



a **Hankook** Company

3Q 2025 Earnings Release

October 29, 2025

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I . 3Q 2025 Financial Results

3Q 2025: Key Financials

Unit: KRW in billions

	3Q 2025 / adj.	3Q 2024	YoY Variance	2Q 2025 / adj.	QoQ Variance
Revenue	2,705.7	2,499.8	8.2%	2,858.2	(5.3%)
COGS	2,418.0 / 2,408.8	2,249.5	7.5%	2,604.1 / 2,589.2	(7.1%)
% of Sales	89.4% / 89.0%	90.0%	(0.6%pt)	91.1% / 90.6%	(1.7%pt)
SG&A (Incl. R&D)	192.4 / 163.3	156.6	22.9%	189.8 / 162.3	1.4%
% of Sales	7.1% / 6.0%	6.3%	0.8%pt	6.6% / 5.7%	0.5%pt
EBITDA	282.7 / 321.0	253.8	11.4%	250.5 / 292.9	12.8%
Margin (%)	10.4% / 11.9%	10.2%	0.2%pt	8.8% / 10.2%	1.7%pt
Operating Profit ¹	95.3 / 133.6	93.7	1.7%	64.3 / 106.7	48.2%
Margin (%)	3.5% / 4.9%	3.7%	(0.2%pt)	2.2% / 3.7%	1.3%pt
Net Income ²	55.3 / 93.6	(19.4)	384.6%	(15.1) / 27.3	466.4%
Margin (%)	2.0% / 3.5%	(0.8%)	2.8%pt	(0.5%) / 1.0%	2.5%pt

OP Improvement Driven by Favorable FX Effects, Recovery, and Cost Management

1. YoY Impact from R&D capitalization scope change: -38.3B

2. 3Q 2025 Net interest expense -51.3B / Net FX Impact +50.9B / Others -39.6B

3Q YTD 2025: Key YoY Financial Metrics

Unit: KRW in billions

	3Q YTD 2025 / adj.	3Q YTD 2024	YoY Variance	
Revenue	8,181.2	7,463.1	718.1	9.6%
COGS	7,449.4 / 7,421.7	6,758.3	691.1	10.2%
% of Sales	91.1% / 90.7%	90.6%	0.5%pt	
SG&A (Incl. R&D)	551.1 / 480.1	471.6	79.5	16.9%
% of Sales	6.7% / 5.9%	6.3%	0.4%pt	
EBITDA	724.6 / 823.3	712.3	12.3	1.7%
Margin (%)	8.9% / 10.1%	9.5%	(0.6%pt)	
Operating Profit ¹	180.7 / 279.4	233.1	(52.4)	(22.5%)
Margin (%)	2.2% / 3.4%	3.1%	(0.9%pt)	
Net Income ²	17.6 / 116.3	(40.5)	58.1	143.4%
Margin (%)	0.7% / 1.4%	(0.5%)	1.2%pt	

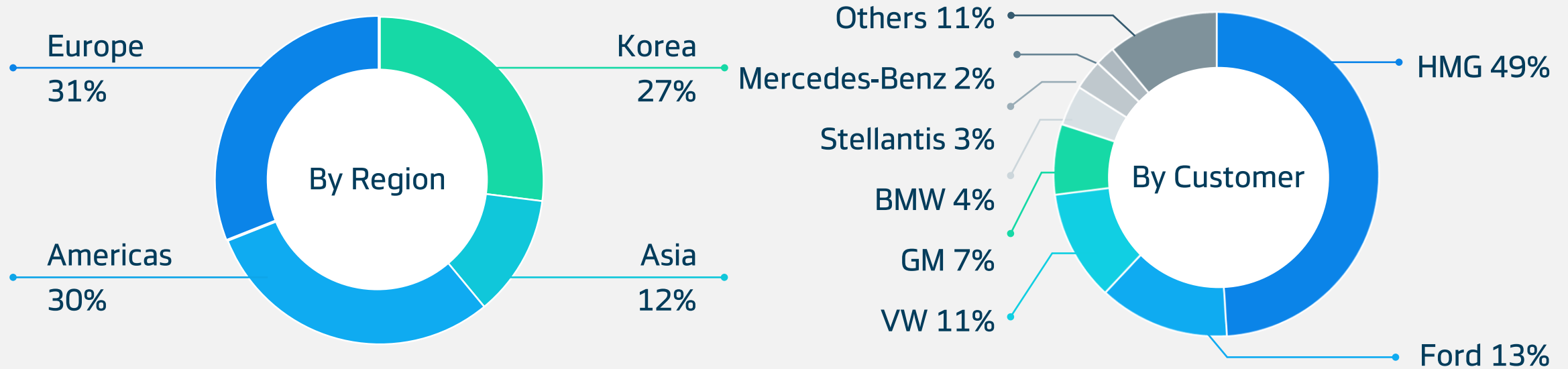
Revenue Growth From Increased Volume and FX Effects; Gradual Profit Improvement Expected

