

HYUNDAI MOBIS

2024 4Q Business Results



Jan. 24, 2025

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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 4Q revenue increased **by 0.3% YoY to KRW 14.7 tn**
- Module/Core parts sales went down **by 2.6% YoY to KRW 11.6 tn** due to decline in H/KIA volume and mix changes in xEV (BEV -18.1%, HEV +24.7%), etc.

* refer to page 12 for more details on electrification revenue decrease

- A/S business sales increased **by 12.5% YoY to KRW 3.1 tn** due to the continued strong global demand, favorable F/X, etc.

● Operating Profit

- Operating profit increased **by 88.5% YoY to KRW 986 bn** due to efforts to enhance overall profitability in manufacturing, including recouping expenses and continued solid demand for A/S parts.

Customer Diversification

● Non-captive Orders

- **2024 cumulative non-captive orders reached USD 2.56 bn** (27.5% of 2024 target)
* **2025 target set at US\$ 7.44 bn** (increased by 189.9% compared to FY24 results)

Shareholder Value Maximization

● FY24 Shareholder Return Policy Completed

- Increased cash dividend reflecting profit increase (KRW 6,000/share, KRW +1,500/share), share buyback/cancellation (660k shares, KRW 163 bn)

● FY25 Shareholder Return Policy to Implement Mid-to-long-term^(FY25-FY27)

- **Shareholder Return Policy Announced at CEO Investor Day** * refer to page 11 for more details

2. Financial Results

Income Statement

(KRW bn)	2023		2024				
	4Q	Total	3Q	4Q	YoY	% QoQ	Total
Sales	14,672	44,582	14,002	14,711	0.3%	5.1%	57,237
Gross Profit	1,826	4,936	2,303	2,313	26.6%	0.4%	8,063
Operating Profit	523	1,772	909	986	88.5%	8.5%	3,073
Margin	3.6%	4.0%	6.5%	6.7%	3.1%p	0.3%p	5.4%
Pre-tax Profit	830	3,615	1,307	1,323	59.4%	1.3%	5,264
Net Profit	651	2,772	921	1,279	96.3%	38.8%	4,060
Margin	4.4%	6.2%	6.6%	8.7%	4.3%p	2.1%p	7.1%

2. Financial Results

Earnings by Business Division

(KRW bn)		2023 4Q	2024 3Q	2024 4Q	% YoY QoQ	
Module / Core Parts	Electrifi- cation	2,454	1,579	1,514	-38.3%	-4.1%
	Core Parts	3,050	3,084	3,406	11.7%	10.5%
	Module	6,387	6,279	6,662	4.3%	6.1%
	Sales	11,890	10,941	11,582	-2.6%	5.9%
	Operating Profit	-69	93	174	T/B	87.5%
	Margin	-0.6%	0.8%	1.5%	0.7%p	1.9%p
A/S	Sales	2,782	3,061	3,128	12.5%	2.2%
	Operating Profit	592	816	812	37.1%	-0.4%
	Margin	21.3%	26.7%	26.0%	2.3%p	1.1%p
Total	Sales	14,672	14,002	14,711	0.3%	5.1%
	Operating Profit	523	909	986	88.5%	8.5%
	Margin	3.6%	6.5%	6.7%	3.1%p	0.2%p

Module & Core Parts

● Electrification revenue decline

- Battery cell price decrease (-31.5%, YoY), exclusion of battery cell from revenue (transition to pass-through)
- Mix changes (BEV -18.1%, HEV +24.7%, xEV +7.1%, YoY)
- * These changes do not affect the margin

● Sales increase in Core Parts

- Continued product mix effect i.e., broader adoption of high-value electronic components

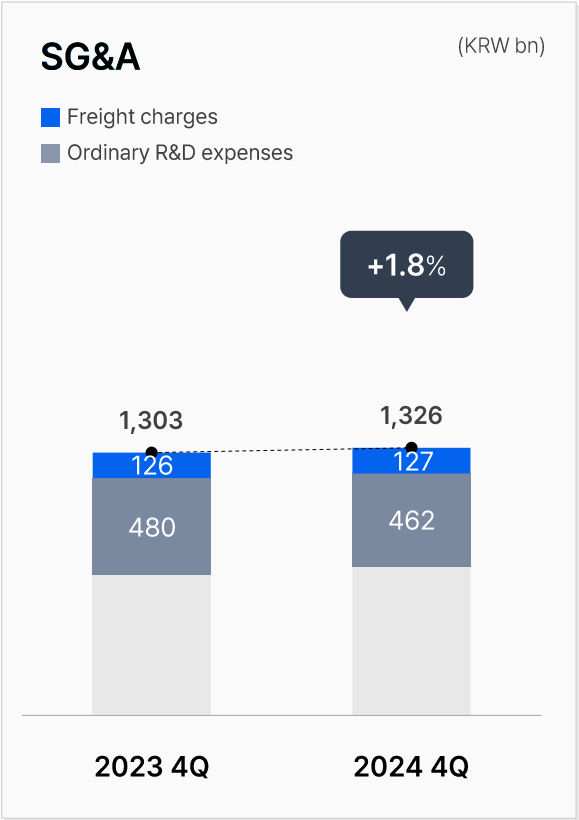
● Module / Core Parts turned black due to overall profitability improvement efforts (i.e., cost reduction)

