

# Hanwha Vision 2Q25 Earnings Release

# Disclaimer

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This presentation has been prepared in accordance with K-IFRS.

It includes preliminary results which are subject to change, and is provided for the convenience of investors only.

It may contain forward-looking statements that involve risks and uncertainties, including those related to fluctuating market conditions and subsequent adjustments in the company's strategies.

Actual results may differ materially from the projections made in this presentation.

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A graphic in the top right corner featuring the letters 'AI' in a bold, white, sans-serif font. The letters are set against a dark background with glowing orange lines and patterns that resemble a circuit board or a digital network. The lines are thin and create a sense of depth and complexity.





# 1. Q2 Performance

# 01 Q2 Performance

- In Q2, revenue reached KRW 457 bn.(+1.2%, QoQ), operating profit KRW 56bn.(+27.0%, QoQ), OPM 12.5%(+2.5%p, QoQ)

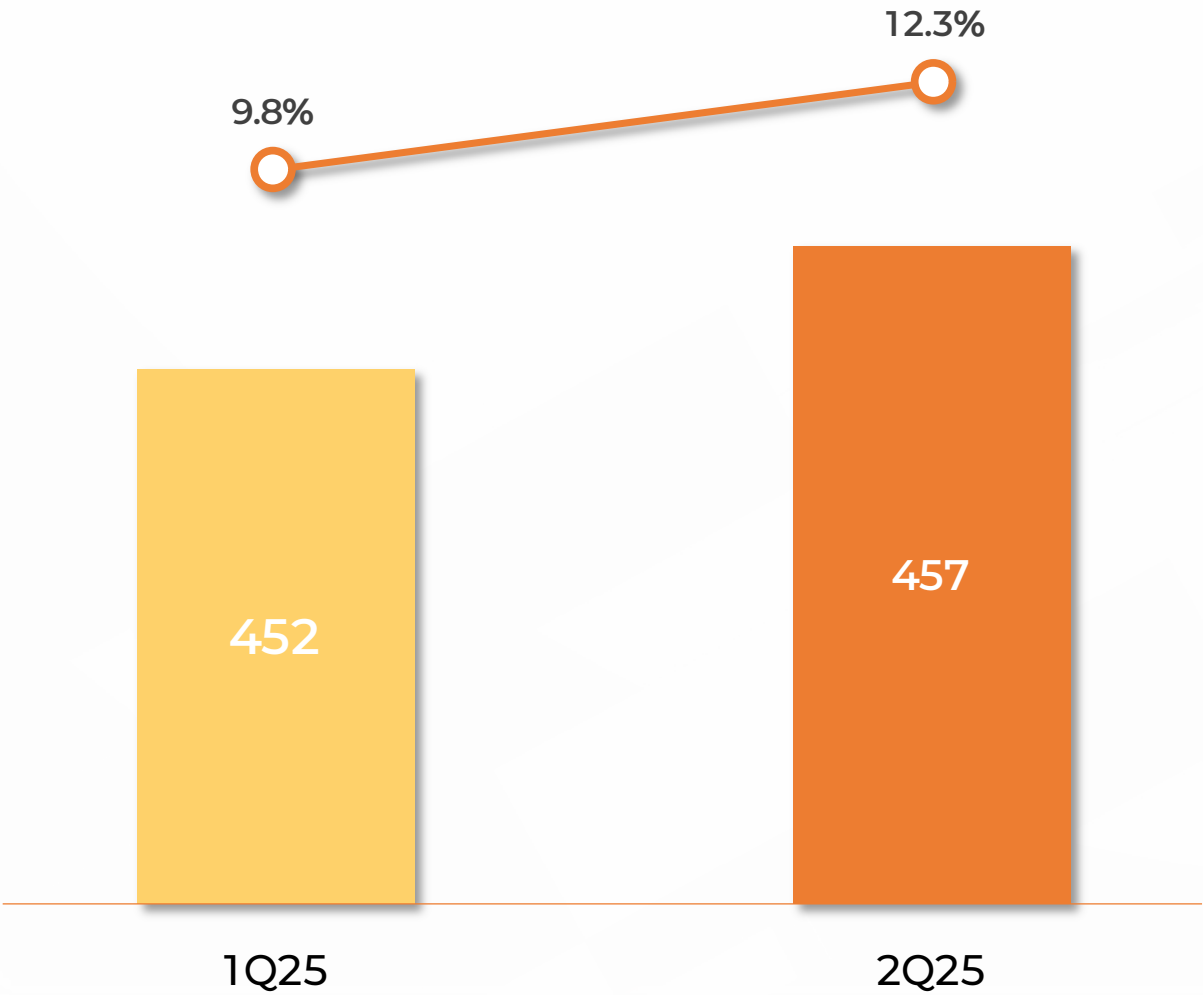
## Overview

(Bil. KRW)

구분	1Q25	2Q25	QoQ
Revenue	452	457	1.2%
Operating profit	44	56	27.0%
%	9.8	12.3	2.5%p
Profit before tax	-13	-18	Continued deficit
Net profit	-3	-10	Continued deficit
EBITDA	55	67	21.4%
%	12.3	14.7	2.4%p

## Revenue and OPM

(Bil. KRW)



# 01 Q2 Performance

- Hanhwa Vision was newly established in Sep '24'; no prior sales or profits exist

To assist investors' understanding, the performance below is a simple sum of the segmental results from the business reports or IR materials prepared by the surviving entity before the spin-off.

