

1Q 2022 Earnings Release

**HYUNDAI  
HEAVY INDUSTRIES**



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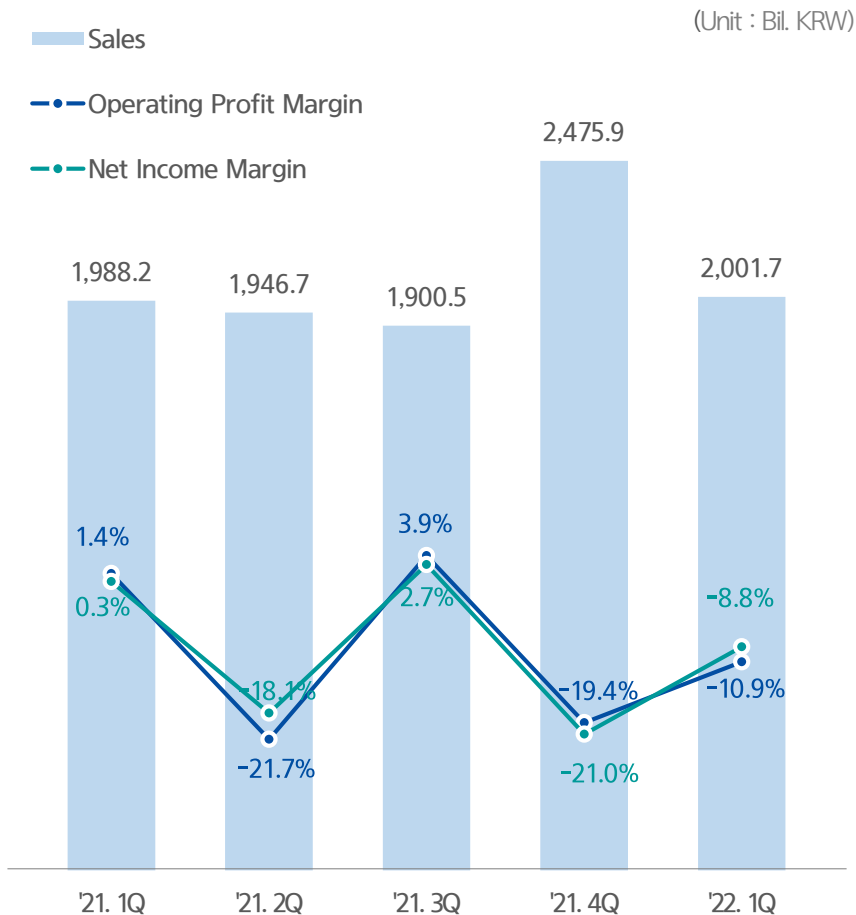
Condensed Consolidated Financial Statements



# 1. 1Q Consolidated Earnings

## 1Q Consolidated Operating Profit recorded KRW 74.7 Bil., Turned to Profit.

### Quarterly Sales and Operating Profit



### 1Q Consolidated Highlights (QoQ)

- **Sales KRW 2,001.7 Bil.**
  - QoQ -19.2% (YoY +0.7%)
  - Sales decreased QoQ largely due to sales decrease in shipbuilding division
- **Operating Profit KRW -217.4 Bil.**
  - QoQ Loss Continued (YoY Loss Continued)
  - Loss continued due to the effects of rising inflation and work suspension
- **Net Income KRW -175.9 Bil.**
  - QoQ Loss Continued (YoY Loss Continued)
  - Despite the absence of the effects of ordinary wage ruling from the previous quarter, loss continued due to operating loss

