



LOCK&LOCK

4Q 2017 Earnings Release

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AGENDA

I . 4Q 2017 Preliminary Earnings Release

1. 4Q 2017

2. PL

2. BS

4. Sales Breakdown

II. Sales Analysis by Region

1. Korea

2.China

3. Southeast Asia

I. 4Q 2017 Preliminary Earnings

1. 4Q 2017

[Unit : Wmm, %]

Description	4Q 16	3Q 17	4Q 17(E)	QoQ	YoY
Sales	119,881	107,061	119,147	11.3%	-0.6%
COGS	63,808	56,433	62,257	10.3%	-2.4%
(%)	53.2%	52.7%	52.3%		
Gross Profit	56,073	50,628	56,890	12.4%	1.5%
(%)	46.8%	47.3%	47.7%		
Sg&A Expenses	37,772	36,406	44,179	21.3%	17.0%
(%)	31.5%	34.0%	37.1%		
Operating Profit	18,301	14,222	12,711	-10.6%	-30.5%
(%)	15.3%	13.3%	10.7%		
Pretax income	26,888	15,539	5,097	-67.2%	-81.0%
(%)	22.4%	14.5%	4.3%		
Corporate tax	4,511	4,826	1,999	-58.6%	-55.7%
Net Profit	22,377	10,713	3,098	-71.1%	-86.2%
(%)	18.7%	10.0%	2.6%		

4Q 2017 PL Analysis (YoY)

1) Sales

- Total sales decreased 0.6% YoY to 119.1bn.
- Korea domestic sales decreased 6.5% YoY to W27.4bn.
- China domestic sales increased 7.7% YoY to W53.5bn.
- Southeast Asia regional sales increased 14.3% YoY to W20.3bn. (Vietnam domestic sales increased 15.3% YoY to W18.2bn)
- Export sales decreased 32.2% YoY to W14.9bn.

2) COGS

- Rate of COGS decreased 0.9%p YoY to 52.3%.

3) Sg&A Expenses

- Increased to W6.4bn YoY – Home Shopping and Internet external mall sales commission was reflected W6.3bn in sales and Sg&A Expenses, no operating profit impact.

4) Operating Profit

- OPM 10.7%, decreased 4.6%p YoY.

5) Net Profit

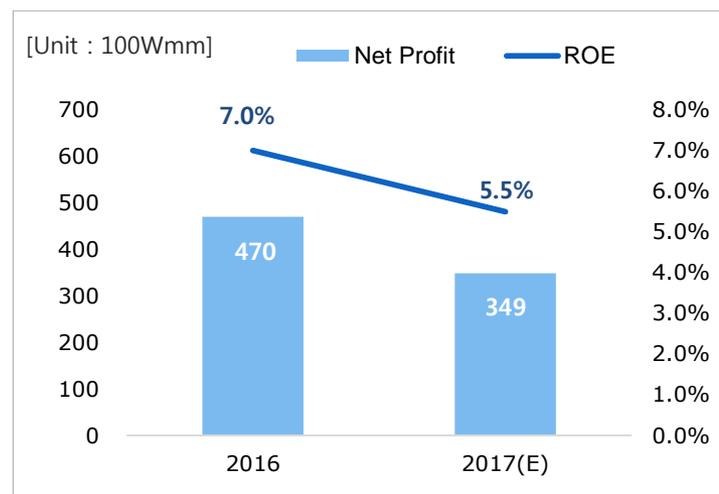
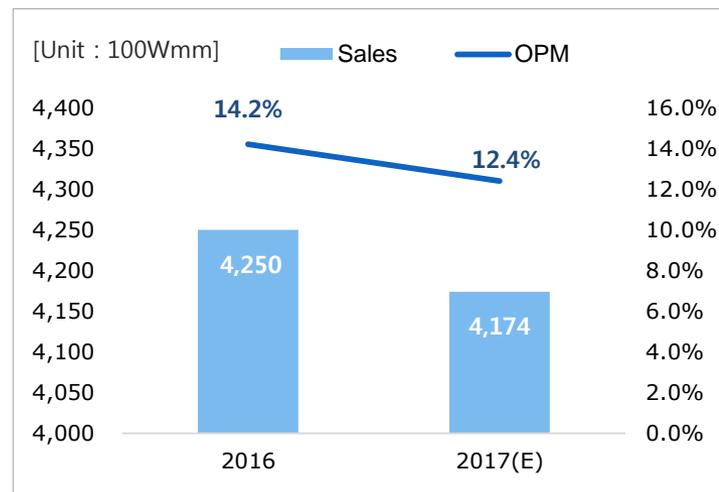
- Net income decreased due to one-off expenses.
- Loss on damage to available-for-sale asset W6.2bn, loss on damage to tangible assets W1.9bn.

