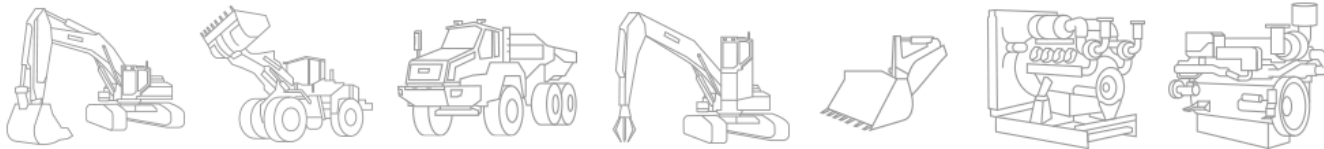




# 1Q26 Earnings Release

April 2026



# Disclaimer

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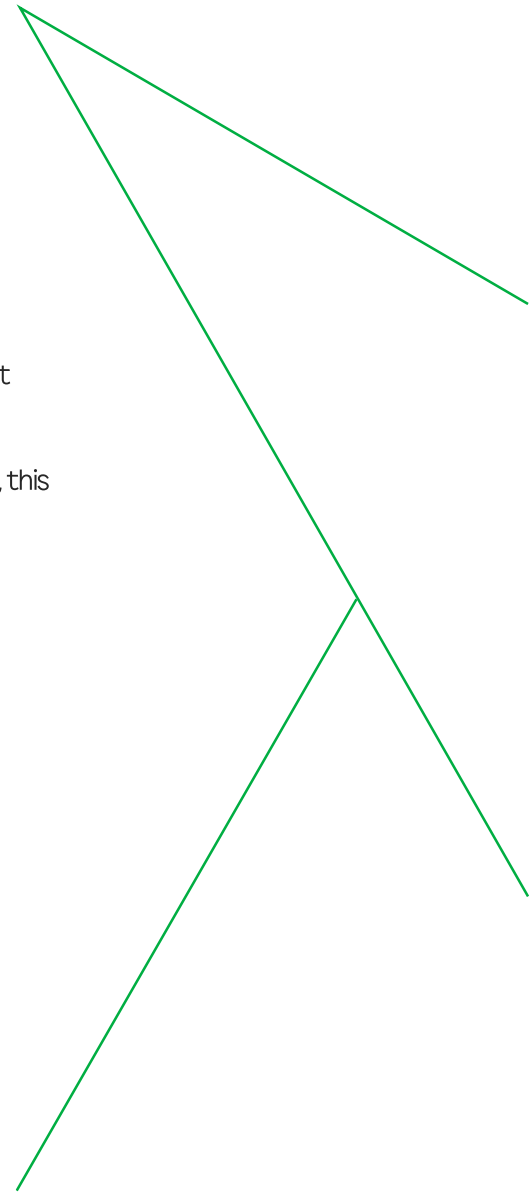
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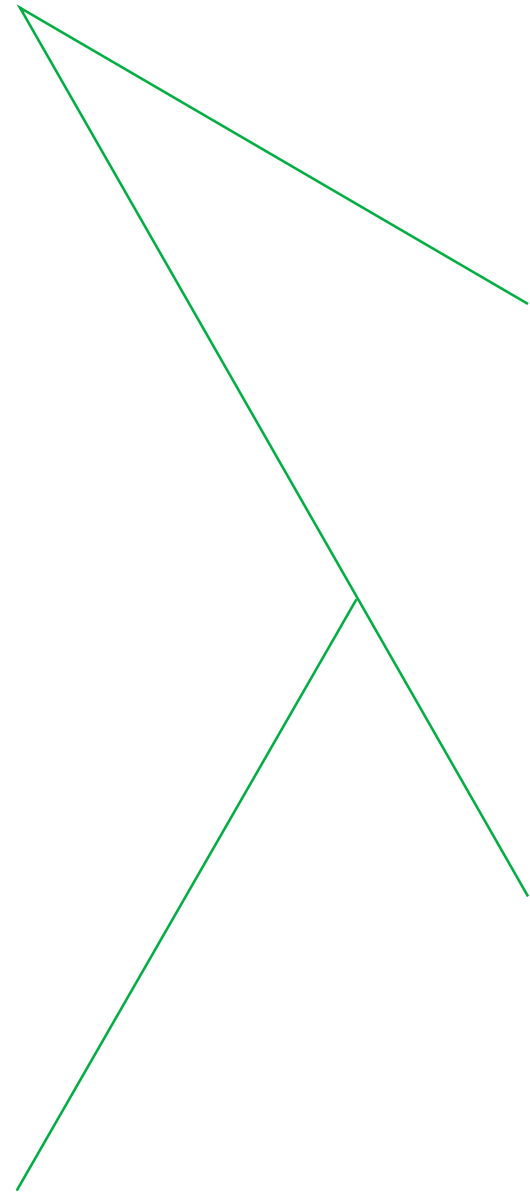
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1. 1Q26 Results
2. EBIT Analysis
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# 1. 1Q26 Results

