

HYUNDAI MOBIS



2024 1Q Business Results



Apr. 26, 2024

Disclaimer

The financial numbers and statements included in the following presentation are provided prior to the completion of the accounting audit by the external auditor for the financial results of 2024 1Q, solely for the investors' convenience. Part of the presentation is subject to change as the final accounting audit proceeds.

In addition, this document contains certain "forward-looking statements" and such statements are based on the management's current expectations, beliefs, or plans, as well as the assumptions based on currently available information. Forward-looking statements relate to future events and address our expected future business condition and financial performance; so often contain words such as "forecast," "proceed", "plan", "strategy". Moreover, forward-looking statements are subject to changes in business conditions and are inherently susceptible to uncertainties that may cause our actual future results to materially deviate from the projected forward-looking statements.

Any projections in this document are made as of the date hereof taking into account current market conditions and the business direction of the Company and may change based on any changes in market conditions or the Company's strategies. Therefore, the Company does not have any obligation to update or revise any forward-looking statements, regardless of the occurrence of new information, future events, or otherwise.

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1. Highlights

Performance ● Sales Revenue

- **2024 1Q revenue decreased by 5.4% YoY to KRW 13.9tn**
- **Module/Core parts sales went down by 9.1% YoY to KRW 10.9tn** due to the decrease in OEM production (-3.0%), Mix change of xEV (BEV -18.9%, HEV +20.1%) and a change in accounting method to exclude battery cell value from sales* refer to page 12
- **A/S business sales increased by 11.4% YoY to KRW 2.9tn** due to the continued global demand increase, price hike by region and favorable exchange rate

● Operating Profit

- **Operating profit increased by 29.8% YoY to KRW 543bn** due to the continued global demand increase on A/S business and favorable exchange rate

Non- captive

● Non-captive order

- **2024 1Q non-captive orders reached US\$ 1.8bn** (Achieved 19% of FY24 target)
 - Won the first order on major electrification parts(ICC¹) from global OE
 - ⇒ Foundation to expand electrification business
- ✳ **FY24 target is set at US\$ 9.3bn** (increased by 1.3% compared to FY23 performance)

1. Integrated Charging Control Unit

1. Highlights

Shareholder Return

● 2024 Shareholder Return Policy (Announced in Feb. 2024)

- Maximize Shareholder Values to Balance Investments for Future Growth with Shareholder Returns

- Future growth : ① Organic Growth (Continued investment in core parts R&D and electrification CAPEX to secure competitiveness + Winning additional orders from global OE)
② In-organic Growth (Securing mid-to-long term growth engines : ADAS, S/W, AAM*, Robotics)

* Advanced Air Mobility

- 2024 Shareholder Return

- ① Treasury shares : purchasing treasury shares worth KRW 150bn (19th Feb, 2024 – 14th May 2024) & cancellation of entire newly purchased shares in 2024 (Planned on Jun 3rd)
- ② Dividend Policy : payout ratio at 20-30% (Same as previous plan)

Strengthen products competitiveness

● New launching of Ultra-slim button-smart card key (First application to IONIQ 5N → Expansion to other domestic models)

- Button type smart key with a form of credit card; major functions are door locking/unlocking, remote engine start and remote parking

● Development of “Front Face Integrated Module” for EV

- Next Gen technologies* applied into the front of EV to enhance cruising range, design and charging convenience * E.g., Automated front grille/hood opening system (Improvement of battery cooling efficiency by drawing outside air in and out, increasing range by 20 km)

47th AGM

● 47th Annual General Meeting (Mar. 2024)

- [Election of director]
Director Keith Witek (New Appointment) - Semi-conductor and SW/AI industry expert
Director Jina Kang (Re-Appointment) - Strategic management and technology & innovation management expert
- Continued to strengthen minority shareholder rights : AGM Live Streaming, Implementation of the electronic voting system, Avoiding AGM concentration dates
- Improving the dividend payout procedure : dividend record date is set after declaring the payout amount (Dividend declaration date : Mar 20th; the day of 47th AGM, Dividend record date : Mar 25th)
 - * Year-end dividend: KRW 3,500 per share (+ KRW 500 compared to the previous year)
 - * Interim dividend of KRW 1,000 per share has been already paid

2. Financial Results

Income Statement

(KRW bn)	2023					2024		
	1Q	2Q	3Q	4Q	Total	1Q	YoY %	QoQ
Sales	14,667	15,685	14,230	14,672	59,254	13,869	-5.4%	-5.5%
Gross Profit	1,430	1,741	1,765	1,826	6,762	1,619	13.2%	-11.3%
Operating Profit	418	664	690	523	2,295	543	29.8%	3.7%
Margin	2.9%	4.2%	4.9%	3.6%	3.9%	3.9%	1.0%p	0.3%p
Pre-tax Profit	1,041	1,252	1,322	830	4,445	1,223	17.5%	47.3%
Net Profit	842	932	998	651	3,423	862	2.4%	32.4%
Margin	5.7%	5.9%	7.0%	4.4%	5.8%	6.2%	0.5%p	1.8%p

