**Press release**

**Hankook Tire announces 2022 Q2 financial results**

* **Global sales reached KRW 2,039.9 billion (approx. EUR 1,520.3m), a 12.9 percent increase year-on-year (YoY), while operating profit declined 6.3 percent YoY to KRW 175.2 billion (EUR 130.5m)**
* **Continued market uncertainty including high oil prices and inflation**
* **1.1 percentage point (pp) increase YOY sales of large-diameter tyres as a proportion of total sales of passenger car tyres**
* **Growth in supply to Original Equipment tyres for electric vehicles**
* **Grand opening of Hankook Technoring, the company’s new cutting-edge proving
ground, builds momentum for future industry leadership**

**Seoul, Korea / Neu-Isenburg, Germany, 02 August 2022 –** HankookTire announced the company’s 2022 Q2 financial results with consolidated global sales of KRW 2,039.9 billion (EUR 1,520.3m) and operating profit of KRW 175.2 billion (EUR 130.5m).

During the second quarter of 2022, Hankook registered growth of 12.9 percent YoY and 13.9 percent over the previous quarter (QoQ) in aggregate sales. This despite external challenges that include global supply chain disruptions and rising raw material costs. Operating profit decreased 6.3 percent compared to a year ago, but increased 39.0 percent compared to the previous quarter. The achievement was underpinned by an increased share of sales attributable to high-value-added products as well as effective pricing strategies.

Sales of large-diameter passenger car tyres (18 inches or more) remained a key engine for growth. It accounted for 39.1 percent of Hankook’s total sales of passenger car tyres, up 1.1pp. The Chinese market was the biggest contributor, with sales of large-diameter tyres for passenger cars growing by 11.5pp YoY to 51.8 percent of total sales. This was followed by the Korean market, which saw a YoY increase of 3.4pp to a record high of 50.5 percent. The European market reported a 0.5pp increase YoY. Further growth in consolidated revenues also came from strong sales on the North American market of both original-equipment and replacement tyres.

However, Q2 sales volumes and operating profit posted a decline from the same period last year due to the market impact of the Russia-Ukraine conflict, lockdown in China and historically high inflation rates.

In addition to stabilised business performance, the second quarter also saw Hankook gain significant momentum in its efforts to secure future leadership in the industry. In May, Hankook opened Asia's largest proving ground ‘Hankook Technoring’, which enables the company to take another leap forward as a leader in technological innovation.

The test track provides rigorous testing conditions for Hankook's most advanced products, including tyres for electric vehicles (EVs) and supercars. It is expected to play a pivotal role in meeting the strict requirements of car makers as well as boosting the era of electric vehicles.

In Europe, the same month saw Hankook introduce its first family of tyres specifically designed for electric vehicles. The iON (pronounced /ai'on/) range, available in summer, winter and all-season treads (depending on market), will also be rolled out in other markets this year.

During the second quarter, Hankook continued to supply original-equipment tyres for premium automobiles. In one notable development, the company began equipping the Audi Q4 e-tron and Audi Q4 Sportback e-tron with its Ventus S1 evo 3 ev. Hankook's extensive OE installations on Audi’s electric vehicle models started in June last year with Audi’s first all-electric sports car, the Audi e-tron GT.

Hankook also successfully prevailed against its competitors, especially in the results of tyre tests conducted by renowned automobile magazines. The company gained three awards at the 2022 Auto Express Product of the Year Awards hosted by the UK’s leading car magazine Auto Express. The Hankook Ventus S1 evo 3 took the accolade “Summer Tyre Product of the Year 2022”, while the Hankook Kinergy 4S 2 won "Product of the Year", scoring high in aquaplaning tests. The Hankook Winter i\*cept RS 2 achieved a solid "Commended" in the same test.

Hankook aims to achieve double-digit growth this year and increase its sales share of large-diameter tyres to 42.0 percent of total sales of passenger car tyres. The company will also focus on gaining leadership in the electric vehicle tyre segment.

