



4Q24 Earnings Release

Feb. 6, 2025



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4Q 2024 Business Results



1. Financial Results Summary
2. Operating Profit Overview
3. Sales Overview by Business
4. Sales Overview by Region
5. Financial Statement and Key Financial Ratios
6. Shareholders Return

1. Financial Results Summary

4Q24 Results

- ✔ Despite improved performance in India and Brazil, sales decreased by 6.7% YoY due to delayed demand recovery in developed markets and other emerging markets
- ✔ Although revenue declined, operating profit improved by 31.4% as one-off costs booked in 4Q23 provided a low comparison base

(unit : KRW bn)

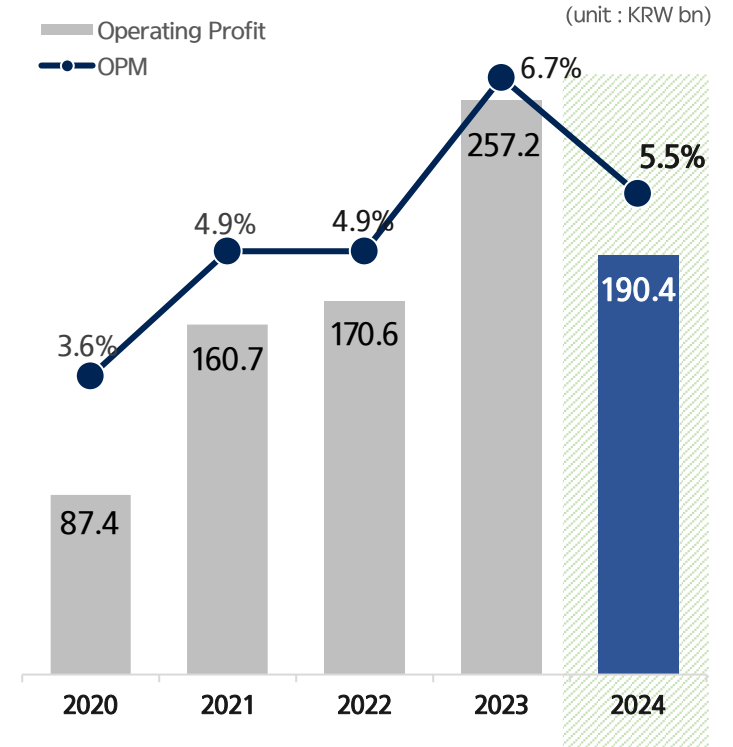
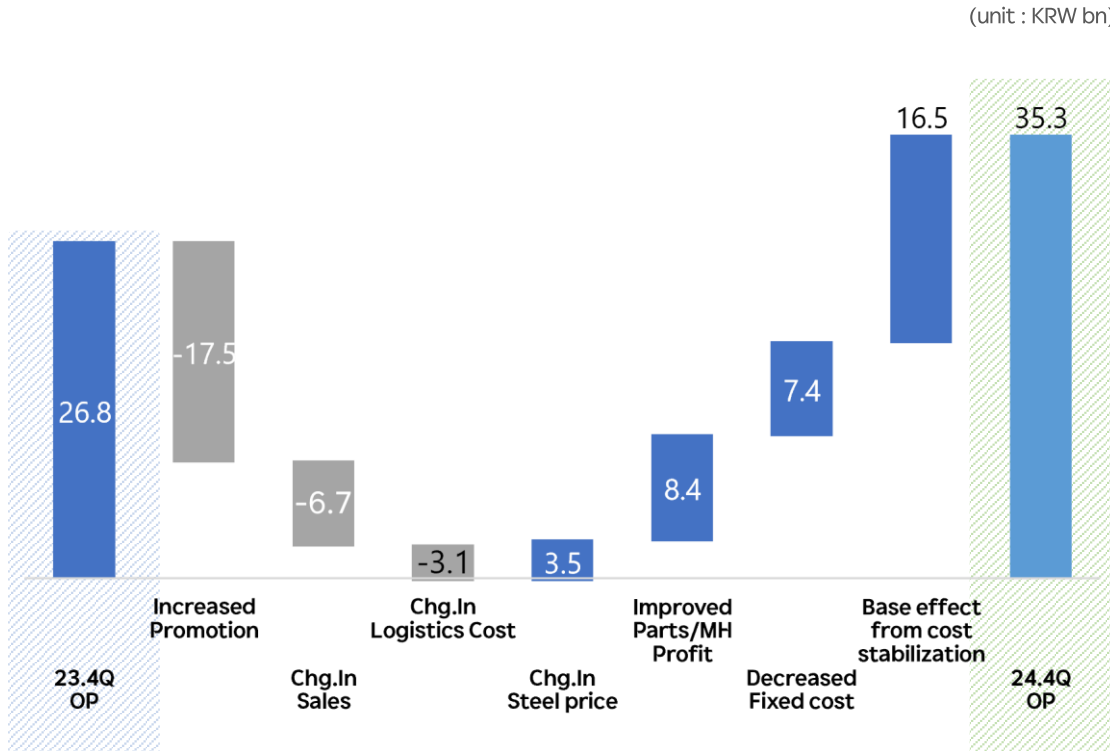
	4Q24	YoY	QoQ	4Q23	3Q24
Sales	789.1	-6.7%	-3.4%	845.9	816.8
Operating Profit	35.3	31.4%	-18.0%	26.8	43.0
OP Margin(%)	4.5%	1.3%p	-0.8%p	3.2%	5.3%
Non-Operating Profit	-28.2	-	-	-70.7	-27.2
Interest Income	-6.3	-	-	-11.5	-10.7
Foreign Exchange	24.2	-	-	-8.9	-14.3
Other	-46.1	-	-	-50.3	-2.2
Net Profit	-1.9	-	Turned to Loss	-42.8	11.5
Profit attributable to owners of the company	13.1	Turned to Profit	19.5%	-36.8	11.0

