

2025 1Q Financial Results

May 9th, 2025

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. 2025 1Q Financial Results - Profit Summary



- Consolidated Revenue of KRW 4,963.7 billion, Operating Profit of 354.6 billion, OPM 7.1%
- Tire Business : Revenue +10.3% YoY, Operating Profit -16.3% YoY
- Thermal Management Business : Revenue +8.9% YoY, Operating Profit -68.5% YoY

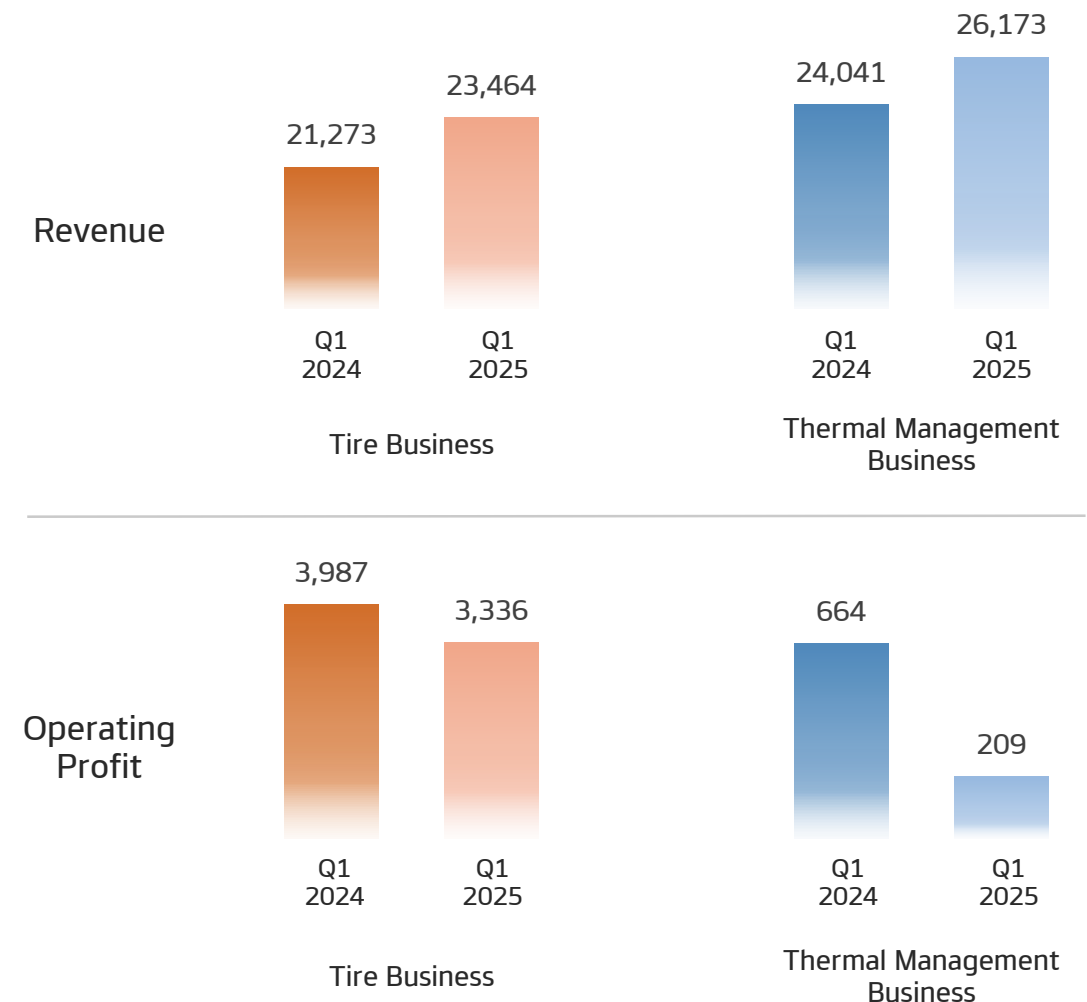
Company performance

[100 Million KRW]

	Tire Business	Thermal Management Business	Total
Revenue	23,464	26,173	49,637
COGS	15,723 (67.0%)	24,272 (92.7%)	39,995 (80.6%)
Operating Profit	3,336 (14.2%)	209 (0.8%)	3,546 (7.1%)
Ordinary Profit	4,201 (17.9%)	-176 (-0.7%)	3,934 (7.9%)
EBITDA	4,740 (20.2%)	1,912 (7.3%)	6,653 (13.4%)

Performance by business segment

[100 Million KRW]



※ The Total(Consolidated) figures include partial adjustments for intercompany transactions.

