

IR Report(Investor Relations)

4th Quarter, 2020

 **GEUMHWA PLANT SERVICE & CONSTRUCTION Co.,LTD.**

Disclaimer

This presentation of Geumhwa Plant Service & Construction (Geumhwa PSC) contains statements relating to Geumhwa PSC's operations that are based on management's current expectations, estimates and projections. Words such as "anticipates", "expects", "intends", "plans", "projects", "schedules", "estimates" and similar expressions are intended to identify such forward-looking statements.

These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and other factors including new order flows which are beyond company's control and are difficult to predict. Therefore, actual outcomes and actual results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements. Geumhwa PSC undertakes no obligation to update any forward-looking statements to reflect subsequent events.

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Chapter 1

Geumhwa PSC at a Glance

01. Introduction

02. Field of Business

03. Listing & Shareholding Status

01. Introduction

Company Overview



Company Name	Geumhwa PSC Co., LTD.
President & CEO	Kyung Tae Kim, Kim Sung Ki
Business	Plant Construction, Maintenance
Head Office	Teheran-ro, Gangnam-gu, Seoul
R&D Center	Dangjin, Chungchoengnam-do
Employees	905 persons (As of Dec. 31st. 2020)

Business Sites Status

(As of Dec. 31st. 2020)

Operates 15 Domestic Sites and 3 Overseas Sites

Thermal (6)	Plant (4)	Nuclear (3)	New & Re-newable (1)	Overseas (3)	Others (1)
<ul style="list-style-type: none"> • Taean • Dangjin • Youngdong • Samcheok • WestIncheon • Yeongheung 	<ul style="list-style-type: none"> • Hanbit • Anin • Samcheok • Janghang Line 	<ul style="list-style-type: none"> • SinHanul • Singori • Hanbit 	<ul style="list-style-type: none"> • Wind - Jeju 	<ul style="list-style-type: none"> • Philippines • UAE #3,4 • Iraq 	<ul style="list-style-type: none"> • Yeongheung

* Research Institute & Training Center in Dangjin, Chungcheongnam-do

History

- **July 1981** Founded Geumhwa Gigong
- **July 2000** Changed company name to Geumhwa PSC
- **Dec. 2000** Listed on the KOSDAQ
- **July 2013** Corporate takeover Geumhwa C&E
- **Oct. 2014** Corporate takeover Geumhwa Electronic
- **Sep.2019** Founded Geumhwa Energy
(Mar. 2020. change of corporate name : Glint Partners)

02. Field of Business

Business Areas



Maintenance

- Thermal(Combined) Power Plant
- Nuclear Power Plant
- Wind Power Plant
- Integrated Energy Facility



Plant Construction

- Nuclear Power Plant
- Thermal Power Plant
- LNG Power Plant
- Installation Works
(Steel Frame, Turbine)
- Electric Works
(Building Sites, Expressway)



Overseas Construction

- Thermal Power Plant
- Coal Power Plant
- Nuclear Power Plant
- Installation Works
(Turbine, Fuel Tank, etc.)

Types of Maintenance Works

Routine Maintenance

- Preventive Maintenance : Preventing failures or sudden shut-down of the facilities
- Predictive Maintenance : Predicting time of mechanical failure, and take action before the failure occurs
- Corrective Maintenance : Responding to unexpected failures that occur during operation in a timely manner

Planned Preventive Maintenance

- Disassemble, examine and test various machinery and equipment when facilities are not operating

Commissioning Services

- Conduct Preventive Inspections to efficiently maintain the Installed Machinery before Commercial Operation