A/S Business

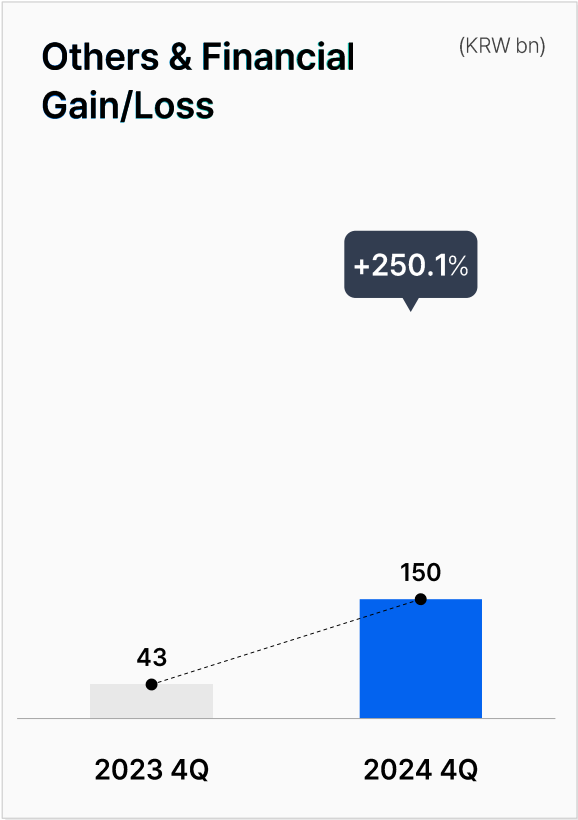
- Sales increase from robust demand (The Americas +11.2%, Europe +10.6% YoY)
- Margins improved due to regional price adjustment and favorable F/X

2. Financial Results

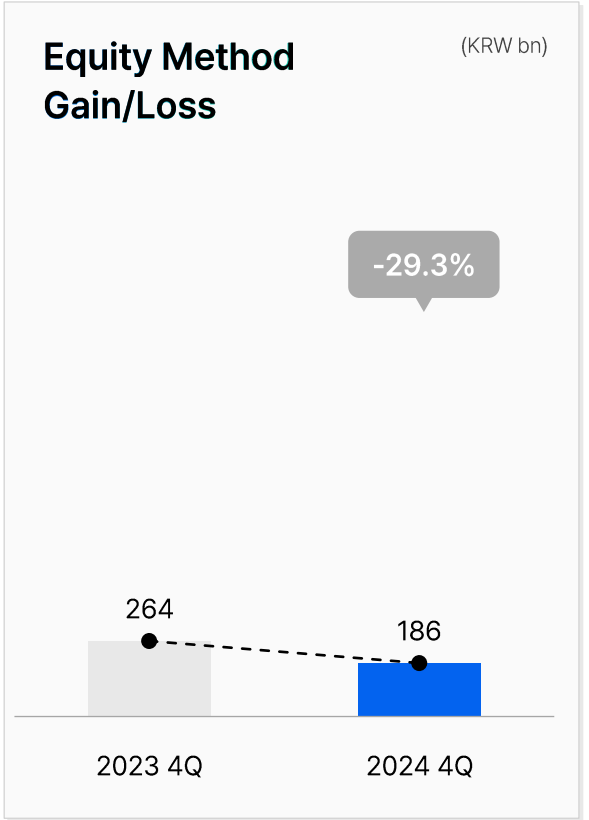
Major Gain/Loss



● Increase in SG&A expenses
(Personnel expenses)



