

HYUNDAI MOBIS



2024 2Q Business Results

Jul. 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 2Q, 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 2Q revenue decreased by 6.6% YoY to KRW 14.7tn**
- **Module/Core parts sales went down by 10.0% YoY to KRW 11.7tn** due to the decrease in OEM production (-0.4%), Mix changes in xEV (BEV -34.0%, HEV +21.5%), and the lowered battery cell prices * refer to page 14
- **A/S business sales increased by 9.9% YoY to KRW 2.7tn** due to the continued strong global demand, price adjustment by region, and the favorable F/X

● Operating Profit

- **Operating profit decreased by -4.2% YoY to KRW 636bn** due to fixed cost burden from EV demand slowdown while the global demand for A/S business stayed strong

Non-captive

● Non-captive orders

- **2024 2Q non-captive orders reached US\$ 2.32bn** (Achieved 25% of FY24 target)
 - Projects (electrification, etc.) being delayed at clients' requests and expecting more projects in 2H
- *** FY24 target set at US\$ 9.3bn** (increased by 1.3% compared to FY23 performance)

1. Highlights

Shareholder Return

● Interim dividend

- **Interim dividend worth KRW 1,000 per share: For shareholders held at the end of June 2024 (to be paid on Aug 14)**
 - In line with the 'Shareholder Value Maximization' plans* previously announced (Jan '24)

* Dividend policy: Modified payout ratio¹ 20~30% & Interim dividend 1. Based on net income excluding equity method

● Share Buyback / Cancellation

- **Share Buyback : KRW 162.9 bn in 2024 (Period: Feb 19 - May 7, 2024)** * Exceeding previously announced amount (KRW 150 billion)
- **Share Cancellation : the entire newly purchased amount (Cancellation date : June 3, 2024)**

Major Achievements

● Revenue expansion in core parts revenue driven by high value-added electronic components*

- Expanded R&D on new OTA-related controllers and integrated controllers to respond to OTA adoption in vehicles.
- Expanding revenue with secured new orders for **OTA controllers with preemptive R&D and preoccupied integrated controller markets** with extensive experiences in developing various electronic controllers.
- Accelerate next-generation integrated controllers to enhance market presence in both captive and non-captive markets.

* For details, refer to page 12

● Release of 2024 Sustainability Report (Published on the website)

- Cover eight key ESG themes of our response to climate change, energy consumption control, SCM sustainability, product safety/quality assurance, corporate culture, etc., with specified details on the status on each theme
- Reinforce public disclosure with **consolidated accounting of domestic and overseas subsidiaries**, and disclosure of information regarding greenhouse gas control

2. Financial Results

Income Statement

(KRW bn)	2023			2024				
	1Q	2Q	1H	1Q	2Q	YoY	% QoQ	1H
Sales	14,667	15,685	30,352	13,869	14,655	-6.6%	5.7%	28,525
Gross Profit	1,430	1,741	3,171	1,619	1,828	5.0%	12.9%	3,447
Operating Profit	418	664	1,082	543	636	-4.2%	17.2%	1,179
Margin	2.9%	4.2%	3.6%	3.9%	4.3%	0.1%p	0.4%p	4.1%
Pre-tax Profit	1,041	1,252	2,293	1,223	1,412	12.8%	15.5%	2,635
Net Profit	842	932	1,774	862	998	7.0%	15.7%	1,860
Margin	5.7%	5.9%	5.8%	6.2%	6.8%	0.9%p	0.6%p	6.5%

Earnings by Business Division

(KRW bn)		2023 2Q	2024 1Q	2024 2Q	%	
					YoY	QoQ
Module / Core Parts	Electrifi- cation	3,744	1,876	1,725	-53.9%	-8.1%
	Core Parts	2,759	2,988	3,347	21.3%	12.0%
	Module	6,485	6,073	6,619	2.1%	9.0%
	Sales	12,988	10,937	11,691	-10.0%	6.9%
	Operating Profit	96	-185	-124	N/M	N/M
	Margin	0.7%	-1.7%	-1.1%	-1.8%p	0.6%p
A/S	Sales	2,697	2,932	2,964	9.9%	1.1%
	Operating Profit	568	728	760	33.8%	4.4%
	Margin	21.1%	24.8%	25.6%	4.5%p	0.8%p
Total	Sales	15,685	13,869	14,655	-6.6%	5.7%
	Operating Profit	664	543	636	-4.2%	17.2%
	Margin	4.2%	3.9%	4.3%	0.1%p	0.4%p

Module & Core Parts

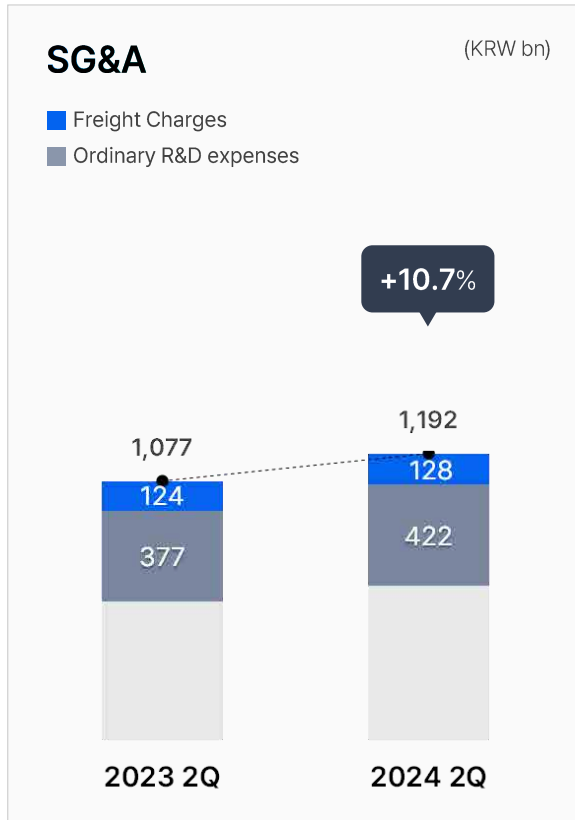
- Sales decrease in Module & Electrification
 - Volume decrease in OEM's production (-0.4% YoY)
 - xEV production decrease and the negative mix effect (xEV -1.1%, BEV -34.0%, HEV +21.5% YoY)
 - Battery cell price decrease (-42.4% YoY), Exclusion of battery cell from the revenue (transition to a pass-through)
* These change do not affect margins
- Sales increase in Core Parts
 - Continued improvement in the product mix i.e. higher adoption rates of high value-electronic components
- Continued loss making due to the increased burden in the fixed cost from the EV slowdown and the recognition of quality provisions

