



Hanwha Corporation

3Q 2024 Earnings (Sep., Con.)

2024. 11. 13.

Disclaimer

This presentation contains the consolidated and separate financial results of the company and its subsidiaries prepared in accordance with K-IFRS.

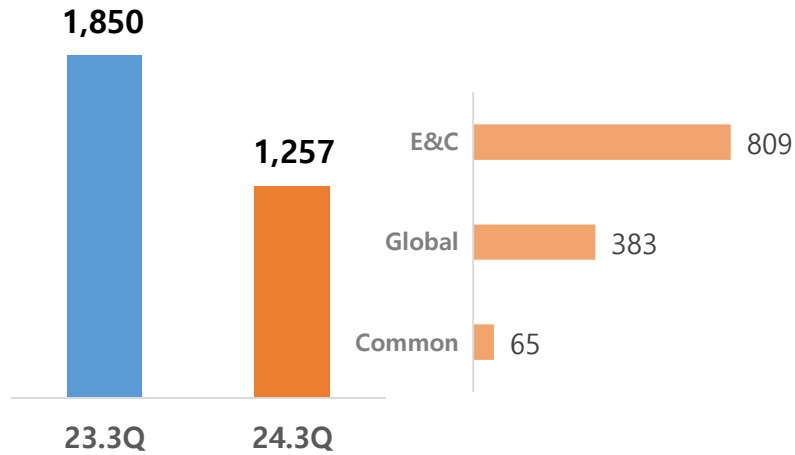
This material provides preliminary earnings prior to the completion of an external audit for the convenience of investors only. It contains forward-looking statements that are inherently subject to risks and uncertainties, unexpected changes in market conditions, and subsequent adjustments in the business strategies of the company and its subsidiaries.

Thus, the actual results may differ from the projections made in this presentation, and company shall not be held liable for any investment decisions made on the basis of the information contained in this presentation.

3Q24 Results (Separate)

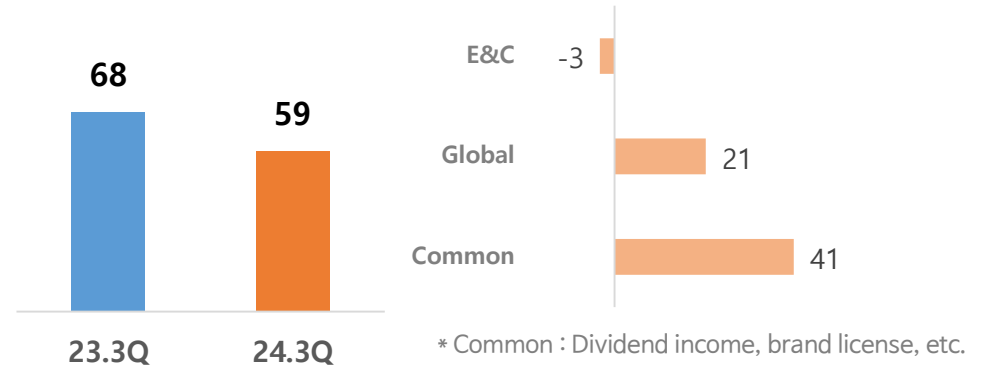
Revenue

(Unit : KRW Bn)



Operation Profit

(Unit : KRW Bn)

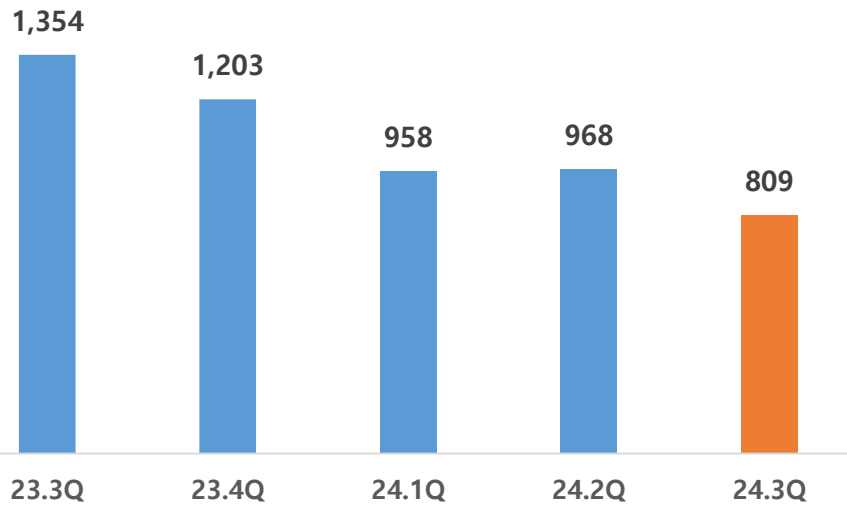


(Unit : KRW Bn)

| Category | 3Q'24 | 3Q'23 | YoY | 2Q'24 | QoQ | 3Q'24 (Accumulation) | 3Q'23 (Accumulation) | YoY |
|------------------|-------|-------|---------|-------|-----------------|-------------------------|-------------------------|--------|
| Revenue | 1,257 | 1,850 | -32.1% | 1,557 | -19.2% | 4,466 | 5,253 | -15.0% |
| Operation Profit | 59 | 68 | -13.9% | -22 | Turned a profit | 221 | 176 | 25.8% |
| (%) | 4.7% | 3.7% | 1.0% | -1.4% | 6.1% | 4.9% | 3.3% | 1.6% |
| Net Income | 235 | 15 | 1502.0% | -65 | Turned a profit | 298 | 28 | 984.8% |