Earnings by Business Division

(KRW bn)		2023 1Q	2023 4Q	2024 1Q	% YoY QoQ	
Module / Core Parts	Electrification	3,327	2,454	1,876	-43.6%	-23.5%
	Core Parts	2,526	3,050	2,988	18.3%	-2.0%
	Module	6,183	6,387	6,073	-1.8%	-4.9%
	Sales	12,036	11,890	10,937	-9.1%	-8.0%
	Operating Profit	-117	-69	-185	N/M	N/M
	Margin	-1.0%	-0.6%	-1.7%	-0.7%p	-1.1%p
A/S	Sales	2,631	2,782	2,932	11.4%	5.4%
	Operating Profit	535	592	728	36.0%	22.9%
	Margin	20.3%	21.3%	24.8%	4.5%p	3.5%p
Total	Sales	14,667	14,672	13,869	-5.4%	-5.5%
	Operating Profit	418	523	543	29.8%	3.7%
	Margin	2.9%	3.6%	3.9%	1.0%p	0.3%p

Module & Core Parts

● Module & Electrification sales decrease

- OEM's production volume decrease (-3.0% YoY)
- xEV production decrease and negative mix effect (xEV -0.1%, BEV -18.9%, HEV +20.1% YoY)
- Price decline for battery cells (-29.4% YoY), excluding battery cell value from sales for new xEV models

* Price change in battery cells and excluding battery cell value affect both sales and COGS equally

● Core Parts sales increase

- Continued product mix improvement (i.e. share of SUV production* & high value-added core parts mainly electronics components)

* '23.1Q : 56.3% → '24.1Q : 57.6%

● Due to volume decrease and one-off expenses (i.e. warranty provisions), the operating loss continued

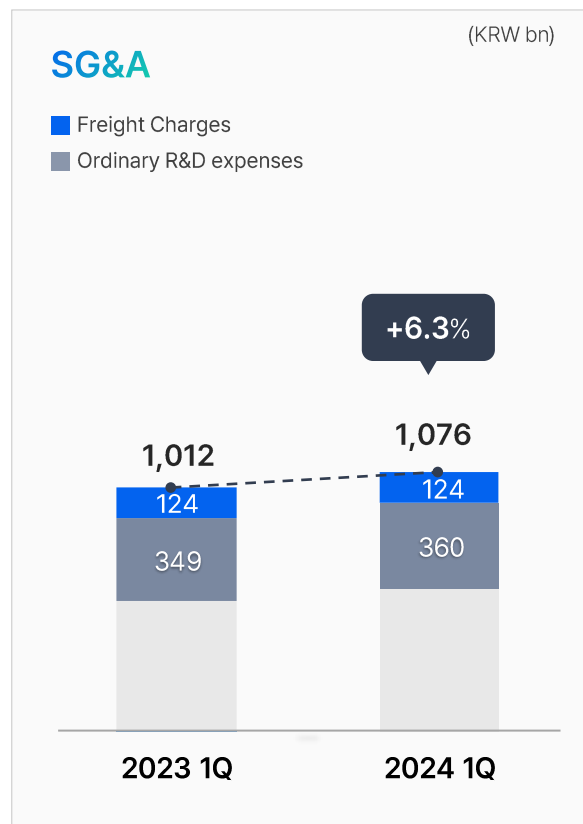
A/S Business

● Sales increase driven by global demand growth
(The Americas +11.1%, Europe +10.3% YoY)

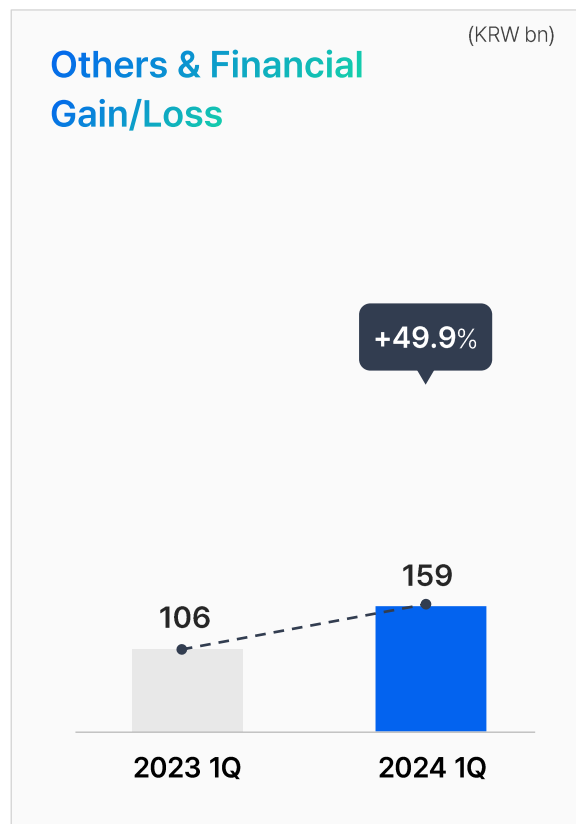
● Margin improvements thanks to fall in logistics costs and favorable F/X

