



LOCK&LOCK

2Q 2018 Earnings Release

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AGENDA

I . 2Q 2018 Preliminary Earnings Release

1. 2Q 2018
2. 1H 2018
3. BS
4. Sales Breakdown

II. Sales Analysis by Region

1. Korea
- 2.China
3. Vietnam

I. 2Q 2018 Preliminary Earnings

1. 2Q 2018

[Unit : Wmm, %]

Description	2Q 17	1Q 18	2Q 18(E)	QoQ	YoY
Sales	98,094	108,187	102,926	-4.9%	4.9%
COGS	50,049	56,672	58,762	3.7%	17.4%
(%)	51.0%	52.4%	57.1%		
Gross Profit	48,045	51,515	44,164	-14.3%	-8.1%
(%)	49.0%	47.6%	42.9%		
Sg&A Expenses	34,156	37,980	36,649	-3.5%	7.3%
(%)	34.8%	35.1%	35.6%		
Operating Profit	13,889	13,535	7,515	-44.5%	-45.9%
(%)	14.2%	12.5%	7.3%		
Pretax income	16,507	14,740	8,060	-45.3%	-51.2%
(%)	16.8%	13.6%	7.8%		
Corporate tax	3,743	3,499	-934	-	-
Net Profit	12,763	11,241	8,994	-20.0%	-29.5%
(%)	13.0%	10.4%	8.7%		

2Q 2018 PL Analysis (YoY)

1) Sales

- Total sales increased 4.9% YoY to W102.9n.
- Korea domestic sales decreased 2.3% YoY to W28.4bn.
- China domestic sales increased 9.2% YoY to W39.0bn.
- Vietnam domestic sales increased 14.1% YoY to W12.4bn.
- Other overseas sales increased 32.4% YoY to W4.6bn.
- Export sales decreased 2.3% YoY to W18.4bn.

2) COGS

- Rate of COGS increased 6.1%p YoY to 57.1%.

3) Sg&A Expenses

- Increased to W2.5bn YoY – The rise in home shopping sales has affected the increase in sales commissions.

4) Operating Profit

- OP decreased 46.0% W7.4bn.
- OPM 7.2%, decreased 7.0%p YoY.

5) Net Profit

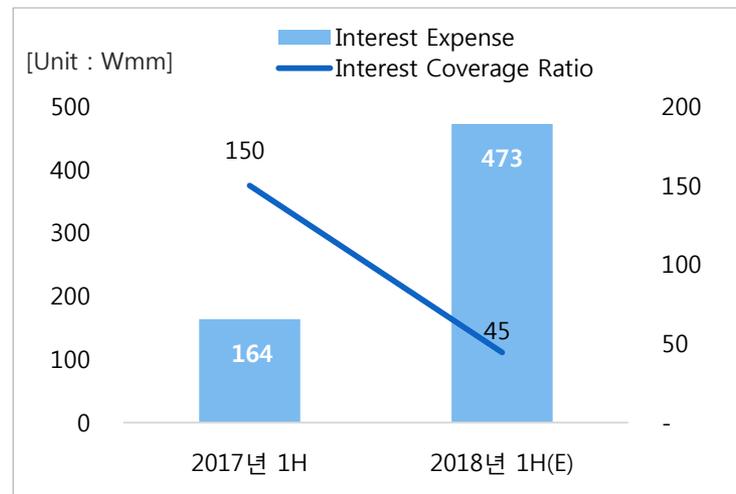
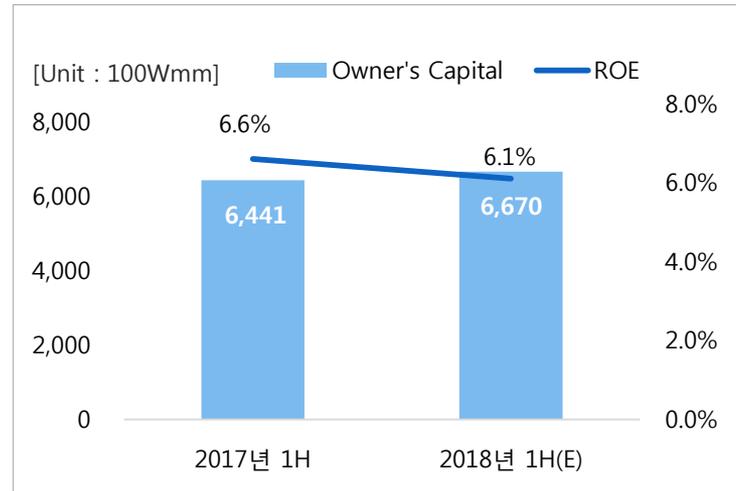
- Net income decreased 20.0% W9.0bn.
- NPM 8.7%, decreased 4.3%p YoY.

