

3Q 2021 Earnings Release

HYUNDAI HEAVY INDUSTRIES HOLDINGS



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3Q 2021 Earnings Release

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1. Summary of Financial Results (1/3)

- (3rd Quarter) Sales up by 15.0% and operating profit up by 63.5% due to the consolidation of Hyundai Doosan Infracore and equity method gain following improved profit margins of ship building subsidiaries
- (3rd Quarter accumulated) Achieved 2021 business goal in advance by recording an accumulated operating profit of 1,020.7 billion KRW

(Unit : billion KRW)

		'21.3Q		'21.2Q	'20.3Q
		QoQ	YoY		
Sales	7,277.5	15.0%	59.0%	6,330.3	4,577.9
Operating Profit	301.8	63.5%	198.5%	184.6	101.1
OPM	4.1%	1.2%p	1.9%p	2.9%	2.2%
Non-operating Profit	(192.0)	-	-	(44.0)	(32.1)
Interest income (net)	(69.3)	-	-	(53.9)	(52.3)
Gain/Loss on Foreign exchange (net)	(60.8)	-	-	(6.4)	29.0
Profit before income taxes	109.8	-21.9%	59.1%	140.6	69.0
Net Income	44.5	104.1%	28.6%	21.8	34.6
Profit attributable to Common shareowners	(7.0)	-	Turned to deficit	(126.5)	2.5

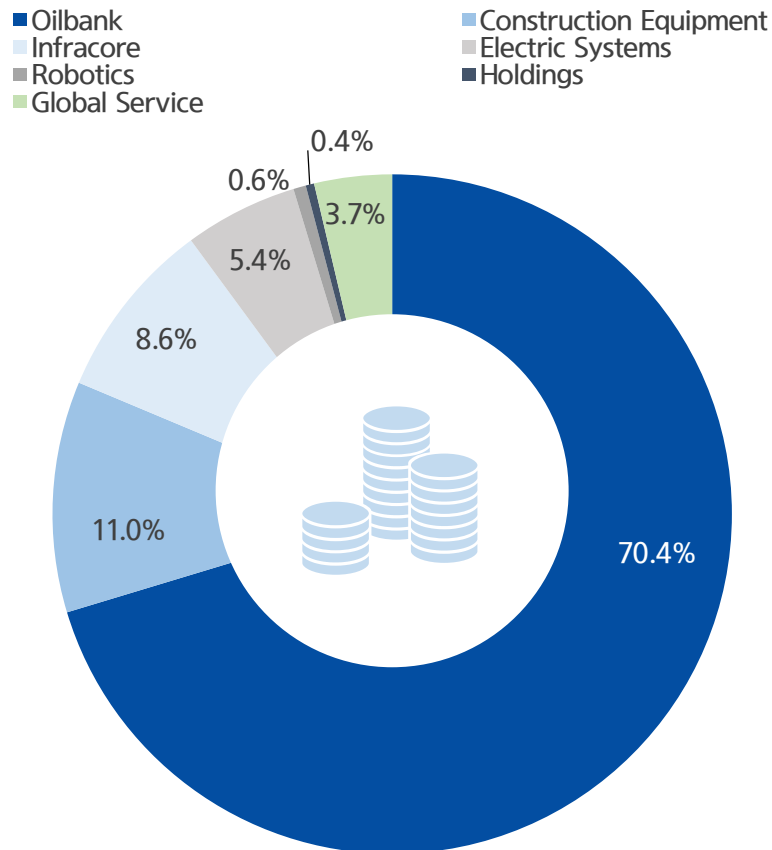
Note 1 .K-IFRS consolidated basis

Note 2. Interest income : Interest income + interest expense

Note 3. Gains and losses on Foreign exchange (net) : Gain and loss on foreign currency translation + Gain and loss on foreign currency transaction

