



# Hanwaha Corporation

3Q 2021 Results

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2021. 11. 3.

# Disclaimer

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

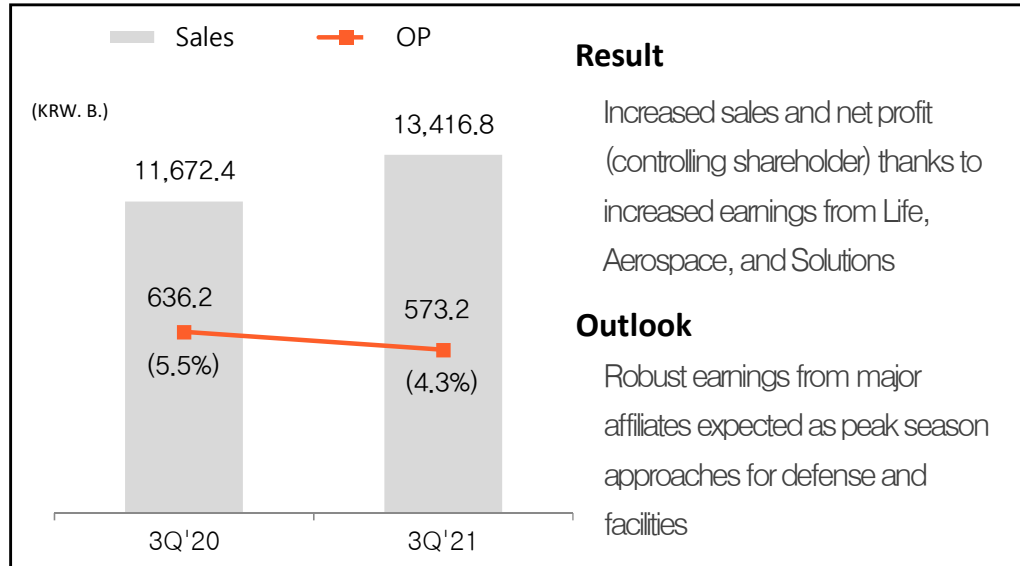
**This material provides preliminary earnings prior to the completion of an external audit for the convenience of investors only. It contains forward-looking statements that are inherently subject to risks and uncertainties, unexpected changes in market conditions, and subsequent adjustments in the business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

# 1. Financial Results

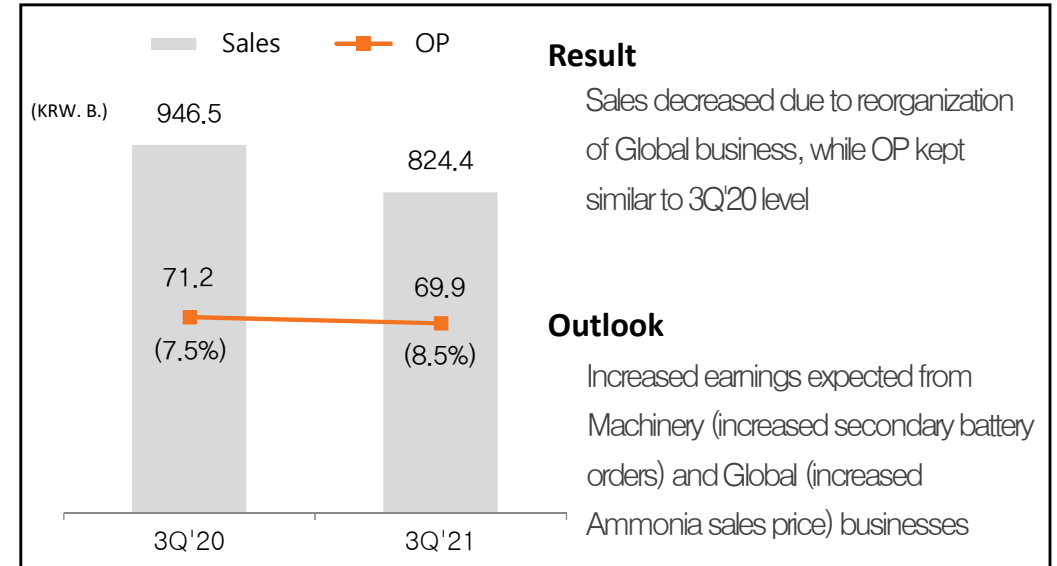
## [Consolidated] Great earnings continue in 3Q

- Major affiliates will continue great earnings, and in-house business will turn-around



