

3Q 2023 Earnings Release



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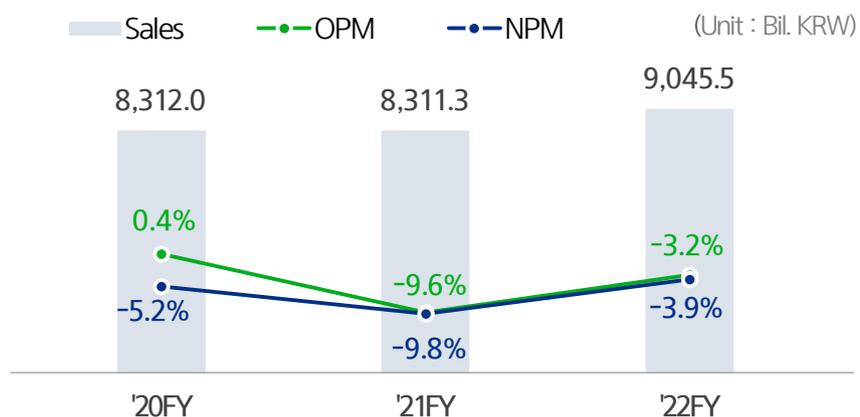
Condensed Consolidated Financial Statements



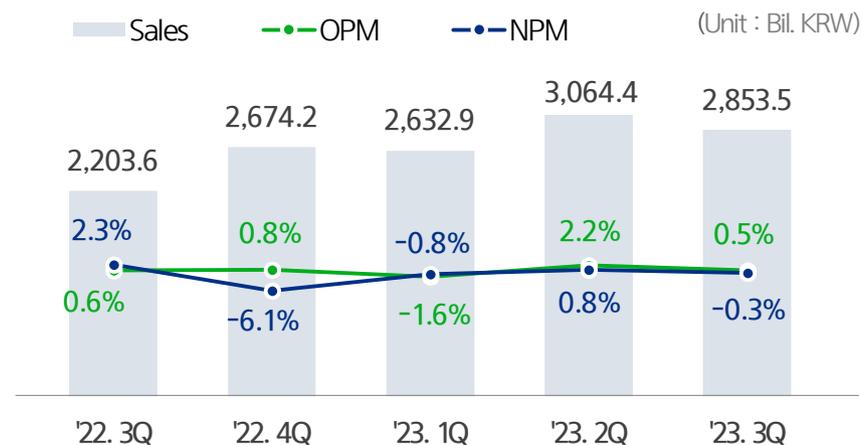
1. 3Q Consolidated Earnings

3Q sales recorded KRW 2,853.5 bn, 6.9% decreased QoQ, positive operating profit continued

Annual Sales and Operating Profit



Quarterly Sales and Operating Profit



3Q Consolidated Highlights (QoQ)

- Sales KRW 2,853.5 bn**

- QoQ -6.9% (YoY +29.5%)

Sales in shipbuilding and engine machinery segment declined due to seasonal factors, falling from the previous quarter

- Operating Profit KRW 12.9 bn (OPM +0.5%)**

- QoQ -81.2% (YoY -9.8%)

Decreased due to the absence of one-off profit factors in the Engine Machinery segment in the previous quarter and increased cost to improve construction process

- Net Income KRW -9.7 bn (NPM -0.3%)**

- QoQ Turned to Loss (YoY Turned to Loss)

Turned to loss due to decrease in operating profit

2. Consolidated Financial Results by Business Segments

(Unit : Bil. KRW)

