

2Q 2021 Earnings Release

# HYUNDAI CONSTRUCTION EQUIPMENT



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# 2Q 2021 Business Results



1. Financial Results Summary
2. Operating Profit Overview
3. Sales Overview by Business
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5. Non-Operating Profit and Net Profit
6. Financial Statement and Indicators



# 1. Financial Results Summary

2Q

- Sales : 952.6 billion KRW (43% increased YoY)
- Operating profit : 70.7 billion KRW (68% increased YoY) , OPM 7.4%
- Sales and Operating profit increased in all regions except for China (favorable condition in Emerging market and demand recovery in Advanced countries)

(Unit: Billion KRW, %)

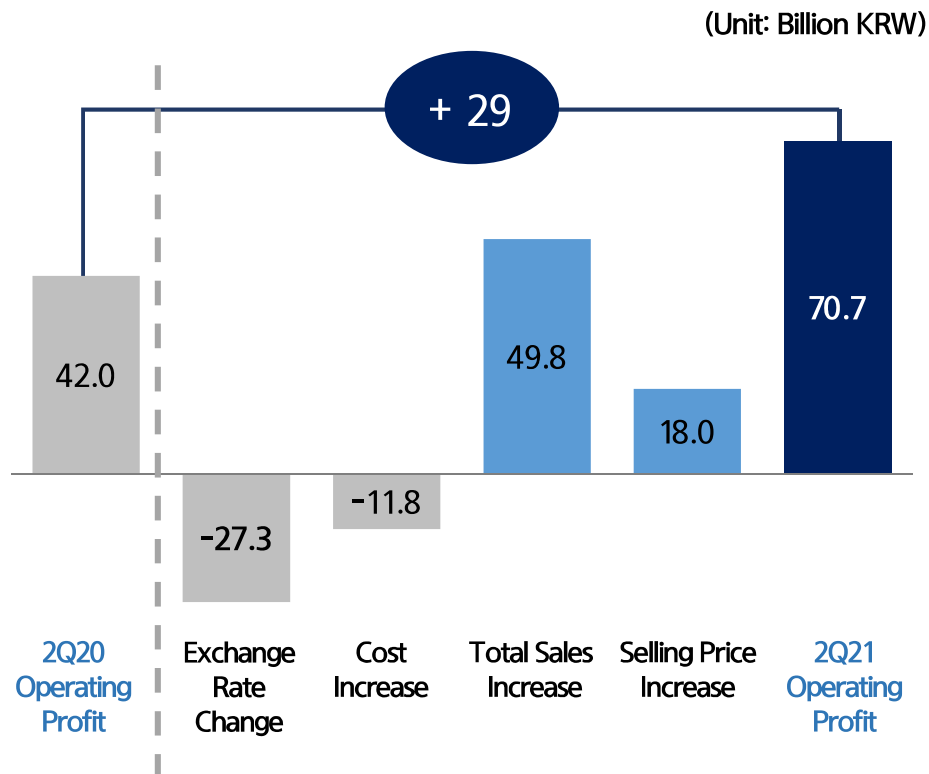
	'21.2Q			'20.2Q	'21.1Q
		YoY	QoQ		
Sales	952.6	42.5%	-1.3%	668.4	964.9
Operating Profit	70.7	68.3%	-11.3%	42.0	79.7
O/P Margin(%)	7.4%	1.1%p	-0.9%p	6.3%	8.3%
Non-Operating Profit	17.2	N/A	N/A	-14.6	-2.1
Interest Income	-5.2	N/A	N/A	-6.2	-5.3
Gains and Losses on Foreign exchange	6.0	N/A	42.9%	-5.0	4.2
Net Profit	65.5	242.9%	10.3%	19.1	59.4
Profit attributable to owners of the company	60.1	418.1%	24.2%	11.6	48.4

• Note) K-IFRS consolidated financial statements basis (consolidated with Belgium, Atlanta, Holding company and subsidiaries in China, India, Indonesia)

