



中升集團控股有限公司

ZHONGSHENG GROUP HOLDINGS LIMITED

2021

年度业绩报告

Annual Result





Disclaimer



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ZHONGSHENG GROUP HOLDINGS LIMITED

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Achievements

ACHIEVEMENTS





Achievements



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New Car Sales

New car sales volume was 528,154 units in 2021, increased by 5.5 % as compared to the same period of 2020.

After-sales and Accessories

Revenue from after-sales and accessories segment increased by 21.0%, to RMB 24.5billion.

Value Added Services

Income from value added services increased by 12.3% (like for like 20.0%) , to RMB3.5 billion.

Stable growth in Net Profit

Profit attributable to owners of the parent was RMB 8.3 billion , increased by 50.3 % as compared to the same period of 2020.

Further Optimized Network

As of 31 December 2021, we had 412 dealership stores under operation, including 254 luxury brands stores and 158 mid-to-high end brands stores.

NEV Business Development

Initiated strategic cooperation with X-peng to carry out multi-dimensional cooperation nation wide. Shenzhen Zhongsheng Xiaopeng delivery center and shopping mall center in operation.

Capital Market Operations

Completed the acquisition of Zongfu China with the final settlement price about US \$1.314 billion. Strategic investor, Hillhouse capital with a share subscription 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 BBB ESG rating by Msci, selected as the best ESG performance enterprise in 2021 by Morningstar sustainability.

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



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02

Business Update

Business Update





Brand Mix and Dealerships



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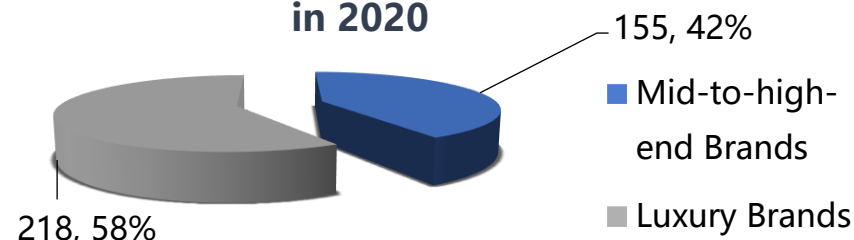
[Brand plus Region] Continuous focus on luxury brands and TOYOTA, expansions to first and second-tier and provincial capital cities, especially in southern and Eastern China.

As of 31 December 2021, the total number of dealerships reached 412, covering 25 provinces and regions, and over 110 cities across China.

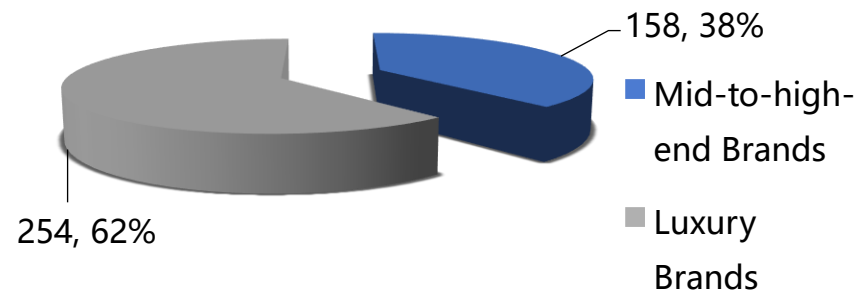
Major Brands Dealerships

Luxury Brands	No. of Dealership	Mid-to-high-end Brands	No. of Dealership
 Mercedes-Benz	<u>95</u>	 TOYOTA	<u>99</u>
 LEXUS	<u>49</u>	 NISSAN	<u>34</u>
 Audi	<u>28</u>	 HONDA	<u>23</u>
 BMW	<u>28</u>		
 VOLVO	<u>20</u>		
 JAGUAR LAND-ROVER	<u>18</u>		

Dealerships under operation in 2020



Dealerships under operation in 2021

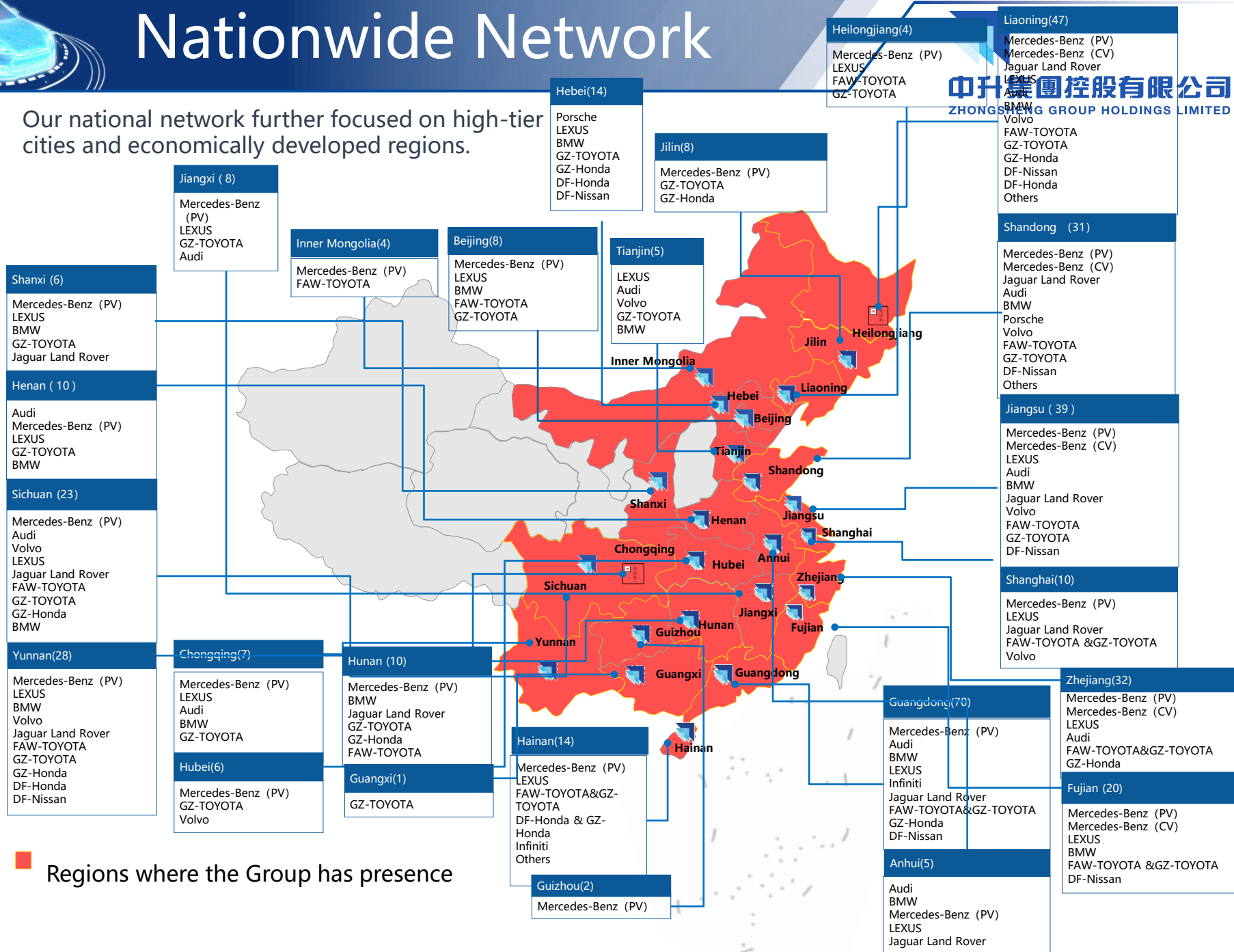




Nationwide Network

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

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Regions & Expansion



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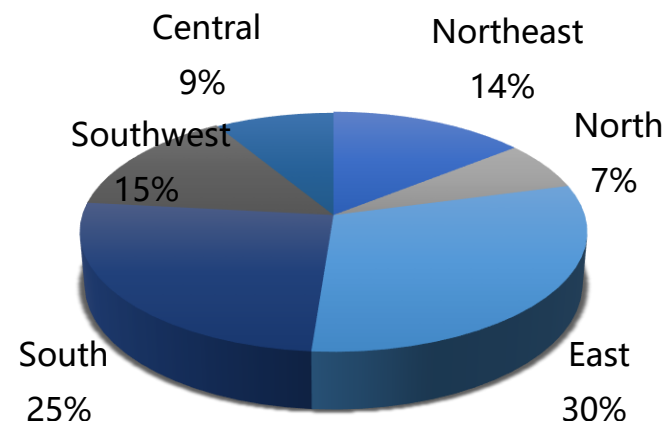
Continuously strengthen the leadership advantage of core brands.

