HD CONSTRUCTION EQUIPMENT

2025 Earnings Release

February 2026

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Contents

I. 2025 Results

HD Hyundai CE, HD Hyundai Infracore

2025 Results

HCE
- Sales grew on strong demand in emerging markets and stable dealer inventories in developed markets, driving higher WHS
- EBIT declined due to one-off costs, including China business restructuring costs.

HDI
- Sales increased across all segments as demand recovered thanks to lowering interest rates.
- EBIT rose sharply on higher sales and price increases.

(Unit : KRW bn)

	HCE 4Q24	HCE 4Q25	HCE YoY	HCE 2024	HCE 2025	HCE YoY	HDI 4Q24	HDI 4Q25	HDI YoY	HDI 2024	HDI 2025	HDI YoY
Sales	789.1	947.3	+20.0%	3,438.1	3,776.5	+9.8%	938.9	1,214.6	+29.4%	4,114.2	4,547.8	+10.5%
EBIT	35.3	33.4	-5.3%	190.4	170.9	-10.3%	-10.9	31.9	Return to profitability	184.2	286.4	+55.5%
EBIT Margin(%)	4.5%	3.5%	-1.0%p	5.5%	4.5%	-1.0%p	-1.2%	2.6%	+3.8%p	4.5%	6.3%	+1.8%p
Net Financial Cost	-7.3	-8.0	-9.7%	-29.8	-33.2	+11.7%	11.5	9.2	-19.8%	49.2	44.3	-10.0%
F/X Gains/Loses	24.2	-7.5	-130.9%	6.3	20.6	+225.0%	48.9	14.0	-71.4%	51.7	-4.7	-
Pretax Profit	7.0	20.3	+189.5%	121.5	118.2	-2.7%	17.6	12.9	-26.7%	160.8	202.9	+26.2%
Net Profit	-1.9	18.5	Return to profitability	86.0	87.0	+1.2%	3.2	8.1	+152.2%	108.4	142.6	+31.5%
Profit attributable to owners of parent	13.1	22.3	+69.5%	1,00.0	99.4	-0.6%	3.1	8.0	+153.8%	108.4	142.1	+31.1%

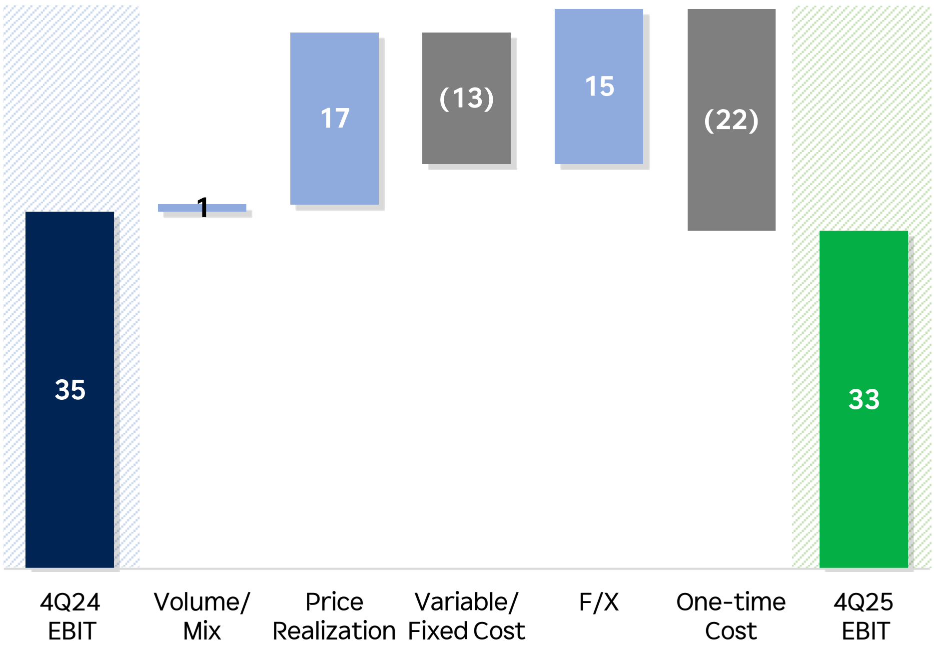
※ Note. Based on K-IFRS consolidated financial statements

EBIT Analysis

4Q25

- YoY sales growth and price increases were positive
- One-off costs, including China restructuring and higher provisions, were negative

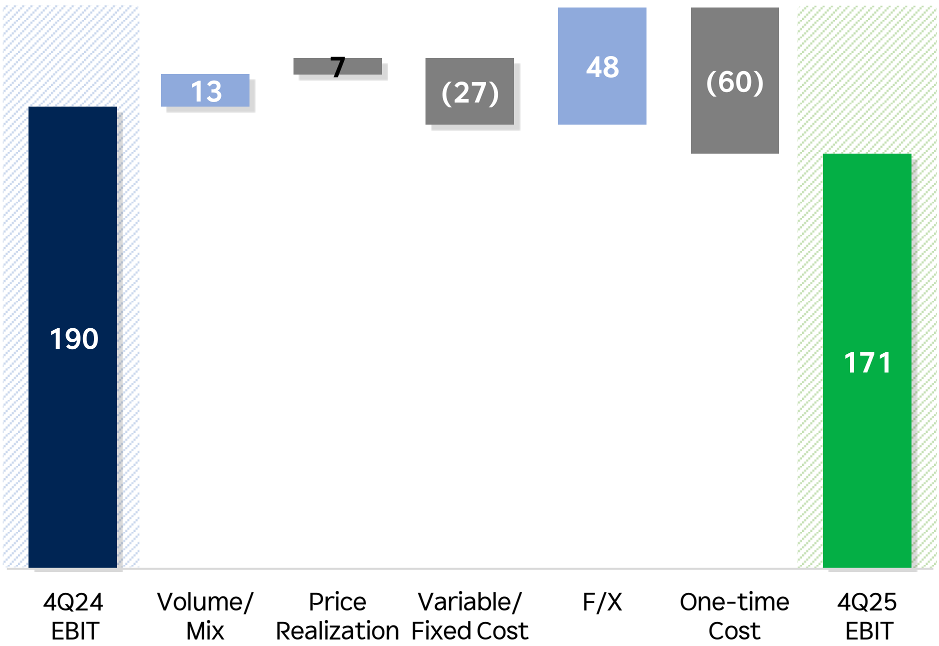
(Unit : KRW bn)



