

# KUMHO TIRE

2Q 2025 Earnings Release



# Disclaimer

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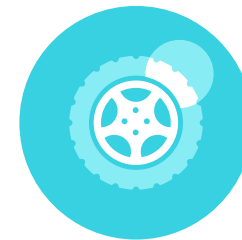
## Sales: KRW 2.4 tn

- **Sustained Growth Led by NA, Europe, China**
  - N. America: KRW 807.2 bn (YoY +24.1%)
  - Europe: KRW 674.3 bn (YoY +12.9%)
  - China: KRW 171.2 bn (YoY +12.8%)



## Operating Profit: KRW 321.7 bn

- **≥ 18" Product Mix Reached 43%**
  - Strengthened portfolio with premium launches including the ECSTA Sport series
- **EV Tire Supply Ratio: 19.1%**
  - Continued EV share growth based on global PCR/LTR OE supply



## Launch of Premium Line and New Flagship Line

- **Development & Launch of new large-diameter products**
  - WinterCraft WP52+
  - ECSTA Sport Series
  - SOLUS Advance

# 2Q 2025 Financial Results

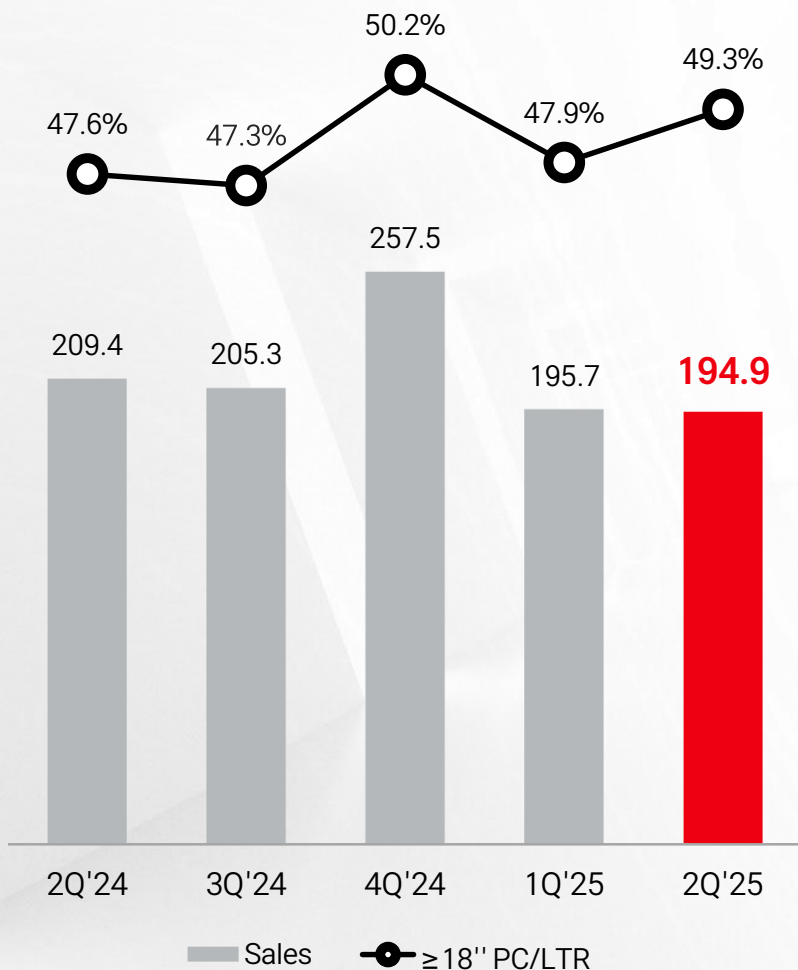
- ✓ 2Q sales reached KRW 1,221.3 billion (YoY + 7.9%), driven by continued growth in key accounts and volume
- ✓ Strong OP (KRW 175.2 bn) and OPM (14.3%): powered by value-focused sales growth in premium and large-diameter products
- ✓ OE (YoY + 23.5%) and RE (YoY + 3.6%) growth: driven by expanded supply for new models and specs from OEMs

