



# HD Hyundai Construction Equipment / HD Hyundai Infracore **Merger & Growth Strategy**

July 2025

# Disclaimer

---

This document was prepared by the Company for the sole purpose of providing information to investors in connection with the merger between HD Hyundai Construction Equipment and HD Hyundai Infracore (the "Company"). The Company does not guarantee the accuracy and completeness of the business performance described in this material, and does not take responsibility for future updates for the content described as of the date of publication.

This material also contains forward-looking information. These forward-looking statements may be affected by known or unknown risks, market conditions, other uncertain circumstances or changes in anticipated circumstances, which could result in material differences between statements or implied statements and actual results, and may vary without notice due to changes in market conditions and changes in strategy.

This document is not intended to solicit the buy, sell, or subscription of securities or related financial instruments, or to solicit the exercise of voting rights. All investment decisions related to stock purchases should be made solely on the basis of information provided in a major matters report, securities report or prospectus to be submitted to or to be submitted to the Financial Supervisory Service in the future. Some of the management policies contained in this document require resolution at the Board of Directors and the General Shareholders' Meeting. Therefore, please note that the progress and details may change depending on the results of the board of directors and shareholders' meeting in the future.

This document is prepared as a reference for investors' investment decisions, and the Company and its executives and employees do not provide any guarantees to investors with regard to the contents of this data, and do not bear any responsibility, including negligence or other cases. The Company, its affiliates, its executives, employees, advisors, and any other persons related to the Company shall not be liable for any civil, criminal, or administrative liability for any damages arising out of the use of this material and/or its contents, whether intentional or negligent, or otherwise arising in connection with this material.

Please note that this material can be used for non-profit purposes without modification (however, source indication is required), and unauthorized distribution or reproduction of changed materials without prior approval of the company may be subject to legal sanctions.

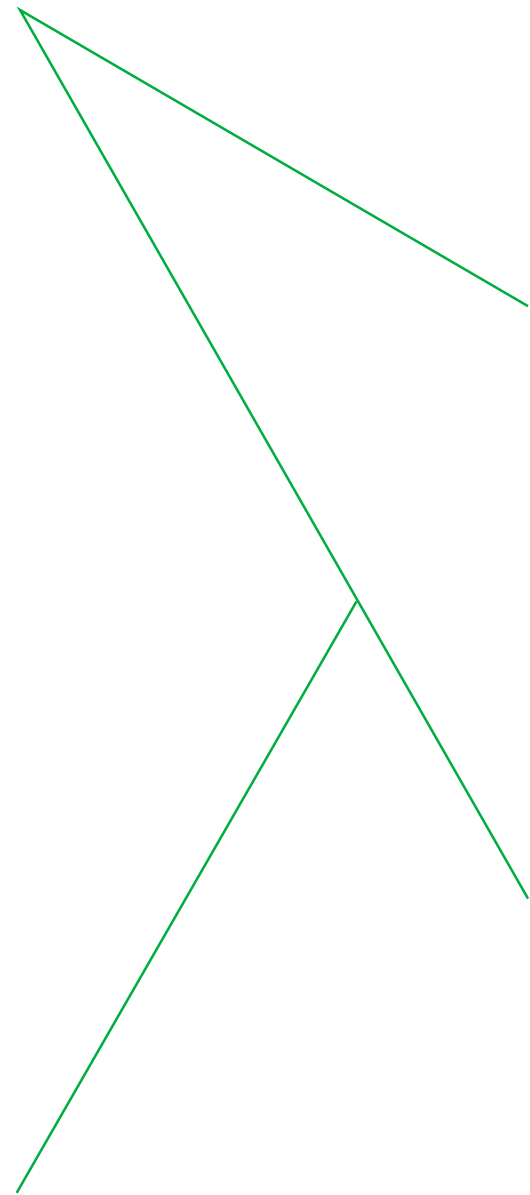
# Contents

---

1. Overview
2. Background
3. Post-Merger Roadmap
4. Vision 2030
5. Strategy & Expectations

[Exhibit]

