

Q4 '15 Earnings Results



2016. 01. 27
LG Display

Disclaimer

- This presentation contains forward-looking statements. We may also make written or oral forward-looking statements in our periodic reports to the United States Securities and Exchange Commission and the Korean Financial Supervisory Service, in our annual report to shareholders, in our proxy statements, in our offering circulars and prospectuses, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.
- Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to: our highly competitive environment; the cyclical nature of our industry; our ability to introduce new products on a timely basis; our dependence on growth in the demand for our products; our ability to successfully execute our expansion strategy; our dependence on key personnel; and general economic and political conditions, including those related to the TFT-LCD industry; possible disruptions in business activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates. Additional information as to these and other factors that may cause actual results to differ materially from our forward-looking statements can be found in our filings with the United States Securities and Exchange Commission.
- All financial information contained in this document is based on consolidated K-IFRS.
- This presentation also includes information regarding our historical financial performance through Dec 31, 2015, and our expectations regarding future performance which is available on our investor relations website at <http://www.lgdisplay.com> under the file name Q4 2015 Earnings Results Presentation.

NOTE: Beginning with the financial statements for the year ended December 31, 2012, the Company is required to give effect to the amendments to K-IFRS No. 1001, Presentation of Financial Statements, in preparing its financial statements. The Company presents operating profit or loss as an amount of sales less cost of sales and selling and administrative expense including research and development expenses on the face of the statement of comprehensive income. The Company applies the amendment retroactively and reclassifies the statements of comprehensive income for the years ended December 31, 2011.

1. Q4 '15 Earnings Results

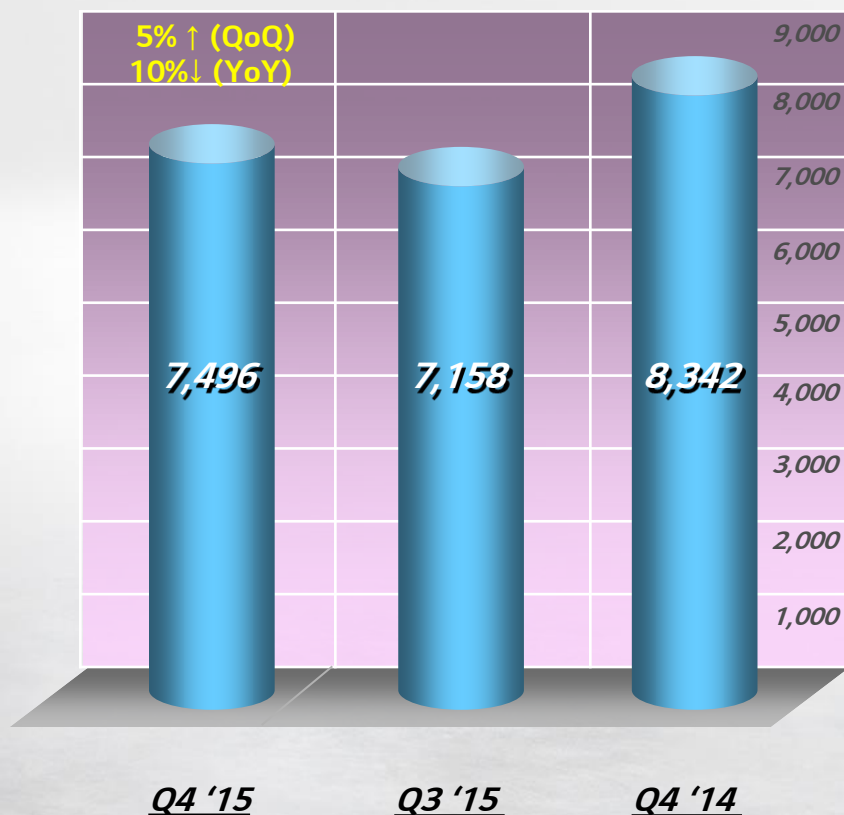
2. Performance Highlights

3. Q1 '16 Outlook

Revenues & Profits

Revenues

(Unit : KRW B)



