



2024 3Q Financial Results

November 4th, 2024

Hankook Tire & Technology

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The information in this presentation does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects.

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I. 2024 3rd Quarter Results - Financial Results

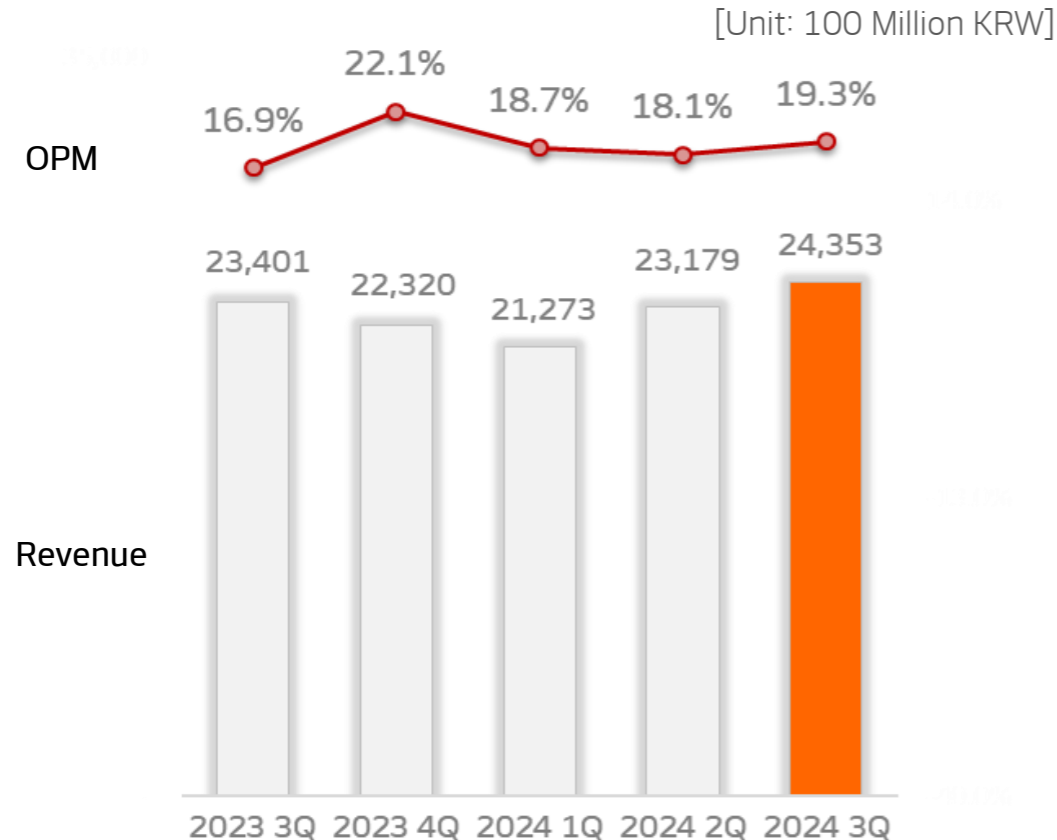


Market Environment

- The global PCLT OE market declined due to reduced vehicle production, whereas the RE market showed growth with stable demand from major regions such as Europe and Korea.
- The global TB market differed by regions, with increased demand from Europe, continued competition in North America and slow demand from China

Sales Performance

- Revenue of KRW 2,318 billion, Operating profit of KRW 470 billion, OPM 19.3%
- Despite a YoY decline in OE sales due to reduced vehicle production, growth in RE sales across major regions, except China, led to an overall rise in total sales.
- Sales ratio of ≥ 18 inch within PCLT increased to 44.8% up 1.4%p YoY
- Enhanced profitability was achieved through an improved product mix and stable pricing.



