

3Q 2020 Earnings Release

HYUNDAI HEAVY INDUSTRIES HOLDINGS



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3Q 2020 Earnings Release

1. Summary of Financial Results
2. Financial Results by Companies
 - 1) Hyundai Oilbank
 - 2) Hyundai Construction Equipment
 - 3) Hyundai Electric & Energy Systems
 - 4) Hyundai Global Service
 - 5) Hyundai Robotics
3. Net Income and Non-operating Income
4. Financial Ratio

[Appendix]



1. Summary of Financial Results (1/3)

- Sales increased by 14.3% QoQ attributable to increased sales in the oil refining sector as a result of recuperated capacity from completing regular maintenance and rising average oil prices.
- Profit increased in oil refining sector by leveraging cost competitiveness despite unfavorable market conditions, and margin continued to improve in non-oil refining sector.

(Unit : billion KRW)

	'20.3Q			'20.2Q	'19.3Q
		QoQ	YoY		
Sales	4,577.9	14.3%	-29.9%	4,005.8	6,530.0
Operating Profit	101.1	-3.1%	-54.0%	104.3	219.6
OPM	2.2%	-0.4%p	-1.2%p	2.6%	3.4%
Non-operating Income	(32.1)	-	-	(122.5)	(117.3)
Interest income (net)	(52.3)	-	-	(49.7)	(64.1)
Gains and losses on Foreign exchange (net)	29.0	-	-	24.7	(32.7)
Profit before income taxes	69.0	turned to black	-32.6%	(18.2)	102.3
Net Profit	34.6	turned to black	-47.7%	(12.9)	66.1
Profit attributable to Common shareowners	2.5	turned to black	-93.4%	(11.3)	38.1

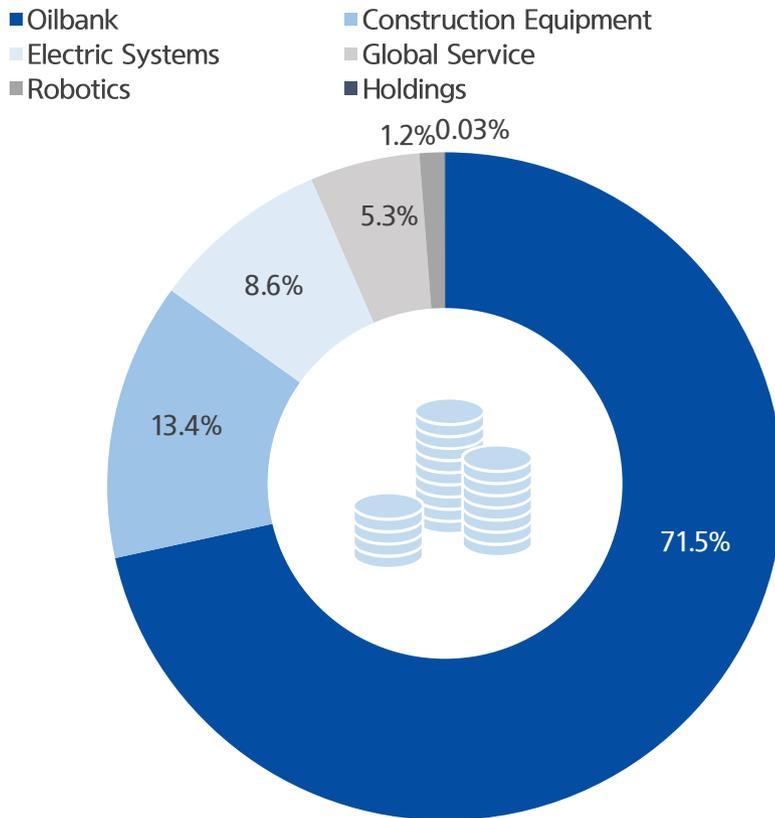
Note 1 .K-IFRS consolidated basis

Note 2. Interest income : Interest income + interest expense

Note 3. Gain and loss on foreign currency translation + Gain and loss on foreign currency transaction

