

# Third-Quarter 2015 Results

November 16, 2015



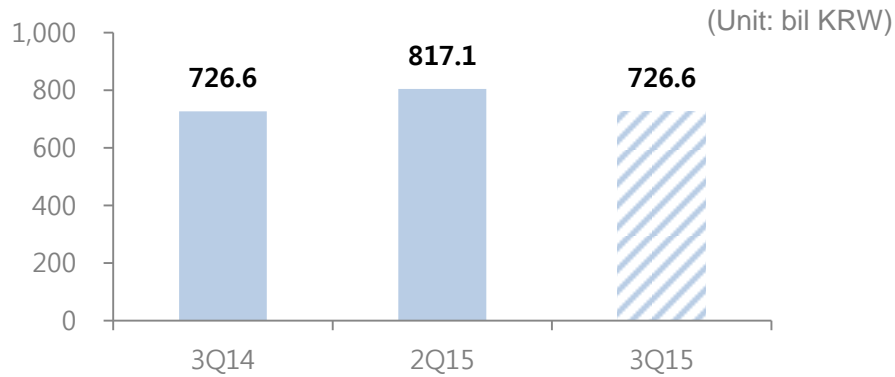
# Recent Highlights

- ✓ Delivered strong consolidated 3Q results
  - Sales of 1,278.1 billion KRW
  - Operating profit of 63.0 billion KRW (OP margin: 4.9%)
  - Net profit of 26.4 billion KRW
- ✓ Strengthened leadership position in China through customer diversification and cost efficiency
- ✓ Continue to drive shareholder value
  - Announced 4,800 KRW/share dividend payout for FY15 (3.6% yield, 134,000 KRW)
- ✓ Expect to grow at 8-9% CAGR projected sale growth until 2018
  - Record back-to-back new business wins (2014:10.1 trillion KRW, 2015F: 10.2 trillion KRW)
- ✓ Underpin fuel efficiency, EV development and ADAS trends with leading product portfolio
  - Regulatory changes (e.g. AEB standard), further develop Mando's chassis/ADAS system solutions

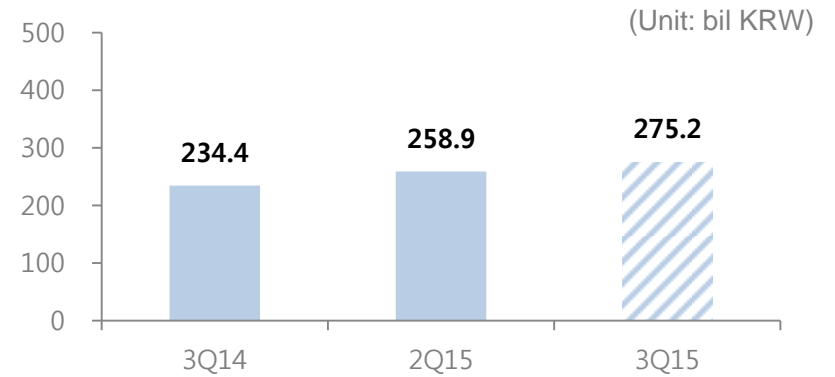
**Delivered strong Q3 results in spite of the challenging business environment**