2. Financial Results

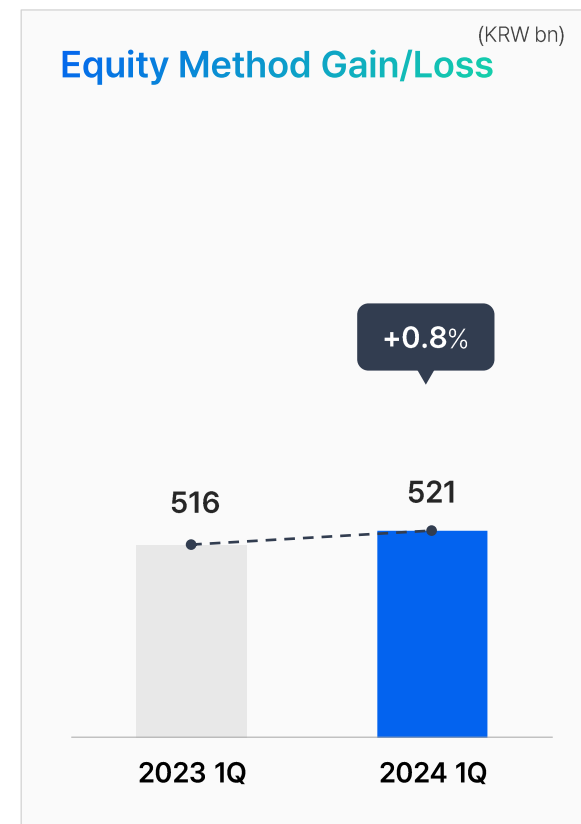
Major Gain/Loss



- Ordinary R&D expenses increase
R&D personnel (Securing future growth engine)



