

3Q 2022 Earnings Release

HYUNDAI CONSTRUCTION EQUIPMENT



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3Q 2022 Business Results



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1. Financial Results Summary

3Q

- Sales : Despite sluggish sales due to China's COVID-19 lockdown, Sales increased by strong demand in advanced and emerging markets.
- Operating profit : Increased highly thanks for price realization, improvement of product mix and favorable exchange rate.

(Unit: Billion KRW, %)

	'22.3Q	YoY	QoQ	'21.3Q	'22.2Q
Sales	874.8	17.1%	0.0%	747.0	875.1
Operating Profit	63.0	70.3%	71.7%	37.0	36.7
O/P Margin(%)	7.2%	2.2%p	3.0%p	5.0%	4.2%
Non-Operating Profit	8.4	-	-	0.0	-4.2
Interest Income	-1.7	-	-	-1.6	-4.3
Gain and Losses on Foreign exchange	18.6	745.5%	1966.7%	2.2	0.9
Net Profit	53.5	94.5%	214.7%	27.5	17.0
Profit attributable to owners of the company	55.9	110.2%	186.7%	26.6	19.5

Note) 22.2Q, 3Q : consolidated Financial statement based on K-IFRS (Subsidiaries in Europe, North America, China, India, Indonesia and Brazil)

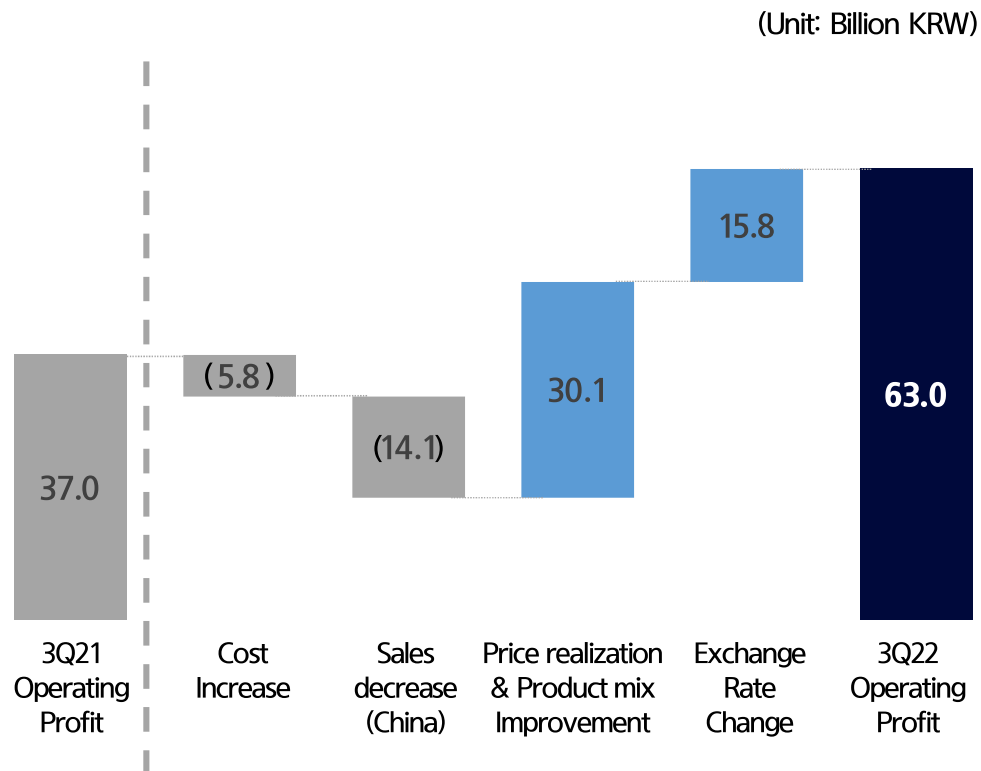
21.3Q : consolidated Financial statement based on K-IFRS

(Subsidiaries in Europe, North America, China, India, Indonesia and Brazil, discontinued forklift operation has been reflected)

