

2Q 2022 Earnings Release

HD HYUNDAI



Disclaimer

This report has been prepared by HD Hyundai Co., Ltd., indicated as "Company" below, for the purpose of promoting understanding of the company's business activities and it is prohibited to export, copy or redistribute the report.

"Predictive information" contained in this report is information that has not been subjected to individual verification. This refers to information related to future events, such as expected future management status and financial performance of the company. In terms of expressions, vocabulary such as 'prediction', 'forecast', 'plan', 'expectation', '(E)' are included.

The above "forecast information" is influenced by changes in the future business environment and inherently contains uncertainties. As a result of such uncertainties, actual future performance may significantly differ from those stated or implied in the "forecast information".

Furthermore, the outlook is based on current market conditions and the direction of the company management. Please be advised that changes may occur due to changes in the market environment and strategies, and are subject to change without notice.

Please note that the Company and its employees do not bear any responsibility for any loss resulting from the use of this material. (Including negligence and other cases)

Please do not copy or distribute this material as it contains the confidential information of the Company.

2Q 2022 Earnings Release

1. Summary of Financial Results
2. Financial Results by Companies
3. Hyundai Oilbank (Consolidated)
4. Korea Shipbuilding & Offshore Engineering (Consolidated)
5. Hyundai-Genuine (Consolidated)
6. Hyundai Electric & Energy Systems (Consolidated)
7. Hyundai Global Service (Consolidated)
8. Hyundai Robotics (Consolidated)
9. Non-operating Profit and Net Income
10. Financial Ratio

[Appendix]



1.1 Summary of Financial Results (Quarterly)



- Sales increased by 39.5% QoQ due to increased oil prices and the consolidation of Korea Shipbuilding & Offshore Engineering(KSOE)
- Operating profit increased by 53.5% due to improved profitability in refinery sector and solid earnings of major subsidiaries

(Unit : billion KRW)

		'22.2Q		'22.1Q	'21.2Q
		QoQ	YoY		
Sales	15,754.0	39.5%	148.9%	11,296.6	6,330.3
Operating Profit	1,235.9	53.5%	569.5%	805.0	184.6
OPM	7.8%	+0.7%p	+4.9%p	7.1%	2.9%
Non-operating Profit	56.8	-	-	(23.2)	(44.0)
Interest income (net)	(106.8)	-	-	(92.5)	(53.9)
Gain/Loss on Foreign exchange (net)	133.5	-	-	21.1	(6.4)
Profit before income taxes	1,292.7	65.3%	819.4%	781.8	140.6
Net Income	957.5	74.1%	4,292.2%	550.1	21.8
Profit attributable to Common shareowners	709.1	110.2%	Turned to Profit	337.3	(126.5)

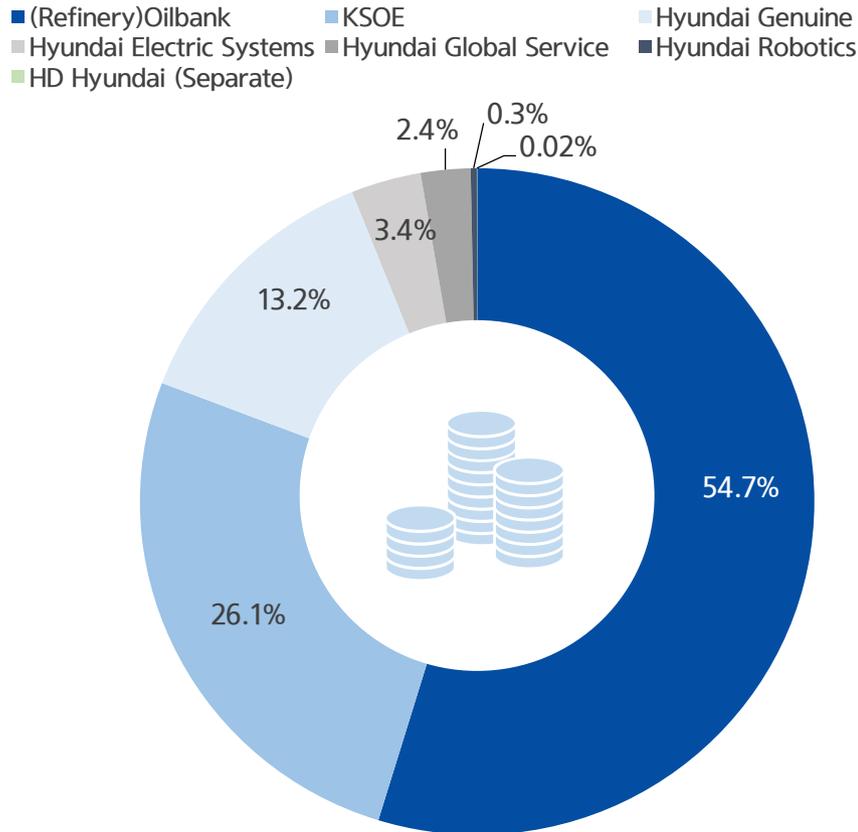
Note1. K-IFRS consolidated basis

Note2. Interest gain/loss : Interest income + interest expense

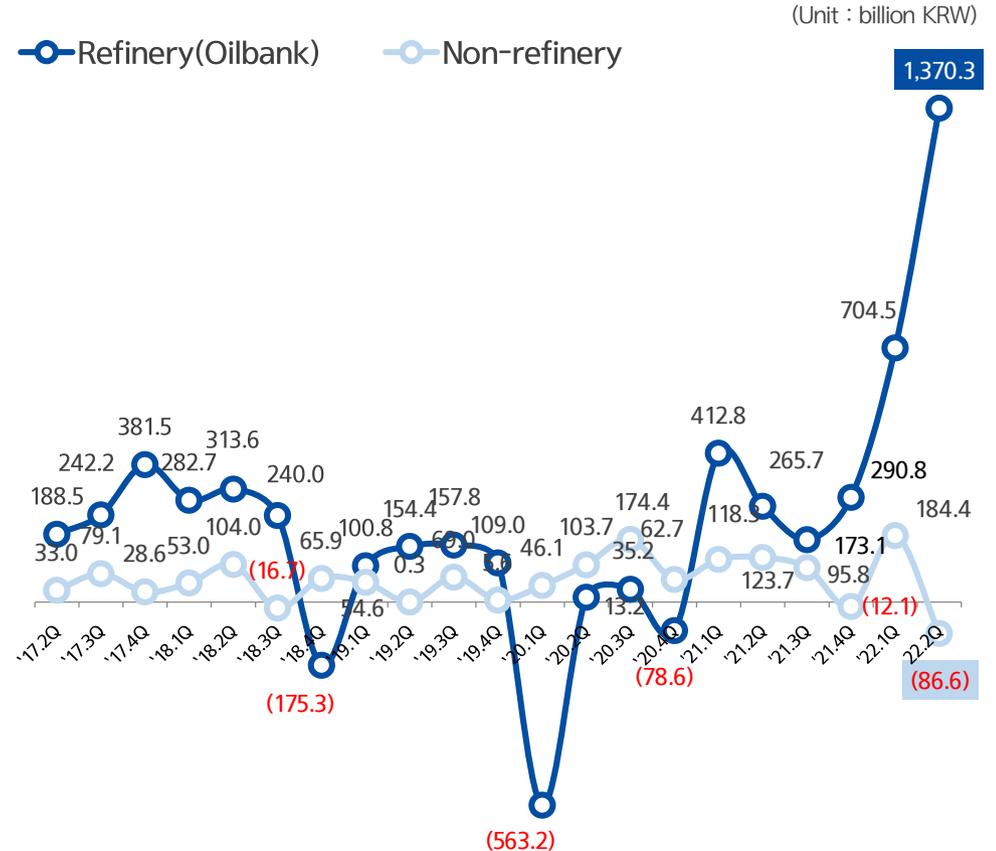
Note3. Gains/loss on Foreign exchange (net) : Gain and loss on foreign currency translation + Gain and loss on foreign currency transaction

