

3Q 2022 Earnings Release

**HYUNDAI
HEAVY INDUSTRIES**



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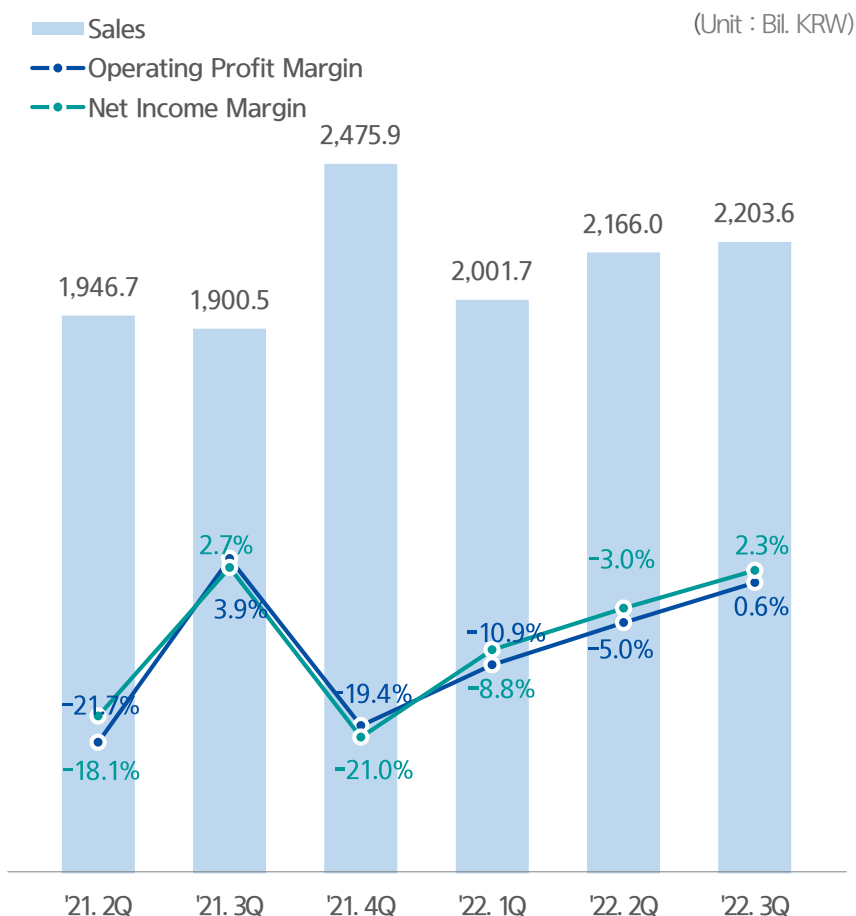
Condensed Consolidated Financial Statements



1. 3Q Consolidated Earnings

3Q Consolidated Operating Profit recorded KRW 14.3 bn, Turned to Profit.

Quarterly Sales and Operating Profit



3Q Consolidated Highlights (QoQ)

- **Sales KRW 2,203.6 bn**

- QoQ +1.7% (YoY +15.9%)

Sales increased due to currency tailwind and increase in sales of non-shipbuilding related businesses despite seasonality effect such as decrease in working days

- **Operating Profit KRW 14.3 bn**

- QoQ Turned to Profit (YoY -80.9%)

Turned to profit due to positive currency impact, improved earnings of engine business, and reversals of L/D in naval shipbuilding

- **Net Income KRW 50.4 bn**

- QoQ Turned to Profit (YoY -1.8%)

