

Investor Relations

Earnings Presentation:

1Q 2026 Financial Results

Apr. 2026

I. 1Q 2026 Financials

II. Appendix

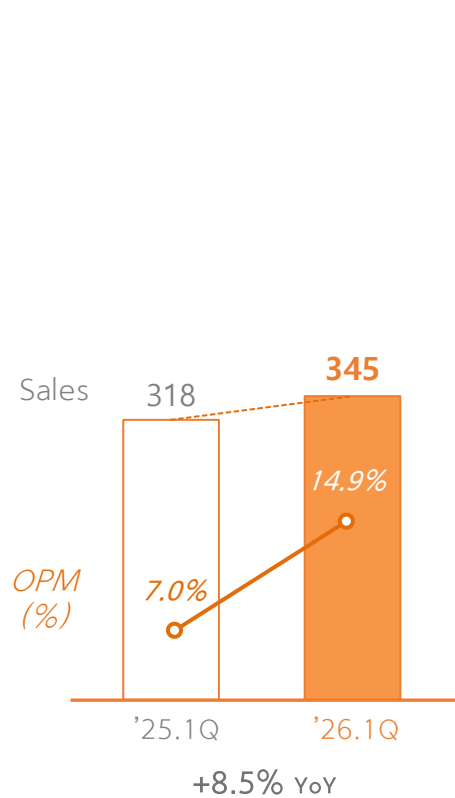
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(KRW billion, %)

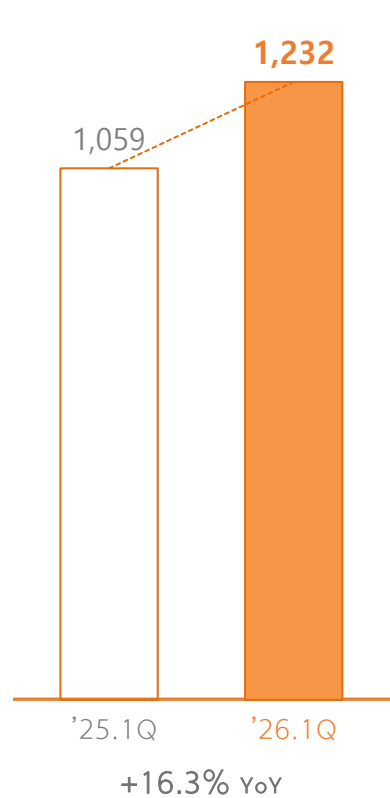
Sales

Driven by delivery of 2024 orders and high HP C/C engines



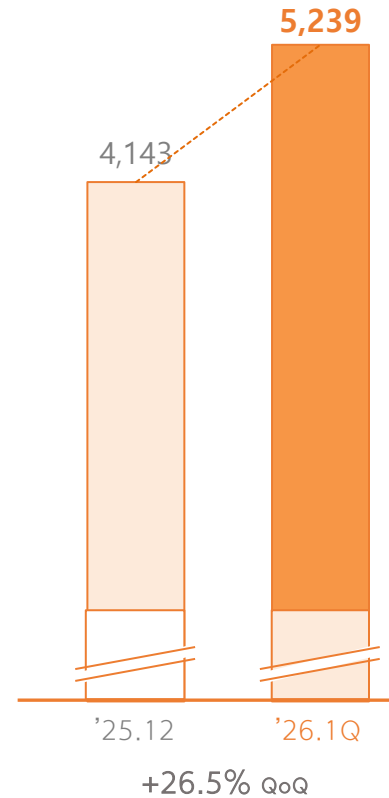
New Orders

Increased by +16.3% YoY (C/C accounts for 66% in new marine engine orders)



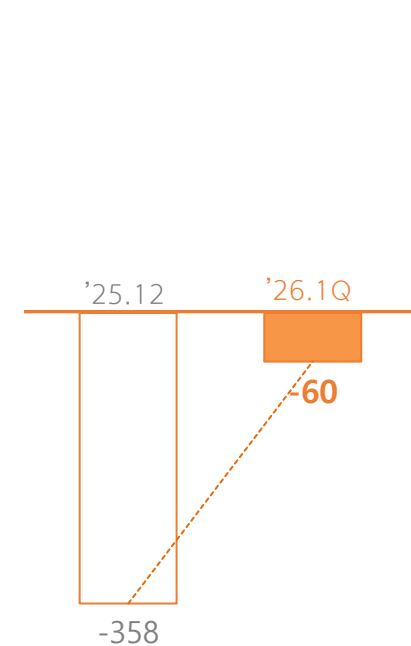
Backlog

Increased by C/C orders from Chinese shipyard (DF engines accounts for 85%)



Net Debt

Gross Debt : KRW 55 B
Cash and short-term financial instruments : KRW 115 B



- ✓ Sales : KRW 345 B (YoY 8.5% ↑)
- ✓ Operating Profit: KRW 51 B (OPM: 14.9%, YoY 7.9%p ↑)

