

FY2023 Financial Review 명회

Doosan Bobcat Inc.

DOOSAN



February 2024



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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1. 2023 Results
2. 2024 Outlook & 2023 Highlights

2023 Financial Results – Income Statement (Consolidated)

4Q

- Revenue was in-line to a strong prior year
- Despite increased marketing cost, operating profit up 6% thanks to moderating inflation and price realization
- Net income down by 24% YoY on one-time impact¹⁾ even with higher EBIT

Full
-year

- Revenue increased 12%, driven by solid demand in NA and increased volume based on eased supply chain
- Achieved 14% of operating margin thanks to higher sales, lower manufacturing cost and one-off gain³⁾, etc.
- Net profit grew 42% driven by higher operating income and decreased f/x related losses²⁾

(USD in million)

	4Q22	4Q23	YoY	FY22	FY23	YoY
Revenue	1,757	1,752	-0.3%	6,674	7,476	+12.0%
EBIT	183	193	+5.6%	829	1,065 ³⁾	+28.4%
%	10.4%	11.0%	+0.6%p	12.4%	14.2%	+1.8%p
EBITDA	219	233	+6.5%	978	1,220	+24.8%
Net Interest Expense	18	8	-53.3%	62	56	-9.5%
Profit before Tax	214 ¹⁾	169 ¹⁾	-20.7%	686 ²⁾	963 ²⁾	+40.4%
Net Profit	215	164	-23.6%	499	706 ⁴⁾	+41.6%
%	12.2%	9.4%	-2.9%p	7.5%	9.4%	+2.0%p

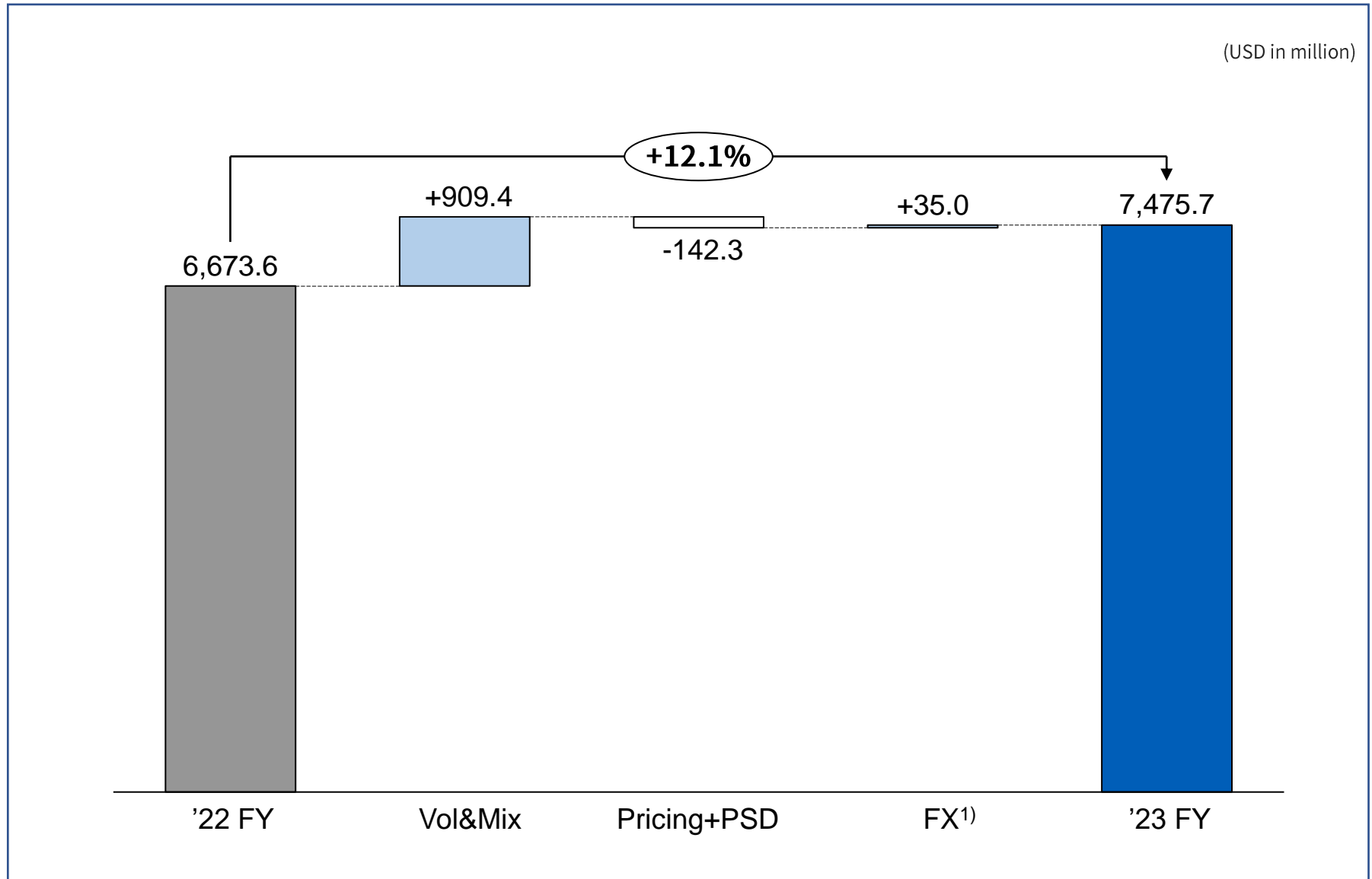
1) F/X related **gain 4Q22 +\$53M**(USD F/X -11.7%, '22.09. 1,434.80 → '22.12. 1,267.30) vs **4Q23 +\$0M**

