

DOOSAN

Doosan Enerbility Co., Ltd.

FY2023 Earnings Release & Business Plan



DOOSAN

Disclaimer

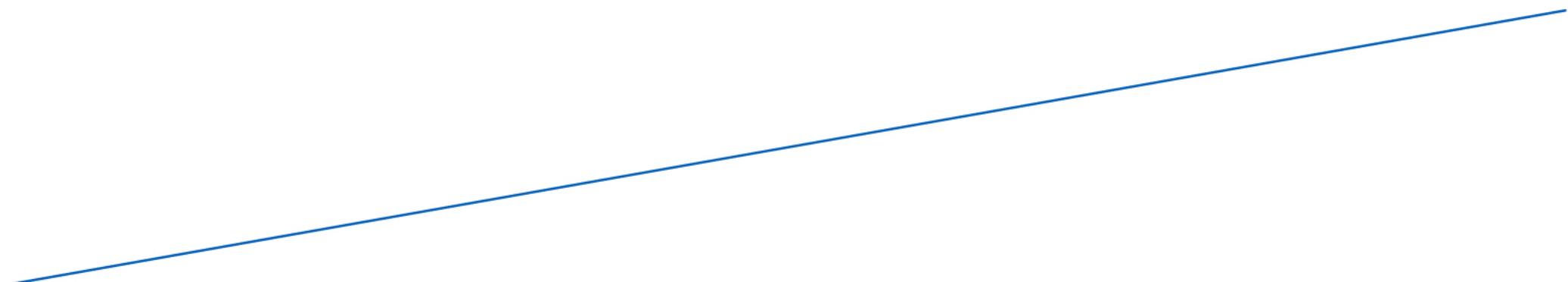
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The financial information in this document is based on Managerial consolidated¹⁾, IFRS consolidated, and IFRS parent basis.

1) Managerial consolidated : IFRS parent + Overseas Subsidiaries results

Contents



1. FY2023 Results
2. FY2024 Guidance
3. Key Business Outlook

FY2023 Results Summary – Managerial Consolidation

- 103.2% of FY23 order target achieved with domestic Nuclear, oversea CCPP and domestic GT
- Sales and EBIT grew YoY driven by increased new orders and backlog in FY23
- Recorded a net loss due to one-off evaluation loss, but significantly decreased YoY
- Net debt decreased YoY with a significant increase in cash from PJT advance payments
- Liability/Equity ratio increased with “Due for Contract Work(Liability)” from advance payments

Summary

Unit: KRW Bn, %

	FY22	FY23	YoY	'23.3Q	'23.4Q	QoQ
Orders	7,479	8,886	+18.8%	710	3,012	+324.2%
Backlog	14,690	15,924	+8.4%	15,343	15,924	+3.8%
Sales	6,536	7,652	+17.1%	1,770	2,413	+36.4%
EBIT	166	225	+35.4%	57	50	-12.3%
(%)	2.5%	2.9%	+0.4%p	3.2%	2.1%	-1.1%p
EBITDA	336	363	+268	90	86	-5
Net Profit	-858	-269	+5,887	-46	-258	-212
Net Debt	2,570	1,906	-6,639	2,320	1,906	-414
Liability/Equity	118.6%	136.9%	+18.3%p	123.7%	136.9%	+13.2%p

FY2023 Results - Consolidation

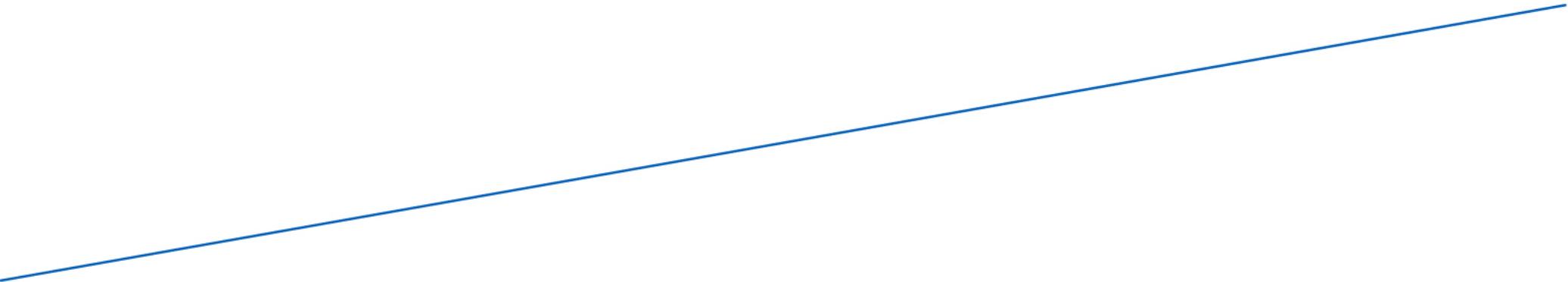
- Sales increased by 14% YoY with sales growth of Doosan Enerbility, Bobcat and Fuel Cell
- EBIT increased by 33% with improved margin of Enerbility and Bobcat
- A turnaround achieved by improved margin of Bobcat notwithstanding loss from Enerbility
- Net debt decreased with advance payment received

