

# 4Q24 Business Results

2025.02.12 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.

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.

Feb, 2025  
LOTTE WELLFOOD. IR

# Reasons for Increase/Decrease in Profit/Loss in 2024 (Consolidation basis)

## Financial Status

(Unit: 100 million KRW)

| Category                          | 4Q            |        |        | Cumulative from Jan. to Dec. |        |        |
|-----------------------------------|---------------|--------|--------|------------------------------|--------|--------|
|                                   | Sales         | YoY    |        | Sales                        | YoY    |        |
|                                   |               | Amount | %      |                              | Amount | %      |
| Sales                             | 9,705         | ▲91    | ▲0.9%  | 40,443                       | ▲221   | ▲0.5%  |
| Operating Profit                  | ▲196<br>▲2.0% | ▲488   | -      | 1,571<br>3.9%                | ▲199   | ▲11.3% |
| One-time removal                  | ✓ 6           | ▲284   | ▲97.5% | ✓ 1,780                      | +10    | +0.6%  |
| Ordinary profit                   | 0.1%<br>▲416  | ▲285   | -      | 4.4%<br>1,078                | ▲20    | ▲1.9%  |
| Other than impairment of goodwill | ▲37           | +233   | -      | ▲37                          | +233   | -      |
| Net Profit                        | ▲250          | ▲90    | -      | 820                          | +142   | +21.0% |

| Category    | 2023   | 2024   | Amount | %(%P)  |
|-------------|--------|--------|--------|--------|
| Asset       | 41,991 | 43,417 | +1,426 | +3.4%  |
| Liabilities | 20,565 | 21,153 | +589   | +2.9%  |
| Equity      | 21,426 | 22,264 | +837   | +3.9%  |
| Debt Ratio  | 96.0%  | 95.0%  | -      | ▲1.0%p |

## Reasons for Decrease in Operating Profit (Annual)

✓ The total burden of raw materials and one-time issues

▲50.3 billion

① Impact of increase in cacao raw material unit price

▲29.4 billion (domestic)

- Increase in the burden of raw materials such as cocoa beans, cocoa butter, and cocoa powder compared to the previous year

One-time issue burden (20.9 billion)

② Burden of increased long-term employee salaries, etc.

▲7.4 billion

- Gold price increase, system change, etc.

③ Impact of regular wages ▲13.5 billion

- Reflection of increases in salary, annual leave, retirement allowance, etc. due to application of laws and regulations

✓ Increase in net profit due to the impact of overseas corporation goodwill impairment and improvement in non-operating balance

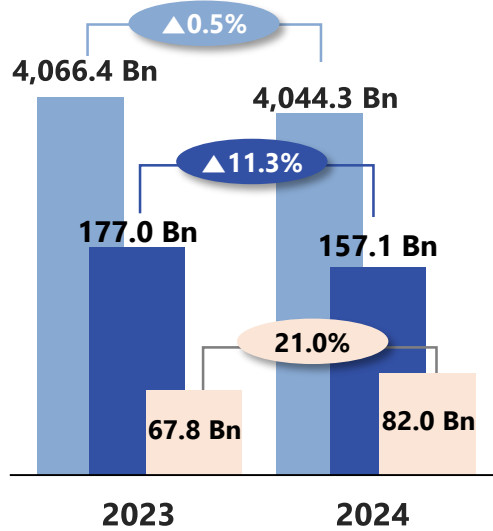
# Cumulative performance as of December 2024

## Consolidate Basis

(unit: 100 million KRW)

1~4 Q

■ Sales  
■ Operating profit  
■ Net profit



OP (%) 4.4% → 3.9%  $\Delta 0.5P$   
 Net profit margin (%) 1.7% → 2.0%  $0.3P$   
*+4.4% for one-time removal*

| Category                | Cumulative from Jan. to Dec. |        |        |       |
|-------------------------|------------------------------|--------|--------|-------|
|                         | 2023                         | 2024   | YoY    |       |
|                         |                              |        | Amount | %(%P) |
| <b>Sales</b>            | 40,664                       | 40,443 | ▲221   | ▲0.5  |
| Domestic Business       | 33,008                       | 32,302 | ▲706   | ▲2.1  |
| Export                  | 1,749                        | 2,049  | 300    | 17.2  |
| Global Business         | 8,005                        | 8,567  | 562    | 7.0   |
| <b>Operating Profit</b> | 1,770                        | 1,571  | ▲199   | ▲11.3 |
| <b>One-time removal</b> | 1,770                        | 1,780  | 10     | 0.6   |
| Domestic Business       | 1,305                        | 1,103  | ▲202   | ▲15.5 |
| Export                  | 155                          | 176    | 21     | 13.2  |
| Global Business         | 586                          | 593    | 7      | 1.2   |
| <b>Margin(%)</b>        | 4.4                          | 3.9    | ▲0.5P  |       |
| Domestic Business       | 4.0                          | 3.4    | ▲0.6P  |       |
| Export                  | 8.9                          | 8.6    | ▲0.3P  |       |
| Global Business         | 7.3                          | 6.9    | ▲0.4P  |       |

Sales decreased by ▲0.5%,  
operating profit decreased by ▲11.3%

Operating profit +178 Bn excluding one-time issue burden of 20.9 Bn

**Domestic Business**

Sales decreased by ▲2.1%,  
operating profit decreased by ▲15.5%

Slight decrease in sales due to slowdown in consumption caused by economic downturn, decrease in profitability due to burden of cacao cost and one-time issue costs

Export sales increased by +17.2%,  
operating profit increased by +13.2%

**Global Business**

Sales increased by 7.0%,  
operating profit increased by 1.2%

Sales in Kazakhstan decreased due to the exchange rate impact, but overall sales increased due to growth in India and other corporations, and profitability growth slowed due to the burden of cacao costs

### One-time issue burden (20.9 Bn)

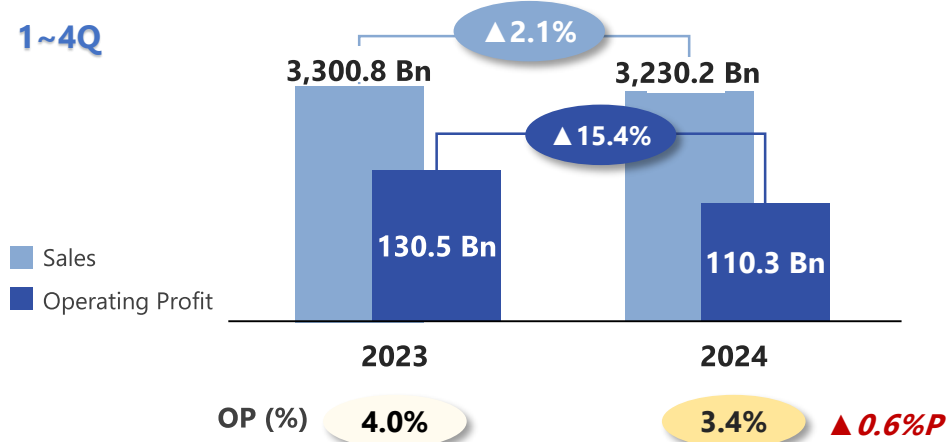
| Category                    | Contents  | Amount of burden |
|-----------------------------|---|------------------|
| Long-term employee salaries | Gold price increase, system change, etc.  | ▲7.4 Bn          |
| Regular wages               | Increase in salary, annual leave, retirement allowance, etc. due to application of laws and regulations | ▲13.5 Bn         |

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.

