

3Q 2021 Earnings Release

**HYUNDAI
HEAVY INDUSTRIES**



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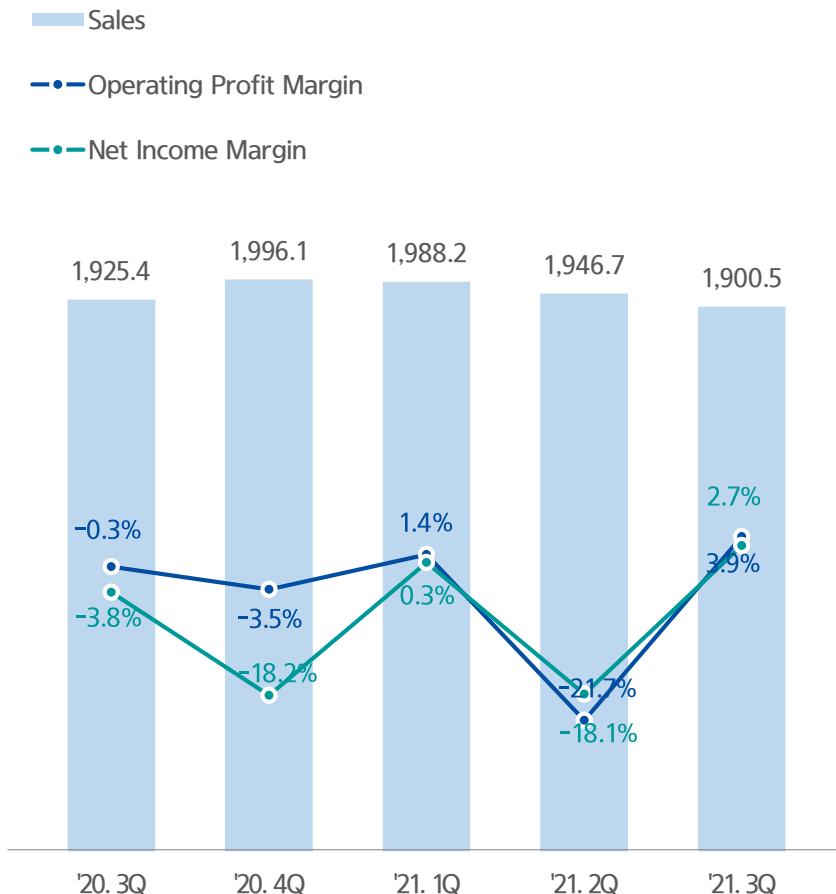


1. 3Q Consolidated Earnings

3Q Consolidated Operating Profit recorded KRW 74.7 Bil., Turned to Profit.

Quarterly Sales and Operating Profit

(Unit : Bil. KRW)



3Q Consolidated Highlights (QoQ)

- **Sales KRW 1,900.5 Bil.**

- QoQ -2.4% (YoY -1.3%)

Sales decreased due to decrease in work volumes of shipbuilding division due to summer vacation, etc.

- **Operating Profit KRW 74.7 Bil.**

- QoQ Turned to Profit (YoY +1,394.0%)

Turned to profit due to reversal of provisions related to falling steel plate price, rises of exchange rate, and improved OP in the engine & machinery division.

- **Net Income KRW 51.4 Bil.**

- QoQ Turned to Profit (YoY Turned to Profit)

Recorded net profit after turning to profit

2. Consolidated Financial Results by Business Segments

(Unit : Bil. KRW)

Category	Note1) 3Q 2021			2Q 2021			3Q 2020		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Commercial Ships	1,249.1	95.8	7.7%	1,265.1	-344.9	-27.3%	1,173.8	35.4	3.0%
Special & Naval Ships	199.7	12.6	6.3%	218.5	14.4	6.6%	161.1	5.3	3.3%
Sub Total	1,448.8	108.4	7.5%	1,483.6	-330.5	-22.3%	1,334.9	40.7	3.0%
Offshore & Engineering	54.4	-22.1	-40.6%	50.8	-22.7	-44.7%	142.1	-17.8	-12.5%
Industrial Plant	38.4	-13.4	-34.9%	35.7	-46.1	-129.1%	76.5	-10.8	-14.1%
Engine & Machinery	339.1	44.7	13.2%	359.2	13.7	3.8%	355.0	36.7	10.3%
Others	24.8	-42.9	-	17.4	-37.1	-	17.0	-53.8	-
Total	1,905.5	74.7	3.9%	1,946.7	-422.7	-21.7%	1,925.5	5.0	-0.3%

