

2019 Q2 Earnings Results

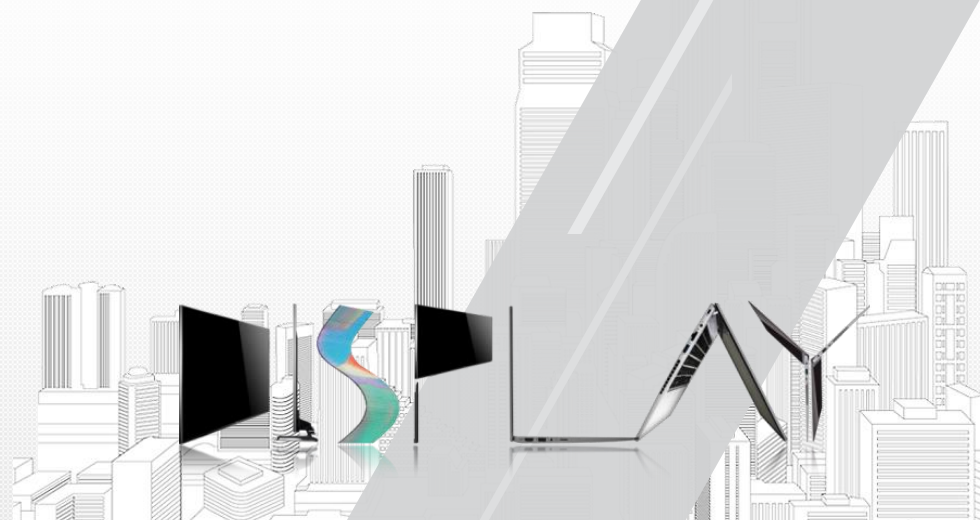


July 23, 2019

Disclaimer

- This presentation contains forward-looking statements. We may also make written or oral forward-looking statements in our periodic reports to the United States Securities and Exchange Commission and the Korean Financial Supervisory Service, in our annual report to shareholders, in our proxy statements, in our offering circulars and prospectuses, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.
- Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to: our highly competitive environment; the cyclical nature of our industry; our ability to introduce new products on a timely basis; our dependence on growth in the demand for our products; our ability to successfully execute our expansion strategy; our dependence on key personnel; and general economic and political conditions, including those related to Display industry; possible disruptions in business activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates. Additional information as to these and other factors that may cause actual results to differ materially from our forward-looking statements can be found in our filings with the United States Securities and Exchange Commission.
- All financial information contained in this document is based on consolidated K-IFRS.
- This presentation also includes information regarding our historical financial performance through June 30, 2019 and our expectations regarding future performance which is available on our investor relations website at <http://www.lgdisplay.com> under the file name Q2 2019 Earnings Results Presentation.