I. 2025 1Q Financial Results - Key Financials



- Consolidated debt-to-equity ratio remained stable at 99.3%, despite inclusion of Hanon Systems results

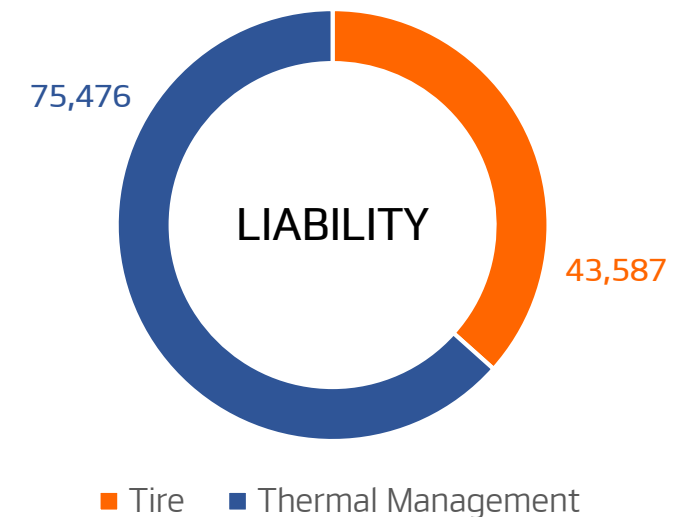
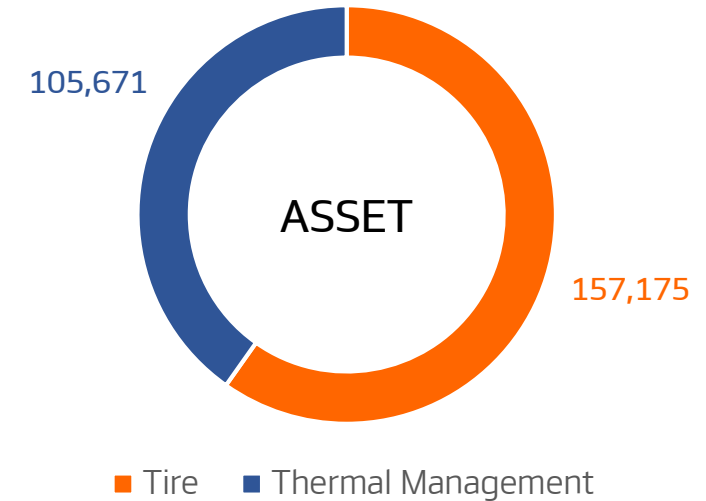
Financial Overview

[100 Million KRW]

	Tire Business	Thermal Management Business	Total
Assets	157,175	105,671	241,546
Current Assets	70,336	42,855	112,854
Cash, cash equivalents and other short term financial assets	19,314	8,657	27,970
Trade and other receivables	22,097	17,292	38,016
Inventories	25,032	13,075	38,107
Other current assets	3,893	3,831	8,761
Non-current Assets	86,839	62,816	128,692
Tangible, Intangible assets and Investment properties	52,717	57,808	116,114
Other non-current assets	34,122	5,008	12,578
Liabilities	43,587	75,476	120,337
Current Liabilities	28,440	49,939	78,033
Non-Current Liabilities	15,147	25,537	42,304
Shareholder's Equity	113,588	30,195	121,209
Liability Ratio	38.4%	250.0%	99.3%

Financial Position by business segment

[100 Million KRW]



※ The Total(Consolidated) figures include partial adjustments for intercompany transactions.

II. Performance by Business Segment

1) Tire Business - Overview



Market Environment

- PCLT Market
 - OE demand declined globally (excluding China), due to geopolitical and macroeconomic uncertainties
 - RE demand remained solid in Europe, with clear regional variations
- TB Market
 - OE demand contracted amid inflation and recession concerns
 - RE demand stable in Western Europe; slight declines in North America and Eastern Europe

Business Performance

- Revenue KRW 2,346.4 billion, Operating Profit KRW 333.6 billion, OPM 14.2%
- Sales increased by 10.3% YoY, supported by solid RE volume, improved product mix, and favorable FX
- However, operating profit declined due to higher raw material and increased shipping expenses

Sales Performance

- OE revenue increased YoY backed by favorable FX, despite a slight decline in sales volumes due to market uncertainties
- RE revenue and sales volume both rose YoY, driven by solid demand in Europe, Korea, and other regions
- Sales ratio of ≥18-inch tires within PCLT accounted for 47.1% up +0.3%p YoY
- EV sales ratio of PCLT OE reached 23% up +6%p YoY

