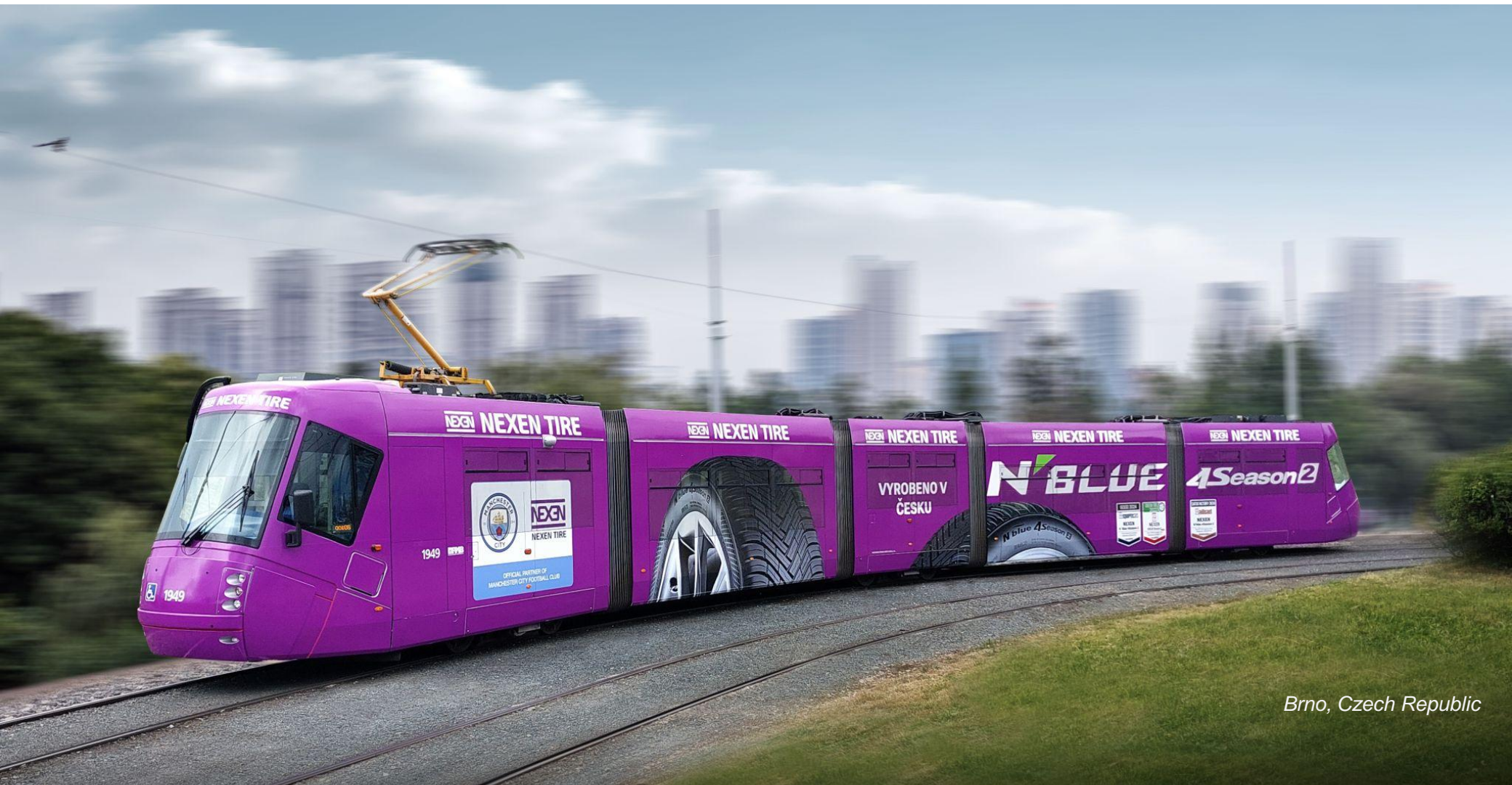


# IR PRESENTATION

Q2 2025 Earnings Release

July 30<sup>th</sup>, 2025



Brno, Czech Republic

# Disclaimer

The financial and business information in this document is consolidated earnings results based on K-IFRS.

Please note that some of the contents provided in this document are for the convenience of investors only before the external review on our financial results is completed. Some of the information presented in this document may be subject to change during the external review process.

This document is based on the facts as of the date of its preparation and should not be used as legal evidence for the investment outcomes under any circumstances.



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# Q2 2025 Highlights

## Global Market Status

**New Car Sales**  
**+4%**  
(Q2 YoY)

Growth from US tariff  
front-loading and  
China policy effects

**OE**  
**+1%**  
(6M YTD)

China strength  
offsetting slower  
US/EU expansion

**RE**  
**+2%**  
(6M YTD)

Stable global  
market growth

## Financial Results

**Revenue**  
**KRW 805bn**  
(YoY +5%)

Quarterly revenue  
exceeds KRW 800bn  
for the first time

**OP**  
**KRW 43bn**  
(OPM 5.3%)

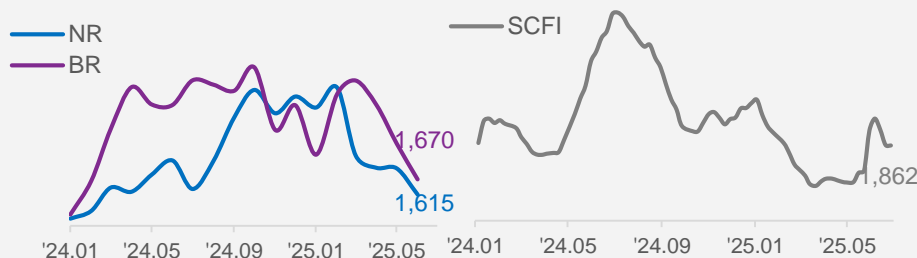
Partial impact from US  
tariffs on auto parts

