

2nd Quarter 2024 Financial Review

July 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 2024 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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2. 2024 2Q Highlights

2024 2Q Financial Results – Income Statement (Consolidated)

- Revenue decreased 20% due to the record-high performance in 2Q23 and slowing demand in NA
- EBIT declined by 51% due to lower volume and higher marketing expense (Adjusted EBIT¹⁾ -43%)
- Net Profit decreased by 51% due to less operating income (Excl. one-off gain from PY¹⁾ - 38%)

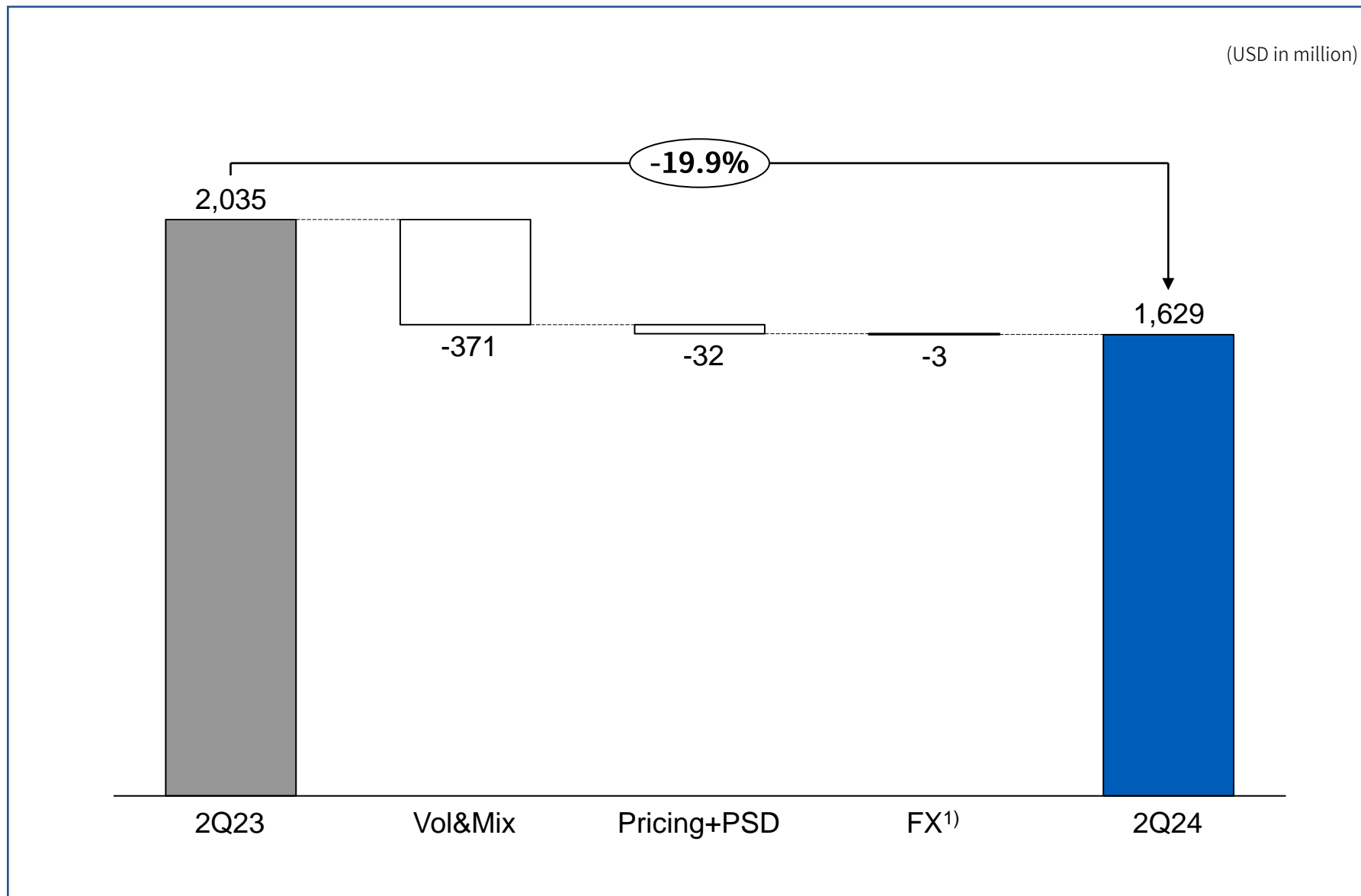
(USD in million)

