



Doosan Bobcat Inc.  
1Q 2019 Earning Release

April 2019



# Disclaimer

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This presentation contains preliminary figures which may differ materially from the final figures.

The financial information in this document consists of consolidated earnings results based on the K-IFRS.

While the statements in this presentation represent our current assumptions, plans and expectations, and we believe that these judgments are reasonable, they are not guarantees of future performance as they involve known and unknown risks and uncertainties such as FX & raw material costs and other factors that may cause actual results to differ materially from the performance achievement results or financial position expressed or implied in this presentation.

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# 1Q 2019 Results – Income Statement

- Sales and EBIT increased significantly due to strong growth in North America.
- The EBIT margin maintained a similar level on a YoY basis. The increase in sales prices and the improvement of profitability in Europe offset promotional expenses and the hike in raw material costs.
- Net profits increased due to the improvement of EBIT and the lower interest expenses resulting from the enhanced financial structure.

## Income Statement

(Units : USD M)

	1Q18	4Q18	1Q19	YoY	QoQ
Sales	812	910	944	+16.4%	+3.8%
EBIT	88	91	101	+14.5%	+10.9%
EBIT Margin	10.8%	10.0%	10.7%	-0.1%P	+0.7%P
EBITDA	110	112	123	+11.5%	+9.2%
Net Financial Cost	13	8	10	-24.1%	+28.8%
Profit before Tax	81	80	88	+9.5%	+10.5%
Net Profit	58	44*	61	+4.7%	+38.5%
Net Profit Margin	7.2%	4.8%	6.4%	-0.7%P	+1.6%P

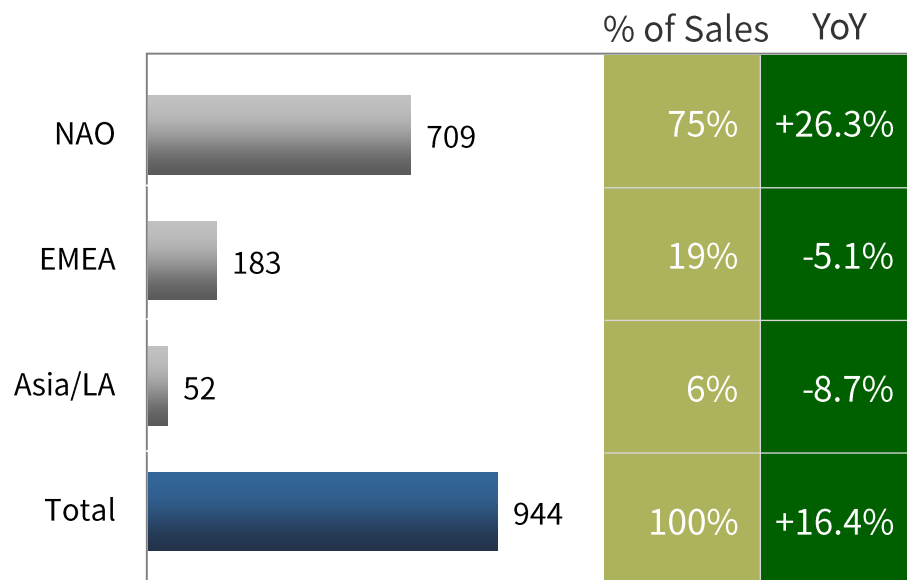
\* Includes one-time tax expense (approximately \$26M) resulting from the transfer of intangible assets in Europe

# 1Q 2019 Results – By Region & Business

- Sales improved significantly thanks to strong growth in North America.
  - NAO : Showed strong growth due to favorable housing market conditions and restocking by dealers.
  - EMEA : USD-based sales decreased slightly due to the depreciation of the EURO<sup>1)</sup>, while EURO sales increased due to strengthened channel coverage in key countries.
  - Asia/LA : While sales in China and India increased steadily, sales in Latin America fell slightly due to uncertainties there. (Sales in Latin America are expected to recover from 2H 2019.)

