

2nd Quarter 2023 Financial Review

Doosan Bobcat Inc.

DOOSAN



July 2023



Bobcat

Disclaimer

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

The financial information presented herein are based on consolidated earning 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 future estimates including profit and loss forecasting of 2023 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.

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Contents



1. 2023 2Q Results
2. 2023 2Q Highlights

2023 2Q Financial Results – Income Statement (Consolidated)

- Revenue grew 15% YoY thanks to volume increase across all product lines and strong demand from NA
- Operating margin achieved more than 17% driven by volume growth and moderated inflation¹⁾
(14.9% of OPM excluding one-time gain)
- Net profit surged 110% thanks to higher operating profit and base effect caused by PY's one-time loss³⁾

(USD in million)

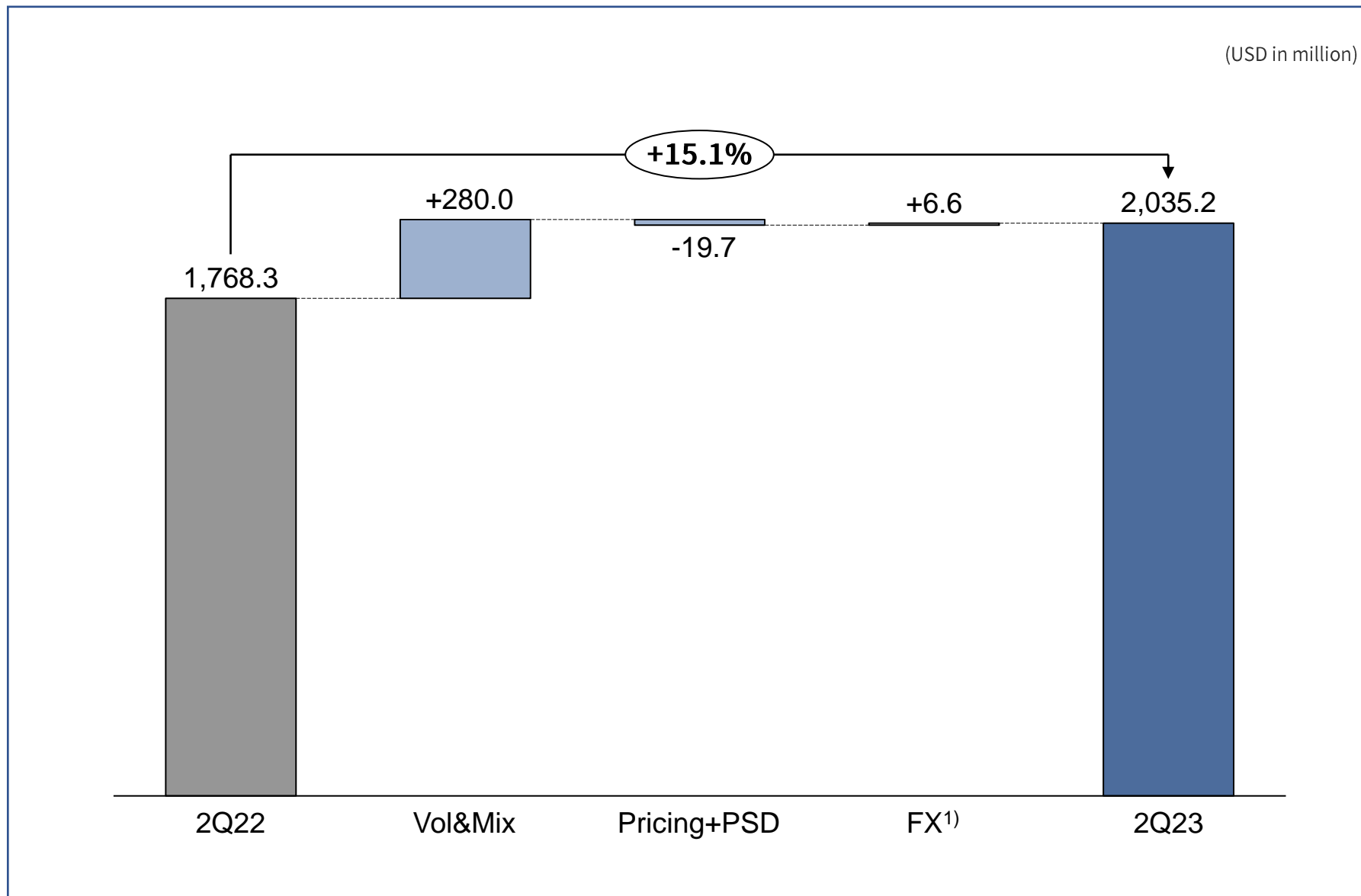
	2Q22	1Q23	2Q23	YoY	QoQ
Revenue	1,768	1,886	2,035	+15.1%	+7.9%
Operating Profit	247	290	356 ¹⁾	+43.9%	+22.8%
%	14.0%	15.4%	17.5%	+3.5%p	+2.1%p
EBITDA	286	327	394	+37.8%	+20.6%
Net Interest Expense	16	19	17	+6.6%	-5.9%
Profit before Tax	175 ²⁾³⁾	255	335 ²⁾	+90.8%	+31.4%
Net Profit	112	163	235	+109.9%	+44.7%
%	6.3%	8.6%	11.6%	+5.2%p	+2.9%p