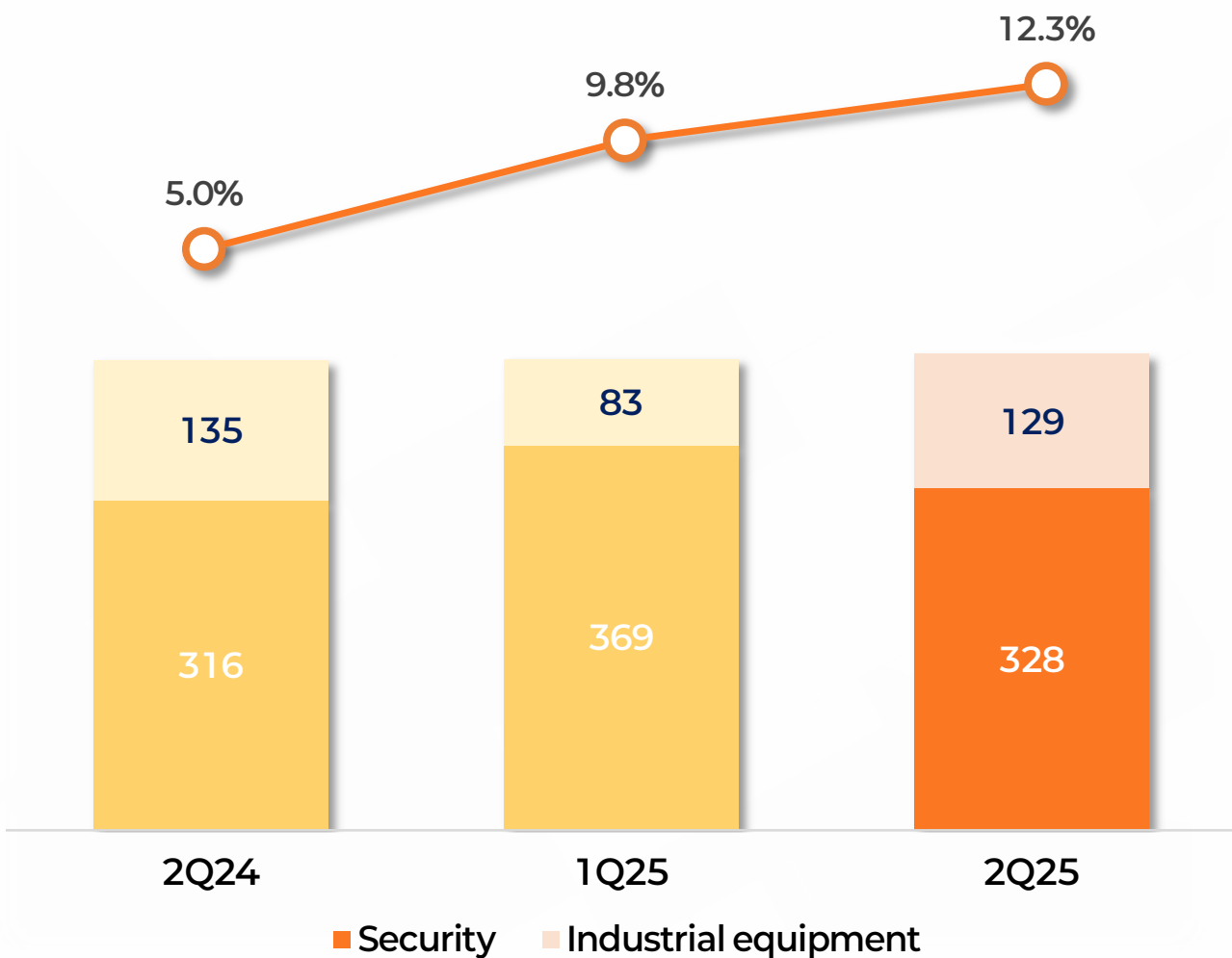
## Sales and operating profit

(Bil. KRW)