**≥18"**  
**35.2%**

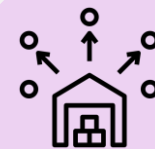
Rising contribution  
from Korea and  
other regions

## Raw materials - Maritime logistics

- Rubber prices enter post-peak phase, with increased volatility
- Short-term freight rate surge eased, though tariff risks persist



## Key Updates



Driving retail  
channel operations



Response  
strategies to tariff  
developments



EcoVadis 'Gold'  
rating for  
2 consecutive years



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## Q2 2025 Financial Results

- Revenue boosted by the transition of US sales from recovery to sustained growth, along with growth in Europe and Korea
- Cost impact from newly imposed tariffs was partially offset by stabilized ocean freight rates and favorable long-term contracts

(bn KRW)	Q2 2024	Q1 2025	Q2 2025		
				QoQ	YoY
<b>Revenue</b>	<b>763.8</b>	<b>771.2</b>	<b>804.7</b>	<b>4.3%</b>	<b>5.4%</b>
<b>COGS</b>	<b>539.8</b>	<b>569.6</b>	<b>589.7</b>	<b>3.5%</b>	<b>9.2%</b>
(%)	70.7%	73.9%	73.3%	-0.6%p	2.6%p
<b>Operating Profit</b>	<b>62.9</b>	<b>40.7</b>	<b>42.6</b>	<b>4.7%</b>	<b>-32.2%</b>
(%)	8.2%	5.3%	5.3%	-	-2.9%p
<b>Income Taxes</b>	<b>22.2</b>	<b>7.6</b>	<b>8.6</b>	<b>13.5%</b>	<b>-61.1%</b>
<b>Net Profit</b>	<b>44.4</b>	<b>39.9</b>	<b>19.2</b>	<b>-51.9%</b>	<b>-56.7%</b>
(%)	5.8%	5.2%	2.4%	-2.8%p	-3.4%p
<b>EBITDA</b>	<b>120.3</b>	<b>99.5</b>	<b>103.6</b>	<b>4.1%</b>	<b>-13.9%</b>
(%)	15.8%	12.9%	12.9%	-	-2.9%p

### Sales by Region



16%



42%



24%

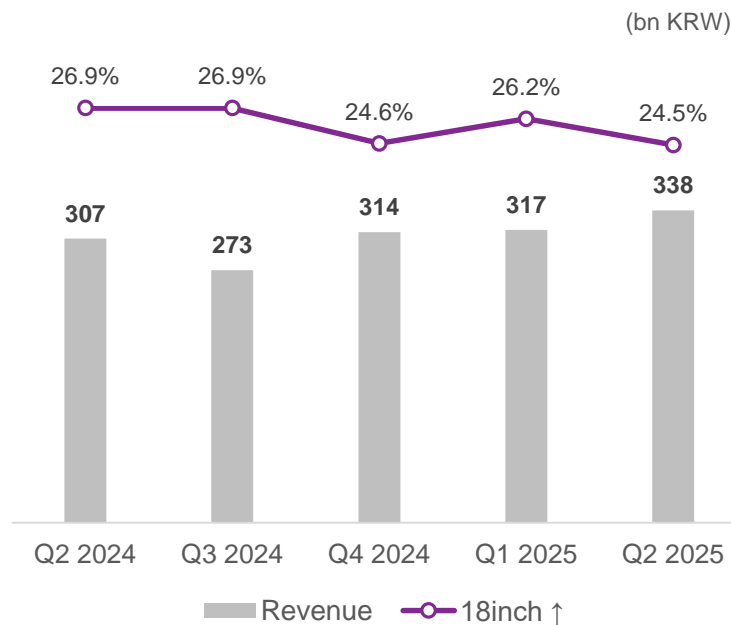
Others

18%

# Sales by Region (1/2)

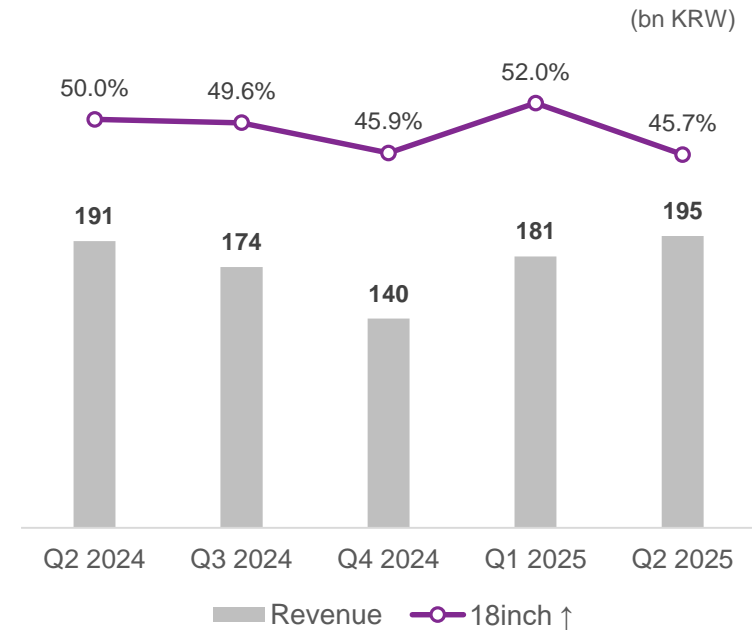
## Europe

- (OE) Solid OE sales to key European OEMs (Stellantis Group, Volkswagen Group, and BMW) despite sluggish new vehicle demand
- (RE) Sustained sales stability following Q1, despite growing market uncertainty
- Exports originally bound for the US are redirected to Europe due to tariff pressures, leading to market disruption from an inflow of low-priced products



