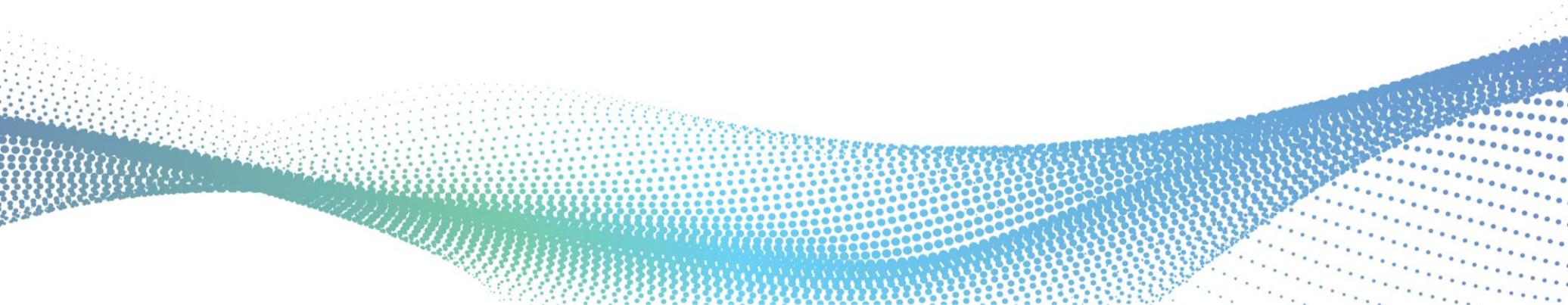


# SECOND QUARTER 2021

Financial Results

HYOSUNG CORPORATION



# | What's Inside |

2Q 2021 Financial Results ..... 3p

Financial Performance by Company ..... 6p

**Appendix** ..... 9p

1. Financial Summary by Company
2. Hyosung P/L Analysis: Consolidated vs. Separate
3. Governing Structure
4. Dividend & Price–Dividend Yield

## HYOSUNG CORPORATION

2Q 2021 consolidated earnings and past consolidated earnings presented in this presentation are based on K-IFRS accounting standards. Historical data is provided for comparison purposes.

Information in this presentation has not been audited nor reviewed yet, and thus, is subject to change during the audit or review. Forward looking statements have been made with consideration of current status of the business environment and are also subject to change according to changes in the business environment, as well as the company's strategy.

# 2Q 2021 Financial Results

## Quarterly Profit/Loss Statement (Consolidated)

(Unit: Billion KRW)

	2Q 2020	1Q 2021	2Q 2021	QoQ	YoY
Sales Revenue	551.8	663.0	946.8	42.8%	71.6%
Gross Profit	70.1	162.6	290.5	78.7%	314.4%
<i>Gross Profit Margin</i>	<i>12.7%</i>	<i>24.5%</i>	<i>30.7%</i>	6.2%p	18.0%p
Operating Profit	9.0	100.2	218.0	117.6%	2315.5%
<i>Operating Profit Margin</i>	<i>1.6%</i>	<i>15.1%</i>	<i>23.0%</i>	7.9%p	21.4%p
Net Interest Expense	7.5	4.1	4.5	9.7%	(40.2)%
Gain or Loss on Foreign Exchange/Derivatives	0.8	2.6	2.5	(3.9)%	201.5%
Income before Tax	37.7	101.3	218.3	115.4%	478.2%
Net Profit	30.6	91.4	190.1	107.9%	521.2%
Net Profit (Controlling Interests)	14.1	71.4	149.0	108.7%	954.0%
EBITDA	15.1	106.8	224.9	110.5%	1386.9%

\* The financial results above applied PDO (Profit from Discontinued Operations) by HICO, a consolidated subsidiary company

: Sold HICO to Hyosung Heavy in April 30, 2021

(For instance, KRW -2.7 bn applied as PDO and separated from Net Profit on 2Q21)

## 2Q 2021 Financial Results (Continued)

### Balance Sheet (Consolidated)

(Unit: Billion KRW)

