

LOCK & LOCK

3Q 17 Earnings Release

6 Nov 2017

3Q 17 Preliminary Earnings

[Unit: Wmm]	2016	2017	2017	QoQ	YoY
	3Q	2Q	3Q		
Sales	99,394	98,094	107,061	9.1%	7.7%
%	100.0%	100.0%	100.0%		
COGS	50,387	50,049	56,433	12.8%	12.0%
%	50.7%	51.0%	52.7%		
Gross Profit	49,007	48,045	50,628	5.4%	3.3%
%	49.3%	49.0%	47.3%		
Sg&A Expenses	35,270	34,156	36,406	6.6%	3.2%
%	35.5%	34.8%	34.0%		
Operating Profit	13,737	13,890	14,222	2.4%	3.5%
%	13.8%	14.2%	13.3%		
Pretax income	12,720	16,507	15,539	-5.9%	22.2%
%	12.8%	16.8%	14.5%		
Net Profit	6,203	12,763	10,713	-16.1%	72.7%
%	6.2%	13.0%	10.0%		

3Q 17 Preliminary Earnings – Sales & Profit Highlights

- Total sales have been up 7.7% YoY to W107.1bn.
 - China domestic sales increased 8.4% YoY to W40.0bn.(No THAAD impact)
 - (Internet channel sales increased 35.9% YoY, Whole sales channel increased 10.6% YoY, B2B channel increased 4.5% YoY)
 - Korea domestic sales increased 1.3% YoY to W29.8bn.
 - Southeast Asia regional sales increased 52.8% YoY to W13.5bn.
 - Vietnam domestic sales increased 63.2% YoY to W11.9bn.(B2B & Hypermarkets sales increased)
 - Export sales decreased 2.2% YoY to W22.2bn.
- Operating profit increased 3.5% YoY to W14.2bn (13.3% OPM)
- Net profit increased 72.7% YoY to W10.7bn (10.0% NPM)

[Unit: Wmm]	2016	2017	YoY
	3Q	3Q	
Payroll	11,306	11,834	4.7%
Advertising	782	1,046	33.7%
Transportation	2,485	2,212	-11.0%
Rent	3,189	3,476	9.0%
Sales Commission	3,148	3,345	6.3%
Others	14,360	14,493	0.9%
Operating Expenses	35,270	36,406	3.2%

※ Based on K-IFRS

[Unit: Wmm]	2016	2017	YoY
	3Q	3Q	
Other Operating profit	2,542	1,503	-40.9%
Gain on Foreign currency translations	444	15	-96.7%
Gain Foreign currency transactions	1,528	885	-42.1%
Others	570	603	5.8%
Other Operating loss	3,779	802	-78.8%
Loss on Foreign currency translations	497	32	-93.5%
Loss Foreign currency transactions	818	468	-42.7%
Others	2,464	302	-87.8%
Net Other Operating profit	-1,236	700	-156.6%

※ Based on K-IFRS

Summary Financials – Balance Sheet

[Unit: Wmm]

Descriptions	2016	3Q 17	Increase/ Decrease
Current Assets	386,822	358,716	-28,106
Quick Assets	251,575	204,444	-47,131
Inventories	120,563	136,332	15,769
Other Current Assets	14,684	17,940	3,256
Non-Current Assets	364,075	375,032	10,957
Investments	30,975	31,545	570
Property&Equipment	281,432	284,334	2,902
Intangible Assets	9,204	8,733	-471
Deferred Tax Assets	3,731	3,575	-156
Other Non-Current Assets	38,733	46,845	8,112
TOTAL ASSETS	750,897	733,749	-17,148
Current Liabilities	73,105	54,968	-18,137
Non-Current Liabilities	5,801	17,324	11,523
TOTAL LIABILITIES	78,906	72,293	-6,614
Capital Stock	27,500	27,500	0
Additional Paid-in and Other Capital	314,809	314,809	0
Capital Adjustment	-23,371	-23,372	-1
Accumulated Other Comprehensive Income	-11,958	-27,191	-15,234
Earned Surplus	364,619	369,325	4,706
External Shareholder's Equity	392	386	-6
TOTAL EQUITY	671,991	661,456	-10,535
TOTAL LIABILITIES & EQUITY	750,897	733,749	-17,148

