

Doosan Fuel cell

DOOSAN

4Q 2023 Earnings Call

Feb 14, 2024

Investor Relations



Disclaimer

The information herein is provided for your information purposes only and contains preliminary figures which may be materially different from the final figures.

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.



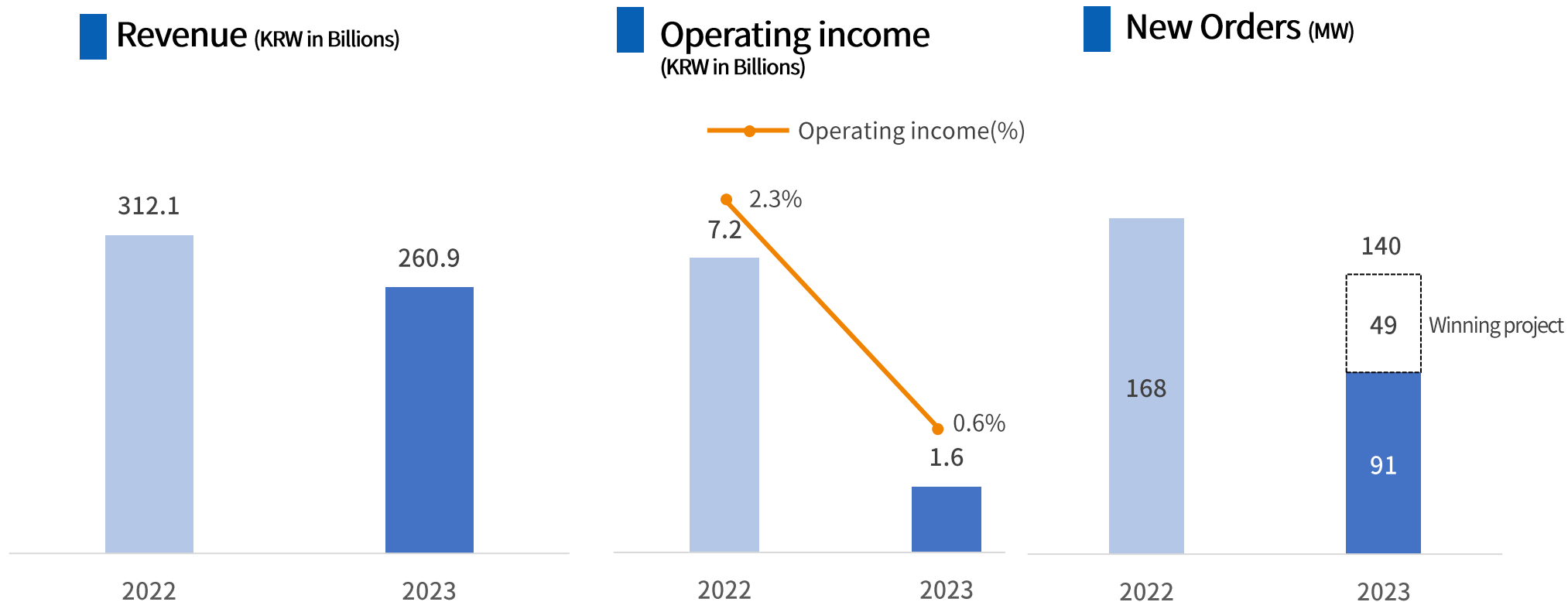
Contents

1. 2023 Performance
 2. 2023 General H2 Power Bidding
Market Performance
 3. Domestic Market Trend
 4. Technology Roadmap
 5. 2023 ESG Performance
- Appendix

1. 2023 Performance

2023 Earnings: Sales 260.9 billion won, operating income 1.6 billion won, new orders 140MW(winning orders of 49MW included)

- 2023 Performance: Sales recognition of projects secured in the second half of the year was carried over to '24, decreasing sales and operating income
- 2024 Outlook: Sales and operating income are expected to increase based on CHPS volume secured in '23



