



# 1Q 2023 Earnings Release

May 11, 2023

**Disclaimer**

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# 1Q 2023: Key Financial Metrics

(KRW in Billions)

	1Q23	1Q22	YoY %	4Q22	QoQ %
<b>Revenue</b>	<b>2,340</b>	<b>1,980</b>	18.2%	<b>2,345</b>	-0.2%
<b>COGS</b>	<b>2,126</b>	<b>1,802</b>	18.0%	<b>2,081</b>	2.1%
% of Sales	90.8%	91.0%		88.8%	
<b>SG&amp;A (Incl. R&amp;D)</b>	<b>154</b>	<b>148</b>	3.9%	<b>160</b>	-3.5%
% of Sales	6.6%	7.5%		6.8%	
<b>EBITDA</b>	<b>202</b>	<b>162</b>	24.3%	<b>249</b>	-18.9%
Margin (%)	8.6%	8.2%		10.6%	
<b>Operating Profit</b>	<b>60</b>	<b>30</b>	97.7%	<b>104</b>	-42.3%
Margin (%)	2.6%	1.5%		4.4%	
<b>Profit Before Tax</b>	<b>67</b>	<b>30</b>	122.6%	<b>27</b>	146.8%
Margin (%)	2.8%	1.5%		1.2%	
<b>*Net Income</b>	<b>45</b>	<b>22</b>	103.1%	<b>7</b>	563.1%
*Margin (%)	1.9%	1.1%		0.3%	

**Quarterly Revenue Maintained at Record High Level; Operating Profit Increased Fast YoY on Low Base**

Note: \*Net Income without one-time non-cash taxation of 36bW in 4Q 2022 due to tax law revision in South Korea

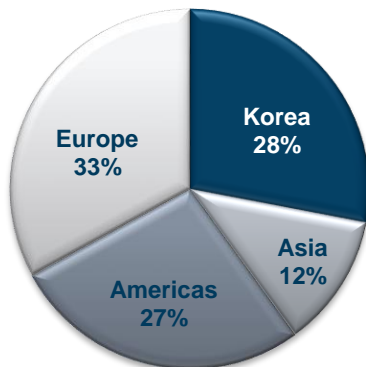
# 1Q 2023 Highlights

## 1Q23 Highlights

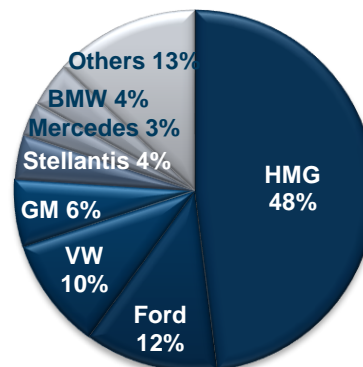
- Revenue increase of 18% YoY based on volume recovery, easing chip shortage and xEV growth
- Profits double year-on-year; Expect profit margin to improve further based on cost recovery from customers
- New Business Wins from major customers in the U.S., Europe, and South Korea

## Sales Breakdown (1Q23)

### By Region



### By Customer

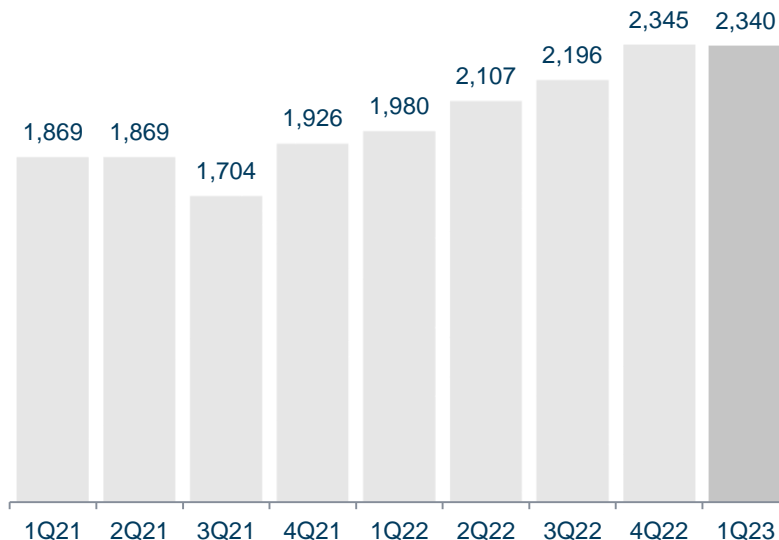


# Quarterly Sales

## Consolidated Sales

## Comments

(KRW in Billions)



