

3Q24 Business Results

2024.11.01 Investor Relations



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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.

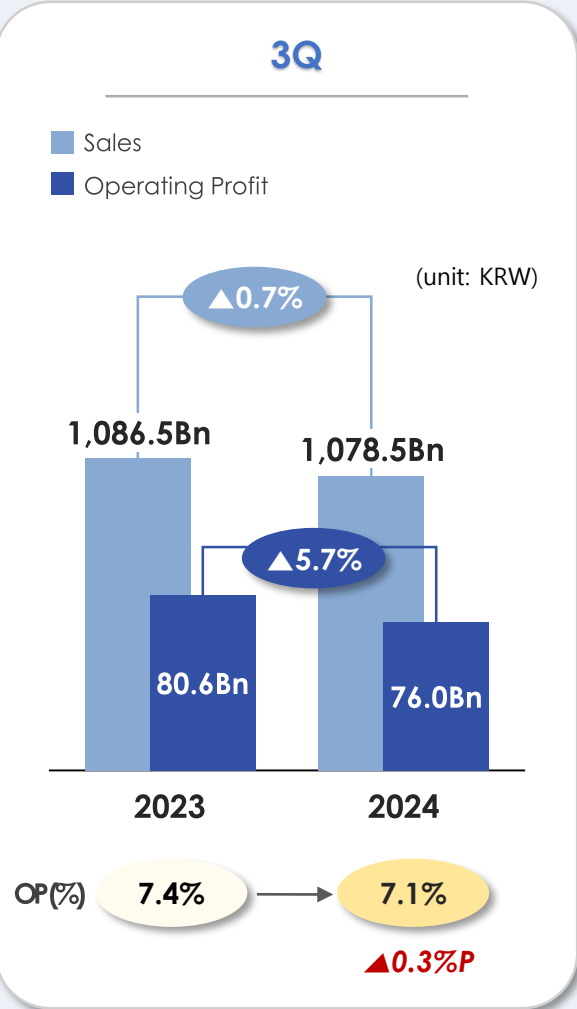
Nothing in this document shall be considered evidence of legal responsibility towards investors nor as a solicitation to invest.

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

Nov, 2024
LOTTE WELLFOOD. IR

3Q24 Business Results

Consolidate Basis



(unit: 100 million KRW)

	3Q		YoY	
	2023	2024	Amount	%(%P)
Sales	10,865	10,785	▲80	▲0.7
Domestic	8,955	8,798	▲157	▲1.7
Export	451	509	58	13.0
Global	1,993	2,080	87	4.4
Operating Profit	806	760	▲46	▲5.7
Domestic	663	654	▲9	▲1.4
Export	52	59	7	14.1
Global	182	140	▲42	▲22.9
Margin(%)	7.4	7.1	▲0.3P	
Domestic	7.4	7.4	-	
Export	11.5	11.6	0.1P	
Global	9.1	6.8	▲2.3P	

Sales decreased by ▲0.7%,
Operating profit decreased by ▲5.7%

Domestic Business

Sales decreased by 1.7%,
operating profit decreased by 1.4%

Sales decreased slightly due to improvements in business structure such as rationalization of the food material channel. However, despite improved profitability, profit and loss decreased due to the cost burden of cacao.

Export sales increased by 13.0%,
operating profit increased by 14.1%

Global Business

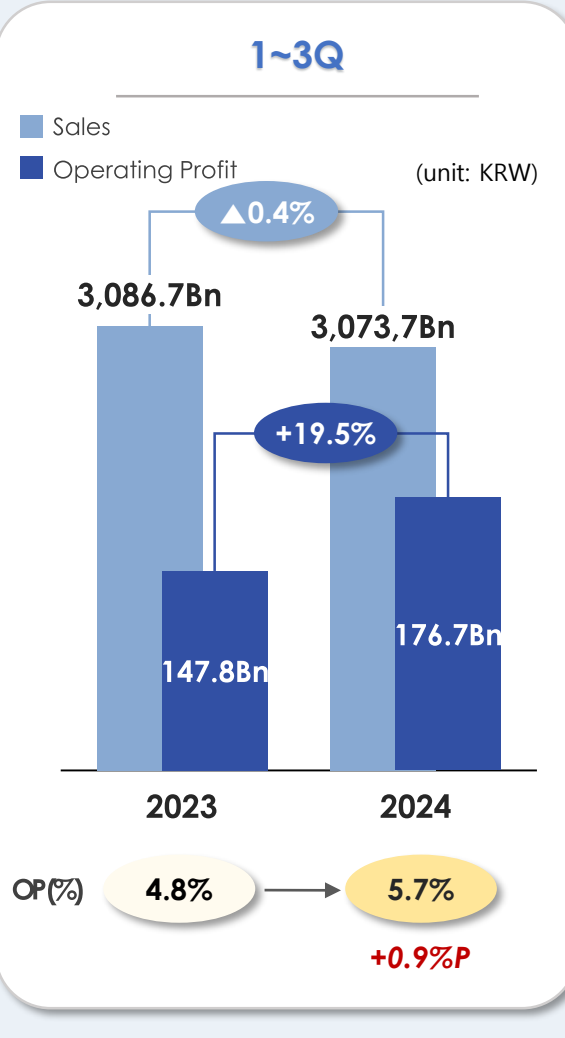
Sales increased by 4.4%,
operating profit decreased by 22.9%

Sales in Kazakhstan and Havmor were sluggish, but overall sales increased due to growth in LOTTE India and other subsidiaries, and profitability decreased due to the cost burden of cacao.

Note. The performance of each business segment is on a standalone basis, while the overall company totals are on a standard that reflects consolidation adjustments, etc.