## 1Q26 Results

### Growth of sales +22% YoY and EBIT +88% YoY from CE and engine divisions

- Accelerated sales growth from key regions in construction equipment and steady sales from industrial and defense engines led to overall sales growth of +22% YoY.
- EBIT also grew +88% YoY due to improved profitability from construction equipment division as well as solid profit contribution from engine division.

(Unit : KRW bn)

	1Q25	4Q25	1Q26	QoQ	YoY
Sales	1,887.9	2,008.5	2,304.9	+14.8%	+22.1%
EBIT	101.3	54.6	190.7	+249.5%	+88.3%
EBIT Margin(%)	5.4%	2.7%	8.3%	+5.6%p	+2.9%p
Net Financial Cost	-18.4	-17.2	-16.3	-	-
F/X Gains/Loses	12.9	19.0	54.8	+188.7%	+324.9%
Pretax Profit	86.9	22.5	224.4	+895.8%	+158.2%
Net Profit	59.3	1.4	173.9	+12637.8%	+193.4%
Profit attributable to owners of parent	62.0	5.0	173.9	+3394.1%	+180.6%

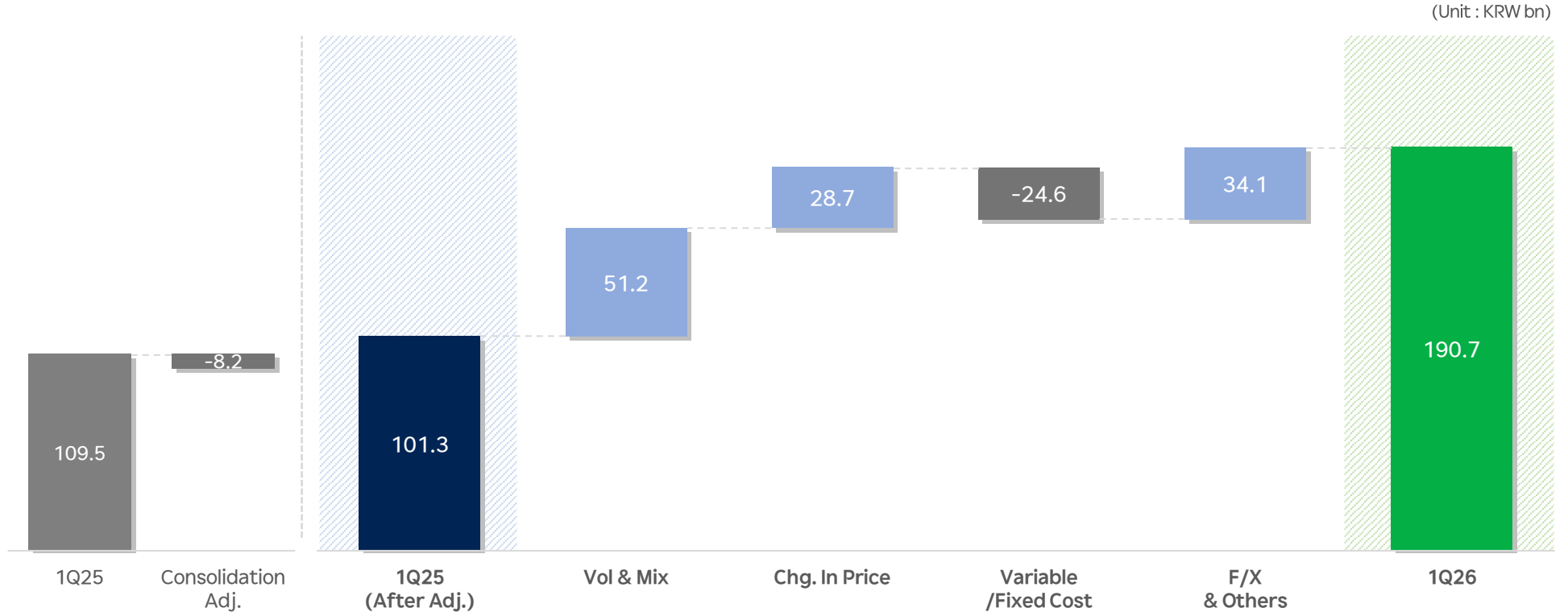
※ Based on K-IFRS consolidated financial statements