- Americas, Europe and Korea 1Q23 YoY revenue up by 25%, 25% and 18% respectively; China down 24% YoY
- Increase in VW (+61%), HMG (+21%), BMW (+16%), GM (+16%), Stellantis (+15%) and Ford (+12%) in 1Q23

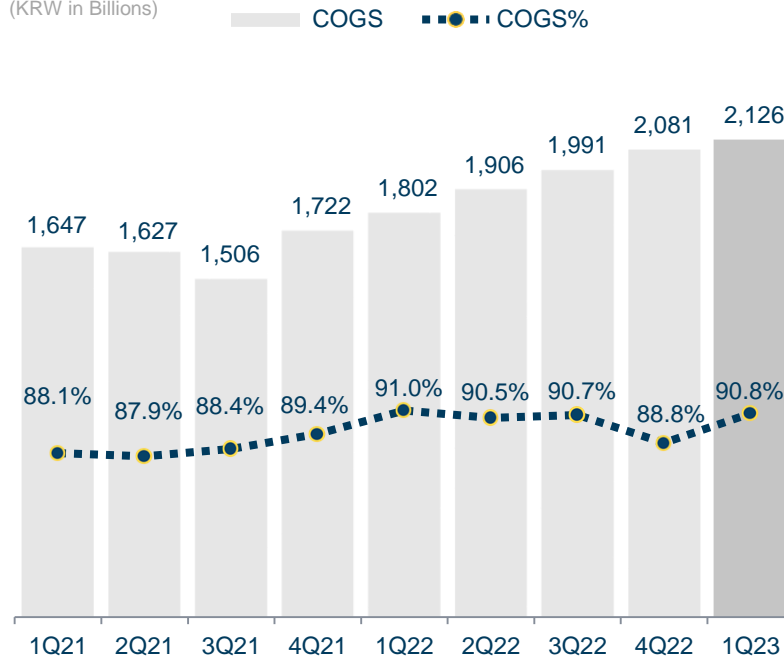
**1Q23 Revenue Increase of 18% YoY Led by HMG and VW in Americas and Europe**

# Quarterly COGS

## Quarterly Cost of Goods Sold

## Comments

(KRW in Billions)



- Positive factors

- COGS% decreased 0.2%p YoY due to production recovery, mitigation of supply chain disruptions and price stabilization
- Expect COGS% improvement in 2023 with easing raw material and logistics costs, and commercial cost recoveries

- Negative factors

- Lower than expected volume, especially in China
- Logistics costs remain high due to premium freight and labor costs; anticipate stabilization in 2H 2023

**Gradual Improvements Expected in 2023 Along With Cost Factor Normalization**

# Quarterly SG&A

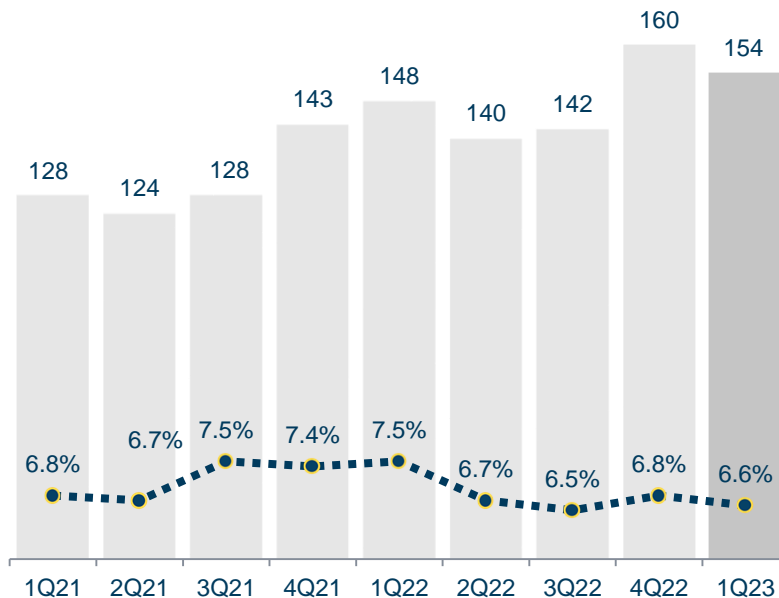


## Quarterly SG&A Status

## Comments

(KRW in Billions)

SG&A    SG&A%



- SG&A expense: 6.6% of total revenue (down 0.9pp YoY)
- R&D spend (incl. R&D capitalization): 4.3% of total revenue

