



2025 2Q Earnings Release

July 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.

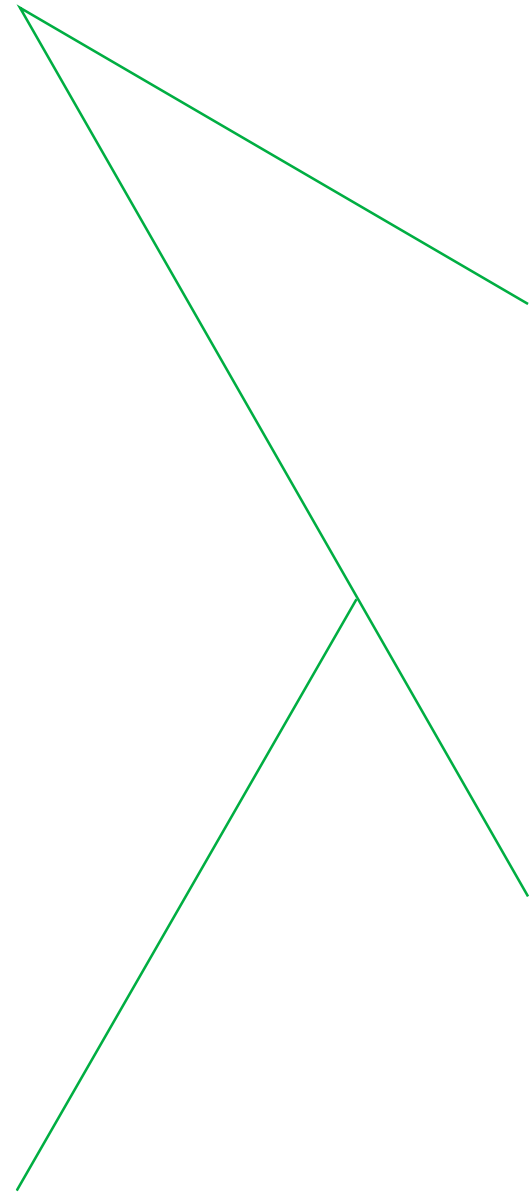
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[Reference]

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1. 2Q25 Results

2Q25 Results

- ✓ Sales grew +7% YoY thanks to demand recovery in key regions for the construction equipment division, which turned to growth for the first time in seven quarters, combined with stable performance of the engine division.
- ✓ EBIT increased +30% YoY due to price hikes and improvement in regional/product mix.

(unit : KRW bn)

	2Q24	1Q25	2Q25	QoQ	YoY
Sales	1,108.2	1,018.5	1,184.6	+16.3%	+6.9%
EBIT	81.5	67.8	105.8	+56.0%	+29.8%
EBIT Margin(%)	7.4%	6.7%	8.9%	+2.3%p	+1.6%p
Net Financial Cost	13.1	10.6	13.2	+24.4%	+0.8%
F/X Gains/Losses	20.7	3.5	-43.0	-	-
Pretax Profit	83.7	56.4	44.5	-21.1%	-46.9%
Net Profit	63.1	39.9	27.5	-31.0%	-56.4%
Profit attributable to owners of parent	63.1	39.8	27.4	-31.2%	-56.6%