※ Based on K-IFRS

Summary Financials – Income Statement

[Unit: Wmm]

Descriptions	3Q 16	3Q 17	Increase/ Decrease
Sales	99,394	107,061	7,667
Cost of Goods Sold	50,387	56,433	6,046
Gross Profit	49,007	50,628	1,621
Selling and Administrative Expenses	35,270	36,406	1,136
Operating Profit	13,737	14,222	485
Other Operating Profit and Loss	-881	700	1,581
Financial Profit and Loss and the rest	157	617	459
Income and Loss Before Income Taxes	12,720	15,539	2,819
Income Tax Expenses	6,516	4,826	-1,690
Net Profit	6,203	10,713	4,509

※ Based on K-IFRS

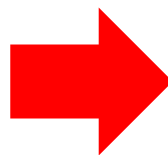
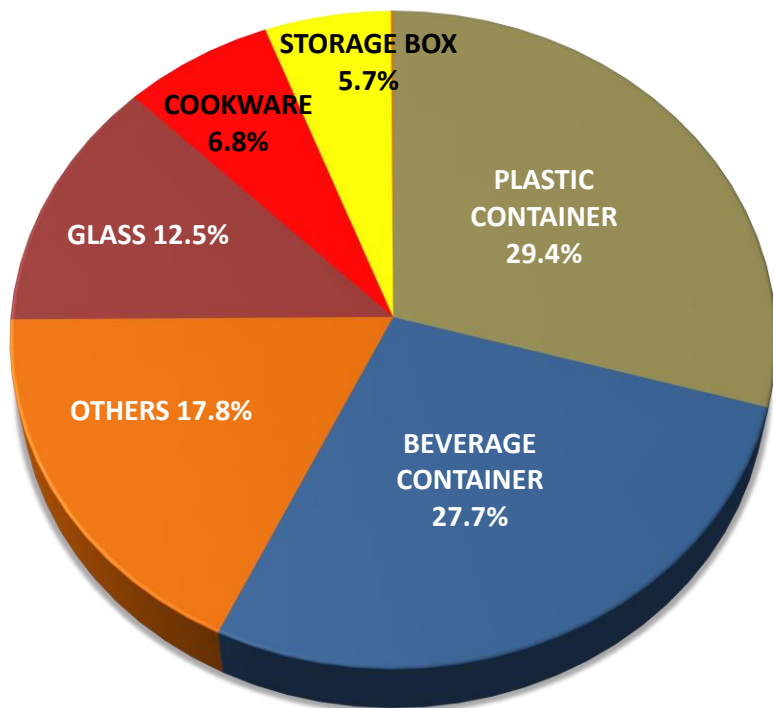
Sales Breakdown by Region

Region	2013	2014	2015	3Q 16	2016	1Q 17	2Q 17	3Q 17
China	55.0%	45.0%	46.7%	37.1%	40.9%	43.7%	36.4%	37.4%
Korea	26.0%	33.0%	27.4%	29.6%	27.2%	29.4%	29.7%	27.9%
Asia	12.0%	14.0%	15.3%	17.4%	17.6%	17.4%	21.4%	22.0%
ROW	7.0%	8.0%	10.7%	15.9%	14.2%	9.5%	12.4%	12.8%

