



CAR 神州租车

CAR Inc.

2019 First Quarter Earnings Call

May 14, 2019
8:00 pm Beijing time

**Business
Overview**

Yifan SONG

Executive Director & Chief Executive Officer

**Financial
Results
Overview**

Tony CAO

Chief Financial Officer



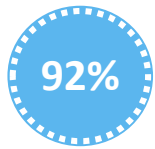
Business Overview

Yifan Song
Executive Director & Chief Executive Officer

Technology-driven operational excellence and customer experience



Self-served transactions in March 2019



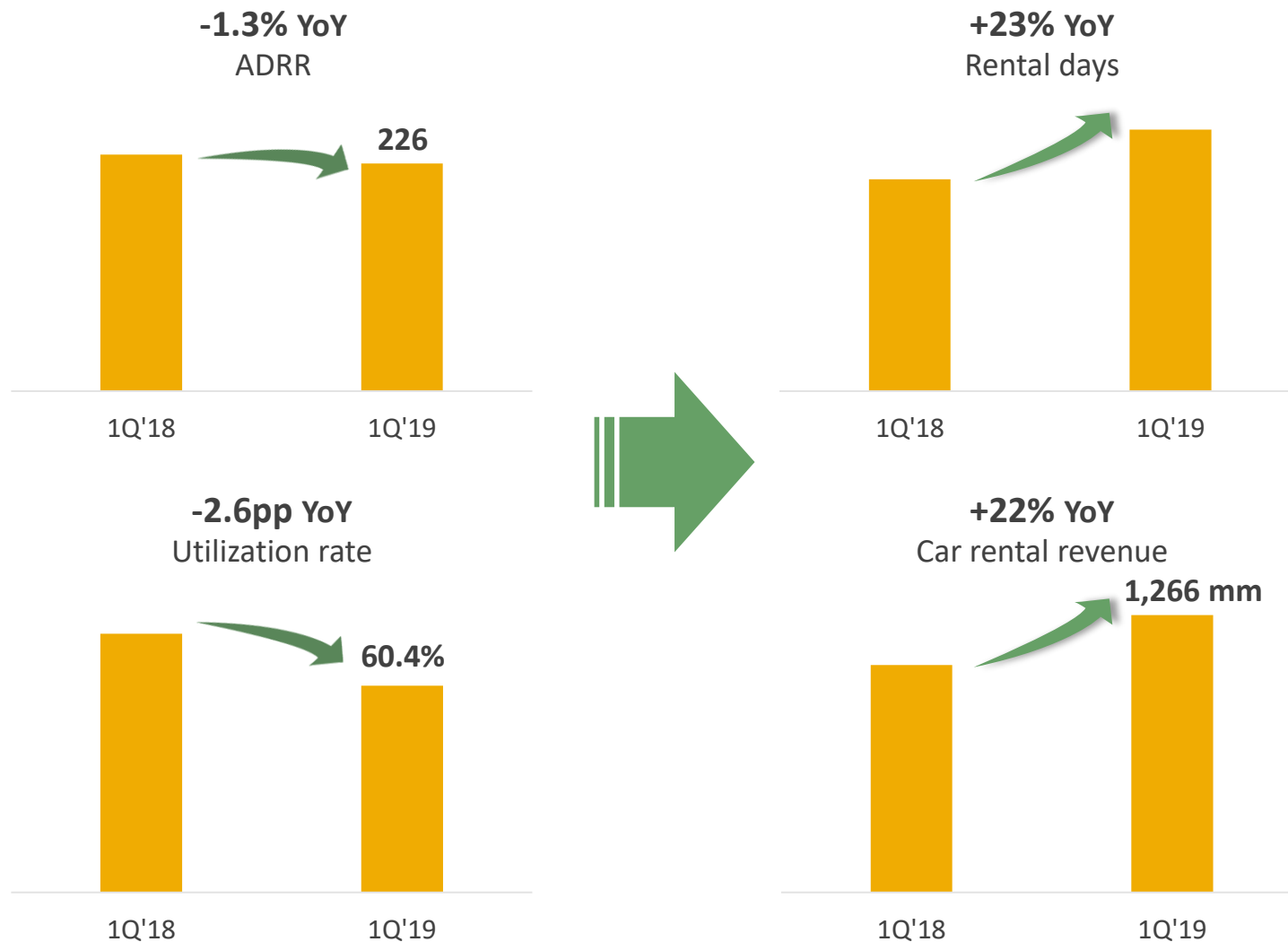
Reservations through mobile APP in 1Q'19



