

# LOCK & LOCK

**IR Book 2017. 3Q**



# LOCK&LOCK

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Certain information contained in these materials represents or is based on forward-looking statements or information. Forward-looking statements are inherently uncertain and changing factors, general or specific, may cause events or results to differ from those discussed in the materials. Therefore, undue reliance should not be placed on such statements or the conclusions drawn from them.

## 01. Company Overview

<b>Name</b>	Lock&Lock Co. Ltd.
<b>CEO</b>	Joon-il Kim, Sung-Tae Kim
<b>Establishment</b>	1978. 10. 1.
<b>IPO</b>	2010. 1. 28. (KOSPI)
<b>Share Outstanding</b>	55,000,000 (Face value 500 KRW)
<b>Capital</b>	27,500,000,000 (KRW)
<b>Number of Employees</b>	4,857 (Including overseas employees)
<b>Logistics Center in Korea</b>	Asan(Automated logistics center), Ansung
<b>Overseas Plants</b>	China(Suzhou, Weihai2), Vietnam(DongNai, VungTau)
<b>Overseas Branches</b>	China(Shanghai, Shenzhen, Beijing, Suzhou) Vietnam (HoChiMinh, Hanoi) Indonesia, Thailand, India, Germany, U.S.A
<b>Homepage</b>	<a href="http://www.locknlock.com">www.locknlock.com</a>

[ Update on 2017. 09. ]



