

1Q25 Earnings Release

April 28, 2025



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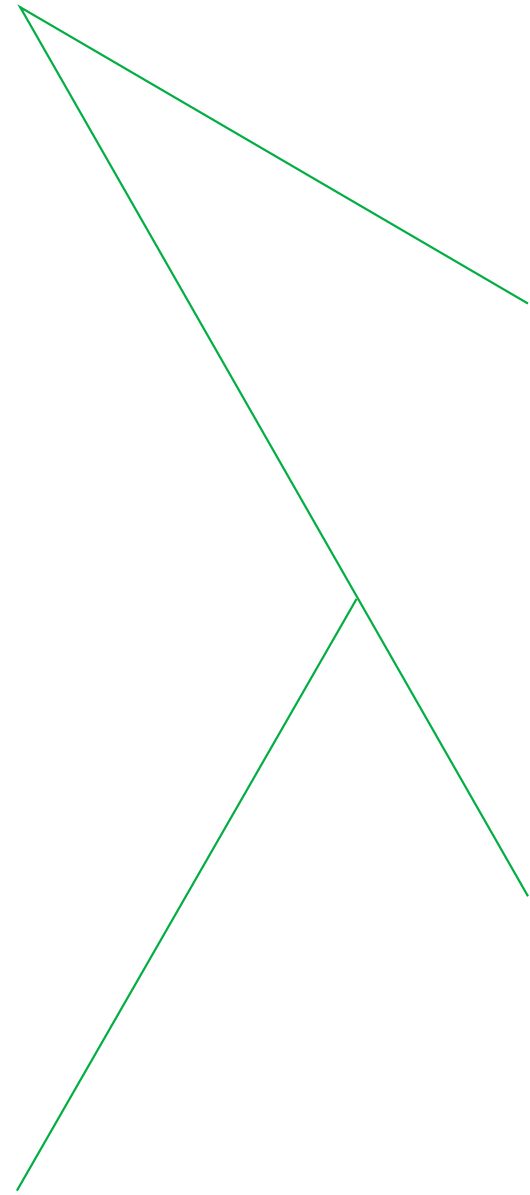
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1. Financial Results Summary

1Q25 Results

- ✔ Despite solid performance in India/Brazil markets, sales declined 7% YoY due to slower demand from developed markets.
- ✔ Operating profit also dropped 22% YoY due to sales decrease

(unit : KRW bn)

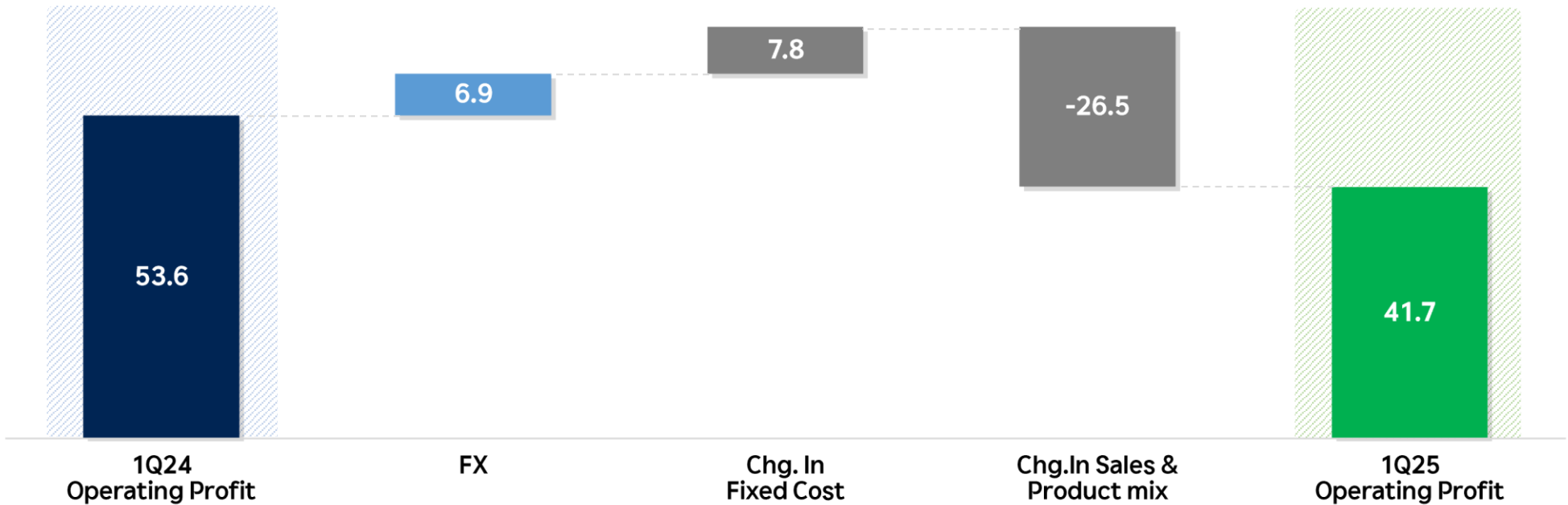
	1Q25	YoY	QoQ	1Q24	4Q24
Sales	906.8	-7.4%	14.9%	979.1	789.1
Operating Profit	41.7	-22.3%	18.1%	53.6	35.3
OP Margin(%)	4.6%	-0.9%p	0.1%p	5.5%	4.5%
Non-Operating Profit	-2.9	-	-	0.3	-28.2
Interest Income	-8.8	-	-	-7.8	-6.3
Gain and Losses on Foreign exchange	9.3	-	-	11.1	24.2
Net Profit	25.7	-44.0%	TB	45.8	-1.9
Profit attributable to owners of the company	28.5	-37.9%	116.4%	45.8	13.1

