



 **Halla** 주 | 한라

Apr. 2021



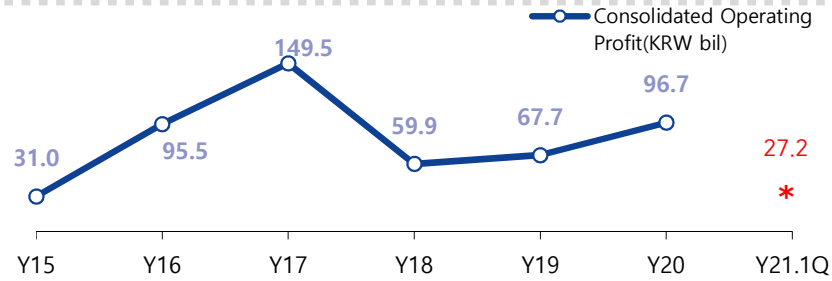
2015년 환경 주거문화대상
종합대상!



한라비발디

Summary

Solid Performance



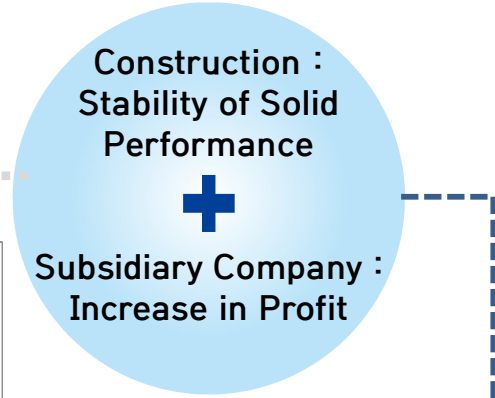
Construction

New orders

Y21.1Q
Order Backlogs 3.87 trillion won

Housing

Y21
Supply 11,000 units (plan)



Subsidiary Company

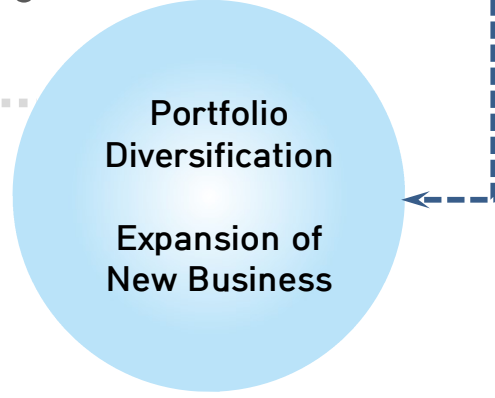
Logistics



Leisure



Port operation



New Business

Invest



IT

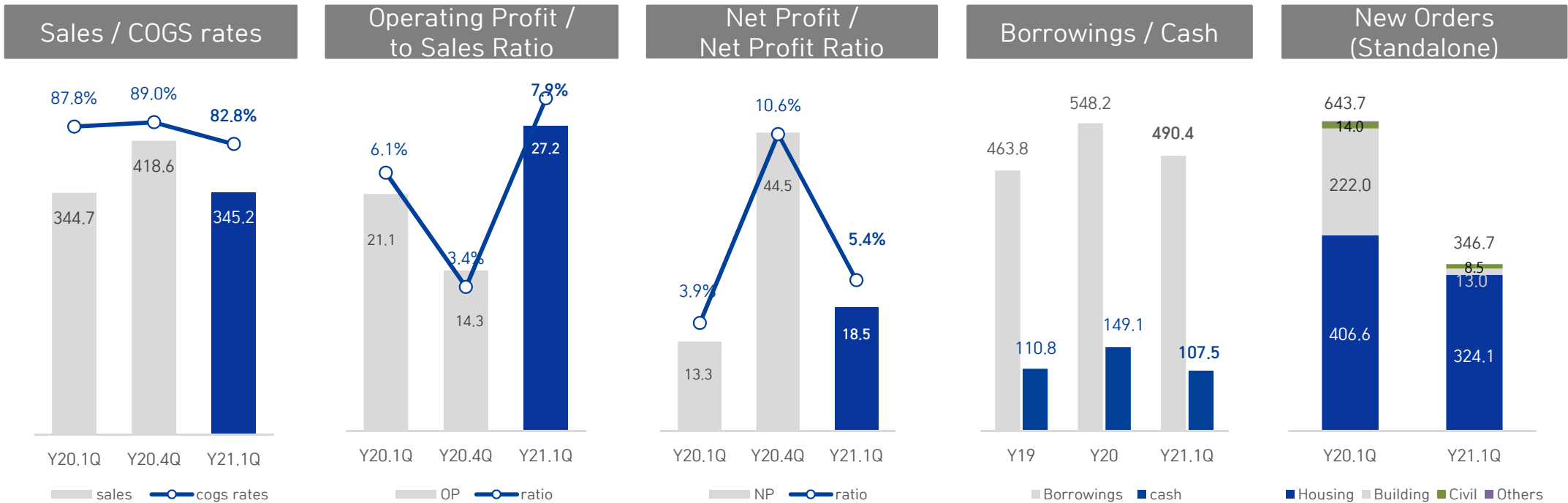


Business Performance (Consolidated Financial Statement Base)

■ strong fundamentals

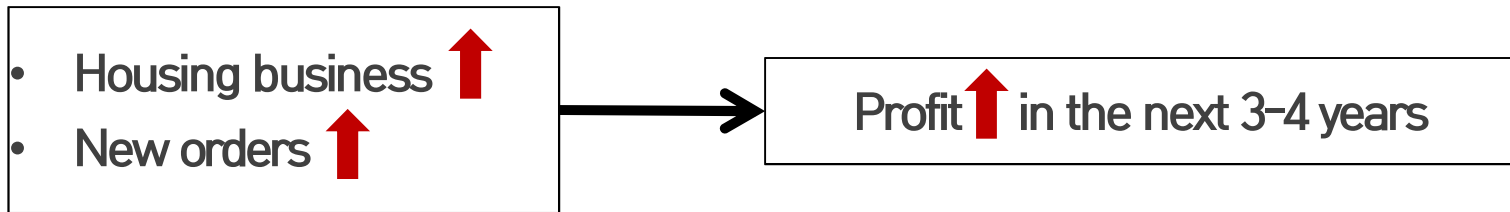
(Present result : New orders increased due to housing business & construction + Risk management)

