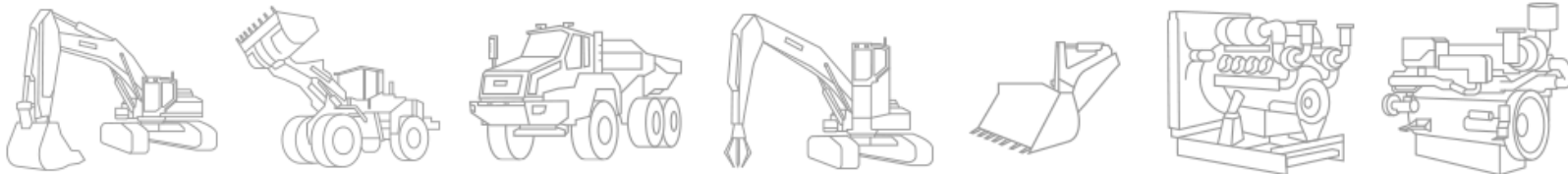




2026 Value-up Plan

Progress Report

April 2026



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Disclaimer

This document is provided by HD Construction Equipment (the "Company") for informational purposes as a reference for investment decisions.

The Company has not conducted an independent verification process for the information contained in this document. Furthermore, this document may include statements reflecting the Company's views or expectations about the future. Such forward-looking statements are based on various assumptions about future events, some of which are beyond the Company's control. These forward-looking statements involve certain risks and uncertainties that may result in actual outcomes significantly differing from those anticipated in the forward-looking statements.

The implementation of certain matters may require further decision-making processes, including approval by shareholders or the board of directors at the relevant time.

This document has been prepared as a reference for investors to assist in their investment decision-making. The Company and its employees make no guarantees or assurances regarding the content of this document and shall not bear any investment responsibility under any circumstances, including cases of negligence or other causes.

