

2025 2Q Financial Results

August 21st, 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 2Q Financial Results - Profit Summary



- Consolidated Revenue of KRW 5,369.7 billion, Operating Profit of 353.6 billion, OPM 6.6%
- Tire Business : Revenue +8.4% YoY, Operating Profit -17.5% YoY
- Thermal Management Business : Revenue +11.7% YoY, Operating Profit -10.5% YoY

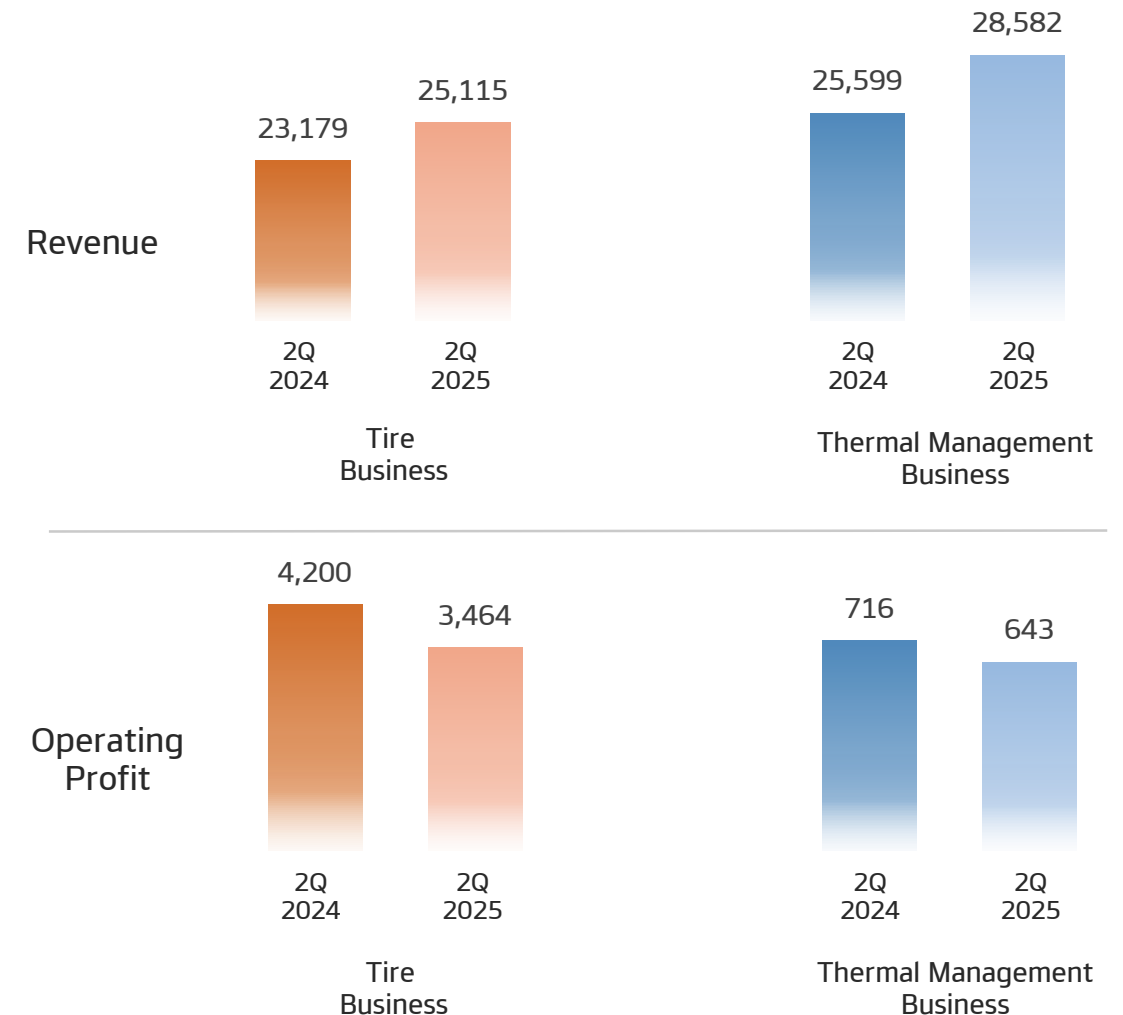
Company performance

[100 Million KRW]

	Tire Business	Thermal Management Business	Total
Revenue	25,115	28,582	53,697
COGS	16,680 (66.4%)	26,041 (91.1%)	42,721 (79.6%)
Operating Profit	3,464 (13.8%)	643 (2.2%)	3,536 (6.6%)
Ordinary Profit	2,026 (8.1%)	-256 (-0.9%)	2,380 (4.4%)
EBITDA	4,761 (19.0%)	2,505 (8.8%)	7,268 (13.5%)

