KUMHO TIRE

4Q 2025 Earnings Release

Disclaimer

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The business results and financial performance presented herein are provided solely for the convenience of investors and reflect preliminary figures of Kumho Tire Co., Inc. (the "Company") and its subsidiaries, prior to the completion of the external auditors' review. Please note that certain details may be subject to change upon the finalization of the audit.

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Contents

1 2025 Highlights

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Annual Sales: KRW 4.7 tn
Operating Profit: KRW 575.5 bn

- **Continued growth led by N. America and Europe**
  - N. America: KRW 1,604.2 bn (YoY +15.8%)
  - Europe: KRW 1,272.8 bn (YoY +6.4%)

Operating Profit: KRW 575.5 bn

- **≥18" Product Mix: 43.2%**
  - New launches (e.g., ECSTA SPORT S) strengthened the large-diameter portfolio and competitiveness
- **EV Tire Supply Mix: 20.4%**
  - +4.0%p YoY, supported by proven EV-dedicated tire quality

Launch of Premium Line

- **Development & Launch of new large-diameter products**
  - WinterCraft WP52+
  - ECSTA SPORT Series
  - SOLUS ADVANCE
  - ROAD VENTURE RT

4Q 2025 Financial Results

- 4Q Sales: KRW 1.1 tn (+4.2% QoQ); QoQ sales growth led by Europe and Korea
- 4Q Operating Profit: KRW 145.6 bn (+34.2% QoQ), OP margin 12.6%; thanks to increased sales of high-value large-diameter products, as well as low costs
- FY2025 Sales: KRW 4.7 tn (+3.7% YoY) (OE: +10.3% YoY, RE: +2.5% YoY)

Sales & Earnings (KRW bn)

	2024					2025					4Q		2025 YoY
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	QoQ	YoY	
Sales	1,044.5	1,131.9	1,115.0	1,240.7	4,532.2	1,206.2	1,221.3	1,113.7	1,160.1	4,701.3	*4.2%*	*-6.5%*	*3.7%*
COGS	726.0	785.9	789.0	849.0	3,149.9	854.4	825.3	791.6	776.9	3,248.3	*-1.8%*	*-8.5%*	*3.1%*
OP	145.6	151.5	140.2	151.2	588.6	146.6	175.2	108.5	145.6	575.9	*34.2%*	*-3.7%*	*-2.2%*
Margin (%)	*13.9%*	*13.4%*	*12.6%*	*12.2%*	*13.0%*	*12.1%*	*14.3%*	*9.7%*	*12.6%*	*12.2%*			
Income BT	105.6	119.2	108.5	99.9	433.3	132.3	0.2	102.0	225.4	460.0	*121.0%*	*125.6%*	*6.2%*
Margin (%)	*10.1%*	*10.5%*	*9.7%*	*8.1%*	*9.6%*	*11.0%*	*0.02%*	*9.16%*	*19.4%*	*9.8%*			
EBITDA	216.8	223.9	205.5	218.4	849.1	216.0	239.4	172.9	213.0	841.3	*23.2%*	*-2.5%*	*-0.9%*
Margin (%)	*20.8%*	*19.8%*	*18.4%*	*17.6%*	*18.7%*	*17.9%*	*19.6%*	*15.5%*	*18.4%*	*17.9%*			

