

DL 2020 Earnings Results



Former Daelim Industrial (before spin-off)

2021.01.28





Disclaimer —

This presentation is based on consolidated basis in accordance with K-IFRS. However, to help investors' understanding and to enhance comparability with previous presentation, most of financial figures are presented by Pre-Spinoff basis (Daelim Industrial Basis), which does not reflect reclassification of DL E&C as discontinued operations. Accordingly there are differences with official financial statements reflecting reclassification of discontinued operations.

2020 Results

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2020 Highlights



(Unit : KRW bil)

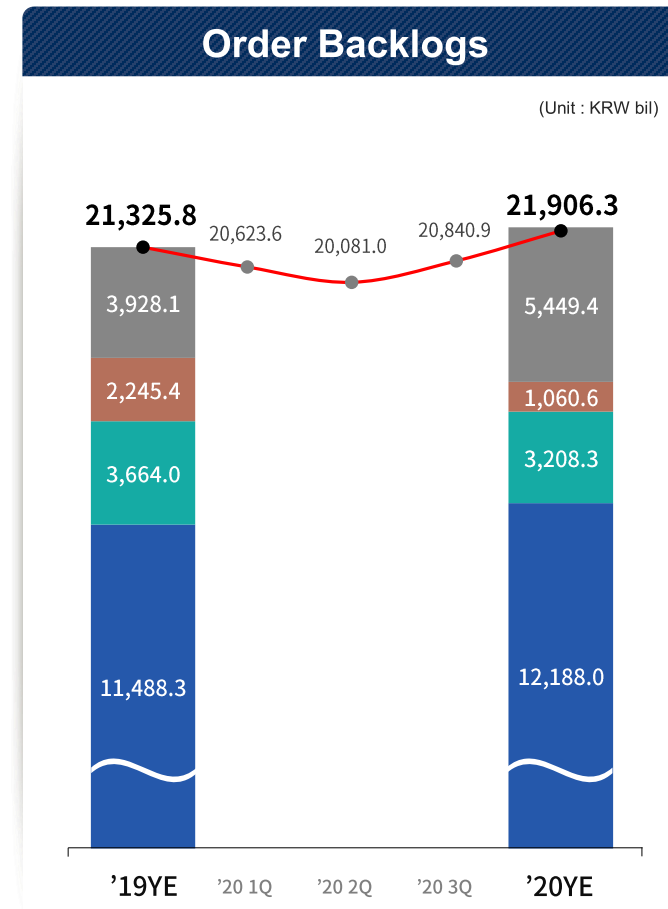
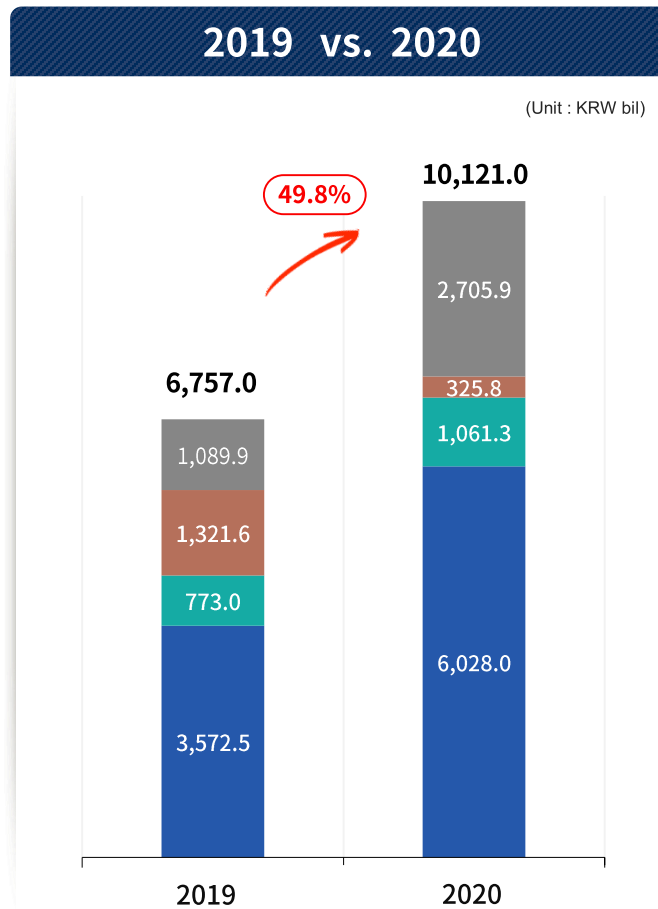
	2019	2020	Change
New Orders	6,757.0	10,121.0	49.8%
Revenue	9,700.1	10,270.0	5.9%
Operating Profit	1,130.1	1,173.6	3.8%
OP Margin	11.7%	11.4%	-0.3%p
Income Before Tax	957.8	953.1	-0.5%

	2019. 12	2020. 12	Change
Net Debt	-145.0	160.0	Net Cash → Net Debt
Debt-Equity Ratio	99.6%	97.4%	-2.2%p

New Orders & Order Backlogs

- New orders increased due to housing business and Daelim Construction (YoY +49.8%)

