



**中升集團控股有限公司**

ZHONGSHENG GROUP HOLDINGS LIMITED

Zhongsheng Group  
*Lifetime Partner*

中升集團 終生夥伴

**2021**

**中期业绩报告**  
**INTERIM RESULT**



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# Achievements





# Achievements



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## New Car Sales

New car sales volume was 275,570 units in 2021H, increased by 39.7% as compared to the same period of 2020.

## After-sales and Accessories

Revenue from after-sales and accessories segment increased by 34.4%, to RMB 11.3 billion.

## Value Added Services

Income from value added services increased by 20.3% (like for like 39.3%), to RMB 1.6 billion.

## Stable growth in Net Profit

Profit attributable to owners of the parent was RMB 3.7 billion, increased by 61.3% as compared to the same period of 2020.

## Further Optimized Network

As of 30 June 2021, we had 386 dealership stores under operation, including 229 luxury brands stores and 157 mid-to-high end brands stores.

## NEV Business Development

Initiate strategic cooperation with X-peng, Weima and other top NEV OEMs to carry out multi-dimensional cooperation nation wide.

## Capital Market Operations

Enter into a US \$1.3 billion agreement to acquire Renfu China. Successfully introduced a strategic investor, Hillhouse capital, with a share amount of about HK \$3 billion.

## Recognitions

Ranked No. 2 in 2020 "China Top 100 Dealer Groups" based on revenue scale; ranked 798 among Forbes Global Enterprises 2000

Upgraded to investment grade rating positive outlook (baa3, BBB-, BBB-) by Moody's and Fitch Ratings.

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# Business Update



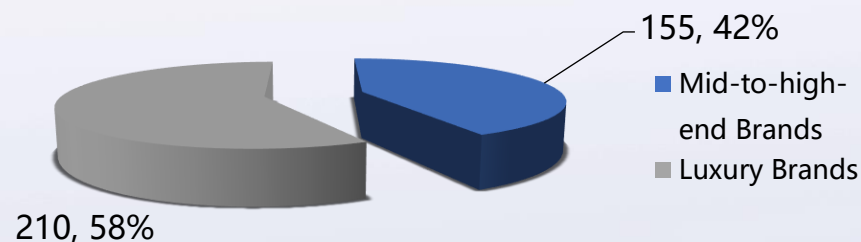
# Brand Mix and Dealerships

[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 30 June 2021, the total number of dealerships reached 386, covering 24 provinces and regions, and over 90 cities across China.

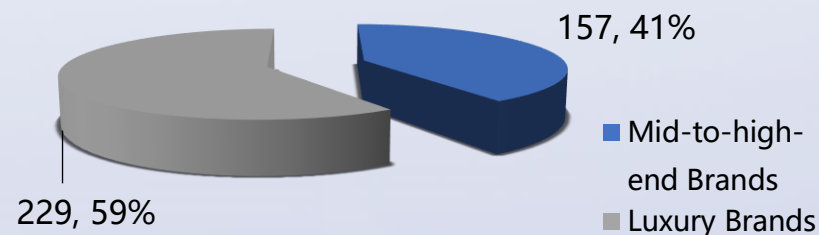
## Major Brands Dealerships

<u>Luxury Brands</u>	<u>No. of Dealership</u>	<u>Mid-to-high-end Brands</u>	<u>No. of Dealership</u>
 Mercedes-Benz	<u>66</u>	 <b>TOYOTA</b>	<u>97</u>
 LEXUS	<u>49</u>		<u>35</u>
 Audi	<u>30</u>		<u>23</u>
	<u>28</u>		
	<u>22</u>		
 	<u>16</u>		

## Dealerships under operation at 30 June 2020



## Dealerships under operation at 30 June 2021

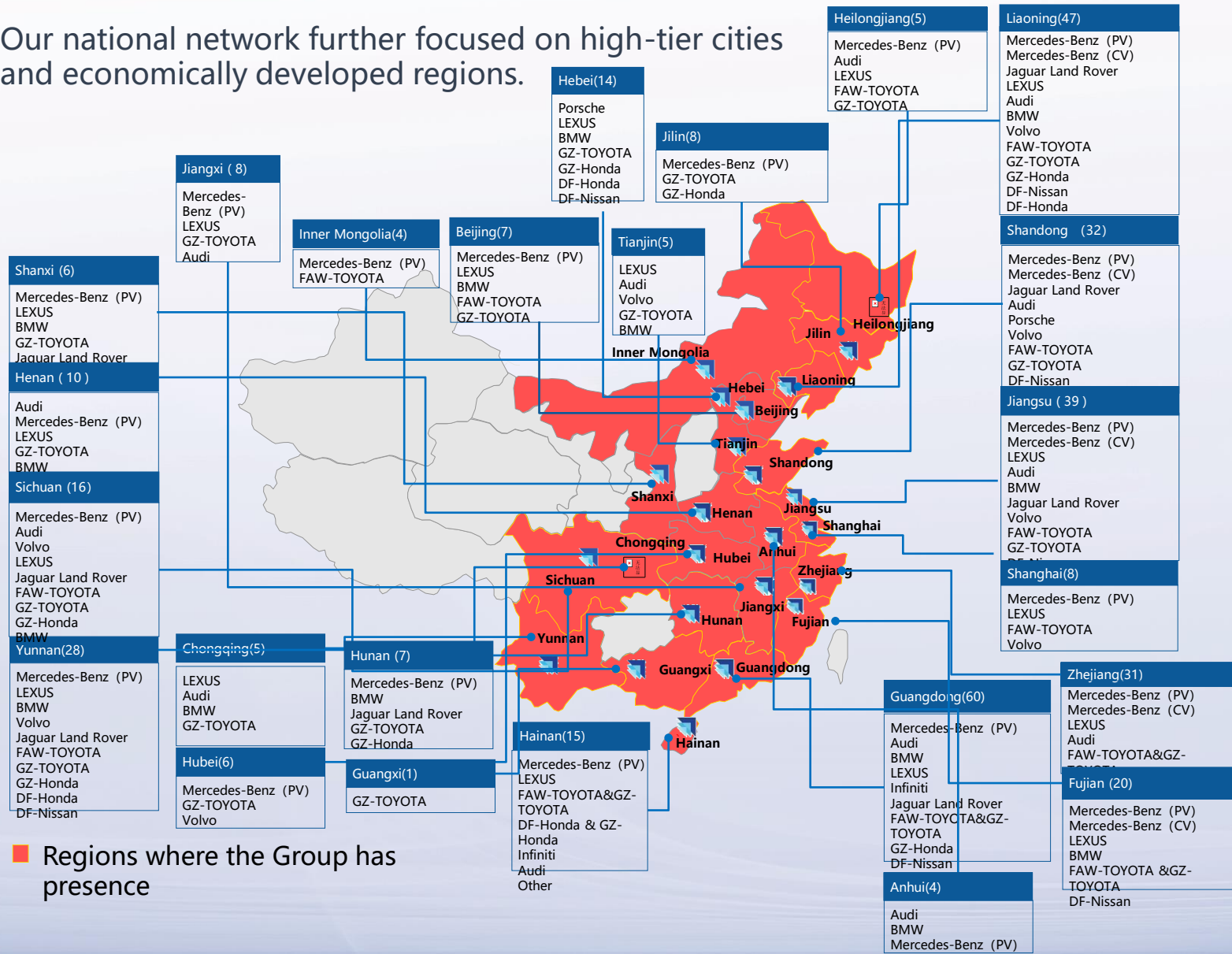


# Nationwide Network



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Our national network further focused on high-tier cities and economically developed regions.





