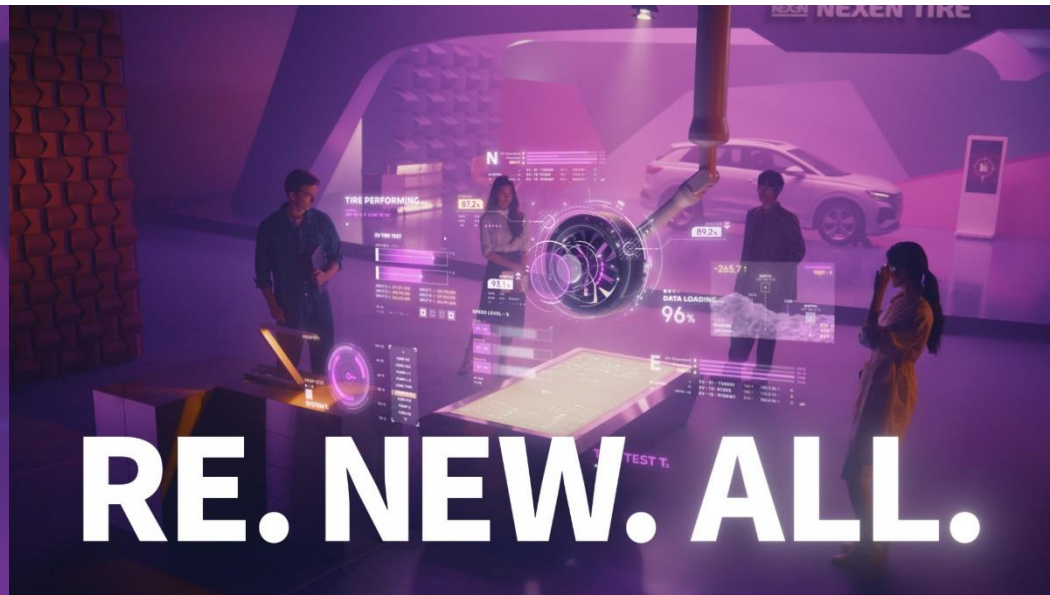


IR PRESENTATION

Q1 2024 Earnings Release

May 2, 2024



Disclaimer

The financial and business information in this document is consolidated earnings results based on K-IFRS.

Please note that some of the contents provided in this document are for the convenience of investors only before the external review on our Q1 2024 financial results is completed. Some of the information presented in this document may be subject to change during the external review process.

This document is based on the facts as of the date of its preparation and should not be used as legal evidence for the investment outcomes under any circumstances.

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- 2. Financial Results**
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1Q 2024 Business Highlights

Global Market Status

New Car Sales
+4.3% (YoY)

Decreased
low base-effect

**Modest
recovery**

OE +1%
(YoY)

Stable new car sales
in major regions

**Stable
Growth**

RE +3%
(YoY)

Decreased
Inventories

**Demand
improvement**

Financial Results

Revenue
678bn KRW
(YoY +6%)

Recovery
in major regions
despite off-season impact

OP
42bn KRW
(YoY +157%)

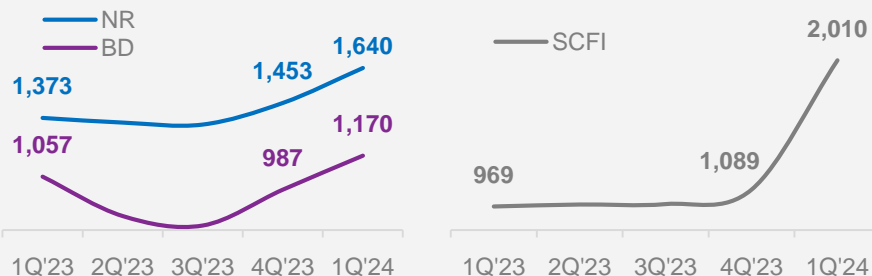
European factory
ramp-up,
Expansion of
OE supply

≥18"
35.4%
(YoY +1.7%p)

Increase in
major markets

Raw materials - Maritime logistics

- Stabilized downward in 2023, however, recent upward moves following geopolitical risk



Key Updates



**2nd phase expansion
in Europe**



**Strengthening
competency
of EV tires**



**Commenced
new OE supply
for 6 car models**

2. Financial Results

Q1 2024 Financial Results

- 678.1bn KRW of revenue through stable sales volume and ASP shows settled earning capability while continuing to grow year on year
- Minimizing off-season impact through strategic operations despite rising costs in the raw materials and freight

(Unit: bn KRW)	Q1 2023	Q4 2023	Q1 2024	QoQ	YoY
Revenue	639.6	678.1	678.1	0.0%	+6.0%
Cost of Sales	497.5	460.1	500.6	+8.8%	+0.6%
(%)	77.8%	67.8%	73.8%	+6.0%p	-4.0%p
Operating Profit	16.2	64.1	41.6	-35.2%	+157.3%
(%)	2.5%	9.5%	6.1%	-3.3%p	+3.6%p
Income Taxes	7.2	24.8	8.0	-67.8%	+10.2%
Net Profit	11.5	10.6	41.0	+287.8%	+256.2%
(%)	1.8%	1.6%	6.0%	+4.5%p	+4.2%p
EBITDA	64.4	111.8	98.2	-12.2%	+52.4%
(%)	10.1%	16.5%	14.5%	-2.0%p	4.4%p