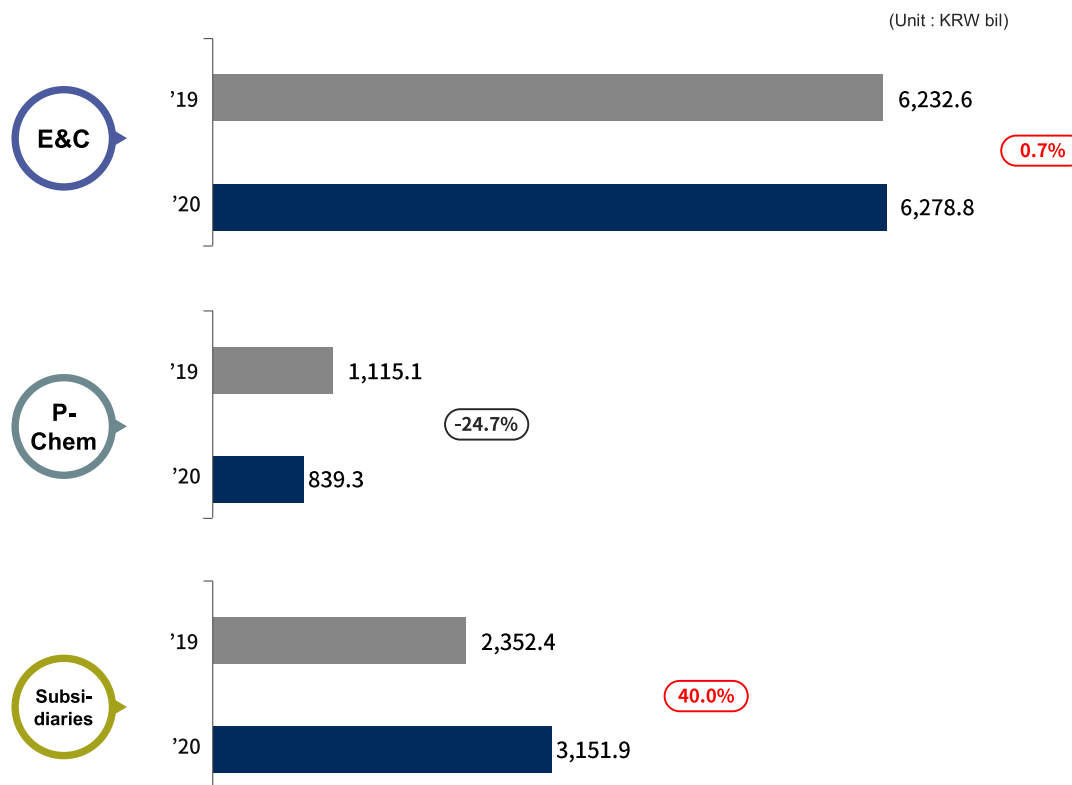
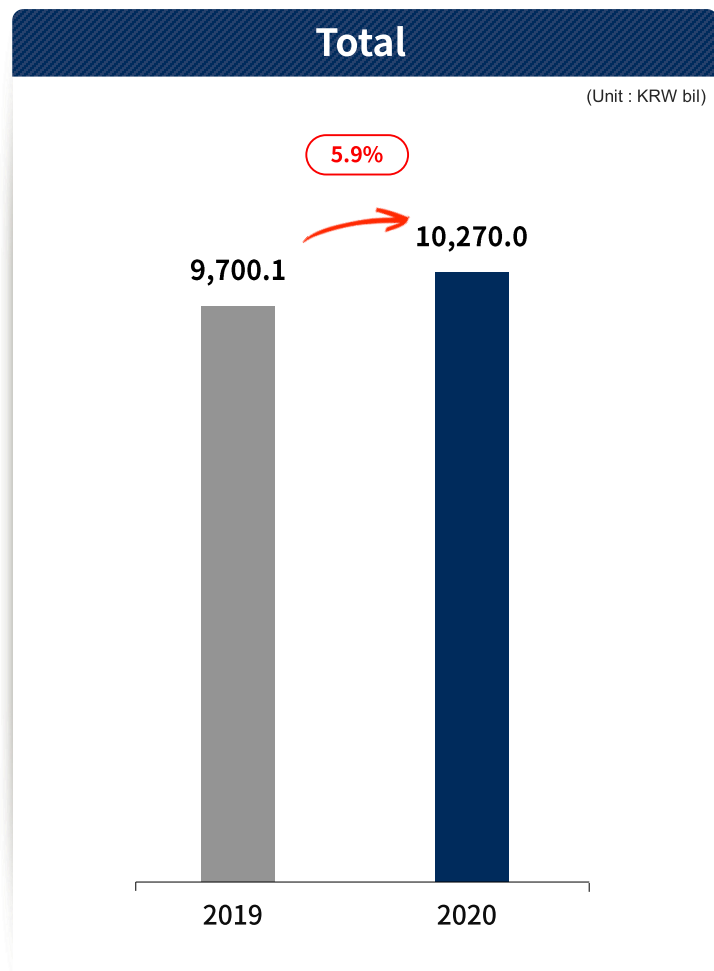
■ Housing ■ Civil ■ Plant ■ Daelim Construction



Revenue (Consolidated)



- Consolidated revenue increased by 5.9% due to E&C Unit and addition of newly consolidated subsidiaries (Cariflex & KDC¹⁾)