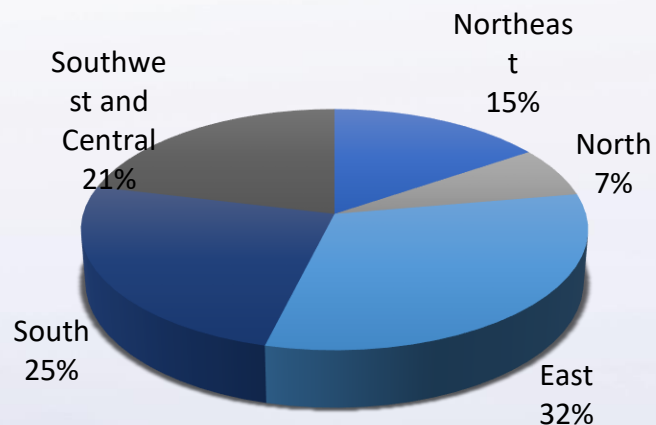
# Regions & Expansion



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Equal emphasis on both self-built and M&A, and continuously optimized the brand structure.  
-In the first half of 2021, there were 11 new self-built dealerships, 4 M&A and 2 closedowns.

## Regional Distribution



## Newly Added Major Dealerships

	2021	City
<b>Mercedes</b>	3	Foshan, Shenzhen (MA), Yangzhou (MA)
<b>Lexus</b>	4	Huizhou, Hefei, Chengdu, Shanghai
<b>BMW</b>	3	Yantai, Lianyungang, Suqian
<b>TOYOTA</b>	4	Ningbo, Changsha, Ningbo (MA), CHongqing (MA)

## 人口普查数据：广东省各城市

排序	城市	2010 (万人)	2020 (万人)	增量 (万人)
1	深圳	1035.79	1756.01	720.21
2	广州	1270.08	1867.66	597.58
3	佛山	719.43	949.89	230.46
4	东莞	822.02	1046.66	224.64
5	惠州	459.70	604.29	144.59
6	中山	312.09	441.81	129.72
7	珠海	156.02	243.96	87.94
8	茂名	581.78	617.41	35.63
9	江门	444.89	479.81	34.92
10	清远	369.84	396.95	27.11
11	肇庆	391.81	411.36	19.55
12	阳江	242.18	260.30	18.11
13	汕头	539.10	550.20	11.10
14	韶关	282.66	285.51	2.85
15	云浮	236.01	238.34	2.32
16	湛江	699.33	698.12	-1.21
17	潮州	266.98	256.84	-10.15
18	河源	295.30	283.77	-11.53
19	汕尾	293.57	267.28	-26.29
20	揭阳	587.70	557.78	-29.92
21	梅州	424.01	387.32	-36.69
广东省		10430.3132	12601.251	2170.9378
刘晓明说财经(制图)				数据来源：广东省统计局



# Operation Capability



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Continuously improved management and operation capability has been widely recognized by all parties in the market.

## Mercedes

- ◆ **Chengdu:**  
Excellent dealers of large vehicle sales in Mercedes Benz West in the first half of 2021
- ◆ **Wuhan:**  
Outstanding dealer of large vehicle sales in the first half of the year  
Best performance award of insurance business in the first half of the year
- ◆ **Honghe:**  
Best performance award of insurance business in the first half of the year
- ◆ **SHenzhen:**  
EQC sales award of Mercedes Benz southern region in the first quarter of 2021
- ◆ **Foshan:**  
The maintenance quality and technical elite of Mercedes Benz southern region in the first half of 2021

## BMW

- ◆ **Shenzhen:**  
2021 BMW / mini guarantee service project sales Pioneer Award in South District
- ◆ **Xi' an:**  
Excellent sales manager of BMW Western dealers in the first quarter of 2021

## Audi&Volvo

- ◆ **Xinyang:**  
Best sales performance award of FAW Volkswagen Audi eastern region in the first half of 2021
- ◆ **Zhengzhou:**  
Best sales performance award of FAW Volkswagen Audi eastern region in the first half of 2021
- ◆ **Chengdu:**  
Model Development Award
- ◆ **Qingdao, Shanghai(Volvo):**  
Best marketing contribution award in the first half of 2021  
Best used car business performance award in the first half of 2021
- ◆ **Nanjing(Volvo):**  
Best sales performance contribution award in the first half of 2021

## Toyota

- ◆ **Shengzhou:**  
East China Marketing Contribution Award
- ◆ **Shenzhen:**  
Third prize of sales skill competition



# Key Works



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Enhanced brand management and consolidated customer base, comprehensively improved customer experience to increase customer stickiness and loyalty, and built Zhongsheng's diversified brand strength.



中升代步车  
ZHONG SHENG EX-CHANGE



中升二手车  
ZHONG SHENG USED CAR

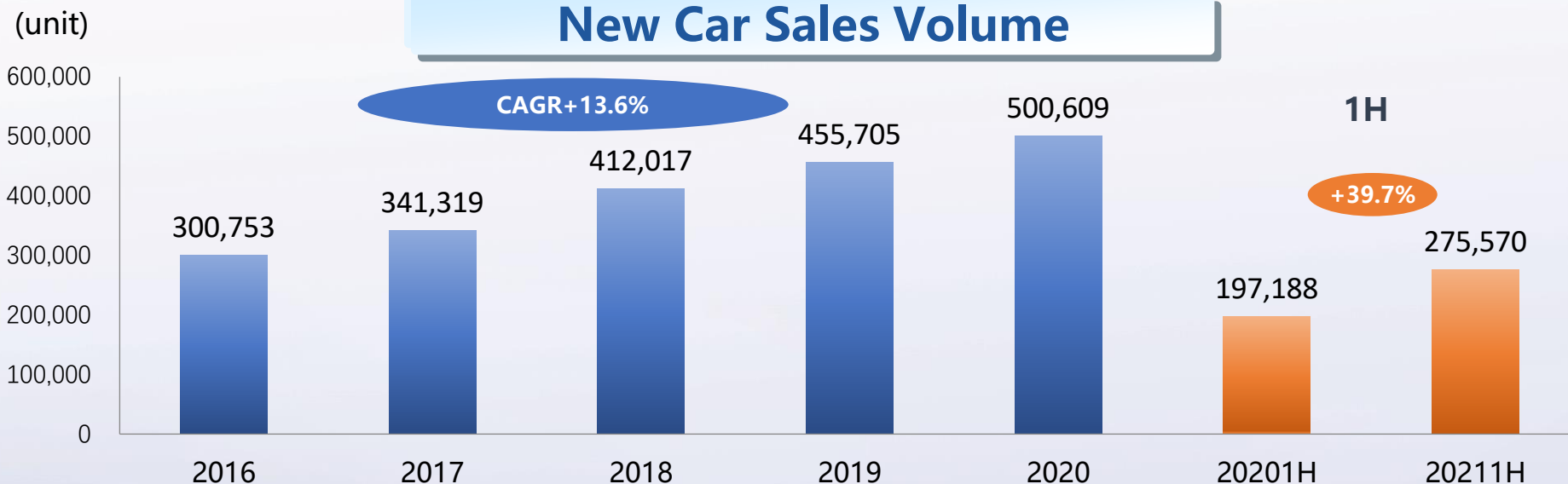
# New Car Sales



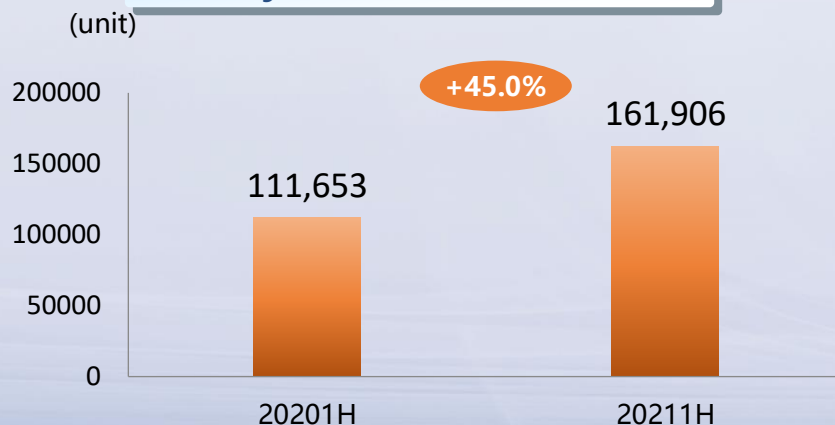
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Strong new car sales and luxury car sales growth.