## North America

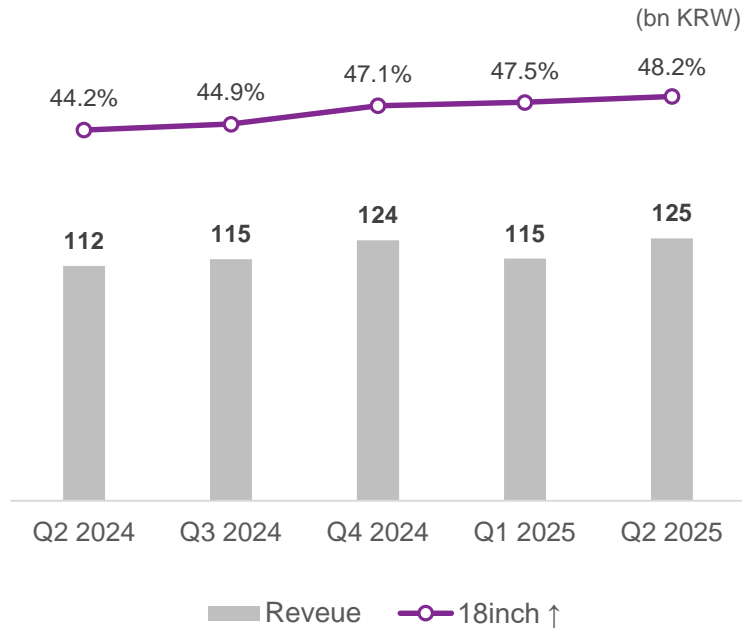
- (OE) Sales was partially impacted by a decline in preemptive demand ahead of tariff enforcement and production delays in certain vehicle models
- (RE) Revenue grew YoY, supported by expanded sales to key clients, despite subdued end-consumer sentiment
- Market price increases to materialize progressively in H2; monitoring of trade environment volatility in line with ongoing trade negotiations



## Sales by Region (2/2)

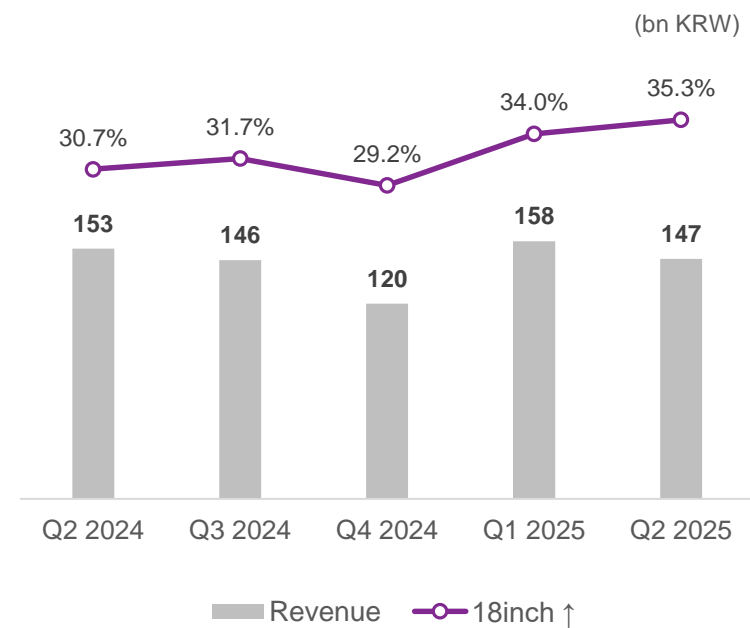
### Korea

- (OE) Despite partial operational disruptions at domestic EV manufacturing plants, the Company expanded supply, driven by sales to SUV models
- (RE) Strong rental sales and expansion of B2B (auto service shops, rental fleets) & B2C (NEXEN TIRE TECH, home shopping) channels
- Pursuing a product strategy compatible with all vehicle types, including ICE & EV



### Others

- (OE) Stable sales backed by increased production from Hyundai Motor Group in China and strong performance with Mitsubishi
- (RE) Positive sales trend in the Asia-Pacific region, including record-high sales achieved in Japan through expansion of new distribution channels
- Intensifying price competition due to increased presence of low-cost players





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# H1 2025 New OE Supply

- Initiated OE supply for 11 new vehicle models in H1
- Demonstrated versatile expertise with global supply for KIA's pickup truck 'Tasman' and fitment on HYUNDAI Motor's next-gen FCEV 'NEXO'

