

Q3'21 Business Results

Nov, 2021 | Investor Relations



Disclaimer

The aim of this document is to provide practical assistance to shareholders and potential investors by reporting the recent performance and business status of LOTTE Confectionery and its major subsidiaries.

LOTTE Confectionery uses the Korean version of International Financial Reporting Standards (K-IFRS).

This document includes the prospects and judgements of LOTTE Confectionery, based on recent business circumstances.

In practice, adjustments can be made due to the likes of changes in the business environment or modifications to our strategy.

Nothing in this document shall be considered evidence of legal responsibility towards investors nor as a solicitation to invest.

We kindly remind you that LOTTE Confectionery accepts no responsibility for the actions of any third party acting on the information provided in this document.

Nov, 2021

Lotte Conf. ESG Team

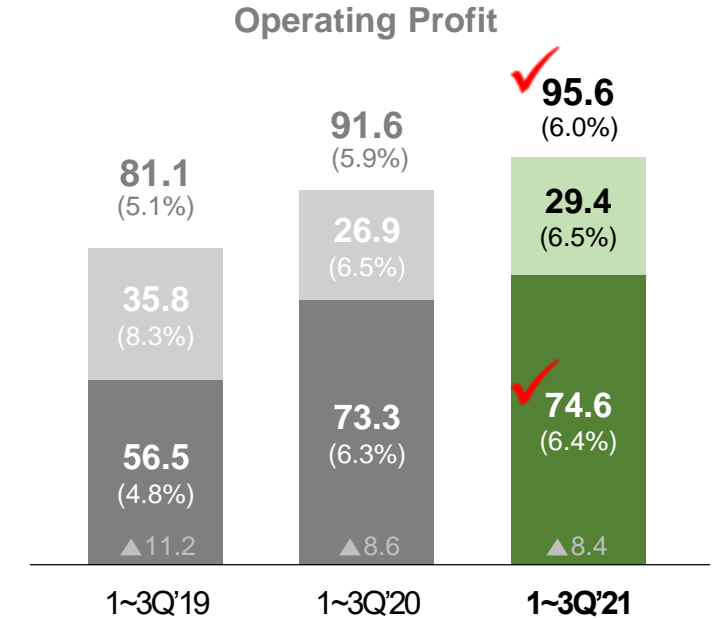
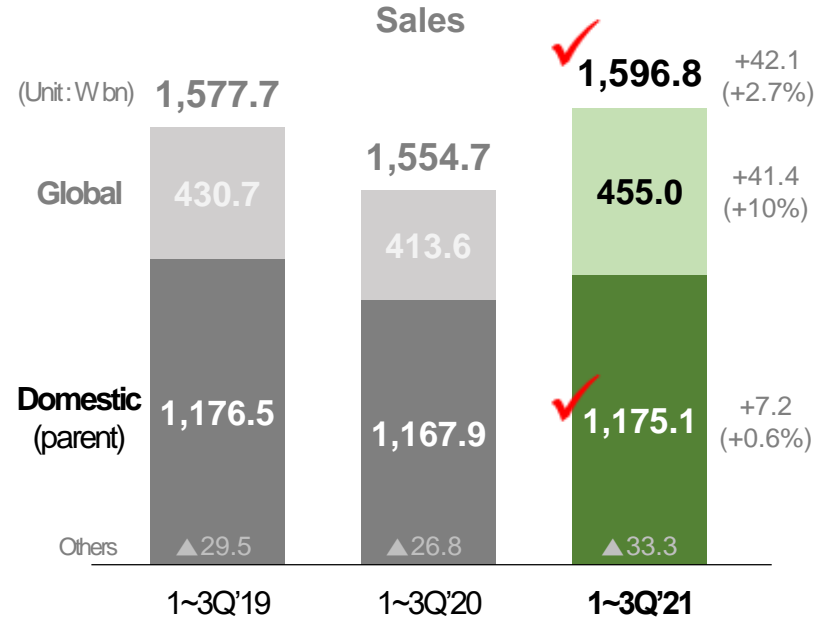
Summary

[1~3Q'21]

Consolidated Sales
1,596.8 Bn

Operating Profit
95.6 Bn

Net Profit
61.6 Bn

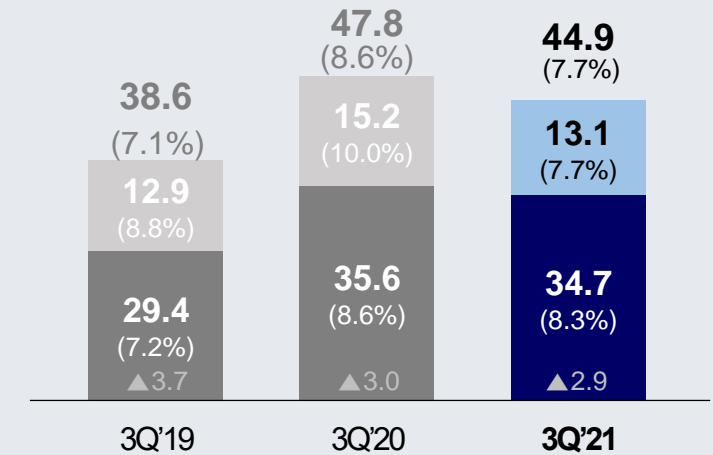
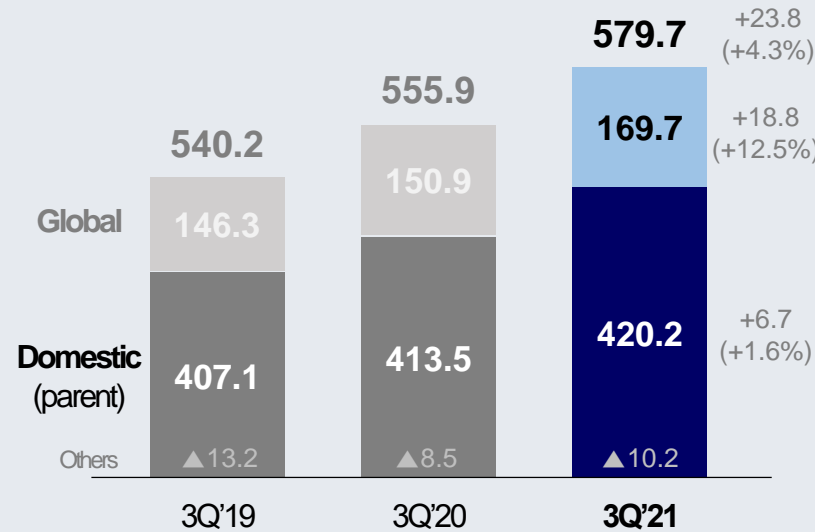


[3Q'21]