- In 2021, there were 14 new self-built dealerships, 34 M&As and 9 closedowns.

•



Regional Distribution



Newly Added Major Dealerships

	2021	City
Mercedes	32	Foshan、Shenzhen (MA) , Yangzhou (MA) , Guangzhou (MA) , Qingdao (MA) , Dongguan (MA) , Chengdu (MA) , Chongqing (MA) , Changshan (MA) ,etc
Lexus	4	Huizhou、Hefei、Chengdu、Shanghai
BMW	3	Yantai、Lianyungang、Suqian
TOYOTA	6	Yantai、Lianyungang、Suqian 、Beijing (MA) 、Shanghai (MA)



Operation Capability



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Brand management and operation capability outperform the industry

Mercedes

- ◆ **Beijing**
2021Xinyi Dealership
- ◆ **Changchun**
2021Xinyi Dealership
- ◆ **Jinan**
2021Xinyi Dealership
- ◆ **Z橫軸**
2021Xinyi Dealership
- ◆ **Quanzhou**
Best preowned dealership
- ◆ **Hunan**
Marketing star
- ◆ **Guangzhou**
Best dealership

Audi

- ◆ **Chengdu**
Best dealership
- ◆ **Tianjin**
Best sales model
- ◆ **Zhengzhou**
Best sales
- ◆ **Nanjing**
Best dealership

BMW

- ◆ **Nanjing**
Best aftersales in east region
- ◆ **Nanjing**
Best aftersales in east region
- ◆ **Chongqing**
Best aftersales in west region

Toyota

- ◆ **Haikou**
Top 10 dealership
- ◆ **Dalian**
Best preowned dealership
- ◆ **Shenyang**
Gold medal dealership

*Lexus 2021award not announced yet



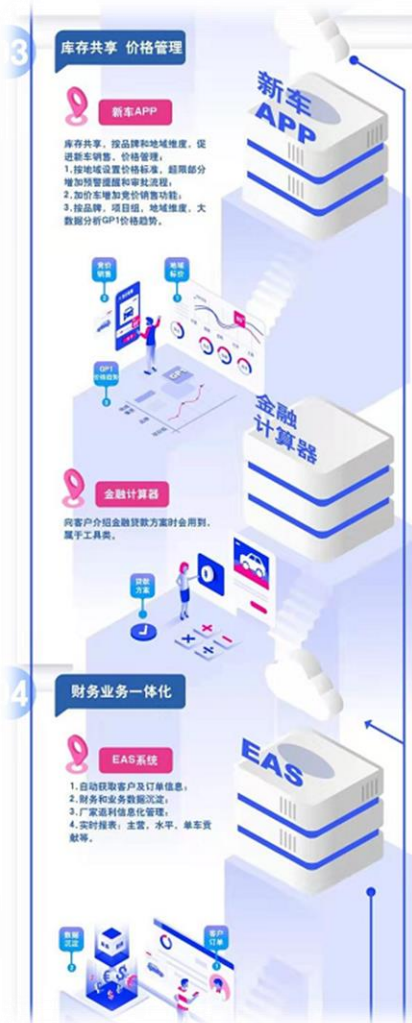


Digital Management



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Strengthened digital management



【门店子站点】

【内容社区】

品牌可实时获取厂家目标达成进度，加强返利预测

厂家批发达成





Quality Service



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Improve service quality and build Zhongsheng brand.

中升取送车服务
专业代驾 为爱车提供保障

全程取送 服务到家
不耽误您正常工作、生活
足不出户养护爱车
为您提供维修保养过程中的往返代驾
让省心、安全随时与您同行
让您拥有更多时光享受生活

足不出户 养护爱车

回趟娘家 换换鞋
带你爱车小伙伴
轮胎换新
TIRE REPLACEMENT

各品牌经销商外促政策

为爱车小伙伴
星夜服务
中升等您到晚8点

ALL WAITING FOR YOU UNTIL 8 P.M.
活动时间: 4月1日起

中升集团 终生伙伴

中升集团
双保无忧·六年无忧

6年 不限里程保修
SIX YEARS 不限次数保养

同品牌通用保养、保修

中升集团
ZHONGSHENG GROUP
LIFETIME PARTNER 终生伙伴

30天 中升认证
无理由退换 二手车

买二手车 再无后顾之忧

详询中升旗下4S店

认证品质	金融灵活	售后无忧	回购保值	置换升级
精品车源 专业评估	0手续费 低首付/月供	管家式服务 双质保保	置换补贴 残值保障	小车换大车 旧车换新车



Zungfu Acquisition

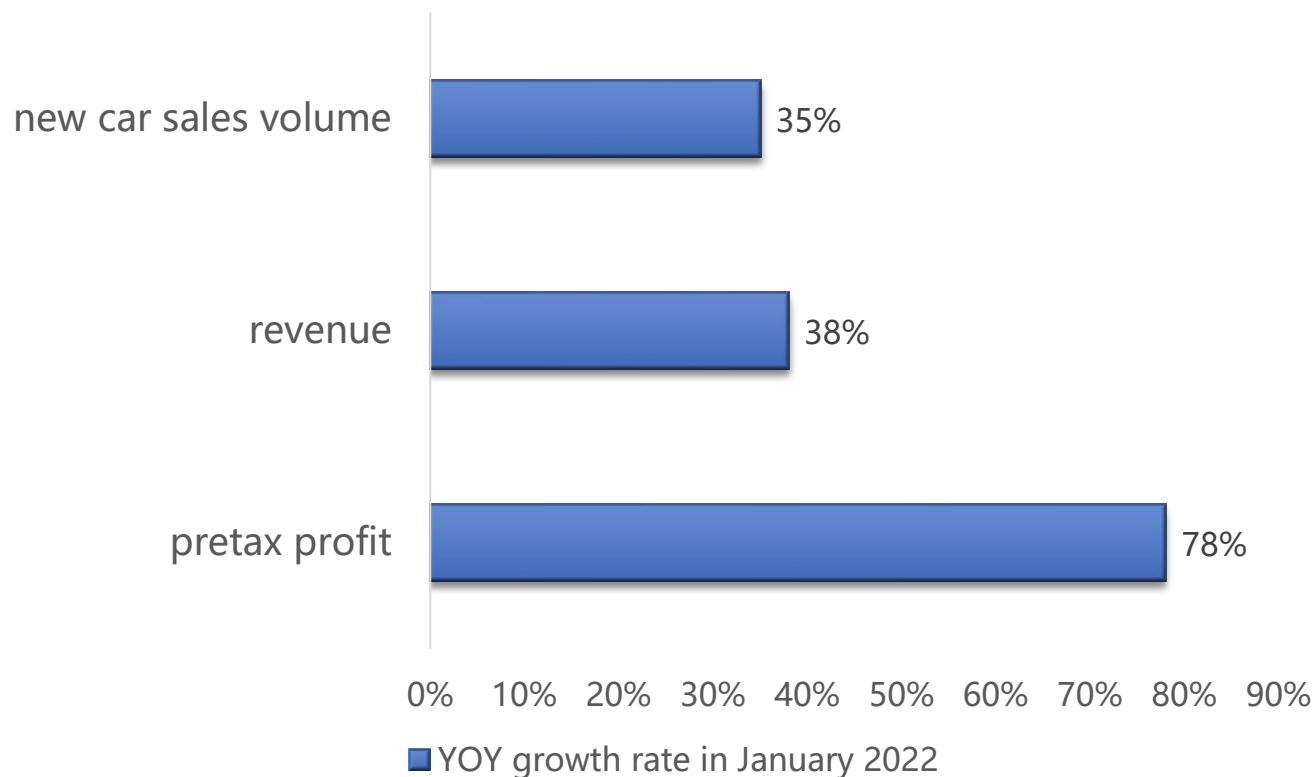


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Strategic alliance with Zungfu China.