I. 4Q 2017 Preliminary Earnings

2. PL

Description	2016	2017	Increase/Decrease	
				%
Sales	425,064	417,407	-7,656	-1.8%
COGS	220,698	216,525	-4,174	-1.9%
(%)	51.9%	51.9%		
Gross Profit	204,365	200,883	-3,483	-1.7%
(%)	48.1%	48.1%		
Sg&A Expenses	144,135	149,325	5,190	3.6%
(%)	33.9%	35.8%		
Operating Profit	60,230	51,558	-8,672	-14.4%
(%)	14.2%	12.4%		
Pretax income	66,819	48,999	-17,820	-26.7%
(%)	15.7%	11.7%		
Corporate tax	19,843	14,065	-5,778	-29.1%
Net Profit	46,976	34,934	-12,042	-25.6%
(%)	11.1%	8.4%		

[Unit : Wmm, %]

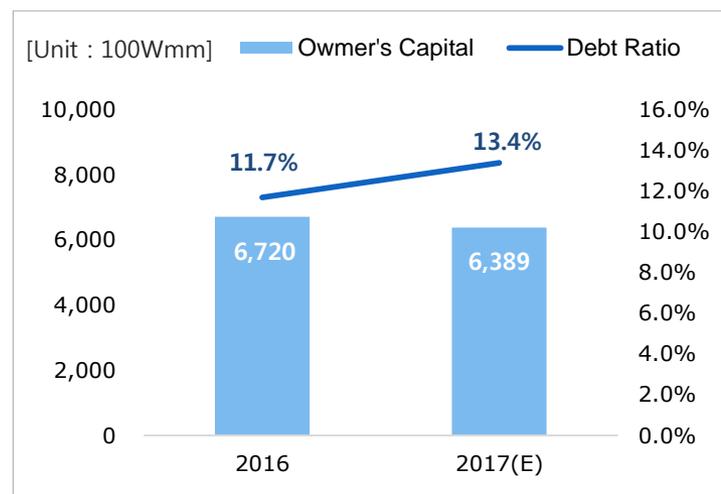
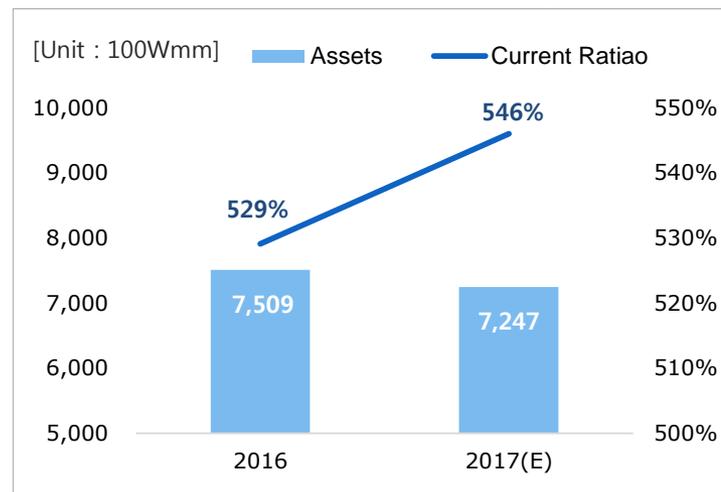


I. 4Q 2017 Preliminary Earnings

3. BS

Description	2016	2017	Increase/Decrease	
				%
Total Assets	750,897	724,665	-26,232	-3.5%
Current Assets	386,822	357,138	-29,684	-7.7%
Non-Current Assets	364,075	367,527	3,452	0.9%
Total Liabilities	78,906	85,766	6,860	8.7%
Current Liabilities	73,105	65,405	-7,700	-10.5%
Non-Current Liabilities	5,801	20,361	14,560	251.0%
Total Equity	671,991	638,899	-33,091	-4.9%
Capital Stock	27,500	27,500	0	0.0%
Additional Paid-in and Other Capital	314,809	314,809	0	0.0%
Capital Adjustment	(23,371)	(23,372)	(1)	-
Accumulated Other Comprehensive Income	(11,958)	(52,559)	(40,601)	-
Earned Surplus	364,619	372,134	7,515	2.1%
External Shareholder's Equity	392	387	(5)	-1.4%

