



2025 3Q Earnings Release

October 2025



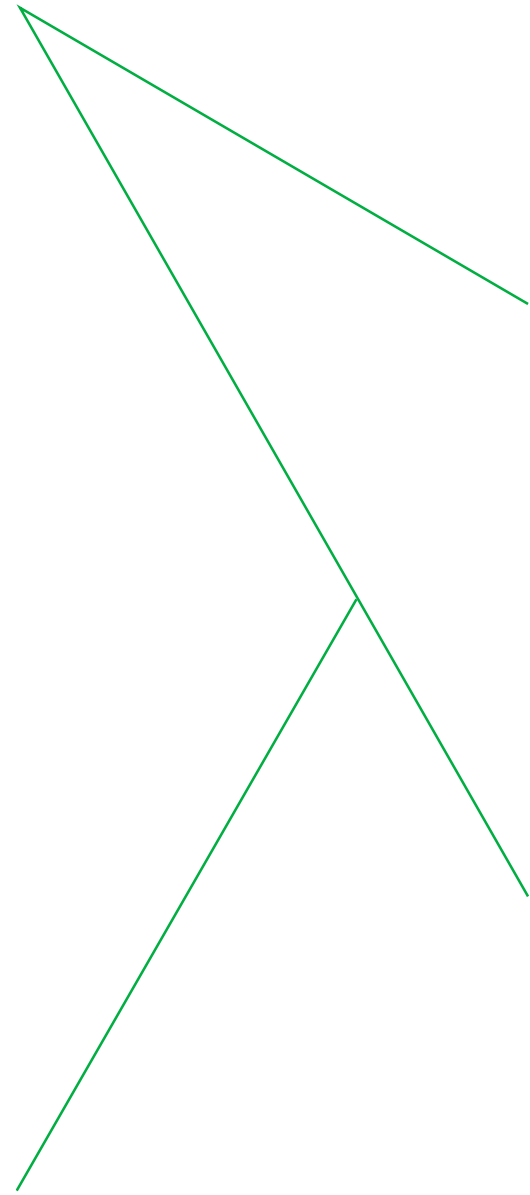
Disclaimer

This presentation contains preliminary figures which may be materially different from the final figures.

The financial information in this document are consolidated earnings results based on K-IFRS. Previous earnings results have also been restated in compliance with K-IFRS.

While the statements in this presentation represent our current assumptions plans and expectations and we believe these judgments are reasonable they are not guarantees of future performance and involve known and unknown risks uncertainties such as FX & raw material costs and other factors that may cause actual results to differ materially from the results performance achievements or financial position expressed or implied in this presentation.

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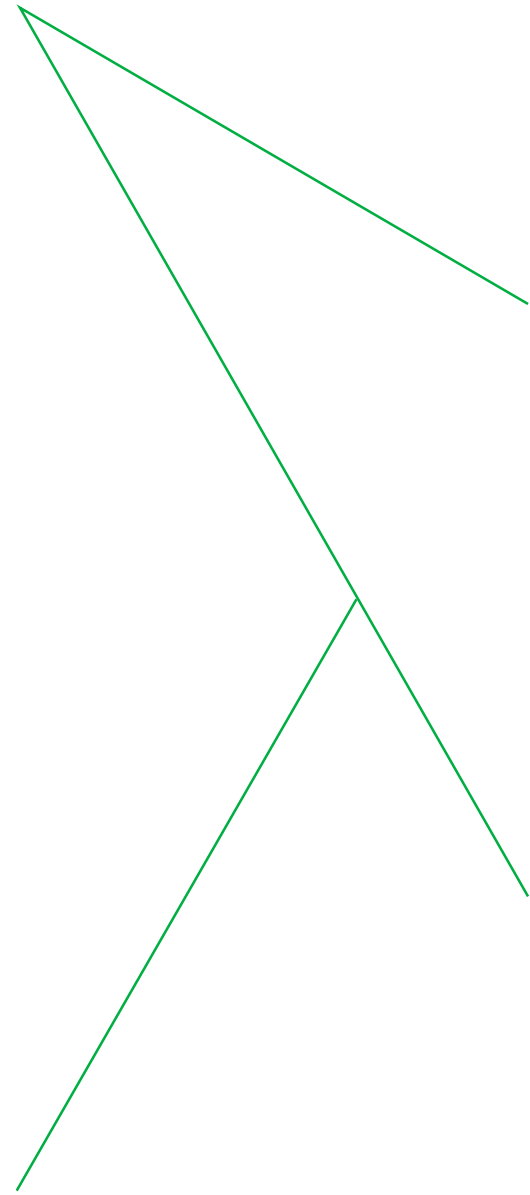


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[Reference]

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1. 3Q25 Results

3Q25 Results

- ✓ Sales grew +24% YoY thanks to demand recovery in key regions for the construction equipment division combined with stable performance of the engine division.
- ✓ EBIT increased +291% YoY due to impact from price hike and improvement in regional/product mix.