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1. Market Recap

● Market Recap

Target Updates

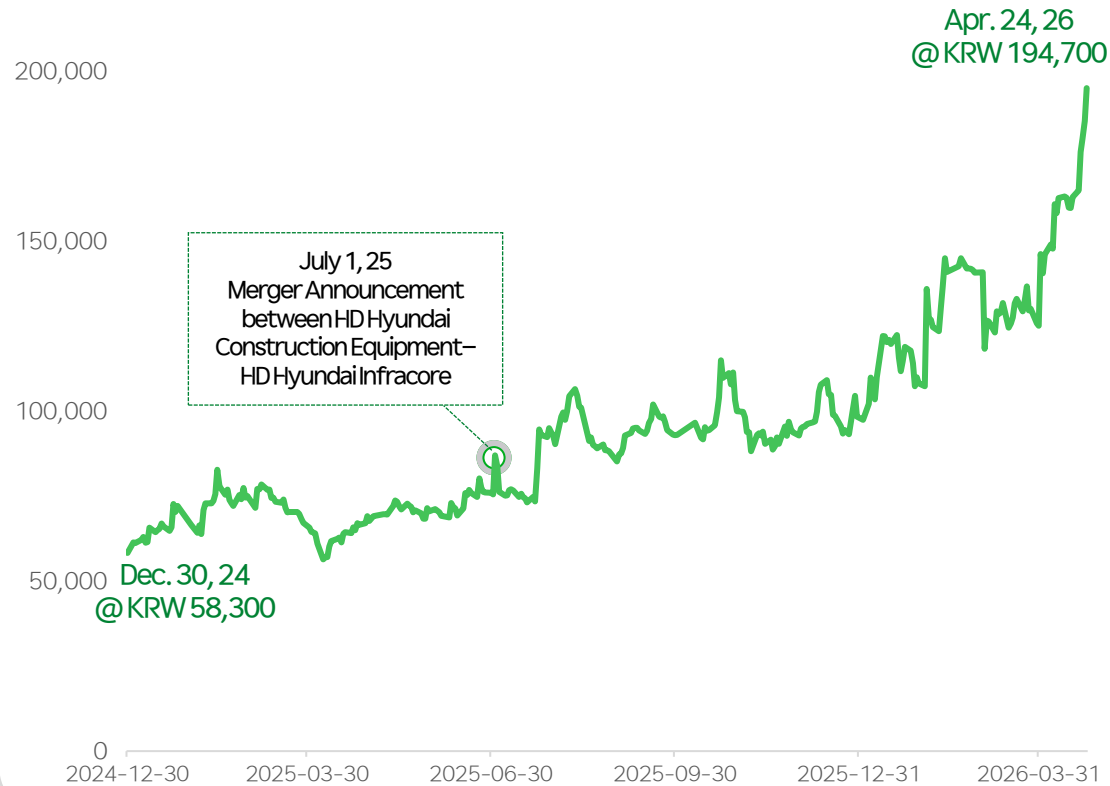
Action Plan Review

Communication Plan

Share Price

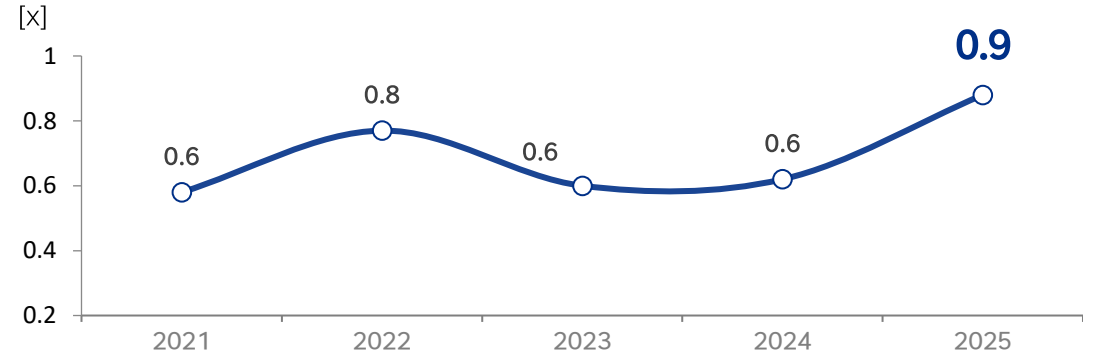
+234% share price return vs. year-end 2024

[KRW]



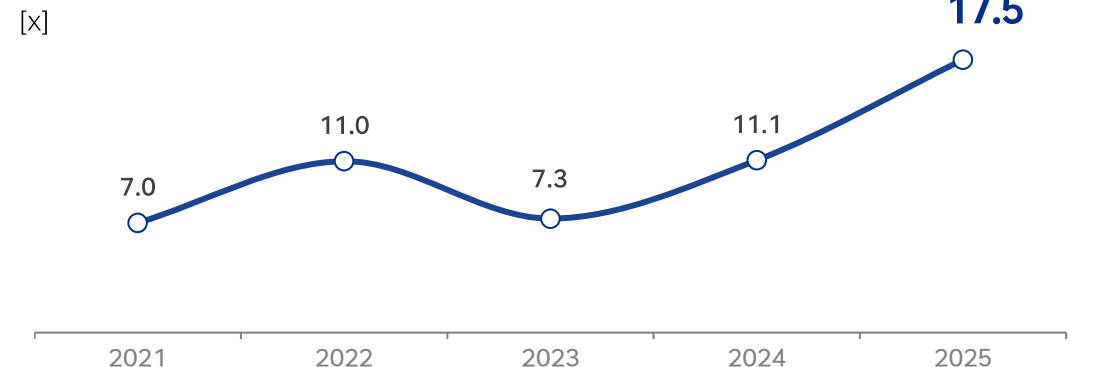
PBR

PBR 2023 0.6x → 2025 0.9x, Further improvement expected after the merger



PER

PER 2023 7.3x → 2025 17.5x



1) PBR(Price to Book Ratio) : Stock price at year-end / Book value per share at year-end
 2) PER (Price to Earnings Ratio): Stock price at year-end / Earnings per Share (controlling interest)
 3) HD Hyundai Construction Equipment on a standalone basis (pre-merger)

2. Target Updates

Market Recap

● Target Updates

Action Plan Review

Communication Plan

Shareholder Return Ratio¹

Targets	Progress (FY25)	Target Revision
<p>30%~</p> <p>FY24~26 • Separate Basis</p>	<p>30%</p> <p>Target Achieved</p> <p>Based on 30% of net income</p>	<p>Maintain (FY24~26) : 30%~</p> <ul style="list-style-type: none"> Shareholder value should continue to improve, supported by measures implemented towards profit growth after merger.