4 ※ 2025 financials are based on internal data under the assumption of a merger and have not been audited.

## 2. EBIT Analysis

### EBIT Analysis

- EBIT grew substantially by +88% YoY thanks to volume growth and product mix improvement. Furthermore, price hike, lower promotional expenses and F/X were also positives towards EBIT.



※ Combined EBIT in 1Q25 is KRW101.3bn based on the company's internal data.

(Simple addition of HCE/HDI EBIT is KRW 109.5bn and needs to reflect KRW 8.2bn in consolidated adjustment.

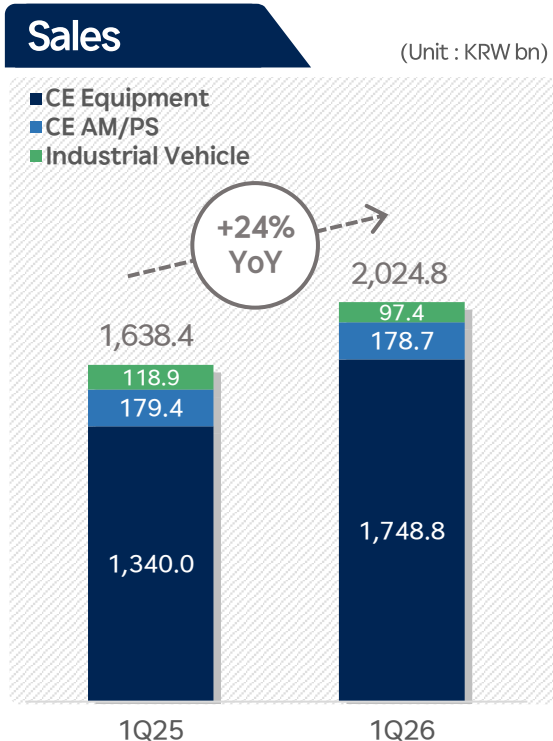
※ Exchange rate average: 1Q25 1,453 KRW/USD → 1Q26 1,464 KRW/USD, 1Q25 1,528 KRW/EUR → 1Q26 1,714 KRW/EUR

### 3. Analysis by Division – Construction Equipment

## Construction Equipment

### Sales : Strong growth backed by positive global demand and enhanced sales mix

- Better-than expected growth in North America contributed towards double-digit growth amid strong performance in Europe and emerging markets such as Africa, Central and South America.
- Industrial vehicles was sluggish due to delayed sales recovery in North America, but impact was limited.