- Increase in others & financial gains

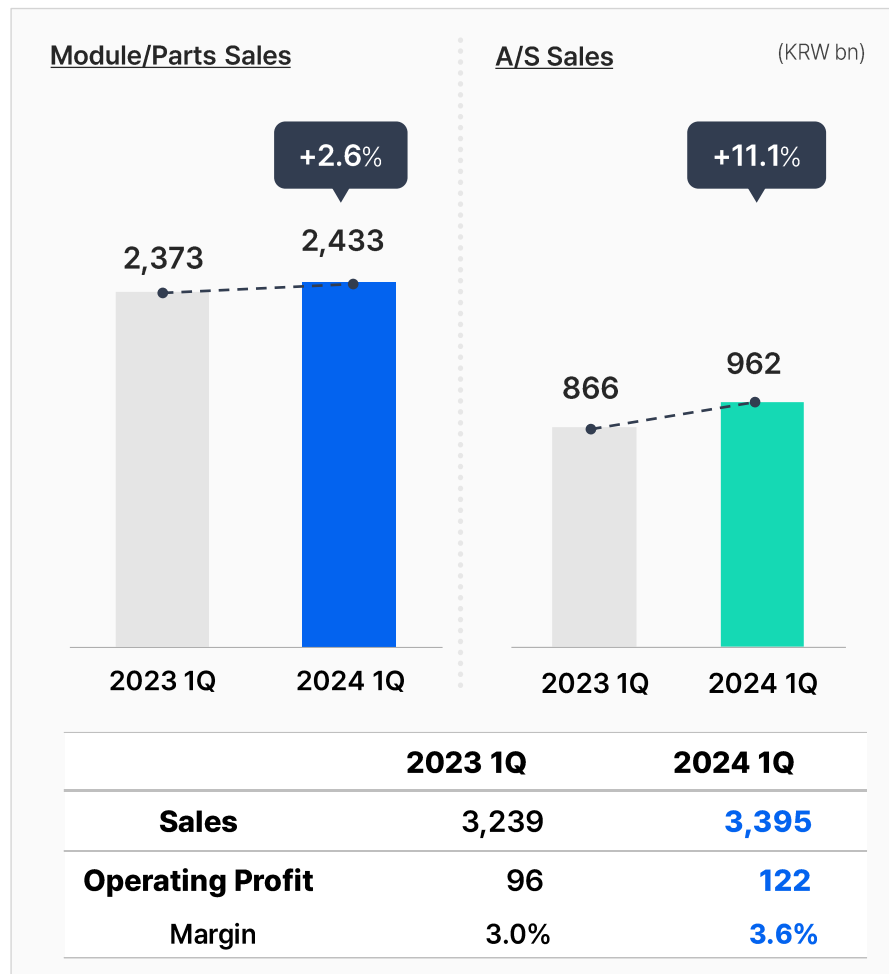


- Equity-method gains from affiliates

2. Financial Results

Earnings by Region

The Americas



Europe

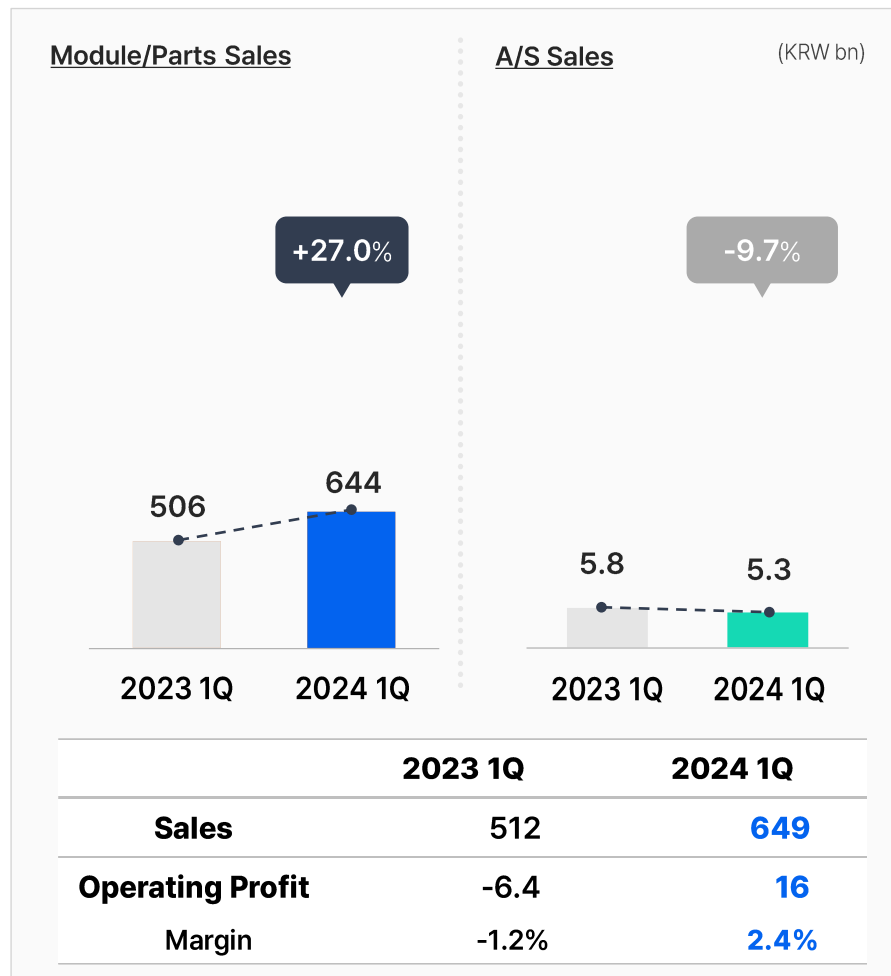


* Regional operating profit without consolidated adjustments

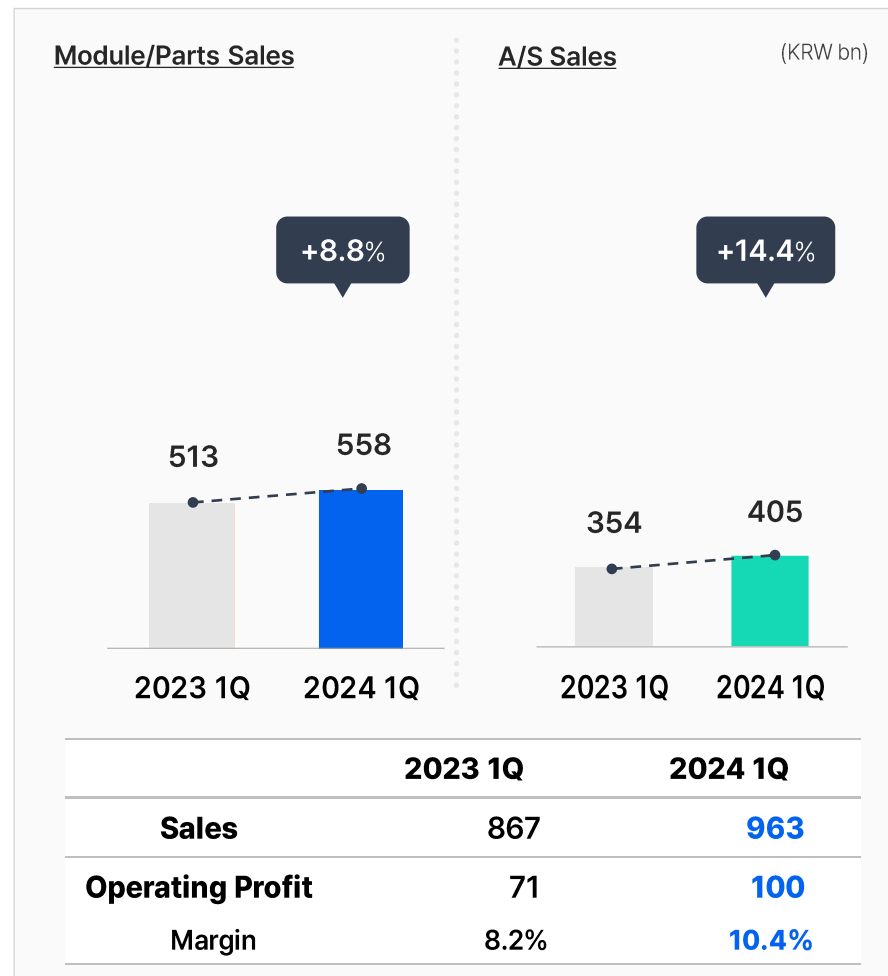