Note. Based on K-IFRS consolidated financial statements

2. Operating Profit Overview

Profit Analysis

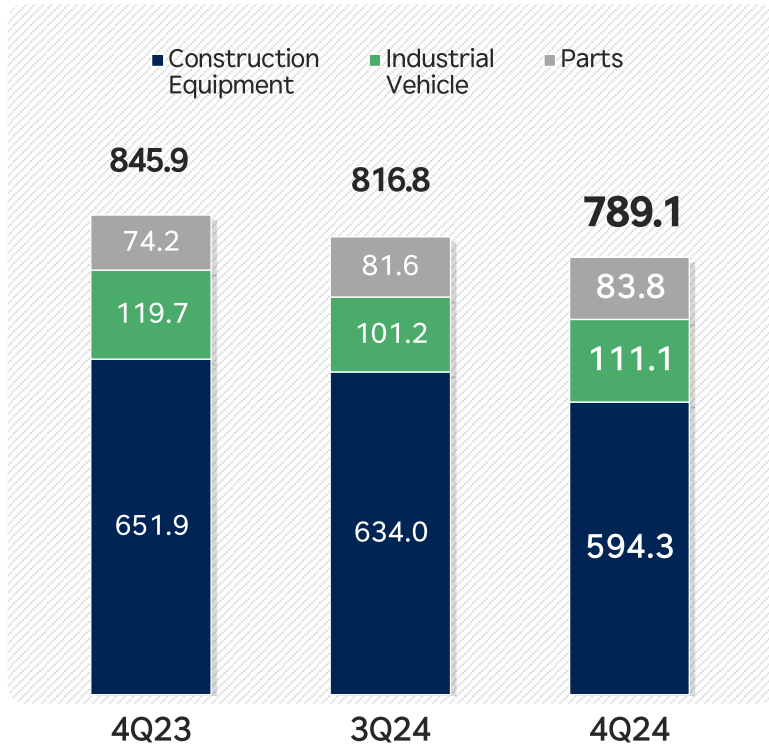
- ✓ [4Q24] Increased thanks to improved profitability and increased sales contribution from AM parts revenue and absence of one-time cost during the quarter.
- ✓ [2024] Decreased due to a decline in sales from slowing market demand, intensified competition, and increased promotional expenses to reduce dealer inventory



3. Sales Overview by Business

Sales by Business

(unit : KRW bn)



Sales Analysis

Construction Equipment

- Strong performance in India & Brazil
- However, sales decreased YoY due to lower demand in developed markets, coupled with weakened purchasing power in emerging markets.

	YoY	QoQ
Construction Equipment	-8.8%	-6.3%

Industrial Vehicle

- Decreased YoY due to a high comparison base of last year, but increased QoQ.

	YoY	QoQ
Industrial Vehicle	-7.2%	+9.7%

Parts

- Parts sales increased due to higher equipment retail sales driven by strengthened dealer promotions.

