

2Q 2022 Earnings Release

**HYUNDAI  
HEAVY INDUSTRIES**



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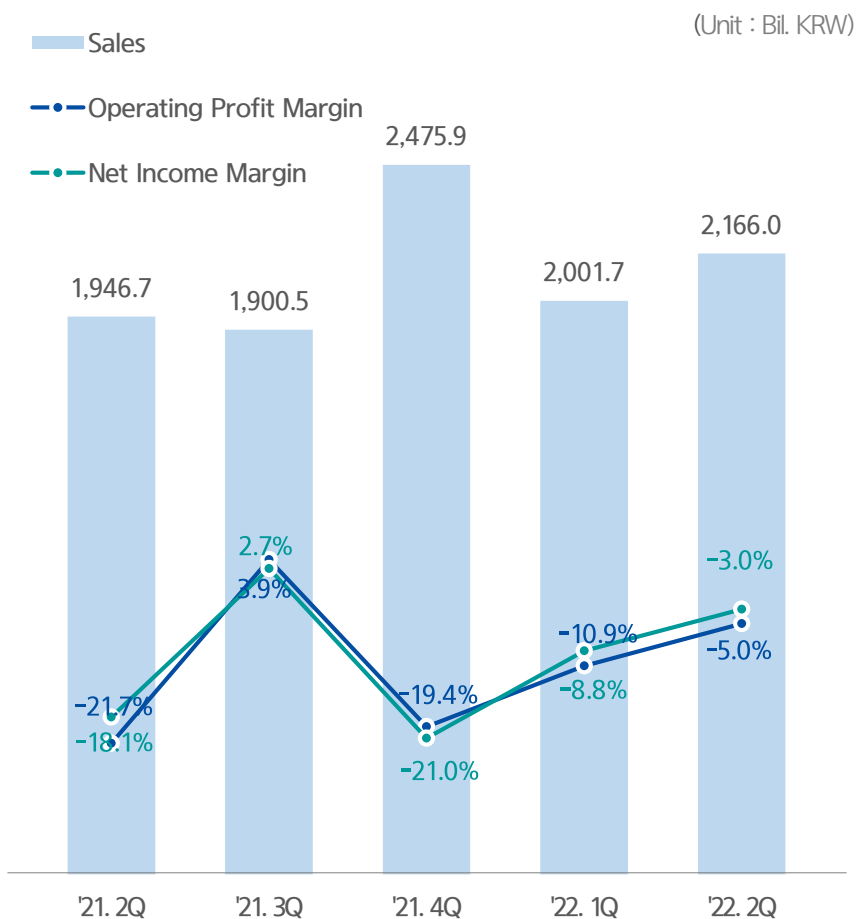
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# 1. 2Q Consolidated Earnings

**2Q Consolidated Operating Profit recorded KRW -108.3 Bil., Loss continued.**

## Quarterly Sales and Operating Profit



## 2Q Consolidated Highlights (QoQ)

- **Sales KRW 2,266.0 Bil.**
  - QoQ +8.2% (YoY +11.3%)
  - Despite of work suspension in shipbuilding division, sales increased QoQ thanks to sales increase in non-shipbuilding division
- **Operating Profit KRW -108.3 Bil.**
  - QoQ Loss Continued (YoY Loss Continued)
  - Loss continued due to steel plate price increase and partial work suspension
- **Net Income KRW -64.7 Bil.**
  - QoQ Loss Continued (YoY Loss Continued)
  - Loss continued due to operating loss but minimized due to gains from foreign exchange

## 2. Consolidated Financial Results by Business Segments

(Unit : Bil. KRW)