Consolidated Sales
579.7 Bn

Operating Profit
44.9 Bn

Net Profit
31.0 Bn

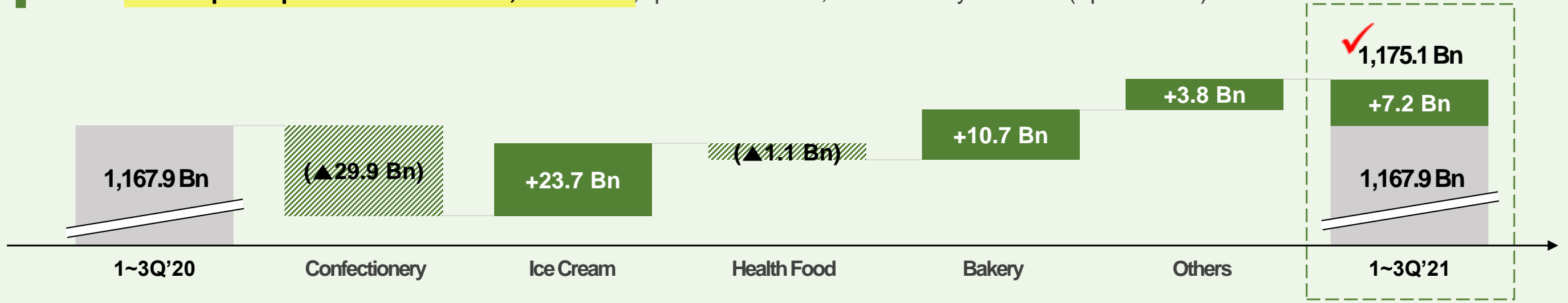


Domestic Business Results



Sales

1~3Q Sales of parent performance is KRW 1,175.1 billion, up 7.2 billion from 1,167.9 billion a year earlier. (Up 0.6% YoY)



Confectionery

Sales down ▲4.0%; decrease GUM, CANDY, BISCUIT, PIE, SNACK and increase CHOCO

Ice Cream

Sales up +8.1% due to outstanding result of July because of friendly hot weather

Health Food

Sales down ▲5.5% because of strong competition for similar product of Colostrum protein

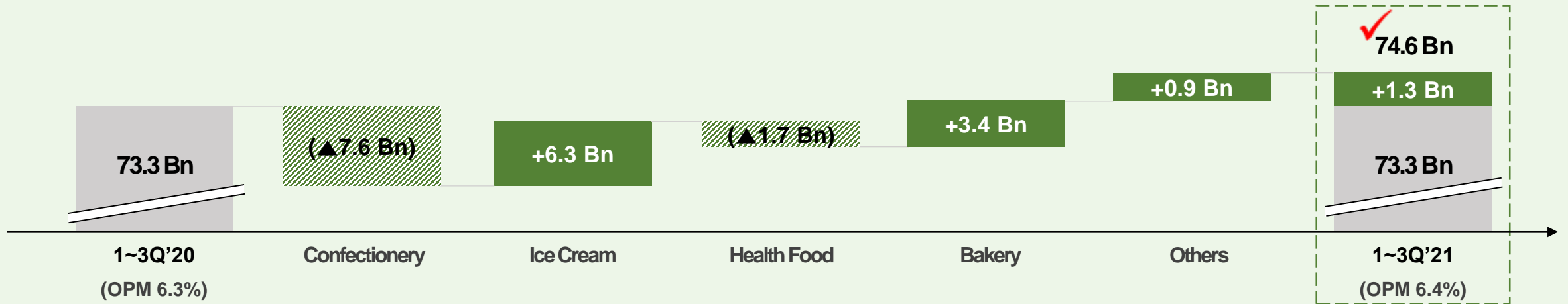
Bakery

Sales up +14.8% because of enlarging B2B sales volume and effect of increasing price

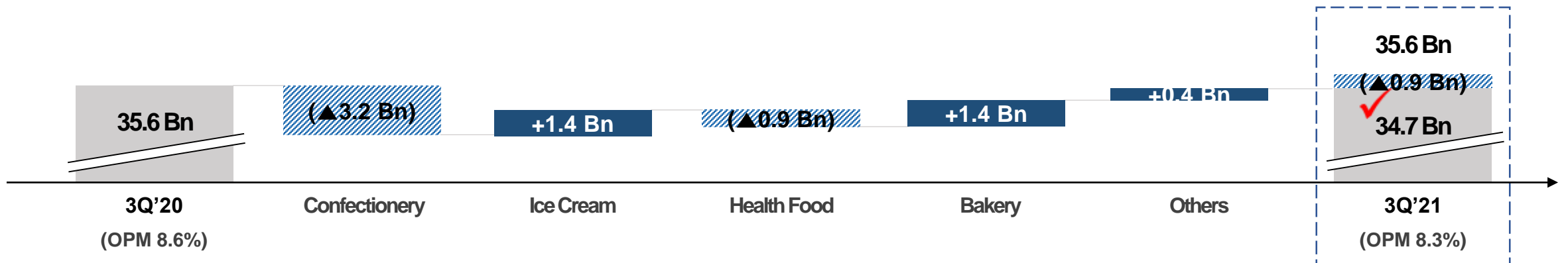
(Unit : W bn)	1~3Q				(3Q)			
	Y20	Y21	YoY	%	Y20	Y21	YoY	%
Sales	1,167.9	1,175.1	7.2	0.6	413.5	420.2	6.7	1.6
Confectionery	754.8	724.9	▲29.9	▲4.0	251.3	241.3	▲10.0	▲3.9
Ice Cream	291.4	315.1	23.7	8.1	119.3	131.9	12.6	10.6
Health Food	19.4	18.3	▲1.1	▲5.5	7.4	5.3	▲2.1	▲28.1
Bakery	72.0	82.7	10.7	14.8	23.6	28.6	5.0	21.6
Others	30.3	34.1	3.8	12.4	12.0	13.0	1.0	8.6

Operating Profit

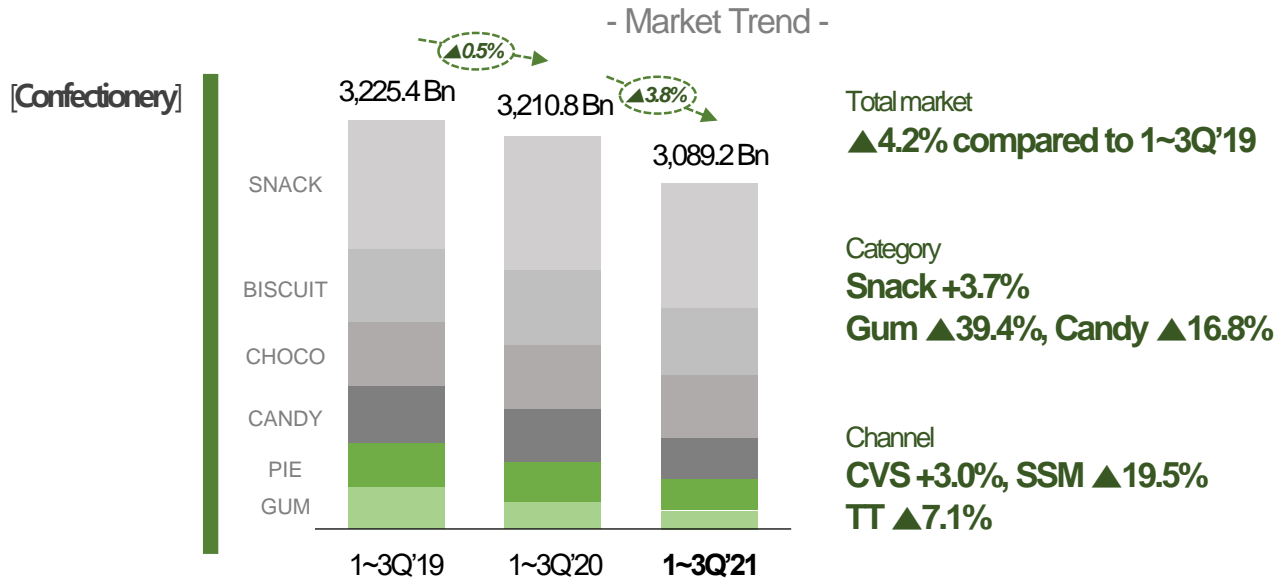
1~3Q Operating Profit of parent performance is KRW 74.6 billion, up 1.3 billion from 73.3 billion a year earlier. (Up 1.9% YoY)