	YoY	QoQ
Parts	+12.9%	+2.7%

4. Sales Overview by Region

Sales Analysis by Region

(unit: KRW bn, %)

	2024							2023			Analysis (YoY)
	4Q			3Q Sales	Annual			4Q Sales	Annual		
	Sales	YoY	QoQ		Sales	%	YoY		Sales	%	
Emerging*	206.7	-23%	-18%	252.5	1,014.3	30	-25%	268.7	1,352.4	35	Impacted by 1) weaker purchasing power due to strong US dollar and 2) prolonged geopolitical risks
North America	199.3	-15%	-2%	203.2	860.4	25	-12%	235.4	982.8	26	Delayed recovery due to policy uncertainty under the Trump Administration
India	132.0	14%	27%	104.2	495.2	14	14%	116.2	435.2	11	Infrastructure investment supported the growth momentum
Europe	90.1	-16%	-7%	97.0	392.3	11	-16%	107.0	469.2	12	Continued weakness in demand from major countries, particularly in Western Europe
Brazil	48.9	26%	-16%	57.9	216.4	6	25%	38.7	173.3	5	New product lineup for MEX and midi products led to improvement in market position
Korea	49.4	19%	-7%	53.0	247.9	7	3%	41.4	240.6	6	Improved due to low comparison base and active promotional activities
China	62.7	63%	28%	49.0	211.6	6	23%	38.4	171.4	4	Increase in demand driven by WEX**, MEX** and extra-large excavators (125T)
Total	789.1	-6.7%	-3.4%	816.8	3,438.1	100	-10.1%	845.9	3,825.0	100	

* Emerging : Including regions such as Central/South America, Middle East, Africa, Asia and Türkiye-Israel

** MEX: Mini Excavator / WEX: Wheel Excavator

5. Financial Statement and Key Financial Ratios

Summarized Financial Statement

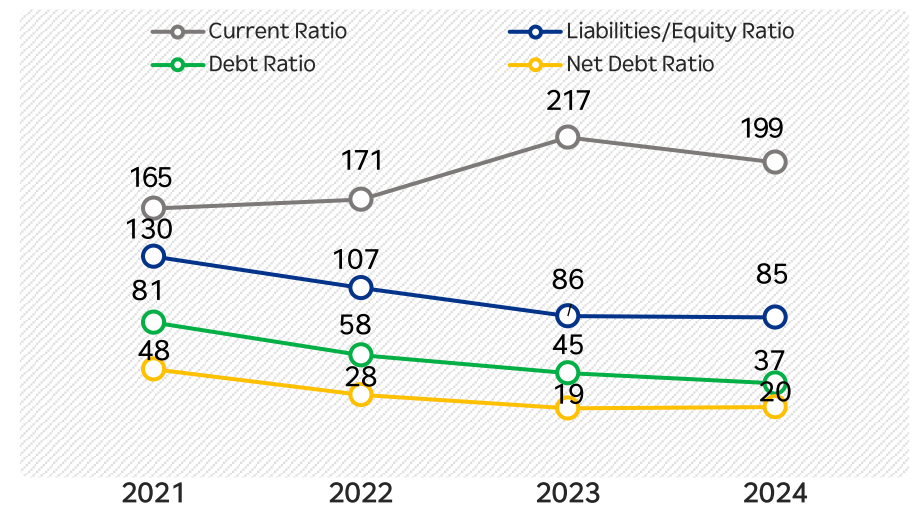
(unit : KRW bn)

	2024	2023	2022	2021
Total Assets	3,325	3,297	3,449	3,554
Current Assets	2,113	2,199	2,351	2,470
Non-current Assets	1,212	1,098	1,098	1,085
AR and others	662	635	708	877
Cash Equivalents & Financial Assets	305	459	488	525
Total Liabilities	1,531	1,526	1,781	2,007
Current Liabilities	1,064	1,014	1,374	1,499
Non-current Liabilities	467	512	408	507
AP and others	543	402	457	428
Borrowings	664	790	963	1,261
Net Borrowings	359	331	475	737
Total Equity	1,794	1,771	1,667	1,548

Note. Based on K-IFRS consolidated financial statements

Key Financial Ratios

(unit : %)

