

# 3<sup>rd</sup> Quarter 2024 Financial Review

October 2024



## Disclaimer

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Please note that this document contains preliminary figures and is provided solely to investors or potential investors as reference materials in their investment decisions.

The financial information presented herein are based on consolidated earning which were reported in accordance with K-IFRS. Historical figures were adjusted as well to ensure their compliance with K-IFRS.

The statements within the presentation future estimates including profit and loss forecasting of 2024 and years after. Although they are deemed reasonable, readers are strongly cautioned that known and unknown risks and uncertainties such as currency exchange or raw material costs may have a strong influence on the forward-looking statements and result in material variance between actual business performance and financial positions expressed or implied here.

The contents of this report are provided solely for general information purposes and do not constitute an offer for sale of, or solicitation of an offer to buy any securities of Doosan Bobcat. Doosan Bobcat Inc. assumes no responsibility for any investment decision, and it is our firm trust that investors make decisions solely based on their own, independent judgment.

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- 1. 2024 3Q Results**
- 2. 2024 3Q Highlights**

## 2024 3Q Financial Results – Income Statement (Consolidated)

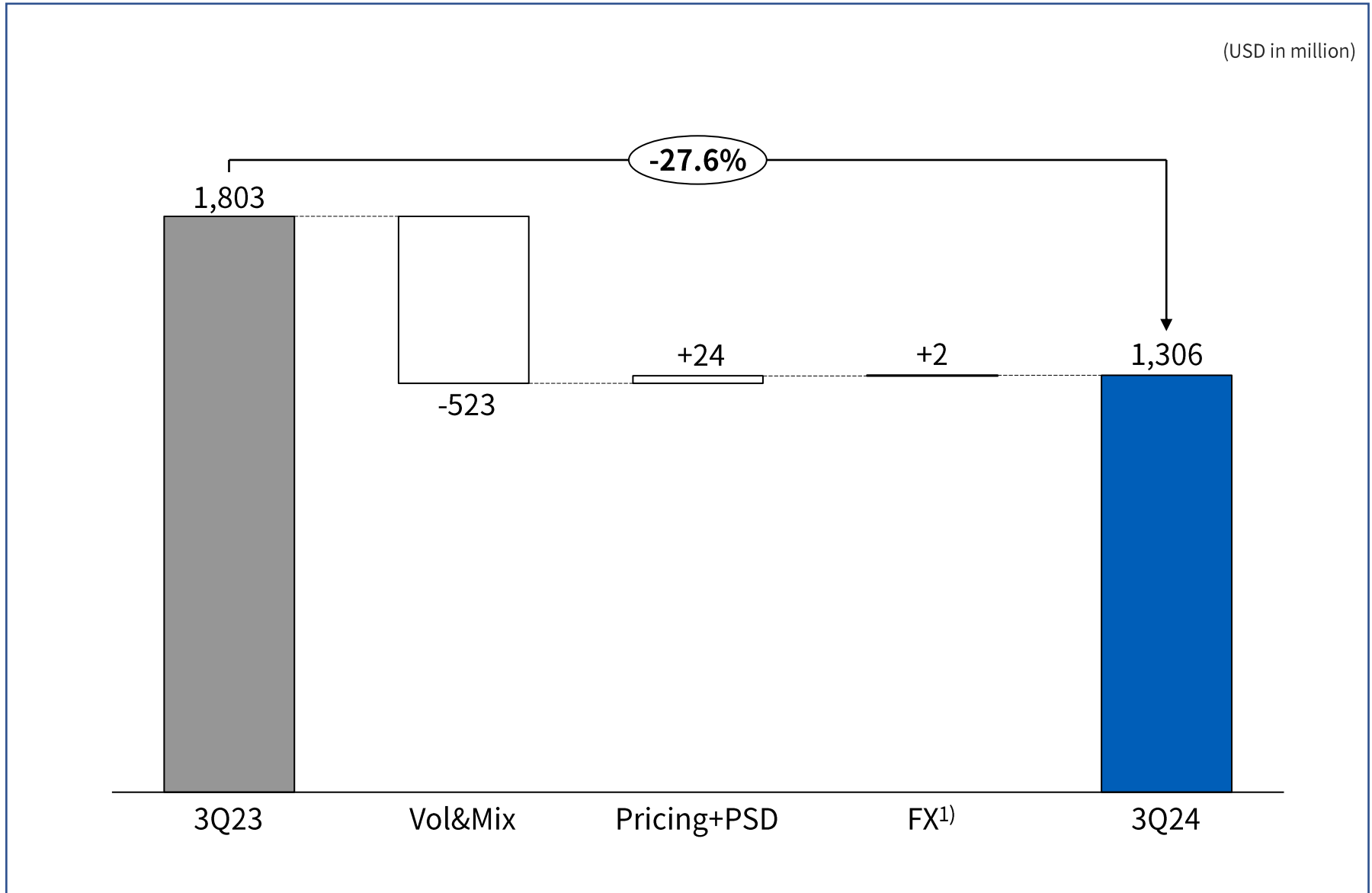
- Revenue decreased by 28% YoY due to external uncertainties and dealer inventory adjustment
- EBIT dropped 59% mainly due to the burden of fixed cost resulting from production adjustment
- Net profit down by 67% due to the decline in operating profit

