



4Q 2019 Earnings Release

**KOREA SHIPBUILDING &
OFFSHORE ENGINEERING**

KSOE

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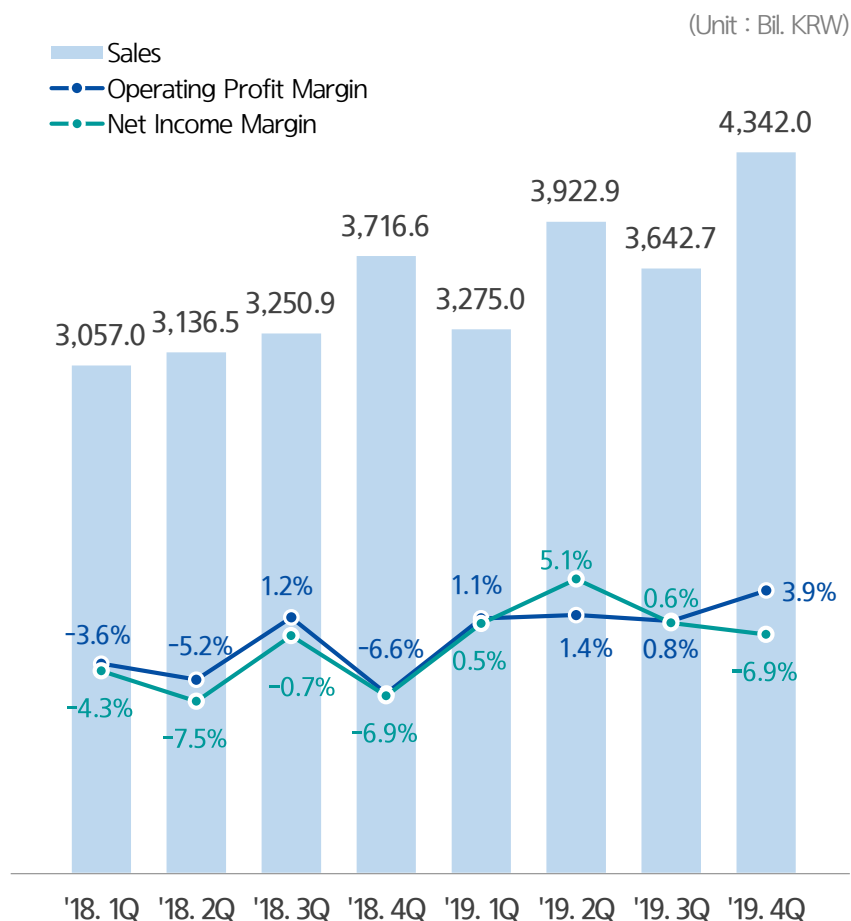
1. 4Q Consolidated Earnings
2. Consolidated Financial Results by Business Segments
3. Separate Financial Results of Major Subsidiaries
4. Consolidated Non-operating Profit and Net Income
5. Financial Ratios

[Appendix]

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1. 4Q Consolidated Earnings

Quarterly Sales and Operating Profit



4Q Consolidated Highlights (QoQ)

- **Sales KRW 4,342.0 Bil.**

- QoQ 19.2% (YoY +16.8%)

Sales increased sharply due to increase in work volume of commercial shipbuilding, and due to the impact of one-off incentives related to an offshore project.

- **Operating Profit KRW 169.9 Bil.**

- QoQ 460.7% (YoY Turned Positive)

Operating profit improved significantly due to recognition of one-off incentives in an offshore project, despite the operating loss in commercial shipbuilding as a result of currency headwinds.

- **Net Income KRW -26.2 Bil.**

- QoQ Turned Negative (YoY Loss Continued)

Reported net loss attributable to non-operating expense including impairment loss, despite the improved operating profit.

