



Doosan Heavy Industries & Construction

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Construction

'19 1Q Results review



April, 2019

Disclaimer

This presentation was prepared for the convenience of investors. The financial figures contained in this presentation are K-IFRS consolidation and DHI operation* basis.

Also, this presentation has been prepared in advance prior to the completion of external quarterly review, only for the convenience of investors. Accordingly, it may be subject to change during the course of quarterly review.

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* DHI Operation : DHIC Parent & Overseas Subsidiaries(DPS and etc.)

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DHIC_Summary

Sales increased by 3% YoY, and OP increased by 22%

(Unit : KRW B, %)

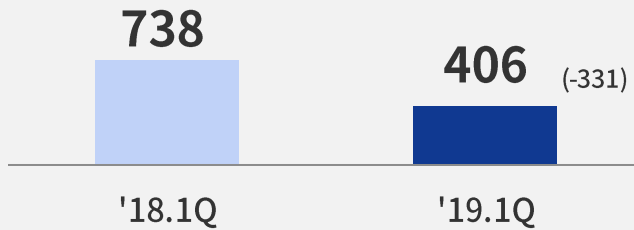
	'18.1Q	'18.4Q	'19.1Q	YoY	QoQ
Orders	738	955	406	-332	-549
Backlog	16,708	16,402	15,508	-1,200	-894
Sales	1,265	1,708	1,301	+36	-407
OP	54	77	66	+12	-5
OPM(%)	4.3%	4.1%	5.1%	+0.8%p	+1.0%p
EBITDA	117	131	124	+7	-7
Non-OP	-93	-835	-135	-42	+700
Interest	-48	-53	-55	-7	-2
FX	-28	18	-15	+13	-33
Others Non-OP	-17	-800	-65	-48	+735
Net P/L	-44	-748	-60	-16	+688

DHIC_Major Results

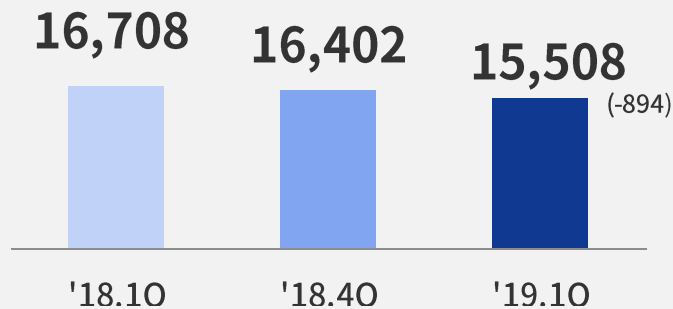
Orders decreased YoY due to non-reflection of the large sized PJTs, under progress of the internal recognition process, after the new orders disclosure announcement

Orders/Backlog

Orders



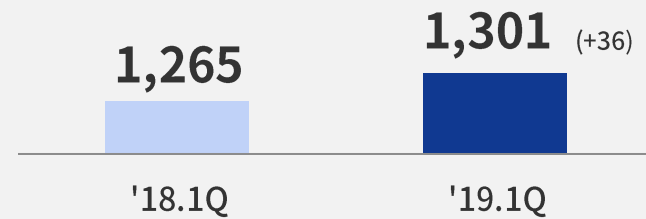
Backlog



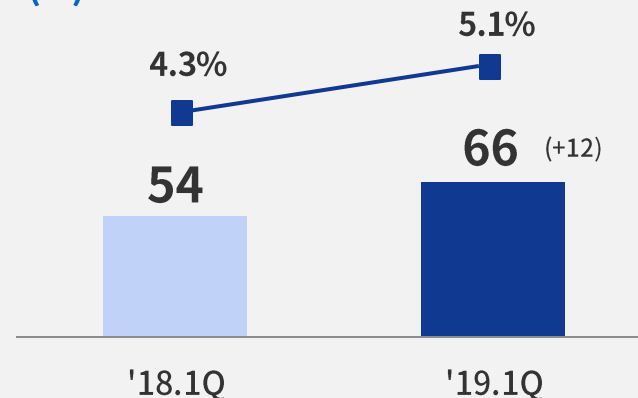
Sales/OP

(Unit : KRW B)

