



Doosan Corporation



3Q17 Earnings Release

2017. 11

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Financial data in this presentation is on a IFRS consolidated and IFRS parent basis.

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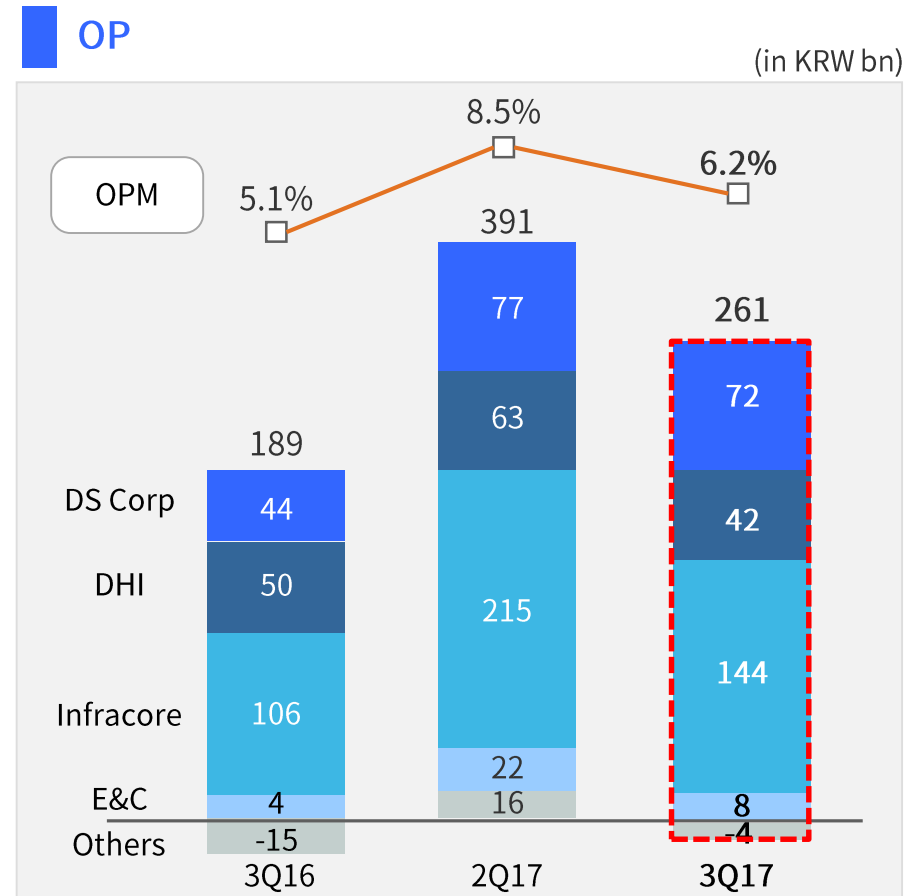
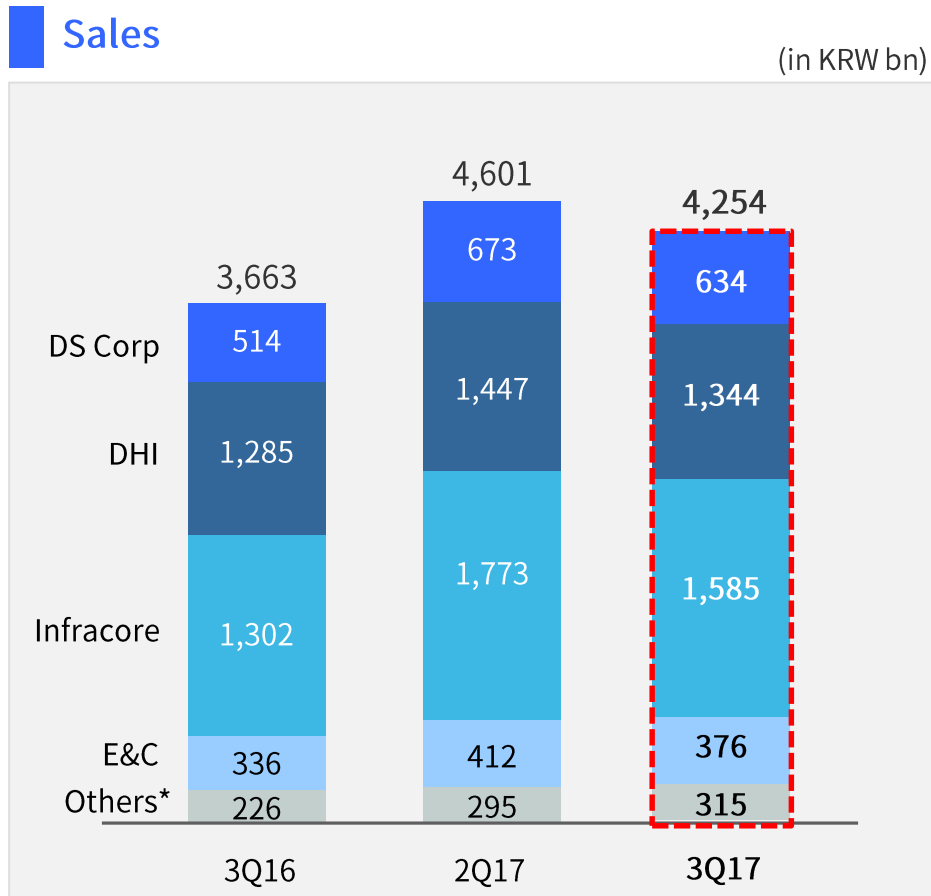
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3Q Result (Consolidated)