1. YoY Impact from R&D capitalization scope change: -98.7B

2. 3Q YTD 2025 Net interest expense -151.2B / Net FX Impact +29.5B / Others -41.4B

3Q 2025 Highlights

Sales Breakdown (3Q YTD 2025)

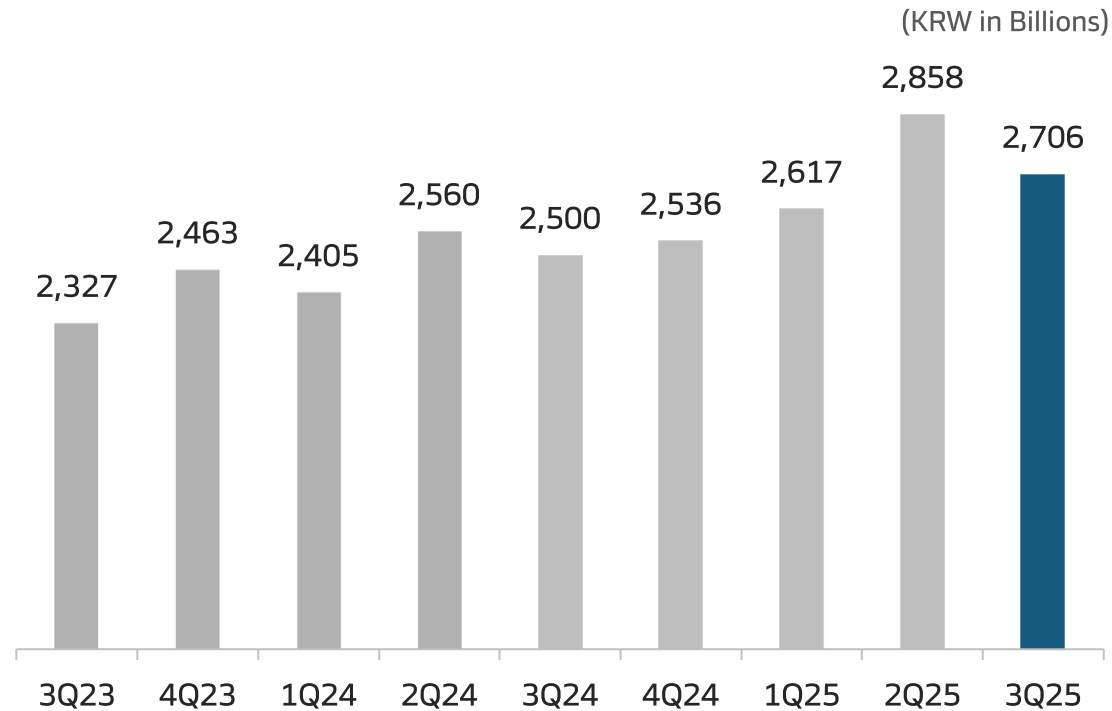


3Q25 Highlights

- Revenue increased by 8.2% YoY, driven by increased sales volume, tariff recovery from customers, and favorable FX impact
- Quarterly OPM improved to 3.5%, driven by disciplined cost management, despite changes in the scope of R&D capitalization
- 3Q xEV revenue ratio reached 28%; full-year expected at ~28%, reflecting IRA¹ termination and ramp-up periods for new EV launches