Turned to profit due to operating profit and gain from foreign exchange

2. Consolidated Financial Results by Business Segments

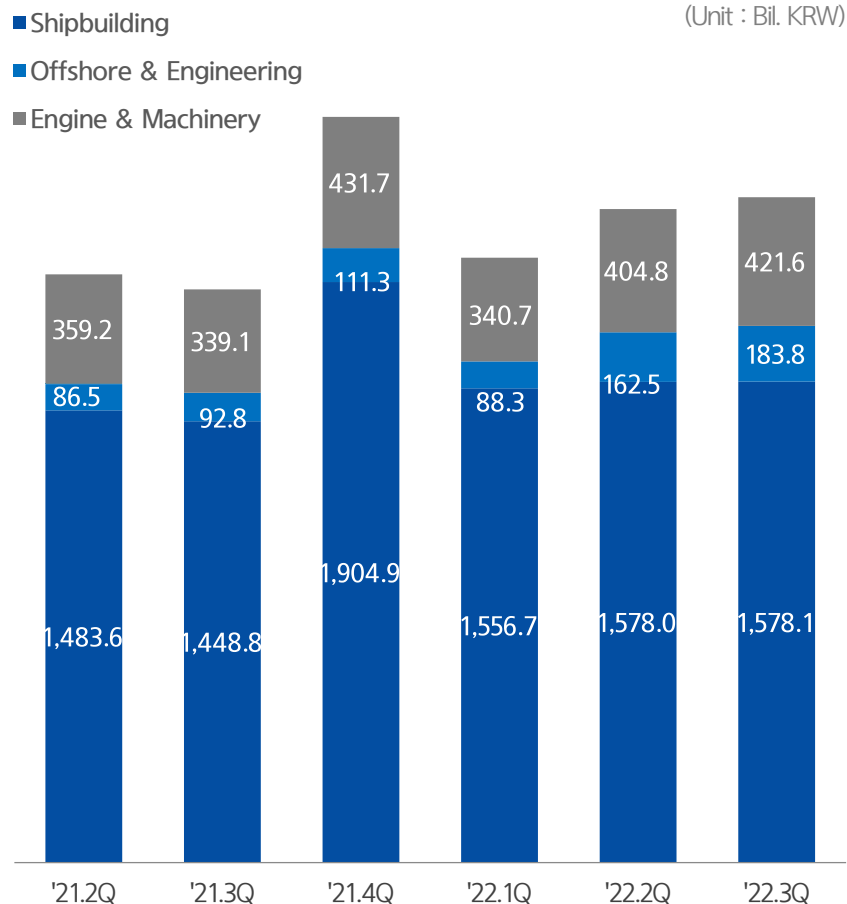
(Unit : Bil. KRW)

Category	3Q 2022			2Q 2022			3Q 2021		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Commercial Ships	1,379.8	-3.6	-0.3%	1,391.5	-55.1	-4.0%	1,249.1	95.8	7.7%
Special & Naval Ships	198.3	65.0	32.8%	186.5	-5.1	-2.7%	199.7	12.6	6.3%
Sub Total	1,578.1	61.4	3.9%	1,578.0	-60.2	-3.8%	1,448.8	108.4	7.5%
Offshore & Industrial Plant	183.8	-50.8	-27.6%	162.5	-47.1	-29.0%	92.8	-35.5	-38.3%
Engine & Machinery	421.6	48.3	11.5%	404.8	43.9	10.8%	339.1	44.7	13.2%
Others	20.1	-44.6	-	20.8	-44.9	-	19.8	-42.9	-
Total	2,203.6	14.3	0.6%	2,166.0	-108.3	-5.0%	1,900.5	74.7	3.9%

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
(+0.0%)



Similar sales level continued in Q3 due to currency tailwind and increased sales in naval shipbuilding despite seasonality effect

Offshore Plant
(+13.1%)