Profits

(Unit : KRW B, %)

	Q4 '15	Q3 '15	Q4 '14	QoQ	YoY
Operating Income	61 1%	333 5%	626 8%	-82%	-90%
EBITDA*	882 12%	1,178 17%	1,532 18%	-25%	-42%
Income Before Tax	31	272	488	-89%	-94%
Net Income	-14	198	389	N/A	N/A

* EBITDA = Operating Income + Depreciation + Amortization

Source : Unaudited, Company financials

K-IFRS (Consolidated)

Financial Positions & Ratios

Financial Positions

(Unit : KRW B)

	Q4 '15	Q3 '15	Q4 '14
Assets	22,577	23,796	22,967
Current Assets	9,532	10,475	9,241
Cash*	2,524	2,594	2,416
Inventory	2,352	2,876	2,754
Non-Current Assets	13,046	13,321	13,726
Liabilities	9,872	10,775	11,184
Current Liabilities	6,607	7,305	7,550
Non-Current Liab.	3,265	3,470	3,634
Shareholders' Equity	12,705	13,021	11,783
Debts	4,224	4,381	4,247
Net Debts	1,700	1,787	1,831

Financial Ratios

(Unit : %)

	Q4 '14	Q3 '15	Q4 '15
Liabilities to Equity Ratio	95%	83%	78%
Current Ratio	122%	143%	144%
Net Debt to Equity Ratio	16%	14%	13%

* Cash includes short term financial instruments.

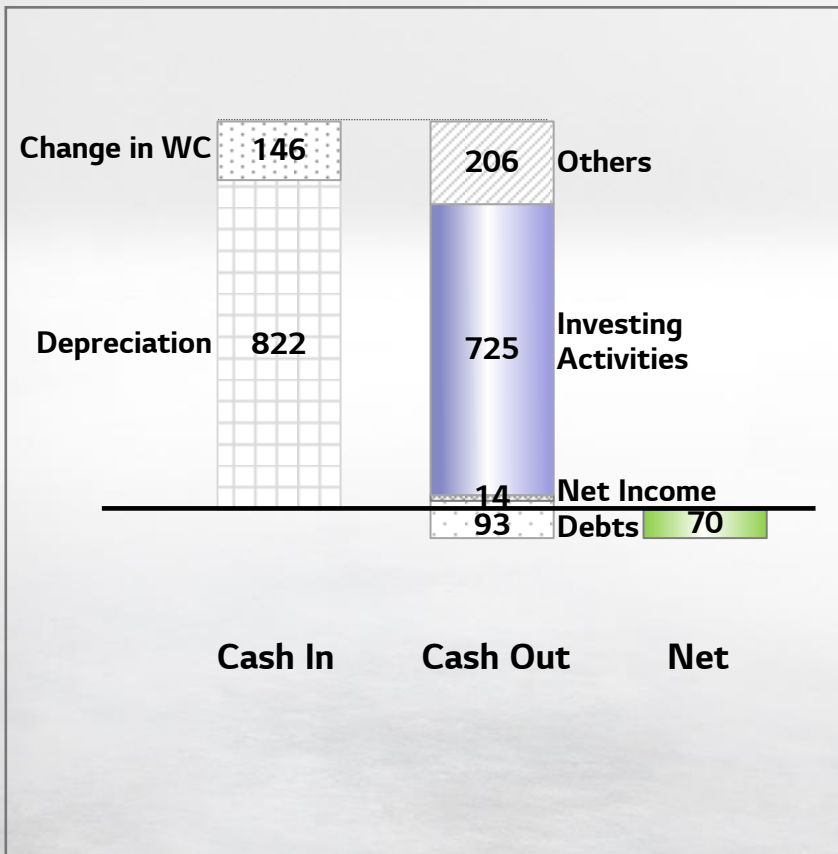
Source : Unaudited, Company financials

K-IFRS (Consolidated)

Cash Flow

Net Cash Flow

(Unit : KRW B)



