



Doosan Bobcat Inc.  
3Q 2019 Earnings Release

Oct 2019



# Disclaimer

---

Please be noted that this document contains preliminary figures and are provided to investors or potential investors solely as reference materials in their investment decisions.

Financial information presented herein are based on consolidated earnings which were reported in accordance with K-IFRS. Historical figures were adjusted as well to ensure their compliance with K-IFRS.

The statements within the presentation represent future estimates including profit and loss forecastings of 2019 and years after. Although they are deemed reasonable, readers are strongly cautioned that known and unknown risks and uncertainties such as currency exchange or raw material costs may have a strong influence on the forward-looking statements and result in material variance between actual business performance and financial positions expressed or implied here.

The contents of this report are provided solely for general information purposes, and do not constitute an offer for sale of, or solicitation of an offer to buy any securities of Doosan Bobcat. Doosan Bobcat Inc. assumes no responsibility for any investment decision and it is our firm trust that investors make decisions solely based on their own, independent judgment.

# Contents

---

**1** 3Q 2019 Results

**2** 3Q 2019 Highlights

# 3Q 2019 Results – Income Statement

- Sales increased 2% on a YoY basis thanks to the growth from Europe and emerging market
- EBIT decreased due to the rise in raw material price and the new products launch cost
- Net Profit decreased on a YoY basis as EBIT

## Income Statement

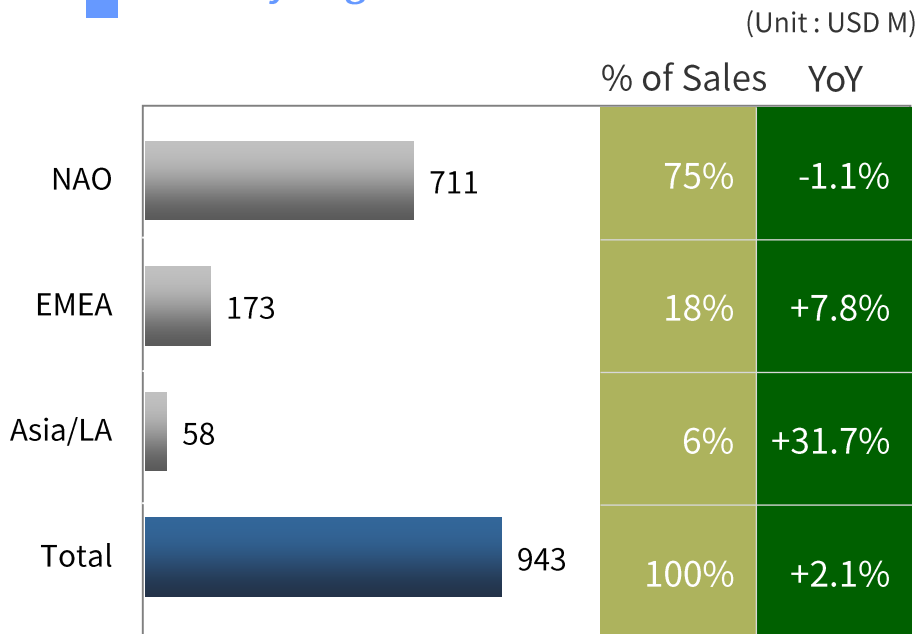
(Unit : USD M)

	3Q18	2Q19	3Q19	YoY	QoQ
Sales	924	1,022	943	+2.1%	-7.7%
EBIT	110	135	92	-16.3%	-32.2%
EBIT Margin	11.9%	13.2%	9.7%	-2.1%P	-3.5%P
EBITDA	131	157	111	-14.9%	-29.2%
Net Financial Cost	7	10	7	10.6%	-24.6%
Profit before Tax	100	117	78	-22.1%	-33.2%
Net Profit	67	82	55	-17.5%	-32.4%
Net Profit Margin	7.3%	8.0%	5.9%	-1.4%P	-21.%P

