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Q4 2015 Earnings Release

February 16th, 2016

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- 1. Fourth Quarter, 2015 and Full Year 2015 Financials**
- 2. Corporate Day Update**
- 3. 2016 Key Focus**

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Fourth Quarter, 2015 and Full Year 2015 Financials

Q4 2015 Key Financial Metrics

(KRW in Billions)	Q4 2015	YoY		QoQ	
		Q4 2014	B/(W)	Q3 2015	B/(W)
Sales	1,461	1,421	 40	1,329	 132
Gross Profit <i>Margin (%)</i>	249 17.1%	241 17.0%	 9 0.1%p	192 14.4%	 58 2.7%p
SG&A (Incl R&D Exp) <i>% of Sales (%)</i>	129 8.8%	146 10.3%	 17 1.5%p	118 8.9%	 (11) 0.1%p
Operating Income <i>Margin (%)</i>	121 8.3%	95 6.7%	 26 1.6%p	74 5.5%	 47 2.7%p
Net Income <i>Margin (%)</i>	73 5.0%	66 4.6%	 7 0.4%p	45 3.4%	 28 1.6%p
EBITDA <i>Margin (%)</i>	165 11.3%	137 9.7%	 28 1.6%p	118 8.8%	 47 2.5%p

Solid margin improvement under new ownership

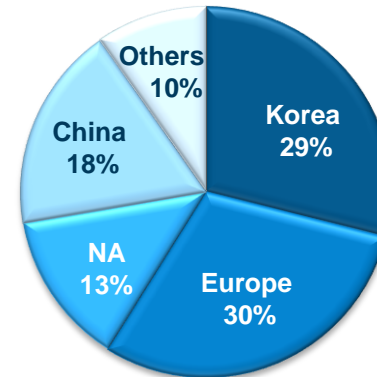
Q4 2015 Key Financial Metrics

Q4 Financial Highlights

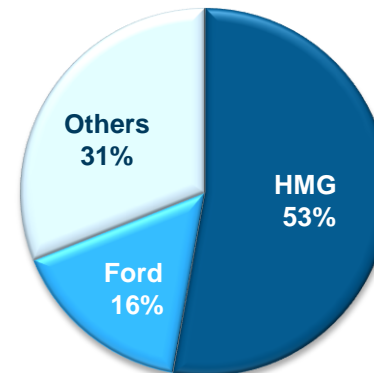
- Revenue was KRW 1.46 trillion, a 2.8% year-over-year growth
 - Revenue growth supported by strong volume in China and Europe, partially offset by FX headwinds and base effect of interior business sale in the previous year
- Operating margin hit 8.3%, 160bp improved
Operating income was KRW 121 billion, KRW 26 billion up from Q4, 2014
 - Driven by global material synergy and various cost efficiencies
- Net income was KRW 73 billion, a KRW 7 billion year-over-year increase
 - FX loss and fluctuation in tax payment

Q4 Sales Breakdown

By Region









By Customer



Strong volume in China and Europe and various efficiency activities

2015 Full Year Key Financial Metrics

(KRW in Billions)	FY 2015	FY 2014	B/(W)
Sales	5,558	5,455	 103
Gross Profit	861	909	 (48)
<i>Margin (%)</i>	<i>15.5%</i>	<i>16.7%</i>	<i>1.2%p</i>
SG&A (Incl R&D Exp)	502	539	 37
<i>% of Sales (%)</i>	<i>9.0%</i>	<i>9.9%</i>	<i>0.9%p</i>
Operating Income	360	370	 (11)
<i>Margin (%)</i>	<i>6.5%</i>	<i>6.8%</i>	<i>0.3%p</i>
Net Income	244	290	 (47)
<i>Margin (%)</i>	<i>4.4%</i>	<i>5.3%</i>	<i>0.9%p</i>
EBITDA	533	536	 (2)
<i>Margin (%)</i>	<i>9.6%</i>	<i>9.8%</i>	<i>0.2%p</i>

Operating income affected by 1-timers and adverse currencies

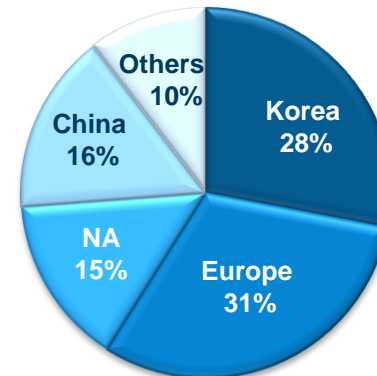
2015 Full Year Highlights

Full Year Financial Highlights

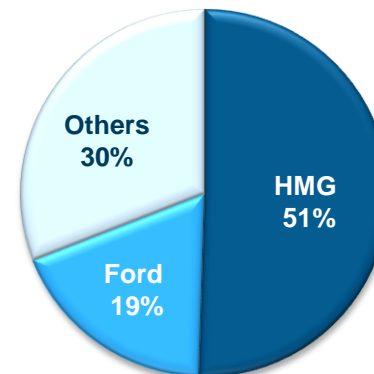
- Revenue was KRW 5.56 trillion, 1.9% year-over-year growth
 - Revenue growth driven by strong volume in Europe and Americas and acquisition effect of T&E business, partially offset by base effect of interior business demerger sale a year earlier and currency impact
- Operating margin was 6.5%, 30bp decrease
 - Sluggish market growth in Korea
 - Currency headwinds in 1st half, 2015
 - Negative growth in Q3, 2015 in China
 - Base effect of interior business sale a year earlier
- Net income was KRW 244 billion, down KRW 47 billion from the previous year
 - FX loss and fluctuation in tax payment

FY Sales Breakdown

By Region



By Customer



Operating income affected by 1-timers and adverse currencies

2015 Balance Sheet

(K-IFRS / KRW in Billions)

Balance Sheet







	2015	2014
Cash and cash equivalent	447	381
Account receivable	1,135	1,079
Inventories	382	372
Property and equipment	1,093	1,053
Intangible assets	207	172
Other assets	195	183
Total assets	3,459	3,240
Account payable	1,054	969
Debt	401	401
Other liabilities	205	200
Shareholders' equity	1,745	1,619
Non-controlling interests	55	51
Total liabilities & shareholders' equity	3,459	3,240

Cash and Debt

Cash Balance		(as of Dec 31, 2015)
Cash		447
Debt		401
Net Cash		46
Leverage		(as of Dec 31, 2015)
Last 12 Months EBITDA		533
Debt / EBITDA		0.75X
Net Debt / EBITDA		N/A

Stable cash creation leading to a strong balance sheet

Update from Corporate Day

Item	On Track
• 5-for-1 stock split	
• Quarterly dividend payout	
• New management stock option program	
• Key operating initiatives for cost competitiveness <ul style="list-style-type: none"><li data-bbox="212 849 1304 906">- Drive global process and design standardization<li data-bbox="212 949 1284 1056">- Optimize human capital through lean functional organization<li data-bbox="212 1099 1052 1156">- Address underperforming operations	  

All action items on track

- **Solid YoY margin improvement**
- **Streamlined organization transformation**
 - **Functional group**
 - **Product group**
- **Inorganic growth to underpin faster growth**
- **Strong New Business Wins**

Focused on YoY improvement and sustainable growth



Thank You