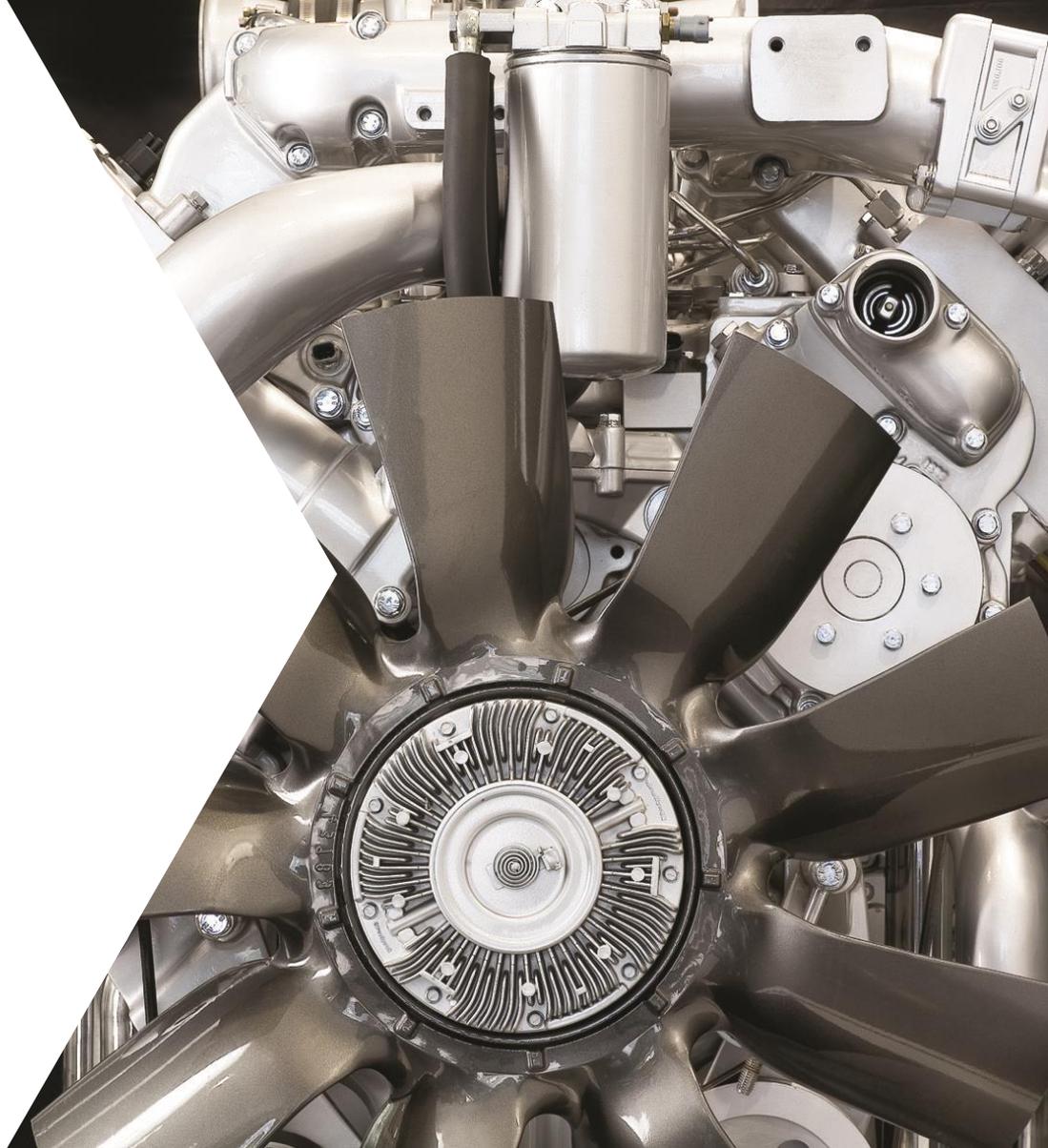




1Q25 Earnings Release

April 2025



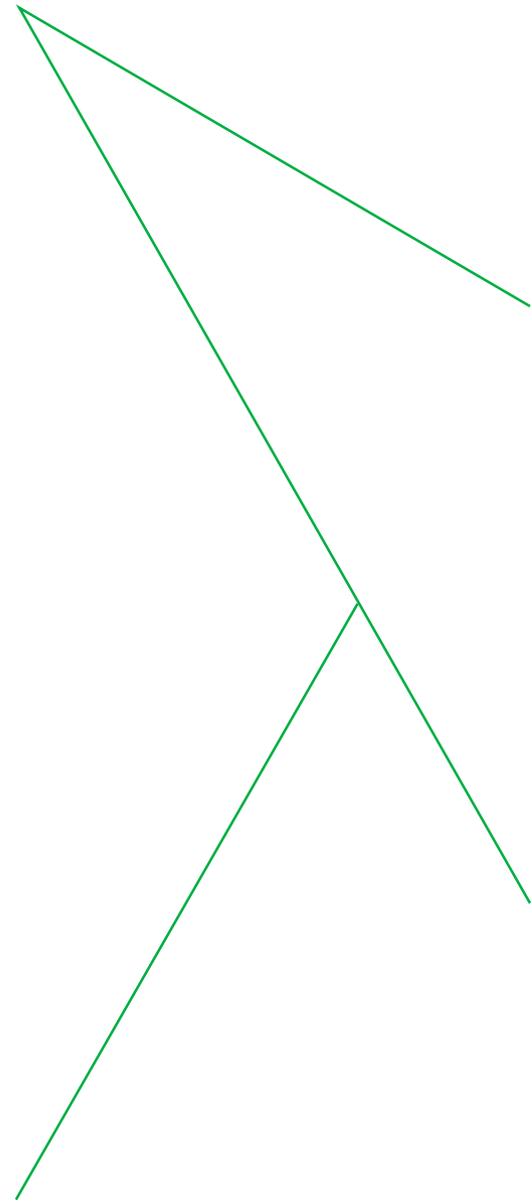
Disclaimer

This presentation contains preliminary figures which may be materially different from the final figures.

The financial information in this document are consolidated earnings results based on K-IFRS. Previous earnings results have also been restated in compliance with K-IFRS.

While the statements in this presentation represent our current assumptions plans and expectations and we believe these judgments are reasonable they are not guarantees of future performance and involve known and unknown risks uncertainties such as FX & raw material costs and