

Investor Relations

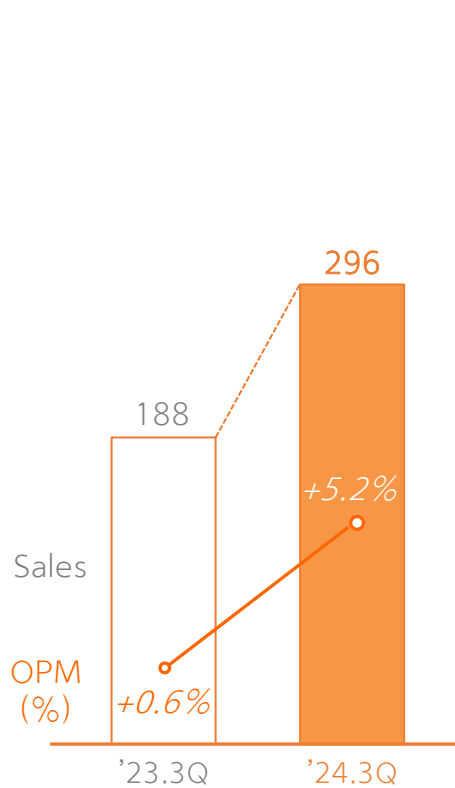
Earnings Presentation: 3Q 2024 Financial Results

2024.10.25

(KRW billion, %)

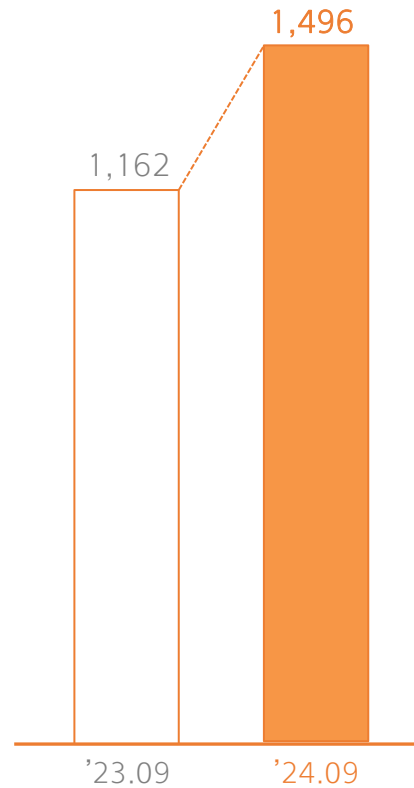
Sales

Sales increment and enhanced operating margin based on delivery of high profit engine to shipbuilders



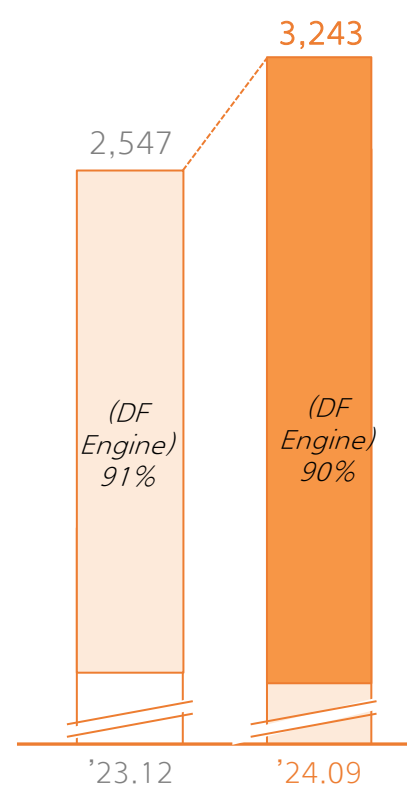
New Orders

Approximately increase by KRW 334B compared to the same period in 2023 (LNGC share 56%, Container 24%)