2. Operating Profit Overview

Operating Profit Analysis (YoY)

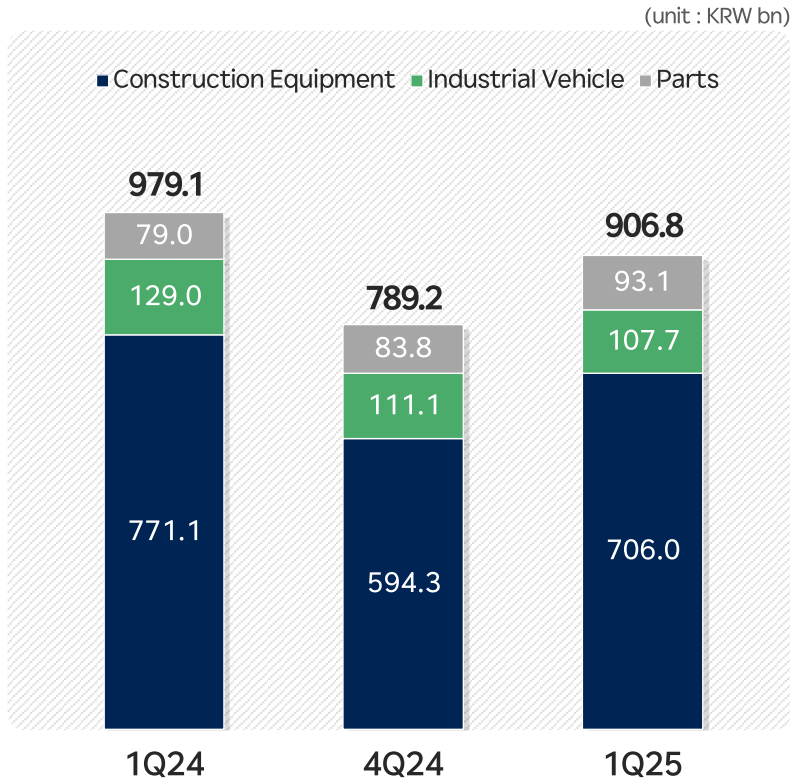
- Despite favorable factors like exchange rate gains and cost-saving efforts, profitability was undermined by lower volumes and change in product mix.