other factors that may cause actual results to differ materially from the results performance achievements or financial position expressed or implied in this presentation.

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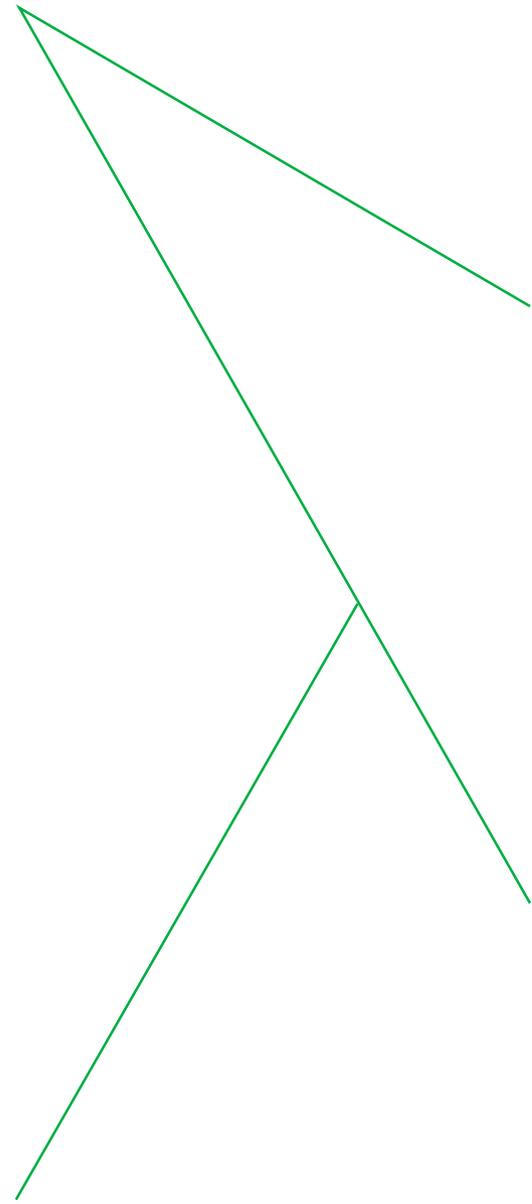


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1. 1Q25 Results

1Q25 Results

- ✓ Sales declined 12% YoY due to growing global uncertainties and prolonged tightening measures that affected the overall business environment.
- ✓ EBIT dropped 27% YoY in line with weaker sales volume. However, profitability improved substantially compared to the previous quarter thanks to price hike and reduced retail promotion.

