

INVESTOR RELATIONS 2018

# HYUNDAI HEAVY INDUSTRIES HOLDINGS

Apr. 2018

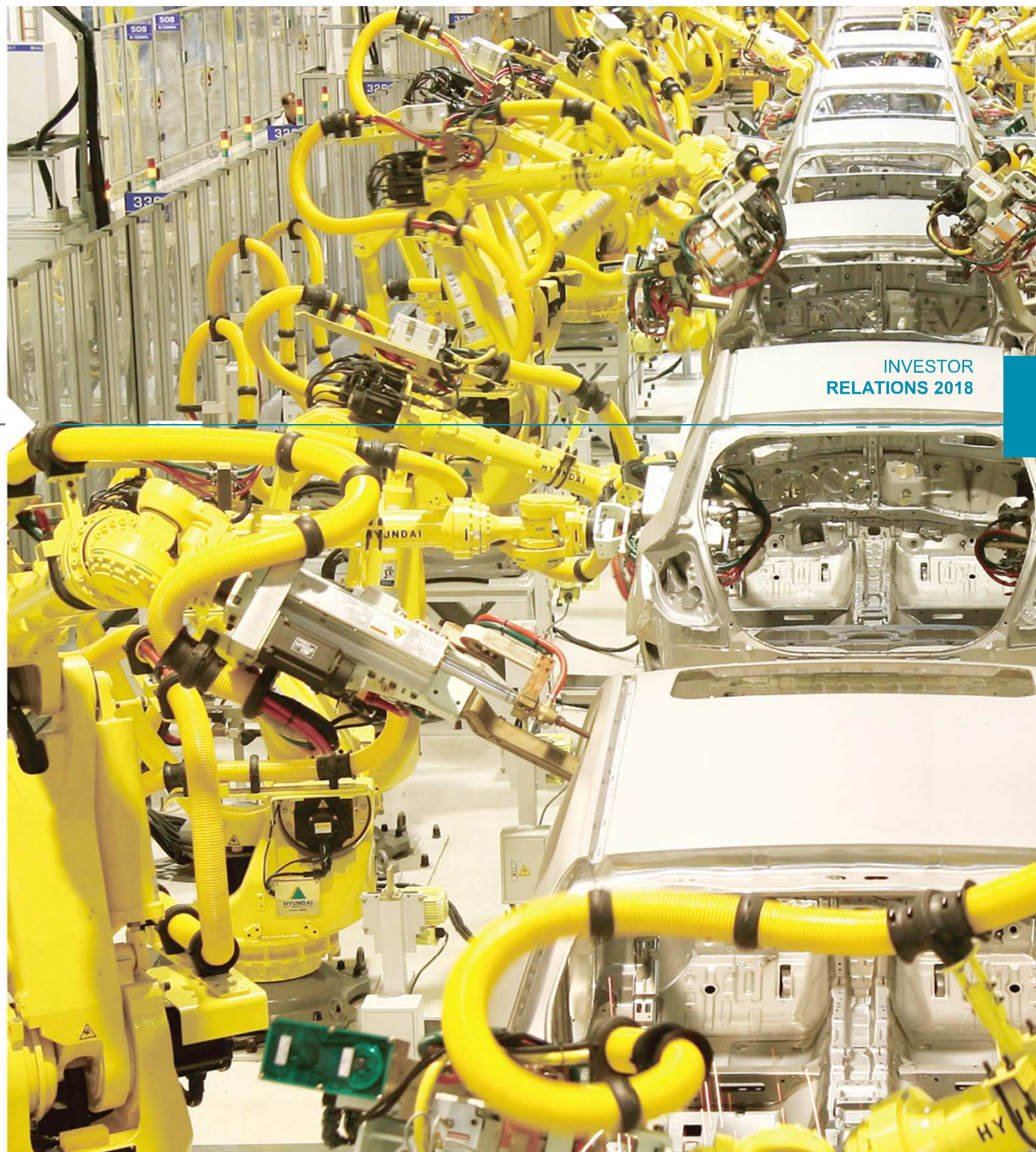


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# No.1 Robotics Company in Korea

1. Corporate Information
2. Corporate Growth History
3. Core Products and  
Business Performance

# 1. Corporate Information

The leading company in the domestic robot industry



## General Information

Corporate Name	Hyundai Heavy Industries Holdings Co., Ltd
CEO	Kwon, Oh gap
Date of Establishment	April 03, 2017
Paid-in Capital	W 81.4bn
No. of Employees	254
Key Business	Manufacture and sales of industrial robots and related automation facilities
Address	50, Techno Soonhwan-ro 3-gil Yugameyeon, Dalseong-gun, Daegu
Webpage	<a href="http://www.hyundai-holdings.com">www.hyundai-holdings.com</a>

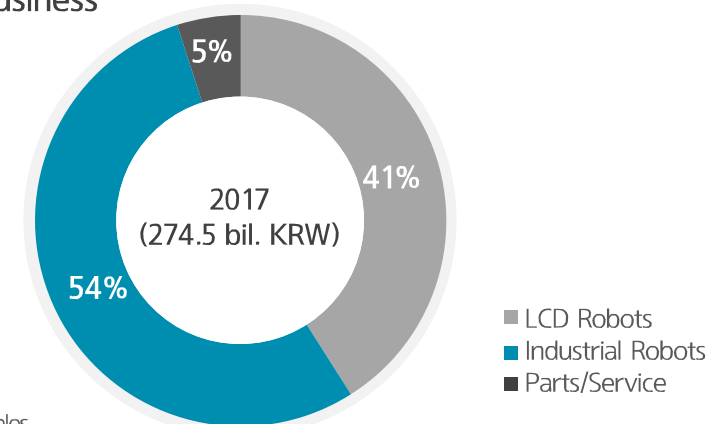
## Business Information

### • Business Details

**‘Develop and produce  
general industrial robots and LCD robots’**

Industrial Robots	LCD Robots
	
Mainly used in the automotive industry where productivity increase and labor decrease is crucial	Mainly used in a clean environment like the LCD industry

### • Sales by Business



Note) Robot business sales

Note) 2017 sales above includes the numbers of '17. 1Q prepared by the Company as a reference only for investors since the Company is split as of Apr. 1, 2017.

## 2. Corporate Growth History

No.1 robot specialist company with independent technology for industrial robots

### Founding Period

(1984~2000)

- Oct.1984 Started HHI Robot Business Team
- May.1985 Technology cooperation with Japan's N company
- Jul.1988 Spin off of Robot Business from HHI (Hyundai Robot Industry)
- Sep.1993 Hyundai Robot industry was merged into HHI
- Nov.1995 Developed two independent models of robots

### Growth Period

(2001~2016)

- May 2007 Development and market entry of LCD robots
- Jun.2011 Robot factory expansion(4,800 units per year)
- Jul. 2015 Independence of robot business division (from Engine & machinery business division)
- Dec. 2015 Reached maximum annual actual output (5,000 units)

※ 44 Sales Models  
(25 Industrial Models, 19 LCD-based model)

### Leap Period

(2017~)

- Mar.2017 Construction of new robot factory (8,000 units per year)
- Apr.2017 Establish 'Hyundai Robotics'
- Sep.2017 Launch of painting robot and OLED manufacturing vacuum robot



Initial production robot

Welding robot development public demonstration



LCD Robot

Robot factory (Ulsan)



Painting robot

OLED Vacuum robot

Newly built Robot factory (Daegu)

### 3. Core Products and Business Performance

Steady profit realization through various line-up of robotic products

#### Core Product and Clients

##### • Industrial Robots



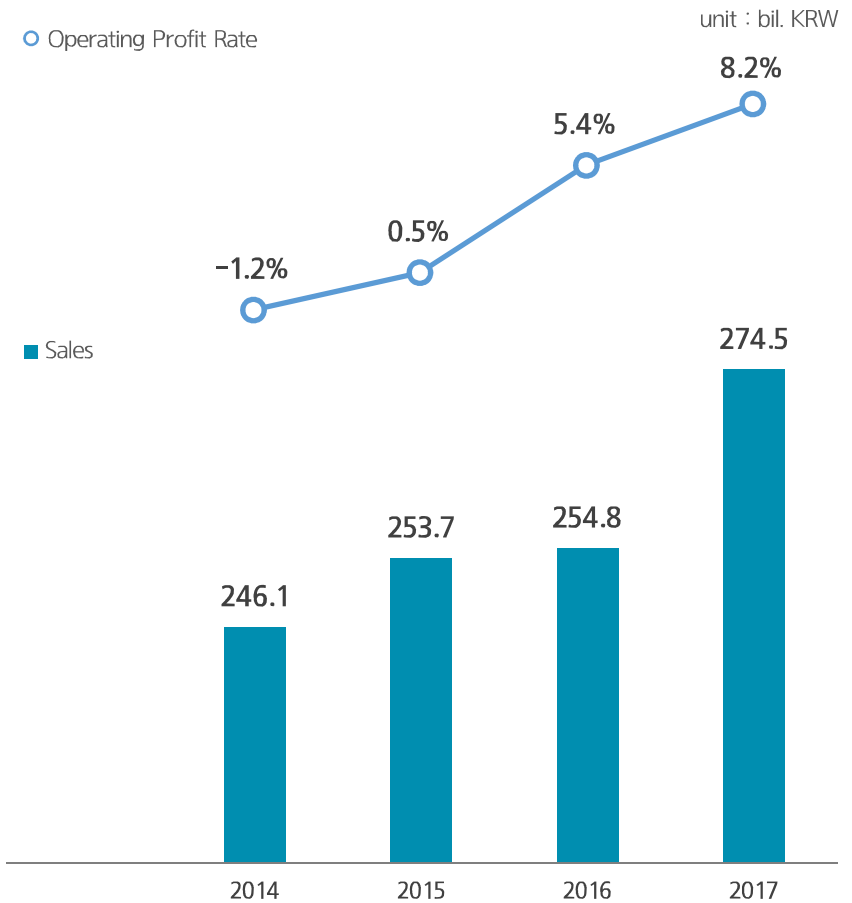
	Local Clients	Global Clients
Automotive	Hyundai & Kia Motor Company	BHMC(China), Saipa(Iran) etc.
Automotive Suppliers	Sungwoo Hightech, Sewon, Saehan etc.	Beycelik(Turkey), Gestamp(India) etc.
Others (non-automotive)	World ENG etc.	Haier (China) etc.