Note 1 : Continuous operations basis

2. Consolidated Financial Results by Business Segments

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(Unit : Bil. KRW)

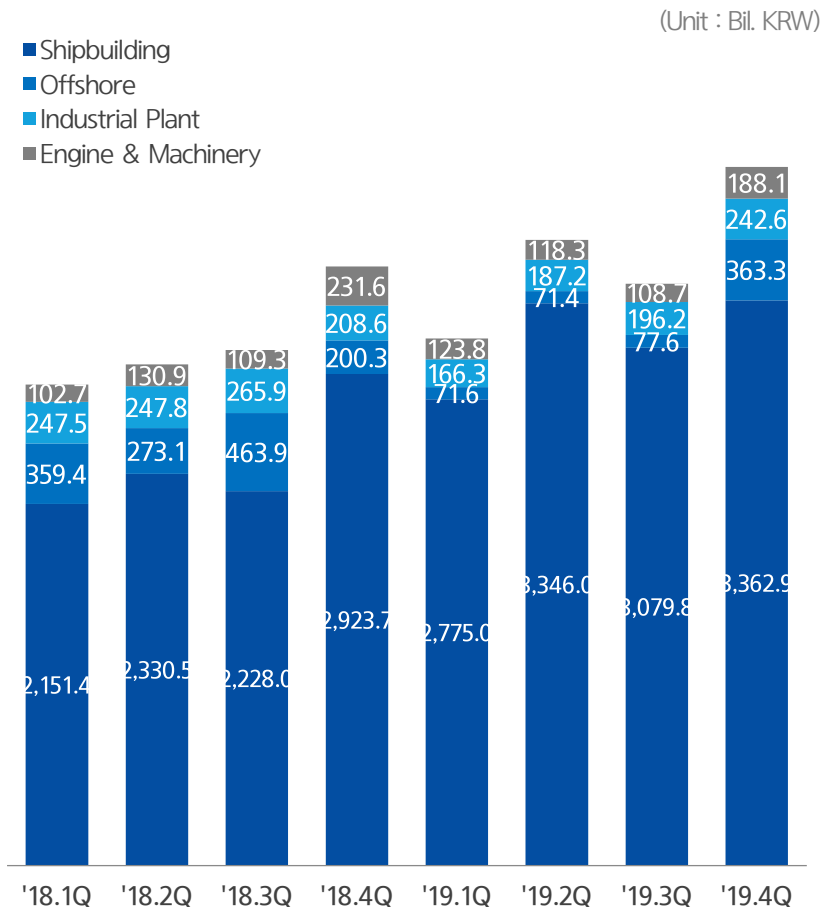
Business Segments	FY 2019			4Q 2019			3Q 2019			4Q 2018		
	Sales	OP	OPM	Sales	OP	OPM	Sales	OP	OPM	Sales	OP	OPM
Shipbuilding	12,563.7	281.6	2.2%	3,362.9	-8.2	-0.2%	3,079.8	120.6	3.9%	2,923.7	-73.7	-2.5%
Offshore & Engineering	583.9	231.2	39.6%	363.3	193.1	53.2%	77.6	-31.8	-41.0%	200.3	-92.5	-46.2%
Industrial Plant	792.3	-62.7	-7.9%	242.6	25.7	10.6%	196.2	-16.6	-8.5%	208.6	-38.7	-18.6%
Engine & Machinery	539.0	49.4	9.2%	188.1	12.3	6.5%	108.7	18.4	16.9%	231.6	14.2	6.1%
Green Energy	446.1	22.2	5.0%	124.2	4.9	3.9%	126.4	6.8	5.4%	84.0	1.0	1.2%
Others	257.6	-231.5	-	60.9	-57.9	-	54.0	-67.1	-	68.4	-56.7	-
Total	15,182.6	290.2	1.9%	4,342.0	169.9	3.9%	3,642.7	30.3	0.8%	3,716.6	-246.4	-6.6%

