

# Doosan Fuel Cell

**DOOSAN**

1Q 2023 Earnings Call

April 27, 2023  
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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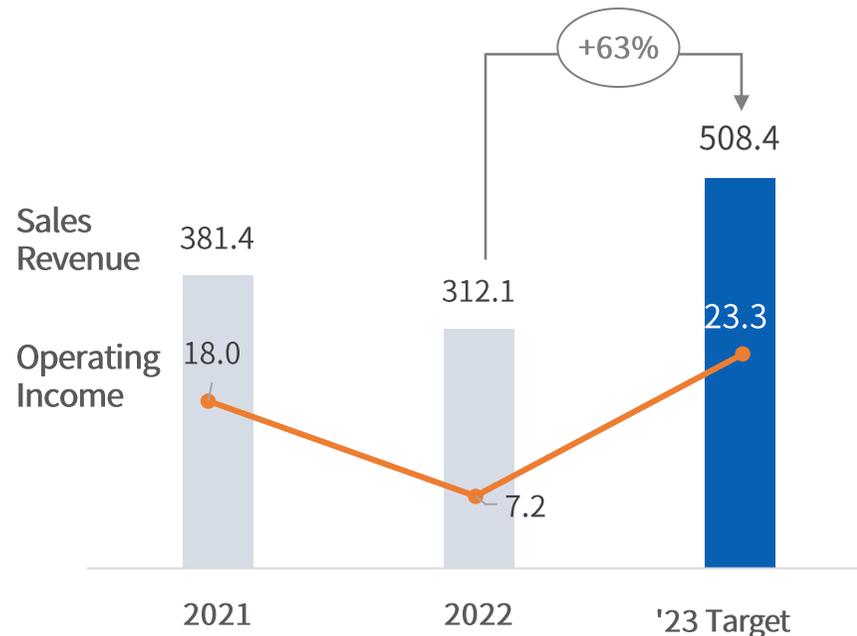
# 1. 2023 Business Plan

## Sales revenue: KRW 508.4 bn, Operating income: KRW 23.3 bn, New orders: 248MW

- To achieve Sales revenue and Operating income target through sales recognition for existing and new orders received this year
- Aim to promote orders by winning orders related to RPS<sup>(1)</sup> and CHPS<sup>(2)</sup>, diversifying applications, and expanding overseas markets

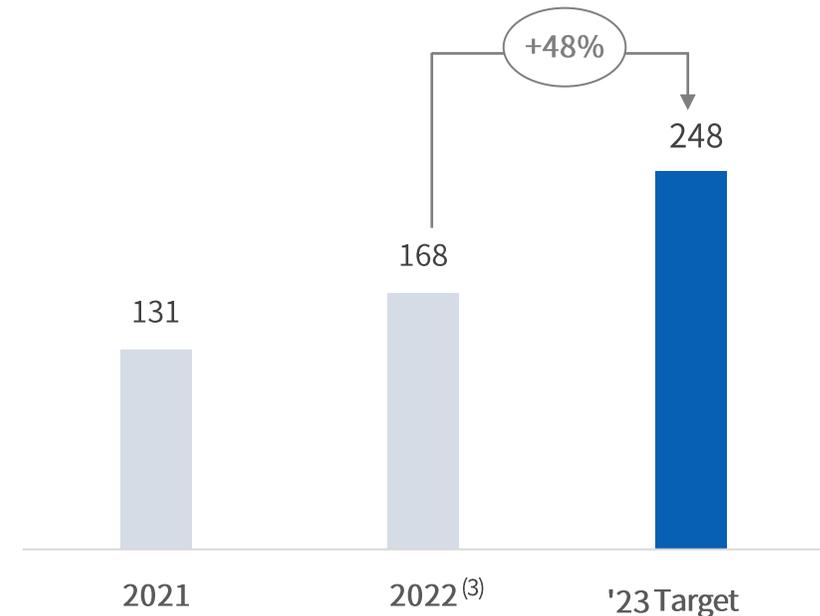
### Earnings Target

(Unit: KRW in billions)



### New Order Target

(Unit: MW)



(1) RPS (Renewable Portfolio Standard)

(2) CHPS (Clean Hydrogen Portfolio Standard)