Performance by business segment

[100 Million KRW]



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

※ From 2Q onward, PPA depreciation and amortization related to the acquisition of Hanon Systems has been recognized. Approximately KRW 57.4 billion was recorded in 2Q, including unrecognized amounts from 1Q

I. 2025 2Q Financial Results - Key Financials

- Consolidated debt-to-equity ratio including Hanon Systems at 101.1%

Financial Overview

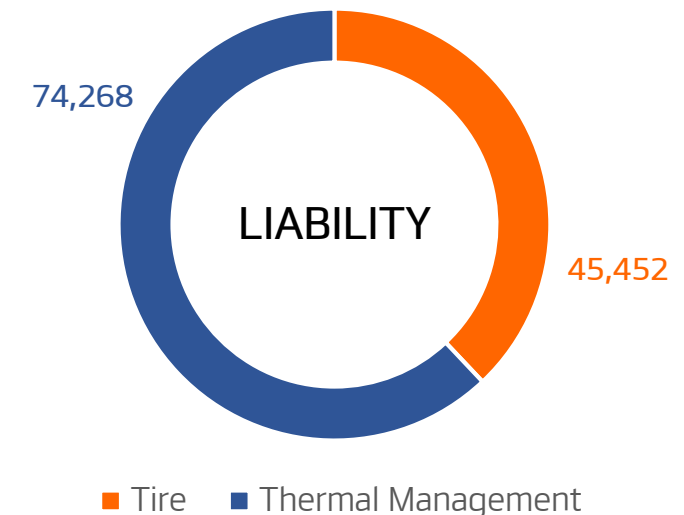
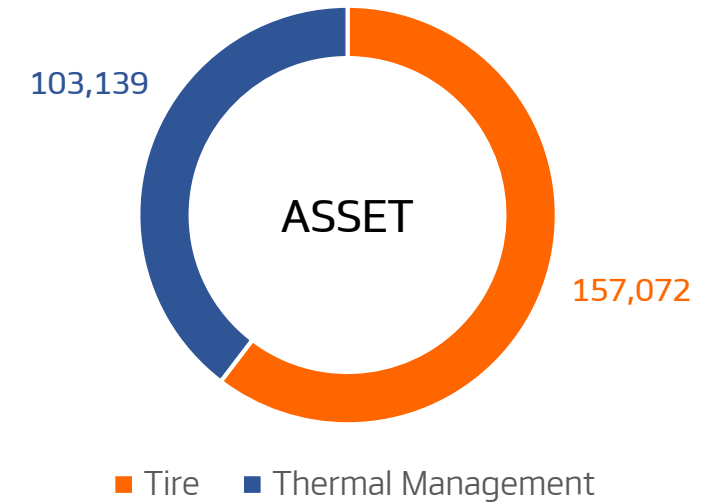
[100 Million KRW]

	Tire Business	Thermal Management Business	Total
Assets	157,072	103,139	251,904
Current Assets	68,434	41,924	109,920
Cash, cash equivalents and other short term financial assets	18,521	8,011	26,532
Trade and other receivables	22,485	17,090	38,045
Inventories	23,993	12,768	36,762
Other current assets	3,436	4,055	8,582
Non-current Assets	88,637	61,215	141,984
Tangible, Intangible assets and Investment properties	54,832	56,163	128,801
Other non-current assets	33,805	5,051	13,183
Liabilities	45,452	74,268	126,636
Current Liabilities	26,342	48,368	74,273
Non-Current Liabilities	19,109	25,900	52,363
Shareholder's Equity	111,620	28,871	125,268
Liability Ratio	40.7%	257.2%	101.1%

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

Financial Position by business segment

[100 Million KRW]



II. Performance by Business Segment

1) Tire Business - Overview



Financial Highlights

- Revenue KRW 2,511.5 billion, operating profit KRW 346.4 billion, OPM 13.8%
- Revenue increased by 8.4% YoY, driven by stable RE volumes, higher OE supply, improved pricing and mix, and favorable FX
- Operating profit declined due to increases in major costs, including raw materials, logistics, and marketing expenses

Sales Performance

- While overall demand in the global OE market weakened due to macroeconomic and regulatory uncertainties, the Company achieved YoY OE sales growth, driven by improved sales in China, Europe, and other regions
- Global RE market growth centered on budget tires during inflation, but the Company delivered YoY RE sales growth, exceeding market demand in Europe, Korea, and other regions.
- Sales ratio of ≥18-inch tires within PCLT accounted for 47.2% up +0.6%p YoY
- EV sales ratio of PCLT OE reached 24% up +7%p YoY

