

Hanwha Aerospace 1Q 2020 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.

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Consolidated P/L, B/S

Current Business

Hanwha Aerospace

Hanwha Defense

Hanwha Systems

Hanwha Techwin

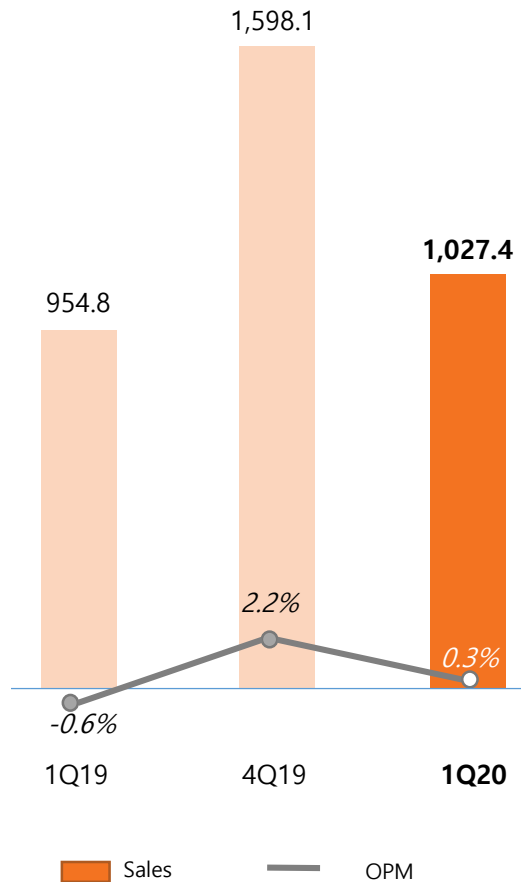
Hanwha Power Systems

Hanwha Precision Machinery

Appendix

History / Shareholder Information / Global Network

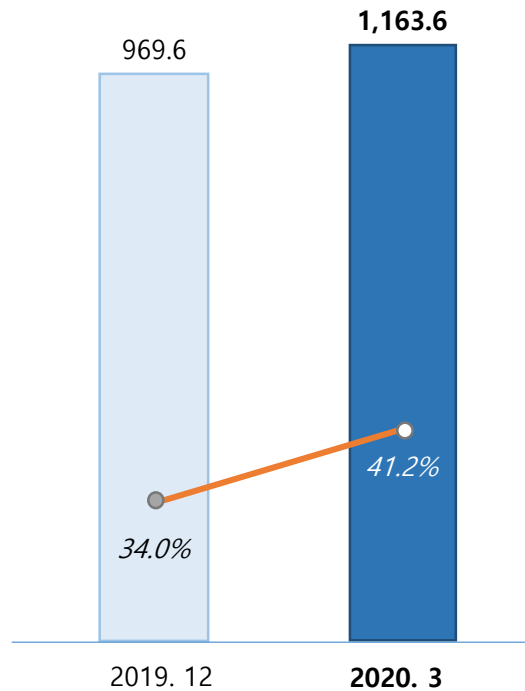
1Q20 Sales & Profits



(in KRW bn)

	1Q19	4Q19	1Q20	YoY	QoQ
Sales	954.8	1,598.1	1,027.4	7.6%	-35.7%
Gross Profit	186.3	267.5	205.5	10.3%	-23.2%
Operating Profit	-5.8	35.1	3.2	<i>Turn to profit</i>	-90.9%
(Excluding RSP)	17.2	49.9	32.1	86.6%	-35.7%
EBITDA	39.8	114.6	65.4	64.3%	-42.9%
(Excluding RSP)	62.7	129.4	94.3	50.4%	-27.1%
Pre-tax Profit	-10.0	11.9	-9.4	6.0%	<i>Turn to Loss</i>
Net Profit	-7.5	14.6	-9.1	-21.3%	<i>Turn to loss</i>
%					
% COGS	80.5%	83.3%	80.0%	(-0.5%p)	(-3.3%p)
% SG&A	20.1%	14.5%	19.7%	(-0.4%p)	(5.2%p)
OP	-0.6%	2.2%	0.3%	(0.9%p)	(-1.9%p)
(Excluding RSP)	1.8%	3.1%	3.1%	(1.3%p)	-
Pre-tax Profit Margin	-1.0%	0.7%	-0.9%	(0.1%p)	(-1.6%p)
Net Profit Margin	-0.8%	0.9%	-0.9%	(-0.1%p)	(1.8%p)

Gearing



■ Net Debt — Net Debt to Equity

(in KRW bil.)

