

# DL E&C Mid-term Strategy & Shareholder Return Policy

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# 1. Business Strategy

## 2. Mid-term Outlook

## 3. Shareholder Return Policy



- Pursuing 'Profitable Growth' based on High-margin businesses, Digital Transformation and New Businesses

## Sustainable · Stable Profitable Growth

	'21	'23	
Revenue	KRW 7.80 tril.→	9.60	(CAGR 11%)
OP	KRW 0.83 tril.→	1.15	(CAGR 18%)

### 1. High-margin Businesses

- ☑ Developer Business
- ☑ Urban Redevelopment

### 2. Digital Transformation

- ☑ BIM-AI based Digital Platform
- ☑ Apply to all Construction Works and Process

### 3. New Businesses

- ☑ Hydrogen Energy specially in Production / Liquefaction / Storage
- ☑ CCS<sup>(※)</sup> Facility Construction

※ CCS (Carbon Capture Storage)

# 1. Increasing High-margin Businesses

## ➤ Portfolio Enhancement into More Profitable Businesses (Developer and Urban Redevelopment Businesses)

### 1 Developer Business

Target Market		
	Housing	Non-housing
Public offering	①	
Self-leading	②	
Collaborative		

#### ① Focus on public offering

- Land securement for mega-size public offering projects

#### ② Explore opportunities by themes

- Seek business opportunities in social / industrial trend and government policy change
  - population decline / recession
  - (University, Plant-sites in downtown, Retail stores, etc.)
  - Government policy / Real estate policy
  - (3<sup>rd</sup> phase of residential new towns, military-sites, etc.)

### Business Direction

#### ▪ Digital Developer based on Proptech

##### → Pipeline expansion

- Big-data collection & analysis ability reinforcement
- Strong partnership with Proptech companies
- Digital Developer model build-up on our own

#### ▪ Focus on equity investment (risk hedge)

#### ▪ Form 'Agile Organization' optimized to developer business and increase further expertise through M&A

### 2 Urban Redevelopment Business

#### ☑ Market share expansion leveraging premium brand

ACRO



#### ☑ Attracting customers by providing differentiated spatial experience



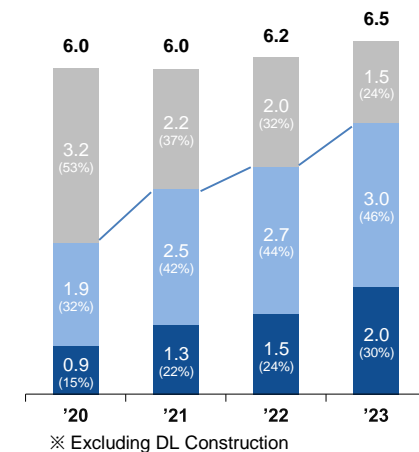
### High-margin biz (Developer + Urban Redevelopment)

- % : Y20 47% → Y23 76%  
(Developer Y20 15% → Y23 30%)
- Target OP margin : 20%↑