## Sales & Earnings (KRW bn)

	2024					2025		QoQ	YoY
	1Q	2Q	3Q	4Q	Total	1Q	2Q		
<b>Sales</b>	1,044.5	1,131.9	1,115.0	1,240.7	4,532.2	1,206.2	1,221.3	1.2%	7.9%
<b>COGS</b>	726.0	785.9	789.0	849.0	3,149.9	854.4	825.3	-3.4%	5.0%
<b>OP</b>	145.6	151.5	140.2	151.2	588.6	146.6	175.2	19.5%	15.6%
<b>Margin (%)</b>	13.9%	13.4%	12.6%	12.2%	13.0%	12.1%	14.3%		
<b>Income BT</b>	105.6	119.2	108.5	99.9	433.3	132.3	0.2	-99.8%	-99.8%
<b>Margin (%)</b>	10.1%	10.5%	9.7%	8.1%	9.6%	11.0%	0.02%		
<b>EBITDA</b>	216.8	223.9	205.5	218.4	849.1	216.0	239.4	10.8%	6.9%
<b>Margin (%)</b>	20.8%	19.8%	18.4%	17.6%	18.7%	17.9%	19.6%		

## 2 Financial Results | Sales by Region

### **Korea** (KRW bn)



### Market

- E** New car sales up on consumption tax cuts and rising EV/hybrid demand
  - 1H new car sales: 822,000 units (YoY +3.1%, vs. 800,000 units in 1H '24)
  - Tire market: PC -2.2%, LT -4.0%, TB +14.3% (Jan-May, cumulative)

### OE

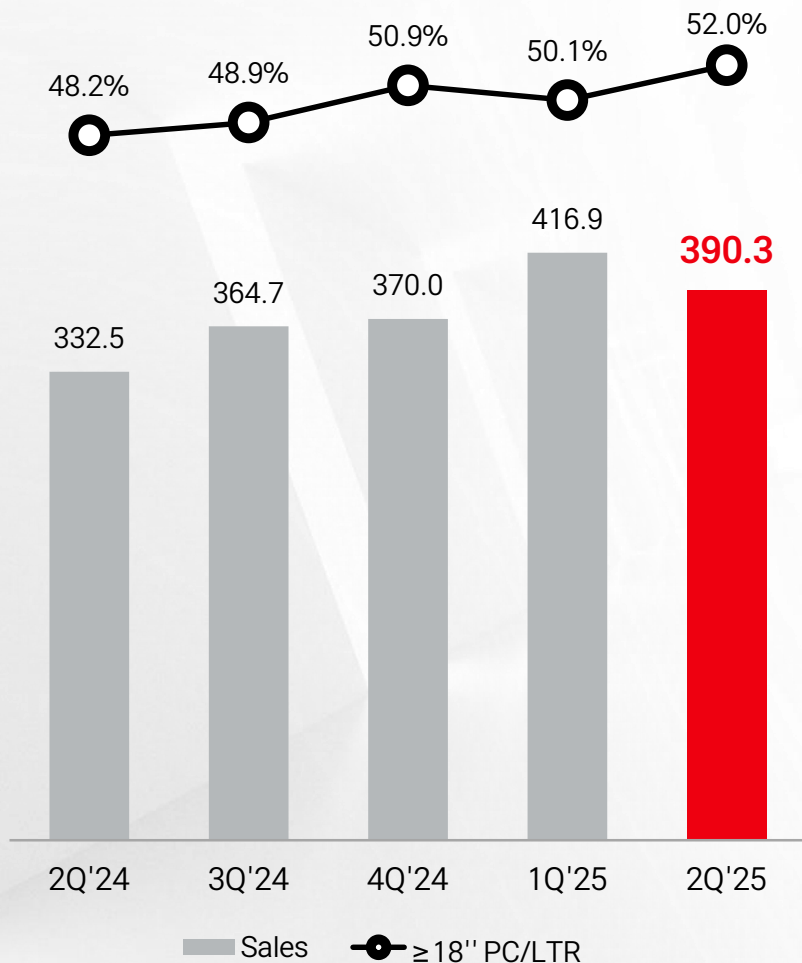
- EV recovery lags (Kia EV6, Hyundai Kona EV); hybrid & large ICE demand picking up

