

Hanon Systems 2017 Q3 Disclosure

Financial Consolidated Statement Information

The accompanying financial statements are expressed in Korean won, and for solely for the convenience of the reader, have been translated into United States dollars at the rate of Korea Exchange Bank's US dollars quarter ending exchange rates for the Income Statements, Cash Flow Statements and Balance Sheets. Such translation should not be construed as a representation that the Korean won amounts can actually be converted into United States dollars at the exchange rate used for the purpose of such translation.

Income Statement

	For the nine months ended	
	Sep 30	
	2017	2016
	(USD in Millions)	(USD in Millions)
Sales	\$ 3,628.8	\$ 3,664.4
Cost of sales	3,042.2	3,093.3
Gross profit	586.6	571.1
Selling, general and administrative expenses	298.3	303.8
Operating profit	288.3	267.3
Other non-operating income/expenses	(22.8)	0.3
Financial income/expenses	(7.1)	(16.7)
Share of profit in associates	5.7	5.5
Profit before income taxes	264.1	256.4
Income tax expense	72.5	73.4
Net income	191.6	183.0
Profit for the year attributable to:		
Equity holders of the parent company	\$ 184.7	\$ 172.3
Non-controlling interest	6.9	10.7

Balance Sheet

	Sep 30	Dec 31
	2017	2016
	(USD in Millions)	(USD in Millions)
Cash and cash equivalents	\$ 467.2	\$ 370.8
Trade receivables	772.7	811.8
Inventories	435.1	374.7
Investments in associates	86.5	82.8
Property, plant and equipment	1,068.9	1,027.4
Intangible assets	350.7	305.5
Other assets	331.4	392.9
Total assets	\$ 3,512.5	\$ 3,365.9
Trade payables	\$ 566.1	\$ 610.7
Net defined benefit liabilities	71.6	52.5
Debt	652.0	563.5
Other liabilities	461.4	495.4
Total liabilities	\$ 1,751.1	\$ 1,722.1
Equity attributable to owners of the Parent company	\$ 1,713.9	\$ 1,593.8
Non-controlling interests	47.5	50.0
Total stockholders' equity	\$ 1,761.4	\$ 1,643.8
Total liabilities and equity	\$ 3,512.5	\$ 3,365.9

Cash Flow Statement

	For the nine months ended	
	Sep 30	
	2017	2016
	(USD in Millions)	(USD in Millions)
Net cash inflow from operating activities	\$ 300.5	\$ 207.7
Investing activities		
Acquisition of property, plant, and equipment	(175.4)	(157.0)
Acquisition of intangible assets	(51.8)	(52.1)
Decrease in net assets held-for-sale	45.2	-
Increase in other current asset	-	(78.3)
Cash outflow from business combination	-	(27.2)
Other	5.4	20.0
Net cash outflow from investing activities	(176.6)	(294.6)
Financing activities		
Net decrease of borrowings	(172.8)	(56.5)
Proceeds from issuance of bond	260.9	260.7
Dividends paid	(104.7)	(136.8)
Dividends paid to non-controlling interests	(1.9)	(16.1)
Other	-	3.2
Net cash inflow from financing activities	(18.5)	54.5
Net increase in cash and equivalents	105.4	(32.4)
Cash and cash equivalents at the beginning of year	370.8	389.9
Net foreign exchange differences	(9.0)	(20.2)
Cash and cash equivalents classified as assets held-for-sale	-	(0.3)
Cash and cash equivalents at the end of year	467.2	337.0