



*Doosan Corporation*



# 3Q18 Earnings Release

October 2018

# Disclaimer

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The information herein is provided for your information purposes only and contains preliminary figures which may be materially different from the final figures.

Forecasts and projections contained in this material are based on current business environments and management strategies, and they may differ from the actual results upon changes and unaccounted variables. We make no guarantees and assume no responsibility for the use of information provided. We trust your decisions will be based on your own independent judgment.

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

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# 3Q18 Result (Consolidated)

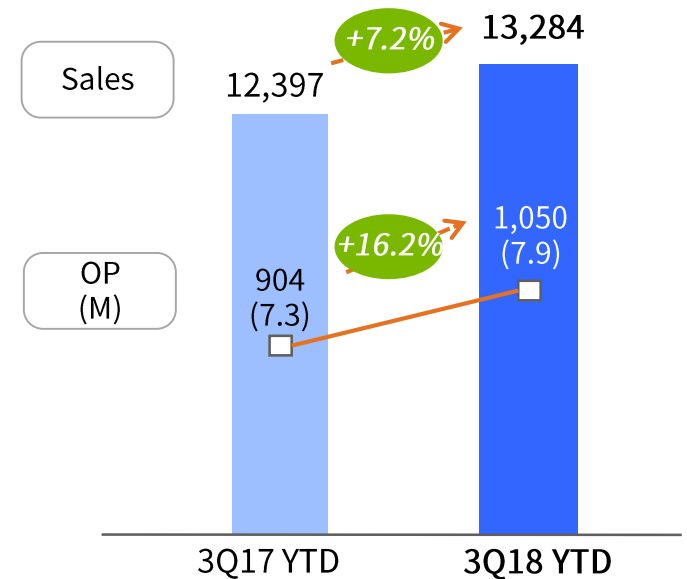
## Sales & OP

(in KRW bn, %)

	3Q17	2Q18	3Q18	YoY	QoQ
Sales	4,076	4,746	4,230	+3.8%	-10.9%
OP	259	438	261	+0.8%	-40.4%
(%)	6.4%	9.2%	6.2%	-0.2%p	-3.1%p
- DS	74	74	60	-18.7%	-18.9%
- DHI	42	75	6	-85.6%	-91.9%
- Infracore	144	273	192	+33.1%	-29.9%
- Others	-1	16	3	-	-
Net Income	24	88	54	+129.1%	-38.2%

## YTD Cumulative Sales & OP

(in KRW bn, %)



- Both Sales and OP of Doosan Group grew on YoY basis, thanks to earnings improvement of Doosan Infracore
- 3Q18 YTD cumulative Sales and OP grew by 7.2% and 16.2% on YoY basis

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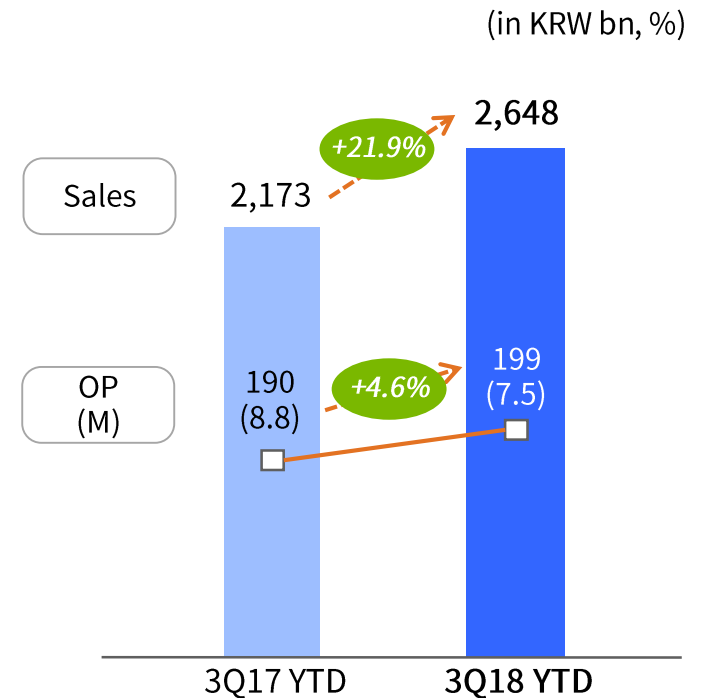
III. Appendix

