

2Q 2021 Earnings Release

HYUNDAI HEAVY INDUSTRIES HOLDINGS



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2Q 2021 Earnings Release

1. Summary of Financial Results
2. Financial Results by Companies
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 - 2) Hyundai Construction Equipment
 - 3) Hyundai Electric & Energy Systems
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 - 5) Hyundai Robotics
3. Net Income and Non-operating Income
4. Financial Ratio

[Appendix]



1. Summary of Financial Results (1/3)

- Sales up by 4.2% QoQ due to increased sales in the oil refinery business from rising oil prices, as well as the continued improvements in sales of non refinery businesses
- Operating profit down by 65.5% QoQ due to reduced profit in the oil refinery business following lower oil price increases and KSOE loss on valuation using equity method

(Unit : billion KRW)

		'21.2Q		'21.1Q	'20.2Q
		QoQ	YoY		
Sales	6,330.3	4.2%	58.0%	6,075.5	4,005.8
Operating Profit	184.6	-65.5%	77.0%	534.3	104.3
OPM	2.9%	-5.9%p	0.3%p	8.8%	2.6%
Non-operating Income	(44.0)	-	-	(146.7)	(122.5)
Interest income (net)	(53.9)	-	-	(58.7)	(49.7)
Gains and losses on Foreign exchange (net)	(6.4)	-	Turned to deficit	(37.0)	24.7
Profit before income taxes	140.6	-63.7%	Turned to Profit	387.6	(18.2)
Net Profit	21.8	-92.6%	Turned to Profit	294.4	(12.9)
Profit attributable to Common shareowners	(126.5)	Turned to deficit	-	151.5	(11.3)

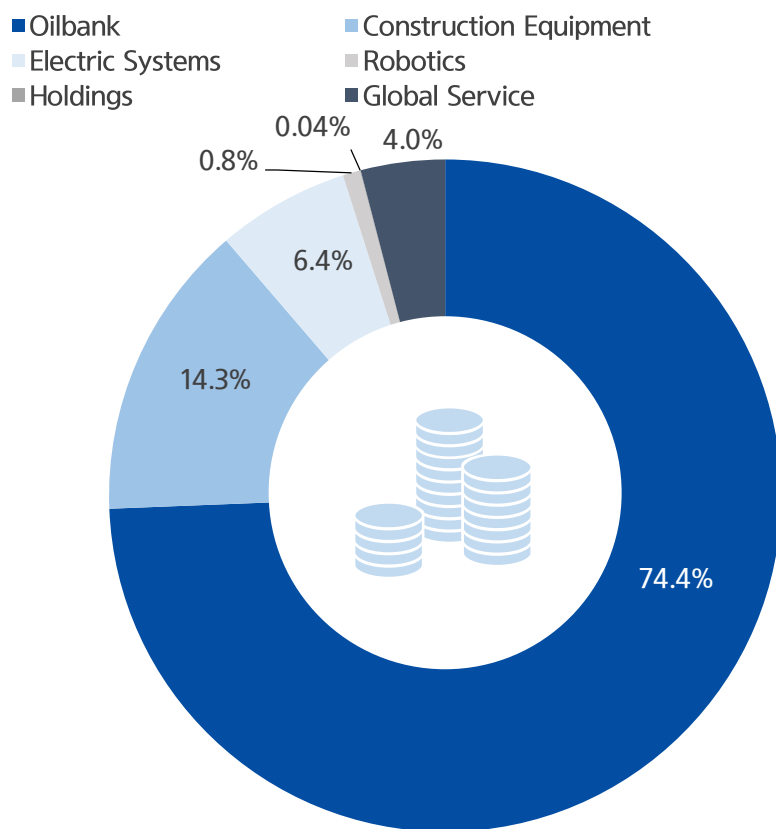
Note 1 .K-IFRS consolidated basis

Note 2. Interest income : Interest income + interest expense

Note 3. Gains and losses on Foreign exchange (net) : Gain and loss on foreign currency translation + Gain and loss on foreign currency transaction

