

Third-Quarter 2021 Results

Halla Holdings

November 2021



3Q 2021 Highlights

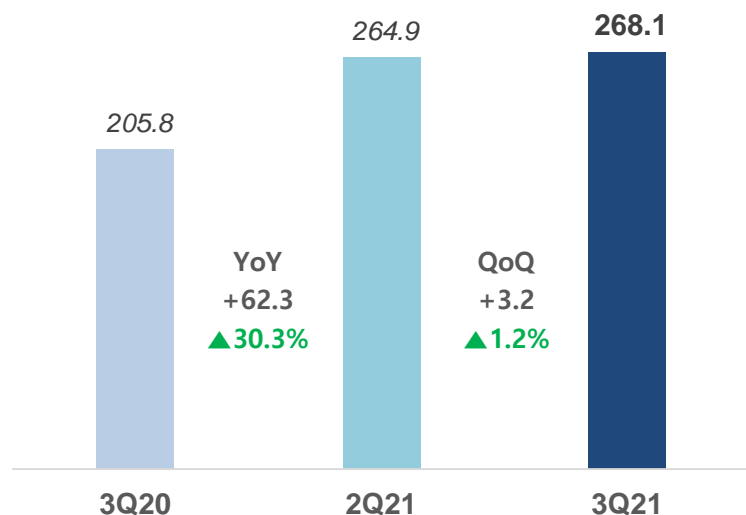
- ✓ **Consolidated 3Q results**
 - Sales of W 268.1 bn (YoY +30.3%)
 - OP of W 41.1 bn (YoY -8.2%), OP Margin 15.3%
 - Net profit of W 38.4 bn (YoY +16.3%)
- ✓ **Halla Holdings Business Unit**
 - Own business 3Q Sales of W 223.0 bn (YoY +41.0%) and OP of W 8.3 bn (OPM : 3.7%)
 - Continuous start-up investment and business cooperation in EV and autonomous driving (J'CAR, CONTROLWORKS, ACE Lab)
- ✓ **Affiliates' highlights**
 - **Automobile (Mando Corporation)**
 - Mando 3Q Sales of W 1,436.0 bn (YoY -4.4%) and OP of W 53.2 bn (OPM : 3.7%)
 - **Construction (Halla Corporation)**
 - 3Q sales of W 341.6 bn (YoY -11.8%) and OP of W 18.9 bn (OPM : 5.6%)
 - Sufficiently secured housing supplies (6,000~8,000 households a year, 2021~22)
- ✓ **WCP Investment (EV secondary battery separator manufacturer, 100.0 bn, Sep. 2021)**
- ✓ **Halla Corp. CPS transaction (cash-in 25.0 bn, Sep. 2021)**

Maintaining strong performance and continuing business diversification

Business Performance (consolidation)

Sales

[Unit : W bn]

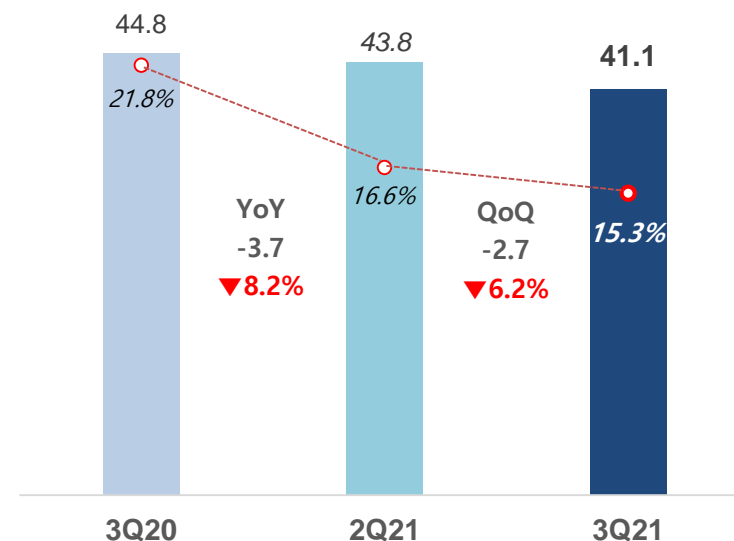


- **3Q Sales increase 30.3% YoY**

- Own Biz sales increased by W 64.8 bn.
(Aftermarket, logistics and module increase by W 63.4 bn.)

