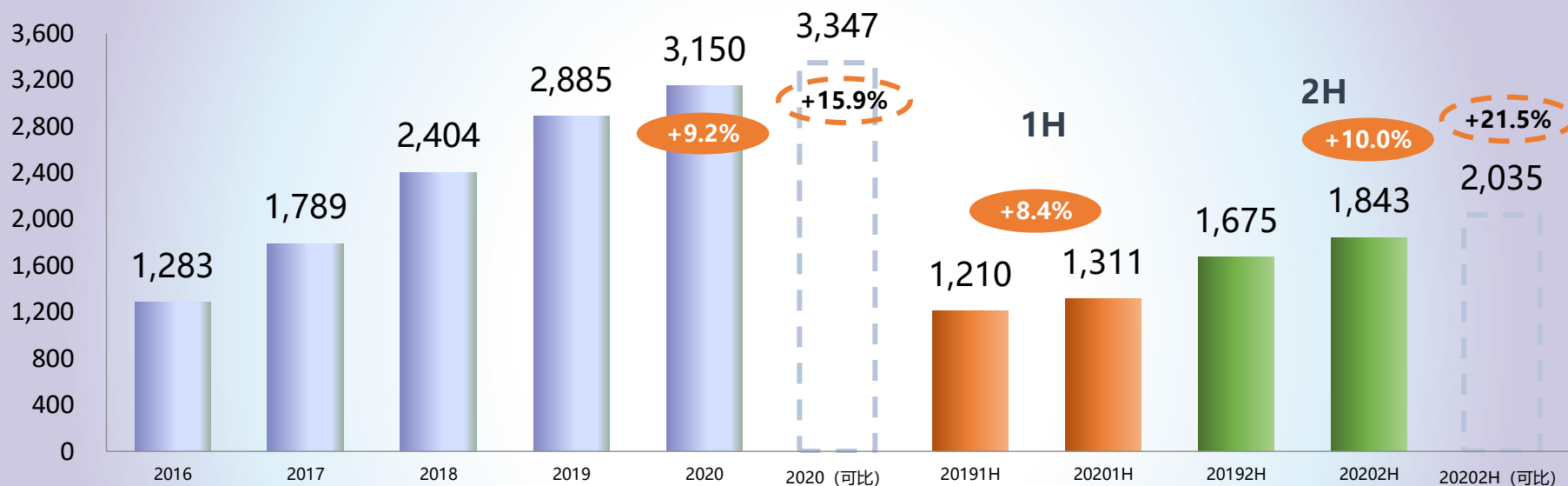
Value Added Services



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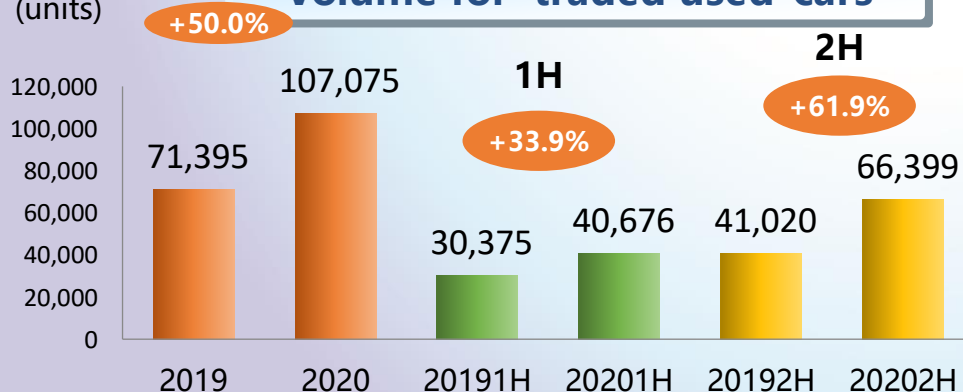
Income from Value Added Services

(RMB million)



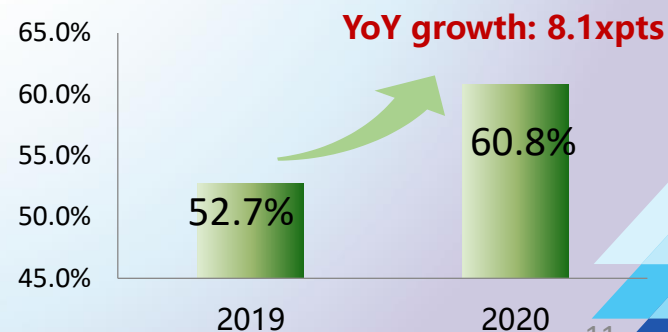
Volume for traded used-cars

(units)



Car Finance Penetration Rate

(%)