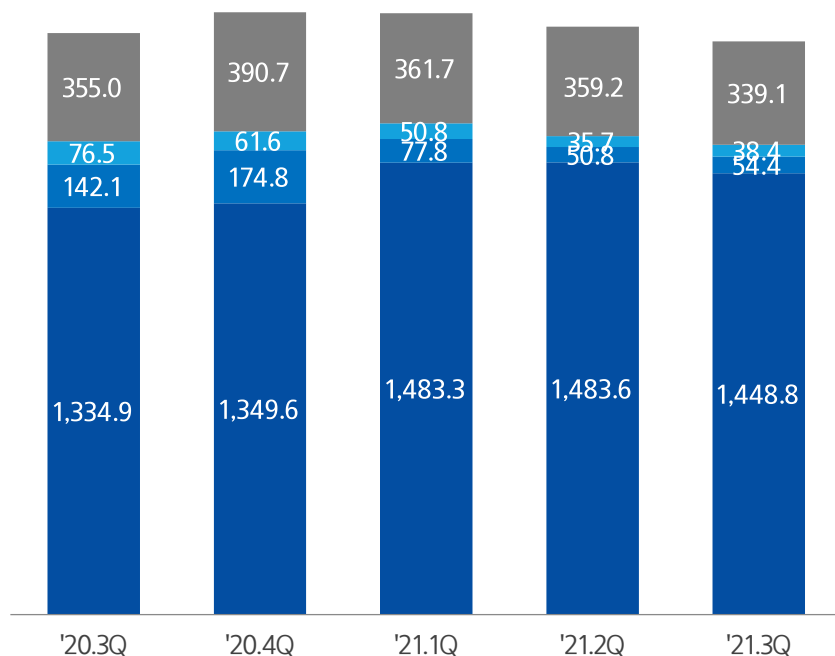
Note1) Before distribution of common expense

2-1. Sales Analysis of Major Subsidiaries on a Separate Basis

Sales Trend of Major Subsidiaries

- Shipbuilding
- Offshore & Engineering
- Industrial Plant
- Engine & Machinery

(Unit : Bil. KRW)



Sales Analysis (QoQ)

Shipbuilding
(-2.3%)

▼ Sales decreased due to reduced work volumes of shipbuilding caused by summer vacation
(However, amount of decrease lessened due to reflecting higher new ship building prices of VLCC and LNG ships)

Offshore
(+7.1%)

▲ Sales increased due to differences in the remaining NASR2 UAE construction process and reflection of sales to related design in Myanmar SHWE Ph.3.

Industrial Plant
(+7.6%)

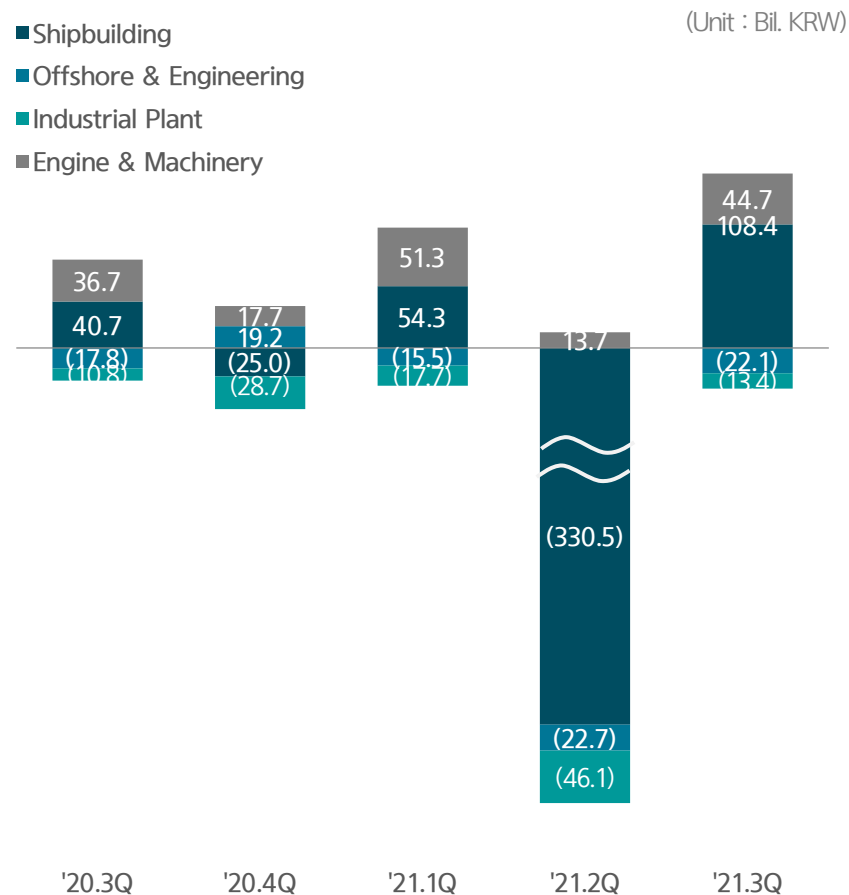
▲ Sales increased due to the completion of chemical industrial plants