(USD in million)

|                      | 3Q23              | 2Q24  | 3Q24                   | YoY           | QoQ           |
|----------------------|-------------------|-------|------------------------|---------------|---------------|
| Revenue              | 1,803             | 1,629 | <b>1,306</b>           | <b>-27.6%</b> | <b>-19.9%</b> |
| EBIT                 | 226               | 174   | <b>92</b>              | <b>-59.4%</b> | <b>-47.1%</b> |
| %                    | 12.5%             | 10.7% | 7.0%                   | -5.5%p        | -3.6%p        |
| EBITDA               | 265               | 212   | <b>137</b>             | <b>-48.4%</b> | <b>-35.5%</b> |
| Net Interest Expense | 12                | 7     | 7                      | -39.1%        | +13.5%        |
| Profit before Tax    | 205 <sup>1)</sup> | 169   | <b>70<sup>1)</sup></b> | <b>-65.8%</b> | <b>-58.7%</b> |
| Net Profit           | 144               | 114   | <b>47</b>              | <b>-67.4%</b> | <b>-59.1%</b> |
| %                    | 8.0%              | 7.0%  | 3.6%                   | -4.4%p        | -3.4%p        |

1) F/X related: 3Q23 -\$3M, 3Q24 -\$4M

# 2024 3Q Financial Results – Revenue Comparison

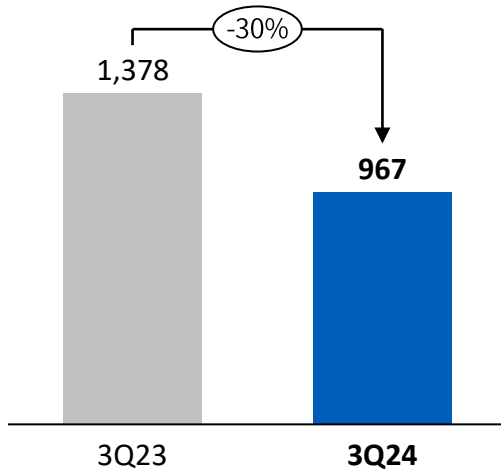


1) EUR-USD FX 3Q23 1.09 → 3Q24 1.10 (0.7% ↑)

# 2024 3Q Financial Results – Sales by Segment

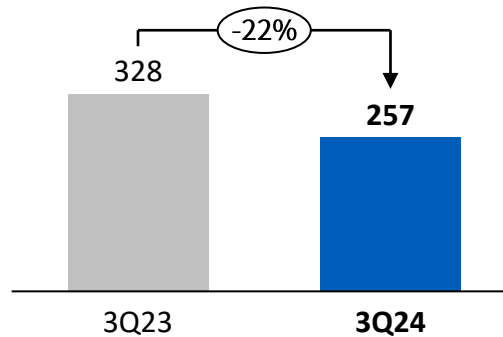
(USD in million)

## Compact Equipment



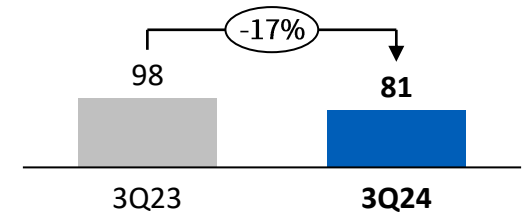
- Down by 30% due to weak market demand resulting from high rates and dealer inventory adjustment
- 4Q is expected to be similar to 3Q