# 3Q 2019 Results – By Region & Business

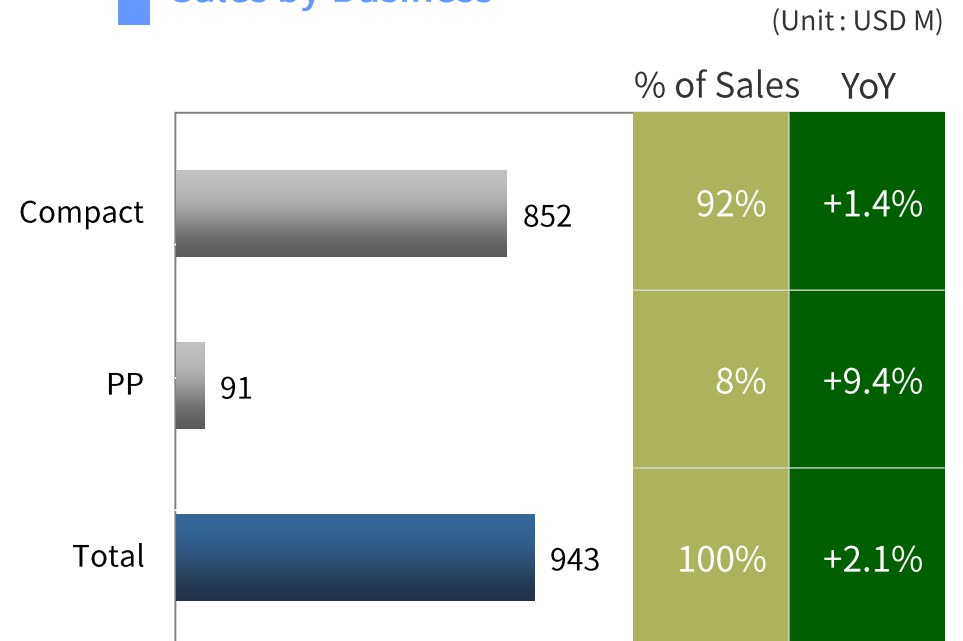
- Sales improved thanks to strong growth in Europe and emerging market
  - NAO : slightly decreased because of the high base of Q3 2018 sales which marked +32.4% of growth
  - EMEA : maintained M/S gain propelled by building up products and channel
  - Asia/LA : remarkable growth thanks to strong sales from China and Latin America

## Sales by Region



1) EUR/USD FX '18.3Q 1.16 → '19.3Q 1.11 (4.3%↓)

## Sales by Business



# 3Q 2019 Results – Balance Sheet

- Liabilities/Equity ratio advanced further thanks to early debt repayment of USD 100 M(July)

## Balance Sheet

(Unit : USD M)

	2017	2018	2Q19	3Q19	증감(QoQ)
Total Asset	5,772	5,765	5,881	5,713	-168
Current Asset	1,541	1,506	1,504	1,389	-115
- Cash & Cash Equivalent	389	489	273	166	-107
Non-current Asset	4,231	4,260	4,376	4,323	-53
Total Liabilities	2,573	2,421	2,449	2,345	-104
Current Liabilities	797	862	968	986	18
Non-current Liabilities	1,776	1,559	1,481	1,360	-121
Total Equity	3,199	3,345	3,432	3,367	-65
Net Debt	869	501	561	563*	2
Liabilities/Equity Ratio	80.4%	72.4%	71.3%	69.7%	-1.6%p