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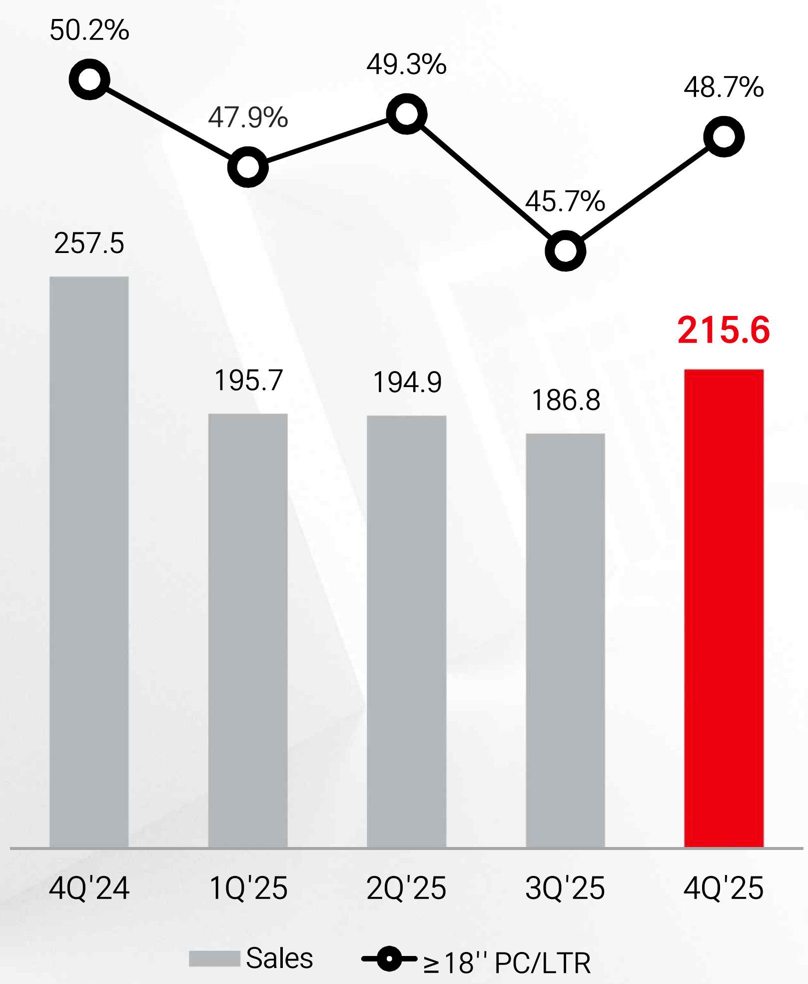
Korea (KRW bn)



Market

Growth supported by the past year's base effect, rate cuts, and government-led domestic demand stimulus

- 2025 New Car Sales: 1.677 mn units (+2.5% YoY; FY2024: 1.636 mn)
- 2025 (Jan-Nov) Tire Market: PC +0.8%, LT +2.2%, TB +0.2%

OE

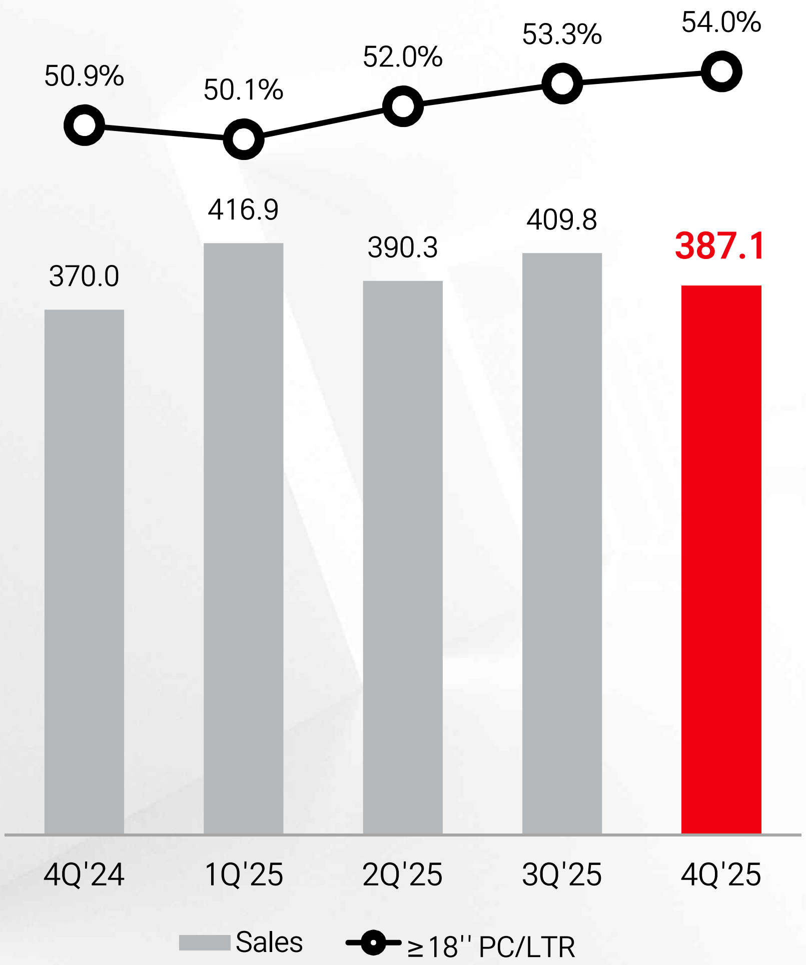
- Lower OE production and sales due to major domestic client Hyundai Motor Group's strategy shift (delayed EV development/launch)
- HEV-focused mix: Expanded R&D and supply aligned with growing HEV demand