(3) 2022: 297MW including conditional orders

## 2. 1Q 2023 Earnings

2023 Biz Plan

1Q 2023 Earnings

Business Updates

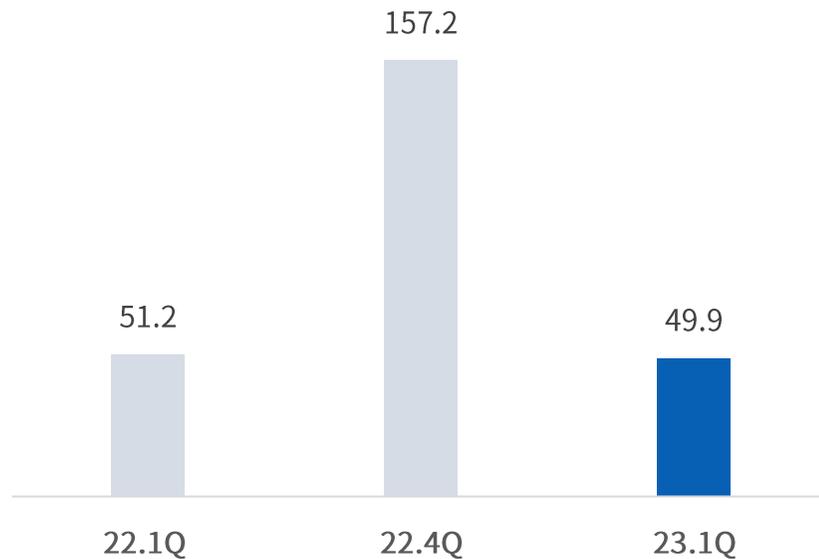
New Growth Engine

### Recorded Sales revenue 49.9bn won, Operating income 3.2bn won, Operating margin 6.4%

- Sales revenue: slightly declined year-on-year
- Operating income: one-time expense<sup>(1)</sup> decline and LTSA<sup>(2)</sup> profitability improvement year-on-year turned operating income to positive

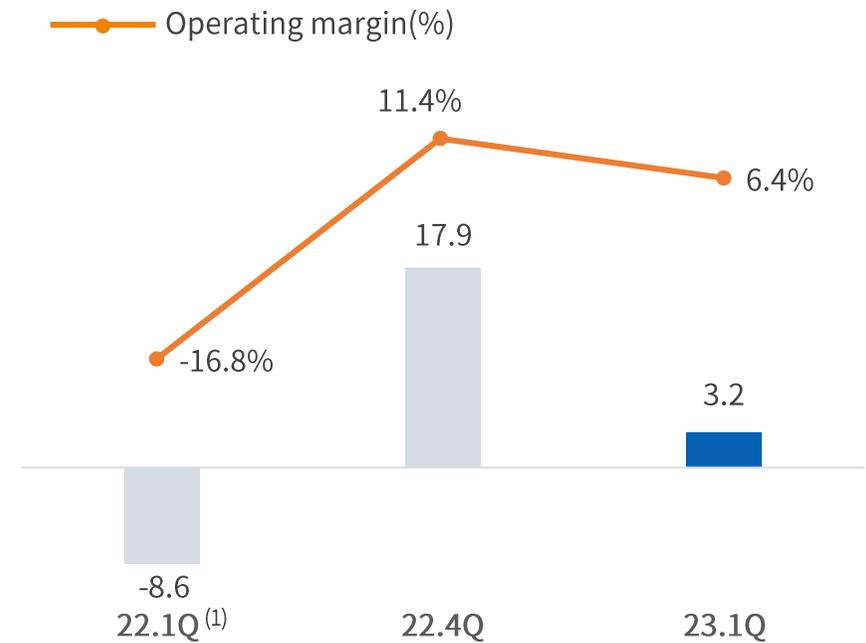
#### Sales Revenue

(Unit: KRW in billions)



#### Operating Income

(Unit: KRW in billions)