1) One-time gain related to OPEB plan changes in NA \$52M

2) F/X related loss 2Q22 \$34M vs 2Q23 \$0M

3) \$12M of loss on HYB early repayment, \$8M of loss on borrowings repayment caused from the Term Loan B refinancing

2023 2Q Financial Results – Revenue Waterfall Chart

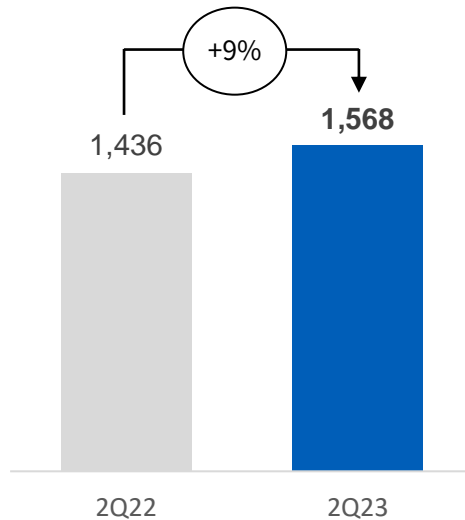


1) USD-EUR FX '22.2Q 1.07 → '23.2Q 1.09 (2.2% ↑)

2023 2Q Financial Results – Sales by Segment (Consolidated)

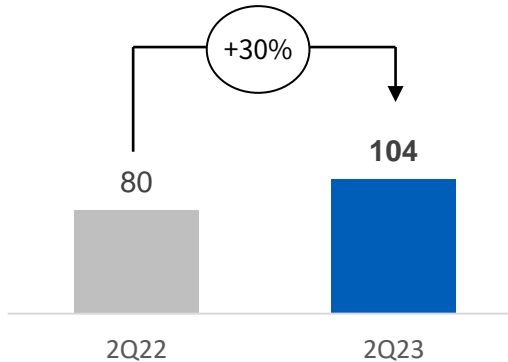
(USD in million)

Compact Equipment



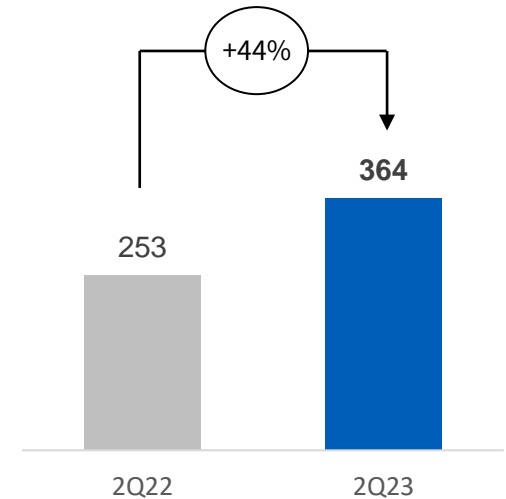
- Grew 9% YoY driven by higher volumes in NA and Europe thanks to deferred demand
- 3Q outlook: Expect higher retail sales through increased marketing efforts as supply chain normalizes

Portable Power



- 30% YoY growth thanks to base effect and continued demand in NA¹⁾
- 3Q outlook: Demand from NA expected to continue