Sales by Region



16%



36%



26%

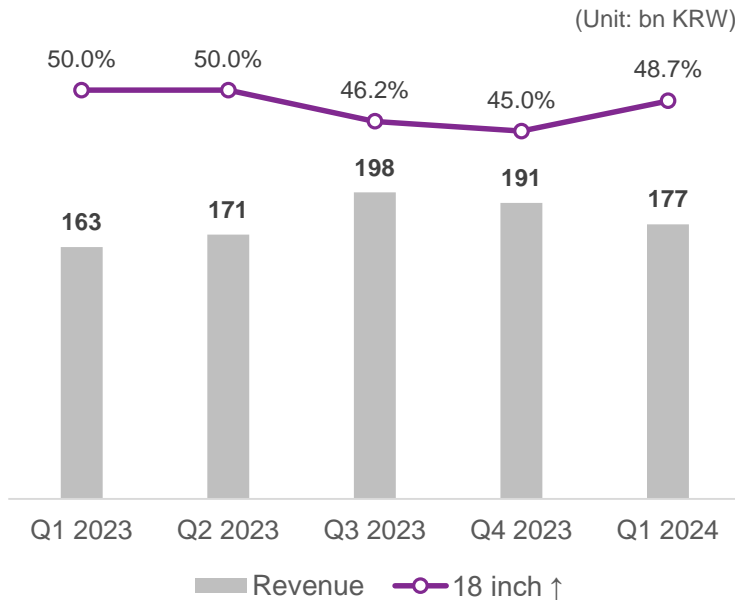
Others

22%

Sales by Region (1/2)

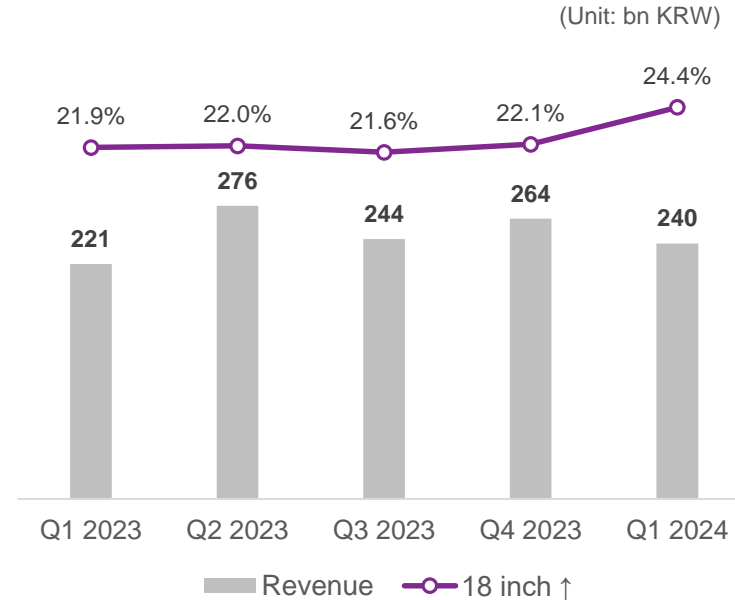
North America

- (OE) Continued supply on the confirmed order volume despite some impacts from temporary closures and production cuts by a major customer
- (RE) Effort for the stable sales despite bad weather(Jan.) and delivery delay issue(Red Sea)
- Continuing efforts to improve sales mix after a temporary decline in the proportion of 18 inch(or higher) sales



Europe

- (OE) Stable revenue achieved through portfolio optimization amid disruption of carmakers' supply chain due to Suez Canal issue
- (RE) Increased the proportion of 18 inch(or higher) by expanding sales of new all-weather tires
- Expectations for gradual sales growth through ramp-up of European plant