	2Q24	1Q25	2Q25	Change rate	
				YoY	QoQ
Sales	451	452	457	1.4%	1.2%
Security	316	369	328	4.0%	-11.0%
Export	281	320	288	2.7%	-10.0%
Domestic	35	49	40	14.3%	-17.7%
Industrial equipment	135	83	129	-4.8%	55.2%
SMT	102	64	80	-21.5%	23.9%
Etc.	34	18	49	45.7%	165.2%
Fabless	-	-	-	-	-
Operating profit	23	44	56	150.2%	27.0%
(%)	5.0%	9.8%	12.3%	7.3%p	2.5%p
Security	46	69	59	29.9%	-14.5%
(%)	14.1%	18.7%	18.0%	3.6%p	-0.7%p
Industrial equipment	-8	-21	-0	Reduced deficit	Reduced deficit
(%)	-6.2%	-24.7%	-0.2%	6.0%p	24.5%p
Fabless	-15	-4	-3	Reduced deficit	Reduced deficit
(%)	-	-	-	-	-

## Trend

(Bil. KRW)



# 01 Q2 Performance

- Hanwha vision maintained high financial stability, recording a debt-to-equity ratio of 117.1%, a current ratio of 177.7%, and a net debt-to-equity ratio of 26.5%

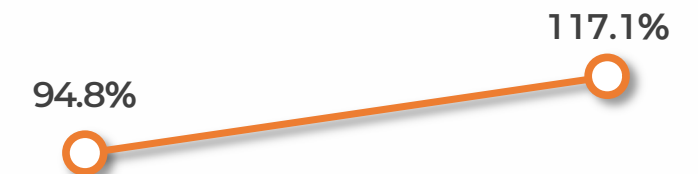
## Balance Sheet

(Bil. KRW)

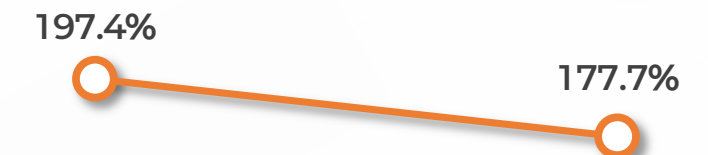
구분	1Q25	2Q25	QoQ
<b>Assets</b>	<b>1,613</b>	<b>1,736</b>	<b>7.6%</b>
Current assets	1,001	1,101	10.0%
Cash and cash equivalents	89	146	62.9%
Current inventories	322	329	0.0%
Non-current assets	612	635	3.6%
Property, plant and equipment	320	338	5.5%
<b>Liabilities</b>	<b>785</b>	<b>936</b>	<b>19.2%</b>
Current liabilities	507	620	22.2%
Borrowings	258	357	38.1%
Non-current liabilities	278	317	13.8%
<b>Equity</b>	<b>828</b>	<b>800</b>	<b>-3.4%</b>
Issued capital	25	25	0.0%
Retained earnings	10	0	-98.0%