## Sales by Region

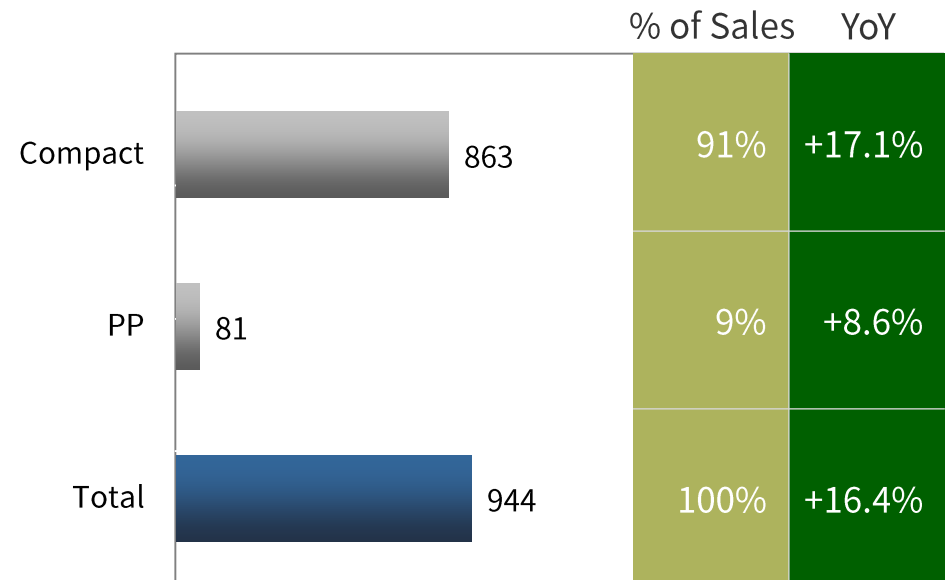
(Units : USD M)



1)EUR/USD FX '18.1Q 1.23 → '19.1Q 1.14 (7.5%↓)

## Sales by Business

(Units : USD M)



# 1Q 2019 Results – Balance Sheet

- Liabilities/Equity ratio rose temporarily due to an increase in A/P(\$115M) and an unpaid dividend(\$44M).
- Although net debt increased due to the extension of the A/R collection period, it is expected to normalize from 2Q 2019.

## Balance Sheet

(Units : USD M)

	2016	2017	2018	1Q19	증감(QoQ)
Total Asset	5,235	5,772	5,765	6,001	+236
Current Asset	1,265	1,541	1,506	1,715	+209
- Cash & Cash Equivalent	301	389	489	420	-69
Non-current Asset	3,970	4,231	4,260	4,286	+27
Total Liabilities	2,461	2,573	2,421	2,669	+248
Current Liabilities	611	797	862	1,055	+193
Non-current Liabilities	1,850	1,776	1,559	1,614	+55
Total Equity	2,774	3,199	3,345	3,332	-13
Net Debt	1,050	869	501	567	+65
Liabilities/Equity Ratio	88.7%	80.4%	72.4%	80.1%	+7.7%p

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**1** 1Q 2019 Results

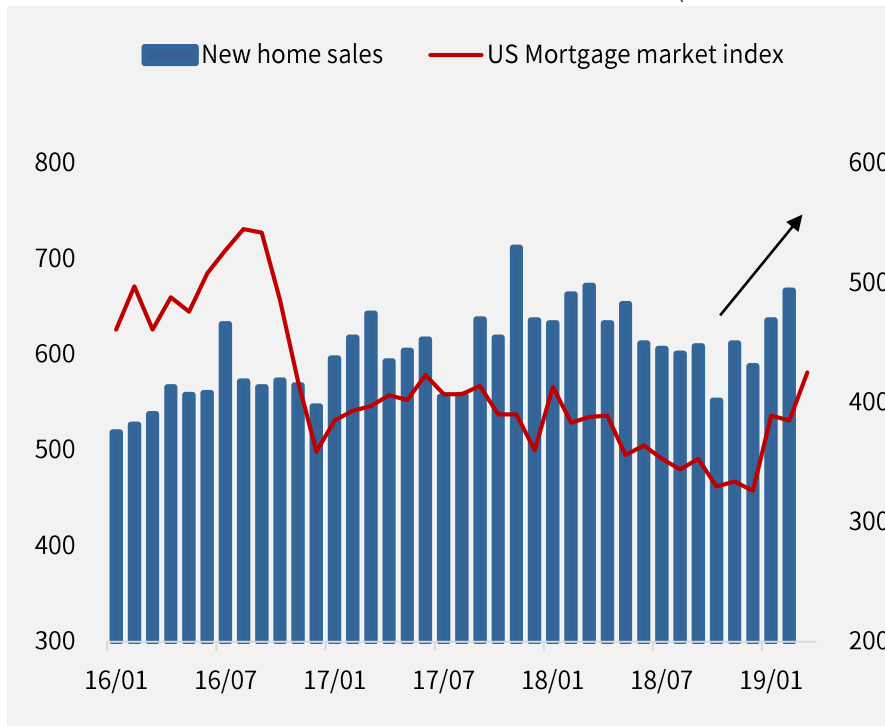
**2** 1Q 2019 Highlights

# North America – Positive view in the U.S housing market

- The decline in the mortgage interest rate led to an increase in housing sales and, consequently, the positive view in the U.S housing market has been maintained.
- The U.S housing market index has rebounded from early 2019 and is expected to continue improving.