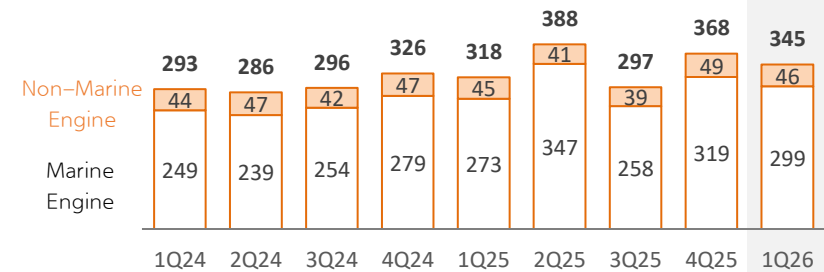
(KRW billion, %)

(KRW Billion)

	'26.1Q	'25.1Q	YoY	'25.4Q	QoQ
Sales	345 ¹	318	+27	368	Δ23
COGS(%)	(81.1%)	(89.0%)	(Δ7.9%p)	(82.4%)	(Δ1.3%p)
Gross Profit	65	35		65	
SG&A	14	13		17	
Operating Profit	51 ²	22	+29	47	+4
OP margin(%)	(14.9%)	(7.0%)	(+7.9%p)	(12.9%)	(+2.0%p)
Interest Income & Expense	2.7	0.2		3	
Gain/Loss on F/X	1.8	0.3		5	
Other Gain & Loss	Δ2.8	Δ2.2		Δ1	
Pretax Profit	69	20	+49	54	+15
Tax	16	1		Δ48	
Net Profit	53	19	+33	102	Δ50

Key Features

1 Sales + KRW 27 B YoY



• Marine Engine

: ASP hike from deliveries of '24 orders and high HP methanol engines

• Non-Marine Engine

: Increased SCR sales driven by demand for Tier III compliance

2 Operating profit + 130 % YoY

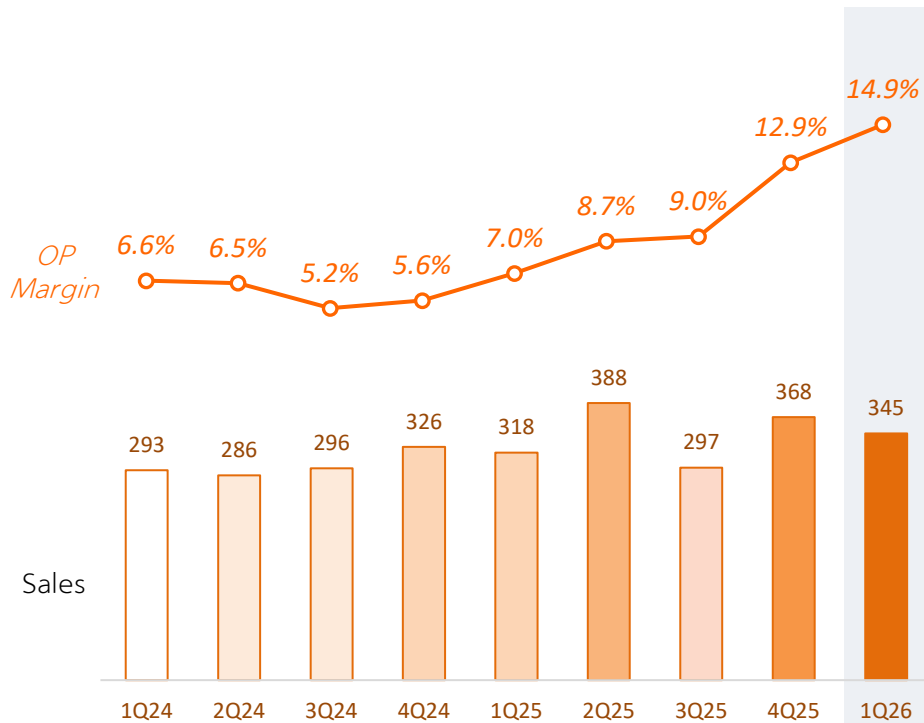
- COGS/Sales ratio improved ('25.1Q 89.0% → '26.1Q 81.1%)

✓ 1Q 2026 Sales KRW 345 B

✓ OPM ratio improvement from high quality 2024 contracts and manufacturing process efficiency

Quarterly Sales & OP Margin

(KRW Billion)



Sales Breakdown

(KRW Billion)

Marine Engine
(+10% YoY)

• Revenue growth driven by delivery of 2024 orders and high HP C/C engines

	1Q25	1Q26	+/-
H/O	126	134	8
SHI	110	117	7
CHINA	37	48	11
Others	-	-	-
Total	273	299	26

Non-Marine Engine
(+2% YoY)