● Increase in others & financial
gain/loss

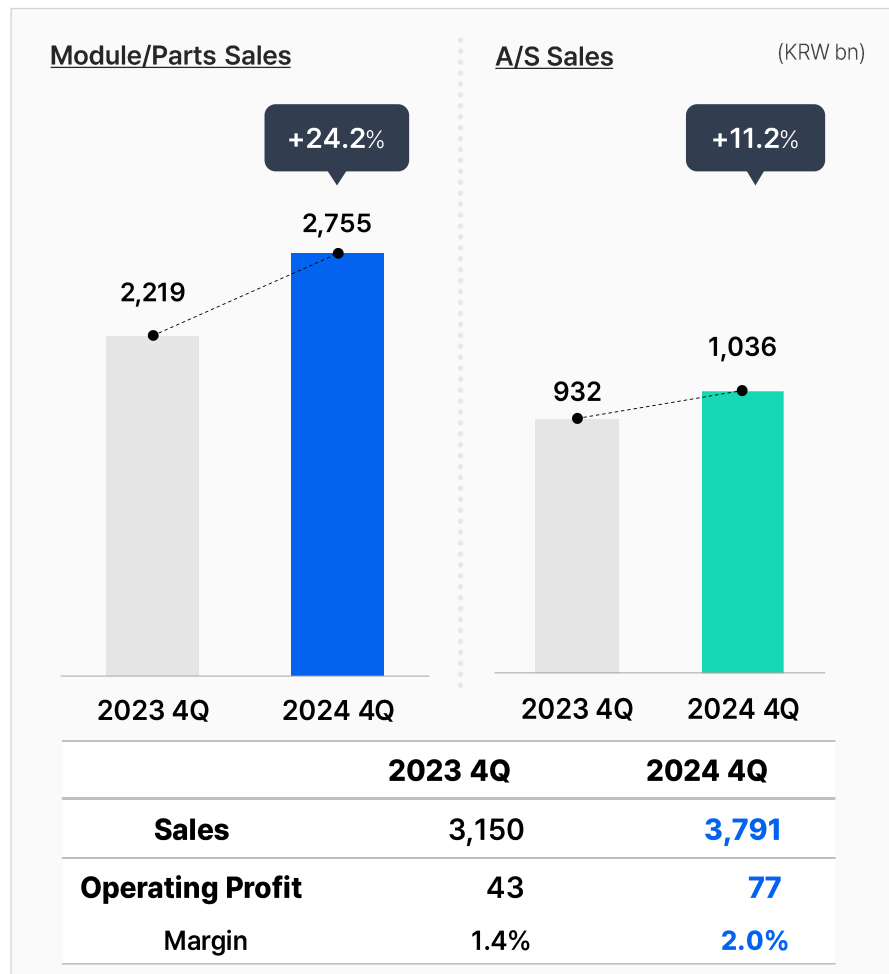


● Decrease in equity method gains
from affiliates

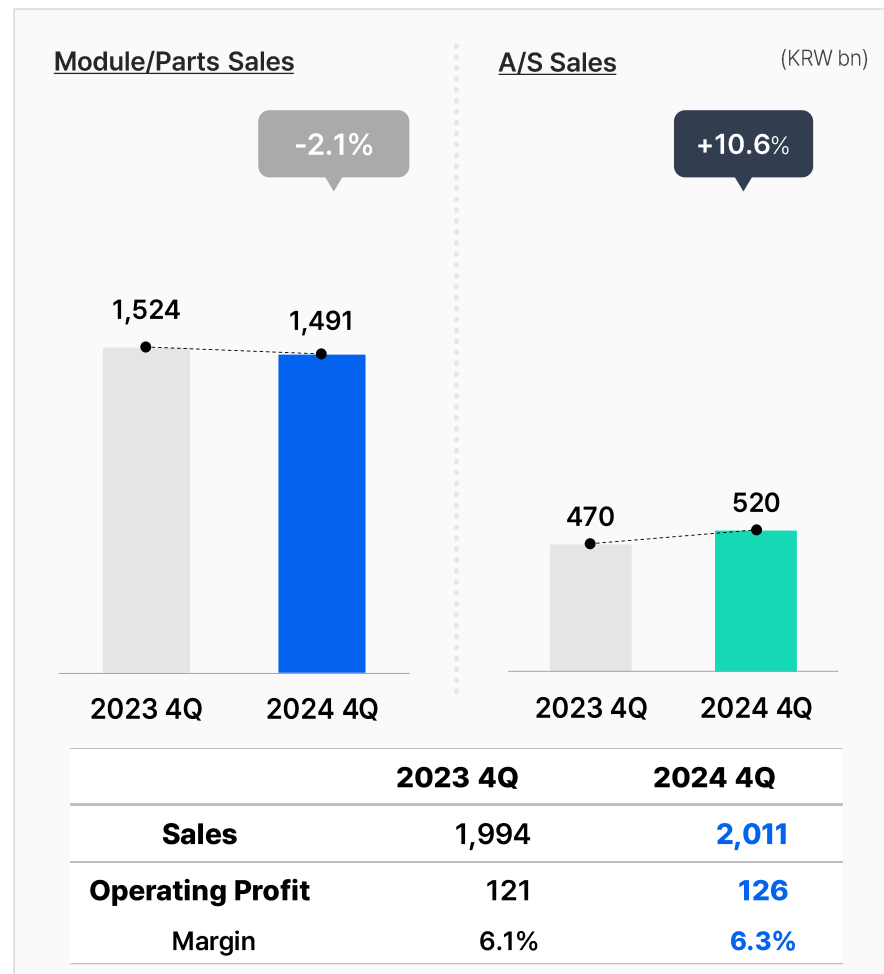
2. Financial Results

Earnings by Region

The Americas



Europe

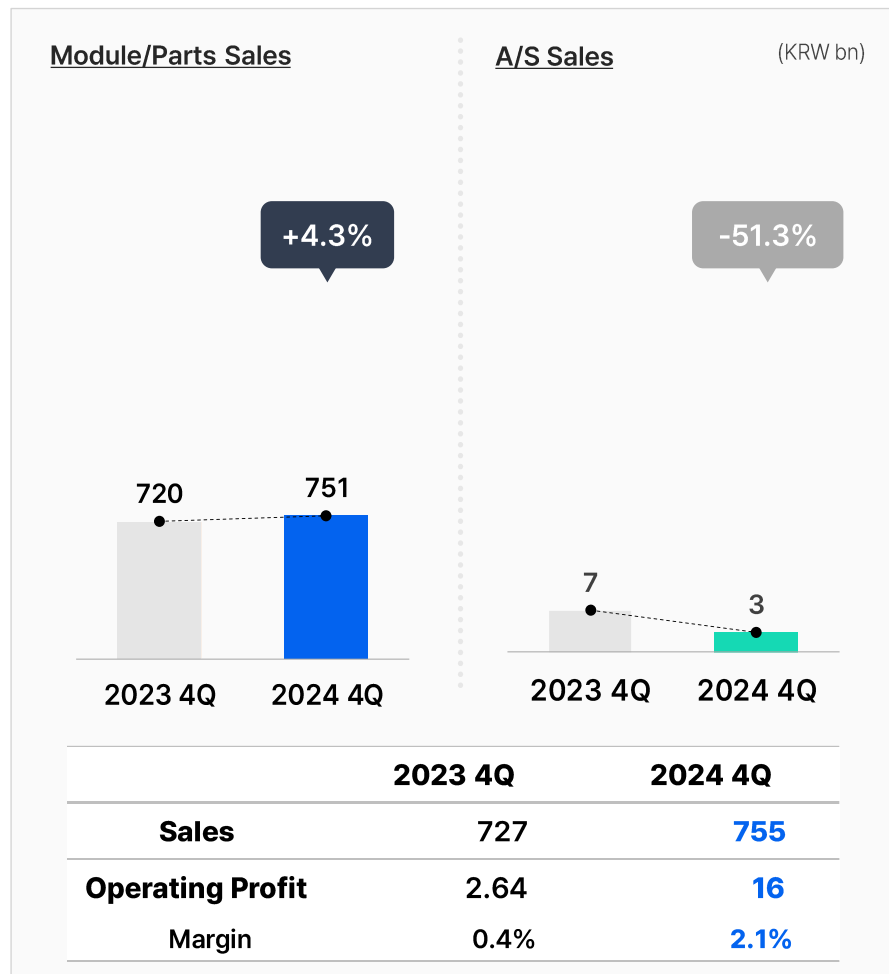


