

**DOOSAN**

Doosan Enerbility Co., Ltd.

# 2024 2Q Earnings Release



# Disclaimer

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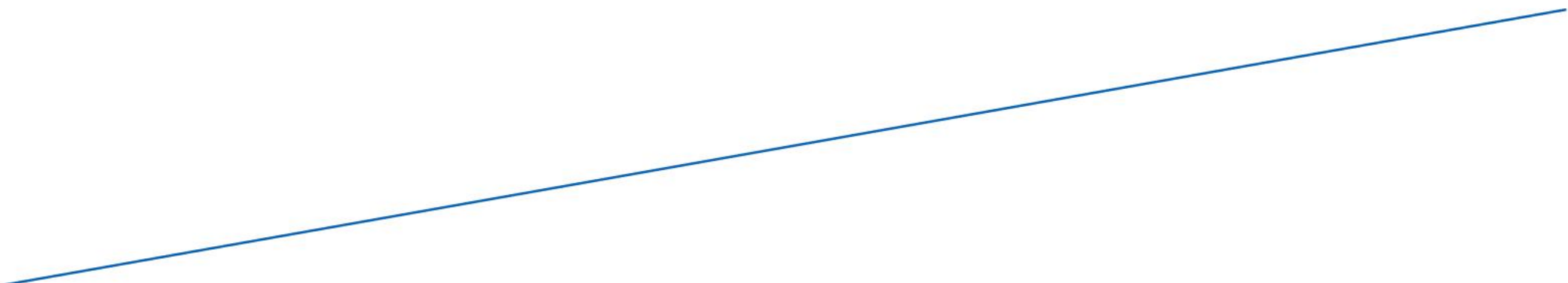
Please note that this data is prepared for the convenience of investors, and some of the contents may change according to the results of external audits.

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 consolidated<sup>1)</sup>, IFRS consolidated, and IFRS parent basis.

1) Managerial consolidated : IFRS parent + Overseas Subsidiaries results

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## **1. 2024 2Q Results**

2. [Recap] Spin off/Merger with Doosan Robotics

3. 2024 2Q Highlights

# 2024 1H Results Summary - Managerial Consolidation

- Orders changed YoY due to base effect of large PJT orders<sup>1)</sup> in '23
- EBIT increased thanks to increased portion of high profit nuclear, GT and services in portfolio
- Net profit increased YoY thanks to revaluation gains on investment in NuScale stock

## Summary

Unit: KRW Bn, %

|                                | '23.1H | '24.1H        | YoY    | '24.1Q | '24.2Q | QoQ    |
|--------------------------------|--------|---------------|--------|--------|--------|--------|
| Orders                         | 5,164  | <b>1,897</b>  | -63.3% | 634    | 1,264  | +99.4% |
| Backlog                        | 16,606 | <b>14,528</b> | -12.5% | 15,079 | 14,528 | -3.7%  |
| Sales                          | 3,469  | <b>3,515</b>  | +1.3%  | 1,700  | 1,814  | +6.7%  |
| EBIT                           | 119    | <b>146</b>    | +23.2% | 74     | 72     | -2.7%  |
| (%)                            | 3.4%   | <b>4.2%</b>   | +0.8%p | 4.4%   | 4.0%   | -0.4%p |
| EBITDA                         | 188    | <b>214</b>    | +27    | 107    | 107    | -      |
| Net Profit                     | 34     | <b>123</b>    | +89    | 72     | 51     | -21    |
| Net Debt <sup>2)</sup>         | 1,906  | <b>2,527</b>  | +621   | 1,993  | 2,527  | +534   |
| Liability Equity <sup>2)</sup> | 136.9% | <b>131.7%</b> | -5.2%p | 136.6% | 131.7% | -5.0%p |

1) Shinhanul #3,4 nuclear power plant main equipment (KRW 3Tn) , Kazakhstan CCPP (KRW 1.1Tn)

2) Net Borrowing based on year end '23 B/S results

# 2024 1H Results Summary - Consolidation

- Sales and EBIT decreased due to the peak-out effect of subsidiary performance
- Net income increased YoY thanks to stock revaluation profit in Enerbility
- Net debt expected to be stable