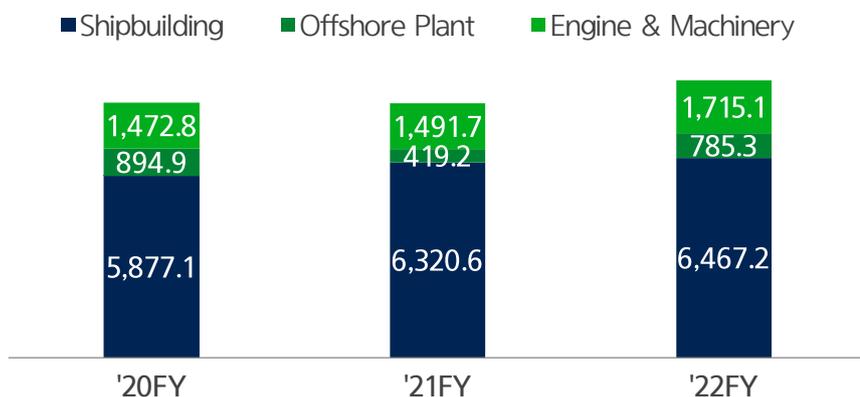
	3Q 2023			2Q 2023			3Q 2022		
	Sales	OP	OPM(%)	Sales	OP	OPM(%)	Sales	OP	OPM(%)
Shipbuilding	1804.1	17.4	1.0	1,882.8	28.5	1.5	1,379.8	-3.6	-0.3
Naval Shipbuilding	82.4	-5.6	-6.8	85.8	4.2	4.9	198.3	65.0	32.8
Subtotal	1,886.5	11.8	0.6	1,968.6	32.7	1.7	1,578.1	61.4	3.9
Offshore Engineering & Industrial Plant	253.7	-27.5	-10.8	278.8	-31.0	-11.1	183.8	-50.8	-27.6
Engine & Machinery	694.0	76.8	11.1	795.8	126.8	15.9	421.6	48.3	11.5
Others	19.3	-48.2	-	21.2	-60.0	-	20.1	-44.6	-
Total	2,853.5	12.9	0.5	3,064.4	68.5	2.2	2,203.6	14.3	0.6

Note1) Before distribution of common expense

2-1. Analysis on Consolidated Sales by Business Segments

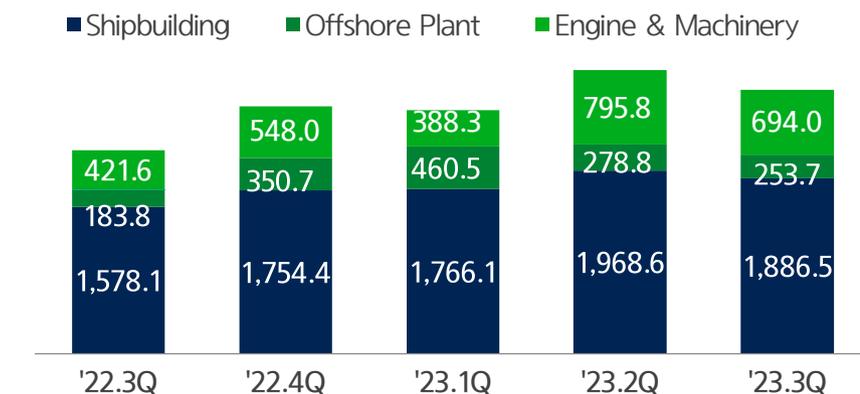
Annual) Consolidated Sales Trend by Business Segments

(Unit : bn KRW)



Quarterly) Consolidated Sales Trend by Business Segments

(Unit : bn KRW)



Note 1 : Others excluded

Consolidated Sales Analysis (QoQ)

**Ship-
building**
(-4.2%)

▼ Sales decreased due to decreased working days caused by seasonal factors

**Offshore
Plant**
(-9.0%)

▼ Sales decreased due to decreased working days caused by seasonal factors

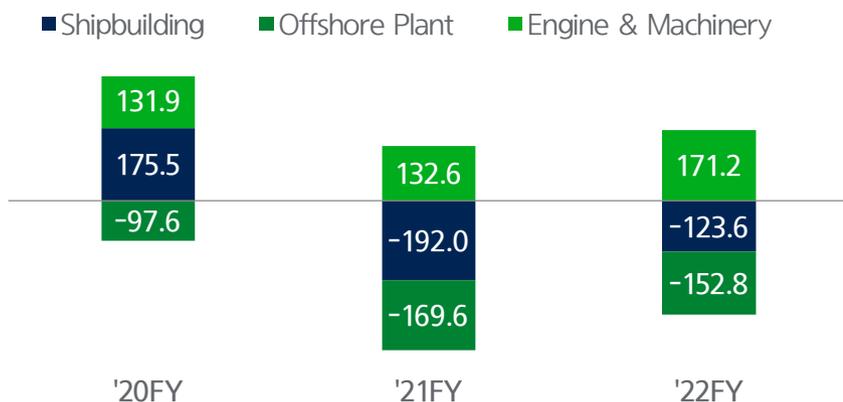
**Engine &
Machinery**
(-12.8%)