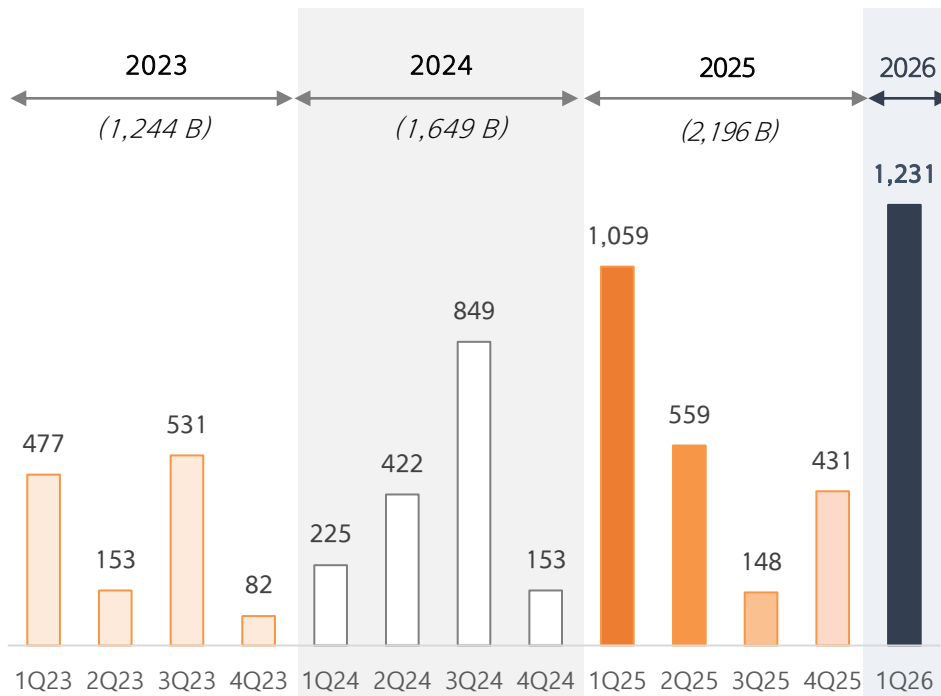
• Laying foundation for sustainable AM growth

	1Q25	1Q26	+/-
AM	39	35	△4
SCR etc	6	11	5
Total	45	46	1

- ✓ 1Q 2026 new order intake 1,231B KRW : Hanwha Engine's historic high
 - of which : C/C accounts for 66%
 - of which : DF engine accounts for 79%

Quarterly New Orders

(KRW Billion)



Proportion of DF engine Orders

(KRW Billion)

	FY22	FY23	FY24	FY25	'26.1Q
Diesel engine	266	54	279	301	255
DF engine	1,341	985	1,315	1,794	932
(%)	(83%)	(95%)	(82%)	(86%)	(79%)
Marine engine	1,607	1,039	1,594	2,095	1,188

Proportion of DF engines by ship type

(%)

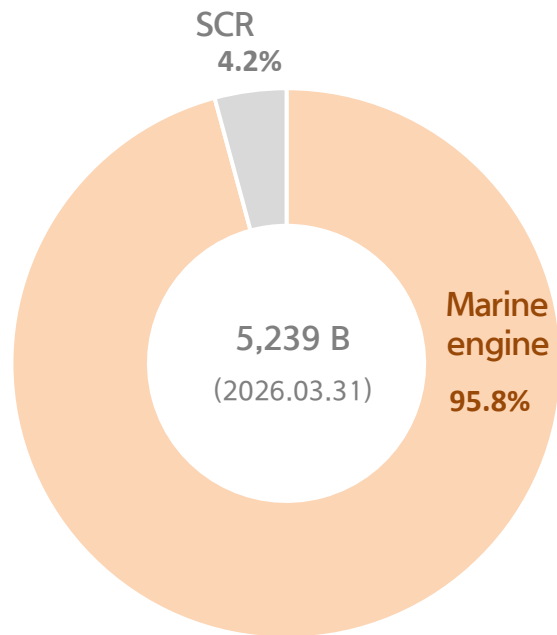
	FY22	FY23	FY24	FY25	'26.1Q
Bulk	36%	3%	N/A	N/A	N/A
Container	69%	99%	100%	93%	95%
LNGC	100%	100%	100%	100%	100%
Tanker	3%	69%	8%	0%	0%
Total	83%	95%	82%	86%	79%