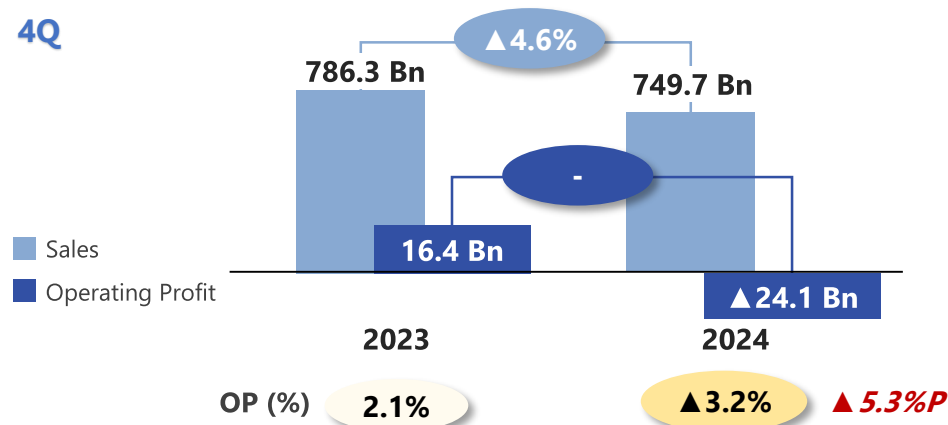
# Domestic Business

## Business Performance

1~4Q



4Q



## Key Details

### Sales by Major Business

(unit: 100 million KRW)

| Category                          | 24.4Q        |              |              | 24.1~4Q       |              |              |
|-----------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|
|                                   | Sales        | YoY          |              | Sales         | YoY          |              |
|                                   |              | Amount       | %            |               | Amount       | %            |
| Confectionery                     | 2,888        | ▲ 114        | ▲ 3.8        | 11,045        | 170          | 1.6          |
| Ice cream                         | 845          | ▲ 86         | ▲ 9.2        | 6,101         | 13           | 0.2          |
| Fats & Oils                       | 1,139        | ▲ 155        | ▲ 12.0       | 4,520         | ▲ 193        | ▲ 4.1        |
| Food materials, etc. <sup>1</sup> | 533          | 3            | 0.6          | 2,130         | ▲ 521        | ▲ 19.6       |
| <b>Domestic Total</b>             | <b>7,497</b> | <b>▲ 366</b> | <b>▲ 4.6</b> | <b>32,302</b> | <b>▲ 706</b> | <b>▲ 2.1</b> |
| Export                            | 518          | 94           | 22.1         | 2,052         | 303          | 17.4         |

### Cause of Increase/Decrease in annual sales

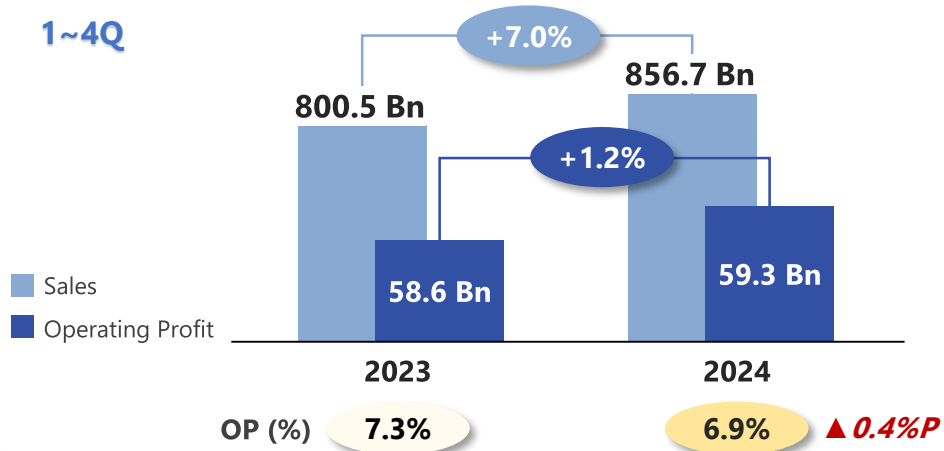
|                                   |  |
|-----------------------------------|--|
| Confectionery                     | Increased sales of PEPERO and H&W products (ZERO, Easy Protein, etc.)  |
| Ice cream                         | ZERO, 0Kcal, etc. grew, but sales increased slightly due to a slowdown in consumption in 4Q                    |
| Fats & Oils                       | Sales decreased due to decline in prices of major oils such as palm oil  |
| Food materials, etc. <sup>1</sup> | Decrease in sales due to base effect of rationalization of food materials                                      |
| Export                            | Increase due to the entry of PEPERO into the North American market and expansion of processed meat canned ham. |

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

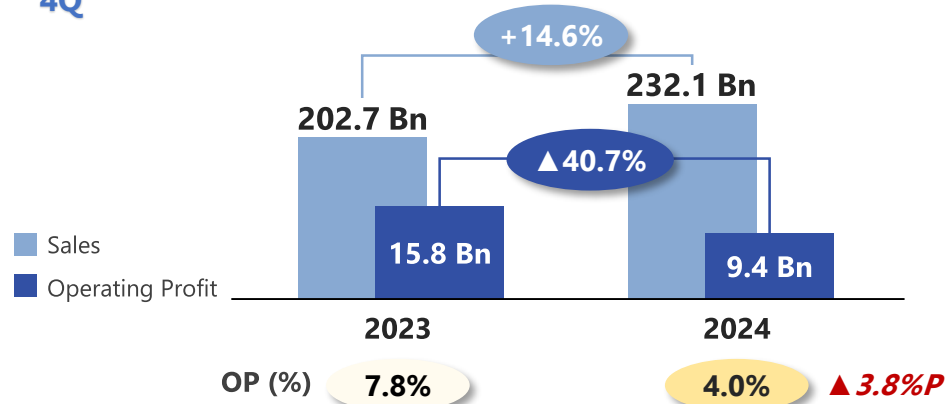
# Global Business

## Business Performance

1~4Q



4Q



## Key Details

### Sales by Major Business

(unit: 100 million KRW)

| Category            | 24.4Q        |            |             | 24.1~4Q      |            |            |
|---------------------|--------------|------------|-------------|--------------|------------|------------|
|                     | Sales        | YoY        |             | Sales        | YoY        |            |
|                     |              | Amount     | %           |              | Amount     | %          |
| Ice cream           | 311          | 33         | 11.9        | 1,729        | 73         | 4.4        |
| Confectionery       | 296          | 29         | 10.9        | 1,176        | 142        | 13.8       |
| India Total         | 607          | 62         | 11.4        | 2,905        | 215        | 8.0        |
| Kazakhstan          | 834          | 100        | 13.7        | 2,646        | ▲51        | ▲1.9       |
| KF RUS              | 215          | 14         | 6.6         | 848          | 71         | 9.2        |
| <b>Global Total</b> | <b>2,321</b> | <b>294</b> | <b>14.6</b> | <b>8,567</b> | <b>562</b> | <b>7.0</b> |