RE

- Premium Mix Uplift: Increased sales of high-margin new products (e.g., SOLUS ADVANCE)
- Channel Expansion: Built a new platform linked to Tire Pro and other channels; enhanced customer benefits to drive omni-channel (online/offline) sales growth

Financial Results | Sales by Region

North America (KRW bn)



Market

- Auto parts tariff policy drove demand pull-forward through May (pre-implementation) → 2H impact: price hikes and lower volumes
- FY2025 New Car Sales: 19.66 mn units (1.1% YoY; FY2024: 19.88 mn)
- Tire Market (FY cumulative): OE -2%/ RE 0%

OE

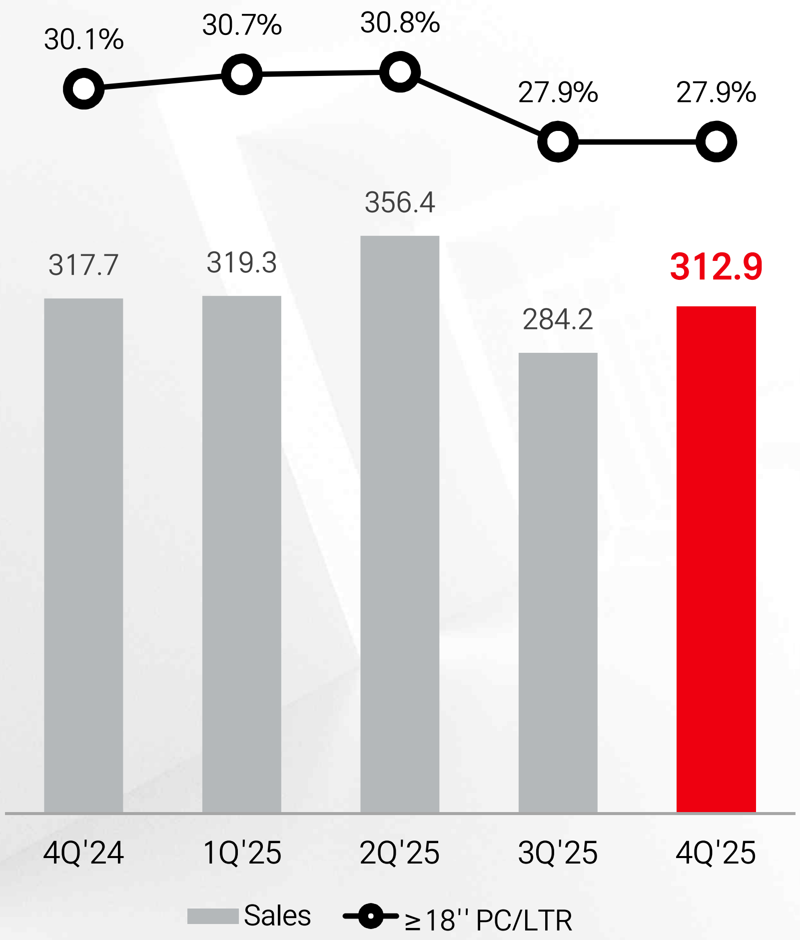
- EV demand stalled → elevated EV inventories and reduced new car production
- Shift toward HEVs: respond to rising HEV demand and strengthen portfolio by vehicle segment