## Summary

Unit: KRW Bn, %

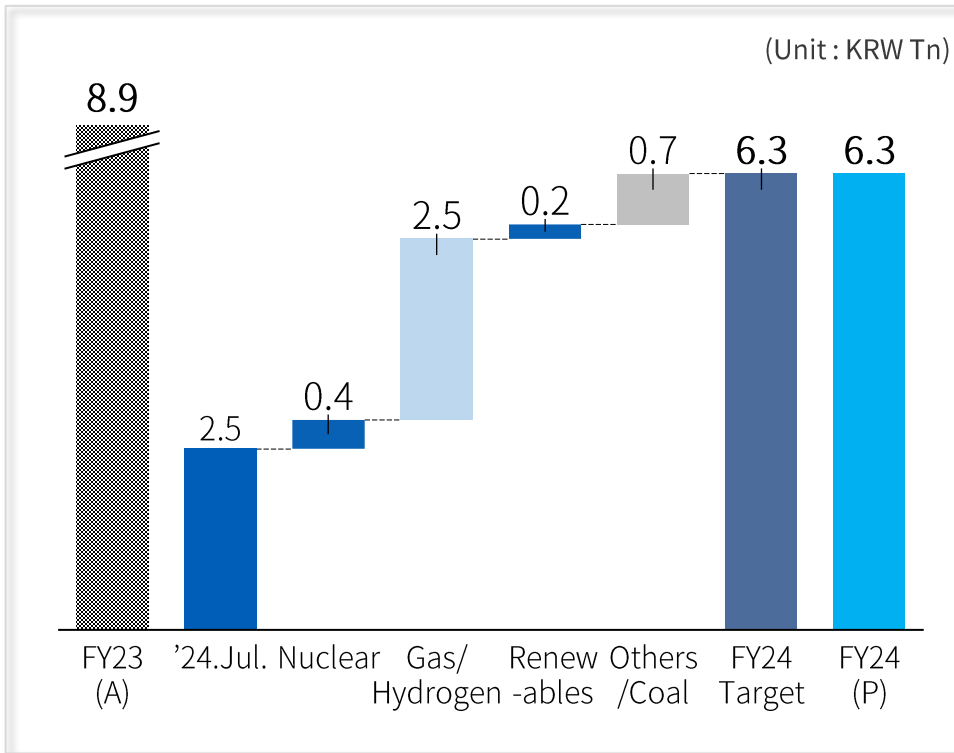
|                                | '23.1H | '24.1H        | YoY    | '24.1Q | '24.2Q | QoQ    |
|--------------------------------|--------|---------------|--------|--------|--------|--------|
| Sales                          | 8,580  | <b>8,248</b>  | -3.9%  | 4,098  | 4,151  | +1.3%  |
| EBIT                           | 859    | <b>668</b>    | -22.3% | 358    | 310    | -13.5% |
| (%)                            | 10.0%  | <b>8.1%</b>   | -1.9%p | 8.7%   | 7.5%   | -1.3%p |
| EBITDA                         | 1,043  | <b>860</b>    | -182   | 422    | 438    | +16    |
| Net Profit                     | 434    | <b>482</b>    | +48    | 261    | 221    | -40    |
| Net Debt <sup>1)</sup>         | 2,024  | <b>2,621</b>  | +598   | 1,843  | 2,621  | +779   |
| Liability/Equity <sup>1)</sup> | 127.3% | <b>124.0%</b> | -3.3%p | 128.0% | 124.0% | -4.0%p |

1) Net Borrowing based on year end '23 B/S results

# 2024 July New Orders / Annual Target

- Achieved KRW 2.5Tn orders from GT, domestic/overseas service and CCPP new build as of July '24
- Maintaining annual target KRW 6.3Tn based on high probability target projects incl. Nuclear and CCPP
- Expect to achieve annual order target backed by On-hand PJTs

## Orders / Annual Target



## [Order Target]

(Unit : KRW Tn)

