

4Q 2021 Earnings Release

**HYUNDAI
HEAVY INDUSTRIES**



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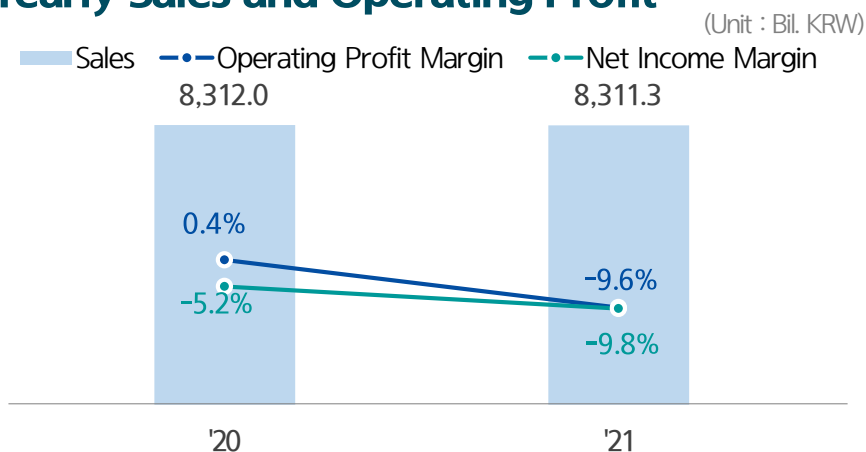
Condensed Consolidated Financial Statements



1. Consolidated Earnings

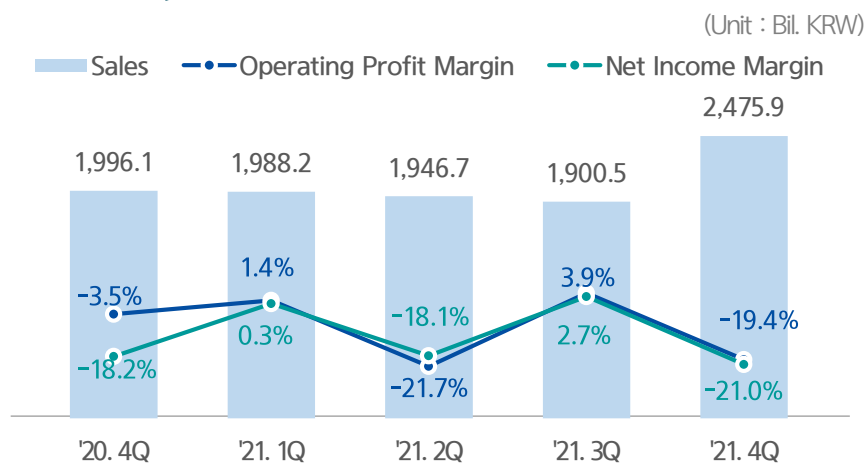
Yearly sales came in at KRW 8.31tn, OP at KRW -800.3 Bil., turned to loss YoY
Recorded loss in 4Q despite increase in sales QoQ due to one time factors

Yearly Sales and Operating Profit



4Q Consolidated Highlights (QoQ)

Quarterly Sales and Operating Profit



- **Sales KRW 2,475.9 Bil.**

- QoQ +30.3% (YoY +24.0%)

Improved by a large margin QoQ due to base effect following decrease in work days from summer vacation, as well as increased work volumes at shipping division including special & naval ships.

- **Operating Profit KRW -480.7 Bil.**

- QoQ Turned to Loss (YoY Loss Continued)

Turned to loss due to provisions following the judgement of ordinary wage litigation and the effects of the wage system reorganization.

- **Net Income KRW -520.1 Bil.**

- QoQ Turned to Loss (YoY Loss continued)

Turned to loss due to extra costs following the judgement of ordinary wage litigation.

2. Consolidated Financial Results by Business Segments

(Unit : Bil. KRW)

Category	Note1) 2021			4Q 2021			3Q 2021			4Q 2020		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Commercial Ships	5,359.4	-250.8	-4.7%	1,502.8	-41.0	-2.7%	1,249.1	95.8	7.7%	1,220.7	-30.7	-2.5%
Special & Naval Ships	961.2	58.8	6.1%	402.1	16.8	4.2%	199.7	12.6	6.3%	128.9	5.7	4.4%
Sub Total	6,320.6	-192.0	-3.0%	1,904.9	-24.2	-1.3%	1,448.8	108.4	7.5%	1,349.6	-25.0	-1.9%
Offshore & Engineering	261.6	-74.5	-28.5%	78.6	-14.2	-18.1%	54.4	-22.1	-40.6%	174.8	19.2	11.0%
Industrial Plant	157.6	-95.1	-60.3%	32.7	-17.9	-54.7%	38.4	-13.4	-34.9%	61.6	-28.7	-46.6%
Engine & Machinery	1,491.7	132.6	8.9%	431.7	22.9	5.3%	339.1	44.7	13.2%	390.7	17.7	4.5%
Others	79.8	-571.3	-	28.0	-447.3	-	24.8	-42.9	-	19.4	-52.2	-
Total	8,311.3	-800.3	-9.6%	2,475.9	-480.7	-19.4%	1,905.5	74.7	3.9%	1,996.1	-69.0	-3.5%