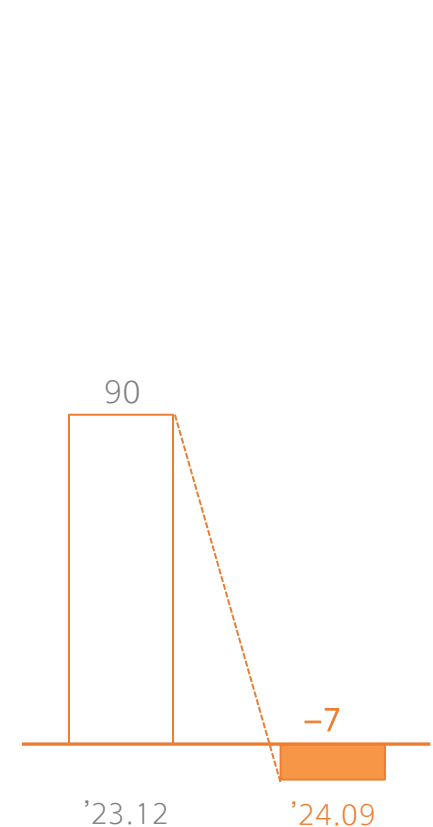
Backlog

Steady Increase in new orders and favorable exchange rate environment



Net Debt

Total debt of KRW 85.6B, and KRW 92.6B in cash



- ✓ Sales : KRW 296.1B
- ✓ Operating Profit : KRW15.3B

(KRW billion, %)

	'24.3Q	'23.3Q	YoY	'24.2Q	QoQ
Sales	296	188	108	287	10
COGS(%)	(91.0%)	(94.8%)	(-3.8%p)	(90.5%)	(+0.5%p)
Gross Profit	27	10	17	27	-0.5
SG&A	11	9	3	9	3
Operating Profit	15	1		19	
OP margin(%)	(5.2%)	(+0.6%)	(+4.6%p)	(6.5%)	(-1.3%p)
Interest Income & Expense	-0.2	-3		-1	
Gain/Loss on F/X	-4	1		2	
Other Gain & Loss	2	-2		-1	
Pretax Profit	14	-3		19	
Tax	3	-0.7		4	
Net Profit	11	-2		14	

Key Features

(KRW billion, %)

1 Sales +57.8% YoY

- **Marine Engine** : # of delivery increases in 3Q 2024 contracted in 2022
- **Non-Marine Engine** : AM business continues to grow and sales increase in 3Q 2024

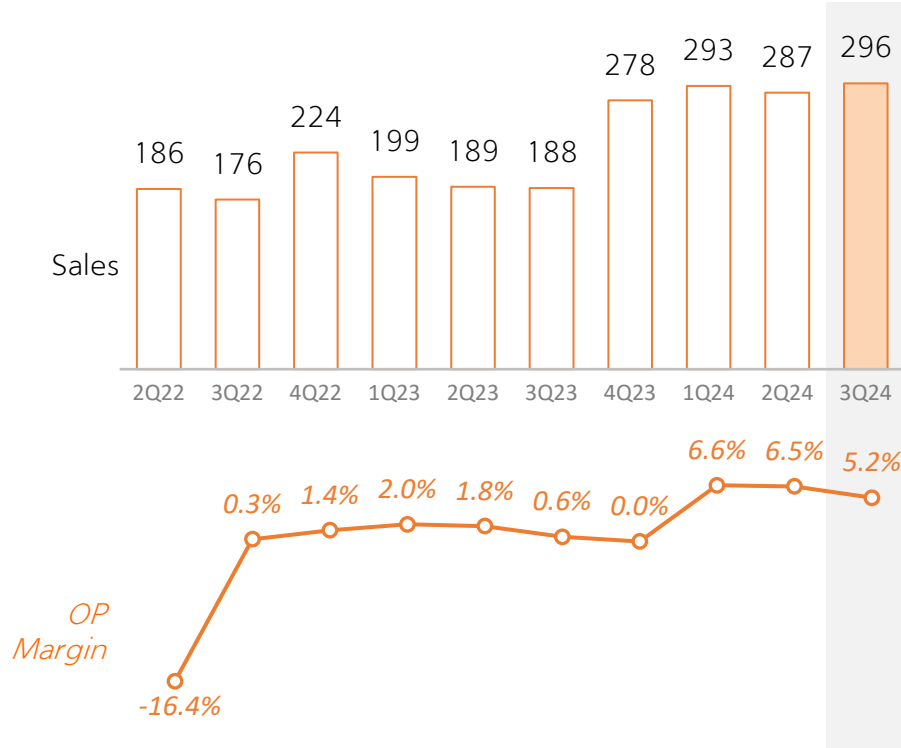
2 Operating profit KRW15.3 B

- Cost/sales ratio reduced ('23.3Q 94.8%→ '24.3Q 91.0%)
 - Most of negative margin orders PJT, usually contracted in 2021 has delivered previous year.