Sales



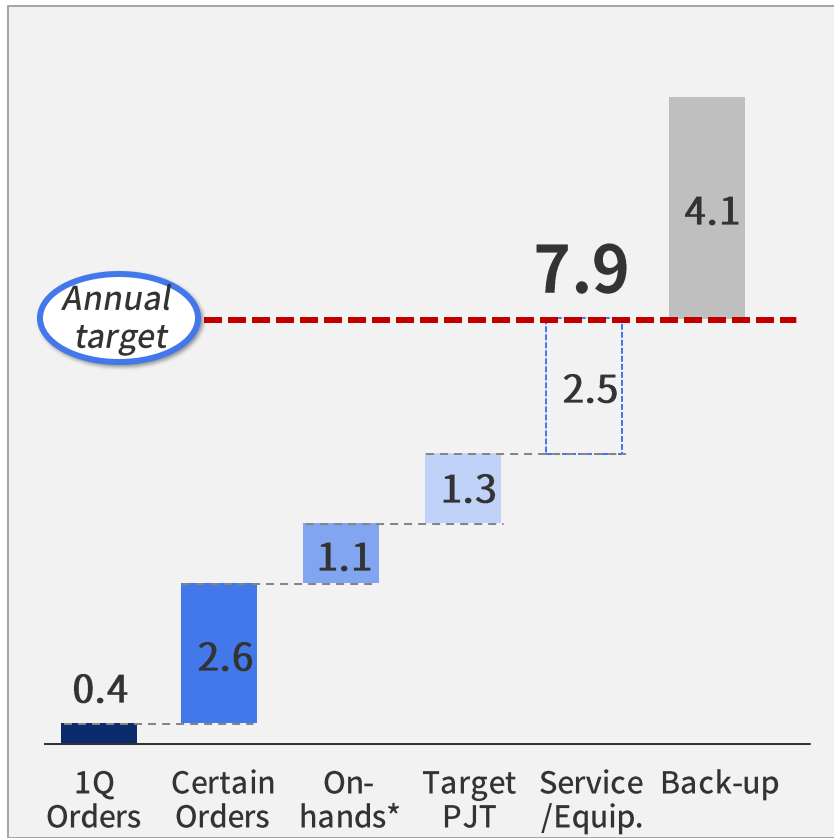
OP(%)



DHIC_Annual New Orders Forecast

Orders recorded KRW 0.4T. in 1Q . If reflect the disclosed certain PJT orders, orders are realized to KRW 3T. and achieved up to 40% of the annual new orders target of KRW 7.9T.

New Orders Forecast (Unit : KRW T)



1Q recorded KRW 0.4T. for orders

Secured the certain PJTs in '19

- Indonesia Jawa 9&10 Coal Fired Power Plant KRW 1.6T.
- Vietnam Van Phong 1 Coal Fired KRW 0.5T.
- Suncheon Korea House Construction Business KRW 0.5T.

Plan to focus on Big Ticket orders of EPC/Water PJTs until end of '19

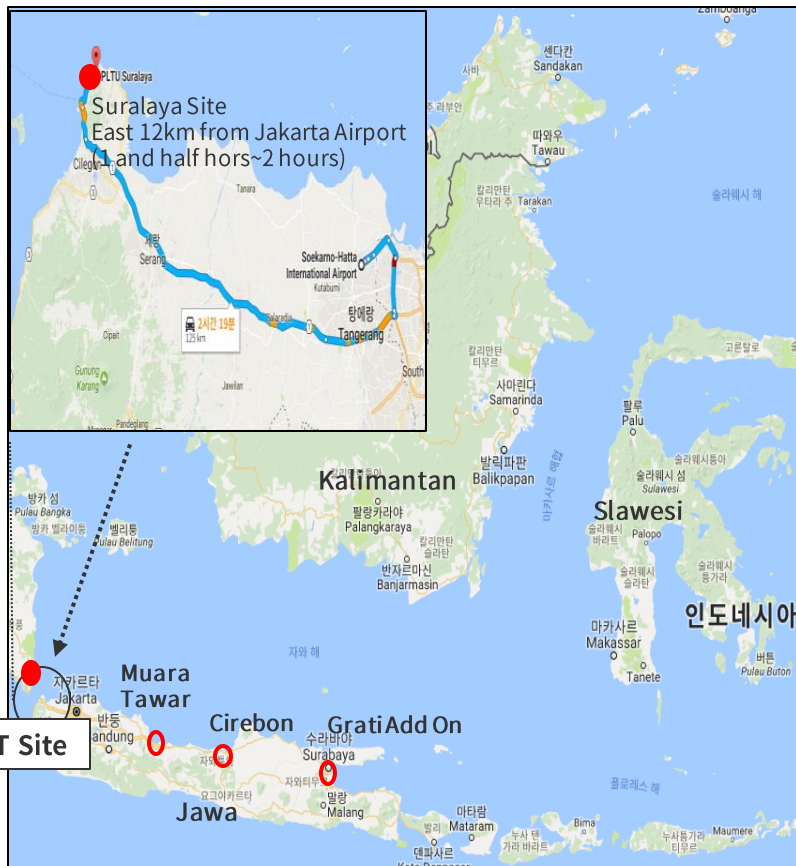
- The M.E. Water KRW 0.5T.
- Korean new/re-newable Business
- R&M PJTs for Korean old coal fired plants, etc.