Revenue & EBIT Margin Target

<p>FY29 Revenue KRW 6 tr</p> <p>EBIT margin 10%~</p> <p>CAGR 8% (FY23~29)</p>	<p>FY25 Revenue KRW 3.8 tr</p> <p>EBIT margin 4.5% Achieved</p> <p>Revenue growth +10.2% YoY / EBIT margin -1.0%p</p>	<p>Upgrade (FY30) : Revenue KRW 14 tr, EBIT margin 11%~</p> <ul style="list-style-type: none"> Target upwardly revised : CAGR 12% (FY25~30, based on consolidated financials) Enhanced profitability target based on topline growth and operational synergies.
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ROE²

<p>FY29 12%~</p>	<p>FY25 ROE of 5.7 %</p> <p>-0.4%p YoY</p>	<p>Upgrade (FY30) : Above 15%</p> <ul style="list-style-type: none"> Ongoing efforts to support ROE enhancement through improved profitability.
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Key Governance Metrics³

<p>FY27 90%~</p>	<p>FY25 93%</p> <p>Outperformed Target</p> <p>(Fulfilled 14 out of 15 key metrics)</p>	<p>Upgrade (FY27) : 100%</p> <ul style="list-style-type: none"> (Non compliant items) Cumulative Voting → Cumulative voting is scheduled to be implemented from 2026.
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1) Shareholder Return Ratio : (Dividends + Buyback and Cancellation of Shares) / Net income on standalone financial statements × 100. Non-recurring factors, such as one-time gains and losses can be excluded.

In FY25, the combined standalone net income of HCE and HDI amounts to KRW 294.3 bn. Excluding one-time profit (KRW 75.6 bn dividend from HDI's Chinese subsidiary), the total shareholder return ratio (KRW 87.3 bn) stands at 40%.

2) ROE(Return on Equity) : Net income attributable to controlling interest / Average controlling interest equity (beginning and ending balances) Non-recurring factors, such as one-time gains and losses can be excluded.

3) Key Governance Metrics : Important indicators evaluating the transparency and fairness of a company's governance, calculated based on the compliance rate of 15 criteria designated by the Korea Exchange

3. Action Plan Review: Shareholder Return • Financials

Market Recap

Target Updates

● Action Plan Review

Communication Plan

Payout.

Stable Shareholder Returns
: Cash Dividends and Share Buyback & Cancellation

Shareholder Return Policy

- Declared a 3-year shareholder return policy (FY24~26)
- Plans to attain balance between long-term growth and shareholder returns

Proactive Shareholder Return

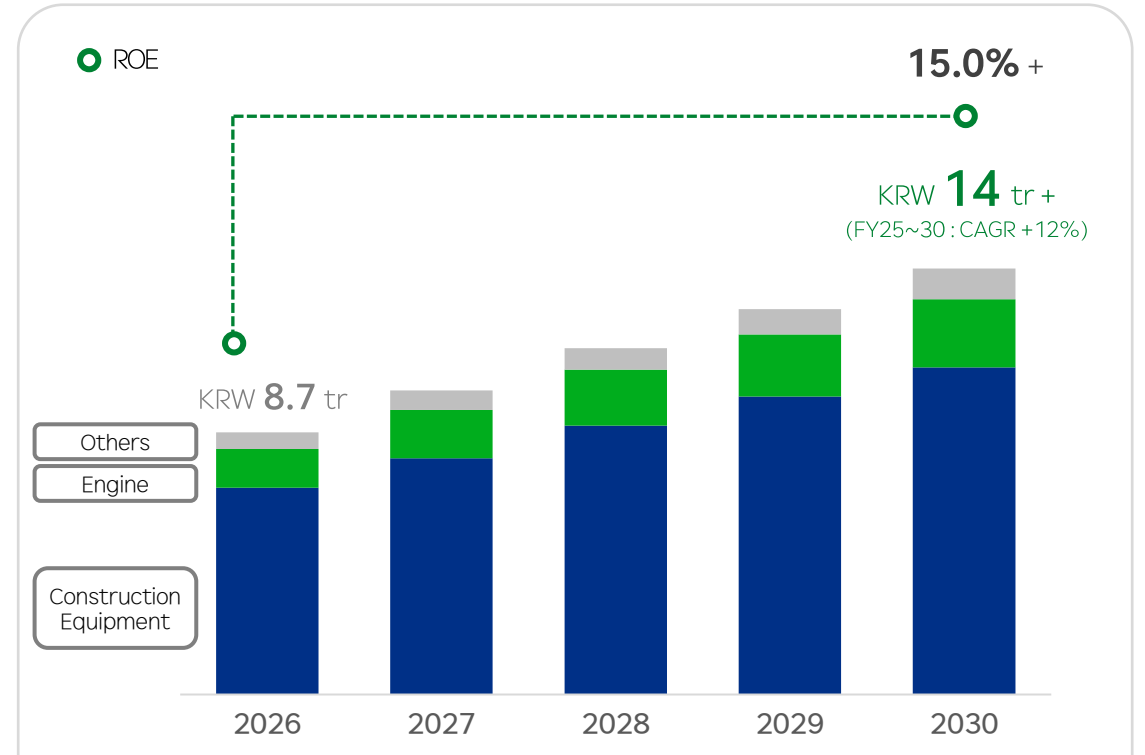
- Total Shareholder Return Ratio : 30%+ (separate basis)
- Flexible management between cash dividends and share buyback/cancellation to reflect the business environment and company's investment plans