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

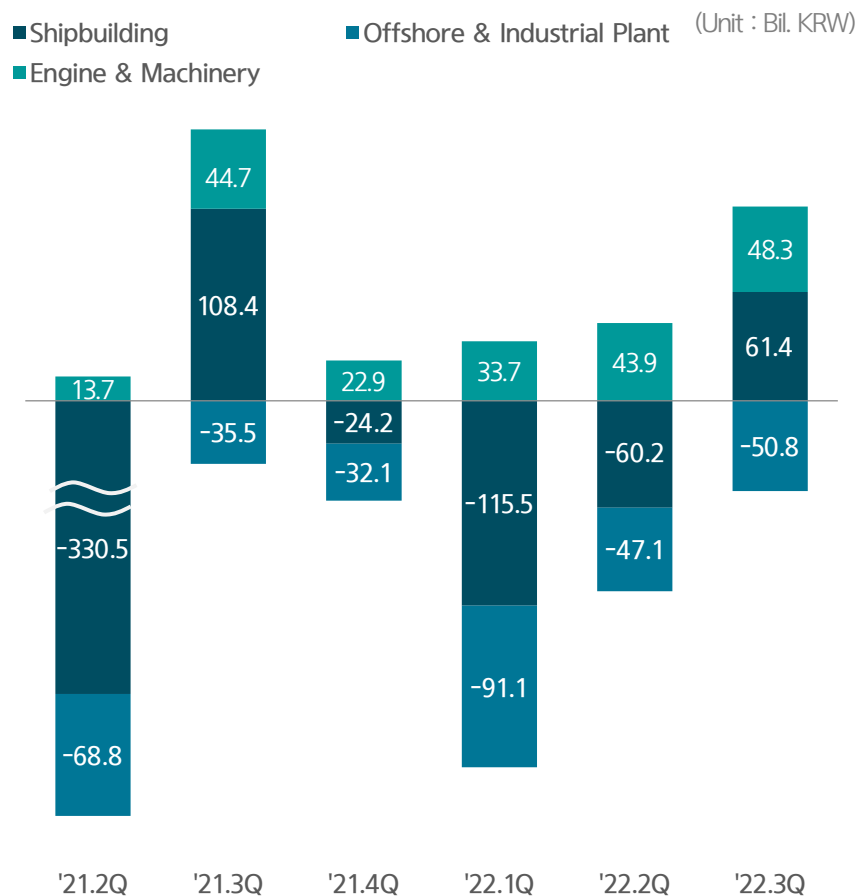
Engine & Machinery
(+4.2%)



Sales increased due to currency tailwind and increase in sales of marine propulsion engines

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 on the back of positive currency impact and reversal of L/D in naval shipbuilding
Offshore Plant (Loss Continued)	▼ Loss continued due to negative operational leverage
Engine & Machinery (+10.0%)	▲ Profit improved thanks to ASP and currency tailwind

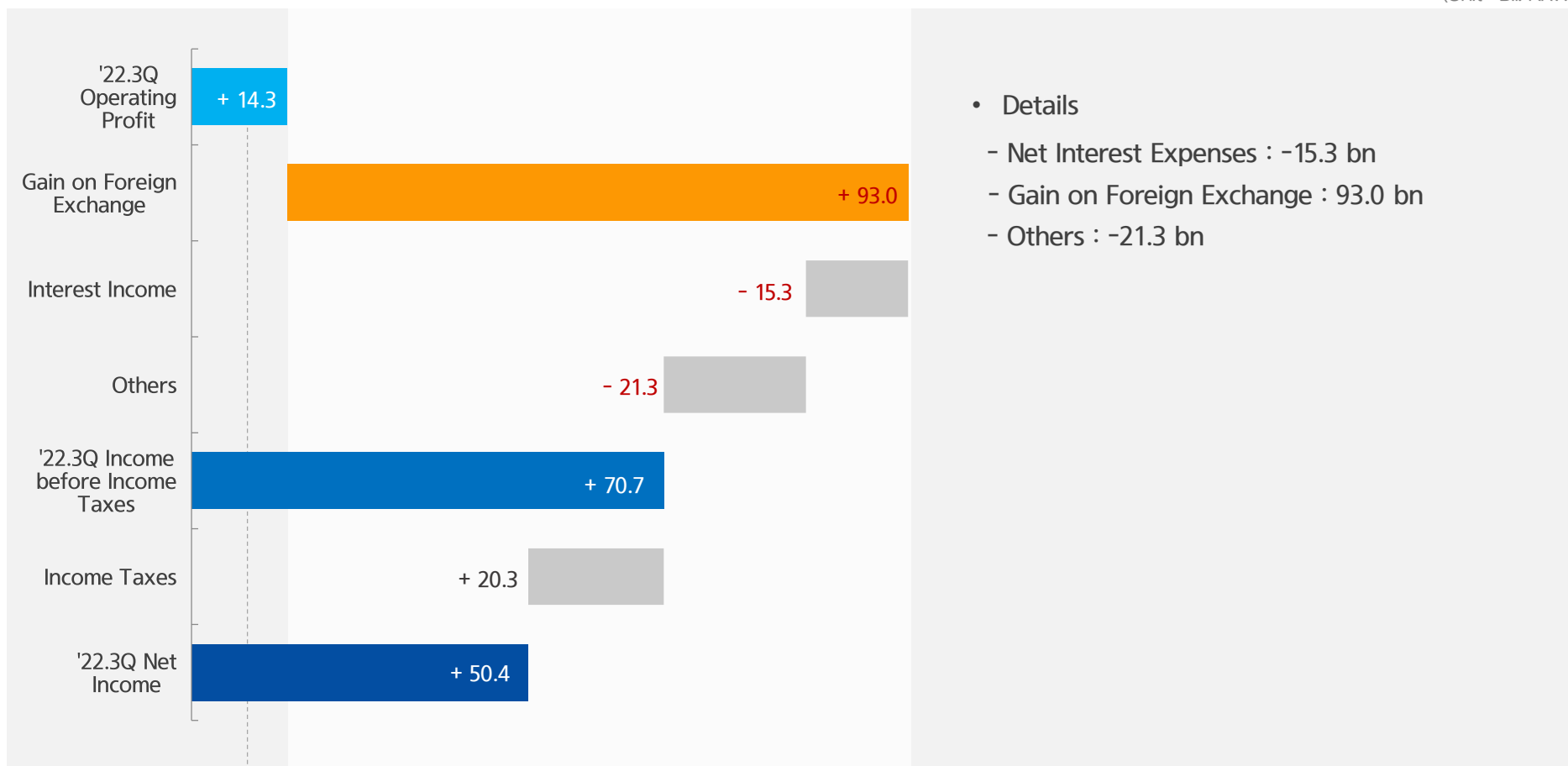
Note 1 : After distribution of common expense