* On-hands : Highly possible PJTs to receive new orders in the year by obtaining positions of Private Contact, Sole Bidder, Lowest ,etc.

Major Business Results_Indonesia Jawa 9&10 Coal Fired Power Plant

Contracted Indonesian 1,000MW coal fired power plant construction, following Korean Pos Power #1,2 1,000MW. Expect the NTP issued and construction beginning after the Owner's project financing completion by '194Q

Indonesia Jawa 9&10



PJT Summary

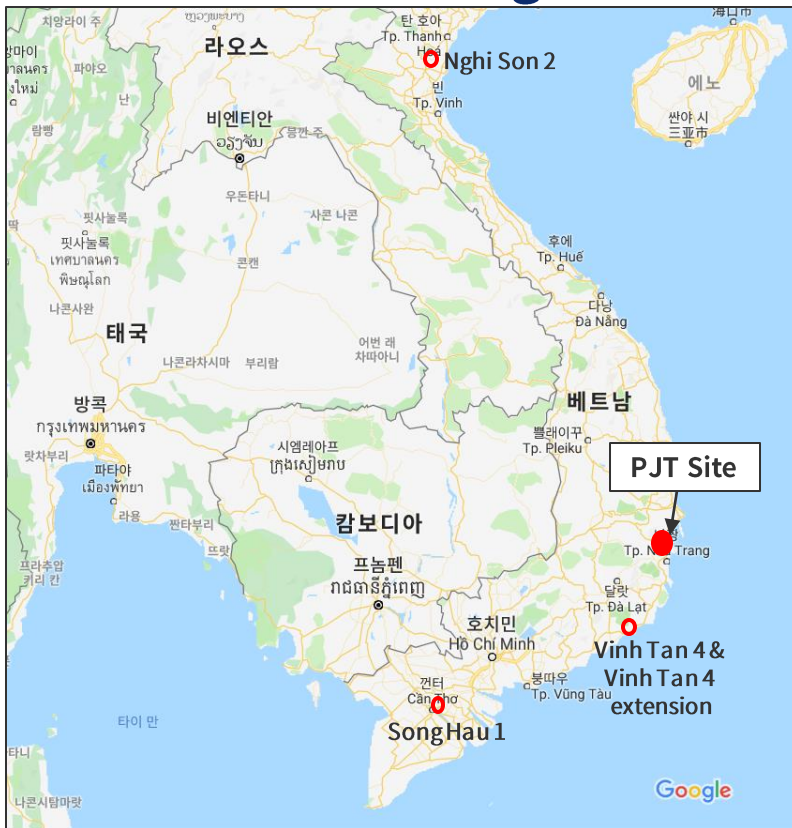
- Owner: PT. Indo Raya Tenaga (IP 51%+Barito 49%)
 - Site Location : Cilegon, Banten (Western Jawa)
 - Capacity/Type: 2 x 1,000MW(Net) / USC
 - Order Type : Full EPC
 - Contract Condition : Valid under condition of the Owner's project financing and NTP issue by '194Q
- Total Business Amount : KRW 1.9T.
DHIC's Contract Amount : KRW 1.6T.
Delivery: NTP + 47M (Unit 1) / 52M (Unit 2)

Possessed a Full EPC track record of 1,000MW overseas coal fired power plants
→ Accelerate to target on high efficiency and eco-friendly large sized overseas coal fired power plant markets

Major Business Results_Vietnam Van Phong 1 Coal Fired Power Plant

Contracted a coal fired power plant's civil/construction and electrical equipment supply in Vietnam, DHIC's main market. Expect its NTP issued and construction beginning after the Owner's project financing completion by '192Q.