Operating Profit (%)

[Unit : W bn]



- **3Q OPM decrease -8.2% YoY**

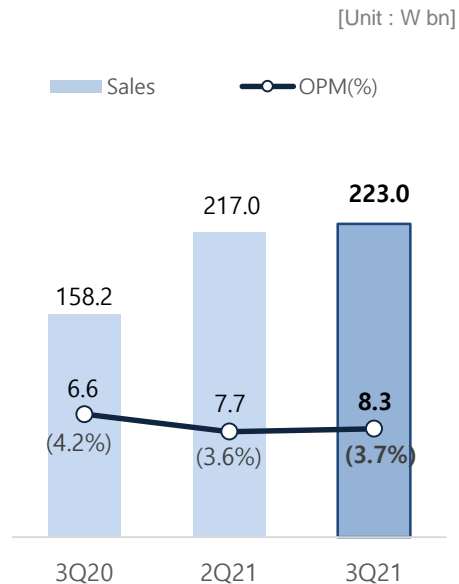
- Due to decrease in 3Q21 profits from affiliates
(profits from affiliates decrease by W 2.6 bn.)

Continuous growth of own business & Fast recovery from Covid-19 impact

Business Performance of 3Q 2021

Own Business

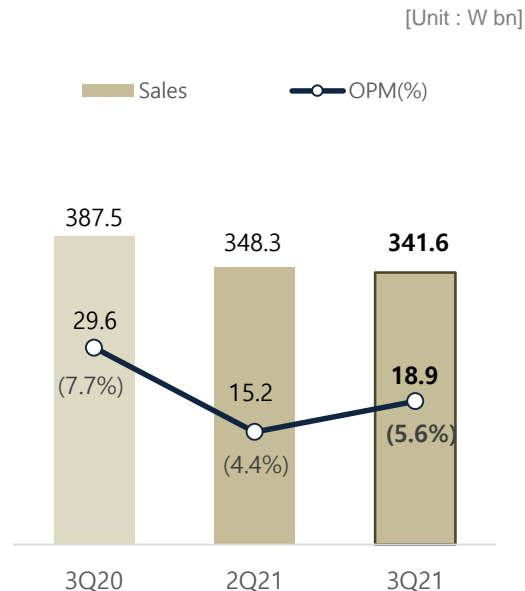
Aftermarket and Logistics



Construction

Halla Corporation

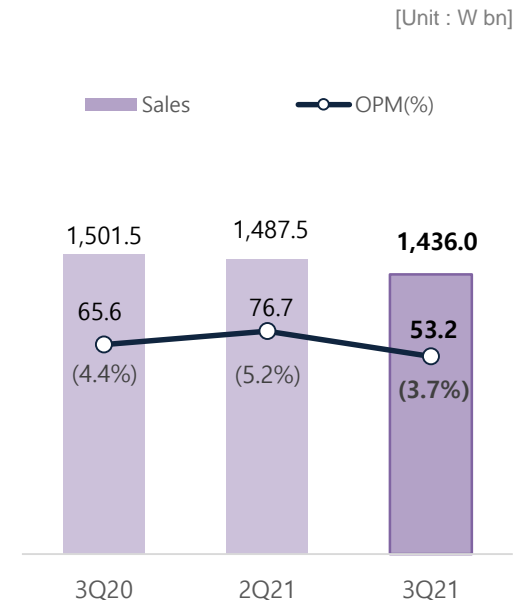
(Affiliates under the equity method)



Automobile

Mando

(Affiliates under the equity method)