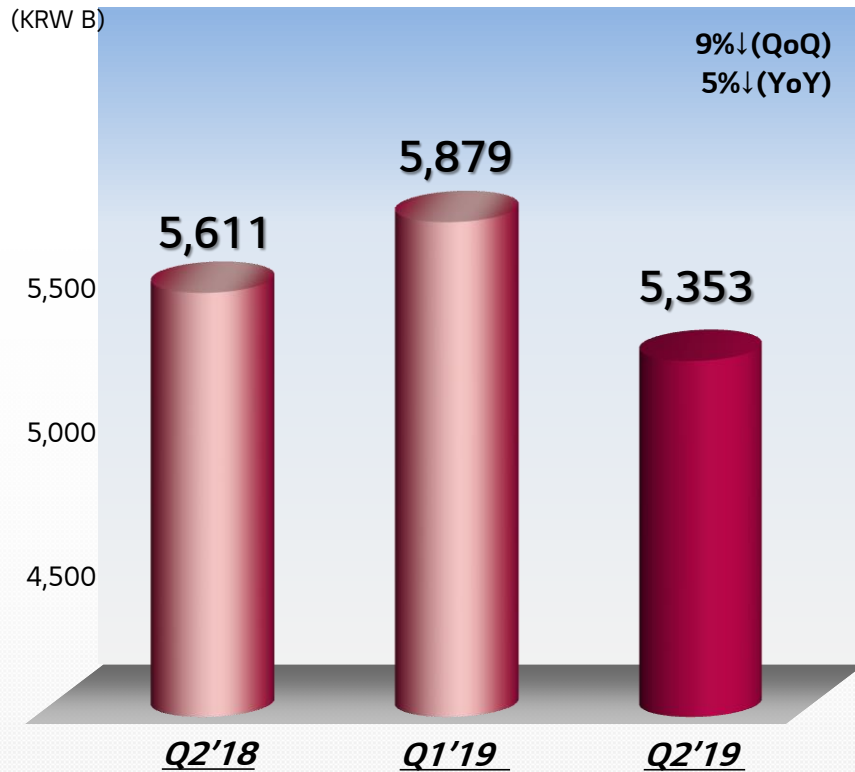
2019 Q2 Highlight



Revenues & Profits

Revenues

(Unit : KRW B)



Profits

(Unit : KRW B, %)

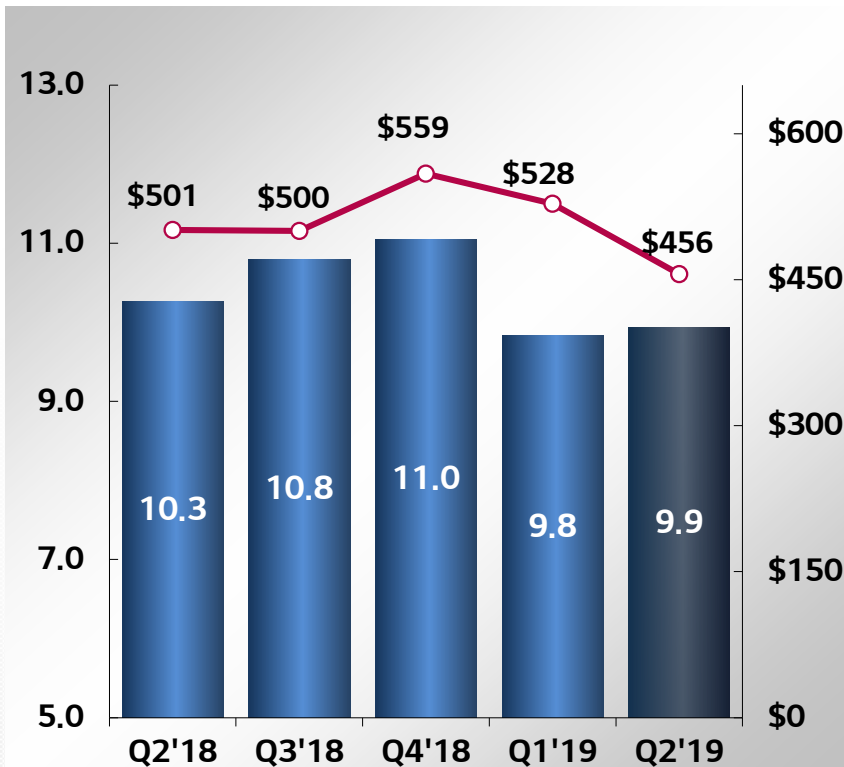
	Q2'18	Q1'19	Q2'19	QoQ	YoY
Operating Income	-228 -4%	-132 -2%	-369 -7%	N/A	N/A
EBITDA*	681 12%	679 12%	458 9%	-33%	-33%
Income Before Tax	-340	-129	-442	N/A	N/A
Net Income	-301	-63	-550	N/A	N/A

* EBITDA = Operating Income + Depreciation + Amortization *K-IFRS (Consolidated)*

Shipment, ASP and Capacity

Shipment and ASP

(Unit : M m², ASP/m²)