Other Construction

- Temporary Construction for Generating Unit

03. Listing & Shareholding Status

Listing Status

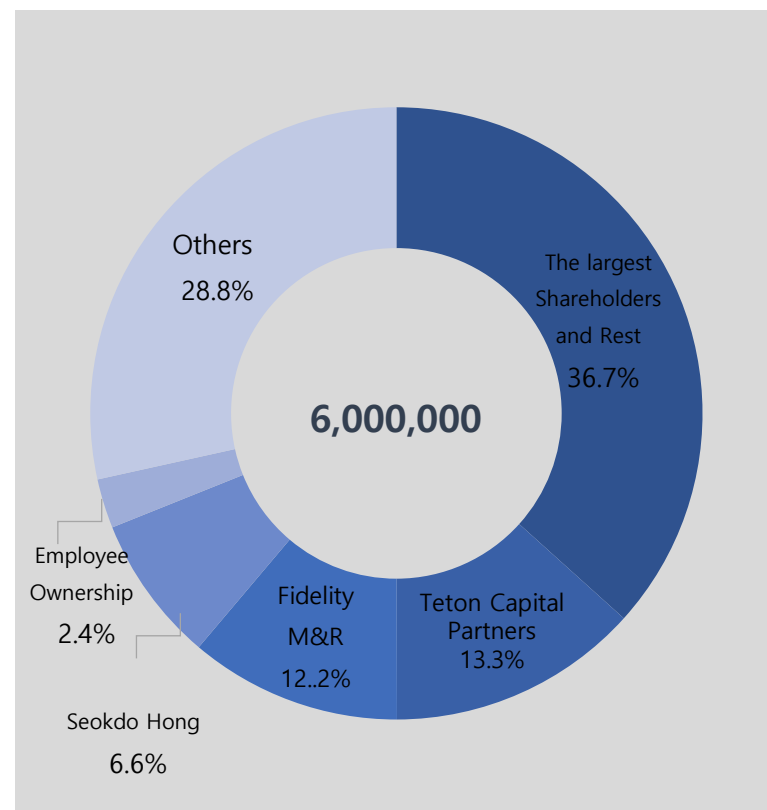
Company Name	Geumhwa PSC(036190)
Sector	KOSDAQ / Electrical and Communications Construction
Date of Listing	December 16 th , 2000
Number of Listed Shares	6,000,000

Stock Price Movement



Shareholding Status

(As of Dec. 31st, 2020)



Chapter 2

Business Performance

01. Sales & Income(4Q 2020, Separate)

02. Major Contracts

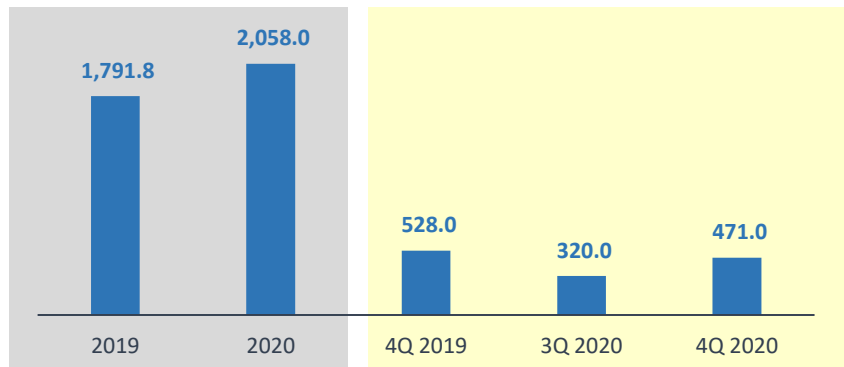
03. Management Performance

04. Competitiveness

01. Sales & Income(4Q 2020, Separate)

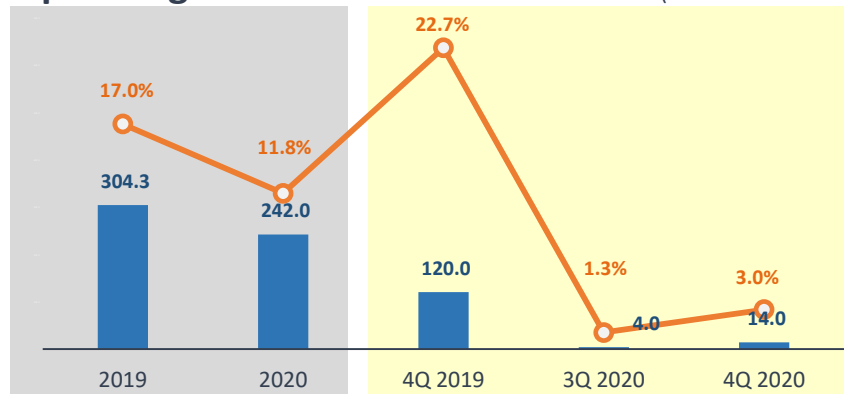
Sales

(Unit : 100 mil KRW)



