

3Q22 Business Results

28. October. 2022



Disclaimer



The financial numbers and statements included in the following presentation represent statements made before the external review by independent public accountants for the financial results of 3Q22, and are presented here today solely for the purpose of offering the investor an understanding of the company.

Part of the presentation is subject to change in the process of final reviewing by independent public accountants.

CONTENTS



- ① Income Statement
- ② Biz Area Performance
- ③ Balance Sheet
- ④ Cash Flow
- ⑤ Other Operating Inc&Exp

Income Statement

(100 Million KRW)	2021		2022			
	3Q	1~3Q	3Q	YoY	1~3Q	YoY
Revenue	17,701	56,050	20,803	17.5%	59,589	6.3%
Operating Income	312	1,038	557	78.5%	1,603	54.4%
%	1.8%	1.9%	2.7%	+0.9%p	2.7%	+0.8%p
Income before tax	379	1,180	327	-13.7%	2,778	135.4%
Net Income	167	775	-106	T/R	2,023	161.0%
%	0.9%	1.4%	-0.5%	-1.4%p	3.4%	+2.0%p

Change Factor (3Q, YoY)

- ▶ Revenue (+17.5%) • Auto parts utilization rate of Korea & overseas plants has increased
- ▶ Operating Income (+78.5%) • Despite of cost increasing (China & Russia fixed cost, export sales & labor cost), improved by volume increasing, product mix improvement and F/X
- ▶ Income before tax (-13.7%) • One-off expenses (goodwill revaluation of China plant 37b KRW)
- ▶ Net Income (T/R) • One-off expenses (due to gains on foreign currency translation of Russia plant, 22b KRW)

Biz Area Performance

(100 Million KRW)		'21.3Q	'22.2Q	'22.3Q	YoY	Change Factor (3Q, YoY)
Auto Parts	Module	4,179	5,653	5,262	25.9%	<ul style="list-style-type: none"> ▶ Revenue (+20.2%) <ul style="list-style-type: none"> • Module (+25.9%) <ul style="list-style-type: none"> - OEM's production recovery • 4WD (+43.5%) - Increased share of SUV and sales of Genesis • Sales of Mexican increase (+57.1%) - OEM's sales in America increase ▶ Operating Income (+40.6%) <ul style="list-style-type: none"> • Product mix improvement, F/X (+) • Cost hike (export sales & labor costs) (-)
	Parts	11,594	12,076	13,690	18.1%	
	Revenue	15,773	17,729	18,952	20.2%	
	Operating Income	387	515	544	40.6%	
	%	2.5%	2.9%	2.9%	0.4%p	
Machinery	Machine Tools /RnA*	1,443	1,497	1,413	-2.1%	<ul style="list-style-type: none"> ▶ Revenue (-4.0%) <ul style="list-style-type: none"> • Machine Tools/RnA <ul style="list-style-type: none"> - Sales policy (qualitative growth oriented) • Defense : <ul style="list-style-type: none"> - Temporary decrease in progress sales of long-term project ▶ Operating Income (T/B) <ul style="list-style-type: none"> • Cost structure & product mix improvement • F/X
	Defense	485	492	438	-9.7%	
	Revenue	1,928	1,989	1,851	-4.0%	
	Operating Income	-75	16	13	T/B	
	%	-3.9%	0.8%	0.7%	+4.6%p	

* RnA : Robotics and Autonomous

Balance Sheet

(100 Million KRW)	2021-End	2022. 3Q	Change
Assets	77,495	79,484	1,989
Cash & cash equivalents*	16,473	16,835	362
Account receivable	14,943	15,336	393
Tangible assets	8,150	8,907	757
Liabilities	40,542	39,074	-1,468
Account payable	9,593	9,124	-469
Debt	25,360	23,737	-1,623
(Net debt)	(8,887)	(6,902)	(1,986)
Equity	36,953	40,410	3,457
Liability/Equity	110%	97%	

* Cash & cash equivalents : Cash + short-term financial instruments

Change Factor

- ▶ **Asset** Major asset value increased due to sales increase and F/X
- ▶ **Liabilities** Decrease in debt (redemption of HQ/Overseas debt -294b KRW, F/X +132b KRW)
- ▶ **Equity** Net income increase (+125b KRW), gains on foreign currency translation (+11b KRW)

Cash Flow



(100 Million KRW)

(100 Million KRW)	22. 3Q
Cash flows from operating	3,542
Net Income	2,023
D&A	2,392
Changes in operating assets and liabilities	-719
Cash flows from investing	-248
Increase of tangible & intangible assets	-725
Increase of short-term financial instrument	371
Cash flows from financing	-3,129
Decrease of debt	-2,923
Net foreign exchange difference	460

Cash at Beginning

(Incl. ST financial

instruments)

4,351

(16,473)

Cash at Beginning

(Incl. ST financial instruments)

+625

(+362)

