

# LOCK & LOCK

**IR Book 2016. 4Q**



# LOCK&LOCK

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Certain information contained in these materials represents or is based on forward-looking statements or information. Forward-looking statements are inherently uncertain and changing factors, general or specific, may cause events or results to differ from those discussed in the materials. Therefore, undue reliance should not be placed on such statements or the conclusions drawn from them.



## 01. Company Overview

<b>Name</b>	Lock&Lock Co. Ltd.
<b>CEO</b>	Joon-il Kim, Sung-Tae Kim
<b>Establish</b>	1978. 10. 1.
<b>IPO</b>	2010. 1. 28. (KOSPI)
<b>Share Outstanding</b>	55,000,000 (Face value 500 KRW)
<b>Capital</b>	27,500,000,000 (KRW)
<b>Number of Employees</b>	4,585 (Including overseas employees)
<b>Logistics Center in Korea</b>	Asan(Automated logistics center), Ansung
<b>Overseas Plants</b>	China(Suzhou, Weihai2), Vietnam(DongNai, VungTau)
<b>Overseas Branches</b>	China(Shanghai, Shenzhen, Beijing, Shandong, Suzhou) Vietnam (HoChiMinh, Hanoi) Indonesia, Thailand, Germany, U.S.A
<b>Homepage</b>	<a href="http://www.locknlock.com">www.locknlock.com</a>

[ Update on 2016. 12. ]