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Financial Update

Income Statements Highlight

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(RMB million)	For the twelve-month ended 31 December		
	2020	2019	Flux
Revenue	148,348.1	124,042.5	19.6%
Gross Profit	13,481.7	11,487.6	17.4%
<i>Gross Margin</i>	9.1%	9.3%	-0.2pts
Other income and gain	3,423.9	3,109.5	10.1%
Operating Profit	8,936.7	7,718.3	15.8%
<i>Operating Profit Margin</i>	6.02%	6.22%	-0.20pts
Profit Attributable to Owners of the Parent	5,539.8	4,501.7	23.1%

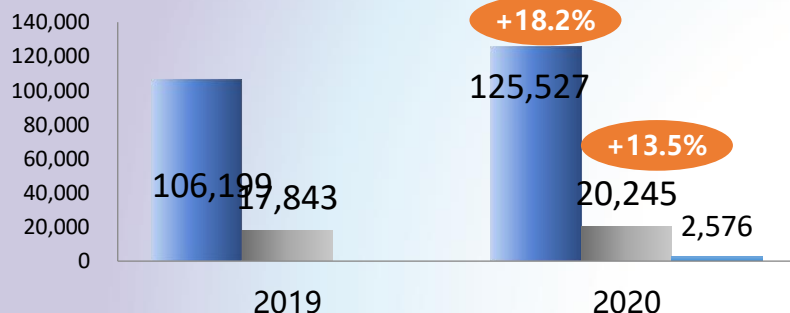
Revenue Mix Analysis



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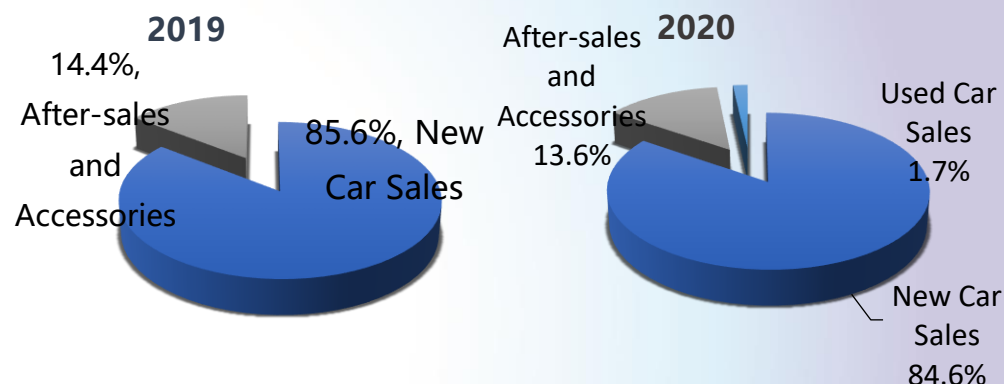
Revenue by segment

(RMB million)

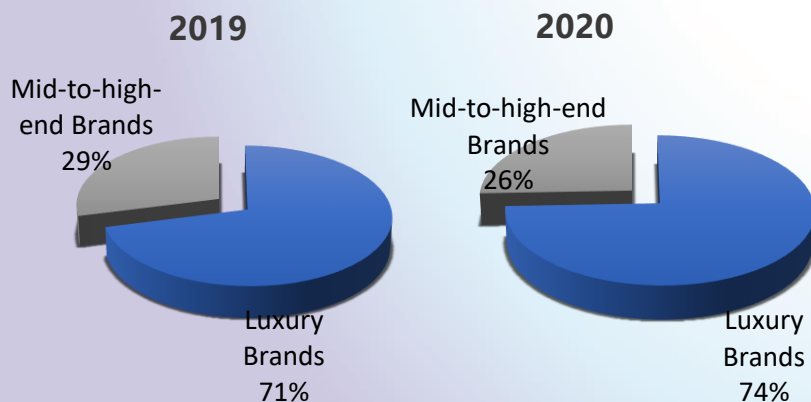


- New Car Sales Revenue
- After-sales and Accessories Revenue
- Used Car Sales Revenue