A/S Business

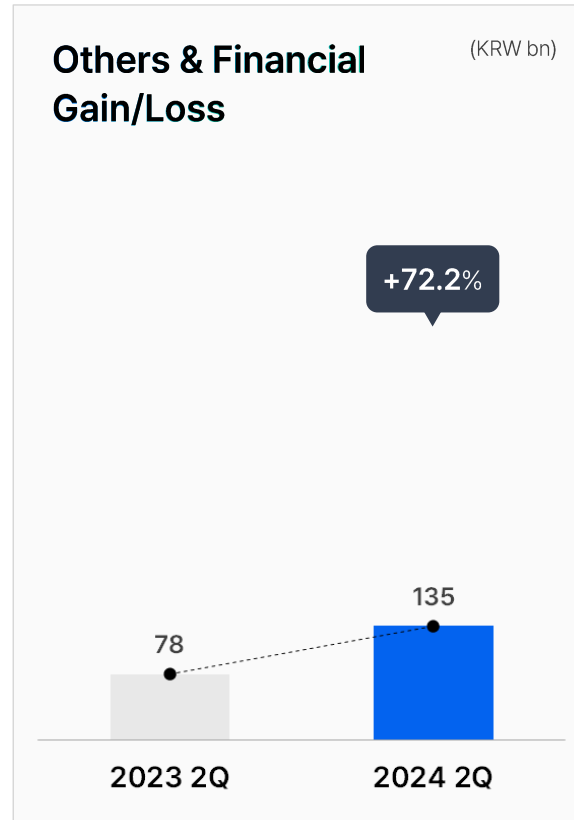
- Sales increase from the continued strong global demand (The Americas +6.9%, Europe +12.6% YoY)
- Margin improvement thanks to normalized logistics cost and the favorable F/X