Note 1 : Before distribution of common expense

Note 2 : Continuous operations basis

2-1. Analysis on Consolidated Sales by Business Segments

Consolidated Sales

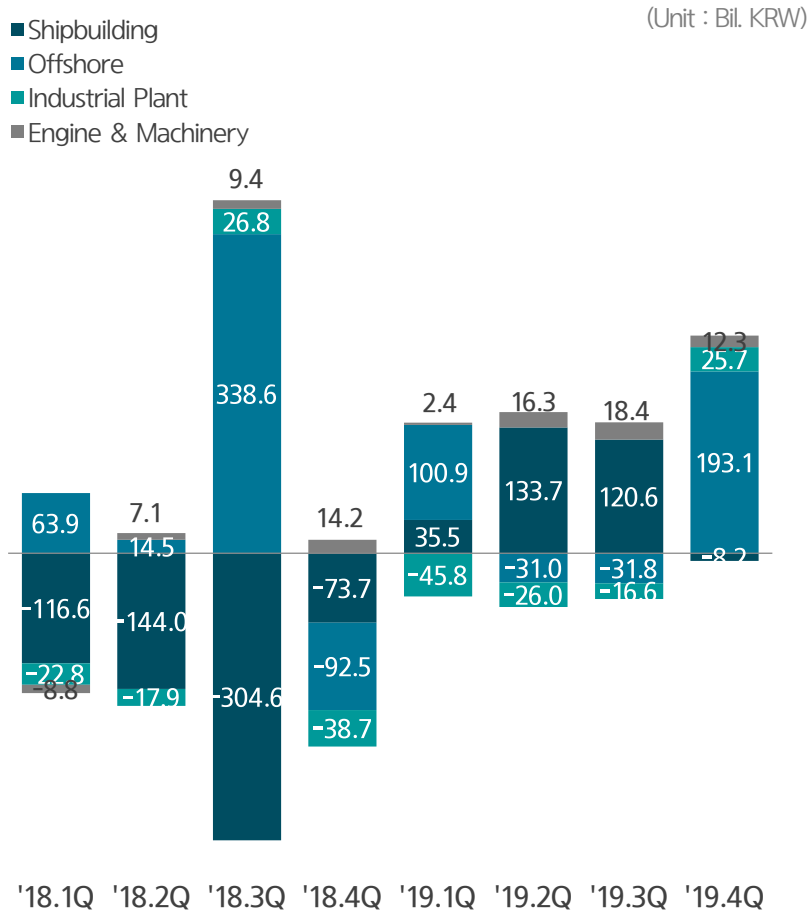


Consolidated Sales Analysis (QoQ)

Shipbuilding (+9.2%)	Sales increased mainly due to increased work volume of both commercial and naval shipbuilding, and increased product mix of LNGC.
Offshore (+368.2%)	Sales increased as King's Quay FPU project continued to progress, and due to recognition of one-off incentives in an offshore project.
Industrial Plant (+23.6%)	Sales increased due to recovered sales of Jazan project and sales growth of scrubber units for Hyundai Power Systems.
Engine & Machinery (+73.0%)	Sales increased driven by seasonality effect for two stroke engines and sales growth of four stroke engines as a result of demand shift into dual fuel engines.

2-2. Analysis on Consolidated Operating Profit by Business Segments

Consolidated Operating Profit



Consolidated Operating Profit Analysis

Shipbuilding (Turned Negative)	▼ Reported operating loss mainly due to currency headwinds, despite ease of unallocated fixed costs as a result of sales recovery.
Offshore (Turned Positive)	▲ Reported operating profit due to recognition of one-off incentives in an offshore project.
Industrial Plant (Turned Positive)	▲ Reported operating profit due to improved profitability of remaining ongoing projects, and sales growth of scrubber units.
Engine & Machinery (-33.2%)	▼ Operating profit decreased due to currency headwinds.

Note 1 : Before distribution of common expense

3. Separate Financial Results of Major Subsidiaries

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(Unit : Bil. KRW)

	FY 2019			4Q 2019			3Q 2019			4Q 2019		
	Sales	OP	OPM	Sales	OP	OPM	Sales	OP	OPM	Sales	OP	OPM
KSOE	3,356.8	24.6	0.7%	35.0	-18.8	-53.8%	26.8	-16.0	-59.7%	2,239.4	-185.9	-8.3%
Hyundai Heavy Industries	5,456.7	129.5	2.4%	2,675.7	207.7	7.8%	2,042.5	-21.1	-1.0%	-	-	-
¹⁾ Total	8,813.5	154.1	1.7%	2,710.7	188.9	7.0%	2,069.3	-37.1	-1.8%	2,239.4	-185.9	-8.3%
Hyundai Samho Heavy Industries	3,488.3	5.2	0.1%	923.7	-47.9	-5.2%	880.5	46.3	5.3%	753.6	-51.4	-6.8%
Hyundai Mipo Dockyard	2,999.5	57.5	1.9%	726.1	-1.9	-0.3%	732.6	18.7	2.5%	726.0	3.8	0.5%
²⁾ Hyundai Vietnam Shipyard	536.2	26.8	5.0%	129.5	5.4	4.2%	143.9	4.2	2.9%	121.4	3.9	3.2%
Hyundai Energy Solution	446.7	22.2	5.0%	122.8	5.0	4.1%	128.3	6.9	5.3%	83.8	1.0	1.2%