(Unit : KRW billion, %)

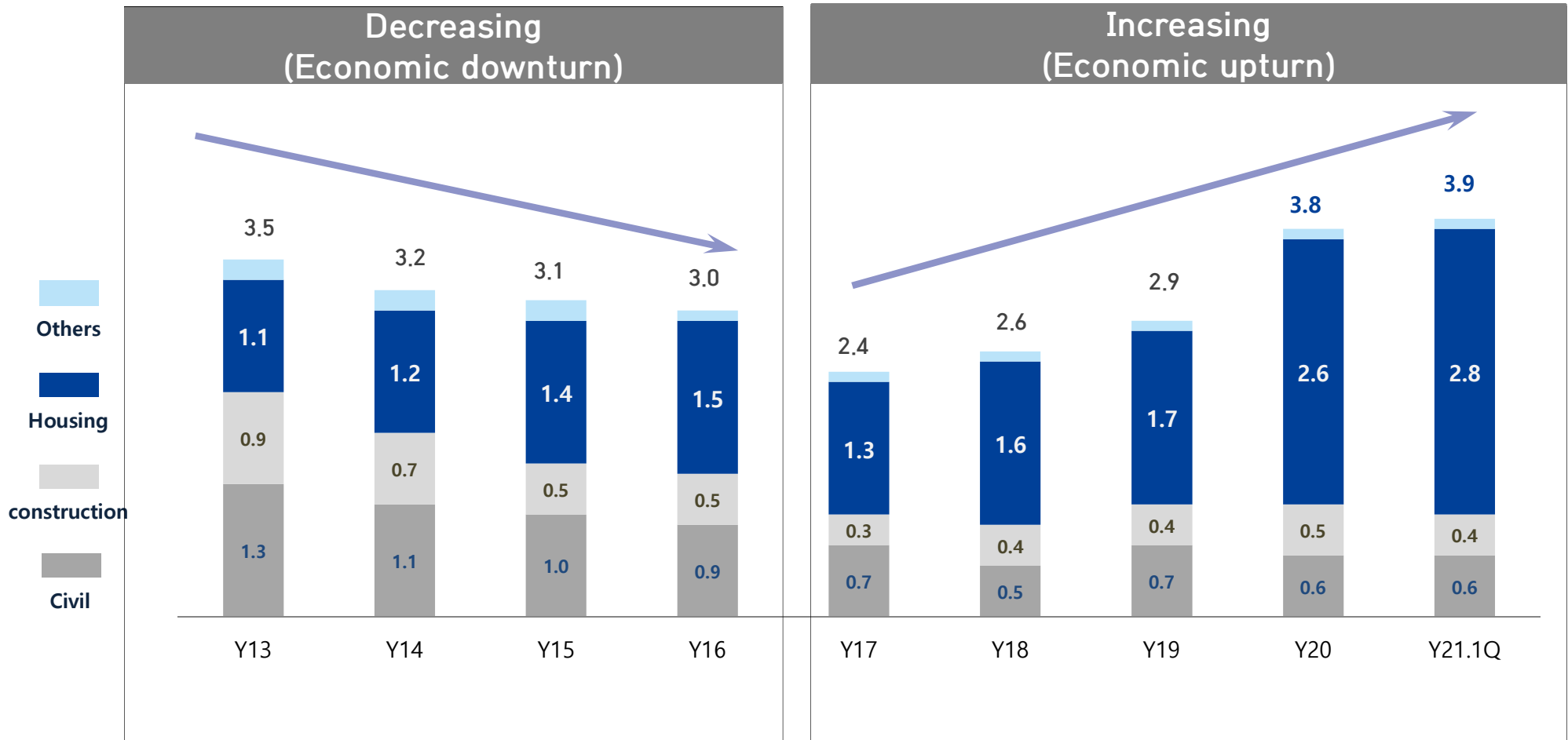


- ✓ Sales / COGS rates : ① New orders increased due to the growth of the housing market ② Temporary improvement in the consolidated cost ratio reflecting sales of FNH PLUS(subsidiary company) (7.4 billion won)
- ✓ Profit : ① Achieved the best in class COGS rates based on the sales growth - even with the increasing adverting costs related to the sale of in-house business sites ② Affiliate Profit (4.0 billion won)
- ✓ Borrowings / Cash : PEF Investment (34 billion won)
- ✓ Order backlog : Y18 2.5 → Y19 2.9 → Y20 3.8 → Y20.1Q 3.9 trillion won

Construction - Order backlog (Standalone)



(Unit: KRW trillion)



Housing division / Construction - In House Project

About 2,700 APT Self distribution (After 2021)

	Yangpyeong APT
Location	Yang-geon-ri, Yang Pyung, Gyeonggi-do
Total Area	Area 1 : 115,335㎡ (34,888 py), Area 2 : 125,051㎡ (37,828 py)
Building	B2F ~ 20F, Area1: 9 building / Area2: 10 building, retail/business
Factory Area	Area 1 : APT 750 units / retail/business : 155 py Area 2 : APT 852 units / retail/business : 207 py
Schedule	2020.12 Purchase a site 2021.03 commencement of work / APT lotting-out (Complete)
Revenue	About 450 billion won