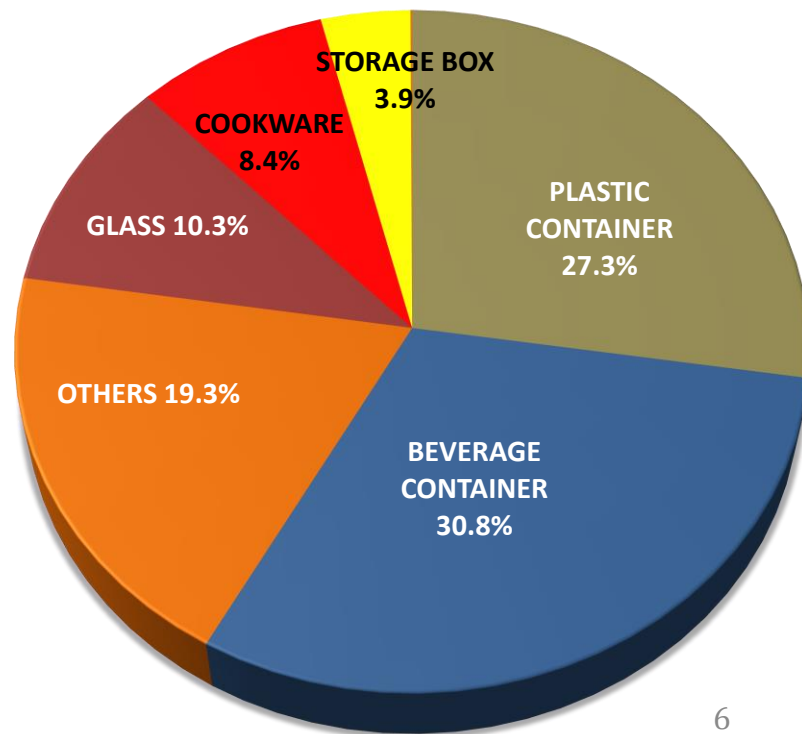
※ KOREA: The only Domestic sales application

Sales Breakdown by Product

[2016]



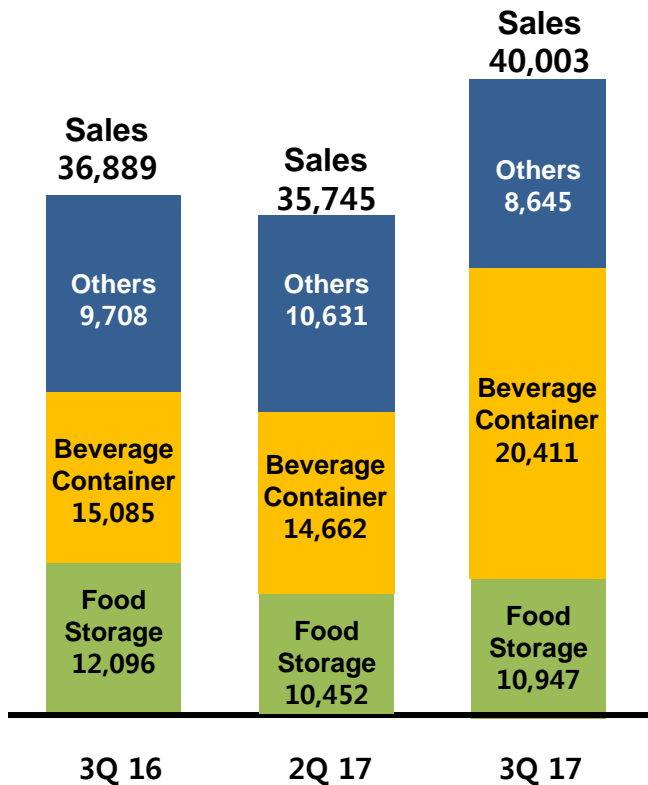
[3Q 17]



China – Sales Analysis

Food storage sales decreased 9.5% YoY to W10.9bn and beverage container sales increased 35.3% YoY to W20.4bn, while others (kitchen/ living/cookware) sales have been down 10.9% YoY to W8.6bn.

[Unit: Wmn]



■ Food storage

Plastic container sales decreased 9.9% YoY to W4.8bn.