3Q Operating Profit of parent performance is KRW 34.7 billion, decrease 0.9 billion from 35.6 billion a year earlier. (Decrease 2.7% YoY)



Market Analysis & Key Strategies



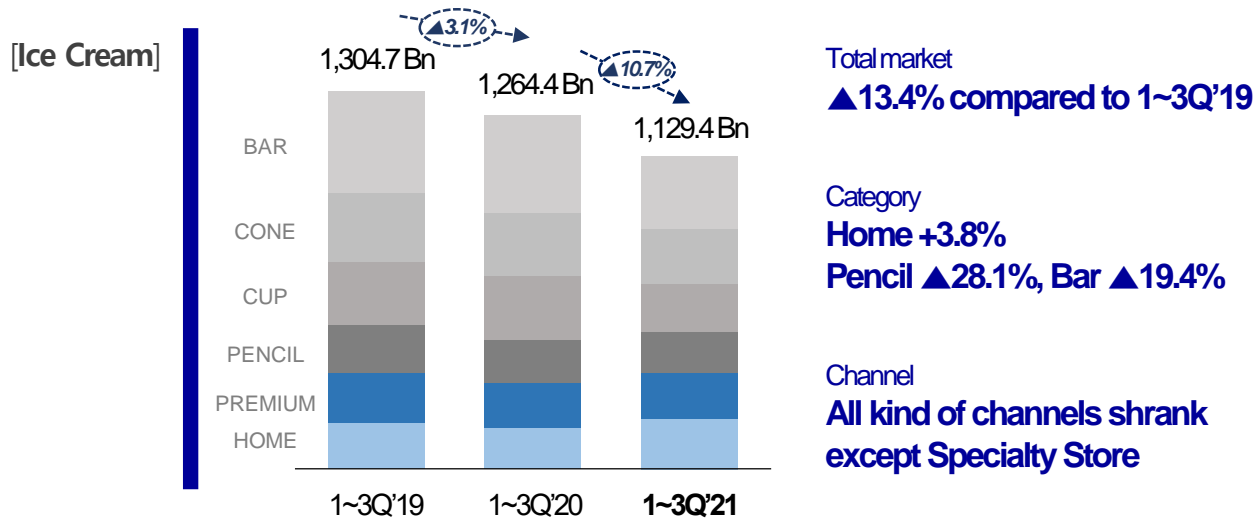
Wholesome project

Raised **healthy, sugar-free and vegan concept** products concerned to customer's health and nutrition. And have a plan to expand concept like ketogenic, organic



Confectionery

Strengthen marketing to **promote consumption of gum** which is our main force



Improved original LINE-UP and launched new products to **reflect increasing snack market**



Ice Cream

Expand LINE-UP of **home consumption and premium type** products to reflect market trend



Note1. Total market sales : based on POS data, Ice Cream market sales : not include Specialty Store

Note2. The comment next to graph : transition of trend from 2019 to 2021

2021 PEPERO DAY

Let's get closer together Scheduled 2021 P-DAY marketing which boost customers to share pepero under untact life due to COVID-19

Expect high participation rate in 2021 P-DAY (Thursday, Nov 11th)

- The rate of consumer participation is increasing¹⁾

	Y16	Y17	Y18	Y19	Y20	CAGR
Rate	68%	65%	66%	50%	71%	+1.2%

- The reason of participate in P-DAY is to express gratitude and friendship

The reason of participate in P-DAY	Y19	Y20	YoY
Express gratitude lightly to around people	50.2%	53.3 %	+3.1%p
Sharing fiendship with friends	46.9%	47.6 %	+0.7%p
Express love to fiance, spouse, etc	23.6%	22.9 %	▲0.7%p

2021 P-DAY Campaign : Let's get closer together



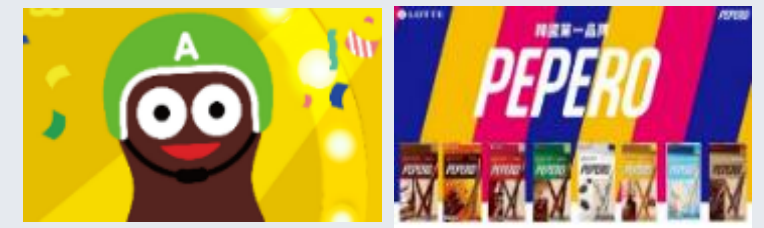
Planning to launch Eco-friendly and collaboration products

- Plastic wrap gift product → Change to paper wrap
- Collaboration with various brands
 - Cartoon character
 - K-POP musician
 - Distributors (e-bay, etc)
 - Local food (Jeju tangerine)



Marketing expand to Global : Let's get closer together

- MZ generation in US/Europe/Asia started to recognize Pepero Day



Note1. The rate of consumer participation : based on internal IMC research data (Nov, 2020)

ESG Management

Lotte Confectionery was given an **ESG evaluation grade of A in 2019-2021**. This year, we **expressed our willingness** to practice ESG management And **systematized decision-making organization**. We will publish our first **sustainability report** until the end of the year

Domestic ESG evaluation grade

Year	Integrated	Environment(E)	Social(S)	Governance(G)
2021	✓ A	A	A	A
2020	A	A	A+	B+
2019	A	A	A	B+

* Evaluation institution : Korea Corporate Governance Service (KCGS), <http://www.cgs.or.kr/>

Declaration of ESG management & Eco strategy

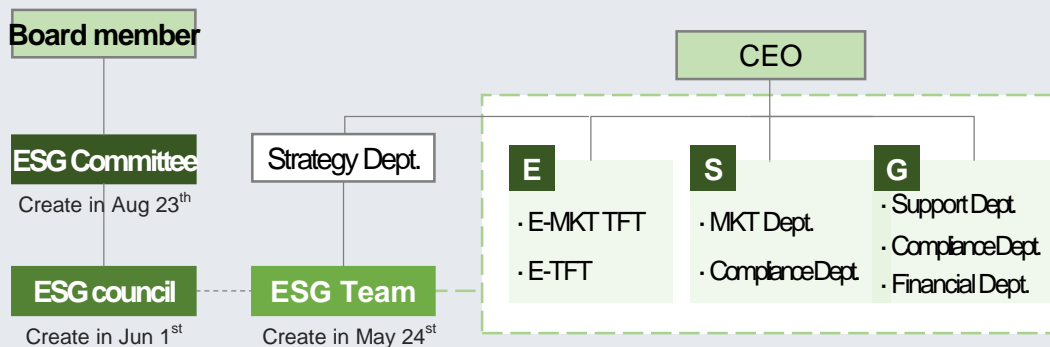
SWEET ECO 2025
 Expand using **eco-friendly** package until 2025 based on **5RE²** concept

① Plastic	② Chemical Ink	③ Package made by waste
Decrease 25%	Decrease 550ton	Use 4,200ton

Note2. Reduce, Replace, Recycle, Redesign, Reuse

Build internal organizations related to ESG

• “The most detailed ESG management system in the same industry¹⁾”



Note1. According to an article written by food and beverage media (September 16th, 2021)

Publish our first Sustainability report

• Publish in KOR/ENG & Expect to improve Global ESG evaluation grade




Title	SWEET ESG Sustainability report
Release	December 2021
Period	Jan 2020 ~ Jun 2021
Purpose	Emphasize sustainable performance Respond domestic&global ESG evaluation
Contents	ESG business strategy, achievement, future plan