##### • LCD Robots



	Local Clients	Global Clients
Clients	LG Display	BOE, CSOT, AUO, Tianma, CPT, LGD CA etc.

#### Sales & Operating Profit Rate



Note) Robot business sales(excluding dividend sales)



# Core Competitiveness

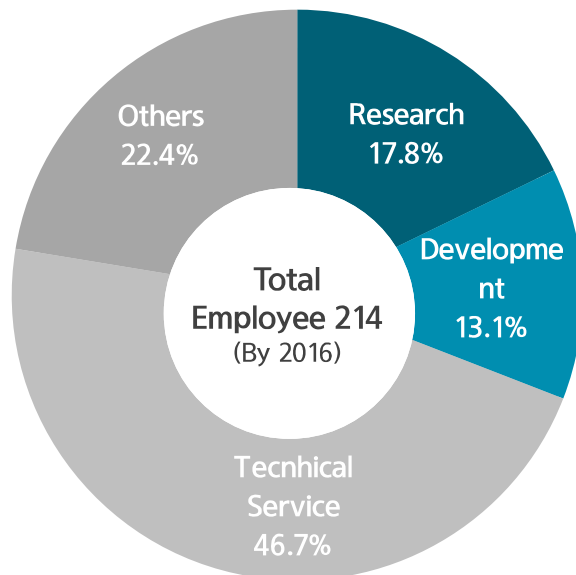
1. Superior R&D and Production Capabilities
2. Possessing Key Original Technology
3. Highly Developed Production Infrastructure

# 1. Superior R&D and Production Capabilities

Steady investment to secure the basis of superior technology development

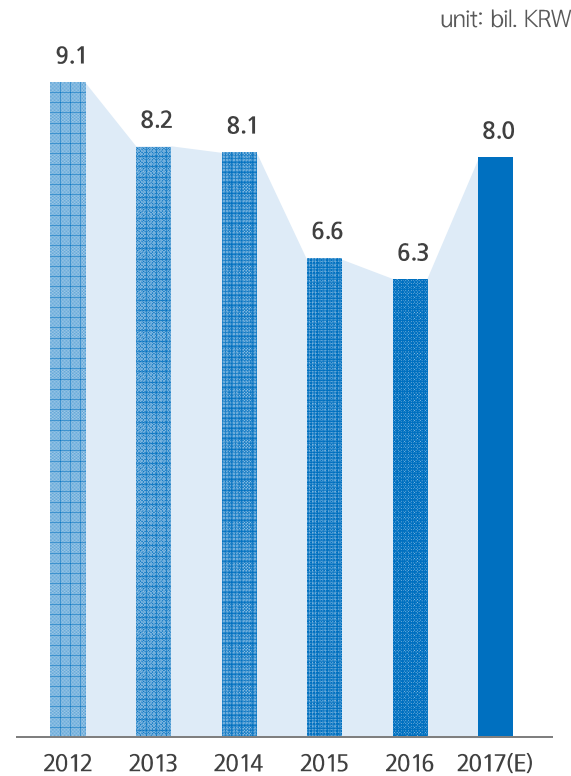
## R&D Personnel

31% of employees are  
R&D Personnel



## R&D Budget

Average annual R&D budget over  
7.6 bil. KRW (2012~2016)



## Technology Development Performance & IPRs

High-tech industrial robots  
Posses numerous certification of  
technology and IPRS



- 2007. "World-class Korean Product" Award for car frame production robot  
Jang Yeong-sil Award for "Robot coordination control system"
- 2010. Presidential Award in technology sector for Intelligent robot
- 2011. "World-class Korean Product" Award for LCD transport robot

	Application	Registration
Local	322	111
Global	15	4

\* Note: Full-time employee by year 2016

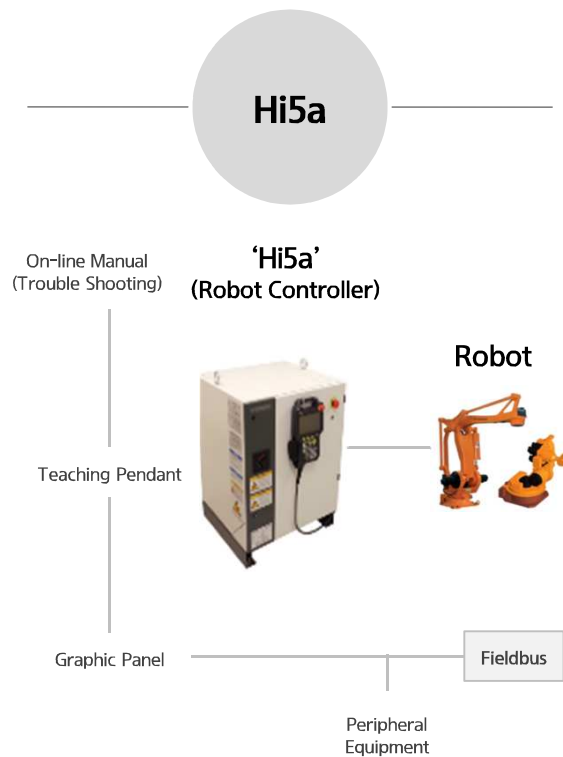


## 2. Possessing Key Original Technology

Leading key original technology in the Holding industry

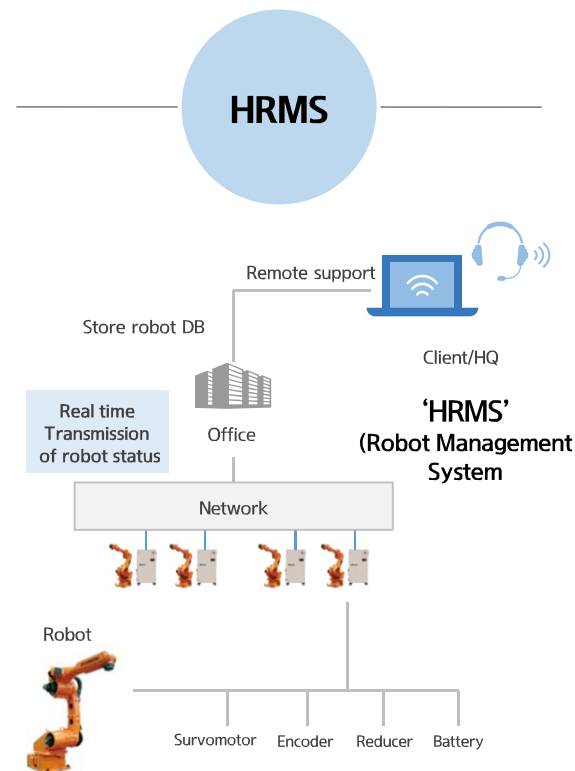
### Key Original Technology I. Robot Controller

Korea's only  
Original robot controller



### Key Original Technology II. Robot Management System

Robot Management System  
to realize the 'Smart Factory'



\* HRMS (Hyundai Robot Management System)

### Key Original Technology III. Control Software

Independent development ability of  
application control software  
to control the degree of fixation and  
speed

100%  
applied to  
all models

Controller : Hi5a, Hi5a-C, Hi5a-P, Hi5a-T

Industrial : HS220 & 24 types

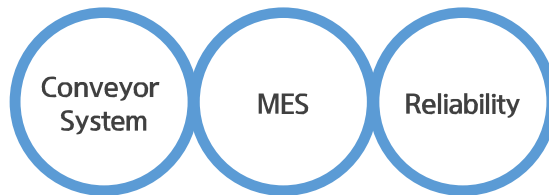
LCD : HC2503 & 18 types

### 3. Highly Developed Production Infrastructure

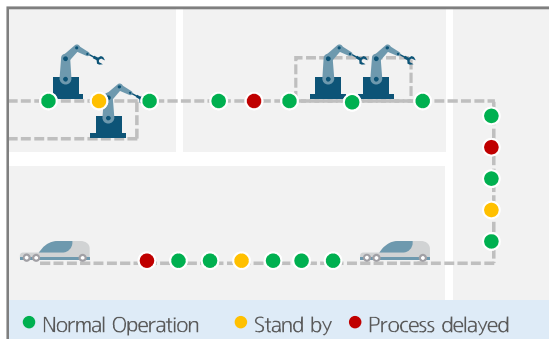
Improve quality, production, marketing competitiveness by establishing a smart factory

#### Smart system

Cutting-edge production system to  
**Improve productivity &  
quality competitiveness**



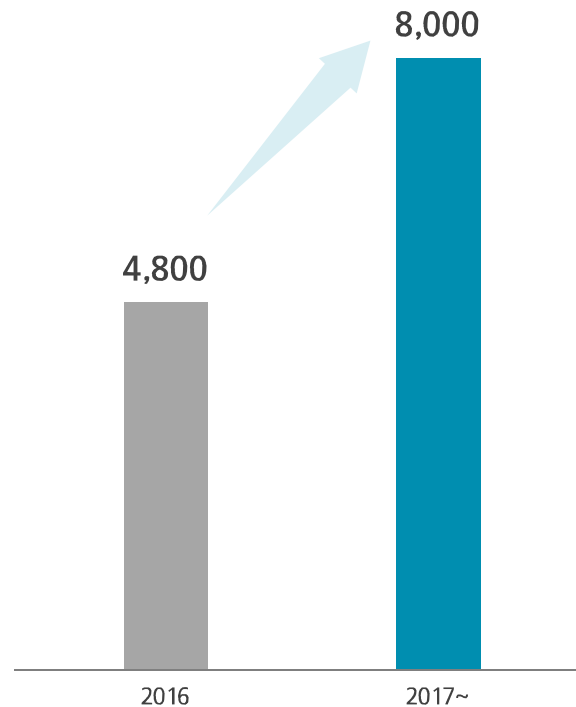
\* Real time monitoring of every process  
from assembly to trial test



\* MES (Manufacturing Execution System)

