

# **IR Report(Investor Relations)**

**Annual report, 2019**

 **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

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**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
Business	Plant Construction, Maintenance
Head Office	Teheran-ro, Gangnam-gu, Seoul
R&D Center	Dangjin, Chungchoengnam-do
Employees	876 persons (As of Dec. 31st. 2019)

## Business Sites Status

(As of Dec. 31st. 2019)

Operates 15 Domestic Sites and 3 Overseas Sites

Thermal (6)	Plant (3)	Nuclear (3)	New & Re-newable (2)	Overseas (3)	Others (1)
<ul style="list-style-type: none"> <li>• Taean</li> <li>• Dangjin</li> <li>• Youngdong</li> <li>• Samcheok</li> <li>• WestIncheon</li> <li>• Yeongheung</li> </ul>	<ul style="list-style-type: none"> <li>• Hanbit</li> <li>• Anin</li> <li>• Janghang Line</li> </ul>	<ul style="list-style-type: none"> <li>• SinHanul</li> <li>• Singori</li> <li>• Wolseong</li> </ul>	<ul style="list-style-type: none"> <li>• Wind - Jeju</li> <li>• Fuel cell - Hwaseong</li> </ul>	<ul style="list-style-type: none"> <li>• Philippines</li> <li>• UAE #3,4</li> <li>• Iraq</li> </ul>	<ul style="list-style-type: none"> <li>• Yeongheung</li> </ul>

\* 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

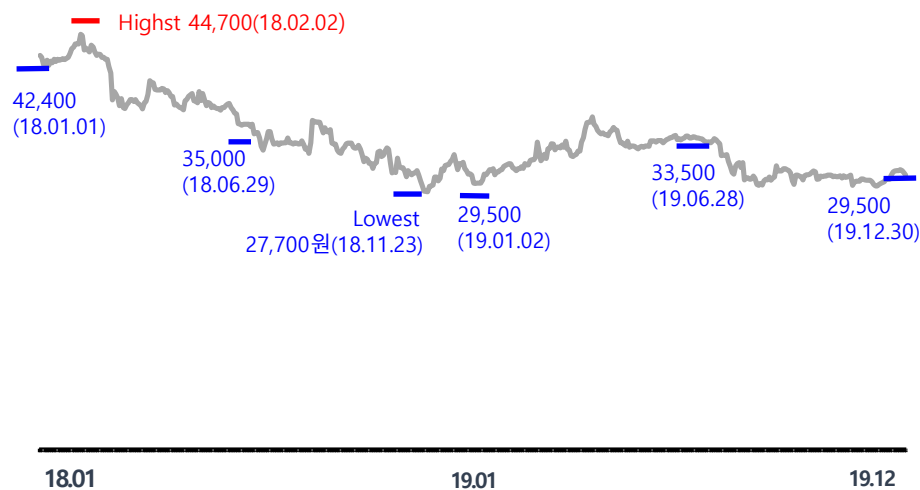
- Temporary Construction for Generating Unit

