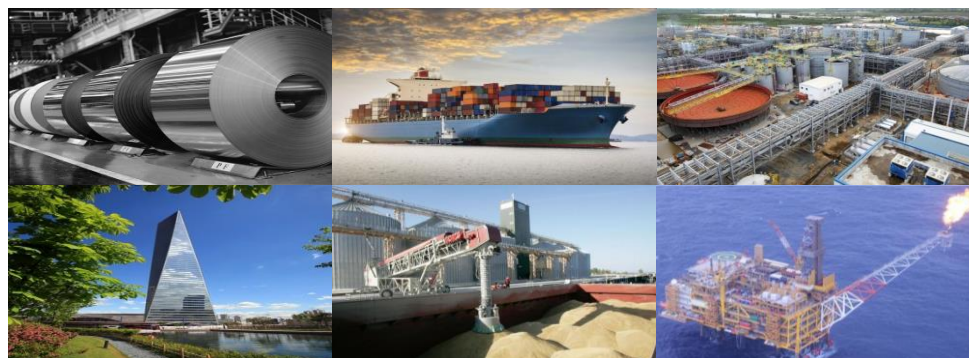


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2Q 2019 Financial Results



July 23, 2019



Consolidated Results

Financial Results - Sales & Income Figures

Financial Results - Breakdown by Segment

Performance by Business Group

Sales Figures for Myanmar Gas Field & Steel Biz.

Financial Structure & Ratios

Agro-Resources Business Overview

Agro-Resources Business Growth Strategy

Appendix 1. Quarterly Performance Summary

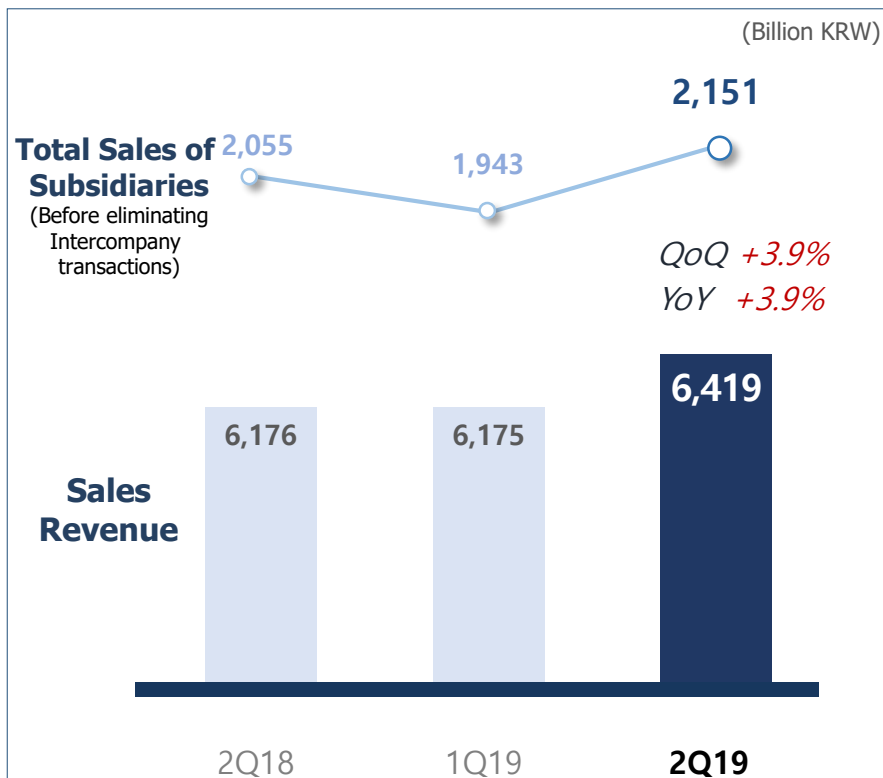
Figures in this presentation are based on unaudited financial statements of the company.
Certain contents in this presentation are subject to change during the course of auditing process.