2. Financial Results

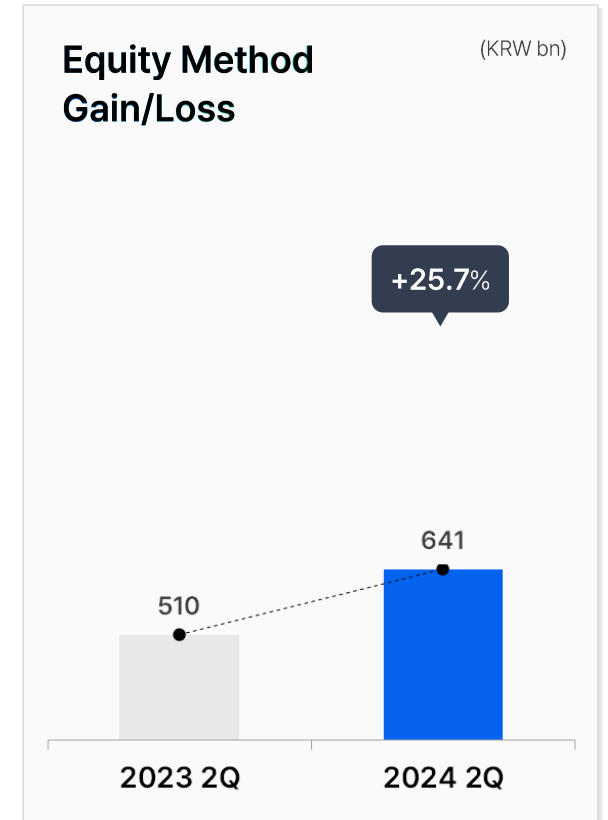
Major Gain/Loss



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



- **Increase in others & financial gains**

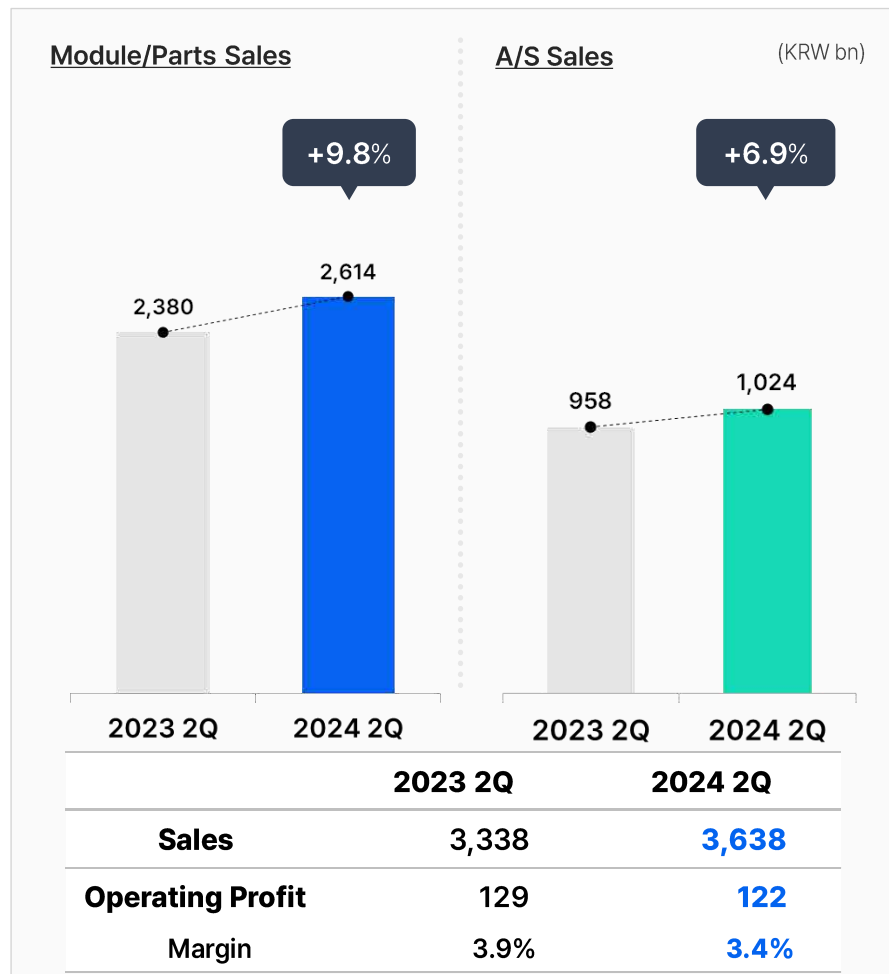


- **Equity-method gains from affiliates**

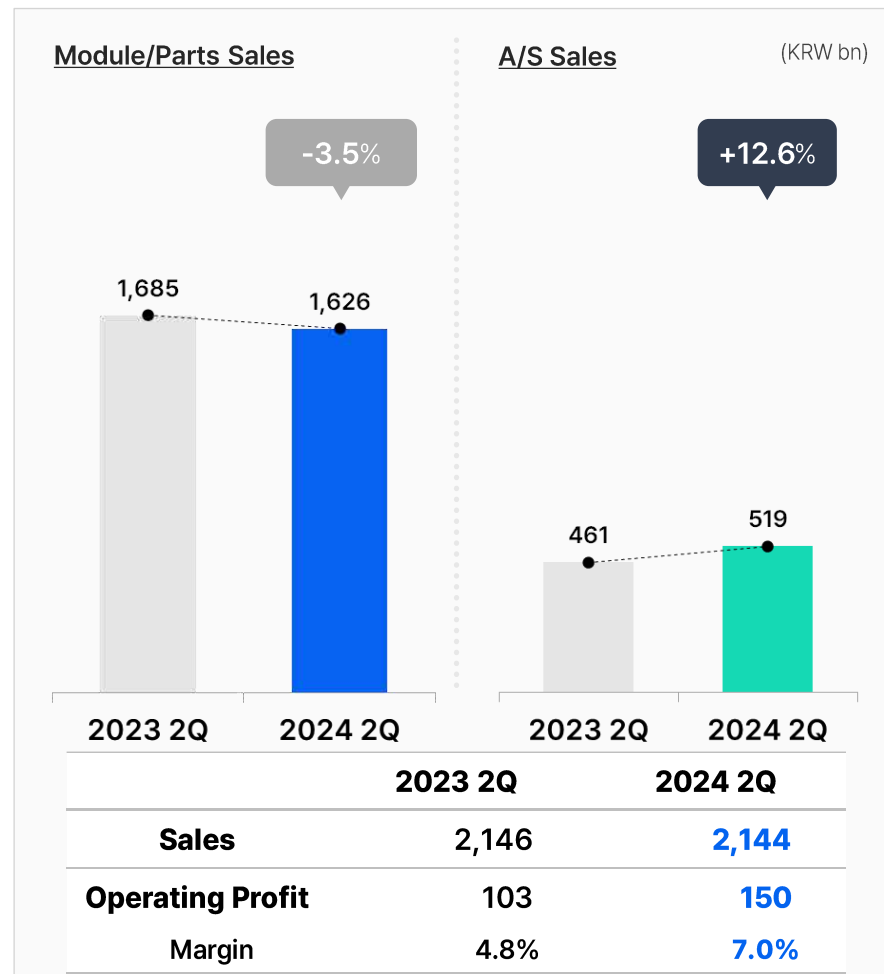
2. Financial Results

Earnings by Region