I. 2Q 2018 Preliminary Earnings

2. 1H 2018

[Unit : Wmm, %]

구분	1H 17	1H 18(E)	증감	
				%
Sales	191,199	211,113	19,914	10.4%
COGS	97,835	115,433	17,599	18.0%
(%)	51.2%	54.7%		
Gross Profit	93,364	95,679	2,315	2.5%
(%)	48.8%	45.3%		
Sg&A Expenses	68,739	74,629	5,890	8.6%
(%)	36.0%	35.4%		
Operating Profit	24,625	21,050	-3,575	-14.5%
(%)	12.9%	10.0%		
Pretax income	28,363	22,800	-5,563	-19.6%
(%)	14.8%	10.8%		
Corporate tax	7,240	2,565	-4,675	-64.6%
Net Profit	21,123	20,235	-888	-4.2%
(%)	11.0%	9.6%		



*1Q 18(E) : Net cash W114.2

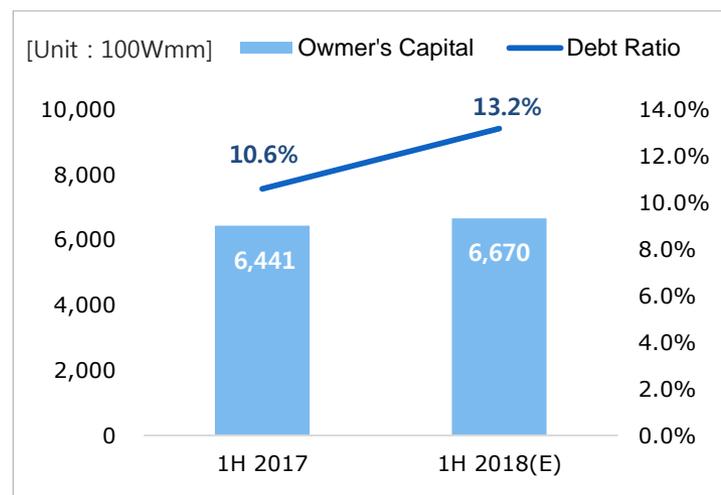
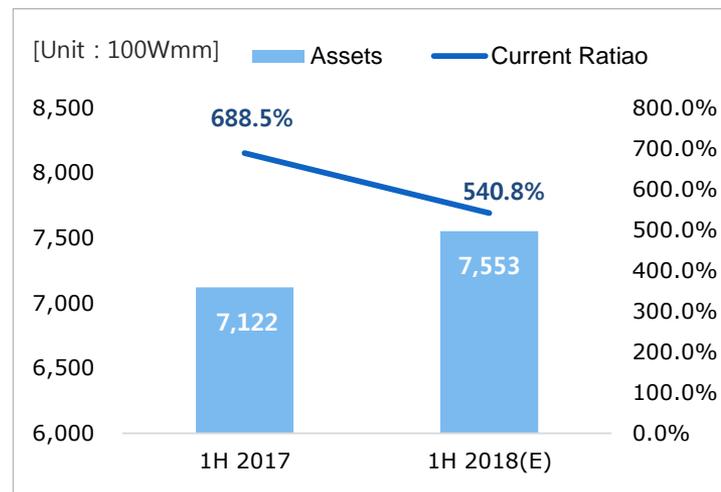
I. 2Q 2018 Preliminary Earnings

2. BS

[Unit : Wmm, %]

Description	1H 17	1H 18(E)	Increase/Decrease	%
Total Assets	712,190	755,271	43,082	6.0%
Current Assets	354,599	380,042	25,443	7.2%
Non-Current Assets	357,591	375,229	17,639	4.9%
Total Liabilities	68,100	88,265	20,165	29.6%
Current Liabilities	51,505	70,275	18,771	36.4%
Non-Current Liabilities	16,596	17,990	1,394	8.4%
Total Equity	644,089	667,006	22,917	3.6%
Capital Stock	27,500	27,500	0	0.0%
Additional Paid-in and Other Capital	314,809	314,809	0	0.0%
Capital Adjustment	-23,372	-23,372	0	0.0%
Accumulated Other Comprehensive Income	-33,838	-42,451	-8,613	25.5%
Earned Surplus	358,612	390,092	31,481	8.8%
External Shareholder's Equity	379	428	48	12.8%