	March 2021	June 2021	Change
Assets	4,643.5	4,663.3	0.4%
Current Assets	1,736.3	1,588.6	(8.5)%
Cash & Cash Equivalents	163.4	145.9	(10.7)%
Non-Current Assets	2,907.1	3,074.8	5.8%
Liabilities	2,142.5	1,976.3	(7.8)%
Current Liabilities	1,491.9	1,463.1	(1.9)%
Non-Current Liabilities	650.7	513.3	(21.1)%
Equity	2,500.9	2,687.0	7.4%
Debt	907.0	942.7	3.9%
Net Debt	743.6	796.8	7.2%
<b>Debt Ratio</b>	<b>85.7%</b>	<b>73.6%</b>	(12.1)%p

## 2Q 2021 Financial Results (Continued)

### Quarterly P/L Trends (Consolidated)

(Unit: Billion KRW)

	2019				Total
	1Q	2Q	3Q	4Q	
Sales Revenue	694.3	886.6	739.9	854.7	3,175.6
Operating Profit	36.3	94.7	21.5	49.6	202.1
<i>OPM</i>	<i>5.2%</i>	<i>10.7%</i>	<i>2.9%</i>	<i>5.8%</i>	<i>6.4%</i>
Net Profit	25.2	85.9	-5.2	44.2	150.0
<i>NPM</i>	<i>3.6%</i>	<i>9.7%</i>	<i>(0.7)%</i>	<i>5.2%</i>	<i>4.7%</i>

	2020				Total
	1Q	2Q	3Q	4Q	
Sales Revenue	630.0	613.2	719.5	819.9	2,782.6
Operating Profit	5.3	9.3	45.4	78.8	138.8
<i>OPM</i>	<i>0.8%</i>	<i>1.5%</i>	<i>6.3%</i>	<i>9.6%</i>	<i>5.0%</i>
Net Profit	-2.9	36.8	-78.1	45.5	1.2
<i>NPM</i>	<i>(0.5)%</i>	<i>6.0%</i>	<i>(10.9)%</i>	<i>5.6%</i>	<i>0.04%</i>

	2021		
	1Q	2Q	1H
Sales Revenue	663.0	946.8	1,609.8
Operating Profit	100.2	218.0	318.2
<i>OPM</i>	<i>15.1%</i>	<i>23.0%</i>	<i>19.8%</i>
Net Profit	91.4	190.1	281.5
<i>NPM</i>	<i>13.8%</i>	<i>20.1%</i>	<i>17.5%</i>

\* The financial results from 1Q21 to 2Q21 applied PDO (Profit from Discontinued Operations) by HICO, a consolidated subsidiary company

: Sold HICO to Hyosung Heavy in April 30, 2021

# Financial Performance by Company

## Financial Performance by Company

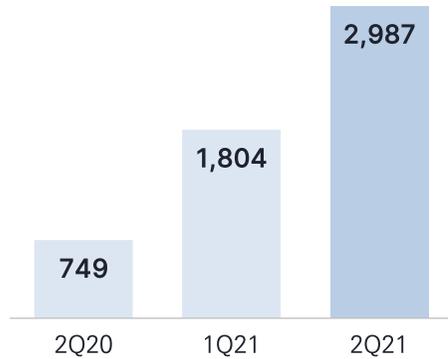
(Unit: Billion KRW)

		2Q 2020		1Q 2021		2Q 2021	
		Sales Revenue	Operating Profit	Sales Revenue	Operating Profit	Sales Revenue	Operating Profit
Consolidated Object	Hyosung	74.9	15.3	180.4	71.3	298.7	152.1
	Hyosung TNS	231.6	31.5	155.5	3.6	256.8	27.8
	FMK	40.7	0.0	28.9	(1.2)	73.9	3.8
	HGS	71.7	3.1	32.9	(6.3)	56.2	(1.0)
	Others	330.8	6.9	270.7	11.0	307.6	11.0
Consolidated Adjustment		(198.0)	(47.8)	(5.4)	21.8	(46.4)	24.4
Total		551.8	9.0	663.0	100.2	946.8	218.0
Equity Method	Hyosung TNC	(2.8)	(2.8)	28.5	28.5	47.9	47.9
	Hyosung Advanced Materials	(7.4)	(7.4)	9.0	9.0	16.0	16.0
	Hyosung Chemical	(2.6)	(2.6)	8.5	8.5	9.4	9.4
	Hyosung Heavy Industries	8.9	8.9	1.9	1.9	7.7	7.7
	Others	(9.7)	(9.7)	57.7	57.7	103.2	103.2