Vietnam Van Phong 1



PJT Summary

- Owner : Van Phong Power Company Limited
- Site Location : Vietnam Khanh Hoa Province
- Capacity/Type : 2x660MW (Net) / Supercritical, Pulverized Coal Fired
- Order Type : EPC
- DHIC's Role : Coal Fired Power Plant Civil & Arch., and Electrical Equipment Supply
- Contract Condition : Valid contract under condition of the Owner's projects financing completion and its NTP issue by 192Q

DHIC's Contract Amount : KRW 0.5T.

Delivery : NTP + 48M (Unit 1) / 52M (Unit 2)

Recorded a track record of coal fired power plant's construction in Vietnam, DHIC's main market
→ Propel to sustain strong domination on Vietnamese power plant market

Major Business Results_After '18.4Q

Major Results on Each Business

Gas Turbine

- Large sized GT Development and Service Expansion

- Large sized GT development and production are under progress without failure, and expect to apply on a proof plant after the performance test completion in this year
- Contracted Ulsan CCPP service project by Feb. '19 through technology of DTS¹, DHIC's North American GT service business affiliate

New/re-newable

- Successfully developed a localized model of super high pressure storage tank for hydrogen charging station and developed by Jan. '19
- Made an MOU with Changwon City & Changwon Industry Promotion Agency to construct a liquefied hydrogen plant by Apr. '19
 - Korea's first liquefied hydrogen plant project to prove for hydrogen economic invigoration

Digital

- Awarded 'Pinnacle Award 2019'² by SAP, the Global Software Company, for applying the optimized solution on an operating Indian private power plant in Apr. '19
 - Selected as ISV³ Partner of the Year for successful supply of SAP Platform based digital solution

Service/Environment

- Korea & Overseas service/environmental equipment business Exp.

- Began Samcheok Pos Power 1,2 environmental equipment manufacturing in Mar. '19
- Began Shin Seochon de-Sox waste water treatment equipment manufacturing in Mar. '19

EPC

- Succeeded on early synchronization of the system for Vietnamese Vinh Tan 4 Ext. in Apr. '19 (by 2 months)
- Contracted Indonesian Jawa 9,10 coal fired EPC construction in Mar. '19
- Contracted Vietnamese Van Phong 1 coal fired power EPC construction in Jan. '19
- Received orders of Kori Power Integrated Support Center and Anyang Knowledge Industry Center construction in 191Q



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DHIC Parent_Summary

(Unit : KRW B, %)

	'18.1Q	'18.4Q	'19.1Q	YoY	QoQ
Sales	965	1,255	871	-94	-384
OP	76	41	47	-29	+6
OPM(%)	7.9%	3.3%	5.4%	-2.5%p	+2.1%p
Non-OP	-54	-879	-92	-38	+787
Interest	-40	-44	-42	-2	+2
FX	-11	-3	7	+18	+10
Other Non-OP	-3	-833	-58	-55	+775
Net P/L	14	-815	-36	-50	+779

DHIC Parent_Balance Sheet

(Unit : KRW B,%)

	end of '18	'19.1Q	Difference
Current Assets	3,330	3,626	+296
Cash & Cash Equivalent	655	524	-131
Non-Current Assets	8,012	8,107	+95
Total Assets	11,342	11,732	+390
Total Liabilities	7,402	7,838	+436
Net-Debt	3,769	4,612	+843
Total Equity	3,941	3,894	-47
Total Liabilities and Equity	11,342	11,732	+390
Total L/E ratio	187.8%	201.3%	+13.5%p

