

DOOSAN

Doosan Enerbility Co., Ltd.

2023 2Q Earnings Release

DOOSAN



Disclaimer

Please note that this data is prepared for the convenience of investors, and some of the contents may change according to the results of external audits.

This material is prepared as reference material for investors to make investment decisions, and we do not provide any guarantees to investors or assume responsibility for the contents of this material. In addition, we trust that our investors' investments will be made based on their independent and independent judgment.

The financial information in this document is based on Managerial consolidated¹⁾, IFRS consolidated, and IFRS parent basis.

1) Managerial consolidated : IFRS parent + Overseas Subsidiaries results

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1. 2023 2Q Results
2. 2023 2Q Highlights

2023 2Q Results Summary - Managerial Consolidation

- Achieved 60% of FY23 order target thanks to Shin-hanul #3/4 nuclear and Kazakhstan CCPP
- Sales and EBIT improved YoY based on continuous increase of new orders and backlog
- Turnaround on net income achieved by improved profitability with no one-off loss impact
- Net Debt decreased thanks to sales of Bobcat shares and Advance Payments received
- Temporary increase of Liability/Equity ratio due to Advance Payments received

Summary

(Unit : KRW Bn, %)

	'22.1H	'23.1H	YoY	'23.1Q	'23.2Q	QoQ
Orders	3,157	5,164	+63.6%	4,305	859	-80.0%
Backlog	13,993	16,375	+17.0%	17,323	16,375	-5.5%
Sales	2,900	3,469	+19.6%	1,663	1,806	+8.6%
EBIT	110	119	+8.4%	85	33	-60.8%
(%)	3.8%	3.4%	-0.4%p	5.1%	1.8%	-3.3%p
EBITDA	199	188	-5.5%	121	66	-45.5%
Net Profit	-260	34	+294	37	-3	-40
Net Debt	2,570	1,961	-609	2,878	1,961	-917
Liability/Equity	118.6%	129.3%	+10.7%p	119.6%	129.3%	+9.7%p

2023 2Q Results Summary - Consolidation

- Sales increased by 26% YoY by sales growth of Doosan Enerbility and Bobcat
- EBIT increased by 65% YoY driven by margin improvement from Enerbility, Bobcat and FuelCell
- Turnaround achieved thanks to improved profitability with no one-off loss impact
- Net Debt decreased thanks to sales of Bobcat shares and Advance Payments received

Summary

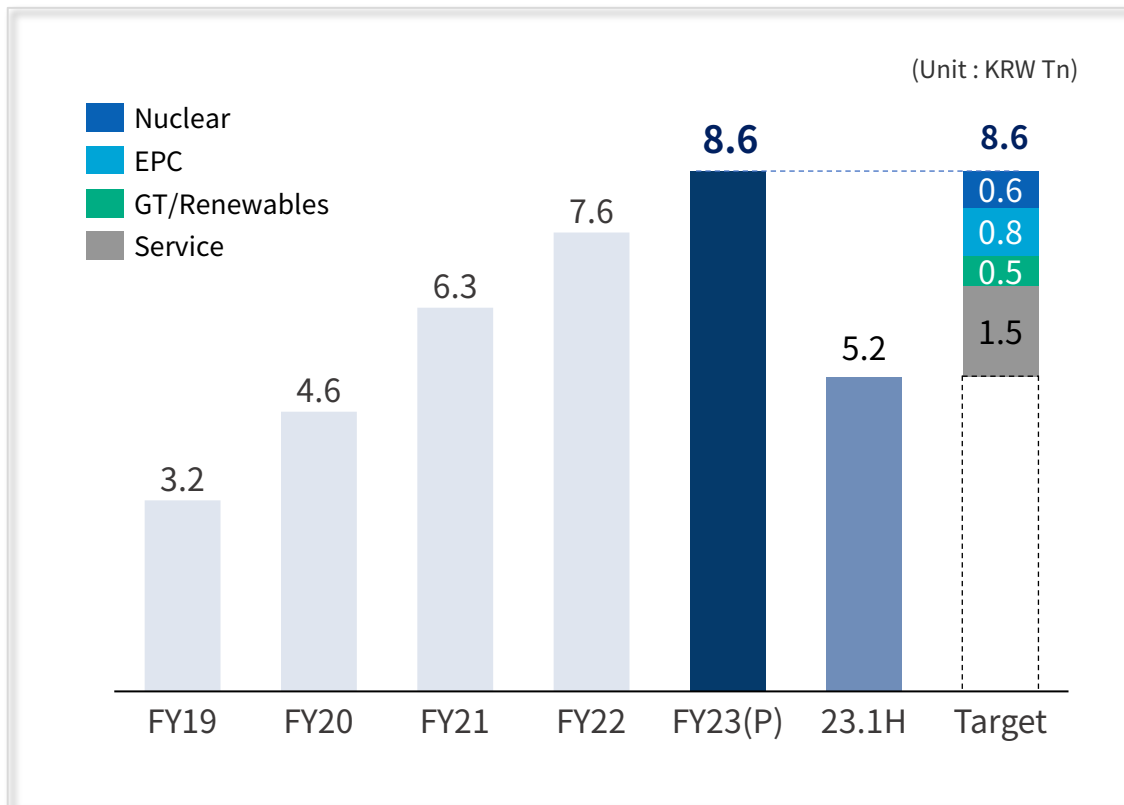
(Unit : KRW Bn, %)

