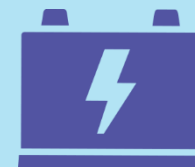




***Doosan Corporation***



## 2Q17 Earnings Release

2017. 8

# 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 consolidated and IFRS parent basis.

# Table of Contents

---

## I. 2Q17 Results

## II. In-house Business Results & Outlook

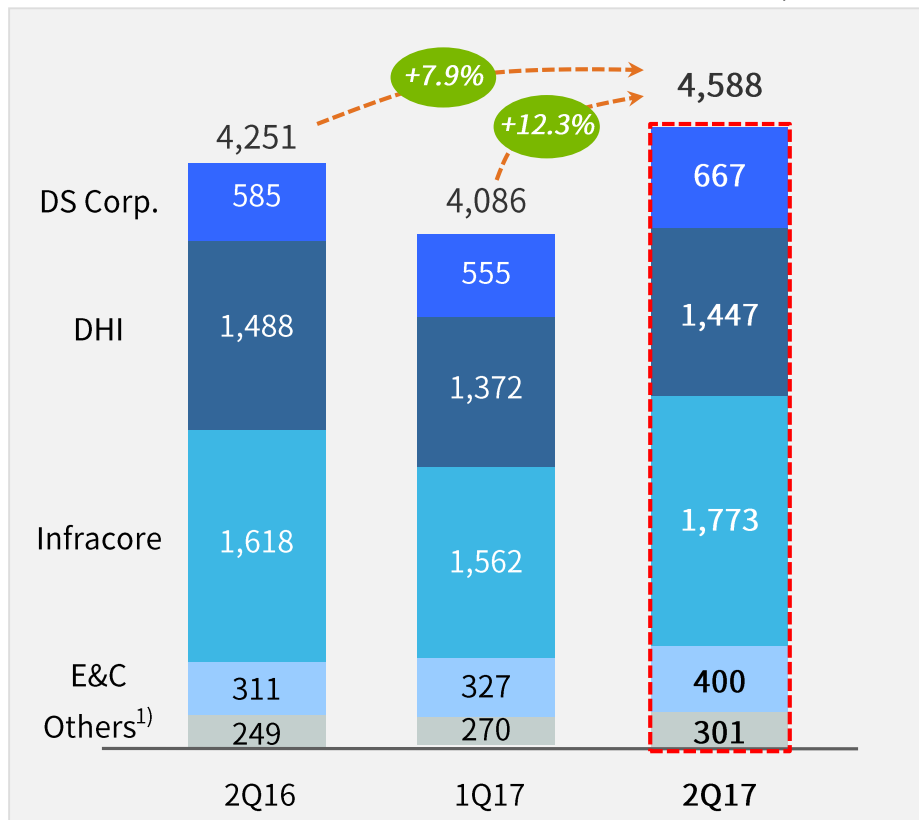
## III. Appendix

# 2Q Result (Consolidated)

- Sales grew by 7.9% yoy, 12.3% qoq with improved performance of in-house biz of Doosan Corp and Doosan Infracore.
- OP improved by 27.0% yoy, 46.4% qoq, mainly driven by profitability improvement of Doosan Corp and Infracore. OPM also improved on yoy and qoq basis.