Cash Flow Statement

(Unit : KRW B)

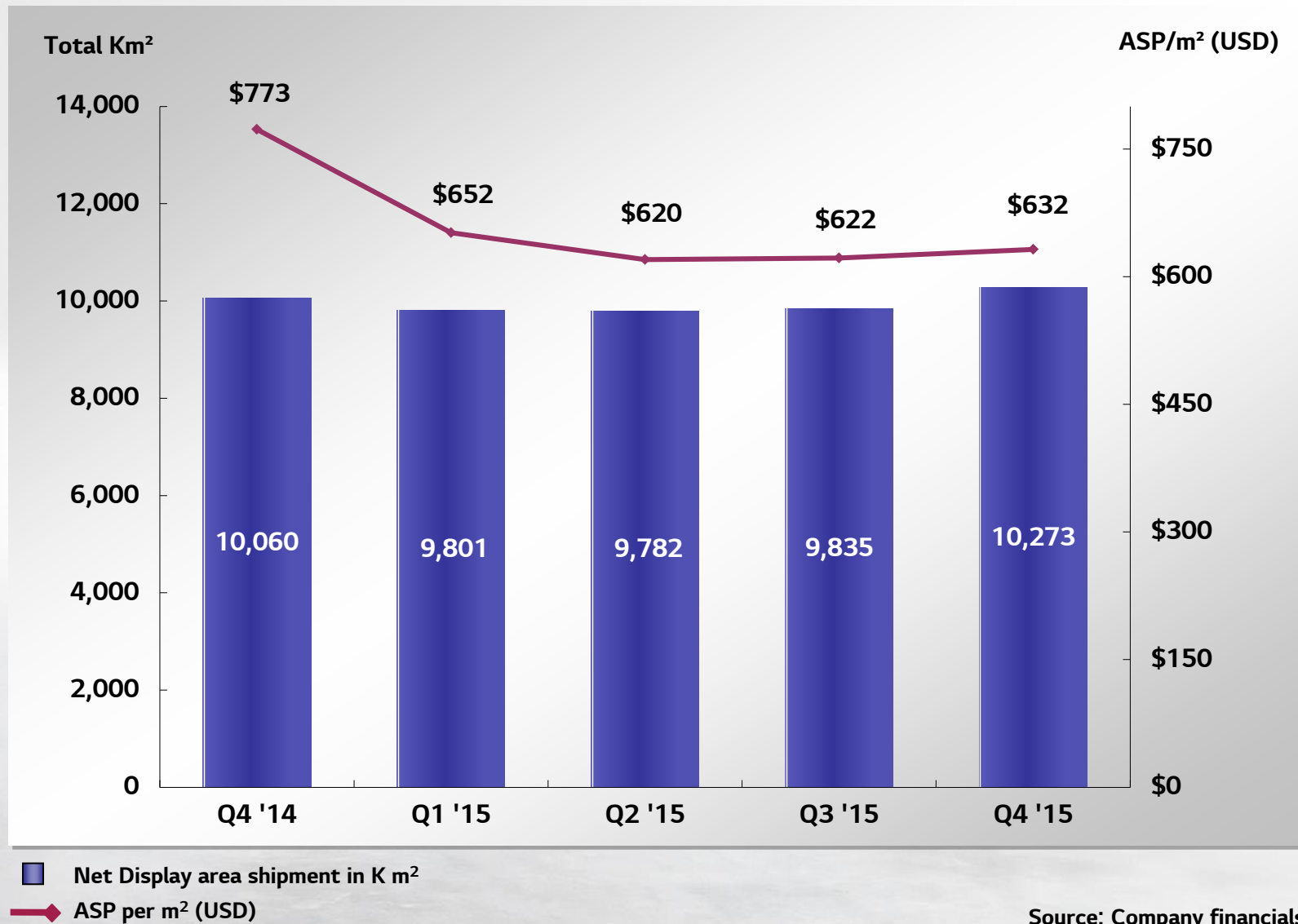
Q4' 15

Cash at the beginning of quarter	2,594
Cash flow from operating activities	748
<i>Net Income</i>	(14)
<i>Depreciation & Amortization</i>	822
<i>Change in Working Capital</i>	146
<i>Others</i>	(206)
Cash flow from investing activities	(725)
Cash flow before financing activities	23
<i>Financing activities</i>	(93)
Net change in Cash	(70)
Cash at the end of quarter	2,524