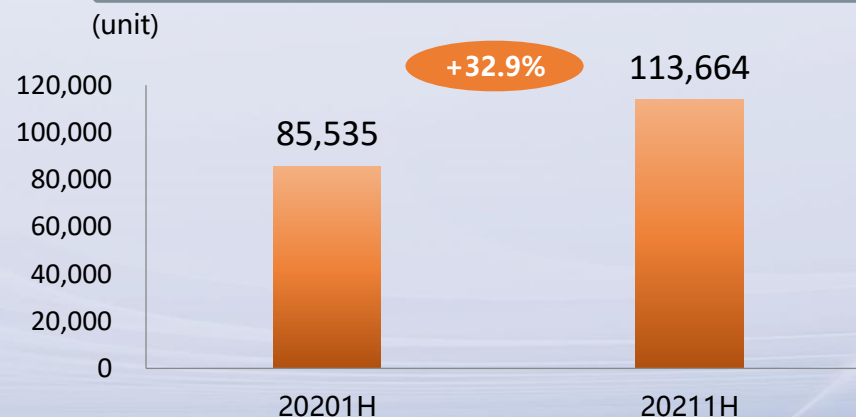
## New Car Sales Volume



## Luxury Brands Sales Volume



## Mid-to-high-end Brands Sales Volume



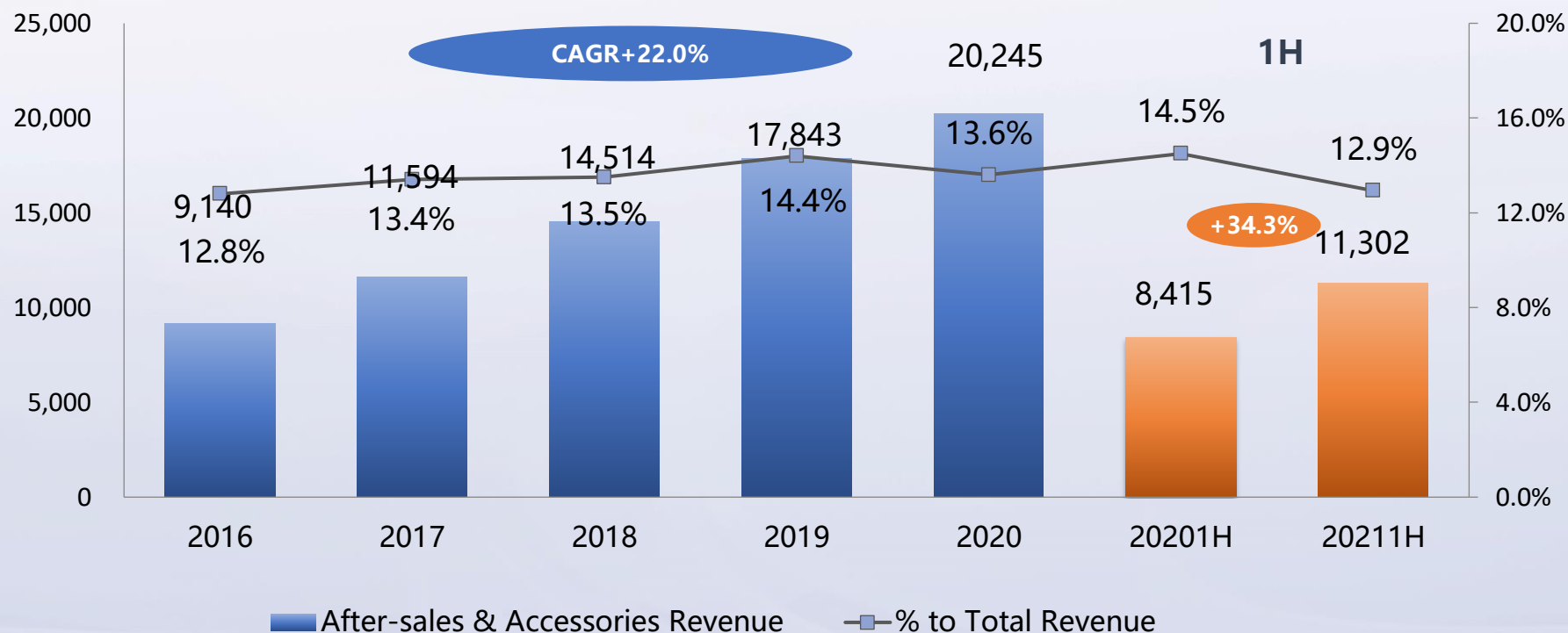


# After-sales & Accessories

Stable Growth in after-sales and accessories.

## Revenue from After-sales and Accessories

(RMB million)



# Value Added Services

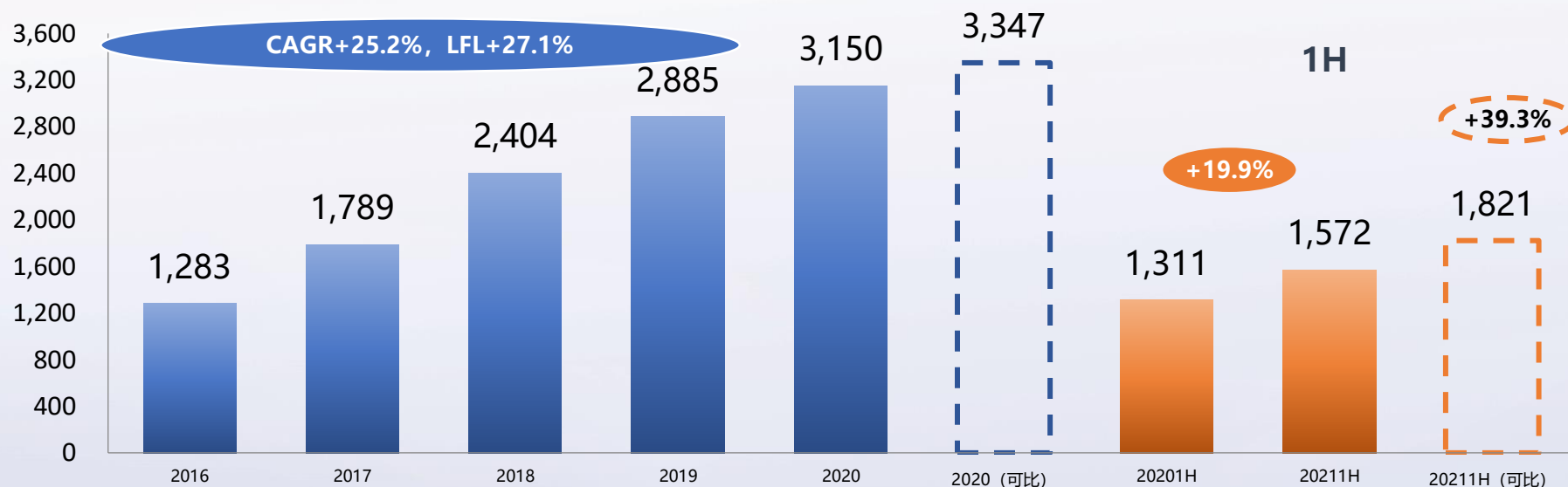


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Car finance and used car businesses drove the growth of value-added service income.