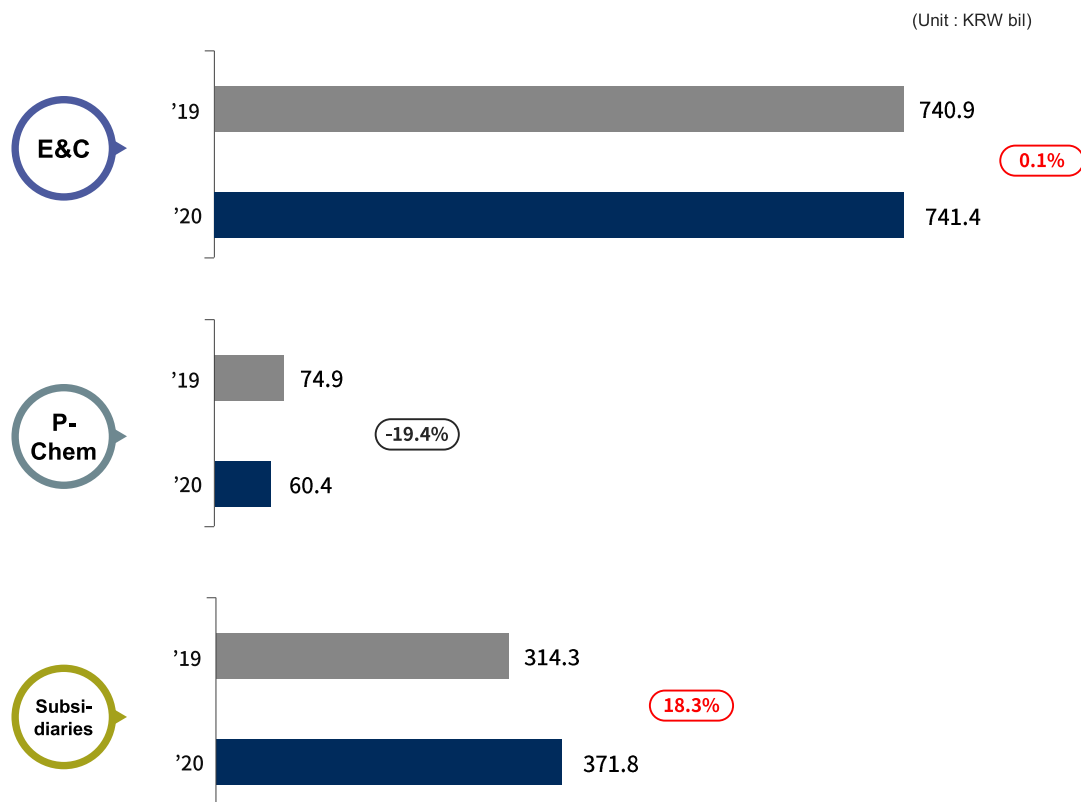
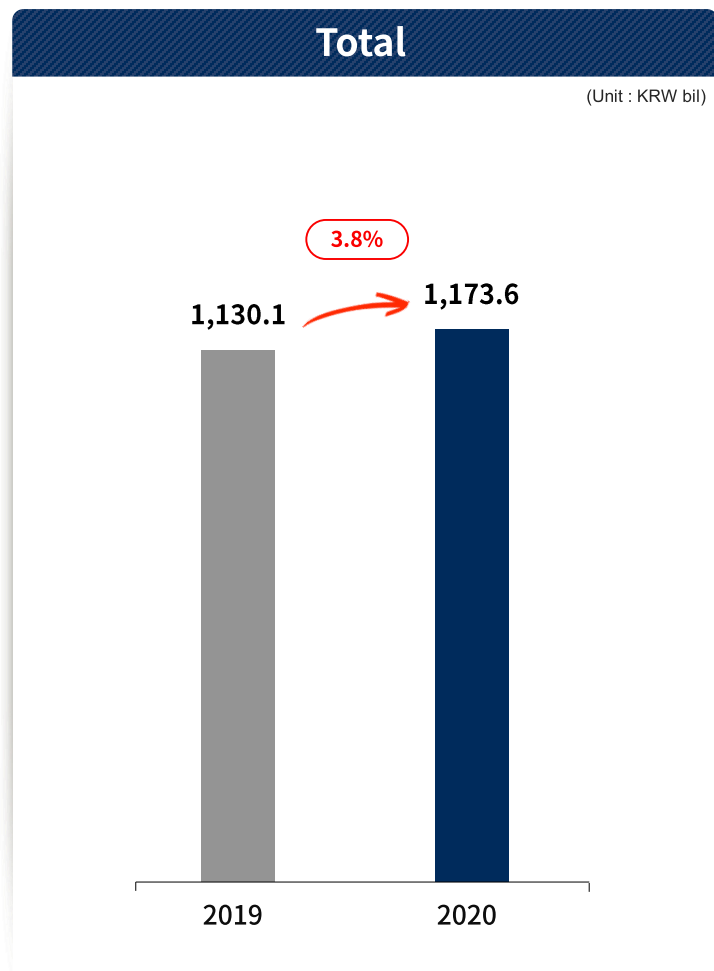


1) KDC was merged to Daelim Construction as of July 1st 2020

Operating Profit (Consolidated)



- Consolidated OP increased by 3.8% due to E&C Unit and addition of newly consolidated subsidiaries (Cariflex & KDC¹⁾)

