

# Financial Results for 3Q2018

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Investor Relations | October 17, 2018



## Disclaimer

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The following earnings statement and the financial, business and other information contained herein are current only of the date hereof and readers are advised that changes in general macroeconomic, business, financial and other conditions may have occurred since such a date and our financial state and results of operations may have been substantially impacted as a result of such occurrences. Certain information contained herein may be considered forward-looking in nature, which are based on certain conjectures and expectations of future events that are subject to risks and uncertainties, including comments on trends in the global economy and the duration of such trends, future development and investment plans including market strategies and business plans. We disclaim any responsibility or obligation to update or disseminate any revisions to any forward-looking statements contained in this document to reflect any changes in conjectures or circumstances.

The actual future results and trends and statements regarding plans or expectations may change due to various factors which the management has not anticipated, including as a result of a further slowdown in global economic growth, further weakening of customer demand for our products and the loss of major customers, pricing pressures, inability to finance certain projects and capital expenditures on appealing terms, or at all, among others.

The financial information contained herein has not been audited. Readers are advised that the actual results may differ as a result of the audit of our financial results for the quarter ended September 30<sup>th</sup>, 2018.

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## **I. Business Overview**

## **II. 2018 Third-Quarter Results**



# 1. Company Profile

(As of September 2018)



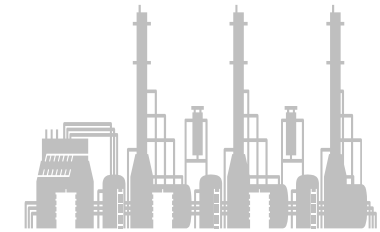
**Establishment**  
1982. 11. 10



**Headquarter**  
Yeong ju, Korea



**No. of employees**  
680 (SK materials, Korea),  
945 (including employees  
in 7 subsidiaries)



**Key Business**  
**Specialty gas production  
for semiconductor/display**  
(Global No.1 NF3/WF6  
Global No.2 SiH4 Company)

**1,337.3**  
billion won



**Assets**  
1,337.3 billion won

**512.3**  
billion



**Sales**  
512.3 billion won  
(Year-End Report 2017)

**147.7**  
billion



**Operation Income**  
147.7 billion won  
(Year-End Report 2017)

**7**



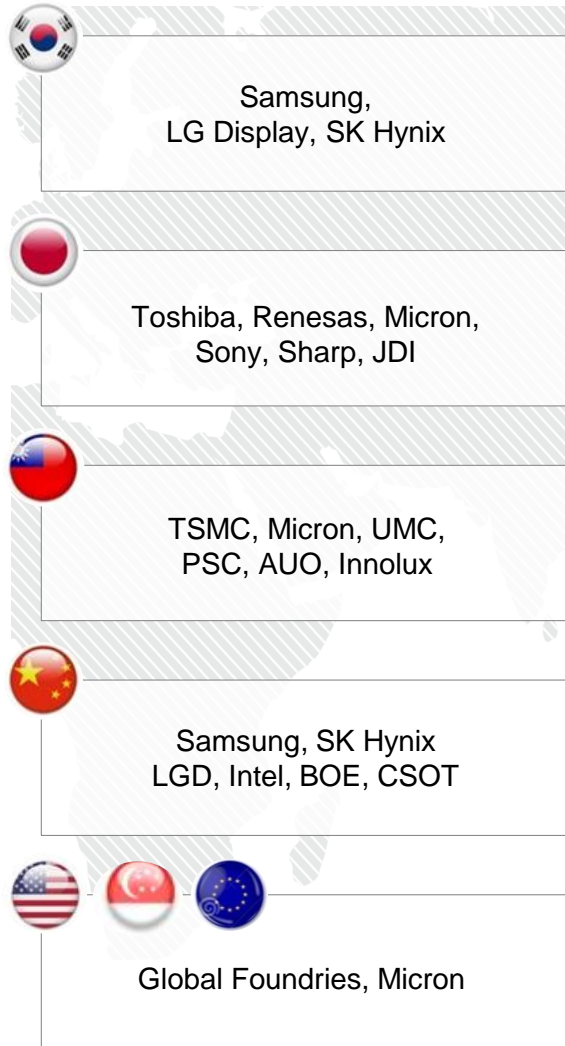
**Subsidiaries & Corporation**  
3 domestic subsidiaries/JV  
& 4 overseas corporations