## [Separate] Clearing out limited business

- Improved earnings expected thanks to increased order of secondary batteries and Ammonia price increase



### Consolidated

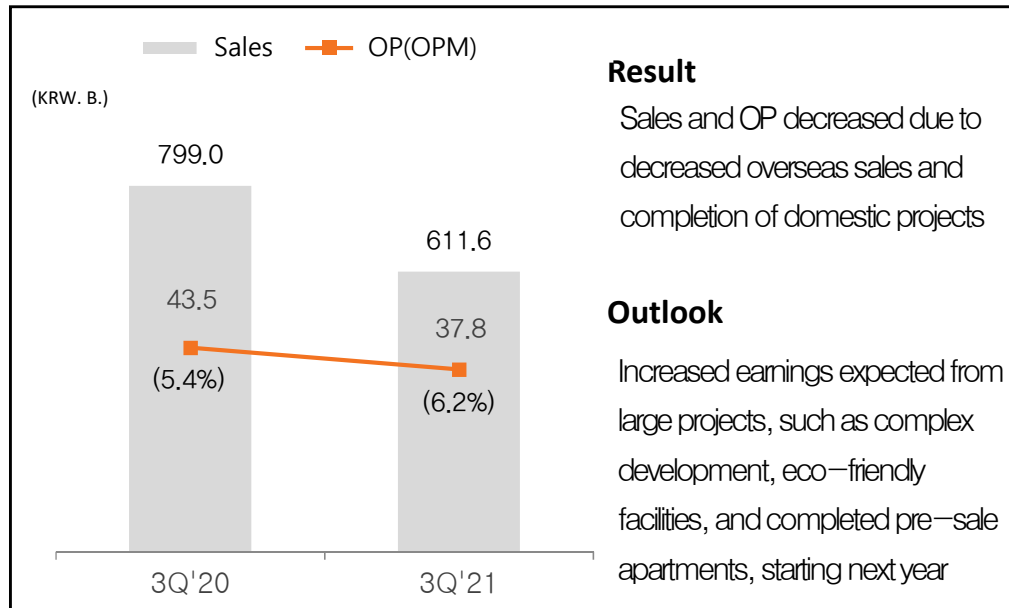
(Billion KRW)	3Q'21	QoQ	YoY
<b>Sales</b>	<b>13,416.8</b>	<b>5.8%</b>	<b>14.9%</b>
Non-financial	7,304.6	-9.5%	3.4%
Financial	7,992.1	24.3%	29.7%
Consolidation Adjustment	-1,880.0		
<b>Operating Profit</b>	<b>573.2</b>	<b>-25.5%</b>	<b>-9.9%</b>
Non-financial	409.8	-13.6%	1.9%
Financial	185.3	-36.5%	-27.5%
Consolidation Adjustment	-21.9		
<b>Net Profit</b>	<b>515.7</b>	<b>-9.9%</b>	<b>25.7%</b>
<b>Controlling Shareholder</b>	<b>232.5</b>	<b>-4.7%</b>	<b>42.5%</b>

### Separate

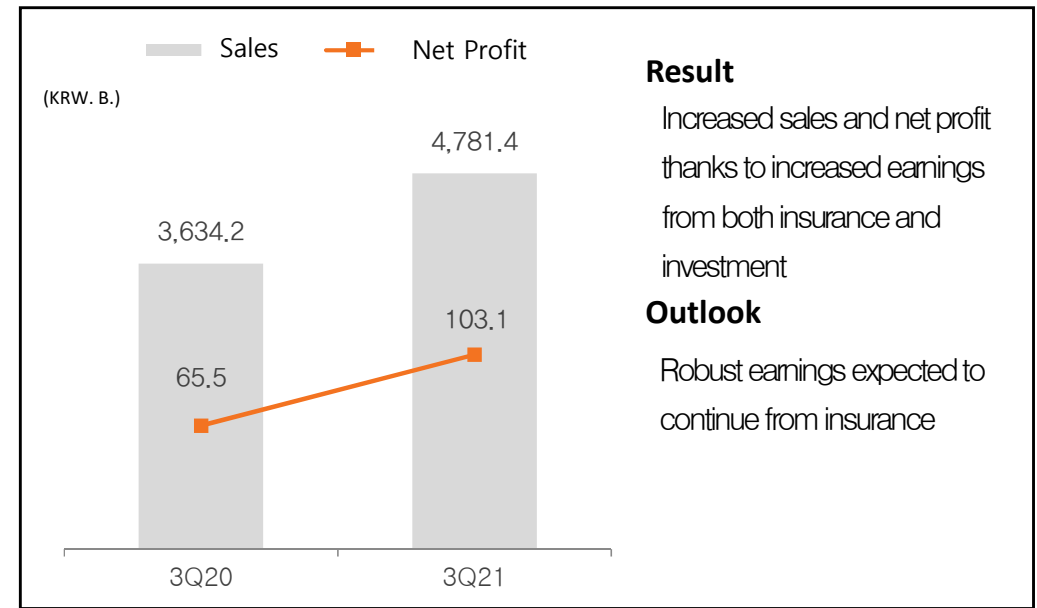
(Billion KRW)	3Q'21	QoQ	YoY
<b>Sales</b>	<b>824.4</b>	<b>-30.5%</b>	<b>-12.9%</b>
Defense/Machinery	493.9	-25.2%	+1.1%
Global	330.5	-37.2%	-27.8%
<b>Operating Profit</b>	<b>69.9</b>	<b>-21.1%</b>	<b>-1.8%</b>
Defense/Machinery	43.2	-28.7%	-1.8%
Global	26.7	-4.6%	-1.5%
<b>Net Profit</b>	<b>43.6</b>	<b>-21.6%</b>	<b>-15.3%</b>