1. Mid/Long-term Plan to Enhance Shareholders' Value
2. Summary Financial Summary



# 1. Overview

## 01 Transaction Overview

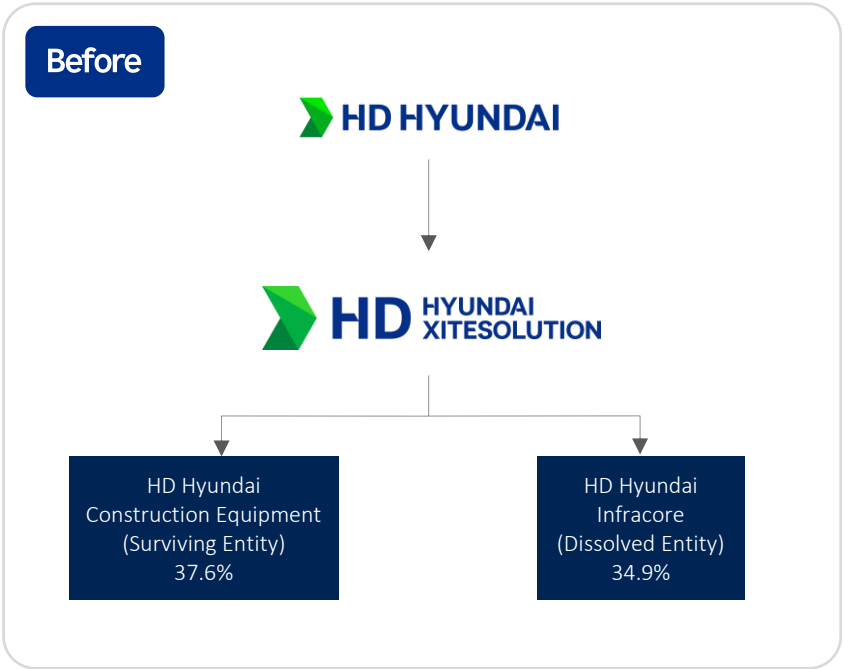
HD Hyundai Construction Equipment will merge with HD Hyundai Infracore, and issues new shares of HD Hyundai Construction Equipment to shareholders of HD Hyundai Infracore.

	Content	Note
Surviving Entity	HD Hyundai Construction Equipment	
Dissolved Entity	HD Hyundai Infracore	
Merger Ratio	To allocate 0.1621707 shares of HD Hyundai Construction Equipment common stock for every one common stock of HD Hyundai Infracore	Merger ratio is determined in accordance with Korean law and based on the closing share price as of June 30. - Merger price per share : HD Hyundai Construction Equipment KRW76,408, HD Hyundai Infracore KRW12,391 Calculation method (Capital Market Act Article 176-5) - Weighted average of last 1 month/1 week and most recent closing price
New Shares Issued	30,626,144 shares	No new shares will be issued with respect to the treasury shares purchased during the exercise of dissent and appraisal rights.
Dissent and Appraisal Rights	HD Hyundai Construction Equipment : KRW 75,545 HD Hyundai Infracore : KRW11,885	Calculation method (Capital Market Act Article 176-7) - Weighted average of the share price of last 2 month/1 month/1 week