(unit : KRW bn)

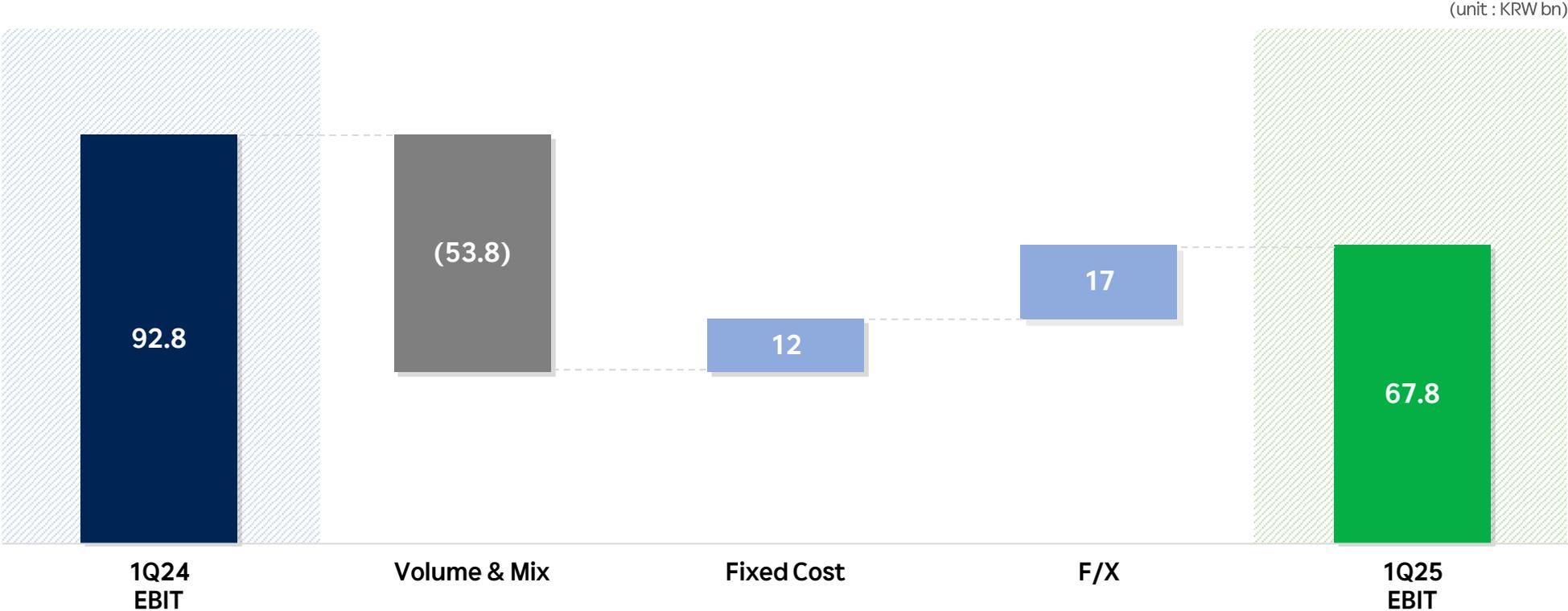
	1Q24	4Q24	1Q25	QoQ	YoY
Sales	1,157.3	938.9	1,018.5	+8.5%	-12.0%
EBIT	92.8	-10.9	67.8	-	-26.9%
EBIT Margin(%)	8.0%	-1.2%	6.7%	+7.8%p	-1.4%p
Net Financial Cost	12.6	11.5	10.6	-7.8%	-15.5%
F/X Gains/Losses	16.0	48.9	3.5	-92.7%	-77.8%
Pretax Profit	91.1	17.6	56.4	+220.9%	-38.2%
Net Profit	67.6	3.2	39.9	+1,145.9%	-40.9%
Profit attributable to owners of parent	67.6	3.1	39.8	+1,168.9%	-41.1%

Note. Based on K-IFRS consolidated financial statements

2. EBIT Analysis

EBIT Analysis

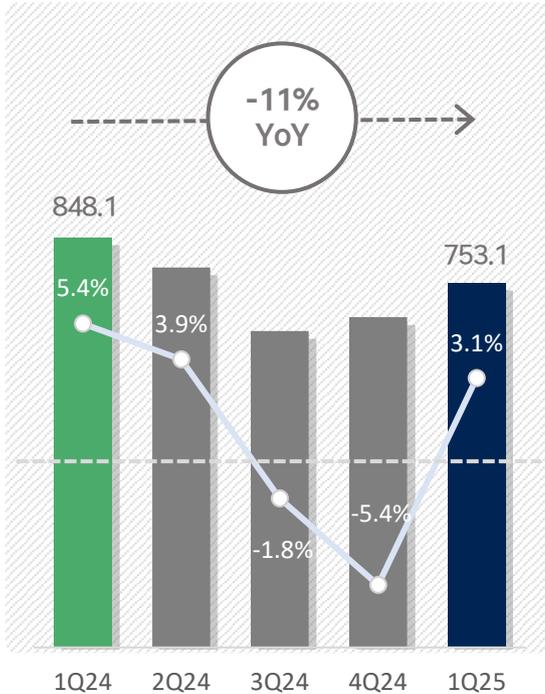
EBIT declined due to slowdown of the construction equipment market and weaker sales volume. However, F/X and cost reduction efforts was a positive towards profitability.