#### Production capability

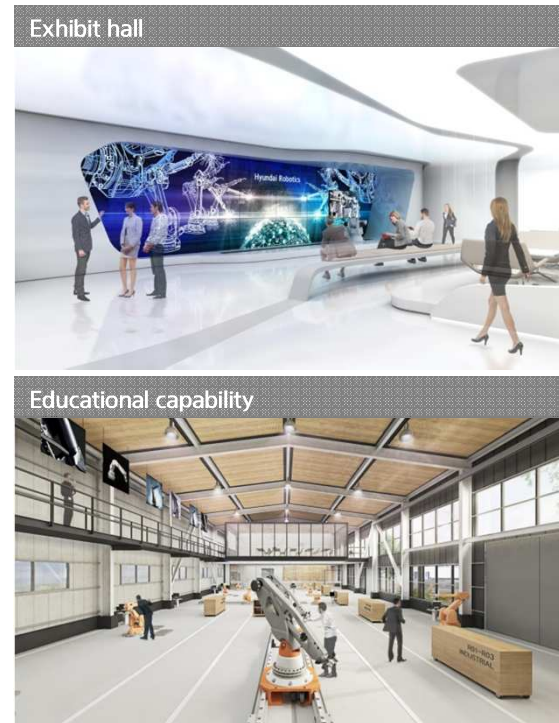
Expand production capability to  
**Establish a stable production basis**



#### Marketing

**Global marketing capability**

With exhibit halls, educational facilities



## Growth strategies and vision

1. Rapidly Growing Robotics Industry
2. Improving Competitiveness in Core Product Categories
3. Product and Market Diversification
4. Creating New Business Models
5. Additional Growth from Chinese Market

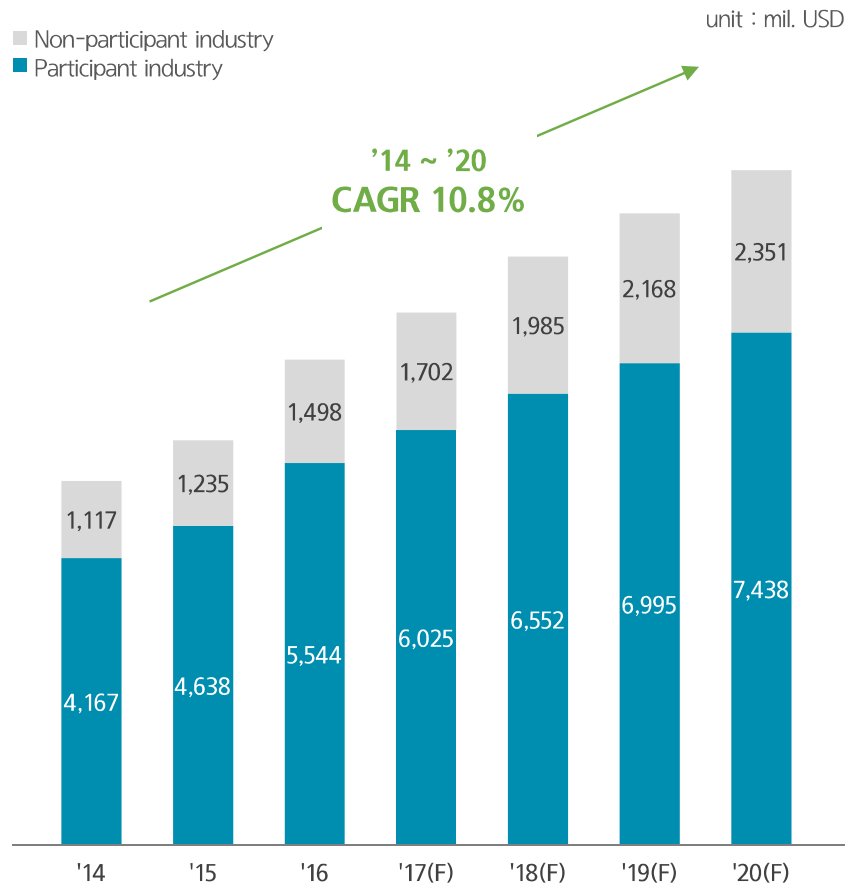
Vision 2021



# 1. Rapidly Growing Robotics Industry

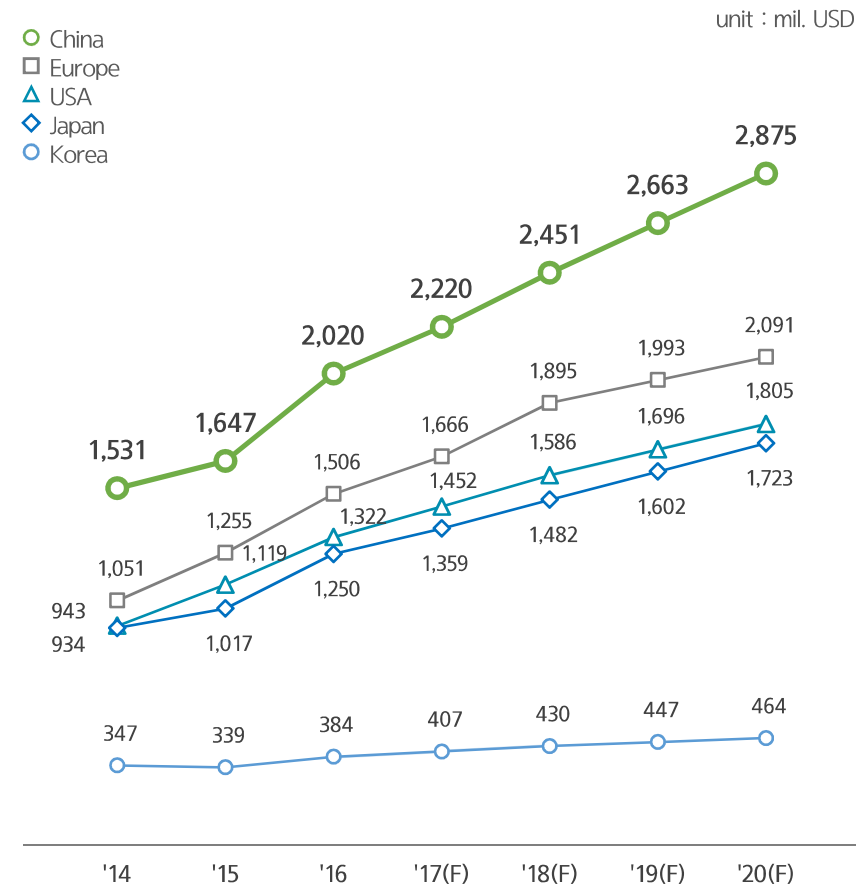
Global industrial robotic industry is expected to show annual growth of 11% until 2020

## Industrial Robotic Industry Growth and Forecast



Note : Non-participant industry – food, service area robots  
Source : Fuji Economic Report, 2016.03

## Growth and Forecast by Country



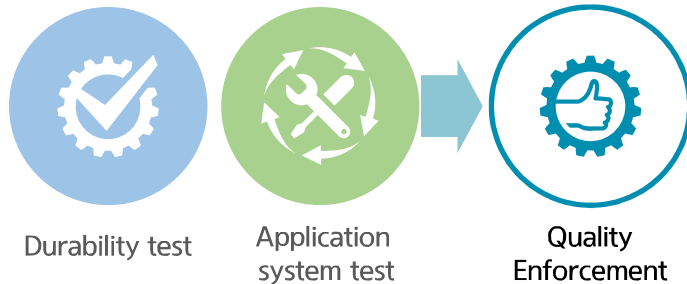
Source : Fuji Economic Report, 2016.03

## 2. Improving Competitiveness in Core Product Categories

Improve competitiveness by quality improvement and parts modularization

### Quality Improvement

Quality improvement through  
performance and durability enforcement  
By continuous design improvement and test  
evaluation



#### • Example



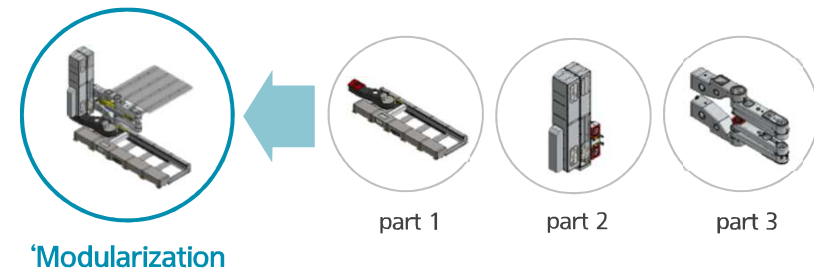
#### Model Name: HS220

- Key model that accounts for over 50% of sales
- 10,000 units shipped after the Launch of 2014

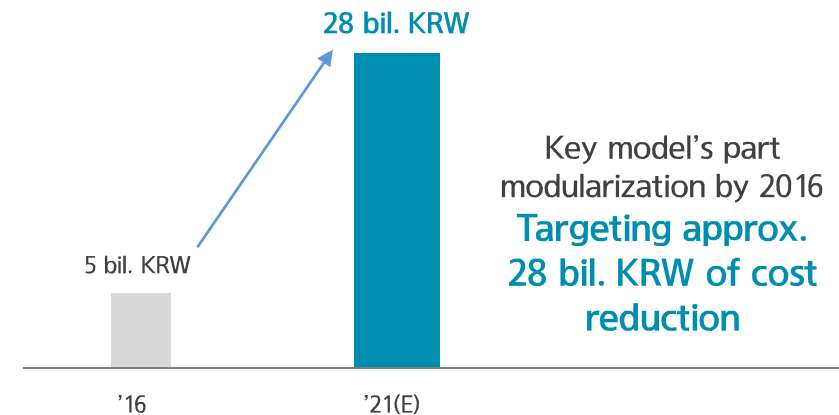
※ Competitiveness improvement of semi-key models ((HA006B, HH020, HH050 etc.) is in progress

### Parts Modularization

Secure price competitiveness  
By modularization of parts for product manufacture