\* USD 51 M of interim dividend payed out in August

# Contents

---

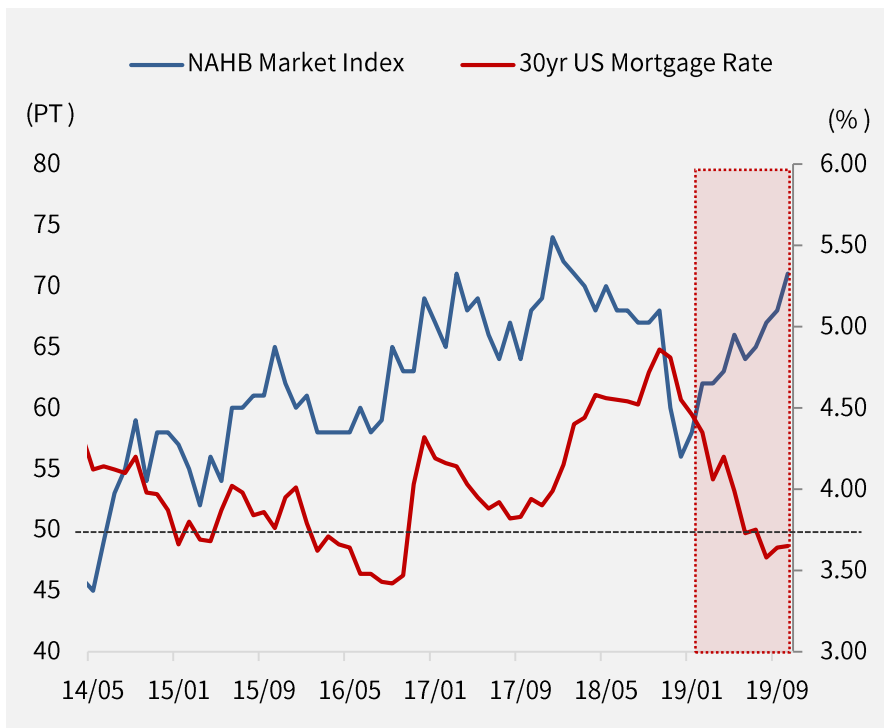
**1** 3Q 2019 Results

**2** 3Q 2019 Highlights

# U.S – Housing Market Continued Improving

- Housing market index showed an uptrend, marked a record-high in October since Feb. 2018, which led by the decline in the mortgage rate
- Housing starts has rebounded along with positive view in the U.S housing market

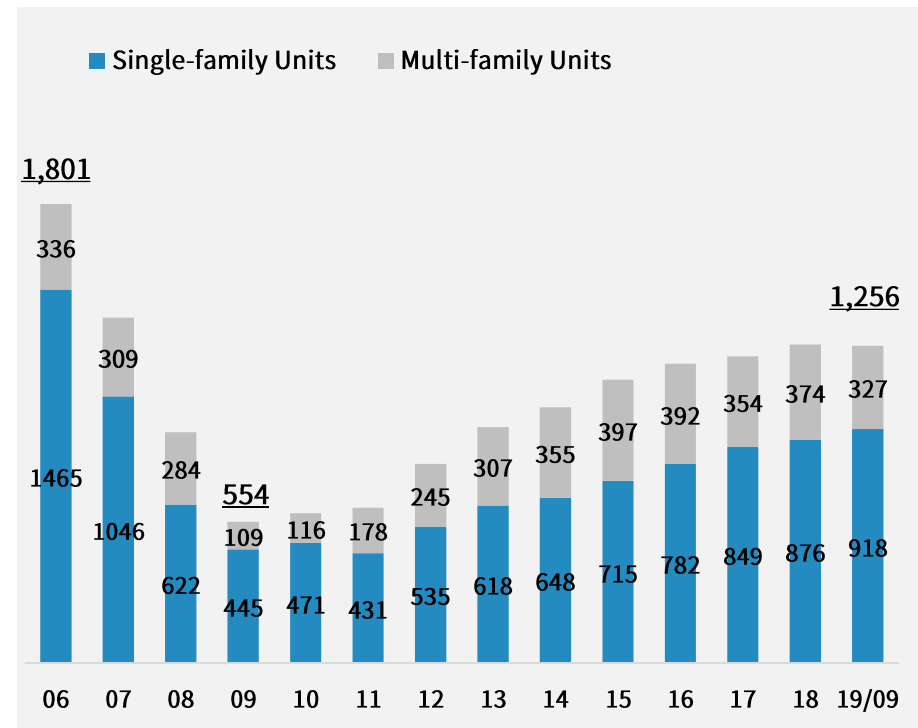
## U.S Housing Market and Mortgage Rate Index



\* Source: National Association of Home Builders(NABH). Poor<50<Good Freddie Mac (U.S Mortgage Rate)

