

1Q 2021 Earnings Release

HYUNDAI CONSTRUCTION EQUIPMENT



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1Q 2021 Business Results



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



1. Financial Results Summary

1Q

The best sales and profit since the spin-off (April, 2017)

- Sales increased 51.6% (YoY)
(The previous best sales: 930.5 billion KRW, 1Q18)
- Operating profit and Net profit increased 645%, 4,850% each (YoY)
(The previous best operating income: 75.2 billion KRW, 8.1%, net income : 49.8 billion KRW, both in 1Q18)

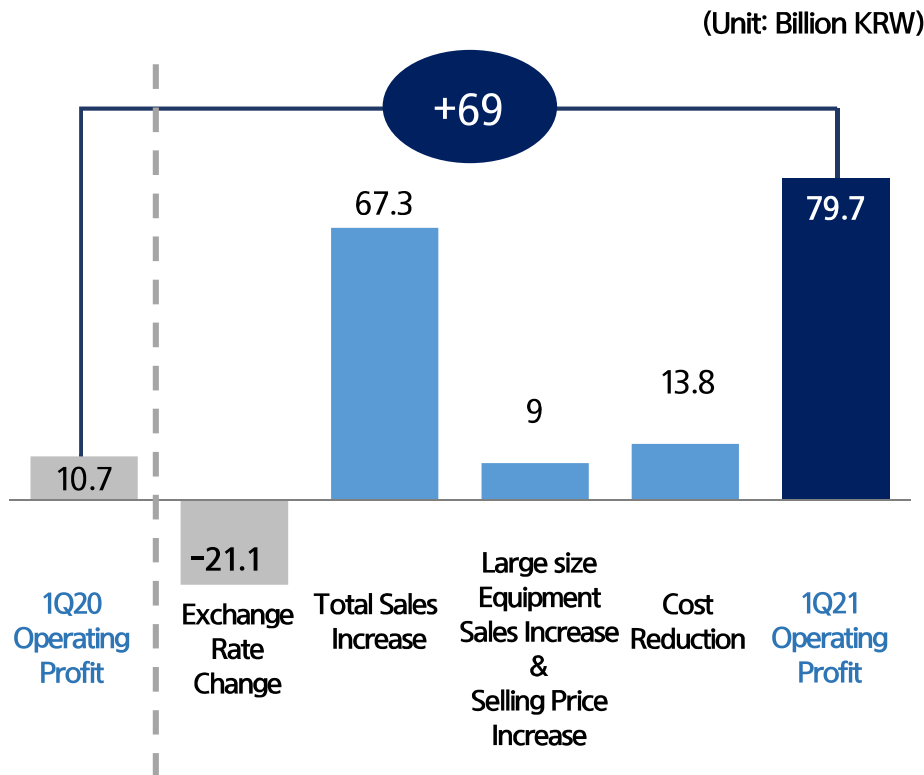
(Unit: Billion KRW)

	'21.1Q			'20.1Q	'20.4Q
		YoY	QoQ		
Sales	964.9	51.6%	40.1%	636.3	688.7
Operating Profit	79.7	644.9%	527.6%	10.7	12.7
O/P Margin(%)	8.3%	6.6%p	6.5%p	1.7%	1.8%
Non-Operating Profit	-2.1	N/A	N/A	-7.7	-49.1
Interest Income	-5.3	N/A	N/A	-3.2	-4.2
Gains and Losses on Foreign exchange	4.2	N/A	N/A	-1.9	-9.9
Net Profit	59.4	4,850.0%	N/A	1.2	-17.1
Profit attributable to owners of the company	48.4	N/A	N/A	-0.4	-23.7