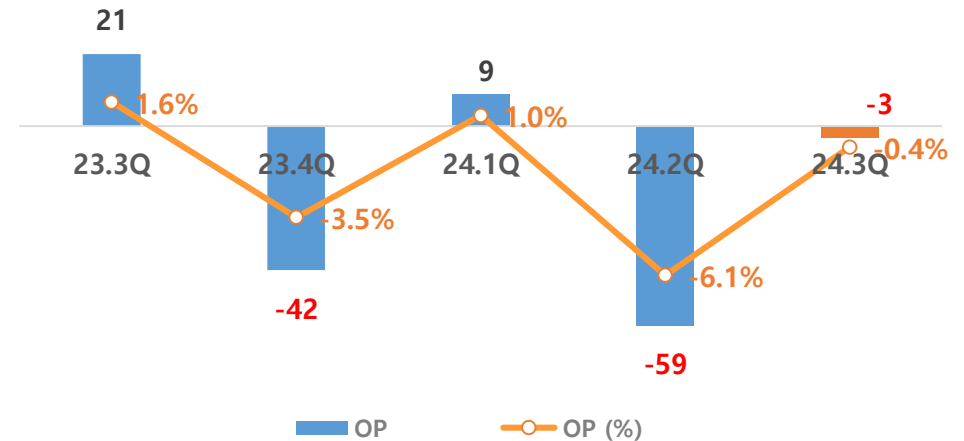
Revenue

(Unit : KRW Bn)



Operation Profit

(Unit : KRW Bn)



3Q Result (YoY)

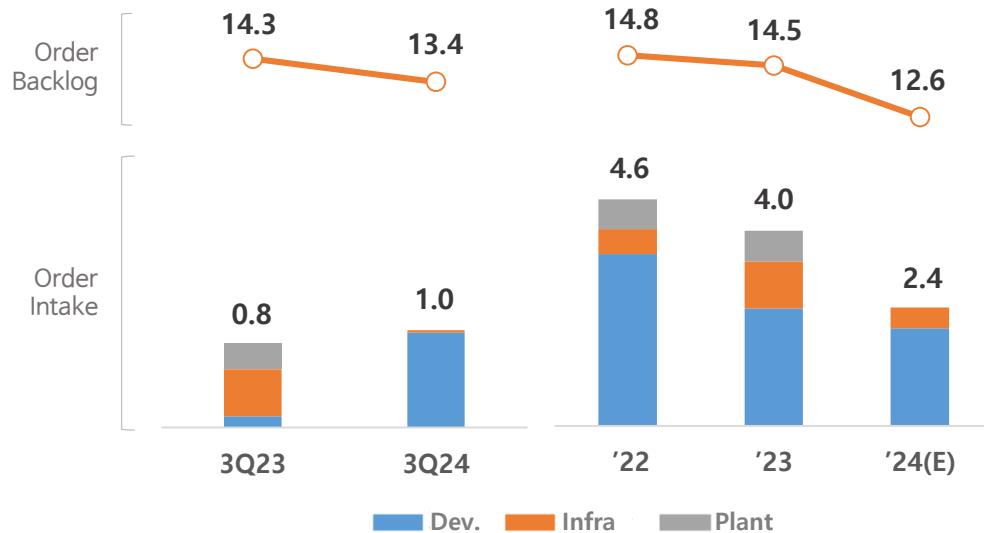
- Decrease in revenue due to the transfer of the plant business and the completion of development project sites
- Decrease in operating profit due to rising construction costs, including inflation

2024 Outlook

- Commencement of construction for Seoul station PJ in November (1.2 Tn Won)
- Contract amendment for the Iraq BNCP project (Current backlog : 7.6 Tn won)

Order Intake & Order Backlog

(Unit : KRW Tn)



※ Figures excluding overseas business

Major Order Backlogs

| Category | Month of contract | Amount | Start date of construction |
|----------------------------|-------------------|---------|----------------------------|
| Seoul Stn. (Northern area) | 2019.12 | 1.8 Tn* | 2024.Nov (exp.) |
| FORENA Cheonan Asan Stn. | 2020.11 | 687 Bn | 2022.03 |
| Goyang Data Center | 2023.07 | 438 Bn | 2023.07 |
| Suseo Stn. Transfer Center | 2021.09 | 442 Bn | 2025 (exp) |
| GTX-C | 2021.07 | 450 Bn | 2024.2H (exp) |

* The sum of the subcontract price and the project revenue.

3Q Order intake

- 1.04 Tn won in total
 - Development : 982 Bn won (Seoul Stn. 570 Bn won, Maintenance 206 Bn won and etc.)
 - Infra : 22 Bn won

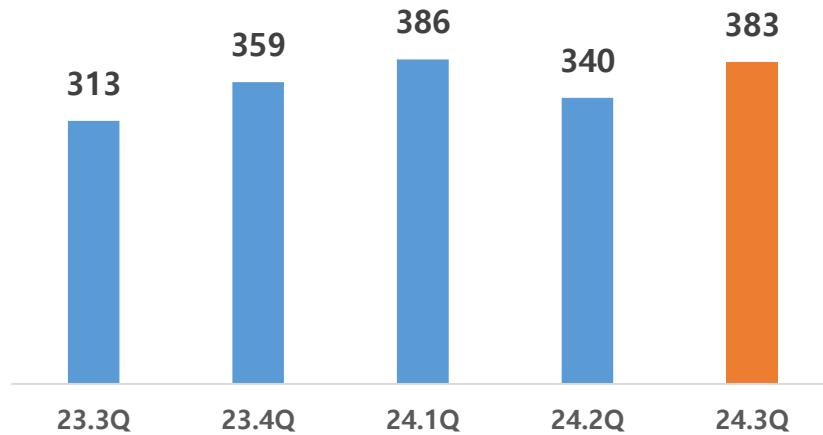
2024 Outlook

- Total orders are expected to amount to 2.4 Tn won
 - Development : 2.0 Tn won
 - Infra 0.4 Tn won