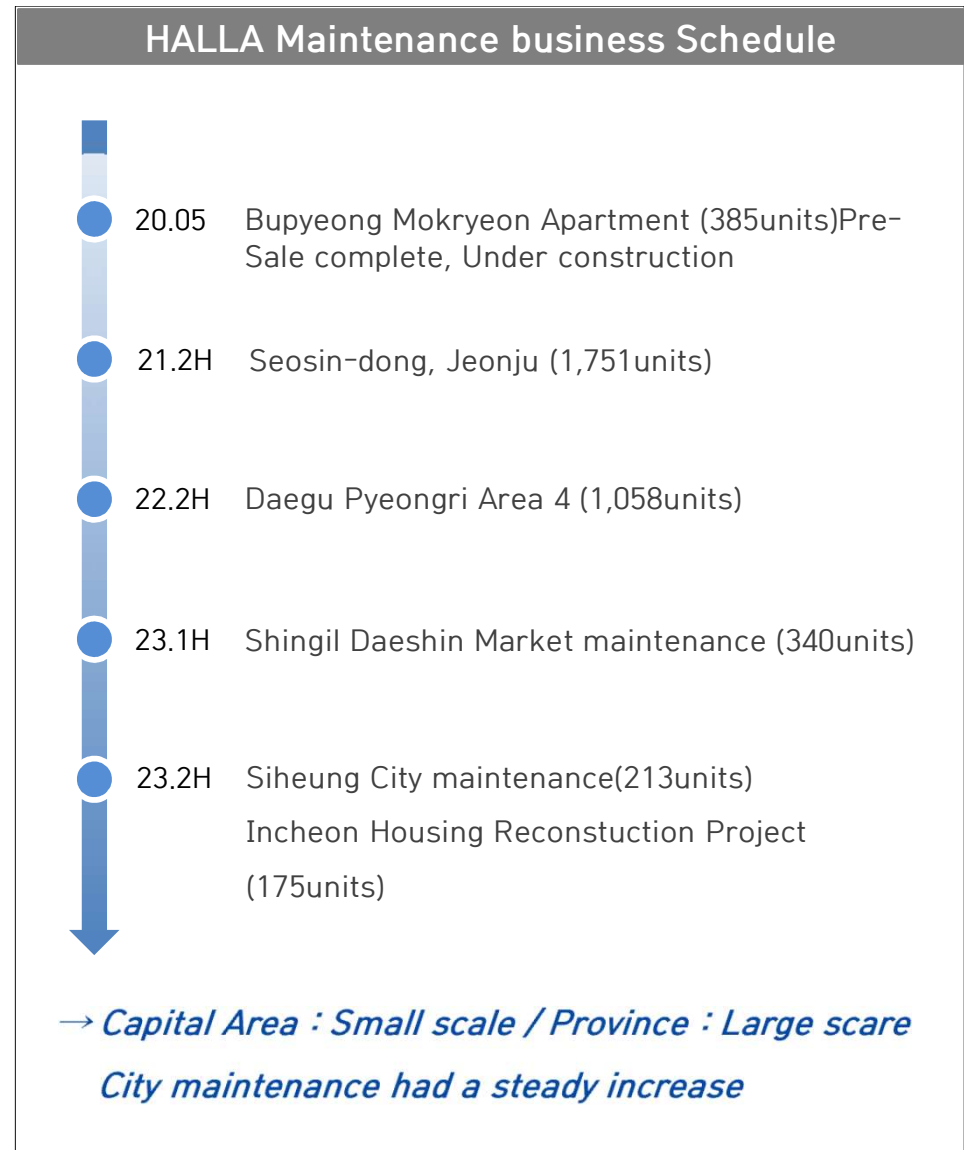
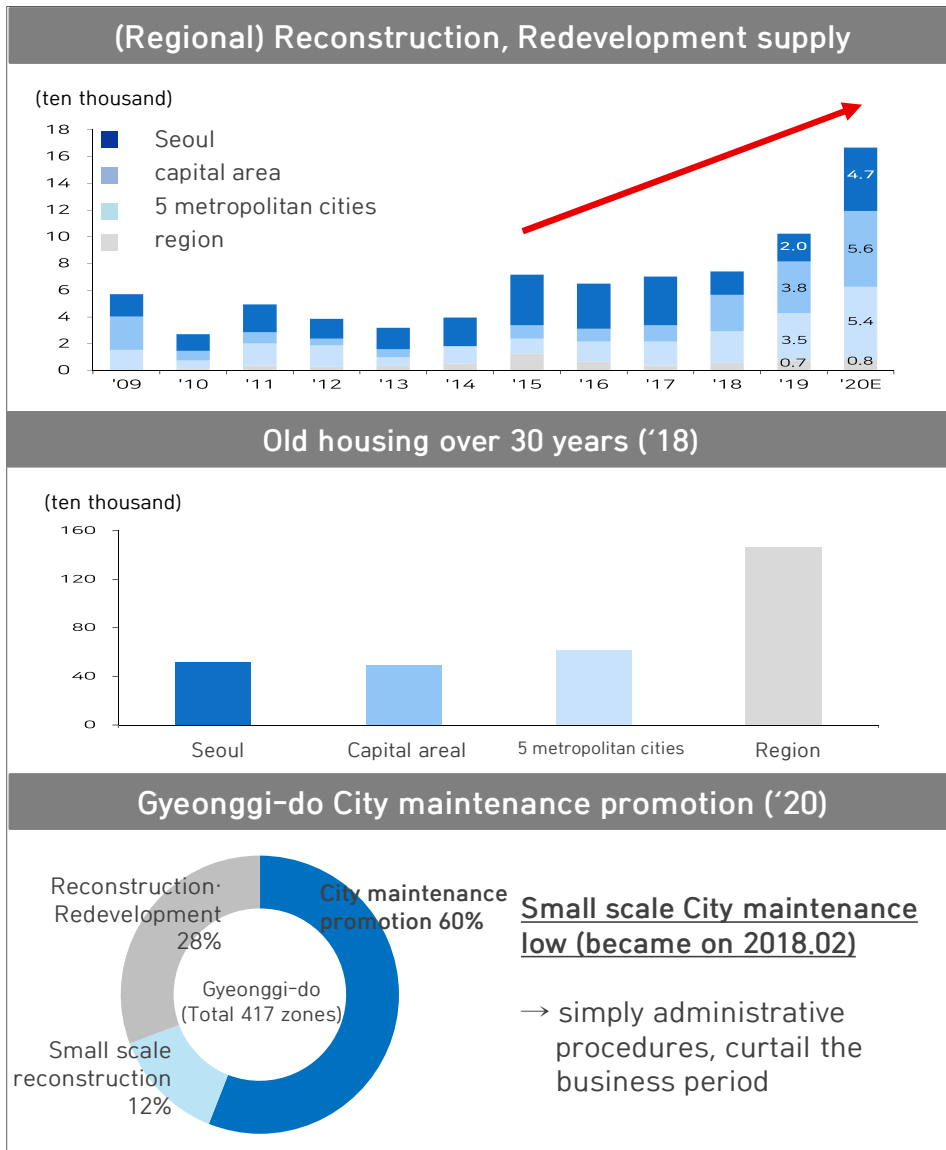
	Bucheon Residential Complex
Location	70-12 Sosa bonding, Bucheon, Gyeonggi-do
Total Area	57,821㎡ (17,491py)
Building	B5F ~ 32F APT 2 building, Retail/Business
Factory Area	APT 160 units / retail/business : 968 py
Schedule	2020.05 Purchase a site 2021.01 Commencement of work 2022 APT lotting-out