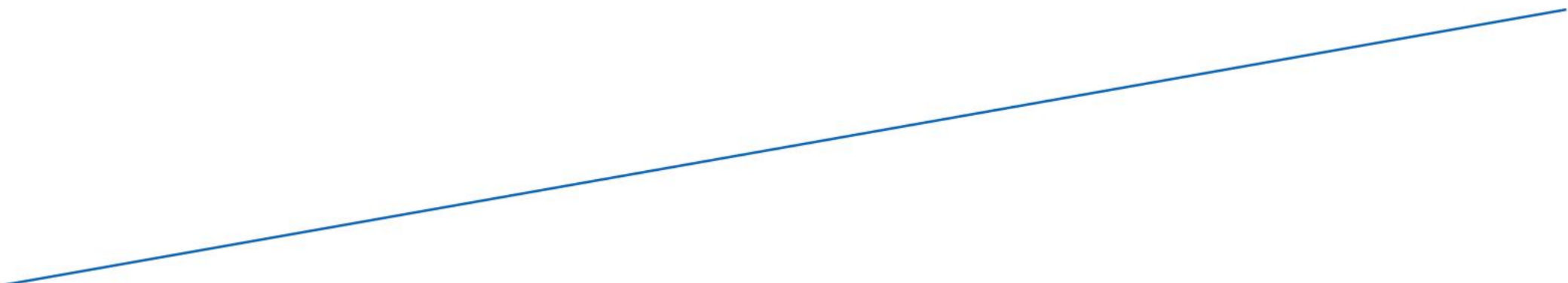
|                                |                                  |     |
|--------------------------------|----------------------------------|-----|
| Nuclear                        | SMR and Others                   | 0.4 |
|                                | Domestic Transitional CCPP       | 0.3 |
| Gas/<br>Hydrogen <sup>2)</sup> | Domestic/Overseas CCPP           | 1.7 |
|                                | Service/O&M/Parts                | 0.5 |
|                                | Handong Wind Power               | 0.2 |
| Renewables                     |                                  |     |
| Others <sup>3)</sup>           | Subs, Civil/Const., C&F, Defense | 0.6 |
| Coal                           | Service/Parts                    | 0.1 |

1) Bundang CCPP GT Supply (KRW 0.3Tn), Haman CCCPP GT and EPC (KRW 0.6Tn), Boryung GT LTPM (KRW 120Bn), Andong GT LTSA (KRW 87Bn), etc.

2) Gas Turbine / Hydrogen Turbine / Co-firing

3) Subsidiaries, Civil and General Construction, Casting & Forging Product, Defense, etc.

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# Expected impacts on Spin-off/Merger(Recap)

## Doosan Enerbility (Company-side)

### 1 Investment on nuclear power facilities and technologies (large-scale, SMR)

- Incremental capacity ramp-up planned as increased large-scale nuclear and MR projects maxed out capacity after 2025

⇒ SMR Foundry targeting 2027 for mass production capabilities

### 2 Expansion of GT / GT Service Business

- **Gas Turbine**
  - Full swing kick-off with successful operation of Gimpo CHP
- **GT Service**
  - Stable long-term source of income secured with award of the LTSA Boryeong CCPP

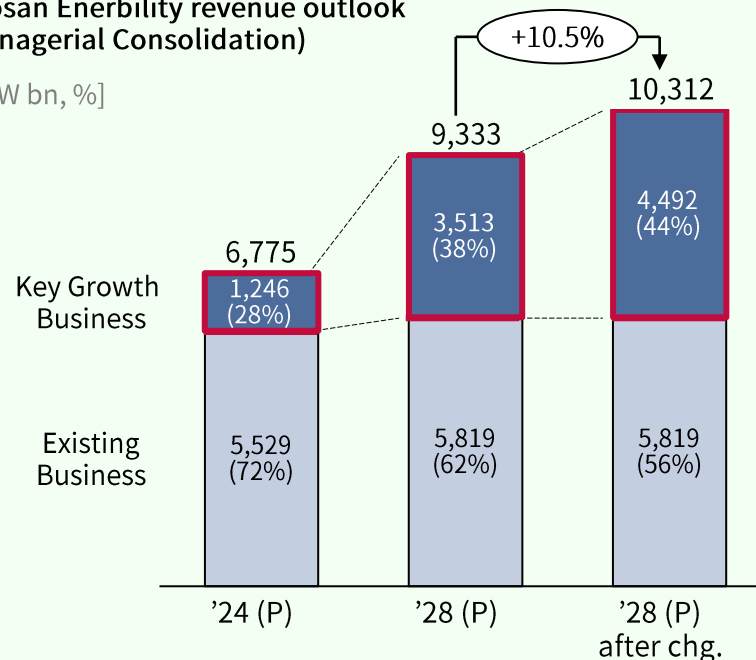
⇒ Capacity ramp-up to take place in tandem with order increase