## Financial ratio

Debt to equity ratio



Current ratio



Net debt to equity ratio



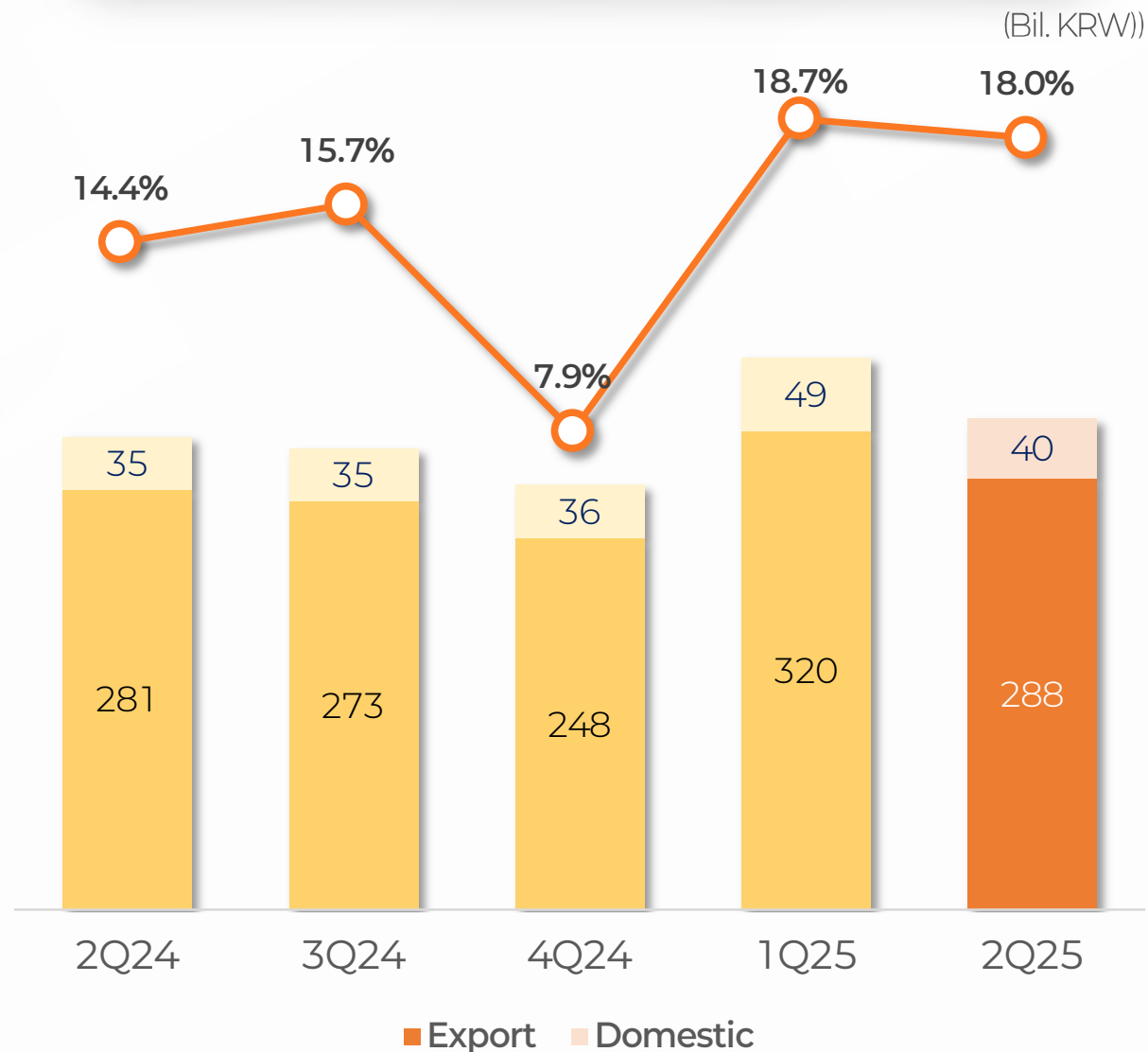
A graphic in the top right corner featuring the letters 'AI' in a bold, white, sans-serif font. The letters are set against a dark background with glowing orange lines and patterns that resemble a circuit board or a digital interface. A small red vertical bar is positioned to the right of the 'I'.

## 2. Performance by segment



## 02 Performance by segment (Security)

### Quarterly sales and operating profit margin



### Key note

#### [Q2 review]

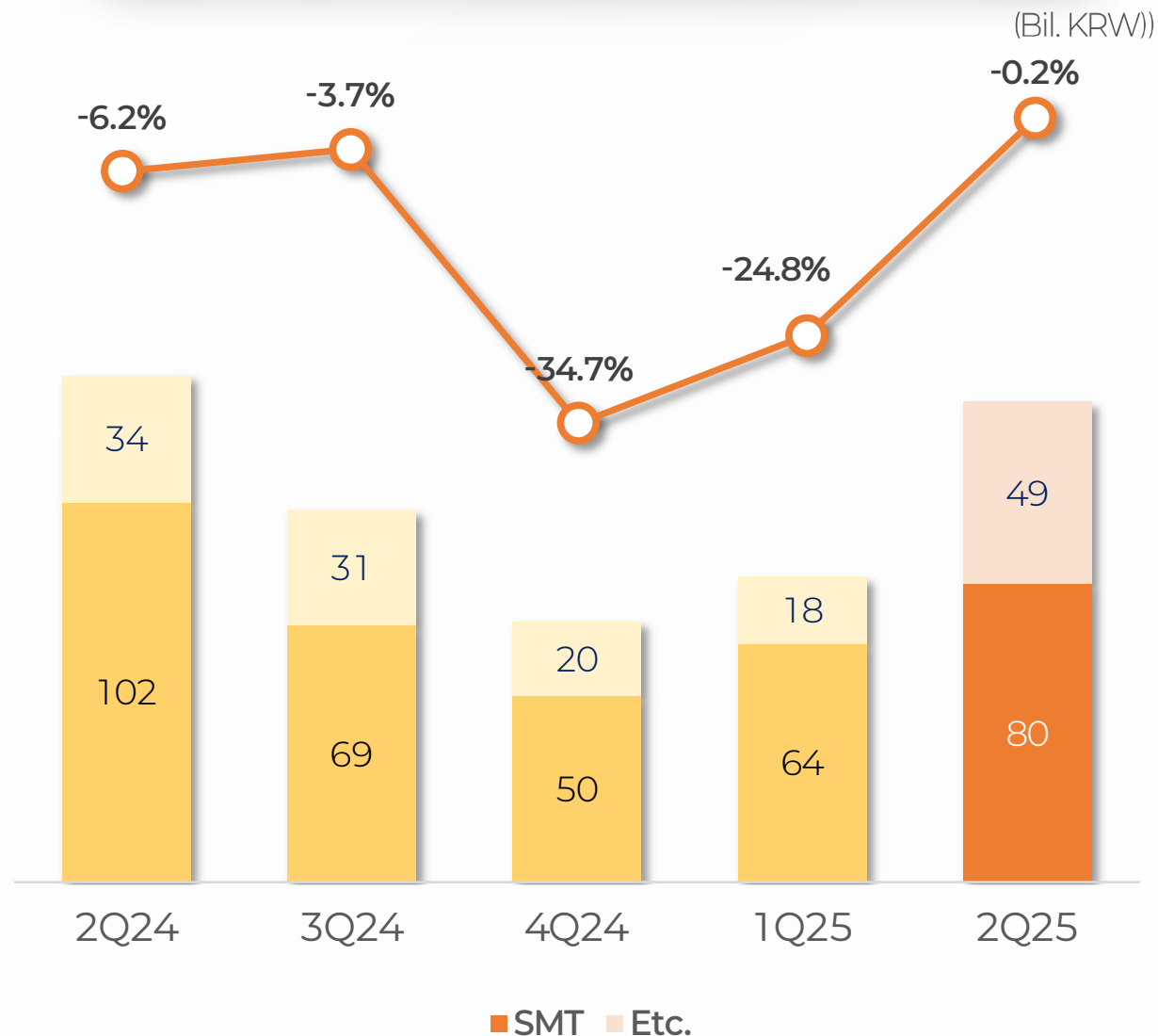
- Q2 sales recorded KRW 328 bn., with an OPM of 18.0%.
- Sales decreased(QoQ) due to decline in exchange rates and inventory adjustments, but saw a slight increase (YoY)
- The OPM remained at 18% due to an increased proportion of high-profit product lines (such as AI cameras) and improved cost efficiency.