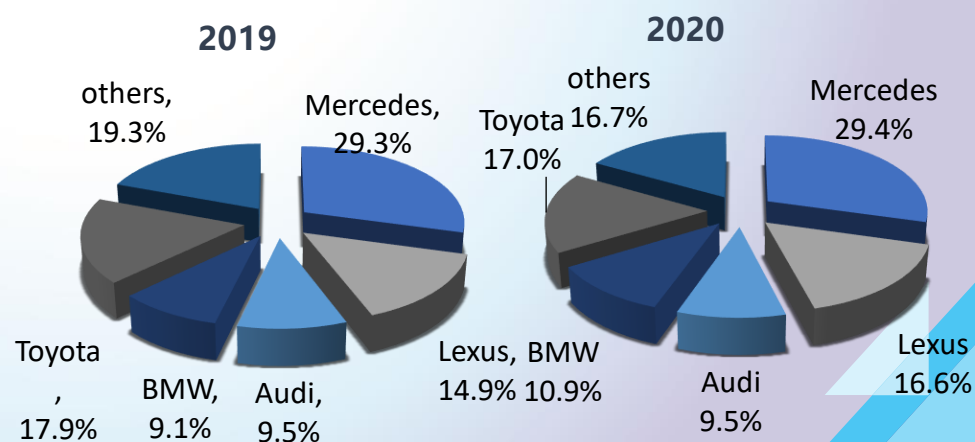
Revenue contribution by segment



Luxury Brands Contribution



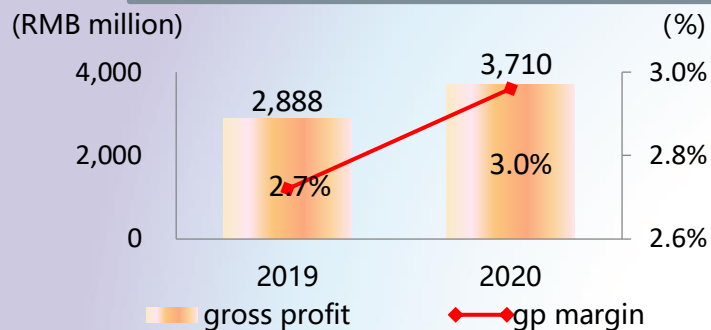
New Car Sales Revenue contribution by Brands



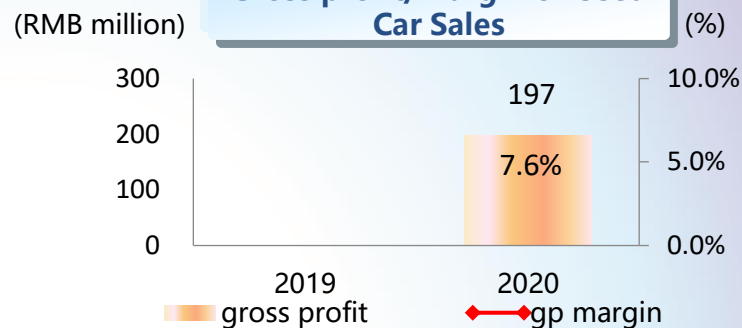
Gross Profit & Income Analysis

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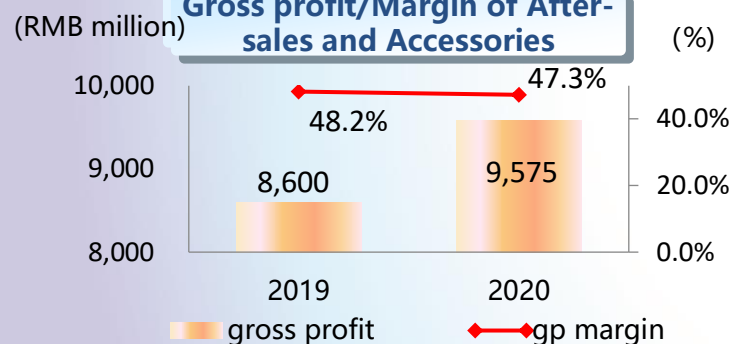
Gross profit/Margin of New Car Sales



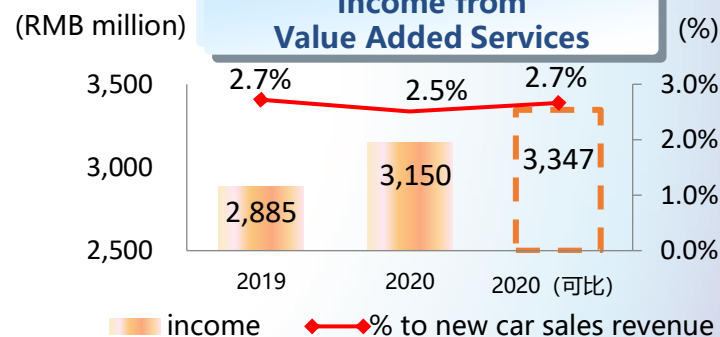
Gross profit/Margin of Used Car Sales



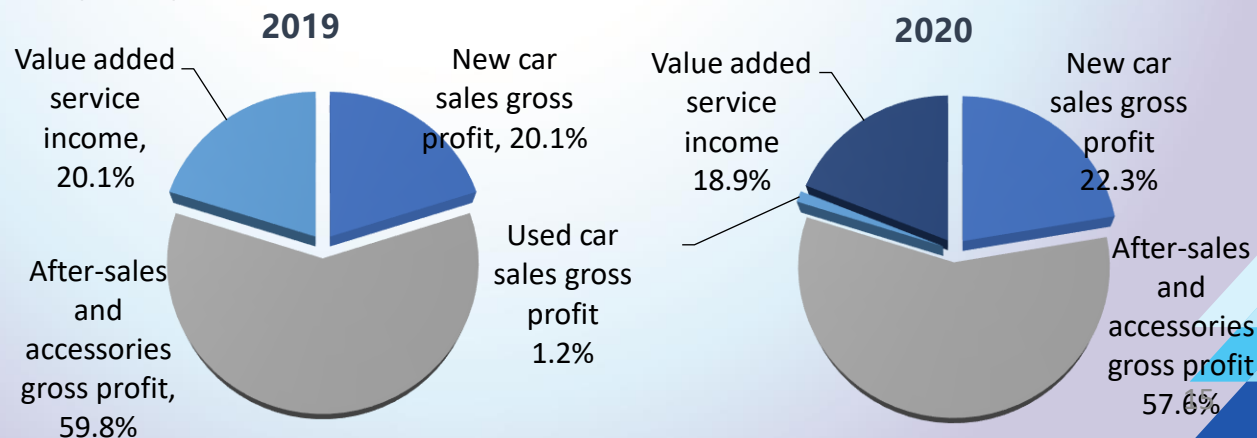
Gross profit/Margin of After-sales and Accessories



