

# 1<sup>st</sup> Quarter 2023 Financial Review

Doosan Bobcat Inc.

**DOOSAN**



April 2023



**Bobcat**

## Disclaimer

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

## 2023 1Q Financial Results – Income Statement (Consolidated)

- Revenue increased 39% YoY thanks to volume growth across all segments and a strong US market
- Operating margin achieved more than 15% as material cost & ocean freight decreased
- Net profit surged 95% due to increased operating profit

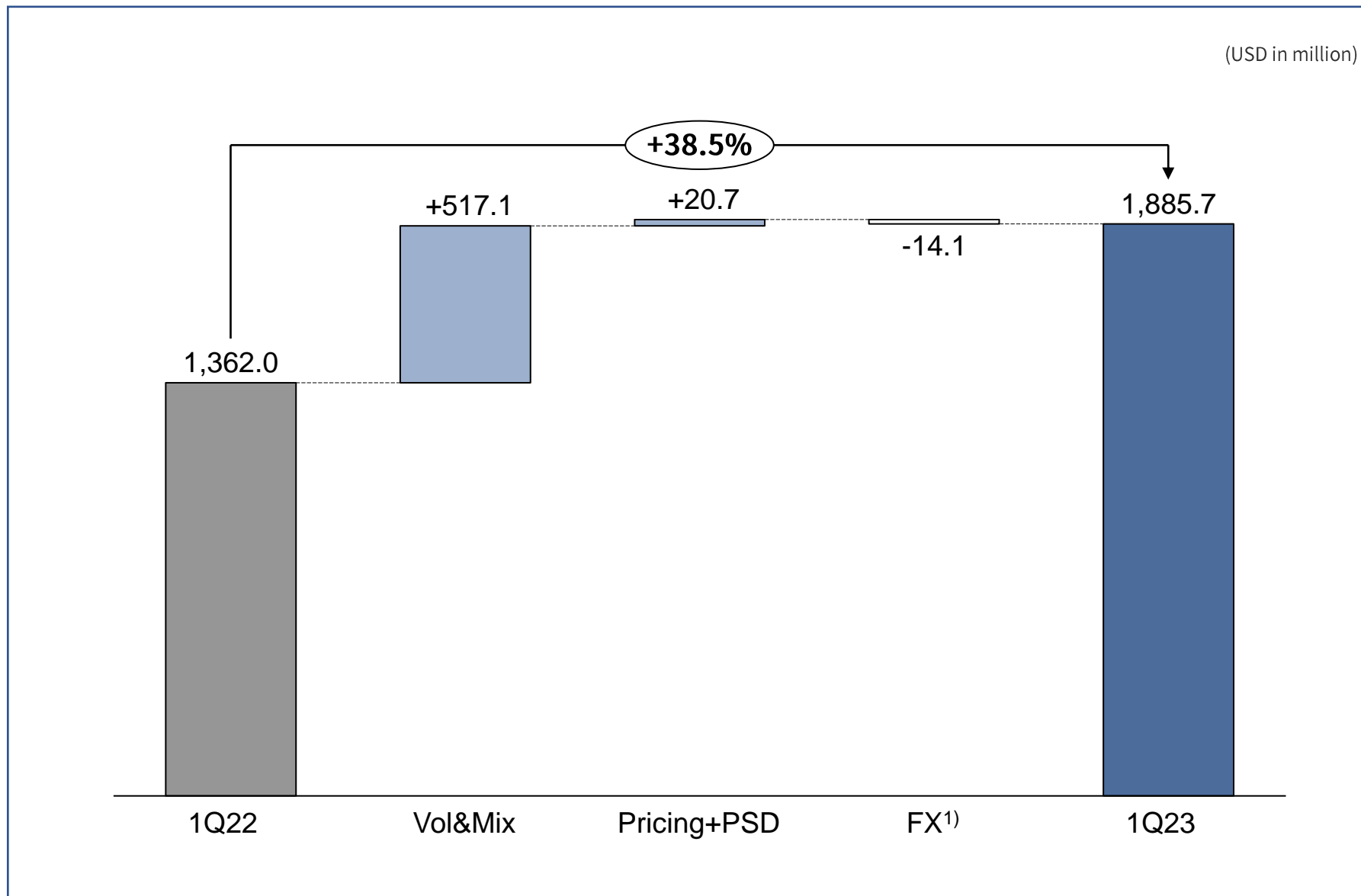
(USD in million)