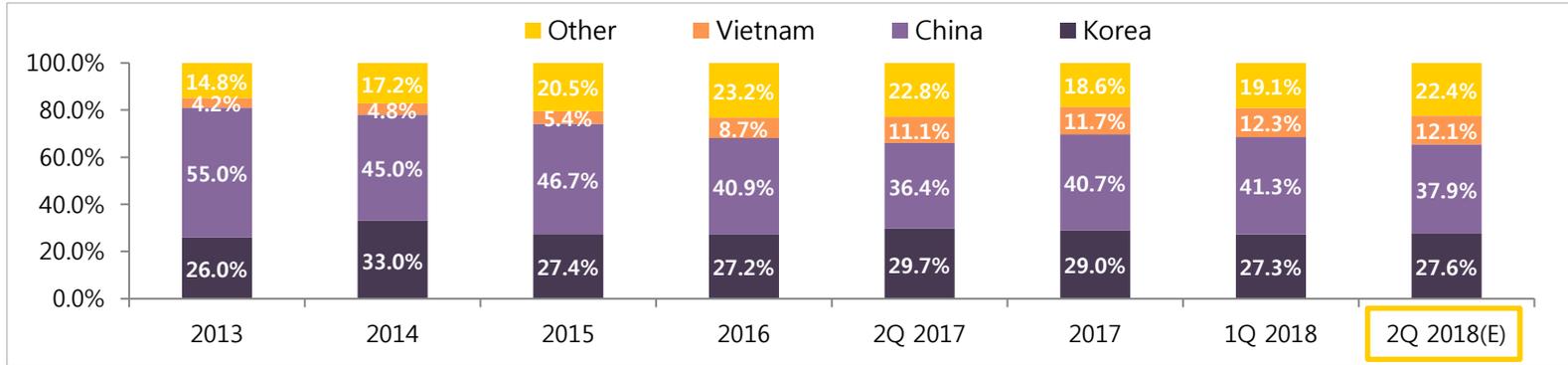
*1H 18(E) : Net cash W120.8bn



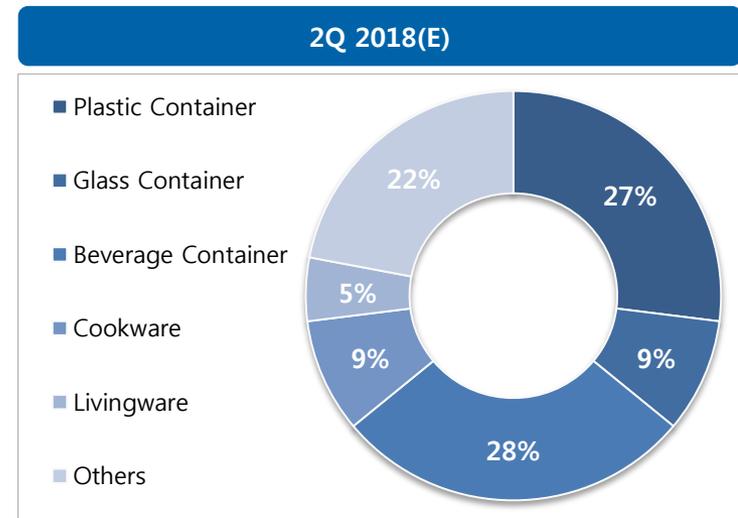
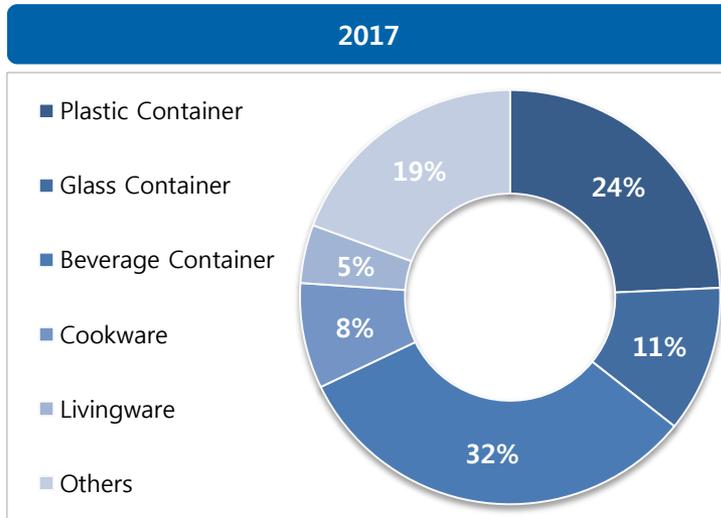
I. 2Q 2018 Preliminary Earnings