## Material Handling<sup>1)</sup>



- Decreased by 22% due to higher base from PY and deferred purchase by key accounts
- Weaker demand in NA is expected to continue

## Portable Power



- Declined by 17% due to weakened demand resulting from declining oil prices
- Expecting demand to remain stagnant

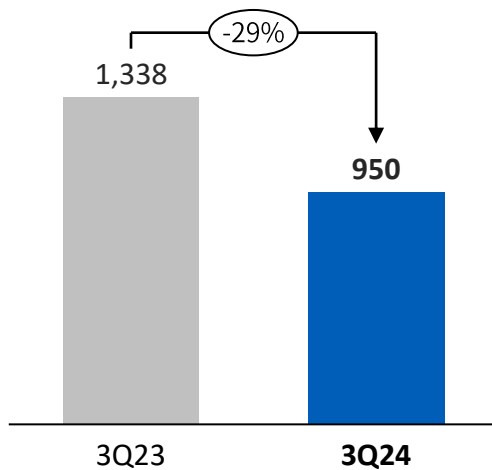
1) Forklifts and warehouse vehicles

2) WTI YoY -8.5% (3Q23 82.2 → 3Q24 75.2)

# 2024 3Q Financial Results – Sales by Region

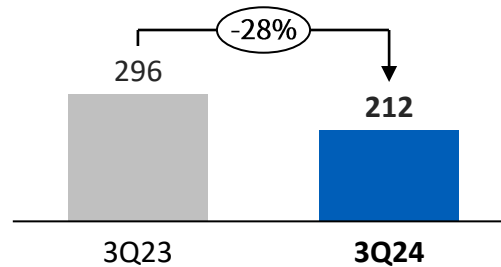
(USD in million)

## North America



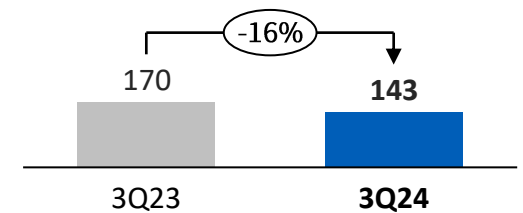
- Weaker demand due to uncertainties related to the US presidential election resulted in a 29% decline
- Continued weak demand and deferred purchases expected

## EMEA



- 28% YoY decline due to the economic downturn
- Economic slowdown is expected to persist

## ALAO



- Sales decreased by 16% due to strong US dollar
- Demand expected to remain weak, but growth anticipated in Oceania and Latin America

1) EUR-USD FX 3Q23 1.09 → 3Q24 1.10 (0.7% ↑)

## 2024 3Q Financial Results – Balance Sheet

- Maintaining strong financial stability despite temporary increase in working capital

### Summarized Balance Sheet

(USD in million)

|                          | 2020  | 2021  | 2022  | 2023  | 2024. 03 | 2024.06 | <b>2024.09</b> | Variation<br>(to 2023) |
|--------------------------|-------|-------|-------|-------|----------|---------|----------------|------------------------|
| Total Asset              | 6,398 | 7,238 | 7,298 | 8,044 | 8,311    | 8,457   | 8,458          | +414                   |
| Current Asset            | 1,711 | 2,232 | 2,432 | 3,013 | 3,334    | 3,461   | 3,311          | +297                   |
| - Cash & Cash Equivalent | 733   | 819   | 557   | 1,091 | 1,313    | 1,311   | 1,235          | +144                   |
| Non-current Asset        | 4,686 | 5,006 | 4,865 | 5,030 | 4,977    | 4,996   | 5,147          | +117                   |
| Total Liabilities        | 2,653 | 3,593 | 3,333 | 3,426 | 3,645    | 3,707   | 3,628          | +202                   |
| Current Liabilities      | 930   | 1,264 | 1,620 | 1,870 | 2,118    | 2,041   | 1,977          | +107                   |
| Non-current Liabilities  | 1,723 | 2,329 | 1,713 | 1,556 | 1,527    | 1,666   | 1,651          | +95                    |
| Total Borrowings         | 958   | 1,583 | 1,077 | 972   | 956      | 1,125   | 1,316          | +343                   |
| Total Equity             | 3,744 | 3,645 | 3,965 | 4,618 | 4,665    | 4,750   | 4,830          | +212                   |
| Net Debt                 | 225   | 764   | 520   | -119  | -357     | -187    | 81             | +200                   |
| Liability/Equity Ratio   | 70.9% | 98.6% | 84.1% | 74.2% | 78.1%    | 78.0%   | 75.1%          | +0.9%p                 |