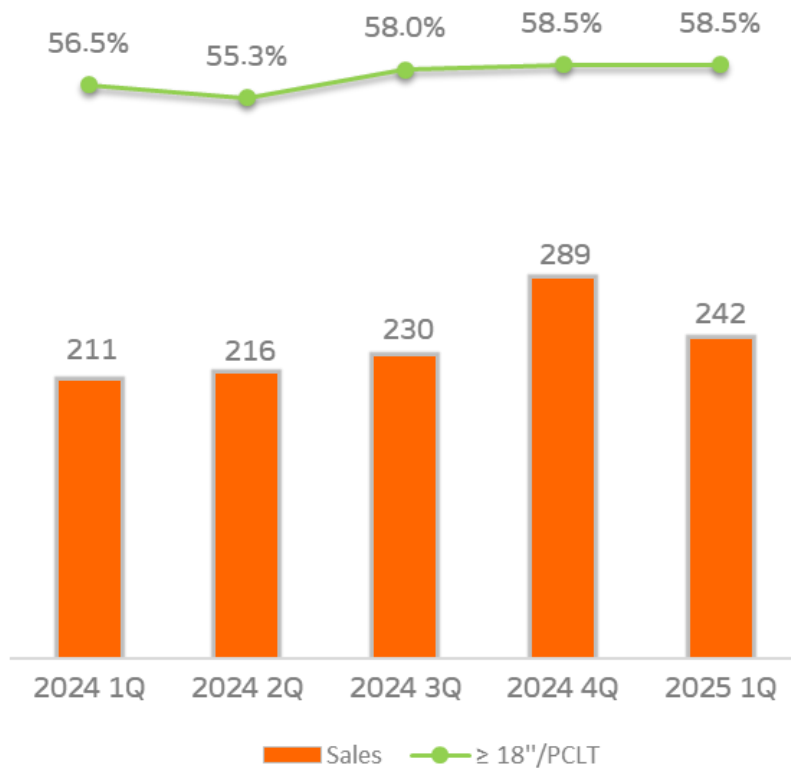
[100 Million KRW]

	2024 1Q	2024 4Q	2025 1Q	YoY	QoQ
Sales	21,273	25,315	23,464	+10.3%	-7.3%
COGS	13,452 (63.2%)	15,848 (62.6%)	15,723 (67.0%)	+16.9%	-0.8%
Operating Profit	3,987 (18.7%)	4,733 (18.7%)	3,336 (14.2%)	-16.3%	-29.5%
Ordinary Profit	4,685 (22.0%)	2,035 (8.0%)	4,201 (17.9%)	-10.3%	+106.5%
EBITDA	5,213 (24.5%)	6,072 (24.0%)	4,740 (20.2%)	-9.1%	-21.9%

1) Tire Business - Performance by region (Korea)

KOREA

[Billion KRW, %]



Market Environment

- RE : Domestic tire market grew YoY, with major brands implementing price hikes in Q1
- OE : New vehicle sales in Korea declined slightly YoY

Sales Performance

- RE : Sales increased YoY, outperforming overall market demand
- OE : Despite sluggish market conditions, sales grew YoY with increased supply to new vehicle models

Forward-Looking Strategy

- Plan to enhance competitiveness by strengthening distribution, driving promotional activities, and increasing sales of high value-added products such as EV tires