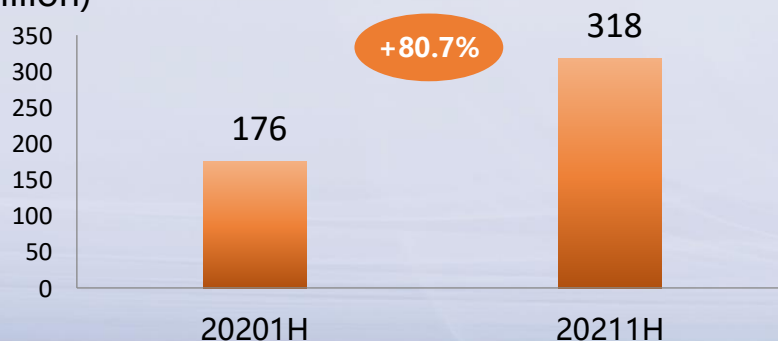
## Income from Value Added Services

(RMB million)



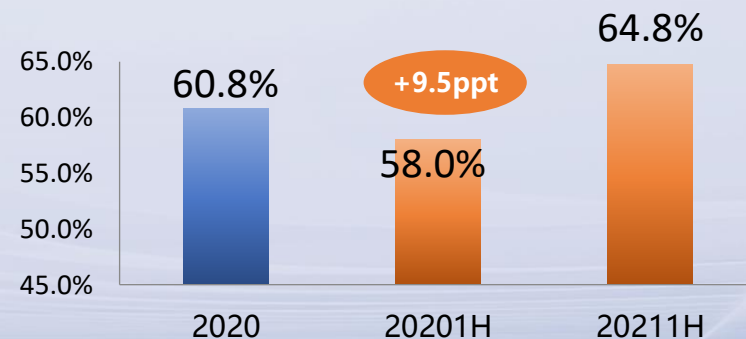
## Car Finance Loan Amount

(RMB billion)



## Car Finance Penetration Rate

(%)



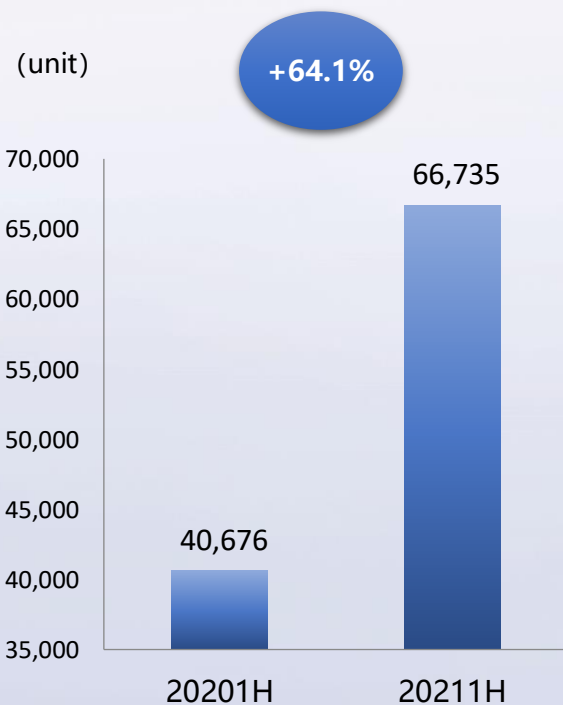
# Pre-owned car sales



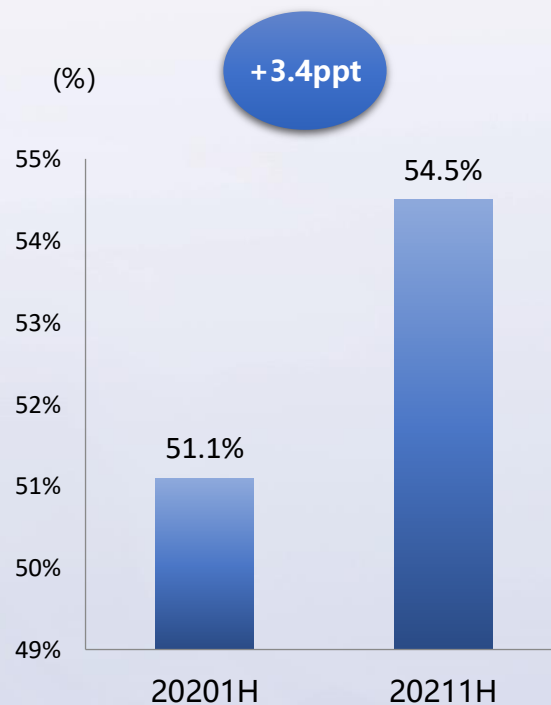
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Rapid growth in pre-owned car business, with continuously optimized business structure.

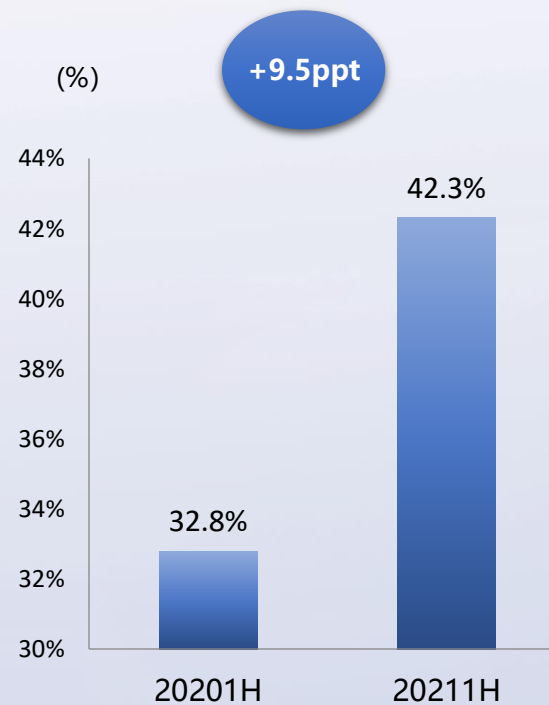
## Pre-owned Car Sales Volume



## Self-owned Brands Contribution



## Luxury Brands Contribution





# NEV Business



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Tapped into NEV business.

-The sales volume of NEV models of existing brands increased by 181% year-on-year in the first half of 2021.



MoU signed | 战略合作备忘录已签署



MoU signed | 战略合作备忘录已签署



SALES | 销售



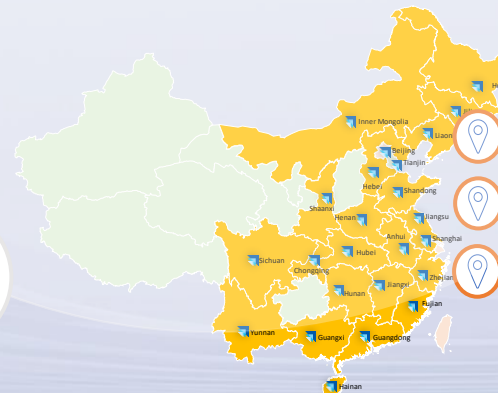
AFTERSALES | 售后



LARGEST GLOBAL AUTOMOTIVE DEALER GROUP BY MARKET CAP  
按市值计算，全球最大的经销商集团



STRONG PORTFOLIO | 强大的品牌组合



Beijing | 北京

4S NEV Experience Center  
新能源销售服务体验中心

Shenzhen | 深圳

4S NEV Experience Center  
新能源销售服务体验中心

Dalian | 大连

4S NEV Experience Center  
新能源销售服务体验中心

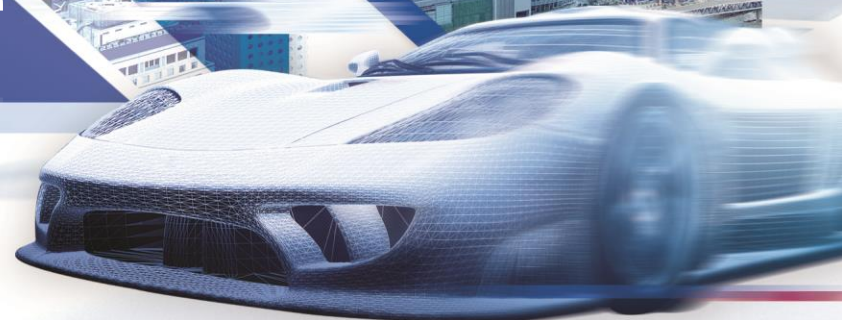
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# Financial Update