	2Q23	1Q24	2Q24	YoY	QoQ
Revenue	2,035	1,803	1,629	-19.9%	-9.6%
EBIT	356 ¹⁾	245	174	-51.2%	-29.2%
%	17.5%	13.6%	10.7%	-6.8%p	-3.0%p
EBITDA	394	285	217	-45.1%	-24.0%
Net Interest Expense	17	7	7	-62.7%	-2.4%
Profit before Tax	335	231	169	-49.4%	-26.7%
Net Profit	235 ¹⁾	163	114	-51.4%	-29.9%
%	11.6%	9.1%	7.0%	-4.5%p	-2.0%p

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

2) F/X related gain: 2Q23 \$0M, 2Q24 +\$6M(USD-KRW F/X +7.7%, '23.12. 1,289.40 → '24.06. 1,389.20)

2024 2Q Financial Results – Revenue Comparison

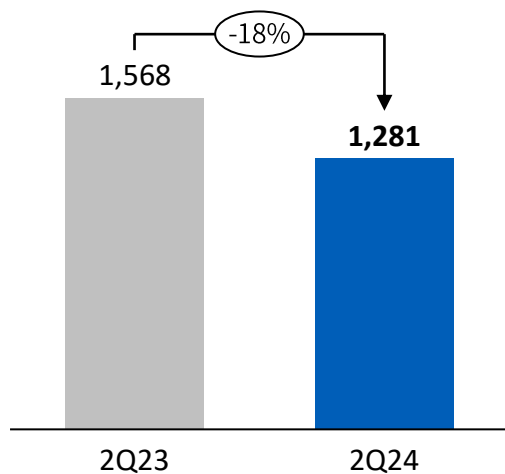


1) EUR-USD FX 2Q23 1.09 → 2Q24 1.08 (1.1% ↓)

2024 2Q Financial Results – Sales by Segment

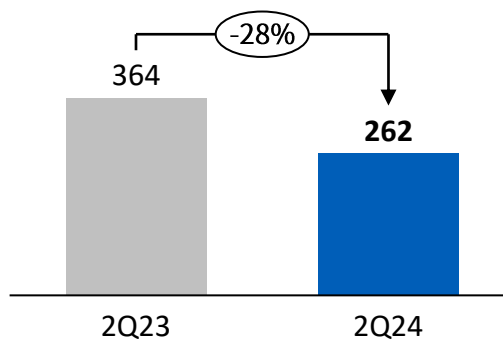
(USD in million)

■ Compact Equipment



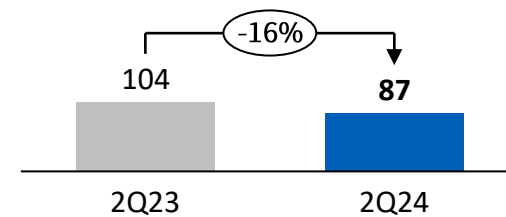
- 18% YoY decline due to high base from PY's record highs and slowing market demand
- Demand is expected to continue to slow in 3Q

■ Material Handling¹⁾



- Down by 28% YoY due to high base and deferred purchase due to high interest rate in NA
- Deferred purchases are expected to continue in 3Q

■ Portable Power



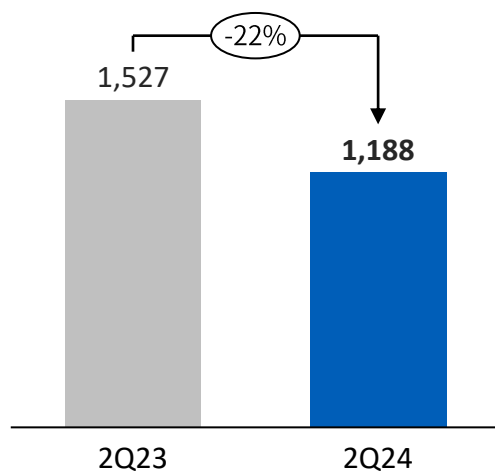
- Weaker demand resulted in a decline of 16% YoY
- Expecting demand to remain stagnant

