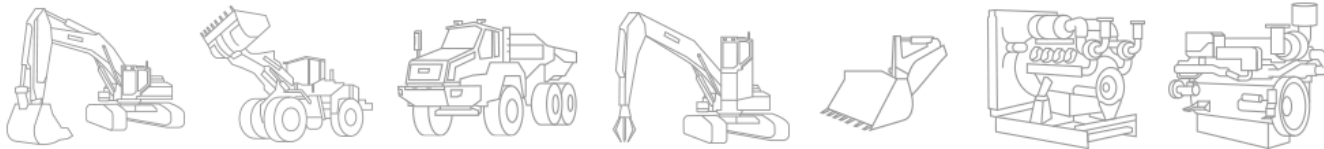




1Q26 Earnings Release

April 2026



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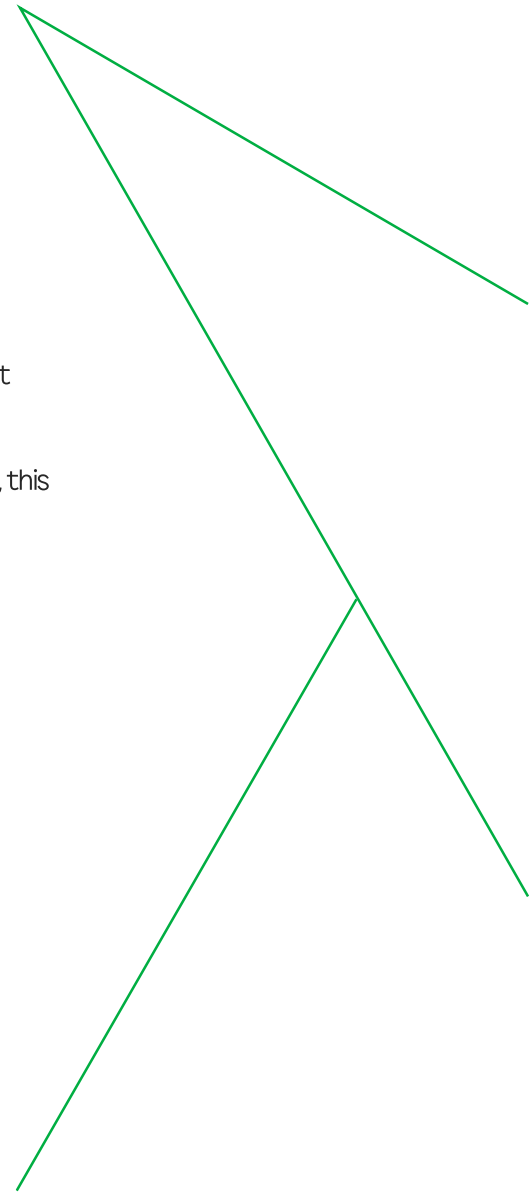
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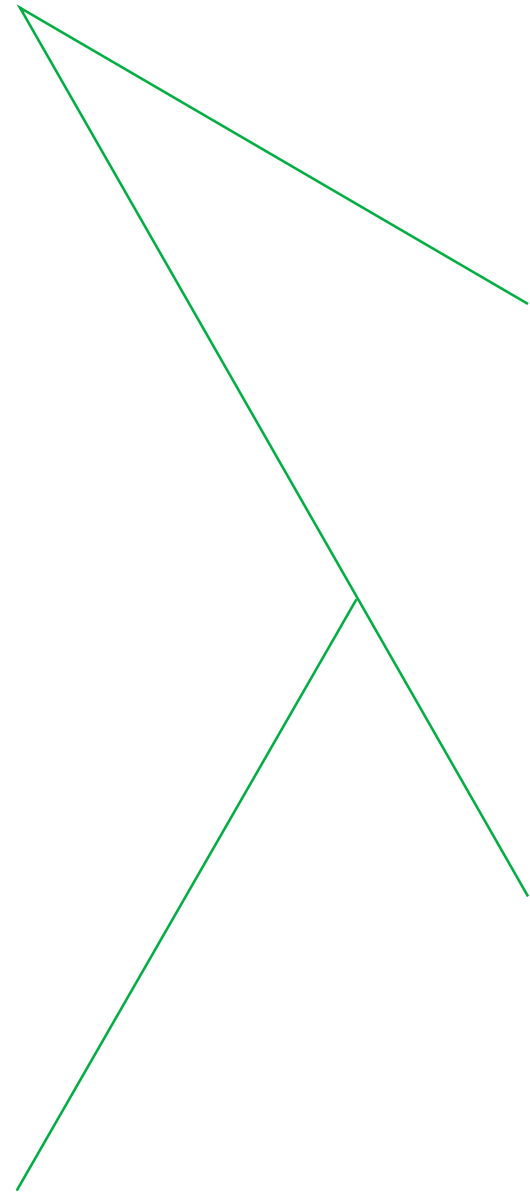
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1. 1Q26 Results