Global Business Results



Global Business Highlights

We are expanding our global business abroad in 8 countries

Corporation ¹⁾	Entry	Main LINE-UP ²⁾	Brand / Product	Remark
	Kazakhstan (Rakhat)	M&A (2013)	Choco, Biscuit, Candy	 Kazhastanski  Tomyris  Yablachiko  Aigerim • No.1 Confectionery Company in local → https://www.rakhat.kz/
	Pakistan (Kolson)	M&A (2011)	Snack, Pasta, Biscuit, Gum	 Slanty  Pasta  Macaroni  Spout
	Belgium (Guylian)	M&A (2008)	Chocolate (Guylian brand, Private brand)	 Guylian Seashell  Master's Selection  La Truffina  Guylian Bar • Premium Chocolate Brand in Europe → https://www.guylian.com/
	India Conf. (Lotte India)	M&A (2004)	Pie, Candy, Gum	 Choco Pie  Cacao Pie  Coffee Bite  Spout • Leading the pie market of Tamil Nadu, India → https://www.lotteindia.com/
	India Ice. (Havmor)	M&A (2018)	Ice Cream (Bulk, Bar, Cone, Cup, etc.)	 Vanilla  Zulubar  AAM CANDY  World Cone • Entered overseas ice cream market → https://www.havmor.com/
	Russia (KF-RUS)	Direct Advance (2007)	Pie, Candy, Pepero	 Choco Pie  Cacao Pie  Banana Pie  Strawberry Pie • Maintaining the global production stronghold of Choco Pie
	Myanmar (L&MM)	M&A (2019)	Bakery (Mass-produced bread, Artisan bread)	 Fruit cake  Layer cake  Cup cake  Square Bread
	China (QINGDAO)	M&A (2005)	Pie, Biscuit, Candy	 Choco Pie  Koala's March  Yogurt Jelly  Pepero
	Singapore (S.E.A)	Direct Advance (2011)	Sales Corporation (Import and sales of domestic product)	 Pepero  Choco Pie  Custard  Chic-choc • Stronghold sales corporation in South-East Asia

Note1. In order of large average annual sales

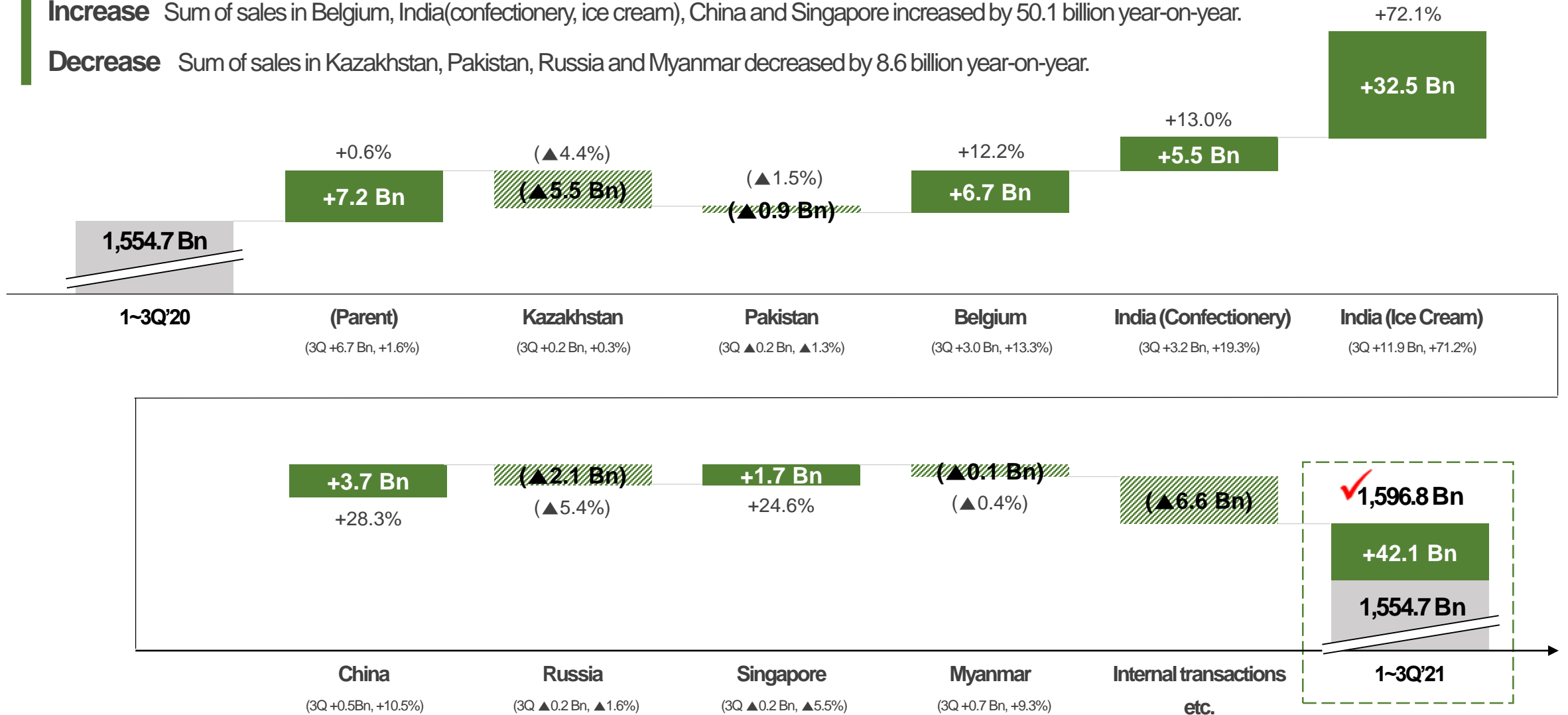
Note2. In order of large annual sales proportion

Sales

1~3Q Sales of consolidated performance is KRW 1,596.8 billion, up 42.1 billion from 1,554.7 billion a year earlier. (Up 2.7% YoY)

Increase Sum of sales in Belgium, India(confectionery, ice cream), China and Singapore increased by 50.1 billion year-on-year.

Decrease Sum of sales in Kazakhstan, Pakistan, Russia and Myanmar decreased by 8.6 billion year-on-year.



Sales

1~3Q Good business performances in overseas have **not been properly demonstrated due to local currency depreciation**

Exchange rate

Performance of main countries poorly demonstrated in KRW, with currency depreciation

Classification	Kazakhstan	Pakistan	India	Russia
1~3Q'20	2.94 KRW/KZT	7.41 KRW/PKR	16.18 KRW/INR	16.99 KRW/RUB
1~3Q'21	2.66	7.12	15.37	15.27
Inc/Dec	▲9.5 %	▲3.9 %	▲5.0 %	▲10.1 %

Sales Increase

Sales performance has improved in **Belgium/India(conf. & ice cream)/Singapore** due to stable business environment with base effect of Covid-19 and Vaccination

Especially, **sales of India(ice cream) corporation** has largely increased due to shortened Monsoon and extended sales coverage (+17% over 2years)

Sales Decrease

Sales performance of **Kazakhstan/Pakistan/Russia** has increased in local currency, but demonstrated as decreased in KRW due to currency depreciation

Sales in **Myanmar** has decreased with the effect of military coup d'etat (since Feb.) and re-spread of Covid-19 (since Jun.)

