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In our creation, your tomorrow will be safer, greener and easier.

# HL Mando Corporation

## 3Q23 Financial Results

October, 2023



# Recent Highlights

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## **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

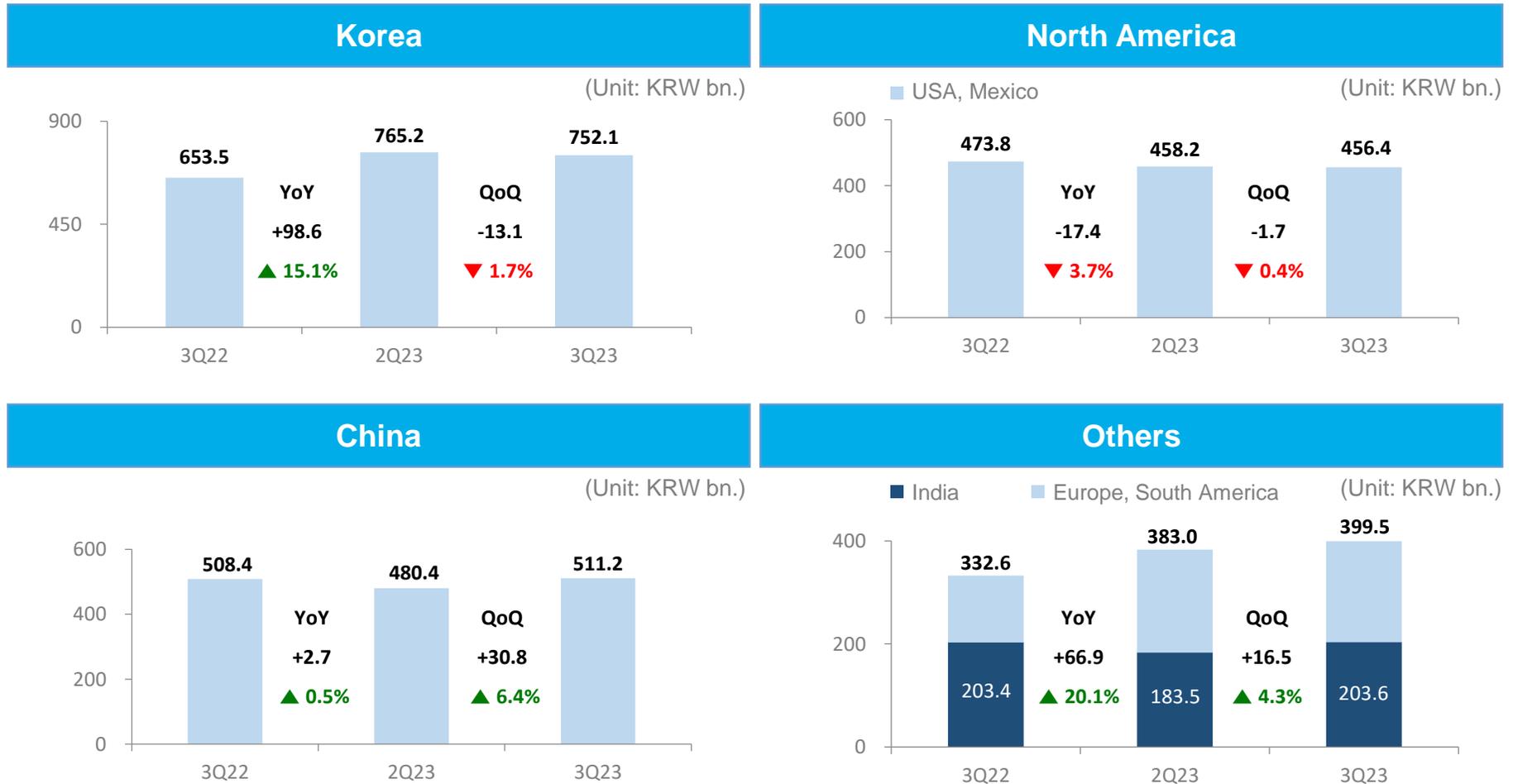
### ✓ **New business wins of KRW 4.1 tn. in 3Q23 – achieved KRW 10.2 tn. YTD (71% of annual target)**

- 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



# 3Q23 Financial Results

(Unit: KRW bn.)