Global Division

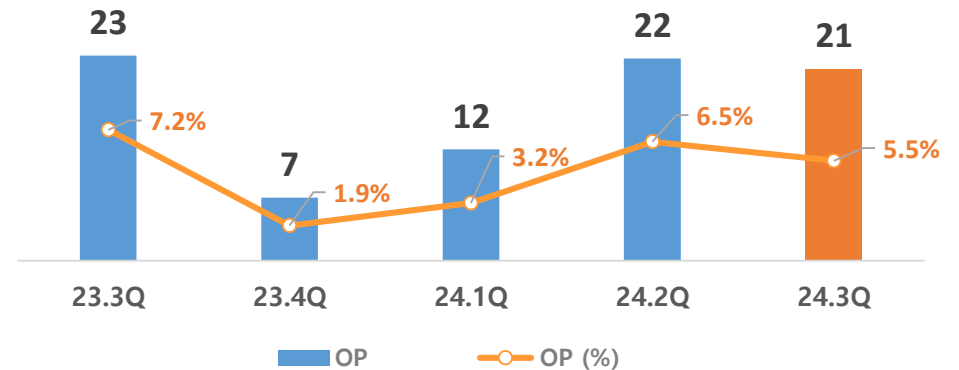
Revenue

(Unit : KRW Bn)



Operation Profit

(Unit : KRW Bn)



3Q Result (YoY)

- Expansion in petrochemical trading and explosive saels
 - Increase in domestic solvent sales and domestic/international sales of explosives
- Decrease in operating profit due to increased proportion of trading business and material development costs

2024 Outlook

- Planned commercial production after expanding nitrogen capacity to 400 K tons
 - Strengthening cost competitiveness of nitric acid, expecting an increase in external sales to high-value customers
- Expanding sales of Ammonium nitrate and electronic detonator
 - Diversifying export markets
 - Signing long-term supply contracts with large customers

3Q24 Results & Outlook, Consolidated

- Non-financial Sales and OP increased, driven by the continued growth of domestic production and export business in Hanwha Aerospace's defense sector
- Financial OP increased due to insurance gains based on solid CSM amortization gains and expanded FVPL valuation gains resulting from lower interest rates

(Unit : KRW Bn)

| | 3Q'24 | 3Q'23 | YoY | 2Q'24 | QoQ | 2023 | 2022 | |
|---------------|---------------|---------------|------------|---------------|-------------|---------------|---------------|----------------------------|
| Sales | 12,218 | 11,920 | 3% | 12,993 | -6% | 53,135 | 50,887 | - Sales (YoY) |
| Non-Financial | 7,451 | 7,048 | 6% | 6,960 | 7% | 30,323 | 28,568 | [Non-financial] (Division) |
| Financial | 4,767 | 4,872 | -2% | 6,033 | -21% | 22,812 | 22,319 | (Aerospace) |
| | | | | | | | | (Solutions) |
| | | | | | | | | [Financial] |
| OP | 526 | 382 | 37% | 529 | -1% | 2,412 | 2,370 | - OP (YoY) |
| Non-Financial | 320 | 216 | 48% | 100 | 219% | 1,080 | 1,402 | [Non-financial] (Division) |
| Financial | 206 | 166 | 24% | 428 | -52% | 1,332 | 968 | (Aerospace) |
| | | | | | | | | (Solutions) |
| | | | | | | | | [Financial] |
| NP | 189 | 119 | 59% | 37 | 407% | 1,636 | 2,009 | |

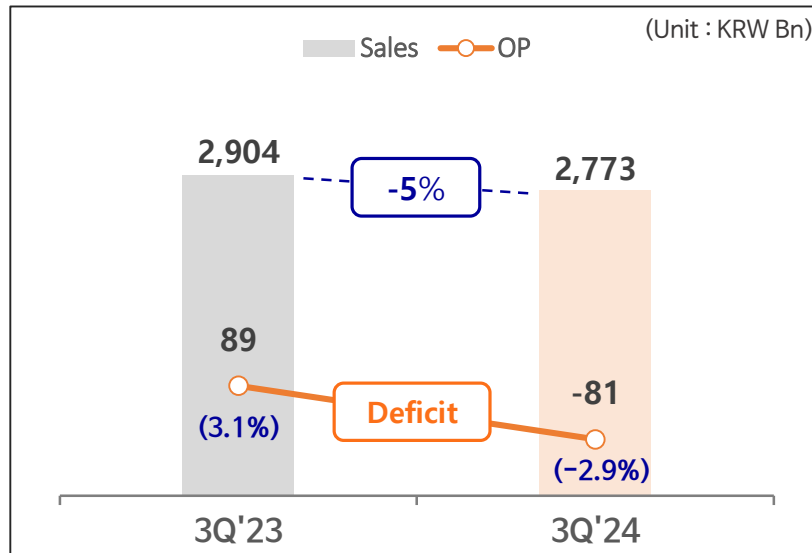
E&C ↓ , Equipment ↑
Explosives/Trading/Material ↑
Defense, Aerospace ↑
Systems ↑
Renewable energy/Chemical ↓
Life ↓ , Insurance ↑

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Renewable energy/Chemical ↓
Life ↑ , Insurance ↑

Outlook

- Non-financial : Steady backlog of defense orders and continuous increase in export volume, recovery in solar module sales
- Financial : Stable insurance profits maintained with strong CSM/RA amortization gains, Profit strengthened through stable investment profit management.

Hanwha Solution (Con.)



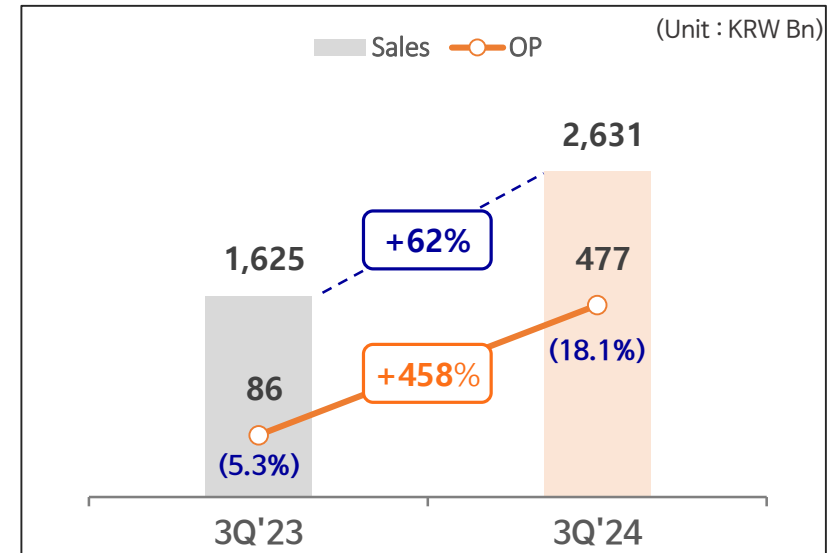
Result

- Sales decreased, and OP turned to a loss due to the decline in solar module selling prices and the worsening global chemical market conditions

Outlook

- A return to profitability is expected in the 4th quarter, driven by improved performance in the renewable energy sector, including increased solar module sales

Hanwha Aerospace (Con.)