## Sales

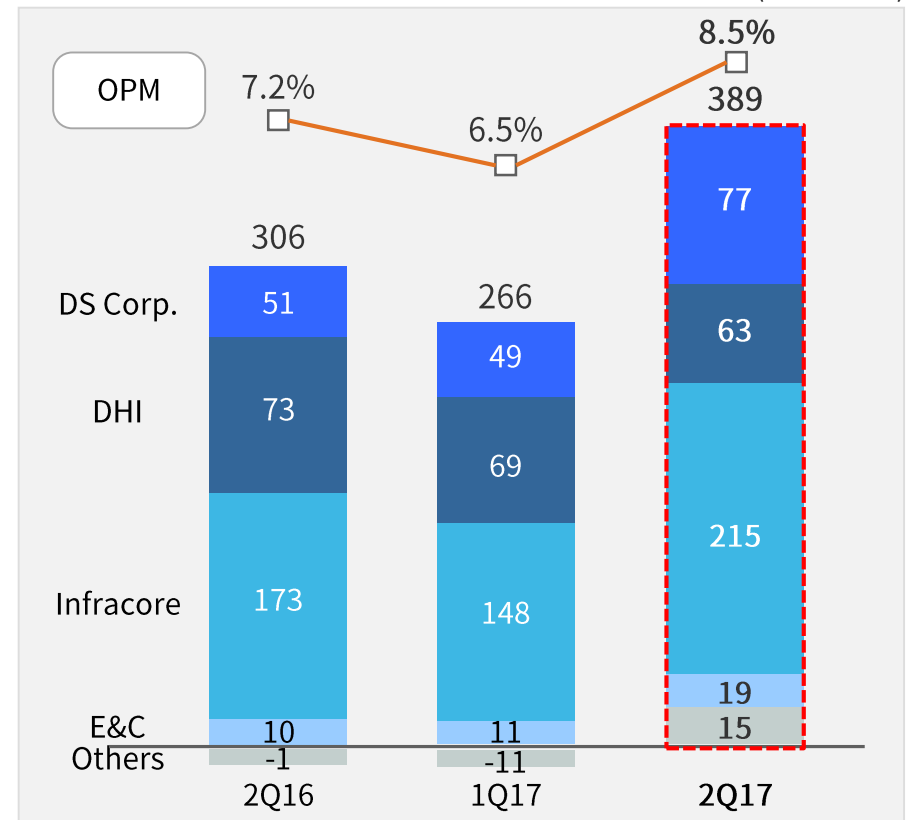
(in KRW bn)



1) including Doosan Engine, DFS and others

## OP

(in KRW bn)

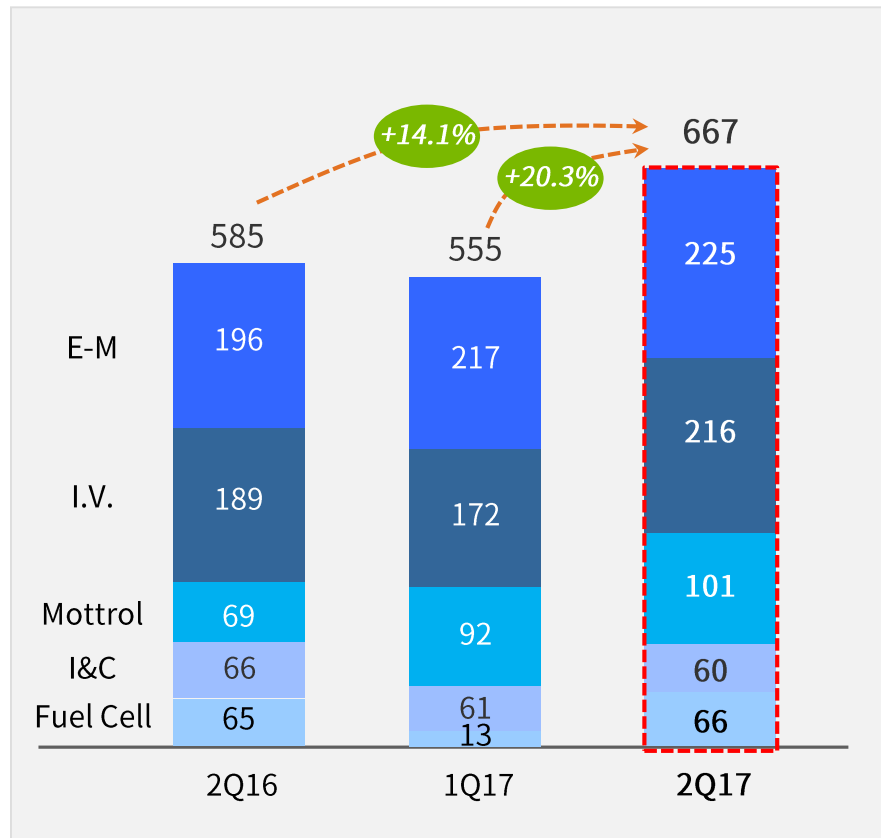


## 2Q Result (In-house Business)

- Sales grew on both yoy and qoq basis thanks to improvement of all businesses across the board.
- OP improved significantly as original businesses continued to grow and Fuel Cell posted positive number.

