

2022 1Q Financial Results

May 11th, 2022

Hankook Tire & Technology

The information in this presentation is based upon management forecasts and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this presentation, we have relied upon and assumed, without independent verification, accuracy and completeness of all information available from public sources of which was provided by us or which was reviewed by us.

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. 2022 1st Quarter Results

- Financial Results
- Business Highlights
- Regional Performance

II. 2022 Outlook

III. Appendix

- Raw Material Trend
- Consolidated B/S
- Consolidated I/S

Financial Results - 2022 1st Quarter Results



2022 1st Quarter Results

[100 Million KRW, %]	2021 1Q	2021 4Q	2022 1Q	QoQ	YoY
Sales	16,168	18,885	17,907	-5.2%	10.8%
COGS	11,319 <i>(70.0%)</i>	14,386 <i>(76.2%)</i>	13,622 <i>(76.1%)</i>	-5.3%	20.3%
Operating Profit	1,860 <i>(11.5%)</i>	883 <i>(4.7%)</i>	1,261 <i>(7.0%)</i>	42.7%	-32.2%
Ordinary Profit	2,245 <i>(13.9%)</i>	914 <i>(4.8%)</i>	1,163 <i>(6.5%)</i>	27.3%	-48.2%
EBITDA	3,337 <i>(20.6%)</i>	2,375 <i>(12.6%)</i>	2,604 <i>(14.5%)</i>	9.7%	-21.9%

Market Environment

- Recovering global economy and tire market demands were impacted by setbacks such as of resurgence of COVID-19, Russia-Ukraine crisis and Shanghai lockdown
- Tire industry continued price hikes due to rise of raw materials costs, logistics cost and inflations

Sales Performance

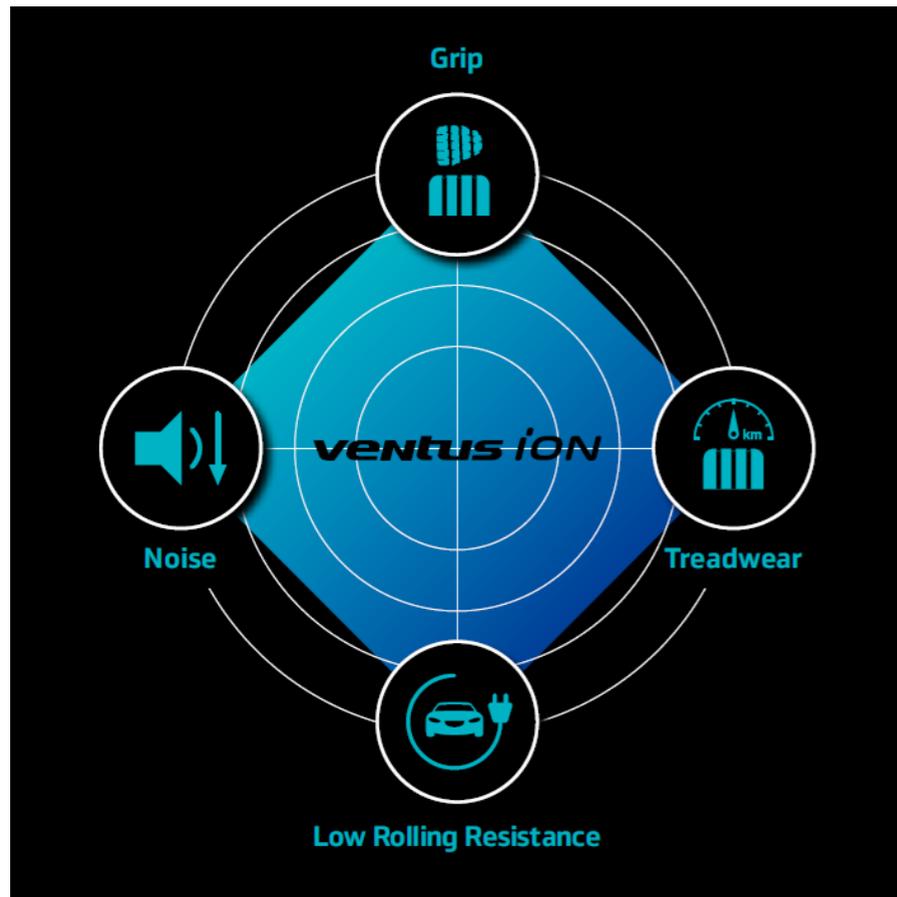
- Despite RE sales growth of major regions, due to global supply chain disruptions, auto semiconductor shortages and other geopolitical issues and global OE and RE volumes declined YoY
- Price increases and improved product mix allowed sales growth
 - ⇒ Sales ratio of ≥ 18 inch within PCLT increased to 39.0% up 1.3%p YoY
 - ⇒ 2Q price increase to be conducted in selected regions on PCLTs by 4~6%, and additional measures will considered in based on global market conditions