### 03. Listing & Shareholding Status

#### Listing Status

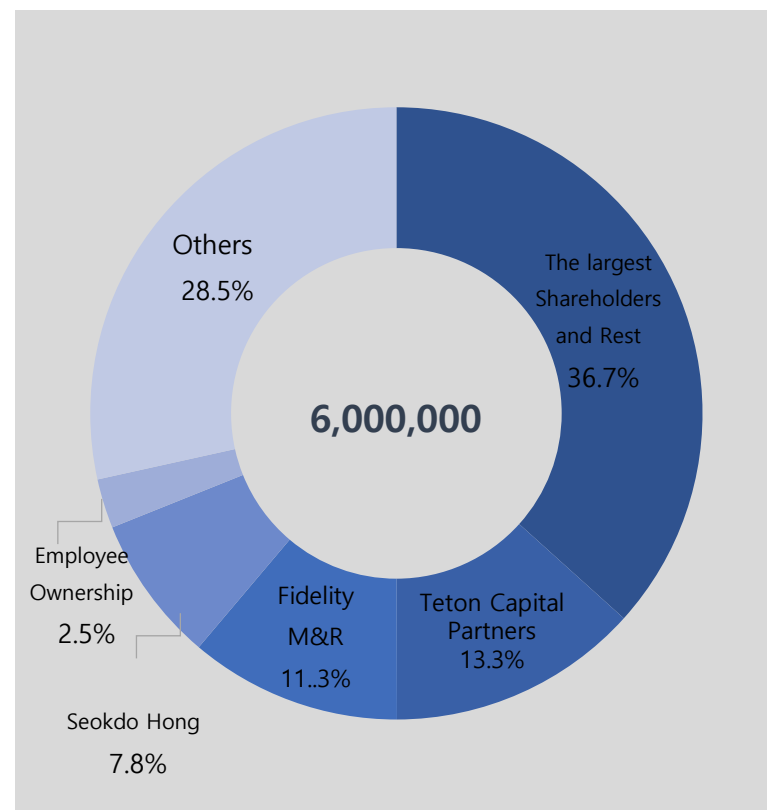
Company Name	Geumhwa PSC(036190)
Sector	KOSDAQ / Electrical and Communications Construction
Date of Listing	December 16 <sup>th</sup> , 2000
Number of Listed Shares	6,000,000

#### Stock Price Movement



#### Shareholding Status

(As of Dec. 31<sup>st</sup>, 2019)



Chapter 2

## **Business Performance**

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**01. Sales & Income(4Q 2019, Separate)**