Zung Fu China
仁孚中国



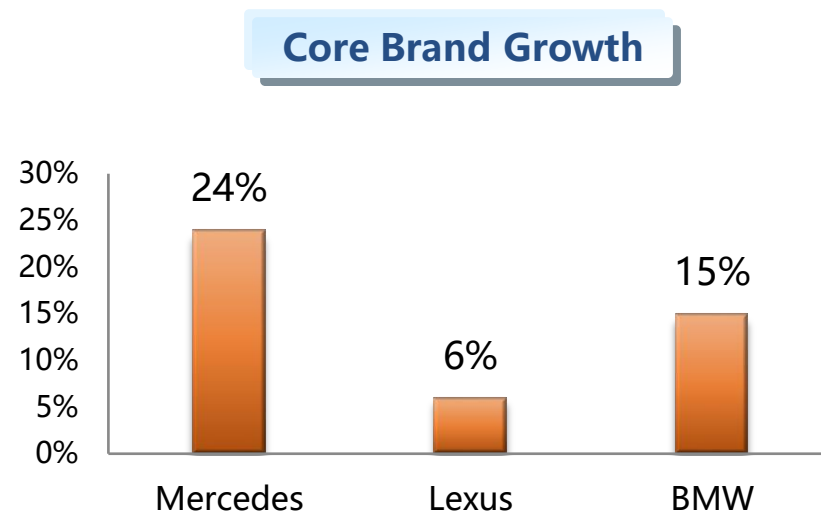
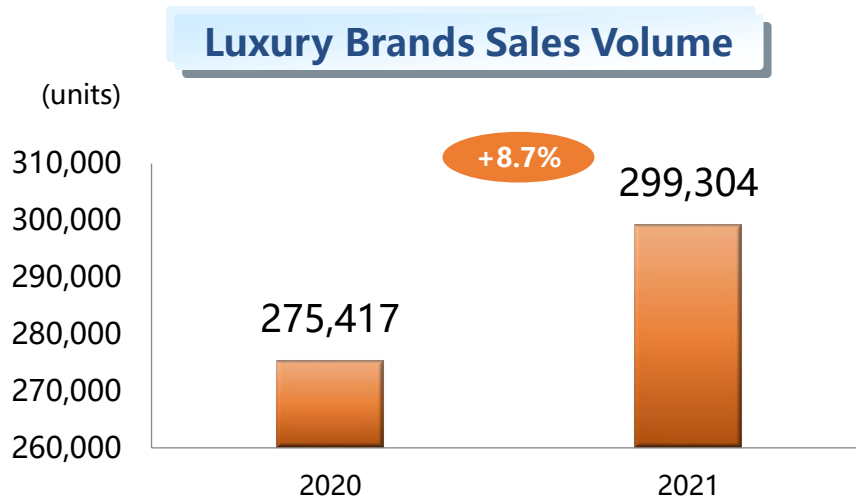
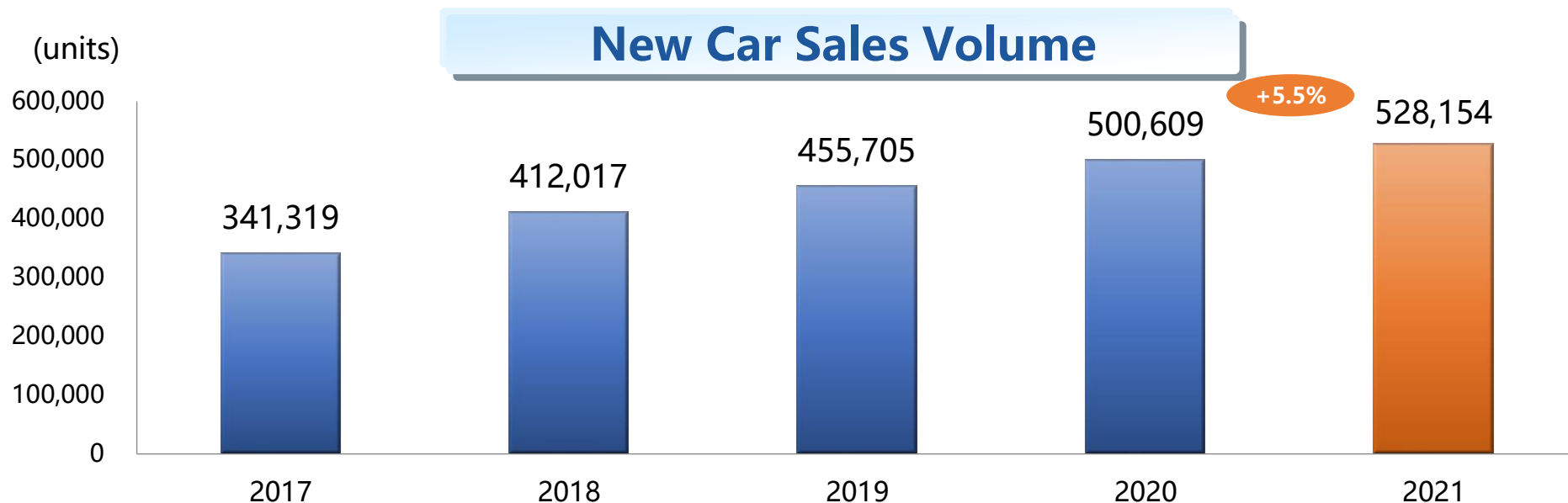


New Car Sales



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Core luxury brands continued to outperform the market.





After-sales & Accessories

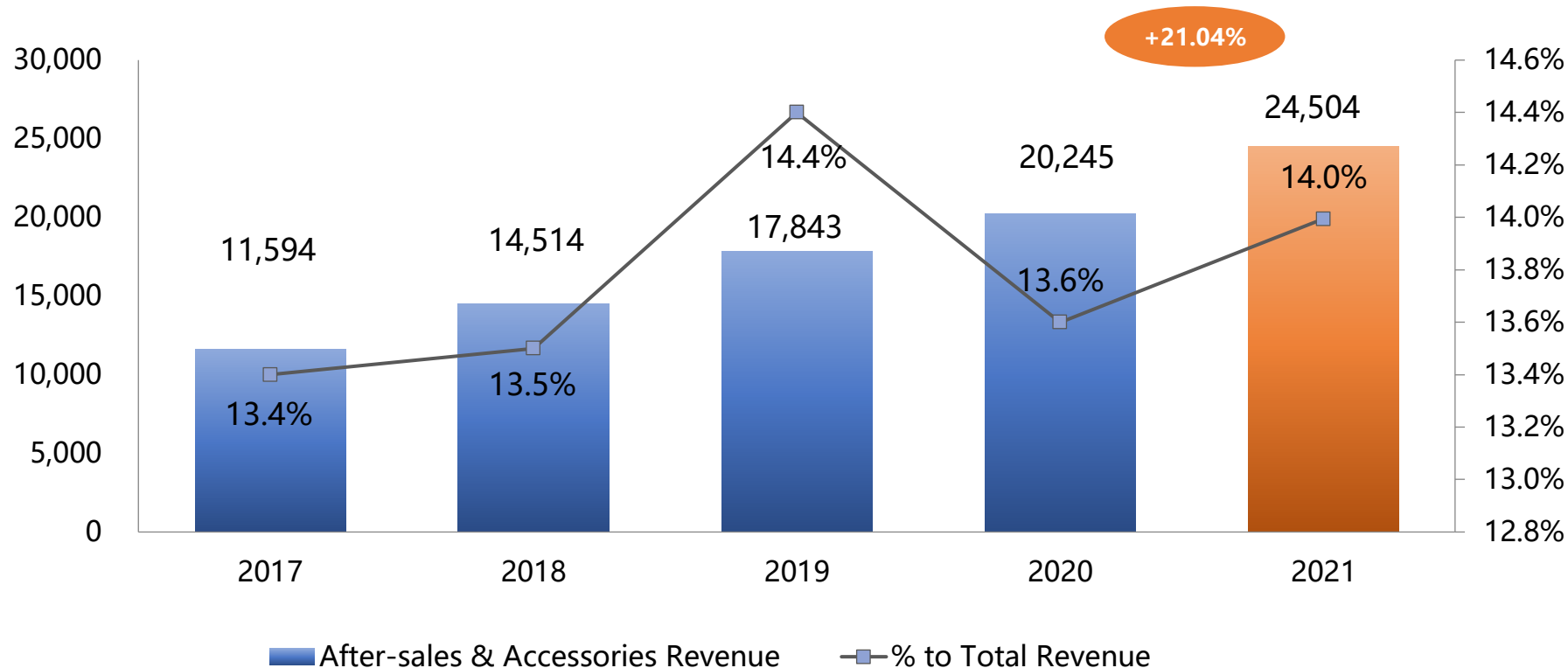


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Solid Growth in after-sales and accessories.