Change in Dividend Record Date

- Change in record date for dividends : Dec.31 → Date determined by board of directors
- Enhanced dividend predictability by setting the record date after dividend announcement

Financial.

Acceleration in Revenue Growth & ROE Improvement



- Post-merger, the company plans to maximize regional sales synergies in the construction equipment division, strengthen the highly profitable AM business, and further nurture high-growth/high-margin businesses in the engine division. In addition, the company will pursue full-scale operational synergies with the ultimate goal of achieving growth targets across the businesses.

3. Action Plan Review: Construction Equipment

Market Recap

Target Updates

● Action Plan Review

Communication Plan

Initiative. Market-specific growth strategies by maximizing regional sales synergies

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DEVELON

- Rapid response to changes in the global market conditions
- Execute market-specific strategies on channel, product, service, facility, and finance
- Build an agile, market- and customer-focused organization

Management system established for 8 regional control basis : Pursue region-specific/region-differentiated strategies

- Enhance profitability across strategic markets
- Target mining markets in emerging markets
- Expand into compact biz, which has stable demand
- Strengthen highly profitable AM business

- Launch next-generation models targeting premium segment
- Develop and launch value and entry-level models

- Expand cross-production
- Increase exports from India, China and Brazil plants
- Enhance the strategic functions of integrated customization plants in North America & EU

Initiative. Strengthen high-profit AM • PS business

AM • PS Revenue : FY25 KRW 0.7tr → FY30 KRW 1.4tr

- Increase sales with extended warranty program to lock in customers beyond standard guarantees
- Optimize parts pricing
- Develop and expand sales of value parts
- Optimize the integrated global PDC network

Expand and upgrade customer support infrastructure to secure service competitiveness

Enhanced Product Support Capabilities

Increase Uptime Centers* 1.7 times	Resolve Claims within 48 Hours +2% / year	Jointly Utilize Global Training Centers 16 centers
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* Uptime Center: Digital remote monitoring and support hub for construction equipment