1. Summary of Financial Results (2/3)

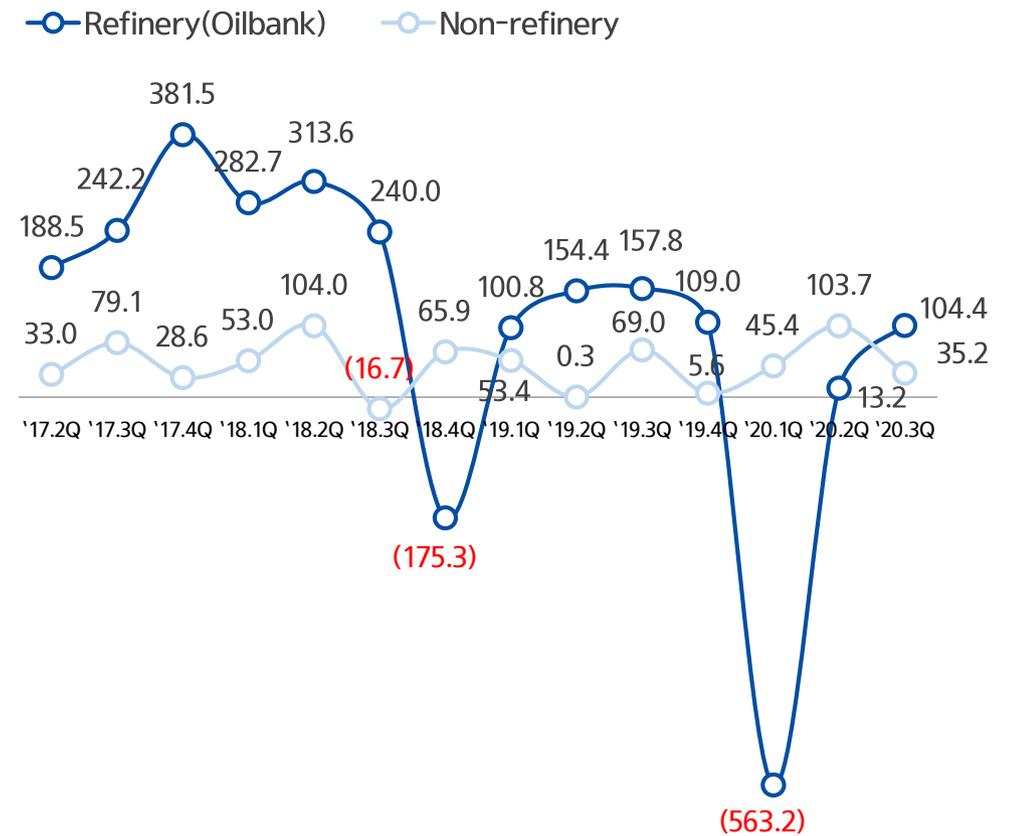
3Q 2020 Sales Composition



Note 1 : Consolidated Sales of each subsidiary excluding equity method gains/losses and dividends (Hyundai Heavy Industries Holdings : Parent basis)

3Q 2020 Operating Profit

(Unit : billion KRW)

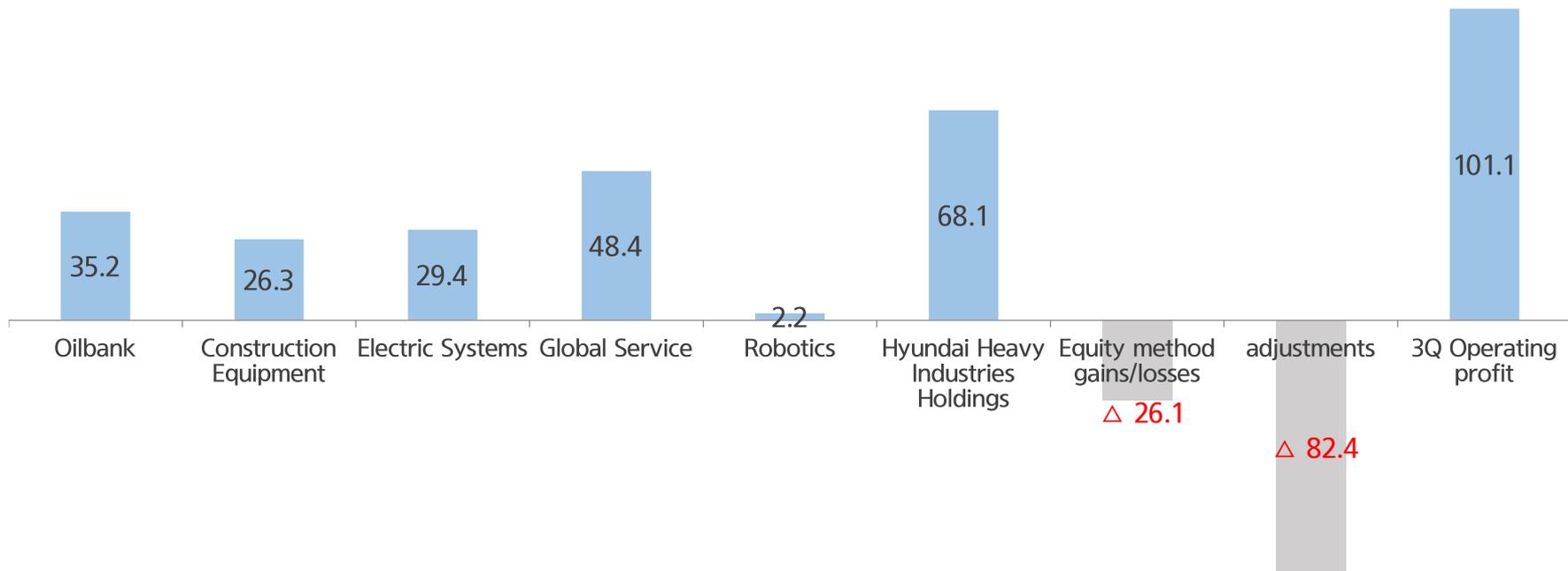


Note 2 : Excluding equity method gains/losses and dividends

1. Summary of Financial Results (3/3)

3Q 2020 Operating profit Composition

(Unit : billion KRW)