2) F/X related **loss FY22 \$43M**(USD F/X 6.9%, '21.12. 1,185.50 → '22.12. 1,267.30) vs **gain FY23 +\$7M**(USD F/X +1.7%, '22.12. 1,267.30 → '23.12. 1,289.40)

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

4) Deferred tax adjustment related to changes in DBNA dividend estimation +\$35M

2023 Financial Results – Revenue Comparison (full year)

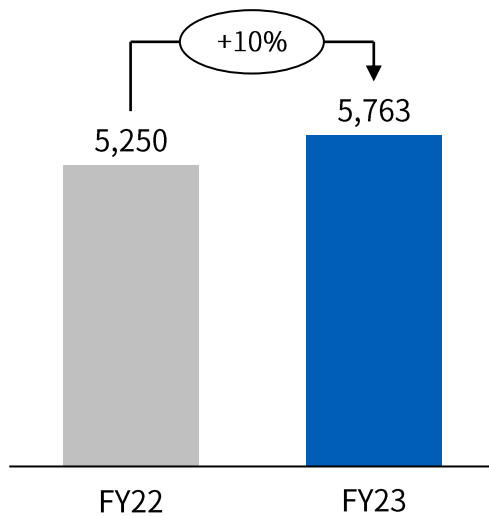


1) USD-EUR FX '22 1.05 → '23 1.08 (3.0% ↑)

2023 Financial Results – Sales by Segment (full year)

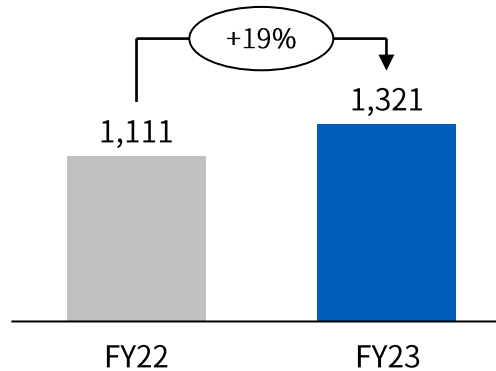
(USD in million)

■ Compact Equipment



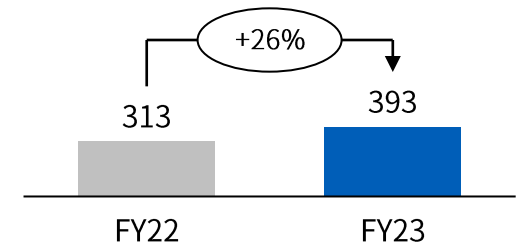
- 10% YoY growth driven by solid demand for core products along with positive price realization