*) DF engine: Dual-Fuel Engine

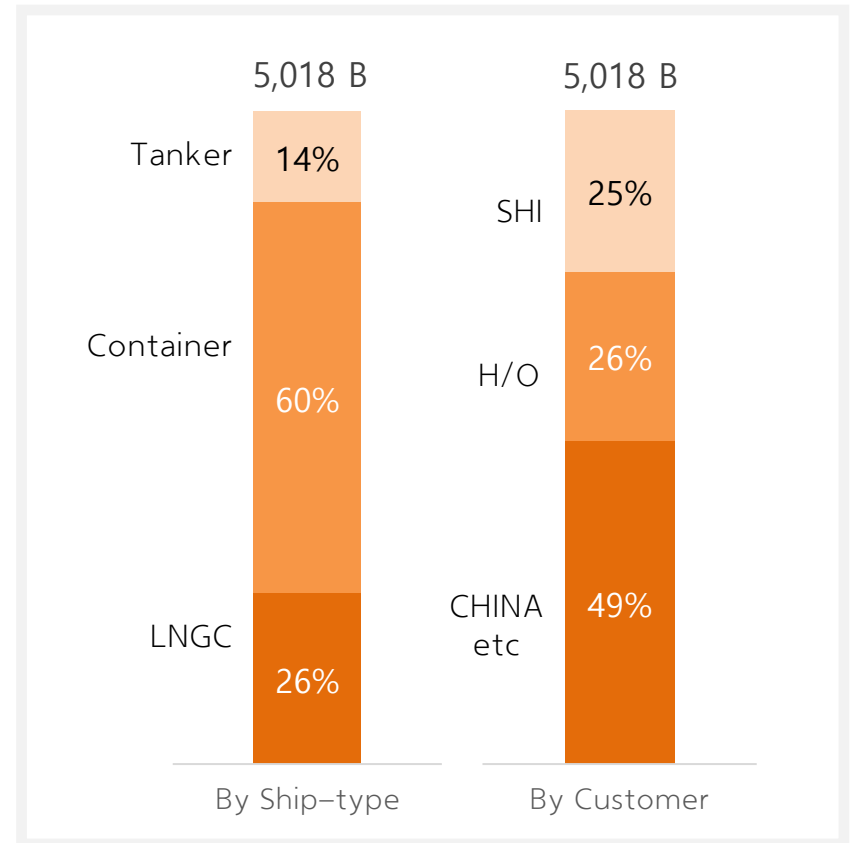
- ✓ Backlog covers more than three years of delivery volume
- ✓ DF engines account for 85% of marine engine

Backlog Breakdown

(KRW Billion, %)



Marine engine Backlog



✓ Net Debt : ΔKRW 60 B , Debt ratio 213%

(KRW Billion)

	'25.12	'26.1Q	+/-
Current Assets	1,032	857	Δ175
Non-current Assets	664	1,054	390
Total Assets	1,696	1,911	215
Current Liabilities	611	722	111
<i>Advance Receipts</i>	<i>222</i>	<i>234</i>	<i>12</i>
Non-current Liabilities	528	578	50
<i>Long-term Advance Receipts</i>	<i>398</i>	<i>397</i>	<i>Δ1</i>
Total Liabilities	1,140	1,301	161
Paid-in Capital	83	83	-
Capital Surplus	353	353	-
Retained Earnings	90	143	53
AOCI	30	30	-
Total Equities	556	610	54
Net Debt	Δ358	Δ60	292
Debt ratio	205%	213%	8%p

Interest-bearing Debt

(KRW Billion)

	'25.12	'26.1Q
Bank loan	10	10
Corp. Bonds	43	45
Gross Debt	53	55
Cash and Short-term financial instruments	411	115
Net Debt	Δ358	Δ60