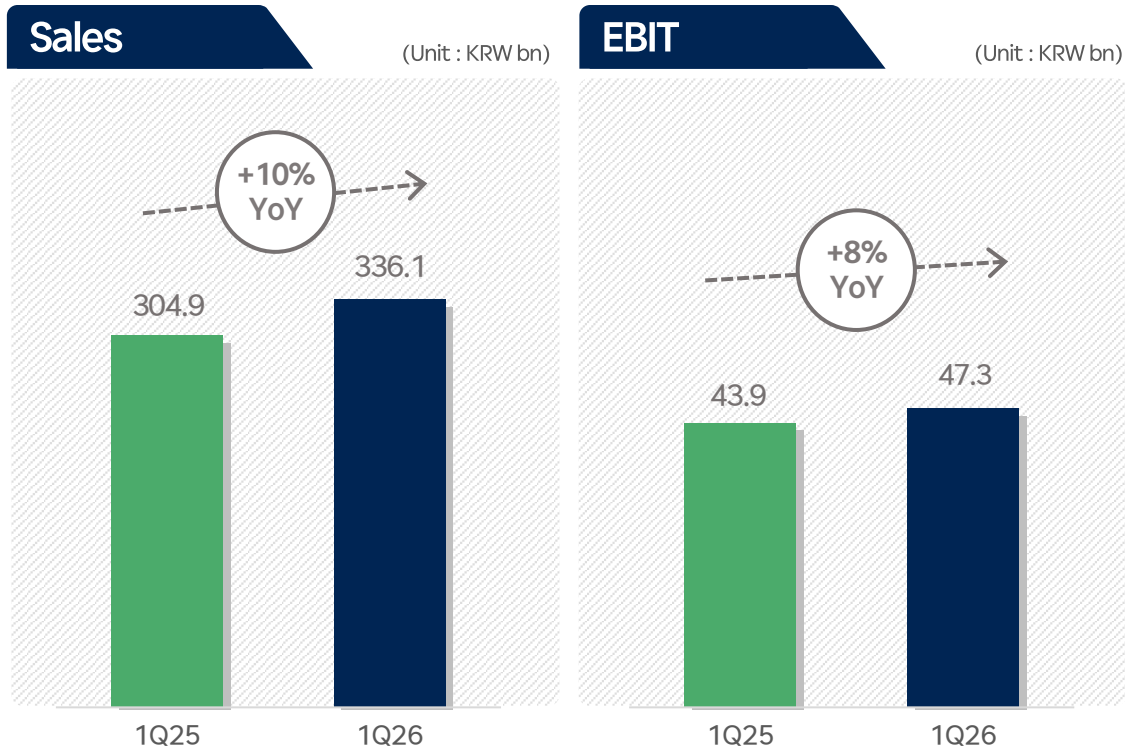


(Unit : KRW bn)

		1Q25	1Q26	YoY
Construction Equipment Sales		1,519.5	1,927.5	+26.9%
Equipment Sales		1,340.0	1,748.8	+30.5%
America	NA	147.3	185.5	+26.0%
	LA	131.0	191.7	+46.3%
EMEA	EU	176.8	281.2	+59.0%
	ME/AF	197.1	331.3	+68.1%
APAC/CIS	Korea	244.6	285.4	+16.7%
	China	145.0	169.6	+17.0%
	India	146.0	157.0	+7.6%
SEA/CIS/OC		135.0	133.3	-1.2%
Others		17.3	13.8	-20.5%
AM/PS Sales		179.4	178.7	-0.4%
Construction Equipment EBIT		61.4	148.6	+141.9%
EBIT Margin (%)		4.0%	7.7%	+3.7%p
Industrial Vehicle Sales		118.9	97.4	-18.1%
Total – CE + IV Sales		1,638.4	2,024.8	+23.6%

## 3. Analysis by Division – Engine

### Engine



#### ✓ Sales: Gradual demand recovery

- Amid positive global economic recovery, sales grew +10% YoY thanks to demand for both in-house and 3<sup>rd</sup> party industrial engines.
- Demand for generator engines should become more evident from 2Q in line with continued demand in North America & emerging markets.