Cumulative Result (Jan – Sep)

Consolidate Basis



(unit: 100 million KRW)

	Cumulative from Jan. to Sep.			
	2023	2024	YoY	
			Amount	%(%P)
Sales	30,867	30,737	▲130	▲0.4
Domestic	25,145	24,805	▲340	▲1.4
Export	1,325	1,534	209	15.8
Global	5,978	6,246	268	4.5
Operating Profit	1,478	1,767	289	19.5
Domestic	1,141	1,344	203	17.8
Export	127	171	44	34.7
Global	428	500	72	16.7
Margin(%)	4.8	5.7	0.9P	
Domestic	4.5	5.4	0.9P	
Export	9.6	11.1	1.5P	
Global	7.2	8.0	0.8P	

Sales decreased by 0.4%,
operating profit increased by 19.5%

Domestic Business Sales decreased by 1.4%,
operating profit increased by 17.8%

Sales decreased due to the rationalization of the food material channel. However, profit and loss increased through recovery of fats and oils profitability and improvement of operating activities

Export sales increased by 15.8%,
operating profit increased by 34.7%

Global Business Sales increased by 4.5%,
operating profit increased by 16.7%

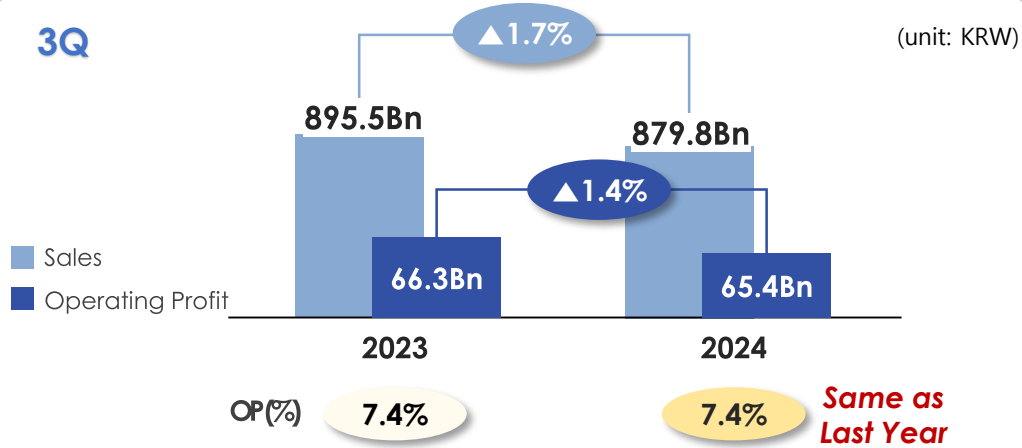
Despite sluggish sales in Kazakhstan (October + conversion), sales of overseas subsidiaries such as LOTTE INDIA were growing, stabilization of raw materials in the first half of the year / increased production in India improves profit

Note. The performance of each business segment is on a standalone basis, while the overall company totals are on a standard that reflects consolidation adjustments, etc.

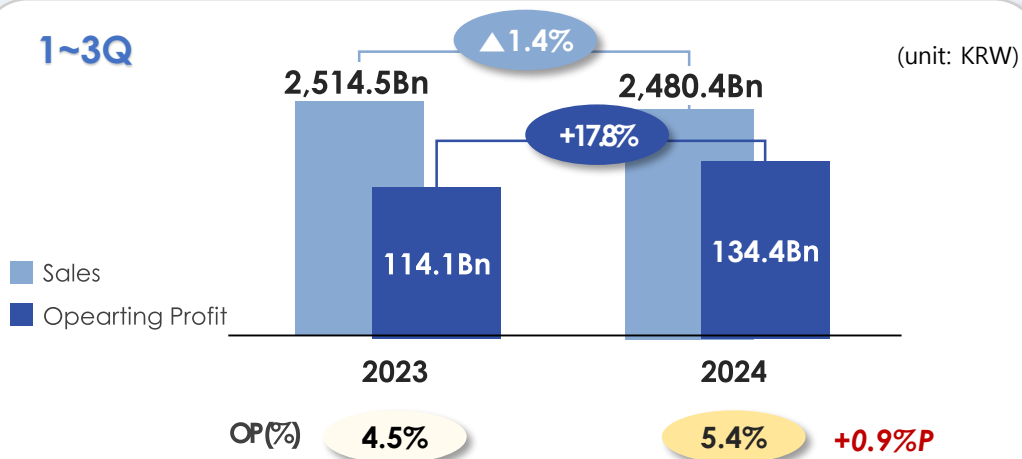
Domestic Business

Business Performance

3Q



1~3Q



Key Details

Sales by Major Business

(unit: 100 million KRW)

	24.3Q			24.1~3Q		
	Sales	YoY		Sales	YoY	
		Amount	%		Amount	%
Confectionery	2,731	18	0.7	8,156	283	3.6
Ice cream	2,224	▲11	▲0.5	5,255	98	1.9
Fats & Oils	1,126	26	2.4	3,381	▲39	▲1.1
Food materials, etc. ¹	533	▲131	▲19.7	1,597	▲524	▲24.7
Domestic Total	8,798	▲157	▲1.7	24,805	▲340	▲1.4
Export	509	58	13.0	1,534	209	15.8

Cause of Increase/Decrease in 3Q Sales

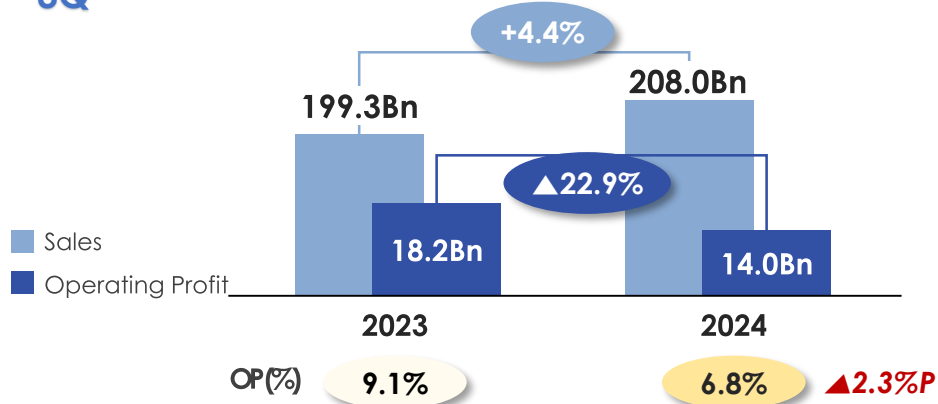
Confectionery	Increased sales of PEPERO and H&W products (ZERO, Easy Protein, etc.)
Ice cream	Sales decreased due to the increase in the number of rainy days (50 days → 59 days) despite the new product launch
Fats & Oils	Sales growth through continuous expansion of business partners (quantity increased by 17.2%)
Food materials, etc. ¹	Sales decreased due to rationalization of food materials channel business (as of September 2023)
Export	PEPERO's global expansion and increase in sales of canned ham of processed meat

Note1. Food materials, etc: food materials, ingredients, coffee, catering.