2025

- Price increases, lower promotional spending, and favorable FX effects were positive.
- However, EBIT fell YoY due to higher NA tariff-related costs and China restructuring expenses

(Unit : KRW bn)



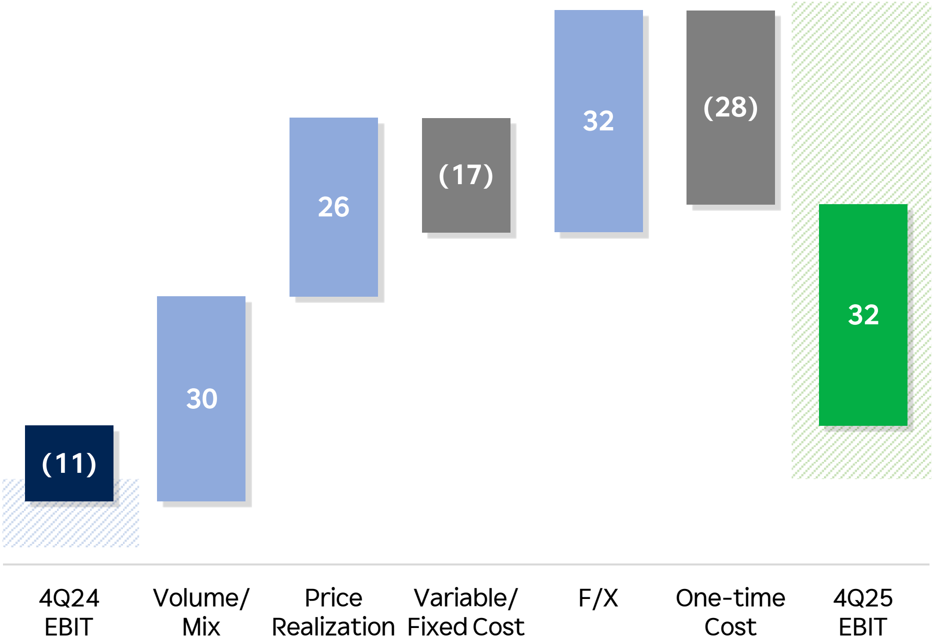
※ Exchange rate average: 4Q24 1,396KRW/USD , 4Q25 1,450KRW/USD , 2024 1,364KRW/USD , 2025 1,422KRW/USD

EBIT Analysis

4Q25

- YoY sales growth, improved product mix, and lower promotional spending were positive
- A gradual recovery was seen, despite the impact of NA tariffs and one-off costs related to the China business.

(Unit : KRW bn)



2025

- EBIT improved on price increases, reduced promotional expenses, and favorable FX effects; excluding one-off costs, growth would have been stronger.

(Unit : KRW bn)

※ Exchange rate average: 4Q24 1,396KRW/USD , 4Q25 1,450KRW/USD , 2024 1,364KRW/USD , 2025 1,422KRW/USD

Analysis by Division

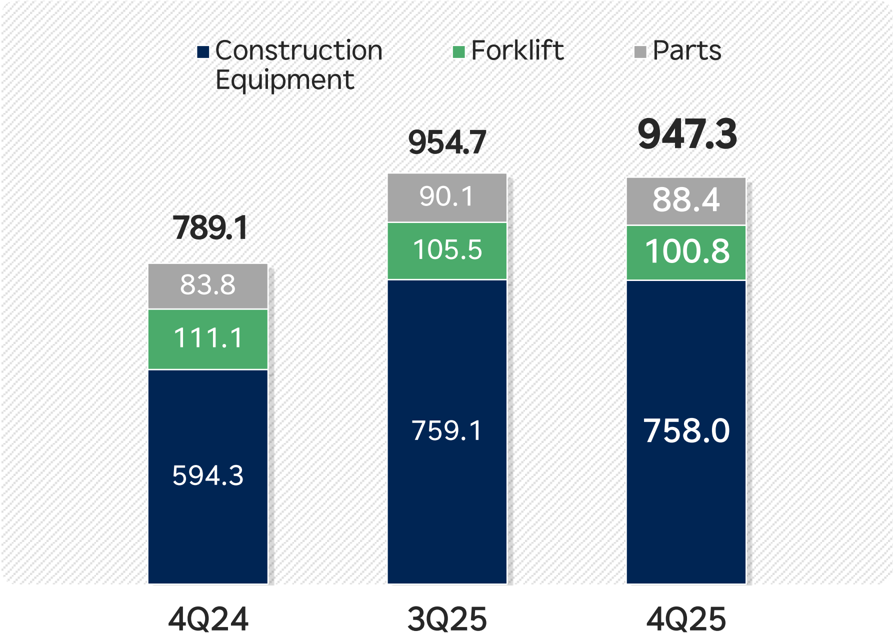
HCE

- Demand recovery in developed markets, led by Europe, was positive
- Continued infrastructure investment and mining demand in emerging markets were positive.