Industrial Vehicle



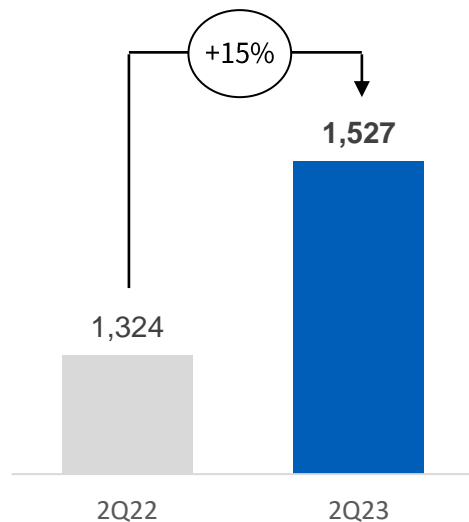
- 44% YoY growth driven by strong NA market
- 3Q outlook: Growth expected to slow due to high base effect from the previous year

1) WTI -32% YoY ('22. 2Q 108.0 → '23. 2Q 73.6)

2023 2Q Financial Results – Sales by Region (Consolidated)

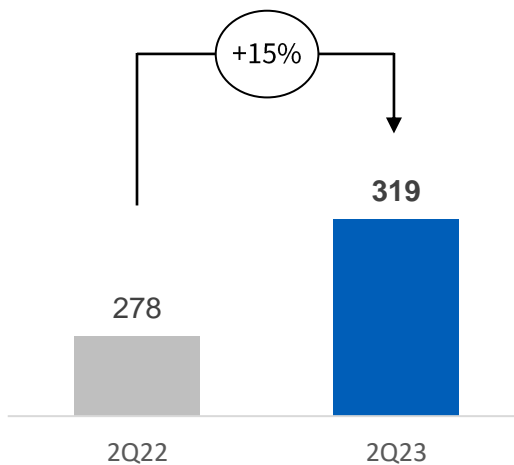
(USD in million)

North America



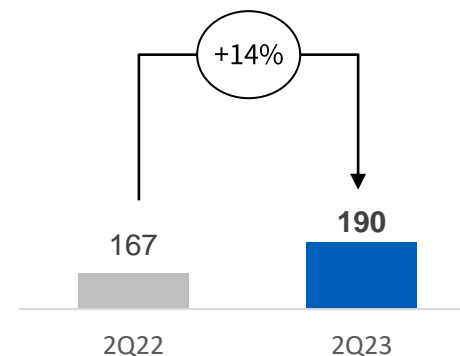
- 15% YoY growth as deferred demand sustained across all product lines
- 3Q outlook: Growth expected to slow due to less supply chain pressure and a shift to buyer's market

EMEA



- 15% YoY increase due to continued deferred demand and improved supply (+13% excl. currency)¹⁾
- 3Q outlook: Uncertainties persist due to concerns about recession

ALAO



- 14% YoY growth thanks to a base effect from PY's supply delays and strong sales in Latin America (+10% excl. currency)
- 3Q outlook: Expect less purchasing power due to inflation and interest rate hike

1) USD-EUR FX '22.2Q 1.07 → '23.2Q 1.09 (2.2% ↑)

2023 2Q Financial Results – Balance Sheet

- Net debt decreased by \$450 million as cash and cash equivalent increased thanks to strong sales

Summarized Balance Sheet

(USD in million)

	2019	2020	2021	2022	2023 1Q	2023 2Q	Variation (to 2022)
Total Asset	5,790	6,398	7,238	7,298	7,641	7,870	+572
Current Asset	1,313	1,711	2,232	2,432	2,761	2,980	+548
- Cash & Cash Equivalent	183	733	819	557	808	1,010	+454
Non-current Asset	4,478	4,686	5,006	4,866	4,880	4,889	+24
Total Liabilities	2,354	2,653	3,593	3,333	3,534	3,533	+200
Current Liabilities	984	930	1,264	1,620	1,794	1,810	+190
Non-current Liabilities	1,370	1,723	2,329	1,713	1,739	1,723	+10
Total Borrowings	674	958	1,583	1,077	1,083	1,077	+1
Total Equity	3,437	3,744	3,645	3,965	4,108	4,337	+372
Net Debt	491	225	764	520	275	67	-453
Liability/Equity Ratio	68.5%	70.9%	98.6%	84.1%	86.0%	81.5%	-2.6%p