## 02. Lock&Lock History

Establish

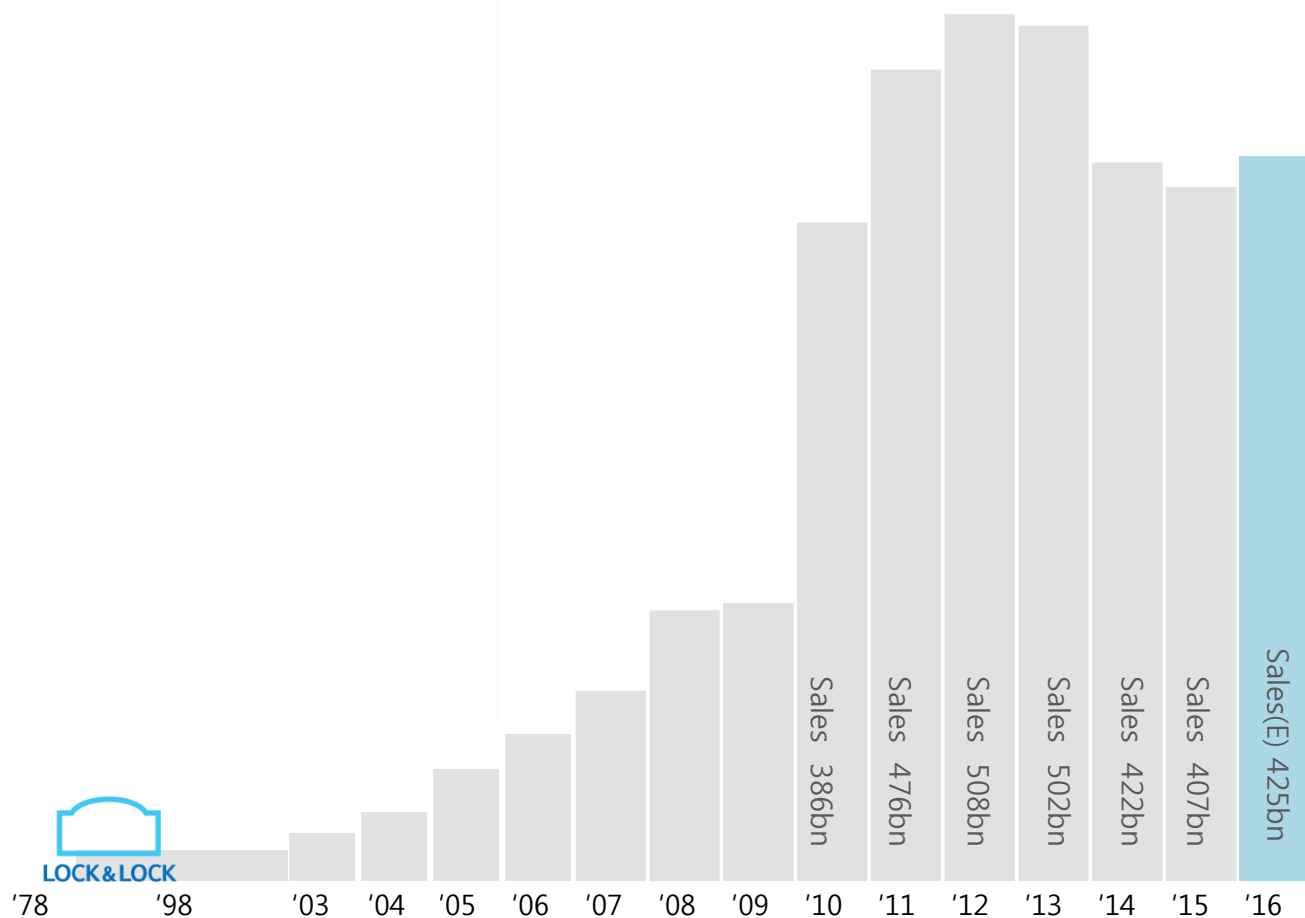
Brand Integration

Global No.1

'78

'98~'05

'06~



- Established KUKJIN Distribution
- Launched the food container L&L.
- QVC launching. (Home shopping)

- Inroads into Chinese market.
- Factory completed in Asan
- Chinese factory completed

- Sales entities established in Indonesia and Vietnam.

- Listed on KOSPI.
- 1st franchise opened.
- Cookware factory completed

- China, Korea, Vietnam, etc No.1 Brand
- Export to more than 100 countries.

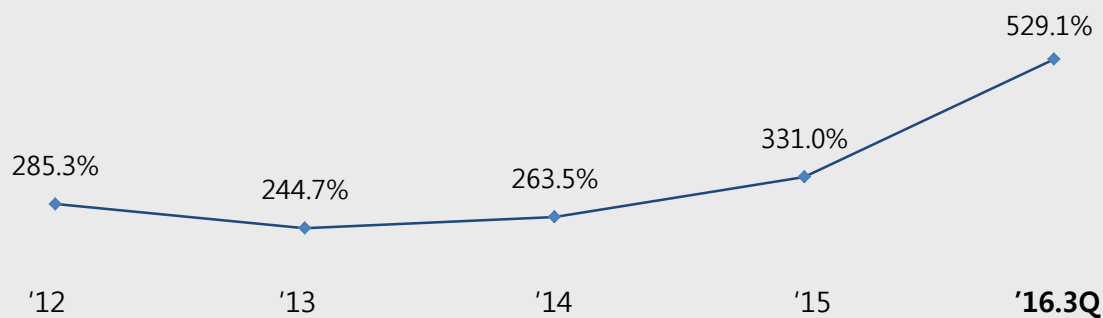
(unit: KRW)



### 03. Assets

#### Current ratio

[unit : %]



#### Assets and Liabilities (Consolidated)

[unit : 100mm, KRW]

'16	Liability, 789	Equity, 6,720
'15	Liability, 1,165	Equity, 6,399
'14	Liability, 1,654	Equity, 6,304
'13	Liability, 1,817	Equity, 6,153
'12	Liability, 1,729	Equity, 5,850

[ Update on 2016. 12. ]



