



LOCK&LOCK

3Q 2018 Earnings Release

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AGENDA

I . 3Q 2018 Preliminary Earnings Release

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

II. Sales Analysis by Region

1. Korea
- 2.China
3. Vietnam

I. 3Q 2018 Preliminary Earnings

1. 3Q 2018

[Unit : Wmm, %]

Description	3Q 17	2Q 18	3Q 18(E)	QoQ	YoY
Sales	107,061	102,925	105,769	2.8%	-1.2%
COGS	56,433	58,762	56,295	-4.2%	-0.2%
(%)	52.7%	57.1%	53.2%		
Gross Profit	50,628	44,164	49,474	12.0%	-2.3%
(%)	47.3%	42.9%	46.8%		
Sg&A Expenses	36,406	36,649	40,814	11.4%	12.1%
(%)	34.0%	35.6%	38.6%		
Operating Profit	14,222	7,514	8,659	15.2%	-39.1%
(%)	13.3%	7.3%	8.2%		
Pretax income	15,539	8,060	11,154	38.4%	-28.2%
(%)	14.5%	7.8%	10.5%		
Corporate tax	4,826	-934	4,078	-	-15.5%
Net Profit	10,713	8,994	7,076	-21.3%	-34.0%
(%)	10.0%	8.7%	6.7%		

3Q 2018 PL Analysis (YoY)

1) Sales

- Total sales decreased 1.2% YoY to W105.8n.
- Korea domestic sales decreased 7.1% YoY to W27.7bn.
- China domestic sales decreased 0.4% YoY to W39.8bn.
- Vietnam domestic sales increased 20.5% YoY to W14.2bn.
- Other overseas sales decreased 5.5% YoY to W24.1bn.

2) COGS

- Rate of COGS increased 0.5%p YoY to 53.2%.

3) Sg&A Expenses

- Increased to W4.4bn YoY – The rise in home shopping sales has affected the increase in sales commissions.
- Some management improvement costs were reflected

4) Operating Profit

- OP decreased 39.1% W8.7bn.
- OPM 8.2%, decreased 5.1%p YoY.

5) Net Profit

- Net income decreased 34.0% W7.1bn.
- NPM 6.7%, decreased 3.3%p YoY.

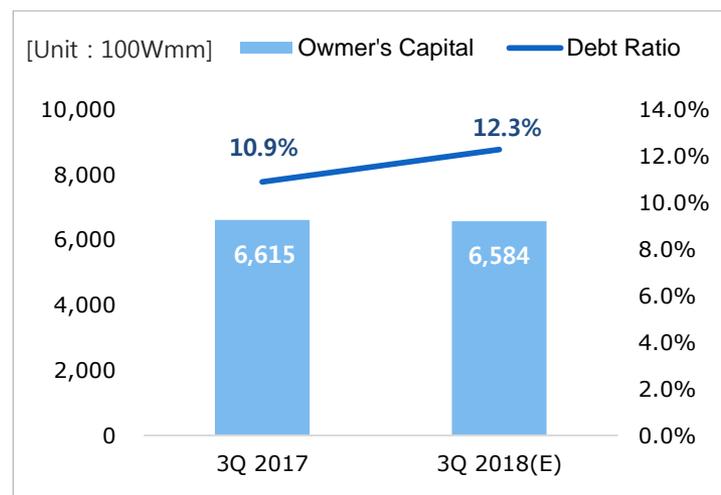
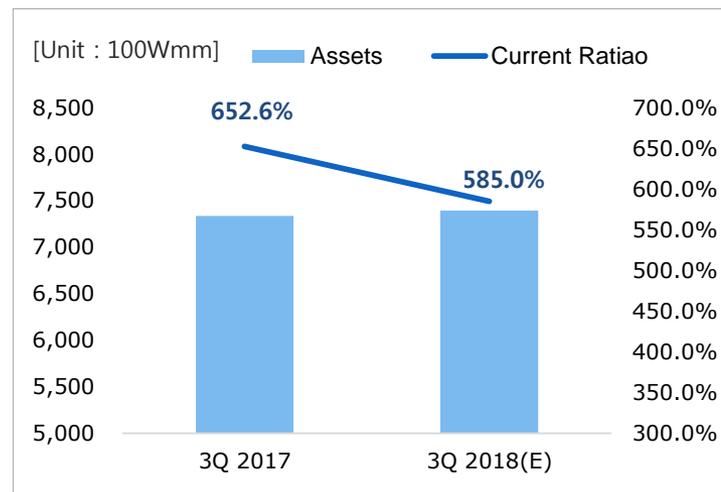
I. 3Q 2018 Preliminary Earnings

