



CAR 神州租车

CAR Inc.

2020 Interim Results Earnings Call

**August 28, 2020
8:00 pm Beijing time**

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Business Overview

Yifan SONG

Executive Director & Chief Executive Officer

Financial Results Overview

Tony CAO

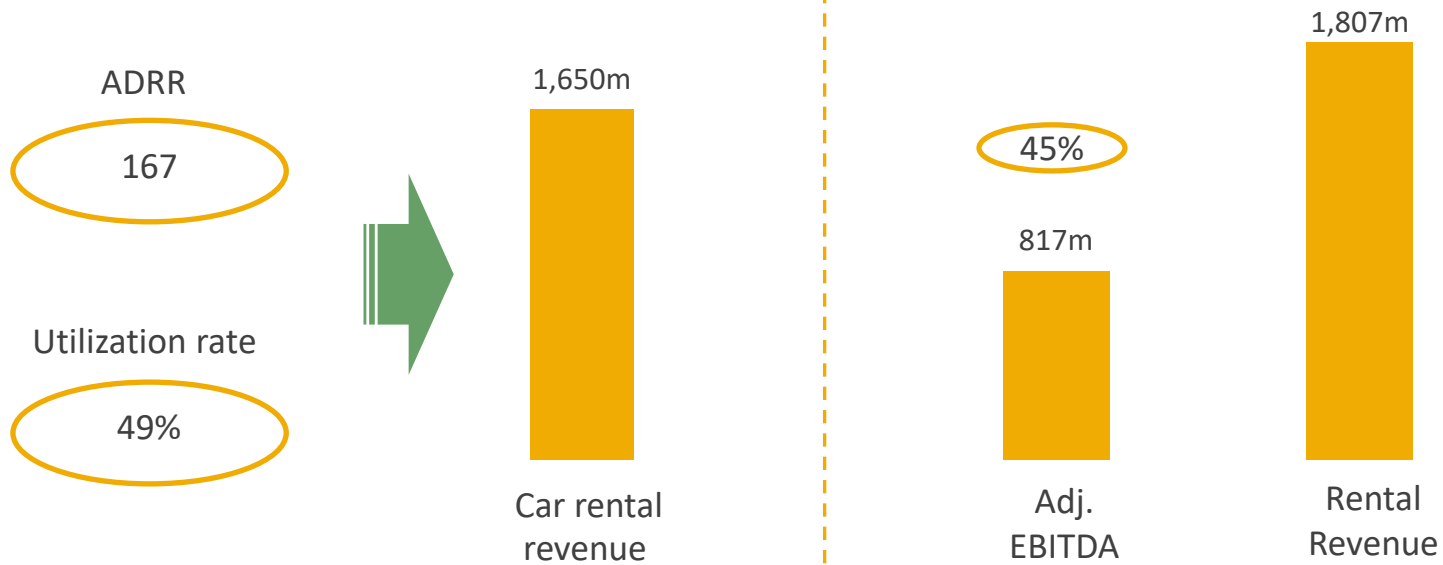
Chief Financial Officer

