

# 2Q24 Business Results

2024.08.02 | 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 Wellfood and its major subsidiaries.

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

This document includes the prospects and judgements of LOTTE Wellfood, 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.

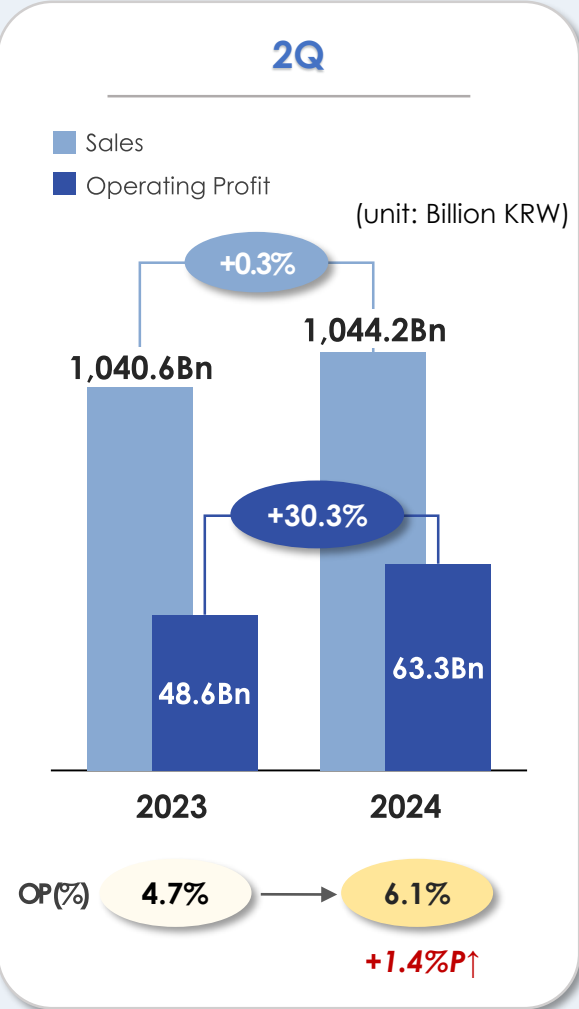
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We kindly remind you that LOTTE Wellfood accepts no responsibility for the actions of any third party acting on the information provided in this document.

Aug, 2024  
Lotte Well food. IR

# 2Q24 Business Results

## Consolidation Criteria



(unit: 100 million KRW)

	2Q			
	2023	2024	YoY	
			Amount	%(%P)
<b>Sales</b>	<b>10,406</b>	<b>10,442</b>	<b>36</b>	<b>0.3</b>
Domestic	8,415	8,366	▲49	▲0.6
Export	474	541	67	14.3
Global	2,077	2,194	117	5.6
<b>Operating Profit</b>	<b>486</b>	<b>633</b>	<b>147</b>	<b>30.3</b>
Domestic	350	418	68	19.6
Export	42	69	27	65.2
Global	157	216	59	37.6
<b>Margin(%)</b>	<b>4.7</b>	<b>6.1</b>	<b>1.4P</b>	
Domestic	4.2	5.0	0.8P	
Export	8.8	12.7	3.9P	
Global	7.6	9.8	2.2P	

**Sales increased by 0.3%,  
Operating profit increased by 30.3%**

### Domestic Business

**Sales ▲0.6%, Operating profit +19.6%**

Decrease in sales due to rationalization of food materials, profit increased through fats & oils inventory depletion, and during the ice cream peak season, operating profit improved.

**Export Sales +14.3%, Operating profit +65.2%**

### Global Business

**Sales +5.6%, Operating profit +37.6%**

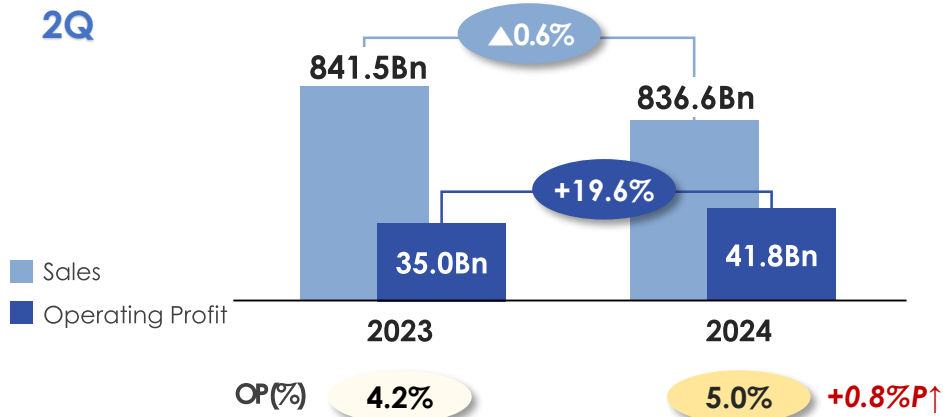
Sales increased by continuous growth for Indian confectionery and expanded sales during the ice cream peak season.

Profit increased with the stabilization of raw material costs and increased productivity.

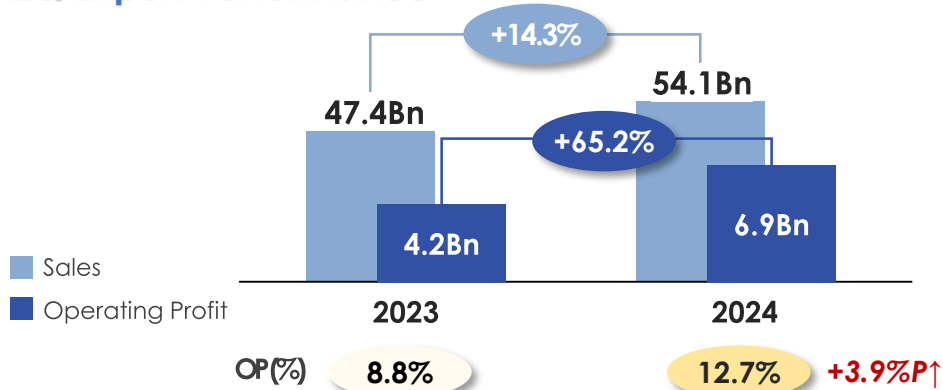
# Domestic Business

## Business Performance

2Q



## 2Q Export Performance



## Key Details

### Sales Status per Major Business

(unit: 100 million KRW)

	23.2Q		24.2Q	
	Sales	Sales	YoY	
			Amount	%
Confectionery	2,504	2,611	107	4.3
Ice cream	1,854	1,965	111	6.0
Fats & Oils	1,142	1,152	10	0.9
Food materials, etc. <sup>1</sup>	755	545	▲210	▲27.8
<b>Domestic Total</b>	<b>8,415</b>	<b>8,366</b>	<b>▲49</b>	<b>▲0.6</b>
Export	474	541	67	14.3

### Cause of Increase/Decrease in 2Q Sales

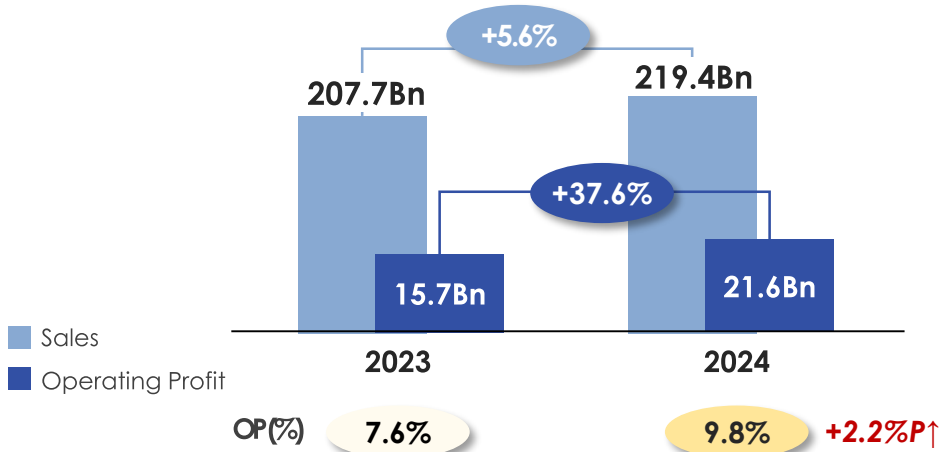
Confectionery	Expansion of sales in gum, snacks, and biscuit lines (including Wake-Up Gum and Easy Protein, etc.)
Ice cream	Launching of new ice cream products and increase in sales in peak seasons (Okcal, ZERO)
Fats & Oils	Sales recovered based on stabilization of sales price (Q +22.9%)
Food materials, etc. <sup>1</sup>	Sales decreased due to rationalization of food materials channel business (as of Sep 2023)
Export	Increased sales due to the expansion of Pepero into the North American and the expanding of channels for canned ham.