## 2. Consolidated Financial Results by Business Segments

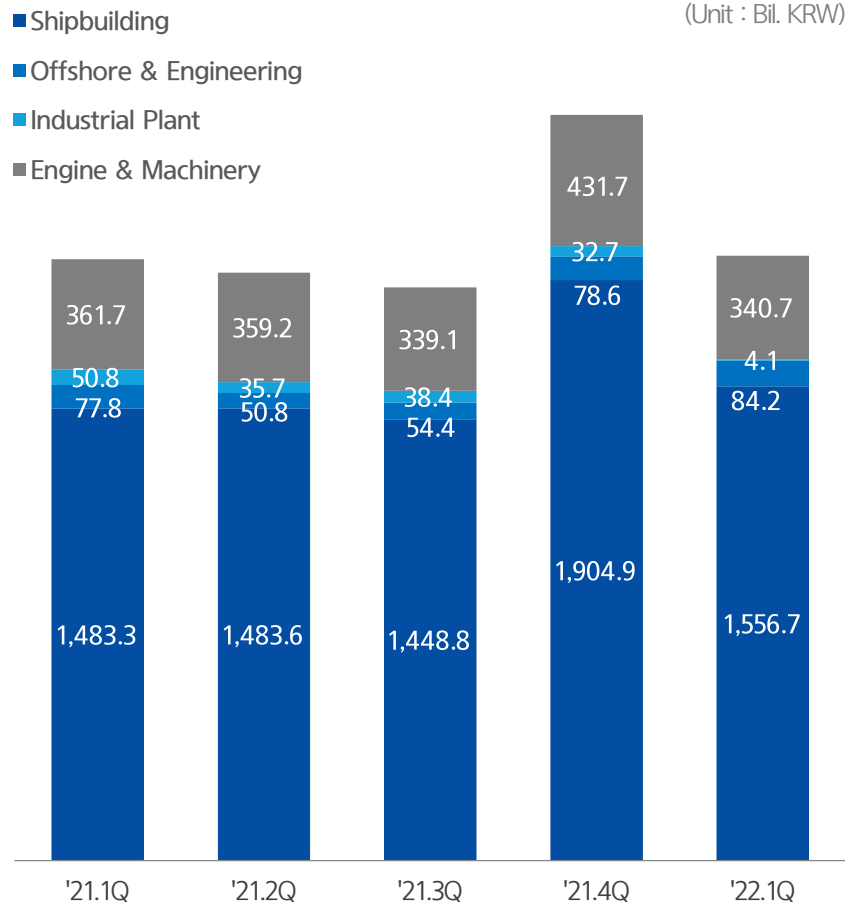
(Unit : Bil. KRW)

Category	1Q 2022			4Q 2021			1Q 2021		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Commercial Ships	1,361.8	-103.8	-7.6%	1,502.8	-41.0	-2.7%	1,342.4	39.3	2.9%
Special & Naval Ships	194.9	-11.7	-6.0%	402.1	16.8	4.2%	140.9	15.0	10.6%
Sub Total	1,556.7	-115.5	-7.4%	1,904.9	-24.2	-1.3%	1,483.3	54.3	3.7%
Offshore & Engineering	84.2	-46.9	-55.7%	78.6	-14.2	-18.1%	77.8	-15.5	-19.9%
Industrial Plant	4.1	-44.2	-1,078%	32.7	-17.9	-54.7%	50.8	-17.7	-34.8%
Engine & Machinery	340.7	34.1	10.0%	431.7	22.9	5.3%	361.7	51.3	14.2%
Others	16.0	-44.5	-	28.0	-447.3	-	14.5	-44.0	-
Total	2,001.7	-217.0	-10.8%	2,475.9	-480.7	-19.4%	1,988.1	28.4	1.4%

Note1) Before distribution of common expense

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

### Sales Trend of Major Subsidiaries



### Sales Analysis (QoQ)

Shipbuilding  
(-18.3%)

▼ Sales decreased due to production delays caused by work suspensions and decrease in work volume of naval frigate vessel shipbuilding

Offshore  
(+7.1%)

▲ Sales increased due to starting new construction process such as P-78 FPSO

Industrial Plant  
(-87.5%)

