

4Q 2017 Earnings Release

HYUNDAI ROBOTICS

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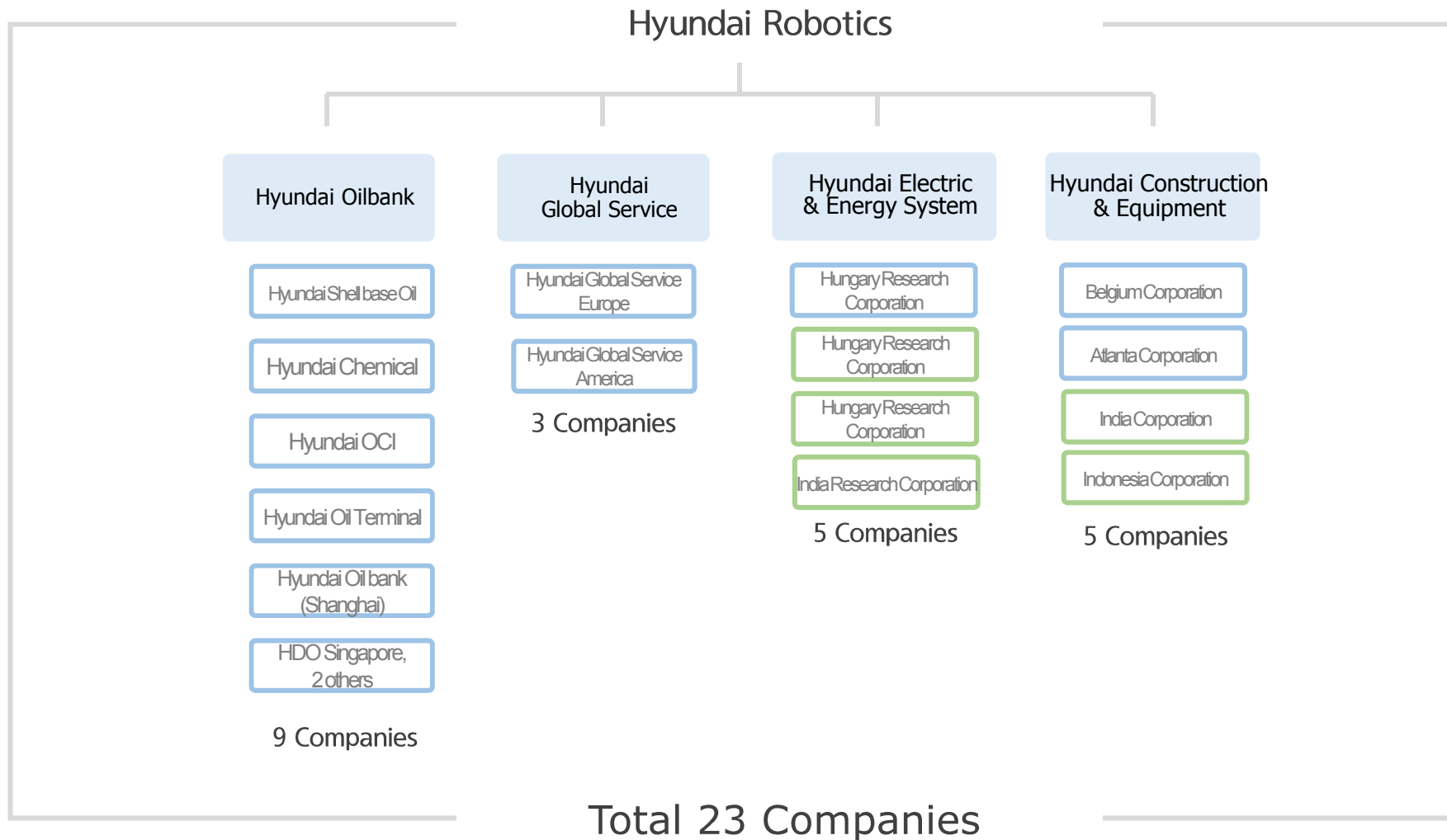
Chapter 1.

Consolidated Subsidiaries

1. Consolidated subsidiaries

Hyundai Robotics

'4Q 2017



Chapter 2.

