

1Q 2021 Earnings Release

HYUNDAI HEAVY INDUSTRIES HOLDINGS



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1Q 2021 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 31.8% QoQ due to Improved market conditions in refinery and construction equipment sectors.
 - Refinery sector has improved dramatically due to rising oil prices, improved refining margins and a strong lubrication market.
 - Construction equipment sector recorded the largest quarterly sales and operating profit since the spin-off

(Unit : billion KRW)

	'21.1Q			'20.4Q	'20.1Q
		QoQ	YoY		
Sales	6,075.5	31.8%	6.3%	4,611.0	5,716.3
Operating Profit	534.3	Turned to Profit	Turned to Profit	(315.3)	(487.2)
OPM	8.8%	Turned to Profit	Turned to Profit	-6.8%	-8.5%
Non-operating Income	(146.7)	-	-	(185.0)	(116.5)
Interest income (net)	(58.7)	-	-	(51.1)	(47.0)
Gains and losses on Foreign exchange (net)	(37.0)	-	-	75.6	(50.5)
Profit before income taxes	387.6	Turned to Profit	Turned to Profit	(500.3)	(603.7)
Net Profit	294.4	Turned to Profit	Turned to Profit	(451.0)	(360.4)
Profit attributable to Common shareowners	151.5	Turned to Profit	Turned to Profit	(369.6)	(230.8)

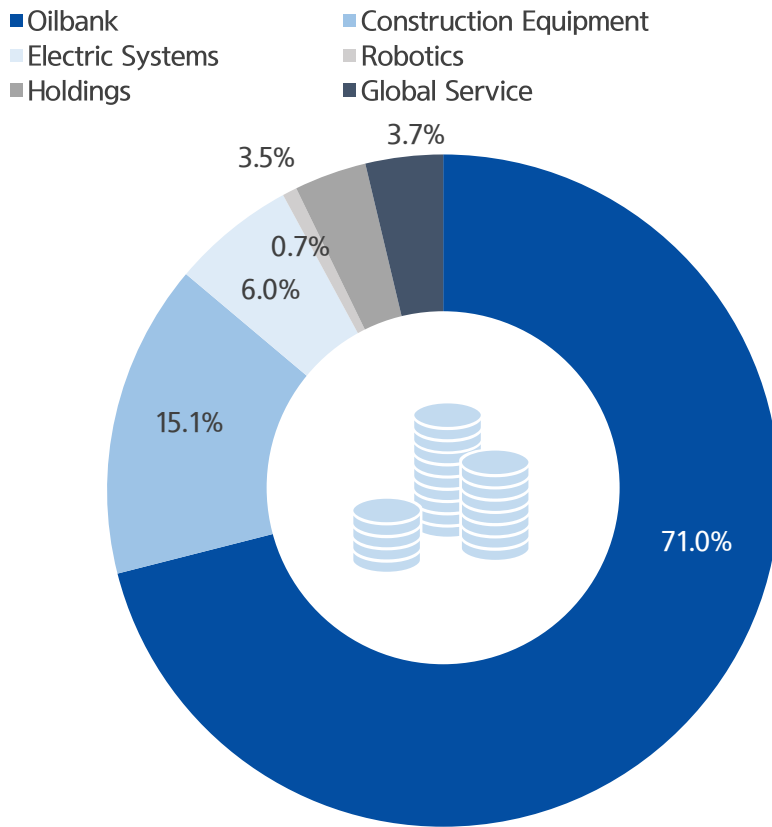
Note 1 .K-IFRS consolidated basis

Note 2. Interest income : Interest income + interest expense

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

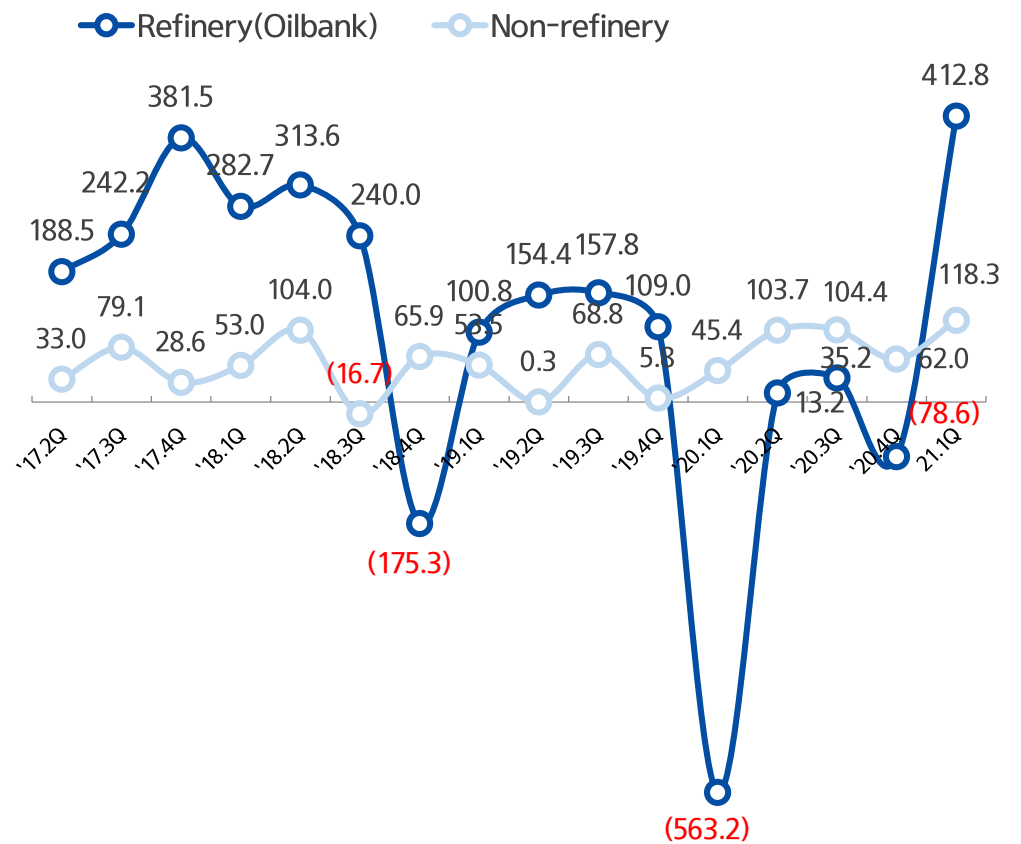
1. Summary of Financial Results (2/3)