3. Action Plan Review: Construction Equipment

Market Recap

Target Updates

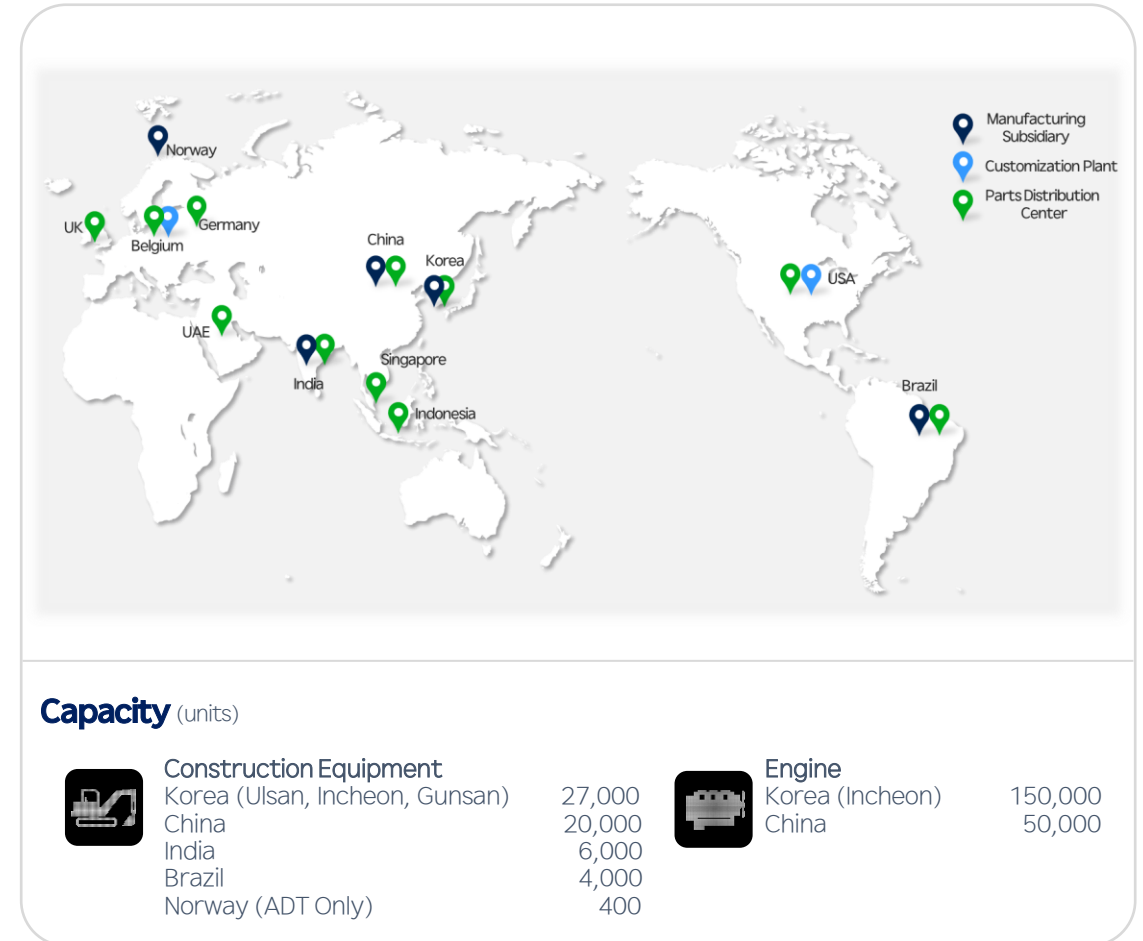
● Action Plan Review

Communication Plan

Initiative. Expand product portfolio



Initiative. Strengthen global network



3. Action Plan Review: Engine

Market Recap

Target Updates

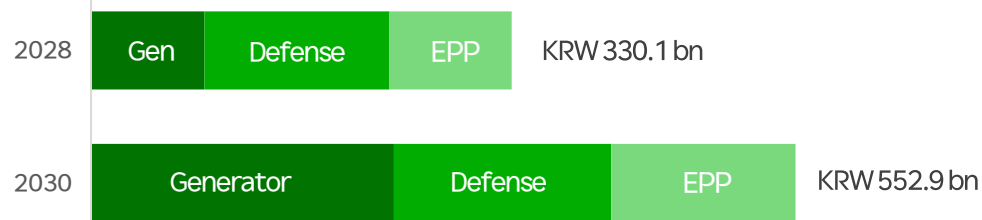
● Action Plan Review

Communication Plan

Initiative. Gunsan Plant investment to capitalize on growth opportunities in generators and defense engine biz



