

Investor Relations

# **Earnings Presentation: 2Q 2024 Financial Results**

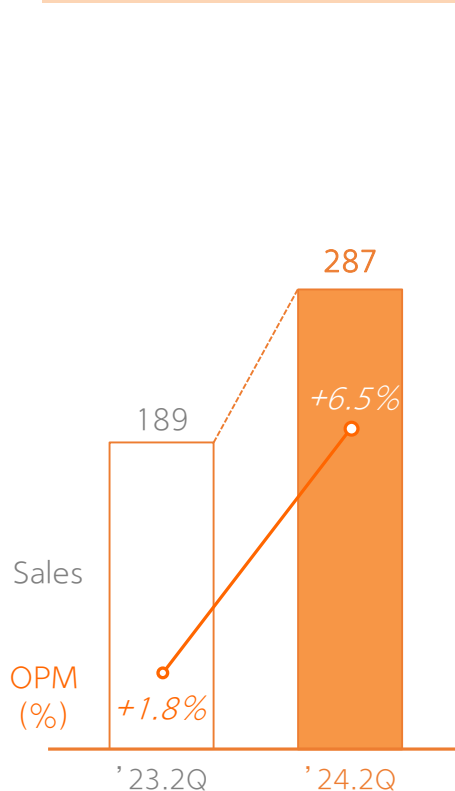


**2024.7.24**

(Wbn, %)

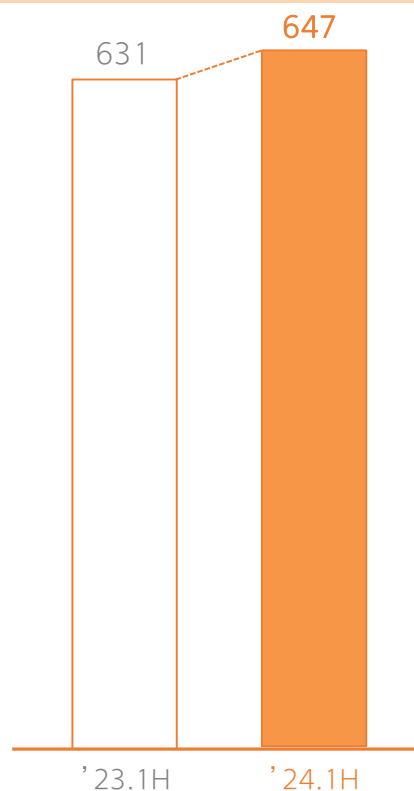
## Sales

Sales increment and enhances operating margin based on high profit PJT delivery to shipbuilding



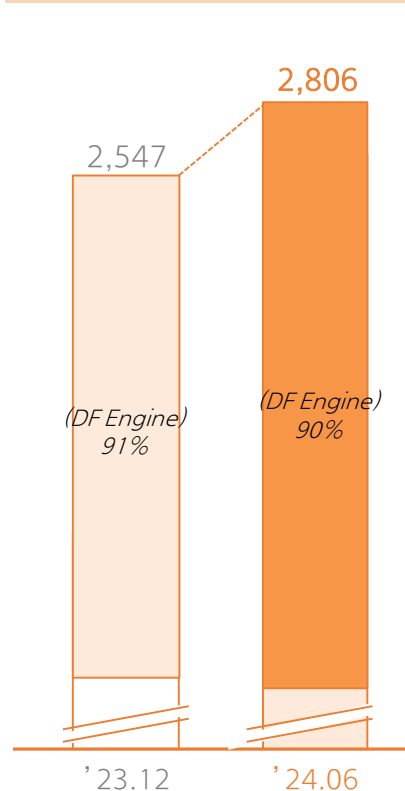
## New Orders

Approximately 16.1 billion increase by compared to the same period in 2023 (LNGC 69%, Tanker 31%)