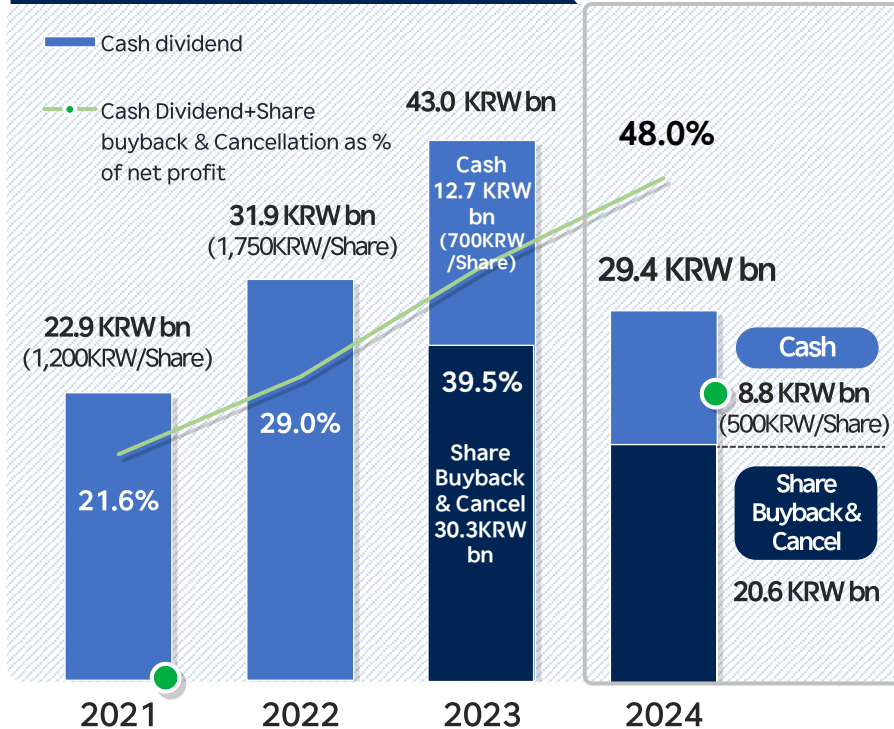


✓ Excellent financial soundness secured through stable operating cash flow from diversified regional portfolio.

6. Shareholders Return

- ☑ Reflective of our profitability, investment plans and financial structure, we allocate more than 30% of net income to enhance shareholder value.
- ☑ In 2025, we plan to continue our efforts towards enhancing shareholder return with both cash dividends and share repurchase & cancellation. Our shareholder return ratio is expected to reach 48%.

FY '24 Shareholder return



Share Buyback and Cancellation

2024 Share Buyback and Cancellation

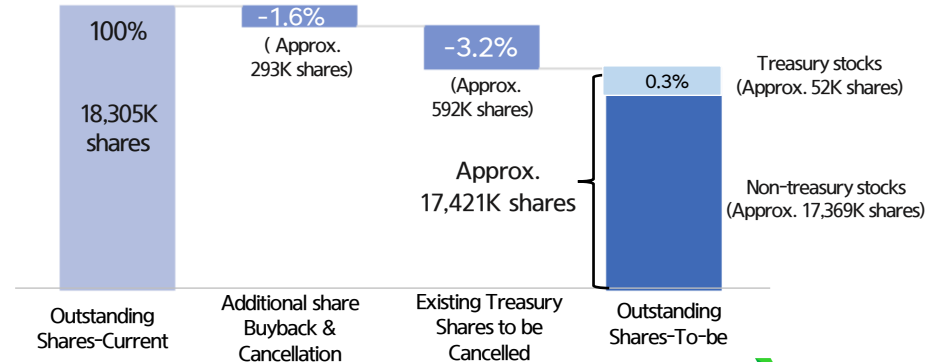
- 1) Cancelled 853,697 of treasury stock already held
- 2) Bought & Cancelled 541,510 shares

2025 Share Buyback and Cancellation

- 1) To purchase and cancel 20.6 KRW bn of treasury stock (approximately 293,030 shares*).

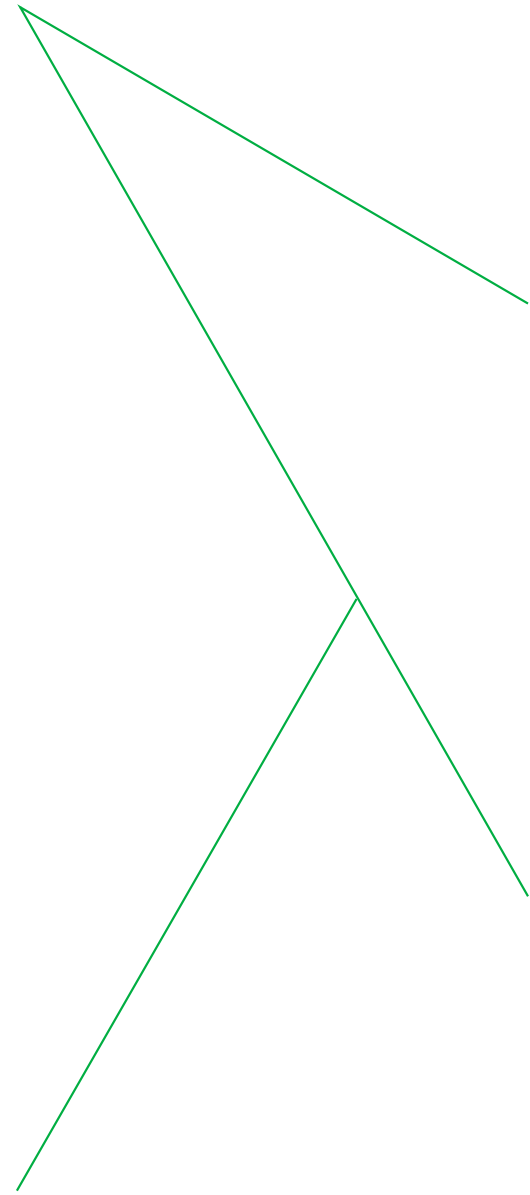
* Estimation based on the closing price of 70,300 KRW on Jan. 23, 2025

