



KUMHO TIRE

3Q 2024 Earnings Release

KUMHO
TIRE

This document's financial and operating information has been prepared under the Korea International Financial Reporting Standards (K-IFRS).

The business performance and financial results included herein are provided solely for the convenience of investors and reflect the preliminary financial results and operating performance of Kumho Tire Co., Inc. (the "Company") and its subsidiaries. Please note that specific details may be subject to change during the external audit process, which has not yet been completed.

This document shall not be used for any legal purpose concerning investment outcomes, and the Company disclaims any and all liability for any investment outcomes arising from the use of the information contained in this presentation.

1. Financial Results

- While demand continued to soften in the global auto market, demand rose for the RE tire segment.
- Kumho Tire's 3Q 2024 sales stood at KRW 1.12 tn (+14.1% YoY), driven by growth in RE (+13% YoY) and OE (+19% YoY).
- Operating profit reached KRW 140.2 bn (+KRW 44 bn YoY, +45.7%), supported by increased sales of high-margin tires and price adjustments.

Sales & Earnings

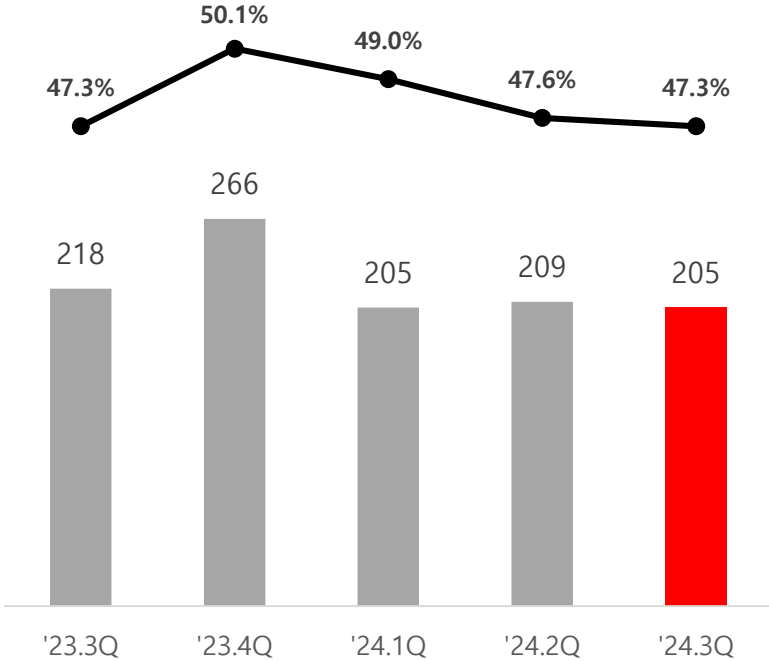
(KRW bn)

	2023					2024			QoQ	YoY
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
Sales	998.9	1,004.1	977.5	1,060.9	4,041.4	1,044.5	1,131.9	1,115.0	-1.5%	14.1%
COGS	773.7	752.1	700.7	704.9	2,931.3	726.0	785.9	789.0	0.4%	12.6%
OP	54.5	88.1	96.2	172.1	411.0	145.6	151.5	140.2	-7.4%	45.7%
<i>Margin (%)</i>	<i>5.5%</i>	<i>8.8%</i>	<i>9.8%</i>	<i>16.2%</i>	<i>10.2%</i>	<i>13.9%</i>	<i>13.4%</i>	<i>12.6%</i>		
Income BT	24.2	40.9	43.7	118.4	227.1	105.6	119.2	108.5	-9.0%	148.5%
<i>Margin (%)</i>	<i>2.4%</i>	<i>4.1%</i>	<i>4.5%</i>	<i>11.2%</i>	<i>5.6%</i>	<i>10.1%</i>	<i>10.5%</i>	<i>9.7%</i>		
EBITDA	119.7	157.2	165.2	242.9	684.9	216.8	223.9	213.5	-14.5%	15.9%
<i>Margin (%)</i>	<i>12.0%</i>	<i>15.7%</i>	<i>16.9%</i>	<i>22.9%</i>	<i>16.9%</i>	<i>20.8%</i>	<i>19.8%</i>	<i>19.1%</i>		