### Cause of Increase/Decrease in annual sales

|                     |  |
|---------------------|--|
| India Ice Cream     | Despite unfriendly weather, sales increases due to expansion of business partners  |
| India Confectionery | Increase in sales due to expansion of Choco Pie TT channel distribution  |
| Kazakhstan          | Decrease in exports and domestic sales due to depreciation of the ruble in the first half of the year (recovery in the 4Q) |
| KF RUS              | Sales growth due to expansion of pie coverage and domestic/export sales  |

# Business Strategy \_ 25-year profitability improvement plan

## Burden status

### Cacao



1 **2023 average \$3,377 → 2024 average \$8,159 +142% burden increase compared to the previous year**

- Efforts to improve cost burden such as diversification of countries of origin, improvement of product mix, and strengthening of purchase prediction system
- The average price increase for chocolate products was +12% on June 24, but it was not enough to cover the burden.

### Labor Costs

1 **Impact of regular wages, etc. ▲20 billion level**

- 25-year salary reflection (fixed OT, overtime pay, etc.)

## Counterplan

### Improve profitability

- 1 **Domestic price increase implemented in February 2025 (average 9.5%)**  
- 26 types of confectionery and ice cream including Ghana, PEPERO, World Cone, etc. (as of 2/17)
- 2 **Market expansion through growth in high-margin categories other than Chocolate (gum, candy, etc.)**
- 3 **Implementation of price increases for major overseas corporations in 2025**

| Corporate      | Target            | Increase rate | Schedule                     |
|----------------|-------------------|---------------|------------------------------|
| India (Havmor) | Item under review | 5~10% level   | In the first quarter of 2025 |
| Kazakhstan     | All items         | 10% level     | March 2025                   |
| Belgium        | All items         | 25% level     | January 2025                 |

### Productivity Improvement

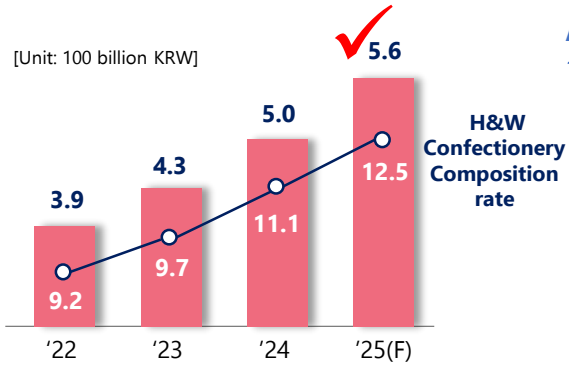
- 1 **Work/organization efficiency improvement for company-wide productivity**  
- Select productivity indicators per person, establish improvement strategies, and manage KPIs
- 2 **Strengthen cost-reduction activities**  
- Improving raw materials cost, productivity/rationalization, etc.
- 3 **Continued profitability coverage through operational excellence**  
- Step-by-step fixed cost improvement through integration of Gimcheon plant (June 2025) (6~7%p improvement in target cost rate)

# Business Strategy - Domestic Business

## H&W market expansion

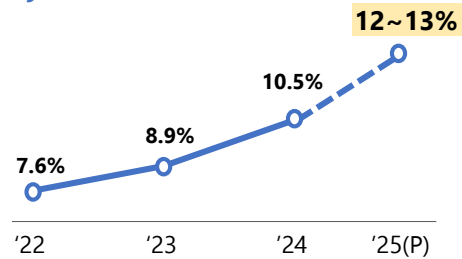
### H&W confectionery market status

[Unit: 100 billion KRW]



### Our H&W sales ratio

*H&W Portfolio Expansion*  
→ Goal of achieving 20% or more in sales by 2028



Source: Our calculations based on Nielsen POS  
H&W based on confectionery: Products containing words such as rice, protein, calories, dietary fiber, low fat/zero fat, zero, and balance.

## H&W Portfolio Expansion Strategy

- ✓ **Adding H&W value to BIG brands to pioneer and expand CASUAL H&W market**
  - Adding high-margin H&W value to existing brands such as World Cone, XYLITOL, and TICO
- ✓ **Strengthening H&W professional brands(ZERO, Easy Protein, Theory of SICSA, etc.)**
  - Increase sales volume and strengthen market position through continuous new product lineup
  - Strengthen competitiveness in the market through differentiated brand value

## Creating a new market for meal replacement confectionery

- ✓ **Launching 'Comfort Eats EnouF1'**
  - Background: Reflecting the changing eating patterns of consumers who simply take care of their nutrition
  - Launching a nutrient-enhanced confectionery brand that helps with health management and time management (Feb 2025)



Note 1. EnouF : Enough nutrition of your fine days

## 25-year new product launch plan

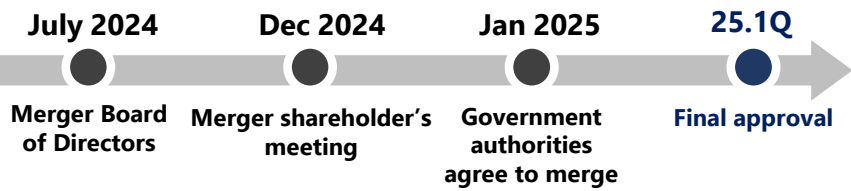
|  | 1Q   | 2Q  | 2H   |
|--|--|---|--|
| <b>CASUAL H&amp;W Market pioneer and expand</b>                | <p>Sugar Free Herb candy<br/>Low sugar World Cone / TICO</p> | <p>Blood sugar control XYLITOL</p>                    | <p>Natuur Vegan</p>  |
| <b>Strengthening existing brands</b>                           | <p>ZERO Monaka / Yeonyanggaeng</p>                           | <p>Easy Protein Shake</p>                             | <b>Health-oriented products Portfolio expansion</b>            |
|  | <p>Theory of SICSA grilled chicken</p>                       | <p>Theory of SICSA one bite cutlet</p>                |  |
| <b>Opening a new market for meal replacement confectionery</b> | <p>Comfort Eats EnouF<br/>Cookies/Shake Meal etc.</p>        | <p>Comfort Eats EnouF<br/>Bread/Morning roll etc.</p> | <b>Continue developing new products to meet consumer needs</b> |

Note2. The schedule for major new product launches may change depending on the company's circumstances.