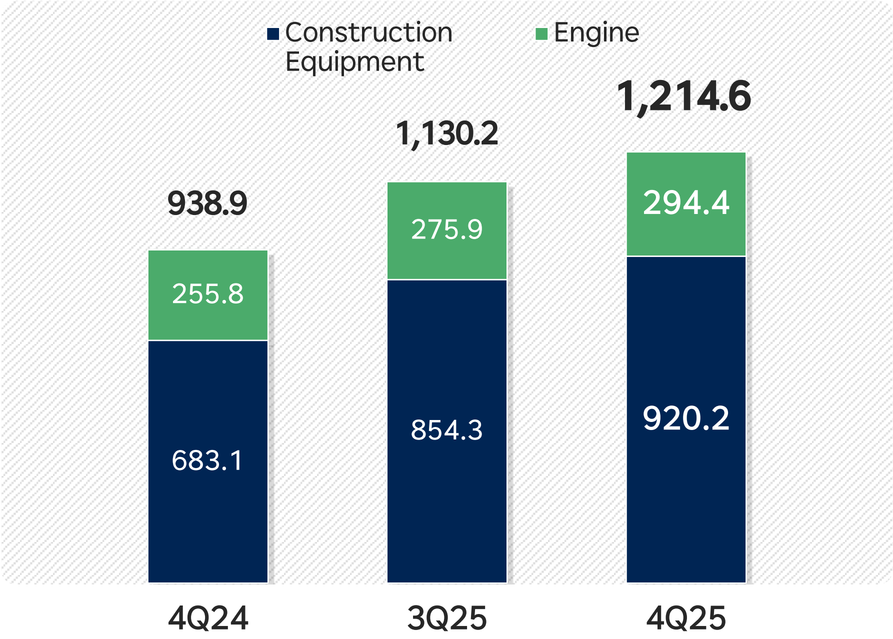
HDI

- CE division grew across all regions for three consecutive quarters
- Especially, Infrastructure investment and mining demand in emerging markets were positive
- Engine business posted YoY growth in both internal and external sales.

(Unit : KRW bn)



(Unit : KRW bn)



Construction Equipment

HCE

- Sales grew on continued mining and infrastructure investment demand in emerging markets
- In developed markets, demand improved in Europe, while North America saw a recovery in retail demand, supporting revenue growth.
- In India, demand recovery remained gradual following the Q3 monsoon
- In Brazil, stabilized inflation and a strengthening Brazilian real supported demand improvement.

HDI

- Infrastructure investment and resource development demand continued to increase in emerging markets, particularly in LA and AF.
- Sales in North America and Europe increased YoY, driven by economic recovery and low base effects.
- Profitability improved significantly YoY, supported by higher sales of mid-to-large products and reduced promotional spending.

(Unit : KRW bn)

HCE	4Q25			2025		
	Sales	%	YoY	Sales	%	YoY
Emerging	316.9	33%	53%	1,229.5	33%	21%
NA	206.8	22%	4%	840.7	22%	-2%
India	122.7	13%	-7%	490.1	13%	-1%
Europe	136.5	14%	51%	461.1	12%	18%
Brazil	57.3	6%	17%	226.4	6%	5%
Korea	44.5	5%	-10%	262.2	7%	6%
China	62.5	7%	0%	266.7	7%	26%
Total	947.3	100%	20%	3,776.5	100%	10%

(Unit : KRW bn)

HDI	4Q25			2025		
	Sales	%	YoY	Sales	%	YoY
Emerging +Korea	481.1	52%	+39%	1,845.1	55%	+14%
NA+EU	293.8	32%	+10%	1,116.8	33%	+3%
China	145.3	16%	+108%	422.4	12%	+56%
Total	920.2	100%	+35%	3,384.4	100%	+14%

※ HCE: CE+Industrial Vehicles
HDI : Construction Equipment

5. Financial Structure

Statement of Financial Position

HCE

(Unit : KRW bn)

	2023	2024	2025
Total Assets	3,297.0	3,324.6	3,602.7
Cash&Cash Equivalent	458.6	305.4	363.2
Current Assets	2,199.2	2,112.8	2,251.6
Fixed Assets	1,097.8	1,211.8	1,351.1
Total Liabilities	1,525.9	1,530.8	1,672.4
Debt	789.5	664.3	739.4
Net Debt	330.9	358.9	376.2
Total Shareholder's Equity	1,771.1	1,793.8	1,930.3
Liabilities/Equity Ratio	86.2%	85.3%	86.6%

※ Note. Based on K-IFRS consolidated financial statements

HDI

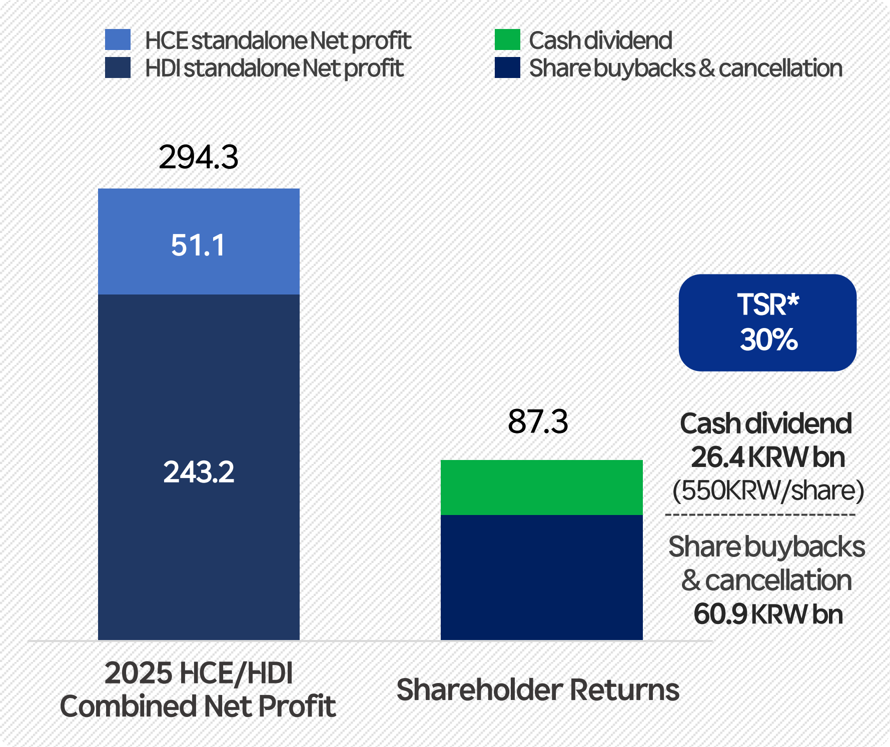
(Unit : KRW bn)

