



2024 4Q Financial Results

Feb 4th, 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.

I. 2024 Annual Results

II. 2024 4th Quarter Results

III. Business Highlights

IV. 2025 Outlook

V. Appendix

- Capacity expansion status update
- Raw material trend
- Consolidated B/S
- Consolidated I/S



I. 2024 Annual Results



Market Environment

- The global PCLT OE market declined YoY due to persistent global inflation, slowdown in EV production, and weakened consumer sentiment in China.
- The global RE market grew, supported by stabled demand across major regions such as Europe and Korea, despite heightened competition in North America and reduced demand in China

Sales Performance

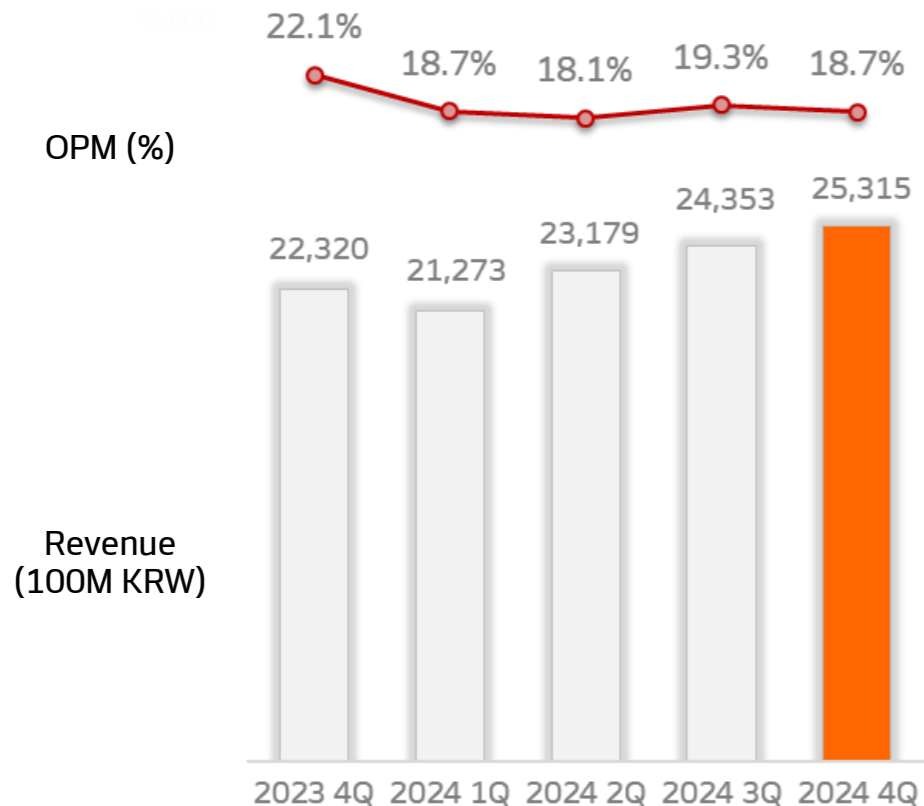
- Revenue of KRW 9,412 billion, Operating profit of KRW 1,762 billion, OPM 18.7%
- Despite a YoY decline in OE sales due to lower global auto production, RE sales increased across major regions, including key regions such as Europe and Korea, driving overall revenue growth.
- Sales ratio of ≥ 18 inch tires within PCLT rose to 46.5%, up 2.3%p YoY
- Achieved record-high profitability through enhanced product mix, increased seasonal tires sales, favorable FX, and stabilized raw material and shipping costs.

