



# 2Q FY18 Business Results

July 26<sup>th</sup> 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 . 2Q FY18 Business Results

## 1. Income Statement



Unit: Bil. KRW

	2Q FY17	1Q FY18	2Q FY18	QoQ	YoY
<b>Sales</b>	323.0	335.8	<b>355.4</b>	5.8%	10.0%
<b>Gross Profit</b>	57.8	71.9	<b>94.1</b>	30.9%	62.8%
<b>Operating Profit</b>	33.6	49.8	<b>73.1</b>	46.8%	117.6%
<b>Pre-tax Income</b>	39.5	70.8	<b>87.8</b>	24.0%	122.3%
<b>Net Income</b>	30.5	55.2	<b>68.5</b>	24.1%	124.6%
<b>Oil Price(WTI, \$/bbl)</b>	48.29	62.90	<b>67.26</b>	6.9%	39.3%
<b>Exchange Rate (₩/\$)</b>	1,129.35	1,072.72	<b>1,078.98</b>	0.6%	▲4.5%

# I . 2Q FY18 Business Results

## 2. Financial Position



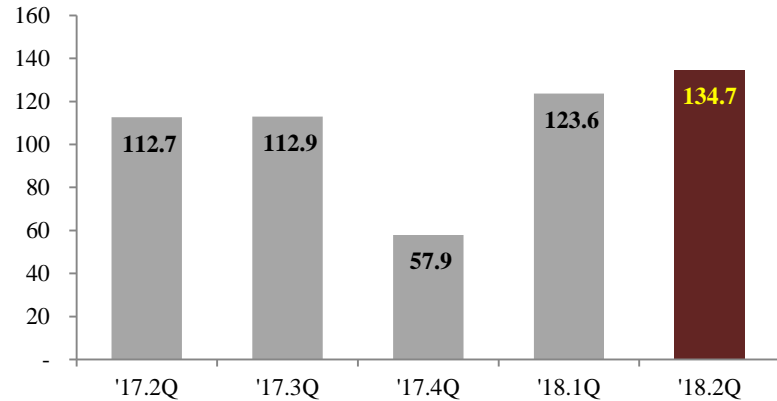
Unit: Bil. KRW

	Jun. 2017	Mar. 2018	Jun. 2018
<b>Asset</b>	<b>1,706.6</b>	<b>1,698.9</b>	<b>1,709.5</b>
Cash and Equivalents	335.8	178.0	249.0
<b>Liabilities</b>	<b>552.6</b>	<b>471.3</b>	<b>413.4</b>
Borrowings	380.9	281.1	181.1
<b>Shareholder's Equity</b>	<b>1,154.0</b>	<b>1,227.6</b>	<b>1,296.1</b>
Capital	129.0	129.0	129.0
<b>Debt Ratio</b>	<b>47.9%</b>	<b>38.4%</b>	<b>31.9%</b>
<b>Capital Ratio</b>	<b>67.6%</b>	<b>72.3%</b>	<b>75.8%</b>

# II. Divisional Results : Chlorine

## Sales

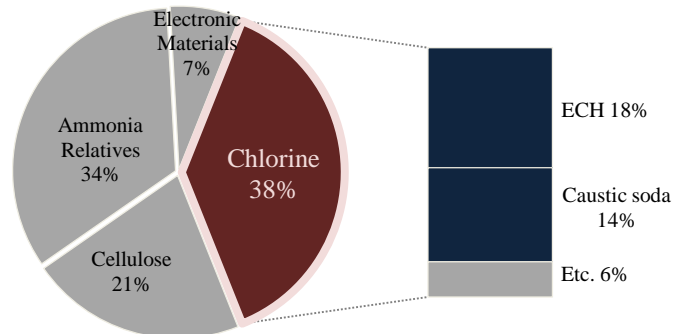
(Bil. KRW)



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

## Sales Portion

(2Q FY18)