**Q2 2022 Consolidated Financial Result**

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Billion KRW)** | **Q2 FY 2021** | **Q1 FY 2022** | **Q2 FY 2022** |
| **Sales** | **1,806.3** | **1,790.6** | **2,039.9** |
| **Operating Profit** | **187.0** | **126.0** | **175.2** |

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Million USD)** | **Q2 FY 2021** | **Q1 FY 2022** | **Q2 FY 2022** |
| **Sales** | **1,610.9** | **1,486.0** | **1,619.5** |
| **Operating Profit** | **166.7** | **104.5** | **139.0** |

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Million EUR)** | **Q2 FY 2021** | **Q1 FY 2022** | **Q2 FY 2022** |
| **Sales** | **1,337.1** | **1,323.9** | **1,520.3** |
| **Operating Profit** | **138.4** | **93.1** | **130.5** |

***\*Exchange Rates:***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Q2 FY 2021** | **Q1 FY 2022** | **Q2 FY 2022** |
| **USD / KRW** | **1,121.23** | **1,204.95** | **1,259.57** |
| **EUR / KRW** | **1,350.85** | **1,352.44** | **1,341.71** |

*(NOTE: Average exchange rates for the given annual period, retrieved from Korea Exchange Bank)*

**H1 2022 Consolidated Financial Result**

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| **(Unit: Billion KRW)** | **H1 FY 2021** | **H1 FY 2022** |
| **Sales** | **3,423.1** | **3,830.6** |
| **Operating Profit** | **373.0** | **301.3** |

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| --- | --- | --- |
| **(Unit: Million USD)** | **H1 FY 2021** | **H1 FY 2022** |
| **Sales** | **3,062.5** | **3,107.0** |
| **Operating Profit** | **333.7** | **244.3** |

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| --- | --- | --- |
| **(Unit: Million EUR)** | **H1 FY 2021** | **H1 FY 2022** |
| **Sales** | **2,541.5** | **2,844.2** |
| **Operating Profit** | **276.9** | **223.7** |

***Exchange Rates:***

|  |  |  |
| --- | --- | --- |
|  | **H1 FY 2021** | **H1 FY 2022** |
| **USD / KRW** | **1,117.73** | **1,232.87** |
| **EUR / KRW** | **1,346.83** | **1,346.77** |

*(NOTE: Average exchange rates for the given annual period, retrieved from Korea Exchange Bank)*

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**About Hankook**

Hankook Tire manufactures globally innovative, award-winning radial tyres of proven superior quality for passenger cars, light trucks, SUVs, RVs, trucks, and buses as well as motorsports (circuit racing/rallies).

Aspiring to bring consumers the utmost excellence in product quality, technological excellence and driving satisfaction, Hankook Tire continuously invests in research and development maintaining five R&D centres and eight production facilities around the world. Bespoke tyre solutions for the European markets as well as European Original Equipment according to the requirements of leading premium car manufacturers, are developed in the company’s regional Technical Centre in Hanover/Germany. Production for the European region is taking place in the state-of-the-art manufacturing site in Rácalmás/Hungary which was inaugurated in June 2007 and is continuously being expanded. Currently around 3,000 employees produce up to 19 million tyres a year for passenger cars, SUVs and light trucks.

Hankook Tire’s European headquarters are located in Neu-Isenburg near Frankfurt am Main in Germany. The manufacturer operates further branches in several European countries and sells its products through regional distributors in other local markets. Hankook Tire employs approximately 20,000 people worldwide and are selling their products in over 180 countries. Internationally leading car manufacturers rely on tyres made by Hankook for their original equipment. Approximately 34 percent of the company's global sales are generated within the European and CIS-Region. Hankook Tire has been represented in the renowned Dow Jones Sustainability Index World (DJSI World) since 2016.

For more information please visit [www.hankooktire-mediacenter.com](http://www.hankooktire-mediacenter.com) or [www.hankooktire.com](http://www.hankooktire.com)

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