	1Q22	4Q22	1Q23	YoY	QoQ
Revenue	1,362	1,757	1,886	+38.5%	+7.3%
Operating Profit	161	183	290	+79.6%	+58.7%
%	11.8%	10.4%	15.4%	+3.5%p	+5.0%p
EBITDA	198	219	330	+66.8%	+50.9%
Net Interest Expense	14	18	19	+31.6%	+3.1%
Profit before Tax	123	214	255 <sup>1)</sup>	+106.8%	+19.1%
Net Profit	83	215 <sup>2)</sup>	163	+95.1%	-24.3%
%	6.1%	12.2%	8.6%	+2.5%p	-3.6%p

1) F/X related loss \$7M (KRW-USD +2.9%, '22.12. 1,267.30 → '23.03. 1,303.80)

2) Deferred tax adjustment effect related to changes in CEC dividend estimation, etc., +\$68M

## 2023 1Q Financial Results – Revenue Waterfall Chart

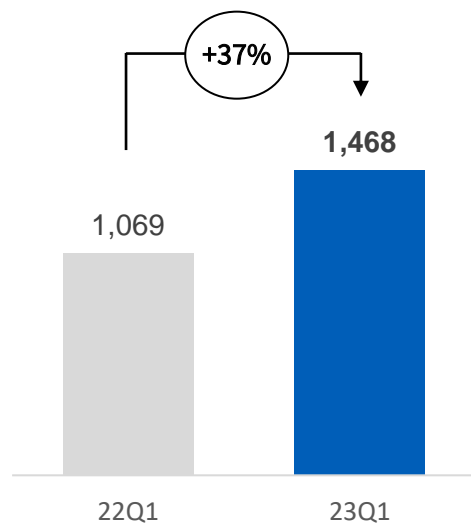


1) USD-EUR FX '22.1Q 1.12 → '23.1Q 1.07 (4.4% ↓)

# 2023 1Q Financial Results – Sales by Segment (Consolidated)

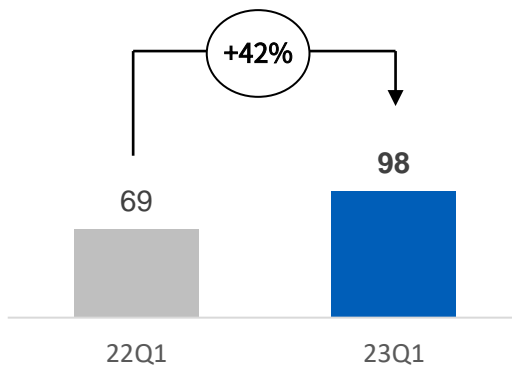
(USD in million)

## Compact Equipment



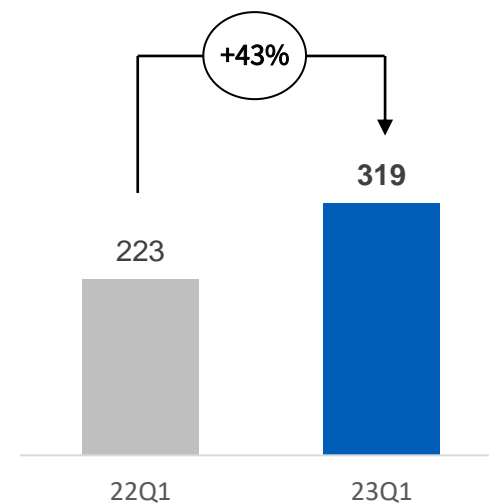
- Revenue grew 37% backed by increased volume in NA
- 2Q outlook: considering high backlog and low inventory, sales growth expected to continue