1. Summary of Financial Results (2/3)

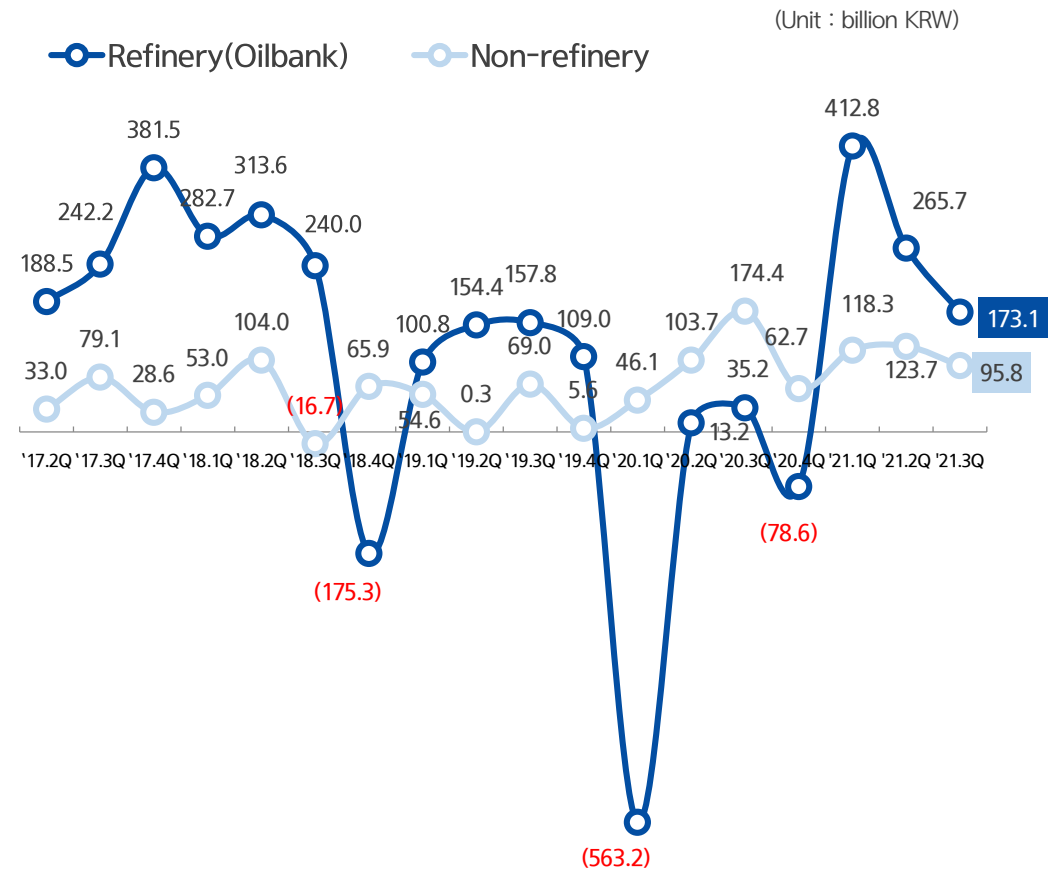
3Q 2021 Sales Composition



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

Note 2 : Hyundai Doosan Infracore, consolidated on 2021 August (Only the financial results of Aug, Sep reflected)

3Q 2021 Operating Profit

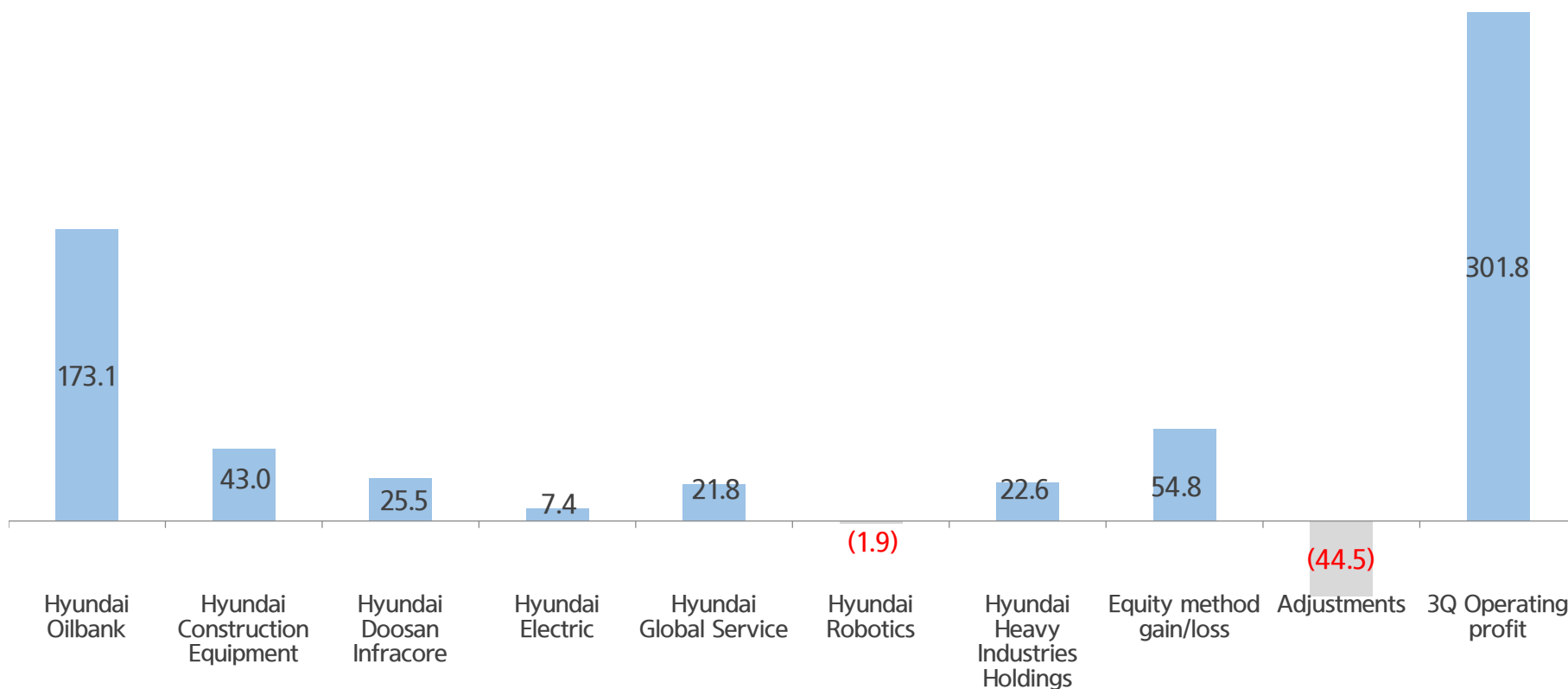


Note 3 : Excluding equity method gains/losses and dividends

1. Summary of Financial Results (3/3)

3Q 2021 Operating profit Composition

(Unit : billion KRW)



Note 1 : Hyundai Doosan Infracore, consolidated on 2021 August (Only the financial results of Aug, Sep reflected)

2. Financial Results by Companies

3Q 2021 Financial Results

(Unit : billion KRW)