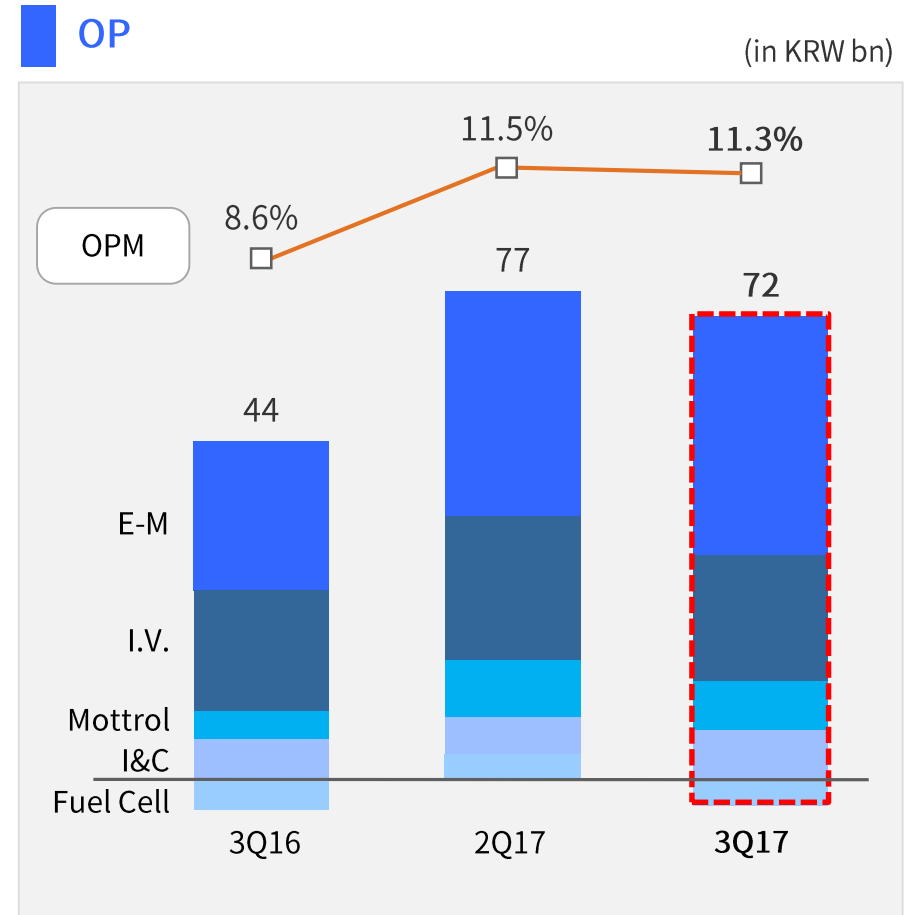
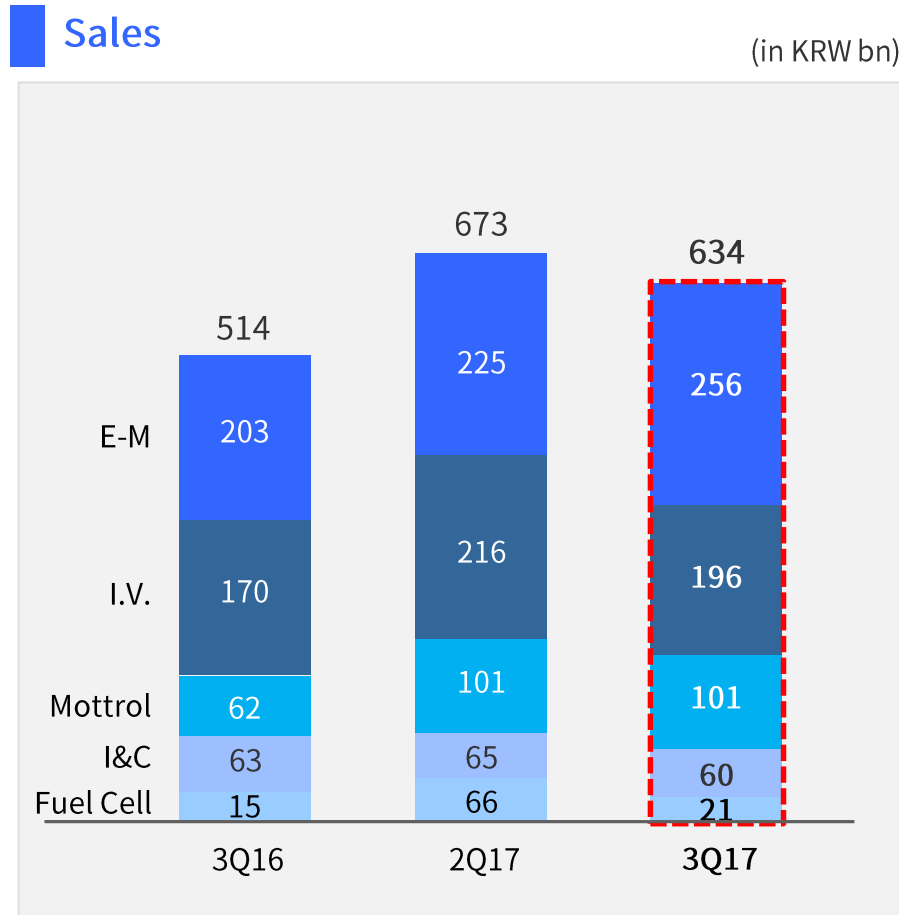
- Sales grew by 16.1% yoy thanks to improved performance of Doosan Corp and Doosan Infracore.
- OP improved by 38.4% yoy, mainly driven by profitability improvement of Doosan Corp and Infracore.



