

HYUNDAI CONSTRUCTION EQUIPMENT

IR PRESENTATION ('17.3Q)

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Chapter 1.

Business Performance

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1. Summary of Business Performance (Consolidated P/L)

Achieved 28.6% Y o Y growth in sales and 123.2% operating profit margin

'17. 3Q Business Performance

Unit: Billion won

	'17.3Q			'17.2Q	'16.3Q
		QoQ	YoY		
Sales	613	-10.2%	28.6%	683	477
Cost of Sales	486	-13.1%	24.7%	560	390
Gross Profit	127	2.9%	46.1%	1,24	87
Operating Profit	44.2	23.5%	123.2%	35.5	19.8
O/P Margin	7.2%	2.0%p	3.1%p	5.2%	4.1%

- Sales 613 Billion won

- Q o Q -10.2% ↓

- Y o Y 28.6% ↑

- O/P 44.2 Billion won (Margin 7.2%)

- Q o Q 23.5% ↑

- Y o Y 123.2% ↑

2. Summary of Business Performance (by Products)

- Comparing to 3Q of year 2016, HCE achieved 28.6% sales growth.
- Construction Equipment 33.8%, Forklift 11.5%, Parts 23.9%

Sales by Products

Unit: Billion won

		'17.3Q		'17.2Q	'16.3Q
		QoQ	YoY		
CE	459	-9.2%	33.8%	505	343
FL	102	-19.3%	11.5%	126	91
Parts	53	1.5%	23.9%	52	43
Total	613	-10.2%	28.6%	683	477

Analysis

CE
(33.8% ▲)

- Sales Growth in Emerging Market
Med/Large Excavators Y o Y 31% growth in sales
- Launching Premium Model in Domestic Market
- Big Sales Growth in China & India Corp.
China Y o Y 214% / India Y oY 29.4% growth

FL
(11.5% ▲)

- Expanding Model Line-Up by launch Class 3 FL
- Sales Growth in North America (Y o Y 83%)
'17. 3Q 1,158 units sold / '16. 3Q 634 units sold

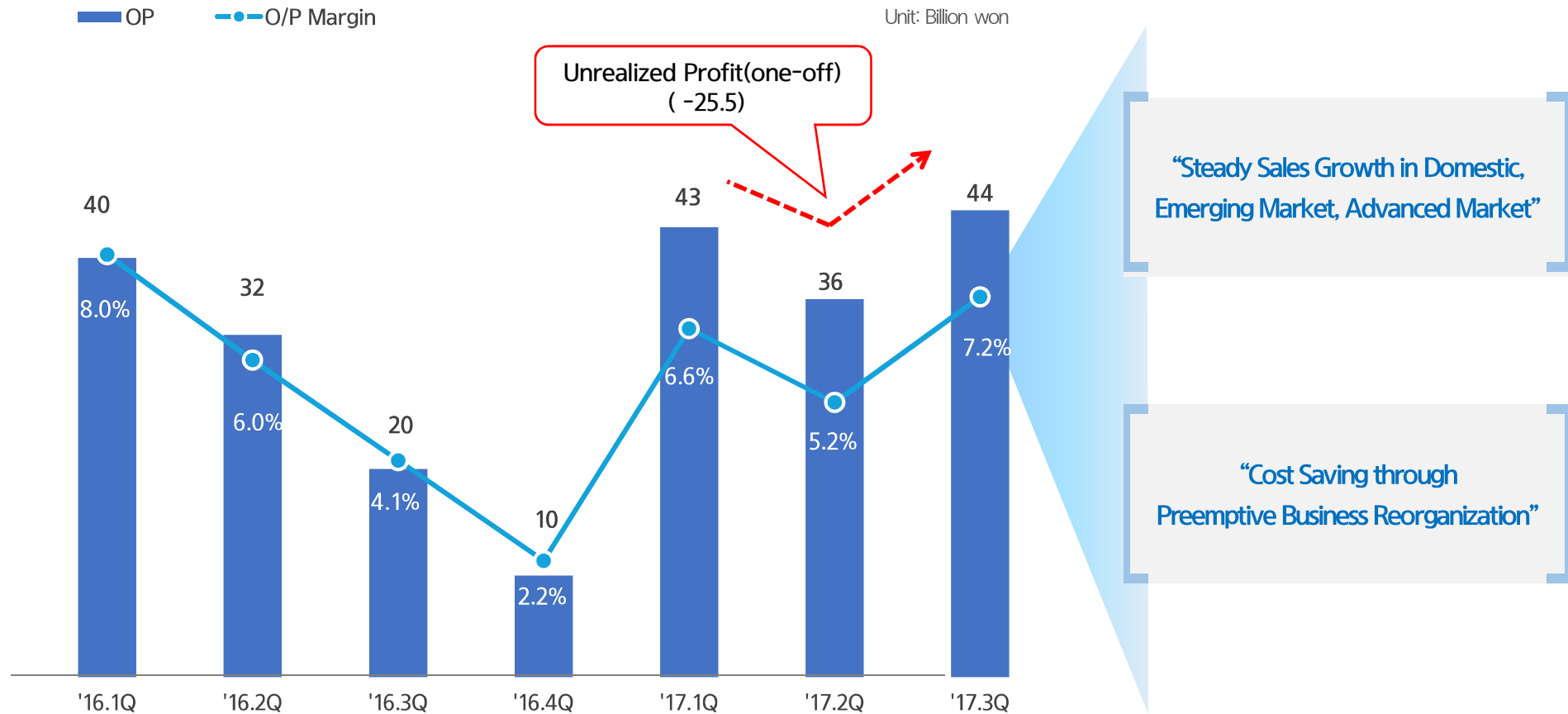
Parts
(23.9% ▲)