## Portable Power



- 42% YoY growth thanks to low base effect from supply chain constraints last year and robust NA demand<sup>1)</sup>
- 2Q outlook: sales growth expected backed by high order backlog

## Industrial Vehicle



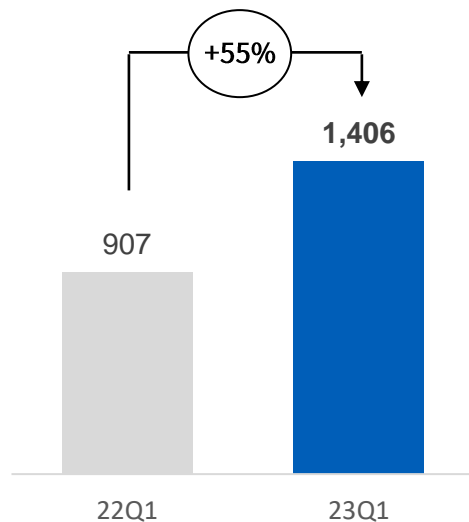
- 43% growth thanks to robust NA market and low base from last year
- 2Q outlook: sales growth is expected to continue due to positive price realization and strong manufacturing in the US

1) WTI -20% YoY ('22. 1Q 95.0 → '23. 1Q 76.0)

# 2023 1Q Financial Results – Sales by Region (Consolidated)

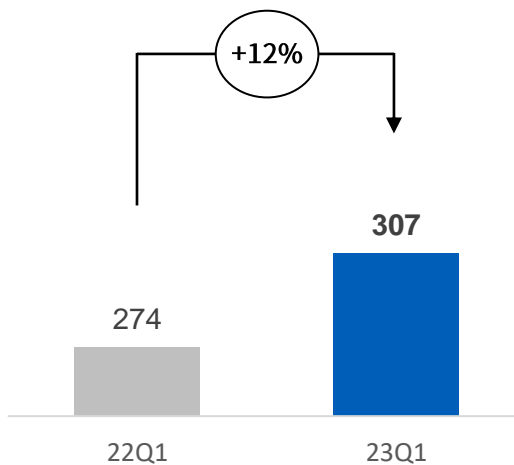
(USD in million)

## North America



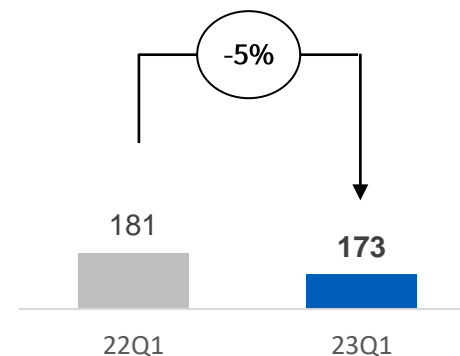
- Revenue grew 55% as sales increased across all segments
- 2Q outlook: considering continued seller's market and lower field inventory, sales growth expected to continue

## EMEA



- 12% increase due to solid demand for compact equipment despite weak euro<sup>1)</sup> (+16% excl. currency)
- 2Q outlook: uncertainties to be continued despite stronger-than-expect demand

## ALAO



- Revenue down by 5% as demand decreased due to high interest rates and parts shortages (-1% excl. currency)<sup>2)</sup>
- 2Q outlook: expect sales to be recovered by easing parts shortages

1) USD-EUR FX '22.1Q 1.12 → '23.1Q 1.07 (4.4% ↓), 2) KRW-USD FX '22.1Q 1,204.95 → '23.1Q 1,275.58 (5.9% ↑)

## 2023 1Q Financial Results – Balance Sheet

- Strong financial performance resulted in a \$245M net debt decrease
- Liability-to-equity ratio temporarily increased due to dividend payment confirmation of \$58M