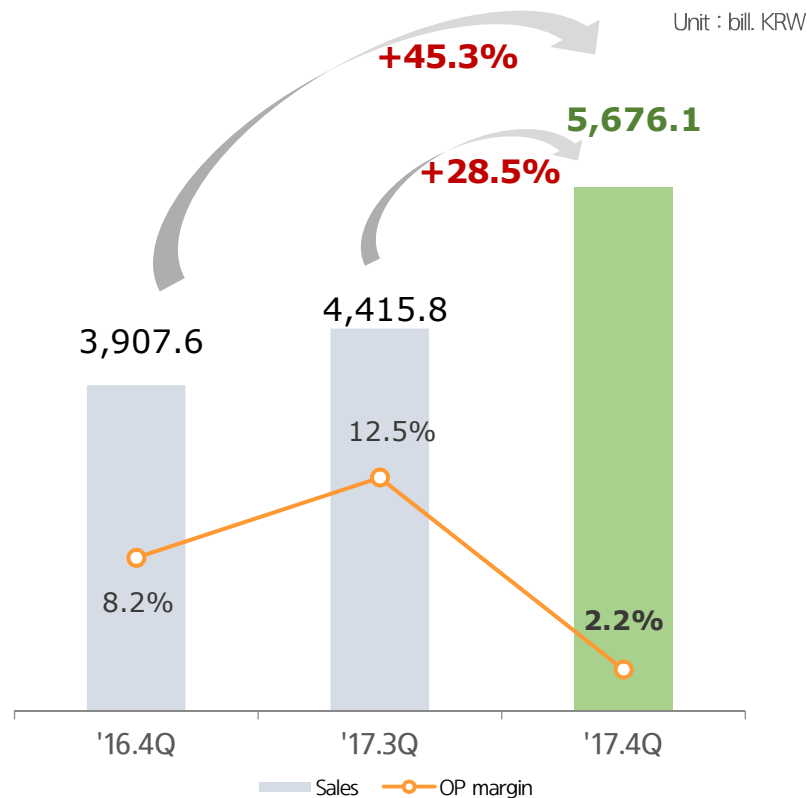
'4Q 2017 Earnings

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1. 4Q 2017 Consolidated Earnings

Hyundai Robotics

4Q 2017 Consolidated Sales & Operating Profit



Sales & Operating Profit Analysis

Sales

- YoY **+453%**
 - Sales growth in Refinery segment on the back of oil prices rise
 - Hyundai Electric and Hyundai Construction & Equipment are consolidated
- QoQ **+285%**
 - Sales Increase in refinery segment due to termination of regular maintenance and oil price increase
 - Consolidated period of Hyundai Electric and Hyundai Construction & Equipment has increased to three months in 4Q from two months in 3Q

Operating Profit

- YoY **-615%**
- QoQ **-77.7%**
 - Operating profit declined due to equity-method losses of KRW 217.6 from Hyundai Heavy Industries (3Q17 equity-method gains of KRW200.6 from HHI)

Note 1) '17 3Q, '17 4Q. K-IFRS Consolidated

Note 2) The numbers of '16. 4Q have been prepared by the Company as a reference only for investors.

2. Consolidated Earnings by Segment

Hyundai Robotics

4Q 2017 Consolidated Earnings by Segment

Unit : bill. KRW

	'17.4Q			'17.3Q			'16.4Q		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Robotics	77.2	4.5	5.8%	323.4	270.6	83.7%	78.0	6.2	7.9%
Refinery	4,694.6	401.5	8.6%	3,339.3	274.7	8.2%	3,812.0	317.0	8.3%
Electric & Energy System	489.3	1.5	0.3%	357.3	30.2	8.5%	-	-	-
Construction & Equipment	590.3	15.2	2.6%	407.3	29.5	7.2%	-	-	-
Others & Adjustments	(175.3)	(299.7)	-	(11.5)	(52.8)	-	17.6	(4.1)	-
Consolidated Total	5,676.1	123.0	2.2%	4,415.8	552.2	12.5%	3,907.6	319.1	8.2%

Note1) Robotics : Non Consolidated

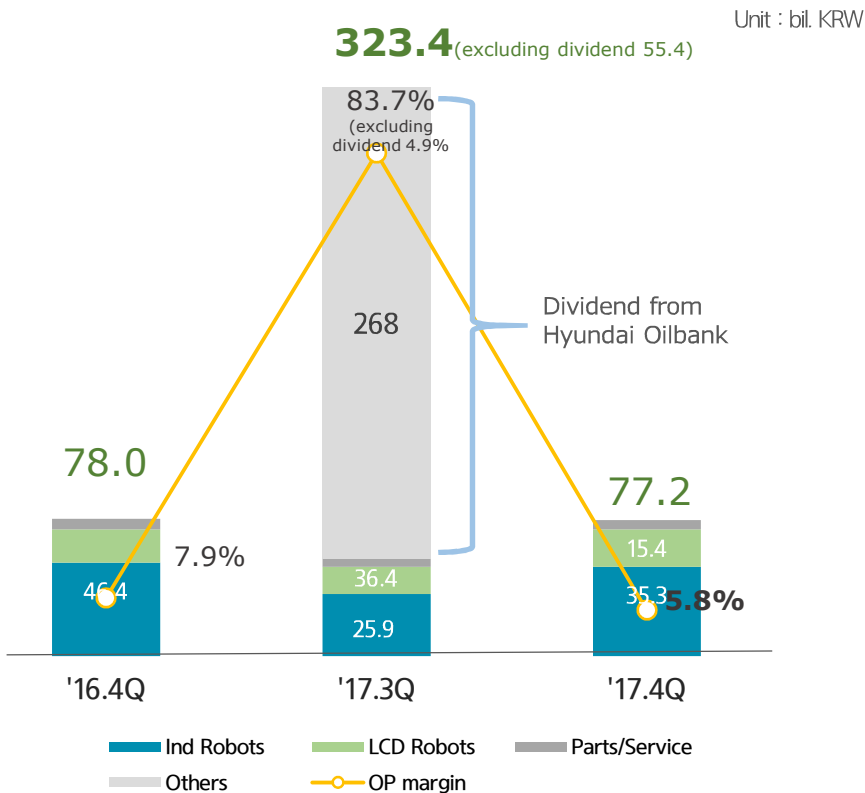
Note2) Refinery, Electric & Energy System, Construction & Equipment : consolidated