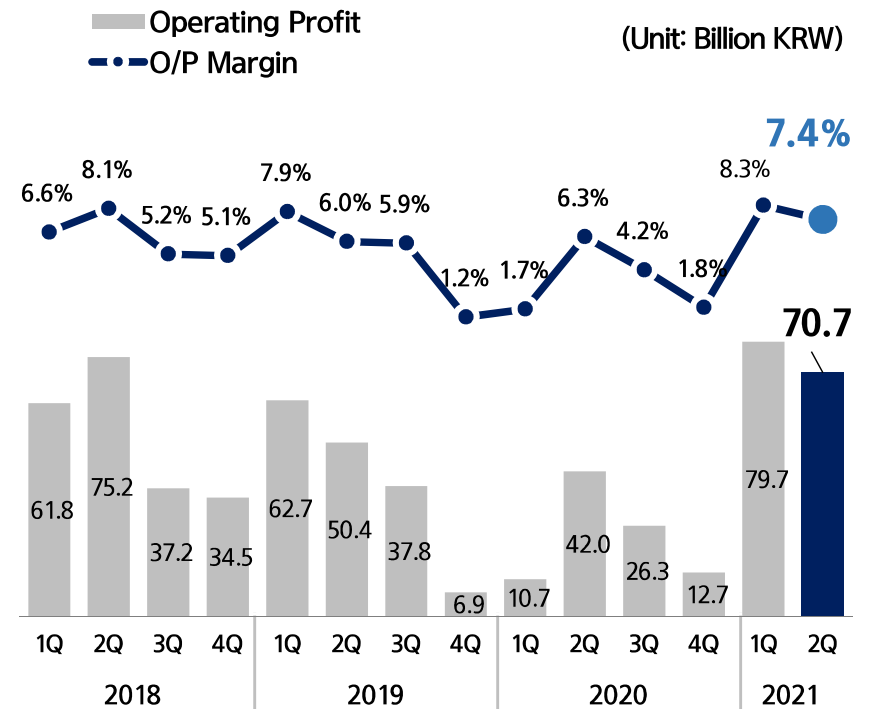
# 2. Operating Profit Overview

- Operating Profit increased 29 billion KRW (+ 68% YoY)

## Operating Profit Analysis (YoY)



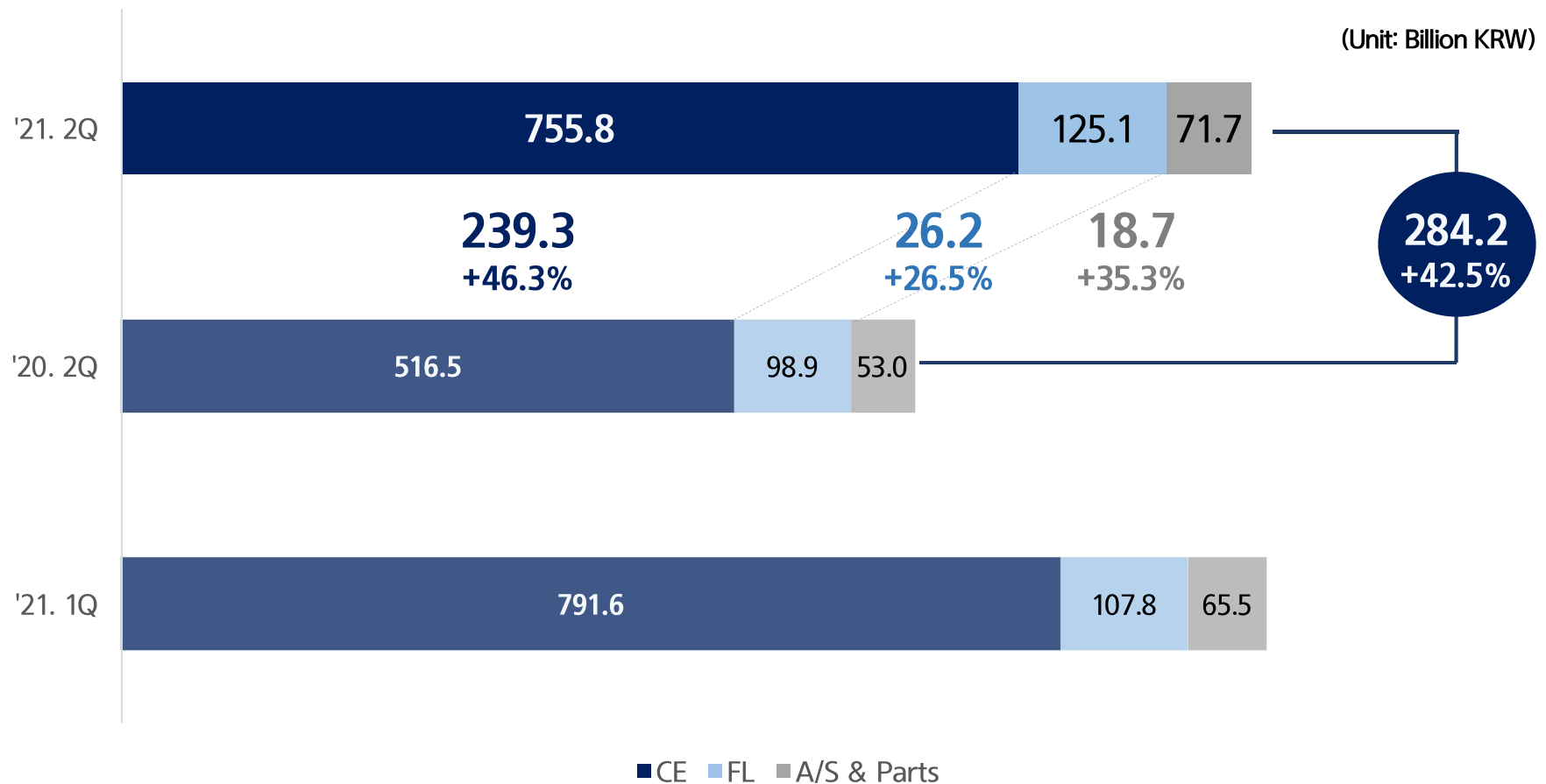
## Quarterly Changes in Operating Profit