(unit : KRW bn)



3. Sales Overview by Business

Sales by Business in 1Q



Sales Analysis by Business in 1Q

	YoY	QoQ
Construction Equipment <ul style="list-style-type: none"> (YoY) Global economic uncertainty and ongoing geopolitical risks have led to a sluggish demand recovery (QoQ) Sales grew significantly QoQ since demand rebounded from the low point in the second half of last year 	-8.4%	+18.3%
Industrial Vehicle <ul style="list-style-type: none"> Sales declined due to the normalization of logistics demand, which had surged due to post-COVID revenge spending 	-16.5%	-3.0%
Parts <ul style="list-style-type: none"> Sales growth remained solid in line with stable equipment sales flow 	+17.8%	+11.0%

4. Sales Overview by Region

Sales Analysis by Region

(unit : KRW bn)

	1Q25				1Q24		4Q24		Analysis (YoY)
	Sales	%	YoY	QoQ	Sales	%	Sales	%	
Emerging	251.3	28	-18%	22%	308.0	31	206.7	26	Weakening demand in emerging markets due to geopolitical risks and lower commodity prices
North America	186.1	21	-20%	-7%	232.1	24	199.3	25	Continued sluggish demand due to policy uncertainty under the Trump administration
India	160.8	18	11%	22%	145.4	15	132.0	17	Ongoing infrastructure investments in roads and railways
Europe	95.8	11	-9%	6%	105.0	11	90.1	11	Prolonged weak demand in major European countries due to increasing economic uncertainty
Brazil	50.1	6	8%	2%	46.2	5	48.9	6	Stable demand base supplemented by early purchasing ahead of potential interest rate hikes
Korea	90.7	10	3%	84%	88.4	9	49.4	6	Slight sales improvement driven by aggressive promotional activities
China	72.0	8	33%	15%	54.0	6	62.7	8	Rising demand for excavators under 20 tons, especially wheeled excavators, supported by government stimulus
	906.8	100	-7%	15%	979.1	100	789.1	100	

5. Financial Statement and Key Financial Ratios

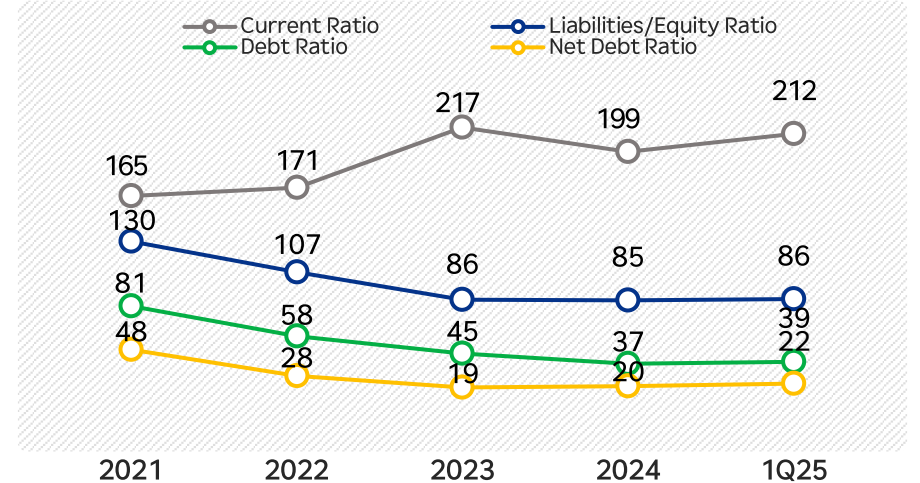
Summarized Financial Statement

(unit : KRW bn)

	1Q25	2024	2023	2022	2021
Total Assets	3,403.9	3,324.6	3,297.0	3,448.6	3,554.3
Current Assets	2,189.3	2,112.8	2,199.2	2,350.6	2,469.5
Non-current Assets	1,214.6	1,211.8	1,097.8	1,098.0	1,084.8
AR and others	721.6	662.4	635.2	707.7	876.5
Cash Equivalents & Financial Assets	309.5	305.4	458.6	488.3	524.6
Total Liabilities	1,575.2	1,530.8	1,525.9	1,781.3	2,006.5
Current Liabilities	1,033.0	1,063.5	1,014.2	1,373.7	1,499.1
Non-current Liabilities	542.2	467.3	511.7	407.6	507.4
AP and others	556.5	542.5	401.5	457.0	428.0
Borrowings	708.5	664.3	789.5	963.2	1,261.2
Net Borrowings	399.1	358.9	330.9	474.9	736.6
Total Equity	1,828.7	1,793.8	1,771.1	1,667.3	1,547.8