Revenue from After-sales and Accessories

(RMB million)





Value Added Services

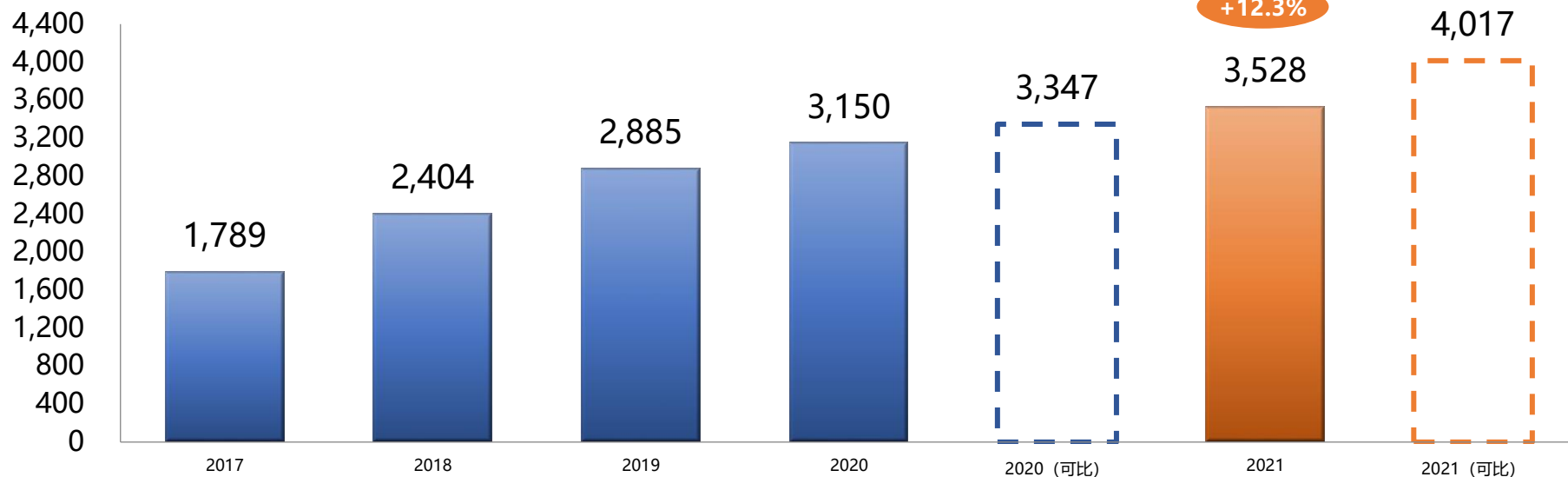


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Car finance and used car businesses drove the growth of value-added service income.

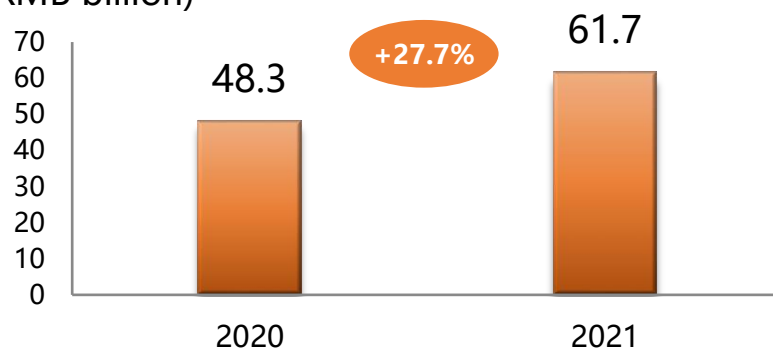
(RMB million)

Income from Value Added Services



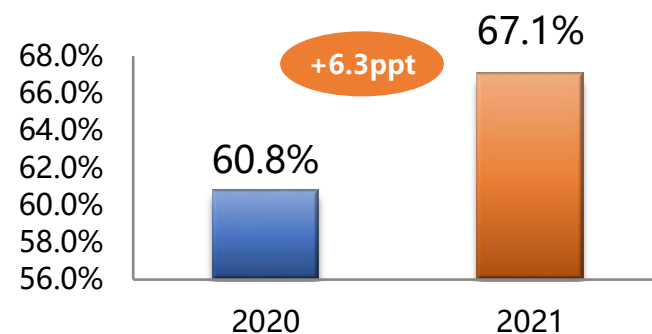
Car Finance Loan Amount

(RMB billion)



(%)

Car Finance Penetration Rate





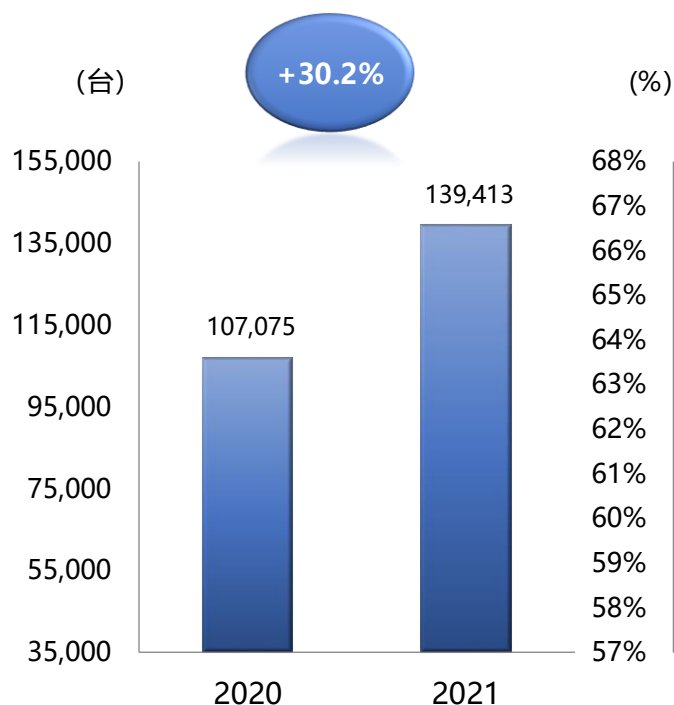
Pre-owned car sales



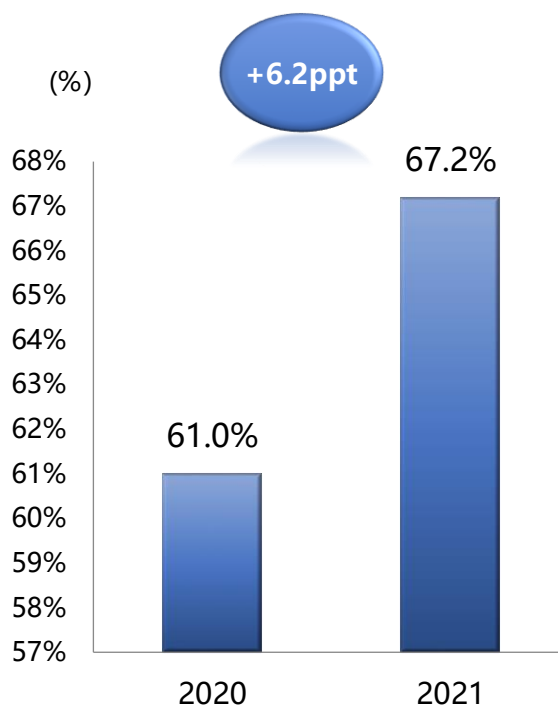
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Rapid growth in pre-owned car business, with optimized business structure.

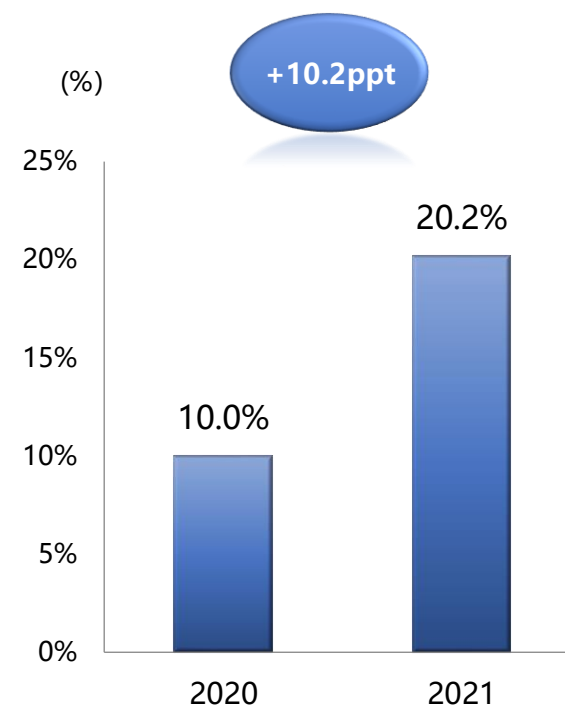
Pre-owned Car Sales Volume



Self-owned Brands Contribution



Retail Contribution








NEV Business



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Strategic development of NEV business.