[100 Million KRW]	FY 2022	FY 2023	FY 2024	YoY
Sales	83,942	89,396	94,119	+5.3%
COGS	62,917 (75.0%)	60,436 (67.6%)	59,439 (63.2%)	-1.6%
Operating Profit	7,058 (8.4%)	13,279 (14.9%)	17,623 (18.7%)	+32.7%
Ordinary Profit	8,584 (10.2%)	11,713 (13.1%)	15,590 (16.6%)	+33.1%
EBITDA	12,417 (14.8%)	18,337 (20.5%)	22,773 (24.2%)	+24.2%

II. 2024 4th Quarter Results

Market Environment

- The global PCLT OE market contracted, except for increased demand in China driven by subsidies for new energy vehicles. However, PCLT RE market grew, with robust winter tire demand in Europe.
- The global TB market conditions improved, with lower inventory levels and increased winter tire demand from Europe



Sales Performance

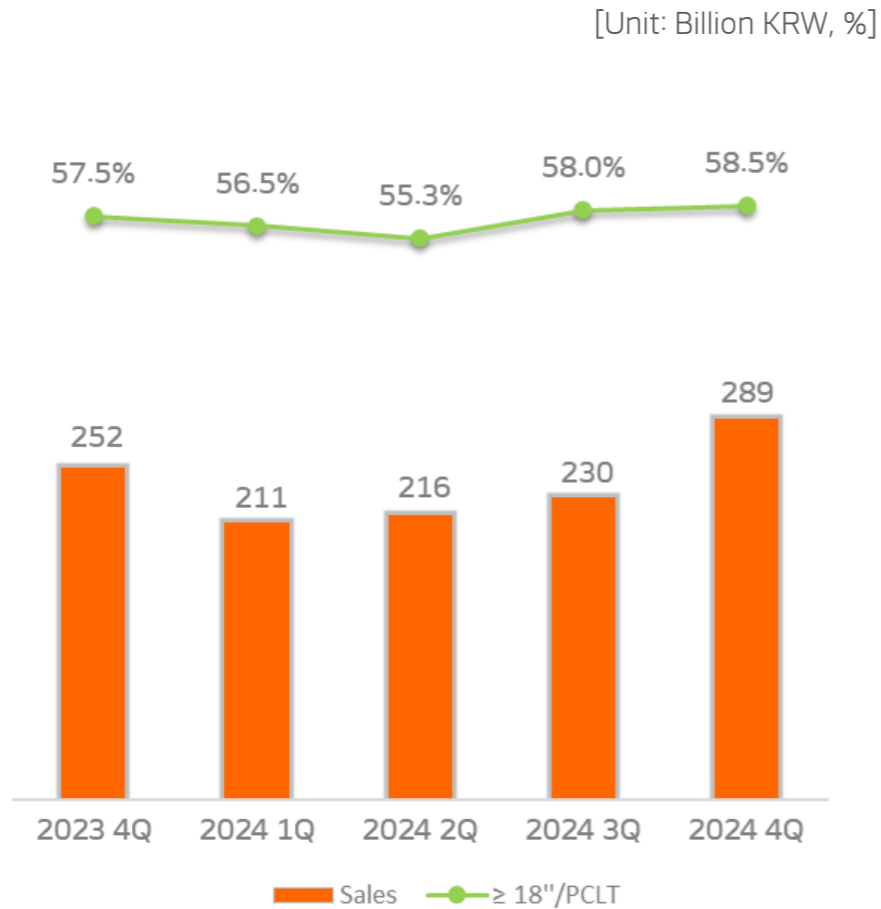
- Revenue of KRW 2,532 billion, Operating Profit of KRW 473 billion, OPM 18.7%
- Both OE and RE sales revenue increased YoY, driven by strong performance in key regions including Europe and Korea
- Additionally, both PCLT and TB sales revenue grew YoY, supported by robust demand for seasonal products (Winter, All-Weather)
- Sales ratio of ≥ 18 -inch tires within PCLT rose to 47.9%, up 1.7%p YoY

[100 Million KRW]	2023 4Q	2024 3Q	2024 4Q	YoY	QoQ
Sales	22,320	24,353	25,315	+13.4%	+4.0%
COGS	13,134 (58.8%)	15,306 (62.9%)	15,848 (62.6%)	+20.7%	+3.5%
Operating Profit	4,924 (22.1%)	4,702 (19.3%)	4,733 (18.7%)	-3.9%	+0.6%
Ordinary Profit	4,040 (18.1%)	4,615 (18.9%)	1,887 (7.5%)	-53.3%	-59.1%
EBITDA	6,177 (27.7%)	6,001 (24.6%)	6,072 (24.0%)	-1.7%	+1.2%