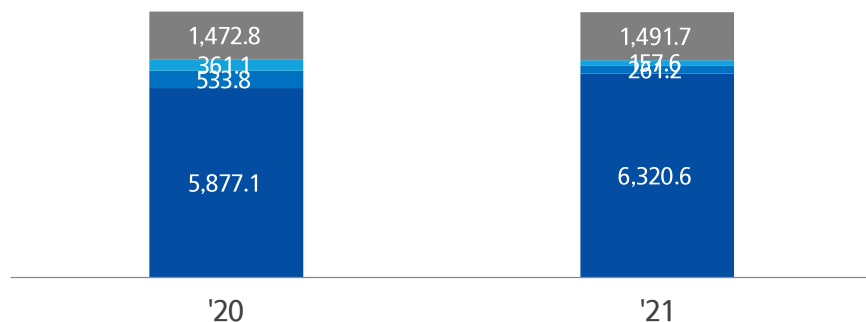
Note1) Before distribution of common expense

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

Yearly) Consolidated Sales

(Unit : Bil. KRW)

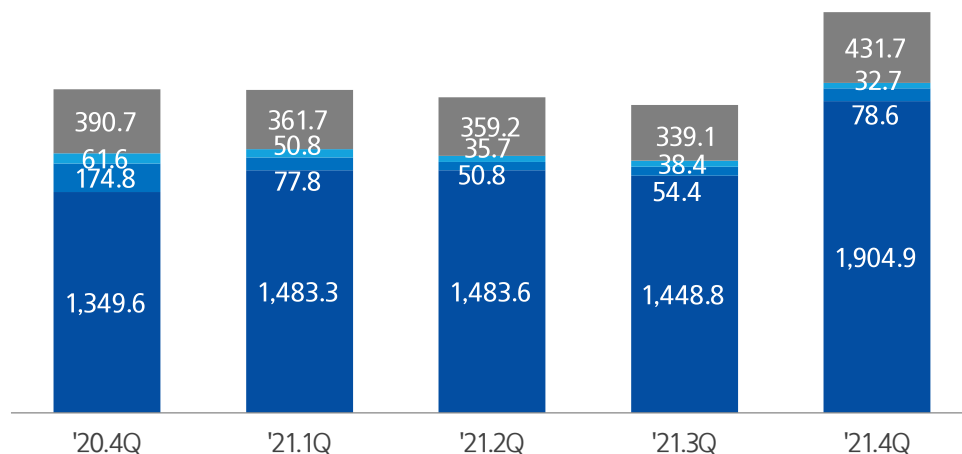
■ Shipbuilding ■ Offshore ■ Industrial Plant ■ Engine & Machinery



Quarterly) Consolidated Sales

(Unit : Bil. KRW)

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



Consolidated Sales Analysis (QoQ)

Shipbuilding
(+31.5%)

Improved due to base effect following decrease in work days from summer vacation, increased work volumes at shipping division and launch of Aegis shipbuilding in special & naval ship sector.

Offshore
(+44.5%)

Sales increased due to reflection of sales related to Myanmar SHWE Ph.3.

Industrial Plant
(-14.8%)

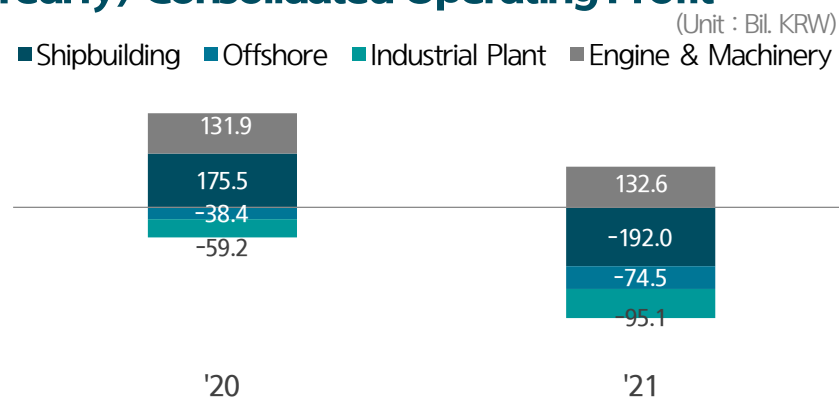
Sales decreased due to differences in process planning for the ZOR construction