RE

- Profitability uplift through increased sales of high-margin/ high-priced models
- Sales growth driven by deeper collaboration with key OEM/ customer accounts
- Timely price actions facilitated by enhanced market and competitor price monitoring

2 Financial Results | Sales by Region

Europe (KRW bn)



Market

New vehicle demand softened amid political instability and economic uncertainty in Western Europe

- FY2025 New Car Sales: 18.26 mn units (-1.9% YoY, FY2024: 18.62 mn)
- Tire Market (FY cumulative): OE -5%, RE +1%

OE

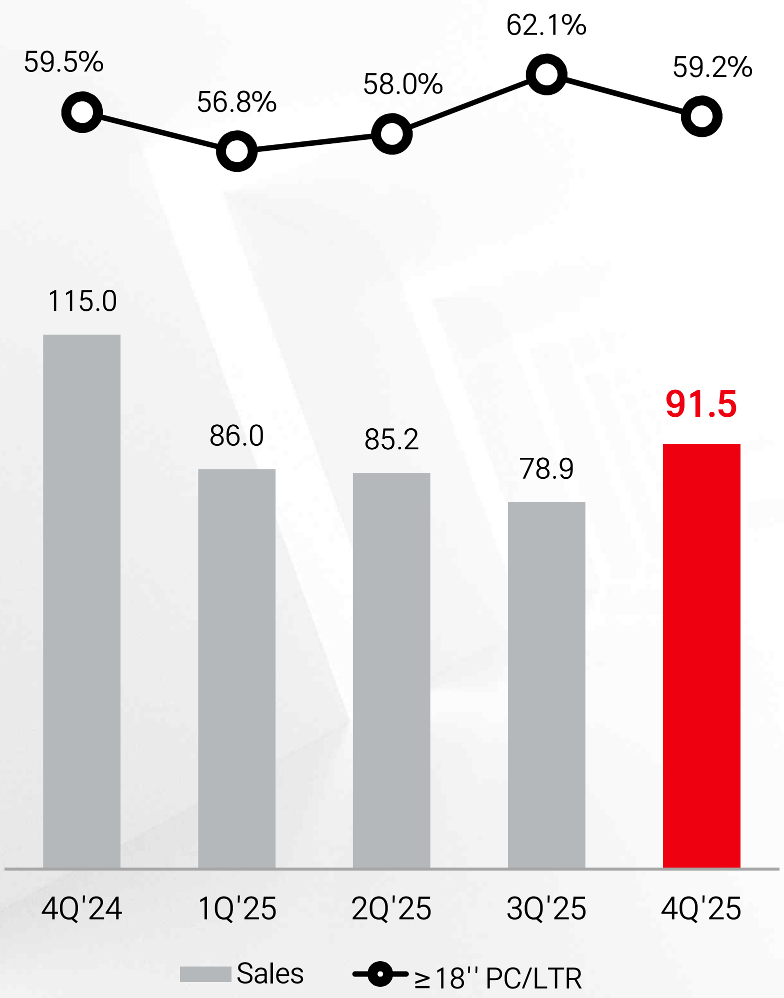
- Aligned production and delivery schedules with overseas carmakers following the partial resumption of operations at Gwangju Plant #1
- Pursued business expansion with 3 German carmakers to advance premium brand positioning
- Secured and developed OE fitments/volumes for the start of production in line with the new EU plant ramp-up