Note1. 식자재 등 : 식자재, 소재, 커피, 급식

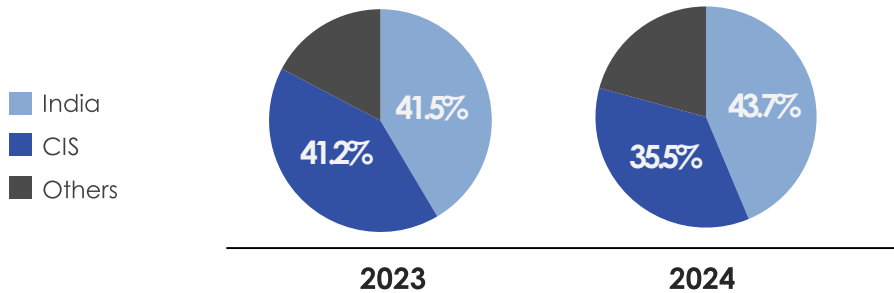
# Global Business

## Business Performance

2Q



## Corporate Sales Composition in 2Q



## Key Details

### Sales Status per Major Business

(unit: 100 million KRW)

	23.2Q		24.2Q	
	Sales	Sales	YoY	
			Amount	%
Ice cream	637	696	59	9.2
Confectionery	224	262	38	17.1
India Total	861	958	97	11.2
Kazakhstan	669	567	▲102	▲15.3
KF RUS	187	213	26	13.7
<b>Global Total</b>	<b>2,077</b>	<b>2,194</b>	<b>117</b>	<b>5.6</b>

### Cause of Increase/Decrease in 2Q Sales

India Confectionery	Continued growth in sales of Lotte Choco Pie (stabilization of the 3rd production line, etc.).
India Ice Cream	Sales increased due to favorable weather conditions during the peak season.
Kazakhstan	Sales for both exports and domestic markets decreased due to the depreciation of the ruble.
KF RUS	Expansion of the MT channel and Strengthening Market Dominance

# Business Strategy\_ Domestic Business

## High Margin H&W Portfolio

### OKcal

#### Launched the first "OKcal" ice cream in Korea

- April 2024: Launched OKcal ice creams for Jaws Bar and Screw Bar
- Achieved sales of 4.3 billion KRW in 2Q
- Expanded OKcal product lineup in the second half of the year: Watermelon Bar (3Q), Cantata (2H)

### JOEE

#### Launch of the plant-based confectionery brand "JOEE" (June 2024)

- Emphasizing health value with products made from 100% plant-based ingredients
- June 2024: Launched cracker chips and jelly
- Active promotion through SNS and offline events
- Selected 'Haena Song' as the brand ambassador and operated pop-up sampling zones



### Ion Plus+

#### Launch of two new products (candy and ice) in July 2024

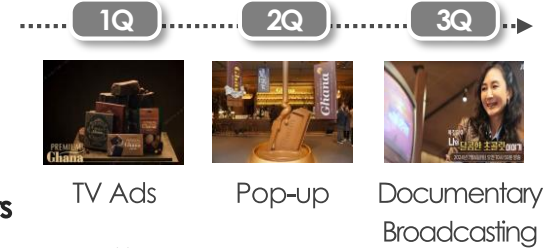
- Introduction of H&W products that make it easy and delicious to replenish electrolytes in daily life

## Premiumization

### Ghana

#### Expansion of premium Ghana products

- Conducted TVC, pop-up stores, and alcohol pairing events, etc.
- 50th anniversary campaign (2H): Documentary, TVC, etc.
- Expanded lineup in the second half of the year: Choco ball, Choco cookie (4Q)



### Natuur

#### Established Premium Image for Natuur Ice Cream

- Collaboration with Michelin chefs for a special collection (April)
- Natuur Vegan selected for SIAL INNOVATION 2024, expanding international sales



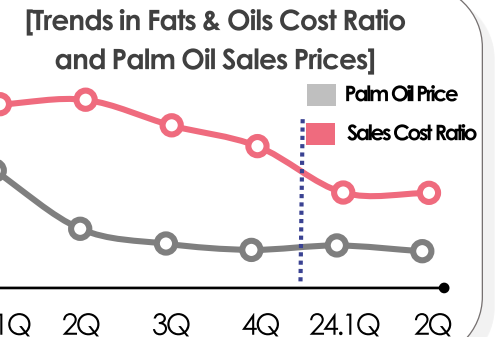
## Improvement of the Fats & Oils Business

### Stabilization of the Fats & Oils Business

- Decrease in YoY prices due to falling oil prices
- Cost improvement by depleting inventory (▲9.4p)

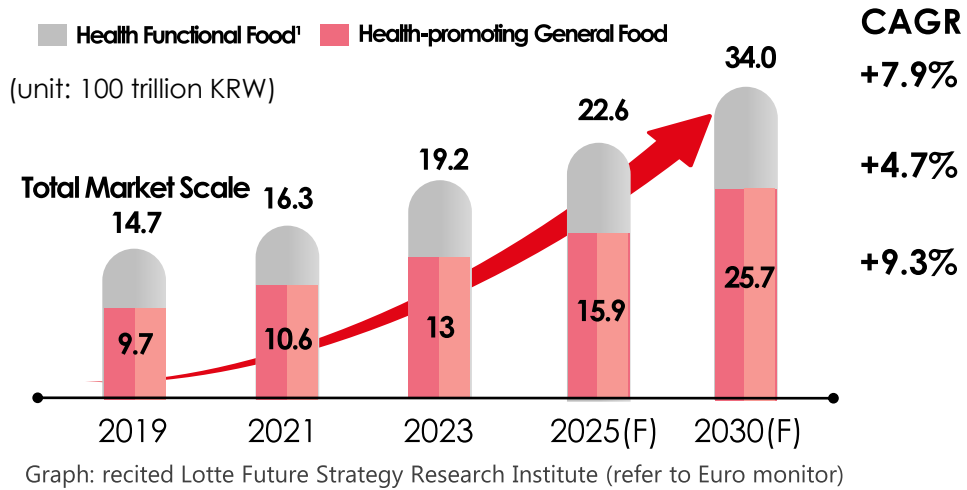
### Profitability improvement through enhanced strategic purchasing

- Introduction of a cost forecasting system, etc.