#### • Cost reduction estimation



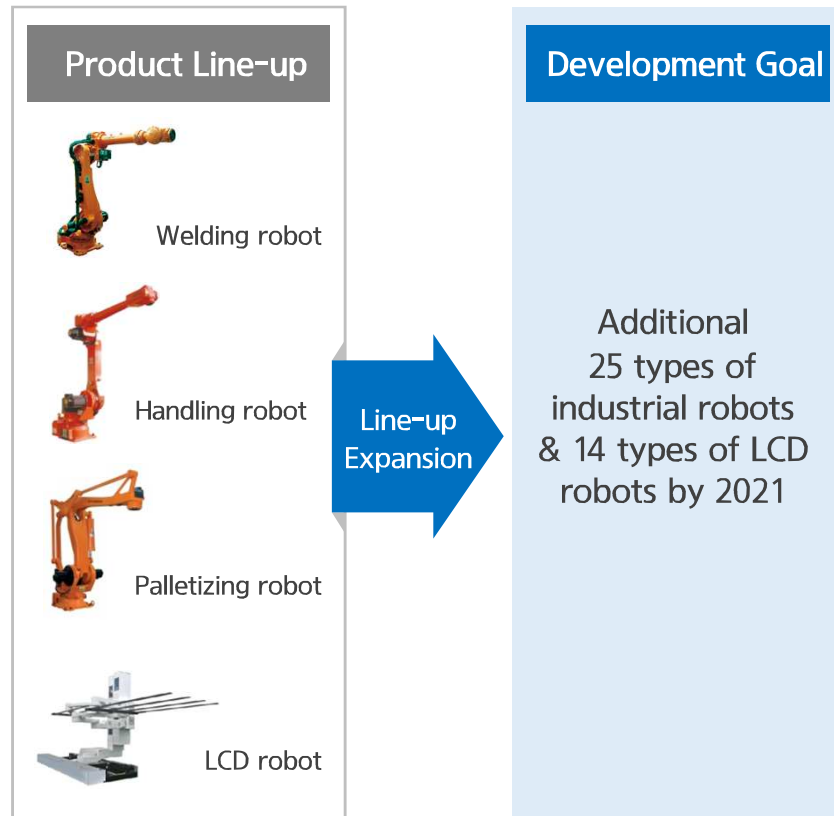
### 3. Product and Market Diversification

Expanding product line-up and launch new models for product and market diversification

#### Product Line-Up Expansion

##### Product Diversification

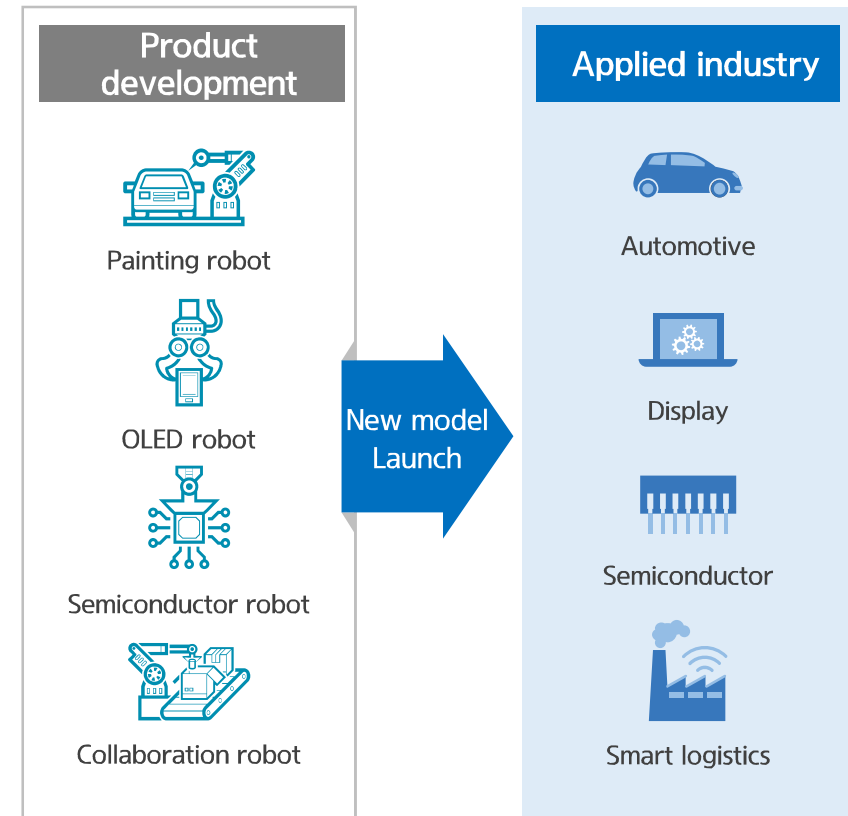
Through key products portfolio expansion



#### New Model Launch

##### Market Diversification with New Model Launch

Painting, OLED, semiconductor, logistics robots, etc.





## 4. Creating New Business Models

Creating new business model such as service & system business, etc.

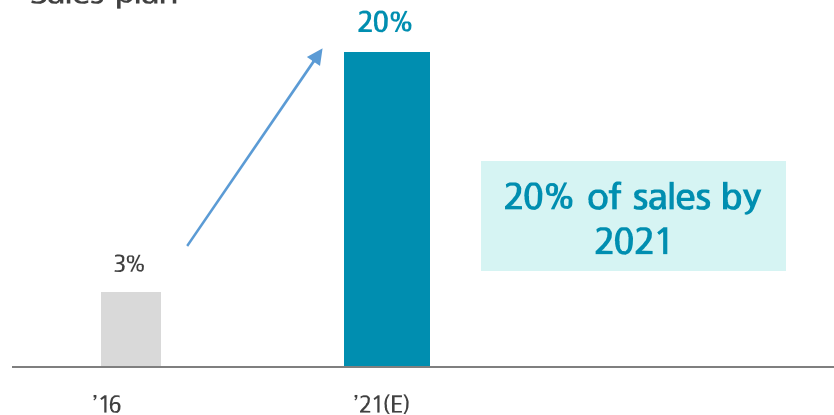
### Service Business Expansion

#### Service business expansion

Through before service and strategic alliance



#### • Sales plan



### Entering robot system business

#### Application expansion

by co-developing specialized robot system with clients

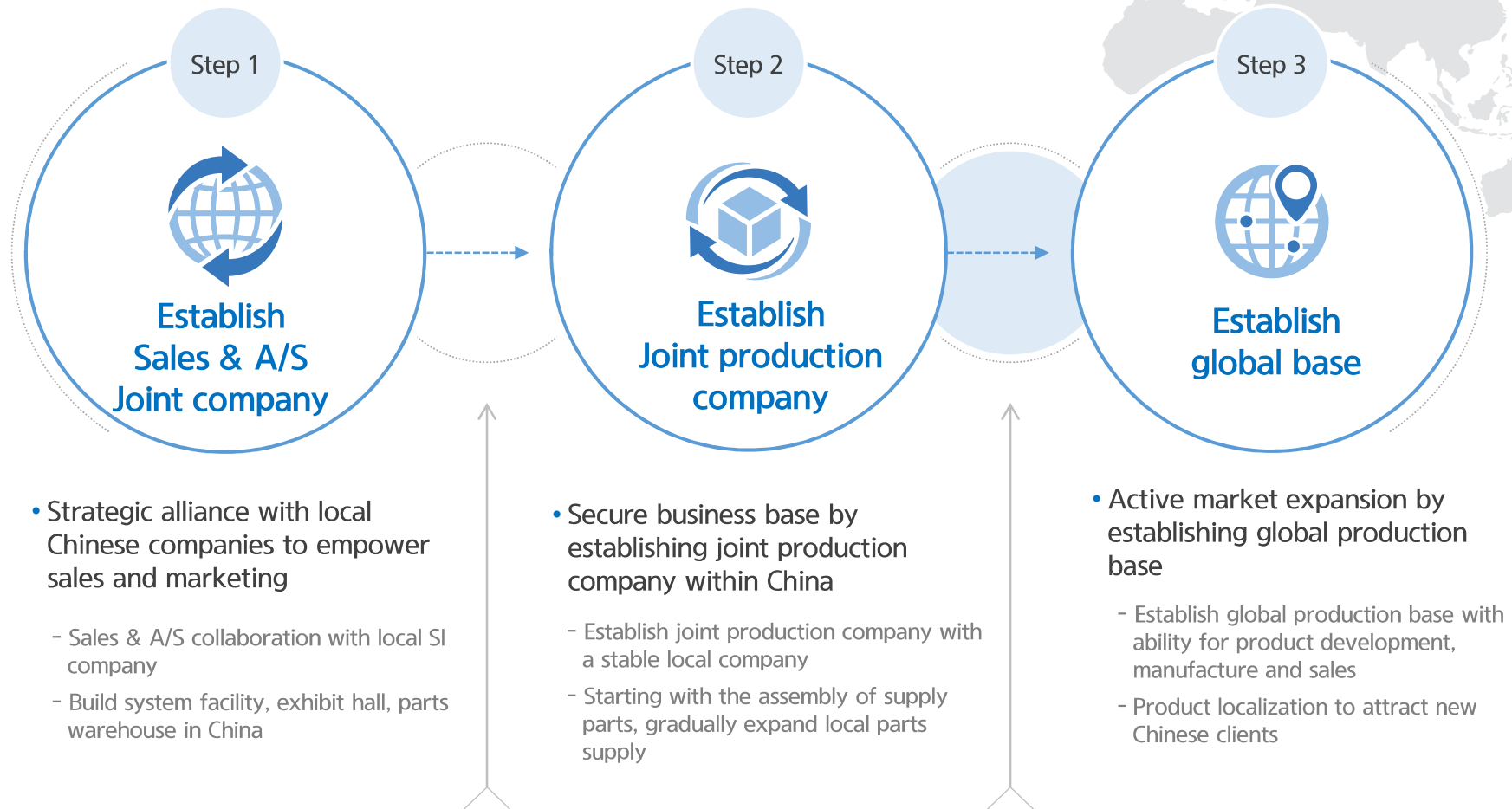


#### • Progress status

Automotive manufacturer	→	Aluminum Welding system	Development completion by Aug. 2017.& Start field test
Automotive partner	→	Robot sealing System control technology	Development completion by Jun. 2017 & Start testing for client application
Construction equipment manufacturer	→	Plate welding Robot system	Development completion by Aug. 2017

## 5. Additional Growth from Chinese Market

Entering the Chinese market through multilateral business collaboration

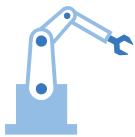


Note : SI (System Integration)

## Vision 2021

**Global Top Tier Robotics company**

**Vision 2021**  
**Targeting W500bn sales, with 11% op margin**



Improving  
competitiveness in  
core product  
categories



Product and  
market  
diversification



Creating new  
business models



Additional growth  
from Chinese  
market



# Investment Highlights

## 1. Investment Highlights

# 1. Investment Highlights

01

**Only company that owns a complete value chain in the Korean robot industry**

- Securing infrastructure from development, production to sales

02

**Superior R&D and production capabilities**

- Possessing key original technology, such as a robot controller (only in Korea)
- Introducing a smart system for production efficiency and higher quality

