

4Q 2019 Performance Results

February 20th, 2020
KOLON INDUSTRIES, INC.

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2. 4Q19 Performance

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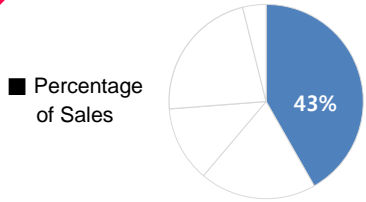
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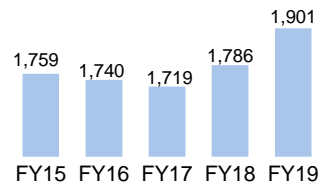
- All 4Q 2019 management performance and financial data in this report are consolidated or parent earnings results based on K-IFRS.
- The operating profit in this report was rewritten considering the changes made in 'indicating financial statements' of financial accounting standards 1001.
- This report has been drawn up for investors without receiving complete external auditing. It must be considered that some data may be revised in the process of external auditing. **Please note that the income statement for the period from 2017 to 2018 has been rewritten to reflect the losses from discontinued operations of the subsidiary and is not yet reviewed by external auditors.**
- The data contains prospective information for the future, including the company's business prospect in the 1Q 2020 and further on. The prospective information has been drawn up considering the current market condition and the company's business strategy at present. Accordingly, it should be taken into consideration that this information may be modified depending on the environmental changes of markets and the company's strategic alteration.

1 Results Overview

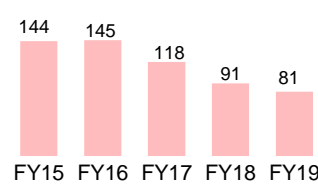
Industrial Material



■ Sales (Wbn)



■ OP (Wbn)



Functional fibers

- Polyester tire cord, airbag cushion, technical yarn

High performance fibers

- Aramid

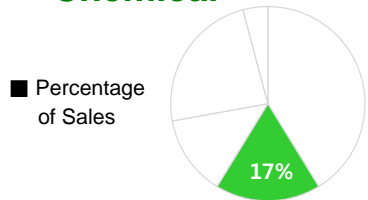
Non-woven fabrics

- Artificial leather, spunbond, membrane filter

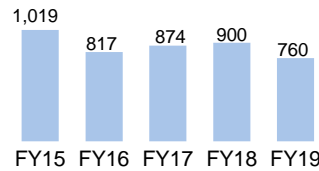
Subsidiary(KOLON GLOTECK, KOLON PLASTICS)

- Fabric & yarn for car seat, Engineering plastic

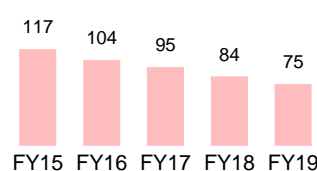
Chemical



■ Sales (Wbn)



■ OP (Wbn)



Hydrocarbon resin

- For glue, paint, diaper, sanitary towel

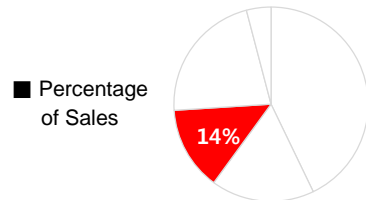
Phenolic resin

- For industrial glue, cast, abrasive cloth, paint

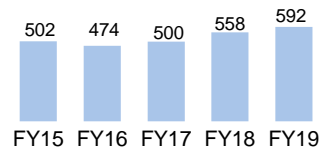
Epoxy resin

- For electronic circuit, epoxy molding compound

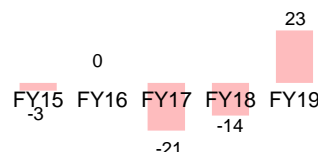
Film/electronic materials



■ Sales (Wbn)



■ OP (Wbn)



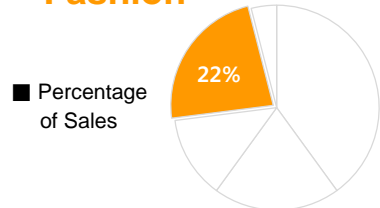
Polyester Film

- For packaging, optical film, solar protect film, industrial use film

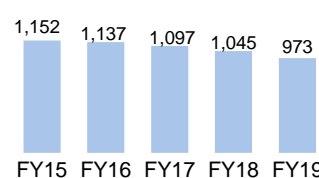
Electronic materials

- Light diffuser film/plate, prism film, dry film resist,

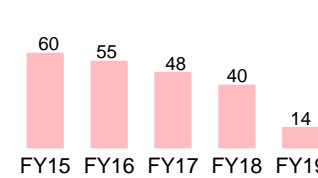
Fashion



■ Sales (Wbn)



■ OP (Wbn)