	4Q19	1Q20	QoQ
Asset	8,708.4	9,567.8	9.9%
Current Asset	4,563.6	5,334.1	16.9%
Cash and Cash Equivalent	1,000.1	1,360.6	36.0%
Other Current Asset	122.9	73.8	-40.0%
Receivables	1,293.0	1,259.5	-2.6%
Inventory	1,329.7	1,631.6	22.7%
Non-current assets	4,144.8	4,233.8	2.1%
Tangible assets	1,822.0	1,836.1	0.8%
Intangible assets	1,881.4	1,890.3	0.5%
Liabilities	5,853.1	6,745.0	15.2%
Current Liabilities	3,329.0	4,195.2	26.0%
Payables and other current	762.7	721.5	-5.4%
Current Liabilities	504.2	1,031.5	104.6%
Fixed Liabilities	2,524.0	2,549.7	1.0%
Borrowings	1,588.4	1,566.5	-1.4%
Total Capital	2,855.4	2,822.9	-1.1%
Paid-in Capital	265.7	265.7	-
% Current Ratio	137.1%	127.1%	(-9.9%p)
% Short-term Borrowing	24.1%	39.7%	(15.6%p)
% Net-debt to Equity	33.9%	41.2%	(7.3%p)



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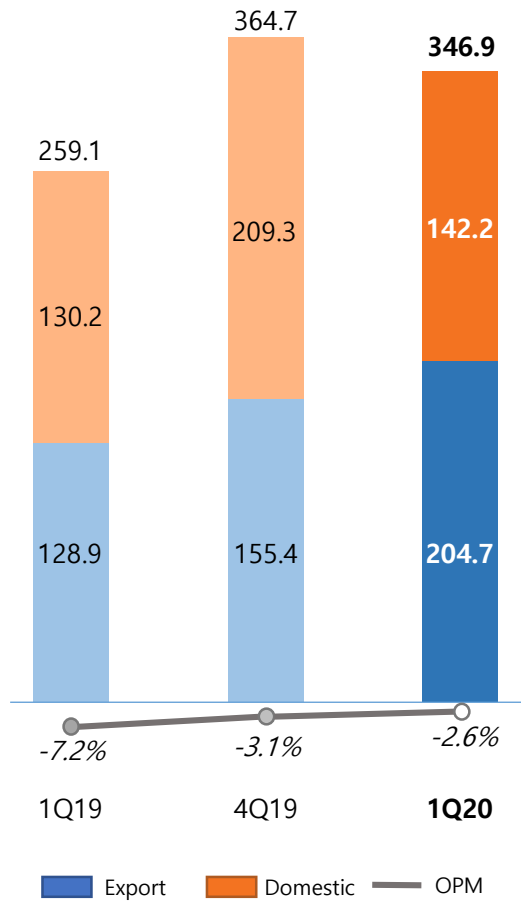
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1Q20 Sales & Profits

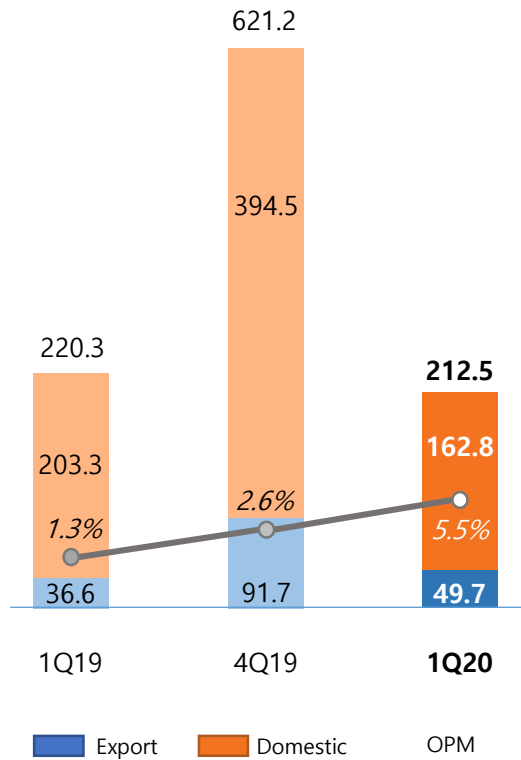


(in KRW bil.)