The Americas



Europe

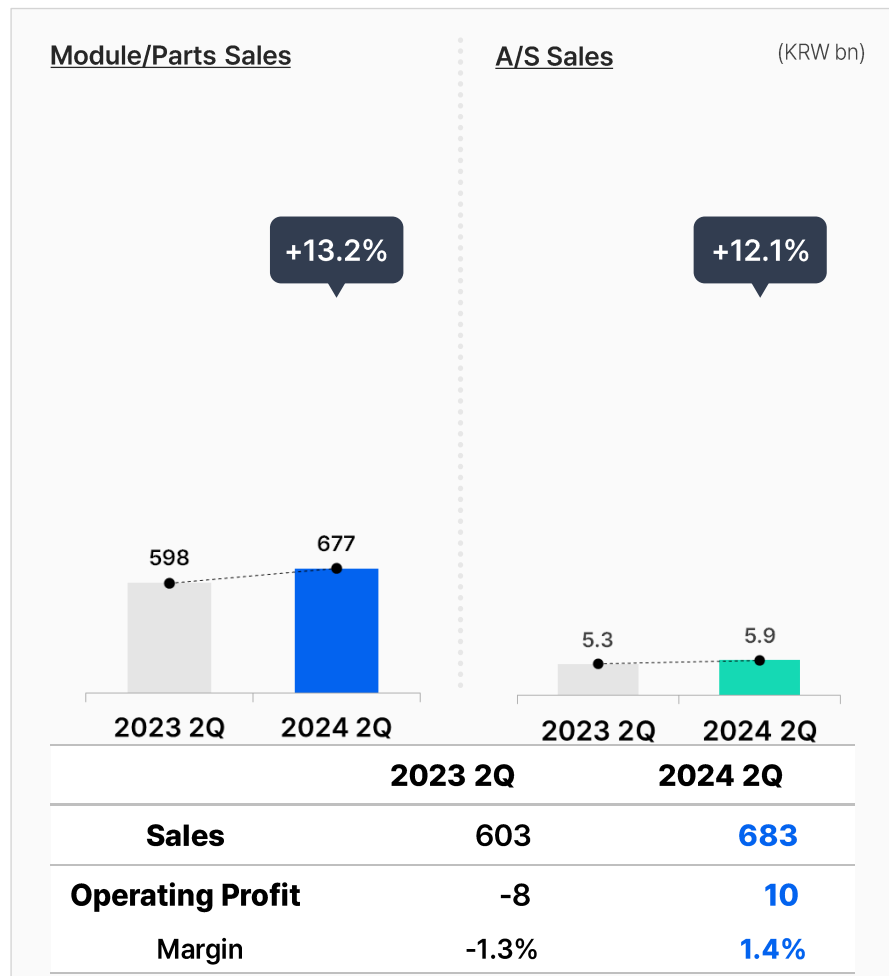


* Regional operating profit without consolidated adjustments

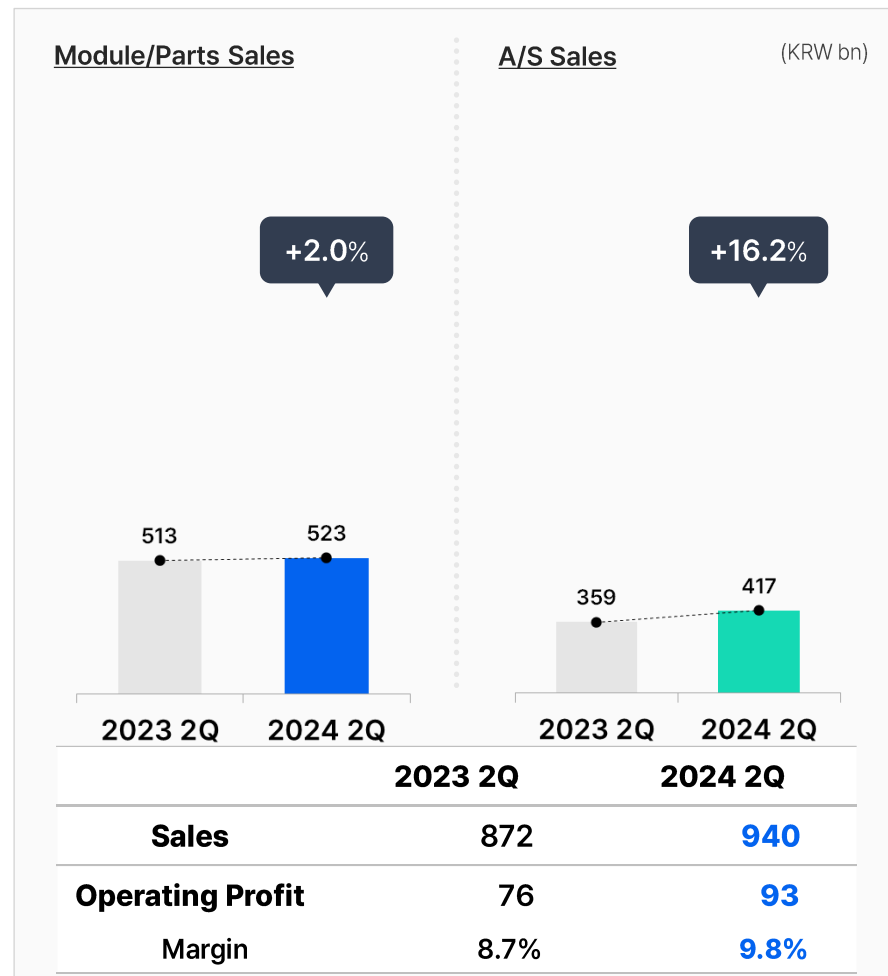
2. Financial Results

Earnings by Region

China

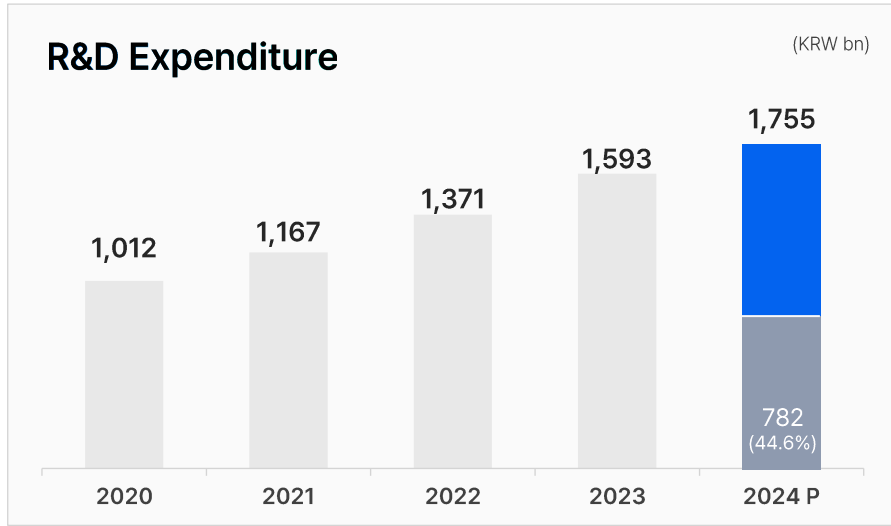


Others

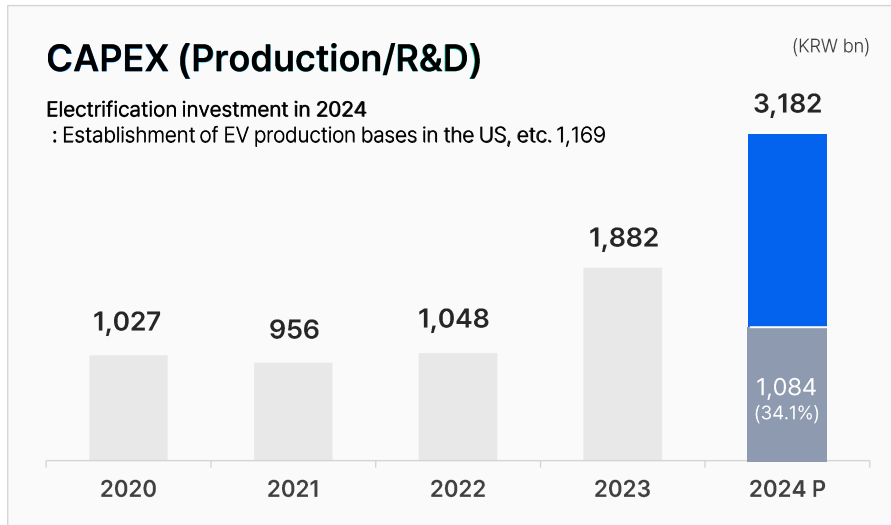
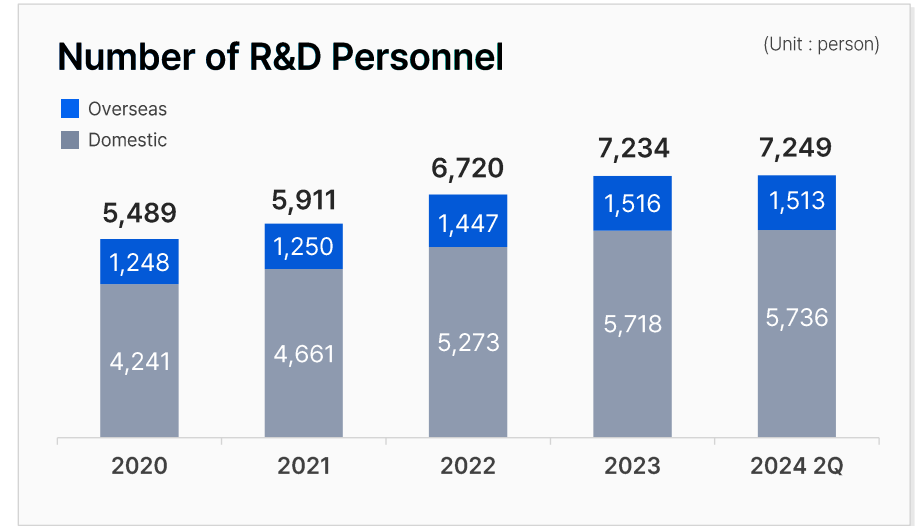