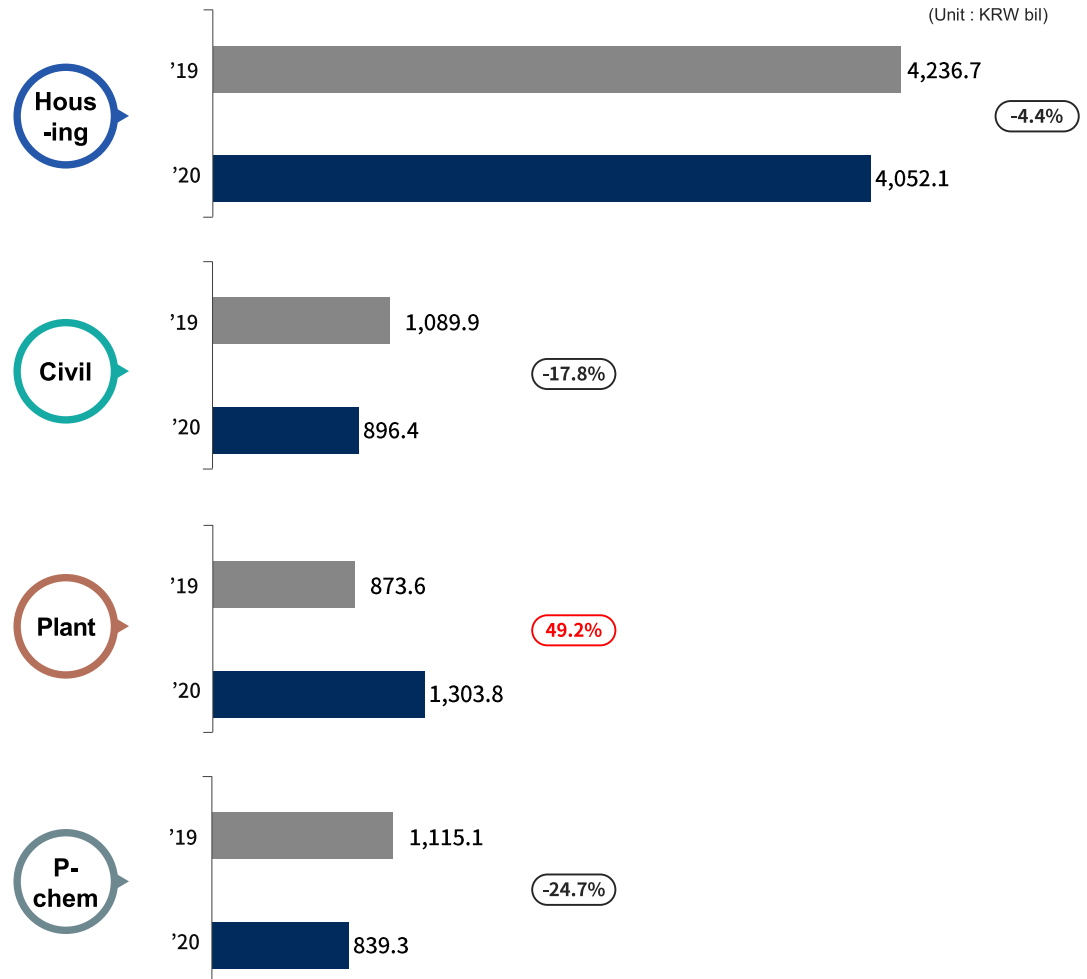
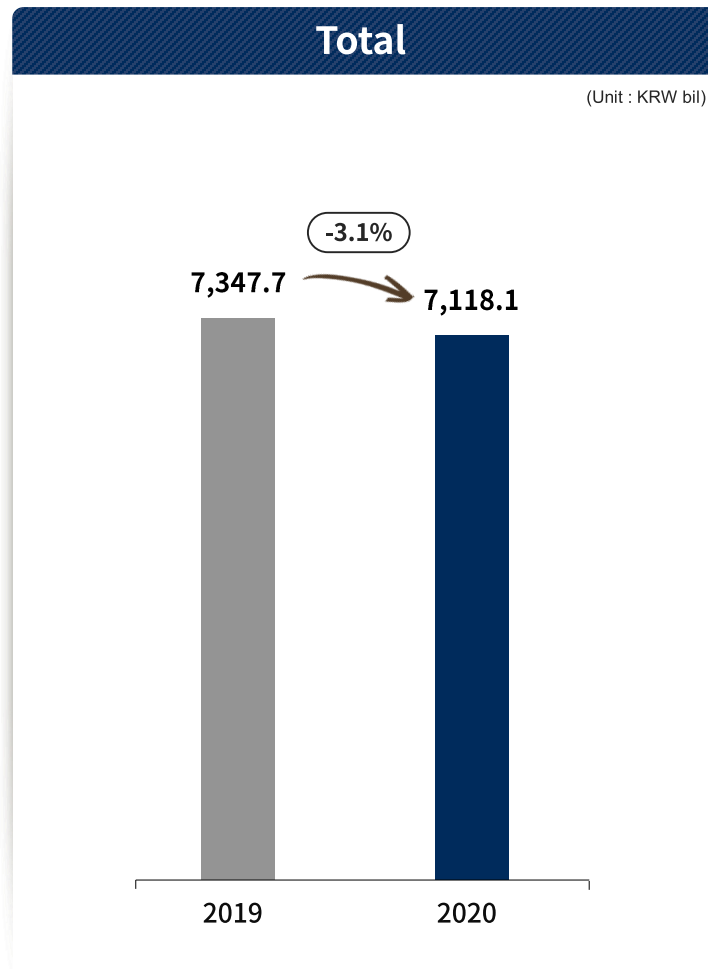


1) KDC was merged to Daelim Construction as of July 1st 2020

Revenue (Standalone)