1. Financial Results (Sales by Region)

Korea

(KRW bn)



■ Sales ● Above 18" PC/LTR

[OE]

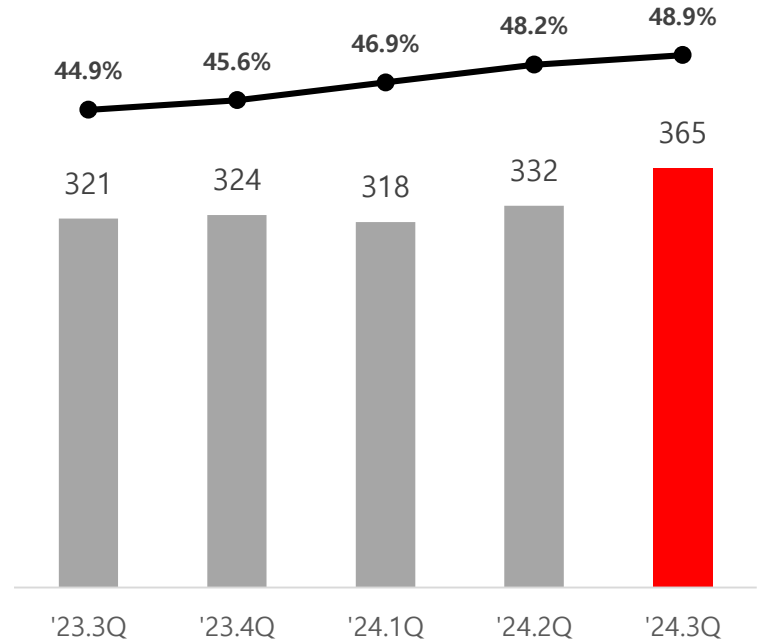
- Timely supply of new products to address weaker EV demand caused by the EV chasm and recent EV fire incidents in Korea

[RE]

- Strengthening retail competitiveness to support profit growth
- Evaluating price increases and expanding the mix of high-margin, large-diameter product sales

North America

(KRW bn)



■ Sales ● Above 18" PC/LTR

[OE]

- Sales recovery: Hyundai Santa Fe, Kia Sportage, Nissan Altima
- Expanding in high-value regions and targeting U.S. Big 3 automakers

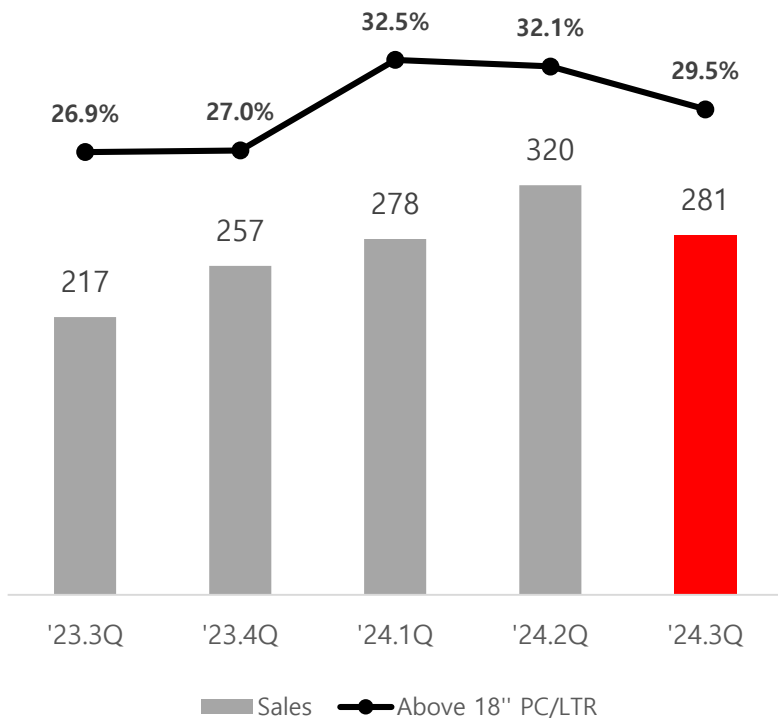
[RE]