■ Material Handling¹⁾



- Had another strong performance based on robust demand in NA

■ Portable Power



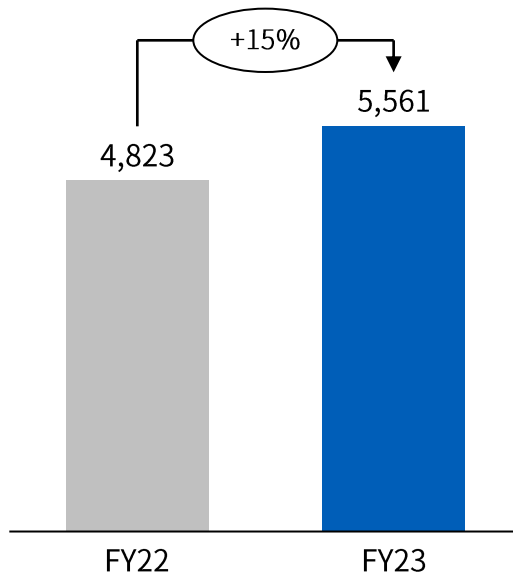
- Grew 26% thanks to eased supply chain and continued demand in NA

1) Former 'industrial vehicle'

2023 Financial Results – Sales by Region (full year)

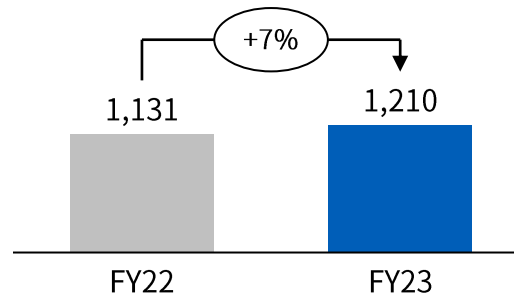
(USD in million)

North America



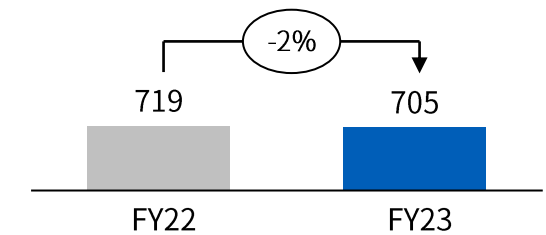
- 15% growth in sales across all segment driven by better supply chain and higher volume from increased production capacity

EMEA



- Grew 7% thanks to high demand for core products (+4% excl. currency¹⁾)

ALAO



- Revenue in line w/ previous year despite decreased demand in Asia & OC due to high interest rates

1) USD-EUR FX '22: 1.05 → '23:1.08 (3.0% ↑)

2023 Financial Results – Balance Sheet

- Better operations led net cash position, and the liability/equity ratio lowered to 74%

Summarized Balance Sheet

(USD in million)

	2019	2020	2021	2022	2023	Variation
Total Asset	5,790	6,398	7,238	7,298	8,044	+746
Current Asset	1,313	1,711	2,232	2,432	3,013	+581
- Cash & Cash Equivalent	183	733	819	557	1,091	+534
Non-current Asset	4,478	4,686	5,006	4,865	5,030	+165
Total Liabilities	2,354	2,653	3,593	3,333	3,426	+93
Current Liabilities	984	930	1,264	1,620	1,870	+249
Non-current Liabilities	1,370	1,723	2,329	1,713	1,556	-157
Total Borrowings	674	958	1,583	1,077	972	-104
Total Equity	3,437	3,744	3,645	3,965	4,618	+654
Net Debt	491	225	764	520	-119	-638
Liability/Equity Ratio	68.5%	70.9%	98.6%	84.1%	74.2%	-9.9%p

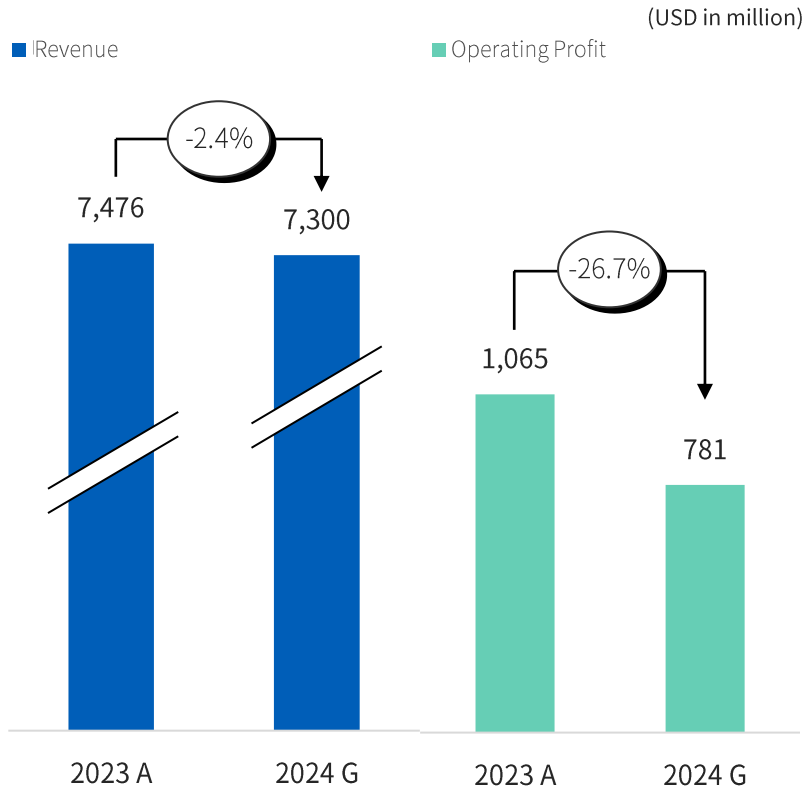
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1. 2023 Results
2. 2024 Outlook & 2023 Highlights