II. 2024 4th Quarter Results - Regional Performance (Korea)



KOREA



Market Environment

- RE : PCLT market demand decreased YoY, while TB market demand increased due to higher trade-related transportation activities
- OE : The OE market contracted due to lower vehicle sales and weakened EV purchase sentiment

Sales Performance

- RE : Both PCLT and TB sales increased YoY and QoQ, with growth exceeding market demand, supported by an improved product mix
- OE : Despite market demand contraction, increased OE supply led to YoY sales growth

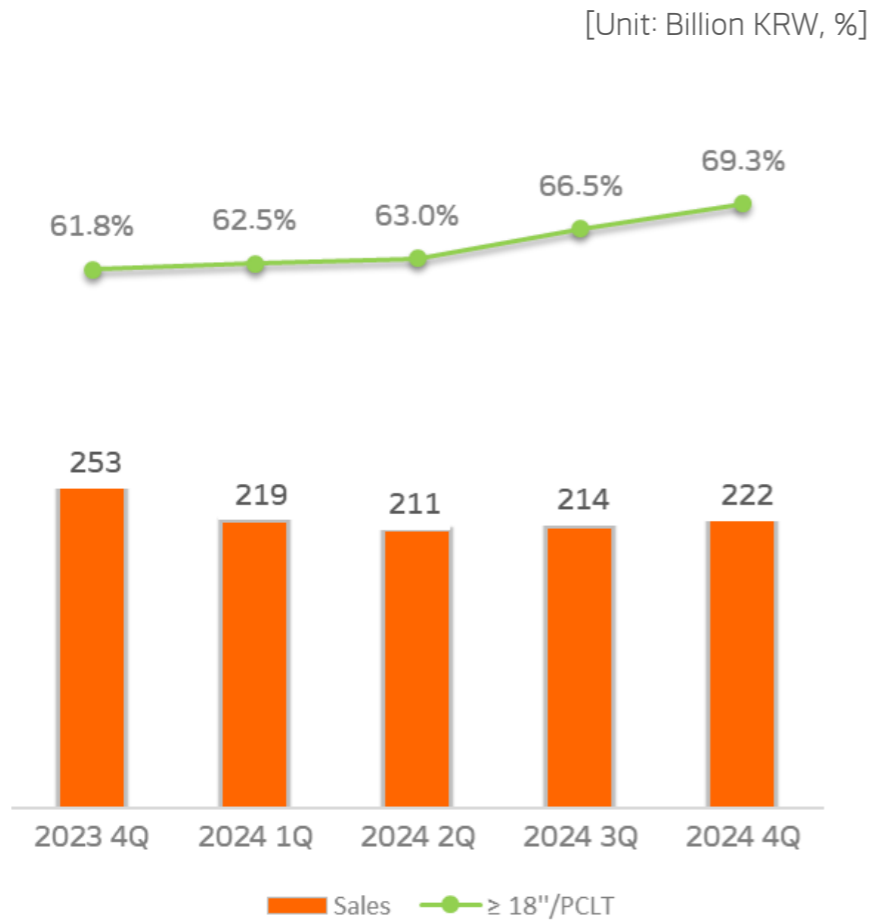
Forward-Looking Strategy

- Enhancing market competitiveness through further product development, a differentiated lineup and the introduction of new strategic products

II. 2024 4th Quarter Results - Regional Performance (China)



CHINA



Market Environment

- RE : Weakened consumer sentiment continue to hinder tire sales recovery in the RE market
- OE : China's "Old-for-New" initiative and NEV tax exemption policies support new car sales and OE market demand

Sales Performance

- RE : Despite continued growth in ≥18-inch tire sales, overall sales declined YoY due to prolonged weak consumer sentiment
- OE : Sales decreased due to reduced car production by some automakers amid inventory adjustments; however, supply to local Chinese OEMs increased YoY and QoQ