3. Consolidated Non-Operating Profit and Net Income

3Q Non-Operating Profit recorded KRW 56.4 bn, Net Income KRW 50.4 bn

3Q 2022 Non-Operating Profit and Net Income

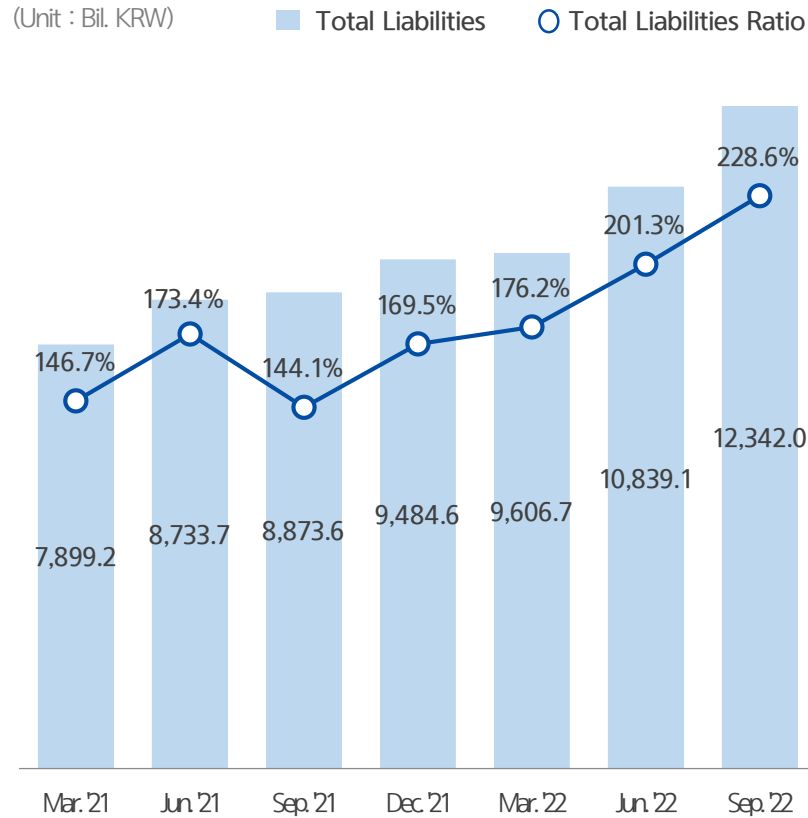
(Unit : Bil. KRW)