1Q26 Results

Growth of sales +22% YoY and EBIT +88% YoY from CE and engine divisions

- Accelerated sales growth from key regions in construction equipment and steady sales from industrial and defense engines led to overall sales growth of +22% YoY.
- EBIT also grew +88% YoY due to improved profitability from construction equipment division as well as solid profit contribution from engine division.

(Unit : KRW bn)

| | 1Q25 | 4Q25 | 1Q26 | QoQ | YoY |
|---|---------|---------|---------|-----------|---------|
| Sales | 1,887.9 | 2,008.5 | 2,304.9 | +14.8% | +22.1% |
| EBIT | 101.3 | 54.6 | 190.7 | +249.5% | +88.3% |
| EBIT Margin(%) | 5.4% | 2.7% | 8.3% | +5.6%p | +2.9%p |
| Net Financial Cost | -18.4 | -17.2 | -16.3 | - | - |
| F/X Gains/Loses | 12.9 | 19.0 | 54.8 | +188.7% | +324.9% |
| Pretax Profit | 86.9 | 22.5 | 224.4 | +895.8% | +158.2% |
| Net Profit | 59.3 | 1.4 | 173.9 | +12637.8% | +193.4% |
| Profit attributable to owners of parent | 62.0 | 5.0 | 173.9 | +3394.1% | +180.6% |

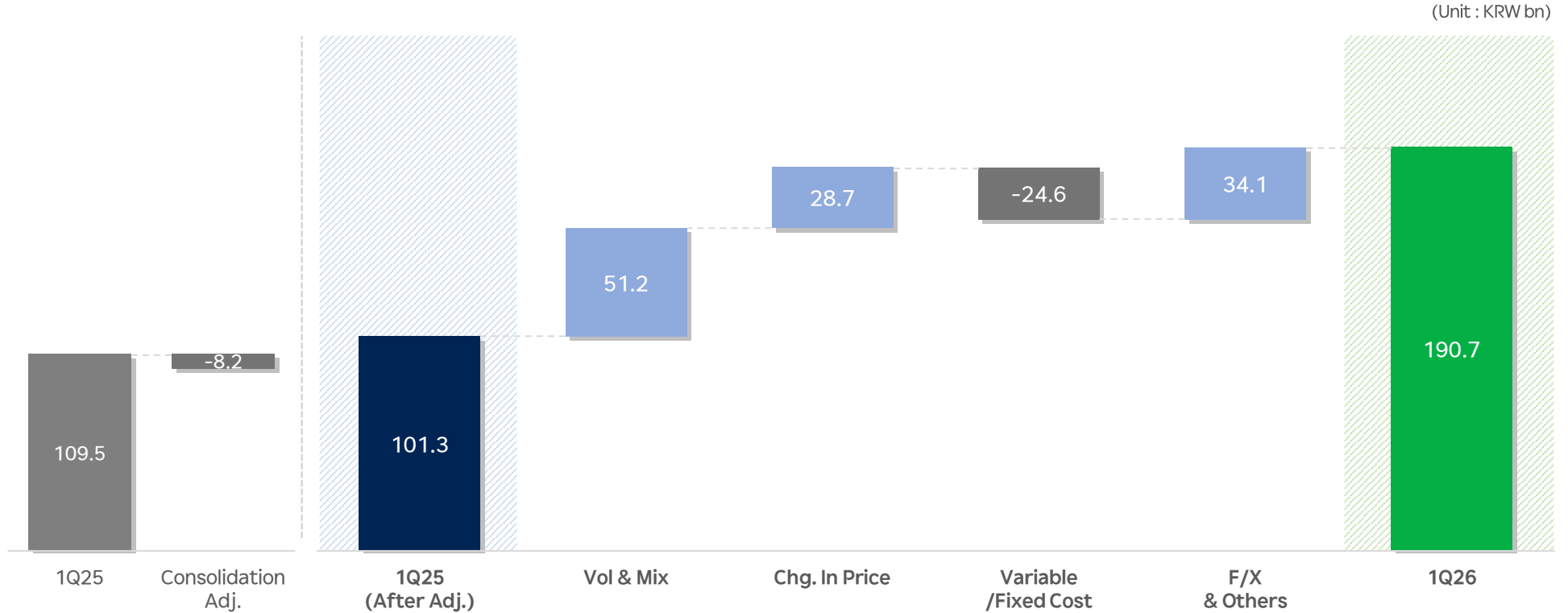
※ Based on K-IFRS consolidated financial statements

