

# 4Q15 Quarterly Earnings

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January 25, 2016

# 4Q15 and FY15 Earnings

[Unit : bn KRW]

Category	4Q15	3Q15	QoQ	FY15	FY14	YoY
<b>Revenue</b>	<b>1,861.8</b>	1,997.7	-6.8%	<b>7,569.3</b>	5,474.2	+38.3%
<b>LIB</b>	<b>848.4</b>	886.8	-4.3%	<b>3,310.2</b>	3,323.3	-0.4%
<b>Electronic Materials</b>	<b>409.1</b>	433.3	-5.6%	<b>1,642.2</b>	801.9	+104.8%
<b>Chemicals</b>	<b>603.8</b>	677.0	-10.8%	<b>2,614.5</b>	1,349.0	+93.8%
<b>Operating Profit (%)</b>	<b>-80.8 (-4.3%)</b>	17.9 (0.9%)	Turned Red	<b>-59.8 (-0.8%)</b>	70.8 (1.3%)	Turned Red
<b>Pre-Tax Profit (%)</b>	<b>-317.0 (-17.0%)</b>	675.9 (33.8%)	Turned Red	<b>39.1 (0.5%)</b>	199.4 (3.6%)	-80.4%
<b>Profit from Discontinued Operations</b>	<b>0.0</b>	0.0	-	<b>0.0</b>	-232.3	-
<b>Net Profit (%)</b>	<b>-231.4 (-12.4%)</b>	502.5 (25.2%)	Turned Red	<b>25.7 (0.3%)</b>	-80.3 (-1.5%)	Turned Black

※ Chemicals & Electronic Materials reflected from 3Q14 post merger with Cheil Industries Inc. (July 1, 2014)

※ PDP and Solar division reflected in discontinued operations

# FY15 Financial Status

[Unit : bn KRW]

Category	FY15	3Q15	QoQ	FY14	YoY
<b>Assets</b>	<b>16,225.3</b>	16,522.9	-297.6	15,968.5	+256.8
<b>Current</b>	<b>4,773.9</b>	4,014.6	+759.3	3,535.5	+1,238.4
<b>Non-current</b>	<b>11,451.4</b>	12,508.3	-1,056.9	12,433.0	-981.6
<b>Liabilities</b>	<b>4,972.1</b>	4,906.5	+65.6	4,141.6	+830.5
<b>Current</b>	<b>3,201.3</b>	3,049.5	+151.8	2,254.2	+947.1
<b>Non-current</b>	<b>1,770.8</b>	1,857.0	-86.2	1,887.4	-116.6
<b>Shareholders Equity</b>	<b>11,253.2</b>	11,616.4	-363.2	11,826.9	-573.7
<b>Paid-in Capital</b>	<b>356.7</b>	356.7	-	356.7	-
<b>Cash &amp; cash equiv.</b>	<b>1,831.8</b>	1,760.0	+71.8	1,654.4	+177.4
<b>Debt</b>	<b>1,749.6</b>	2,012.1	-262.5	1,777.8	-28.2

# Analysis & Outlook

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## Small-sized LIB

### [ 4Q15 Analysis ]

#### ❑ Revenue slide on seasonality

- Earnings down on IT seasonality & slow sales in both prismatic and polymer
- Solid IT & EV cylindrical sales in China

### [ FY16 Outlook ]

#### ❑ Cylindrical in EV · P/Tool drive growth

- Small LIB market est. \$18bn<sup>(\*)</sup> (+6% YoY)  
→ Cylindrical grow on EV · P/Tool,  
Polymer slow expansion raise competition
- Greater EV · P/Tool penetration and better technology/cost cut in IT to lift earnings to normalize

\* Source : B3 forecast

## Large-sized LIB

### [ 4Q15 Analysis ]

#### ❑ Solid revenue growth & orders in China

- Revenue expansion in China with new line production and expanding module & pack biz improve revenue structure
- Long-term biz platform strengthen with new Chinese customers

### [ FY16 Outlook ]

#### ❑ Strong xEV · ESS growth intact

- xEV battery market est. \$8.6bn<sup>(\*)</sup> (+41% YoY)  
→ China & PHEV/EV
- Improve profitability through cost cut, efficient investments and diversify customers to lower long-term risks
- ESS, driven by utility, est. \$600mn<sup>(\*\*)</sup> (+30% YoY)

\* Source : AT Kearney forecast

\*\* Source : SDI Marketing forecast (pack level)

## Electronic Materials

### [ 4Q15 Analysis ]

#### Revenue drop tad on seasonality

- Steady margin in semi-materials as core product sales expanded
- Slow revenue & profit in display materials due to soft set demand

### [ FY16 Outlook ]

#### To maintain margin thru new projects & cost reduction despite limited IT growth

- Semi-materials to show sturdy growth as benefit from process migration
- Display materials to improve with product differentiation & new overseas facility
- PV Paste to increase sales to Tier-1 & enter new markets to expand M/S