## 02. Lock&Lock History

Establish

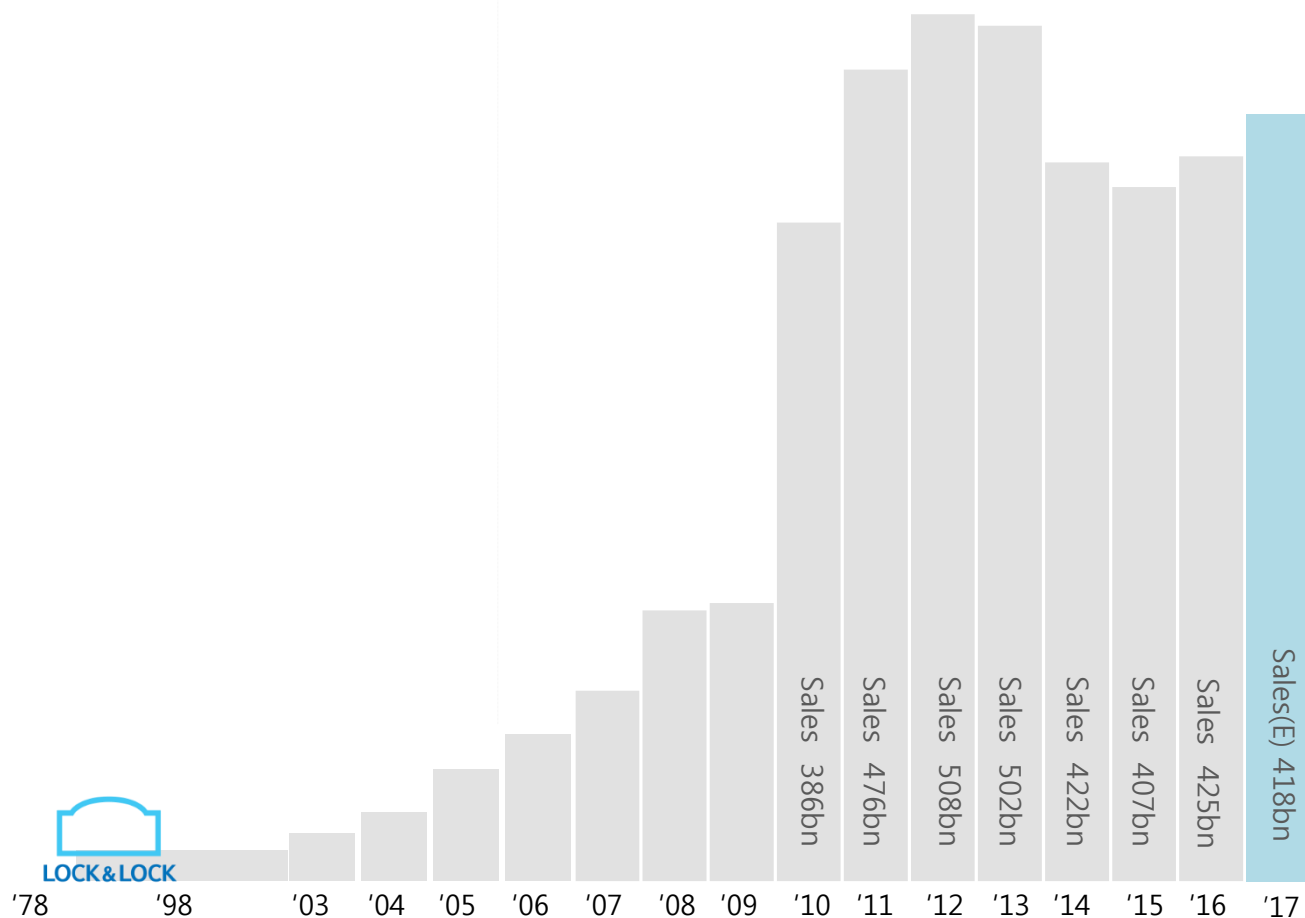
Brand Integration

Global No.1

'78

'98~'05

'06~



- Established KUKJIN Distribution
- Launched the food container L&L.
- QVC launching. (Home shopping)

- Inroads into Chinese market.
- Factory completed in Asan
- Chinese factory completed

- Sales entities established in Indonesia and Vietnam.

- Listed on KOSPI.
- 1st franchise opened.
- Cookware factory completed

- China, Korea, Vietnam, etc No.1 Brand
- Export to more than 100 countries.

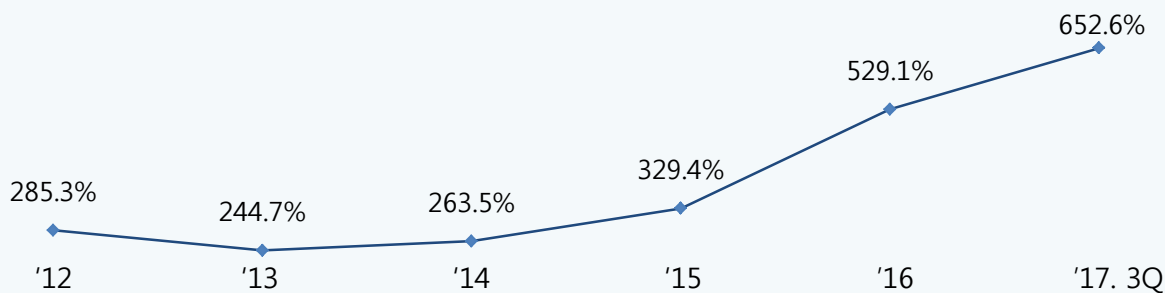
(unit: KRW)



## 03. Assets

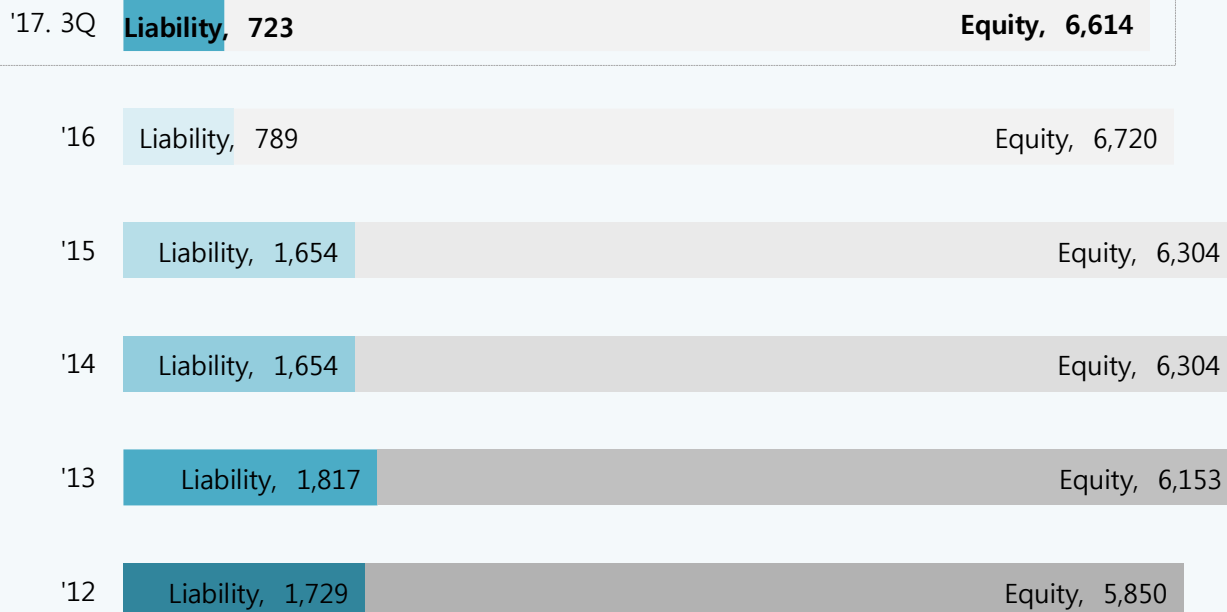
### Current ratio

[unit : %]



### Assets and Liabilities (Consolidated)

[unit : 100mm, KRW]



[ Update on 2017. 09. ]



## 04. Organization



Korea	China	Vietnam	Overseas Offices
Domestic Sales	Shanghai Sales branch	HaNoi Sales branch	Germany Sales branch
Overseas Sales	Beijing Sales branch	HoChiMinh Sales branch	Indonesia Sales branch
Logistics Centers	Shenzhen Sales branch	Dong Nai Plant	Thailand Sales branch
	Suzhou Sales branch	Vung Tau Plant -Glass -Cookware -Plastic	U.S.A Sales branch
	Weihai Plant		India Sales branch
	Manshan Plant		
	Suzhou Plant		

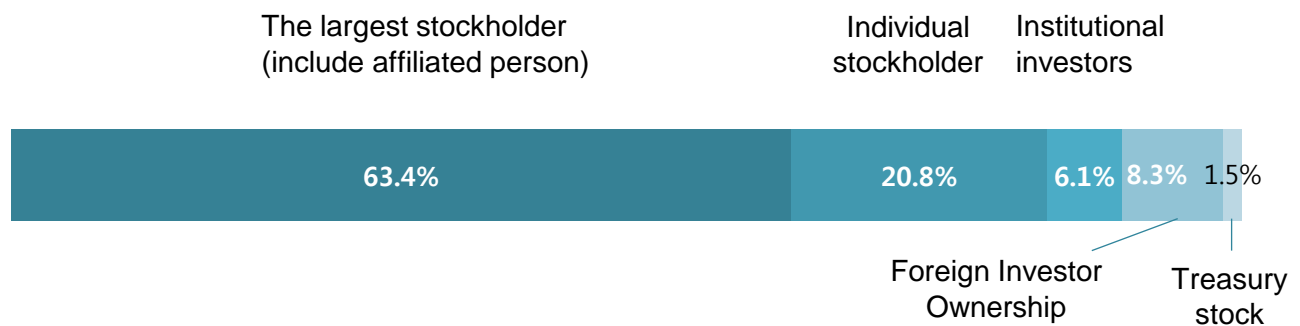


## 05. Stock Ownership

<b>Name</b>	Lock&Lock Co. Ltd.
<b>IPO</b>	2010. 1. 28. (KOSPI)
<b>Share Outstanding</b>	55,000,000 (Face value 500 KRW)
<b>Major shareholder</b>	The largest stockholder(include affiliated person) 63.69% National pension 6.08% Treasury stock 1.48%
<b>Foreign Investor Ownership</b>	8.27%

[ Update on 2017. 09. ]

### Stockholder [ Update on 2017. 09.30 ]



## 06. Product Portfolio

### Food Storage Containers + Kitchen Appliances

Food storage containers (L&L classic, L&L Bisfree, L&L ovenglass, etc)

Outdoor (L&L tumbler, L&L hot and cool, etc)

Household items (L&L living box, storage box, trolley, etc)

Cookware (L&L birds, salon, minimal, Hard&Light etc)

Kitchen appliances (L&L lunch box, L&L cooler bag, etc)

Livingware (Electronics, travel goods, etc)



L&L  
tumbler



L&L  
Bisfree



L&L  
ovenglass



Cookplus  
Hard&Light



L&L classic



L&L minimal



L&L lunch



L&L  
living box



L&L  
Kids carrier



## 07. Brand Power

### Customer Confidence

C-BPI No. 1(for 6 years) - Airtight containers (April, 2017)

C-BPI No. 1(for 5 years) – Thermos (April, 2017)

K-BPI No. 1(for 14 years)

KWCI(Korea Well-Being Consumer Index) No. 1(for 8 years)

Korea Brand Recommendation Index No. 1

By Vietnam economic times 'Consumer Confidence Top 100 items (2016)



C-BPI



KS-WCI 1위  
한국소비자웰빙지수



K-BPI



Vietnam Consumer  
Confidence Top 100  
items



Korea Brand  
Recommendat  
ion Index



National Brand  
Competitiveness  
Index



reddot award 2015  
honourable mention



World class  
product of Korea



LOHAS

## 08. Intellectual Property

Property	Procedure	Korea	Overseas
Patents /Utility Models	Application	2	3
	Registered	10	22
Designs	Application	48	90
	Registered	251	350
Trademarks / Service Mark	Application	34	198
	Registered	266	291

[ Update on 2017. 09]



## 09. Overseas Plants

### Selected and Concentrated Production Strategy

#### China

##### [Suzhou]

- Facilities : Injection Molding Machine 43, ISBM 3
- Production capacity : 70,627,000 PCS/year
- Product line : Plastic · Beverage Container, Character Product, etc.

##### [Manshan]

- Facilities : Injection Molding Machine 26
- Production capacity : 42,705,000 PCS/year
- Product line : Plastic · Beverage Container, Trash can, etc.

#### Vietnam

##### [DongNai]

- Facilities : Injection Molding Machine 54
- Production capacity : 72,927,000 PCS/year
- Product line : Plastic · Beverage Container, etc.

##### [VungTau] - Injection

- Facilities : Injection Molding Machine 103
- Production capacity : 131,582,500 PCS/year
- Product line : Plastic · Beverage Container, Inplus, etc.

##### [VungTau] - Cookware

- Production capacity : 5,831,000 PCS/year
- Product line : Plastic · Hard & light, Speedcook, Salon, etc

##### [VungTau] - Glass

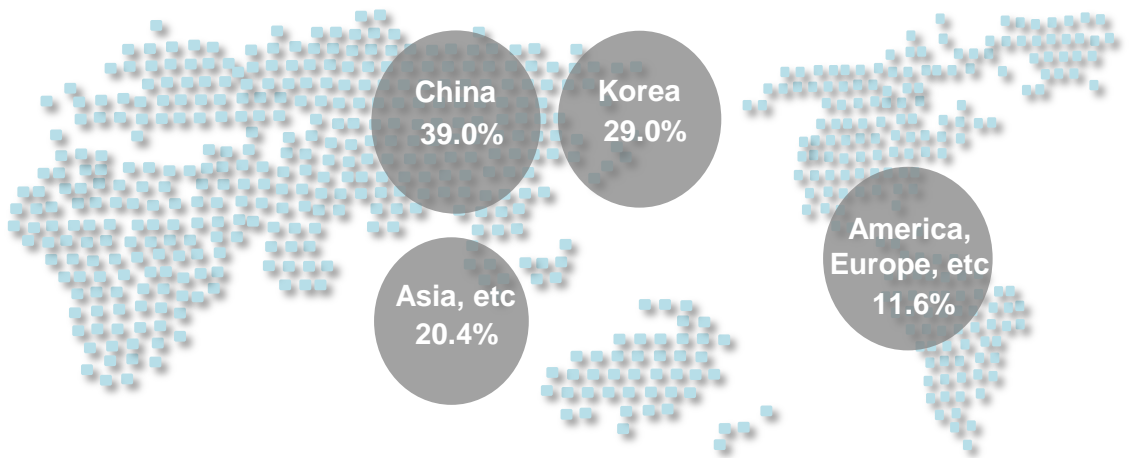
- Facilities : Furnance VT-1
- Production **16,800,000 PCS/year(VT-1 Capa)**
- Product line : Glass



## 10. Sales

Overseas sales offices 11, Export to 110 countries

### [Geographical Sales ]



[ Updated on 2017.09. ]

### [Branches ]

China(Shanghai, Beijing, Shenzhen, Suzhou)

Vietnam(HoChiMinh, Hanoi)

Indonesia(Jakarta)

U.S.A(Los Angeles)

Thailand(Bangkok)

Germany(Frankfurt)

India(Mumbai)



# 11. Distribution Networks

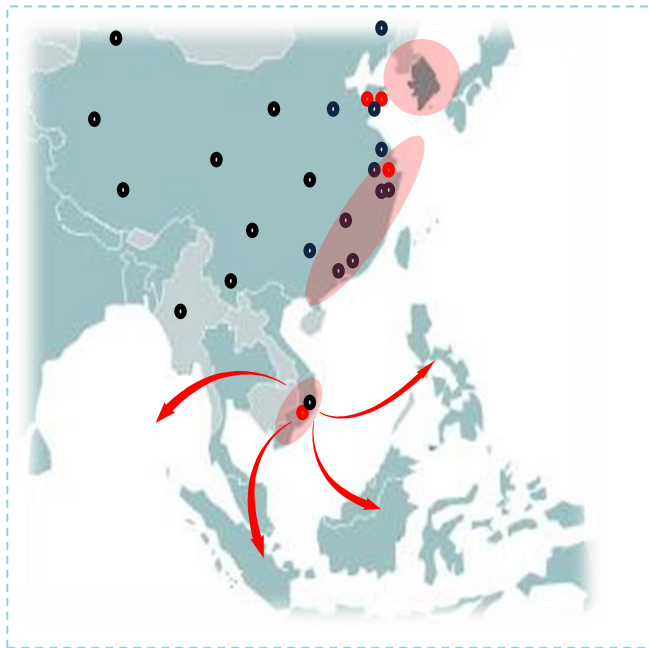
Diversify Sales Channel



## 12. Growth Strategy

### Growth in Vietnam and Korea(domestic+export) sales

- Concentrating on on-line sales and B2B in China.
- Enhanced marketing of B2B channels in China.
- Improve efficiency of manufacturing facilities in China.
- Grow revenue in Vietnam.
  - Discount stores and B2B market growth.
- Improve efficiency of manufacturing facilities in Vietnam.



## 12. Growth Strategy

Select exclusive items for on-line and  
create mobile optimized contents

- Diversifying category
- New items  
(exclusively available  
at on-line stores)



**Only for on-line**

- Mobile marketing
- Mobile -friendly  
contents
- User communities.



**Mobile optimized**

- Interactive  
communication  
with customers.  
SNS, Youtube, etc.
- K-Star ad.



**Brand marketing**

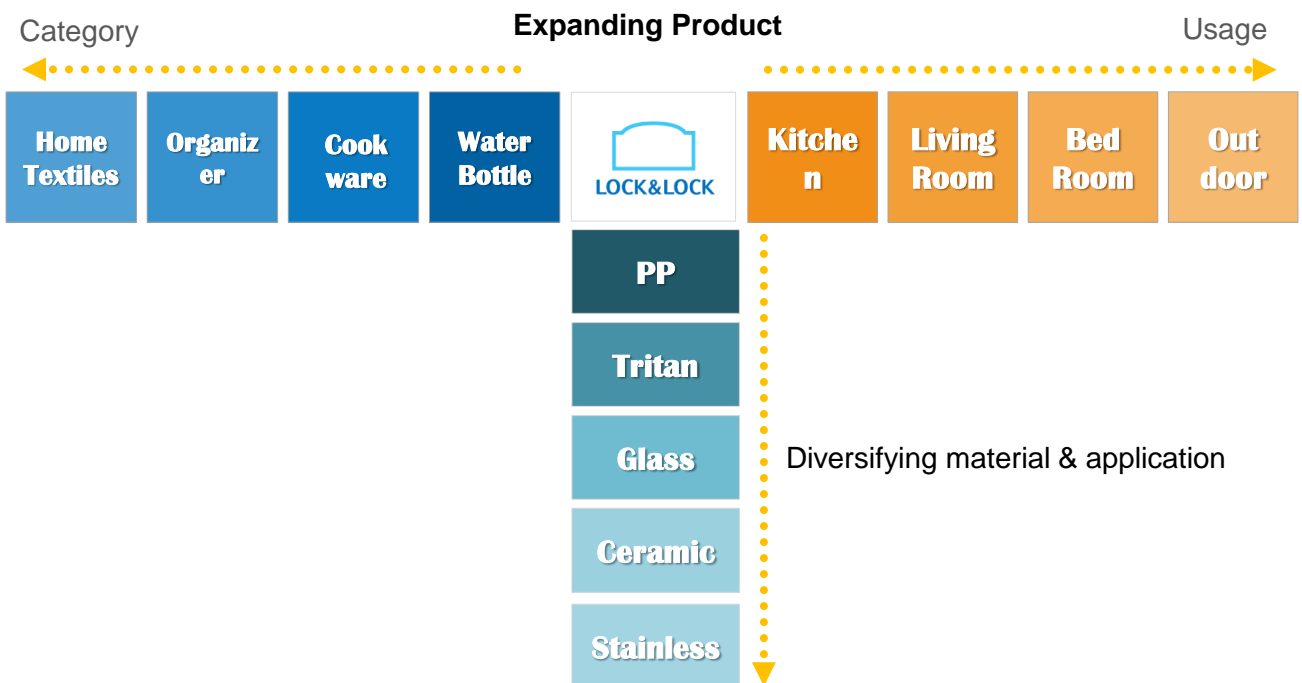
**ON-LINE**

## 13. Business Model

### Expanding Business Category

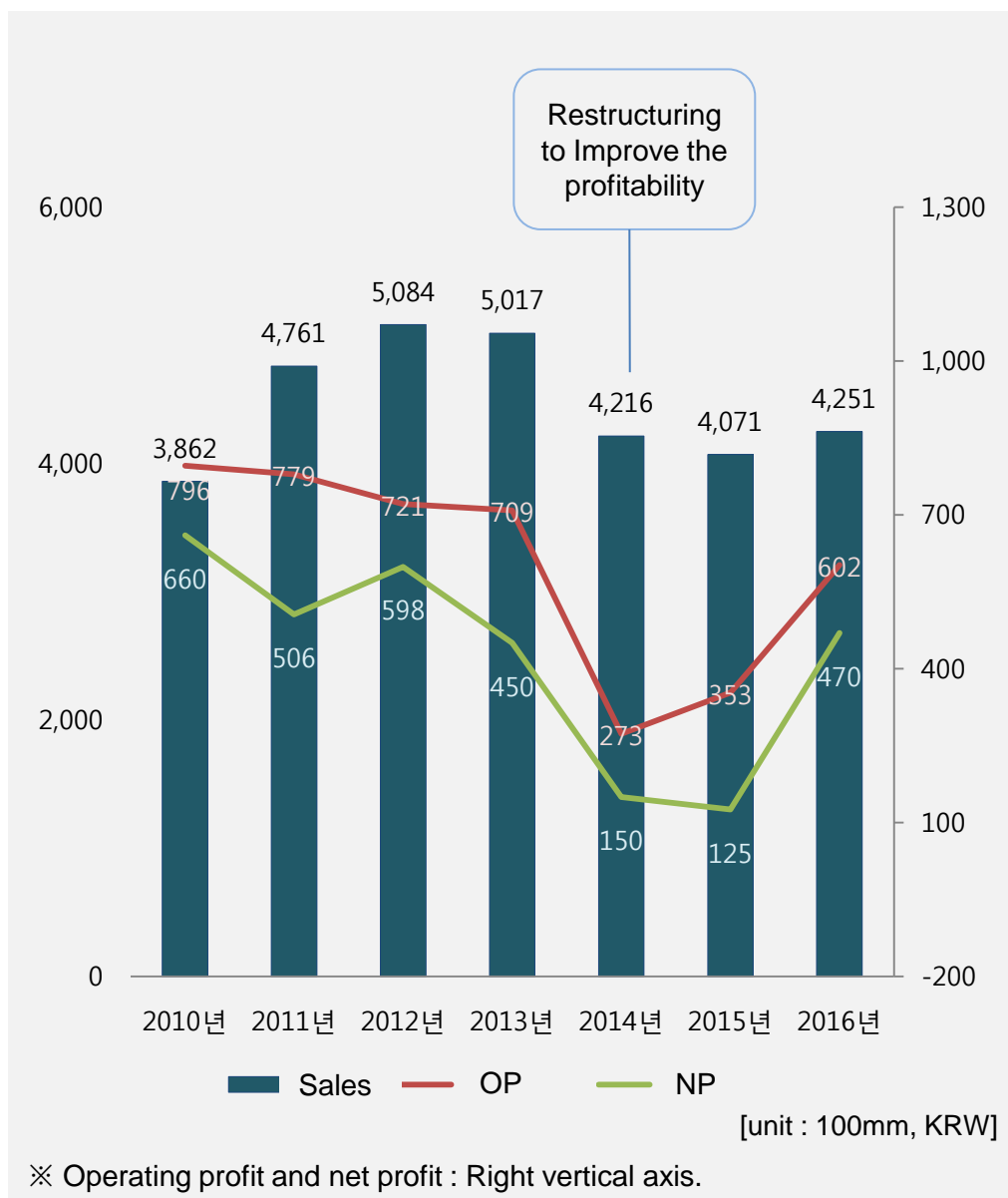
[ Lock & Lock moved beyond its image as a container company by adopting a “T-shaped” growth strategy to expand the scope.]

- Diversifying material & application.
- Expanding business category into kitchenware and small home appliance.
  - Differentiation by our well-established brand image of “safe” and “fresh”.
  - High correlation with current business.
  - Sharing distribution channels and customers.

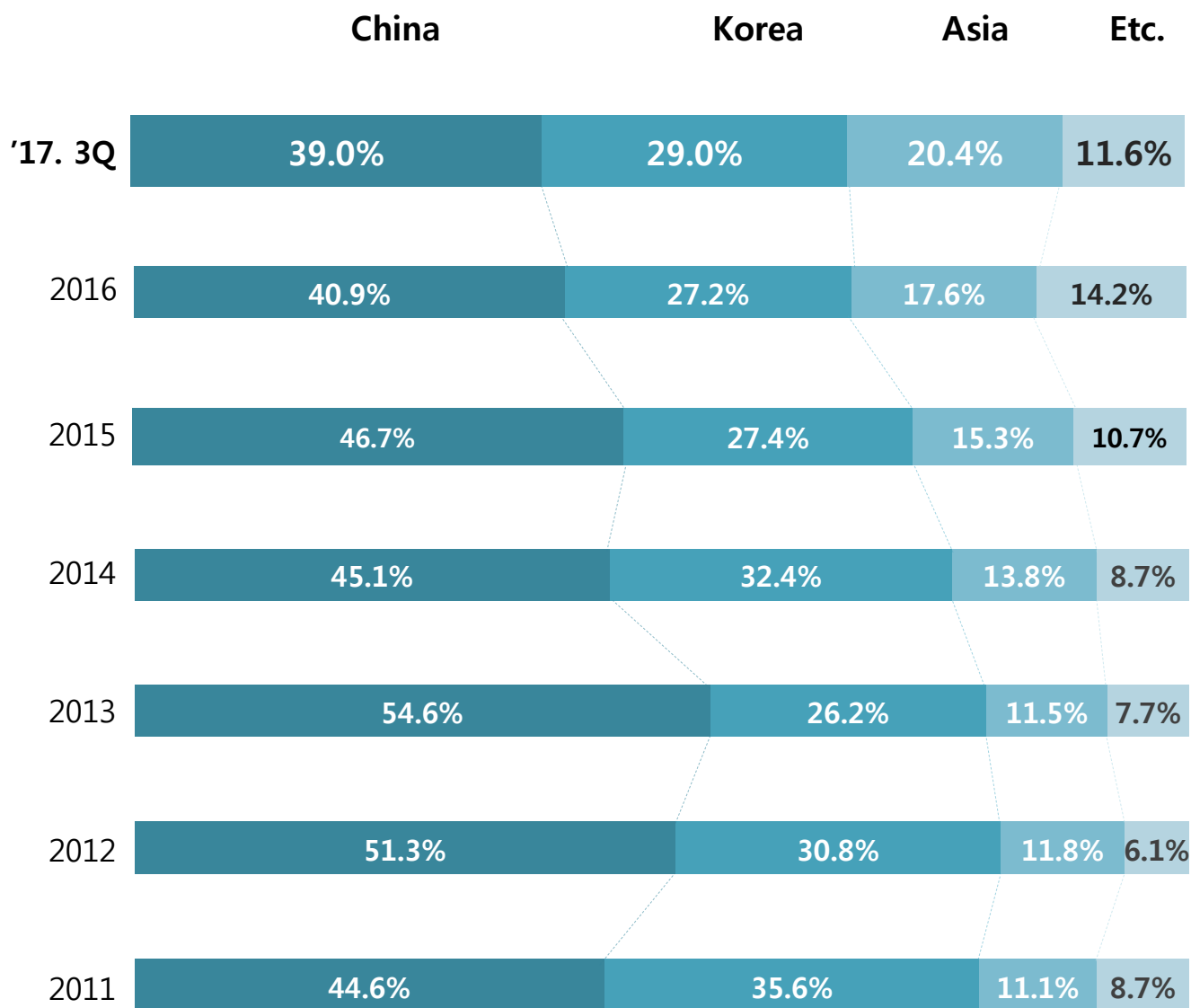




## 14. Sales and Profit(Consolidated)



## 15. Geographical Sales Mix



\* K- IFRS Consolidated, Region Breakdown (unit : %)



## 16. Appendix

**01. Quarterly Sales and Profit (Consolidated)**

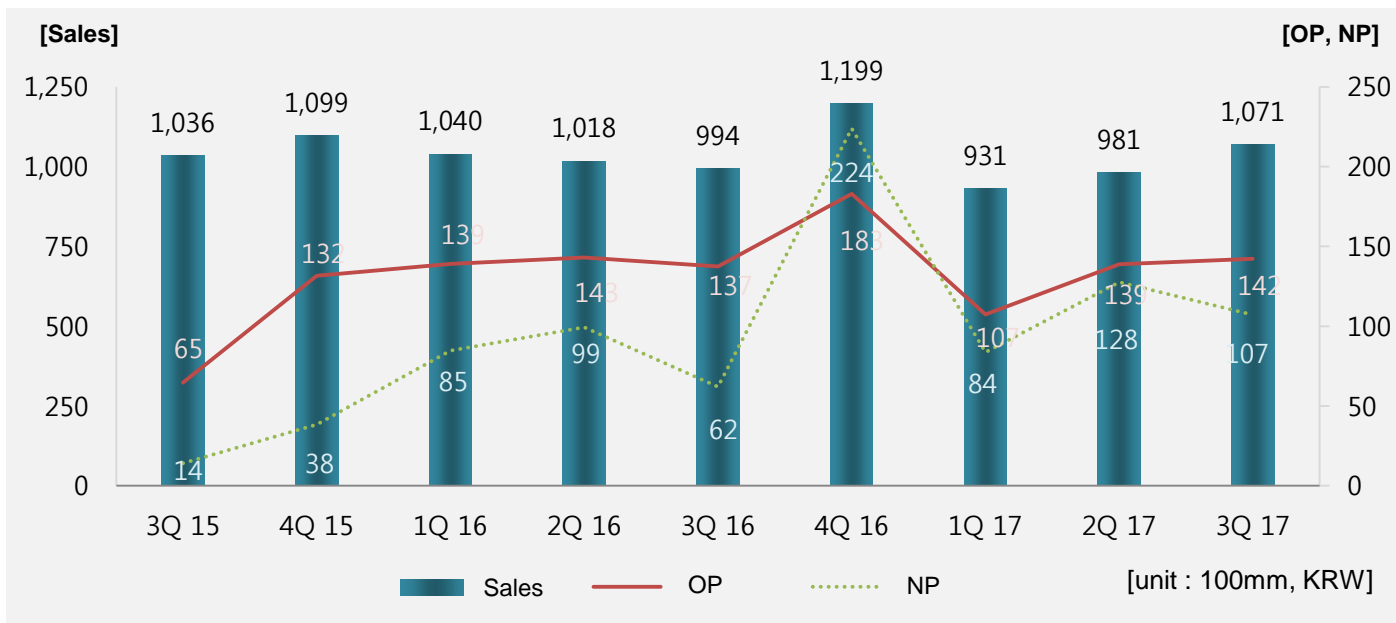
**02. Balance sheet(Consolidated)**



## 16-1) Quarterly Sales and Profit (Consolidated)

[unit : 100mm, KRW, %]

구분	2016				2017				QoQ	YoY
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales	1,040	1,018	994	1,198	931	981	1,071		9.1%	7.7%
COGS	542	523	504	638	478	500	564		12.8%	12.0%
Gross Profit	498	495	490	560	453	480	506		5.4%	3.3%
Sg&A Expenses	359	352	353	378	346	342	364		6.6%	3.2%
Operating Profit	139	143	137	183	107	139	142		2.4%	3.5%
Pretax income	136	136	127	269	119	165	155		-5.9%	22.2%
Net Profit	85	99	62	224	84	128	107		-16.1%	72.7%



## 16-2) Balance Sheet Summery(Consolidated)

[unit : mm, KRW]

	2016	3Q. 2017	Gap
Current assets	386,822	358,717	-28,105
Non-current assets	364,075	375,032	10,957
<b>Total assets</b>	<b>750,897</b>	<b>733,749</b>	<b>-17,148</b>
Current liabilities	73,105	54,968	-18,137
Non-current liabilities	5,801	17,324	11,523
<b>Total liabilities</b>	<b>78,906</b>	<b>72,292</b>	<b>-6,614</b>
Issued capital	27,500	27,500	-
Capital surplus	314,809	314,809	-
Capital adjustment	-23,371	-23,371	-
Other Comprehensive income accumulated	-11,958	-27,191	-15,233
Retained earnings	364,619	369,324	4,705
Non-controlling Interest	392	386	-6
<b>Total equity</b>	<b>671,991</b>	<b>661,457</b>	<b>-10,534</b>
Total equity and liabilities	750,897	733,749	-17,148