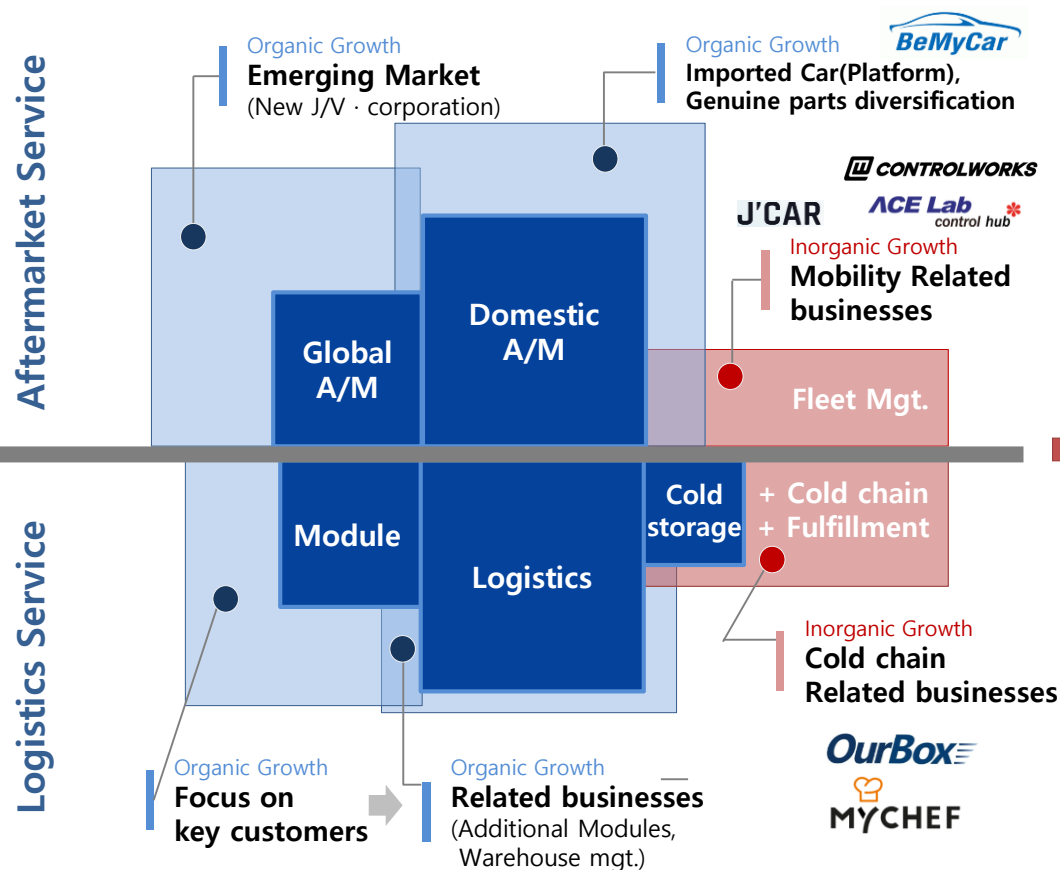


Continuous solid results in Own Business & affiliates

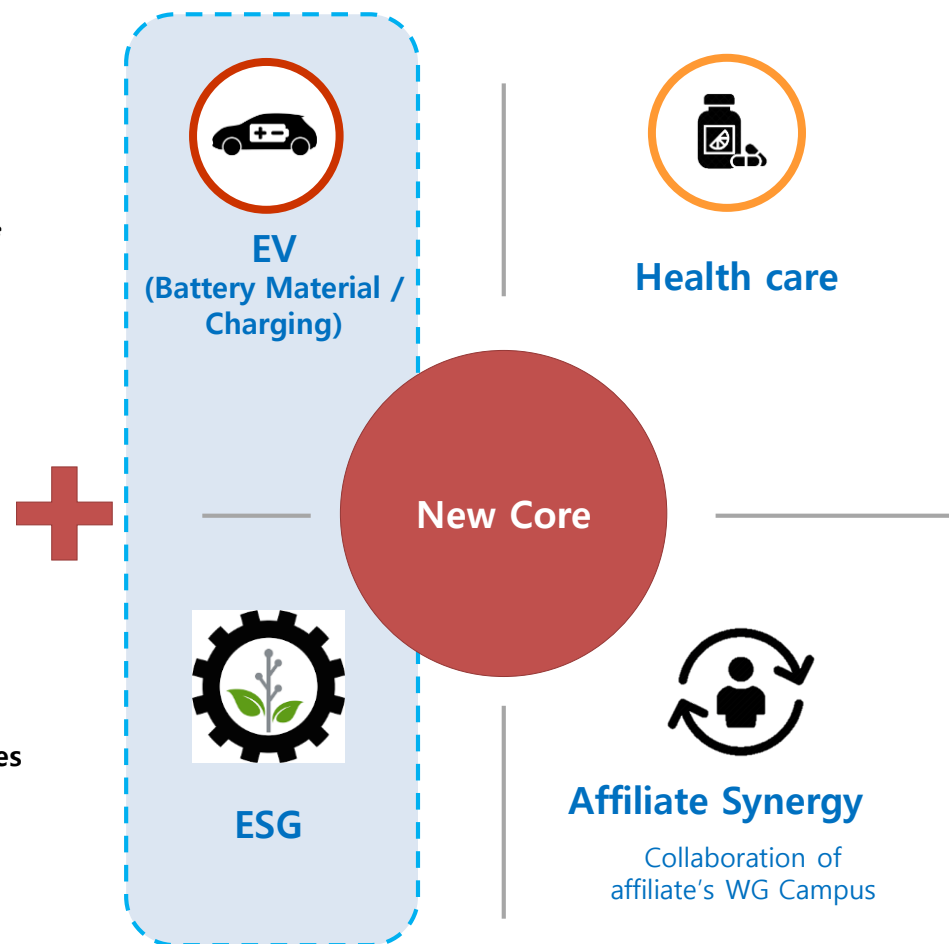
Value-up / M&A Strategies

Own Business 'Value up'