Financial Results - Sales & Income Figures

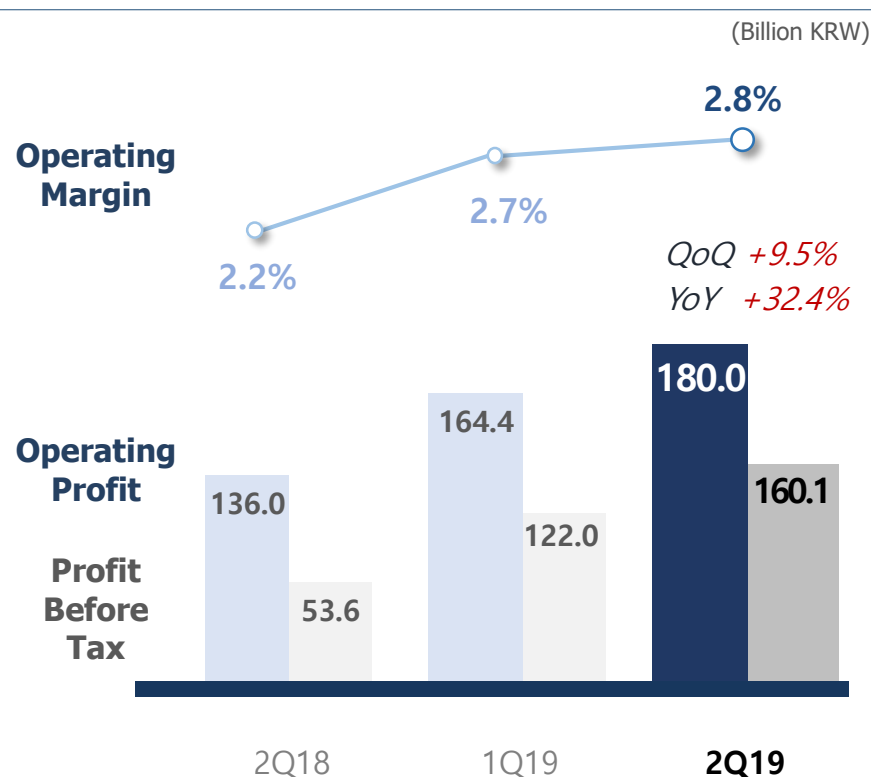
'KRW 6,419 Billion' In Sales Revenue, 'KRW 180 Billion' In Operating Profit

Achieved Record Quarterly Results in Operating Profit & Profit Before Tax

Sales Revenue



Operating Profit & Profit Before Tax



Financial Results - Breakdown by Segment

Strong Myanmar Gas Sales And Trading Results Despite Global Economic Slowdown

(Billion KRW)	2018		2019			
	Yearly	2Q	1Q	2Q	QoQ	YoY
Sales Revenue	25,173.9	6,175.9	6,175.1	6,418.8	+243.7	+242.9
Operating Profit	472.6	136.0	164.4	180.0	+15.6	+44.0
<i>(OP Margin)</i>	1.9%	2.2%	2.7%	2.8%	0.1%p	0.6%p
Trading & Etc.	178.9	42.6	46.7	40.6	-6.1	-2.0
<i>(Margin)</i>	0.8%	0.8%	0.9%	0.8%	-0.1%p	-
Myanmar Gas	245.1	70.9	102.8	124.3	+21.5	+53.4
<i>(*AD/BD)</i>	/268.1	/77.7	/111.4	/1,334	+22.0	+55.7
Other Resources PJT	-12.1	-0.4	0.4	1.7	+1.3	+2.1
Subsidiaries	60.7	15.4	14.5	13.4	-1.1	-2.0
Profit Before Tax	176.1	53.6	122.0	160.1	+38.1	+106.5
<i>F/X Profit & Loss</i>	-4.1	-10.5	5.1	7.3	+2.2	+17.8
<i>Finance Costs</i>	-151.5	-34.7	-38.0	-26.6	+11.4	+8.1
<i>SEAGP</i>	17.7	8.8	11.8	19.5	+7.7	+10.7
<i>Equity Method Profit & Loss</i>	-1.6	-1.5	-11.0	6.3	+17.3	+7.8
<i>Other Profit & Loss</i>	-153.1	-47.5	-0.5	-23.5	-23.0	+24.0
Net Profit	115.7	38.4	68.8	121.5	+527	+831