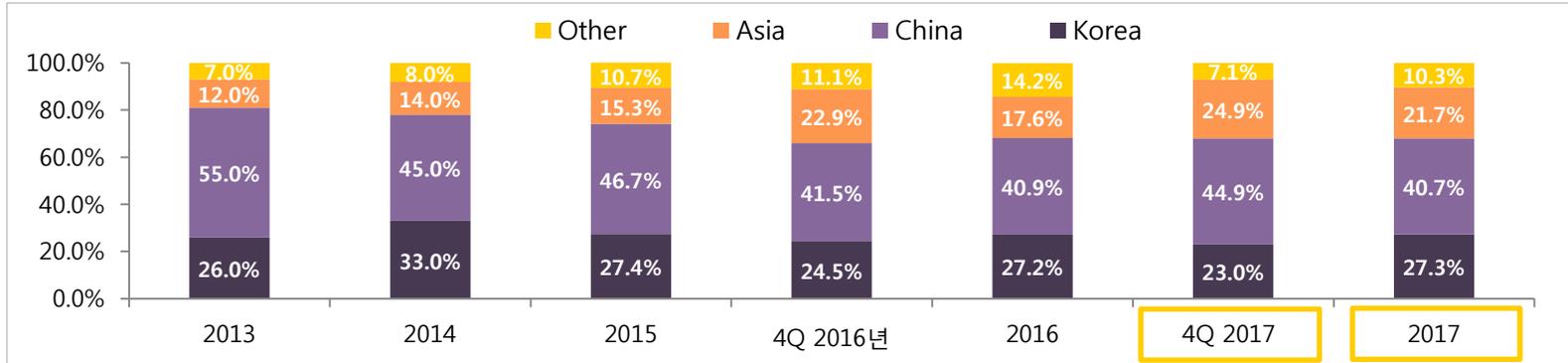
[Unit : Wmm, %]



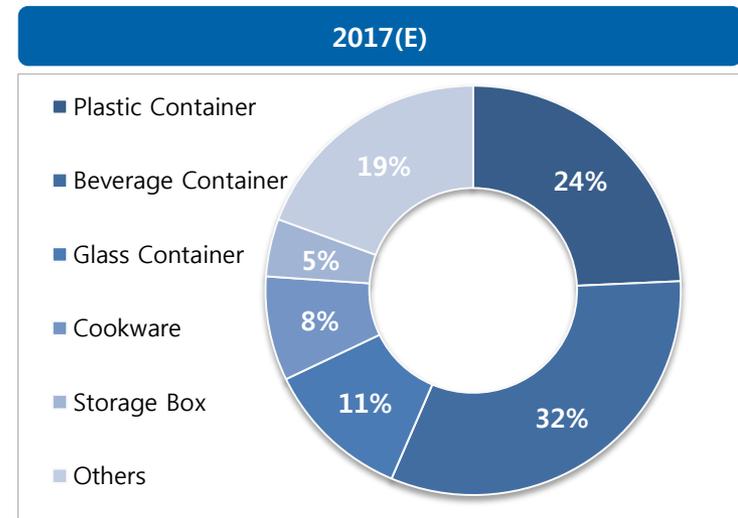
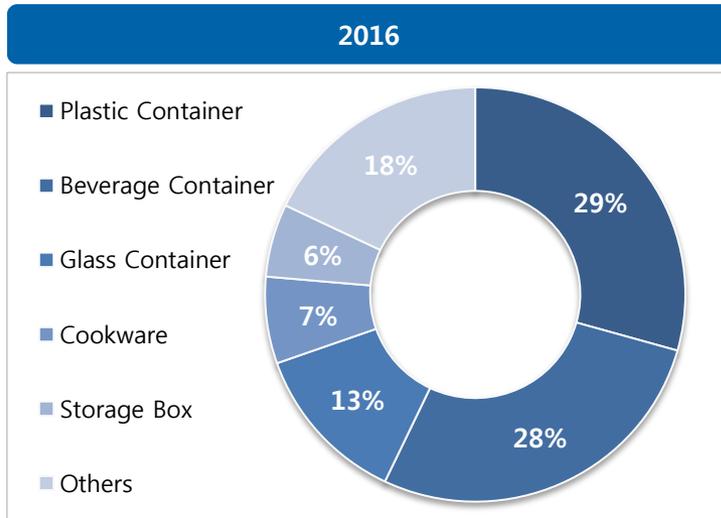
I. 4Q 2017 Preliminary Earnings

