

# Hanwha Aerospace 3Q 2019 Business Results

Investor Relations



## Disclaimer

This presentation contains forward-looking statements on the financial condition, results of operations, and business of Hanwha Aerospace as well as plans and objectives of the management.

Statements that are not historical facts, including statements about Hanwha Aerospace's beliefs and expectations, are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Hanwha Aerospace to be materially different from any future results or performance expressed or implied by such forward-looking statements.



# Table of Contents

Consolidated P/L, B/S

## Current Business

Hanwha Aerospace

Hanwha Defense

Hanwha Systems

Hanwha Techwin

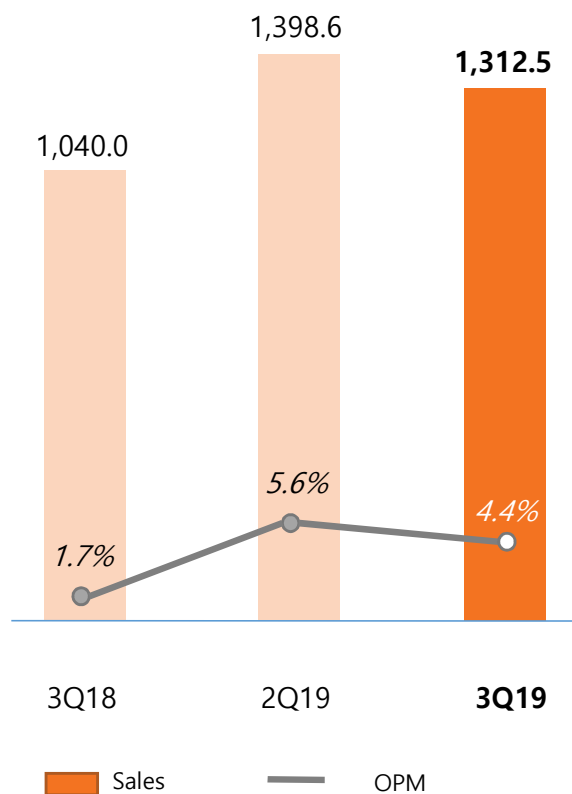
Hanwha Power Systems

Hanwha Precision Machinery

## Appendix

History / Shareholder Information / Global Network

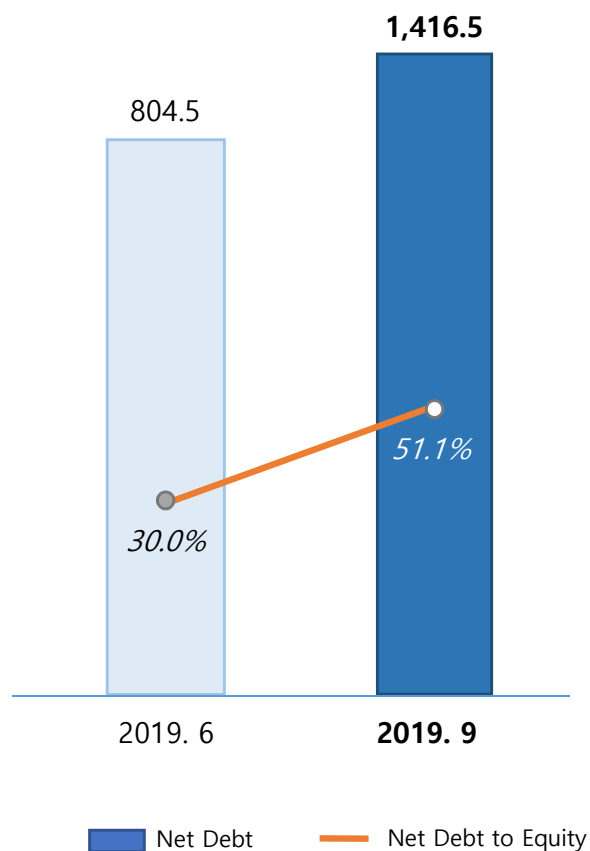
## 3Q19 Sales & Profits



(in KRW bil.)