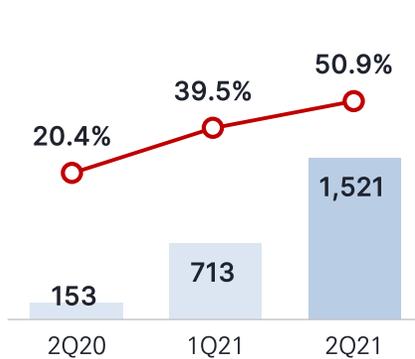
# Financial Performance by Company (Continued)

**Hyosung(Separate) | Registered record-high quarter on strong equity method gains (Up QoQ, YOY)**

Sales Revenue



Operating Profit (Margin) Unit: Billion KRW



- **Achieved quarterly record highs (2Q21 separate basis)**

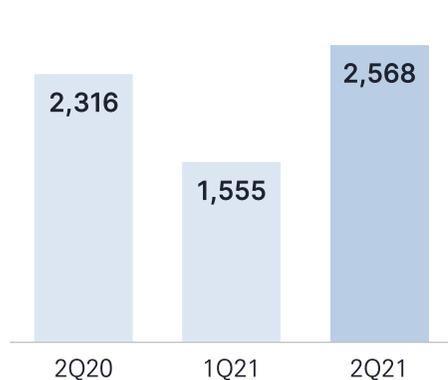
- Recorded record-high earnings with equity method gains by 3 subsidiaries on both QoQ & YoY (TNC/Advanced Materials/Chemical)
- Supplemented by CI royalty fees, R&D/IT services, etc.

- **Earnings Surprise for 2Q21 consolidated earnings**

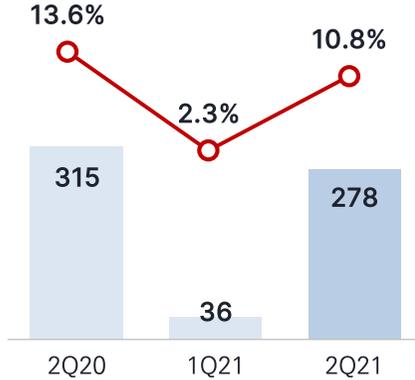
- KRW 946.8 bn (Sales), KRW 218.0 bn (OP), 23.0% (OPM), 20.1% (NPM) (Quarterly Record High)

**Hyosung TNS | Improved QoQ performance by winning orders from large banks and entering new markets (Up QoQ)**

Sales Revenue



Operating Profit (Margin) Unit: Billion KRW



- **Improved performance by securing orders in major markets (USA/Russia) and entering new markets**

- Quarterly earnings expected to turnaround significantly from 3Q21 due to order expansion and customer diversification
- **US Channel/Retail demand currently recovering from COVID-19**
- Chase bank order and Wells Fargo sales schedule confirmed for 3Q21
- Improving business partnerships with second tier banks

- **Russia, Sber Bank completed orders for 2021 (2,900 ATMs in 2H21)**

- **New entry into Chunghwa Post in Taiwan (121 ATMs in 2Q21)**

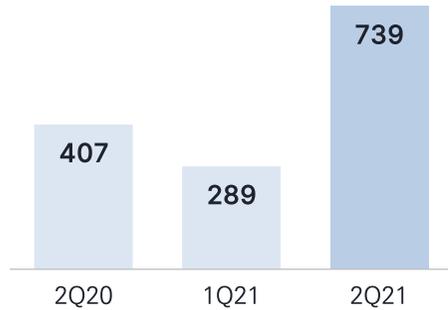
- Received new orders for 3Q21 from Fubon Bank, CTBC, etc. (110 ATMs)