Engine & Machinery
(+27.3%)

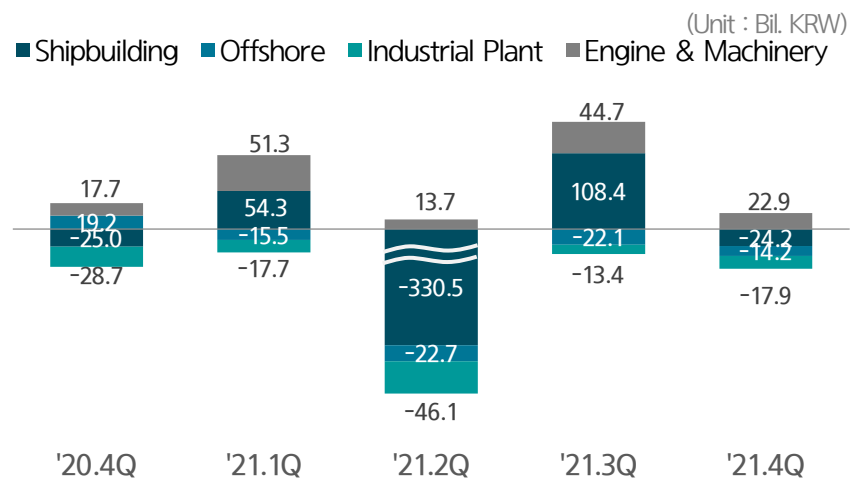
Sales increased due to increased delivery of ship engines and increased sales of power generation engines.

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

Yearly) Consolidated Operating Profit



Quarterly) Consolidated Operating Profit



Note 1 : After distribution of common expense

Consolidated Operating Profit Analysis (QoQ)

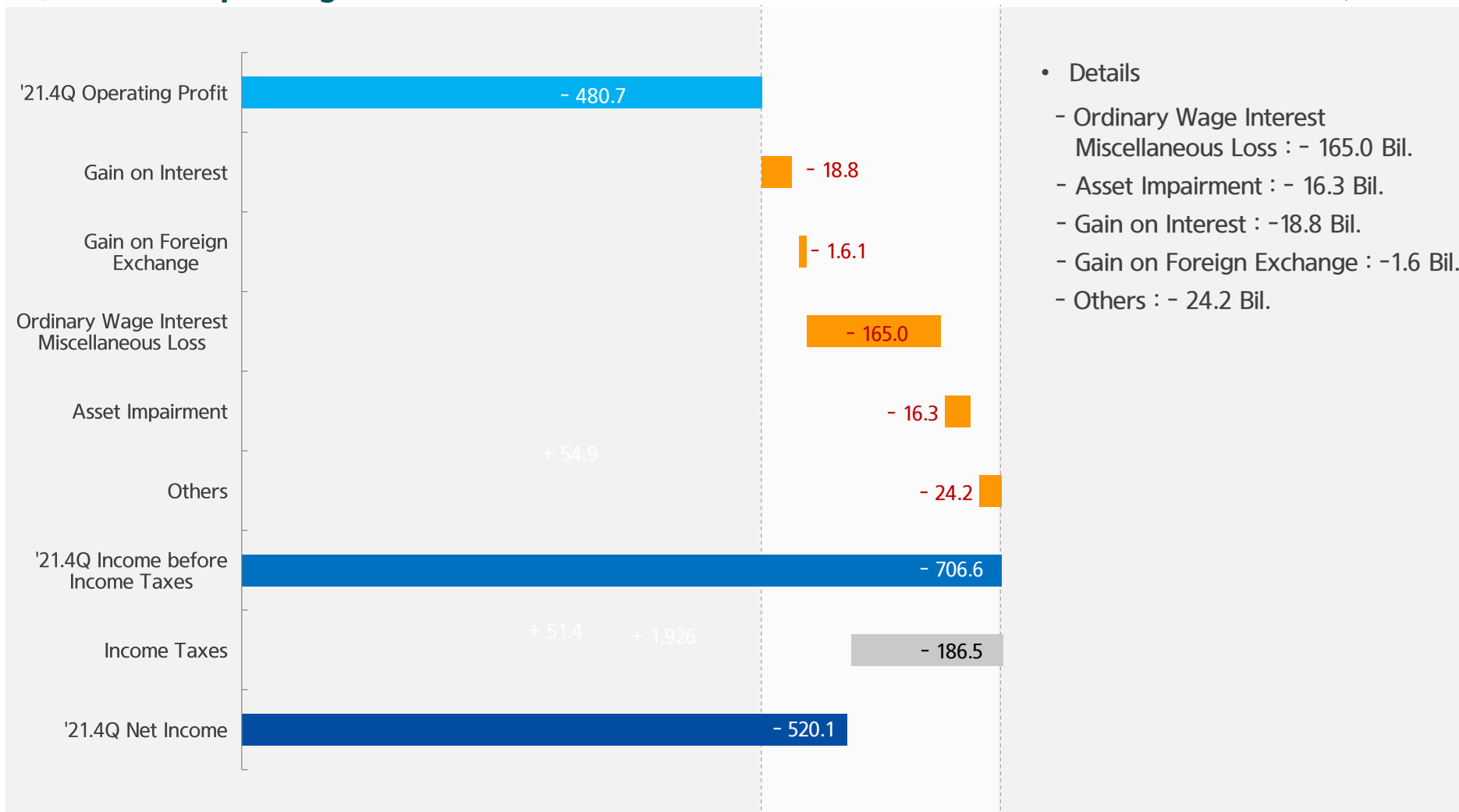
Shipbuilding (Turned to Loss)	▼ Turned to loss due to the effects of the wage system reorganization etc.
Offshore (Loss continued)	▼ Loss continued despite increase in sales due to fixed cost burden.
Industrial Plant (Loss continued)	▼ Loss continued due to extra costs such as ZOR construction.
Engine & Machinery (-48.8%)	▼ Decrease in operating profit due to the effects of wage system restructuring, rise in raw material prices, etc.