#### ✓ EBIT : Steady double-digit margin

- EBIT improved with sales growth and price hike.
- We continue to expect enhanced sales and EBIT improvement based on 1) conversion to electronic engines, 2) growing contribution from large diesel/gas generator engines, 3) full-scale defense engine sales, as well as 4) accelerated synergy within the group.

※ Sales of the engine division do not reflect consolidated adjustments such as removal of in-house revenue.

## 4. Financial Structure

### Statement of Financial Position

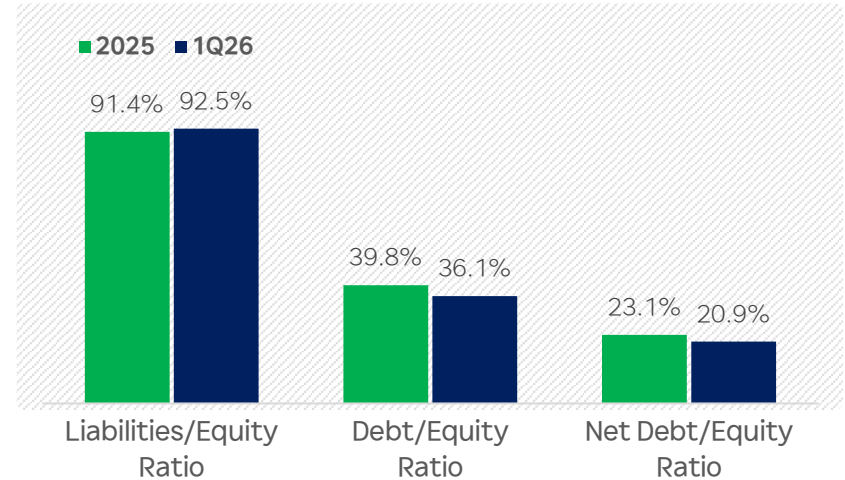
(Unit : KRW bn)

	2025	1Q26
<b>Total Assets</b>	8,838.9	9,297.1
Cash & Cash Equivalent	768.3	734.7
Current Assets	4,947.6	5,361.7
Fixed Assets	3,891.3	3,935.3
<b>Total Liabilities</b>	4,220.3	4,467.3
Debt	1,836.8	1,742.0
Net Debt	1,068.6	1,007.3
<b>Total Shareholder's Equity</b>	4,618.5	4,829.8
<b>Liabilities/Equity Ratio</b>	91.4%	92.5%

※ Based on K-IFRS consolidated financial statements

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### Key Financial Ratios



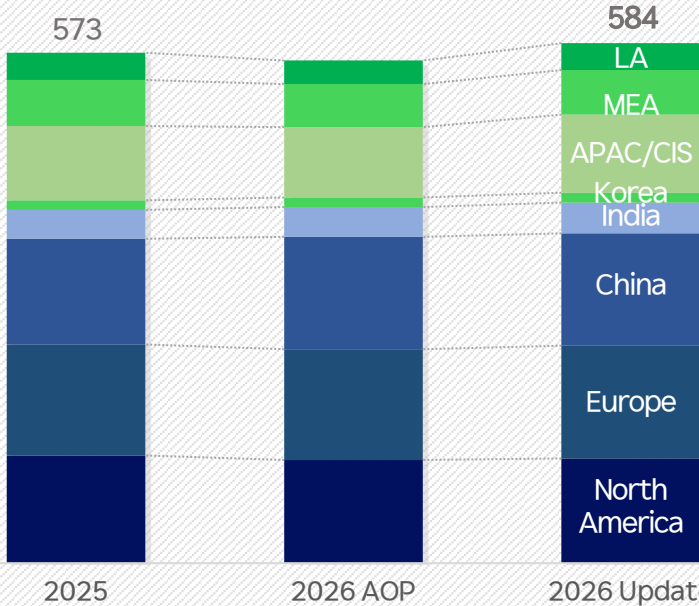
- ✔ Liabilities/equity ratio increased marginally with high-demand season, but it should decline at year-end.
- ✔ On top of investment for future growth and plans to enhance shareholders' return, we will endeavor to further improve our financial structure.