- ✓ 3Q 2024 Sales KRW 296B (3Q 2024 total sales : KRW 876B)
- ✓ Improved sales and operating profit in 3Q 2024 by significantly reducing low profit engine orders contracted in pre-2022, and delivering high profit orders contracted in 2022

Quarterly Sales & OP Margin

(KRW B)



Sales Breakdown

(KRW B)

Marine Engine
(+76.0% YOY)

- Increased engine sales due to increased domestic and Chinese deliveries

	'23.3Q	'24.3Q	+/-
SHI&H/O	69	140	71
CHINA	56	115	59
Others	19	-	-19
Tota	145	255	110

Non-Marine Engine
(-3.4% YOY)

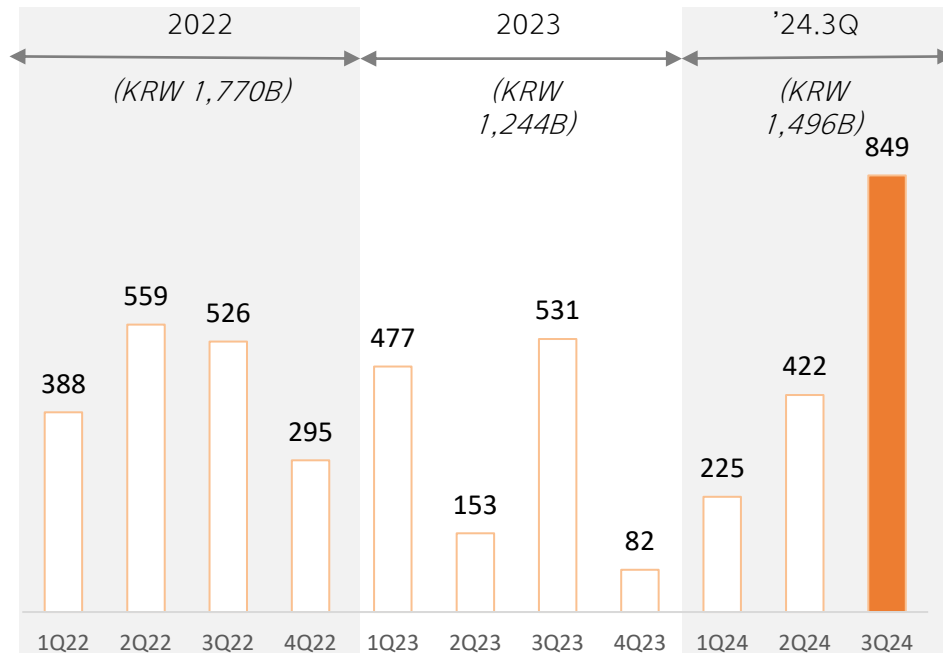
- Solid growth in high-margin AM business sales

	'23.3Q	'24.3Q	+/-
SCR etc.,	10	7	-3
AM	33	35	2
total	43	42	-1

- ✓ 3Q New Orders: KRW 849B
- ✓ Sales of DF engine* accounts for 82% in 3Q 2024 of New orders contracted in 2024, LNG carrier accounts for 56%
- ✓ Separately, profitability of diesel engine contracts has risen significantly as high as DF engine

Quarterly New Orders

(KRW B)



Proportion of DF engine Orders

(KRW B)

	FY 20	FY 21	FY 22	FY 23	'24.09
Diesel engine	391	394	266	55	266
DF engine	86	474	1,341	985	1,178
(%)	(18%)	(55%)	(83%)	(95%)	(82%)
Marine engine	477	868	1,607	1,040	1,443