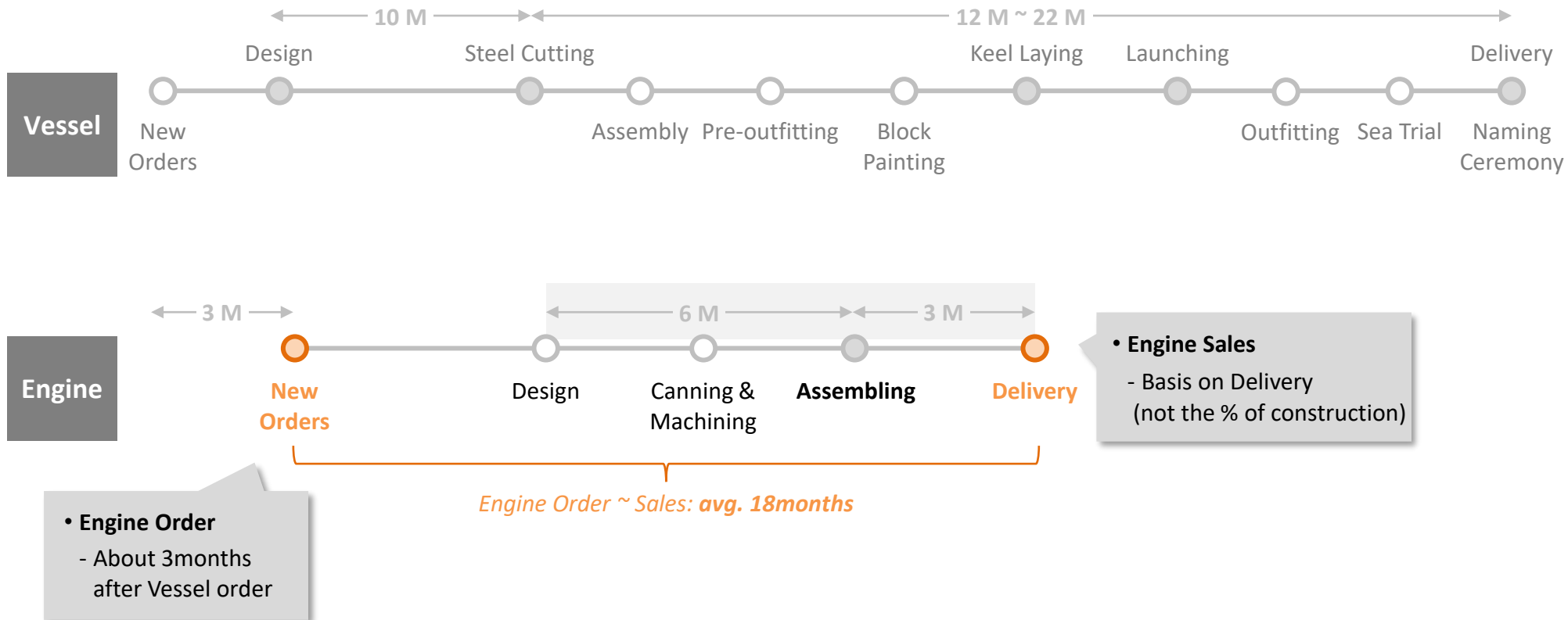
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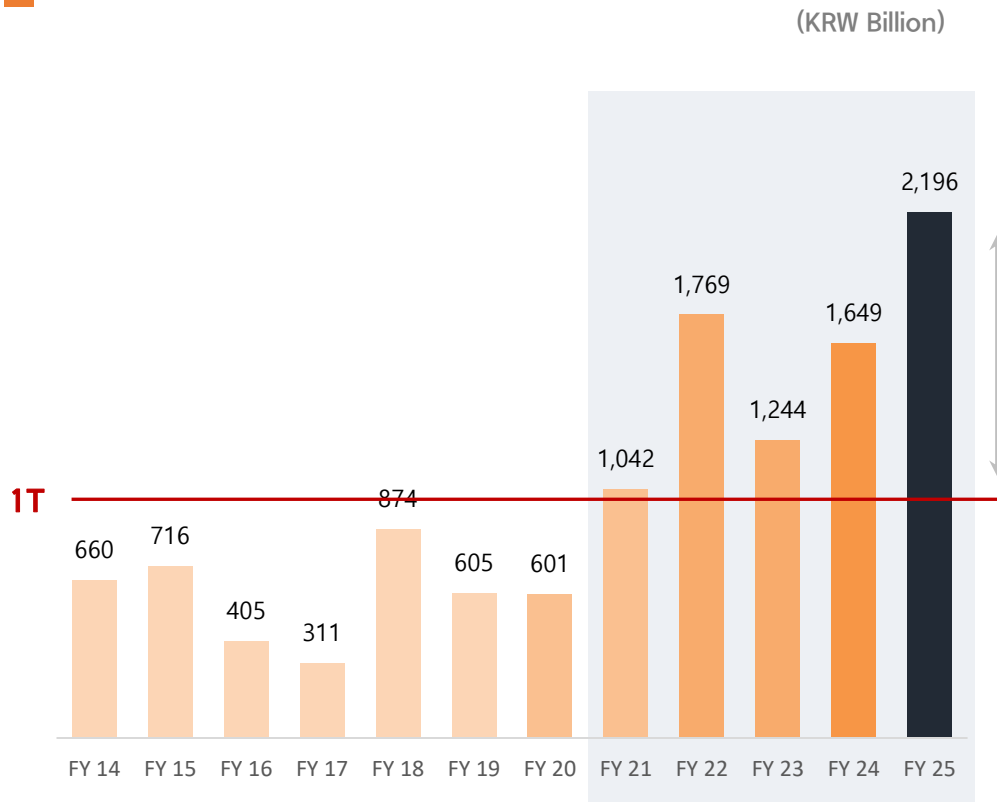
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Shipbuilding & Engine manufacturing Process

