

HL Mando Corporation

3Q23 Financial Results

October, 2023



Recent Highlights

Demonstrated resilient topline backed by balanced customer base despite market uncertainties and macro headwinds

✓ **Summary of 3Q23 results**

- Sales of KRW 2,119.1 bn. (YoY +7.7%)
- Operating profit of KRW 81.5 bn. (OPM : 3.8%)
- Net profit of KRW 19.3 bn. (NPM : 0.9%)

✓ **Steadily advancing towards a financially robust and unwavering revenue and profit structure**

- Sustained sales growth (YoY +8%, QoQ +2%) outperforming market growth amid challenging market conditions
- Continuously improved our cost structure through cost reimbursement, returning to 1Q22 cost levels

✓ **New business wins of KRW 4.1 tn. in 3Q23 – achieved KRW 10.2 tn. YTD (71% of annual target)**

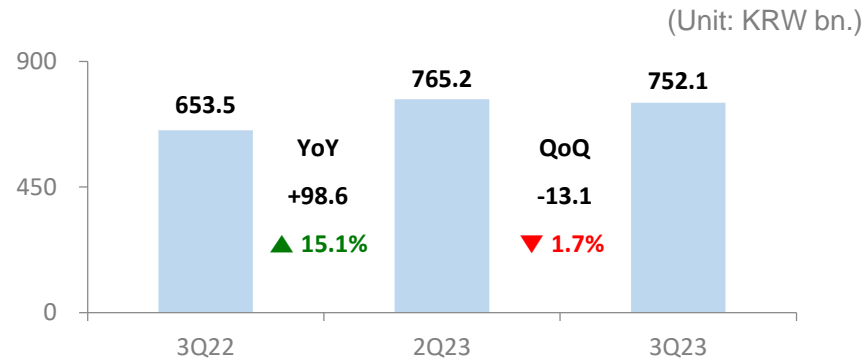
- E-Products 88%, xEV programs 78%
- Secured sizable orders from major customers, solidifying stable long-term sales outlook
 - Fortified next generation brake orders from NA EV maker and NA traditional OEM's BEV platform
 - Attained major wins from Hyundai-Kia on next generation EV platform

3Q23 *Sales by Region

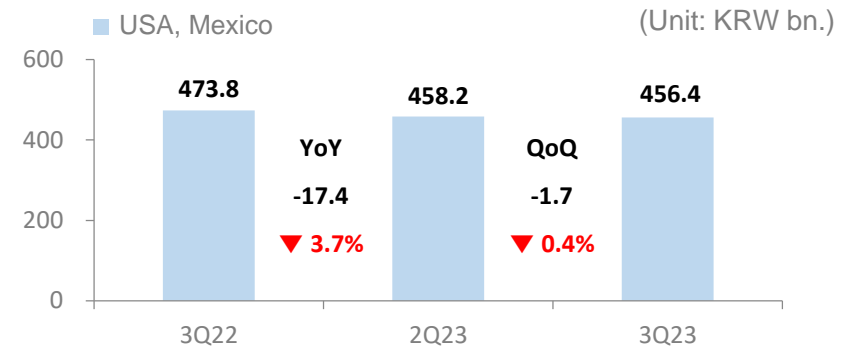
Achieved top-line growth outperforming market growth