1. Summary of Financial Results (2/3)

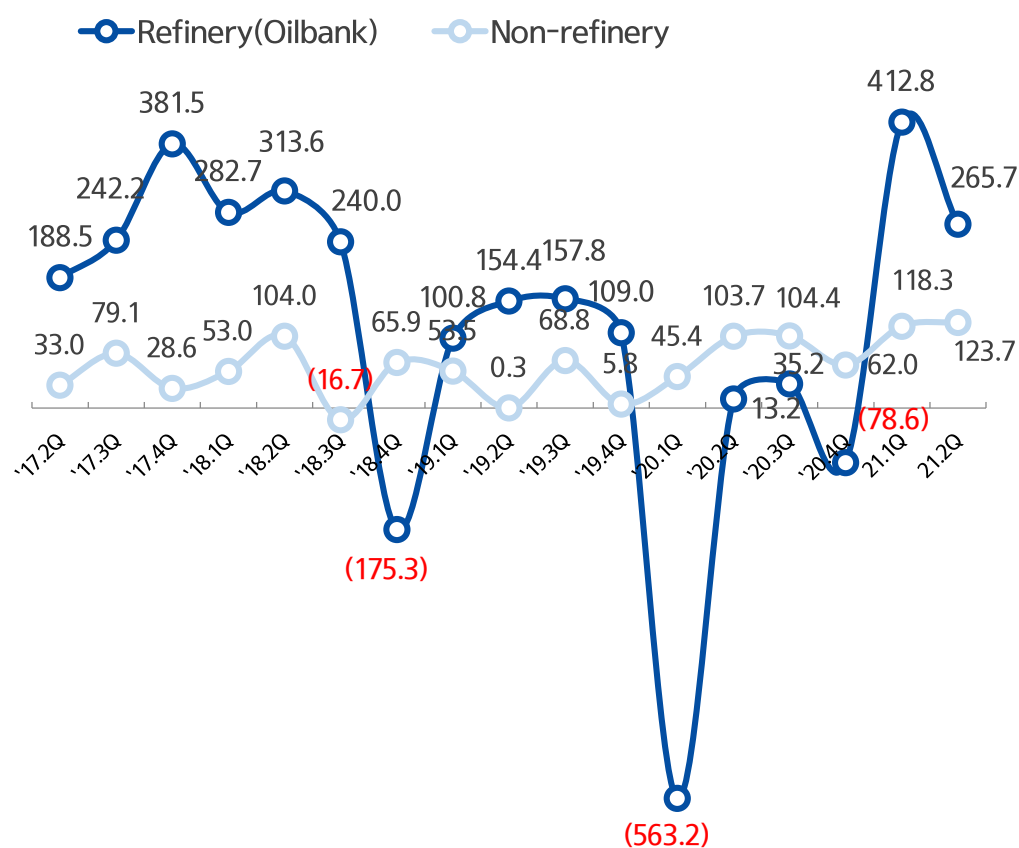
2Q 2021 Sales Composition



Note 1 : Consolidated Sales of each subsidiary excluding equity method gains/losses and dividends (Hyundai Heavy Industries Holdings : Parent basis)

2Q 2021 Operating Profit

(Unit : billion KRW)

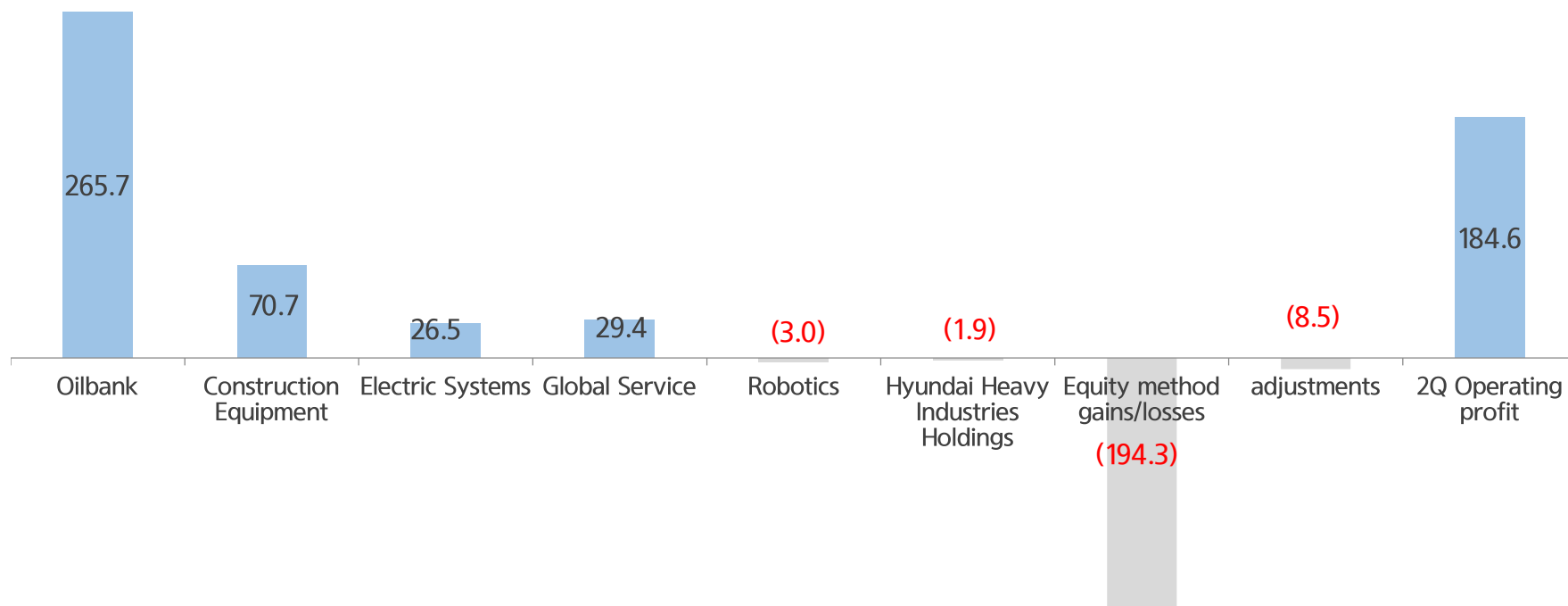


Note 2 : Excluding equity method gains/losses and dividends

1. Summary of Financial Results (3/3)

2Q 2021 Operating profit Composition

(Unit : billion KRW)



※ Hyundai Heavy Industries Holdings dividends : 220.5

2. Financial Results by Companies (1/2)

2Q 2021 Financial Results

(Unit : billion KRW)