Contents

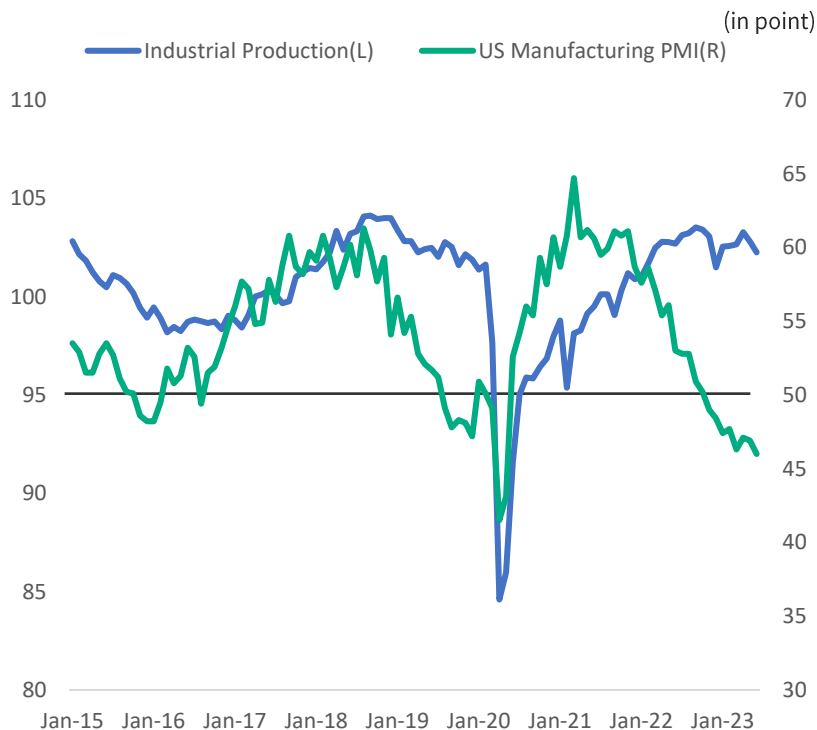


1. 2023 2Q Results
2. 2023 2Q Highlights

North America – despite slowing economy, nonresi-construction spending continues to rise

- Industrial Production continues to grow at a slower pace with PMI below 50
- However, construction spending remains steeply driven by the non-residential sector, and the residential also showing signs of rebounding

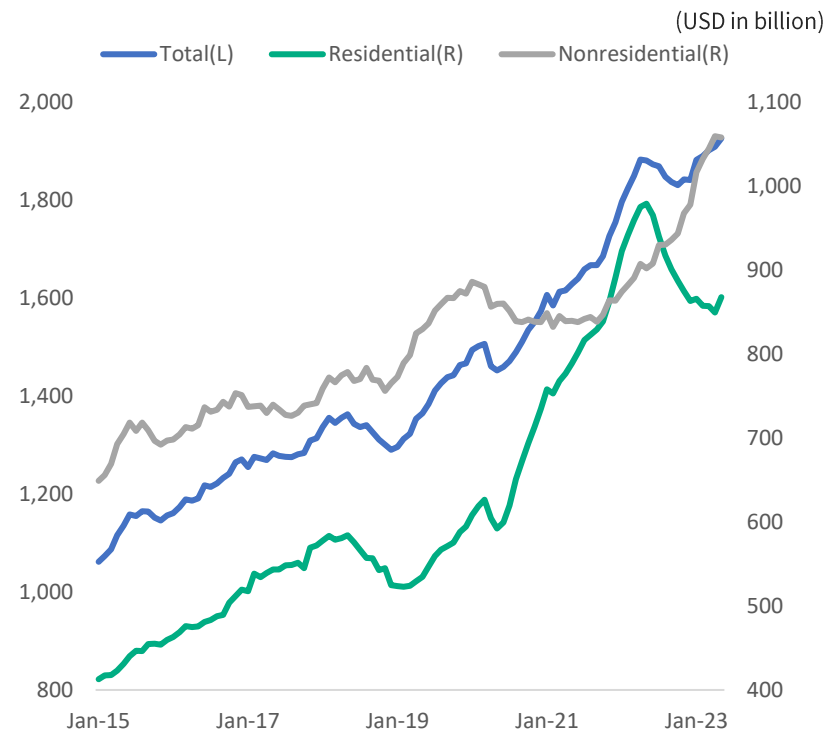
US Industrial Production and Manufacturing PMI