# 3Q18 Result (In-House Biz)

## Sales & OP

	(in KRW bn, %)				
	3Q17	2Q18	3Q18	YoY	QoQ
Sales	768	973	8,79	+14.5%	-9.6%
OP	74	74	60	-18.7%	-18.9%
(%)	9.7%	7.6%	6.8%	-2.9%p	-0.9%p

## YTD Cumulative Sales & OP

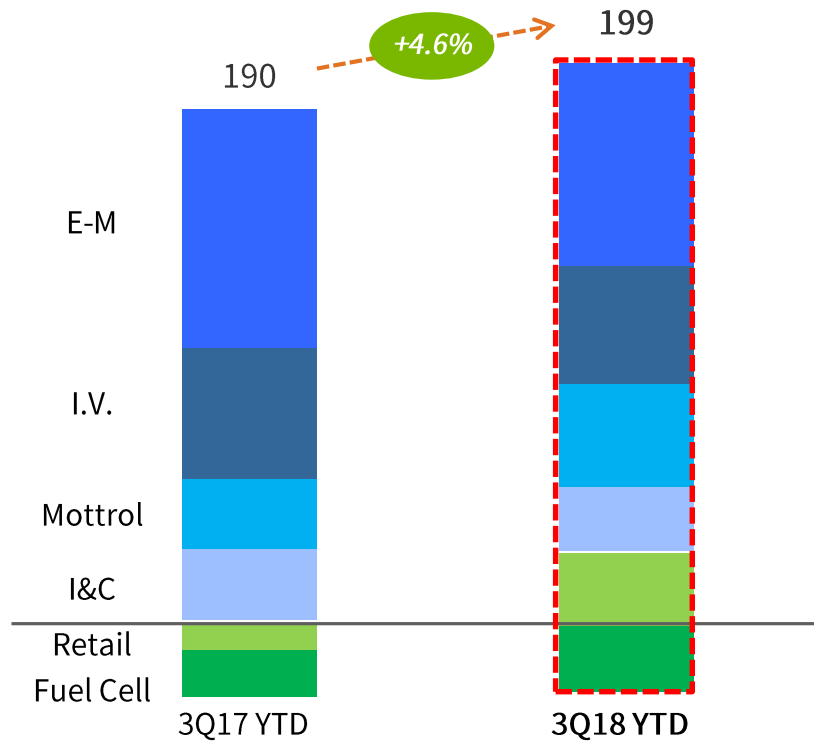


- Growth of Mottrol and Retail led significant YoY improvement of Sales, but OP decreased
- 3Q18 YTD cumulative Sales and OP grew by 21.9% and 4.6% on YoY basis.