\*\* Note: As of September 2019

## U.S Housing Starts Trend



\* Source : U.S. Census Bureau

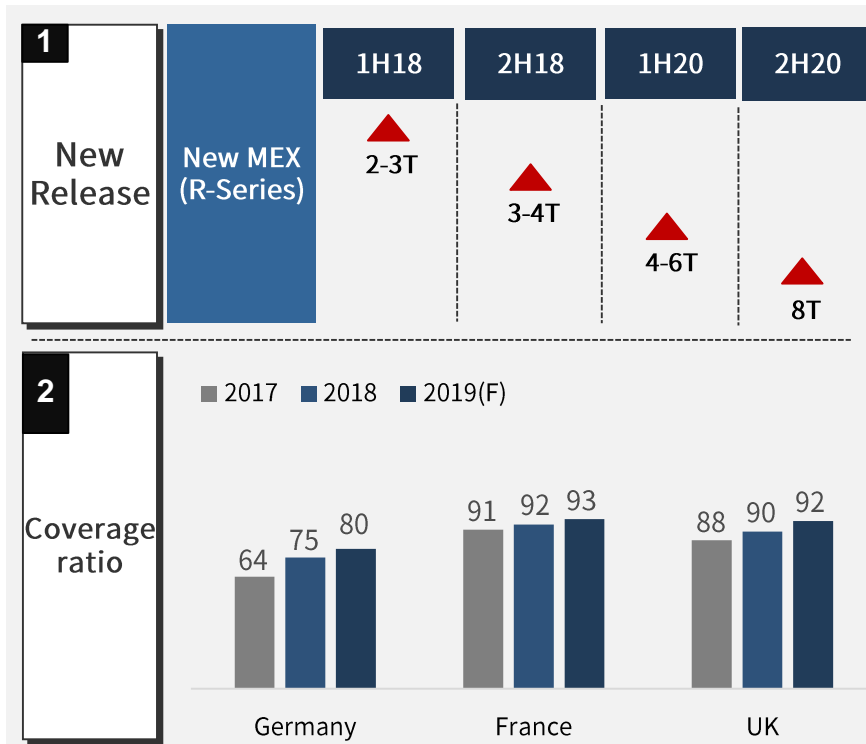
\*\* Note: As of September 2019



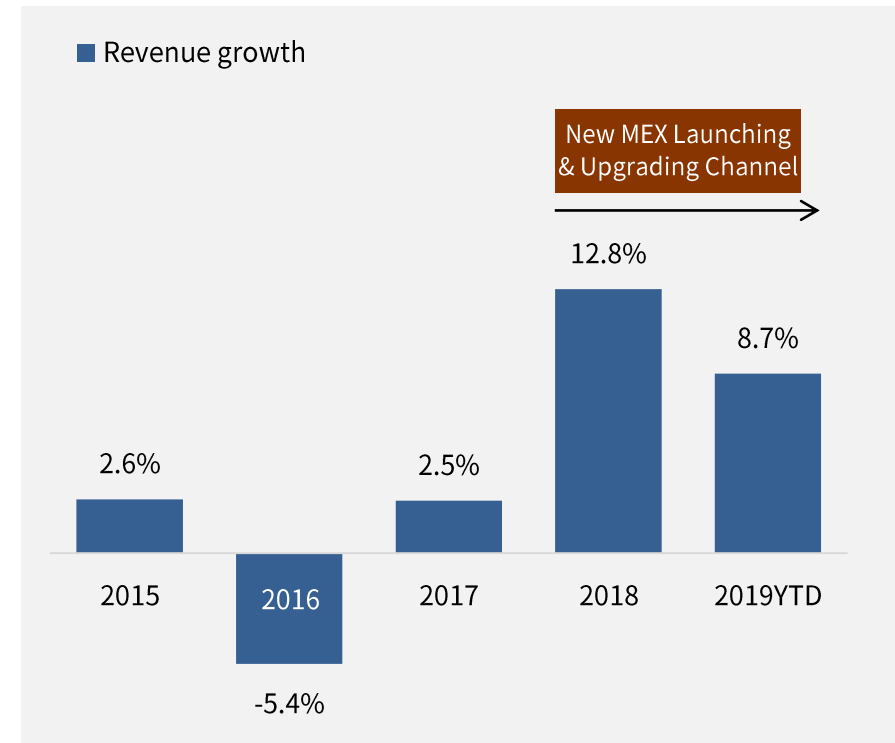
# Europe – Growth continue by developing products & channel

- Sales increased by upgrading product competitiveness as a result of new model release, and strengthening the channel

