

2016 Q4 Earnings Results



January 24, 2017



Agenda

2017 Q4 Earnings Release

Welcome

HeeYeon Kim, IR

Business Performance & Outlook

Don Kim, CFO

Q&A

Don Kim, CFO

YK Song , Strategy/Marketing

DuckYong Kim, Biz Management

Matthew Kim, Market Intelligence

Stephen Ko, TV Marketing

HeeYeon Kim, IR

Disclaimer

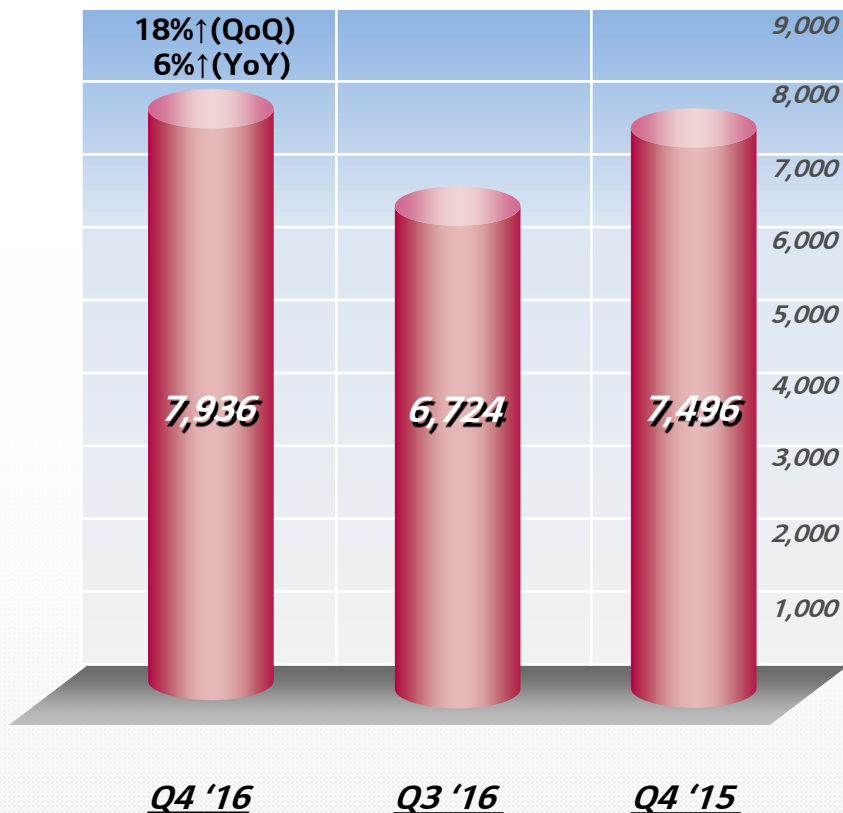
- This presentation contains forward-looking statements. We may also make written or oral forward-looking statements in our periodic reports to the United States Securities and Exchange Commission and the Korean Financial Supervisory Service, in our annual report to shareholders, in our proxy statements, 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 December 31, 2016, and our expectations regarding future performance which is available on our investor relations website at <http://www.lgdisplay.com> under the file name Q4 2016 Earnings Results Presentation.

2016 Q4 Highlight

Revenues & Profits

Revenues

(Unit : KRW B)



Profits

(Unit : KRW B, %)

	Q4 '16	Q3 '16	Q4 '15	QoQ	YoY
Operating Income	904 11%	323 5%	61 1%	180%	1,392%
EBITDA*	1,624 20%	1,024 15%	882 12%	59%	84%
Income Before Tax	1,065	248	31	329%	3,364%
Net Income	825	190	-14	335%	N/A

* EBITDA = Operating Income + Depreciation + Amortization

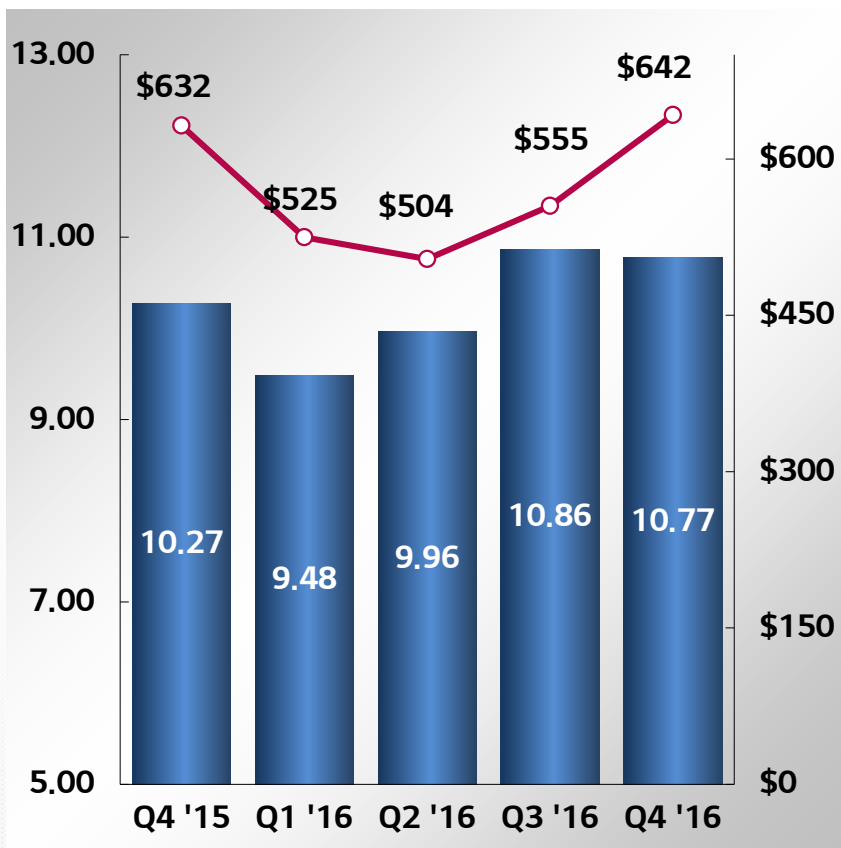
Source : Unaudited, Company financials

K-IFRS (Consolidated)

Shipment, ASP and Capacity

Shipment and ASP

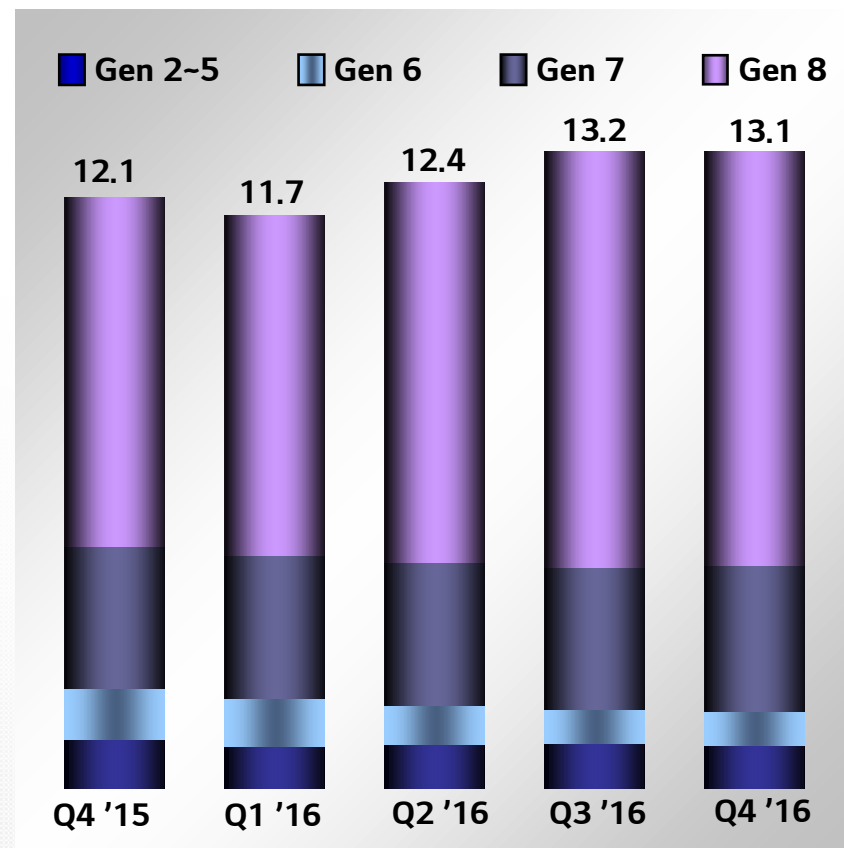
(Unit : M m², ASP/m²)



■ Display area shipment in M m², 순면적
 → ASP per m² (USD)

Capacity

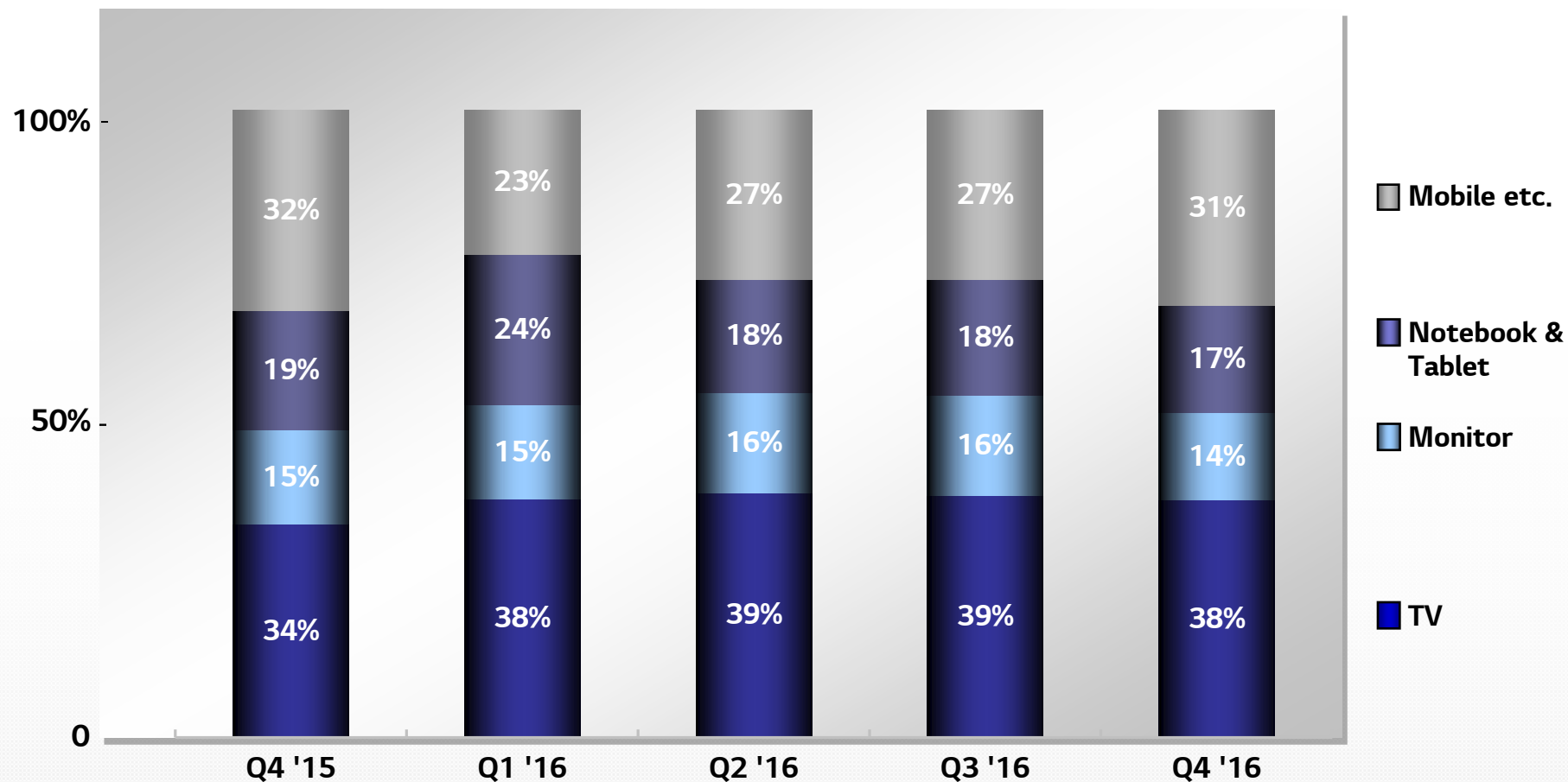
(Unit : M m²)



Quarterly producible capacity by area

Source: Company financials

Revenue: Product Mix



Source: Company financials (KRW)

Financial Positions & Ratios

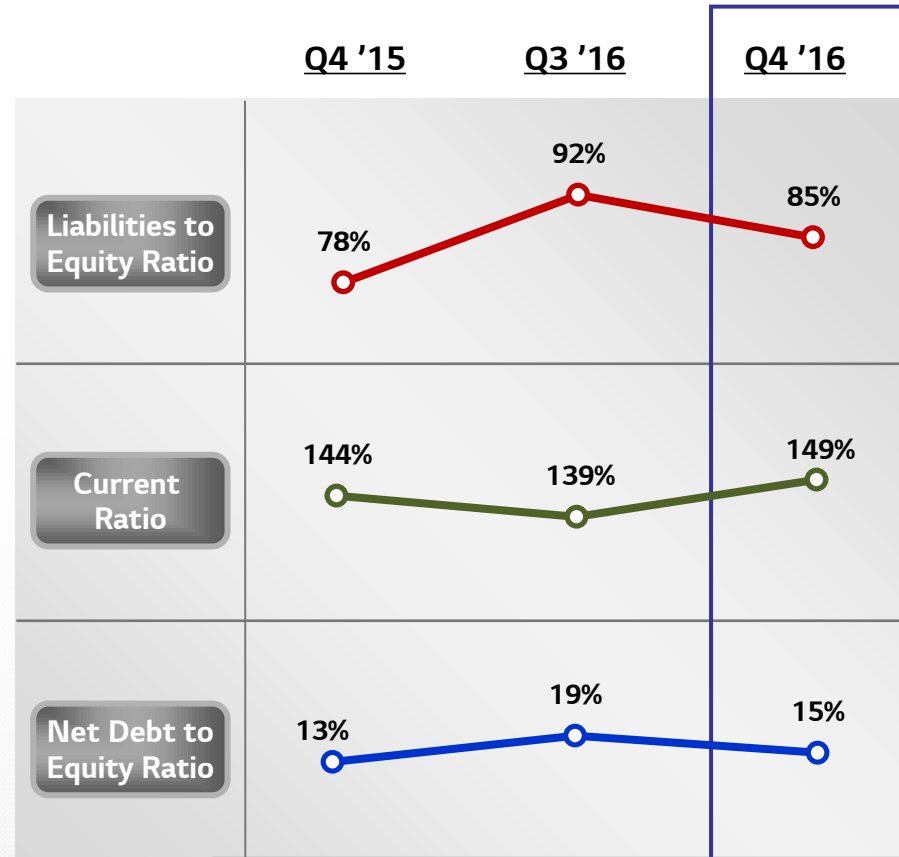
Financial Positions

(Unit : KRW B)

	Q4 '16	Q3 '16	Q4 '15
Assets	24,884	23,570	22,577
Current Assets	10,484	9,819	9,532
Cash*	2,722	2,481	2,524
Inventory	2,288	2,492	2,352
Non-Current Assets	14,400	13,752	13,046
Liabilities	11,422	11,269	9,872
Current Liabilities	7,058	7,075	6,607
Non-Current Liab.	4,364	4,193	3,265
Shareholders' Equity	13,462	12,301	12,705
Debts	4,779	4,793	4,224
Net Debts	2,056	2,312	1,700

Financial Ratios

(Unit : %)



* Cash includes short term financial instruments.

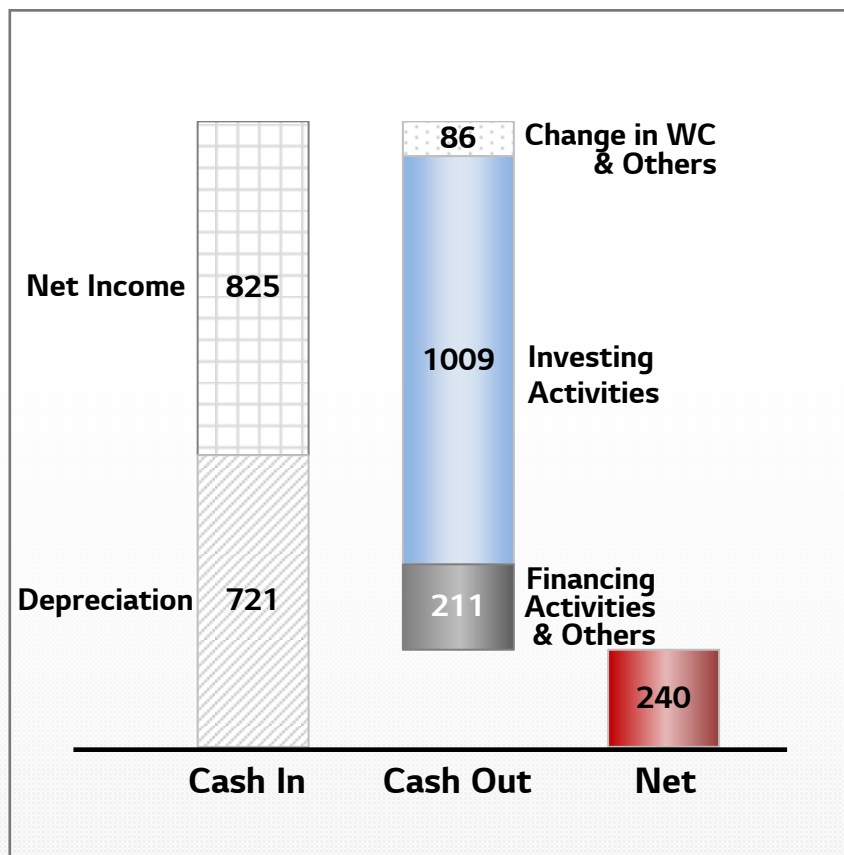
Source : Unaudited, Company financials

K-IFRS (Consolidated)

Cash Flow

Net Cash Flow

(Unit : KRW B)



Cash Flow Statement

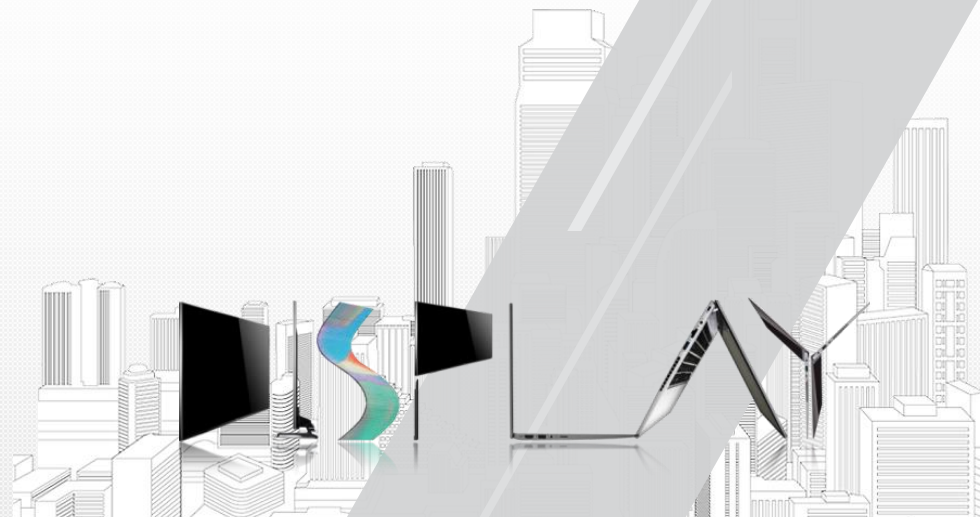
(Unit : KRW B)

	Q4'16
Cash at the beginning of quarter	2,481
Cash flow from operating activities	1,460
<i>Net Income</i>	825
<i>Depreciation & Amortization</i>	721
<i>Change in Working Capital & Others</i>	(86)
Cash flow from investing activities	(1,009)
Cash flow before financing activities	451
<i>Financing activities & Others</i>	(211)
Net change in Cash	240
Cash at the end of quarter	2,722

Source : Unaudited, Company financials

K-IFRS (Consolidated)

Outlook





Question and Answers

2016 Q4 Earnings Release



You Dream,
We Display.



LG Display

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Sustainability Indices

In Collaboration with RobecoSAM 



Appendix

2016 Q4 Earnings Release

IFRS Statements of Income

Unit: KRW Bn

Accounts	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	Q1'16	Q2'16	Q3'16	Q4'16	2016
Revenue	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	5,989	5,855	6,724	7,936	26,504
COGS	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	5,363	5,245	5,784	6,362	22,754
Gross Profit	704	965	988	851	3,508	664	709	1,084	1,332	3,789	1,361	1,140	1,047	766	4,314	626	610	940	1,574	3,750
Operating Income	151	366	389	257	1,163	94	163	474	626	1,357	744	488	333	61	1,626	40	44	323	904	1,311
EBITDA	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	853	833	1,024	1,624	4,333
Income before tax	41	162	402	225	830	29	293	432	488	1,242	624	507	272	31	1,434	-8	11	248	1,065	1,316
Net Income	3	105	240	71	419	-82	256	354	389	917	476	363	199	-14	1,023	1	-84	190	825	932
EPS (Unit: KRW)	10	293	671	198	1,171	-229	716	990	1,087	2,564	1,330	1,013	555	-38	2,860	3	-235	530	2,305	2,603
Margins (%)																				
Gross Margin	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	10.5	10.4	14.0	19.8	14.1
Operating Margin	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	0.7	0.8	4.8	11.4	4.9
EBITDA Margin	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	14.2	14.2	15.2	20.5	16.3

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	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Assets	24,086	23,012	22,346	21,715	21,599	21,323	22,689	22,967	22,473	22,455	23,796	22,577	22,178	22,567	23,570	24,884
A/R	2,958	2,587	2,609	3,129	2,574	2,525	3,169	3,444	3,225	3,437	4,348	4,098	3,188	3,489	4,107	4,958
Cash*	3,097	2,973	2,647	2,323	2,021	2,243	2,364	2,416	2,738	2,677	2,594	2,524	2,407	2,452	2,481	2,722
Inventory	2,529	2,396	2,417	1,933	2,199	1,984	2,625	2,754	2,646	2,579	2,876	2,352	2,532	2,453	2,492	2,288
Liabilities	13,741	12,479	11,693	10,918	10,883	10,417	11,297	11,184	10,280	9,821	10,775	9,872	9,677	10,220	11,269	11,422
A/P	4,126	3,613	3,146	3,000	2,965	2,450	3,207	3,392	2,911	2,651	3,393	2,765	2,538	2,412	3,070	2,877
Short-term debts	825	503	663	908	1,299	1,452	1,247	968	1,281	1,085	1,300	1,416	887	1,452	1,113	668
Long-term debts	3,896	3,593	3,345	2,995	2,467	3,044	3,337	3,279	2,715	3,030	3,081	2,808	3,381	3,420	3,680	4,111
Shareholders' Equity	10,345	10,533	10,653	10,797	10,716	10,906	11,392	11,783	12,193	12,634	13,021	12,705	12,501	12,347	12,301	13,462
BPS (Unit: KRW)	28,912	29,437	29,772	30,175	29,948	30,480	31,838	32,932	34,075	35,309	36,392	35,507	34,936	34,505	34,380	37,624
Net debt to equity ratio (%)	15.7	10.7	12.8	14.6	16.3	20.7	19.5	15.5	10.3	11.4	13.7	13.4	14.9	19.6	18.8	15.3

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	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	Q1'16	Q2'16	Q3'16	Q4'16	2016
Net Income	3	105	239	71	419	-82	256	354	389	917	476	363	198	-14	1,023	1	-84	190	825	932
Depreciation & Amortization	1,118	959	892	867	3,835	921	845	821	906	3,492	851	858	845	822	3,376	813	788	700	721	3,022
Others	-101	278	-205	-163	-191	-178	-773	141	62	-748	-368	-176	-3	-206	-753	-387	-77	128	754	418
Working Capital*	217	-10	-509	-183	-485	255	-255	-527	-220	-747	-153	-405	-466	146	-878	503	-348	1	-840	-684
Cash flow from Operating Activities	1,237	1,332	417	592	3,578	916	72	789	1,137	2,914	806	640	574	748	2,768	930	279	1,019	1,460	3,688
Cash flow from Investing Activities**	-1,056	-826	-711	-924	-3,517	-1,088	-720	-724	-694	-3,226	-321	-620	-820	-725	-2,486	-1,121	-639	-1,029	-1,009	-3,798
Net Cash flow before Financing Activities	181	506	-294	-332	61	-172	-648	65	443	-312	485	20	-246	23	282	-191	-360	-10	451	-110
Financing Activities	210	-630	-32	-99	-551	-155	769	36	-391	259	-263	98	160	-93	-98	74	596	39	-205	504
Dividends	0	0	0	0	0	0	0	0	0	0	0	-179	0	0	-179	0	-179	0	0	-179
Change in non-controlling interest ***	52	0	0	108	160	25	101	20	0	146	100	0	3	0	103	0	-11	0	-6	-17
Net Change in cash	443	-124	-326	-323	-330	-302	222	121	52	93	322	-61	-83	-70	108	-117	46	29	240	198

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	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	Q1'16	Q2'16	Q3'16	Q4'16	2016
1. Operating Income	151	366	389	257	1,163	94	163	474	626	1,357	744	488	333	61	1,626	40	44	323	904	1,311
2. Depreciation	1,050	896	837	816	3,599	864	786	751	821	3,222	760	753	738	718	2,969	725	707	604	608	2,644
3. Amortization	68	62	55	51	236	57	59	70	85	270	91	105	107	103	406	88	81	96	112	377
EBITDA (1+2+3)	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	853	833	1,024	1,624	4,333

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.