# Revenue Mix Analysis

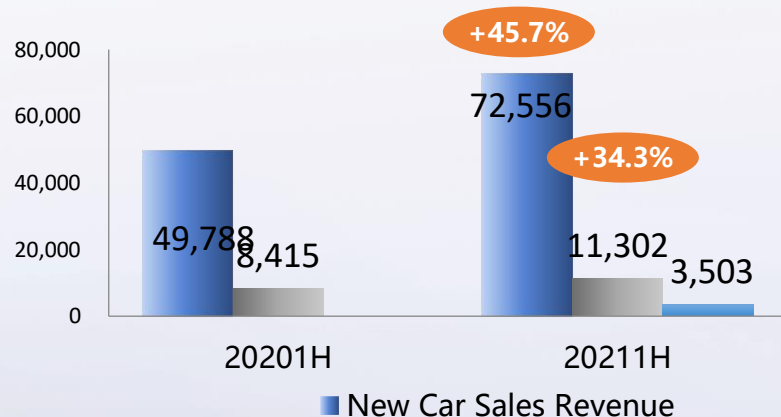


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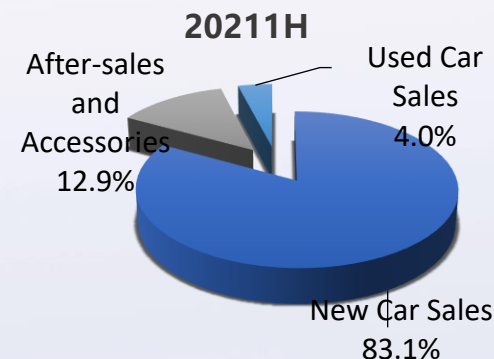
The revenue structure further shift towards luxury brands, and contribution of post market continued to increase.

## Revenue by segment

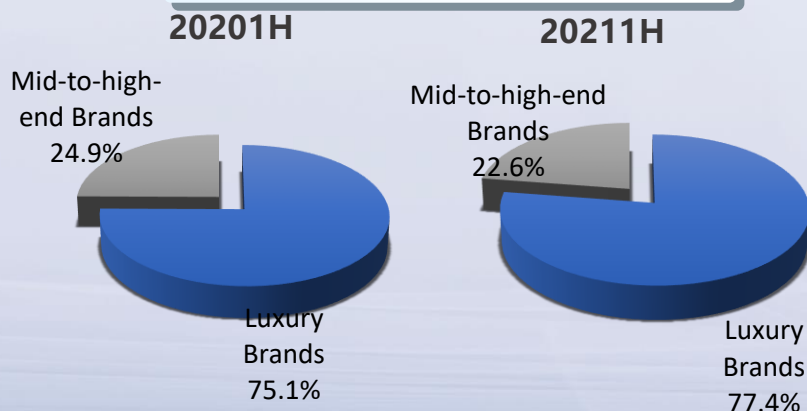
(RMB million)



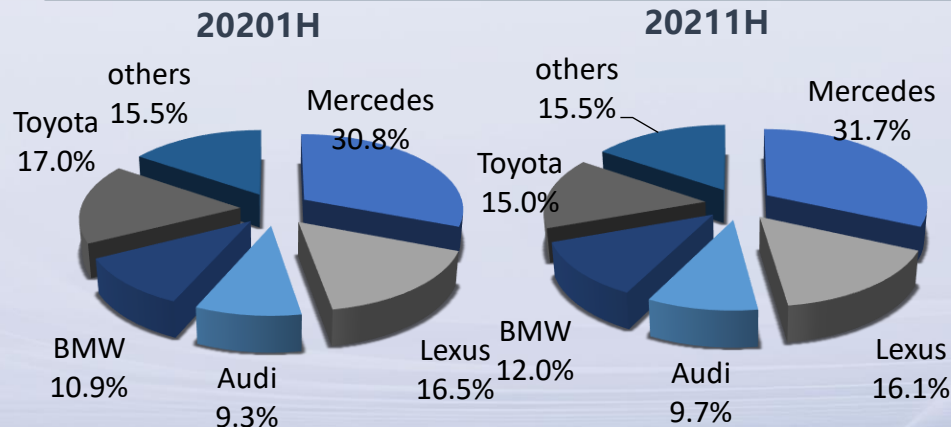
## Revenue contribution by segment



## Luxury Brands Contribution in New Car Sales



## New Car Sales Revenue contribution by Brands





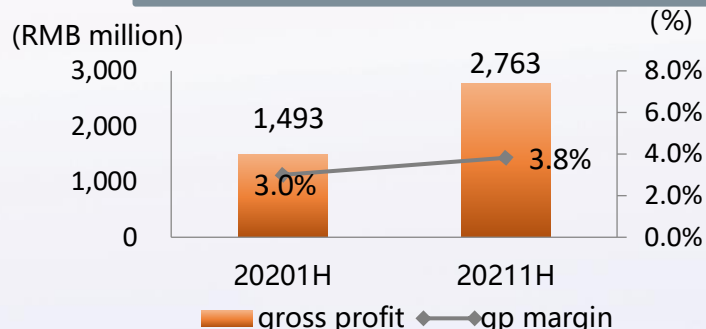
# Gross Profit & Income Analysis



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The GPM of new car sales increased in 2021H, and the contribution of gross profit from the post market continued to be reflected.

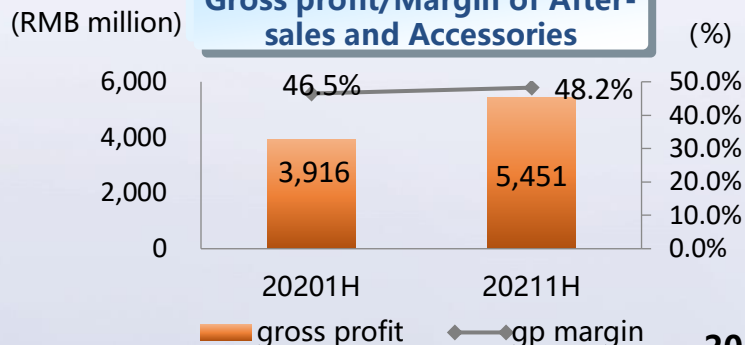
## Gross profit/Margin of New Car Sales



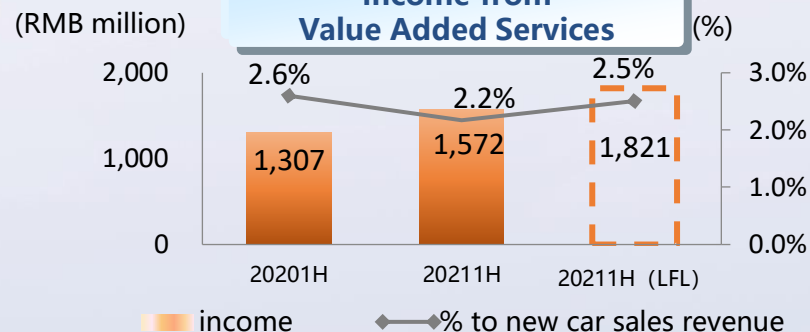
## Gross profit/Margin of pre-owned Car Sales



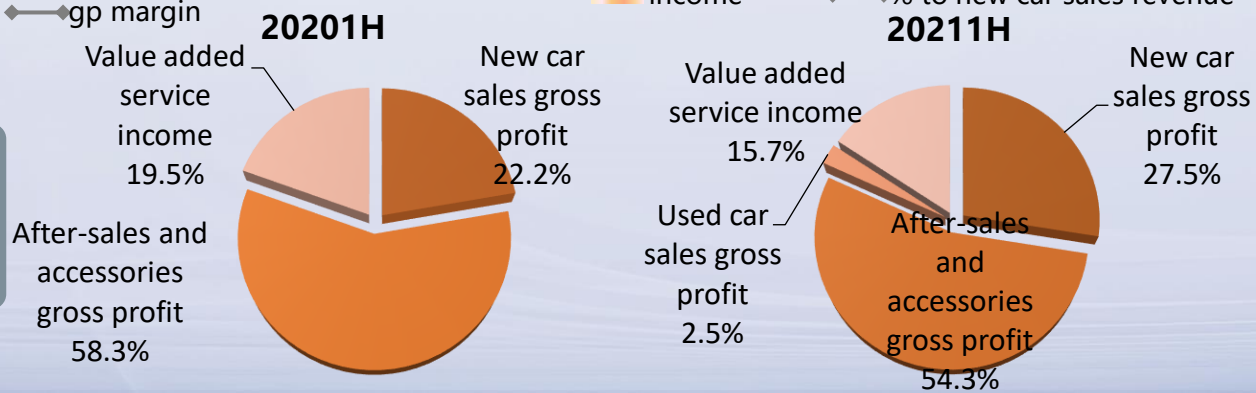
## Gross profit/Margin of After-sales and Accessories