### RE

- Improved high-margin product mix through retail channel expansion
- Margin-focused operations via pricing structure and logistics infrastructure enhancements

## 2 Financial Results | Sales by Region

### North America (KRW bn)



### Market

Pre-hike demand boosted by tariff policy and stronger new car sales

- 1H new car sales: 9.344 mn units (YoY +3.6%, vs. 9.02 mn in 1H '24)
- Tire market: OE -5%, RE +2% (1H)

### OE

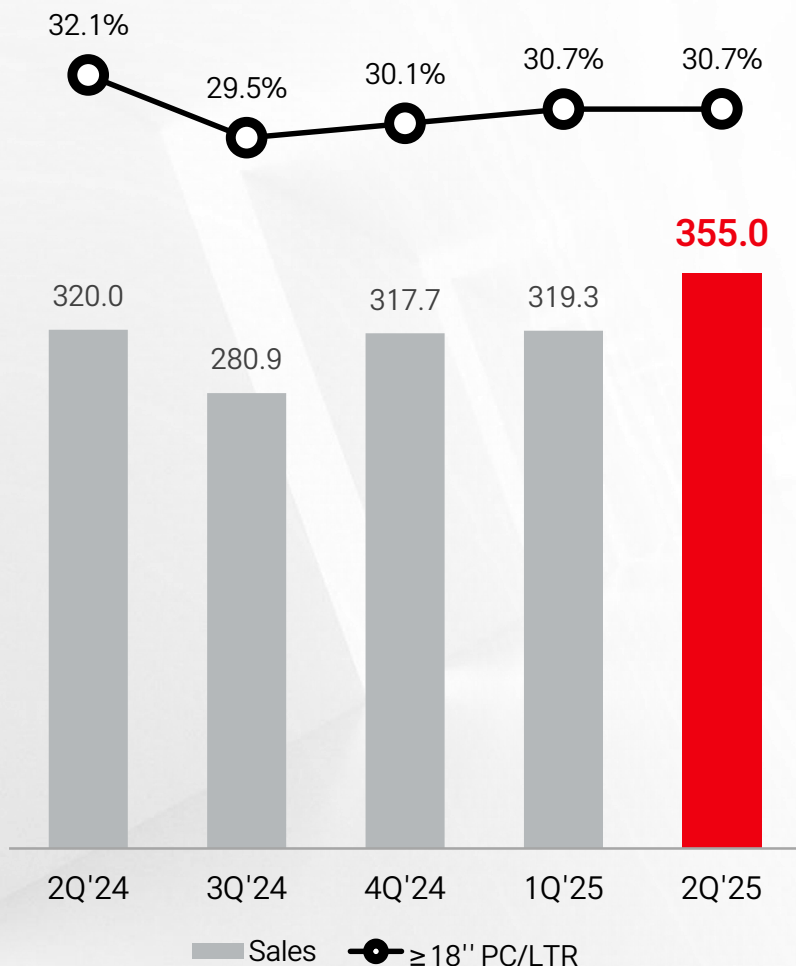
- YoY volume growth and M/S gains; slight QoQ sales increase from partial C/M production shifts
- Profitability improved through expanded sourcing to NA Big 3
  - Centered on large sedans, SUVs, and strategic models (EV/Performance)

### RE

- Volume growth and margin gains through new accounts & project-based sales
- Expanded high-value offering through new product launches

