



Investor Relations 2020

# Doosan Fuel Cell 2Q20 Earnings Release

August 14, 2020



## Disclaimer

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Forecasts and projections contained in this material are based on current business environments and management strategies, and they may differ from the actual results upon changes and unaccounted variables. We make no guarantees and assume no responsibility for the use of information provided. We trust your decisions will be based on your own independent judgment.

Financial data in this presentation is on a IFRS separate basis.



# 2Q20 Earnings Release

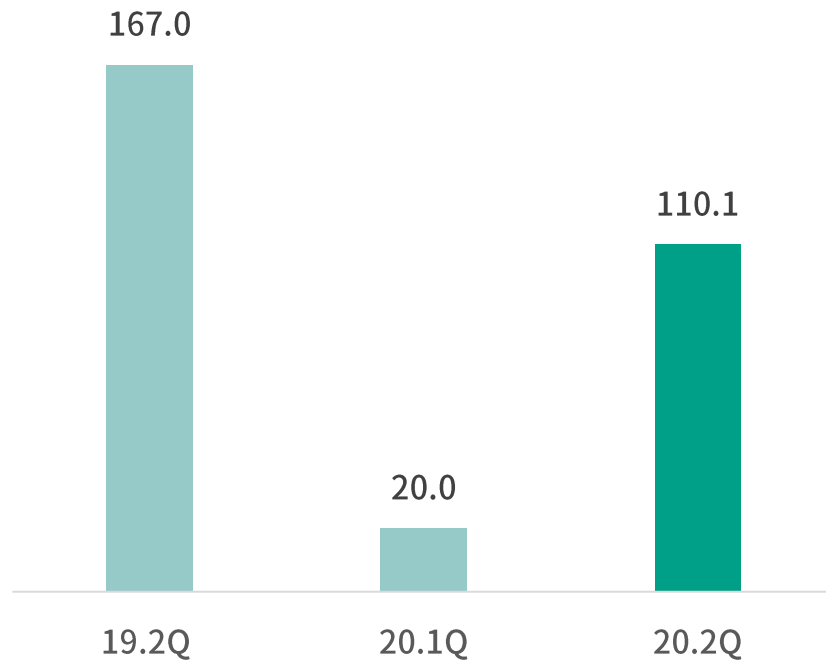
- 01. Earnings Results and Orders
- 02. Business Progress Update
- 03. Appendix

## Results & Orders – 2Q '20 Earnings

- Recorded sales revenue of KRW 110.1 bn and operating income of KRW 12.6 bn in 2Q 2020
  - Sales and operating income increased sharply compared to the previous quarter due to the increase in sales volume of fuel cells

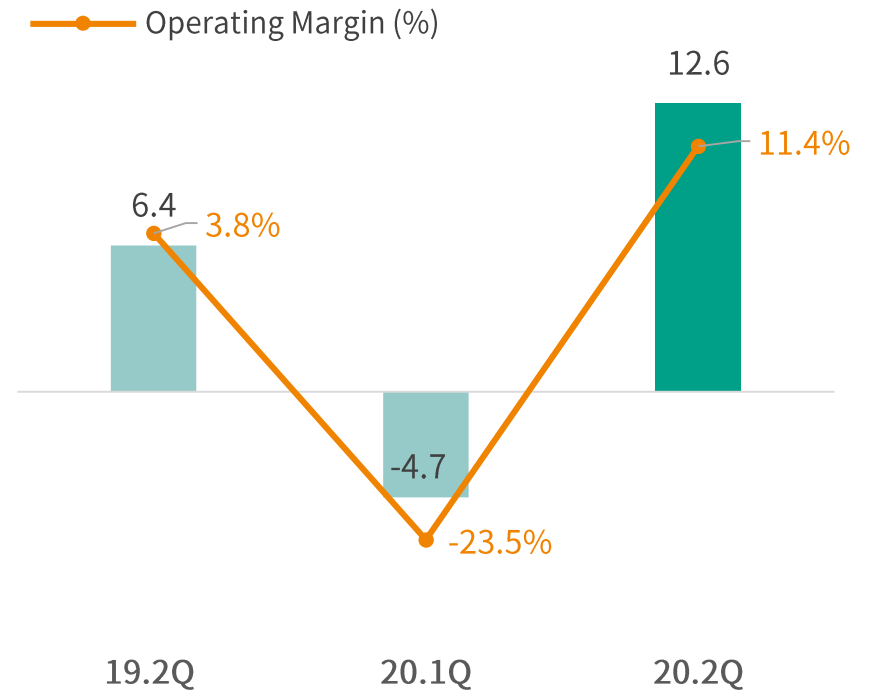
### Quarterly Sales Revenue

(Unit: KRW bn)