2. Financial Results by Companies

3Q 2020 Financial Results

(Unit :billion KRW)

Category	'20.3Q			'20.2Q			'19.3Q			Remarks	
	Sales	Operating Profit	OPM	Sales	Operating Profit	OPM	Sales	Operating Profit	OPM		
Consolidated Entities	Hyundai Heavy Industries Holdings	71.5	68.1	95.2%	21.1	(1.8)	-8.5%	69.0	5.9	8.6%	* '20.3Q Dividend : 70.0
	Hyundai Oilbank	3,327.7	35.2	1.1%	2,551.7	13.2	0.5%	5,304.0	157.8	3.0%	
	Hyundai Construction Equipment	624.1	26.3	4.2%	668.4	42.0	6.3%	639.6	37.8	5.9%	
	Hyundai Electric & Energy Systems	398.0	29.4	7.4%	535.5	18.3	3.4%	385.7	(4.0)	-1.0%	
	Hyundai Global Service	244.4	48.4	19.8%	230.5	43.4	18.8%	187.6	29.1	15.5%	
	Hyundai Robotics	55.1	2.2	4.0%	54.4	1.8	3.3%	-	-	-	
Equity Method	Korea Shipbuilding & Offshore Engineering	(26.1)	(26.1)	-	(0.7)	(0.7)	-	0.3	0.3	-	
	Adjustment	(116.8)	(82.4)	-	(55.1)	(11.9)	-	(56.2)	(7.3)	-	
	Total	4,577.9	101.1	2.2%	4,005.8	104.3	2.6%	6,530.0	219.6	3.4%	

Note 1 : Hyundai Heavy Industries Holdings: Parent basis, According to the spin-off of the robot sector as of 2020.5.1, the robot sector performance is reflected in the consolidated basis of Hyundai Robotics.

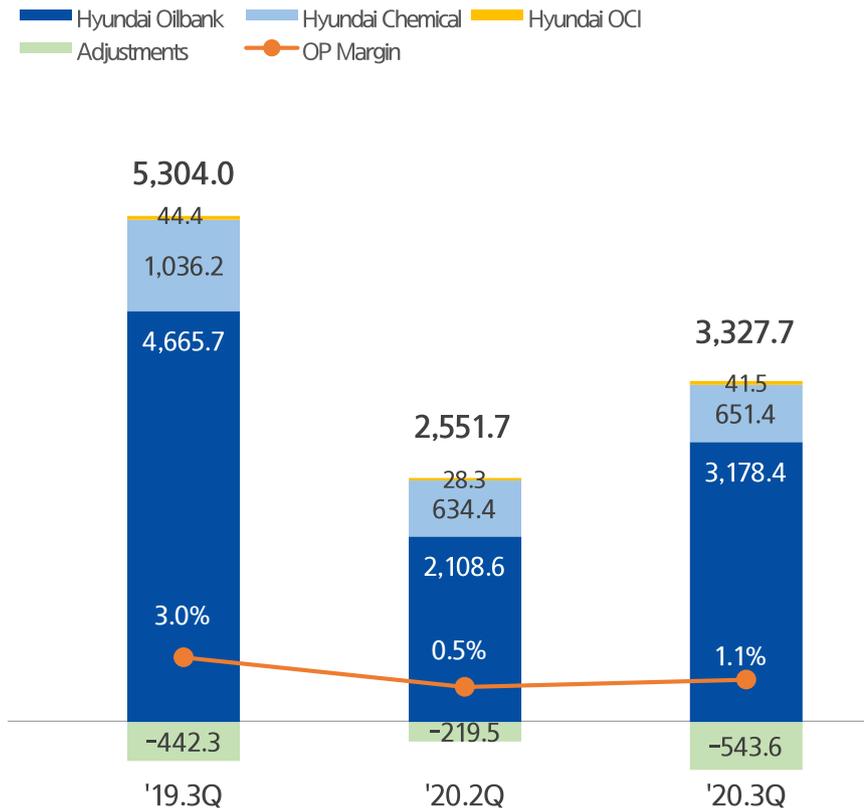
Note 2 : Hyundai Oilbank, Hyundai Electric & Energy Systems, Hyundai Construction Equipment, Hyundai Global Service, Hyundai Robotics: Consolidated basis

Note 3 : Hyundai Robotics: According to the spin-off of of the robot sector as of 2020.5.1, Sales for Q2 2020 is reflected after 2020.5.1.