## Realignment of mid-term business portfolio

- Top-line to be up by 10.5% compared to previous plan through CAPEX on growth business
- Larger lucrative growth business to accelerate profitability upturn

### Doosan Enerbility revenue outlook (Managerial Consolidation)

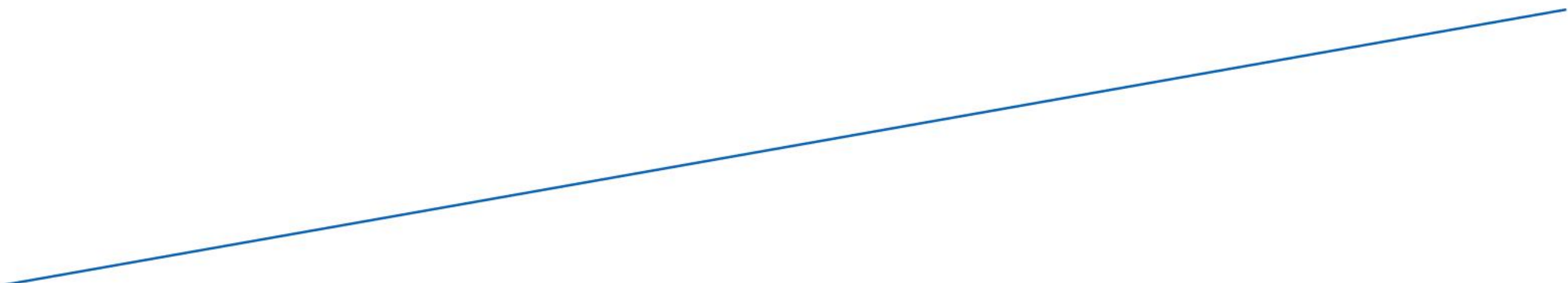
[KRW bn, %]



\* Key Growth Business : Large-scale nuclear, SMR, GT/GT Service

Existing business : CCPP, Casting & Forging, Defense, Renewables (Wind), Civil Construction, Water Desalination, etc.

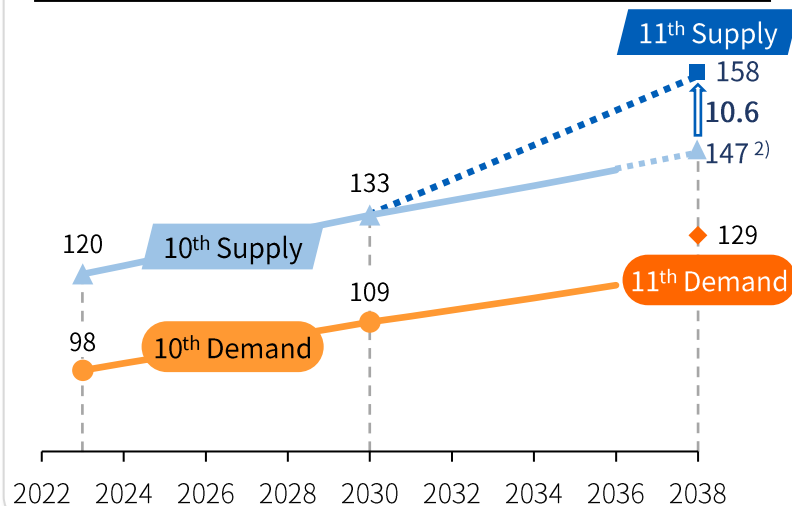
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## Target Demand and Supply

[Unit: GW]