Business Highlights

- Impressive results in tires tests by Europe's renowned independent car magazines
 - ⇒ Ventus S1 evo3 SUV - Auto Bild Allrad, 2022 Summer SUV Test Winner & Exemplary
 - ⇒ Ventus Prime4 - Auto Bild, 2022 Tire Test Exemplary
- Expansion of Global OE partnerships
 - ⇒ BMW i4 Gran Coupé, first fully electric Gran Coupé by BMW, equipped with Hankook's Ventus S1 evo 3 tires
 - ⇒ 2022 INFINITI QX60, new luxury SUV, equipped with Hankook's Dynapro HP2
- Establish Corporate Governance Charter approved by BOD, to strengthen ESG management

- Hankook Tire & Technology to launch iON, its first range of tires designed specifically for high-performance electric vehicles
⇒ Summer and Winter products will first be introduced in May in Europe, followed by All-Season products which will expand globally

ventus iON



EVolutionized for EV fitment



KOREA

[Unit: Billion KRW, %]

47.0% 47.1% 47.2% 47.8% 49.3%

185 187 194 196 189

2021 1Q 2021 2Q 2021 3Q 2021 4Q 2022 1Q

— Sales - - - ≥ 18"/PCLT

- RE sales exceed market demand with stabilizing supply and improved product mix
- Decline in OE sales with the resurgence of COVID-19

CHINA

[Unit: Billion KRW, %]

40.5% 40.3% 43.4% 46.4% 49.1%

197 210 204 227 212

2021 1Q 2021 2Q 2021 3Q 2021 4Q 2022 1Q

— Sales - - - ≥ 18"/PCLT

- Weak consumer sentiment lowered RE sales, but inch-mix showed impressive growth
- Despite impacts of COVID-19 lockdowns, robust auto demand in early 2022 and increased supply led to OE sales increase YoY

EUROPE

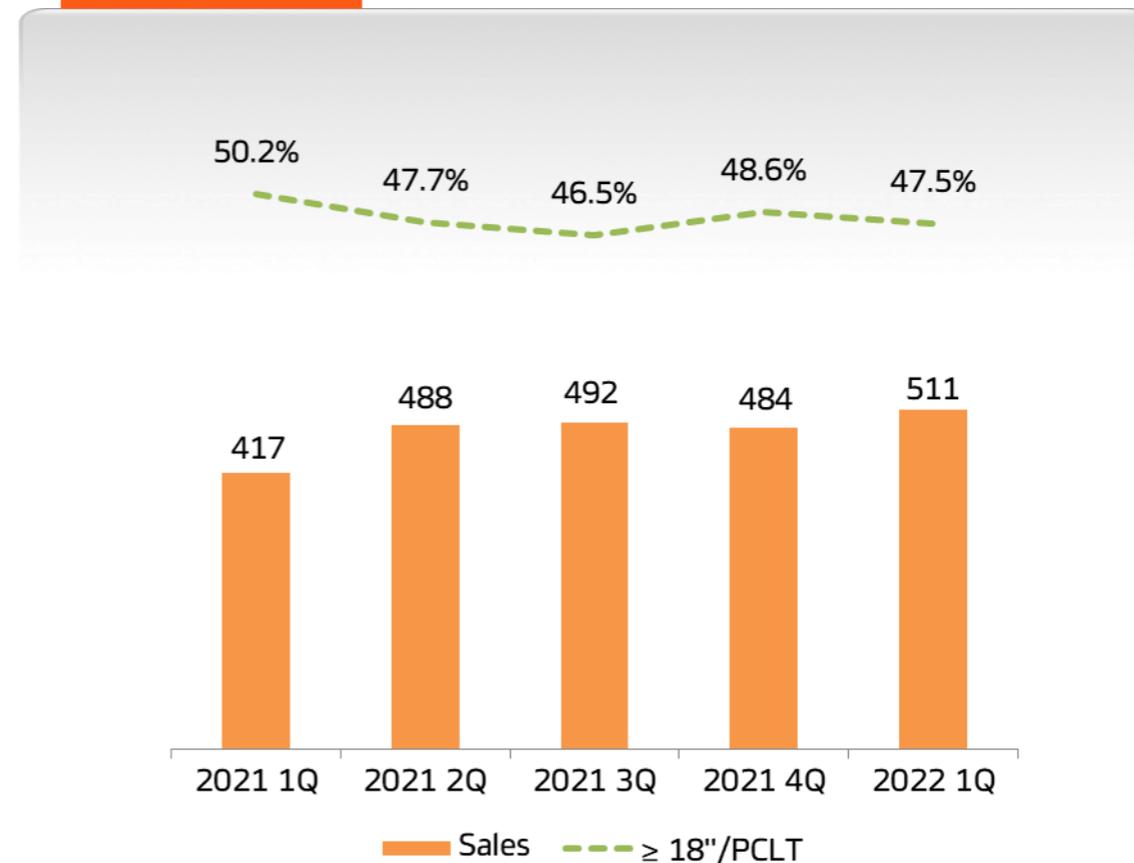
[Unit: Billion KRW, %]