* Regional operating profit without consolidated adjustments

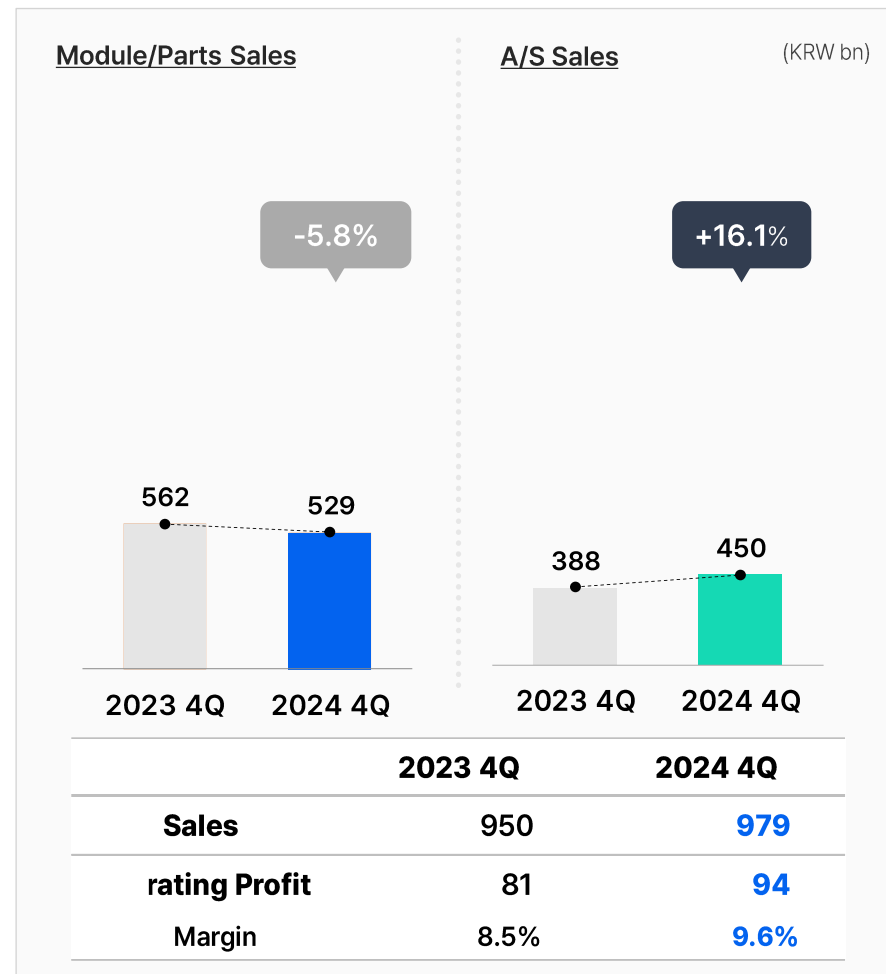
2. Financial Results

Earnings by Region

China

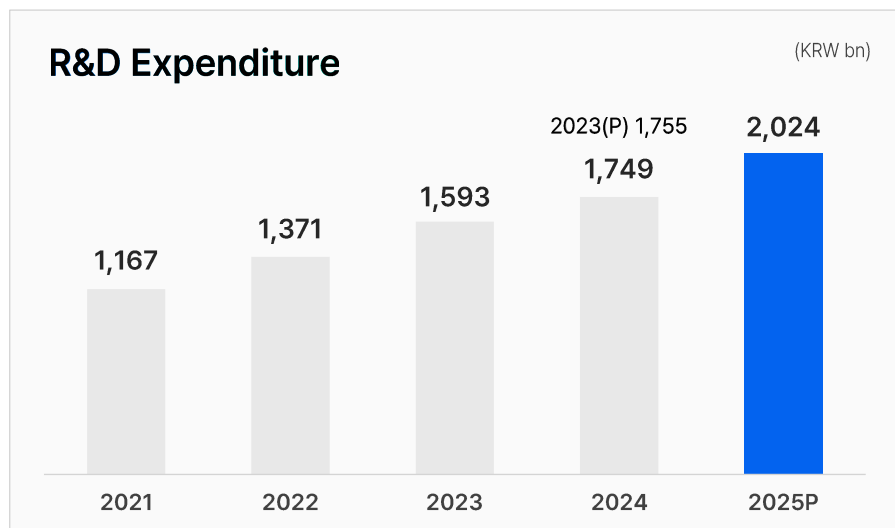


Others

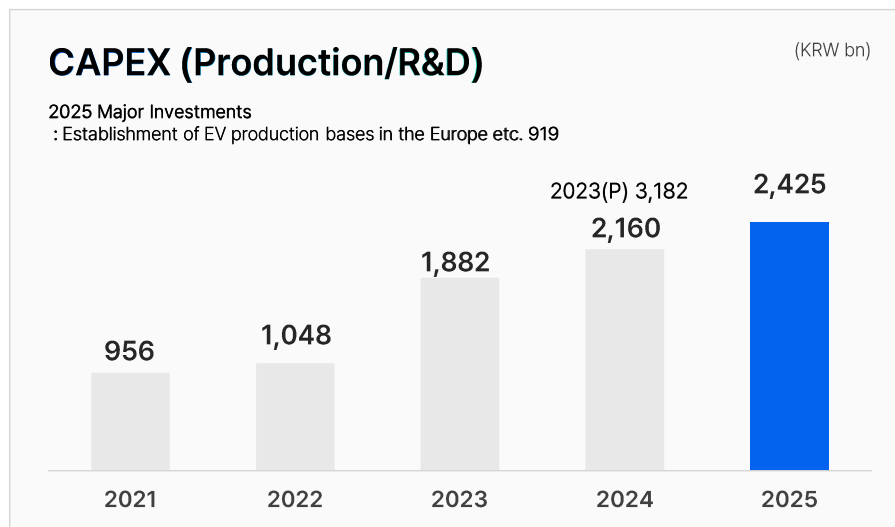
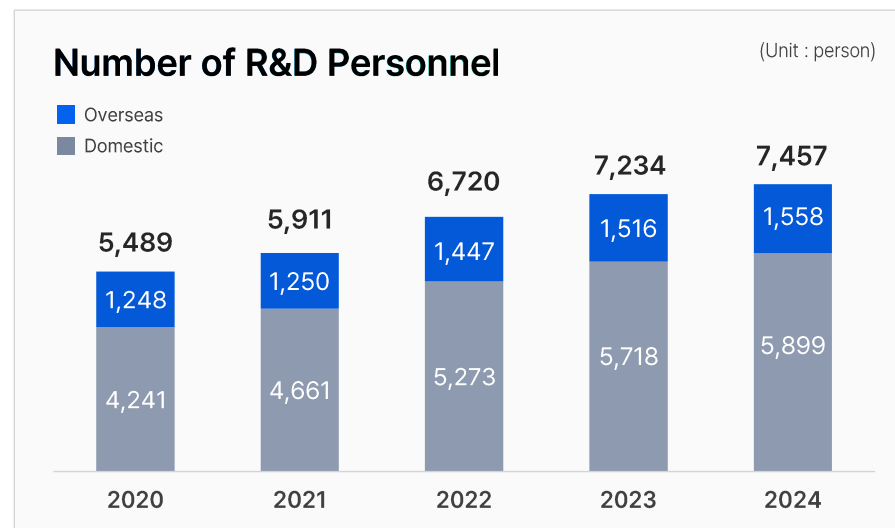


* Regional operating profit without consolidated adjustments