#### [Q3 and 2025 outlook]

- Sales are expected to increase (YoY) due to continued growth in demand for surveillance equipment.
- We plan to minimize the impact of reciprocal tariffs in the second half of the year through measures such as proactive inventory stocking at our Americas subsidiary.

## 02 Performance by segment (Industrial equipment)

### Quarterly sales and operating profit margin



### Key note

#### [Q2 review]

- Sales recorded KRW 128.7 bn., with an OPM of -0.2%.
- The deficit significantly narrowed as some revenue from TC bonders ordered in Q1 was recognized.
- The SMT industry is experiencing a slow recovery due to the global economic slowdown and tariff concerns.

#### [Q3 and 2025 outlook]

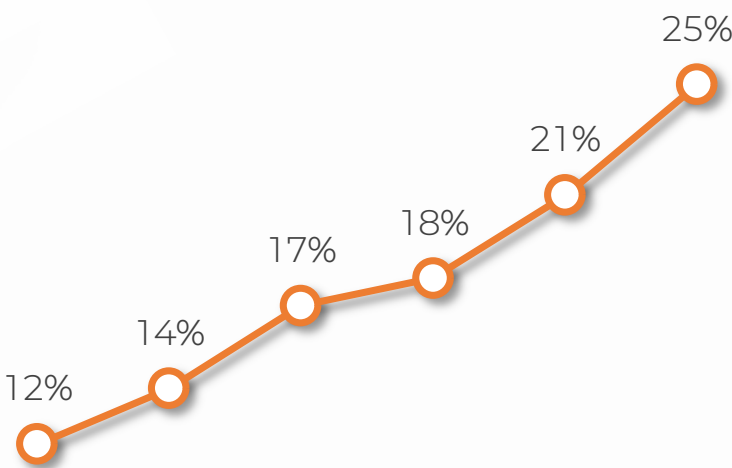
- SMT : We anticipate a recovery in the second half of the year due to deferred investments, expecting sales growth (YoY)
- Others : we anticipate an increase in OPM(QoQ) due to the recognition of TC bonder sales.