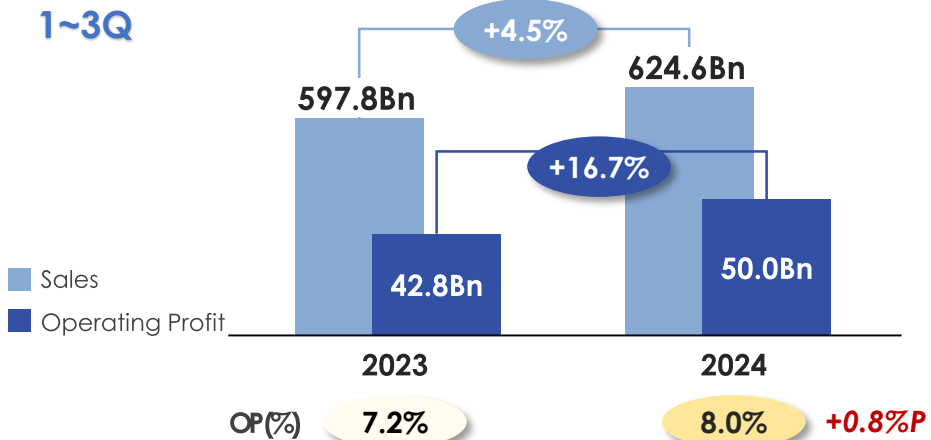
Global Business

Business Performance

3Q



1~3Q



Key Details

Sales by Major Business

(unit: 100 million KRW)

	24.3Q			24.1~3Q		
	Sales	YoY		Sales	YoY	
		Amount	%		Amount	%
Ice cream	379	▲11	▲2.9	1,418	40	2.9
Confectionery	316	27	9.4	881	114	14.8
India Total	694	15	2.3	2,298	153	7.1
Kazakhstan	582	▲56	▲8.8	1,812	▲151	▲7.7
KF RUS	222	26	13.4	634	58	10.1
Global Total	2,080	87	4.4	6,246	268	4.5

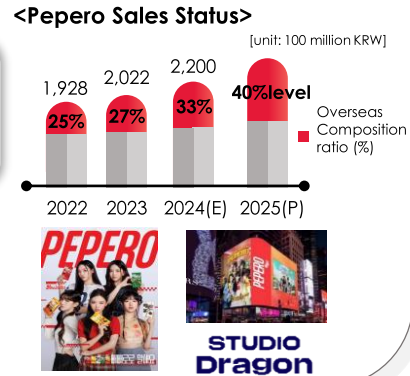
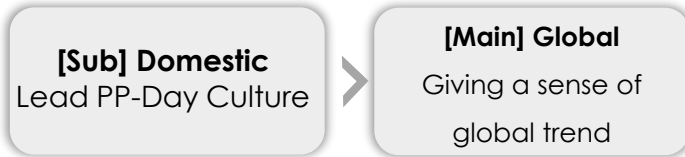
Cause of Increase/Decrease in 3Q Sales

India Confectionery	Sales decrease due to unfavorable weather such as prolonged monsoon
India Ice Cream	Increased sales due to increased demand for Choco Pie and expansion of TT channel distribution
Kazakhstan	Sales are recovering due to exchange rate (October + sales conversion)
KF RUS	Expanding the TT market and exports to neighboring countries such as Kazakhstan

Business Strategy _ Domestic Business

Global brand promotion for PEPERO

- ✓ Conducting global/domestic dual communication and expanding global brand



- ✓ Key global marketing activities

- Utilizing K-POP artist 'New Jeans' as global
- New York Times Square PP-Day local event, etc.
- Building a collaborative platform to spread K-Culture

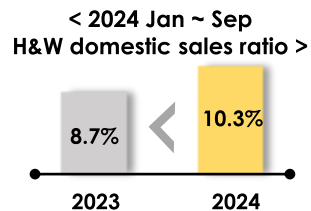
Strengthening H&W's No. 1 position in the domestic confectionery market

"Increase in sales proportion of high margin H&W products"
9% in 2023, 10%(E) in 2024, 20~25% ↑ in ~2028

- ✓ Expanding the "ZERO" lineup and increasing domestic and international sales volume by targeting key countries



- 2024 Mexico, 2025 Canada Costco entry confirmed
- 600 local CVS stores in Mongolia (targeting local consumers with many adult diseases)



- ✓ CASUAL H&W Market Expansion

- Adding H&W value to Big Brands – Sugar-Free / Low Sugar (Moncher, Worldcone)

H&W Food brand <Theory of SICSA> launched



Theory of SICSA "Sicsa (meal) doesn't lie"

Attracting high consumer interest through worldview-building marketing

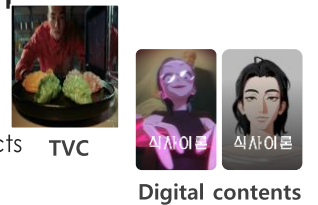
- ✓ Launch of products that give H&W value to popular menu (5 types)

- Healthy ingredients, low-calorie, differentiated visual
- Targeting mass market and development of differentiated innovative products

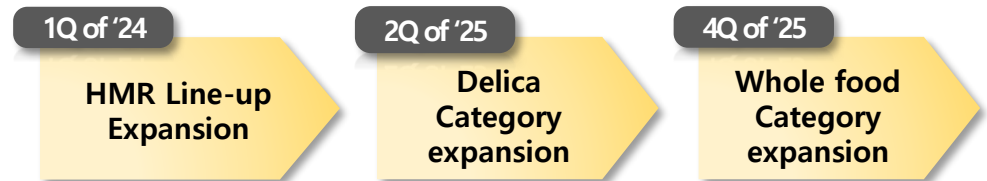


- ✓ Increase brand awareness and global expansion through IMC marketing activities