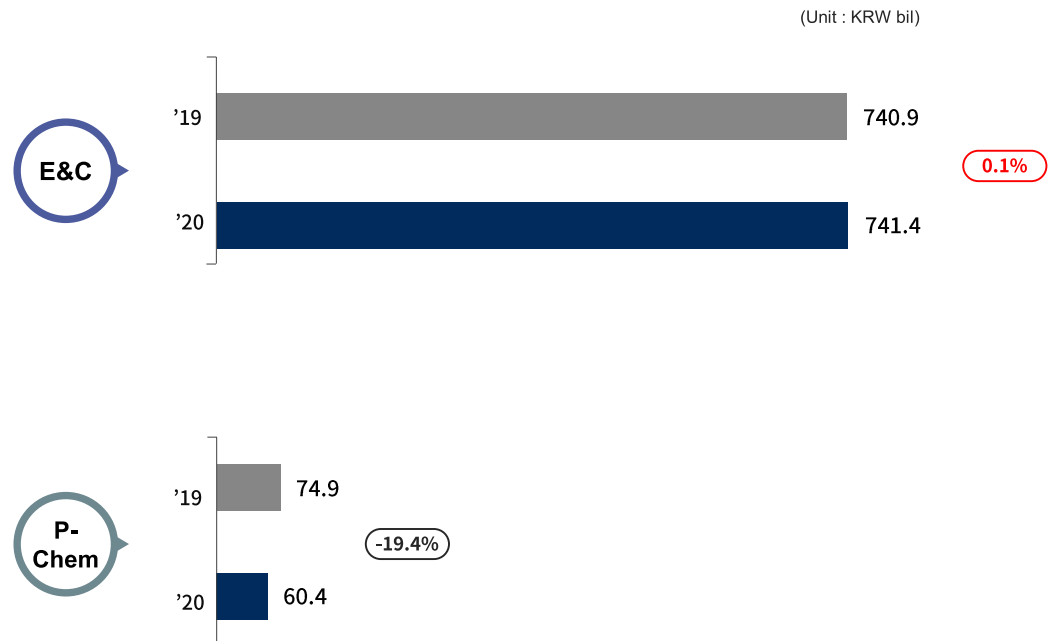
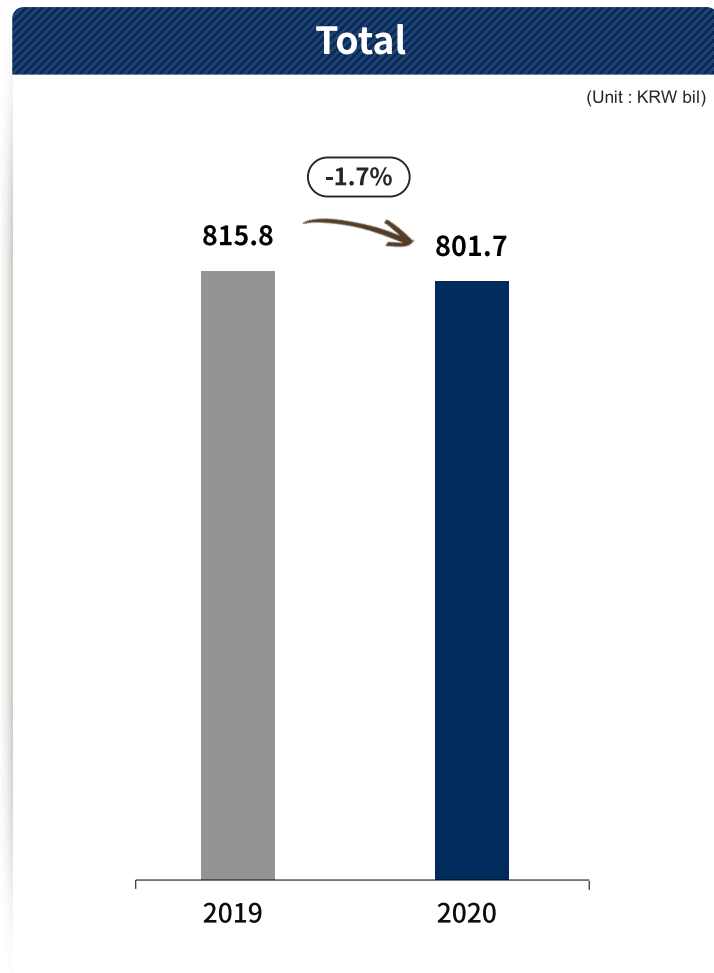


- Standalone revenue slightly fell due to Petrochemical Unit despite increase in E&C Unit from Plant