## 3. Appendix

# 03 Key index(Security)

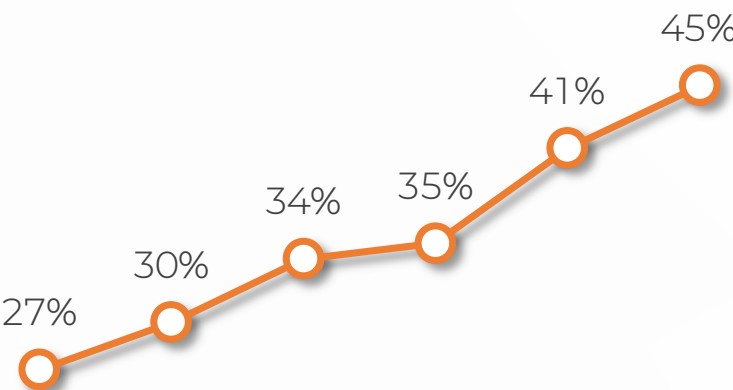
AI Camera sales rate



AI Camera sales volume / Total camera sales volume

1Q24 2Q24 3Q24 4Q24 1Q25 2Q25

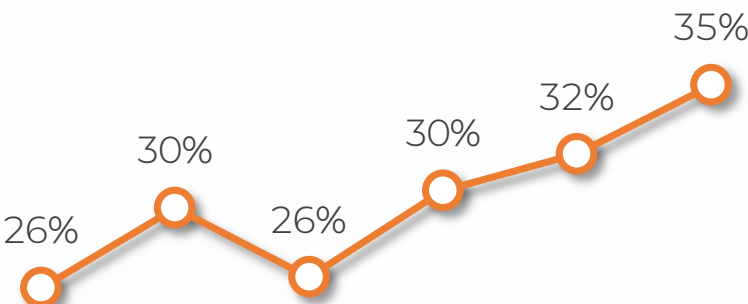
AI Camera revenue proportion



AI Camera revenue / Network camera revenue

1Q24 2Q24 3Q24 4Q24 1Q25 2Q25

Solution WON B/O rate



Solution : Project including VMS








1Q24 2Q24 3Q24 4Q24 1Q25 2Q25



# 03 Global market share (Security)





- In 2024, Hanwha Vision's surveillance equipment market share in the Americas market recorded 7.8% (3rd place), narrowing the gap with the industry leader.

## World (except China)

	2021	2022	2023	2024
 <b>HIKVISION</b>	15.8%	14.7%	14.2%	14.3%
 <b>AXIS</b> COMMUNICATIONS	10.7%	10.9%	10.7%	10.1%
 <b>MOTOROLA</b>	7.3%	7.5%	7.7%	7.8%
 <b>dahua</b> TECHNOLOGY	9.0%	7.8%	7.0%	6.8%
 <b>Hanwha Vision</b>	5.1%	5.7%	5.6%	5.9%
 <b>PRO</b>	4.3%	3.8%	3.7%	3.9%
 <b>BOSCH</b>	4.0%	3.8%	3.8%	3.5%

\*Source: OMDIA

## Americas








	2021	2022	2023	2024
 <b>AXIS</b> COMMUNICATIONS	13.9%	14.5%	14.1%	13.1%
 <b>MOTOROLA</b>	11.5%	12.3%	12.2%	12.4%
 <b>Hanwha Vision</b>	5.9%	7.6%	7.5%	7.8%
 <b>Verkada</b>	-	-	4.3%	6.2%
<b>HIKVISION</b>	6.6%	5.6%	5.2%	4.9%
<b>Genetec</b>	4.9%	4.4%	4.4%	4.6%
<b>intelbras</b>	4.3%	4.0%	4.1%	4.1%

\*Source: OMDIA

# 03 Market share by major countries (Security)








- "In 2024, Hanwha Vision's surveillance equipment market share in the UK market recorded 9.6% (2nd place), rising one spot from its 3rd place market share in 2023."

## The United Kingdom

	2021	2022	2023	2024
	18.3%	14.5%	11.6%	11.5%
	6.2%	6.4%	8.5%	9.6%
	9.0%	9.2%	10.3%	9.0%
	9.3%	8.3%	7.5%	7.8%
	3.3%	5.3%	5.6%	5.7%
	4.2%	4.5%	4.7%	4.5%
	6.4%	5.2%	4.3%	3.5%