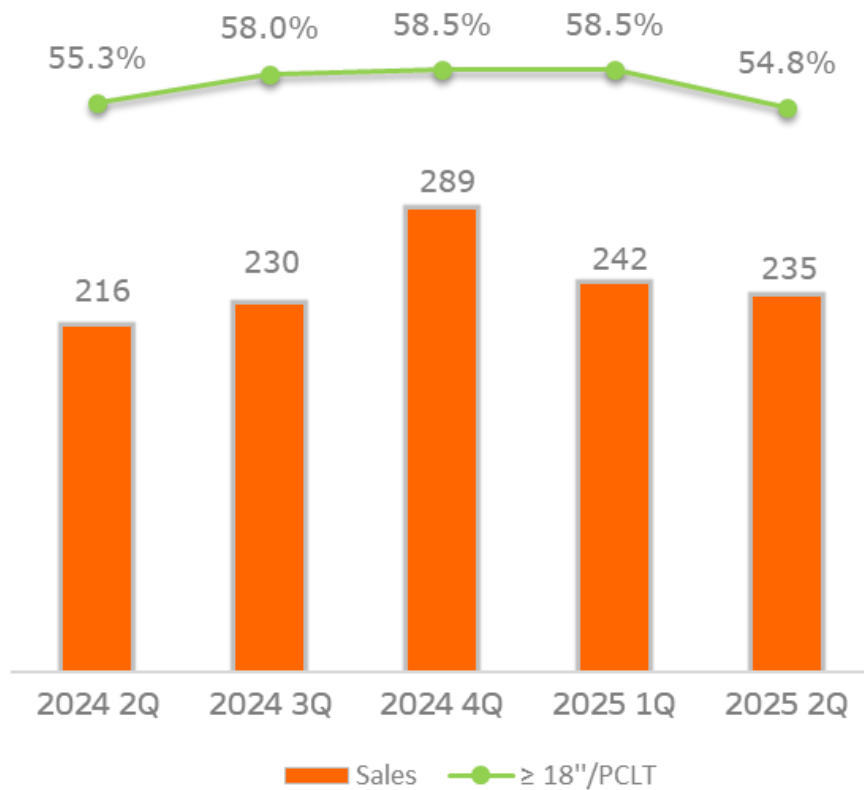
[100 Million KRW]

	2024 2Q	2025 1Q	2025 2Q	YoY	QoQ
Revenue	23,179	23,464	25,115	+8.4%	+7.0%
COGS	14,833 (64.0%)	15,723 (67.0%)	16,680 (66.4%)	+12.5%	+6.1%
Operating Profit	4,200 (18.1%)	3,336 (14.2%)	3,464 (13.8%)	-17.5%	+3.8%
Ordinary Profit	4,404 (19.0%)	4,201 (17.9%)	2,026 (8.1%)	-54.0%	-51.8%
EBITDA	5,484 (23.7%)	4,740 (20.2%)	4,761 (19.0%)	-13.2%	+0.4%

1) Tire Business - Performance by region (Korea)

KOREA

[Unit: Billion KRW, %]



Market Environment

- RE : Demand in the domestic tire market decreased
- OE : Vehicle sales remained strong on extended tax cuts, with EVs growing on expanded subsidies

Sales Performance

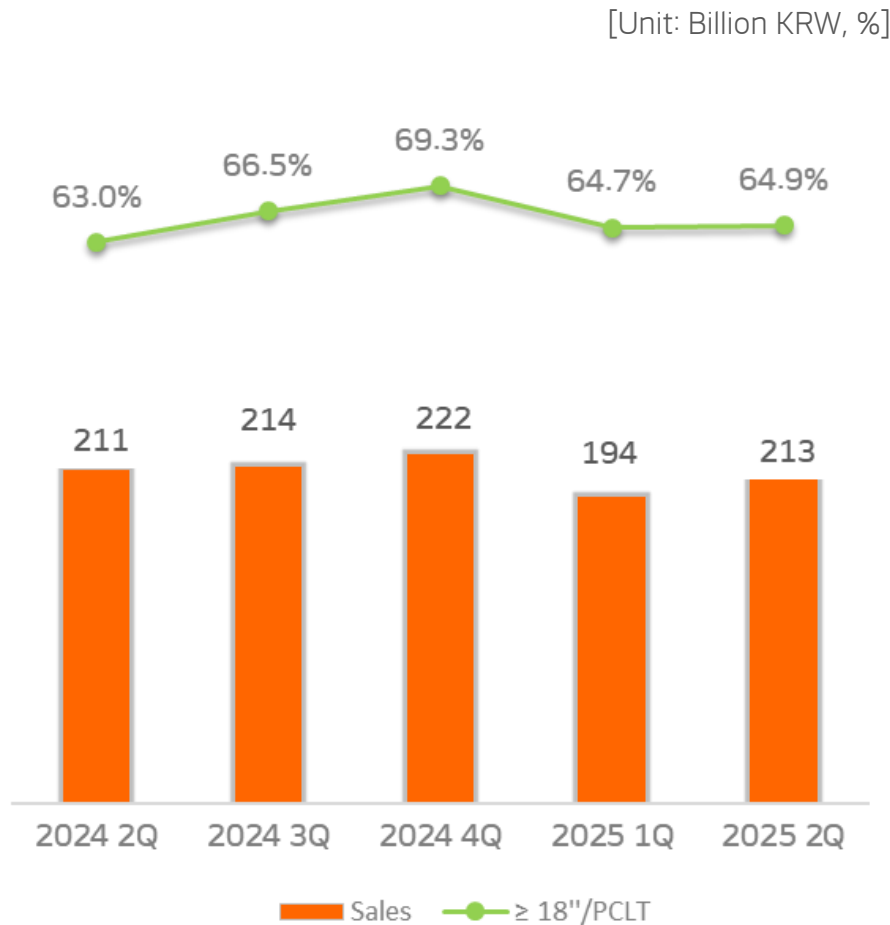
- RE : Revenue increased YoY due to strong sales and price hikes
- OE : Revenue rose YoY due to higher-priced model supply