# Business Strategy - Overseas

## One India

### Progress



**Mid-to-Long Term**  
A general confectionery company's leap to become a **National Player**

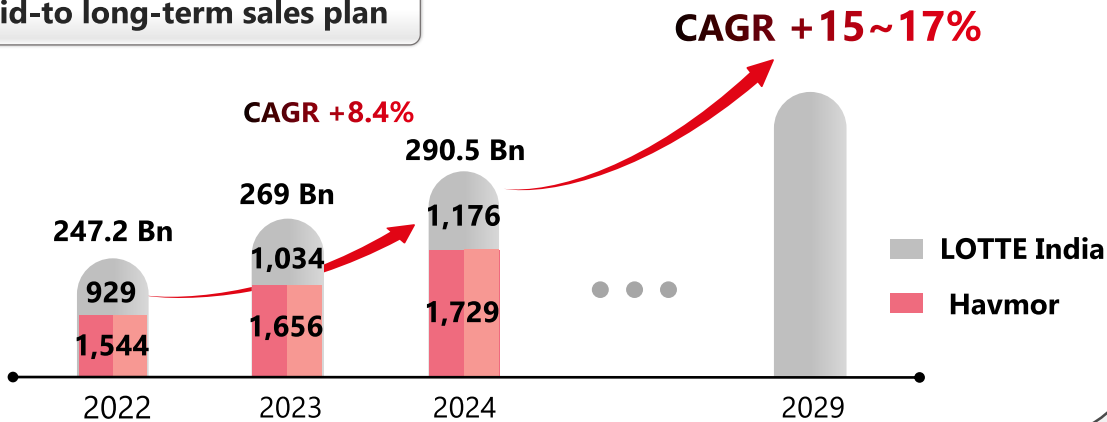
### 1 Consolidate regional bases and expand geographic coverage in India's Confectionery / Ice cream division

- Establishment of a foundation for expanding coverage between confectionery (Chennai, Haryana), ice cream(Gujarat) regions

### 2 Securing a virtuous investment cycle through financial leverage

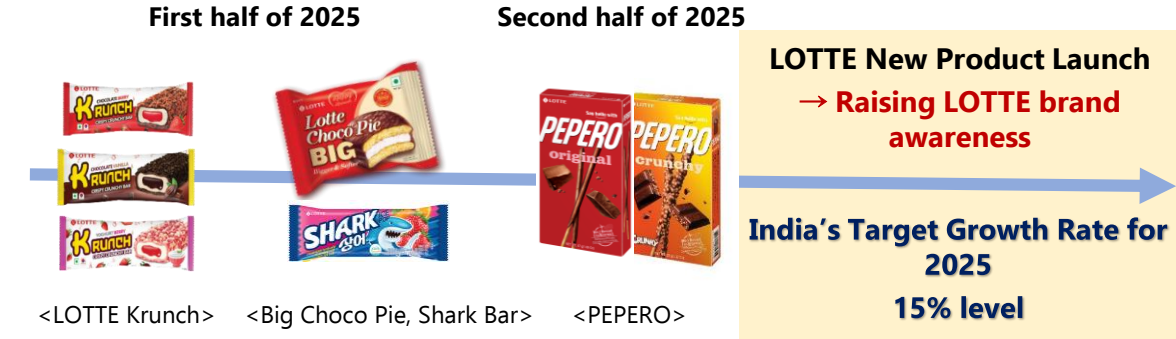
- Pune new factory, additional introduction of Choco Pie line, etc, securing investment capacity in India

### Mid-to long-term sales plan



## Guidance in 2025

### Major new products



### Key Drive Factors

#### 1 PUNE new plant operation linkage (2025 February), solving peak season CAPA shortage and increasing sales

- Peak season ice cream operation rate exceeds 100% → Operation rate stabilizes at 80%
- Launch and expansion of the distribution of LOTTE Krunch 3 SKU (Original, Black, Pink), Shark Bar

#### 2 Increase in LOTTE brand sales by fostering Mega Brand in India

- Targeting the premium market through the launch of BIG Choco Pie and expanding coverage focused on TT channels
- Introduction of new PEPERO products (second half of 2025) and stabilization

# Financial Highlights

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

|                      | End of Dec. 2023 | End of Dec. 2024 |
|----------------------|------------------|------------------|
| <b>Credit rating</b> |                  |                  |
| Long Term            |                  |                  |
| <b>AA</b><br>Stable  |                  |                  |
| Short Term           |                  |                  |
| <b>A<sup>1</sup></b> |                  |                  |
| <b>Annual Basis</b>  |                  |                  |
| Assets               | 4,199.1 Bn       | 4,341.7 Bn       |
| Stockholders' Equity | 2,142.6 Bn       | 2,226.4 Bn       |
| Liabilities          | 2,056.5 Bn       | 2,115.4 Bn       |
| Total Debt           | 1,303.9 Bn       | 1,318.5 Bn       |
| Sales                | 4,066.4 Bn       | 4,044.3 Bn       |
| Operating Profit     | 177 Bn           | 157 Bn           |
| (OPM)                | 4.4%             | 3.9%             |
| EBITDA               | 367.7 Bn         | 361.0 Bn         |

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

|                         | 2022     | 2023     | 2024  | Financial Management Standards |
|-------------------------|----------|----------|---|--------------------------------|
| Capex                   | 200.6 Bn | 244.1 Bn | 260.0 Bn  | EBITDA Level                   |
| Debt Ratio              | 94.4%    | 96.0%    | 95.0%   | Under 100%                     |
| Interest Coverage Ratio | 4.3      | 3.7      | 2.9<br>(3.4)<br><small>for one-time removal</small> | Over 3.0                       |
| Net debt/EBITDA         | 2.7      | 2.2      | 2.8   | Under 4.0                      |
| EBITDA                  | 318.6 Bn | 367.7 Bn | 361.0 Bn  | -                              |

Note2. Capex : Separate basis

# Guidance in 2025

- Contents

---

- Amount of sales

---

- Operating profit margin

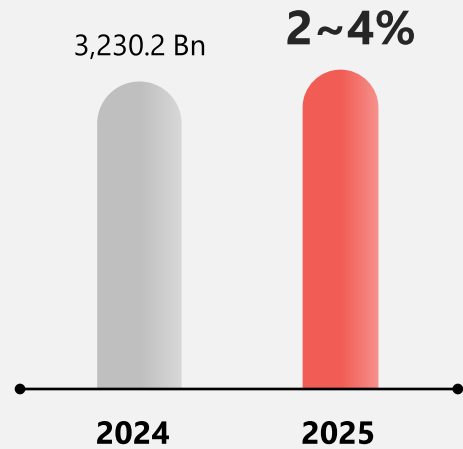
## Domestic Business

**Sales growth forecast of 2~4%**

- Recovery of sales from main business

**Continued efforts to improve profits**

- Price normalization, productivity improvement, and expansion of high-margin H&W portion