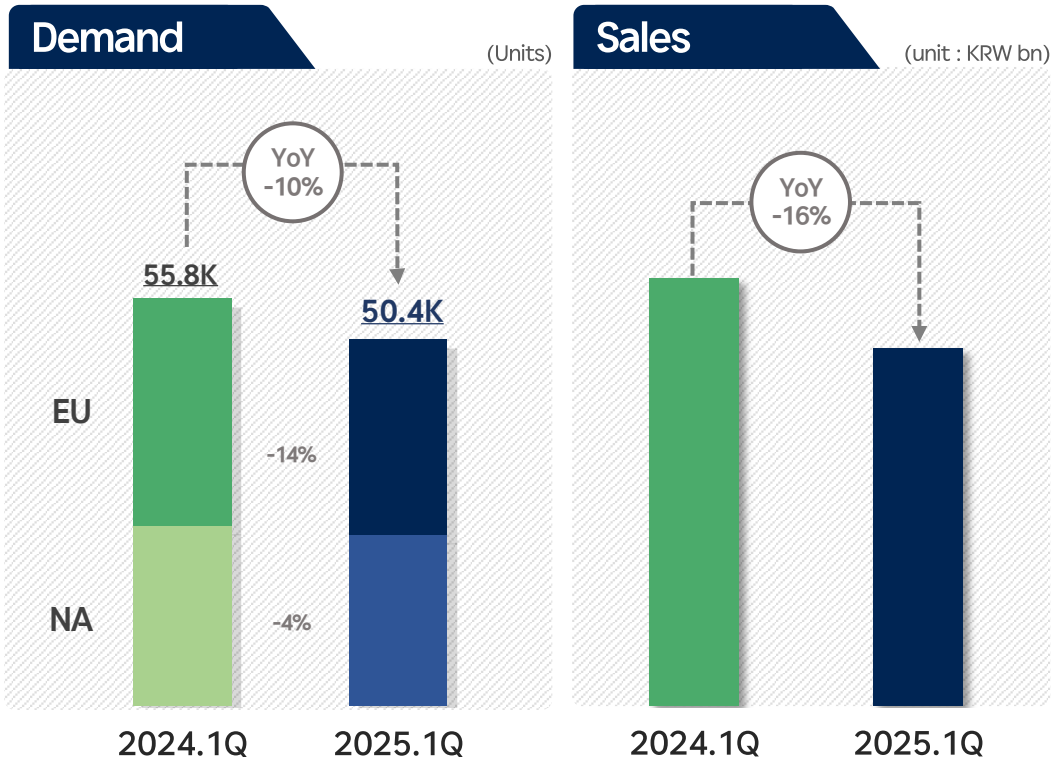
Key Financial Ratios

(unit : %)



- High levels of financial soundness secured through stable operating cash flow generated from diversified regional portfolio.
- Despite increased working capital ahead of the peak season, year-end financial indicators are expected to improve.

North America and Europe



Note : Market volume based on excavator+mid/large wheel loaders. Sales includes industrial vehicles.
Source : Company data