RE

- Increased new supply to major retail accounts and expanded SoW at strategic key accounts
- Expanded warehouse operating capacity to support higher retail-channel sales

Financial Results | Sales by Region

China (KRW bn)



Market

New vehicle demand up on NEV tax incentives and the trade-in policy

- FY2025 New Car Sales: 28.66 mn units (+7.5% YoY, FY2024: 26.65 mn)
- Tire Market (FY cumulative): OE +9%, RE +2%

OE

- Secured orders and supply centered on high-priced export vehicle segments
- Increased OE fitments and volumes aligned with growing premium-vehicle sales

RE

- Continued to develop new dealers and expand model coverage to scale the distribution network
- Strengthened marketing to enhance brand awareness and reinforce a premium image in China

3 2026 Business Outlook

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Sales Target: KRW 5.1 tn

- FY2025 Sales: KRW 4.7 tn → FY2026E Target: KRW 5.1 tn
- FY2025 Sales (4Q cum.): KRW 4,701.3 bn (94% of the KRW 5.0 tn target)

≥18" Sales Mix Target (within PCLT): 47%

- Mix progress: 38.1% ('23) → 41.8% ('24) → 43.2% ('25)
- 4Q large-diameter sales mix: 43.6%
- Plan to expand large-diameter sales led by new launches (ECSTA SPORT S, ROAD VENTURE RT, etc.) in 2025

EV Tire Supply Mix Target: 30%

- PCLT OE mix progress: 9.8% ('23) → 16.3% ('24)→ 20.4% ('25)
- 4Q EV mix: 20.9% → added 10 additional EV-dedicated tire fitments vs. 2024

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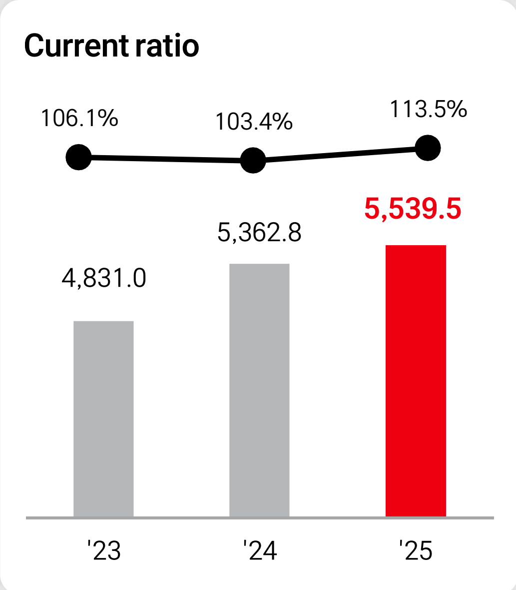
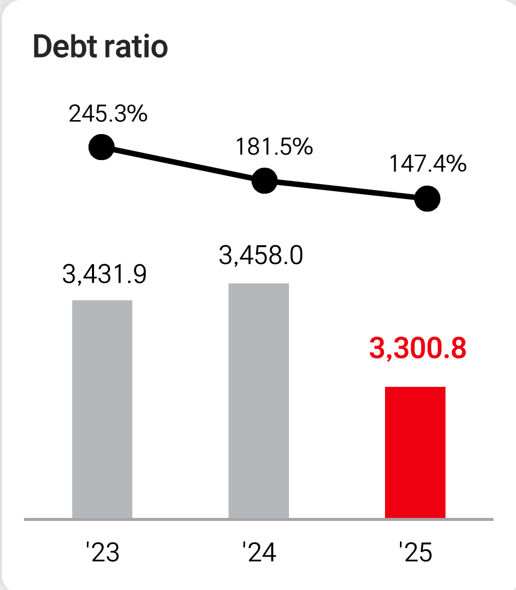
4 Appendix | Financial Positions