## N'FERA Sport



Most homologated tire

Mercedes-Benz  
E-Class



BMW  
iX



BMW  
2 Series LWB



BMW  
X3 LWB



Volkswagen  
Passat B9



SKODA  
Karoq



## ROADIAN HTX 2



▲ Enhanced winter grip  
via patented 3D Kerf



▲ Heat dissipation and  
durability of cooling pins



KIA  
Tasman



## N'FERA supreme S



HYUNDAI  
NEXO



KIA  
EV6



KIA  
EV4

## ROADIAN GTX

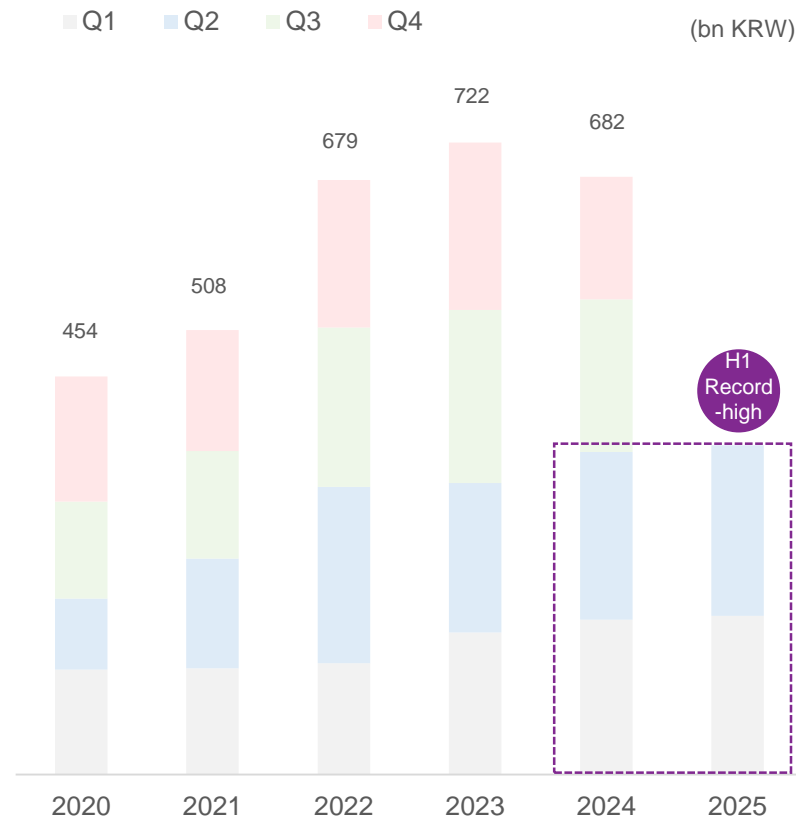


KG MOBILITY  
TORRES HEV


# Trade Environment Changes

- Amid increasing trade uncertainties and the global protectionism, strategic initiatives are essential to mitigate profitability impacts
- Perform a comprehensive review of market share, growth prospects, and profitability to optimize regional volume allocation

## H1: Solid North American Revenue despite Tariffs



## H2: Strategic Response to Expanding Trade Risks

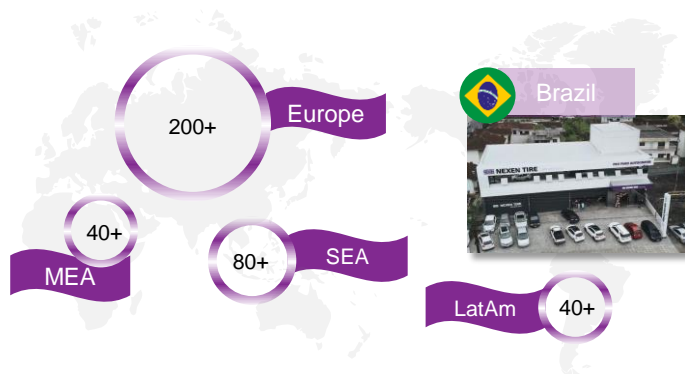
 Section 232 Auto Tariffs	Status	A 25% tariff on imported tires (effective May 3 <sup>rd</sup> )
	Pricing	(Market) Price adjustments (Nexen) Mitigate impact on sales and M/S via gradual pricing steps and response to inflation trends
	Volume	(Market) Increase in imports from Southeast Asian countries based on price advantage (Nexen) Enhanced product lineup with N'PRIZ S launch and N'FERA Sport introduction
	Distribution	(Nexen) Operate primarily through RDC <sup>1)</sup> and retail channels to manage both sales volume and profitability
	Others	(Nexen) Market diversification in the Middle East and Asia-Pacific regions

1) Regional Distribution Center

# Global Retail Networks

- Enhance retail presence and strengthen the 'NEXEN' brand through partnerships with local distributors in Southeast Asia, the Middle East, and Europe
- Effectively communicate product and brand value to enhance brand awareness, expand consumer touchpoints, and build a competitive sales edge

## Number of Branded Stores (Year-end 2025)



## Expected Benefits



### Downstream

- Retail sales growth and margin improvements
- Inventory management optimization
- Improved efficiency of RDC operation



### Marketing

- In-store linked marketing activities
- Brand visibility
- Intuitive messaging



### Brand Reliability

- Streamlined management throughout the entire purchase cycle
- Customer satisfaction via comparison-based purchasing
- Lowered entry barriers to brand