- RE sales grew YoY due to favorable price-mix, which offset volume decline caused by Russia-Ukraine crisis and global supply chain bottlenecks
- The semiconductor supply issues and the Russia-Ukraine crisis restricting automaker output

N.AMERICA

[Unit: Billion KRW, %]



- RE sales grew upon stable market demand and favorable pricing
- Although OE sales remain low YoY, sales improved QoQ with semiconductor availability stabilizing

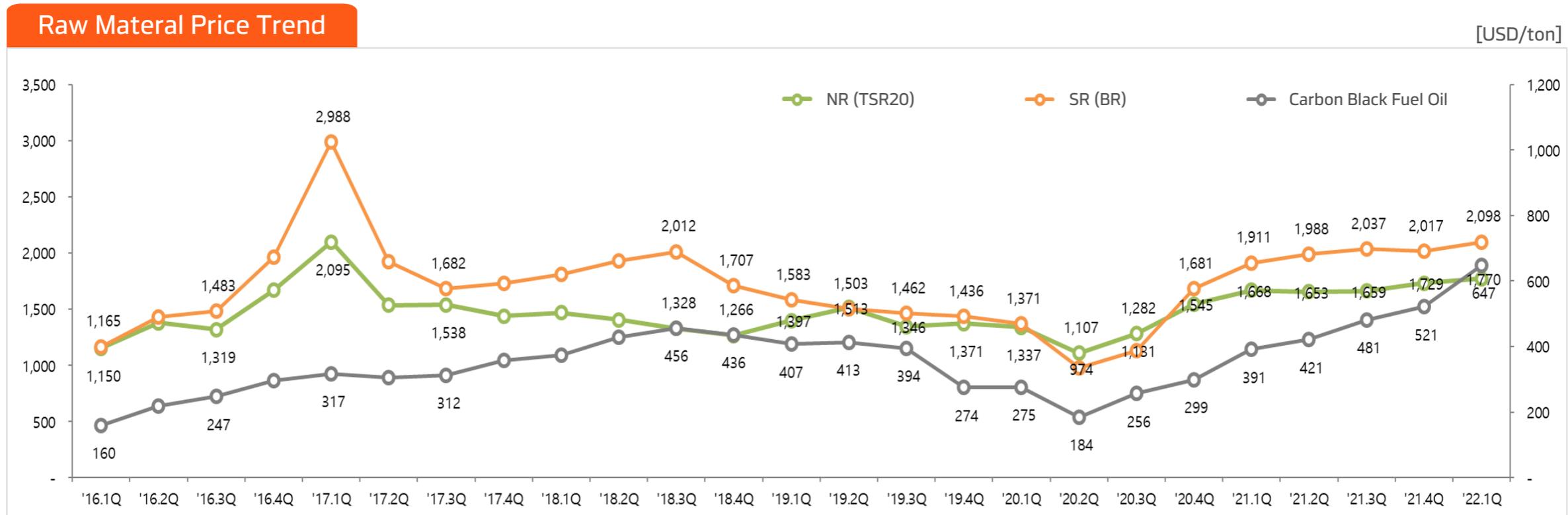
- Targeting double-digit growth in sales YoY for 2022
 - ▷ Weaker than expected volume growth due to increased uncertainties, but positive pricing environment and improved business conditions assumed in 2nd half
- Further increase of High Inch (≥ 18 inch) sales ratio within PCLT
 - ▷ 2019 32% → 2020 35% → 2021 38% → 2022 Target 42%
- Target to increase Future Growth Segment* sales ratio within PCLT (2021 36%)
 - * Future growth Segment : EV& I-Seg(BEV, Runflat, Sealant, Foam tech), SUV, PUP
- Over 450 billion KRW expected for maintenance and modernization in 2022