2-1) Hyundai Oilbank (Consolidated)

3Q 2020 Sales and Operating Profit Margin

(Unit : billion KRW)



- **Sales 3,327.7 billion KRW**

- Up by 30.4% QoQ
- Down by 37.3% YoY

- **Operating Profit 35.2 billion KRW, OPM 1.1%**

- Up by 166.7% QoQ
- Down by 77.7% YoY

- **Analysis**

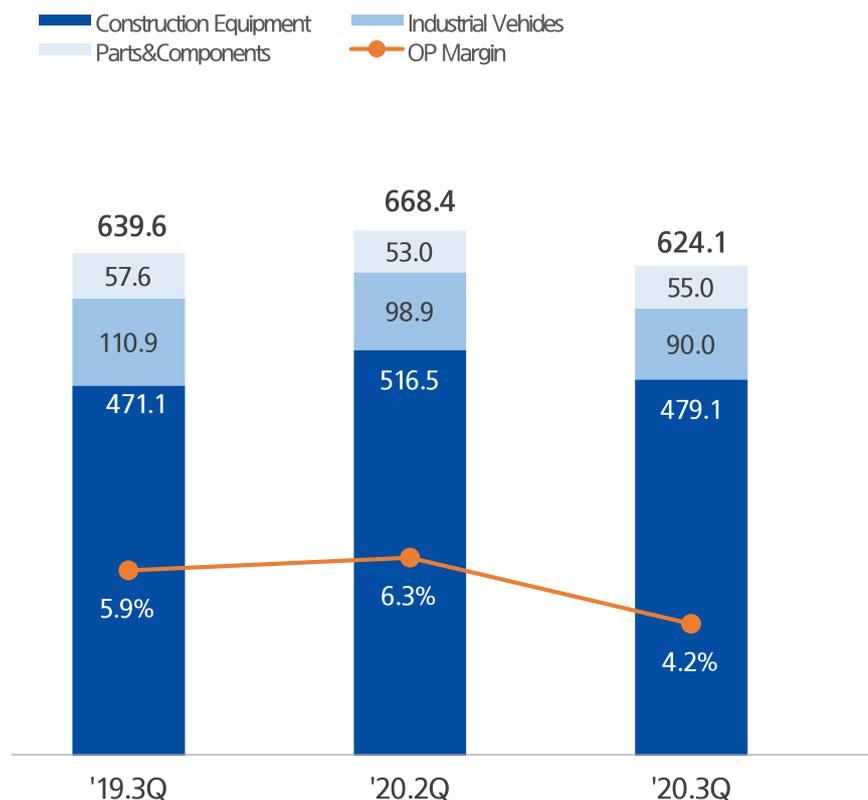
- Achieved cost reduction by maximizing input of high quality ultra-heavy crude oil despite prolonged adverse market conditions.
- Operating profit increased by adopting flexible sales and production control that depends on changes to market conditions.

Note: Consolidated

2-2) Hyundai Construction Equipment (Consolidated)

3Q 2020 Sales and Operating Profit Margin

(Unit : billion KRW)



Note 1 : Consolidated basis

- **Sales 624.1 billion KRW**

- Down by 6.6% QoQ
- Down by 2.4% YoY

- **Operating Profit 26.3 billion KRW, OPM 4.2%**

- Down by 37.4% QoQ
- Down by 30.4% YoY

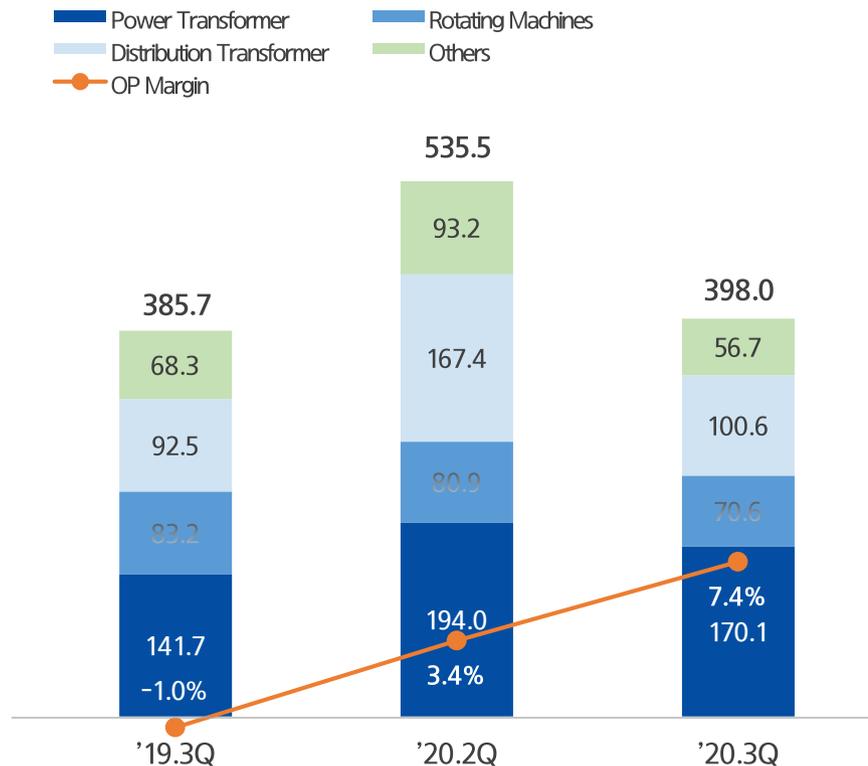
- **Analysis**

- Both sales and operating profit decreased due to seasonal effect.
- Operating profit decreased mainly due to changes in product mix and increased SG&A despite recovered demand in major countries such as China and India.