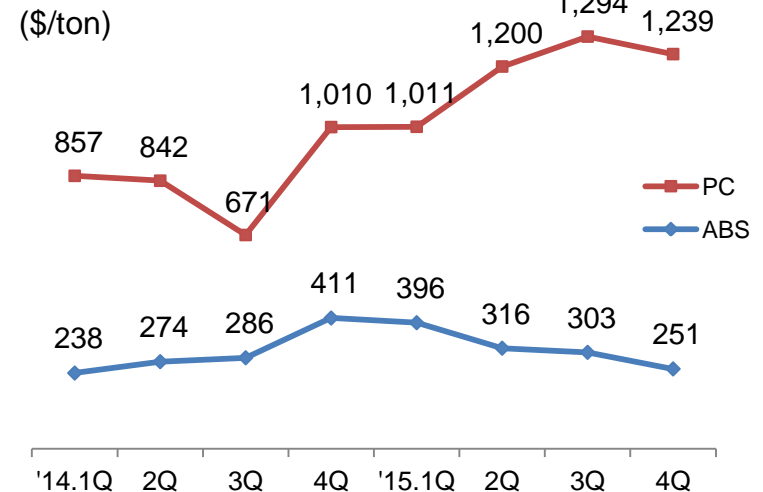
## Chemicals

### [ 4Q15 Analysis ]

#### Revenue fall on slow demand & price cut

- Revenue & profit down as ABS demand reduced & spread narrowed
- Strong polycarbonate sales led by TV & mobile pre-order demand from major customers

### [ABS/PC Spread(Spot)]



# Appendix

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# Income Statement

[Unit : bn KRW]

Category	4Q14	FY14	1Q15	2Q15	3Q15	4Q15	FY15
<b>Revenue</b>	1,910.1	5,474.2	1,865.9	1,843.9	1,997.7	1,861.8	7,569.3
<b>COGS</b>	1,546.6	4,545.5	1,512.8	1,511.8	1,617.2	1,544.4	6,186.2
<b>Gross Profit</b>	363.5	928.7	353.1	332.1	380.5	317.4	1,383.1
<b>(%)</b>	(19.0%)	(17.0%)	(18.9%)	(18.0%)	(19.0%)	(17.0%)	(18.3%)
<b>Operating Profit</b>	37.2	70.8	6.8	-3.7	17.9	-80.8	-59.8
<b>(%)</b>	(1.9%)	(1.3%)	(0.4%)	(-0.2%)	(0.9%)	(-4.3%)	(-0.8%)
<b>Non-operating Profit</b>	-75.8	128.6	73.9	-397.0	658.0	-236.1	98.9
<b>Pre-tax Profit</b>	-38.6	199.4	80.7	-400.7	675.9	-316.9	39.1
<b>(%)</b>	(-2.0%)	(3.6%)	(4.3%)	(-21.7%)	(33.8%)	(-17.0%)	(0.5%)
<b>Tax</b>	-14.9	47.3	16.1	-90.7	173.4	-85.6	13.4
<b>Discontinued Operations</b>	-105.1	-232.4	0	0	0	0	0
<b>Net Profit</b>	-128.8	-80.3	64.6	-310.0	502.5	-231.4	25.7
<b>(%)</b>	(-6.7%)	(-1.5%)	(3.5%)	(-16.8%)	(25.2%)	(-12.4%)	(0.3%)
<b>NP less Minority Interests</b>	-129.1	-83.8	59.7	-303.4	499.2	-201.5	53.8
<b>(%)</b>	(-6.8%)	(-1.5%)	(3.2%)	(-16.5%)	(25.0%)	(-10.8%)	(0.7%)
<b>Depreciation</b>	156.0	505.4	156.4	156.2	159.8	161.1	634.0
<b>CAPEX</b>	102.8	384.9	164.0	170.6	155.9	135.5	626.0

※ Chemicals & Electronic Materials reflected from 3Q14 post merger with Cheil Industries Inc. (July 1, 2014)

※ PDP and Solar division reflected in discontinued operations



# Balance Sheet

[Unit : bn KRW]

Category	FY14	1Q15	2Q15	3Q15	FY15
<b>Total Assets</b>	15,968.5	16,119.4	16,040.7	16,522.9	16,225.3
<b>Current Assets</b>	3,535.5	3,607.9	3,460.0	4,014.6	4,773.9
<b>Quick Assets</b>	2,760.5	2,850.1	2,718.6	3,262.9	3,165.5
<b>Inventory &amp; Others</b>	775.0	757.8	741.4	751.7	1,608.4
<b>Non-current Assets</b>	12,433.0	12,511.5	12,580.7	12,508.3	11,451.4
<b>Investment Assets</b>	7,605.1	7,695.0	7,612.4	7,447.9	6,609.1
<b>Tangible Assets</b>	3,324.9	3,379.2	3,400.2	3,488.5	3,229.0
<b>Intangible Assets</b>	1,278.9	1,231.6	1,303.6	1,310.4	1,277.6
<b>Other Assets</b>	224.1	205.7	264.5	261.5	335.7
<b>Liabilities</b>	4,141.6	4,277.3	4,457.6	4,906.5	4,972.1
<b>Current Liabilities</b>	2,254.2	2,465.7	2,773.4	3,049.5	3,201.3
<b>Non-current Liabilities</b>	1,887.4	1,811.6	1,684.2	1,857.0	1,770.8
<b>Shareholders Equity</b>	11,826.9	11,842.1	11,583.1	11,616.4	11,253.2
<b>Paid-in Capital</b>	356.7	356.7	356.7	356.7	356.7

※ Chemicals & Electronic Materials reflected from 3Q14 post merger with Cheil Industries Inc. (July 1, 2014)