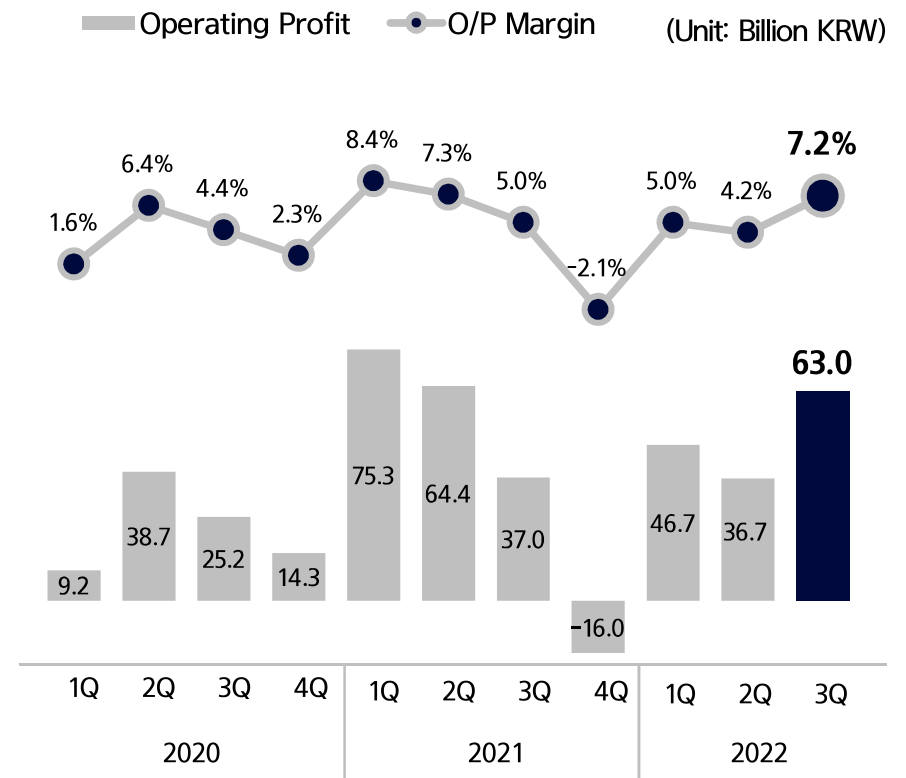
2. Operating Profit Overview

- High profitability improvement by price realization and product mix improvement despite a cost increase
- Also high proportion of export sales improved profitability with favorable currency exchange rate

Operating Profit Analysis (YoY)