2. BS

[Unit : Wmm, %]

Description	3Q 17	3Q 18(E)	Increase/Decrease	
				%
Total Assets	733,749	739,387	5,639	0.8%
Current Assets	358,716	372,813	14,097	3.9%
Non-Current Assets	375,032	366,574	-8,458	-2.3%
Total Liabilities	72,293	81,017	8,724	12.1%
Current Liabilities	54,968	63,730	8,762	15.9%
Non-Current Liabilities	17,324	17,287	-38	-0.2%
Total Equity	661,456	658,371	-3,085	-0.5%
Capital Stock	27,500	27,500	0	0.0%
Additional Paid-in and Other Capital	314,809	314,826	17	0.0%
Capital Adjustment	-23,372	-23,372	0	0.0%
Accumulated Other Comprehensive Income	-27,191	-57,896	-30,704	112.9%
Earned Surplus	369,325	397,193	27,869	7.5%
External Shareholder's Equity	386	119	-267	-69.1%

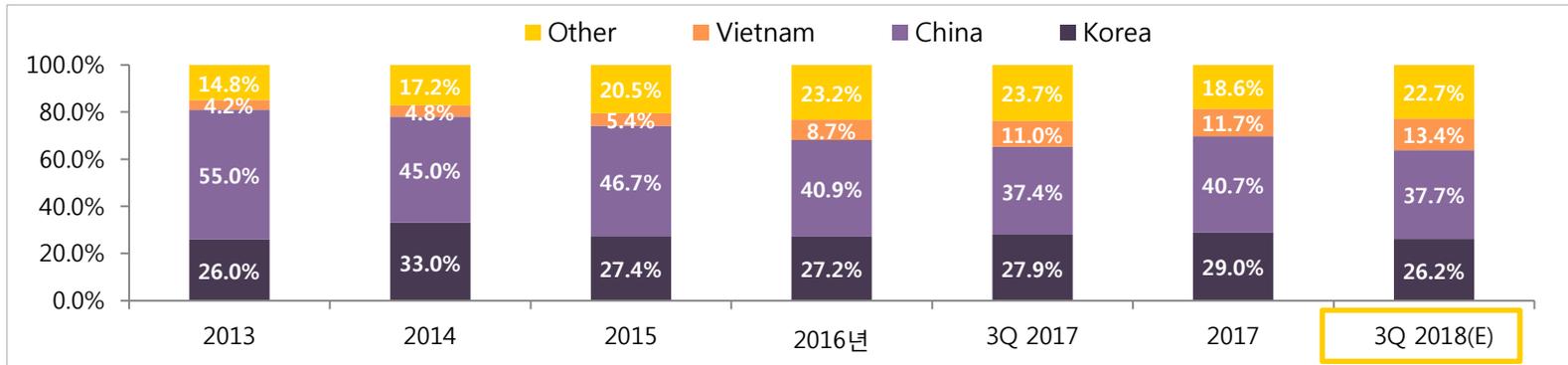
*3Q 18(E) : Net cash W128.2bn



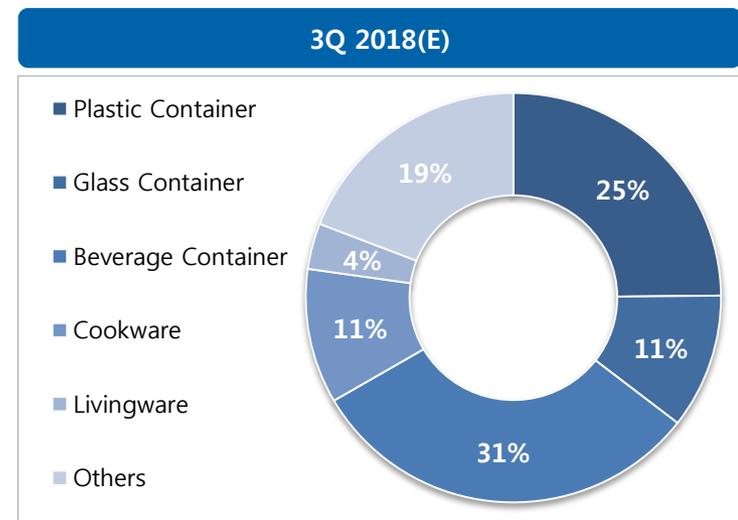
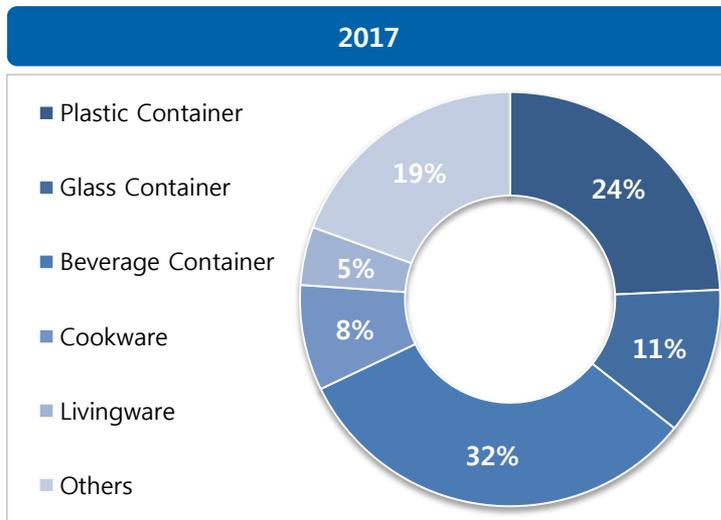
I. 3Q 2018 Preliminary Earnings