Source : Unaudited, Company financials

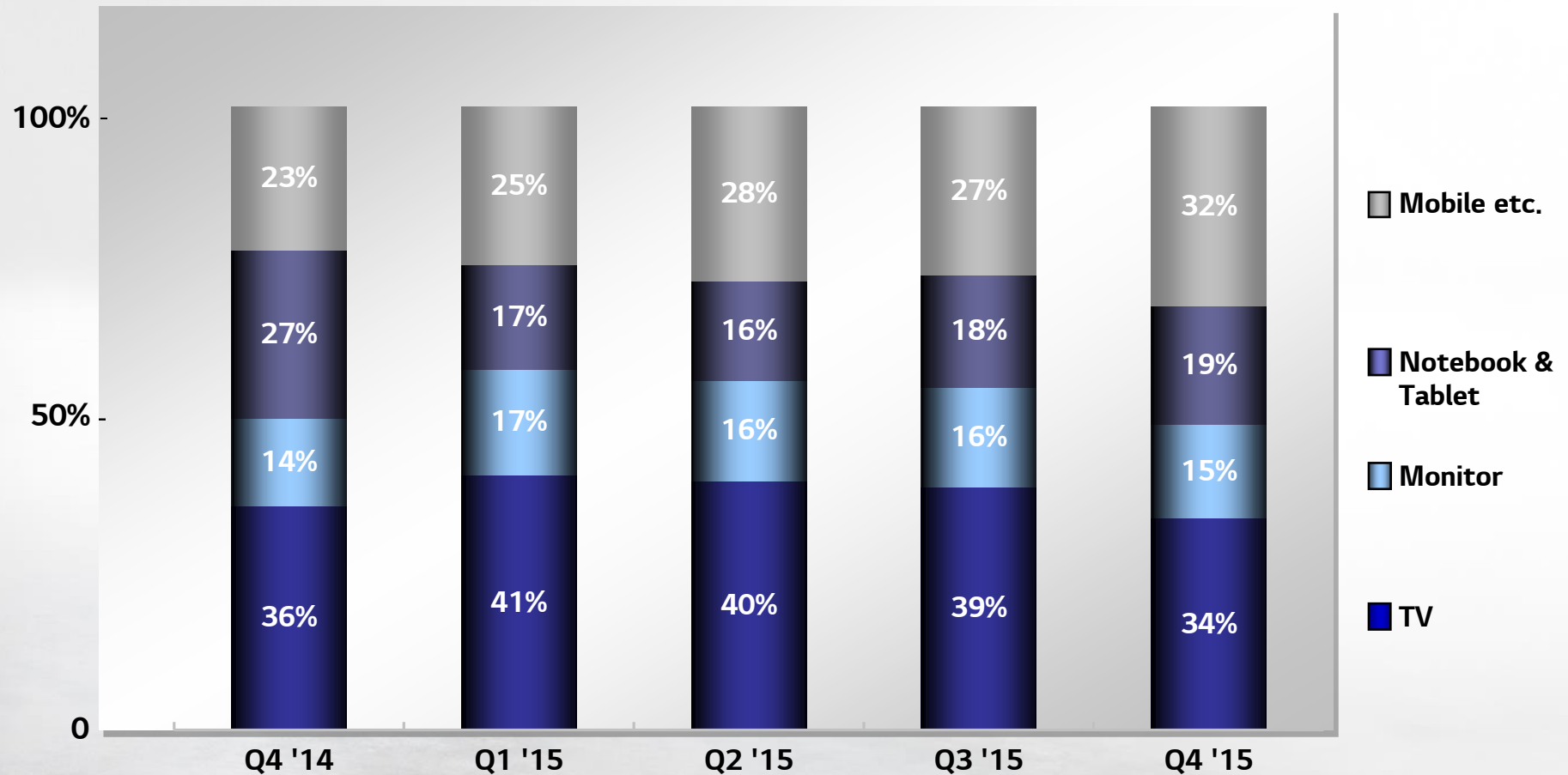
K-IFRS (Consolidated)