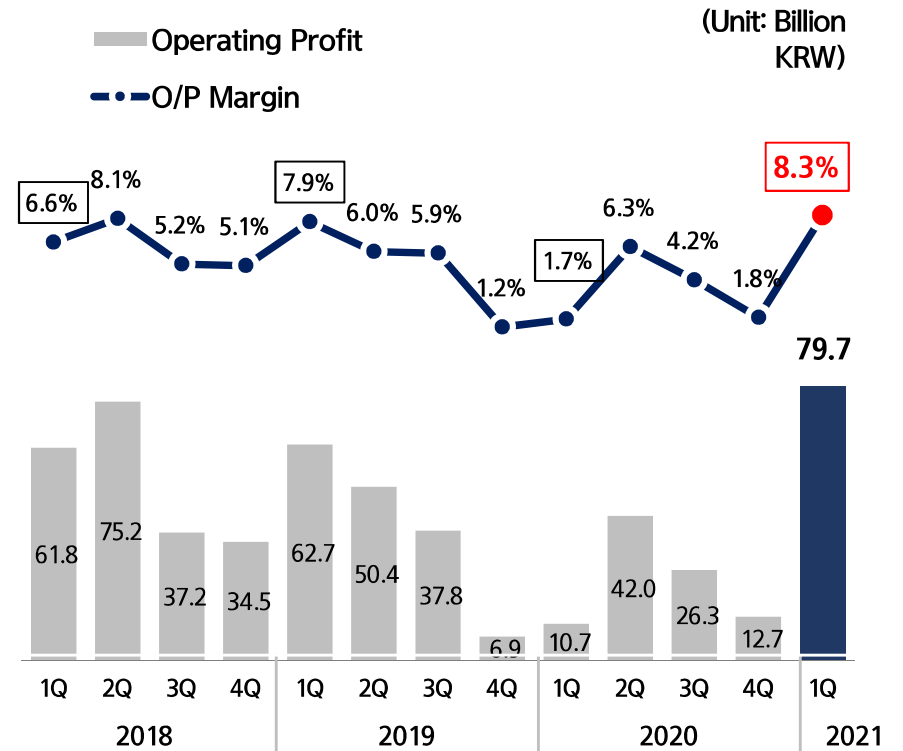
2. Operating Profit Overview

- Operating Profit increased 69 billion KRW or 645% (YoY)

Operating Profit Analysis



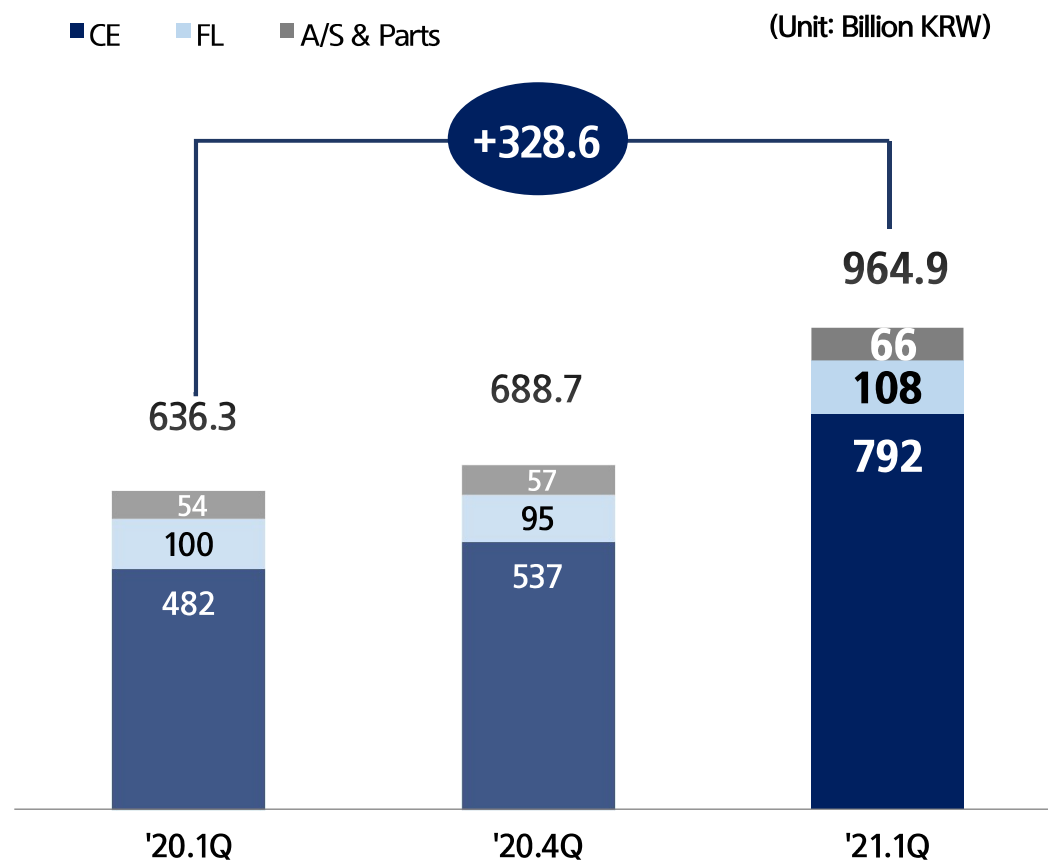
Quarterly Changes in Operating Profit



3. Sales Overview by Business

- CE : Sales increased 309 bil KRW or 64.1%(YoY) driven by the growth of Chinese, Emerging and Domestic Market
- FL : Sales increased 7.6 bil KRW or 7.6% result from reinforcement of dealer network in Emerging and Domestic Market