## Income from Value Added Services



## Gross Profit Contribution

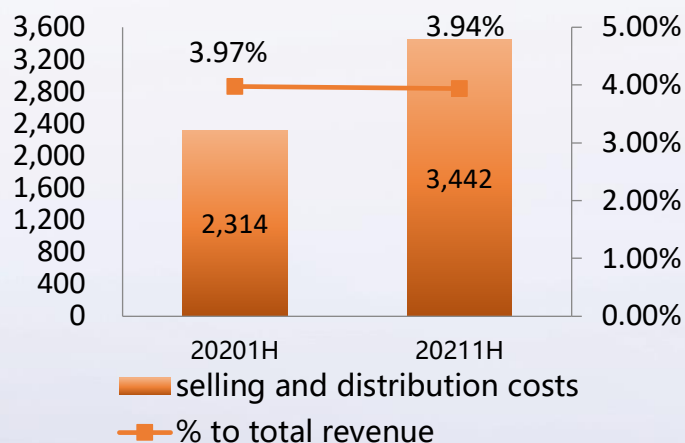


# Expense Analysis

The period expense rate continued to decline and the advantage over financial capability was strengthened.

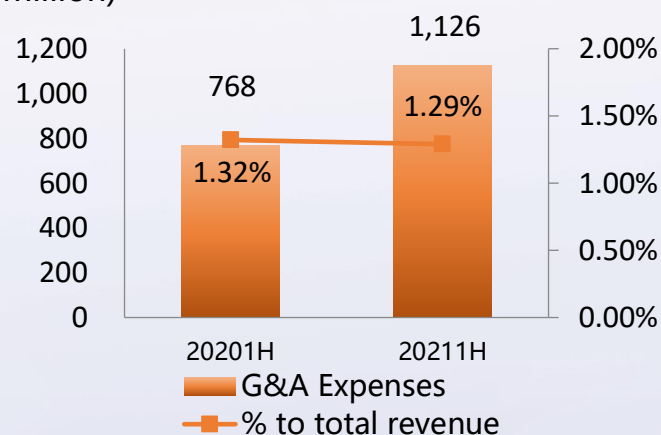
## Selling and distribution costs

(RMB million)



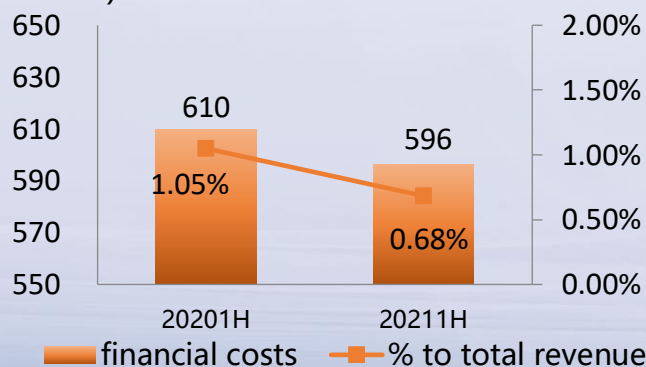
## Administrative Expenses

(RMB million)



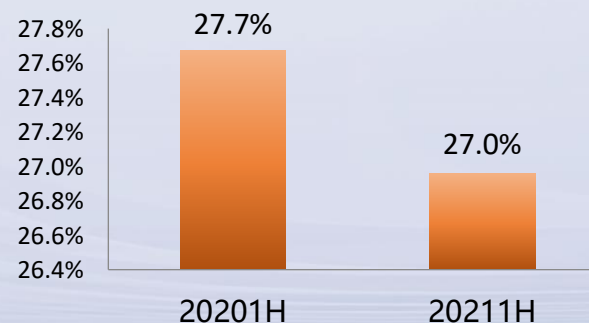
## Finance Costs

(RMB million)



## Effective Tax Rate

(%)



# Financial Position



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Further optimized financial position.

(RMB million)	As of 30 June	As of 31 December
	2021	2020
Cash and cash equivalents, cash in transit	10,825.4	8,390.6
Inventories	8,677.9	9,090.1
<b>Total Assets</b>	<b>69,916.8</b>	<b>68,501.0</b>
Short-term bank loans, other borrowing	13,196.4	16,980.1
Long-term borrowings, other borrowings and convertible bonds	8,940.9	7,178.5
Trade and bills payables	3,491.7	4,980.3
<b>Total Liabilities</b>	<b>39,189.5</b>	<b>41,619.3</b>
<b>Net Assets</b>	<b>30,727.3</b>	<b>26,881.7</b>



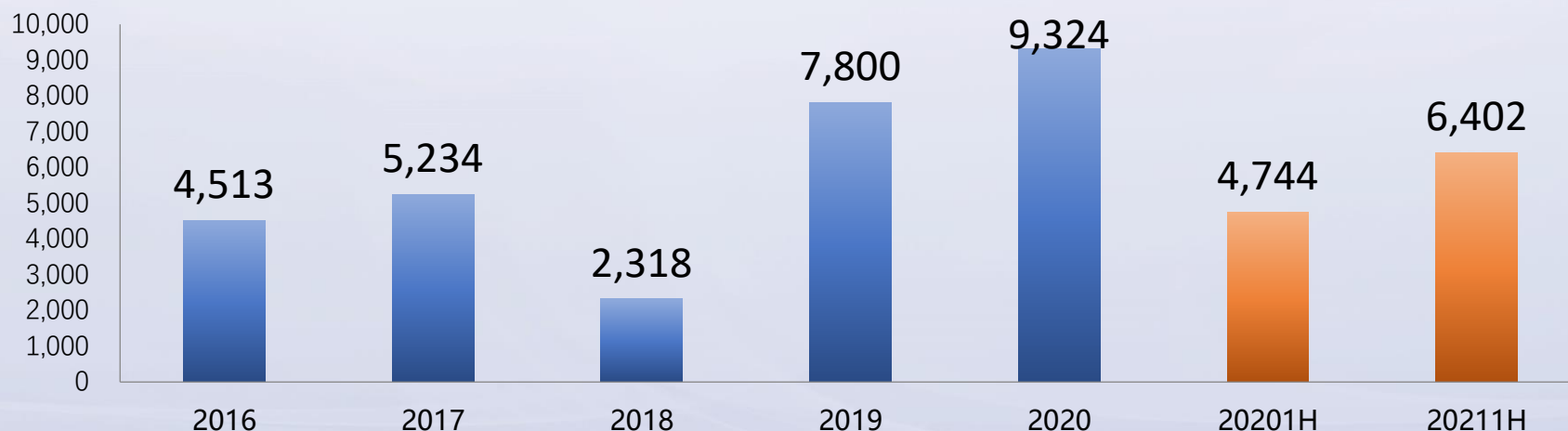
# Cash Flow Analysis

Operating cash flow increased significantly.