Category		'21.2Q			'21.1Q			'20.2Q			Remarks
		Sales	Operating Profit	OPM	Sales	Operating Profit	OPM	Sales	Operating Profit	OPM	
Consolidated Entities	Hyundai Heavy Industries Holdings	2.4	(1.9)	-79.2%	222.2	216.3	97.3%	21.1	(1.8)	-8.5%	※ Dividend Income 1Q : 220.4
	Hyundai Oilbank	4,944.0	265.7	5.4%	4,536.5	412.8	9.1%	2,551.7	13.2	0.5%	
	Hyundai Construction Equipment	952.6	70.7	7.4%	964.9	79.7	8.3%	668.4	42.0	6.3%	
	Hyundai Electric & Energy Systems	423.6	26.5	6.3%	380.7	17.5	4.6%	535.5	18.3	3.4%	
	Hyundai Global Service	268.9	29.4	10.9%	237.8	23.7	10.0%	230.5	43.4	18.8%	
	Hyundai Robotics	55.6	(3.0)	-5.4%	44.7	(2.6)	-5.8%	54.4	1.8	3.3%	
Equity Method	Korea Shipbuilding & Offshore Engineering	(194.3)	(194.3)	-	14.4	14.4	-	(0.7)	(0.7)	-	
	Adjustment	(122.5)	(8.5)	-	(325.7)	(227.5)	-	(55.1)	(11.9)	-	
Total		6,330.3	184.6	2.9%	6,075.5	534.3	8.8%	4,005.8	104.3	2.6%	

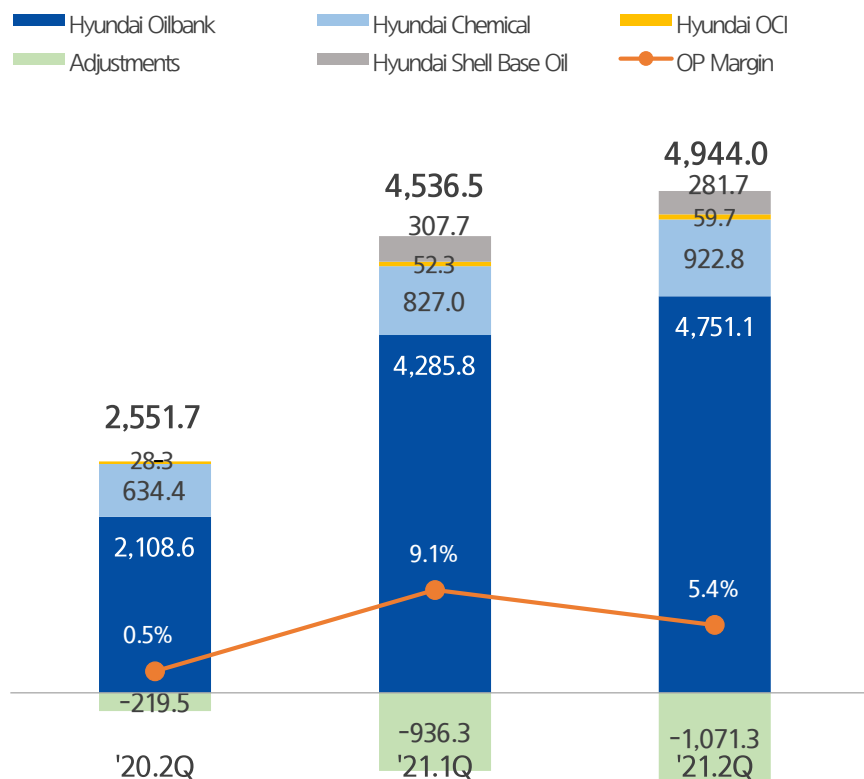
Note 1 : Hyundai Heavy Industries Holdings: Parent basis, According to the spin-off of the robot sector as of 2020.5.1, the robot sector performance is reflected in the consolidated basis of Hyundai Robotics.

Note 2 : Hyundai Oilbank, Hyundai Electric & Energy Systems, Hyundai Construction Equipment, Hyundai Global Service, Hyundai Robotics: Consolidated basis

2-1) Hyundai Oilbank (Consolidated)

2Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



- Sales 4,944.0 billion KRW**

- Up by 9.0% QoQ
- Up by 93.8% YoY

- Operating Profit 265.7 billion KRW, OPM 5.4%**

- Down by 35.6% QoQ
- Up by 1,912.9% YoY

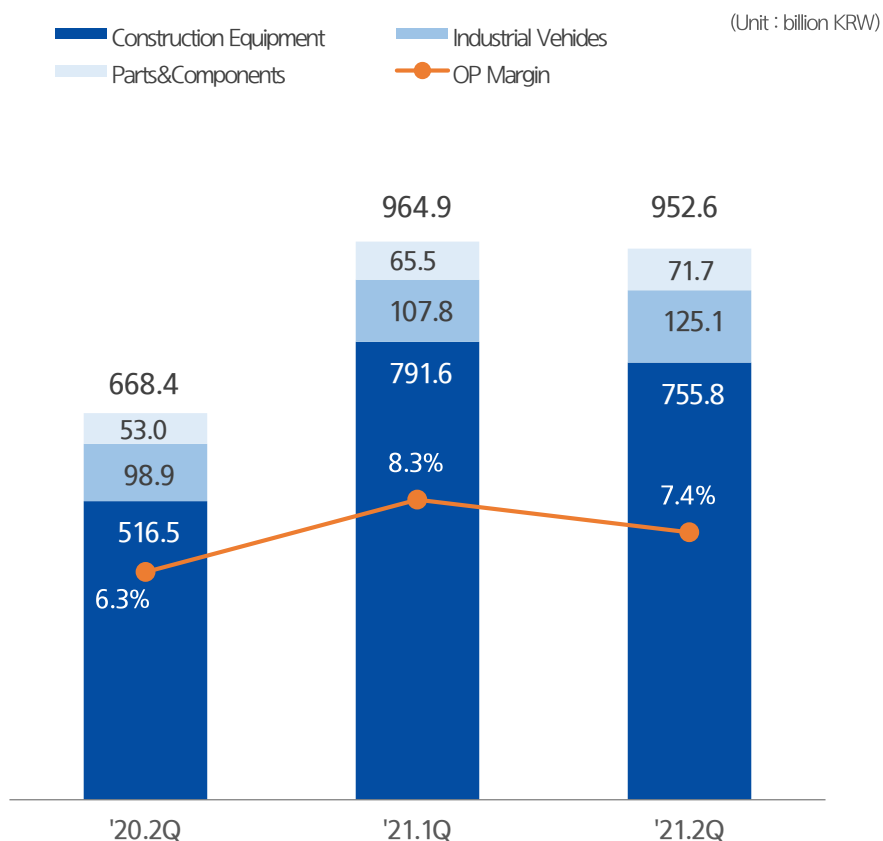
- Analysis**

- (QoQ) Despite the crack spread widening, decrease in operating profits due to decreased inventory effects resulting from lower increase in oil price
- (YoY) Increase in operating profits due to
 1. Rises in oil price and crack margin
(Oil Price: \$30.5/b → \$66.9/b, Gasoline :\$0.5/b → \$8.1/b)

Note : Consolidated, Hyundai Shell Base Oil has been newly consolidated since Nov. 2020

2-2) Hyundai Construction Equipment (Consolidated)

2Q 2021 Sales and Operating Profit Margin



Note 1 : Consolidated basis

- Sales 952.6 billion KRW**

- Down by 1.3% QoQ
- Up by 42.5% YoY

- Operating Profit 70.7 billion KRW, OPM 7.4%**

- Down by 11.3% QoQ
- Up by 68.3% YoY

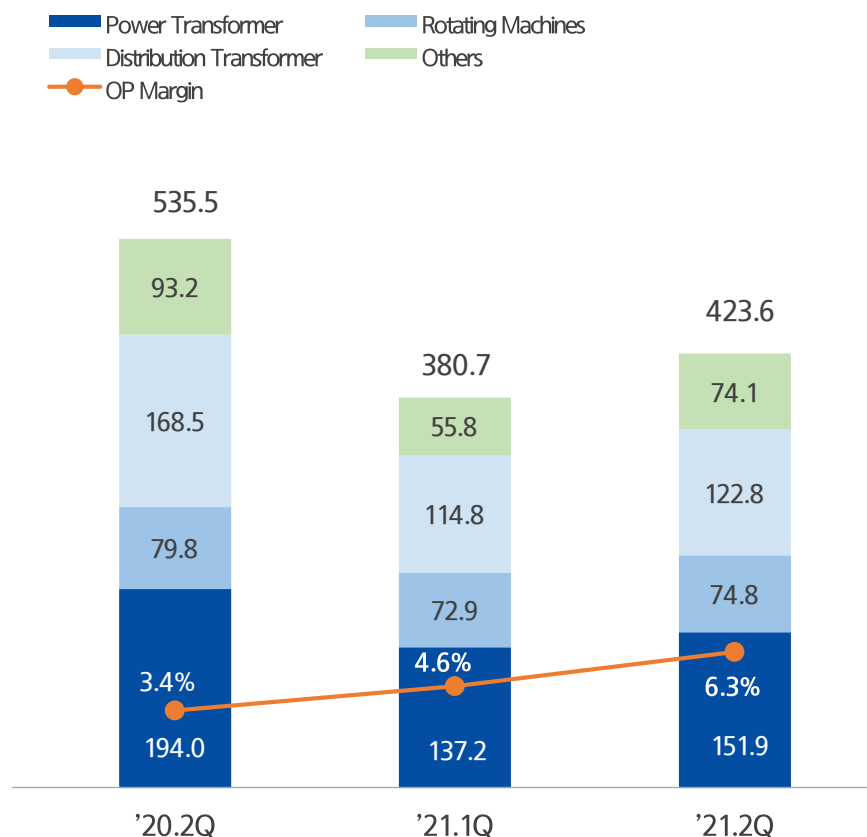
- Analysis**

- (QoQ) Slight decrease in sales due to demand adjustment in the Chinese market. Decrease in operating profit due to increased material costs
- (YoY) Increase in sales and profit due to
 1. Sustained growth of demand in emerging markets due to increased demand for raw materials and economic recovery expectations.
 2. Full-fledged demand recovery in developed markets after vaccinations

2-3) Hyundai Electric & Energy Systems (Consolidated)

2Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



Note 1 : Consolidated basis

- Sales 423.6 billion KRW**

- Up by 11.3% QoQ
- Down by 20.9% YoY

- Operating Profit 26.5 billion KRW, OPM 6.3%**

- Up by 51.4% QoQ
- Up by 44.8% YoY

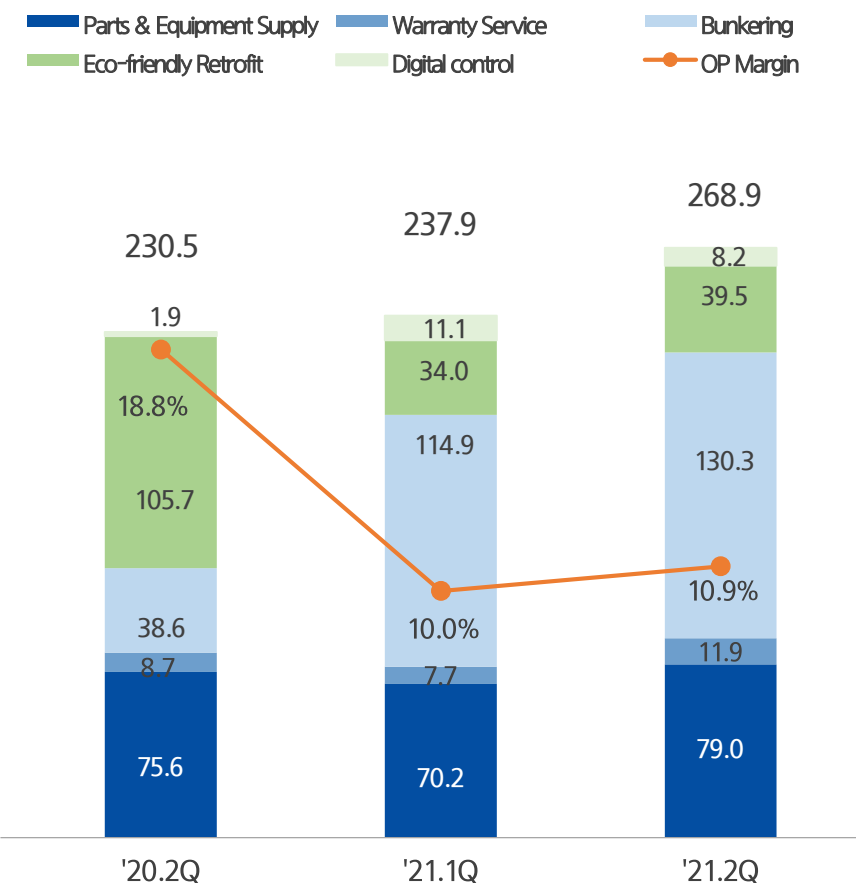
- Analysis**

- (QoQ) Compared to the previous quarter where sales were sluggish due to seasonal factors, sales and profit improved simultaneously due to increased sales of profitable orders related to KEPCO, marine, and overseas corporations
- (YoY) Slight decrease in sales due to some revenue being carried forward to the next quarter from delayed shipping arrangements for export. Continued improvements in operating profits due to profitability – oriented order taking

2-4) Hyundai Global Service (Consolidated)

2Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



Note1 : Consolidated basis

- Sales 268.9 Billion KRW**

- Up by 13.1% QoQ
- Up by 16.7% YoY

- Operating Profit 29.4 Billion KRW, OPM 10.9%**

- Up by 24.1% QoQ
- Down by 32.3% YoY

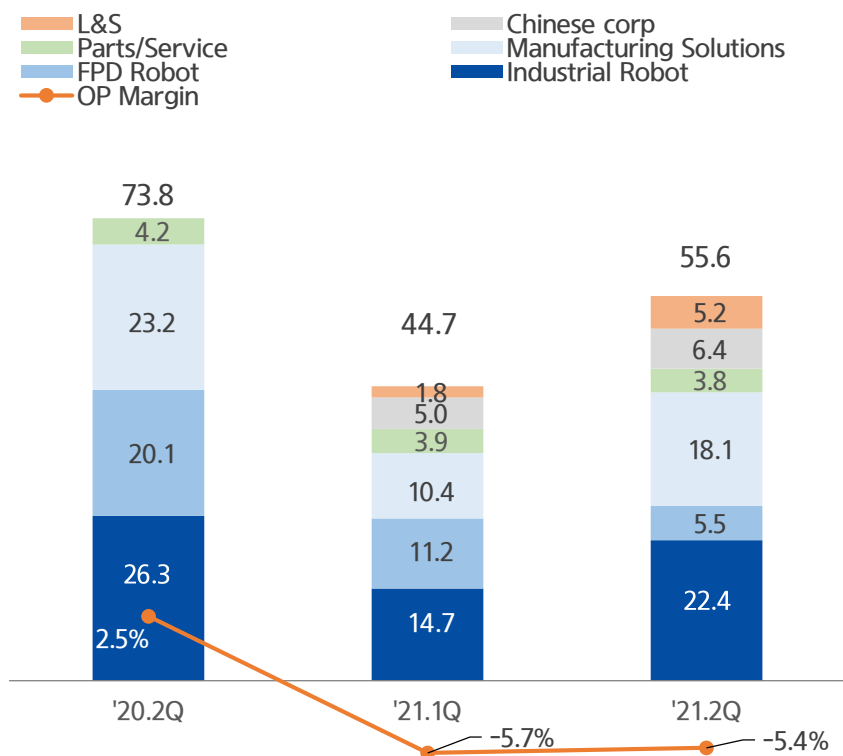
- Analysis**

- (QoQ) Increase in sales and operating profit due to improved order performance across various businesses including eco – friendly retrofit, parts & equipment supply and bunkering.
- (YoY) Decrease in sales and operating profit despite increased sales from the bunkering business, due to decrease in scrubber (eco – friendly retrofit) sales
- Sales predicted to increase throughout Q3 due to improved order performance across various businesses, including the eco-friendly retrofit business.