1Q21 Sales by Business



• Construction Equipment

- Continued growth in Chinese market & increased demand in Emerging/ Domestic market

- QoQ : +47.5%
- YoY : +64.1%

• Forklift (Industrial Vehicle)

- Sales increased in Emerging/Domestic market

- QoQ : +13.5%
- YoY : +7.6%

4. Sales Overview by Region

- Emerging Countries : Market increased by the growth of commodity demand and favorable economic responses to Covid19(Russia, Latin America and etc.)
- India : Sales increased by market demand recovery
- China : Sales increased by continued economic stimulus plan(Market increased YoY 85% ↑), New models launching and reinforced Sales network
- Advanced Countries : Expectations for market recovery due to the accelerated Vaccination
- Domestic : Market increased by the construction market recovery and expectations for large scale housing

Sales Amount

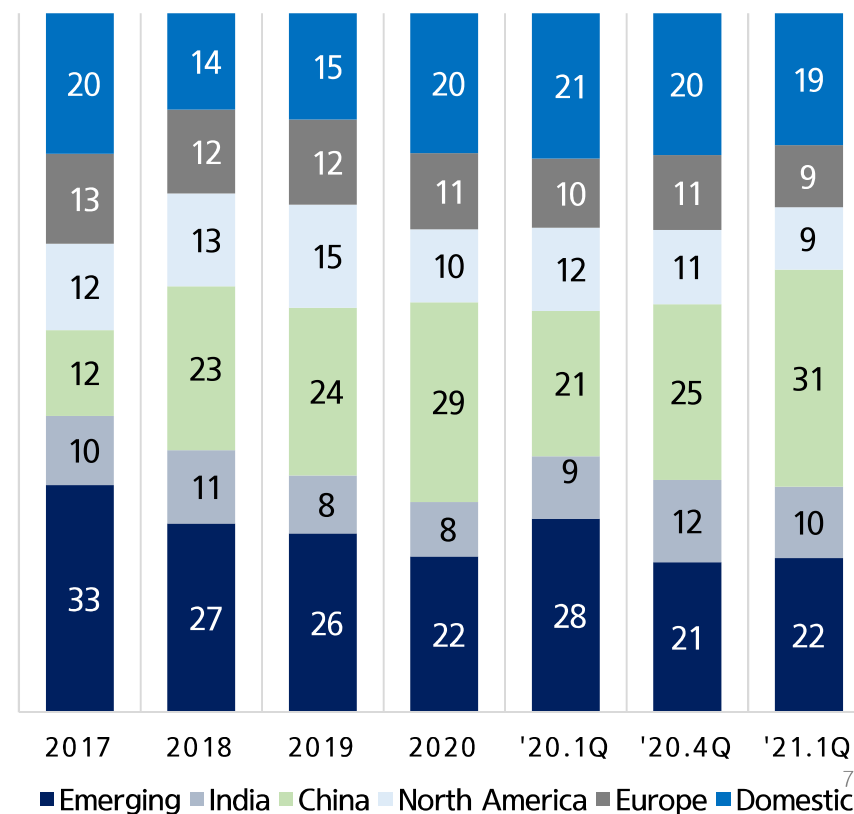
(Unit: Billion KRW, %)

	'21.1Q			'20.1Q	'20.4Q
		YoY	QoQ		
Emerging	226.0	18	43	191.3	157.7
India	104.8	65	21	63.4	86.6
China	317.9	122	72	143.5	185.0
North America	91.5	11	18	82.3	77.8
Europe	91.4	37	16	66.9	78.7
Domestic	193.4	32	30	146.1	149.2