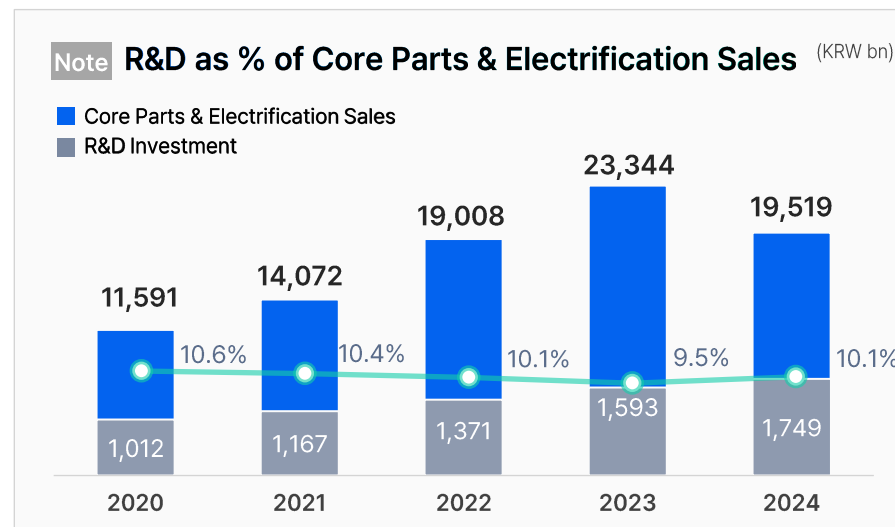
3. R&D and CAPEX



* 2024 plan does not include consolidated affiliates



* R&D facility investment included



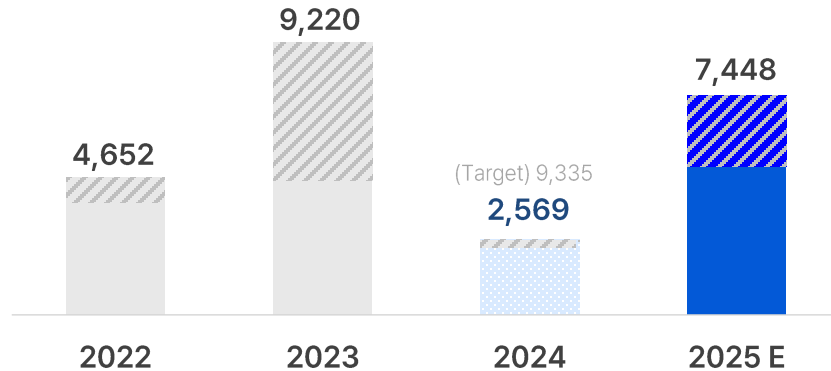
* The R&D as a percentage of Electrification/Core parts sales excludes battery cell value (estimated)