- Revenue is anticipated to decline slightly due to the shift to a buyers' market
- Profitability to decline due to one-time gain from PY, higher marketing expenses and increased R&D/SG&A cost to strengthen fundamentals

2024 Target (Consolidated)



By Region

- NA: expect similar revenue through active marketing activities while demand for core products would moderate due to high interest rate
- EMEA: increased ME sales would mitigate negative impact from less demand in EU
- ALAO: minimize revenue decline by pricing in MH² & PP³ despite economic uncertainty

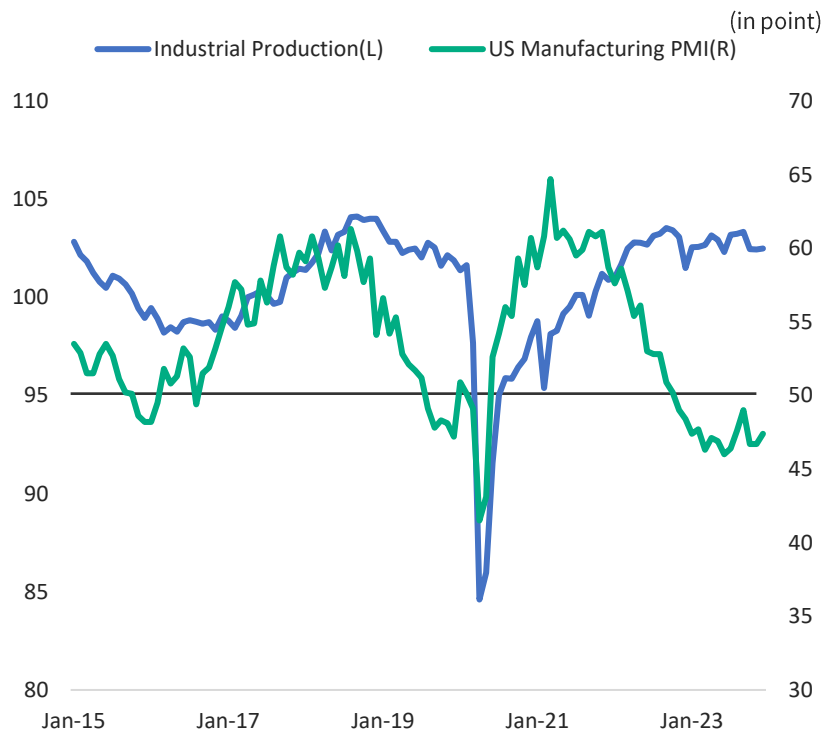
By Segment

- CE¹: demand for core is expected to remain robust
- MH²: anticipate maintaining prior year level by rebranding in NA and EMEA
- PP³: expected to decline slightly as deferred demand have been resolved

1. Compact Equipment, 2. Material Handling(former Forklift), 3. Portable Power

- Industrial production remains solid while manufacturing PMI still contracting
- Construction spending remains steep as non-residential holds gains and residential recovers