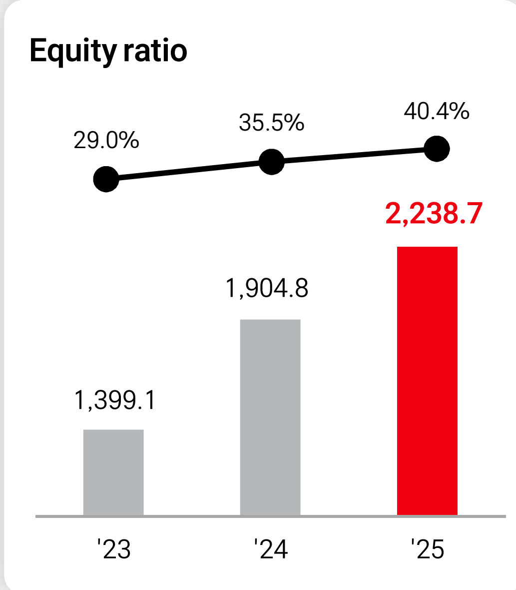
Assets (KRW bn)



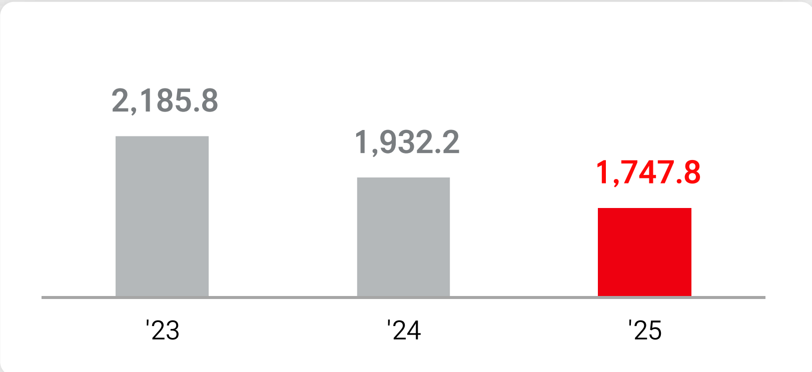
Liabilities (KRW bn)



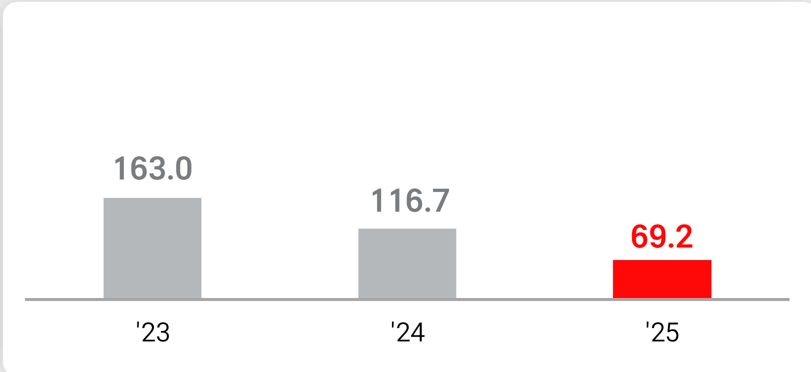
Equity (KRW bn)



Interest-Bearing Debt (KRW bn)



Net Interest Expenses (KRW bn)



