



1Q FY18 Business Results

April 20th 2018

Since this document has yet to be reviewed by external auditors, please note that the figures in the document may be revised following an independent review.

This document contains forward-looking statements or information that are based on estimates and assumptions.

Please be advised that such forward-looking statements involve known and unknown risks, uncertainties and assumptions, and are subject to change.

The financial information in this document has been prepared in accordance with K-IFRS.

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I . 1Q FY18 Business Results

1. Income Statement



Unit: Bil. KRW

	1Q FY17	4Q FY17	1Q FY18	QoQ	YoY
Sales	286.6	240.5	335.8	39.6%	17.2%
Gross Profit	46.2	49.4	71.9	45.5%	55.6%
Operating Profit	22.1	26.1	49.8	90.8%	125.3%
Pre-tax Income	24.8	5.5	70.8	1,187.3%	185.5%
Net Income	19.5	7.6	55.2	626.3%	183.1%
Oil Price(WTI, \$/bbl)	51.93	55.44	62.90	13.5%	21.1%
Exchange Rate (₩/\$)	1,154.93	1,107.46	1,072.72	▲3.1%	▲7.1%

I. 1Q FY18 Business Results

2. Financial Position

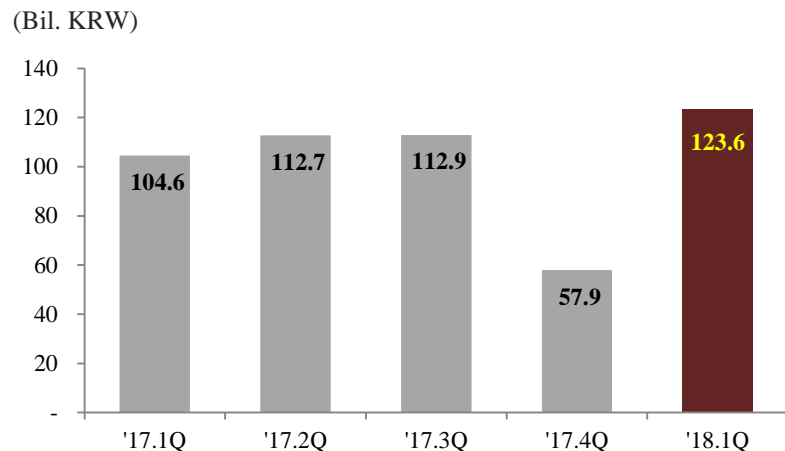


Unit: Bil. KRW

	Mar. 2017	Dec. 2017	Mar. 2018
Asset	1,560.1	1,641.3	1,698.9
Cash and Equivalents	241.2	131.7	178.0
Liabilities	436.6	448.6	471.4
Borrowings	301.0	281.0	281.1
Shareholder's Equity	1,123.4	1,192.7	1,227.6
Capital	129.0	129.0	129.0
Debt Ratio	38.9%	39.0%	38.4%
Capital Ratio	72.0%	71.9%	72.3%

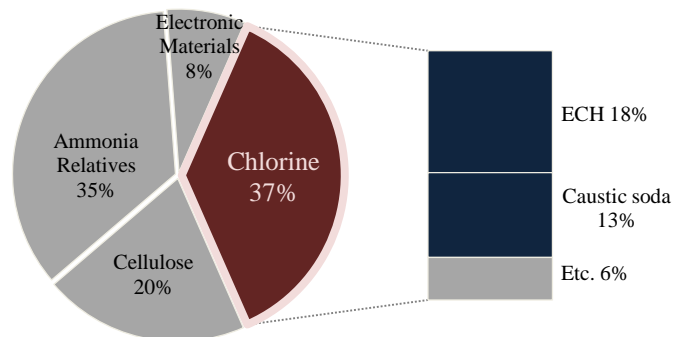
II. Divisional Results : Chlorine

Sales



Sales Portion

(1Q FY18)



Review

The sales rise as affected by the sale price hike due to the market price being turned up and the sales volume increase.

- **ECH**

Profitability improved QoQ with the increased sale price, which resulted from its market price remaining strong amid a tight balance of global supply and demand including the Chinese market. With the seasonal demand peak coming back, the sales volume rose QoQ, leading the sales increase.