3. Sales Breakdown

1) Sales Breakdown by Region



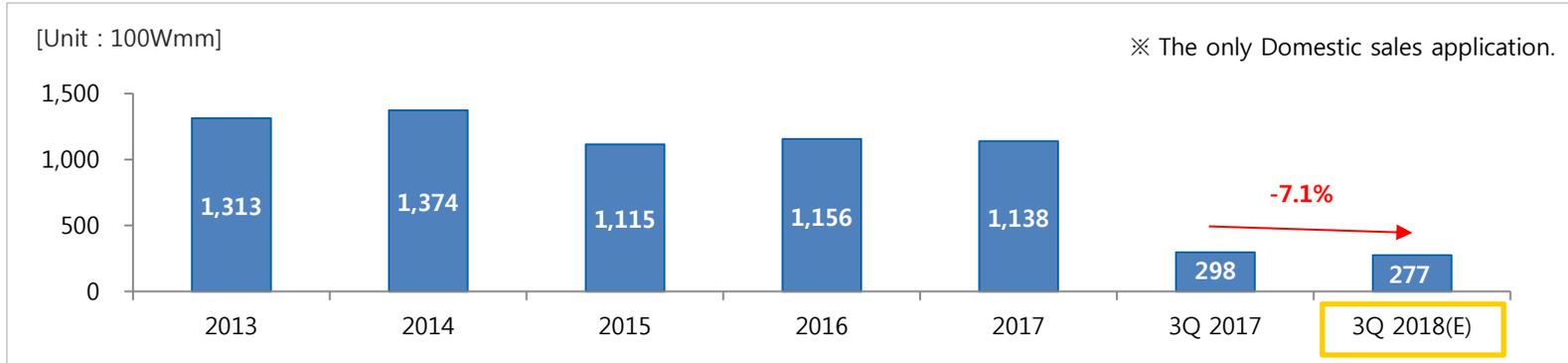
2) Sales Breakdown by Product



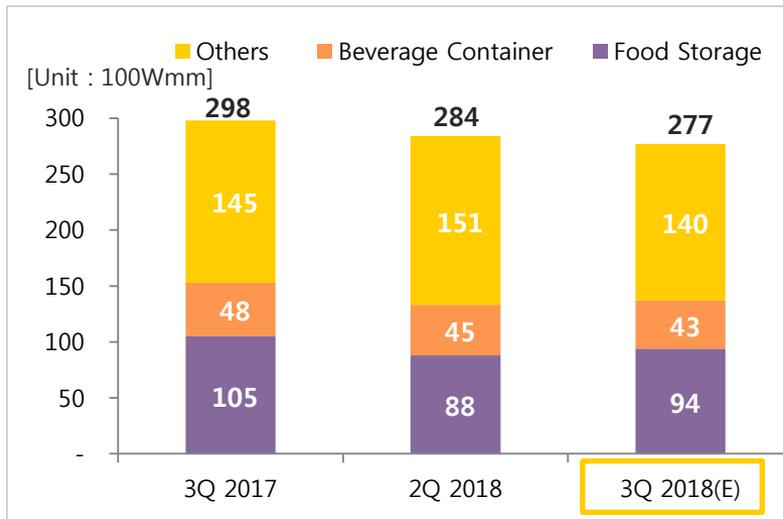
II. Sales by region

1. Korea

1) Annual sales trend



2) 3Q 2018 Sales analysis



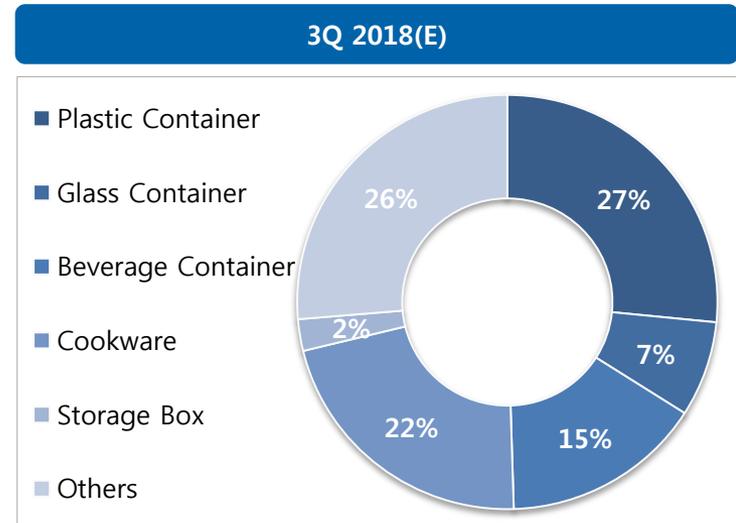