(RMB million)	20211H	20201H
Net cash generated from operating activities	6,402	4,744
Net cash used in investing activities	-1,984	-1,093
Net cash generated from financing activities	-2,135	-1,536

## Net cash generated from operating activities

(RMB million)



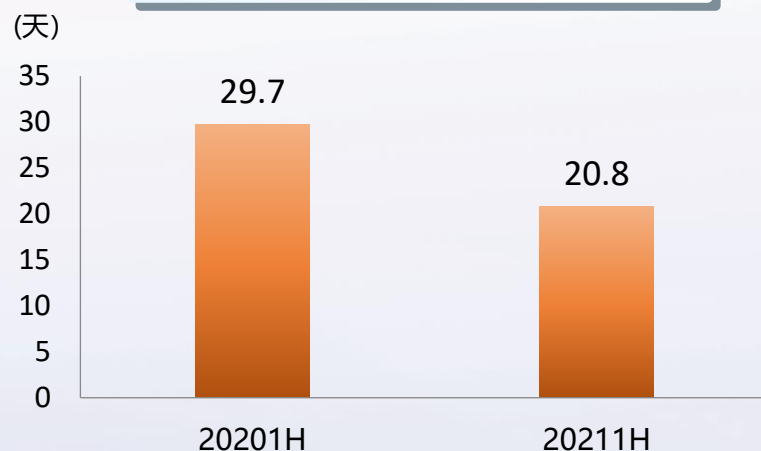
# Key Indicators



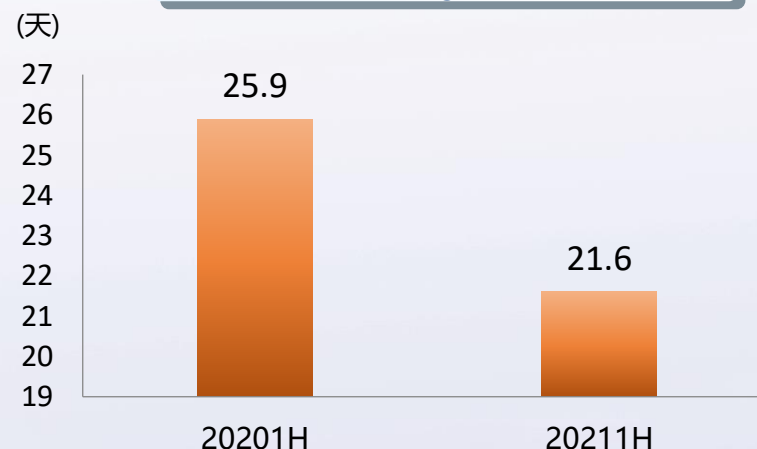
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Continuous improvement in operating efficiency

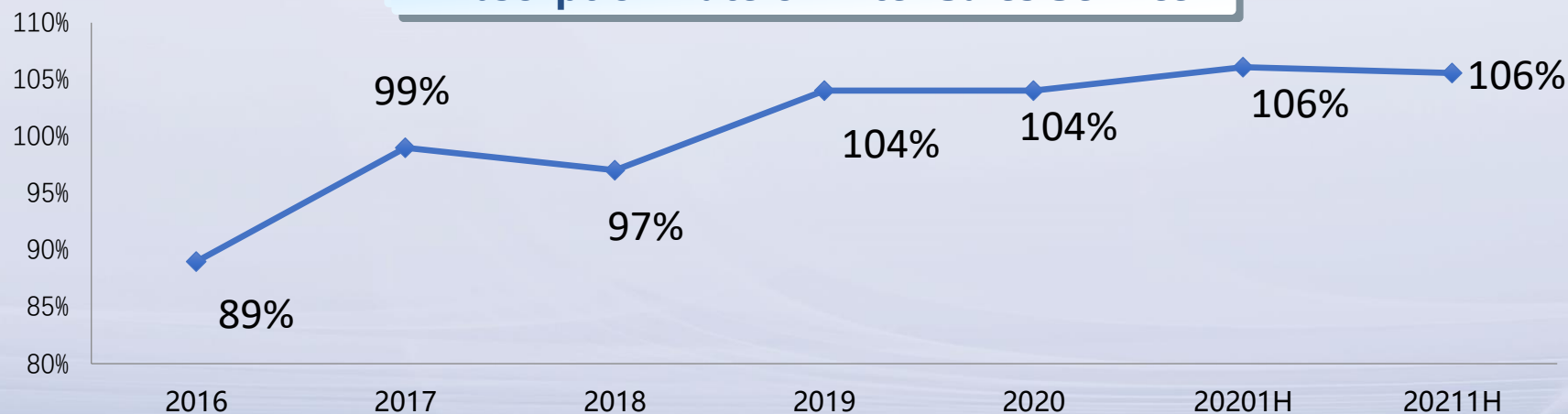
## Inventory Turnover Days



## Luxury Brands Inventory Turnover Days



## Absorption Rate of After Sales Service



# CAPEX Analysis

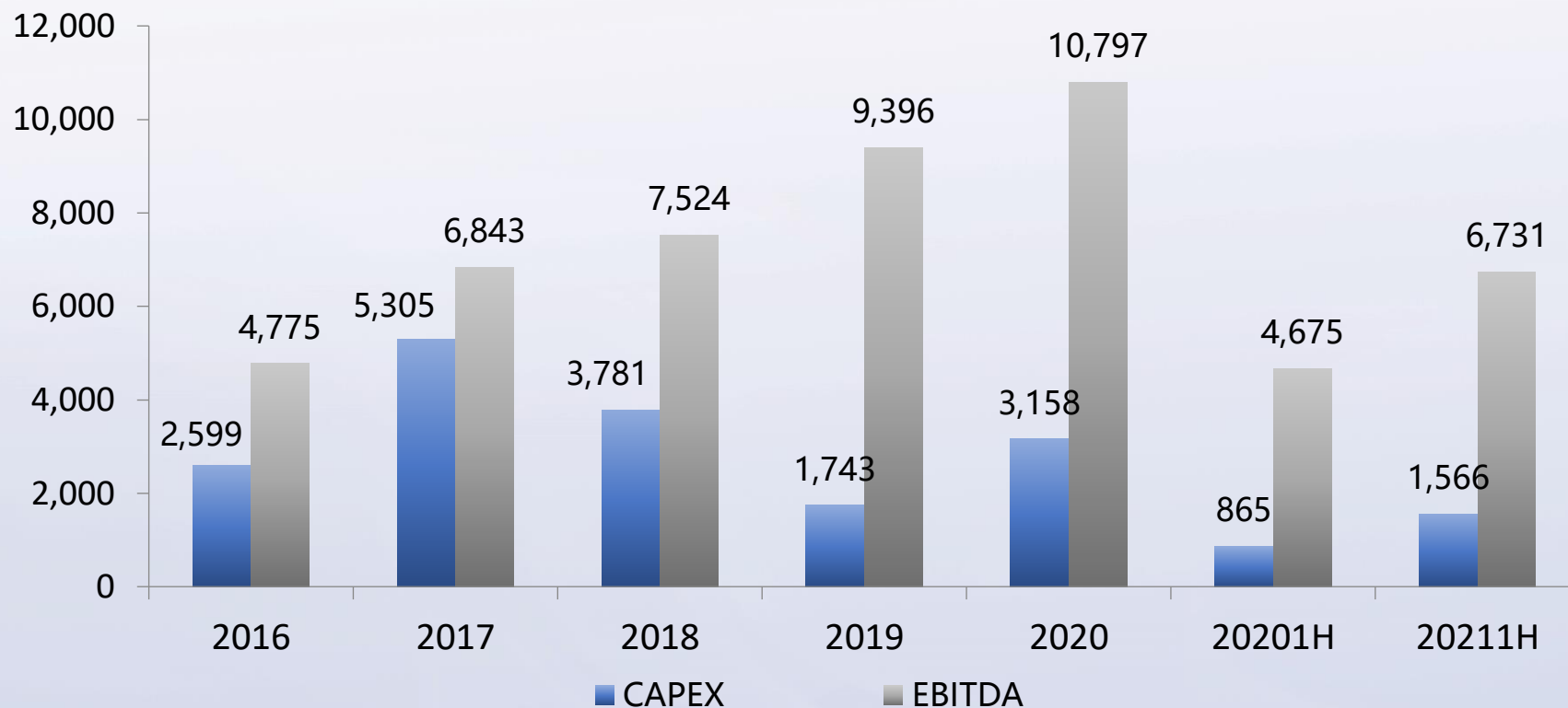


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Capital expenditure remained stable

## EBITDA vs CAPEX

(RMB million)

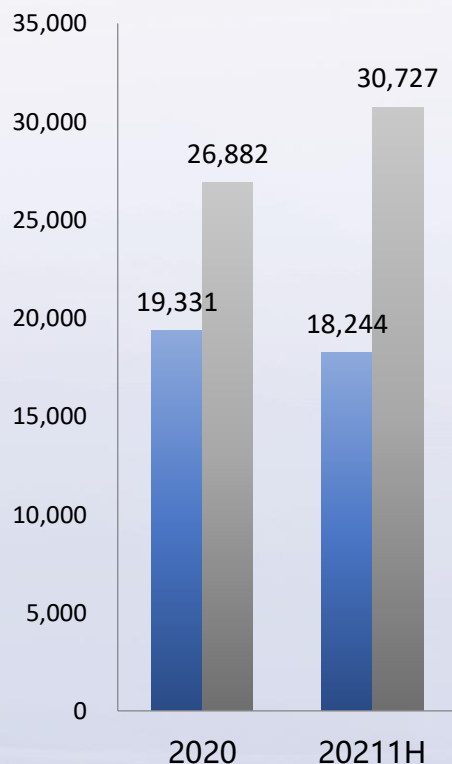


# Gearing Analysis

The leverage ratio decreased significantly and the financial flexibility increased.