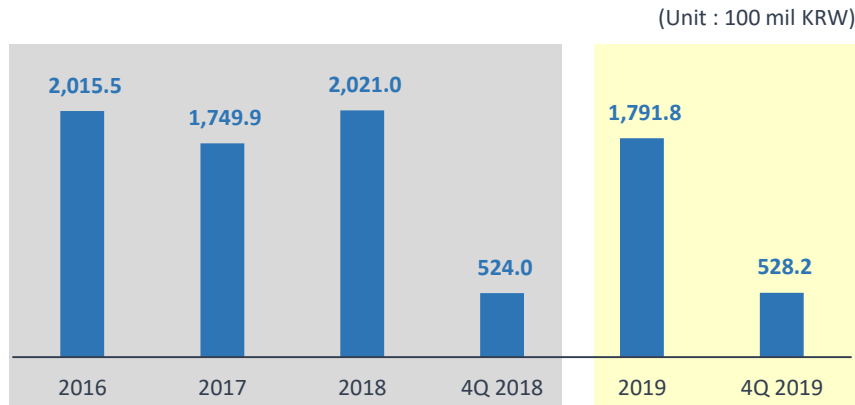
**02. Major Contracts**

**03. Management Performance**

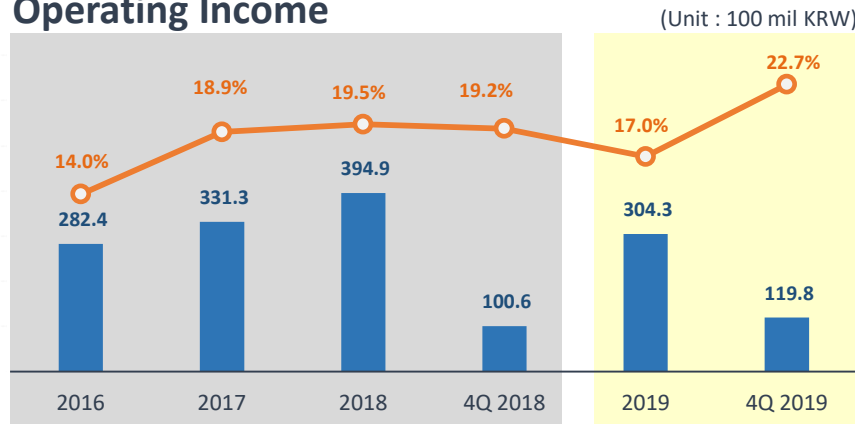
**04. Competitiveness**

# 01. Sales & Income( 4Q 2019, Separate)

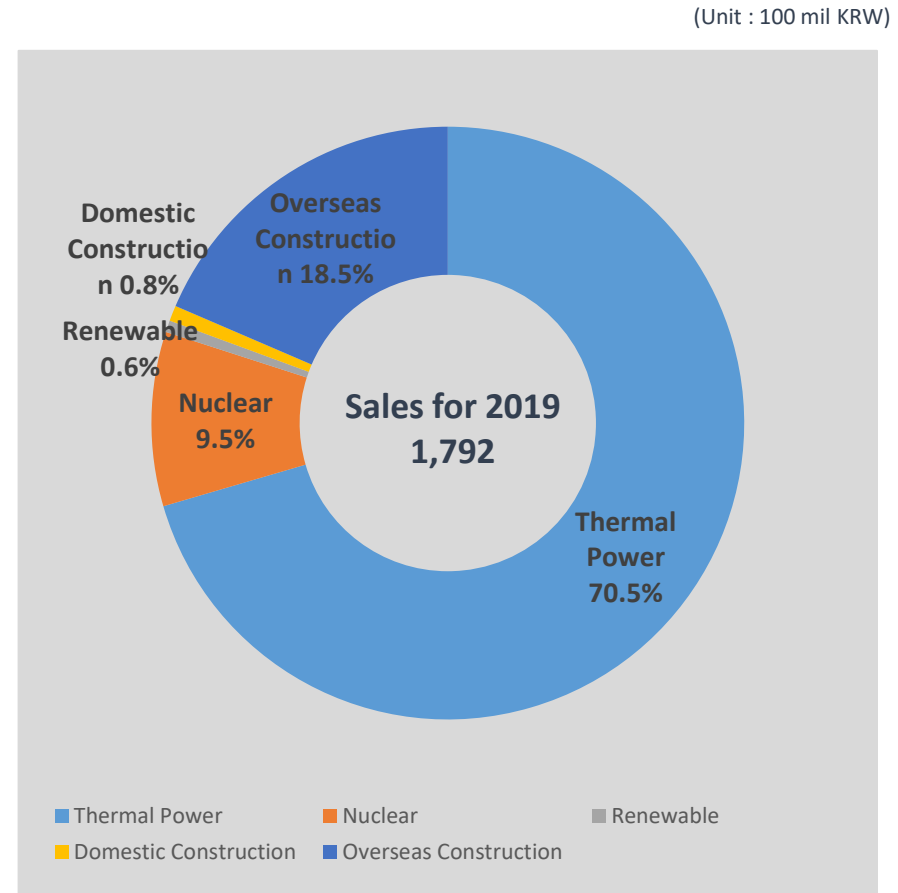
## Sales



## Operating Income



## Sales Breakdown



## 02. Major Contracts

### Domestic Maintenance and Overhaul

(As of Dec. 31<sup>st</sup>, 2019)