Note3) Only two months of Aug. and Sep. earnings are reflected on the above '17.3Q results of Electric&Energy System and Construction&Equipment since the Hyundai Robotics' acquisition date of the subsidiaries is considered August 1, 2017.

3. Sales & Operating Profit Analysis (Robotics)

Hyundai Robotics

Sales & Operating Profit



Note1) non-consolidated results of Hyundai Robotics

Note2) Others in '17. 3Q is dividend from Hyundai Oilbank(268bn KRW)

Sales & Operating Profit Analysis

Sales

- YoY -1.0%
- QoQ -76.1%
- Sales decrease due to dividend income from Hyundai Oilbank in the previous quarter
- Robot sales increase on the back of Kia Motors' overseas plant investment and facility investment at domestic and overseas LCD makers

Operating Profit

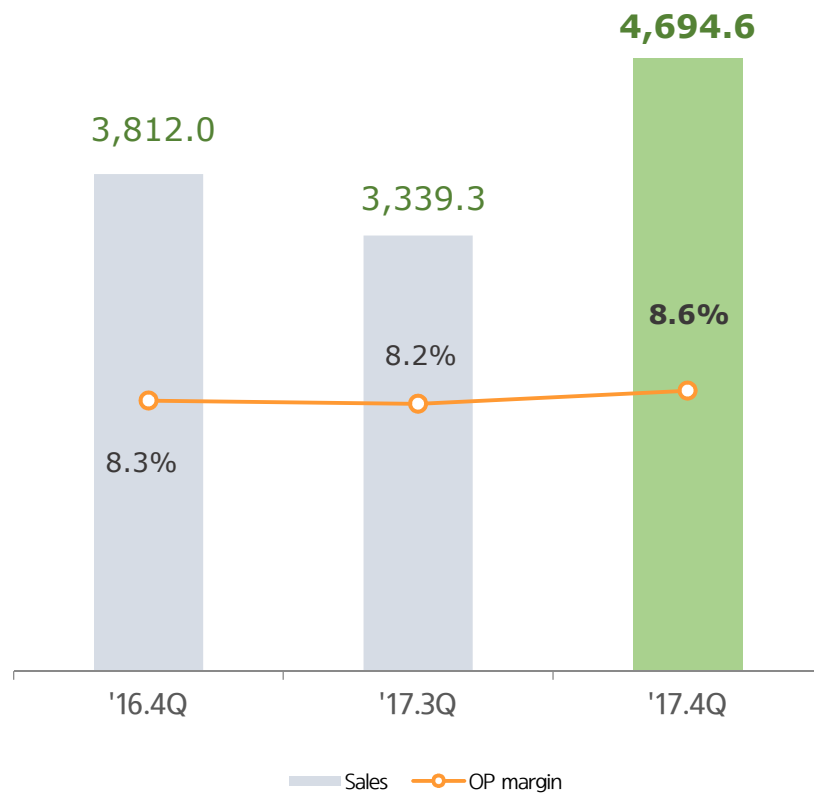
- YoY -27.4%
- One off cost incurred regarding wage negotiation costs
- QoQ -98.3%
- Profit decline due to dividend income from Hyundai Oilbank in the previous quarter

4. Sales & Operating Profit Analysis (Refinery)

Hyundai Robotics

Sales & Operating Profit

Unit : bil. KRW



Note) Consolidated results of Hyundai Oilbank

Sales & Operating Profit Analysis

Sales

- YoY +23.2 %, QoQ +40.6%
- Sales increase due to termination of regular maintenance and oil price increase

