

# Doosan Fuel Cell

**DOOSAN**

1Q 2022 Earnings Call

April 27, 2022

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.

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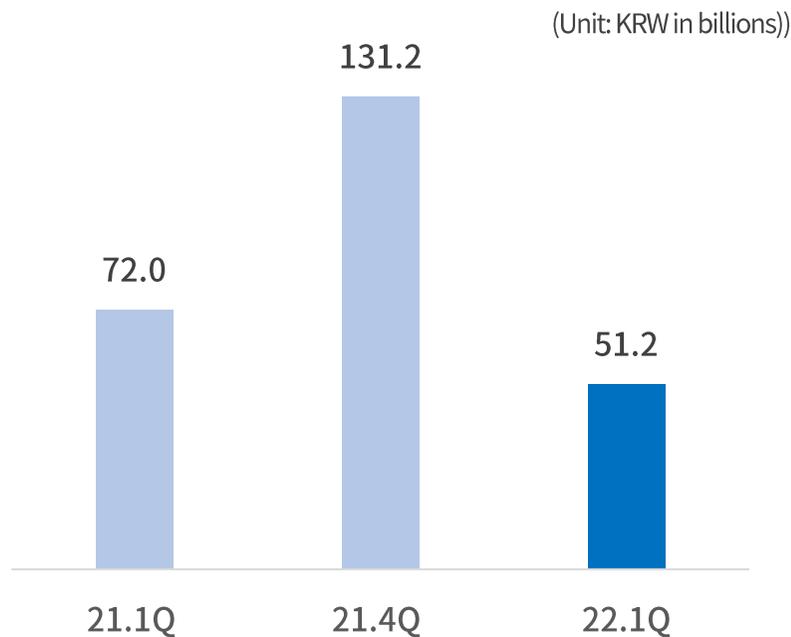


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## Sales revenue of KRW 51.2 bn, operating loss of KRW 8.6 billion

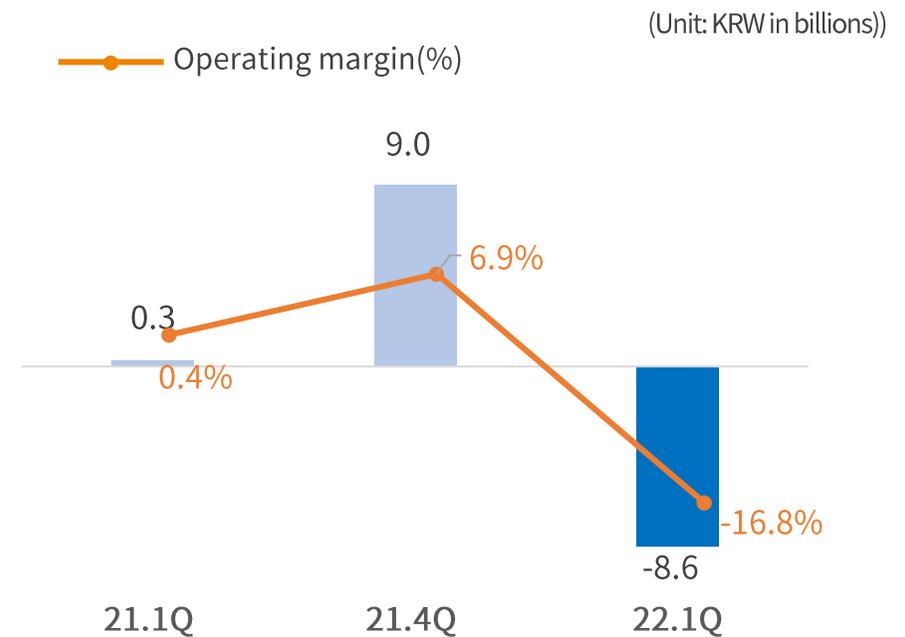
- Sales revenue declined YoY mainly due to the delayed new orders and slow sales volume
- Recorded operating loss from (1) temporary product mix change, (2) a change in executives retirement grants system occurring one-off expenses<sup>(1)</sup> and (3) SG&A increase related to new business development
- Earnings are expected to improve driven by resumption of new orders and normalization of product mix

### Quarterly Sales Revenue



(1) KRW 1.6 billion

### Quarterly Operating Income



### Maintain the 2022 order target of 240MW

- Planned orders have been delayed due to geopolitical uncertainties and domestic political schedule
- Maintain the 240MW target as new orders to resume in 2Q

#### 2022 Order Intake Strategy

##### (1) New orders under RPS

- RPS amendment<sup>(1)</sup> - giving extra RECs - will resume mid to small scale orders which were deferred in '21.