Result

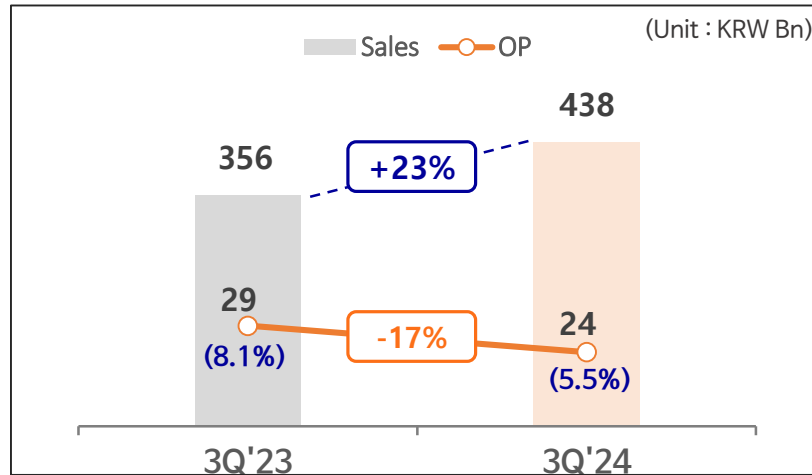
- Sales and OP saw a significant increase due to higher volumes in domestic production and export of defense products, along with strong performance from a key subsidiary, Hanwha Systems

Outlook

- Continued growth is expected, driven by a solid backlog of orders and sustained export growth in the defense sector, alongside growth from the subsidiary, Hanwha Systems

Non-financial Subsidiaries

Hanwha Industrial Solutions (Con.)



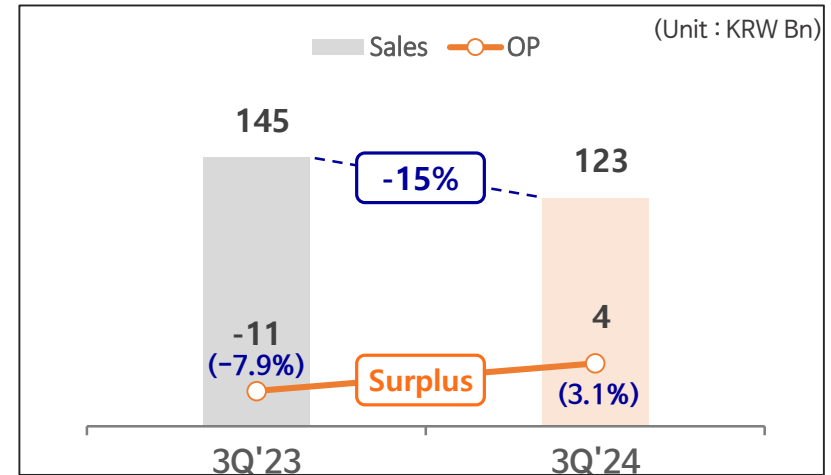
Result

- Vision : Sales and OP increased, driven by sustained favorable exchange rate effects and growth in North American/European sales
- Precision Machinery : Sales increased, driven by semiconductor equipment and an operating loss occurred due to development costs

Outlook

- Vision : While favorable exchange rate effects are expected to continue, a conservative sales outlook is forecasted for the 4th quarter due to seasonal factors
- Precision Machinery : Expansion of market share in the U.S. is expected, driven by the advancement of SMT technology.

Hanwha Momentum (Sep.)



Result

- Sales decreased due to the divestment of the solar business
- OP increased due to higher sales in the secondary battery sector, cost reductions, and the impact of exchange rate appreciation

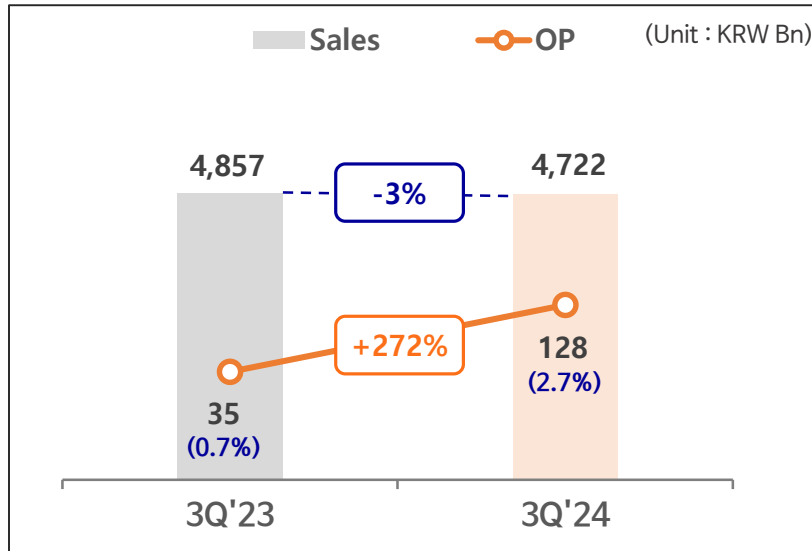
Outlook

- Despite a decrease in total sales due to the divestment of the solar business, operating profit is expected to increase, driven by higher equipment sales in the secondary battery and clean logistics sectors

※ Hanwha Industrial Solutions was newly established on September 1, 2024, and therefore, there are no prior results.

※ The previous results are a simple sum of the segment-specific performance from the predecessor continuing entity's report

Hanwha Life (Con.)