Type	Specifics	Customers	Projects	Contract Period
Domestic Maintenance	Thermal	Korea South-East Power	Yeongheung Coal –Fired Power Plant #5,6	Jul. 2013 ~ Mar. 2020
	Thermal	Korea South-East Power	Yeongheung Coal-Fired Power Plant #1~4 Operation service	Oct. 2015 ~ Mar. 2020
	Thermal	Korea South-East Power	Yeongheung Coal-Fired Power Plant #3	Jan. 2017 ~ Mar. 2020
	Thermal	Korea East West Power	Dangjin Coal-Fired Power Complex #9,10	May. 2015 ~ Mar. 2020
	Thermal	Korea East West Power	Dangjin Coal-Fired Power Complex #1,5~6	Jan. 2019 ~ Dec. 2020
	Thermal	Korea South-East Power	Samcheok Green Power	Jul. 2015 ~ Mar. 2020
	Thermal	Korea South-East Power	Yeongdong Coal-Fired Power Plant #1,2	Jan. 2019 ~ Dec. 2020
	Thermal	Korea Western Power	Taeon Thermal Power Complex #1~6	Jan. 2019 ~ Dec. 2020
	Thermal	Korea Western Power	West Incheon Combined Cycle Power Complex #5~8	Jan. 2019 ~ Dec. 2020
	Nuclear	Korea Hydro & Nuclear Power	Shin-Hanul Nuclear Power Plant #1,2 Test run servicing	Mar. 2015 ~ Sep. 2020
	Nuclear	Korea Hydro & Nuclear Power	Shin-Gori Nuclear Power Plant #3,4 Maintenance	Mar. 2019 ~ Feb. 2020
	Nuclear	Korea Hydro & Nuclear Power	Wolseong Nuclear Air Conditioning Facility Maintenance	Apr. 2019 ~ Mar. 2020
	Wind	Korea Southern Power	Jeju Wind Farm	Apr. 2011 ~ Mar. 2020
	Fuel cell	Gyunggi Green Energy	Gyunggi Green Fuel cell	Mar. 2017 ~ Feb. 2020
Domestic Overhaul	Nuclear	Korea Hydro & Nuclear Power	Shin-Gori Nuclear Power Plant #3,4 Overhaul	Nov. 2019 ~ Jan. 2020

## 02. Major Contracts

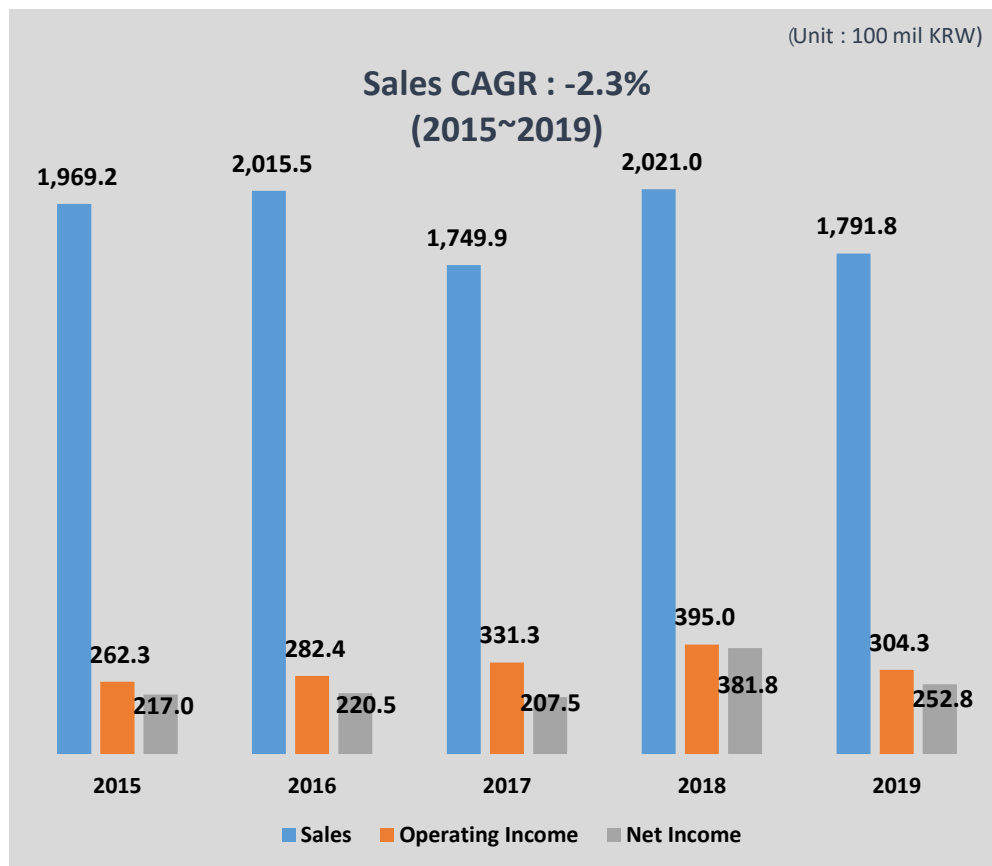
### Domestic Construction and Overseas Projects

