HD HYUNDAI CONSTRUCTION EQUIPMENT

2Q25 Earnings Release

July 24, 2025

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1. Financial Results Summary

2Q25 Results

- Sales surged 13% YoY, driven by growth in emerging markets due to increased mining demand and a continued rebound in the Chinese market
- Operating profit dropped 32% YoY due to one-time expenses
(Operating profit up 5% YoY, excluding on-time expenses of KRW 21.3bn)

(unit : KRW bn)

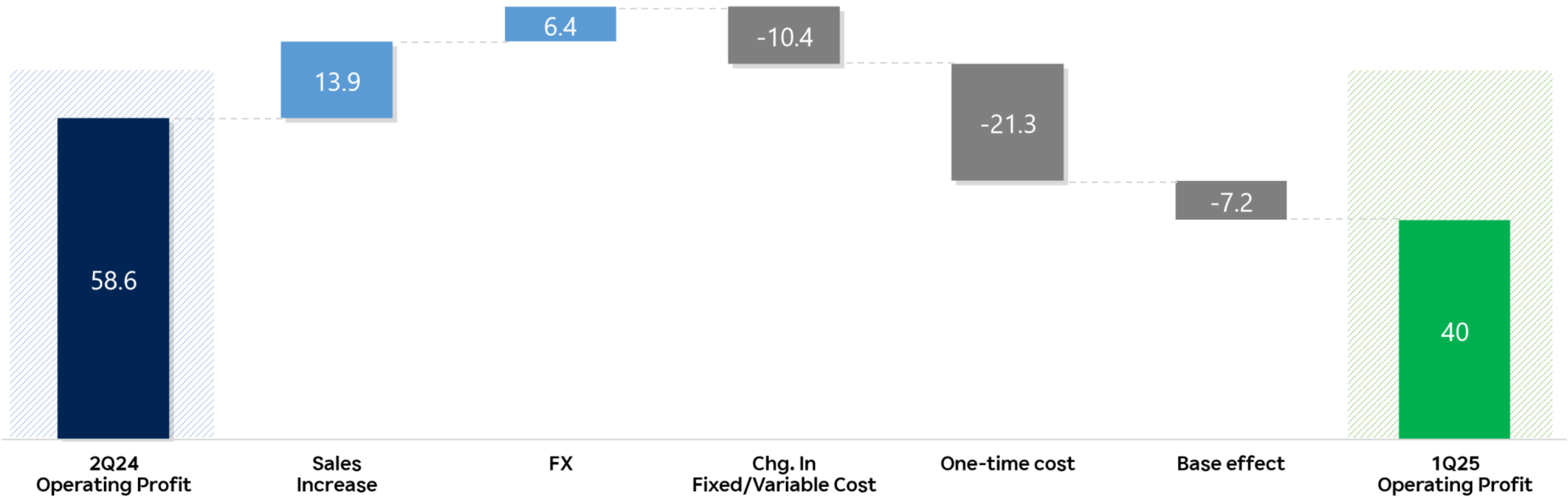
	2Q25	YoY	QoQ	2Q24	1Q24
Sales	967.7	13.4%	6.7%	853.0	906.8
Operating Profit	40.0	-31.6%	-3.9%	58.6	41.7
OP Margin(%)	4.1%	-2.8%p	-0.5%p	6.9%	4.6%
Non-Operating Profit	-38.0	-	-	-13.8	-2.9
Interest Income	-7.7	-	-	-9.3	-8.8
Foreign Exchange	-22.7	-	-	-0.5	9.3
Net Profit	0.6	-98.0%	-97.6%	30.6	25.7
Profit attributable to o wners of the company	4.8	-83.9%	-83.0%	30.0	28.5

Note. Based on K-IFRS consolidated financial statements

Operating Profit Analysis (YoY)

- Decreased by 32% due to one-time factors including restructuring of the China business (Excluding one-time cost of KRW 21.3bn, operating profit up 5% YoY)