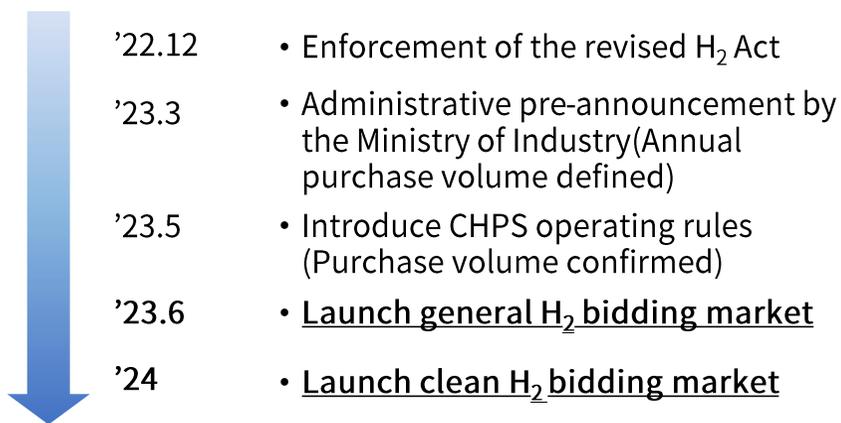


(1) Recognition of one-off severance allowance of KRW 1.56 bn in 2022 Q1

(2) LTSA: Long-term Service Agreement

Aims to win bids through product development in line with CHPS policy, improvement of localization rate, and business model development

## CHPS Policy Update



## General H<sub>2</sub> Bid Evaluation Factors

- Quantitative
  - Power generation cost (LCOE<sup>(1)</sup>)
- Qualitative
  - General evaluation: industrial & environmental contribution, etc.
  - System evaluation: generator performance, transmission and distribution linkage

## Company Strategy

- ✓ **Developing products in line with policies**
  - Strengthening of H<sub>2</sub> model competitiveness: utilizing by-product H<sub>2</sub> and biogas to meet NDC<sup>(2)</sup>
  - Load following capabilities: help relieving grid strain
  - Contribution to the domestic economy
- ✓ **Biz model development**
  - Turning unpleasant facilities into eco-friendly facilities
  - Local job creation
- ✓ **Building mid- to long-term partnership**
  - Securing a stable and competitive order pool through mid- to long-term partnerships with major companies

(1) LCOE(Levelized cost of energy): Power generating cost

(2) NDC(Nationally Determined Contribution): National GHG Reduction Target

### 3. Business Updates (2): Overseas Market Development

## While expanding Chinese market, discussing business development with clients in Australia and the Middle East

### Progress

### Plan & Strategy

#### China

- **Mid- to long-term large-scale supply to ZKRG in Guangdong**
  - Scale: 105MW (NG & H<sub>2</sub> model)
  - Period: - end of 2026
- **H<sub>2</sub> model supply to BEISEN in Zhejiang**
  - Scale: 4.8MW (H<sub>2</sub> model)
  - Project for green H<sub>2</sub> model linked to electrolyzer

- **Expansion of Chinese market volume**
  - Diversifying cooperative partnerships (using Distributor/Agent as well as JV)
  - Securing sales opportunities by expanding sales coverage
- **Targeting existing cooperation partners**
  - Facilitating progress on existing projects
  - Discussion on additional volume expansion including expansion of responsible regions

#### Australia

- **MoU with South Australian government**
  - Green H<sub>2</sub> infrastructure build
  - Joining South Australian H<sub>2</sub> power generation tender (H<sub>2</sub> model)

- **Expansion of local partners**
  - For energy and developer companies
  - Development of a power generation project using green H<sub>2</sub> in Australia

#### Middle East

- **Business model review in the Middle East**
  - Forming a regional value chain as part of achieving Vision 2030
  - Large-scale green H<sub>2</sub> project underway → Demand expected mainly arising from H<sub>2</sub> model