- Digital content/promotion utilization PR
- Utilizing K-contents, continuously releasing collaborative products TVC
- 2025 overseas expansion in full swing
- Regional target: Promoting global export expansion including North America



- ✓ Product portfolio expansion plan



Business Strategy _ Overseas / Cacao market price

Major subsidiaries strategy

India

- ✓ **LOTTE ChocoPie sales expansion and continued production investment**
 - Leading the market through the launch of ChocoPie Extension products
 - Investment in the 4th line due to stabilization of 3rd line and increase in operating rate (target for the second half of 2025)
- ✓ **PUNE New plant operation (1Q of '25) → Southern expansion and introduction of a new product (Crispy Crunch Ice Bar)**
 - Strengthening Central and Western regions, expanding Southern regions coverage

Kazakhstan

- ✓ **Continue efforts to expand the LOTTE brand and normalize sales**
 - LOTTE Choco Pie Russia Import/Sales coverage expansion
 - ZERO jelly production, test sales (1Q of '25), and review of additional brand introduction (2025 the first half of the year)
 - Chocolate price increase +8% (October 2024)

- ✓ **ZBB activities in progress to improve cost and productivity**

Reduced raw material costs

Origin, ingredient replacement, etc.



Improvement of low-volume line

Utilize low-volume lines (chocolate bars, jelly, etc.)



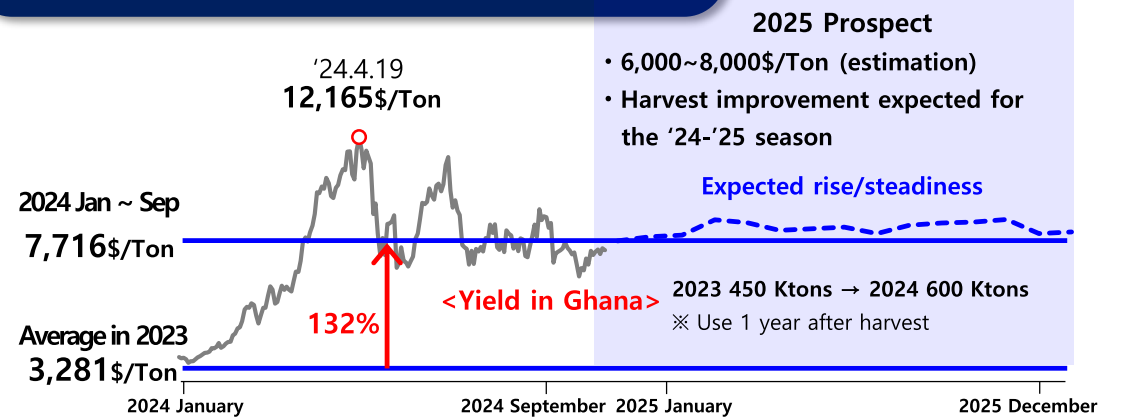
Production efficiency

Automation/rationalization
Replacement of aging equipment

Continue activities to improve profitability, such as price realization and product mix

→ **Expand to all overseas subsidiaries**

Cacao market price and plan



- ✓ **Increased cost burden due to price surge in the first half of 24** (as of 4/19, \$12,165)
 - Cost burden response such as diversification of countries of origin, improvement of product mix, and strengthening of purchase prediction system

- ✓ **24-25 years harvest is expected to improve and stabilize**
→ 25 years cost burden gradually eased

<Price normalization status and plan>

2024	2025
<ul style="list-style-type: none"> ▪ Domestic chocolate price increase of 12% (June) ▪ 5-15% price increase in India, Kazakhstan, Belgium 	<ul style="list-style-type: none"> ▪ Price increase in India, Kazakhstan, Belgium (10-20%, in the first half of the year) ▪ Price Realization, Strengthening ZBB Activities, etc.

In 2024, cacao's burden increased due to the sharp rise in prices, but
→ **In 2025, profitability recovery through price stabilization, supply chain management, and price normalization**

Financial Highlights

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

Credit rating

Long Term

AA
Stable

Short Term

A¹

Annual Basis

	End of Dec. 2023	End of Sep. 2023	End of Sep. 2024
Assets	4,199.1 Bn	4,317.1 Bn	4,316.3 Bn
Stockholders' Equity	2,142.6 Bn	2,188.4 Bn	2,218.3 Bn
Liabilities	2,056.5 Bn	2,128.7 Bn	2,098.0 Bn
Total Debt	1,303.9 Bn	1,339.0 Bn	1,323.1 Bn
Sales	4,066.4 Bn	3,086.7 Bn	3,073.7 Bn
Operating Profit	177 Bn	147.8 Bn	176.7 Bn
(OPM)	4.4%	4.8%	5.7%
EBITDA	367.7 Bn	336.5 Bn	382.6 Bn

	2022	2023	End of Jun 24	2024(P) Financial Management Standards
Capex	200.6 Bn	244.1 Bn	EBITDA Level	
Debt Ratio	94.4%	96.0%	94.6%	Under 100%
Interest Coverage Ratio	4.3	3.7	4.4	Over 3.0
Net debt/EBITDA	2.7	2.2	1.8	Under 4.0