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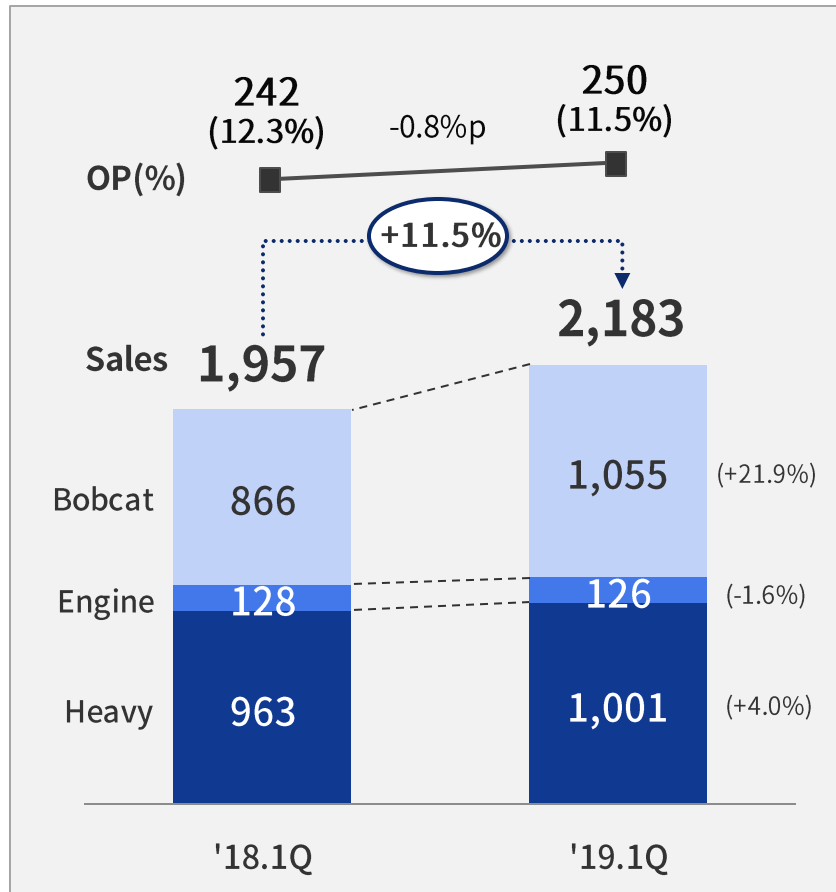
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Affiliates' Major Business Results_Doosan Infracore

Sustained sales & OP increase thanks to Heavy and Bobcat. 1Q's sales volume increased due to infrastructure investment expansion, sustained replacement demand in China and slight increase on mini/small sized portion.

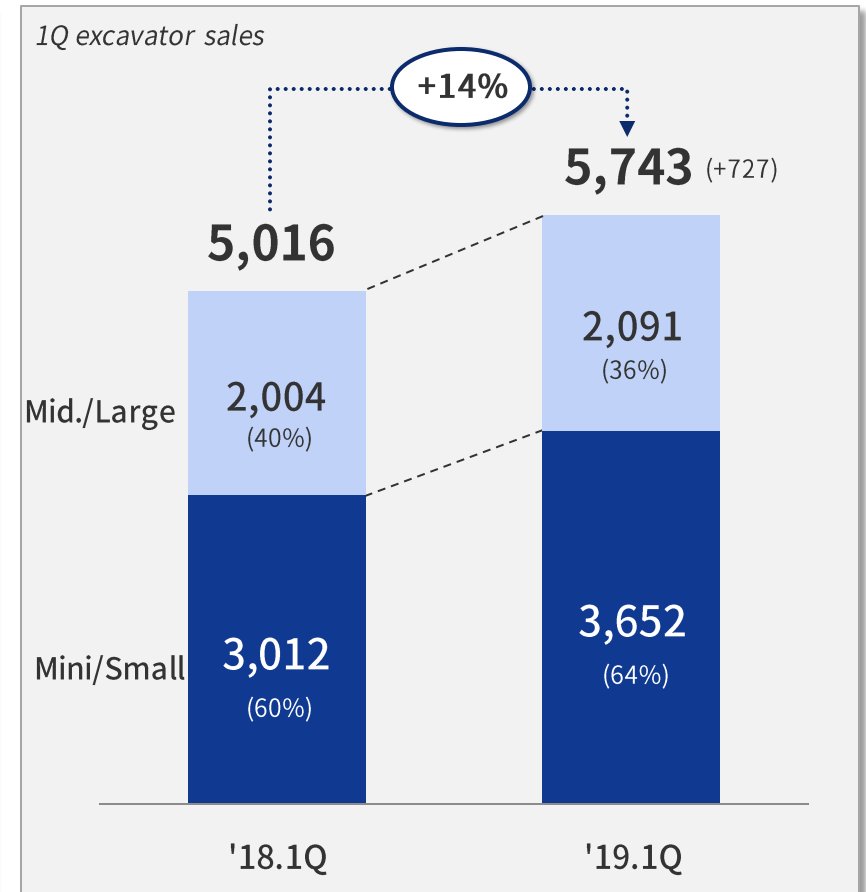
Sales/OP(%)