* Including Doosan Engine, DFS and others

3Q Result (In-house Business)

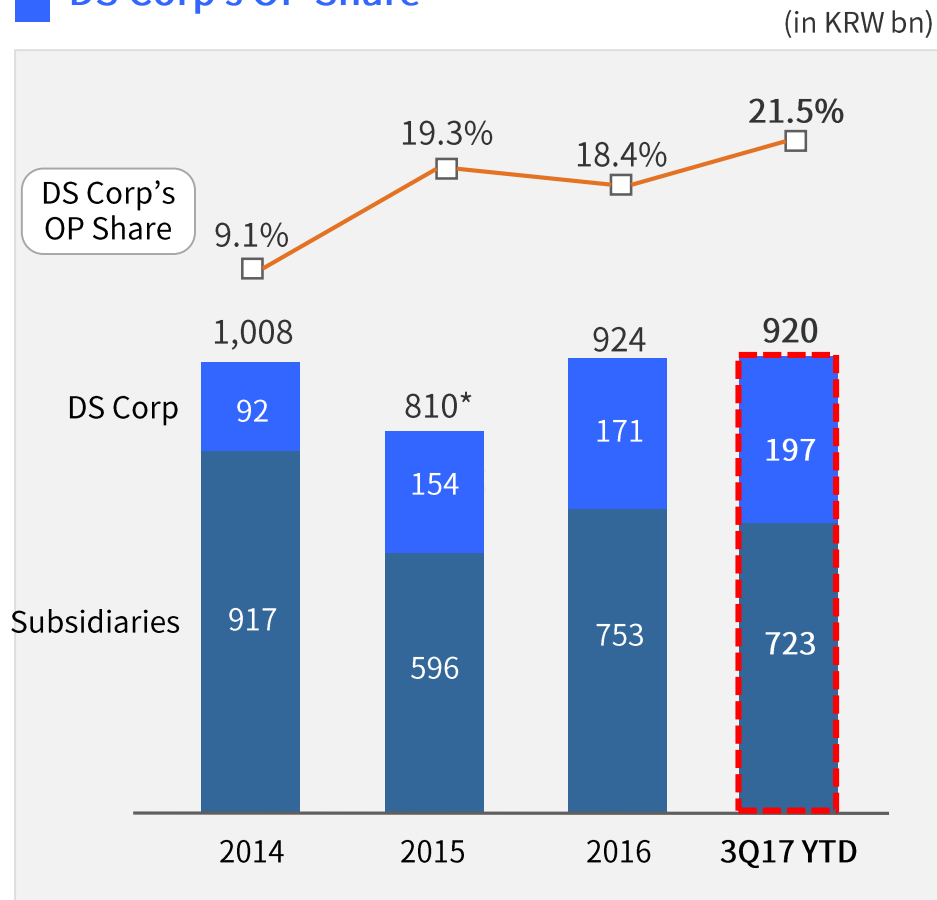
- 3Q OP was KRW 72 bn, record-high OP for 3Q, thanks to improvement of all businesses across the board.
 - Earnings continue to be solid with new product launch of E-M's customers and order increase of I.V.
 - Fuel Cell was sluggish due to delay in new order inflow. But, with product delivery starting for newly won orders in 4Q, earnings is expected to be improved.