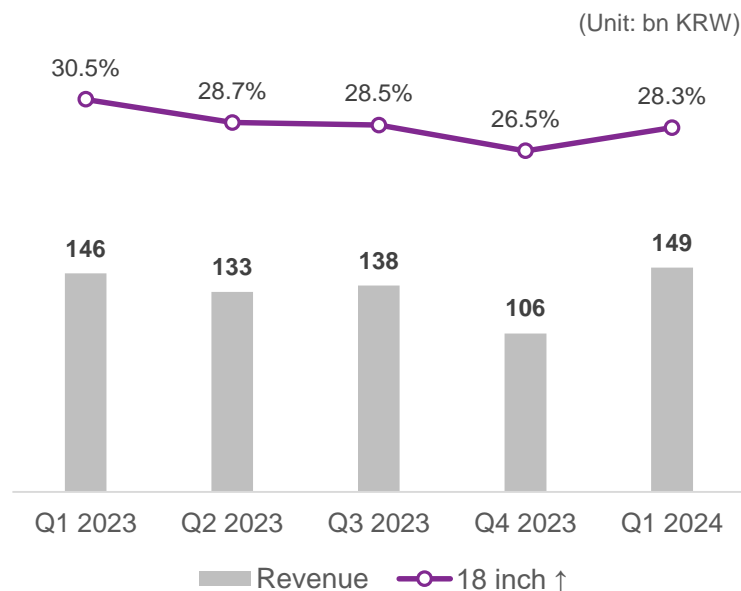
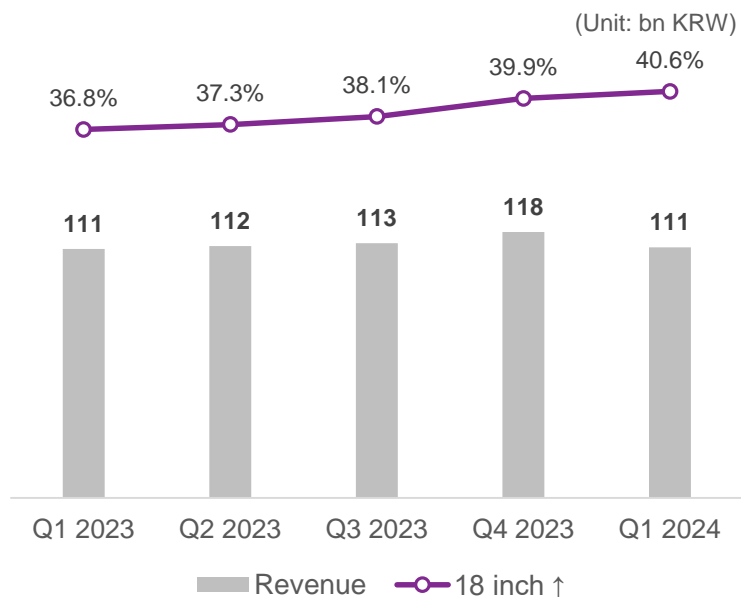
Sales by Region (2/2)

Korea

- (OE) Total vehicle production maintained despite slowdown in EV production due to delay in confirming government subsidies
- (RE) Sales expansion of high value-added products such as 18 inch(or higher) tires
- Proactively respond to market demand by expanding OE supply to EVs

Others

- (OE) Expansion of supply in line with export-focused strategy of HKMC's China plant
- (RE) Reflection of demand concentration in 1Q in the Middle East region
- Continuous efforts to expand M/S in emerging markets and strengthen brand awareness



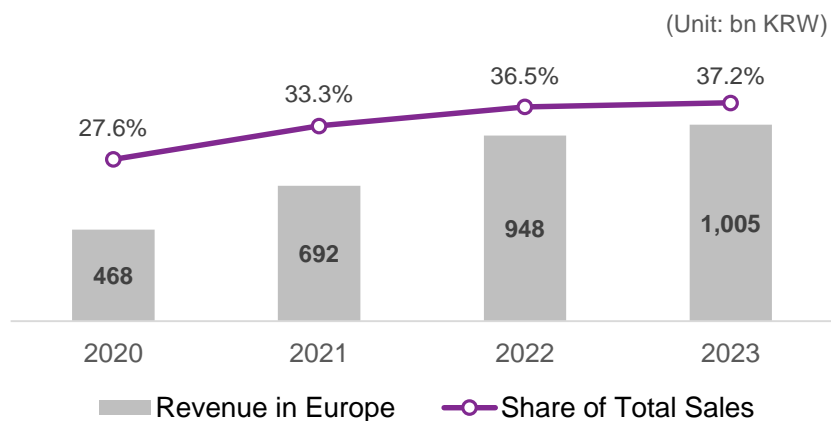
3. Business Issues

Expansion of Production Capacity (Commencement of the 2nd European Plant Operation)

- Commenced the operation in 1Q and full-operation to be in 2025 → Global production capacity of 52mn units
- Stable production compared to plan, which will drive growth by expanding M/S in European market and in high value-added products

Plant Overview in Europe

	Factory 1	Factory 2
Construction Completed	'19. 08.	'23. 12.
Investment	€ 900mn	
Capacity	5.5mn units	5.5mn units
Size	650,000m ²	














Strengthening Sales and Distribution Capability

- In line with the ramp-up of the 2nd European plant, continue to expand OE supply of premium brands and add distribution partnership

Expansion of OE supply

- Commenced new OE supply for 6 car models in 1Q
- In supply to a total of 115 car models
(Porsche CAYENNE E3 PA, BMW X1/5-Series, etc.)