4 ※ 2025 financials are based on internal data under the assumption of a merger and have not been audited.

2. EBIT Analysis

EBIT Analysis

- EBIT grew substantially by +88% YoY thanks to volume growth and product mix improvement. Furthermore, price hike, lower promotional expenses and F/X were also positives towards EBIT.



※ Combined EBIT in 1Q25 is KRW101.3bn based on the company's internal data.

(Simple addition of HCE/HDI EBIT is KRW 109.5bn and needs to reflect KRW 8.2bn in consolidated adjustment.

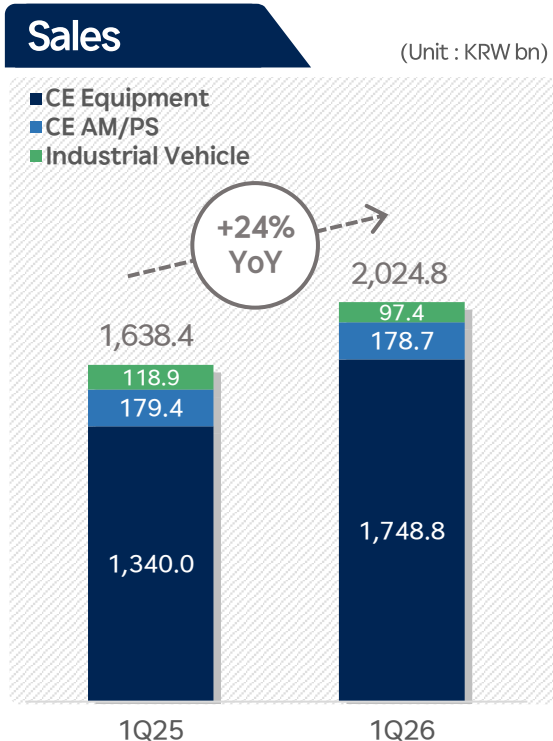
※ Exchange rate average: 1Q25 1,453 KRW/USD → 1Q26 1,464 KRW/USD, 1Q25 1,528 KRW/EUR → 1Q26 1,714 KRW/EUR

3. Analysis by Division – Construction Equipment

Construction Equipment

Sales : Strong growth backed by positive global demand and enhanced sales mix

- Better-than expected growth in North America contributed towards double-digit growth amid strong performance in Europe and emerging markets such as Africa, Central and South America.
- Industrial vehicles was sluggish due to delayed sales recovery in North America, but impact was limited.