Hankook Tire & Technology

III. Appendix - Raw Material Trend

- N/R : Due to the inflation pressure on the raw material market and decline of demand from major markets such as Europe and China, 2022 1Q SICOM TSR20 prices were up 2.4% QoQ, 2Q prices will be impacted by factors such as the exit of China’s regional lockdown, demand recovery and US Fed’s interest rate increase trend
- S/R : Strong Oil and naphthalene prices, increased cost of upstream energy and Russia-Ukraine crisis caused Europe BD prices to rise, but Asia BD prices were flat due to China’s partial lockdown
2022 2Q price are expected to remain at current level, but there may be change if situations change in Europe or China
- C/B : Continued rise in oil price and decline of supply, increased demand of marine fuel oil continue to push up FCC Oil and CBO prices
2022 1Q CBO Index rose 24.2% QoQ, and this uptrend is expected to continue into 2022 2Q
Oil price volatility increasing due to Russia-Ukraine crisis, Russia sanctions and China lockdown



Note 1) TSR20 : SICOM Price (Natural Rubber)

Note2) BR(Butadiene Rubber) : ICIS CFR NE/SE Asia Average Price

Note 3) Carbon Black Fuel Oil: Index price of refined oil

III. Appendix - Consolidated B/S



[100 Million KRW]

	2021		2022 1Q		Diff.	
	Amt	%	Amt	%	Amt	%
Assets	117,039	100.0%	119,475	100.0%	2,436	2.1%
Current Assets	55,092	47.1%	57,243	47.9%	2,151	3.9%
Cash and cash equivalents	10,620	9.1%	8,583	7.2%	-2,037	-19.2%
Short-term financial assets	4,800	4.1%	6,203	5.2%	1,403	29.2%
Trade and other receivables	15,073	12.9%	15,351	12.8%	278	1.8%
Inventories	18,966	16.2%	21,153	17.7%	2,187	11.5%
Other current assets	5,633	4.8%	5,952	5.0%	320	5.7%
Non-current Assets	61,947	52.9%	62,232	52.1%	286	0.5%
Tangible, Intangible assets and Investment properties	42,178	36.0%	41,673	34.9%	-505	-1.2%
Investments in associates	11,866	10.1%	12,703	10.6%	837	7.0%
Other non-current assets	7,903	6.8%	7,856	6.6%	-46	-0.6%
Liabilities	34,988	29.9%	36,224	30.3%	1,236	3.5%
Current Liabilities	18,692	16.0%	24,958	20.9%	6,266	33.5%
Non-Current Liabilities	16,296	13.9%	11,267	9.4%	-5,030	-30.9%
Shareholder's Equity	82,051	70.1%	83,251	69.7%	1,200	1.5%
Debt	18,204		17,811			
Net Debt	-4,849		-4,024			
Liability Ratio		42.6%		43.5%		
Net Worth to Assets		70.1%		69.7%		
Net Debt Ratio		Net Cash		Net Cash		

III. Appendix - Consolidated I/S



[100 Million KRW]

	2021 1Q		2021 4Q		2022 1Q		YoY	QoQ
	Amt	%	Amt	%	Amt	%	(%)	(%)
Sales	16,168	100.0%	18,885	100.0%	17,907	100.0%	10.8%	-5.2%
COGS	11,319	70.0%	14,386	76.2%	13,622	76.1%	20.3%	-5.3%
Gross Profit	4,849	30.0%	4,499	23.8%	4,285	23.9%	-11.6%	-4.8%
SG&A	2,989	18.5%	3,615	19.1%	3,024	16.9%	1.2%	-16.4%
Operating Profit	1,860	11.5%	883	4.7%	1,261	7.0%	-32.2%	42.7%
Other non-operating income/expense	231	1.4%	-176	-0.9%	-163	-0.9%	-	-
Financial income/cost	79	0.5%	47	0.2%	65	0.4%	-17.5%	37.8%
Equity-method gain(loss)	74	0.5%	160	0.8%				
Income before income tax	2,245	13.9%	914	4.8%	1,163	6.5%	-48.2%	27.3%
EBITDA	3,337	20.6%	2,375	12.6%	2,604	14.5%	-21.9%	9.7%
Depreciation	1,477	9.1%	1,492	7.9%	1,344	7.5%	-9.0%	-9.9%