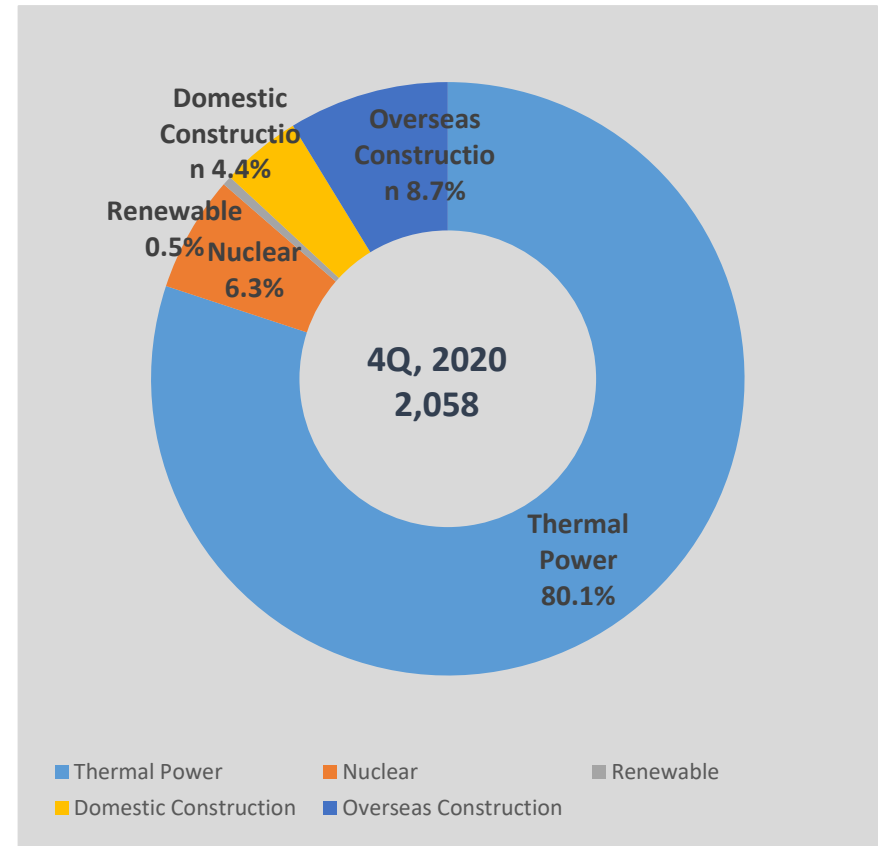
Operating Income

(Unit : 100 mil KRW)



Sales Breakdown

(Unit : 100 mil KRW)



02. Major Contracts

Domestic Maintenance and Overhaul

(As of Dec. 31st, 2020)