1.2 Summary of Financial Results (Quarterly)

2Q 2022 Sales Composition



2Q 2022 Operating Profit (excluding equity method and dividend)



Note1. On the basis of consolidated sales excluding consolidated adjustments such as equity method gains/losses and inter-corporate dividends from HD Hyundai's consolidated financial statement (HD Hyundai : Separate basis)

Note2. Korea Shipbuilding & Offshore Engineering : Shipbuilding sub-holding company, consolidated on 2022 March. (Main subsidiaries : Hyundai Heavy Industries, Hyundai Mipo Dockyard, Hyundai Samho Heavy Industries)

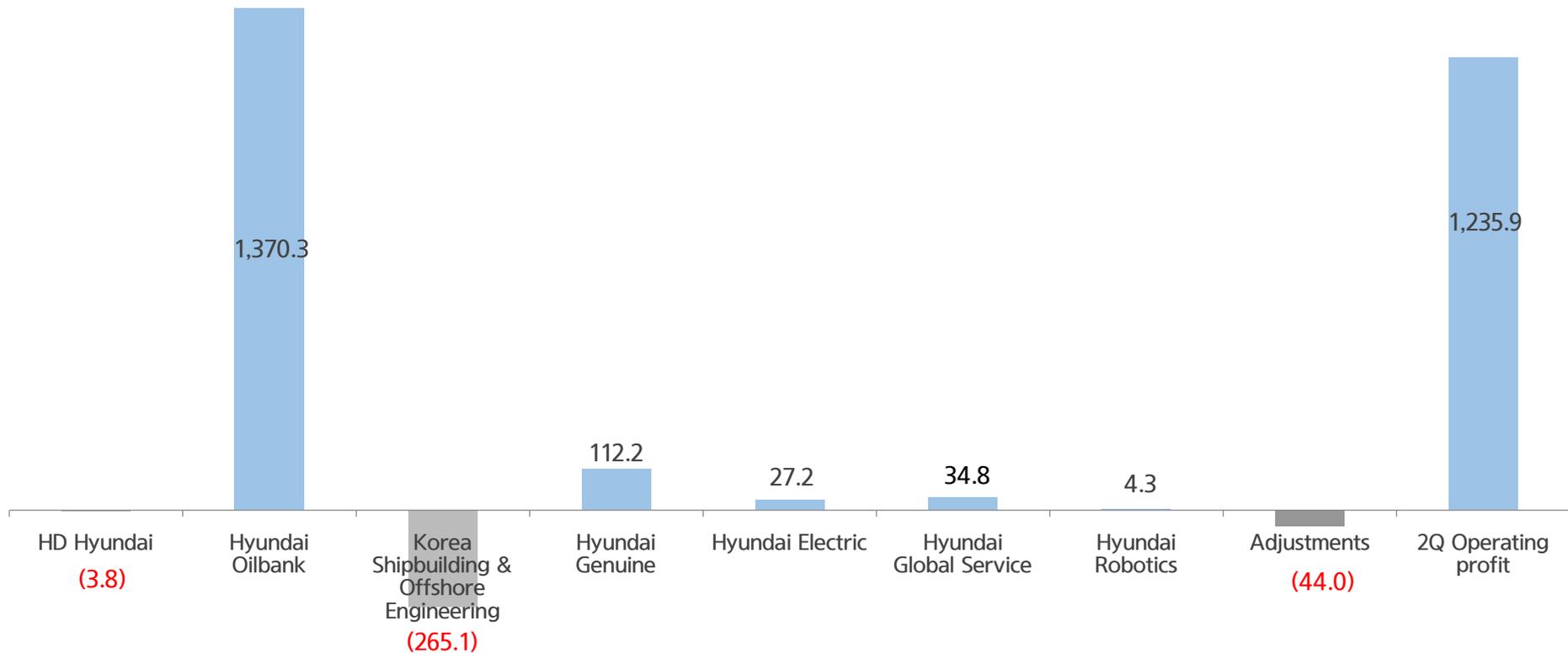
Note3. Hyundai Genuine : Construction Equipment sub-holding company. Consolidated on 2021 January. (Main subsidiaries : Hyundai Construction Equipment, Hyundai Doosan Infracore consolidated on 2021 August)

Note4. On the basis of consolidated operating profit excluding consolidated adjustments such as equity method gains/losses and inter-corporate dividends from HD Hyundai's consolidated financial statement

1.3 Summary of Financial Results (Quarterly)

2Q 2022 Operating profit Composition

(Unit : billion KRW)



Note1. Korea Shipbuilding & Offshore Engineering : Shipbuilding sub-holding company, consolidated on 2022 March.
 (Main subsidiaries : Hyundai Heavy Industries, Hyundai Mipo Dockyard, Hyundai Samho Heavy Industries)

Note2. Hyundai Genuine : Construction Equipment sub-holding company. Consolidated on 2021 January.
 (Main subsidiaries : Hyundai Construction Equipment, Hyundai Doosan Infracore consolidated on 2021 August)

2 Financial Results by Companies (Quarterly)



(Unit : billion KRW)

Category	'22.2Q			'22.1Q			'21.2Q			Remarks
	Sales	Operating Profit	OPM	Sales	Operating Profit	OPM	Sales	Operating Profit	OPM	
HD Hyundai	2.8	(3.8)	-135.7%	264.1	258.7	98.0%	2.4	(1.9)	-79.2%	* Dividend Income 22.1Q : 262.0 Billion KRW
Hyundai Oilbank	8,800.8	1,370.3	15.6%	7,242.6	704.5	9.7%	4,944.0	265.7	5.4%	
Korea Shipbuilding & Offshore Engineering	4,188.6	(265.1)	-6.3%	1,456.8	10.5	0.7%	-	-	-	
Hyundai Genuine	2,116.7	112.2	5.3%	2,144.4	133.8	6.2%	-	-	-	
Hyundai Construction Equipment	-	-	-	-	-	-	952.6	70.7	7.4%	
Hyundai Electric & Energy Systems	540.1	27.2	5.0%	351.8	16.7	4.7%	423.6	26.5	6.3%	
Hyundai Global Service	383.0	34.8	9.1%	300.1	24.3	8.1%	268.9	29.4	10.9%	
Hyundai Robotics	46.8	4.3	9.2%	43.6	(0.9)	-2.1%	55.6	(3.0)	-5.4%	
Equity Method Korea Shipbuilding & Offshore Engineering	-	-	-	(74.5)	(74.5)	-	(194.3)	(194.3)	-	
Adjustment	(324.8)	(44.0)	-	(432.3)	(268.1)	-	(122.5)	(8.5)	-	
Total	15,754.0	1,235.9	7.8%	11,296.6	805.0	7.1%	6,330.3	184.6	2.9%	