# 4Q Outlook of In-House biz

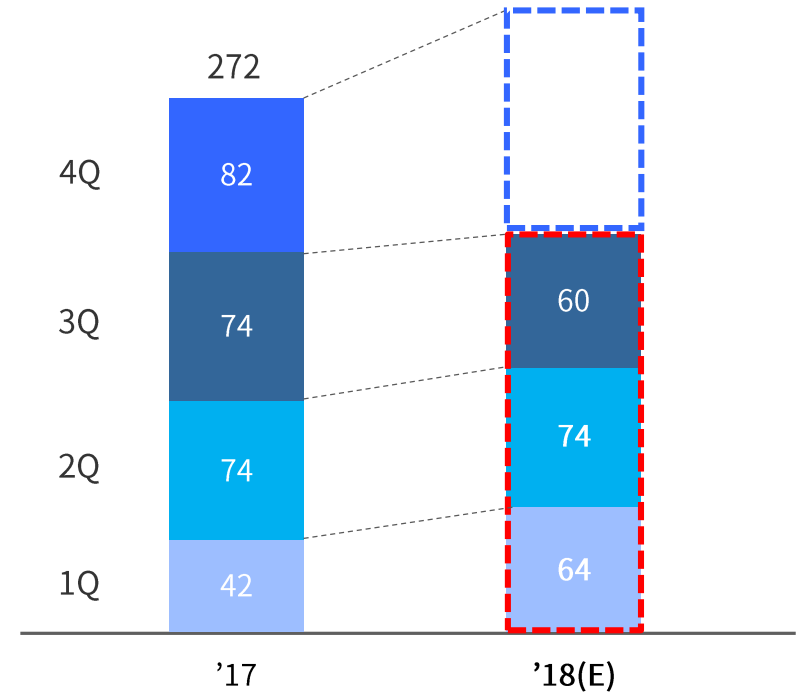
## YTD Cumulative OP(3Q)

(in KRW bn)



## In-house biz's Annual OP Outlook

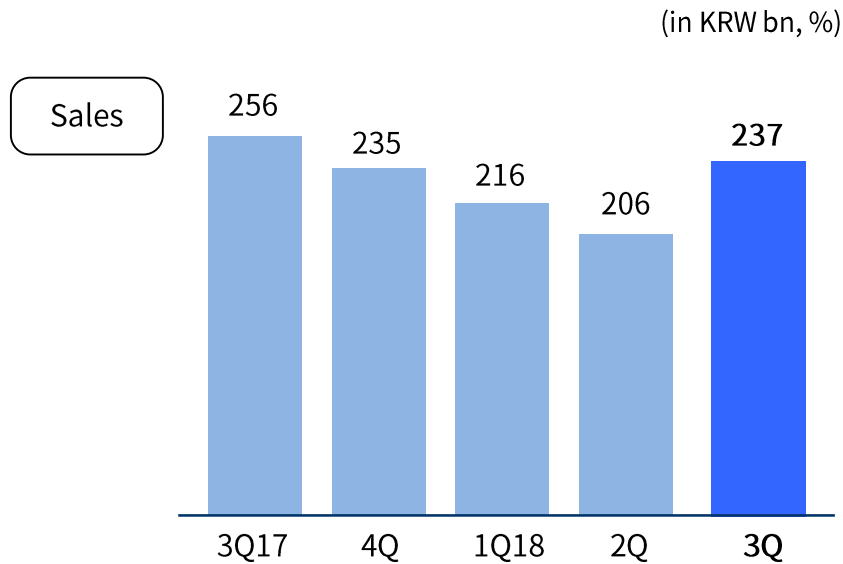
(in KRW bn)



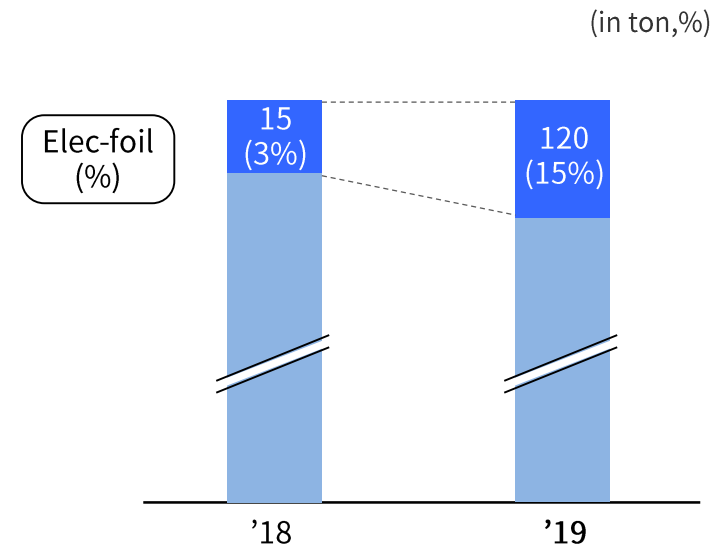
- Due to growth of Mottrol and Retail, 3Q18 YTD cumulative OP grew by 4.6% on YoY basis.
- 4Q18 Sales and OP will increase due to a new product launch by Samsung/Apple and a full supply of fuel cell  
- Annual In-House Biz OP will increase due to 4Q18 performance recovery