2. Financial Results

Earnings by Region

China

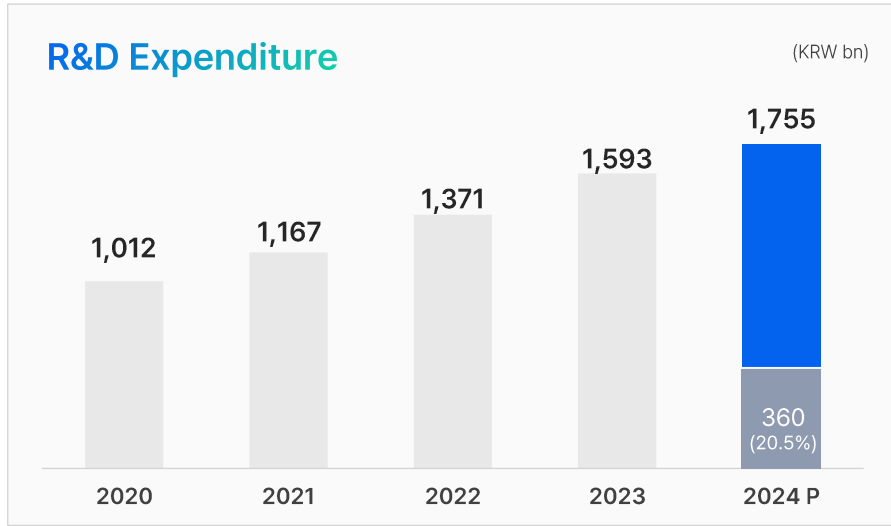


Others

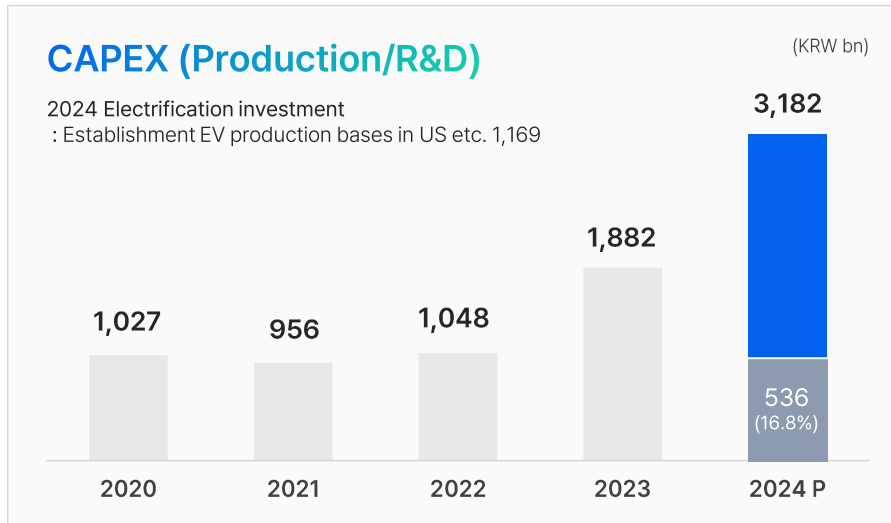


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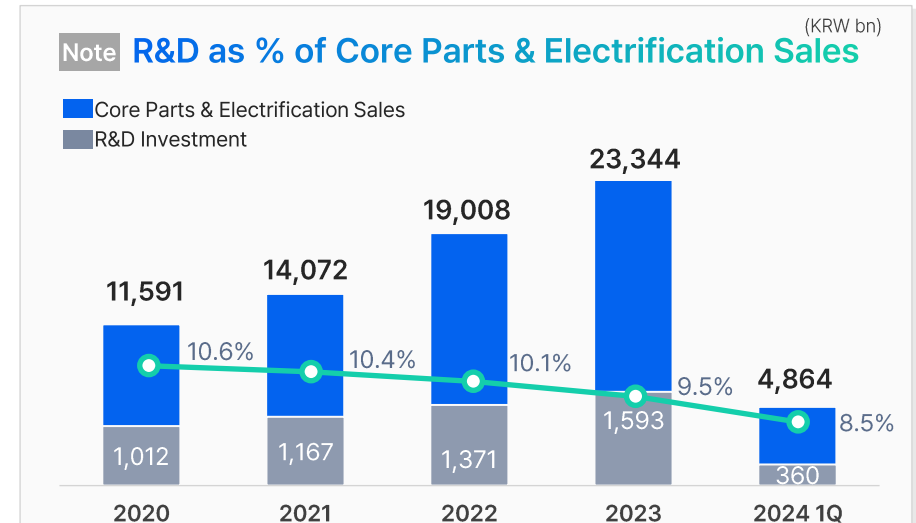
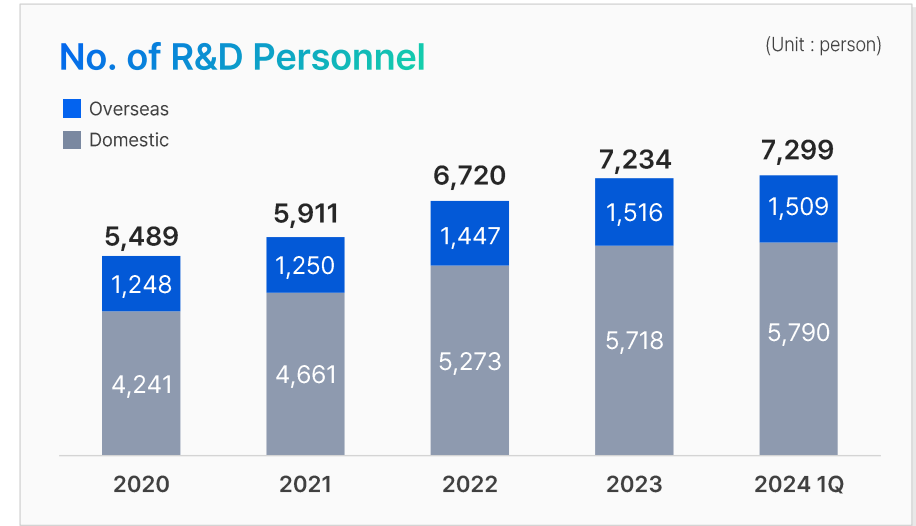
3. R&D and CAPEX