	2023	2024	2025
Total Assets	4,418.4	4,287.2	4,531.4
Cash&Cash Equivalent	286.2	309.6	483.2
Current Assets	2,833.4	2,596.3	2,812.4
Fixed Assets	15,85.0	1,690.9	1,719.0
Total Liabilities	26,05.1	2,440.0	2,526.7
Debt	12,54.6	1,114.0	1,097.9
Net Debt	9,68.3	804.4	614.8
Total Shareholder's Equity	18,13.3	1,847.2	2,004.7
Liabilities/Equity Ratio	143.7%	132.1%	126.0%

※ Note. Based on K-IFRS consolidated financial statements

Shareholder Returns

(Unit : KRW bn)



01 Mid- to Long-Term Shareholder Return Policy

For FY2024–2026, the Company disclosed a policy to allocate at least 30% of standalone net profit (excluding unrealized gains/losses and one-off non-recurring items) to shareholder returns. (Both HCE/HDI)

→ FY2025 total shareholder returns are set at 30% of the combined net profit of both companies.

→ Shareholder value is expected to continue to increase, supported by earnings growth following the merger.

02 Dividend Record Date

The FY2025 dividend record date was set as February 27, **enabling cash dividends to be paid to shareholders after the merger.** The record date was set after dividend confirmation and related disclosures, enhancing dividend predictability.

※ TSR(Total Shareholder returns): (Cash dividend + Share buybacks & Cancellation) / Net profit × 100

※ Excluding one-off gains from HDI's standalone net profit(75.6 KRW bn) in 2025, TSR is 40%

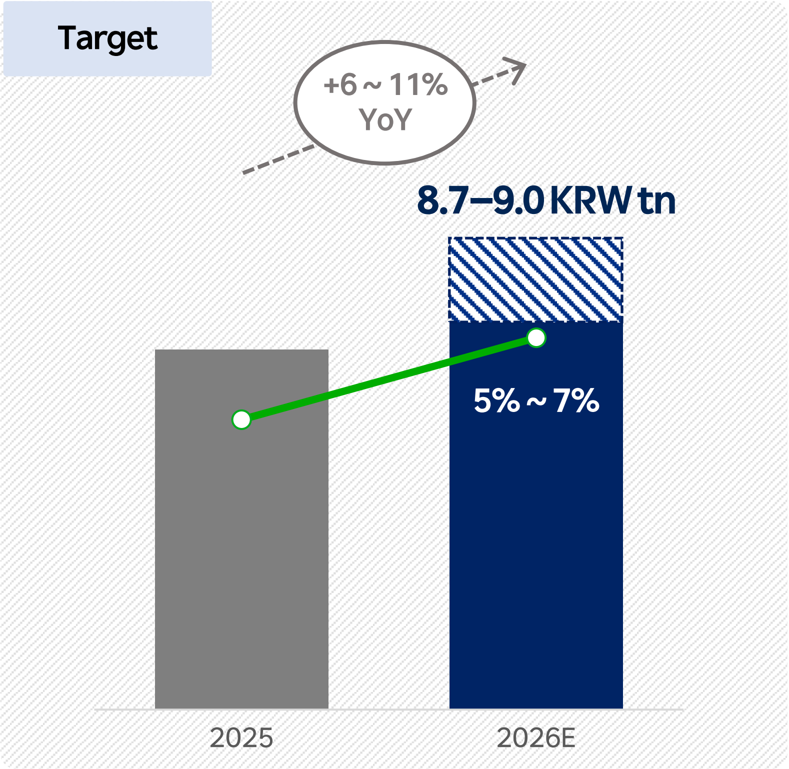
II. 2026 Outlook

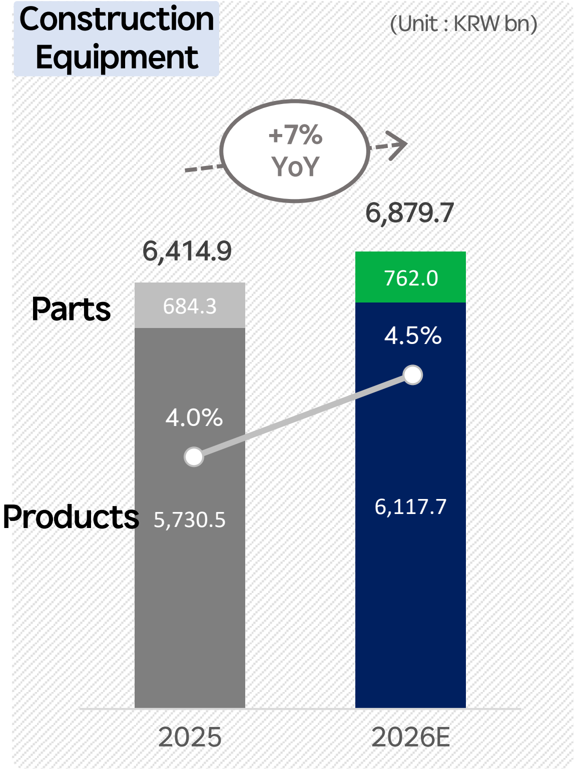
HD Construction Equipment

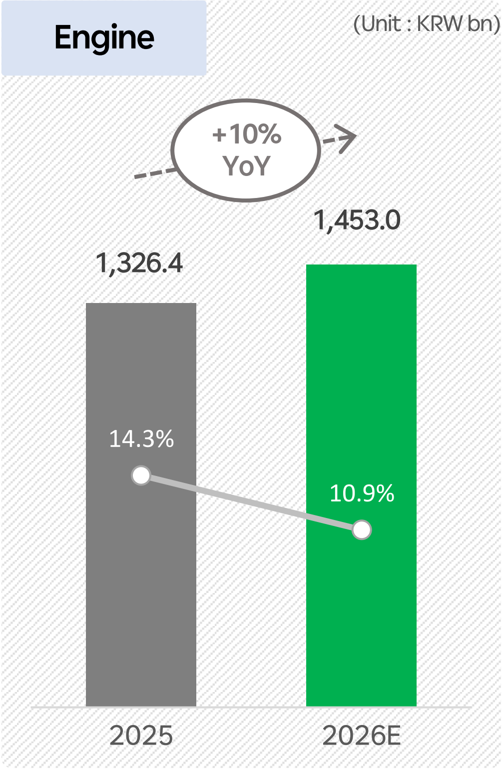
1. 2026 Outlook

2026 Outlook

- CE Market recovery trend is positive; strengthening regional sales strategies and aiming to generate merger synergies.
- Enhancing CE's AM/PS operations and accelerating Engine business momentum.