Summary

Unit: KRW Bn, %

	FY22	FY23	YoY	'23.3Q	'23.4Q	QoQ
Sales	15,421	17,590	+14.1%	4,155	4,855	+16.8%
EBIT	1,106	1,467	+32.7%	311	297	-4.7%
(%)	7.2%	8.3%	+1.2%p	7.5%	6.1%	-1.4%p
EBITDA	1,492	1,841	+350	402	396	-7
Net Profit	-453	518	+971	120	-36	-157
Net Debt	3,405	2,024	-1,381	2,473	2,024	-450
Liability/Equity	128.7%	127.3%	-1.4%p	123.4%	127.3%	+3.9%p

Contents



1. FY2023 Results

2. FY2024 Guidance

- **Market Trend and Portfolio Strategy**
- **FY24 Guidance**
- **FY24 New Order Target**

3. Key Business Outlook

Market Trend and Portfolio Strategy

Plan to expand Clean Energy Portfolio in line with Global Carbon Free Energy movement

Global Energy Market Trend



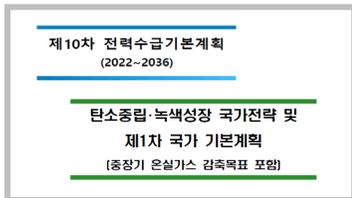
COP28

- Acknowledges importance of nuclear and hydrogen along with renewables
 - 22 Countries Pledge to Triple Nuclear Power Capacity by 2050



CFE¹ Initiative

- Launched CF¹ Alliance in Korea, Pursuing Global Alliance as well
 - CFE¹ Certificate program being prepared



Energy Policies

- Plans for expansion of nuclear energy announced globally
- Hydrogen energy auction market launched, additional nuclear power plant considered in Korea

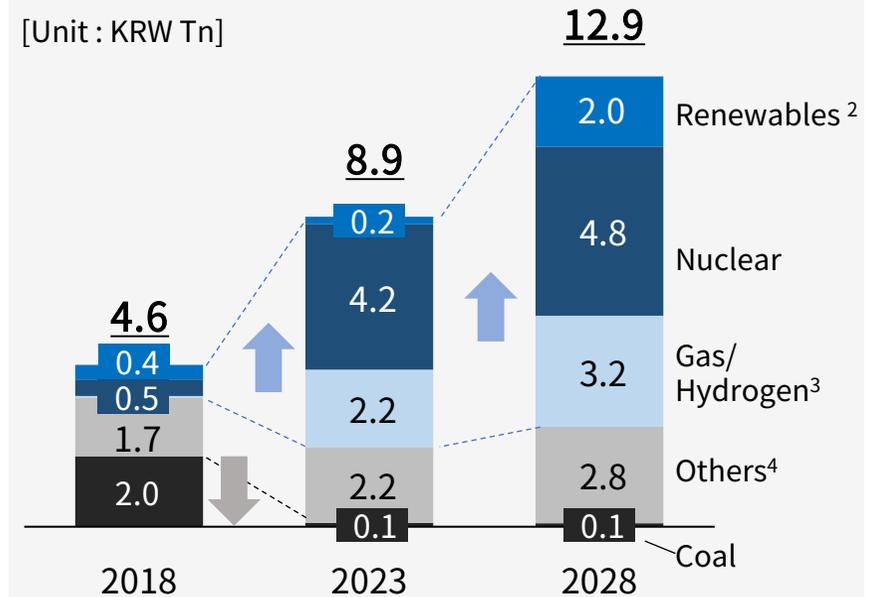


Doosan's Business Portfolio

“Successful portfolio transition to clean energy business, plan for further acceleration”

New Orders & Target

[Unit : KRW Tn]



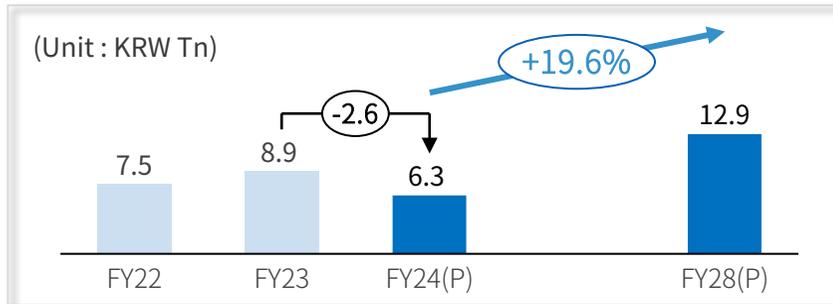
1. CF (Carbon-Free) / CFE (Carbon-Free Energy)
2. Wind, Hydropower etc.