Type	Specifics	Customers	Projects	Contract Period
Domestic Maintenance	Thermal	Korea South-East Power	Yeongheung Coal –Fired Power Plant #5,6	Jul. 2013 ~ Apr. 2021
	Thermal	Korea South-East Power	Yeongheung Coal-Fired Power Plant #1~4 Operation service	Oct. 2015 ~ Mar. 2021
	Thermal	Korea South-East Power	Yeongheung Coal-Fired Power Plant #3	Jan. 2017 ~ Mar. 2021
	Thermal	Korea East West Power	Dangjin Coal-Fired Power Complex #9,10	May. 2015 ~ Mar. 2021
	Thermal	Korea East West Power	Dangjin Coal-Fired Power Complex #1,5~6	Jan. 2020 ~ Dec. 2021
	Thermal	Korea South-East Power	Samcheok Green Power	Jul. 2015 ~Mar. 2021
	Thermal	Korea South-East Power	Yeongdong Coal-Fired Power Plant #1,2	Jan. 2020 ~ Dec. 2021
	Thermal	Korea Western Power	Taeon Thermal Power Complex #1~6	Jan. 2020 ~ Dec. 2021
	Thermal	Korea Western Power	West Incheon Combined Cycle Power Complex #5~8	Jan. 2020 ~ Dec. 2021
	Nuclear	Korea Hydro & Nuclear Power	Shin-Hanul Nuclear Power Plant #1,2 Test run servicing	Mar. 2015 ~ Aug. 2021
	Nuclear	Korea Hydro & Nuclear Power	Shin-Gori Nuclear Power Plant #3,4 Maintenance	Mar. 2019 ~ Feb. 2021
	Nuclear	Korea Hydro & Nuclear Power	Hanbit Nuclear Power Secondary Air Conditioning Facility Maintenance	Jul. 2020 ~ Jun. 2021
	Nuclear	Korea Hydro & Nuclear Power	Hanbit Nuclear Power Environmental Improvement Construction	May. 2020 ~ Feb. 2021
	Wind	Korea Southern Power	Jeju Wind Farm	Apr. 2011 ~ Mar. 2021
	Domestic Overhaul	Nuclear	Korea Hydro & Nuclear Power	Shin-Gori Nuclear Power Plant #3,4 Overhaul
Korea Hydro & Nuclear Power			Hanbit #1,2 environmental verification air conditioning environment improvement work	Jun. 2020 ~ Feb. 2021
Korea Hydro & Nuclear Power			Hanbit #1,2 Environmental verification environment improvement work	May. 2020 ~ Feb. 2021
Korea Hydro & Nuclear Power			Hanbit #1,2 nuclear reactor coolant zinc injection pipe installation work	Jun. 2020 ~ Feb. 2021

02. Major Contracts

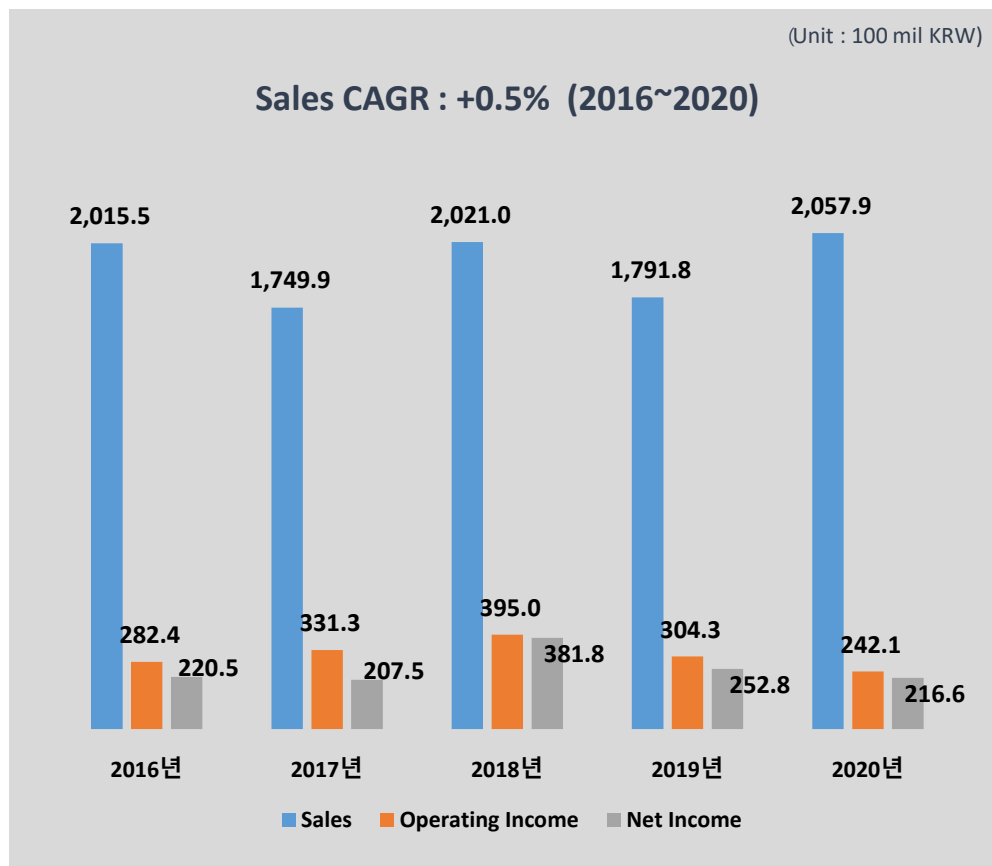
Domestic Construction and Overseas Projects