* Regional operating profit without consolidated adjustments

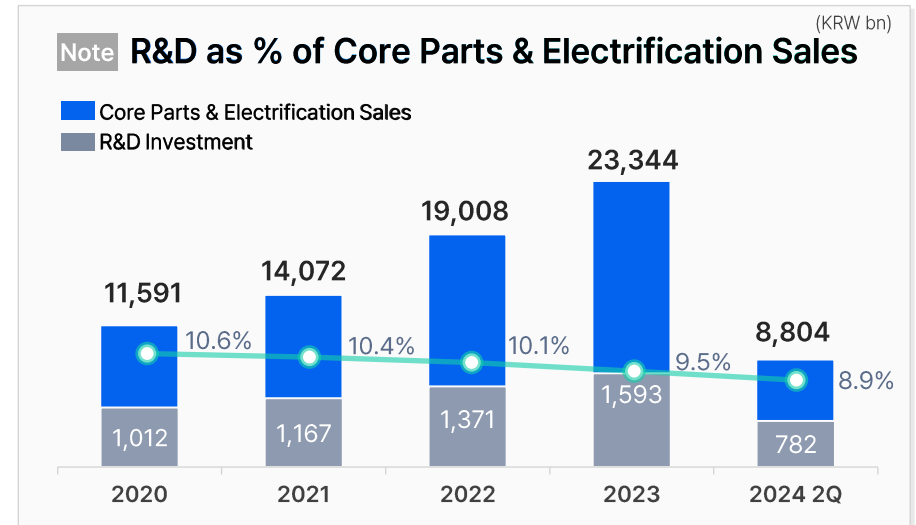
3. R&D and CAPEX



* 2024 plans do not include consolidated affiliates



* R&D facility investment included

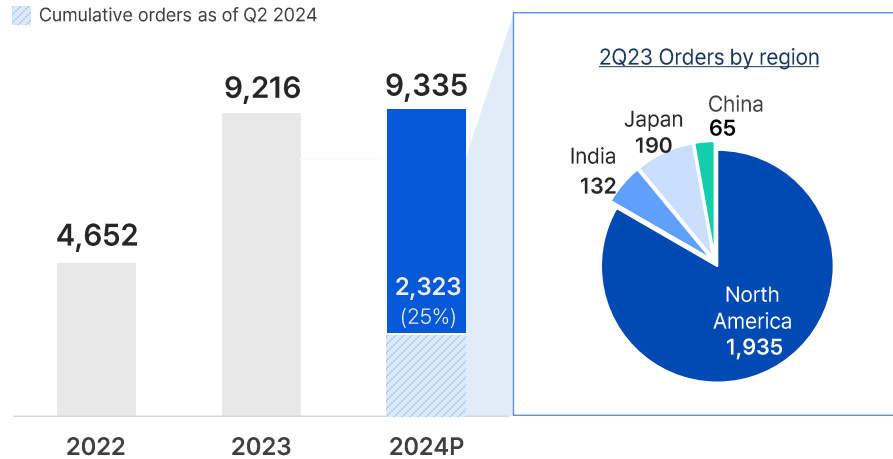


* The R&D as a percentage of Electrification/Core parts sales excludes battery cell value (estimated)