1) Forklifts and warehouse vehicles

2024 2Q Financial Results – Sales by Region

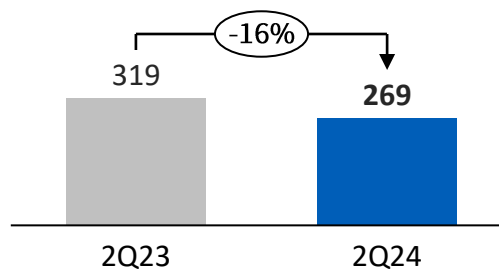
(USD in million)

North America



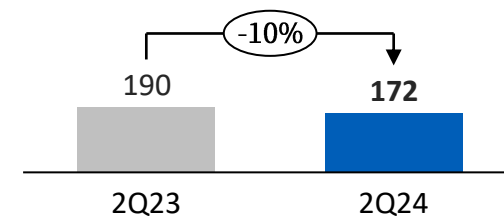
- Down by 22% from record high in PY
- Demand expected to continue slowing in 3Q

EMEA



- 16% YoY decline due to the economic downturn
- Economic slowdown is expected to persist for a while

ALAO



- High interest rates eroded purchasing power, resulting in a 10% revenue decrease
- Weak demand expected, partially offset by continued growth in India and OC's sales rebound

1) EUR-USD FX 2Q23 1.09 → 2Q24 1.08 (1.1% ↓)

2024 2Q Financial Results – Balance Sheet

- Net cash grew despite a \$60M dividend payment compared to the end of FY23

Summarized Balance Sheet

(USD in million)

	2020	2021	2022	2023	2024. 03	2024.06	Variation (to 2023)
Total Asset	6,398	7,238	7,298	8,044	8,311	8,457	+413
Current Asset	1,711	2,232	2,432	3,013	3,334	3,461	+448
- Cash & Cash Equivalent	733	819	557	1,091	1,313	1,311	+221
Non-current Asset	4,686	5,006	4,865	5,030	4,977	4,996	-35
Total Liabilities	2,653	3,593	3,333	3,426	3,645	3,707	+281
Current Liabilities	930	1,264	1,620	1,870	2,118	2,041	+171
Non-current Liabilities	1,723	2,329	1,713	1,556	1,527	1,666	+110
Total Borrowings	958	1,583	1,077	972	956	1,125	+153
Total Equity	3,744	3,645	3,965	4,618	4,665	4,750	+131
Net Debt	225	764	520	-119	-357	-187	-68
Liability/Equity Ratio	70.9%	98.6%	84.1%	74.2%	78.1%	78.0%	+3.9%p

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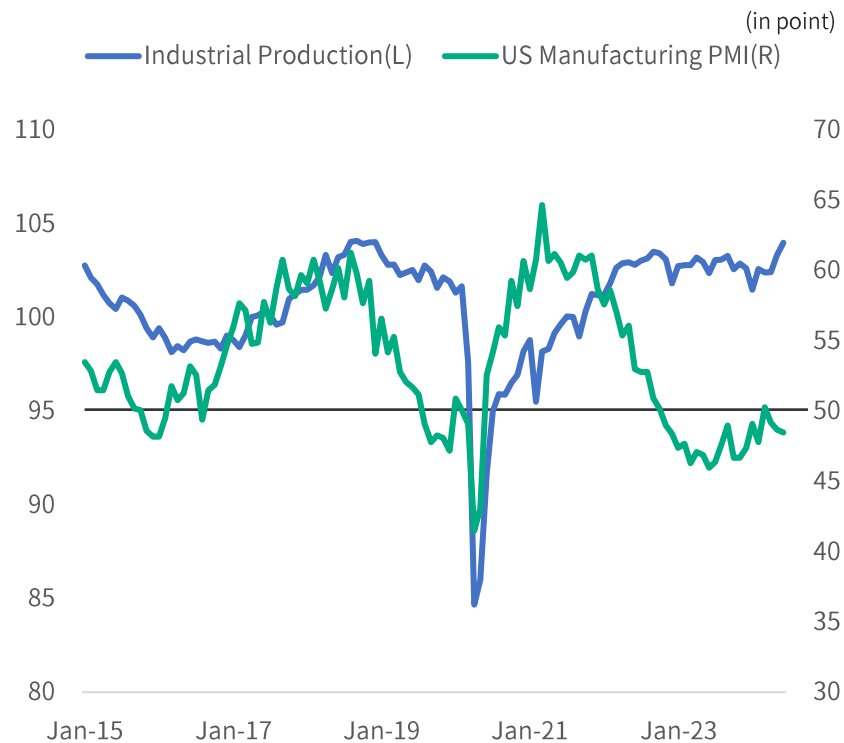