(unit : KRW bn)

	3Q24	2Q25	3Q25	QoQ	YoY
Sales	909.8	1,184.6	1,130.2	-4.6%	+24.2%
EBIT	20.7	105.8	80.9	-23.5%	+290.9%
EBIT Margin(%)	2.3%	8.9%	7.2%	-1.7%p	+4.9%p
Net Financial Cost	12.0	13.2	11.2	-14.9%	-6.6%
F/X Gains/Losses	-33.8	-43.0	20.8	-	-
Pretax Profit	-31.6	44.5	89.2	+100.7%	-
Net Profit	-25.4	27.5	67.1	+143.7%	-
Profit attributable to owners of parent	-25.5	27.4	66.9	+144.3%	-

Note. Based on K-IFRS consolidated financial statements

2. EBIT Analysis

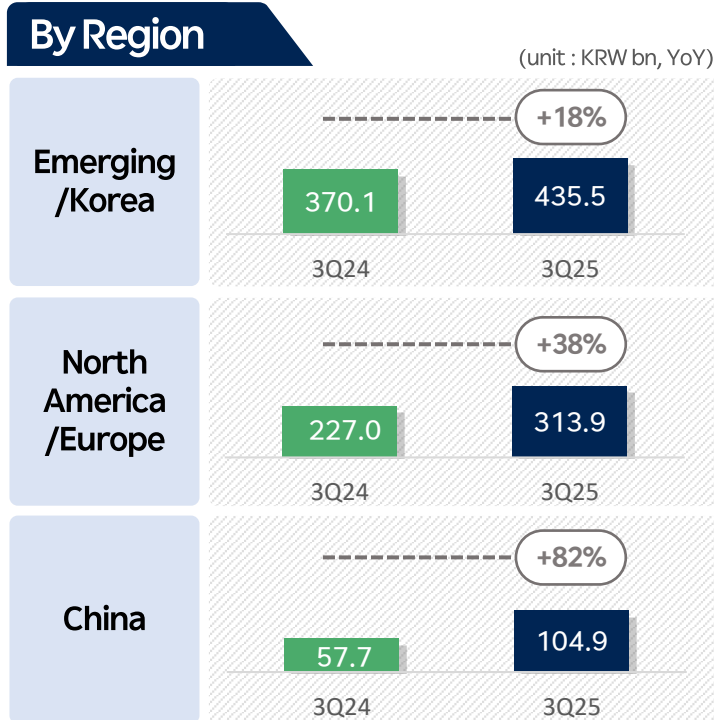
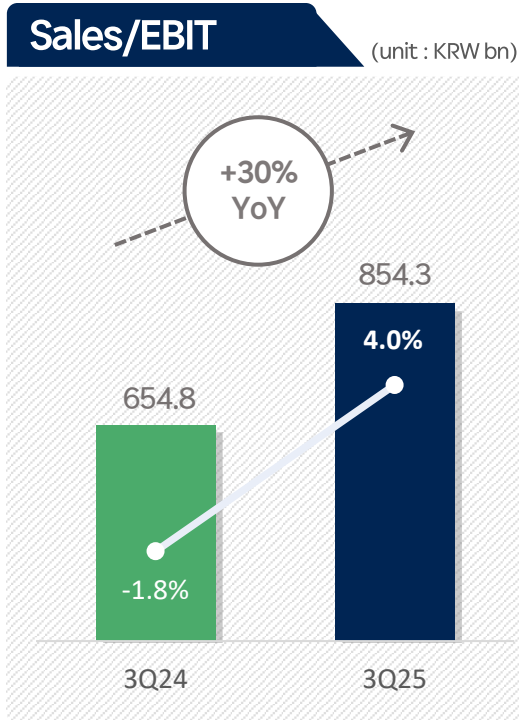
EBIT Analysis

✔ EBIT improved thanks to demand recovery, which also led to volume growth and regional/product mix. Furthermore, price hike and F/X worked positively towards profitability