# Sales by Regions

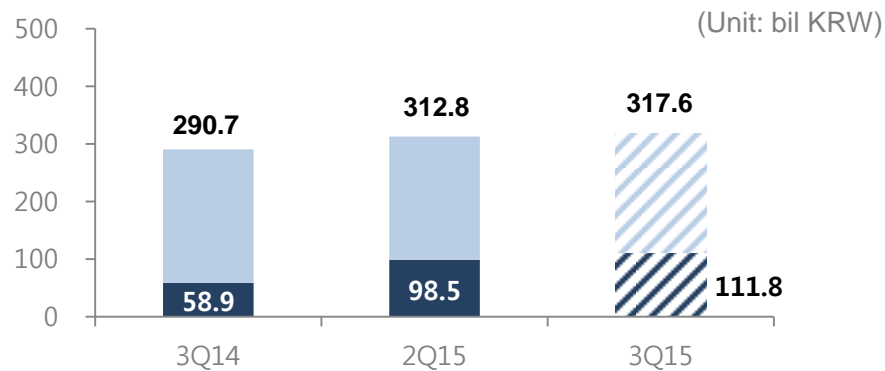
## KOREA



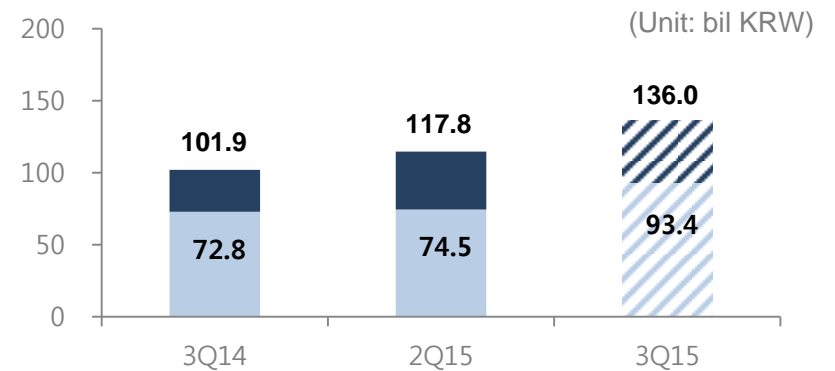
## US



## CHINA



## OTHERS



※ 3Q14 results above were not audited

■ Global OEMs (including HKMC) ■ China Local OEMs

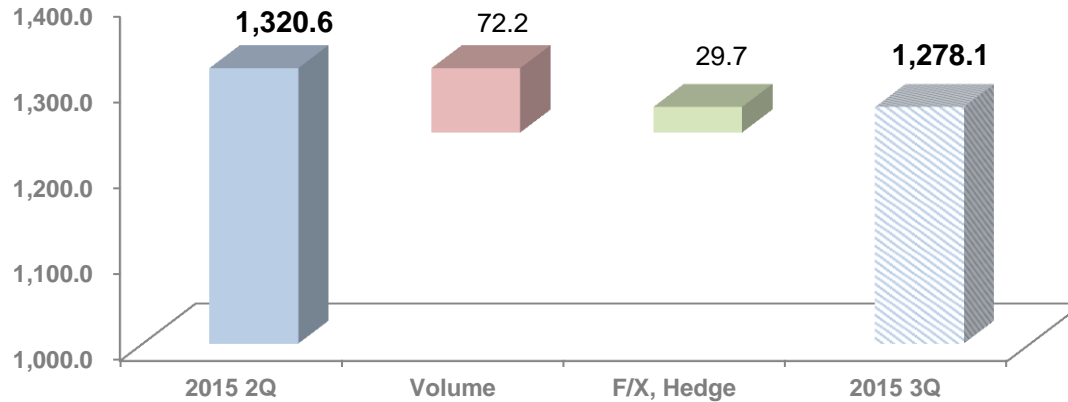
■ India ■ Europe, South America

**Strong sales growth driven by China and India regions**

# QoQ Sales and Operating Profit Analysis

## Sales

(Unit: bil KRW)



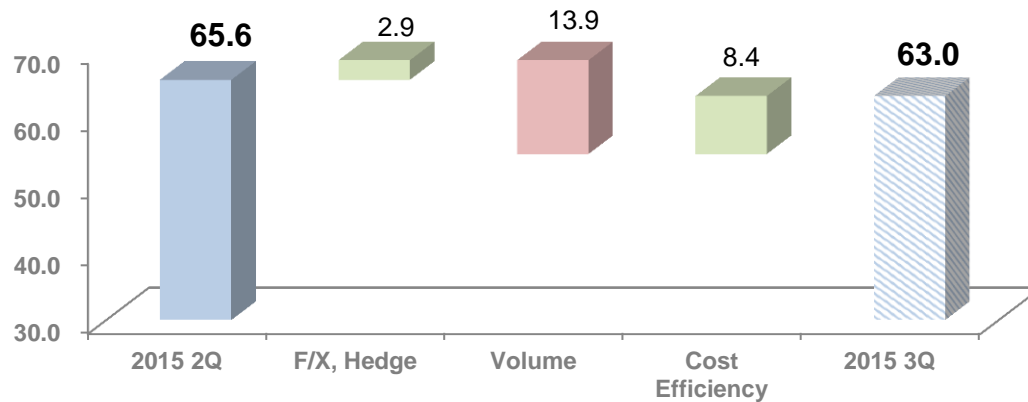
• **Total** ▽ 42.5 (-3.2%)