# Contents



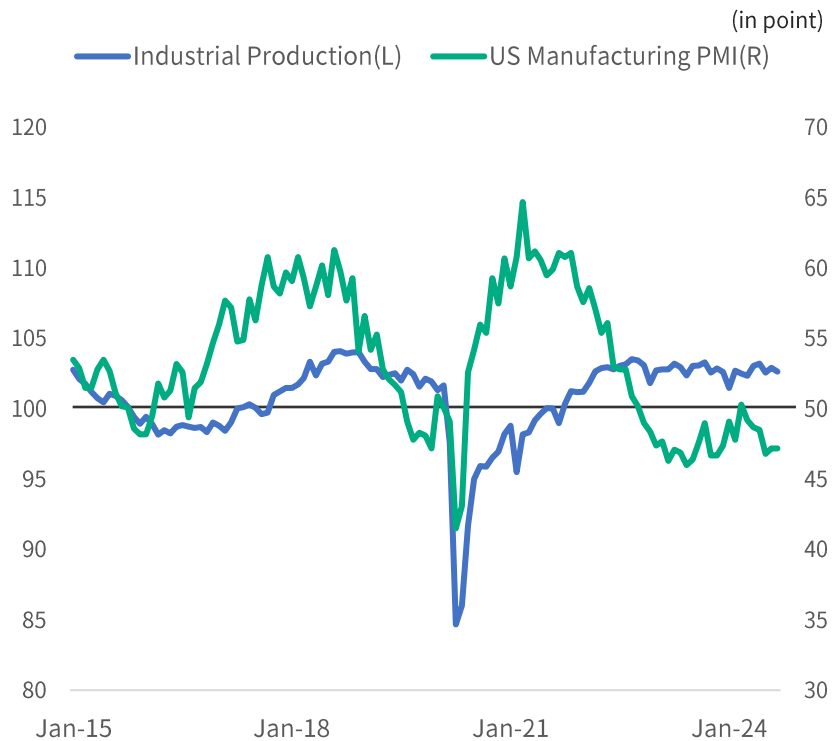
**1. 2024 3Q Results**

**2. 2024 3Q Highlights**

# North America – mixed economic data

- Industrial production continues to be robust, but manufacturing PMI remain below benchmark
- US con. spending slightly decreased due to uncertainties e.g., the presidential election and high rates

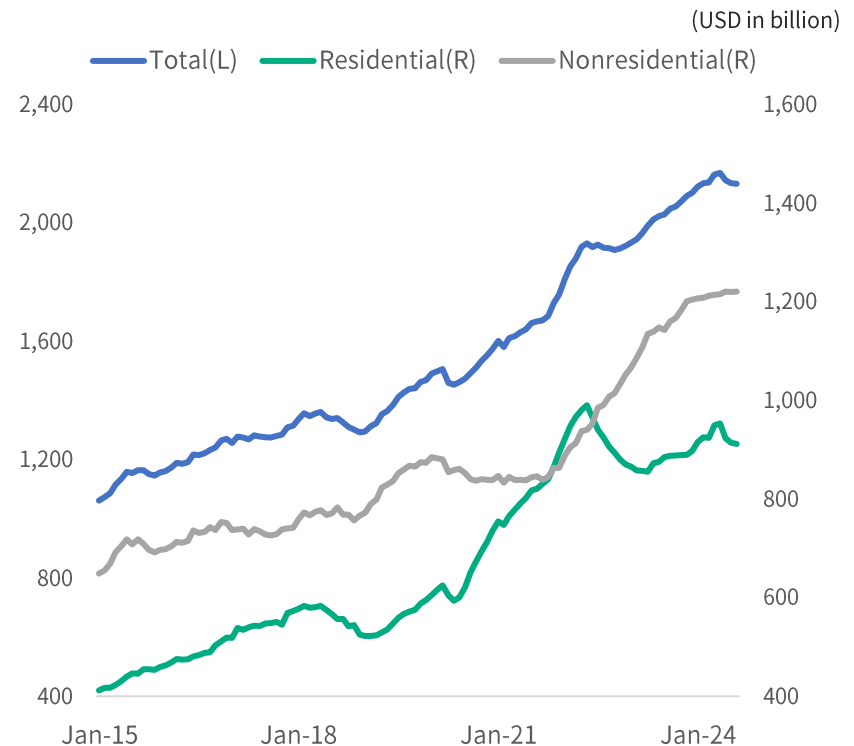
## US Industrial Production and Manufacturing PMI