- Growing sales through new accounts and diversified channels
- Boosting profitability with more large-diameter sales and price adjustments for major clients

1. Financial Results (Sales by Region)

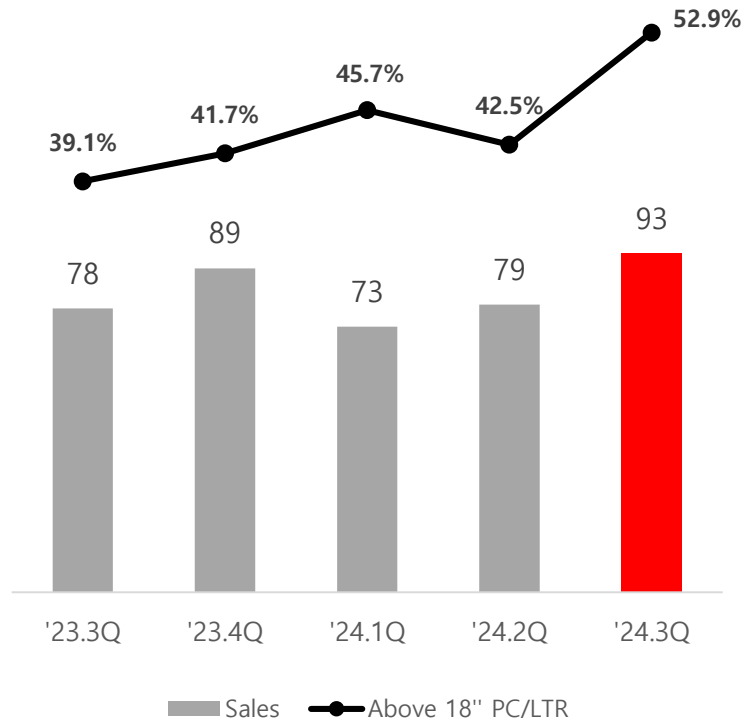
Europe

(KRW bn)



China

(KRW bn)



[OE]

- Strengthening profitability with high-margin models like the Mercedes-Benz Sprinter
- Sourcing and business expansion to strengthen the C/M Portfolio

[RE]

- Exploring new accounts through diversified channels
- Maximizing seasonal product orders to boost sales volume

[OE]

- Expanding supply of new high-margin and EV models
- Increasing core C/M supply to brands like BYD and Chery

[RE]

- Large-diameter sales growth thanks to premium and EV product sales maximization
- Bolstering sales with targeted promotions for key dealerships

√ Sales Target: KRW 4.56 tn → YTD 3Q: KRW 3.29 tn (72% achieved)

- 2023 Consolidated Sales: KRW 4.04 tn → 2024 Sales Target: KRW 4.56 tn
- **YTD 3Q 2024 Sales: KRW 3.29 tn → 72% achieved**

√ Large-Diameter Product Sales Ratio Target: 42% → YTD 3Q: 41.8% achieved

- Sales ratio of 18" and above product: 38.1% in 2023 → 42% target in 2024
- **YTD 3Q 2024: 41.2% achieved**
- Strengthened product portfolio with premium launches (EnnoV, PS72, TA92)

√ EV Tire Supply Ratio Target: 16% → YTD 3Q: 14% achieved

- EV share in PCR/LTR OE supply: ~9% in 2023 → 16%+ target in 2024
- **YTD 3Q 2024: EV share reached 14%** → Expanding in China, a key EV-heavy market