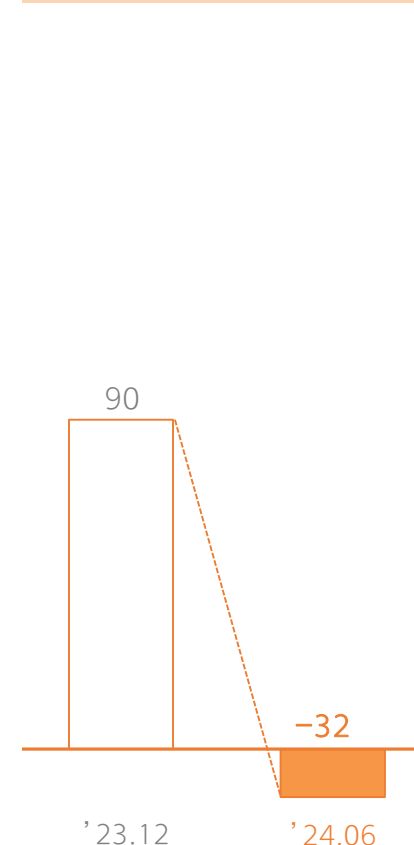
## Backlog

Increase in order backlog due to new orders and exchange rate rise



## Net Debt

Total debt of 91.7 billion won, and 123 billion won in cash



- ✓ Sales : 286.5bn KRW
- ✓ Operating Profit : 18.6bn KRW

(Wbn)

구분	'24.2Q	'23.2Q	YoY	'24.1Q	QoQ
<b>Sales</b>	<b>287</b>	<b>189</b>	97	<b>293</b>	-7
COGS(%)	(90.5%)	(93.9%)	(-3.3%p)	(90.1%)	(+0.5%p)
Gross Profit	27	12	16	29	-2
SG&A	9	8	0.3	10	-1
<b>Operating Profit</b>	<b>19</b>	<b>4</b>		<b>19</b>	
OP margin(%)	(6.5%)	(+1.8%)	(+4.7%p)	(+6.6%)	(-0.1%p)
Interest Income & Expense	-1	-3		-2	
Gain/Loss on F/X	2	0.6		2	
Other Gain & Loss	-1	-0.9		-1	
Pretax Profit	19	0.6		19	
Tax	4	0.2		4	
Net Profit	14	0.4		15	

### Key Features

① Sales +51.5% YoY

Quarter	Non-Marine Engine	Marine Engine	Total
1Q23	199	-	199
2Q23	189	-	189
3Q23	188	-	188
4Q23	278	-	278
1Q24	293	-	293
2Q24	287	-	287

- **Marine Engine**: # of delivery increases in '24 2Q due to increase in new orders from 2022
- **Non-Marine Engine**: AM business continues to perform well and sales increase in '24 2Q