▼ Sales decreased due to differences in production process and delivery schedule in addition to seasonal factors

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

Annual) Consolidated OP Trend by Business Segments

(Unit : bn KRW)



Consolidated Operating Profit Analysis

Shipbuilding
(-63.9%)

Recorded positive operating margin following the previous quarter but fell due to increased costs to improve construction process

Offshore Plant
(Loss Continued)

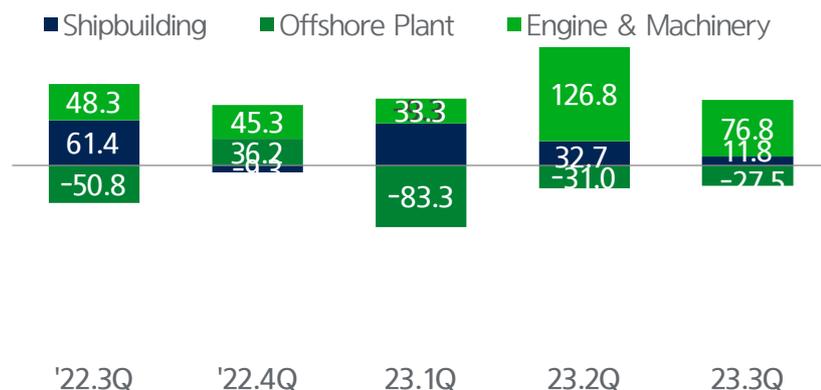
Loss continued due to negative operational leverage

Engine & Machinery
(-39.4%)

Decreased due to absence of one-off gain factors such as prior quarter's settlement of claim, etc.

Quarterly) Consolidated OP Trend by Business Segments

(Unit : bn KRW)