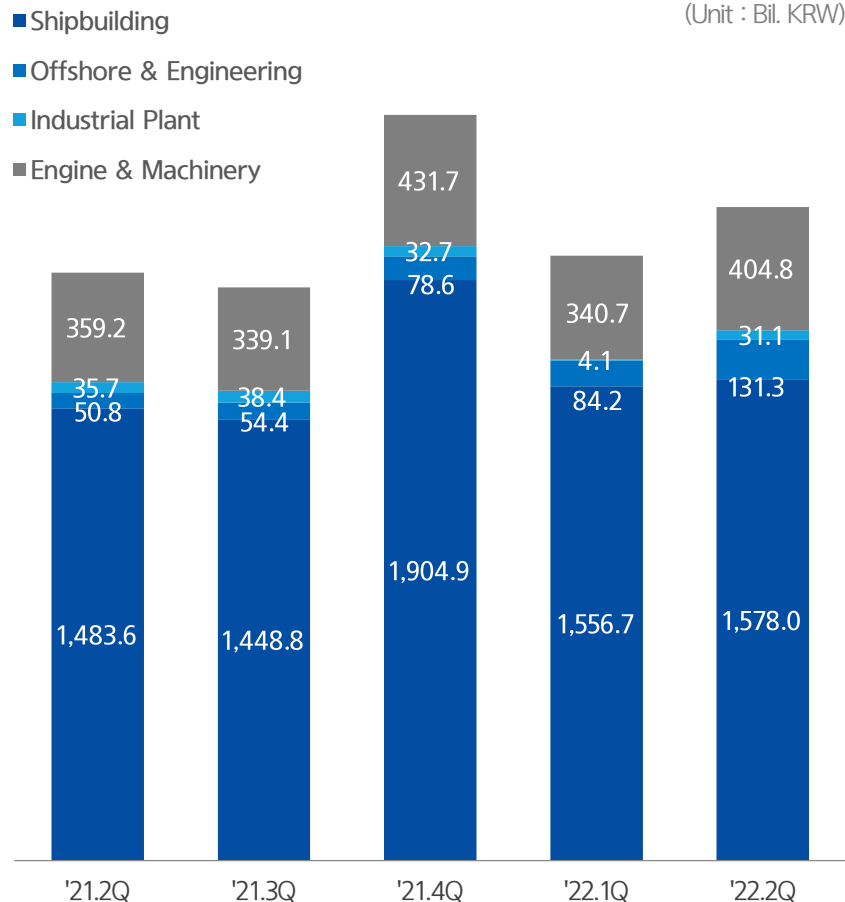
Category	2Q 2022			1Q 2022			2Q 2021		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Commercial Ships	1,391.5	-55.1	-4.0%	1,361.8	-103.8	-7.6%	1,265.1	-344.9	-27.3%
Special & Naval Ships	186.5	-5.1	-2.7%	194.9	-11.7	-6.0%	218.5	14.4	6.6%
Sub Total	1,578.0	-60.2	-3.8%	1,556.7	-115.5	-7.4%	1,483.6	-330.5	-22.3%
Offshore & Engineering	131.3	-51.0	-38.8%	84.2	-46.9	-55.7%	50.8	-22.7	-44.7%
Industrial Plant	31.1	3.9	12.5%	4.1	-44.2	-1,078%	35.7	-46.1	-129.1%
Engine & Machinery	404.8	43.9	10.8%	340.7	34.1	10.0%	359.2	13.7	3.8%
Others	20.8	-44.9	-	16.0	-44.5	-	17.4	-37.1	-
Total	2,166.0	-108.3	-5.0%	2,001.7	-217.0	-10.8%	1,946.7	-422.7	-21.7%

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**  
(+1.4%)

▲ Despite production delays that resulted in construction delays, sales increased due increased work volume

**Offshore**  
(+55.9%)

▲ Sales increased due to commencement of projects received in '21 such as P-78 FPSO