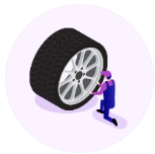
# Edge in Domestic RE Market

- Operating 470+ 'TIRE TECH' specialty stores, leveraging advanced equipment and customized services for competitive advantage
- Enhance customer trust by creating synergy with the rental brand 'NEXT LEVEL' and integrating online and offline sales channels

## Nexen 타이어테크 & NEXT LEVEL



- Tailored strategies for each commercial zone
- Repeat visits and repurchases



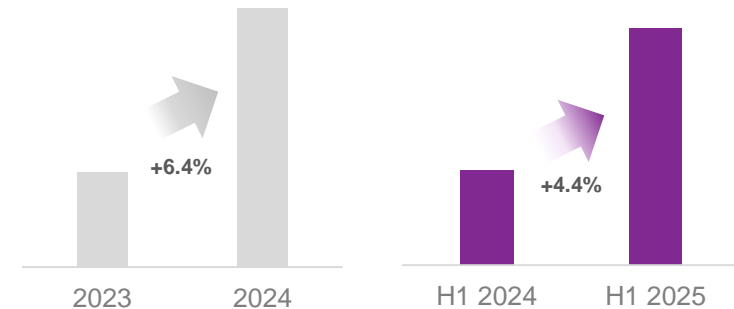
- Professional product consultation
- Cutting-edge alignment equipment



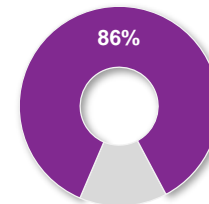
- Improved customer trust in rental services
- Synergy between specialty stores and rental services

## Key Achievements

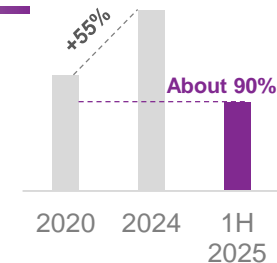
### Domestic RE Sales



### Rental Performances



Premium sales  
penetration



Significant  
Revenue growth



The grand prize at the 'NSA'  
for 6 consecutive years



# Brand Value

- Enhanced brand recognition via 'Good' rating in tire performance tests and global LED campaigns
- Achieved EcoVadis 'Gold' rating for 2 consecutive years (within the top 3% globally in sustainability)

## Tire Tests by AutoBild Sportscars (Monitoring club in EU)



**N'FERA Sport**



Overall Rating  
Good

#1 in  
hydroplaning  
#2 in wet  
performance

A

Wide longitudinal groove improved drainage performance

B

Wide outside block design for excellent high-speed dry & wet handling

C

Out-side groove wall design for high speed cornering & grip handling performance

## Sustainability Rating (EcoVadis)



4 plants and 4 R&D hubs  
ISO 14001 Certification



International  
Labour  
Organization



Policies Aligned with  
Global Human Rights Standards

## LED Branding



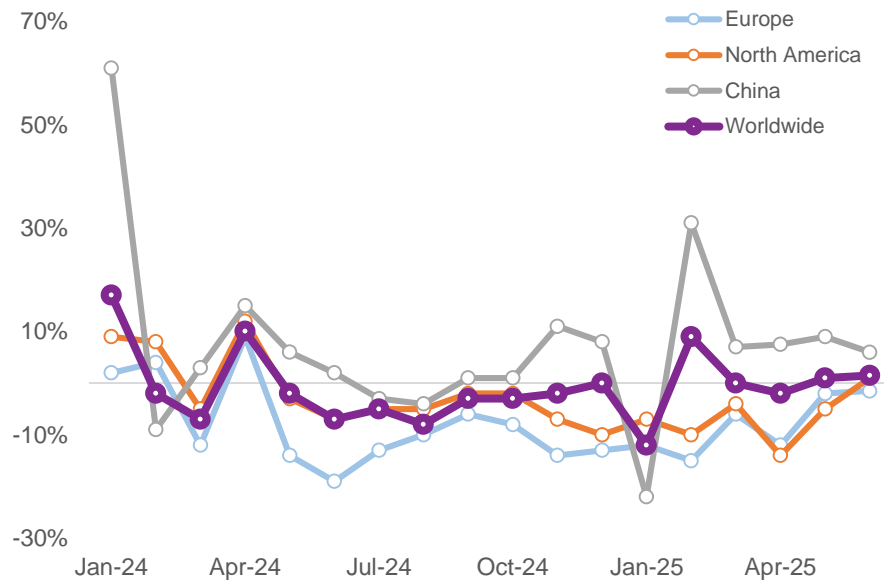
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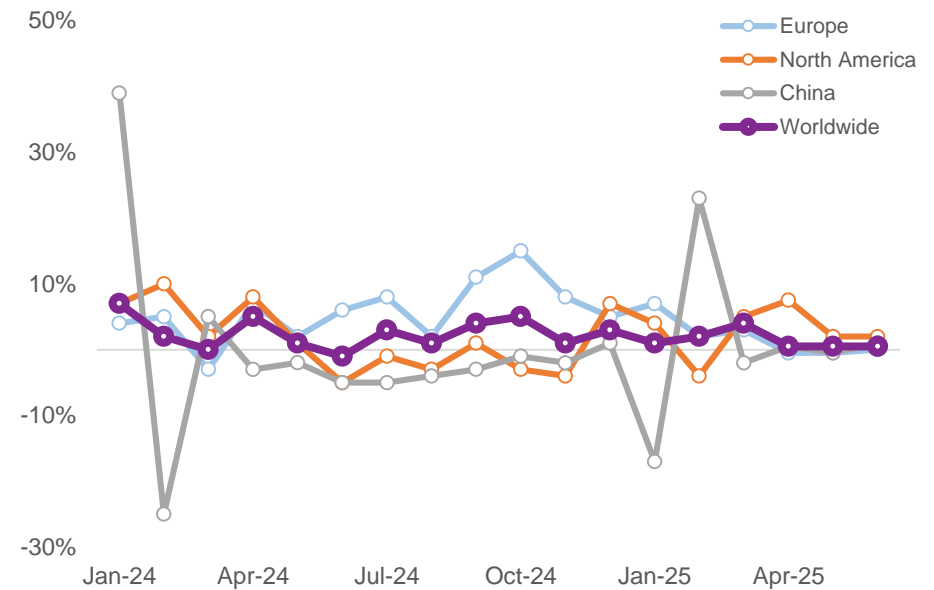
# Global Tire Market