3. GT/Hydrogen Turbine and Ammonia related business
4. Subsidiaries, Civil/Construction, Casting & Forging, Defense, etc.

FY24 Guidance

KRW 10Tn + α Annual orders expected from 2025 with overseas Nuclear exports leads high margin project awards and long-term profitability

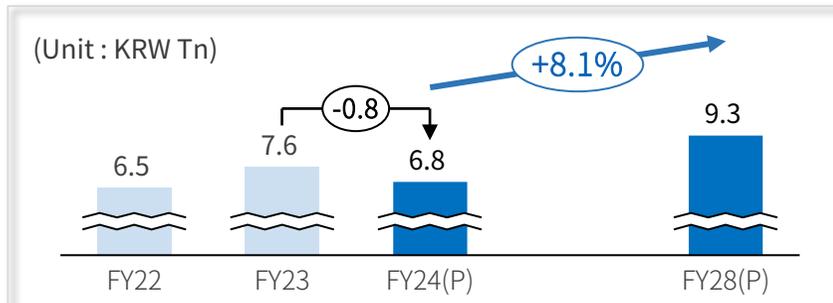
Orders



Transition to eco-friendly/high profitability business

- Nuclear PJTs
 - 2022 : El-dabaa / 2023 : Shinhanul #3, 4
 - 2025 : 1 Oversea PJT / 2026 : 2 Oversea PJTs
- KRW 10Tn+α order expected with Nuclear from 2025
- Target for high-margin equipment/service PJTs

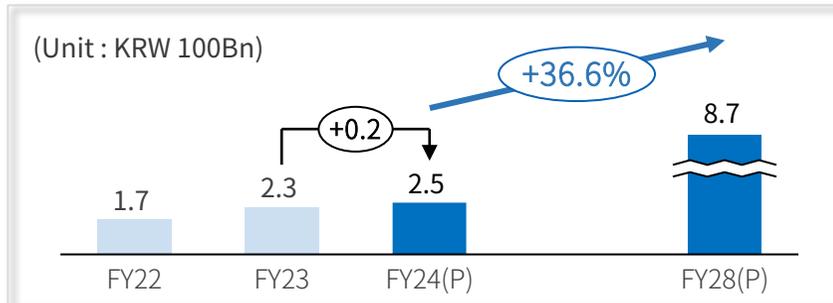
Sales



Temporary slow down due to change of portfolio

- Temporary slow down expected in 2024 due to long life span PJTs with high profitability but growth trend expected from 2025
- Expect sales growth with acceleration of change of product mix incl. Nuclear / Equipment / Service

EBIT



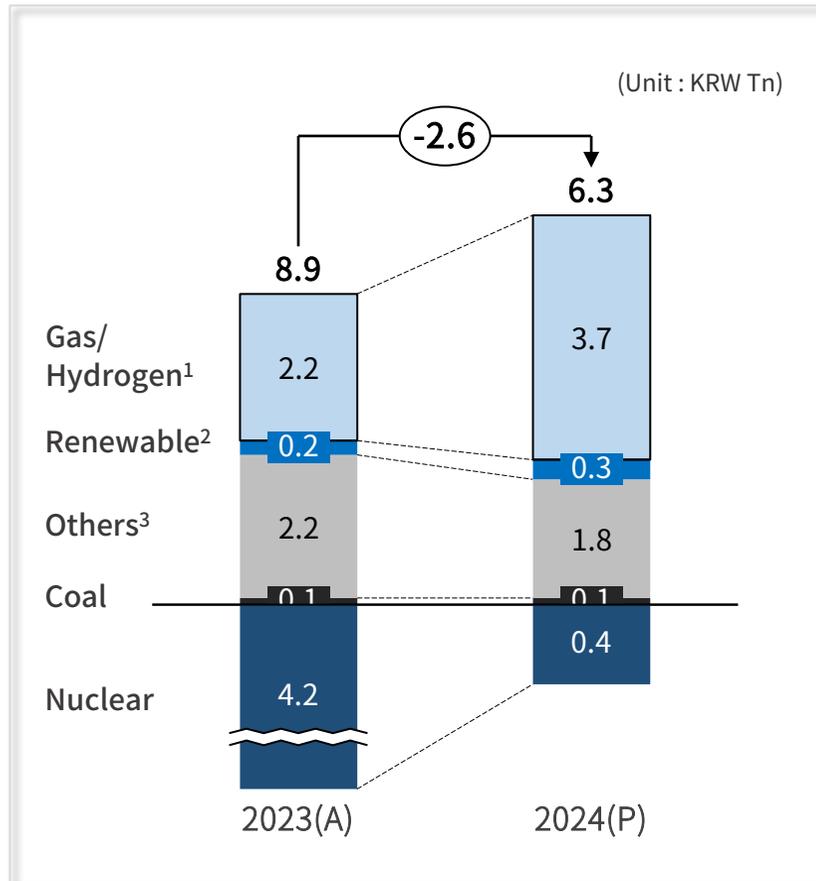
Expect to improve profitability with Service/Nuclear