**Industrial Plant**  
(+658.5%)

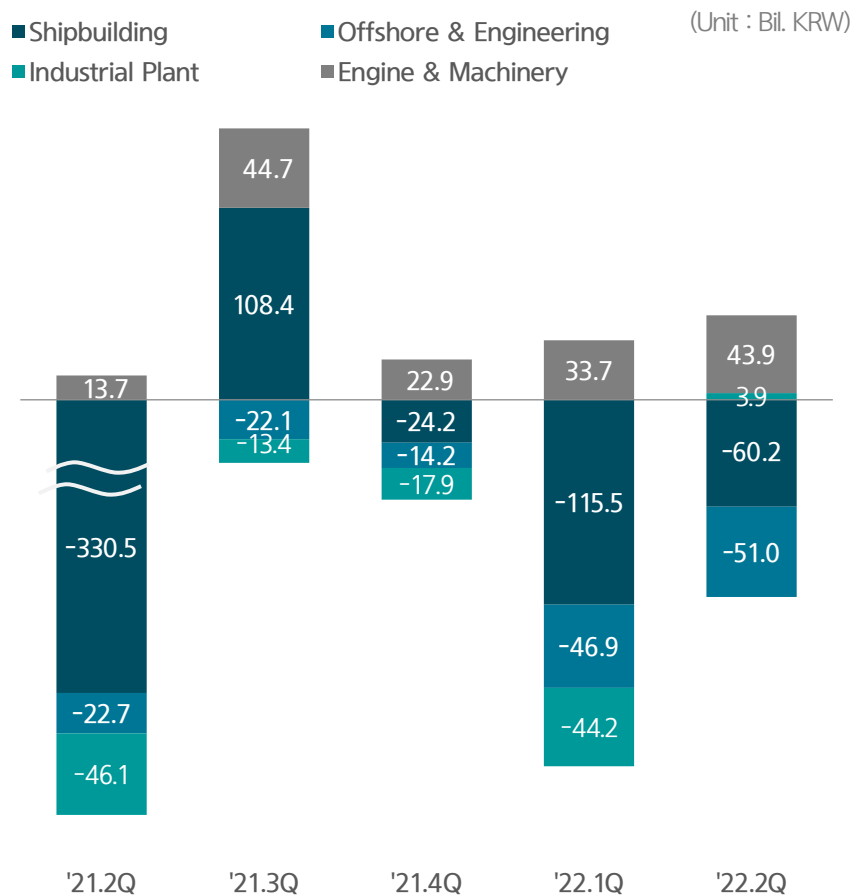
▲ Sales increased marginally due to EPC projects that are in final execution phase

**Engine & Machinery**  
(+18.8%)

▲ Sales increased due to increased delivery of marine propulsion engines

## 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 steel plate price increase and work suspension
<b>Offshore</b> (Loss Continued)	▼ Loss continued due to negative operational leverage
<b>Industrial Plant</b> (Turned to Profit)	▲ Turned to profit due to absence of warranty provisions that were set in Q1 for EPC projects
<b>Engine &amp; Machinery</b> (+30.3%)	▲ Profit improved thanks to increased ASP and currency tailwind

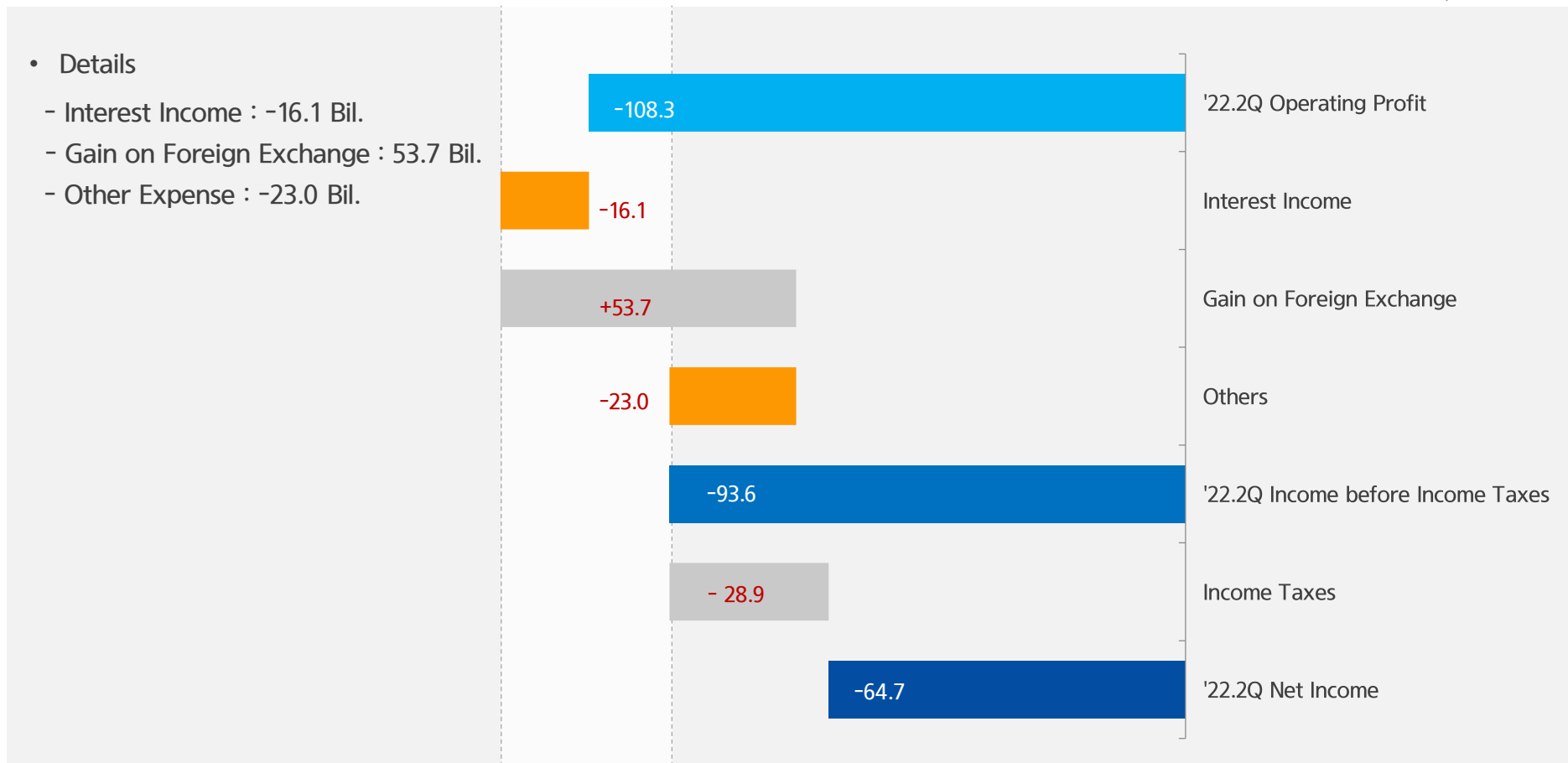
Note 1 : After distribution of common expense