# 5. Market Outlook Update – Construction Equipment

## Market Outlook

### Market Outlook - AOP

(Based on sales volume, '000 units)

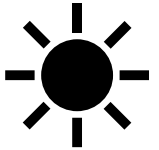


- Risk factors: Prolonged US-Iran war, tariff uncertainty
- If war is prolonged, we expect potential risks such as constraints on logistics/parts supply and stagnant demand.

### North America, Europe

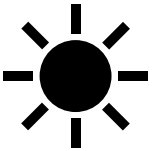
- In North America, demand for excavators is stagnant, but demand for CTL/ADT is steadily increasing.
- In Europe, demand continues to recover, mainly in Northern Europe and UK.

### Rel. to AOP



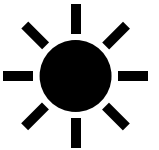
### APAC/CIS, MEA, LA

- Mining demand remains stable in resource-rich countries (Africa, Central/South America and Asia)
- Infrastructure investment accelerated in major countries to build roads, ports, and railways.



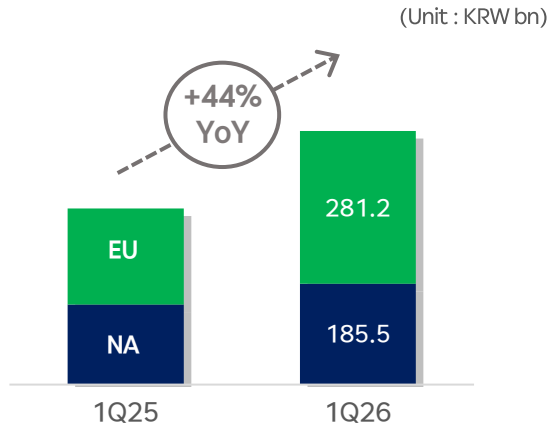
### India, China, Korea

- Solid demand in India backed by favorable real estate policies and budget for infrastructure investment.
- Growing demand in China for small/wheel excavator due to fiscal policies and plans on rural revitalization.
- Demand in Korea remains similar to last year thanks to firm replacement demand.



## 5. Market Outlook Update – Construction Equipment

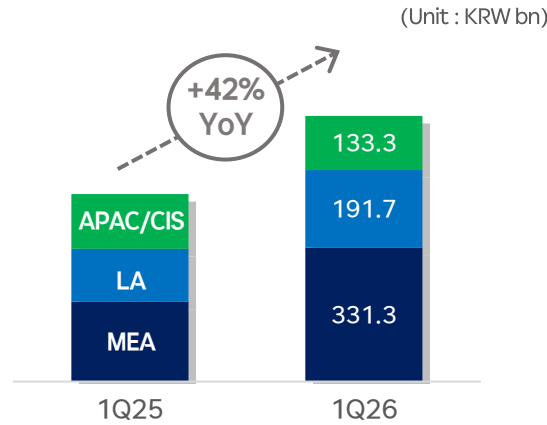
### NA/EU



#### (+) Product competitiveness ↑

- NA: (+) Sale in full swing for 5 new models (heavy and CTL) from 2Q26, (+) sales of large equipment such as ADT, (-) uncertainty over tariffs.
- Europe: (+) Solid performance in UK, France, Germany and Northern Europe. (+) successful introduction of next-gen new models, (+) enhanced competitiveness of wheel excavators