(As of Dec. 31<sup>st</sup>, 2019)

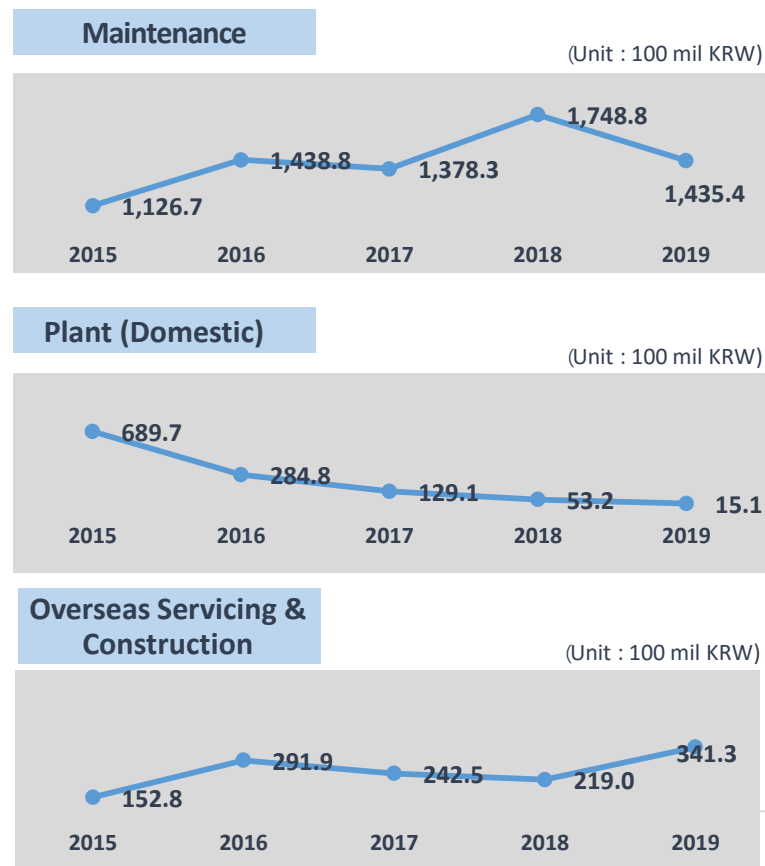
Type	Specifics	Customers	Projects	Contract Period
Domestic Construction	Nuclear	Korea Hydro & Nuclear Power	Hanbit Nuclear #5,6 SGR Machine construction	Sep. 2018 ~ Mar. 2021
	Thermal	SAMSUNG C&T	Anin Coal-Fired Power Plant #1,2 Turbine Installation	Nov. 2019 ~ Sep. 2022
	Others	Korea Rail Network Authority	Construction of the Second Stage Signal Facility for the Janghang Line	Sep. 2019 ~ Dec. 2020
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 ~ Sep. 2020
	Refinery (Iraq)	HDGSK JV	IRAQ KARBARA Refinery Project	Nov. 2015 ~ Aug. 2020