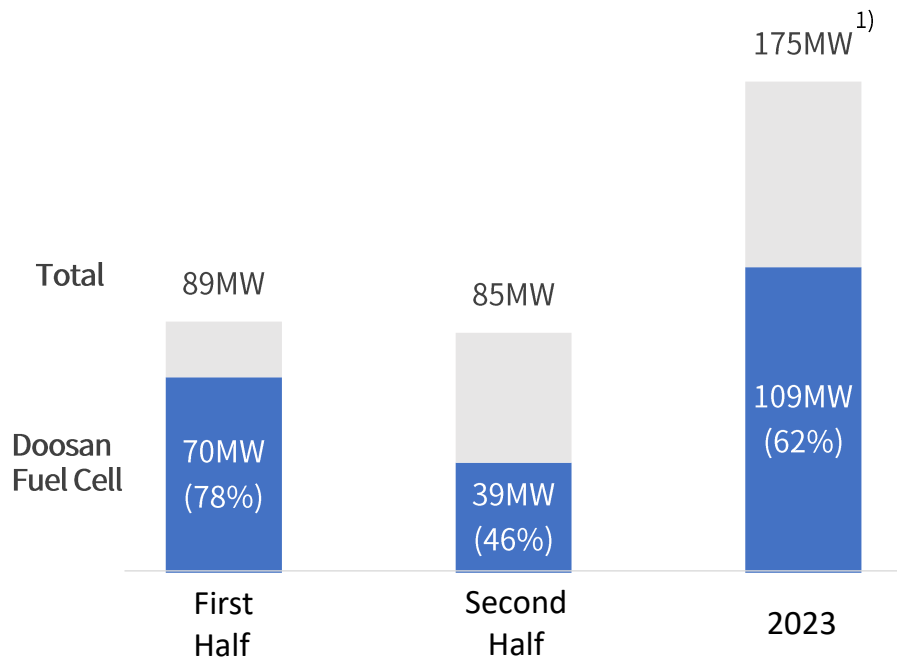
* CHPS contract pending volume with GenCo

2. 2023 General H2 Power Bidding Market Performance

Achieving 62% M/S by securing 109MW in the CHPS general H2 power generation bidding market, implemented in 2023 for the first time

- Continue to keep our strengths in order to dominate the market (high localization rate, availability of heat & by-product hydrogen, load following)

General H2 Power Bidding Market Performance (2023)



Insights

- Competitive advantage based on high localization rate and PAFC strength (heat & by-product H2 utilization, load following)
- However, competition is getting fiercer in the second year of market opening
 - Securing a competitive order pool to expand distributed power sources – developing areas with high electricity demand or low energy independence
 - Strengthening product competitiveness by introducing 5CSA hydrogen model
- '24 bid market is expected (in the second quarter) 1,300GWh a year
 - The main evaluation criteria seems unchanged.
 - [General Evaluation] Regional contribution through energy welfare is added to resident acceptance evaluation.
 - [System Evaluation] Reviewing changes in the load following criteria (toughen requirements or qualification requirements)

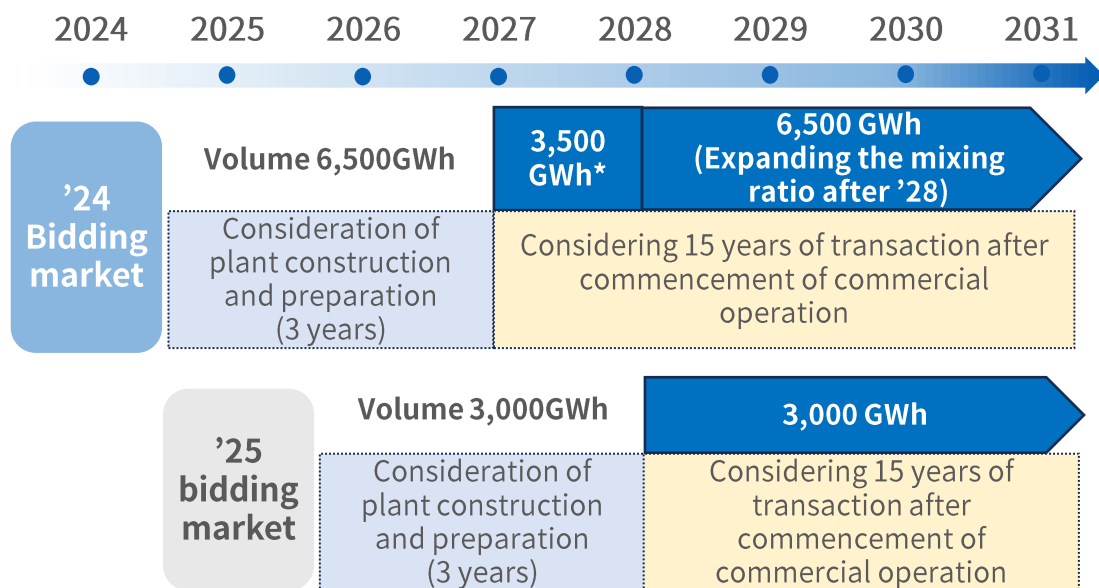
1) 1,430 GWh based on power generation (Contract volume determined within 110% of 1,300 GWh of opening volume based on annual purchase volume calculation notice)