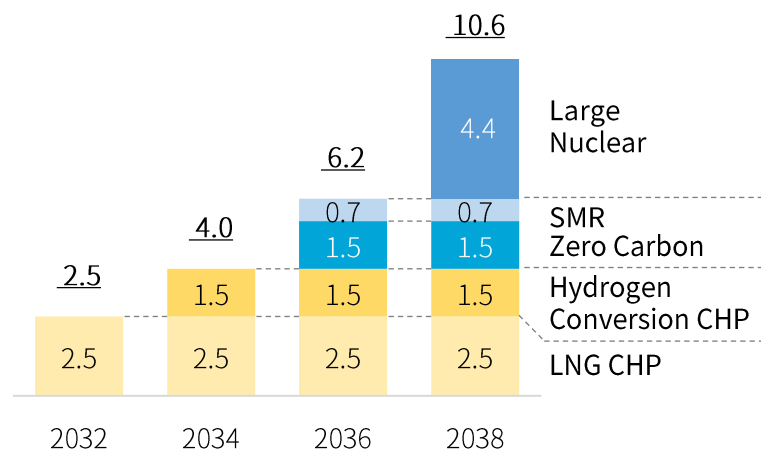


## Business Opportunity

- **Increased Supply Target in 11<sup>th</sup> against 10<sup>th</sup>**
  - 10.6GW increase for Electrification and Data Center
- **Plan for Zero Carbon Power Source (10.6GW)**
  - **Opportunity for Doosan's Zero Carbon Portfolio**
    - New Large Nuclear Plants (up to 4.4GW during '37~'38)
    - i-SMR in development by Doosan (0.7GW in '36)
    - More opportunity for Hydrogen Turbine and Ammonia firing (up to 3GW during '33~'36)
- **Continuous supply of GT/Renewables from 10<sup>th</sup> Plan, further opportunity in GT and Renewables equipment**
  - Continue to replace CFP<sup>3)</sup> with LNG CCPP (14.1GW by '36)
  - Consistent increase of Wind (1.9GW in '22 → 40.7GW in '38)

## New Build Supply Capacity

[Unit: GW]



- 1) Working Draft of to plan announced on 29<sup>th</sup> May led by the steering committee (5/29)  
Expect to finalize the plan by '24 after approval of Power Policy Committee
- 2) Supply Capacity of 13.2GW (e.g., 119.5GW of installed capacity; PV 74.8GW / Wind 40.7GW)  
of renewable source is included within the total supply target of 147GW
- 3) CFP : Coal Fired Power Plant

# 1 2 3 4 5 Preferred Bidder Selection for Czech Nuclear Power Project

Expects further European orders with successful announcement of the project

## Czech Nuclear Project

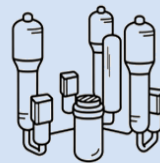
- Scope : Dukovany Unit 5 and 6
- Location : South East of S. Moravia
- Sponsor : Elektrárna Dukovany II
- Type : APR1000 (1,000MWe)
- Contract Date : March 2025
- Target Completion : October 2036



## Doosan as a member of Nuclear Team Korea

- The largest project for Team Korea
  - Budget of KRW 12Tn per unit, which is 170% of UAE Barakah
  - Further expansion expected for 2 units of Temelin and additional SMR
  - **The single largest project received** with Equipment and construction
- Further Nuclear Business Opportunity in Europe
  - **Proof of Technical/Price competitiveness** compare to US and France
  - Strong localization advantage with TG supply from Doosan Skoda
  - Seek to achieve further projects in Poland, Sweden and Netherland

### Equipment



### T/G



### Construction



[Supply Scope of Doosan]

## Continuous efforts for oversea Large-scale nuclear including Czech Dukovany Project Newly added nuclear power project plans are included in 11<sup>th</sup> Basic Plan domestically