Result

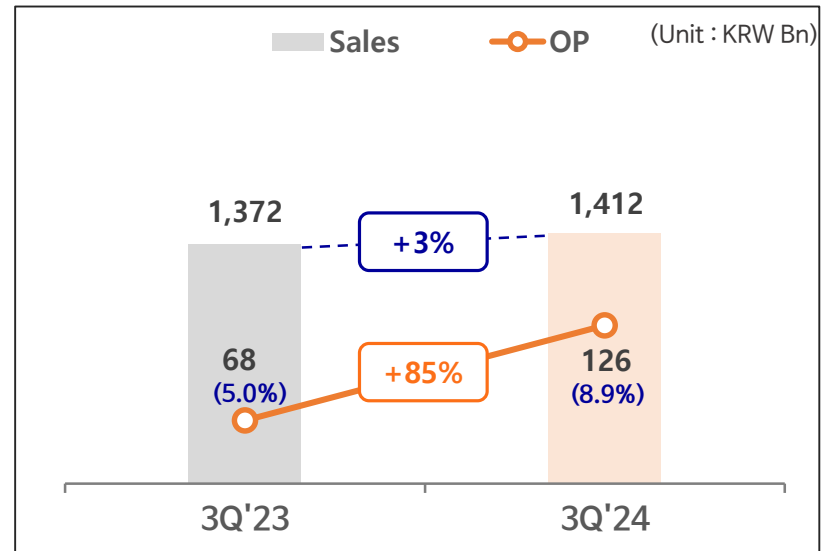
- OP increased due to solid insurance profits based on CSM amortization gains, expanded FVPL valuation gains from interest rate declines, and strong performance from key subsidiaries

* CSM : Contractual Service Margin

Outlook

- With the inflow of new contract CSM exceeding 2 Tn won, plan to continue expanding insurance profits based on CSM/RA amortization gains, while maintaining strong profit stability through stable investment profit mgmt. centered on interest-bearing assets

Hanwha General Insurance (Sep.)



Result

- Growth in new contracts, increased CSM amortization gains, and improved insurance profit mgmt. through efficient claims mgmt.
- Increase in FVPL valuation gains due to a decline in market interest rates

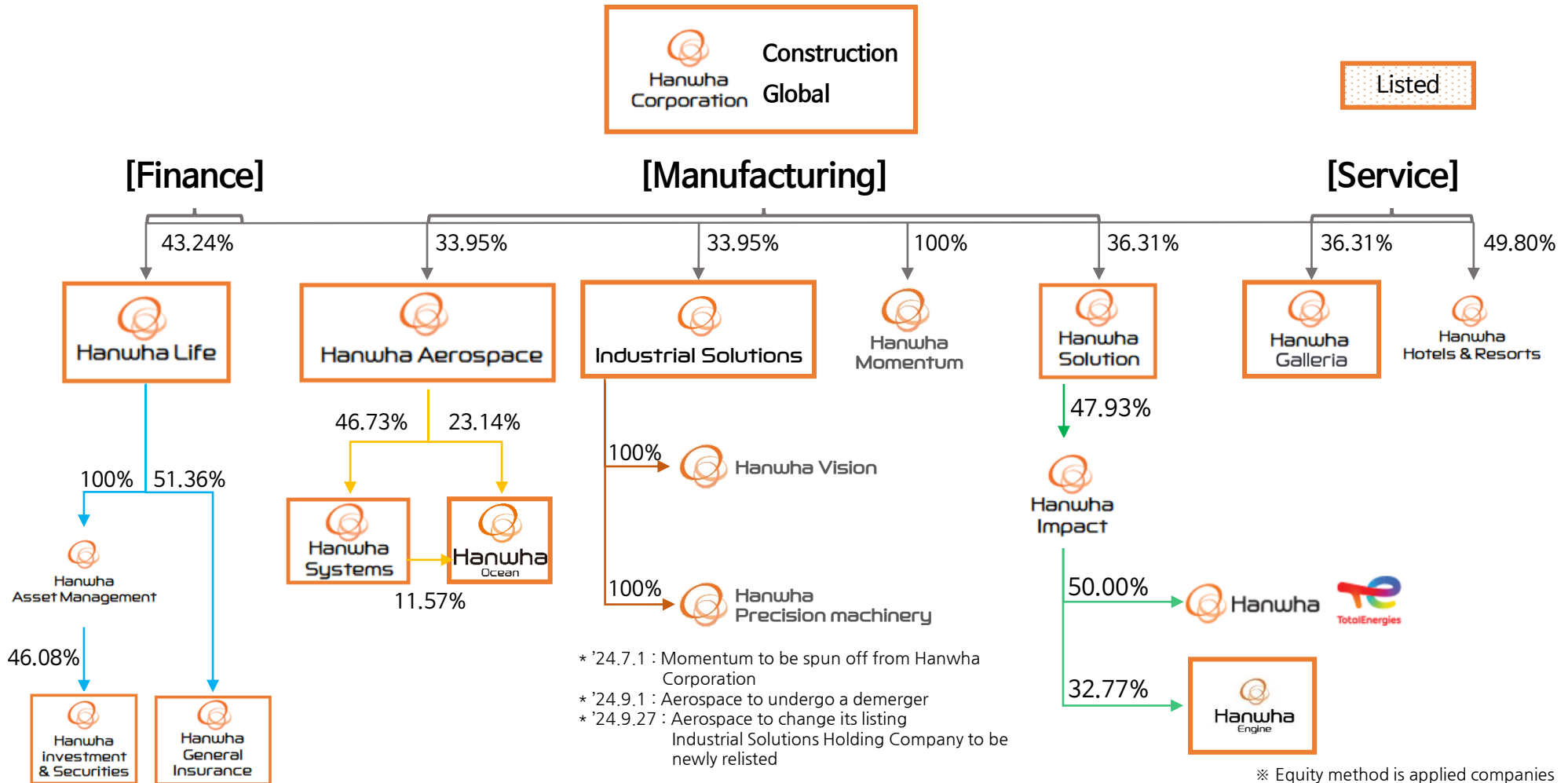
* FVPL : Fair Value Through Profit or Loss

Outlook

- Continuous growth in new contract sales is expected with the launch of women's insurance
- Although a decline in insurance profits is anticipated in the 4th quarter due to seasonal factors, plan to focus on high-margin products to drive OP growth

Appendix #1

Own business operations in the construction and global divisions. Holding company of Hanwaha Group, which is the largest shareholder of listed companies such as Life, Aerospace, Industrial Solutions, Solution, and Galleria, as well as unlisted companies like Momentum and H&R.