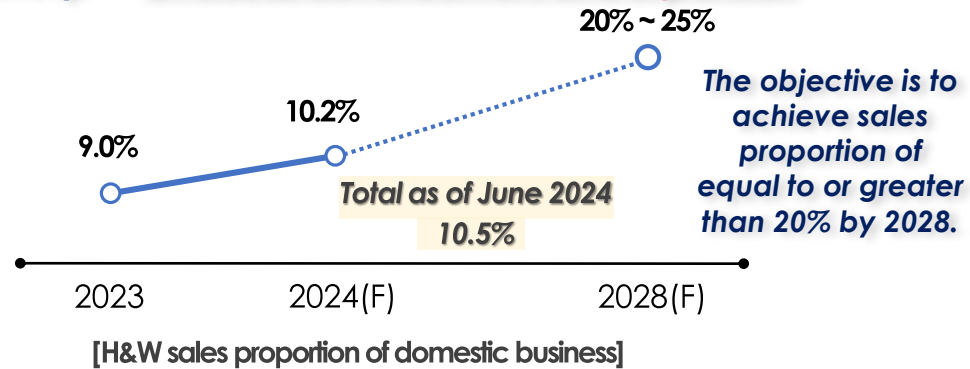
# Business Strategy \_ Health & Wellness

## H&W Market Scale



## H&W Performance and Objective

Continuous promotion of H&W and securing a domestic lineup → Overseas advancement and expansion



## Brand Progress Report for 2024

### ZERO



Note. Total Sales

### 0 kcal



### Joee

Launching of a plant-based confectionery brand Joee (June 2024)



### 이지 프로틴



### 기타



Note1. Health functional foods: foods manufactured (including processing; hereinafter the same shall apply) with functional raw materials or ingredients beneficial to human health (Article 3 Paragraph 1 of the Health Functional Foods Act)

# Business Strategy \_ Global Business

## Global Strategy

### Global brand improvement for PEPERO

“Continuous strengthening of MKT activities through global ambassadors”

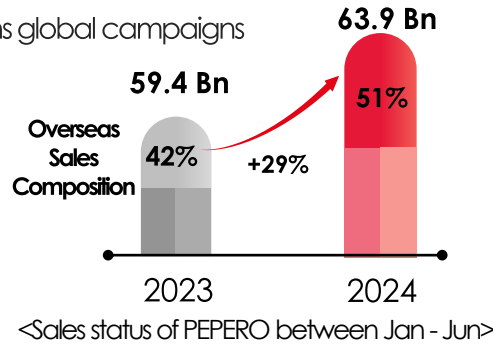
- Conducting integrated campaigns in conjunction with K-Culture to target MZ generation
- Expanded exports (North American Costco: Canada, U.S., etc.) and overseas corporation sales volume
- Expanded participation in global fairs and New Jeans global campaigns



<NewJeans global campaign>



<Global Food EXPO>



<Sales status of PEPERO between Jan - Jun>

### Expansion of export volume and new launching

#### North America

- Entering and expanding main MT channels and finding new business lines (Costco, Walmart, etc.)



#### Asia and other Regions

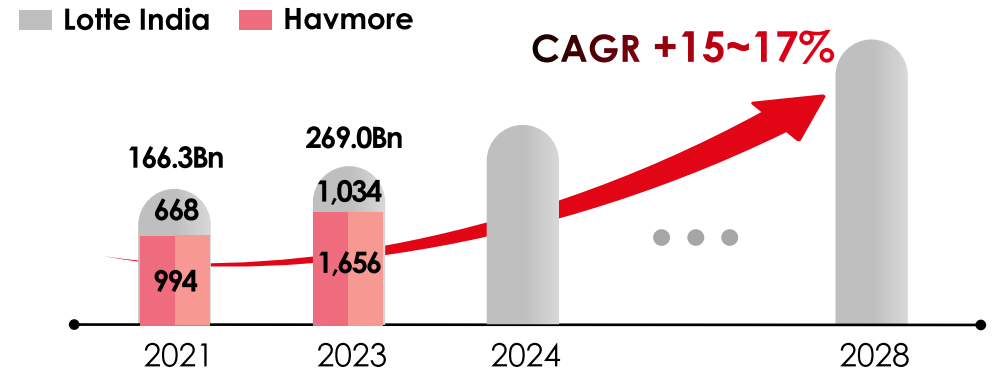
- Continuous exploration of new markets by expanding product lineup (kids' drinks, milk powder, canned ham, etc.)
- “Seeding ZERO” : Pioneering and expanding new markets for ZERO products in Mongolia, Mexico, etc.

Note1. Sales minus: Based on Total Sales

## Business Synergy in India

### One INDIA Strategy

“Become a National Player of annual sales of 1 trillion KRW in the future through business merger between Lotte India and Havmor”



#### Purpose of Merger

Securing merger synergy → Expanding business in India  
Become an total confectionery company in India and raise global LOTTE brand awareness

#### Expected Benefits

Consolidate regional bases and expand geographic coverage in India's confectionery / ice cream division  
Secure a virtuous cycle of investment through financial leverage

#### Mid-to-Long Term To - Be

Continuous investment in expanding the LOTTE MEGA brand (launching of PEPERO and Crunch Bar, etc.)  
Expanding business in India (horizontal/vertical affiliation, M&A, etc.)

# Financial Highlights

- Concentrating on investments aimed at maximizing medium- to long-term infrastructure efficiency.

## Credit rating

Long Term

**AA**  
Stable

Short Term

**A<sup>1</sup>**

Annual Basis

	End of Dec. 2023	End of Jun. 2023	End of Jun. 2024
Assets	4,199.1Bn	4,170.7Bn	4,344.3Bn
Stockholders' Equity	2,142.6Bn	2,215.1Bn	2,222.4Bn
Liabilities	2,056.5Bn	2,045.6Bn	2,121.9Bn
Total Debt	1,303.9Bn	1,297.4Bn	1,338.8Bn
Sales	4,066.4Bn	2,000.2Bn	1,995.2Bn
Operating Profit	177Bn	67.2Bn	100.6Bn
(OPM)	4.4%	3.4%	6.1%
EBITDA	367.7Bn	319.2Bn	370.4Bn

	2022	2023	End of Jun 24	2024(P) Financial Management Standards
Capex	200.6Bn	244.1Bn	EBITDA Level	
Debt Ratio	94.4%	96.0%	95.5%	Under 100%
Interest Coverage Ratio	4.3	3.7	3.7	Over 3.0
Net debt/EBITDA	2.7	2.2	2.3	Under 4.0

Note1. For the EBITDA calculation, the last four quarters' performance was included.