2-5) Hyundai Robotics (Consolidated)

2Q 2021 Sales and Operating Profit Margin

(Unit : billion KRW)



- Sales 55.6 billion KRW**

- Up by 24.4% QoQ
- Down by 24.7% YoY

- Operating Profit -3.0 billion KRW, OPM -5.4%**

- Continued deficit QoQ , Turned to deficit YoY

- Analysis**

- (QoQ) Continued deficit due to intensifying price competition of FPD robots* in China and entry into new business sectors (battery manufacturing/welding automation), despite increase in sales from the Manufacturing Solutions (battery/welding automation) business and replacement of old robots in foreign automobile factories
- (YoY) Turned to deficit due to low sales performance in the FPD robots business following domestic and foreign slowdown of investments in display manufacturing facilities

Note 1 : Hyundai Robotics : '21 1Q, '21 2Q Consolidated basis, '20 2Q Parent basis.

Note 2 : As of September 29, 2020, Hyundai Robotics has acquired Hyundai Robotics' Chinese subsidiary and Hyundai L&S.

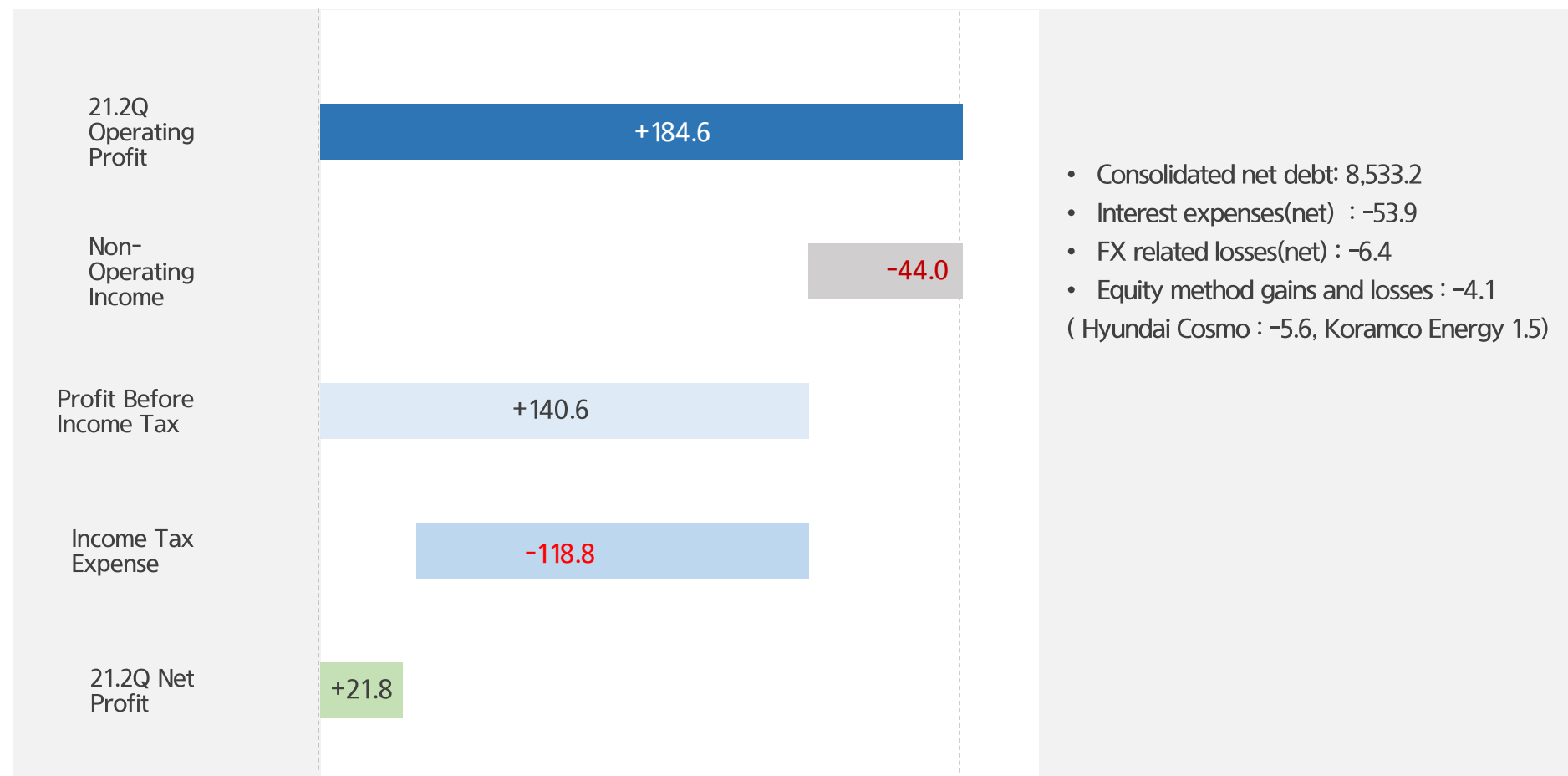
Note 3 : Following the spin-off of the robot sector as of 2020.5.1 from Hyundai Heavy Industries Holdings, the performance before 2020.5.1 is compiled by aggregating the performance of the robot business for investors' convenience.