1. IRA: U.S. Inflation Reduction Act, providing tax incentives for the purchase of electric vehicles

Consolidated Sales



Comments



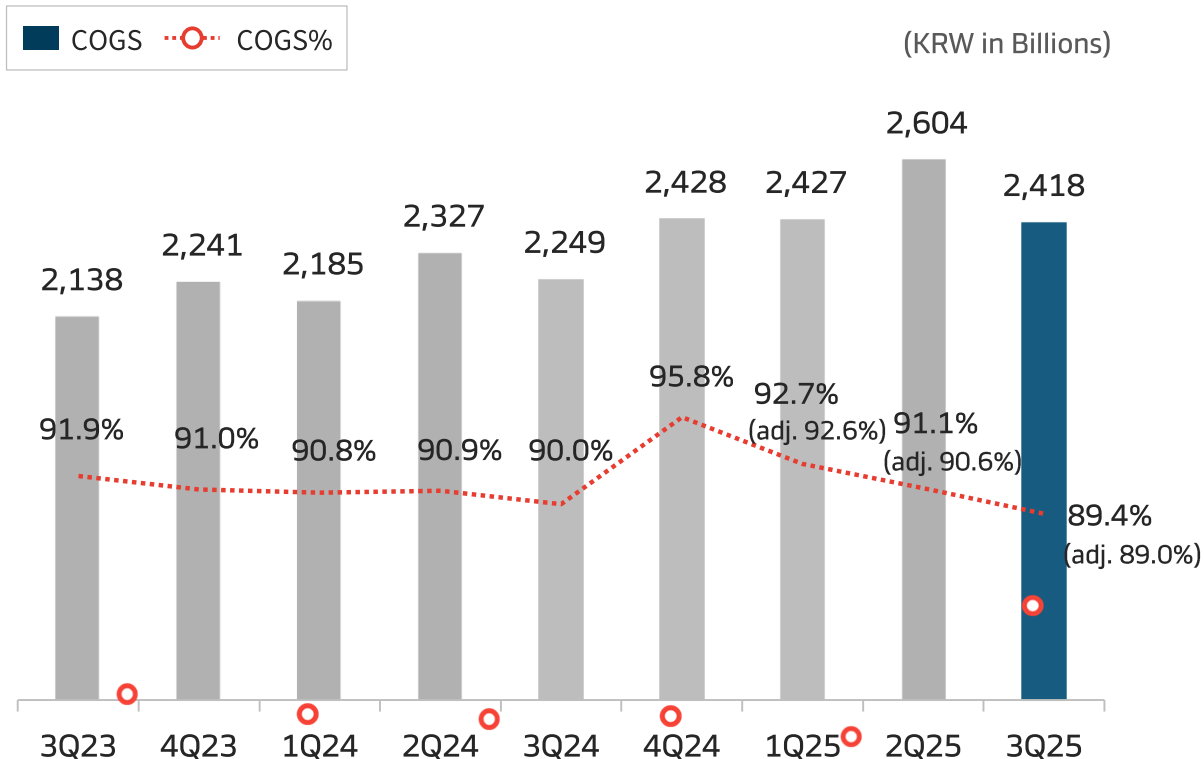
- Increase in Korea (+18% YoY), Americas (+7%), Europe (+7%), and Decrease in China (-9%)



- Increase in Stellantis (+43% YoY), Ford (+18%), Mercedes-Benz (+18%), HMG (+14%), VW (+8%), GM (+3%), and Decrease in BMW (-9%)

Revenue Growth Driven by Favorable FX Effects and Increased Production Volume

Quarterly Cost of Goods Sold



Comments

Positive Factors

- Reduction in cost ratio driven by ongoing cost-saving initiatives and operational efficiency improvements
- Expansion of tariff recovery and repricing through ongoing negotiations