Glass container sales decreased 9.6% YoY to W6.1bn.

■ Beverage container

Plastic bottle sales increased 0.6% YoY to W5.9bn.

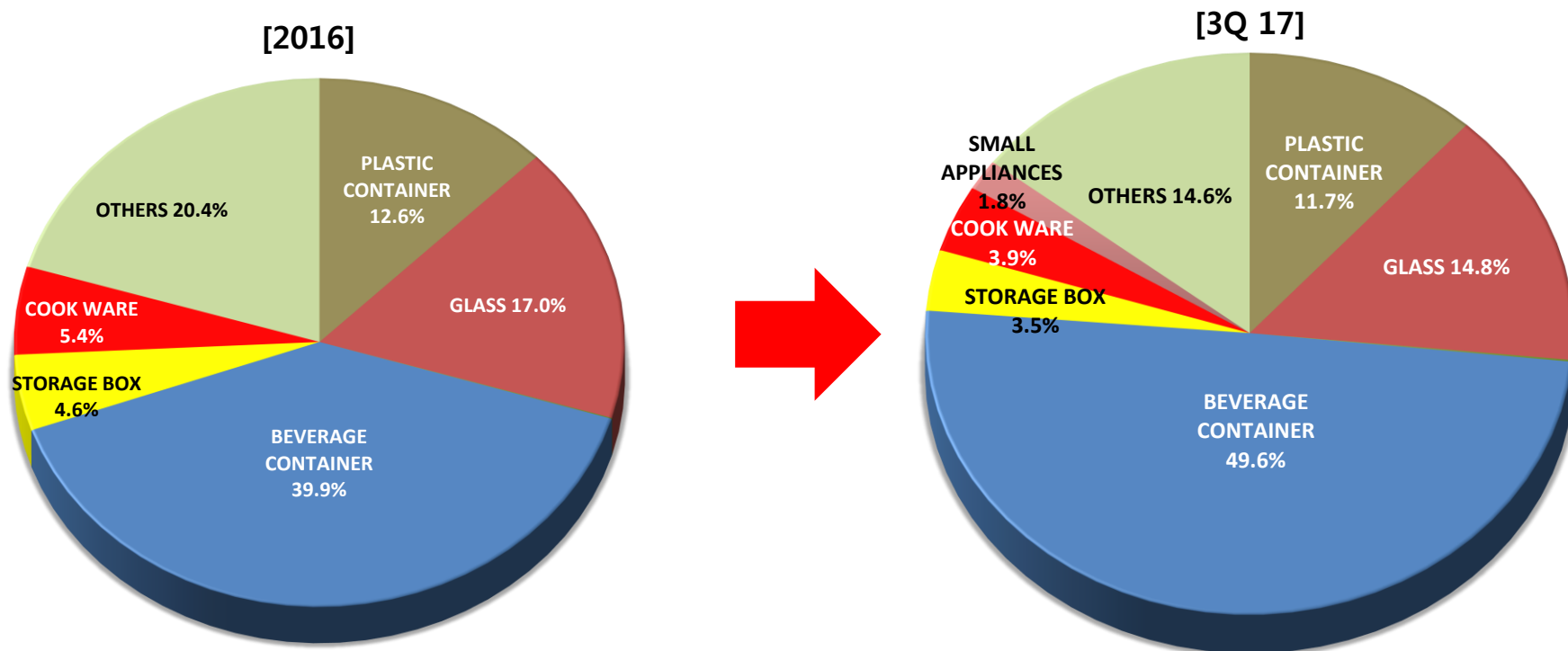
Thermal bottle sales increased 45.7% YoY to W13.3bn.

■ Others (kitchen/living/cookware, etc.)

Cookware sales decreased 2.7% YoY to W1.6bn.

Livingbox sales decreased 45.3% YoY to W0.9bn.