Note : Sales to external clients

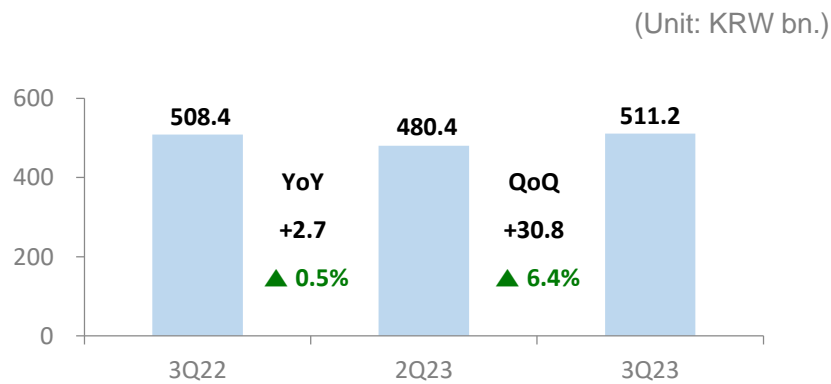
Korea



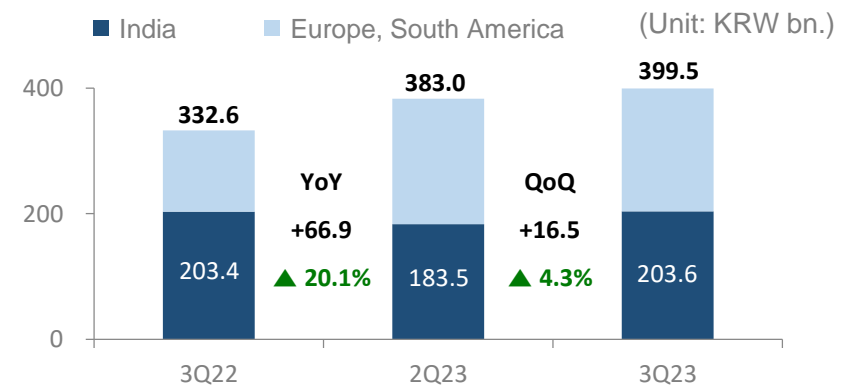
North America



China



Others



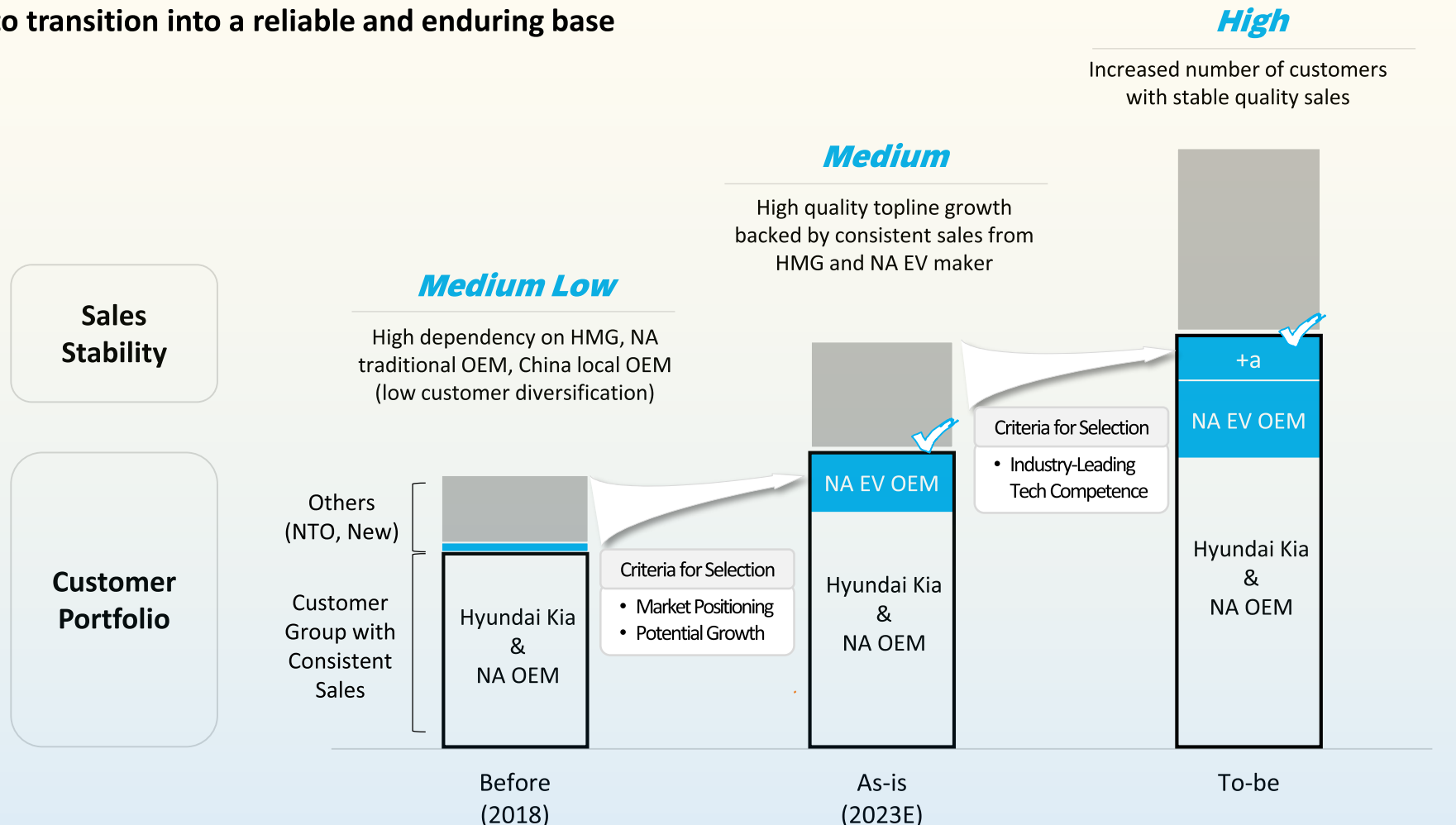
3Q23 Financial Results

(Unit: KRW bn.)