(Unit : KRW B, %)



1Q China Sales/Mix

(Unit : ea.,%)

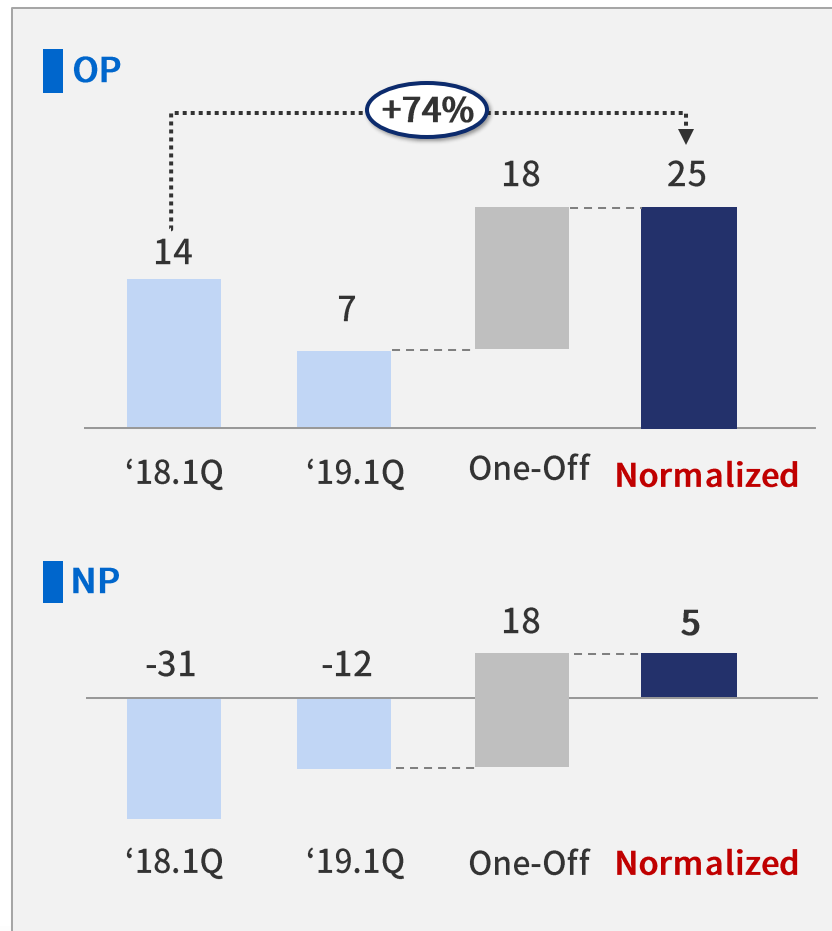


Affiliates' Major Business Results_Doosan E&C

OP increased by 74% YoY, and NP turned into profit, if the one-off cost excluded. Secured the financial structure improvement fundamental through the capital injection and continue the improvement through the additional self countermeasures.

OP/NP

(Unit: KRW B)



Financial Structure

(Unit: KRW B)