	Icheon APT
Location	111, Amiri, Bubal-eup, Icheon-si, Gyeonggi-do
Total Area	89,374㎡ (27,036py)
Building	B2F~24F APT 2 Building, Retail/Business
Factory Area	APT: 596 units / Retail/busines : 181py
Schedule	2019.10 complete signing contract for sale of property 2021.2H commencement of work / APT lotting-out

	Incheon APT
Location	286-2, Jakjeon-dong, Gyeyang-gu, Incheon
Total Area	56,757㎡ (17,169py)
Building	B3F~29F APT 4 Building
Factory Area	APT: 340 units / & Retail/business : 181py
Schedule	2020.09 complete signing contract for sale of property 2021.2H commencement of work / APT lotting-out

Housing division / Construction - City maintenance

■ (Capital Area, Province) Manage Business - [Reconstruction, Redevelopment, City maintenance]



Housing division / Construction – Local Housing Association business

■ Increase Local Housing Association Project : Stability in Sales

Strengthening laws

(2016.12) Viable to invite union members after notifying the local government agencies
→ **Enhancing transparency**

(2016.12) Individuals with housing construction registrations or Registered real estate developer ONLY
→ **Enhancing business agency qualification requirements**

(2020.01) 1. Application of the union membership invitation: 50% and above of the land use rights required; 2. Establishment authorization: Current requirement of 80% and above of the land use right + additional 15% and above of land ownership required
→ **Reinforcing requirements for land securement**