1Q 2021 Sales Composition



1Q 2021 Operating Profit

(Unit : billion KRW)



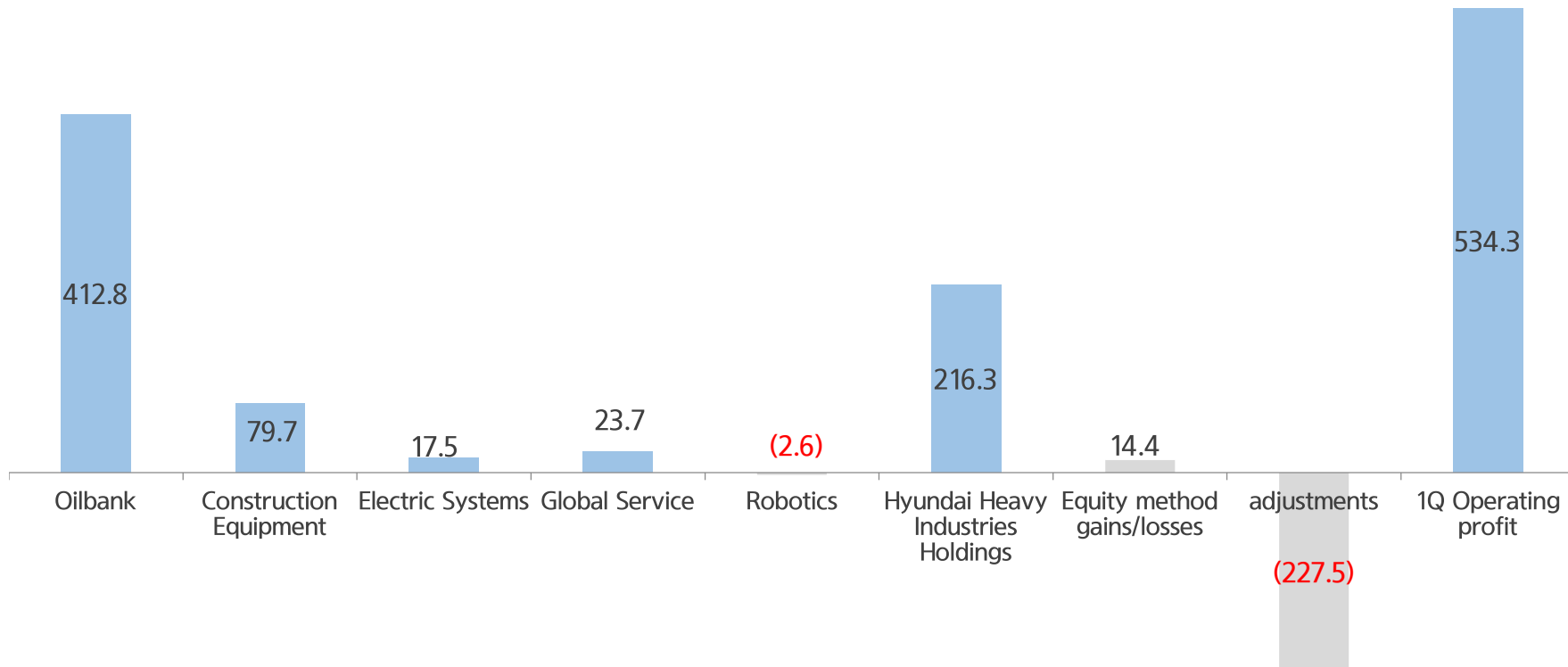
Note 1 : Consolidated Sales of each subsidiary excluding equity method gains/losses and dividends (Hyundai Heavy Industries Holdings : Parent basis)

Note 2 : Excluding equity method gains/losses and dividends

1. Summary of Financial Results (3/3)

1Q 2021 Operating profit Composition

(Unit : billion KRW)



※ Hyundai Heavy Industries Holdings dividends : 220.5

2. Financial Results by Companies (1/2)

1Q 2021 Financial Results

(Unit : billion KRW)