* FPD (Flat Panel Display) robots: Robots built for the purpose of moving around displays

3. Non-operating Profit and Net Income

2Q 2021 Financial Results

(Unit : billion KRW)

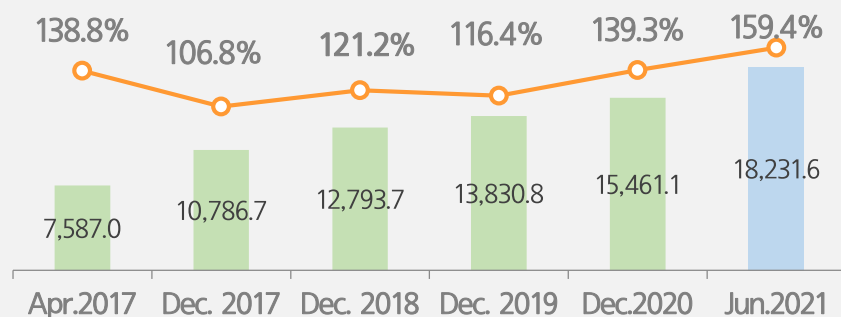


4. Financial Ratio

Consolidated Financial Ratio

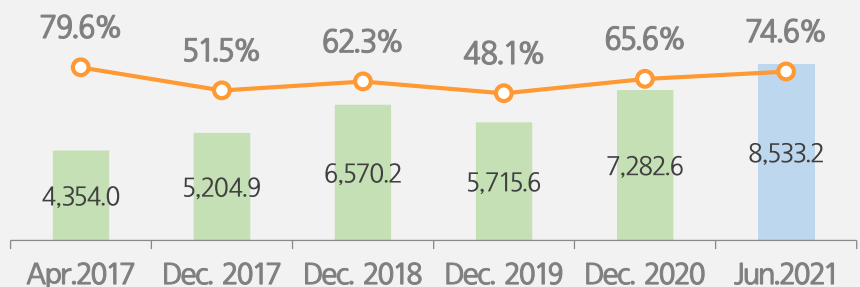
- Liabilities Ratio 159.4%

(Unit : billion KRW)



- Net Debt Ratio 74.6%

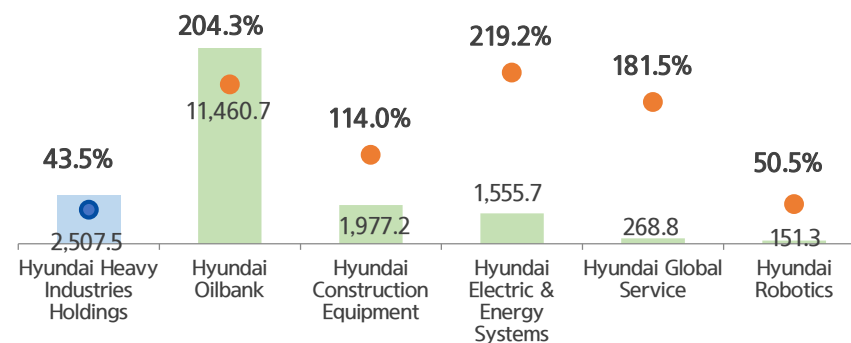
(Unit : billion KRW)



Financial Ratio of Major Affiliates

- Liabilities Ratio

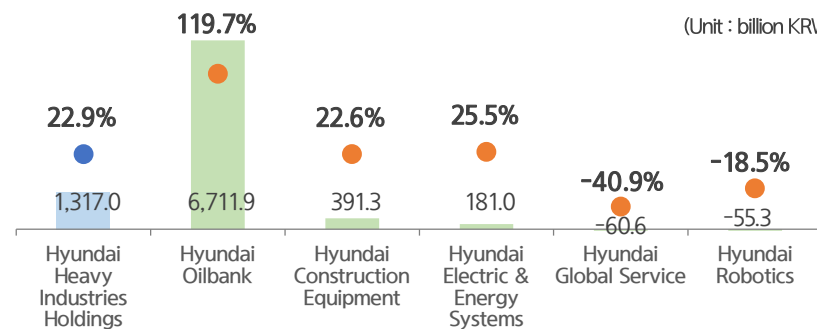
(Unit : billion KRW)



Note: HHHH - Separated basis

- Net Debt Ratio

(Unit : billion KRW)



Note: HHHH - Separated basis

Appendix.

Summary of Financial Statements

1. Consolidated Financial Statement of HHHH
2. Consolidated Financial Statement of HDO
3. Consolidated Financial Statement of HGS



1. Consolidated Financial Statements of HHIH

Consolidated Income Statement

(Unit : billion KRW)

Category	'21.2Q	QoQ	YoY	'21.1Q	'20.2Q
Sales	6,330.3	4.2%	58.0%	6,075.5	4,005.8
Cost of Goods Sold	5,846.3	11.7%	61.2%	5,236.4	3,627.3
Gross Profit	484.0	-42.3%	27.9%	839.1	378.4
Operating Profit	184.6	-65.5%	77.0%	534.3	104.3
OP margin	2.9%	-5.9%p	0.3%p	8.8%	2.6%
Non Operating Income & Loss	-44.0	-	-	-146.7	-122.5
Profit before Tax	140.6	-63.7%	Turned to Profit	387.6	-18.2
Income Tax	118.8	27.5%	Turned to Profit	93.2	-5.3
Net Income	21.8	-92.6%	Turned to Profit	294.4	-12.9