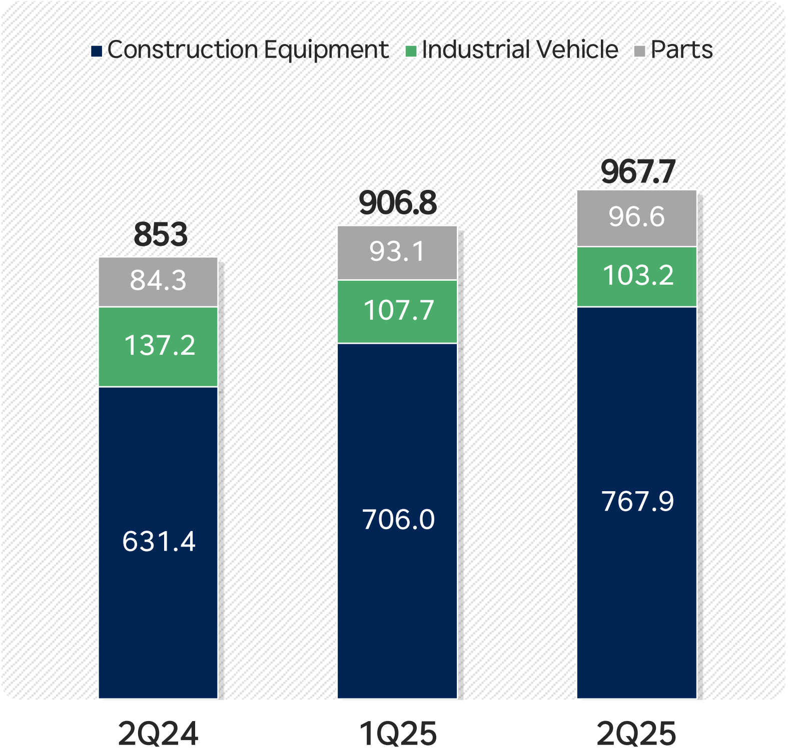
(unit : KRW bn)



3. Sales Overview by Business

Sales by Business in 2Q

(unit : KRW bn)



Sales Analysis by Business in 2Q

		YoY	QoQ
Construction Equipment	• Significant year-over-year revenue growth driven by surging resource & infrastructure development demand in emerging economies	+21.6%	+8.8%
Industrial Vehicle	• Sales declined due to the normalization of logistics demand, which had surged due to post-COVID revenge spending	-24.8%	-4.2%
Parts	• Steady sales growth maintained by effects of previously sold equipment, with further growth expected from expanded sales of ValueMate(economy brand),attachments, and oil product	+14.6%	+3.8%

Note. Based on K-IFRS consolidated financial statements

Sales Analysis by Region

(unit : KRW bn)

	2Q25				2Q24		1Q25		Analysis (YoY)
	Sales	%	YoY	QoQ	Sales	%	Sales	%	
Emerging*	325.0	34	+32%	-6%	247.1	29	251.2	28	Increased demand driven by expanded gold mine and infrastructure development
North America	228.1	24	+1%	-10%	225.7	26	186.1	21	Although demand recovery is delayed, sales have shifted to a recovery trend due to stabilized dealer inventory compared to the previous year.
India	114.6	12	+1%	-8%	113.6	13	160.8	18	Ongoing infrastructure investments in roads and railways
Europe	100.9	10	+1%	-3%	100.3	12	95.8	11	Demand for certain models/regions is shifting to recovery as interest rate cuts continue.
Brazil	52.7	5	-17%	-9%	63.5	7	50.1	6	Decreased demand due to interest rate hikes and the depreciation of the Real (BRL).
Korea	65.3	7	+15%	-7%	57.0	7	90.7	10	Low base effect from the previous year and aggressive promotional efforts.
China	81.0	8	+77%	+40%	45.8	5	72.2	8	Continued demand improvement and an increased sales proportion of mid-to-large-sized equipment.
Total	967.7	100	+13%	7%	853.0	100	906.8	100	

