

3Q 2019 Earning Release

23 October, 2019



This company has adopted its financial statements under Korean International Financial Reporting Standards(K-IFRS).

This IR presentation has been prepared based on internally audited figures and final figures may change due to the results of independent auditors' review.

3Q '19 Results

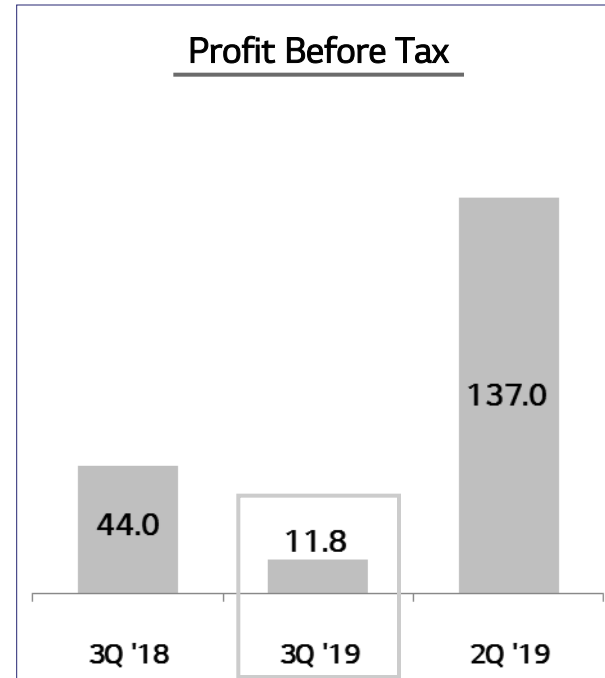
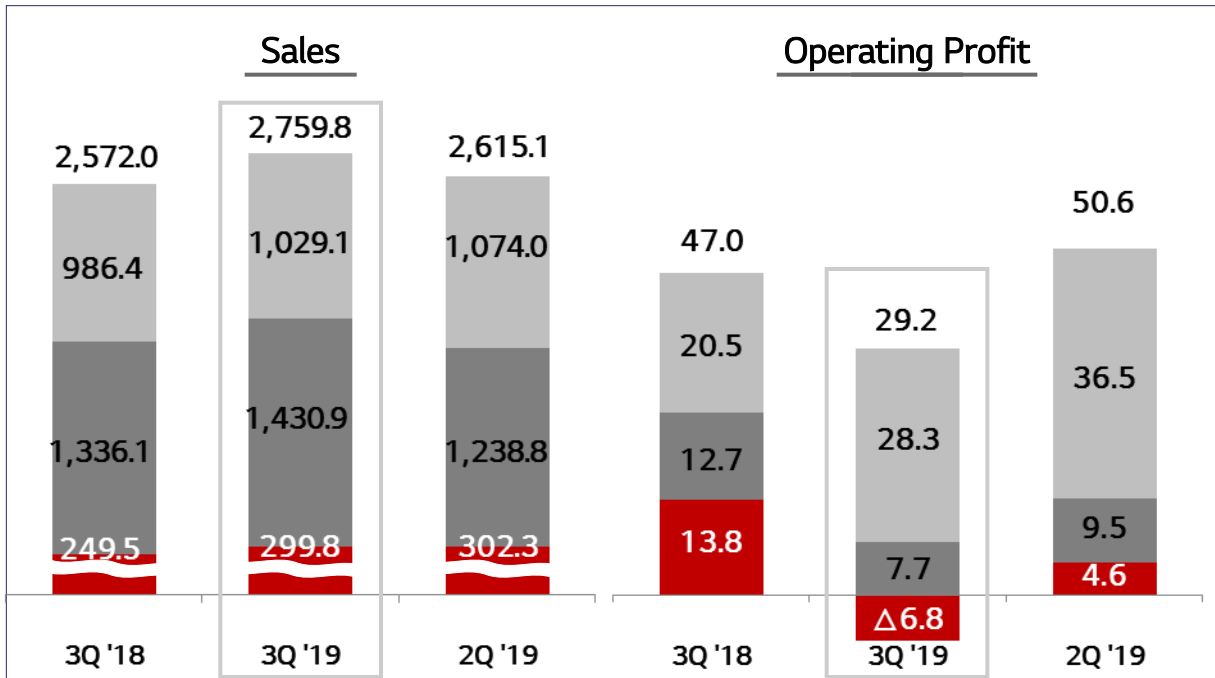
| (KRW Bn) | 3Q '18 | YoY | 3Q '19 | QoQ | 2Q '19 |
|-------------------|---------|--------|---------|--------|---------|
| Sales | 2,572.0 | +7.3% | 2,759.8 | +5.5% | 2,615.1 |
| Operating Profit | 47.0 | Δ37.9% | 29.2 | Δ42.3% | 50.6 |
| Profit Before Tax | 44.0 | Δ73.2% | 11.8 | Δ91.4% | 137.0 |
| Net Profit | 29.5 | Δ69.5% | 9.0 | Δ91.1% | 101.6 |