3. Consolidated Non-Operating Profit and Net Income

4Q Non-Operating Profit KRW -225.9 Bil., Net Income KRW -520.1 Bil. due to miscellaneous interest loss related to the ordinary wage litigation

4Q 2021 Non-Operating Profit and Net Income

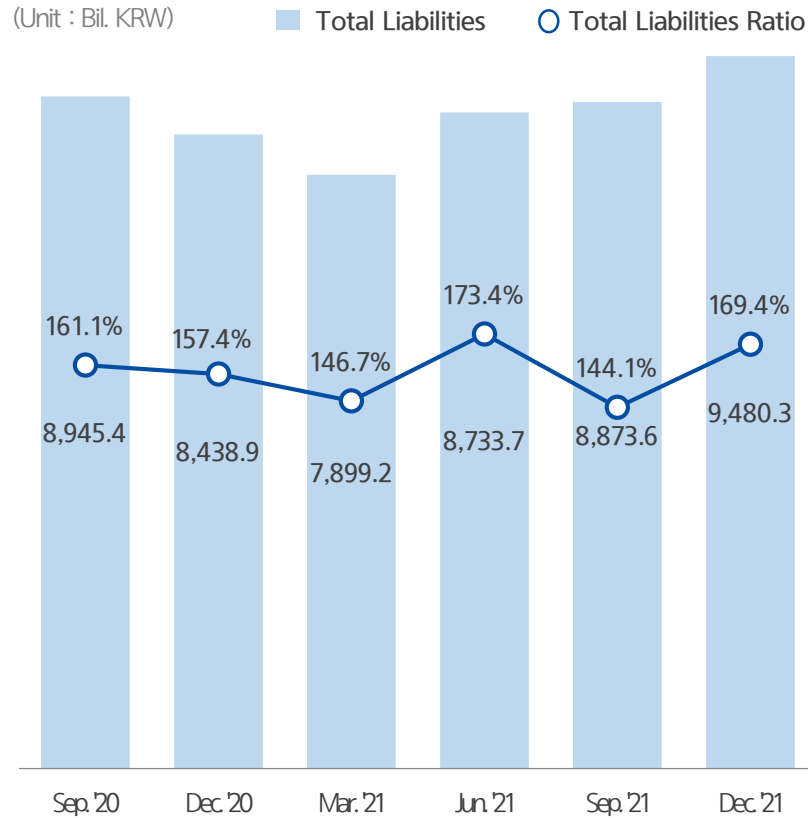
(Unit : Bil. KRW)