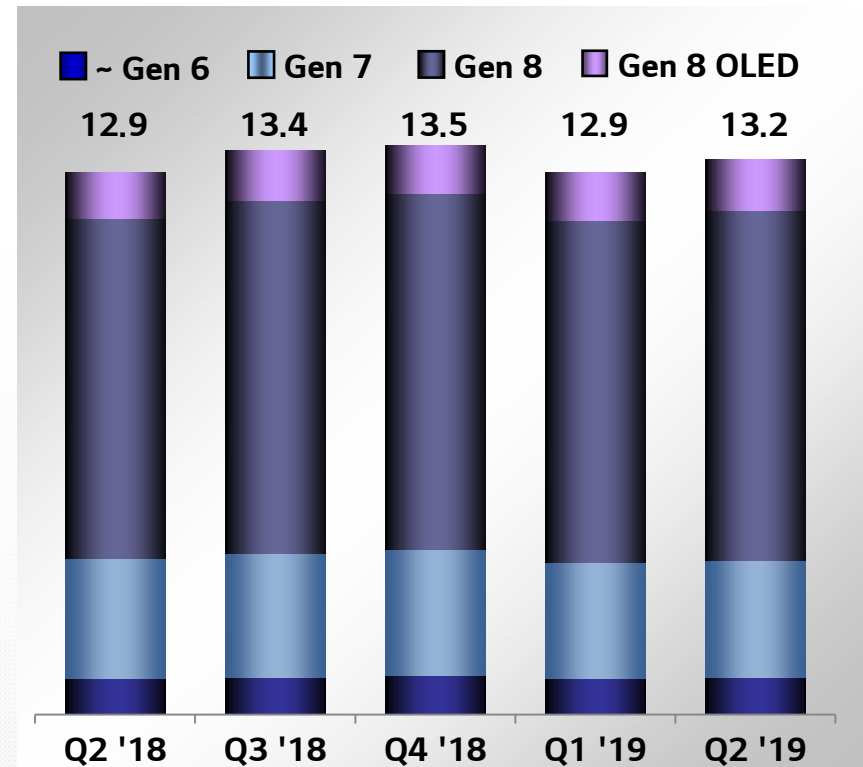


■ Net Display area shipment in M m²

◆ ASP per m² (USD)

Capacity

(Unit : M m²)

