



3Q FY18 Business Results

Oct. 25th 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.

Contents

I . 3Q FY18 Business Results

1. Income Statement

2. Financial Position

II . Divisional Results Analysis

※ Quarterly Business Results

I . 3Q FY18 Business Results

1. Income Statement



Unit: Bil. KRW

	3Q FY17	2Q FY18	3Q FY18	QoQ	YoY
Sales	309.3	355.4	344.5	▲ 3.1%	11.4%
Gross Profit	56.8	94.1	72.6	▲ 22.8%	27.8%
Operating Profit	29.4	73.1	48.9	▲ 33.1%	66.3%
Pre-tax Income	40.9	87.8	70.4	▲ 19.8%	72.1%
Net Income	31.7	68.5	54.7	▲ 20.1%	72.6%
Oil Price(WTI, \$/bbl)	48.23	67.26	69.50	3.3%	44.1%
Exchange Rate (₩/\$)	1,132.26	1,078.98	1,121.52	3.9%	▲ 0.9%

I . 3Q FY18 Business Results

2. Financial Position

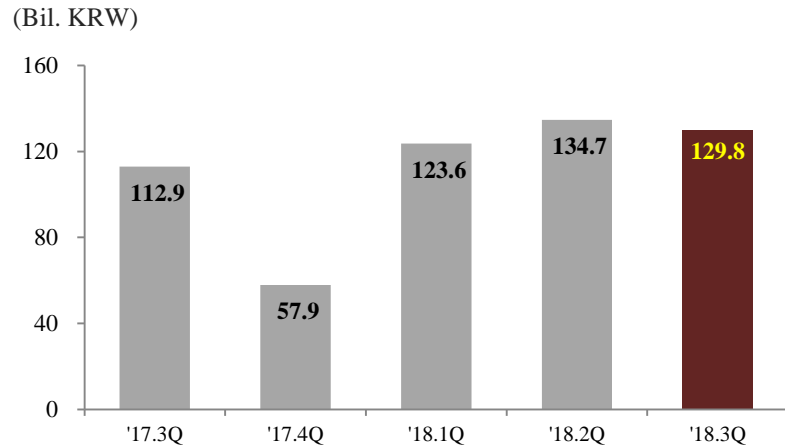


Unit: Bil. KRW

	Sep. 2017	Jun. 2018	Sep. 2018
Asset	1,610.5	1,709.5	1,686.4
Cash and Equivalents	221.3	249.0	144.1
Liabilities	424.8	413.4	335.6
Borrowings	281.0	181.1	81.2
Shareholder's Equity	1,185.7	1,296.1	1,350.8
Capital	129.0	129.0	129.0
Debt Ratio	35.8%	31.9%	24.8%
Capital Ratio	73.6%	75.8%	80.1%

II. Divisional Results : Chlorine

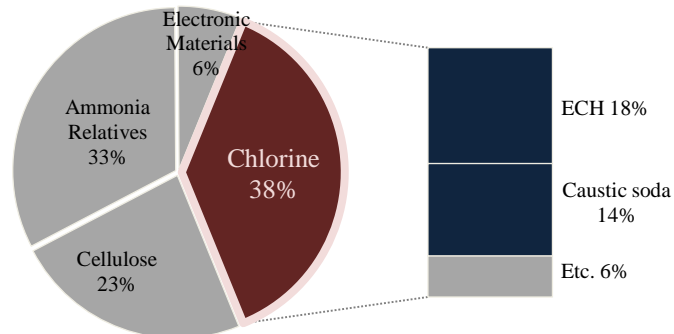
Sales



※ Q4 of 2017 saw the sales shrunken as affected by sales adjustment of Caustic Soda required due to revised accounting standard.