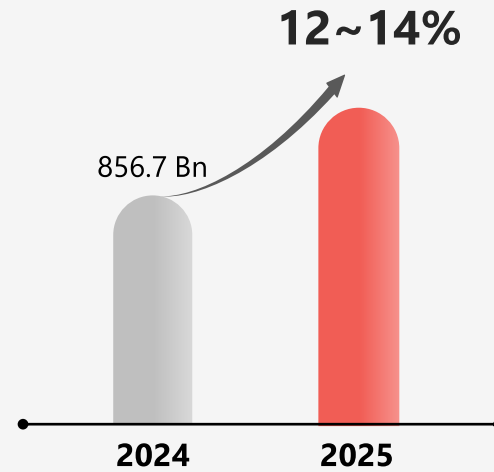


## Global Business

**Sales growth forecast of 12~14%**

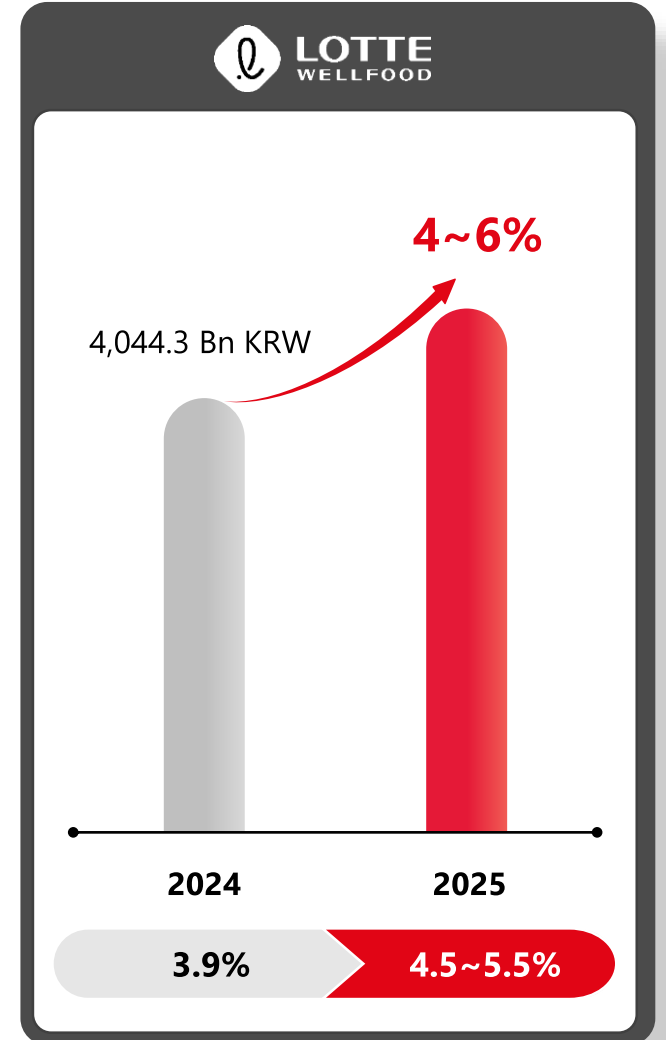
- Sales expansion based on key regions such as India

**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!

Lotte Wellfood. IR

+82-2-2670 - 6528, 6529

LCONF\_IR@lotte.net

# 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
  - Aims to convert 100% of operational vehicles to zero-emission vehicles by 2030 (converted 820 vehicles in 2023, achieving a transition rate of 49.4%).
- 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



December, 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)
- S 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.
- S Received commendation from Ministry of Employment and Labor Director for Safety Management Campaign.**
- S 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

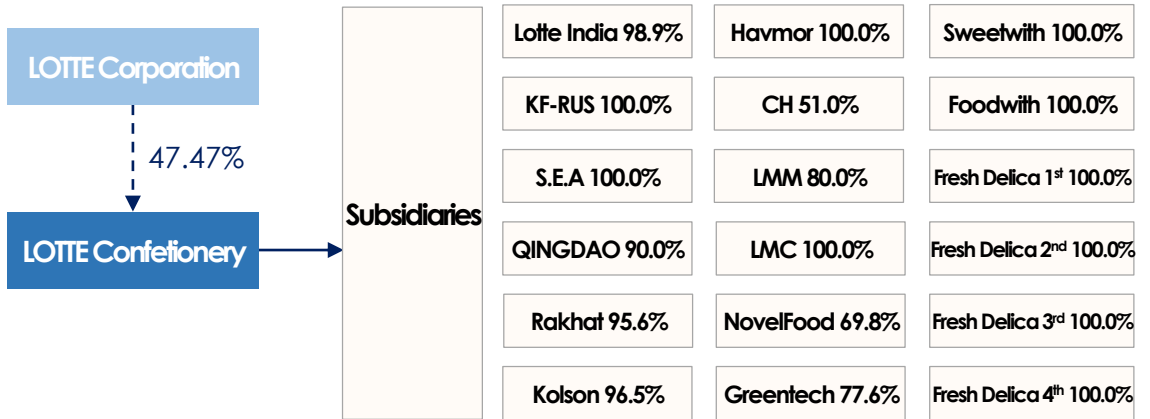
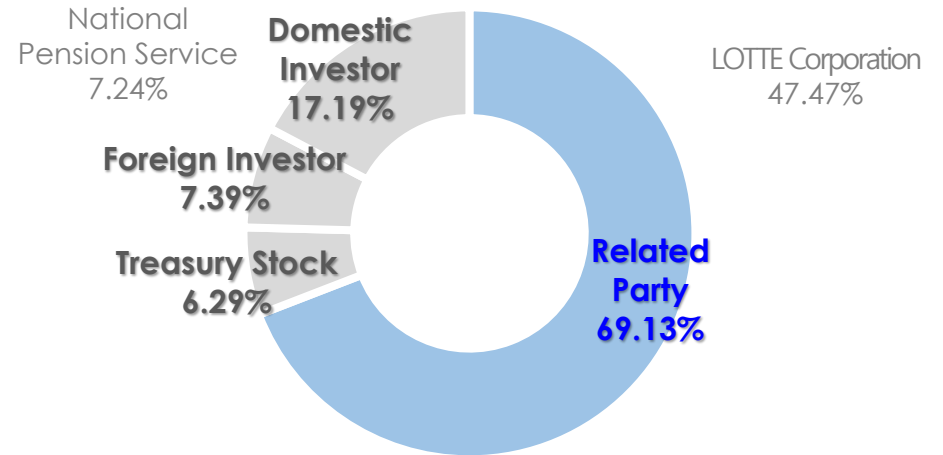
# Appendix \_Company Overview