\* Industrial Production: FRB, as of Sep. 2024, Index 2017=100

\*\* PMI: ISM, as of Sep. 2024, benchmark=50

## US Construction Spending

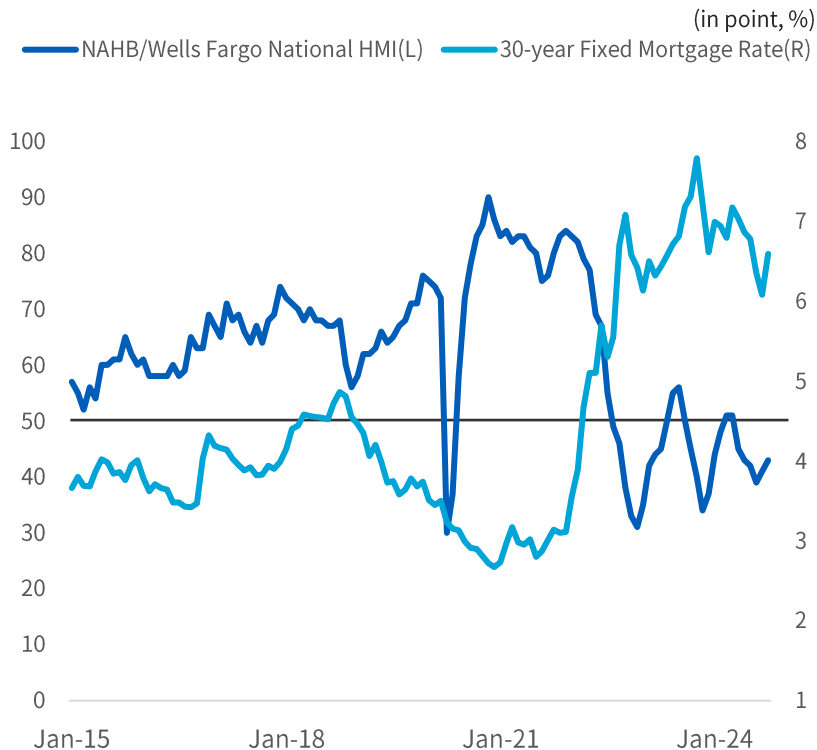


\* U.S. Census Bureau, Aug. 2024

# US Housing – sluggish on cost pressures

- NAHB HMI continues to struggle due to high mortgage rates
- ‘New housing units authorized, but not started’ remain high due to shortage, but new housing starts are declining

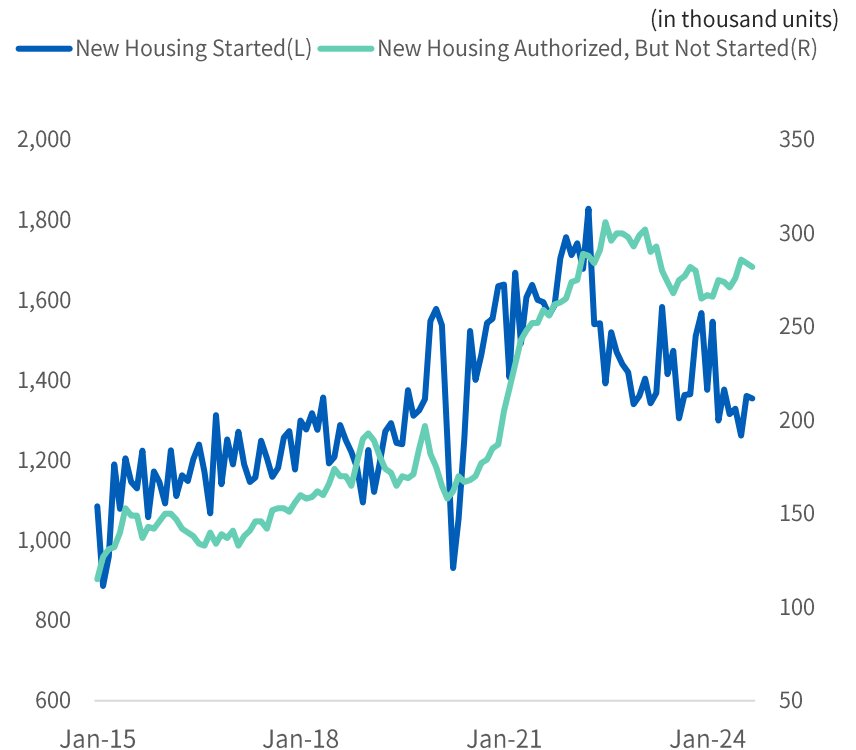
## NAHB Housing Market Index and Mortgage Rate