Note1. HD Hyundai : Parent basis

Note2. Hyundai Oilbank, Korea Shipbuilding & Offshore Engineering, Hyundai Genuine, Hyundai Electric & Energy Systems, Hyundai Global Service, Hyundai Robotics: Consolidated basis

Note3. Korea Shipbuilding & Offshore Engineering : Shipbuilding sub-holding company, consolidated on 2022 March. Equity method from 2022 Jan.~Feb.

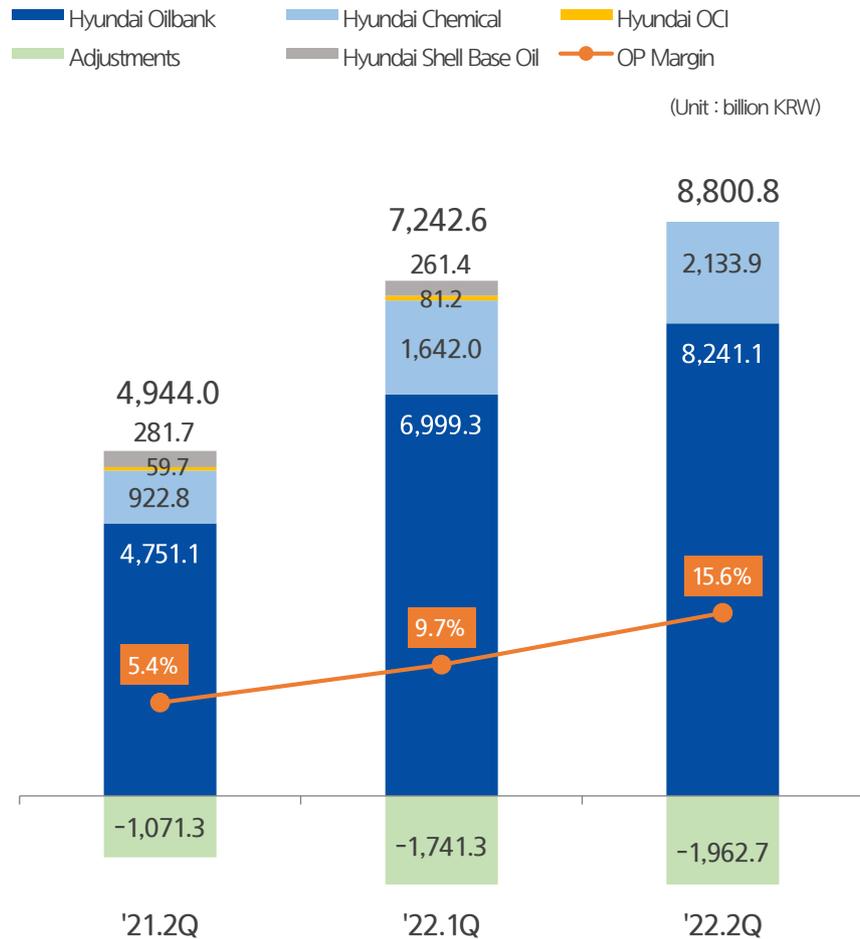
(Main subsidiaries : Hyundai Heavy Industries, Hyundai Mipo Dockyard, Hyundai Samho Heavy Industries)

Note4. Hyundai Genuine : Construction Equipment sub-holding company. Consolidated on 2021 January.

(Main subsidiaries : Hyundai Construction Equipment, Hyundai Doosan Infracore consolidated on 2021 August)

3. Hyundai Oilbank (Consolidated)

2Q 2022 Sales and Operating Profit Margin



Note1. Consolidated basis

- **Sales 8,800.8 billion KRW**

- Up by 21.5% QoQ
- Up by 78.0% YoY

- **Operating Profit 1,370.3 billion KRW, OPM 15.6%**

- Up by 94.5% QoQ
- Up by 415.7% YoY

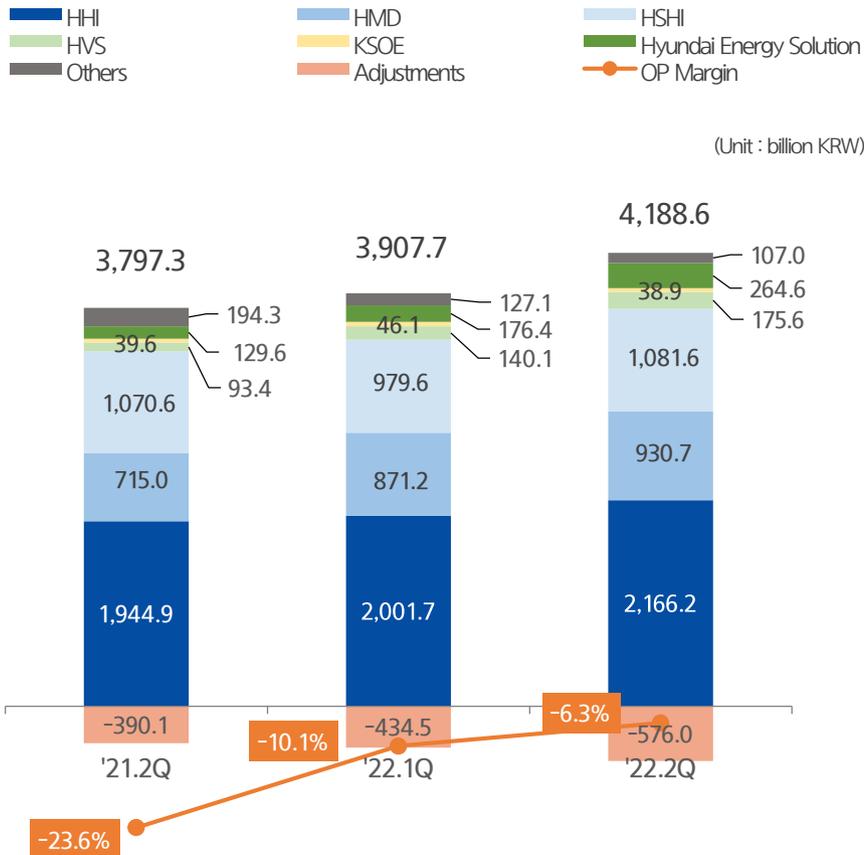
- **Analysis**

- (QoQ) Product margins improved due to rising oil prices and product cracks, entering the peak season and continuing low inventories.
(oil price: increase of 17.9\$/b in 1Q, increase of 12.0\$/b in 2Q)
- (YoY) Operating profit increased due to rising oil price and product cracks.
(Oil Price: 66.9\$/b → 108.5\$/b, Gasoline :6.9\$/b → 51.5\$/b)