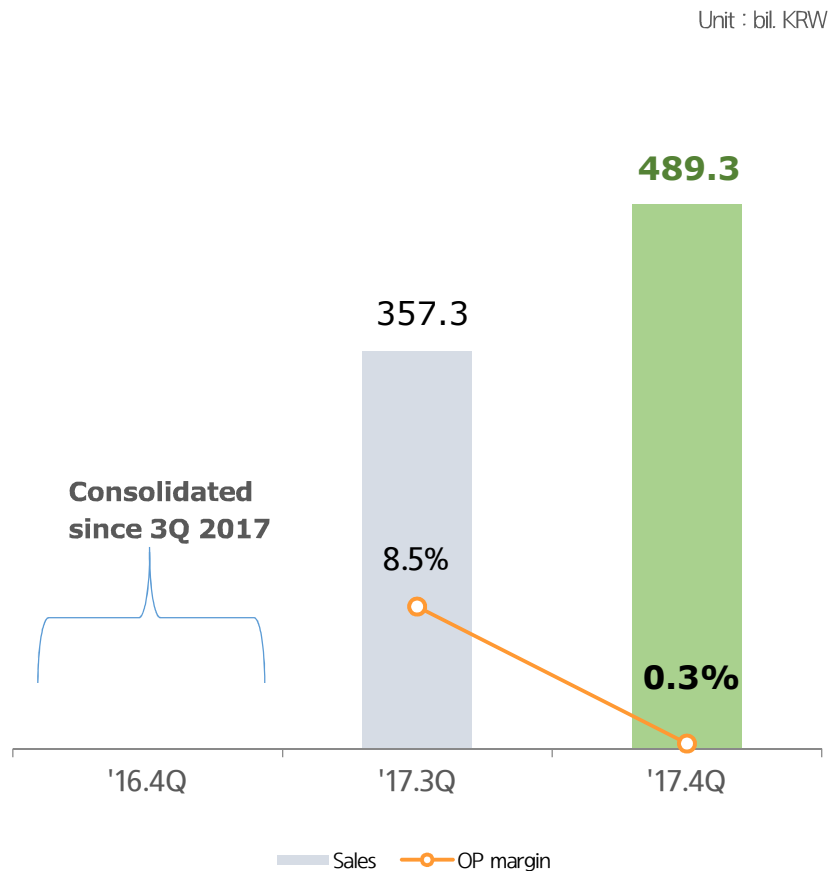
Operating Profit

- YoY +26.7%, QoQ +46.2%
- Operating profit increase due to sales volume increase after regular maintenance and improvement in refining margin

5. Sales & Operating Profit Analysis (Electric & Energy System)

Hyundai Robotics

Sales & Operating Profit



Note) Consolidated results of Hyundai Electric & Energy System
(only Aug, Sep reflected to '17. 3Q results)

Sales & Operating Profit Analysis

Sales

- Sales 489.3 bil KRW
- Consolidated period increase from two months in 3Q to three months in 4Q

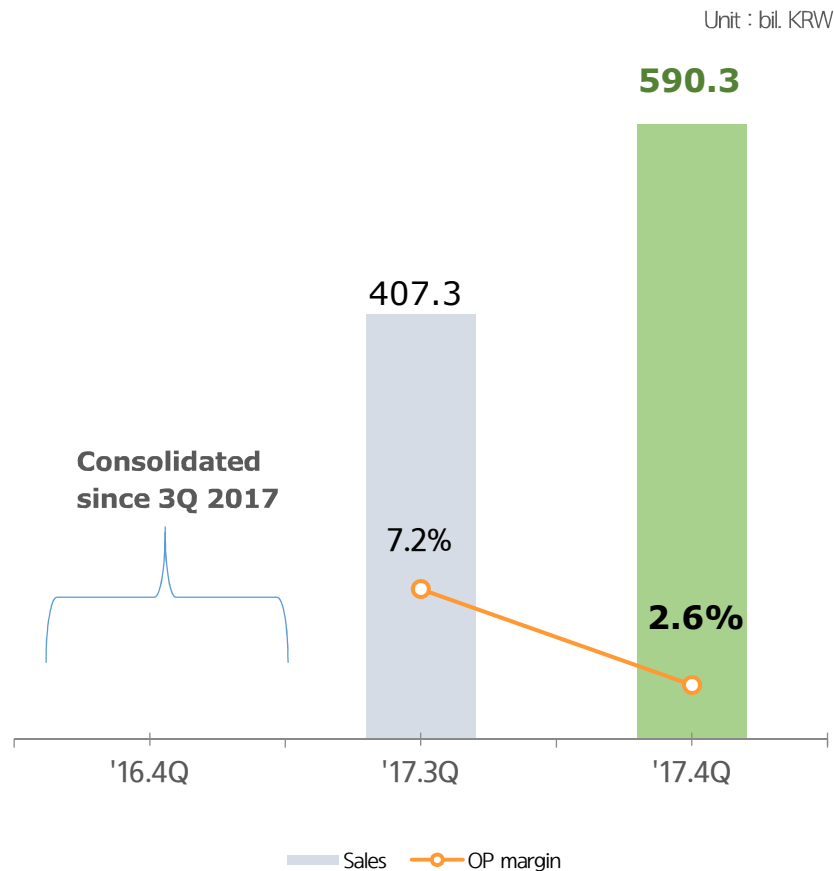
Operating Profit

- OP : 1.5 bil KRW , OP margin : 0.3%
- Operating profit decline due to KRW appreciation and rising raw material prices

6. Sales & Operating Profit Analysis (Construction & Equipment)

Hyundai Robotics

Sales & Operating Profit



Note) Consolidated results of Hyundai Construction & Equipment
(only Aug, Sep reflected to '17. 3Q results)

Sales & Operating Profit Analysis

Sales

- Sales 590.3 bil. KRW
- Consolidated period increase from two months in 3Q to three months in 4Q