- NEV sales contribution continued to increase, sales volume of NEV models for existing brands increased by 184.2% YOY

		2021	2022	2023
	Car	• i4		• i3
	SUV	• iX		
	Car	• EQA • EQS • EQV	• EQE	
	SUV	• EQB	• EQE SUV	• ALL NEW EQC
	Car	• E5		E7
	SUV	• e-tron • e-tron Sportback	• eQ5	• eQ7





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Financial Update



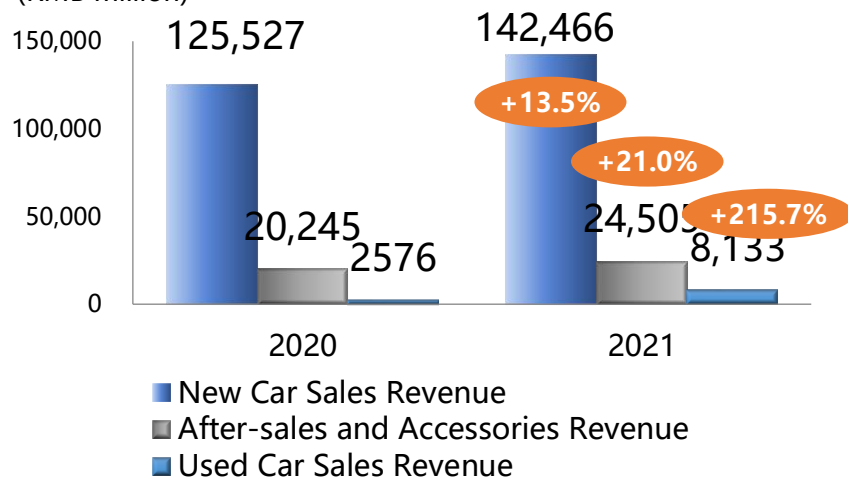


Revenue Mix Analysis

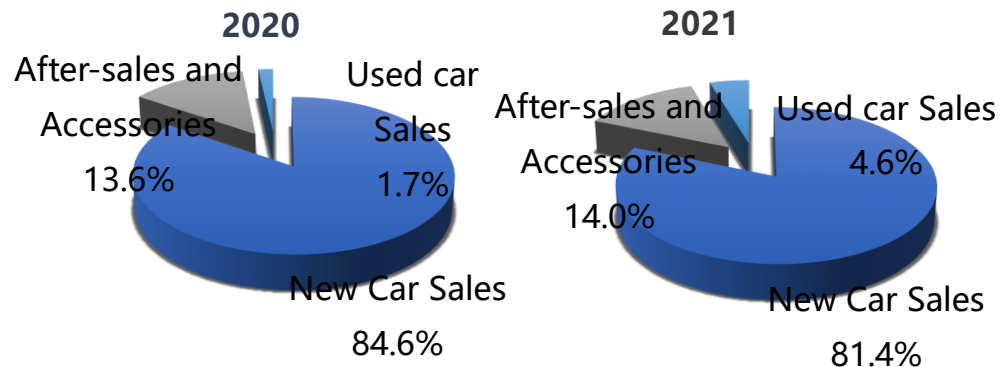
Revenue contribution of after sales continued to increase.

Revenue by segment

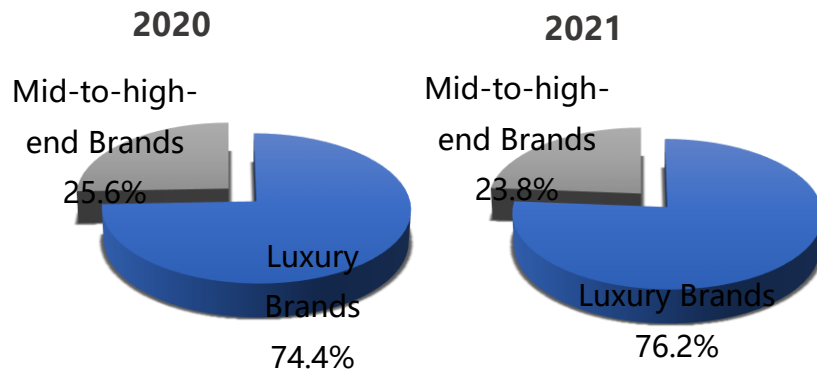
(RMB million)



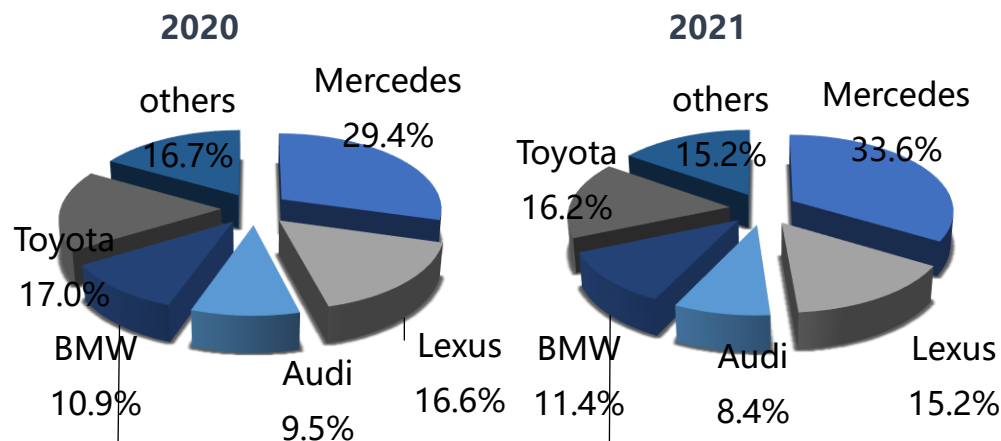
Revenue contribution by segment



Luxury Brands Contribution in New Car Sales



New Car Sales Revenue contribution by Brands





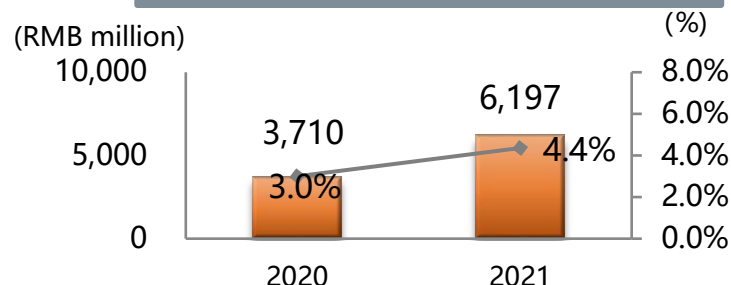
Gross Profit & Income Analysis



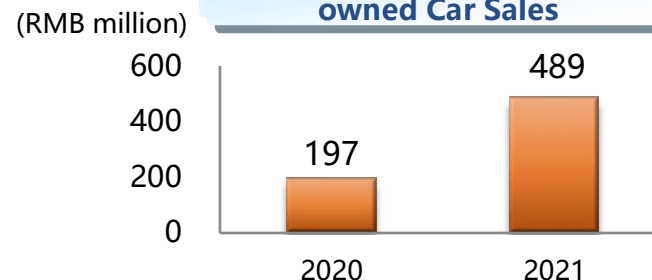
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GPM of new car sales increased significantly and the contribution of gross profit from the after sales market increased

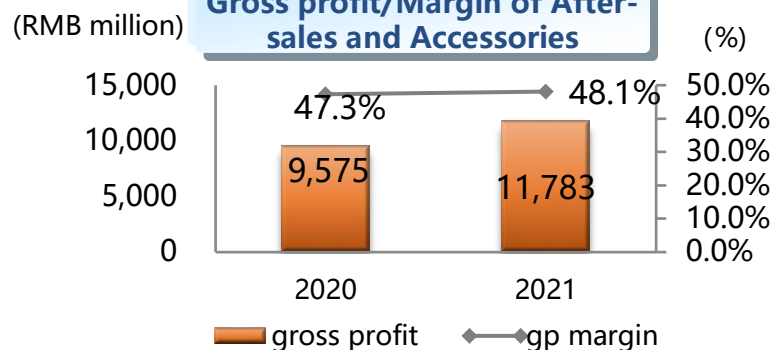
Gross profit/Margin of New Car Sales



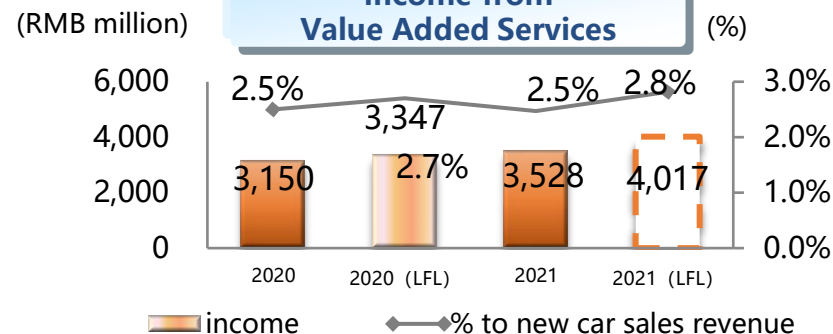
Gross profit/Margin of pre-owned Car Sales