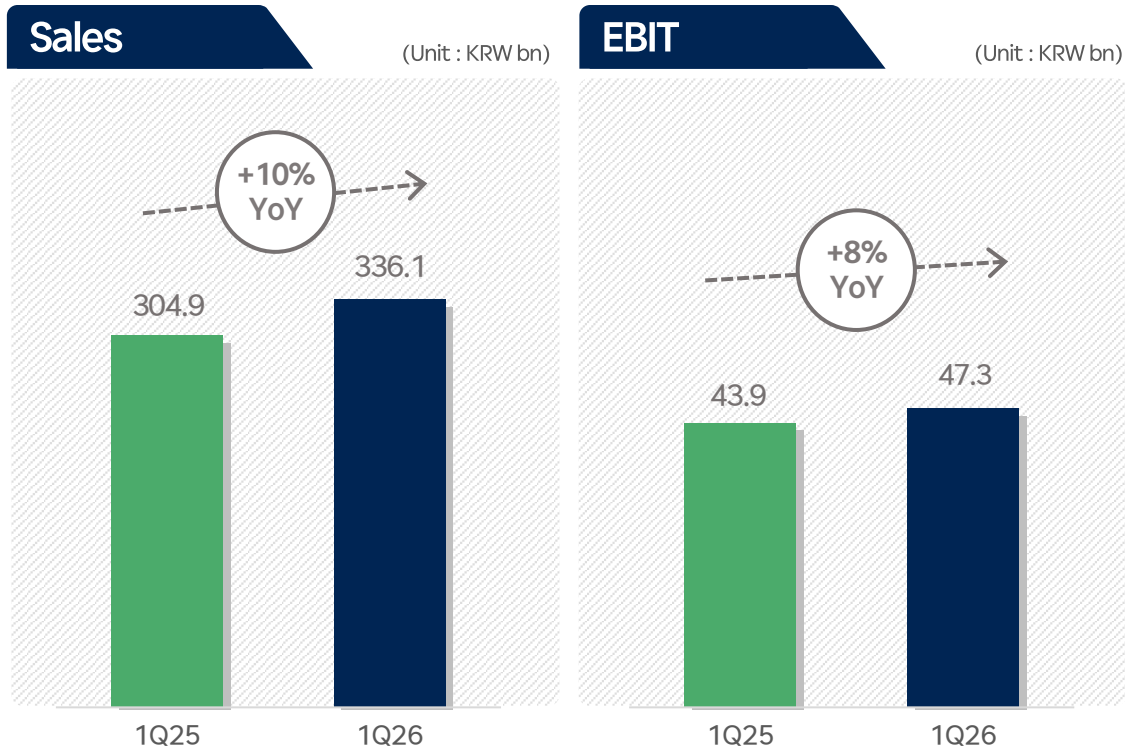


(Unit : KRW bn)

| | | 1Q25 | 1Q26 | YoY |
|------------------------------|-------|---------|---------|---------|
| Construction Equipment Sales | | 1,519.5 | 1,927.5 | +26.9% |
| Equipment Sales | | 1,340.0 | 1,748.8 | +30.5% |
| America | NA | 147.3 | 185.5 | +26.0% |
| | LA | 131.0 | 191.7 | +46.3% |
| EMEA | EU | 176.8 | 281.2 | +59.0% |
| | ME/AF | 197.1 | 331.3 | +68.1% |
| APAC/CIS | Korea | 244.6 | 285.4 | +16.7% |
| | China | 145.0 | 169.6 | +17.0% |
| | India | 146.0 | 157.0 | +7.6% |
| SEA/CIS/OC | | 135.0 | 133.3 | -1.2% |
| Others | | 17.3 | 13.8 | -20.5% |
| AM/PS Sales | | 179.4 | 178.7 | -0.4% |
| Construction Equipment EBIT | | 61.4 | 148.6 | +141.9% |
| EBIT Margin (%) | | 4.0% | 7.7% | +3.7%p |
| Industrial Vehicle Sales | | 118.9 | 97.4 | -18.1% |
| Total – CE + IV Sales | | 1,638.4 | 2,024.8 | +23.6% |

3. Analysis by Division – Engine

Engine



✓ Sales: Gradual demand recovery

- Amid positive global economic recovery, sales grew +10% YoY thanks to demand for both in-house and 3rd party industrial engines.
- Demand for generator engines should become more evident from 2Q in line with continued demand in North America & emerging markets.

✓ EBIT : Steady double-digit margin

- EBIT improved with sales growth and price hike.
- We continue to expect enhanced sales and EBIT improvement based on 1) conversion to electronic engines, 2) growing contribution from large diesel/gas generator engines, 3) full-scale defense engine sales, as well as 4) accelerated synergy within the group.

※ Sales of the engine division do not reflect consolidated adjustments such as removal of in-house revenue.