- China ▲ 4.8    Korea ▽ 90.5
- US    ▲ 16.3
- India ▲ 18.2

- FX/Hedge    ▲ 29.7  
(\$ 1,124.1 → 1,194.5 +70.4 -1.7%)

## Operating Profit

(Unit: bil KRW)



• **Total** ▽ 2.7 (-4.1%)

- FX/Hedge    ▲ 2.9
- Volume      ▽ 13.9
- Cost Efficiency ▲ 8.4

**Operating Profit: Exceeded analysts' consensus**

# Mando in China

## Mando in China Overview

- 2014 sales of 1.2 trillion KRW
- Key customers: Hyundai/Kia, GM/SGM, Geely, Changan, Great Wall
- 5 manufacturing, 2 vehicle test sites, and 1 R&D center

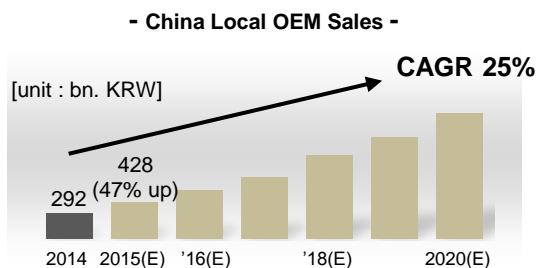
Manufacturing footprint



Beijing R&D Center

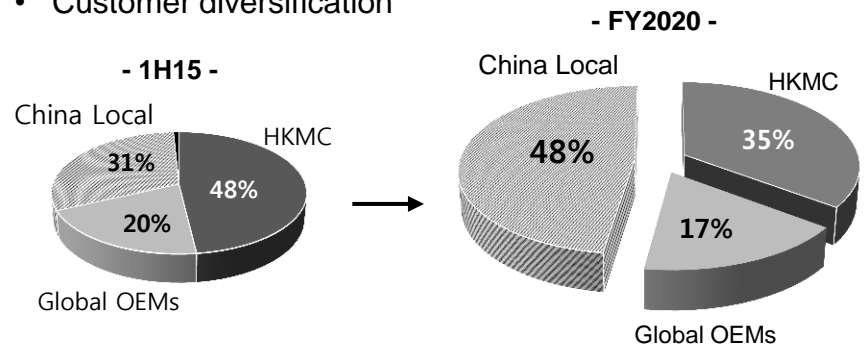


- Increased presence with China local OEMs`



## Key enablers for leadership position

- Customer diversification

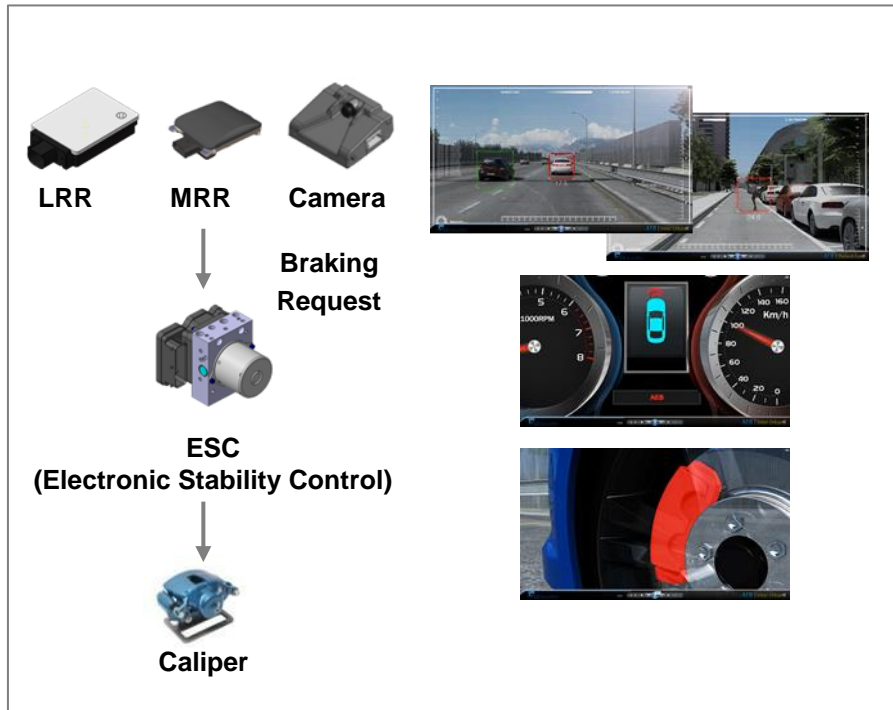


- Accelerate localization efforts and improve cost efficiency
  - 88% in 2015 to 93% in 2020