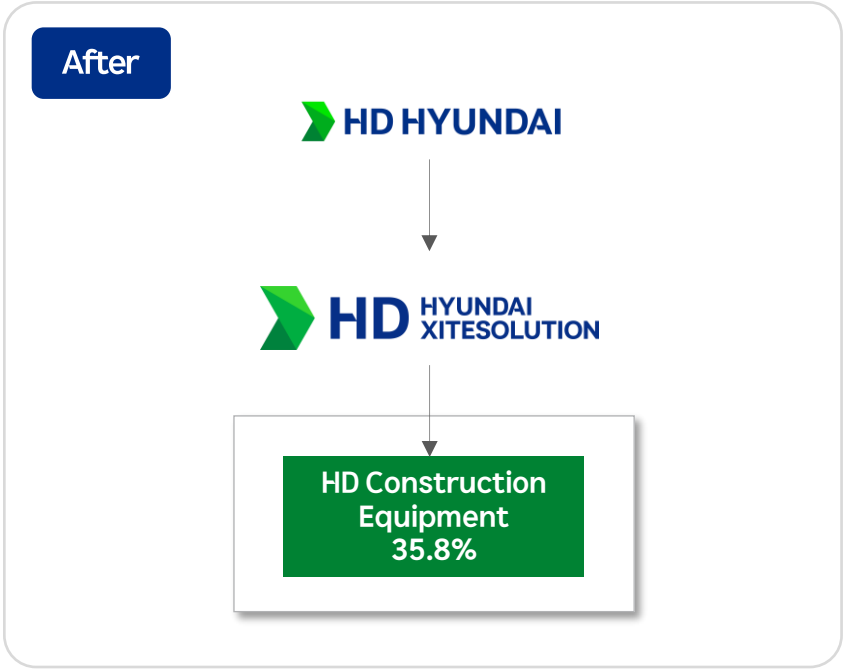
### Merger Milestones



02 Shareholder structure before and after merger



※ Reflective of cancellation of existing treasury shares

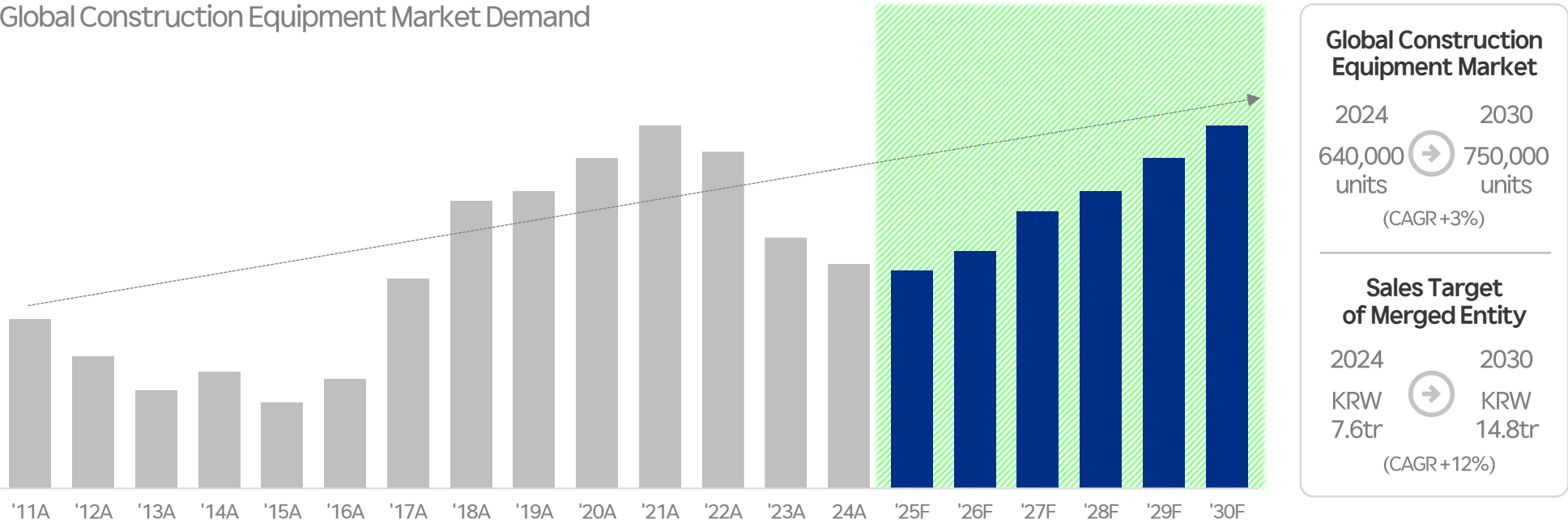


※ HD Construction Equipment (provisional), Based on closing price of June 30<sup>th</sup>.  
※ Ownership of majority shareholder calculated assuming no dissenting shareholders.

## 2. Background

To attain sales and profit improvement that exceeds market growth thanks to the merger, which will enable preemptive and active response to market conditions

Global Construction Equipment Market Demand



※ Global Market Demand : Based on sales volume of excavators, Wheel Loaders, Compact Track Loaders, Skid Steer Loaders and Compact Wheel Loaders

### 3. Post-Merger Roadmap

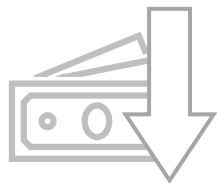
#### Global Top Tier

Leap from current 20<sup>th</sup> (HDI #21, HCE #25) to 10<sup>th</sup>

Competitive Cost Structure,  
Full Product Lineup and Well-balanced Business Portfolio