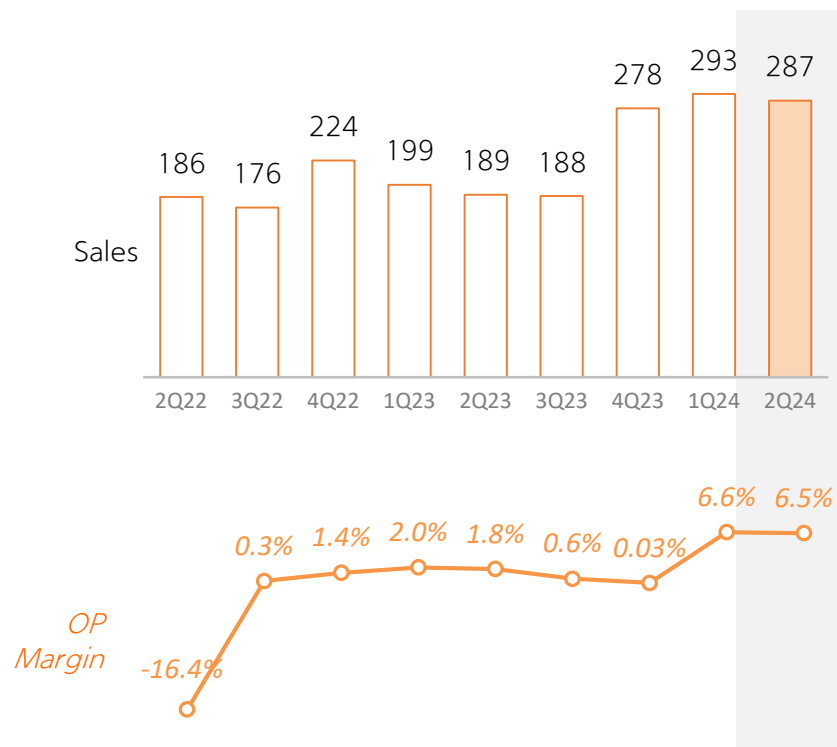
② Operating surplus W18.6bn

- Cost to sales ratio reduced(23.2Q 93.9%→ 24.2Q 90.5%)
- Most of negative margin orders PJT has declined in 2023

- ✓ '24 2Q Sales W287bn ('24 1H total sales : W580bn)
- ✓ Improved sales and operating profit in '24 2Q by significantly reducing low profit engine orders and delivering high profit orders contracted in 2022

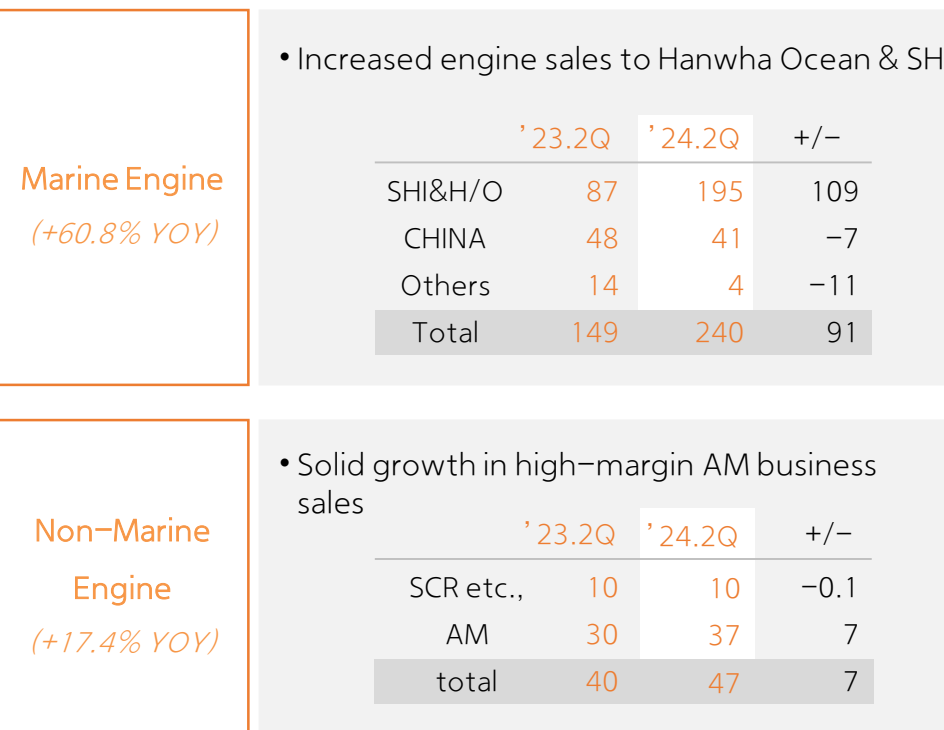
## quarterly Sales & OP Margin

(Wbn)



