

**Our vision is your freedom**  
In our creation, your tomorrow will be safer, greener and easier

# Mando Corporation

July 2021



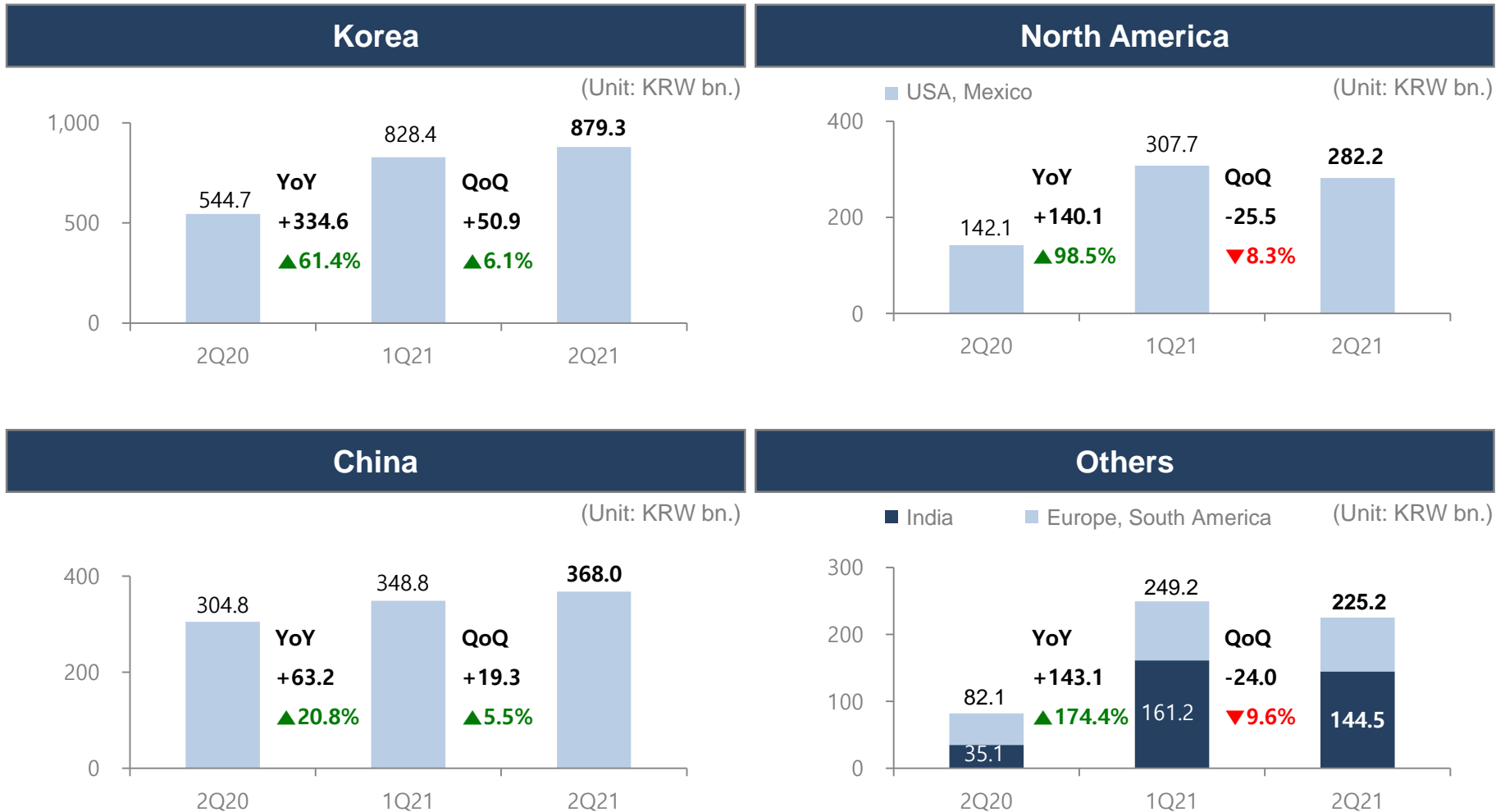
# Recent Highlights

## Strong earnings performance and robust growth profile

- ✓ **Summary of 2Q21 results**
  - Sales of KRW 1,487.5 bn. (YoY +46.8%)
  - Operating profit of KRW 76.7 bn. (OPM : 5.2%)
  - Net profit of 80.4 bn. (NPM : 5.4%)
  
- ✓ **New business wins of KRW 3.9 tn. in 2Q21** (e-product 91%, Non-HKMC 65%)
  - Already achieved 82% of FY2021 new business win target of KRW 8.3 tn.
  - xEV programs : 56% of new orders in 2Q21, reinforcing Mando's strong growth in the xEV market
  - Secured first parking ADAS order from captive OEM, and penetrated into second ADAS customer in the Indian market
  
- ✓ **Split-off of ADAS and mobility business approved at the Extraordinary Shareholders Meeting on July 20, 2021**
  - Split-off progressing on schedule for the official split-off date of September 1, 2021
  
- ✓ **Customer Recognition** : Received Launch Excellence Award at General Motors' 2020 Supplier of the Year event;  
Received Best Supplier Award from NIO at NIO's Partners Day
  
- ✓ **ESG Update** : Received MSCI ESG rating of "A"; published Sustainability Report 2020 (available on [mando.com](http://mando.com))

# 2Q21 Sales by Region

2Q21 sales performance impacted by the chip shortage



# 2Q21 Financial Results

(Unit: KRW bn.)