2-3) Hyundai Electric & Energy Systems (Consolidated)

3Q 2020 Sales and Operating Profit Margin

(Unit : billion KRW)



Note 1 : Consolidated basis

- **Sales 398.0 billion KRW**

- Down by 25.7% QoQ
- Up by 3.2% YoY

- **Operating Profit 29.4 billion KRW, OPM 7.4%**

- Up by 60.7% QoQ
- Turned to black YoY

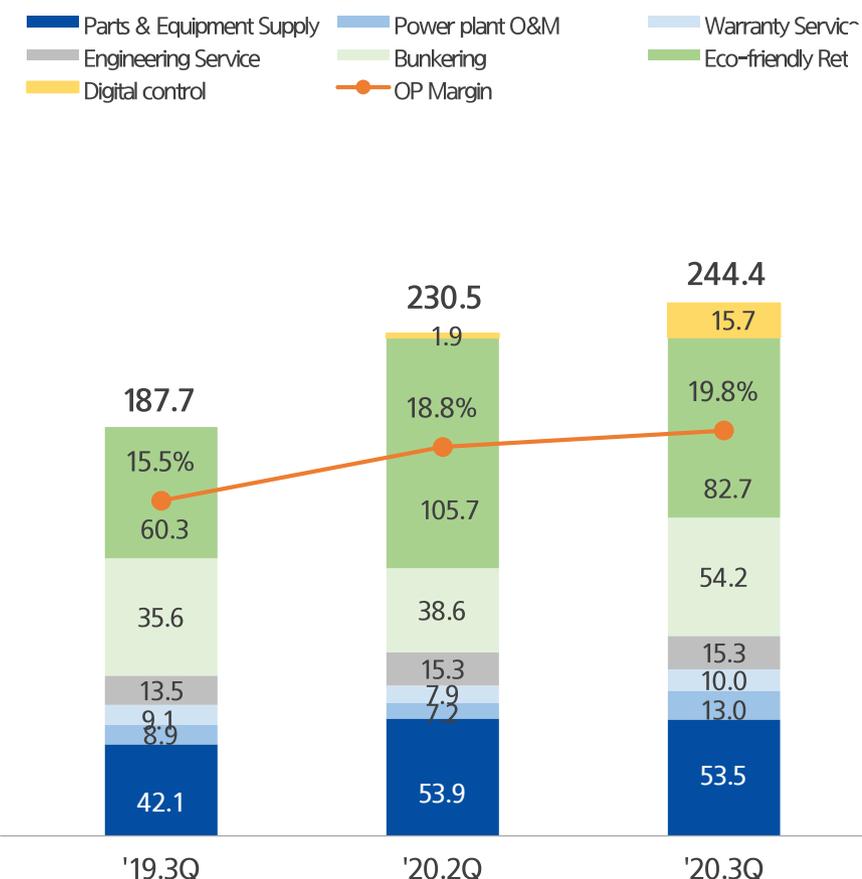
- **Analysis**

- Sales decreased against decreased working days such as summer leave, and selective orders focused on profitability. However, operating profit increased due to improved cost structure and elimination of low profit orderbook.
- Profit turnaround as a result of improved cost structure.

2-4) Hyundai Global Service (Consolidated)

3Q 2020 Sales and Operating Profit Margin

(Unit : billion KRW)



