



Investor Relations 2020

# Doosan Fuel Cell 1Q20 Earnings Release

May 6, 2020



## 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.



# 1Q20 Earnings Release

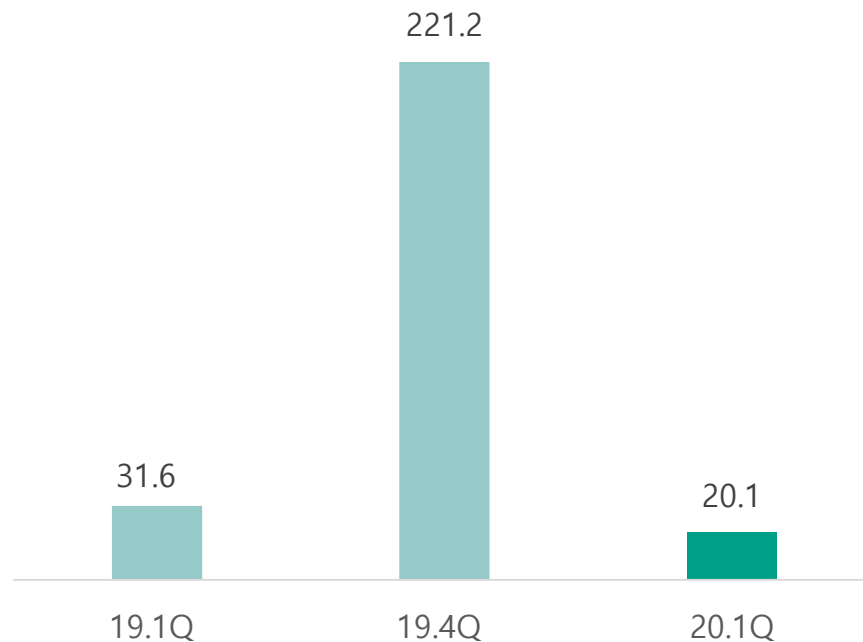
- 01. 1Q20 Results
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- 04. Appendix

## 1Q20 Results – Sales Revenue & Operating Income

- 1Q earnings declined as we recorded revenue of KRW 20.1 bn and operating loss of KRW 4.6 bn
- Every 1Q earnings are seasonally lowest (1Q < 2Q, 1<sup>st</sup> H < 2<sup>nd</sup> H) due to customer delivery schedule concentrated in 2Q and 2<sup>nd</sup> H, which will result in the significant improvement starting in 2Q

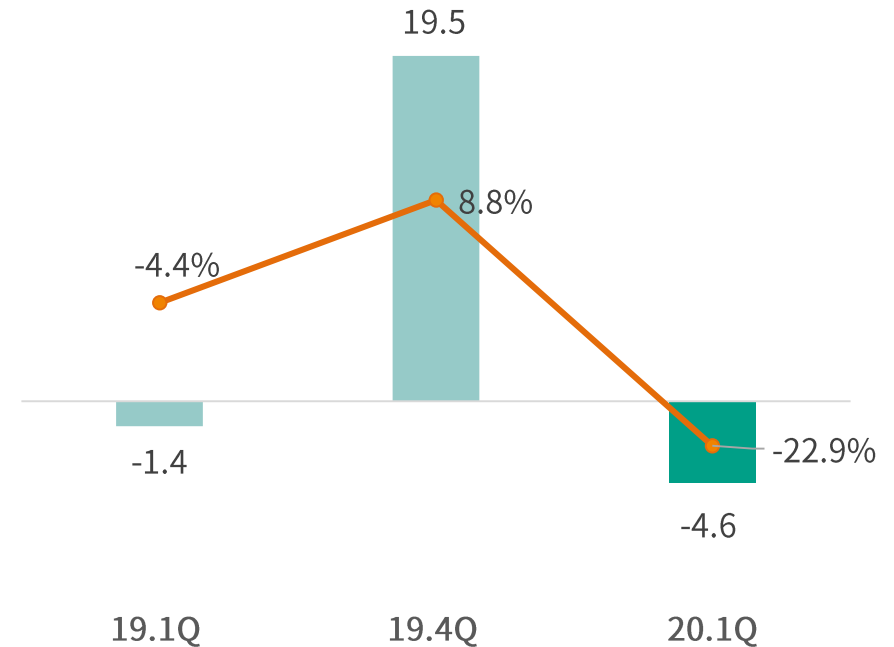
### Quarterly Sales Revenue

(Unit: KRW bn)



### Quarterly Operating Income

(Unit: KRW bn)