Outdoor, sports, golf

- KOLON SPORT, HEAD, ELORD, Jack Nicklaus, HONMA

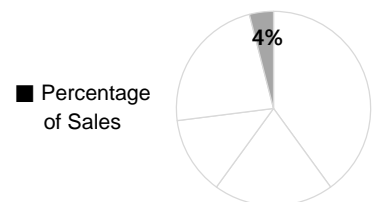
Men' wear, casual

- CAMBRIDGE MEMBERS, Customellow, Series

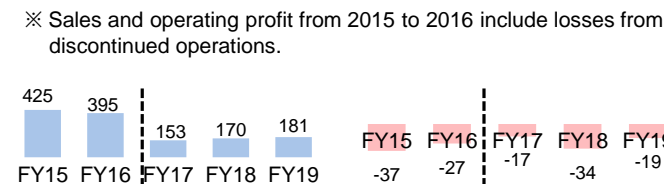
Accessory, women' wear

- COURONNE, Suecomma Bonnie, Lucky Chouette

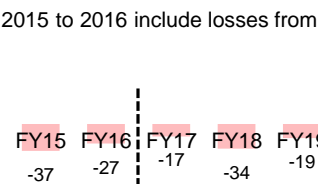
Fashion material, etc



■ Sales (Wbn)



■ OP (Wbn)



Polyester chip

Subsidiary(KOLON MATERIALS)

- Polyester and Nylon fabric

Etc

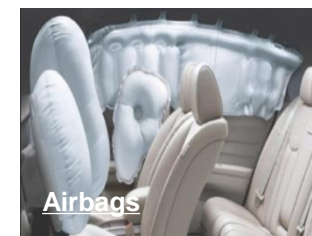
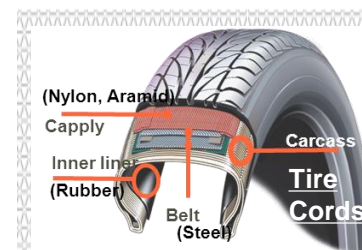
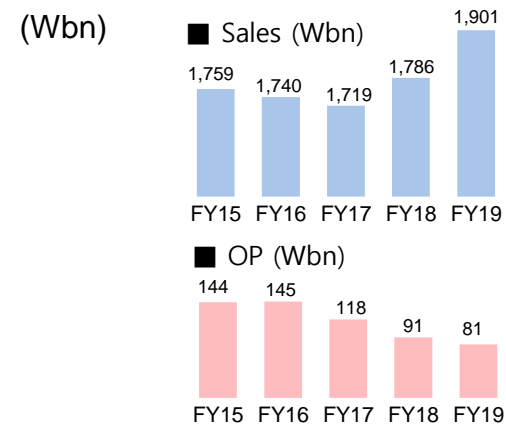
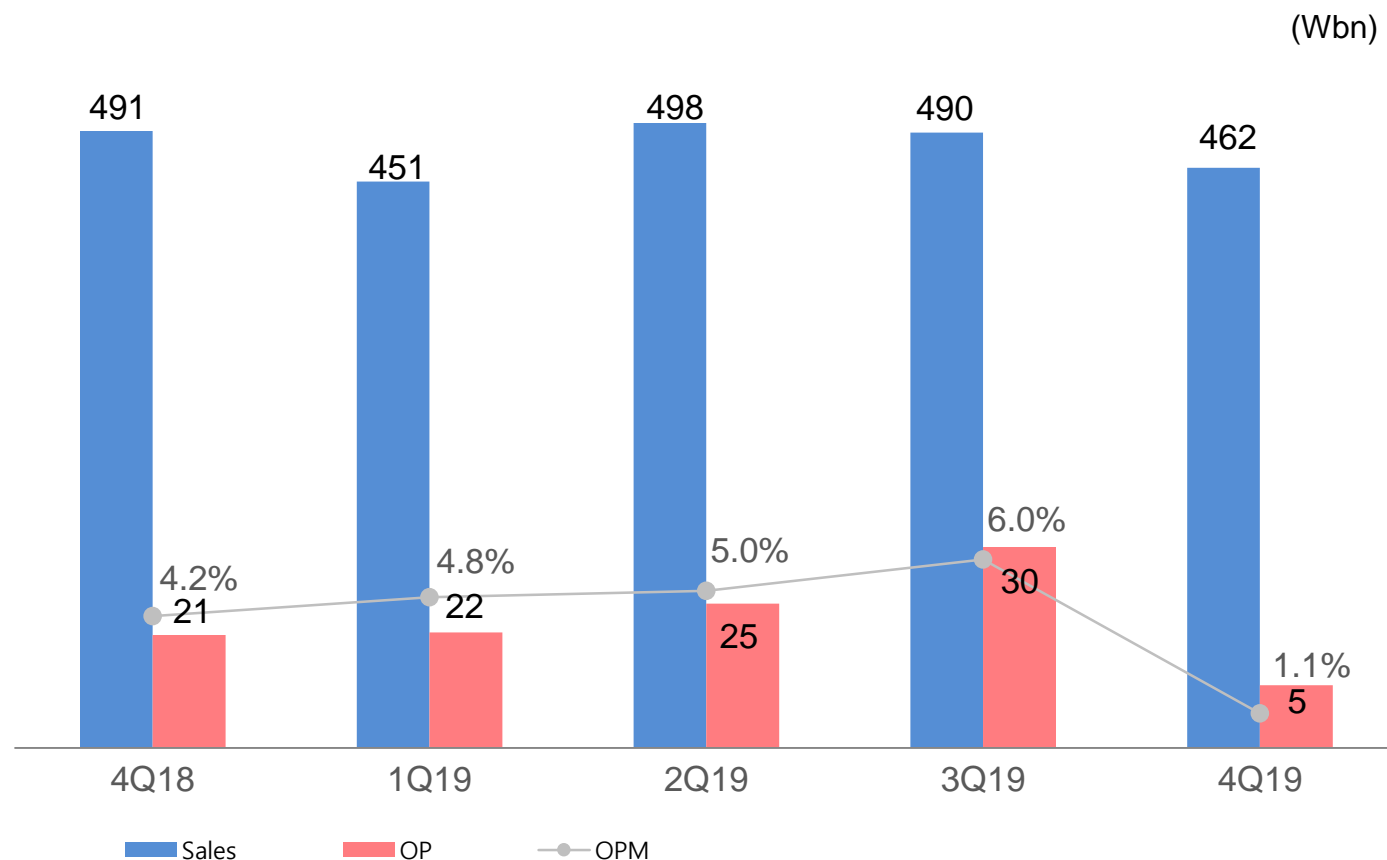
	4Q18	1Q19	2Q19	3Q19	4Q19
	(Wbn)				
Sales	1,250	1,058	1,149	1,067	1,133
Operating profit (OPM)	36 (2.9%)	49 (4.6%)	62 (5.4%)	52 (4.8%)	11 (1.0%)
Pre-tax profit from continuing operations	17	36	33	33	-19
Profit from continuing operations	4	28	25	22	-15
Loss from discontinued operations	-23	-8	-10	-6	-13
Net profit	-19	20	15	16	-29