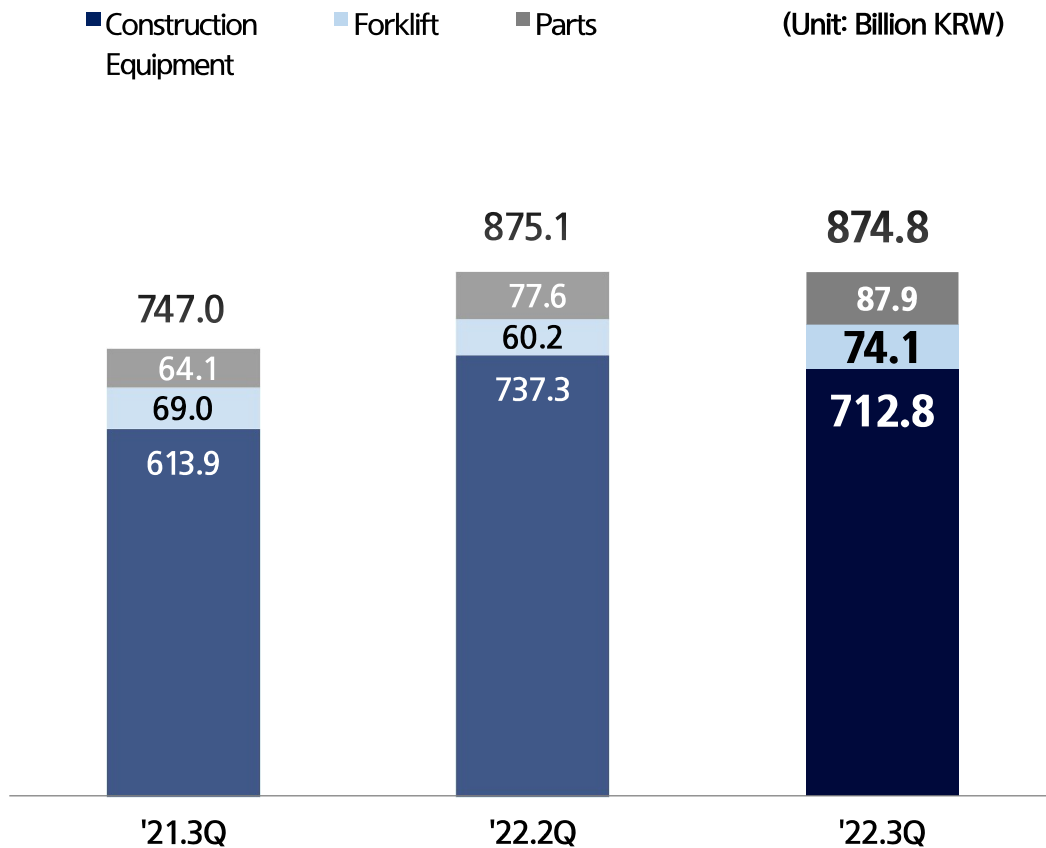
Quarterly Changes in Operating Profit



3. Sales Overview by Business Sector



3Q22 Sales by Business Sector



Construction Equipment

- Sales increased by strong demand in advanced & emerging markets
 - + 16.1%, YoY
 - - 3.3%, QoQ

Forklift

- Sales increase on the back of strong demand in advanced market
 - + 7.4%, YoY
 - + 23.1%, QoQ

Parts

- Sales increase due to strategies to strengthen services in advanced & emerging markets
 - + 37.1%, YoY
 - + 13.3%, QoQ

4. Sales Overview by Region



- Emerging : Continued good sales in resource-rich countries including Latin America, Indonesia and Middle East
- India/Brazil : India – Continued stable market demand
Brazil – Significant improvement of profitability by favorable price realization effect
- China : Sales declined due to the lockdown caused by the spread of COVID-19, but implementation of economic stimulus measures is expected after 20th party congress (16th Oct)
- Advanced : Improved profitability by product mix improvement(increased proportion of large equipment) and favorable price realization effect