Forward-Looking Strategy

- Strengthen marketing activities for the launch of the premium all-weather tire, Weatherflex GT
- Continuously strengthen downstream distribution through the opening of new sales channels

1) Tire Business - Performance by region (China)

CHINA



Market Environment

- RE : Despite government subsidies to boost domestic consumption, consumer sentiment remains weak
- OE : Vehicle demand increasing, driven by NEV (New Energy Vehicle) purchase incentives.

Sales Performance

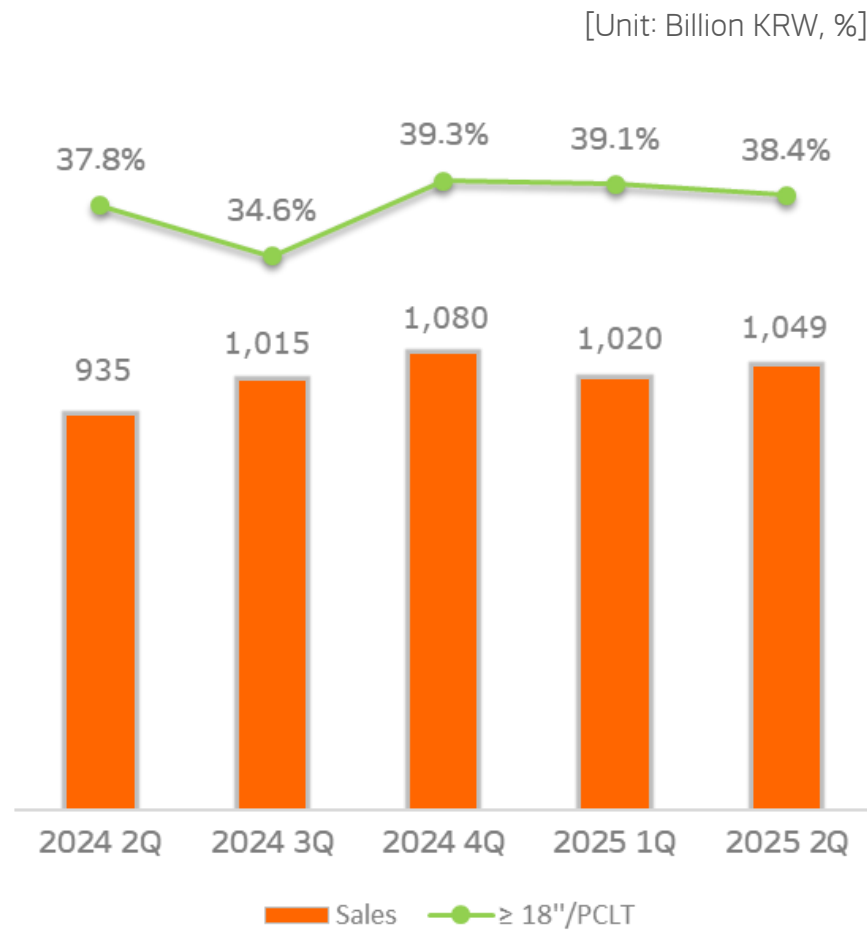
- RE : Sales remain below last year due to weak consumer demand, but show improvement QoQ through better mix and volumes
- OE : Sales increased YoY, driven by higher supply mainly from Chinese leading EV brands

Forward-Looking Strategy

- Gradual recovery of the tire market is expected, supported by consumption-stimulating policies
- Expand volumes focused on high-value strategic products while maintaining a value-driven growth approach