※ Equity method is applied companies including Hanwaha Impact, YNCC, etc.

Appendix #2

(E&C) Hanwha's MXD Line-up

* MXD: Mixed Use Development

| | Seoul Station (Northern area) | Jamsil MICE complex | Suseo Station Transfer Center | Daejeon Station (Eastern area) |
|-------------------------------------|---|--|---|---|
| Birds-eye |  |  |  |  |
| Order | KORAIL | SEOUL Metropolitan Gov. | Korea National Railway | KORAIL |
| Share | 29% (100% as Hanwha Group) | 15% (39% as Hanwha Group) | 46% | 50% |
| Area | 0.34 mil. m ² | 0.99 mil.m ² | 0.51 mil. m ² | 0.36 mil. m ² |
| Facilities | OT/Business/ Accommodation/ Retail | Convention/Stadium/ Sports Complex/ Facilities (Accommodation, Retail, etc) | Department store/OT/ Business/Accommodation | APT/Retail/Business/ Accommodation |
| Project Cost (Construction Cost) | 3.1 Tn won (1.2 Tn won) | 2.2 Tn won (0.8 Tn won) | 1.6 Tn won (1.2 Tn won) | 1.3 Tn won (0.6 Tn won) |
| Ground Break | 2024 | After 2025 | 2025 | After 2025 |

Appendix #3

(E&C) Project Financing Guarantee amount (As of September 2024)

(Unit : KRW Bn)

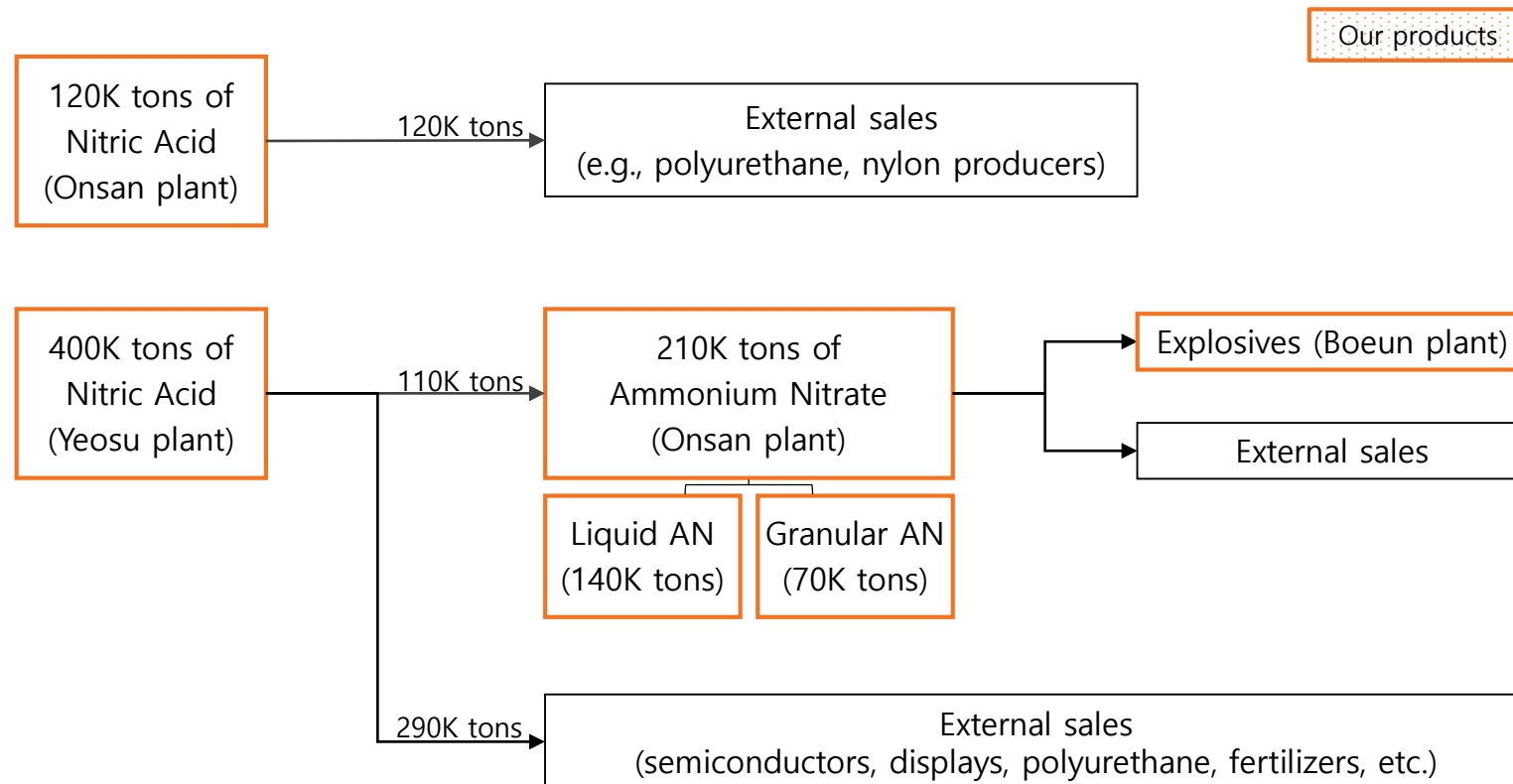
| Category | | Amount | Note |
|-------------------------------|--------------------|------------|---|
| Maintenance project | | 222 | Long-term loan for redevelopment/reconstruction association projects that are mostly converted to completion guarantee terms (expiring upon the completion of each project) |
| Own business (Bridge-Loan) | | 461 | Seoul Station 254 Bn, Gyeonggi Gwangju Development 88 Bn Suwon Gosaek Officetel 70Bn, Daejeon Station 44 Bn |
| General Contracting | Completion | 114 | Inspire Complex Resort 44Bn (Expiration date: Dec '25) Kasia Sokcho guaranteed loan 70Bn (Expiration date: Jun '25) |
| | Begin construction | 17 | Yongin international logistics land construction PJ 5 Bn (Expiration date : Aug '25) Changwon IDC bridge loan 12 Bn |
| | Bridge -Loan | 24 | Gimpo Gamjeong Urban Development 24 Bn |
| Total | | 838 | |