	'22.1H	'23.1H	YoY	'23.1Q	'23.2Q	QoQ
Sales	6,839	8,580	+25.5%	4,041	4,539	+12.3%
EBIT	520	859	+65.3%	365	494	+35.7%
(%)	7.6%	10.0%	+2.4%p	9.0%	10.9%	+1.9%p
EBITDA	678	1,044	+53.9%	457	587	+28.6%
Net Profit	-114	434	+548	171	262	+91
Net Debt	3,405	2,346	-1,059	3,484	2,346	-1,138
Liability/Equity	128.7%	129.5%	+0.8%p	128.6%	129.5%	+0.9%p

2023 1H New Orders / Annual Target

- Achieved KRW 5.2Tn orders¹⁾ which is 60% of annual target
- The first order of Doosan 380MW heavy duty GT received → Additional GT order expected
- Expected to achieve the annual target(KRW 8.6 Tn) with targets such as large GT demonstration, SMR, EPC, etc., and efforts to discover additional potential

1H Orders / Annual Target



[1H Key Orders]

(Unit : KRW Tn)

Shin Hanul #3,4 Nuclear	2.9
Kazakhstan Turkistan CCGP	1.1
Boryeong CCGT	0.3
Service/O&M/Construction	0.9

[Order Targets]

SMR	0.6
CIS Countries CCGP	0.8
Gas Turbine, Hydrogen/Renewable	0.5
Service/O&M/Construction	1.5

1) Shin Hanul #3/4 , Turkistan CCGP(Kazakhstan), Boryeong CCGT

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Doosan Gas Turbine Business Progress

Making a good progress with successful test in Gimpo CCPP and the first order for Boryeong Korea-Standard CCPP PJT / Target to develop hydrogen GT by 2027

Doosan GT Progress

Boryeong Korean-Standard CCPP signed (June)

- Signed the first commercial contract for Korean-Standard CCPP with Doosan Gas Turbine



Gov't subsidized Hydrogen GT development PJT

- Development of Hydrogen GT with Doosan GT (June) / retrofit tech for 150MW hydrogen co-firing GT (July)



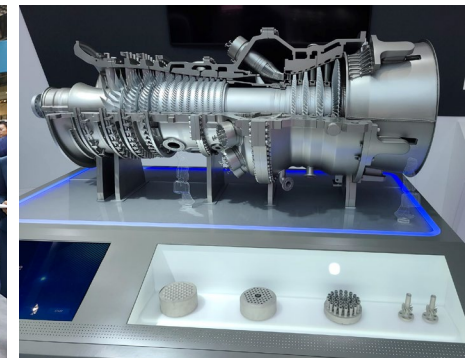
Business Plan

1 Expects further Korean-Standard CCPP PJTs

- Bundang CCPP order in '23. 4Q
- Ulsan Green 1 CCPP in '24

2 Target to lead hydrogen GT market

- Plan to supply hydrogen co-firing GT from Boryeong PJT
- Target to lead hydrogen GT market PJT
 - 300MW class (Ulsan Green), 150MW class (Shin Incheon)
- Developing co-firing tech for larger GT
 - Target to develop world first 400MW hydrogen GT by '27