	3Q18	2Q19	3Q19	YoY	QoQ
Sales	1,040.0	1,398.6	<b>1,312.5</b>	26.2%	-6.2%
Gross Profit	195.6	287.4	<b>280.6</b>	43.5%	-2.4%
Operating Profit	18.0	78.8	<b>57.1</b>	217.2%	-27.5%
(Excluding RSP)	37.9	105.2	<b>83.3</b>	119.8%	-20.8%
EBITDA	59.4	125.5	<b>104.5</b>	75.9%	-16.8%
(Excluding RSP)	79.3	151.9	<b>130.7</b>	64.8%	-14.0%
Pre-tax Profit	0.7	77.8	<b>76.6</b>	10,842.9%	-1.5%
Net Profit	-10.9	69.3	<b>86.0</b>	Turn to Profit	24.1%
<hr/>					
%					
%COGS	81.2%	79.5%	<b>78.6%</b>	-2.6%p	-0.9%p
%SG&A	17.1%	14.9%	<b>17.0%</b>	-0.1%p	2.1%p
OP	1.7%	5.6%	<b>4.4%</b>	2.7%p	-1.2%p
(Excluding RSP)	3.6%	7.5%	<b>6.3%</b>	2.7%p	-1.2%p
Pre-tax Profit Margin	0.1%	5.6%	<b>5.8%</b>	5.7%p	0.2%p
Net Profit Margin	-1.0%	5.0%	<b>6.6%</b>	7.6%p	1.6%p

## Gearing



(in KRW bil.)

	Jun. 2019	Sep. 2019	Changes
<b>Asset</b>	8,011.8	<b>8,424.1</b>	5.1%
Current Asset	4,398.2	<b>4,401.8</b>	0.1%
Cash and Cash Equivalent	926.9	<b>743.4</b>	-19.8%
Other Current Asset	48.8	<b>40.8</b>	-16.4%
Receivables	1,177.9	<b>1,251.1</b>	6.2%
Inventory	1,423.9	<b>1,487.2</b>	4.4%
Non-current assets	3,613.5	<b>4,022.3</b>	11.3%
Tangible assets	1,725.6	<b>1,823.8</b>	5.7%
Intangible assets	1,504.4	<b>1,803.9</b>	19.9%
<b>Liabilities</b>	5,331.0	<b>5,652.5</b>	6.0%
Current Liabilities	3,530.6	<b>3,377.4</b>	-4.3%
Payables and other current	689.9	<b>641.9</b>	-7.0%
Current Liabilities	748.5	<b>773.3</b>	3.3%
Fixed Liabilities	1,800.3	<b>2,275.1</b>	26.4%
Borrowings	1,031.6	<b>1,427.3</b>	38.4%
<b>Total Capital</b>	2,680.8	<b>2,771.6</b>	3.4%
Paid-in Capital	265.7	<b>265.7</b>	0.0%
% Current Ratio	124.6%	<b>130.3%</b>	5.8%p
% Short-term Borrowing	42.0%	<b>35.1%</b>	-6.9%p
% Net-debt to Equity	30.0%	<b>51.1%</b>	21.1%p