→ *Revisions of related laws since 2016 lead the market growth*

HALLA Local Housing Association business Schedule

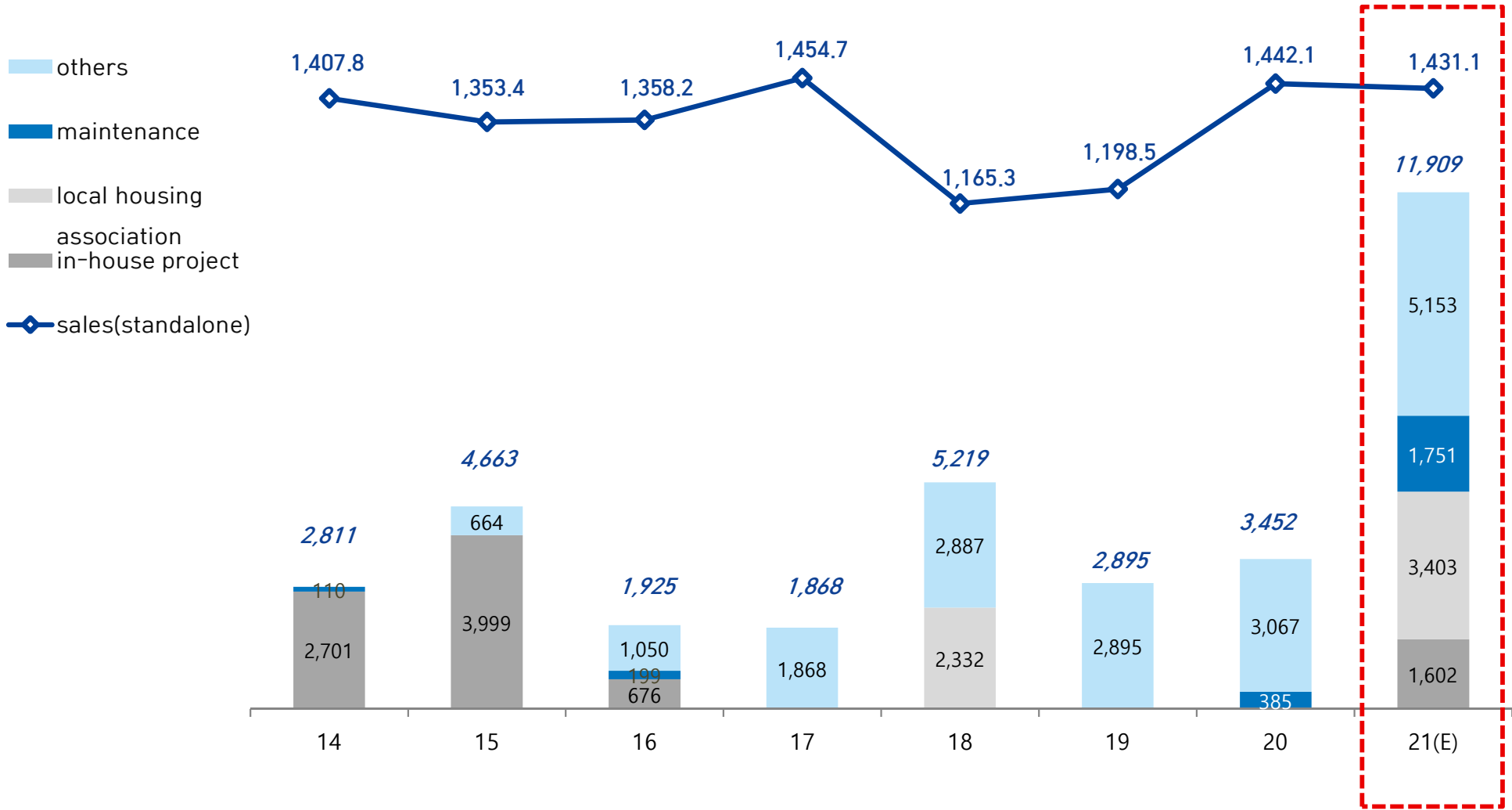


- 2018 Gimhae Halla Vivaldi Central Park (396units, Complete)
Gimhae Three Valleys Halla Vivaldi Centum City (1,936units)
- 21.1H Halla Vivaldi, Gwangyang (772units)
Halla Vivaldi, Jeon Ju (340units)
- 21.2H Halla Vivaldi, Yongin Yeoksam (1,042units)
Halla Vivaldi, Busan (719units)
Halla Vivaldi, Ulsan (530units)

→ *Signing/managing MOUs with multiple business sites*
→ *Strict investment deliberations enhance stability & feasibility in business*

Housing division / Construction

(Unit : KRW billion, units)



* Y21 housing units - includes contracts, MOU, etc.

* Y21 Sales(standalone) - based on business plan

Housing division / Construction

Housing business progress (1Q21)

start	Project	House holds	KRW bil	progre ss	Compl etion
2017 ~ 2018	Seoul University Siheung Campus	-	372.2	91.5%	2021
	Gimhae Samgye APT	1,936	321.5	85.2%	21.09
	bupyeong-opiseutel	1,012	102.4	91.1%	21.05
	Dangjin APT	839	146.2	100.0%	20.11
	Jamsil Officetel	473	50.5	100.0%	21.04
	Sokcho Living Accommodation A,B	563	50.3	100.0%	20.10
	Sokcho Living Accommodation C	124	20.8	69.4%	21.07
	Suwon Officetel	522	68.6	90.6%	21.04
	2019	Jongno Officetel	547	65.7	31.8%
Songdo Office		1,242	122.9	29.3%	21.07
Gasan Industry Center		460	87.6	31.3%	22.07
2020	Redevelopment of Bupyeong	385	66.2	26.2%	22.09
	Kim-Po Industry Center	613	74.3	22.8%	22.01
	Gwangju APT	1,108	211.7	11.7%	23.04
	Gyeryong APT	905	141.1	23.0%	23.02
	Gwangyang APT	332	64.5	4.8%	23.05
	Bucheon Residential Complex (in house)	160	105.5	3.6%	23.12
2021	Yangpyeong APT((in house 49%))	1,602	455.2	2.2%	23.08

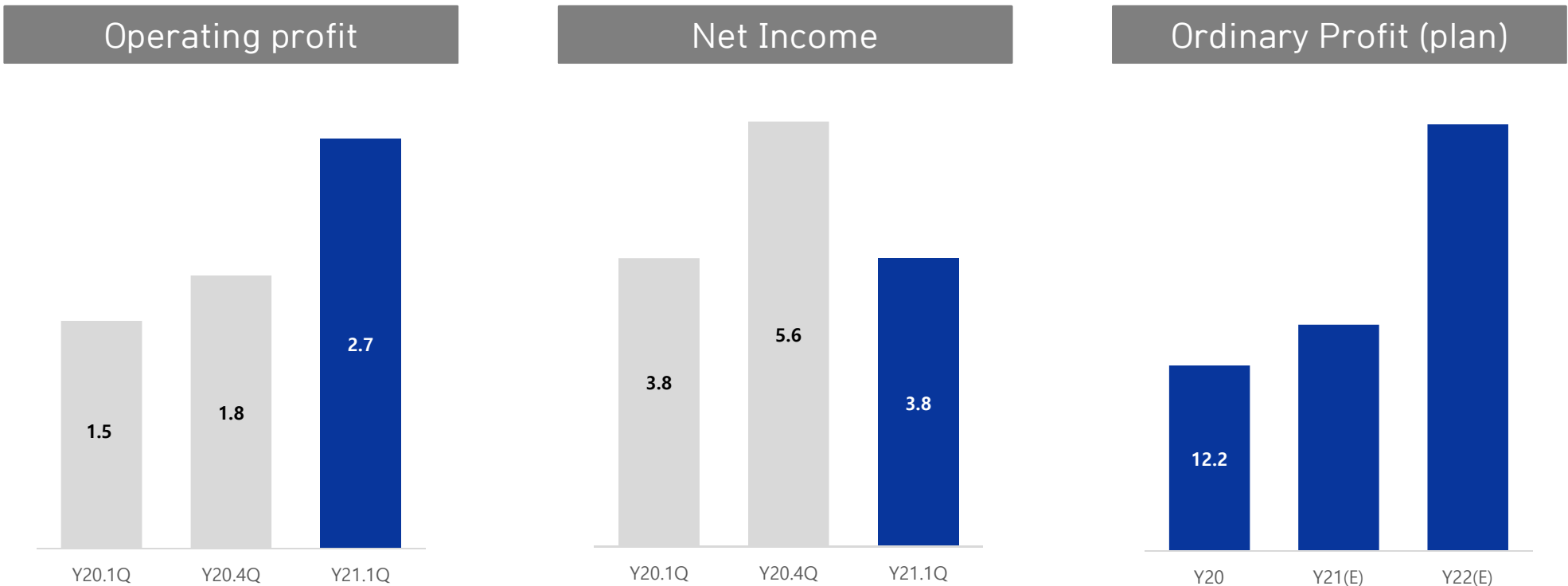
Scheduled project

	start	Project	House holds	KRW bil
Subcontract	2021	Asan Smart Valley APT	998	155.4
		Cheongju Wolmyeong Park APT	888	155.2
		Ulsan APT	530	108.1
		Busan APT	719	123.1
		Yongin APT	1,042	210.4
		Gwangyang APT	772	140.8
		Jeonju APT	340	69.7
		siheung eunhaeng APT	1,357	-
		Jeonju Redevelopment	1,751	118.5
		2022 ~	Pyeong-ri dong, Dae-gu Area 4 Redevelopment	1,058
	Siheung City maintenance		213	36.1
	Shingil market maintenance		340	64.4
	In House	2021	Icheon APT	596
Incheon APT			299	-