## 04. Organization



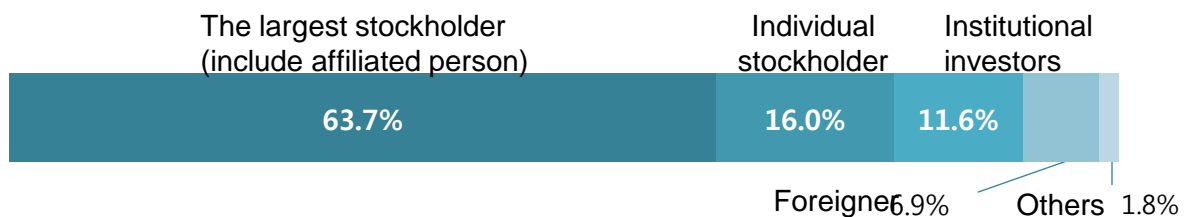
Korea	China	Vietnam	Overseas Offices
Domestic Sales	Shanghai Sales branch	HaNoi Sales branch	Germany Sales branch
Overseas Sales	Beijing Sales branch	HoChiMinh Sales branch	Indonesia Sales branch
Logistics Centers	Shenzhen Sales branch	Dong Nai Plant	Thailand Sales branch
	Suzhou Sales branch	Vung Tau Plant -Glass -Cookware -Plastic	U.S.A Sales branch
	Shandong Sales branch		
	Manshan Plant		
	Suzhou Plant		



## 05. Stock Ownership

<b>Name</b>	Lock&Lock Co. Ltd.
<b>IPO</b>	2010. 1. 28. (KOSPI)
<b>Share Outstanding</b>	55,000,000 (Face value 500 KRW)
<b>Major shareholder</b>	The largest stockholder(include affiliated person) 63.73% National pension 6.08% ShinYoung Asset Management 5.0% Treasury stock 1.48%
<b>Foreign Investor Ownership</b>	6.86% [ Update on 2016. 12. ]

### Stockholder [ Update on 2016. 12.31 ]



## 06. Product Portfolio

### Food Storage Containers + Kitchen Appliances

Food storage containers (L&L classic, L&L special, L&L Bisfree, L&L ovenglass, etc)

Outdoor (L&L aqua, L&L hot and cool, etc)

Household items (L&L living box, Inplus, etc)

Cookware (L&L Cookplus, Hard&Light etc)

Kitchen appliances (L&L taste, L&L cutlery, etc)

Character products (Kitty, Marvel, Disney, Hello bebe)



L&L  
Hot&Cool



L&L  
Bisfree



L&L  
ovenglass



Cookplus,  
Hard&Light



L&L classic



L&L aqua



L&L Lunch



Inplus



Tontarelli





## 07. Brand Power

### Customer Confidence

C-BPI No. 1(for 5 years) - Airtight containers

C-BPI No. 1(for 4 years) - Thermos

K-BPI No. 1(for 12 years)

KWCI(Korea Well-Being Consumer Index) No. 1(for 7 years)

Korea Brand Recommendation Index No. 1

By Vietnam economic times 'Consumer Confidence Top 100 items '



C-BPI



KS-WCI 1위  
한국소비자행방지수



K-BPI



Vietnam Consumer  
Confidence Top 100  
items



Korea Brand  
Recommendat  
ion Index



National Brand  
Competitiveness  
Index



reddot award 2015  
honourable mention



World class  
product of Korea



LOHAS

## 08. Intellectual Property

Property	Procedure	Korea	Overseas
Patents	Application	3	3
	Registered	4	22
Utility Models	Application	-	3
	Registered	5	3
Designs	Application	41	43
	Registered	251	349
Trademarks	Application	27	176
	Registered	258	691
Service Mark	Application	3	0
	Registered	21	5

[ Update on 2016. 12]



## 09. Overseas Plants

### Selected and Concentrated Production Strategy

#### China

##### [Suzhou]

- Facilities : Injection Molding Machine 40, ISBM 3
- Production capacity : 79,935,000 PCS/year
- Product line : Plastic · Beverage Container, Character Product, etc.

##### [Manshan]

- Facilities : Injection Molding Machine 26
- Production capacity : 42,705,000 PCS/year
- Product line : Plastic · Beverage Container, Trash can, etc.

#### Vietnam

##### [DongNai]

- Facilities : Injection Molding Machine 54
- Production capacity : 124,246,000 PCS/year
- Product line : Plastic · Beverage Container, etc.

##### [VungTau] - Injection

- Facilities : Injection Molding Machine 73, ISBM 9
- Production capacity : 140,580,000 PCS/year
- Product line : Plastic · Beverage Container, Inplus, etc.