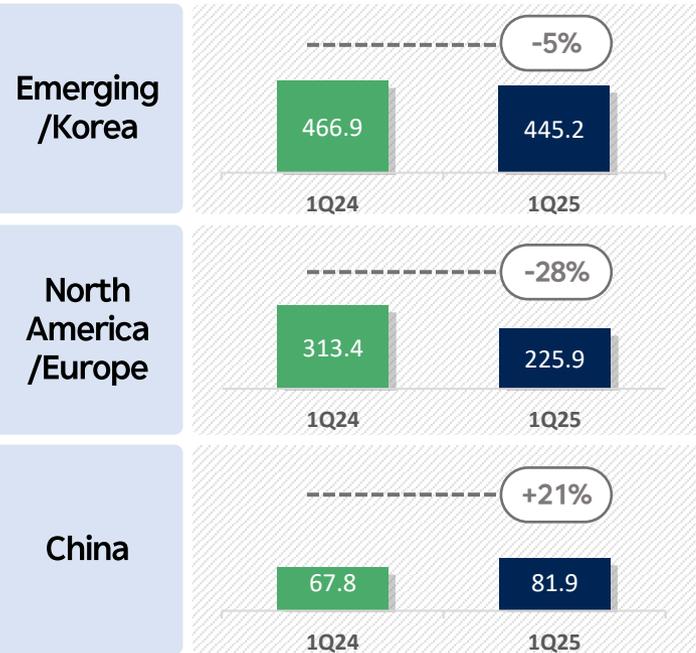
3. Analysis by Division

Construction Equipment

Sales/EBIT (unit : KRW bn)



By Region (unit : KRW bn, YoY)



✓ Sales : YoY decline due to delay in demand recovery

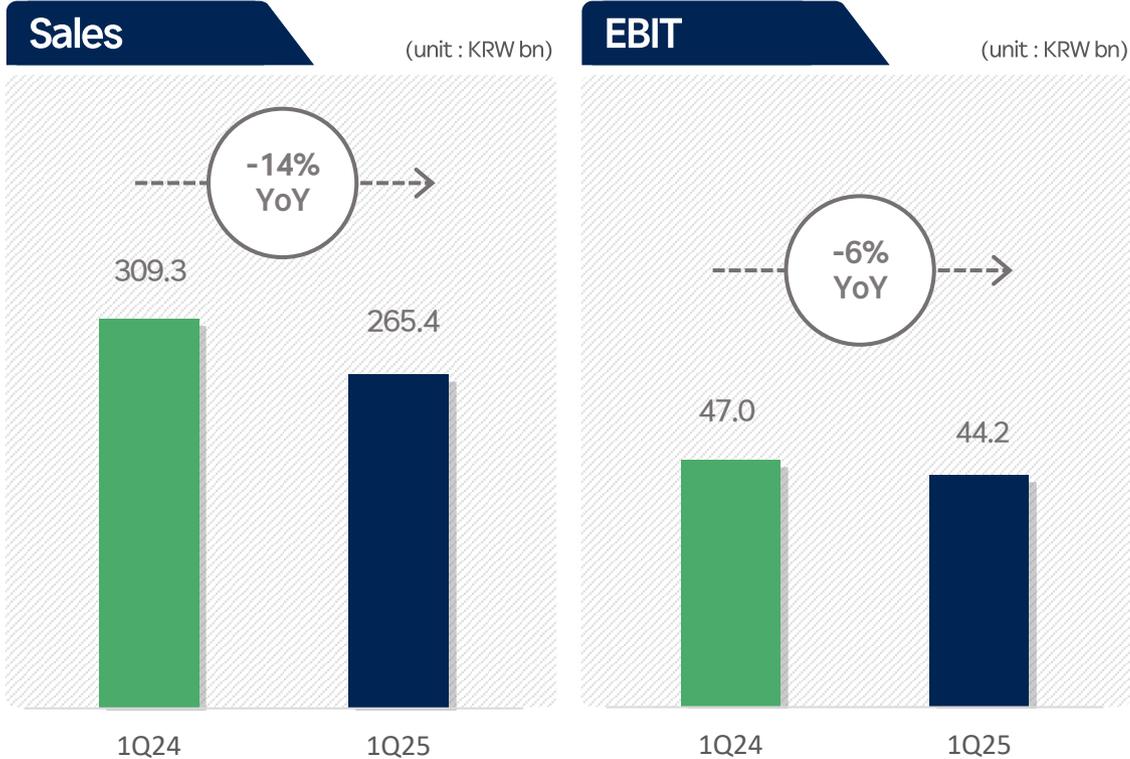
- Sales declined due to slower demand particularly in developed markets following global uncertainties.
- However, sales showed signs of recovery in emerging markets such as Southeast Asia and Africa, while China grew for four consecutive quarters.
- Recovery in mining demand from resource-rich countries expected to enhance product mix.

