

# *Investor Relations*

**LOTTE Confectionery**

**1Q 2020**



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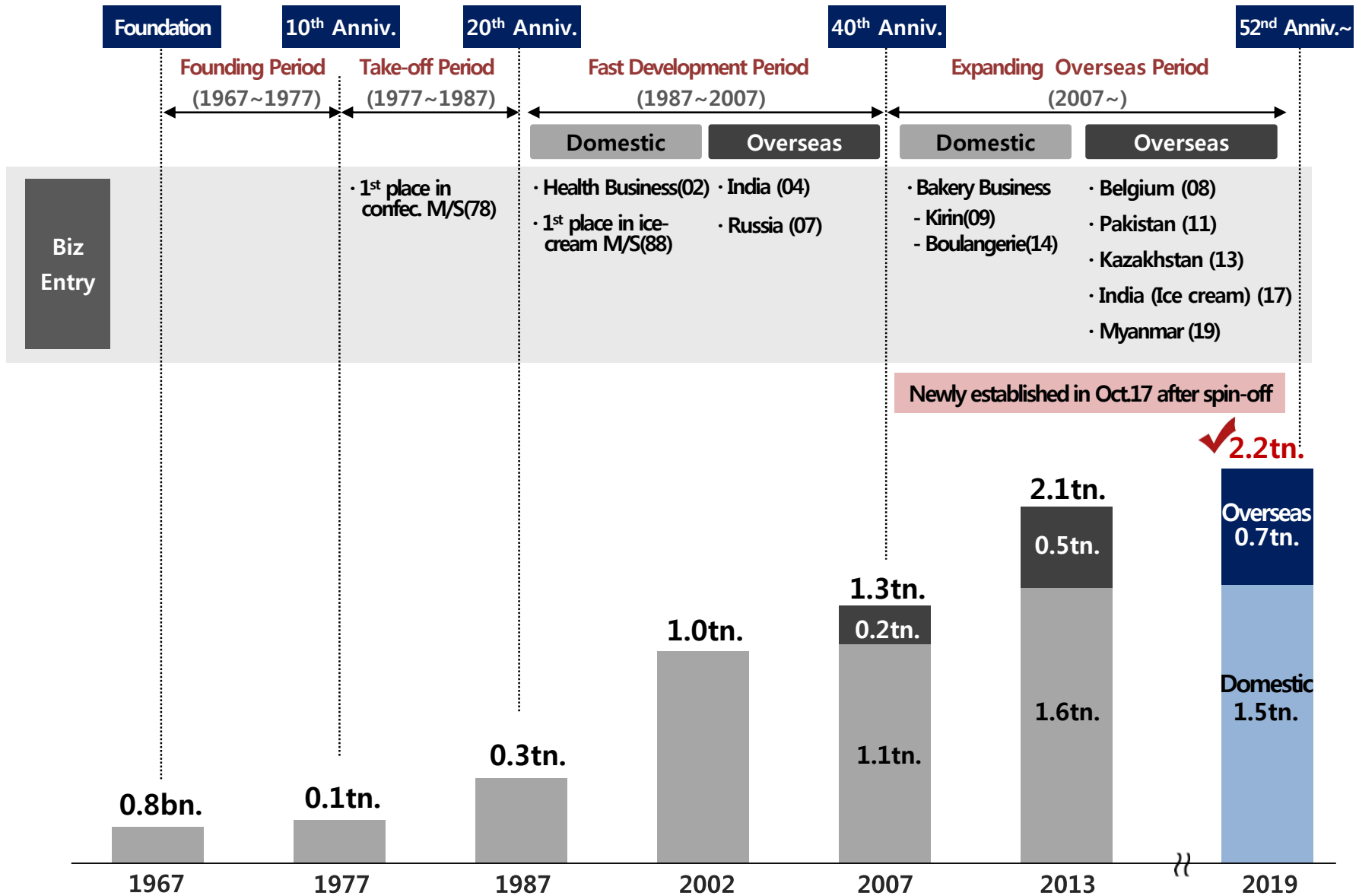
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# History