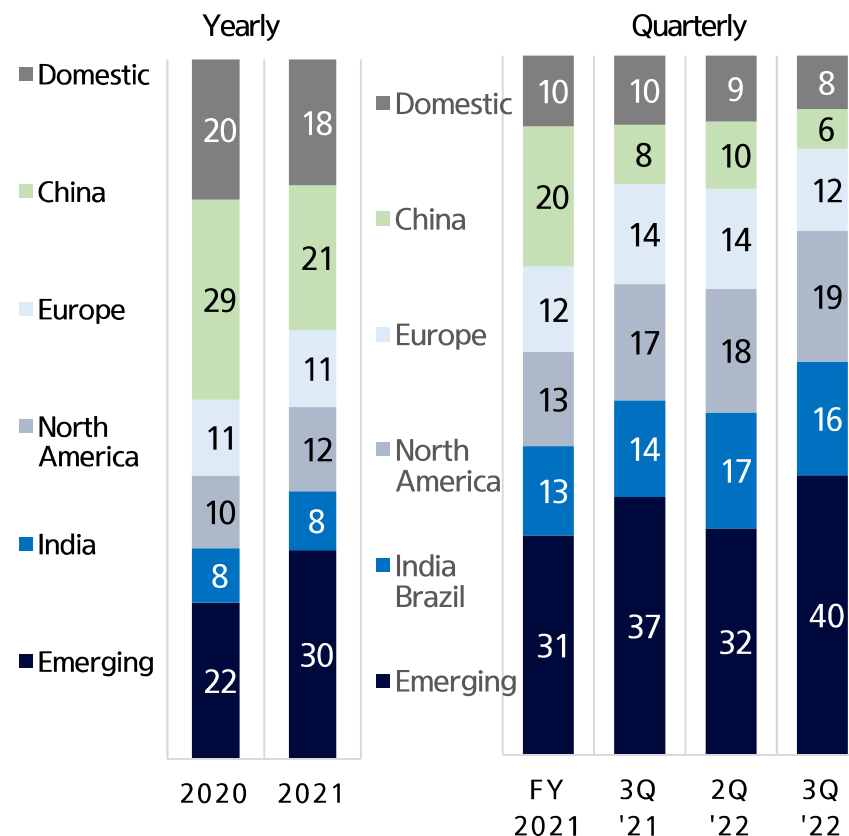
Sales Amount

(Unit: Billion KRW, %)

	'22.3Q			'21.3Q	'22.2Q
		YoY	QoQ		
Emerging	349.9	27	24	275.2	283.3
India Brazil	141.6	37	-3	103.3	145.3
China	49.6	-22	-41	63.2	84.5
North America	163.6	32	6	123.8	154.8
Europe	103.3	-3	-17	107.0	124.8
Domestic	66.8	-10	-19	73.9	82.4

Sales Portion per Region

(Unit : %)



Note) Continued operations only (CE All + Forklift Sales by Overseas subsidiaries)

* Before the business restructuring

* After the business restructuring

5. Financial Statement and Indicators

- Stable financial status

Consolidated Financial Statement

(Unit: Billion KRW)

	'22.3Q	2021	2020	2019
Total Assets	3,664.9	3,554.3	3,355.9	3,188.0
Current Assets	2,565.1	2,469.5	2,265.0	2,151.5
Non-current Assets	1,099.8	1,084.8	1,090.9	1,036.5
AR and others	857.3	876.5	740.0	747.7
Cash Equivalents & Financial Assets	671.4	524.6	892.8	637.5
Total Liabilities	1,950.7	2,006.5	1,768.3	1,610.9
Current Liabilities	1,549.7	1,499.1	1,156.5	1,052.8
Non-current Liabilities	401.0	507.4	611.8	558.1
AP and others	452.7	428.0	355.8	292.3
Borrowings	1,116.0	1,261.2	1,214.5	1,121.8
Net Borrowings	444.6	736.6	321.7	484.2
Total Equity	1,714.2	1,547.8	1,587.6	1,577.1

Key Indicators for analysis

	'22.3Q	2021	2020	2019
Current Ratio (Current Assets / Current Liabilities)	166%	165%	196%	204%
Debt Ratio (Total Liabilities / Total Assets)	114%	130%	111%	102%
Borrowing Ratio (Borrowings / Total Equity)	65%	81%	76%	71%
Net Borrowing Ratio (Net Borrowings / Total Equity)	26%	48%	20%	31%

Note) 22.3Q : consolidated Financial statement based on K-IFRS (Subsidiaries in Europe, North America, China, India, Indonesia and Brazil)

2020, 2021 : consolidated Financial statement based on K-IFRS

(Subsidiaries in Europe, North America, China, India, Indonesia and Brazil, discontinued forklift operation has been reflected)

Market Outlook



Market Outlook

- Expect continuation of product mix improvement (high proportion of large equipment sales) and favorable price realization effect

Advanced Market

- North America : Expect to maintain product mix improvement and sales price increase.
Already 80% of order for 2023 is confirmed by strong demand for large equipment.
- Europe : expect sales increase in 4Q considering increased machine supply from HQ to EU subsidiary

Emerging Market

- Strong sales (monthly over 700 units) is expected to be maintained mainly in resource-rich countries
- Demand recovery in Middle East is expected by infrastructure investment including Neom City project
- Continued expansion of orders on large equipment (80 tons, 125 tons excavators)

China India Brazil

- Optimizing utilization of global production plants Expectations to increase of sales and profit
- Expecting profitability improvement by continued good sales and sales price increase.

AM

- Achieved the highest sales in the third quarter by global parts supply improvement and genuine parts sales increase.
- Expect increase in A/S parts demand especially for large excavators high added value products.