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

Guidance in 2024

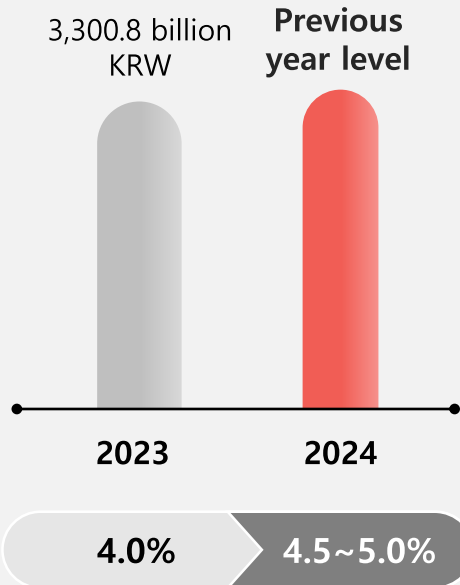
- Contents ▶

- Sales ▶

- Operating Profit margin ▶

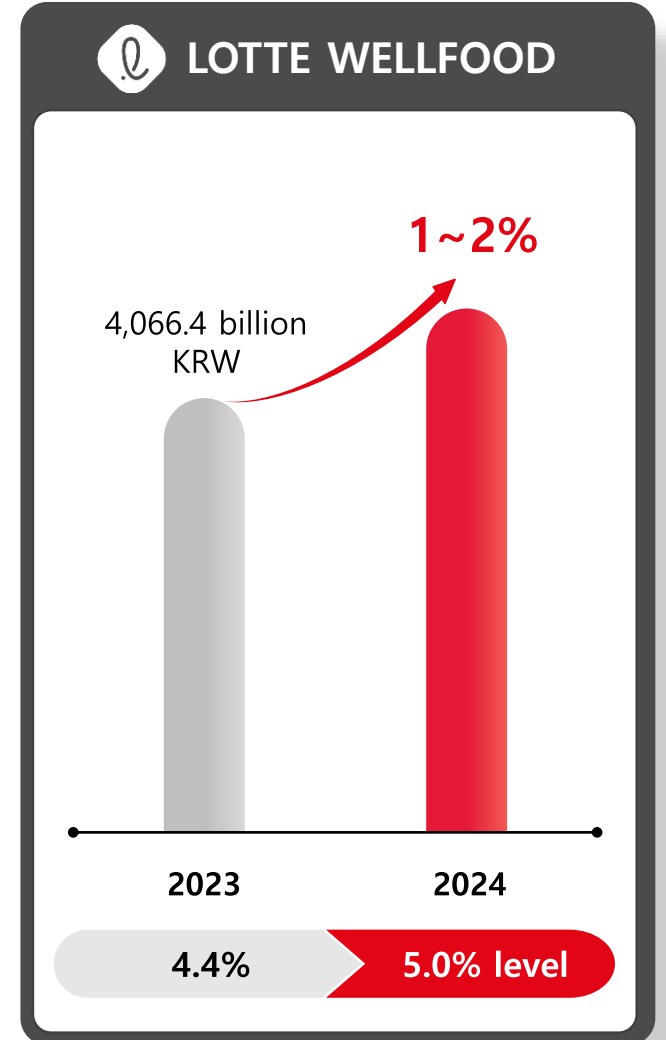
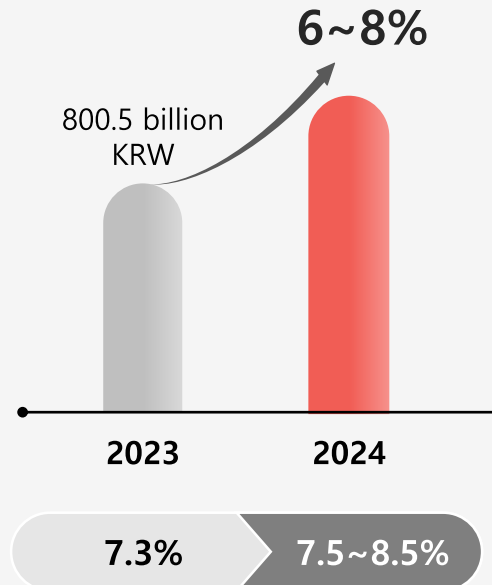
Domestic Business

Sales are expected to be at the previous year's level
 - Improvement of sales structure including rationalization of food material channels
Despite of the burden of cacao, continue profit improvement
 - Fats and oils profitability recovery, expand high-profit H&W proportion



Global Business

Sales growth forecast of 6~8%
 - Sales expansion based on key regions such as India
Improved profitability through external growth and improved productivity




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 Earth, Society, and Company** as the company's core values to create sustainable value

Recognition of Major ESG Activities

- Achieved an 'A' rating in the 2024 ESG Assessment Korea Institute of Corporate Governance and Sustainability (KCGS)**
- 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

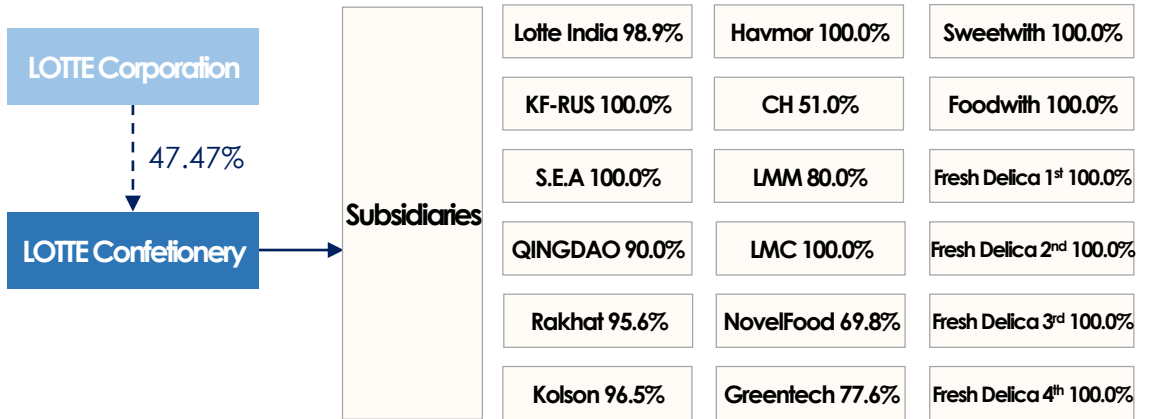
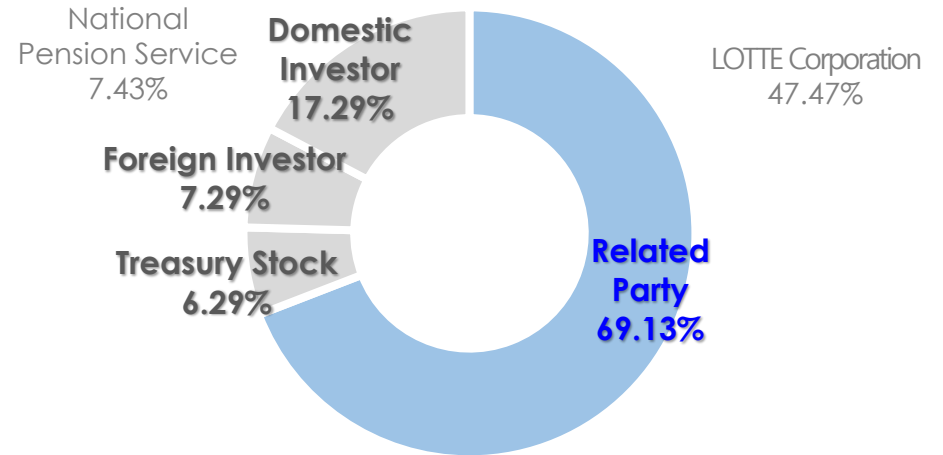
Appendix Company Overview