- Expand electronics products (ABS/ESC, EPS)
  - 24% in 2015 to 50% in 2020
- Reinforce application engineering with R&D center
- Optimize manufacturing footprint with production in proximity to OEMs
- Leverage fixed costs on a large scale

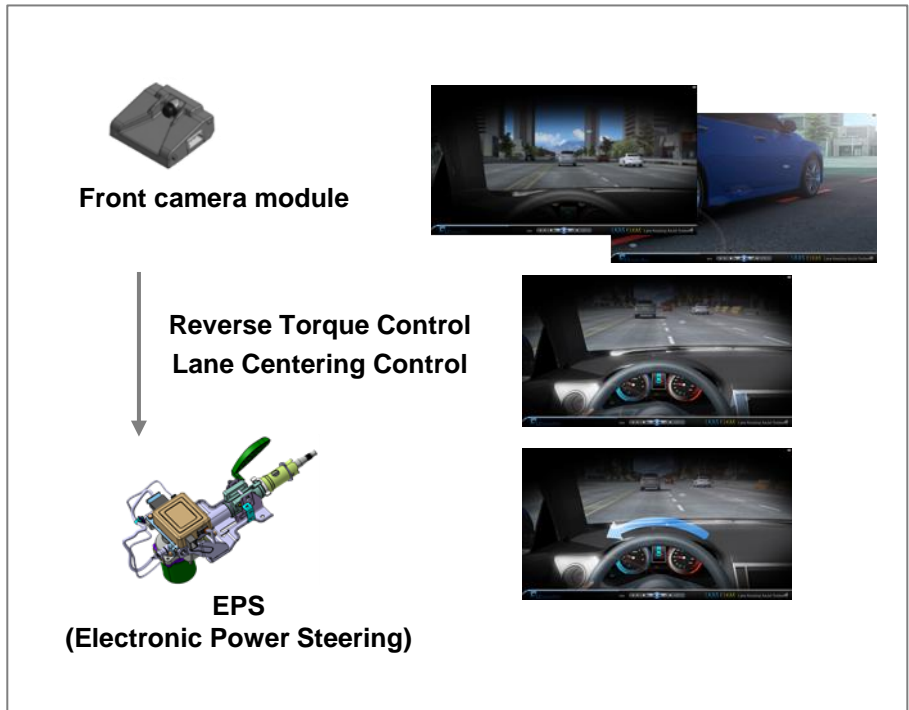
**Continue to grow China business with balanced portfolio (customer, product, footprint)**

# Growth Opportunities – ADAS development

## AEB (Autonomous Emergency Braking)



## LKAS (Lane Keeping Assist System)



U.S. DOT and IIHS announce historic commitment from 10 automakers to include automatic emergency braking on all new vehicles



*“U.S. NHTSA, DOT and IIHS announced commitment from 10 automakers to include **AEB** on all new vehicles”*

*Draft Proposal of U.S. House Energy and Commerce Committee - **Fuel economy and emission credits for active safety and connected car technologies***