### New-Order Target (Housing)

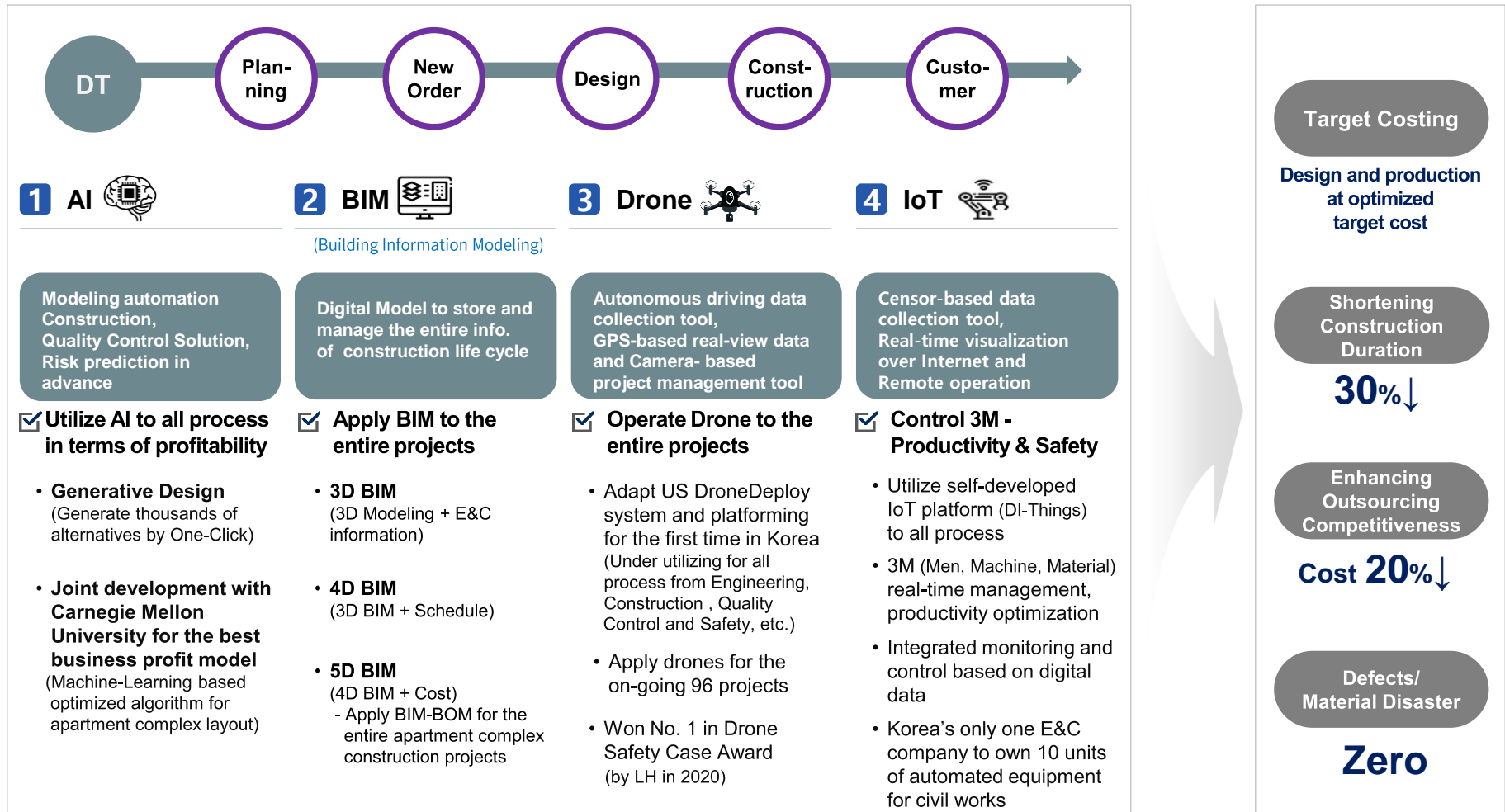
Developer Urban Redevelopment Others

(Unit : KRW tril.)



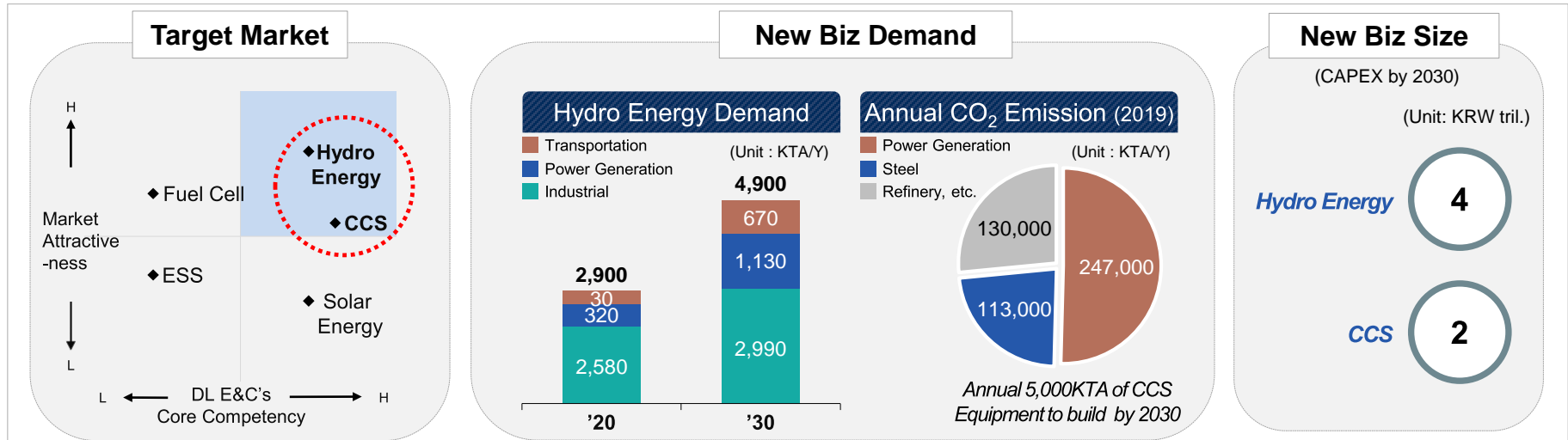
## 2. Digital Transformation

- Build Data-based Decision Making Organization & Internalize Digitech in Housing, Civil and Plant
  - Provide the Best Quality Products with the Lowest Cost at the Fastest Pace using Automated Design Tech. (BIM-AI Platform)