* 2024 plans do not include consolidated affiliates



* R&D facility investment included



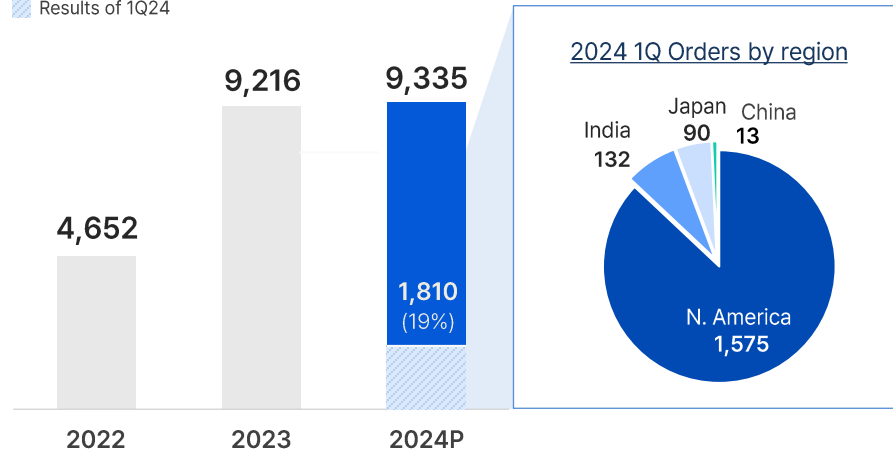
* The R&D as a percentage of Electrification/Core parts sales excludes battery cell value (estimated)

4. Non-Captive Orders

Results & Plans for Core Parts Orders

(USD mn)

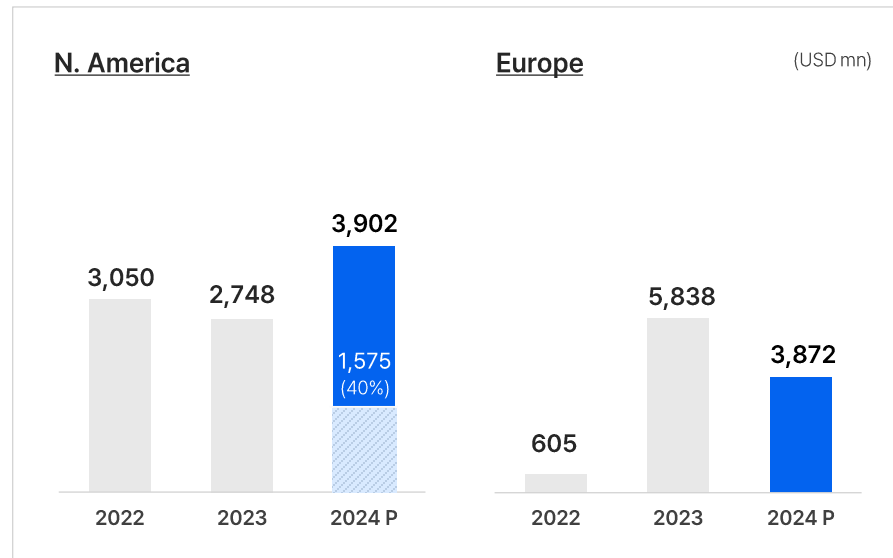
Results of 1Q24



N. America

Europe

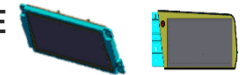
(USD mn)



Highlights from 1Q24 Non-Captive Orders

IVI Orders for Major N. America OE

Production MMX (Mexico)



IPD¹ Cluster / VCD² Radio

Chassis Orders for Major India OE

Production MIN (India)



C-MDPS

Electrification Orders for Japan OE

Production Korea



ICCU³

1. Instrument Panel Display 2. Virtual Control Display 3. Integrated Charging Control Unit

Plans to Attend Major Global Events in 2024

CES (IT/ Consumer Electronics) (Jan. 2024)

Auto China in Beijing (Apr. 2024)

Paris Motor Show in France (Oct. 2024)