- Expect huge improvement in profitability with high-margin centric product mix
- Continue to improve EBIT margin along with increase of higher contribution margin products incl. Equipment / Service

FY24 New Order Target

Target projects expected in 2024, Nuclear PJTs expected from 2025

FY24 Annual Order Target



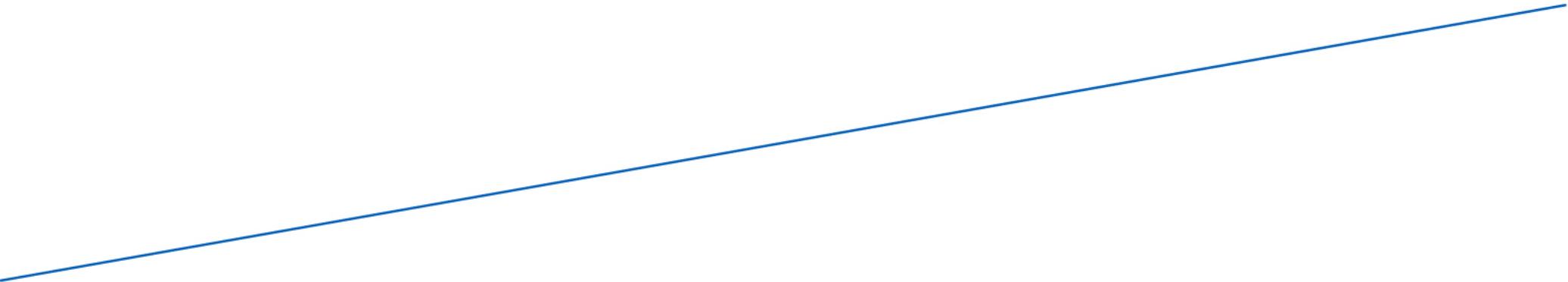
[Key Orders]

(Unit : KRW Tn)

Nuclear	SMR and Others	0.4
Gas/ Hydrogen	Domestic Transitional CCPP	0.7
	Overseas CCPP EPC	2.1
	Service/O&M/Parts	0.9
Renewables	Handong Wind Turbine	0.2
	Domestic Fuel Cell Power	0.1
Others	Civil/Const., C&F, Defense, Subs ⁴	1.8
Coal	Service/Parts	0.1

1. Gas Turbine / Hydrogen Turbine / Co-firing
2. Wind, Hydro and Fuel Cell Power
3. Oversea Subsidiaries, Civil Construction, Defense and others
4. Managerial Consolidation Subsidiaries

Contents



1. FY2023 Results

2. FY2024 Guidance

3. Key Business Outlook

1 Nuclear

2 SMR

3 Gas Turbine/Hydrogen Turbine

4 Renewable / Doosan Geo Solution

1 2 3 4 Target Projects for Nuclear

Team Korea focuses on Nuclear Projects in Czech Republic and Poland Expects new Nuclear Projects with 11th Basic Plan that will be wrapped up in 1H '24

Czech

- Submitted Proposal ('22)
- Czech requested a revised proposal with 4 units by Apr. '24 (Feb. '24, a race between KOR/FRA)
- Selection of Preferred Bidder (Jun., '24 expected)

Poland

- Team Korea – MOU signed with Polish Power SOE and private contractor for 3 units of Nuclear Power Stations
- Established SPV for Korean type Nuclear Power Plants (Mar. '23)
- MOU signed with local manufacturers for Localization (Jul. '23)
- Expects Feasibility Study for Konin Nuclear Power Station (1H '24)

Korea

- Expect New Nuclear Power Construction on 11th Basic Plan (1H '24)
- Expect more Carbon Free Nuclear Power for increasing of Semi-conductor, Rechargeable Battery, and EV