Note. Based on K-IFRS consolidated financial statements

5. Financial Statement and Key Financial Ratios

Summarized Financial Statement

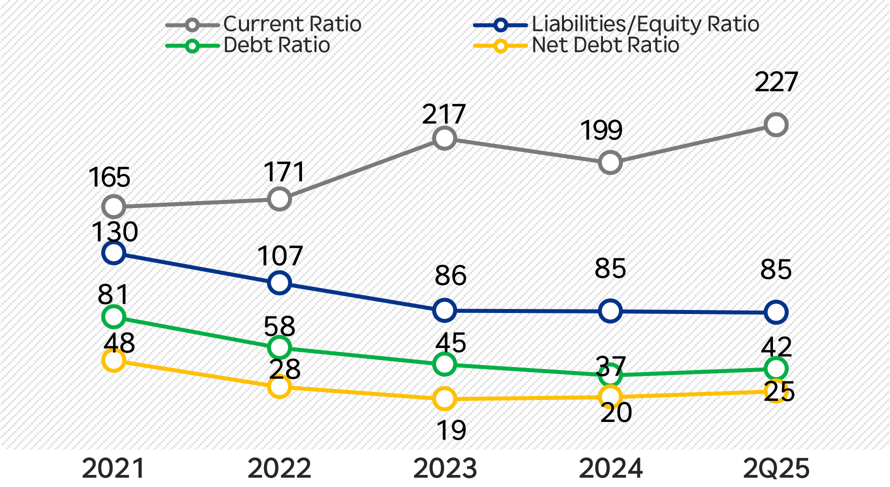
(unit : KRW bn)

	2Q25	2024	2023	2022	2021
Total Assets	3,380.8	3,324.6	3,297.0	3,448.6	3,554.3
Current Assets	2,104.2	2,112.8	2,199.2	2,350.6	2,469.5
Non-current Assets	1,276.6	1,211.8	1,097.8	1,098.0	1,084.8
AR and others	758.3	662.4	635.2	707.7	876.5
Cash Equivalents & Financial Assets	312.9	305.4	458.6	488.3	524.6
Total Liabilities	1,548.7	1,530.8	1,525.9	1,781.3	2,006.5
Current Liabilities	925.4	1,063.5	1,014.2	1,373.7	1,499.1
Non-current Liabilities	623.3	467.3	511.7	407.6	507.4
AP and others	492.6	542.5	401.5	457.0	428.0
Borrowings	763.0	664.3	789.5	963.2	1,261.2
Net Borrowings	450.0	358.9	330.9	474.9	736.6
Total Equity	1,832.1	1,793.8	1,771.1	1,667.3	1,547.8

Note. Based on K-IFRS consolidated financial statements

Key Financial Ratios

(unit : %)

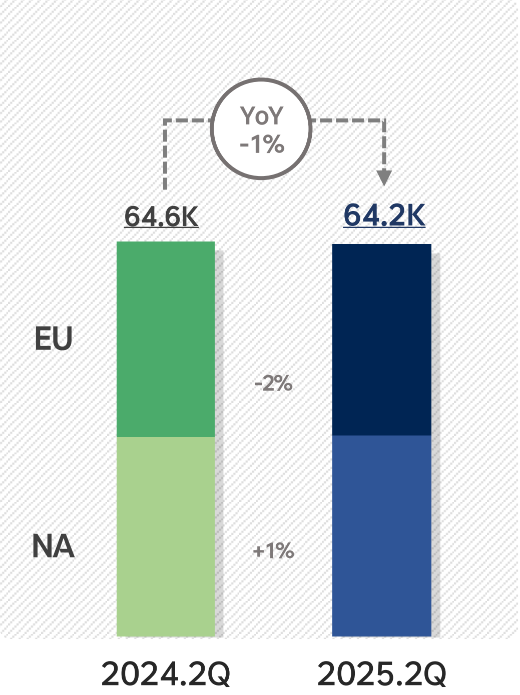


High levels of financial soundness secured through stable operating cash flow generated from diversified regional portfolio.