Description	3Q23	3Q22	YoY	2Q23	QoQ
Sales	2,119.1	1,968.4	+150.8 +7.7%	2,086.8	+32.4 +1.6%
(COGS)	(1,816.8)	(1,701.3)		(1,811.3)	
Operating profit	81.5	76.6	+4.9	77.0	+4.5
(%)	3.8%	3.9%	-0.0%p	3.7%	+0.2%p
<i>Interest</i>	-16.8	-10.4	-6.4	-20.2	+3.3
<i>F/X</i>	3.2	24.9	-21.7	9.2	-6.0
<i>Equity method</i>	-0.1	-0.2	0.1	0.0	-0.1
Profit before tax	43.6	179.9	-136.3	69.5	-25.9
(%)	2.1%	9.1%	-7.1%p	3.3%	-1.3%p
Net income	19.3	135.2	-115.9	51.1	-31.8
(%)	0.9%	6.9%	-6.0%p	2.4%	-1.5%p

Stable Customer Portfolio Amid Market Volatility

Consistently identifying opportunities for newly acquired customers to transition into a reliable and enduring base

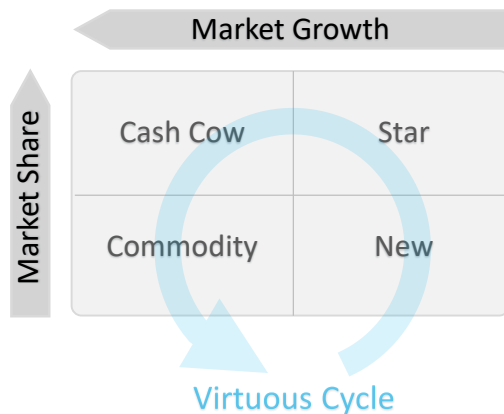


Portfolio Management for Operational Excellence

Effective portfolio management considering product lifecycle, and enhancing cost competitiveness through increased input vs output efficiency

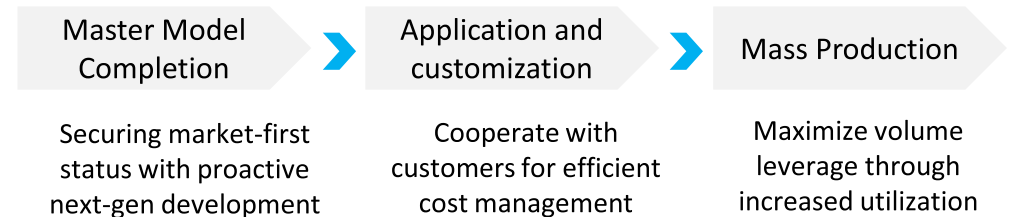
Product Portfolio Optimization

- Past emphasis on dynamic strategies led to successful market responsiveness, notably transitioning EMB to a Star product
- Optimize product portfolio using a life cycle matrix, ensuring efficient resource allocation and continuous virtuous cycling



Input vs Output Management

① R&D Input vs Output Efficiency



② CAPEX Management

- Fully utilize existing production facilities for transformation to next-gen products
- Capitalize on shared technology
e.g. utilize caliper line for EMB, and ABS/ESC lines for IDB2
- Minimize variants across customers for enhanced production efficiency
- Aggregation of separate orders across various customers

Consolidated Statements of Financial Position, 3Q23

(Unit: KRW bn.)

Description	3Q23	2Q23	Variance
Asset	6,513.9	6,434.4	+79.5
(Cash)	835.8	927.9	-92.1
Liability	4,098.2	4,065.5	+32.7
(Debt)	2,071.6	2,088.6	-17.0
Equity	2,415.7	2,368.9	+46.8
(Capital)	47.0	47.0	0.0
L/E ratio	169.7%	171.6%	-2.0%p
D/E ratio	85.8%	88.2%	-2.4%p
Net D/E ratio	51.2%	49.0%	+2.2%p

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

Disclaimer

The 3Q 2023 results of HL Mando Corporation are prepared on a consolidated basis in accordance with IFRS.

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