- (OE) Amid various EV policies such as the US IRA repeal and China's national old-for-new initiative, demand declines in Europe and North America have slowed, while growth in China has decelerated, keeping overall flat YoY demand
- (RE) Stable growth driven by solid US demand despite tariff imposition
- Uncertainty expected to increase amid potential price hikes in the US vs. Possible tariff revisions

## Growth Rate - OE (YoY, base on quantity)



## Growth Rate - RE (YoY, base on quantity)



\* Sources: PC & LT only, Estimation based on data provided by regional tire manufacturers' associations and research firms



# Raw Materials

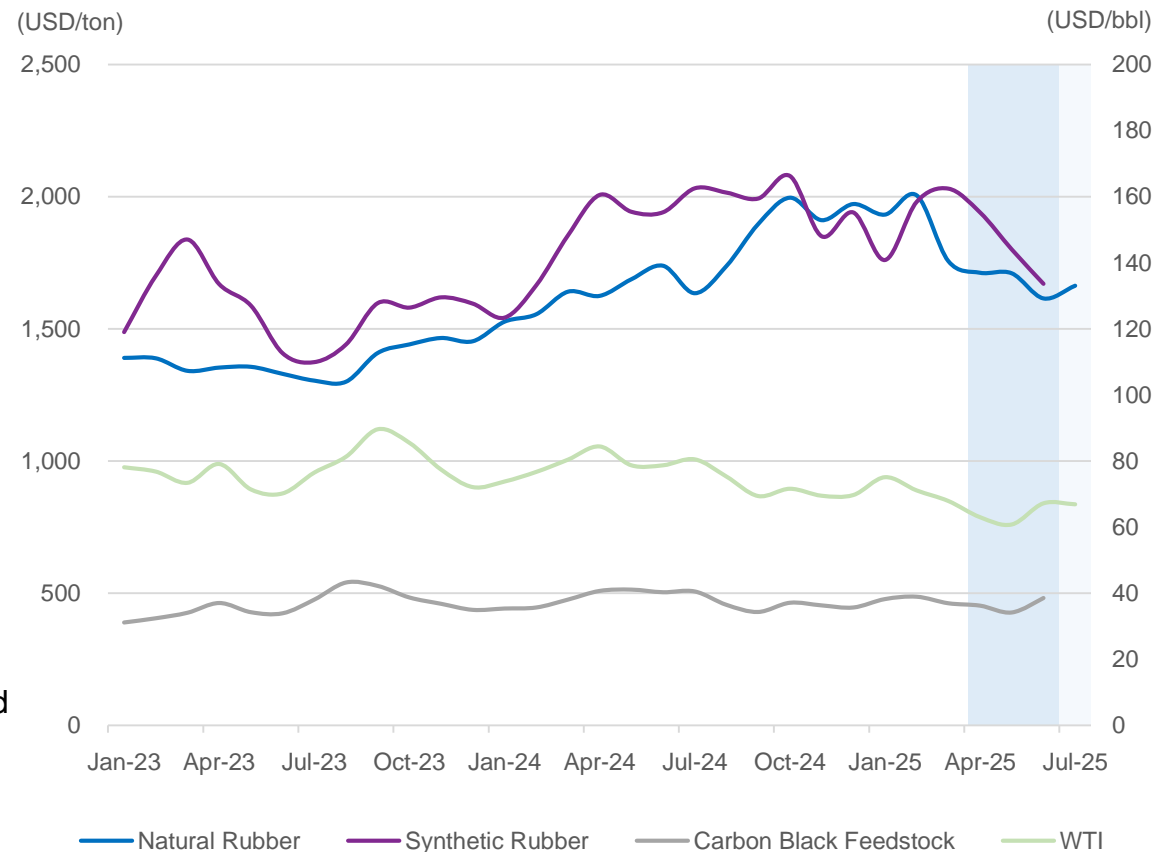
- Middle East tensions triggered a short-term rebound in WTI, with limited impact on raw material markets
- As the US-led tariff war peaks, both futures and spot rubber prices are trending downward

## Natural Rubber

- Prices face downward pressure as production resumes following the wintering season
- Heavy rainfall in Thailand and Indonesia may raise concerns over potential disruptions in natural rubber supply during Q3

## Synthetic Rubber

- Declines in manufacturing PMIs in China and India signal a slowdown in global demand
- In particular, sluggish new car demand in China and escalating US-China trade tensions are exerting significant downward pressure