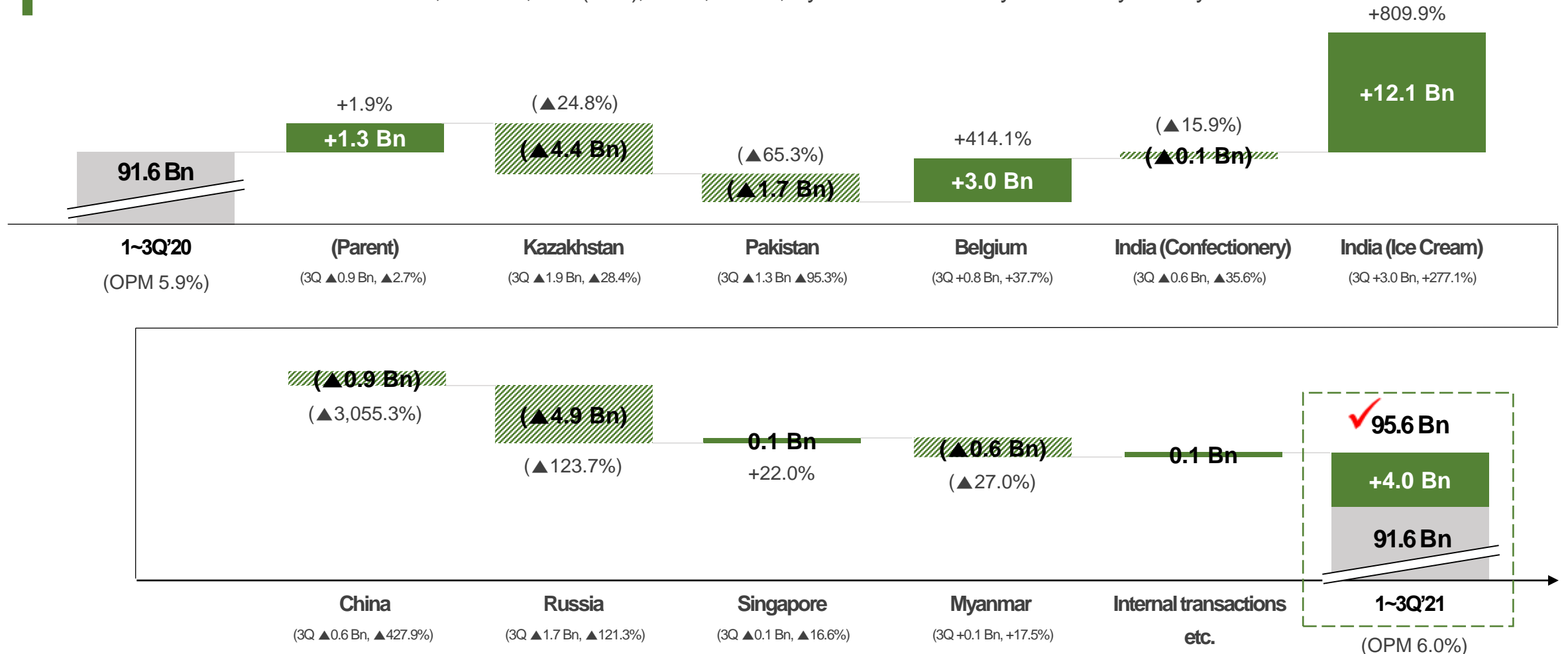
(Unit : W bn)	KRW			Local Currency			
	1~3Q'20	1~3Q'21	%	Unit	1~3Q'20	1~3Q'21	%
Sales	1,554.7	1,596.8	2.7				
Parent	1,167.9	1,175.1	0.6				
Kazakhstan	126.1	120.6	▲4.4	KZT 100 mn	429	453	5.7
Pakistan	65.3	64.4	▲1.5	PKR mn	8,816	9,039	2.5
Belgium	54.8	61.5	12.2	EUR 100thou	406	454	12.0
India(conf)	41.9	47.4	13.0	INR mn	2,592	3,084	19.0
India(ice)	45.1	77.6	72.1	INR mn	2,787	5,048	81.1
China	13.0	16.7	28.3	CNY 100thou	758	954	25.9
Russia	38.7	36.6	▲5.4	RUB mn	2,277	2,398	5.3
Singapore	6.9	8.6	24.6	SGD 100thou	80	102	27.4
Myanmar	21.8	21.7	▲0.4	MMK 100 mn	276	272	▲1.3
Sweet With	1.0	0.8	▲14.7				
Adjustment	▲27.8	▲34.2	▲22.9				

Operating Profit

1~3Q **Operating Profit of consolidated performance is KRW 95.6 billion**, up 4.0 billion from 91.6 billion a year earlier. (Up 4.4% YoY)

Increase Sum of sales in Belgium, India(ice cream) and Singapore increased by 15.2 billion year-on-year.

Decrease Sum of sales in Kazakhstan, Pakistan, India(conf.), China, Russia, Myanmar decreased by 12.6 billion year-on-year.



2021Y Guidance



2021Y Guidance

Parent Results

		1~3Q'20	1~3Q'21	(YoY)	Y2019	Y2020	Y21 Guidance
Parent	Sales	1,167.9 Bn	1,175.1 Bn	7.2 Bn +0.6%	1,530.1 Bn	1,531.2 Bn	Expect similar level as last year
	Operating Profit	73.3 Bn	74.6 Bn	1.3 Bn +1.9%	63.5 Bn	86.6 Bn	
	OP%	6.3%	6.4%	+0.1%P	4.2%	5.7%	

* Downgraded the guidance at the beginning of the year

Consolidated Results

Consolidated	Sales	1,554.7 Bn	1,596.8 Bn	42.1 Bn +2.7%	2,093.0 Bn	2,076.0 Bn	Expect similar level as last year
	Operating Profit	91.6 Bn	95.6 Bn	4.0 Bn +4.4%	97.3 Bn	112.6 Bn	
	OP%	5.9%	6.0%	+0.1%P	4.7%	5.4%	

Conclusion

The aim of this document is to provide practical assistance to shareholders and potential investors. This document cannot serve as any evidence of legal responsibility for investors nor the outcome of the investment.

If you have any questions about this document, please contact us and we will explain in detail under compliance regulations.

Thank you !