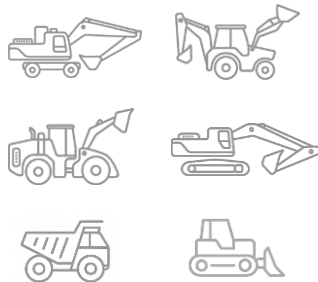
#### Cost Leadership

Economies of sales via product lineup optimization and production specialization



#### Full Product Lineup

To secure full lineup of construction equipment from compact to extra-large



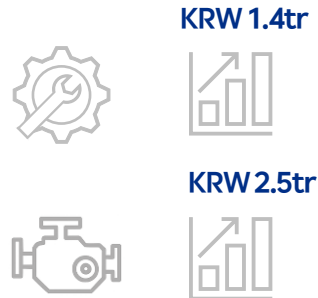
#### Stronger Regional Portfolio

Well-balanced regional portfolio between developed and emerging markets via customized regional strategy



#### Diversified Revenue Source

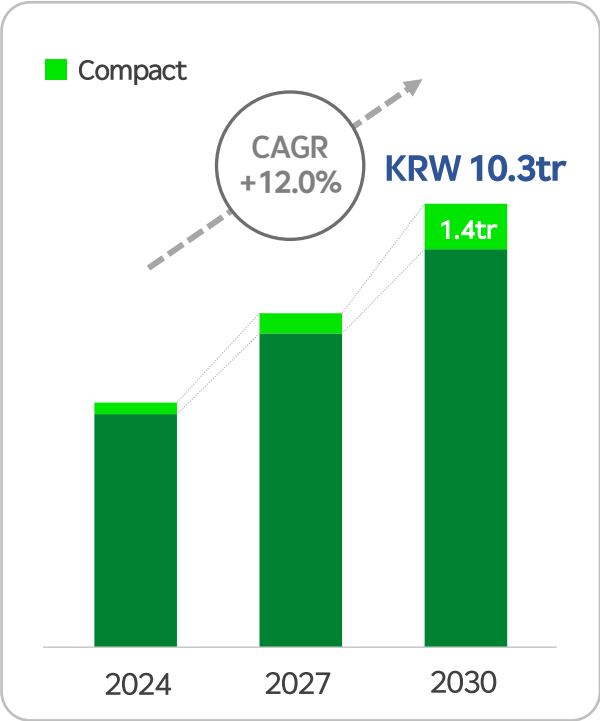
To foster AM parts and engine business into KRW 4tr business units