✔ Market uncertainty due to U.S. gov tariff policies

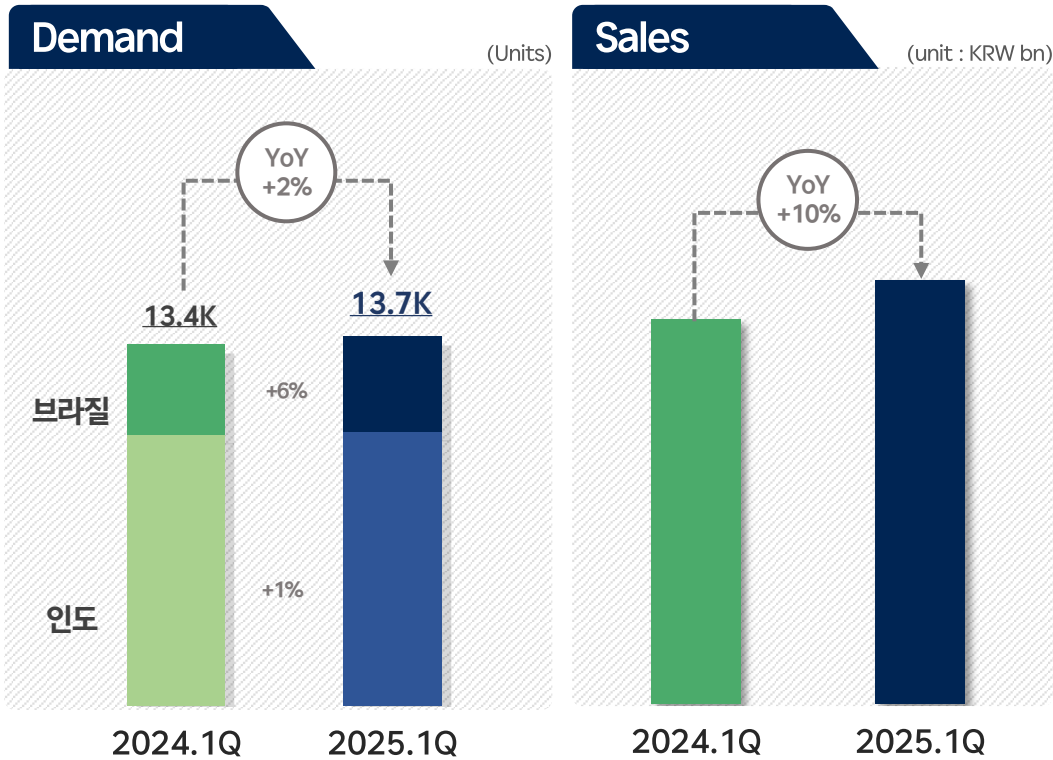
- NA: Trade policies under the Trump administration are fueling inflation and increasing growth concerns
- EU : Demand recovery remains sluggish despite additional interest rate cut in March

✔ M/S maintained despite unfavorable market conditions

- Dealer inventory has been steadily declining since 2nd half of 2024 (RTL>WHS)
- Improving product mix through increased sales proportion of high-margin equipment such as ADT*, mid- to large-sized excavators
- AM sales continue to grow, driven by strategic parts sales aimed at strengthening product support

*) ADT : Articulated Dump Truck

India & Brazil



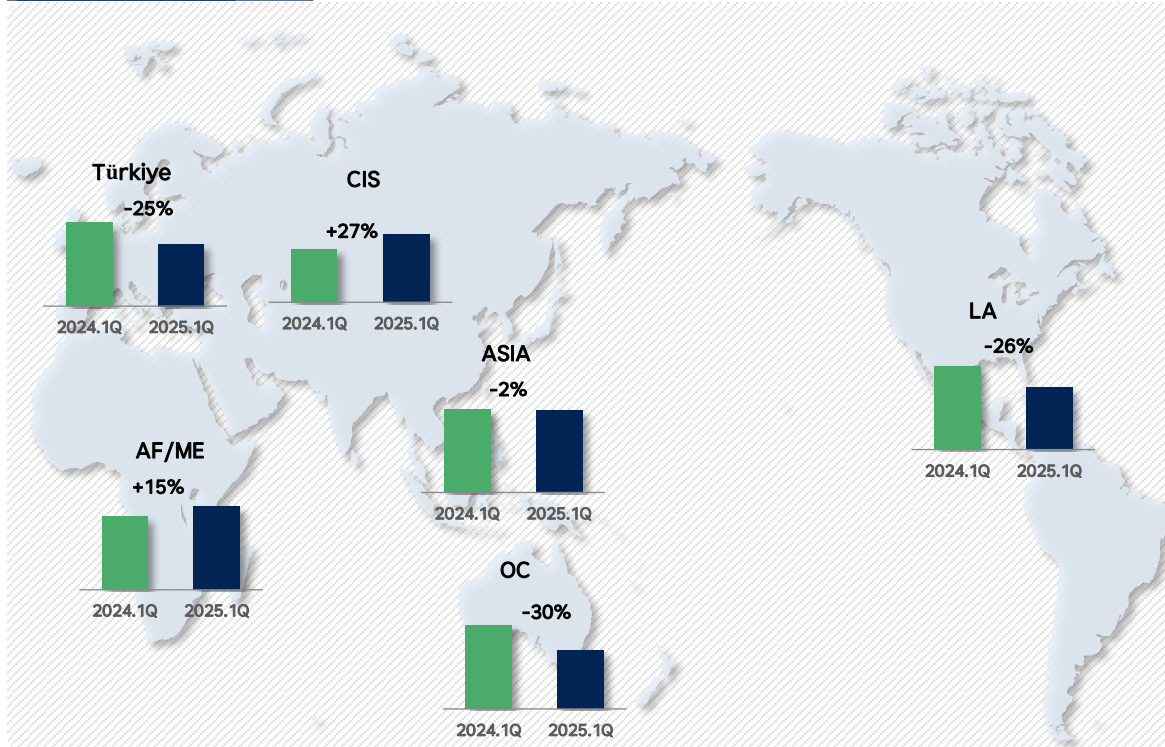
Note : Market volume based on excavator+mid/large wheel loaders. Sales includes industrial vehicles.
Source : Company data