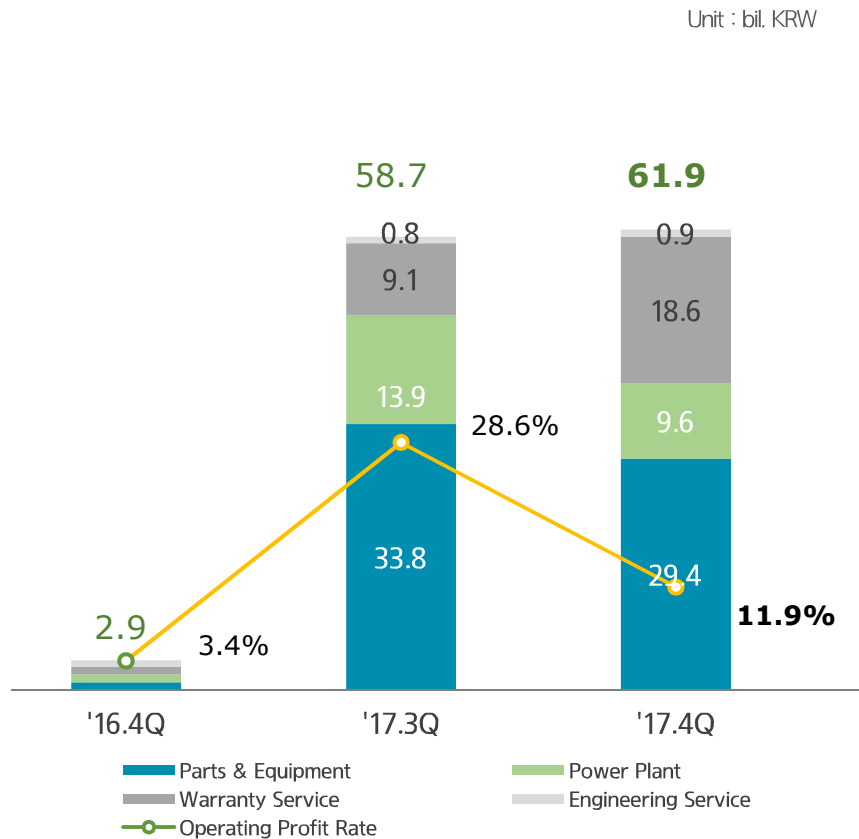
Operating Profit

- OP : 15.2 bil. KRW, OP margin : 2.6%
- Operating profit decline due to KRW appreciation and one-off loss regarding wage negotiation costs

7. Sales & Operating Profit Analysis (Hyundai Global Service)

Hyundai Robotics

Sales Revenue and Operating Profit



Note 1) Non-consolidated results of Hyundai Global Service

Note 2) Only 1 month of performance(Dec) is reflected in '16. 4Q of Hyundai Global Service (founded in Dec, 2016)

Sales & Operating Profit Analysis

Sales

QoQ +55%

- Sales increase in warranty service due to increased warranty settlements in 4Q by customer requests

Operating Profit

QoQ -56.0%

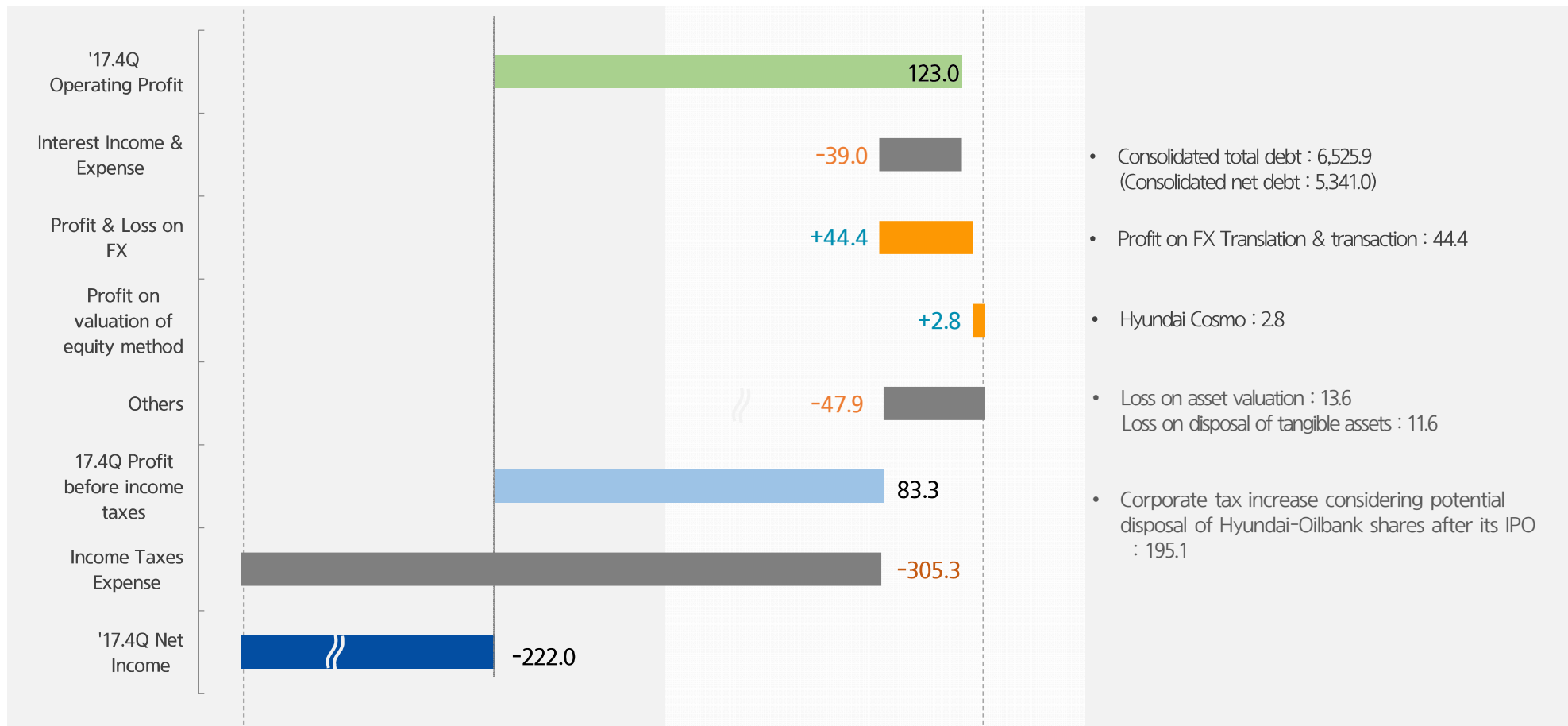
- Decreased sales revenue of highly profitable business (Parts & Equipment, Power Plant)
- Increased sales revenue of lower profitable business (Warranty Service)

