

HL Mando Corporation

2Q25 Financial Results

July, 2025



Recent Highlights

Solid performance across all regions, with IDB2 ramp-up in Mexico serving as a key driver despite tariff pressures

✓ Summary of 2Q25 results

- Sales of KRW 2,400.9 bn. (YoY +11.8%)
- Operating profit of KRW 104.1 bn. (OPM : 4.3%)
- Net profit of KRW 9.9 bn. (NPM : 0.4%)

✓ E-product sales reached 64.5% of total sales (+2.8%p YoY) in 2Q

- Profitability improved on the back of higher E-product mix and operating leverage from localized production
- Particularly E-product sales in North America accounted for 70% in 2Q25, driven by the ramp-up of IDB2 in Mexico (KRW 62 bn.)

✓ New business wins: KRW 4.4 tn. (50% of FY25 target, accumulated)

- Secured IDB2 and brake/suspension bundles from HMG for premium to entry models, with local supply from global sites
- Extended R-EPS and EPB supply volume to a leading NA EV maker through continued robust partnership
- Won C-EPS and suspension orders from local OEMs in India and China, strengthening position in key growth markets

✓ ESG

- Published Sustainability Report for FY2024 (available at hlmando.com)

2Q25 Sales* by Region

Robust topline growth addressing regional dynamics through customer and product mix

(Unit : KRW bn.)

Region	2Q25 (%)	2Q24 (%)	YoY		1Q25 (%)	QoQ		2Q25 YoY Commentary
			Var.	%		Var.	%	
Korea	821.0	756.8	+64.3	+8.5%	760.4	+60.7	+8.0%	• Sales growth from both HMG and overseas customers
	34%	35%			33%			
China	485.7	465.2	+20.5	+4.4%	444.2	+41.6	+9.4%	• Growth from local customers and global OEMs
	20%	22%			20%			
Americas (US, Mexico, Brazil)	664.9	522.1	+142.7	+27.3%	623.2	+41.7	+6.7%	• Record-high quarterly sales driven by solid HMG volumes and Mexico IDB2 ramp-up
	28%	24%			27%			
India**	225.7	197.5	+28.2	+14.3%	242.7	-17.0	-7.0%	• Robust sales growth driven by continued strong local OEM demand
	9%	9%			11%			
Europe	203.5	205.8	-2.2	-1.1%	200.6	+2.9	+1.5%	• Growth in EU OEM sales offset volume decrease in a leading NA EV maker
	8%	10%			9%			
Total	2,400.9	2,147.4	+253.5	+11.8%	2,271.0	+129.8	+5.7%	

* Note : Sales to external customers

** India : QoQ sales decreased due to regular OEM plant shutdown in May

2Q25 Financial Results

(Unit : KRW bn.)

Description	2Q25	2Q24	YoY	1Q25	QoQ
Sales	2,400.9	2,147.4	+253.5	2,271.0	+129.8
			+11.8%		+5.7%
(COGS)	(2,036.4)	(1,847.5)		(1,951.2)	
Operating profit	104.1	89.6	+14.5	79.2	+24.9
(%)	4.3%	4.2%	+0.2%p	3.5%	+0.8%p
<i>Interest*</i>	-23.0	-19.3	-3.7	-24.0	+1.0
<i>F/X**</i>	-37.1	7.8	-44.9	2.1	-39.2
<i>Equity method</i>	0.0	-1.5	+1.5	-0.3	+0.3
Profit before tax***	34.1	50.1	-16.0	61.6	-27.5
(%)	1.4%	2.3%	-0.9%p	2.7%	-1.3%p
Net income	9.9	11.9	-2.0	34.6	-24.7
(%)	0.4%	0.6%	-0.1%p	1.5%	-1.1%p