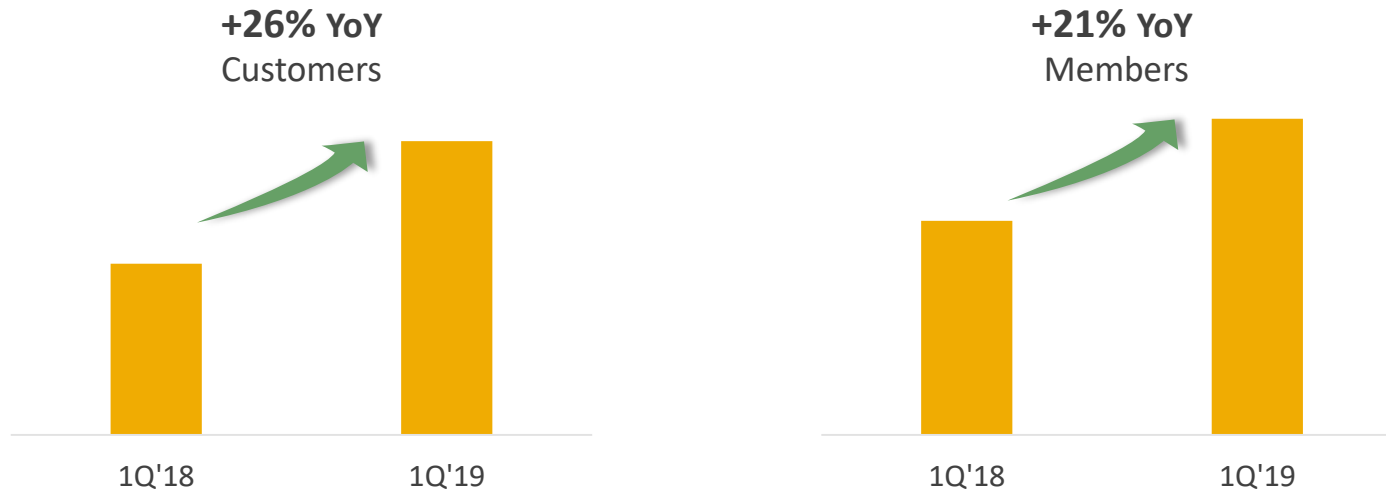
Car rental fleet enabled for self-serve service in 1Q'19

Proven strategy to maintain market share

(RMB)

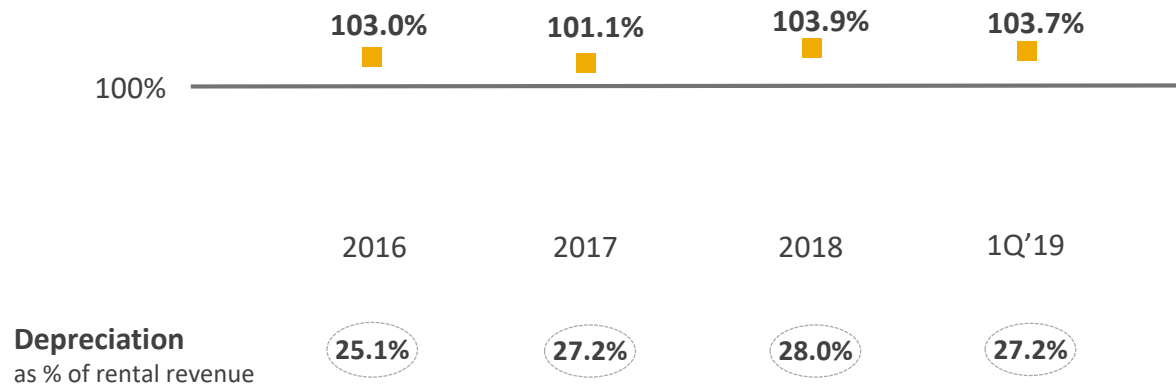


Steadily expanding customer base



- 29% YoY growth in average daily car rental fleet
- 23% YoY growth in rental days