OP Growth Trend of Doosan Corp's In-house biz

- Thanks to continued growth of in-house biz, DS corp's OP share of Doosan Group has increased from 9.1% in 2014 to 21.5% in 2017).
- In 3Q, Doosan Corp recorded historic-high YTD OP, exceeding annual OP of 2016.

DS Corp's OP Share



* OP excluding one-off restructuring costs

In-house biz's Annual OP Trend

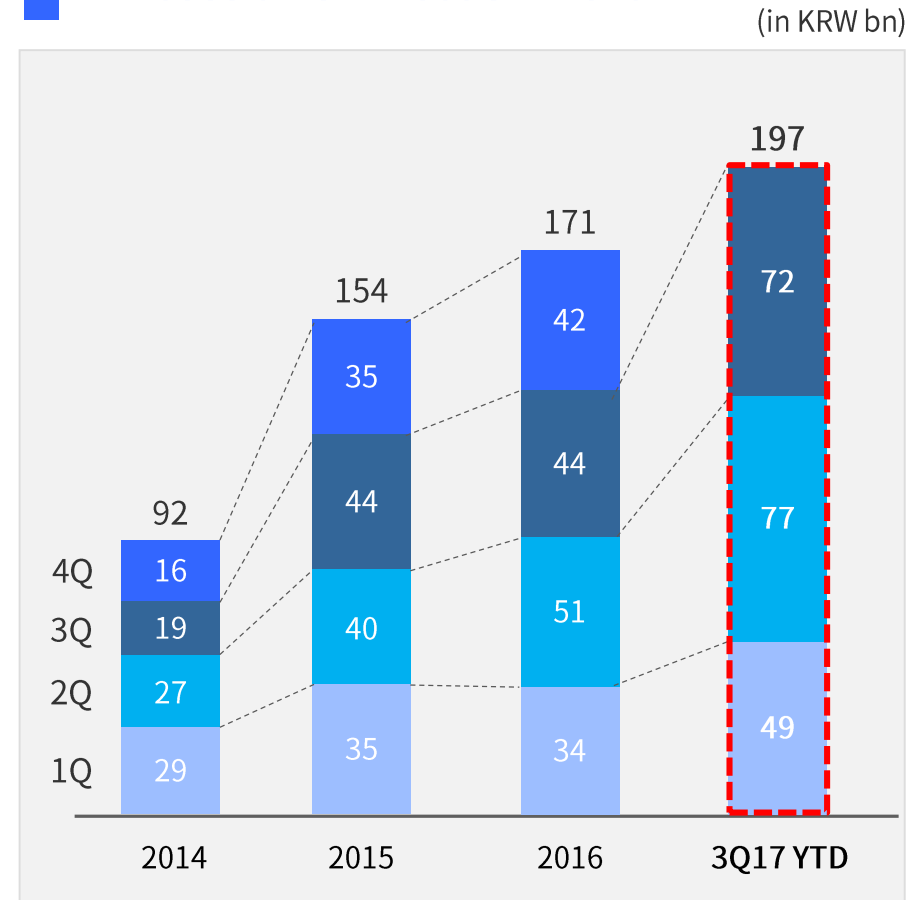


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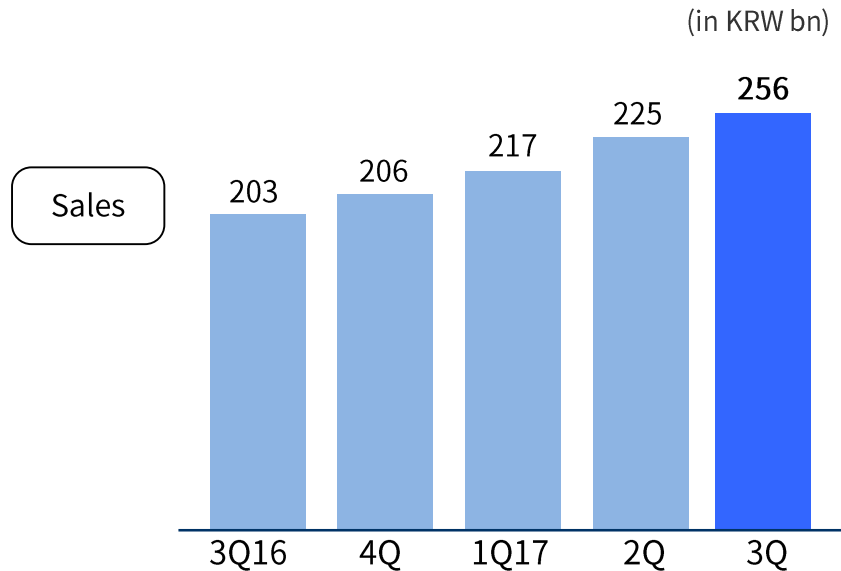
I. 3Q17 Results

II. In-house Business Result and Outlook

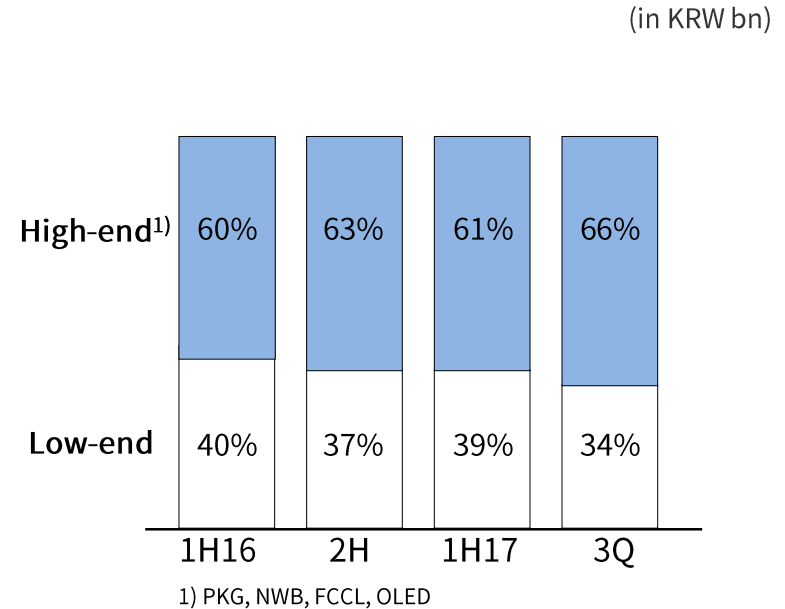
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Electro-Materials