	1Q19	4Q19	1Q20	YoY	QoQ
Sales	259.1	364.7	346.9	33.9%	-4.9%
LTA	104.6	158.4	185.5	77.3%	17.1%
GTF RSP	10.3	-36.4	0	-	-
Others	144.2	242.7	161.4	11.9%	-33.5%
OP	-18.7	-11.4	-9.1	51.4%	20.3%
LTA	7.0	7.6	14.5	107.7%	91.3%
GTF RSP	-23.0	-14.8	-28.9	-25.5%	-95.0%
Others	-2.7	-4.1	5.2	Turn to profit	Turn to profit
%	-7.2%	-3.1%	-2.6%	(4.6%p)	(0.5%p)
LTA	6.7%	4.8%	7.8%	(1.1%p)	(3.0%p)
Others	-1.9%	-1.7%	3.3%	(5.1%p)	(4.9%p)

(in KRW bil.)

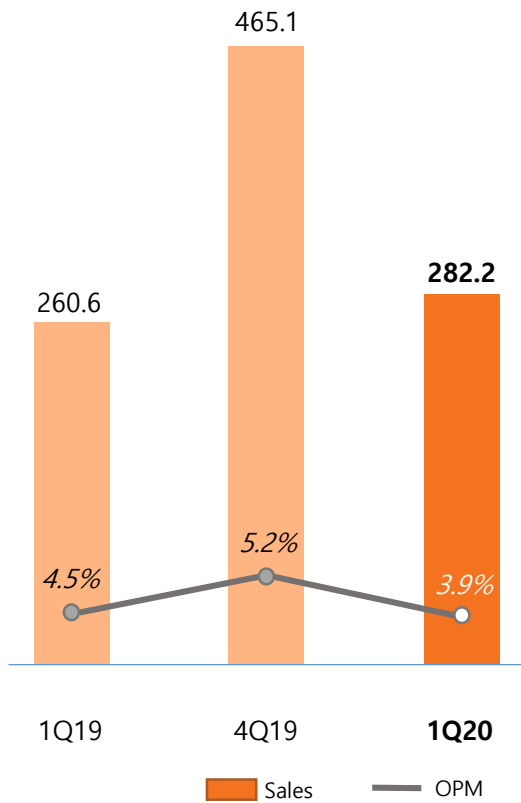
1Q20 Sales & Profits



	1Q19	4Q19	1Q20	YoY	QoQ
Sales	239.9	486.2	212.5	-11.4%	-56.3%
Domestic	203.3	394.5	162.8	-19.9%	-58.7%
K9 and etc.	154.2	250.0	92.6	-39.9%	-62.9%
Armored Vehicles	13.3	62.0	15.6	17.6%	-74.8%
Air Defense Systems	35.1	72.6	47.5	35.5%	-34.5%
Unmanned Ground Systems	0.7	9.9	7.0	901.7%	-29.2%
Export	36.6	91.7	49.7	35.7%	-45.8%
OP	3.0	12.8	11.7	290.0%	-8.6%
%	1.3%	2.6%	5.5%	(4.2%p)	(2.9%p)

(in KRW bil.)