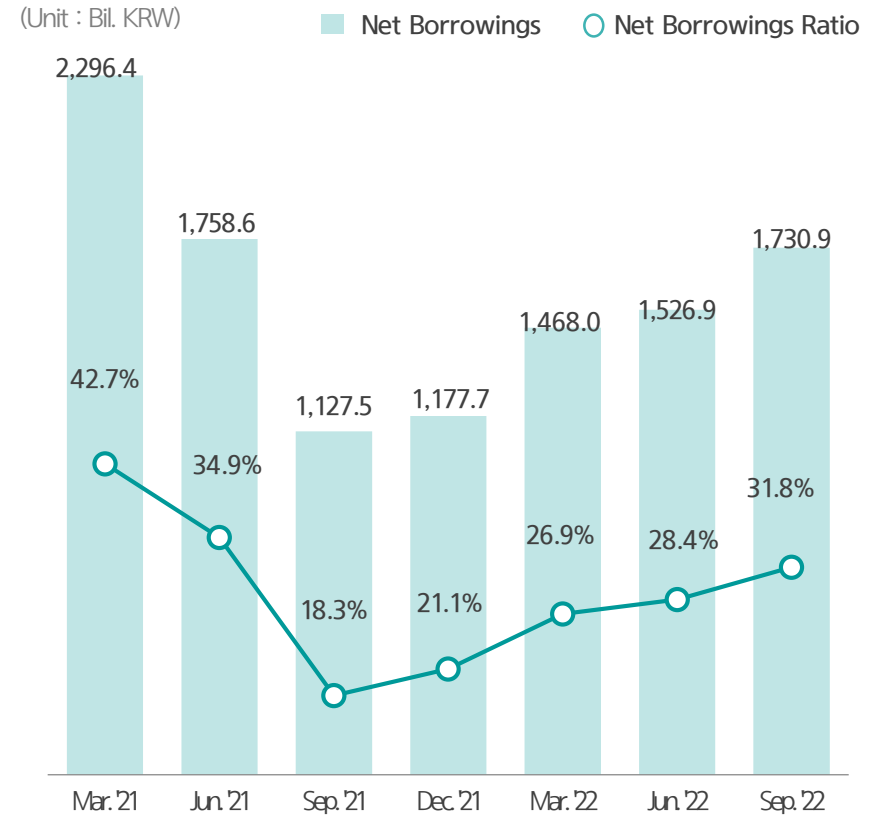
4. Financial Ratios

Consolidated Financial Ratios

- Liabilities Ratio 228.6%



- Net Borrowings Ratio 31.8%



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	3Q 2022			2Q 2022	3Q 2021
		QoQ	YoY		
Sales	2,203.6	1.7%	15.9%	2,166.0	1,900.5
Cost of Sales	2,067.1	-3.9%	23.0%	2,151.5	1,680.5
Gross Profit	136.5	840.7%	-38.0%	14.5	220.0
Operating Profit	14.3	Turned to Profit	-80.9%	-108.3	74.7
OP Margin(%)	0.6	+5.6p	-3.3p	-5.0	3.9
Non-operating Income/expenses	56.4	-	-	14.6	-19.8
Income before Income Taxes	70.7	-	-	-93.6	54.9
Income Taxes	20.3	-	-	-28.9	3.6
Net Income	50.4	Turned to Profit	-1.8%	-64.7	51.3

Note 1 : K-IFRS Consolidated Financial Statements Basis

Consolidated Statement of Financial Positions

(Unit : Bil. KRW)

Category	As of Sep. 30 2022	As of Dec. 31 2021	As of Dec. 31 2020
Current Assets	9,009.6	7,886.1	6,999.4
(Cash & Cash Equivalents)	1,514.1	2,137.4	1,314.8
(Disposal group held for distribution)	0	0	0
Non-current Assets	8,860.5	7,192.6	6,800.3
Total Assets	17,870.1	15,078.7	13,799.7
Current Liabilities	9,495.1	7,048.6	5,976.9
(Short-term borrowings)	2,130.4	1,506.8	2,507.3
(Liabilities associated with disposal group held for distribution)	0	0	0
Non-current Liabilities	2,936.9	2,436.0	2,462.0
(Long-term borrowings)	1,259.5	1,959.0	2,039.4
Total Liabilities	12,432.0	9,484.6	8,438.9
Common stock	443.9	443.9	353.9
Others	4,000.5	3,998.4	5,512.0
Retained Earnings	993.7	1,716.8	-505.1
Non-controlling interests	0	0	0
Total Equity	5,438.1	5,594.1	5,360.8

Note 1 : K-IFRS Consolidated Financial Statements Basis.



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