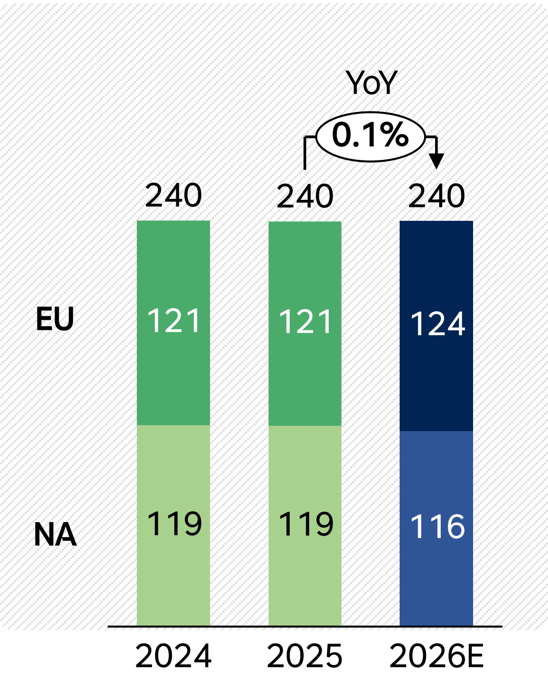
※ Exchange rate : 1,350KRW/USD ~ 1,450KRW/USD

※ Note: Company source, Figures are based on the 2026 Business Plan exchange rate of KRW 1,350/USD. Engine sales figures are presented before consolidation adjustments

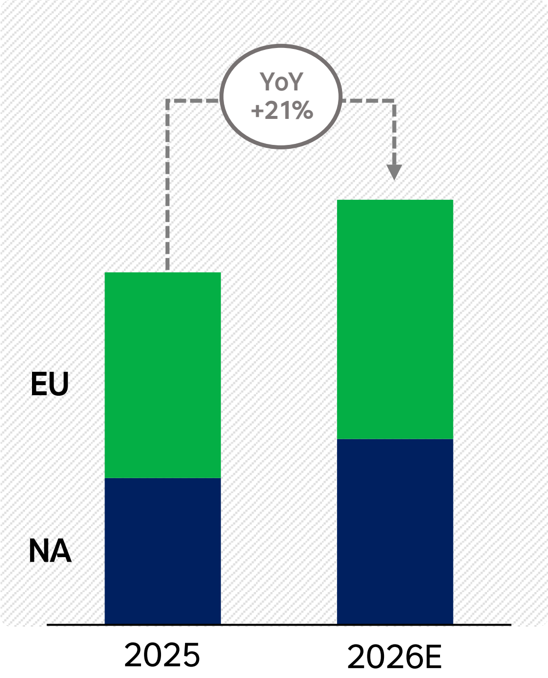
Construction Equipment – NA & EU

Demand

(Unit : '000 units)



Sales



※ Source: Company data, Based on excavator + wheel loader sales volume

※ Applied exchange rate : KRW1,350/USD

Demand recovery limited due to intensified price competition and stricter regulation

- NA : Stable demand, but uncertainties remain due to price competition and tariffs; demand recovery is gradual.
- EU : Slight growth expected from EU funds and policy investments; market conditions remain challenging due to competitive pressures.

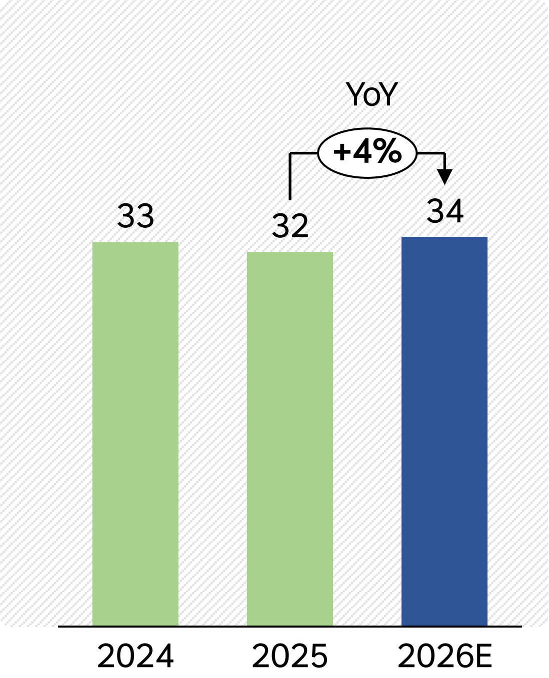
Strengthening the product portfolio by launching new models and enhancing dealer networks

- NA : Launching new models at CONEXPO 2026, increasing share of large equipment like ADT, expanding sales through major dealers.
- EU: Ensuring stable market adoption of next-generation models, enhancing wheeled excavator competitiveness, and aiming to lead the heavy equipment segment. Launching new CTL/SSL models and expanding sales of electrified equipment.