Business Overview

Yifan Song
Executive Director & Chief Executive Officer

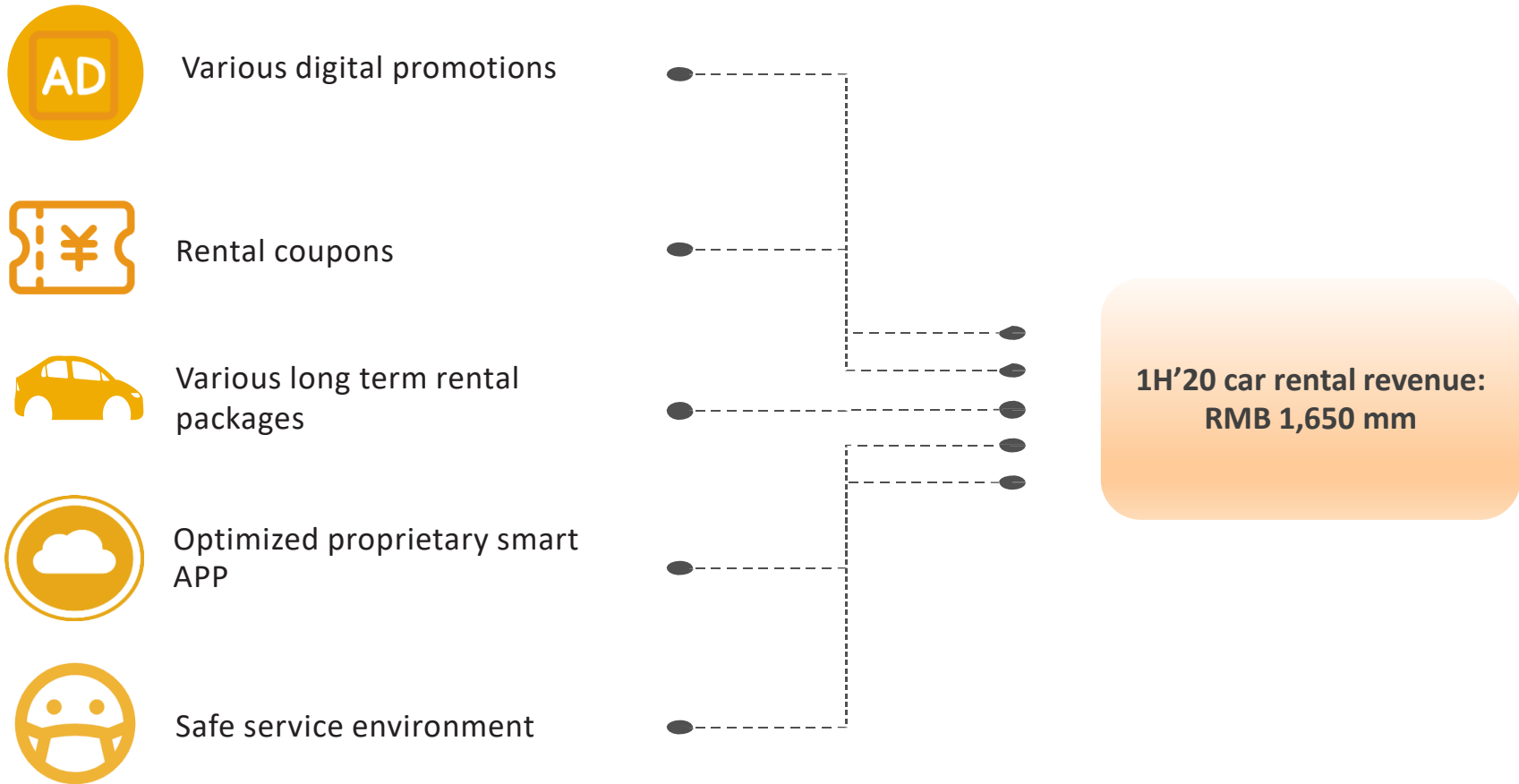
2020 Interim results snapshot

(RMB)



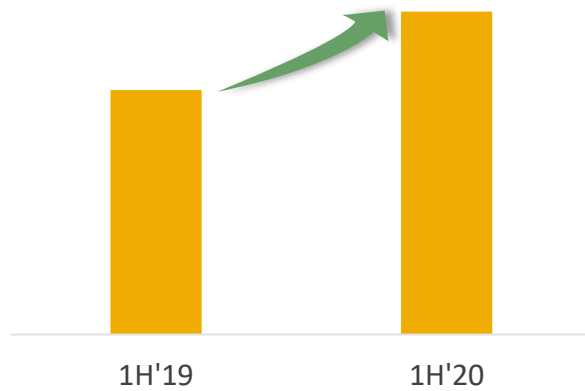
Note:
(1) Margins are as percentages of rental revenue.
(2) Reconciliation of adjusted EBITDA can be found in CAR Inc.'s results announcement.

