



Doosan Heavy Industries Co., Ltd.

2Q 2021 Earnings Release

July 2021



Disclaimer

This presentation was prepared for the convenience of investors. The financial figures contained in this presentation are K-IFRS consolidation and DHI operation¹⁾ basis.

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1) DHI Operation : DHIC Parent + Overseas Subsidiaries + Doosan Mecatec

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2Q 2021 Financial Results – Income Statement

- Revenue grew 4.8% YoY due to progress overrun of domestic and overseas large EPC projects.
- OP significantly improved due to revenue growth(YoY), cost improvement and the last year's restructuring.
- NP recorded profit in consecutive two quarters due to the increased operating profit.

■ Summarized Income Statement (DHI Management Consolidation)

(Unit : KRW B, %)

	2Q20	1Q21	2Q21	YoY	QoQ
Orders	1,119	1,322	998	-10.8%	-24.5%
Backlog	12,615	13,251	12,884	+2.1%	-2.8%
Sales	1,153	1,223	1,208	+4.8%	-1.2%
OP	-205	58	79	turn to surplus	+35.6%
OP Margin (%)	-17.8%	4.8%	6.6%	turn to surplus	+1.8%p
EBITDA	-149	109	128	turn to surplus	+17.9%
Net Financial cost	55	48	52	-4.8%	+8.6%
Other non-operating income & expenses	-71	129	68	turn to surplus	-47.3%
Profit before Tax	-321	126	97	turn to surplus	-23.4%
Net Profit	-347	97	67	turn to surplus	-31.3%

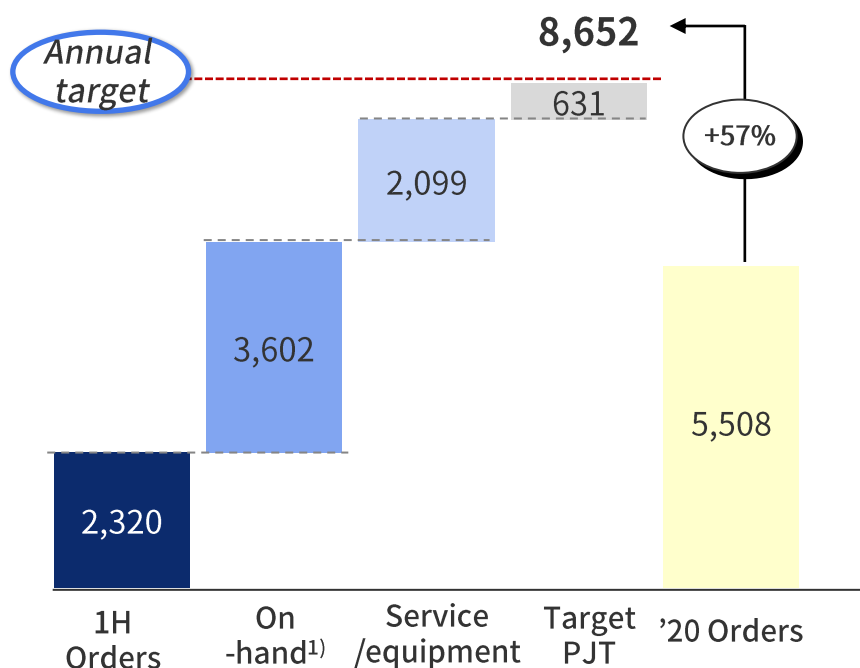
1H 2021 New orders & Annual Forecast

Recorded 2.3T. KRW of orders in 1H21 due to delay on owners' PF on Vung Ang 2 in Vietnam and Jeju Hanlim offshore wind PJTS.

Forecast orders of 8.6T. KRW increased 57% YoY, thanks to completion of PF on the on-hand PJTs in 2H21.

1H orders & Annual Forecast (DHI Mgt. Con.)

(Unit : KRW B.)