[Unit: 100 Million KRW]

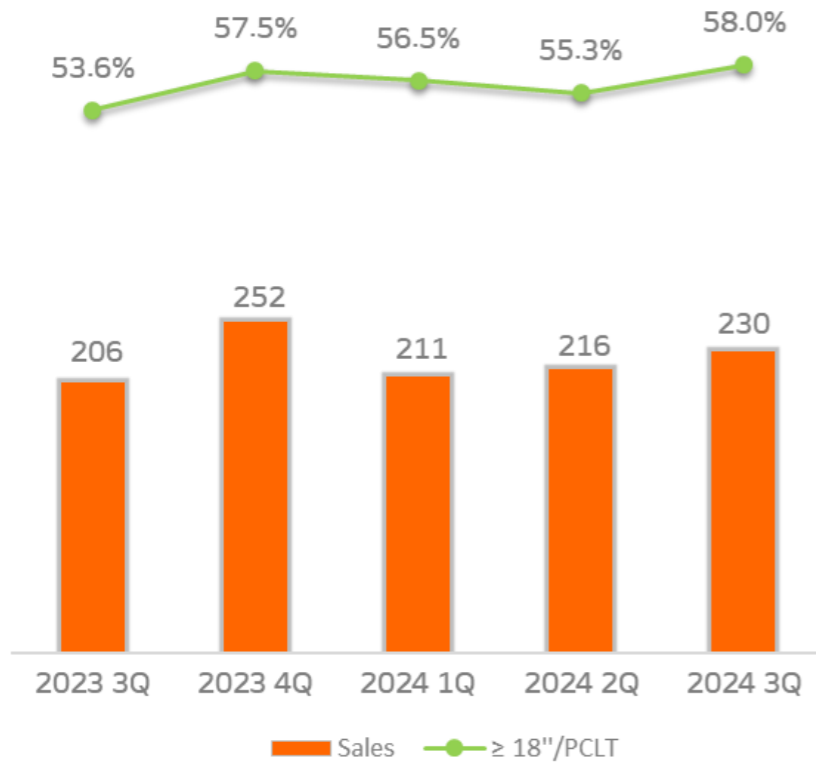
	2023 3Q	2024 2Q	2024 3Q	YoY	QoQ
Sales	23,401	23,179	24,353	+4.1%	+5.1%
COGS	15,596 (66.6%)	14,833 (64.0%)	15,306 (62.9%)	-1.9%	+3.2%
Operating Profit	3,964 (16.9%)	4,200 (18.1%)	4,702 (19.3%)	+18.6%	+11.9%
Ordinary Profit	3,999 (17.1%)	4,404 (19.0%)	4,615 (18.9%)	+15.4%	+4.8%
EBITDA	5,227 (22.3%)	5,484 (23.7%)	6,001 (24.6%)	+14.8%	+9.4%

I. 2024 3rd Quarter Results - Regional Performance (Korea)



KOREA

[Unit: Billion KRW, %]



Market Environment

- RE : Stable demand in the PCLT market and increased TB demand due to higher transportation activities
- OE : Market contraction due to lower production and decline in new vehicle sales

Sales Performance

- RE : Sales continued to improve with not only volume growth exceeding market demand but also increase in sales of high-value products
- OE : Sales decline due to lower vehicle production