## Sales Breakdown

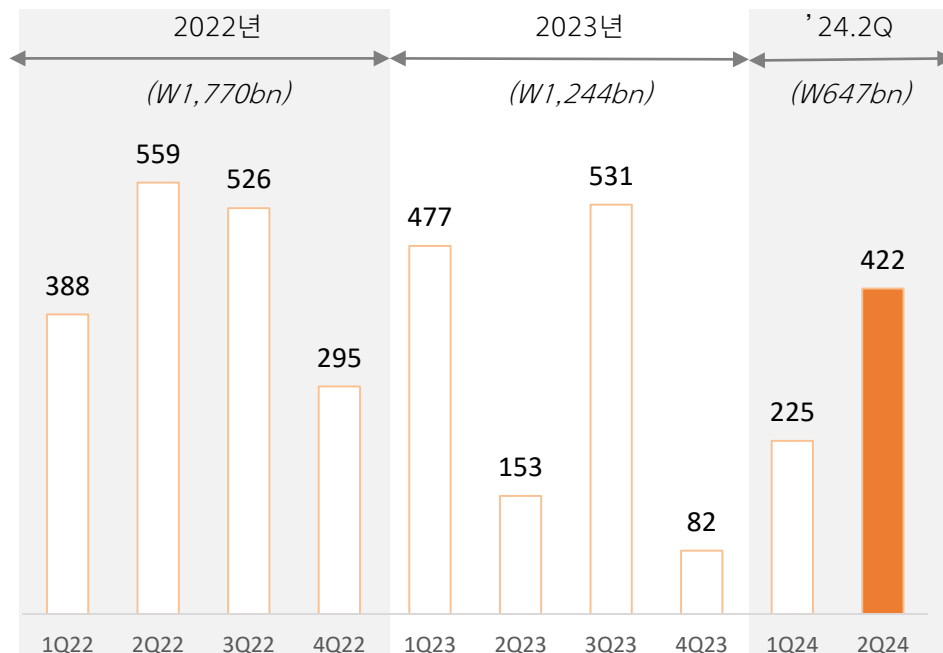
(Wbn)



- ✓ 2Q New Orders: W422bn
- ✓ Sales of DF engine\* accounts for 73% in 2Q 2024 of new orders contracted in 2024, LNG carrier accounts for 69%, and
- ✓ diesel engine orders PJT profitability diesel engine orders has risen as high as DF engine

## Quarterly New Orders

(Wbn)



## Proportion of DF engine Orders

(Wbn)

	FY 20	FY 21	FY 22	FY 23	'24.1H
Diesel engine	391	394	266	55	172
DF engine	86	474	1,341	985	457
(%)	(18%)	(55%)	(83%)	(95%)	(73%)
Marine engine	477	868	1,607	1,040	629

## Proportion of DF engines by Ship type

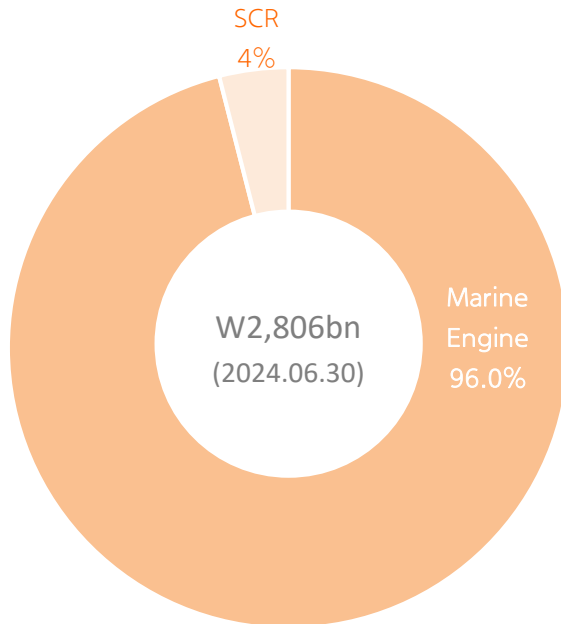
(Wbn)

구분	FY 20	FY 21	FY 22	FY 23	'24.1H
Bulk	0%	100%	36%	3%	0%
Container	0.1%	0.1%	69%	99%	100%
LNGC	100%	100%	100%	100%	100%
Tanker	7%	75%	3%	69%	12%
Total	18%	55%	83%	95%	73%