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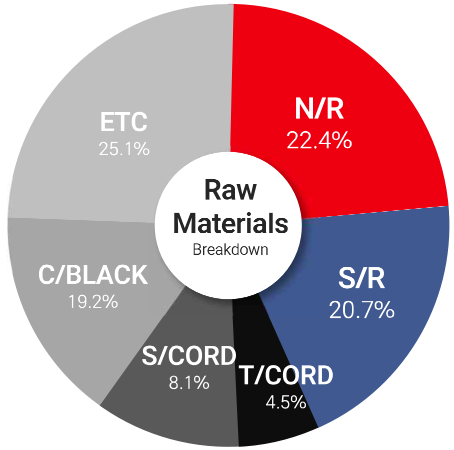
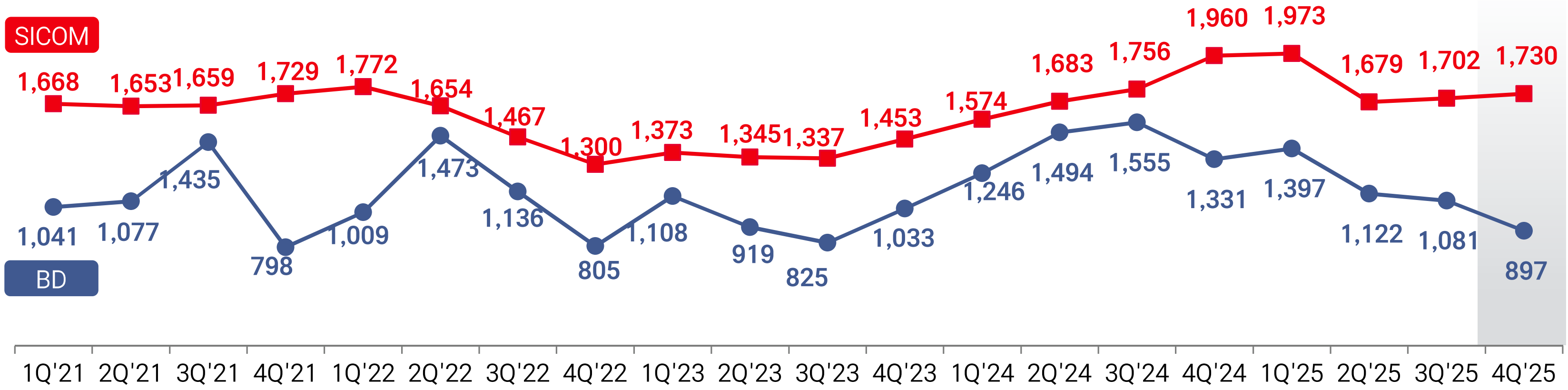
Raw materials Trends

Natural Rubber	SICOM (futures) price stayed $1,730/ton in 4Q; price volatility likely to ease near term amid a "wait-and-see" market on expected global slowdown and the EUDR delay
Synthetic Rubber	BD price bottoming out at $897/ton in 4Q on elevated China inventories and inbound offshore volumes; further upside expected as spot buying persists ahead of annual contract negotiations (toward the low $ 1,000s/ton)
Carbon Black	Downside bias on oversupply concerns from OPEC+ output increases and potential Russia-Ukraine ceasefire; Non-OPEC+ steady production and easing of OPEC+ cuts also weigh on prices



Raw Materials Price Trends (USD/ton)



※ Natural rubber = SICOM; Synthetic rubber = BD (butadiene)