Quarterly Sales and OP



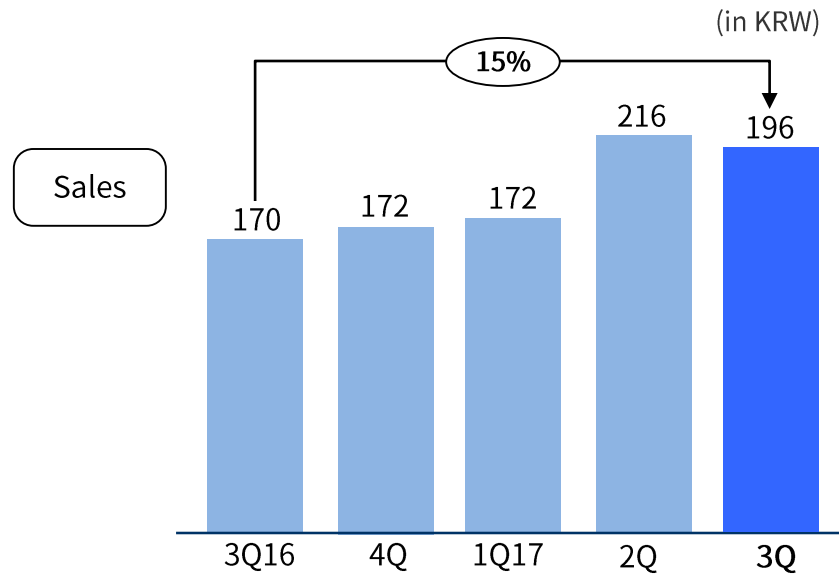
Sales Breakdown



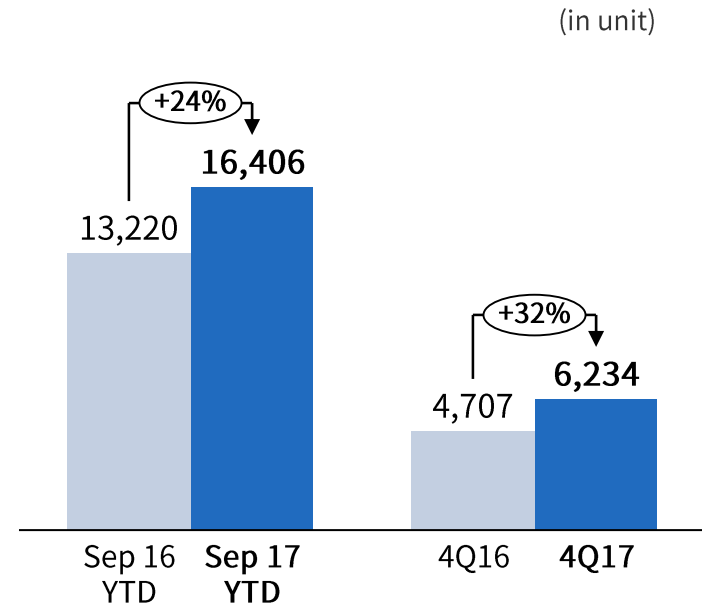
- 3Q sales grew on YoY basis thanks to high-end product sales growth with new product launch (Company A, Company S) and newly secured Chinese customers (Company H).
 - Revenue portion of High-end products, mainly FCCL and OLED, grew to be 66%, contributing to profitability improvement.
- 4Q sales is variable by sales of newly launched products and 2018 new product line-ups of customers (mainly S9).

Industrial Vehicle

Quarterly Sales and OP