Increasing efforts to stimulate demand

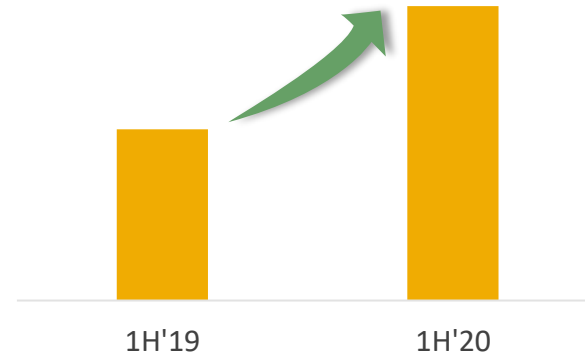


Steadily expanding customer base

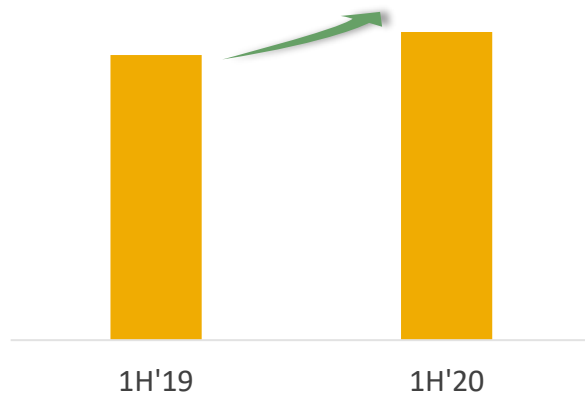
+16% YoY
Customers



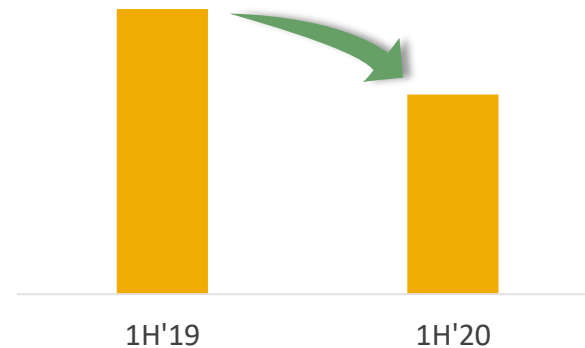
+36% YoY
Members



+4% YoY
Average daily car rental fleet



-14% YoY
Rental days



2020 Interim results snapshot – key extra expenses

Investment impairment

Equity investment in UCAR: ~ RMB2.8 billion

Prepayment to FDG Electric Vehicles Limited: ~RMB86million

Receivable impairment

Trade receivables from related parties and other customers: ~RMB432million

Finance lease receivables from individual customers: ~RMB94million

Depreciation

Increased depreciation cost for Borgward vehicles under repurchase program: ~RMB210million

Share option

Share-based compensation: ~RMB59million

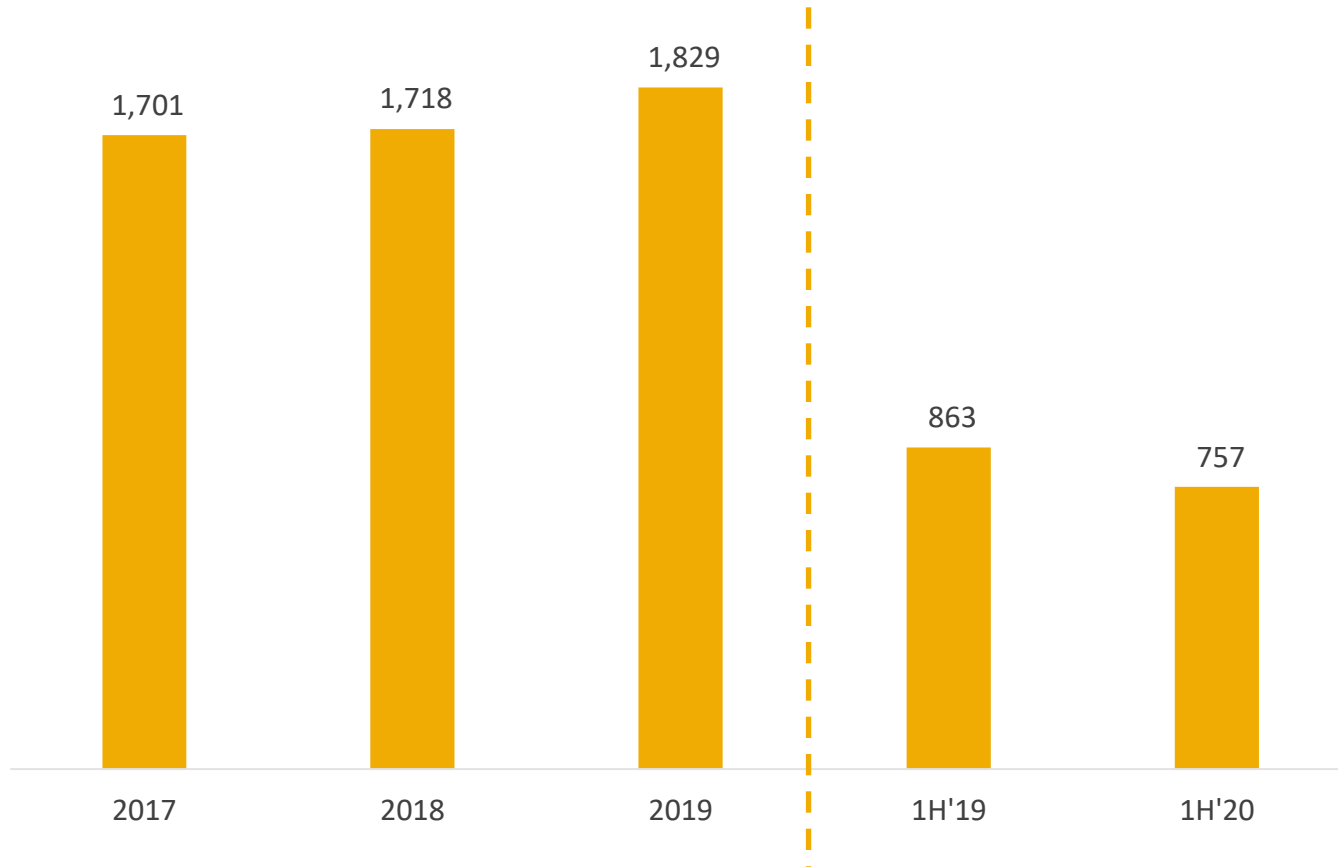
Note:

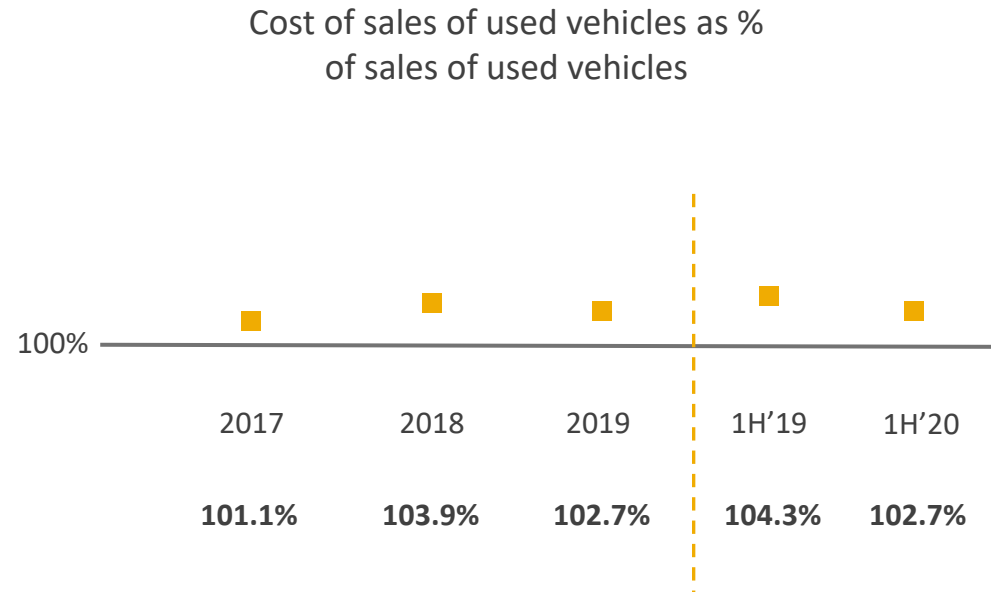
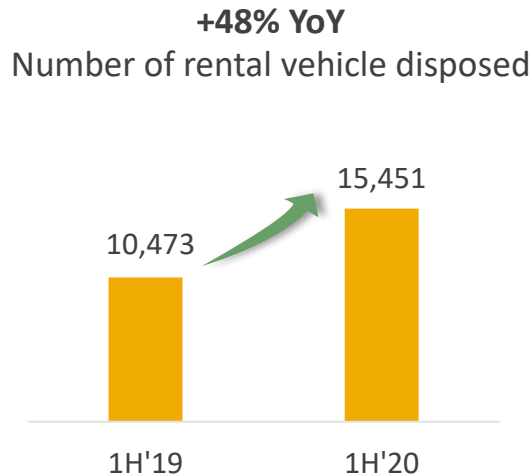
(1) Share option expenses include share based compensation in direct operating expenses, selling and distribution expenses, and administrative expenses.