Category	'21.1Q			'20.4Q			'20.1Q			Remarks	
	Sales	Operating Profit	OPM	Sales	Operating Profit	OPM	Sales	Operating Profit	OPM		
Hyundai Heavy Industries Holdings	222.2	216.3	97.3%	1.4	(3.7)	-264.3%	281.9	238.2	84.5%	※ 21.1Q Dividends : 220.5	
Hyundai Oilbank	4,536.5	412.8	9.1%	3,393.9	(78.6)	-2.3%	4,416.6	(563.2)	-12.8%		
Consolidated Entities	Hyundai Construction Equipment	964.9	79.7	8.3%	688.7	12.7	1.8%	636.3	10.7		1.7%
	Hyundai Electric & Energy Systems	380.7	17.5	4.6%	491.4	20.7	4.2%	386.4	4.3		1.1%
	Hyundai Global Service	237.8	23.7	10.0%	262.8	33.6	12.8%	271.3	31.2		11.5%
Hyundai Robotics	44.7	(2.6)	-5.7%	85.8	(1.2)	-1.5%	-	-	-		
Equity Method	Korea Shipbuilding & Offshore Engineering	14.4	14.4	-	(286.5)	(286.5)	-	44.0	44.0		-
Adjustment	(325.7)	(227.5)	-	(26.5)	(12.3)	-	(320.2)	(252.4)	-		
Total	6,075.5	534.3	8.8%	4,611.0	(315.3)	-6.8%	5,716.3	(487.2)	-8.5%		

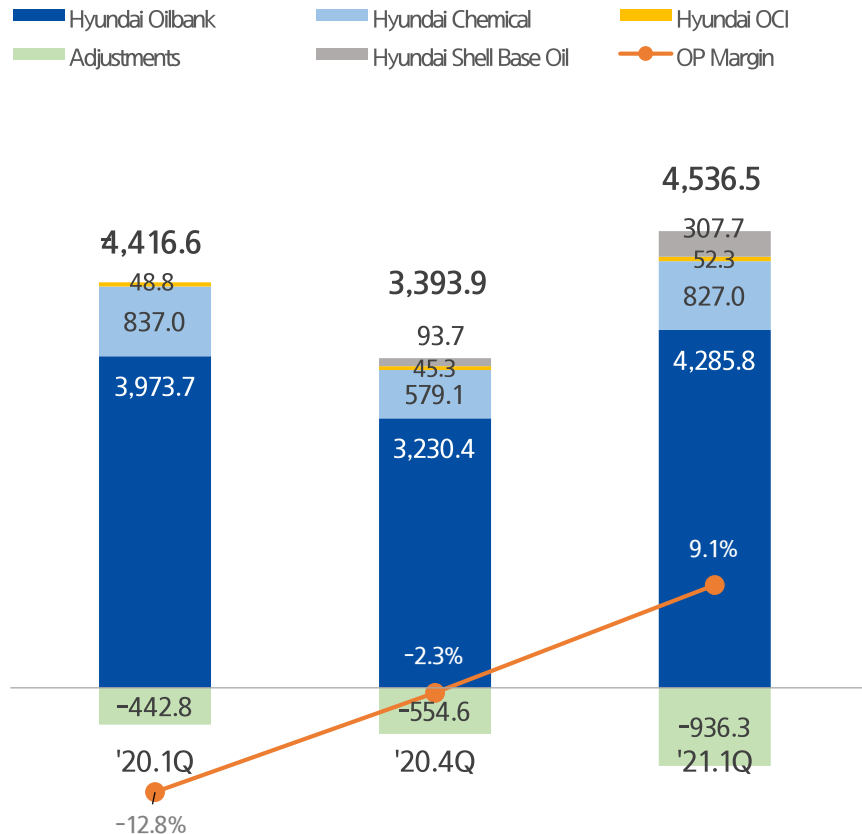
Note 1 : Hyundai Heavy Industries Holdings: Parent basis, According to the spin-off of the robot sector as of 2020.5.1, the robot sector performance is reflected in the consolidated basis of Hyundai Robotics.

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

2-1) Hyundai Oilbank (Consolidated)

1Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



Note : Consolidated, Hyundai Shell Base Oil has been newly consolidated since Nov. 2020

- **Sales 4,536.5 billion KRW**

- Up by 33.7% QoQ
- Up by 2.7% YoY

- **Operating Profit 412.8 billion KRW, OPM 9.1%**

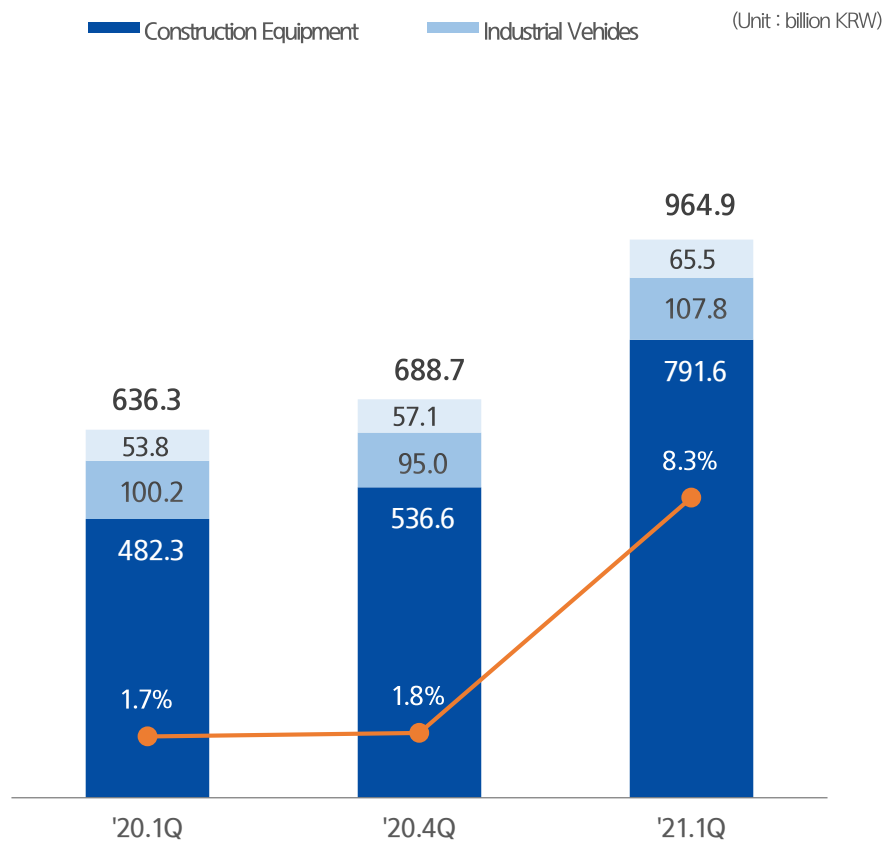
- Turned to profit QoQ
- Turned to profit YoY