* Industrial Production : FRB, as of Jun. 2023, 2017=100

** PMI : ISM, as of Jun. 2023, baseline=50

US Construction Spending

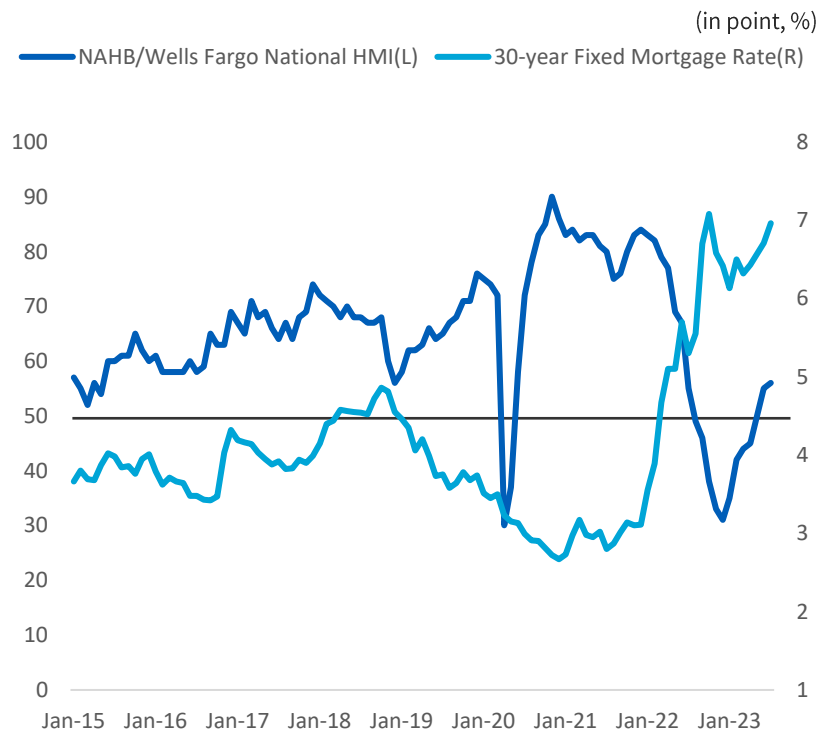


* Source: U.S. Census Bureau, as of May 2023

North America – leading indicator continues to improve for housing market

- NAHB Housing Market Index remains above 50 for 3 months in a row as Fed slows rate hikes
- Number of ‘New Housing Units Authorized, but not Started’ remained high, which is expected to lead a recovery in the US housing market in the longer term given housing shortages

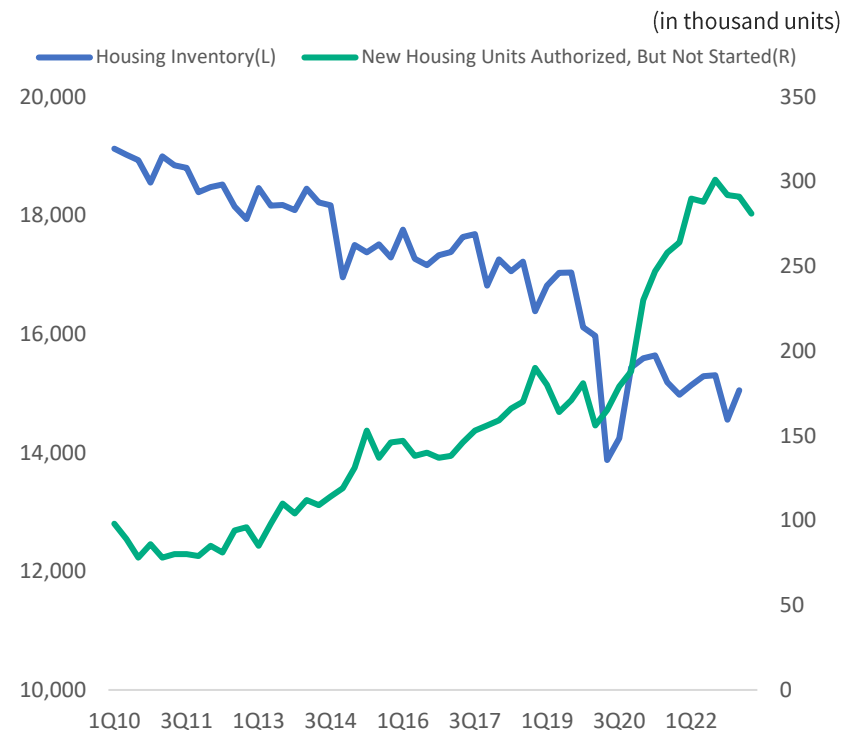
NAHB Housing Market Index and Mortgage Rate