4. Korea Shipbuilding & Offshore Engineering (Consolidated)



2Q 2022 Sales and Operating Profit Margin



- Sales 4,188.6 billion KRW

- Up by 7.2% QoQ
- Up by 10.3% YoY

- Operating Profit -265.1 billion KRW, OPM -6.3%

- Loss continued QoQ
- Loss continued YoY

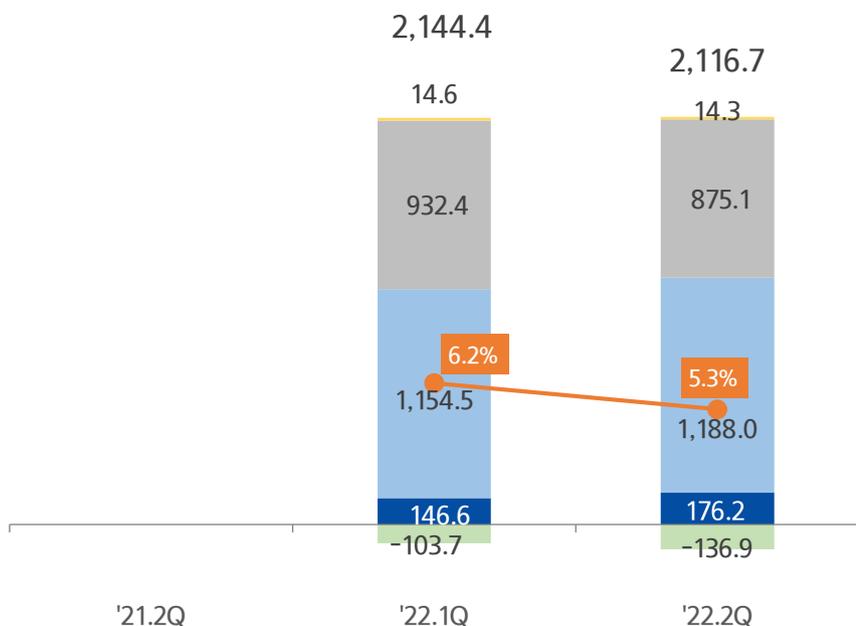
- Analysis

- (QoQ) Loss continued due to steel plate price increase, partial work suspension, and one-off loss such as contract cancelation fees of HSHI
- (YoY) Loss continued but minimized due to provisions set in Q2 as a result of steel plate price hike

Note1. Consolidated (Financial results from before consolidation has been included for the purpose of investors' convenience. Data is different from that of Korea Shipbuilding & Offshore Engineering's data on page 7)

5. Hyundai Genuine (Consolidated)

2Q 2022 Sales and Operating Profit Margin



- Sales 2,116.7 billion KRW**

- Down by 1.3% QoQ

- Operating Profit 112.2 billion KRW, OPM 5.3%**

- Down by 16.1% QoQ

- Hyundai Construction Equipment : Operating profit 36.7 bil. KRW, OP margin 4.2%

- Hyundai Doosan Infracore : Operating profit 86.6 bil. KRW, OP margin 7.3%

- Analysis**

- Despite the impact of the Chinese Covid-19 blockade, sales decreased slightly QoQ due to growth in emerging/developed markets and engine business.

- Operating profit decreased due to the impact of rising material and logistics costs and decreasing sales due to the blockade in China but profitability is defended through price increase efforts, product mix improvement, and improvement in engine business profitability.

- Sales and profitability expected to improve in the second half of the year through additional price increases.

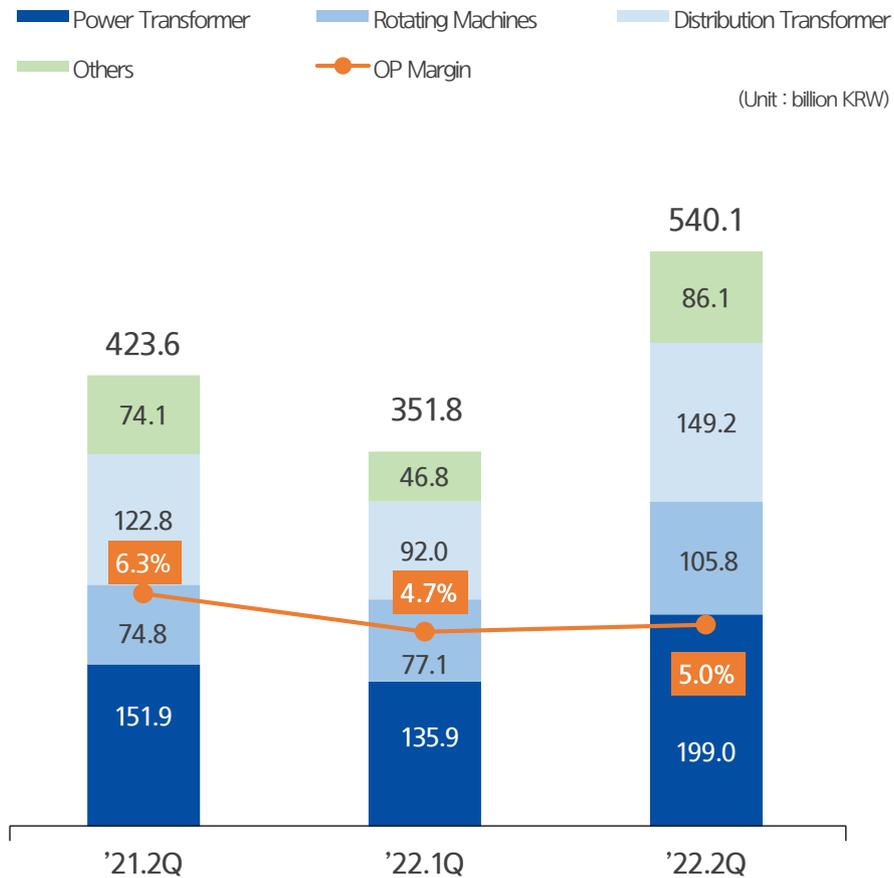
Note1. Consolidated basis

Note2. Hyundai Genuine : Construction Equipment sub-holding company. Consolidated on 2021 January. (Main subsidiaries : Hyundai Construction Equipment, Hyundai Doosan Infracore consolidated on 2021 August)