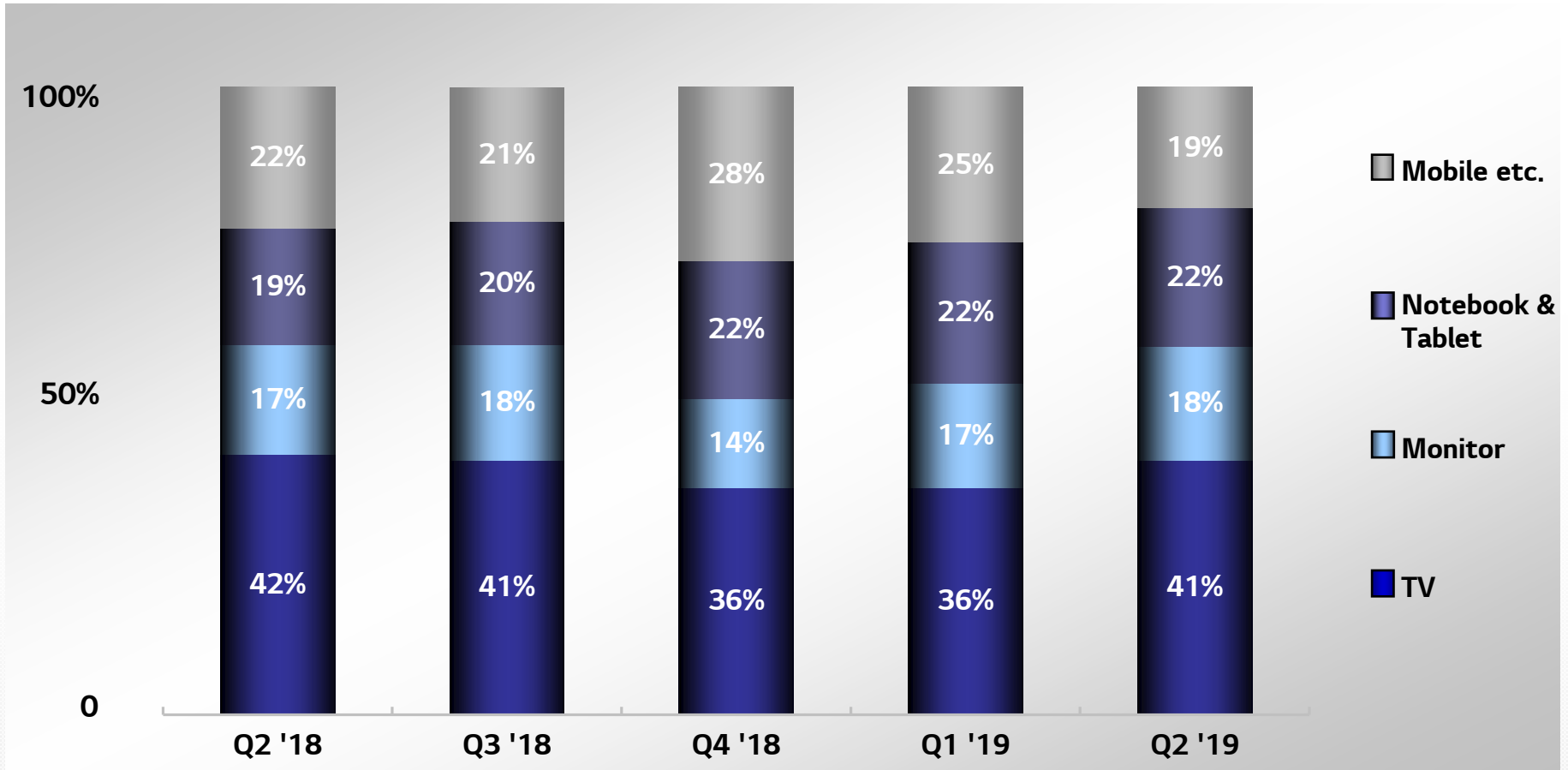


Quarterly producible capacity by area

Revenue: Product Mix

Product Mix by Rev.

(Unit : %)



출처: Unaudited, Company financials (KRW)

Financial Positions & Ratios

Financial Positions

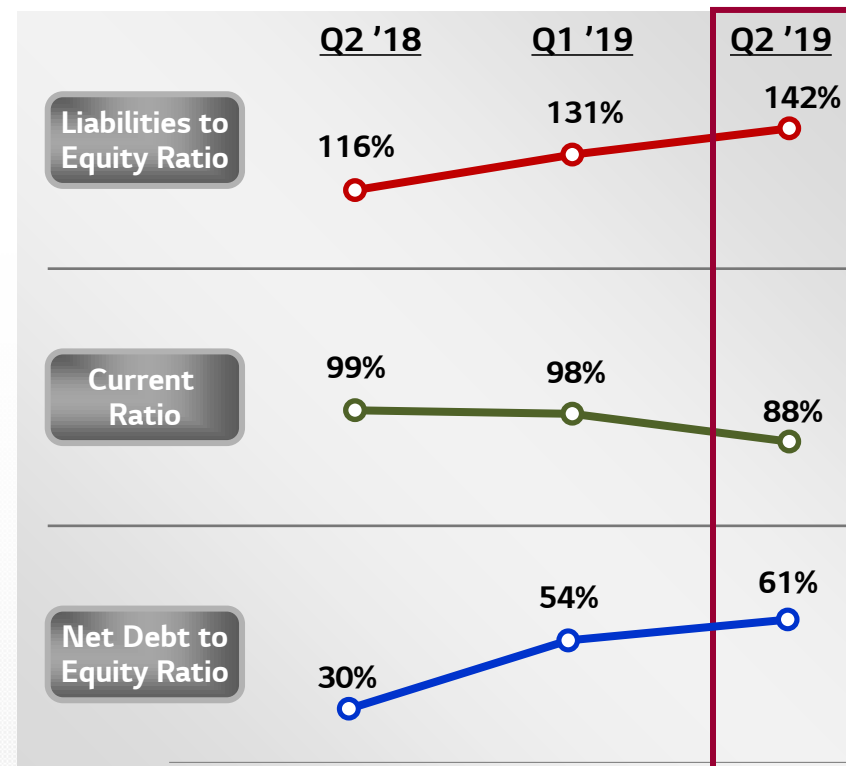
(Unit : KRW B)

	Q2 '18	Q1 '19	Q2 '19
Assets	31,444	35,388	35,601
Current Assets	9,717	9,514	8,989
Cash*	3,198	2,483	2,502
Inventory	2,430	2,630	2,569
Non-Current Assets	21,727	25,874	26,612
Liabilities	16,911	20,098	20,872
Current Liabilities	9,769	9,731	10,220
Non-Current Liab.	7,143	10,368	10,652
Shareholders' Equity	14,533	15,290	14,729
Debts	7,566	10,701	11,408
Net Debts	4,369	8,218	8,906

* Cash includes short term financial instruments.