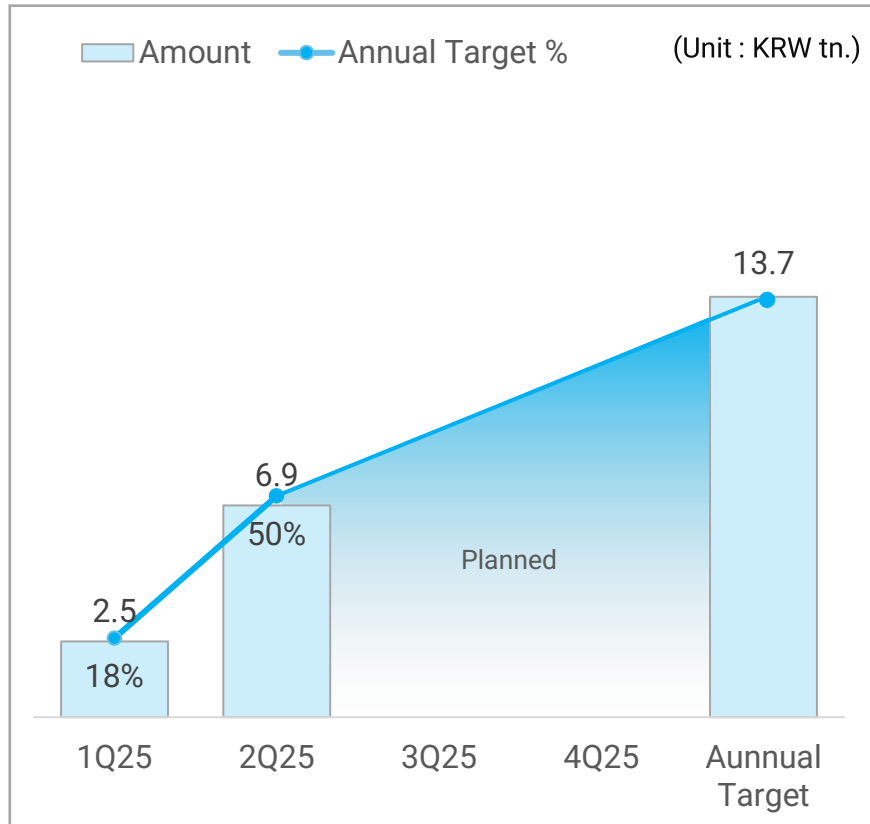
* Hybrid capital refinanced with lower-cost debt in Q1, improving capital structure

** FX loss in Q2 due to 8% KRW appreciation (KRW 1,475 → 1,355 /USD)

*** Corporate tax expense increased due to a one-time dividend from overseas operations

New Business Wins Trend

New Business Wins Trend



* Accumulative per quarter

Composition of New Business Wins in 2Q25

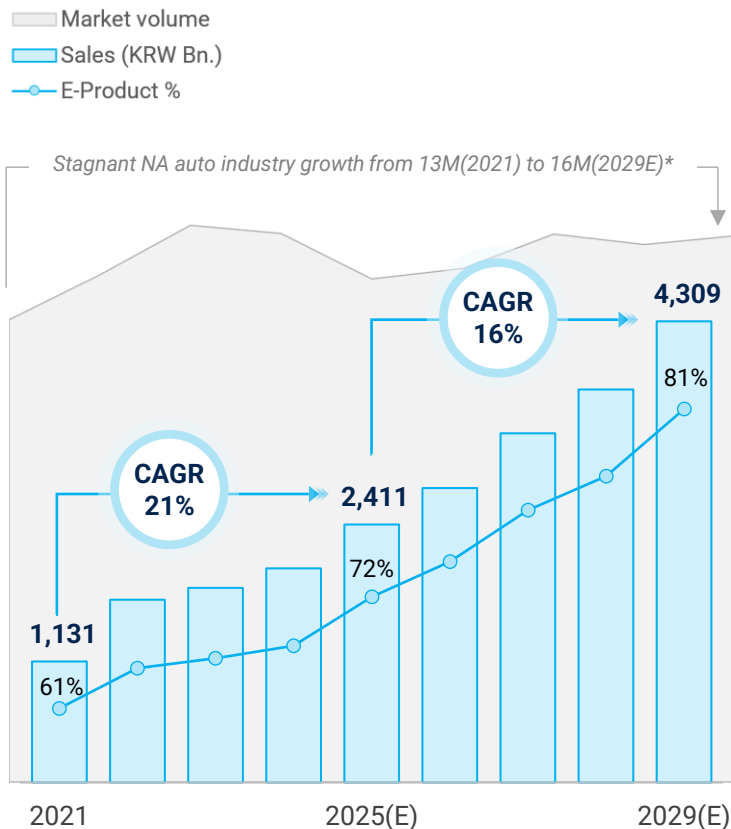
Category	Components	%
Customers	HMG	68%
	China OEMs	16%
	NA OEMs	10%
	India OEMs	3%
	EU OEMs & Others	4%
Electronic Products		66%

