HYUNDAI MOBIS

3º Encontro da Indústria de Autopeças

2022. 06. 20

Presented by Scott W. McEwan

Agenda

- *Introduction to Mobis*
- *One view of South America*
- *Thoughts on electrification in the region*
- *What can we expect next*

- Suppliers need a shake up or a stress to open significant new opportunities in an otherwise steady market place.
- Right now Electrification is not the major things, it seems to be the only thing.

Introduction to HYUNDAI MOBIS

Overview

- Since **1977** with headquarters in Seoul, Korea
- Sales of **$ 34.8** billion, **7th** Global standing

[Sales in 2021]

- **29,953** employees worldwide

In the Americas

- 9 Manufacturing Centers
- Full R&D Tech Center
- All products represented
- EV plants announced but not finalized

Business Divisions

IVI

- Infotainment
- Connectivity
- HMI

AV

- Autonomous Driving ECU/Sensor
- In-Cabin Sensor

Lighting

- Head Lamp
- Rear Lamp
- Grille Lamp

Chassis

- Brake System
- Steering System
- Air Suspension

Safety

- Airbag Module
- Airbag Control Unit

Module

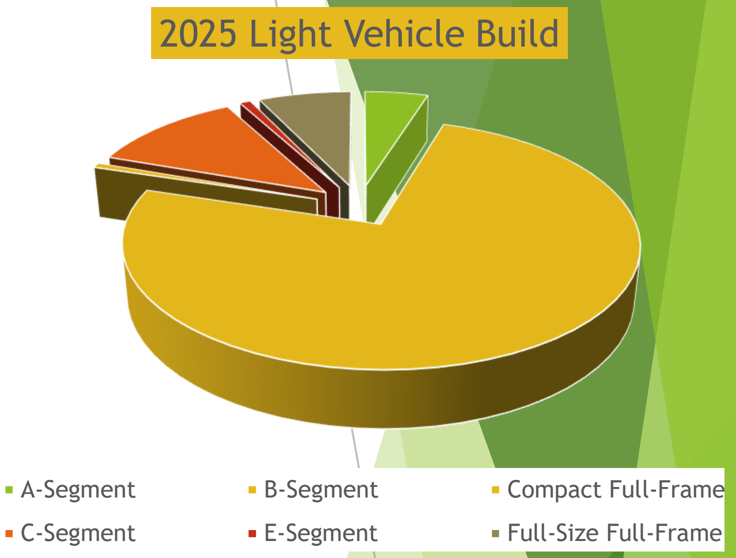
- Chassis Module (Axle Assembly)
- Cockpit Module
- FEM

E-Powertrain

- Power Conversion
- E-Machine
- Battery System

A view of the South American Market

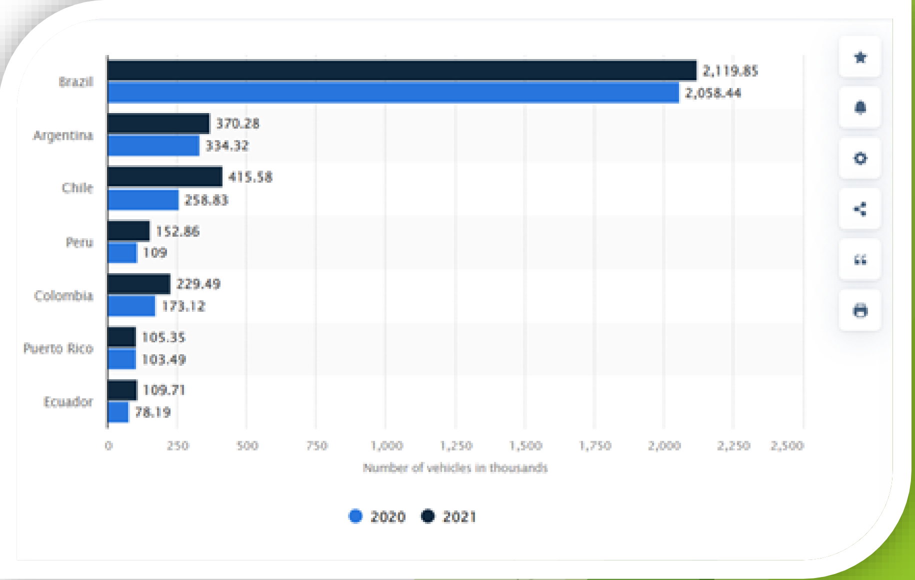
- South America is seen as an important growth Market
- Traditionally B and C Segment entry vehicles are the bread and butter of manufacturing on the continent
- Localization of component supply has been driven by a combination of strong government incentive and market requirements
- Changing OEM strategies will push for more design homerooms in region; however, this needs clarification
- Business requires local sub-supply where possible due to tariff structuring in most countries
- Export opportunities remain a positive but unsteady enticement
- Inflationary pressures cause reluctance to “go all in” on many opportunities