3. Sales Breakdown

1) Sales Breakdown by Region



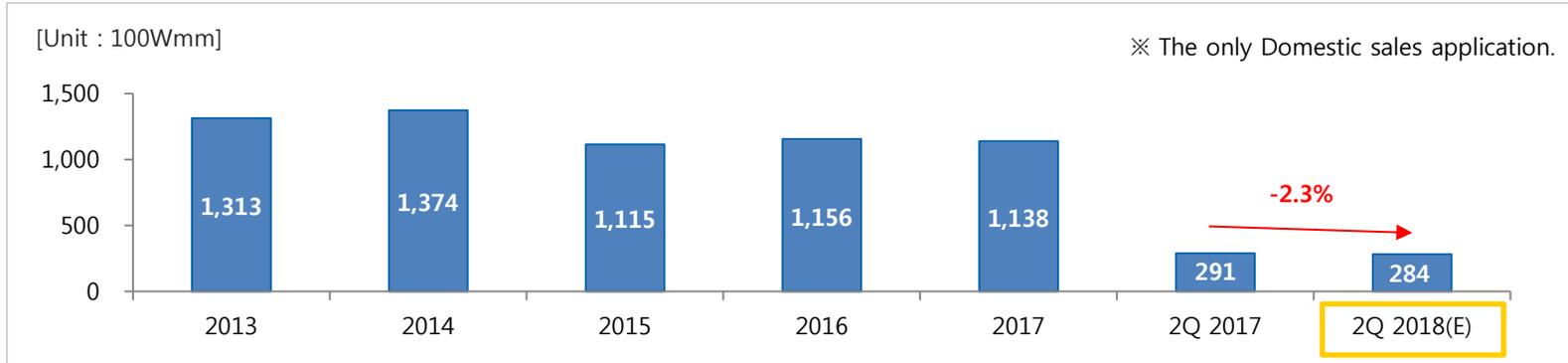
2) Sales Breakdown by Product



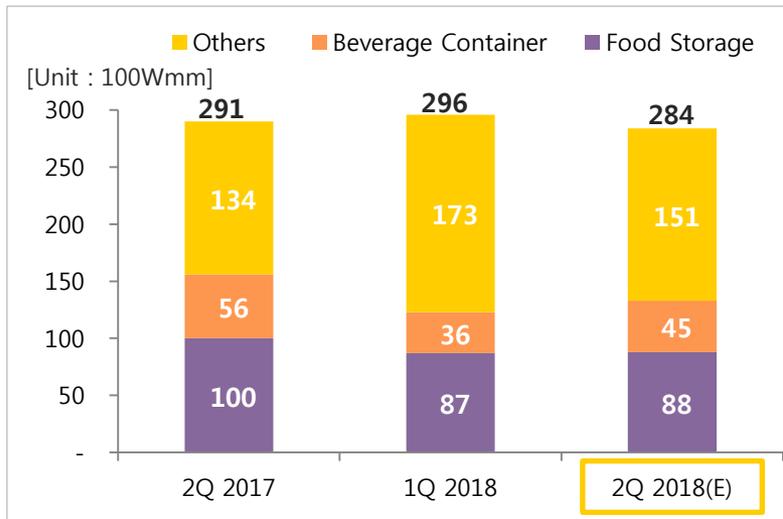
II. Sales by region

1. Korea

1) Annual sales trend



2) 2Q 2018 Sales analysis



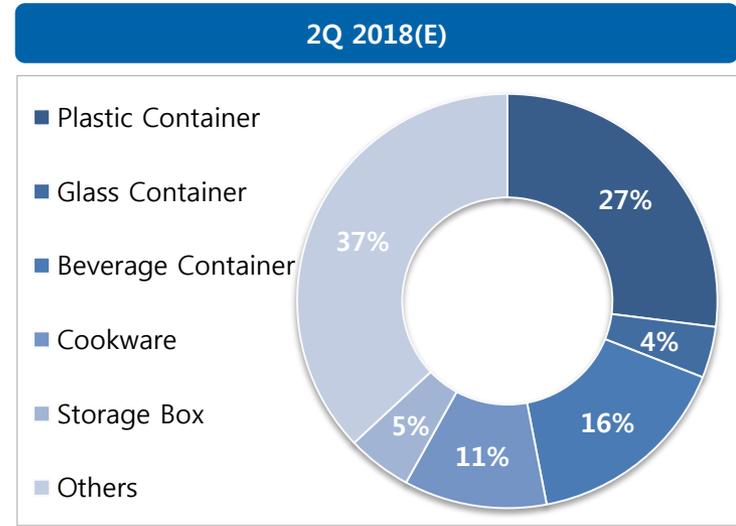
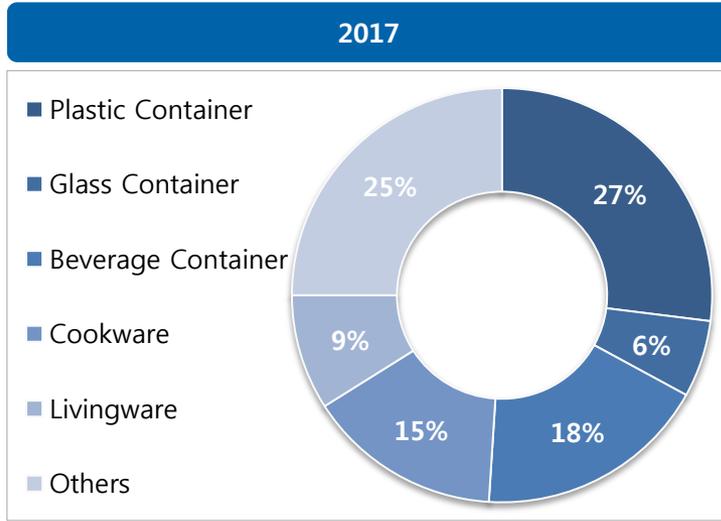
2Q Increase and decrease details(YoY)

- **Sales** : Sales decreased 2.3% YoY to W28.4bn.
- **Sales by product** : Food storage and Beverage Container sales decreased 12.4%, 19.6%, Others sales increased 12.4% YoY.
- **Sales by distribution channel** : Home shopping and online channel sales increased.