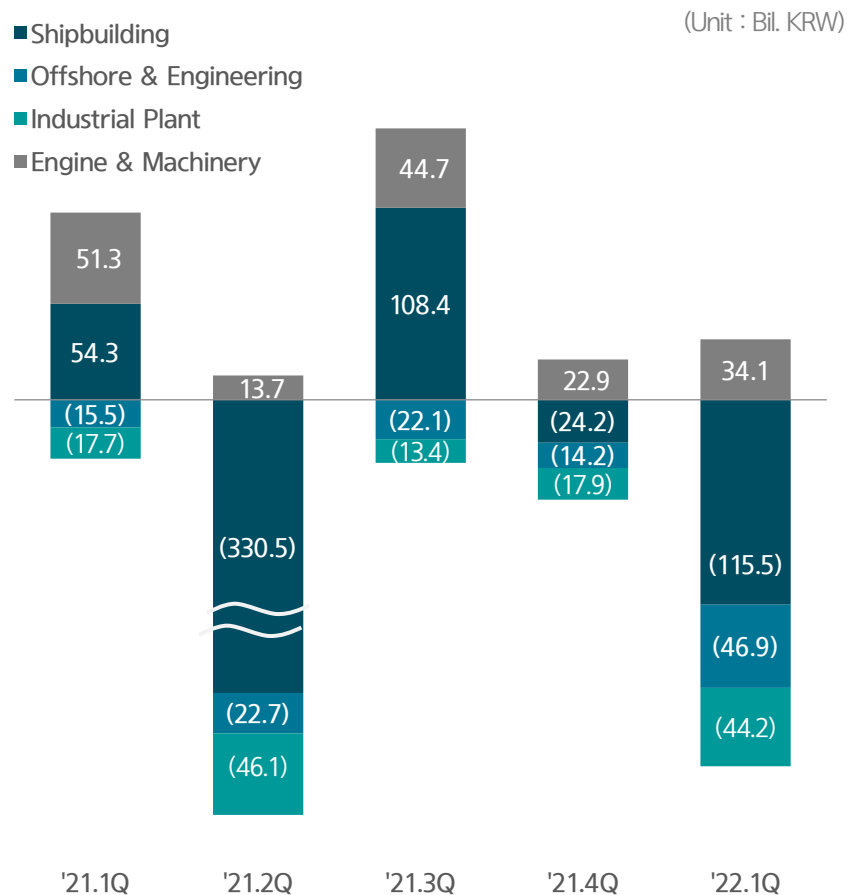
▼ Sales decreased due to reduced sales of the EPC projects which are in the finishing stages

Engine & Machinery  
(-21.1%)

▼ Sales decreased due to seasonal factors and reduction of marine engine sales

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

### Consolidated Operating Profit



### Consolidated Operating Profit Analysis (QoQ)

<b>Shipbuilding</b> (Loss Continued)	▼ Loss continued due to the effects of rising inflation caused by the Russia – Ukraine conflict and work suspension
<b>Offshore</b> (Loss continued)	▼ Despite sales trend turning positive due to entering the early stages of new construction processes, loss continued as a result of fixed costs not being recovered
<b>Industrial Plant</b> (Loss continued)	▼ Loss continued due to setting provisions for defect repairs for already finished EPC construction
<b>Engine &amp; Machinery</b> (+48.9%)	▲ Despite decline in sales, operating profit increased due to product price increase and efforts to reduce costs