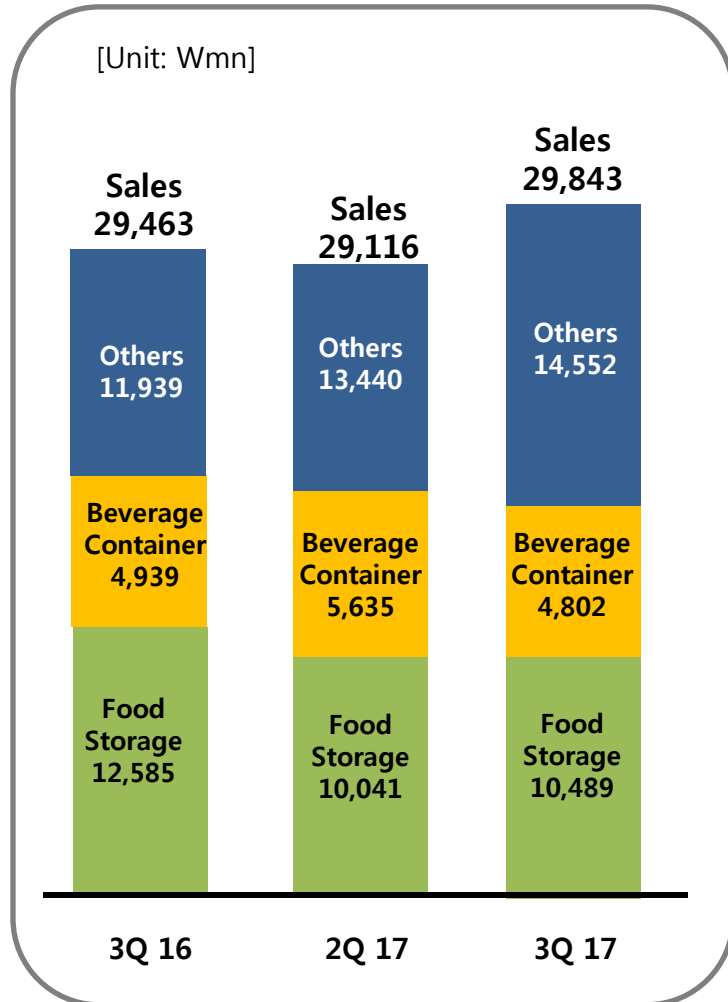
China – Sales by Product & Channel



Division	2013	2014	2015	3Q 16	2016	1Q 17	2Q 17	3Q 17
TV shopping	22.0%	21.0%	7.3%	3.4%	3.1%	2.4%	3.8%	3.2%
Special(B2B)	23.0%	18.0%	15.9%	13.0%	14.0%	13.4%	12.6%	12.4%
Internet	17.0%	19.0%	31.8%	35.1%	36.5%	43.1%	40.4%	43.7%
Wholesale	16.0%	20.0%	20.0%	16.6%	15.9%	15.5%	20.4%	16.8%
Hyper markets	15.0%	11.0%	13.6%	15.2%	13.7%	13.2%	12.5%	12.5%
Brand shop	7.0%	11.0%	11.4%	16.7%	16.8%	12.4%	10.3%	11.3%

Korea – Sales Analysis

Food storage sales decreased 16.7% YoY to W10.5bn and beverage container sales decreased 2.8% YoY to W4.8bn. others (kitchen/living/cookware) sales increased 21.9% YoY to 14.6bn.



■ Food storage

Plastic container sales increased 8.9% YoY to W1.8bn.

Plastic container(specials) sales decreased 5.7% YoY to W1.6bn

Premium plastic container sales decreased 36.1% YoY to W3.1bn.

Glass container sales increased 19.5% YoY to W2.2bn.