## 2. Major Affiliates

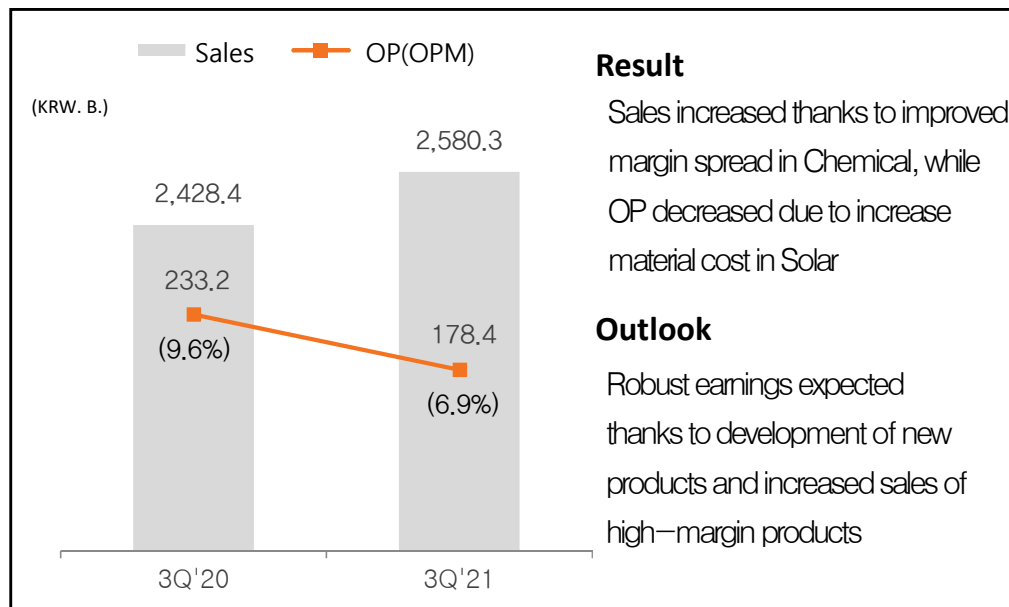
### Hanwha E&C



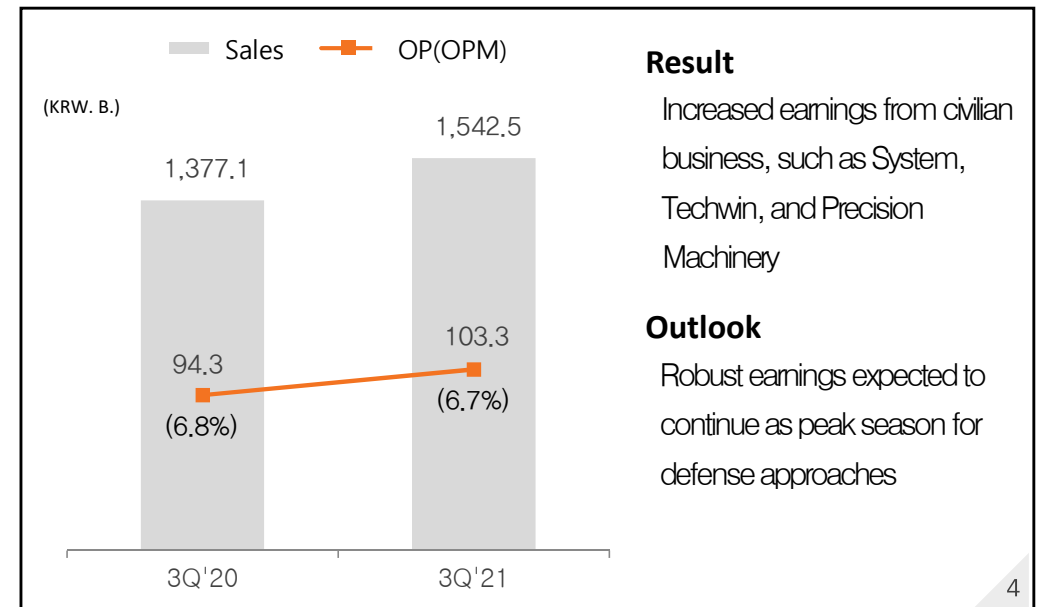
### Hanwha Life



### Hanwha Solutions



### Hanwha Aerospace

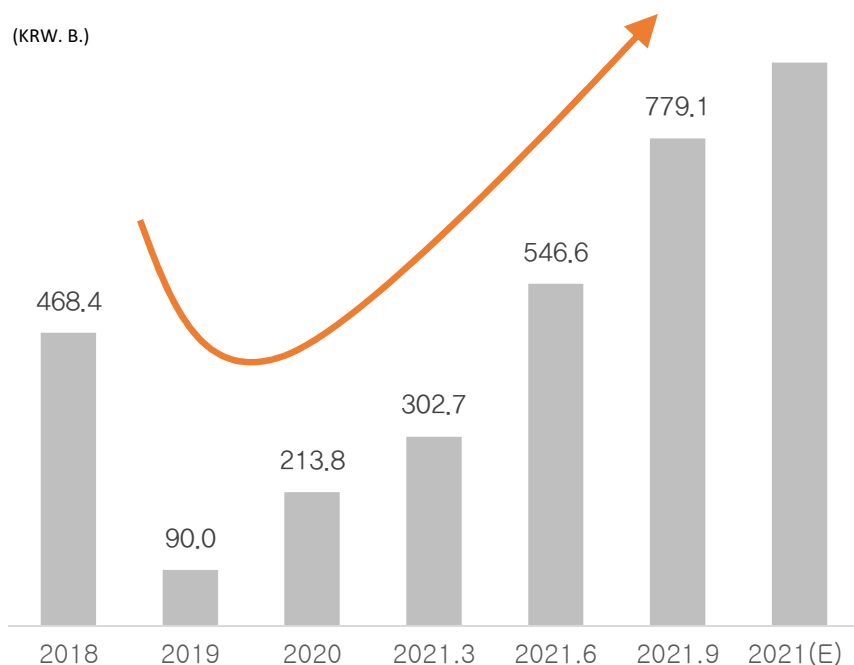


### 3. Highlight

- Expecting "the greatest annual earnings ever"
  - Achieved 1.7x annual net profit (controlling shareholder) of '18 by 3Q'21, overcoming COVID–19
- Key Driver
  - Increased earnings thanks to additional orders from Manufacturing and business reorganization in Global
  - Robust earnings from major affiliates (Life, Aerospace) continue

#### Net Profit(Controlling Shareholder)

(KRW. B.)