Annual Unit Sold Outlook

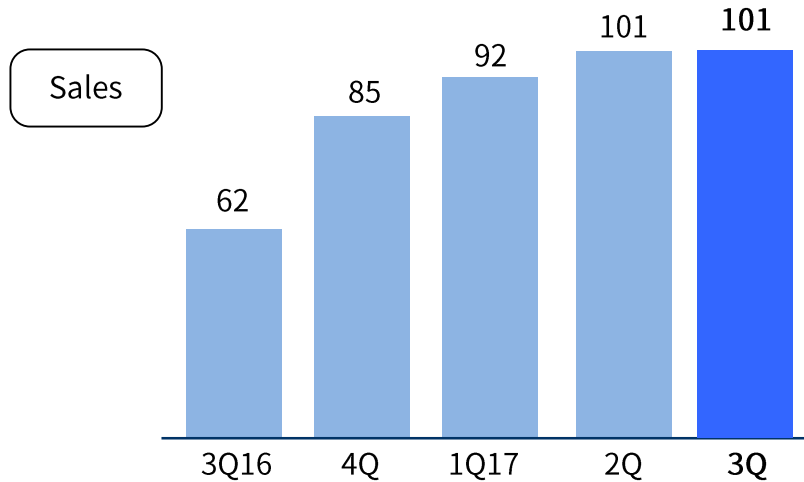


- 3Q sales grew by 15% thanks to new order increase in domestic/N.A./Western European market.
 - Domestic : orders from large size rental companies and public/military sectors
 - International : national account order and increased new dealership in N.A./Europe
 - Oceanic/Asian : strategic partnership with a top-tier player
- 4Q sales is estimated to grow by 32% YoY with market expansion and large size orders.

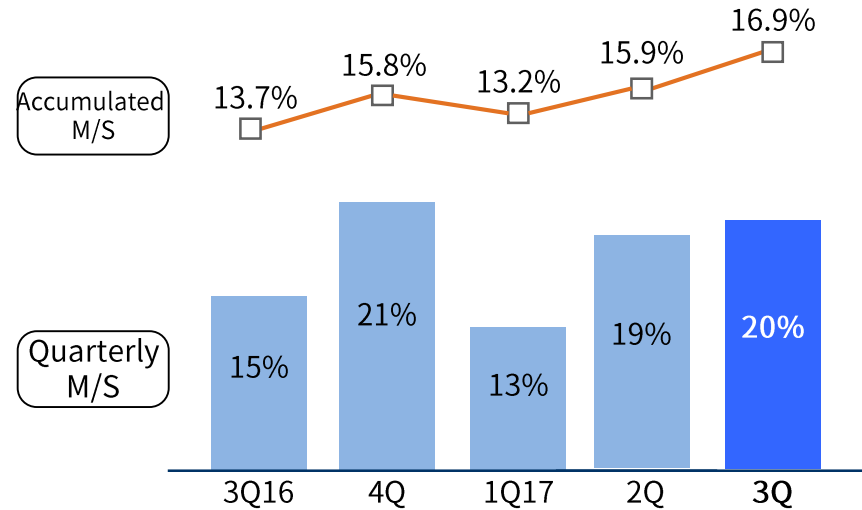
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Quarterly Sales and OP