Shipments and ASP



Source: Company financials

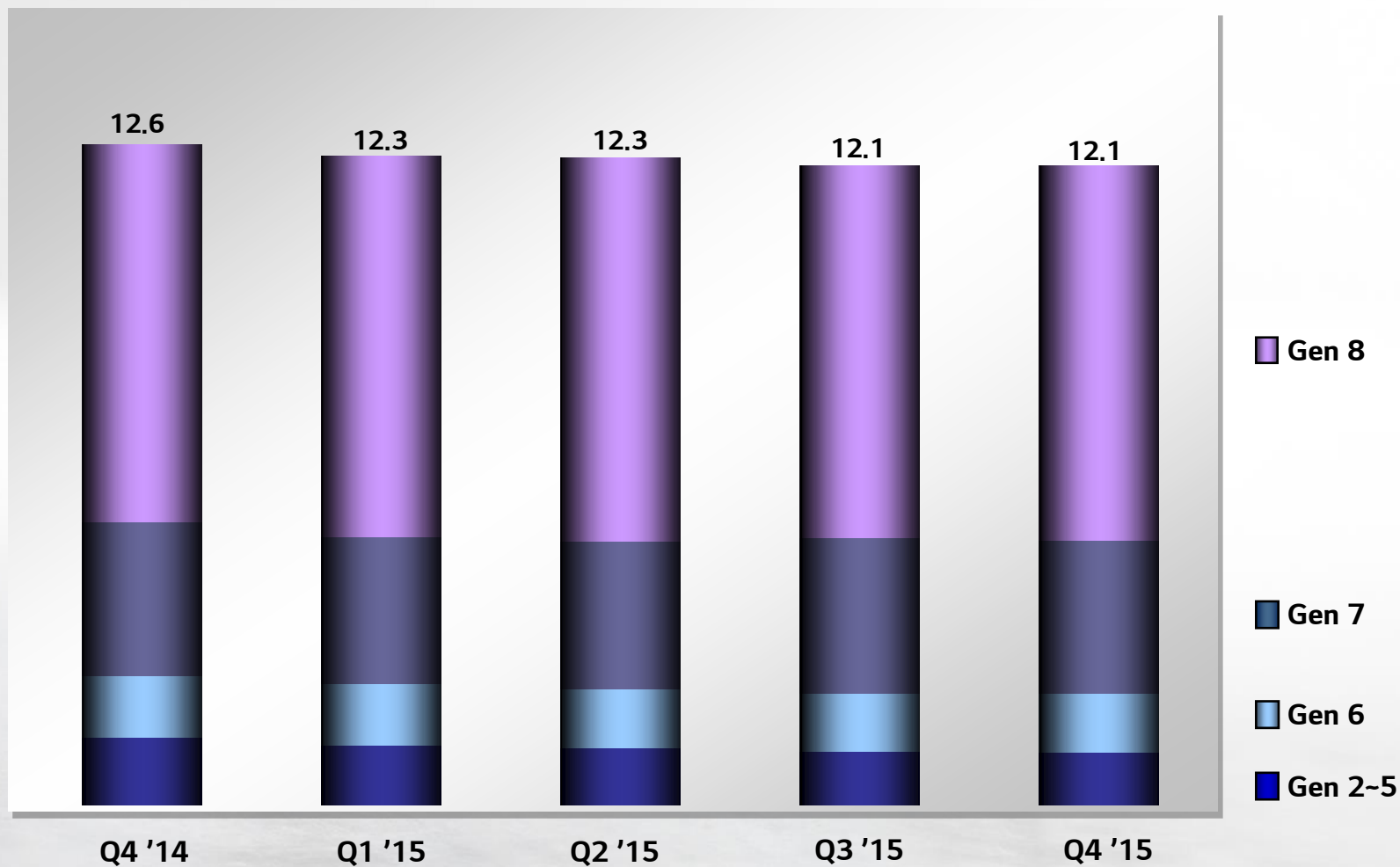
Revenue: Product Mix



Source: Company financials (KRW)