### Summarized Balance Sheet

(USD in million)

	2019	2020	2021	2022	2023 1Q	Variation
Total Asset	5,790	6,398	7,238	7,298	7,641	+343
Current Asset	1,313	1,711	2,232	2,432	2,761	+329
- Cash & Cash Equivalent	183	733	819	557	808	+251
Non-current Asset	4,478	4,686	5,006	4,866	4,880	+14
Total Liabilities	2,354	2,653	3,593	3,333	3,534	+200
Current Liabilities	984	930	1,264	1,620	1,794	+174
Non-current Liabilities	1,370	1,723	2,329	1,713	1,739	+27
Total Borrowings	674	958	1,583	1,077	1,083	+7
Total Equity	3,437	3,744	3,645	3,965	4,108	+143
Net Debt	491	225	764	520	275	-245
Liability/Equity Ratio	68.5%	70.9%	98.6%	84.1%	86.0%	+2.0%p

# Contents

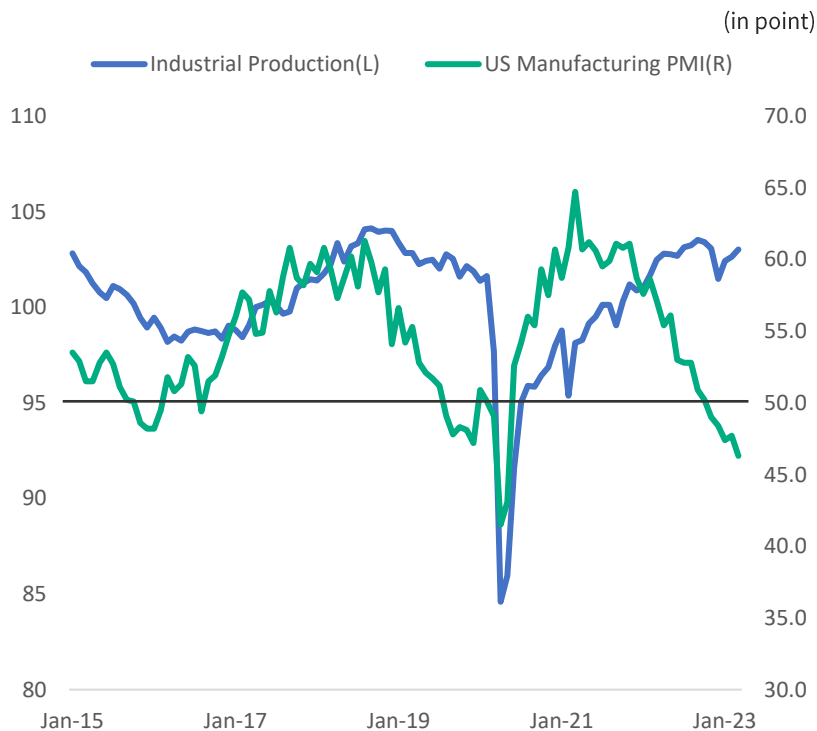


1. 2023 1Q Results
2. 2023 1Q Highlights

## North America –concerns over economy persist while nonresidential construction shows growth

- Industrial production showed recovery despite concerns remained as manufacturing PMI deteriorated
- Strong US nonresidential construction spending leads total index