4. Non-Captive Orders

Results & Plans for Core Parts Orders

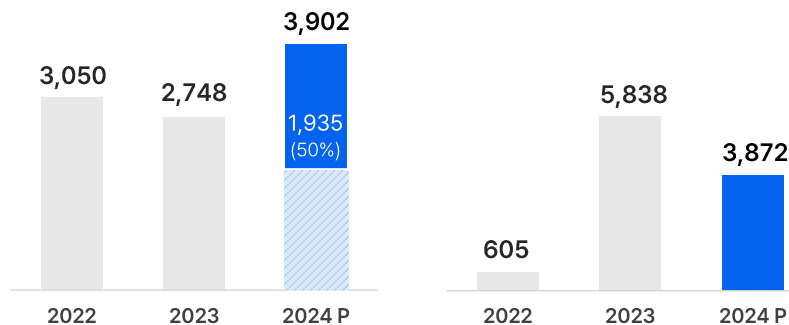
(Unit: \$ 1 million)



North America

Europe

(Unit: \$ 1 million)



Highlights from 2Q24 Non-Captive Orders

Awarded orders of OE in IVI products from North America

Production MMX (Mexico)



IPC¹ Cluster / ICS² Radio

Production MTJ (China)



HVAC³ ICS

Awarded orders of OE in lamp products from Japan

Production MJS (China)



Rear Lamp

1. Instrument Panel Cluster 2. Integrated Center Stack 3. Heater, Ventilation, Air conditioning

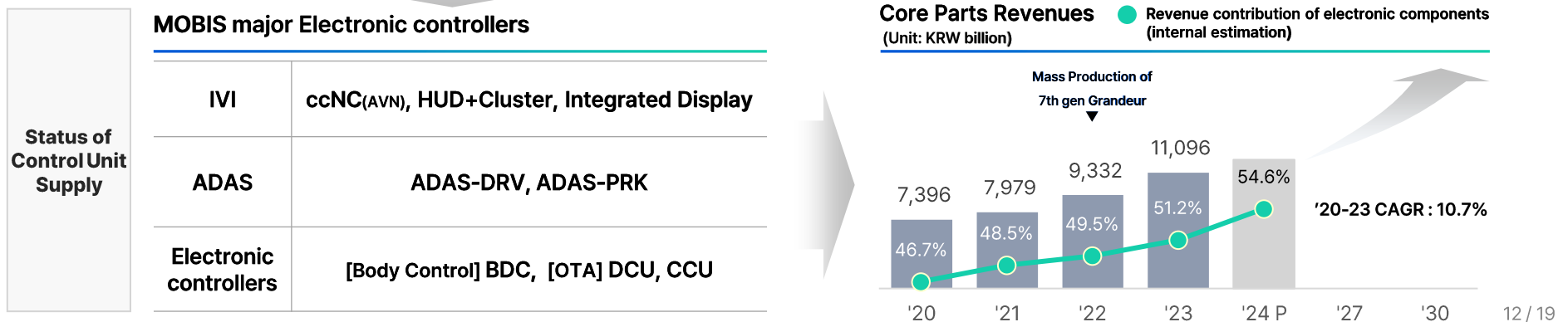
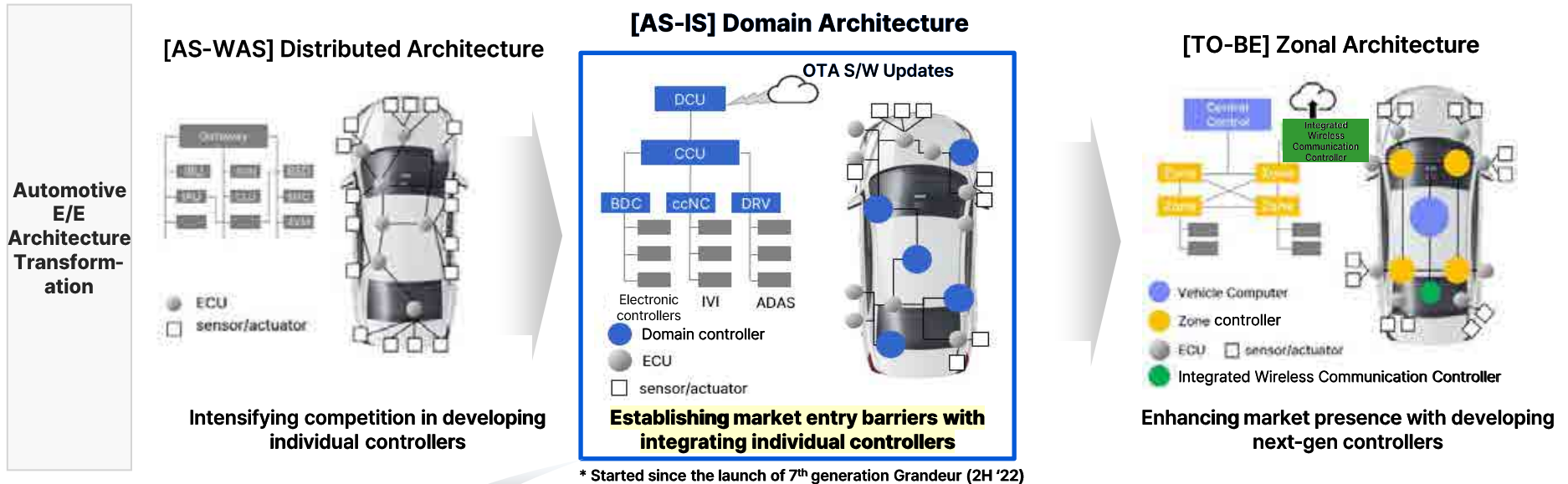
Background of weak 1H & 2H Prospects

- Behind the target schedule due to schedule changes and delays in major projects of customers (electrification, etc.)
- Some electrification projects could be deferred to 2025 due to chasm in the EV market
- Keep enhancing bidding activities for major projects for core parts (focused on 2H) to achieve the annual target