Proportion of DF engines by ship type

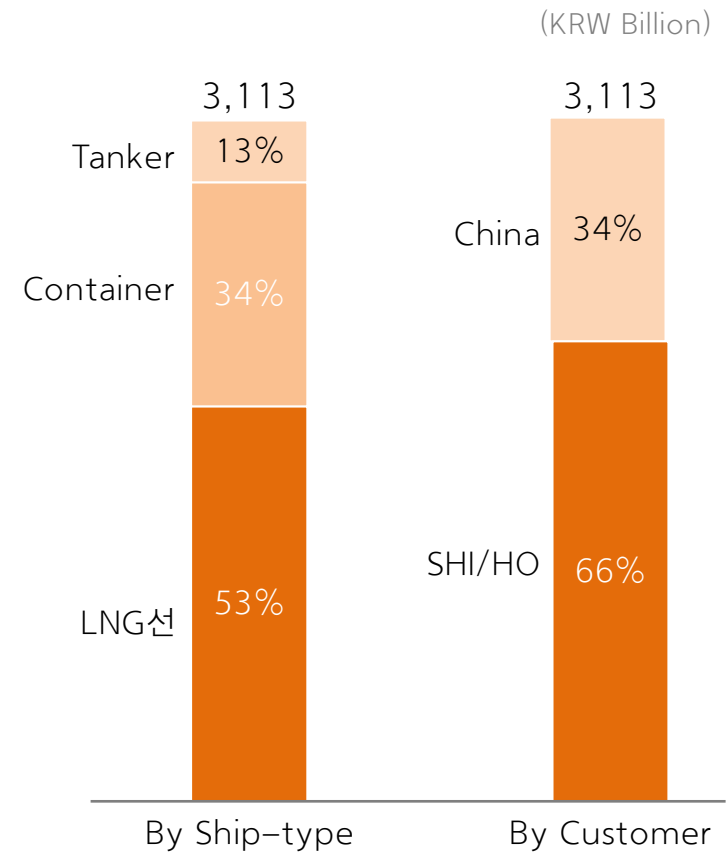
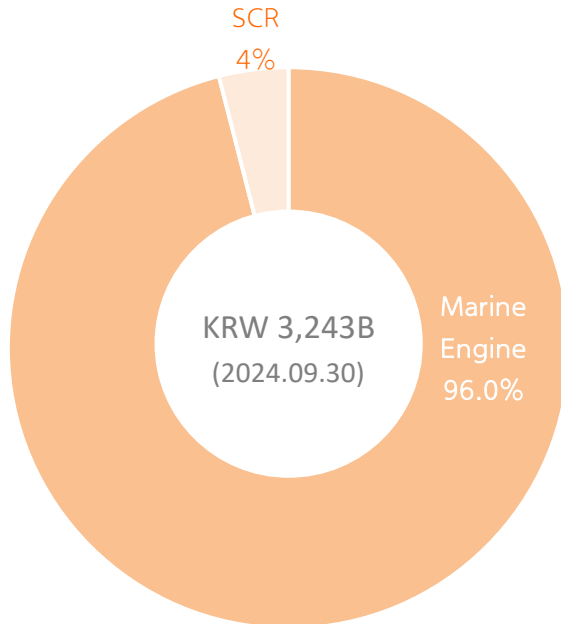
(KRW B)

구분	FY 20	FY 21	FY 22	FY 23	'24.09
Bulk	0%	100%	36%	3%	-
Container	0.1%	0.1%	69%	99%	100%
LNGC	100%	100%	100%	100%	100%
Tanker	7%	75%	3%	69%	8%
Total	18%	55%	83%	95%	82%

*) DF Engine: Dual-Fuel Engine

✓ Backlog: KRW 3,243B, Marine Engine takes 96% of Hanwha Engine orderbook

Backlog Breakdown



- ✓ Net Debt : △KRW 7B
- ✓ Net Debt ratio 218%
- ✓ Through capital injection from Hanwha Impact and advances receipt from shipbuilders, net debt position turns into positive cash position in 2024

(KRW Billion)

	'23.12	'24.3Q	+/-
Current Assets	656	613	-43
Non-current Assets	481	509	28
Total Assets	1,137	1,122	-15
Current Liabilities	604	444	-160
<i>Advance Receipts</i>	190	202	12
Non-current Liabilities	309	325	16
<i>Long-term Advance Receipts</i>	227	221	-6
Total Liabilities	913	769	-144
Paid-in Capital	72	83	12
Capital Surplus	273	350	77
Retained Earnings	-151	-112	40
Accumulated Other Comprehensive Income	30	31	0.2
Total Equities	224	353	128
순차입금	90	-7	-97
부채비율	407%	218%	-189%p

Interest-bearing Debt

(KRW Billion)

	'23.12	'24.09
Bank loan	173	46
Corp. Bond	39	40
Gross Debt	211	86
Cash	121	93
Net Debt	90	-7