# Table of Contents

Consolidated P/L, B/S

## Current Business

Hanwha Aerospace

Hanwha Defense Systems

Hanwha Systems

Hanwha Techwin

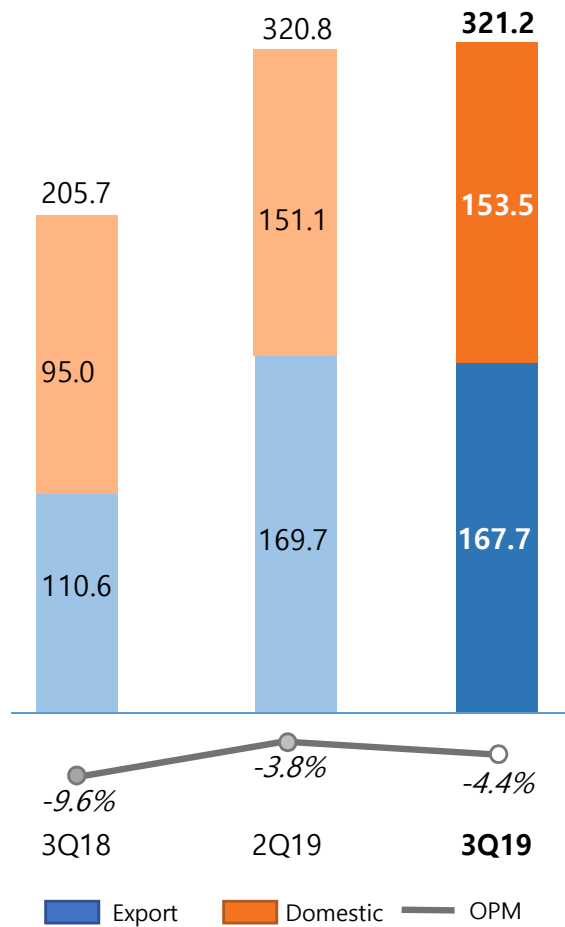
Hanwha Power Systems

Hanwha Precision Machinery

## Appendix

History / Shareholder Information / Global Network

## 3Q19 Sales & Profits

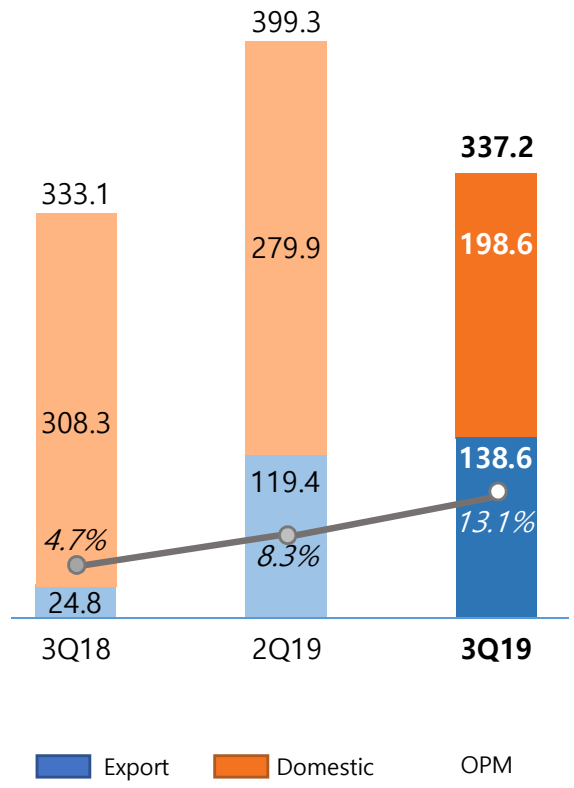


(in KRW bil.)

(in KRW bil.)

	3Q18	2Q19	3Q19	YoY	QoQ
Sales	205.7	320.8	<b>321.2</b>	56.1%	0.1%
LTA	91.8	119.3	<b>124.5</b>	35.7%	4.4%
GTF RSP	13.2	17.5	<b>17.5</b>	32.6%	-
Others	100.7	184.0	<b>179.2</b>	77.9%	-2.6%
OP	-19.7	-12.1	<b>-14.0</b>	28.9%	-15.7%
LTA	-0.3	7.6	<b>10.8</b>	<i>Turn to profit</i>	42.1%
GTF RSP	-19.9	-26.4	<b>-26.2</b>	-31.7%	0.8%
Others	0.5	6.7	<b>1.5</b>	190.0%	-78.4%
%	-9.6%	-3.8%	<b>-4.4%</b>	5.2%p	-0.6%p
LTA	-0.3%	6.4%	<b>8.7%</b>	9.0%p	2.3%p
GTF RSP	-150.8%	-150.9%	<b>-149.7%</b>	1.1%p	1.1%p
Others	0.5%	3.6%	<b>0.8%</b>	0.3%p	-2.8%p