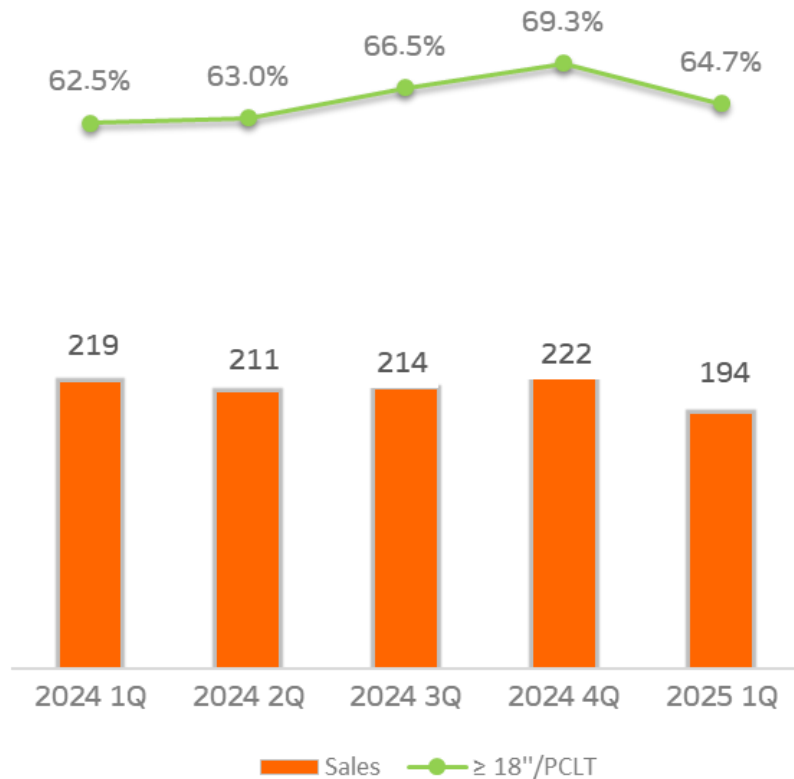
II. Performance by Business Segment

1) Tire Business - Performance by region (China)



CHINA

[Billion KRW, %]



Market Environment

- RE : Overall market recovery remains slow due to weak consumer sentiment and sluggish demand, despite easing inflation indicators
- OE : New vehicle demand improving, driven by government stimulus measures such as China's "Old-for-New" program and NEV tax incentives

Sales Performance

- RE : Despite continued growth in ≥18-inch PCLT tire sales and a rebound in TB sales, overall sales declined YoY due to sluggish market conditions and weak consumer sentiment
- OE : Sales declined YoY due to reduced production by global automakers

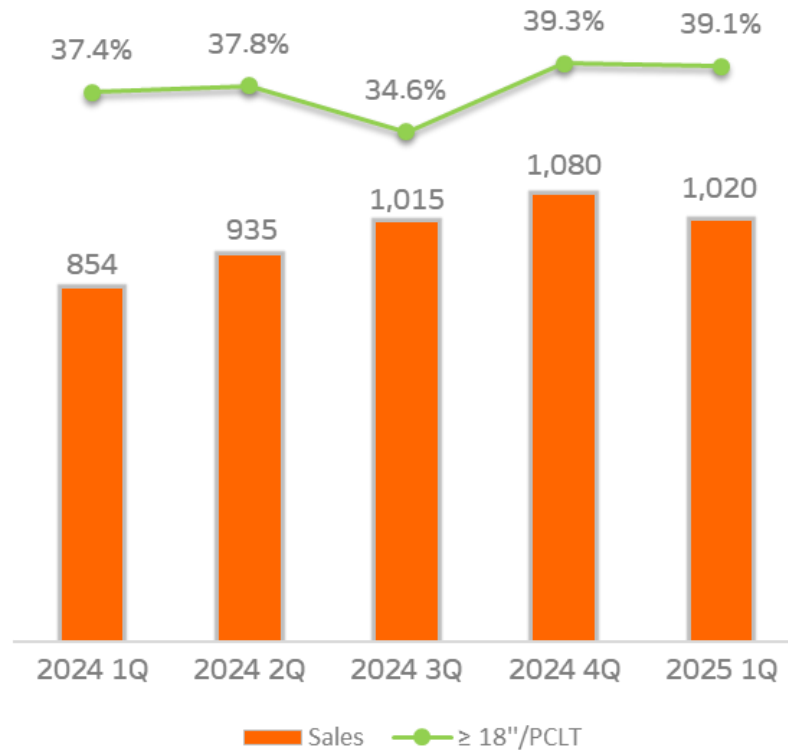
Forward-Looking Strategy

- Plant to maintain focus on high value-added strategic products, as consumer sentiment is expected to recover, supported by government stimulus policies

1) Tire Business - Performance by region (Europe)

EUROPE

[Billion KRW, %]



Market Environment

- RE : Stable market demand driven by All-Weather and Winter tires
- OE : New vehicle sales declined YoY due to reduced consumer spending amid inflation