## U.S New Home Sales and Mortgage Market Index

(Units: '000 units)

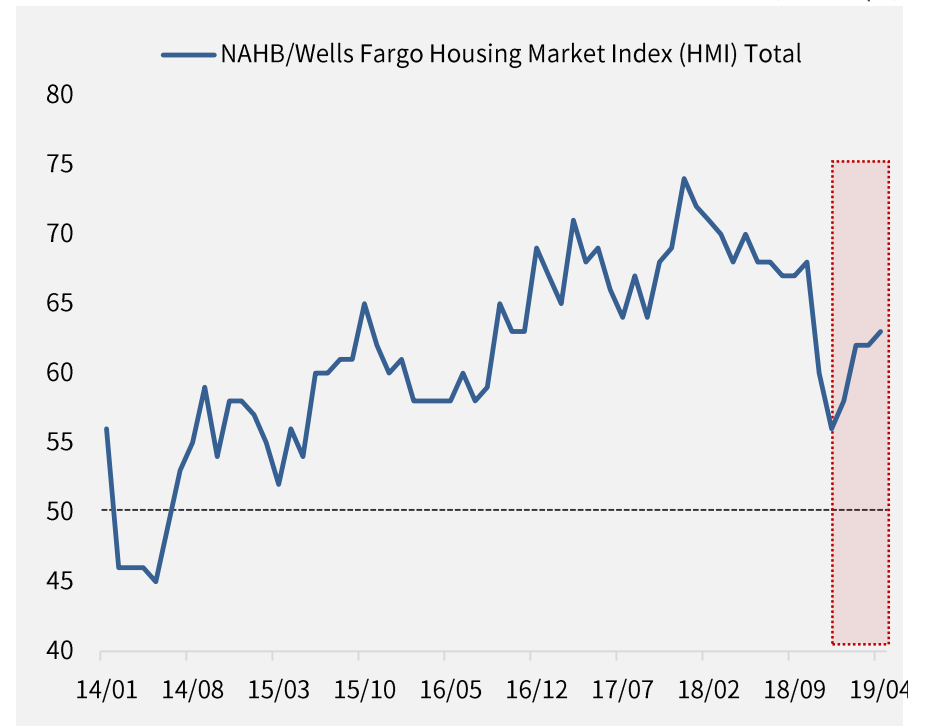


\* Source: U.S. Census Bureau,

\*\* Note: Mortgage index as of March 2019/Home sales as of February 2019.

## U.S. NAHB-Wells Fargo Housing Market Index\*

(Units: pt)



\* Source: U.S. Census Bureau, National Association of Home Builders(NABH)