4. Financial Structure

Statement of Financial Position

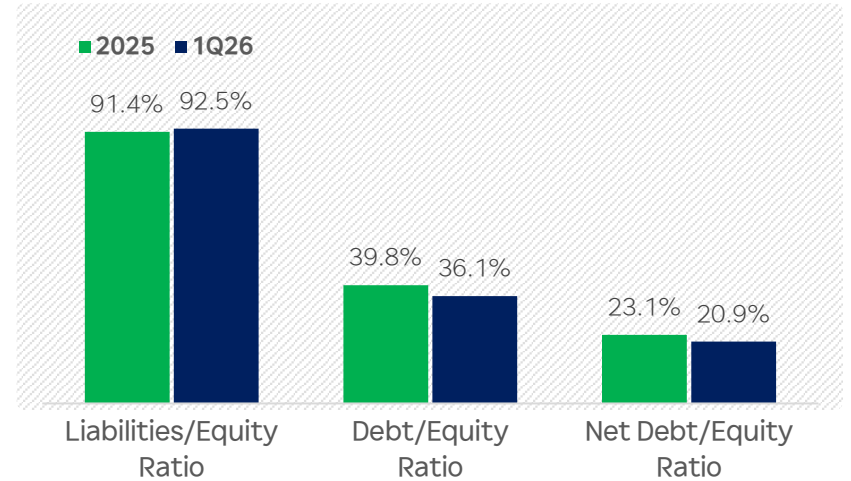
(Unit : KRW bn)

| | 2025 | 1Q26 |
|-----------------------------------|---------|---------|
| Total Assets | 8,838.9 | 9,297.1 |
| Cash & Cash Equivalent | 768.3 | 734.7 |
| Current Assets | 4,947.6 | 5,361.7 |
| Fixed Assets | 3,891.3 | 3,935.3 |
| Total Liabilities | 4,220.3 | 4,467.3 |
| Debt | 1,836.8 | 1,742.0 |
| Net Debt | 1,068.6 | 1,007.3 |
| Total Shareholder's Equity | 4,618.5 | 4,829.8 |
| Liabilities/Equity Ratio | 91.4% | 92.5% |

※ Based on K-IFRS consolidated financial statements

※ 2025 financials are based on internal data under the assumption of a merger and have not been audited.

Key Financial Ratios



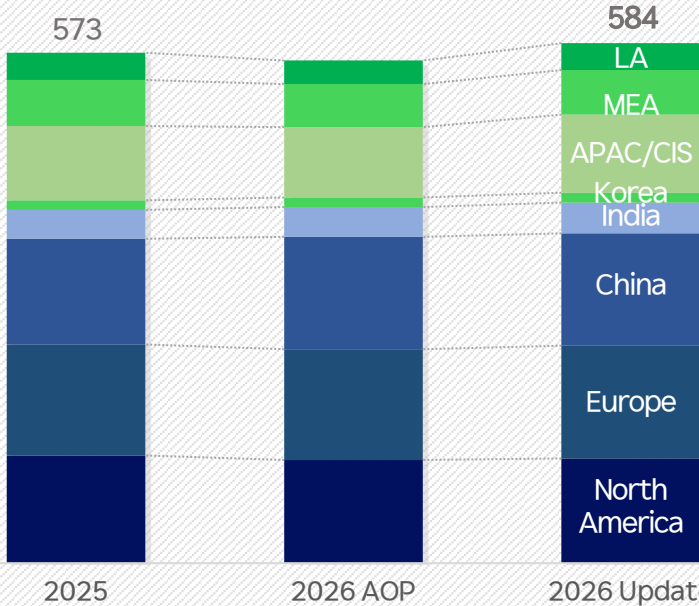
- ✔ Liabilities/equity ratio increased marginally with high-demand season, but it should decline at year-end.
- ✔ On top of investment for future growth and plans to enhance shareholders' return, we will endeavor to further improve our financial structure.

5. Market Outlook Update – Construction Equipment

Market Outlook

Market Outlook - AOP

(Based on sales volume, '000 units)

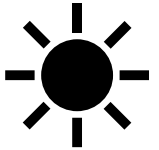


- Risk factors: Prolonged US-Iran war, tariff uncertainty
- If war is prolonged, we expect potential risks such as constraints on logistics/parts supply and stagnant demand.

North America, Europe

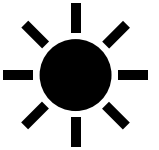
- In North America, demand for excavators is stagnant, but demand for CTL/ADT is steadily increasing.
- In Europe, demand continues to recover, mainly in Northern Europe and UK.

Rel. to AOP



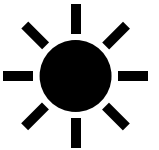
APAC/CIS, MEA, LA

- Mining demand remains stable in resource-rich countries (Africa, Central/South America and Asia)
- Infrastructure investment accelerated in major countries to build roads, ports, and railways.