4. Sales Breakdown

1) Sales Breakdown by Region



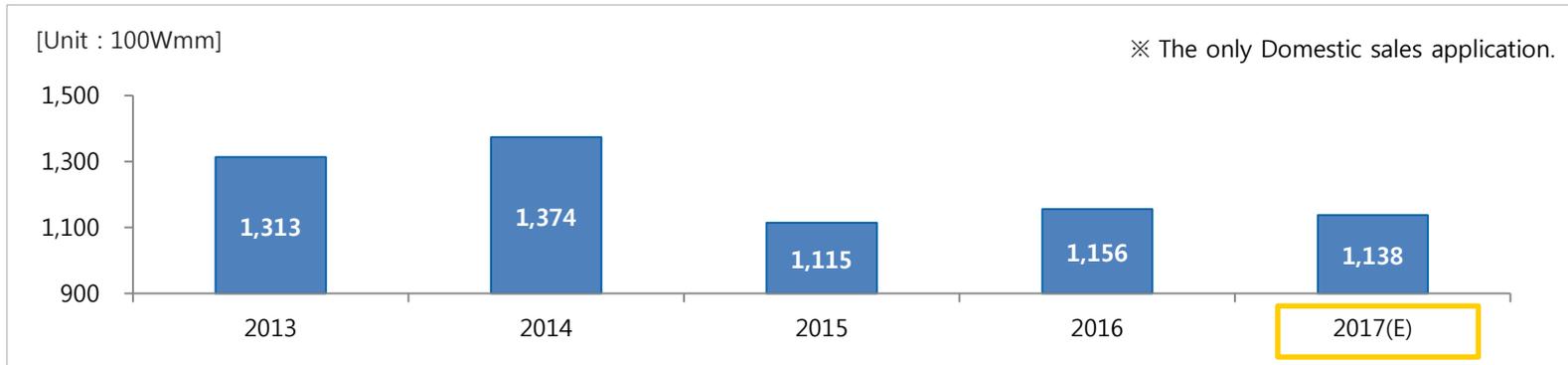
2) Sales Breakdown by Product



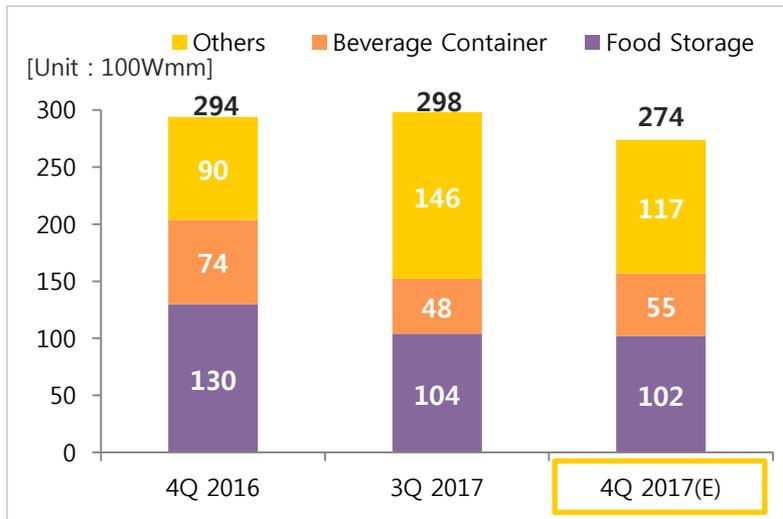
II. Sales by region

1. Korea

1) Annual sales trend



2) 4Q 2017 Sales analysis



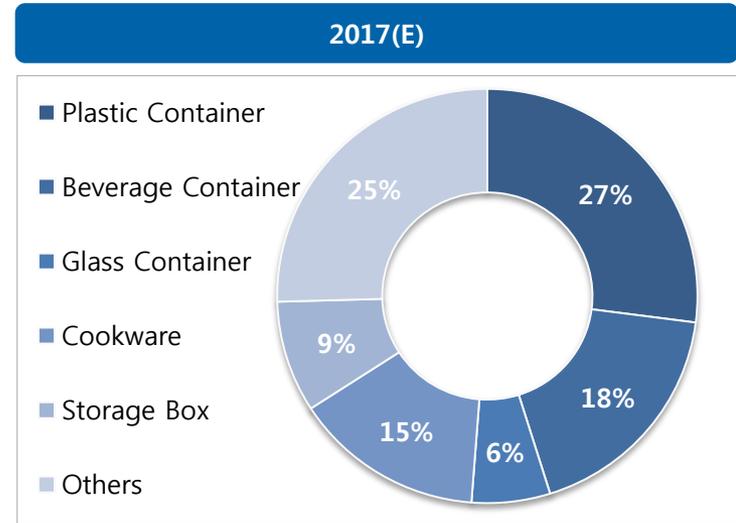
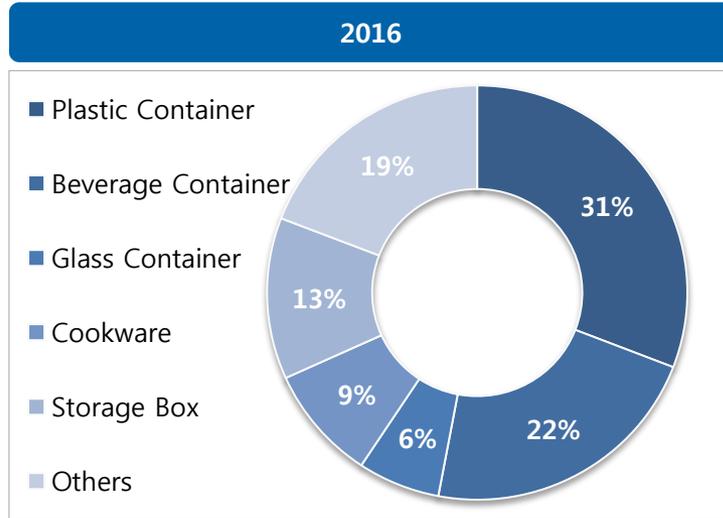
4Q Increase and decrease details(YoY)

