**Press release**

**Hankook announces 2023 Q1 financial results**

* **Reports show sales up 17.5 percent and operating profit up 51.5 percent year-on-year (YoY)**
* **Hankook plans to consolidate its leading position in the EV tyre and high-performance tyre markets**

**Seoul, Korea / Neu-Isenburg, Germany, 12 May 2023** –Premium tyre manufacturer Hankook has announced sales of KRW 2,104.0 billion (approx. EUR 1,537.4m) and an operating profit of KRW 190.9 billion (approx. EUR 139.4m) based on global consolidated financial results for the first quarter of 2023. Both sales and operating profit increased by 17.5 percent and 51.5 percent respectively YoY.

Based on premium brand strategies that include increasing the proportion of high-value-added products and securing sales of tyres exclusive to electric vehicles (EVs), Hankook’s sales and operating profit achieved growth despite the backdrop of difficult business conditions, such as the global economic downturn, intensifying competition and more. This performance was supported by the increase in supply of original equipment (OE) tyres with the stabilisation of semiconductor supply and the rise of global sales of replacement tyres in regions like Europe.

Hankook has been growing rapidly in the global electric vehicle market by pioneering customised technologies and strategies even before the widespread commercialisation of EVs. The company is now leading the market, raising its target proportion of EV tyres to about 20 percent this year out of the total supply for passenger car and light truck OE tyres – which recorded 5 percent in 2021 and 11 percent in 2022.

In the first quarter, Hankook maintained steady progress by providing premium tyres for electric vehicles, including Chinese electric vehicle start-up Leapmotor’s ‘C11 electric SUV’, Volkswagen’s electric bus the ‘ID. Buzz’, and Toyota’s first fully electric SUV ‘bZ4X’.

In addition, the proportion of sales attributable to 18-inch and higher passenger car tyres – which are high-value-added products – reached 43.5 percent, up by 4.5 percentage points (pp) YoY. By region, there was an increase of 4.6pp in Korea (53.9 percent), 4.0pp in Europe (31.9 percent), 6.6pp in North America (54.2 percent), and 7.2pp in China (56.3 percent), showing consistent growth across all global regions.

In 2023, Hankook will continue to sustain its leadership in the EV tyre and high-performance tyre markets. The company has been selected as the exclusive technical partner and tyre supplier for the ABB FIA Formula E World Championship, starting this season. Hankook is also the exclusive tyre partner of the Lamborghini Super Trofeo. Through these valued partnerships, Hankook will further enhance its position as a premium global brand and continue to gather data to enhance research and development.

Hankook’s goal is to grow sales by more than 5 percent YoY and achieve 45 percent sales for 18-inch and higher passenger car tyres. To achieve this, the company will focus on increasing sales in major markets, strengthening partnerships with premium car makers and sustaining leadership in the electric vehicle tyre segment.

**Q1 2023 Consolidated Financial Result**

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| --- | --- | --- | --- |
| **(Unit: Billion KRW)** | **Q1 FY 2022** | **Q4 FY 2022** | **Q1 FY 2023** |
| **Sales** | **1,790.6** | **2,263.8** | **2,104.0** |
| **Operating Profit** | **126.0** | **212.0** | **190.9** |

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Million USD)** | **Q1 FY 2022** | **Q4 FY 2022** | **Q1 FY 2023** |
| **Sales** | **1,486.0** | **1,665.4** | **1,649.4** |
| **Operating Profit** | **104.5** | **155.9** | **149.6** |

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Million EUR)** | **Q1 FY 2022** | **Q4 FY 2022** | **Q1 FY 2023** |
| **Sales** | **1,323.9** | **1,631.8** | **1,537.4** |
| **Operating Profit** | **93.1** | **152.8** | **139.4** |

***\*Exchange Rates:***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Q1 FY 2022** | **Q4 FY 2022** | **Q1 FY 2023** |
| **USD / KRW** | **1,204.95** | **1,359.26** | **1,275.58** |
| **EUR / KRW** | **1,352.44** | **1,387.29** | **1,368.51** |

*(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/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 exclusive 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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