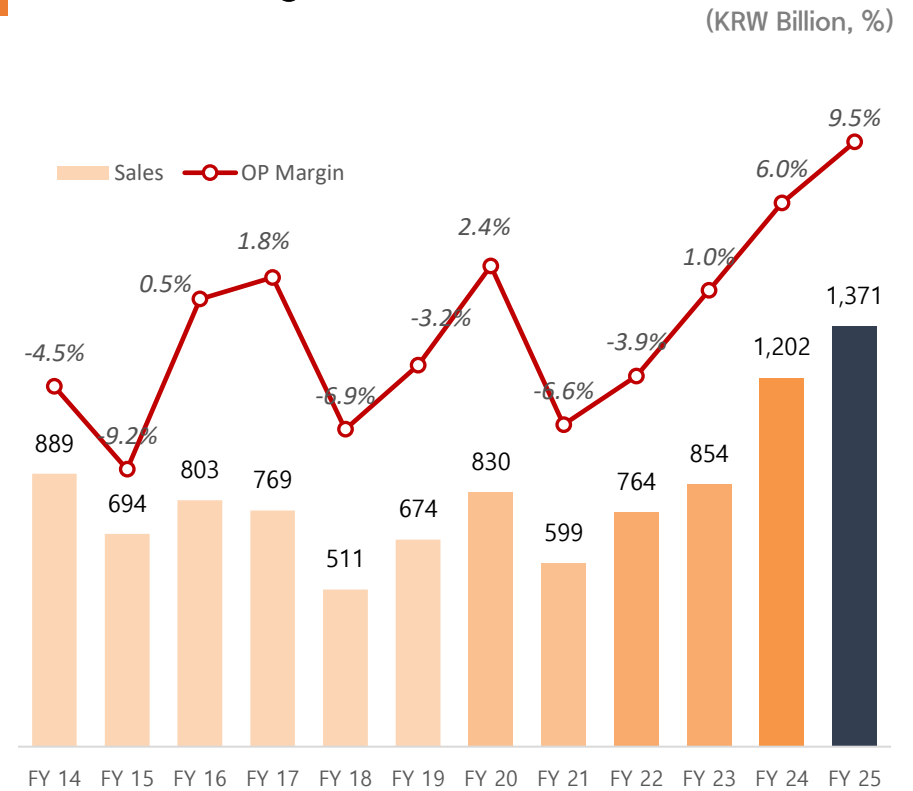


- ✓ Over KRW 1T in annual orders since 2021; shifted to normalized margins from 2022.
- ✓ Marine Engine Business Achieves KRW 2 Trillion in Orders.

New Orders



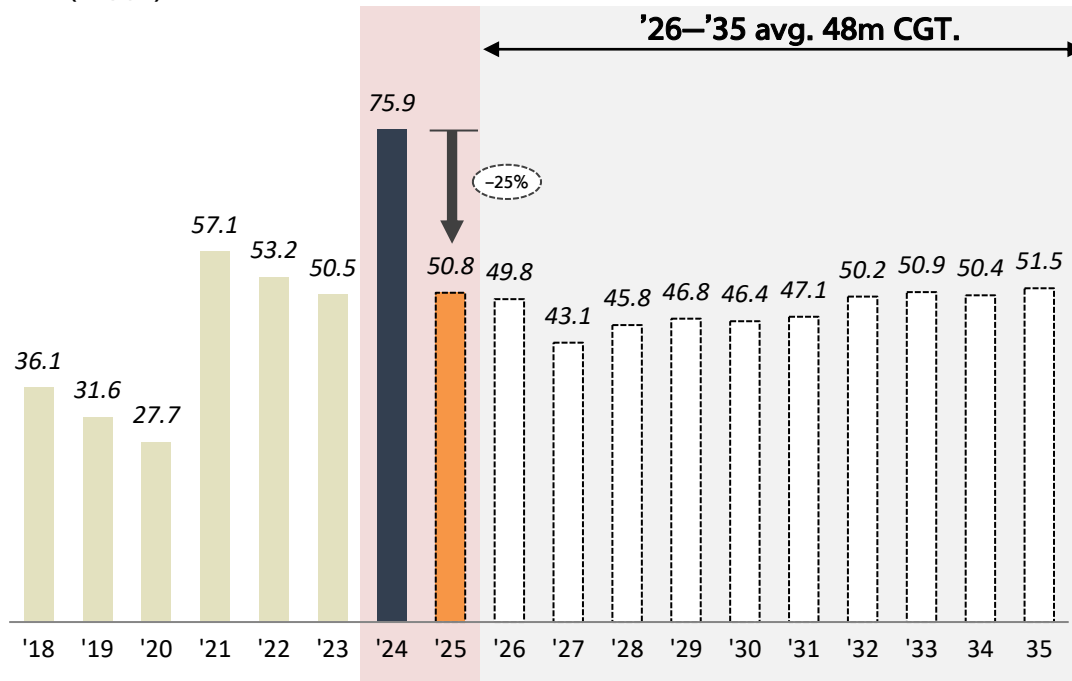
Sales & OP margin



- ✓ 2025 new contracts declined by 25% YoY ('24 75.9m.CGT → '25 50.8m.CGT)
- ✓ Mid- to long-term average ('26 ~ '33) expected at 48m CGT.

Global New Orders Outlook

(mCGT)



※ Source : Clarkson Forecast Report (Sep. 2025)

2025 MEPC Meeting Summaries

MEPC 83rd Session

(2025.04.07~11)

• Key Features

- World's first maritime carbon pricing scheme to take effect in H1 2027
- Vessels over 5,000 GT must meet GFI ¹⁾ standards (Non-compliance: \$100-\$380/tCO₂e to IMO)
- Base: 4% by 2028, 16% by 2030, 30% by 2035
- Direct ²⁾ : 17% by 2028, 21% by 2030, 43% by 2035
 - Tier 1: GFI between Base and Direct
 - Tier 2: Excess emitters
- Surplus Units credited, if compliant with GFI standards; however, Remedial Units (RU) must be purchased if non-compliant with standards.