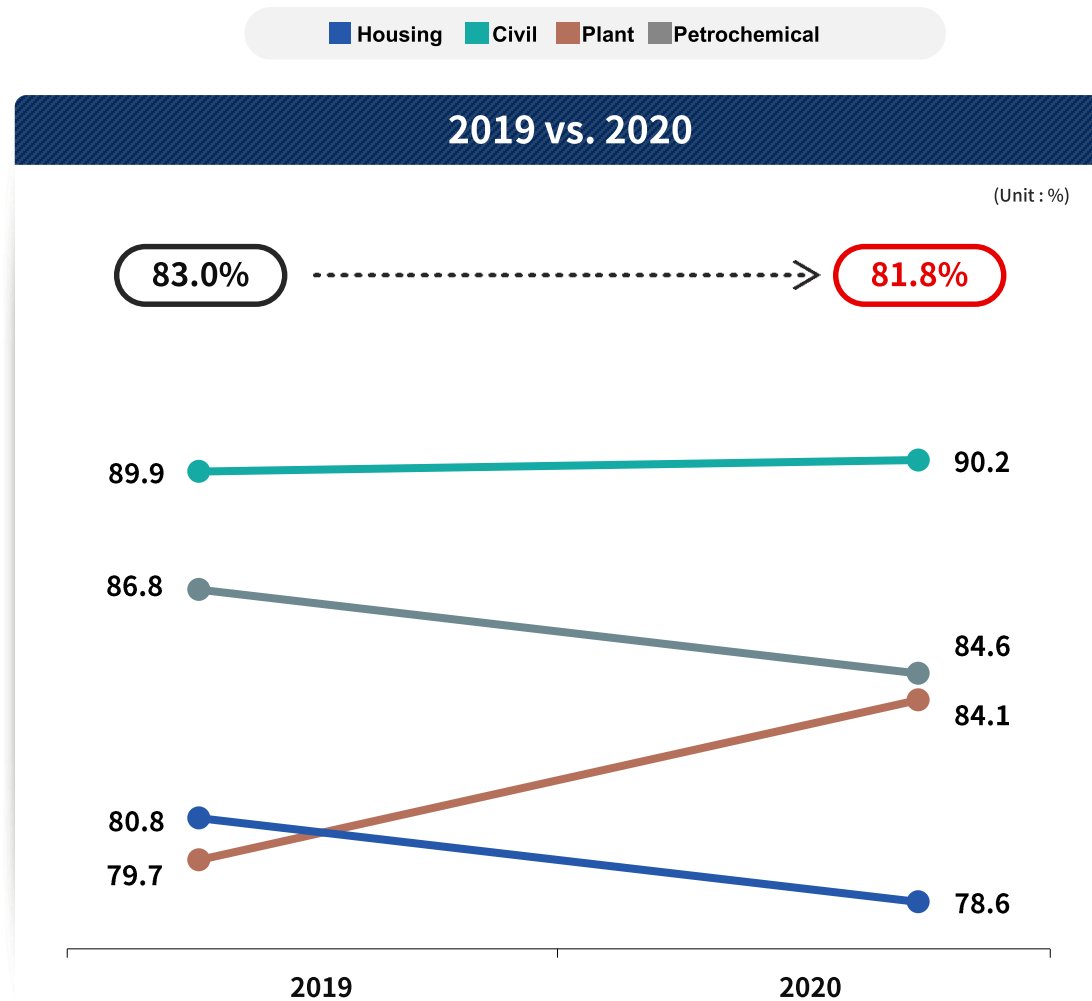
Operating Profit (Standalone)

- ▶ Standalone OP slightly decreased due to decline in Petrochemical Unit



COGS Rates (Standalone)

- Achieved best-in-class COGS rates of 81.8% based on solid performance in Housing and Petrochemical



Detailed Figures (Consolidated)



- Revenue and OP increased by addition of newly consolidated subsidiaries (Cariflex & KDC¹⁾)

(Unit : KRW bil)

Performance		2019	2020
Revenue	DL (Standalone)	7,347.7	7,118.1
	Major Overseas Corp.	299.4	404.9
	Daelim Construction ^(*)	1,380.4	2,079.8
	DL Energy	102.4	113.8
	Cariflex ^(**)	-	198.8
	Others/Consol.	570.2	354.6
Total		9,700.1	10,270.0
Operating Profit	DL (Standalone)	815.8	801.7
	Major Overseas Corp.	87.9	86.3
	Daelim Construction ^(*)	151.7	229.1
	DL Energy	42.3	40.5
	Cariflex ^(**)	-	33.2
	Others/Consol.	32.4	(17.2)
Total		1,130.1	1,173.6

(*) Consolidated since Dec.2019

(**) Consolidated Since Mar.2020

1) KDC was merged to Daelim Construction as of July 1st 2020

Detailed Figures (Equity Method)



- Oil price plummet in 1H'20 resulted in overall YNCC's profit decline in 2020
- PMC continued robust results with strong demand on our premium product (Filter for face mask)

(Unit : KRW bil)