- **Analysis**

- Oil prices and major product crack rise QoQ
(Oil Price: 44.6 → 60.0\$/b, Gasoline 3.0 → 5.6 \$/b)
- Petrochemical and lube base oil spread improvements QoQ
(PX-N 135 → 191 \$/ton, 150N spread 175 → 252 \$/ton)
- (YoY) Plunge in oil prices has resulted in inventory valuation losses, and a huge deficit.
(QoQ) Inventory profits were generated by a setback in oil supply amid a modest recovery in oil demand.

2-2) Hyundai Construction Equipment (Consolidated)

1Q 2021 Sales and Operating Profit Margin



Note 1 : Consolidated basis

- **Sales 964.9 billion KRW**

- Up by 40.1% QoQ
- Up by 51.6% YoY

- **Operating Profit 79.7 billion KRW, OPM 8.3%**

- Up by 527.6% QoQ
- Up by 644.9% YoY

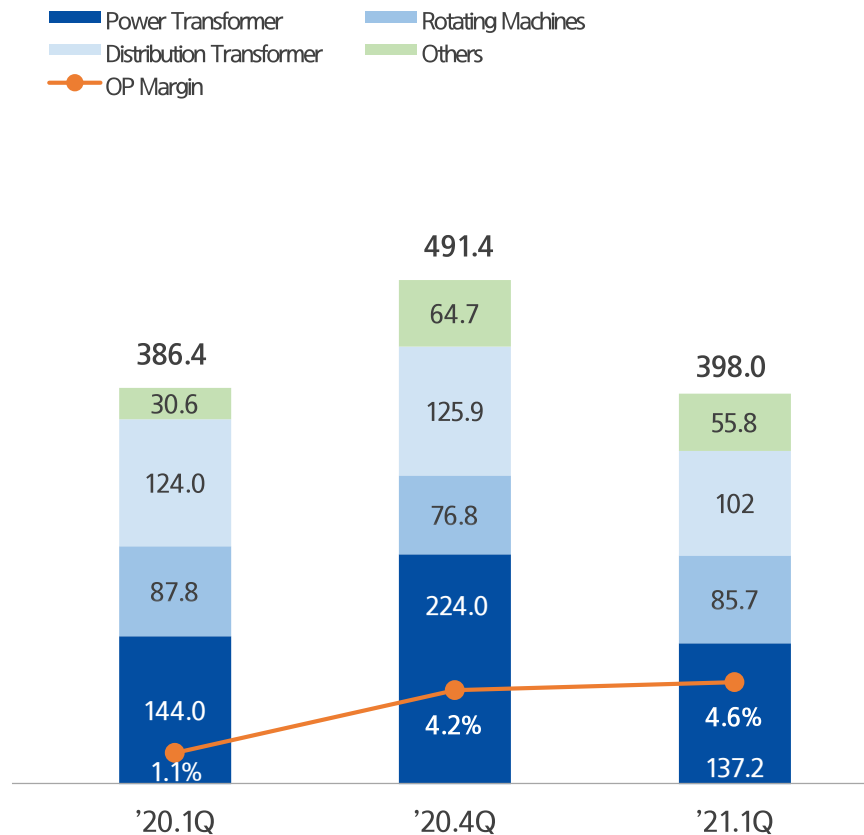
- **Analysis**

- Demand increases across the markets as global market conditions improve. The sector recorded its biggest quarterly sales since its launch in 2017 due to increased demand centered on emerging markets such as China and India on the back of continued government stimulus measures, and diversified product lineups (China YoY 122%, QoQ 72%, India YoY 65%, QoQ 21%)
- Amid a surge in sales, it recorded its biggest operating profit since the 2017 spin-off due to increase in sales of large equipment, and average selling prices as well as cost reduction.