■ Beverage containers

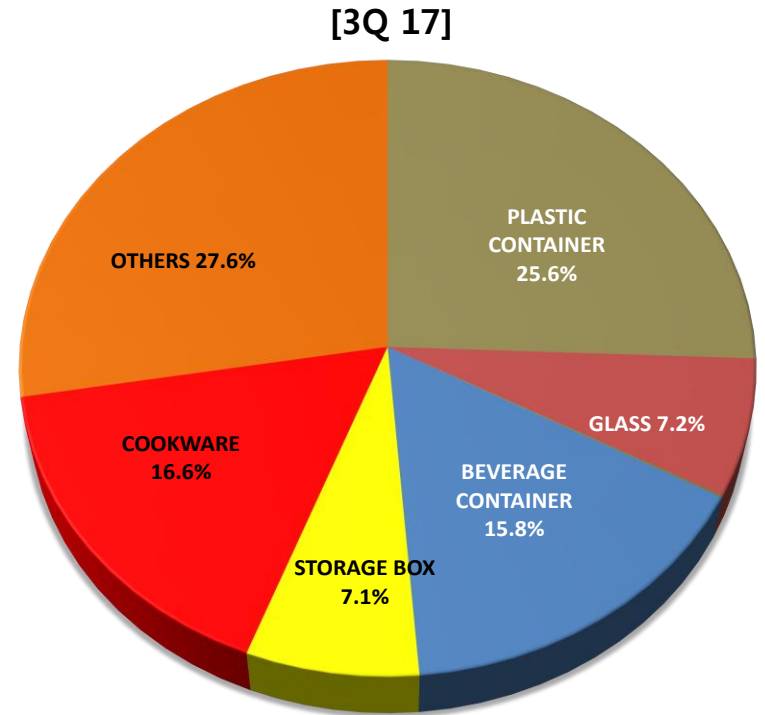
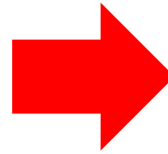
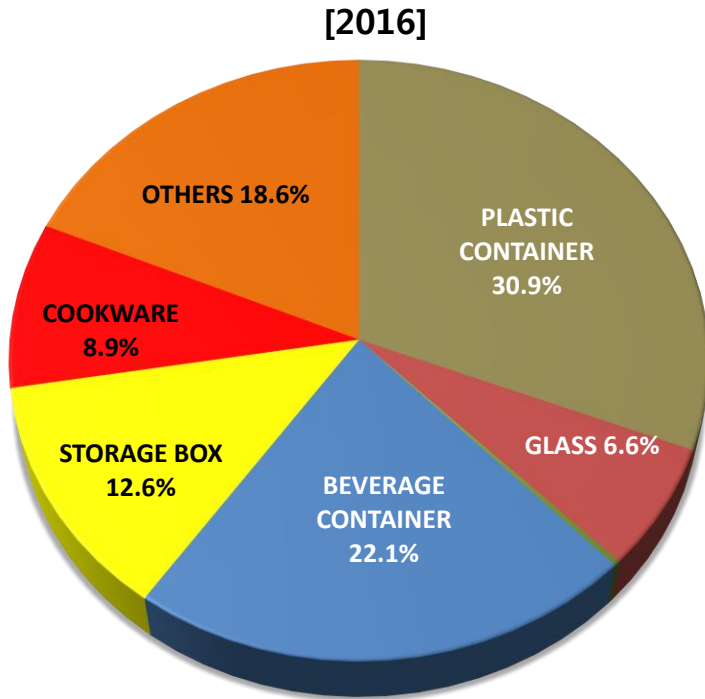
Thermal bottle sales increased 9.4% YoY to W1.7bn.

■ Others (kitchen / living / cookware, etc.)

Plastic organizer box sales decreased 62.5% YoY to W1.7bn.

Cookware sales increased 87.3% YoY to W5.0bn.