4. Financial Ratios

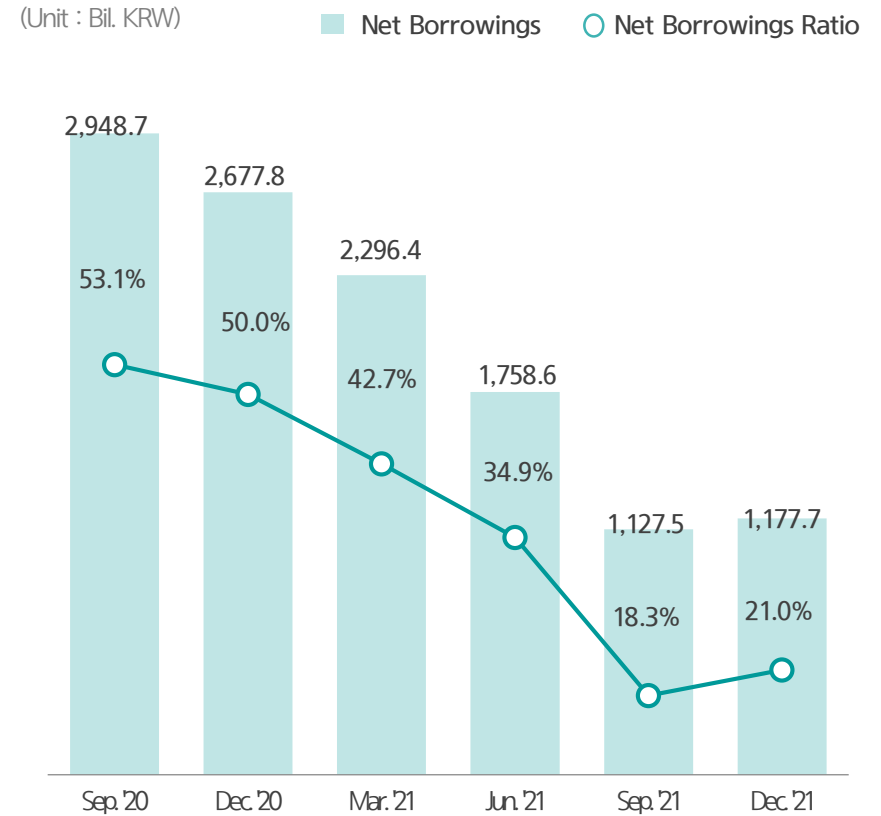
Consolidated Financial Ratios

- Liabilities Ratio 169.4%



Separate Financial Ratios

- Debts Ratio 21.0%



Note1 : 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	2021 Total	4Q 2021			3Q 2021	4Q 2020
			QoQ	YoY		
Sales	8,311.3	2,475.9	+30.3%	+24.0%	1,900.5	1,996.1
Cost of Sales	8,520.5	2,727.1	+62.3%	+41.1%	1,680.5	1,932.1
Gross Profit	-209.2	-251.3	Turned to Loss	Turned to Loss	220.0	64.0
Operating Profit	-800.3	-480.7	Turned to Loss	Loss Continued	74.7	-69.0
OP Margin	-9.6	-19.4	-23.3p	-15.9p	3.9	-3.5
Non-operating Income/expenses	-311.1	-225.9	-	-	-19.8	-425.7
Income before Income Taxes	-1,111.4	-706.6	-	-	54.9	-494.7
Income Taxes	-297.2	-186.5	-	-	3.5	-130.9
Net Income	-814.2	-520.1	Turned to Loss	Loss Continued	51.4	-363.8

Note 1 : K-IFRS Consolidated Financial Statements Basis

Consolidated Statement of Financial Positions

(Unit : Bil. KRW)

	As of Dec. 31 2021	As of Sep. 30 2021	As of Dec. 31 2020
Current Assets	7,886.1	8,029.2	6,999.4
(Cash & Cash Equivalents)	2,137.4	2,780.4	1,314.8
(Disposal group held for distribution)	0	0	0
Non-current Assets	7,192.6	7,001.1	6,800.3
Total Assets	15,078.7	15,030.3	13,799.7
Current Liabilities	7,048.6	6,046.3	5,976.9
(Short-term borrowings)	1,506.8	1,804.1	2,507.3
(Liabilities associated with disposal group held for distribution)	0	0	0
Non-current Liabilities	2,436.0	2,827.2	2,462.0
(Long-term borrowings)	1,959.0	2,306.9	2,039.4
Total Liabilities	9,484.6	8,873.5	8,438.9
Common stock	443.9	443.9	353.9
Others	3,998.4	3,996.1	5,512.0
Retained Earnings	1,716.8	1,716.8	-505.1
Non-controlling interests	0	0	0
Total Equity	5,594.1	6,156.8	5,360.8

Note 1 : K-IFRS Consolidated Financial Statements Basis.



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