Effective cost control

(RMB in millions)

Direct operating expenses





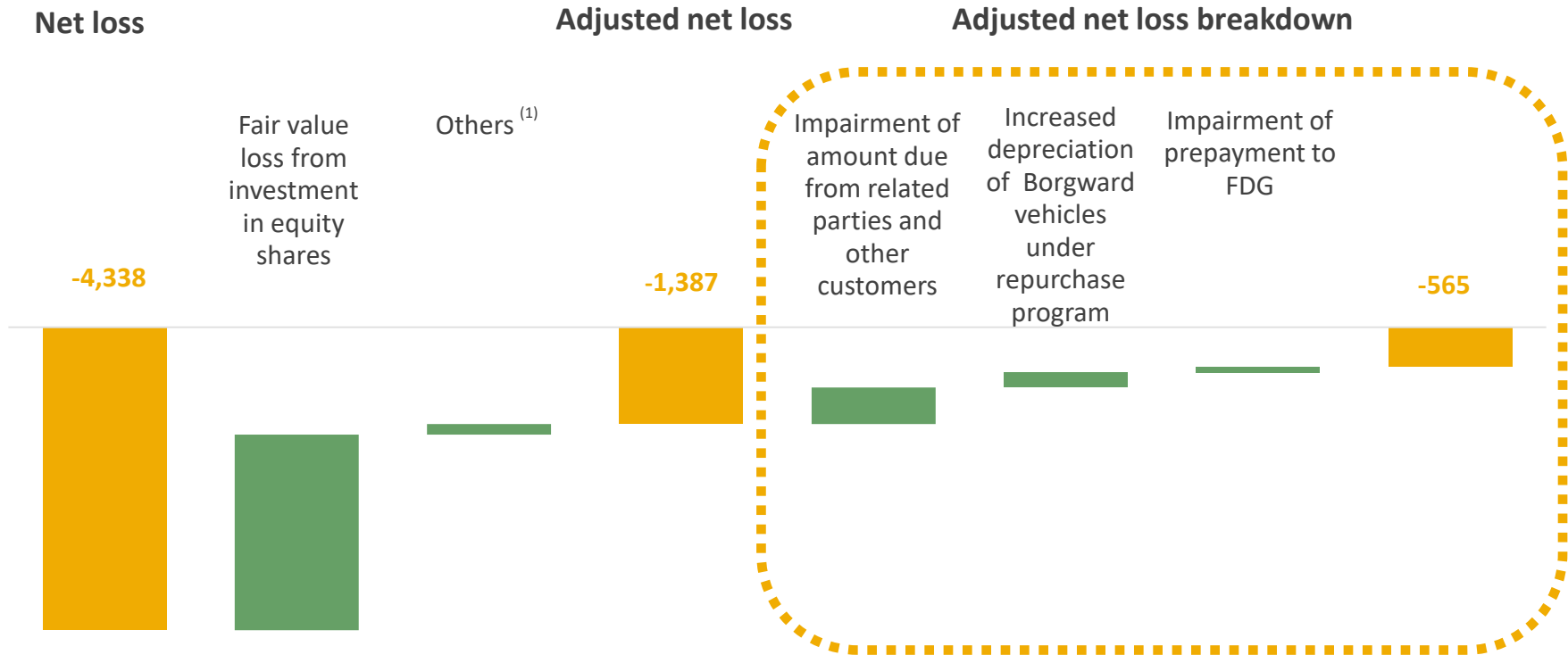
- Lower average price for disposed vehicle YoY as a result of (i) fewer higher priced ride hailing vehicles and (ii) the disposal of certain models with lower sales prices;
- Higher depreciation cost as a percentage of rental revenue mainly as a result of decrease in car rental RevPAC due to the outbreak of COVID-19 and increased depreciation cost of Borgward vehicles under repurchase program as a result of reduced estimated residual values.