✓ EBIT : Visible QoQ improvement

- Although EBIT declined YoY, profitability improved QoQ thanks to price hike and reduced promotion.

3. Analysis by Division

Engine



✓ Sales : Declined due to demand correction

- Sales declined due to global economic slowdown and resultant demand weakness.
- However, we continued to see solid demand for generator engines in North America and emerging markets.
- Steady defense engine sales and additional order potential continued to be a positive for the division.

✓ EBIT : On-going profitability improvement

- EBIT declined due to lower sales. However, EBIT margin improved thanks to positive sales mix.
- We anticipate sales and profitability to further improve in line with 1) sales growth for profitable large electric and gas generator, as well as 2) full-fledged sales from defense engines and 3) accelerated synergy within HD Hyundai Group.

4. Financial Structure

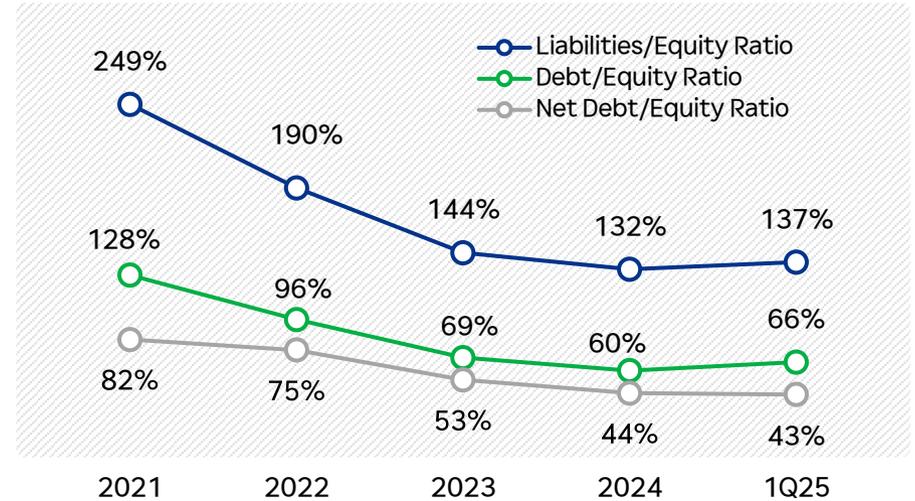
Statement of Financial Position

(unit :KRW bn)

	2022	2023	2024	1Q25
Total Assets	4,736.7	4,418.4	4,287.2	4,456.2
Cash & Cash Equivalent	352.4	286.2	309.6	444.8
Current Assets	3,130.9	2,833.4	2,596.3	2,773.0
Fixed Assets	1,605.8	1,585.0	1,690.9	1,683.2
Total Liabilities	3,101.6	2,605.1	2,440.0	2,574.8
Debt	1,572.7	1,254.6	1,114.0	1,250.0
Net Debt	1,220.3	968.3	804.4	805.2
Total Shareholder's Equity	1,635.1	1,813.3	1,847.2	1,881.5