8. Net Income, Non operating Profit & Loss

Hyundai Heavy Industries Group

Net Income , Non Operating Profit & Loss

Unit: bil. KRW



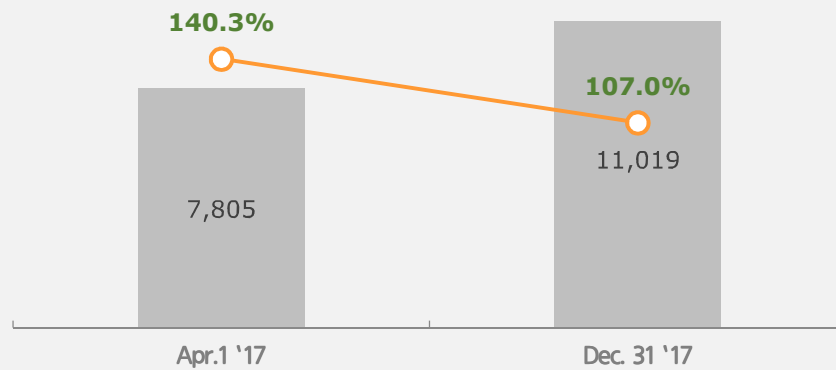
9. Financial Ratio

Hyundai Robotics

Consoildated Financial Ratio

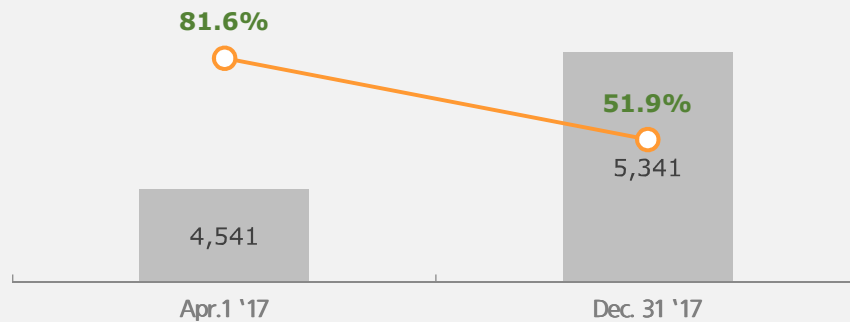
- Liabilities-to-Equity Ratio 107%

(Unit : bil. KRW)



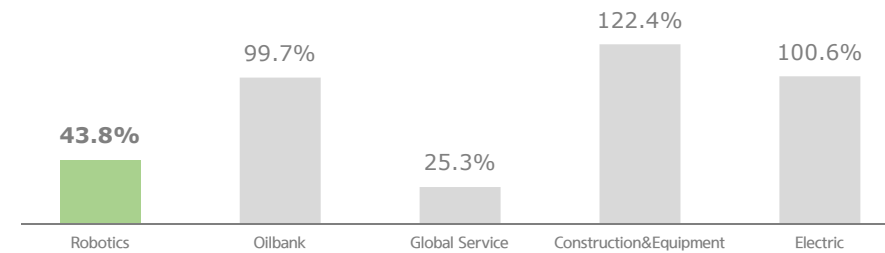
- Net Debt-to-Equity Ratio 51.9%

(Unit : bil. KRW)