Note3. As 2Q 2021 was before consolidation of main subsidiary, no data

6. Hyundai Electric & Energy Systems (Consolidated)

2Q 2022 Sales and Operating Profit Margin



- **Sales 540.1 billion KRW**

- Up by 53.5% QoQ
- Up by 27.5% YoY

- **Operating Profit 27.2 billion KRW, OPM 5.0%**

- Up by 62.9% QoQ
- Up by 2.6% YoY

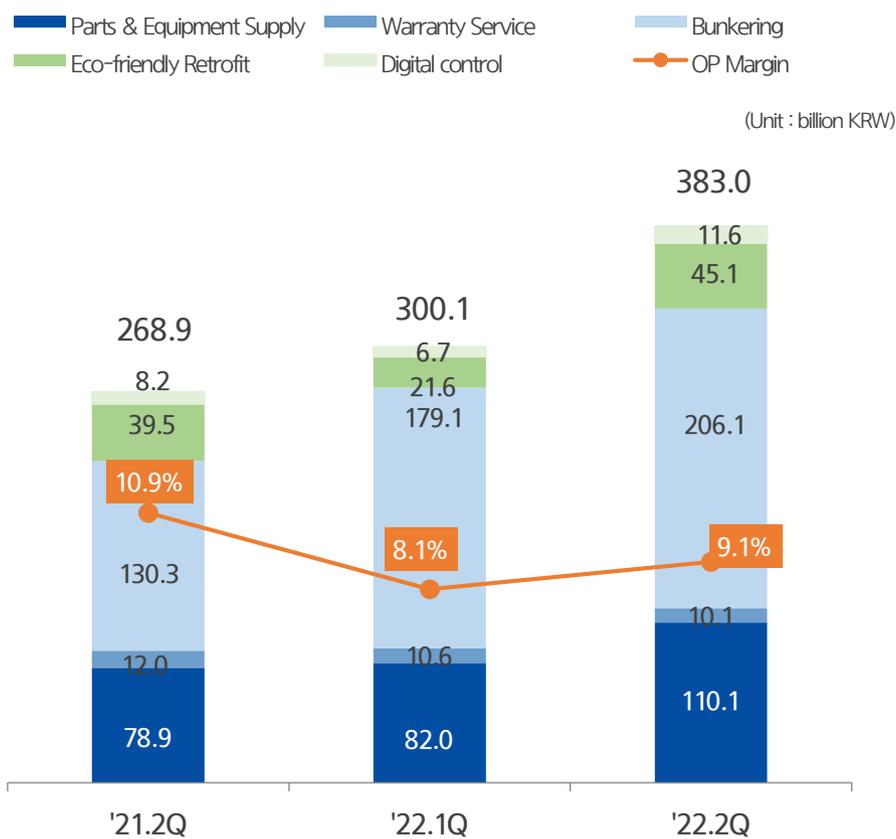
- **Analysis**

- (QoQ) Sales increased evenly across all sectors due to seasonal factors. Profitability also improved by positive operational leverage due to increased sales.
- (YoY) Sales and operating profit increased due to increase in orders following the improvement of market conditions.

Note1. Consolidated basis

7. Hyundai Global Service (Consolidated)

2Q 2022 Sales and Operating Profit Margin



- **Sales 383.0 Billion KRW**

- Up by 27.6% QoQ
- Up by 42.4% YoY

- **Operating Profit 34.8 Billion KRW, OPM 9.1%**

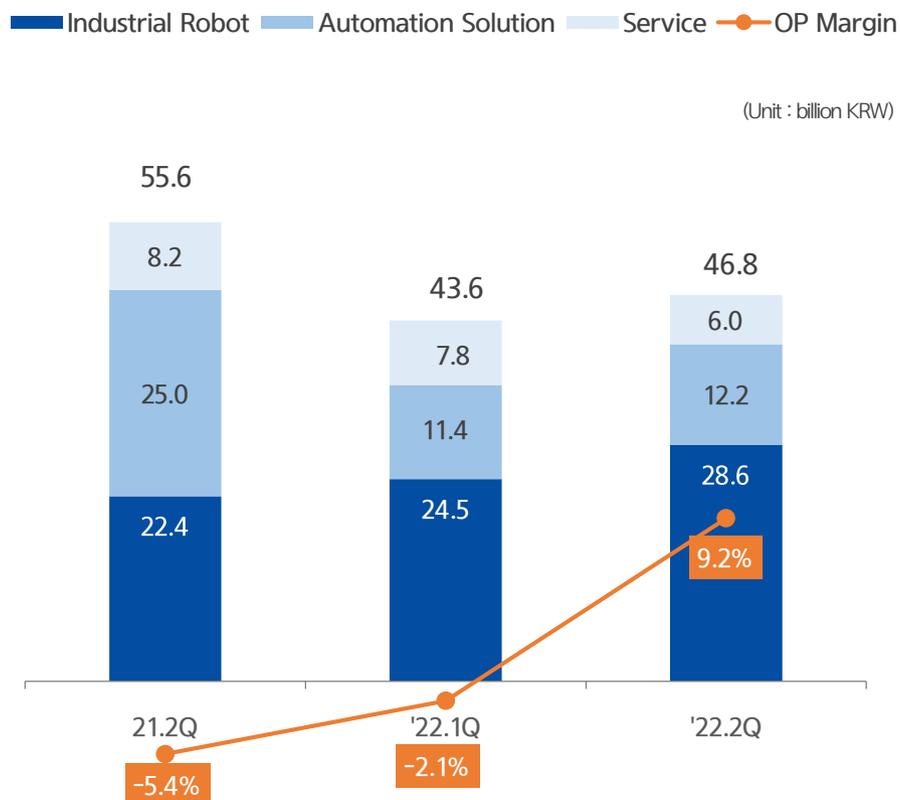
- Up by 43.2% QoQ
- Up by 18.4% YoY

- **Analysis**

- (QoQ) Sales and operating profit increased due to the overall increase in sales of all business segments.
- (YoY) The increase in orders/sales for parts service and eco-friendly retrofit drove overall sales growth, which led to strong operating profit.
- Overall sales are expected to increase in the second half of the year thanks to the expansion of orders for profitable parts service and new orders for eco-friendly businesses such as FSRU.