Category		'21.3Q			'21.2Q			'20.3Q			Remarks
		Sales	Operating Profit	OPM	Sales	Operating Profit	OPM	Sales	Operating Profit	OPM	
Consolidated Entities	Hyundai Heavy Industries Holdings	26.8	22.6	84.3%	2.4	(1.9)	-79.2%	71.5	68.1	95.2%	*Dividend Income - '21. 3Q : 24.8 bil KRW - '20. 3Q : 70.0 bil KRW
	Hyundai Oilbank	5,181.5	173.1	3.3%	4,944.0	265.7	5.4%	3,327.7	35.2	1.1%	
	Hyundai Construction Equipment	813.8	43.0	5.3%	952.6	70.7	7.4%	624.1	26.3	4.2%	
	Hyundai Doosan Infracore	632.7	25.5	4.0%	-	-	-	-	-	-	
	Hyundai Electric & Energy Systems	394.1	7.4	1.9%	423.6	26.5	6.3%	398.0	29.4	7.4%	
	Hyundai Global Service	270.1	21.8	8.1%	268.9	29.4	10.9%	244.4	48.4	19.8%	
	Hyundai Robotics	46.1	(1.9)	-4.1%	55.6	(3.0)	-5.4%	55.1	2.2	4.0%	
Equity Method	Korea Shipbuilding & Offshore Engineering	54.8	54.8	-	(194.3)	(194.3)	-	(26.1)	(26.1)	-	
Adjustment		(142.4)	(44.5)	-	(122.5)	(8.5)	-	(116.8)	(82.4)	-	
Total		7,277.5	301.8	4.1%	6,330.3	184.6	2.9%	4,577.9	101.1	2.2%	

Note 1 : Hyundai Heavy Industries Holdings: Separate basis,

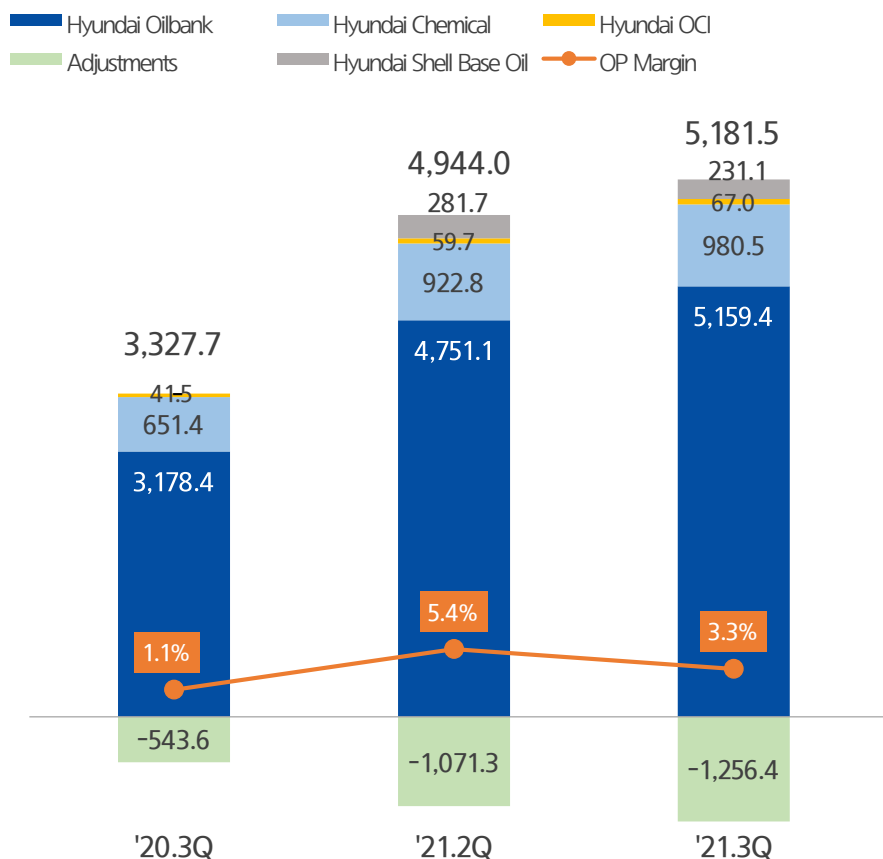
Note 2 : Hyundai Oilbank, Hyundai Construction Equipment, Hyundai Doosan Infracore, Hyundai Electric & Energy Systems, Hyundai Global Service, Hyundai Robotics: Consolidated basis

Note 3 : Hyundai Doosan Infracore, consolidated on 2021 August (Only the financial results of Aug, Sep reflected)