Note1 : Consolidated basis

- **Sales 244.4 Billion KRW**

- Up by 6.0% QoQ
- Up by 30.3% YoY

- **Operating Profit 48.4 Billion KRW, OPM 19.8%**

- Up by 11.5% QoQ
- Up by 66.3% YoY

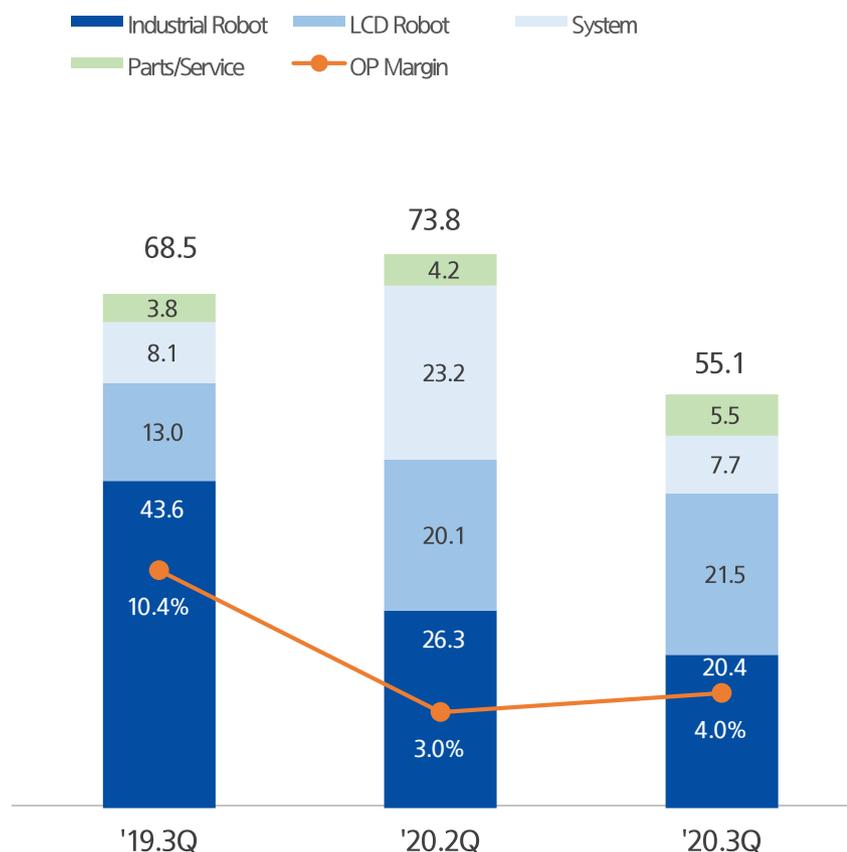
- **Analysis**

- Both sales and operating profit increased due to overall growth in all business divisions except eco-friendly retrofit division. Meaningful sales recognition in digital control division and bunkering division as a result of increased oil prices.
- Increased operating profit due to optimized eco-friendly retrofit division and cost reduction effect along with overall growth evenly spread out to all business divisions.

2-5) Hyundai Robotics (Consolidated)

3Q 2020 Sales and Operating Profit Margin

(Unit : billion KRW)



- **Sales 55.1 billion KRW**

- Down by 25.3% QoQ
- Down by 19.5% YoY

- **Operating Profit 2.2 billion KRW, OPM 4.0%**

- Up by 2.7% QoQ
- Down by 68.7% YoY

- **Analysis**

- Sales decreased QoQ due to decreased new order; however, operating profit slightly increased due to cost reduction.
- Sales decreased YoY due to economic crisis due to Coronavirus, and operating profit decreased due to lower price against competition.

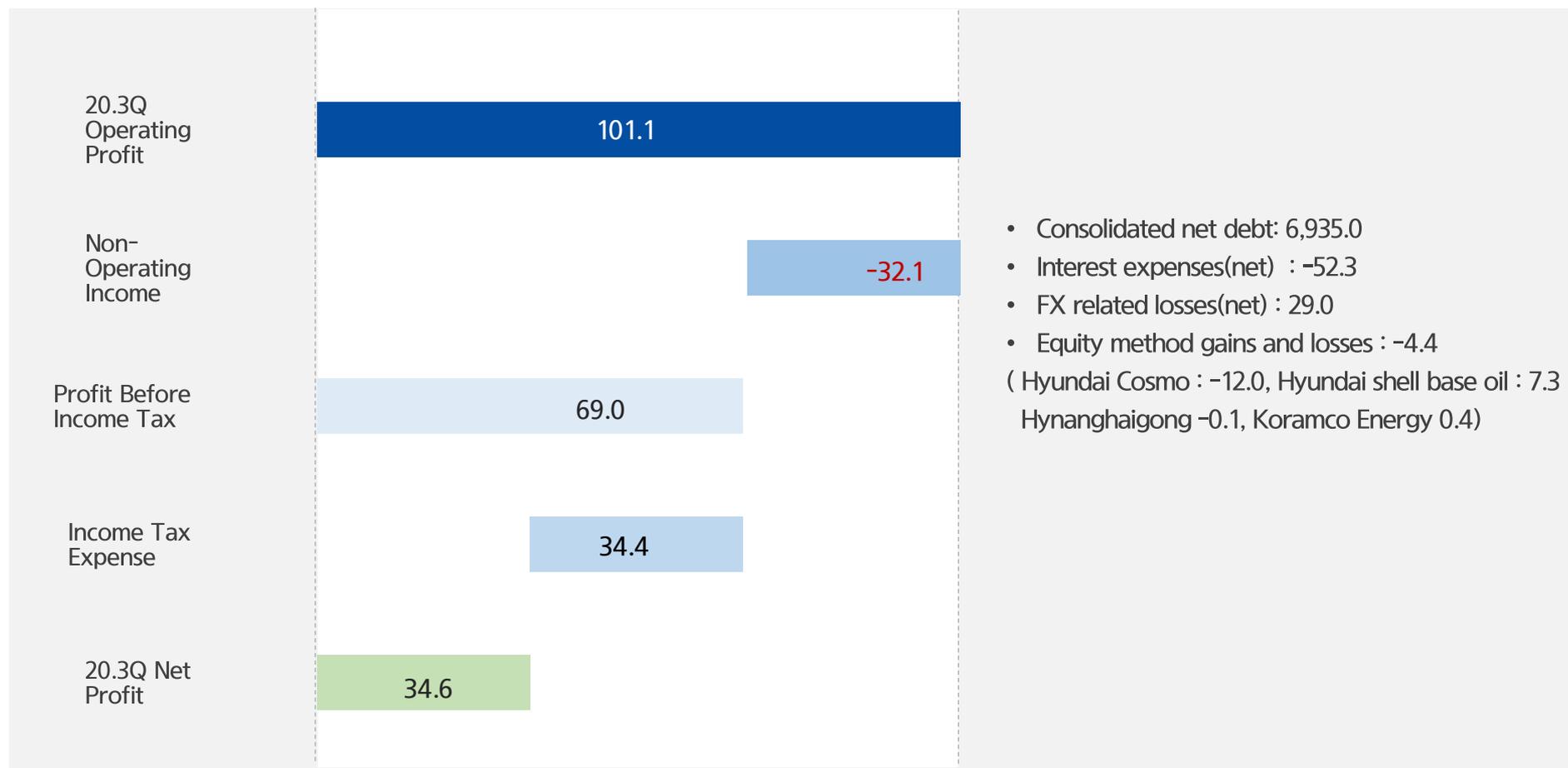
Note 1 : Hyundai Robotics : '20 3Q Consolidated basis, '20 2Q,'19 3Q Parent basis.