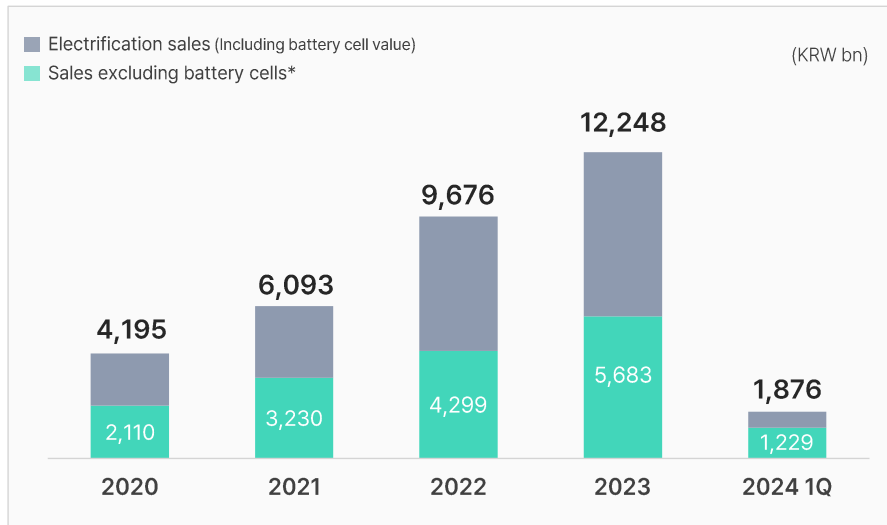
* Major technologies with Chassis, Lamp, Electronics and Electrification will be introduced

5. Change in the accounting rule in Electrification

The accounting rule in Electrification has been changed to exclude battery cell value from sales.
(Battery cell was included in both sales and COGS, but will be excluded from both side)

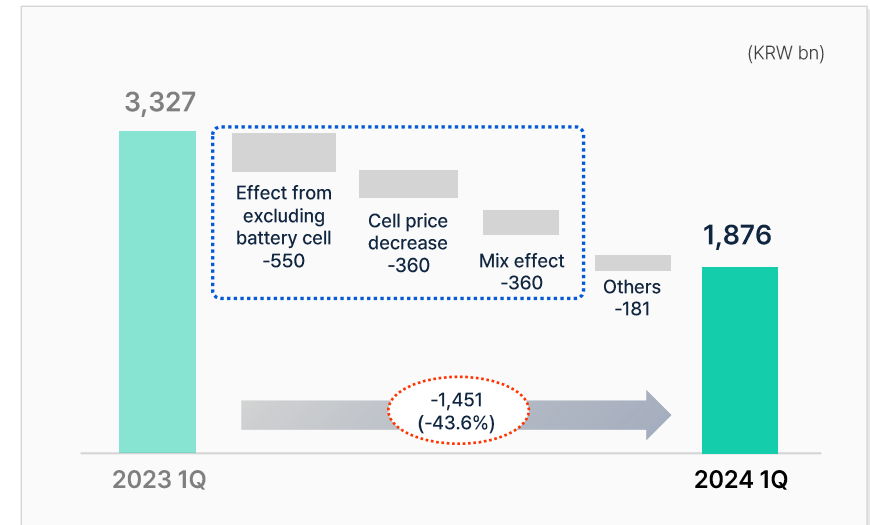
- * Overseas: Europe has been applied from the new models in 3Q23 (Tucson HEV, Sportage HEV, Kona EV)
New factories in N. America/India plan to apply new standard from the beginning of the mass production.
- Domestic: Korea has been applied from the new models in 4Q23 (EV9, Santa Fe HEV)

Annual Electrification sales*



- Due to the change in accounting rule, sales growth in electrification may slow down. However, OP margin in electrification is expected to reflect real aspect.
- The R&D as a percentage of Electrification/Core parts sales excluding cell value is expected to decline.
(* Refer to Page 10)

Key factors affecting the sales decrease in Electrification in 1Q24



Key factors for the decrease in electrification sales compared to the previous year

- ① Effect from excluding battery cell
- ② Decrease in battery cell prices (-29.4%)
- ③ Mix effect (xEV -0.1%, BEV -18.9%, HEV +20.1%)

* Sales excluding battery cells are internal estimates for analysis.

6. In-organic Growth & Global Tie-up

Investments & Tie-up Details				
2019	Mar	Yandex (Russia)	MOU on Cooperation	Autonomous Driving platform & operational test of robotaxi
	Sep	Obsidian (US)	Equity Investment (\$2mn)	Infrared thermal sensor(night vision)-based object recognition
	Oct	Velodyne (US)	Equity Investment (\$50mn) & Cooperation	LiDAR for autonomous driving
2020	Mar	Motional (US)	Equity Investment (\$400mn)	Software platform for level 4 ~ 5 autonomous driving
	Jun	ACVC Partners & MOTUS Ventures (US)	Equity Investment (\$14mn)	Tech fund based in US Silicon Valley (ACVC \$10mn, MOTUS \$4mn)
	Nov	HMGICS (Singapore)	Equity Investment (\$56mn)	Hyundai Motor Group Innovation Center ('20 : \$23mn, '21 ~'23 : \$33mn)
2021	Jan	Hyundai Autron (Korea)	Business Transfer (KRW130.0bn)	Semiconductor technologies for electronic control units
	Jan	Participation in the establishment of Zero One No.2 Fund	Equity Investment (KRW3.0bn)	Investments in startups for mobility, EV, fuel cell & other future growth engines
	Apr	Supernal (US)	Equity Investment (\$310mn)	Investments in AAM (Advanced Air Mobility) ('21 : \$74mn, '22 : \$115mn, '23 : \$121mn)
	Jun	Boston Dynamics (US)	Equity Investment (\$220mn)	Robotics & synergy with future business (e.g. autonomous driving)
	Sep	Joint battery cell plant (Indonesia)	Equity Investment (\$89mn)	Battery cell production JV with LG ES
	Dec	Zendar (US)	Equity Investment (\$4mn)	Imaging radar for autonomous driving
2022	Jun	Equity investment in a holding company (US)	Equity Investment (\$231mn)	Investments and management of new businesses
	Aug	LightIC (US)	Equity Investment (\$8.7mn)	LiDAR technologies
	Oct	Envisics (UK)	Equity Investment (\$30mn) & Cooperation	Augmented reality-based HUD (head up display)
	Oct	AI R&D Center (US)	Equity Investment (\$85mn)	Robotics business
2023	Jun	Joint battery cell plant ¹ (US)	Equity Investment (KRW324.0bn)	Battery cell production JV with SK On ('23 : KRW243.0bn, '24 : KRW81.0bn)
			Equity Investment (KRW286.1bn)	Battery cell production JV with LG ES ('23 : KRW81.6bn, ~'26 : KRW204.5bn)
	Nov	SPb Audio Lab (Bulgaria)	Equity investment (\$1 mn)	Development of a special audio procedure