North America and Europe

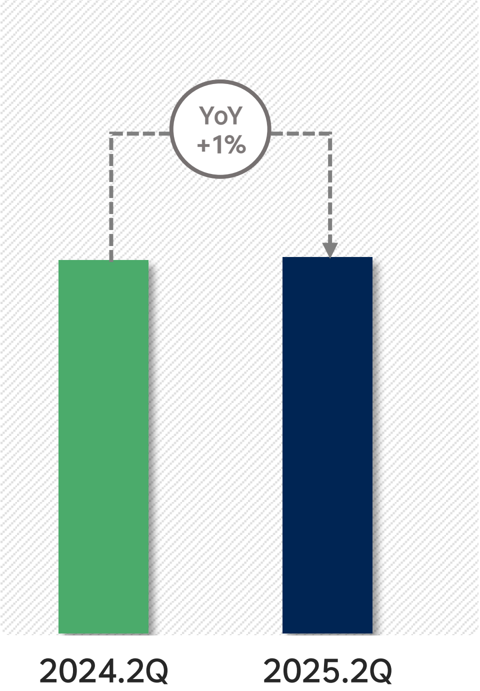
Demand

(Units)



Sales

(unit : KRW bn)



With demand adjustment easing, Europe is shifting to a growth trend in certain regions

- NA: Further monitoring is needed due to demand trend vary by state
- EU : Demand in key markets like the UK and Italy is showing signs of recovery

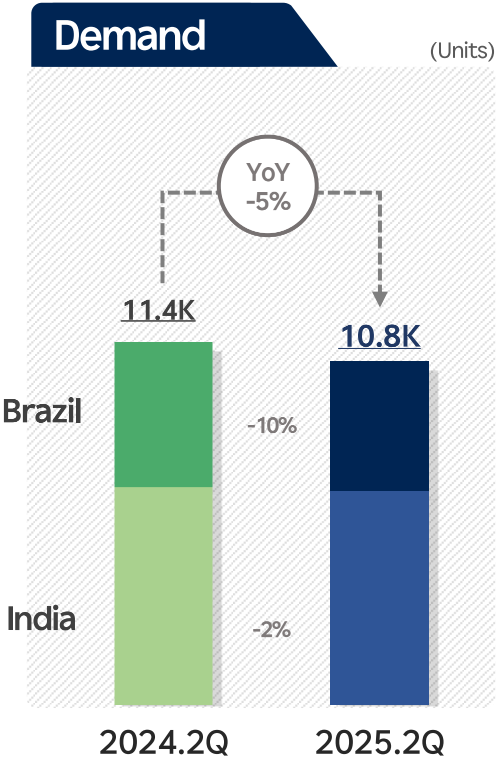
Q2 sales increased; further growth expected in H2

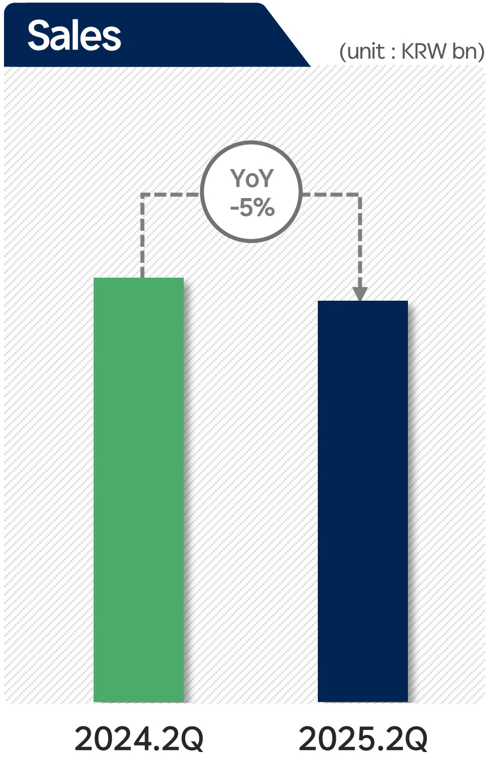
- Drive H2 sales by strengthening channel competitiveness (developing strategic dealers, expanding coverage) and improving product mix (increased ADT sales in NA, new SSL/CTL models launching in Europe)
- Continue improving profitability through expanded sales of high-value-added functional product