Description	2Q21	2Q20	YoY	1Q21	QoQ
<b>Sales</b>	<b>1,487.5</b>	<b>1,013.4</b>	<b>+474.1</b>	<b>1,501.5</b>	<b>-14.0</b>
<b>(COGS)</b>	<b>(1,254.0)</b>	<b>(969.6)</b>	<b>+46.8%</b>	<b>(1,282.9)</b>	<b>-0.9%</b>
<b>EBITDA</b>	<b>158.6</b>	<b>-0.1</b>	<b>+158.7</b>	<b>148.7</b>	<b>+9.8</b>
(%)	10.7%	-0.0%	+10.7%p	9.9%	+0.8%p
<b>Operating profit</b>	<b>76.7</b>	<b>-75.9</b>	<b>+152.6</b>	<b>71.8</b>	<b>+4.9</b>
(%)	5.2%	-7.5%	+12.6%p	4.8%	+0.4%p
<i>Interest</i>	-11.7	-10.0	-1.6	-10.1	-1.6
<i>F/X</i>	1.0	-5.2	+6.2	6.7	-5.6
<i>Equity method</i>	1.1	-0.8	+2.0	1.1	+0.1
<b>Profit before tax</b>	<b>102.2</b>	<b>-109.5</b>	<b>+211.7</b>	<b>68.1</b>	<b>+34.1</b>
(%)	6.9%	-10.8%	+17.7%p	4.5%	+2.3%p
<b>Net income</b>	<b>80.4</b>	<b>-111.9</b>	<b>+192.3</b>	<b>52.2</b>	<b>+28.3</b>
(%)	5.4%	-11.0%	+16.4%p	3.5%	+1.9%p

\*2Q21 one-off impact below-OP : Gain on valuation of financial assets KRW 40.2 bn.  
 Impairment loss on shares of a non-consolidated subsidiary KRW 4.2 bn.

# ADAS Split-off Update

Business split-off continues to progress smoothly, on schedule for September 1 split-off date



## Recent Update

- Separation of entities in progress, and project underway to identify synergy between New Co. and Mando Hella Electronics (MHE)

## Operational Direction post Split-off

### [New Co.]

Dominate fast growing industries by concentrating resources on future "winning" businesses

- Establish lean & agile organization
- Pursue growth strategies : advancement of autonomous driving, regional & customer diversification, new business expansion
- Maximize synergy with MHE

### [Remain Co.]

Enhance corporate value through the expansion of EV solutions by leveraging existing chassis capabilities

- Maintain status as an "Active Safety Solutions Provider" by securing 100% control over the New Co.
  - Enhance shareholder value by aligning management goals and maximizing synergy
- Pursue growth strategies : electrification of key chassis products, xEV portfolio diversification, SW enhancement

# Foundations for Future Value Creation

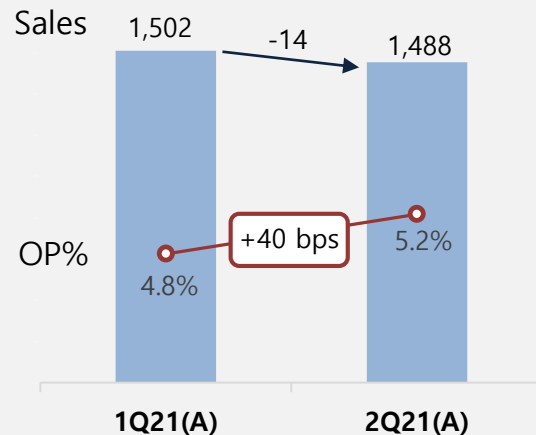
## Strong fundamentals and healthier end market portfolio for a sustainable growth

### Operational Resilience

Despite QoQ sales decline due to auto chip shortage, achieved margin enhancement with positive impact from MHE vertical integration