- ✓ [India] Growth momentum has slightly slowed, but the market trend remains favorable
- ✓ [Brazil] Despite prolonged high interest rates, demand remains solid, though annual demand is expected to decline
- ✓ Pursuing both quantitative and qualitative growth to enhance corporate competitiveness
 - India : Based on a solid market position, product competitiveness is being strengthened through
 - 1) Local production of MEX
 - 2) Establish dedicated team for large excavators
 - Brazil : Driving revenue growth by launching new products (e.g. HX series)

Emerging Markets

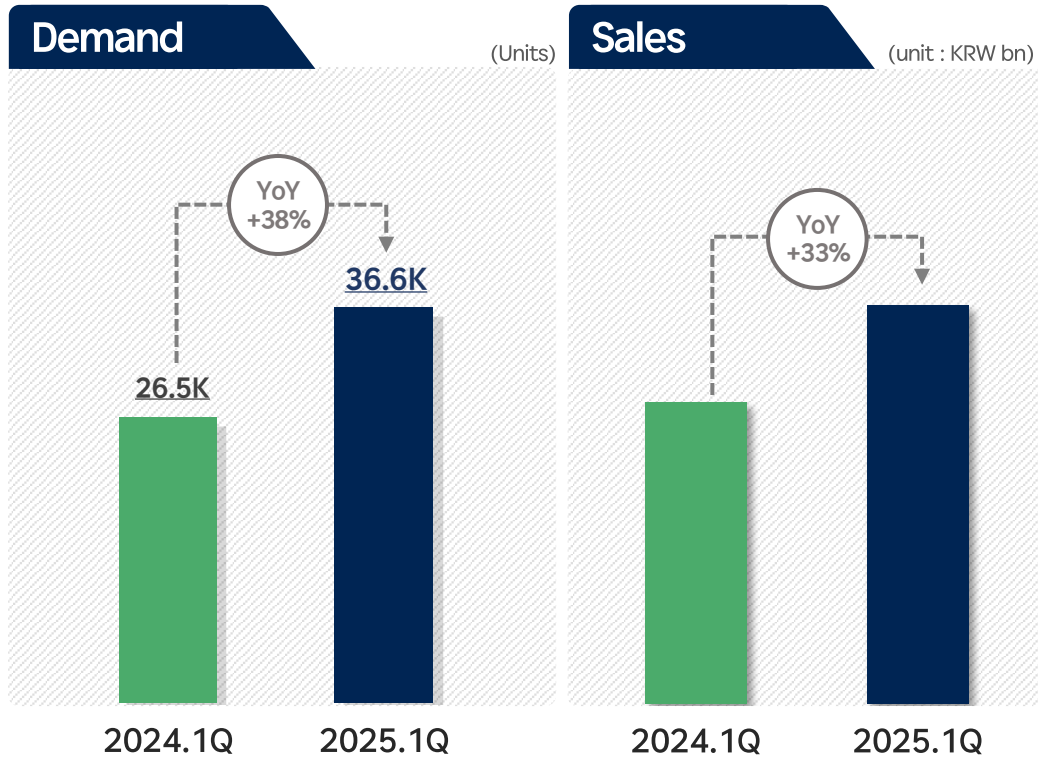
Sales

(unit : KRW bn)