UK

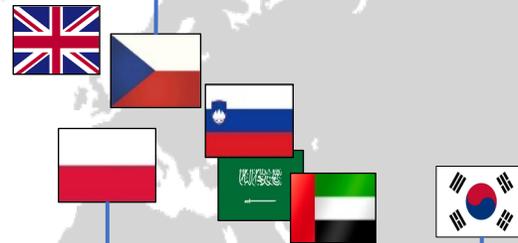
- Established Great British Nuclear to drive rapid expansion of nuclear power in UK (Apr. '23)
- Gov't outlines plans to expand nuclear capacity upto 4 times (24GW) by 2050 (Jan. '24)
- Team Korea on activity for Nuclear exports on UK Gov't and Parliament

UAE follow-up

- Expect construction of further units after powering of 1~4 units of Barakah

Others

- Team Korea focuses on Nuclear Power Plans in KSA, Turkiye, Slovenia, Vietnam, South Africa, Kazakhstan, Belgium, Finland, Holland and Philippine



Continuous growth expected in SMR market due to Carbon Free policies, Energy Security and demand for Distributed Energy / Target to increase SMR sales via Proactive Investments

Key Market Trend

- COP 28 : 22 countries incl. Korea target tripling global nuclear energy capacity by 2050 (incl. SMR)
- Without nuclear 2050 net zero target will not be achieved

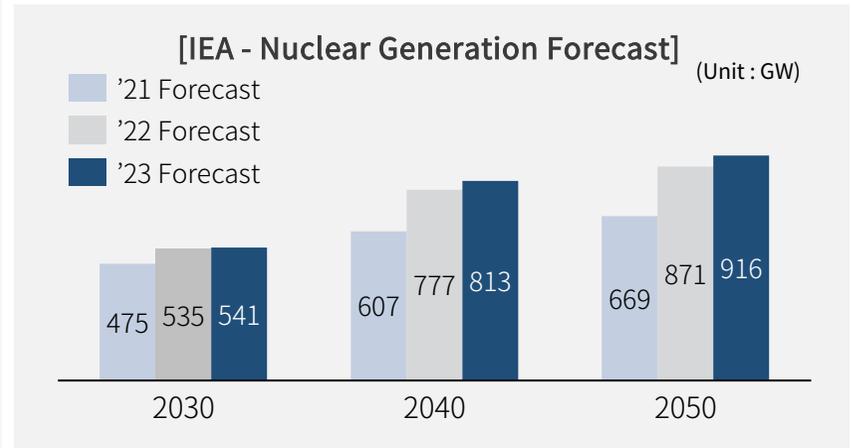


- Discussed accelerating development Innovative SMR in the 5th i-SMR National Assembly Forum
- Highlighting necessity of SMR with private partners



Nuclear Market Expansion

- IEA Forecasts Surge in Global Nuclear Generation
- Revised 25% higher in '22 and additional 5% in '23



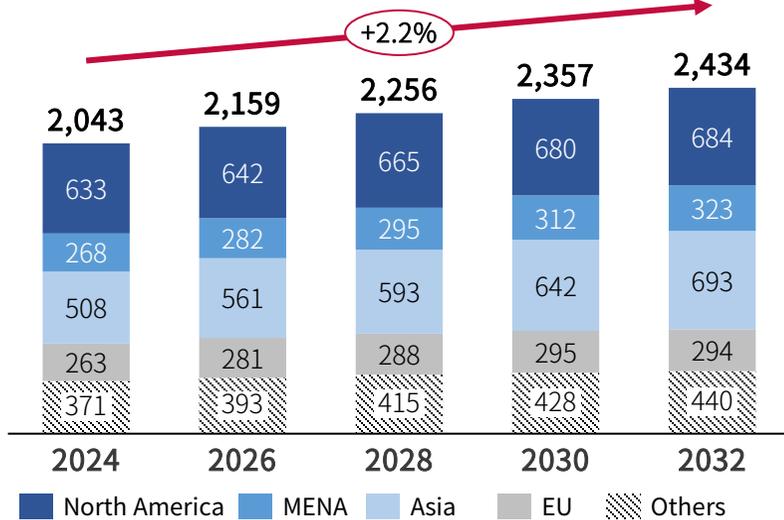
- Target KRW 1.5Tn order in 5 years through expansion on customer pool and production capacity
- Establishing SMR portfolio through strategic partnership with Global Top Tier SMR developers
- Increase production capacity with new fabrication facility
- Competitive price based on new fabrication technology