(in KRW bn)



Quarterly M/S Trend in China

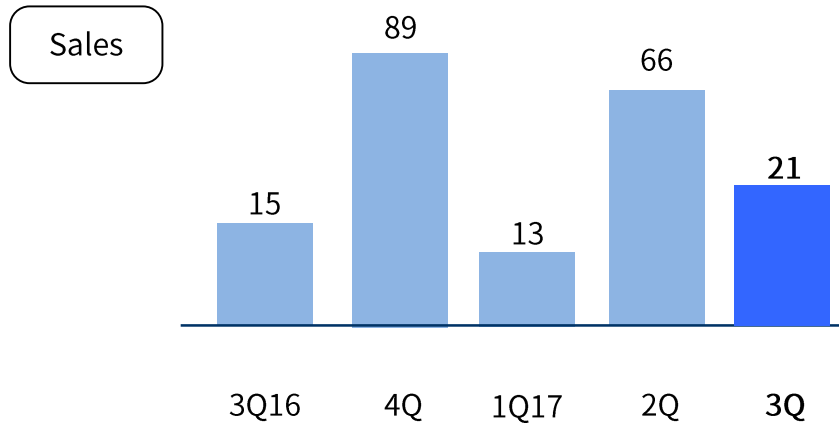


- Even in 3Q, off-peak season of construction market, sales was KRW 101 with new product supply.
 - Hydraulic component sales to mid-/large-size excavator increased. And higher M/S was achieved through quicker delivery response than Japanese competitors.
 - Sales to military defense grew by 15% QoQ. New order from military defense industry in 2017 is estimated to be KRW 175 bn. (original plan : KRW 120 bn)
- M/S in China market in 3Q was 20%; Accumulated M/S in China market reached 16.9%, a 3.2%p YoY increase, thanks to additionally secured dealership and newly added direct sales to SDLG and Sunward.

Fuel Cell

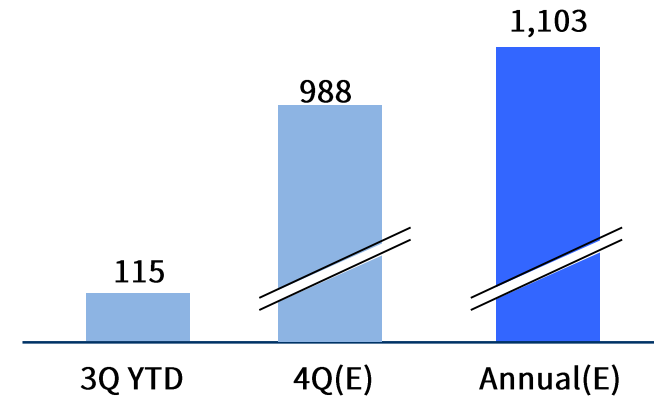
Quarterly Sales and OP

(in KRW bn)



Order Outlook

(in KRW bn)



- 3Q was sluggish compared to 2Q because product delivery of won orders has been delayed.
 - Product delivery is planned in November.
 - 4Q earnings will improve as projects expected to be won in 4Q have conditions to be delivered within this year.
- 4Q new order is estimated to be approximately KRW 1 tn combining Korea and U.S. projects.
 - Negotiation for large size SPC contracts is near to completion.
 - Doosan will participate in other new projects bidding in 4Q.