(As of Dec. 31st, 2020)

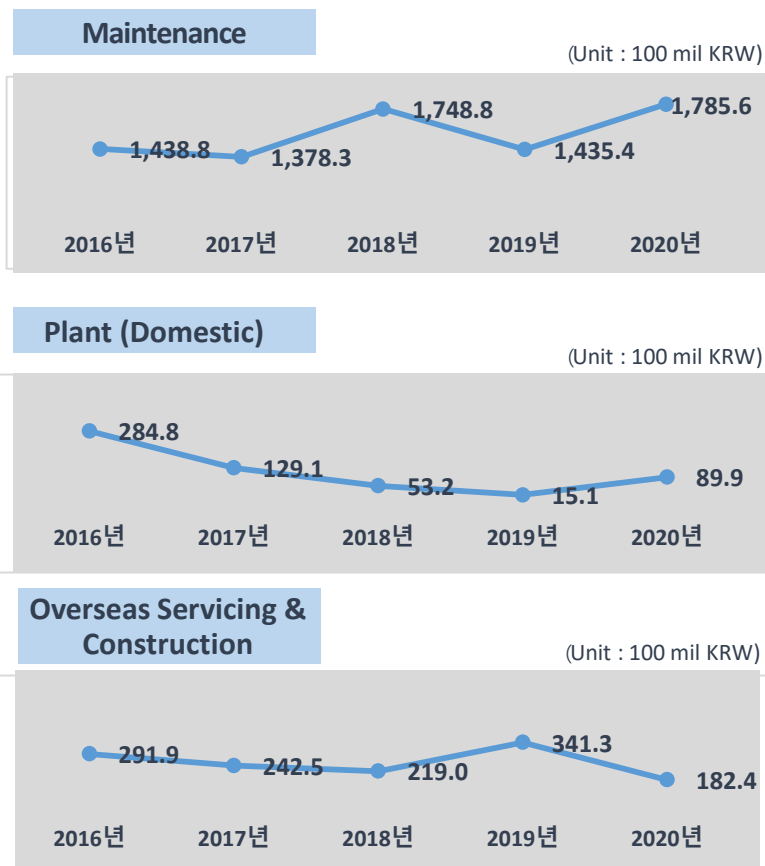
Type	Specifics	Customers	Projects	Contract Period
Domestic Construction	Nuclear	Korea Hydro & Nuclear Power	Hanbit Nuclear #5,6 SGR Machine construction	Sep. 2018 ~ May. 2021
	Thermal	SAMSUNG C&T	Anin Coal-Fired Power Plant #1,2 Turbine Installation	Nov. 2019 ~ Sep. 2022
	Thermal	Doosan Heavy Industries & Construction	Samcheok Thermal Power Plant #1,2 turbine generator and other installation work	Dec. 2020 ~ Apr. 2024
	Others	Korea Rail Network Authority	Construction of the Second Stage Signal Facility for the Janghang Line	Sep. 2019 ~ Apr. 2021
Overseas Maintenance	Thermal (The Philippines)	KEPCO SPC	CEBU Power Plant #1,2	Feb. 2013 ~ May. 2022
Overseas Construction	Nuclear (UAE)	ENEC	BRAKA Nuclear Power Plant PJ #3,4	Nov. 2014 ~ Mar. 2021
	Refinery (Iraq)	HDGSK JV	IRAQ KARBARA Refinery Project	Nov. 2015 ~ Jun. 2021

03. Management Performance

Five-Year Financial Performance (Separate)



Sales Breakdown (2016 ~ 2020)