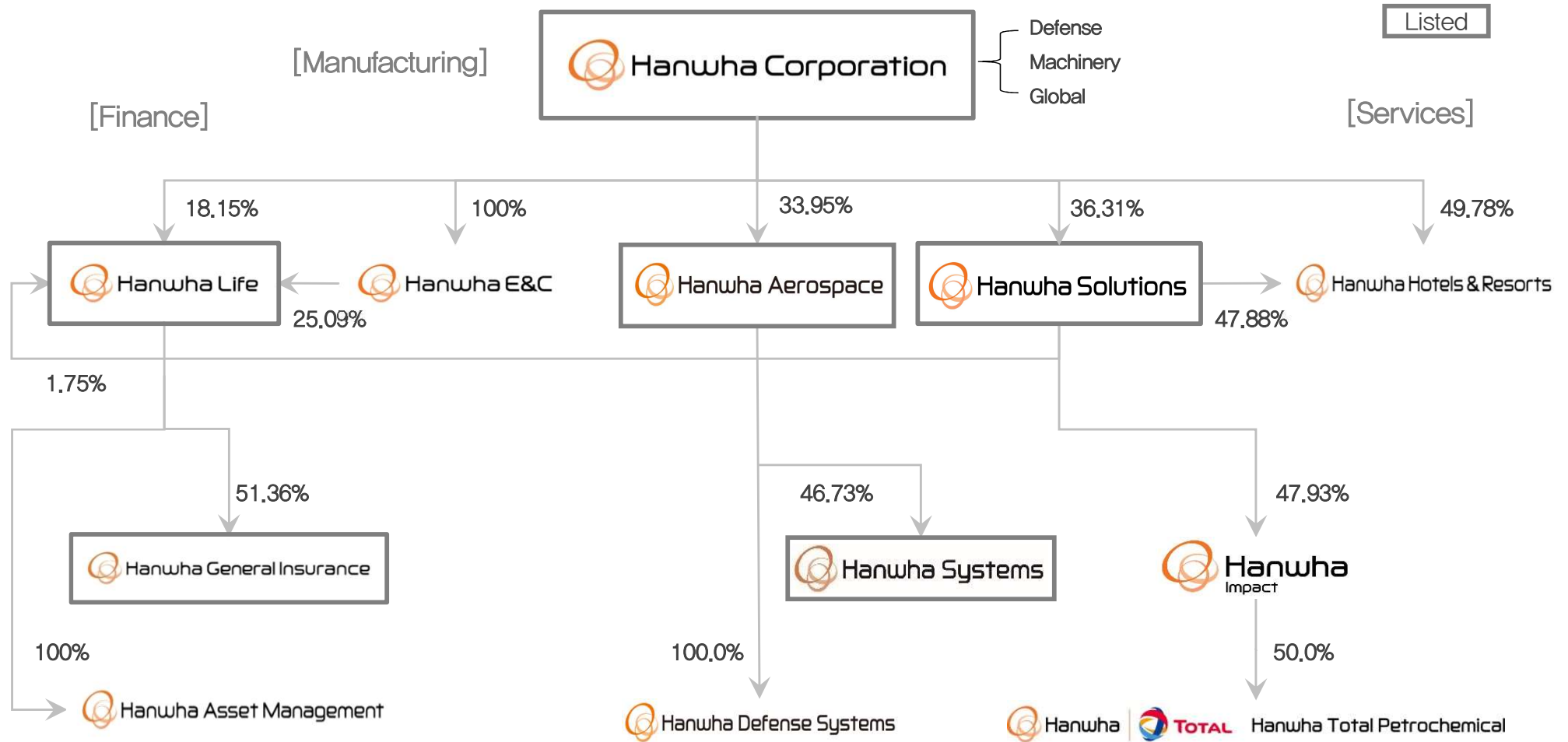
#### New Business Plan

<b>In-House</b>	<ul style="list-style-type: none"> <li>• Machinery: increased facility orders from around the world such as secondary battery (US, EU), display (China), and process facility (US)</li> </ul>
<b>Solutions</b>	<ul style="list-style-type: none"> <li>• Global: achieve Green Management through expanding nitric acid facility and CDM (Clean Development Mechanism) while the value of carbon credit expected to rise due to COP26</li> <li>• Mass production of Perovskite tandem solar cell research (Invest 1 Trillion KRW by '25)</li> <li>• Target premium markets based on high-output production lines and strengthen competitiveness in major overseas markets</li> </ul>

# 4. Appendix

## Ownership Structure

481 subsidiaries & affiliates including Hanwha Corp., Hanwha Life, Hanwha Solutions, Hanwha E&C, Hanwha Aerospace, Hanwha Hotels&Resorts, etc. form the consolidated group [K-IFRS 1110 / Sep. 30<sup>th</sup>, 2021]



※ Equity method is applied to 84 companies including Hanwha Impact, YNCC, etc.