“The PF risk amount is 41Bn KRW. Significantly lower amount compared to other construction companies”

Appendix #4

■ (Global) Sales plan of 520K tons of Nitric Acid

- Achieving economies of scale in the nitric acid business
- Strengthening vertical integration of nitric acid, ammonium nitrate, and explosives
- Increasing external sales to high-value customers

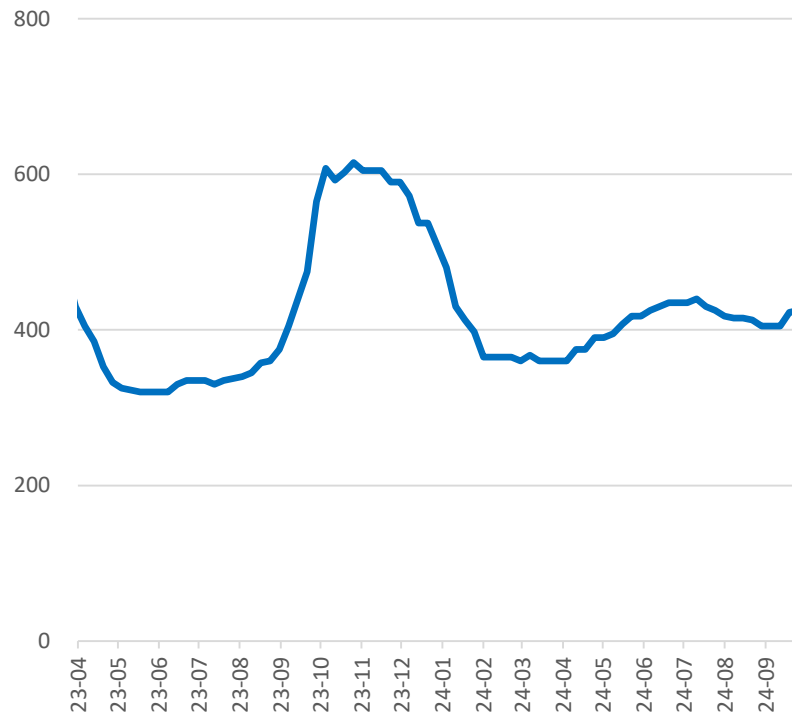


Appendix #5

(Global) Trends in the prices of nitric acid and trading commodities

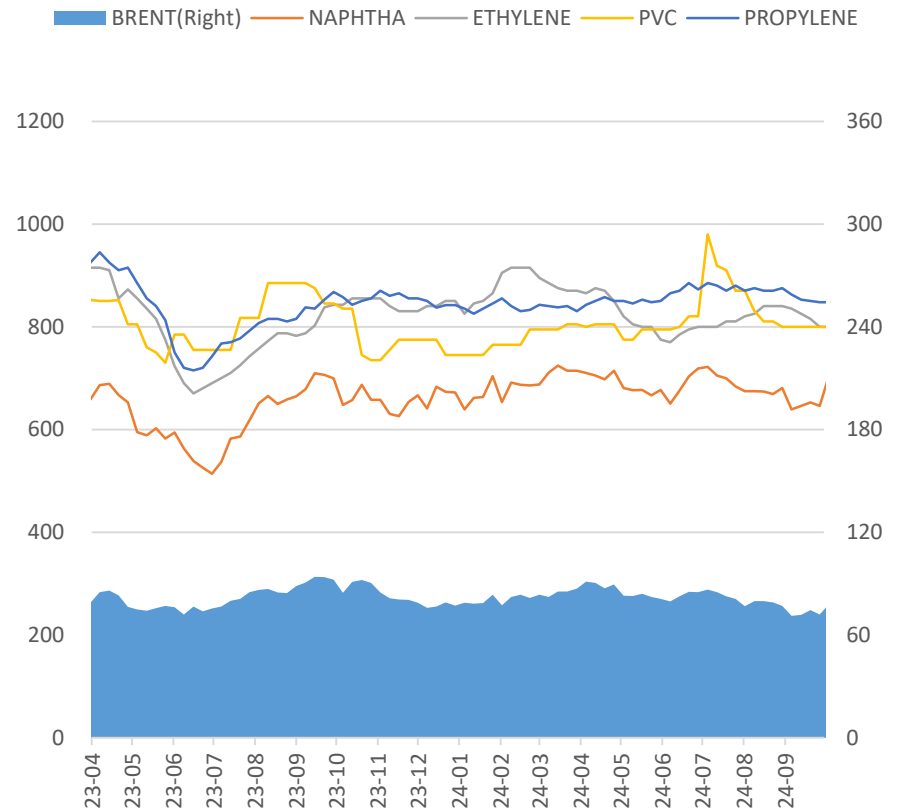
Ammonia (Raw material of nitric acid)

(Unit :\$/mt)



Chemicals and Oil (Trading commodities)

(Unit :\$/mt)