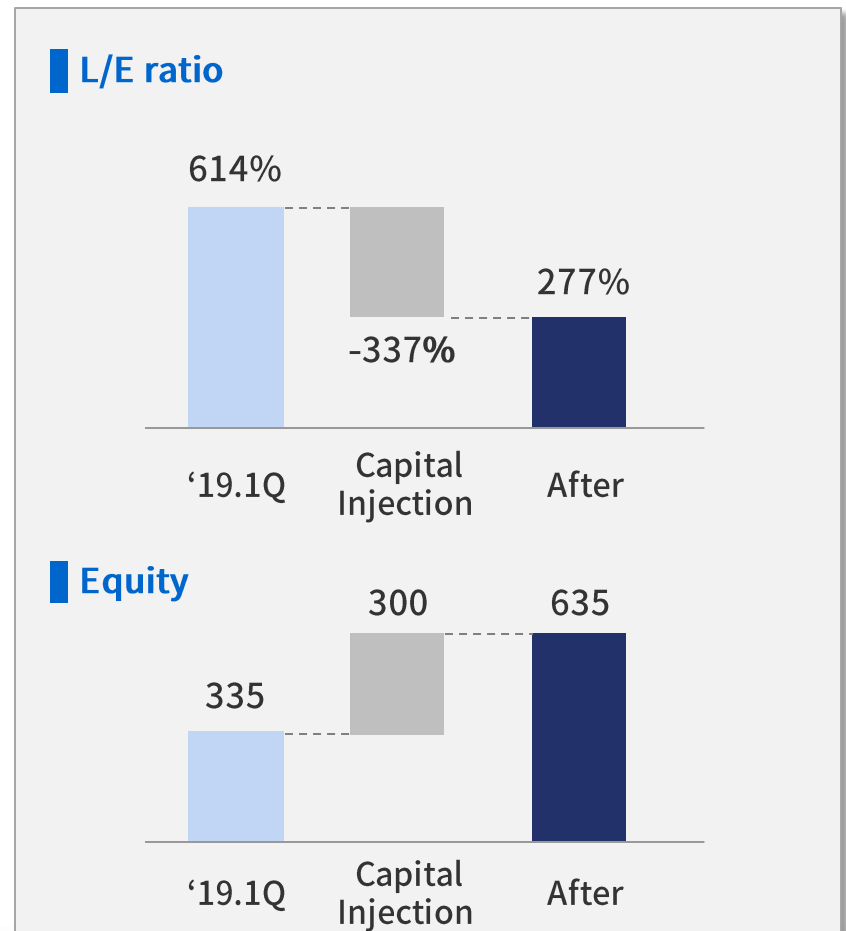


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DHIC's Consolidated_Summary

Sales increase by 7% and OP increased by 6% YoY

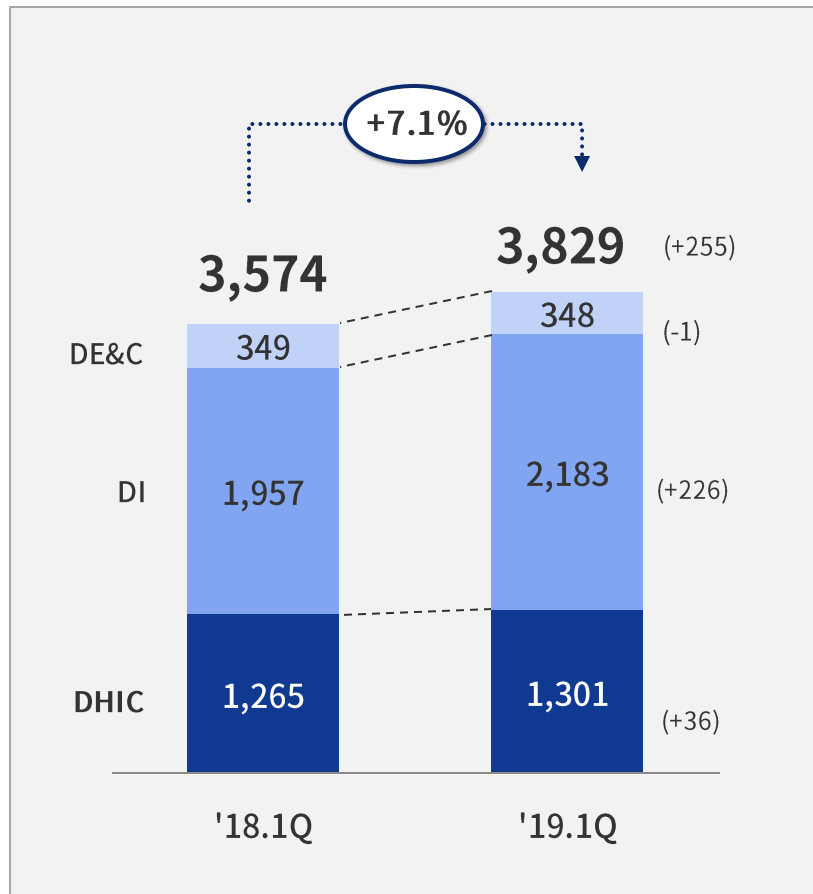
(Unit : KRW B, %)