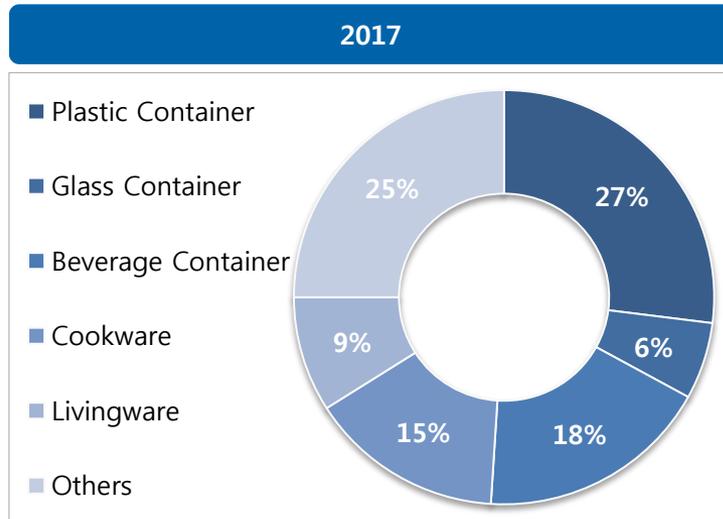
3Q Increase and decrease details(YoY)

- **Sales** : Sales decreased 7.1% YoY to W27.7bn.
- **Sales by product** : Food storage and Beverage Container, Others sales decreased 10.5%, 10.4%, 3.4% YoY.
- **Sales by distribution channel** : Home shopping and online channel sales increased.