B2B, wholesaler → B2C, e-Commerce



Business Portfolio Diversification



Project to be completed in 2021

Own Business Value-up

Investment for business synergy

Eco-Friendly Car sharing



- Securing EV field data (maintenance DB)
- Aftermarket demand forecast for EV
- Car accessory, black box, filter sales
- Searching new biz area exclusively for EV (battery recycling, etc.)

Autonomous driving

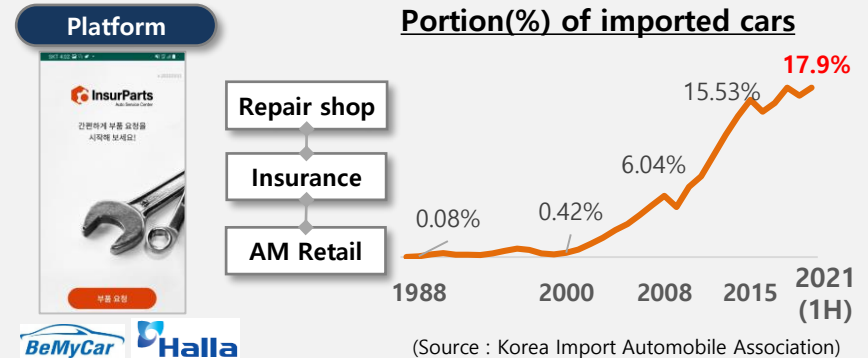


- Strengthen R&D capabilities in aftermarket business.
- Heavy Equipment Safety Device (ADAS for forklift)
- Developing new mobility aftermarket parts



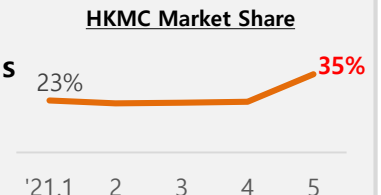
Aftermarket Business

Imported Car Parts Platform Service ('21.3Q~)



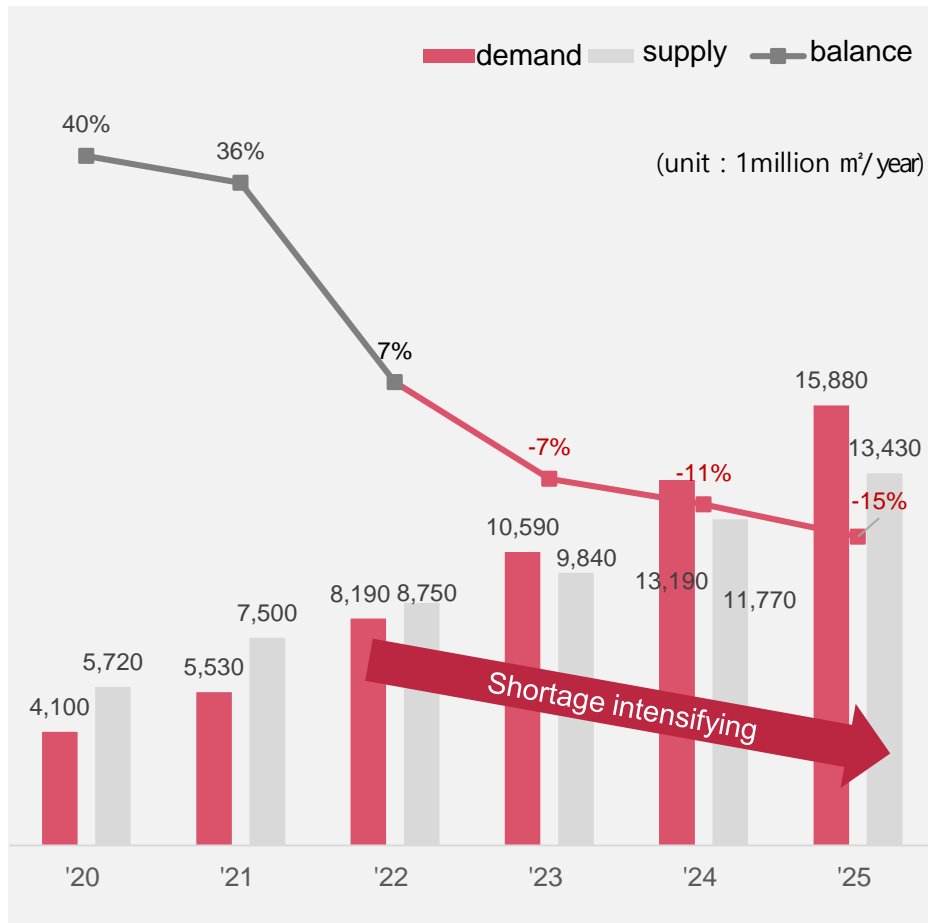
New J/V in India (21.4Q~22.1Q)