1. 2024 2Q Results
2. 2024 2Q Highlights

North America – mixed economic data

- Industrial production continues to be robust, but manufacturing PMI remain below baseline
- U.S. construction spending held steady, with both residential and non-resi remained solid

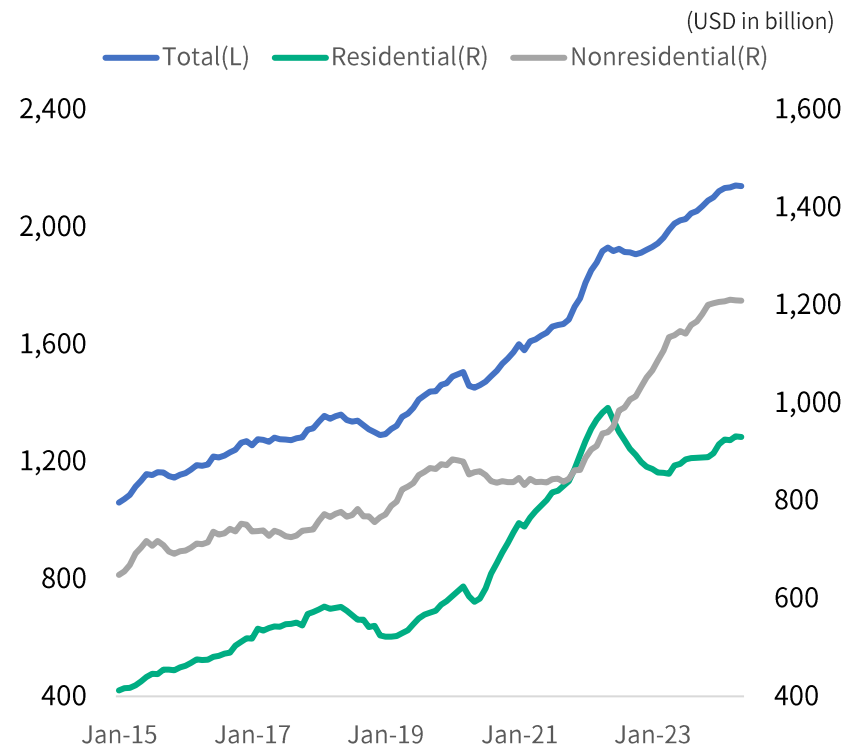
US Industrial Production and Manufacturing PMI