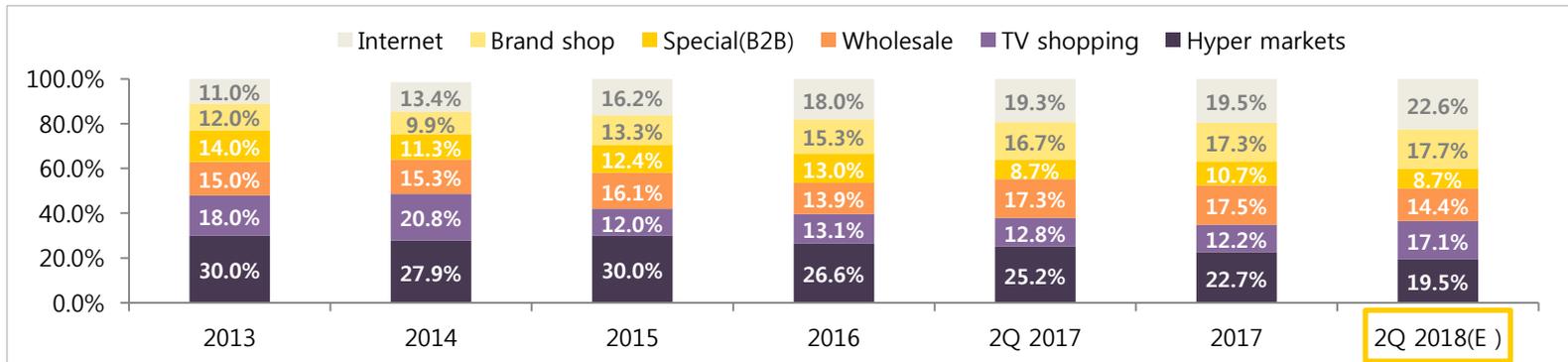
II. Sales by region

1. Korea

3) Sales Breakdown by Product



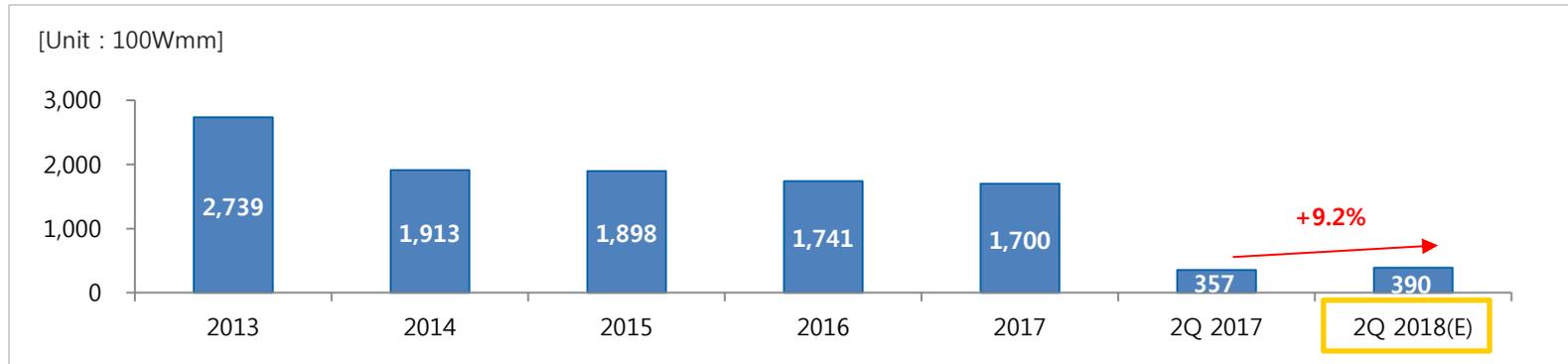
4) Sales Breakdown by Channel



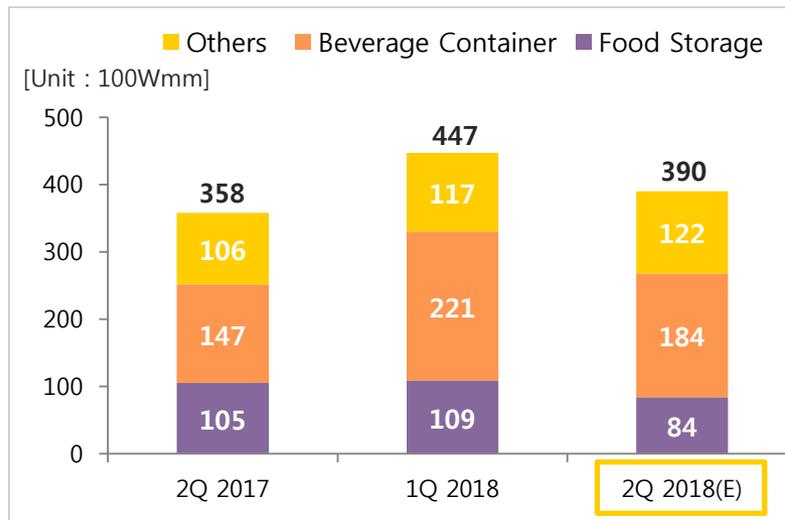