\* National Association of Home Builders, as of Oct. 2024, benchmark=50

\*\* 30-year fixed mortgage rate: Freddie Mac, as of Oct. 2024

## US Housing Market Indicators

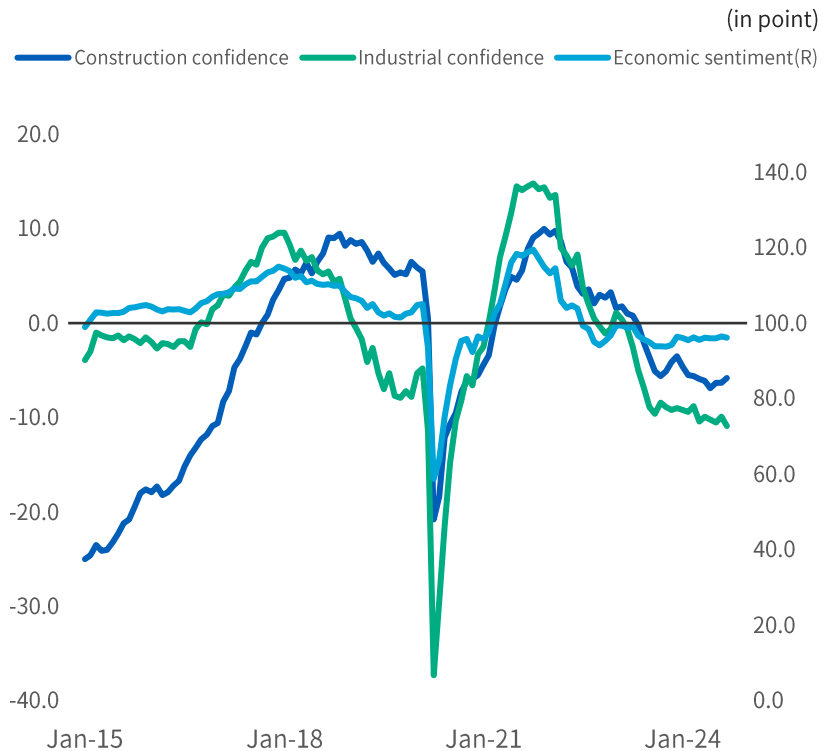


\* U.S. Census Bureau, Sep. 2024

# Europe – market downturn lingers

- Key sentiment indicators remained below the line, and the dip in industrial and construction are widening
- Production in construction maintains PY level, but building permits return to pre-COVID levels

