

3Q19 Business Results



Oct. 25. 2019





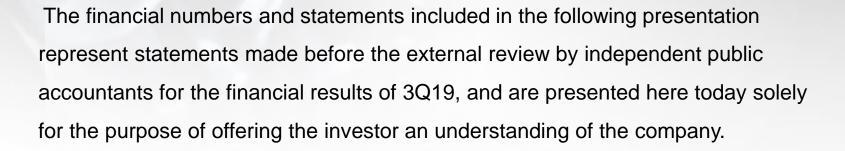








Disclaimer



Part of the presentation is subject to change in the process of final reviewing by independent public accountants.



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Income Statement



(Billion KRW)	'18.1Q~3C	%	'19.1Q~3Q	%	Change(%)
Revenue	5,720	100	5,516	100	-3.6
Gross Profit	225	3.9	298	5.4	32.2
SG&A	225	3.9	216	3.9	-3.9
Operating Profit	0.2	0.0	82	1.5	_
Income before tax	-40	-0.7	52	0.9	Turn to black
Net income	-31	-0.5	40	0.7	Turn to black

- ▶ Revenue Weak machinery divisions (struggling machine tools and FA business)
- Profit

 Product mix impact in auto parts and decrease in one-off loss in machinery

Income Statement (3Q)



YoY

- ▶ Revenue
- Decrease in low-margin module assembly sales and weak machinery
- Operating Profit
- Product mix impact in auto parts
- Decrease in one-off loss in machinery

QoQ

- Volume decrease in auto parts (short working days)
- Product mix impact in auto parts

Biz Area Performance



	(Billion KRW) '18.1Q~3Q		'19.1Q~3Q	Change(%)	
F	Revenue	5,720	5,516	-3.6	
	Auto parts	4,908	4,852	-1.2	
	Machinery	812	665	-18.1	
	Operating Profit	0.2 (0.0%)	82 (1.5%)	_	
	Auto parts	70 (1.4%)	127 (2.6%)	81.2	
	Machinery	-70 (-8.6%)	-45 (-6.7%)	35.8	

Operatin	g
Profit	

Analysis

► Auto Parts

- Weak Korean Won (Average FX +72 Won, 1,090 Won/\$ → 1,162 Won/\$)
- Volume and product mix improvement (UTR of engine / 4WD unit / CVJ ↑, Module↓)
- ► Machinery
- Decrease in one-off loss (liquidation of non-profitable business)
- Weak machine tools and FA

Biz Area Performance



(В	illion KRW)	1Q	2Q	3Q	4Q	2018	1Q	2Q	3Q	2019 1Q~3Q
R	evenue	1,741	2,057	1,922	2,160	7,880	1,849	1,892	1,775	5,516
	Auto Parts	1,480	1,759	1,670	1,942	6,850	1,615	1,670	1,567	4,852
	Machinery	261	298	252	218	1,030	234	222	208	664
O	perating Profit	-30 (-1.7%)	20 (1.0%)	10 (0.5%)	5 (0.2%)	5 (0.1%)	15 (0.8%)	30 (1.6%)	(2.1%)	82 (1.5%)
	Auto Parts	-3 (-0.1%)	46 (2.6%)	27 (1.6%)	50 (2.6%)	120 (1.8%)	29 (1.8%)	48 (2.9%)	50 (3.2%)	127 (2.6%)
	Machinery	-27 (-10.1%)	-26 (-8.7%)	-17 (-6.8%)	-45 (-20.7%)	-115 (-11.2%)	-14 (-5.9%)	-18 (-8.0%)	-13 (-6.2%)	-45 (-6.7%)

Balance Sheet



(Billion KRW)	2018-End	2019 3Q-End	Change
Assets	7,107	6,796	-311
Cash & cash equivalents Account receivable	1,200 1,669	1,237 1,391	37 -279
Liabilities	4,070	3,701	-369
Trade payable Debit (Net Debt)	1,191 2,279 (1,080)	865 2,257 (1,020)	-326 -22 (-60)
Equity	3,037	3,095	58
Liability/Equity	134%	120%	-14%p

Cash & Cash Equivalents = Cash + Short-term financial instruments

Cash Flow



(1,237)

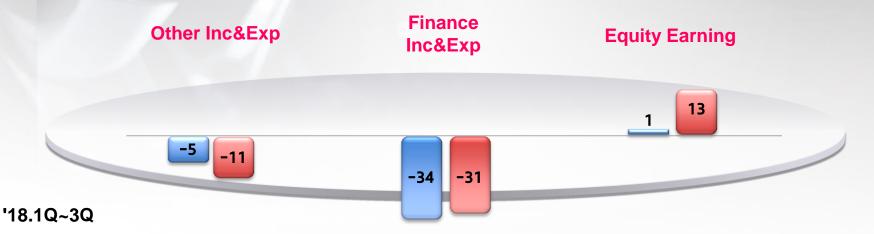
(Billion KRW)	2019 3Q-End	Cash at Beginning (Incl. ST financial instruments)
Cash flows from operating	318	336 (1,200)
Net Profit	40	
Depreciation & Amortization	196	
Changes in operating assets and liabilities	32	Change (Incl. ST financial instruments)
Cash flows from investing	-338	-99 (37)
Increase of tangible & intangible assets	-182	
Cash flows from financing	-85	Cash at End (Incl. ST financial instruments)
Decrease of debt	-69	237

Other Operating Inc&Exp

'19.1Q~3Q



(Unit: Billion KRW)







Thank You