1) 2019 operating results are mere summation for QoQ and YoY comparisons.

2) Before : Hyundai Vinashin Shipyard

3-1. Analysis on Separate Financials of Major Subsidiaries

(Unit : Bil. KRW)

Categories	4Q 2019 Financial Results						Comments (QoQ)
	Sales			Operating Profit			
1)KSOE & HHI	2,239.4	2,069.3	2,710.7	-185.9	-37.1	188.9	<p>Sales (+31.0%) ▲ Sales increased mainly due to increase in work volume(274→293 thousand ton) of commercial shipbuilding, and one-off incentives in an offshore project.</p> <p>Operating Profit (Turned Positive) ▲ Reported operating profit as both commercial and naval shipbuilding continues to profit, and recognition of one-off incentives in an offshore project.</p>
	'18.4Q	'19.3Q	'19.4Q	'18.4Q	'19.3Q	'19.4Q	
Hyundai Samho Heavy Industries	753.6	880.5	923.7	-51.4	46.3	-47.9	<p>Sales (+4.9%) ▲ Sales increased due to increase in work volume(191→214 thousand ton), and increased product mix of lucrative LNGC.</p> <p>Operating Profit (Turned Negative) ▼ Reported operating loss due to currency headwinds, despite lower provisioning for new order intake.</p>
	'18.4Q	'19.3Q	'19.4Q	'18.4Q	'19.3Q	'19.4Q	

Note 1 : 2019 operating results are mere summation for QoQ and YoY comparisons.

3-1. Analysis on Separate Financials of Major Subsidiaries

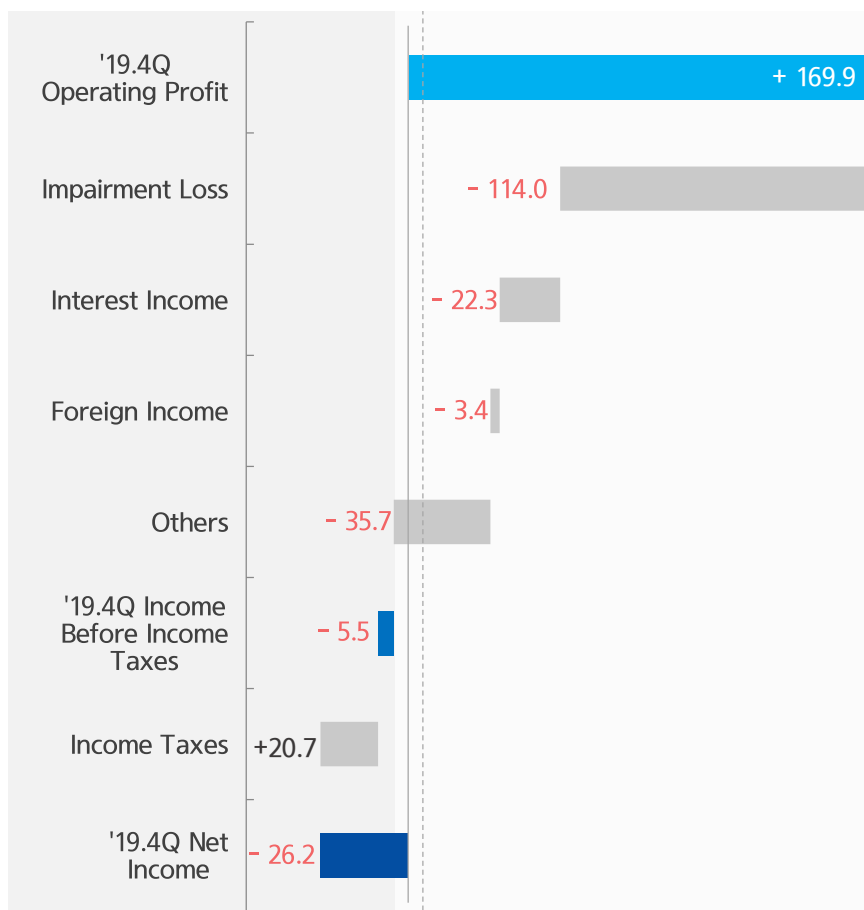
(Unit : Bil. KRW)