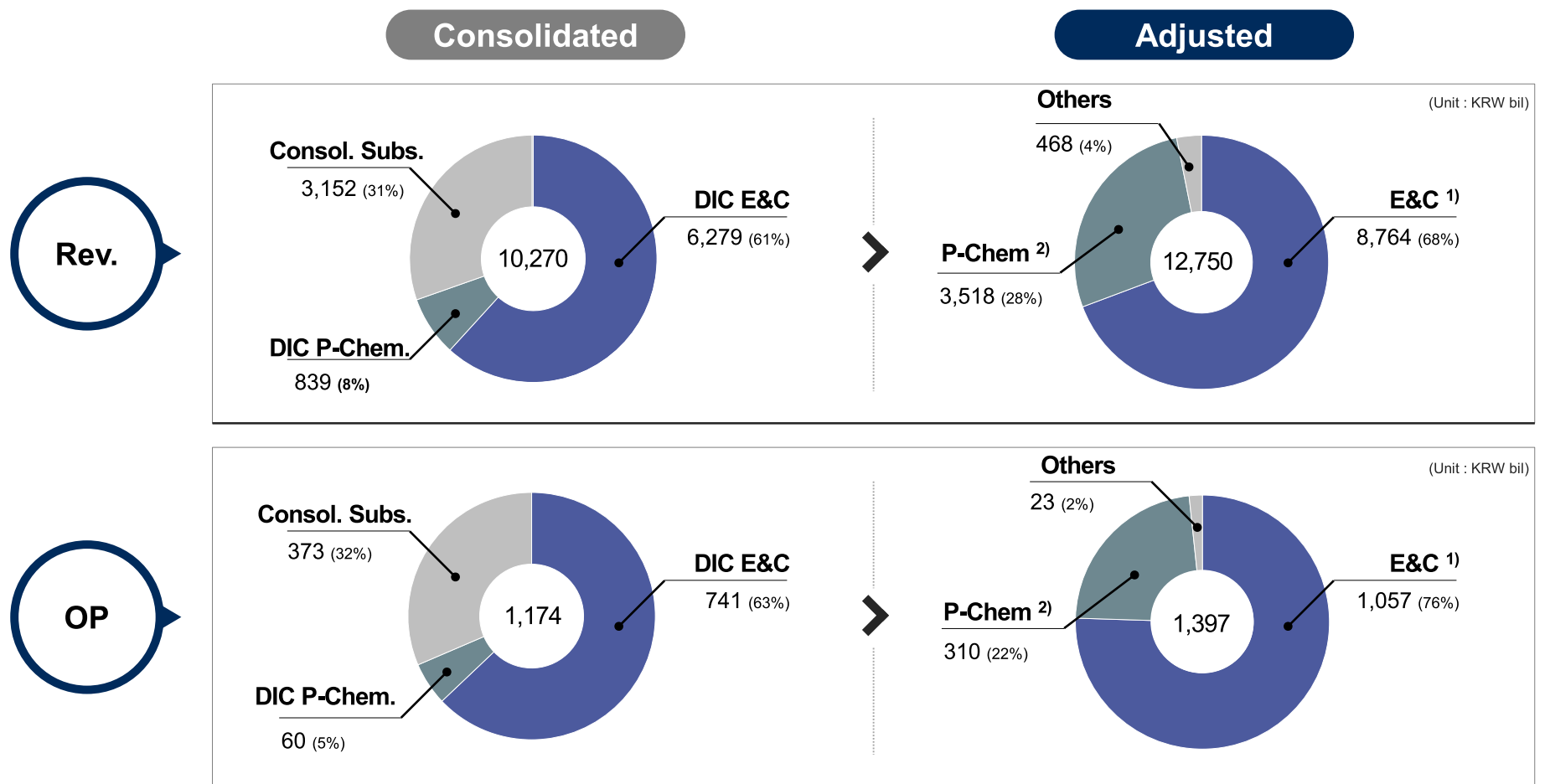
Performance		2019	2020
Revenue	YNCC	5,006.4	3,944.5
	PMC	948.3	896.7
	KDC(*)	584.5	-
Operating Profit	YNCC	450.4	301.0
	PMC	87.4	125.8
	KDC(*)	54.4	-
Equity Method	YNCC	167.2	118.3
	PMC	31.9	44.2
	KDC(*)	21.4	-
Total		220.5	162.5

(*) KDC excluded from equity method since DEC. 2019

Adjusted Financial Results by Business Unit



- Adjusted results : Adding the results of our equity-method-affiliates (YNCC & PMC) by their ownership (50%)
- Revenue Portion (E&C 68%, P-Chem. 28%), OP Portion (E&C 76%, P-Chem. 22%)



1) E&C : DIC E&C + Daelim Construction + Major overseas subsidiaries

2) P-Chem : DIC P-Chem. + Cariflex + FnC + YNCC 50% + PMC 50%

Financial Status (Before reflecting discontinued operations reclassification)



➤ Maintain top-tier financial stability in E&C industry with Debt-Equity ratio of 97.4%

(Unit : KRW bil)

B/S	19.12	20.12
Total Assets	13,445.2	13,901.9
(Cash / Cash Equiv.)	(2,731.6)	(3,010.4)
Total Liabilities	6,708.5	6,858.3
(Debts)	(2,586.6)	(3,170.4)
Total Equities	6,736.7	7,043.6
Net Debt	-145.0	160.0
Debt-Equity Ratio	99.6%	97.4%

I/S	2019	2020
Revenue	9,700.1	10,270.0
Gross Profit	1,657.6	1,861.0
Operating Profit	1,130.1 (11.7%)	1,173.6 (11.5%)
Income Before Tax	957.8	953.1
Net Profit	710.3 (7.3%)	572.7 (5.6%)

Brief Income Statement (After reflecting discontinued operations reclassification)



- Excluding the results of spin-off businesses, as a discontinued operation, resulted in temporal decline in revenue, OP and IBT (No impact on Net Income)

(Unit : KRW bil)

I/S	Before Reclassification (IR Basis)	Reclassification (Disclosure Basis)	Difference
Revenue	10,270.0	1,566.1	(8,703.9)
			<ul style="list-style-type: none"> • DL E&C 6,258.3 • Daelim Construction 2,079.9 • Overseas 404.9
Operating Income (OP)	1,173.6	119.0	(1,054.6)
			<ul style="list-style-type: none"> • DL E&C 751.5 • Daelim Construction 229.1 • Overseas 86.1
Income Before Tax (IBT)	953.1	44.4	(908.7)
Net Income	572.7	572.7	-
Net Income from Continuing Operations	572.7	21.0	(551.7)
Net Income from Discontinued Operations		551.7	551.7

Brief Balance Sheet (After reflecting discontinued operations reclassification)



- Recognizing the net asset value of the spin-off businesses as a temporal liabilities