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 Sep 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%
Related Party Total	6,522,267	69.13%
Treasury stock	593,307	6.29%
Others	2,319,000	24.58%
Total	9,434,574	100.00%

Shareholding Structure



Appendix_Dividends

	2019		2020		2021		2022	2023	Remarks
	Confectionery	Foods	Confectionery	Foods	Confectionery	Foods	Wellfood	Wellfood	
Par Value (KRW)	500	5,000	500	5,000	500	5,000	500	500	
Price (KRW)	149,500	413,000	102,000	331,500	120,500	344,500	122,500	123,800	· Closing Price
Net income (100 million KRW)	381	375	410	702	349	▲10	616	705	· Domination shares
Cash Dividends (100 million KRW)	83	109	103	109	103	99	203	265	· DPS x number of shares
DPS (KRW)	1,300	12,000	1,600	12,000	1,600	10,000	2,300	3,000	
Dividend Rate	260%	240%	320%	240%	320%	200%	460%	600%	· DPS ÷ Par Value
Dividend Yield	0.9%	2.9%	1.6%	3.5%	1.3%	2.8%	1.8%	2.4%	· DPS ÷ Price
Dividend Rate	21.90%	29.10%	25.03%	15.55%	29.40%	-	33.05%	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.

Additionally, to improve shareholder returns, we aim to maintain an average dividend payout ratio of 35% over the next five years

Appendix_3Q24 Consolidated Financial Statements

Income Statement

(Unit : 100 million KRW, %)

	3Q						As of Sep. 2024					
	2023		2024		YoY		2023		2024		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales	10,865	100.0	10,785	100.0	▲80	▲0.7	30,867	100.0	30,737	100.0	▲130	▲0.4
Gross Profit	3,253	29.9	3,360	31.2	107	3.3	8,552	27.7	9,404	30.6	852	10.0
SG&A	2,447	22.5	2,600	24.1	153	6.3	7,074	22.9	7,637	24.8	563	8.0
Operating Profit	806	7.4	760	7.1	▲46	▲5.7	1,478	4.8	1,767	5.7	289	19.5
Ordinary Profit	960	8.8	618	5.7	▲342	▲35.6	1,230	4.0	1,494	4.9	264	21.5
Net Income	713	6.6	462	4.3	▲251	▲35.3	838	2.7	1,070	3.5	232	27.7

Balance Sheet

(Unit : 100 million KRW, %)

	2023.12.31	2024.09.30	YoY
Current assets	14,889	15,209	320
Non current assets	27,102	27,954	852
Total assets	41,991	43,163	1,172
Current liabilities	9,321	11,109	1,788
Non current liabilities	11,244	9,871	▲1,373
Borrowings (a)	13,039	13,231	192
Total liabilities (b)	20,565	20,980	415
Share capital	47	47	-
Total equity (c)	21,426	22,183	757
Debt to equity ratio (b/c)	96.0	94.6	▲1.4
Current assets	60.9	59.6	▲1.3

Appendix_3Q24 Separate Financial Statements

Income Statement

(Unit : 100 million KRW, %)

	2Q						As of Sep. 2024					
	2023		2024		YoY		2023		2024		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales	8,955	100.0	8,798	100.0	▲157	▲1.7	25,145	100.0	24,805	100.0	▲340	▲1.4
Gross Profit	2,731	30.5	2,848	32.4	117	4.3	7,008	27.9	7,709	31.1	701	10.0
SG&A	2,068	23.1	2,194	24.9	126	6.1	5,867	23.3	6,365	25.7	498	8.5
Operating Profit	663	7.4	654	7.4	▲9	▲1.4	1,141	4.5	1,344	5.4	203	17.8
Ordinary Profit	892	10.0	563	6.4	▲329	▲36.9	1,164	4.6	1,133	4.6	▲31	▲2.6
Net Income	696	7.8	430	4.9	▲266	▲38.2	891	3.5	870	3.5	▲21	▲2.3

Balance Sheet

(Unit : 100 million KRW, %)

	2023.12.31	2024.09.30	YoY
Current assets	11,336	11,380	44
Non current assets	27,015	27,918	903
Total assets	38,350	39,298	948
Current liabilities	7,643	9,540	1,897
Non current liabilities	10,312	8,816	▲1,496
Borrowings (a)	12,223	12,507	284
Total liabilities (b)	17,955	18,356	401
Share capital	47	47	-
Total equity (c)	20,395	20,943	548
Debt to equity ratio (b/c)	88.0	87.6	▲0.4
Current assets	59.9	59.7	▲0.2

Appendix_Sales Breakdown

(Unit : 100 million KRW)