Financial Ratios

(Unit : %)



K-IFRS (Consolidated)

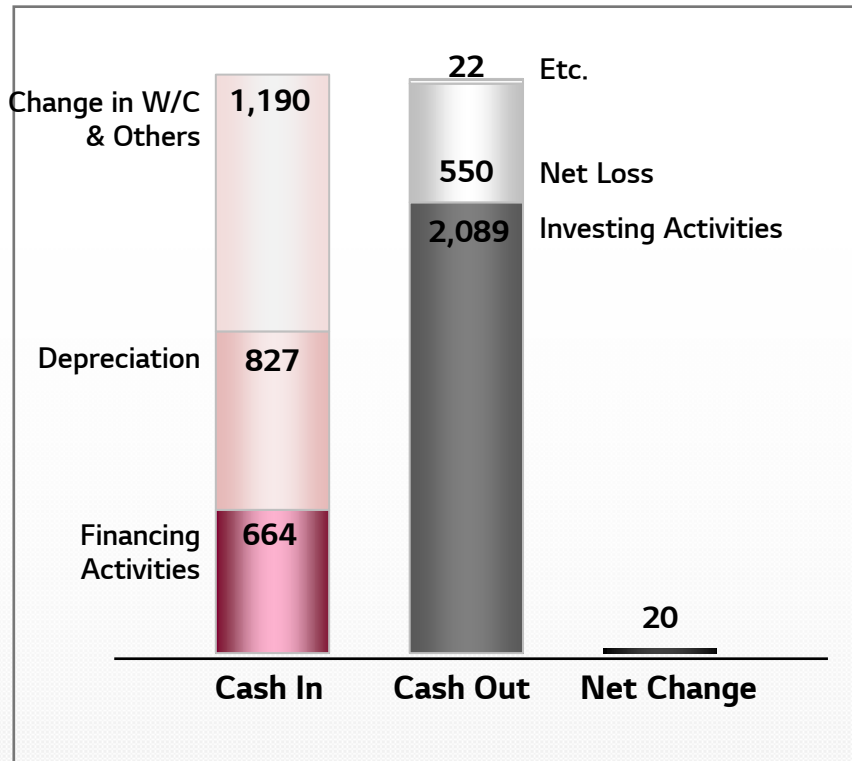
Source : Unaudited, Company financials

Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding.

Cash Flow

Net Cash Flow

(Unit : KRW B)



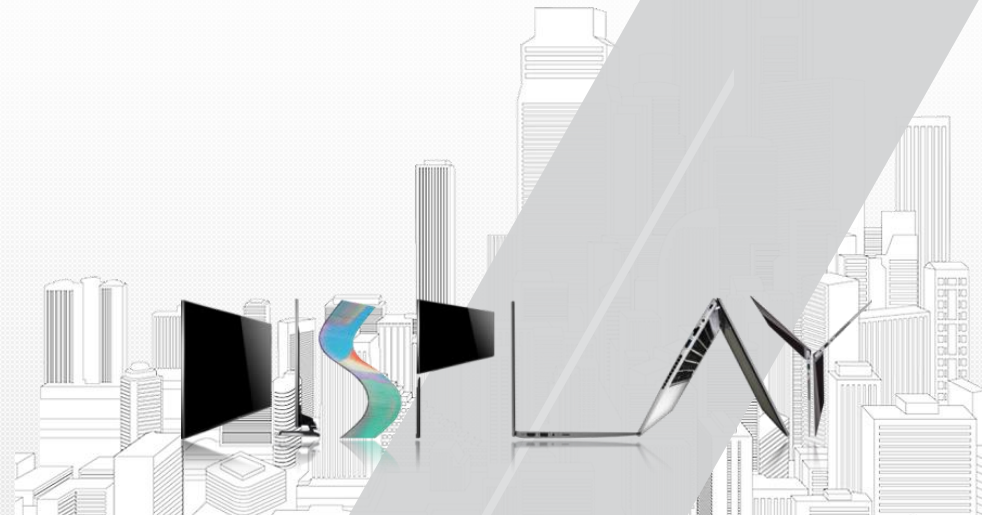
Cash Flow Statement

(Unit : KRW B)