## 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 Dec 31, 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><br>(KRW)                  | 500           | 5,000   | 500           | 5,000   | 500           | 5,000   | 500      | 500      |  |
| <b>Price</b><br>(KRW)                      | 149,500       | 413,000 | 102,000       | 331,500 | 120,500       | 344,500 | 122,500  | 123,800  | · Closing Price                                  |
| <b>Net income</b><br>(100 million KRW)     | 381           | 375     | 410           | 702     | 349           | ▲10     | 616      | 705      | · Domination shares                              |
| <b>Cash Dividends</b><br>(100 million KRW) | 83            | 109     | 103           | 109     | 103           | 99      | 203      | 265      | · DPS x number of shares                         |
| <b>DPS</b><br>(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%     | · $DPS \div \text{Par Value}$                    |
| <b>Dividend Yield</b>                      | 0.9%          | 2.9%    | 1.6%          | 3.5%    | 1.3%          | 2.8%    | 1.8%     | 2.4%     | · $DPS \div \text{Price}$                        |
| <b>Dividend Rate</b>                       | 21.90%        | 29.10%  | 25.03%        | 15.55%  | 29.40%        | -       | 33.05%   | 37.60%   | · $\text{Cash Dividends} \div \text{Net income}$ |

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\_4Q24 Consolidated Financial Statements

## Income Statement

(Unit : 100 million KRW, %)

|                  | 4Q     |       |        |       |        |        | As of Dec. 2024 |       |        |       |        |       |
|------------------|--------|-------|--------|-------|--------|--------|-----------------|-------|--------|-------|--------|-------|
|                  | 2023   |       | 2024   |       | YoY    |        | 2023            |       | 2024   |       | YoY    |       |
|                  | Amount | %     | Amount | %     | Amount | %      | Amount          | %     | Amount | %     | Amount | %     |
| Sales            | 9,796  | 100.0 | 9,705  | 100.0 | ▲91    | ▲0.9   | 40,664          | 100.0 | 40,443 | 100.0 | ▲221   | ▲0.5  |
| Gross Profit     | 2,766  | 28.2  | 2,551  | 26.3  | ▲215   | ▲7.8   | 11,317          | 27.8  | 11,955 | 29.6  | 637    | 5.6   |
| SG&A             | 2,473  | 25.2  | 2,746  | 28.3  | 273    | 11.0   | 9,547           | 23.5  | 10,384 | 25.7  | 836    | 8.8   |
| Operating Profit | 292    | 3.0   | ▲196   | ▲2.0  | ▲488   | ▲167.0 | 1,770           | 4.4   | 1,571  | 3.9   | ▲199   | ▲11.3 |
| Ordinary Profit  | ▲131   | ▲1.3  | ▲416   | ▲4.3  | ▲285   | -      | 1,098           | 2.7   | 1,078  | 2.7   | ▲20    | ▲1.9  |
| Net Profit       | ▲160   | ▲1.6  | ▲250   | ▲2.6  | ▲90    | -      | 678             | 1.7   | 820    | 2.0   | 142    | 21.0  |

## Balance Sheet

(Unit : 100 million KRW, %)

|                            | 2023.12.31 | 2024.12.31 | YoY    |
|----------------------------|------------|------------|--------|
| Current assets             | 14,889     | 14,287     | ▲602   |
| Non current assets         | 27,102     | 29,130     | 2,028  |
| Total assets               | 41,991     | 43,417     | 1,426  |
| Current liabilities        | 9,321      | 10,561     | 1,240  |
| Non current liabilities    | 11,244     | 10,593     | ▲651   |
| Borrowings (a)             | 13,039     | 13,185     | 145    |
| Total liabilities (b)      | 20,565     | 21,153     | 589    |
| Share capital              | 47         | 47         | -      |
| Total equity (c)           | 21,426     | 22,264     | 837    |
| Debt to equity ratio (b/c) | 96.0       | 95.0       | ▲1.0%p |
| Current assets             | 60.9       | 59.2       | ▲1.7%p |

# Appendix\_4Q24 Separate Financial Statements

## Income Statement

(Unit : 100 million KRW, %)

|                  | 4Q     |       |        |       |        |        | As of Dec. 2024 |       |        |       |        |       |
|------------------|--------|-------|--------|-------|--------|--------|-----------------|-------|--------|-------|--------|-------|
|                  | 2023   |       | 2024   |       | YoY    |        | 2023            |       | 2024   |       | YoY    |       |
|                  | Amount | %     | Amount | %     | Amount | %      | Amount          | %     | Amount | %     | Amount | %     |
| Sales            | 7,863  | 100.0 | 7,497  | 100.0 | ▲366   | ▲4.7   | 33,008          | 100.0 | 32,302 | 100.0 | ▲706   | ▲2.1  |
| Gross Profit     | 2,237  | 28.4  | 1,982  | 26.4  | ▲255   | ▲11.4  | 9,245           | 28.0  | 9,691  | 30.0  | 446    | 4.8   |
| SG&A             | 2,073  | 26.4  | 2,223  | 29.7  | 150    | 7.3    | 7,940           | 24.1  | 8,588  | 26.6  | 648    | 8.2   |
| Operating Profit | 164    | 2.1   | ▲241   | ▲3.2  | ▲405   | ▲247.2 | 1,305           | 4.0   | 1,103  | 3.4   | ▲202   | ▲15.5 |
| Ordinary Profit  | ▲352   | ▲4.5  | ▲201   | ▲2.7  | 151    | ▲42.9  | 812             | 2.5   | 932    | 2.9   | 120    | 14.8  |
| Net Profit       | ▲296   | ▲3.8  | ▲62    | ▲0.8  | 234    | ▲78.9  | 595             | 1.8   | 807    | 2.5   | 212    | 35.7  |

## Balance Sheet

(Unit : 100 million KRW, %)

|                              | 2023.12.31    | 2024.12.31    | YoY        |
|------------------------------|---------------|---------------|------------|
| Current assets               | 11,336        | 10,186        | ▲1,149     |
| Non current assets           | 27,015        | 28,949        | 1,935      |
| <b>Total assets</b>          | <b>38,350</b> | <b>39,136</b> | <b>786</b> |
| Current liabilities          | 7,643         | 8,633         | 990        |
| Non current liabilities      | 10,312        | 9,728         | ▲584       |
| Borrowings (a)               | 12,223        | 12,460        | 236        |
| <b>Total liabilities (b)</b> | <b>17,955</b> | <b>18,361</b> | <b>406</b> |
| Share capital                | 47            | 47            | -          |
| <b>Total equity (c)</b>      | <b>20,395</b> | <b>20,775</b> | <b>380</b> |
| Debt to equity ratio (b/c)   | 88.0          | 88.4          | 0.4%p      |
| Current assets               | 59.9          | 60.0          | 0.1%p      |