Forward-Looking Strategy

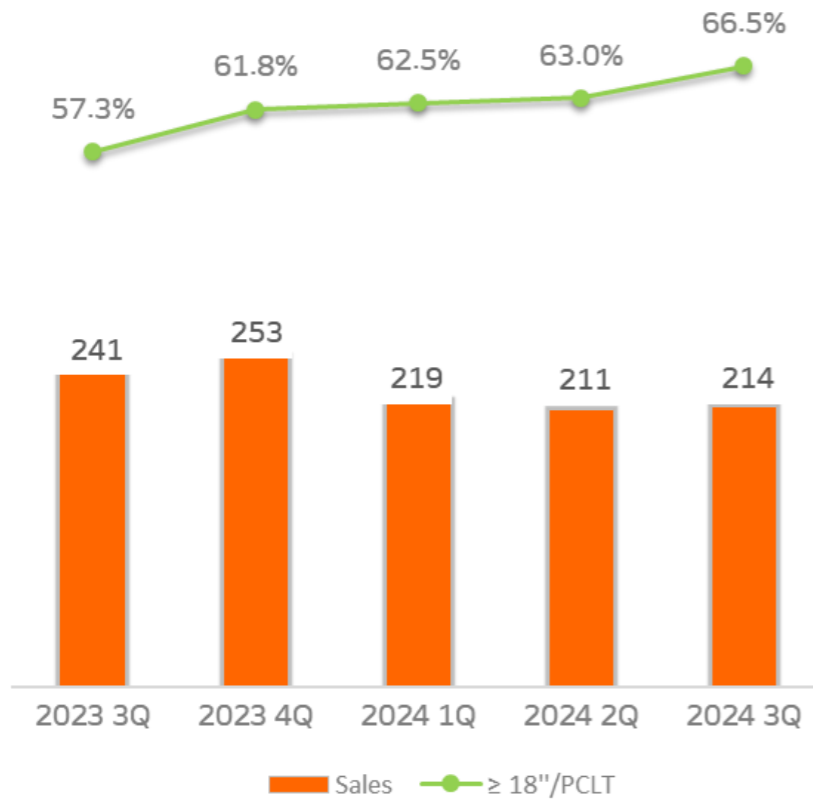
- The company will enhance market competitiveness by launching new strategic products and leading the EV tire market

I. 2024 3rd Quarter Results - Regional Performance (China)



CHINA

[Unit: Billion KRW, %]



Market Environment

- RE : Concerns over the economy and weakened consumer sentiment have slowed sales recovery in the RE market
- OE : Dampened consumer sentiment caused lower car production

Sales Performance

- RE : Despite an improved product mix, sales declined due to weak consumer sentiment
- OE : Sales declined due to decreased car production

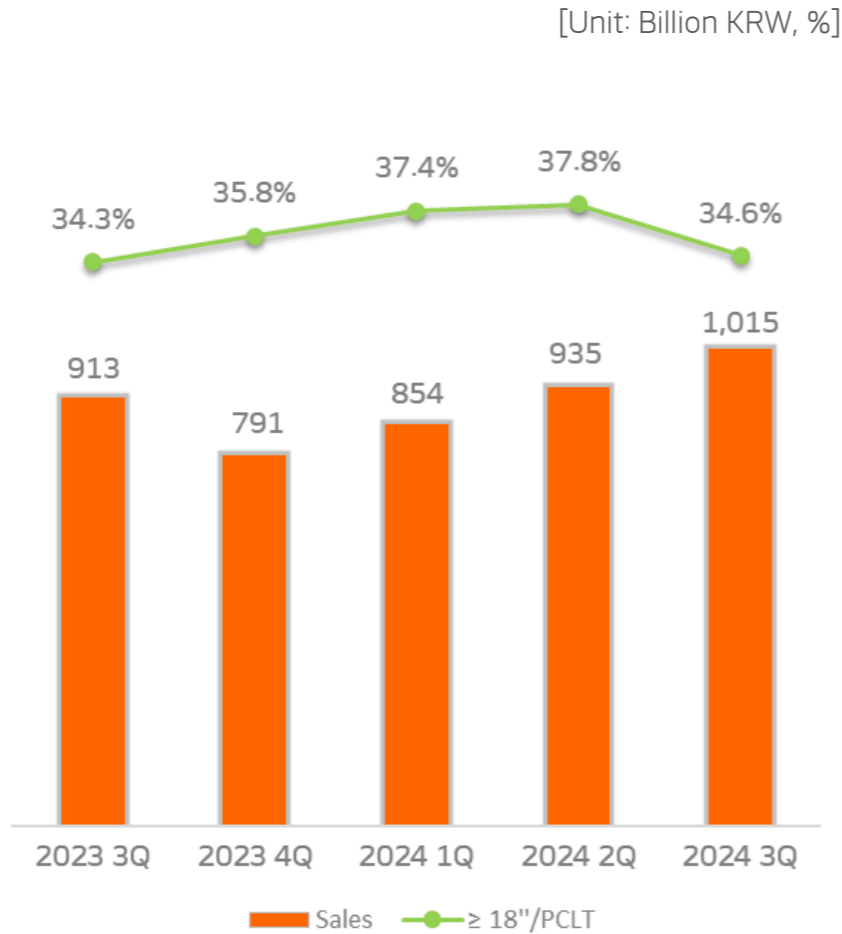
Forward-Looking Strategy

- The tire market is anticipated to gradually recover as the Chinese government implements economic stimulus and consumption promotions
- The company aims to drive profitability focusing on strategic product sales