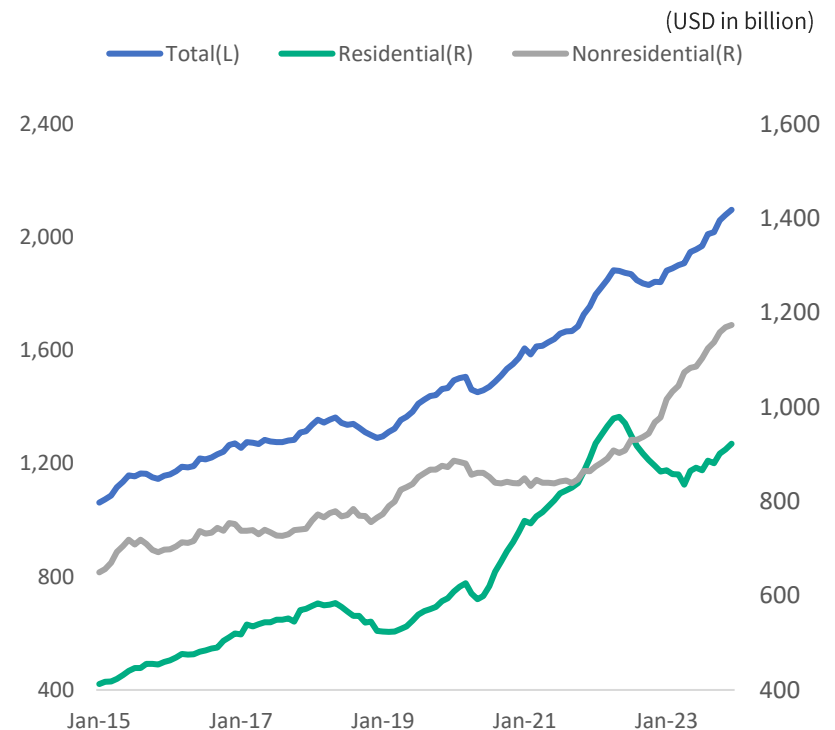
US Industrial Production and Manufacturing PMI



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

** PMI: ISM, as of Dec. 2023, benchmark=50

US Construction Spending

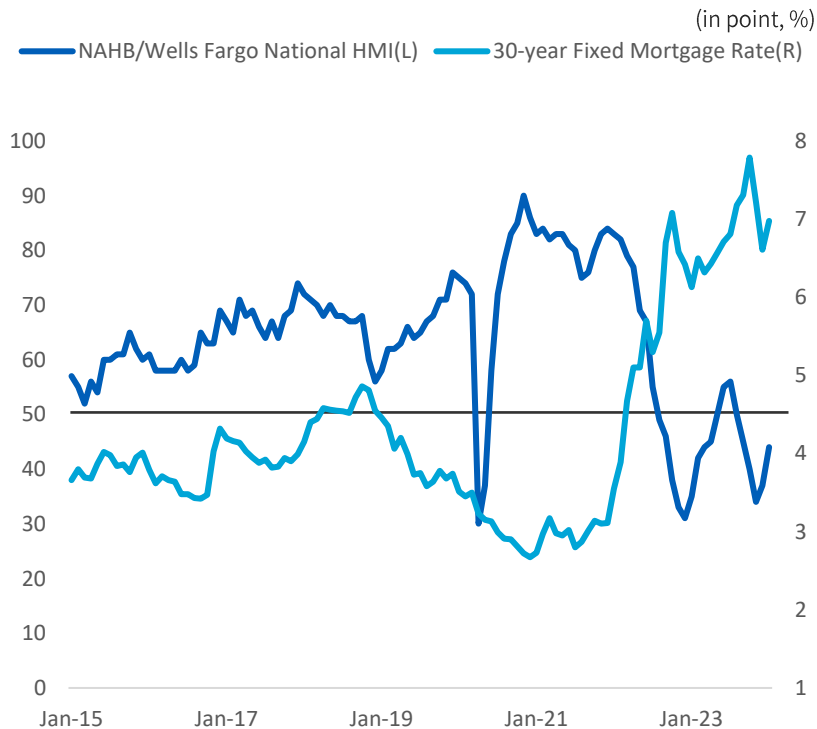


* U.S. Census Bureau, as of Dec. 2023

North America – volatility continues as interest rates remain high

- Housing market index stays below benchmark as mortgage rates remain high
- ‘New housing units authorized, but not started’ remains high but slowing down, and new housing starts have fluctuated