### Quarterly Operating Income

(Unit: KRW bn)



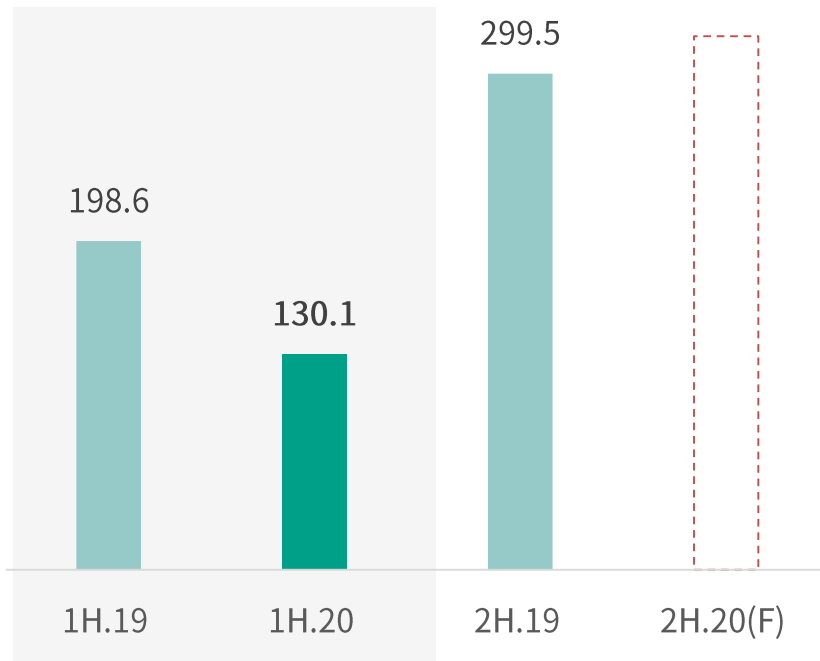
19.2Q results are based on the spin-off criteria

## Results & Orders – 1H '20 Earnings

- Recorded sales revenue of KRW 130.1 bn and operating income of KRW 7.9 bn in 1H 2020
- Despite a drop in sales revenue compared to 1H '19, operating margin increased through improved profitability.

### Sales Revenue Trend

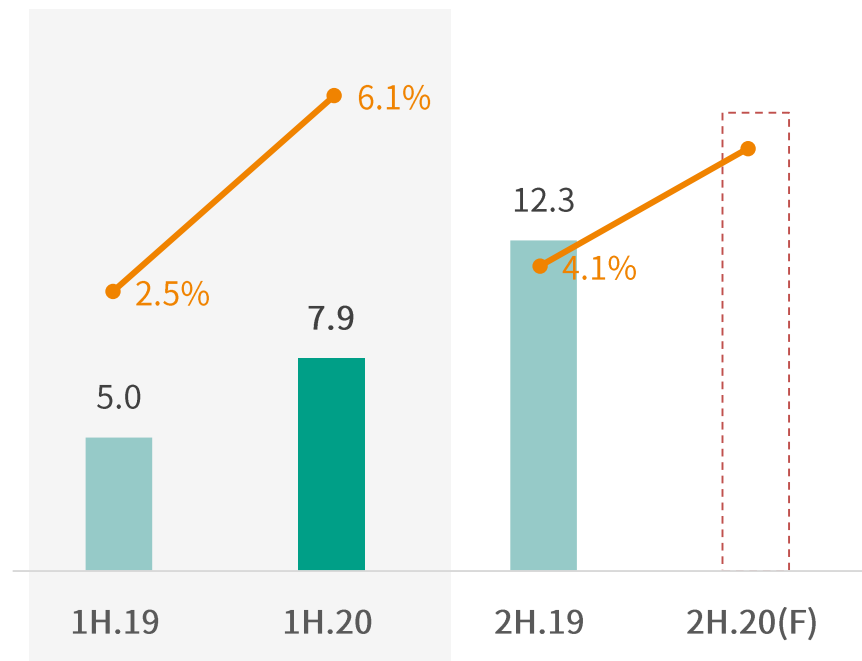
(Unit: KRW bn)