	4Q 2019 Financial Results		Comments (QoQ)													
	Sales	Operating Profit														
Hyundai Mipo Dockyard	<table border="1"> <caption>Hyundai Mipo Dockyard Financial Data</caption> <thead> <tr> <th>Quarter</th> <th>Sales</th> <th>Operating Profit</th> </tr> </thead> <tbody> <tr> <td>'18.4Q</td> <td>726.0</td> <td>37.6</td> </tr> <tr> <td>'19.3Q</td> <td>732.6</td> <td>18.7</td> </tr> <tr> <td>'19.4Q</td> <td>726.1</td> <td>-1.9</td> </tr> </tbody> </table>		Quarter	Sales	Operating Profit	'18.4Q	726.0	37.6	'19.3Q	732.6	18.7	'19.4Q	726.1	-1.9	Sales (-0.9%)	▼ Sales decreased due to currency headwinds, despite increase in work volume(86→103 thousand ton).
	Quarter	Sales	Operating Profit													
'18.4Q	726.0	37.6														
'19.3Q	732.6	18.7														
'19.4Q	726.1	-1.9														
			Operating Profit (Turned Negative)	▼ Reported operating loss due to currency headwinds and provisions for repairing defects.												
Hyundai Vietnam Shipyard	<table border="1"> <caption>Hyundai Vietnam Shipyard Financial Data</caption> <thead> <tr> <th>Quarter</th> <th>Sales</th> <th>Operating Profit</th> </tr> </thead> <tbody> <tr> <td>'18.4Q</td> <td>121.4</td> <td>3.9</td> </tr> <tr> <td>'19.3Q</td> <td>143.9</td> <td>4.2</td> </tr> <tr> <td>'19.4Q</td> <td>129.5</td> <td>5.4</td> </tr> </tbody> </table>		Quarter	Sales	Operating Profit	'18.4Q	121.4	3.9	'19.3Q	143.9	4.2	'19.4Q	129.5	5.4	Sales (-10.0%)	▼ Sales decreased due to decrease in work volume and currency headwinds.
	Quarter	Sales	Operating Profit													
'18.4Q	121.4	3.9														
'19.3Q	143.9	4.2														
'19.4Q	129.5	5.4														
			Operating Profit (+28.6%)	▲ Operating profit increased as product mix transitioned into relatively more lucrative P/C tankers, despite decrease in sales.												

4. Consolidated Non-operating Profit and Net Income

4Q 2019 Non-operating Profit and Net Income

(Unit : Bil. KRW)



- Details :
 - Impairment Loss : -114.0 Bil. KRW
 - Cancelled Vessel(Edda Acc. Vessel) : -64.3 Bil. KRW
 - Gunsan Shipyard : -27.6 Bil. KRW
 - HD1000(Offshore Crane) : -21.3 Bil. KRW 外
 - Interest Income : -223억원
 - Foreign Income : -34.0 Bil. KRW
 - Others : -35.7 Bil. KRW