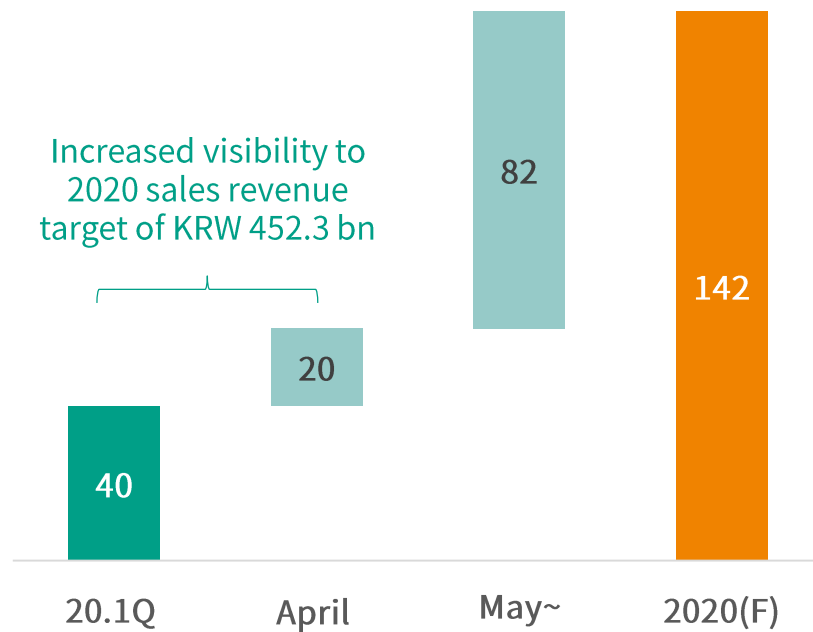
19.1Q results are based on the spin-off criteria

## 1Q20 Results – New Orders

- Received new orders of 40MW in 1Q and additional orders of 20MW in April  
- Achieved 42% of annual target(142MW) as we received 60MW in total by the end of April

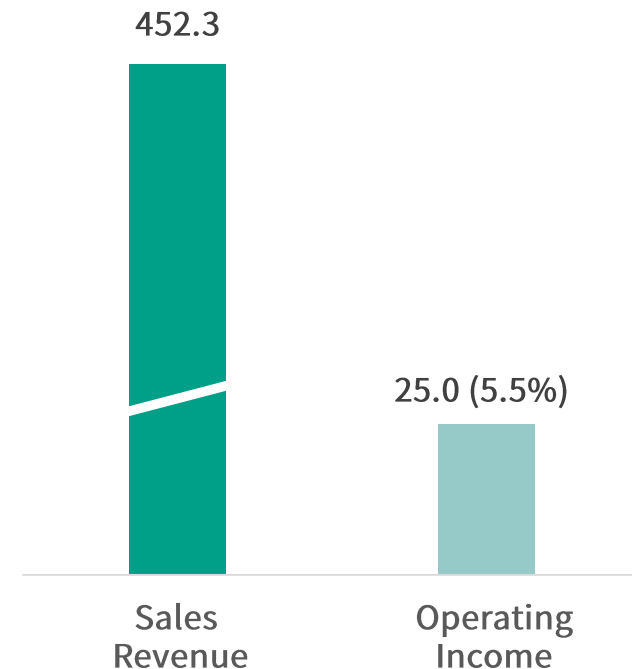
### Received Orders & 2020 Target

(Unit: MW)



### Earnings Guidance in 2020

(Unit: KRW bn)



## Long-term Growth Strategy & Business Progress Update in 1Q

- 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 charging station market 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>Discovery of LNG Boil-off-Gas and smart farm within 2020</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 charging station market	<ul style="list-style-type: none"> <li>Entry into transportation with Tri-gen model<sup>1)</sup></li> <li>- Under development with the government(~Dec. 2020)</li> </ul>
Long-term growth	3 SOFC development	<ul style="list-style-type: none"> <li>Expansion into the E-only market</li> <li>- Plans to participate in the project with the government in 1Q20</li> </ul>

### Business Progress in 1Q

- Under discussion with RDA<sup>2)</sup> on commercialization of smart-farm application
- Under review on application of BOG<sup>3)</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 and to build business model thereafter
- Submitted a proposal to the government to participate in the SOFC project