# 3. Sales Overview by Business

- CE : Sales increased 239 bil KRW or 46.3%(YoY) by the growth of Emerging and Domestic Market and the recovery of Advanced Market
- FL : Sales increased 26 bil KRW or 26.5% (YoY) by the demand growth in North America and Emerging Market

## 2Q21 Sales by Business



# 4. Sales Overview by Region

- Emerging Countries : Sales increased by the growth of commodity demand
- India : Demand decreased temporarily by Covid-19 lockdown (Less severe compared to lockdown in 2020)
- China : Demand decreased by slowdown of government investments in infrastructure
- Advanced Countries : Sales increased by expectations for market recovery due to the accelerated Vaccination
- Domestic : Sales increased by favorable market situation

## Sales Amount

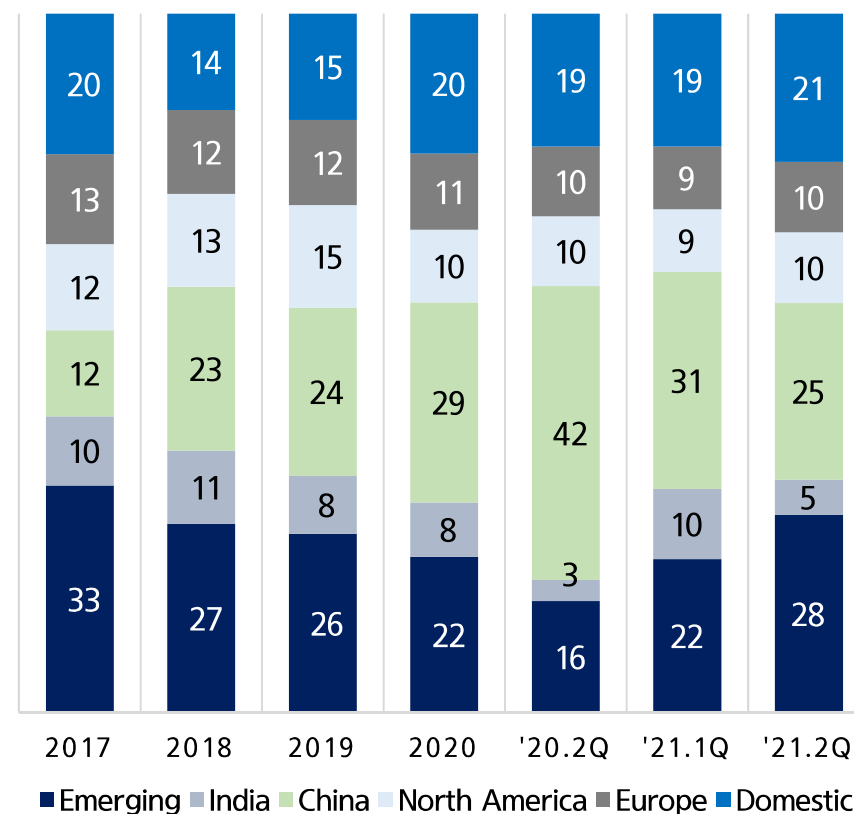
(Unit: Billion KRW, %)