(Unit : KRW bil)

B/S	Before Reclassification (IR Basis)	Reclassification (Disclosure Basis)	Difference
Total Assets	13,901.9	13,901.9	
Remaining Assets		6,179.4	
Assets to be spun off		7,722.5	
Total Liabilities	6,858.3	10,690.5	* 3,832.2
Remaining Liabilities		2,997.3	* Net Asset of DL E&C assessed at fair value were recognized as Dividend Liabilities
Liabilities to be spun off		3,861.0	
Dividend Liabilities		*3,832.2	
Total Equities	7,043.6	3,211.4	(3,832.2)

2020 Results

2021 Business Plan



2021 Business Plan



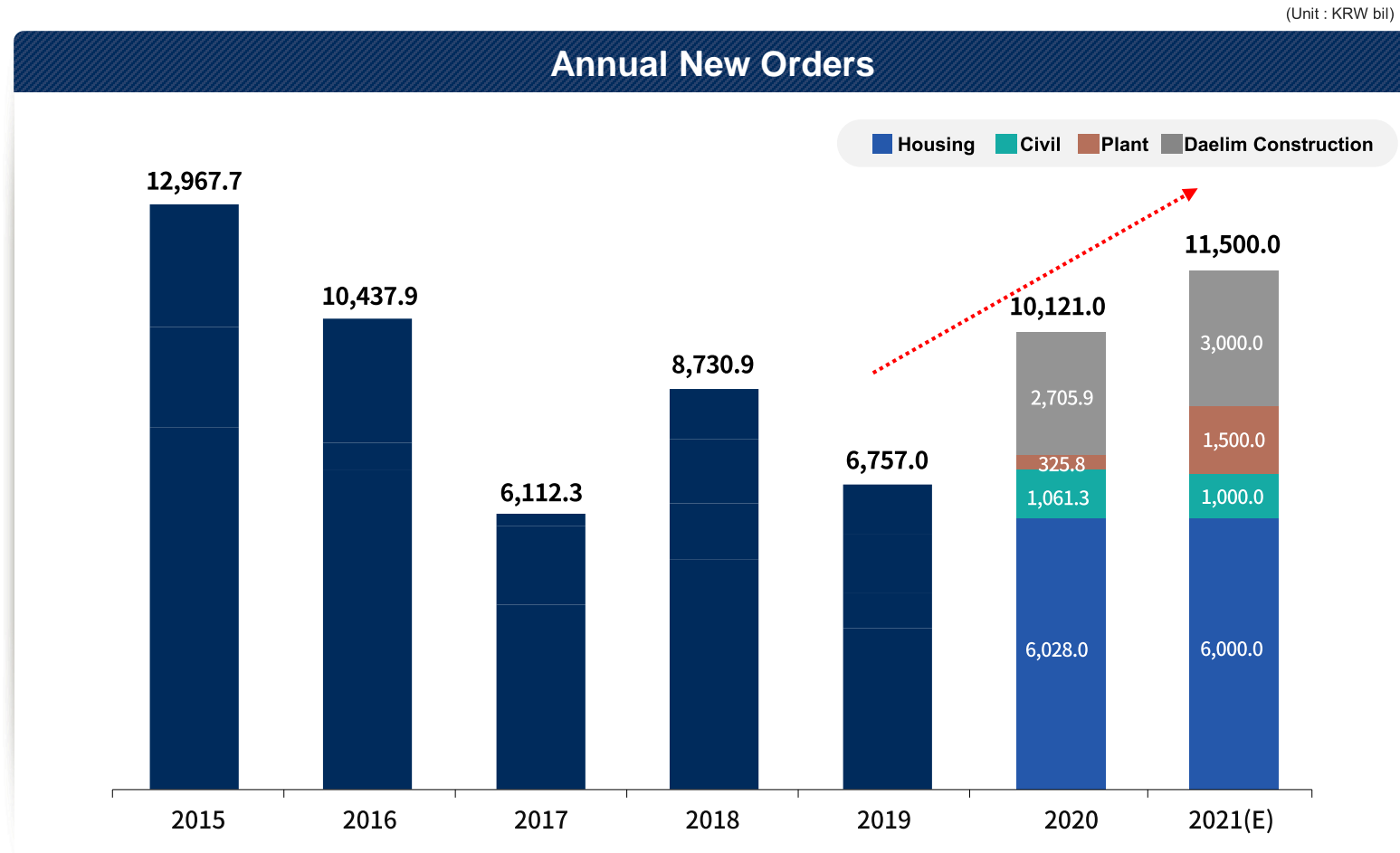
(Unit : KRW tril)

Company	Revenue	Operating Profit	New Orders
DL	2.0 <ul style="list-style-type: none"> ● DL Chemical : 1.2 ● Others : 0.8 	0.21 <ul style="list-style-type: none"> ● DL Chemical : 0.10 ● Others : 0.11 	-
DL E&C	7.8 <ul style="list-style-type: none"> ● DL E&C : 5.6 ● Daelim Construction : 2.2 	0.83 <ul style="list-style-type: none"> ● DL E&C : 0.59 ● Daelim Construction: 0.24 	11.5 <ul style="list-style-type: none"> ● DL E&C : 8.5 ● Daelim Construction : 3.0

DL E&C New Orders Trend (2015 ~ 2021E)



- ▶ Robust growth will continue through DL E&C's unique strategy of selectively receiving new orders with guaranteed profitability



Thank You