## 4. New Growth Engine

2023 Biz Plan

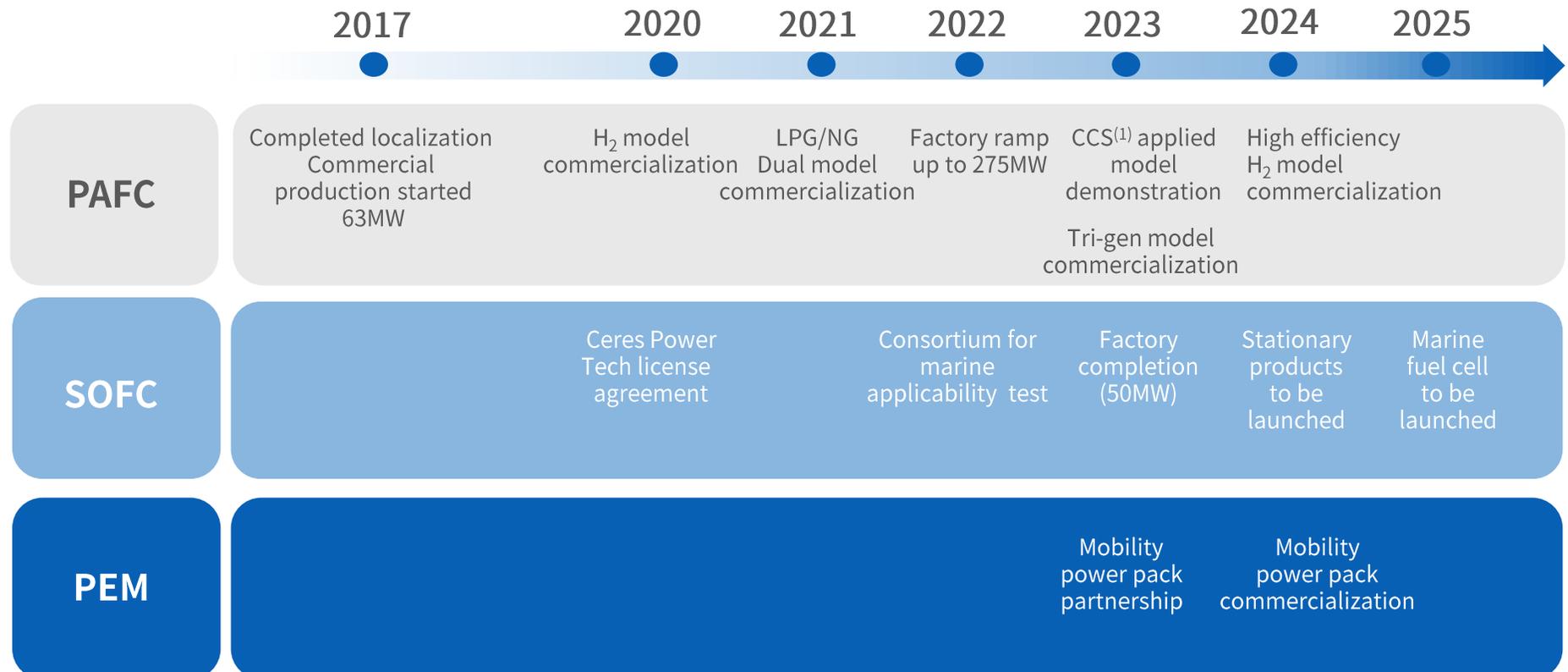
1Q 2023 Earnings

Business Updates

New Growth Engine

### Utilizing various technologies to build new growth engine

- PAFC ramp up and SOFC new factory construction in 2023 will expand our business horizon
- Mobility powerpack partnership and other opportunities secures new growth engine
- Reinforcing competitiveness of PAFC H<sub>2</sub> model, development of ammonia fueled SOFC and CCS applied model to achieve Carbon Neutrality



(1) CCS: Carbon Capture Storage

## Summary of Financial Position Statement

(Unit: KRW in billions)	22.Q1	22.Q4	23.Q1	YoY	QoQ
<b>Total Assets</b>	736.7	1,026.9	1,011.9	275.2	-15.0
Current Assets	516.1	675.7	635.9	119.8	-39.8
Non-current Assets	220.6	351.2	376.0	155.3	24.8
<b>Total Liabilities</b>	221.4	503.9	486.5	265.1	-17.3
Current Liabilities	112.6	312.7	294.8	182.2	-17.9
Advanced Received	18.0	10.4	16.2	-1.8	5.7
Non-current Liabilities	108.8	191.2	191.7	82.9	0.5
<b>Shareholder's Equity</b>	515.3	523.1	525.4	10.1	2.3
<b>Total Liabilities and Equity</b>	736.7	1,026.9	1,011.9	275.2	-15.0
<b>Leverage Ratio</b>	43%	96%	93%		
<b>Debt</b>	75.0	269.0	309.0	234.0	40.0
<b>Cash and Cash Equivalents<sup>(1)</sup></b>	162.4	50.7	24.9	-137.5	-25.9
<b>Net Debt<sup>(2)</sup></b>	-87.4	218.3	284.1	371.5	65.9

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

(2) Debt- Cash and cash equivalents etc.

# Appendix

## Summary of Income Statement

(KRW in billions)	22.1Q	22.4Q	23.1Q	YoY	QoQ
Sales Revenue	51.2	157.2	49.9	-3%	-68%
Operating Income	-8.6	17.9	3.2		-82%
Margin(%)	-16.8%	11.4%	6.4%		
EBITDA	-5.9	21.9	7.0	Turned to profit	-68%
Margin(%)	-11.5%	13.9%	13.9%		
Income before Tax	-4.3	7.9	1.8		-77%
Net Income	-2.9	5.6	1.9		-67%