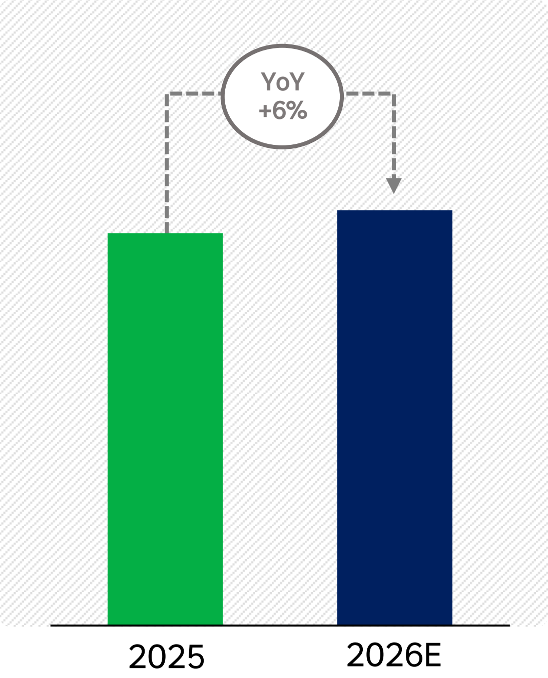
Construction Equipment – India

Demand

(Unit : '000 units)



Sales



※ Source: Company data, Based on excavator + wheel loader sales volume

※ Applied exchange rate : KRW1,350/USD

Stable demand for 20t~ class equipment; gradual growth in mid- to large equipment

- Market maintains structural growth, particularly with steady demand for 20t class equipment.
- Infrastructure and mining projects drive increased demand for mid- to large equipment.

Strengthening position as market leader and global supply hub.

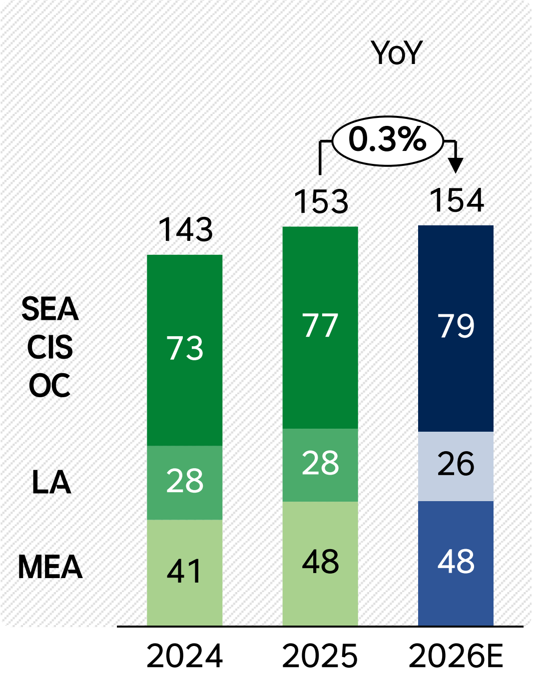
- Responding to price-sensitive markets and infrastructure project demand by expanding sales of cost-effective 20t-class models.
- Enhancing project responsiveness and regional coverage through expanding large dealers and package sales in key regions.
- Expanding exports to emerging markets (30+ countries) and strengthening production flexibility and supply capacity for both domestic and export demand.

HD CONSTRUCTION EQUIPMENT

Construction Equipment – Emerging

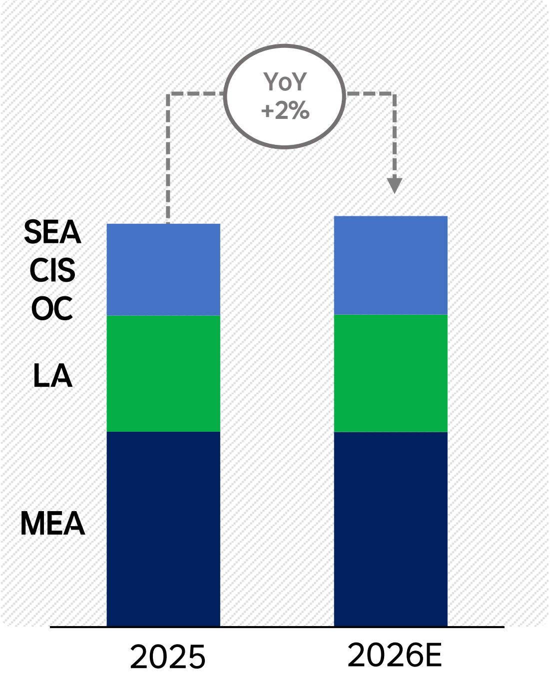
Demand

(Unit : '000 units)



※ Source: Company data, Based on excavator + wheel loader sales volume

Sales



※ Applied exchange rate : KRW1,350/USD

[APAC · CIS] Stable demand trends in resource markets centered on Indonesia and Australia.

- Strengthening market responsiveness through expansion of bases in the Philippines and Australia
- Improving sales channels and targeting key mining accounts in Indonesia

[LA] Mixed performance due to intensifying competition and political / macro uncertainties

- Launching cost-effective mid-size models and BHL (backhoe loaders), and improved efficiency of local operations

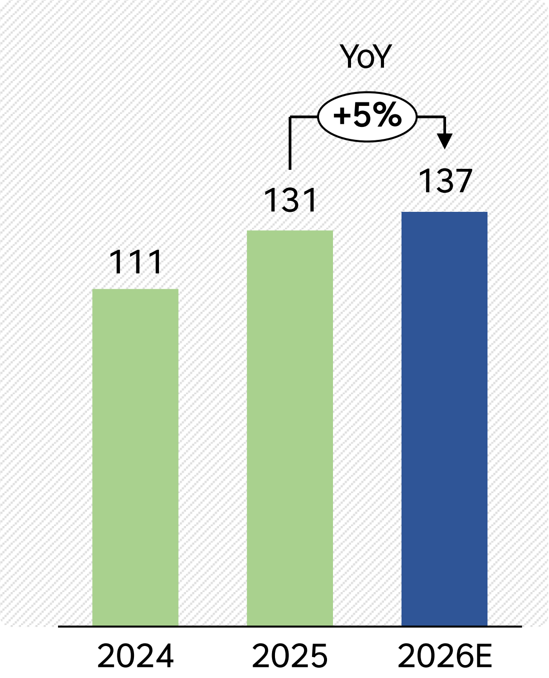
[MEA] Proactively responding to growing demand for mining and infrastructure investment

- Expand countries and strengthening on-site sales through the establishment of a MEA regional headquarters
- Boosting large equipment sales through mining equipment package deals
- Expanding sales in Saudi Arabia and the UAE