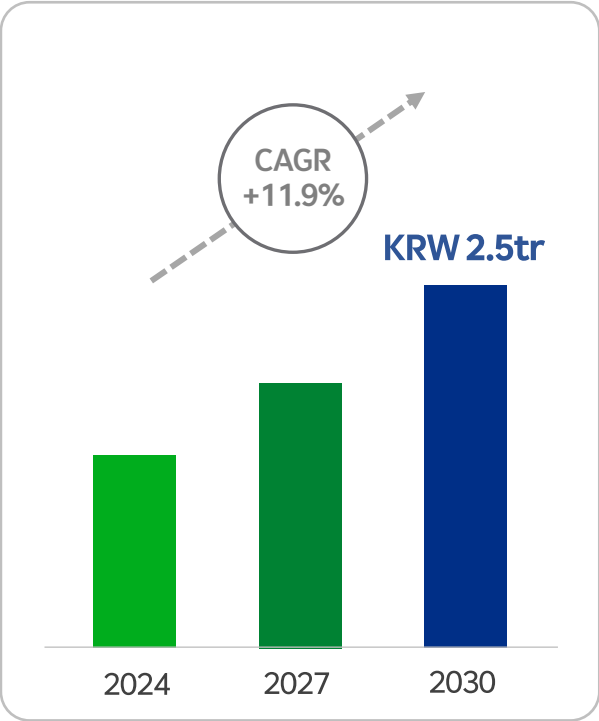
4. Vision 2030

2030 Target : Revenue KRW 14.8tr, EBIT margin of above 11%

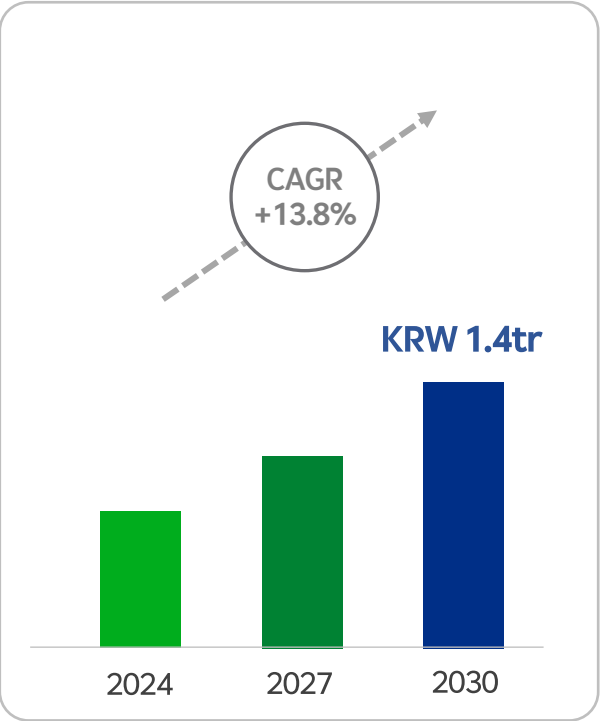
01 Construction Equipment



02 Engine



03 After Market



\* Based on total sales, including internal revenue



## 5. Strategy & Expectations – Overview

Leap to global top tier position by strengthening  
fundamental competitiveness and fostering strategic businesses

### 01 Stronger Fundamental Competitiveness



Product portfolio expansion ·  
optimization



Global Production  
System

**HYUNDAI  
DEVELON**

Stronger overseas  
market penetration  
with dual brands

### 02 Expand Strategic Biz with Strong Growth Potential



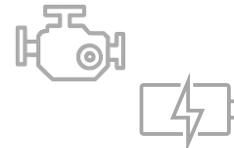
Expand compact  
business



Expansion of  
AM business\*

※ AM Biz : Aftermarket Parts Supply Business

### 03 Seek Opportunities in New Growth Businesses



Nurture  
Engine Business



Jointly secure future  
competitiveness  
(Electrification/Smart CE)

## 5-1. Stronger Fundamental Competitiveness

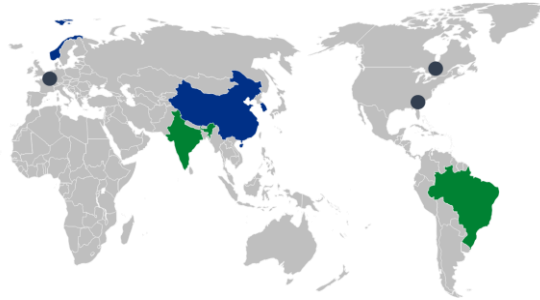
### 01 Product Portfolio Expansion · Optimization

■ Streamlining overlapping lineups  
■ Mutually reinforcing missing lineups



- Establish and optimize the product portfolio to mutually benefit both brands and expand customer's choice.
- Combined efforts of the two brands will be used to develop new products and technology, leading to stronger product portfolio of profitable ultra-large and compact equipment.

### 02 Global Production System



- Establish a global and specialized production system by region (Utilize the cost competitiveness features of individual factory)
- Joint use of overseas production bases (HCE : India/Brazil, HDI : China/Norway)
- Collaborative supply chain development to enhance purchasing power and maximize efficiency at the same cost.

### 03 Stronger Overseas Market Penetration with Dual Brands

**HYUNDAI**

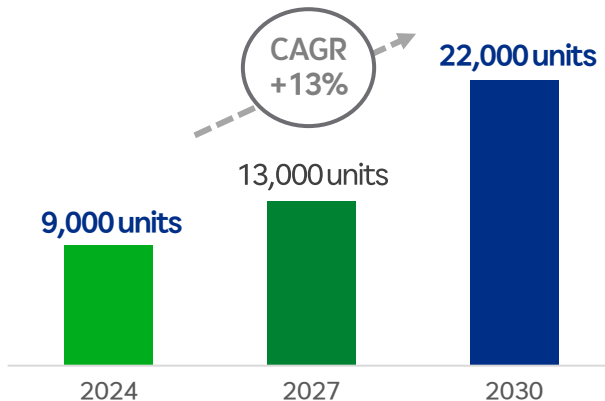


**DEVELON**

- Leverage the strengths of the dual HYUNDAI/DEVELON brands and channel to strengthen market penetration.
- Based on a strong two-brand system, expand existing channels, jointly explore new markets, and strengthen market responsiveness.