Based on 2025 Build of 3.55 million vehicles

A view of the South American Market

- Current dedicated supply and manufacturing foot print are already set for near term vehicles
- Global tier one suppliers will need to see openings to justify investment beyond current plans
- One major rationale that may present itself is the transition to *EV. HEV, PHEV and even fuel cell based vehicles are coming quickly to the market
- Advancements in ICE vehicle improvements will suffer as attention shifts to the emerging technologies
- Even where fuel is inexpensive, developments elsewhere will set the pace of change
- **Major disruption due to electrification represents opportunity**



2020 and 2021 Vehicle Registration Data

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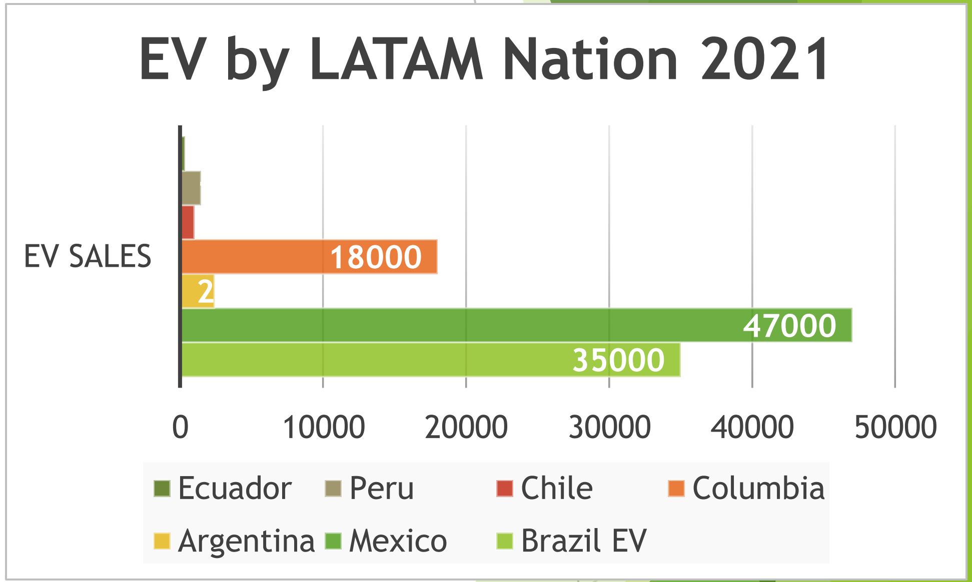
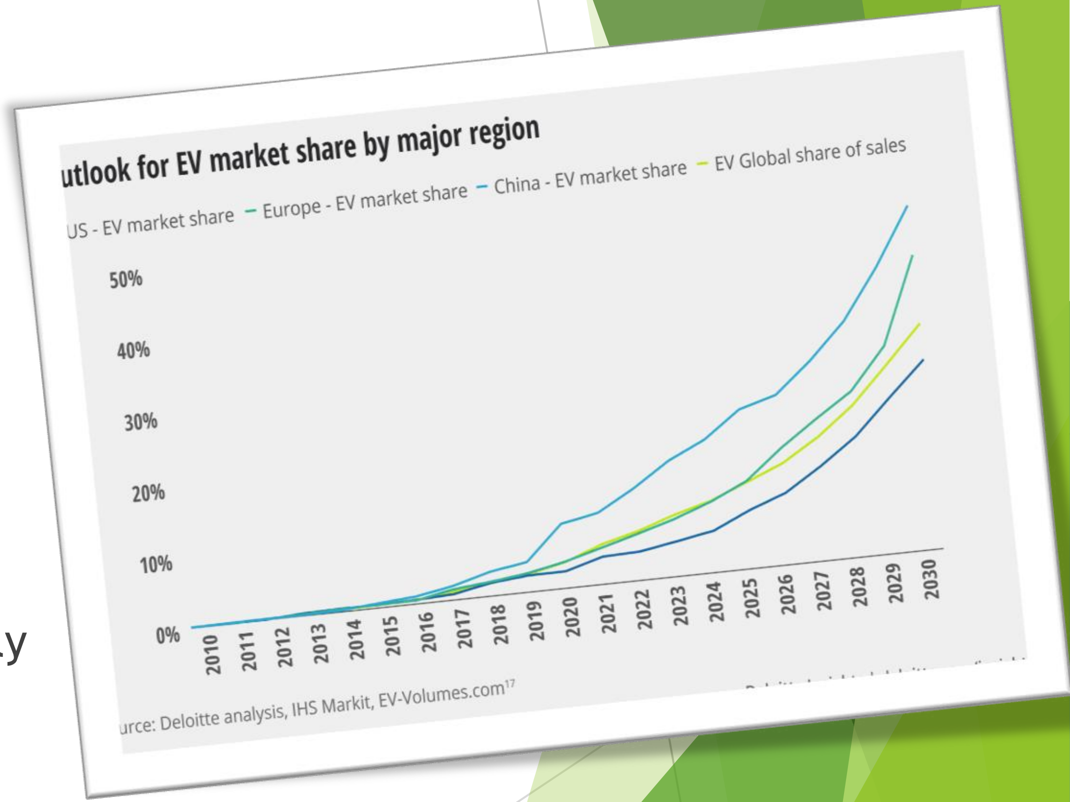
Thoughts on Electrification in the region

- In LATAM countries the EV market is growing but lagging behind other world regions
- Some legislative action has been taken, such as in Peru, to speed adoption rates
- As a whole manufacturing space is growing for all light vehicles and EV will need to become a larger part of that conversation in the next few years.
- This change in traditional part and vehicle supply is the opening that can be a reason to adopt and grow for OEMs and Tier suppliers alike.
- Globally, by 2030, as much as 50% of the light vehicle market will be electrified in some form.
- South American nations can choose now to lead, meet or lag that transition



Thoughts on Electrification in the region

- Slower adoption of EV in the region is driven by price point of the vehicles offered
- Transition of the manufacturing space from ICE to EV is time consuming and expensive
- Being slower to adopt for the previously mentioned reasons may have an advantage
  - Market and technical issues are being solved elsewhere
  - Approaches for reclassification of component plants are being solidified in other regions
- Through all of these changes, opportunities to break into supply of major components are being created
- Traditional and entrenched ways are being challenged for the good, South America can make this a benefit with strategic planning



What can we expect next

- OEMs will need to clarify the adoption of EV designs for LATAM between now and 2030
- Strategic planning for the manufacturing capacity of components and vehicles will require debate
- Global pressure and local government actions will continue to open this rift between ICE and *EV
- Suppliers need to be agile, ready and willing to participate in the inevitable but remain patient while this region of the globe sets it best plan