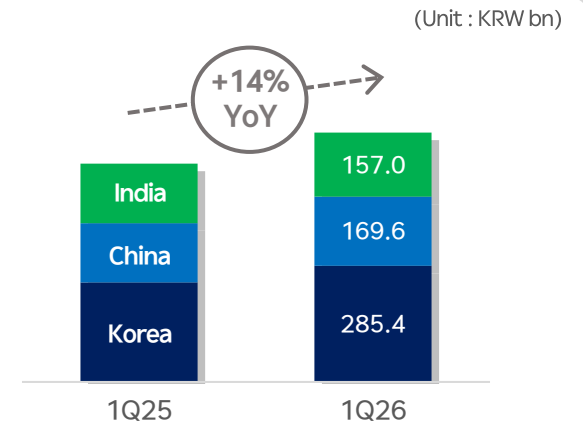
### APAC/CIS / MEA / LA



#### (+) Growth for large/compact ↑

- APAC/CIS: (+) Orders for ultra-large equipment in Asia such as Mongolia and (+) compact equipment sales in Oceania
- MEA: (+) solid performance in Africa, (-) ME demand may slow if war is prolonged
- LA: (+) Expansion of mining investment in Colombia, (+) sale of mid and large equipment led to mix improvement and enhanced profitability.

### India/China/Korea



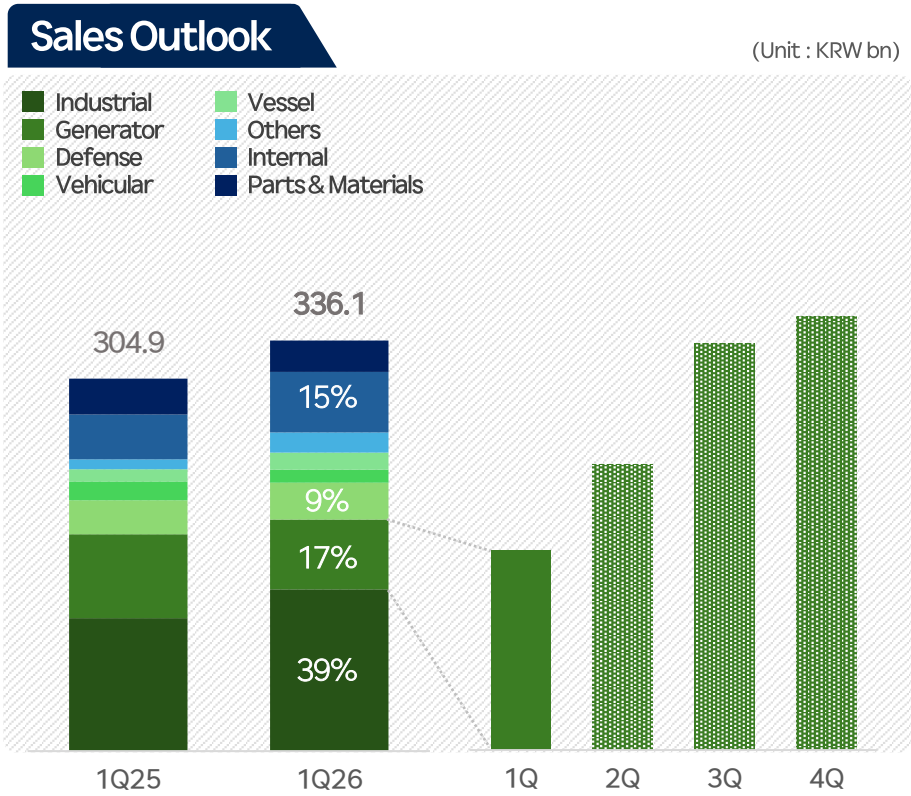
#### (+) Infrastructure demand ↑

#### (+) Product competitiveness ↑

- India: (+) Strong demand for construction equipment, (+) favorable sales expected for 20-ton class.
- China: (+) Increased overseas construction and exports, (+) economical model introduced to target compact market
- Korea: (+) Solid sales of next-gen models, (+) stronger customer care program

# 5. Market Outlook Update – Engine

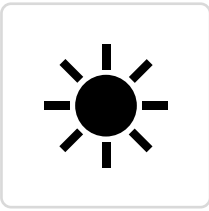
## Engine



**Rel. to AOP**

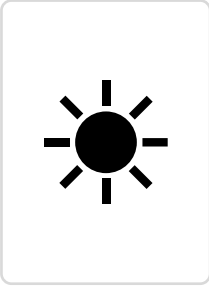
**Industrial**

- Faster than expected recovery in line with improved global demand for construction and general industrial engine applications.