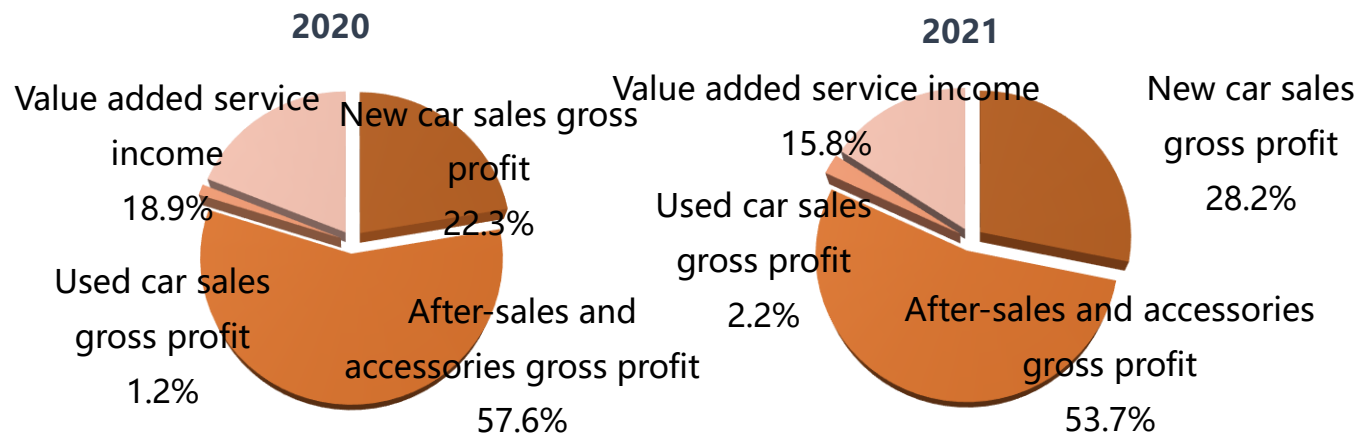
Gross profit/Margin of After-sales and Accessories



Income from Value Added Services



Gross Profit Contribution





Expense Analysis

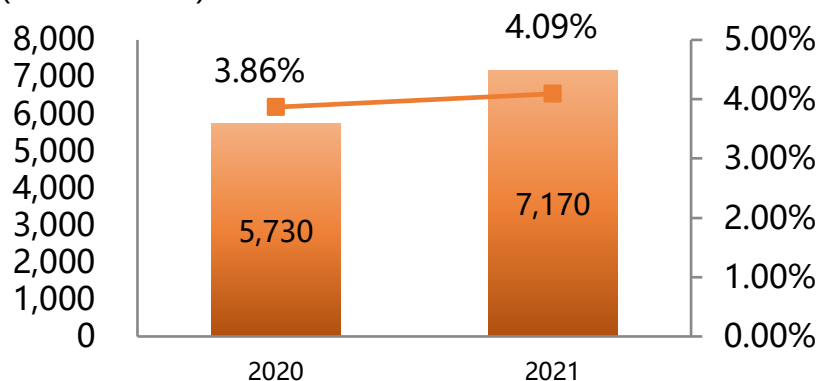


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The period expense was under effective control and the financial capability strengthened.

Selling and distribution costs

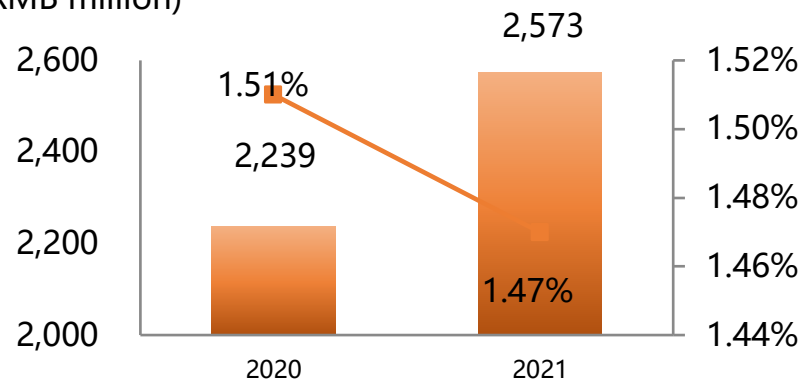
(RMB million)



selling and distribution costs % to total revenue

Administrative Expenses

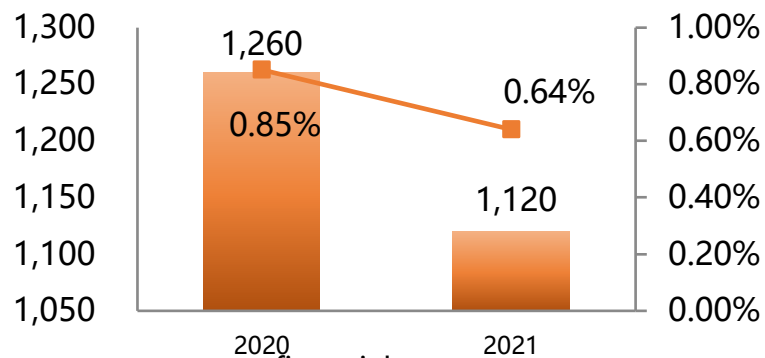
(RMB million)



G&A Expenses
% to total revenue

Finance Costs

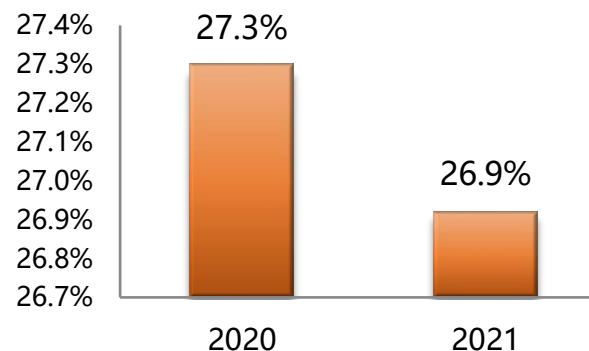
(RMB million)



financial costs
% to total revenue

Effective Tax Rate

(%)





Financial Position



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(RMB million)	As of 31 December	
	2021	2020
Cash and cash equivalents, cash in transit	11,183.9	8,390.6
Inventories	797.1	1,425.9
Total Assets	11,190.0	9,090.1
Short-term bank loans, other borrowing	85,612.2	68,501.0
Long-term borrowings, other borrowings and convertible bonds	15,219.4	16,980.1
Trade and bills payables	4,968.4	7,178.5
Total Liabilities	5,590.6	4,980.3
Net Assets	44,893.1	41,619.3
(RMB million)	40,719.1	26,881.7



Cash Flow Analysis



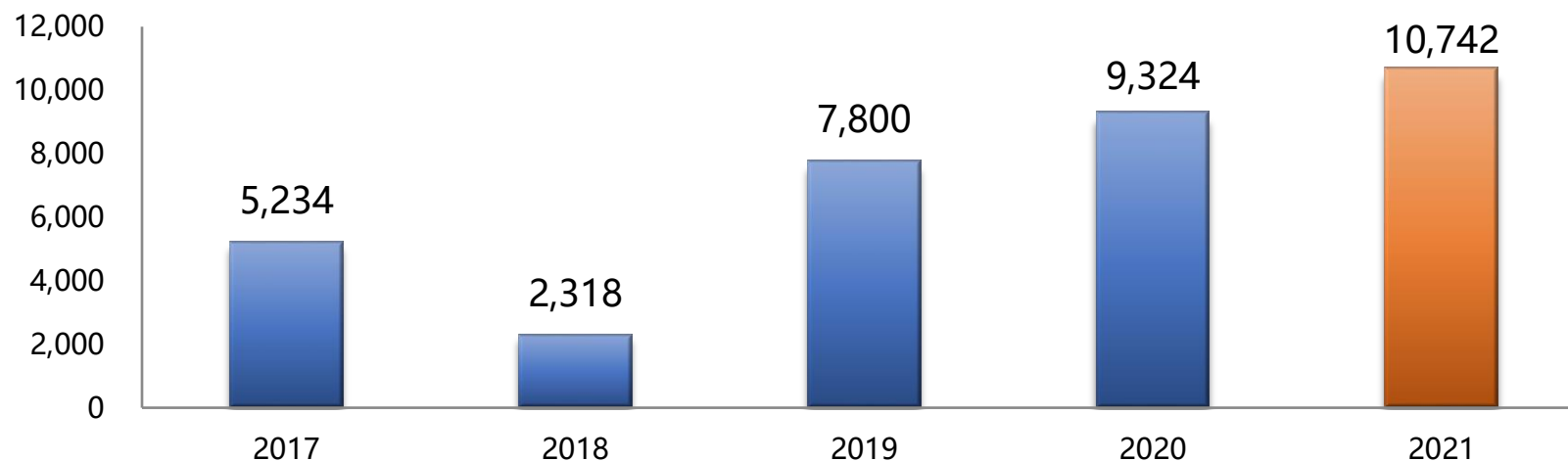
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Steady increase in operating cash flow