Target Projects for Korean Nuclear Power Team

Team Korea actively engaging sales activities for nuclear power plant exports, focusing on the Czech Republic and Poland, and is expanding sales into many countries such as the UK and Turkiye

Czech

- Proposal submitted in '22
 - proposal of Korea-Czech jointly developed reactor (APR1000)
- Expected selection of preferred bidder in Mar '24

Poland

- Construction of New Nuclear Power Plant led by Team Korea – Poland PGE and ZE PAK, a private developer
- Joint SPV established to implement the project (Mar '23)
- Feasibility Study for Fontneuf Nuclear Power Plant Construction (Jul '23)



UK

- All-out efforts to win orders from the government and parliament at the Team Korea level
- Proposed MOU between KEPCO-UK GBN for cooperation in new nuclear power plant projects ('23.4)

UAE follow up

- After the completion of UAE Units 1~4, follow-up units are expected to be built

Turkiye

- Preliminary proposal submitted for 4 units of nuclear power plant (Jan '23)

Others

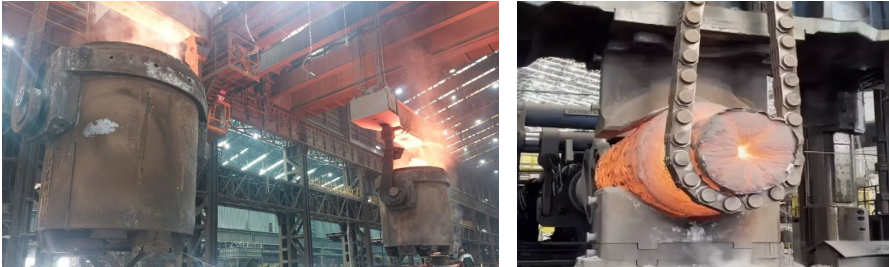
- Executing sales as Team Korea level for new nuclear project in Saudi, Slovenia, Vietnam, S. Africa, Kazakhstan, Belgium, Finland, the Netherlands, Philippines and others

SMR Foundry progress

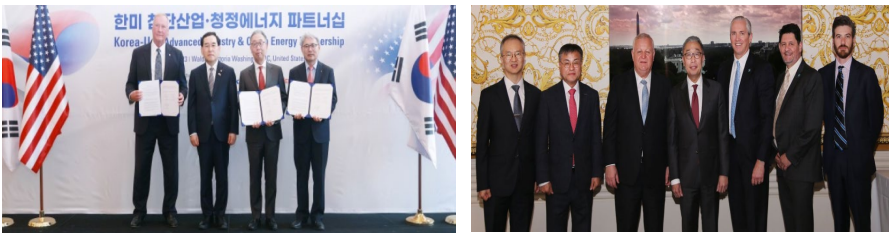
Start production of NuScale long lead material in April and expect SMR production order, Leading SMR Foundry track records by expanding SMR business beyond NuScale

Start of production of NuScale SMR / Expanding foundry business with X-Energy

- Starting to produce long lead materials for UAMPS PJT in April and progressing to receive SMR production order



- Expanding for further NuScale and X-energy project
 - Signed further cooperation MOU with NuScale/KEXIM
 - Detailed design work in progress for X-energy
 - In discussion of cooperation with other SMR model



Strengthening SMR business with Policy support and Further Investment

- Established Public/Private SMR alliance to develop supply chain with Gyeongsangnam-do/Changwon



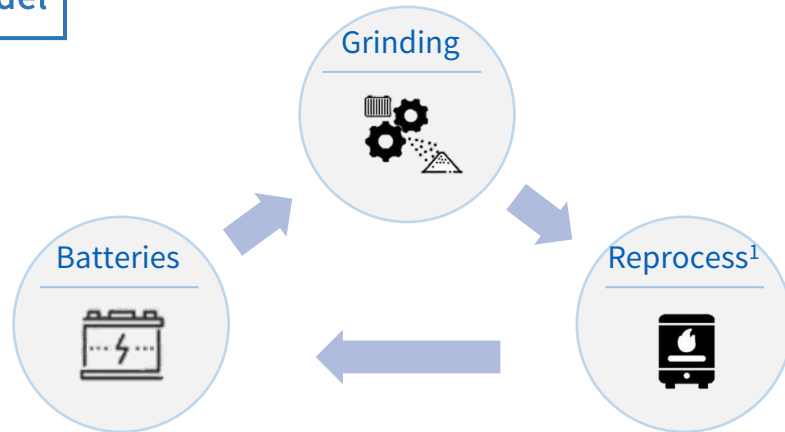
- Planning additional CAPEX for increasing capacity
 - Acquiring SMR specialized production facility/factory floor and machines with digital/AI technologies