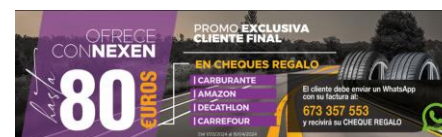
New OE Supply from 1Q

Mercedes-Benz	BMW Mini	HMC
  <p>E-Class</p>	  <p>Mini 5 door / Hatch</p>	  <p>STARIA HEV</p>
Peugeot	Citroen	
  <p>Partner</p>	  <p>Berlingo</p>	 <p>C3</p>

Distribution partnership in Europe

- Bargaining power, production efficiency, and inventory management effects by operating RDC⁽¹⁾
→ Improve supply stability

Black Tire



Spain's largest tire distributor

More than 720 stores

Fiege Logistik



Europe's largest logistics company (Germany)

New logistics depot in Czech Republic

Adjacent to carmakers' plants (VW, BMW, Audi, Skoda)

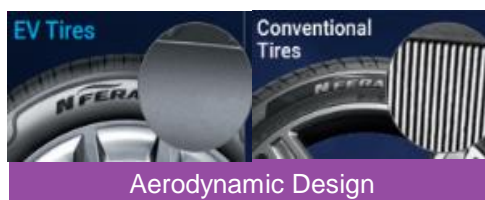
⁽¹⁾ Regional Distribution Center

Competency of EV tires

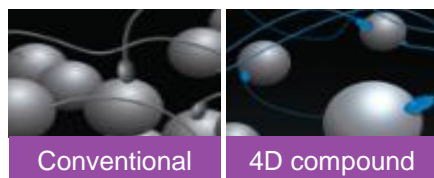
- Development of required performances and specialized technologies tailored to EVs (application of AI tech for the first in the industry)
- Tire designs optimized for EVs using Virtual Brain Loop System⁽¹⁾ based on X-AI Technology⁽²⁾
- Preparing for the popularization era of EVs through continuous technical development

Core Technologies & Key Performances

- **Increased energy efficiency (8%)**



- **Enhanced mileage performance**
- Application of 4D durability compound



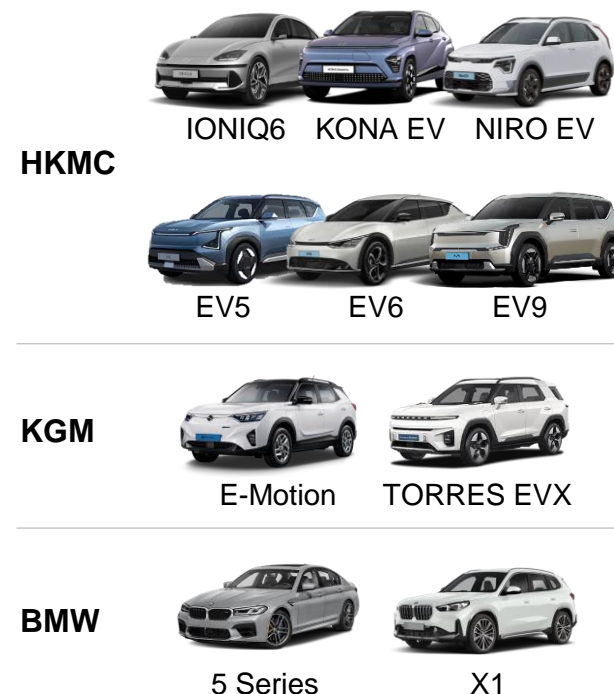
- **Reduced cabin noise**
- Application of NRS(Noise Reduction System)



- **Delayed tire replacement time**
- Wear-Pattern retention technology

- **Wheel slip · torque steer prevention technology**

Major OE supply status for EVs



⁽¹⁾ A sophisticated AI system developed by NEXEN, using Active Learning that utilizes various AI technologies for faster and more accurate tire design and performance improvements prior to actual tire manufacturing, and then uses the data generated in this process for further AI learning.

⁽²⁾ eXplainable AI, an artificial intelligence technology that helps to understand and analyze the cause and process of results generated by machine learning algorithms.

Technical Competency

- The only Korean tire maker to have a 'semi-anechoic lab for real vehicle⁽¹⁾' with indoor pass-by noise system
- Noise-Vibration-Harshness⁽²⁾ evaluation process based on state-of-the-art R&D facilities and AI technology
- 'Tire Maker Championship' in SUPERRACE in just 3 years of developing racing tires in 2023 and back-to-back win in 2024, demonstrating NEXEN's own technology

'Semi-anechoic Lab for Real Vehicle'

Location	Seoul
Background Noise	20dB
Sound Absorption Rate	99% or more
Maximum Speed	250km/h



Major R&D Performances

- Significant improvement in radiant noise outside vehicles and tires based on big-data technology
- Tire noise prediction system based on AI technology
→ Reduce R&D time and cost

'2024 O-NE SUPERRACE Championship'

- Back-to-Back win in 'SUPER 6000⁽³⁾' class
- Excellence of N'FERA SS01(DRY) and N'FERA SW01(WET)



⁽¹⁾ An anechoic chamber designed to fully reflect only one side of the wall to realize the conditions of semi-free sound fields, used for acoustic measurements of mechanical noise

⁽²⁾ NVH / Noise, vibration and harshness from the parts of the car

⁽³⁾ The fastest type of stock car (6,200 cc, up to 460 horsepower) racing in Korea