4. Non-captive Orders

Results & Plans for Core Parts Orders

(USD mn)

Electrification orders



Highlights from 2024 Core Parts Orders

- **2024 Order Results : Total \$2,569mn**
 - Secured orders from major OEs in various regions including US, Japan, and India despite OEM's continued investment burden and increasing uncertainties such as the EV demand slowdown

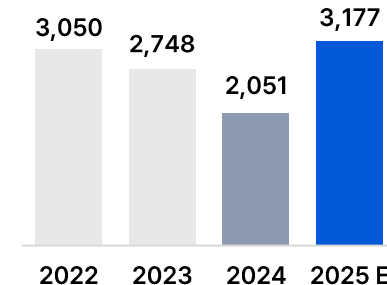
2025 Key Strategy

- **Electronics** : Securing new customers with product upgrades and new technology promotions
- **Lamp** : Focusing on project orders with secured profitability
- **Chassis** : Building strategic partnership with key clients to secure business stability/growth
- **Electrification** : Expanding business opportunities (i.e. large-scale orders)

2025 Orders by Region

[N. America]

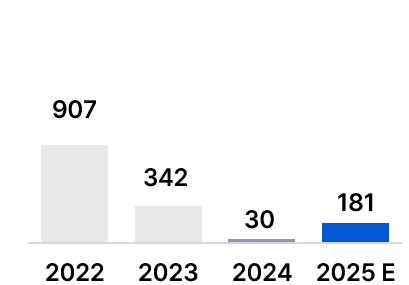
(USD mn)



- Diversifying product portfolio (AR-HUD, ADAS, BSA, etc.)

[China]

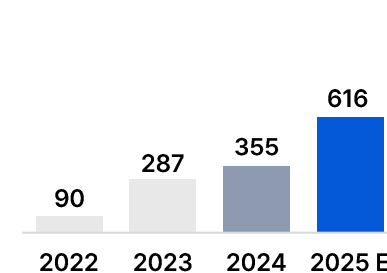
(USD mn)



- Market-customized strategies for order intake and business expansion

[Japan / Korea]

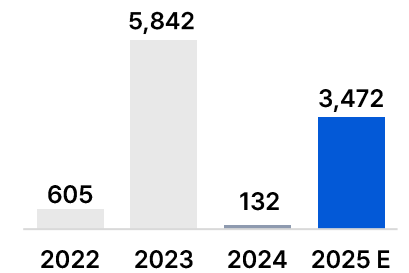
(USD mn)



- Continuous promotion for core parts incl. electrification/brakes
- Securing new clients

[Europe / India]

(USD mn)



- Enhancing customer responsiveness with local business hubs (production, lab, etc.)
- Entering new markets (Indian market, etc.)

5. 2025 Shareholder Return Policy

Maximizing shareholder value pursuing 'Balance between future growth investment and shareholder return'
Expanding shareholder return (TSR 30%+) and executing mid/long term policy (2025-2027)
(Flexibly managing between cash dividends and share buybacks)

2024 Policy (Annual execution) * Net profit excluding equity method gains

Cash dividends	- Payout ratio at * 20-30% - Dividend per share : KRW 6,000 (KRW 4,500 in 2023) * Interim : KRW 1,000 ('24.8) + Year-end : KRW 5,000 * Payout ratio : 20.2% ⇒ Increase in dividend per share based on net profit improvement
Share Buyback/ Canc.	- Share buyback worth of KRW 163bn (2/19 - 5/7) * Exceed previously disclosed buyback plan (KRW 150bn) - Canc. of all treasury shares (6/3)

[Annual shareholder return] * Average TSR : 19.7% ('22-'24)

KRW 1bn	2022	2023	2024
Dividend/share(KRW)	4,000	4,500	6,000
Cash dividend	367	409	543
Share buyback	313	147	163
Share canc. ¹	63	147	163
TSR ²	27.4%	16.2%	17.4%

1. Complete cancellation of repurchased shares after 2022

2. Total Shareholder Return : (Cash dividend + Share buyback/cancellation) ÷ Net profit attributable to controlling interest

2025 Policy

- Executing shareholder return policy focusing on share buyback**

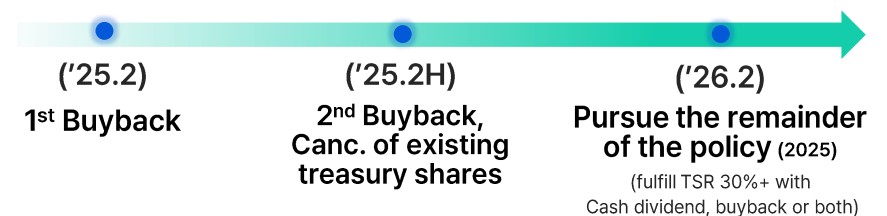
[Share buyback]

- Implementation divided into 1H and 2H
 - 2025 1H : Share buyback worth twice of the 2024 policy
 - * To be discussed by the board of directors in Feb.
 - 2025 2H : Implement 2nd buyback along with canc. of existing treasury shares