3. Hyundai Oilbank (Consolidated)

3Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



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

- **Sales 5,181.5 billion KRW**

- Up by 4.8% QoQ
- Up by 55.7% YoY

- **Operating Profit 173.1 billion KRW, OPM 3.3%**

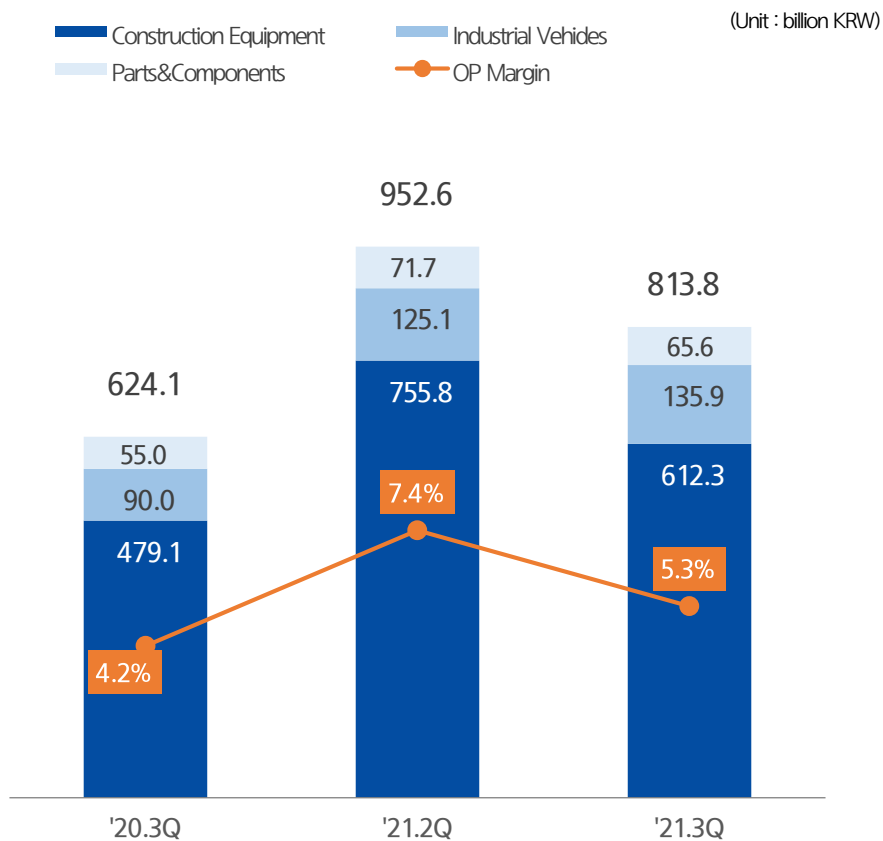
- Down by 34.9% QoQ
- Up by 391.8% YoY

- **Analysis**

- (QoQ) Despite the oil price and product cracks improving, decrease in operating profits due to decreased inventory effects resulting from lower increases in oil price
- (YoY) Increase in operating profits due to rises in oil price and improved product cracks
(Oil Price: \$42.9/b → \$71.7/b, Gasoline :\$2.9/b → \$9.7/b)

4. Hyundai Construction Equipment (Consolidated)

3Q 2021 Sales and Operating Profit Margin



Note1 : Consolidated basis

- **Sales 813.8 billion KRW**

- Down by 14.6% QoQ
- Up by 30.4% YoY

- **Operating Profit 43.0 billion KRW, OPM 5.3%**

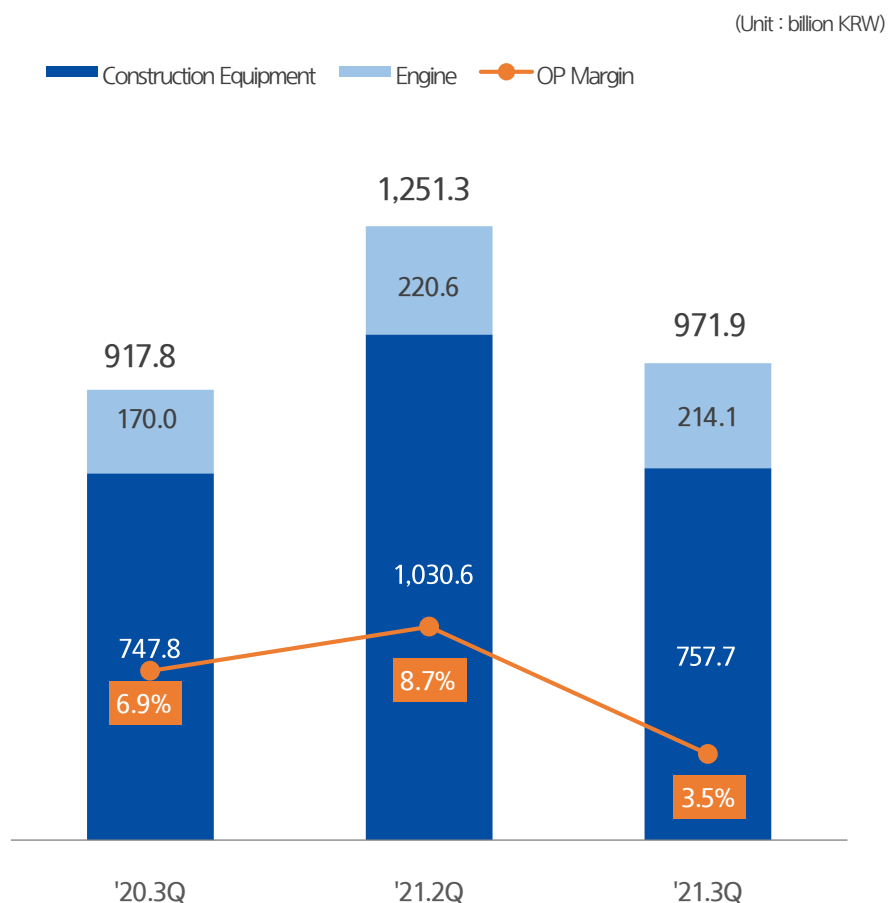
- Down by 39.2% QoQ
- Up by 63.5% YoY

- **Analysis**

- (QoQ) Decrease in sales due to demand adjustment in the Chinese market and seasonal factors. Decrease in operating profit due to increased material costs
- (YoY) Increase in sales and profit due to :
 1. Sustained demand growth in emerging markets due to increased demand for raw materials and economic recovery expectations in advanced markets
 2. Efforts to improve profitability through price increases

5. Hyundai Doosan Infracore (Consolidated)

3Q 2021 Sales and Operating Profit Margin



- Sales 971.9 billion KRW**

- Down by 22.3% QoQ
- Up by 5.9% YoY

- Operating Profit 33.7 billion KRW, OPM 3.5%**

- Down by 69.1% QoQ
- Down by 47.0% YoY

- Analysis**

- (QoQ) Decrease in sales due to demand adjustment in the Chinese market and seasonal factors. Decrease in operating profit due to increased material costs
- (YoY) Increase in sales due to increase in global infrastructure investments and material/oil prices leading to increased demands for construction equipment and engine. Decrease in profit due to increases in materials/shipping prices leading to increased production costs and weak sales in the profitable Chinese market