# 2024 Guidance

- Key Points
- Sales
- OPM

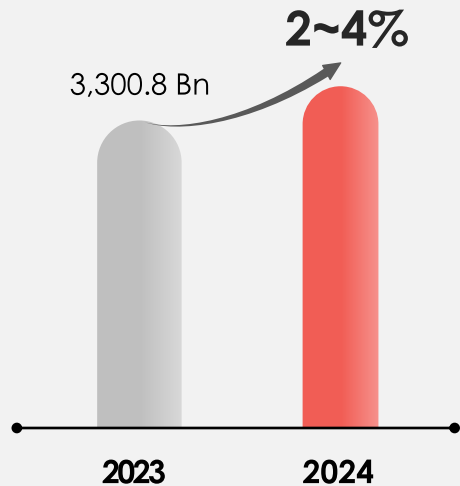
## Domestic Business

**Revenue +2~4% increase expectation**

- Maintain solid profit from main business

**Continue profit improvement activity**

- Recovery of fats & oils profitability,  
High-profit H&W proportion increase

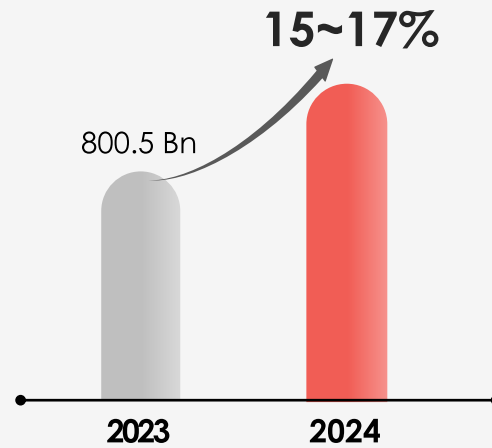


## Global Business

**Revenue Mid teen Growth Expectation**

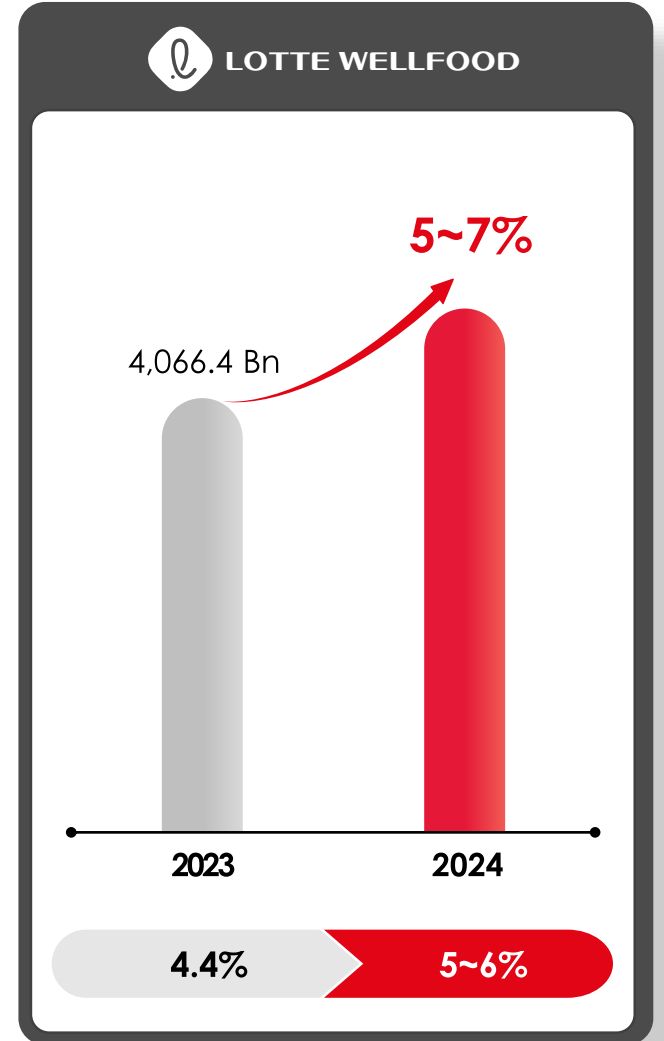
- Accelerating growth in key regions such as India

**Improved profit from top-line growth and improvement of productivity**



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(Unit : KRW)

## Conclusion

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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# Sustainability

- Actively implementing ESG activities by setting Wellness for Planet, People, and Company as the company's core values to create sustainable value

## Recognition of Major ESG Activities

- Received the 'Minister of Environment Award' as an outstanding **K-EV100 (Conversion to Korean-style zero-emission vehicle 100) Company**
  - Converted the largest number of zero-emission vehicles in the commercial sector among the 332 companies declaring K-EV100
  - 478 vehicles in 2021 → 171 vehicles in 2022 → Plan to convert 138 vehicles in 2023
- Joined the global RE100 and declared the promotion of using **100% renewable energy by 2040**
- Cooperation with HD Hyundai Oil bank, **biodiesel waste resource virtuous cycle**
  - Collecting waste cooking oil from affiliates, and provision → recycling biodiesel for Lotte biodiesel vehicles.
- Awarded 'Social Contribution Award' in Eco-friendly sharing campaign
- Establishing a mutual growth agreement for regional co-development



March, 2023



April, 2024



July, 2024

## Recent Achievements by Sector

- E**
  - Expanding the use of **eco-friendly plastic containers for HMR**
    - First in the food industry to apply biodegradable plastic containers to four lunchbox varieties (Mar.2023)
    - Expanding the application of Delica sandwiches to 13 varieties. (Sep.2023), Ongoing expansion plans.
    - 6 types of Pasteur contained in chemical recycling pet (Nov 23)
  - **Natuur mini cup plastic spoon material changes to birch wood.**
    - Utilizing spoons made of birch wood results in an annual reduction of 5 tons of plastic usage.
- S**
  - Collaborating with the **Korean Dental Association for the "Healthy Teeth, Healthy Korea" campaign.**
    - Providing free dental check-ups and oral health education every month since 2013.
  - Received commendation from **Ministry of Employment and Labor Director for Safety Management Campaign.**
  - Received 'Social Contribution Award' in Eco-friendly sharing campaign
- G**
  - Obtained **ISO37301 (ISO certification for standard compliance management system) for the first time**
    - Established a solid compliance management system with ISO37001 acquired in 2019
    - Exerted efforts, including declaring anti-corruption policies, fostering internal auditors, and building a management system

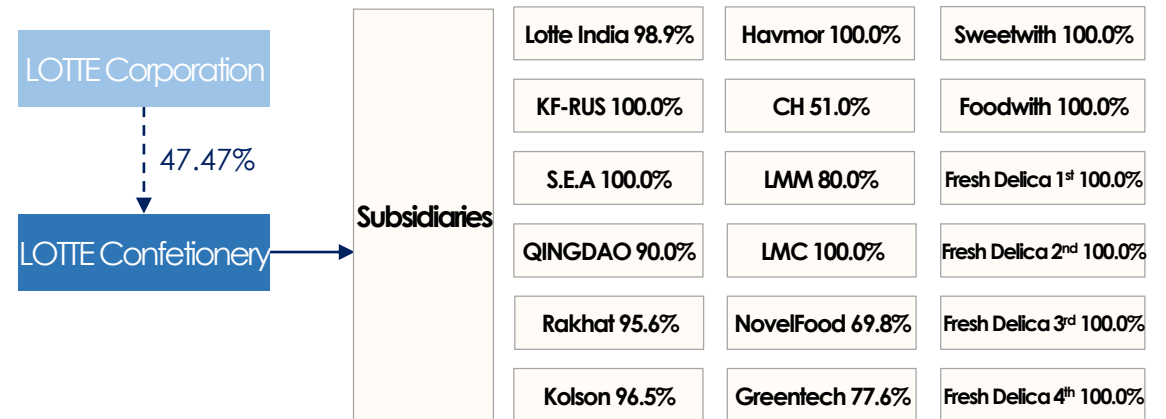
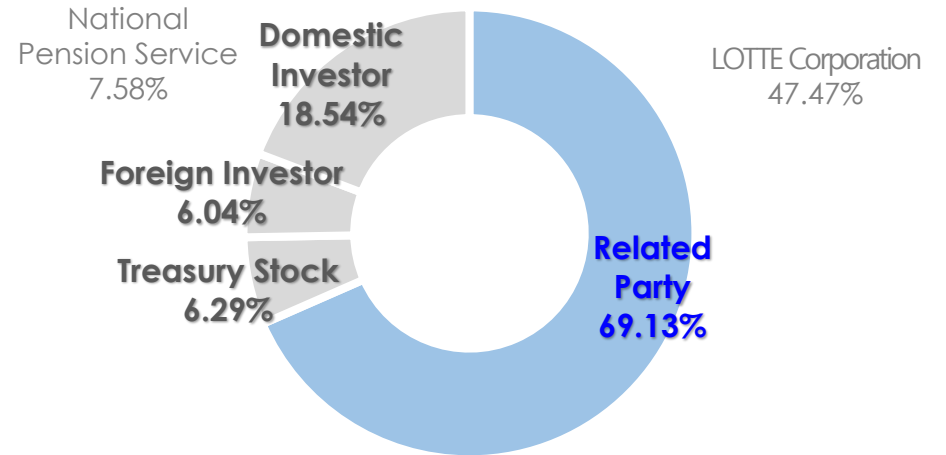
# Appendix \_Company Overview