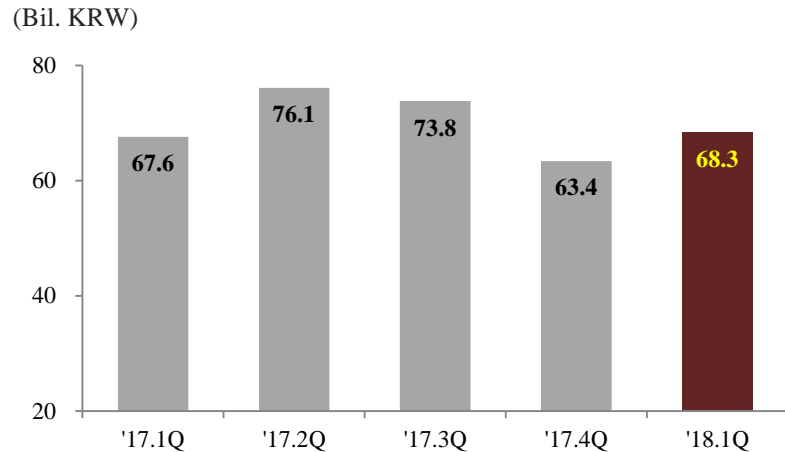
- **Caustic Soda**

The upturn of market price of Q4 was reflected in its sale price with the time lag, and the sales volume was normalized after the planned maintenance season, resulting in the sales increase QoQ.

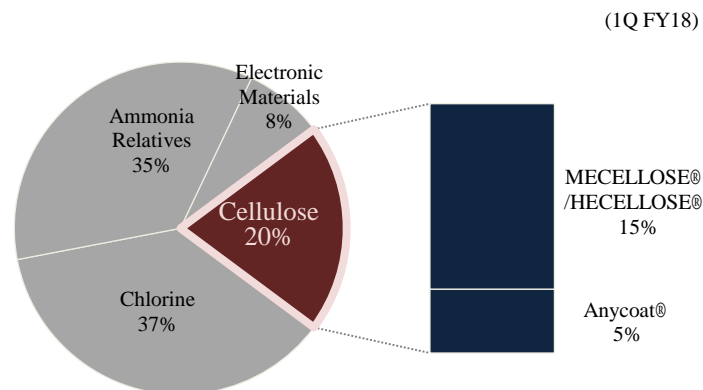
* Q4 of 2017 saw sales downturn due to sales adjustment caused by change of the applicable accounting standard.

II. Divisional Results : Cellulose

Sales



Sales Portion



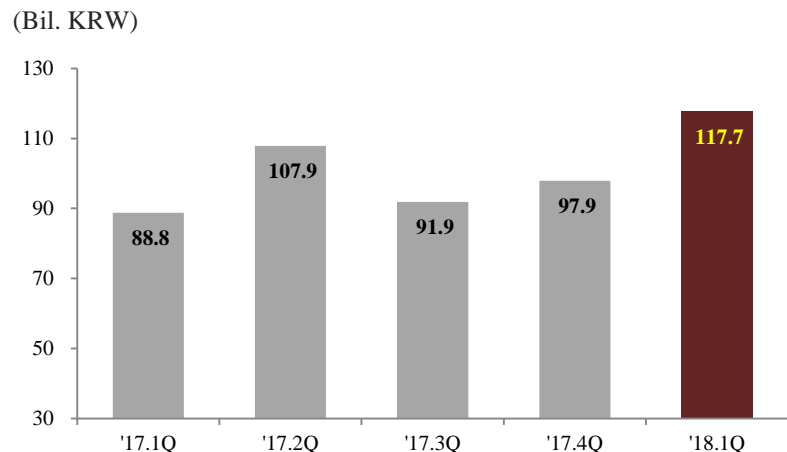
Review

Sales remained at a similar level QoQ due to the exchange rate change, despite the sales volume increase and the sale price rise

- **MECELLOSE[®], HECCELLOSE[®]**
Despite the sales volume rise and the sale price upturn, the KRW appreciation offset the effect from such rises, resulting in a slight rise of sales QoQ and YoY.
- **AnyCoat[®]**
Sales actually rose QoQ with sales volume rebounding after scheduled maintenance, and sales, de-facto, declined YoY as affected by the sale price being dragged down by unfavorable exchange rates.

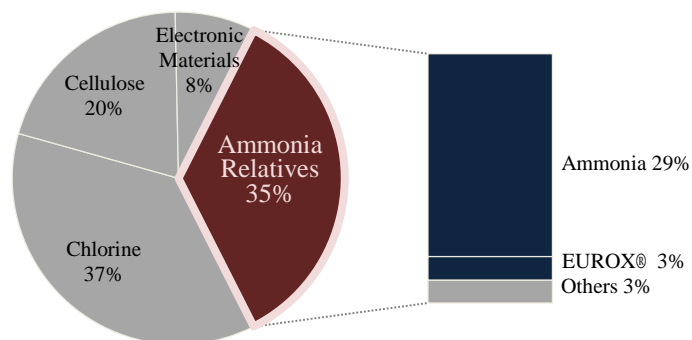
II. Divisional Results : Ammonia Relatives

Sales



Sales Portion

(1Q FY18)



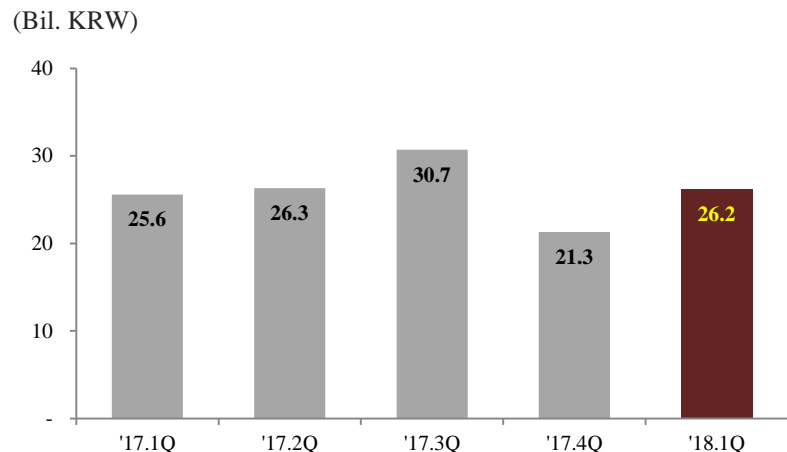
Review

Sales increased thanks to the sales volume growth following Ammonia market price hike and EUROX® market growth

- Ammonia**
 Sales rose QoQ and YoY following sales volume growth and market price hike as a result of maintenances of major producers of the Middle East.
- EUROX®**
 Sales recorded on a par QoQ and increased YoY following the urea solution market expansion despite being in off-season.

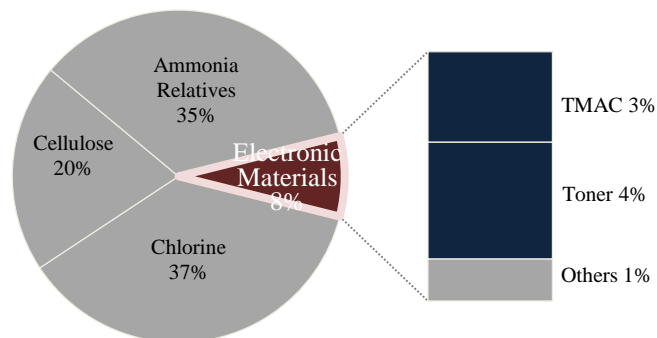
II. Divisional Results : Electronic Materials

Sales



Sales Portion

(1Q FY18)



Review

Sales increased thank to growing demand in downstream

- **TMAC**

Sales rose QoQ and YoY with sale price upturn with the rising price of methanol, the key material, and with downstream demand growth such as semi-conductors and displays.

- **Toner**

Sales rose QoQ and YoY enabled by increased sales volume, which recovered after the sales volume-dragging factors of the previous quarter disappeared despite the sale price decline from unfavorable exchange rates.

※ Sales of Q4 FY17 decreased due to advance purchase was made Q3 FY17 in order to brace for HP merging.

Appendix. Quarterly Business Results



Unit: Bil. KRW

	FY17					FY18				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	286.6	323.0	309.3	240.5	1,159.5	335.8	-	-	-	335.8
Gross Profit	46.2	57.8	56.8	49.4	210.2	71.9	-	-	-	71.9
Operating Profit	22.1	33.6	29.4	26.1	111.1	49.8	-	-	-	49.8
Income Before Tax	24.8	39.5	40.9	5.5	110.7	70.8	-	-	-	70.8
Net Income	19.5	30.5	31.7	7.6	89.2	55.2	-	-	-	55.2
Oil Price (WTI, \$/bbl)	51.93	48.29	48.23	55.44	50.97	62.90	-	-	-	62.90
Exchange Rate (₩/\$)	1,154.93	1,129.35	1,132.26	1,107.46	1,131.00	1072.72	-	-	-	1072.72

MISSION

사랑과 신뢰를 받는
제품과 서비스를 제공하여
인류의 풍요로운 삶에 기여한다

We enrich people's lives by providing
superior products and services that
our customers love and trust