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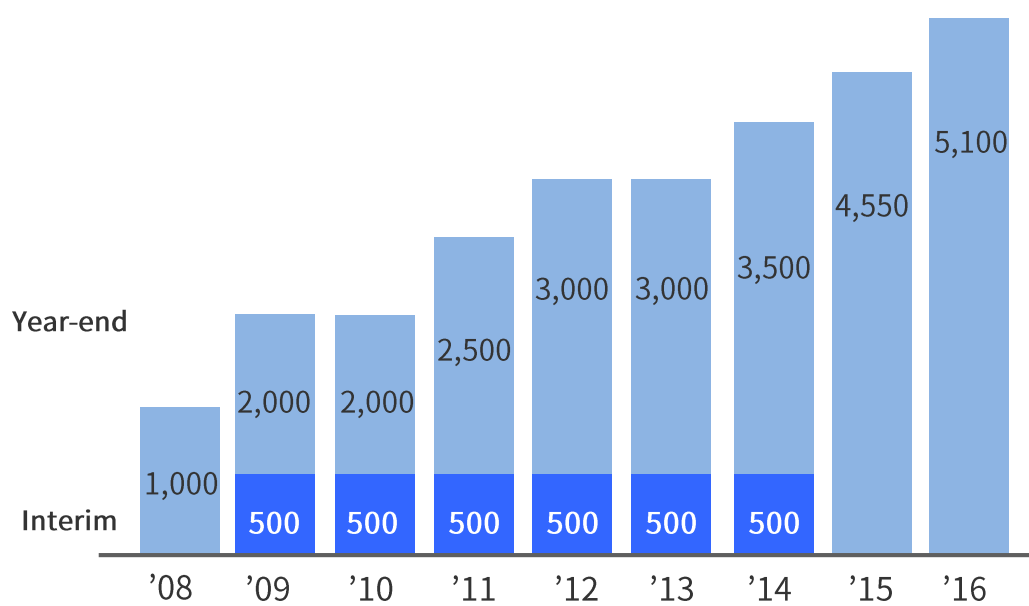
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Shareholder Friendly Policy

Dividend Policy

[DPS Trend]

(in KRW)



- DS Corp paid DPS of KRW 5,100 in 2016.

Treasury Shares Policy

[Treasury Share Cancellation Timeline]

		Quantity
2012	Cancellation	0.3 million shares
	Cancellation	50% of T-shares
Jan. 2016	Public disclosure on 3 year cancellation plan	5% of total common shares to be cancelled annually for 3 years
Dec. 2016	1 st Cancellation	5% of Total Shares
Nov. 2017	2 nd Cancellation	5% of Total Shares

- 5% of total shares was cancelled in Dec. 2016.
- 5% of total shares will be cancelled in Nov. 2017.

3Q17 Result (Consolidated)

(in KRW bn, %)

	3Q16	2Q17	3Q17	YoY	QoQ
Sales	3,663	4,601	4,254	+16.1%	-7.5%
OP	189	391	261	+38.4%	-33.2%
OPM	5.2%	8.5%	6.1%	+0.9%p	-2.4%p
Interest Expense	137	137	147	+7.4%	+7.6%
Net Income	95	23	24	-75.0%	+2.6%

3Q17 Result (Parent)

(in KRW bn, %)

	3Q16	2Q17	3Q17	YoY	QoQ
Sales	449	636	637	+41.9%	+0.2%
OP (M)	15 (3.4%)	53 (8.3%)	49 (7.6%)	+221.2% (+4.2%P)	-8.0% (-0.7%P)
▪ In-house Biz.	34	61	58	+67.6%	-5.7%
▪ Others*	-19	-8	-9	-	-
- Interest Expense	9	10	11	+23.6%	+10.0%
Net Income	0.7	48	33	+4,557.1%	-31.8%

* Including dividend income, common expenses, consolidated adjustments, DFS business and etc.

Financial Summary

Financial Summary

	(in KRW bn)	
	Parent	
	2Q17	3Q17
Current Asset	853	1,024
Non-Current Asset	2,971	2,988
Total Assets	3,824	4,011
Current Liabilities	1,054	1,477
Non-Current Liabilities	651	386
Total Liabilities	1,705	1,862
Paid-in Capital	135	135
Total Equity	2,119	2,149
L/E Ratio	80.5%	86.7%

	(in KRW bn)	
	Consolidated	
	2Q17	3Q17
Current Asset	11,071	12,215
Non-Current Asset	17,790	17,821
Total Assets	28,861	30,036
Current Liabilities	13,448	13,777
Non-Current Liabilities	7,564	8,189
Total Liabilities	21,012	21,966
Paid-in Capital	2,352	2,412
Total Equity	7,849	8,070
L/E Ratio	267.7%	272.2%

Debt

	(in KRW bn)	
	Parent	
	2Q17	3Q17
Bank	535	670
Corp. Bonds	515	515
Others	0	0
Debt	1,050	1,185
Cash	65	117
Net Debt	985	1,069
Net D/E Ratio	46.5%	49.7%

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