• Note) Internal transactions included

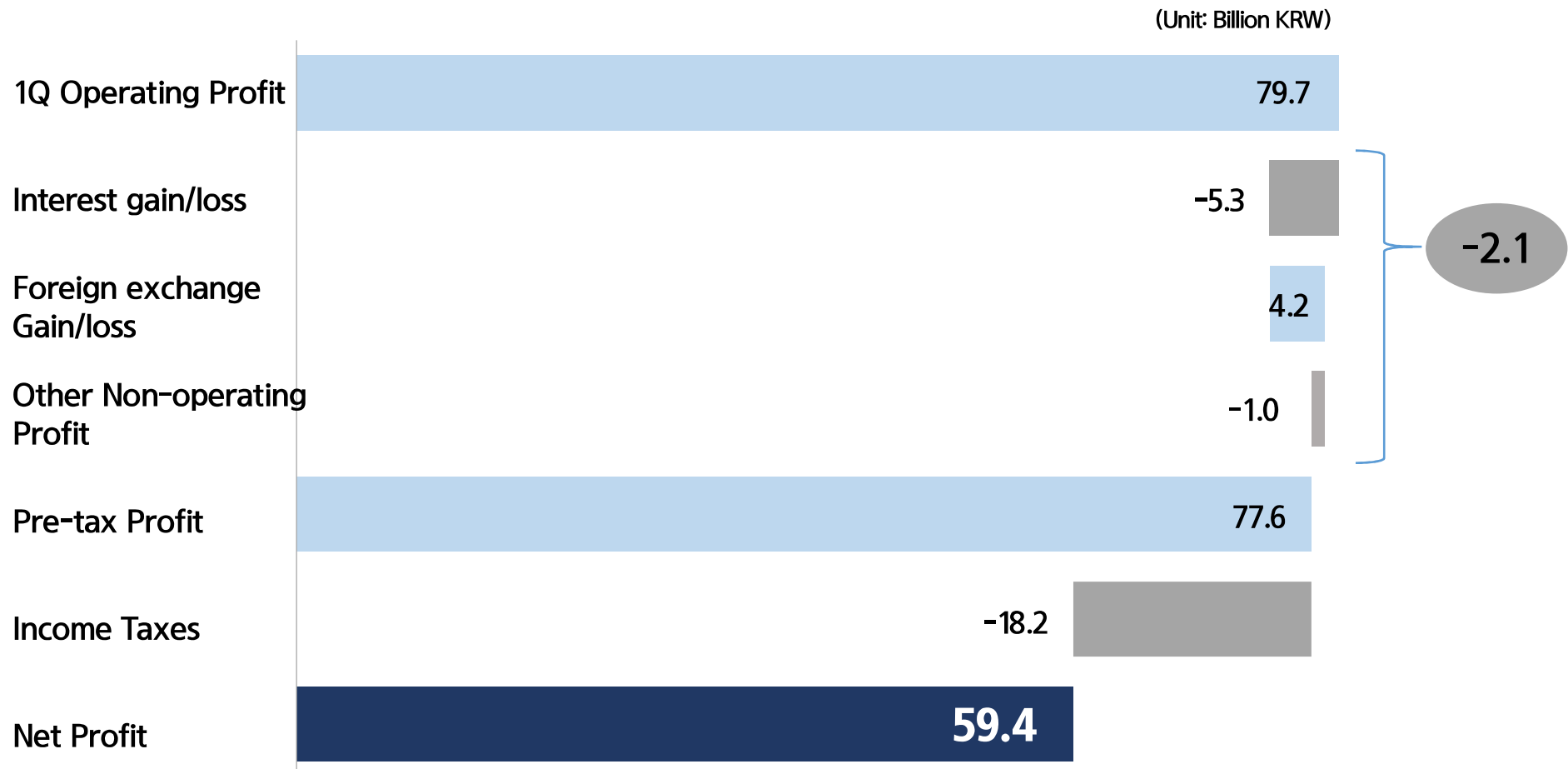
Quarterly Portion by Region

(Unit : %)



5. Non-Operating Profit and Net Profit

- 59.4 bil KRW of Net profit reflects the interest loss 5.3bil KRW, Foreign exchange gain 4.2bil KRW and others



6. Financial Statement and Indicators

- Normal financial solvency

Consolidated Financial Statement

(Unit: Billion KRW)

	'21.1Q	2020	2019	2018
Total Assets	3,593.6	3,355.9	3,188.0	3,126.5
Current Assets	2,467.1	2,261.7	2,151.5	2,203.9
AR and others	988.4	740.0	747.7	595.9
Cash & Cash Equivalents	936.8	892.8	367.5	522.2
Non-current Assets	1,126.5	1,094.1	1,036.5	922.7
Total Liabilities	1,932.8	1,768.3	1,610.9	1,558.3
Current Liabilities	1,328.6	1,156.5	1,052.8	945.1
AP and others	484.5	355.8	292.3	410.1
Non-current Liabilities	604.2	611.8	558.1	613.2
Borrowings	1,229.4	1,214.5	1,121.8	966.0
Net Borrowings	292.6	321.7	484.2	443.7
Total Equity	1,660.8	1,587.5	1,577.1	1,568.2

Key Indicators for analysis

	'21.1Q	2020	2019	2018
Current Ratio (Current Assets / Current Liabilities)	186%	196%	204%	233%
Debt Ratio (Total Liabilities / Total Assets)	116%	111%	102%	99%
Borrowing Ratio (Borrowings / Total Equity)	74%	77%	71%	62%
Net Borrowing Ratio (Net Borrowings / Total Equity)	18%	20%	31%	28%