1) Tire Business - Performance by region (Europe)

EUROPE



Market Environment

- RE : Market demand driven mainly by All-Weather and Winter tires
- OE : New vehicle sales declined YoY due to tariffs on Chinese BEVs, and rising vehicle prices from carbon emission regulations

Sales Performance

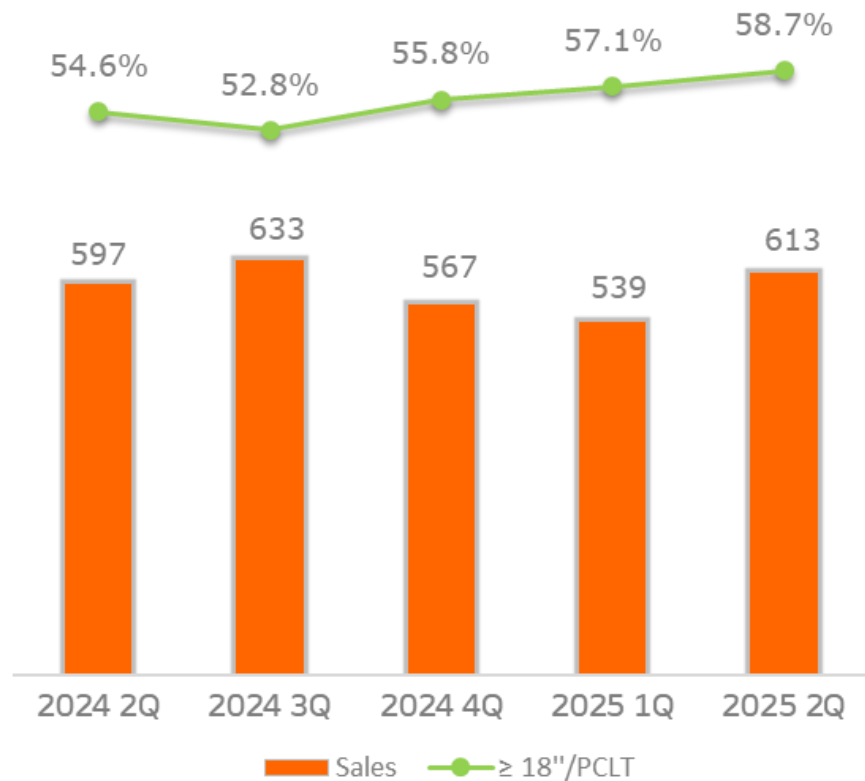
- RE : Sales increased YoY, exceeding market demand in all-segments (All-Weather, Winter, etc.)
- OE : Sales increased YoY, supported by strong performance of supplied vehicle models

Forward-Looking Strategy

- Winter tire sales remain strong and marketing activities will continue to be reinforced to ensure stable sales

NORTH AMERICA

[Unit: Billion KRW, %]



Market Environment

- RE : Intensified competition and increased inventory in the RE market due to higher inflows of budget imports ahead of tariff implementation
- OE : Demand declined QoQ due to higher vehicle prices driven by tariffs

Sales Performance

- RE : Sales decreased YoY, but qualitative growth continued with increased sales of high-value products.
- OE : Sales declined YoY due to lower sales of vehicles we supply

Forward-Looking Strategy

- Price increase implemented in July 1st
- Initial production at Tennessee plant in 2H to mitigate tariff impact; enhanced marketing planned upon expansion completion

II. Performance by Business Segment

1) Tire Business - Business Highlights



Ranked #1 in testing for EV all-season tires



- The iON FlexClimate ranked #1 in EV all-season tire testing conducted by Auto Bild
- Three global brands, including Hankook Tire, were tested on the Ioniq 6 under various driving conditions—wet, dry, snowy, and icy roads—across a total of 10 evaluation categories
- Demonstrated outstanding performance in six key areas, including hydroplaning, handling, braking, and rolling resistance, proving top-level technology for EV tires

New Original Equipment Fitments



- **Porsche ‘Macan’**
 - The Ventus S1 evo3 ev has been fitted on Porsche’s electric SUV model, the Macan
 - Expanding the EV portfolio from the Taycan to the Macan
- **KIA ‘EV4’**
 - Supplied iON evo AS as OE tires for KIA’s first electric sedan, the EV4
 - Expanded the EV portfolio from the electric SUVs EV3 and EV9 to include the EV4

2) Thermal Management Business - Overview

Financial Highlights

- Revenue KRW 2,858.2 billion, Operating Profit KRW 64.3 billion, OPM 2.2%
- Revenue increased by 11.7% YoY, supported by increased sales volume, improved customer recovery and favorable FX impact
- Quarterly OPM reached 2.2% due to enhanced cost control and operational efficiency, despite changes in R&D capitalization scope
- 2Q xEV revenue ratio reached 29%; expect to reach approximately 30% in 2025, reflecting global customer BEV launches