\*\* Note: As of April 2019

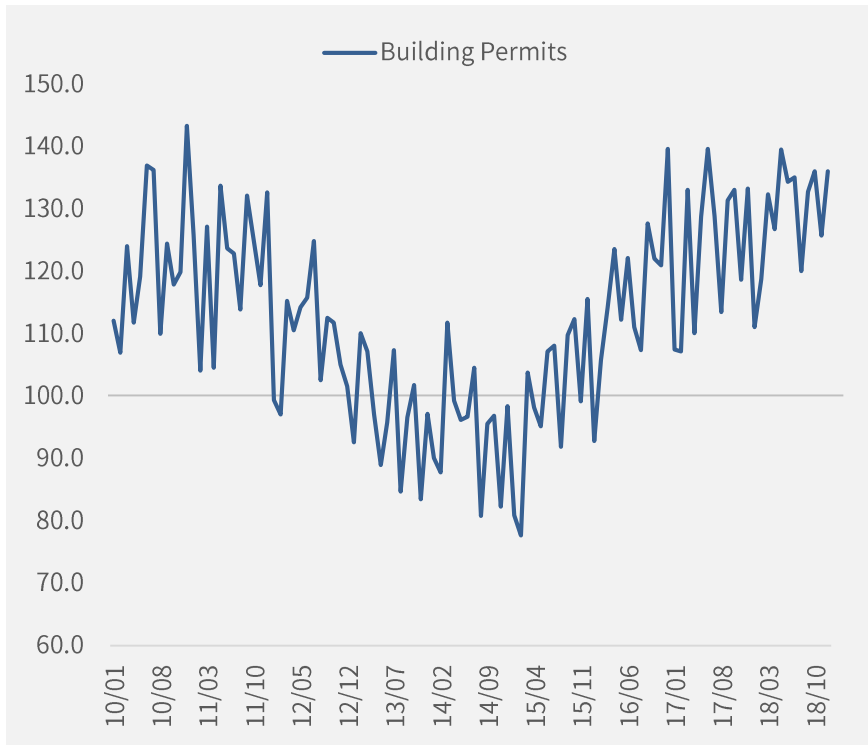


# Europe – Market has continued to recover

- Despite uncertainties in the EU economy, the construction industry has remained solid, accompanied by an increase in the number of building permits in the overall Eurozone.
- The construction confidence index in key regions such as Germany, France, and the U.K is continuing to improve.

## EU Building Permits

(Units : pt)

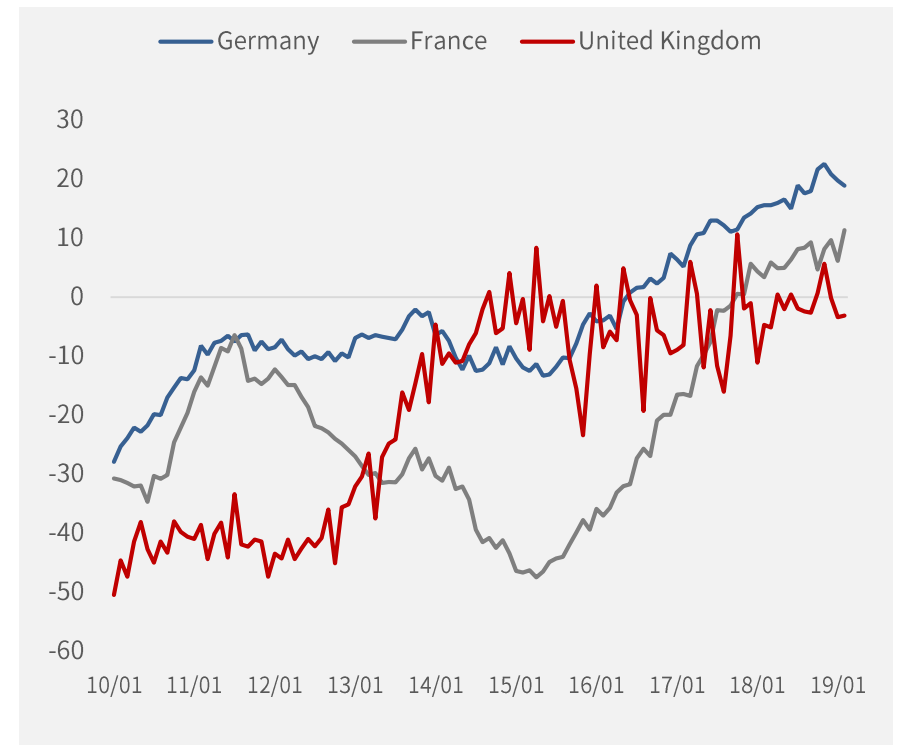


\* Source: Eurostat(2015년=100)

\* Note: As of end of 2018

## EU Construction Confidence Index

(Units : pt)



\* Source: Eurostat. Poor<0<Good

\* Note: As of Feb 2019준

# [Back Up] 1Q Results – Income Statement (KRW)

- Sales and EBIT increased by 22.1% and 20.1%, respectively, as the KRW depreciated.

## Income Statement

(Units : KRW billion, %)

	1Q18	4Q18	1Q19	YoY	QoQ
Sales	870.3	1,026.7	1,062.4	+22.1%	+3.5%
EBIT	94.3	103	113.3	+20.1%	+10.0%
(%)	10.8%	10.0%	10.7%	-0.1%P	+0.6%P
EBITDA	117.9	127.2	143.2	+21.5%	+12.5%
Net Financial Cost	14	8.7	11.1	-20.3%	+27.2%
Profit before Tax	86.5	90.6	99.4	+14.9%	+9.7%
Net Profit	62.3	50.2	68.5	+9.9%	+36.4%
(%)	7.2%	4.8%	6.4%	-0.7%P	+1.6%P

\* F/X (KRW/USD)  
1Q18: 1,072.29, 1Q19: 1,125.08

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**THANK YOU**