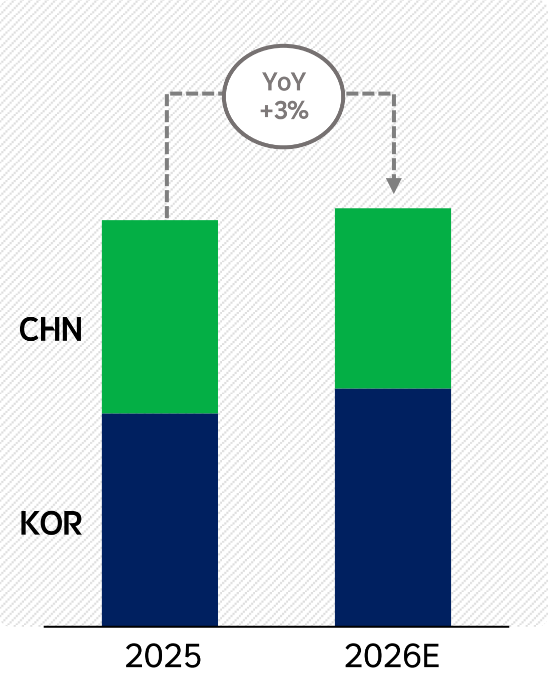
Construction Equipment – China & Korea

Demand

(Unit : '000 units)



Sales



※ Source: Company data, Based on excavator + wheel loader sales volume

※ Applied exchange rate : KRW1,350/USD

Entering Recovery Phase : 5% YoY

- [CHN] Driven expanded infrastructure investment under the Liangzhong Liangxin and continuous demand for replacing aging equipment
- [KOR] Stable demand due to stable export demand for used equipment

Advancing the overall profit structure through a dual-track strategy of Premiumization and cost efficiency

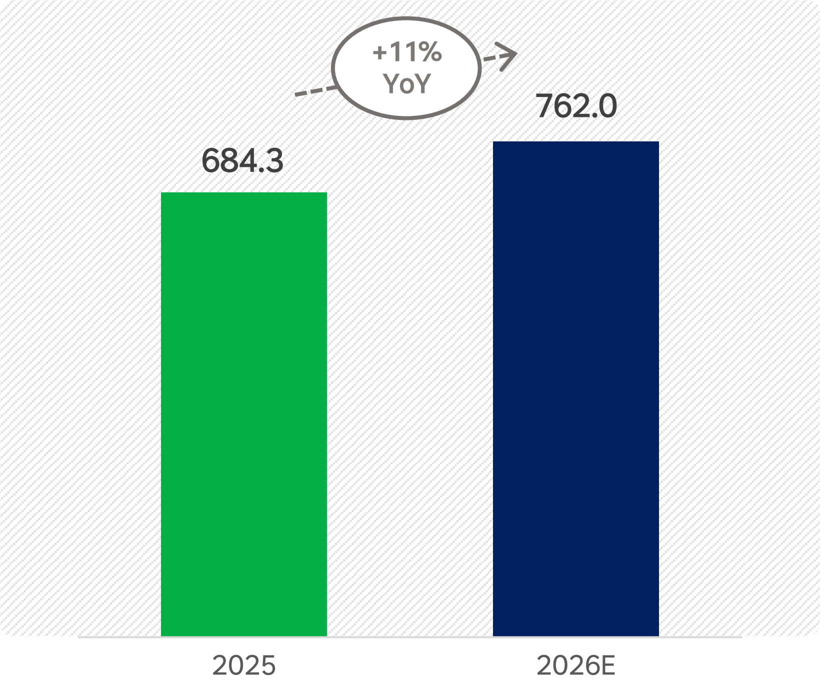
- [CHN] Focus on High-Margin models (Mid-Wheeled / 65T+) & Overseas Construction sales
- [CHN] Launch Economy models (Crawler/Wheeled) & Improve Production Efficiency
- [KOR] Launch 5 Nest-Gen models and Expand Specialized & High –Profit equipment sales

HD CONSTRUCTION EQUIPMENT

AM/PS

Sales

(Unit :KRW bn)



※ Applied exchange rate : KRW1,350/USD

Expanding Extended Warranty Sales

- Strategic Bundling
  : Integrate EW sales with regionalized service programs to offer localized, high-value packages
- Accessibility Enhancement
  : Expand the eligibility window for EW enrollment, allowing customers more flexibility to purchase beyond the initial sales point

Expanding sales of Value –Line Parts

- Expanding Coverage for Consumables and Functional Parts
  - Implementing quality validation processes
  - Collaborating with the Shanghai Sourcing Center
- Diversifying Repair Options linking with Reman and Rebuild service programs

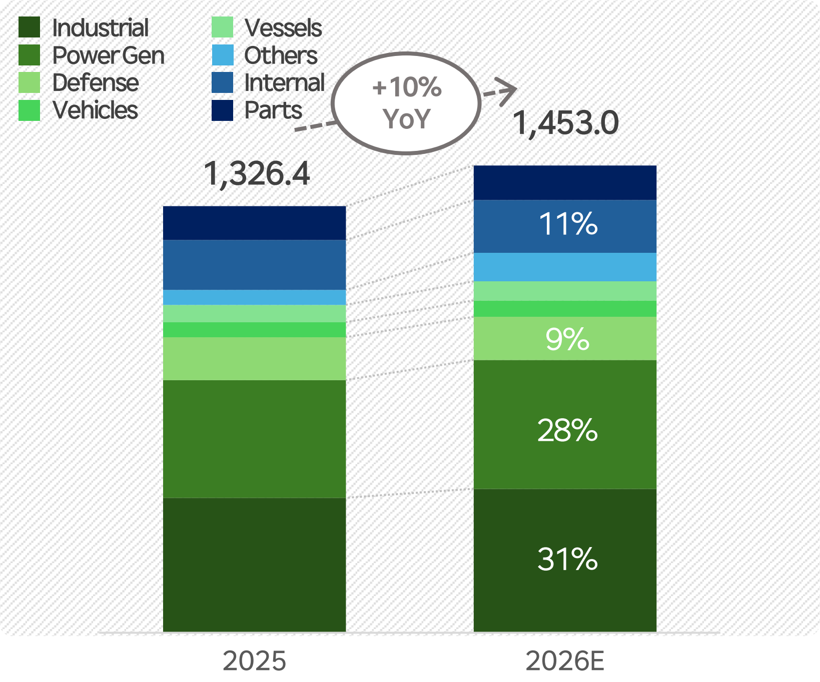
Securing Differentiated Service Competitiveness

