

1Q24 Business Results

2024.04.30



Disclaimer

The financial numbers and statements included in the following presentation represent statements made before the audit by the independent auditor for the financial results of 1Q24, 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 audit by the independent auditor.

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Income Statement

(100 Million KRW)		1Q23	4Q23	1Q24	YoY	QoQ
Revenue		20,950	21,112	21,416	2.2%	1.4%
Operating Income		509	447	598	17.3%	33.5%
	%	2.4%	2.1%	2.8%	+0.4%p	+0.7%p
Income before tax		244	290	503	106.2%	73.6%
Net Income		133	186	367	176.1%	97.2%
	%	0.6%	0.9%	1.7%	+1.1%p	+0.8%p

Key Changes (1Q, YoY)

- ▶ Revenue (2.2%)**
 - (+) Sales of auto parts(engines, 4WD/CVJ), solution, and defense increased
 - (-) Domestic module sales, and machine tool sales decreased
- ▶ Operating Income (+17.3%)**
 - (+) Rise in overseas sales volume, sales mix improvement, efficient operation of China/Russia plants, F/X effects and etc.
 - (-) Initial costs incurred related to the establishment of affiliates specialized in manufacturing
- ▶ Income before tax (+106.2%)**
 - (+) Foreign exchange gain of both HQ and Russia subsidiary

Business Area Performance

(100 Million KRW)		1Q23	4Q23	1Q24	YoY
Mobility	Parts	19,163	18,831	19,128	-0.2%
	Solution	311	574	693	122.8%
	Revenue	19,474	19,405	19,821	1.8%
	Operating Income	453	383	538	18.8%
	%	2.3%	2.0%	2.7%	+0.4%p
Machine Tool / Defense	Machine Tools	1,075	959	894	-16.8%
	Defense	402	748	701	74.4%
	Revenue	1,477	1,707	1,595	8.0%
	Operating Income	56	64	60	7.1%
	%	3.8%	3.7%	3.8%	-

Key Changes (1Q, YoY)

- ▶ Revenue
 - Decrease in module sales (-6.3%)
 - Domestic sales decrease of OEMs
 - Increase in engine sales (+5.7%)
 - Domestic (low base effect of line adjustment of Seosan plant) and overseas volume increase
- ▶ Operating Income
 - Sales mix improvement and overseas volume increase (+)
 - Profitability Improvement (+) (ASP up, reduction in raw materials costs)
 - Initial costs incurred related to the establishment of affiliates specialized in manufacturing (-)

- ▶ Revenue
 - Overseas sales of machine tools decreased (profitability-centered strategy instead of volume growth)
 - Exports of defense business increased
- ▶ Operating Income
 - Volume driven changes (increase in defense exports)
 - F/X effects (+)

※ Revenue by auto parts division is classified based on internal standards, so it may differ from the business report disclosure standards.

Statement of Financial Position

(100 Million KRW)	2023 year end	2024 year end	Change
Assets	68,259	69,561	1,301
Cash and cash equivalents	11,117	12,829	1,712
Accounts receivable	15,124	15,480	356
Tangible/Intangible asset	27,548	27,177	-371
Inventories	7,945	8,024	79
Liabilities	30,592	31,385	793
Accounts payable	8,966	10,092	1,126
Debt	14,574	14,240	-334
(Net debt)	(3,457)	(1,411)	(2,046)
Equity	37,667	38,176	509
Liability/Equity	81%	82%	

※ Cash and cash equivalents: cash + short term financial instruments

Key Changes

- ▶ **Asset** (+) Cash liquidity Increase (operating cash flow improvements)
- ▶ **Liability** (-) Debt decrease (HQ +32.7B KRW, Overseas subs. -80.6B KRW, F/X effects and etc.)
 (-) Temporary increase of accounts payable (payment delay +130.8B KRW)
- ▶ **Equity** (+) Net Income increase (35.6b KW), dividend payment (-22.6B KRW),
 increase in net gain on overseas operation translation and etc.