[Canc. of existing treasury shares]

- 1st year canc. plan in 2H of 2025
 - * Cancel all existing treasury shares over the next 3 years (2025-2027)

[Major schedule] * To be discussed by the board of directors

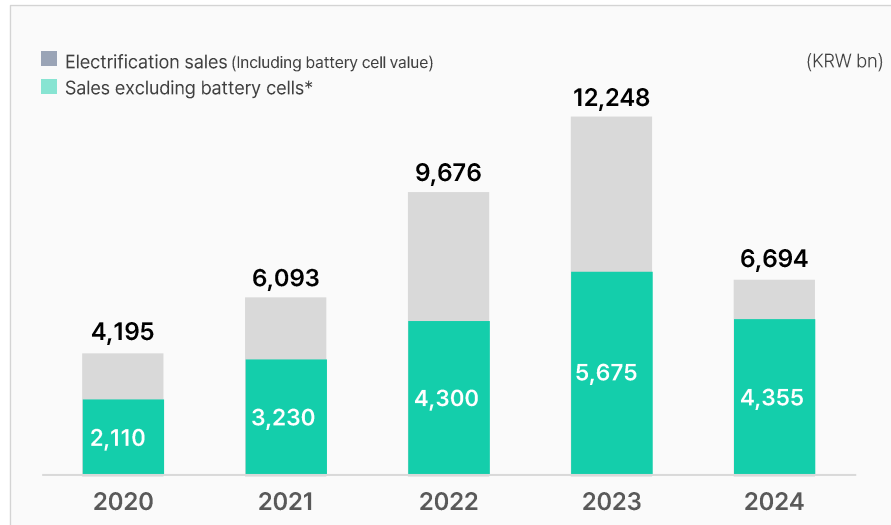


6. Accounting rule change to exclude battery cells from electrification revenue

Battery cell pass-through applied to all models (Starting from Jan. 2025)

- Expansion of pass-through from new models to all models to exclude battery cell prices from electrification revenue
- Improving the profitability structure of the electrification business by excluding battery prices from the revenue

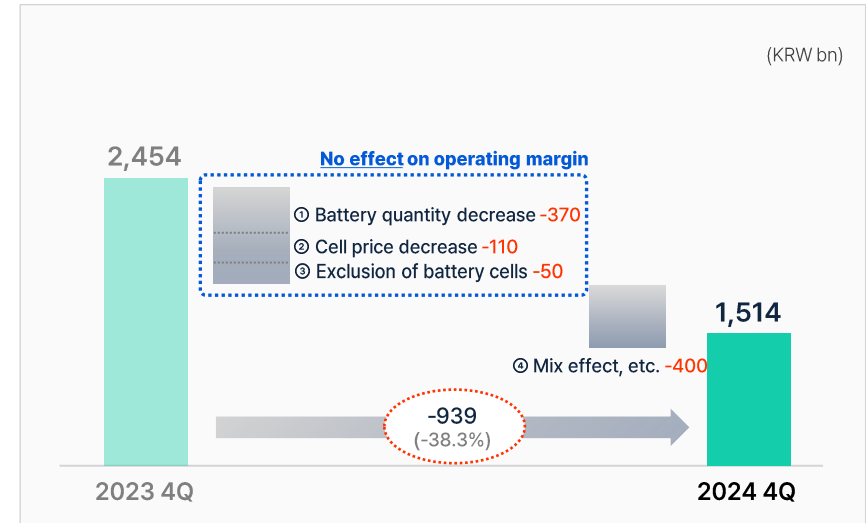
Annual Electrification Sales*



- The bias caused by battery cell prices can be eliminated by excluding battery cells from revenue
- Enables analysis of electrification revenue based on volume changes

* Sales excluding battery cells are internal estimates for analysis

Key factors that led the sales decrease in Electrification in 4Q24



- Key factors leading to YoY decrease in Electrification top-line
 - ① Battery cell quantity decrease (No effect on margin)
 - ② Cell price decrease (-31.5%)
 - ③ Mix effect (BEV -18.1%, HEV +21.4%)

7. In-organic Growth & Global Tie-up

Investment & Global Tie-up				
2020	Mar.	Motional (US)	Equity Investment (\$400mn)	Software platform for Lv. 4/ Lv. 5 autonomous driving
	Jun.	ACVC Partners & MOTUS Ventures (US)	Equity Investment (\$20mn)	Tech fund based in US Silicon Valley (ACVC \$12.4mn, MOTUS \$4.5mn)
	Nov.	HMGICS (Singapore)	Equity Investment (SGD 76mn)	Hyundai Motor Group Innovation Center ('20 : \$23mn, '21-'23 : \$33mn)
2021	Jan.	Hyundai Autron (Korea)	Business Transfer (₩130.0bn)	Semiconductor technologies for electronic control units
	Jan.	Participation in Zero One No.2 Fund	Equity Investment (₩5.0bn)	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
2022	Jun.	Equity investment in holding company (US)	Equity Investment (\$231mn)	Investments and management of new businesses
	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)	Augmented reality-based HUD (head up display) ('20 : \$25mn)
2023	Jun.	Joint battery cell plant* (US)	Equity Investment (₩324.0bn)	Battery cell production JV with SK On
			Equity Investment (₩286.1bn)	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
		HMGICS (Singapore)	Equity Investment (SGD16.4mn)	Additional investment in adding production equipment
		Boston Dynamics* (US)	Equity investment (\$43mn)	Additional investment in Robotics
	Nov.	Elevation Microsystems (US)	Equity investment (\$15mn)	Development of Gate Driver IC for optimizing power semiconductor