- 'Sales' were up QoQ from seasonality factor in fashion division, but dropped YoY from deteriorating market conditions in industrial and fashion division.
- 'Operating profit' dropped mainly from one-off expenses and earnings drop in affiliated companies.
- 'Profit from continuing operations' turned into an operating loss from the drop in 'operating profit'.

※ The quarterly results are undetermined figures that have not been audited or reviewed by external auditors since they were rewritten by eliminating losses from discontinued operations of subsidiaries.

2_1 Divisional Results – Industrial materials

Consolidated earnings (Kolon Industries, Kolon Glotech, Kolon Nanjing Co.,LTD, Kolon Plastics, Kolon Vietnam, etc)

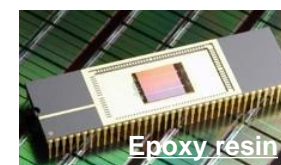
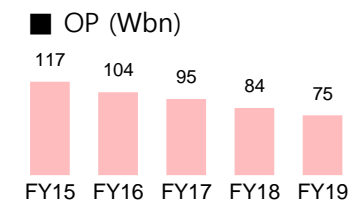
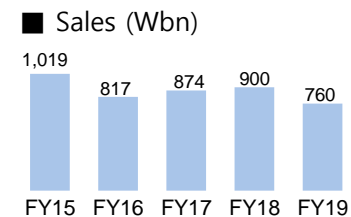
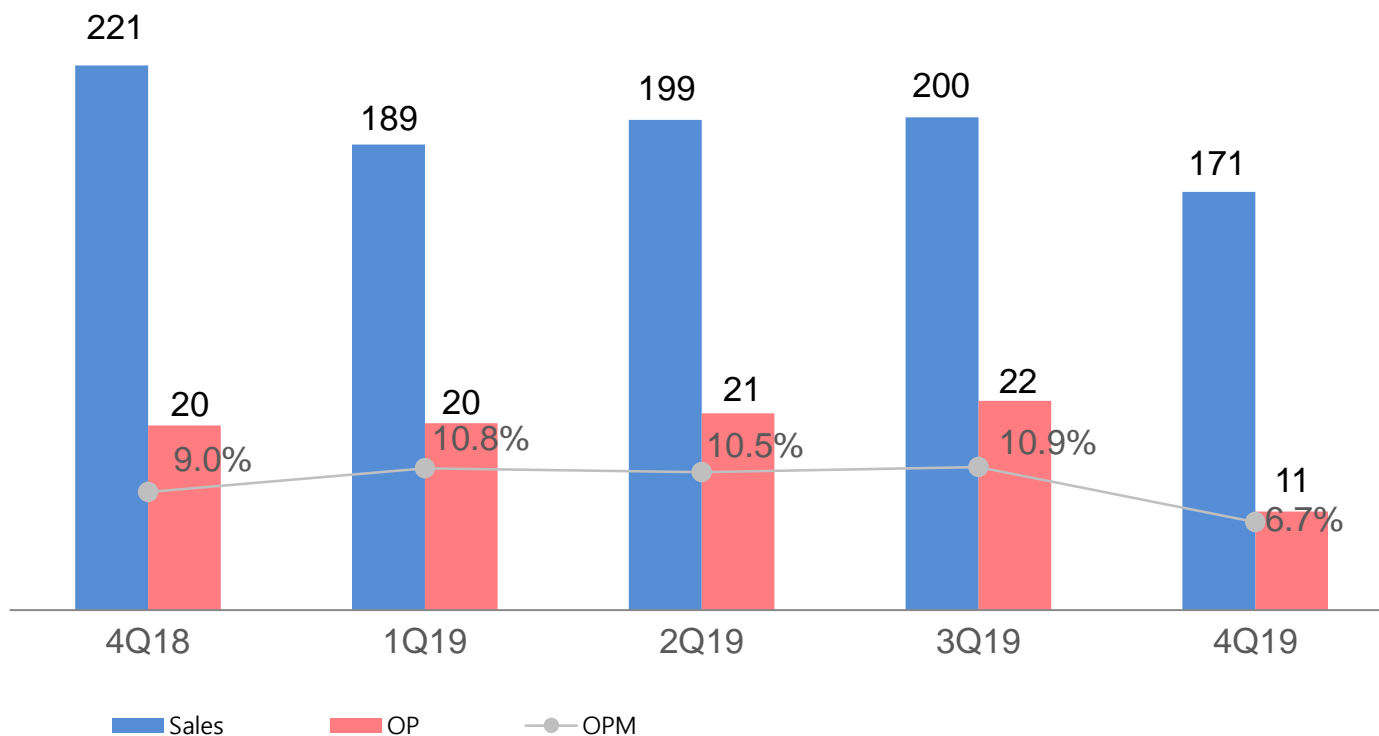


