

Doosan Fuel Cell

DOOSAN

4Q 2022 Earnings Call

February 2023
Investor Relations



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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.

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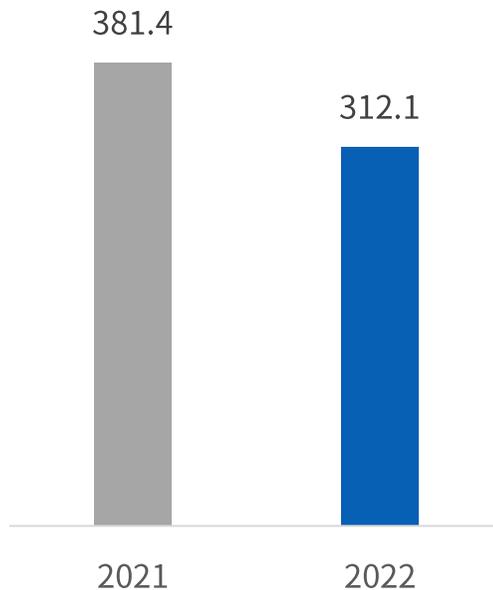
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2022 Results: recorded sales revenue KRW 312.1 bn, operating income KRW 7.2 bn, and new order of 297MW (including 129MW of conditional projects)

- 2022 results: Sales revenue and operating income were slow due to carryover of some domestic orders to the next year
- 2023 outlook: Sales revenue is expected to grow due to sales recognition for orders received this and last years

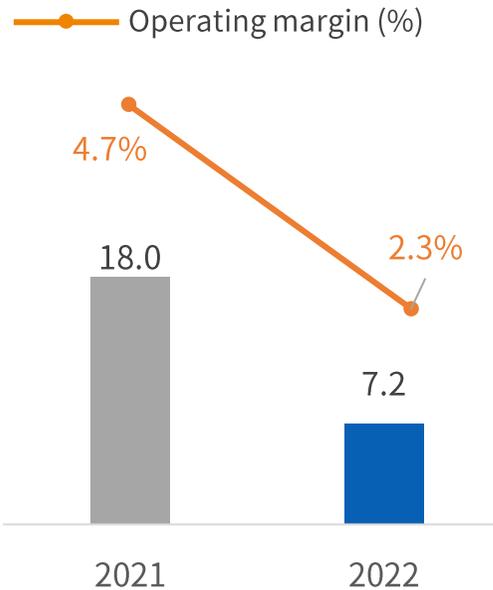
Sales Revenue

KRW in billions



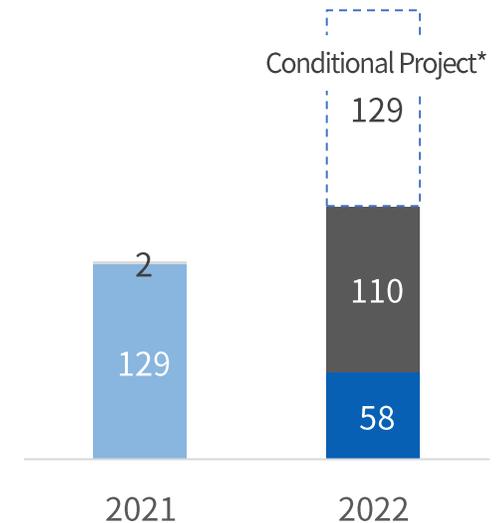
Operating Income

KRW in billions



New Orders (MW)