- **Won for domestic “digital innovation” branch construction project**

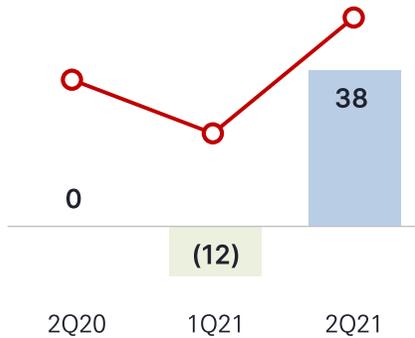
# Financial Performance by Company (Continued)

FMK | Focusing on high-end & eco-friendly car development due to turnaround in sales (Up on QoQ & YoY)

## Sales Revenue



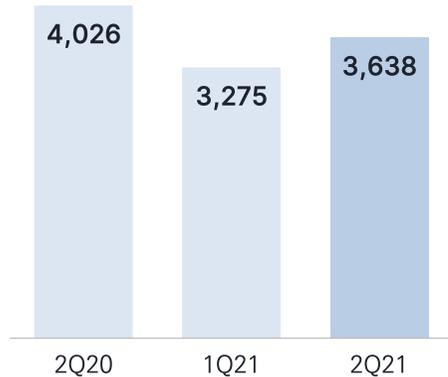
## Operating Profit (Margin) Unit: Billion KRW



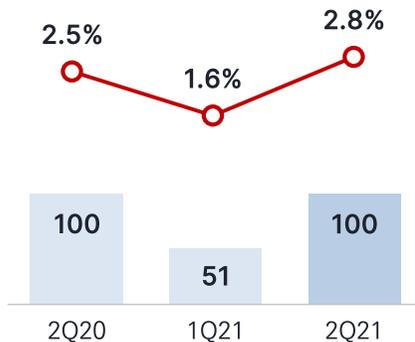
- **Sales of new vehicle, Ferrari ROMA expected to increase**
  - Rear camera safety/certification issues resolved in 2Q21
  - : delayed production and decreased sales volume in 1Q21
  - Sales volume increased from 1Q21 to 2Q21 due to carrying forward the delayed quantity QoQ, 111 cars in 2Q21 (Total 133 cars in 1H21)
  - Estimated to sell over 300 cars in 2021 (201 cars sold in 2020)
- **Sales of Maserati expected to be revitalized through high-end and eco-friendly car development**
  - Sales expected to increase with new supercar MC20 in 2H21
  - Completed hybrid vehicle development in June (Sales promotion in July)

## Others

### Sales Revenue



### Operating Profit (Margin) Unit: Billion KRW



- **HICO: sold to Hyosung Heavy in April 30, 2021**
- **Goodsprings(HGS): 2Q21 earnings up on QoQ, but down on YoY**
  - Down on YoY due to sale of low-margin refinery projects (Middle East)
  - Expected to turn to profit in 3Q21
  - Operating profit expected to improve due to increased sales of high-margin projects (offshore nuclear power plants, Maintenance)
- **Overseas production/sales subsidiaries: 2Q21 earnings up on both QoQ and YoY**
  - Overall trade improvement in progress (Relieved from COVID-19 impact)
  - Gradual improvement in sales and profits expected in the near future

## Appendix 1. Financial Summary by Company

### Hyosung (Separate)

#### P/L Summary

(Unit: Billion KRW)

	2020.2Q	2021.1Q	2021.2Q
Sales Revenue	74.9	180.4	298.7
Gross Profit	28.7	86.4	170.4
Operating Profit	15.3	71.3	152.1
Interest Expense	0.3	0.4	(0.7)
Gain or Loss on Foreign Exchange/Derivatives	(0.1)	0.1	(0.1)
Income before Tax	15.4	73.5	155.7
Net Profit	16.5	70.2	145.7

#### P/L Summary

(Unit: Billion KRW)

	2020.03	2021.06	Change
Assets	2,803.7	2,840.5	1.3%
* Cash	378.3	268.7	(29.0)%
Tangible/ Intangible Assets	590.2	588.4	(0.3)%
Liabilities	536.5	429.0	(20.0)%
Debt	22.0	1.7	(92.1)%
Equity	2,267.2	2,411.5	6.4%
<b>Debt Ratio</b>	<b>23.7%</b>	<b>17.8%</b>	(5.9)%p