Income from Value Added Services



Gross Profit Contribution



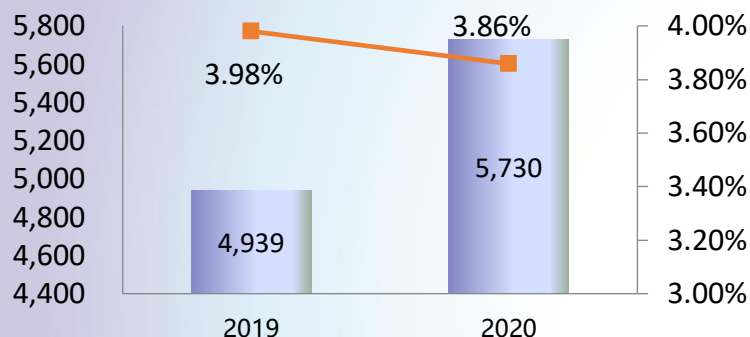
Expense Analysis



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Selling and distribution costs

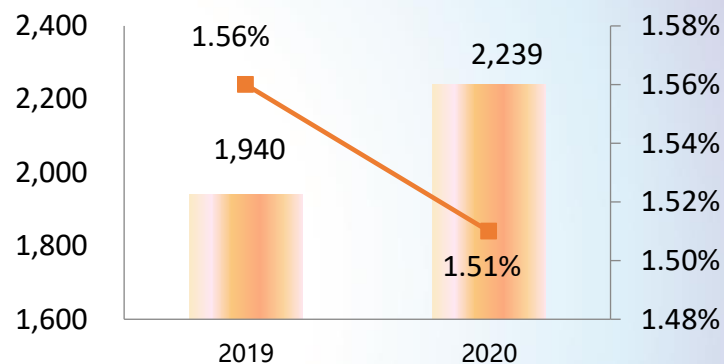
(RMB million)



■ selling and distribution costs
— % to total revenue

Administrative Expenses

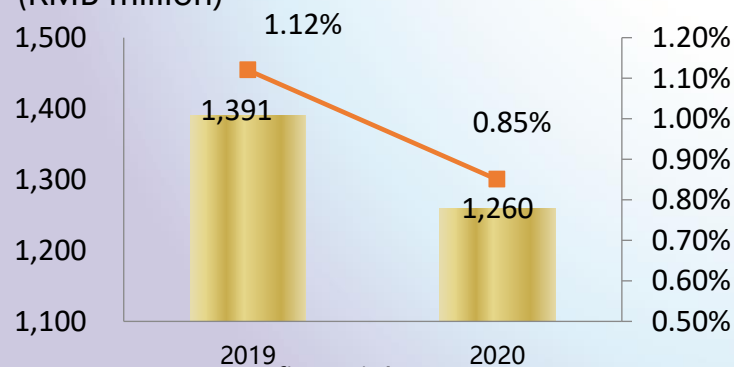
(RMB million)



■ G&A Expenses — % to total revenue

Finance Costs

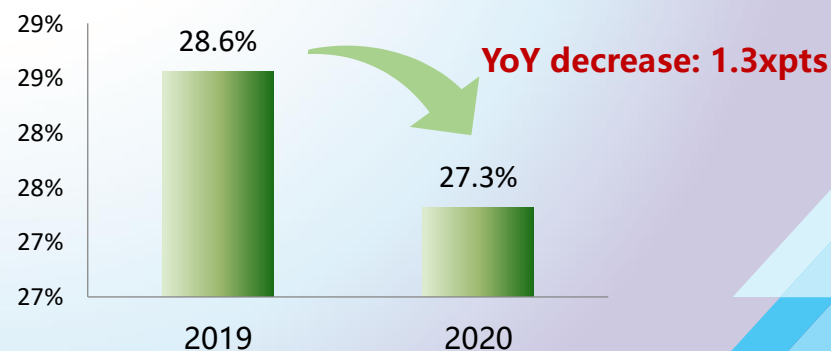
(RMB million)



■ financial costs
— % to total revenue

Effective Tax Rate

(%)