#### 2021 Quarterly Performance

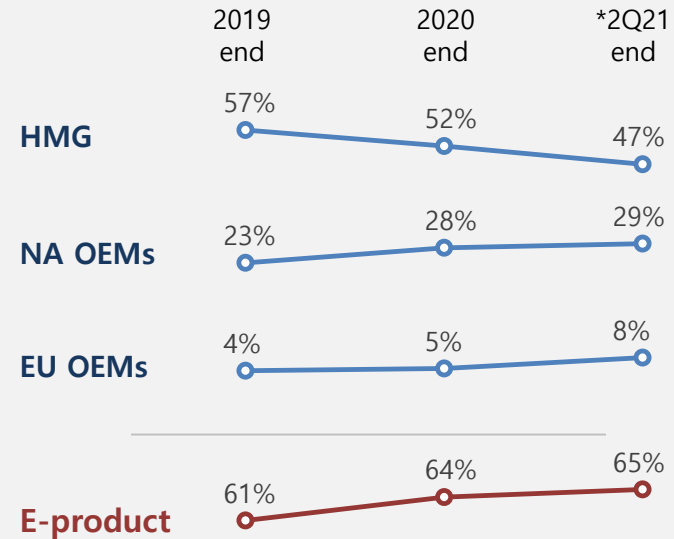
- Sales, OP Margin (KRW bn., %)



### Healthier End Market Portfolio

Balanced customer order backlog and enhanced product mix through improved e-product contribution

#### Percentage of Order Backlog



\*Order backlog up 17% from 2019-end to 2Q21-end

# xEV Customer Portfolio

Demonstrating leadership position and securing growth momentum through xEV customers

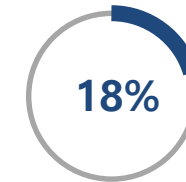
## xEV Customers Acquisition Status

– Year order secured

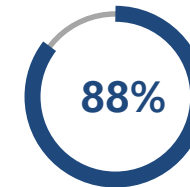
Yr.	NA xEV A	NIO	NA xEV B	WEIMA	China xEV	Canoo	NA xEV C	Hozon	NA xEV D	EU xEV	SE Asia xEV
'15	●										
'16	○										
'17		●	●	●							
'18			○		●	●					
'19	○	○		○		○	●	●			
'20	○	○		○			○		●		
'21	○	○		○				○		●	●

\*Some xEV customers' names are not disclosed due to NDA

xEV customers' share in total order backlog (2Q21)



E-product percentage in xEV customer order backlog



vs. 65% company avg.

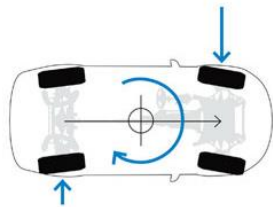


# New Product Launch : Rear Wheel Steering (RWS)

RWS provides better maneuverability and improved stability, enhancing ride comfort and safety

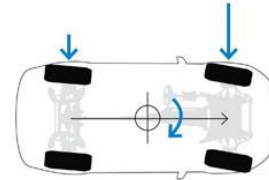
## RWS : How it works

### At Low Speeds – Counter-phase Steering



- ✓ Smaller turning radius
- ✓ Enhanced maneuverability (e.g. parking in tight spaces)
- ✓ Improved agility

### At High Speeds – In-phase Steering



- ✓ Easier vehicle control (e.g. fast lane change)
- ✓ Increased stability
- ✓ Accident avoidance

(Image Source : ZF AKC®)

## Surge in adoption in recent years, led by performance-focused vehicles and luxury sedans

- RWS seeing new popularity with advanced SW, improved HW durability, and for the seamless driving experience it offers
  - . Global RWS market currently cornered by German tier-1
- Hyundai recently joined premium sedan market (e.g. Porsche, Bentley, Audi) with introduction of RWS through Genesis G80 Sport
  - . RWS for G80 Sport and next-gen G90 supplied by Mando





# Consolidated Statements of Financial Position, 2Q21

(Unit: KRW bn.)

Description	2Q21	1Q21	Variance
<b>Asset</b>	<b>5,506.6</b>	<b>5,399.5</b>	<b>+107.1</b>
(Cash)	820.5	596.1	+224.5
<b>Liability</b>	<b>3,614.8</b>	<b>3,600.5</b>	<b>+14.2</b>
(Debt)	2,221.1	2,088.4	+132.7
<b>Equity</b>	<b>1,891.8</b>	<b>1,799.0</b>	<b>+92.8</b>
(Capital)	47.0	47.0	0.0
<b>L/E ratio</b>	<b>191.1%</b>	<b>200.1%</b>	<b>-9.1%p</b>
D/E ratio	117.4%	116.1%	+1.3%p
<b>Net D/E ratio</b>	<b>74.0%</b>	<b>83.0%</b>	<b>-8.9%p</b>

※ L/E (Liability to Equity) , D/E (Debt to Equity), Net D/E (Net debt to Equity)

# Disclaimer

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The 2Q 2021 results of Mando Corporation are prepared on a consolidated basis in accordance with IFRS.

This document is provided for the convenience of investors only, before the external audit of our 2Q 2021 financial results is completed. Some part of this document may be subject to modification following completion of an audit.

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