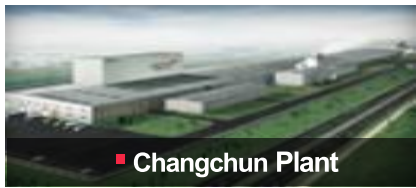
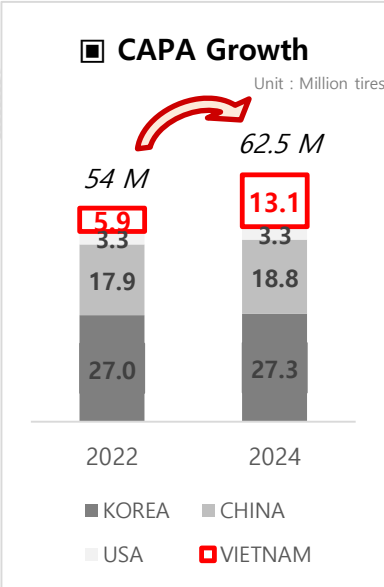
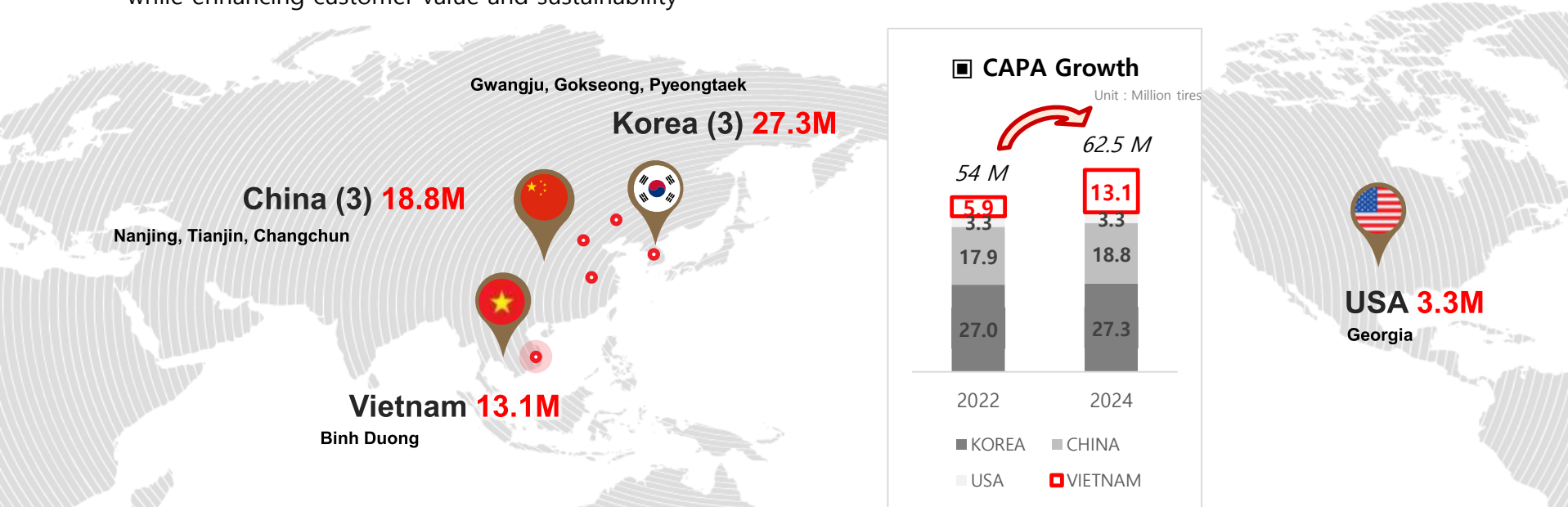
√ Production Expansion → New Plant Plans under Review

- Boosting profitability through full-capacity operations at the expanded Vietnam plant
- Evaluating plans for a new global plant to support the high-growth European market

Appendix (Global Production Capacity)

- **62.5 million tires across 8 plants with strong quality and cost competitiveness**

※ Southeast Asia Production: Maximizing capacity to support sales in North America, the largest tire market, while enhancing customer value and sustainability

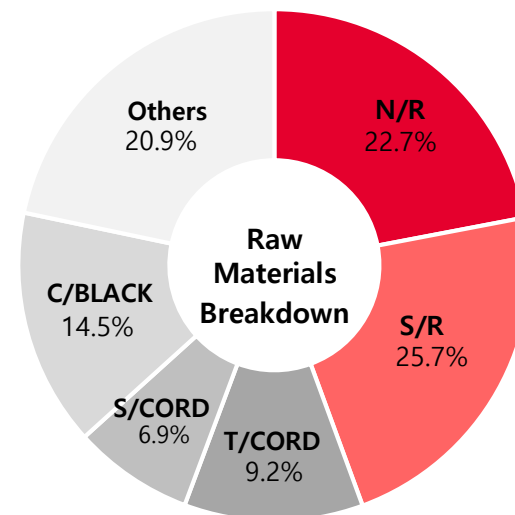


◆ Plants

Appendix (Raw Materials Prices)