· 4Q results dropped QoQ and YoY due to one-off expenses, unfavorable FX rates, and the deteriorating market conditions of domestic and overseas affiliates.

2_1 Divisional Results – Chemical

Consolidated earnings (Kolon Industries, KOLON (SUZHOU) COMPANY LIMITED)

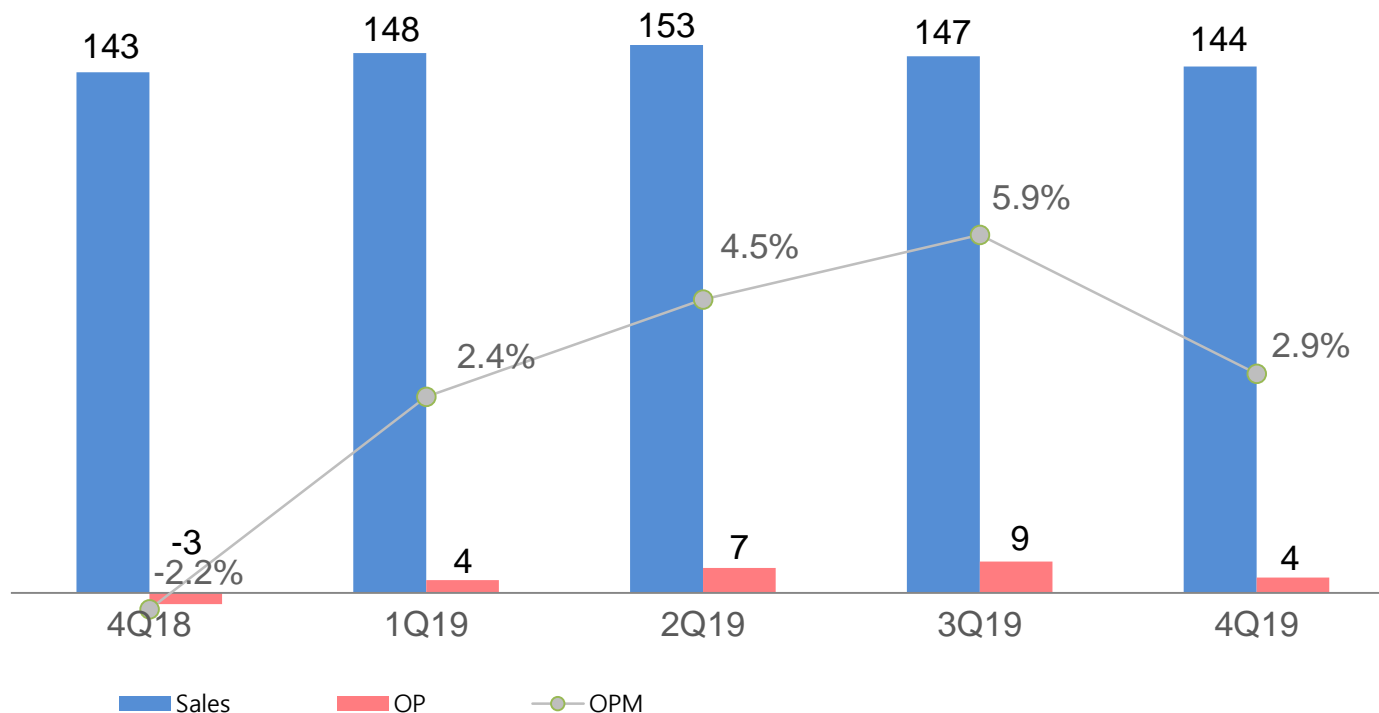
(Wbn)



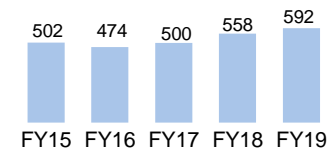
· 4Q results dropped due to impact of regular maintenance of hydrocarbon resin factory along with unfavorable FX rates.