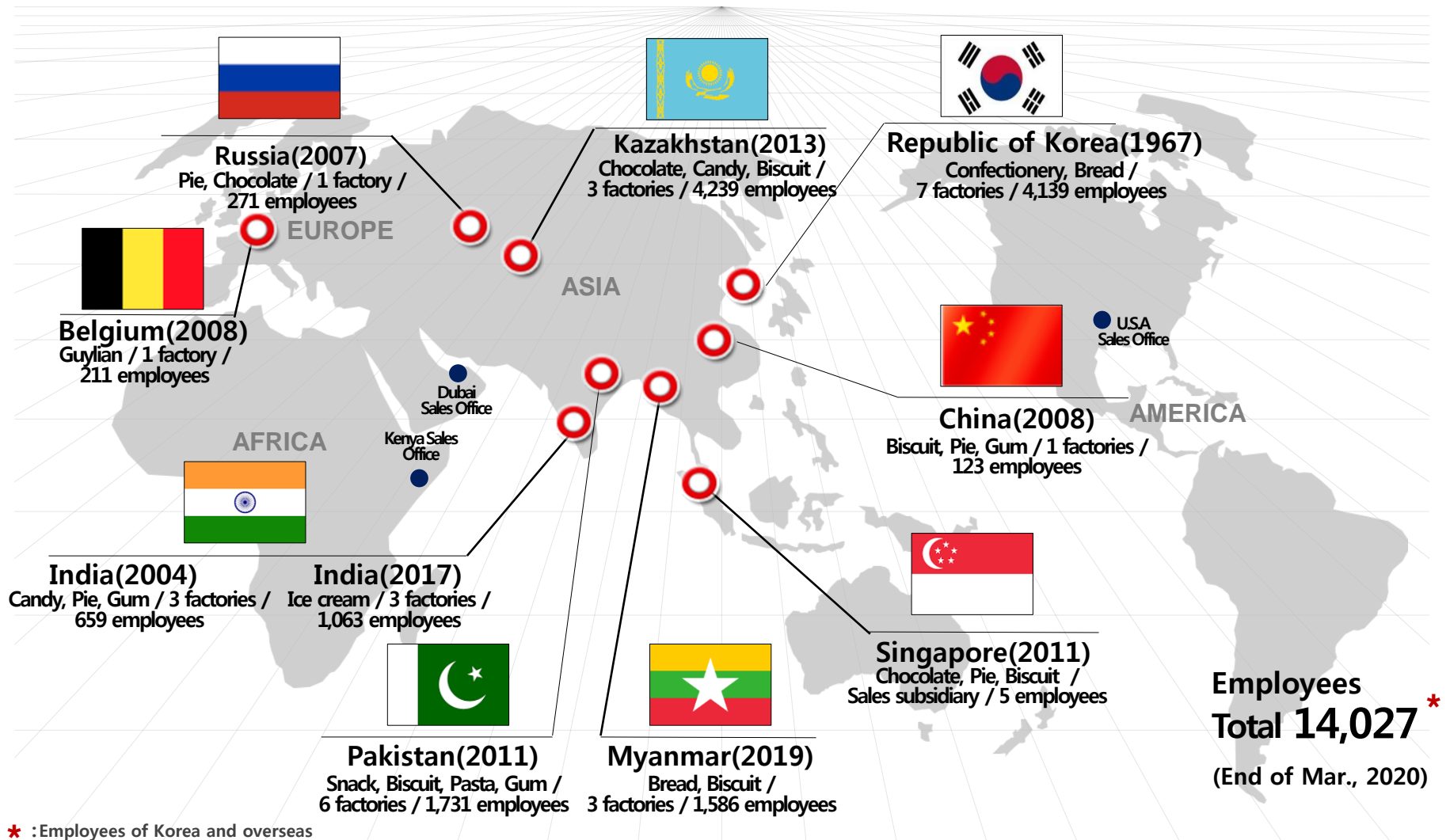


\* 2019 : Domestic - Parent sales / Overseas – The sum of overseas subsidiaries' sales that apply the average exchange rates of 2019