## Enhanced Product and Regional Coverage



## Revenue Growth



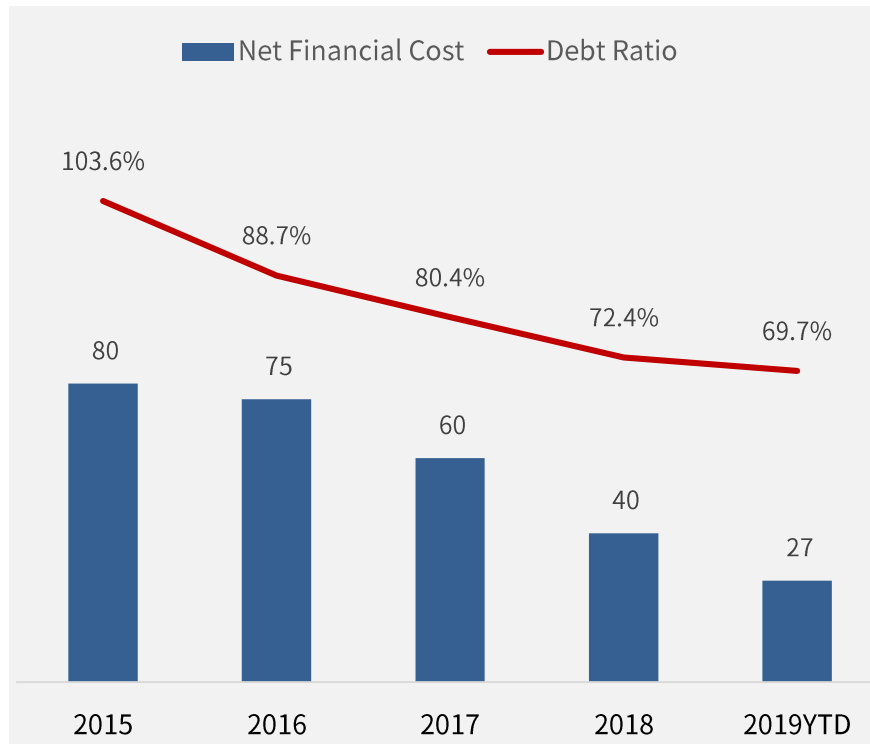
\* Source: Company data, based on EUR 3<sup>rd</sup> party revenue

# Improved Financial Structure

- Financial structure has improved based on superior cash-generating ability and efficient cash management
- Cash management ability upgraded by securing credit line on the back of raised credit rating

## Debt Ratio and Net financial cost trend

(Unit : USD M)



\* Source: Company data

## Obtained Raised Rating & Own Credit Line

**1**  
Credit\*  
Rating

Term Loan B	DBI	Date
• BB-	• BB-	'17.5.3
• BB-	• BB-	'19.5.25
• BB (1 notch ↑)	• BB-	'19.4.23
• <b>BBB-</b> (2 notch ↑)	• <b>BB</b> (1 notch ↑)	'19.5.28

**2**  
Credit  
Line

### Obtained own credit line by region

- NA : USD 75M
- EMEA : USD 90M

\* S&P Rating

# [Back Up] 3Q 2019 Results (KRW)

- Sales increased by 9%, while EBIT has dropped by 10.2% on a YoY basis.

## Income Statement

(Unit : KRW BN)

	3Q18	2Q19	3Q19	YoY	QoQ
Sales	1,035.3	1,190.6	1,128.0	+9.0%	-5.3%
EBIT	122.9	157.1	110.4	-10.2%	-29.8%
(%)	11.9%	13.2%	9.8%	-2.1%P	-3.4%P
EBITDA	146.5	182.6	133.9	-8.6%	-26.7%
Net Financial Cost	7.7	11.4	8.9	+16.0%	-22.1%
Profit before Tax	112.3	135.9	94.1	-16.2%	-30.8%
Net Profit	75.3	95.3	66.8	-11.3%	-29.9%
(%)	7.3%	8.0%	5.9%	-1.4%P	-2.1%P

\* F/X (KRW/USD)  
3Q18: 1,090.88, 3Q19: 1,162.18

---



**THANK YOU**