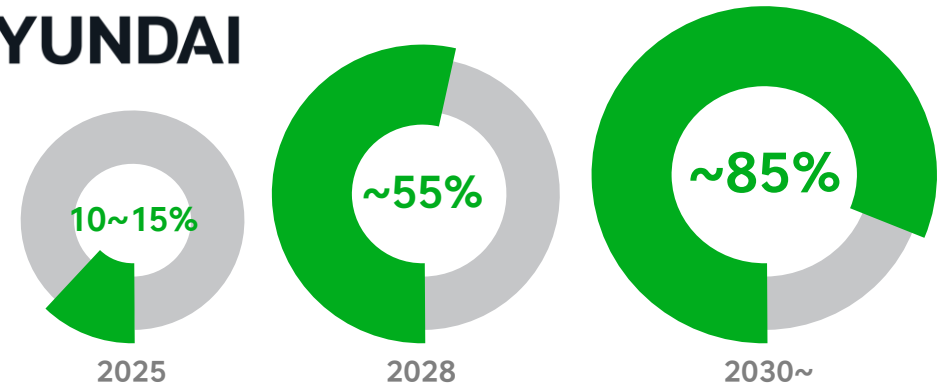
Revenue projection for Gunsan Plant



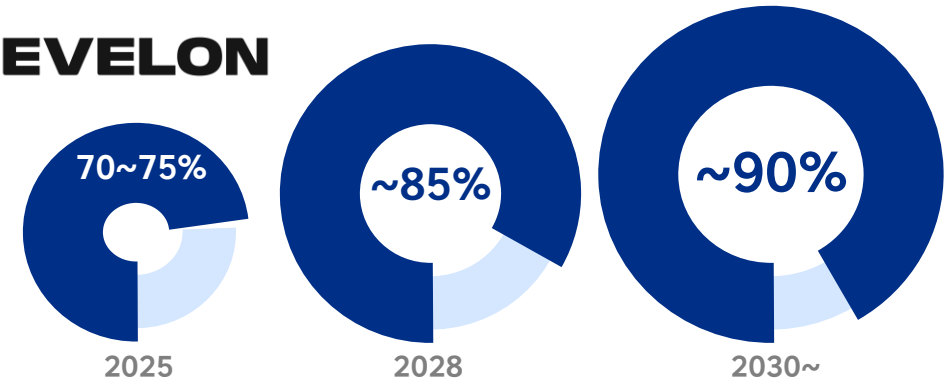
Initiative. Expand in-house engine portfolio

Develop industrial usage engine models DX12(Oct 2026) and DX22(Dec 2026) → Expand in-house engine line-up

HYUNDAI



DEVELON



3. Action Plan Review: R&D Roadmap

Market Recap

Target Updates

● Action Plan Review

Communication Plan

Initiative. R&D vision and strategic roadmap

Strengthen Core Competencies

- Maximize core product competitiveness such as high-performance engines and hydraulic systems
- Intuitive and efficient product design based on user experience

Technology innovation to create tangible value

- Apply systematic automation technology to improve on-site productivity
- Enhanced safety with smart features

Build a sustainable industrial eco-system

- Leadership in eco-friendly technologies such as electrification, hydrogen engines, and carbon neutrality
- Create a sustainable industrial ecosystem through ESG practices

Initiative. Eco-friendly construction equipment & powertrain



Hydrogen Engine



Hydrogen Excavator



E-PP*



Electric Excavator

* E-PP : E-Powerpack

4. Communication Plan

Market Recap

Target Updates

Action Plan Review

● Communication Plan

2025 IR Highlights

01

Merger of HD Hyundai Construction Equipment - HD Hyundai Infracore

- Proactive market communication and investor engagement regarding merger

02

Proactive disclosure and market feedback engagement

- Provide IR materials in KOR/ENG simultaneously on the IR website
- Proactive investor engagement and provision of key information

03

C-Level Seminars

- Overseas: Sep 2025 (Asia)

2025 IR Activities

2025 IR Activities
195

Category	Domestic/Overseas
Earnings Call	5
NDR	4
C-Level Seminar	1
Conference	6
Yard/Exhibition Tour	2
IR meeting	175
ESG meeting	2

Long-Term IR Initiatives

01

Expand analyst coverage + Efforts towards index inclusion

- Merger-driven performance improvement & market cap growth

02

Strengthen outreach to global investors

- Expand investor communication by region : Asia, US, and Europe
- Increase disclosure/reporting in English

03

Enhance communication channels

- Regular C-level sessions (Minimum twice a year)
- Routine Domestic and Overseas NDRs



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EQUIPMENT