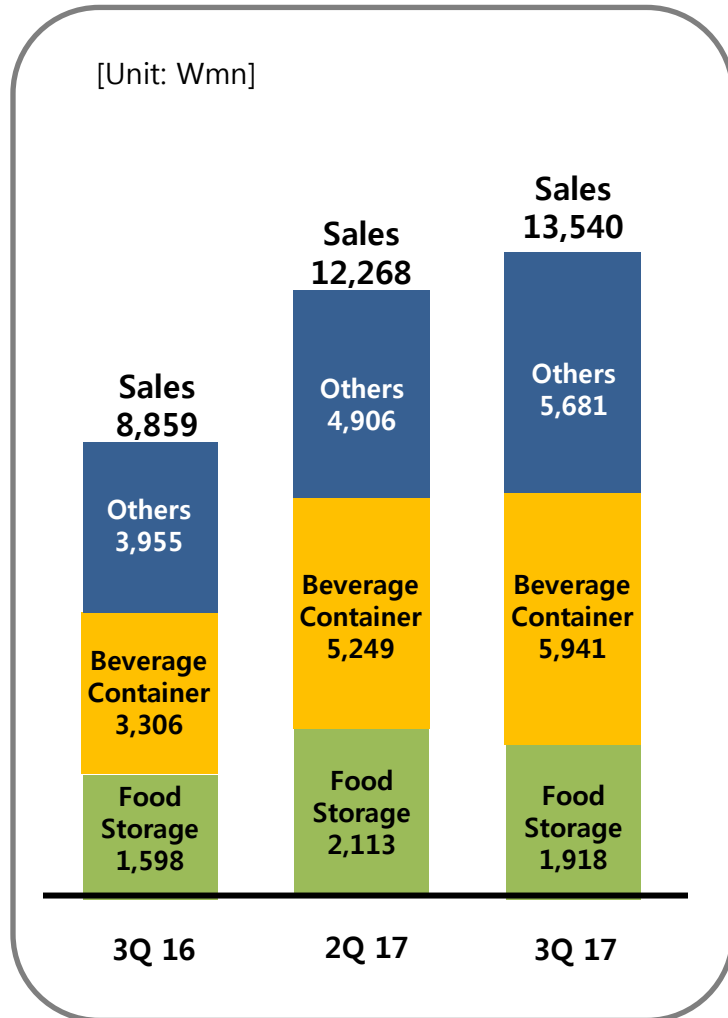
Korea – Sales by Product & Channel



Division	2013	2014	2015	3Q 16	2016	1Q 17	2Q 17	3Q 17
Hyper markets	30.0%	27.9%	30.0%	24.1%	26.6%	23.7%	25.2%	22.2%
TV shopping	18.0%	20.8%	12.0%	19.9%	13.1%	13.2%	12.8%	12.3%
Wholesale	15.0%	15.3%	16.1%	14.0%	13.9%	18.2%	17.3%	15.9%
Special(B2B)	14.0%	11.3%	12.4%	13.4%	13.0%	11.0%	8.7%	10.9%
Brand shop	12.0%	9.9%	13.3%	10.8%	15.3%	15.8%	16.7%	19.0%
Internet	11.0%	13.4%	16.2%	17.8%	18.0%	18.1%	19.3%	19.7%

Southeast Asia – Sales Analysis

Food storage sales increased 20.0% YoY to W1.9bn, beverage container sales increased 79.7% to YoY W5.9bn, others(kitchen/living/cookware) sales increased 37.5% YoY to W5.7bn.



■ Food storage

Plastic container sales increased 271.4% YoY to W3.0bn.

Glass container sales increased 26.7% YoY to W0.9bn.

■ Beverage container

Plastic bottle sales increased 14.1% YoY to W1.3bn.