1. On-hand : Projects, recognized as orders, by owner's PF closing.
Highly likely to recognize orders within this year.

On-hand PJTs status

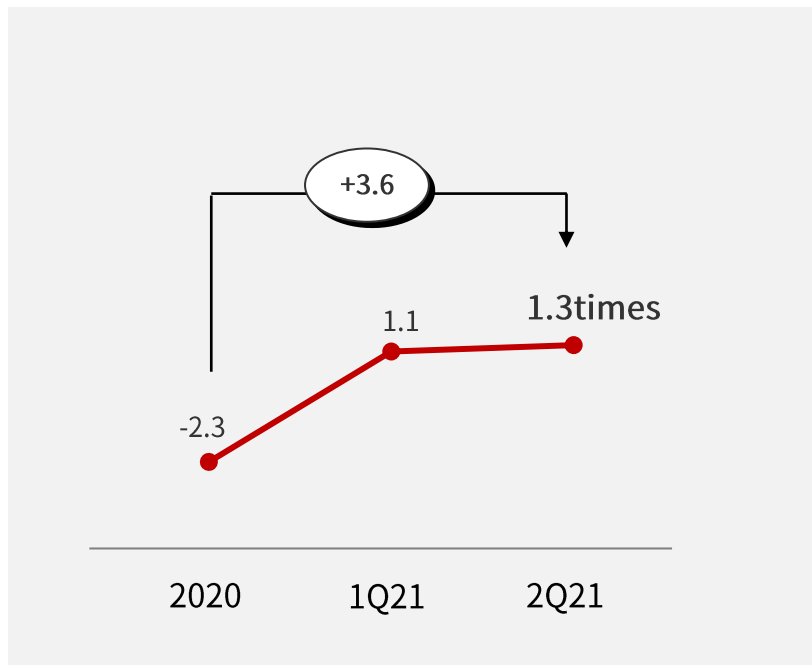
(Unit : KRW T.)

PJT	Amount	Contract signing	Order recognition
Dangjin LNG	0.5T	Aug '21	Aug '21
Vung Ang 2	1.3T	Oct '20	Sep '21
Domestic offshore wind (Jeju Hanlim)	0.2T	Apr '21	Sep '21
Nepal hydropower	0.4T	Oct '20	Sep '21
Guam Ukudu CCPP	0.6T	Dec '20	Nov '21
Others	0.6T	4Q '21	4Q '21

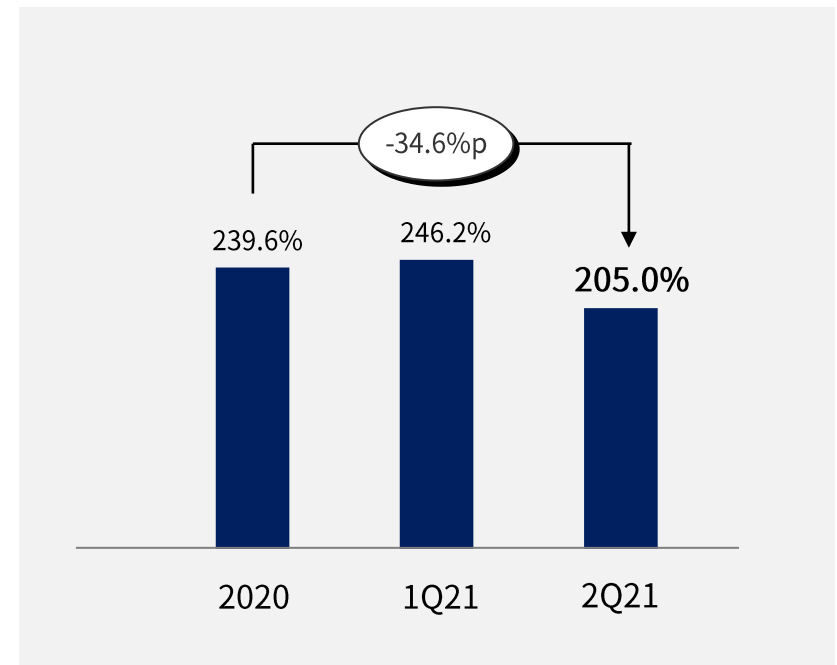
2Q 2021 Financial Results – ICR & Debt ratio

- ICR achieved 1.3 times through improved financial structure and operating profit growth and etc.
- Liability/Equity continued to improve by investment in-kind, debt decrease and net profit in consecutive two quarters.

■ ICR(Interest Coverage Ratio) (DHI Mgt. Con.)



■ Liability/Equity ratio (DHI Mgt. Con.)



Separate Income Statement

- Recorded net profit in consecutive two quarters due to the increased operating profit.

(Unit : KRW B)

	2Q20	1Q21	2Q21	YoY	QoQ
Orders	804	1,084	418	-48.0%	-61.4%
Sales	822	816	812	-1.2%	-0.5%
OP	-72	55	67	turn to surplus	+22.1%
OP Margin (%)	-8.7%	6.7%	8.2%	turn to surplus	+1.5%p
EBITDA	-31	92	103	turn to surplus	+12.1%
Net Financial cost	42	39	40	-4.3%	+3.9%
Other non-operating income & expenses	-373	124	71	turn to surplus	-42.3%
Profit before Tax	-482	137	107	turn to surplus	-22.2%
Net Profit	-505	107	79	turn to surplus	-25.4%
ICR	-1.6	1.3	1.4	+3.0	+0.1

Consolidated Income Statement

- OP and NP turned surplus due to DHI, Doosan Bobcat and Doosan E&C's business result improvement.