3. Domestic Market Trend - Green H2 power generation bidding market

The clean H2 power generation market is open once a year(during Q2), and operates as an integrated market regardless of technology and fuel

- It will be open based on the purchase volume calculation notice (6,500GWh in '24, 3,000GWh in '25)

Purchase volume of clean H2 power generation market



Source: Korea Power Exchange

*Maximum of one year of non-penalty for delays in starting commercial operations and below the mixing rate under review

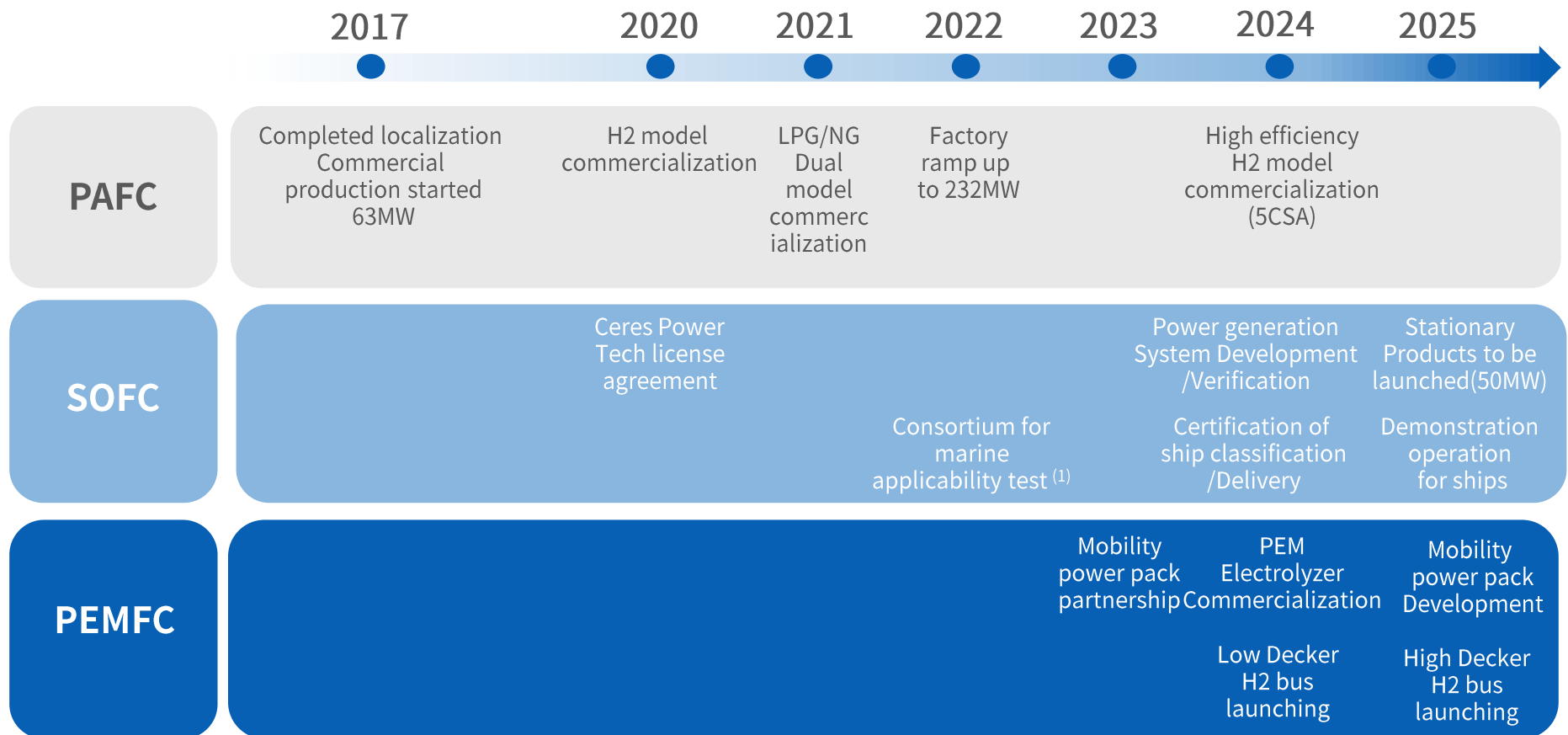
Outlook & strategy

- 6,500 GWh to be open in '24
 - But actual purchase volume in '27 is expected to be 3,500 GWh due to delays in commercial operations and lack of mixing ratio
- Evaluation of environmental contribution and fuel stability is critical
 - ex. Environmental contribution: residual carbon emissions after power generation, grade of clean H2
 - ex. Fuel Stability : progress of procurement plan, diversification of supply chain
- H2-fired technology to enter the market in '24
 - Strengthen product competitiveness by introducing 5CSA hydrogen model
 - Pushing to expand partnerships with competitive H2 producers