* Industrial Production: FRB, as of Jun. 2024, Index 2017=100

** PMI: ISM, as of Jun. 2024, benchmark=50

US Construction Spending

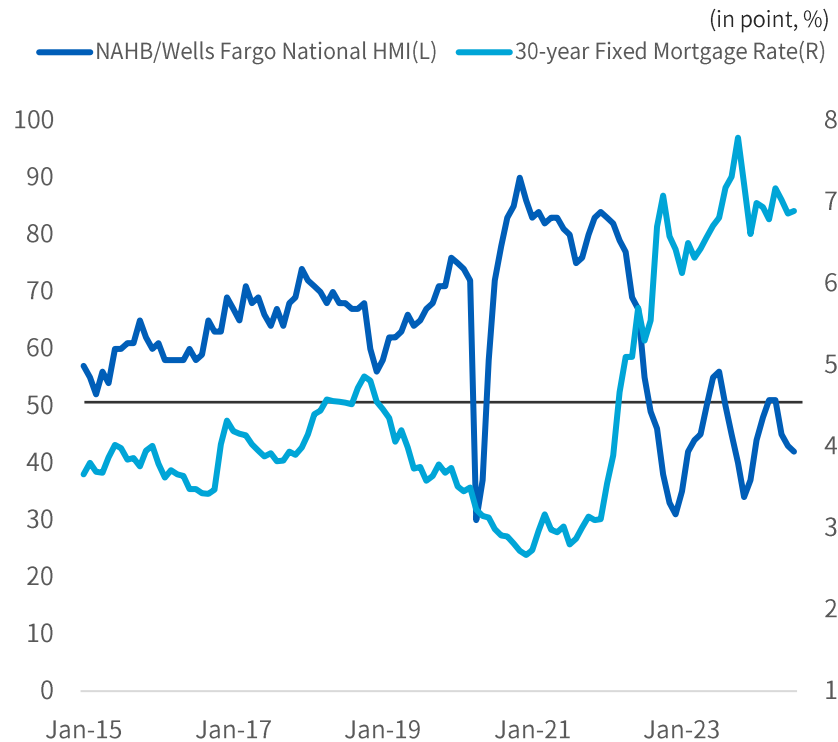


* U.S. Census Bureau, May. 2024

US Housing – sluggish on cost pressures

- NAHB HMI falls on high mortgage rate pressure
- ‘New housing units authorized, but not started’ remain high due to shortage, but new housing starts are declining

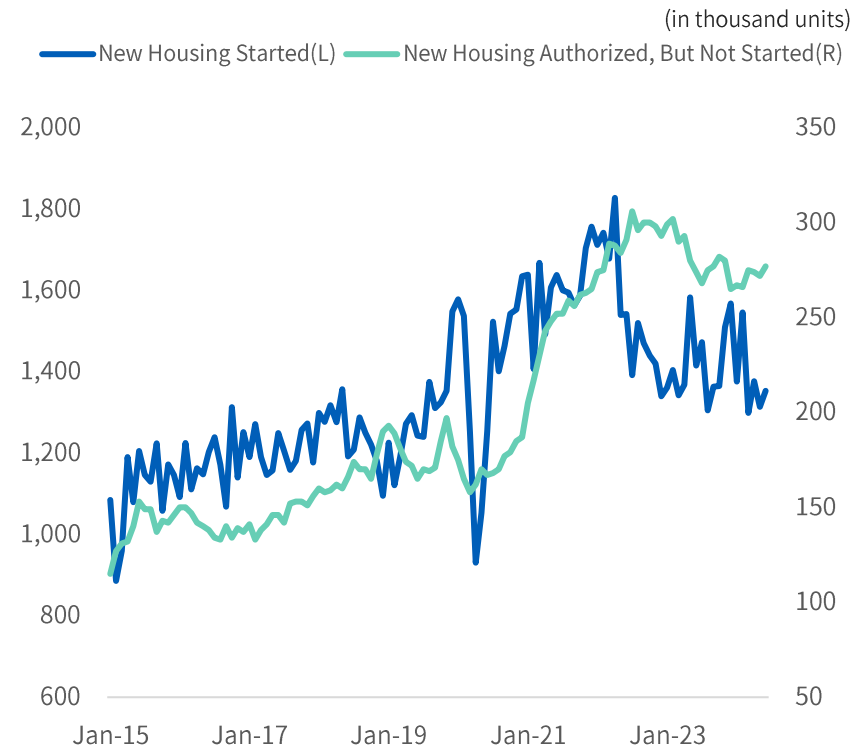
NAHB Housing Market Index and Mortgage Rate