- Aftermarket demand increased as HKMC M/S grow up (23 ~ 35%)
- Targeting India and neighboring Asian markets
- Aftermarket needs increased due to bad local road conditions
- High import tariffs → Local sourcing strategy (MAIL)



Business Portfolio diversification - WCP

EV secondary battery separator outlook



(Source: SNE Research)

1 Firm market position as a Big 4 separator company based on stable partnership

- Global big 4 separator company (Asahi, Toray, WCP, SKIET)
- Long-term supply agreement with Samsung SDI

2 High growth potential & entry barriers

- Growth CAGR of 29%, supply shortage after 2023
- Big technology gap & initial investment, long approval period

3 Global Top-tier level technological competitiveness

- 5.5m wide production technology and high productivity
- Securing differentiated safety, product approval from top-tier customers

4 Continuous investment and sales growth due to explosive growth in demand

- New line plan in Hungary to enter European market by 2024 (Above Korean production capacity)

5 High-value IPO expected

- Preparation for going public in the first half of 2022
- Cases of similar company(SKIET), high listing multiple reflecting market growth potential and CAPA expansion plan

Appendix

Appendix | Key Financial Metrics

	YoY			QoQ	
	3Q 2021	3Q 2020	B/(W)	2Q 2021	B/(W)
[Unit : bn. KRW, %]					
Sales	268.1	205.8	+62.3 +30.3% ↑	264.9	+3.2 +1.2% ↑
Operating Profit	41.1 15.3%	44.8 21.8%	-3.7 -8.2% ↓	43.8 16.6%	-2.7 -6.2% ↓
Net Profit	38.4 14.3%	33.0 16.0%	+5.4 +16.3% ↑	33.9 12.8%	+4.5 +13.4% ↑
EBITDA	47.0 17.5%	47.2 23.0%	-0.2 -0.5% ↓	48.3 18.3%	-1.3 -2.8% ↓

Appendix | Consolidated Statements of Financial Position

[Unit : W bn, %]

Description	3Q 2021	2Q 2021	Variance
Asset	2,196.9	2,116.9	+80.0
(Cash)	182.4	257.8	-75.4
Liability	1,180.9	1,164.5	+16.4
(Debt)	727.4	729.3	-1.8
Equity	1,016.0	952.4	+63.6
(Capital)	55.1	55.1	-
L/E ratio	116.2%	122.3%	-6.0%
D/E ratio	71.6%	76.6%	-5.0%
Net D/E ratio	53.6%	49.5%	+4.1%

※ L/E ratio(Liability to Equity ratio), D/E ratio(Debt to Equity ratio), Net D/E ratio(Net Debt to Equity ratio)

Appendix | Performance Summary by Affiliates

➤ Business Unit of Holdings & Consolidated Affiliate

[Unit : W bn, %]

	Business Unit of Holdings		Consolidated Affiliate JJ Halla	
	3Q21	3Q20	3Q21	3Q20
Sales	223.0	158.2	4.3	4.0
Operating Profit	8.3	6.6	-0.1	-0.3
(%)	3.7%	4.2%	-2.6%	-6.4%
Pre-tax Profit	n/a	n/a	-3.5	-3.6
Net Profit	n/a	n/a	-3.5	-3.6

➤ Affiliates under the Equity Method of Accounting

[Unit : W bn, %]

	Mando		Halla Stackpole		Halla	
	3Q21	3Q20	3Q21	3Q20	3Q21	3Q20
Sales	1,436.0	1,501.5	44.1	46.8	341.6	387.5
Operating Profit	53.2	65.6	3.8	5.9	18.9	29.6
(%)	3.7%	4.4%	8.6%	12.7%	5.6%	7.6%
Pre-tax Profit	31.8	51.9	6.0	5.7	15.8	33.6
Net Profit	26.0	39.2	4.9	4.7	49.0	34.9

Disclaimer

The 3Q 2021 results of Halla Holdings are prepared on a consolidated basis in accordance with IFRS.

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