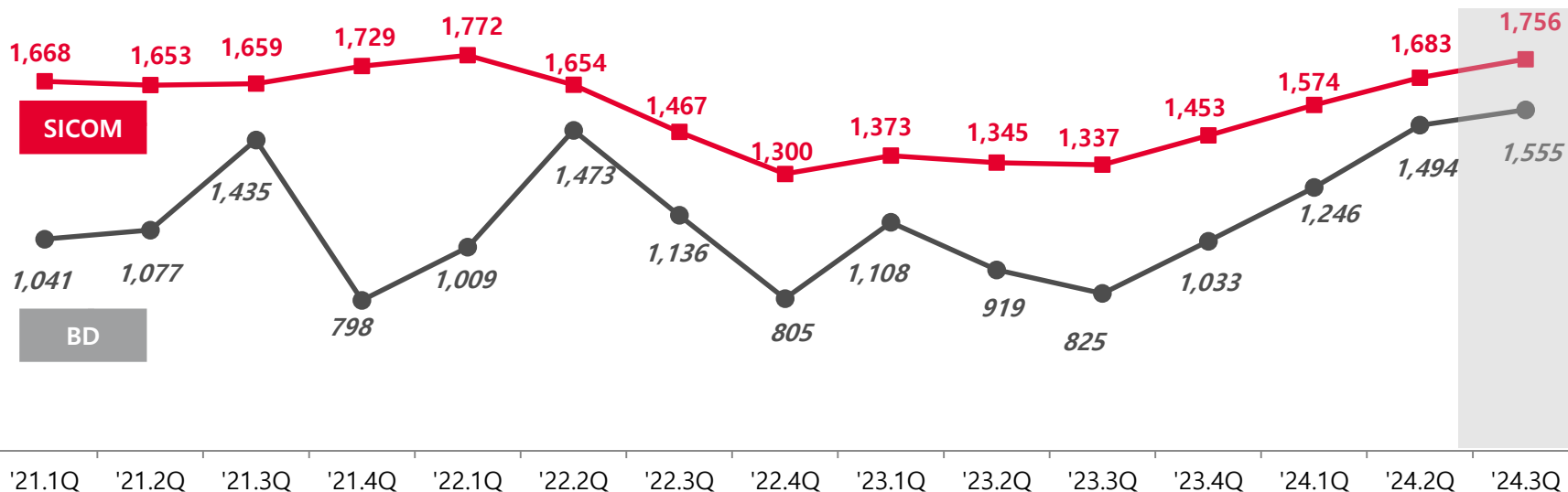
Raw Material Trends

- 1) Natural Rubber (↑ 2Q '24: \$1,683/ton → 3Q '24: \$1,756/ton)
: SICOM (futures market indicator) rose, driven by reduced production in Southeast Asia and optimism over China's stimulus package.
- 2) Synthetic Rubber (↑ 2Q '24: \$1,494/ton → 3Q '24: \$1,555/ton)
: The price of BD (butadiene), a key feedstock, increased due to China's stimulus package. However, a gradual decline is possible.
- 3) Carbon Black (↓ 2Q '24: \$80.6/Bbl → 3Q '24: \$75.1/bbl)
: WTI fell, reflecting slowing demand and OPEC+ production that exceeded targets.



Raw Material Price Trends

(Unit: USD/ton)



※ Natural rubber is based on SICOM, while synthetic rubber is based on BD (butadiene).