Operating Profit

▷ Refer to "Performance by Business Unit" on Page 4

Profit Before Tax

▷ **Net Interest Income : KRW -26.6bn**

☞ Interest Income – Interest Expense
- Loss on disposal of AR (Trade Finance)

※ Reference: Libor 3M Trend
: ~~2.34%~~(2Q18), **2.69%**(1Q19), **2.51%**(2Q19)

▷ **Equity Method P/L : KRW 6.3bn**

- Wetar Copper (8.1 Billion)
- KOLNG (3.8 Billion)
- Ambatovy Nickel (-6.4 Billion)

▷ **Other P/L : KRW -20.1bn**

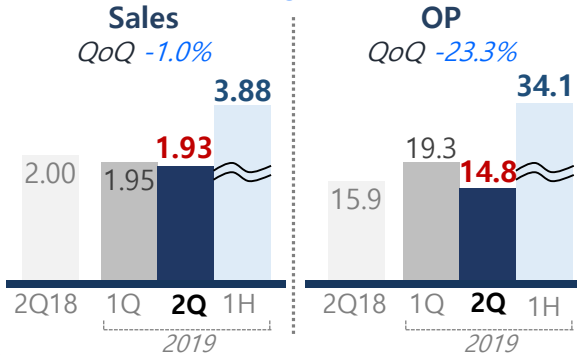
- One-time losses at Beijing trading subsidiary regarding coke inventory loss and payment guarantee to Shandong Cement.

Performance by Business Group

(Sales in Trillion KRW, OP in Billion KRW)

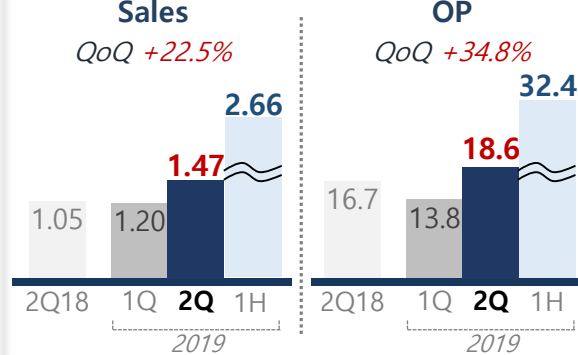
Overseas Steel Group

- ▶ Strong profits from electrical steel and stainless steel biz despite unfavorable market conditions from the global trade disputes



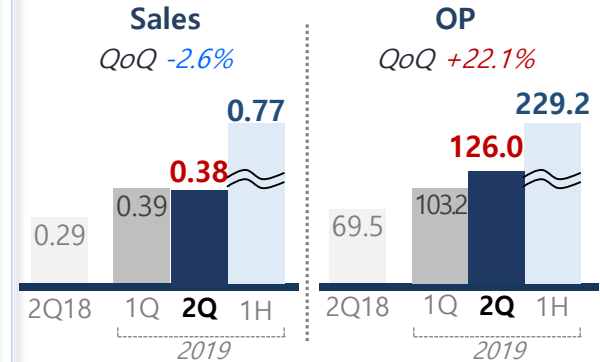
Domestic Steel Group

- ▶ Strong sales and profits from increased sales of construction steel and long term supply contracts of raw materials to POSCO



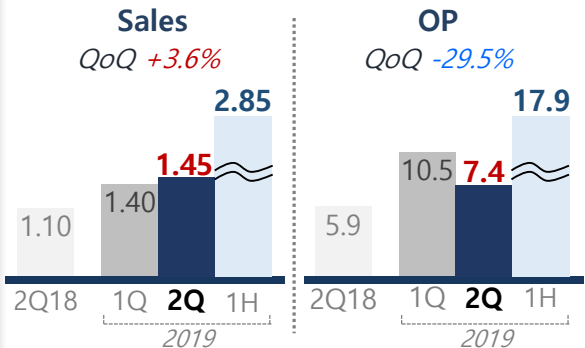
Energy Group

- ▶ Strong Myanmar gas sales (590 Mn ft³/d)
- ▶ Expanded LNG trading volume (710k tons)