3. Analysis by Division

Construction Equipment



✓ Sales : Accelerated regional growth

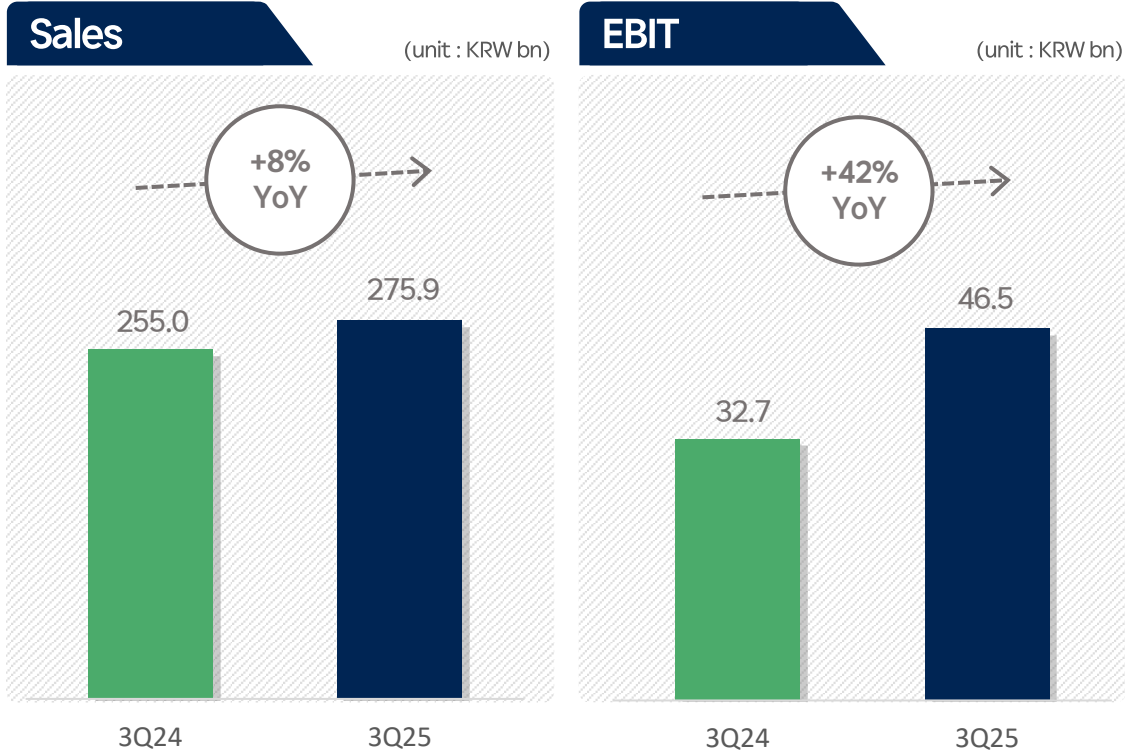
- Sales grew due to demand recovery in key regions.
- Demand in Latin America and Africa related to infrastructure investment and mining was the key growth drivers for emerging markets. Also, demand in North America and Europe made strong recovery thanks to a low comparison base, while volume from HCE boosted sales in China.

✓ EBIT : Solid profit improvement

- EBIT margin increased substantially thanks to improvement in region/product mix and price hike.

3. Analysis by Division

Engine



✓ Sales : Growth driven by generator and defense engine sales

- Sales grew YoY thanks to
 - 1) generator engine sales in line with solid demand growth for electricity and
 - 2) steady sales of defense engines.
- In-house sales also turned around and grew YoY.

✓ EBIT : Visible improvement continues

- EBIT grew significantly due to sales increase, price hike and positive sales mix.
- Sales of 1) large-scale electronic/gas generator engines and 2) defense engine sales, as well as 3) accelerated synergy after the merger should continue to enhance EBIT in the mid/long-run.