# Appendix\_Sales Breakdown

(Unit : 100 million KRW)

|                 | 1Q21         | 2Q21         | 3Q21          | 4Q21         | 1Q22         | 2Q22          | 3Q22          | 4Q22          | 1Q23         | 2Q23          | 3Q23          | 4Q23         | 1Q24         | 2Q24          | 3Q24          | 4Q24         |
|-----------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------|--------------|---------------|---------------|--------------|
| <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>10,879</b> | <b>9,705</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>  | <b>8,798</b>  | <b>7,497</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         | 2,731         | 2,888        |
| 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         | 845          |
| Bakery          | 265          | 269          | 283           | 324          | 280          | 308           | 332           | 368           | 302          | 305           | 297           | 316          | 305          | 307           | 284           | 338          |
| 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         | 1,139        |
| Food Materials  | 564          | 619          | 620           | 628          | 602          | 711           | 728           | 709           | 702          | 755           | 664           | 530          | 518          | 545           | 533           | 533          |
| Dairy           | 480          | 495          | 469           | 454          | 472          | 468           | 444           | 459           | 444          | 459           | 460           | 438          | 424          | 428           | 449           | 404          |
| Processed Meats | 675          | 577          | 720           | 586          | 684          | 620           | 790           | 655           | 682          | 613           | 707           | 586          | 643          | 587           | 642           | 567          |
| HMR             | 518          | 534          | 578           | 577          | 575          | 647           | 707           | 679           | 647          | 698           | 694           | 695          | 667          | 684           | 693           | 694          |
| <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>  | <b>2,080</b>  | <b>2,321</b> |
| Kazakhstan      | 389          | 380          | 437           | 548          | 423          | 505           | 592           | 817           | 656          | 669           | 638           | 734          | 663          | 567           | 582           | 834          |
| Pakistan        | 197          | 231          | 216           | 211          | 201          | 216           | 219           | 201           | 158          | 158           | 138           | 138          | 171          | 181           | 158           | 153          |
| Belgium         | 213          | 146          | 255           | 378          | 206          | 133           | 260           | 310           | 191          | 89            | 207           | 269          | 171          | 144           | 246           | 316          |
| India(Conf)     | 168          | 109          | 198           | 194          | 210          | 198           | 270           | 250           | 255          | 224           | 289           | 267          | 303          | 262           | 316           | 296          |
| India(Ice)      | 249          | 240          | 287           | 218          | 311          | 602           | 356           | 275           | 351          | 637           | 390           | 278          | 343          | 696           | 379           | 311          |
| China           | 54           | 59           | 54            | 63           | 42           | 41            | 39            | 40            | 8            | 0             | 0             | 0            | 0            | 0             | 0             | 0            |
| Russia          | 115          | 108          | 143           | 159          | 122          | 190           | 232           | 262           | 193          | 187           | 196           | 201          | 199          | 213           | 222           | 215          |
| Singapore       | 31           | 28           | 27            | 30           | 25           | 27            | 29            | 32            | 31           | 34            | 35            | 38           | 34           | 34            | 38            | 40           |
| Myanmar         | 59           | 78           | 81            | 86           | 67           | 77            | 88            | 83            | 66           | 79            | 100           | 102          | 87           | 97            | 139           | 156          |

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  |          |          |        | Jan-Dec |         |         |        |
|----------------------------|---------|---------|---------|--------|----------|----------|----------|--------|----------|----------|----------|--------|---------|---------|---------|--------|
|                            | 2022    | 2023    | 2024    | YoY(%) | 2022     | 2023     | 2024     | YoY(%) | 2022     | 2023     | 2024     | YoY(%) | 2022    | 2023    | 2024    | YoY(%) |
| <b>Kazakhstan</b><br>(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    | 2.80    | 2.86    | 2.91    | 1.8    |
| <b>Pakistan</b><br>(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  | 6.33    | 4.68    | 4.90    | 3.5    |
| <b>Belgium</b><br>(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    | 1357.38 | 1412.36 | 1475.05 | 4.6    |
| <b>India</b><br>(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    | 16.43   | 15.81   | 16.30   | 3.0    |
| <b>China</b><br>(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    | 191.57  | 184.22  | 189.20  | 2.6    |
| <b>Russia</b><br>(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   | 19.32   | 15.46   | 14.74   | ▲3.7   |
| <b>Singapore</b><br>(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    | 936.47  | 972.16  | 1020.35 | 5.1    |
| <b>Myanmar</b><br>(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    | 0.68    | 0.62    | 0.65    | 4.4    |

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

# Appendix\_Current Exchange Rate

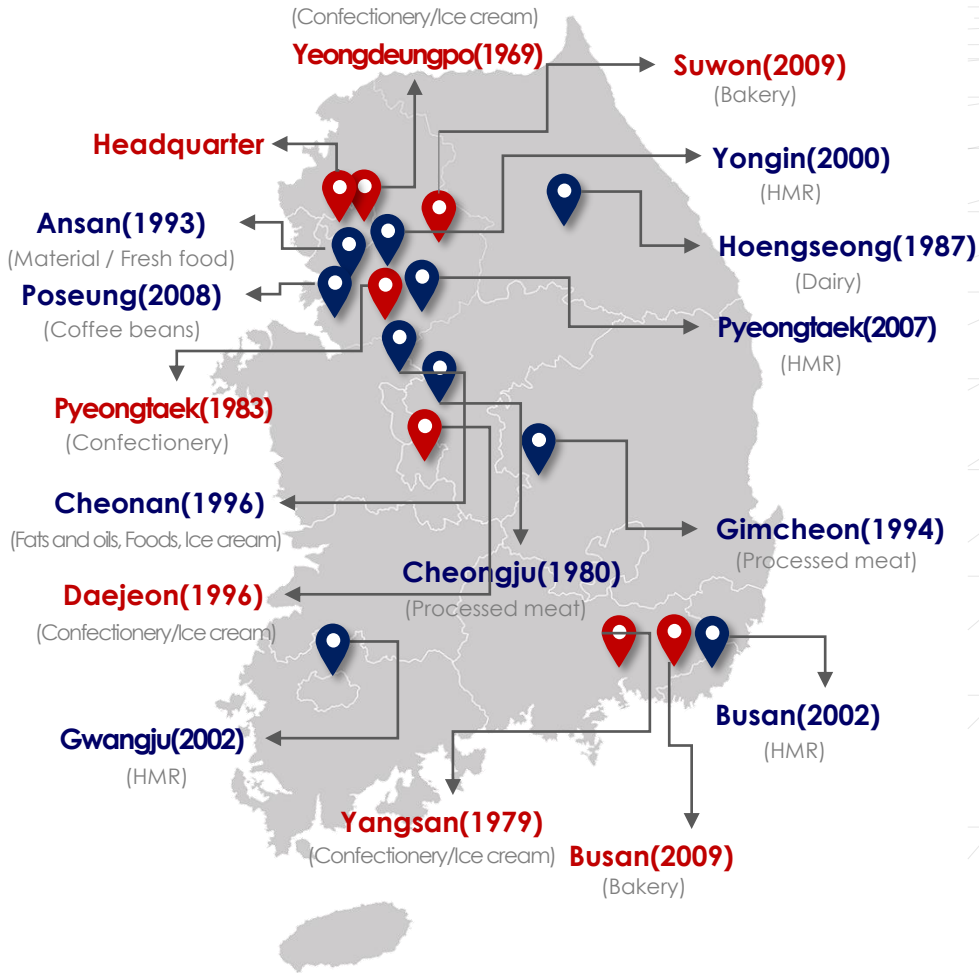
(Unit : KRW / Local currency)