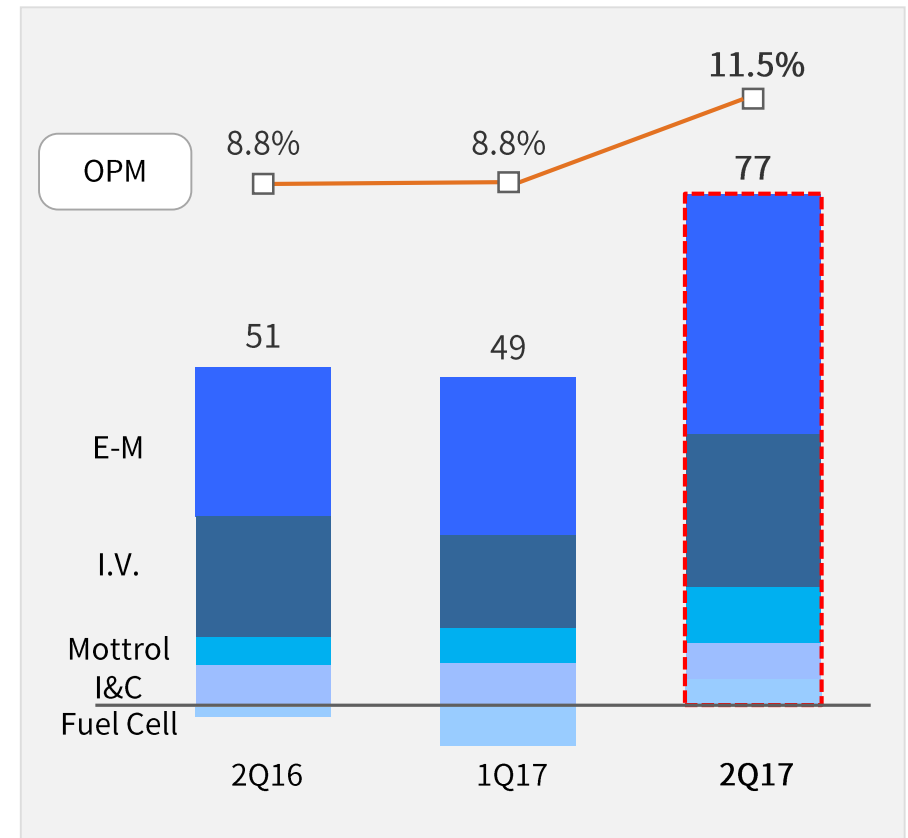
### Sales

(in KRW bn)



### OP

(in KRW bn)



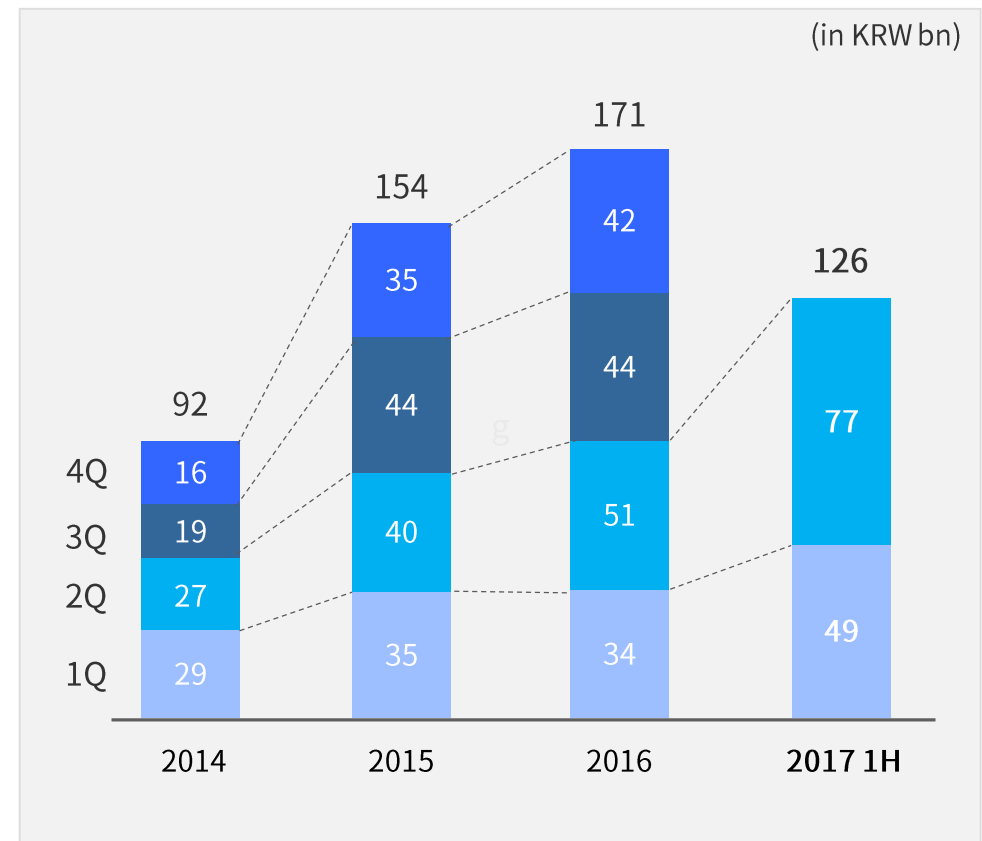
# OP Trend (In-house Business)