## 2 Financial Results | Sales by Region

### Europe (KRW bn)



### Market

#### ■ Growth led by low-priced EVs: ICE vehicle sales declining

- 1H new car sales: 8.891 mn units (YoY -2.8%, vs. 9.15 mn in 1H '24)
- Tire market: OE -8%, RE +5% (1H)

### OE

- Increased volume and model coverage at overseas C/Ms (Mercedes-Benz, VW, SEAT, SKODA, etc)
- New project supply launched (e.g., SKODA Enyaq, Elroq)

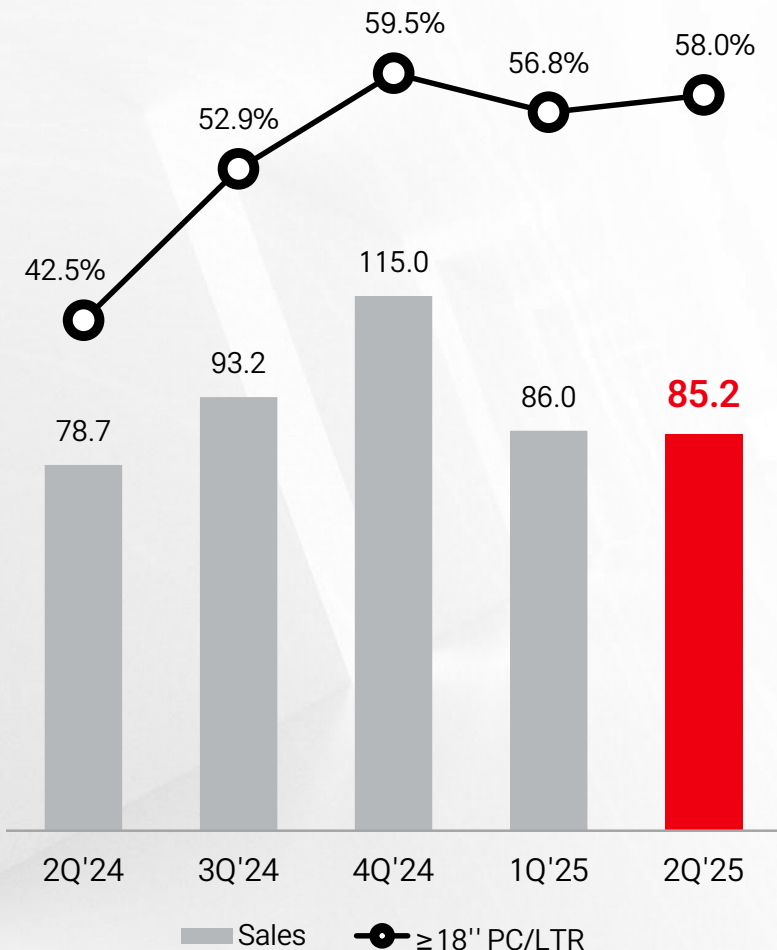
### RE

- Stable sales base via new retail contracts and partner marketing
- Seasonal order growth and pricing improvements to boost margins



## 2 Financial Results | Sales by Region

### China (KRW bn)



### Market

#### ▣ New car sales up on domestic and EU export growth

- 1H new car sales: 12.67 mn units (YoY +7.5%, vs. 11.79 mn in 1H '24)
- Tire market: OE +10%, RE 0% (1H)

### OE

- Growth led by expanded supply to Chinese C/Ms (Chery, SAIC, Geely)
- High-margin HVP supply increasing profit contribution

### RE

- Inventory reduction and increased customer inflow driven by dealer marketing support
- Brand visibility enhanced through sales network expansion

### ✓ Sales Target: KRW 5 tn

- 2024 Sales: KRW 4.5 tn → 2025 Sales Target: KRW 5.0 tn
- Cumulative 2Q sales: KRW 2,427.5 bn → achieved 48.6% of 2025 target