### 03. Management Performance

#### Five-Year Financial Performance (Separate)



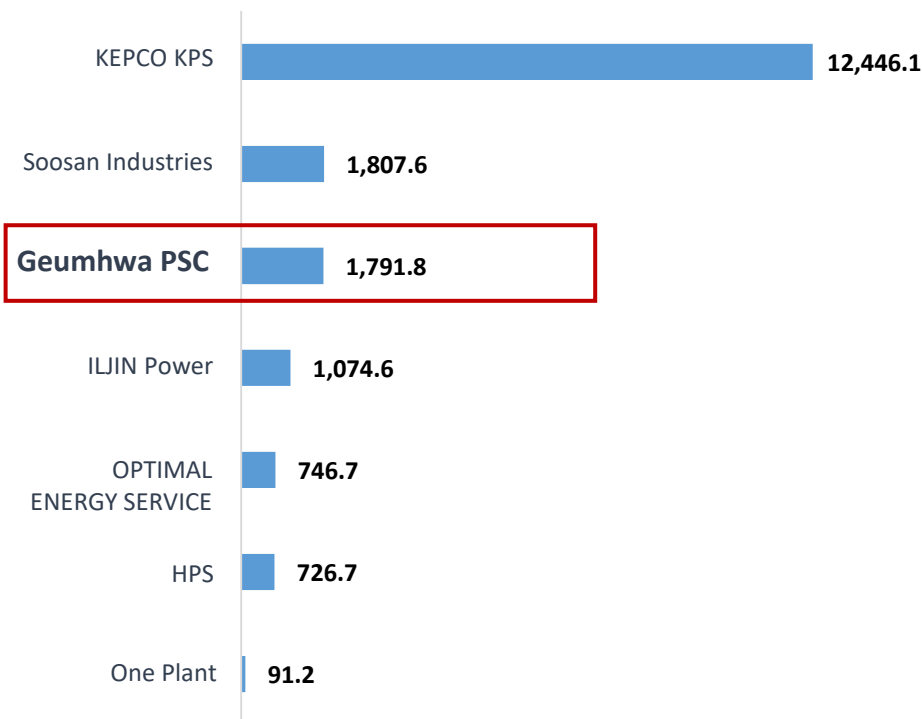
#### Sales Breakdown (2015 ~ 2019)



## 04. Competitiveness

### Top Class Domestic Private Power Plant Service Company

Comparison with Major Companies in 2019 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

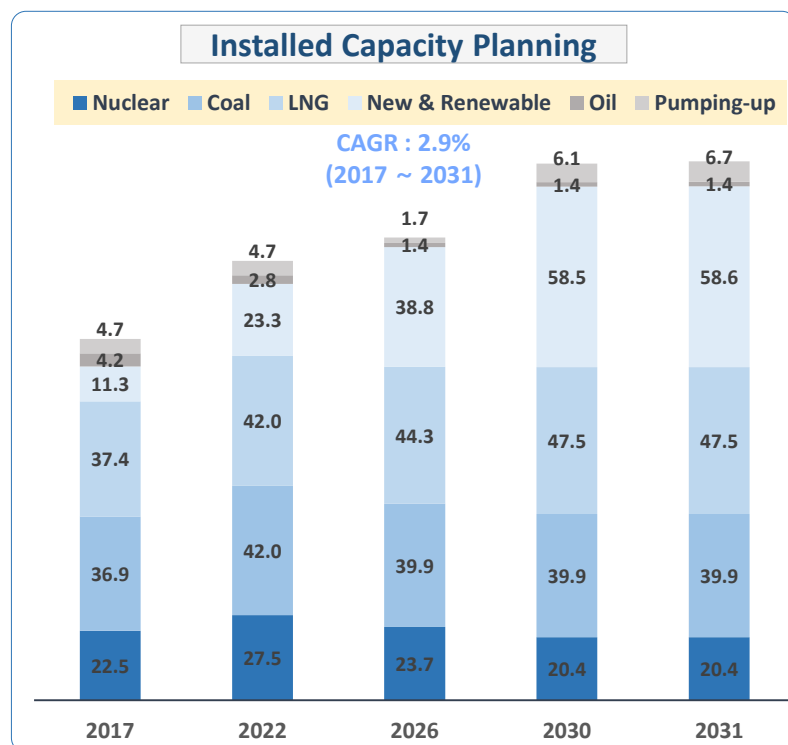
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01. Changes in Government Energy Policy