I. 2024 3rd Quarter Results - Regional Performance (Europe)



EUROPE



Market Environment

- RE : Stable RE demand driven by winter tires
- OE : OE Demand growth with increased car sales

Sales Performance

- RE : Sales growth upon strong volumes which exceed market growth
- OE : Sales increase with higher vehicle production

Forward-Looking Strategy

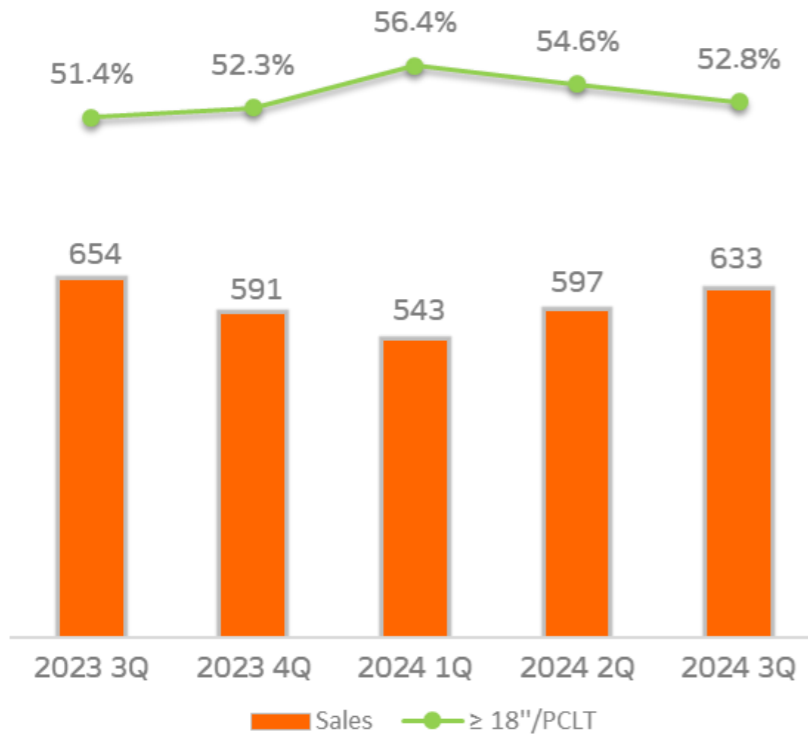
- Continued focus on winter and all-weather tires, as positive market trends are expected to persist into the 4Q

I. 2024 3rd Quarter Results - Regional Performance (North America)



NORTH AMERICA

[Unit: Billion KRW, %]



Market Environment

- RE : Competition continued to intensify with the rise of cost-competitive import products
- OE : Slight growth of new car sales YoY

Sales Performance

- RE : A strengthened retail network enabled growth in Canada, contributing to overall RE sales growth
- OE : Sales declined due to lower OE supplement