MEPC 2nd E/S

(2025.10.14~17)

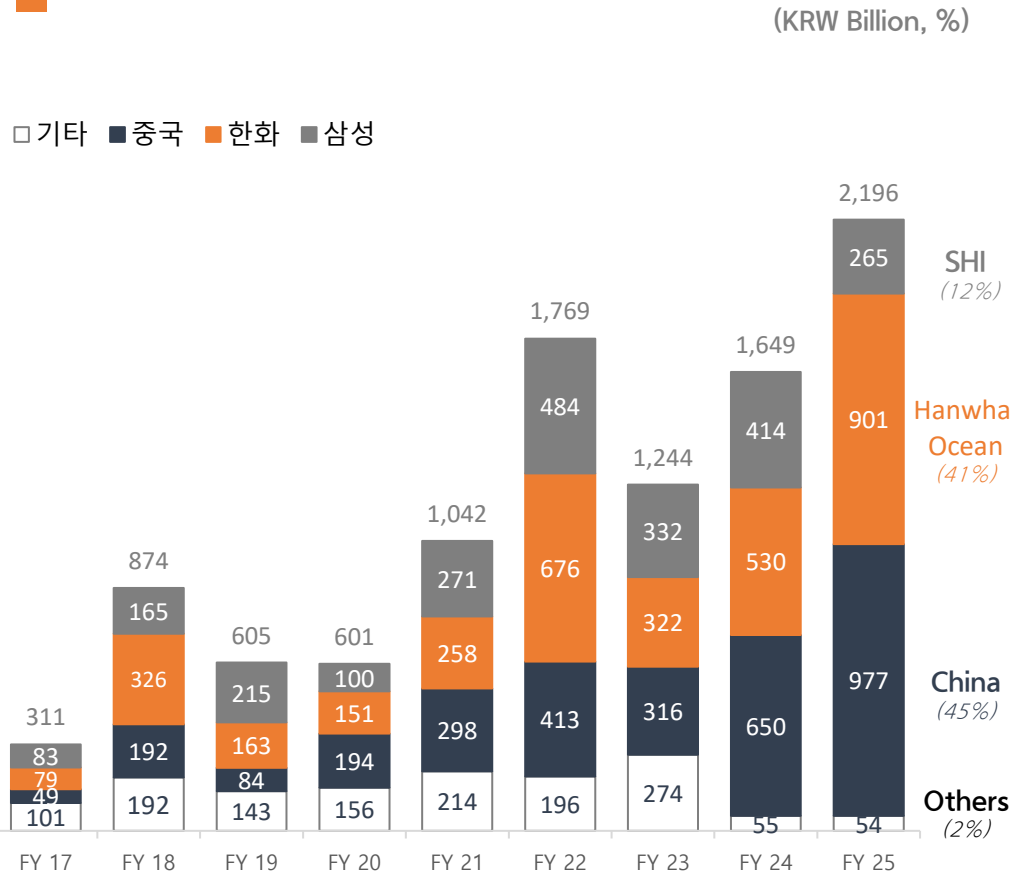
• Key Features

- Adoption of IMO NZF ³⁾ deferred by one year
- Uncertainty increases as the EU moves to strengthen its carbon regulations ⁴⁾.

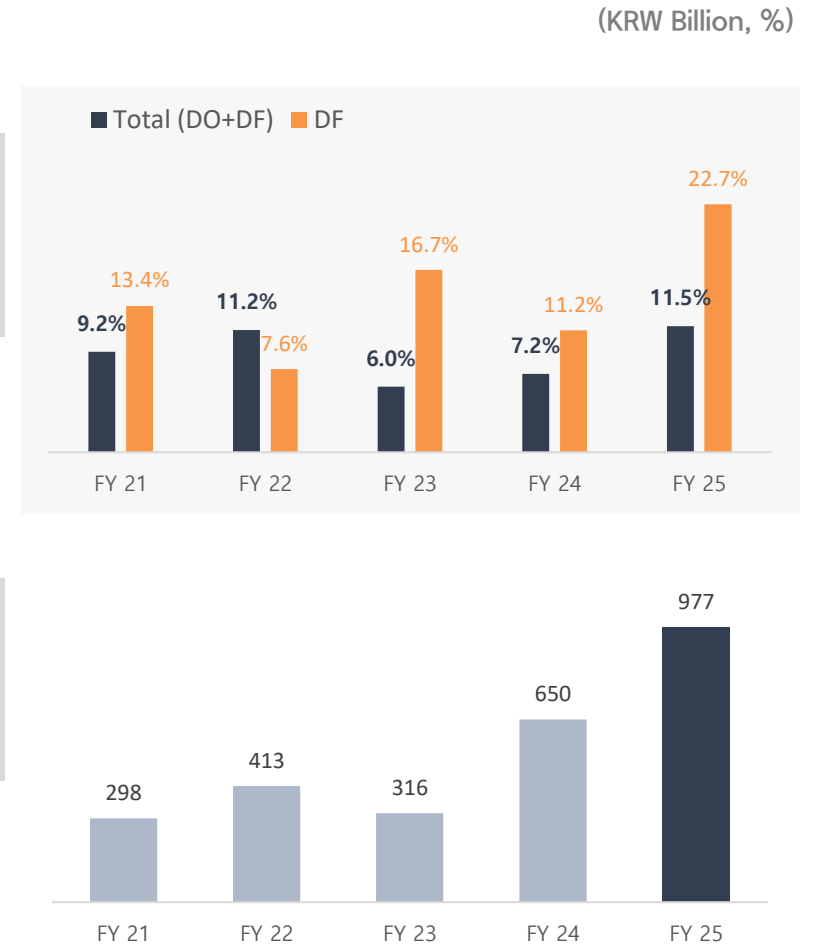
1) GFI: GHG Fuel Intensity 2) Direct Compliance target
 3) Net Zero Framework 4) ETS, Fuel EU

✓ balanced revenue sources : Samsung Heavy Industries, Hanwha Ocean, and Chinese shipyards.