03

**Expanding business portfolios and market diversification**

- Expanding product line-up, product and market diversification through new model releases

04

**Creating new business opportunities**

- New business as a future growth driver

05

**Growth from Chinese market**

- Seeking growth in the Chinese market through strategic alliance and establishing local manufacturing plants



# Financial Highlights

1. '17.4Q Profit & Loss
2. '17.4Q Financial Position



# 1. '17.4Q Profit & Loss

## 4Q 2017 Consolidated Earnings by Segment

Unit : bill. KRW

	'17.4Q			'17.3Q			'16.4Q		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Robotics	77.2	4.5	5.8%	323.4	270.6	83.7%	78.0	6.2	7.9%
Refinery	4,694.6	401.5	8.6%	3,339.3	274.7	8.2%	3,812.0	317.0	8.3%
Electric & Energy System	489.3	1.5	0.3%	357.3	30.2	8.5%	-	-	-
Construction & Equipment	590.3	15.2	2.6%	407.3	29.5	7.2%	-	-	-
Others & Adjustments	(175.3)	(299.7)	-	(11.5)	(52.8)	-	17.6	(4.1)	-
Consolidated Total	5,676.1	123.0	2.2%	4,415.8	552.2	12.5%	3,907.6	319.1	8.2%

Note1) Robotics : Non Consolidated

Note2) Refinery, Electric &amp; Energy System, Construction &amp; Equipment : consolidated

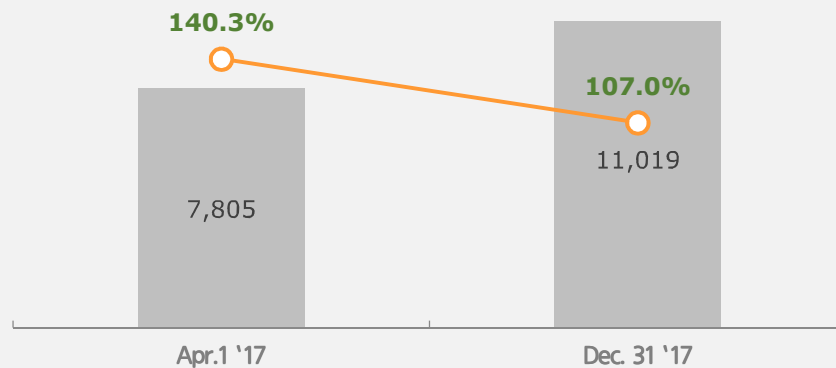
Note3) Only two months of Aug. and Sep. earnings are reflected on the above '17.3Q results of Electric&amp;Energy System and Construction&amp;Equipment since the Hyundai Robotics' acquisition date of the subsidiaries is considered August 1, 2017.

## 2. '17. 3Q Financial Ratio

### Consolidated Financial Ratio

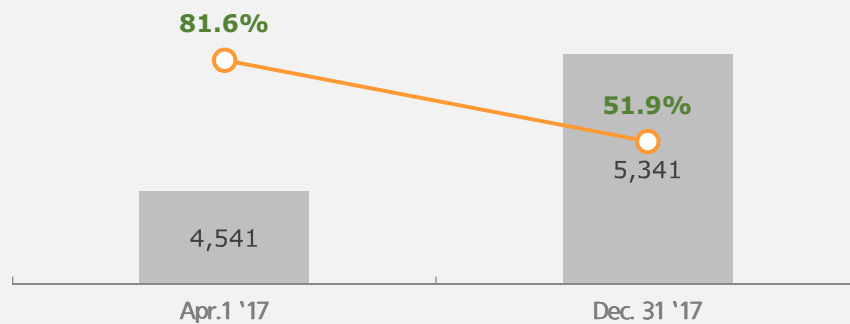
- Liabilities-to-Equity Ratio 107%

(Unit : bil. KRW)



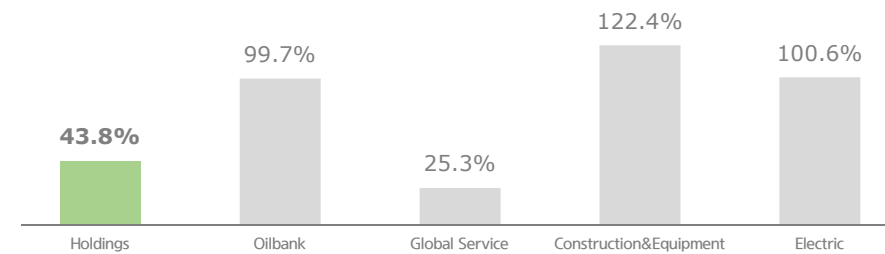
- Net Debt-to-Equity Ratio 51.9%

(Unit : bil. KRW)

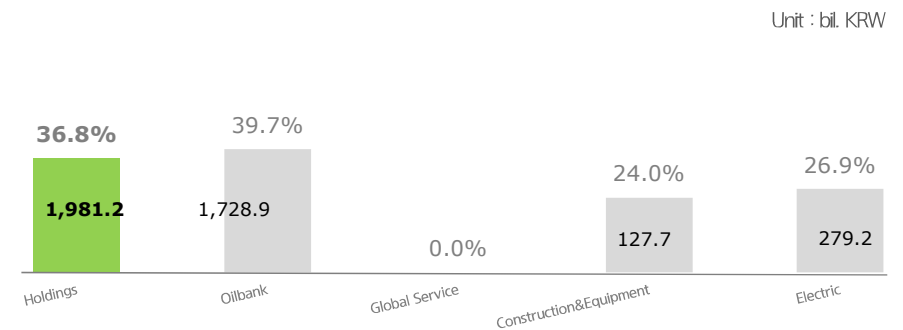


### Liabilities-to-Debt & Debt-to-Equity Ratio(Parent)

- Liabilities-to-Equity Ratio(Dec. 31, 2017)



- Net Debt-to-Equity Ratio(Dec. 31, 2017)



## Appendix. Subsidiaries

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1. Hyundai Oilbank
2. Hyundai Global Service

# 1. Hyundai Oilbank – Company Overview

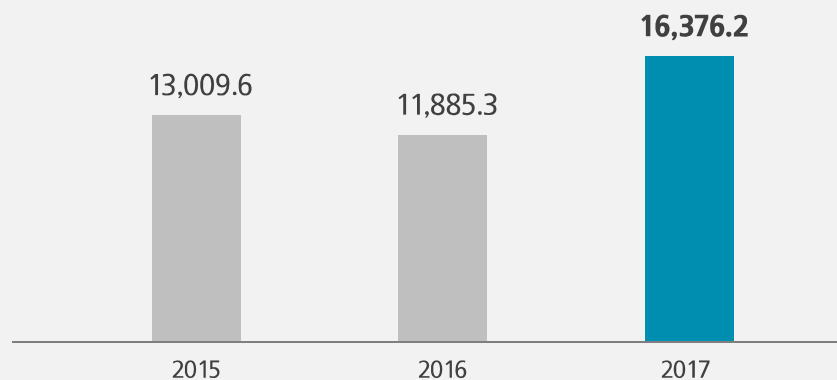
## General Overview

Name	Hyundai Oilbank Co., Ltd.
CEO	Moon Jong Bak
Established	January 1964 (incorporated into the HHI group : Aug. 2010)
Capital	1,225.4 bil. KRW (as of Dec. 2017)
Employees	2,243 (Hyundai Oilbank: 1,833, Subsidiaries: 410)
Location	Chungcheongnam-do, Seosan-si, Daesan-eup, Pyeongsin 2-ro 182

## Earnings

### • Consolidated Sales

Unit: bil. KRW



## Business Overview

- Established in 1964 as the 1<sup>st</sup> Korean private oil company
- Hyundai Oilbank & 5 subsidiaries (Hyundai Shell Base Oil, Hyundai Chemical, Hyundai Oil Terminal, Hyundai Cosmo, Hyundai OCI Carbon)
- Chungnam Daesan Complex consists of #1 & #2 Plant
- 2,244 gas stations & 8 storage fields in major cities
- Capacity: 431KB/day, upgrade ratio: 38.2% (2017)

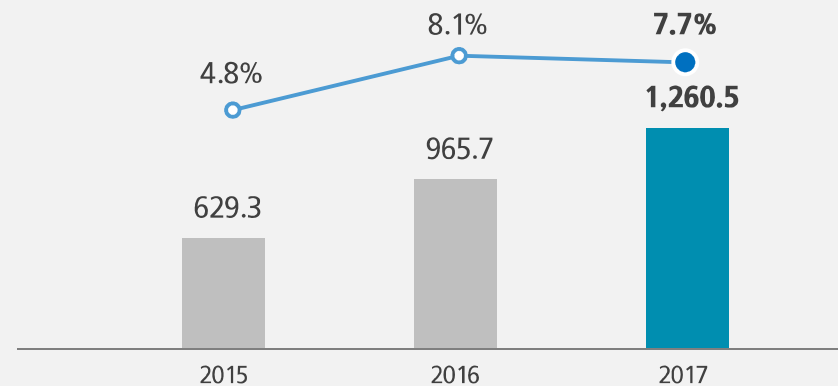
#1 Plant	#2 Plant	Total
121 KB	310 KB (360 KB)	431 KB (481KB)



Note 1 : As registered to the Ministry of Trade, Industry and Energy in Dec. 2017  
(Capacity after March 2018)

