

1Q 2020 Business Overview

DAELIM

April 29 2020

Disclaimer



The financial numbers and statements included in the following presentation represent statements made before the external review by independent public accountants for the financial results of 1Q 2020 and are presented here today solely for the purpose of offering investors an understanding of the company. Part of the presentation is subject to change in the process of final reviewing by independent public accountants.



Performance Highlights

- Consolidated
- Parent-based

Detailed Figures

- Consolidated
- Equity method

Financial Status

Performance Highlights (Consolidated)



- Highest level of profitability in construction field through strict process management against uncertainties (Operating profit margin 11.6%)
- New orders' decline YoY due to COVID-19 resulting in harsh business environment

(Unit : bn. KRW)

I/S (Consolidated)	'19. 1Q		'20. 1Q	
	Rev.	O.P.	Rev.	O.P.
Daelim	2,322.1	240.9 (10.4%)	2,509.4	290.2 (11.6%)
E&C	1,520.8	147.1	1,463.3	165.4
P-Chem	281.5	21.4	252.6	5.1
Consol. Subs.	519.8	72.4	793.5	119.7

Orders	New Orders		Backlogs	
	'19. 1Q	'20. 1Q	2018	'20. 1Q
Daelim	1,301.8	950.8	21,325.8	20,623.6
Housing	849.5	611.1	14,007.5	13,588.9
Civil	235.4	323.2	5,072.9	5,033.9
Plant	465.1	16.5	2,245.4	2,000.9

Performance Highlights (Parent-based)



- Increase in operating profit thanks to performance improvement in every E&C business unit
- Temporal profit decline in petrochemical division due to demand reduction mixed with higher raw material costs amid drastic drop in oil prices

(Unit : bn. KRW)

Performance		'19.1Q	'20.1Q
Rev.		1,802.3	1,715.9
	Housing	1,071.9	941.5
	Civil	264.4	215.9
	Plant	175.9	298.8
	P-Chem	281.5	252.6
COGS rates		83.2%	81.8%
	Housing	80.1%	78.3%
	Civil	90.7%	90.2%
	Plant	84.3%	80.5%
	P-Chem	86.7%	88.6%
O.P.		168.5	170.5
	E&C	147.1	165.4
	P-chem	21.4	5.1

Detailed Figures (Consolidated)



- Increase in both sales revenue and operating profit thanks to favorable results of Samho and newly consolidated Korea Development compared to the corresponding period last year

(Unit : bn. KRW)

Performance	'19.1Q	'20.1Q
Rev.	2,322.1	2,509.4
Daelim	1,802.3	1,715.9
Major Overseas Corp.	45.7	65.8
Samho	304.8	424.7
KDC ^(*)	-	137.6
Daelim C&S	43.9	50.3
Daelim Motors	73.3	63.2
GLAD Hotels	21.0	14.5
Daelim Energy	35.0	34.2
D-Tower	10.7	10.9
Cariflex ^(*)	-	7.5
Others/Consol. Adjustments	(14.6)	(15.2)
O.P.	240.9	290.2
Daelim	168.5	170.5
Major Overseas Corp.	8.1	15.1
Samho	35.8	69.9
KDC ^(*)	-	12.3
Daelim C&S	1.2	0.7
Daelim Motors	1.3	(0.4)
GLAD Hotels	(1.0)	(2.8)
Daelim Energy	22.6	15.3
D-Tower	8.4	8.7
Cariflex ^(*)	-	0.3
Others/Consol. Adjustments	(4.0)	0.6

(*) Date of consolidation : Korea Development (2019.12~) Cariflex (2020.3~)

Detailed Figures (Equity Method)



- YNCC turned negative due to demand decline mixed with inventory valuation losses caused by sharp oil price drop
- PMC recorded flat results YoY impacted by demand surges for mask filter applications

(Unit : bn. KRW)

Performance		'19.1Q	'20.1Q
Rev.	YNCC	1,263.0	1,236.0
	PMC	233.7	229.7
	KDC ^(*)	130.7	-
O.P.	YNCC	163.6	(115.8)
	PMC	21.8	21.3
	KDC ^(*)	11.9	-
E.M. gains		66.1	(30.6)
	YNCC	56.9	(38.7)
	PMC	8.0	8.0
	KDC	1.8	-
Adjusted O.P. of P-Chem ^(**)		92.7	(47.3)
	YNCC	81.8	(57.9)
	PMC	10.9	10.7

(*) Exclusion of Korea Development from equity method since Dec. 2019

(**) Assumption of 50% of YNCC and PMC operating profit each based on its Joint Venture stakes

Financial Status (Consolidated)



- Highest level of financial stability in construction field of Debt Ratio 105% and Net Cash KRW 53bil as of end March 2020

(Unit : bn KRW)

B/S	2019	'20.1Q	I/S	'19.1Q	'20.1Q
Total Assets	13,445.2	14,150.5	Revenue	2,322.1	2,509.4
(Cash/Equiv.)	(2,731.6)	(2,997.8)	Gross Profit	398.1	467.1
Total Liabilities	6,708.5	7,252.5	Operating Profit	240.9 (10.4%)	290.2 (11.6%)
(Debts)	(2,586.6)	(2,944.8)	Income Before Tax	314.1	301.0
Equities	6,736.7	6,898.0	Net Profit	236.4 (10.2%)	223.2 (8.9%)
Net Debt	(145.0)	(53.0)			
Debt-Equity Ratio	99.6%	105.1%			

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