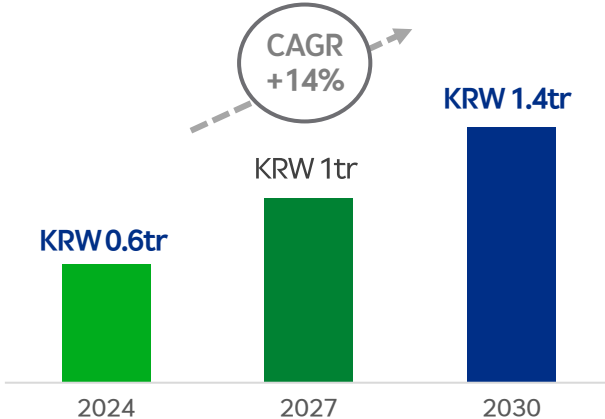
## 5-2. Expand Strategic Business with Strong Growth Potential

### 01 Expand Compact Business



- Will establish an independent and specialized independent business unit by mutually utilizing each others' strengths.
- Expand product portfolio: Full lineup of MEX/CTL/SSL/CWL\* by 2027
- Strengthen channel competitiveness: Develop specialist dealers in North America and secure top-tier dealers in Europe

### 02 Focus on Developing Highly Profitable AM Business



- AM biz is less sensitive to economic fluctuations and is highly profitable.
- Potential market is approx. KRW 6tr based on past equipment sales.
- We plan to jointly advance parts management system, develop cost-effective parts and provide sales promotion activities
- Plan to expand equipment-monitoring and efficiently utilize the integrated PDC\*\*/service infrastructure.

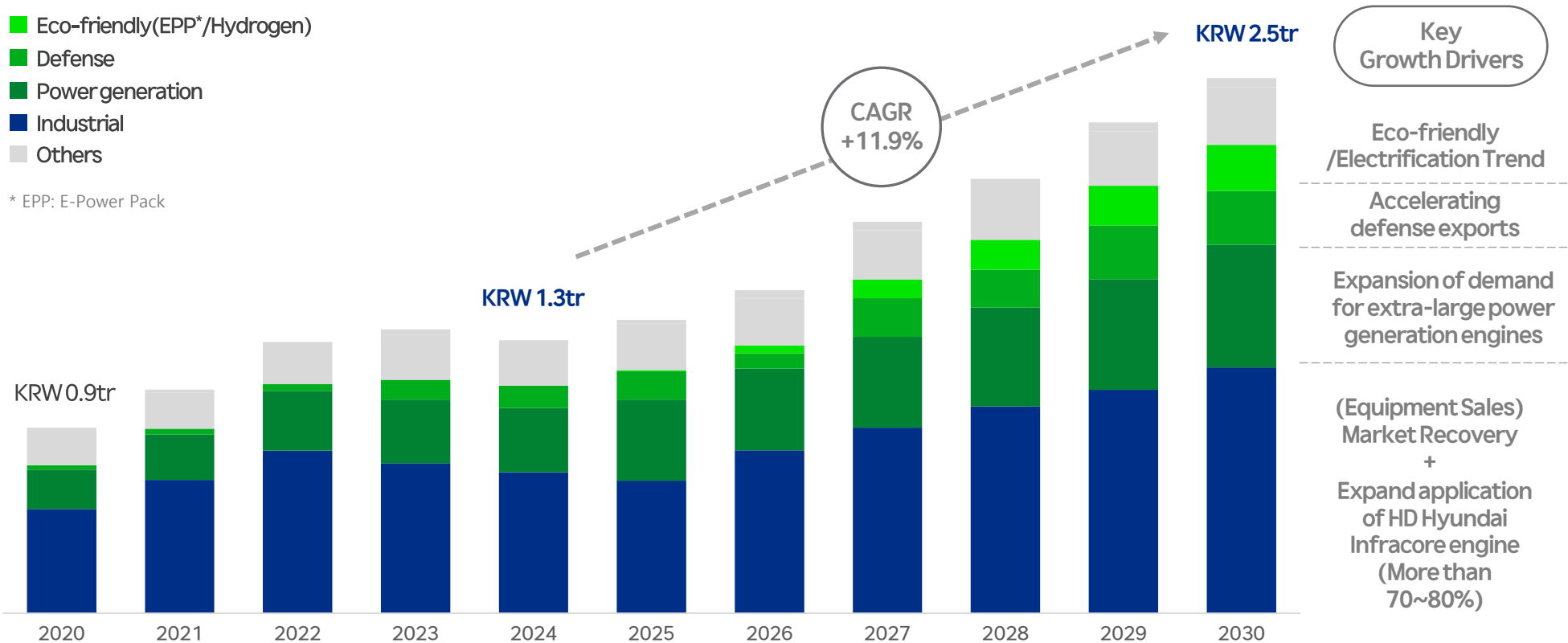
\* MEX : Mini Excavator, CTL : Compact Track Loader,  
SSL : Skid Steer Loader, CWL : Compact Wheel Loader