\* Cash: including Cash, General Savings, Installment Savings for more than 3 months, and other Financial Products

### Hyosung TNS

#### P/L Summary

(Unit: Billion KRW)

	2020.2Q	2021.1Q	2021.2Q
Sales Revenue	231.6	155.5	256.8
Gross Profit	58.3	32.2	59.1
Operating Profit	31.5	3.6	27.8
Interest Expense	1.2	1.1	1.5
Gain or Loss on Foreign Exchange/Derivatives	(0.7)	1.9	(0.1)
Income before Tax	59.8	5.1	26.6
Net Profit	46.6	3.7	20.1

#### P/L Summary

(Unit: Billion KRW)

	2020.03	2021.06	Change
Assets	746.8	847.3	13.5%
* Cash	73.0	69.8	(4.4)%
Tangible/ Intangible Assets	174.1	182.4	4.8%
Liabilities	453.7	533.8	17.6%
Debt	270.9	352.6	30.2%
Equity	293.0	313.5	7.0%
<b>Debt Ratio</b>	<b>154.9%</b>	<b>170.3%</b>	15.4%p

## Appendix 1. Financial Summary by Company (Continued)

### FMK

#### P/L Summary

(Unit: Billion KRW)

	2020.2Q	2021.1Q	2021.2Q
Sales Revenue	40.7	28.9	73.9
Gross Profit	9.6	7.9	16.7
Operating Profit	0.0	(1.2)	3.8
Interest Expense	0.3	0.2	0.1
Gain or Loss on Foreign Exchange/Derivatives	0.6	1.0	0.7
Income before Tax	2.4	0.3	4.2
Net Profit	2.1	0.2	3.3

#### P/L Summary

(Unit: Billion KRW)

	2020.03	2021.06	Change
Assets	118.1	131.1	10.9%
* Cash	3.2	1.6	(50.7)%
Tangible/ Intangible Assets	26.6	26.9	1.1%
Liabilities	84.0	93.6	11.5%
Debt	10.5	13.7	31.3%
Equity	34.2	37.5	9.6%
<b>Debt Ratio</b>	<b>245.5%</b>	<b>249.7%</b>	4.1%p

\* Cash: including Cash, General Savings, Installment Savings for more than 3 months, and other Financial Products

### HGS (Hyosung Goodsprings)

#### P/L Summary

(Unit: Billion KRW)

	2020.2Q	2021.1Q	2021.2Q
Sales Revenue	71.7	32.9	56.2
Gross Profit	8.1	(2.3)	3.4
Operating Profit	3.1	(6.3)	(1.0)
Interest Expense	0.7	0.5	0.5
Gain or Loss on Foreign Exchange/Derivatives	(0.2)	0.5	(0.2)
Income before Tax	2.2	(6.3)	(1.7)
Net Profit	1.7	(4.9)	(1.3)