Note. Based on K-IFRS consolidated financial statements

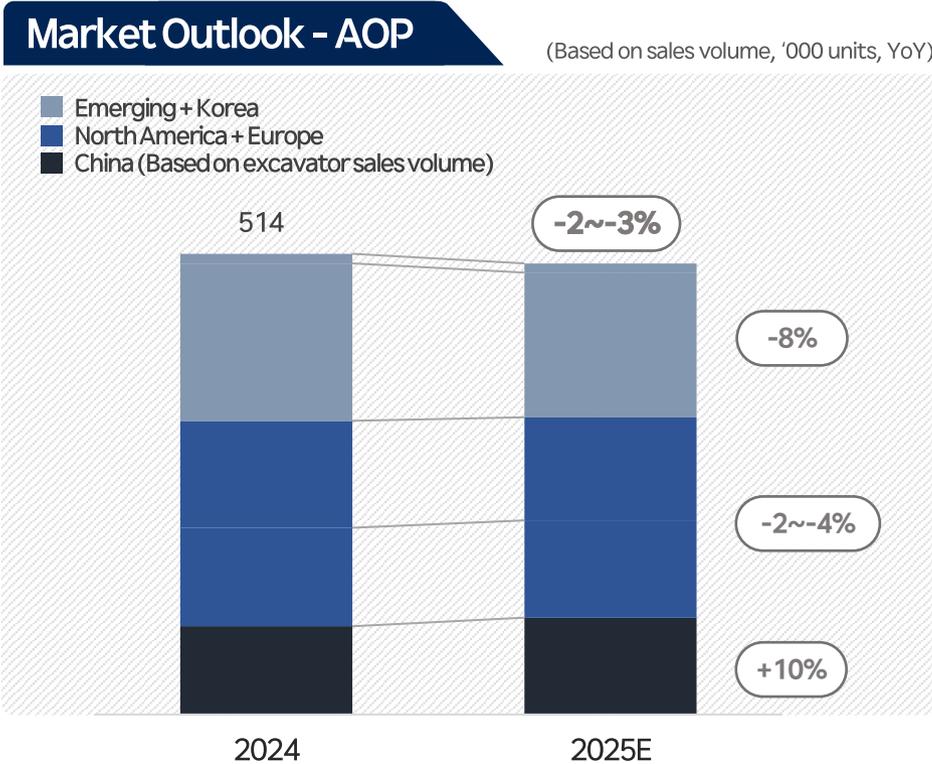
Key Financial Ratios



✓ On top of investment for future growth and plans to enhance shareholders' return, we will endeavor to further improve our financial structure.

5. Market Outlook Update – Construction Equipment

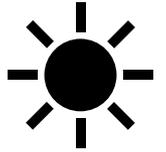
Market Outlook – 1Q25



Relative to AOP

Emerging + Korea

- Weak demand from emerging markets.
- However, steady market trend relative to business plan thanks to mining demand from resource-rich countries.



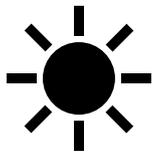
North America + Europe

- Demand remains sluggish in North America. However, we expect demand recovery once uncertainties dissipate.
- Demand in Europe is expected to rebound in 2H as we are seeing signs of recovery in key countries such as UK.



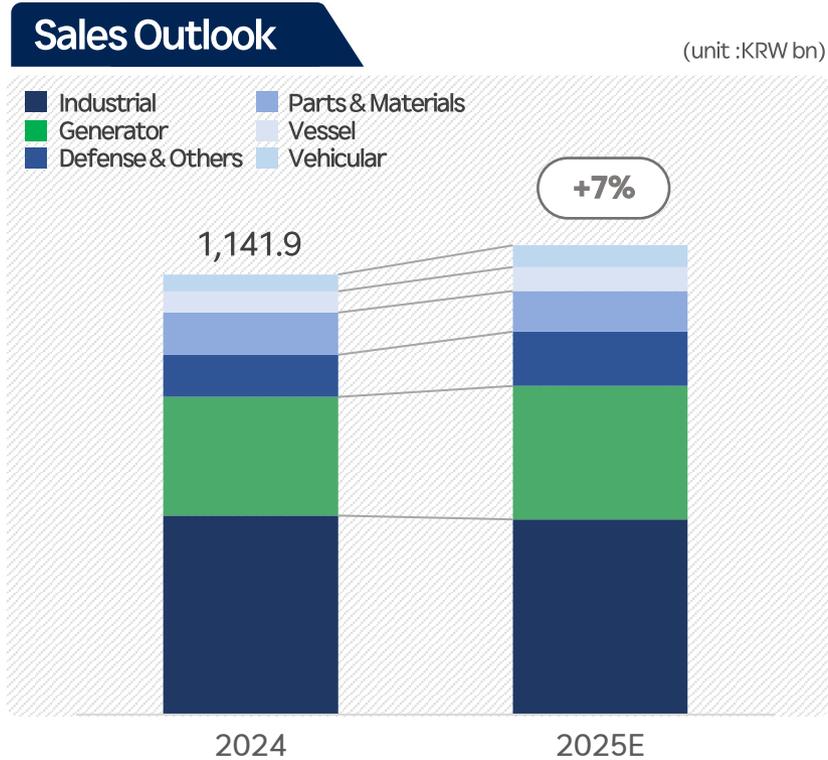
China

- Market showed strong growth thanks to infrastructure and real estate policies.