Financial Position



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(RMB million)	As of 31 December	
	2020	2019
Cash and cash equivalents, cash in transit	8,390.6	6,365.2
Pledged bank deposits	1,425.9	1,341.0
Inventories	9,090.1	9,828.5
Total Assets	68,501.0	63,024.3
Short-term bank loans, other borrowing	16,980.1	17,089.7
Long-term borrowings, other borrowings and convertible bonds	7,178.5	8,218.3
Trade and bills payables	4,980.3	4,875.1
Total Liabilities	41,619.3	40,847.6
Net Assets	26,881.7	22,176.7

Cash Flow Analysis

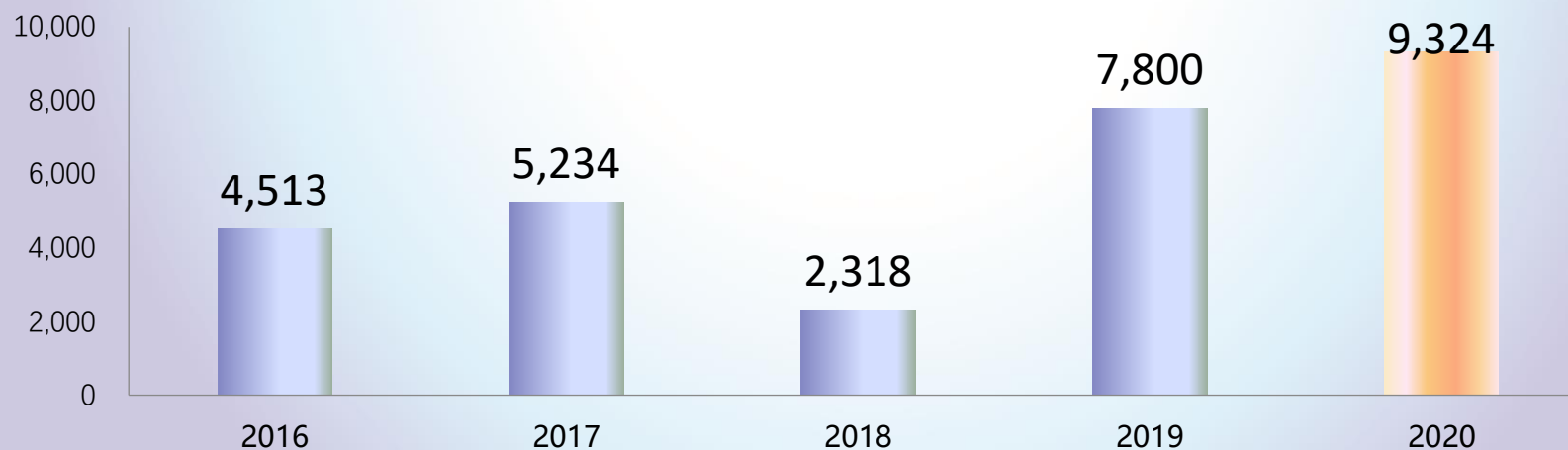


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(RMB million)	2020	2019
Net cash generated from operating activities	9,324	7,800
Net cash used in investing activities	-3,234	-3,139
Net cash generated from financing activities	-3,964	-4,712

Net cash generated from operating activities

(RMB million)