Engine & Machinery
(-5.6%)

▼ Sales decreased due to reduction of marine engine payment

2-2. Analysis on Consolidated Operating Profit by Business Segments

Consolidated Operating Profit



Consolidated Operating Profit Analysis (QoQ)

Shipbuilding (Turned to Profit)	▲ Turned to profit due to reversal of provisions related to falling steel plate price, rises of exchange rate, and price hikes of new ship building.
Offshore (Loss continued)	▼ Loss continued due to decrease in sales following the effects of fixed costs not being recovered.
Industrial Plant (Loss continued)	▼ Loss continued due to recording additional costs from ZOR & CFP constructions, etc.
Engine & Machinery (+226.3%)	▲ Profit increased due to reversal of provisions following rises of exchange rate and material cost reduction, etc.

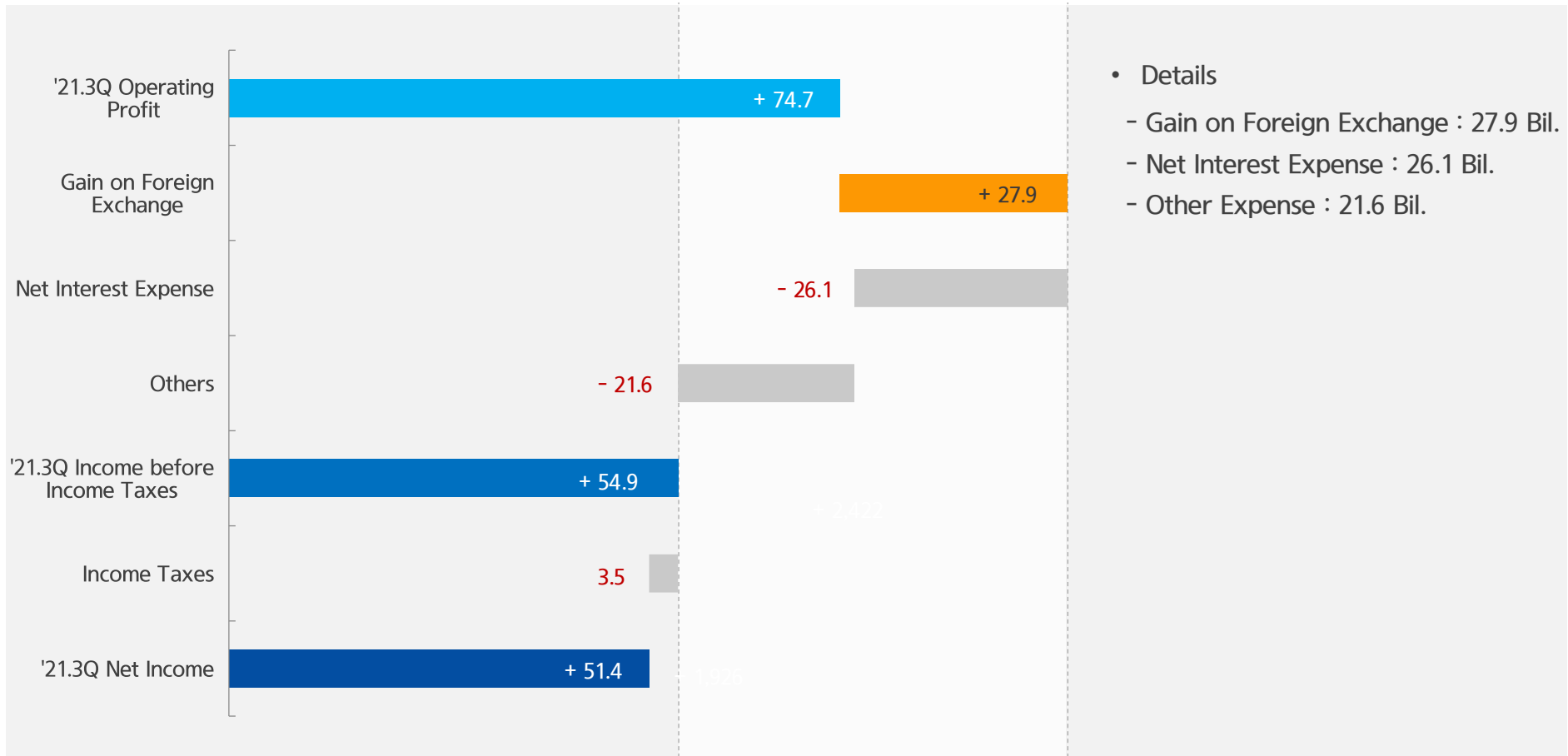
Note 1 : After distribution of common expense