### ✓ Target Sales Ratio of ≥ 18" Products in PCLT: 46%

- ≥ 18" sales mix in PCLT: 38.1% in '23 → 41.8% in '24 → target 46% in '25
- 2Q sales mix of large-diameter (≥ 18") products: 43.4%
- Enhanced premium large-diameter product portfolio with ECSTA Sport series, SOLUS Advance

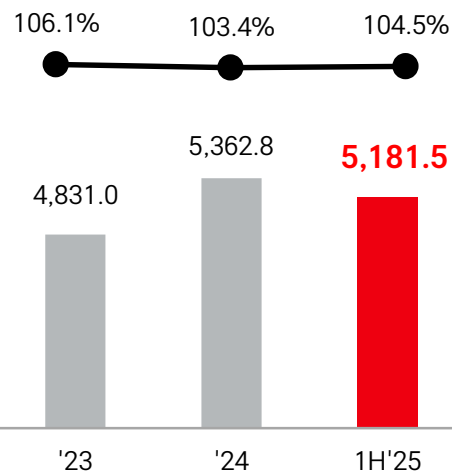
### ✓ EV Tire Supply Target Ratio: 26%

- EV share in PCLT OE supply: 9.8% in '23 → 16.3% in '24 → target 26% in '25
- 2Q EV share: 20.3% → 6 additional EV-dedicated tire models added vs. 2024

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**TIRE**

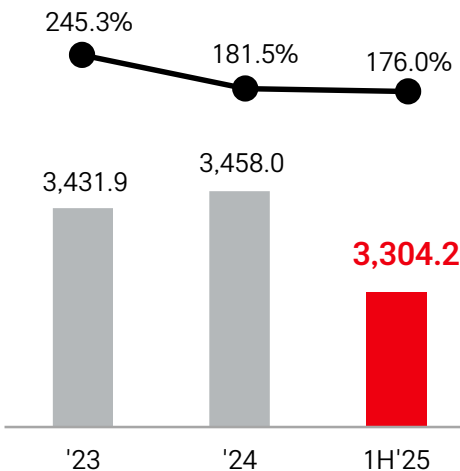
## Assets (KRW bn)

### Current ratio



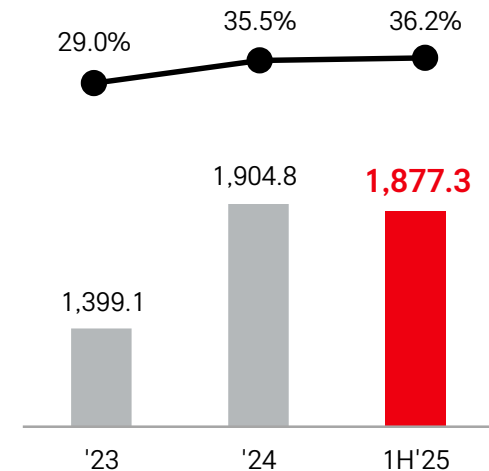
## Liabilities (KRW bn)