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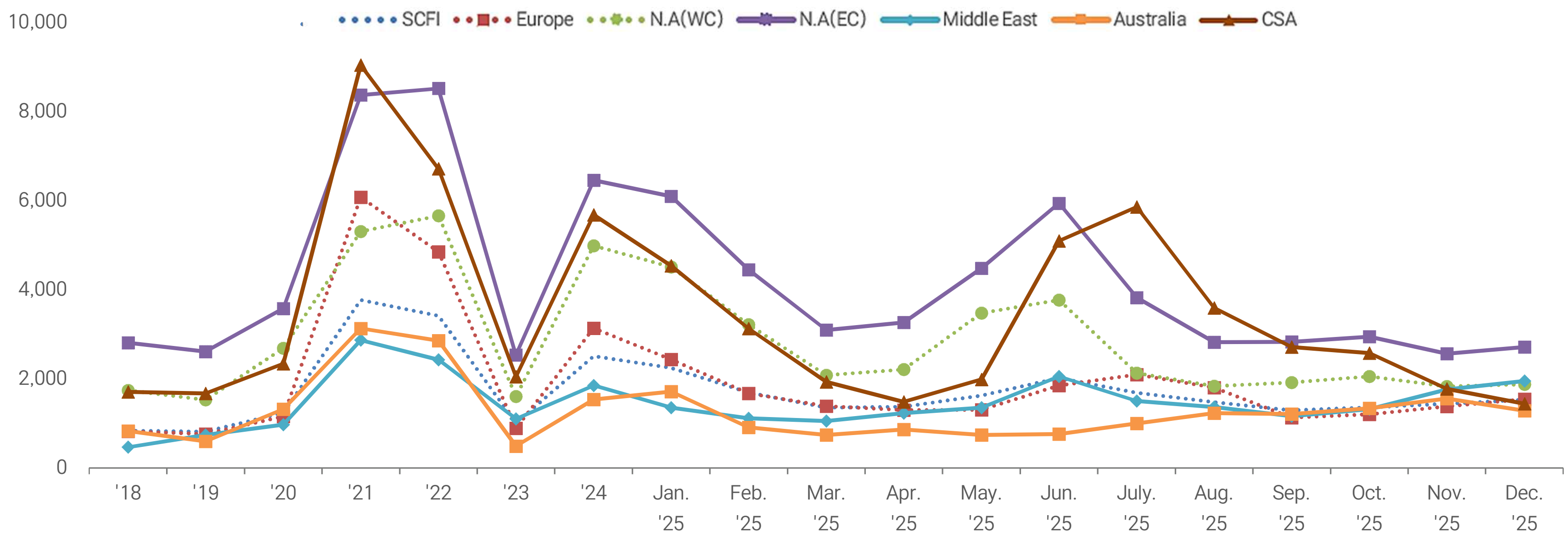
Global SCM Logistics and Business Freight Costs

Global/Domestic Logistics Market	- Supply-demand imbalance persists amid newbuild deliveries and trade policy uncertainty; pre-Lunar New Year shipment pull-forward may support early-year pricing, but the broader trend remains soft/weak - Key swing factors: potential resumption of Suez Canal transit and demand shifts driven by U.S. tariff ruling(s) could act as upside/downside catalysts
Business Freight Costs in 4Q '25	- 4Q'25 freight rates: significantly lower YoY, broadly flat QoQ - FY2026 plan: lower the logistics cost base via new freight contracts; secure stable vessel capacity to support sales execution

SCFI (Shanghai Containerized Freight Index) (Unit: $)



4 Appendix | Consolidated B/S

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(KRW bn)

	2023	2024	2025
Current assets	2,002.2	2,335.0	2,584.8
Non-current assets	2,828.8	3,027.8	2,954.7
Total Assets	4,831.0	5,362.8	5,539.5
Current liabilities	1,886.3	2,258.0	2,263.4
Non-current liabilities	1,545.6	1,200.0	1,037.5
Total Liabilities	3,431.9	3,458.0	3,300.8
Capital stock	1,436.3	1,436.3	1,436.3
Capital surplus	225.0	225.0	225.0
Other components of equity	-19.5	-19.5	-19.5
Accumulated other comprehensive income (AOCI)	99.0	265.8	265.5
Retained earnings (accumulated deficits)	-476.4	-187.0	122.2
Non-controlling interests	134.7	184.3	209.3
Total Equity	1,399.1	1,904.8	2,238.7
Total Liability and Equity	4,831.0	5,362.8	5,539.5

4 Appendix | Consolidated I/S

(KRW bn)

	2023	2024	2025
Sales	4,041.4	4,532.2	4,701.3
COGS	2,931.3	3,149.9	3,248.3
Gross Profit	1,110.1	1,382.2	1,453.0
SG&A	699.1	793.7	877.2
Operating profit	411.0	588.6	575.9
Non-operating income (loss)	-183.9	-155.3	-115.8
Pre-tax profit (loss)	227.1	433.3	460.0
Corporate tax benefit (expense)	-55.3	-81.7	-83.2
Net profit (loss)	171.8	351.6	376.8