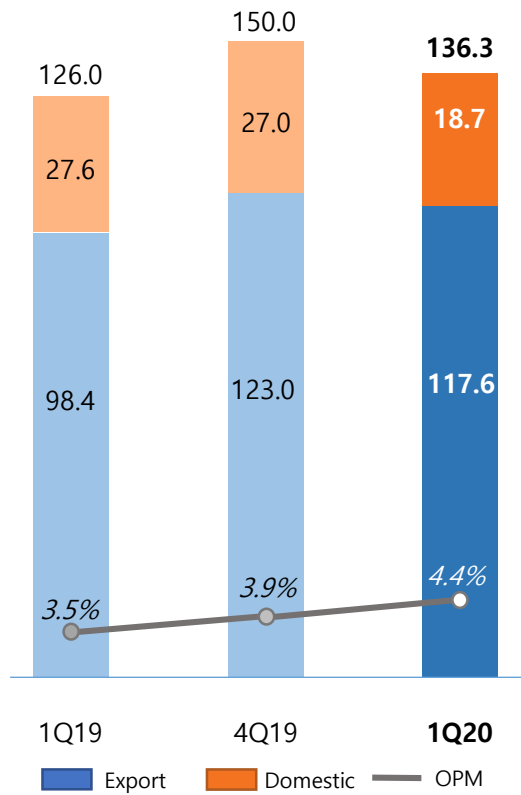
1Q20 Sales & Profits



	1Q19	4Q19	1Q20	YoY	QoQ
Sales	260.6	465.1	282.2	8.3%	-39.3%
Defense	160.1	330.4	167.4	4.6%	-49.3%
ICT	100.5	134.7	114.8	14.2%	-14.8%
OP	11.7	24.0	10.9	-6.6%	-54.5%
Defense	0.5	24.1	4.0	700.0%	-83.4%
ICT	11.2	-0.1	6.9	-38.4%	Turn to profit
%	4.5%	5.2%	3.9%	(-0.6%p)	(-1.3%p)
Defense	0.3%	7.3%	2.4%	(2.1%p)	(-4.9%p)
ICT	11.1%	-0.1%	6.0%	(-5.1%p)	(6.1%p)

(in KRW bil.)

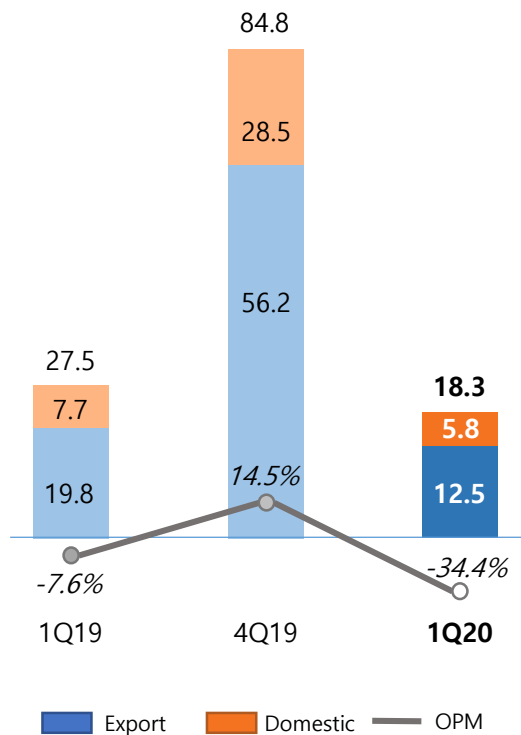
1Q20 Sales & Profits



	1Q19	4Q19	1Q20	YoY	QoQ
Sales	126.0	150.0	136.3	8.2%	-9.1%
By Product					
B2B	88.3	101.8	96.5	15.3%	-
B2C	5.7	11.5	6.7	18.1%	-41.4%
Other	32.0	36.7	33.1	3.4%	-9.8%
By Region					
Americas	50.1	67.2	65.1	30.0%	-3.1%
Europe	17.1	20.4	23.4	37.0%	14.8%
China	2.9	1.4	0.3	-88.3%	-75.8%
ROW	28.3	34.0	28.7	1.3%	-15.6%
OP	4.4	5.8	6.0	37.0%	3.9%
%	3.5%	3.9%	4.4%	(0.9%p)	(0.6%p)

(in KRW bil.)

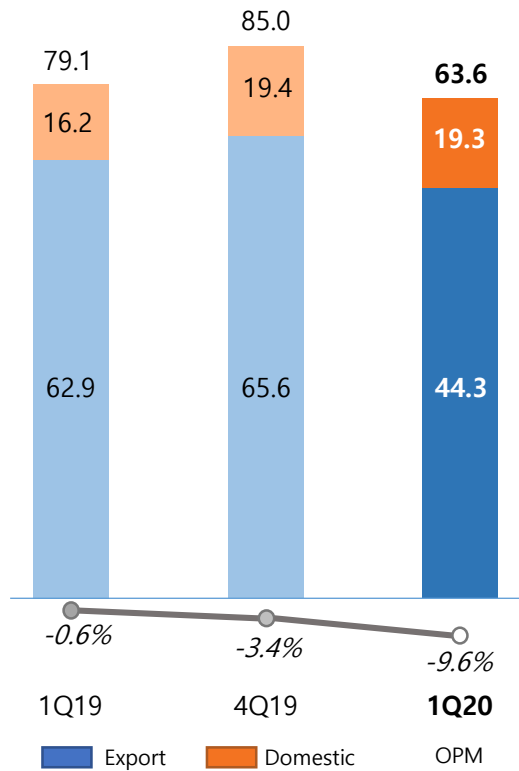
1Q20 Sales & Profits



	1Q19	4Q19	1Q20	YoY	QoQ
Sales	27.5	84.8	18.3	-33.5%	-78.4%
Standard	14.6	29.0	8.2	-43.8%	-71.7%
Customized	7.0	39.2	2.2	-68.7%	-94.4%
After Market	5.2	13.7	7.5	43.4%	-45.6%
Other	0.7	2.9	0.4	-36.9%	-84.8%
OP	-2.1	12.3	-6.3	-199.8%	Turn to loss
%	-7.6%	14.5%	-34.4%	(-26.8%p)	(-48.9%p)

(in KRW bil.)