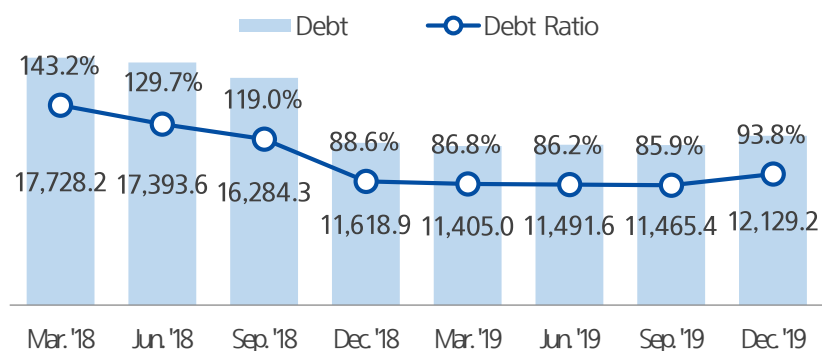
- Controlling Interest : -25.3 Bil. KRW

5. Financial Ratios

Consolidated Financial Ratios

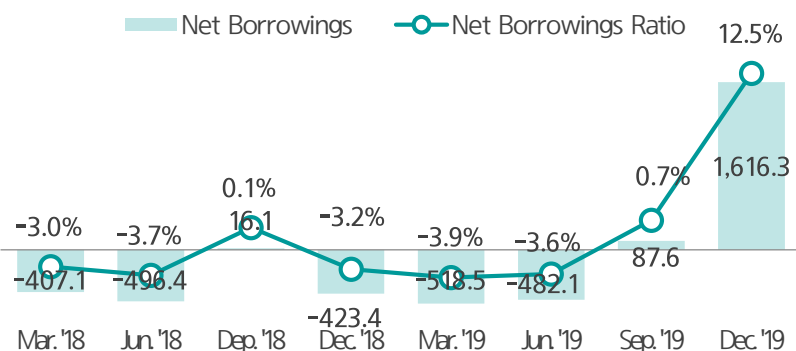
• Debt Ratio 93.8%

(Unit : Bil. KRW)



• Net Borrowings Ratio 12.5%

(Unit : Bil. KRW)



Separate Financial Ratios (as of Dec. 31, 2019)

(Unit : Bil. KRW)

Categories	Debt (Debt Ratio)	Net Borrowings (Ratio)
Korea Shipbuilding & Offshore Engineering	410.8 Bil. KRW (3.8%)	-1,136.6 Bil. KRW(*) (-10.5%)
Hyundai Heavy Industries	8,246.6 Bil. KRW (146.7%)	2,340.0 Bil. KRW (41.6%)
Hyundai Samho Heavy Industries	2,382.1 Bil. KRW (123.3%)	548.5 Bil. KRW (28.4%)
Hyundai Mipo Dockyard	1,071.2 Bil. KRW (46.1%)	-244.9 Bil. KRW(*) (-10.6%)

(*) Cash and cash equivalents including short-term investments exceed borrowings

Note 1 : Cash and cash equivalents include short-term investments

[Appendix]

Condensed Financial Statements

1. Korea Shipbuilding & Offshore Engineering (Consolidated)
2. Hyundai Mipo Dockyard (Consolidated)
3. Hyundai Heavy Industries (Separate)
4. Hyundai Samho Heavy Industries (Separate)

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1. Korea Shipbuilding & Offshore Engineering

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Consolidated Income Statement

(Unit : Bil. KRW)

	FY19	4Q19	QoQ	YoY	3Q19	4Q18
Sales	15,182.6	4,342.0	19.2%	16.8%	3,642.7	3,716.6
Cost of Sales	14,191.2	3,961.1	16.2%	9.2%	3,409.9	3,627.5
Gross Profit	991.4	380.9	63.6%	327.5%	232.8	89.1
Operating Profit	290.2	169.9	460.7%	Turned Positive	30.3	-246.4
OPM(%)	1.9	3.9	+3.1p	+10.5p	0.8	-6.6
Non-operating Income	-200.2	-175.4	-	-	-0.9	-87.5
EBIT	90.0	-5.5	-	-	29.3	-333.9
Income Taxes	-123.1	20.7	-	-	9.0	-77.8
Net Income	213.1	-26.2	Turned Negative	Loss Cont.	20.4	-256.1

Note 1 : K-IFRS Consolidated Financial Statements Basis

Note 2 : Excluding discontinued operations

Consolidated Statement of Financial Positions

(Unit : Bil. KRW)