	'21.2Q	YoY	QoQ	'20.2Q	'21.1Q
Emerging	293.6	149	30	117.8	226.0
India	52.4	174	-50	19.1	104.8
China	259.3	-17	-18	314.2	317.9
North America	103.3	46	13	70.8	91.5
Europe	105.2	40	15	75.4	91.4
Domestic	216.8	52	12	143.1	193.4

• Note) Internal transactions included

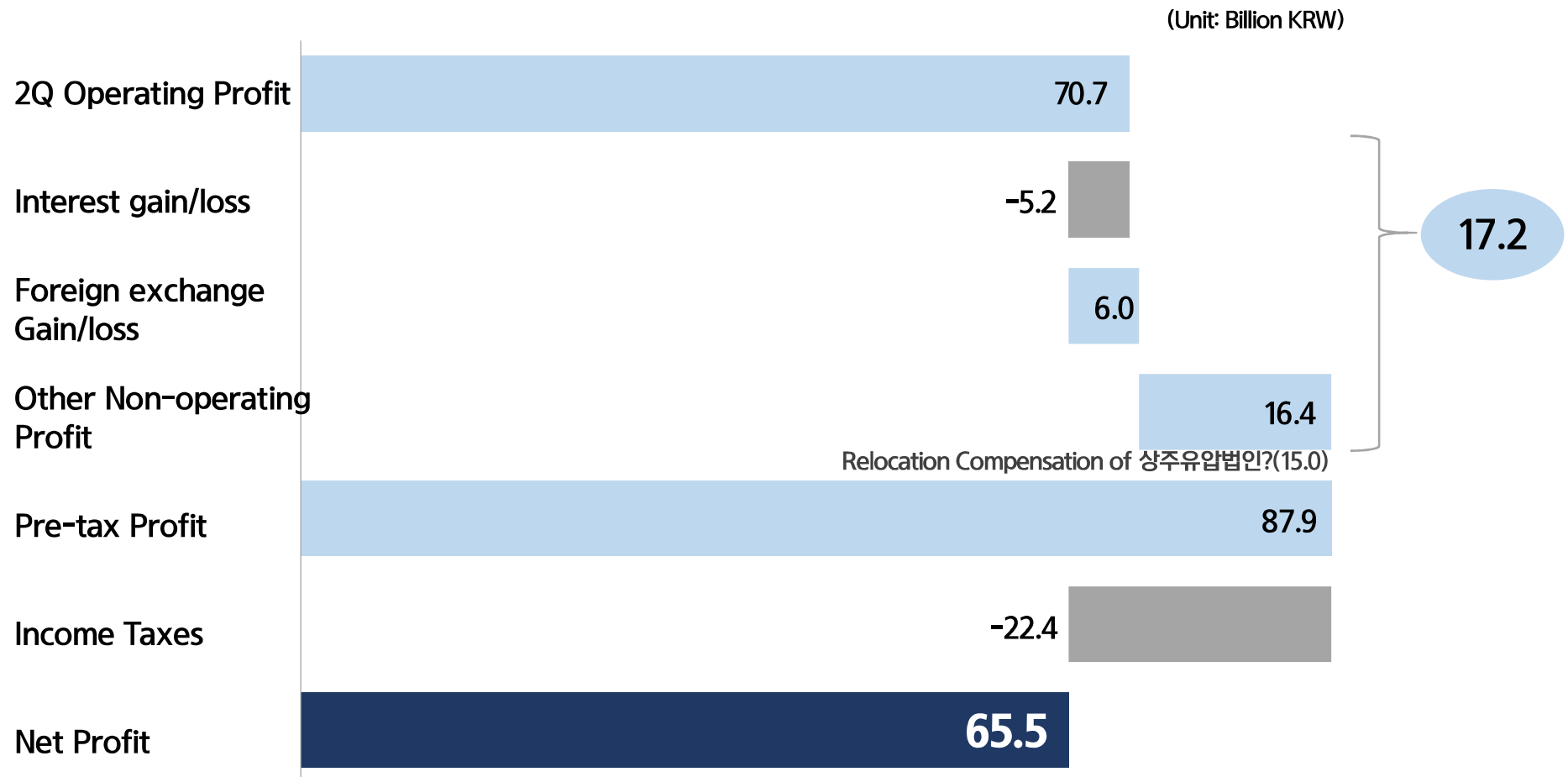
## Quarterly Portion by Region

(Unit : %)



# 5. Non-Operating Profit and Net Profit

- 65.5 bil KRW of Net profit reflects the interest loss 5.2bil KRW, Foreign exchange gain 6.0bil KRW and others



# 6. Financial Statement and Indicators

- Normal financial solvency

## Consolidated Financial Statement

(Unit: Billion KRW)

	'21.2Q	2020	2019	2018
<b>Total Assets</b>	<b>3,712.3</b>	<b>3,355.9</b>	<b>3,188.0</b>	<b>3,126.5</b>
Current Assets	2,605.7	2,261.7	2,151.5	2,203.9
Non-current Assets	1,106.6	1,094.1	1,036.5	922.7
AR and others	1,109.9	740.0	747.7	595.9
Cash Equivalents & Financial Assets	823.9	892.8	367.5	522.2
<b>Total Liabilities</b>	<b>1,977.2</b>	<b>1,768.3</b>	<b>1,610.9</b>	<b>1,558.3</b>
Current Liabilities	1,246.3	1,156.5	1,052.8	945.1
Non-current Liabilities	653.7	611.8	558.1	613.2
AP and others	474.2	355.8	292.3	410.1
Borrowings	1,215.2	1,214.5	1,121.8	966.0
Net Borrowings	391.3	321.7	484.2	443.7
<b>Total Equity</b>	<b>1,735.1</b>	<b>1,587.5</b>	<b>1,577.1</b>	<b>1,568.2</b>

## Key Indicators for analysis

	'21.2Q	2020	2019	2018