### [Czech] Selected as Preferred Bidder

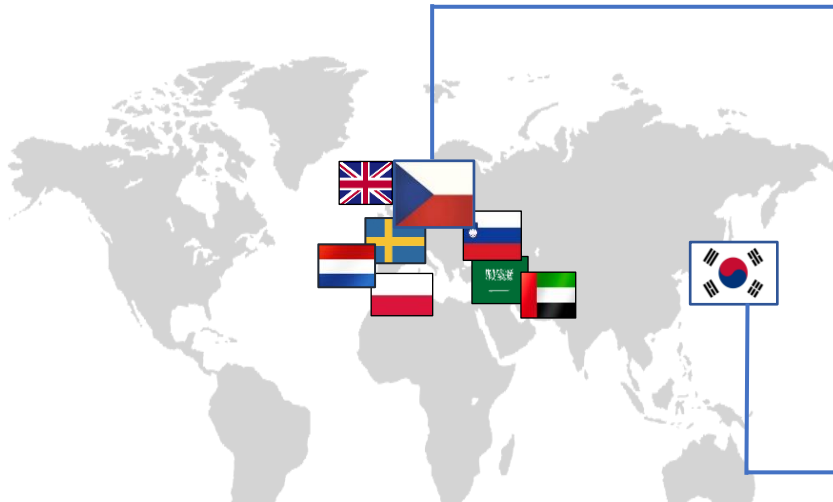
- Jul. '24 : Selected as Preferred Bidder
- Expected to submit contract draft updates in 90 days
- End of '24 : Negotiation for terms and price (KHNP)
- Mar. '25 : Sign contract between Sponsor and KHNP
- Mid. '25 : Sign supply contract between KHNP and Doosan

### [Domestic] New Nuclear included in 11<sup>th</sup> Plan

- Announced Working Draft for 11<sup>th</sup> Basic Plan (31<sup>st</sup> May)
  - 0.7GW of SMR during '35~'36 included
  - 4.4GW of large nuclear projects, e.g. 3 units, included for '37~'38 with APR1400 type

### [New Project] Target for new nuclear

- Strong sales activity ongoing for countries like Poland, UK, UAE, Saudi, Finland, Slovenia, etc.
- Further activities in Sweden and Netherland
  - Sweden : Proposed Korean Nuclear RFI (Mar. '24)
  - Netherland : Feasibility study ongoing for K-Nuclear



GT Business is gaining traction with recognition of strong technology and 3 new GT supply contracts signed in 2024

## GT Supply Status

Achieved **accumulated KRW 1.0Tn order received** based on successful completion of Gimpo CHP track records in Jul. '23

## Hydrogen / Gas Turbine Track records

2Q '24 Results

- Jun. '23 : Boryug CCPP (KRW 260Bn)
- Jan. '24 : Andong CCPP (KRW 280Bn)
- Jun. '24 : Boryung LTPM (KRW 120Bn)
- Jun. '24 : Andong LTSA (KRW 87Bn)
- Jun. '24 : Budang CCPP (KRW 260Bn)
- Jul. '24 : Haman CCPP (KRW 580Bn)



Bundang CCPP  
(Modernization)

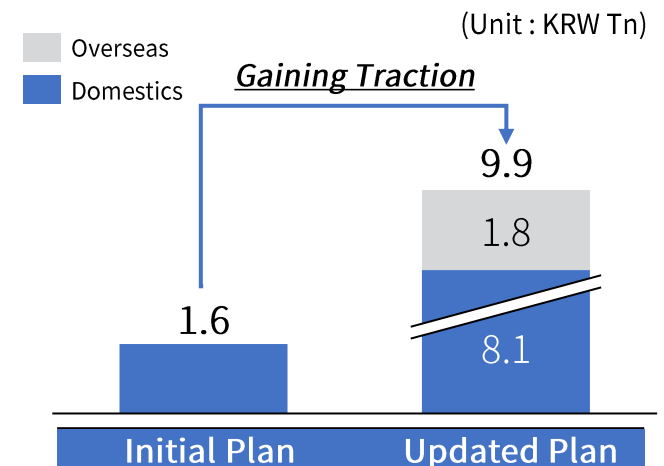


Haman CCPP  
(EPC)

## Taking off GT Business

- Expect to accumulated order of KRW 10Tn by 2028 with strong growth
- Further expansion expected with demand for Carbon-Free Energy and Data Center

### GT Business Forecast ('23~'28, Accum.)



Continuous expansion expected in GT/GT Service and further opportunities in EPC with **Engineering/construction capabilities**

## Securing stable revenue stream over plant lifespan through orders received for GT Long Term Service based on OEM technology

### GT Service Business

- Securing stable long-term revenue sources with service contracts signed for Boryeong and Andong #2, and upcoming Bundang and Haman CCPP service contracts