4. Financial Structure

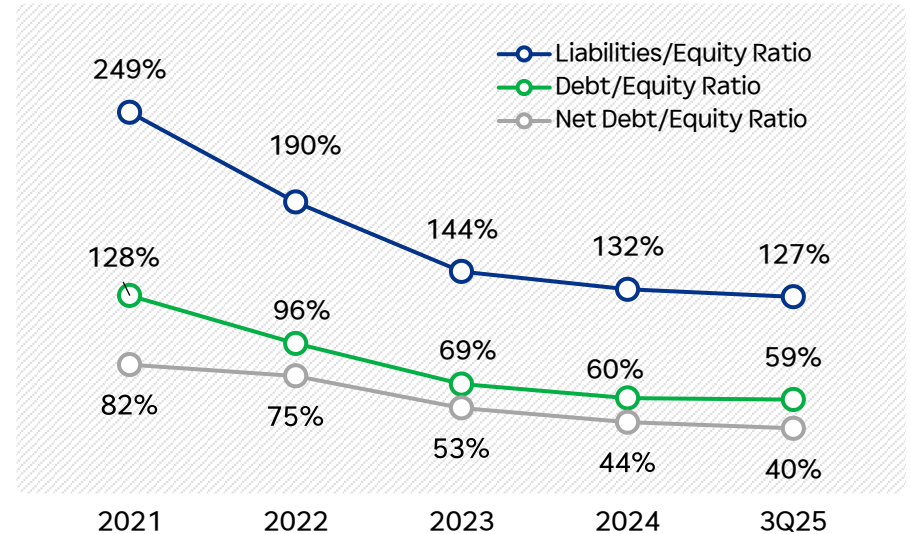
Statement of Financial Position

(unit :KRW bn)

	2023	2024	1Q25	2Q25	3Q25
Total Assets	4,418.4	4,287.2	4,456.2	4,502.3	4,519.2
Cash & Cash Equivalent	286.2	309.6	444.8	366.7	371.8
Current Assets	2,833.4	2,596.3	2,773.0	2,784.9	2,810.6
Fixed Assets	1,585.0	1,690.9	1,683.2	1,717.4	1,708.5
Total Liabilities	2,605.1	2,440.0	2,574.8	2,593.7	2,531.7
Debt	1,254.6	1,114.0	1,250.0	1,272.9	1,172.2
Net Debt	968.3	804.4	805.2	906.2	800.4
Total Shareholder's Equity	1,813.3	1,847.2	1,881.5	1,908.6	1,987.5

Note. Based on K-IFRS consolidated financial statements

Key Financial Ratios



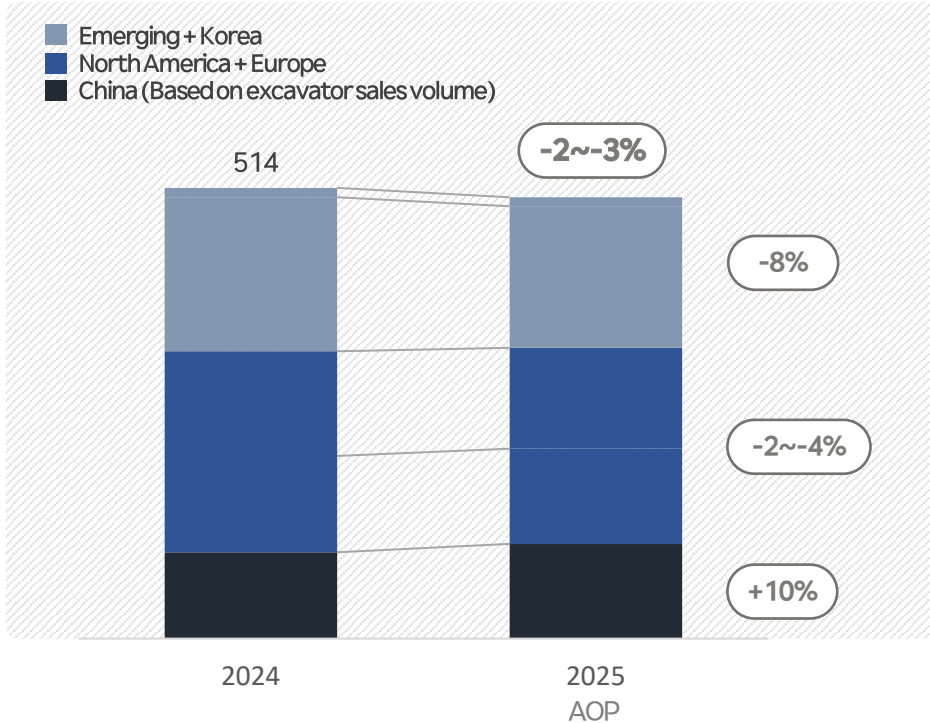
On top of investment for future growth and plans to enhance shareholders' return, we will endeavor to further improve our financial structure.