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

1Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



Note 1 : Consolidated basis

- **Sales 380.7 billion KRW**

- Down by 22.5% QoQ
- Down by 1.5% YoY

- **Operating Profit 17.5 billion KRW, OPM 4.6%**

- Down by 15.5% QoQ
- Up by 307% YoY

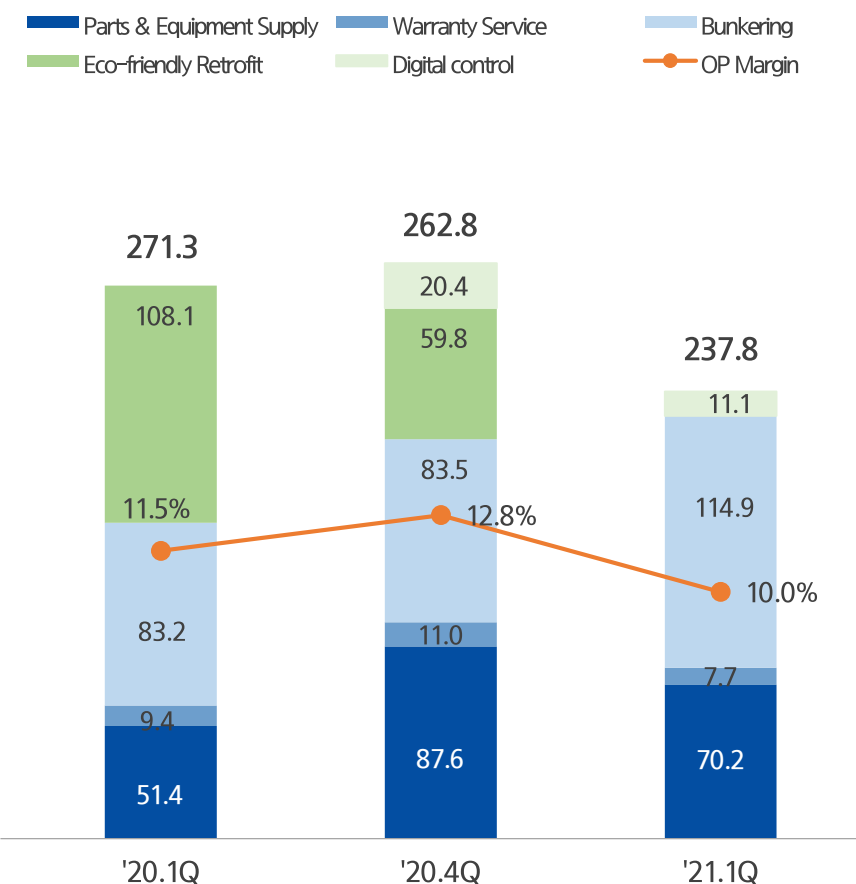
- **Analysis**

- Sales are weak QoQ due to seasonal factors compared to the previous quarter.
- QoQ, it maintained a stable surplus due to maintaining profitability of rotating/distributing machines and improving profitability of U.S. corporations.
- YoY, profitability shows significant improvements due to profitability-oriented order taking.

2-4) Hyundai Global Service (Consolidated)

1Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



Note1 : Consolidated basis

- Sales 237.8 Billion KRW**

- Down by 9.5% QoQ
- Down by 12.3% YoY

- Operating Profit 23.7 Billion KRW, OPM 10.0%**

- Down by 29.5% QoQ
- Down by 24.0% YoY

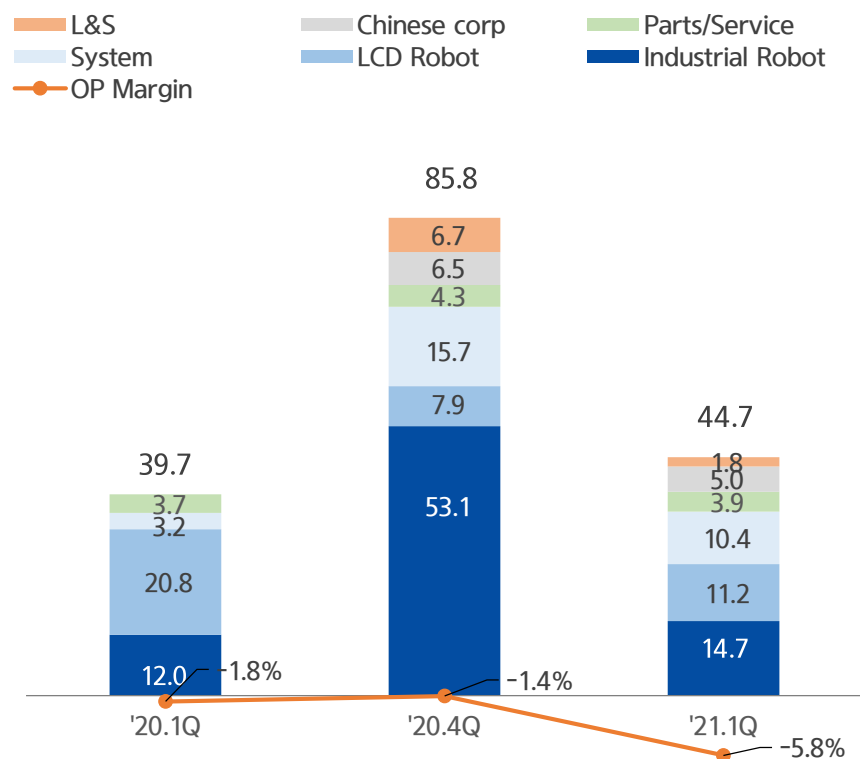
- Analysis**

- QoQ, sales and operating profit decreased QoQ due to seasonal factors such as a decrease in orders in the previous quarter.
- YoY, sales and operating profit decreased due to a contribution of scrubber in the eco-friendly retrofit sector.
- It is predicted that sales will improve after second quarter due to improved order performance including eco-friendly retrofit such as BWTS in first quarter.