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

**2Q Non-Operating Profit recorded KRW 14.6 Bil. Net Income KRW -64.7 Bil.**

#### 2Q 2022 Non-Operating Profit and Net Income

(Unit : Bil. KRW)

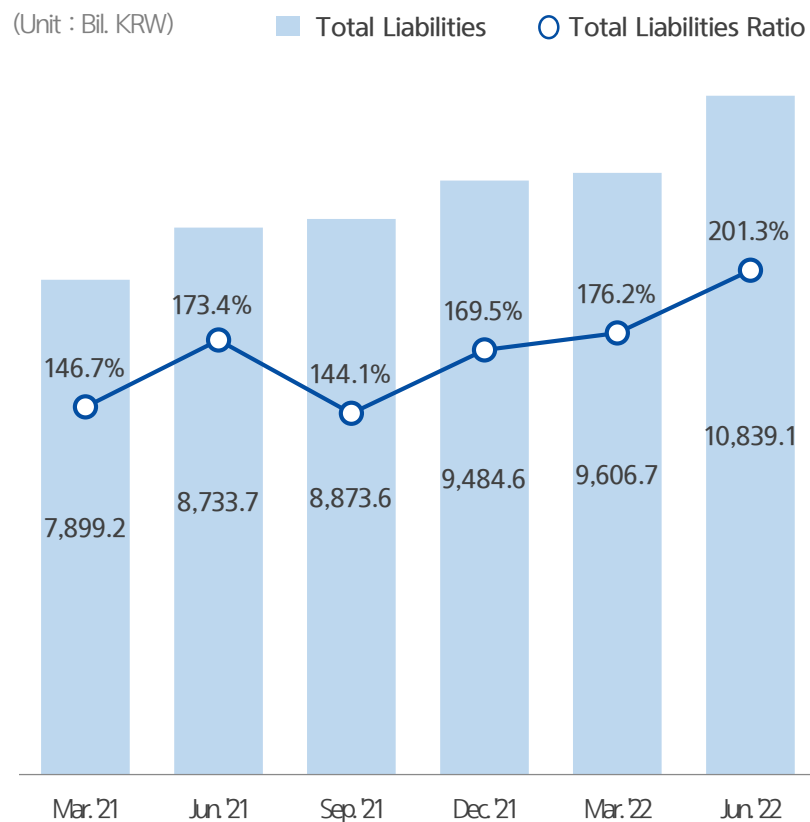




# 4. Financial Ratios

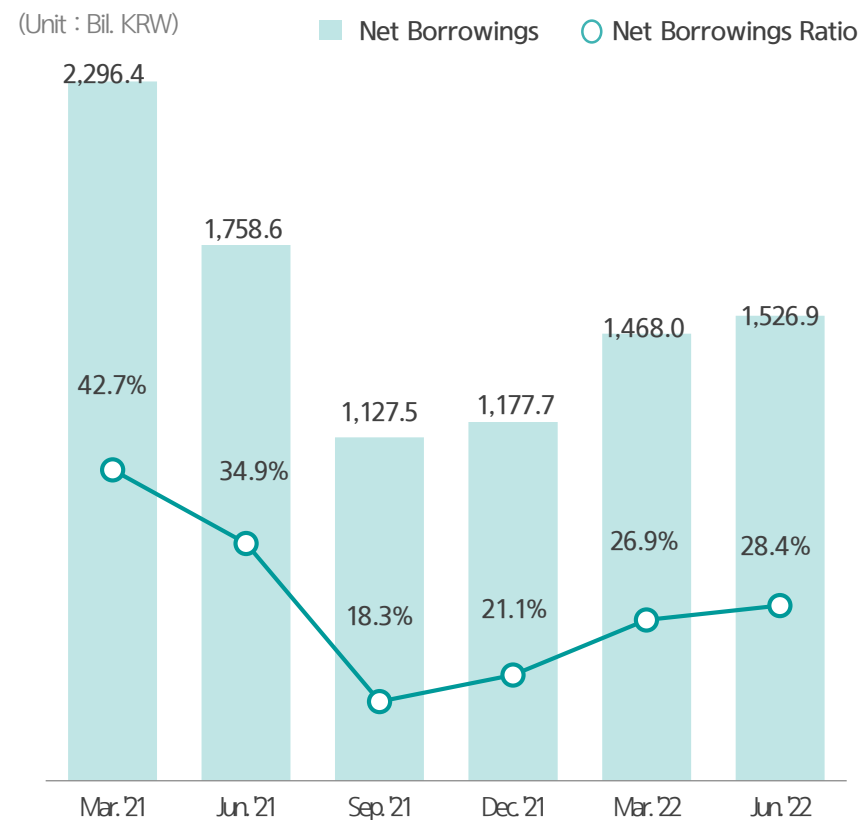
## Consolidated Financial Ratios

- Liabilities Ratio 201.3%



## Separate Financial Ratios

- Debts Ratio 28.4%



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	2Q 2022	QoQ	YoY	1Q 2022	2Q 2021
	Sales	2,166.0	+8.21%	+11.27%	2,001.7
Cost of Sales	2,151.5	+2.97%	-3.99%	2,089.5	2,240.9
Gross Profit	14.5	Turned to Profit	Turned to Profit	-87.8	-294.1
Operating Profit	-108.3	Loss Continued	Loss Continued	-217.4	-422.7
OP Margin(%)	-5	+5.9p	+16.7p	-10.9	-21.7
Non-operating Income/expenses	14.6	-	-	-20.8	-47.1
Income before Income Taxes	-93.6	-	-	-238.2	-469.8
Income Taxes	-28.9	-	-	-62.3	-118.3
Net Income	-64.7	Loss Continued	Loss Continued	-175.9	-351.5