##### [VungTau] - Cookware

- Production capacity : 5,831,000 PCS/year
- Product line : Plastic · Hard & light, Salong, etc

##### [VungTau] - Glass

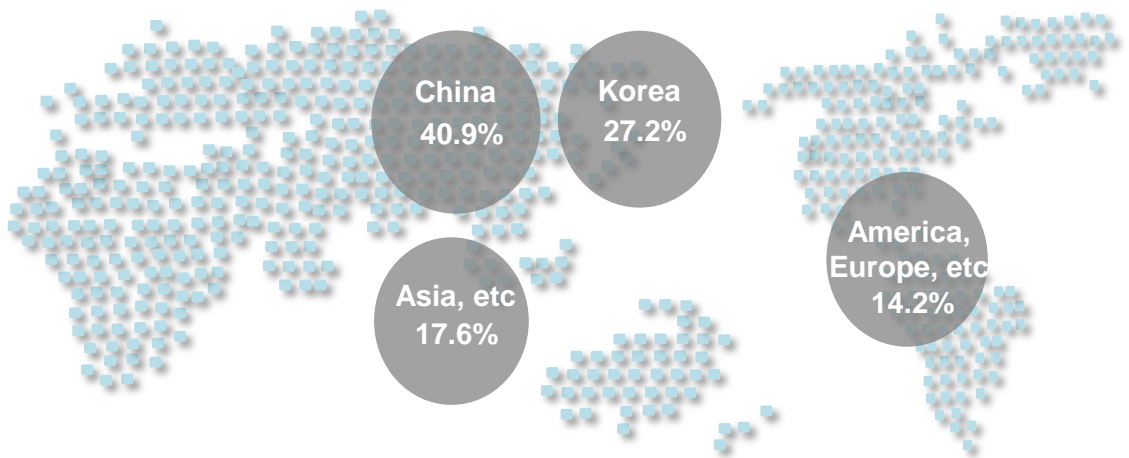
- Facilities : Furnance VT-1, Furnance VT-2
- Production 16,800,000 PCS/year(VT-1 Capa)
- Product line : Glass



## 10. Sales

Overseas sales offices 11, Export to 116 countries

### [Geographical Sales ]



[ Updated on 2016.12. ]

### [Branches ]

China(Shanghai, Beijing, Shenzhen, Shandong, Suzhou)

Vietnam(HoChiMinh, Hanoi)

Thailand(Bangkok)

Indonesia(Jakarta)

Germany(Frankfurt)

U.S.A(Los Angeles)

# 11. Distribution Networks

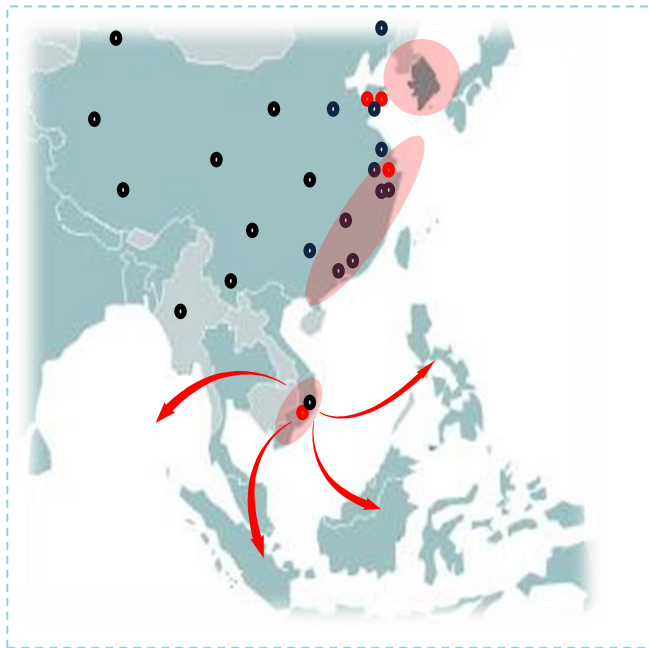
Diversify Sales Channel



## 12. Growth Strategy

### Growth in Vietnam and Korea(domestic·export) sales

- Concentrating on on-line sales and B2B in China.
- Grow revenue in Vietnam.
  - Discount stores and B2B market growth.
- Increase of domestic and export sales in Korea.
- Improve efficiency of manufacturing facilities in Vietnam.