Current Ratio (Current Assets / Current Liabilities)	209%	196%	204%	233%
Debt Ratio (Total Liabilities / Total Assets)	114%	111%	102%	99%
Borrowing Ratio (Borrowings / Total Equity)	70%	77%	71%	62%
Net Borrowing Ratio (Net Borrowings / Total Equity)	23%	20%	31%	28%

# Market Outlook



# Market Review & Outlook

- Expecting strong sales in Emerging countries and accelerated demand recovery in Advanced countries despite of market adjustment in China in the 2<sup>nd</sup> half of 2021

## China

- Infrastructure projects by government are expected to be resumed in the 2<sup>nd</sup> half of 2021, even demand in 2Q decreased 15% YoY
- Proactive implementation of the policy for dealer financial solvency responding market slowdown

## India

- 17.7% Market share (2<sup>nd</sup> in the industry) by higher sales than market growth
- 22,000 units market demand is expected (higher than 2019) by demand recovery in the 2<sup>nd</sup> half of 2021 even Covid-19 lockdown in 2Q

## Emerging Countries

- Demand increased 67% YoY by May due to raw material price increase and expectation for economic recovery
- Order has increased since 4Q in 2020 (Order in the 1<sup>st</sup> half of 2021 increased 150% YoY)

## Advanced Countries

- Demand has recovered in earnest since Mar 2021
- Improvement of sales and profit by strong sales of new model(A series)