Statement of Cash Flows

(100 Million KRW)

(100 : Million KRW)	1Q24
Cash flows from operating	2,060
Net Income	368
D&A	689
Changes in operating assets and liabilities	1,329
Cash flows from Investing	-126
Decrease of tangible & intangible assets	38
Increase of short-term financial instruments	-188
Cash flows from financing	-522
Decrease of debt	-515
Net foreign exchange difference	109

Cash at Beginning
(Incl. ST financial instruments)

4,718
(11,117)

Change
(Incl. ST financial instruments)

+1,522
(+1,712)

Cash at End
(Incl. ST financial instruments)

6,240
(12,829)

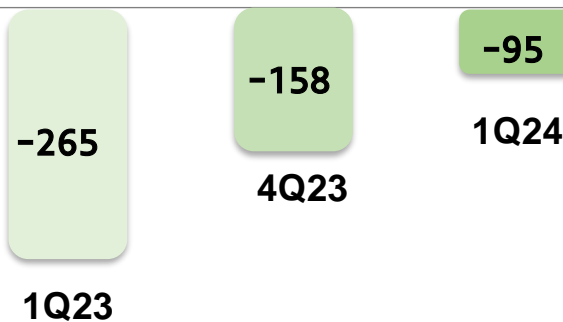
Non-Operating Inc & Exp

(100 Million KRW)

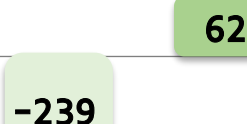
Key Changes (YoY)

※ F/X Inc&Exp change

(100 Million KRW)	'23		'24		
	1Q	4Q	1Q	YoY	QoQ
F/X Inc&Exp	△239	52	62	+301	+10
HQ	54	△92	87	+33	+179
Russia	△284	200	-37	+247	-237



Non-Operating Inc&Exp

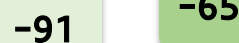


F/X Inc&Exp

► Increase of foreign exchange gain (+30.1B KRW)

- Due to increase of KRW/USD(weak KRW) and RUB/EUR(weak RUB)

F/X (As at)	'23		'24
	1Q	4Q	1Q
KRW/USD	1,304	1,289	1,347
RUB/EUR	84.3	99.2	99.5



Finance Inc&Exp

► Fall in finance expense (+2.6B KRW)

- Debt decrease(2.01tn → 1.42tn)

(100 Million KRW)	1Q23 End	1Q24 End
HQ	11,058	8,064
Overseas	9,008	6,176



Other Inc&Exp

► Change in other income and expenses (-16.9B KRW)

- Expenses in relation to the rationalization of China subsidiary (loss on the disposition of idle properties and etc.)

Appendix

Income Statement (quarterly)

(100 million KRW)	'2022					'2023					'2024
	1Q	2Q	3Q	4Q	'2022	1Q	2Q	3Q	4Q	'2023	1Q
Revenue	19,068	19,718	20,803	22,487	82,076	20,950	22,851	20,990	21,112	85,903	21,416
Gross Profit	1,343	1,385	1,558	1,583	5,870	1,302	1,580	1,539	1,421	5,843	1,554
SG&A	828	854	1,001	1,065	3,749	793	928	856	973	3,550	956
Operating Income	515	531	557	518	2,121	509	652	684	447	2,292	598
%	(2.7%)	(2.7%)	(2.7%)	(2.3%)	(2.6%)	(2.4%)	(2.9%)	(3.3%)	(2.1%)	(2.7%)	(2.8%)
Income before tax	209	2,242	327	-1,917	861	244	179	355	290	1,067	503
Net Income	133	1,996	-106	-1,588	435	133	14	193	186	525	367
%	(0.7%)	(10.1%)	(-0.5%)	(-7.1%)	(0.5%)	(0.6%)	(0.1%)	(0.9%)	(0.9%)	(0.6%)	(1.7%)

Business Area Performance (quarterly)

(단위 : 억원)	'2022					'2023					'2024
	1Q	2Q	3Q	4Q	'2022	1Q	2Q	3Q	4Q	'2023	1Q
Revenue	19,068	19,718	20,803	22,487	82,076	20,951	22,851	20,990	21,112	85,904	21,416
Mobility	17,434	18,056	19,289	21,040	75,819	19,474	21,169	19,387	19,405	79,435	19,821
Machine Tool/ Defense	1,635	1,662	1,514	1,447	6,258	1,477	1,682	1,603	1,707	6,469	1,595
Operating Profit	515 (2.7%)	531 (2.7%)	557 (2.7%)	518 (2.3%)	2,121 (2.6%)	509 (2.4%)	652 (2.9%)	684 (3.3%)	447 (2.1%)	2,292 (2.7%)	598 (2.8%)
Mobility	509 (2.9%)	531 (2.9%)	559 (2.9%)	578 (2.7%)	2,177 (2.9%)	453 (2.3%)	635 (3.0%)	692 (3.6%)	383 (2.0%)	2,163 (2.7%)	538 (2.7%)
Machine Tool/ Defense	6 (0.4%)	0 (0.0%)	-2 (-0.1%)	-60 (-4.1%)	-56 (-0.9%)	56 (3.8%)	17 (1.0%)	-8 (-0.5%)	64 (3.7%)	129 (2.0%)	60 (3.8%)

Thank You