* National Association of Home Builders, as of Jul. 2023, baseline=50

** 30-yr fixed mortgage rate: Freddie Mac, as of Jul. 2023

US Housing Market Indicators



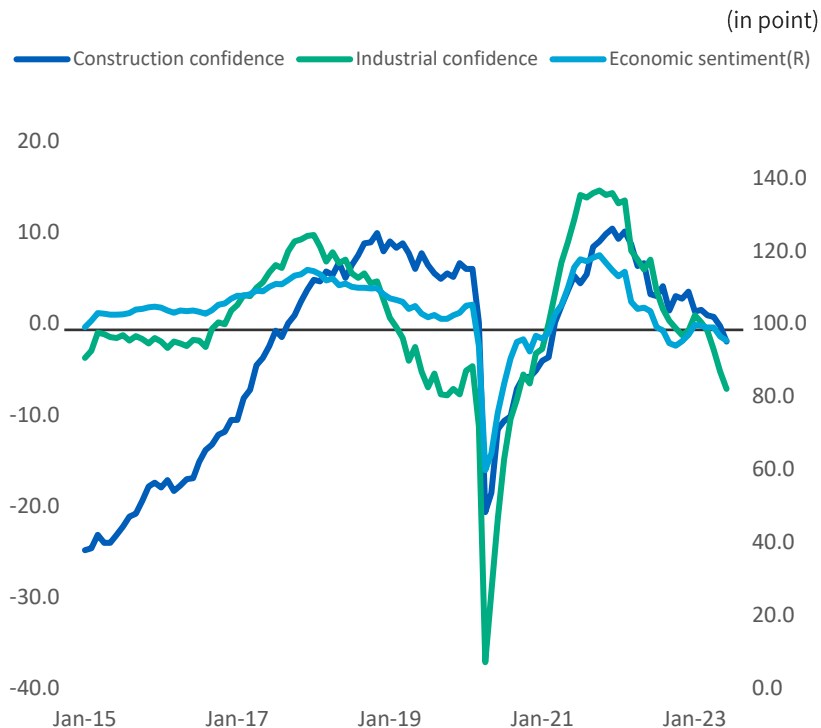
* Source: U.S. Census Bureau

** Vacant Housing Units as of 2023. 1Q,
New housing units authorized, but not started as of Jun. 2023

Europe – Recession concerns spread as market index weakens

- Eurozone's key sentiment indicators all fall, raising concerns of recession
- Mixed construction index shown as production in construction is improving while building permits are declining

Eurozone Sentiment



* European Commission, as of Jun. 2023

** Baseline : Economic Sentiment= 100, Others =0

Eurozone Construction Indicators



* Source: Eurostat, 2015=100

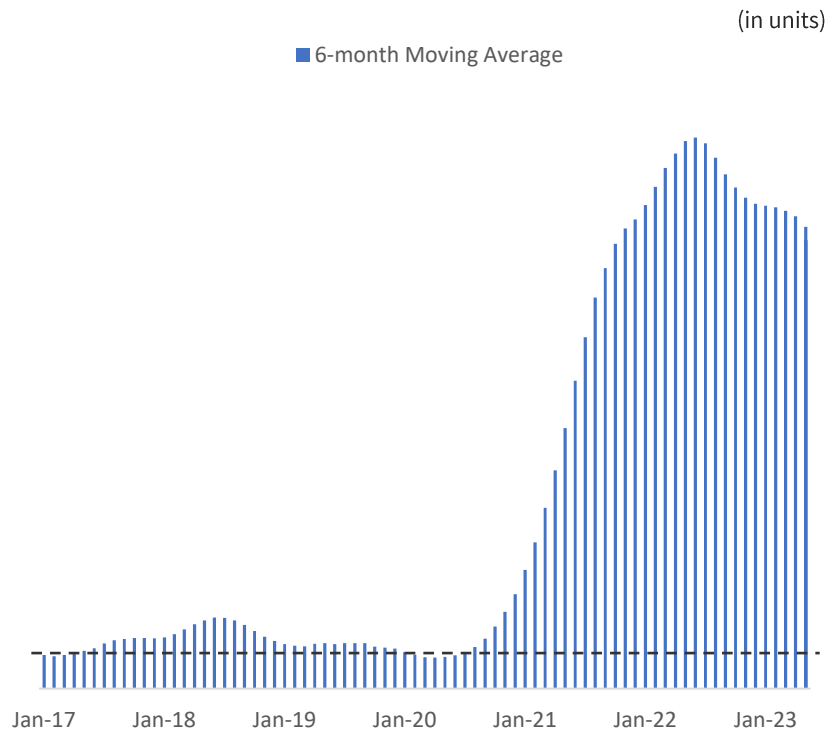
** Permits as Mar. 2023, Production in construction as of Apr. 2023