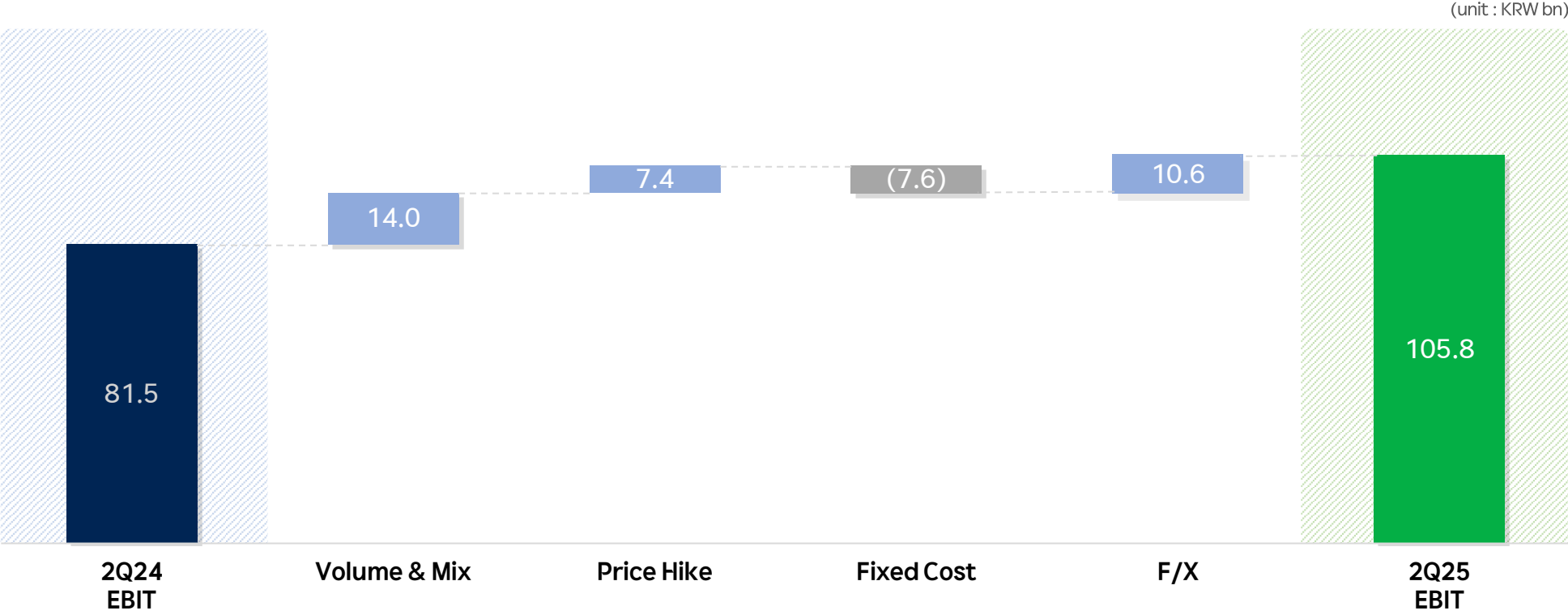
Note. Based on K-IFRS consolidated financial statements

2. EBIT Analysis

EBIT Analysis



EBIT improved thanks to gradual recovery in demand, which also led to improvement in volume growth and regional/product mix. Furthermore, price hike/reduced discount as well as F/X was a positive towards profitability.

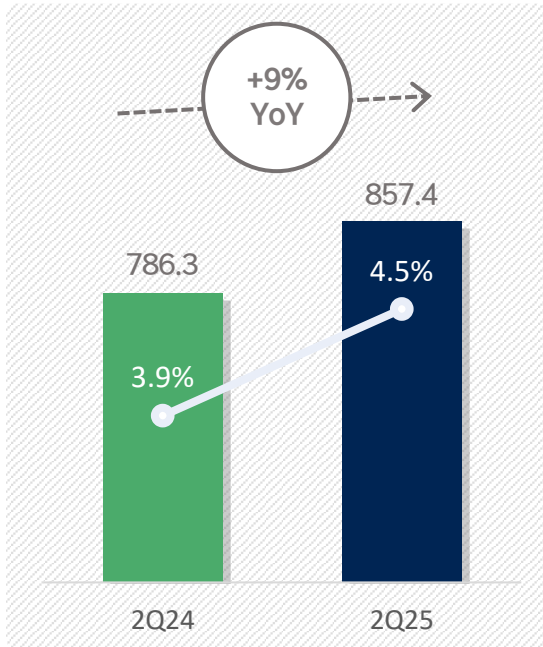


3. Analysis by Division

Construction Equipment

Sales/EBIT

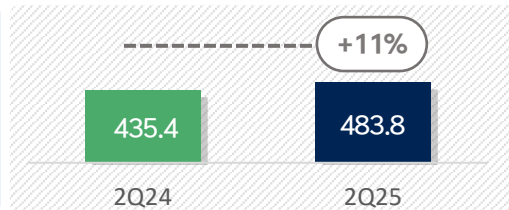
(unit : KRW bn)