Global SCM Logistics and Business Freight Costs

- Global/Domestic SCM Logistics**

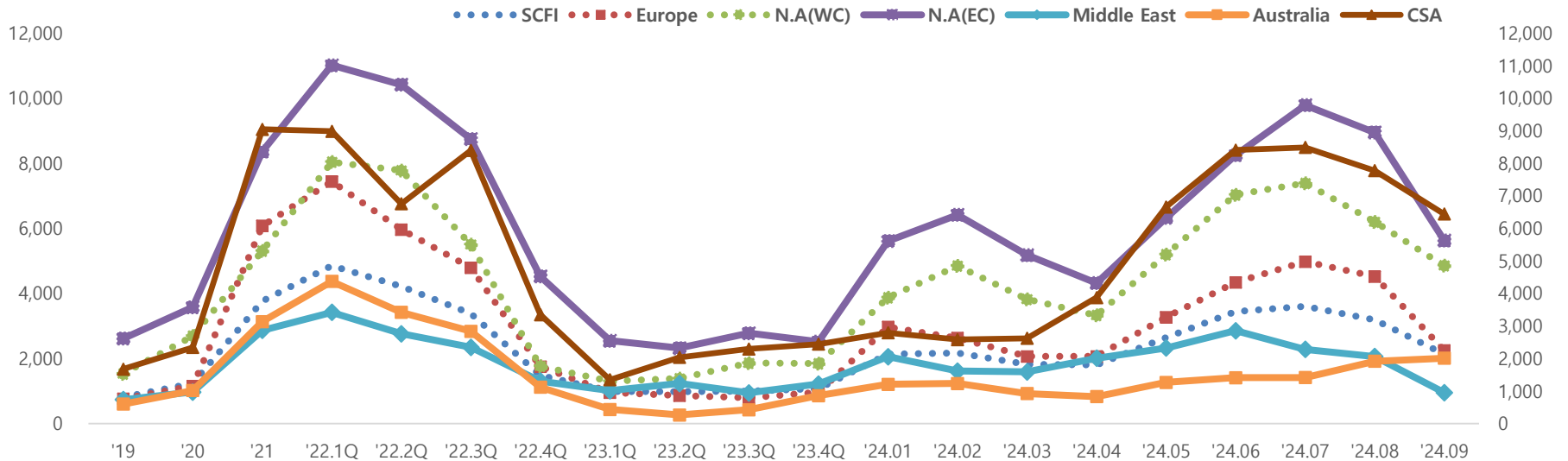
Freight rates eased in 3Q following a surge in 2Q. With the continued supply of new large vessels in the second half, rates are expected to decrease further through 4Q.

- Business Freight Costs in 3Q 2024**

Freight rates in 3Q 2024 rose year on year due to prolonged geopolitical instability in the Red Sea region and vessel shortages. However, negotiations with chartered carriers are underway to adjust rates, reflecting the recent decline in freight rates.

SCFI (Shanghai Containerized Freight Index)

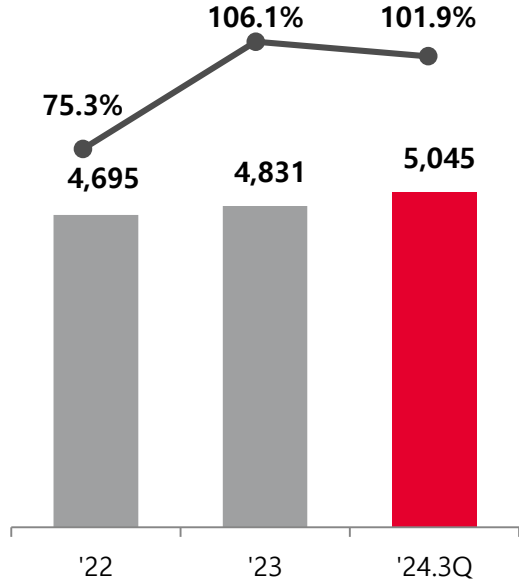
(Unit: USD)



Assets

(KRW bn)