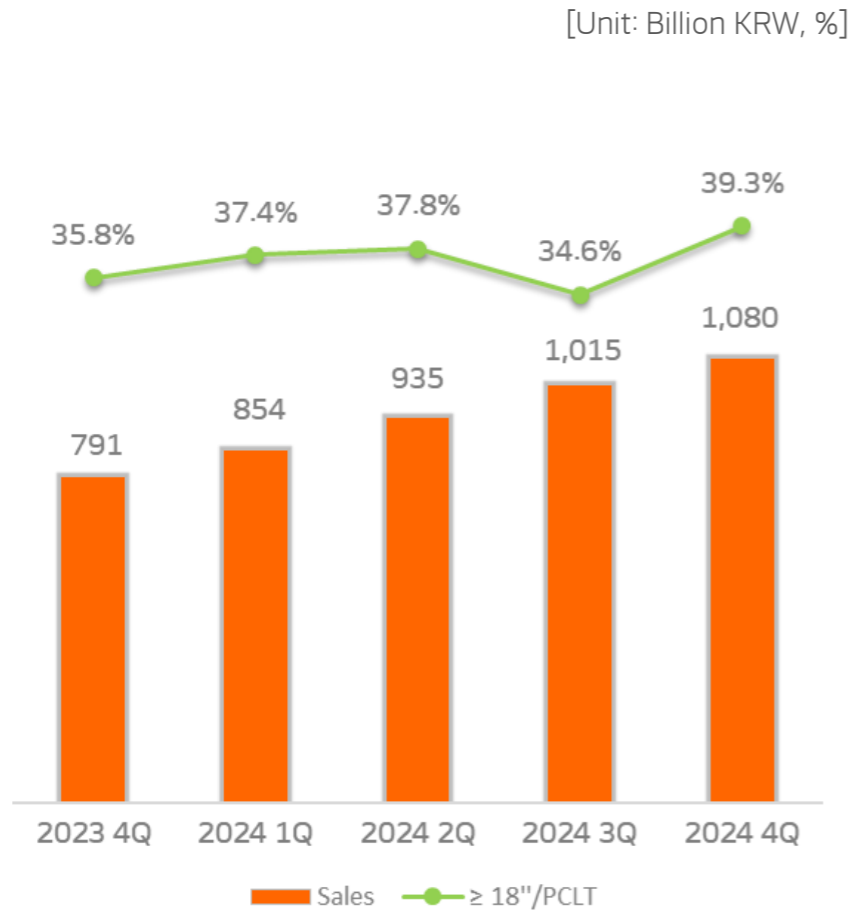
Forward-Looking Strategy

- Maintain focus on expanding sales of high-margin strategic products while driving growth through a more diversified distribution portfolio

II. 2024 4th Quarter Results - Regional Performance (Europe)



EUROPE



Market Environment

- RE : Growth in the RE market driven by increased winter tire demand as several European countries tighten winter tire regulations
- OE : EV demand declined following EU's decision to impose tariffs on Chinese electric vehicles

Sales Performance

- RE : Sales grew across all product categories, achieving record-high revenue, with a notable increase in seasonal product sales, including winter and all-weather tires
- OE : Sales increased due to higher vehicle production