Sales Portion

(3Q FY18)



Review

Decreased downstream demand held back the price, bringing down revenue QoQ

- **ECH**

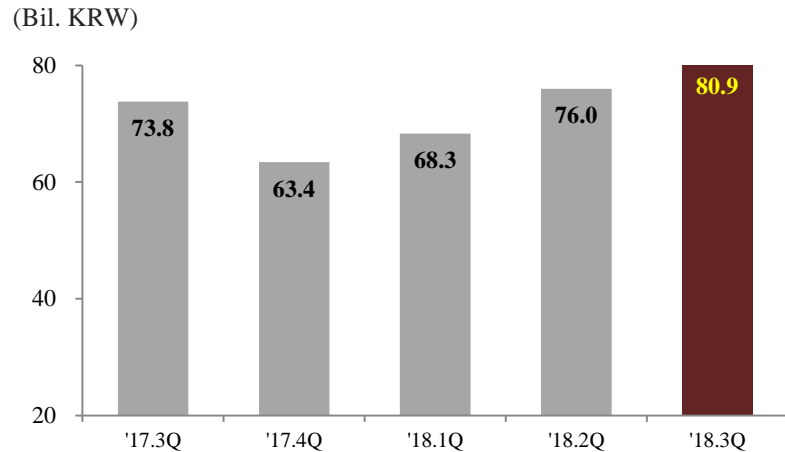
Seasonal demand slide of Epoxy led to decline of ECH sales volume. The fallen selling price as affected by a slack market price resulted in decline in revenue QoQ. The market price rise from the same period of the last resulted in higher revenue YoY

- **Caustic Soda**

The sales volume rose slightly from the previous quarter. The slow demand for Alumina of China led to weakened market price, which contributed to lower revenue QoQ due to fallen selling price.

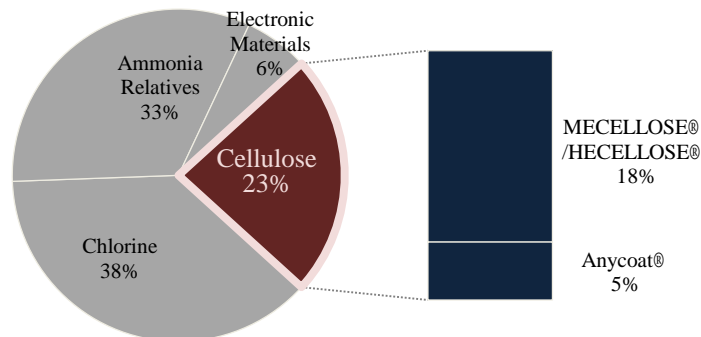
II. Divisional Results : Cellulose

Sales



Sales Portion

(3Q FY18)



Review

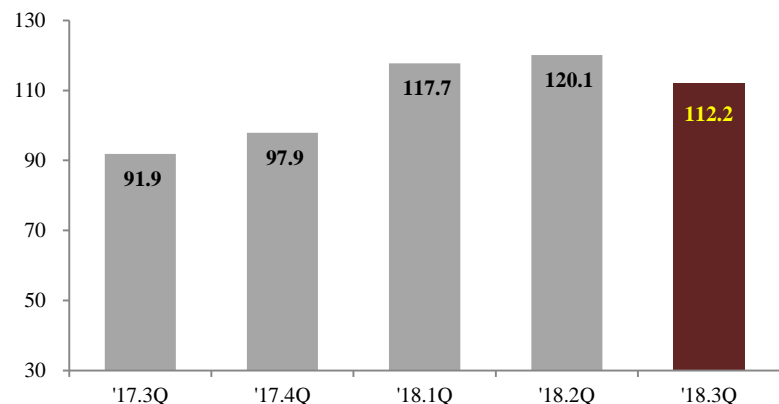
High season of Q3 led to an increase in sales volume and selling price hike, resulting in increased revenue QoQ

- MECELLOSE® , HECCELLOSE®**
 Seasonal demand increase of Q3 and outputs added by new plants led to growth in sales volume, and selling price driven by FX rate upturn resulted in revenue rise QoQ. Growth in sales volume and selling prices YoY pushed up revenue.
- Anycoat®**
 Sales of high-end products remained steadfast, resulting in growth of revenue QoQ. And increased demand from large customers YoY drove up revenue.