## 2. Product Portfolio



# 3. Key Customers & Global Network

## Key Customers



## Global Network



# *Contents*

I. Business Overview

**II. 2018 Third-Quarter Results**



# 1. 3Q2018 Financial Results

The continuation of the highest sales record during the booming period of sales performance including the expansion of specialty gas sales and the growth of subsidiary performances.

## [ Consolidated Income Statement ]

(unit: KRW bn)

	'18. 3Q (E)				
	'18. 3Q	'18. 2Q	QOQ	'17. 3Q	YOY
<b>Sales</b>	186.0	157.5	+28.5	131.5	+54.5
<b>Operating Income</b>	51.2	40.8	+10.4	40.2	+11.0
OP margin (%)	28%	26%	+2%p	31%	Δ3%p
<b>Income before Tax</b>	43.9	36.1	+7.8	37.7	+6.2
<b>EBITDA</b>	76.0	63.9	+12.1	58.8	+17.2
EBITDA(%)	41%	41%	-	45%	Δ4%p
<b>Net Income</b>	38.5	26.2	+12.3	28.1	+10.4

Note 1) Cons. results based on K-IFRS

2) Not externally audited yet

## 2. 3Q2018 Financial Performance

(unit: KRW bn)

Title	2015	2016	2017	2018 9末
<b>Total Assets</b>	<b>665.1</b>	<b>903.1</b>	<b>1,118.0</b>	<b>1,337.3</b>
Cash/Short-term financial instrument	41.5	61.3	18.7	16.7
Accounts receivable	53.8	72.1	82.6	107.0
Inventories	58.3	74.3	86.2	107.2
Tangible Assets	480.2	661.5	885.1	1,074.2
<b>Total liabilities</b>	<b>288.8</b>	<b>466.0</b>	<b>709.9</b>	<b>968.3</b>
Loans payable	192.9	317.4	531.3	821.8
Interest Coverage Ratio	15.7x	15.4x	11.4x	8.8x
<b>Total Shareholders' Equity</b>	<b>376.4</b>	<b>437.1</b>	<b>408.1</b>	<b>368.9</b>
ROE	22.0%	22.0%	25.5%	N/A