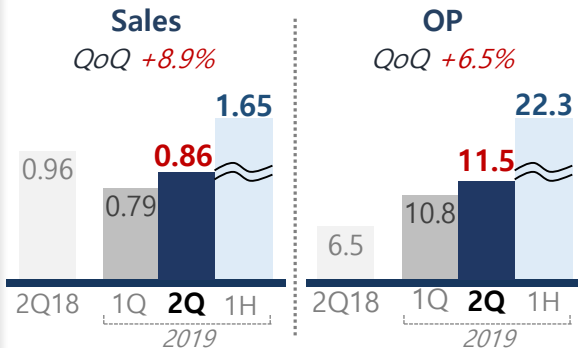
Agro & Chemical Business Group

- ▶ Slow agro sales due to off-season before harvest
- ▶ Strong sales in chemicals business from increased long-term contracts and new biz



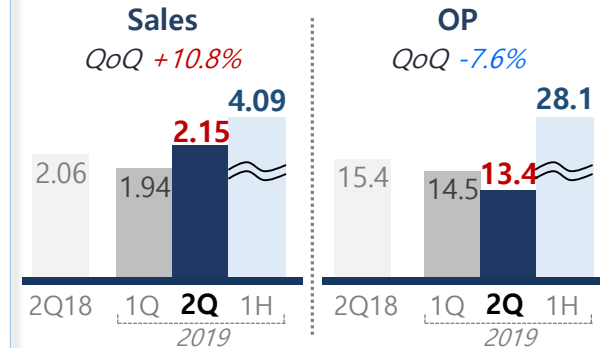
Mobility & Industrial Material Group

- ▶ Increased profitability through high-margin biz (Constant restructuring of items in deficit and items based on long-term credit)



Subsidiaries

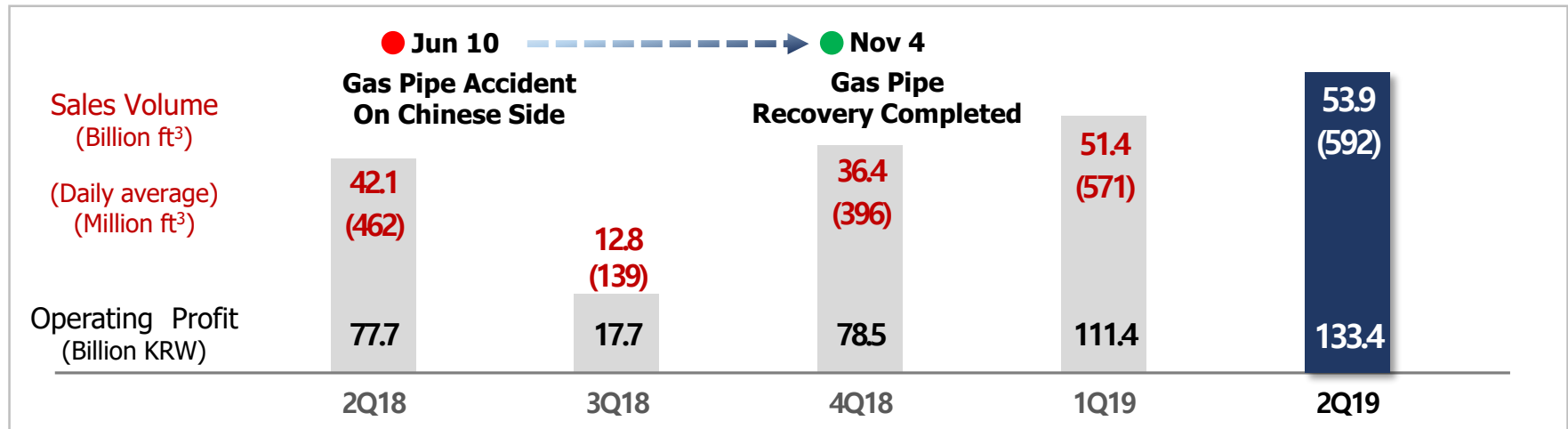
- ▶ Increased sales through overseas trading subsidiaries despite global trade disputes - OP : Trading(6.7bn), investment(6.7bn) subs.