- Optimizing the Integrated Global PDC Network
- Advancing Uptime Center Content & Expanding to 80+ Centers by 2026
- Standardizing and Improving CCRR(Customer Complaint Resolution Rate) within 48 hours

Engine

Sales

(Unit : KRW bn)



※ Applied exchange rate : KRW1,350/USD, Before consolidation adjustments

Sales Outlook & Growth Strategy

- Engine revenue is projected to grow by 10% YoY, driven by recovering demand across key sectors (including power generation, defense, and industrial) and enhanced product competitiveness tailored to market needs.
- Power Generation Engine
  - Diesel : Market Expansion through Portfolio Reinforcement
  - Gas : Strategic Response to NA & Eco-friendly demand
  - Extra-Large : Capturing the AI-Driven Power Boom (Offer an advantage responding to sudden and rapid peak load fluctuations))
- Defense Engines: Capturing Global Demand with Enhanced Capacity
  - Expanding Global Footprint : Rising Demand Amid Geopolitical Tensions
  - Operational Excellence : Strengthened Responsiveness via Gunsan Plant

Operating Profit Outlook

- 2026 operating profit is estimated at KRW 158.7 billion. Despite robust top-line growth, the bottom line is impacted by rising fixed costs associated with the completion of Gunsan facility and expanded R&D for new product lines

HD CONSTRUCTION EQUIPMENT

[Appendix] 2026 Business Plan - by Region & Division

(Unit : KRW bn)

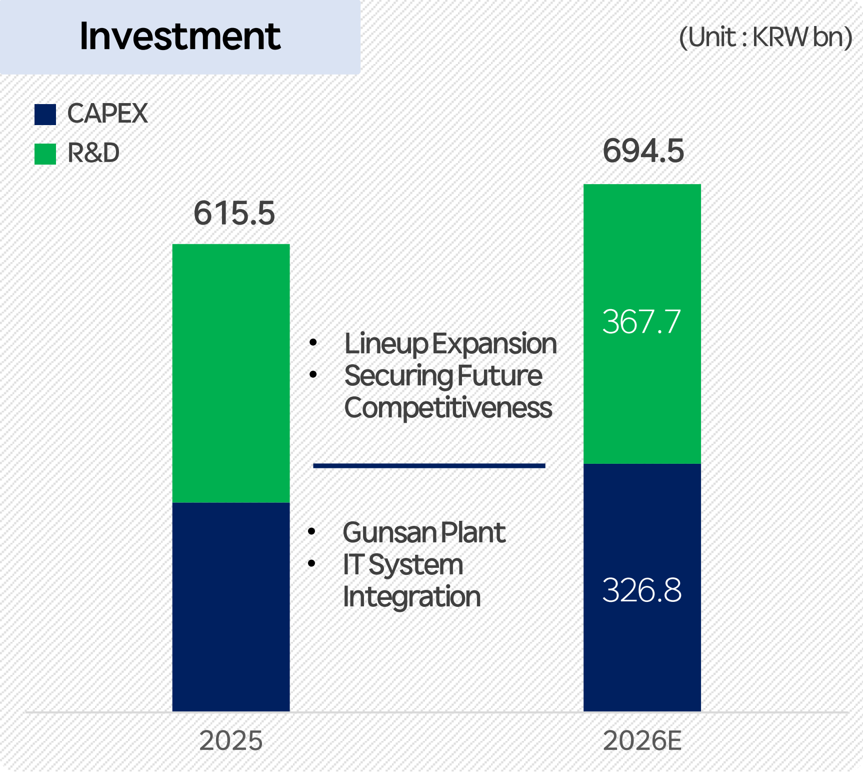
		1Q25	2Q25	3Q25	4Q25	2025	2026 Plan
Sales		1,902.2	2,094.6	2,001.1	2,045.6	8,043.5	8,721.8
Construction Equipment		1,340.0	1,472.9	1,443.0	1,474.6	5,730.5	6,117.7
America	NA	147.3	187.5	191.3	183.4	709.6	897.1
	LA	131.0	160.0	174.6	163.6	629.3	635.1
EMEA	EU	176.8	250.3	286.2	278.7	992.1	1,155.5
	ME/AF	197.1	274.8	280.9	304.7	1,057.5	1,055.3
APAC/CIS	Korea	244.6	173.0	154.4	103.2	675.3	754.0
	China	145.0	152.7	123.7	189.5	610.9	570.0
	India	146.0	100.9	80.2	110.8	437.9	463.6
	SEA/CIS/OC	135.0	141.1	113.2	106.7	496.0	533.8
Etc.		17.3	32.4	38.3	33.9	122.0	53.3
AM/PS		179.4	181.3	162.7	160.9	684.3	762.0
Engine		304.9	369.0	317.8	334.6	1,326.4	1,453.0
Industrial Vehicle		118.9	114.7	118.4	113.1	465.2	576.7
Consolidation Adjustment		-41.0	-43.3	-40.8	-37.7	-162.9	-187.7

※ Note: Company source, Figures are based on the 2026 Business Plan exchange rate of KRW 1,350/USD. Engine sales figures are presented before consolidation adjustments

[Appendix] 2026 Business Plan - Investment & Financial Structure

Strategic Capex for Competitive Edge + Continuous R&D for Future Growth
Balancing Financial Resilience with Sustainable Shareholder Value

Investment



※ Source : Company Data

	2025	2026E
Total Assets	8,682.2	8,806.4
Current Assets	4,792.9	4,848.6
Non-Current Assets	3,889.3	3,957.8
Total Liabilities	4,126.5	4,165.8
Total Equity	4,555.7	4,640.6
Liabilities/Equity Ratio	90.6%	89.8%

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