### 3Q19 Sales & Profits

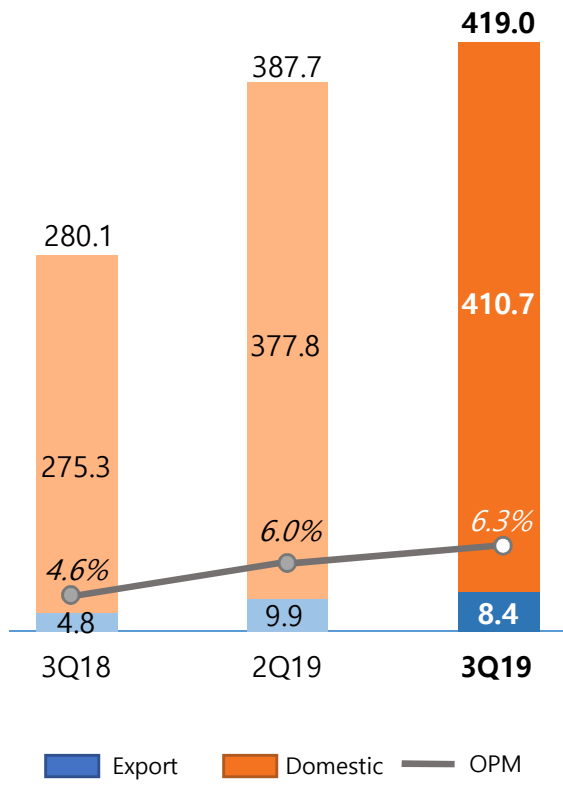


(in KRW bil.)

	3Q18	2Q19	3Q19	YoY	QoQ
Sales	333.1	399.3	<b>337.2</b>	1.2%	-15.5%
Domestic	308.3	279.9	<b>198.6</b>	-35.6%	-29.0%
K9 and etc	215.0	173.7	<b>93.8</b>	-56.4%	-46.0%
Armored Vehicles	59.5	32.3	<b>63.1</b>	6.0%	95.5%
Air Defense Systems	32.9	71.2	<b>40.0</b>	21.5%	-43.8%
Unmanned Ground Systems	0.9	2.8	<b>1.8</b>	100.0%	-35.7%
Export	24.8	119.4	<b>138.6</b>	458.9%	16.1%
OP	15.7	33.0	<b>44.1</b>	180.9%	33.6%
%	4.7%	8.3%	<b>13.1%</b>	8.4%p	4.8%p



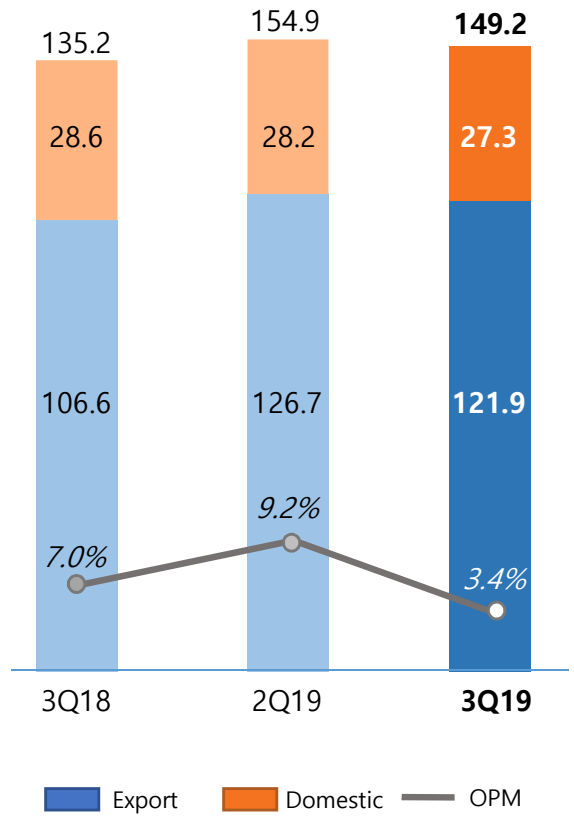
### 3Q19 Sales & Profits



(in KRW bil.)