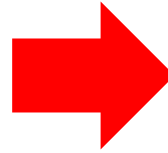
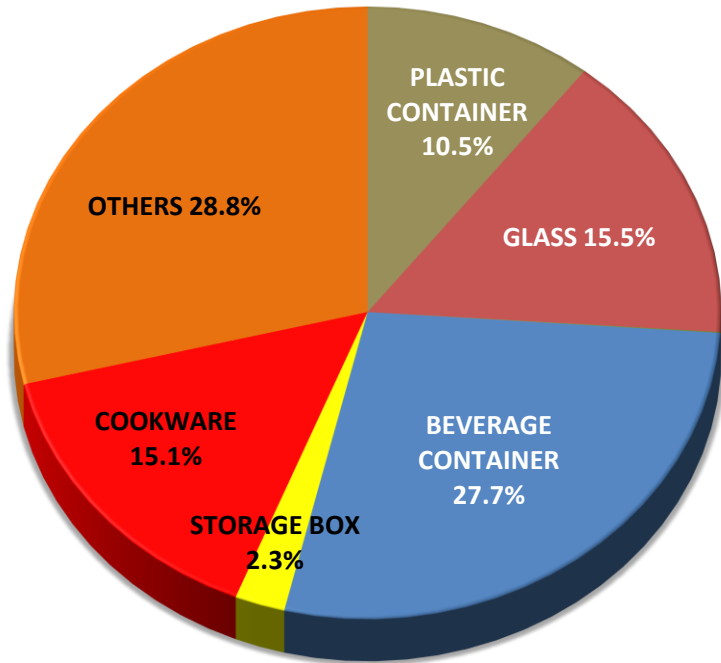
Thermal bottle sales increased 47.9% YoY to W2.0bn.

■ Others (kitchen/living/cookware, etc.)

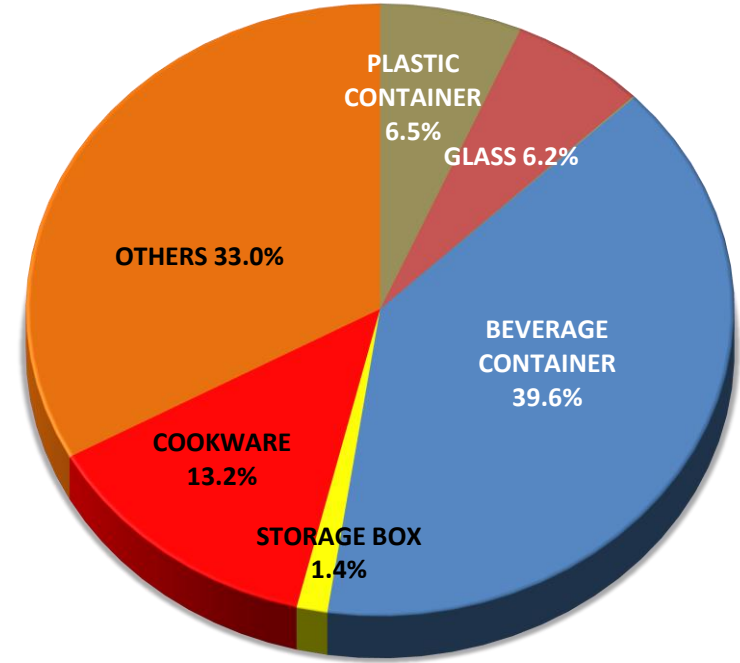
Cookware sales increased 90.7% YoY to W2.0bn.

Southeast Asia – Sales by Product & Channel

[2016]



[3Q 17]



Division	2013	2014	2015	3Q 16	2016년	2017년 1Q	2017년 2Q	2017년 3Q
Special(B2B)	45.0%	45.6%	41.3%	28.8%	48.5%	36.3%	37.2%	40.0%
Brand shop	26.0%	24.6%	36.3%	32.6%	23.3%	34.5%	34.8%	27.9%
Hyper markets	15.0%	12.5%	9.5%	23.4%	16.1%	14.8%	19.0%	19.7%
Wholesale	7.0%	12.7%	10.0%	11.6%	9.0%	9.2%	5.7%	6.6%
TV shopping	4.0%	3.4%	2.3%	0.0%	0.0%	1.3%	0.7%	0.3%
Internet	3.0%	1.2%	0.6%	3.6%	3.0%	4.0%	2.6%	5.5%