Cash at End

(Incl. ST financial instruments)

4,976

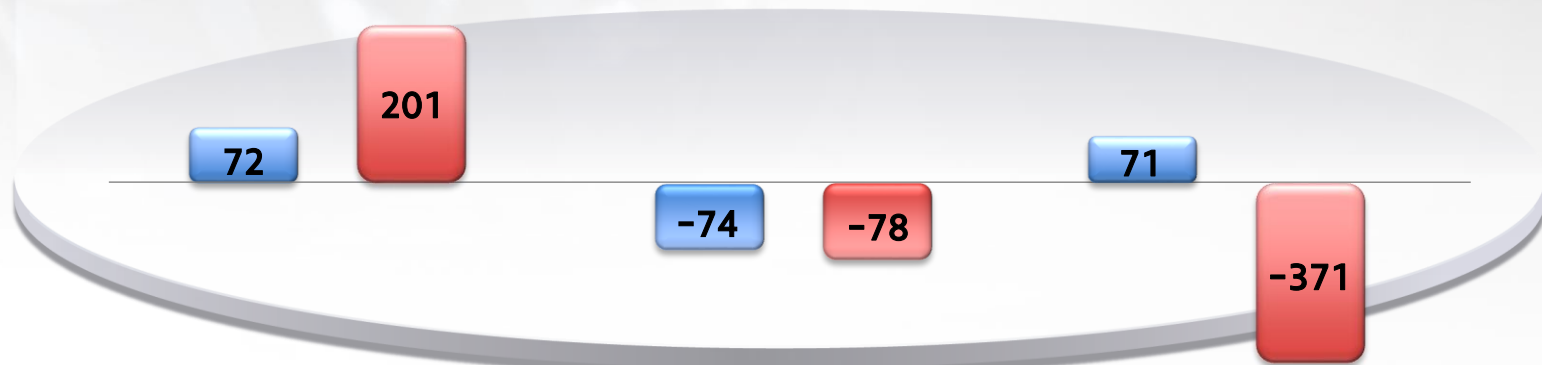
(16,835)

Other Operating Inc&Exp >>>

(100 Million KRW)

■ '21. 3Q

■ '22. 3Q



Foreign exchange
Inc&Exp

Finance
Inc&Exp

Other Inc&Exp

Change
Factor
(YoY)

► F/X

- Rise in the exchange rate (KRW/USD, RUB/USD, EUR)

► Financial expenses
increase

- Interest expense increased due to rise in interest rate

► One-off expenses

- goodwill revaluation of China plant

Appendix

Income Statement (quarterly)



(100 Million KRW)	'2020				'2021				'2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Revenue	16,478	12,136	18,394	18,914	18,548	19,801	17,701	19,226	19,068	19,718	20,803
Gross Income	1,565	180	747	1,017	1,081	1,430	1,233	1,225	1,343	1,385	1,558
SG&A	720	565	616	889	807	978	921	1,236	828	854	1,001
Operating Income	845	-385	131	128	274	452	312	-11	515	531	557
%	(5.1%)	(-3.2%)	(0.7%)	(0.7%)	(1.5%)	(2.3%)	(1.8%)	(-0.1%)	(2.7%)	(2.7%)	(2.7%)
Income before tax	1,294	-548	680	-582	307	494	379	-173	209	2,242	327
Net Income	765	-484	704	-448	225	383	167	-214	133	1,996	-106
%	(4.6%)	(-4.0%)	(3.8%)	(-2.4%)	(1.2%)	(1.9%)	(0.9%)	(-1.1%)	(0.7%)	(10.1%)	(-0.5%)

Biz Area Performance (quarterly)

(100 million KRW)	2020				2021				2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Revenue	16,478	12,137	18,394	18,914	18,548	19,801	17,701	19,228	19,068	19,718	20,803
Auto Parts	14,708	10,511	16,683	17,320	16,857	17,835	15,773	17,294	17,151	17,729	18,952
Machinery	1,769	1,625	1,711	1,594	1,691	1,966	1,928	1,934	1,917	1,989	1,851
Operating Income	846 (5.1%)	-386 (-3.2%)	132 (0.7%)	128 (0.7%)	274 (1.5%)	452 (2.3%)	312 (1.8%)	-11 (-0.1%)	515 (2.7%)	531 (2.7%)	557 (2.7%)
Auto Parts	747 (5.1%)	-348 (-3.3%)	185 (1.1%)	325 (1.9%)	420 (2.5%)	593 (3.3%)	387 (2.5%)	77 (0.4%)	494 (2.9%)	515 (2.9%)	544 (2.9%)
Machinery	99 (5.6%)	-38 (-2.3%)	-54 (-3.1%)	-197 #####	-146 (-8.6%)	-141 (-7.2%)	-75 (-3.9%)	-88 (-4.5%)	21 (1.1%)	16 (0.8%)	13 (0.7%)

Thank You