Others

Shareholder Value

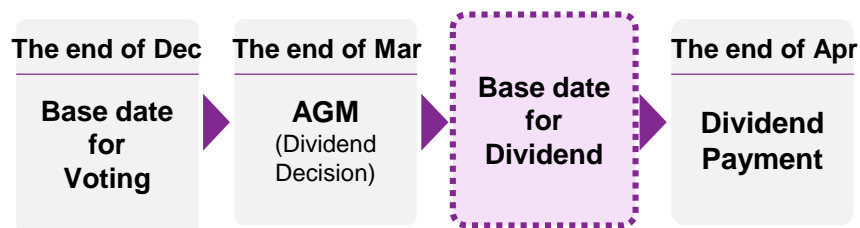
- Dividend for 25 consecutive years
- Amendment of the articles of incorporation to improve dividend procedures
- To enhance shareholder value through the participation in the 'Value-Up Program' of the Korean government, etc.

Dividend (Common Stock)

	2021	2022	2023
Dividend per Share (KRW)	105	100	115
Dividend Yield Ratio	1.5%	1.5%	1.4%

Improvement of Dividend Procedures (draft)

- Separation of the base date for voting rights and dividend



Sports Marketing in North America

- Multiyear partnership with 'San Diego Padres' (MLB⁽¹⁾)
- Marketing synergy with existing partnerships in MLB & NHL⁽¹⁾



Winning 'Red Dot Design Award⁽²⁾ 2024 (Germany)'

- 'N'FERA Sport S' won the main prize in product design category



⁽¹⁾ Major League Baseball, National Hockey League

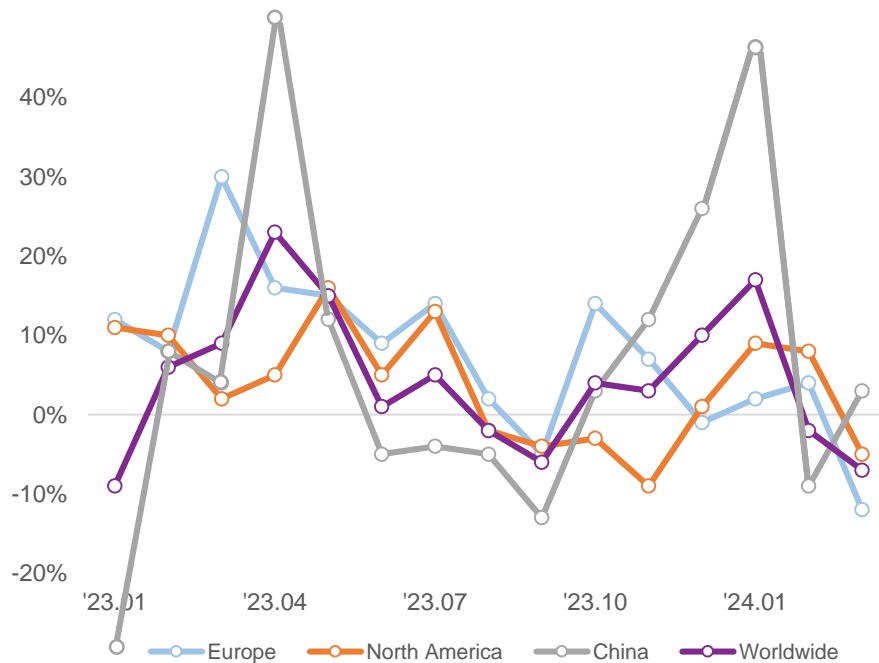
⁽²⁾ Top 3 design awards with 'The International Design Excellence Awards (USA)' and 'iF Design Award (Germany)'

4. Market Status

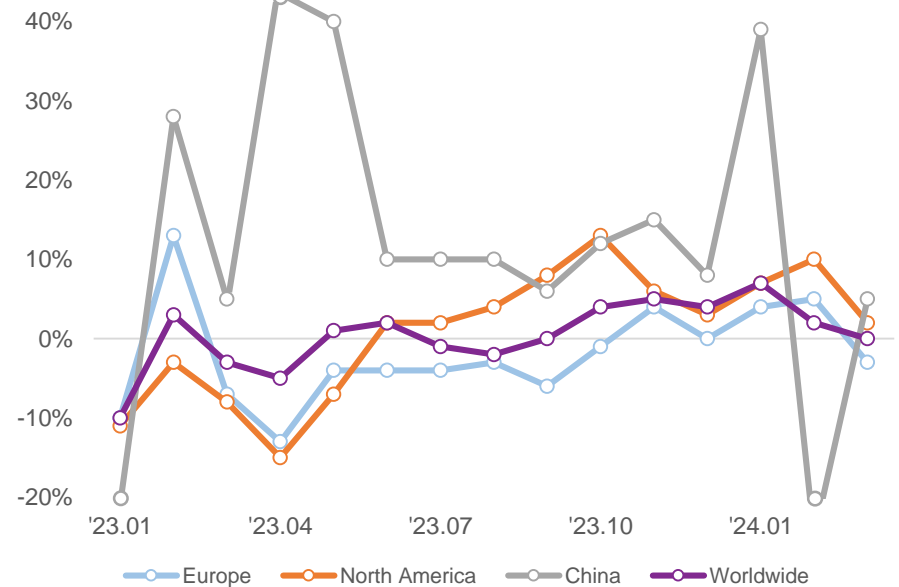
Tire Market

- New car sales with peak-out concerns showed solid flows in major regions such as USA, EU and China in 1Q, which led global OE tire demand at its 2023 level
- The RE sales reflected low base-effect of 1Q 2023 and normalized demand in the main regions