# Electro-Materials

## Quarterly Sales and OP



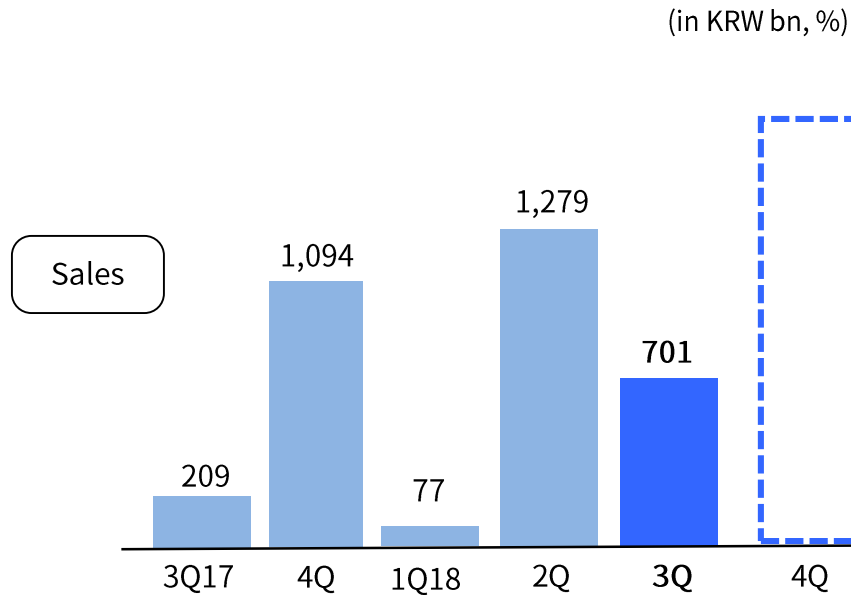
## CFL's Monthly Avg. Elec-foil production(portion)



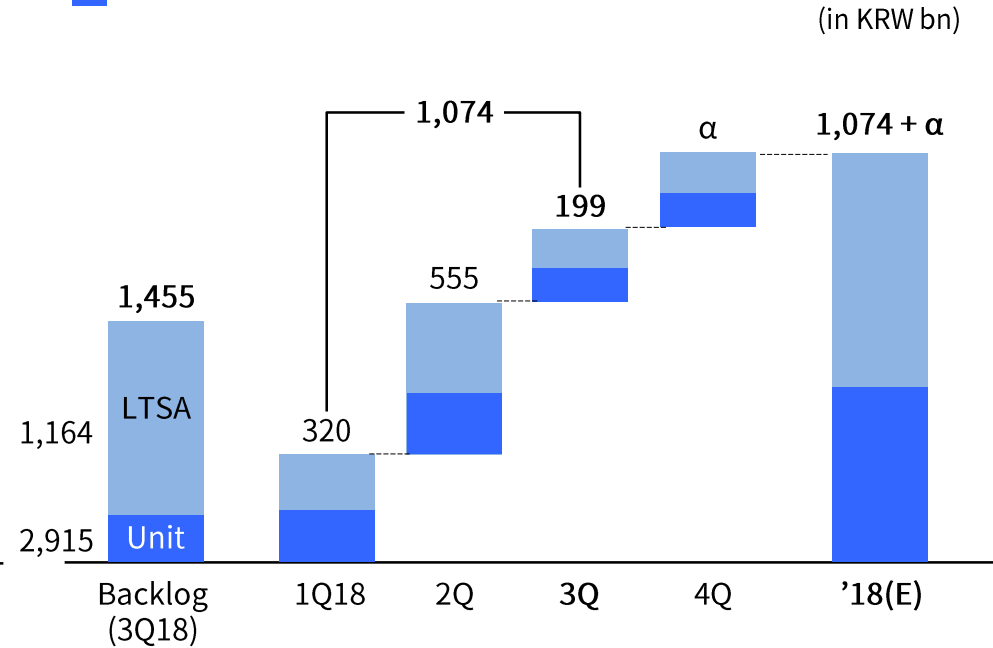
- Achieved the highest quarterly Sales and OP due to new premium phone launch and positive growth in NWB and PKG
  - Sales declined on YoY basis due to weak OLED-Flagship phone demand
  - Sales improved on QoQ basis due to diversification of OLED and M/S expansion of Chinese mobile, NWB, and PKG
- 4Q18 Sales and OP will continuously increase due to Samsung Galaxy S10 launch
- Building a plant for Elec-foil in Hungary is in the process and target to expand the European customers base
  - Completion of the plant (End of 2019), Early production by converting lines in CFL
  - L Company ('18.12: Supply Contract / 1Q19: Mass production)
  - P Company ('19.03: Supply Contract / 4Q19: Mass production)