Sales Figures for Myanmar Gas Field & Steel Biz.

Gas Sales Vol. – Average **592mnft³/d**, Steel Sales Vol. **2.79mnMT**

Myanmar Gas Field Sales Volume



Steel Sales Volume

(Million Metric Tons)

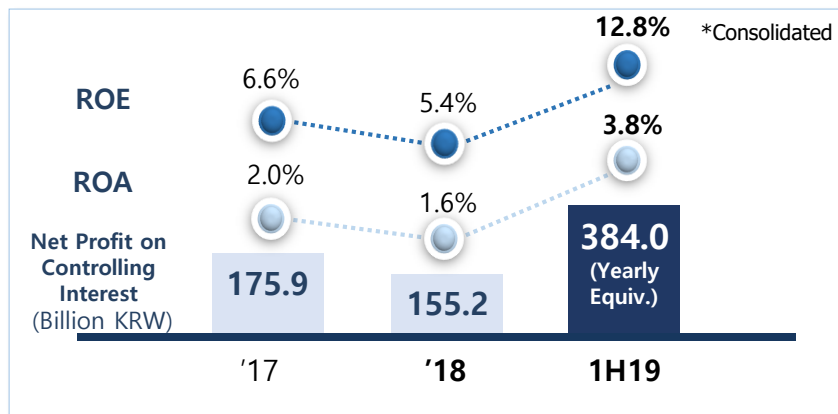
Volume by Type	2017	2018	2019	1Q	2Q
Total Sales Volume	11.32	11.41	5.65	2.86	2.79
POSCO Products	7.81(69%)	7.35(64%)	3.86(68%)	1.99(70%)	1.87(67%)
Exports	4.58	4.28	2.18	1.08	1.10
Imports	1.59	1.86	0.96	0.49	0.47
Overseas Mills	1.64	1.21	0.70	0.41	0.29
Non-POSCO Products	3.51(31%)	4.06(36%)	1.79(32%)	0.87(30%)	0.92(33%)

Financial Structure & Ratios

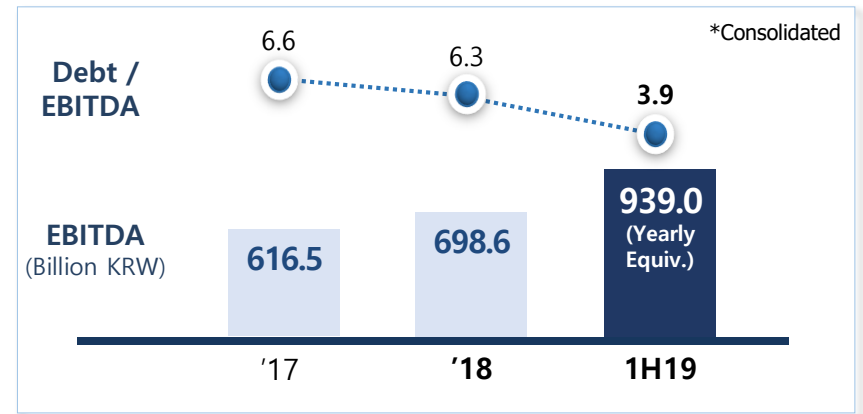
Improved ROE, Debt/EBITDA Ratio Due To Increased Earnings And Reduced Debt