**System solutions and focused approach**

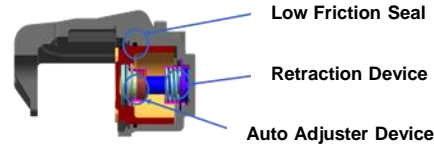
# Growth Opportunities – EV development

## Differential Technology

## Benefits for EV

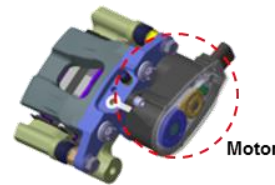
Brake

**ARC**  
(Active Retraction Caliper)



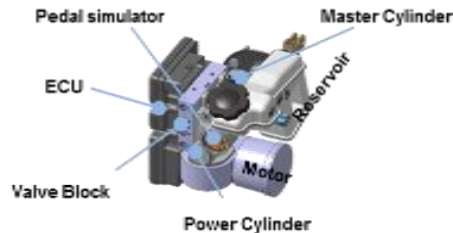
Fuel Efficiency Improvement  
by “Zero Drag”

**MoC**  
(Motor on Caliper)



“Automatic Actuation” During  
Temporary Stop  
& Charging

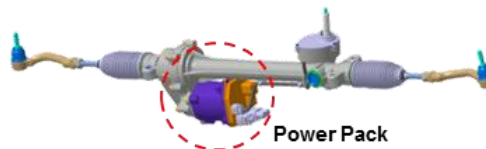
**IDB**  
(Integrated Dynamic Brake)



Reduce “Package Volume”  
& Improve “Functional Safety”

Steering

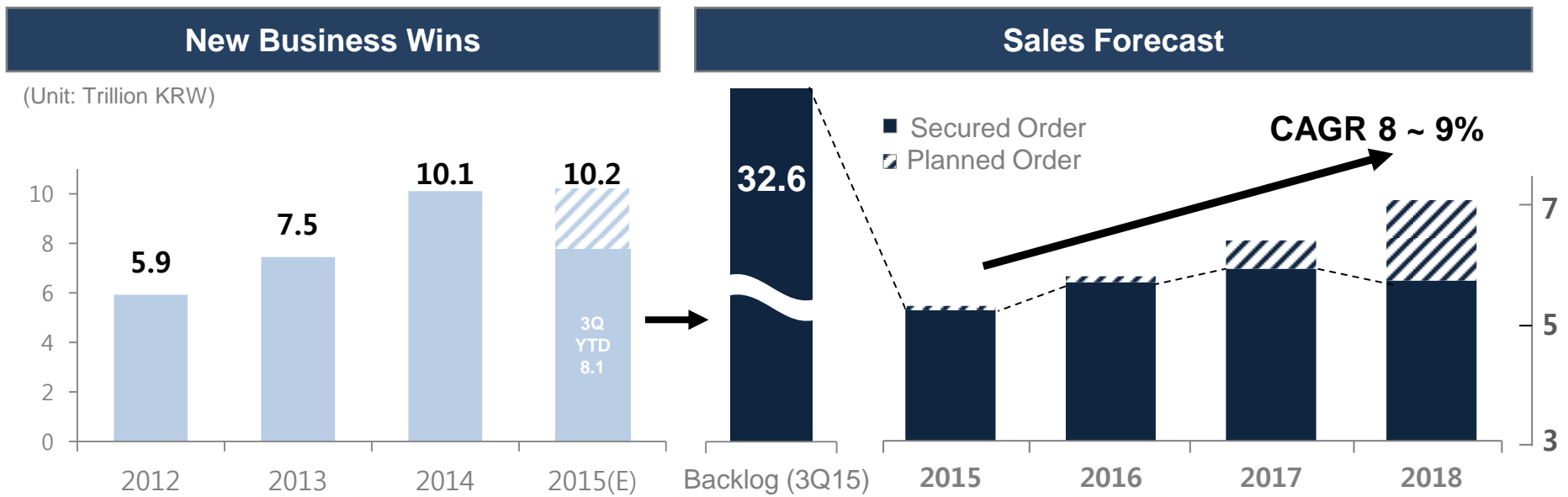
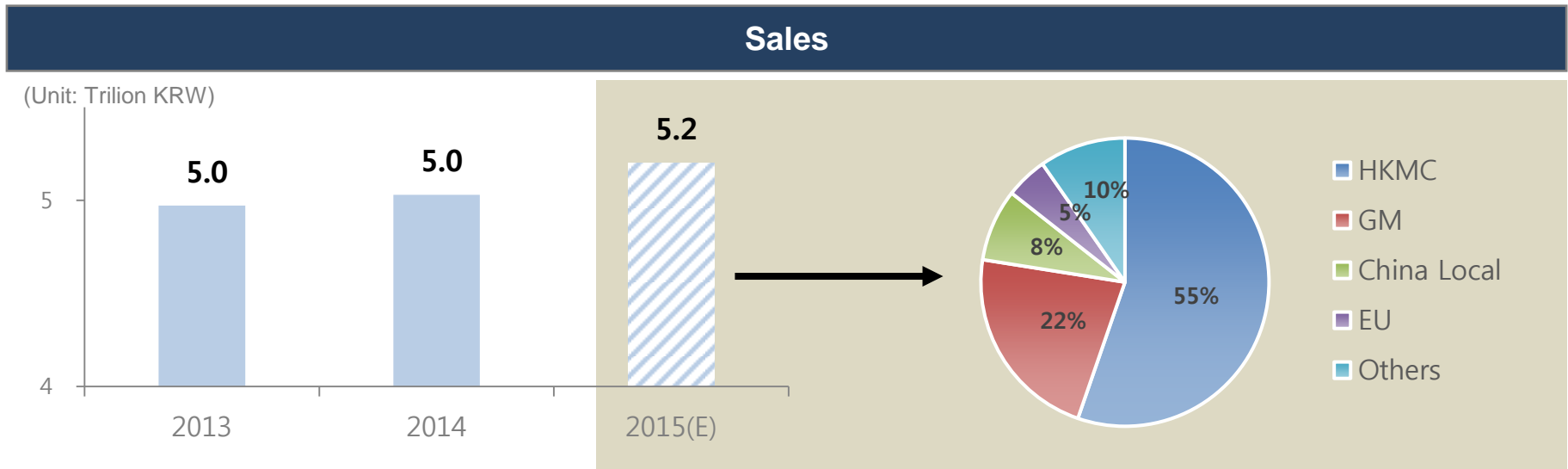
**EPS**  
(Electronic Power Steering)