Forward-Looking Strategy

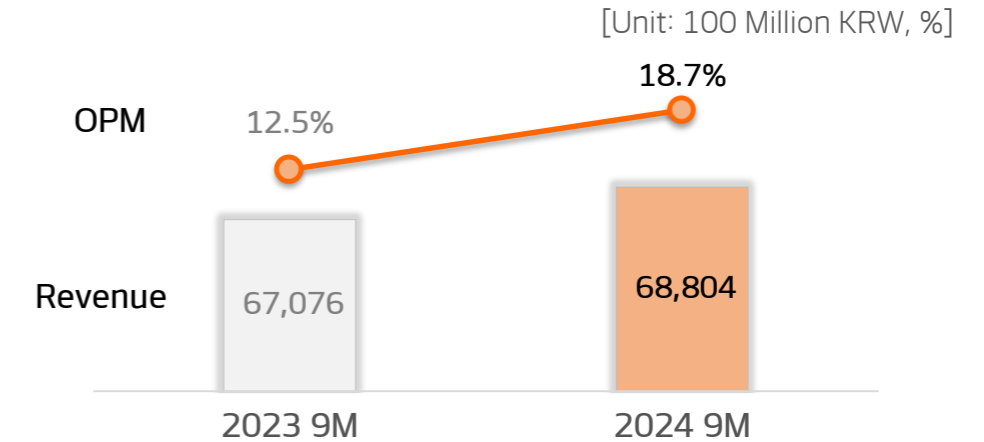
- Continued focus on high-inch and high-value products such as SUVs and EVs
- Further marketing activities planned for the 'Dynapro' products and the EV exclusive tire 'iON'.

II. 2024 Outlook

Growth

Target : Growth in revenue & Maintaining double-digit OPM

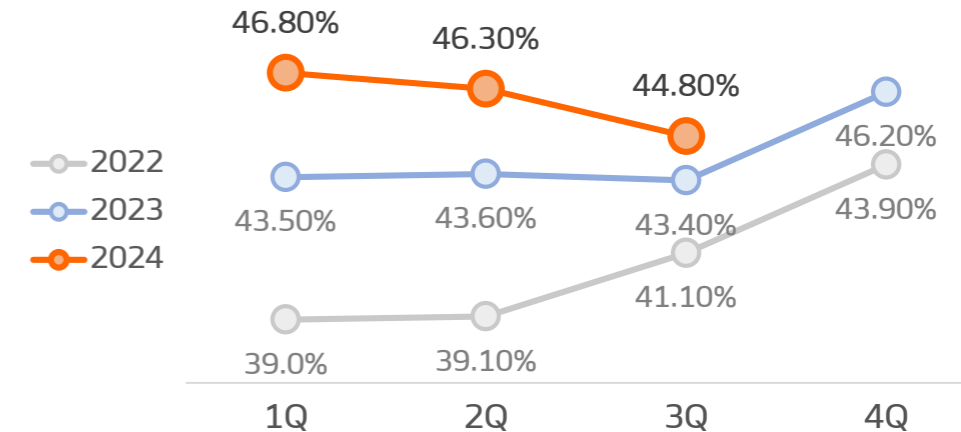
- 2024 9M Revenue KRW 6,880 billion, +2.6% YoY
- 2024 9M Operating Profit KRW 1,289 billion, +54.3% YoY
- 2024 9M OPM 18.7%, +6.2%p YoY



Product Mix

Target : 2024 Sales ratio of ≥ 18 inch within PCLT Target of 49%

- 2024 9M Sales ratio of ≥18 inch within PCLT 46% (YTD +2.5%p)
- Enhanced competitiveness via new product development and expansion of high-value standards
- Maximizing sales of strategic products such as high-inch and EV tires, to solidify 'Hankook' as a premium brand



EV

Target : 2024 Sales ratio of EV tires within PCLT OE Target of 25%

- Sales ratio of EV tires within PCLT OE 2024 3Q 20.4%
- The slowed transition to electric vehicles and shifting automaker strategies make it challenging to meet the original targets, necessitating a downward adjustment.

III. Business Highlights - Global Automaker Collaboration



Original equipment for the new BMW M5.



- Supplying the specially matched Ventus S1 evo Z UUHP tire as original equipment for the new BMW M5
- Special high-performance summer tread guarantees a one-of-a-kind driving experience
- High load capacity ensures superior handling characteristics in the first BMW M5 model generation with an electrified drive system

Genesis Tire Relief Replacement Service



- Supplying all-season replacement tires for the "Alternative" tire replacement service of Hyundai Motor's luxury brand, Genesis
- Offering a premium concierge service that covers everything from purchase to installation and quality assurance
- Customers can purchase tires compatible with all Genesis models online and choose from over 300 Hankook Tire locations nationwide for installation