Growth Rate of OE (YoY)



Growth Rate of RE (YoY)



Raw Materials

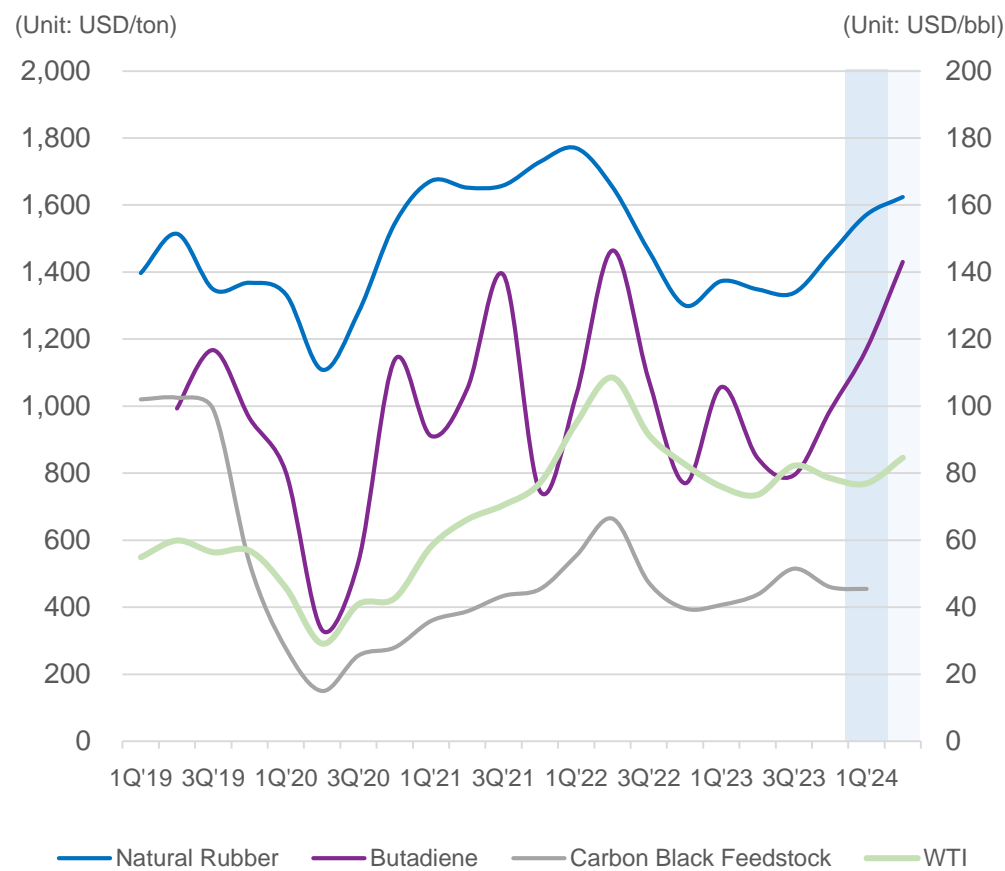
- Raw materials market stabilized downward in 2023, however, continued upward from the end of 2023 due to geopolitical risks and a seasonal shortage of supplies

Natural Rubber

- Decrease in supply due to seasonal factors (heavy rains, wintering) and sluggish cultivation
- Move to secure inventories ahead of the EUDR⁽¹⁾ entering into force

Synthetic Rubber

- Breakthrough \$80 of WTI and rising Butadiene price affect the surge in synthetic rubber prices
- Strong natural rubber prices stimulate synthetic rubber prices, triggering a short-term price uptrend