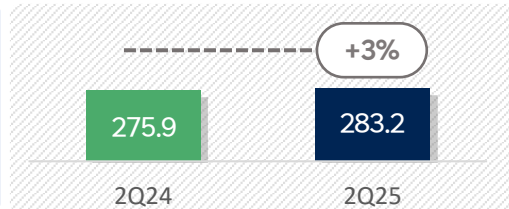
By Region

(unit : KRW bn, YoY)

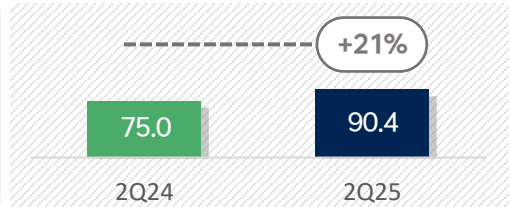
Emerging /Korea



North America /Europe



China



✓ Sales : Growth in all regions

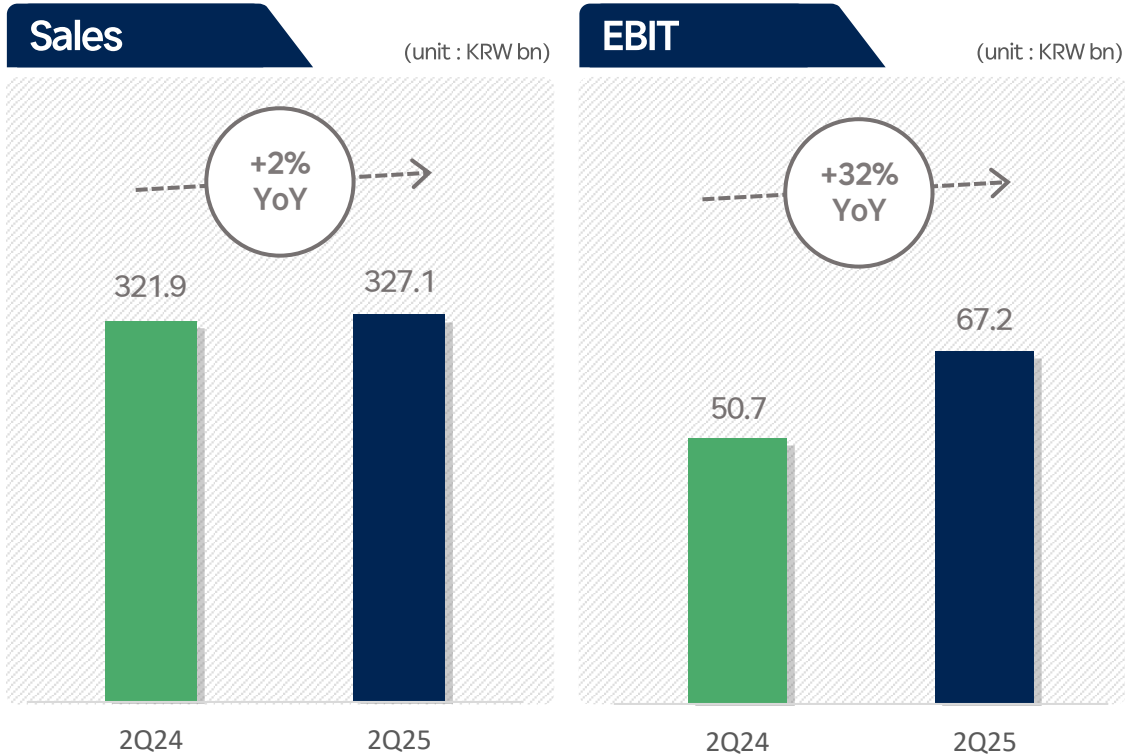
- Sales grew on the back of demand recovery in key regions.
- Demand from infrastructure investment and mining mainly in Southeast Asia and Africa was the key growth drivers for emerging markets. Demand in Korea and European markets also rebounded.