## General Information

- Established : Mar 24, 1967
- Credit Ratings : AA/Stable, A1
- Main Business : Total Food Company
- Homepage : <https://www.lottewellfood.com>
- Production : Domestic 16 / Overseas 20
- Shareholders : As of Jun 30, 2024

Name	No. of Shares	Ownership (%)
LOTTE Corporation	4,478,208	47.47%
LOTTE Aluminum Co., Ltd.	643,381	6.82%
LOTTE Scholarship Foundation	496,144	5.26%
LOTTE Holdings Co., Ltd.	416,338	4.41%
SHIN, Dong bin	182,117	1.93%
SHIN, Yeong ja	140,939	1.49%
L2 Investment Company	137,722	1.46%
Jang, Jeong an	12,964	0.14%
Shin, You mi	10,623	0.11%
Lee, Chang yeop	1,100	0.01%
Lee, Young goo	1,000	0.01%
Others	1,731	0.02%
<b>Related Party Total</b>	<b>6,522,267</b>	<b>69.13%</b>
Treasury stock	593,307	6.29%
Others	2,319,000	24.58%
<b>Total</b>	<b>9,434,574</b>	<b>100.00%</b>

## Shareholding Structure



# Appendix\_Dividends

	2019		2020		2021		2022	2023	Remarks
	Confectionery	Foods	Confectionery	Foods	Confectionery	Foods	Wellfood	Wellfood	
<b>Par Value</b> (KRW)	500	5,000	500	5,000	500	5,000	500	500	
<b>Price</b> (KRW)	149,500	413,000	102,000	331,500	120,500	344,500	122,500	123,800	· Closing Price
<b>Net income</b> (100 million KRW)	381	375	410	702	349	▲10	470	705	· Domination shares
<b>Cash Dividends</b> (100 million KRW)	83	109	103	109	103	99	203	265	· DPS x number of shares
<b>DPS</b> (KRW)	1,300	12,000	1,600	12,000	1,600	10,000	2,300	3,000	
<b>Dividend Rate</b>	260%	240%	320%	240%	320%	200%	460%	600%	· DPS ÷ Par Value
<b>Dividend Yield</b>	0.9%	2.9%	1.6%	3.5%	1.3%	2.8%	1.8%	2.4%	· DPS ÷ Price
<b>Dividend Rate</b>	21.90%	29.10%	25.03%	15.55%	29.40%	-	43.23%	37.60%	· Cash Dividends ÷ Net income

Dividends paid to shareholders are determined by comprehensive consideration of increasing shareholder dividends and increasing corporate value through the mid to long term investments.

In addition, in order to increase shareholder value, Lotte Confectionery set the mid to long term goal of **30% of dividend payout ratio**.

# Appendix\_2Q24 Consolidated Financial Statements

## Income Statement

(Unit : 100 million KRW, %)

	2Q						As of Jun. 2024					
	2023		2024		YoY		2023		2024		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales	10,406	100.0	10,442	100.0	36	0.3	20,002	100.0	19,952	100.0	▲50	▲0.2
Gross Profit	2,904	27.9	3,269	31.3	365	12.6	5,299	26.5	6,044	30.3	745	14.1
SG&A	2,418	23.2	2,636	25.2	218	9.0	4,627	23.1	5,037	25.2	410	8.9
Operating Profit	486	4.7	633	6.1	147	30.3	672	3.4	1,006	5.0	334	49.8
Ordinary Profit	244	2.3	588	5.6	344	141.3	270	1.4	876	4.4	606	224.0
Net Income	124	1.2	407	3.9	283	227.9	124	0.6	608	3.0	484	388.3

## Balance Sheet

(Unit : 100 million KRW, %)

	2023.12.31	2024.06.30	YoY
Current assets	14,889	15,320	431
Non current assets	27,102	28,123	1,021
Total assets	41,991	43,443	1,452
Current liabilities	9,321	10,895	1,574
Non current liabilities	11,244	10,324	▲920
Borrowings (a)	13,039	13,388	349
Total liabilities (b)	20,565	21,219	654
Share capital	47	47	-
Total equity (c)	21,426	22,224	798
Debt to equity ratio (b/c)	96.0	95.5	▲0.5
Current assets	60.9	60.2	▲0.7

# Appendix\_2Q24 Separate Financial Statements

## Income Statement

(Unit : 100 million KRW, %)

	2Q						As of Jun. 2024					
	2023		2024		YoY		2023		2024		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales	8,415	100.0	8,366	100.0	▲49	▲0.6	16,190	100.0	16,006	100.0	▲184	▲1.1
Gross Profit	2,336	27.8	2,597	31.0	261	11.2	4,277	26.4	4,861	30.4	584	13.6
SG&A	1,986	23.6	2,178	26.0	192	9.7	3,799	23.5	4,170	26.1	371	9.8
Operating Profit	350	4.2	418	5.0	68	19.6	478	3.0	691	4.3	213	44.4
Ordinary Profit	262	3.1	380	4.5	118	45.1	272	1.7	570	3.6	298	109.4
Net Income	187	2.2	294	3.5	107	57.4	194	1.2	440	2.7	246	126.3

## Balance Sheet

(Unit : 100 million KRW, %)

	2023.12.31	2024.06.30	YoY
Current assets	11,336	11,495	159
Non current assets	27,015	27,470	455
<b>Total assets</b>	<b>38,350</b>	<b>38,965</b>	<b>615</b>
Current liabilities	7,643	9,044	1,401
Non current liabilities	10,312	9,404	▲908
Borrowings (a)	12,223	12,575	352
<b>Total liabilities (b)</b>	<b>17,955</b>	<b>18,448</b>	<b>493</b>
Share capital	47	47	-
<b>Total equity (c)</b>	<b>20,395</b>	<b>20,517</b>	<b>122</b>
Debt to equity ratio (b/c)	88.0	89.9	1.9
Current assets	59.9	61.3	1.4

# Appendix\_Sales Breakdown

(Unit : 100 million KRW)