\*\* PDC : Parts Distribution Center

# 5-3. Seek Opportunities in New Growth Businesses

## 01 Nurture Engine Business

- Expand application rate of HD Hyundai Infracore engine to both brands, and further nurture high-growth/high-profit engine biz such as defense and extra-large power generation engines.



※ Based on total sales of engine business

## 5-3. Seek Opportunities in New Growth Businesses

### 02 Secure future competitiveness together(Electrification / Smart CE)

- Both entities will combine investment and R&D capabilities to develop new technologies such as electric and smart equipment.

#### Market Trend



#### Electrification

- Electric construction equipment market is expected to grow from KRW 3tr in 2024 to KRW 9tr in 2030.
- Demand is expected to increase due to stronger environmental regulations at construction sites in major cities in Northern Europe.
- Operating costs should continue to decrease with development of battery technology and expansion of related infrastructure.



#### Smart Equipment & Solutions

- Demand for smart construction equipment is steadily increasing in line with lower number of skilled workers at job sites, growing importance of safety and to maximize productivity.
- Market size is expected to more than double, from KRW 6 tr in 2024 to KRW 13tr in 2030.
- Market is expected to shift from "selling products" to "providing solutions" in light of integration of product and service.

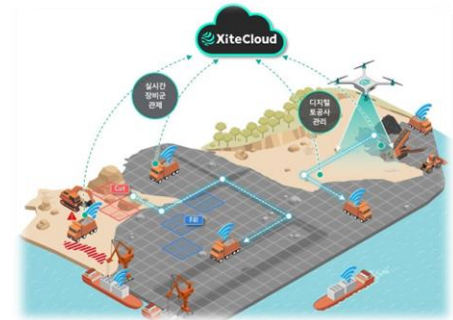
#### Our Progress



Launched electric excavator

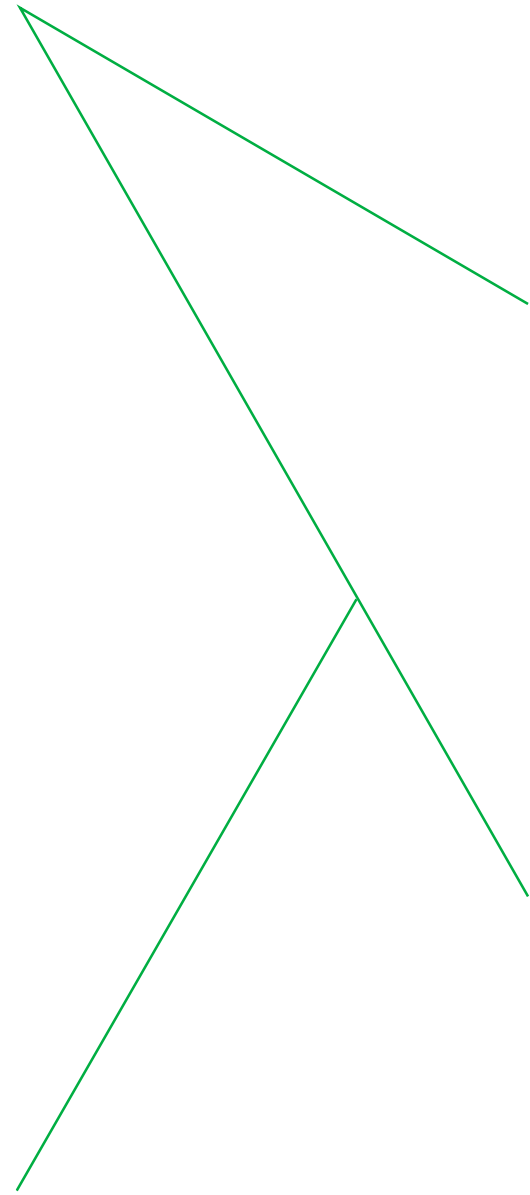


Development of Hydrogen excavator

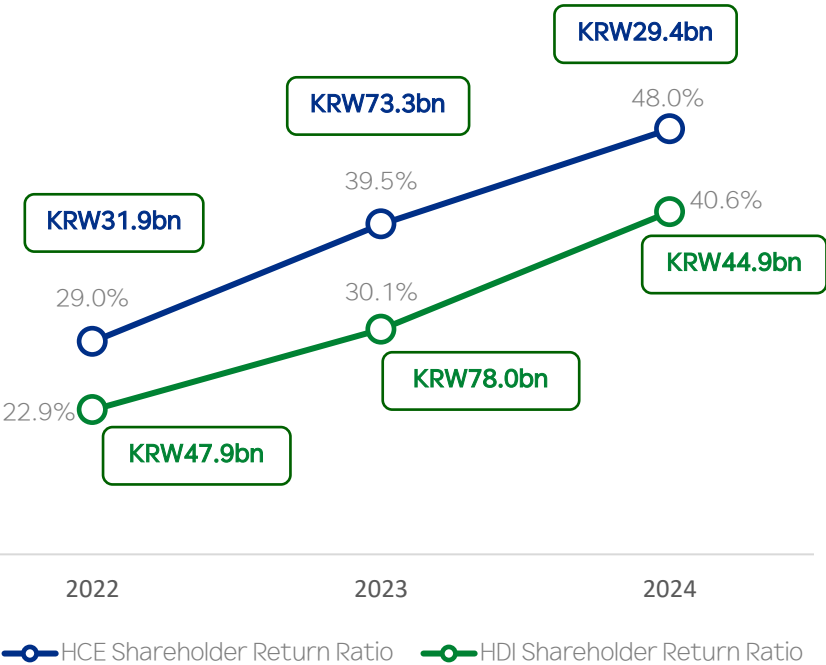