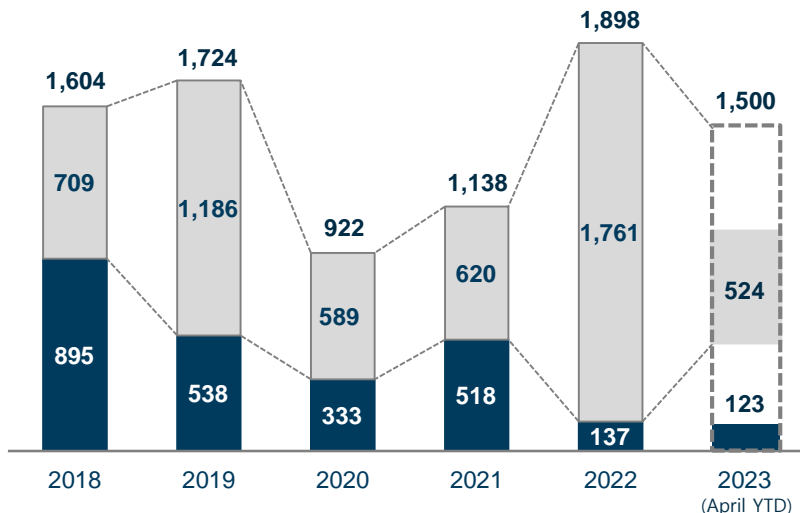
**SG&A% Remains Stable as Company Controls Costs**

# New Business Wins Update



## FY2023 New Business Wins

■ Re-win □ New-win  
 (Annual Average Revenue in USD Millions)



- 2023 Targets – new-win: \$1b; re-win: \$0.5b
- Strong relationships with anchor and premium customers strengthens leading position in the EV market
- Significant new-wins in 1Q on BEV platforms from major customers in the U.S., Europe and South Korea

xEV (% out of New-win)	2018	2019	2020	2021	2022	2023
	63%	73%	76%	81%	93%	96%

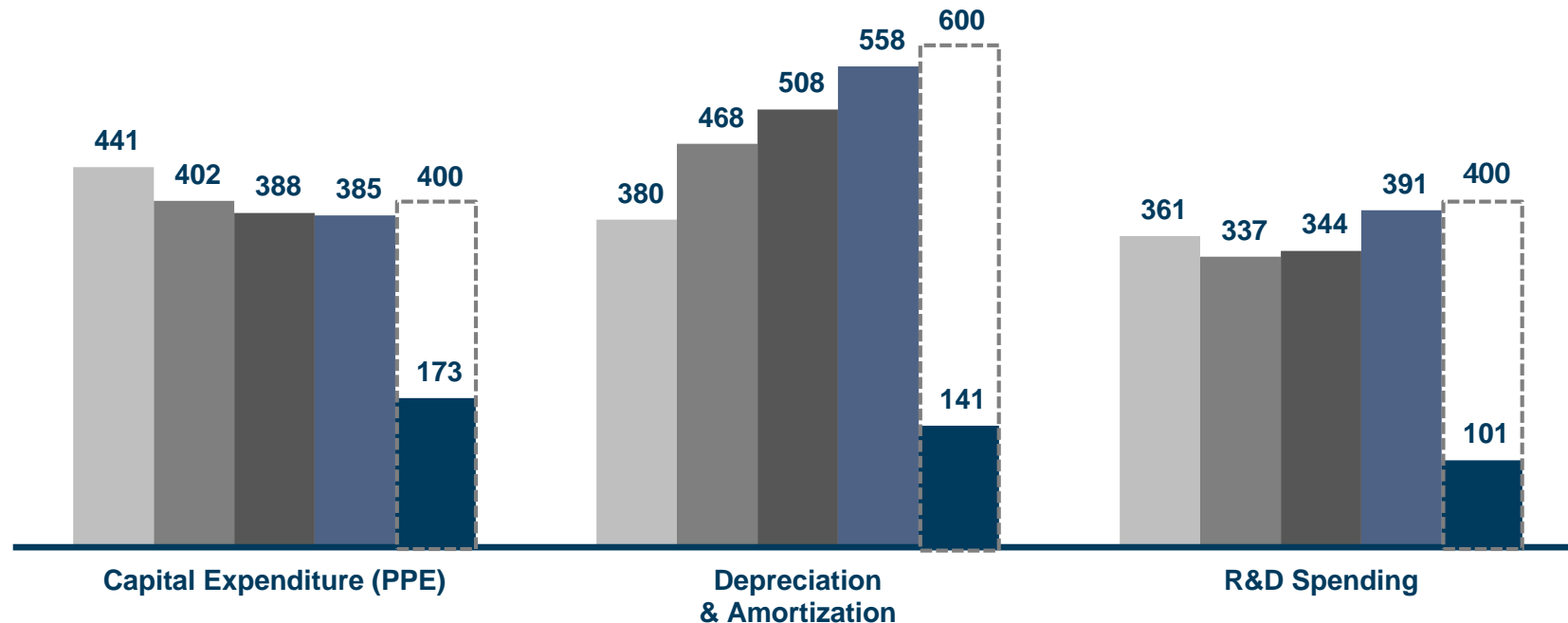
**2023 New Business Win Target is 1.5 Billion USD Based on xEV Sourcing by Major Customers**