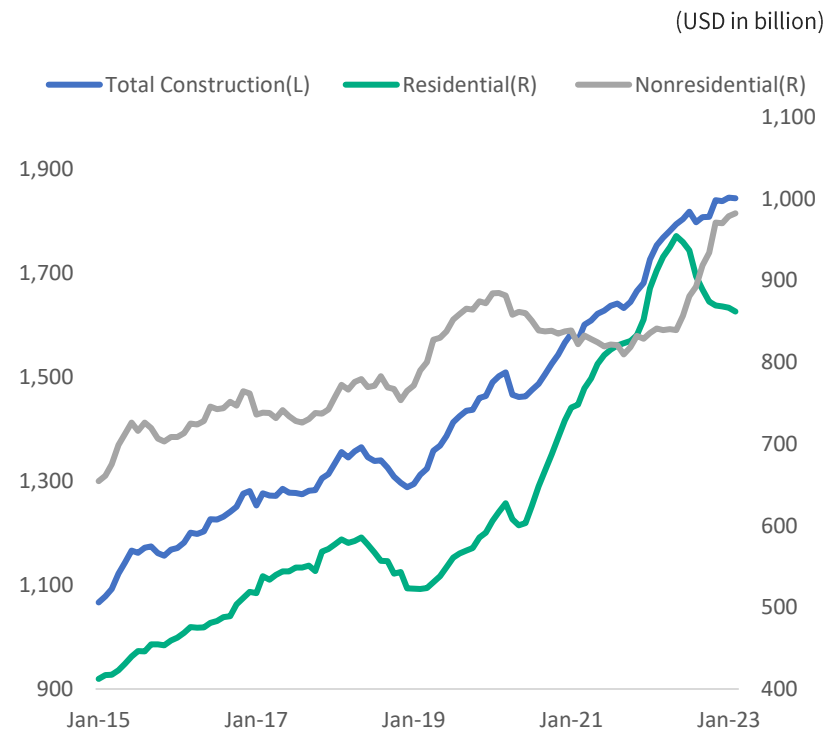
### US Industrial Production and Manufacturing PMI



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

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

### US Construction Spending

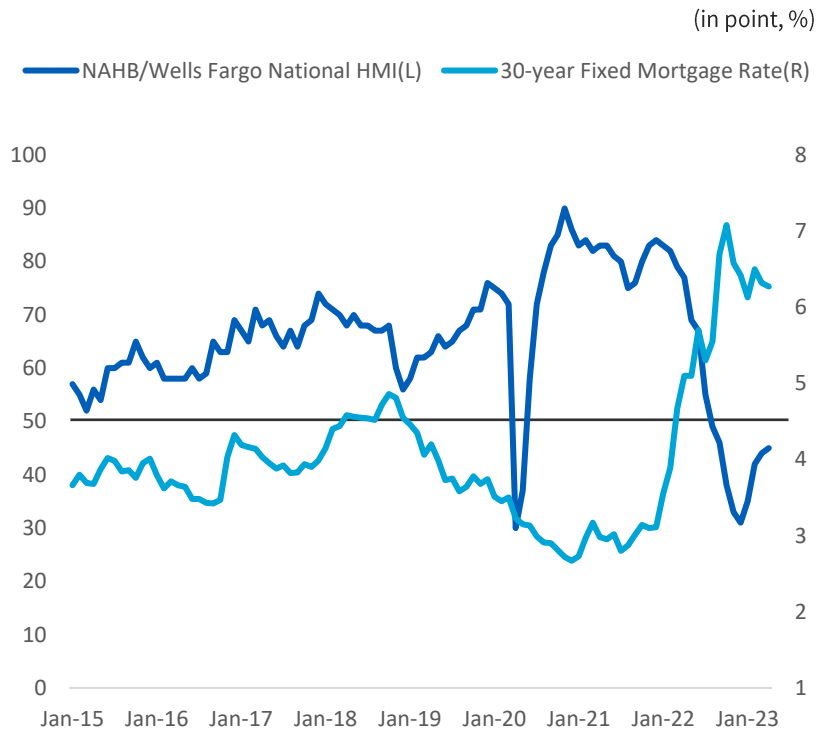


\* Source: U.S. Census Bureau, as of Feb. 2023

## North America – leading indicator improves

- NAHB Housing Market Index rebounded as the 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