5. Market Outlook Update - Engine

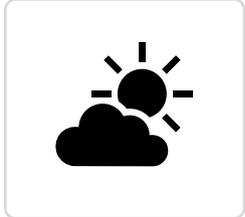
Sales Outlook – 1Q25



Relative to AOP

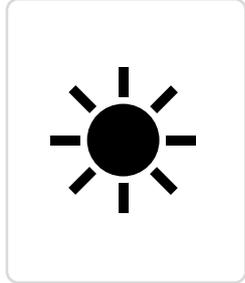
Industrial

- Market recovery is somewhat slow as uncertainties over Trump's tariff policy and economic slowdown persists.



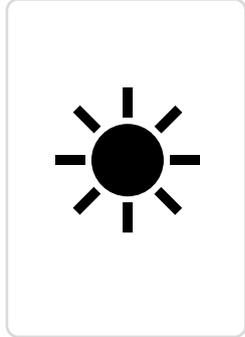
Generator

- Demand from growing trend for larger buildings and electricity in emerging markets, as well as demand for oil & gas and data center needs in North America should remain stable.



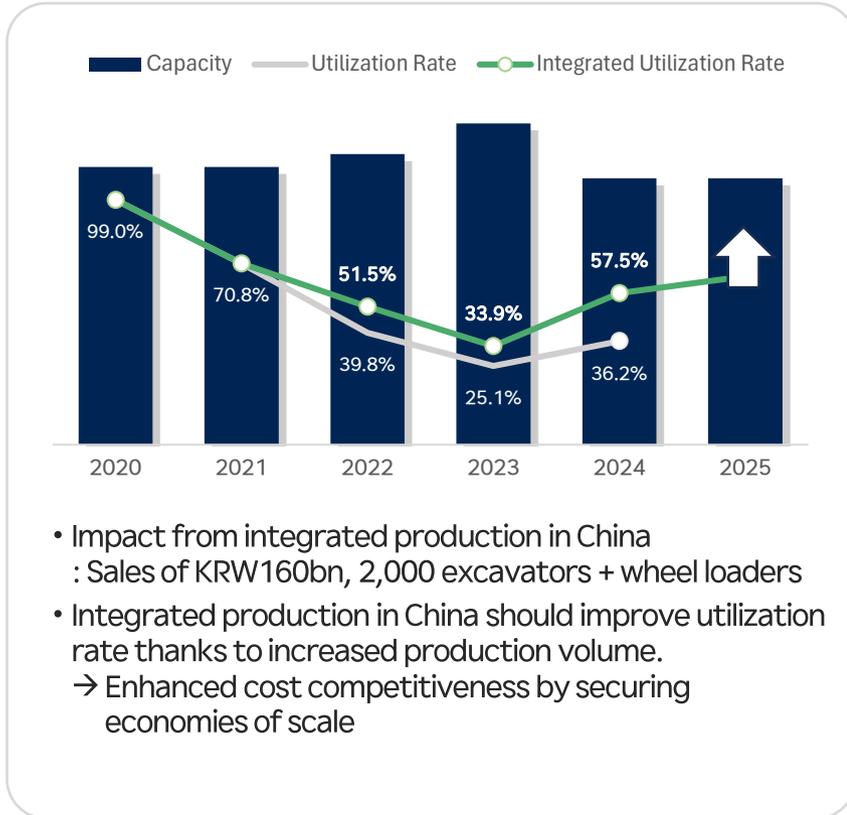
Defense

- Growing demand in regions such as Eastern Europe and Middle East amid geopolitical conflicts is triggering demand. Also, additional tank engine exports outside of existing supply contracts anticipated.



5. Group Synergy – Cost Competitiveness

Integrated Production in China



Integrated EU Customization Center



- Expand existing EU Customization Center to enhance our business capabilities within Europe.
- Through integrated operation between the two affiliates within HD Hyundai Group, we plan to maximize the advantages of one's production system and strengthen production flexibility and efficiency.
※ Customization Center in North America opened in Georgia as of September 2024.

5. Group Synergy – Product Competitiveness

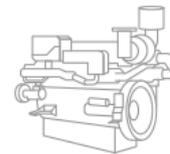
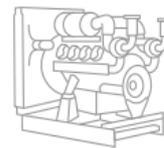
■ Launch of Next Generation Models



- Next generation models were introduced during the 2025 Mobility Show in Korea and Bauma(Germany) in the overseas markets.
 - We started with the launch of a 20-ton excavator, and scheduled to release a 30-ton excavator in 1H26.
 - We also plan to expand the lineup to include above 40-ton large equipment.
- Our next generation models are equipped with new DX engine and we have maximized fuel efficiency and productivity by application of electro-hydraulic system(FEH) and new technologies. We plan to secure differentiated competitiveness by emphasizing customer convenience and safety.
- We maximized synergy through platform communalization of platform and parts and secured cost competitiveness by utilizing economies of scale in terms of future purchasing and production.