✓ EBIT : Solid profit improvement

- EBIT margin increased +0.6%p YoY thanks to region/product mix improvement and price hike.

3. Analysis by Division

■ Engine



✓ Sales : Growth driven by generator and defense engines

- Sales turned around and grew YoY thanks to 1) solid generator engine sales in line with expanding power demand, 2) increase in eco-friendly marine engines, and 3) steady sales of defense engines.
- In-house sales also recovered, recording similar sales level compared to the previous year.

✓ EBIT : Visible improvement continues

- EBIT grew significantly due to sales increase, price hike and positive sales mix.
- Sales of 1) large-scale electronic/gas generator engines and 2) defense engine sales as well as 3) accelerated synergy after the merger should continue to enhance EBIT in the mid/long-run.

4. Financial Structure

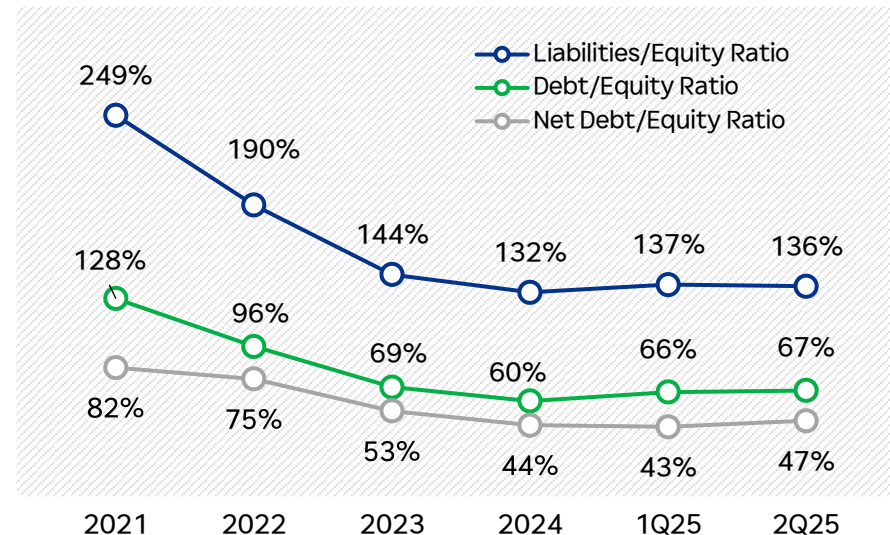
Statement of Financial Position

(unit :KRW bn)

	2022	2023	2024	1Q25	2Q25
Total Assets	4,736.7	4,418.4	4,287.2	4,456.2	4,502.3
Cash & Cash Equivalent	352.4	286.2	309.6	444.8	366.7
Current Assets	3,130.9	2,833.4	2,596.3	2,773.0	2,784.9
Fixed Assets	1,605.8	1,585.0	1,690.9	1,683.2	1,717.4
Total Liabilities	3,101.6	2,605.1	2,440.0	2,574.8	2,593.7
Debt	1,572.7	1,254.6	1,114.0	1,250.0	1,272.9
Net Debt	1,220.3	968.3	804.4	805.2	906.2
Total Shareholder's Equity	1,635.1	1,813.3	1,847.2	1,881.5	1,908.6