Note : Market volume based on excavator+mid/large wheel loaders. Sales includes industrial vehicles.
Source : Company data

*) ADT : Articulated Dump Truck

India & Brazil





Demand declined but absolute volume remains at a healthy level

- India : Demand temporarily declined due to early monsoon causing construction delays and delays in infrastructure budget
- Brazil : Demand decreased due to interest rate hikes and increased financial transaction taxes

Market position strengthened despite external environmental changes

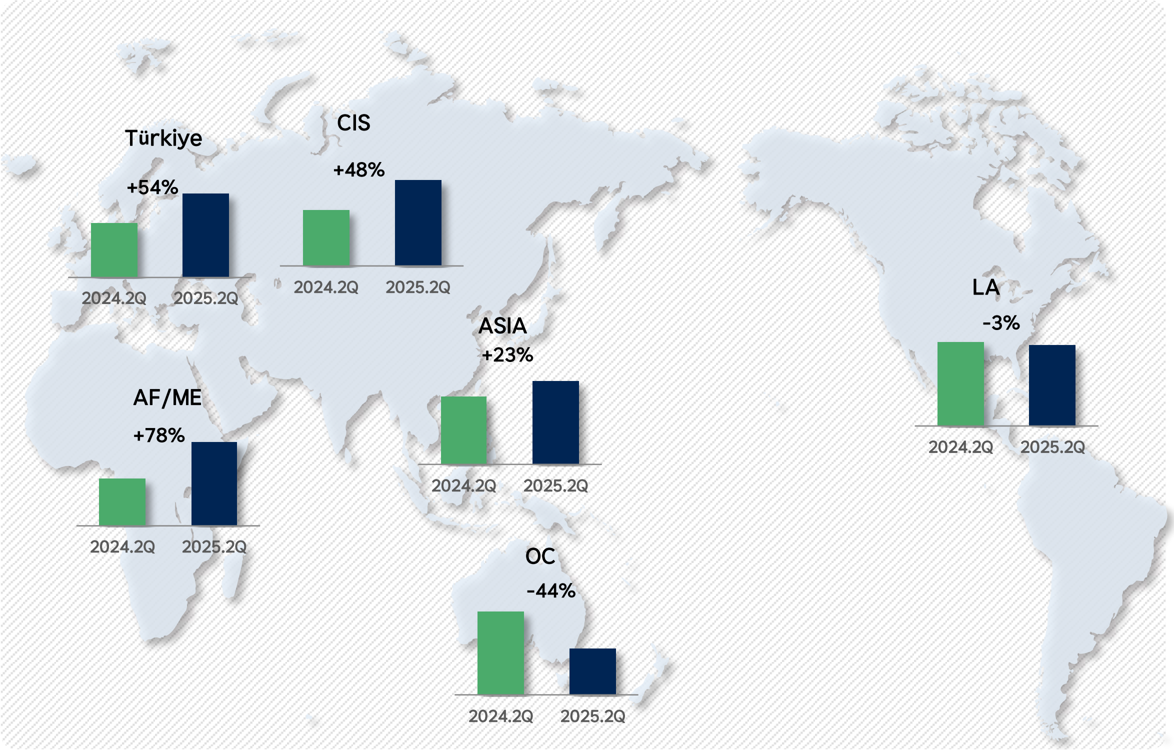
- India : Restructuring incentives and launching new models to minimize H2 market risks
- Brazil : Successful HX new equipment launch and expanded customer purchase support programs expected to boost H2 sales

Note : Market volume based on excavator+mid/large wheel loaders. Sales includes industrial vehicles.
Source : Company data

Emerging Markets

Sales

(unit : KRW bn)