Note 1 : K-IFRS Consolidated Financial Statements Basis

## Consolidated Statement of Financial Positions

(Unit : Bil. KRW)

Category	As of Jun. 30 2022	As of Dec. 31 2021	As of Dec. 31 2020
Current Assets	8,371.7	7,886.1	6,999.4
(Cash& Cash Equivalents)	1,647.6	2,137.4	1,314.8
(Assets to be sold)	0	0	0
Non-current Assets	7,853.2	7,192.6	6,800.3
<b>Total Assets</b>	<b>16,224.9</b>	<b>15,078.7</b>	<b>13,799.7</b>
Current Liabilities	8,774.4	7,048.6	5,976.9
(Short-term borrowings)	2,144.4	1,506.8	2,507.3
Non-current Liabilities	0	0	0
(Long-term borrowings)	2,064.7	2,436.0	2,462.0
<b>Total Liabilities</b>	<b>1,197.6</b>	<b>1,959.0</b>	<b>2,039.4</b>
Common stock	<b>10,839.1</b>	<b>9,484.6</b>	<b>8,438.9</b>
Others	443.9	443.9	353.9
Retained Earnings	3,998.6	3,998.4	5,512.0
Non-controlling interests	943.3	1,151.7	-505.1
<b>Total Equity</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Assets</b>	<b>5,385.8</b>	<b>5,594.0</b>	<b>5,360.8</b>

Note 1 : K-IFRS Consolidated Financial Statements Basis.