Note. Based on K-IFRS consolidated financial statements

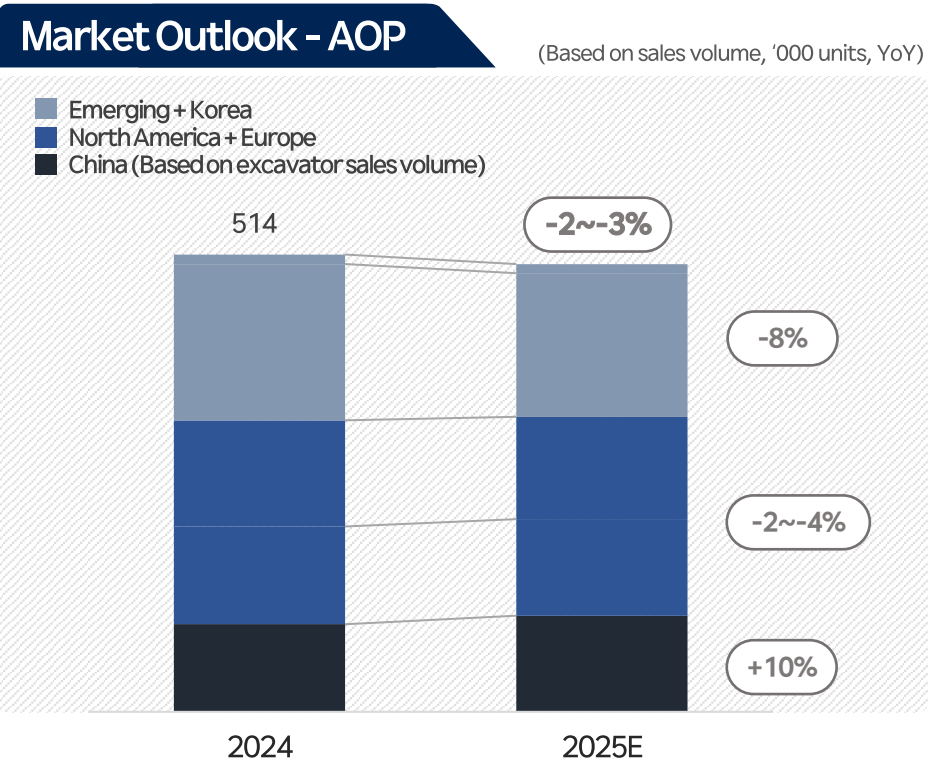
Key Financial Ratios



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

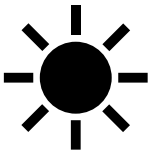
Market Outlook



Emerging + Korea

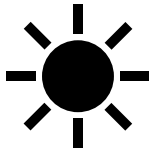
- Demand is stronger than expected
- Profitability is also improving as sales of mid/large equipment expand in resource-rich countries such as Africa and Latin America.

Relative to AOP



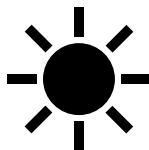
North America + Europe

- Demand in Europe shows signs of recovery amidst interest cuts and stabilized operation at the EU Cup site.
- Demand remains sluggish in North America. However, we expect demand recovery once uncertainties dissipate.