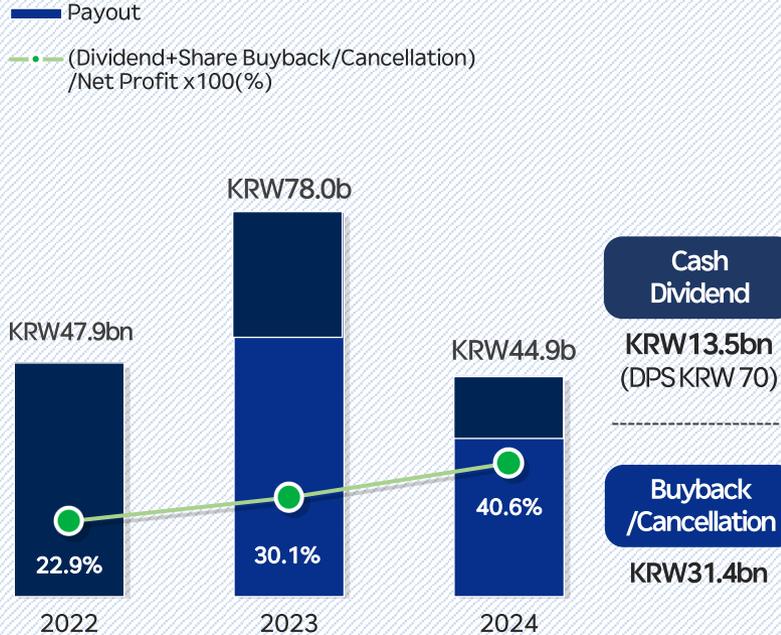


HD HYUNDAI
INFRACORE



[Reference] Enhancement of Shareholders' Value

Shareholder Return Ratio



- ※ Payout ratio(cash dividends + share buyback & cancellation) stands at 30.1% based on net profit (separate financial statement) in 2023 exclusive of one-time profit related to dividends worth KRW 200.0bn from the Chinese subsidiary.
- ※ Payout ratio(cash dividends + share buyback & cancellation) stands at 40.6% based on net profit (separate financial statement) in 2024 exclusive of one-time profit related to dividends worth KRW 103.0bn from the Chinese subsidiary.

LT Policy to Enhance Shareholder Value

- ✔ We seek to enhance predictability on shareholder return.
- ✔ Our 2024~2026 mid-term shareholder return policy aims to offer more than 30% of adjusted net profit(adjusted for unrealized gains or one-time profits) towards the enhancement of shareholder value.
- ✔ Long-term shareholder policy includes cash dividends and share buyback/cancellation with consideration for business environment and investment plans.

[Reference] Sales & EBIT by Division

(unit : KRW bn)

	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25
Sales	1,287.8	1,314.0	1,076.2	981.6	4,659.6	1,157.3	1,108.2	909.8	938.9	4,114.2	1,018.5
Construction Equipment	980.8	1,013.3	790.8	713.1	3,498.0	848.1	786.3	654.8	683.1	2,972.3	753.1
Emerging/Korea	547.6	535.1	378.3	324.1	1,785.1	466.9	435.4	370.1	345.2	1,617.7	445.2
North America/Europe	345.8	404.3	359.6	336.8	1,446.5	313.4	275.9	227.0	268.0	1,084.1	225.9
China	87.4	73.9	52.8	52.2	266.4	67.8	75.0	57.7	70.0	270.5	81.9
Engine	307.1	300.6	285.4	268.5	1,161.6	309.3	321.9	255.0	255.8	1,141.9	265.4
(Total Sales incl. Internal Sales)	369.9	356.2	328.7	304.8	1,359.7	354.3	365.3	291.8	296.3	1,307.7	304.9
(Internal Sales)	62.8	55.6	43.3	36.3	198.1	45.0	43.4	36.8	40.5	1,65.8	39.5
EBIT	152.6	162.0	89.7	14.0	418.3	92.8	81.5	20.7	-10.9	1,84.2	67.8
Construction Equipment	103.2	115.8	50.3	-3.4	265.9	45.8	30.8	-12.0	-37.0	27.5	23.6
Engine	49.4	46.2	39.4	17.4	152.4	47.0	50.7	32.7	26.2	1,56.6	44.2

Note. Based on K-IFRS consolidated financial statements