5. Expansion in Core Parts Revenue

Core parts orders and revenue expansion driven by high value-added electronic components, thanks to continuous R&D efforts to actively respond to automotive E/E architecture (from traditional distributed to centralized architecture)

Going forward, enhancing flexibility in various demands by customers, to expand captive M/S and to strengthen competence in non-captive markets



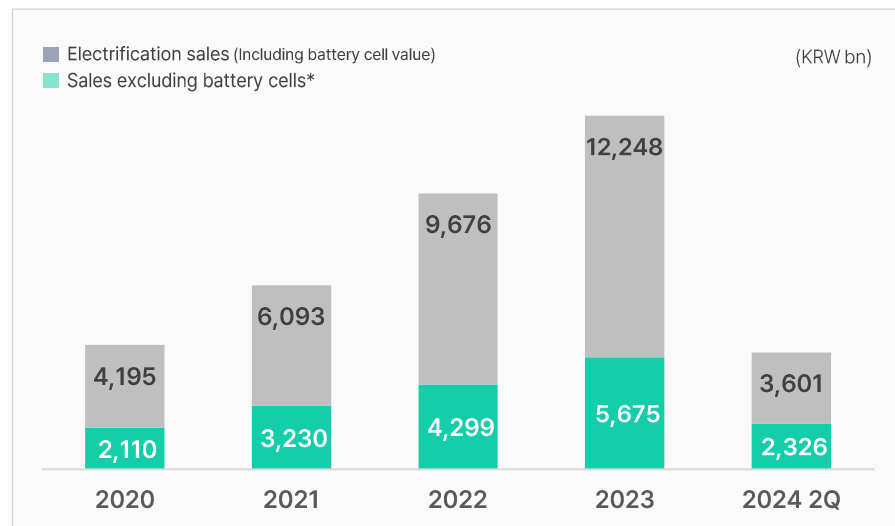
6. In-organic Growth & Global Tie-up

Investments & Tie-up Details				
2020	Mar	Motional (US)	Equity Investment (\$400mn)	Software platform for level 4 ~ 5 autonomous driving
	Jun	ACVC Partners & MOTUS Ventures (US)	Equity Investment (\$16.9mn)	Tech fund based in US Silicon Valley (ACVC \$12.4mn, MOTUS \$4.5mn)
	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 Zero One No.2 Fund	Equity Investment (KRW3.0bn)	Investments in startups for future growth engines (mobility, EV, etc)
	Apr	Supernal (US)	Equity Investment (\$310mn)	Investments in AAM (Advanced Air Mobility) ('21~'23 : \$310mn, '24 : \$178mn)
	Jun	Boston Dynamics (US)	Equity Investment (\$220mn)	Robotics & synergy with future business (e.g. autonomous driving)
	Aug	Sonatus (US)	Equity Investment (\$3.5mn)	2 nd Gen vehicle electronics platform development
	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
	Jun	Equity investment in holding company (US)	Equity Investment (\$231mn)	Investments and management of new businesses
2022	Aug	LightIC (US)	Equity Investment (\$8.7mn)	LiDAR technologies
	Oct	AI R&D Center (US)	Equity Investment (\$85mn)	Robotics business
	Nov	Envisics (UK)	Equity Investment (\$30mn) & Co-ops	Augmented reality-based HUD (head up display) ('20 : \$25mn)
2023	Jun	Joint battery cell plant* (US)	Equity Investment (KRW324.0bn)	Battery cell production JV with SK On
			Equity Investment (KRW286.1bn)	Battery cell production JV with LG ES
	Nov	SPb Audio Lab (Bulgaria)	Equity investment (\$1 mn)	Development of a special audio procedure
2024	Mar	Supernal (US)	Equity Investment (\$178mn)	Additional investment in AAM (Advanced Air Mobility)
	May	Motional (US)	Equity Investment (\$185mn)	Additional capital increase for internalizing autonomous driving
	May	HMGICS (Singapore)	Equity Investment (SGD16.4mn)	Additional investment in adding production equipment
	May	Boston Dynamics* (US)	Equity investment (\$43mn)	Additional investment in Robotics

* Indirect investment through the US holding company

[Note] Details on 2H24 revenue decrease in Electrification

Annual Electrification Sales*

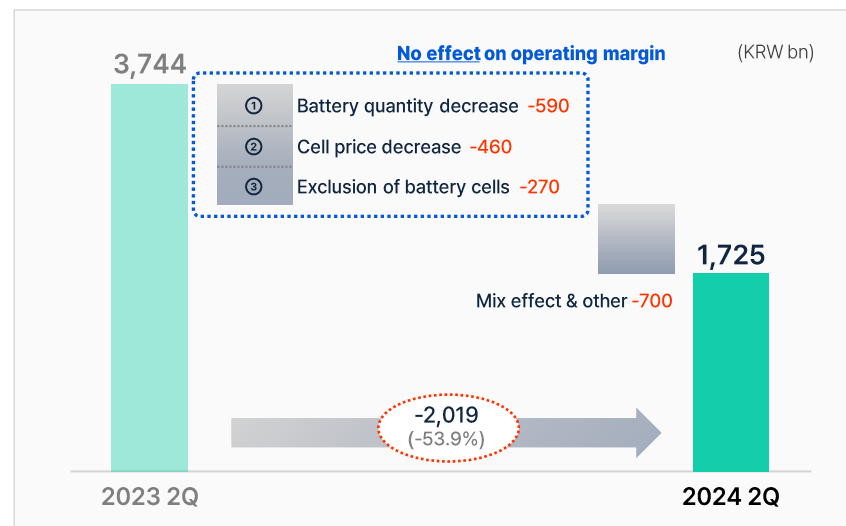


- The growth in Electrification sales is expected to slow down due to the accounting rule change, although the operating margin rate is expected to gradually increase
- The R&D ratio is in the trend of decline compared to the cell-excluded revenue of Electrification/Core Parts

* Refer to page 10

* Sales excluding battery cells are internal estimates for analysis.