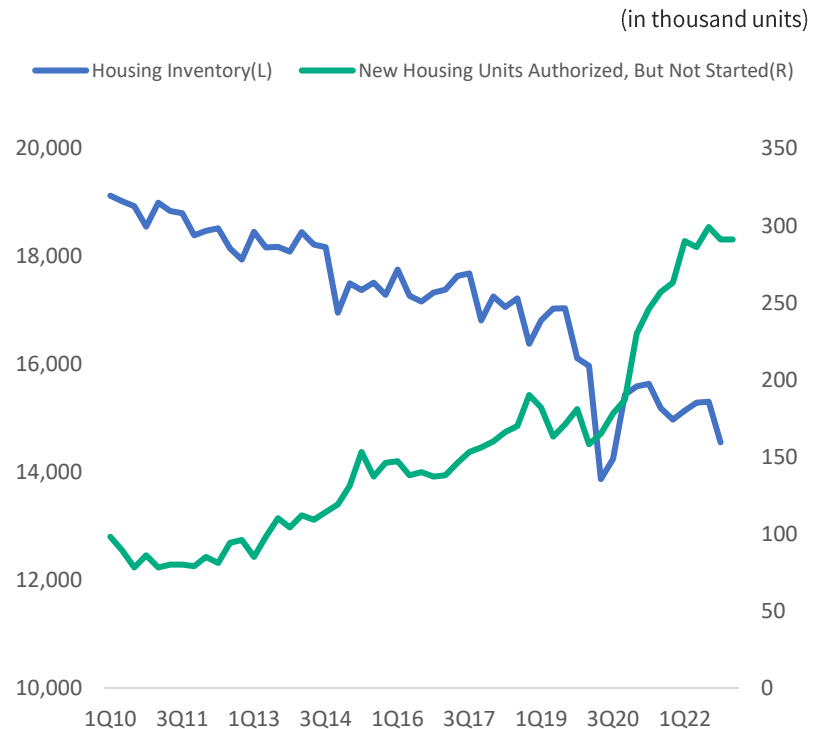
### NAHB Housing Market Index and Mortgage Rate



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

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

### US Housing Market Indicators

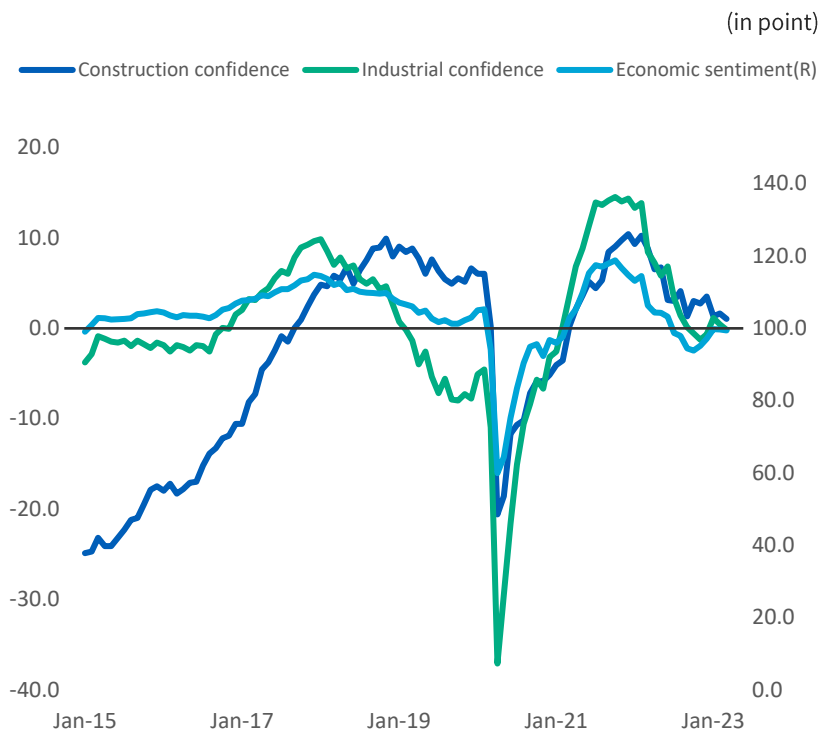


\* Source: U.S. Census Bureau

\*\* Vacant Housing Units as of 2022. 4Q,  
New housing units authorized, but not started as of Mar. 2023