	As of Dec. 31 2019	As of Sep 30 2019	As of Dec. 31 2018
Current Assets	12,546.0	12,147.1	12,316.7
(Cash & Cash Equivalents)	3,136.1	3,739.9	3,041.8
(Disposal group held for distribution)	211.6	209.2	376.5
Non-current Assets	12,509.4	12,659.7	12,413.2
Total Assets	25,055.4	24,806.8	24,729.9
Current Liabilities	8,941.9	8,238.0	9,410.2
(Short-term borrowings)	2,811.3	2,360.0	2,858.8
(Liabilities associated with disposal group held for distribution)	0	0	0
Non-current Liabilities	3,187.2	3,227.4	2,208.7
(Long-term borrowings)	2,510.3	2,024.4	1,041.6
Total Liabilities	12,129.1	11,465.4	11,618.9
Common stock	353.9	353.9	353.9
Others	-4,967.6	-4,945.6	-4,515.3
Retained Earnings	16,180.6	16,226.7	16,043.7
Non-controlling interests	1,359.4	1,706.4	1,228.7
Total Equity	12,926.3	13,341.4	13,111.0

Note 1 : K-IFRS Consolidated Financial Statements Basis

Note 2 : Excluding discontinued operations

2. Hyundai Mipo Dockyard

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Consolidated Income Statement

(Unit : Bil. KRW)

	FY19	4Q19			3Q19	4Q18
			QoQ	YoY		
Sales	2,994.1	726.2	-0.7%	-0.2%	731.3	727.6
Cost of Sales	2,803.2	682.6	-0.4%	-1.5%	685	692.7
Gross Profit	190.9	43.6	-5.8%	24.9%	46.3	34.9
Operating Profit	92.6	10.8	-54.4%	40.3%	23.7	7.7
OPM(%)	3.1	1.5	-1.7p	+0.4p	3.2	1.1
Non-operating Income	-7.1	-11.6	-	-	9.5	1.6
EBIT	85.5	-0.8	-	-	33.2	9.3
Income Taxes	24.3	5.3	-	-	8.7	2.3
Net Income	61.2	-6.1	Turned Negative	Turned Negative	24.5	7.0

Note 1 : K-IFRS Consolidated Financial Statements Basis
Note 2 : Excluding discontinued operations

Consolidated Statement of Financial Positions

(Unit : Bil. KRW)

	As of Dec. 31 2019	As of Sep 30 2019	As of Dec. 31 2018
Current Assets	1,744.8	1,781.7	1,801.3
(Cash & Cash Equivalents)	331.6	502.3	280.5
(Disposal group held for distribution)	0	0	0
Non-current Assets	1,635.8	1,664.1	1,662.4
Total Assets	3,380.6	3,445.8	3,463.7
Current Liabilities	1,001.6	994.2	1,076.4
(Short-term borrowings)	229.8	214.9	283.0
(Liabilities associated with disposal group held for distribution)	0	0	0
Non-current Liabilities	25.0	88.2	70.1
(Long-term borrowings)	0	0	0
Total Liabilities	1,026.6	1,082.4	1,146.5
Common stock	199.7	199.7	199.7
Others	274.2	277.7	273.1
Retained Earnings	1,843.6	1,849.4	1,816.8
Non-controlling interests	36.5	36.6	27.6
Total Equity	2,354.0	2,363.4	2,317.2

Note 1 : K-IFRS Consolidated Financial Statements Basis
Note 2 : Excluding discontinued operations

3. Hyundai Heavy Industries

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Separate Income Statement

(Unit : Bil. KRW)

	FY19	4Q19	QoQ	YoY	3Q19	4Q18
Sales	5,456.7	2,675.7	31.0%	-	2,042.5	738.4
Cost of Sales	5,040.3	2,323.8	19.4%	-	1,947.0	769.4
Gross Profit	416.4	351.9	268.5%	-	95.5	-31.0
Operating Profit	129.5	207.7	Turned Positive	-	-21.1	-57.1
OPM(%)	2.4	7.8	+8.8p	-	-1.0	-7.7
Non-operating Income	-233.0	-161.2	-	-	-33.4	-38.4
EBIT	-103.5	46.5	-	-	-54.5	-95.5
Income Taxes	-14.6	25.9	-	-	-14.9	-25.6
Net Income	-88.9	20.6	Turned Positive	-	-39.6	-69.9