| Country                    | End of Dec.2023 | End of Mar.2024 | End of Jun.2024 | End of Sep.2024 | End of Dec.2024 | YoY(%)      |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|
| <b>Kazakhstan</b><br>(KZT) | <b>2.84</b>     | <b>3.00</b>     | <b>2.98</b>     | <b>2.74</b>     | <b>2.80</b>     | <b>▲1.4</b> |
| <b>Pakistan</b><br>(PKR)   | <b>4.57</b>     | <b>4.84</b>     | <b>4.99</b>     | <b>4.75</b>     | <b>5.28</b>     | <b>15.5</b> |
| <b>Belgium</b><br>(EUR)    | <b>1,426.59</b> | <b>1,452.93</b> | <b>1,487.07</b> | <b>1,474.06</b> | <b>1528.73</b>  | <b>7.2</b>  |
| <b>India</b><br>(INR)      | <b>15.50</b>    | <b>16.15</b>    | <b>16.65</b>    | <b>15.76</b>    | <b>17.19</b>    | <b>10.9</b> |
| <b>China</b><br>(CNY)      | <b>180.84</b>   | <b>185.75</b>   | <b>190.43</b>   | <b>188.74</b>   | <b>201.27</b>   | <b>11.3</b> |
| <b>Russia</b><br>(RUB)     | <b>14.57</b>    | <b>14.55</b>    | <b>16.34</b>    | <b>13.99</b>    | <b>13.30</b>    | <b>▲8.7</b> |
| <b>Singapore</b><br>(SGD)  | <b>976.86</b>   | <b>997.67</b>   | <b>1,022.75</b> | <b>1,030.37</b> | <b>1081.08</b>  | <b>10.7</b> |
| <b>Myanmar</b><br>(MMK)    | <b>0.61</b>     | <b>0.64</b>     | <b>0.66</b>     | <b>0.63</b>     | <b>0.70</b>     | <b>14.8</b> |

# Appendix Locations

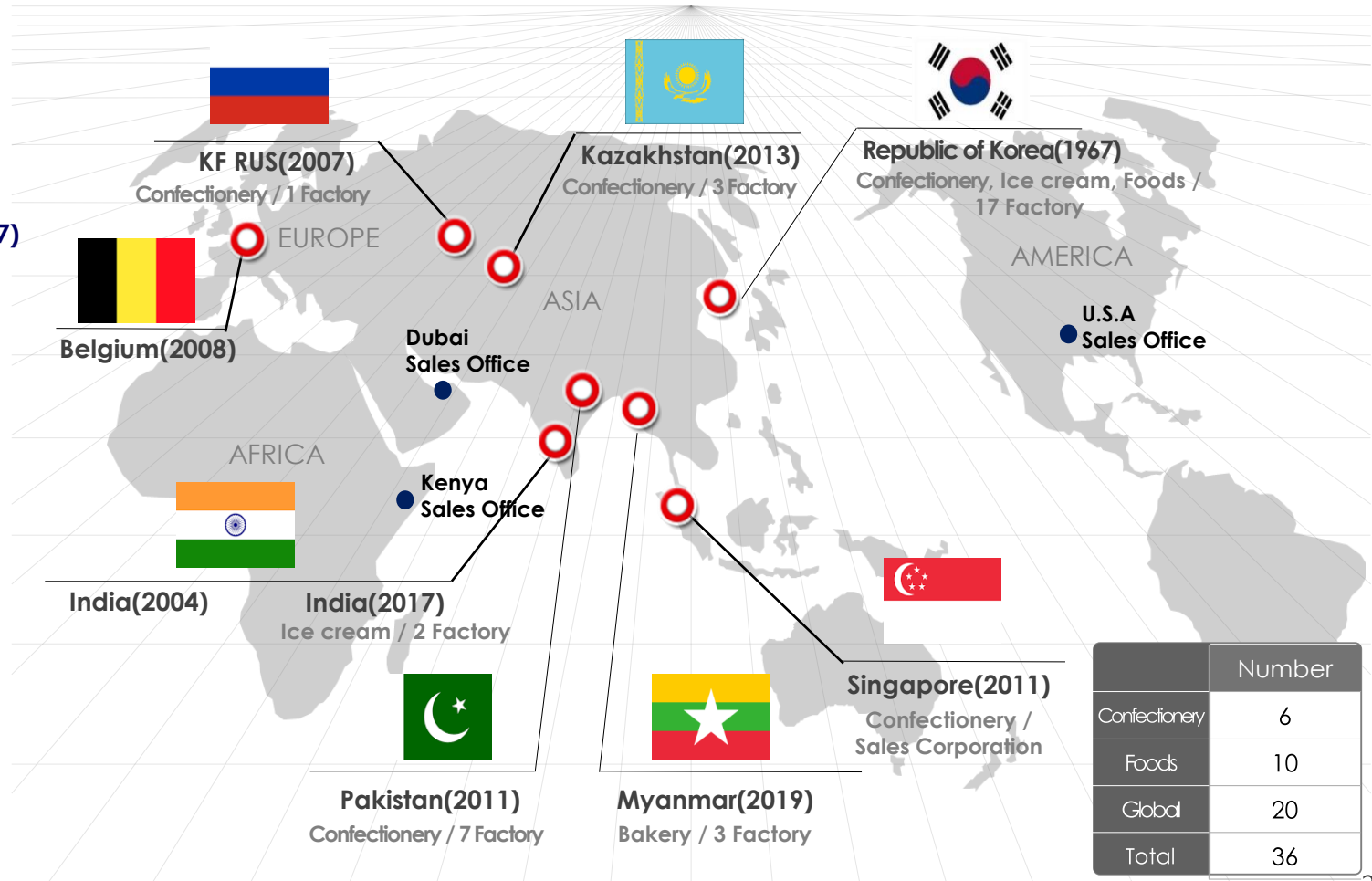
## Domestic

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> |

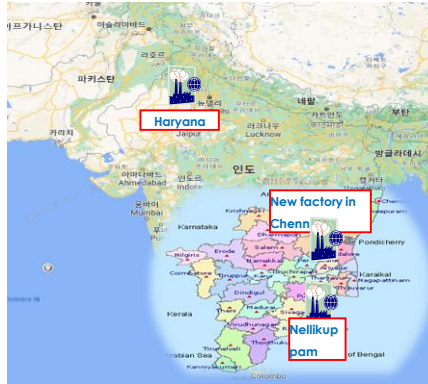
# Appendix\_Status of Major Overseas Subsidiaries

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

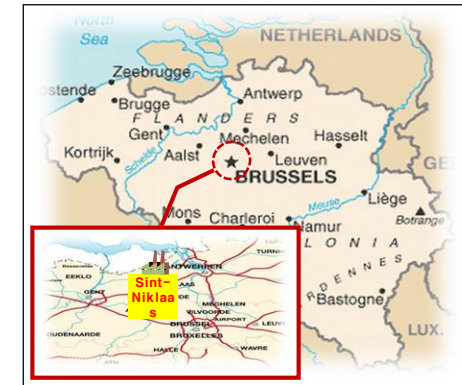
Number of factories: 3

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