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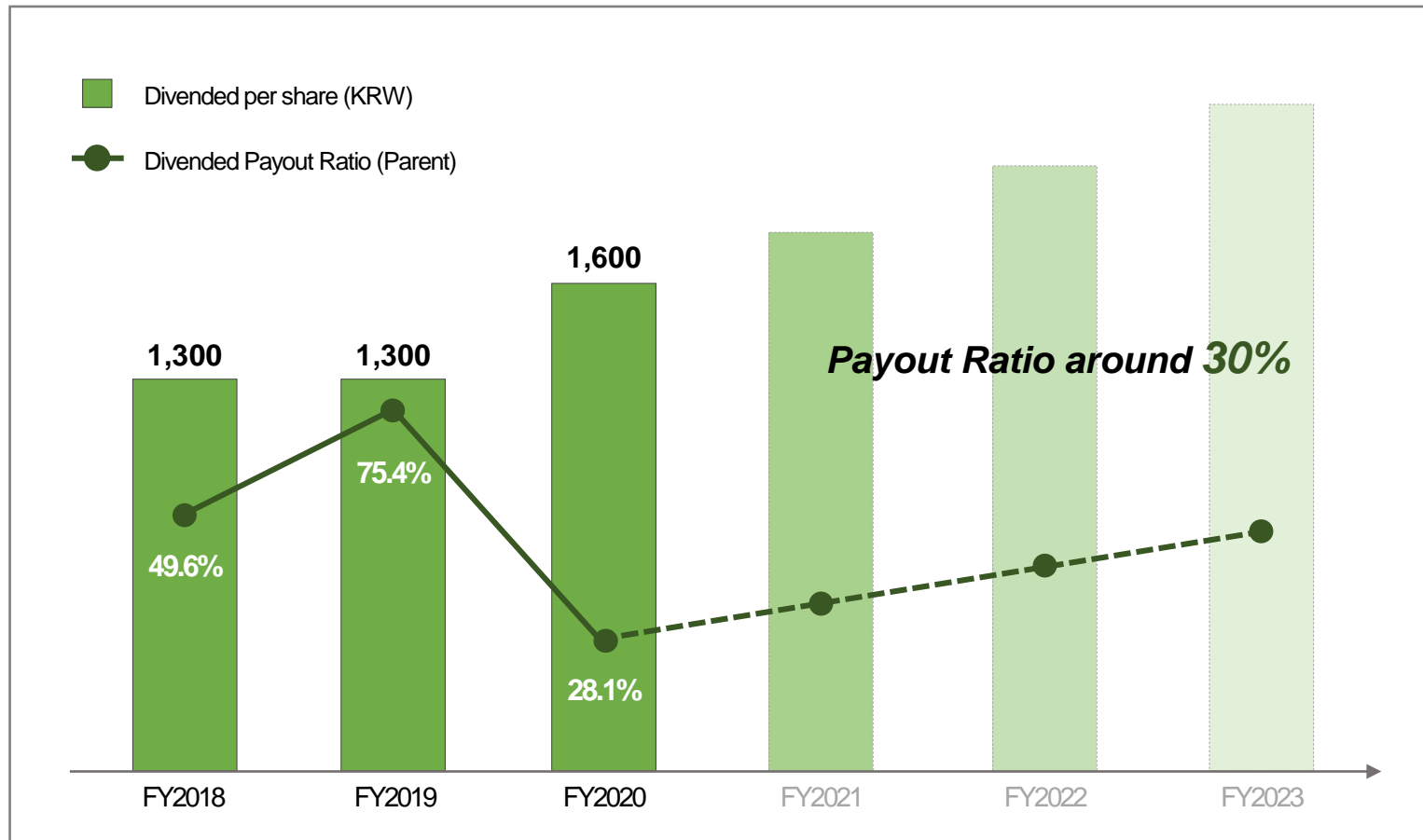
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Appendix I Shareholder Return

Dividend Policy Lotte Confectionery offers **mid-term dividend policy** to improve predictability and transparency for shareholders.

[Dividend]



[Mid-term policy]

- Lotte Confectionery **set the goal of 30% of dividend payout ratio**. And year-end dividend will be decided after comprehensive consideration of factors such as mid-term business plan, dividend yield, and FCF.
- Dividend per share target **fluctuations within ±20% of the previous year** for stable dividend payments to shareholders.

Note. Dividend Payout Ratio = Total Cash Dividends ÷ Net Profit

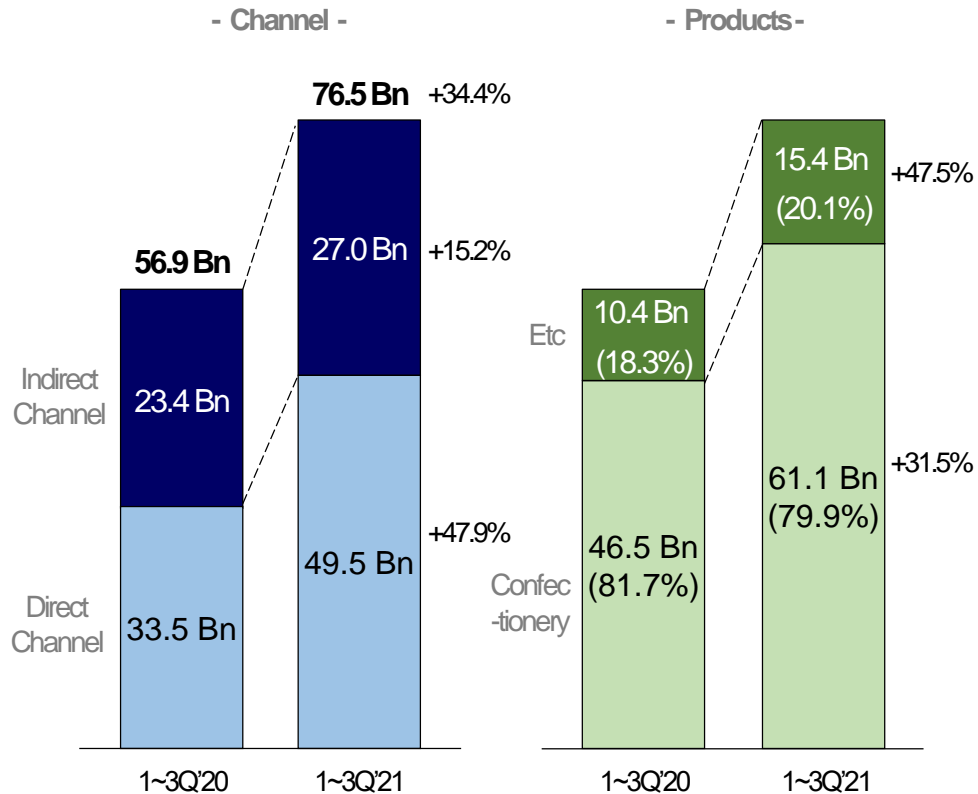
Appendix I Expand Online

Sales 1~3'Q21 Sales of online channel is 76.5Bn, **increased 34.4% year-on-year**. Especially, sales of direct online channel has **increased 47.9% year-on-year**.

Products Sales of confectionery increased 31.5% year-on-year, and **the other categories (Ice cream/Natuur/Baekry) increased 47.5% year-on-year**.

MKT Expand channels which can communicate directly with customers, and **advertise actively on own online mall** like launching new product earlier.

[Sales of Online channel]



[Main Performance]

☑ Expand channels to communicate directly between company and consumers

	Lotte Sweet mall	Lotte Conf. mall	Natuur mall
OPEN	Jan, 2021	May, 2020	Jan, 2021
The number of Members (~Oct, 2021)	53,625	105,890	12,114

☑ Expand online marketing on own online mall

· Pre-launching new products and reservation service, various events (lucky draw, etc.)



Note. Indirect channel : Online mall of distribution company, Direct channel : direct delivery by Lotte Confectionery / Delivery by vendors

Appendix I Global business

COVID-19 Overseas business result is recovering rapidly to before Covid-19 outbreak by high-awareness local brands and sales power.