- **Food Storage sales decreased 21.5% YoY to W10.2bn.**
 - L&L Classic sales decreased 8.4% YoY to W4.1bn.
 - L&L Bisfree sales decreased 29.9% YoY to W2.5bn.
- **Beverage Container sales decreased 25.7% YoY to W5.5bn.**
 - L&L Hot&Cool sales decreased 33.5% YoY to W3.1bn.
 - Bisfree Aqua sales decreased 29.2% YoY to W0.7bn
- **Others sales increased 30.0% YoY to W11.7bn.**
 - Cookware sales increased 38.4% YoY to W3.8bn.
 - P&Q sales increased 166.3% YoY to W1.4bn.

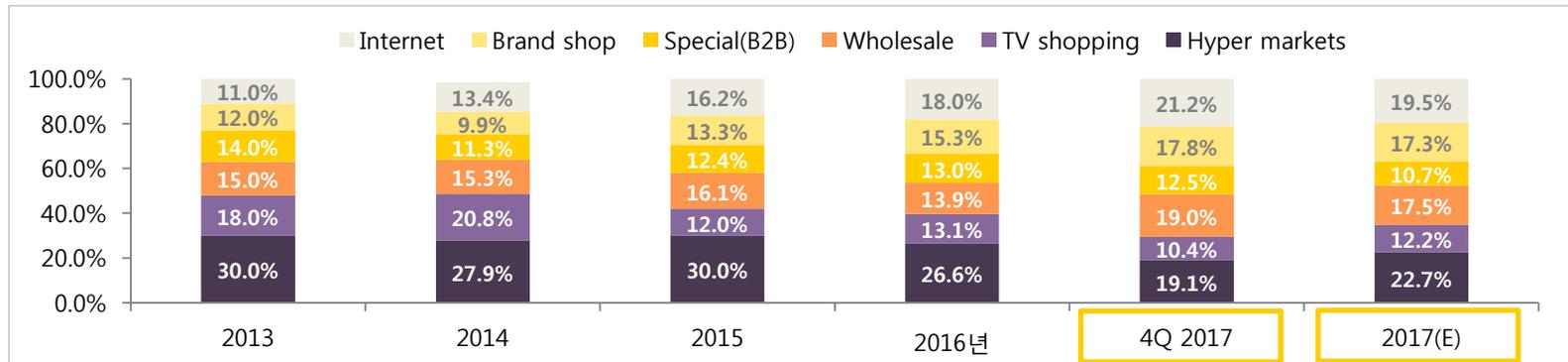
II. Sales by region

1. Korea

3) Sales Breakdown by Product



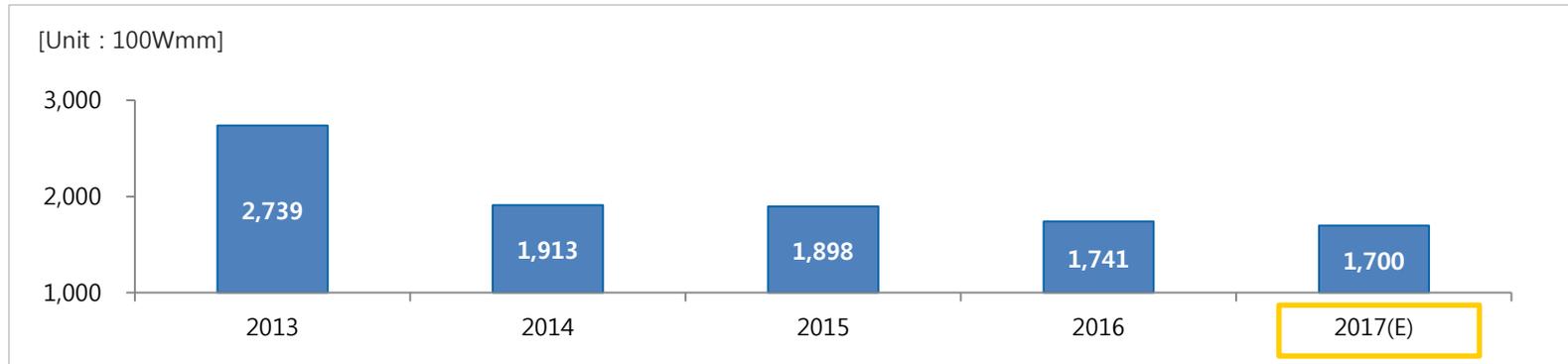
4) Sales Breakdown by Channel