1 2 3 4 Gas Turbine Market Trend

Continuous growth expected in domestic LNG Power Market as transitional energy to follow Country's Carbon Free Energy Policy

Global Gas Power Market Trend

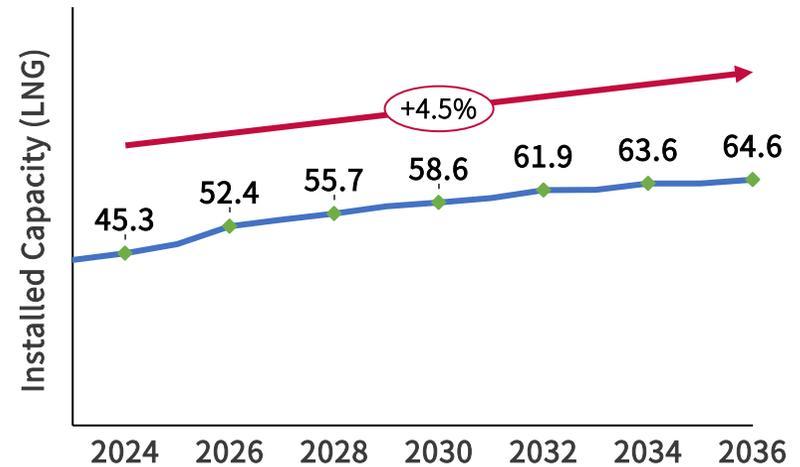
(Unit : GW)



※ Source : IHS Markit('23)

Domestic LNG Power Market Trend

(Unit : GW)



※ Source : 10th Electricity Supply/Demand Plan

- High efficient heavy GT market expected to grow due to expansion of Carbon Free Energy Policy
 - 2022 Forecast (358GW) → 2023 Forecast (390GW)¹
- More 60Hz power capacity in Saudi / North America
 - 15GW Gas Power Demand expected by 2026 due to investment plan for Vision 2030 plan of Saudi Arabia
 - North America demands 50GW by 2032

- Demand for Coal Substitution/Repowering (15.4GW)
 - Equipment KRW 9.4Tn, Service KRW4.5Tn
- Additional Demand for SEMI² Cluster Plan (3GW)
- Materializing Hydrogen Power Plan
 - 2030(6.1 TWh) → 2036(26.5 TWh)
 - Opening the world first hydrogen power market (2024)

1. Accumulated power market from 2024 to 2032
 2. Semi-Conductor Cluster Plan ; US\$470Bn investment on semiconductor manufacturing plants or fabs by 2047

Secured contracts for the first 2 PJTs of the domestic Kor-Standard CCPP to substitute existing CFP based on successful commercial operation in GIMPO and further expansion expected

GT Supply Track records

Signed two GT supply contract for the 2 domestic Korea Standard CCPP in 2023 with successful completion & operation in GIMPO PJT

Secured reliability over successful operation

Contracts signed to substitute coal fired plants

- Signing the first domestic GT Supply Contract for Gimpo CHP (Dec. 2019)
- Successful commercial operation achieved (Jul. 2023)



2023 Track records

- Signing of supply contract for the first series of Korea Standard CCPP (Jun. 2023)
- Secured Andong 2 CCPP PJT - Award (Dec. 2023) - Contract Signing (Jan. 2024)

GT Service Track records / Forecast

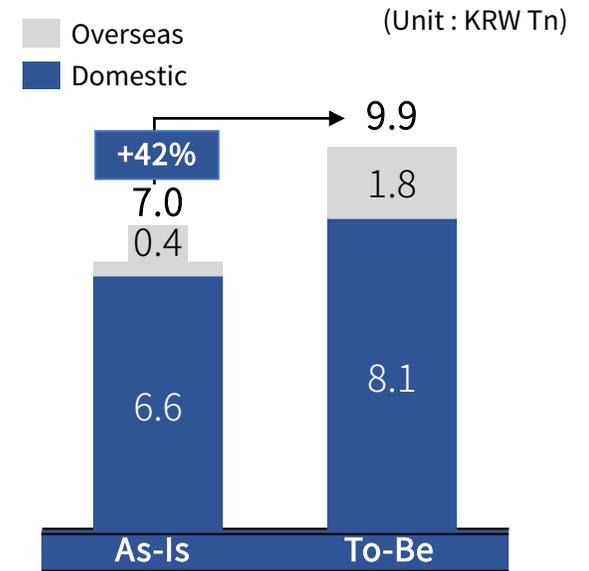
Secured US \$76Mn contracts from overseas (North America) in 2023 and expect domestic service contract from 2024

- Target domestic GT service contract based on supply of OEM GTs
- Plan to expand oversea GT service business

Future GT Business

After successful proof of Gimpo, secured domestic contracts early and expect further business overseas

Order Forecast ('23~'28, Accum.)