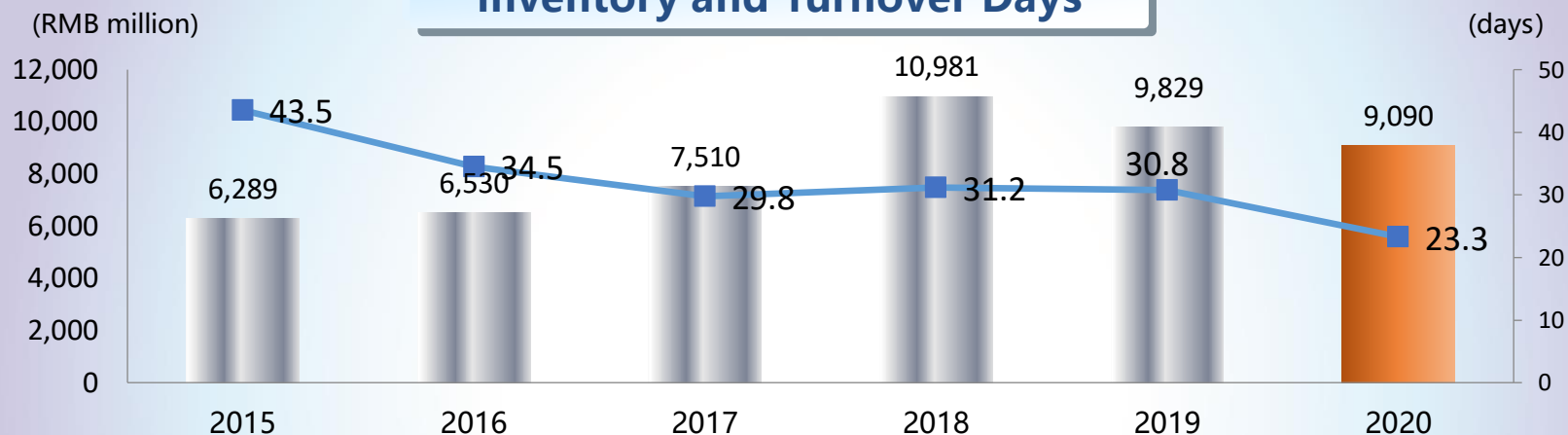


Operation Ratios

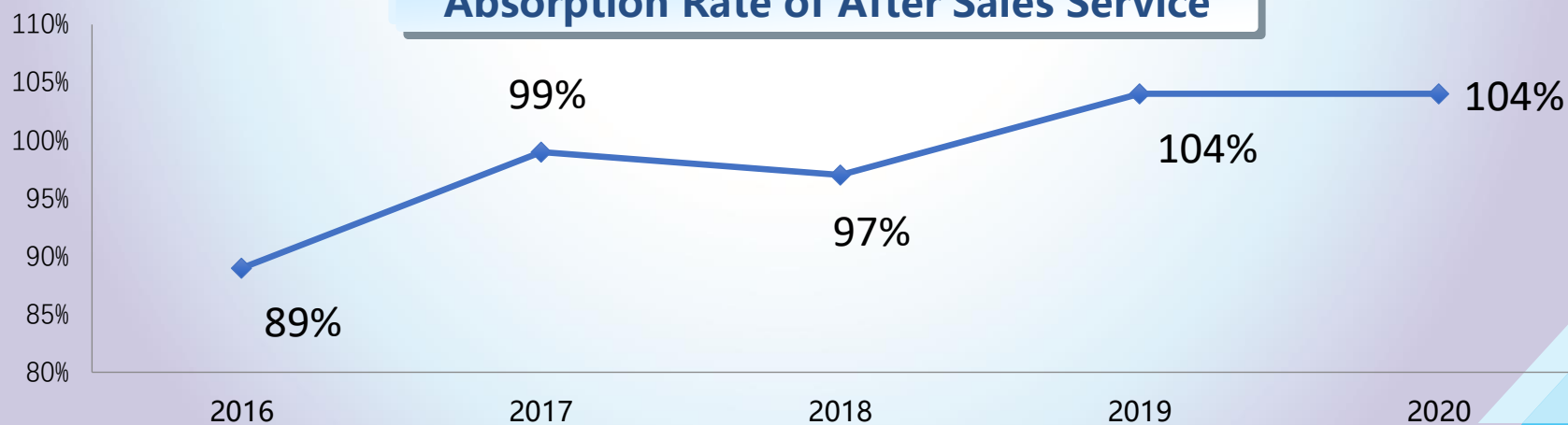


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Inventory and Turnover Days



Absorption Rate of After Sales Service



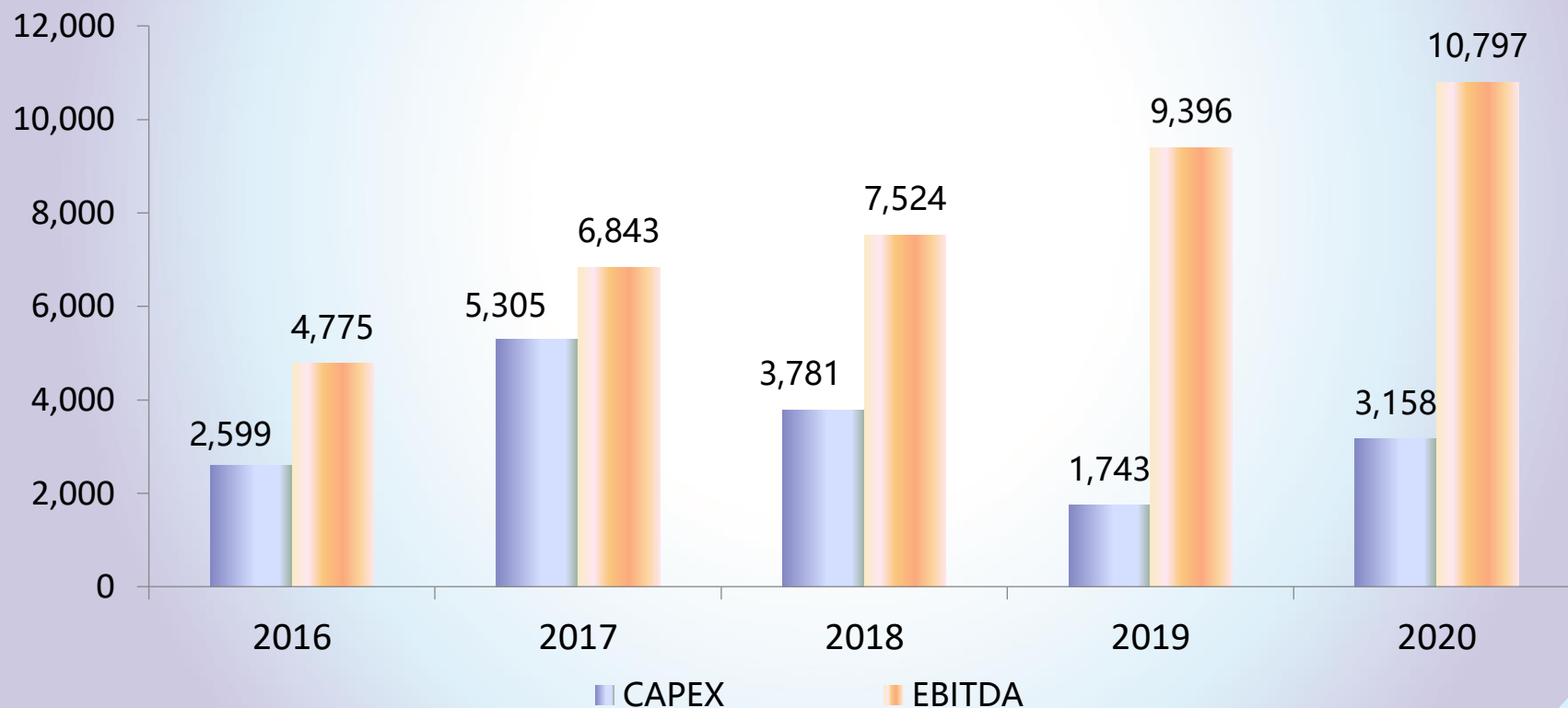
CAPEX Analysis



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EBITDA vs CAPEX