Note 1 : Before distribution of common expense

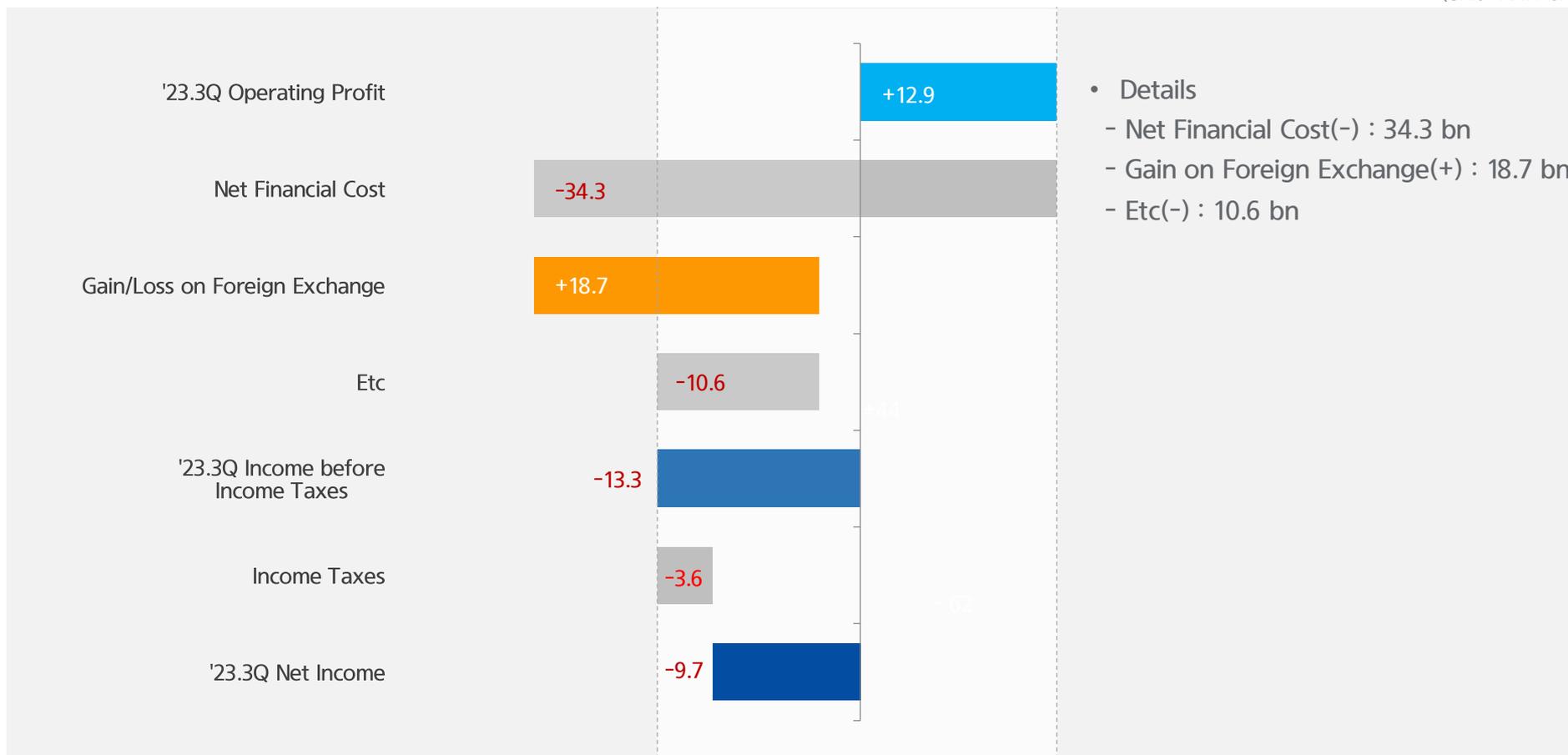
Note 2 : Others excluded

3. Consolidated Non-Operating Profit and Net Income

3Q Non-Operating Profit recorded KRW -26.2 bn, Net Income KRW -9.7 bn

3Q 2023 Non-Operating Profit and Net Income

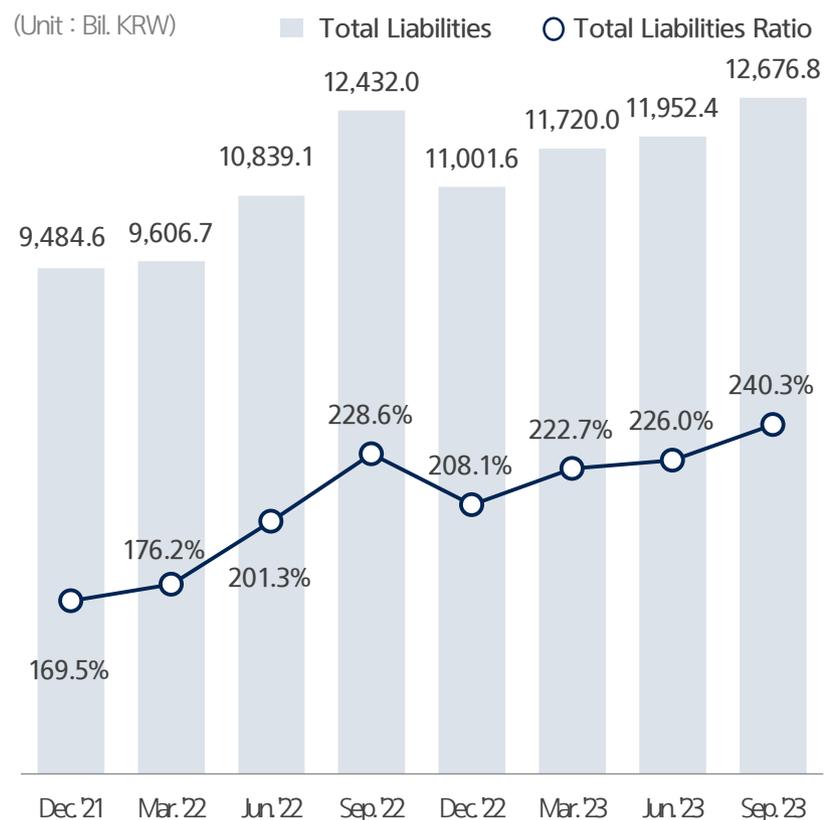
(Unit : KRW bn)