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Dec.31, '20	Jun.30,'21
Current assets	8,884.2	9,938.3	8,049.1	10,525.6
(Cash & cash equivalents)	1,099.8	2,348.0	2,038.5	2,468.6
Non-current assets	14,463.6	15,780.3	18,509.9	19,147.2
Total assets	23,347.8	25,718.6	26,559.0	29,672.8
Current liabilities	8,660.2	8,046.0	6,336.4	7,840.0
(Short-term borrowings)	4,549.7	3,418.5	2,248.2	2,953.4
Non-current liabilities	4,133.5	5,787.9	9,124.7	10,391.6
(Long-term borrowings)	3,325.0	4,652.9	7,283.8	8,212.8
Total liabilities	12,793.7	13,833.9	15,461.1	18,231.6
Paid-in capital	81.4	81.4	81.4	81.4
Others	4,344.0	4,727.3	4,720.6	4,880.3
Retained earnings	3,302.0	3,183.3	2,213.0	1,987.5
Non-controlling interest	2,826.6	3,892.7	4,082.9	4,492.0
Total equity	10,554.1	11,884.7	11,097.9	11,441.2
Total liabilities & equity	23,347.8	25,718.6	26,559.0	29,672.8

2. Consolidated Financial Statements of Hyundai Oilbank

Consolidated Income Statement

(Unit : billion KRW)

Category	'21.2Q	QoQ	YoY	'21.1Q	'20.2Q
Sales	4,944.0	9.0%	93.8%	4,536.5	2,551.7
Cost of sales	4,549.5	14.1%	86.8%	3,988.4	2,435.8
Gross profit	394.5	-28.0%	240.3%	548.1	115.9
Operating profit	265.7	-35.6%	1,912.9%	412.8	13.2
OP margin	5.4%	-3.7%p	4.9%p	9.1%	0.5%
Non operating income & expenses	-38.1	-	-	-136.1	-31.8
Equity method gains and losses	-4.0	-	-	-6.4	-0.2
Profit before tax	227.6	-17.8%	Turned to Profit	276.7	-18.6
Income tax	60.7	-	-	83.1	-2.3
Net income	166.9	-13.8%	Turned to Profit	193.6	-16.3

Note: K-IFRS consolidated basis

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Dec.31, '20	Jun.30, '21
Current assets	4,358.3	4,565.4	3,294.6	4,920.1
(Cash & cash equivalents)	162.6	480.4	301.7	366.1
Non-current assets	7,386.5	8,290.5	11,383.6	11,983.2
Total assets	11,744.8	12,855.9	14,678.1	17,070.3
Current liabilities	4,578.0	4,086.7	3,239.4	4,132.7
(Short-term borrowings)	1,573.7	1,125.0	644.0	1,041.8
Non-current liabilities	2,042.7	3,327.6	6,167.8	7,291.0
(Long-term borrowings)	1,856.1	2,808.4	4,871.0	6,036.2
Total liabilities	6,620.7	7,414.3	9,407.2	11,460.7
Paid-in capital	1,225.4	1,225.4	1,225.4	1,225.4
Others	454.6	443.6	707.1	700.1
Retained earnings	3,109.9	3,110.1	2,535.0	2,694.1
Non-controlling interest	334.2	662.4	803.4	990.0
Total equity	5,124.1	5,441.6	5,270.9	5,609.6
Total liabilities & equity	11,744.8	12,855.9	14,678.1	17,070.3

3. Consolidated Financial Statements of Hyundai Global Service

Consolidated Income Statement

(Unit : billion KRW)

Category	'21.2Q			'21.1Q	'20.2Q
		QoQ	YoY		
Sales	268.9	13.1%	16.7%	237.8	230.5
Cost of Goods Sold	232.1	12.3%	28.4%	206.6	180.8
Gross Profit	36.9	18.3%	-25.8%	31.2	49.7
Operating Profit	29.4	24.1%	-32.3%	23.7	43.4
OP margin	10.9%	0.9%p	-7.9%p	10.0%	18.8%
Non Operating Income & Loss	-0.5	-110.0%	-105.0%	5.0	10.0
Profit before Tax	28.9	0.6%	-30.6%	28.7	41.6
Income Tax	6.8	-11.2%	-46.1%	7.7	12.7
Net Income	22.0	5.0%	-23.7%	21.0	28.9

Consolidated Balance Sheet

(Unit : billion KRW)

Category	Dec.31, '18	Dec.31, '19	Dec.31, '20	Jun.30, '21
Current Assets	359.5	569.3	428.3	389.9
(Cash & Cash Equivalents)	124.8	168.9	93.7	88.7
Non-current Assets	11.2	26.2	35.6	27.0
Total Assets	370.7	595.5	463.9	416.8
Current Liabilities	151.8	283.9	200.6	228.7
(Short-term borrowings)	-	-	-	21.3
Non-current Liabilities	0.3	3.4	9.0	40.1
(Long-term borrowings)	-	-	-	30.0
Total Liabilities	152.0	287.3	209.6	268.8
Paid-in Capital	20.0	20.0	20.0	20.0
Others	105.5	105.2	20.0	20.3
Retained Earnings	93.2	183.0	214.3	107.8
Total Shareholder's Equity	218.7	308.2	254.3	148.1
Total Liabilities & Shareholder's Equity	370.7	595.5	463.9	416.8

Note: K-IFRS consolidated basis