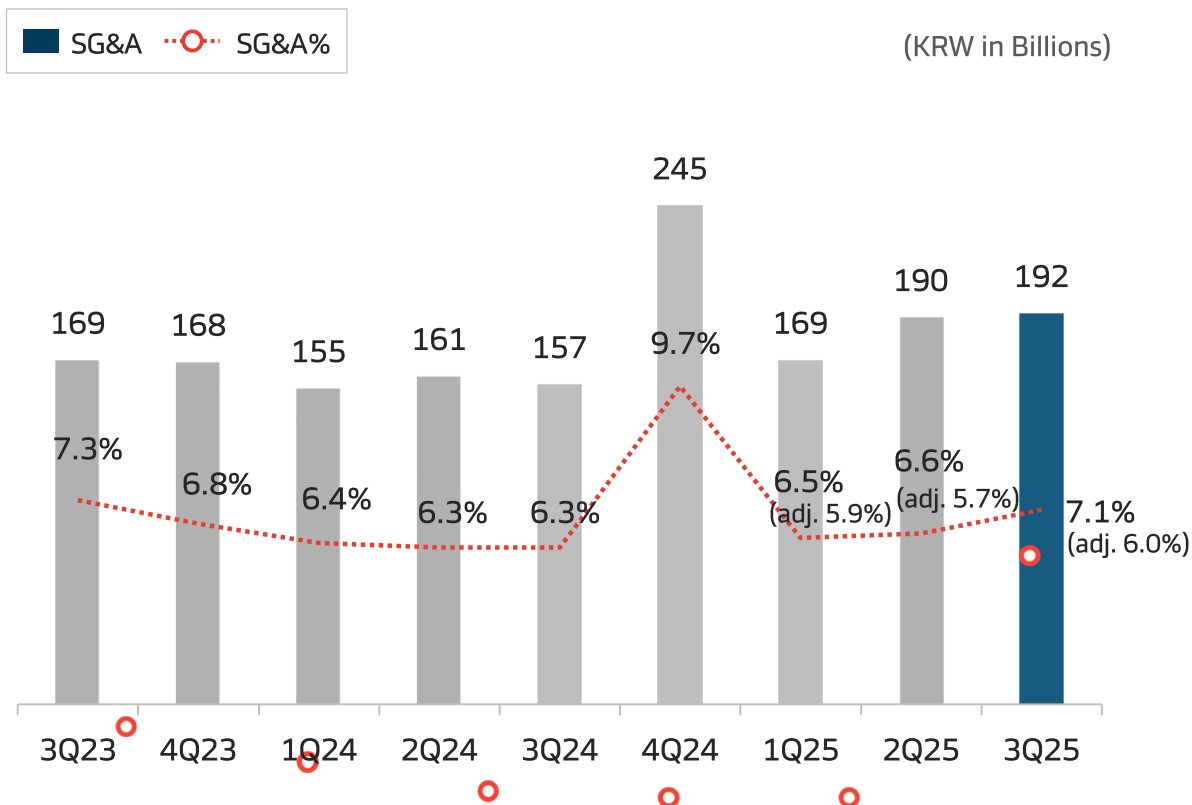
Negative Factors

- Moderation in EV growth due to shifts in customer production strategies following changes in EV subsidy policies
- Continuing cost pressures on the supply chain and U.S. tariff burdens

COGS Continues to Decline Through Disciplined Cost Control; Mid-to-Long-Term Target Set at ~85%

Quarterly SG&A

Quarterly SG&A



Comments



- 3Q25 SG&A expense : 7.1% of total revenue (YoY increase of 0.8%pt)