## Review

**The sales rose QoQ thanks to sales volume increase due to the cyclical reason**

- **ECH**

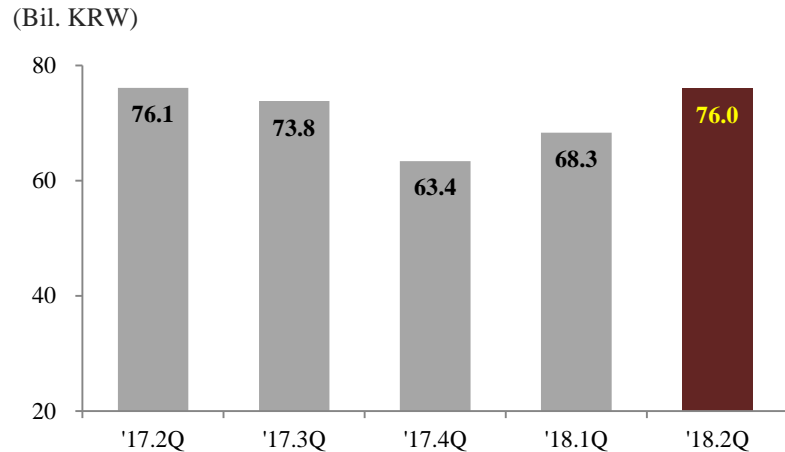
The sales rose QoQ thanks to cyclical sale volume increase and the market price being floated at around \$2,000. The sales increase is also driven by the market price hike YoY

- **Caustic Soda**

The sales rose influenced by increased sales volume QoQ, and market price hike YoY.

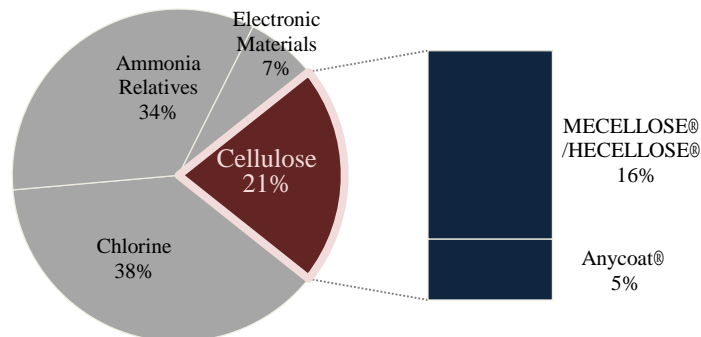
# II. Divisional Results : Cellulose

## Sales



## Sales Portion

(2Q FY18)



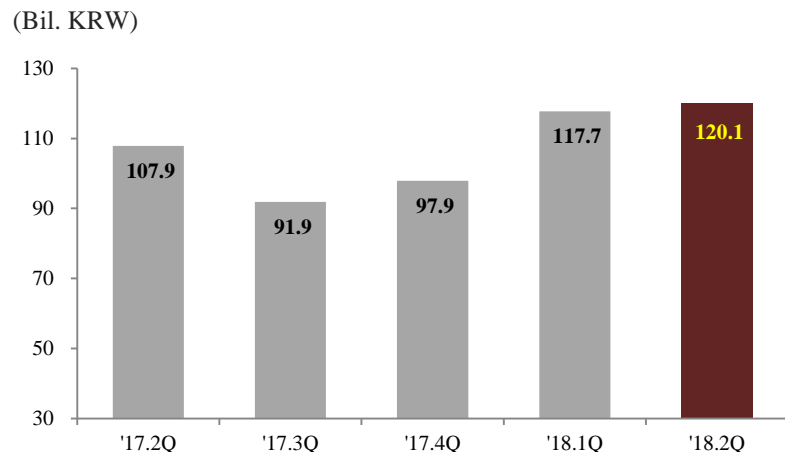
## Review

**The sales rose QoQ thanks to the cyclical sales volume rise and the higher selling price.**

- MECELLOSE® , HECCELLOSE®**  
 The sales rose QoQ due to sales volume increase with the Q2 cyclical factor and the selling price hike linked to the inflated raw material price. The sales amount remained similar YoY with the steady and stable sales performance.
- AnyCoat®**  
 The sales level remained similar QoQ through stable sales performance. The sales amount rose YoY due to increased demand volume by major customers

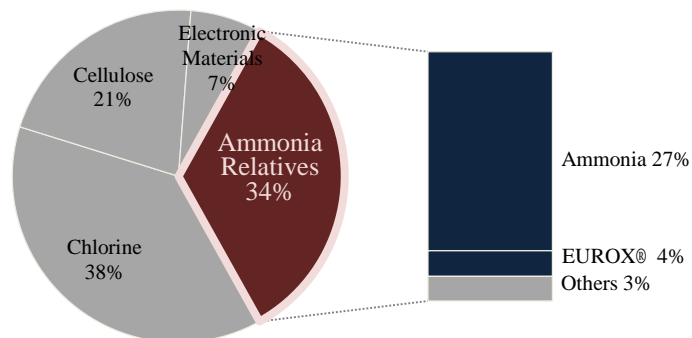
# II. Divisional Results : Ammonia Relatives