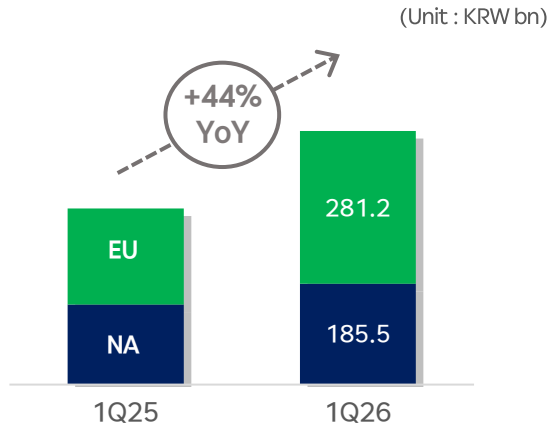
India, China, Korea

- Solid demand in India backed by favorable real estate policies and budget for infrastructure investment.
- Growing demand in China for small/wheel excavator due to fiscal policies and plans on rural revitalization.
- Demand in Korea remains similar to last year thanks to firm replacement demand.



5. Market Outlook Update – Construction Equipment

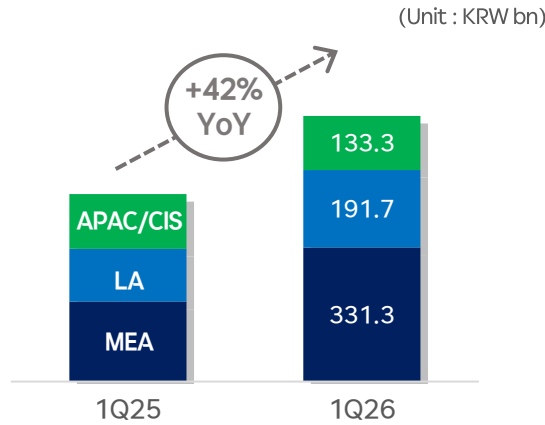
NA/EU



(+) Product competitiveness ↑

- NA: (+) Sale in full swing for 5 new models (heavy and CTL) from 2Q26, (+) sales of large equipment such as ADT, (-) uncertainty over tariffs.
- Europe: (+) Solid performance in UK, France, Germany and Northern Europe. (+) successful introduction of next-gen new models, (+) enhanced competitiveness of wheel excavators

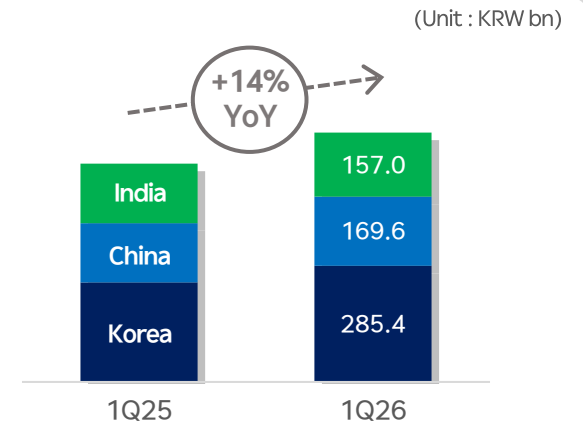
APAC/CIS / MEA / LA



(+) Growth for large/compact ↑

- APAC/CIS: (+) Orders for ultra-large equipment in Asia such as Mongolia and (+) compact equipment sales in Oceania
- MEA: (+) solid performance in Africa, (-) ME demand may slow if war is prolonged
- LA: (+) Expansion of mining investment in Colombia, (+) sale of mid and large equipment led to mix improvement and enhanced profitability.