# Business Expansion (Overview)

Running 4 divisions (Conf./Ice cream/Bakery/Health), with 7 plants in Korea

Expanding business into 8 foreign countries with 21 plants overseas



\* :Employees of Korea and overseas

# Sales & Profit (Consolidated/Parent)

✓ 1Q.20 Consolidated Sales KRW 502B (YoY 2.0%) / OPM 3.7% (YoY +0.6P )

✓ 1Q.20 Parent Sales KRW 366B (YoY ▲0.3%) / OPM 3.8% (YoY +1.1P)

## Fiscal Year

## 1Q

■ Sales (KRW, Billion, %)  
 ■ Operating Profit

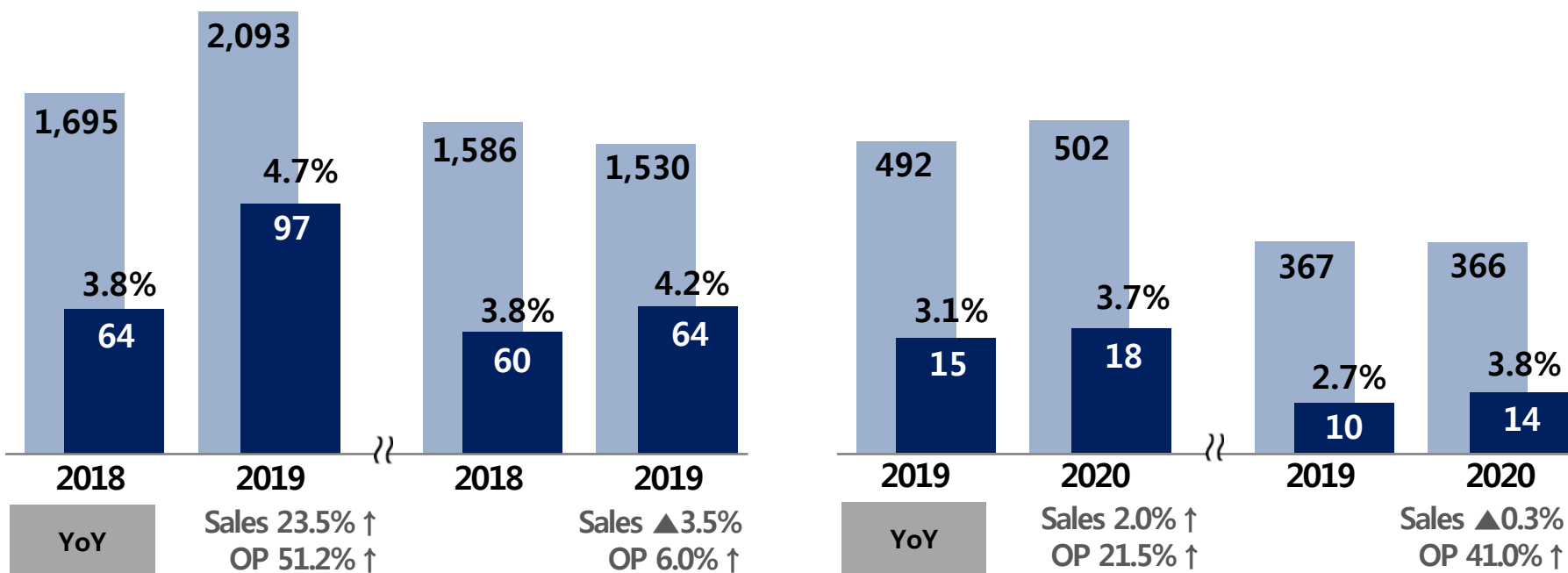
(KRW, Billion, %)

Consol.

Parent

Consol.

Parent



\* Results under K-IFRS

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# Domestic Business Portfolio

✓ Running 4 divisions in domestic business

(KRW,Billion,%)

Item		Fiscal Year				1Q			
		'18		'19		'19		'20	
		AMT	%	AMT	%	AMT	%	AMT	%
Sales	Confec-tionery	1,039	65.5	1,026	67.1	268	73.1	267	73.0
	Ice Cream	327	20.6	323	21.1	54	14.7	58	15.8
	Bakery	150	9.4	114	7.4	31	8.3	25	6.9
	Health/Others	71	4.5	67	4.4	14	3.9	16	4.3
	Total	1,586	100.0	1,530	100.0	367	100.0	366	100.0
Operating Margin		60	3.8	64	4.2	10	2.7	14	3.8

\* Parent results under K-IFRS / Export is included in Confectionery



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# Overseas Sales Trend (Disclosure)

✓ Completed transfer of overseas subsidiaries from Lotte Corp.