(Billion KRW)	'15	'16	'17	'18	'19.1H
Total Assets	8,043.3	8,288.8	9,170.0	9,881.0	9,947.6
Current Assets	4,346.3	4,681.0	5,047.5	5,980.2	5,772.7
Non-Current Assets	3,697.0	3,607.8	4,122.4	3,900.8	4,174.9
Total Liabilities	5,622.1	5,785.1	6,317.5	6,991.5	6,914.1
Current Liabilities	3,918.4	4,304.7	4,937.9	5,421.1	4,775.9
Trade Finance	1,787.3	1,401.8	1,520.2	1,896.8	931.6
Non-Current Liabilities	1,703.7	1,480.4	1,379.6	1,570.4	2,138.2
Equities	2,421.2	2,503.7	2,852.5	2,889.5	3,033.6
Issued Capital and Capital Surplus	902.6	902.6	1,170.3	1,170.9	1,170.9
Retained Earnings	1,472.0	1,524.8	1,644.4	1,732.3	1,849.5

ROE & ROA



EBITDA (Debt/EBITDA)



Agro-Resources Business Overview

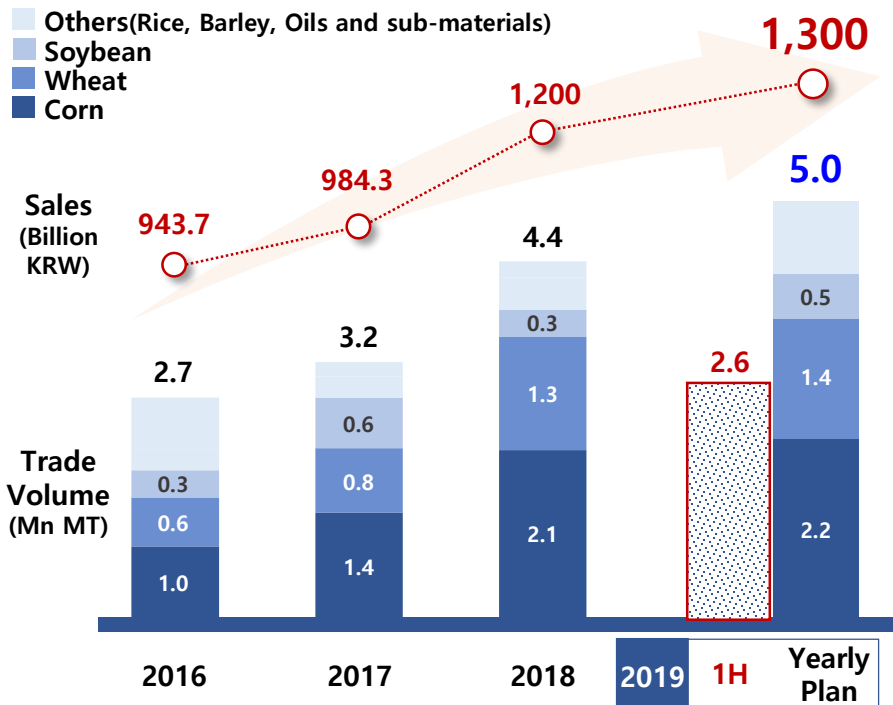
Growing as a core business in preparation for domestic food security

Business Background

- Growing opportunities along with the continued growth in global agro trading (AAGR: 6.1%)
- Securing domestic food security** – low self-sufficiency of food vis-à-vis OECD average (less than 10% except for rice)



Figures for Agro-Resources Business



Value Chain Expansion based on Trading



* Crude Palm Oil ** Rice Processing Complex

Stable Growth Through Businesses Throughout The Value Chain

Stage 1 (~'18)

Enhancing trading competence and increasing handling volume

Diversification of suppliers/customers

Sales (Tn KRW)	1.2	Volume (Mn MT)	4.4
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Stage 2 ('19~'23)

Completing the supply-chain through mid-stream expansion

Cost reduction through asset acquisition

Sales (Tn KRW)	2.5	Volume (Mn MT)	10
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Stage 3 ('24~'30)