Subsidiary Company – Business Performance

■ Increase profitability & Ensure stable long-term C/F

(Unit : KRW bil)



- ✓ 'CERAGIO': *increase business feasibility* - based on increase in sales & decrease in costs → Increase in profitability
- ✓ 'GLS' A~C: sell BL & reinvestment (14.1 billion won) through obtaining dividends for operating income for 15 years
D2 BL (Retail) Runs business / D1 BL Business promotion (Plan)
- ✓ 'MOKPO NEWPORT': maintain sales and high-profit margins

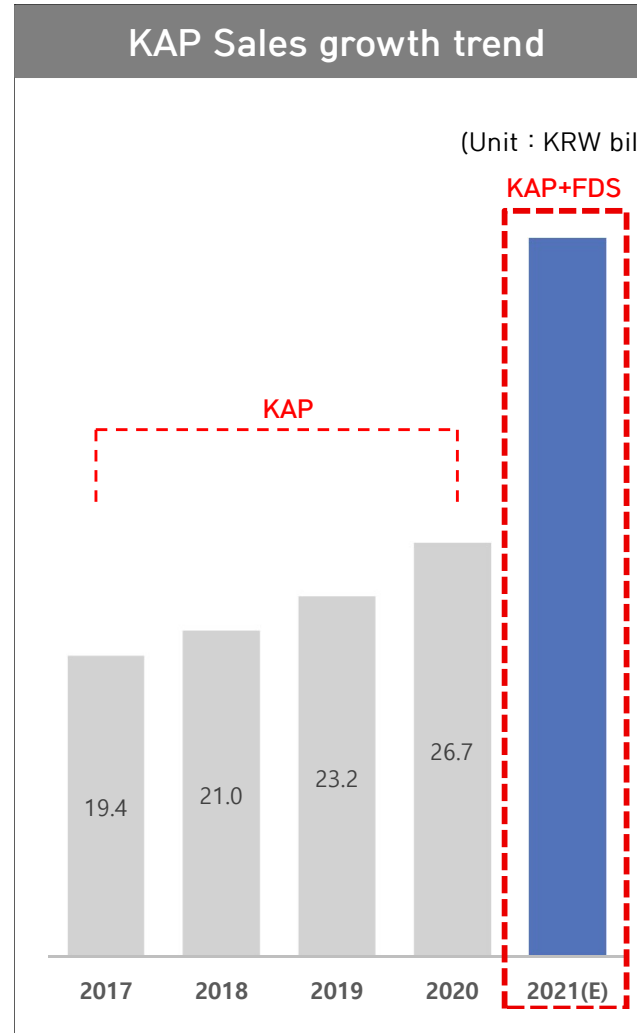
* Excluding SPC 'Baegot New Town Specialized Town'

New business – Investment

■ PEF Investment (Mar. 2021)

CL Buyout 1st Private Equity Investment Fund	
	Contents
capital	70 billion won (Ours 48.57%)
establishment	For acquisition Common stock (964,073 stocks) of Korea Asset Evaluation Co., Ltd.
invest	34 bil won (Mar.2021)

Korea Asset Evaluation Co., Ltd.	
	Contents
establishment	Korea Asset Evaluation Co., Ltd. (5.29.2000 establishment)
Business	Market valuation of financial instruments, Risk management, consulting, solution



Key driver: KAP-FDS M&A

- Korea Asset Evaluation Co., Ltd. (KAP) : No. 1 in the bond valuation business market share for 19 years
→ Solid Performance
(Over 50% of sales in the bond/derivative sector)
- KAP Acquired shares of Financial Data System ('FDS', Software development company)
(Dec. 2020)
- KAP & FDS → Creating synergy

	2020 Performance (krw bil)	
	KAP	KAP&FDS
Sales	26.7	42.5

New business – Invest

■ AIRRANE Investment (Dec. 2020)

AIRRANE	
	Contents
establishment	Mar. 2001
Business	hollow fiber membrane production to the design, manufacturing and servicing of membrane modules and separation system
invest	<ul style="list-style-type: none"> HALLA invests 3 bil won (Dec. 2020) (ours 13.04%) HALLA Holdings invests 1 bil won Secure environmental plant business rights

TECHNOLOGY

Gas separator membrane: A technique separating gases with high purity from a mixture. Utilized to collect nitrogen, remove CO₂, and contain high concentration oxygen, etc.