### Operating Income Trend

(Unit: KRW bn)

Operating Margin(%)



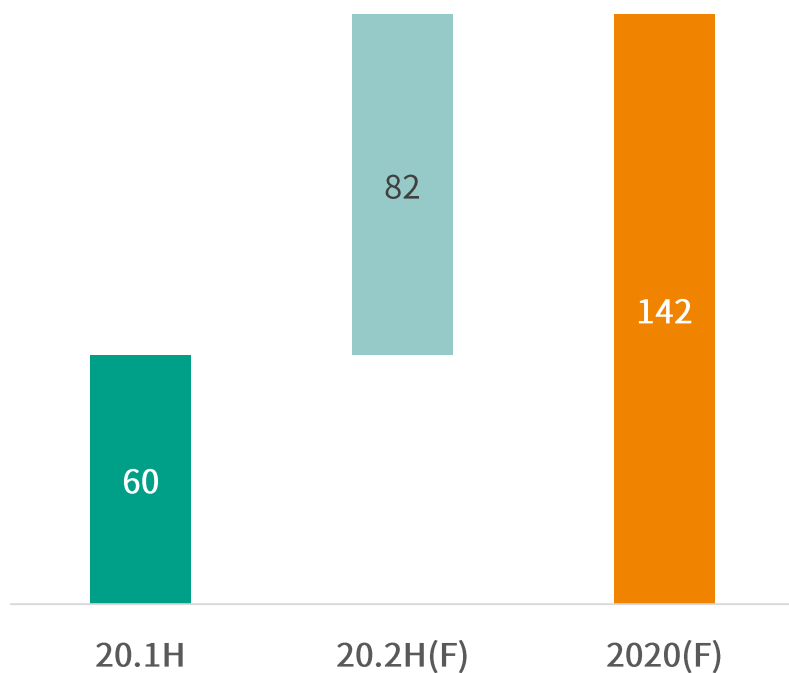
19.2Q results are based on the spin-off criteria

## Results & Orders – New Orders & Guidance

- Achieved 42% of annual order target as we received 60MW in 1H'20, increasing visibility to 2020 earnings guidance
- As orders tend to be concentrated in 2H, the company expects to achieve its order target of 142MW this year.

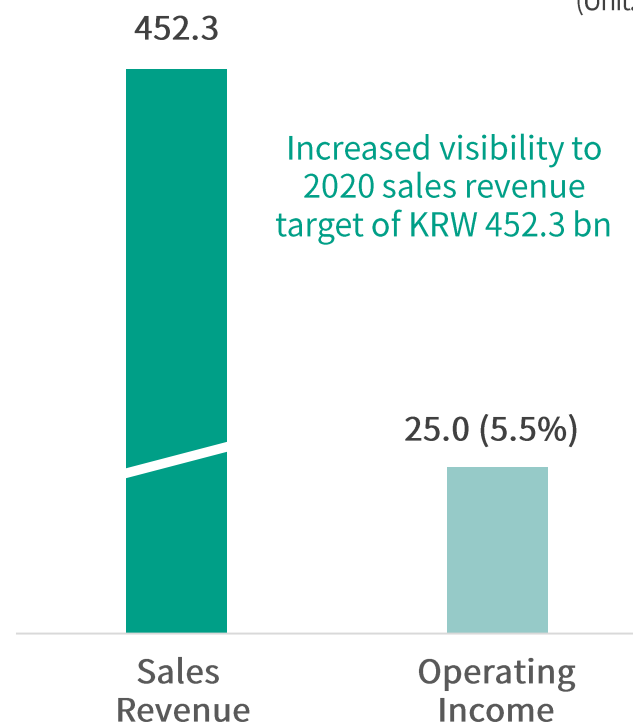
### Received Orders & 2020 Target

(Unit: MW)



### 2020 Earnings Guidance

(Unit: KRW bn)