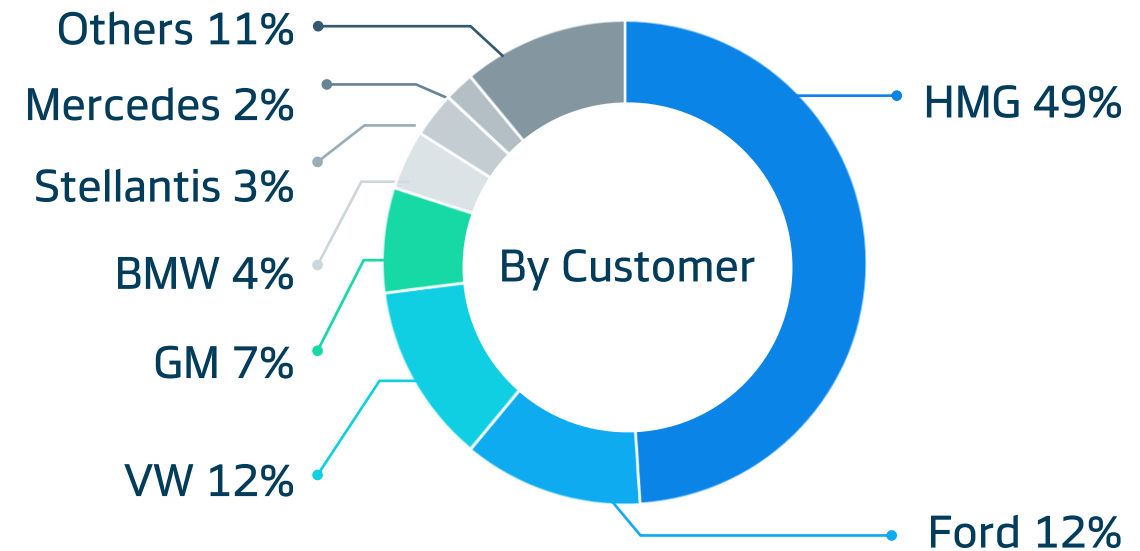
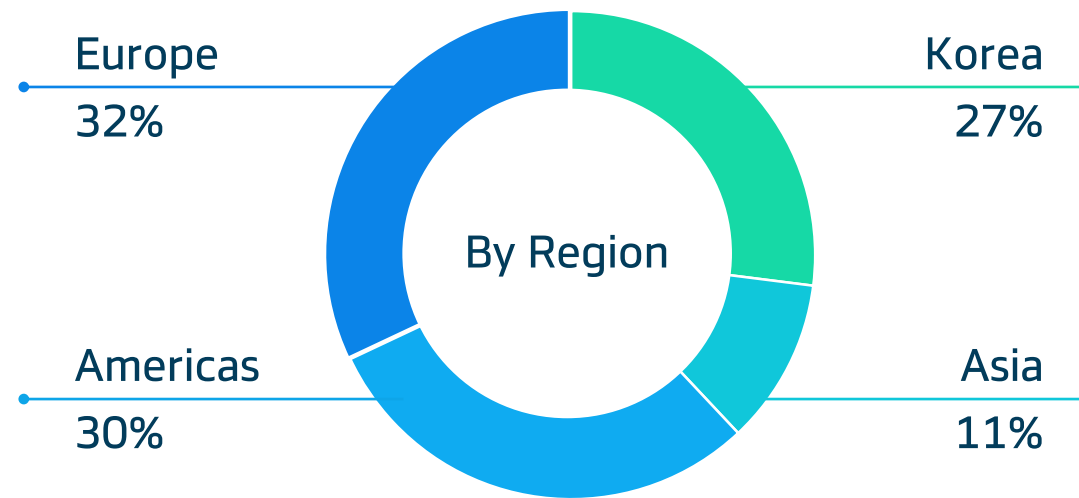
Sales Performance

- Revenue growth driven by production volume increase and successful recovery
- COGS starts to decline; Ongoing cost management expected to drive further improvement
- SG&A costs are effectively controlled driven by enhanced cost discipline
- Robust Re-win orders expected in 2025; 1H25 New Business Win remains subdued due to tariff uncertainties
- Ongoing initiatives to optimize CAPEX and R&D spending

[100 Million KRW]

	2024 2Q	2025 1Q	2025 2Q	YoY	QoQ
Revenue	25,599	26,173	28,582	+11.7%	+9.2%
COGS	23,271 (90.9%)	24,273 (92.7%)	26,041 (91.1%)	+11.9%	+7.3%
Operating Profit	716 (2.8%)	211 (0.8%)	643 (2.2%)	-10.2%	+205.1%
Ordinary Profit	-328 (-1.3%)	-173 (-0.7%)	-256 (-0.9%)	Continued Losses	Continued Losses
EBITDA	2,347 (9.2%)	1,914 (7.3%)	2,505 (8.8%)	+6.7%	+30.9%