Note 2 : According to the spin-off of the robot sector as of 2020.5.1, the performance before 2020.5.1 is compiled by aggregating the performance of the robot business for investors' convenience.

3. Non-operating Profit and Net Income

3Q 2020 Financial Results

(Unit : billion KRW)

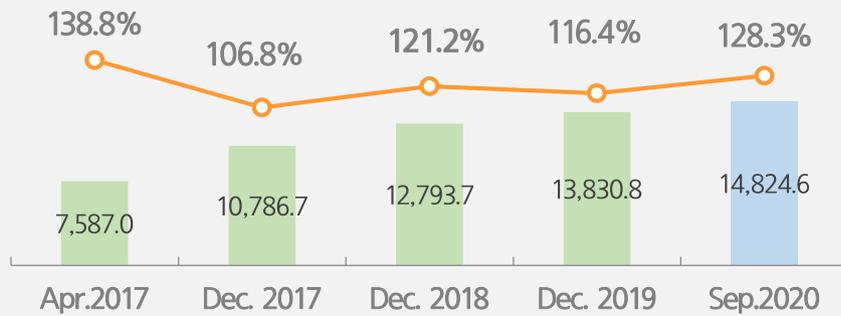


4. Financial Ratio

Consolidated Financial Ratio

• Liabilities Ratio 128.3%

(Unit : billion KRW)



• Net Debt Ratio 60.0%

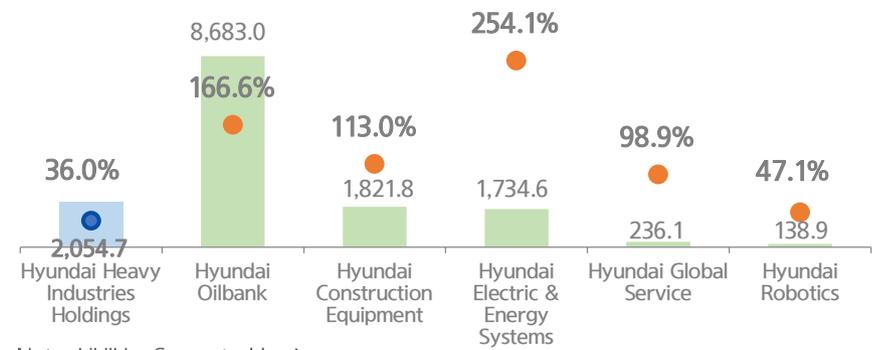
(Unit : billion KRW)



Financial Ratio of Major Affiliates

• Liabilities Ratio

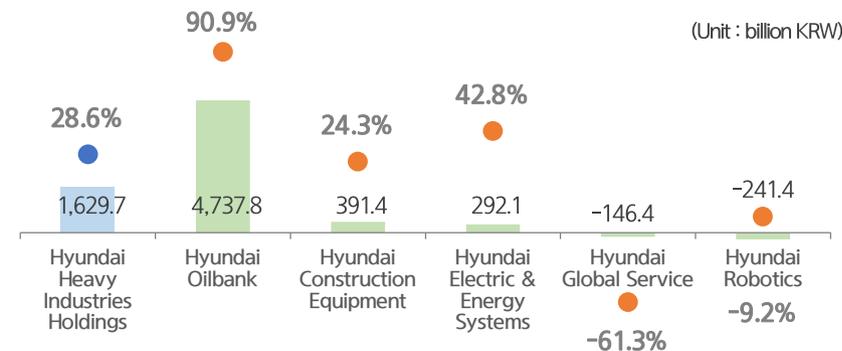
(Unit : billion KRW)



Note: HHHH - Separated basis

• Net Debt Ratio

(Unit : billion KRW)



Note: HHHH - Separated basis

Appendix.