5. Market Outlook Update – Construction Equipment

Market Outlook

Market Outlook - AOP

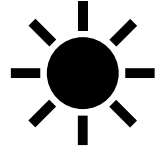
(Based on sales volume, '000 units, YoY)



Relative to AOP

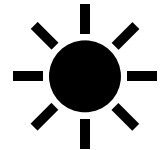
✓ Emerging + Korea

- Demand is stronger than expected in emerging markets, driven by sales of mid/large equipment in resource-rich countries such as Africa, Latin America and Southeast Asia.



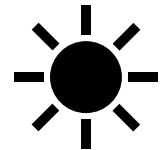
✓ North America + Europe

- Demand in North America rebounded relative to a low comparison base last year. We expect demand recovery once US tariff related uncertainties dissipate.
- Demand in Europe shows signs of recovery amidst interest cuts.



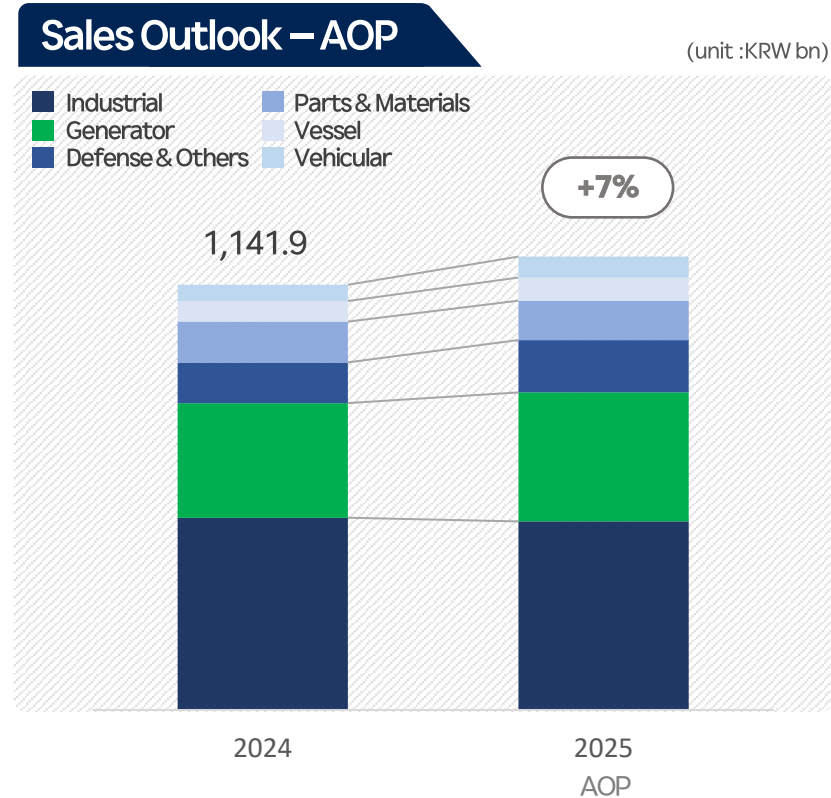
✓ China

- Market to show strong growth thanks to infrastructure and real estate policies.



5. Market Outlook Update - Engine

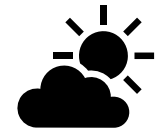
Sales Outlook



Relative to AOP

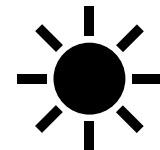
Industrial

- Market recovery is somewhat slow due to uncertainties over US tariff policy.
- DX05/08 engines are now installed in mid/large equipment and plan to expand installation in extra-large equipment.



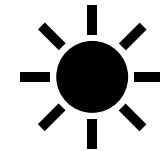
Generator

- Larger buildings, expanding demand for electricity in emerging markets and demand for oil & gas/data center needs in North America should grow steadily.



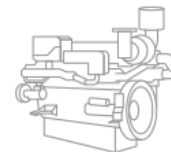
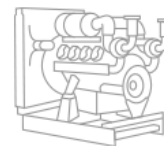
Defense

- Demand is growing in Eastern Europe and Middle East amidst geopolitical conflicts. Also, additional tank engine exports outside of existing supply contracts is anticipated.