## Bank Loans and Total Equity

(RMB million)



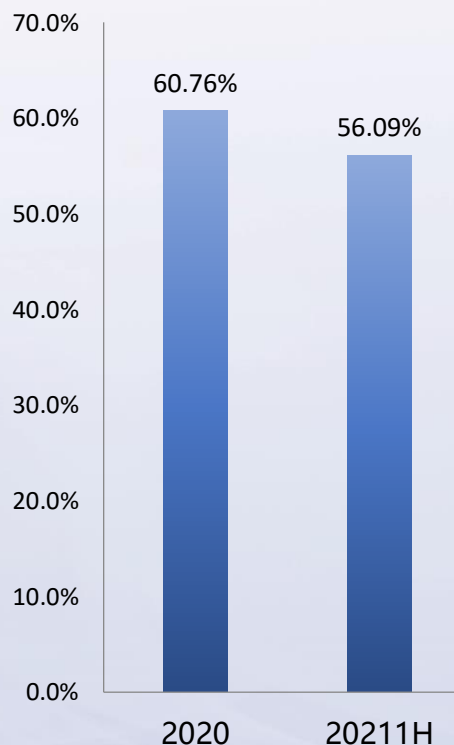
■ Bank Loan & Other Borrowings

■ Equity

\* OEM financing included.

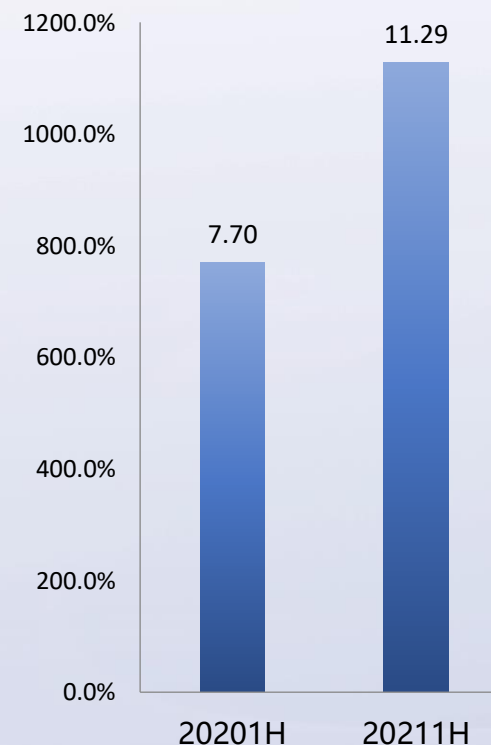
## Total Liabilities/Total Assets

(%)



## Interest Coverage Ratio

(%)



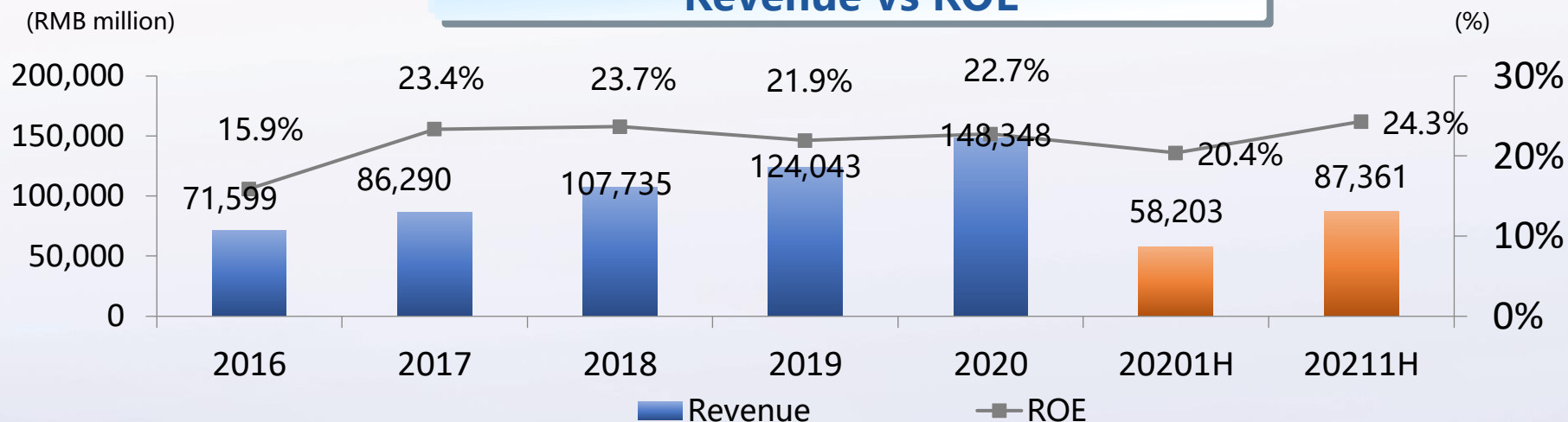
\*Interest coverage ratio = EBITDA / financial cost



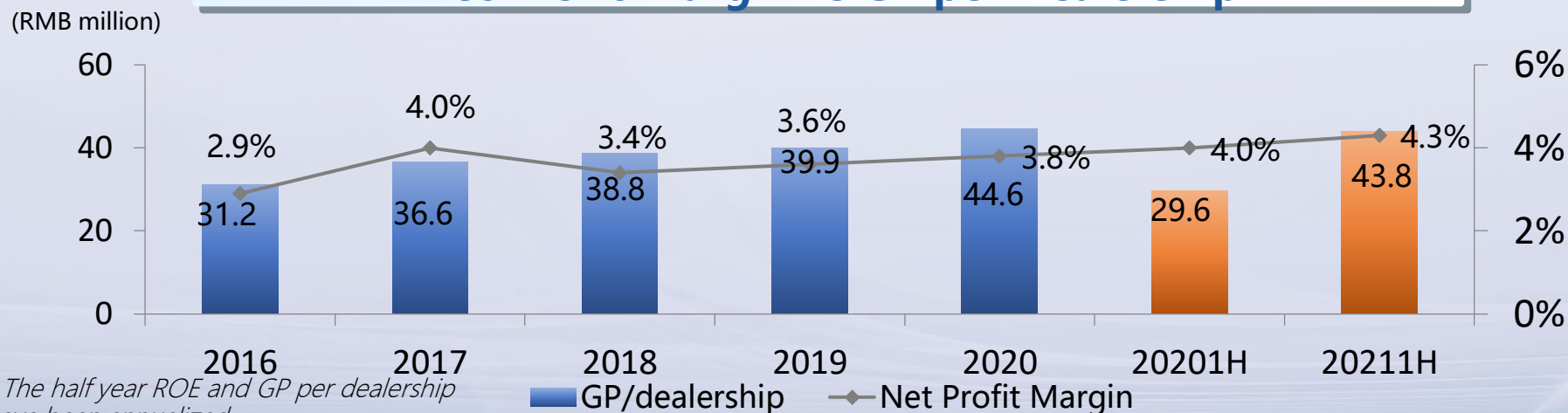
# Financial Path

Equal emphasis on scale advantage and efficiency improvement.

## Revenue vs ROE



## Net Profit Margin vs GP per Dealership



\* The half year ROE and GP per dealership have been annualized.

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# Q&A Session



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Thank You !