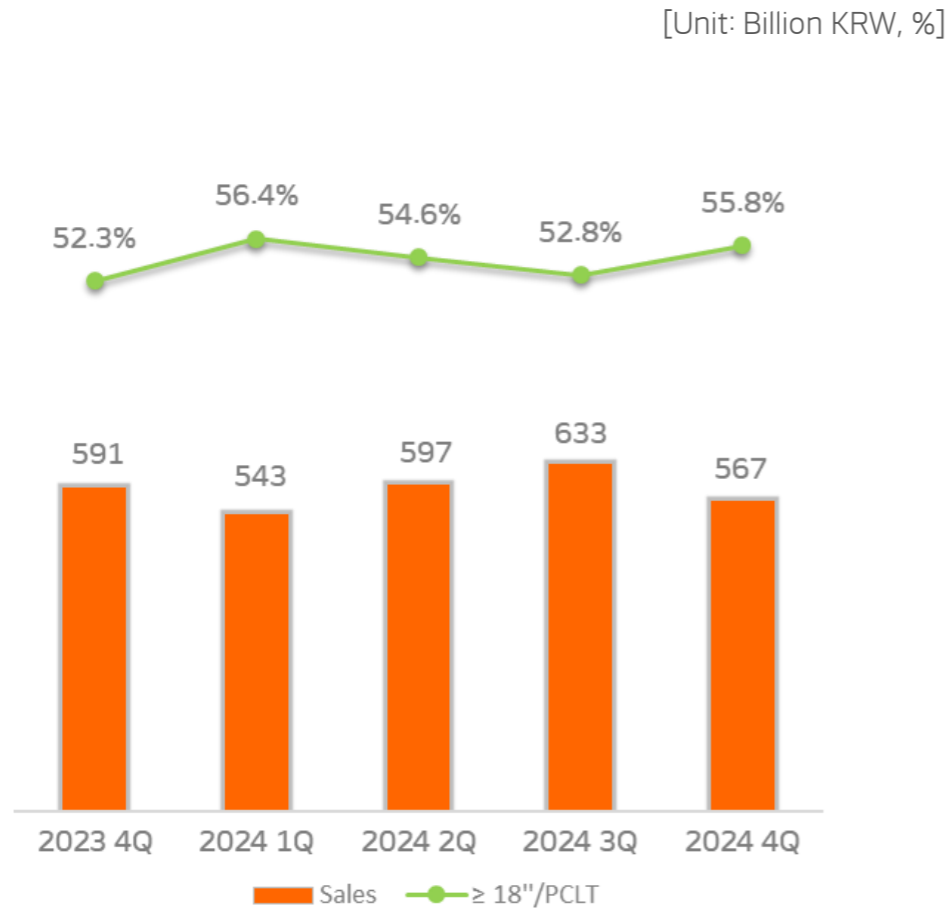
Forward-Looking Strategy

- Continue focusing on gaining market share in value-added segments, such as EV and all-weather tires, while expanding and diversifying product portfolio

II. 2024 4th Quarter Results - Regional Performance (North America)



NORTH AMERICA



Market Environment

- RE : Intensified competition driven by the inflow of cost-competitive import products and partial impact from financially challenged wholesalers
- OE : Decline in new car sales YoY

Sales Performance

- RE : Sales revenue decreased YoY due to intensified market competition and temporary sales adjustments driven by efforts to strengthen and optimize the distribution network
- OE: Sales revenue decreased YoY due to lower OE supplement

Forward-Looking Strategy

- Strengthen sales of 'Dynapro' products to meet the growing demand for SUVs and Pickups
- Refine sales infrastructure to elevate brand recognition and strengthen price competitiveness

III. Business Highlights

Recognition by renowned European car magazine tires tests



- Proven excellent technology in the tire test by European Car magazine ‘Auto Bild Allrad’
- Received the highest rating of 'Exemplary' in both the All-Season and Winter tire tests
- ‘Winter i*cept evo3’ achieved the top rating for three consecutive years in the Auto Bild test.
- Since taking 1st place in the Auto Bild tire test in 2018, the Kinergy 4S2 has proven its competitiveness in European car magazine tests.

Supplying racing tires for FIA World Rally Championship



OFFICIAL PREMIUM PARTNER

- Hankook will exclusively supply rallying tires for 3 years, beginning with the 2025 season
- Tire durability and consistent performance are considered the most important strategic factors in these competitions
- Through its partnership with the WRC, Hankook becomes one of the few brands to sponsor two of the five major FIA world championships including the ABB FIA Formula E World Championship

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%↑
- 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%
- 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



Hankook Tire & Technology

V. Appendix - Capacity expansion status update

Hungary Plant (Europe)

- Scale of Expansion : TBR approx. 2,380 units per day
- Full-scale operation : 2027
- Initial operation : Mid 2026
- Estimated Investment Amount : EUR 538 Mil.
- Estimated Investment Progress Rate by the end of 2025



Around 45% (E)



Indonesia Plant



Deajeon & Geumsan Plants (Korea)



Jiangsu & Chongqing & Jiaxing Plants (China)



Tennessee Plant (USA)