1 2 3 4 Carbon Free Power with Hydrogen Gas Turbine

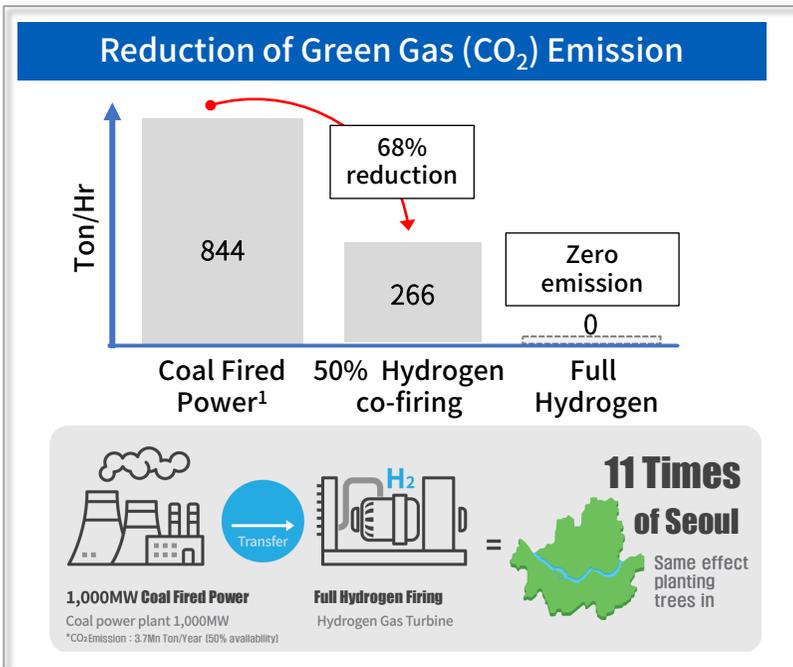
Target to complete development of carbon free hydrogen gas turbine with Doosan GT model by 2027 to lead Carbon Energy Market

Development Progress on Hydrogen Gas Turbine

Plan substantiation from 2027 on domestic power plants and apply on Korean Standard CCPP Plants

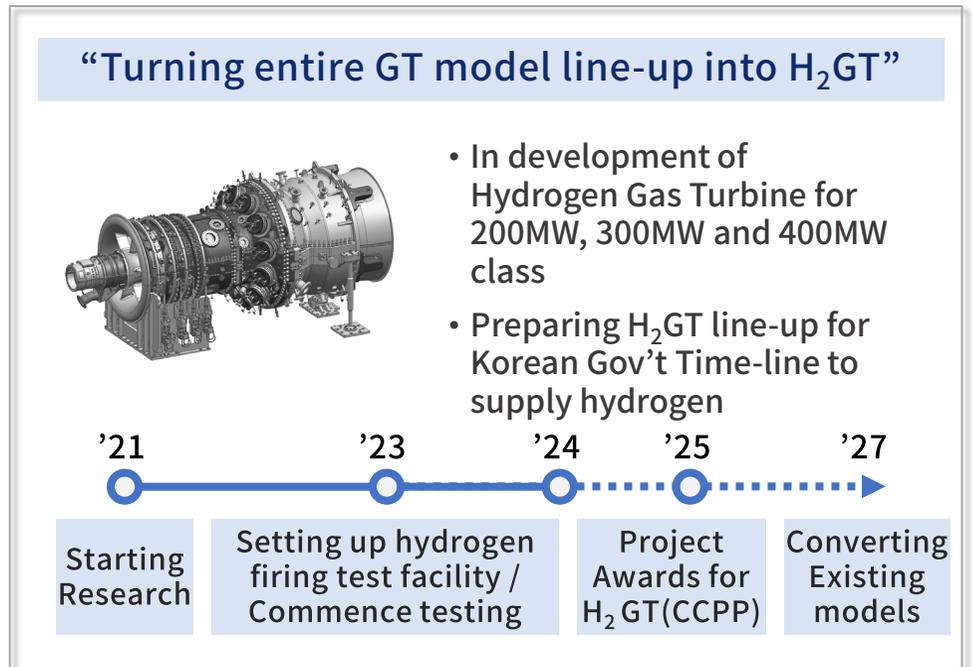
- Target to sign contracts for the first Korean H class hydrogen gas turbine(CCPP) plants (300MW / '25)
- Target to complete development of the world first 400MW hydrogen gas turbine by 2027
- Contributing green gas reduction via hydrogen turbine model line up in 200MW, 300MW and 400MW class