Summary of Financial Statements

1. Consolidated Financial Statement of HHIH
2. Consolidated Financial Statement of HDO
3. Consolidated Financial Statement of HGS



1. Consolidated Financial Statement of HHIH

Consolidated Income Statement

(Unit : billion KRW)

Category	'20.3Q			'20.2Q	'19.3Q
		QoQ	YoY		
Sales	4,577.9	14.3%	-29.9%	4,005.8	6,530.0
Cost of Goods Sold	4,221.1	16.5%	-30.2%	3,623.3	6,051.2
Gross Profit	356.8	-8.6%	-25.5%	390.3	478.8
Operating Profit	101.1	-3.1%	-54.0%	104.3	219.6
OP margin	2.2%	-0.4%p	-1.2%p	2.6%	3.4%
Non Operating Income & Loss	(32.1)	-	-	(122.5)	(117.3)
Profit before Tax	69.0	Turn to black	-32.6%	(18.2)	102.3
Income Tax	34.4	549.1%	-5.0%	5.3	36.2
Net Income	34.6	Turn to black	-47.7%	(12.9)	66.1

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Sep.30, '20
Current assets	8,884.2	9,938.3	8,241.4
(Cash & cash equivalents)	1,099.8	2,348.0	1,935.2
Non-current assets	14,463.6	15,780.3	18,140.9
Total assets	23,347.8	25,718.6	26,382.3
Current liabilities	8,660.2	8,046.0	6,788.7
(Short-term borrowings)	4,549.7	3,418.5	2,788.6
Non-current liabilities	4,133.5	5,787.9	8,035.9
(Long-term borrowings)	3,325.0	4,652.9	6,270.5
Total liabilities	12,793.7	13,833.9	14,824.6
Paid-in capital	81.4	81.4	81.4
Others	4,344.0	4,727.3	4,738.7
Retained earnings	3,302.0	3,183.3	2,564.5
Non-controlling interest	2,826.6	3,892.7	4,173.1
Total equity	10,554.1	11,884.7	11,557.7
Total liabilities & equity	23,347.8	25,718.6	26,382.3

2. Consolidated Financial Statements (Hyundai Oilbank)

Consolidated Income Statement

(Unit : billion KRW)

Category	'20.3Q			'20.2Q	'19.3Q
		QoQ	YoY		
Sales	3,327.7	30.4%	-37.3%	2,551.7	5,304.0
Cost of sales	3,164.8	29.9%	-37.2%	2,435.8	5,040.2
Gross profit	162.8	40.5%	-38.3%	115.9	263.8
Operating profit	35.2	166.7%	-77.7%	13.2	157.8
OP margin	1.1%	0.6%p	-1.9%p	0.5%	3.0%
Non operating income & expenses	27.3	-	-	(31.6)	(93.0)
Equity method gains and losses	(4.3)	-	-	(0.2)	(5.5)
Profit before tax	58.2	Turn to black	-1.9%	(18.6)	59.3
Income tax	8.7	-	-	(2.3)	18.3
Net income	49.5	Turn to black	20.7%	(16.3)	41.0

Note: K-IFRS consolidated basis

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Sep.30, '20
Current assets	4,358.3	4,565.4	3,344.2
(Cash & cash equivalents)	162.6	480.4	231.0
Non-current assets	7,386.5	8,290.5	10,552.1
Total assets	11,744.8	12,855.9	13,896.3
Current liabilities	4,578.0	4,086.7	3,294.5
(Short-term borrowings)	1,573.7	1,125.0	754.8
Non-current liabilities	2,042.7	3,327.6	5,388.5
(Long-term borrowings)	1,856.1	2,808.4	4,218.8
Total liabilities	6,620.7	7,414.3	8,683.0
Paid-in capital	1,225.4	1,225.4	1,225.4
Others	454.6	443.6	858.5
Retained earnings	3,109.9	3,110.1	2,468.1
Non-controlling interest	334.2	662.4	661.3
Total equity	5,124.1	5,441.6	5,213.3
Total liabilities & equity	11,744.8	12,855.9	13,896.3

3. Consolidated Financial Statement of Hyundai Global Service



Consolidated Income Statement

(Unit : billion KRW)

Category	'20.3Q			'20.2Q	'19.3Q
		QoQ	YoY		
Sales	244.4	6.0%	30.2%	230.5	187.7
Cost of Goods Sold	187.1	3.5%	21.9%	180.8	153.5
Gross Profit	57.3	15.3%	67.5%	49.7	34.2
Operating Profit	48.4	11.5%	66.3%	43.4	29.1
OP margin	19.8%	1.0%p	4.3%p	18.8%	15.5%
Non Operating Income & Loss	-3.5	-	-	10.0	5.5
Profit before Tax	44.9	7.9%	29.4%	41.6	34.7
Income Tax	11.5	-9.4%	33.7%	12.7	8.6
Net Income	33.4	15.6%	28.0%	28.9	26.1

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Sep.30, '20
Current Assets	359.5	569.3	440.7
(Cash & Cash Equivalents)	124.8	168.9	113.9
Non-current Assets	11.2	26.2	34.2
Total Assets	370.7	595.5	474.9
Current Liabilities	151.8	283.9	226.3
(Short-term borrowings)	-	-	-
Non-current Liabilities	0.3	3.4	9.8
(Long-term borrowings)	-	-	-
Total Liabilities	152.0	287.3	236.1
Paid-in Capital	20.0	20.0	20.0
Others	105.5	105.2	21.5
Retained Earnings	93.2	183.0	197.3
Total Shareholder's Equity	218.7	308.2	238.8
Total Liabilities & Shareholder's Equity	370.7	595.5	474.9

Note: K-IFRS consolidated basis