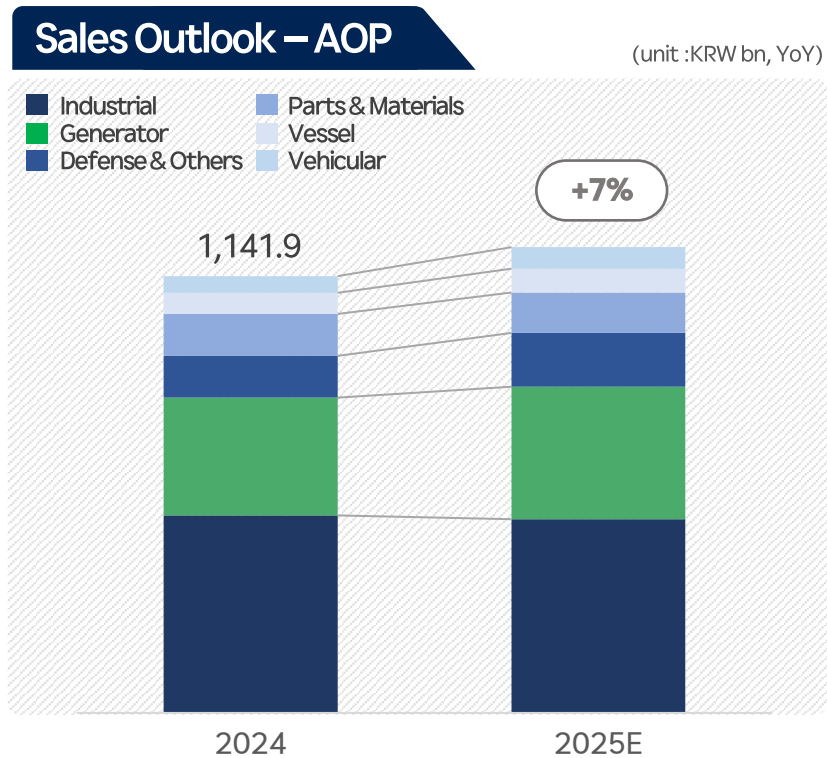


China

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



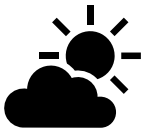
Sales Outlook



Industrial

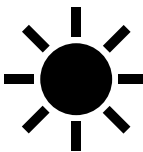
- Market recovery is somewhat slow as uncertainties over Trump's tariff policy and economic slowdown persists.
- DX05/08 engines are now installed in mid/large equipment and plan to expand installation in extra-large equipment.

Relative to AOP



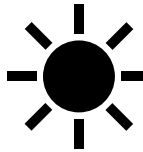
Generator

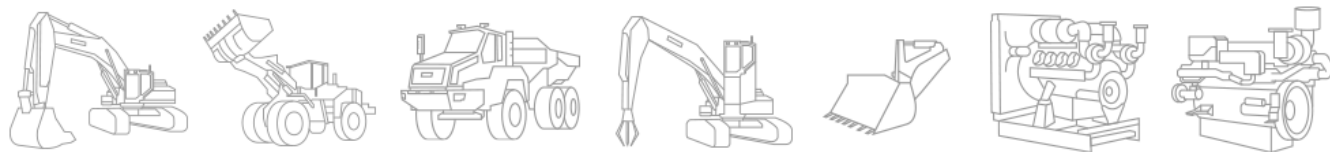
- Larger buildings, expanding demand for electricity in emerging markets as well as demand for oil & gas and data center needs in North America to remain stable.