	Q2 '19
Cash at the Beginning of Quarter	2,482
Cash Flow from Operating Activities	1,467
<i>Net Income</i>	<i>(550)</i>
<i>Depreciation & Amortization</i>	<i>827</i>
<i>Change in Working Capital & Others</i>	<i>1,190</i>
Cash Flow from Investing Activities	(2,089)
Cash Flow before Financing Activities	(622)
<i>Financing Activities</i>	<i>664</i>
<i>Others</i>	<i>(22)</i>
Net Change in Cash	20
Cash at the End of Quarter	2,502

K-IFRS (Consolidated)

Outlook





Question and Answers



You Dream,
We Display.





Appendix

IFRS Statements of Income

Unit: KRW Bn

Accounts	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018	Q1'19	Q2'19
Revenue	5,989	5,855	6,724	7,936	26,504	7,062	6,629	6,973	7,126	27,790	5,675	5,611	6,103	6,948	24,337	5,879	5,353
COGS	5,363	5,245	5,784	6,362	22,754	5,343	5,115	5,717	6,249	22,424	5,133	5,144	5,214	5,761	21,252	5,246	4,872
Gross Profit	626	610	940	1,574	3,750	1,719	1,514	1,256	877	5,366	542	467	889	1,187	3,085	633	481
Operating Income	40	44	323	904	1,311	1,027	804	586	45	2,462	-98	-228	140	279	93	-132	-369
EBITDA	853	833	1,024	1,624	4,333	1,743	1,583	1,420	930	5,676	812	681	1,020	1,134	3,647	679	458
Income before tax	-8	11	248	1,065	1,316	858	832	599	44	2,333	-96	-340	110	235	-91	-129	-442
Net Income	1	-84	190	825	932	679	737	477	44	1,937	-49	-301	18	153	-179	-63	-550
EPS (Unit: KRW)	3	-235	530	2,305	2,603	1,899	2,059	1,334	122	5,414	-137	-840	49	427	-501	-175	-1,538
Margins (%)																	
Gross Margin	10.5	10.4	14.0	19.8	14.1	24.3	22.8	18.0	12.3	19.3	9.6	8.3	14.6	17.1	12.7	10.8	9.0
Operating Margin	0.7	0.8	4.8	11.4	4.9	14.5	12.1	8.4	0.6	8.9	-1.7	-4.1	2.3	4.0	0.4	-2.2	-6.9
EBITDA Margin	14.2	14.2	15.2	20.5	16.3	24.7	23.9	20.4	13.1	20.4	14.3	12.1	16.7	16.3	15.0	11.5	8.6

Source: Unaudited, Company financials

K-IFRS (Consolidated)

Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding.

IFRS Statements of Financial Position

Unit: KRW Bn

Accounts	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
Assets	22,178	22,567	23,570	24,884	24,805	26,501	28,792	29,160	29,995	31,444	32,120	33,176	35,388	35,601
A/R	3,188	3,489	4,107	4,958	4,431	4,466	4,848	4,325	3,496	3,491	3,302	2,829	3,386	2,676
Cash*	2,407	2,452	2,481	2,722	2,303	2,602	3,302	3,360	3,497	3,197	2,839	2,443	2,483	2,502
Inventory	2,532	2,453	2,492	2,288	2,283	2,343	2,664	2,350	2,350	2,430	2,587	2,691	2,630	2,569
Liabilities	9,677	10,220	11,269	11,422	11,096	11,912	13,624	14,178	15,170	16,911	17,428	18,289	20,098	20,872
A/P	2,538	2,412	3,070	2,877	2,437	2,444	2,963	2,875	2,803	2,970	3,177	3,087	2,970	2,815
Short-term debts	887	1,452	1,113	668	767	834	1,219	1,453	2,148	2,182	2,049	1,554	1,549	1,803
Long-term debts	3,381	3,420	3,680	4,111	3,917	4,188	4,165	4,150	4,584	5,384	5,665	7,005	9,151	9,605
Shareholders' Equity	12,501	12,347	12,301	13,462	13,709	14,589	15,168	14,982	14,825	14,533	14,692	14,887	15,290	14,729
BPS (Unit: KRW)	34,936	34,505	34,380	37,624	38,313	40,774	42,391	41,869	41,434	40,615	41,060	41,603	42,730	41,162
Net debt to equity ratio (%)	14.9	19.6	18.8	15.3	17.4	16.6	13.7	15.0	21.8	30.1	33.2	41.1	53.7	60.5