* Accumulative, as of 2Q25

North America Growth Momentum

Delivered six consecutive quarters of sales growth with future momentum driven by resilient customer base, E-product growth, and scaling local production capacity

North America Sales Trajectory



*Source : S&P Global Forecast (2025.07)

Key Growth Drivers

✓ Robust and Well-Balanced Portfolio of Legacy and EV Customers

- Deep-rooted and established partnerships with top-tier global OEMs
- Early R&D collaboration with tech-leading OEMs, securing front-loading demand

✓ Strong E-Product Growth Driven by EPS and IDB2

- Technical shift (EV, SDV, and AV) accelerating electrified product expansion
- 'By-wire' technology adoption expected to follow

✓ Local Production Ready to Scale

- Completed all major expansion (Georgia/Salttillo in '24.12), ensuring scalable capacity
- USMCA compliance secured; further localization underway for incremental demand

Country	Plant	Expansion	Product			
U.S.	Alabama	2009	Brake		Suspension	
	Georgia	2013, 2024	Steering			
Mexico	Saltillo	2015, 2023, 2024	Brake	Steering	Suspension	ADAS

Recent Accomplishments in ESG

Published Sustainability Report for FY 2024



- Disclosed key achievements in 6 focus areas¹⁾
- Enhanced double materiality assessment content
- Applied global disclosure framework (ISSB²⁾ & ESRS³⁾)

- 1) Governance & ethics, labor rights & safety, environment, supply chain, CSR, technological innovation
- 2) ISSB : International Sustainability Standards Board
- 3) ESRS : European Sustainability Reporting Standards

Key Activities for Sustainable Management

Promoted Carbon Neutrality

- Declared SBTi¹⁾ goal
- Internalized GHG calculations
- Established LCA²⁾ PJT team

Integrated Rights & Safety

- Zero child & forced labor
- FSI³⁾ 0.58 (YoY 0.3 ↓)
- Disclosed safety & health policy

Enhanced Supply Chain Management

- Expanded ESG assessment (2024 : 96.8%)
- Supplier training on carbon policies

Strengthened Board Independence

- Developed and clarified outside director independence principles
- Risk management training

- 1) SBTi : Science Based Targets initiative
- 2) LCA : Life Cycle Assessment
- 3) FSI : Frequency Severity Indicator

ESG Ratings & Awards



MSCI



EcoVadis



KCGS



CDP

ASRA
Asia Sustainability
Reporting Awards
'Gold'

LACP
Global Top 100
'Gold'

Galaxy Awards
Annual Reports Print
'Silver'

S&P Global CSA (DJSI)
Yearbook Member
Top 15% in the
Auto Parts Industry

2Q25 Consolidated Statements of Financial Position

(Unit : KRW bn.)

Description	2Q25	1Q25	Variance
Asset	6,913.0	7,235.3	-322.3
(Cash)	667.4	708.8	-41.3
Liability	4,465.8	4,664.1	-198.3
(Debt)	2,263.3	2,422.4	-159.1
Equity*	2,447.2	2,571.2	-124.0
(Capital)	47.0	47.0	0.0
L/E ratio**	182.5%	181.4%	+1.1p%
D/E ratio	92.5%	94.2%	-1.7%p
Net D/E ratio	65.2%	66.6%	-1.4%p

* Equity decreased by KRW 120bn due to FX translation loss from foreign operations

** Note : L/E(Liability to Equity), D/E(Debt to Equity), Net D/E(Net Debt to Equity)

Disclaimer

The 2Q 2025 results of HL Mando Corporation are prepared on a consolidated basis in accordance with IFRS.

This document is provided for the convenience of investors only, before the external audit of our 2Q 2025 financial results is completed. Some part of this document may be subject to modification following the completion of an audit.

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