- Seek New Business Opportunities in ESG Issues → Target Eco-friendly Hydrogen Energy & CCS\*  
 (\* Carbon Capture Storage)



## 1 Hydrogen Energy

### Market Outlook

- Hydrogen economy expects to grow at fast rate backed by power generation, transportation and industrial demand
- Enter into EPC biz for hydrogen production, liquefaction and Storage area
- About KRW 4 tril. of investment by 2030
  - Power Generation KRW 1 tril., Transportation 0.5 tril., Industrial KRW 2.4 tril.

### DL E&C's Capabilities

- Numerous EPC track-records in traditional hydrogen reforming production plant
  - Oman SRIP (120 KTA/Y)
  - Russia OMSK (78 KTA/Y)
- Ammonia plant EPC experiences, known to the highest possibility as Hydrogen Energy Carrier in the future
  - Completed : Saudi Ma'aden Ammonia II
  - Under Construction: Saudi Ma'aden Ammonia III

## 2 CCS (Carbon Capture Storage)

- Target companies with higher CO<sub>2</sub> emission cost and economic burdens from eco-friendly related issues
  - Provide CCS equipment to Power generation (major power generation subsidiaries) and steel industry
- Annual 5,000KTA of CCS Equipment to build by 2030  
 (About KRW 2 tril. of CAPEX)
- Basic Design and EPC capability with CO<sub>2</sub> capture up to 3,000 Ton / Day
- Participated Phase 1 & 2 of CCS government-assigned projects by KEPRI (Korea Electronic Power Research Institute)
  - Constructed Boryeong thermal power CO<sub>2</sub> capture plant with 10MW (200 Ton / day) capacity
  - Executed Design and FEED for CO<sub>2</sub> capture plant with 150MW capacity

# 1. Business Strategy

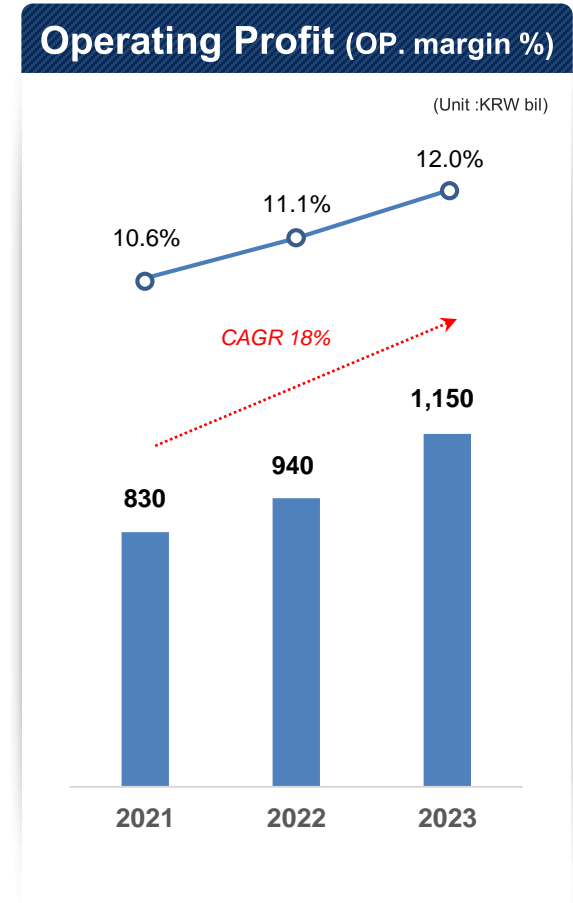
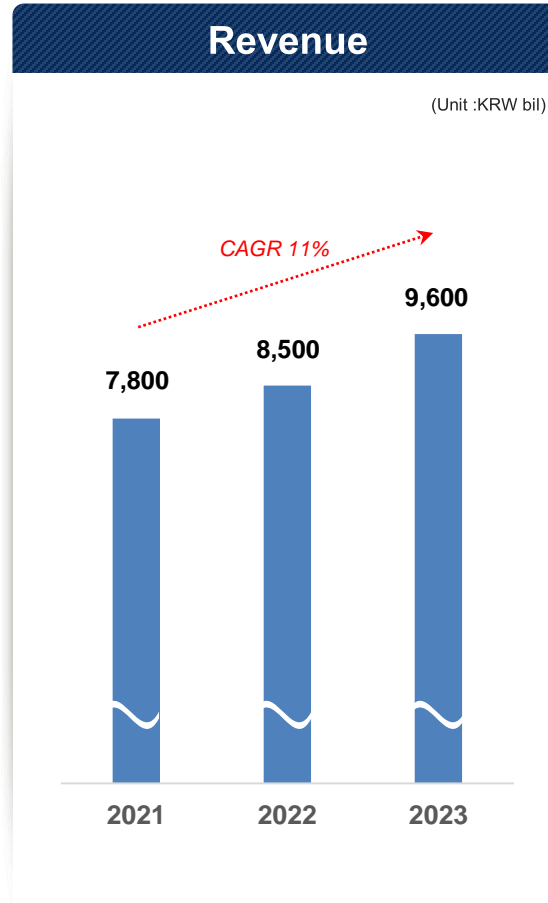
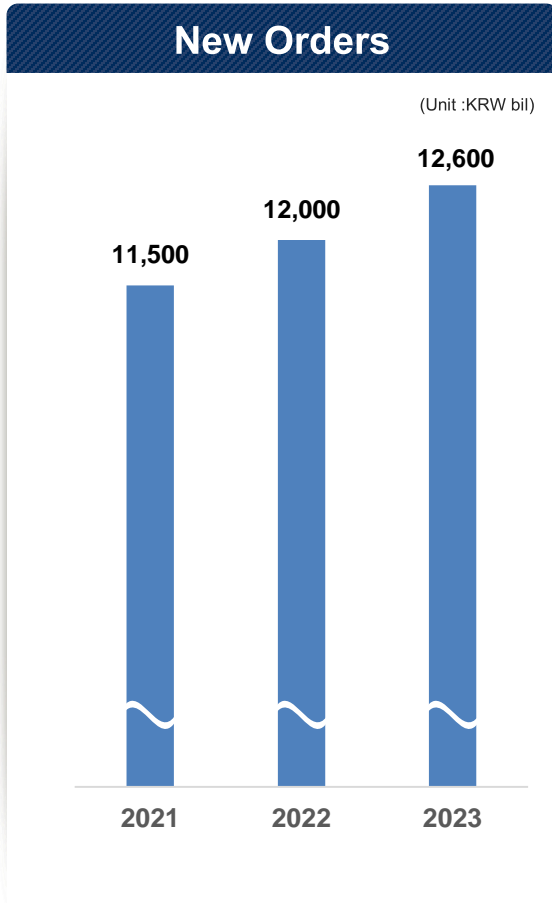
## 2. Mid-term Outlook