# Trend of CapEx, D&A and R&D Spending



(KRW in Billions)

■ FY2019 ■ FY2020 ■ FY2021 ■ FY2022 ■ FY2023



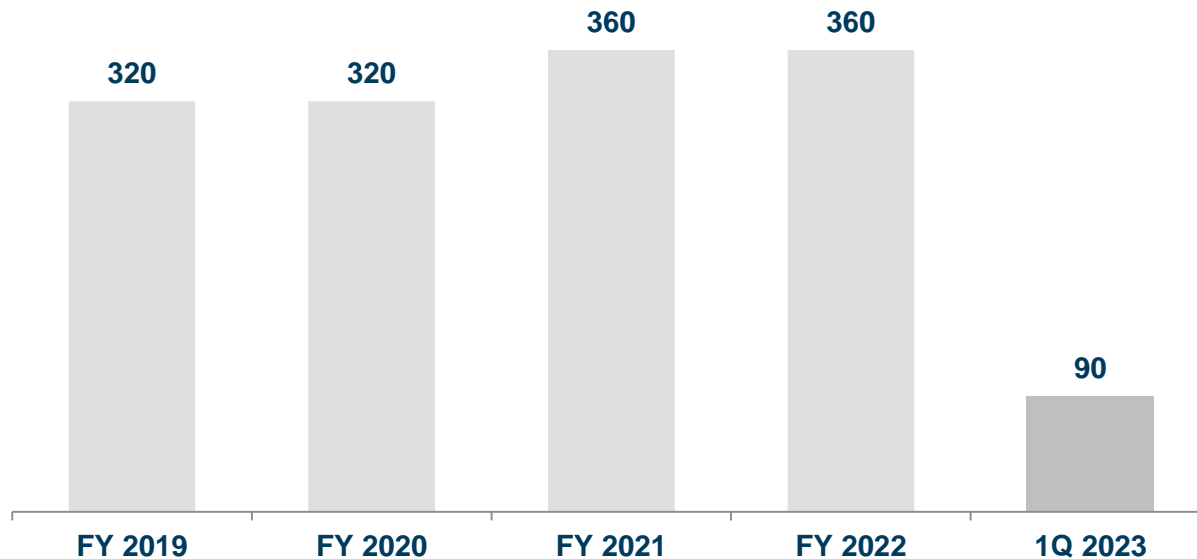
**2023 Focus for CapEx and R&D Spending to Support BEV Growth in the U.S., Europe and South Korea**

Note: E&FP consolidated since 2Q19



# Dividend

## 1Q23 Quarterly Dividend (KRW per share)



# 1Q 2023 Balance Sheet



(K-IFRS / KRW in Billions, x times)

## Balance Sheet

	Mar 2023	Dec 2022	Dec 2021
Cash and cash equivalent	1,105	1,436	1,404
Account receivable	1,369	1,285	1,025
Inventories	1,061	972	810
Property and equipment	2,482	2,371	2,336
Intangible assets	2,021	1,923	1,790
Lease assets	278	249	227
Other assets	897	863	642
<b>Total assets</b>	<b>9,213</b>	<b>9,099</b>	<b>8,234</b>
Account payable	1,795	1,824	1,475
Debt	4,217	4,280	3,723
Other liabilities	695	624	560
Shareholder's equity	2,365	2,236	2,343
Non-controlling	141	134	133
<b>Total liabilities &amp; shareholders' equity</b>	<b>9,213</b>	<b>9,099</b>	<b>8,234</b>

## Cash and Debt

Cash Balance	Mar 2023	Dec 2022	Dec 2021
Net Debt	3,112	2,844	2,319
Net Debt Ratio	1.2	1.2	0.9
Debt to Equity	1.7	1.8	1.5
<b>Leverage</b>		<b>2022</b>	<b>2021</b>
EBITDA		814	834
Debt / EBITDA		5.3	4.5
Net Debt / EBITDA		3.5	2.8
EBITDA / Net Interest Expenses		8.8	10.5



# Thank You

## Investor Relations Team

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