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Sales	8,756	9,150	10,108	9,361	9,129	10,462	11,168	10,343	9,684	10,492	10,948	9,889	9,612	10,560	10,879
Domestic	7,282	7,770	8,412	7,473	7,523	8,473	9,082	8,072	7,775	8,415	8,955	7,863	7,640	8,366	8,798
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	2,731
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	2,224
Bakery	265	269	283	324	280	308	332	368	302	305	297	316	305	307	284
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	1,126
Food Materials	564	619	620	628	602	711	728	709	702	755	664	530	518	545	533
Dairy	480	495	469	454	472	468	444	459	444	459	460	438	424	428	449
Processed Meats	675	577	720	586	684	620	790	655	682	613	707	586	643	587	642
HMR	518	534	578	577	575	647	707	679	647	698	694	695	667	684	693
Global	1,474	1,380	1,697	1,888	1,607	1,989	2,086	2,271	1,909	2,077	1,993	2,027	1,972	2,194	2,080
Kazakhstan	389	380	437	548	423	505	592	817	656	669	638	734	663	567	582
Pakistan	197	231	216	211	201	216	219	201	158	158	138	138	171	181	158
Belgium	213	146	255	378	206	133	260	310	191	89	207	269	171	144	246
India (Conf)	168	109	198	194	210	198	270	250	255	224	289	267	303	262	316
India (Ice)	249	240	287	218	311	602	356	275	351	637	390	278	343	696	379
China	54	59	54	63	42	41	39	40	8	0	0	0	0	0	0
Russia	115	108	143	159	122	190	232	262	193	187	196	201	199	213	222
Singapore	31	28	27	30	25	27	29	32	31	34	35	38	34	34	38
Myanmar	59	78	81	86	67	77	88	83	66	79	100	102	87	97	139

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

Appendix_Average Exchange Rate

(Unit : KRW / Local currency)

Country	Jan-Mar				Jan-June				Jan-Sep			
	2022	2023	2024	YoY(%)	2022	2023	2024	YoY(%)	2022	2023	2024	YoY(%)
Kazakhstan (KZT)	2.64	2.80	2.95	5.4	2.74	2.86	3.00	4.9	2.77	2.87	2.95	3.6
Pakistan (PKR)	6.79	4.92	4.76	▲3.3	6.63	4.77	4.84	1.5	6.42	4.68	4.85	▲27.1
Belgium (EUR)	1352.44	1368.51	1443.10	5.5	1,346.94	1,399.88	1,459.35	4.2	1,347.13	1,409.37	1,470.30	4.6
India (INR)	16.02	15.51	16.00	3.2	16.18	15.75	16.21	2.9	16.38	15.79	16.22	2.7
China (CNY)	189.64	186.18	184.56	▲0.9	190.04	186.80	186.73	▲0.0	191.84	184.79	187.57	1.5
Russia (RUB)	14.06	17.43	14.64	▲16.0	16.59	16.83	14.87	▲11.6	18.53	15.86	15.02	▲5.3
Singapore (SGD)	891.11	956.81	991.51	3.6	903.02	969.23	1,002.20	3.4	921.61	970.13	1,010.99	4.2
Myanmar (MMK)	0.68	0.61	0.63	3.3	0.70	0.62	0.64	3.2	0.70	0.62	0.64	3.2

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

Appendix_Current Exchange Rate

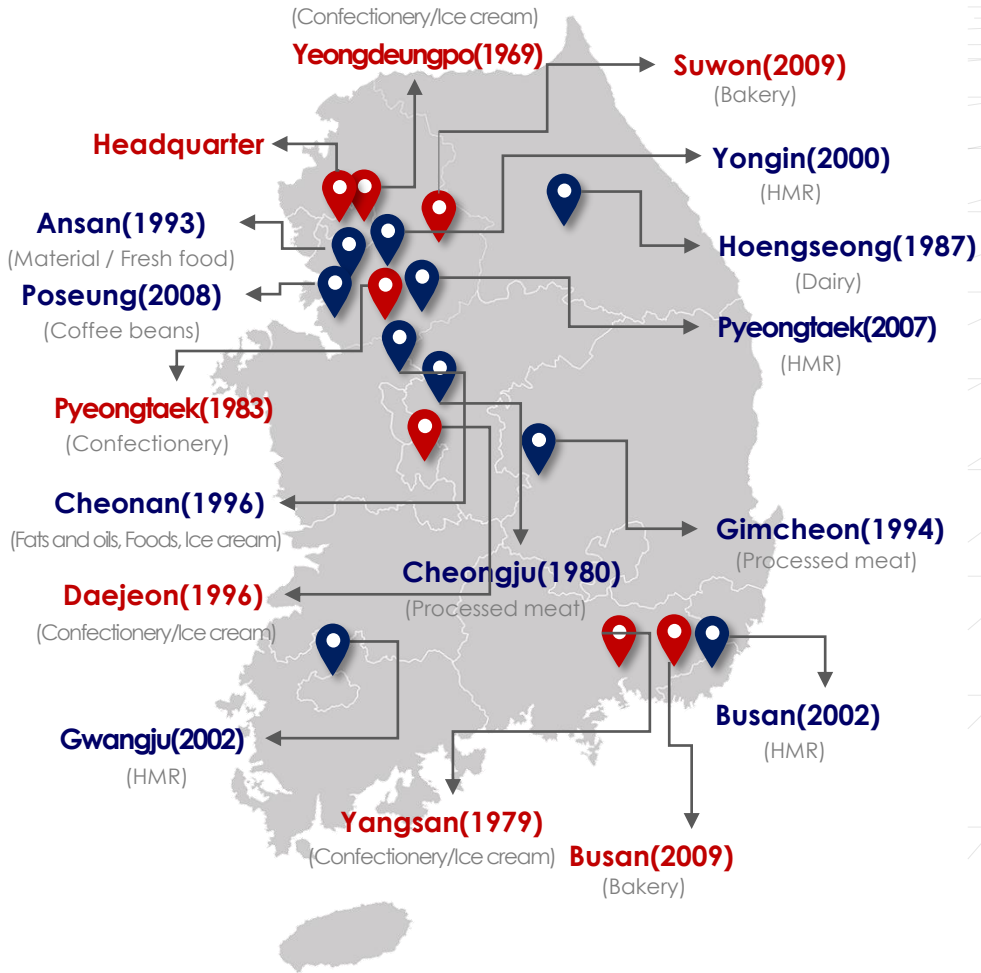
(Unit : KRW / Local currency)