- 2Q was a record-high quarter for Doosan Corp. in terms of OP, thanks to continued improvement of original in-house bizs and stabilization of new in-house bizs.

## Quarterly OP Trend



## Annual OP Trend



# Table of Contents

---

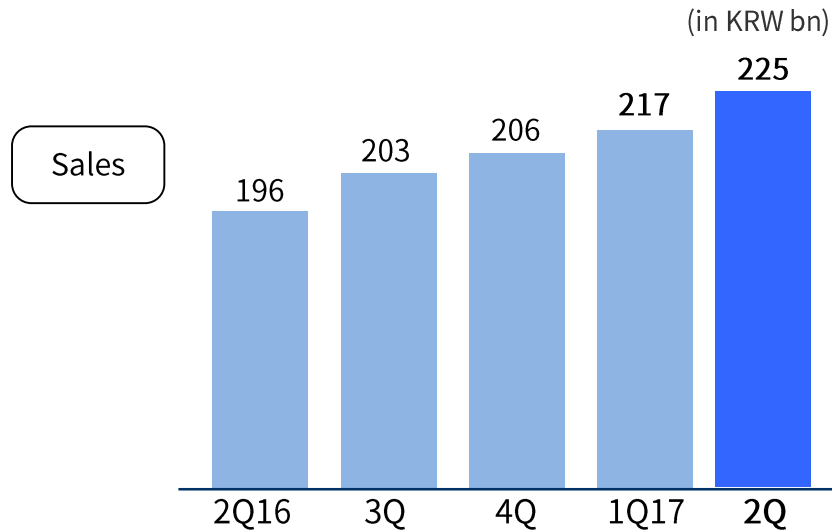
I. 2Q17 Results

II. In-house Business Results & Outlook

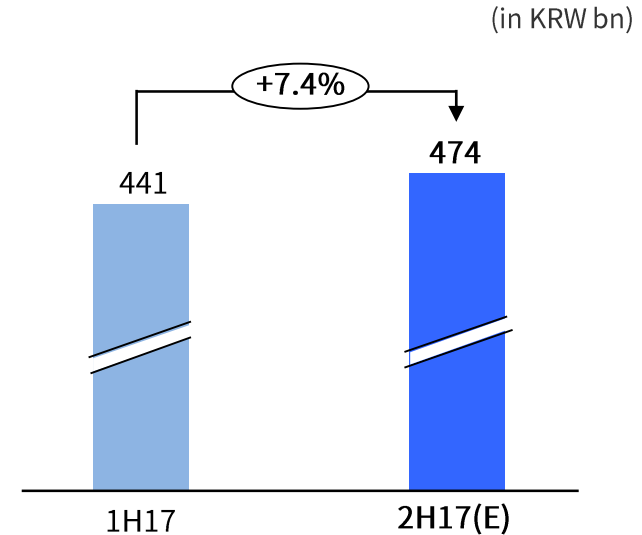
III. Appendix

# Electro-Materials

## Quarterly Results



## 2H Sales Outlook

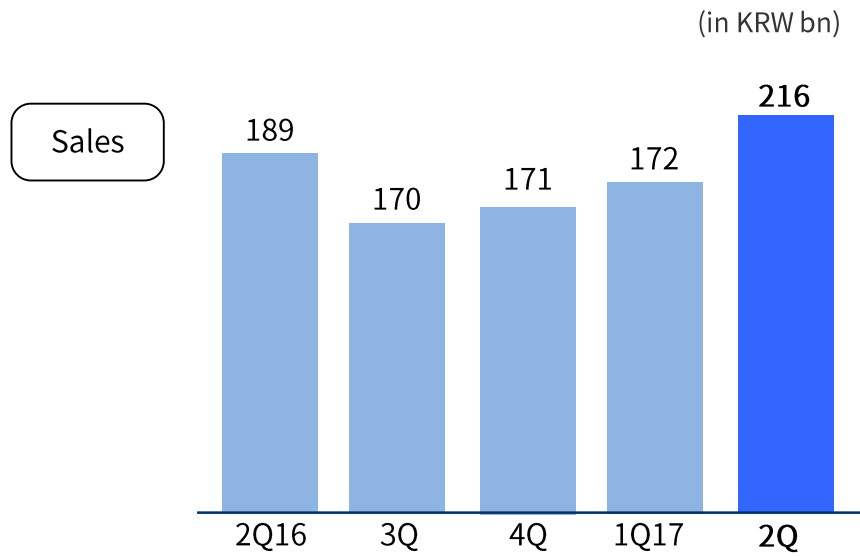


- 2Q sales grew by 14.8% on YoY basis thanks to global sales expansion and diversification of product application.
  - Increased sales to Samsung and Chinese set makers improved earnings of overseas branches (China and CF Luxembourg).
  - Galaxy S8 launch and OLED Display adoption by Apple helped sales growth of FCCL, H/F, and OLED.
- High-end product launch by Apple and Samsung in 2<sup>nd</sup> half will boost sales of FCCL and PKG CCL.