Financial Results Overview

Tony Cao
Chief Financial Officer

1H'20 Net loss breakdown

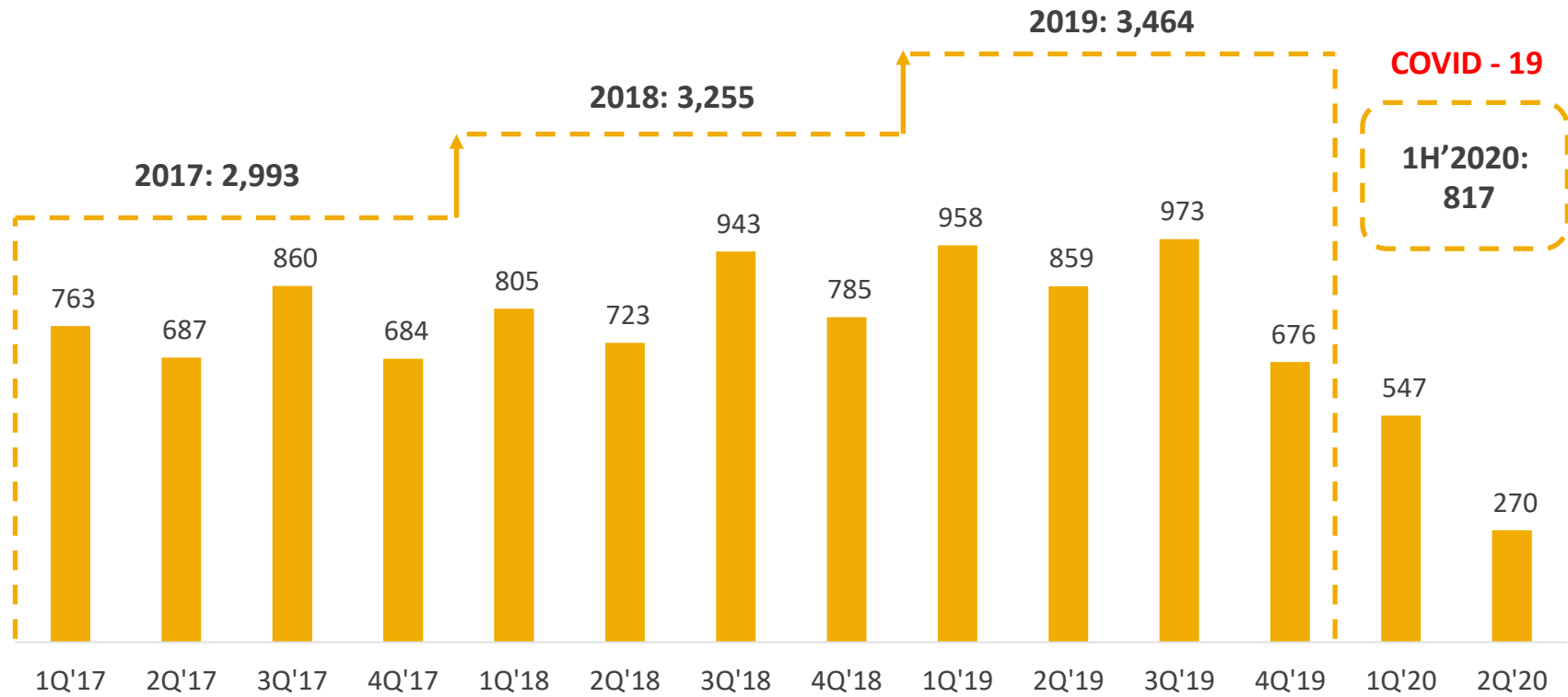
(RMB in millions)



Note:
 (1) Others includes foreign exchange loss, share-based compensation, impairment on Investment in an associate, share of loss of associates, fair value changes on derivative instrument-transaction not qualifying as hedges.

Sustainable adjusted EBITDA

(RMB in millions)