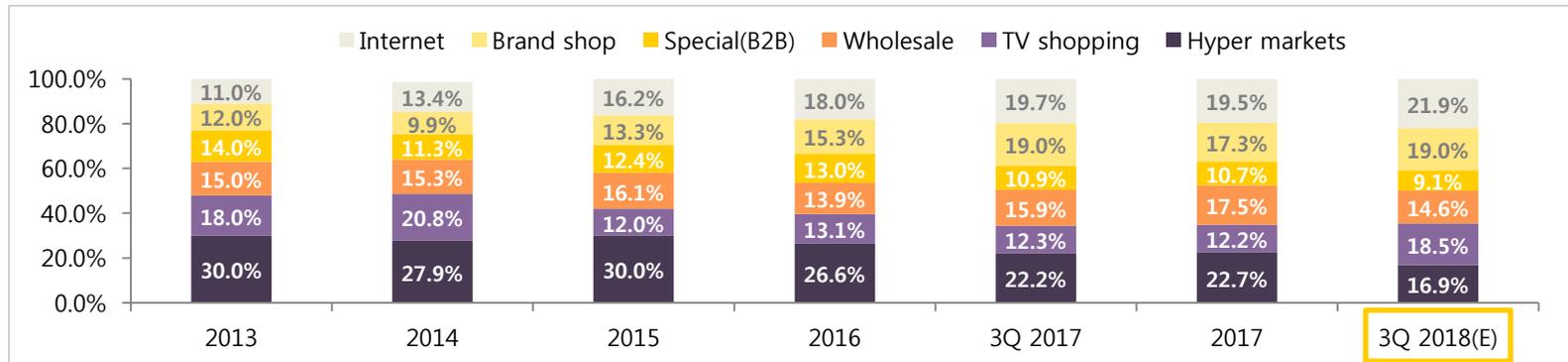
II. Sales by region

1. Korea

3) Sales Breakdown by Product



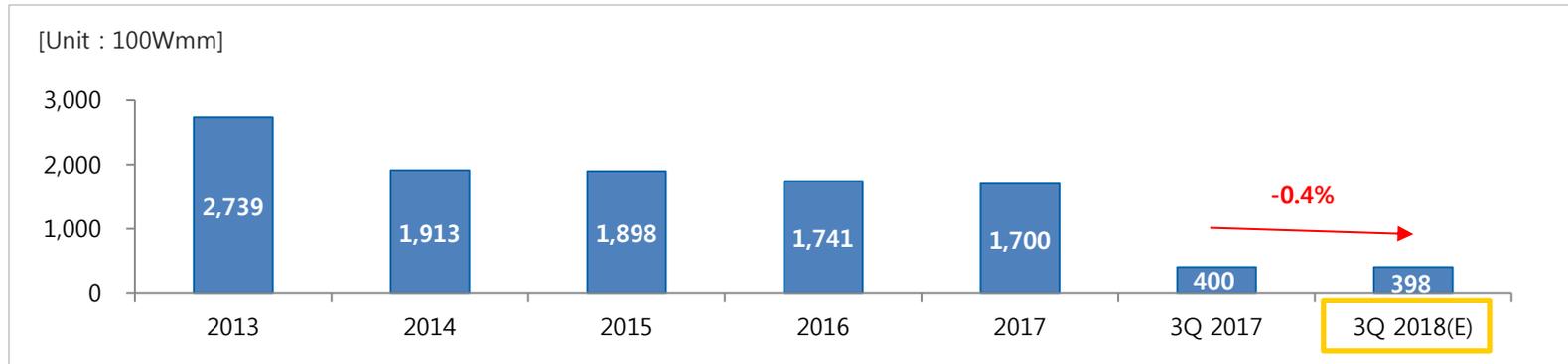
4) Sales Breakdown by Channel



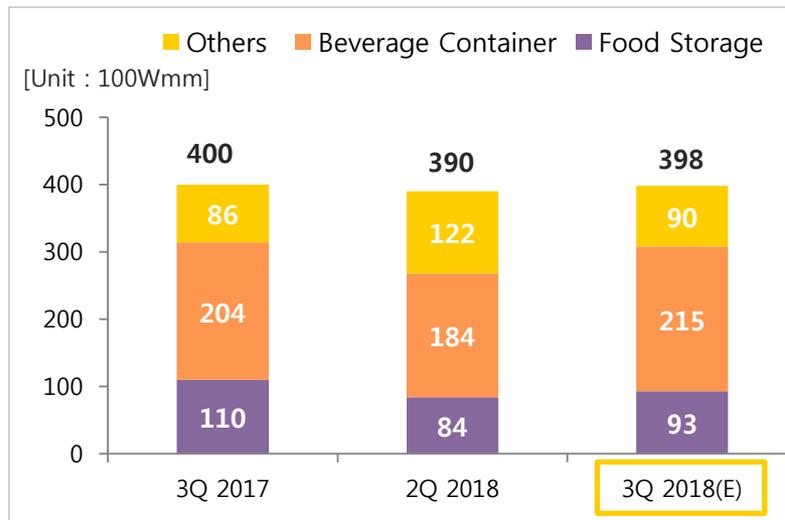
II. Sales by region

2. China

1) Annual sales trend



2) 3Q 2018 Sales analysis



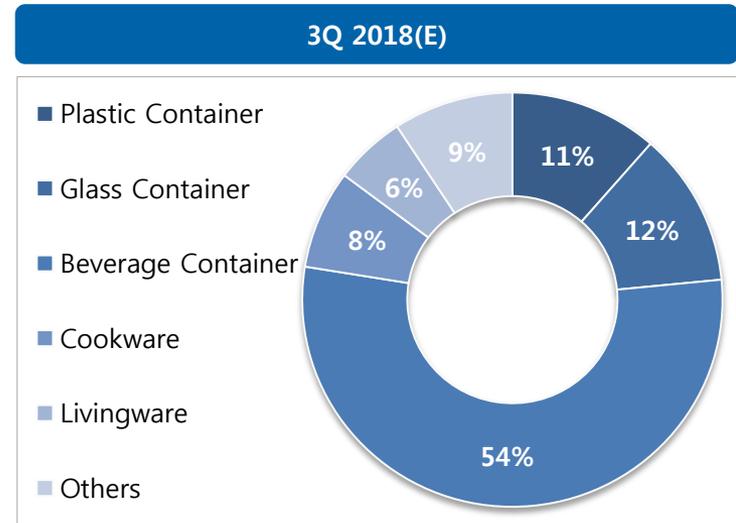
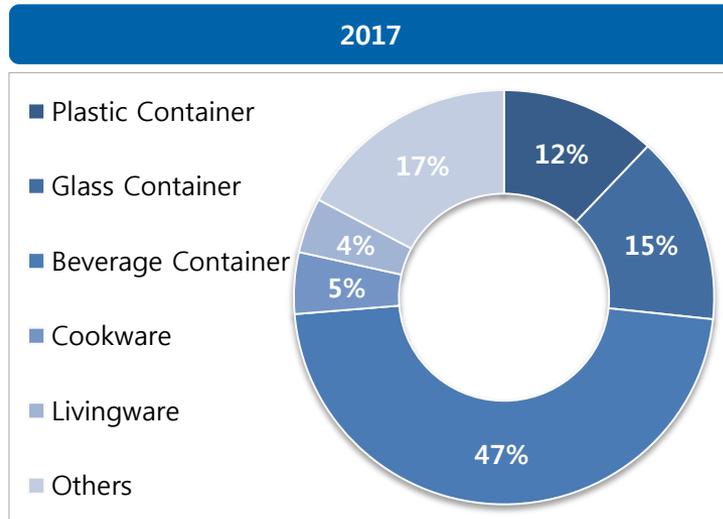
3Q Increase and decrease details(YoY)

- **Sales** : Sales decreased 0.4% YoY to W39.8bn.
- **Sales by product** : Food storage sales decreased 15.5%, Beverage Container and Others sales increased 5.4%, 4.7% YoY(Hot&Cool, Aqua, Cookware sales was up)
- **Sales by distribution channel** : B2B, Home shopping , Hyper market, Internet channel sales increased.