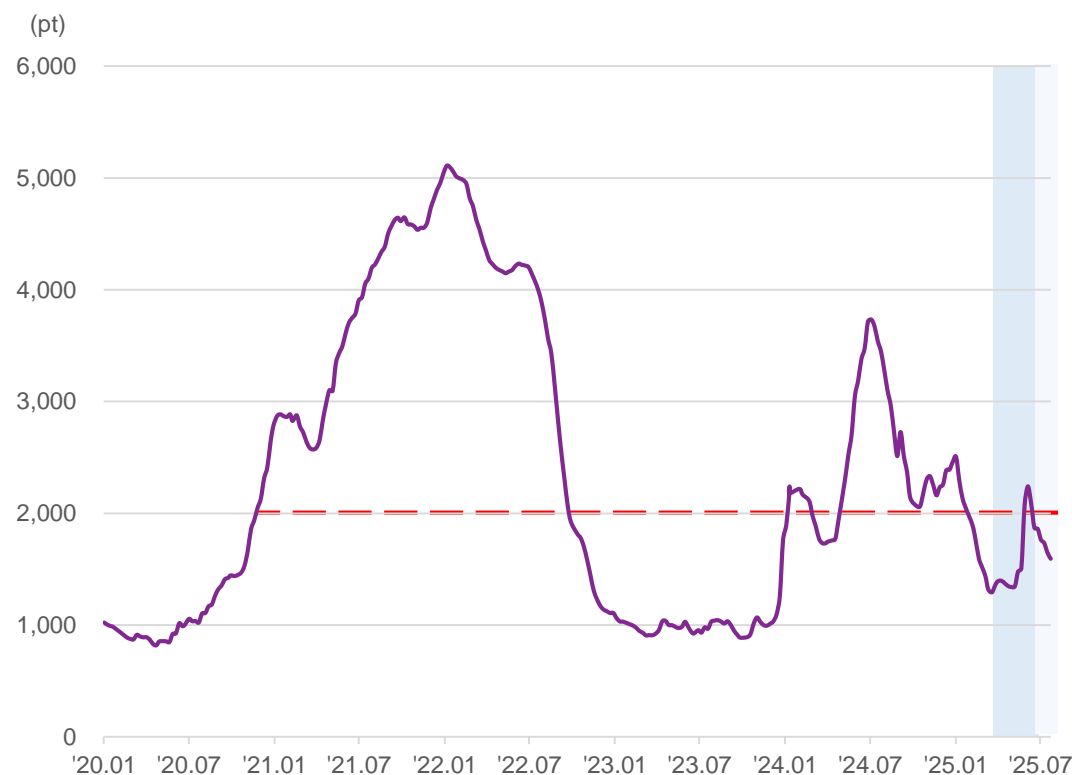
\* Sources: Natural Rubber(TSR20, SICOM), Synthetic rubber(ICIS Butadiene Rubber CFR SEA & NEA average), Carbon Black Feedstock(Means of Platts Singapore)

# Maritime Logistics

- Fluctuations in ocean freight rates driven by US tariffs and global countermeasures
- Future country-specific tariff announcements may affect ocean freight rates but are unlikely to cause sharp fluctuations similar to those seen in Q2 2025

## SCFI (Shanghai Containerized Freight Index)

- The temporary suspension of US-China tariffs triggered a surge in China-origin cargo volumes, causing a temporary rebound in SCFI due to volume displacement
- Tariff hikes may reduce cargo volumes in the long term, dampen consumer demand, and potentially drive freight rates declines in H2



\* Sources: Korea Customs Logistics Association

Thank you



# Global Production Capacity

- Expand production capacity through the phase 2 expansion of the Czech plant and productivity improvements at other facilities, with a focus on passenger car and light truck tires
- Accelerate the achievement of 'Volume & Profit' through a total production capacity of 50mn units across 4 global plants

## Czech Rep. 11mn units



## Korea 28mn units



Ramp-up to be completed  
by year-end 2025/early 2026

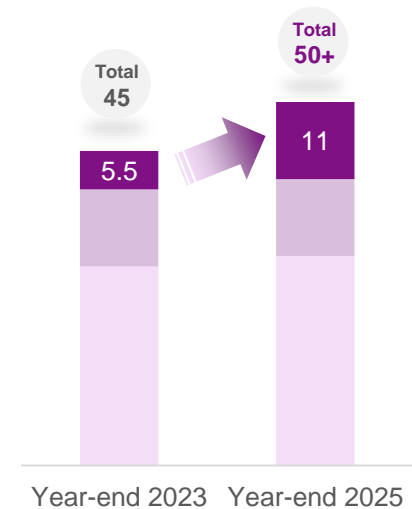
Czech Rep.	Plant 1	Plant 2
Construction Completed	'19. 08.	'23. 12.
Investment	€ 900mn	
Capacity	5.5mn units	5.5mn units

## China 11mn units



## Production Capacity Scale-up

(mn units) ■ Czech Rep. ■ China ■ Korea





# ESG

- In 2025, 'Gold' rating from EcoVadis, an ESG evaluation agency, ranking in the top 3% among 150K companies across 185 countries
- Committed to ESG management through diverse initiatives and continuous improvement in evaluation metrics