## 12. Growth Strategy

Select exclusive items for on-line and create mobile optimized contents

- Diversifying category
- New items  
(exclusively available at on-line stores)



**Only for on-line**

- Mobile marketing
- Mobile -friendly contents
- User communities.



**Mobile optimized**

- Interactive communication with customers.  
SNS, Youtube, etc.
- K-Star ad.



**Brand marketing**

**ON-LINE**

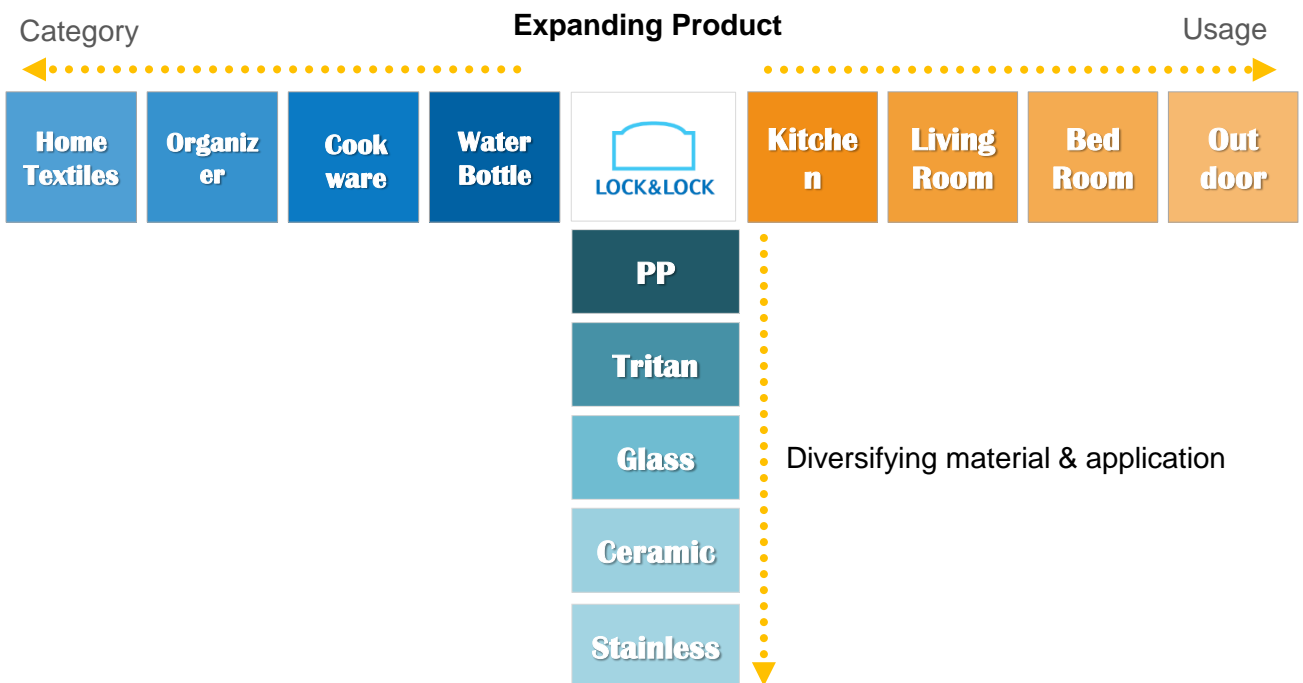