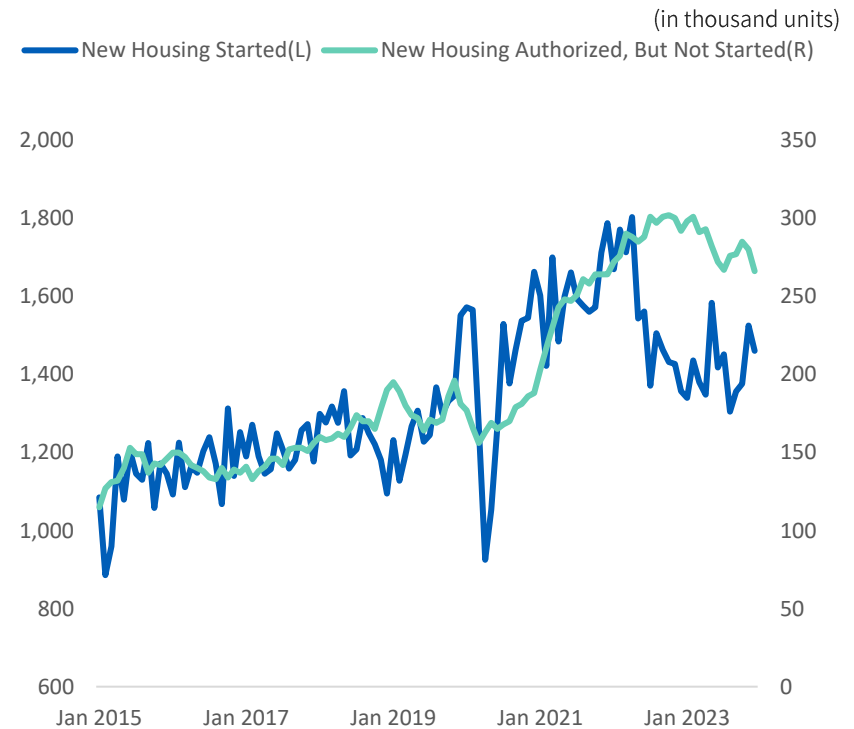
NAHB Housing Market Index and Mortgage Rate



* National Association of Home Builders, as of Jan. 2024, benchmark=50

** 30-year fixed mortgage rate: Freddie Mac, as of Jan. 2024

US Housing Market Indicators

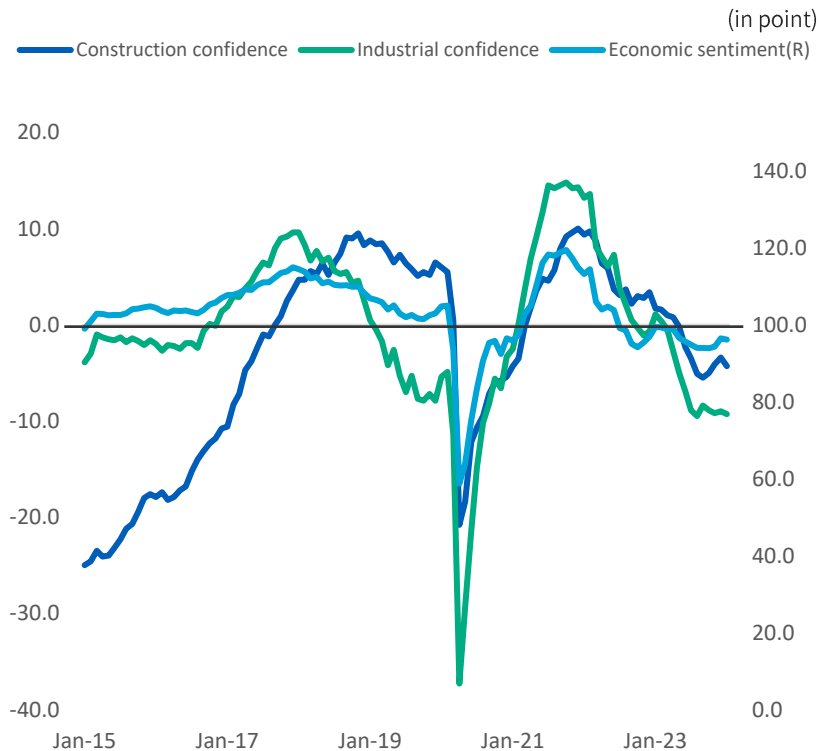


* U.S. Census Bureau, as of Dec. 2023

Europe – recession fears linger

- Eurozone's key sentiment indicators stays below benchmark but shows slight improvement
- Construction data shows slowdown