(Unit : KRW B)

	2Q20	1Q21	2Q21	YoY	QoQ
Sales	2,597	2,751	2,901	+11.7%	+5.4%
OP	-140	253	255	turn to surplus	+0.6%
OP Margin (%)	-5.4%	9.2%	8.8%	turn to surplus	-0.4%p
EBITDA	-23	370	353	turn to surplus	-4.4%
Net Financial cost	77	69	74	-3.5%	+7.5%
Other non-operating income & expenses	-39	117	27	turn to surplus	-76.9%
Profit before Tax	-246	278	208	turn to surplus	-25.0%
Tax expense	49	78	68	+38.2%	-13.4%
Discontinued operations P/L ¹⁾	43	48	61	+41.5%	+26.6%
Net Profit	-252	248	202	turn to surplus	-18.6%

1) Classified Doosan Infracore's business results into discontinued operations backed by business carve-out fix and signing on SPA(Feb. 5th) by approval on the Shareholder's meeting(May 13th)

Reference : Doosan Bobcat , Doosan E&C Financial Results

1. Doosan Bobcat

(Unit : KRW B)

	2Q20	1Q21	2Q21	YoY	QoQ
Sales	964	1,225	1,284	+33.2%	+4.8%
OP	64	171	140	+117.9%	-18.2%
OP Margin (%)	6.7%	14.0%	10.9%	+4.2%p	-3.1%p
Net Profit	41	115	93	+125.6%	-19.6%

2. Doosan E&C

(Unit : KRW B)

	2Q20	1Q21	2Q21	YoY	QoQ
Sales	472	290	330	-30.2%	+13.9%
OP	-4	17	24	turn to surplus	+42.6%
OP Margin (%)	-0.8%	5.8%	7.3%	turn to surplus	+1.5%p
Net Profit	-89	3	3	turn to surplus	+14.3%

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Status of proceeding Nuclear SMR

Visualized construction of SMR mainly in US/EU according to the carbon-neutral policy. Expect increase of SMR orders thanks to the main equipment supply to NuScale and participation in Korea and overseas SMR business.

Forecasting orders of NuScale

- Period : 2022 ~ 2027
- Forecasting orders amount : about 3.3 trillion won

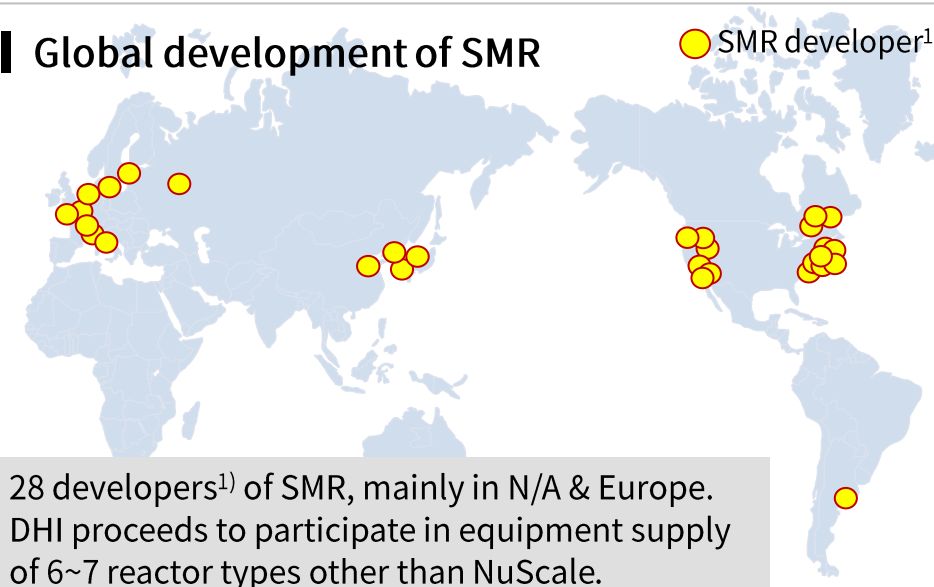
Future Business Plan

Expect expansion of SMR adoption due to the carbon neutral policy, stronger safety, initial investment cost reduction and the shortened construction period.