##### (2) Big project development

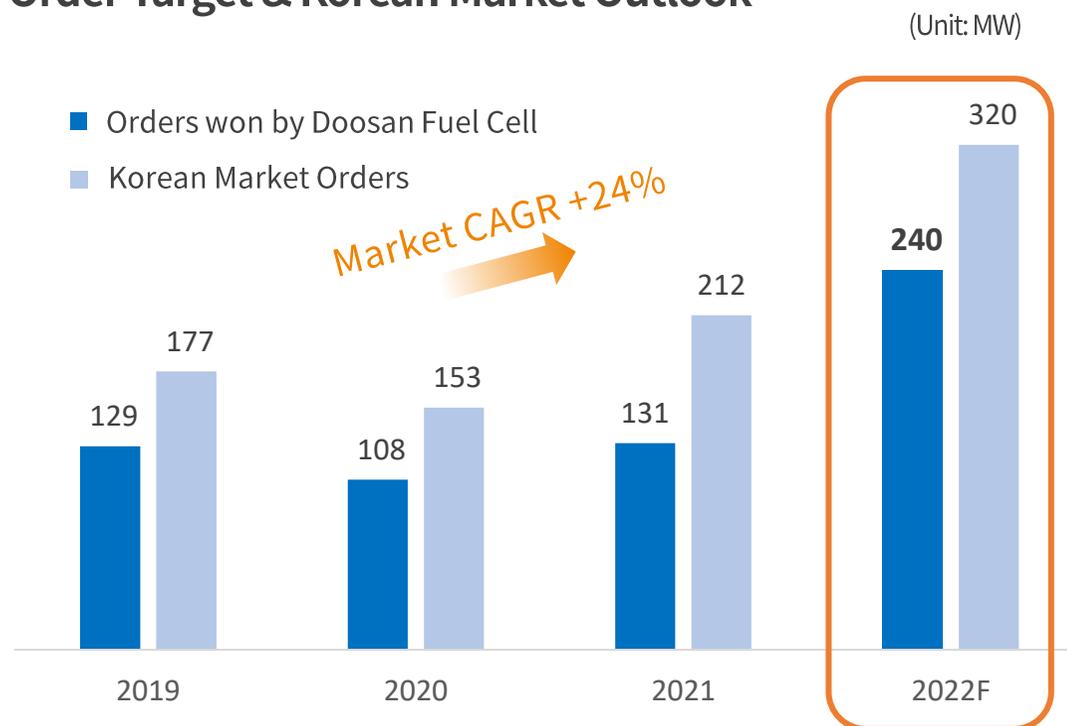
- Direct import of gas, individual rating will improve economics of stationary fuel cells

##### (3) Tri-gen model and export expansion

- Receiving Tri-gen model orders and expanding export to China

(1) RPS amendment adds 0.2REC in case of 65% combined efficiency or more and 0.1REC in case of using byproduct H2

#### Order Target & Korean Market Outlook



\* Orders won by Doosan Fuel Cell in 2021 and 2022F include export

### Achieved the 2<sup>nd</sup> PAFC export to China

- Expanding its presence in the global market with the 2<sup>nd</sup> case of PAFC export to China
- The product will be installed for P2G<sup>(1)</sup> electrolysis-connected green hydrogen fuel cell demonstration project

#### China Central Governments' H<sub>2</sub> Plan

##### NDRC<sup>(2)</sup> officialized the hydrogen plan in March

- Following Korean, Japan, EU and the US

##### Mid-to-long term plan (2021~2035)

- Phase 1 (~2025): Prepare hydrogen value chain
- Phase 2 (~2030): Complete green hydrogen industry structure
- Phase 3 (~2035): Expand hydrogen applications across the entire industries

##### Regional government's roadmap

- Estimated 1.4GW of market by 2030 including 8 provinces and cities

#### Overview

- Scale : 4.8MW (11 units of Hydrogen Model)
- Amount : \$15.5million<sup>(3)</sup>
- Fuel : Green Hydrogen from Solar PV
- Customer: Zhejiang Beisen Hydrogen Science & Technology Co. Ltd.

(1) P2G(Power to Gas) is an energy storage technology which uses renewable energy-generated electric power to produce and store hydrogen.

(2) NDRC: National Development and Reform Commission

(3) The amount is only for equipment sales, and LTSA will be signed following the equipment sales order.