Sales Performance

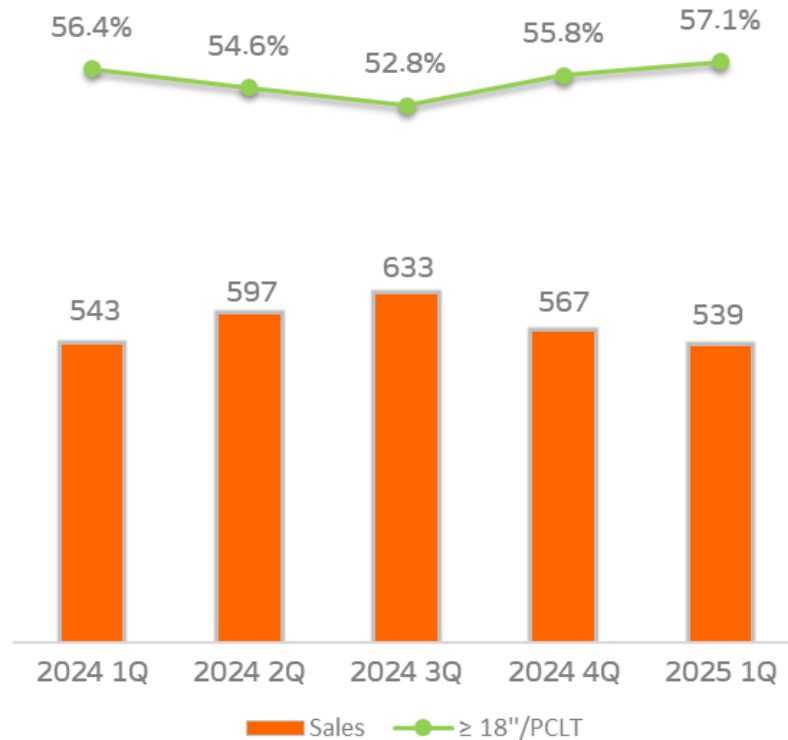
- RE : Sales grew across all product categories, exceeding overall market demand
- OE : Sales increased YoY, driven by an increase in contracted supply volume

Forward-Looking Strategy

- As winter tire demand is expected to exceed last year's level, proactive measures are planned to ensure stable orders and support continued growth

NORTH AMERICA

[Billion KRW, %]



Market Environment

- RE : Ongoing market pressure from intensified competition
- OE : New vehicle sales increased YoY

Sales Performance

- RE : Sales declined YoY due to intensified market competition
- OE: Sales declined YoY due to reduced production of supplied vehicle models

Forward-Looking Strategy

- Monitoring market conditions and preparing to respond to changes triggered by tariff-related developments
- Sales and marketing efforts to be strengthened in line with the Tennessee plant expansion, with initial operations expected to begin within 2025

1) Tire Business - Business Highlights

New Original Equipment Fitments



① Lucid 'Gravity'

'iON evo AS SUV' All-Season Tires to be fitted on Lucid Motors' all-new electric SUV, the Lucid Gravity

② Hyundai 'Ioniq 9'

'iON evo AS SUV' All-Season Tires to be fitted on Hyundai Motor's flagship electric SUV Ioniq 9

③ KIA 'Tasman'

'Dynapro AT2 Extreme' on- and off-road optimal All-Weather Tires to be fitted on Kia's first pickup truck Tasman



④ Volkswagen 'Tiguan'

'Ventus evo SUV' Premium Summer Tires to be fitted on Volkswagen's popular SUV, the Tiguan

⑤ CUPRA 'Terramar'

'Ventus evo SUV' Premium Summer Tires to be fitted on CUPRA's sporty SUV, the Terramar

Technology Recognition by automotive magazine tires tests



- Hankook Tire's EV-exclusive performance tire, 'iON evo,' and ultra-high-performance tire, 'Ventus evo' both earned the prestigious 'Exemplary' rating from Germany's leading automotive magazine, Auto Bild.
- Both were recognized for their balanced performance and advanced technology.
 - iON evo was praised for its outstanding hydroplaning resistance, wet braking, excellent driving dynamics and a quiet ride.
 - Ventus evo was noted for its dynamic handling and strong braking performance under all driving conditions.

2) Thermal Management Business - Overview

[100 Million KRW]