(KRW,Billion,%)

Country	Fiscal Year			1Q			Remarks (1Q)
	'18	'19	YoY	'19	'20	YoY	
 KAZ	189	193	1.8%	43	45	3.8%	• Sales growth of chocolate, biscuit (2.1% YoY growth in local currency)
 BEL	111	105	▲5.5%	22	22	▲1.3%	• (Covid-19) Sales decline due to reduction of tourists using duty free shop
 PAK	104	92	▲11.4%	22	20	▲10.9%	• (Covid-19) Sales decline by prohibiting citizen moving and shop business
 IND (Conf.)	68	70	3.1%	(16)	14	▲12.3%	• (Covid-19) Sales decline by executing blockade policy • Be transferred from Lotte Corp. to Lotte Conf. since 1Q,20
 IND (ICE)	91	102	12.5%	20	17	▲18.7%	• (Covid-19) Sales decline by executing blockade policy
 CHN	10	16	47.9%	4	3	▲4.7%	• (Covid-19) Sales decline by decreasing sales day and the amount of export to Korea (Only Lotte Qingdao has been consolidated since 4Q17)
 SGP	12	11	▲13.2%	3	3	▲11.3%	• Sales decline due to minimizing distributor's volume of business
 RUS	39	51	31.8%	11	13	18.6%	• Sales growth of choco-pie (11.6% YoY growth in local currency)
 MYA	-	30	- (M&A in 2019)	7	7	12.3%	• Sales growth of sandwich, cake products (11.5% YoY growth in local currency)
Overseas Total	625	670	7.2%	149	145	▲3.0%	-
Consol. Total	153	600	-	133	145	-	• Sum of sales of consolidated subsidiaries

\* Sales are based on annual exchange rate

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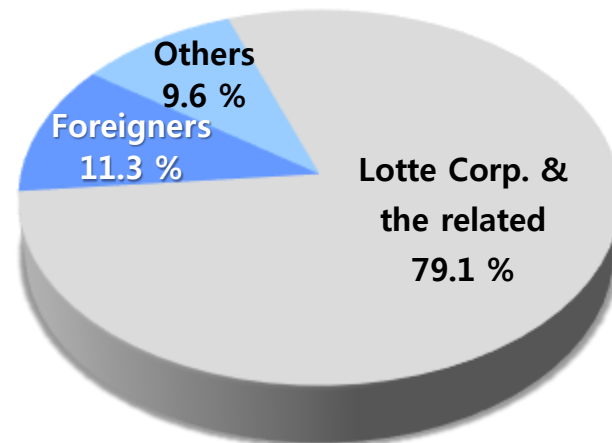
# Appendix – Shareholder Information



## Principal Shareholder Status

Shareholders	Ownership(%)
Lotte Corporation	48.4%
Lotte Aluminum	10.0%
Lotte Holdings	6.5%
Lotte Scholarship Foundation	5.7%
Shin, Kyuk Ho	4.5%

\* End of 13<sup>th</sup> April, 2020 (Share Outstanding : 6,416,717 shares)



\* Foreigners : Excluding Lotte Holdings



## Dividend / Payout Ratio

	Pre-split (Ex.Lotte Confectionery)		After Split		
	2015	2016	4Q.2017	2018	2019
Share Price (₩)	2,279,000	178,500	146,000	151,000	149,500
Cash Dividend (₩million)	16,019	16,062	1,179	8,336	8,336
Dividend Rate (DPS/face value)	225.4%	226.0%	56%	260.0%	260.0%
Dividend Per Share (₩)	11,270	1,130	280	1,300	1,300
Dividend Yield (DPS/Share Price)	0.5%	0.6%	N/A	0.9%	0.9%
Payout Ratio (Dividend/Net Profit)	20.2%	21.4%	60.5%	99.0%	20.0%

\* 2015-2016 Ex.Lotte Confectionery / Consolidated base