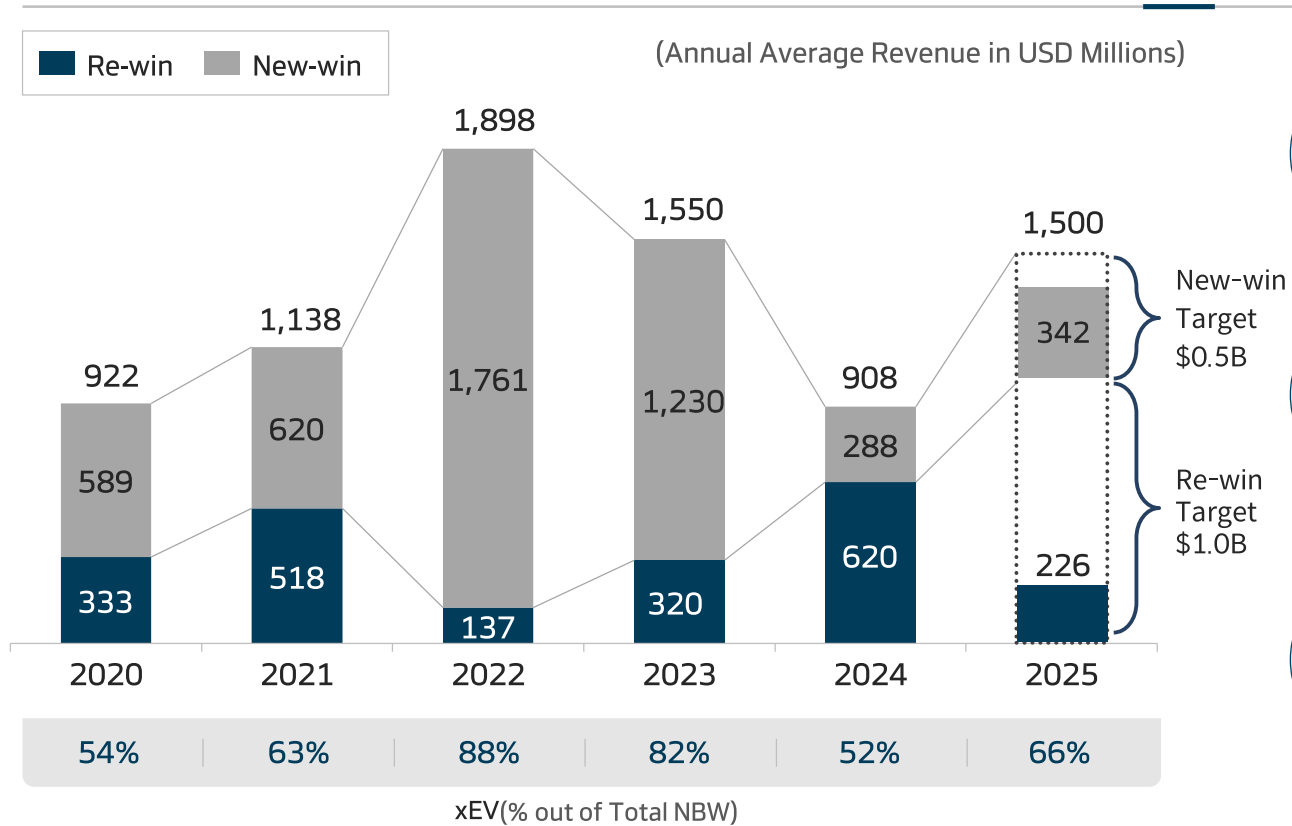


- 3Q25 R&D spending (incl. R&D capitalization) : 3.7% of total revenue (YoY decrease of 0.7%pt)
- 3Q25 Capitalization: 37% of R&D Spending

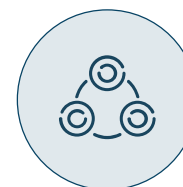
SG&A Increased on R&D Capitalization Change and Tariffs; Expected to Stabilize with Cost Control

