

4Q17 Quarterly Earnings

January 23, 2018

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM 

SAMSUNG SDI



This material is produced based on IFRS and assumptions and statements made could be different from actual results.

4Q17 and FY17 Earnings

[Unit : KRW Bil]

Category	4Q17	3Q17	QoQ	FY17	FY16	YoY
Revenue	1,854.5	1,708.0	+8.6%	6,321.6	5,200.8	+21.6%
Li-ion Battery	1,319.1	1,167.9	+12.9%	4,297.8	3,424.5	+25.5%
Electronic Materials	533.4	538.0	-0.9%	2,017.4	1,771.3	+13.9%
Operating Profit (%)	118.6 (6.4%)	60.2 (3.5%)	+97.0%	116.9 (1.8%)	-926.3 (-17.8%)	Turned in Black
Pre-Tax Profit (%)	333.2 (18.0%)	174.9 (10.2%)	+90.5%	824.1 (13.0%)	-820.7 (-15.8%)	Turned in Black
Profit from ※ Discontinued Operations	-	-	-	-	1,089.6	-
Net Profit (%)	240.0 (12.9%)	135.0 (7.9%)	+77.8%	643.2 (10.2%)	211.1 (4.1%)	+204.7%

※ Disposal of stake in Lotte Advanced Materials Co., Ltd. (SDI Chemical)

FY17 Financial Status

[Unit : KRW Bil]

Category	Dec.31, '17	Sep.30, '17	QoQ	Dec.31, '16	YoY
Assets	15,751.5	15,600.3	+151.2	14,900.3	+851.2
Current	3,605.1	3,715.1	-110.0	3,958.3	-353.2
Non-current	12,146.4	11,885.2	+261.2	10,942.0	+1,204.4
Liabilities	4,299.5	4,342.4	-42.9	3,936.2	+363.3
Current	2,670.4	2,772.8	-102.4	2,212.8	+457.6
Non-current	1,629.1	1,569.6	+59.5	1,723.4	-94.3
Shareholders' Equity	11,452.0	11,257.9	+194.1	10,964.1	+487.9
Paid-in Capital	356.7	356.7	-	356.7	-
Cash equivalent	1,209.0	777.1	+431.9	1,011.7	+197.3
Debt	1,424.6	1,401.8	+22.8	950.5	+474.1

4Q17 Results and Outlook

Large-sized LIB

[4Q17 Results]

□ Historical high quarterly revenue and improved profitability

- Shipment for EVs in EU increased
- ESS profitability maintained on increased commercial & utility sales

[1Q18 Outlook]

□ Strong revenue growth in xEV · ESS

- Shipment for PHEVs in EU to expand
- ESS revenue to increase led by commercial demand in Korea

['18 Market Outlook and Strategy]

□ xEV market size 50GWh (YoY +56%)

※ B3, exclude Commercial Vehicles

- Growth to accelerate by strong regulatory enforcement in EU, US and China
→ Better profitability from higher revenue and product mix improvement

□ ESS market size 8.2GWh (YoY +72%)

※ SNE

- Sharp market growth from escalating demand in alternative energy globally and more supporting policies by governments
- Domestic demand to lead global market growth
→ Superior technology to remain #1 in global M/S

4Q17 Results and Outlook

Small-sized LIB

[4Q17 Results]

□ Revenue increased in QoQ

- Cylindrical upbeat sales in new applications offset low seasonality in P/Tool
- Polymer began shipment to key customer's new flagship model

[1Q18 Outlook]

□ Revenue to increase on new product launch

- Cylindrical LIB adoption to expand in more apps
- Polymer to benefit from new flagship launch

['18 Market Outlook and Strategy]

□ LIB market size of 7.2bn cells (YoY +13%) ※ B3 기준

- Cylindrical demand increased in non-IT, (YoY +23%) leads overall small-sized LIB market growth
→ Lead non-IT market with 21700 and high output products
- Polymer demand to rise despite limited IT market growth due to increasing polymer adoption rate (YoY +8%)
→ Increase M/S within major flagship models

4Q17 Results and Outlook

Electronic Materials

[4Q17 Results]

□ Revenue decrease tad in QoQ

- PV Paste revenue drop on seasonality
- Semi/OLED profitability remain intact

[1Q18 Outlook]