### • Consolidated Operating Profit & Ratio

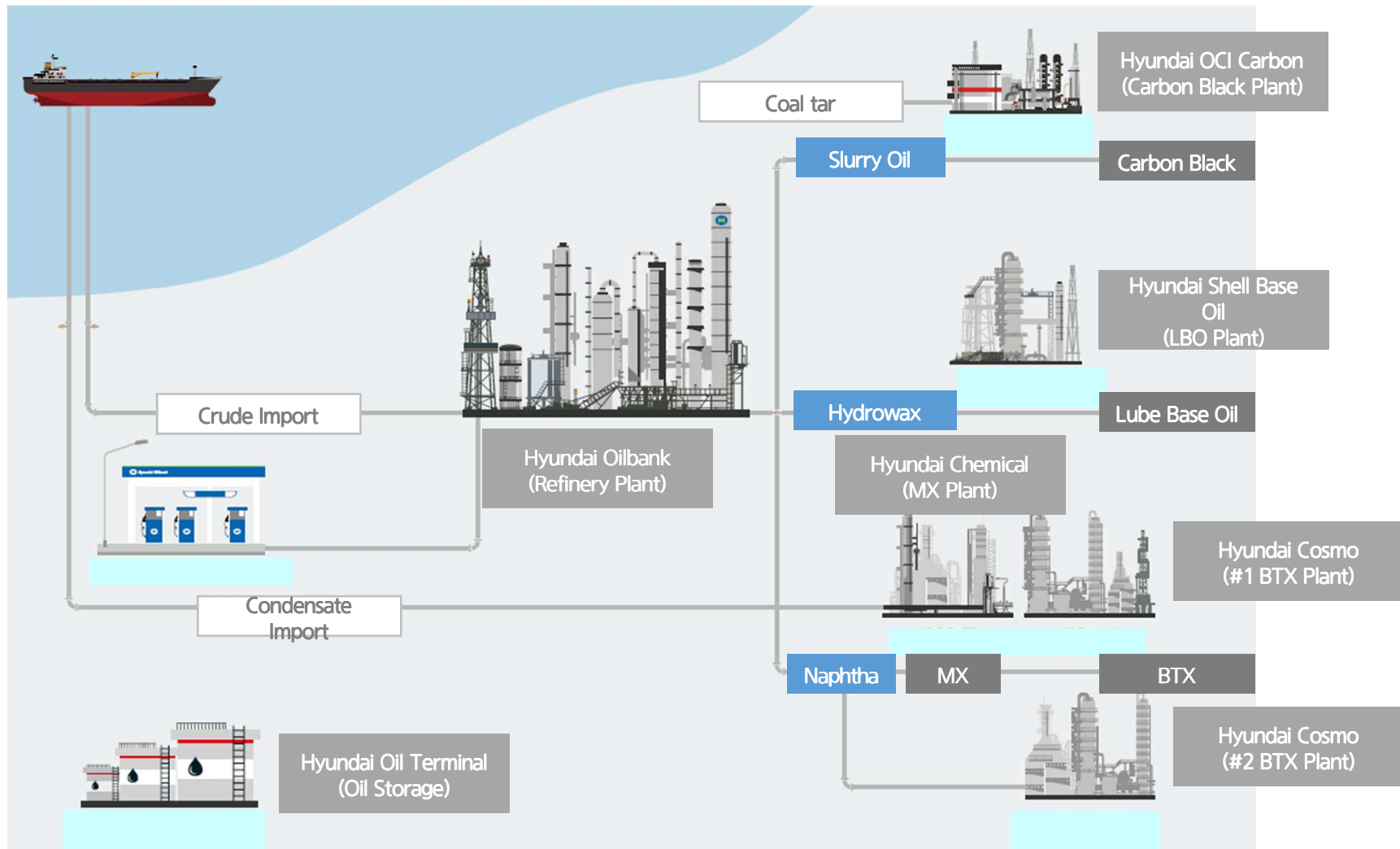
Unit: bil. KRW





## 1. Hyundai Oilbank – Business Overview

Through vertical expansion, Hyundai Oilbank's businesses include producing petroleum products and petrochemicals (MX, BTX) through the refinery, producing lube base oil and carbon black by utilizing by-products from the refinery, and providing oil storage service.



# 1. Hyundai Oilbank – Subsidiaries Overview

	Hyundai Oilbank					Unconsolidated Subsidiary
	60%	60%	100%	51%	100%	50%
Subsidiary (Year Established)	Hyundai Shell Base Oil (2012)	Hyundai Chemical (2014)	Hyundai Oil Terminal (2013)	Hyundai OCI (2016)	Overseas Affiliate, etc. (4 Total)	Hyundai Cosmo (2009)
Joint Partner (Stake)	Royal Dutch Shell (40%)	Lotte Chemical (40%)	※ First Korean refining company to commercialize the tank terminal business	OCI (49%)	Singapore, Shanghai Affiliates and 2 others	Cosmo Oil (50%)
Main Business	Lube Base Oil Production	Mixed Xylene Production	Oil Storage	Carbon Black Production		Para-xylene, Benzene Production
Capacity	150N 455K Ton/Year 500N 195K Ton/Year	130K B/D (Refining) MX 1 mil. Ton/Year	280,000 KL(Storage)	150K Ton/Year		PX 1.18 mil. Ton/Year BZ 240K Ton/Year
'17 Sales	708.6 bil KRW	3,373.6 bil. KRW	32.8 bil. KRW	53.7 bil. KRW		2,388.1 bil. KRW
'17 Operating Profit	123.7 bil. KRW	267.0 KRW	9.1 bil. KRW	3.2 bil. KRW		115.4 bil. KRW

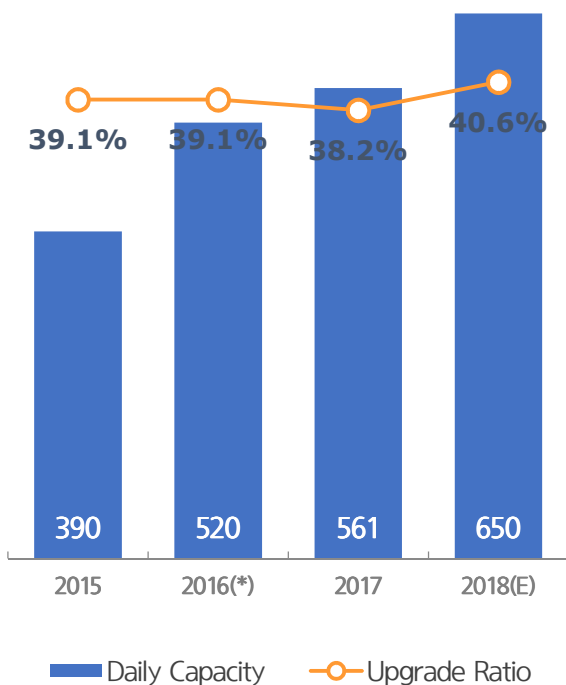
Note 1 : All numbers are based on 2017

Note 2 : Commercial Operation of Hyundai OCI expected Feb. 2018

# 1. Hyundai Oilbank – Strengths & Plans

## Strengthen Refining Business

Upgrade Ratio  
38.2% Highest in Korea (2017)  
Focus on upgrading facilities & production growth



(\*)Daily capacity includes 130K barrels from Hyundai Chemical's Condensate Splitter.

## Business Diversification

To become a total global energy company,  
Find new non-refining investments  
Increase non-refining operating profit  
Improve portfolio stability



2009  
Established Hyundai Cosmo Petrochemical

2013  
Began commercial operations of the #2 BTX Plant

2014  
Established Hyundai Chemical

2016  
Began commercial operations of the MX Plant



2012  
Established Hyundai and Shell Base Oil

2014  
Began commercial operations



2012  
Established Hyundai Oil Terminal

2013  
Completed the construction of an oil storage facility for petroleum and petrochemical products

2014  
Began to manage oil reservoirs under contract with Hyundai Oilbank



Carbon Black Business

2016  
Established Hyundai OCI

2018  
Plan to begin commercial operations

## Global Market Expansion

By diversifying crude import sources,  
Stabilize crude supply  
Promote stable & continuous growth

Crude oil from Middle Eastern countries



Crude oil from Latin America



Crude oil from Russia



Crude oil from Southeast Asia



[Crude import ratio by area]

Area	2012	2017	Difference
Middle East	91%	72%	-19%
Europe	3%	11%	+8%
Asia	6%	1%	-5%
North America	0%	2%	+2%
Central & South America	0%	14%	+14%

## 2. Hyundai Global Service

### General Information

Company's name	Hyundai Global Service Co. Ltd
CEO	Ki Sun Jeong Kwang Hean An
Establishment date	December 2016
Capital	20billion won (17million dollars)
Number of Employee	274 (As of December 31, 2017)
Main Business	Service business related to vessel and power plant
Location	Centum Science Park, 79, Centum jungang-ro Haeundae-gu, Busan 48058, Korea
Home Page	<a href="http://www.hyundai-gs.com">http://www.hyundai-gs.com</a>

### Business Overview

- Since the establishment of Hyundai Shipyard Heavy Industries Co., Ltd. in 1973, Hyundai Heavy Industries' shipbuilding division, engine machine division, electric and electronic system division have been engaged in the service business. After that, Hyundai Global Service was established in Dec. 2016 to run a business related to vessel and power plant service.
- Running a service business related to repair of vessel and machineries(2/4 stroke engine, and etc.), supply of spare parts and performance improvements
- Running power plant O&M (Operation & Maintenance) service business
- Main Service



Tech. Service



Spare Parts Service



Warranty Service



Power Plant Service

Shipbuilding  
+ Engine  
+ Electro-Electric  
+ Power Plant

**“One Stop Service”**

#### Integrated Service business based on Engineering

- Increase customer satisfaction through One Stop Service
- Strengthen maintenance/performance improvements service based on integrated engineering
- Maximizing synergy with original business through sales of parts and service packages



## 2. Hyundai Global Service

### Main Service



Parts Sales



Onshore Power Plant Service



Engineering &amp; Technical Service



Warranty Service

#### Outline

- Himsen Engine, originally developed by HHI Parts Supply
- A wide range of marine spare parts Supply

- Parts supply & Technical support
- Providing O&M Service to keep the plant safe and to maintain efficient operation

- Providing entire services for ship life cycle from delivery of ships to scrapping

- Providing guarantee services for ships built by the world's best shipyard, HHI Group

#### Details

- Engine Parts Sales
  - 2-Stroke Engine Spares
  - 4-Stroke Engine Spares
  - Turbocharger
- Auxiliary Machinery Parts Sales
  - Marine Pump / Steam Turbine
  - Submerged Cargo Pump
  - Side Thruster
- Marine Propeller & Shaft Sales
- Outfitting parts sales
  - Valve & Pipe
  - Navigation
- Electrical Equipment Parts Sales
  - AMS, PMS (ACONIS)
  - Switch Board & Panel
  - Circuit Breaker
  - Sensors
- Eco-Machinery Parts Sales
  - FGSS : Vaporizer, Heat Exchanger
  - SCR : Urea Dosing & Supply Unit
  - BWTS : Neutralization Unit, UV Lamp

- Engine and Aux. Equipment Parts Sales
  - Boiler
  - Air Compressor
  - Air Starter
  - Purifier
  - Himsen Engine parts
  - Turbo Charger