- Increase in demand of High Valued Parts according to sales growth of Med/Large Equipment

3. Operating Profit Analysis

Achieved 123.2% Y o Y growth in operating profit margin

Operating Profit



4. Balance Sheet

Maintaining Stable Financial Structure with Sustained Revenue and Profit Growth

Balance Sheet

Unit: Billion won

	As of the end of Sep. 2017	As of the end of Jun. 2017
Assets	1,853	1,862
Current assets	1,216	1,224
Cash and Cash equivalent	204	221
Non-current assets	637	638
Liabilities	1,039	1,081
Current Liabilities	793	612
Non-current liabilities	246	470
Borrowings	694	723
Net borrowings	489	502
Capital	814	781

Analysis

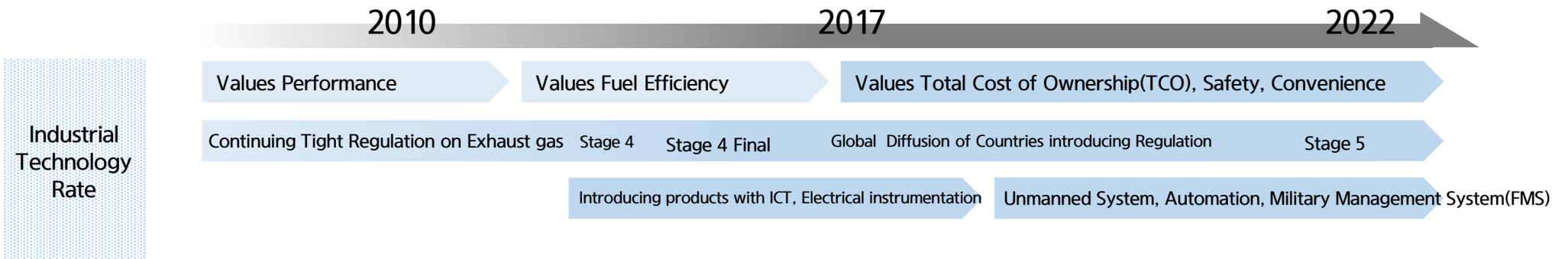
	As of the end of September 2017	As of the end of June 2017
Current Ratio (Current Assets / Current Liabilities)	153%	200%
Debt Ratio (Total Liabilities / Total Assets)	128%	138%
Borrowing Ratio (Total Debt / Total Equity)	85.2%	92.5%

After Rights Offering, Bring down debt ratio
from 128% to **87%**

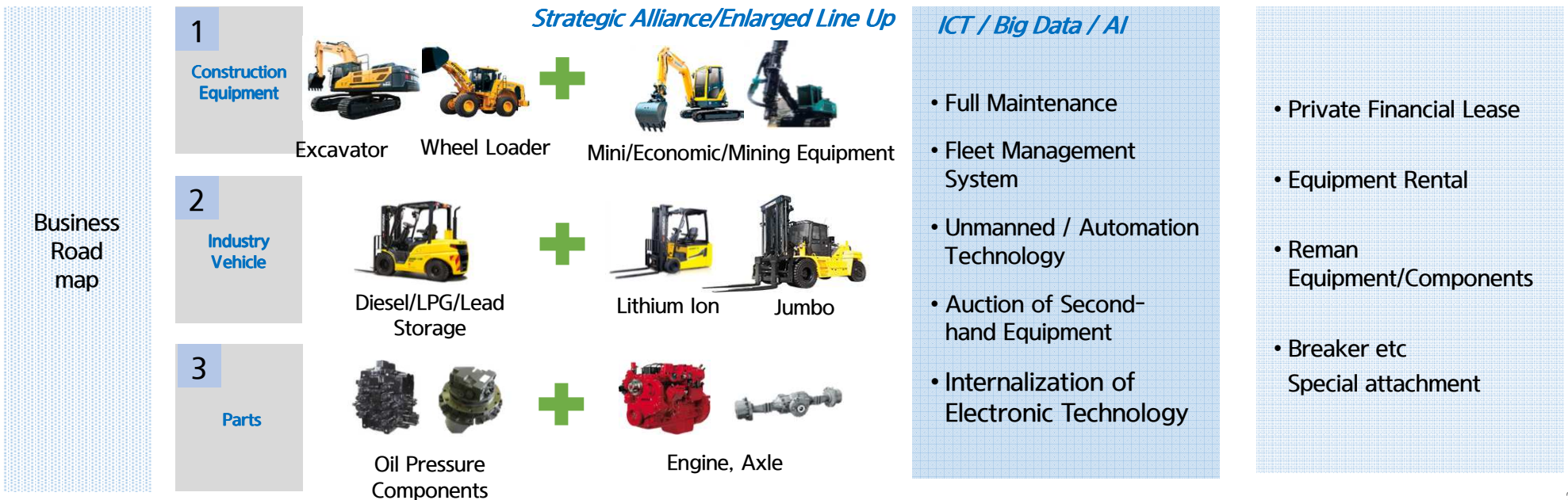


5. Investment Highlights

2021 Global Sales 5 Trillion, Target Operating Profit Rate 10%



“Expansion of Automation/Unmanned system with Development of ICT/Electrical Instrumentation Technology”





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