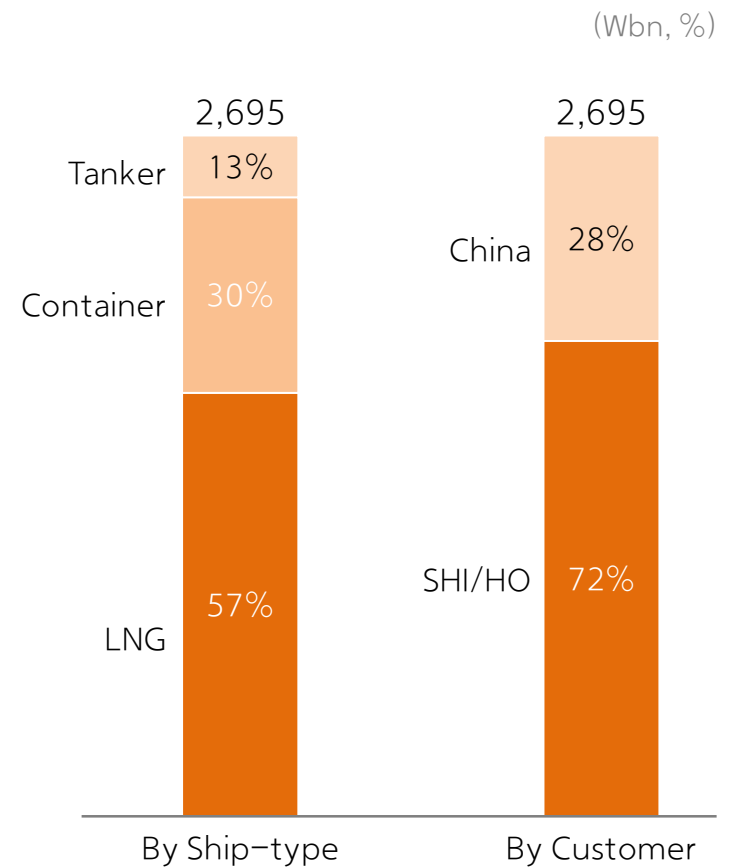
\*) DF Engine: Dual-Fuel Engine

✓ Backlog: W2,806bn, Marine Engine takes for 96% of Hanwha Engine orderbook

## Backlog Breakdown



Marine Engine (W2,695bn)



- ✓ Net Debt : -W32bn,
- ✓ Net Debt ratio 257%
- ✓ By capital injection from Hanwha and advances receipt from shipbuilding, Net debt turns into net cash in 2024  
(Wbn)

	'23.12	'24.2Q	+/-
Current Assets	656	700	44
Non-current Assets	481	520	39
<b>Total Assets</b>	<b>1137</b>	<b>1,220</b>	<b>83</b>
Current Liabilities	604	535	-68
<i>Advance Receipts</i>	190	217	27
Non-current Liabilities	309	343	34
<i>Long-term Advance Receipts</i>	227	221	-6
<b>Total Liabilities</b>	<b>913</b>	<b>879</b>	<b>-34</b>
Paid-in Capital	72	83	12
Capital Surplus	273	350	76
Retained Earnings	-151	-122	29
Accumulated Other Comprehensive Income	30	31	0.3
<b>Total Equities</b>	<b>224</b>	<b>342</b>	<b>118</b>
<b>Net Debt</b>	<b>90</b>	<b>-32</b>	<b>-122</b>
<b>Net Debt ratio</b>	<b>407%</b>	<b>257%</b>	<b>-150%p</b>

## Interest-bearing Debt

(Wbn)

구분	'23.12	'24.06
Bank loan	173	50
Corp. Bond	39	42
<b>Gross Debt</b>	<b>211</b>	<b>92</b>
Cash	121	123
<b>Net Debt</b>	<b>90</b>	<b>-32</b>