	3Q18	2Q19	3Q19	YoY	QoQ
Sales	280.1	387.7	<b>419.0</b>	49.6%	8.1%
Pre-merger	221.9	280.4	<b>299.8</b>	35.1%	6.9%
Land	129.5	135.3	<b>135.7</b>	4.8%	0.3%
Naval	23.5	58.3	<b>70.2</b>	199.2%	20.5%
Radar/Aerospace	68.0	85.2	<b>92.6</b>	36.2%	8.7%
Export	1.0	1.7	<b>1.2</b>	25.4%	-28.7%
ICT	58.2	107.3	<b>119.3</b>	105.0%	11.2%
OP	13.0	23.5	<b>26.5</b>	104.4%	12.8%
Pre-merger	7.1	4.4	<b>9.8</b>	38.1%	122.7%
ICT	5.9	19.1	<b>16.8</b>	184.7%	-12.0%
%	4.6%	6.0%	<b>6.3%</b>	1.7%p	0.3%p
Pre-merger	3.2%	1.6%	<b>3.3%</b>	0.1%p	1.7%p
ICT	10.1%	17.8%	<b>14.1%</b>	4.0%p	3.7%p

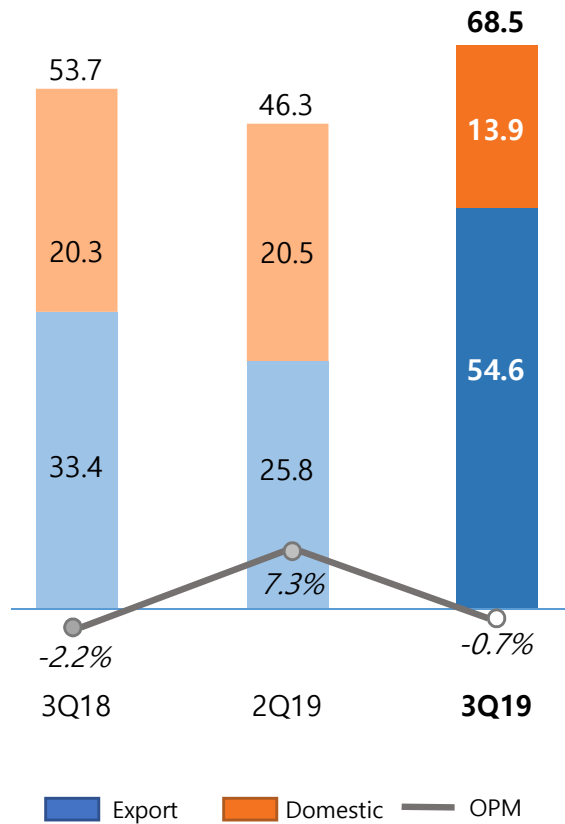
### 3Q19 Sales & Profits



(in KRW bil.)

	3Q18	2Q19	3Q19	YoY	QoQ
Sales	135.2	154.9	<b>149.2</b>	10.4%	-3.7%
By Product					
Network Camera	79.0	95.4	<b>96.2</b>	21.7%	0.8%
Analog Camera	9.4	7.7	<b>6.5</b>	-30.9%	-15.6%
B2C	16.1	12.5	<b>10.8</b>	-32.9%	-13.5%
Other	30.7	39.3	<b>35.7</b>	16.3%	-9.2%
By Region					
Americas	61.1	66.1	<b>70.8</b>	15.8%	7.2%
Europe	16.8	18.2	<b>18.6</b>	10.6%	2.1%
China	1.7	4.1	<b>2.5</b>	47.1%	-39.0%
ROW	27.0	38.3	<b>30.0</b>	11.1%	-21.8%
OP	9.4	14.2	<b>5.1</b>	-45.7%	-64.1%
%	7.0%	9.2%	<b>3.4%</b>	-3.6%p	-5.8%p