II. Divisional Results : Ammonia Relatives

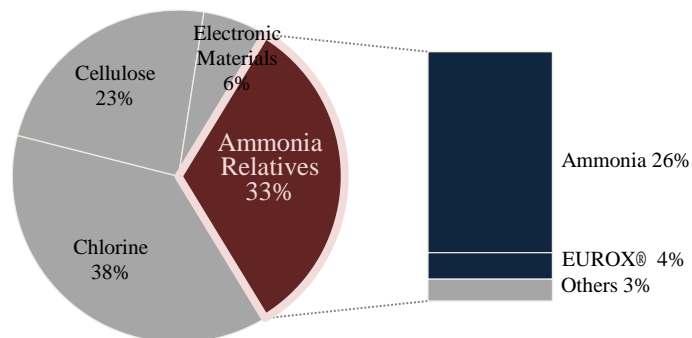
Sales

(Bil. KRW)



Sales Portion

(3Q FY18)



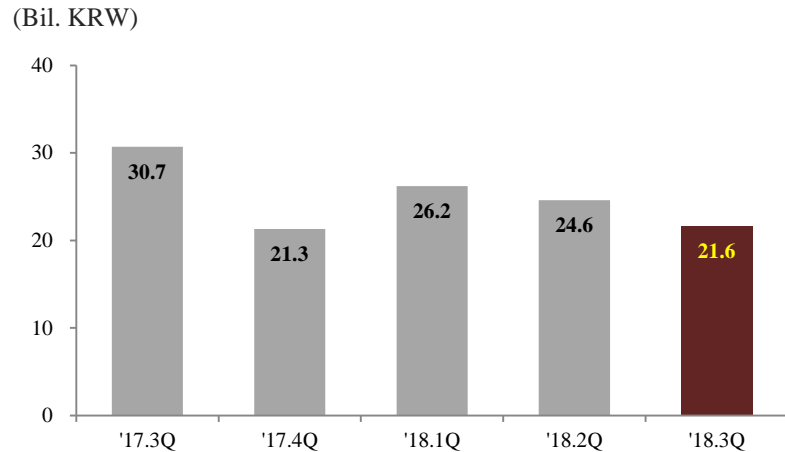
Review

Sales of Ammonia and EUROX remained stable

- Ammonia**
 Troubles between producers in ME/SEA pushed up market price, which resulted in growth in selling price. But with quarterly sales fluctuation, revenue decreased QoQ. Selling price upturn YoY drove up revenue.
- EUROX®**
 Sales volume remained steady despite summer heat wave and the seasonal logistical low, reporting revenue at a similar level to the previous quarter. The Adblue market growth enabled by EURO 6 implementation and old vehicle replacement pulled up revenue YoY.

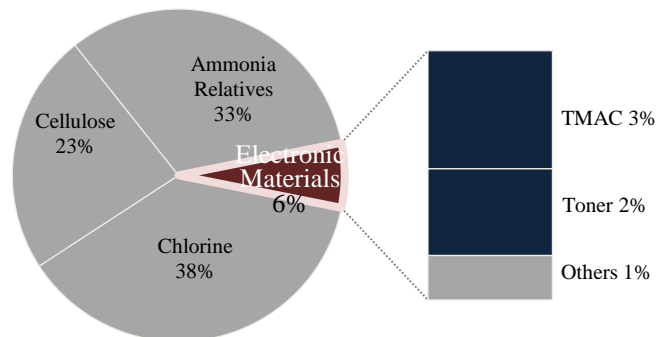
II. Divisional Results : Electronic Materials

Sales



Sales Portion

(3Q FY18)



Review

Slow demand in downstream of Toner business resulted in revenue decline QoQ

- **TMAC**

Increased production by customers led to sales volume increase, and price hike of raw material pushed up selling price, contributing to revenue increase both QoQ and YoY.

- **Toner**

Slow downstream demand contributed to revenue downturn QoQ and YoY.

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	355.4	344.5	-	1,035.7
Gross Profit	46.2	57.8	56.8	49.4	210.2	71.9	94.1	72.6	-	238.6
Operating Profit	22.1	33.6	29.4	26.1	111.1	49.8	73.1	48.9	-	171.8
Income Before Tax	24.8	39.5	40.9	5.5	110.7	70.8	87.8	70.4	-	229.1
Net Income	19.5	30.5	31.7	7.6	89.2	55.2	68.5	54.7	-	178.5
Oil Price (WTI, \$/bbl)	51.93	48.29	48.23	55.44	50.97	62.90	67.26	69.50	-	66.55
Exchange Rate (₩/\$)	1,154.93	1,129.35	1,132.26	1,107.46	1,131.00	1072.72	1,078.98	1,121.52	-	1,123.41

※ The difference between quarterly results and cumulative results is attributable to the round-off.

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

