



# 1Q FY19 Business Results

Apr. 26<sup>th</sup> 2019

**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 FY19 Business Results

## 1. Income Statement



Unit: Bil. KRW

|                               | 1Q FY18  | 4Q FY18  | 1Q FY19      | QoQ   | YoY    |
|-------------------------------|----------|----------|--------------|-------|--------|
| <b>Sales</b>                  | 335.8    | 336.0    | <b>326.6</b> | ▲2.8% | ▲2.7%  |
| <b>Gross Profit</b>           | 71.9     | 61.6     | <b>60.5</b>  | ▲1.8% | ▲15.9% |
| <b>Operating Profit</b>       | 49.8     | 38.9     | <b>37.7</b>  | ▲3.1% | ▲24.3% |
| <b>Pre-tax Income</b>         | 70.8     | 46.1     | <b>51.7</b>  | 12.1% | ▲27.0% |
| <b>Net Income</b>             | 55.2     | 36.4     | <b>40.8</b>  | 12.1% | ▲26.1% |
| <b>Oil Price(WTI, \$/bbl)</b> | 62.90    | 58.77    | 54.90        | ▲6.6% | ▲12.7% |
| <b>Exchange Rate (₩/\$)</b>   | 1,072.72 | 1,127.43 | 1,125.06     | ▲0.2% | 4.9%   |

# I . 1Q FY19 Business Results

## 2. Financial Position



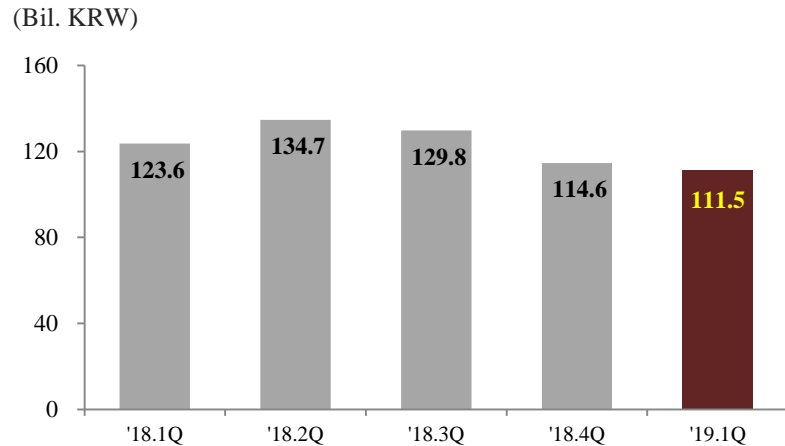
Unit: Bil. KRW

|                             | Mar. 2018     | Dec. 2019     | Mar. 2019     |
|-----------------------------|---------------|---------------|---------------|
| <b>Asset</b>                | <b>16,989</b> | <b>17,000</b> | <b>17,561</b> |
| Cash and Equivalents        | 1,780         | 68            | 67            |
| <b>Liabilities</b>          | <b>4,713</b>  | <b>3,221</b>  | <b>3,807</b>  |
| Borrowings                  | 2,811         | 812           | 812           |
| <b>Shareholder's Equity</b> | <b>12,276</b> | <b>13,779</b> | <b>13,754</b> |
| Capital                     | 1,290         | 1,290         | 1,290         |
| <b>Debt Ratio</b>           | 38.4%         | 23.4%         | 27.7%         |
| <b>Capital Ratio</b>        | 72.3%         | 81.1%         | 78.3%         |

※ 'Cash and cash equivalents' decreased due to reclassification of accounts according to changes in accounting standards.

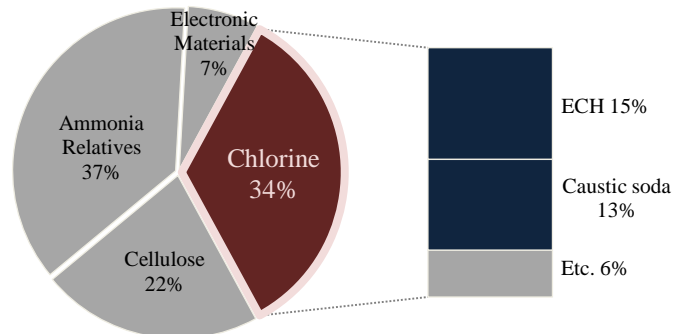
# II. Divisional Results : Chlorine

## Sales



## Sales Portion

(1Q FY19)