“EPS a Standard Feature”  
Improve Functional Safety & Support  
Automated Driving

Increase in contents per vehicle in accordance with EV development

# 2015 Full Year Outlook





# Appendix

# Consolidated Statements of Income, Third-Quarter 2015

(Unit: bil KRW)

Description	2015 3Q	2015 2Q	QoQ		Remarks
			Amount	%	
Sales	1,278.1	1,320.6	-42.6	-3.2%	
Operating Profit	63.0	65.6	-2.7	-4.1%	
(%)	4.9%	5.0%	-0.1%		
Pre-tax Profit	42.3	56.4	-14.1	-25.0%	
(%)	3.3%	4.3%	-1.0%		
Net Income	26.4	38.7	-12.3	-31.8%	
(%)	2.1%	2.9%	-0.8%		

# Consolidated Statements of Financial Position, Third-Quarter 2015

(Unit: bil KRW)

Description	2015 3Q	2015 2Q	Change
<b>Asset</b>	<b>4,026.6</b>	<b>3,889.3</b>	<b>+137.3</b>
(Cash)	190.2	158.1	+32.1
<b>Liability</b>	<b>2,659.8</b>	<b>2,546.2</b>	<b>+113.6</b>
(Debt)	1,241.8	1,126.7	+115.0
<b>Equity</b>	<b>1,366.8</b>	<b>1,343.1</b>	<b>+23.7</b>
(Capital)	47.0	47.0	-
<b>L/E ratio</b>	<b>194.6%</b>	<b>189.6%</b>	<b>+5.0%p</b>
D/E ratio	90.9%	83.9%	+7.0%p

※ L/E ratio & D/E ratio: Liability to Equity & Debt to Equity

# Disclaimer

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The 3Q 2015 results of Mando corporation is prepared on a consolidated basis in accordance with IFRS.

This document is provided for the convenience of investors only, before the external audit on our 3Q 2015 financial results is completed. Some part of this document may be subject to modification following completion of an audit.

Also, no part of this document may be used as evidence for any legal responsibility of Mando for the result of the investors' investment

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