II. Sales by region

2. China

1) Annual sales trend



2) 2Q 2018 Sales analysis



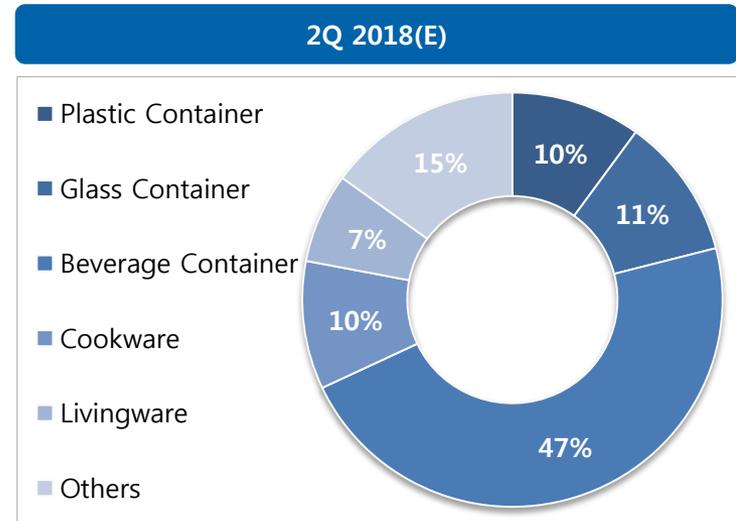
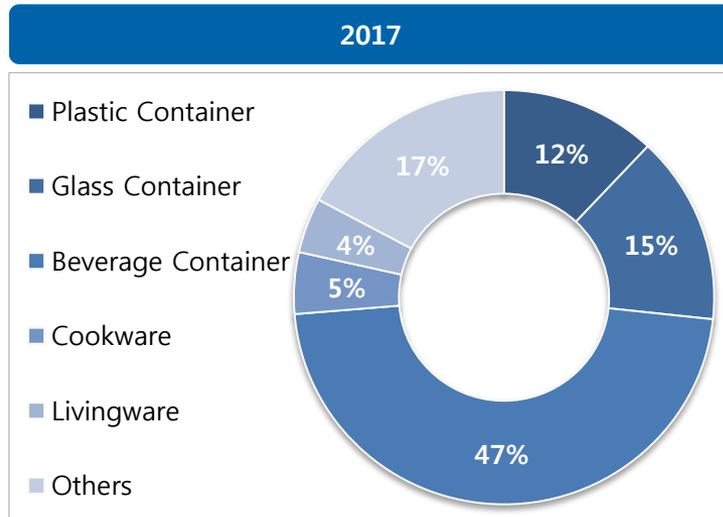
2Q Increase and decrease details(YoY)