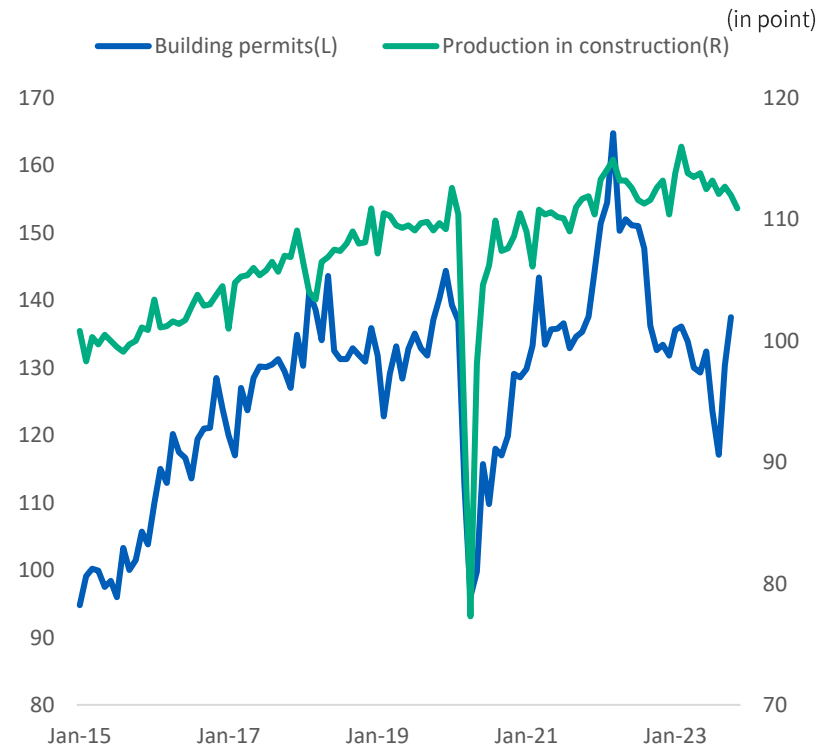
Eurozone Sentiment



* European Commission, as of Jan. 2024

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

Eurozone Construction Indicators



* Eurostat, Index 2015=100

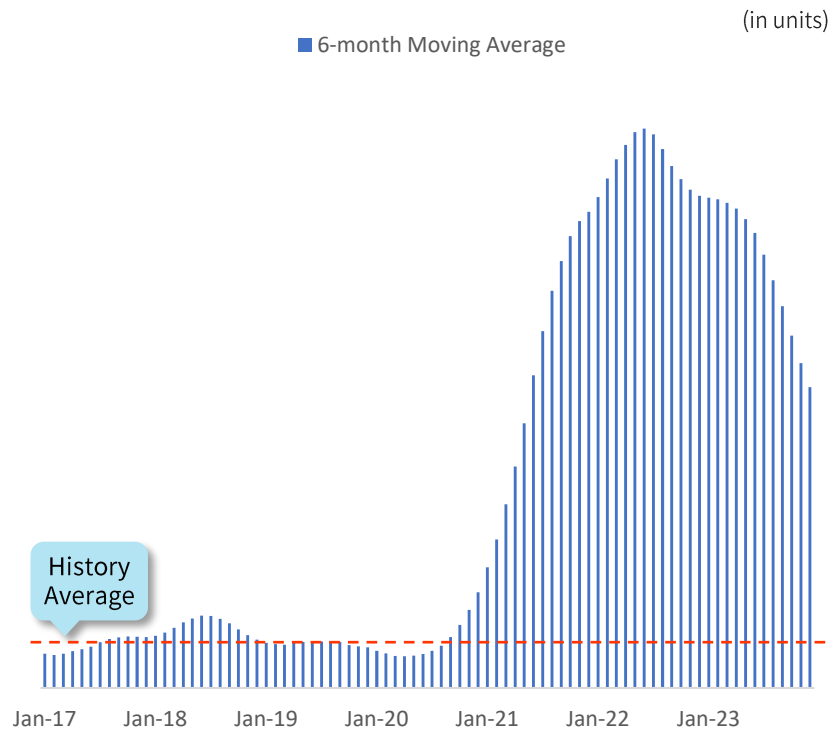
** Permits: number of dwellings, residential buildings, as of Oct. 2023