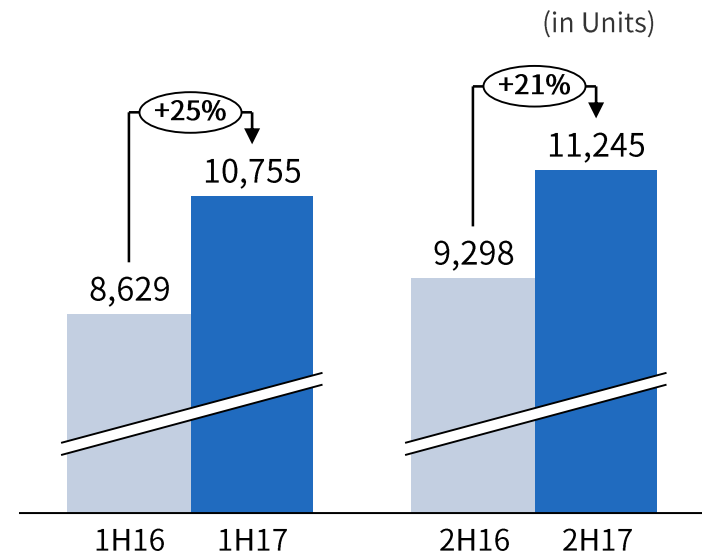


# Industrial Vehicles

## Quarterly Results



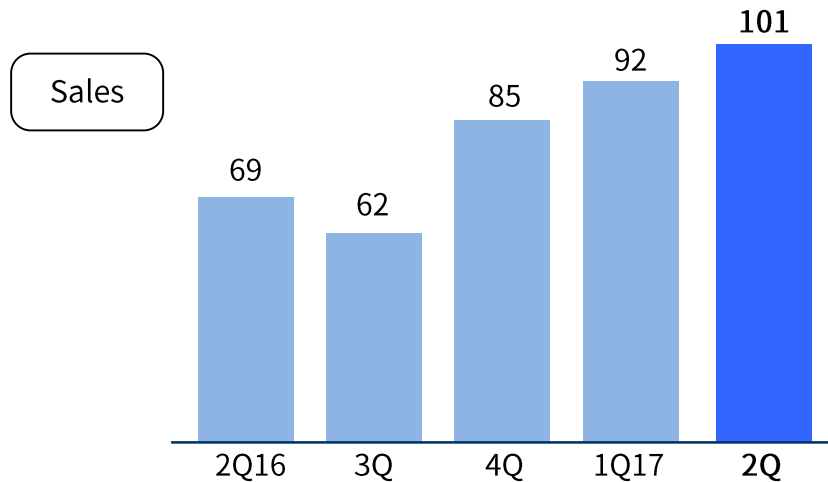
## Unit Sales Outlook



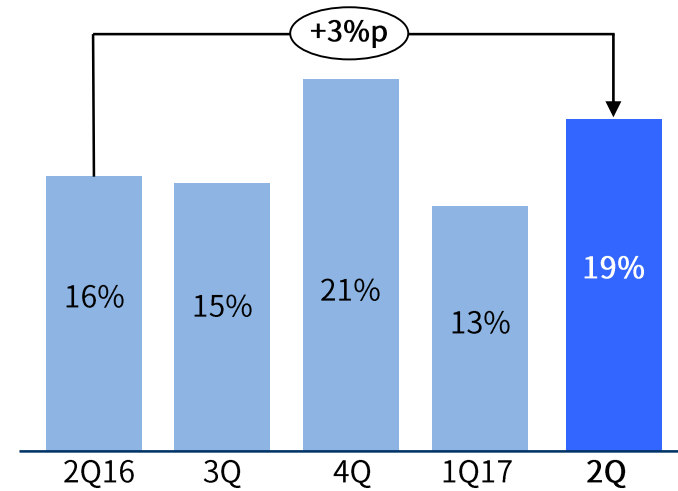
- 2Q Earnings improved thanks to new domestic demand and M/S improvement in N.A. region.
  - Domestic unit sales grew by 27% yoy with new demand from rental companies and public sector.
  - Overseas unit sales grew by 36% yoy with new demand from dealers and existing large-scale customers.
  - Sales in Oceanic/Asian region continued to grow thanks to strategic partnership with a top-tier player.