Exchange Rate Good business performances in overseas have not been properly demonstrated because of local currency depreciation. (refer to appendix)

Classification	KRW (100 million)									Local Currency						
	Sales			Operating Profit			Operating Margin (%)			Unit	Sales			Operating Profit		
	1~3Q'20	1~3Q'21	%	1~3Q'20	1~3Q'21	%	1~3Q'20	1~3Q'21	%P		1~3Q'20	1~3Q'21	%	1~3Q'20	1~3Q'21	%
Global	4,136	4,550	10.0	269	294	9.2	6.5	6.5	0.0P							
Kazakhstan	1,261	1,206	▲4.4	179	134	▲24.8	14.2	11.1	▲3.1P	KZT 100 mn	429	453	5.7	61	51	▲16.9
Pakistan	653	644	▲1.5	27	9	▲65.3	4.1	1.4	▲2.7P	PKR mn	8,816	9,039	2.5	359	130	▲63.9
Belgium	548	615	12.2	7	37	414.1	1.3	6.0	4.7P	EUR 100 thou	406	454	12.0	5	27	413.1
India(Conf)	419	474	13.0	6	5	▲15.9	1.5	1.1	▲0.4P	INR mn	2,592	3,084	19.0	38	33	▲11.4
India(Ice)	451	776	72.1	▲15	106	809.9	▲3.3	13.7	17.0P	INR mn	2,787	5,048	81.1	▲92	690	847.3
China	130	167	28.3	0	▲9	▲3,055.3	0.2	▲5.1	▲5.3P	CNY 100 thou	758	954	25.9	2	▲49	▲2,999.6
Russia	387	366	▲5.4	40	▲9	▲123.7	10.2	▲2.6	▲12.8P	RUB mn	2,277	2,398	5.3	232	▲61	▲126.4
Singapore	69	86	24.6	3	4	22.0	4.4	4.3	▲0.1P	SGD 100 thou	80	102	27.4	4	4	24.7
Myanmar	218	217	▲0.4	22	16	▲27.0	10.3	7.5	▲2.8P	MMK 100 mn	276	272	▲1.3	28	20	▲27.6

Appendix I Parent Income Statement

(unit : 100million, %, %P)

Classification	3Q'19		3Q'20		3Q'21		YoY		1~3Q'19		1~3Q'20		1~3Q'21		YoY	
	KRW	%	KRW	%	KRW	%	KRW	%(%P)	KRW	%	KRW	%	KRW	%	KRW	%(%P)
1. Sales	4,071	100.0	4,135	100.0	4,202	100.0	67	1.6	11,765	100.0	11,679	100.0	11,751	100.0	72	0.6
Confectionery	2,462	60.5	2,513	60.8	2,413	57.4	▲100	▲3.9	7,599	64.6	7,548	64.6	7,249	61.7	▲299	▲4.0
Ice Cream	1,170	28.7	1,193	28.8	1,319	31.4	126	10.6	2,806	23.8	2,914	24.9	3,151	26.8	237	8.1
Health Food	44	1.1	74	1.8	53	1.3	▲21	▲28.1	121	1.0	194	1.7	183	1.6	▲11	▲5.5
Bakery	249	6.1	236	5.7	286	6.8	50	21.6	848	7.2	720	6.2	827	7.0	107	14.8
Others	147	3.6	120	2.9	130	3.1	10	8.6	392	3.3	303	2.6	341	2.9	38	12.4
2. C.O.G.S	2,558	62.8	2,540	61.4	2,605	62.0	65	0.6P	7,547	64.1	7,349	62.9	7,403	63.0	54	0.1P
3. G.P	1,514	37.2	1,595	38.6	1,597	38.0	2	▲0.6P	4,218	35.9	4,329	37.1	4,347	37.0	18	▲0.1P
4. SG & A	1,220	30.0	1,239	30.0	1,251	29.8	12	▲0.2P	3,653	31.1	3,597	30.8	3,601	30.6	4	▲0.2P
Salaries	334	8.2	315	7.6	314	7.5	▲1	▲0.1P	994	8.4	947	8.1	938	8.0	▲9	▲0.1P
Others	886	21.8	924	22.3	937	22.3	13	0.0P	2,659	22.6	2,650	22.7	2,663	22.7	13	0.0P
(Advertising)	82	2.0	99	2.4	125	3.0	26	0.6P	260	2.2	295	2.5	333	2.8	38	0.3P
(Depreciation)	60	1.5	63	1.5	61	1.5	▲2	0.0P	179	1.5	184	1.6	183	1.6	▲1	0.0P
(Amortization)	2	0.1	1	0.0	1	0.0	0	0.0P	7	0.1	6	0.1	3	0.0	▲3	▲0.1P
5. O.P	294	7.2	356	8.6	347	8.3	▲9	▲0.3P	565	4.8	733	6.3	746	6.4	13	0.1P
6. Other Income	52	1.3	15	0.4	27	0.6	12	0.2P	80	0.7	77	0.7	56	0.5	▲21	▲0.2P
7. Other Expense	33	0.8	34	0.8	45	1.1	11	0.3P	124	1.1	97	0.8	90	0.8	▲7	0.0P
8. Finance Income	74	1.8	▲37	▲0.9	58	1.4	95	2.3P	215	1.8	115	1.0	260	2.2	145	1.2P
9. Finance Expense	110	2.7	3	0.1	90	2.1	87	2.0P	255	2.2	152	1.3	204	1.7	52	0.4P
10. R.P	277	6.8	298	7.2	297	7.1	▲1	▲0.1P	481	4.1	677	5.8	768	6.5	91	0.7P
11. Income tax	66	1.6	71	1.7	70	1.7	▲1	0.0P	113	1.0	151	1.3	148	1.3	▲3	0.0P
12. N.P	212	5.2	227	5.5	227	5.4	0	▲0.1P	367	3.1	525	4.5	620	5.3	95	0.8P

Appendix I Consolidated Income Statement

(unit : 100million, %, %P)

Classification	3Q'19		3Q'20		3Q'21		YoY		1~3Q'19		1~3Q'20		1~3Q'21		YoY	
	KRW	%	KRW	%	KRW	%	KRW	%(%P)	KRW	%	KRW	%	KRW	%	KRW	%(%P)
1. Sales	5,402	100.0	5,559	100.0	5,797	100.0	238	4.3	15,777	100.0	15,547	100.0	15,968	100.0	421	2.7
Parent	4,071	75.4	4,135	74.4	4,202	72.5	67	1.6	11,765	74.6	11,679	75.1	11,751	73.6	72	0.6
Global																
Kazakhstan	468	8.7	435	7.8	437	7.5	2	0.3	1,343	8.5	1,261	8.1	1,206	7.6	▲55	▲4.4
Pakistan	229	4.2	218	3.9	216	3.7	▲2	▲1.3	686	4.3	653	4.2	644	4.0	▲9	▲1.5
Belgium	266	4.9	225	4.1	255	4.4	30	13.3	674	4.3	548	3.5	615	3.9	67	12.2
India(Conf)	(201)	-	166	3.0	198	3.4	32	19.3	(515)	-	419	2.7	474	3.0	55	13.0
India(Ice)	219	4.1	168	3.0	287	4.9	119	71.2	828	5.2	451	2.9	776	4.9	325	72.1
China	36	0.7	49	0.9	54	0.9	5	10.5	108	0.7	130	0.8	167	1.0	37	28.3
Russia	138	2.6	145	2.6	143	2.5	▲2	▲1.6	363	2.3	387	2.5	366	2.3	▲21	▲5.4
Singapore	28	0.5	29	0.5	27	0.5	▲2	▲5.5	85	0.5	69	0.4	86	0.5	17	24.6
Myanmar	79	1.5	74	1.3	81	1.4	7	9.3	219	1.4	218	1.4	217	1.4	▲1	▲0.4
Sweet With	3	0.0	3	0.1	2	0.0	▲1	▲20.6	9	0.1	10	0.1	8	0.1	▲2	▲14.7
Adjustment	▲134	▲2.5	▲87	▲1.6	▲105	▲1.8	▲18	▲20.1	▲304	▲1.9	▲278	▲1.8	▲342	▲2.1	▲64	▲22.9
2. C.O.G.S	3,535	65.4	3,548	63.8	3,752	64.7	204	0.9P	10,437	66.2	10,145	65.3	10,454	65.5	309	0.2P
3. G.P	1,868	34.6	2,011	36.2	2,045	35.3	34	▲0.9P	5,340	33.8	5,402	34.7	5,514	34.5	112	▲0.2P
4. SG & A	1,482	27.4	1,533	27.6	1,596	27.5	63	▲0.1P	4,529	28.7	4,486	28.9	4,558	28.5	72	▲0.4P
Salaries	409	7.6	390	7.0	395	6.8	5	▲0.2P	1,219	7.7	1,192	7.7	1,182	7.4	▲10	▲0.3P
Others	1,073	19.9	1,143	20.6	1,201	20.7	58	0.1P	3,310	21.0	3,294	21.2	3,375	21.1	81	▲0.1P
(Advertising)	102	1.9	116	2.1	156	2.7	40	0.6P	345	2.2	352	2.3	406	2.5	54	0.2P
(Depreciation)	85	1.6	93	1.7	85	1.5	▲8	▲0.2P	254	1.6	262	1.7	255	1.6	▲7	▲0.1P
(Amortization)	34	0.6	32	0.6	31	0.5	▲1	▲0.1P	100	0.6	99	0.6	92	0.6	▲7	0.0P
5. O.P	386	7.1	478	8.6	449	7.7	▲29	▲0.9P	811	5.1	916	5.9	956	6.0	40	0.1P
6. Other Income	88	1.6	28	0.5	69	1.2	41	0.7P	205	1.3	106	0.7	125	0.8	19	0.1P
7. Other Expense	69	1.3	55	1.0	69	1.2	14	0.2P	180	1.1	156	1.0	154	1.0	▲2	0.0P
8. Finance Income	89	1.6	▲20	▲0.4	66	1.1	86	1.5P	176	1.1	106	0.7	168	1.1	62	0.4P
9. Finance Expense	128	2.4	87	1.6	109	1.9	22	0.3P	319	2.0	379	2.4	264	1.7	▲115	▲0.7P
10. R.P	366	6.8	344	6.2	407	7.0	63	0.8P	693	4.4	594	3.8	830	5.2	236	1.4P
11. Income tax	95	1.8	68	1.2	96	1.7	28	0.5P	180	1.1	145	0.9	214	1.3	69	0.4P
12. N.P	271	5.0	275	5.0	310	5.4	35	0.4P	513	3.3	449	2.9	616	3.9	167	1.0P