2-5) Hyundai Robotics (Consolidated)

1Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



- **Sales 44.7 billion KRW**

- Down by 48.0% QoQ
- Up by 12.6% YoY

- **Operating Profit -2.6 billion KRW, OPM -5.8%**

- Turned to deficit QoQ , YoY

- **Analysis**

- QoQ, sales decreased due to decrease in orders for industrial robots from the second half of 2020 after realizing sales of new overseas automobile factories in the first half of 2020.
- YoY, sales increased due to recognition of sales of battery manufacturing automation corporation in the first half of 2020 and consolidation of Chinese subsidiaries and L&S consolidation
- Amid intensified price competition, it recorded a deficit due to losses in new entry business (battery manufacturing automation) and early stages of business, Chinese subsidiaries and L&S.

Note 1 : Hyundai Robotics : '20 4Q Consolidated basis, '20 3Q,'19 4Q Parent basis.

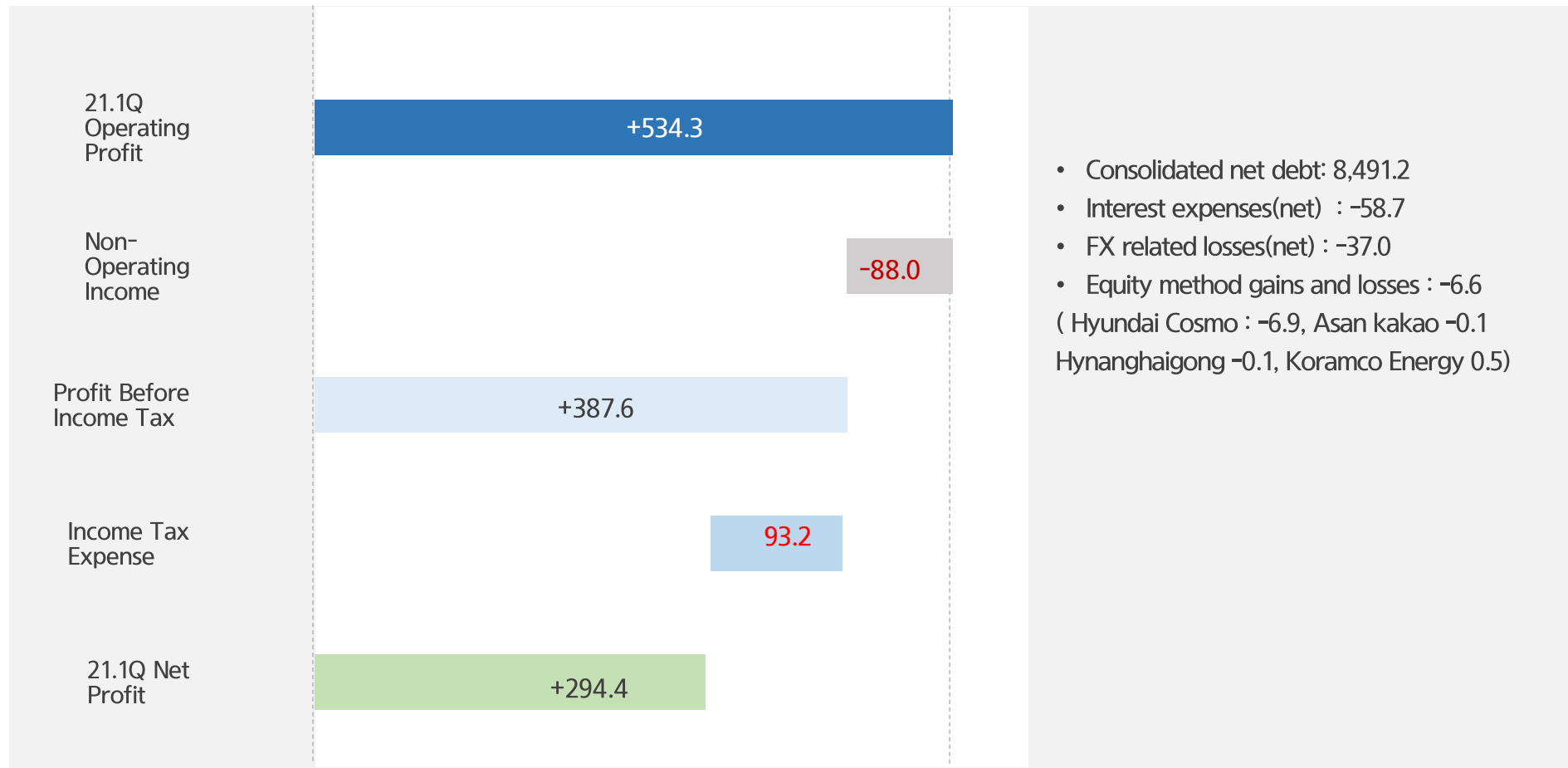
Note 2 :As of September 29, 2020, Hyundai Robotics consolidated Hyundai Robotics' Chinese subsidiary and Hyundai L&S.