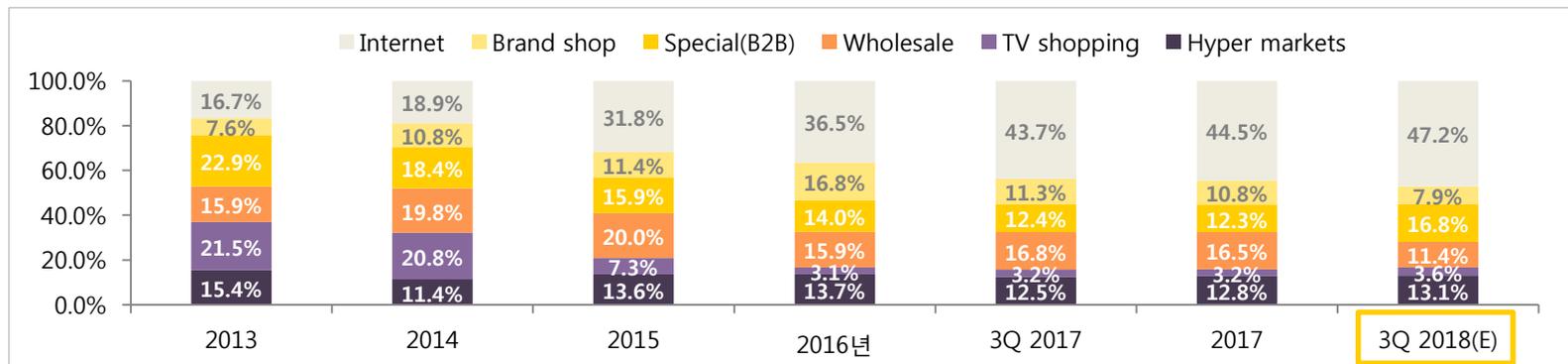
II. Sales by region

2. China

3) Sales Breakdown by Product



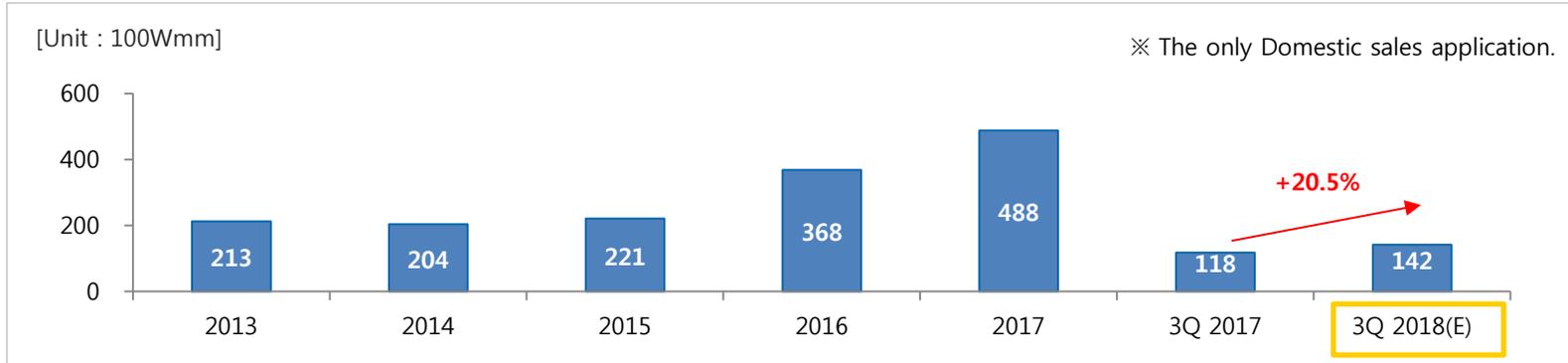
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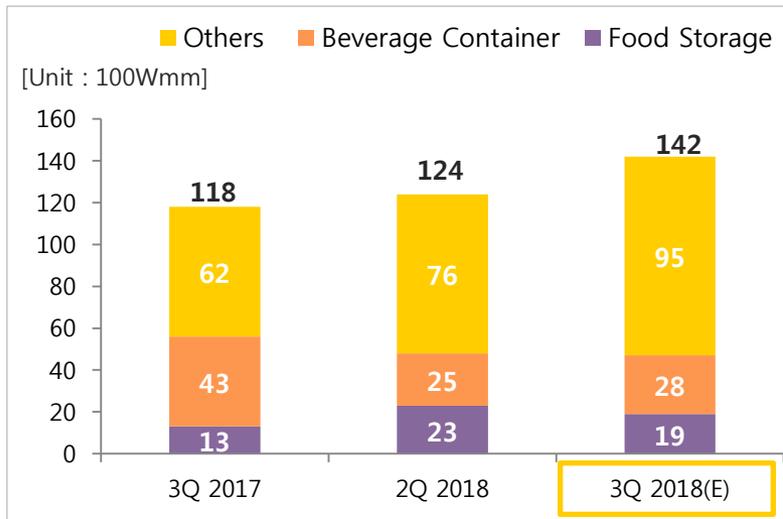
II. Sales by region