- 2) Cancellation of 592,000 shares out of 643,797 shares of treasury stock held (with plans to cancel the remaining 51,797 shares)



2025 Market Outlook & Business Plan

1. Business Plan for 2025
2. 2025 Strategic Direction and Key Strategies
3. Market Outlook for 2025
 - 3-1. North America & Europe
 - 3-2. India & Brazil
 - 3-3. Other Emerging Markets
 - 3-4. China



1. Business Plan for 2025

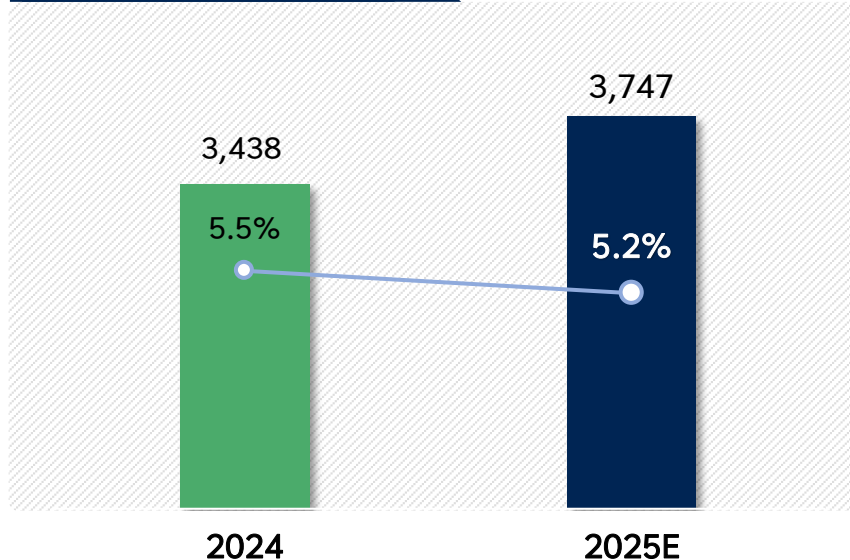
Business Plan

Sales of KRW 3,747 bn, Operating profit of KRW 194.6 bn, OPM 5.2%

- Sales : Despite decreased demand due to growing global uncertainty, we forecast sales to grow by 9% YoY through improved market position
- Operating profit : We expect operating profit to increase year-on-year, however, profit margin should decline marginally due to continued market weakness and resultant intensified price competition.

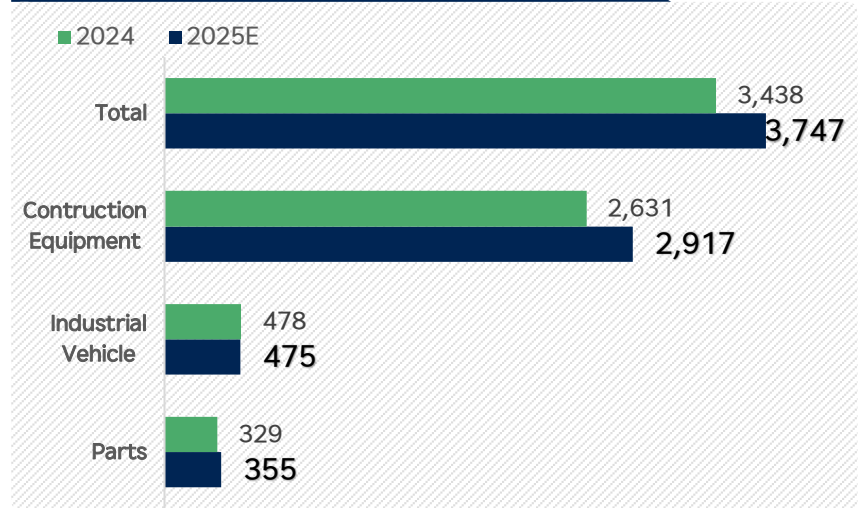
Sales and OPM outlook

(unit : KRW bn)



Sales forecast by business segment

(unit : KRW bn)