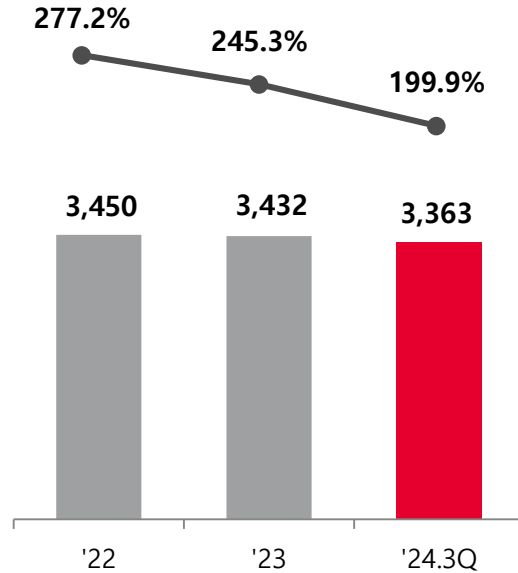
Current ratio



Liabilities

(KRW bn)

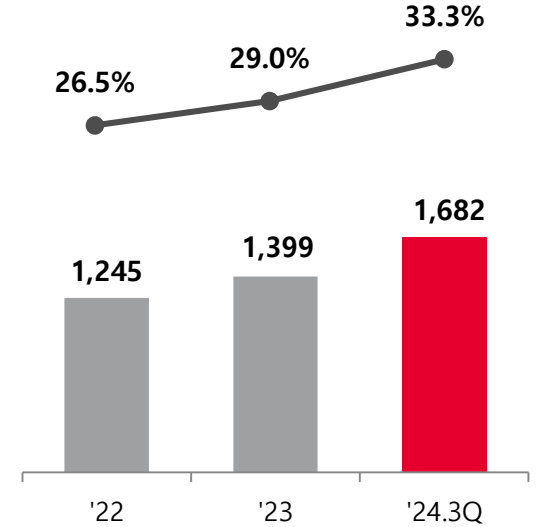
Debt ratio



Equity

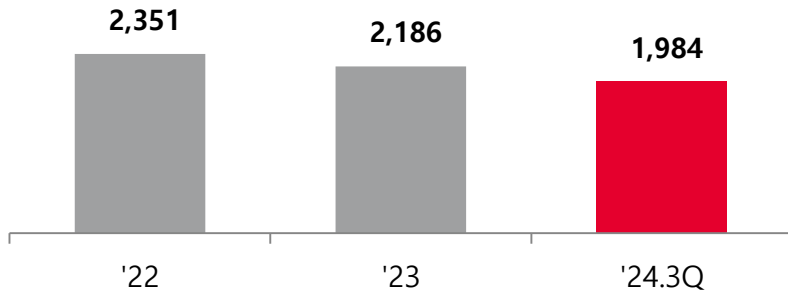
(KRW bn)

Equity ratio



Interest-Bearing Debt

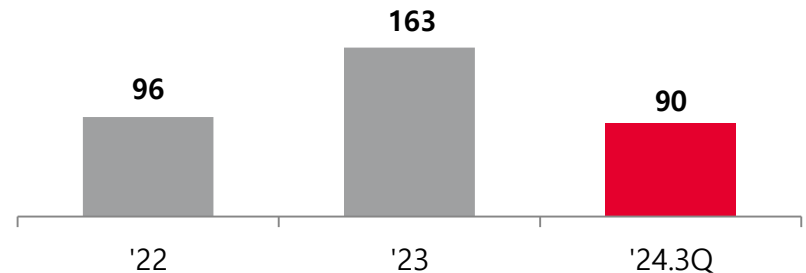
(KRW bn)



*Lease liabilities excluded

Net interest expenses

(KRW bn)