- Annual unit sales is estimated to grow by 23% yoy as market continues to expand and I.V. continues to secure new dealers in 2<sup>nd</sup> half.

## Quarterly Results

(in KRW bn)



## Quarterly M/S Trend in China

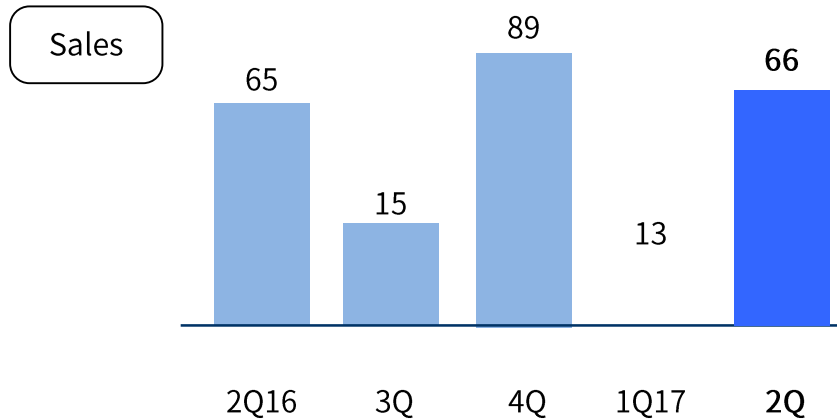


- 2Q earnings improved thanks to Chinese excavator market growth and business portfolio expansion.
  - Non-China market penetration and hydraulic component development for aerospace/guided missile.
- Mottrol secured 19% of M/S for 2Q and 16.5% for 1<sup>st</sup> half of 2017 in China.
  - Market position has been improved thanks to product delivery for new models to local major excavator players and improved dealership structure.