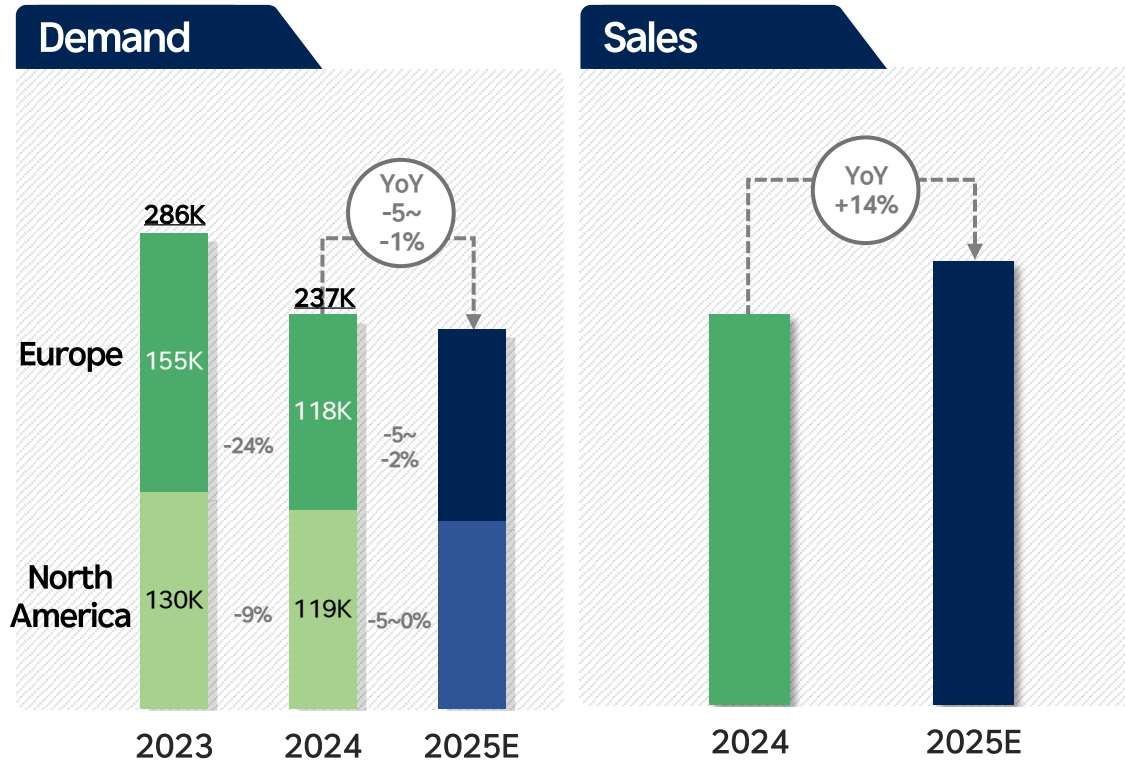
2. 2025 Strategic Direction and Key Strategies

- ✓ Focusing on strengthening internal management and proactive risk management to maintain resilience amid market downturns, while effectively expanding the competitive advantage foundation in preparation for market recovery



3-1. Market Outlook for 2025

North America & Europe



Note : Market volume based on excavator+mid/large wheel loaders. Sales includes industrial vehicles.
Source : Company data

✓ Demand recovery expected to be delayed due to market uncertainty

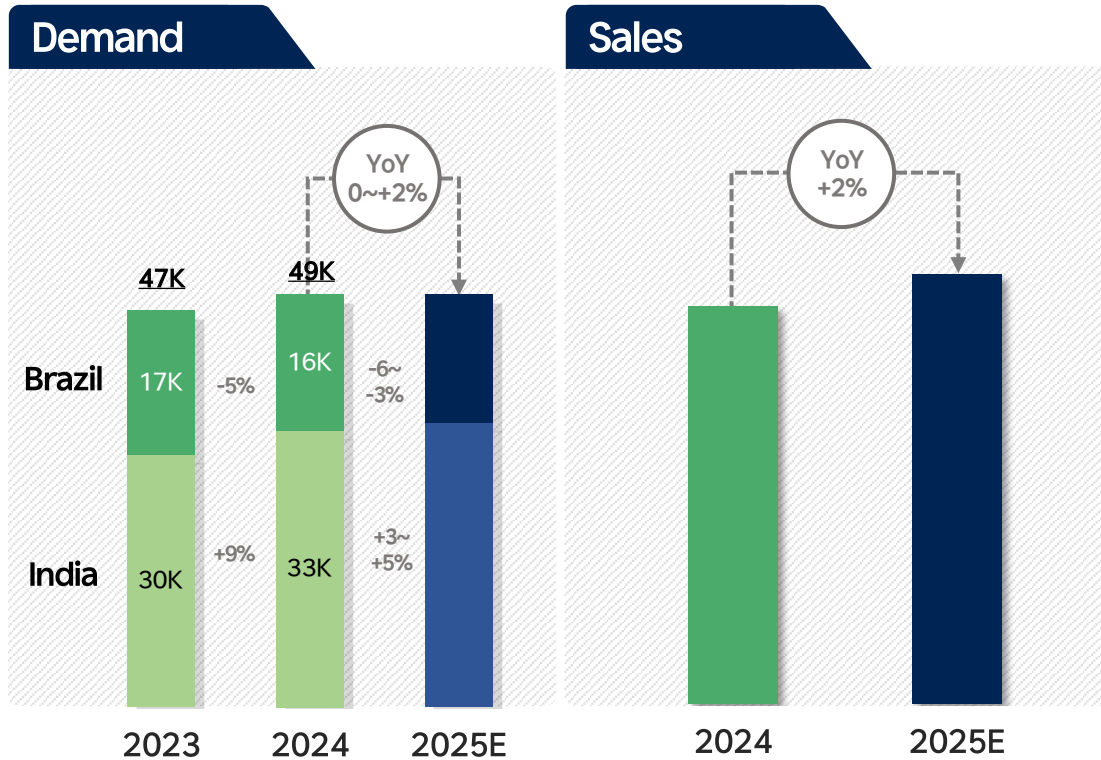
- N/A : While there are expectation for interest rate cuts and infrastructure investment in Trump's 2nd term, continuous monitoring is required.
- EU : Economic slowdown is expected to continue for the time being due to the recession in Western Europe.