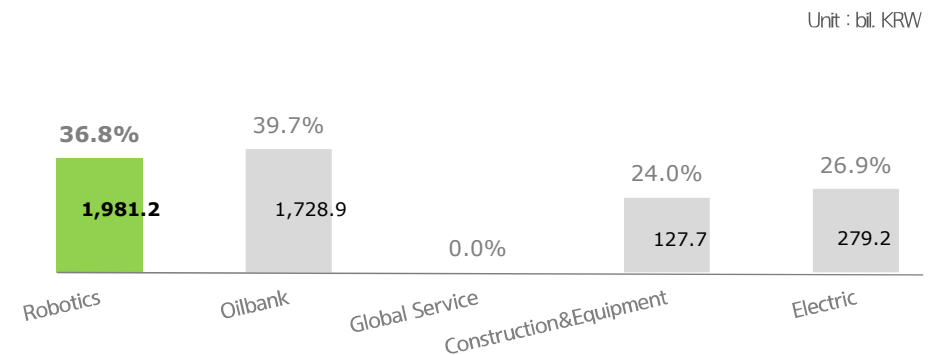


Liabilities-to-Debt & Debt-to-Equity Ratio

- Liabilities-to-Equity Ratio(Dec. 31, 2017)



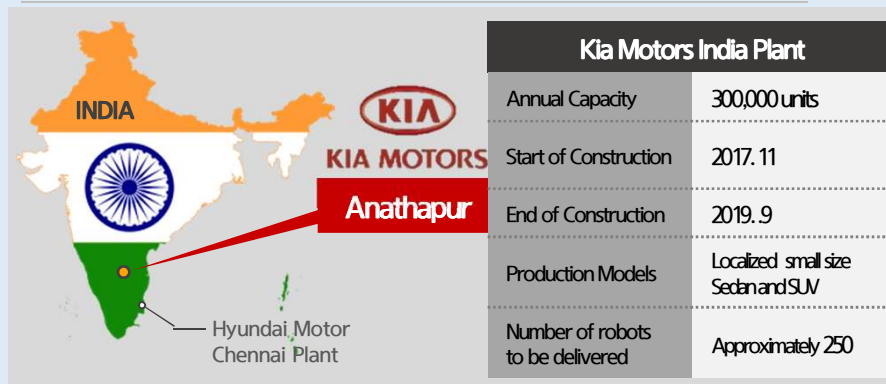
- Net Debt-to-Equity Ratio(Dec. 31, 2017)



10. Investment Highlights (Robotics)

Hyundai Heavy Industries Group

01 Received order for Kia Motors India plant project



- We received a new plant project on a turn-key basis for Kia Motors in Ananthapur, India.
- The plant will be supplied with robotic system including peripheral equipment and industrial robots for automotive production line.
- We will focus on winning 300 robots orders for Kia Motors partners.

02 Developed a new clean robot for vacuum environment to establish a Basis for new market



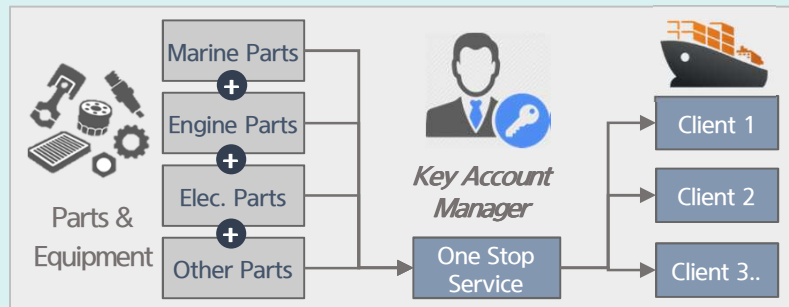
- We developed a new clean robot that operates in a vacuum environment for OLED process, and the robot are selected as 'High-tech Technology and Product' certified by the Ministry of Trade, Industry and Energy.
- The developed robot is 'Linear arm type', and 'SCARA' and 'Link type' models will be developed within 2018 to complete the lineup for OLED process.
- We will prepare for the OLED transition in the display market and develop new markets through the lineup development

We will pursue continuous growth
through distinctive technology competitiveness based on customer demand

10. Investment Highlights(Global Service)

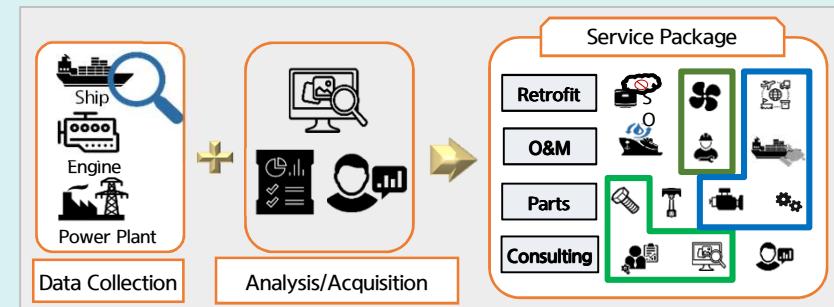
Hyundai Heavy Industries Group

01 Increase sales by unification of parts and equipment supply channel (One Stop Service)



- Supply various parts and equipment in package units by unifying sales channel (Key Account Manager)
- Establish differentiated Supply Chain Management system and reinforce customer-focused sales by expanding overseas sales & logistics center
- Apply efficient stock management system through Big-Data Solution → Highly focus on delivery time competitiveness