(RMB million)	2021	2020
Net cash generated from operating activities	10,742	9,324
Net cash used in investing activities	-9,282	-3,234
Net cash generated from financing activities	-1,297	-3,964

Net cash generated from operating activities

(RMB million)





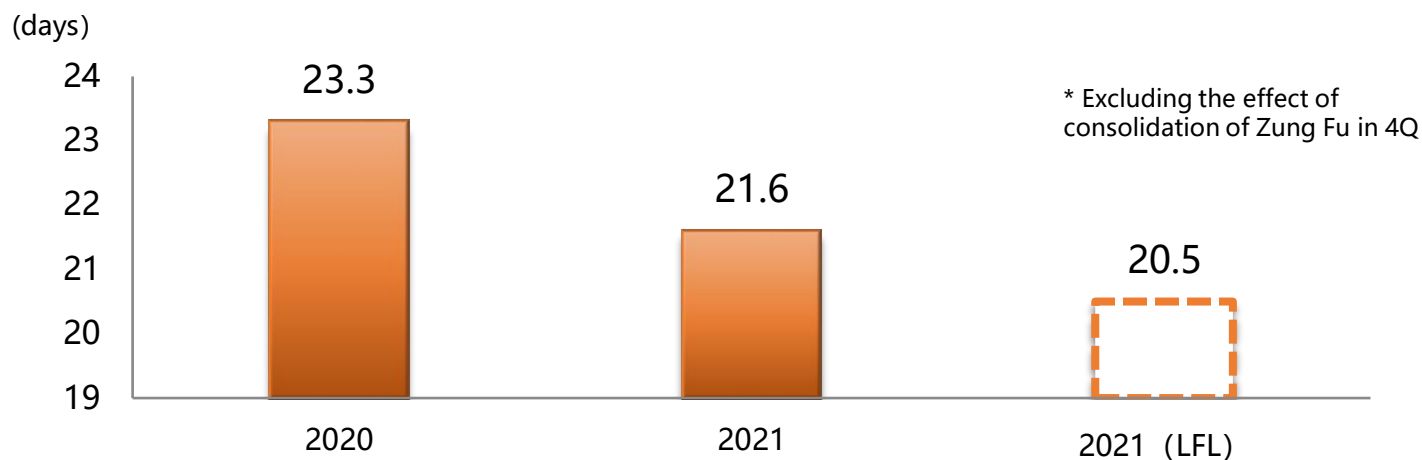
Key Indicators



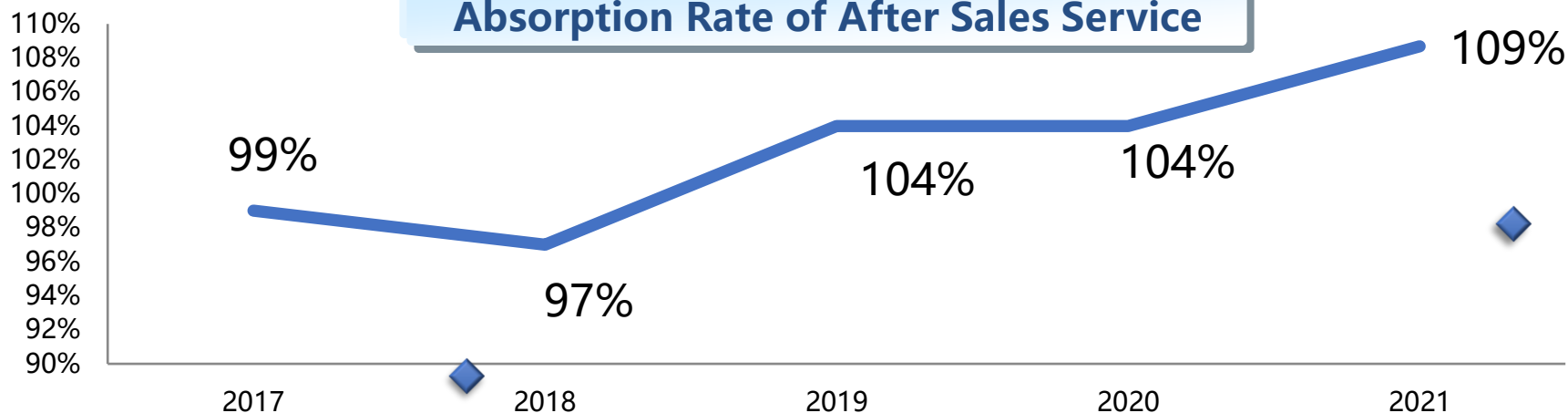
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Continuous improvement in operating efficiency

Inventory Turnover Days



Absorption Rate of After Sales Service





CAPEX Analysis

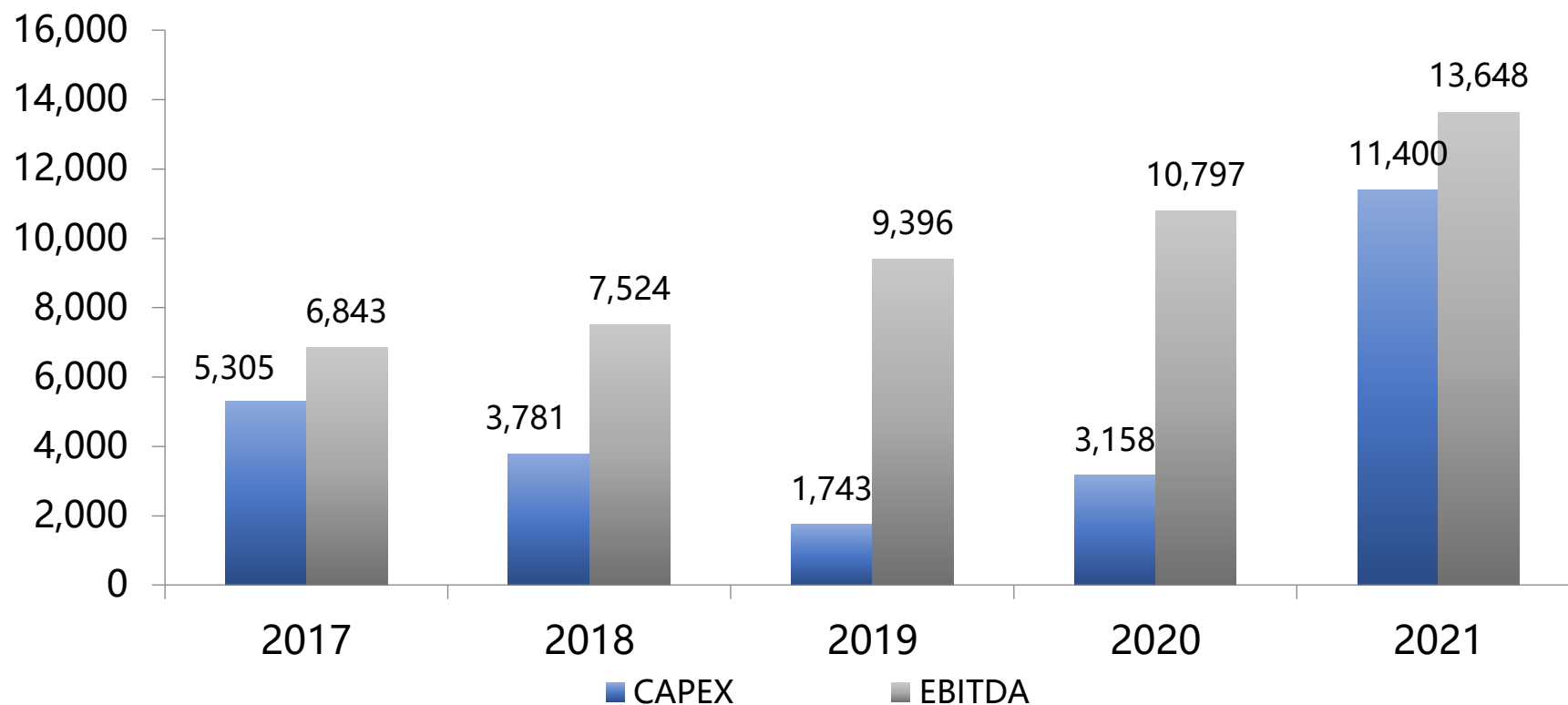


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Capital expenditure remained prudent

EBITDA vs CAPEX

(RMB million)





Gearing Analysis

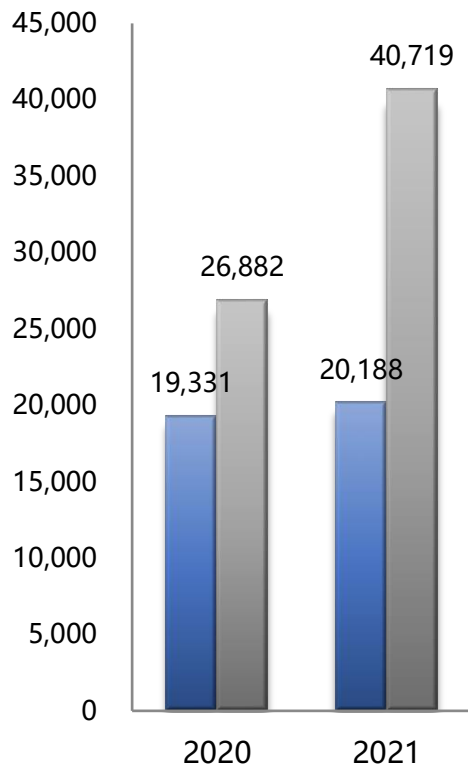


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The leverage ratio decreased significantly and the financial flexibility increased.