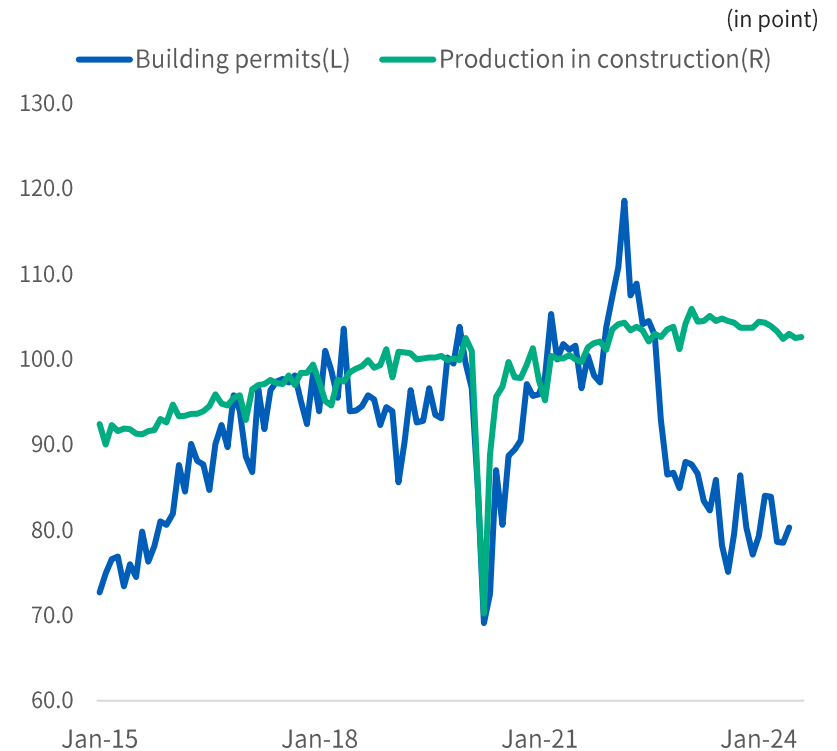
## Eurozone Sentiment



\* European Commission, as of Sep. 2024

\*\* Benchmark: Economic Sentiment= 100, Others =0

## Eurozone Construction Indicators



\* Eurostat, Euro area -20 countries, Index 2021=100

\*\* Permits: number of dwellings, residential buildings, Jun.2024

\*\*\* Production: as of Aug. 2024

## [Back-up] 2024 3Q Income Statement in KRW (Consolidated)

- Revenue and EBIT in KRW declined less YoY-basis than in USD

(KRW in billion)

|                          | 3Q23           | 2Q24           | 3Q24           | YoY           | QoQ           |
|--------------------------|----------------|----------------|----------------|---------------|---------------|
| <b>Revenue</b>           | <b>2,366.0</b> | <b>2,236.6</b> | <b>1,777.7</b> | <b>-24.9%</b> | <b>-20.5%</b> |
| <b>EBIT</b>              | <b>297.6</b>   | <b>239.5</b>   | <b>125.7</b>   | <b>-57.8%</b> | <b>-47.5%</b> |
| %                        | 12.6%          | 10.7%          | 7.1%           | -5.5%p        | -3.6%p        |
| <b>EBITDA</b>            | <b>348.7</b>   | <b>292.6</b>   | <b>186.8</b>   | <b>-46.4%</b> | <b>-36.1%</b> |
| Net Interest Expense     | 16.0           | 8.9            | 10.0           | -37.2%        | +12.4%        |
| <b>Profit before Tax</b> | <b>269.1</b>   | <b>233.4</b>   | <b>96.0</b>    | <b>-64.3%</b> | <b>-58.9%</b> |
| <b>Net Profit</b>        | <b>189.1</b>   | <b>157.9</b>   | <b>64.3</b>    | <b>-66.0%</b> | <b>-59.3%</b> |
| %                        | 8.0%           | 7.1%           | 3.6%           | -4.4%p        | -3.4%p        |

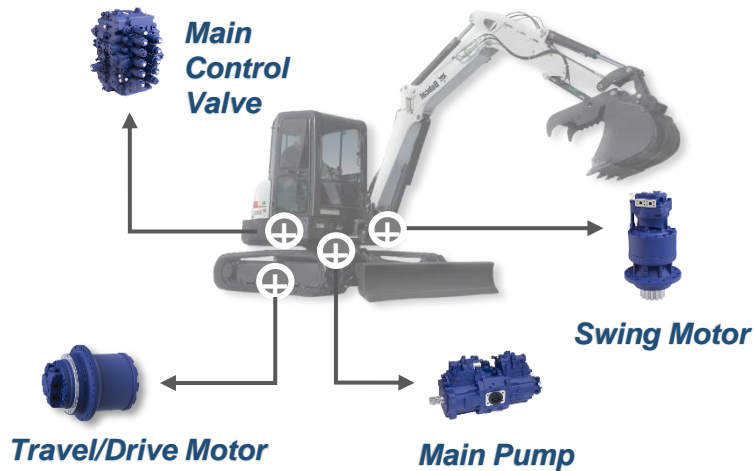
\* USD-KRW 3Q23 1,310.95 / 2Q24 1,370.91 / 3Q24 1,359.38

**THANK YOU**

## Appendix. Completed the acquisition of Mottrol

- As of Oct. 4, acquisition was completed, and the company name was changed to 'Doosan Mottrol'
- The results will be reflected starting from 4Q24
- Bobcat expects more stable operations by securing key components
- Aiming to double the revenue in five years through growth within Bobcat and Mottrol's own business

### Examples



### Diversification Strategy