■ Korea
■ Overseas

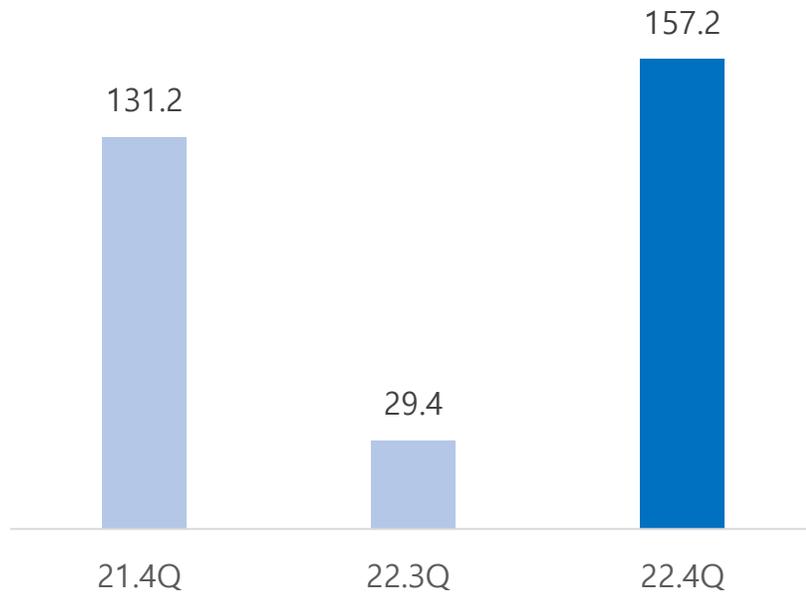


* Including conditional orders under power purchase and project financing agreements

Sales revenue KRW 157.2bn, Operating income KRW 17.9bn

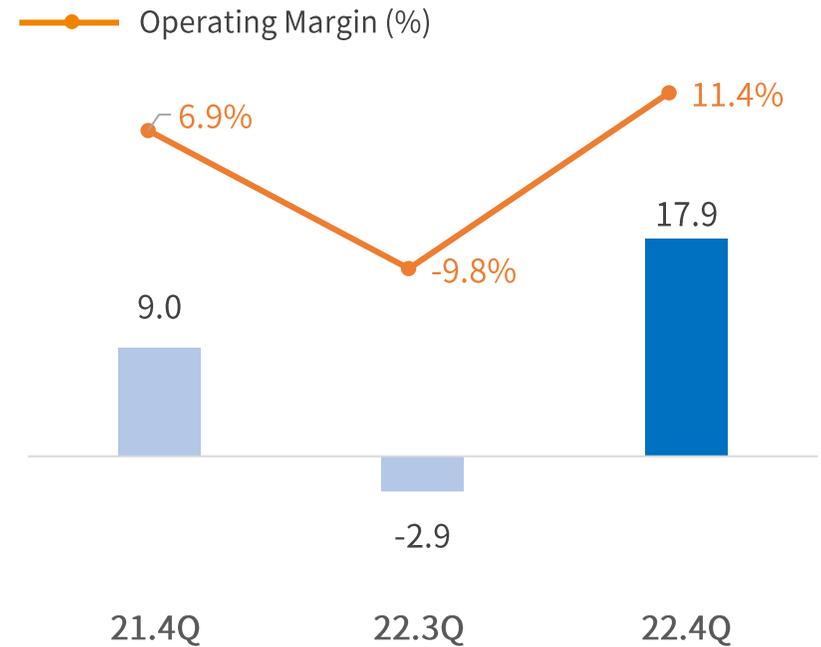
Sales Revenue

(Unit: KRW in billions)



Operating Income

(Unit: KRW in billions)



Continued growth in orders in 2023

- 2022 performance: Overall new orders grew year-on-year by China contracts despite carrying over some domestic orders to the next year
- 2023 outlook: Efforts to grow orders by increasing domestic orders under RPS and CHPS and diversifying overseas markets