## Review

- **ECH**

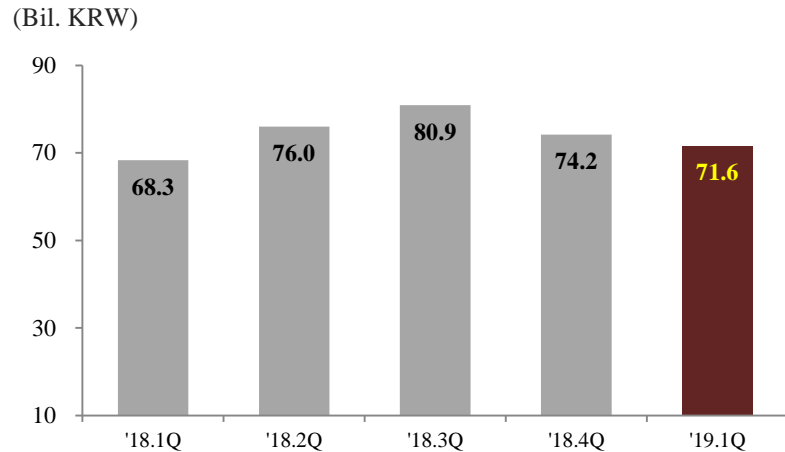
The Sales volume rose QoQ, but the revenues remained similar to the previous quarter due to depressed price caused by slow demand in the downstream (Epoxy) from Chinese economic slowdown. The sales volume and the market prices underperformed due to depressed demand QoQ, leading to lowered revenue.

- **Caustic Soda**

Despite the sale volume increased QoQ and YoY, the revenue declined due to price fall affected by continuously weakened market price, a result of the BIS certification issue that began in Q4, 2018.

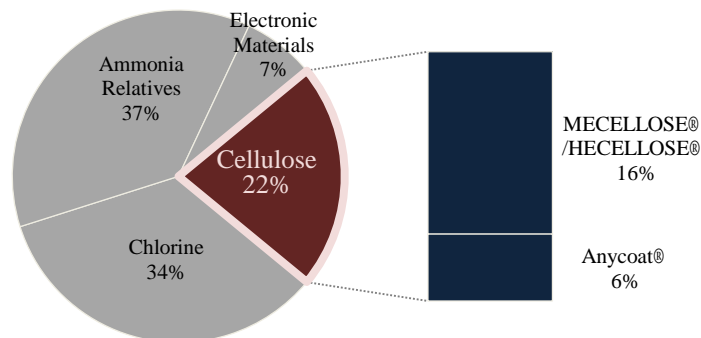
# II. Divisional Results : Cellulose

## Sales



## Sales Portion

(1Q FY19)

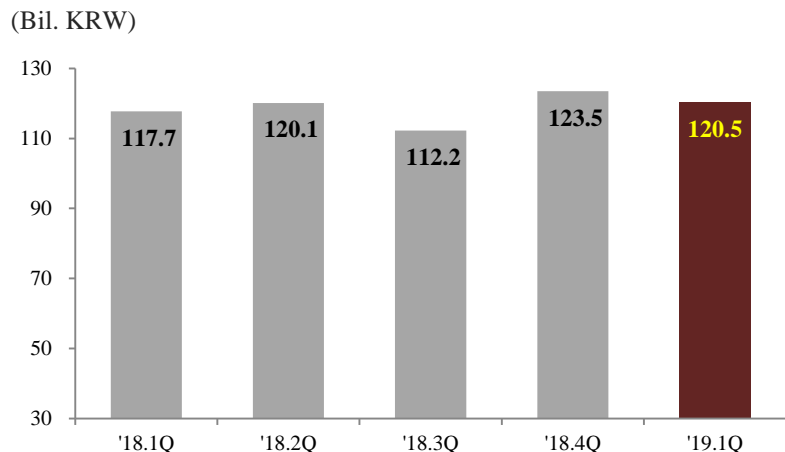


## Review

- MECELLOSE® , HECCELLOSE®**  
 Seasonality pressed down the sales volume, resulting in the revenue fall QoQ.  
 The revenue went up YoY, thanks to higher FX rate and prices.
- AnyCoat®**  
 The revenue rose thanks to order volume and price increase enabled by demand upturn QoQ and YoY.

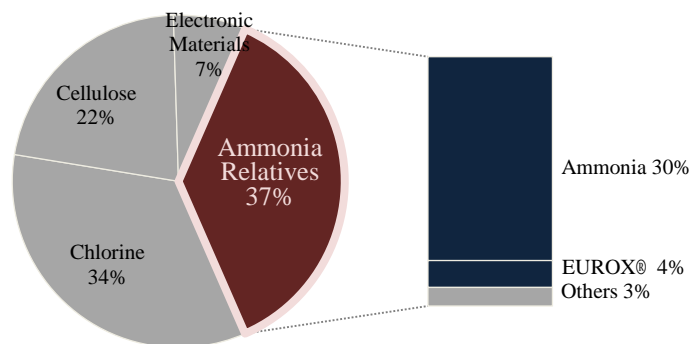
# II. Divisional Results : Ammonia Relatives

## Sales



## Sales Portion

(1Q FY19)



## Review

- **Ammonia**

The weakened market price QoQ and YoY was made up for sales volume increase, resulting in the revenue in the similar level.