(RMB million)



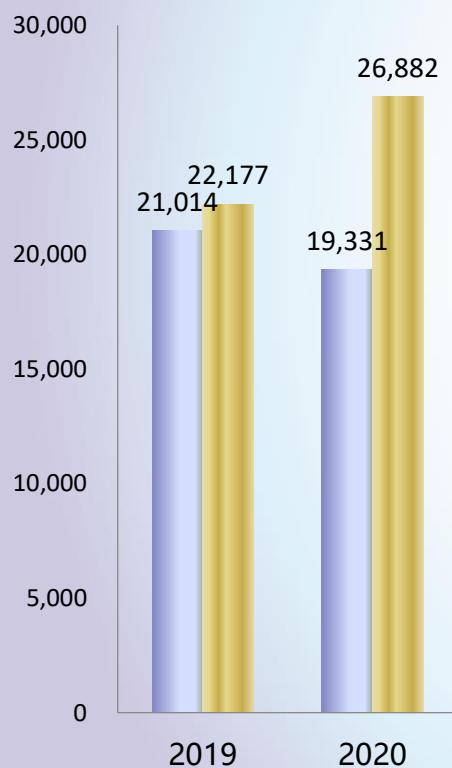
Gearing Analysis



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Bank Loans and Total Equity

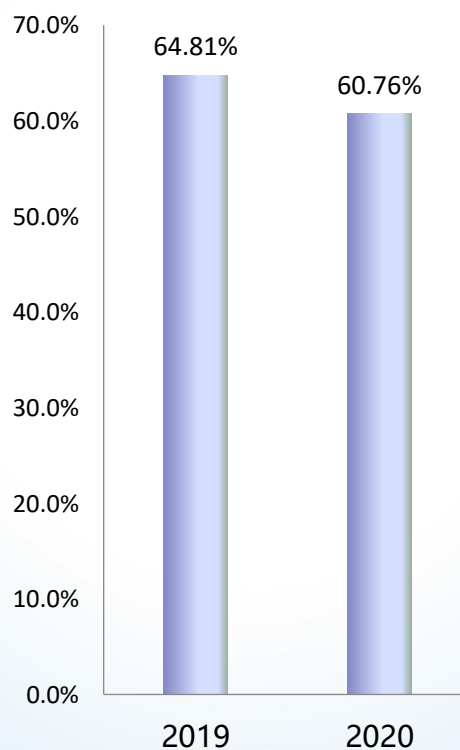
(RMB million)



■ Bank Loan & Other Borrowings
■ Equity

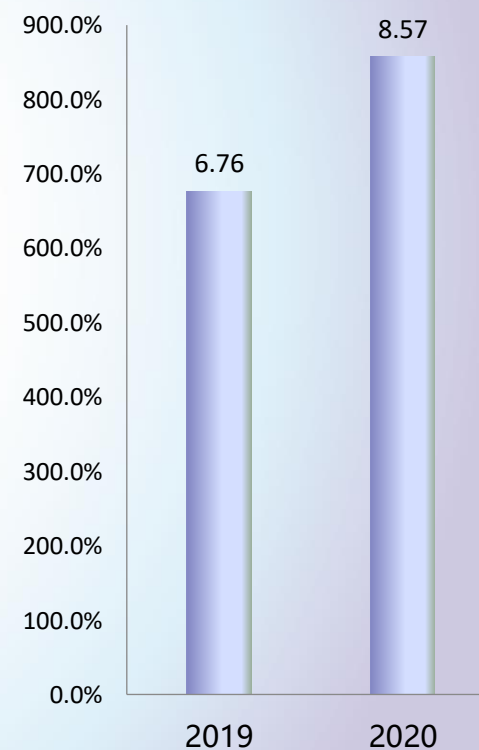
Total Liabilities/Total Assets

(%)