2022 Performance

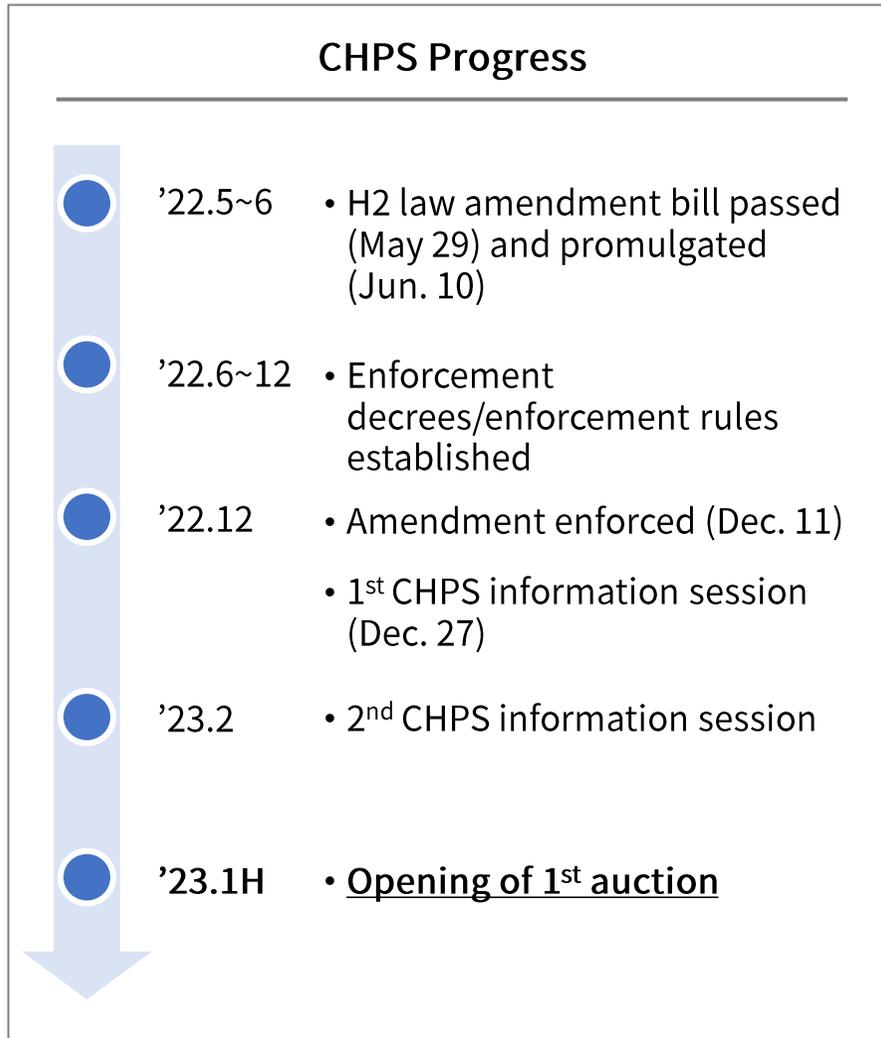
- (1) Carrying over of orders under RPS
 - Unfavorable macro environment, restructuring of power-generating public corporation in Korea
- (2) Securing order pipeline
 - Received conditional orders to secure growth momentum
- (3) Made a steppingstone for entry into China
 - Secured mid- to long-term orders by signing large-scale cooperation contracts in China
 - Order received for H2 model using green H2

2023 Strategy for New Order

- (1) Continuing to win orders under RPS
 - Securing additional orders during the grace period of the RPS system
- (2) Winning new orders under CHPS
 - Building strategic partnerships with major companies
 - Securing mid- to long-term projects
- (3) Diversifying overseas markets and applications
 - Developing Chinese and additional overseas markets
 - H2 charging stations(Tri-gen), data center, smart farm

* RPS (Renewable Portfolio Standard): 신재생에너지 공급의무화 제도
CHPS (Clean Hydrogen Portfolio Standards): 청정수소발전제도

How to manage the reverse auction for hydrogen power generation is being drafted. The 1st auction is expected to start in 1H 2023.