Note 3 : According to the spin-off of the robot sector as of 2020.5.1 from Hyundai Heavy Industries Holdings, 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

1Q 2021 Financial Results

(Unit : billion KRW)

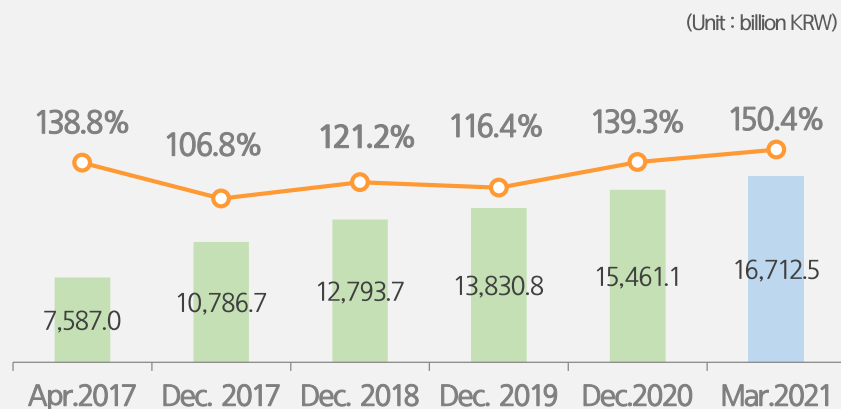


- Consolidated net debt: 8,491.2
- Interest expenses(net) : -58.7
- FX related losses(net) : -37.0
- Equity method gains and losses : -6.6
(Hyundai Cosmo : -6.9, Asan kakao -0.1
Hynanghaigong -0.1, Koramco Energy 0.5)

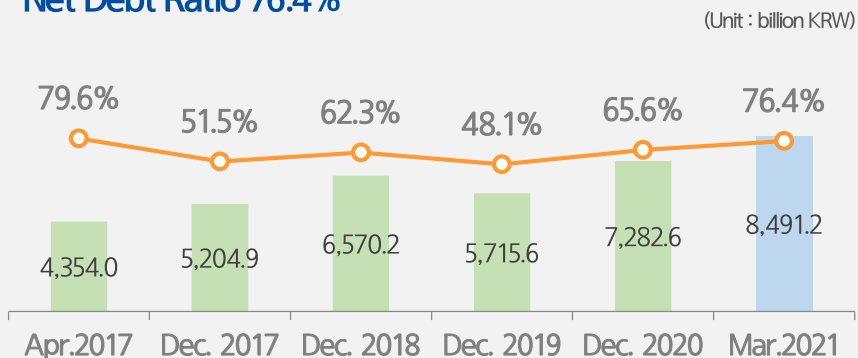
4. Financial Ratio

Consolidated Financial Ratio

- Liabilities Ratio 150.4%

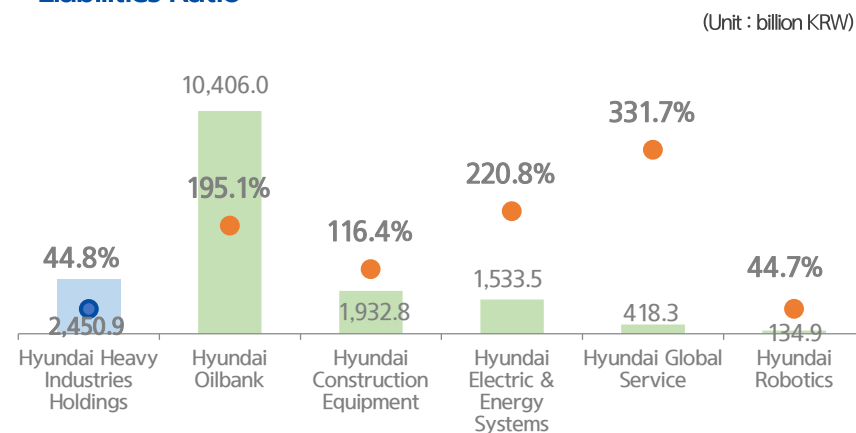


- Net Debt Ratio 76.4%



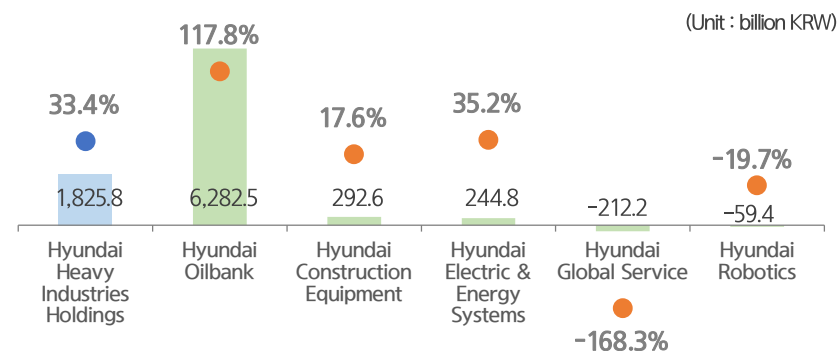
Financial Ratio of Major Affiliates

- Liabilities Ratio



Note: HHHH - Separated basis

- Net Debt Ratio



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	'21.1Q			'20.4Q	'20.1Q
		QoQ	YoY		
Sales	6,075.5	31.8%	6.3%	4,611.0	5,716.3
Cost of Goods Sold	5,236.4	14.1%	-11.5%	4,590.1	5,919.2
Gross Profit	839.1	3934.1%	Turned to profit	20.8	-202.9
Operating Profit	534.3	Turned to profit	Turned to profit	-315.3	-487.2
OP margin	8.8%	15.6%p	17.3%p	-6.8%	-8.5%
Non Operating Income & Loss	-146.7	-	-	-185.0	-116.5
Profit before Tax	387.6	Turned to profit	Turned to profit	-500.3	-603.7
Income Tax	93.2	Turned to profit	Turned to profit	-49.3	-243.3
Net Income	294.4	Turned to profit	Turned to profit	- 451.0	-360.4