- **Sales** : Sales increased 9.2% YoY to W39.0bn.
- **Sales by product** : Food storage sales decreased 20.0%, Beverage Container and Others sales increased 25.2%, 15.1% YoY(Hot&Cool, Aqua, Cookware sales was up)
- **Sales by distribution channel** : B2B, Home shopping , channel sales have driven overall sales growth.

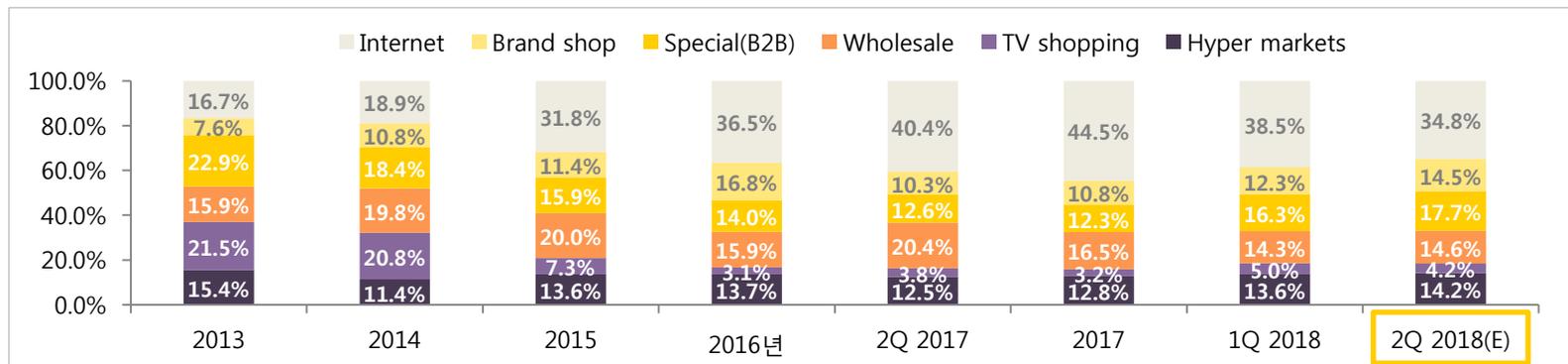
II. Sales by region

2. China

3) Sales Breakdown by Product



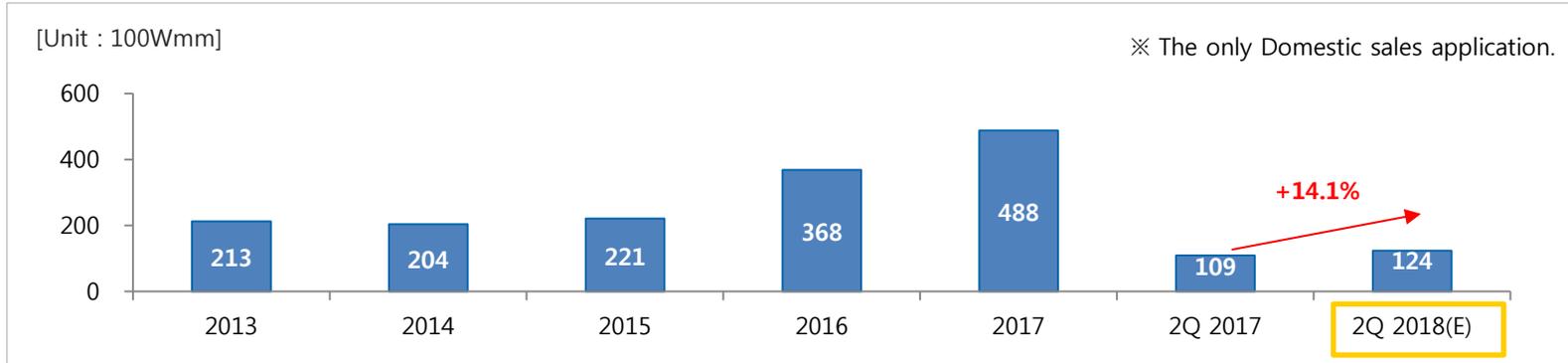
4) Sales Breakdown by Channel



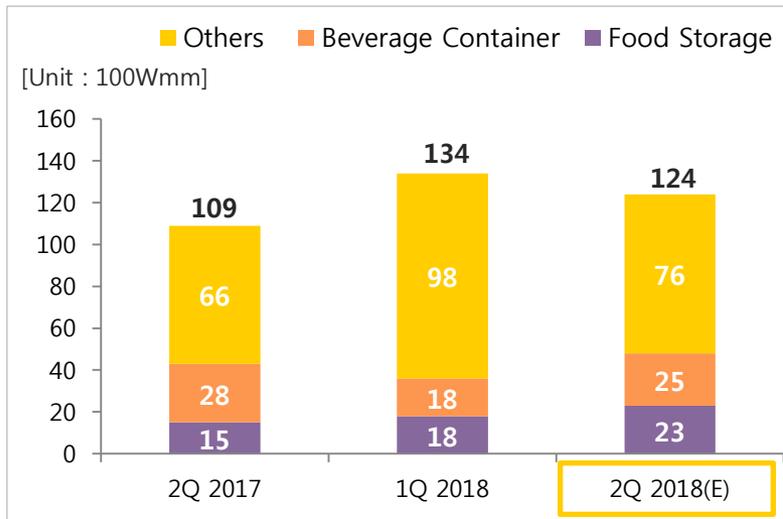
II. Sales by region

3. Vietnam