3. Consolidated Non-Operating Profit and Net Income

3Q Non-Operating Profit recorded - KRW 19.8 Bil.

3Q 2021 Non-Operating Profit and Net Income

(Unit : Bil. KRW)

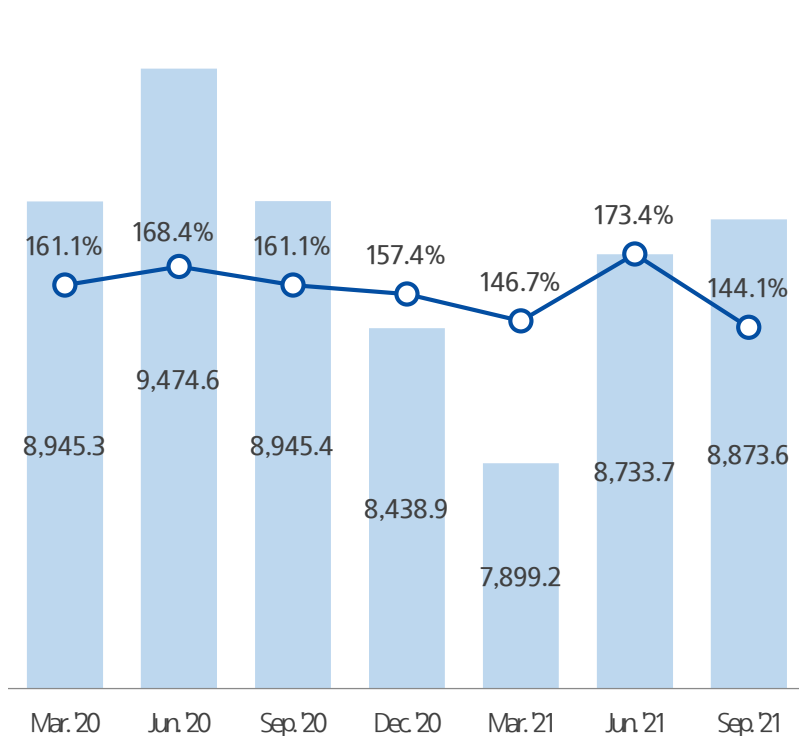


4. Financial Ratios

Consolidated Financial Ratios

- Liabilities Ratio 144.1%

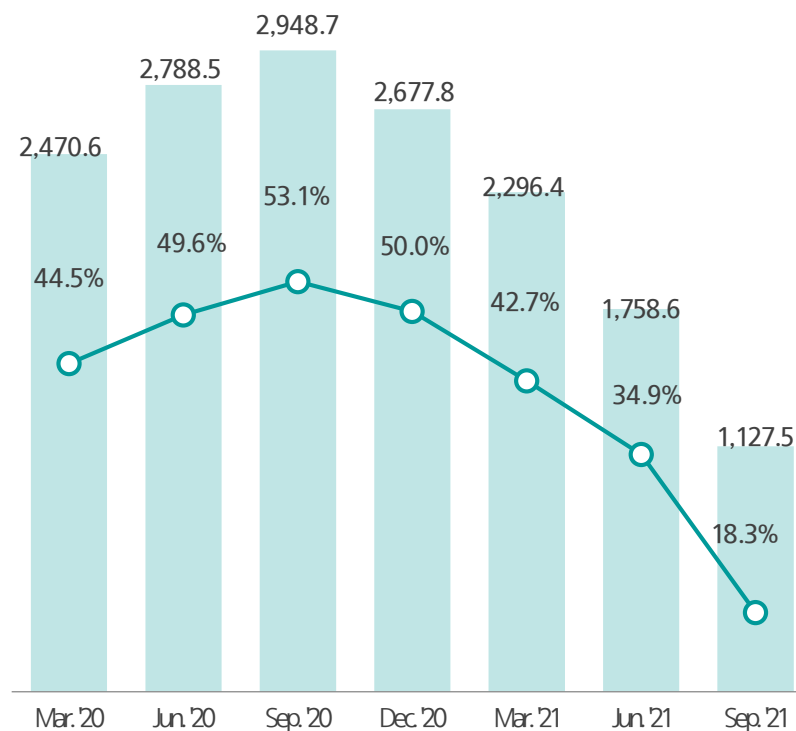
(Unit : Bil. KRW) ■ Total Liabilities ○ Total Liabilities Ratio



Separate Financial Ratios

- Debts Ratio 18.3%

(Unit : Bil. KRW) ■ Net Borrowings ○ Net Borrowings Ratio



Note 1 : Cash and cash equivalents including short-term investments exceed borrowings

[Appendix]

Condensed Financial Statements



[Appendix] Hyundai Heavy Industries



Consolidated Income Statement

(Unit : Bil. KRW)

Category	3Q 2021	QoQ	YoY	2Q 2021	3Q 2020
	Sales	1,900.5	-2.4%	-1.3%	1,946.7
Cost of Sales	1,680.5	-25.0%	-8.1%	2,240.9	1,828.7
Gross Profit	220.0	Turned to Profit	127.5%	-294.1	96.7
Operating Profit	74.7	Turned to Profit	1,394.0%	-422.7	5.0
OP Margin	3.9	25.6p	3.6p	-21.7	0.3
Non-operating Income/expenses	-19.8	-	-	-47.1	-67.8