Main issue	Policy Overview(1 st information session)
Annual allocation	<u>Within 10% of the total domestic power generation in the previous year</u>
Governing body	<u>Korea Power Exchange</u>
Quantitative/ qualitative evaluation ratio	<u>Quantitative(over 50) : qualitative(less than 50)</u>
Quantitative	<u>Based on LCOE</u>
Qualitative	<u>General evaluation</u> – Industrial and economic contribution, resident acceptance, business reliability, environmental contribution
	<u>Grid evaluation</u> – Generator performance, transmission and distribution connection

* LCOE: Levelized cost of energy

Securing new growth engine through new product development, export expansion, and new business materialization

2022 Achievement

New product development & Scale-up

- Tri-gen model development complete
 - Signing a business cooperation with SK Energy
- Start of SOFC new factory construction
 - Production facility design and purchase order complete

Export

- Mid- to long-term supply base in China
 - Received order for green H2 hydrogen model project (5MW)
 - Signing large-scale cooperation agreement (ZKRG 105MW)

New Biz

- Maritime fuel cells
 - Signing contract for SOFC demonstration with Shell, KSOE and DNV
- Mobility power pack for commercial vehicle
 - MOU with Ballard Power System

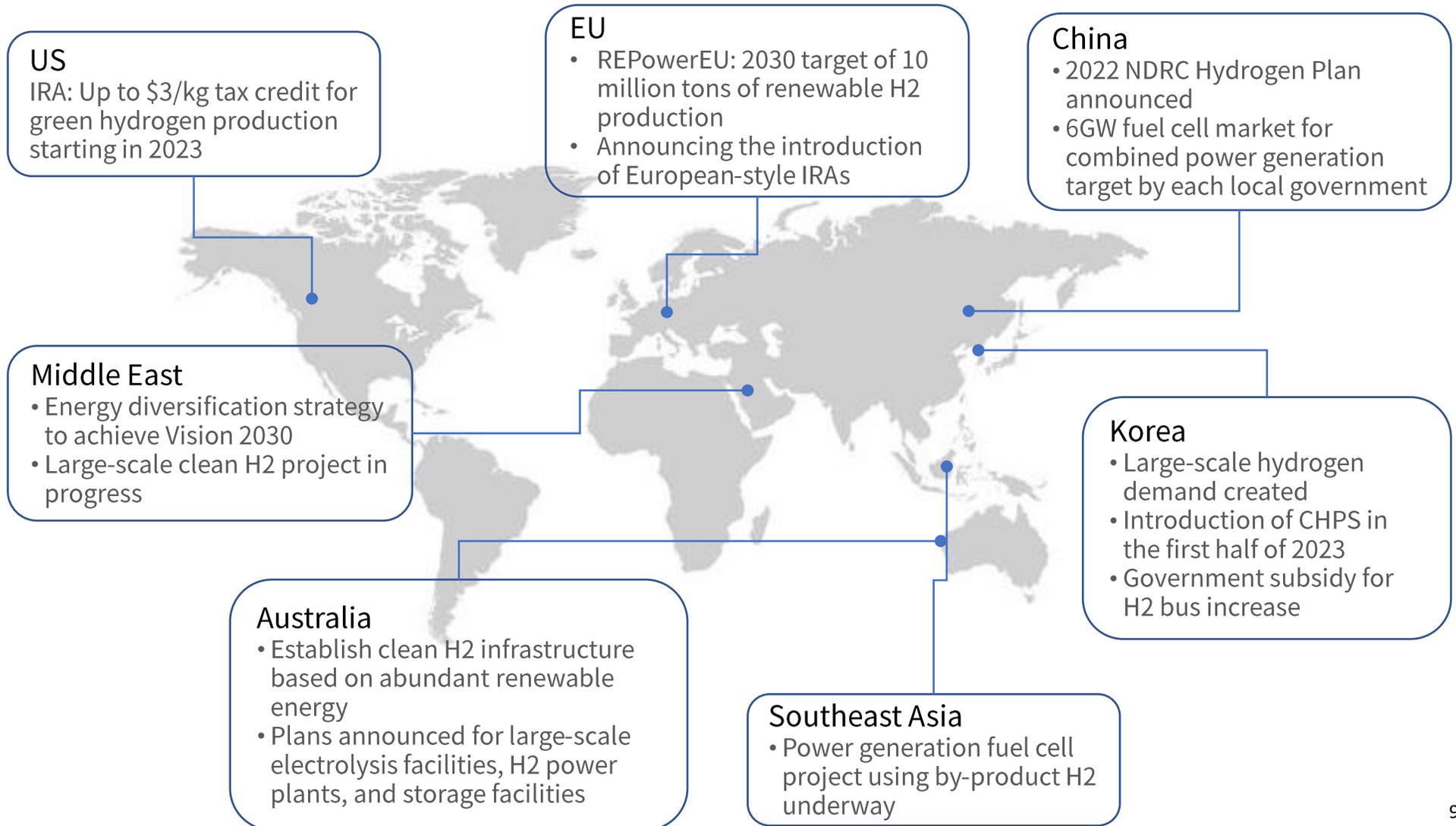
2023 Plan

- Tri-gen demonstration complete & first order
 - Completion of government project managed by KOGAS and initial order promotion
- SOFC construction completion(50MW) & initial orders
 - Power generation('24), maritime('25) commercialization

- Strategic approach to China market
 - Expansion to other regions in China
- Expansion of 3rd market business opportunities
 - Review opportunities in the Middle East, Australia and other Asian regional markets

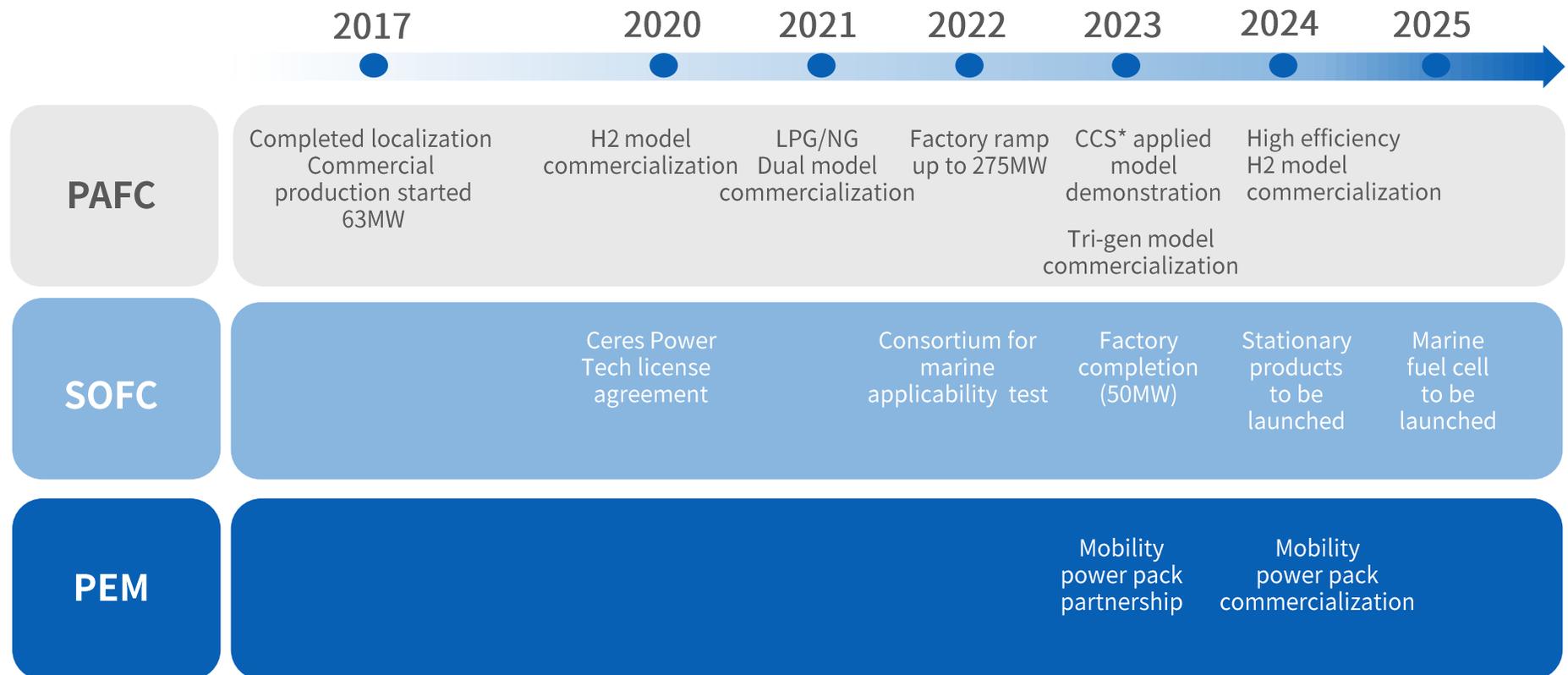
- Securing competitiveness of marine fuel cells
 - Development of systems optimized for ships
- Mobility power pack for commercial vehicles
 - Finalization of biz model development