- Power Plant Warranty Service
  - 2 & 4-stroke Engine Warranty Service
  - Emergency A/S Repair Service
  - Technical Support Service

- Operation & Maintenance (O&M)
  - Engine & Aux. Machinery Operation
  - Scheduled Maintenance
  - Professional Training for local engineer
  - Management of Major Defect
  - Supervision of local engineer

- Cost Saving & Energy Efficient Solutions
  - Bulbous Bow Retrofit
  - Propeller Re-design (Energy Saving Device)
  - Trim Optimization
  - Slow Steaming for Engine

- Eco-Friendly Operations
  - BWTS Retrofit
  - SOx Regulation : Scrubber, ME-GI, DF Engine retrofit
  - NOx Regulation : NOx Measurement, SCR Retrofit
  - New Panama Canal Requirement

- Technical Support
  - Structure Analysis
  - Vibration Measurement
  - Repair plan for hull damages
  - Intact and Damage Stability Calculation

- Maintenance Support
  - Engine, Side Thruster, COP System Switch Board

- HHI Group Shipyards Warranty Service
  - Warranty Service for the vessels built by Hyundai Heavy Industries(HHI), Hyundai Samho Heavy Industries(HSHI), Hyundai Mipo Dockyard(HMD)
  - Drillship/FPSO/LNG/PCC/Tanker/Container Claim
  - Repair Service with Global Network

- Feedback Service
  - Dispatching Service Engineer & Consulting
  - Root Cause Analysis report support

- Life Time Service
  - Technical Support after warranty period
  - Providing Certificates and Information for the vessels

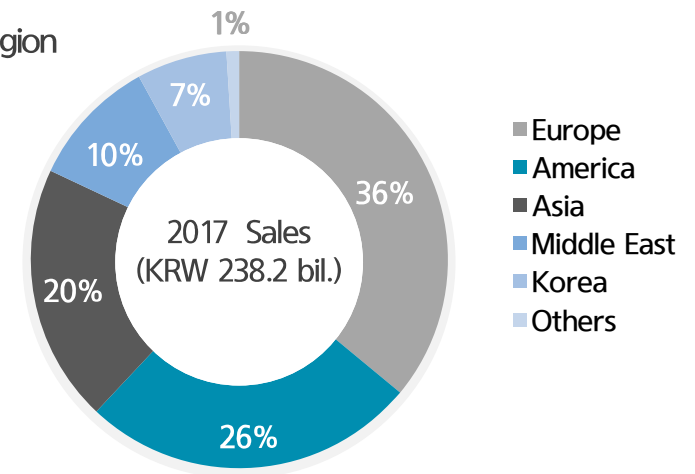
## 2. Hyundai Global Service

### Main Clients

구 분	Domestic Clients	Overseas Clients
Parts Sales	SK Shipping Co., Ltd. Hyundai Ocean Service Co., Ltd. Haeyoung Maritime Services Co., Ltd. Polaris Shipping Co., Ltd.	NEPTUNE Ship management MAERSK Line A/S C. P. OFFEN MIDEAST Ship Management
Power Plant Services	Korea Electric Power Corporation Sewoong Plant Co., Ltd.	ENRGOIMPORT SINOHYDRO Bangladesh Power Development
Engineering & Technical Support	SK Shipping Co., Ltd. Hyundai Ocean Service Co., Ltd. CIDO SHIPPING(Korea) Co., Ltd. Haeyoung Maritime Services Co.,	United Arab Shipping Company Matson Navigation Co. Inc, MEDITERRANEAN Shipping CMA CGM
Warranty Service	Hyundai Heavy Industries Co., Ltd. Hyundai Samho Heavy Industries Co., Ltd. Hyundai Mipo Dockyard Co., Ltd.	-

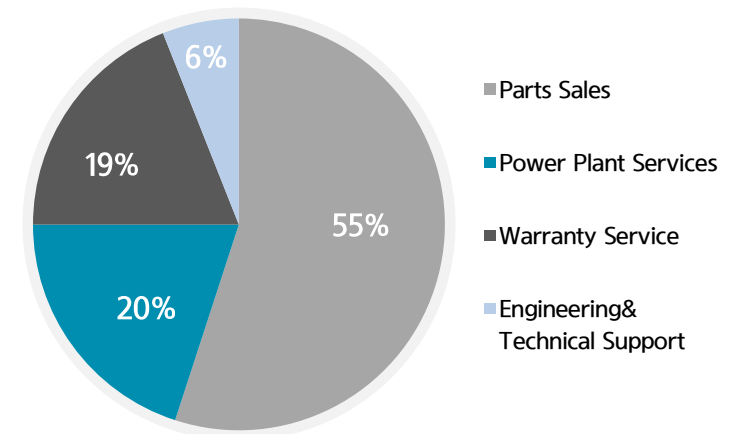
### Revenue

#### • Revenue by Region



※ As for revenue by agent, defined by end-user

#### • Revenue by Division



## 2. Hyundai Global Service

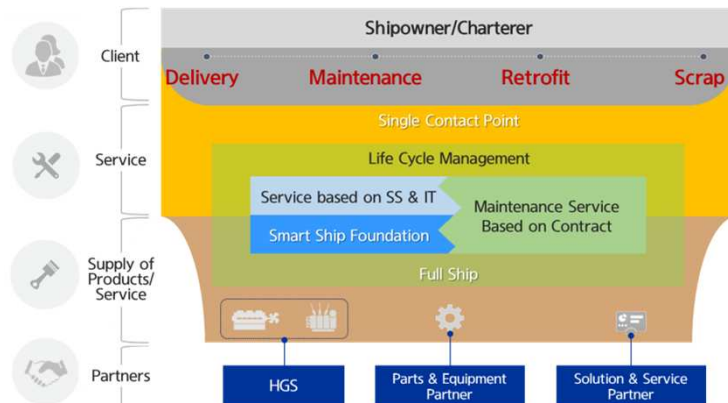
### Main Competitiveness

Ensured global A/S capacity  
that integrates group capability and technology

[Securing Competitiveness of technology based on subsidiaries products]

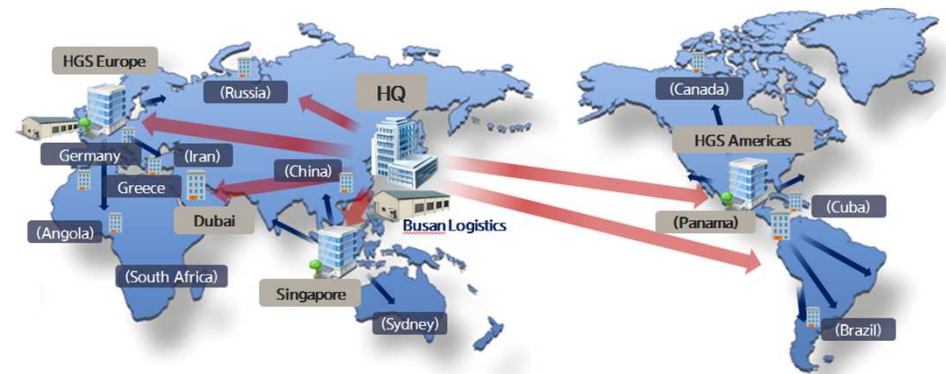


[Establishment of product lifecycle management service supply system]



Established customer-oriented  
advanced service supply system

[Expansion of worldwide service supply network]



[Establishment of advanced logistics system to supply timely service]



## 2. Hyundai Global Service

### Growth Strategy



Shipbuilding



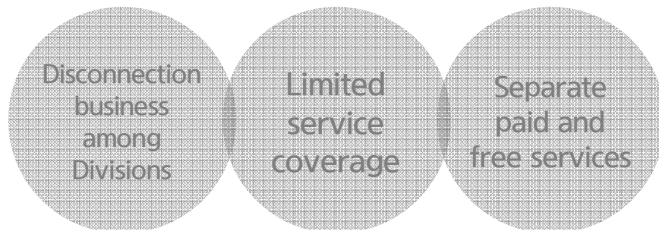
Engine



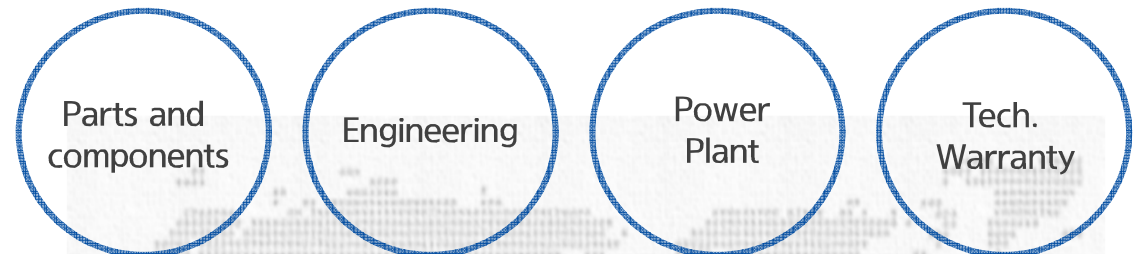
Electric System

- Parts sales of Medium and large-sized Engine
- Technical Service of Medium and large-sized Engine
- Power Plant parts sales and O&M
- Warranty Service

Consolidate  
in-group  
service  
capabilities



“Expansion of existing business based on Tech. warranty business capabilities”



 **HYUNDAI GLOBAL SERVICE**



“Expanding future-oriented high-profit business”