Honda Production Supplier Awards



- Honda presents two 2023 Mass Production Supplier Awards to Hankook Tire North America
- Recognized with the award for excellence in both 'Quality and Delivery', as well as 'Value'
- As a trusted partner of Honda since 2013, the company is excited to continue working with Honda to raise the bar on standards for tire quality, especially in electric and hybrid-electric vehicles



Hankook Tire & Technology

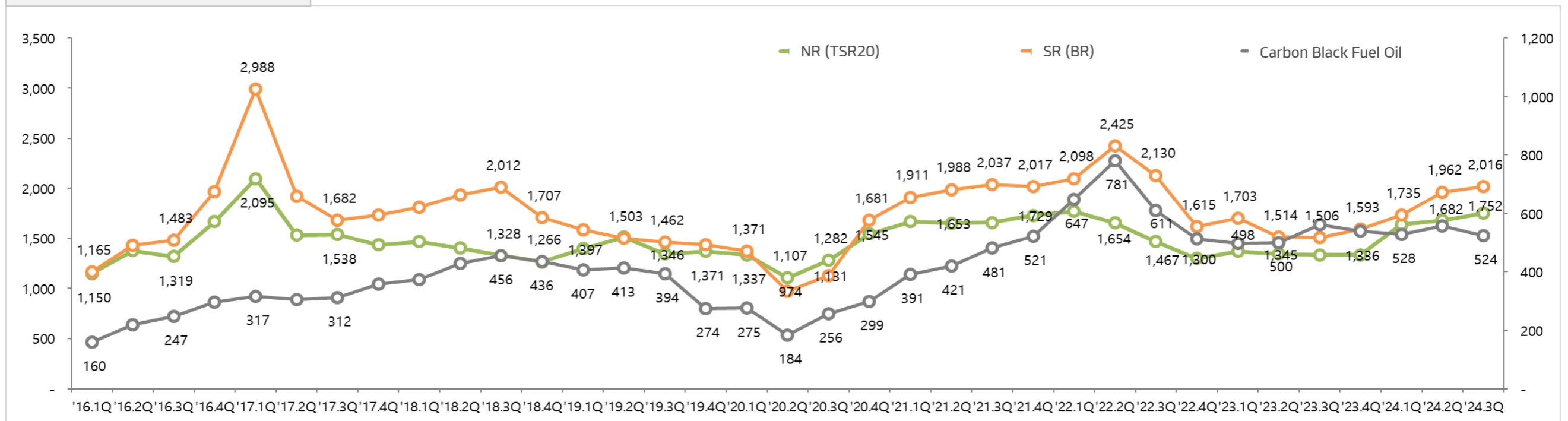
IV. Appendix - Raw Material Trend



- N/R : After reaching a low in '24 3Q, SICOM TSR20 prices have continued to rise due to supply deficit from extreme weather in Southeast Asia. However, the 12-month delay of the EUDR has tempered the anticipated increase in natural rubber prices, and expected improvements in climate conditions could stabilize and potentially reduce prices.
- S/R : Anticipated demand for synthetic rubber as an alternative to natural rubber, coupled with rising prices and increased demand from India, has led to a rebound in prices. Butadiene prices, however, showed mixed trends due to expected economic stimulus in China and increased imports from Europe and America. Butadiene prices are expected to decline in '24 4Q, driven by scheduled maintenance and inventory reductions.
- C/B : Global oil prices increased in '24 2Q due to unstable oil supply chains from the Middle East conflict. Prices then declined in 3Q, as OPEC lowered its global demand forecast and China's crude oil imports fell. Despite these factors, prices rebounded in 4Q amid ongoing Middle East tensions.