Consolidated earnings (Kolon Industries, KIN, KHC, etc)

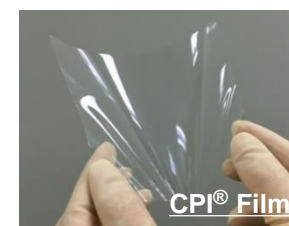
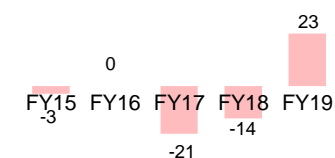
(Wbn)



■ Sales (Wbn)



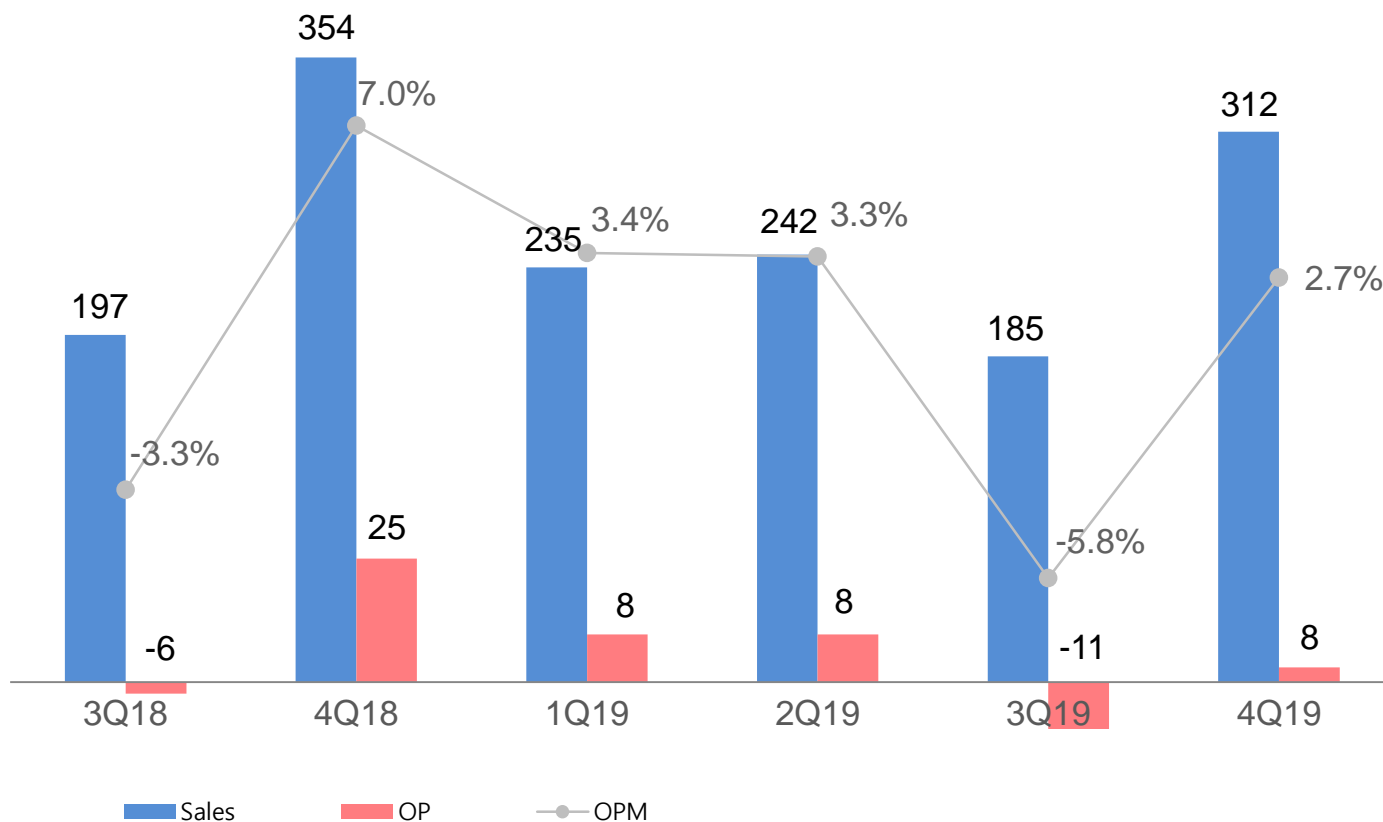
■ OP (Wbn)



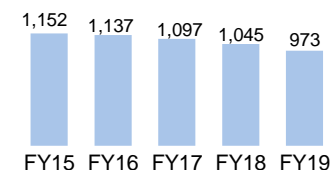
- Despite the expanded sales of CPI®, QoQ results dropped due to one-off expenses.

Consolidated earnings (Kolon Industries, etc)

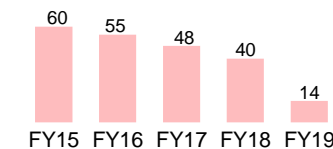
(Wbn)



■ Sales (Wbn)



■ OP (Wbn)