### Debt ratio



## Equity (KRW bn)

### Equity ratio



## Interest-Bearing Debt (KRW bn)

2,185.8

1,932.2

1,810.6

'23

'24

1H'25

## Net Interest Expenses (KRW bn)

163.0

116.7

39.5

'23

'24

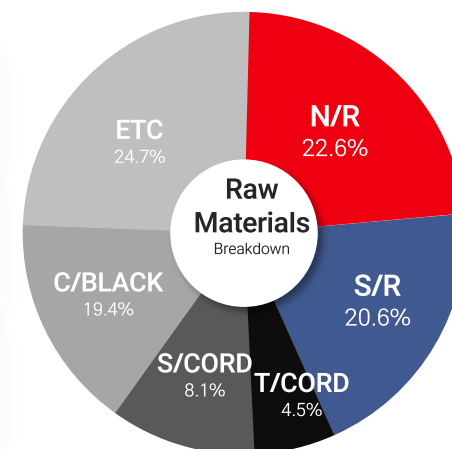
1H'25

## Raw Materials Trends

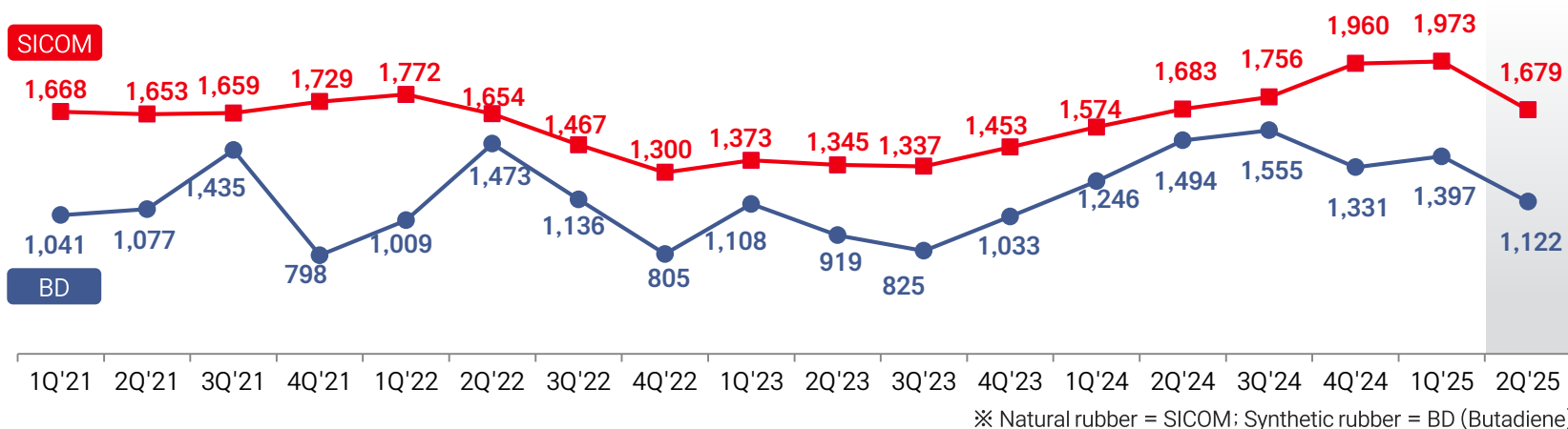
**Natural Rubber** SICOM prices down to \$1,679/ton (2Q '25) on profit-taking and market reaction to regulatory changes at China's INE (Shanghai Int'l Energy Exchange)

**Synthetic Rubber** BD price at \$1,122/ton (2Q): weak volume on tariff uncertainty, prices flat on rising supply

**Carbon Black** Price drop limited by supply concerns amid U.S.-China tariff and prolonged Iran sanctions; further downside expected on OPEC output hike and slowing global demand