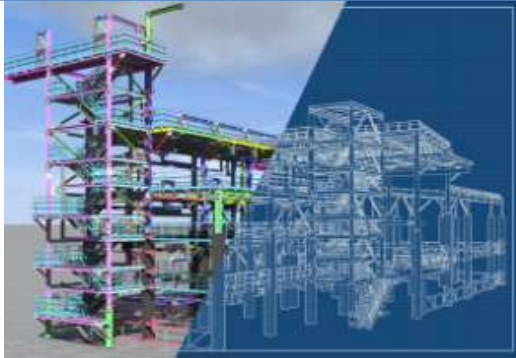
- INDUSTRIES & APPLICATIONS
 - Nitrogen Generation
 - Biogas Upgrading (from food waste, manure, brewery, farm)
 - Power : CO₂ Capture & Storage, O₂ generation for oxyfuel combustion. etc
 - Semiconductor & Display : IPA/ Hydrochloric acid purification for recycling. etc

New business - IT

■ Secure new technology

Smart construction

BIM (Building Information Modeling)



Drone, mobile utilization



New business opportunities

Data center



Platform business
(Space utilization such as warehouse)



Thank you

Appendix

(Unit : KRW bil)

	Consolidated				Standalone			
	1Q21	4Q20	1Q20	YoY	1Q21	4Q20	1Q20	YoY
Sales	345.2	418.6	344.7	+0.1%	299.7	376.1	315.3	-4.9%
Gross Profit on Sales	59.8	46.0	42.1	+42.0%	40.0	39.5	33.2	+20.6%
(Gross Margin Ratio)	17.4%	11.0%	12.2%	+5.2%p	13.4%	10.5%	10.5%	+2.9%p
Operating Profit	27.2	14.3	21.1	+28.8%	18.0	14.0	16.4	+9.7%
(Operating Profit to Sales Ratio)	7.8%	3.4%	6.1%	+1.7%p	6.0%	3.7%	5.2%	+0.8%
Other income / expenses	2.1	40.7	0.4	+1.7	3.4	38.1	2.7	+0.7
Net financial cost	6.9	7.8	5.0	+1.9	4.3	6.1	4.5	-0.2
Non-Operating income / expenses	-0.2	-0.0	-0.3	+0.1	-0.2	0	-0.3	+0.1
Affiliate Profit / Expense	3.3	9.7	-1.0	+4.3	0.1	8.8	-	+0.1
Net Profit Before Tax	25.5	56.9	15.2	+67.7%	17.0	54.8	14.3	+19.1%
Net Income	18.5	44.5	13.3	+38.8%	12.4	42.0	10.8	+15.0%
(%)	5.4%	10.6%	3.9%	+1.5%p	4.1%	11.2%	3.4%	+0.7%p
Interest compensation ratio	3.0	1.4	3.0	-	3.0	1.7	2.7	0.3

Appendix

(Unit : KRW bil)

	Consolidated			Standalone		
	1Q21	2020	Change	1Q21	2020	Change
Total Asset	1,529.8	1,653.6	-7.5%	1,359.8	1,318.0	+3.2%
Cash/Cash Equivalent	107.5	149.1	-27.9%	49.6	46.3	+7.1%
Account Receivable	434.8	473.9	-8.2%	338.6	356.3	-5.0%
Inventories	119.7	113.4	+5.6%	103.8	90.0	+15.3%
Total Liabilities	1,173.3	1,279.4	-8.3%	976.4	919.2	+6.2%
purchase liabilities	389.6	384.5	+1.3%	375.4	371.0	+1.2%
Debt	490.4	548.2	-10.5%	419.3	368.9	+13.7%
Total Capital	356.5	374.2	-4.7%	383.4	398.8	-3.9%
Capital Stock	245.2	245.2	-	245.2	245.2	-
L/E ratio	329.2%	341.9%	-12.7%p	254.7%	230.5%	+24.2%p
D/E ratio	137.6%	146.5%	-8.9%p	109.4%	92.5%	+16.9%p
Net D/E ratio	107.4%	106.7%	+0.7%p	96.4%	80.9%	+15.5%p

※ L/E (Liability to Equity) , D/E (Debt to Equity), Net D/E (Net debt to Equity)

Appendix _Company Overview

■ Construction company

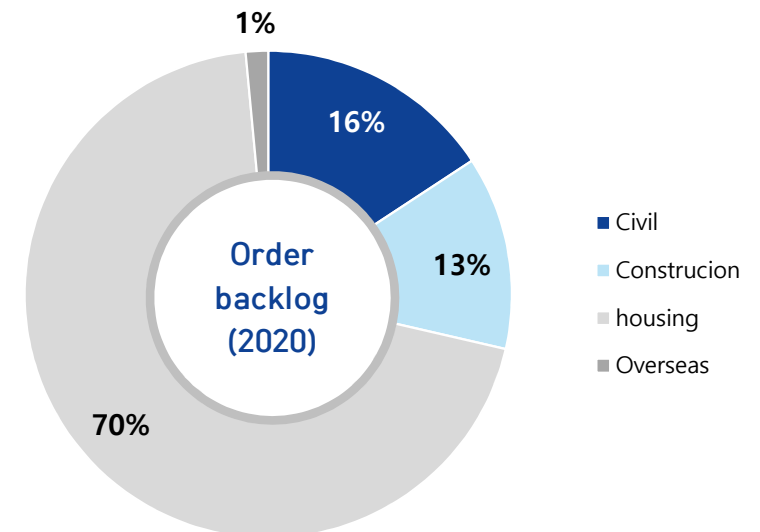
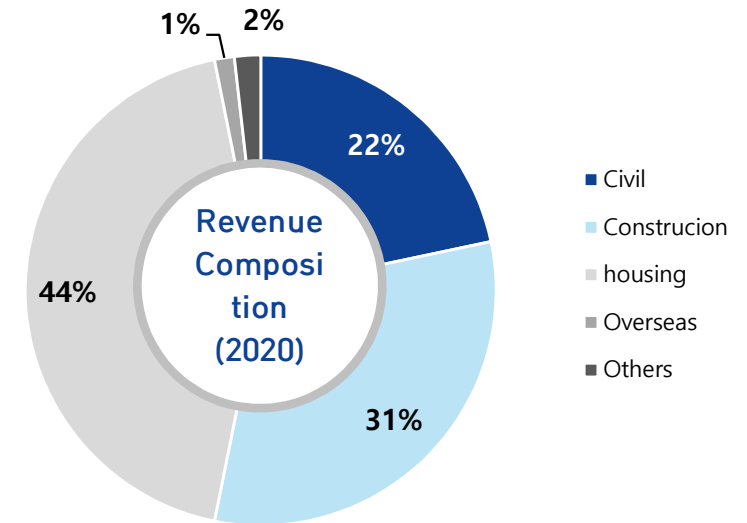
- ✓ Construction ability evaluation Rank.36 (2020)
- ✓ Real estate developer, Construction, Design, management
- ✓ competitiveness in civil engineering
- ✓ Environment/Quality/Safety management
- ✓ ISO 14001, ISO 9001, OHSAS 18001 (by BSI)