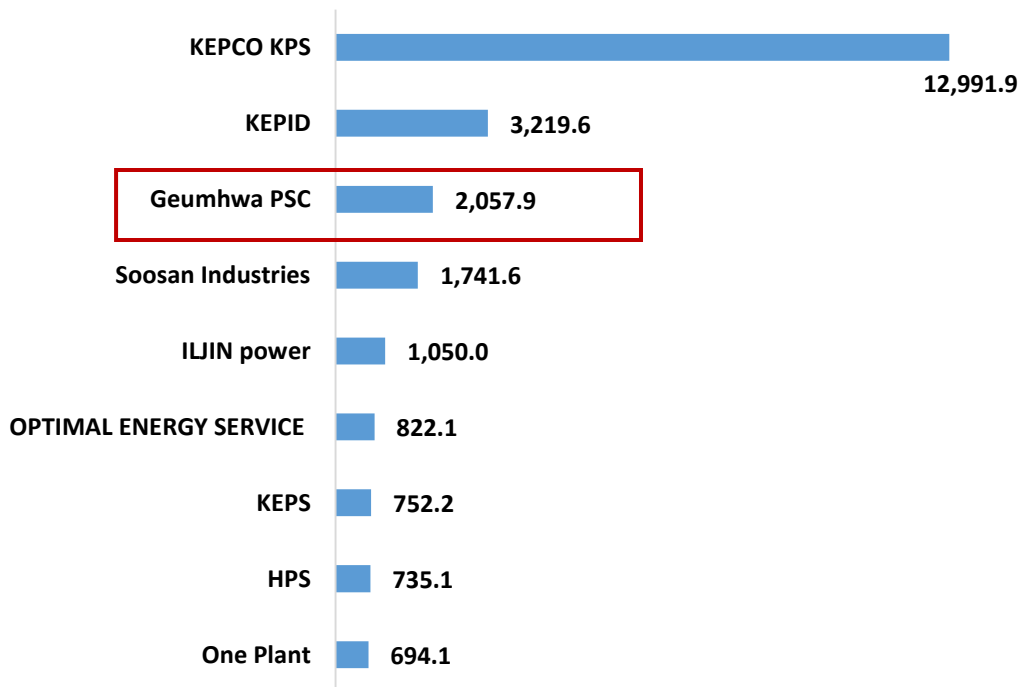


04. Competitiveness

Top Class Domestic Private Power Plant Service Company

Comparison with Major Companies in 2020 Sales, (Separate)

(Unit : 100 mil KRW)



Technical Strength

Turbine Maintenance

- (Dis)Assembly of Main Body, Axial Alignment
- Detailed Components Checkup

Generator, Motor Maintenance

- Detailed Inspection of AVR and Stator Windings
- Performance Diagnosis by Part

Boiler Maintenance

- Diagnosis of Life Span, Performance Test
- Prompt Restoration of High Pressure Tube Breakdown

Vibration Analysis & Maintenance

- Diagnosis of Large Rotor Vibration
- Weight Balance

Other Maintenance

- Maintenance and Diagnosis of Large Pump
- Chemical Cleansing of Desulfurization Gas Preheater

Chapter 3

Industry Prospect

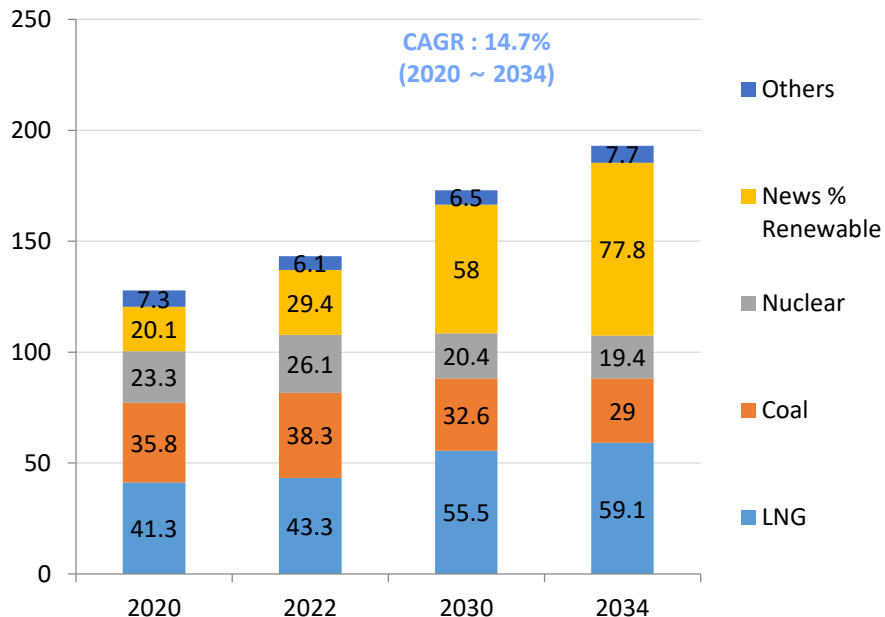
01. Changes in Government Energy Policy

02. Geumhwa PSC Vision

01. Changes in Government Energy Policy

The 9th Basic Plan for Long-term Electricity Supply and Demand(2020-2034)