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

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

US Housing Market Indicators

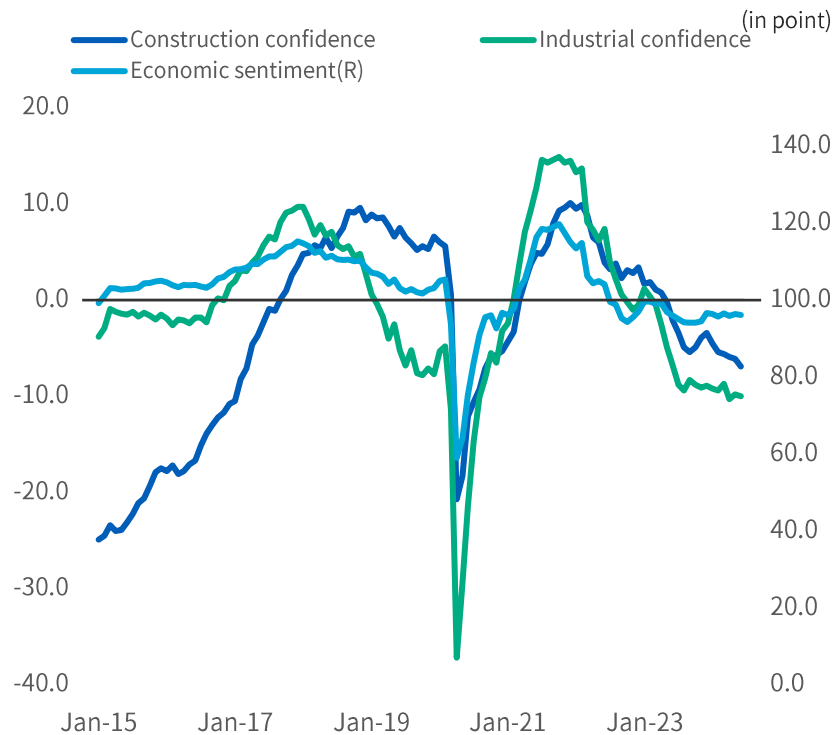


* U.S. Census Bureau, as of Jun. 2024

Europe – market downturn lingers

- Eurozone's key sentiment indicators remained in a contraction phase and the dip is widening
- Production in construction trends upward, but building permits return to pre-COVID levels

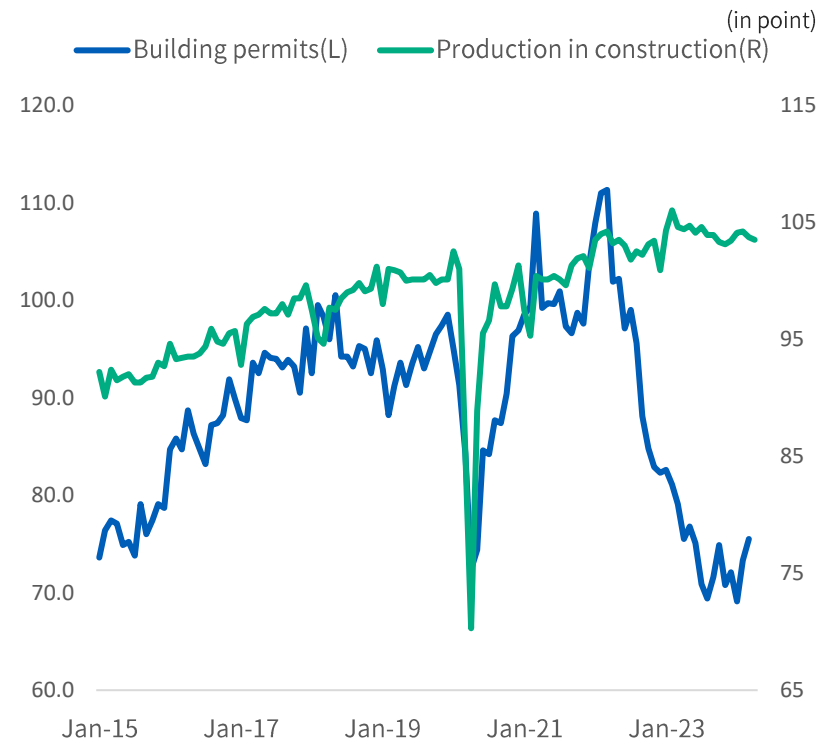
Eurozone Sentiment



* European Commission, as of Jun. 2024

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

Eurozone Construction Indicators



* Source: Eurostat, Index 2021=100

** Permits: number of dwellings, residential buildings, as of Mar. 2024

*** Production: as of Apr. 2024

[Back-up] 2024 2Q Income Statement in KRW (Consolidated)

- Revenue and EBIT in KRW declined less than in USD

(KRW in billion)

	2Q23	1Q24	2Q24	YoY	QoQ
Revenue	2,672.1	2,394.6	2,236.6	-16.3%	-6.6%
EBIT	466.5	326.0	239.5	-48.7%	-26.5%
%	17.5%	13.6%	10.7%	-6.8%p	-2.9%p
EBITDA	517.2	378.5	298.4	-42.3%	-21.2%
Net Interest Expense	22.9	8.9	8.9	-61.1%	+0.7%
Profit before Tax	438.2	306.8	233.4	-46.7%	-23.9%
Net Profit	308.0	216.8	157.9	-48.7%	-27.2%
%	11.5%	9.1%	7.1%	-4.5%p	-2.0%p

* USD-KRW 2Q23 1,314.68 / 1Q24 1,328.45 / 2Q24 1,370.91

THANK YOU