* Indirect investment through the US holding company

✖ Appendix

Balance sheet

(KRW bn)	2022	2023	2024 4Q	Change	%
Current Assets	25,660	25,565	28,424	2,859	11.2%
(Cash & Equivalents)	(9,731)	(9,203)	(10,640)	(1,437)	(15.6%)
Non-current Assets	29,747	33,021	38,173	5,152	15.6%
Total Assets	55,407	58,586	66,597	8,011	13.7%
Current Liabilities	11,476	12,053	12,745	692	5.7%
(Short-term Borrowings)	(1,782)	(1,540)	(1,071)	(-469)	(-30.4%)
Non-current Liabilities	6,123	5,878	7,733	1,856	31.6%
(Long-term Borrowings)	(1,462)	(692)	(1,927)	(1,235)	(178.5%)
Total Liabilities	17,599	17,931	20,479	2,548	14.2%
(Capital Stock)	(491)	(491)	(491)		
Total Equity	37,808	40,655	46,118	5,463	13.4%
L/E Ratio	46.5%	44.1%	44.4%	(0.3%p)	(0.7%)

Income Statement (Quarterly)

(KRW bn)	2023					2024				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	14,667	15,685	14,230	14,672	59,254	13,869	14,655	14,002	14,711	57,237
Gross Profit	1,430	1,741	1,765	1,826	6,762	1,619	1,828	2,303	2,313	8,063
Operating Profit	418	664	690	523	2,295	543	636	909	986	3,073
Margin	2.9%	4.2%	4.9%	3.6%	3.9%	3.9%	4.3%	6.5%	6.7%	5.4%
Pre-tax Profit	1,041	1,252	1,322	830	4,445	1,223	1,412	1,307	1,323	5,264
Net Profit	842	932	998	651	3,423	862	998	921	1,279	4,060
Margin	5.7%	5.9%	7.0%	4.4%	5.8%	6.2%	6.8%	6.6%	8.7%	7.1%

Earnings by Business Division (Quarterly)

(KRW bn)		2023					2024				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Module / Core Parts	Electrifi- cation	3,327	3,744	2,724	2,454	12,248	1,876	1,725	1,579	1,514	6,694
	Core Parts	2,526	2,759	2,761	3,050	11,096	2,988	3,347	3,084	3,406	12,825
	Module	6,183	6,485	5,972	6,387	25,028	6,073	6,619	6,279	6,662	25,633
	Sales	12,036	12,988	11,457	11,890	48,371	10,937	11,691	10,941	11,582	45,152
	Operating Profit	-117	96	15	-69	-76	-185	-124	93	174	-42
	Margin	-1.0%	0.7%	0.1%	-0.6%	-0.2%	-1.7%	-1.1%	0.8%	1.5%	-0.1%
A/S	Sales	2,631	2,697	2,773	2,782	10,883	2,932	2,964	3,061	3,128	12,085
	Operating Profit	535	568	676	592	2,371	728	760	816	812	3,116
	Margin	20.3%	21.1%	24.4%	21.3%	21.8%	24.8%	25.6%	26.7%	26.0%	25.8%
Total	Sales	14,667	15,685	14,230	14,672	59,254	13,869	14,655	14,002	14,711	57,237
	Operating Profit	418	664	690	523	2,295	543	636	909	986	3,074
	Margin	2.9%	4.2%	4.9%	3.6%	3.9%	3.9%	4.3%	6.5%	6.7%	5.4%

Earnings by Region (Quarterly)

(KRW bn)		2023					2024				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Korea ¹	Sales	7,980	8,725	7,323	7,852	31,880	6,846	7,250	6,523	7,174	27,793
	Operating Profit	186	363	361	275	1,186	167	261	518	674	1,620
	Margin	2.3%	4.2%	4.9%	3.5%	3.7%	2.4%	3.6%	7.9%	9.4%	5.8%
America	Sales	3,239	3,338	3,429	3,150	13,157	3,395	3,638	3,738	3,791	14,563
	Operating Profit	96	129	132	43	400	122	122	146	77	468
	Margin	3.0%	3.9%	3.9%	1.4%	3.0%	3.6%	3.4%	3.9%	2.0%	3.2%
Europe	Sales	2,069	2,146	1,807	1,994	8,016	2,016	2,144	1,980	2,011	8,152
	Operating Profit	72	103	99	121	395	137	150	119	126	532
	Margin	3.5%	4.8%	5.5%	6.1%	4.9%	6.8%	7.0%	6.0%	6.3%	6.5%
China	Sales	512	603	690	727	2,533	649	683	722	755	2,808
	Operating Profit	-6	-8	0.0	2.6	-11	16	10	10	16	51
	Margin	-1.2%	-1.3%	0.0%	0.4%	-0.4%	2.4%	1.4%	1.3%	2.1%	1.8%
Others	Sales	867	872	980	950	3,669	963	940	1,039	979	3,921
	Operating Profit	71	76	98	81	326	100	93	116	94	403
	Margin	8.2%	8.7%	10.0%	8.5%	8.9%	10.4%	9.8%	11.2%	9.6%	10.3%

An aerial photograph of a winding asphalt road cutting through a dense, lush green forest. A small white bus is driving on the road. Above the bus, a large white drone with four rotors is flying. In the background, a body of water is visible through the trees. The sun is shining from the upper right, creating a lens flare effect.

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