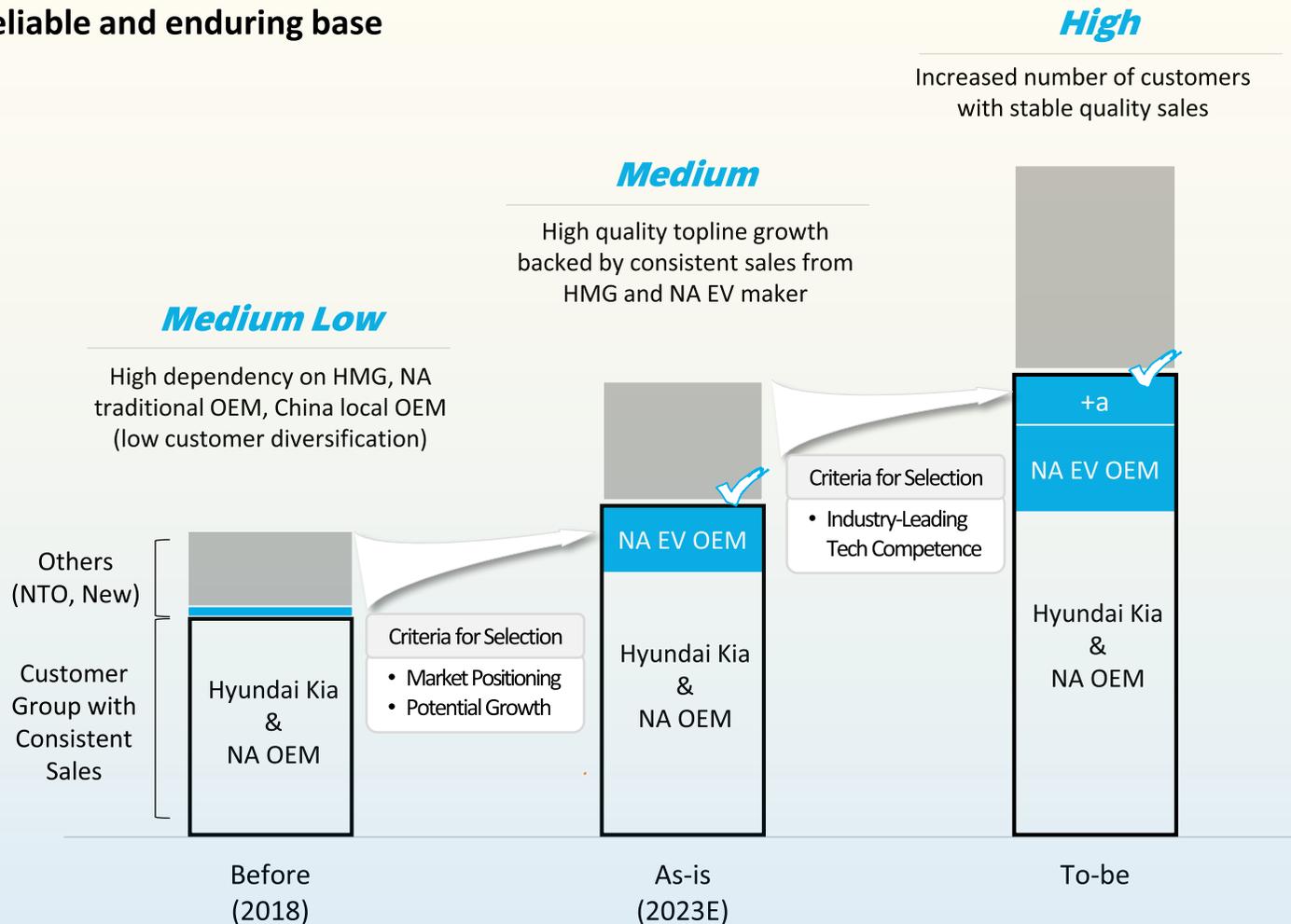
Description	3Q23	3Q22	YoY	2Q23	QoQ
<b>Sales</b>	<b>2,119.1</b>	<b>1,968.4</b>	<b>+150.8</b> <b>+7.7%</b>	<b>2,086.8</b>	<b>+32.4</b> <b>+1.6%</b>
<b>(COGS)</b>	<b>(1,816.8)</b>	<b>(1,701.3)</b>		<b>(1,811.3)</b>	
<b>Operating profit</b>	<b>81.5</b>	<b>76.6</b>	<b>+4.9</b>	<b>77.0</b>	<b>+4.5</b>
(%)	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
<b>Profit before tax</b>	<b>43.6</b>	<b>179.9</b>	<b>-136.3</b>	<b>69.5</b>	<b>-25.9</b>
(%)	2.1%	9.1%	-7.1%p	3.3%	-1.3%p
<b>Net income</b>	<b>19.3</b>	<b>135.2</b>	<b>-115.9</b>	<b>51.1</b>	<b>-31.8</b>
(%)	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

Sales Stability

Customer Portfolio

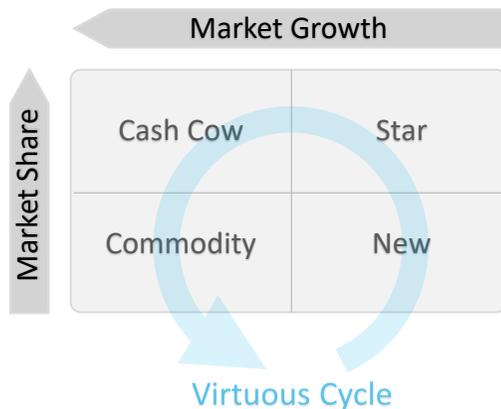


# Portfolio Management for Operational Excellence

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

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

# Disclaimer

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

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