## 13. Business Model

### Expanding Business Category

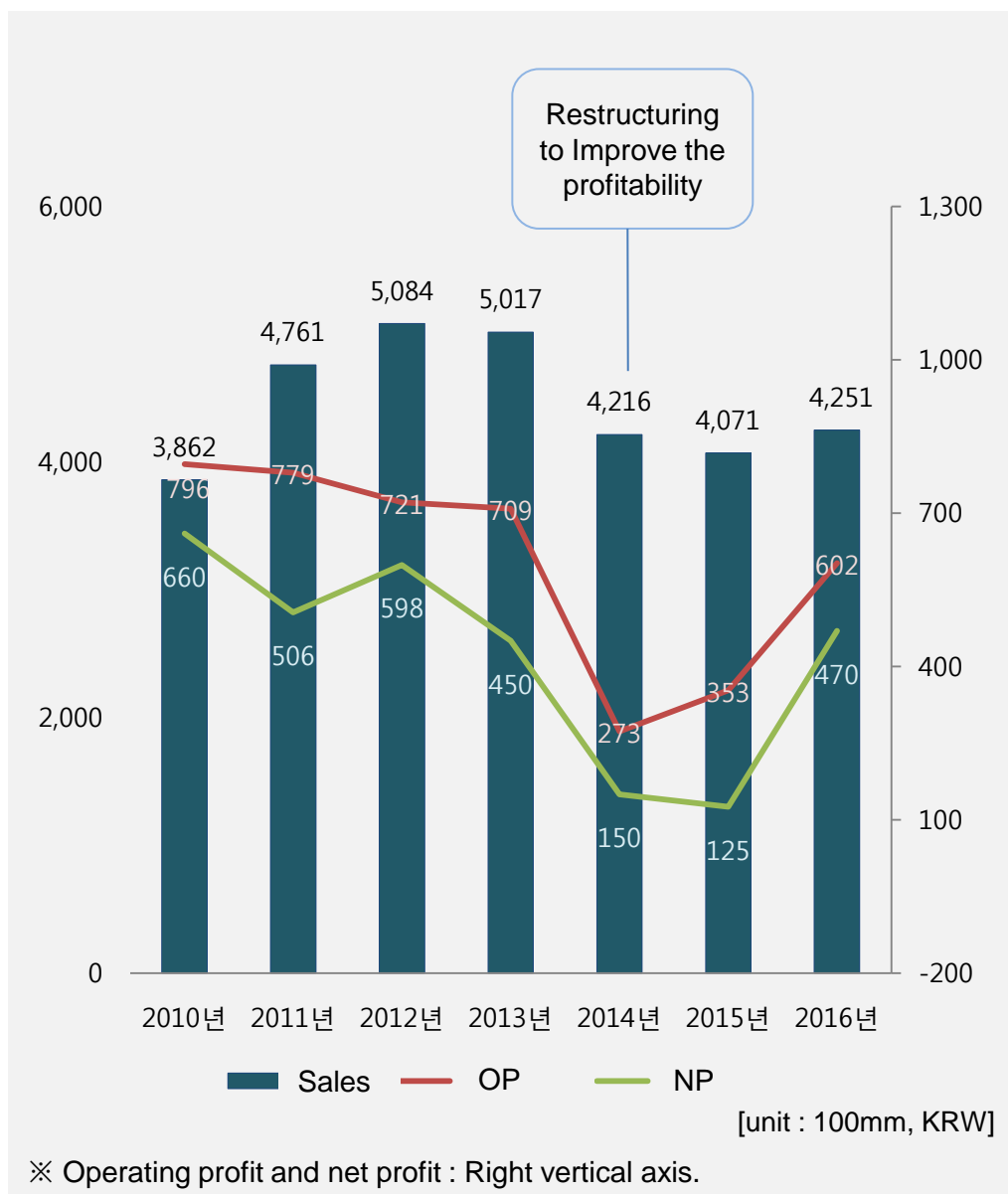
[ Lock & Lock moved beyond its image as a container company by adopting a “T-shaped” growth strategy to expand the scope.]

- Diversifying material & application.
- Expanding business category into kitchenware and small home appliance.
  - Differentiation by our well-established brand image of “safe” and “fresh”.
  - High correlation with current business.
  - Sharing distribution channels and customers.