India/China/Korea



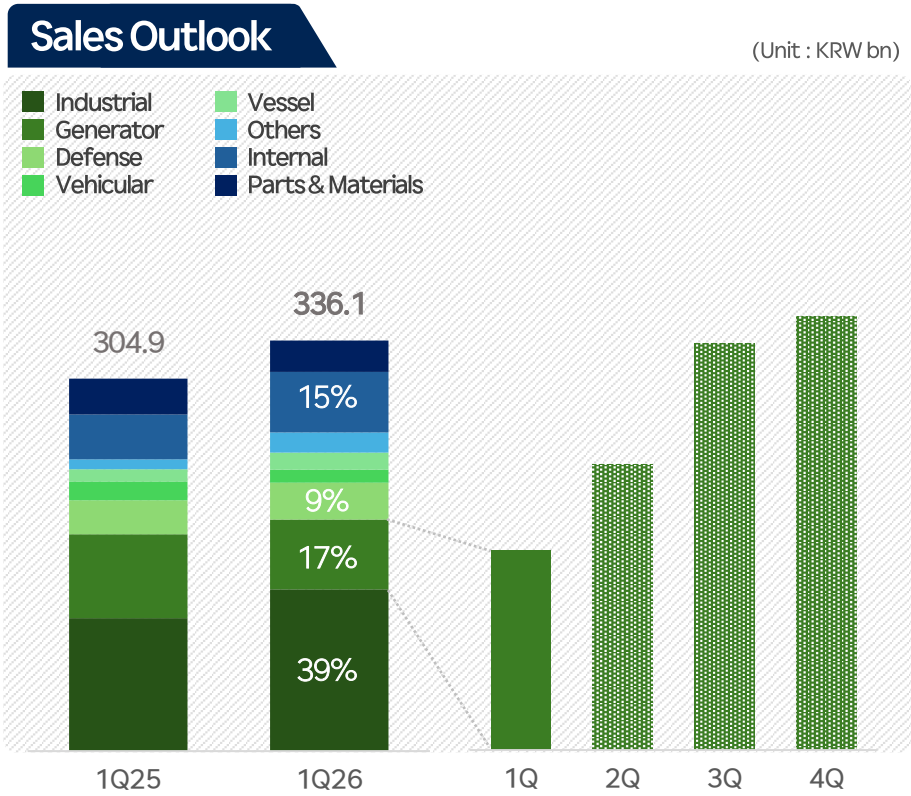
(+) Infrastructure demand ↑

(+) Product competitiveness ↑

- India: (+) Strong demand for construction equipment, (+) favorable sales expected for 20-ton class.
- China: (+) Increased overseas construction and exports, (+) economical model introduced to target compact market
- Korea: (+) Solid sales of next-gen models, (+) stronger customer care program

5. Market Outlook Update – Engine

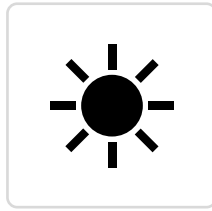
Engine



Rel. to AOP

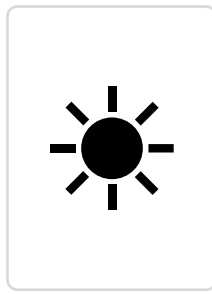
Industrial

- Faster than expected recovery in line with improved global demand for construction and general industrial engine applications.



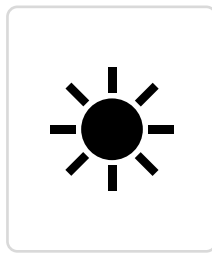
Generator

- Sales slowed somewhat due to recent trends in the North American oil & gas industry, but fast recovery is anticipated.
- Demand for power generation to lead to growth in microgrid and backup generator markets.



Defense

- As geopolitical conflicts continue, demand is increasing in regions such as Eastern Europe and Middle East. We expect additional export contract opportunities on top of existing contracts.



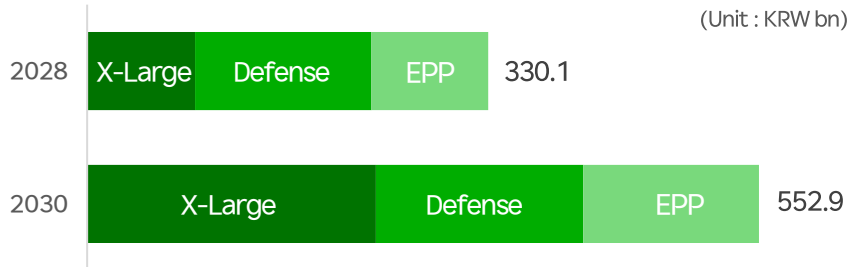
※ Sales of the engine division do not reflect consolidated adjustments such as removal of in-house revenue.
 ※ Generator engine sales during 2Q~4Q are based on internal estimate