3Q '19 Results

Earnings Analysis

■ Resources ■ Infra & Industrial ■ Logistics

(KRW Bn)



□ Operating Profit

[YoY Δ17.8]

- Resources Δ20.6
- Weak coal prices
- Infra & Industrial Δ5.0
- Decrease profit in project management
- Logistics +7.8
- Volume growth in sea freight shipment

[QoQ Δ21.4]

- Resources Δ11.4
- Weak coal prices
- Infra & Industrial Δ1.8
- Volume decrease in petrochemicals trading
- Logistics Δ 8.2
- Volume decrease in sea freight shipment/W&D

□ Profit Before Tax

[YoY Δ32.2]

- Operating Profit Δ17.8
- Non-Operating Profit Δ14.4

[QoQ Δ125.2]

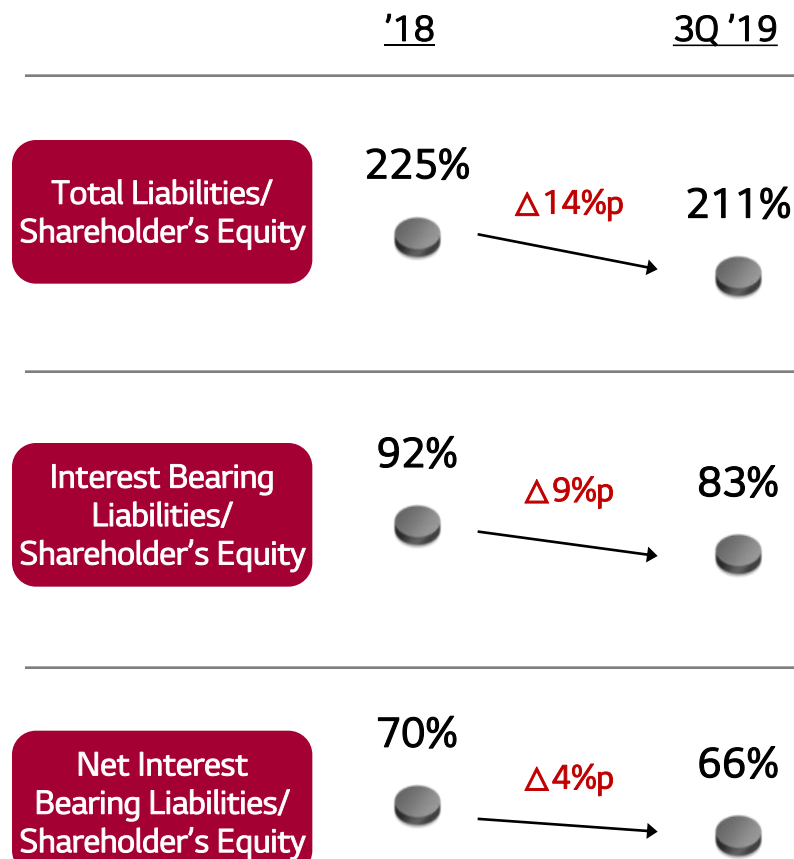
- Operating Profit Δ21.4
- Non-Operating Profit Δ103.8
- Disposal of stake in LG Twin Towers in 2Q

Financial Highlights

Financial Positions

| (KRW Bn) | '18 | 3Q '19 |
|-------------------------------|----------------|----------------|
| Assets | 5,038.0 | 5,597.2 |
| Cash & Cash Equivalents | 342.0 | 301.4 |
| Trade Receivables | 1,067.9 | 1,205.6 |
| Inventories | 514.1 | 732.7 |
| Investments/Intangible Assets | 1,462.5 | 1,539.3 |
| Others | 1,651.5 | 1,818.2 |
| Liabilities | 3,488.5 | 3,797.7 |
| Trade Payables | 1,184.0 | 1,271.4 |
| Borrowings | 1,430.6 | 1,490.9 |
| Others | 873.9 | 1,035.4 |
| Shareholders' Equity | 1,549.5 | 1,799.5 |
| Capital Stock | 193.8 | 193.8 |
| Surplus, etc. | 1,355.7 | 1,605.7 |
| Net Borrowings ¹⁾ | 1,083.8 | 1,183.8 |

Financial Ratio



1) Net Borrowings = Borrowings - (Cash & Cash Equivalents + Short term financial instrument)

Balance Sheet (K-IFRS Consolidated)

(KRW Bn)