✓ Reduced dealer inventory in 2024 lays the foundation for sales rebound in 2025

- To pursue M/S expansion in developed market via dealer consolidation and channel development
- Established a parts distribution center in Canada and will launch next gen. models (35 ton, 38 ton) in April 2025

3-2. Market Outlook for 2025

India & Brazil



Note : Market volume based on excavator+mid/large wheel loaders. Sales includes industrial vehicles.
Source : Company data

✓ [India] Develop as a new growth Hub

- Government led infrastructure investment is expected to continue based on a stable political environment.

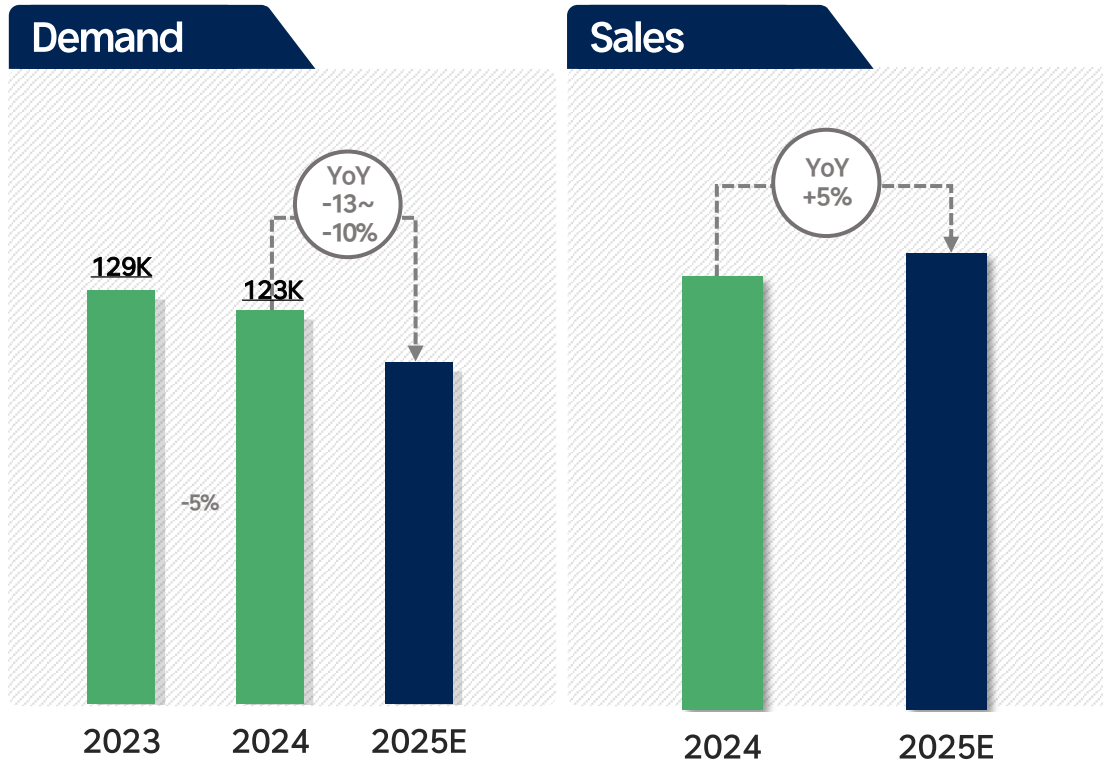
✓ [Brazil] Demand is expected to decline due to interest rate hikes and the depreciation of the BRL