HD HYUNDAI
INFRACORE

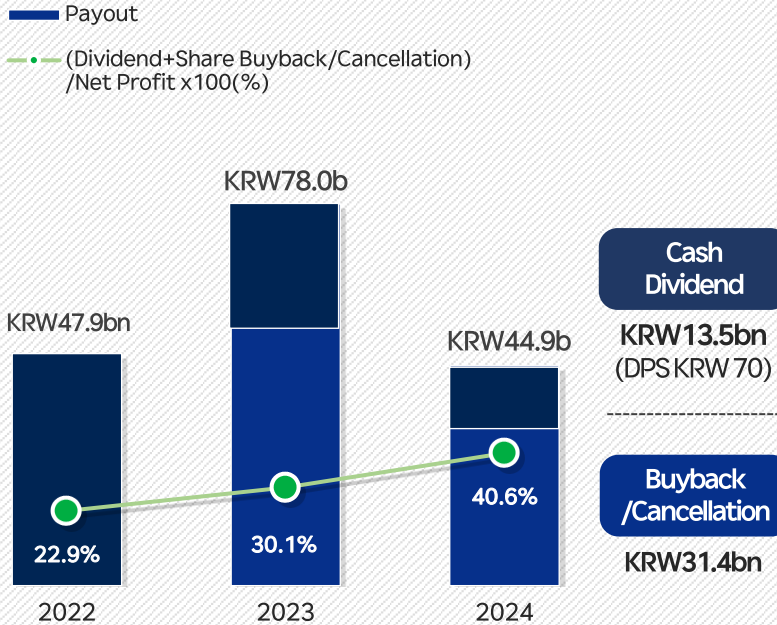


[Reference] Sales & EBIT by Division

(unit : KRW bn)

	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25
Sales	1,287.8	1,314.0	1,076.2	981.6	4,659.6	1,157.3	1,108.2	909.8	938.9	4,114.2	1,018.5	1,184.6	1,130.2
Construction Equipment	980.8	1,013.3	790.8	713.1	3,498.0	848.1	786.3	654.8	683.1	2,972.3	753.1	856.9	854.3
Emerging/Korea	547.6	535.1	378.3	324.1	1,785.1	466.9	435.4	370.1	345.2	1,617.7	445.2	483.3	435.5
North America/Europe	345.8	404.3	359.6	336.8	1,446.5	313.4	275.9	227.0	268.0	1,084.1	225.9	283.2	313.9
China	87.4	73.9	52.8	52.2	266.4	67.8	75.0	57.7	70.0	270.5	81.9	90.4	104.9
Engine	307.1	300.6	285.4	268.5	1,161.6	309.3	321.9	255.0	255.8	1,141.9	265.4	327.7	275.9
(Total Sales incl. Internal Sales)	369.9	356.2	328.7	304.8	1,359.7	354.3	365.3	291.8	296.3	1,307.7	304.9	369.0	317.8
(Internal Sales)	62.8	55.6	43.3	36.3	198.1	45.0	43.4	36.8	40.5	1,65.8	39.5	41.4	41.9
EBIT	152.6	162.0	89.7	14.0	418.3	92.8	81.5	20.7	-10.9	1,84.2	67.8	105.8	80.9
Construction Equipment	103.2	115.8	50.3	-3.4	265.9	45.8	30.8	-12.0	-37.0	27.5	23.6	38.6	34.4
Engine	49.4	46.2	39.4	17.4	152.4	47.0	50.7	32.7	26.2	1,56.6	44.2	67.2	46.5
EBIT Margin	11.8%	12.3%	8.3%	1.4%	9.0%	8.0%	7.4%	2.3%	-1.2%	4.5%	6.7%	8.9%	7.2%
Construction Equipment	10.5%	11.4%	6.4%	-0.5%	7.6%	5.4%	3.9%	-1.8%	-5.4%	0.9%	3.1%	4.5%	4.0%
Engine	16.1%	15.4%	13.8%	6.5%	13.1%	15.2%	15.8%	12.8%	10.2%	13.7%	16.7%	20.5%	16.9%

Shareholder Return Ratio



✔ LT Policy to Enhance Shareholder Value

We seek to enhance predictability on shareholder return.

Our 2024~2026 mid-term shareholder return policy aims to offer more than 30% of adjusted net profit (adjusted for unrealized gains or one-time profits) towards the enhancement of shareholder value.

Long-term shareholder policy includes cash dividends and share buyback/cancellation with consideration for business environment and investment plans.

- ※ Payout ratio(cash dividends + share buyback & cancellation) stands at 30.1% based on net profit (separate financial statement) in 2023 exclusive of one-time profit related to dividends worth KRW 200.0bn from the Chinese subsidiary.
- ※ Payout ratio(cash dividends + share buyback & cancellation) stands at 40.6% based on net profit (separate financial statement) in 2024 exclusive of one-time profit related to dividends worth KRW 103.0bn from the Chinese subsidiary.