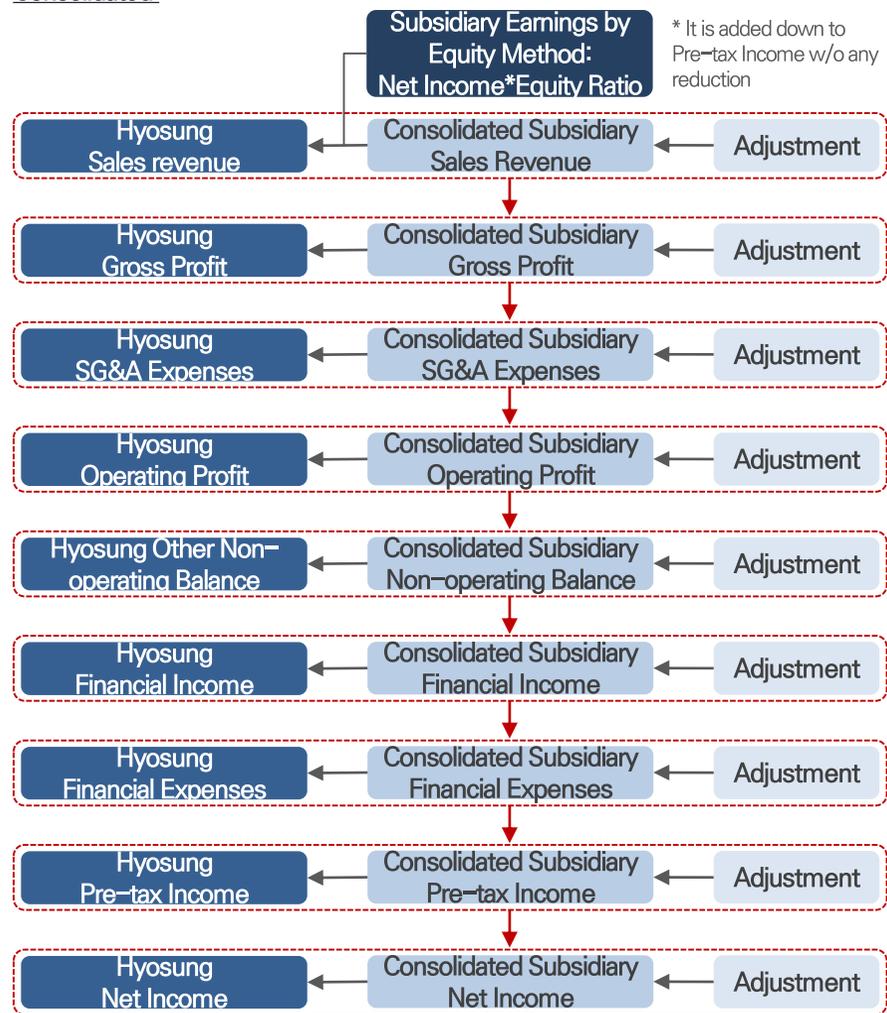
#### P/L Summary

(Unit: Billion KRW)

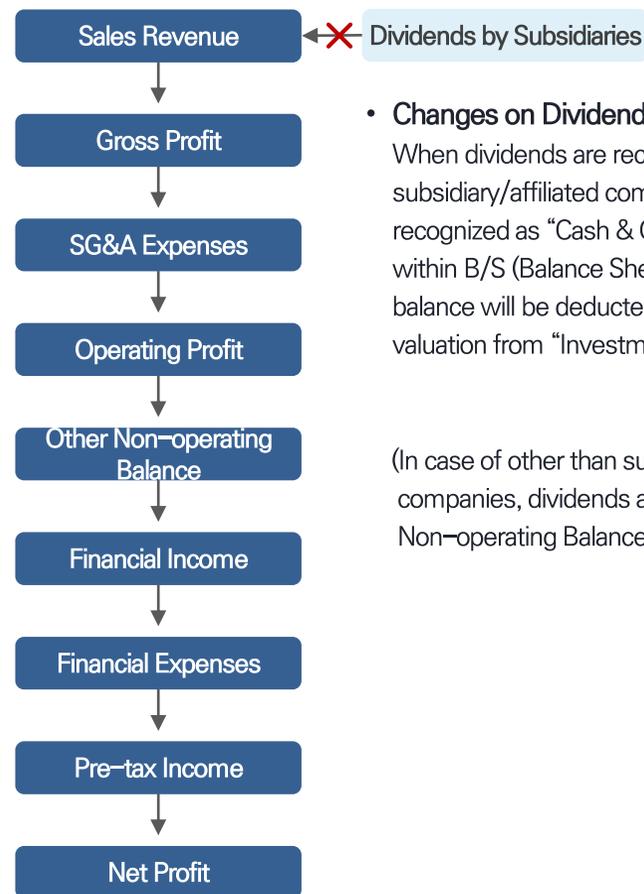
	2020.03	2021.06	Change
Assets	205.9	205.3	(0.3)%
* Cash	14.5	11.5	(20.4)%
Tangible/ Intangible Assets	54.8	53.4	(2.5)%
Liabilities	149.6	150.4	0.5%
Debt	57.7	57.6	(0.1)%
Equity	56.2	54.9	(2.3)%
<b>Debt Ratio</b>	<b>266.2%</b>	<b>273.8%</b>	7.6%p