1Q20 Sales & Profits



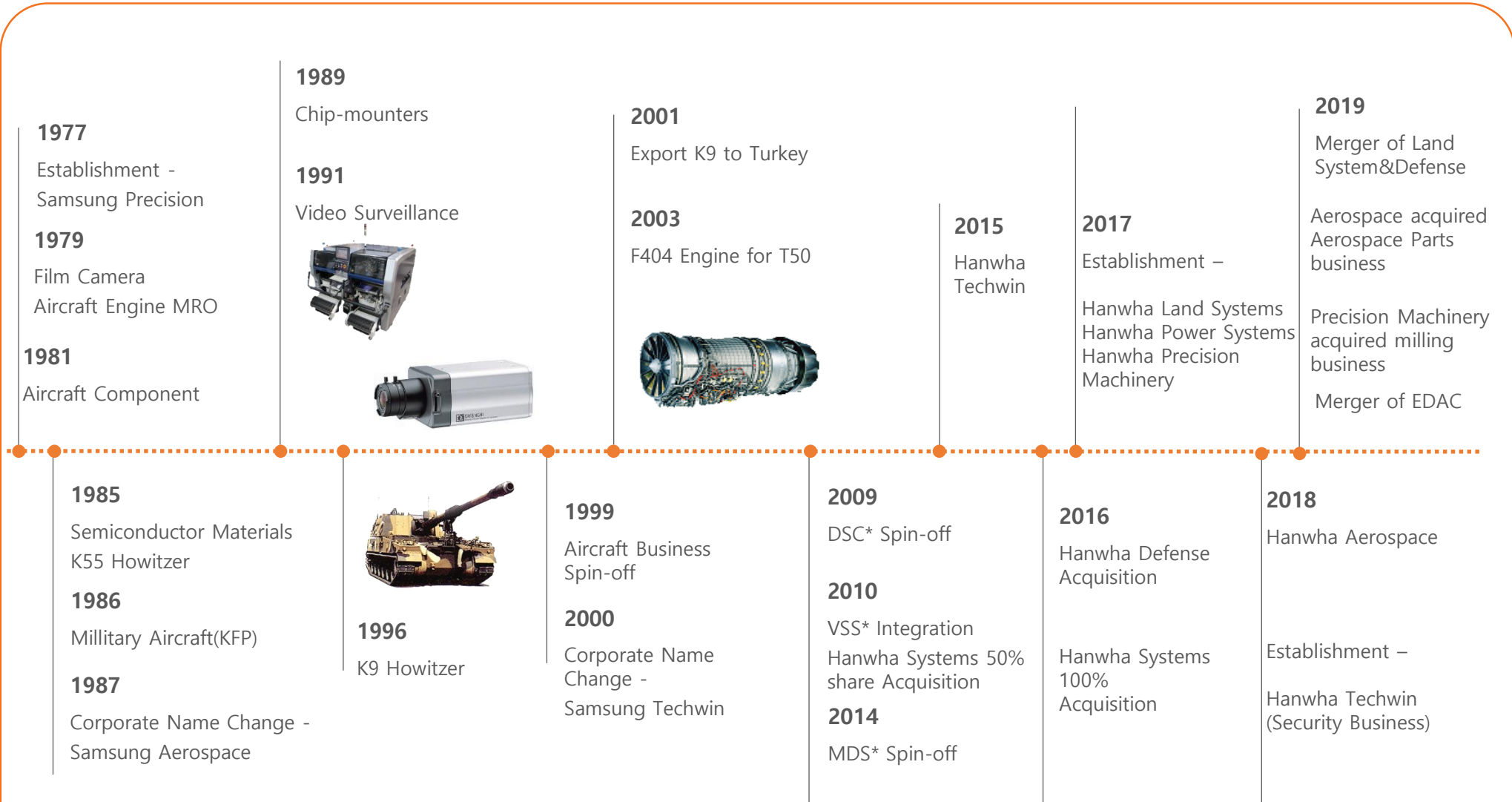
	1Q19	4Q19	1Q20	YoY	QoQ
Sales	79.1	85.0	63.6	-19.7%	-25.2%
by product					
SMT*	48.2	62.0	44.2	-8.2%	-28.6%
Others	30.9	23.0	19.4	-37.5%	-16.0%
by region					
China	39.6	38.8	27.1	-31.5%	-30.1%
Domestic	16.2	19.4	19.3	19.1%	-0.5%
Other region	23.3	26.8	17.2	-26.5%	-36.1%
OP	-0.5	-2.9	-6.1	-1,121.6%	-110.6%
SMT	3.8	1.5	-1.2	Turn to loss	Turn to loss
Others	-4.3	-4.4	-4.9	-13.5%	-11.0%
%	-0.6%	-3.4%	-9.6%	(-9.0%p)	(-6.2%p)
SMT	7.9%	2.4%	-2.8%	(-10.7%p)	(-5.1%p)
Others	-13.9%	-19.1%	-25.3%	(-11.4%p)	(-6.2%p)