## Appendix. Holding Company

INVESTOR  
RELATIONS 2018

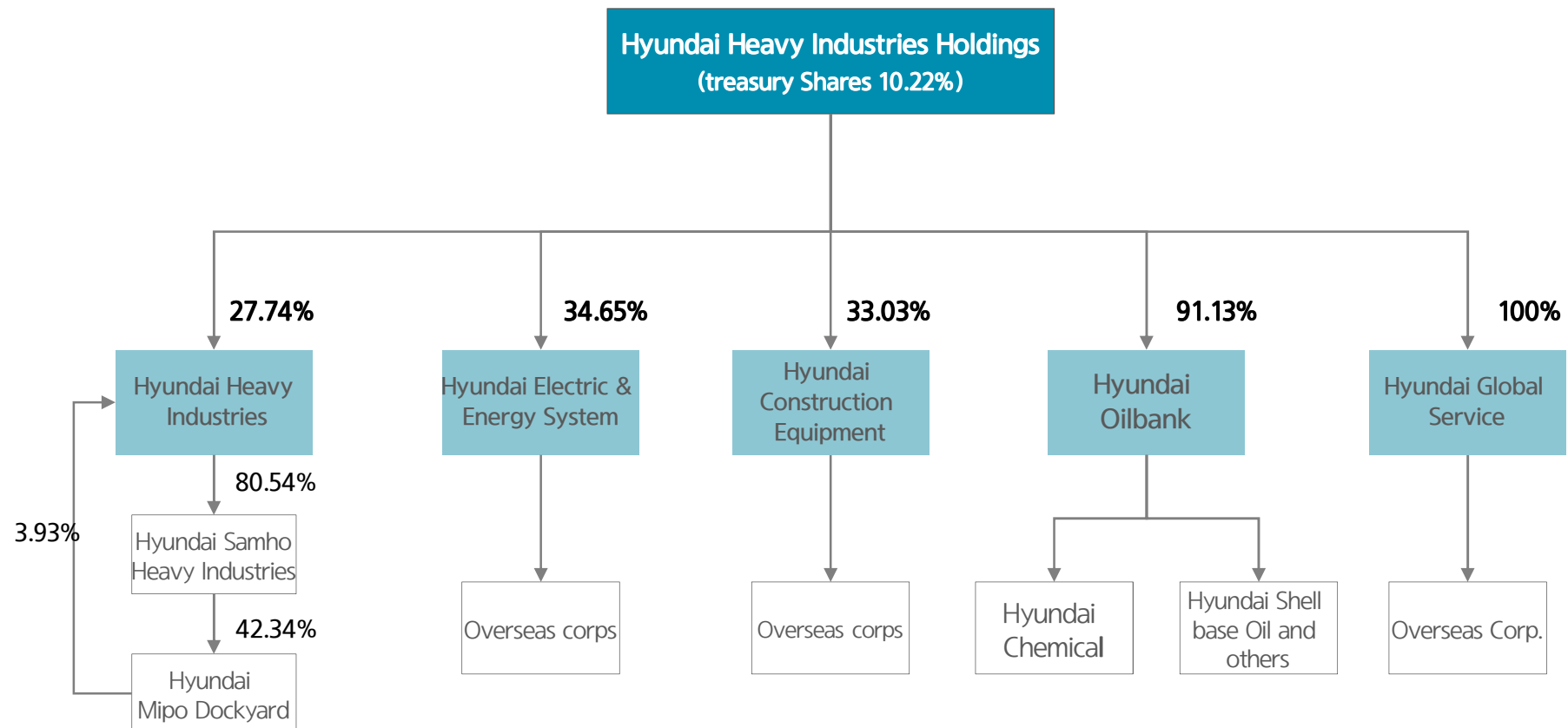
1. Establishment of Holding Company
2. Ownership Structure
3. Effect and Direction of Holding Company Establishment

## 1. Spin-off Process and establishment of Holding Company

	Details	Date
Spin off of HHI	• BOD on Spin-off Decision	Nov. 11, 2016
	• Effective date of Spin-off	Apr. 01, 2017
	• Relisting New Shares (HHI, HEE, HCE, HHIH(former HRC))	May 10, 2017
	• Notification of the establishment of Holding Company from Korea Fair trade Commission	Jul. 08, 2017
Eliminate new circular shareholding	• BOD on disposal of HHIH(former HRC) shares held by HMD	Jun. 21, 2017
HHIH(former HRC)'s Rights offering in return for in-kind contributions	• BOD on Rights offering of HHIH(former HRC)	Jun. 12, 2017
	• Payment date	Aug. 2, 2017
	• Listing of new shares	Aug. 14, 2017
Acquisition of subsidiaries shares	• BOD on Acquisition of HEE and HCE shares held by HMD	Aug 18, 2017

## 2. Ownership Structure

### After Rights Issue and acquisition of shares in subsidiaries



※ Jul. 2017 : Newly created circular ownership is cut (disposal of Hyundai Robotics shares of 7.98% owned by HMD)

※ Aug. 2017 : holding company regulation on subsidiaries is satisfied (20% in listed co., 40% in unlisted co.).

※ Nov. 2017 : participate in rights issue and bonus issue of Hyundai Electric&Energy System, Hyundai Construction Equipment

※ Mar. 2018 : participate in rights issue of Hyundai Heavy Industries

### 3. Expected Effects of Spin-off & Holding Company Establishment

01

#### Ensure transparency in corporate structure

- Establish a more transparent corporate governance structure by eliminating the circulating shareholding

02

#### Strengthen Business Competitiveness

- Establish an independent management system after spin-off, which will strengthen the competitiveness of each business
- Strengthen group competitiveness by finding and investing in potential future growth businesses

03

#### Sharpen the competitive Edge

- Convert to technology-oriented business system
- Reshape the diversified business portfolio by spinning off non-shipbuilding businesses

04

#### Increase Shareholder Value

- Increase shareholder value by improving management efficiency and transparency of governance structure
- Increase shareholder value by reassessing the corporate value of non shipbuilding businesses



## Appendix. Financial Statement

INVESTOR  
RELATIONS 2018

1. Hyundai Heavy Industries Holdings
2. Hyundai Oilbank

# 1. Financial Statement(Hyundai Heavy Industries Holdings)

## Consolidated Income Statement

Unit : bil. KRW

	'17.4Q	QoQ	YoY	'17.3Q	'16.4Q
<b>Sales</b>	<b>5,676.1</b>	<b>28.5%</b>	45.3%	<b>4,415.8</b>	<b>3,907.6</b>
Cost of Sales	5,291.5	44.8%	57.9%	3,655.1	3,351.3
Gross Profit	384.6	-49.4%	-30.6%	760.7	553.8
<b>Operating Income</b>	<b>131.6</b>	<b>-76.2%</b>	<b>-58.8%</b>	<b>552.2</b>	<b>319.1</b>
OP Margin	2.3%	-10.2%p	-5.9%p	12.5%	8.2%
Non Operating Income& Loss	-42.5	-	-	392.1	-65.0
<b>Profit Before Income Taxes</b>	<b>91.9</b>	<b>-90.3%</b>	<b>-63.8%</b>	<b>944.3</b>	<b>254.1</b>
Income Taxes	307.4	280.0%	375.9%	80.9	64.6
<b>Net Income</b>	<b>-215.6</b>	Deficit Conversion	Deficit Conversion	<b>863.4</b>	<b>189.5</b>
Profit attributable to owners of company	-213.0	Deficit Conversion	Deficit Conversion	798.9	168.7
Profit attributable to non-controlling interest	4.2	-93.5%	-79.8%	64.5	20.8

Note 1 : '17.4Q, '17. 3Q results are K-IFRS Consolidated.

Note 2 : Same period of last year ('16.4Q)numbers have been prepared by the Company as a reference only for investors.

## Consolidated Financial Position

Unit : bil. KRW

구분	'17.4.1	'17.9.30	'17.12.31
Current Assets	4,284.0	6,806.6	8,030.2
(Cash & Cash Equivalents)	580.2	1,066.2	1,184.9
Non-current Assets	9,083.2	12,865.4	13,283.1
<b>Total Assets</b>	<b>13,367.2</b>	<b>19,672</b>	<b>21,313.3</b>
Current Liabilities	4,942.9	6,003.3	6,558.0
(Short-term borrowings)	2,769.2	3,130.3	2,964.2
Non-Current Liabilities	2,862.1	3,864.3	4,460.9
(Long-term borrowings)	2,351.5	3,330.5	3,561.7
<b>Total Liabilities</b>	<b>7,805</b>	<b>9,867.6</b>	<b>11,018.9</b>
Paid-in Capital	60.2	81.4	81.4
Others	4,511.5	6,483.6	6,460.1
Retained Earnings	0	1,146.6	943.3
Non-controlling interests	990.5	2,092.8	2,809.6
<b>Total Shareholder's Equity</b>	<b>5,562.2</b>	<b>9,804.4</b>	<b>10,294.4</b>
<b>Total Liabilities and Equity</b>	<b>13,367.2</b>	<b>19,672</b>	<b>21,313.3</b>

## 2. Financial Statement(Hyundai Oilbank)

### Consolidated Income Statement

Unit: bil. KRW

	'17.4Q			'17.3Q	'16.4Q
		QoQ	YoY		
Sales	4,694.6	40.6%	23.2%	3,339.3	3,812.0
Cost of Goods Sold	4,178.2	41.5%	25.2%	2,952.3	3,336.6
Gross Profit	516.4	33.4%	8.6%	387.0	475.4
Operating Profit	401.5	46.2%	26.7%	274.7	317.0
OP margin	8.6%	0.4%p	0.3%p	8.2%	8.3%
Non Operating Income & Loss	39.6	-	-	-16.1	-64.7
Net Interest Gain	-18.0	-	-	-18.2	-17.1
Net F/X Gain	61.9	-	-	-8.2	-57.3
Profit before Tax	441.1	70.6%	74.8%	258.6	252.3
Income Tax	117.2	-	-	56.6	64.6
Net Income	323.9	60.3%	72.6%	202.0	187.7

Note : K-IFRS Consolidated

### Consolidated Financial Position

Unit: bil. KRW

	'16.4Q	'17.3Q	'17.4Q
Current Assets	3,205.1	3,403.9	4,306.6
(Cash & Cash Equivalents)	300.9	219.7	206.8
Non-current Assets	6,503.0	6,755.8	6,955.4
<b>Total Assets</b>	<b>9,708.1</b>	<b>10,159.7</b>	<b>11,262.0</b>
Current Liabilities	3,088.2	3,161.3	3,823.7
(Short-term borrowings)	1,102.0	1,011.6	1,040.4
Non-current Liabilities	2,133.6	2,183.6	2,305.0
(Long-term borrowings)	1,885.9	1,935.8	2,029.7
<b>Total Liabilities</b>	<b>5,221.8</b>	<b>5,344.9</b>	<b>6,128.7</b>
Paid-in Capital	1,225.4	1,225.4	1,225.4
Others	406.2	401.8	388.8
Retained Earnings	2,495.2	2,761.0	3,063.0
<b>Total Shareholder's Equity</b>	<b>4,486.3</b>	<b>4,814.8</b>	<b>5,133.3</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>9,708.2</b>	<b>10,159.7</b>	<b>11,262.0</b>