#### Exclusivity

- GT Service market is dominated by **OEM Technology holder**
  - No case for non-OEM service provider to enter 380MW high efficiency GT class

#### Profitability

- Based on OEM technology, **expects high profit stream** over operational life span
  - A competitor ("G") is securing 30~40% profits in GT Service business

#### Stability

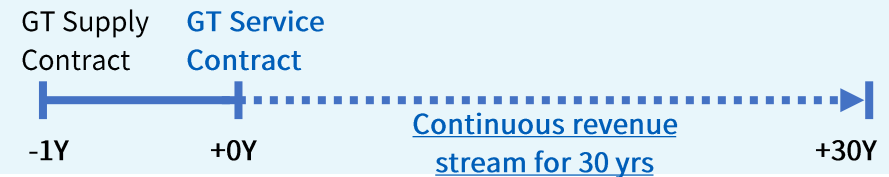
- **Securing stable revenue generation** throughout operation (over 30 years)
  - Regular parts replacement required due to nature of GT

### DGT Service Business Forecast

**Expects stable recurring revenue from GT service business as GT business is picking up**

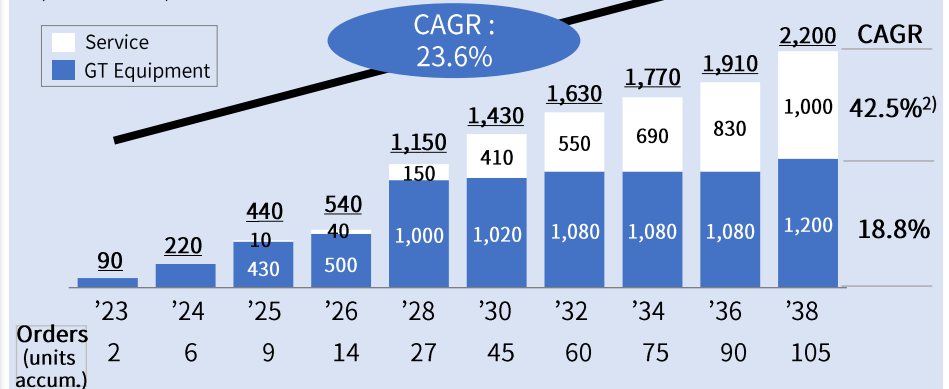
#### Service Business Structure

Providing value-added replacement parts and plant operational service<sup>1)</sup>



#### DGT Business Forecast

(Unit : KRW Bn)



1) RMS (Remote Monitoring System) ; including performance monitoring/evaluation and early maintenance system, GT auto turning system and others

2) Service CAGR Period ('25 ~ '38)

Signed 2 supply contracts in 2Q '24 for Gas Turbine and key equipment with ongoing K-GT Business

## GT Supply Contract signed for Bundang(Jun. '24) | EPC/GT Contract signed for Haman CCPP (Jul. '24)

### Project

- Modernization of Bundang CCPP (1 Block)

### Purpose

- Responding increased electricity demand in Seongnam through modernization of 30 year old Bundang plant with high efficiency and eco friendly technology
  - Capacity : 500MW + 415Gcal/h Heat
  - Completion Target : Mar. '28

### Sponsor

- Korea South East Power Company

### Contract Amount

- KRW 260Bn

### Doosan Scope

- GT + STG Equipment Supply



### Project

- Haman CCPP Power Block EPC

### Purpose

- Constructing a new standard CCPP to supply stable and efficient electricity under the strategic mission of KOMIPO
  - 550MW (GT 380MW + STG 178.6MW)

### Sponsor

- Korea Midland Power Company

### Contract Amount

- KRW 580Bn

### Doosan Scope

- GT+STG+BOP Equipment Supply / Installation



Secured **stable revenue source for 10~12 years** through Boryeong CCPP LTPM and Andong CCPP LTSA contracts signing

### Signed LTPM/LTSA Contracts (Jun. '24)

#### Boryeong CCPP LTPM Project

**Project**

- Boryeong CCPP LTPM<sup>1</sup> (Jun. '24)

**Contract Amount**

- KRW 120Bn

**Sponsor**

- Korea Midland Power Company

**Tenor**

- 12 years

#### Andong CCPP LTSA Project

**Project**

- Andong CCPP LTSA<sup>2</sup> (Jun. '24)