Business Performance

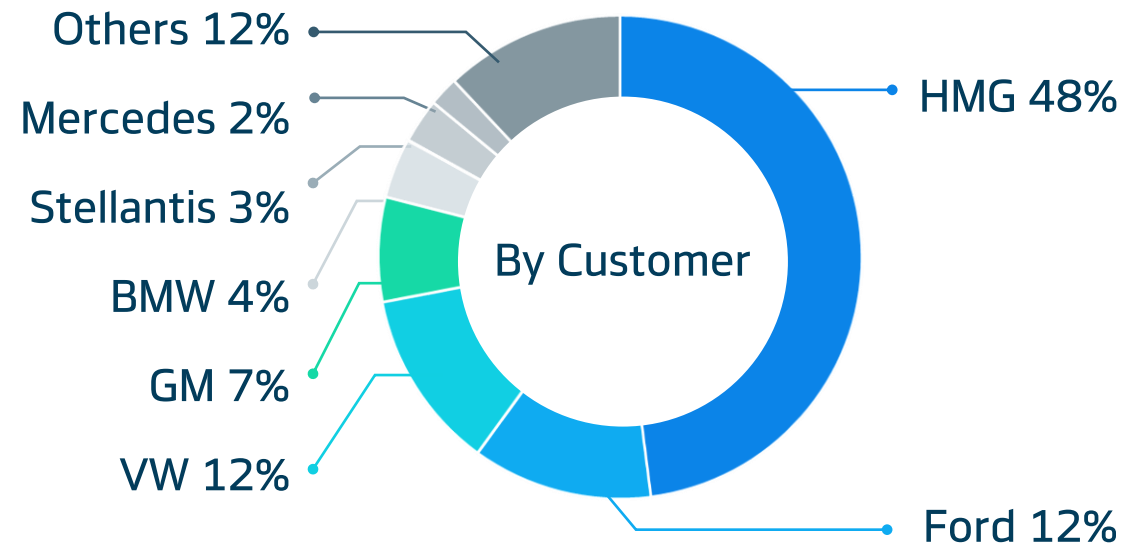
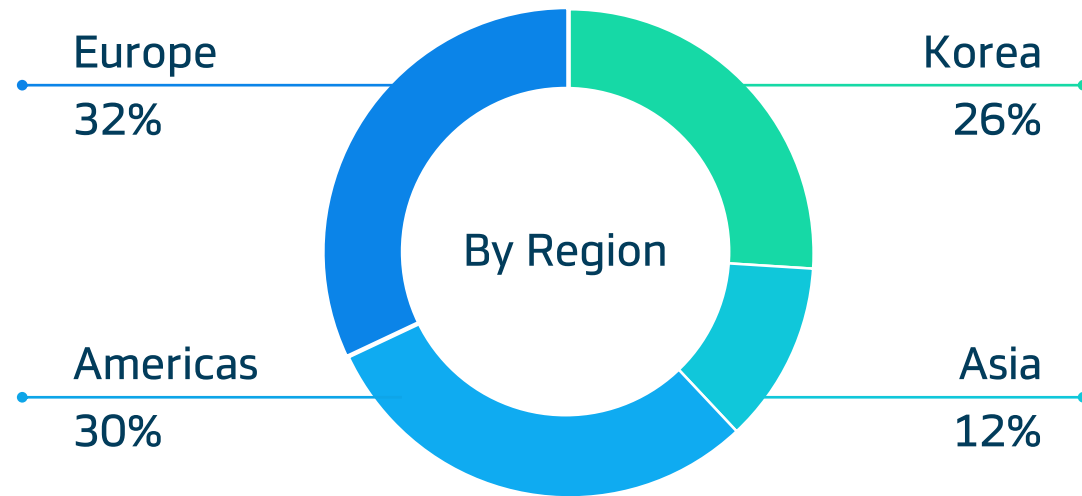
- Revenue KRW 2,617.3 billion, Operating Profit KRW 20.9 billion, OPM 0.8%
- Revenue increased by 8.9% YoY due to favorable FX impact and increased sales volume
- Quarterly OPM recorded 0.8% due to change in R&D capitalization scope, low recovery from customers and increased D&A
- 1Q xEV revenue ratio 27%; Expect to reach approximately 30% in 2025, reflecting the BEV launches of global customers

Business Outlook

- On-going profitability improvement actions, including restructuring, expected to yield positive impacts
- New EV launches in Europe to increase sales in 2025, but lower-than-expected volume due to EV slowdown and weak consumer demands
- Continuing cost pressures on the supply chain and the U.S. tariff uncertainties

	'24 1Q	'24 4Q	'25 1Q	YoY	QoQ
Sales	24,041	25,356	26,173	+8.9%	+3.2%
COGS	21,834 (90.8%)	24,282 (95.8%)	24,272 (92.7%)	+11.2%	-0.04%
Operating Profit	664 (2.8%)	-1,376 (-5.4%)	209 (0.8%)	-68.5%	Turn to profit
Ordinary Profit	219 (0.9%)	-3,112 (-12.3%)	-176 (-0.7%)	Turn to loss	Continued Losses
EBITDA	2,230 (9.3%)	322 (1.3%)	1,912 (7.3%)	-14.2%	+493.5%