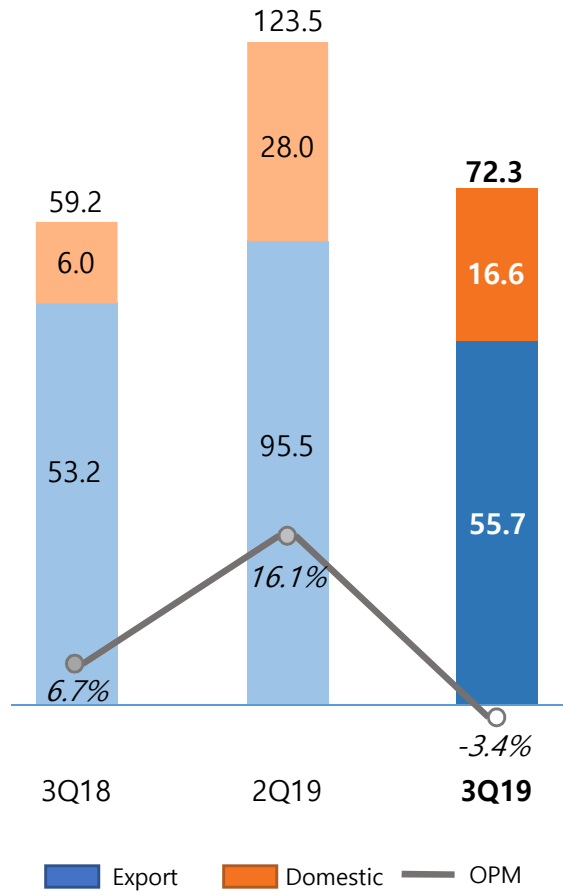
## 3Q19 Sales & Profits



(in KRW bil.)

	3Q18	2Q19	3Q19	YoY	QoQ
Sales	53.7	46.3	<b>68.5</b>	27.5%	47.9%
Standard	24.9	24.5	<b>22.1</b>	-11.2%	-9.8%
Customized	12.8	13.0	<b>32.8</b>	157.0%	152.3%
After Market	5.8	8.2	<b>8.1</b>	38.8%	-1.2%
Other	10.2	0.7	<b>5.6</b>	-45.2%	700.0%
OP	-1.2	3.4	<b>-0.5</b>	58.3%	적자전환
%	-2.2%	7.3%	<b>-0.7%</b>	1.5%p	-8.0%p

## 3Q19 Sales & Profits



(in KRW bil.)