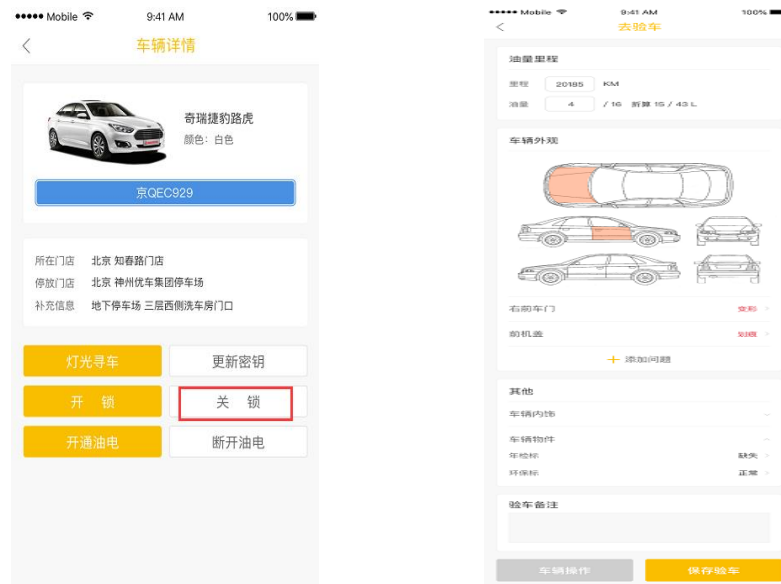
Cost of sales of used vehicles as % of sales of used vehicles



- Depreciation % decreased to 27.2%, due to lower average vehicle value
- Number of used car sold increased by 16.5% to 4,462 in 1Q'19

Introduction of advanced management tool: “Smart Assistant” staffing APP

Proprietary smart staffing APP pilot launched in 1Q'19



Programmed schedule

Staff's tasks are designed and allocated by AI

Real-time coordination

Staff receive real-time, location based instructions and report completed tasks via mobile app

Data analytics

Analyze repair and maintenance requirements for vehicles

Centralized

Centralize tasks allocation and staff's schedules

Enhanced productivity and efficiency



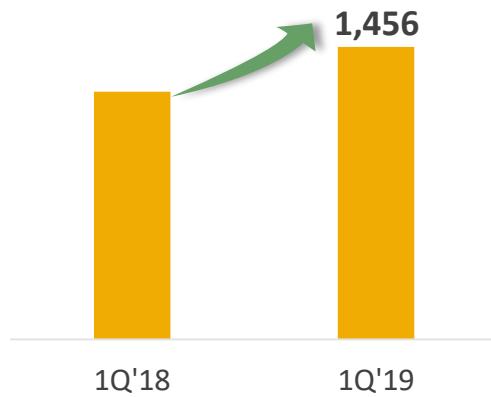
Financial Results Overview

Tony Cao
Chief Financial Officer

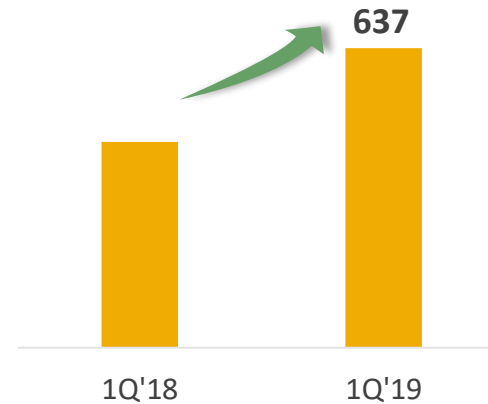
1Q'19 Highlights

(RMB in millions)

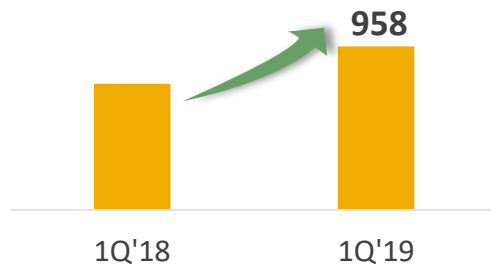
+15% YoY
Rental revenue



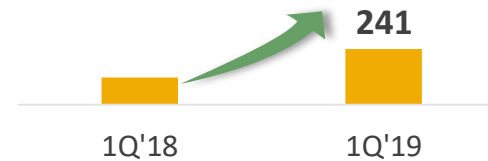
+20% YoY
Gross profit



+19% YoY
Adjusted EBITDA



+15% YoY
Adjusted net profit

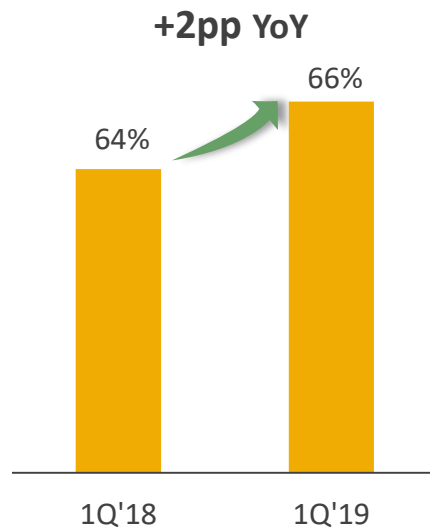


Notes:

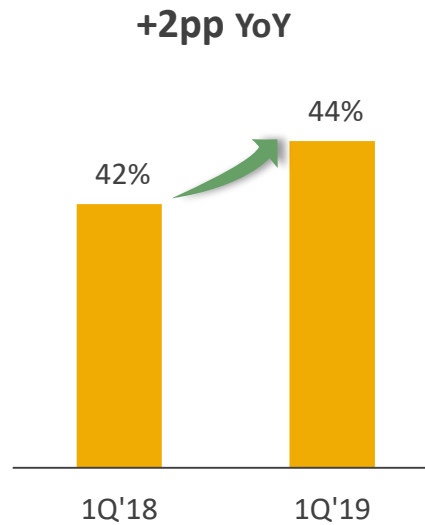
(1) Reconciliation of adjusted EBITDA and adjusted net profit can be found in CAR Inc.'s 2019 first quarter results announcement

Solid profitability

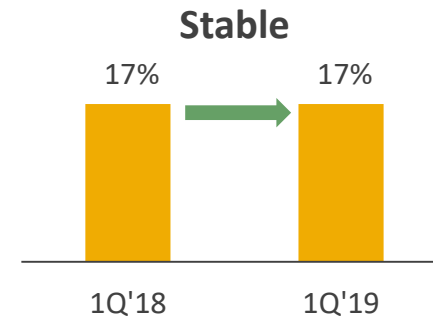
Adj. EBITDA margin



Gross profit margin



Adj. net profit margin



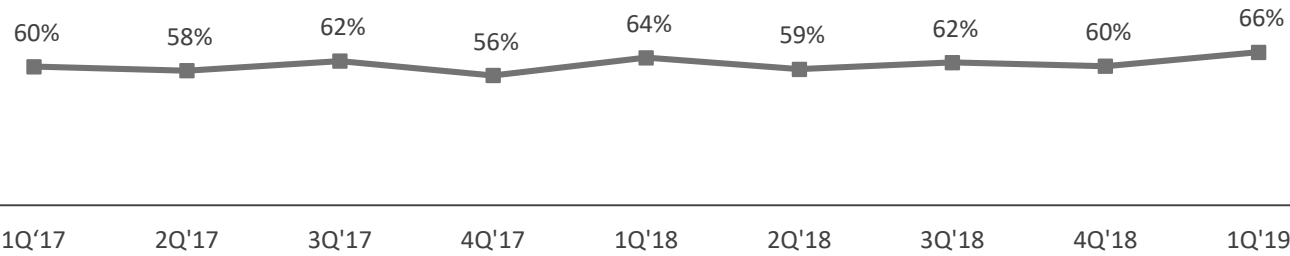
Notes:

(1) Margins are as percentage of rental revenue

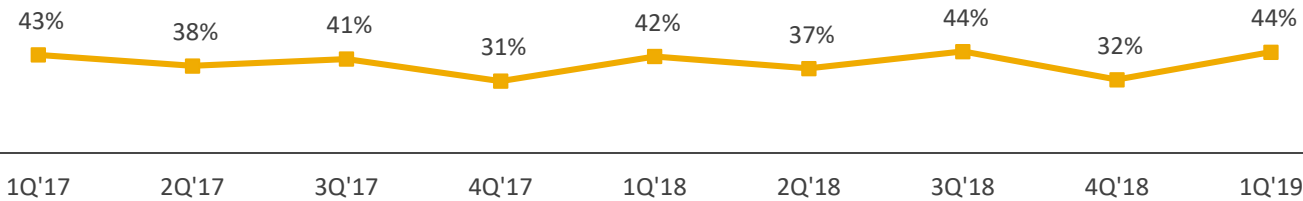
(2) Reconciliation of adjusted EBITDA margin and adjusted net profit margin can be found in CAR Inc.'s 2019 first quarter results announcement

Sustainable profitability profile

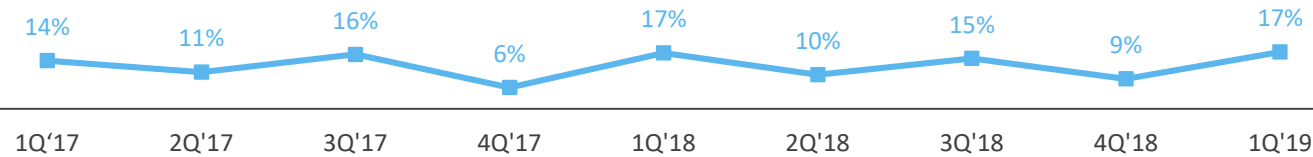
Adj. EBITDA margin



Gross margin



Adj. net profit margin



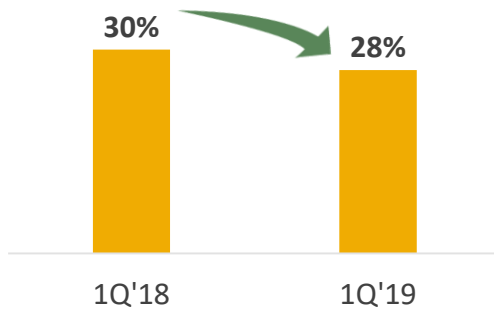
Notes:

(1) Margins are as percentage of rental revenue

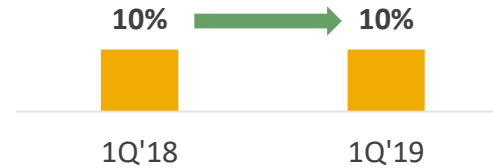
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Sustainable cost structure resulted from economies of scale

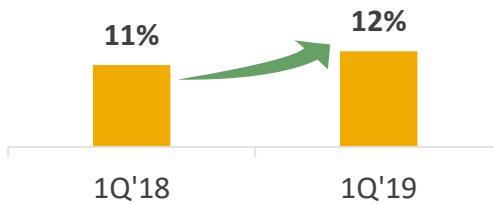
Direct operating expenses



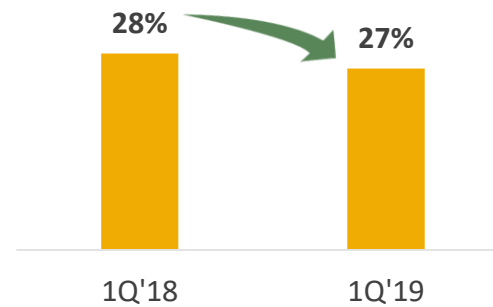
SG&A



Finance cost



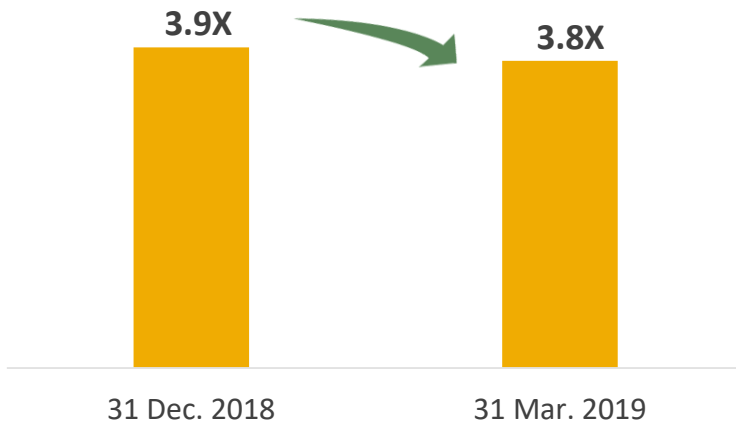
Depreciation



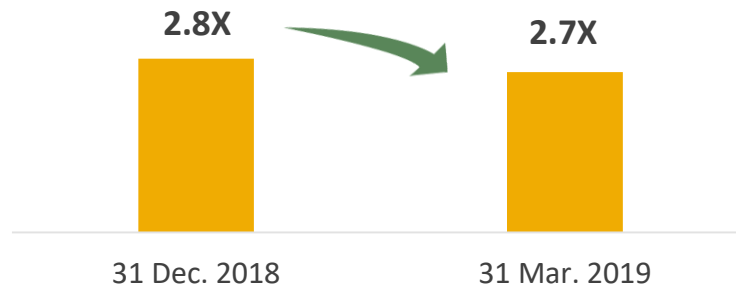
Notes:
(1) Finance cost includes interest income from bank deposit

Healthy cash flow and financial position

Debt to adjusted EBITDA



Net debt to adjusted EBITDA



- Free cash flow turned to an inflow of RMB85 million in 1Q'19
- RMB3.7 billion of cash as at end of 1Q'19
- Exchange of US\$172 million 2020 senior notes to new notes due 2022
- Issue of US\$200 million senior notes due 2022, for refinancing existing indebtedness

Note:
(1) Reconciliation of adjusted EBITDA can be found in CAR Inc.'s 2019 first quarter results announcement

Positive free cash flow

(RMB in millions)

	1Q'19
Adjusted EBITDA	958
Less: Capex	1,235
Less: Tax paid	59
Plus: Disposal of used vehicles	492
Less: Change of other working capital	71
Free cash flow	85

Q&A