Order Breakdown by customer



Chinese market



Overview

Company	Hanwha Engine Co., Ltd.
Date of Foundation	Dec. 30, 1999
Address	Sinchon-dong 69-3, Seongsan-gu, Changwon-si, Gyeongnam
Business	Marine engines / MRO/ Diesel engines for power plants
Exports	Local/direct Exports (93%), Domestic (7%)
Capital	₩83.4bn [2025.12.]
No. of Employees	857 [2025.12.]

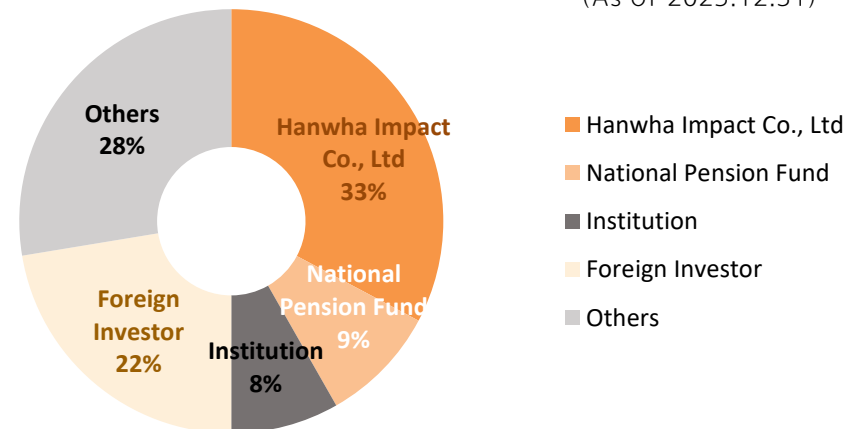
Business Areas

(KRW Billion, %)

Business Areas	2025 Revenue	Weight
Marine Engine	1,196	87.3%
AM	157	11.4%
SCR	16	1.2%
Powerplant	2	0.1%
Total	1,371	100%

Shareholders

(As of 2025.12.31)





Changwon Plant (Headquarter)



- Plant
- Site
- Branch

Hanwha Engine Two stroke & Four stroke Engine

Main Business (87% of total sales in 2025)

product Large vessel (e.g. LNGC, Container, Tanker, Bulker)

Licenser Everllence(f.k.a. MAN-ES), Win-GD

Customer Ship Builder (e.g. SHI, H/O, Yangzijiang, NTS)



Hanwha Engine AM Business *(After Market Business)*

Major Products

CYLINDER COVER



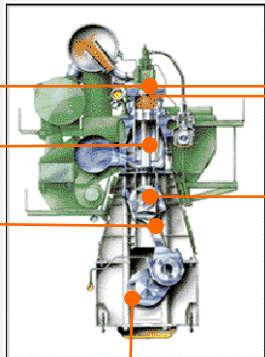
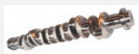
PISTON ROD



CONNECTING ROD



CRANK SHAFT



SPINDLE GUIDE



PISTON CROWN



CROSS HEAD PIN



Service Marine engines parts and technical service

Customer Major fleet owners, domestic agencies

Business overview

- Providing and Servicing maintenance parts for marine engine for entire lifecycle of vessel

Scope of Supply

Parts Supply

- > M/E, G/E, SCR
- > Correct Specification
- > Competitive Price
- > Just-In-Time Delivery

Tech. Service

- > Planning of Maintenance
- > Periodic Inspection
- > Recondition Service
- > Maintenance Service by well proven S/E

Environment Solution

- > Engine Part Load Optimization
- > NOx Monitoring Solution
- > EEXI Calculation

Digital Solution

- > Remote Monitoring
- > Performance Analysis
- > DIY or On-line Trouble Shooting
- > Tekomar XPERT, WMS

SEAM

Norway EPS SI M/S **40%**



- Electric propulsion



- Hydrogen fuel cell

NH

- Ammonia



- Charging and power



SEAM has delivered sustainable solution to 111 vessels across difference ship types.

*a leading international provider of **Low and Zero emission** to the maritime industry*

Key Business

- > Turnkey System
- > Service and Aftermarket
- > Digital Solution

Key Customers

- > Ferry and Cruise
- > Offshore
- > Merchant
- > Coastal Workboats

Environment Solution

- > Turn Key Hybrid / Electric Systems
- > Proprietary Automation Platform
- > Electrotechnical Services, Spare Parts, Training
- > Data Collection and Analytics