## 4. Strategic Focus

1Q Earnings

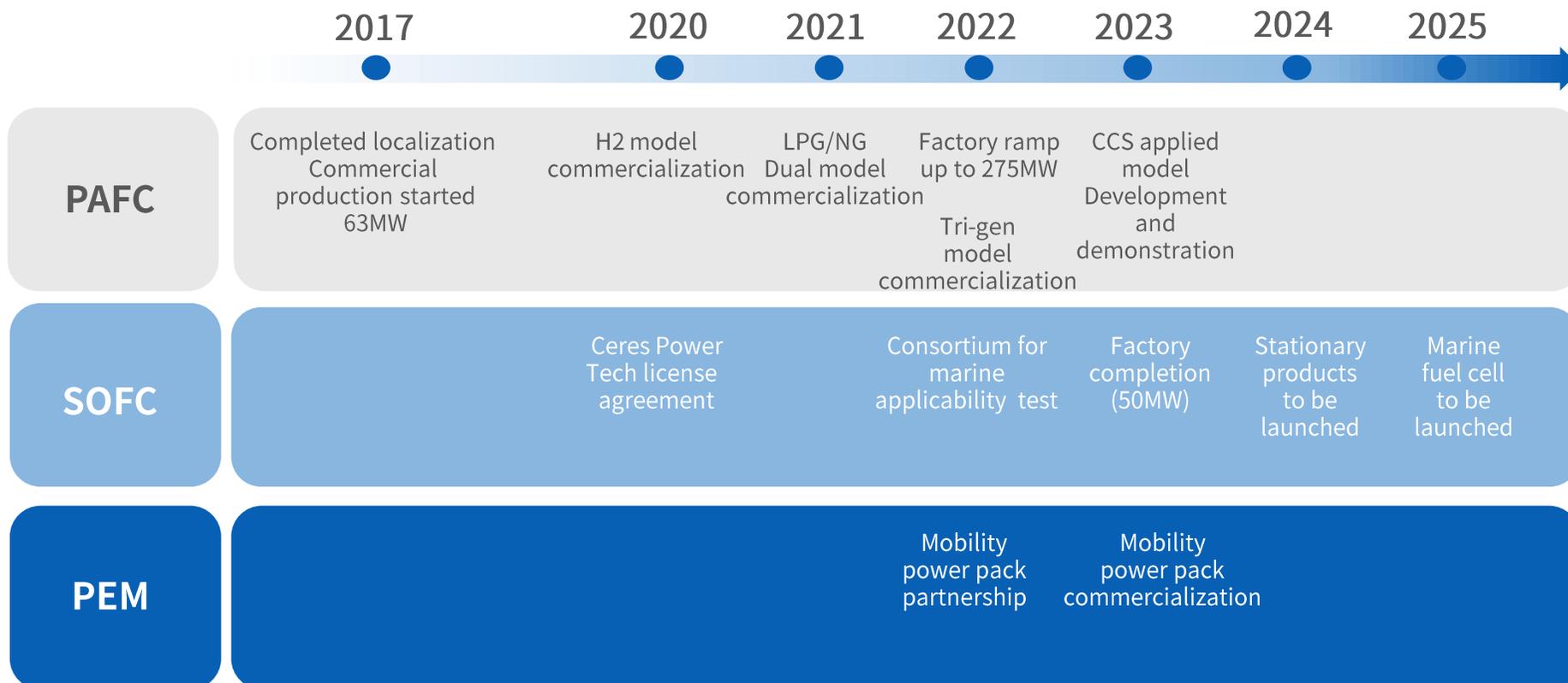
Order Outlook

Export to China

Strategic Focus

### Utilizing various technologies to build new growth engine

- PAFC to be completed in Oct. 2022 and SOFC to be completed in 2023 will expand our business horizon
- Maritime fuel cells and Mobility Powerpack partnership will mature so that new growth engine will be secured
- In response to national net zero strategy, we plan to develop CCS<sup>(1)</sup>-applied PAFC, ammonia-based SOFC and H<sub>2</sub> model improvement



(1) CCS: Carbon Capture Storage

## Summary of Financial Position

(Unit: KRW in billions)	21.Q1	21.Q4	22.Q1	YoY	QoQ
<b>Total Assets</b>	769.4	698.9	736.7	-32.6	37.9
Current Assets	621.5	498.2	516.1	-105.4	17.8
Non-current Assets	147.9	200.6	220.6	72.7	20.0
<b>Total Liabilities</b>	261.1	180.7	221.4	-39.7	40.7
Current Liabilities	241.0	77.6	112.6	-128.4	35.0
Advanced Received	38.2	13.9	18.0	-20.2	4.1
Non-current Liabilities	20.0	103.1	108.8	88.8	5.7
<b>Shareholder's Equity</b>	508.3	518.2	515.3	7.0	-2.9
<b>Total Liabilities and Equity</b>	769.4	698.9	736.7	-32.6	37.9
<b>Leverage Ratio</b>	51%	35%	43%		
<b>Debt</b>	99.0	75.0	75.0	-24.0	0
<b>Cash and Cash Equivalents<sup>(1)</sup></b>	336.4	187.0	162.4	-174.0	-24.6
<b>Net Debt<sup>(2)</sup></b>	-237.4	-112.0	-87.4	150.0	24.6

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

(2) Debt- Cash and cash equivalents and etc.

# Appendix

## Summary of Income Statement

(KRW in billions)	21.1Q	21.4Q	22.1Q	YoY	QoQ
Sales Revenue	72.0	131.2	51.2	-29%	-61%
Operating Income	0.3	9.0	-8.6		
Margin(%)	0.4%	6.9%	-16.8%		
EBITDA	2.2	11.7	-5.9	-	
Margin(%)	3.1%	8.9%	-11.5%		
Income before Tax	2.0	6.9	-4.3		
Net Income	-4.3	5.8	-2.9	+32%	-

# Q&A Session



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