**Press release**

**Hankook announces 2022 financial results**

* **Global sales in 2022 reached KRW 8,394.2 billion (approx. EUR 6,184.3m), operating profit KRW 705.7 billion (approx. EUR 519.9m)**
* **Annual sales hit a record high, up 17.5 percent YoY**
* **High-inch passenger car tyre sales accounted for 40.8 percent, up 3.1 percentage points YoY**
* **Company targets 5 percent sales growth in 2023 and increase in sales portion of high-inch passenger car tyres to 45 percent and electric vehicle OE supply to 20 percent**

**Seoul, Korea / Neu-Isenburg, Germany, 2 February 2023 –** Premium tyre manufacturer Hankook announced the company’s 2022 financial results with consolidated global sales at an all-time high of KRW 8,394.2 billion (approx. EUR 6,184.3m). Operating profit stood at KRW 705.7 billion (approx. EUR 519.9m). Sales and operating profit increased YoY by 17.5 percent and 9.9 percent, respectively.

Record high annual sales were propelled by the expansion of high-value-added products and strong pricing strategy despite global market conditions, which saw high raw material costs and global supply chain disruptions in the first half of the year. As costs of raw materials and logistics stabilised in the second half of 2022, a favourable currency situation and an increase in original equipment tyre demand boosted the bottom line for the year.

Sales of the large-diameter tyres were among the biggest contributors to the increase in sales. Global sales of passenger car tyres 18 inches or higher accounted for 40.8 percent of the company’s total passenger car tyre sales, up 3.1 percentage points (pp) YoY. In the fourth quarter alone, the figure reached 43.9 percent, a 5.0pp increase YoY. By region, Hankook saw its largest growth for passenger car tyres 18 inches or higher in the Chinese market with a 12.4pp YoY increase to 58.8 percent during the fourth quarter, followed by a 5.7pp YoY increase to reach 53.5 percent in Korea, a 3.4pp YoY in Europe at 32.5 percent, and the North American market reporting a 2.5pp YoY increase at 51.9 percent. This led Hankook to log consolidated global sales of KRW 2,263.8 billion (approx. EUR 1,613.8m) and operating profit of KRW 212.0 billion (approx. EUR 152.8m), up 19.9 percent and 140.1 percent YoY, respectively, in the fourth quarter. However, demand for replacement equipment (RE) tyres dipped slightly compared to the previous year with inflation weighing on consumer sentiment.

Hankook boosted its presence in the electric vehicle (EV) market in 2022. The iON range, Hankook’s first family of tyres specially designed for high performance, premium electric vehicles, was rolled out in several markets. Hankook secured OE supply deals for several global carmakers’ EV models, including Audi Q4 e-tron, BMW i4, Hyundai IONIQ 6, Škoda Enyaq iV and Toyota bZ4X. Furthermore, Hankook made its debut as an exclusive supplier and technical partner of the world’s first all-electric racing series, the ABB FIA Formula E World Championship.

Hankook’s excellence in tyre technology was recognised in tyre tests by renowned automobile magazines. Hankook's Kinergy 4S 2, which is showing strong sales in the European market, won the all weather tyre test by UK’s leading car magazine Auto Express for the second year in a row. The Ventus S1 evo 3 SUV was crowned test winner in Auto Bild Allrad magazine, Europe's largest all-terrain vehicle magazine.

Hankook also continued to solidify its Environmental, Social and Governance (ESG) leadership, earning its seventh consecutive listing in the esteemed Dow Jones Sustainability Indices for industry-leading sustainability.

In 2023 Hankook aims to achieve sales growth of over 5 percent YoY while increasing the portion of high-inch tyres in total sales of passenger car tyres to 45 percent. The company also intends to raise the share of original equipment supply for electric vehicle models to 20 percent among all passenger car and light truck OE contracts. Hankook’s overall focus will be on increasing sales in major markets, strengthening partnership with premium carmakers and solidifying its leading position in the electric vehicle tyre segment.

**2022 Consolidated Financial Results**

|  |  |  |
| --- | --- | --- |
| **(Unit: Billion KRW)** | **FY 2021** | **FY 2022** |
| **Sales** | **7,141.1** | **8,394.2** |
| **Operating Profit** | **642.1** | **705.7** |

|  |  |  |
| --- | --- | --- |
| **(Unit: Million USD)** | **FY 2021** | **FY 2022** |
| **Sales** | **6,239.9** | **6,496.2** |
| **Operating Profit** | **561.0** | **546.1** |

|  |  |  |
| --- | --- | --- |
| **(Unit: Million EUR)** | **FY 2021** | **FY 2022** |
| **Sales** | **5,278.7** | **6,184.3** |
| **Operating Profit** | **474.6** | **519.9** |

***\*Exchange Rates:***

|  |  |  |
| --- | --- | --- |
|  | **FY 2021** | **FY 2022** |
| **USD / KRW** | **1,144.42** | **1,292.16** |
| **EUR / KRW** | **1,352.79** | **1,357.34** |

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

**Q4 2022 Consolidated Financial Results**

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| --- | --- | --- | --- |
| **(Unit: Billion KRW)** | **Q4 FY 2021** | **Q3 FY 2022** | **Q4 FY 2022** |
| **Sales** | **1,888.4** | **2,299.7** | **2,263.8** |
| **Operating Profit** | **88.3** | **192.4** | **212.0** |

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Million USD)** | **Q4 FY 2021** | **Q3 FY 2022** | **Q4 FY 2022** |
| **Sales** | **1,596.0** | **1,718.7** | **1,665.4** |
| **Operating Profit** | **74.6** | **143.7** | **155.9** |

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Million EUR)** | **Q4 FY 2021** | **Q3 FY 2022** | **Q4 FY 2022** |
| **Sales** | **1,396.2** | **1,706.6** | **1,631.8** |
| **Operating Profit** | **65.2** | **142.7** | **152.8** |

***\*Exchange Rates:***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Q4 FY 2021** | **Q3 FY 2022** | **Q4 FY 2022** |
| **USD / KRW** | **1,183.17** | **1,337.98** | **1,359.26** |
| **EUR / KRW** | **1,352.51** | **1,347.50** | **1,387.29** |

*(NOTE: Average exchange rates for the given 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/street circuits/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 sells products in over 160 countries. The company has been selected as the technical partner and exclusiv tyre supplier of the Generation 3 for the FIA ABB Formula E World Championship, starting 2023. Internationally leading car manufacturers rely on tyres made by Hankook for their original equipment. Approximately 38 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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