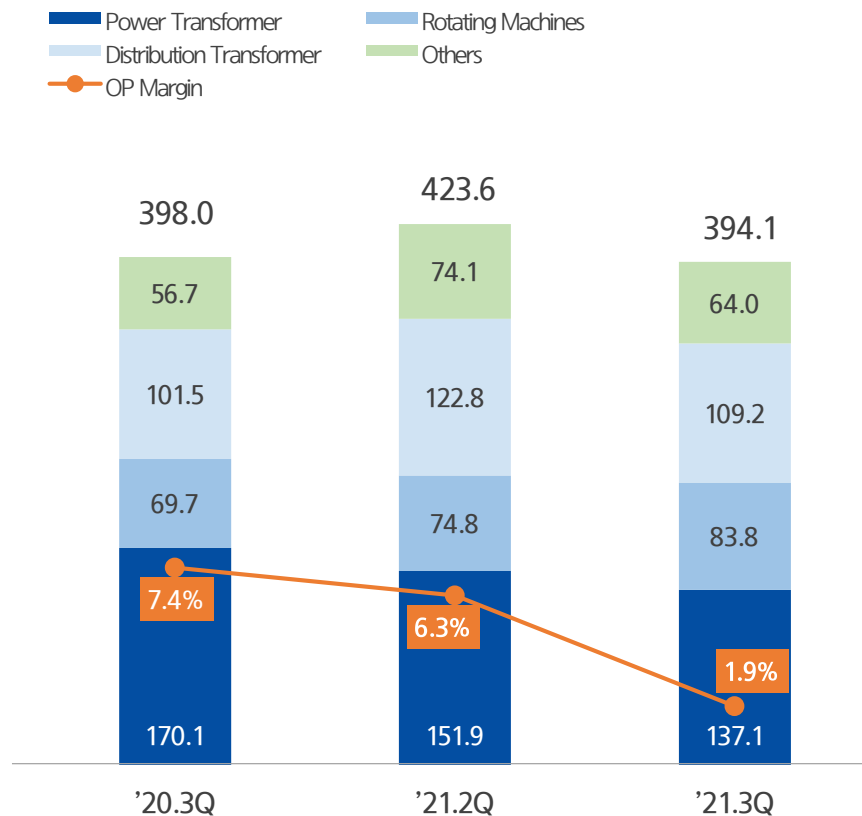
Note 1 : Hyundai Doosan Infracore, consolidated on 2021 August

Note 2 : Hyundai Doosan Infracore : consolidated basis (Financial results from before consolidation has been included for the purpose of investors' convenience. Data is different from that of Hyundai Doosan Infracore's data on pg 7.)

6. Hyundai Electric & Energy Systems (Consolidated)

3Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



Note1 : Consolidated basis

- Sales 394.1 billion KRW**

- Down by 7.0% QoQ
- Down by 1.0% YoY

- Operating Profit 7.4 billion KRW, OPM 1.9%**

- Down by 72.1% QoQ
- Down by 74.8% YoY

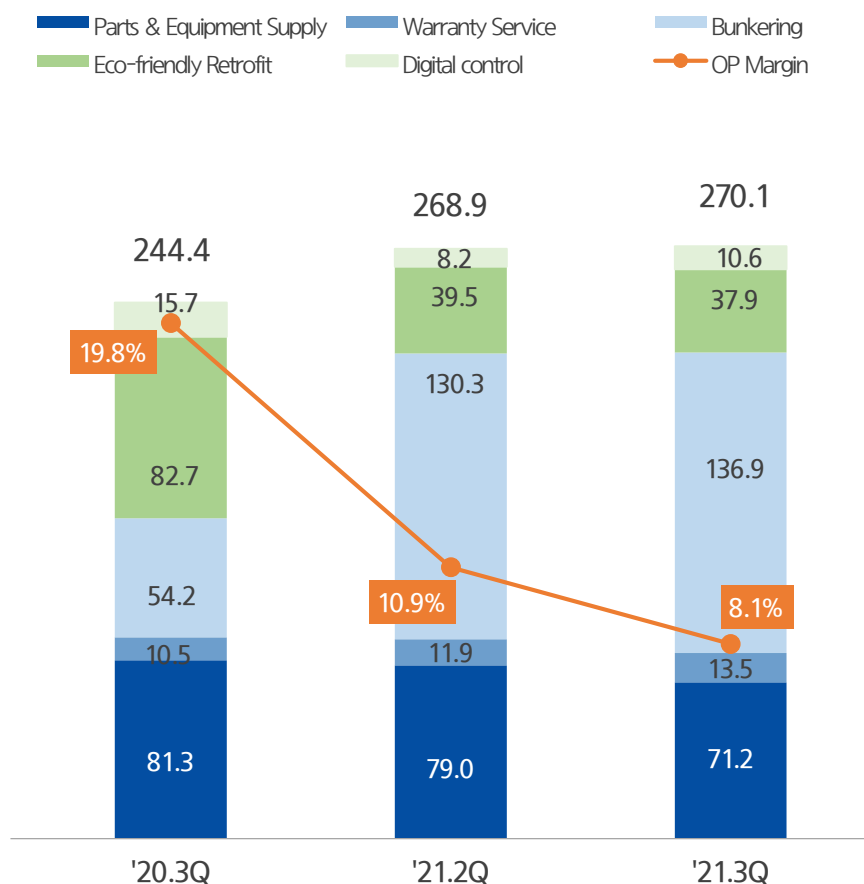
- Analysis**

- (QoQ) Decrease in sales due to seasonal factors, delayed shipping arrangement for exports, and change of delivery date for some domestic supplies. Decreased operating profit due to reflecting one-time cost related to the Canadian antidumping tariffs
- (YoY) Decrease in operating profits due to reflecting one-time cost related to the Canadian antidumping tariffs