■ The number of employees : (About) 930

■ Sales : (Krw) 1.44 trillion (2020. Consolidated 1.57 trillion)

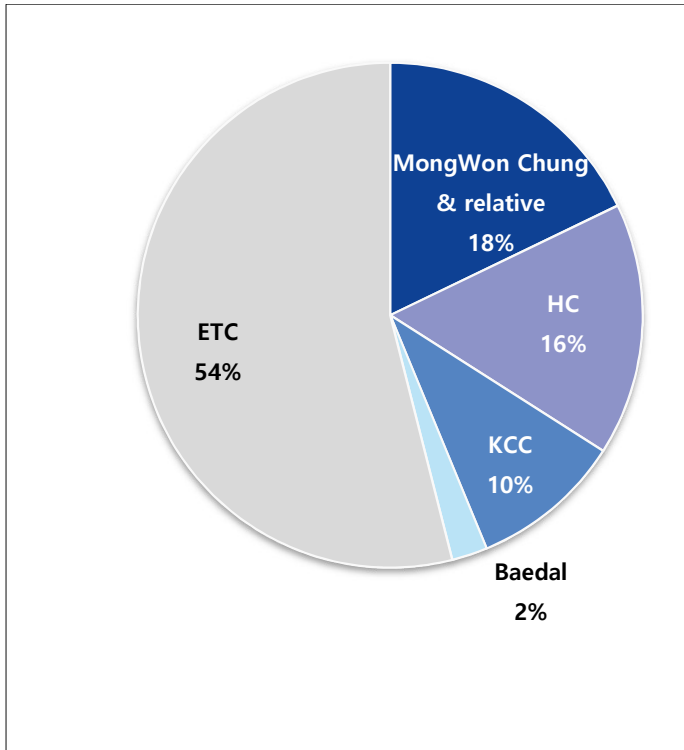
■ Head office : Songpa-gu, Seoul, Korea

■ Floated on the Korean stock market in 1994 : 014790.K

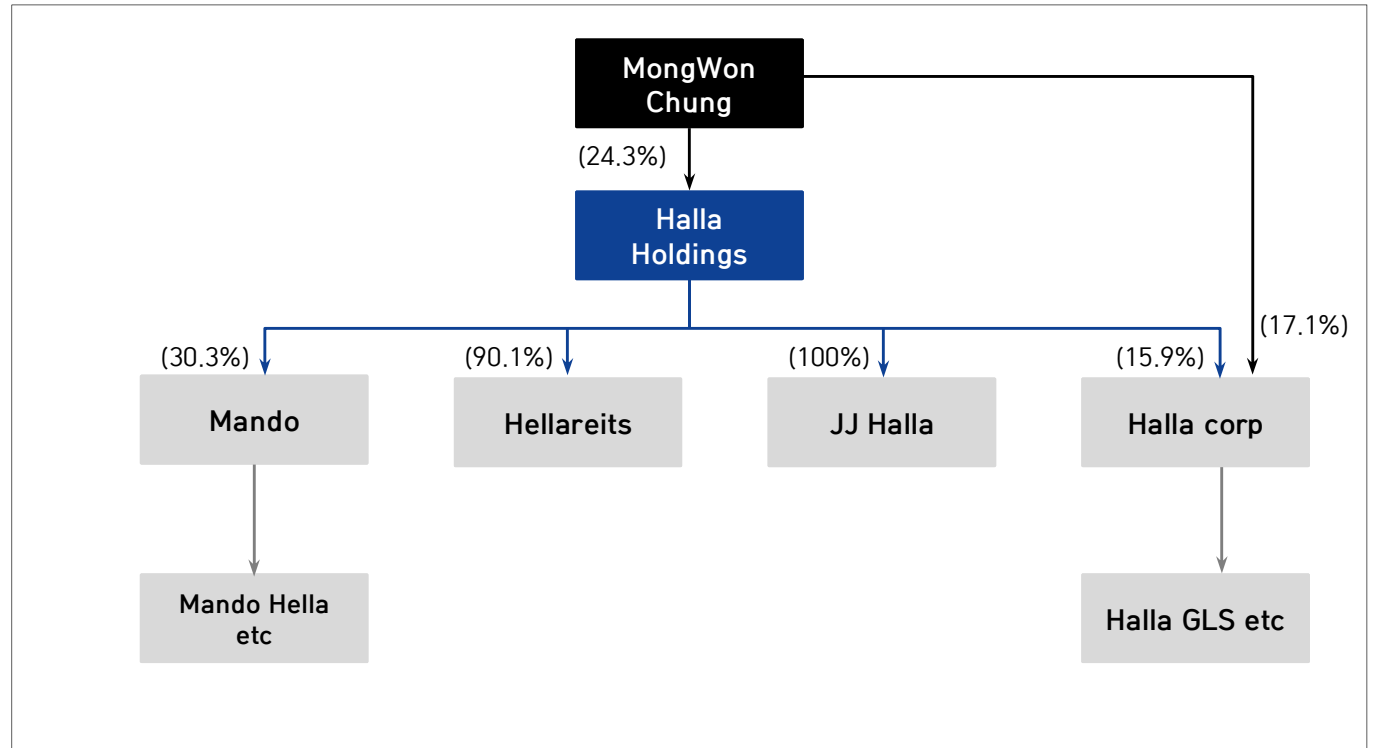


Appendix_Governance

Halla corp governance



Halla Group



Building a holding company system centered on Halla Holdings →

Laying the foundation for independent management based on a stable governance structure