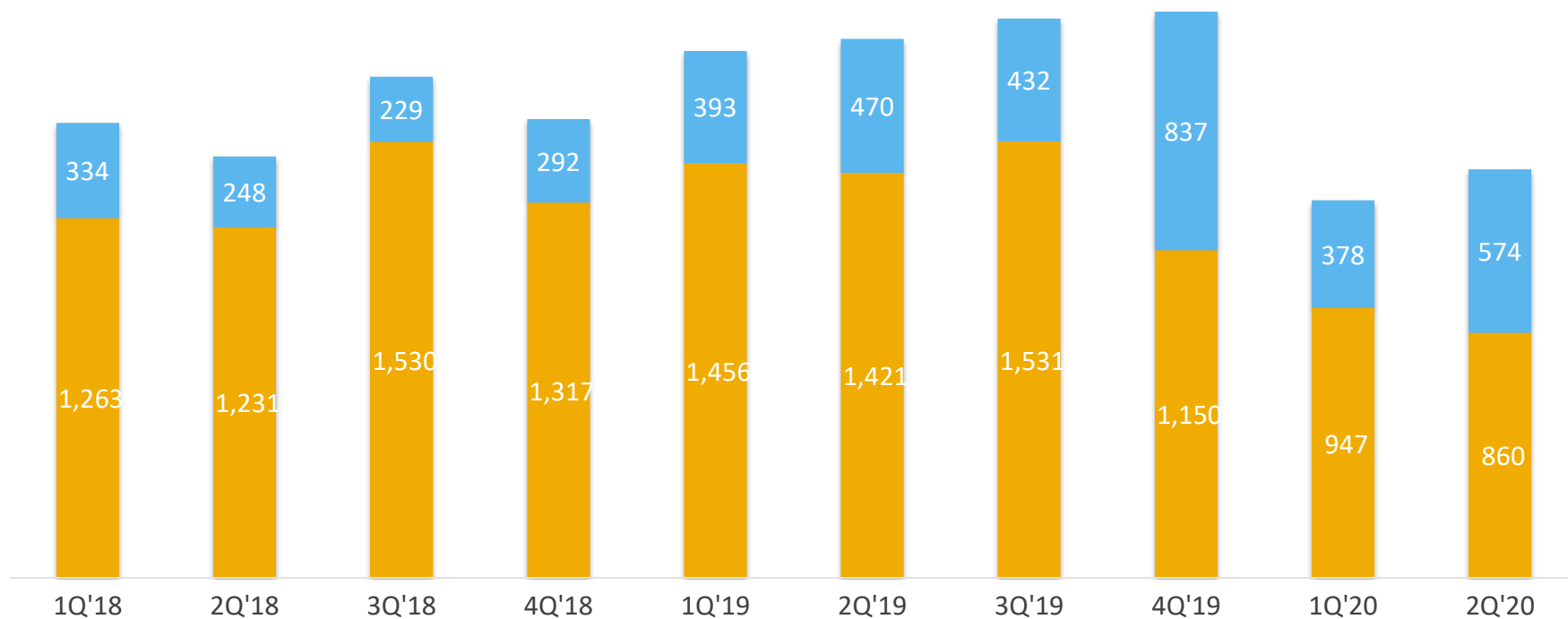


Note:
(1) Quarter numbers may not add up to total number due to rounding issues.

Ability to generate revenue

(RMB in millions)

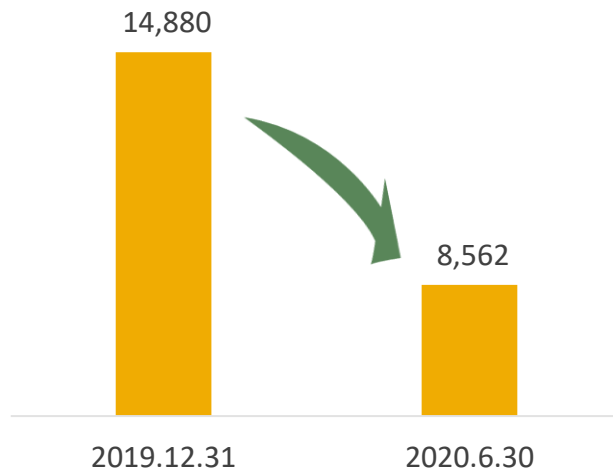
■ Rental Revenue ■ Revenue from sales of used car



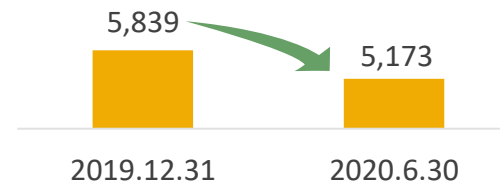
Deleverage to enhance financial position

(RMB in millions)