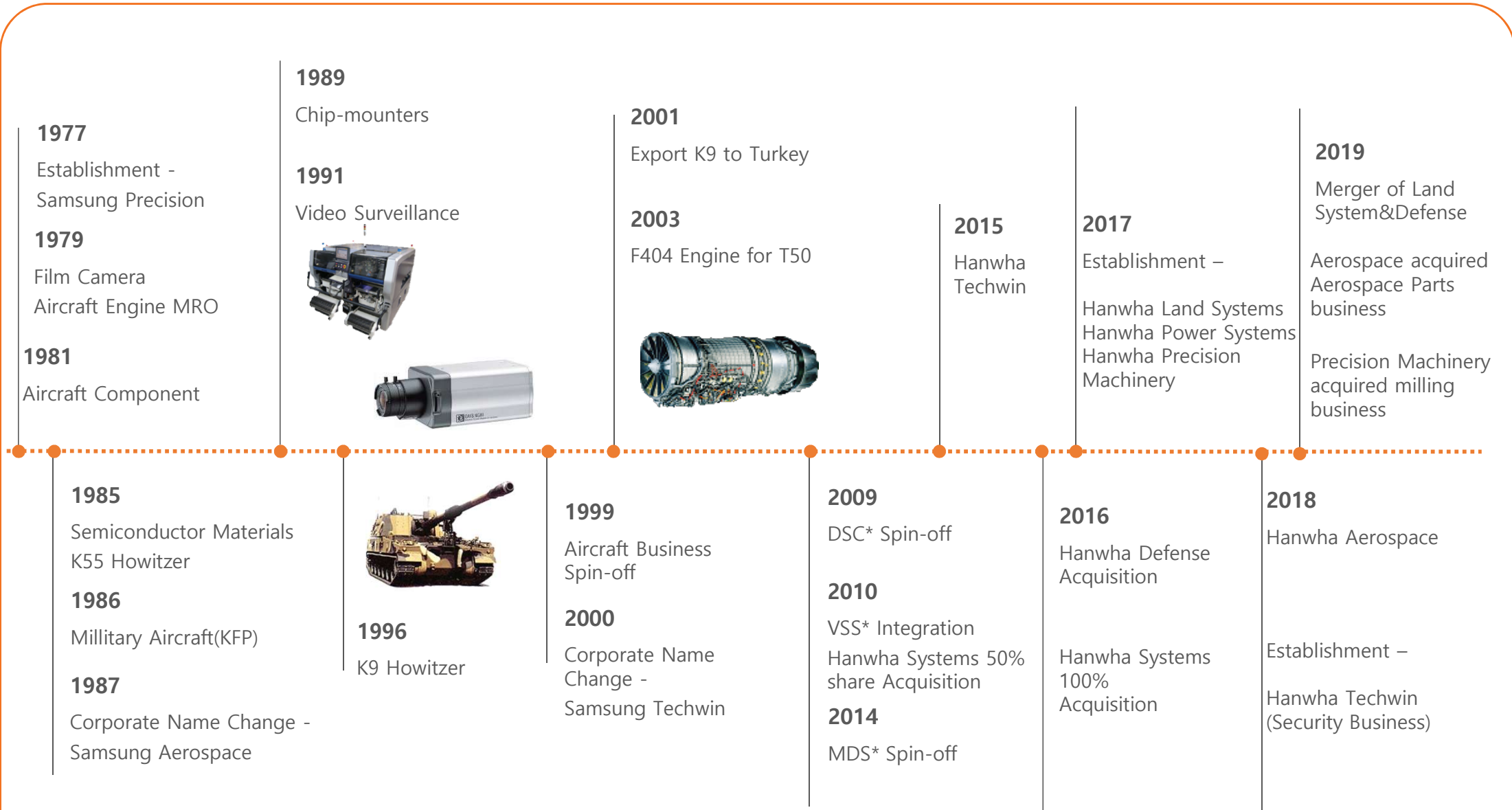
	3Q18	2Q19	3Q19	YoY	QoQ
Sales	59.2	123.5	<b>72.3</b>	22.2%	-41.4%
by products					
SMT	59.0	99.5	<b>56.0</b>	-5.0%	-43.7%
CNC/MWA	-	22.8	<b>15.5</b>	-	-32.0%
Robot	0.2	1.2	<b>0.9</b>	350.0%	-25.0%
by region					
China	34.1	49.0	<b>28.0</b>	-17.9%	-42.8%
Domestic	6.0	28.0	<b>16.6</b>	176.7%	-40.7%
Other	19.1	46.5	<b>27.7</b>	45.0%	-40.5%
OP	3.9	19.9	<b>-2.5</b>	적자전환	적자전환
Precision Machinery	7.4	22.7	<b>2.6</b>	-64.5%	-88.5%
Machine Tool	-	1.7	<b>-1.3</b>	-	적자전환
Robot	-3.4	-4.4	<b>-3.8</b>	-11.9%	13.3%
%	6.7%	16.1%	<b>-3.4%</b>	-10.1%p	-19.6%p
Precision Machinery	12.5%	22.8%	<b>4.7%</b>	-7.8%p	-18.1%p
Machine Tool	-	7.5%	<b>-8.2%</b>	-	-15.7%p
Robot	-1,704.1%	-366.7%	<b>-423.9%</b>	1,280.2%p	-57.2%p

\*SMT(Surface mount technology)