## Appendix 2. Hyosung P/L Analysis: Consolidated vs. Separate

### Consolidated:



### Separate:



#### • Changes on Dividends in 1Q20:

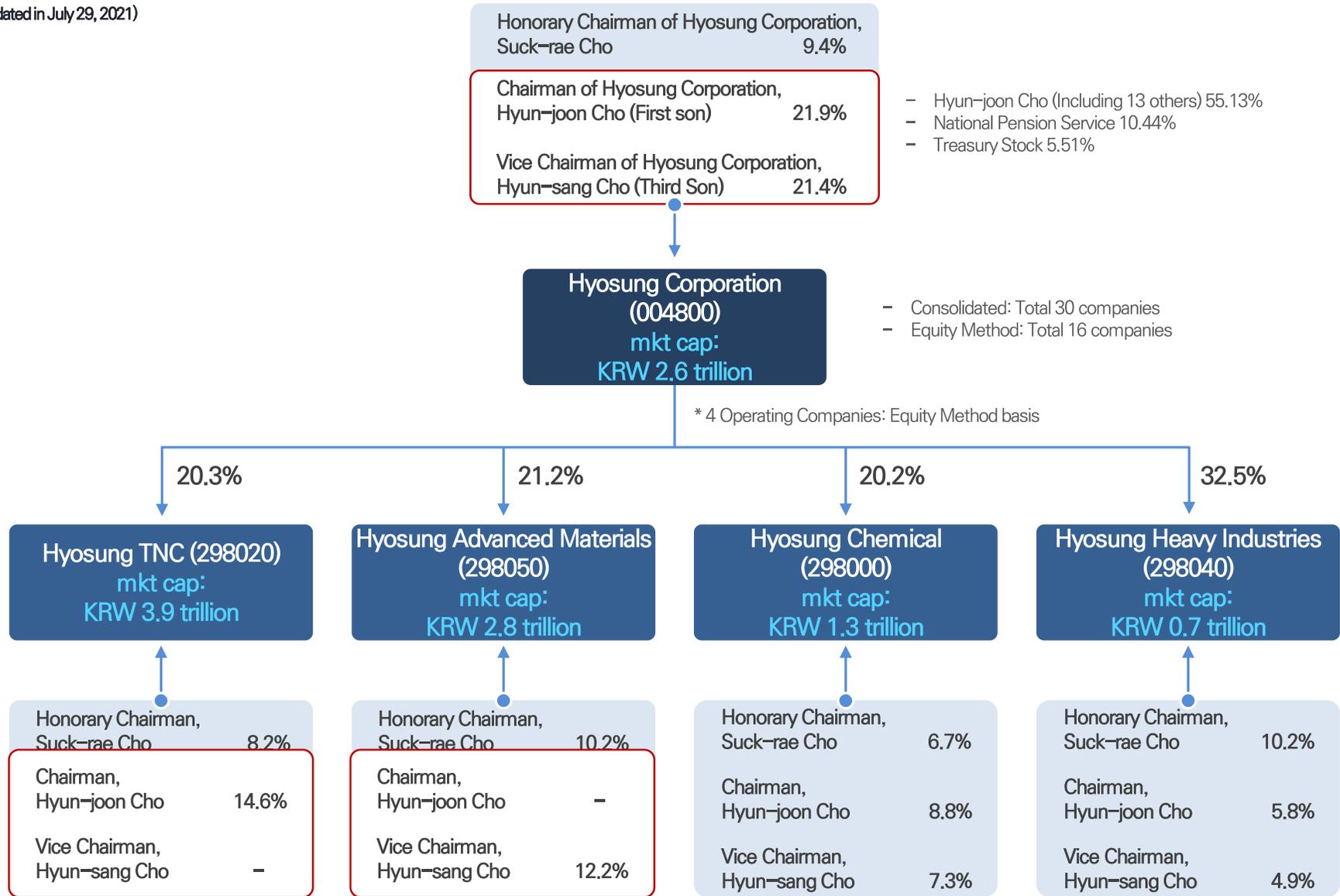
When dividends are received from subsidiary/affiliated companies, they will be recognized as "Cash & Cash Equivalents" within B/S (Balance Sheet), and the exact balance will be deducted as the share valuation from "Investment Securities".