## 3. Shareholder Return Policy





- Revenue Growth by Increase in New Orders & Profitability Improvement by Productivity Enhancement  
→ Operating Profit Growth at CAGR 18%



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- Plan to Return 15% of Annual Net Income to Shareholders ('21~'23)
- Retained Earnings Be Spent for the Investment to Support Future Growth and Top-tier Financial Stability

## Shareholder Return Policy ('21~'23)

Plant to return 15% of Net Income attributable to controlling interests to shareholders in '21~'23

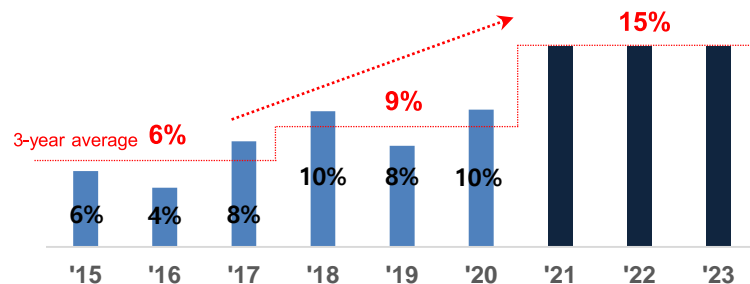
### 1 Cash Dividend

- ☑ 10% of Net Income (attributable to controlling interests)

### 2 Share Buyback

- ☑ 5% of Net Income (attributable to controlling interests)

※ Shareholder Return (3-year average trend)



※ '15~'20 : Daelim Industrial Shareholder Return

## Investment Plan

Consistent investment to enhance corporate value for the sustainable growth in the future

### 1 Housing-oriented Developer

- ☑ Portfolio enhancement through expanding high-margin businesses
- ※ About KRW 200bil. of annual investment for the next 3 years

### 2 Urban Redevelopment Business

- ☑ Operating Assets such as bid deposits, etc.
- ※ About KRW 100bil. of annual investment for the next 3 years

### 3 ESG-related New Business

- ☑ Under review on Eco-friendly business, Hydrogen Energy and CCS (Carbon Capture Storage)



# Thank You