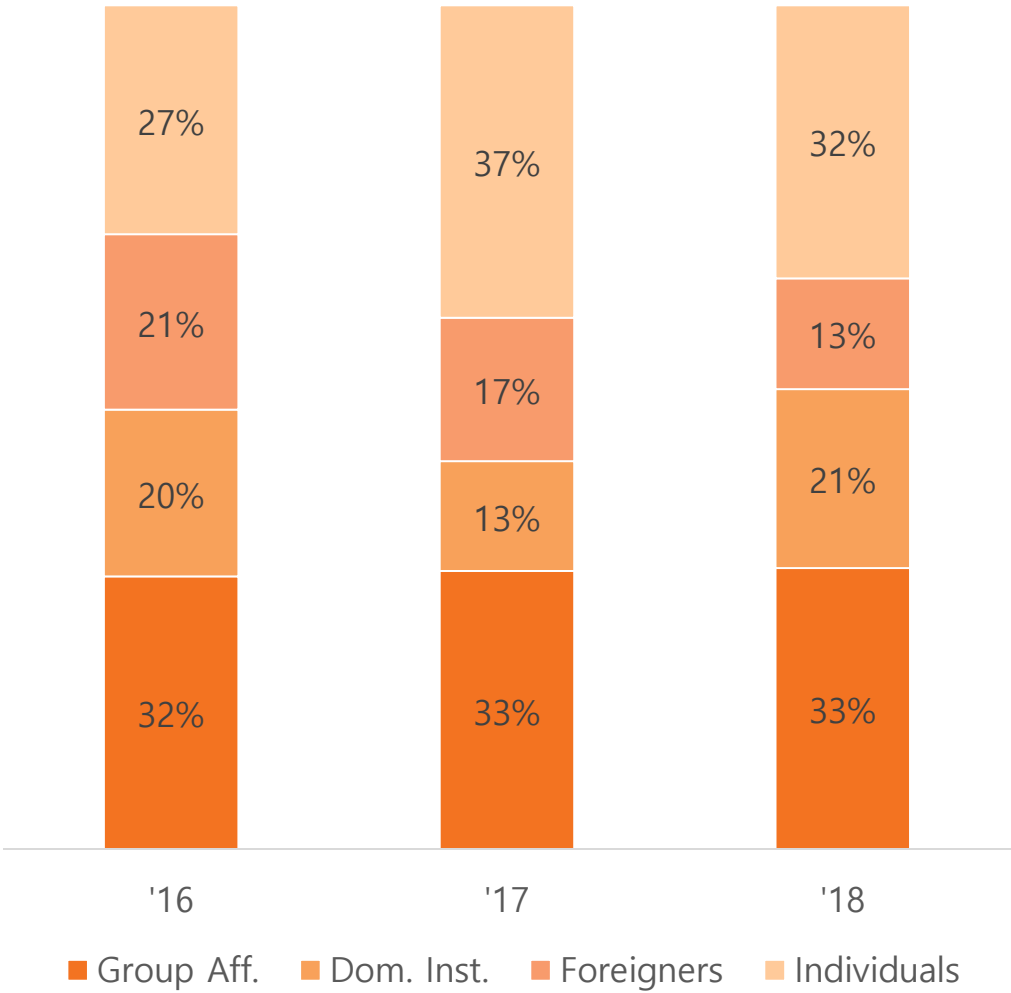
# Appendix

History / Shareholder Information / Global Network



\* DSC : Digital Still Camera  
 \* VSS : Video Surveillance System  
 \* MDS : Micro Device Solutions

(Bn KRW)



### Major Shareholder (Group Affiliates)

	Share(%)	Market Value
Hanwha corp.	33.0%	559

(As of June. 30, 2019)

### Subsidiaries

	Share(%)
Hanwha Systems	52.9%
Hanwha Defense <sup>1)</sup>	100.0%
Hanwha Techwin	100.0%
Hanwha Power Systems	100.0%
Hanwha Precision Machinery	100.0%

(As of June. 30, 2019)