02. Geumhwa PSC Vision

# 01. Changes in Government Energy Policy

## The 8<sup>th</sup> Basic Plan for Long-term Electricity Supply and Demand(2017-2031)



Category	2017	2022	2026	2030	2031
Capacity(GW)	117.0	142.4	152.8	173.7	174.5

\* source : The Ministry of Trade, Industry and Energy(Dec. 29<sup>th</sup>, 2017)

## Policy Direction

### Basic

- To shift reliance from coal and nuclear power toward renewable energy and natural gas
  - Addressing environmental concerns and safety issues
  - To raise the ratio of new & renewable energy to 20% by 2030
  - To drive down greenhouse gas emissions by 26% and cut fine dust levels by 62% by 2030

### Follow-up

- Demand Forecast
  - Minimizing demand forecast error and considering the impact of the 4<sup>th</sup> industrial revolution on the electricity demand
- Reserve Rate of Facilities
  - Securing adequate facility reserve ratio to stabilize supply and demand
- Facility Planning
  - Construction and operation of power transmission system to support power generation mix

## 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

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**01. Consolidated Financial Statement**

**02. Financial Ratio**

**03. Dividend Trend**

## 01. Consolidated Financial Statement

### Statement of Financial Position

(Unit : 100 mil KRW)

Category	2019	2018	YoY
Current Assets	1,840.1	1,780.2	+3.4%
Non-Current Assets	976.8	845.0	+15.6%
<b>Total Assets</b>	<b>2,816.9</b>	<b>2,625.2</b>	<b>+7.3%</b>
Current Liabilities	387.5	363.5	+6.6%
Non-Current Liabilities	35.4	54.4	-34.9%
<b>Total Liabilities</b>	<b>422.8</b>	<b>417.9</b>	<b>+1.2%</b>
Common Stock	30.0	30.0	-
Capital Surplus	65.3	65.2	+0.2%
Retained Earnings	2,300.5	2,115.0	+8.8%
Other Equity Accounts	-1.7	-2.9	-41.4%
<b>Total Equity</b>	<b>2,394.1</b>	<b>2,207.3</b>	<b>+8.5%</b>

### Income Statement

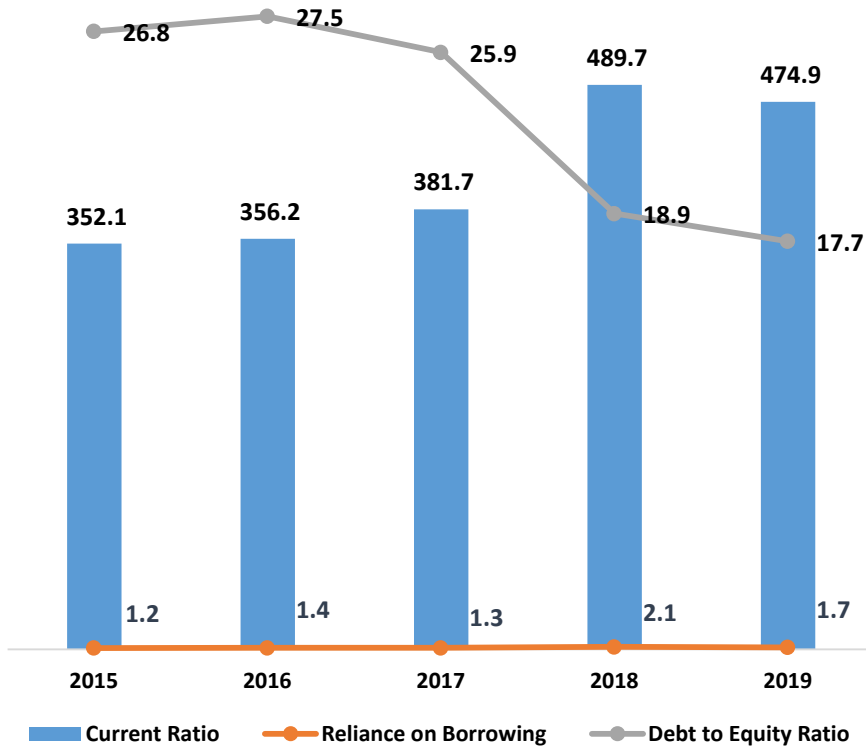
(Unit : 100 mil KRW)