5. Market Outlook Update – Engine

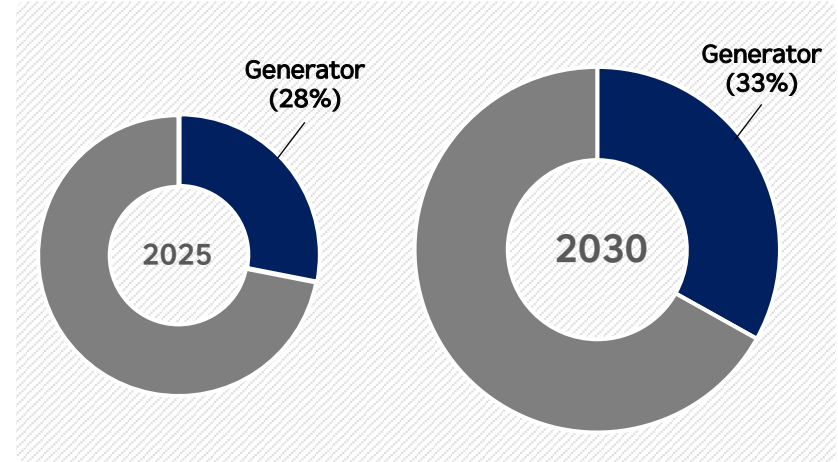
Update on Gunsan Plant



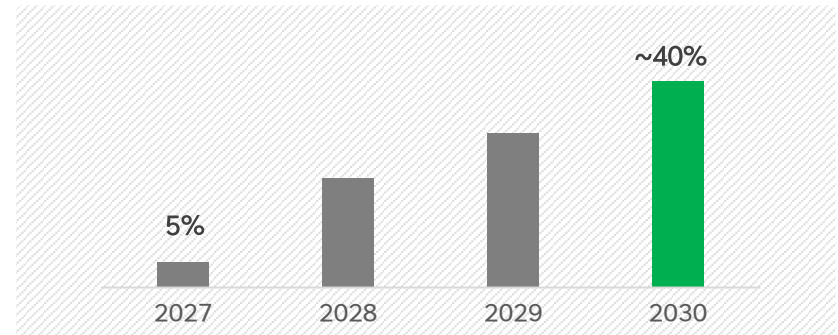
Sales Outlook for Gunsan Plant



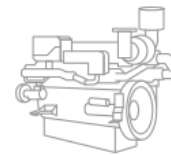
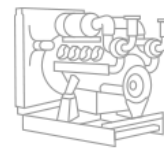
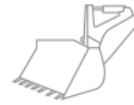
Sales Contribution from Generators



Sales Contribution from X-Large Generators



※ Sales contribution from X-large generators within generator sales



Construction Equipment

Q. HCE revenue growth and Outlook in 1Q (vs. Global market)

- Global CE market grew approximately +5% YoY in Q1, while HCE's construction equipment division sales grew +27%.
- Key factors to consider going forward:
 - (+) Global market recovery, sales synergy across brands, and new next-generation model launches
 - (-) Prolonged conflict in the Middle East, and potential rise in freight and raw material costs

Q. Monthly sales trend – January through March

- Steady monthly sales trend likely driven by market recovery rather than restocking demand.

Q. NA Update – Inventory, tariff and pricing policy

- Dealer inventory returned to healthy levels
- Pricing policy will be determined by market conditions.

Q. Risks and post-war reconstruction demand in Middle East

- Prolonged Middle East conflict could dampen global demand due to higher oil prices and disrupt parts supply chains.
- Both HYUNDAI and DEVELON maintain a strong market presence in the Middle East and Eastern Europe, and as such we are well-positioned to capture post-war reconstruction demand.

Engine

Q. Potential overlap between HCE's ex-large engines and mid-speed marine engines

- HCE's engines primarily target the standby power generation market, which has limited overlap with mid-speed engines used in the marine sector.

Q. R&D plans for ex-large engine product lineup

- HCE currently produces engines for 1MW-class generators. R&D for ex-large engines is underway and once the engine capacity expansion at the Gunsan plant is complete, our lineup will extend up to 3MW-class.
- Product development is in progress under close collaboration with key customers.

General

Q. Plans to revise annual guidance

- Q1 earnings and global market conditions are both better than expected. However, we maintain our guidance given current global uncertainties such as geopolitical risks.