(In case of other than subsidiary/affiliated companies, dividends are applied to "Other Non-operating Balance")

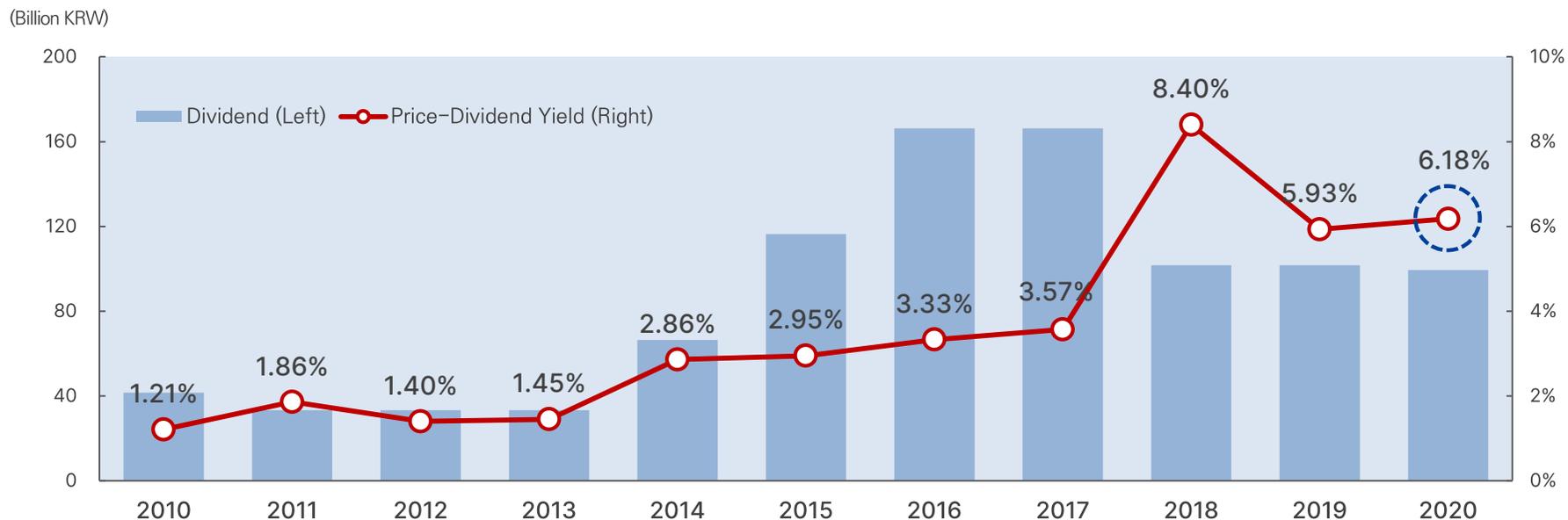
\* The amount of dividends, which is recognized as a part of sales revenue in separate financial statements, is fully removed in the case of consolidated financial statements.

# Appendix 3. Governing Structure

(Last updated in July 29, 2021)



## Appendix 4. Dividend & Price-Dividend Yield



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Profit for Controlling Interests (Billion KRW)	305.7	(45.0)	156.6	(229.2)	269.2	492.7	455.5	325.6	3,357.8	103.7	(52.8)
DPS (KRW)	1,250	1,000	1,000	1,000	2,000	3,500	5,000	5,000	5,000	5,000	5,000
Dividend (Billion KRW)	41.6	33.3	33.3	33.3	66.5	116.4	166.3	166.3	101.7	101.7	99.5
Payout Ratio	0.14	-	0.21	-	0.25	0.24	0.37	0.51	0.03	0.98	-
Market Price (KRW)	103,500	53,900	71,500	68,900	70,000	118,500	150,000	140,000	59,500	84,300	80,900
Market Cap (Billion KRW)	3,634.7	1,892.8	2,510.9	2,419.6	2,458.2	4,161.4	5,267.6	4,916.4	1,253.7	1,776.3	1,704.6

\* Market Price: refers to the closing price fixed one day before the ex-dividend date