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Dec.31, '20	Mar.31,'21
Current assets	8,884.2	9,938.3	8,049.1	8,850.1
(Cash & cash equivalents)	1,099.8	2,348.0	2,038.5	1,968.5
Non-current assets	14,463.6	15,780.3	18,509.9	18,971.8
Total assets	23,347.8	25,718.6	26,559.0	27,821.9
Current liabilities	8,660.2	8,046.0	6,336.4	6,970.5
(Short-term borrowings)	4,549.7	3,418.5	2,248.2	2,700.6
Non-current liabilities	4,133.5	5,787.9	9,124.7	9,741.9
(Long-term borrowings)	3,325.0	4,652.9	7,283.8	7,860.6
Total liabilities	12,793.7	13,833.9	15,461.1	16,712.5
Paid-in capital	81.4	81.4	81.4	81.4
Others	4,344.0	4,727.3	4,720.6	4,742.0
Retained earnings	3,302.0	3,183.3	2,213.0	2,114.4
Non-controlling interest	2,826.6	3,892.7	4,082.9	4,171.6
Total equity	10,554.1	11,884.7	11,097.9	11,109.4
Total liabilities & equity	23,347.8	25,718.6	26,559.0	27,821.9

2. Consolidated Financial Statements of Hyundai Oilbank

Consolidated Income Statement

(Unit : billion KRW)

Category	'21.1Q			'20.4Q	'20.1Q
		QoQ	YoY		
Sales	4,536.5	33.7%	2.7%	3,393.9	4,416.6
Cost of sales	3,988.4	19.4%	-18.0%	3,341.4	4,866.8
Gross profit	548.1	944.3%	Turned to profit	52.5	-450.2
Operating profit	412.8	Turned to profit	Turned to profit	-78.6	-563.2
OP margin	9.1%	11.4%p	21.9%p	-2.3%	-12.8%
Non operating income & expenses	-136.1	-	-	145.0	-122.7
Equity method gains and losses	-6.4	-	-	-3.2	8.9
Profit before tax	276.7	317.1%	Turned to profit	66.3	-676.9
Income tax	83.1	-	-	-2.9	-214.7
Net income	193.6	179.5%	Turned to profit	69.3	-462.2

Note: K-IFRS consolidated basis

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Dec.31, '20	Mar.31, '21
Current assets	4,358.3	4,565.4	3,294.6	3,965.6
(Cash & cash equivalents)	162.6	480.4	301.7	217.3
Non-current assets	7,386.5	8,290.5	11,383.6	11,774.1
Total assets	11,744.8	12,855.9	14,678.1	15,739.6
Current liabilities	4,578.0	4,086.7	3,239.4	3,460.4
(Short-term borrowings)	1,573.7	1,125.0	644.0	868.2
Non-current liabilities	2,042.7	3,327.6	6,167.8	6,945.7
(Long-term borrowings)	1,856.1	2,808.4	4,871.0	5,636.5
Total liabilities	6,620.7	7,414.3	9,407.2	10,406.0
Paid-in capital	1,225.4	1,225.4	1,225.4	1,225.4
Others	454.6	443.6	707.1	704.9
Retained earnings	3,109.9	3,110.1	2,535.0	2,582.0
Non-controlling interest	334.2	662.4	803.4	821.3
Total equity	5,124.1	5,441.6	5,270.9	5,333.6
Total liabilities & equity	11,744.8	12,855.9	14,678.1	15,739.6

3. Consolidated Financial Statement of Hyundai Global Service



Consolidated Income Statement

(Unit : billion KRW)

Category	'21.1Q			'20.4Q	'20.1Q
		QoQ	YoY		
Sales	237.8	-9.5%	-12.3%	262.8	271.3
Cost of Goods Sold	206.6	-7.3%	-11.1%	222.8	232.3
Gross Profit	31.2	-22.0%	-20.0%	40.0	39.0
Operating Profit	23.7	-29.5%	-24.0%	33.6	31.2
OP margin	9.97%	-2.83%p	-1.53%p	12.8%	11.5%
Non Operating Income & Loss	5.0	-	-	-8.7	5.9
Profit before Tax	28.7	15.3%	-22.6%	24.9	37.1
Income Tax	7.7	8.5%	-16.3%	7.1	9.2
Net Income	21.0	18.0%	-24.7%	17.8	27.9

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Dec.31, '20	Mar.31, '21
Current Assets	359.5	569.3	428.3	517.5
(Cash & Cash Equivalents)	124.8	168.9	93.7	229.6
Non-current Assets	11.2	26.2	35.6	26.9
Total Assets	370.7	595.5	463.9	544.4
Current Liabilities	151.8	283.9	200.6	378.3
(Short-term borrowings)	-	-	-	21.3
Non-current Liabilities	0.3	3.4	9.0	40.0
(Long-term borrowings)	-	-	-	30.0
Total Liabilities	152.0	287.3	209.6	418.3
Paid-in Capital	20.0	20.0	20.0	20.0
Others	105.5	105.2	20.0	20.0
Retained Earnings	93.2	183.0	214.3	86.1
Total Shareholder's Equity	218.7	308.2	254.3	126.1
Total Liabilities & Shareholder's Equity	370.7	595.5	463.9	544.4

Note: K-IFRS consolidated basis