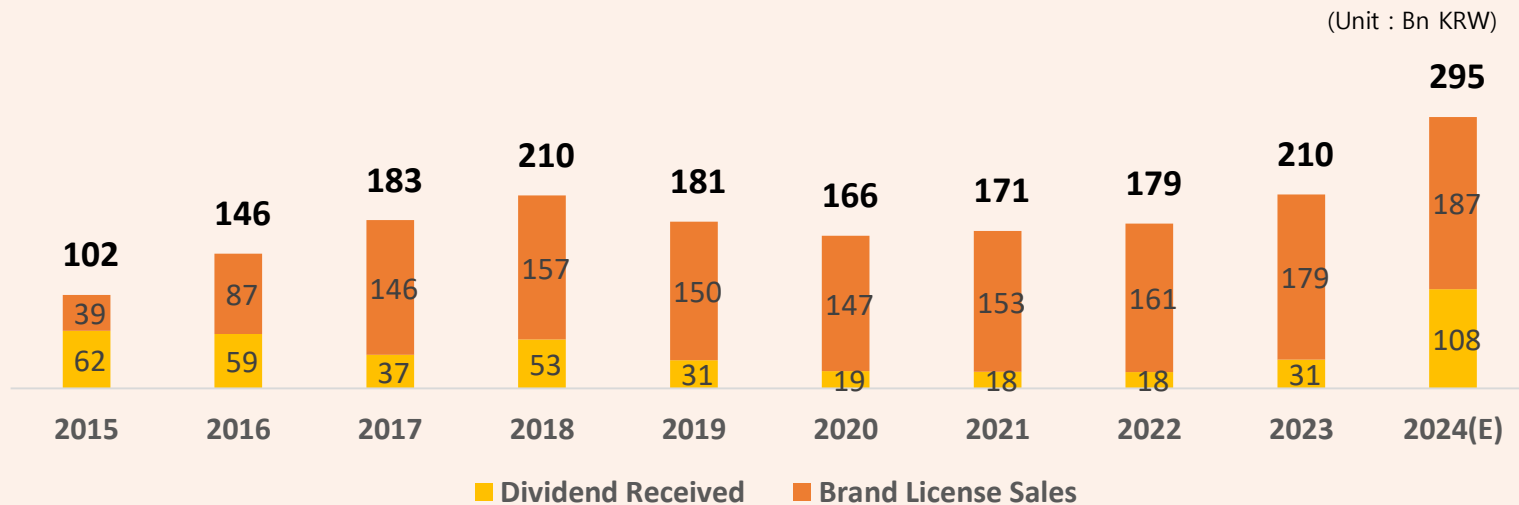


■ Increase long-term shareholders' return visibly based on improved financials

- Payout for the past 5 years ranged between 30%~50%

* Payout : $\text{Dividend Payment} / (\text{Dividend Received} + \text{Brand License Sales})$

※ Dividend Received and Brand License Sales Trend (10 years in 2015~2024)



Appendix #7

3Q24 Results: Hanwha Corp. and Subsidiaries

| Company | (KRW Bn) | 3Q23 | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 2021 | 2022 | 2023 |
|-------------------------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|
| Hanwha (Con.) | Sales | 11,920 | 14,476 | 12,435 | 12,993 | 12,218 | 52,836 | 50,887 | 53,135 |
| | OP | 382 | 232 | 236 | 529 | 526 | 2,928 | 2370 | 2,412 |
| | OPM | 3.2% | 1.6% | 1.9% | 4.1% | 4.3% | 5.5% | 4.7% | 4.5% |
| Hanwha Solutions (Con.) | Sales | 2,904 | 3,847 | 2,379 | 2,679 | 2,773 | 10,725 | 13,654 | 13,289 |
| | OP | 89 | 51 | -214 | -108 | -81 | 738 | 966 | 605 |
| | OPM | 3.1% | 1.3% | -9.0% | -4.0% | -2.9% | 6.9% | 7.1% | 4.5% |
| Hanwha Aerospace (Con.) | Sales | 1,982 | 3,432 | 1,848 | 2,786 | 2,631 | 5,541 | 7,060 | 9,359 |
| | OP | 115 | 276 | 37 | 359 | 477 | 277 | 400 | 691 |
| | OPM | 5.8% | 8.0% | 2.0% | 12.9% | 18.1% | 5.0% | 5.7% | 7.4% |
| Hanwha Life (Con.) | Sales | 4,857 | 5,407 | 6,528 | 6,015 | 4,722 | 27,174 | 22,259 | 22,782 |
| | OP | 35 | -23 | 401 | 380 | 128 | 1,352 | 1,257 | 926 |
| | OPM | 0.7% | -0.4% | 6.1% | 6.3% | 2.7% | 5.0% | 5.6% | 4.6% |

Appendix #8

P&L(Separate)

(Unit : KRW Bn)

| Accounts | 3Q24 | 3Q23 | YoY |
|--------------------------|--------------|--------------|-------------|
| Revenue | 1,257 | 1,850 | -593 |
| COGS | 1,075 | 1,661 | -586 |
| Gross Profit | 182 | 189 | -7 |
| SG&A | 123 | 121 | 2 |
| EBIT | 59 | 68 | -9 |
| Other Income | 314 | 55 | 259 |
| Other Expense | 39 | 75 | -36 |
| Interest/Finance Profit | 20 | 20 | - |
| Interest/Finance Expense | 51 | 51 | - |
| EBIT | 303 | 17 | 286 |
| Taxes | 68 | 3 | 65 |
| Net Income | 235 | 15 | 220 |

BS(Separate)

(Unit : KRW Bn)

| Accounts | 3Q24 | 2023 | Comparison |
|--|---------------|---------------|-------------|
| Assets | 10,391 | 10,507 | -116 |
| Current Assets | 2,890 | 2,700 | 189 |
| (Cash Equivalents) | 64 | 29 | 34 |
| (Accounts Receivables) | 1,419 | 1,310 | 109 |
| Non-Current Assets | 7,501 | 7,806 | -305 |
| (Investments in subsidiaries and associates) | 4,818 | 4,933 | -115 |
| Liabilities | 6,912 | 7,107 | -195 |
| Current Liabilities | 3,996 | 3,625 | 371 |
| (Borrowings & Debentures) | 2,690 | 1,595 | 1,096 |
| Non-current Liabilities | 2,916 | 3,482 | -566 |
| (Borrowings & Debentures) | 1,562 | 2,085 | -523 |
| Equity | 3,478 | 3,400 | 79 |