New Business Wins Update

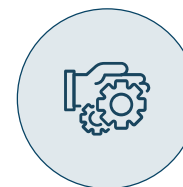
FY 2025 New Business Wins



- 2025 New Business Wins target: \$1.0B of Re-win and \$0.5B of New-win



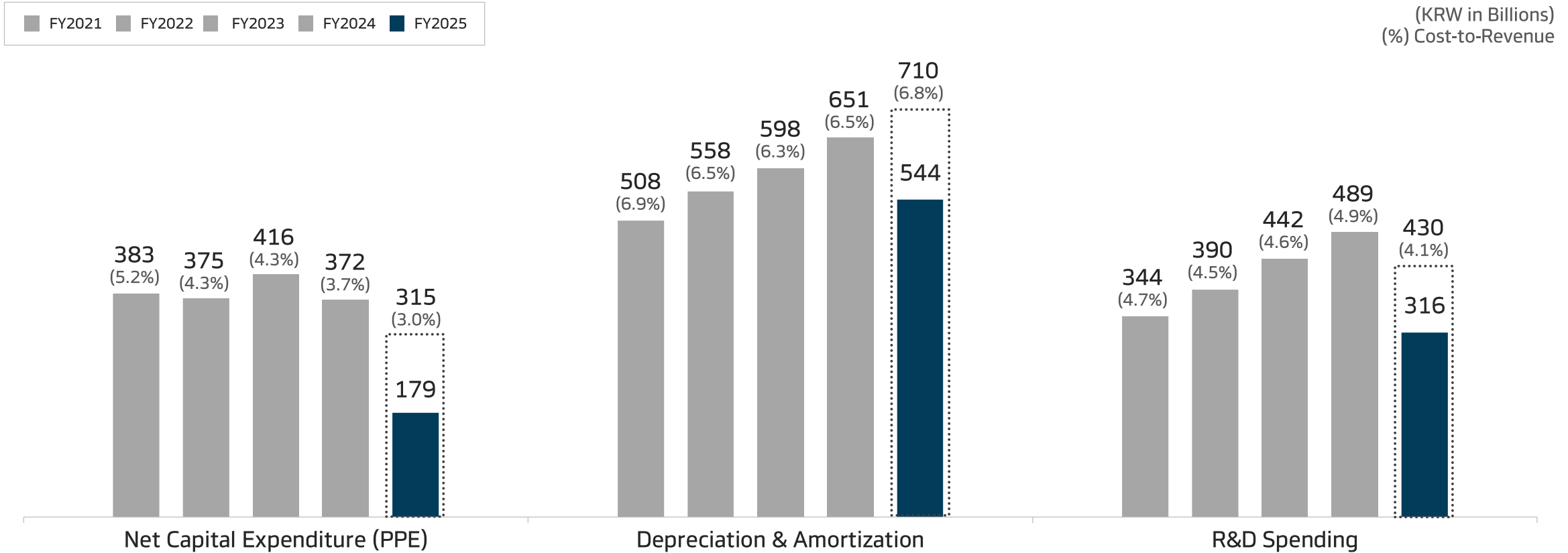
- Technological leadership maintained with robust portfolio adaptable to all types of powertrains, including ICE, BEV, HEV, PHEV and EREV



- Re-wins opportunities continued to be delayed due to regulatory changes and tariff uncertainties

NBW Opportunities Delayed Due to Regulatory Changes and Tariff Uncertainties

Trend of CapEx, D&A and R&D Spending



Ongoing Initiatives to Optimize CapEx and R&D Spending

3Q 2025 Balance Sheet

Balance Sheet

(K-IFRS / KRW in Billions, x times)	Sep 2025	Dec 2024	Dec 2023
Cash and cash equivalent	775	1,347	779
Account receivable	1,671	1,395	1,344
Inventories	1,391	1,241	1,140
Property and equipment	2,737	2,864	2,716
Intangible assets	2,371	2,351	2,126
Lease assets	602	478	295
Other assets	1,015	944	844
Total assets	10,562	10,620	9,244
Account payable	1,916	2,151	1,867
Debt	4,732	4,567	4,146
Other liabilities	859	903	722
Shareholder's equity	2,912	2,854	2,372
Non-controlling	143	145	137
Total liabilities & shareholders' equity	10,562	10,620	9,244

Cash and Debt

Cash Balance	Sep 2025	Dec 2024	Dec 2023
Net Debt	3,957	3,221	3,368
Net Debt Ratio	1.30	1.07	1.34
Debt to Equity	1.55	1.52	1.65

Leverage	3Q25 TTM / adj.	2024 / adj.	2023
EBITDA	759 / 914	747 / 902	876
Debt / EBITDA	6.23 / 5.17	6.12 / 5.06	4.74
Net Debt / EBITDA	5.21 / 4.33	4.31 / 3.57	3.85
EBITDA / Net Interest Expenses	3.58 / 4.32	3.22 / 3.90	5.59

※ Adjusted one-off impact in 4Q 2024

Paid-In Capital Increase Planned to Further Strengthen Financial Soundness

Thank You

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