Clean H2 supply and utilization market has been created, and overseas orders are being pursued targeting these markets.



Utilizing various technologies to build new growth engine

- PAFC ramp up in 2022 & SOFC new factory construction in 2023 will expand our business horizon
- Maritime fuel cells & mobility powerpack partnership secures new growth engine
- Reinforcing competitiveness of PAFC H2 model, commercialization of Tri-gen and development of ammonia fueled SOFC



* CCS: Carbon Capture Storage

Summary of Financial Position

(Unit: KRW in billions)	21.Q4	22.Q3	22.Q4	YoY	QoQ
Total Assets	698.9	871.1	1026.9	328.1	155.8
Current Assets	498.2	607.6	675.7	177.5	68.1
Non-current Assets	200.6	263.5	351.2	150.6	87.7
Total Liabilities	180.7	354.9	503.9	323.2	149.0
Current Liabilities	77.6	245.5	312.7	235.1	67.1
Advanced Received	13.9	13.7	10.4	-3.4	-3.2
Non-current Liabilities	103.1	109.3	191.2	88.1	81.9
Shareholder's Equity	518.2	516.3	523.1	4.9	6.8
Total Liabilities and Equity	698.9	871.1	1,026.9	328.1	155.8
Leverage Ratio	35%	69%	96%		
Debt	75.0	175.0	269.0	194.0	94.0
Cash and Cash Equivalents*	187.0	24.9	50.7	-136.3	25.8
Net Debt**	-112.0	150.1	218.3	330.3	68.2

* Cash and cash equivalents + ST financial instruments + ST financial assets

** Debt- Cash and cash equivalents etc.

Summary of Income Statement

Yearly Earnings

(KRW in billions)	2020	2021	2022	YoY
Sales Revenue	461.8	381.4	312.1	-18%
Operating Income	26.0	18.0	7.2	-60%
Margin(%)	5.6%	4.7%	2.3%	
EBITDA	33.3	26.7	19.6	-27%
Margin(%)	7.2%	7.0%	6.3%	
Income before Tax	18.3	18.6	4.3	-77%
Net Income	14.2	8.7	3.9	-56%

Quarterly Earnings

(KRW in billions)	21.4Q	22.3Q	22.4Q	YoY	QoQ
Sales Revenue	131.2	29.6	157.2	20%	431%
Operating Income	9.0	-2.9	17.9	100%	Turned black
Margin(%)	6.9%	-9.8%	11.4%		
EBITDA	11.7	0.02	21.9	88%	NA
Margin(%)	9%	0%	14%		
Income before Tax	6.9	1.2	7.9	15%	567%
Net Income	5.8	1.1	5.6	-3%	415%