## Long-term Growth Strategy & Business Progress Update in 1H'20 (1)

- Inauguration of the world's first and largest pure hydrogen-based fuel cell power plant
- After completing the supply of 114 units of hydrogen model, we expect steady revenue streams by providing long-term maintenance services for the next 20 years
- Strengthening its position in the hydrogen industry, including green hydrogen

### Overview

- Location: Daesan, Korea (50MW)
- Company: Daesan Green Energy
- Shareholders: Hanwha Energy(49%), Korea East-West Power (35%), Doosan Fuel Cell(10%), Industrial Bank of Korea(6%)
- Date of Inauguration: June 30, 2020
- Product: 114 units of M400 Hydrogen<sup>(1)</sup> model
- Fuel: By-product hydrogen

### By-product Hydrogen Based Power Plant



(1) Doosan Fuel Cell's hydrogen model, which is eco-friendly hydrogen energy solution

## Long-term Growth Strategy & Business Progress Update in 1H'20 (2)

- To accelerate growth by expanding existing markets and opening new ones
  - Expansion of heat demand applications, development of LPG/NG dual model, entry into the hydrogen market for mobility and SOFC commercialization

### Growth Strategies

Existing market	1 Expansion of heat demand applications	<ul style="list-style-type: none"> <li>• Replacement of aged CHP plants/incinerator</li> <li>• Market development of LNG Boil-off-Gas and smart farm</li> </ul>
New market	2 Commercialization of LPG dual model	<ul style="list-style-type: none"> <li>• LPG/NG dual model</li> <li>- Completed test in Nov. 2019</li> </ul>
	3 Entry into the hydrogen market for mobility	<ul style="list-style-type: none"> <li>• Tri-gen model<sup>1)</sup> under development with the government for hydrogen charging station</li> </ul>
Long-term growth	4 SOFC development	<ul style="list-style-type: none"> <li>• Flexible SOFC technology development and commercialization</li> </ul>

1) New business model which generate electricity, heat and hydrogen

### Business Progress in 1H

- Under discussion on commercialization of smart-farm application
- Under review on application of BOG<sup>2)</sup> from LNG terminal
- Under discussion with a utility company for commercialization of LPG/NG dual model
- To complete the design of Tri-gen model by the end of 2020
- To complete the design in 2021 and generate sales in 2022
- Selected as a government project in 2Q 2020

2) BOG: Boil of Gas

## Summary of Income Statement

(Unit: KRW bil)	'19.2Q	'20.1Q	'20.2Q	YoY	QoQ
<b>Sales Revenue</b>	<b>167.0</b>	<b>20.0</b>	<b>110.1</b>	-34%	451%
<b>Operating Income</b>	<b>6.4</b>	<b>-4.7</b>	<b>12.6</b>	97%	Turned Black
Margin(%)	4%	-24%	11%		
<b>EBITDA</b>	<b>7.7</b>	<b>-3.2</b>	<b>14.0</b>	82%	Turned Black
Margin(%)	5%	-16%	13%		
<b>Income before Tax</b>	<b>5.2</b>	<b>-4.1</b>	<b>11.8</b>	127%	Turned Black
<b>Net Income</b>	<b>2.7</b>	<b>-3.4</b>	<b>9.1</b>	237%	Turned Black

19.2Q results are based on the spin-off criteria

## Summary of Financial Position

- Current assets increased due to account receivables increase driven by the rise in sales revenue and cash and cash equivalent increases from the customer prepayment
- Non-current liabilities incremented due to the hike in Advances received from new orders

(Unit: KRW bn)	'20.1Q	'20.2Q	Change
<b>Total Assets</b>	<b>539.8</b>	<b>604.8</b>	<b>65.0</b>
Current Assets	452.8	510.3	57.5
Non-current Assets	87.0	94.5	7.5
<b>Total Liabilities</b>	<b>376.5</b>	<b>432.3</b>	<b>55.8</b>
Current Liabilities	271.8	324.5	52.7
Advances received	211.3	225.9	14.6
Non-current Liabilities	104.7	107.8	3.1
<b>Shareholder's Equity</b>	<b>163.3</b>	<b>172.5</b>	<b>9.2</b>
Share Capital	72	7.2	0
<b>Leverage Ratio</b>	<b>230%</b>	<b>251%</b>	<b>21%p</b>
Debt	99.0	99.0	0
Cash	155.3	161.4	6.1
Net Debt	-56.3	-62.4	-6.1