Strong demand growth mainly in key regions like AF, ME, and Indonesia

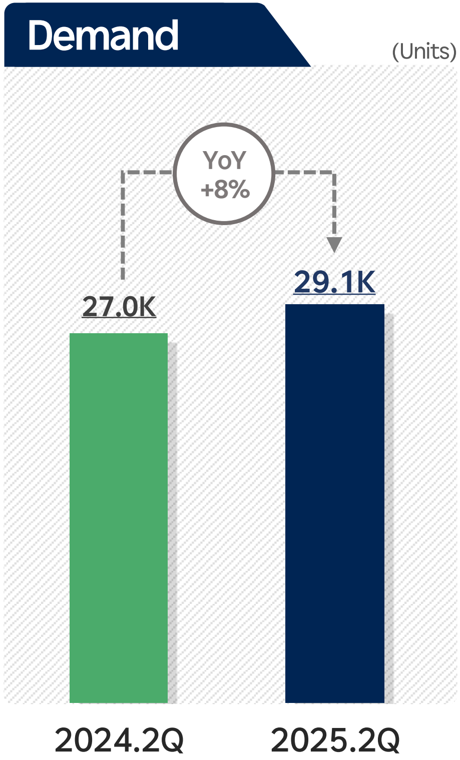
- Demand trends vary by country within the same regions due to economic and political factors

Implementing tailored country-specific strategies bases on demand characteristics

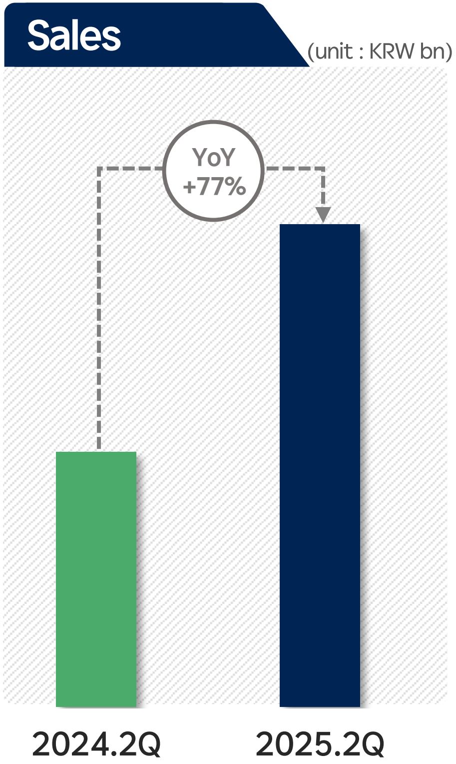
- Orders continue in key countries like Sudan and Algeria
- Sales of large equipment are increasing due to demand from African gold mines and CIS infrastructure projects, improving the product mix
- Sales are growing thanks to new dealers and Key account development in Indonesia

6-4. Market Review & Outlook

China



Note : Market volume based on excavator
Source : Company data



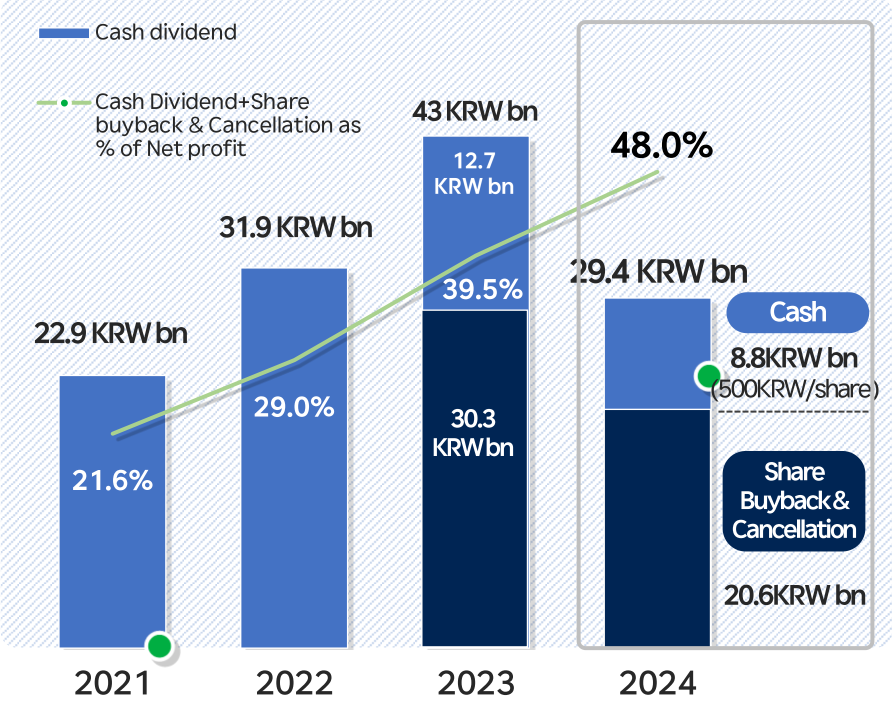
Expansionary fiscal policy to address U.S. tariffs continues, leading to moderate demand growth