7. Hyundai Global Service (Consolidated)

3Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



Note1 : Consolidated basis

- Sales 270.1 Billion KRW**

- Up by 0.4% QoQ
- Up by 10.5% YoY

- Operating Profit 21.8 Billion KRW, OPM 8.1%**

- Down by 25.9% QoQ
- Down by 55.0% YoY

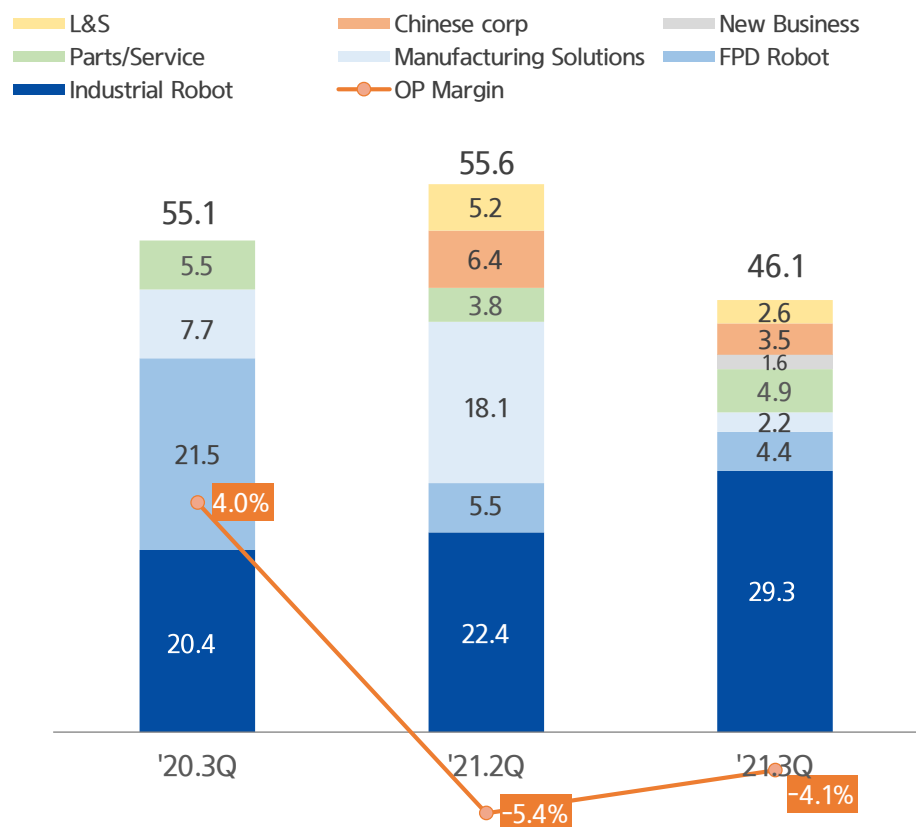
- Analysis**

- (QoQ) Increase in sales due to strong performances from bunkering and digital control businesses
- (YoY) Decrease in sales due to temporary decreases in orders and sales from the parts & equipment supply business. Decrease in sales due to weak sales performance of the profitable eco-friendly retrofit business
- Sales predicted to increase throughout Q4 due to improved order performance across various businesses, including the eco-friendly retrofit business

8. Hyundai Robotics (Consolidated)

3Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



- Sales 46.1 billion KRW**

- Down by 17.1% QoQ
- Down by 16.3% YoY

- Operating Profit -1.9 billion KRW, OPM -4.1%**

- Continued deficit QoQ , Turned to deficit YoY

- Analysis**

- (QoQ) Continued deficit due to construction delays in the manufacturing solution (electric car battery packaging, welding automation) sector business
- (YoY) Turned to deficit due to low sales performance in the FPD robots business following reduced global investments in display manufacturing facilities (second half of 2020), initial entry cost into the manufacturing solution market and raw material price increases

Note 1 : Hyundai Robotics : Consolidated basis

Note 2 : Established in 2020. May 1st following the spin off from HHI Holdings robotics division

Note 3 : As of September 29, 2020, Hyundai Robotics has acquired Hyundai Robotics' Chinese subsidiary and Hyundai L&S.

Note 4 : FPD (Flat Panel Display) robots: Robots built for the purpose of moving around displays

Note 5 : New Business : includes small-sized/cooperation robot and mobile service robot

9. Non-operating Profit and Net Income

3Q 2021 non-operating profit and net income

(Unit : billion KRW)

21.3Q Operating Profit	301.8	
Non-Operating Profit	-192.0	
Profit Before Income Tax	109.8	
Income Tax Expense	65.3	
21.3Q Net Income	44.5	

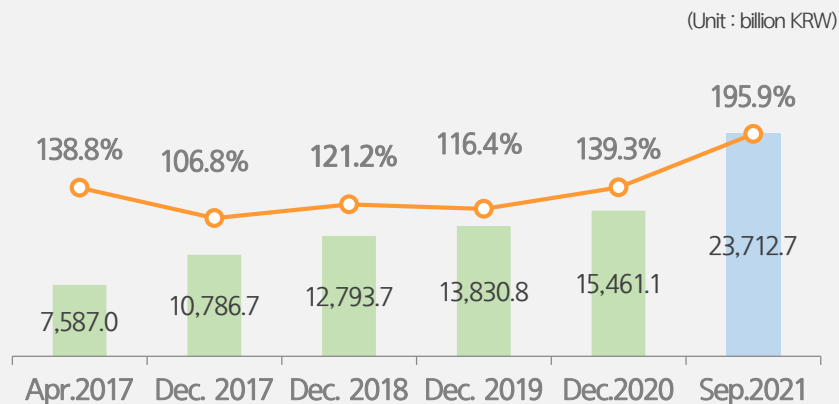
- Consolidated net debt: 11,110.1
- Interest income(net) : - 69.3
- FX related gain/loss(net) : - 60.8
- HSB Put Option valuation loss : - 93.0
- Equity method gain/loss : - 6.8

(Hyundai Cosmo: - 6.5, Koramco Energy: 1.0, Haining Hagong: - 0.5, etc.)