2) Thermal Management Business - Performance by region & customer



Comments

- Performance by region : Americas (+19% YoY), Europe (+7% YoY), Korea (+4% YoY), China (-6% YoY)
- Performance by customer : VW (+25% YoY), GM (+22% YoY), Ford (+11% YoY), HMG (+10% YoY), Stellantis (-14% YoY), Mercedes (-12% YoY), BMW (-9% YoY)
- 2025 New Business Wins target of \$1.5B (Re-win = \$1B, New-win = \$0.5B)
- Plan to maintains technology leadership with a robust portfolio adaptable to all types of powertrains, including ICE, BEV, HEV, PHEV and EREV

III. 2025 Tire Business Outlook - Maintain



In 2025, we are committed to achieve both quantitative and qualitative growth by expanding our portfolio of high-inch and EV products. Also, leveraging stable operating margins and cash generation capabilities, we plan to conduct our capacity expansions as planned to secure sustainable growth while maintaining a robust financial foundation.

Growth

Revenue Growth & Double-digit OPM in 10% range

- Revenue growth exceeding market demand
- Double-digit OP margin in the 10% range amid global uncertainties
- Expansion plans in US and Hungary proceeding as planned to ensure sustainable growth

Product Mix

Sales ratio of ≥ 18 inch within PCLT exceeding 50%

- ≥ 18 inch ratio trend
'23) 44% → '24) 47% → '25) 50%↑
- '25 1Q ≥ 18 inch ratio 47.1%
(+0.3%p YoY)
- Aim to enhance competitiveness by driving high-value-added strategic product sales, reinforcing a premium brand image

EV Tires

Sales ratio of EV tires within PCLT OE reaching 29%

- EV tire ratio trend
'23) 15% → '24) 22% → '25) 29%
- '25 1Q EV tire ratio 23%
(+6%p YoY)
- Amid slower EV adoption in 2024, the company fell short of the FY24 target of 25%, but aim to lead the premium tire market in 2025 with our EV-exclusive 'iON' tires

III. 2025 Tire Business Outlook - Update on U.S. Plant Capacity Expansion



- To mitigate risks such as U.S. import tariffs on automobiles and automobile parts, the company is reviewing options to expedite and accelerate the completion timeline of the Tennessee plant expansion.
- Upon completion, sales and marketing efforts will be strengthened to expand market share in the Americas, with profitability expected to improve through economies of scale.



- Scale of Expansion : PCLT approx. 16,000 units per day
TBR approx. 3,000 units per day
- Estimated Investment Amount : USD 1,575 Mil.
- Estimated Investment Progress Rate by the end of 2025 : Around 90%

Timeline

2025 3Q

PCLT
Initial Production

2025 4Q

TBR
Initial Production

Ramp-up

2026 4Q

PCLT, TBR
Full Production

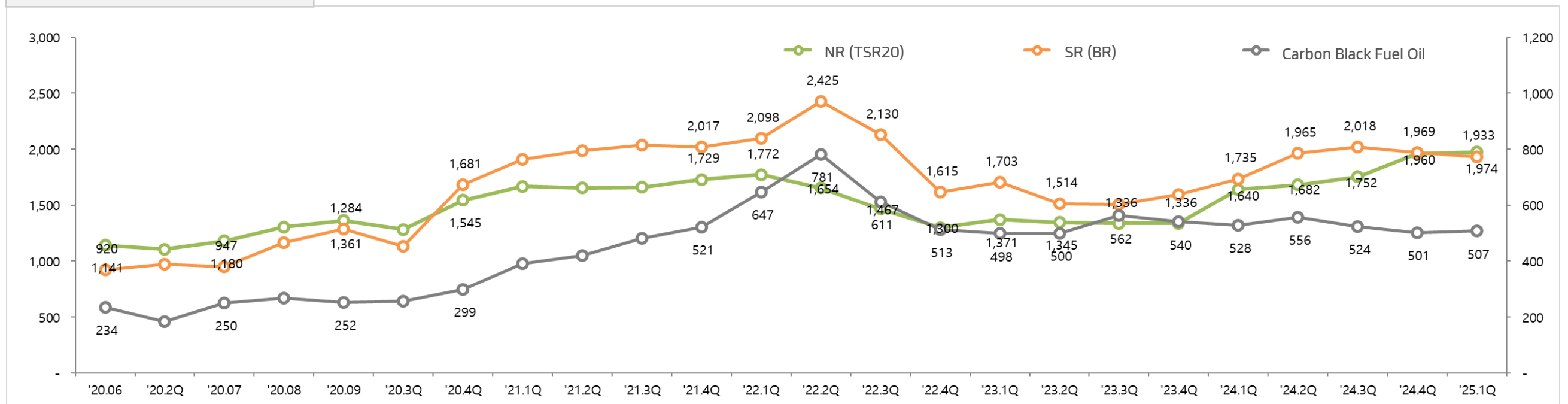


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IV. Appendix - Raw Material Trend