- Economic uncertainties remained as key sentiment indicators were close to the baseline
- Construction indicators gave mixed signals as permits decreased while production showed recovery

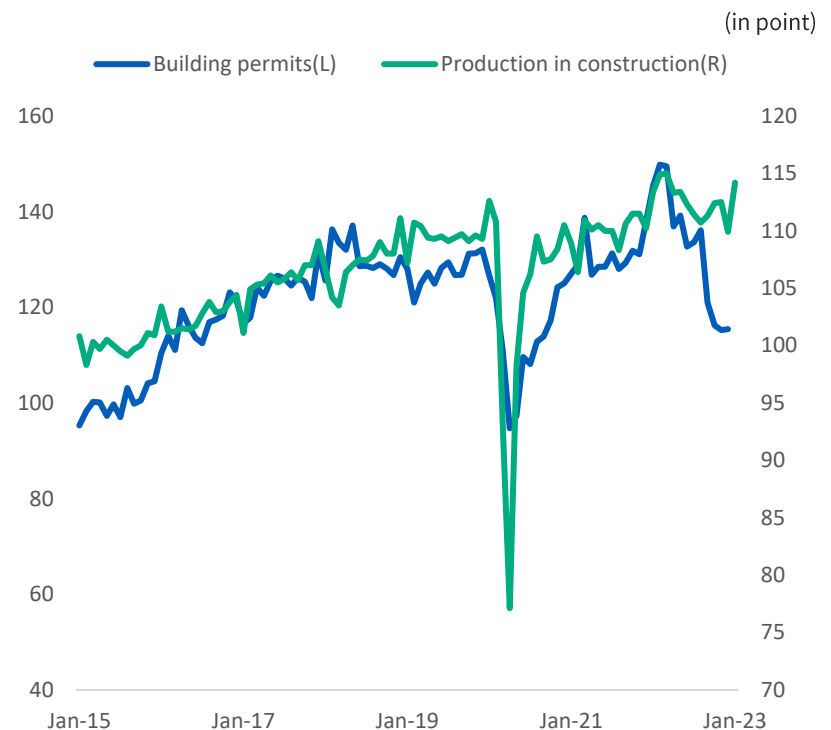
### Eurozone Sentiment



\* European Commission, as of Mar. 2023

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

### Eurozone Construction Indicators



\* Source: Eurostat, 2015=100

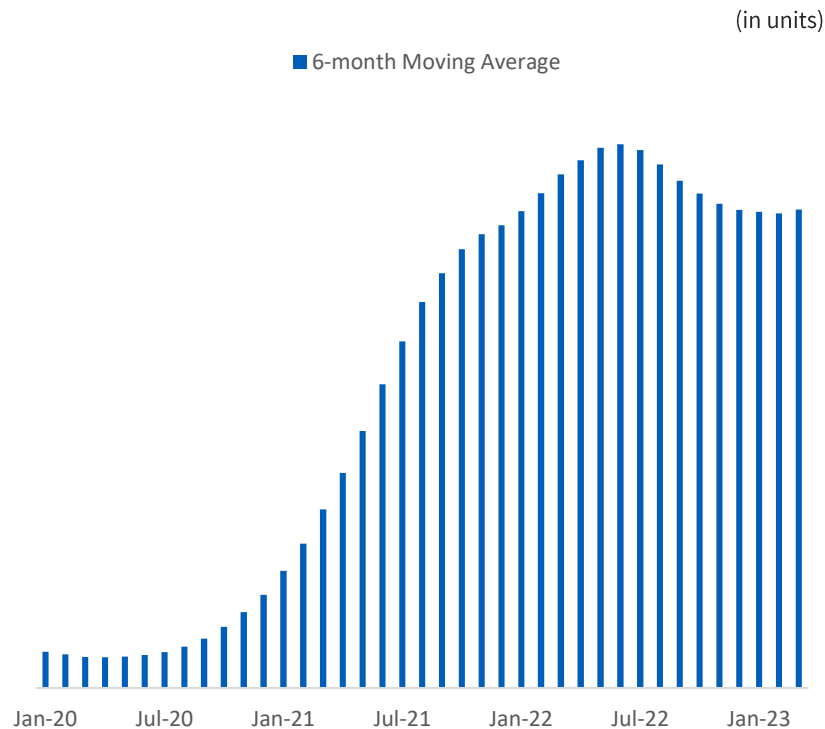
\*\* Permits as of Dec. 2022, Production in construction as of Jan. 2023