8. Hyundai Robotics (Consolidated)

2Q 2022 Sales and Operating Profit Margin



- **Sales 46.8 billion KRW**

- Up by 7.3% QoQ
- Down by 15.8% YoY

- **Operating Profit 4.3 billion KRW, OPM 9.2%**

- Turned to profit QoQ and YoY

- **Analysis**

- (QoQ, YoY) Profitability improved due to the effect of selective orders based on profitability

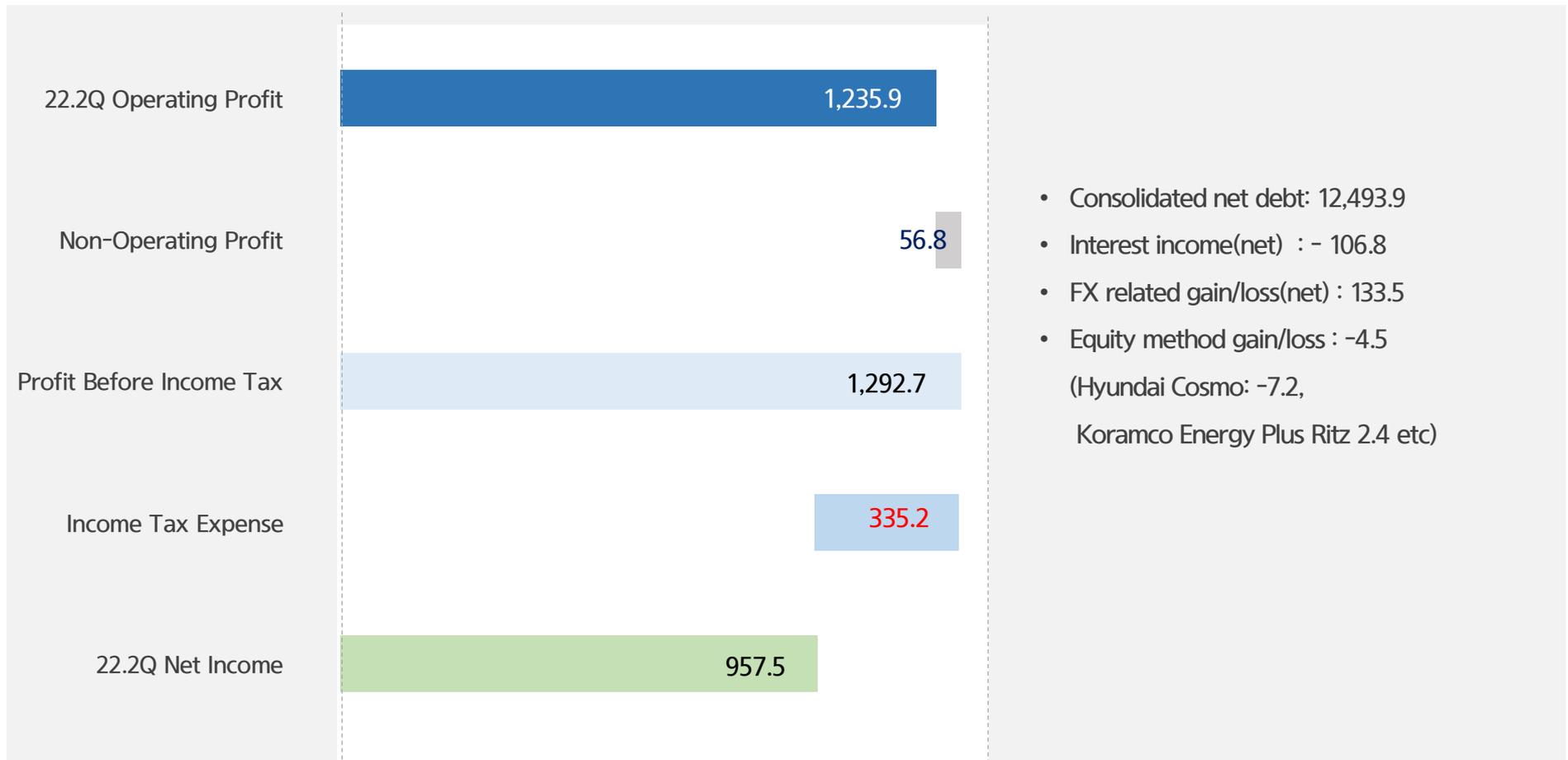
Note1. Consolidated basis

Note2. Established in 2020. May 1st following the spin off from HHI Holdings robotics division

9. Non-operating Profit and Net Income

2Q 2022 non-operating profit and net income

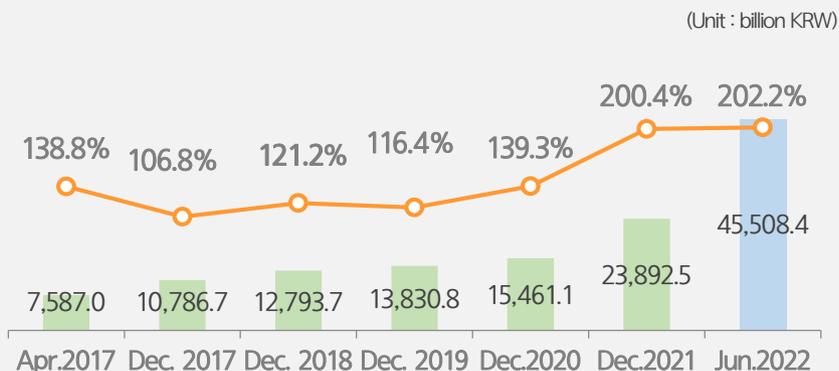
(Unit : billion KRW)



10. Financial Ratio

Consolidated Financial Ratio

Liabilities Ratio 202.2%



Net Debt Ratio 55.5%



* Net Debt(Consolidated) : Total Debt – Cash and Cash Equivalents

Financial Ratio of Major Affiliates

(Unit : billion KRW)

	Liabilities	Liabilities Ratio	Net Debt	Net Debt Ratio
HD Hyundai	2,820.6	50.3%	2,324.2	41.4%
Hyundai Oilbank	15,662.4	243.1%	7,390.3	114.7%
Korea Shipbuilding & Offshore Engineering	17,715.9	145.1%	13.1	0.1%
Hyundai Genuine	6,390.4	182.2%	2,727.8	77.8%
Hyundai Electric	1,607.7	236.9%	419.9	61.9%
Hyundai Global Service	322.8	232.7%	10.8	7.8%
Hyundai Robotics	79.6	11.1%	-54.2	-61.0%

Note1. HD Hyundai : Separate basis

Note2. Korea Shipbuilding & Offshore Engineering : Shipbuilding sub-holding company, consolidated on 2022 March.

Note3. Hyundai Genuine : Construction Equipment sub-holding company. Consolidated on 2021 January. (Main subsidiaries : Hyundai Construction Equipment, Hyundai Doosan Infracore consolidated on 2021 August)

[Appendix]

1. Consolidated Financial Statement of HD Hyundai
2. Consolidated Financial Statement of Hyundai Oilbank
3. Consolidated Financial Statement of Korea Shipbuilding & Offshore Engineering
4. Consolidated Financial Statement of Hyundai Genuine
5. Consolidated Financial Statement of Hyundai Global Service
6. Market Outlook by Companies
7. Mid/Long term direction of holdings company



1. Consolidated Financial Statements of HD Hyundai



Consolidated Income Statement

(Unit : billion KRW)

Category	'22.2Q	QoQ	YoY	'22.1Q	'21.2Q
	Sales	15,754.0	39.5%	148.9%	11,296.6
Cost of sales	13,824.6	38.4%	136.5%	9,991.1	5,846.3
Gross Profit	1,929.4	47.8%	298.6%	1,305.5	484.0
Operating Profit	1,235.9	53.5%	569.5%	805.0	184.6
OP Margin	7.8%	+0.7%p	+4.9%p	7.1%	2.9%
Non Operating Income/Expense	56.8	-	-	(23.2)	(44.0)
Profit before Tax	1,292.7	65.3%	819.4%	781.8	140.6
Income Tax	335.2	44.7%	182.2%	231.7	118.8
Net Income	957.5	74.1%	4,292.2%	550.1	21.8