Doosan to enter EV sector with battery recycling business

Battery Recycling with Doosan Recycle Solution

Biz Model

- Collecting lithium from waste batteries using much simplified own technology developed by Doosan



New Step

- Establishing new subsidiary for reprocessing
- In order to dominate the rapidly growing market through fast decision-making and response
- Target for mass processing by 2025

Doosan Recycle Solution

두산리사이클솔루션

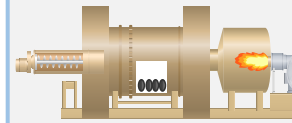
1. Collecting lithium, NCM (Nickel, Cobalt and Manganese)

Technology and Key feature

Key Tech

- New technology developed by Doosan
- Process includes heating, water separation and crystallization
 - No toxic chemical required

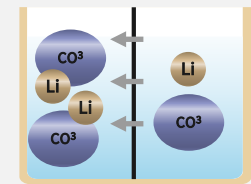
Heating



Water Separation



Crystallization



Key Feature

- Simpler, higher collection rate and purity using eco-friendly method without chemicals
 - Fully tested in commercial scale

Eco-friendly

Low CO_2 emission /
No chemical



High Purity

Ready for direct use



High collection rate

High efficiency



Technical Verification

Appendix. Financial Summary – Balance Sheet

B/S – Managerial Consolidation

(Unit: KRW Bn, %)

	'21	'22	'23.2Q	chg
Current Asst	5,230	4,314	5,316	+1,002
Cash Equivalents	1,418	748	1,402	+654
Non-Current Asst	11,047	10,562	10,437	-125
Total Asst	16,278	14,876	15,753	+877
Total Liabilities	10,284	8,071	8,882	+811
Net Debt	3,914	2,570	1,961	-609
Total Equity	5,994	6,806	6,871	+66
Liability/Equity	171.6%	118.9%	129.3%	+10.4%p

B/S - Consolidation

(Unit: KRW Bn, %)

	'21	'22	'23.2Q	chg
Current Asst	8,418	8,099	10,005	+1,906
Cash Equivalents	2,429	1,503	2,805	+1,302
Non-Current Asst	15,303	14,951	15,303	+352
Total Asst	23,721	23,050	25,308	+2,258
Total Liabilities	14,913	12,970	14,280	+1,311
Net Debt	4,776	3,405	2,346	-1,059
Total Equity	8,808	10,080	11,028	+947
Liability/Equity	169.3%	128.7%	129.5%	+0.8%p

Appendix. Financial Summary - Standalone

Summary – P/L

(Unit: KRW Bn, %)

	'22.1H	'23.1H	YoY	'23.1Q	'23.2Q	QoQ
Order	2,991	4,793	+60.2%	4,165	628	-84.9%
Backlog	11,949	14,854	+24.3%	15,841	14,854	-6.2%
Sales	2,446	3,006	+22.9%	1,391	1,615	+16.2%
EBIT	76	196	+158.1%	93	103	+11.2%
(%)	3.1%	6.5%	+3.4%p	6.7%	6.4%	-0.3%p
EBITDA	146	252	+72.6%	122	129	+5.7%
Net Profit	-244	113	+357	29	83	+54

Summary – B/S

(Unit: KRW Bn, %)

	'21	'22	'23.2Q	chg
Current Asst	3,684	3,538	4,378	+840
Cash Equivalents	872	394	1,139	+745
Non-Current Asst	10,348	9,652	9,768	+116
Total Asst	14,032	13,190	14,146	+956
Total Liabilities	8,330	7,076	7,897	+821
Net Debt	3,836	2,851	2,120	-731
Total Equity	5,702	6,114	6,249	+136
Liability/Equity	146.1%	115.7%	126.4%	+10.7%