Interest Coverage Ratio

(%)



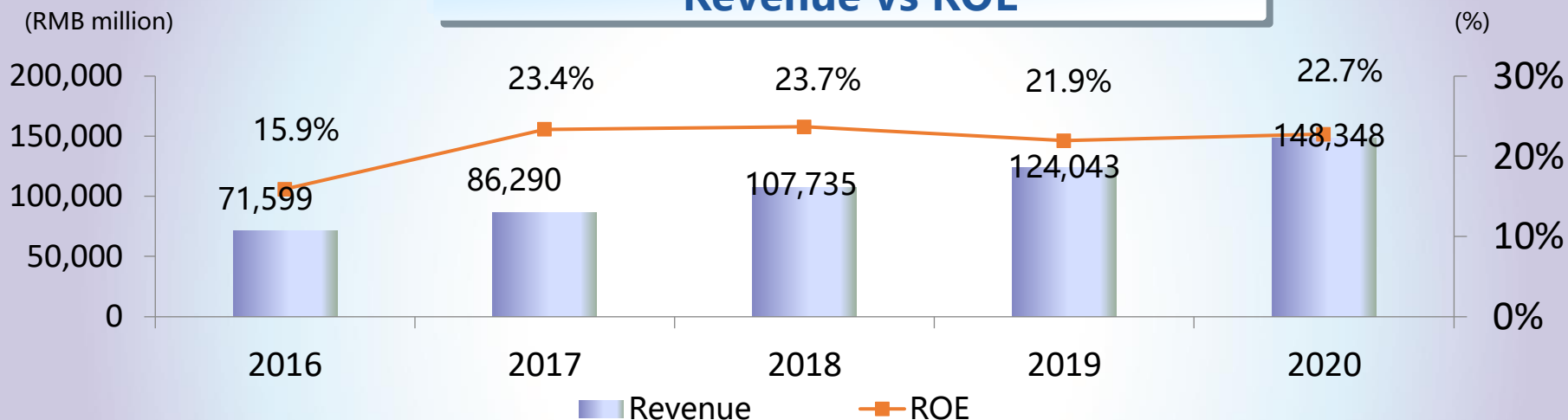
Interest coverage ratio = EBITDA/financial cost

Financial Path

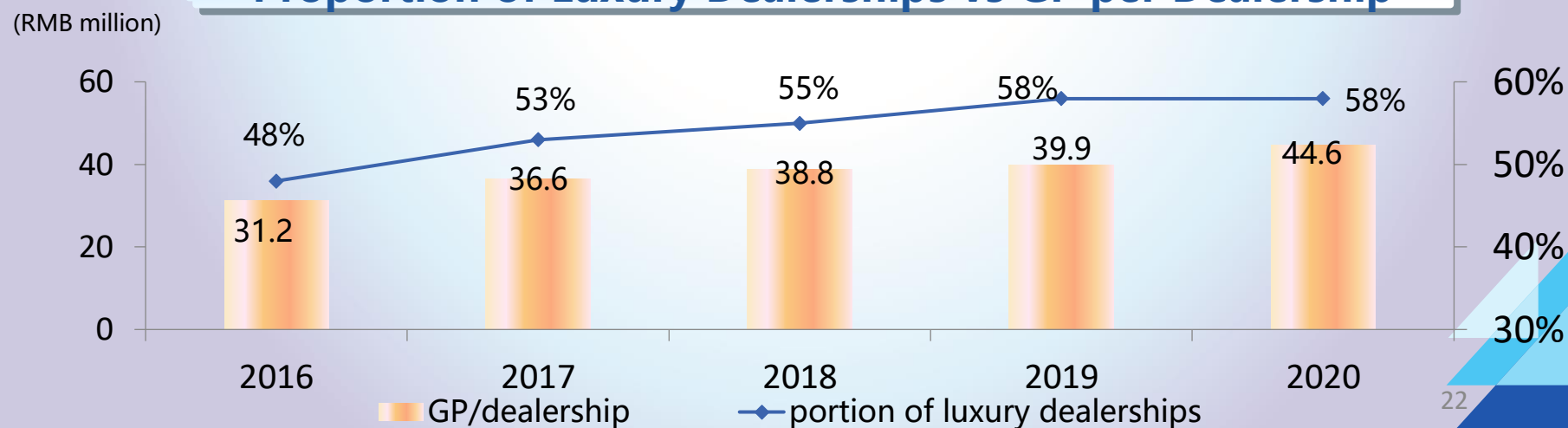


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Revenue vs ROE



Proportion of Luxury Dealerships vs GP per Dealership





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Q&A Session



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Thank You !