# Fuel Cell

## Quarterly Sales and OP



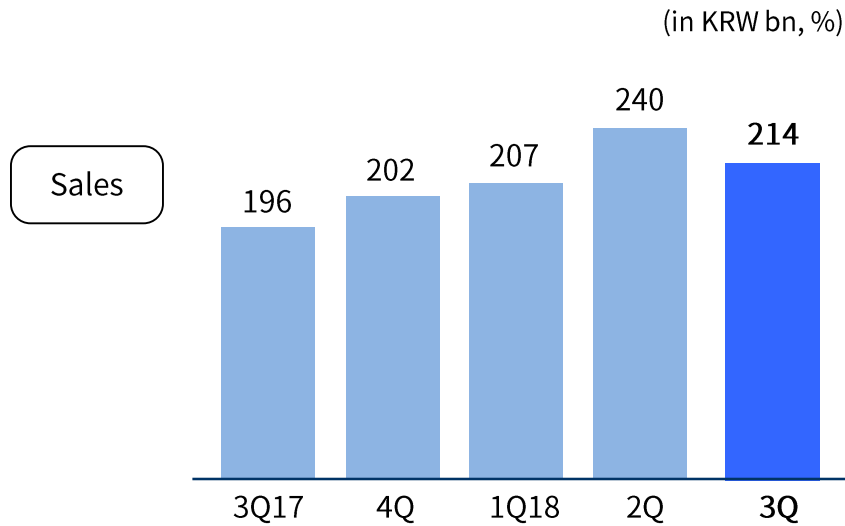
## Order Outlook



- Received an order of ShinIncheon 3<sup>rd</sup> (20MW) project and achieved 1.074 KRW tn of accumulated order amount in 3Q18
  - Received all orders from the domestic plant owners based on competitive advantage
- Expect to achieve more than 1.047 KRW tn of accumulated order amount through additional orders from the domestic/US market and to turn profit by improving Sales and OP in 4Q18