2) Thermal Management Business - Performance by region & customer



Comments

- Performance by region : Increase in Europe (+17% YoY), Americas (+14%), Korea (+6%) and Decrease in China (-11%)
- Performance by customer : Increase in Mercedes-Benz (+67% YoY), VW (+30%), HMG (+14%), GM (+13%), Ford (+11%), Stellantis (+2%) and BMW (+1%)
- 2025 New Business Wins target: \$1B of Re-win and \$0.5B of New-win; key programs scheduled in the second half
- Technological leadership maintained with robust portfolio adaptable to all types of powertrains, including ICE, BEV, HEV, PHEV and EREV
- Profitability expected to improve through successful re-win orders with increased operational efficiency, less CAPEX requirements and repricing

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 U.S. 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 1H ≥ 18 inch ratio 47.2%
(+0.6%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 1H EV tire ratio 24%
(+7%p YoY)
- Aim to lead the premium tire market with our EV-exclusive 'iON' tires

The company aims to allocate capital across strategic growth, shareholder returns, and financial resilience, while building trust through a transparent and predictable dividend policy.

01

Targeting ~35% Dividend Payout Ratio Over the Mid-Term

- Targeting a gradual increase in the dividend payout ratio to ~35% over FY2025-2027
- Payout to be based on adjusted net income, excluding non-recurring items from the Tire Business
- Capex to be concentrated in 2025 due to ongoing expansions in U.S. and Hungary; investments expected to unlock future growth and support payout expansion over time

02

Interim Dividend Payment

- Following shareholder approval at the 13th AGM, Articles of Incorporation were amended to allow interim dividends by board resolution
- Interim dividends to be paid regularly from FY2025 to provide stable cash returns to shareholders

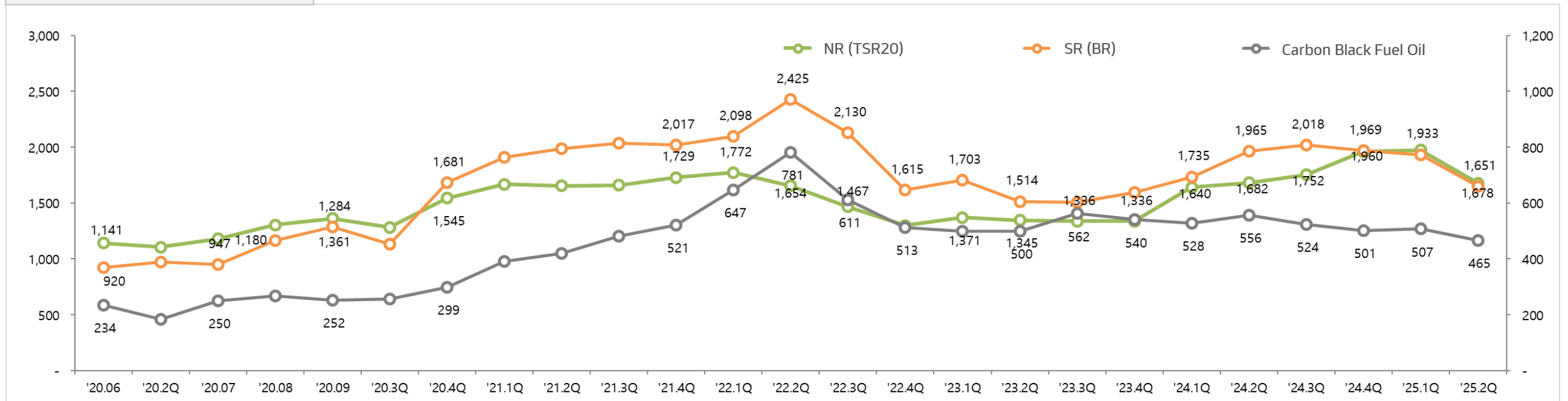


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V. Appendix - Raw Material Trend

- N/R : SICOM TSR20 prices stayed elevated at US\$1,900-2,000/ton from Q4 2024 to 1Q 2025, driven by concerns over supply disruptions in Southeast Asia. Prices then declined to the US\$1,600 range in 2Q, amid rising global trade tensions following U.S. tariff actions. Market sentiment remains weak due to subdued demand from China and increased supply from major producers. Volatility may rise should the tariff overhang be lifted.
- S/R : BD prices fell in 2Q, weighed down by easing geopolitical tensions, U.S. tariff developments, and cracker restarts in Southeast Asia. The downtrend is expected to continue, with Chinese demand remaining weak amid tariff-related headwinds. Synthetic rubber prices are likely to stay soft due to persistent BD oversupply and sluggish global demand.
- C/B : Oil prices fell through May 2025 on soft demand and increased OPEC+ output, but spiked amid renewed Middle East tensions and concerns over supply risks through the Strait of Hormuz. In Q3, prices are expected to weaken again due to sluggish demand, continued OPEC+ production, and persistent tariff uncertainties.