- Scale of Expansion : PCLT approx. 16,000 units per day
TBR approx. 3,000 units per day
- Full-scale operation : 2026
- Initial operation : 2nd half of 2025
- Estimated Investment Amount : USD 1,575 Mil.
- Estimated Investment Progress Rate by the end of 2025



Around 90% (E)

Market Demand

- Production capacity increase to improve market position and actively respond to global tire market growth
- Capturing advantages of economies of scale

Risk Management

- Operating a balanced production portfolio with increased local supply
- Hedging risk regarding increasing trade barriers and supply chain disruptions

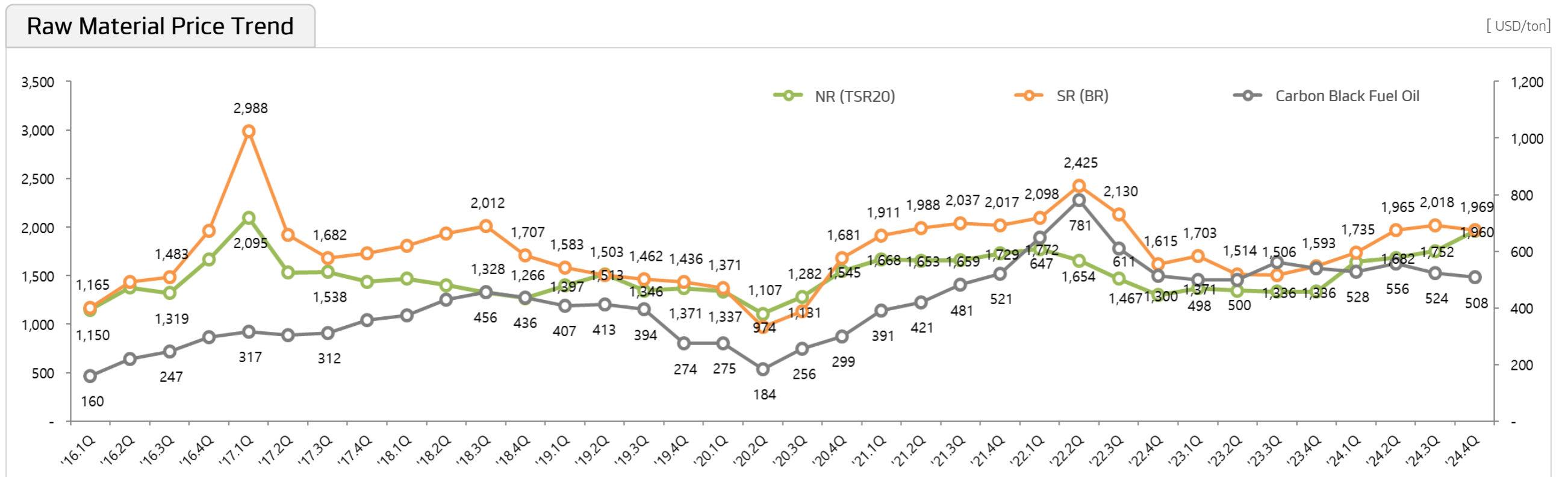
Opportunity

- Improving brand equity in the US and Europe
- Increasing OE business opportunities by securing a stable supply chain

V. Appendix - Raw Material Trend



- N/R : After hitting a low in '23 3Q, SICOM TSR20 prices have shown an upward trend through '24 4Q, driven by reduced rubber supply due to extreme weather in Southeast Asia. Heavy rainfall in Southern Thailand temporarily pushed prices higher in early December, but with improved weather conditions and production recovery, SICOM prices have recently stabilized
- S/R : The increase in supply from new BD capacity expansions in China and Southeast Asia has led to a decline in Asian BD prices. Weak global BD trends, combined with sluggish demand, are intensifying competition. Synthetic rubber prices are projected to remain weak with slight fluctuations
- C/B : In '24 3Q, crude oil prices fell as OPEC revised its global demand forecast downward and China reduced its oil imports. In '24 4Q, increased production from non-OPEC+ countries, U.S. government oil policies, and a stronger dollar led to further declines in prices. However, prices are expected to remain soft with anticipation of expanded supply following easing Middle East tensions



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

V. Appendix - Consolidated B/S



[100 Million KRW]