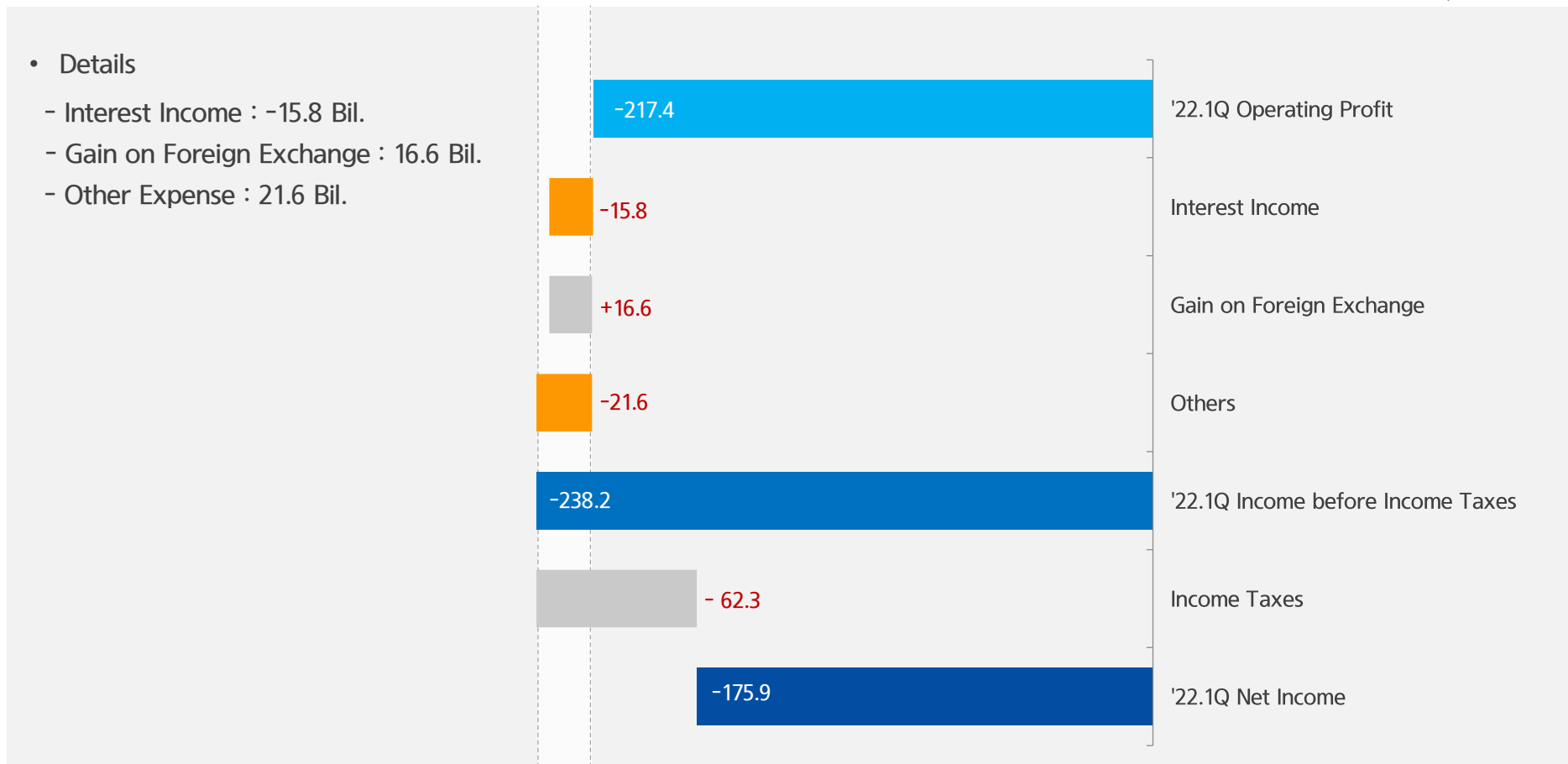
Note 1 : After distribution of common expense

### 3. Consolidated Non-Operating Profit and Net Income

**1Q Non-Operating Profit recorded – KRW 20.8 Bil. Net Income KRW –175.9 Bil.**

#### 1Q 2022 Non-Operating Profit and Net Income

(Unit : Bil. KRW)