Establishing as a core business through a stable revenue stream

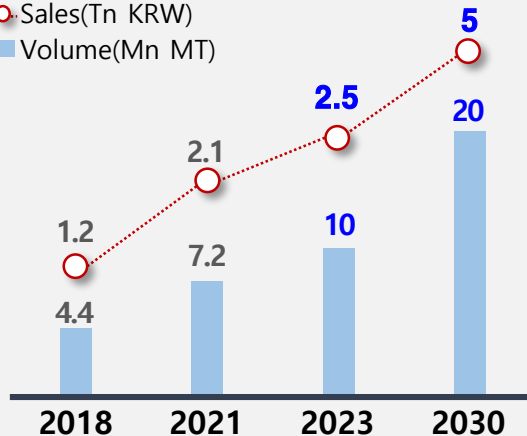
Become a Top-Tier grain trader in Asia

Sales (Tn KRW)	5	Volume (Mn MT)	20
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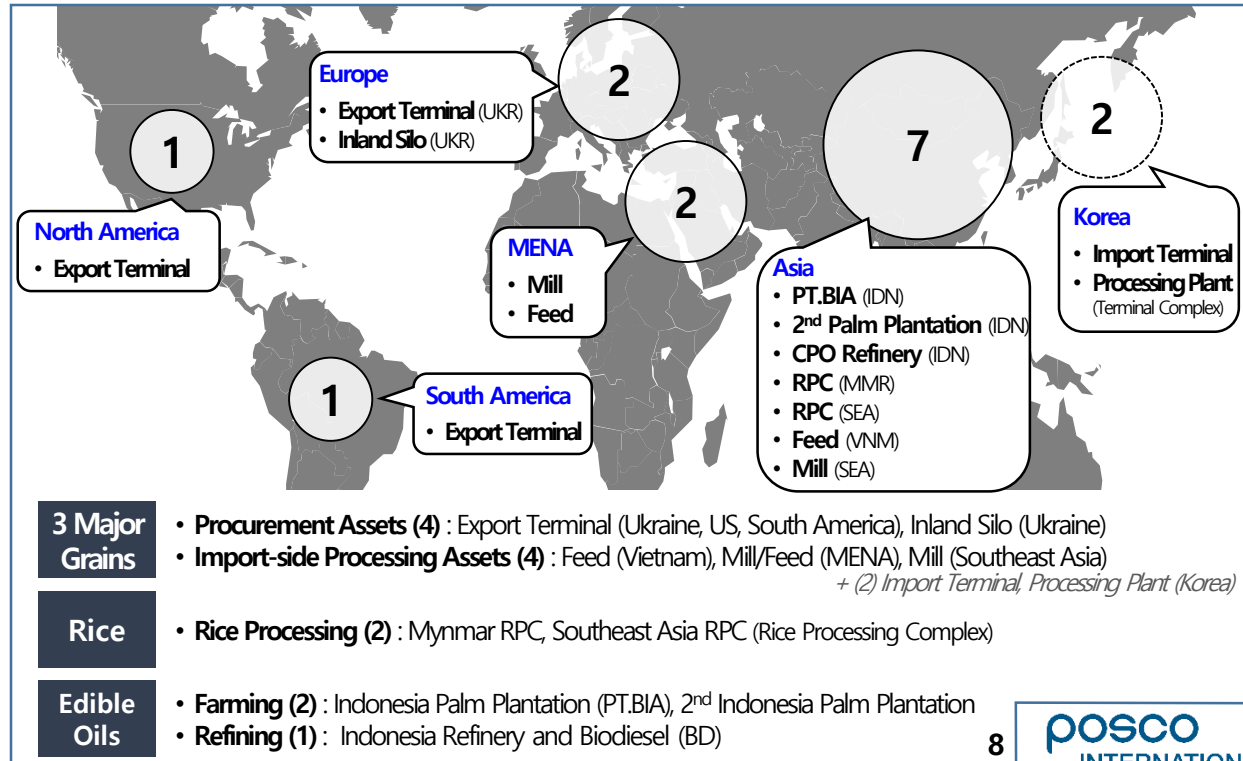
"20 Mn MT in handling volume, KRW 5 Tn in sales, and 15 investment assets by 2030"