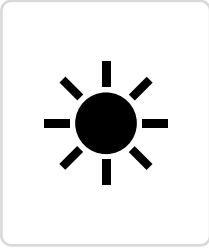
**Generator**

- Sales slowed somewhat due to recent trends in the North American oil & gas industry, but fast recovery is anticipated.
- Demand for power generation to lead to growth in microgrid and backup generator markets.



**Defense**

- As geopolitical conflicts continue, demand is increasing in regions such as Eastern Europe and Middle East. We expect additional export contract opportunities on top of existing contracts.



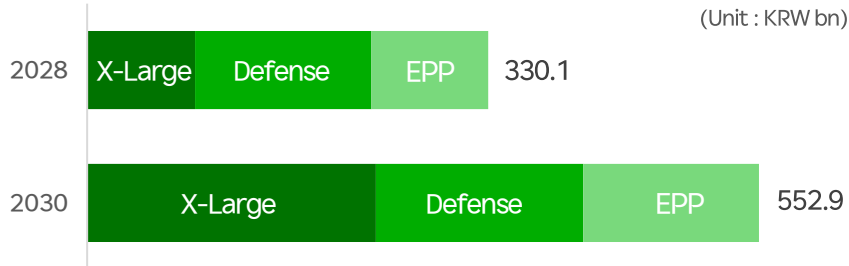
※ Sales of the engine division do not reflect consolidated adjustments such as removal of in-house revenue.  
 ※ Generator engine sales during 2Q~4Q are based on internal estimate

# 5. Market Outlook Update – Engine

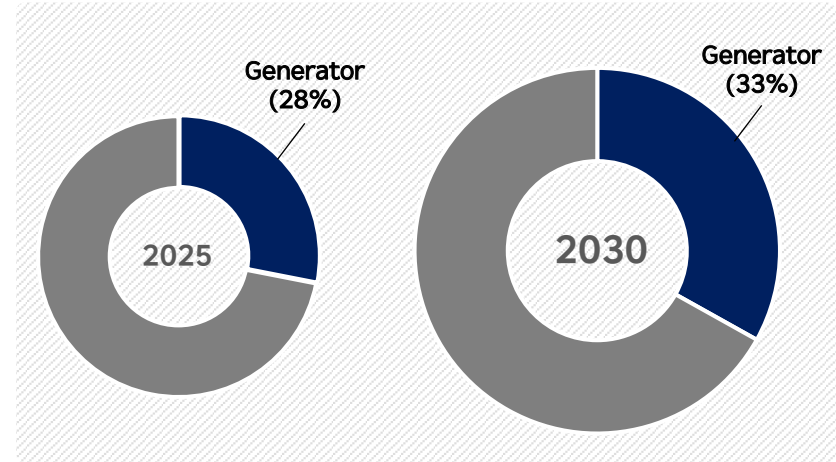
## Update on Gunsan Plant



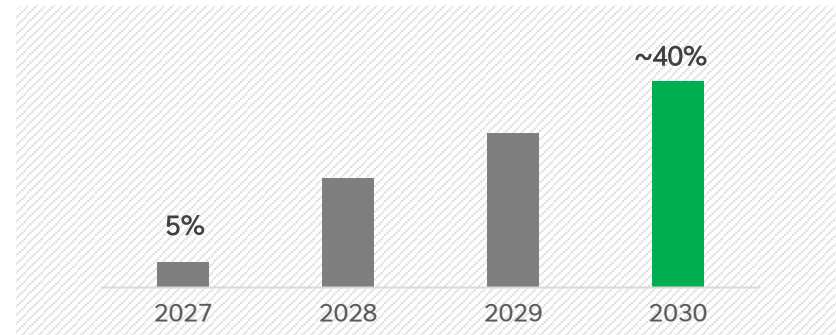
## Sales Outlook for Gunsan Plant



## Sales Contribution from Generators



## Sales Contribution from X-Large Generators



※ Sales contribution from X-large generators within generator sales