Source: Unaudited, Company financials

K-IFRS (Consolidated)

* Cash includes short term financial instruments.

Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding.

IFRS Statements of Cash Flow

Unit: KRW Bn

Accounts	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018	Q1'19	Q2'19
Net Income	1	-84	190	825	932	679	737	477	44	1,937	-49	-301	18	153	-179	-63	-550
Depreciation & Amortization	813	788	700	721	3,022	716	779	834	885	3,214	910	909	881	855	3,555	811	827
Others	-387	-77	128	754	418	-325	564	830	-129	940	-753	743	266	-514	-258	-250	574
Working Capital*	503	-348	1	-840	-684	92	-90	-183	749	568	756	92	240	279	1,367	-613	616
Cash flow from Operating Activities	930	279	1,019	1,460	3,688	1,162	1,990	1,958	1,549	6,659	864	1,443	1,405	773	4,485	-115	1,467
Cash flow from Investing Activities**	-1,121	-639	-1,029	-1,009	-3,798	-1,638	-1,793	-1,587	-1,865	-6,883	-1,843	-2,282	-2,224	-2,006	-8,355	-2,137	-2,089
Net Cash flow before Financing Activities	-191	-360	-10	451	-110	-476	197	371	-316	-224	-979	-839	-819	-1,233	-3,870	-2,252	-622
Financing Activities	74	596	39	-205	504	57	276	336	374	1,043	1,116	718	180	837	2,851	2,029	664
Dividends	0	-179	0	0	-179	0	-179	0	0	-179	0	-179	0	0	-179	0	0
Change in non-controlling interest ***	0	-11	0	-6	-17	0	4	-6	0	-2	0	0	281	0	281	262	-22
Net Change in cash	-117	46	29	240	198	-419	298	701	58	638	137	-300	-359	-396	-917	39	20

Source: Unaudited, Company financials

K-IFRS (Consolidated)

* Working Capital consists of net change in AR, Inventory, AP and F/X effect

** Cash flow from Investing Activities exclude increase (decrease) of short term financial instruments.

*** Equity investments from other companies

Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding.

EBITDA Calculation

Unit: KRW Bn

Account	Q1'16	Q2'16	Q3'16	Q4'16	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018	Q1'19	Q2'19
1. Operating Income	40	44	323	904	1,311	1,027	804	586	45	2,462	-98	-228	140	279	93	-132	-369
2. Depreciation	725	707	604	608	2,644	611	668	734	779	2,792	808	799	769	749	3,125	696	715
3. Amortization	88	81	96	112	377	105	111	100	106	422	102	110	111	106	429	115	112
EBITDA (1+2+3)	853	832	1,023	1,624	4,332	1,743	1,583	1,420	930	5,676	812	681	1,020	1,134	3,647	679	458

Source: Unaudited, Company financials

K-IFRS (Consolidated)

We add depreciation and amortization expense to operating income to calculate EBITDA.

It is a key financial measure used by our senior management to internally evaluate the performance of our business and for other required or discretionary purposes.

We believe that the presentation of EBITDA will enhance an investor's understanding of our operating performance as we believe it is commonly reported and widely used by analysts and investors in our industry.

It also provides useful information for comparison on a more comparable basis of our operating performance and those of our competitors, who follow different accounting policies.

EBITDA is not a measure defined by GAAP. Our calculation of EBITDA may not be consistent with other similarly titled measures reported by other companies.

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