⁽¹⁾ EU Deforestation Regulation, effective from Dec. 30, 2024

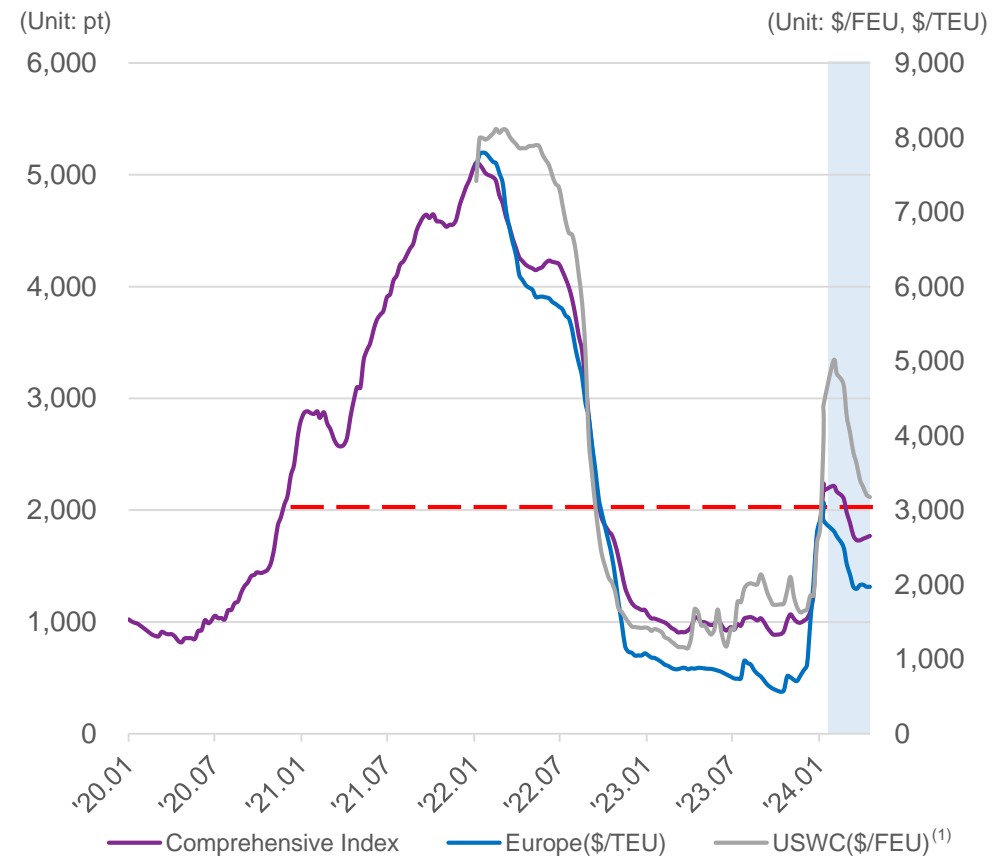
* Sources: Natural Rubber(TSR20, SICOM), Butadien(FOB Korea), Carbon Black Feedstock(Means of Platts Singapore)

Maritime Logistics

- Increased concerns over securing ships and rising freight rates at the beginning of the year based on geopolitical issues
→ Increased transportation costs due to surcharges
- Stable defense of transportation costs-to-revenue ratio through efforts for securing competitiveness in logistics cost

SCFI (Shanghai Containerized Freight Index)

- Both freight indexes in Europe and the U.S. experienced a surge, peaking in early February after taking a detour to Europe, before returning to levels seen at the end of 2023
- Forecast to take some time to recover the logistics network even if the Suez Canal resumes
- Freight index of H1 2024 will stabilize upward in comparison to H2 2023



* Source: Korea Customs Logistics Association

⁽¹⁾ West Coast

5. Appendix

Global Production Capacity

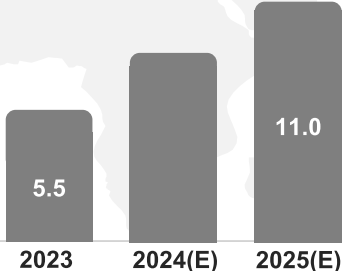
- Production capacity of 52mn units by 2025, through the 2nd phase expansion of Europe plant and productivity improvement
- As a global tire manufacturer specializing in Passenger Car and Light Truck, NEXEN is prepared to secure volume & profit

Europe 11M



2nd phase Ramp-up

(Unit: mn Units)



Korea 30M

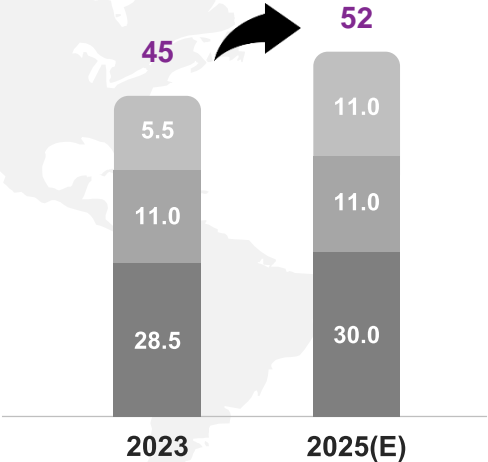


China 11M



Total Production Capacity

- Europe (Zatec, Czech)
 - China (Qingdao)
 - Korea (Yangsan, Changnyeong)
- (Unit: mn Units)