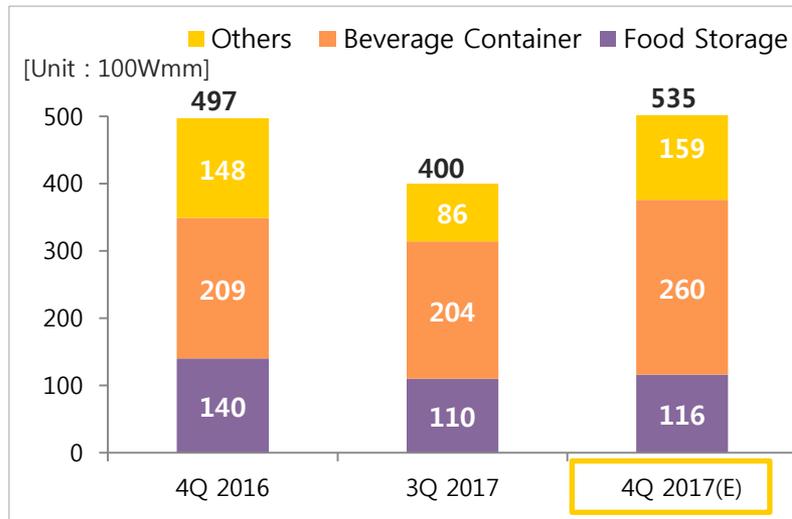
II. Sales by region

2. China

1) Annual sales trend



2) 4Q 2017 Sales analysis



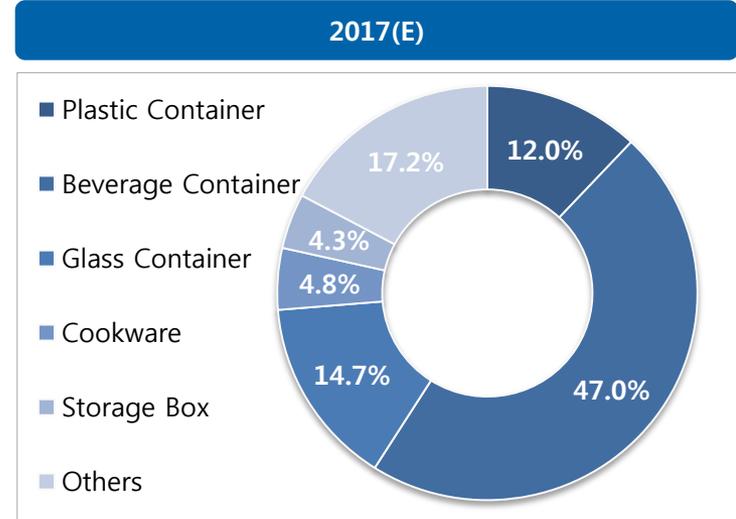
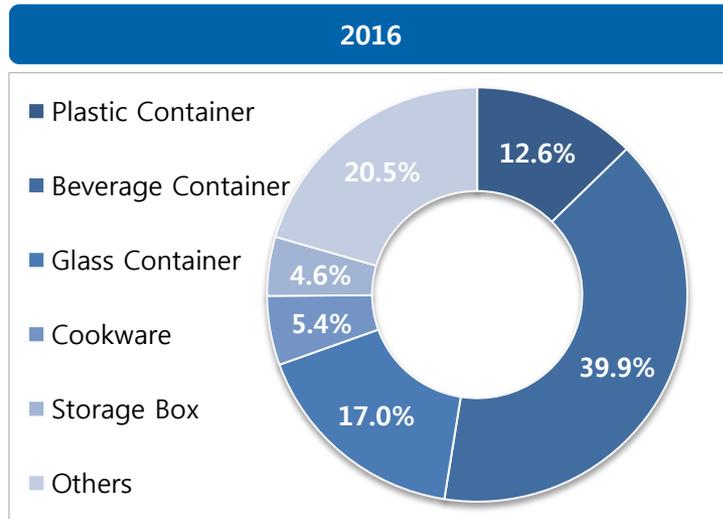
4Q Increase and decrease details(YoY)

- **Food Storage sales decreased 17.1% YoY to W11.6bn.**
 - L&L Glass sales decreased 22.9% YoY to W5.8bn.
- **Beverage Container sales increased 24.4% YoY to W26.0bn.**
 - L&L Hot&Cool sales increased 20.5% YoY to W23.2bn.
 - Bisfree Aqua sales increased 35.3% YoY to W2.1bn
- **Others sales increased 7.4% YoY to W15.9bn.**
 - Cookware sales decreased 37.1% YoY to W2.3bn.
 - Kitchen utensils sales increased 232.0% YoY to W2.4bn.