*SMT(Surface mount technology)



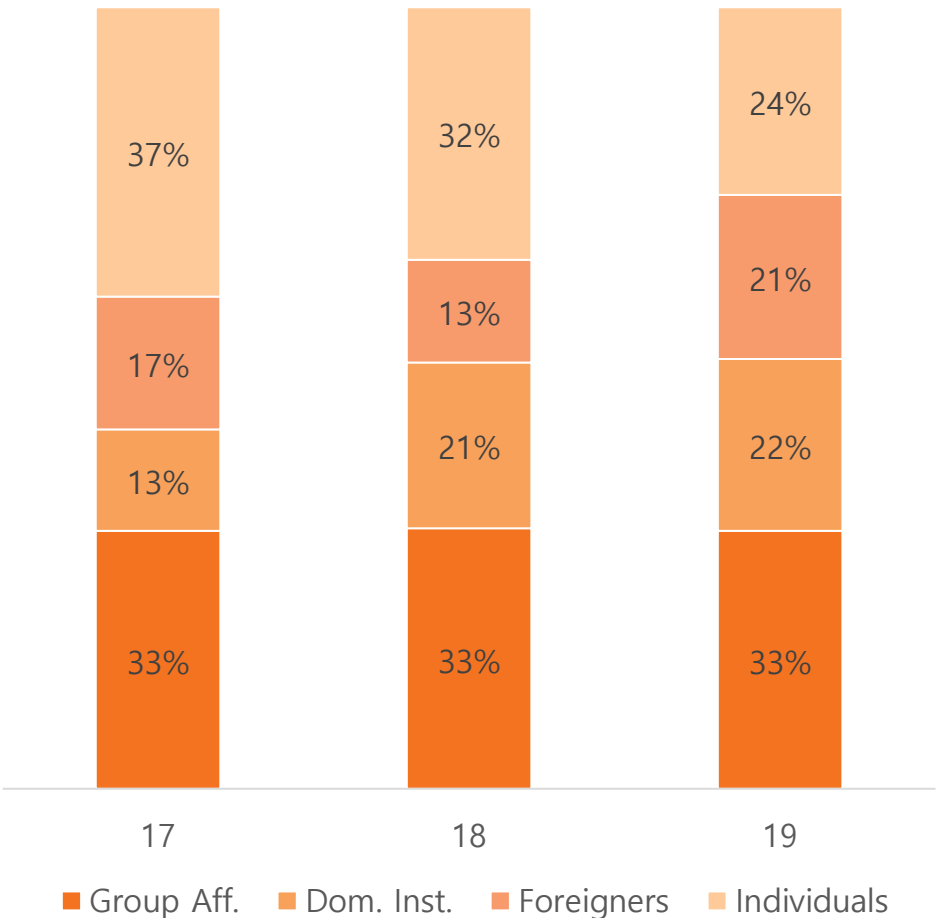
Appendix

History / Shareholder Information / Global Network



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

(in KRW bil.)



Major Shareholder (Group Affiliates)

	Share(%)	Market Value
Hanwha corp.	33.3%	603

(As of Dec. 31, 2019)

Subsidiaries

	Share(%)
Hanwha Systems	49.0%
Hanwha Defense ¹⁾	100.0%
Hanwha Techwin	100.0%
Hanwha Power Systems	100.0%
Hanwha Precision Machinery	100.0%

(As of Dec. 31, 2019)