1. Indirect investment through the US holding company

✖ Appendix

Balance Sheet

(KRW bn)	2022	2023	2024 1Q	Change	%
Current Assets	25,660	25,565	26,662	1,097	4.3%
(Cash & Equivalents)	(9,731)	(9,203)	(10,015)	(812)	(8.8%)
Non-current Assets	29,747	33,021	34,122	1,101	3.3%
Total Assets	55,407	58,586	60,784	2,198	3.8%
Current Liabilities	11,476	12,053	12,846	793	6.6%
(Short-term Borrowings)	(1,782)	(1,540)	(1,426)	(-114)	(-7.4%)
Non-current Liabilities	6,123	5,878	6,449	571	9.7%
(Long-term Borrowings)	(1,462)	(692)	(1,016)	(324)	(46.7%)
Total Liabilities	17,599	17,931	19,295	1,364	7.6%
(Capital Stock)	(491)	(491)	(491)		
Total Equity	37,808	40,655	41,489	834	2.1%
L/E Ratio	46.5%	44.1%	46.5%	(2.4%P)	(5.4%)

Income Statement (Quarterly)

(KRW bn)	2023					2024
	1Q	2Q	3Q	4Q	Total	1Q
Sales	14,667	15,685	14,230	14,672	59,254	13,869
Gross Profit	1,430	1,741	1,765	1,826	6,762	1,619
Operating Profit	418	664	690	523	2,295	543
Margin	2.9%	4.2%	4.9%	3.6%	3.9%	3.9%
Pre-tax Profit	1,041	1,252	1,322	830	4,445	1,223
Net Profit	842	932	998	651	3,423	862
Margin	5.7%	5.9%	7.0%	4.4%	5.8%	6.2%

Earnings by Business Division (Quarterly)

(KRW bn)		2023					2024
		1Q	2Q	3Q	4Q	Total	1Q
Module / Core Parts	Electrifi- cation	3,327	3,744	2,724	2,453	12,247	1,876
	Core Parts	2,526	2,759	2,761	3,050	11,096	2,988
	Module	6,183	6,485	5,972	6,387	25,028	6,073
	Sales	12,036	12,988	11,457	11,890	48,371	10,937
	Operating Profit	-117	96	15	-69	-76	-185
	Margin	-1.0%	0.7%	0.1%	-0.6%	-0.2%	-1.7%
A/S	Sales	2,631	2,697	2,773	2,782	10,883	2,932
	Operating Profit	535	568	675	592	2,371	728
	Margin	20.3%	21.1%	24.4%	21.3%	21.8%	24.8%
Total	Sales	14,667	15,685	14,230	14,672	59,254	13,869
	Operating Profit	418	664	690	523	2,295	543
	Margin	2.9%	4.2%	4.8%	3.6%	3.9%	3.9%

Earnings by Region (Quarterly)

(KRW bn)		2023					2024
		1Q	2Q	3Q	4Q	Total	1Q
Korea ¹	Sales	7,980	8,725	7,323	7,852	31,880	6,846
	Operating Profit	186	363	361	275	1,186	167
	Margin	2.3%	4.2%	4.9%	3.5%	3.7%	2.4%
America	Sales	3,239	3,338	3,429	3,150	13,157	3,395
	Operating Profit	96	129	132	43	400	122
	Margin	3.0%	3.9%	3.9%	1.4%	3.0%	3.6%
Europe	Sales	2,069	2,146	1,807	1,994	8,016	2,016
	Operating Profit	72	103	99	121	395	137
	Margin	3.5%	4.8%	5.5%	6.1%	4.9%	6.8%
China	Sales	512	603	690	727	2,533	649
	Operating Profit	-6.4	-7.6	0.0	2.6	-11.3	15.7
	Margin	-1.2%	-1.3%	0.0%	0.4%	-0.4%	2.4%
Others	Sales	867	872	980	950	3,669	963
	Operating Profit	71	76	98	81	326	100
	Margin	8.2%	8.7%	10.0%	8.5%	8.9%	10.4%

1. Including consolidated adjustments

An aerial photograph of a winding asphalt road cutting through a dense, lush green forest. A white bus is driving on the road, and a large white drone with four rotors is flying above it. In the background, a body of water is visible under a bright sky with a lens flare.

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