## Major Performances

<b>Environment</b>	<ul style="list-style-type: none"> <li>· Sustainable raw materials               <ul style="list-style-type: none"> <li>- Secured new tech to achieve up to 70% usage by utilizing bio-oil and recycled PET code, etc.</li> </ul> </li> <li>· 'Green Tire' seal by AutoBild, a leading European monitoring club</li> <li>· Completed assessment of Scope1, 2, and 15 Scope3 categories, with third-party verification</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>· The grand prize at the 'National Service Awards<sup>(2)</sup>' for 6 consecutive years (~2025)</li> <li>· Ranked No.1 tire manufacturer in the 'Global Customer Satisfaction Index<sup>(1)</sup>' for 15 consecutive years (~2024)</li> <li>· The excellence award at the 'Safety Culture Innovation Awards' (2024)</li> <li>· Selected for 'CSR<sup>(3)</sup> in the Community' / Recognized as an excellent workplace for employee health and safety<sup>(4)</sup> (2024)</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>· Changed the dividend base date for better predictability</li> <li>· Introduction of electronic voting system</li> <li>· Appointment of a female outside director</li> </ul>

## Initiatives and Awards

	<b>Top 3%</b> <b>Gold</b> <b>(2025)</b>		<b>Low Risk, 13.2</b> <b>(2025)</b>
	<b>B</b> <b>(2024)</b>		<b>BB</b> <b>(2024)</b>
	<b>UN affiliated initiative</b> <b>UNGC<sup>(5)</sup></b> <b>(2023)</b>		<b>Climate Change B</b> <b>Water Security B</b> <b>(2024)</b>
	<b>Intl. multilateral platform</b> <b>GPSNR<sup>(6)</sup></b> <b>(2020)</b>		<b>Information Security Certification</b>

<sup>(1)</sup> Hosted by 'Global Management Association'(Research and evaluation agency under 'Ministry of Trade, Industry and Energy') / <sup>(2)</sup> Hosted by 'The Institute for Industrial Policy Studies' / <sup>(3)</sup> Corporate Social Responsibility / <sup>(4)</sup> Organized by 'Ministry of Employment and Labor' and 'Korea Occupational Safety and Health Agency' / <sup>(5)</sup> UN Global Compact / <sup>(6)</sup> Global Platform for Sustainable Natural Rubber / <sup>(7)</sup> Carbon Disclosure Project / <sup>(8)</sup> Trusted Information Security Assessment eXchange

# Consolidated Income Statement

(bn KRW)	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
<b>Revenue</b>	<b>763.8</b>	<b>708.5</b>	<b>697.6</b>	<b>771.2</b>	<b>804.7</b>
<b>COGS</b>	<b>539.8</b>	<b>497.6</b>	<b>516.9</b>	<b>569.6</b>	<b>589.7</b>
(%)	70.7%	70.2%	74.1%	73.9%	73.3%
<b>Gross Profit</b>	<b>223.9</b>	<b>210.9</b>	<b>180.7</b>	<b>201.6</b>	<b>214.9</b>
(%)	29.3%	29.8%	25.9%	26.1%	26.7%
<b>SG&amp;A</b>	<b>161.1</b>	<b>158.6</b>	<b>165.2</b>	<b>160.9</b>	<b>172.3</b>
(%)	21.1%	22.4%	23.7%	20.9%	21.4%
<b>Operating Profit</b>	<b>62.9</b>	<b>52.3</b>	<b>15.5</b>	<b>40.7</b>	<b>42.6</b>
(%)	8.2%	7.4%	2.2%	5.3%	5.3%
<b>Non-operating Profit</b>	<b>3.7</b>	<b>(54.6)</b>	<b>41.1</b>	<b>6.8</b>	<b>(14.8)</b>
<b>Income Taxes</b>	<b>22.2</b>	<b>4.1</b>	<b>8.8</b>	<b>7.6</b>	<b>8.6</b>
<b>Net Income</b>	<b>44.4</b>	<b>(6.4)</b>	<b>47.8</b>	<b>39.9</b>	<b>19.2</b>
(%)	5.8%	-	6.8%	5.2%	2.4%
<b>EBITDA</b>	<b>120.3</b>	<b>111.0</b>	<b>78.1</b>	<b>99.5</b>	<b>103.6</b>
(%)	15.8%	15.7%	11.2%	12.9%	12.9%

# Consolidated Balance Sheet

(bn KRW)	2022	2023	2024	Q2 2025
<b>Assets</b>	<b>3,944.3</b>	<b>4,232.7</b>	<b>4,574.5</b>	<b>4,754.9</b>
Cash Equivalents <sup>(1)</sup>	452.4	455.4	347.9	380.2
Account Receivable	382.2	430.1	513.7	685.3
Inventories	649.2	640.8	894.0	814.4
Tangible Assets	2,135.0	2,325.1	2,423.1	2,458.1
<b>Liabilities</b>	<b>2,348.1</b>	<b>2,527.8</b>	<b>2,702.9</b>	<b>2,844.8</b>
Debt	1,639.6	1,749.5	1,658.8	1,731.5
Account Payable	166.5	102.2	164.3	153.1
<b>Equity</b>	<b>1,596.2</b>	<b>1,704.9</b>	<b>1,871.6</b>	<b>1,910.1</b>
<b>Net Debt</b>	<b>1,187.2</b>	<b>1,294.2</b>	<b>1,310.9</b>	<b>1,351.3</b>

<sup>(1)</sup> Cash Equivalents = Cash Equivalents, Financial Assets Measured at Fair Value Through Other Comprehensive Income, Other Financial Assets