	2023		2024		Diff.	
	Amt	%	Amt	%	Amt	%
Assets	127,633	100.0%	158,380	100.0%	30,747	24.1%
Current Assets	67,681	53.0%	83,839	52.9%	16,158	23.9%
Cash and cash equivalents	22,439	17.6%	18,823	11.9%	-3,616	-16.1%
Short term financial assets	4,180	3.3%	6,841	4.3%	2,661	63.7%
Trade and other receivables	18,736	14.7%	20,633	13.0%	1,897	10.1%
Inventories	20,226	15.8%	23,880	15.1%	3,653	18.1%
Other current assets	2,100	1.6%	2,613	1.6%	513	24.4%
Non-current Assets	59,952	47.0%	74,541	47.1%	14,589	24.3%
Tangible, Intangible assets and Investment properties	40,818	32.0%	50,441	31.8%	9,623	23.6%
Investments in associates	11,170	8.8%	18,218	11.5%	7,048	63.1%
Other non-current assets	7,964	6.2%	16,932	10.7%	8,968	112.6%
Liabilities	31,338	24.6%	46,549	29.4%	15,211	48.5%
Current Liabilities	22,844	17.9%	36,871	23.3%	14,028	61.4%
Non-Current Liabilities	8,494	6.7%	9,678	6.1%	1,184	13.9%
Shareholder's Equity	96,296	75.4%	111,831	70.6%	15,535	16.1%
Debt	11,668		18,295			
Net Debt	-17,955		-8,285			
Liability Ratio		32.5%		41.6%		
Net Worth to Assets		75.4%		70.6%		
Net debt Ratio		Net Cash		Net Cash		

V. Appendix - Consolidated I/S (Annual Results)



[100 Million KRW]

	2023		2024		YoY (%)
	Amt	%	Amt	%	
Sales	89,396	100.0%	94,119	100.0%	5.3%
COGS	60,436	67.6%	59,439	63.2%	-1.6%
Gross Profit	28,960	32.4%	34,680	36.8%	19.8%
SG&A	15,680	17.5%	17,057	18.1%	8.8%
Operating Profit	13,279	14.9%	17,623	18.7%	32.7%
Other non-operating income/expense	-989	-1.1%	-2,638	-2.8%	
Financial income/cost	-458	-0.5%	606	0.6%	
Equity-method gain(loss)	-120	-0.1%			
Income before income tax	11,712	13.1%	15,590	16.6%	33.1%
EBITDA	18,337	20.5%	22,773	24.2%	24.2%
Depreciation	5,058	5.7%	5,150	5.5%	1.8%

* FY2024 Investments in associates are currently included in Other non-operating income/expense and will be re-classified after the audit

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



[100 Million KRW]

	2023 4Q		2024 3Q		2024 4Q		YoY (%)	QoQ (%)
	Amt	%	Amt	%	Amt	%		
Sales	22,320	100.0%	24,353	100.0%	25,315	100.0%	13.4%	4.0%
COGS	13,134	58.8%	15,306	62.9%	15,848	62.6%	20.7%	3.5%
Gross Profit	9,186	41.2%	9,047	37.1%	9,467	37.4%	3.1%	4.6%
SG&A	4,262	19.1%	4,344	17.8%	4,735	18.7%	11.1%	9.0%
Operating Profit	4,924	22.1%	4,702	19.3%	4,733	18.7%	-3.9%	0.6%
Other non-operating income/expense	-693	-3.1%	-154	-0.6%	-2,955	-11.7%		
Financial income/cost	-21	-0.1%	149	0.6%	109	0.4%		
Equity-method gain(loss)	-169	-0.8%	-83	-0.3%				
Income before income tax	4,040	18.1%	4,615	18.9%	1,887	7.5%	-53.3%	-59.1%
EBITDA	6,177	27.7%	6,001	24.6%	6,072	24.0%	-1.7%	1.2%
Depreciation	1,253	5.6%	1,299	5.3%	1,339	5.3%	6.9%	3.1%

* '24 4Q Investments in associates are currently included in Other non-operating income/expense and will be re-classified after the audit