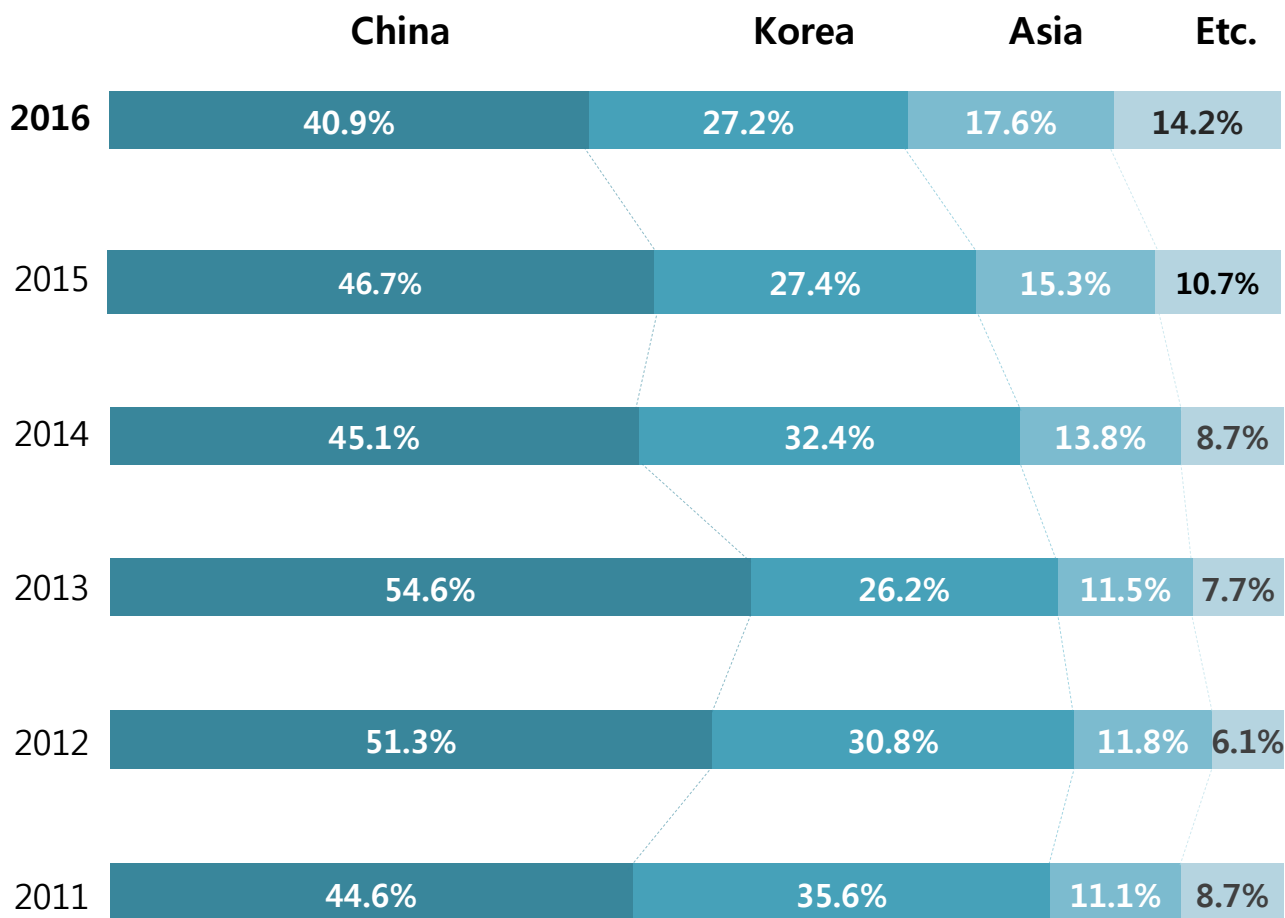




## 14. Sales and Profit(Consolidated)



## 15. Geographical Sales Mix



\* K- IFRS Consolidated, Region Breakdown (unit : %)