Total debt

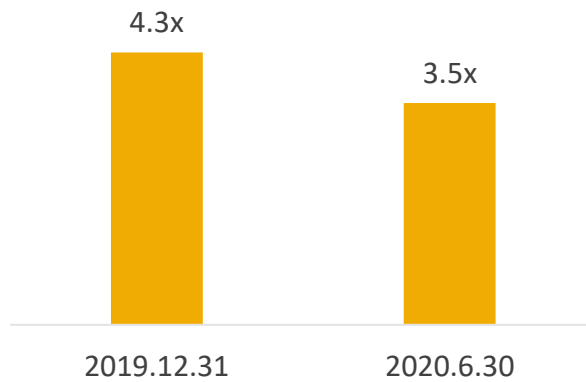


Short term debt

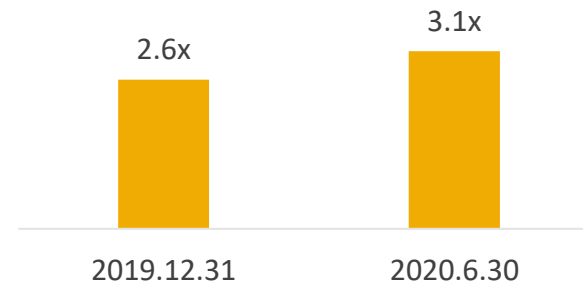


Solid financial position

Total debt/adj. EBITDA



Net debt/adj. EBITDA

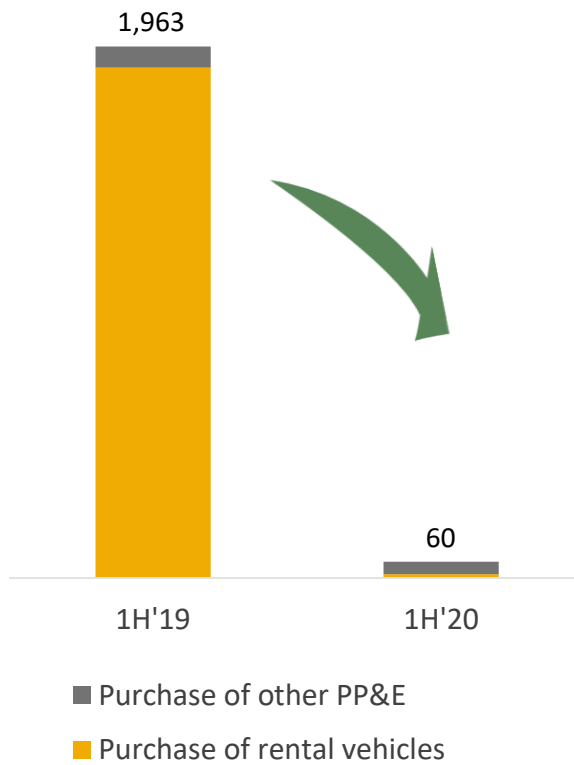


Note:
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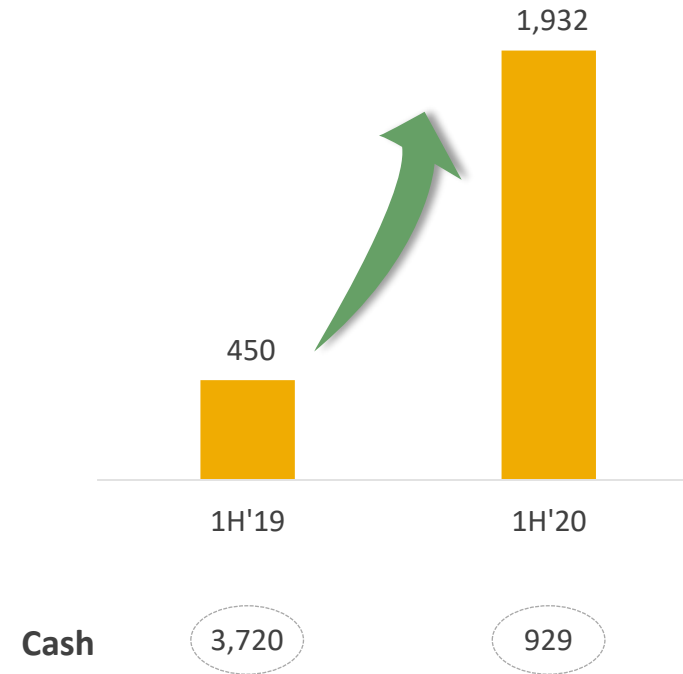
Healthy cash flow

(RMB in millions)

Capital expenditure



Free cash flow



Note:
(1) Cash includes restricted cash and cash and cash equivalents at period end.

Q&A