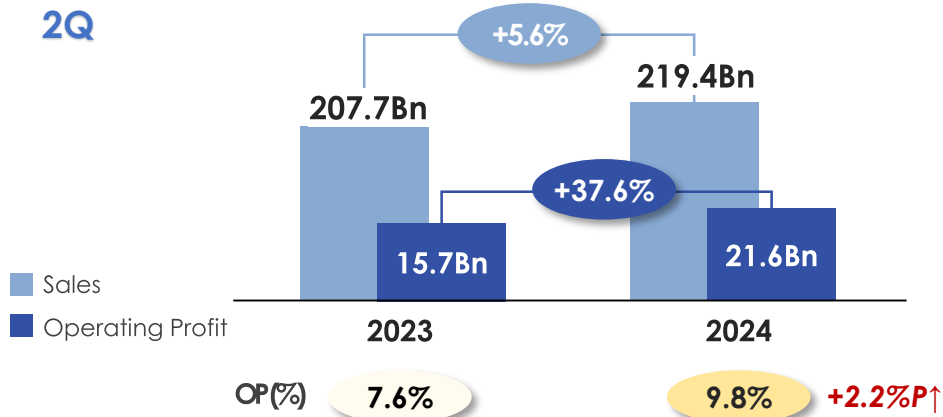
	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Sales</b>	<b>8,756</b>	<b>9,150</b>	<b>10,108</b>	<b>9,361</b>	<b>9,129</b>	<b>10,462</b>	<b>11,168</b>	<b>10,343</b>	<b>9,684</b>	<b>10,492</b>	<b>10,948</b>	<b>9,889</b>	<b>9,612</b>	<b>10,560</b>
<b>Domestic</b>	<b>7,282</b>	<b>7,770</b>	<b>8,412</b>	<b>7,473</b>	<b>7,523</b>	<b>8,473</b>	<b>9,082</b>	<b>8,072</b>	<b>7,775</b>	<b>8,415</b>	<b>8,955</b>	<b>7,863</b>	<b>7,640</b>	<b>8,366</b>
Confectionery	2,523	2,258	2,392	2,586	2,391	2,251	2,529	2,911	2,656	2,504	2,713	3,002	2,814	2,611
Ice cream	1,084	1,755	2,088	929	1,139	1,758	2,085	922	1,068	1,854	2,235	931	1,066	1,965
Bakery	265	269	283	324	280	308	332	368	302	305	297	316	305	307
Fats & Oils	954	1,058	1,054	1,180	1,248	1,598	1,344	1,285	1,178	1,142	1,100	1,294	1,104	1,152
Food Materials	564	619	620	628	602	711	728	709	702	755	664	530	518	545
Dairy	480	495	469	454	472	468	444	459	444	459	460	438	424	428
Processed Meats	675	577	720	586	684	620	790	655	682	613	707	586	643	587
HMR	518	534	578	577	575	647	707	679	647	698	694	695	667	684
<b>Global</b>	<b>1,474</b>	<b>1,380</b>	<b>1,697</b>	<b>1,888</b>	<b>1,607</b>	<b>1,989</b>	<b>2,086</b>	<b>2,271</b>	<b>1,909</b>	<b>2,077</b>	<b>1,993</b>	<b>2,027</b>	<b>1,972</b>	<b>2,194</b>
Kazakhstan	389	380	437	548	423	505	592	817	656	669	638	734	663	567
Pakistan	197	231	216	211	201	216	219	201	158	158	138	138	171	181
Belgium	213	146	255	378	206	133	260	310	191	89	207	269	171	144
India (Conf)	168	109	198	194	210	198	270	250	255	224	289	267	303	262
India (Ice)	249	240	287	218	311	602	356	275	351	637	390	278	343	696
China	54	59	54	63	42	41	39	40	8	0	0	0	0	0
Russia	115	108	143	159	122	190	232	262	193	187	196	201	199	213
Singapore	31	28	27	30	25	27	29	32	31	34	35	38	34	34
Myanmar	59	78	81	86	67	77	88	83	66	79	100	102	87	97

Note 1. The combined performance of the business sector differs from the overall consolidated performance (Excluding consolidation adjustment between subsidiaries)

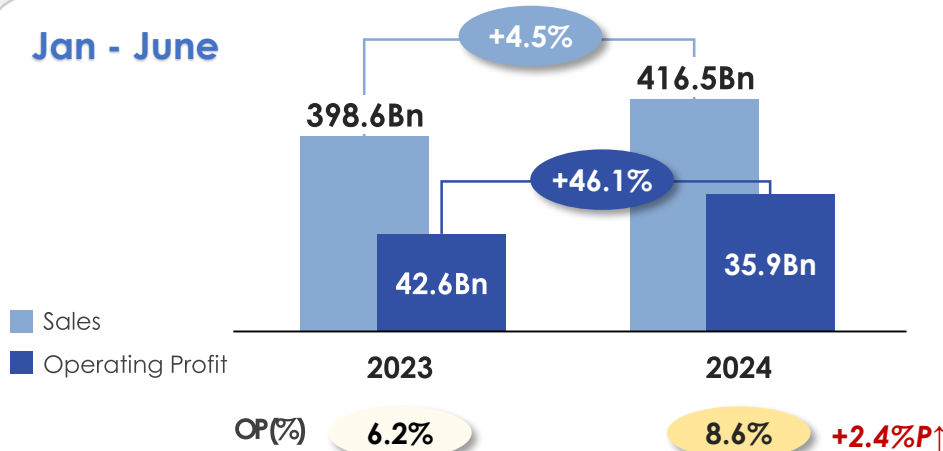
# Appendix \_ Global Business (Jan – Jun)

## Business Performance

2Q



Jan - June



## Key Details

### Sales Status per Major Business

(unit: 100 million KRW)

	2Q				As of Jun.2024			
	2023	2024	YoY		2023	2024	YoY	
			Amount	%			Amount	%
Ice cream	637	696	59	9.2	988	1,039	51	5.2
Confectionery	224	262	38	17.1	479	565	86	18.0
India Total	861	958	97	11.2	1,467	1,604	137	9.4
Kazakhstan	669	567	▲102	▲15.3	1,325	1,230	▲95	▲7.2
KF RUS	187	213	26	13.7	380	412	32	8.3
Global Total	2,077	2,194	117	5.6	3,986	4,165	179	4.5

### Cause of Increase/Decrease in 2Q Sales

India Confectionery	Continued growth in sales of Lotte Choco Pie (stabilization of the 3rd production line, etc.).
India Ice Cream	Sales increased due to favorable weather conditions during the peak season.
Kazakhstan	Sales for both exports and domestic markets decreased due to the depreciation of the ruble.
KF RUS	Expansion of the MT channel and Strengthening Market Dominance

# Appendix\_Average Exchange Rate

(Unit : KRW / Local currency)

Country	Jan-Mar				Jan-June			
	2022	2023	2024	YoY(%)	2022	2023	2024	YoY(%)
<b>Kazakhstan</b> (KZT)	2.64	2.80	2.95	5.4	2.74	2.86	3.00	4.9
<b>Pakistan</b> (PKR)	6.79	4.92	4.76	▲3.3	6.63	4.77	4.84	1.5
<b>Belgium</b> (EUR)	1352.44	1368.51	1443.10	5.5	1,346.94	1,399.88	1,459.35	4.2
<b>India</b> (INR)	16.02	15.51	16.00	3.2	16.18	15.75	16.21	2.9
<b>China</b> (CNY)	189.64	186.18	184.56	▲0.9	190.04	186.80	186.73	▲0.0
<b>Russia</b> (RUB)	14.06	17.43	14.64	▲16.0	16.59	16.83	14.87	▲11.6
<b>Singapore</b> (SGD)	891.11	956.81	991.51	3.6	903.02	969.23	1,002.20	3.4
<b>Myanmar</b> (MMK)	0.68	0.61	0.63	3.3	0.70	0.62	0.64	3.2