Bank Loans and Total Equity

(RMB million)

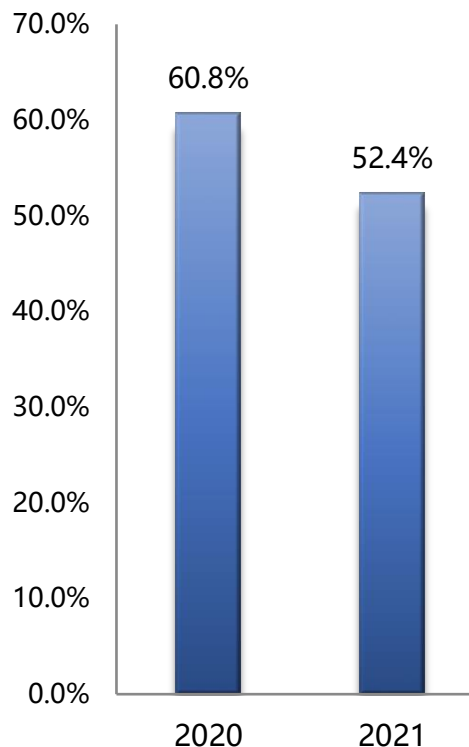


■ Bank Loan & Other Borrowings
■ Equity

* OEM financing included.

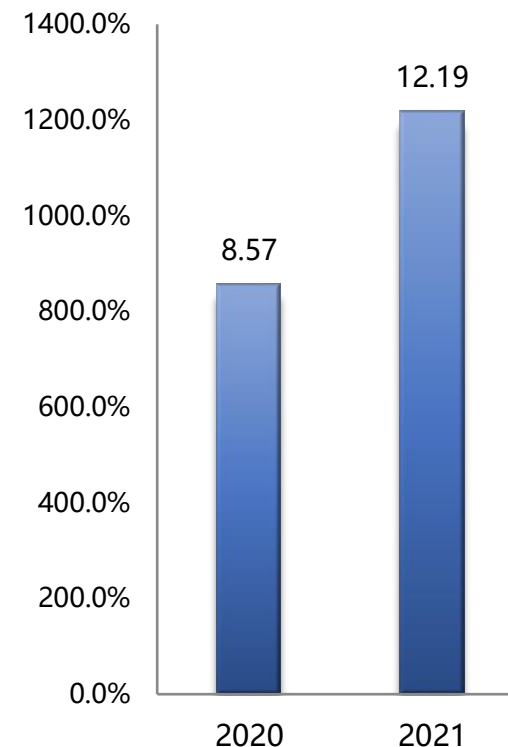
Total Liabilities/Total Assets

(%)



Interest Coverage Ratio

(%)

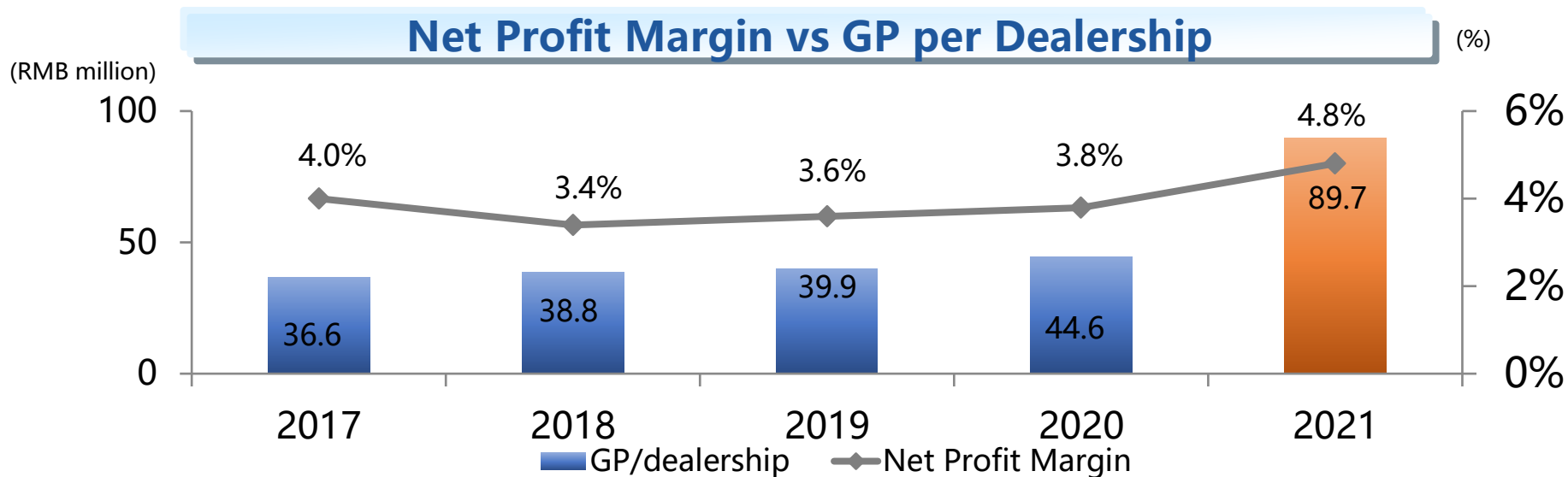
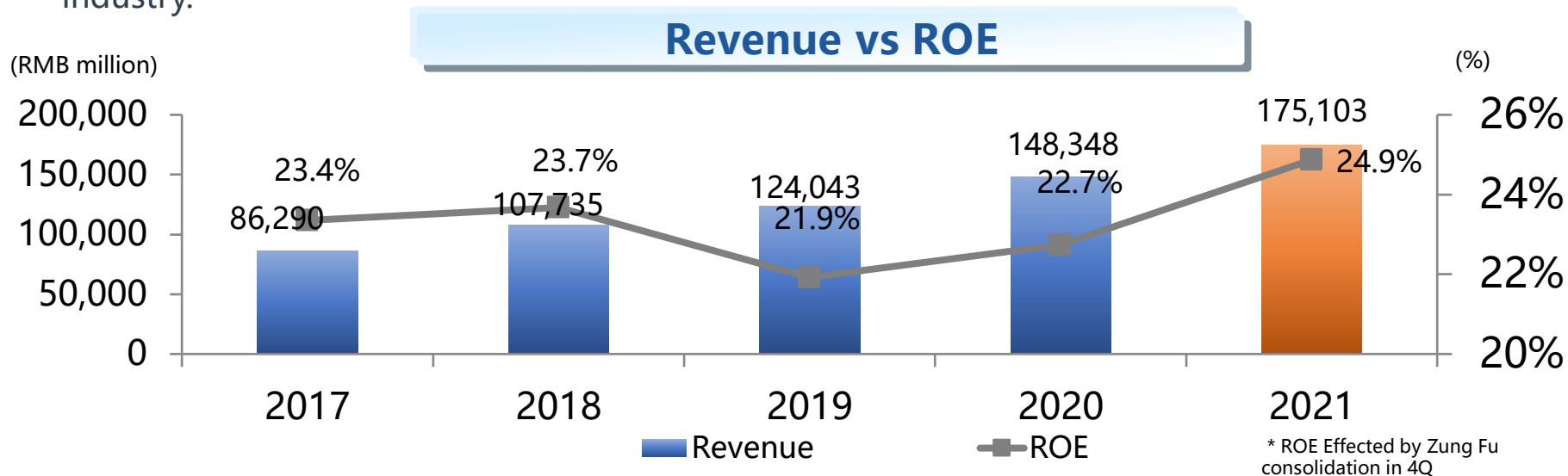


*Interest coverage ratio = EBITDA/financial cost



Financial Path

Equal emphasis on scale advantage and efficiency improvement; leading efficiency in the industry.





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Thank You!!

THANK YOU!!