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

2) RDA: Rural Development Administration

3) BOG: Boil of Gas

## Fuel Cell Market in Korea

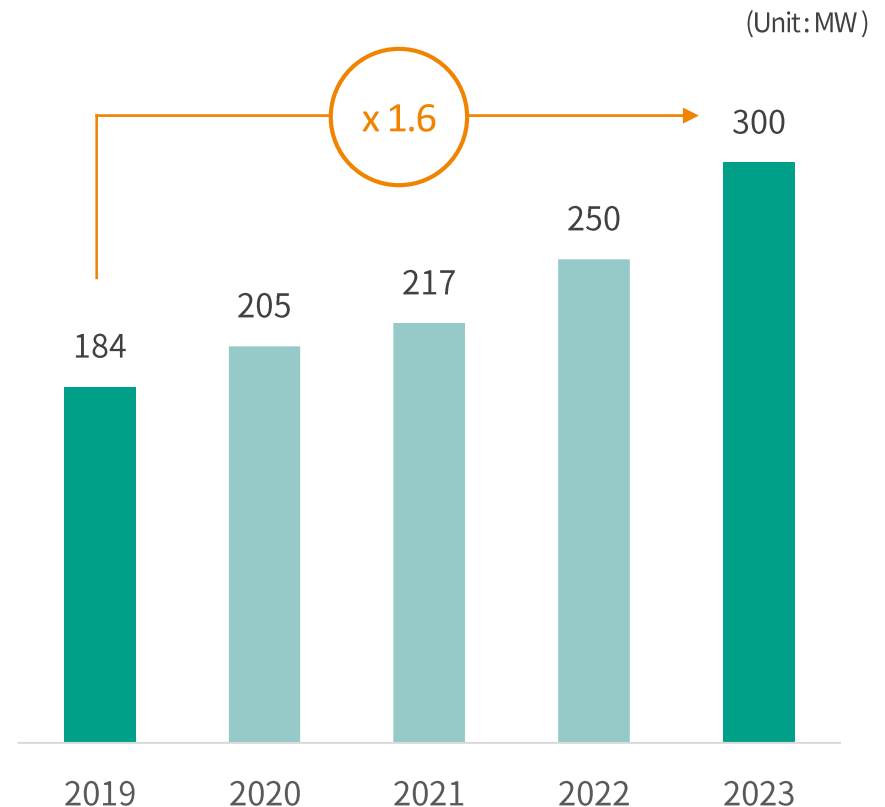
- Announcement and execution of policies and government plans to drive the growth of fuel cell market
  - Expects the stable and high growth under favorable business environment
- The Korean fuel cell market is forecast to grow by 1.6X by 2023 to 300MW compared to 2019

### Fuel Cell Related Policies and Plans

- 1 Hydrogen Economy Act (Feb. 2020)
  - To ensure policy permanence
  - The enforcement ordinance is being prepared and will take effect one year after the promulgation
- 2 Government Plans related to fuel cells
  - Annual Plan for New & Renewable Energy (Feb. '20)
  - The 5<sup>th</sup> Basic Plan for Mass Energy Supply (Feb. '20)
  - The 5<sup>th</sup> Basic Plan for New & Renewable Energy (within '20)
  - The 9<sup>th</sup> Basic Plan for Long-term Electricity Supply & Demand (within '20)
- 3 KOGAS<sup>1)</sup>'s Hydrogen Industry Roadmap
  - To invest KRW 4.3 tn by 2030 in infra for hydrogen industry
  - To supply 60% of hydrogen demand of fuel cells
  - Review on fuel cell business using its own infra

1) Korea Gas Corporation

### Korean Market Forecast (Order based)



## Summary of Financial Position

- Current assets increased as the inventory increased to secure inventories for the sales scheduled in the next quarters
- Leverage ratio temporarily hiked due to the additional prepayment from new orders

(Unit: KRW bn)	'19.4Q	'20.1Q	Change
<b>Total Assets</b>	<b>495.8</b>	<b>539.8</b>	<b>44.0</b>
Current Assets	408.4	452.8	44.4
Non-current Assets	87.4	87.0	-0.4
<b>Total Liabilities</b>	<b>329.0</b>	<b>376.5</b>	<b>47.5</b>
Current Liabilities	225.3	271.8	46.5
Non-current Liabilities	103.7	104.7	1.0
<b>Shareholder's Equity</b>	<b>166.8</b>	<b>163.3</b>	<b>-3.4</b>
Share Capital	7.2	7.2	-
<b>Leverage Ratio</b>	<b>197%</b>	<b>230%</b>	<b>33%p</b>
Debt	99.0	99.0	-
Cash	153.3	150.4	-2.9
<b>Net Debt</b>	<b>-54.3</b>	<b>-51.4</b>	<b>2.9</b>