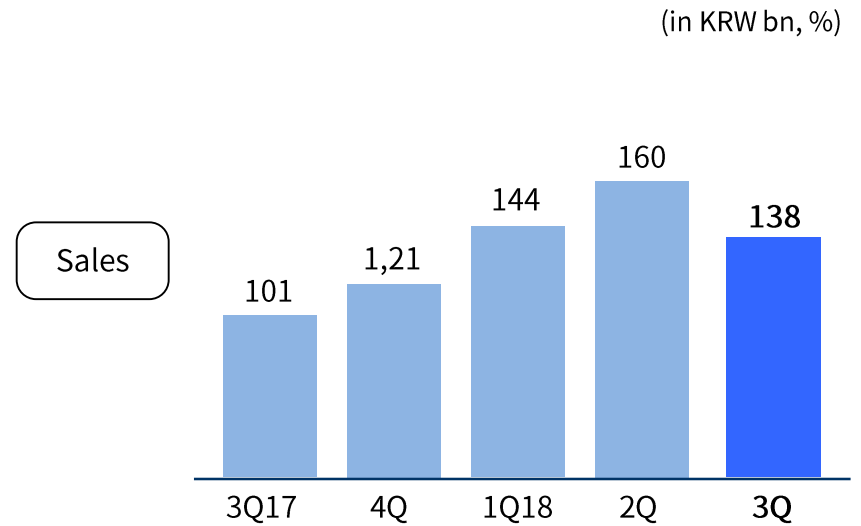
# Industrial Vehicles/Mottrol

## Industrial Vehicles



- 3Q18 Sales grew by 16% on YoY basis by capturing new global customers and domestic M/S is expanding at 55.2%
  - 3Q18 OP declined due to raw material prices increases
- 4Q18 OP will be improved by market price increases

## Mottrol



- 3Q18 Sales and OP improved on YoY basis due to preemptive response to Chinese demand and M/S expansion by strengthening line-up (33 types→39 types)
  - M/S in China is 20.3% (YoY +3.5%p)
- Expect positive growth in the excavator market until 1H19.

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# 3Q18 Result (Parent)

(in KRW bn, %)

	3Q17	2Q18	3Q18	YoY	QoQ
Sales	637	790	683	+7.1%	-13.6%
OP	49	61	43	-10.5%	-28.3%
(M)	7.6%	7.7%	6.4%	-1.2%p	-1.3%p
▪ In-house Biz	60	72	49	-17.6%	-31.9%
▪ Others <sup>1)</sup>	-11	-12	-6	-	-
Interest Expense	11	13	16	+43.6%	+20.6%
Net Income	33	30	19	-42.3%	-36.5%

1) Others : dividend income, common expense, adjustments

# Financial Summary

## Financial Summary

	(in KRW bn)	
	2Q18	3Q18
<b>Parent</b>		
Current Asset	1,154	1,256
Non-Current Asset	3,514	3,536
<b>Total Assets</b>	<b>4,668</b>	<b>4,792</b>
Current Liabilities	1,315	1,426
Non-Current Liabilities	1,013	1,030
<b>Total Liabilities</b>	<b>2,328</b>	<b>2,456</b>
Paid-in Capital	135	135
<b>Total Equity</b>	<b>2,341</b>	<b>2,336</b>
<b>L/E Ratio</b>	<b>99.4%</b>	<b>105.1%</b>

	(in KRW bn)	
	2Q18	3Q18
<b>Consolidated</b>		
Current Asset	11,721	11,876
Non-Current Asset	17,487	17,597
<b>Total Assets</b>	<b>29,208</b>	<b>29,473</b>
Current Liabilities	13,852	13,034
Non-Current Liabilities	7,864	8,622
<b>Total Liabilities</b>	<b>21,716</b>	<b>21,656</b>
Paid-in Capital	2,216	2,179
<b>Total Equity</b>	<b>7,492</b>	<b>7,817</b>
<b>L/E Ratio</b>	<b>289.9%</b>	<b>277.0%</b>

## Debt

	(in KRW bn)	
	2Q18	3Q18
<b>Parent</b>		
Bank	527	803
Corp. Bonds	765	675
<b>Debt</b>	<b>1,292</b>	<b>1,478</b>
Cash	66	91
<b>Net Debt</b>	<b>1,226</b>	<b>1,387</b>
<b>Net D/E Ratio</b>	<b>52.4%</b>	<b>59.4%</b>

**E O D**