Note1. Base exchange rate : 1/1~ June-to-date average exchange rate

## Appendix\_Current Exchange Rate

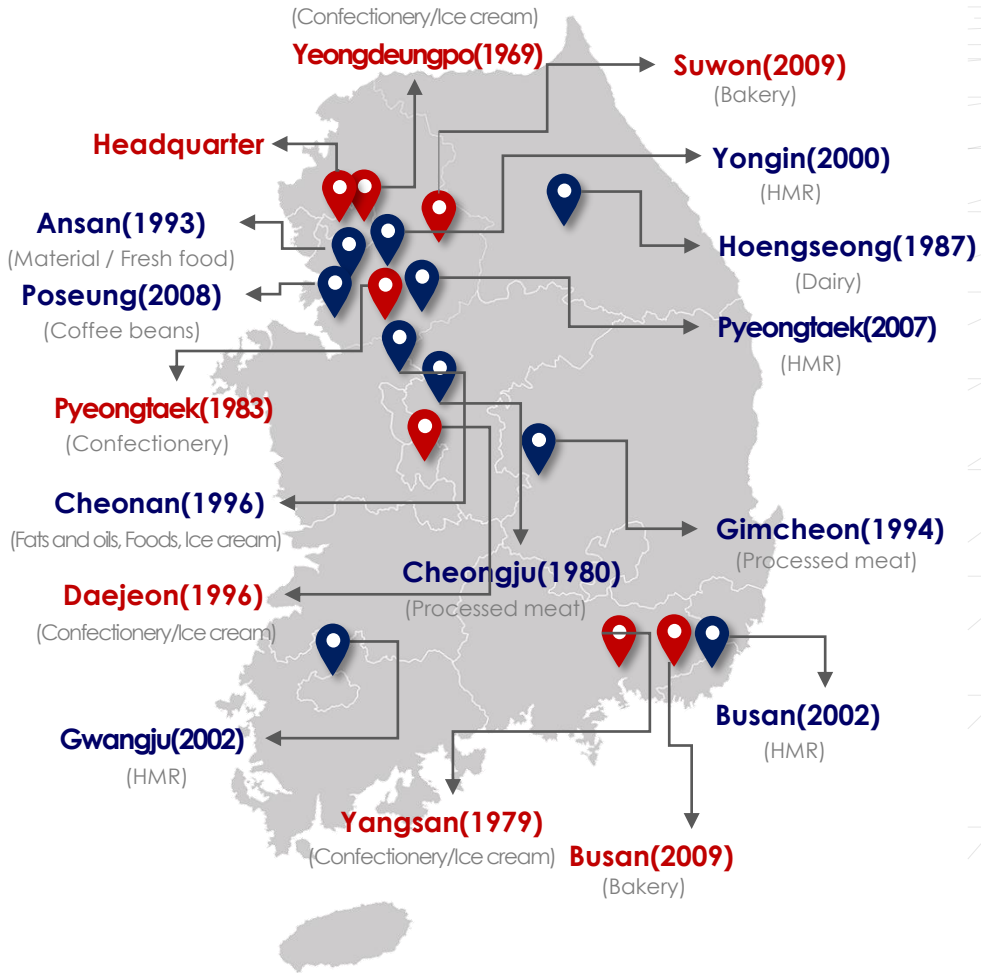
(Unit : KRW / Local currency)

Country	End of Dec.2023	End of Mar.2024	QoQ(%)	End of Jun.2024	QoQ(%)
<b>Kazakhstan</b> (KZT)	<b>2.84</b>	<b>3.00</b>	<b>5.6</b>	<b>2.98</b>	<b>▲0.7</b>
<b>Pakistan</b> (PKR)	<b>4.57</b>	<b>4.84</b>	<b>5.9</b>	<b>4.99</b>	<b>3.1</b>
<b>Belgium</b> (EUR)	<b>1,426.59</b>	<b>1,452.93</b>	<b>1.8</b>	<b>1,487.07</b>	<b>2.3</b>
<b>India</b> (INR)	<b>15.50</b>	<b>16.15</b>	<b>4.2</b>	<b>16.65</b>	<b>3.1</b>
<b>China</b> (CNY)	<b>180.84</b>	<b>185.75</b>	<b>2.7</b>	<b>190.43</b>	<b>2.5</b>
<b>Russia</b> (RUB)	<b>14.57</b>	<b>14.55</b>	<b>▲0.1</b>	<b>16.34</b>	<b>12.3</b>
<b>Singapore</b> (SGD)	<b>976.86</b>	<b>997.67</b>	<b>2.1</b>	<b>1,022.75</b>	<b>2.5</b>
<b>Myanmar</b> (MMK)	<b>0.61</b>	<b>0.64</b>	<b>4.9</b>	<b>0.66</b>	<b>3.1</b>

# Appendix Locations

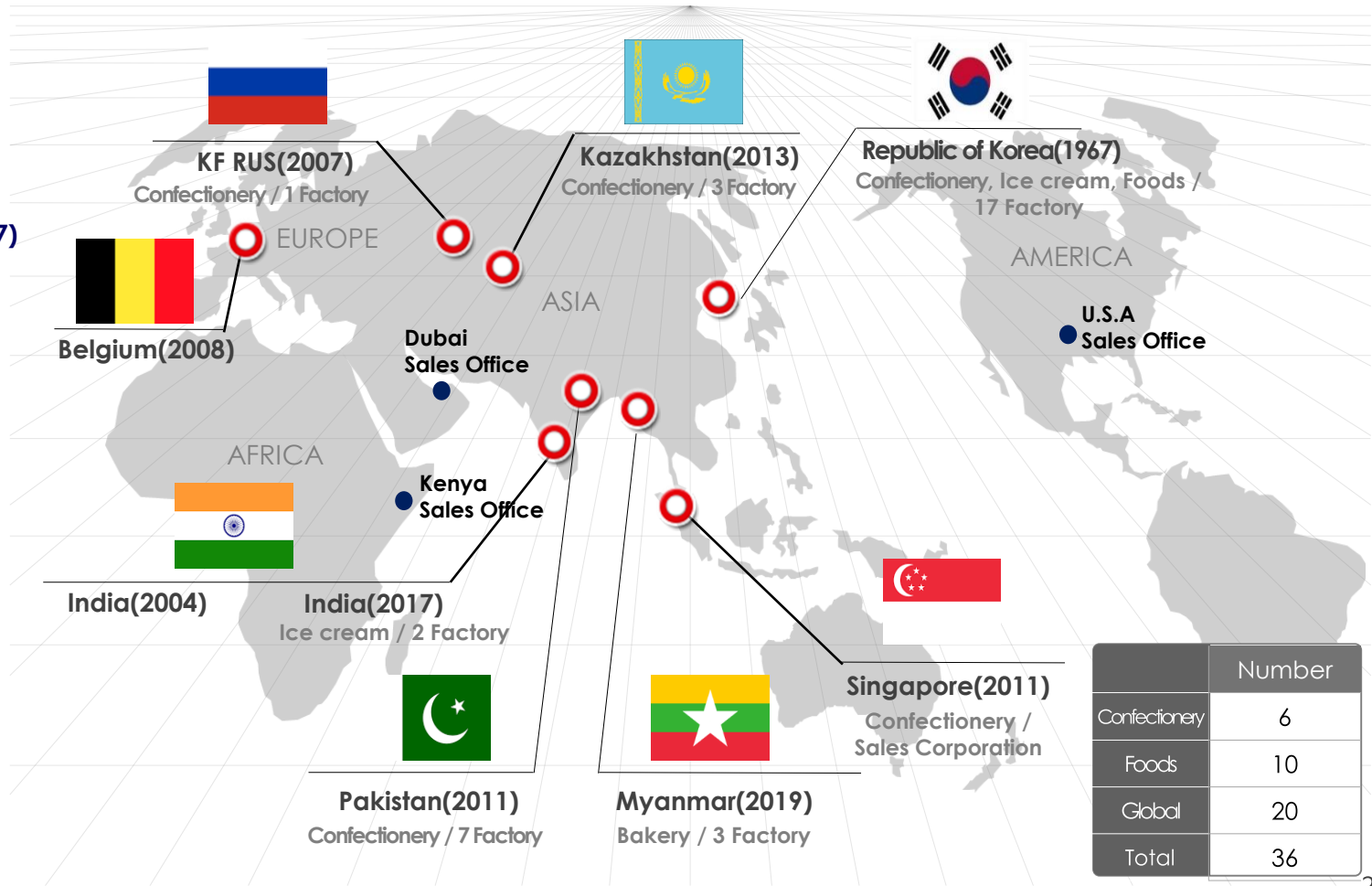
## Domestic

Headquarter : 10, Yangpyeong-ro 21-gil, Yeongdeungpo-gu, Seoul  
 Factory : Confectionery 6 (Yeongdeungpo, Daejeon, Yangsan, etc.)  
 Foods 10 (Cheonan, Hoengseong, etc.)