| Items | 2018 | | | | 2019 | | |
|---|---------|---------|---------|---------|---------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Assets | 5,322.5 | 5,292.8 | 5,362.7 | 5,038.0 | 5,696.1 | 5,670.2 | 5,597.2 |
| Current Assets | 2,908.4 | 2,785.6 | 2,796.0 | 2,558.3 | 2,981.6 | 3,005.8 | 2,887.2 |
| Cash & Cash Equivalents | 444.3 | 333.8 | 323.5 | 342.0 | 352.2 | 368.9 | 301.4 |
| Trade Receivables | 1,171.7 | 1,139.8 | 1,212.8 | 1,067.9 | 1,224.5 | 1,182.1 | 1,205.6 |
| Inventories | 463.3 | 557.4 | 519.3 | 514.1 | 628.0 | 748.7 | 732.7 |
| Other Current Assets | 829.1 | 754.6 | 740.4 | 634.3 | 776.9 | 706.1 | 647.5 |
| Non-Current Assets | 2,414.1 | 2,507.2 | 2,566.7 | 2,479.7 | 2,714.5 | 2,664.4 | 2,710.0 |
| Tangible Assets | 564.0 | 588.5 | 653.4 | 669.0 | 836.7 | 814.0 | 819.8 |
| Investments | 651.7 | 678.0 | 666.6 | 586.4 | 602.0 | 624.7 | 618.2 |
| Intangible Assets | 881.2 | 903.9 | 904.6 | 876.1 | 898.2 | 906.8 | 921.1 |
| Other Non-Current Assets | 317.2 | 336.8 | 342.1 | 348.2 | 377.6 | 318.9 | 350.9 |
| Liabilities | 3,811.5 | 3,730.8 | 3,807.9 | 3,488.5 | 4,047.1 | 3,910.3 | 3,797.7 |
| Current Liabilities | 2,466.6 | 2,332.5 | 2,460.1 | 2,167.4 | 2,646.3 | 2,619.6 | 2,447.7 |
| Trade Payables | 1,154.4 | 1,148.5 | 1,229.8 | 1,184.0 | 1,386.4 | 1,403.2 | 1,271.4 |
| Short-term Borrowings | 193.4 | 216.6 | 242.2 | 63.3 | 119.1 | 108.4 | 225.3 |
| Current Portion of Bonds and Long-Term Borrowings | 141.3 | 124.1 | 225.8 | 243.6 | 257.0 | 321.7 | 216.8 |
| Other Current Liabilities | 977.5 | 843.3 | 762.3 | 676.5 | 883.8 | 786.3 | 734.2 |
| Non-Current Liabilities | 1,344.9 | 1,398.3 | 1,347.8 | 1,321.1 | 1,400.8 | 1,290.7 | 1,350.0 |
| Bonds Payables | 429.0 | 478.9 | 389.1 | 389.2 | 389.3 | 319.4 | 319.5 |
| Long-term Borrowings | 765.3 | 761.9 | 800.5 | 734.5 | 702.4 | 677.8 | 729.2 |
| Other Non-Current Liabilities | 150.6 | 157.5 | 158.2 | 197.4 | 309.1 | 293.5 | 301.3 |
| Equity | 1,511.0 | 1,562.0 | 1,554.8 | 1,549.5 | 1,649.0 | 1,759.9 | 1,799.5 |

[Appendix]

Income Statement (K-IFRS Consolidated)

(KRW Bn)

| Items | 2018 | | | | | 2019 | | | |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | Total |
| Sales | 2,387.4 | 2,349.8 | 2,572.0 | 2,679.0 | 9,988.2 | 2,542.7 | 2,615.1 | 2,759.8 | 7,917.5 |
| Cost of Sales | 2,201.2 | 2,157.4 | 2,387.4 | 2,531.2 | 9,277.1 | 2,353.9 | 2,416.2 | 2,584.2 | 7,354.2 |
| Gross Profit | 186.2 | 192.4 | 184.6 | 147.8 | 711.1 | 188.8 | 198.9 | 175.6 | 563.3 |
| SG&A Expenses | 125.5 | 138.0 | 137.6 | 144.2 | 545.4 | 135.5 | 148.3 | 146.4 | 430.2 |
| Operating Profit | 60.7 | 54.4 | 47.0 | 3.6 | 165.7 | 53.3 | 50.6 | 29.2 | 133.1 |
| Non-Operating Profit | 8.9 | (5.2) | (3.0) | (9.8) | (9.1) | (4.0) | 86.4 | (17.4) | 65.0 |
| Finance Income/Costs | (7.4) | (16.4) | (13.0) | (12.0) | (48.7) | (11.5) | (11.9) | (14.8) | (38.2) |
| Gain(loss) of Equity Method | 15.3 | 13.6 | 8.9 | 71.3 | 109.1 | 6.6 | 3.4 | 0.5 | 10.5 |
| Other Income and Expenses | 1.0 | (2.4) | 1.1 | (69.1) | (69.5) | 0.9 | 94.9 | (3.1) | 92.7 |
| Profit Before Tax | 69.6 | 49.2 | 44.0 | (6.2) | 156.6 | 49.3 | 137.0 | 11.8 | 198.1 |
| Income Tax | 147.7 | 21.5 | 14.5 | 8.9 | 192.6 | (39.9) | 35.4 | 2.8 | (1.8) |
| Net Income | (78.1) | 27.7 | 29.5 | (15.1) | (36.0) | 89.2 | 101.6 | 9.0 | 199.9 |
| Owners of the Parent | (87.5) | 18.4 | 23.2 | (24.4) | (70.4) | 82.6 | 88.4 | 2.0 | 173.0 |
| Non-Controlling Interests | 9.4 | 9.3 | 6.3 | 9.3 | 34.4 | 6.6 | 13.2 | 7.0 | 26.9 |