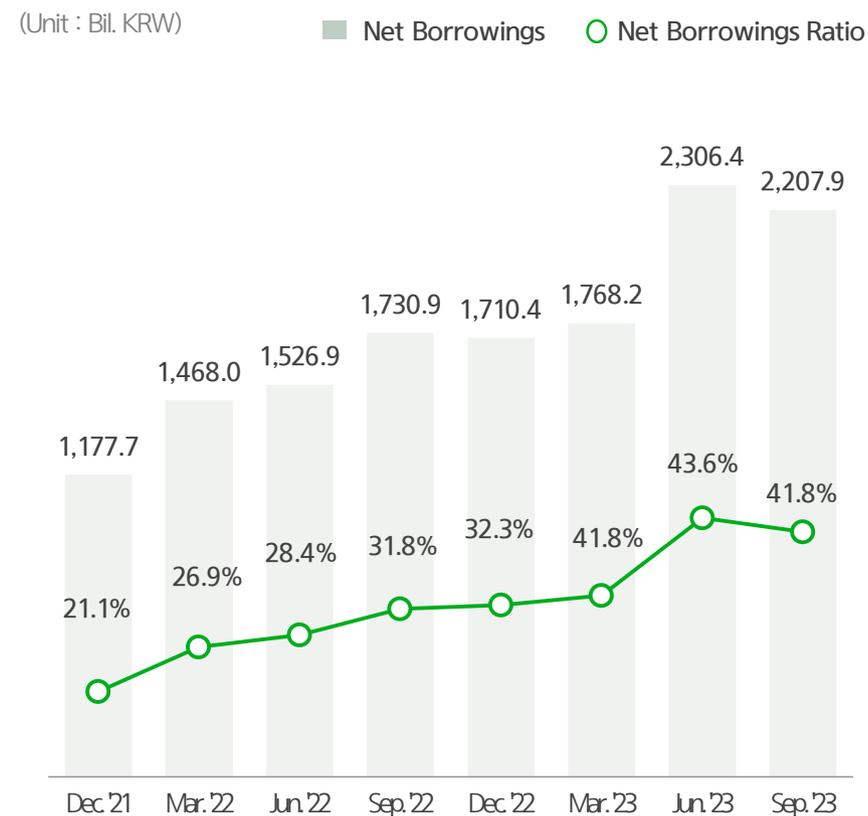
4. Financial Ratios

Consolidated Financial Ratios

- Liabilities Ratio 240.3%



- Net Borrowings Ratio 41.8%



Note1 : Cash and cash equivalents including short-term investments exceed borrowings

[Appendix]

Condensed Financial Statements



Consolidated Income Statement

(Unit : bn KRW)

Category	3Q23			2Q23	3Q22
		QoQ	YoY		
Sales	2,853.5	-6.9%	+29.5%	3,064.4	2,203.6
Cost of Sales	2,692.3	-6.1%	+30.3%	2,866.0	2,067.1
Gross Profit	161.2	-18.8%	+18.1%	198.4	136.5
Operating Profit	12.9	-81.2%	-9.8%	68.5	14.3
OPM(%)	0.5	-1.7p	-0.1p	2.2	0.6
Non-operating Income	-26.2	-	-	-35.1	56.4
EBIT	-13.3	-	-	33.4	70.7
Income Taxes	-3.6	-	-	9.3	20.3
Net Income	-9.7	Turned to Loss	Turned to Loss	24.1	50.4

Note 1 : K-IFRS Consolidated Financial Statements Basis

Consolidated Statement of Financial Positions

(Unit : bn KRW)

Category	As of Sep. 30 2023	As of Dec. 31 2022	As of Dec. 31 2021
Current Assets	9,459.1	8,000.9	7,886.1
(Cash & Cash Equivalents)	1,014.0	744.1	2,137.4
Non-current Assets	8,493.9	8,288.5	7,192.6
Total Assets	17,953.0	16,289.4	15,078.7
Current Liabilities	10,275.9	9,072.0	7,048.6
(Short-term financial liabilities)	1,741.1	1,444.6	1,506.8
Non-current Liabilities	2,400.9	1,929.6	2,436.0
(Long-term financial liabilities)	1,611.9	1,159.0	1,959.0
Total Liabilities	12,676.8	11,001.6	9,484.6
Common stock	443.9	443.9	443.9
Others	3,993.0	3,998.5	3,998.5
Retained Earnings	839.3	845.4	1,151.7
Non-controlling interests	0	0	0
Total Equity	5,276.2	5,287.8	5,594.1

Note 1 : K-IFRS Consolidated Financial Statements Basis



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