- ✓ **Regional market trends remain mixed, with signs of demand recovery in Asia/Africa**
 - Overall demand in emerging markets declined by 5% YoY
 - Regional differences in demand are likely to continue due to changes in commodity prices (coal ↓, gold ↑) and political factors
- ✓ **Regional sales strategy optimization aligned with market trends**
 - Driving performance growth through post-disaster reconstruction demand (Türkiye), expansion of the MEX lineup(OC), and the launch of new ex-large models(LA)
 - Enhancing profitability through using global production sites

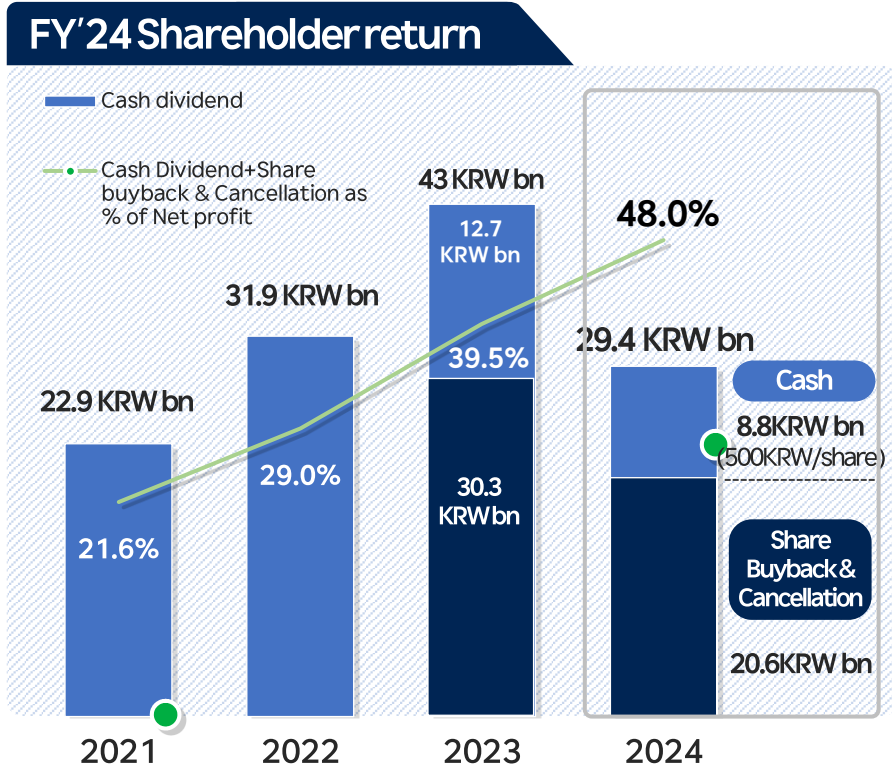
China



Note : Market volume based on excavator
Source : Company data

- ✓ **Demand recovery driven by economic stimulus and equipment replacement cycle**
 - In particular, demand for wheeled excavators, where our company has strong competitiveness, continues to grow
- ✓ **Pushing for revenue growth beyond market expansion**
 - AM sales growth and improved profitability from overseas construction projects have significantly boosted earnings.
 - Acquired a complete range of ex-large models (70, 80, 100, 125T)
 - Enhanced channel competitiveness through dealer consolidation and replacement of underperforming dealers.
 - Strengthened cost competitiveness through integrated operation of the Chinese production base.

[Appendix] Progress on shareholder returns for the FY2024



Progress

- ✓ **Cancelling existing treasury stocks (643,797 shares)**
 - Outstanding shares: 18,305,586 → 17,667,789
 - Date: April 30th, 2024
 - Rationale: To enhance shareholder value by canceling treasury stocks
- ✓ **Share buyback and cancellation (20.6 KRW bn)**
 - Purchase period: Feb. 7th, 2025 ~ Aug. 7, 2025
 - Scheduled to be canceled immediately upon completion of purchase
- ✓ **Policies to improve shareholder returns**
 - Until Y2026, more than 30% of net profit (non-consolidated base) will be paid out as dividends or share buyback & cancellation (One-time gains and losses can be excluded when calculating net profit.)
 - We seek to enhance predictability on shareholder return