2030 Vision

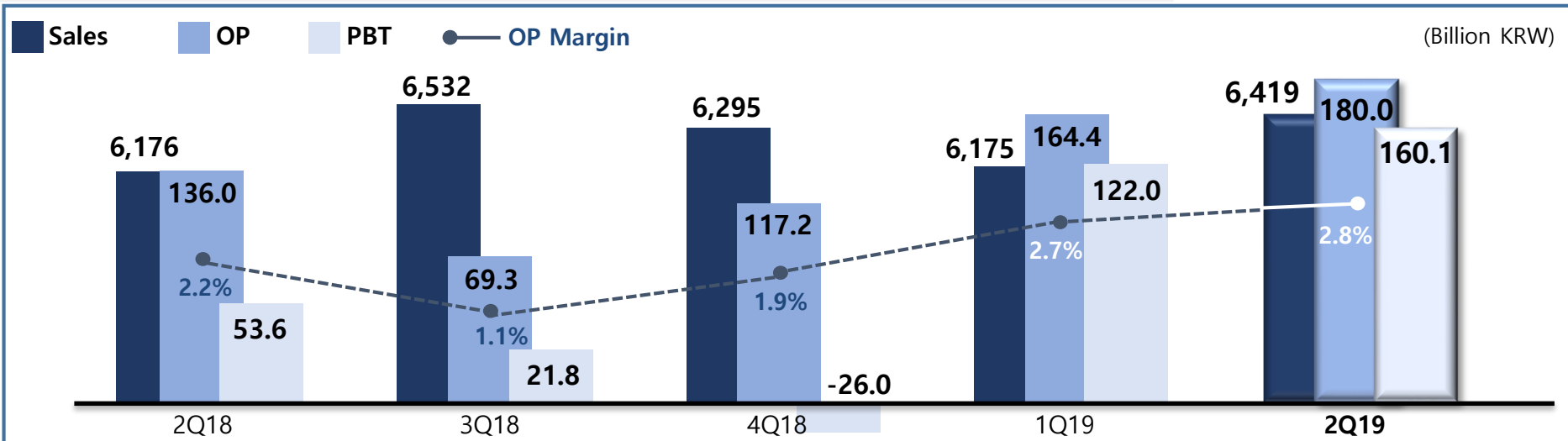
○ Sales(Tn KRW)
■ Volume(Mn MT)



- Grow businesses throughout the value chain from procurement to processing
- Stable cash flow from edible oils business
- Promote Corporate Citizenship through contributing to national food security
 - ① Reach 30% share of food imports to Korea (4.8 Mn Tons)
 - ② Prepare in advance for South-North economic cooperation era



Appendix 1. Quarterly Performance Summary



[Key Profit & Loss Items, in Billion KRW]		2Q18	3Q18	4Q18	1Q19	2Q19	
OP	Total Operating Profit	136.0	69.3	117.2	164.4	180.0	
	Myanmar Gas Field (B.D. / A.D.)	77.7 / 70.9	17.7 / 14.8	78.5 / 71.7	111.4 / 102.8	1334 / 124.3	
	Other Energy Businesses	-0.4	-3.0	-2.9	0.4	1.7	
	Trading & Etc.	42.6	47.0	27.1	46.7	40.6	
	Subsidiaries	15.4	10.5	21.3	14.5	13.4	
Profit Before Tax	Total Profit Before Tax	53.6	21.8	-26.0	122.0	160.1	
	F/X Profit & Loss	-10.5	-1.8	8.6	5.1	7.3	
	Finance Costs	-34.7	-36.3	-47.3	-38.0	-26.6	
	Myanmar Gas Pipe (SEAGP, 25%)	8.8	-9.0	4.3	11.8	19.5	
	Equity Method Profit & Loss	-1.5	-1.0	2.7	-11.0	6.3	
	Other Profit & Loss	-47.5	1.4	-105.4	-0.5	-23.5	
Market Indices (KRW, US\$/bbl,%)		KRW/USD (Quarter-End)	1,121.70	1,112.70	1,118.10	1,137.80	1,156.80
		Dubai Crude (Avg.)	72.0	74.1	68.1	63.4	67.5
		Libor 3M (USD, Avg.)	2.33767	2.33572	2.62213	2.69218	2.50665

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