## 16. Appendix

**01. Quarterly Sales and Profit (Consolidated)**

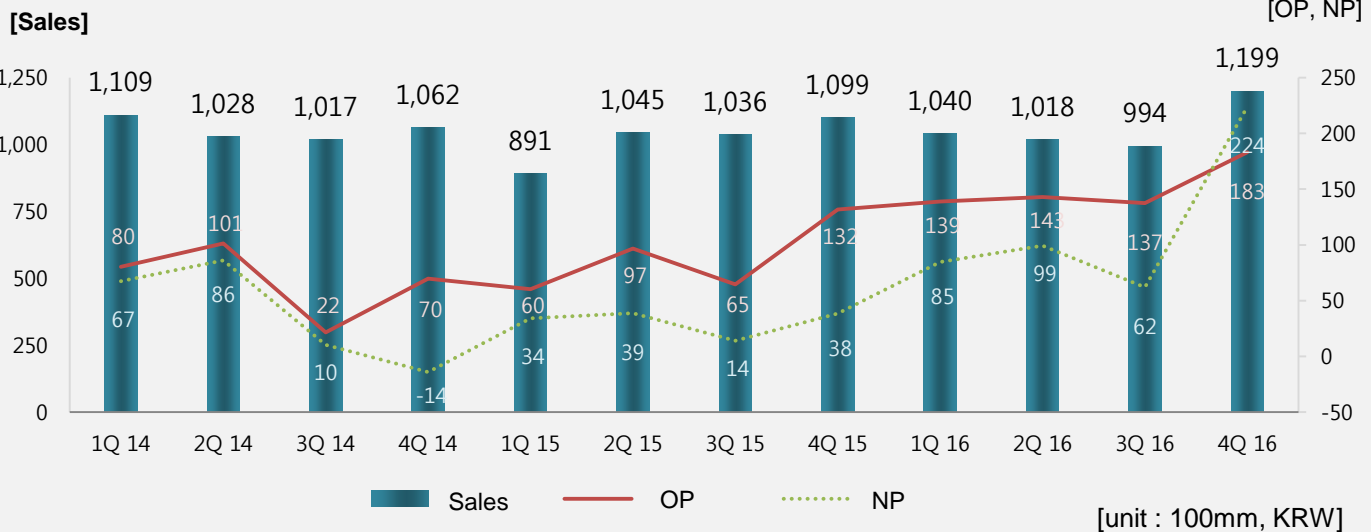
**02. Balance sheet(Consolidated)**



## 16-1) Quarterly Sales and Profit (Consolidated)

[unit : 100mm, KRW, %]

	2015				2016				QoQ	YoY
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales	891	1,045	1,036	1,099	1,040	1,018	994	1,198	9.1%	20.6%
COGS	466	564	564	582	542	523	504	638	9.7%	26.6%
Gross Profit	426	481	473	517	498	495	490	560	8.4%	14.4%
Sg&A Expenses	365	384	408	386	359	352	353	378	-2.1%	7.1%
Operating Profit	60	97	65	132	139	143	137	183	39.0%	33.2%
Pretax income	55	92	33	66	136	136	127	269	307.1%	111.4%
Net Profit	34	39	14	38	85	99	62	224	483.4%	260.7%



## 16-2) Balance Sheet Summery(Consolidated)

[unit : mm, KRW]

	2015	2016	Gap
Current assets	367,062	386,822	19,760
Non-current assets	389,407	364,075	-25,333
<b>Total assets</b>	<b>756,470</b>	<b>750,897</b>	<b>-5,573</b>
Current liabilities	110,896	73,105	-37,790
Non-current liabilities	5,644	5,801	156
<b>Total liabilities</b>	<b>116,540</b>	<b>78,906</b>	<b>-37,634</b>
Issued capital	27,500	27,500	-
Capital surplus	314,809	314,809	-
Capital adjustment	-23,371	-23,371	-
Other Comprehensive income accumulated	-8,482	-11,958	-3,476
Retained earnings	329,394	364,619	35,225
Non-controlling Interest	80	392	312
<b>Total equity</b>	<b>639,930</b>	<b>671,991</b>	<b>32,061</b>
Total equity and liabilities	756,470	750,897	-5,573