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '19	Dec.31, '20	Dec.31, '21	Jun.30, '22
Current assets	9,938.3	8,049.1	13,402.4	33,512.2
(Cash & cash equivalents)	2,348.0	2,038.5	2,137.1	6,563.4
Non-current assets	15,780.3	18,509.9	22,413.3	34,499.6
Total assets	25,718.6	26,559.0	35,815.7	68,011.8
Current liabilities	8,046.0	6,336.4	11,650.2	28,327.8
(Short-term borrowings)	3,418.5	2,248.2	4,142.3	7,898.9
Non-current liabilities	5,787.9	9,124.7	12,242.3	17,180.6
(Long-term borrowings)	4,652.9	7,283.8	9,410.7	11,998.1
Total liabilities	13,833.9	15,461.1	23,892.5	45,508.4
Paid-in capital	81.4	81.4	81.4	81.4
Others	4,727.3	4,720.6	4,524.9	4,705.0
Retained earnings	3,183.3	2,213.0	1,701.4	2,310.5
Non-controlling interest	3,892.7	4,082.9	5,615.5	15,406.4
Total equity	11,884.7	11,097.9	11,923.2	22,503.4
Total liabilities & equity	25,718.6	26,559.0	35,815.7	68,011.8

Note1. K-IFRS consolidated basis

2. Consolidated Financial Statements of Hyundai Oilbank



Consolidated Income Statement

(Unit : billion KRW)

Category	'22.2Q			'22.1Q	'21.2Q
		QoQ	YoY		
Sales	8,800.8	21.5%	78.0%	7,242.6	4,944.0
Cost of Sales	7,273.8	13.8%	59.9%	6,390.0	4,549.5
Gross Profit	1,527.0	79.1%	287.1%	852.6	394.5
Operating Profit	1,370.3	94.5%	415.7%	704.5	265.7
OP Margin	15.6%	5.8%p	10.2%p	9.7%	5.4%
Non Operating Income/Expense	(265.4)	-	-	(98.1)	(38.1)
Equity method Gain/ Loss	(4.1)	-	-	(20.2)	(4.0)
Profit before Tax	1,104.9	82.2%	385.5%	606.4	227.6
Income Tax	286.9	67.1%	372.7%	171.7	60.7
Net Income	818.0	88.2%	390.1%	434.7	166.9

Note1. K-IFRS consolidated basis

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '19	Dec.31, '20	Dec.31, '21	Jun.30, '22
Current assets	4,565.4	3,294.6	5,384.2	9,028.4
(Cash & cash equivalents)	480.4	301.7	323.1	233.6
Non-current assets	8,290.5	11,383.6	12,841.8	13,076.3
Total assets	12,855.9	14,678.1	18,226.1	22,104.7
Current liabilities	4,086.7	3,239.4	5,238.7	7,719.3
(Short-term borrowings)	1,125.0	644.0	1,173.1	1,168.6
Non-current liabilities	3,327.6	6,167.8	7,226.5	7,943.1
(Long-term borrowings)	2,808.4	4,871.0	5,932.8	6,455.3
Total liabilities	7,414.3	9,407.2	12,465.3	15,662.4
Paid-in capital	1,225.4	1,225.4	1,225.4	1,225.4
Others	443.6	707.1	686.8	607.6
Retained earnings	3,110.1	2,535.0	2,824.9	3,594.1
Non-controlling interest	662.4	803.4	1,023.7	1,015.2
Total equity	5,441.6	5,270.9	5,760.8	6,442.3
Total liabilities & equity	12,855.9	14,678.1	18,226.1	22,104.7

3. Consolidated Financial Statements of KSOE



Consolidated Income Statement

(Unit : billion KRW)

Category	'22.2Q			'22.1Q	'21.2Q
		QoQ	YoY		
Sales	4,188.6	7.2%	10.3%	3,907.7	3,797.3
Cost of Sales	4,242.9	4.0%	-5.8%	4,081.8	4,505.7
Gross Profit	(54.3)	-	-	(174.1)	(708.4)
Operating Profit	(265.1)	-	-	(396.4)	(897.3)
OP Margin	-6.3%	+3.8%p	+17.3%p	-10.1%	-23.6%
Non Operating Income/Expense	113.8	-	-	13.5	(56.5)
Profit before Tax	(151.3)	-	-	(382.9)	(953.8)
Income Tax	(45.7)	-	-	(89.7)	(231.7)
Net Income	(105.6)	-	-	(293.2)	(722.1)

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '19	Dec.31, '20	Dec.31, '21	Jun.30, '22
Current assets	12,546.0	13,001.4	14,562.2	16,265.6
(Cash & cash equivalents)	3,136.1	3,703.4	4,567.5	4,753.0
Non-current assets	12,509.4	12,242.8	12,730.9	13,656.1
Total assets	25,055.4	25,244.2	27,293.1	29,921.7
Current liabilities	8,941.9	9,511.5	11,286.4	14,203.9
(Short-term borrowings)	2,811.3	3,746.1	2,375.2	3,277.5
Non-current liabilities	3,187.2	3,311.5	3,592.9	3,512.0
(Long-term borrowings)	2,510.3	2,644.3	2,837.1	2,117.2
Total liabilities	12,129.1	12,823.0	14,879.3	17,715.9
Paid-in capital	353.9	353.9	353.9	353.9
Others	-4,967.6	-4,866.7	-4,964.5	-4,911.8
Retained earnings	16,180.6	15,419.1	14,467.2	14,145.7
Total equity	12,926.3	12,421.2	12,413.8	12,205.8
Total liabilities & equity	25,055.4	25,244.2	27,293.1	29,921.7

Note1. K-IFRS consolidated basis

4. Consolidated Financial Statements of Hyundai Genuine



Consolidated Income Statement

(Unit : billion KRW)

Category	'22.2Q			'22.1Q	'21.2Q
		QoQ	YoY		
Sales	2,116.7	-1.3%	-	2,144.4	-
Cost of Sales	1,725.2	-2.1%	-	1,762.7	-
Gross Profit	391.5	2.6%	-	381.7	-
Operating Profit	112.2	-16.1%	-	133.8	-
OP Margin	5.3%	-0.9%p	-	6.2%	-
Non Operating Income/Expense	(18.0)	-	-	6.5	-
Equity method Gain/ Loss	(0.022)	-	-	0.038	-
Profit before Tax	94.1	-32.9%	-	140.3	-
Income Tax	34.4	-18.1%	-	42.0	-
Net Income	59.7	-39.3%	-	98.3	-