Raw Material Price Trend

[USD / Ton]



Note 1) TSR20 : SICOM Price (Natural Rubber)

Note 2) BR(Butadiene Rubber) : ICIS CFR NE/SE Asia Average Price

Note 3) Carbon Black Fuel Oil: Index Price of refined Oil

IV. Appendix - Consolidated B/S



[100 Million KRW]

	2023		2024 3Q		Diff.	
	Amt	%	Amt	%	Amt	%
Assets	127,633	100.0%	141,810	100.0%	14,177	11.1%
Current Assets	67,681	53.0%	77,660	54.8%	9,980	14.7%
Cash and cash equivalents	22,439	17.6%	25,212	17.8%	2,774	12.4%
Short term financial assets	4,180	3.3%	5,811	4.1%	1,631	39.0%
Trade and other receivables	18,736	14.7%	20,882	14.7%	2,146	11.5%
Inventories	20,226	15.8%	23,010	16.2%	2,784	13.8%
Other current assets	2,100	1.6%	2,745	1.9%	645	30.7%
Non-current Assets	59,952	47.0%	64,149	45.2%	4,197	7.0%
Tangible, Intangible assets and Investment properties	40,818	32.0%	45,717	32.2%	4,898	12.0%
Investments in associates	11,170	8.8%	11,212	7.9%	42	0.4%
Other non-current assets	7,964	6.2%	7,221	5.1%	-743	-9.3%
Liabilities	31,338	24.6%	34,604	24.4%	3,267	10.4%
Current Liabilities	22,844	17.9%	26,754	18.9%	3,910	17.1%
Non-Current Liabilities	8,494	6.7%	7,850	5.5%	-643	-7.6%
Shareholder's Equity	96,296	75.4%	107,206	75.6%	10,910	11.3%
Debt	11,668		12,070			
Net Debt	-17,955		-20,160			
Liability Ratio		32.5%		32.3%		
Net Worth to Assets		75.4%		75.6%		
Net debt Ratio			Net Cash		Net Cash	

IV. Appendix - Consolidated I/S (Quarter Results)



[100 Million KRW]

	2023 3Q		2024 2Q		2024 3Q		YoY (%)	QoQ (%)
	Amt	%	Amt	%	Amt	%		
Sales	23,401	100.0%	23,179	100.0%	24,353	100.0%	4.1%	5.1%
COGS	15,596	66.6%	14,833	64.0%	15,306	62.9%	-1.9%	3.2%
Gross Profit	7,805	33.4%	8,346	36.0%	9,047	37.1%	15.9%	8.4%
SG&A	3,841	16.4%	4,145	17.9%	4,344	17.8%	13.1%	4.8%
Operating Profit	3,964	16.9%	4,200	18.1%	4,702	19.3%	18.6%	11.9%
Other non-operating income/expense	42	0.2%	134	0.6%	-236	-1.0%		
Financial income/cost	135	0.6%	191	0.8%	149	0.6%		
Equity-method gain(loss)	-142	-0.6%	-120	-0.5%				
Income before income tax	3,999	17.1%	4,404	19.0%	4,615	18.9%	15.4%	4.8%
EBITDA	5,227	22.3%	5,484	23.7%	6,001	24.6%	14.8%	9.4%
Depreciation	1,263	5.4%	1,283	5.5%	1,299	5.3%	2.8%	1.2%

* '24 3Q Investments in associates are currently included in Other non-operating income/expense and will be re-classified after the audit

IV. Appendix - Consolidated I/S (9M Results)



[100 Million KRW]

	2023 9M		2024 9M		YoY (%)
	Amt	%	Amt	%	
Sales	67,076	100.0%	68,804	100.0%	2.6%
COGS	47,302	70.5%	43,591	63.4%	-7.8%
Gross Profit	19,774	29.5%	25,213	36.6%	27.5%
SG&A	11,418	17.0%	12,323	17.9%	7.9%
Operating Profit	8,355	12.5%	12,890	18.7%	54.3%
Other non-operating income/expense	-296	-0.4%	316	0.5%	
Financial income/cost	-437	-0.7%	497	0.7%	
Equity-method gain(loss)	49	0.0%			
Income before income tax	7,672	11.4%	13,704	19.9%	78.6%
EBITDA	12,160	18.1%	16,702	24.3%	37.3%
Depreciation	3,805	5.7%	3,811	5.5%	0.2%

* '24 9M Investments in associates are currently included in Other non-operating income/expense and will be re-classified after the audit