## Raw Materials Price Trends (Unit: USD/ton)



## Global SCM Logistics and Business Freight Costs

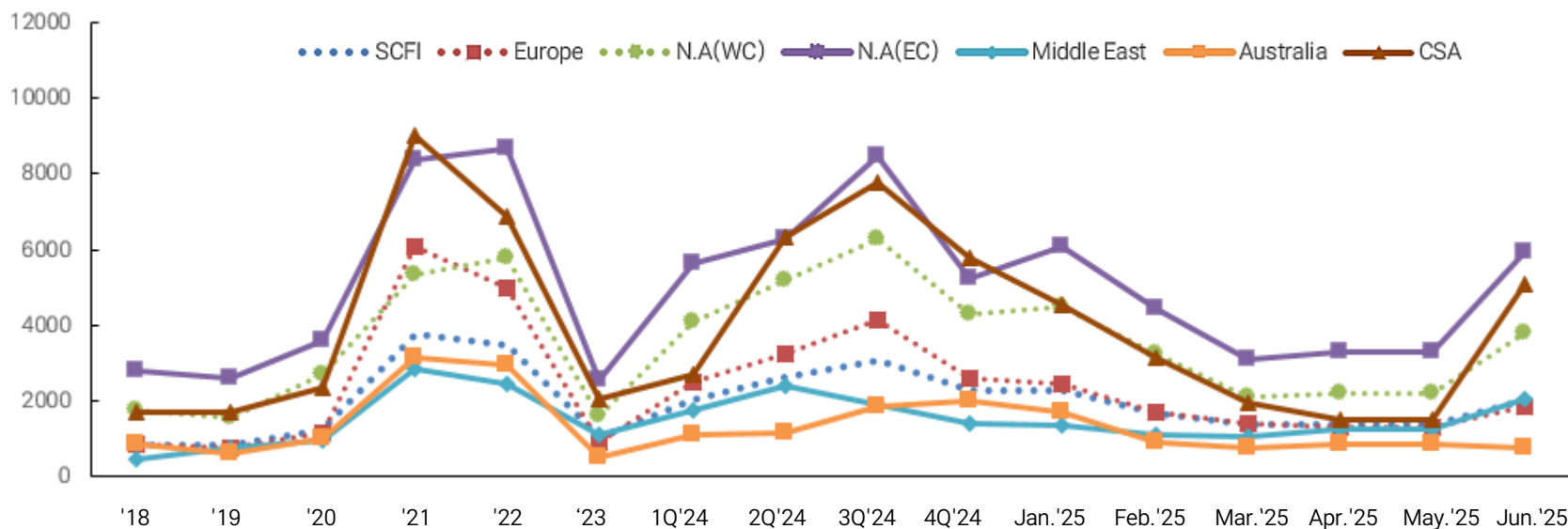
### Global/Domestic Logistics Market

- Freight volatility persists on U.S. tariffs & Middle East risks
- Stabilization underway with tariff talks nearing conclusion, but short-term demand shocks may trigger spikes

### Business Freight Costs in 2Q '25

- 2Q '25 freight savings from rate adjustments and cost-reduction efforts
- 2H savings likely to narrow due to lower freight costs for new Europe/GEM contracts

## SCFI (Shanghai Containerized Freight Index) (Unit : \$)



(KRW bn)

	2023	2024	1H 2025
Current assets	2,002.2	2,335.0	2,443.3
Non-current assets	2,828.8	3,027.8	2,738.1
<b>Total Assets</b>	<b>4,831.0</b>	<b>5,362.8</b>	<b>5,181.5</b>
Current liabilities	1,886.3	2,258.0	2,339.2
Non-current liabilities	1,545.6	1,200.0	965.1
<b>Total Liabilities</b>	<b>3,431.9</b>	<b>3,458.0</b>	<b>3,304.2</b>
Capital stock	1,436.3	1,436.3	1,436.3
Capital surplus	225.0	225.0	225.0
Other components of equity	-19.5	-19.5	-19.5
Accumulated other comprehensive income (AOCI)	99.0	265.8	150.9
Retained earnings (accumulated deficits)	-476.4	-187.0	-96.8
Non-controlling interests	134.7	184.3	181.4
<b>Total Equity</b>	<b>1,399.1</b>	<b>1,904.8</b>	<b>1,877.3</b>
<b>Total liabilities and equity</b>	<b>4,831.0</b>	<b>5,362.8</b>	<b>5,181.5</b>

(KRW bn)

	2023	2024	1H 2025
<b>Sales</b>	4,041.4	4,532.2	2,427.5
<b>COGS</b>	2,931.3	3,149.9	1,679.8
<b>Gross profit</b>	1,110.1	1,382.2	747.7
<b>SG&amp;A</b>	699.1	793.7	426.0
<b>Operating profit</b>	411.0	588.6	321.7
<b>Non-operating income (loss)</b>	-183.9	-155.3	-189.1
<b>Pre-tax profit (loss)</b>	227.1	433.3	132.6
<b>Corporate tax benefit (expense)</b>	-55.3	-81.7	-24.0
<b>Net profit (loss)</b>	171.8	351.6	108.5