# Fuel Cell

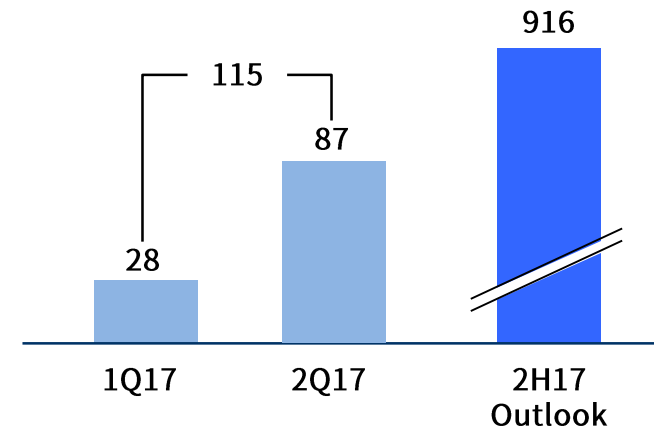
## Quarterly Results

(in KRW bn)



## New Order

(in KRW bn)



- 2Q earnings turned black thanks to revenue recognition of orders won in 4Q16 and 1Q17.
- Seasonality of new order inflow improved with 5MW of domestic order and 4MW of order from PPA business in U.S.
  - New order inflow in 2<sup>nd</sup> half is estimated to be around KRW 900 bn as RPS regulation strengthens by 1%p in 2018 in Korea and PPA business expands in U.S.

# Table of Contents

---

I. 2Q17 Results

II. In-house Business Results & Outlook

III. Appendix

## Appendix : 2Q17 Result (Consolidated)

(in KRW bn, %)

	2Q16	1Q17	2Q17	YoY	QoQ
Sales	4,251	4,086	4,588	+7.9%	+12.3%
OP	306	266	389	+27.0%	+46.4%
OPM	7.2%	6.5%	8.5%	+1.3%p	+2.0%p
Interest Expense	147	136	137	-7.0%	+0.2%
Net Income	186*	51	23	-87.6%	-54.8%

\* including KRW 181 bn of proceeds from disposal of Infracore's Machine Tools division

## Appendix : 2Q17 Result (Parent)

(in KRW bn, %)

	2Q16	1Q17	2Q17	YoY	QoQ
Sales	598	612	636	+6.3%	+3.9%
OP (M)	154 (25.8%)	108 (17.7%)	53 (8.3%)	-65.8% (-17.5%P)	-51.3% (-9.4%P)
▪ In-house Biz.	30	37	61	+102.7%	+67.1%
▪ Others*	124	72	-8	Turn-to-Red	Turn-to-Red
- Interest Expense	10.1	9.9	10	-0.9%	+1.0%
Net Income	140	86	48	-66.0%	-44.7%

\* Including dividend income, common expenses, consolidated adjustments, DFS business and etc.

# Appendix : Financial Summary

## Financial Summary

(in KRW bn)

Parent		
	1Q17	2Q17
Current Asset	855	853
Non-Current Asset	2,875	2,971
<b>Total Assets</b>	<b>3,731</b>	<b>3,824</b>
Current Liabilities	1,055	1,054
Non-Current Liabilities	600	651
<b>Total Liabilities</b>	<b>1,655</b>	<b>1,705</b>
Paid-in Capital	135	135
<b>Total Equity</b>	<b>2,076</b>	<b>2,119</b>
<b>L/E Ratio</b>	<b>79.7%</b>	<b>80.5%</b>

(in KRW bn)

Consolidated		
	1Q17	2Q17
Current Asset	10,928	11,071
Non-Current Asset	17,284	17,790
<b>Total Assets</b>	<b>28,212</b>	<b>28,861</b>
Current Liabilities	13,879	13,448
Non-Current Liabilities	6,911	7,564
<b>Total Liabilities</b>	<b>20,790</b>	<b>21,012</b>
Paid-in Capital	2,222	2,352
<b>Total Equity</b>	<b>7,422</b>	<b>7,849</b>
<b>L/E Ratio</b>	<b>280.1%</b>	<b>267.7%</b>

## Debt

(in KRW bn)

Parent		
	1Q17	2Q17
Bank	599	535
Corp. Bonds	395	515
Others	0	0
<b>Debt</b>	<b>994</b>	<b>1,050</b>
Cash	56	65
<b>Net Debt</b>	<b>937</b>	<b>985</b>
<b>Net D/E Ratio</b>	<b>45.1%</b>	<b>46.5%</b>

**E O D**