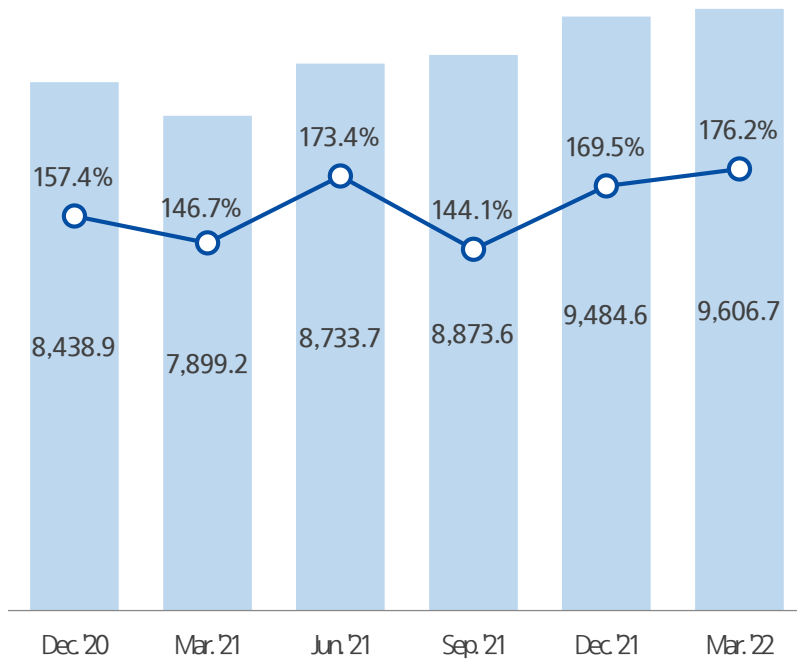


# 4. Financial Ratios

## Consolidated Financial Ratios

- Liabilities Ratio 176.2%

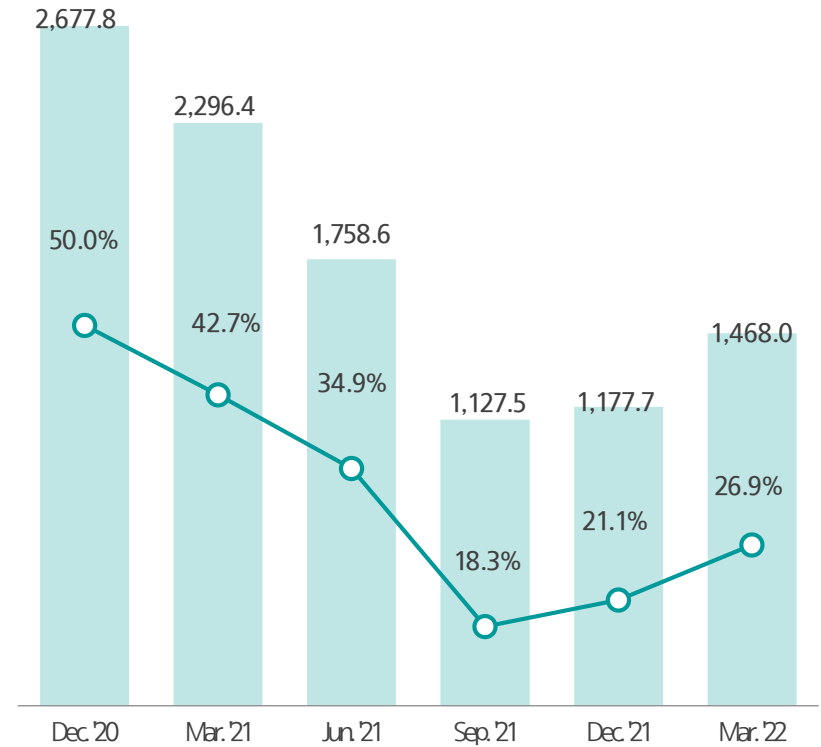
(Unit : Bil. KRW)    ■ Total Liabilities    ○ Total Liabilities Ratio



## Separate Financial Ratios

- Debts Ratio 26.9%

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



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	1Q 2022			4Q 2021	1Q 2021
		QoQ	YoY		
Sales	2,001.7	-19.15%	0.68%	2,475.9	1,988.2
Cost of Sales	2,089.5	-23.38%	11.62%	2,727.1	1,872.0
Gross Profit	-87.8	Loss Continued	Turned to Loss	-251.3	116.2
Operating Profit	-217.4	Loss Continued	Turned to Loss	-480.7	28.4
OP Margin	-10.9	+8.5p	-12.3p	-19.4	1.4
Non-operating Income/expenses	-20.8	-	-	-225.9	-18.3
Income before Income Taxes	-238.2	-	-	-706.6	10.0
Income Taxes	-62.3	-	-	-186.5	4.0
Net Income	-175.9	Loss Continued	Turned to Loss	-520.1	6.0

Note 1 : K-IFRS Consolidated Financial Statements Basis

## Consolidated Statement of Financial Positions

(Unit : Bil. KRW)

Category	As of Mar. 31 2022	As of Dec. 31 2021	As of Dec. 31 2020
Current Assets	7,731.4	7,886.1	6,999.4
(Cash & Cash Equivalents)	1,778.5	2,137.4	1,314.8
(Assets to be sold)	0	0	0
Non-current Assets	7,326.3	7,192.6	6,800.3
<b>Total Assets</b>	<b>15,057.6</b>	<b>15,078.7</b>	<b>13,799.7</b>
Current Liabilities	7,486.9	7,048.6	5,976.9
(Short-term borrowings)	1,774.6	1,506.8	2,507.3
Non-current Liabilities	0	0	0
(Long-term borrowings)	2,119.8	2,436.0	2,462.0
<b>Total Liabilities</b>	<b>1,626.2</b>	<b>1,959.0</b>	<b>2,039.4</b>
Common stock	<b>9,606.7</b>	<b>9,484.6</b>	<b>8,438.9</b>
Others	443.9	443.9	353.9
Retained Earnings	3,998.1	3,998.4	5,512.0
Non-controlling interests	1,008.9	1,151.7	-505.1
<b>Total Equity</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Assets</b>	<b>5,450.9</b>	<b>5,594.0</b>	<b>5,360.8</b>

Note 1 : K-IFRS Consolidated Financial Statements Basis.



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