\*Source: OMDIA

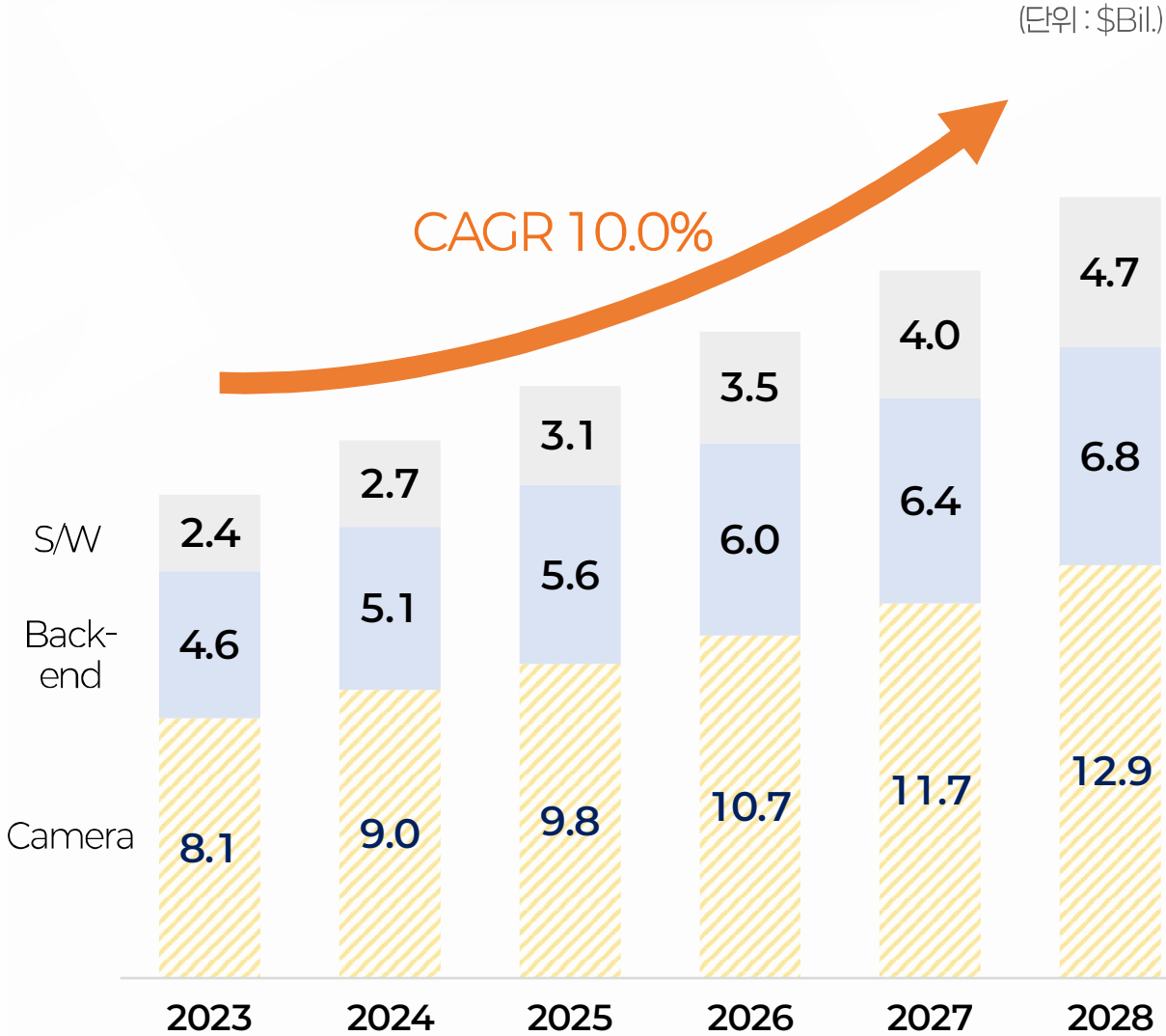
## Korea

	2021	2022	2023	2024
	30.9%	28.7%	28.7%	30.0%
	13.5%	15.2%	15.8%	15.8%
	7.3%	7.0%	6.9%	7.4%
	5.3%	6.1%	6.8%	6.9%
	7.0%	6.3%	6.2%	6.0%
	2.9%	2.6%	2.8%	2.9%
	2.5%	2.4%	2.6%	2.6%