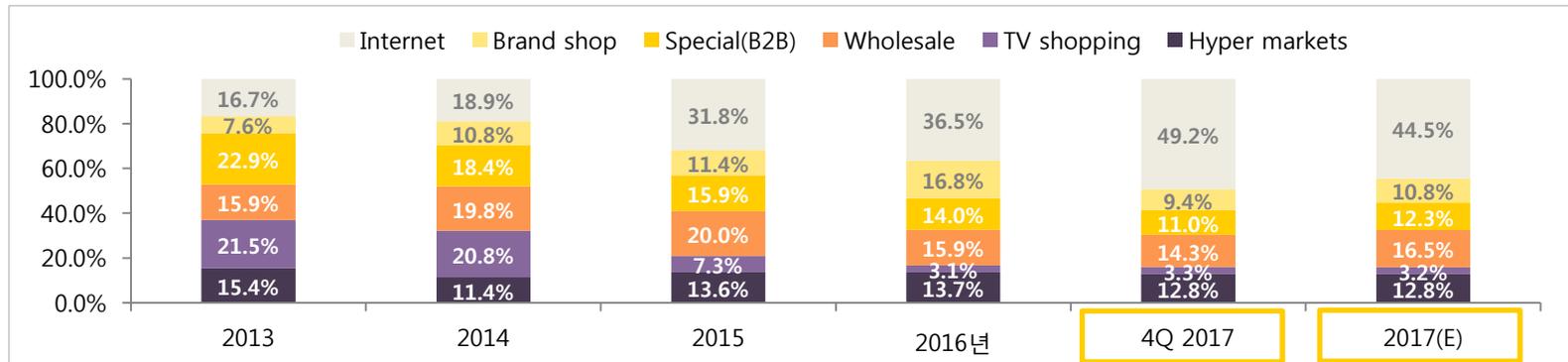
II. Sales by region

2. China

3) Sales Breakdown by Product



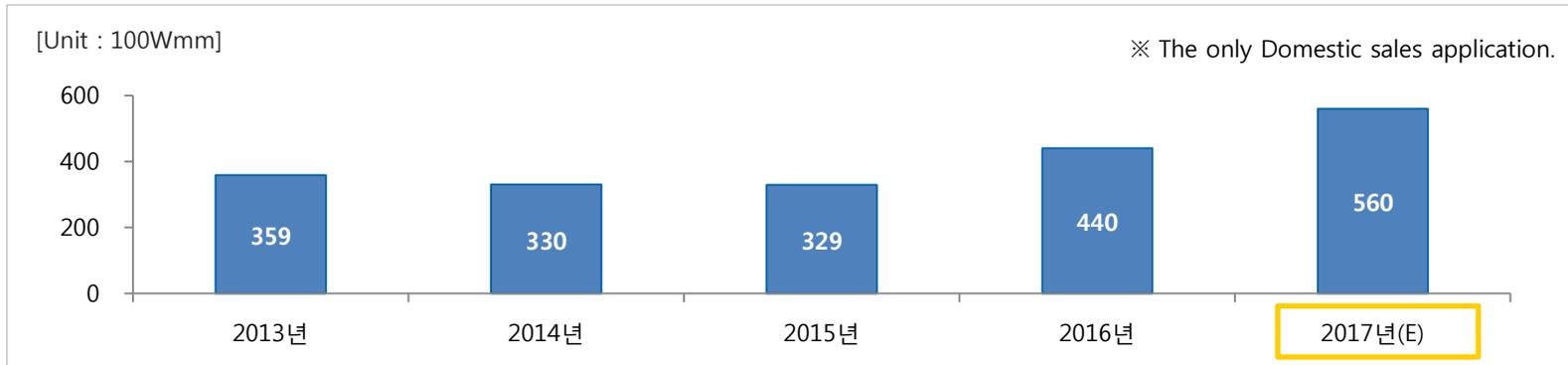
4) Sales Breakdown by Channel



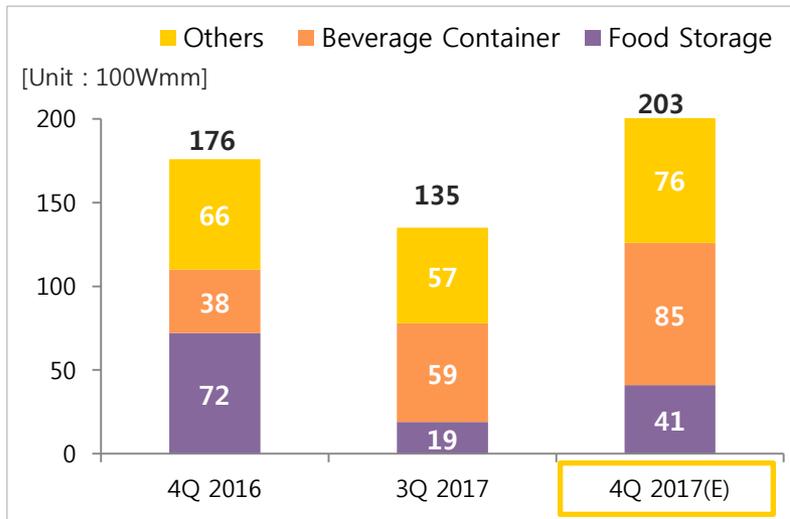
II. Sales by region

3. Southeast Asia

1) Annual sales trend



2) 4Q 2017 Sales analysis



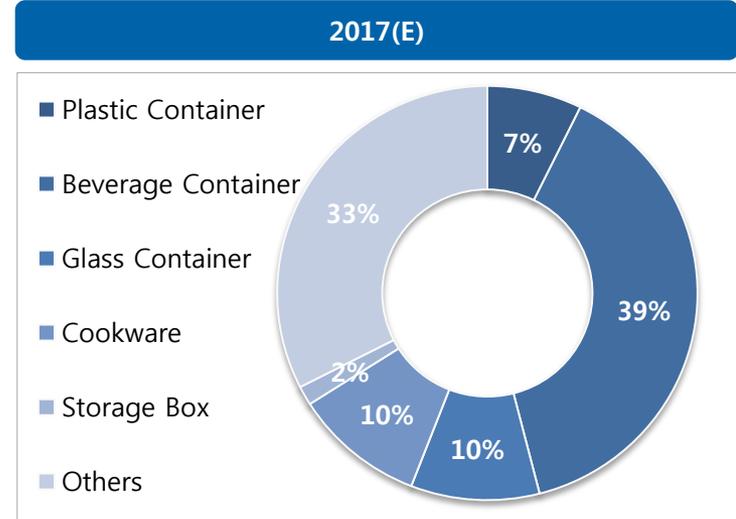
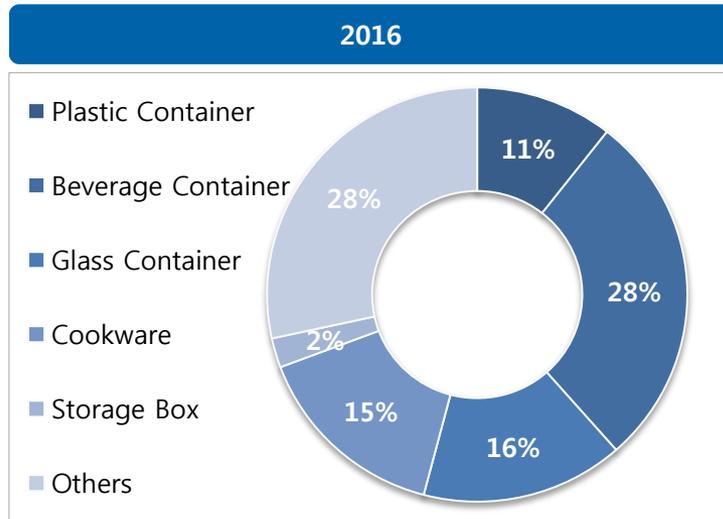
4Q Increase and decrease details(YoY)

- **Food Storage sales decreased 43% YoY to W4.1bn.**
 - L&L Glass sales decreased 51.4% YoY to W2.7bn.
- **Beverage Container sales increased 123.7% YoY to W8.5bn.**
 - L&L Hot&Cool sales increased 53.6% YoY to W2.2bn.
 - Bisfree Aqua sales increased 54.2% YoY to W1.4bn
- **Others sales increased 15.2% YoY to W7.6bn.**
 - Cookware sales decreased 47.7% YoY to W2.0bn.
 - Cleaning, Laundry supplies sales increased 108.1% YoY to W5.7bn.

II. Sales by region

3. Southeast Asia

3) Sales Breakdown by Product



4) Sales Breakdown by Channel