- N/R : SICOM TSR20 prices showed an upward trend from 3Q 2023 through 1Q 2025. However, prices declined following the U.S. tariff announcement in April amid growing concerns over a global economic slowdown. Due to continued uncertainty, the upside potential remains limited.
- S/R : BD prices rose in 1Q due to reduced supply from scheduled maintenance but declined after the U.S. tariff announcement. A sharp drop in BD demand in China led to falling international BD prices. With ongoing weakness in the global BD market and sluggish demand, competition is intensifying, and synthetic rubber prices are expected to remain soft and range-bound.
- C/B : In 4Q 2024, crude oil prices fell due to increased production from non-OPEC+ countries, U.S. oil industry support measures, and weakened global demand. In 1Q 2025, prices rose QoQ due to sanctions on Russian crude and U.S. inventories falling short of market expectations. However, in 2Q, prices declined again amid renewed concerns over economic slowdown and rising non-OPEC+ output. Carbon black prices are expected to remain soft in the near term.

Raw Material Price Trend



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]

2025 1Q	Tire Business		Thermal Mgmt Business		Total	
	Amt	%	Amt	%	Amt	%
Assets	157,175	100.0%	105,671	100.0%	241,546	100.0%
Current Assets	70,336	44.8%	42,855	40.6%	112,854	46.7%
Cash and cash equivalents	15,444	9.8%	8,532	8.1%	23,975	9.9%
Short term financial assets	3,870	2.5%	125	0.1%	3,995	1.7%
Trade and other receivables	22,097	14.1%	17,292	16.4%	38,016	15.7%
Inventories	25,032	15.9%	13,075	12.4%	38,107	15.8%
Other current assets	3,893	2.5%	3,831	3.6%	8,761	3.6%
Non-current Assets	86,839	55.2%	62,816	59.4%	128,692	53.3%
Tangible, Intangible assets and Investment properties	52,717	33.5%	57,808	54.7%	116,114	48.1%
Investments in associates	981	0.6%	1,014	1.0%	1,995	0.8%
Other non-current assets	33,141	21.1%	3,994	3.8%	10,583	4.4%
Liabilities	43,587	27.7%	75,476	71.4%	120,337	49.8%
Current Liabilities	28,440	18.1%	49,939	47.3%	78,033	32.3%
Non-Current Liabilities	15,147	9.6%	25,537	24.2%	42,304	17.5%
Shareholder's Equity	113,588	72.3%	30,195	28.6%	121,209	50.2%
Debt	15,988		46,126		61,899	
Net Debt	-4,797		37,594		32,457	
Liability Ratio		38.4%		250.0%		99.3%
Net Worth to Assets		72.3%		28.6%		50.2%
Net debt Ratio		Net Cash		124.5%		26.8%

※ The Total(Consolidated) figures include partial adjustments for intercompany transactions.

IV. Appendix - Consolidated P/L



[100 Million KRW]

2025 1Q	Tire Business		Thermal Mgmt Business		Total	
	Amt	%	Amt	%	Amt	%
Revenue	23,464	100.0%	26,173	100.0%	49,637	100.0%
COGS	15,723	67.0%	24,272	92.7%	39,995	80.6%
Gross Profit	7,741	33.0%	1,900	7.3%	9,641	19.4%
SG&A	4,405	18.8%	1,691	6.5%	6,095	12.3%
Operating Profit	3,336	14.2%	209	0.8%	3,546	7.1%
Other non-operating income/expense	294	1.3%	-70	-0.3%	131	0.3%
Financial income/cost	-117	-0.5%	-348	-1.3%	-465	-0.9%
Equity-method gain(loss)	688	2.9%	33	0.1%	721	1.5%
Income before income tax	4,201	17.9%	-176	-0.7%	3,934	7.9%
EBITDA	4,740	20.2%	1,912	7.3%	6,653	13.4%
Depreciation	1,404	6.0%	1,703	6.5%	3,106	6.3%

※ The Total(Consolidated) figures include partial adjustments for intercompany transactions.