Effect of Hydrogen Gas Turbine



1. Korean Standard Coal Fire 500MW x 2 units

Current Development Status



1 2 3 4 Expanding Renewable Business with Doosan GeoSolution

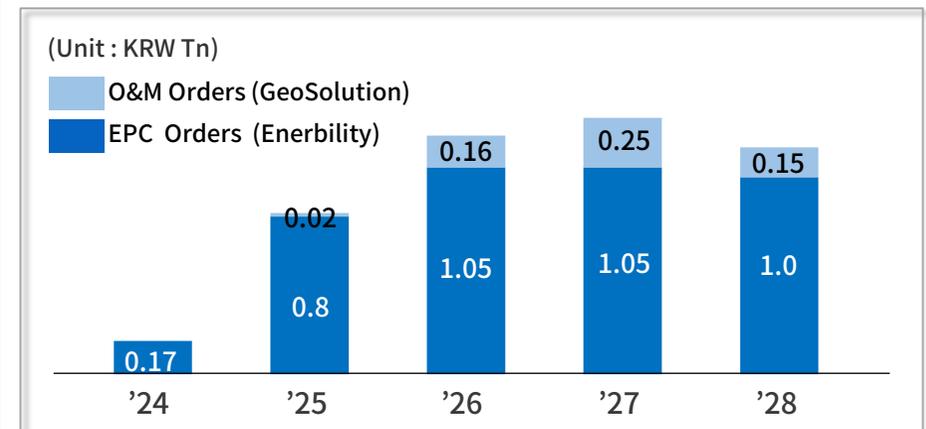
Expanding Renewables/New Business via Doosan GeoSolution, a Power Project Developer

Summary of Doosan GeoSolution



Business Portfolio/Plan of Doosan GeoSolution

- 1 Wind**
 - Competitiveness in tariff bidding based on offshore WTG/EPC capabilities
- 2 Fuel Cell**
 - Target Small/Medium size projects in line with Gov't distributed energy/CHPS policy
- 3 Hydrogen**
 - Target entire value chain incl. production, distribution, generation and application
- 4 ESG**
 - Focus on Carbon Free Energy projects cooperating with RE100 and CF alliances



Appendix. Financial Summary – Balance Sheet

B/S – Managerial Consolidation

Unit: KRW Bn, %

	'21	'22	'23	Chg.
Current Asst	5,230	4,314	5,107	+793
Cash Equivalents	1,418	748	1,265	+517
Non-Current Asst	11,047	10,562	10,050	-512
Total Asst	16,278	14,876	15,157	+281
Total Liabilities	10,284	8,071	8,758	+687
Net Debt	3,914	2,570	1,906	-664
Total Equity	5,994	6,806	6,399	-406
Liability/Equity	171.6%	118.6%	136.9%	+18.3%p

B/S - Consolidation

Unit: KRW Bn, %

	'21	'22	'23	Chg.
Current Asst	8,418	8,099	9,642	+1,543
Cash Equivalents	2,429	1,503	2,740	+1,237
Non-Current Asst	15,303	14,951	14,999	+48
Total Asst	23,721	23,050	24,641	+1,591
Total Liabilities	14,913	12,970	13,799	+830
Net Debt	4,776	3,405	2,024	-1,381
Total Equity	8,808	10,080	10,842	+761
Liability/Equity	169.3%	128.7%	127.3%	-1.4%p

Appendix. Financial Summary - Standalone

Summary – P/L

Unit: KRW Bn, %

	'22	'23	YoY	'23.3Q	'23.4Q	QoQ
Order	6,948	7,988	+15.0%	462	2,733	+491.1%
Backlog	13,197	14,534	+10.1%	13,933	14,534	+4.3%
Sales	5,284	6,652	+25.9%	1,513	2,133	+41.0%
EBIT	85	455	+370	56	203	+147
(%)	1.6%	6.8%	+5.2%p	3.7%	9.5%	+5.8%p
EBITDA	220	565	+346	83	231	+148
Net Profit	-1,212	-104	+1,108	-35	-182	-147

Summary - Standalone

Unit: KRW Bn, %

	'21	'22	'23	Chg.
Current Asst	3,684	3,538	4,052	+514
Cash Equivalents	872	394	807	+414
Non-Current Asst	10,348	9,652	9,633	-19
Total Asst	14,032	13,190	13,685	+495
Total Liabilities	8,330	7,076	7,760	+684
Net Debt	3,836	2,851	2,257	-594
Total Equity	5,702	6,114	5,925	-189
Liability/Equity	146.1%	115.7%	131.0%	+15.3%p