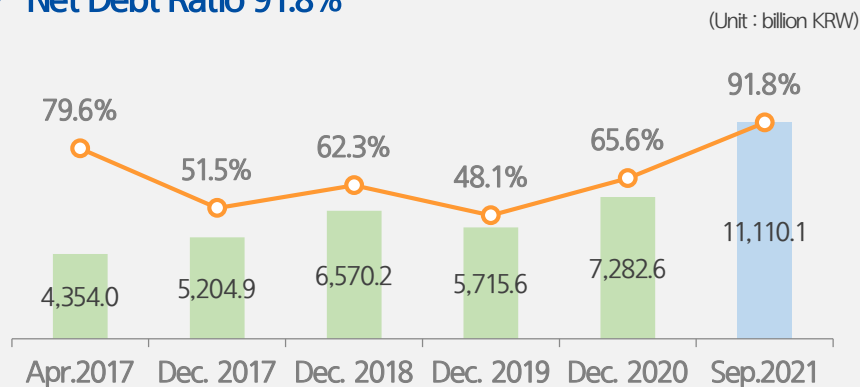
10. Financial Ratio

Consolidated Financial Ratio

• Liabilities Ratio 195.9%



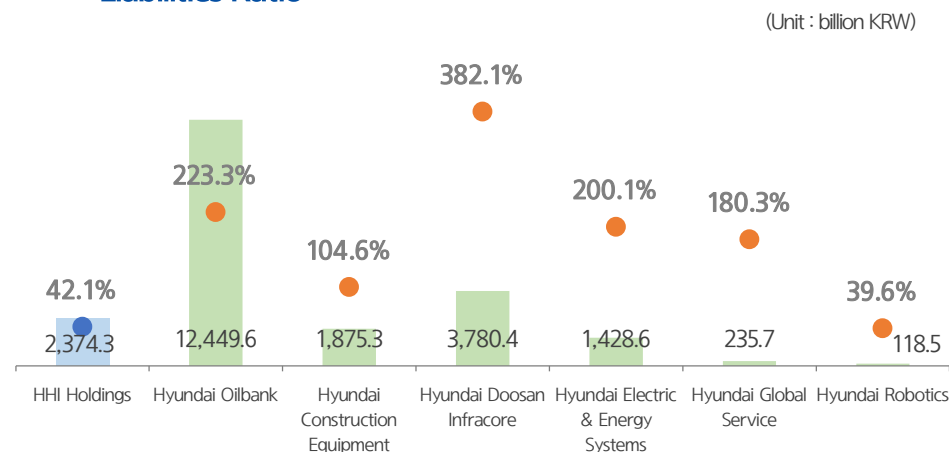
• Net Debt Ratio 91.8%



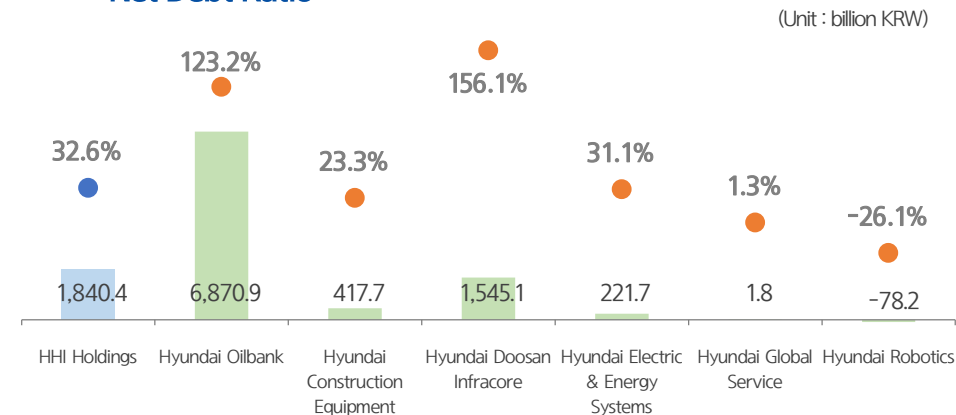
* Net Debt(Consolidated) : Total Debt – Cash and Cash Equivalents

Financial Ratio of Major Affiliates

• Liabilities Ratio



• Net Debt Ratio



Note 1 : HHIH - Separate basis

Note 2 : Hyundai Doosan Infracore, consolidated on 2021 August

Appendix

Summary of Financial Statements

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



1. Consolidated Financial Statements of HHIH

Consolidated Income Statement

(Unit : billion KRW)

Category	'21.3Q	QoQ	YoY	'21.2Q	'20.3Q
Sales	7,277.5	15.0%	59.0%	6,330.3	4,577.9
Cost of sales	6,577.5	12.5%	56.4%	5,846.3	4,204.6
Gross Profit	700.0	44.6%	87.5%	484.0	373.3
Operating Profit	301.8	63.5%	198.5%	184.6	101.1
OP Margin	4.1%	1.2%p	1.9%p	2.9%	2.2%
Non Operating Income/Expense	(192.0)	-	-	(44.0)	(32.1)
Profit before Tax	109.8	-21.9%	59.1%	140.6	69.0
Income Tax	65.3	-45.0%	89.8%	118.8	34.4
Net Income	44.5	104.1%	28.6%	21.8	34.6