Income before Income Taxes	54.9	-	-	-469.8	-62.8
Income Taxes	3.5	-	-	-118.3	11.0
Net Income	51.4	Turned to Profit	Turned to Profit	-351.5	-73.8

Note 1 : K-IFRS Consolidated Financial Statements Basis

Consolidated Statement of Financial Positions

(Unit : Bil. KRW)

Category	As of Sep. 30 2021	As of Dec. 31 2020	As of Dec. 31 2019
Current Assets	8,029.2	6,999.4	7,085.2
(Cash & Cash Equivalents)	2,780.4	1,314.8	993.6
(Assets to be sold)	0	0	5.0
Non-current Assets	7,001.1	6,800.3	6,784.3
Total Assets	15,030.3	13,799.7	13,869.5
Current Liabilities	6,046.3	5,976.9	5,914.3
(Short-term borrowings)	1,804.1	2,507.3	2,020.4
Non-current Liabilities	0	0	0
(Long-term borrowings)	2,827.2	2,462.0	2,332.3
Total Liabilities	2,306.9	2,039.4	1,881.9
Common stock	8,873.5	8,438.9	8,246.6
Others	443.9	353.9	353.9
Retained Earnings	3,996.1	5,512.0	5,373.9
Non-controlling interests	1,716.8	-505.1	-104.9
Total Equity	0	0	0
Total Assets	6,156.8	5,360.8	5,622.9

Note 1 : K-IFRS Consolidated Financial Statements Basis.



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