□ Despite seasonality, keep margin as to increase sales in non-captive and better product mix

- Polarizer film, expand sales in Greater China area
- Semi, upgraded SOH sales to increase

['18 Market Outlook and Strategy]

□ Global semi demand to grow (DRAM YoY 22%) ※ IDC, chips

- For DRAM server, IoT triggers fresh demands
→ Increase high value product sales

□ Display to grow in large LCD · mobile OLED

- Major panel makers to begin 10G production
→ Increase polarizer film sales in non-captive and timely introduce new product
- Mobile OLED panel to grow ('20, 39% adoption)
※ IHS
→ Enter into a new mobile OLED platform and develop more flexible OLED items

Appendix

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

SAMSUNG SDI



Income Statement

[Unit : KRW Bil.]

Category	FY17	4Q17	3Q17	2Q17	1Q17	FY16	4Q16
Revenue	6,321.6	1,854.5	1,708.0	1,454.3	1,304.8	5,200.8	1,302.9
COGS	5,152.5	1,496.8	1,380.3	1,186.0	1,089.4	4,450.3	1,108.9
Gross Profit (%)	1,169.1 (18.5%)	357.6 (19.3%)	327.7 (19.2%)	268.3 (18.4%)	215.4 (16.5%)	750.5 (14.4%)	194.0 (14.9%)
Operating Profit (%)	116.9 (1.8%)	118.6 (6.4%)	60.2 (3.5%)	5.5 (0.4%)	-67.3 (-5.2%)	-926.3 (-17.8%)	-58.0 (-4.5%)
Non-operating Profit	707.2	214.6	114.7	226.1	151.7	105.6	157.6
Pre-tax Profit (%)	824.1 (13.0%)	333.2 (18.1%)	174.9 (10.2%)	231.6 (15.9%)	84.4 (6.5%)	-820.7 (-15.8%)	99.6 (7.6%)
Tax	180.9	93.2	39.9	45.0	2.7	57.8	91.9
Discontinued Operations[※]	0.0	0.0	0.0	0.0	0.0	1,089.6	0.0
Net Profit (%)	643.2 (10.2%)	240.0 (12.9%)	135.0 (7.9%)	186.6 (12.8%)	81.7 (6.3%)	211.1 (4.1%)	7.7 (0.6%)
NP less Minority Interests (%)	657.2 (10.4%)	237.6 (12.8%)	145.7 (8.5%)	193.1 (13.3%)	80.9 (6.2%)	219.4 (4.2%)	7.5 (0.6%)
Depreciation	460.8	125.2	119.0	110.3	106.3	455.0	110.8
CAPEX	940.9	197.1	194.8	369.1	180.0	775.9	277.1

※ Disposal of stake in Lotte Advanced Materials Co., Ltd. (SDI Chemical)

Balance Sheet

[Unit : KRW Bil]

Category	Dec. 31, '17	Sep. 30, '16	Jun. 30, '16	Mar. 31, '16	Dec. 31, '16
Total Assets	15,751.5	15,600.3	15,244.1	14,682.1	14,900.3
Current Assets	3,605.1	3,715.1	3,490.8	3,484.6	3,958.3
Cash equivalent	1,209.0	777.1	1,020.5	1,002.4	1,011.7
A/R & Others	1,429.5	2,017.5	1,683.3	1,795.8	2,217.5
Inventory	966.6	920.5	787.0	686.4	729.1
Non-current Assets	12,146.4	11,885.2	11,753.3	11,197.5	10,942.0
Investment Assets	8,005.2	7,775.5	7,756.0	7,368.2	7,152.4
Tangible & Intangible Assets	3,827.8	3,793.4	3,683.4	3,514.8	3,445.5
Others	313.4	316.3	313.9	314.5	344.1
Liabilities	4,299.5	4,342.4	4,085.5	3,898.3	3,936.2
Current Liabilities	2,670.4	2,772.8	2,353.4	2,230.4	2,212.8
Non-current Liabilities	1,629.1	1,569.6	1,732.1	1,667.9	1,723.4
Shareholders' Equity	11,452.0	11,257.9	11,158.6	10,783.8	10,964.1
Paid-in Capital	356.7	356.7	356.7	356.7	356.7