Key factors that led the sales decrease in Electrification in 2Q24



- Key factors that led the YoY decrease in the revenue in Electrification

- ① Battery cell quantity decrease (No effect on the margin)
- ② Cell price decrease (-42.4%)
- ③ Mix effect (xEV -1.1%, BEV -34.0%, HEV +21.5%)

[Note] The accounting rule in Electrification has been modified to exclude battery cell value from the revenue.

* Overseas: Has been applied to Europe since the new models in 3Q23 (Tucson HEV, Sportage HEV, Kona EV)

New factories in N. America/India plan to adopt the new rule as they begin mass production

Domestic (Korea): Has been applied since the new models in 4Q23 (EV9, Santa Fe HEV)

✖ Appendix

Balance Sheet

(KRW bn)	2022	2023	2024 1H	Change	%
Current Assets	25,660	25,565	27,009	1,444	5.6%
(Cash & Equivalents)	(9,731)	(9,203)	(10,672)	(1,470)	(16.0%)
Non-current Assets	29,747	33,021	35,594	2,574	7.8%
Total Assets	55,407	58,586	62,604	4,018	6.9%
Current Liabilities	11,476	12,053	12,582	529	4.4%
(Short-term Borrowings)	(1,782)	(1,540)	(1,150)	(-390)	(-25.3%)
Non-current Liabilities	6,123	5,878	7,258	1,380	23.5%
(Long-term Borrowings)	(1,462)	(692)	(1,567)	(874)	(126.4%)
Total Liabilities	17,599	17,931	19,839	1,909	10.6%
(Capital Stock)	(491)	(491)	(491)		
Total Equity	37,808	40,655	42,764	2,109	5.2%
L/E Ratio	46.5%	44.1%	46.4%	(2.3%P)	(5.2%)

Income Statement (Quarterly)

(KRW bn)	2022			2023			1Q	2024	
	1Q	2Q	1H	1Q	2Q	1H		2Q	1H
Sales	11,308	12,308	23,616	14,667	15,685	30,352	13,869	14,655	28,525
Gross Profit	1,244	1,387	2,631	1,430	1,741	3,171	1,619	1,828	3,447
Operating Profit	387	403	790	418	664	1,082	543	636	1,179
Margin	3.4%	3.3%	3.3%	2.9%	4.2%	3.6%	3.9%	4.3%	4.1%
Pre-tax Profit	742	1,056	1,798	1,041	1,252	2,293	1,223	1,412	2,635
Net Profit	521	770	1,291	842	932	1,774	862	998	1,860
Margin	4.6%	6.3%	5.5%	5.7%	5.9%	5.8%	6.2%	6.8%	6.5%

Earnings by Business Division (Quarterly)

(KRW bn)		2022			2023			2024		
		1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Module / Core Parts	Electrifi- cation	1,886	2,101	3,987	3,327	3,744	7,070	1,876	1,725	3,601
	Core Parts	2,085	2,305	4,390	2,526	2,759	5,285	2,988	3,347	6,335
	Module	4,985	5,464	10,449	6,183	6,485	12,669	6,073	6,619	12,693
	Sales	8,956	9,870	18,826	12,036	12,988	25,024	10,937	11,691	22,628
	Operating Profit	-35	-47	-83	-117	96	-21	-185	-124	-309
	Margin	-0.4%	-0.5%	-0.4%	-1.0%	0.7%	-0.1%	-1.7%	-1.1%	-1.4%
A/S	Sales	2,352	2,438	4,790	2,631	2,697	5,328	2,932	2,964	5,896
	Operating Profit	422	451	873	535	568	1,103	728	760	1,488
	Margin	18.0%	18.5%	18.2%	20.3%	21.1%	20.7%	24.8%	25.6%	25.2%
Total	Sales	11,308	12,308	23,616	14,667	15,685	30,352	13,869	14,655	28,525
	Operating Profit	387	403	790	418	664	1,082	543	636	1,179
	Margin	3.4%	3.3%	3.3%	2.9%	4.2%	3.6%	3.9%	4.3%	4.1%

Earnings by Region (Quarterly)

(KRW bn)		2022			2023			2024		
		1Q	2Q	1H	1Q	2Q	1H	1Q	2Q	1H
Korea ¹	Sales	5,563	6,388	11,950	7,980	8,725	16,705	6,846	7,250	14,096
	Operating Profit	240	254	494	186	363	549	167	261	428
	Margin	4.3%	4.0%	4.1%	2.3%	4.2%	3.3%	2.4%	3.6%	3.0%
America	Sales	2,778	2,895	5,673	3,239	3,338	6,577	3,395	3,638	7,034
	Operating Profit	30	35	66	96	129	225	122	122	245
	Margin	1.1%	1.2%	1.2%	3.0%	3.9%	3.4%	3.6%	3.4%	3.5%
Europe	Sales	1,628	1,804	3,432	2,069	2,146	4,215	2,016	2,144	4,161
	Operating Profit	67	67	134	72	103	175	137	150	287
	Margin	4.1%	3.7%	3.9%	3.5%	4.8%	4.2%	6.8%	7.0%	6.9%
China	Sales	594	411	1,006	512	603	1,115	649	683	1,331
	Operating Profit	-11	-25	-36	-6	-8	-14	16	10	25
	Margin	-1.8%	-6.0%	-3.5%	-1.2%	-1.3%	-1.3%	2.4%	1.4%	1.9%
Others	Sales	745	810	1,556	867	872	1,739	963	940	1,903
	Operating Profit	61	71	132	71	76	147	100	93	193
	Margin	8.2%	8.8%	8.5%	8.2%	8.7%	8.4%	10.4%	9.8%	10.1%

1. Including consolidated adjustments



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