Outdoor Brand



Sports & Golf Brands



Man Clothing Brands



Casual Clothing Brands



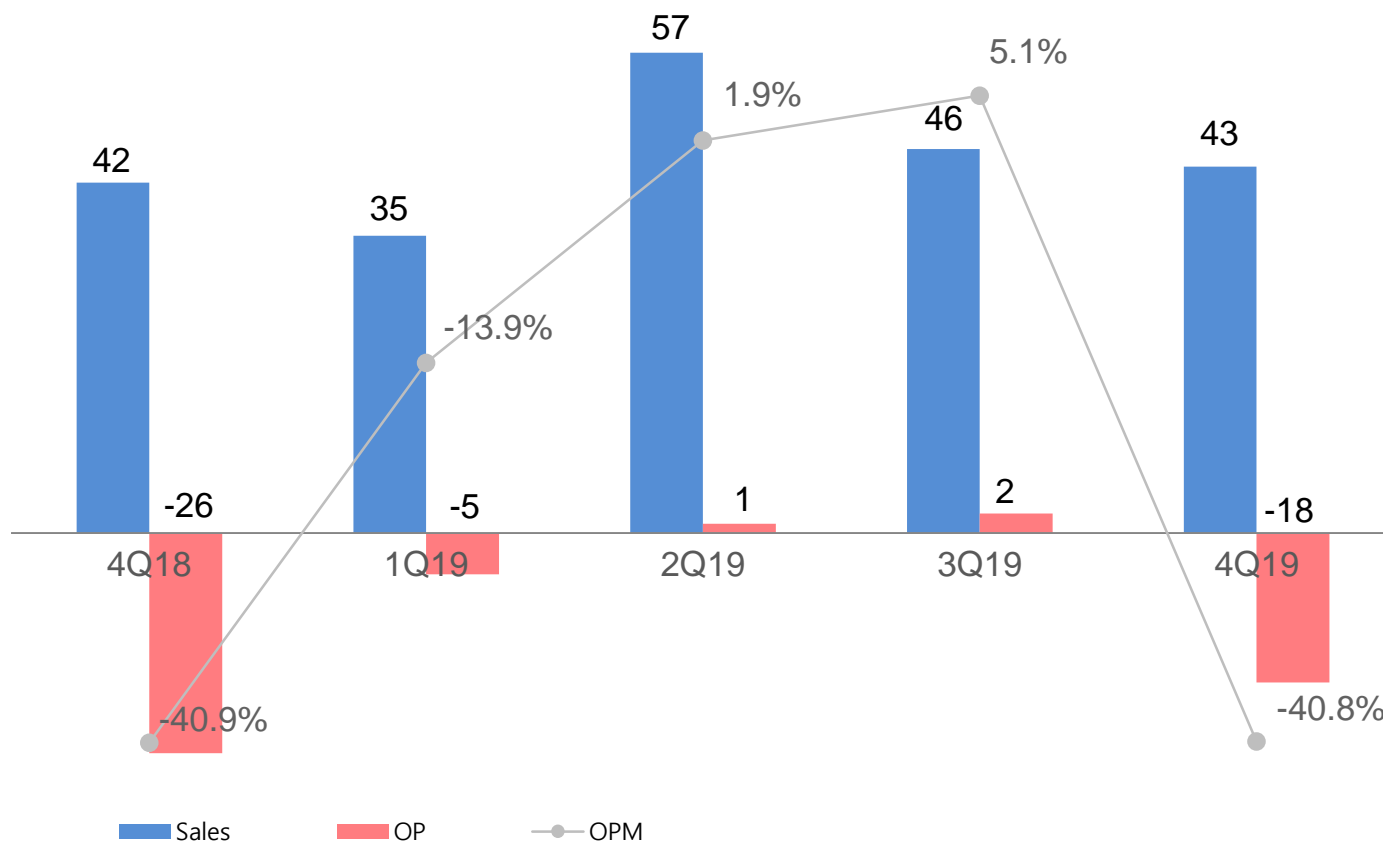
Accessories & Woman Clothing Brands



· 4Q results dropped YoY from slowing outdoor market, impact of warm weather, and one-off expenses.

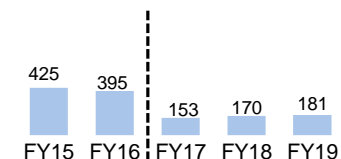
Consolidated earnings (Kolon Industries, Kolon Materials, etc)

(Wbn)

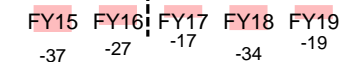


※ Sales and operating profit in 2015 and 2016 include losses from discontinued operations.

■ Sales (Wbn)



■ OP (Wbn)


Kolon Industries

Kolon Materials

HiPAN
NEOVENT

- Operating loss increased from seasonality factor in affiliated companies and increased one-off expenses.

※ The quarterly results were rewritten by eliminating losses on discontinued operations of subsidiaries (subject to change upon an external auditor's review)

2_2 Non-operating Profit & Loss

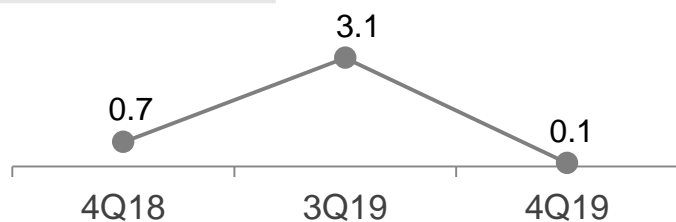
(Unit: Wbn)