## 4. Appendix

### Results by Hanwha Corp. and Key Subsidiaries<sup>1)</sup>

(KRW, Billion)		1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	2019	2020
Hanwha Corp.	Sales	14,461.9	11,004.1	11,672.4	13,788.0	12,838.2	12,677.1	13,416.8	50,412.4	50,926.5
(Consolidated)	OP	296.4	501.3	636.2	148.1	848.5	769.0	573.2	1,125.7	1,582.0
	OPM	2.0%	4.6%	5.5%	1.1%	6.6%	6.1%	4.3%	2.2%	3.1%
Hanwha Corp.	Sales	841.5	1,083.1	946.5	1,129.6	710.3	1,186.6	824.4	4,433.2	4,000.8
(Separate)	OP	6.5	58.5	71.2	30.8	4.1	88.6	69.9	188.9	167.0
	OPM	0.8%	5.4%	7.5%	2.7%	0.6%	7.5%	8.5%	4.3%	4.2%
Hanwha E&C	Sales	886.7	852.1	799.0	750.6	587.0	725.1	611.6	3,823.4	3,288.4
	OP	66.2	88.7	43.5	-5.1	34.1	54.5	37.8	290.6	193.3
	OPM	7.5%	10.4%	5.4%	-0.7%	5.8%	7.5%	6.2%	7.6%	5.9%
Hanwha Life <sup>2)</sup>	Sales	5,619.2	3,474.4	3,634.2	4,446.2	4,400.5	3,532.7	4,781.4	16,083.6	17,174.0
	OP	4.8	138.8	68.9	-64.8	201.3	36.9	12.3	-139.5	147.7
	OPM	0.1%	4.0%	1.9%	-1.5%	4.6%	1.0%	0.3%	-0.9%	0.9%
Hanwha Solutions <sup>1)</sup>	Sales	2,248.4	1,956.4	2,428.4	2,561.8	2,404.3	2,777.5	2,580.3	9,503.3	9,195.0
	OP	159.0	128.5	233.2	65.4	254.6	221.1	178.4	378.3	594.2
	OPM	7.07%	6.6%	9.6%	2.6%	10.6%	8.0%	6.9%	4.0%	6.5%
Hanwha Aerospace <sup>1)</sup>	Sales	1,027.4	1,192.7	1,377.1	1,724.2	1,212.4	1,686.5	1,542.5	5,264.1	5,321.4
	OP	3.2	70.2	94.3	76.2	65.9	132.6	103.3	165.2	244.0
	OPM	0.3%	5.9%	6.8%	4.4%	5.4%	7.9%	6.7%	3.1%	4.6%

1) The figures stated are on a separate basis under K-IFRS whereas Hanwha Aerospace and Solutions<sup>1)</sup> are on a consolidated basis.

2) Hanwha Life's figures are on a separate basis as disclosed on its quarterly & semi-yearly financial reports to the Financial Supervisory Service

## 4. Appendix – IR News

### ▶ Hanwha Corp.

- **Hanwha – Wonik cooperate in ammonia-based hydrogen business**

On Oct. 11<sup>th</sup>, Hanwha and Hanwha Impact announced that they signed a MOU with Wonik Materials and Wonik Holdings to cooperate in producing and supplying hydrogen based on Ammonia.

### ▶ Hanwha E&C

- **Promotes ESG management to become a Green developer**

On Oct. 20<sup>th</sup>, Hanwha E&C announced that the company will strengthen its capabilities with the goal of becoming a top-tier Green developer in Korea, beyond a simple contractor in environmental projects. The company is in charge of developing Sinan-Ui offshore wind power project (2 Trillion KRW), and selected as preferred bidder for the Daejeon sewage treatment plant project (729 Billion KRW).

### ▶ Hanwha Life

- **Won a lawsuit for immediate annuity payable**

On Oct. 21<sup>st</sup>, The Seoul Central District Court ruled in favor of Hanwha Life in the debt non-existence lawsuit filed by the company. The FSS received a complaint that the insurance amount was paid less than the policy, and recommended all insurance companies to pay out the additional amount. According to FSS, the total pay-out amounts to 1 Trillion KRW.

### ▶ Hanwha Solutions

- **Invests in next-generation solar technologies**

On Oct. 28<sup>th</sup>, Hanwha Solutions announced its plan to invest 1 Trillion KRW in domestic plants for research and mass-production of Perovskite Tandem Solar Cells by '25. The company expects to provide a stable supply of high-power products and enhance its competitiveness in the solar market.

### ▶ Hanwha Aerospace

- **Developing core technologies for the second launch of Nuri in '22**

Following the first launch on Oct. 21<sup>st</sup>, Hanwha Aerospace plans to mount the engine system for the second launch of the Nuri, scheduled in May '22. The company plans to lead the aerospace era by developing and securing its own aerospace technology.

### ▶ Hanwha Defense

- **Submitted final proposal for Australian Redback armored vehicle**

Hanwha Defense submitted the final proposal for the Australian Ministry of Defenses' future tracked armored vehicle acquisition project. Hanwha defense is competing with Rheinmetall, a German defense company, for the project. The final evaluation is scheduled in '22.