	'18.1Q	'18.4Q	'19.1Q	YoY	QoQ
Sales	3,574	3,967	3,829	+255	-138
OP	305	123	322	+17	+199
OPM(%)	8.5%	3.1%	8.4%	-0.1%p	+5.3%p
EBITDA	435	247	438	+3	+191
Non-OP	-191	-621	-208	-17	+413
Interest	-119	-109	-118	+1	-9
FX	-15	16	-7	+8	-23
Other Non-OP	-58	-529	-83	-25	+446
P/L before Income Tax	114	-498	114	0	+612
Net P/L	23	-543	53	+30	+596

DHIC's Consolidated_Sales/OP

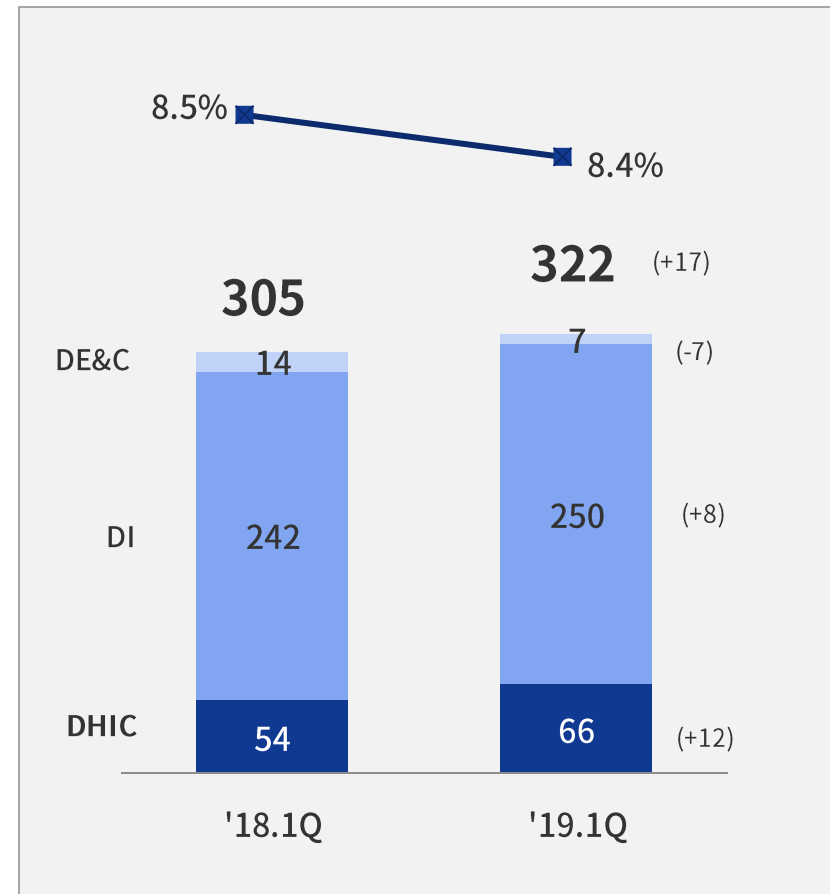
Sales increased by 7% thanks to DI's sales increase by 12% YoY. OPM sustains the solid flow over 8%.

Sales



OP(%)

(Unit : KRW B,%)



DHIC's Consolidated_Balance Sheet

(Unit : KRW B,%)

	end of '18	'19.1Q	Difference
Current Assets	9,782	10,609	+827
Cash & Cash Equivalent	2,468	2,401	-67
Non-Current Assets	15,033	15,424	+391
Total Assets	24,815	26,033	+1,218
Total Liabilities	18,597	19,765	+1,168
Net-Debt	8,357	9,259	+902
Total Equity	6,218	6,268	+50
Total Liabilities and Equity	24,815	26,033	+1,218
Total L/E ratio	299.1%	315.4%	+16.3%p

theDoosanWay

Our story. Our vision.

Q&A