Note: K-IFRS consolidated basis

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Dec.31, '20	Sep.30,'21
Current assets	8,884.2	9,938.3	8,049.1	13,668.8
(Cash & cash equivalents)	1,099.8	2,348.0	2,038.5	2,487.6
Non-current assets	14,463.6	15,780.3	18,509.9	22,148.6
Total assets	23,347.8	25,718.6	26,559.0	35,817.4
Current liabilities	8,660.2	8,046.0	6,336.4	11,563.1
(Short-term borrowings)	4,549.7	3,418.5	2,248.2	4,505.3
Non-current liabilities	4,133.5	5,787.9	9,124.7	12,149.6
(Long-term borrowings)	3,325.0	4,652.9	7,283.8	9,369.7
Total liabilities	12,793.7	13,833.9	15,461.1	23,712.7
Paid-in capital	81.4	81.4	81.4	81.4
Others	4,344.0	4,727.3	4,720.6	4,509.7
Retained earnings	3,302.0	3,183.3	2,213.0	1,868.7
Non-controlling interest	2,826.6	3,892.7	4,082.9	5,644.9
Total equity	10,554.1	11,884.7	11,097.9	12,104.7
Total liabilities & equity	23,347.8	25,718.6	26,559.0	35,817.4

2. Consolidated Financial Statements of Hyundai Oilbank

Consolidated Income Statement

(Unit : billion KRW)

Category	'21.3Q	QoQ	YoY	'21.2Q	'20.3Q
Sales	5,181.5	4.8%	55.7%	4,944.0	3,327.7
Cost of Sales	4,877.2	7.2%	54.1%	4,549.5	3,164.8
Gross Profit	304.3	-22.9%	86.9%	394.5	162.8
Operating Profit	173.1	-34.9%	391.8%	265.7	35.2
OP Margin	3.3%	-2.1%p	2.2%p	5.4%	1.1%
Non Operating Income/Expense	(152.3)	-	-	(38.1)	23.0
Equity method Gain/ Loss	(5.7)	42.5%	32.6%	(4.0)	(4.3)
Profit before Tax	20.8	-90.9%	-64.3%	227.6	58.2
Income Tax	47.9	-	-	60.7	8.7
Net Income	(27.1)	Turned to Deficit	Turned to Deficit	166.9	49.5

Note: K-IFRS consolidated basis

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Dec.31, '20	Sep.30, '21
Current assets	4,358.3	4,565.4	3,294.6	5,593.1
(Cash & cash equivalents)	162.6	480.4	301.7	348.7
Non-current assets	7,386.5	8,290.5	11,383.6	12,432.5
Total assets	11,744.8	12,855.9	14,678.1	18,025.6
Current liabilities	4,578.0	4,086.7	3,239.4	5,190.1
(Short-term borrowings)	1,573.7	1,125.0	644.0	1,194.7
Non-current liabilities	2,042.7	3,327.6	6,167.8	7,259.5
(Long-term borrowings)	1,856.1	2,808.4	4,871.0	6,024.8
Total liabilities	6,620.7	7,414.3	9,407.2	12,449.6
Paid-in capital	1,225.4	1,225.4	1,225.4	1,225.4
Others	454.6	443.6	707.1	670.0
Retained earnings	3,109.9	3,110.1	2,535.0	2,662.2
Non-controlling interest	334.2	662.4	803.4	1,018.4
Total equity	5,124.1	5,441.6	5,270.9	5,576.0
Total liabilities & equity	11,744.8	12,855.9	14,678.1	18,025.6

3. Consolidated Financial Statements of Hyundai Global Service

Consolidated Income Statement

(Unit : billion KRW)

Category	'21.3Q			'21.2Q	'20.3Q
		QoQ	YoY		
Sales	270.1	0.4%	10.5%	268.9	244.4
Cost of Sales	239.7	3.3%	28.1%	232.1	187.1
Gross Profit	30.4	-17.6%	-46.9%	36.9	57.3
Operating Profit	21.8	-25.9%	-55.0%	29.4	48.4
OP Margin	8.1%	-2.8%p	-11.7%p	10.9%	19.8%
Non Operating Income/Expense	4.3	-	-	(0.5)	(3.5)
Profit before Tax	26.1	-9.7%	-41.9%	28.9	44.9
Income Tax	4.2	-38.2%	-63.5%	6.8	11.5
Net Income	21.9	-0.5%	-34.4%	22.0	33.4

Note: K-IFRS consolidated basis

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Dec.31, '20	Sep.30, '21
Current Assets	359.5	569.3	428.3	333.9
(Cash & Cash Equivalents)	124.8	168.9	93.7	49.0
Non-current Assets	11.2	26.2	35.6	32.6
Total Assets	370.7	595.5	463.9	366.5
Current Liabilities	151.8	283.9	200.6	195.5
(Short-term borrowings)	-	-	-	21.8
Non-current Liabilities	0.3	3.4	9.0	40.3
(Long-term borrowings)	-	-	-	30.0
Total Liabilities	152.0	287.3	209.6	235.7
Paid-in Capital	20.0	20.0	20.0	20.0
Others	105.5	105.2	20.0	21.0
Retained Earnings	93.2	183.0	214.3	89.7
Total Shareholder's Equity	218.7	308.2	254.3	130.8
Total Liabilities & Shareholder's Equity	370.7	595.5	463.9	366.5