ESG Highlights

ESG Performances

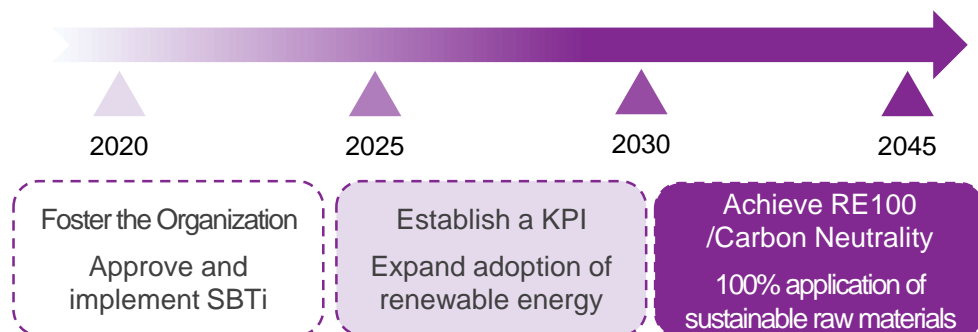
Sustainalytics	Low Risk (13.5)
KCGS ⁽¹⁾	Environment: A / Social: A / Governance: B
MSCI ⁽²⁾	BB
EcoVadis	Silver (top 11%)
CDP ⁽³⁾	B (Climate Change)

* As of 2023

Carbon Neutrality Strategy

- To achieve carbon neutrality by 2045
- Achieved 18% of RE100 rate for all worksites in 2023

Roadmap



Initiatives and Awards



UN-affiliated initiative
UNGC membership (2023)

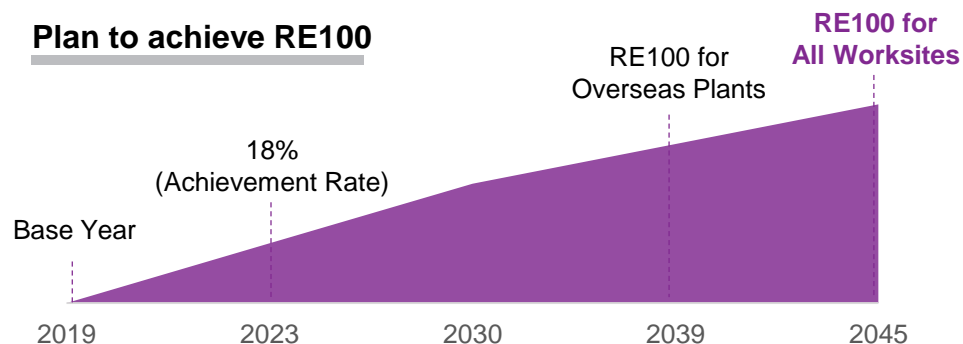


Global platform for sustainable NR
GPSNR membership (2020)



Certification of information security by VDA⁽⁴⁾
TISAX⁽⁵⁾ acquisition (2022)

Plan to achieve RE100



⁽¹⁾ Korea institute of Corporate Governance and Sustainability

⁽²⁾ Morgan Stanley Capital international Index

⁽³⁾ Carbon Disclosure Project

⁽⁴⁾ Verband Der Automobilindustrie

⁽⁵⁾ Trusted Information Security Assessment eXchange

Consolidated Balance Sheet

(Unit: bn KRW)

	2020	2021	2022	2023	1Q 2024
Assets	3,541.1	3,823.4	3,944.3	4,232.7	4,334.7
Current Assets	1,200.3	1,476.0	1,442.1	1,556.1	1,592.0
Cash Equivalents ⁽¹⁾	571.5	610.0	452.4	455.4	375.1
Account Receivable	345.6	397.5	382.2	430.1	491.8
Inventories	346.5	497.1	649.2	640.8	642.0
Non-current Assets	2,340.8	2,347.4	2,502.2	2,676.6	2,742.7
Tangible Assets	2,096.7	2,068.8	2,135.0	2,325.1	2,368.3
Liabilities	1,994.1	2,223.5	2,348.1	2,527.8	2,583.2
Debt	1,376.8	1,355.8	1,639.6	1,749.5	1,758.7
Account Payable	88.4	158.7	166.5	102.2	124.2
Equity	1,547.0	1,599.9	1,596.2	1,704.9	1,751.4
Net Debt	805.3	745.8	1,187.2	1,294.2	1,383.6

⁽¹⁾ Cash Equivalents = Cash Equivalents, Financial Instruments, Financial Assets, Maturity Investments

Consolidated Income Statement

(Unit: bn KRW)

	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Revenue	639.6	691.5	692.6	678.1	678.1
Cost of Sales	497.5	515.9	488.9	460.1	500.6
(%)	77.8%	74.6%	70.6%	67.8%	73.8%
Gross Profit	142.0	175.5	203.7	218.0	177.4
(%)	22.2%	25.4%	29.4%	32.2%	26.2%
SG&A	125.9	138.4	134.1	153.9	135.9
(%)	19.7%	20.0%	19.4%	22.7%	20.0%
Operating Profit	16.2	37.1	69.7	64.1	41.6
(%)	2.5%	5.4%	10.1%	9.5%	6.1%
Non-operating Profit	2.6	(7.9)	(3.2)	(28.8)	7.4
Income Taxes	7.2	0.9	13.6	24.8	8.0
Net Income	11.5	28.3	52.8	10.6	41.0
(%)	1.8%	4.1%	7.6%	1.6%	6.0%
EBITDA	64.4	87.0	120.1	111.8	98.2
(%)	10.1%	12.6%	17.3%	16.5%	14.5%