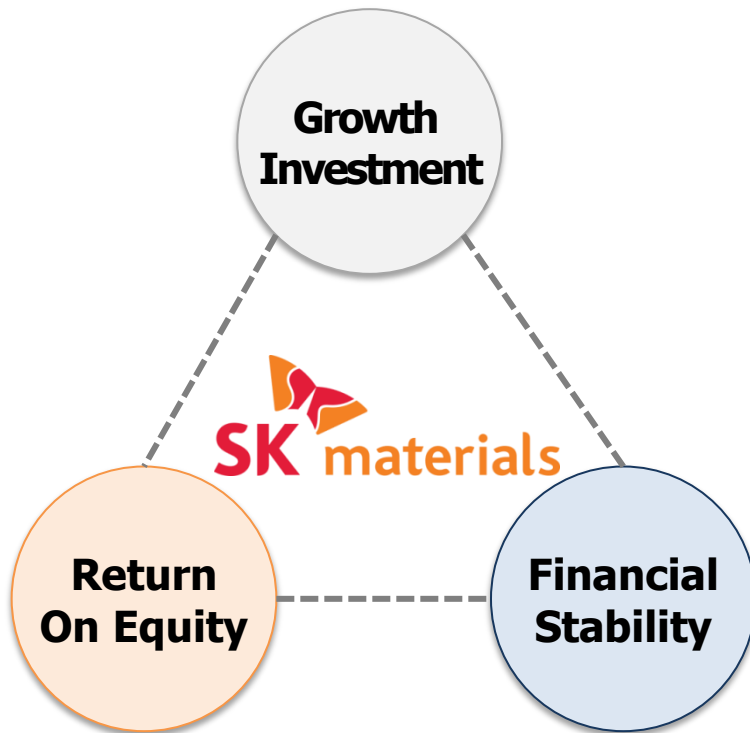
Note 1) Cons. results based on K-IFRS

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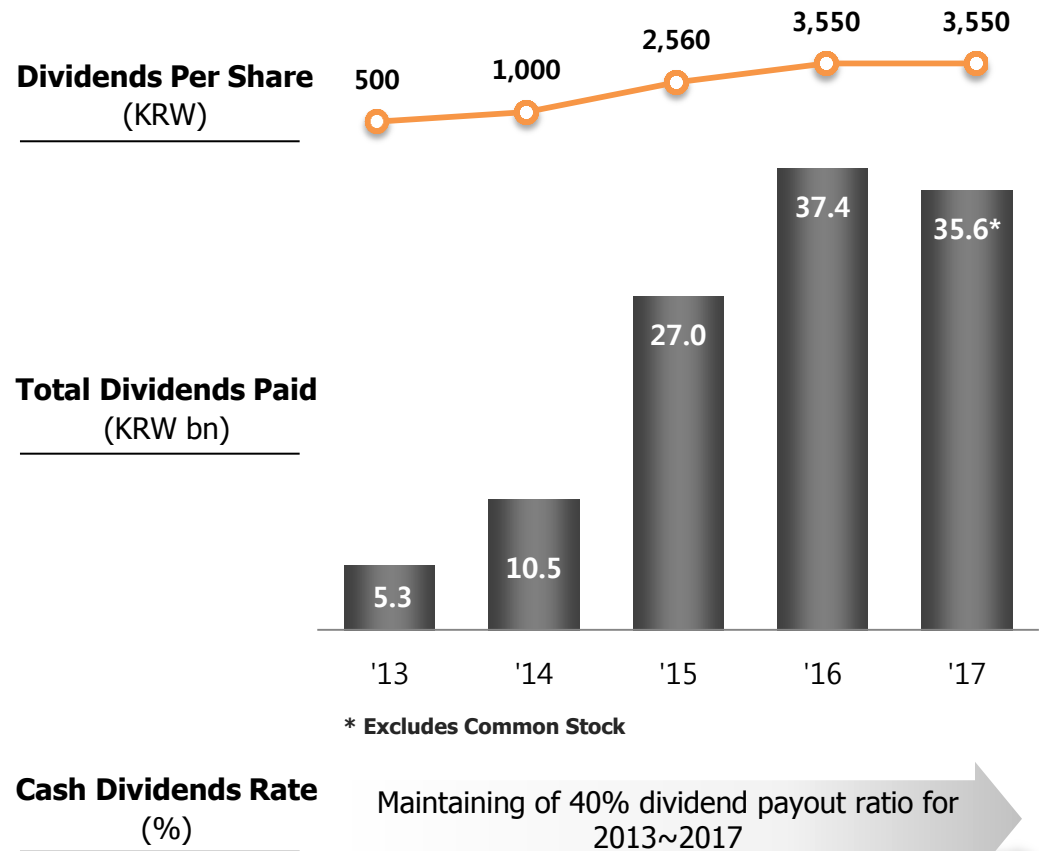
# [Ref.] Increase in Shareholder Value

Considering shareholder value as top priority, efficient enforcement of investment and national highest level return policy on shareholders will be continued.

## Fundamental Principles



## Yearly Dividend scale



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