Capacity

Quarterly producible capacity by area (M m²)



Source: Company financials

Outlook

Questions and Answers

Appendix

IFRS Statements of Income

Unit: KRW Bn

Accounts	Q4'12	2012	Q1'13	Q2'13	Q3'13	Q4'13	2013	Q1'14	Q2'14	Q3'14	Q4'14	2014	Q1'15	Q2'15	Q3'15	Q4'15	2015
Revenue	8,743	29,430	6,803	6,572	6,579	7,079	27,033	5,588	5,979	6,547	8,342	26,456	7,022	6,708	7,158	7,496	28,384
COGS	7,637	26,425	6,099	5,607	5,591	6,228	23,525	4,924	5,270	5,463	7,010	22,667	5,661	5,568	6,111	6,730	24,070
Gross Profit	1,106	3,005	704	965	988	851	3,508	664	709	1,084	1,332	3,789	1,361	1,140	1,047	766	4,314
Operating Income	587	912	151	366	389	257	1,163	94	163	474	626	1,357	744	488	333	61	1,626
EBITDA	1,814	5,382	1,269	1,324	1,281	1,124	4,998	1,015	1,008	1,295	1,532	4,850	1,595	1,347	1,178	882	5,001
Income before tax	503	458	41	162	402	225	830	29	293	432	488	1,242	624	507	272	31	1,434
Net Income	319	236	3	105	240	71	419	-82	256	354	389	917	476	363	198	-14	1,023
EPS (Unit: KRW)	892	661	10	293	671	198	1,171	-229	716	990	1,087	2,564	1,330	1,013	555	-38	2,860
Margins (%)																	
Gross Margin	12.7	10.2	10.3	14.7	15.0	12.0	13.0	11.9	11.9	16.6	16.0	14.3	19.4	17.0	14.6	10.2	15.2
Operating Margin	6.7	3.1	2.2	5.6	5.9	3.6	4.3	1.7	2.7	7.2	7.5	5.1	10.6	7.3	4.7	0.8	5.7
EBITDA Margin	20.7	18.3	18.7	20.1	19.5	15.9	18.5	18.2	16.9	19.8	18.4	18.3	22.7	20.1	16.5	11.8	17.6

Source: Unaudited, Company financials

K-IFRS (Consolidated)

Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding.

IFRS Statements of Financial Position

Unit: KRW Bn

Accounts	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Assets	24,455	24,086	23,012	22,346	21,715	21,599	21,323	22,689	22,967	22,473	22,455	23,796	22,577
A/R	3,334	2,958	2,587	2,609	3,129	2,574	2,525	3,169	3,444	3,225	3,437	4,348	4,098
Cash*	2,654	3,097	2,973	2,647	2,323	2,021	2,243	2,364	2,416	2,738	2,677	2,594	2,524
Inventory	2,390	2,529	2,396	2,417	1,933	2,199	1,984	2,625	2,754	2,646	2,579	2,876	2,352
Liabilities	14,215	13,741	12,479	11,693	10,918	10,883	10,417	11,297	11,184	10,280	9,821	10,775	9,872
A/P	4,147	4,126	3,613	3,146	3,000	2,965	2,450	3,207	3,392	2,911	2,651	3,393	2,765
Short-term debts	1,015	825	503	663	908	1,299	1,452	1,247	968	1,281	1,085	1,300	1,416
Long-term debts	3,441	3,896	3,593	3,345	2,995	2,467	3,044	3,337	3,279	2,715	3,030	3,081	2,808
Shareholders' Equity	10,240	10,345	10,533	10,653	10,797	10,716	10,906	11,392	11,783	12,193	12,634	13,021	12,705
BPS (Unit: KRW)	28,618	28,912	29,437	29,772	30,175	29,948	30,480	31,838	32,932	34,075	35,309	36,392	35,507
Net debt to equity ratio (%)	17.6	15.7	10.7	12.8	14.6	16.3	20.7	19.5	15.5	10.3	11.4	13.7	13.4

Source: Unaudited, Company financials

K-IFRS (Consolidated)

* Cash includes short term financial instruments.

Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding.

IFRS Statements of Cash Flow

Unit: KRW Bn

Accounts	Q4 '12	2012	Q1 '13	Q2'13	Q3 '13	Q4'13	2013	Q1'14	Q2'14	Q3'14	Q4'14	2014	Q1'15	Q2'15	Q3'15	Q4'15	2015
Net Income	319	236	3	105	239	71	419	-82	256	354	389	917	476	363	198	-14	1,023
Depreciation & Amortization	1,227	4,470	1,118	959	892	867	3,835	921	845	821	906	3,492	851	858	845	822	3,376
Others	-73	956	-101	278	-205	-163	-191	-178	-773	141	62	-748	-368	-176	-3	-206	-753
Working Capital*	-589	-1,105	217	-10	-509	-183	-485	255	-255	-527	-220	-747	-153	-405	-466	146	-878
Cash flow from Operating Activities	884	4,557	1,237	1,332	417	592	3,578	916	72	789	1,137	2,914	806	640	574	748	2,768
Cash flow from Investing Activities**	-603	-4,188	-1,056	-826	-711	-924	-3,517	-1,088	-720	-724	-694	-3,226	-321	-620	-820	-725	-2,486
Net Cash flow before Financing Activities	281	369	181	506	-294	-332	61	-172	-648	65	443	-312	485	20	-246	23	282
Financing Activities	-140	-61	210	-630	-32	-99	-551	-155	769	36	-391	259	-263	98	160	-93	-98
Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	-179	0	0	-179
Change in non-controlling interest ***	13	13	52	0	0	108	160	25	101	20	0	146	100	0	3	0	103
Net Change in cash	154	321	443	-124	-326	-323	-330	-302	222	121	52	93	322	-61	-83	-70	108

Source: Unaudited, Company financials

K-IFRS (Consolidated)

* Working Capital consists of net change in AR, Inventory, AP and F/X effect

** Cash flow from Investing Activities exclude increase (decrease) of short term financial instruments.

*** Equity investments from other companies

Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding.

EBITDA Calculation

Unit: KRW Bn

Account	Q4'12	2012	Q1'13	Q2'13	Q3'13	Q4'13	2013	Q1'14	Q2'14	Q3'14	Q4'14	2014	Q1'15	Q2'15	Q3'15	Q4'15	2015
1. Operating Income	587	912	151	366	389	257	1,163	94	163	474	626	1,357	744	488	333	61	1,626
2. Depreciation	1,152	4,197	1,050	896	837	816	3,599	864	786	751	821	3,222	760	753	738	718	2,969
3. Amortization	75	273	68	62	55	51	236	57	59	70	85	270	91	105	107	103	406
EBITDA (1+2+3)	1,814	5,382	1,269	1,324	1,281	1,124	4,998	1,015	1,008	1,295	1,532	4,850	1,595	1,347	1,178	882	5,001

Source: Unaudited, Company financials

K-IFRS (Consolidated)

We add depreciation and amortization expense to operating income to calculate EBITDA. It is a key financial measure used by our senior management to internally evaluate the performance of our business and for other required or discretionary purposes.

We believe that the presentation of EBITDA will enhance an investor's understanding of our operating performance as we believe it is commonly reported and widely used by analysts and investors in our industry.

It also provides useful information for comparison on a more comparable basis of our operating performance and those of our competitors, who follow different accounting policies.

EBITDA is not a measure defined by GAAP. Our calculation of EBITDA may not be consistent with other similarly titled measures reported by other companies.

Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding.