

# Finetex EnE 3Q/2017 IR BOOK

## Another Historically largest Nano sales in 3Q (for consecutive 3 quarters)

### 〈Key Financial Information〉

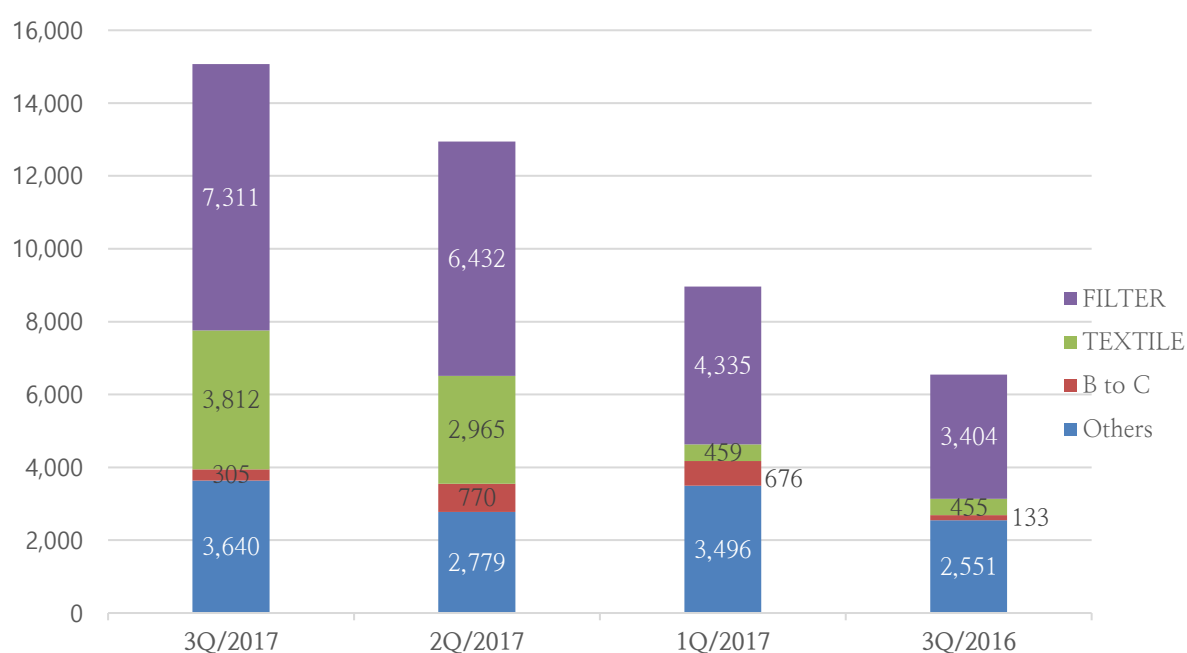
(Unit: Million Won)

Item		3Q/2017	To 3Q 2017	2Q/2017	To 3Q 2017	1Q/2017	To 3Q 2017	3Q/2016
Sales	Nano	15,068	16%	12,946	68%	8,966	130%	6,544
	Energy	5,506	103%	2,708	79%	3,067	21%	4,558
GP	Nano	6,869	46%	4,710	275%	1,832	370%	1,461
	Energy	1,004	1,275%	73	-5%	1,052	7%	942
S G & A		3,316	-30%	4,768	7%	3,102	713%	408
Operating Income		4,556	30,273%	15	-2,200%	-217	128%	1,996

### 〈Sales Trend of Nano division〉

(Unit: Million Won)

Item		3Q/2017	To 3Q 2017	2Q/2017	To 3Q 2017	1Q/2017	To 3Q 2017	3Q/2016
Sales	Filtration	7,311	14%	6,432	69%	4,335	115%	3,404
	Textile	3,812	29%	2,965	730%	459	737%	455
	B2C	305	-60%	770	-55%	676	129%	133
	Others	3,640	31%	2,779	4%	3,496	43%	2,551



**<3Q comments by division>**

- **Filtration:** Following 1Q and 2Q, posted another historical high revenue in 3Q
- **Textile:**
  - Sustainable growth YTD. Historically highest revenue, Newly added Philippine membrane lines started to partially operate since Aug.
  - Also sales to Nike remains stable.
- **B2C:** Revenue fell due to seasonal effect (summer season).
- **Energy Division:** Revenue jumped to W5.5bn in 3Q from W2.7bn on the back of strong backlog. Reached BEP level in profit terms.
- **Most of operating profit came from Nano division. The loss-making energy turned to BEP.**
- **Overall business remained sustainable.**

**<Outlook>**

- New lines of Philippine will be briskly operated during 4Q.
- Sales to Nike will remain robust. In particular, some mass commercial order is likely starting from 4Q 2017.
- Face mask entering seasonal peak.
- Window system is also likely to enter into strong season.
- The results of nano filtration test beds (power plants, cement, other industrial complex) had turned out to be highly effective relative to the existing products. Gradual sales expected from 4Q2017.
- Filtration sales will continue to grow on the back of global regulation change. (ISO 16890) going forward.
- The equipment will be set up in Yili JV during 4Q 2017 and revenue likely to be generated from 1Q 2018.
- New order momentum from energy division seen on the back of new government's pitch into renewable policy. Some meaningful profit expected in 4Q and onwards.