- **EUROX®**

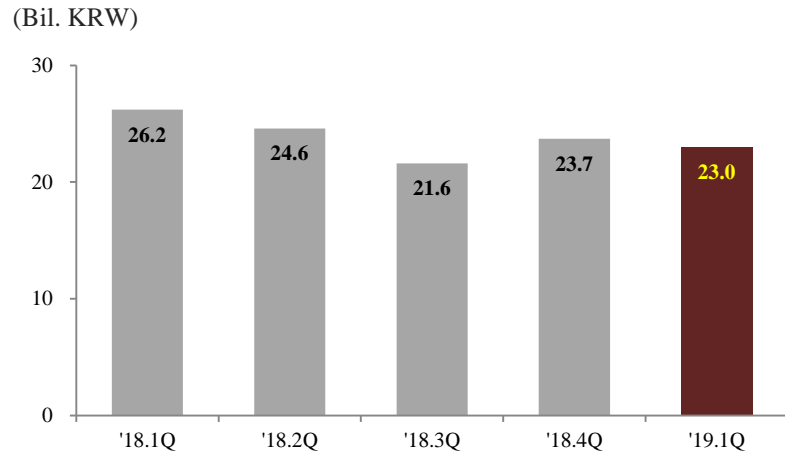
Seasonal factors dragged down the sales volume from the previous quarter level, resulting in decline in the revenue.

The revenue rose YoY thanks to increased sales volume affected by the urea solution market growth.



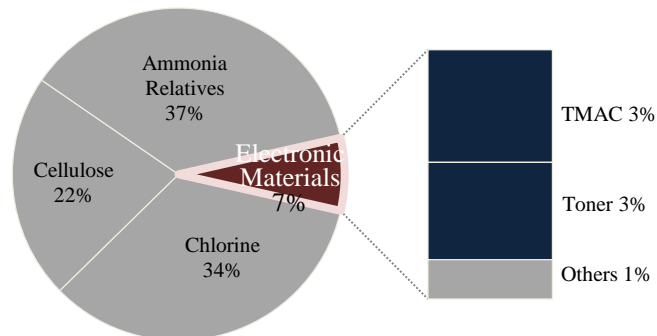
# II. Divisional Results : Electronic Materials

## Sales



## Sales Portion

(1Q FY19)



## Review

### • TMAC

The sales volume rose QoQ, but the market price depressed due to raw material (methanol).

The revenue managed keep up with the level of the previous quarter.

The revenue YoY rose thanks to increased sales volume by increased customer production.

### • Toner

The revenue decreased QoQ and YoY because of the sales volume decline in the wake of customers' model restructuring.

# Appendix. Quarterly Business Results



Unit: Bil. KRW

|                                | FY18    |          |          |          |          | FY19     |    |    |    |          |
|--------------------------------|---------|----------|----------|----------|----------|----------|----|----|----|----------|
|                                | 1Q      | 2Q       | 3Q       | 4Q       | Total    | 1Q       | 2Q | 3Q | 4Q | Total    |
| <b>Sales</b>                   | 335.8   | 355.4    | 344.5    | 336.0    | 1,371.7  | 326.6    |    |    |    | 326.6    |
| <b>Gross Profit</b>            | 71.9    | 94.1     | 72.6     | 61.6     | 300.2    | 60.5     |    |    |    | 60.5     |
| <b>Operating Profit</b>        | 49.8    | 73.1     | 48.9     | 38.9     | 210.7    | 37.7     |    |    |    | 37.7     |
| <b>Income Before Tax</b>       | 70.8    | 87.8     | 70.4     | 46.1     | 275.2    | 51.7     |    |    |    | 51.7     |
| <b>Net Income</b>              | 55.2    | 68.5     | 54.7     | 36.4     | 214.9    | 40.8     |    |    |    | 40.8     |
| <b>Oil Price (WTI, \$/bbl)</b> | 62.90   | 67.26    | 69.50    | 58.77    | 64.76    | 54.90    |    |    |    | 54.90    |
| <b>Exchange Rate (₩/\$)</b>    | 1072.72 | 1,078.98 | 1,121.52 | 1,127.43 | 1,100.16 | 1,125.06 |    |    |    | 1,125.06 |

※ 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  
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