*** Production: as of Nov. 2023

North America – solid growth across all segments

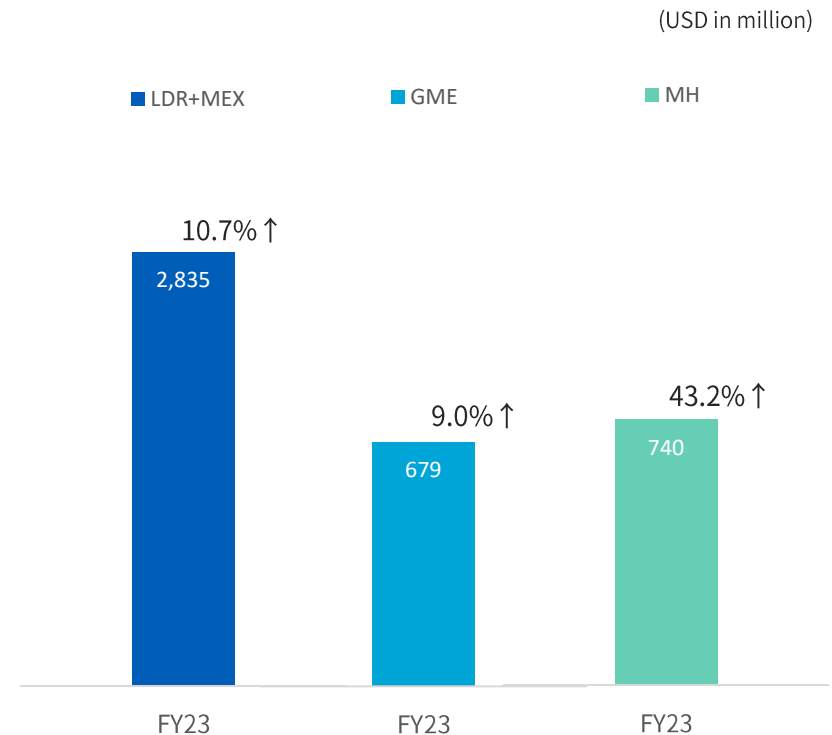
- Order backlog continues to normalize as supply chain constraints ease
- All product categories grew with solid demand

NA Order Backlog Trend



* Source: Company Data

NA Revenue by Product



* Source: Company Data

** LDR : skid-steer Loader & compact track loader, MEX : Mini Excavator, GME : Grounds Maintenance Equipment, MH : Material Handling(former forklift)

[Back-up] 2023 Income Statement in KRW

- Slightly higher growth in revenue and operating income due to weaker Korean Won

(KRW in billion)

	4Q22	4Q23	YoY	FY22	FY23	YoY
Revenue	2,383.9	2,315.6	-2.9%	8,621.9	9,758.9	+13.2%
EBIT	250.8	256.1	+2.1%	1,071.6	1,389.9	+29.7%
%	10.5%	11.1%	+0.5%p	12.4%	14.2%	+1.8%p
EBITDA	300.4	309.3	+3.0%	1,263.2	1,592.4	+26.1%
Net Interest Expense	24.2	11.2	-53.8%	80.6	73.6	-8.6%
Profit before Tax	287.1	225.3	-21.5%	886.3	1,257.3	+41.9%
Net Profit	284.1	216.9	-23.6%	644.1	921.5	+43.1%
%	11.9%	9.4%	-2.5%p	7.5%	9.4%	+2.0%p

* KRW-USD 4Q22 1,359.26 / 4Q23 1,320.84 / FY22 1,291.95 / FY23 1,305.41

THANK YOU

Appendix. New models, new technology

- Unveiled new products at CES 2024 under three strategic pillars, “Connectivity, Electrification, Autonomy”
- Successfully commercialized Korea-first hydrogen forklift
- Planning for new models in several product lines to provide better customer experience



AT450X

- Autonomous & electric
- Articulating & oscillating
- Enabled by Agtonomy, leading tech software company
- On-board AI
 - object avoidance
 - spraying & weeding



Hydrogen
forklift

- 3-ton model
- 20kW fuel cell
- Chargeable at same platform w/ commercial vehicles
- Working from -20°C to 40°C
- Set for delivery to refinery



ZT6200

- Autonomous
- Partnered w/ Greenzie, leading autonomous software company
- Ride-and-repeat
- Object avoidance



RogueX2

- Concept machine
- Autonomous & electric & connected
- Cab-less design
- Patent for applied tech
- Longer operation hours