\*Source: OMDIA

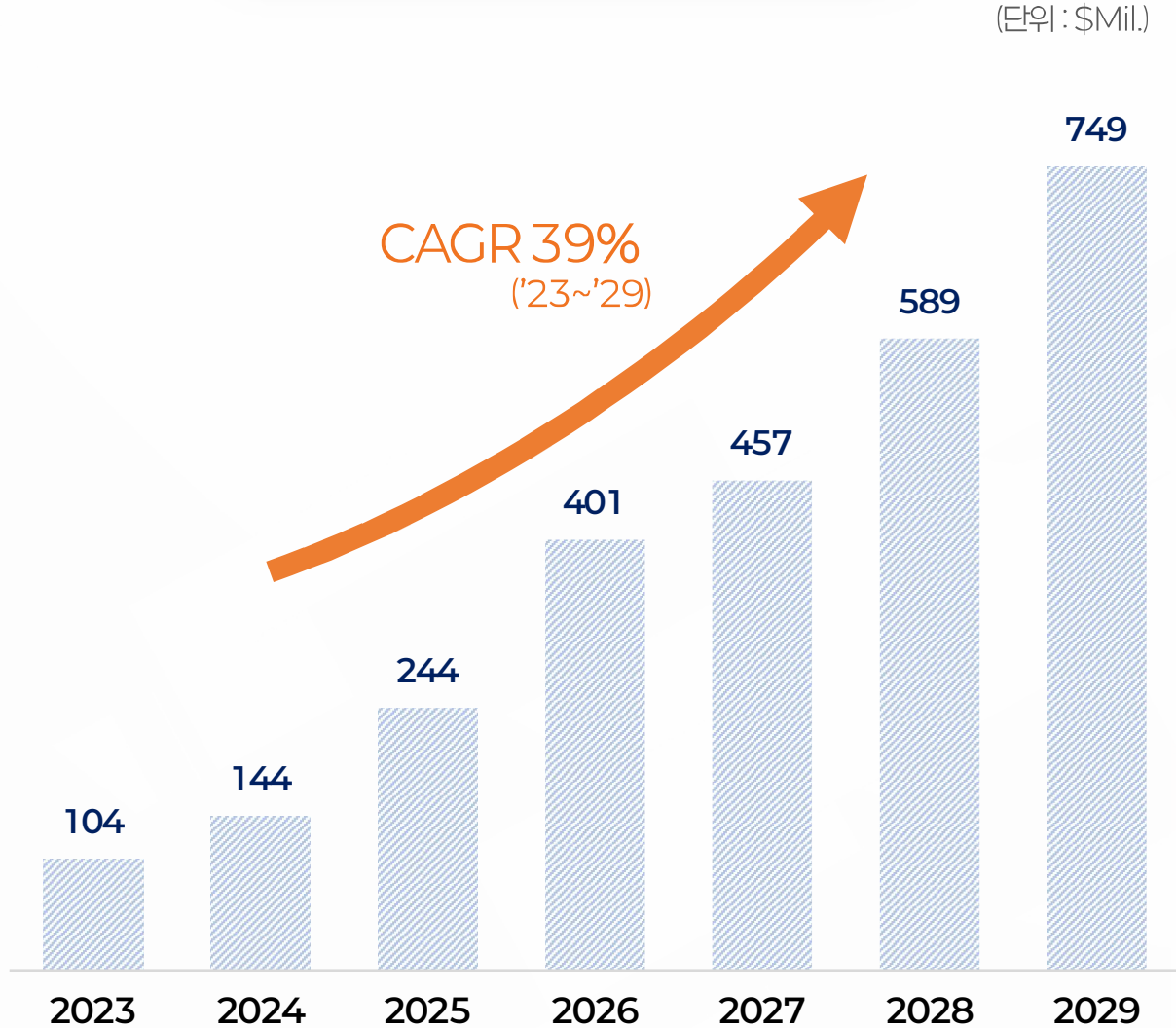
# 03 Market growth outlook

Global CCTV market outlook



\*Source: OMDIA

Advanced Die Attach market



(Source : Techinsights, Dec. 2024)

# 03 Statement of financial position

(Bil. KRW)

	3Q24	4Q24	1Q25	2Q25
<b>Assets</b>	<b>1,593</b>	<b>1,591</b>	<b>1,613</b>	<b>1,736</b>
Current assets	1,021	996	1,001	1,101
Cash and cash equivalents	279	154	89	145
Trade and other current receivables	454	456	538	595
Current inventories	263	309	322	322
Non-current assets	572	595	612	635
Property, plant and equipment	290	305	320	338
Intangible assets and goodwill	91	86	85	83
Deferred tax assets	134	144	150	160
<b>Liabilities</b>	<b>801</b>	<b>766</b>	<b>785</b>	<b>936</b>
Current liabilities	572	530	507	620
Trade and other current payables	204	202	169	192
Borrowings and current portion of non-current borrowings	279	228	258	357
Non-current liabilities	229	236	278	317
<b>Equity</b>	<b>792</b>	<b>825</b>	<b>828</b>	<b>799</b>
Issued capital	25	25	25	25



## 03 Statement of comprehensive income

(Bil. KRW)

	3Q24	4Q24	1Q25	2Q25
Revenue	140	354	452	457
COGS	70	170	207	207
Gross profit	69	184	245	250
SG&A	41	121	133	127
R&D expense	23	69	68	67
Operating profit	5	- 6	44	56
Other gains	3	50	12	8
Other losses	17	1	9	43
Finance income	3	5	3	7
Finance costs	5	18	63	45
Profit before tax	-10	30	-13	-17
Profit	-13	16	- 3	-10

## 03 Cash flows

(Bil. KRW)

	3Q24	4Q24	1Q25	2Q25
Cash and cash equivalents at beginning of period	276	279	154	89
Cash flows from (used in) operating activities	43	14	- 96	- 26
Cash flows from (used in) operations	50	3	- 72	6
Cash flows from (used in) investing activities	- 1	- 74	3	- 19
Purchase of property, plant and equipment	- 3	- 22	- 27	- 38
Cash flows from (used in) financing activities	- 39	- 68	28	103
Proceeds from short term borrowings	- 8	- 31	11	56
Increase (decrease) in cash and cash equivalents	4	- 128	- 65	58
Cash and cash equivalents at end of period	279	154	89	145