Note1. K-IFRS consolidated basis

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '19	Dec.31, '20	Dec.31, '21	Jun.30, '22
Current assets	-	-	5,842.1	6,159.3
(Cash & cash equivalents)	-	-	1,122.2	1,163.2
Non-current assets	-	-	3,823.3	3,739.1
Total assets	-	-	9,665.4	9,898.4
Current liabilities	-	-	4,248.6	4,459.9
(Short-term borrowings)	-	-	2,113.8	2,537.6
Non-current liabilities	-	-	2,116.1	1,930.5
(Long-term borrowings)	-	-	1,697.1	1,475.3
Total liabilities	-	-	6,364.7	6,390.4
Paid-in capital	-	-	8.1	8.1
Others	-	-	954.8	963.8
Retained earnings	-	-	-26.0	17.3
Non-controlling interest	-	-	2,363.8	2,518.8
Total equity	-	-	3,300.7	3,508.0
Total liabilities & equity	-	-	9,665.4	9,898.4

5. Consolidated Financial Statements of Hyundai Global Service



Consolidated Income Statement

(Unit : billion KRW)

Category	'22.2Q			'22.1Q	'21.2Q
		QoQ	YoY		
Sales	383.0	27.6%	42.4%	300.1	268.9
Cost of Sales	336.2	27.0%	44.9%	264.7	232.1
Gross Profit	46.8	32.1%	26.8%	35.4	36.9
Operating Profit	34.8	43.2%	18.4%	24.3	29.4
OP Margin	9.1%	+1.0%p	-1.9%p	8.1%	10.9%
Non Operating Income/Expense	8.6	-	-	1.1	(0.5)
Profit before Tax	43.3	70.3%	49.9%	25.4	28.9
Income Tax	10.8	68.1%	59.9%	6.4	6.8
Net Income	32.5	71.0%	47.8%	19.0	22.0

Note1. K-IFRS consolidated basis

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '19	Dec.31, '20	Dec.31, '21	Jun.30, '22
Current assets	569.3	428.3	384.8	422.9
(Cash & cash equivalents)	168.9	93.7	87.1	69.0
Non-current assets	26.2	35.6	33.7	38.6
Total assets	595.5	463.9	418.5	461.5
Current liabilities	283.9	200.6	221.8	309.6
(Short-term borrowings)	-	-	21.9	79.7
Non-current liabilities	3.4	9.0	41.8	13.2
(Long-term borrowings)	-	-	30.0	-
Total liabilities	287.3	209.6	263.7	322.8
Paid-in capital	20.0	20.0	20.0	20.0
Others	105.2	20.0	21.6	23.6
Retained earnings	183.0	214.3	113.3	95.1
Total equity	308.2	254.3	154.9	138.7
Total liabilities & equity	595.5	463.9	418.6	461.5

6.1 Market Outlook by Companies

2022. 3Q Outlook

2022 Outlook

Hyundai Oilbank

- **Dubai Oil Price**
: Demand recovers post COVID-19 despite recession concerns, OPEC+ support expected due to reduced production capacity and supply disruption
- **Product Crack**
: Gasoline Cracks, which surged in the previous quarter, are expected to stabilize due to a decrease in demand during the peak season. Diesel/Kerosene crack, despite the impact of the recession, strong fenders are expected to remain in a limited supply.

- **Dubai Oil Price**
: It is expected to show stability amid concerns about an economic recession and a shortage of production capacity.
- **Product Crack**
: Gasoline 10~15\$/B, Gasoil 35~40\$/B

Korea Shipbuilding & Offshore Engineering

- Large LNG carrier order trend continues due to increased demand for eco-friendly fuel and high freight rates, stronger environmental regulations, scarcity of ships will lead to a continuation of container ship orders
- New shipbuilding price hikes expected to continue due to global inflation and supply limit of main shipbuilding companies

- **2022 business goals : Sales : 18.4 trillion KRW, New orders : 19.45 billion USD (Shipbuilding 15.1 billion USD)**
- Recorded 16.0 billion USD of new orders by the end of Q2, which is 82.3% of the yearly target, and expect to exceed the yearly target 19.45 billion USD
- New shipbuilding price hikes expected to continue due to global inflation and supply limit of main shipbuilding companies

Hyundai Construction Equipment

- In the case of advanced markets, solid orders are expected to remain focused on mid-to-large-sized companies due to continued investment in infrastructure, In the case of emerging markets, high demand is expected to be maintained mainly in resource-possible countries due to high oil prices and continued demand for raw materials.
- Profitability is expected to improve when considering the effect of shipping carry-over 300 units of equipment from July due to bad weather at the end of June.

- A gradual recovery is expected in the Chinese market amid the continued positive trend in advanced and emerging markets.
- Sales prices are expected to rise in areas with strong demand in the second half of the year, and profitability is expected to improve as steel prices are adjusted due to falling iron ore prices.

Hyundai Doosan Infracore

- In the off-season in China, demand is expected to gradually recover if the government-led economic stimulus package becomes visible after September.
- Sales and profitability are expected to improve through additional price increases, while demand in emerging and advanced markets and engine business continue to brisk.

- As demands for global infrastructure investment remain stable, operating profit is expected to improve YoY through expansion of the construction equipment market and engine business as well as increased product price and product mix.

6.2 Market Outlook by Companies

2022. 3Q Outlook

2022 Outlook

Hyundai Electric

- Following improved market conditions, there has been a rise in order from the Middle East, US, and ship equipment. This trend will continue in Q3

- 2022 business goals :

Sales : 2.1 trillion KRW, Orders : 1.83 billion USD

- Orders continue to increase steadily based on the favorable market conditions at the beginning of the year. Expect to achieve the originally announced orders and sales guidance.
- Recorded 1.65 billion USD of new orders by the end of Q2, which is 90.2% of the yearly target, and expect to exceed the yearly target 1.83 billion USD
- Together with improvements in supply and continued profitability oriented orders, expect a steady trend for profit

Hyundai Global Service

- The strong order trend for parts service sector from the first half of year is expected to continue in the second half of the year. And eco-friendly retrofit FSRU is also expected to receive full-scale orders from 3Q.
- Especially Considering the close face-to-face sales to domestic and foreign customers that resumed in earnest as of the end of the first half of 2022, the overseas sales corporations that started operating in a pre-COVID state, and the operating conditions of customers, stable sales are expected in the future.

- 2022 business goals :

Sales : 1.3 trillion KRW, Order : 1.37 billion USD

- Recorded 0.66 billion USD of new orders by the end of Q2, which is 48.2% of the yearly target, and expect to achieve the yearly target 1.37 billion USD
- Parts/Services business is expected to continue its growth. The eco-friendly retrofit is expected to increase new orders for DF and FSRU modifications as the importance of energy security is highlighted due to the strengthening of environmental regulations and the Russian-Ukraine war.

Hyundai Robotics

- Decrease in new investments among the following increased reutilization of automobile industry and reduced investments in the display sector, but the robot parts related business is expected to be strong in Q3

- As the global economy is expected to recover, the demand for automation and unmanned technology will increase in the manufacturing and service industries, and the scope of application of robots based on technological development is expected to expand