Country	End of Dec.2023	End of Mar.2024	QoQ(%)	End of Jun.2024	QoQ(%)	End of Sep.2024	QoQ(%)
Kazakhstan (KZT)	2.84	3.00	5.6	2.98	▲0.7	2.74	▲8.1
Pakistan (PKR)	4.57	4.84	5.9	4.99	3.1	4.75	▲4.8
Belgium (EUR)	1,426.59	1,452.93	1.8	1,487.07	2.3	1,474.06	▲0.9
India (INR)	15.50	16.15	4.2	16.65	3.1	15.76	▲5.3
China (CNY)	180.84	185.75	2.7	190.43	2.5	188.74	▲0.9
Russia (RUB)	14.57	14.55	▲0.1	16.34	12.3	13.99	▲14.4
Singapore (SGD)	976.86	997.67	2.1	1,022.75	2.5	1,030.37	0.7
Myanmar (MMK)	0.61	0.64	4.9	0.66	3.1	0.63	▲4.5

Appendix Locations

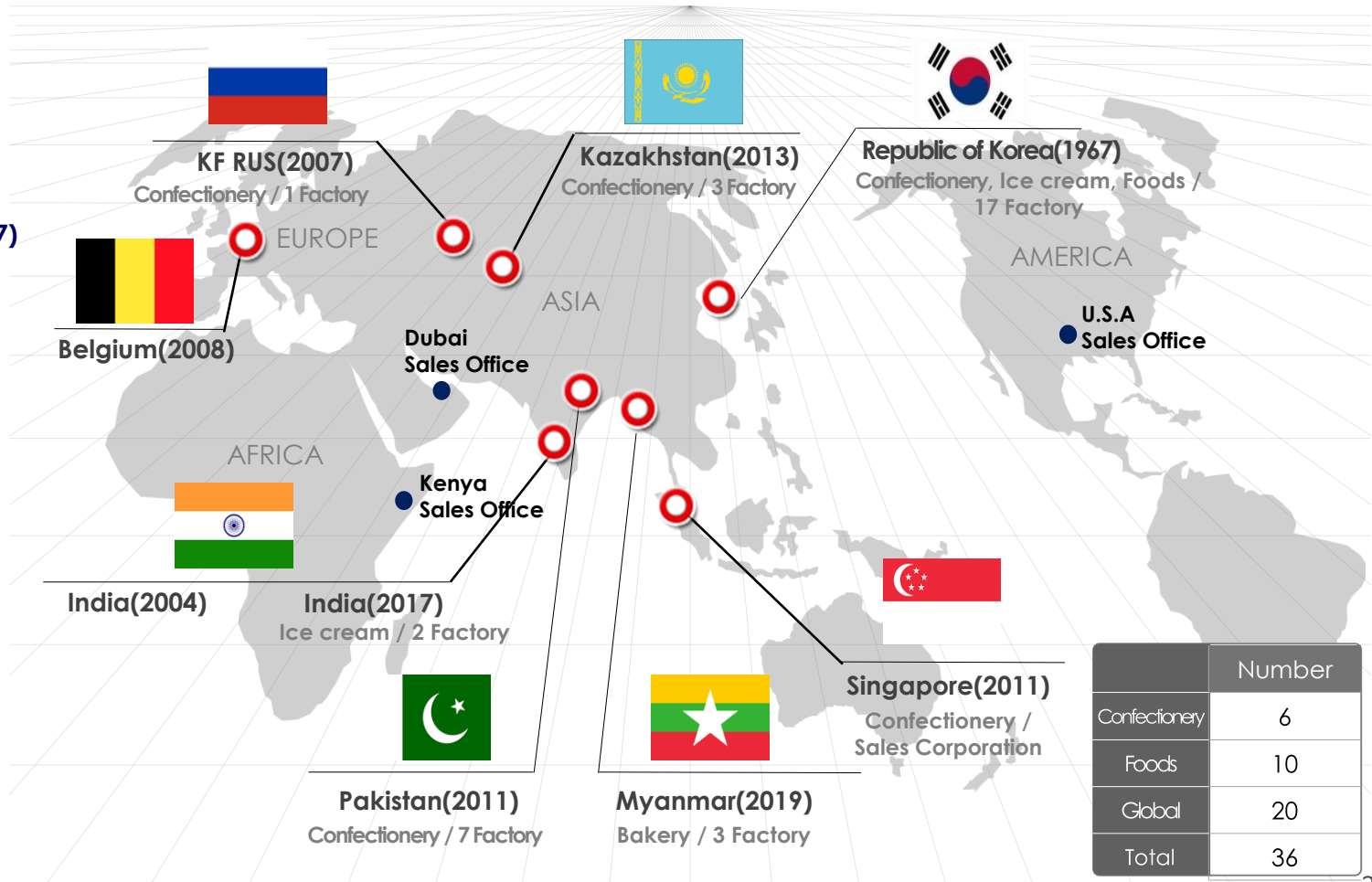
Domestic

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)



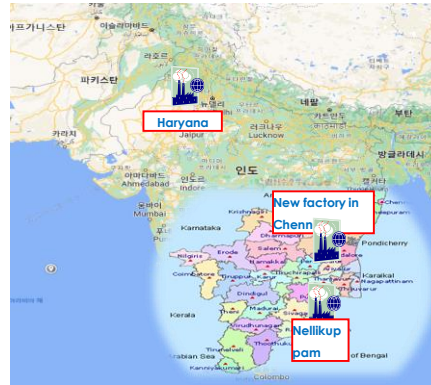
	Number
Confectionery	6
Foods	10
Global	20
Total	36

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

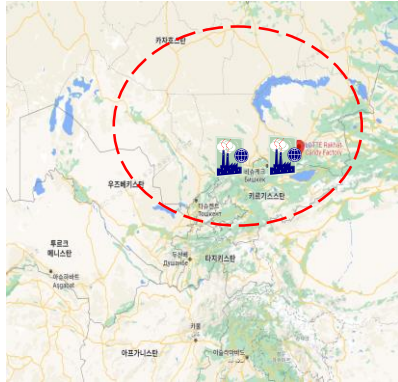
- Acquisition of Havmor ('17)
- A major production area for raw dairy products adjacent to the consumption area
- Selling ice cream products across the country mainly in Western Gujarat
- Plan to boost productivity and sales through the construction of a new factory in Pune (June. '24)

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	