02 Establishment of Integrated Service Platform (Digital Transformation)



- Provide proactive & preventive maintenance to satisfy customer needs of efficiency based on Connected Service Platform (Parts – Engine – Ship / Power Plant – System)
- Collect and analyze equipment data to offer Total Solution Service Package (Parts & Equipment + Engineering Service)
 - ➔ Target to improve customer satisfaction by Digital Transformation

Expand Service Business Area Based on Differentiated Service Items and Engineering Capabilities

Appendix

1. Sales & Operating Profit of Hyundai Robotics & Subsidiaries
2. Consolidated Financial Statement of Hyundai Robotics

1. Sales & Operating Profit of Hyundai Robotics & Subsidiaries

Hyundai Robotics

4Q 2017 Non-Consolidated Sales & Operating Profit

Unit : bil. KRW

구 분	'17.4Q			'17.3Q			'16.4Q		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Hyundai Robotics	77.2	4.5	5.8%	323.4	270.6	83.7%	78.0	6.2	7.9%
Hyundai Oilbank	4,142.2	303.6	7.3%	2,758.5	185.0	6.7%	3,460.2	244.1	7.1%
Hyundai Chemical	953.9	70.2	7.4%	775.3	54.4	7.0%	570.9	61.1	8.5%
Hyundai Shell base Oil	171.1	21.0	12.3%	173.7	32.8	18.9%	112.6	9.6	8.5%
Hyundai Global Service	61.9	7.4	11.9%	58.7	16.8	28.6%	2.9	0.1	3.4%
Hyundai Electric & Energy system	489.3	1.5	0.3%	357.3	30.0	8.4%	-	-	-
Hyundai Construction & Equipment	572.3	15.2	2.7%	386.2	26.0	6.7%	-	-	-

Note1) Non-consolidated results

Note2) Hyundai Electric & Energy system and Hyundai Construction & Equipment are consolidated since '17.3Q. (only Aug, Sep reflected to '17. 3Q results)

Note3) Only 1 month of performance(Dec. 2016) is reflected in '16. 4Q of Hyundai Global Service(founded in Dec, 2016)

2. Consolidated Financial Statement of Hyundai Robotics

Hyundai Robotics

'Consolidated Income Statement

Unit : bil. KRW

	'17.4Q	QoQ	YoY	'17.3Q	'16.4Q
Sales	5,676.1	28.5%	45.3%	4,415.8	3,907.6
Cost of Sales	5,300.1	45.0%	58.2%	3,655.1	3,351.3
Gross Profit	376.0	-50.6%	-32.1%	760.7	553.8
Operating Income	123.0	-77.7%	-61.5%	552.2	319.1
OP Margin	2.2%	-10.3%p	-6.0%p	12.5%	8.2%
Non Operating Income& Loss	-39.7	-	-	392.1	-65.0
Profit Before Income Taxes	83.3	-91.2%	-67.2%	944.3	254.1
Income Taxes	305.4	277.5%	372.8%	80.9	64.6
Net Income	-222.1	Deficit Conversion	Deficit Conversion	863.4	189.5
Profit attributable to owners of company	-224.2	Deficit Conversion	Deficit Conversion	798.9	168.7
Profit attributable to non-controlling interest	2.1	-96.7%	-89.9%	64.5	20.8

Note 1 : '17.4Q, '17. 3Q results are K-IFRS Consolidated.

Note 2 : Same period of last year ('16.4Q)numbers have been prepared by the Company as a reference only for investors.

'Consolidated Financial Position

Unit : bil. KRW

구분	'17.4.1	'17.9.30	'17.12.31
Current Assets	4,284	6,806.6	8,030.2
(Cash & Cash Equivalents)	580.2	1,066.2	1,184.9
Non-current Assets	9,083.2	12,865.4	13,283.1
Total Assets	13,367.2	19,672	21,313.3
Current Liabilities	4,942.9	6,003.3	6,558.0
(Short-term borrowings)	2,769.2	3,130.3	2,964.2
Non-Current Liabilities	2,862.1	3,864.3	4,460.9
(Long-term borrowings)	2,351.5	3,330.5	3,561.7
Total Liabilities	7,805	9,867.6	11,018.9
Paid-in Capital	60.2	81.4	81.4
Others	4,511.5	6,483.6	6,460.1
Retained Earnings	0	1,146.6	943.3
Non-controlling interests	990.5	2,092.8	2,809.6
Total Shareholder's Equity	5,562.2	9,804.4	10,294.4
Total Liabilities and Equity	13,367.2	19,672	21,313.3