Development and Commercialization of Smart Equipment & Solution

# [ Appendix ]



Continued efforts to maximize shareholder value thanks to improved profitability and financial structure following the merger



01 Mid- to long-term shareholder value enhancement plan

Both companies disclosed plans to utilize more than 30% of net income (excl. unrealized gains/losses & one-time non-recurring gains/losses) based on separate financial statements for the next three years (2024~2026) to enhance shareholder value. (Both recorded a shareholder return rate of approx. 40~50%)

→ Shareholder value should continue to improve in line with profit growth from the merger in the future.

02 Gradual improvement in cash dividend ratio

We plan to gradually increase cash dividends to enhance investor visibility on dividends and strengthen future shareholder return.

Summarized Balance Sheet

	(Unit : KRW bn)				
	2021	2022	2023	2024	2025F
Total Assets	8,341.9	8,185.3	7,715.4	7,611.8	7,573.4
Total Liabilities	5,424.2	4,882.9	4,131.0	3,970.8	3,850.3
Total Shareholders' Equity	2,917.6	3,302.3	3,584.4	3,641.1	3,723.1

Note. Financial statements that have not been externally audited. Financial information are simple summation standards without the elimination of internal transaction.  
Based on 25F business plan

Summarized Income Statement

	(Unit : KRW bn)				
	2021	2022	2023	2024	2025F
Sales	7,878.0	8,271.7	8,484.6	7,552.3	8,552.1
EBIT	425.2	503.2	675.5	374.6	394.5
EBIT Margin	5.4%	6.1%	8.0%	5.0%	4.6%

Note. Financial statements that have not been externally audited. Financial information are simple summation standards without the elimination of internal transaction.  
Based on 25F business plan