✓ Focus on qualitative growth as a global supply plant

- Strengthen market position through product lineup expansion
 - India : Boost sales of mini and large equip.
 - Brazil : Expand market coverage through BHL & MGD* sales
- Expand India plant's role as a global low-cost supply plant

*) BHL : Backhoe loader / MGD : Motor grader

Other Emerging Markets



✓ The prolonged high interest rates, high F/X rates, and falling commodity prices are expected to lead to demand adjustment

- The outlook is expected to vary depending on each country's economic condition and policy responses
- The downward trend in commodity prices is expected to slowdown the growth of resource-rich countries

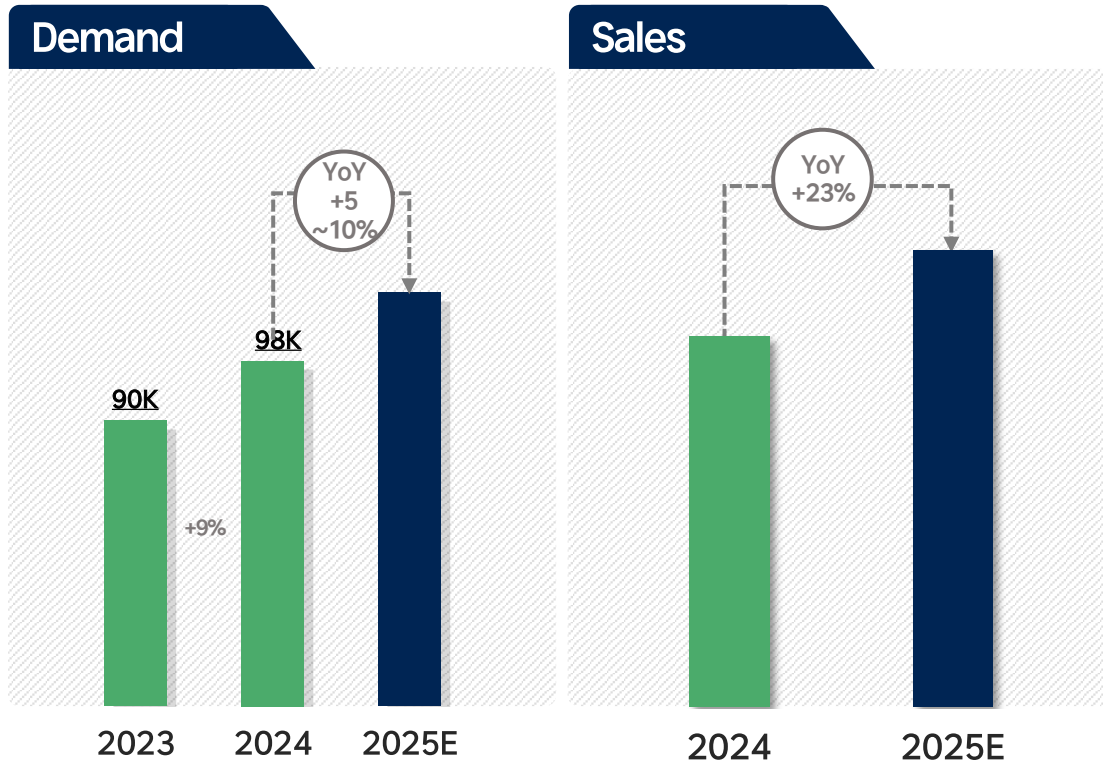
✓ Sales expansion will be pursued based on an enhanced sales network

- Sales are expected to increase in Africa (Algeria, Libya)
- Order growth expected in Philippines, Israel, and Qatar
- Strengthen local sales network using newly established subsidiaries in Latin America
- Enhance profitability by leveraging global production plant in India, Brazil, and China

Note : Market volume based on excavator+mid/large wheel loaders. Sales includes industrial vehicles.
Source : Company data

3-4. Market Outlook for 2025

China



✓ The demand recovery from 2H24 expected to continue

- In 2024, demand started to recover for mid size equipment, but with large-scale economic stimulus measures, a recovery in the large-scale is also expected in 2025

✓ Sales to increase due to strengthened sales and product competitiveness

- Strengthened channel competitiveness through expansion of dealer coverage
- Regional diversification and volume expansion will be pursued by utilizing the ultra-large line-up (65, 70, 80, 100 tons)
- Expand sales toward overseas construction projects of Chinese construction companies

Note : Market volume based on excavator+mid/large wheel loaders. Sales includes industrial vehicles.
Source : Company data