Installed Capacity Planning



Category	2020	2022	2030	2034
Capacity(GW)	127.8	143.2	173.0	193.0

* source : The Ministry of Trade, Industry and Energy(Dec. 28th, 2020)

Policy Direction

Basic

- Increasing need for energy policy transition to safe and clean power mix
 - The life of old nuclear power plants is closed, and the construction of new nuclear power plants is not promoted.
 - Dramatic reduction of coal power generation
 - (Renewable energy) Expanded by '34 in line with 30~35% of power generation in '40
- Preparation of implementation plans for the conversion sector to further reduce GHG emissions
 - Compared to the 8th plan, 34.1 million tons of greenhouse gases in the conversion sector were reduced as of 30 years.
- Accelerate investment in new and renewable energy for the transition to a low-carbon economy and society
 - Expansion of fuel cell supply target for power generation

Follow-up

- Minimize forecast errors by supplementing the demand forecast methodology
- Reinforcing the ability to implement existing means and introducing new means based on innovative technologies
- Accelerating the transition to eco-friendly power on the premise of stable power supply and demand
- Establish a plan to achieve the goal of 2030 conversion sector GHG emissions
- Preemptive system reinforcement and expansion in preparation for expansion of renewable energy
- Improvement of power market system in consideration of expansion of eco-friendly and renewable energy

02. Geumhwa PSC Vision

Trusted Company based on World Class Technology and Service

—
VISION 2025



World Class Technology
Strengthen Competitiveness Through Core Technology and R&D

Service
Provide the Best Services in Plant Maintenance & Construction

Company
Positioning as a leader in the Plant Service Industry

Find new growth engines
Through M&A, strategic investment activities

Chapter 4

Appendix

01. Consolidated Financial Statement

02. Financial Ratio

03. Dividend Trend

01. Consolidated Financial Statement

Statement of Financial Position

(Unit : 100 mil KRW)

Category	2020	2019	YoY
Current Assets	1,691.1	1,840.1	-8.1%
Non-Current Assets	1,249.8	976.8	+27.9%
Total Assets	2,940.9	2,816.9	+4.4%
Current Liabilities	297.8	387.5	-23.1%
Non-Current Liabilities	67.6	35.4	+91.0%
Total Liabilities	365.4	422.8	-13.6%
Common Stock	30.0	30.0	-
Capital Surplus	65.3	65.3	-
Retained Earnings	2,503.6	2,300.5	+8.8%
Other Equity Accounts	-23.4	-1.7	-1276.4%
Total Equity	2,575.6	2,394.1	+7.6%

Income Statement

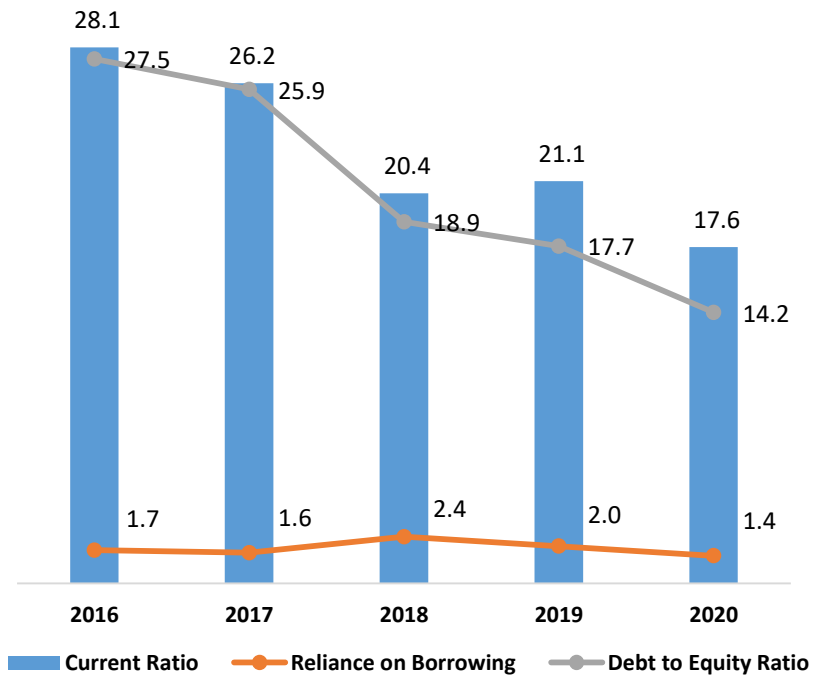
(Unit : 100 mil KRW)