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

V. Appendix - Consolidated B/S



[100 Million KRW]

2025 2Q	Tire Business		Thermal Mgmt Business		Total	
	Amt	%	Amt	%	Amt	%
Assets	157,072	100.0%	103,139	100.0%	251,904	100.0%
Current Assets	68,434	43.6%	41,924	40.6%	109,920	43.6%
Cash and cash equivalents	13,936	8.9%	7,886	7.6%	21,822	8.7%
Short term financial assets	4,584	2.9%	125	0.1%	4,709	1.9%
Trade and other receivables	22,485	14.3%	17,090	16.6%	38,045	15.1%
Inventories	23,993	15.3%	12,768	12.4%	36,762	14.6%
Other current assets	3,436	2.2%	4,055	3.9%	8,582	3.4%
Non-current Assets	88,637	56.4%	61,215	59.4%	141,984	56.4%
Tangible, Intangible assets and Investment properties	54,832	34.9%	56,163	54.5%	128,801	51.1%
Investments in associates	932	0.6%	952	0.9%	1,884	0.7%
Other non-current assets	32,873	20.9%	4,100	4.0%	11,299	4.5%
Liabilities	45,452	28.9%	74,268	72.0%	126,636	50.3%
Current Liabilities	26,342	16.8%	48,368	46.9%	74,273	29.5%
Non-Current Liabilities	19,109	12.2%	25,900	25.1%	52,363	20.8%
Shareholder's Equity	111,620	71.1%	28,871	28.0%	125,268	49.7%
Debt	20,144		46,714		66,644	
Net Debt	585		38,828		39,198	
Liability Ratio		40.7%		257.2%		101.1%
Net Worth to Assets		71.1%		28.0%		49.7%
Net debt Ratio		0.5%		134.5%		31.3%

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

V. Appendix - 2025 2Q Consolidated P/L



[100 Million KRW]

2025 2Q	Tire Business		Thermal Mgmt Business		Total	
	Amt	%	Amt	%	Amt	%
Revenue	25,115	100.0%	28,582	100.0%	53,697	100.0%
COGS	16,680	66.4%	26,041	91.1%	42,721	79.6%
Gross Profit	8,435	33.6%	2,541	8.9%	10,976	20.4%
SG&A	4,971	19.8%	1,898	6.6%	7,439	13.9%
Operating Profit	3,464	13.8%	643	2.2%	3,536	6.6%
Other non-operating income/expense	-960	-3.8%	-873	-3.1%	-935	-1.7%
Financial income/cost	-461	-1.8%	-44	-0.2%	-222	-0.4%
Equity-method gain(loss)	-16	-0.1%	17	0.1%	1	0.0%
Income before income tax	2,026	8.1%	-256	-0.9%	2,380	4.4%
EBITDA	4,761	19.0%	2,505	8.8%	7,268	13.5%
Depreciation	1,297	5.2%	1,862	6.5%	3,732	6.9%

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※ From 2Q onward, PPA depreciation and amortization related to the acquisition of Hanon Systems has been recognized. Approximately KRW 57.4 billion was recorded in 2Q, including unrecognized amounts from 1Q.

V. Appendix - 2025 1H Consolidated P/L



[100 Million KRW]

2025 1H	Tire Business		Thermal Mgmt Business		Total	
	Amt	%	Amt	%	Amt	%
Revenue	48,578	100.0%	54,755	100.0%	103,333	100.0%
COGS	32,403	66.7%	50,314	91.9%	82,716	80.0%
Gross Profit	16,176	33.3%	4,441	8.1%	20,617	20.0%
SG&A	9,376	19.3%	3,588	6.6%	13,534	13.1%
Operating Profit	6,800	14.0%	854	1.6%	7,083	6.9%
Other non-operating income/expense	-667	-1.4%	-942	-1.7%	-805	-0.8%
Financial income/cost	-578	-1.2%	-392	-0.7%	-687	-0.7%
Equity-method gain(loss)	672	1.4%	50	0.1%	722	0.7%
Income before income tax	6,228	12.8%	-430	-0.8%	6,313	6.1%
EBITDA	9,501	19.6%	4,419	8.1%	13,921	13.5%
Depreciation	2,701	5.6%	3,565	6.5%	6,838	6.6%

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