\*\*\* Permit : Residential buildings, except residences for communities

## North America – Solid demand continues

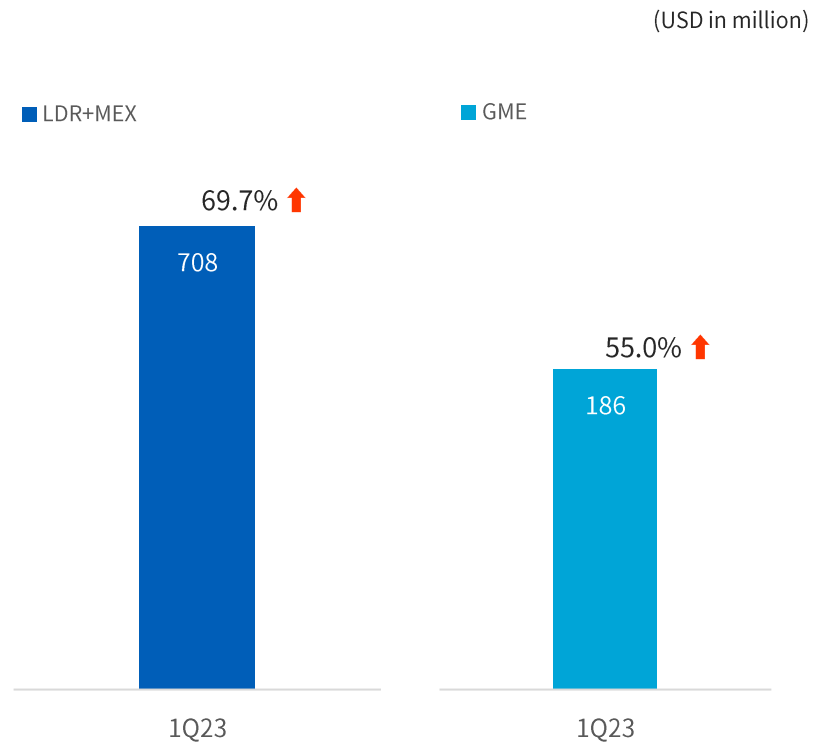
- Order backlog remains significantly above the normal level
- Solid sales growth across all product lines

### 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 1Q Financial Results in KRW

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

### Summarized Income Statement

(KRW in billion)

	1Q22	4Q22	1Q23	YoY	QoQ
Revenue	1,640.8	2,383.9	2,405.1	+46.6%	+0.9%
EBIT	194.4	250.8	369.7	+90.2%	+47.4%
%	11.8%	10.5%	15.4%	+3.5%p	+4.8%p
EBITDA	238.7	300.4	421.6	+76.6%	+40.4%
Net financial cost	16.9	24.2	23.6	+39.3%	-2.5%
Profit before tax	148.3	287.1	324.7	+118.9%	+13.1%
Net profit	100.5	284.1	207.5	+106.5%	-27.0%
%	6.1%	11.9%	8.6%	+2.5%p	-3.3%p

\* KRW-USD F/X '22.1Q. 1,204.95, '22.4Q. 1,359.26, '23.1Q. 1,275.58

**THANK YOU**