## Sales



## Sales Portion

(2Q FY18)



## Review

**The sales of Ammonia increased thanks to the sales volume growth following its thriving upstream industry and the EUROX sales also increased thanks to the unwavering market growth**

- **Ammonia**

While major players in ME have their operations normalized after scheduled maintenance, leading to slight downturn of market prices, enhanced performances of upstream businesses continued, resulting in higher sales volume. This contributed to sales growth QoQ and YoY.

- **EUROX®**

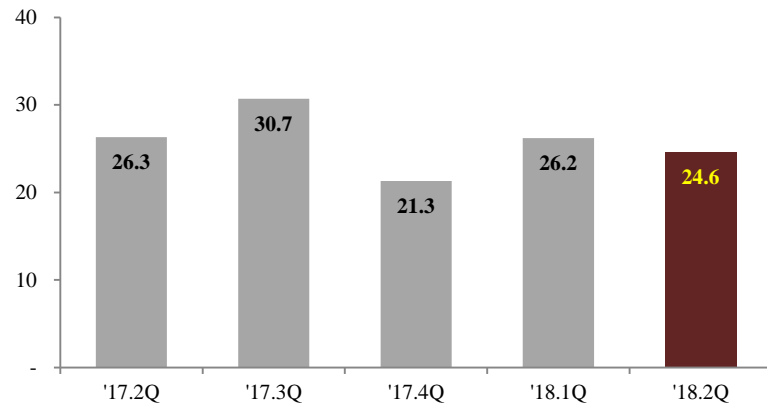
The sales rose QoQ and YoY thanks to EURO6 being effective, outdated vehicle replacement demand increase, and urea solution market expansion.



# II. Divisional Results : Electronic Materials

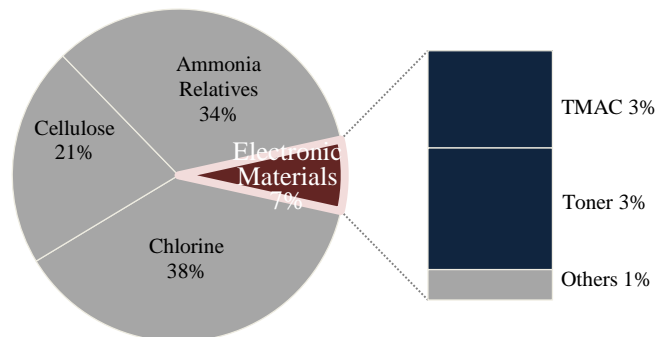
## Sales

(Bil. KRW)



## Sales Portion

(2Q FY18)



## Review

**Sales was kept similar to the previous quarter with the demand remaining steady in upstream**

- **TMAC**

The sales amount was recorded on a par with the previous quarter with the demand in upstream such as semi-conductors remained steady. And the sales increased thanks to increased demand in upstream businesses.

- **Toner**

The sales amount remained similar QoQ with its sales volume remained steady QoQ.

# Appendix. Quarterly Business Results



Unit: Bil. KRW

	FY17					FY18				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
<b>Sales</b>	286.6	323.0	309.3	240.5	1,159.5	335.8	355.4	-	-	691.2
<b>Gross Profit</b>	46.2	57.8	56.8	49.4	210.2	71.9	94.1	-	-	166.0
<b>Operating Profit</b>	22.1	33.6	29.4	26.1	111.1	49.8	73.1	-	-	122.9
<b>Income Before Tax</b>	24.8	39.5	40.9	5.5	110.7	70.8	87.8	-	-	158.6
<b>Net Income</b>	19.5	30.5	31.7	7.6	89.2	55.2	68.5	-	-	123.7
<b>Oil Price (WTI, \$/bbl)</b>	51.93	48.29	48.23	55.44	50.97	62.90	67.26	-	-	65.08
<b>Exchange Rate (₩/\$)</b>	1,154.93	1,129.35	1,132.26	1,107.46	1,131.00	1072.72	1,078.98	-	-	1075.85

## 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