	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
Operating Profit	224	43	57	30	36	167	49	62	52	11	173
Other income(losses)	-9	2	13	-3	-20	-8	-1	-18	-4	-9	-31
Finance income(losses)	-55	-12	-15	-15	-9	-51	-10	-13	-16	-23	-63
Gains(losses) on disposal of investments in associates and joint ventures	52	23	-8	-4	10	22	-1	2	1	2	4
Pre-tax profit from continuing operations	211	56	48	9	17	130	36	33	33	-19	83
Profit(Losses) from continuing operations	154	43	32	5	4	84	28	25	22	-15	60
Profit(Losses) from discontinued operations	-31	-6	-3	-9	-23	-41	-8	-10	-6	-13	-37
Net profit	123	37	29	-4	-19	43	20	15	16	-29	22

Equity Method Income(losses) on Investments

(Unit: Wbn)

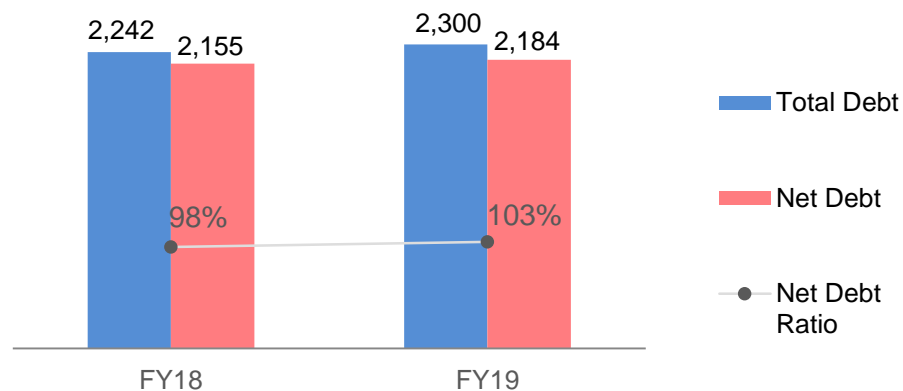
SKC KOLON PI
(Shares : 27.0%)



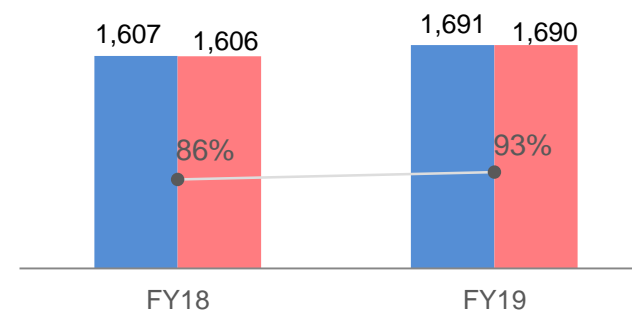
Changes in borrowings / Net Debt Ratio

(Unit: Wbn)

• Consolidated



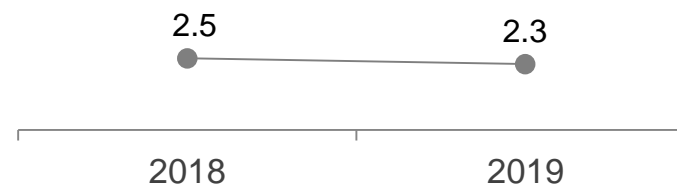
• Kolon Industries" Non-consolidated



Financial Ratio

	2018	2019
Debt ratio (%)	152%	149%
Capital ratio (%)	40%	40%
Total borrowings and bonds payable to total assets (%)	40%	43%

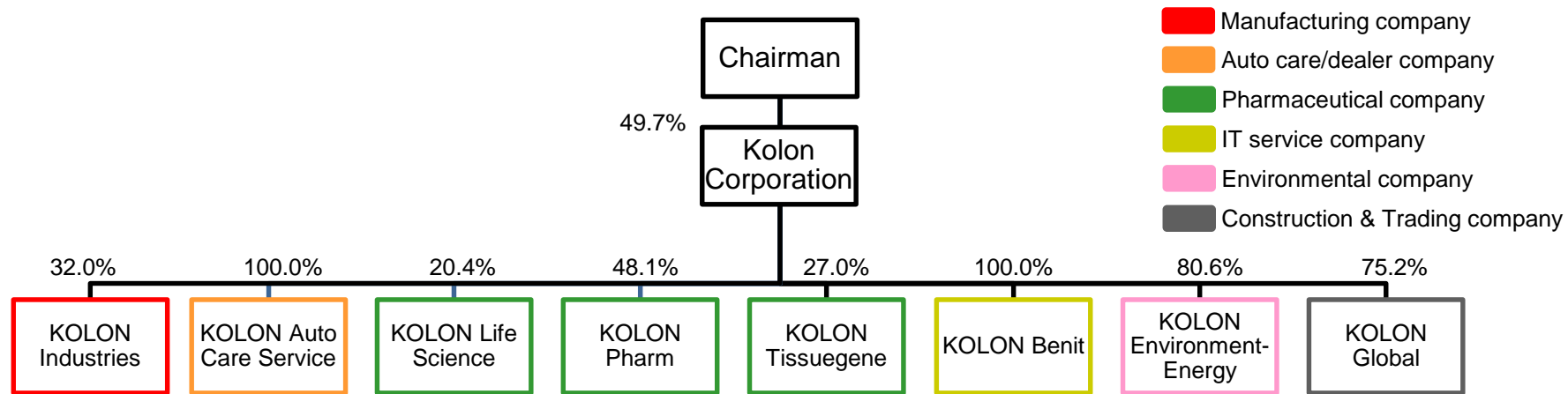
Interest Coverage Ratio (times)