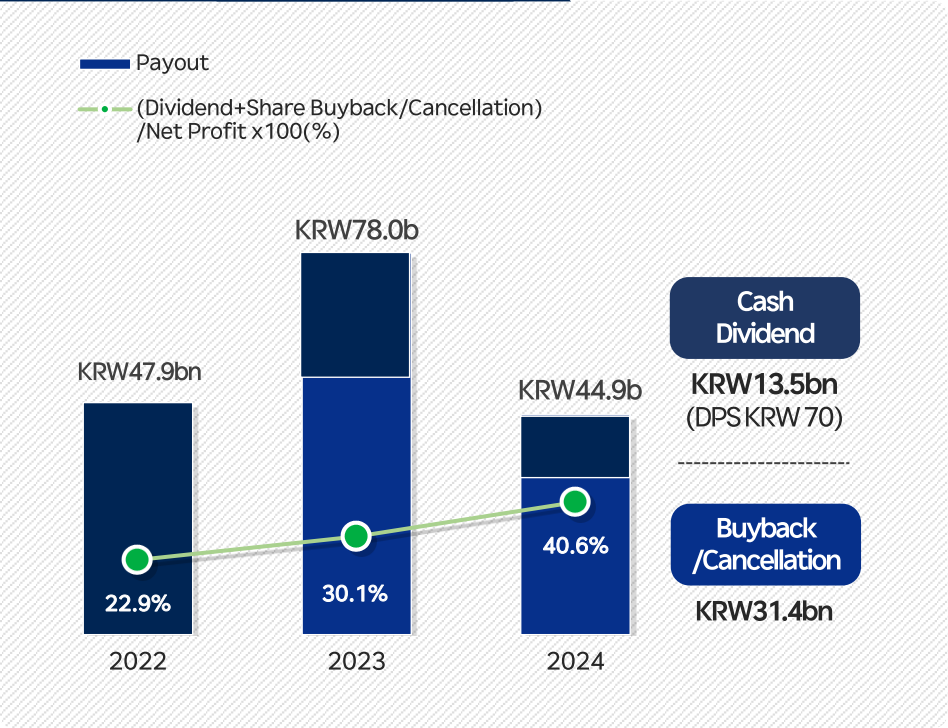
Defense

- Demand is growing in Eastern Europe and Middle East amidst geopolitical conflicts. Also, additional tank engine exports outside of existing supply contracts is anticipated.





Shareholder Return Ratio



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.

※ 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.

[Reference] Sales & EBIT by Division

(unit : KRW bn)

	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25
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	1,184.6
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	857.4
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	483.8
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	283.2
China	87.4	73.9	52.8	52.2	266.4	67.8	75.0	57.7	70.0	270.5	81.9	90.4
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	327.1
(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	369.0
(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	41.9
EBIT	152.6	162.0	89.7	14.0	418.3	92.8	81.5	20.7	-10.9	1,84.2	67.8	105.8
Construction Equipment	103.2	115.8	50.3	-3.4	265.9	45.8	30.8	-12.0	-37.0	27.5	23.6	38.6
Engine	49.4	46.2	39.4	17.4	152.4	47.0	50.7	32.7	26.2	1,56.6	44.2	67.2
EBIT Margin	11.8%	12.3%	8.3%	1.4%	9.0%	8.0%	7.4%	2.3%	-1.2%	4.5%	6.7%	8.9%
Construction Equipment	10.5%	11.4%	6.4%	-0.5%	7.6%	5.4%	3.9%	-1.8%	-5.4%	0.9%	3.1%	4.5%
Engine	16.1%	15.4%	13.8%	6.5%	13.1%	15.2%	15.8%	12.8%	10.2%	13.7%	16.7%	20.5%

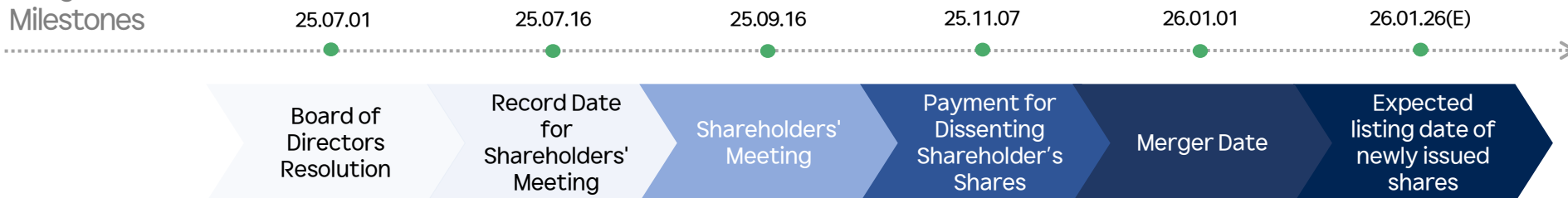
[Reference] Merger – Overview

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	<p>Merger ratio is determined in accordance with Korean law and based on the closing share price as of June 30.</p> <ul style="list-style-type: none"> - Merger price per share : HD Hyundai Construction Equipment KRW76,408, HD Hyundai Infracore KRW12,391 <p>Calculation method (Capital Market Act Article 176-5)</p> <ul style="list-style-type: none"> - 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	<p>HD Hyundai Construction Equipment : KRW 75,545</p> <p>HD Hyundai Infracore : KRW11,885</p>	<p>Calculation method (Capital Market Act Article 176-7)</p> <ul style="list-style-type: none"> - Weighted average of the share price of last 2 month/1 month/1 week

Merger Milestones



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



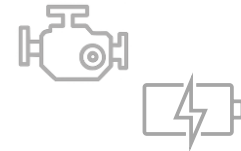
Expand compact business



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)