Category	2019	2018	YoY
Sales	2,094.3	2,333.3	-10.2%
Cost of Sales	1,657.9	1,821.0	-9.0%
<b>Gross Profit</b>	<b>436.4</b>	<b>512.3</b>	<b>-14.8%</b>
Selling and Administrative Expenses	93.1	98.4	-5.4%
<b>Operating Income</b>	<b>343.3</b>	<b>413.8</b>	<b>-17.0%</b>
Non-Operation Income	31.1	104.9	-70.4%
Net Income before Income Taxes	374.4	518.7	-27.8%
Income Tax Expenses	97.6	122.2	-20.1%
<b>Net Income</b>	<b>276.8</b>	<b>396.5</b>	<b>-30.2%</b>

## 02. Financial Ratio (Consolidated)

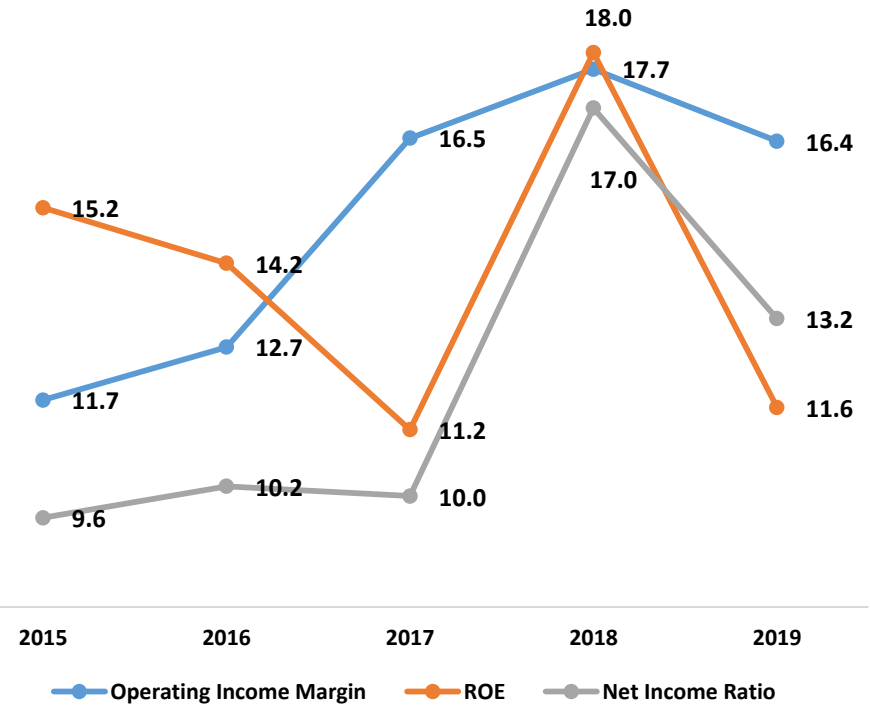
### Stability

(단위 : %)



### Profitability

(Unit : %)



### 03. Dividend Trend

#### Cash Dividend

※ Net Income is based on Separate Financial Statements

(Unit : 100 mil KRW, %)

Year	2015	2016	2017	2018	2019
Net Income	217.0	220.5	196.9	381.8	252.8
Dividend Payout Ratio	24.9	24.5	27.4	20.4	30.9
Total Dividend	54.0	54.0	54.0	78.0	78.0
Dividend per Share(KRW)	900	900	900	1,300	1,300
Year-End Stock Price(KRW)	29,900	33,250	41,875	29,650	29,500
Dividend Yield Ratio	3.0	2.7	2.1	4.3	4.3

# THANK YOU

- **Contact us**

IR Team

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