3. Vietnam

1) Annual sales trend



2) 3Q 2018 Sales analysis



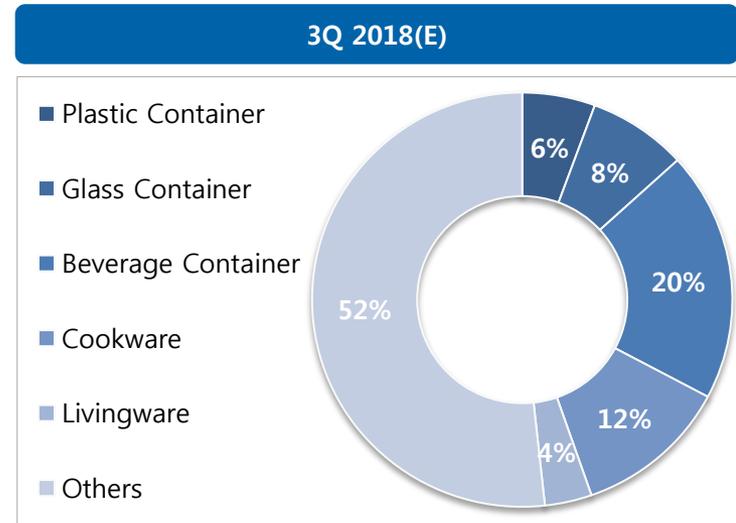
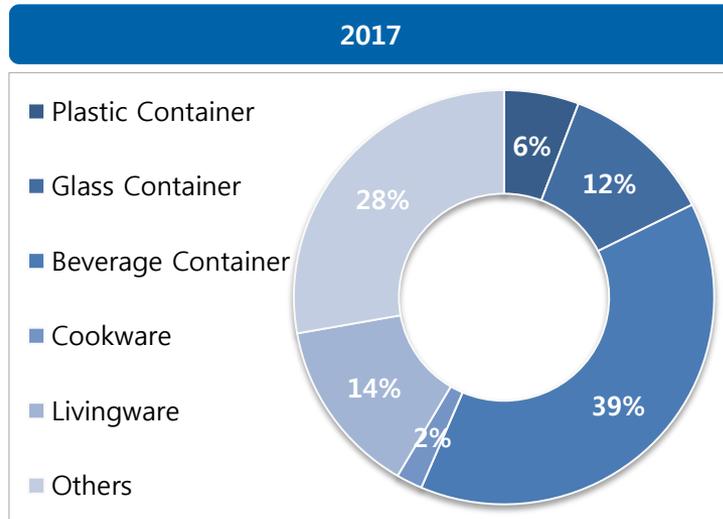
3Q Increase and decrease details(YoY)

- **Sales** : Sales increased 20.5% YoY to W14.2bn.
- **Sales by product** : Food storage and Others sales increased 46.2%, 53.2%. Beverage Container sales decreased 34.9%, (Plastic, Glass storage, Small Appliance 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