- Forecast supply of 3.3T. KRW through share investment on NuScale SMR.
- Participate in other SMR developers' equipment design and supply based on manufacturing technology development and secured supply to NuScale.
- DHI supports on acquisition of the standard design for SMART nuclear power in Korea. Plan to secure equipment supply through participating in innovative SMR development, applied with the latest design concept.

Global development of SMR

● SMR developer¹⁾



1) Reactor types completed conceptual design or secured FI's angel investment

Status of the Proceeding New Business (Update)

	Item	Detailed Contents	Additional Sales in Potential (~'25, Annual Forecast in average)
Wind	• Participation in Private Business	• Reflected public PJTs mainly, but raise possibility to award more orders by participation into private business through shares' investment hereafter(Proceed private contracts through shares' investment)	0.6 T. KRW
Hydrogen	• Clean Hydrogen Production	• MOU with KHNP for cooperation of clean hydrogen production (May, '21)	0.8 T. KRW ³ ('30)
	• Clean Hydrogen Import	• Participated into Green Ammonia Consultative Group ¹ (Jul., '21) - Propel to participate into import/trade market of ammonia, changed from massively produced clean hydrogen in overseas	
	• Hydrogen Turbine	• Accelerate hydrogen turbine development and build cooperative system to realize the business opportunity - MOUs with KOMIPO & EWP in Jun., '21 and KOWEPO in Jul., '21 - MOU ² with POSCO-RIST to develop ammonia fueled turbines in Jul. '21	

1) A consultative group to build industrial ecosystem and full cycle technology development by using ammonized clean hydrogen import, 18 contributed research institutes, public institutions and private companies in total

2) Plan to develop turbine by using hydrogen from ammonia cracked gas, to prepare for ammonized clean hydrogen import

3) Forecasted annual sales in average from production, supply and application of hydrogen according to hydrogen demand forecast for hydrogen power in '30(Forecast construction of clean hydrogen production and import market formation in the late '20s)

Status of the Proceeding New Business (Update)

	Item	Detailed Contents	Additional Sales in Potential (~'25, Annual Forecast in average)
Resource Recircula- -tion	• Lithium recovery technology from wasted battery	- Lithium recovery technology from wasted battery, an eco-friendly technology developed by DHI own, and plan to demonstrate 5 ton/day facilities in 2H21. - Eco-friendly technology, without use of chemicals, and achievement to the purity level possible to supply for battery.	0.1 T. KRW ¹
	• Hydrogen production from wasted plastics	- MOU with Ribotech Co., Ltd. In May '21 to proceed hydrogen production technology development by using wasted plastic and vinyl. - Collaborate with Ribotech Co., Ltd., owns waste pyrolysis technology, for large scale. - Commercialize hydrogen production technology for 3 tons/day by developing DHI's own technology of hydrogen extraction from cracked gas.	
Overseas Nuclear Power Plant	• Large-sized Overseas Nuclear Power	Raise overseas large sized nuclear order possibility through nuclear industrial cooperation expansion and participating in nuclear market for Korea and the US' nuclear exports. (KSA, Czech, Poland, India, etc.)	

1) Forecast additional sales increase due to the assumed demonstration PJTs mainly in short period, as in the stage of new market formation.

[Back Up] Separate Balance Sheet

(Unit : KRW B)

	2020	1Q21	2Q21	Difference (compared to 2020)
Current Asset	2,970	3,548	4,149	+1,179
Non-Current Asset	8,177	8,222	8,137	-40
Total Asset	11,147	11,769	12,286	+1,139
Total Liabilities	7,686	8,199	8,004	+318
- Net Debt	4,470	4,423	4,264	-206
Total Equity	3,461	3,570	4,282	+821
Liabilities/Equity Ratio	222.1%	229.7%	186.9%	-35.2%p
Net Debt Ratio	129.2%	123.9%	99.6%	-29.6%p

[Back Up] Consolidated Balance Sheet

(Unit : KRW B)

	2020	1Q21	2Q21	Difference (compared to 2020)
Current Asset	9,947	11,523	15,104	+5,157
Non-Current Asset	15,620	15,886	14,135	-1,485
Total Asset	25,567	27,409	29,239	+3,672
Total Liabilities	18,461	19,906	20,219	+1,758
- Net Debt	7,407	7,053	5,424	-1,983
Total Equity	7,106	7,503	9,020	+1,914
Liabilities/Equity Ratio	259.8%	265.3%	224.2%	-35.60%p
Net Debt Ratio	104.2%	94.0%	60.1%	-44.1%p

Q&A