Steady Sales trend continues

- Along with domestic sales, exports are increasing due to the expansion of Chinese construction companies' overseas projects
  - Overseas construction projects mainly involve large equipment sale, contributing to increased profits
- Performance is expected to keep improving as the effects of China's business restructuring (integration of production bases) begins to materialize

[Appendix] Progress on shareholder returns for the FY2024

FY'24 Shareholder return



Progress

Cancelling existing treasury stocks (643,797 shares)

- Outstanding shares : 18,305,586 → 17,667,789
- Date : April 30th, 2024
- Rationale : To enhance shareholder value by canceling treasury stocks

Share buyback and cancellation (20.6 KRW bn)

- Purchase period : Feb. 7th, 2025~Aug. 7, 2025
- 304,176 shares have been purchased and are scheduled to be canceled on August 13, 2025
- Total shares : 17,667,789 shares → 17,357,613 shares

Policies to improve shareholder returns

- Until Y2026, more than 30% of net profit (non-consolidated base) will be paid out as dividends or share buyback & cancellation (One-time gains and losses can be excluded when calculating net profit.)
- We seek to enhance predictability on shareholder return

[Appendix] Transaction Overview

HD Hyundai Construction Equipment will merge with HD Hyundai Infracore, and issues new shares of HD Hyunadai Construction Equipment to shareholders of HD Hyundai Infracore.

	Content	Note
Surviving Entity	HD Hyundai Construction Equipment	
Dissolved Entity	HD Hyundai Infracore	
Merger Ratio	To allocate 0.1621707 shares of HD Hyundai Construction Equipment common stock for every one common stock of HD Hyundai Infracore	Merger ratio is determined in accordance with Korean law and based on the closing share price as of June 30. - Merger price per share : HD Hyundai Construction Equipment KRW76,408, HD Hyundai Infracore KRW12,391 Calculation method (Capital Market Act Article 176-5) - Weighted average of last 1 month/1 week and most recent closing price
New Shares Issued	30,626,144 shares	No new shares will be issued with respect to the treasury shares purchased during the exercise of dissent and appraisal rights.
Dissent and Appraisal Rights	HD Hyundai Construction Equipment : KRW 75,545 HD Hyundai Infracore : KRW11,885	Calculation method (Capital Market Act Article 176-7) - Weighted average of the share price of last 2 month/1 month/1 week

Merger Milestones

25.07.01	25.07.16	25.09.16	25.11.07	26.01.01	26.01.26(E)
Board of Directors Resolution	Record Date for Shareholders' Meeting	Shareholders' Meeting	Payment for Dissenting Shareholder's Shares	Merger Date	Expected listing date of newly issued shares

[Appendix] Strategy & Expectations

Leap to global top tier position by strengthening fundamental competitiveness and fostering strategic businesses

01 Stronger Fundamental Competitiveness

Product portfolio expansion · optimization

Global Production System

HYUNDAI
DEVELON

Stronger overseas market penetration with dual brands

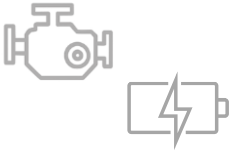
02 Expand Strategic Biz with Strong Growth Potential

Expand compact business

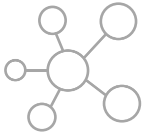
Expansion of AM business*

※ AM Biz : Aftermarket Parts Supply Business

03 Seek Opportunities in New Growth Businesses



Nurture Engine Business



Jointly secure future competitiveness (Electrification/Smart CE)

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