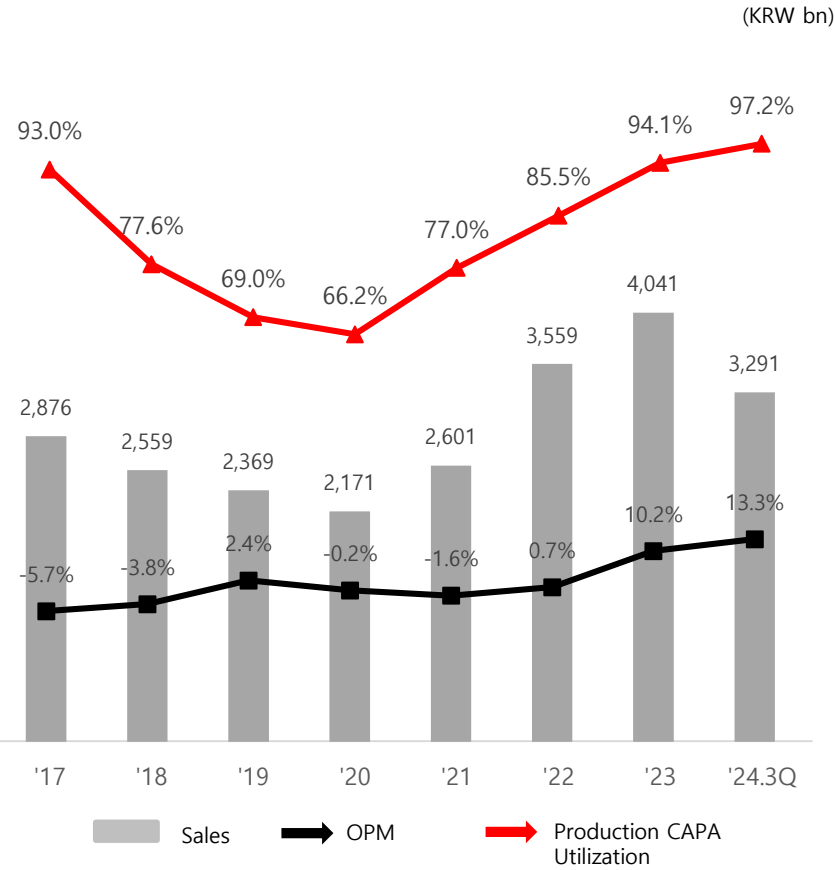


*Lease liabilities excluded

Appendix (Growth Factors)

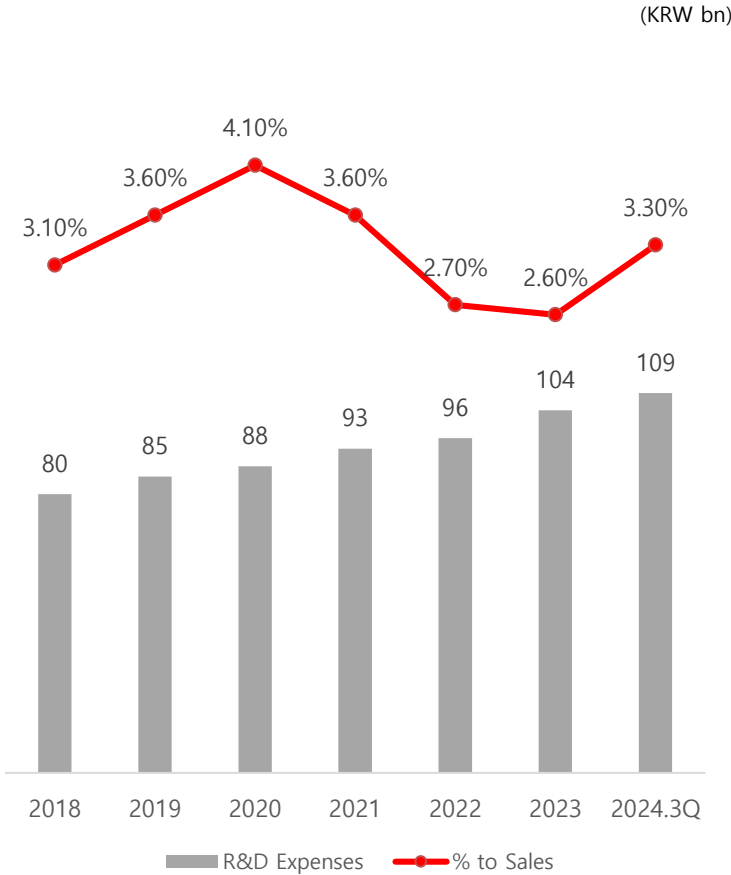
CAPA Expansion Driving Profit Growth

- Plant expansions have increased CAPA and utilization rates.
- Improved productivity and cost competitiveness have bolstered sales and profitability.



Increased R&D Investment

- Steady growth in R&D investment over the past 5 years
- Enhanced brand image through advancements in technology and quality



KUMHO
TIRE