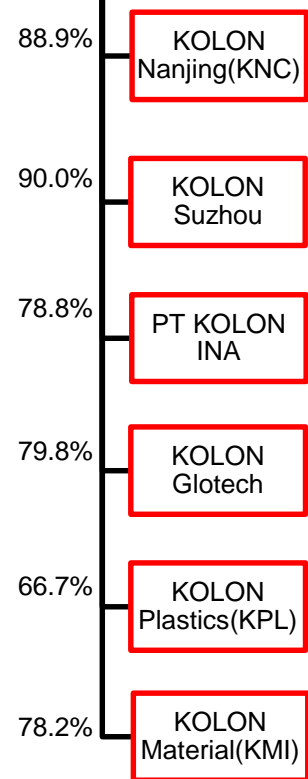
Income Statement (Consolidated)

(Unit: Wbn)	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
Sales	4,342	1,058	1,098	1,054	1,250	4,460	1,058	1,149	1,067	1,133	4,407
Ind. Materials	1,719	409	438	449	491	1,786	451	498	490	462	1,901
Chemical	874	237	217	224	221	900	189	199	200	171	760
Film	500	131	140	144	143	558	148	153	147	144	592
Fashion	1,097	246	249	197	354	1,046	235	242	185	312	973
Others	153	34	54	40	42	170	35	57	46	43	181
Operating profit	224	43	57	30	36	167	49	62	52	11	173
Ind. Materials	118	20	27	25	21	91	22	25	30	5	81
Chemical	95	23	21	20	20	84	21	21	22	11	75
Film	-21	-4	-3	-5	-3	-14	4	7	9	4	23
Fashion	48	8	13	-6	25	40	8	8	-11	8	14
Others	-17	-3	-1	-3	-26	-34	-5	1	2	-18	-19
Other income(losses)	-9	2	13	-3	-20	-8	-1	-18	-4	-9	-31
Finance income(losses)	-55	-12	-15	-15	-9	-51	-10	-13	-16	-23	-63
Equity method income(losses), losses on sale of equity securities	52	23	-8	-4	10	22	-1	2	1	2	4
Pre-tax profit from continuing operations	211	56	48	9	17	130	36	33	33	-19	83
Profit(losses) from continuing operations	154	43	32	5	4	84	28	25	22	-15	60
Profit(losses) from discontinued operations	-31	-6	-3	-9	-23	-41	-8	-10	-6	-13	-37
Net Profit	123	37	29	-4	-19	43	20	15	16	-29	22

IFRS (Consolidated)				(Unit: Wbn)			
	2017	2018	2019		2017	2018	2019
Total Assets	5,662	5,573	5,293	Beginning	147	77	87
Current assets	2,095	1,955	2,081	Net Profit	123	43	22
Non-current assets	3,567	3,618	3,212	Depreciation	191	196	230
Liabilities	3,340	3,364	3,167	Amortization	10	11	11
Current liabilities	2,126	2,324	2,235	Acquisitions of Tangible	-455	-383	-140
Non-current liabilities	1,213	1,040	932	Acquisitions of Intangible	-8	-26	-8
Equity	2,322	2,209	2,127	Dividends Paid	-32	-33	-28
Controlling Shareholders' Equity	2,183	2,097	2,024	Others	101	212	-58
Capital	142	149	149	Ending	77	87	116
Capital Surplus	930	991	991				
Consolidated Retained Earnings	976	1,027	1,013				
Accumulated Other Comprehensive Income	34	-69	-128				
Perpetual Bond	103	0	0				
Non-Controlling Shareholders' Equity	139	112	102				

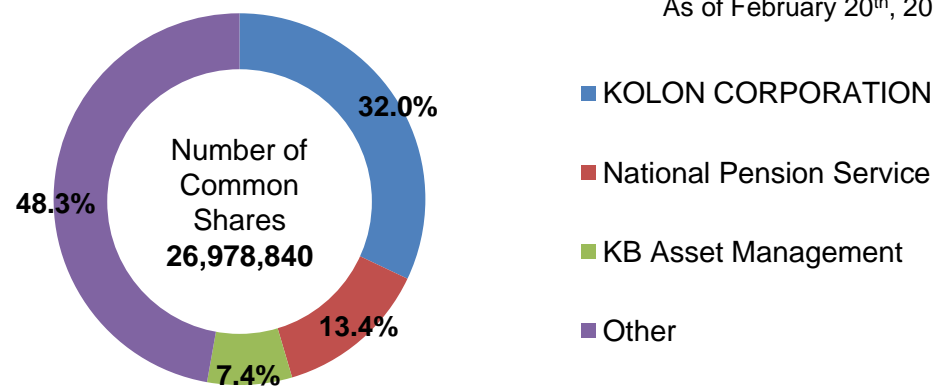


- Manufacturing company
- Auto care/dealer company
- Pharmaceutical company
- IT service company
- Environmental company
- Construction & Trading company



KOLON INDUSTRIES Shareholder Structure

As of February 20th, 2020



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IR GO 주주와 기업을 연결하고 응원합니다.