Category	2020	2019	YoY
Sales	2,353.4	2,094.3	+12.4%
Cost of Sales	1,974.9	1,657.9	+19.1%
Gross Profit	378.5	436.4	-13.3%
Selling and Administrative Expenses	108.5	93.1	+16.5%
Operating Income	269.9	343.3	-21.4%
Non-Operation Income	128.4	31.1	+312.9%
Net Income before Income Taxes	398.3	374.4	+6.4%
Income Tax Expenses	98.9	97.6	+1.3%
Net Income	299.4	276.8	+8.2%

02. Financial Ratio (Consolidated)

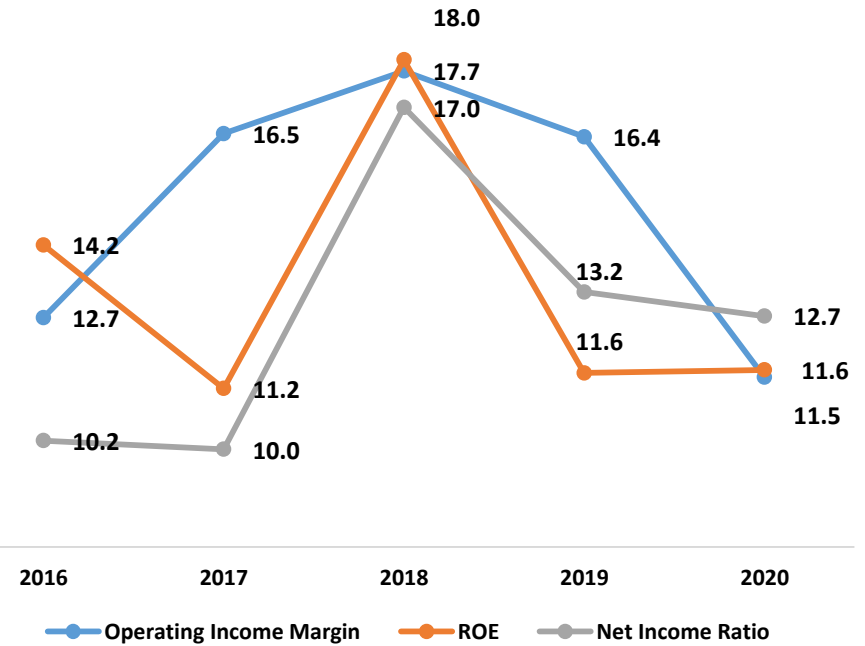
Stability

(단위 : %)



Profitability

(Unit : %)



03. Dividend Trend

Cash Dividend

※ Net Income is based on Separate Financial Statements

(Unit : 100 mil KRW, %)

Year	2016	2017	2018	2019	2020
Net Income	220.5	196.9	381.8	252.8	216.6
Dividend Payout Ratio	24.5	27.4	20.4	30.9	35.5
Total Dividend	54.0	54.0	78.0	78.0	76.8
Dividend per Share(KRW)	900	900	1,300	1,300	1,300
Year-End Stock Price(KRW)	33,250	41,875	29,650	29,500	29,100
Dividend Yield Ratio	2.7	2.1	4.3	4.3	4.4

THANK YOU

- **Contact us**

IR Team

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