4. Technology Roadmap

Utilizing various technologies to build new growth engine

- Diversification of power generation portfolio through commercialization of high-efficiency hydrogen models and SOFC for power generation
- Securing new growth engines through the development of commercial vehicle mobility power packs and marine fuel cells



(1) Shell/DNV(Norwegian Ship Register)/KSOE(Korea Shipbuilding & Offshore Engineering)

5. 2023 ESG performance

ESG rating is improving through systematic development and execution of ESG tasks

External ESG Assessment Results

KCGS

· Total grade: B+ → A (1 step up)

DJSI

· Total grade: DJSI Korea (for the second year in a row)

Sustin
vest

· Total grade: BB → AA (2 steps up)

Insights

- Rise in ratings due to strengthening disclosure of environmental information, contributing to local communities, and enhancing supply chain management
- It will be necessary to respond to climate change risks and ESG disclosures and strengthen environmental KPI management

External ESG Rewards Results



Innovation
Award

- Host: MTI/KCCI
- Criteria : Corporate innovation & ESG performance
- Result: Minister of Trade, Industry and Energy Award

Sustainable
management
merit

- Host: MTI/KPH
- Criteria : K-ESG execution performance
- Result: Minister of Trade, Industry and Energy Award

Management
Award

- Host: KMAC
- Criteria : Product innovation
- Result: Inno. Product of the Year

Q&A Session



Summary of Financial Statement

(Unit: KRW in billions)	22.4Q	23.3Q	23.4Q	YoY	QoQ
Total Assets	1,026.9	1,081.8	1,070.8	43.9	-10.9
Current Assets	675.7	616.7	648.1	-27.6	31.4
Non-current Assets	351.2	465.1	422.8	71.6	-42.3
Total Liabilities	503.9	557.3	558.2	54.3	0.9
Current Liabilities	312.7	298.9	287.4	-25.3	-11.5
Advanced Received	10.4	44.7	12.3	1.9	-32.4
Non-current Liabilities	191.2	258.5	270.8	79.6	12.4
Shareholder's Equity	523.1	524.5	512.7	-10.4	-11.8
Total Liabilities and Equity	1,026.9	1,081.8	1,070.8	43.9	-10.9
Leverage Ratio	96%	106%	109%	13%p	3%p
Debt	269	366.5	377.5	108.5	11
Cash and Cash Equivalents⁽¹⁾	50.7	21.6	51.6	0.8	30
Net Debt⁽²⁾	218.3	344.9	325.9	107.7	-19

(1) Cash and cash equivalents + ST financial instruments + ST financial assets

(2) Debt-Cash and cash equivalents etc.

Summary of Income Statement

Annual Summary of Income Statement

(Unit: KRW in billions)	2021	2022	2023	YoY
Sales Revenue	381.4	312.1	260.9	-16.4%
Operation Income	18	7.2	1.6	-77.3%
Margin(%)	4.7%	2.3%	0.6%	
EBITDA	26.7	19.6	17	-12.8%
Margin(%)	7.0%	6.3%	6.5%	
Income before Tax	18.6	4.3	-12.5	
Net Income	8.7	3.9	-8.5	Turning into deficit

Quarterly Summary of Income Statement

(Unit: KRW in billions)	22.4Q	23.3Q	23.4Q	YoY	QoQ
Sales Revenue	157.2	45.6	116.2	-26.1%	154.9%
Operation Income	17.9	0.7	-2.7	Turning into deficit	Turning into deficit
Margin (%)	11.4%	1.5%	-2.3%		
EBITDA	21.9	4.8	0.8	-96.1%	-82.5%
Margin (%)	14%	10.6%	0.7%		
Income before Tax	7.9	-2.9	-9.2		
Net Income	5.6	-0.8	-9.3	Turning into deficit	-1032.8%

Sales Revenue 116.2 billion KRW, Operation Income -2.7 billion KRW