**Contract Amount**

- KRW 87Bn

**Sponsor**

- Korea South-East Power Company

**Tenor**

- 6 years

1. Long Term Part Management : Supplying maintenance parts

2. Long Term Service Agreement : Supplying maintenance parts and service

# Appendix. Financial Summary – Balance Sheet

## B/S – Managerial Consolidation

Unit: KRW Bn, %

|                   | '22    | '23    | '24.2Q        | Chg.   |
|-------------------|--------|--------|---------------|--------|
| Current Asst      | 4,314  | 5,107  | <b>4,945</b>  | -163   |
| Cash Equivalents  | 748    | 1,265  | <b>812</b>    | -453   |
| Non-Current Asst  | 10,562 | 10,050 | <b>10,223</b> | +173   |
| Total Asst        | 14,876 | 15,157 | <b>15,167</b> | +10    |
| Total Liabilities | 8,071  | 8,758  | <b>8,621</b>  | -137   |
| Net Debt          | 2,570  | 1,906  | <b>2,527</b>  | +621   |
| Total Equity      | 6,806  | 6,399  | <b>6,547</b>  | +147   |
| Liability/Equity  | 118.6% | 136.9% | <b>131.7%</b> | -5.2%p |

## B/S - Consolidation

Unit: KRW Bn, %

|                   | '22    | '23    | '24.2Q        | Chg.   |
|-------------------|--------|--------|---------------|--------|
| Current Asst      | 8,099  | 9,642  | <b>10,355</b> | +714   |
| Cash Equivalents  | 1,503  | 2,740  | <b>2,689</b>  | -51    |
| Non-Current Asst  | 14,951 | 14,999 | <b>15,759</b> | +760   |
| Total Asst        | 23,050 | 24,641 | <b>26,114</b> | +1,473 |
| Total Liabilities | 12,970 | 13,799 | <b>14,456</b> | +657   |
| Net Debt          | 3,405  | 2,024  | <b>2,621</b>  | +598   |
| Total Equity      | 10,080 | 10,842 | <b>11,658</b> | +816   |
| Liability/Equity  | 128.7% | 127.3% | <b>124.0%</b> | -3.3%p |

# Appendix. Financial Summary - Standalone

## Summary – P/L

Unit: KRW Bn, %

|            | '23.1H | '24.1H        | YoY    | '24.1Q | '24.2Q | QoQ    |
|------------|--------|---------------|--------|--------|--------|--------|
| Order      | 4,793  | <b>1,592</b>  | -66.8% | 554    | 1,038  | +87.5% |
| Backlog    | 17,950 | <b>13,376</b> | -25.5% | 13,893 | 13,376 | -3.7%  |
| Sales      | 3,006  | <b>2,986</b>  | -0.7%  | 1,430  | 1,556  | +8.8%  |
| EBIT       | 196    | <b>180</b>    | -8.2%  | 63     | 118    | +87.1% |
| (%)        | 6.5%   | <b>6.0%</b>   | -0.5%p | 4.4%   | 7.6%   | +3.2%p |
| EBITDA     | 252    | <b>235</b>    | -17    | 89     | 146    | +56    |
| Net Profit | 113    | <b>161</b>    | +48    | 49     | 112    | +62    |

## Summary - Standalone

Unit: KRW Bn, %

|                   | '22    | '23    | '24.2Q        | Chg.   |
|-------------------|--------|--------|---------------|--------|
| Current Asst      | 3,538  | 4,052  | <b>4,024</b>  | -28    |
| Cash Equivalents  | 394    | 807    | <b>485</b>    | -322   |
| Non-Current Asst  | 9,652  | 9,633  | <b>9,771</b>  | +138   |
| Total Asst        | 13,190 | 13,685 | <b>13,795</b> | +110   |
| Total Liabilities | 7,076  | 7,760  | <b>7,691</b>  | -69    |
| Net Debt          | 2,851  | 2,257  | <b>2,777</b>  | +520   |
| Total Equity      | 6,114  | 5,925  | <b>6,104</b>  | +179   |
| Liability/Equity  | 115.7% | 131.0% | <b>126.0%</b> | -5.0%p |