Market Outlook

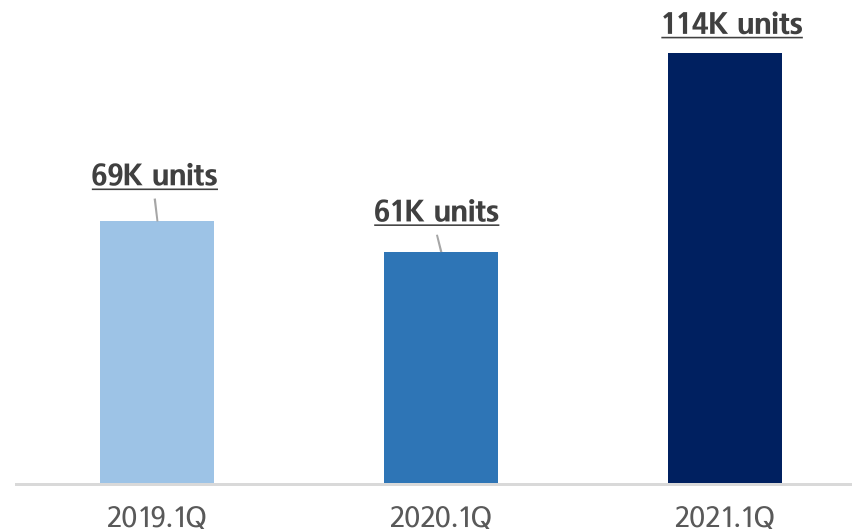
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Market Review & Outlook (1)

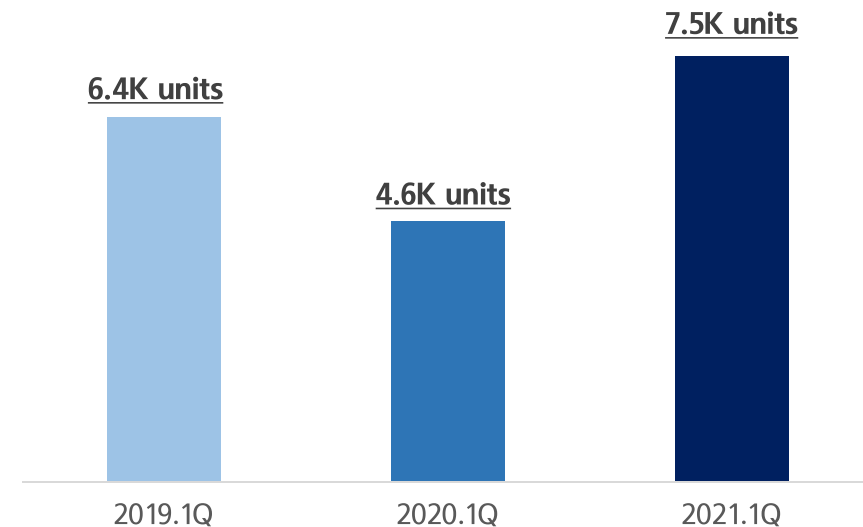
- Good Sales Performance in 1Q driven by dramatic market recovery

China



- Market in 1Q21 increased up to 114K units (YoY 85% ↑), which is the greatest number ever
- Favorable trend expected
- Due to new launching model, the only foreign maker whose M/S is increased (YoY +1%p)

India



- Market in 1Q21 increased up to 7.5K units (YoY 63% ↑), which is the greatest number ever
- Market position No.2 with M/S 18.2% (narrowed down the difference between No.1)
- Uncertainty due to the Lockdown after April, but expected as better year than 2019

Market Review & Outlook (2)

- Growing trend is expected even after 1Q

Emerging Countries

- Up to February, Market increased 29% (YoY) due to the Commodity Price increase and Resumed demand(which was affected by Covid-19)
Especially, meaningful recovery from Russia, Latin America and CIS countries
- Since 4Q 2020, purchase orders increased rapidly (1Q orders increased approx.60% ↑ , YoY)

Advanced Countries

- North America : Up to February, Market increased 10% (YoY) due to the economic effect related to the vaccination. Large scale investment from new Government is expected in infrastructure construction area.
- Europe : Market recovery is expected to be realized from March
- Sales increase greater than Market increase

Domestic

- Market increased 34% (YoY) in 1Q, due to the increased construction projects
Favorable trend expected driven by large scale housing plan
- Sales increased 60% (YoY) in 1Q