Note 1 : K-IFRS Consolidated Financial Statements Basis

Separate Statement of Financial Positions

(Unit : Bil. KRW)

	As of Dec. 31 2019	As of Sep 30 2019	As of Dec. 31 2018
Current Assets	7,085.2	6,803.2	7,415.1
(Cash & Cash Equivalents)	1,374.3	1,611.3	1,198.9
(Disposal group held for distribution)	5.0	6.0	4.4
Non-current Assets	6,784.3	6,901.0	6,800.8
Total Assets	13,869.5	13,704.2	14,215.9
Current Liabilities	5,914.3	5,361.9	5,782.0
(Short-term borrowings)	2,020.4	1,661.5	1,830.8
(Liabilities associated with disposal group held for distribution)	0.0	0.0	0.0
Non-current Liabilities	2,332.3	2,301.1	2,273.5
(Long-term borrowings)	1,881.9	1,479.6	1,454.1
Total Liabilities	8,246.6	7,663.0	8,055.5
Common stock	353.9	353.9	353.9
Others	5,373.9	5,803.8	5,806.5
Retained Earnings	-104.9	-116.5	0.0
Non-controlling interests	0.0	0.0	0.0
Total Equity	5,622.9	6,041.2	6,160.4

Note 1 : K-IFRS Consolidated Financial Statements Basis

4. Hyundai Samho Heavy Industries

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Separate Income Statement

(Unit : Bil. KRW)

	FY19	4Q19			3Q19	4Q18
			QoQ	YoY		
Sales	3,488.3	923.7	4.9%	22.60%	880.5	753.6
Cost of Sales	3,324.0	935.6	19.6%	23.10%	782.3	760.1
Gross Profit	164.3	-11.9	Turned Negative	Loss Cont.	98.2	-6.6
Operating Profit	5.2	-47.9	Turned Negative	Loss Cont.	46.3	-51.4
OPM(%)	0.1	-5.2	-10.5p	+1.6p	5.3	-6.8
Non-operating Income	13.3	-1.5	-	-	0.6	-6.8
EBIT	18.5	-49.4	-	-	46.9	-58.2
Income Taxes	7.0	-9.0	-	-	11.3	3.9
Net Income	11.5	-40.4	Turned Negative	Loss Cont.	35.6	-62.1

Note 1 : K-IFRS Consolidated Financial Statements Basis
Note 2 : Excluding discontinued operations

Separate Statement of Financial Positions

(Unit : Bil. KRW)

	As of Dec. 31 2019	As of Sep 30 2019	As of Dec. 31 2018
Current Assets	2,191.1	2,075.3	1,920.7
(Cash & Cash Equivalents)	314.9	554	296.2
(Disposal group held for distribution)	0	0	0
Non-current Assets	2,123.4	2,134.4	2,105.3
Total Assets	4,314.5	4,209.7	4,026
Current Liabilities	1,890.6	1,741.3	1,976.4
(Short-term borrowings)	531.6	457.4	601.8
(Liabilities associated with disposal group held for distribution)	0	0	0
Non-current Liabilities	491.4	484.9	112.8
(Long-term borrowings)	358.8	274.9	9.3
Total Liabilities	2,382	2,226.2	2,089.1
Common stock	153.4	153.4	153.4
Others	-534.2	-533.6	-532.5
Retained Earnings	2,313.3	2,363.7	2,316
Non-controlling interests	0	0	0
Total Equity	1,932.5	1,983.5	1,936.9

Note 1 : K-IFRS Consolidated Financial Statements Basis
Note 2 : Excluding discontinued operations

The background features a complex geometric pattern of thin, light gray lines that create a sense of depth and perspective, resembling a tunnel or a series of overlapping spheres. In the center, a larger sphere is rendered with a grid of small, light gray dots, giving it a textured, three-dimensional appearance. The overall color palette is monochromatic, consisting of various shades of gray and white, with a solid dark teal bar at the bottom.

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IR GO 주주와 기업을 연결하고 응원합니다.