## Overseas

Overseas : 7 Nations (Kazakhstan, Pakistan, Belgium, India, Russia, Myanmar, Singapore)  
 Factory : 20 (Kazakhstan 3, Pakistan 7, Belgium 1, India(Conf) 3, India(Ice) 2, Russia 1, Myanmar 3)



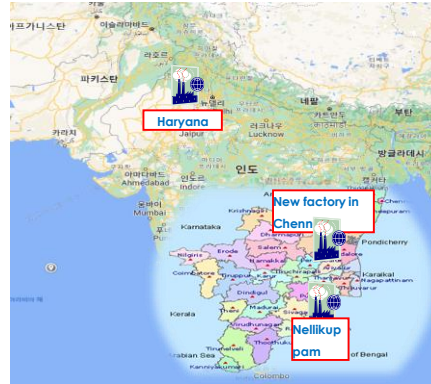
	Number
Confectionery	6
Foods	10
Global	20
<b>Total</b>	<b>36</b>

# Appendix\_Status of Major Overseas Subsidiaries

Market Status

Key Points

## LOTTE INDIA (Confectionery)



First Overseas Confectionery Subsidiary

Acquisition date: May '04

Establishment Type : M&A

Ownership: 98.9%

Number of Employees: 590

Number of factories: 3

- ✓ Future economy power recording the world's 1st largest population of 1.4 Bn and 5th highest GDP (\$3.4 tn)
- ✓ Joined the global top 5 economies, improved productivity and consumption power
- ✓ Expected to record around 10% CAGR sustained by continuously growing domestic market
- ✓ Expand the market position of the LOTTE brand and strengthen the competitiveness of the core channel (TT)

- Acquired Parry's Confectionery ('04)
- Operated mainly in Chennai (South) and Haryana (North)
- Selling existing candy products and Choco Pie and Spout (chewing gum) nationwide
- Ranked No. 1 in Choco Pie Market Share, Introduced 3rd Choco Pie line (Oct. '23)
- Consolidated market leading position and sustained growth expansion

## HAVMOR (Frozen Confectionery)



First Overseas Frozen Confectionery Subsidiary

Acquisition date: Dec. '17

Establishment Type : M&A

Ownership: 100%

Number of Employees: 860

Number of factories: 2

- ✓ Forecast to rise as the world's 3rd largest economy by 2027
- ✓ Category-wide growth derived from population growth and income improvement
- ✓ Rising consumption trend with less seasonal influence, stronger purchasing power
- ✓ High potential for the expansion of the ice cream market → Nationwide expansion in the mid-to-long-term

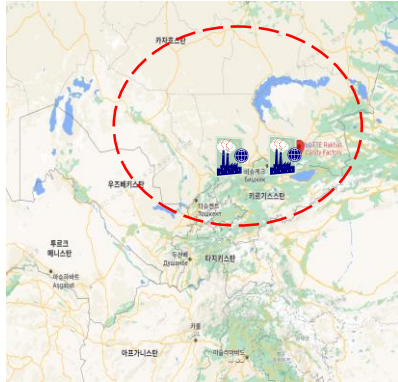
- Acquisition of Havmor ('17)
- A major production area for raw dairy products adjacent to the consumption area
- Selling ice cream products across the country mainly in Western Gujarat
- Plan to boost productivity and sales through the construction of a new factory in Pune (June. '24)

# Appendix\_Status of Major Overseas Subsidiaries

Market Status

## LOTTE RAKHAT JSC

Overseas subsidiary recording highest sales



Acquisition date: Nov. '13

Establishment Type : M&A

Ownership: 95.57%

Number of Employees: 3,787

Number of factories: 3

- ✓ An economy with a population of about 20M people and a GDP of about \$220.6 bn.
- ✓ Growing backed by the development of natural resources, enlarging consumer market
- ✓ Attracting a large number of companies by actively unfolding investment inducement policies due to the Russia and Ukraine dispute → High potential domestic market expansion and market growth

- Acquired Rakhat, No. 1 chocolate company in sales ('13)
- Selling chocolates, biscuits, and candies in the southeast of Kazak
- Expand exports and e-commerce targeting CIS countries such as Russia beyond the domestic market
- Endeavor to expand mid- to long-term MT market (Domestic / Russia)

## KF RUS

The first subsidiary entered into the CIS region



Established: Mar. '07

Establishment Type : Newly established

Ownership: 100%

Number of Employees: 332

Number of factories: 3

- ✓ A country recording the world's 9th largest population (140M), and 8th largest GDP (\$2.24 Tn).
- ✓ High market potential in the CIS region (Kazakhstan / Russia)
- ✓ Favorable response to K-Food products (sweets, drinks, ramen, etc.)
- ✓ Choco Pie Market Position Securing growth engines through self-flux and productivity improvement

- Established sales corporation ('07), established production corporation ('08) → Integrated corporation ('12)
- Crunchy candy, Choco Pie, etc.
- Expanded CAPA with the addition of 3rd Choco Pie's production line (Nov.'21)
- Benefited from reflexive profit as Russia-Ukraine dispute caused global companies to withdraw
- Growing fueled by continuous sales expansion, stabilizing raw material prices, and improving product productivity

## GUYLIAN

The first overseas subsidiary in Western Europe



Established: Jul. '08

Establishment Type : M&A

Ownership: 51.00%

Number of Employees: 192

Number of factories: 1

- ✓ A country with a population of 11.69 M and a GDP of \$578.6 Bn, located in the heart of Europe.
- ✓ Sales targeting duty-free channels around the world with Europe as the focal point
- ✓ Unique brand value facilitates category expansion and access to potential markets

- Operating a sales subsidiary in Europe (UK, Germany) other than Belgian HQ
- Brand : mainly chocolate products such as Seashell, Seahorse, etc.
- Expand channels through premium brand differentiation and brand realignment
- Secure profitability by discontinuing low-profit PB products and improving sales by channel

Key Points

# Appendix\_Overview of Main Products

	Line-up	Brand / Product				Note
Confectionery	Gum, Candy					
	Chocolate, Biscuit					
	Pie, Snack					
Ice Cream	Bar, Pencil					
	Cone, Cup					
	Home					
Bakery	Mass produced, Bread, Pastry, etc					

	Line-up	Brand / Product				Note
Fats&Oils	Processed oil, Shortening, Margarine, Butter, etc					
Food Materials	Roasted coffee, RTD(Ready to drink), Set, etc					
	Additives, Chocolate, Processed food materials					
	Seasoning food, Agricultural products, Food ingredients, etc					
Dairy	Milk, Dairy products, Baby food, etc					
Processed Meats	Ham, Sausage, Fish and meat, Set, etc					
HMR	Frozen food, Dumpling					

# Appendix\_Overview of Main Products

Corporation	Line-up	Brand / Product	Note
Kazakhstan (Rakhat)	Choco, Biscuit, Candy	Kazakhstanski Tomiris Yablachiko Aigerim	
Pakistan (Kolson)	Snack, Pasta, Biscuit, Gum	Slanty Pasta Macaroni Choco Pie	
Belgium (Guylian) <small>The World's Favourite Belgian Chocolates</small>	Chocolate (Guylian brand, Private brand)	Guylian Seashell Master's Selection Opus Guylian Bar	
India Conf. (Lotte India)	Pie, Candy, Gum	Choco Pie Cacao Pie Coffee Bite Spout	
India Ice. (Havmor)	Ice Cream (Bulk, Bar, Cone, Cup, etc.)	Vanilla Zulubar AAM CANDY World Cone	
Russia (KF-RUS)	Pie, Candy, Pepero	Choco Pie Cacao Pie Banana Pie Strawberry Pie	
Myanmar (L&MM)	Bakery (Mass-produced bread, Artisan bread)	Fruit cake Layer cake Cup cake Square Bread	
China (QINGDAO)	Pie, Biscuit, Candy	Choco Pie Koda's March Yogurt Jelly Pepero	
Singapore (S.E.A)	Sales Corporation (Import and sales of domestic product)	Pepero Choco Pie Custard Chic-choc	