Appendix I Consolidated Income Statement (KRW vs Local Currency)

(unit : 100million, %, %P)

Classification		Sales					Operating Profit					Operating Margin (%)				Note
		1~3Q'19	1~3Q'20	1~3Q'21	YoY		1~3Q'19	1~3Q'20	1~3Q'21	YoY		1~3Q'19	1~3Q'20	1~3Q'21	%P	
					KRW	%				KRW	%					
Total Consolidated	KRW100mn	15,777	15,547	15,968	421	2.7	811	916	956	40	4.4	5.1	5.9	6.0	0.1P	→ Not consolidated in 2019 (Under Lotte Corp.)
Parent	KRW100mn	11,765	11,679	11,751	72	0.6	565	733	746	13	1.9	4.8	6.3	6.4	0.1P	
Global	KRW100mn	4,307	4,136	4,550	414	10.0	358	269	294	25	9.2	8.3	6.5	6.5	0.0P	
Kazakhstan	KRW100mn	1,343	1,261	1,206	▲55	▲4.4	157	179	134	▲45	▲24.8	11.7	14.2	11.1	▲3.1P	
	KZT 100mn	440	429	453	24	5.7	51	61	51	▲10	▲16.9	11.7	14.2	11.1	▲3.1P	
Pakistan	KRW100mn	686	653	644	▲9	▲1.5	▲2	27	9	▲18	▲65.3	▲0.3	4.1	1.4	▲2.7P	
	PKR mn	8,753	8,816	9,039	223	2.5	▲23	359	130	▲229	▲63.9	▲0.3	4.1	1.4	▲2.7P	
Belgium	KRW100mn	674	548	615	67	12.2	51	7	37	30	414.1	7.6	1.3	6.0	4.7P	
	EUR 100thou	516	406	454	48	12.0	39	5	27	22	413.1	7.6	1.3	6.0	4.7P	
India(Conf)	KRW100mn	(515)	419	474	55	13.0	(17)	6	5	▲1	▲15.9	(3.2)	1.5	1.1	▲0.4P	
	INR mn	(3,106)	2,592	3,084	492	19.0	(101)	38	33	▲5	▲11.4	(3.2)	1.5	1.1	▲0.4P	
India(Conf)	KRW100mn	828	451	776	325	72.1	99	▲15	106	121	809.9	11.9	▲3.3	13.7	17.0P	
	INR mn	4,994	2,787	5,048	2,261	81.1	596	▲92	690	782	847.3	11.9	▲3.3	13.7	17.0P	
China	KRW100mn	108	130	167	37	28.3	▲1	0	▲9	▲9	▲3,055.3	▲0.9	0.2	▲5.1	▲5.3P	
	CNY 100thou	639	758	954	196	25.9	▲6	2	▲49	▲51	▲2,999.6	▲0.9	0.2	▲5.1	▲5.3P	
Russia	KRW100mn	363	387	366	▲21	▲5.4	31	40	▲9	▲49	▲123.7	8.7	10.2	▲2.6	▲12.8P	
	RUB mn	2,032	2,277	2,398	121	5.3	176	232	▲61	▲293	▲126.4	8.7	10.2	▲2.6	▲12.8P	
Singapore	KRW100mn	85	69	86	17	24.6	3	3	4	1	22.0	3.7	4.4	4.3	▲0.1P	
	SGD 100thou	100	80	102	22	27.4	4	4	4	0	24.7	3.7	4.4	4.3	▲0.1P	
Myanmar	KRW100mn	219	218	217	▲1	▲0.4	19	22	16	▲6	▲27.0	8.8	10.3	7.5	▲2.8P	
	MMK 100mn	288	276	272	▲4	▲1.3	25	28	20	▲8	▲27.6	8.8	10.3	7.5	▲2.8P	
Sweet With	KRW100mn	9	10	8	▲2	▲14.7	▲1	▲0	▲1	▲1	▲651.8	▲6.6	▲1.2	▲10.9	▲9.7P	
Adjustment	KRW100mn	▲304	▲278	▲342	▲64	-	▲111	▲85	▲83	2	-	-	-	-	-	

Appendix I Average exchange rate

(unit : KRW / Local Currency)

Nation	Currency	Jan ~ Dec			Jan ~ Sep				Note
		Y19	Y20	YoY (%)	Y19	Y20	Y21	YoY (%)	
Kazakhstan	KZT	3.04	2.86	▲5.9	3.05	2.94	2.66	▲9.5	
Pakistan	PKR	7.77	7.29	▲6.2	7.84	7.41	7.12	▲3.9	
Belgium	EUR	1304.81	1345.99	3.2	1305.78	1350.34	1352.89	0.2	
India	INR	16.56	15.92	▲3.9	16.58	16.18	15.37	▲5.0	
China	CNY	168.58	170.88	1.4	169.15	171.50	174.80	1.9	
Russia	RUB	18.03	16.41	▲9.0	17.88	16.99	15.27	▲10.1	
Singapore	SGD	854.39	855.11	0.1	851.59	863.41	844.46	▲2.2	
Myanmar	MMK	0.7630	0.7987	4.7	0.7606	0.7919	0.7991	0.9	

Note. Standard : Average exchange rate during the period (Jan 1st ~ Now)