1) Annual sales trend



2) 2Q 2018 Sales analysis



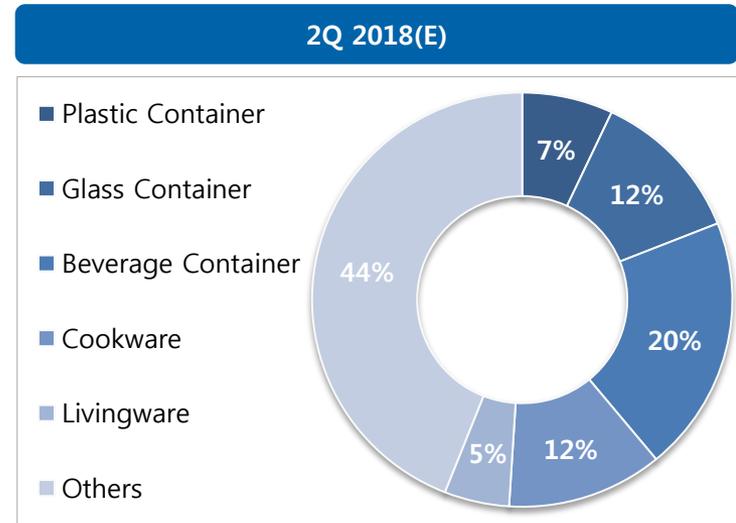
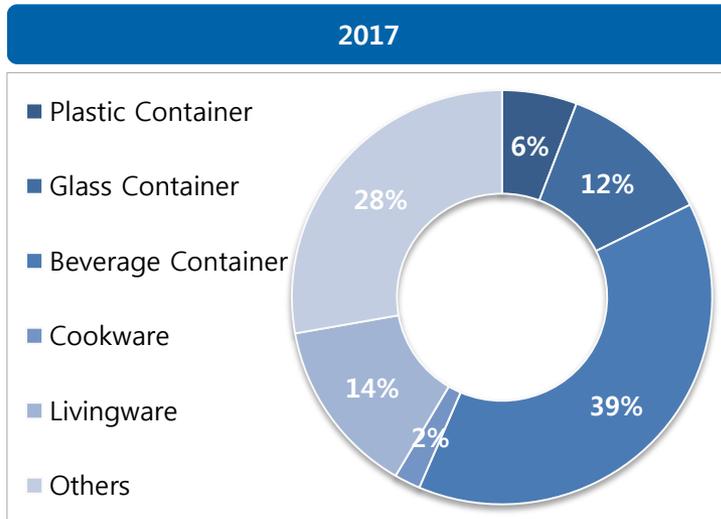
2Q Increase and decrease details(YoY)

- **Sales** : Sales increased 14.1% YoY to W12.4bn.
- **Sales by product** : Food storage and Others sales increased 53.3%, 15.2%. Beverage Container sales decreased 10.7%, (Plastic, Glass storage, cookware sales was up)
- **Sales by distribution channel** : B2B, Online channel sales have driven overall sales growth.

II. Sales by region

3. Vietnam

3) Sales Breakdown by Product



4) Sales Breakdown by Channel