*** Permits : Residential buildings, except residences for communities

North America – solid demand continues

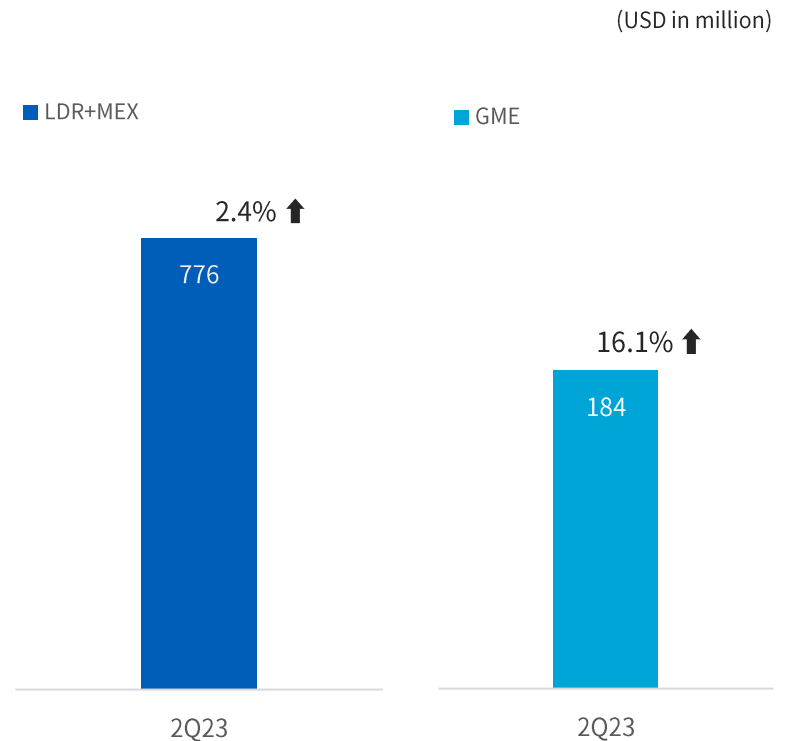
- Order backlog drops slightly as supply chain constraints ease
- Revenue continued to grow across all products, although growth rates slowed due to a high base effect

NA Order Backlog Trend



* Source: Company Data

NA Revenue by Segment



* Source: Company Data

** LDR : Skid-steer Loader, Compact Track Loader, MEX : Mini Excavator,
GME : Grounds Maintenance Equipment

[Back-up] 2023 2Q Financial Results in KRW

- Revenue and EBIT increased greater due to weak KRW against USD

Summarized Income Statement

(단위 : 억원)

	2Q22	1Q23	2Q23	YoY	QoQ
Revenue	2,218.4	2,405.1	2,672.1	+20.5%	+11.1%
EBIT	309.5	369.7	466.5	+50.7%	+26.2%
%	14.0%	15.4%	17.5%	+3.5%p	+2.1%p
EBITDA	358.2	417.2	516.9	+44.3%	+23.9%
Net financial cost	20.5	23.6	22.9	+11.6%	-3.0%
Profit before tax	219.7	324.7	438.2	+99.5%	+35.0%
Net profit	140.6	207.5	308.0	+119.0%	+48.4%
%	6.3%	8.6%	11.5%	+5.2%p	+2.9%p

* KRW-USD '22.2Q 1,259.57, '23.1Q 1,275.58, '23.2Q 1,314.68

THANK YOU