

Show your love with **PEPERO**

1Q25 Business Results

2025.05.09 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.

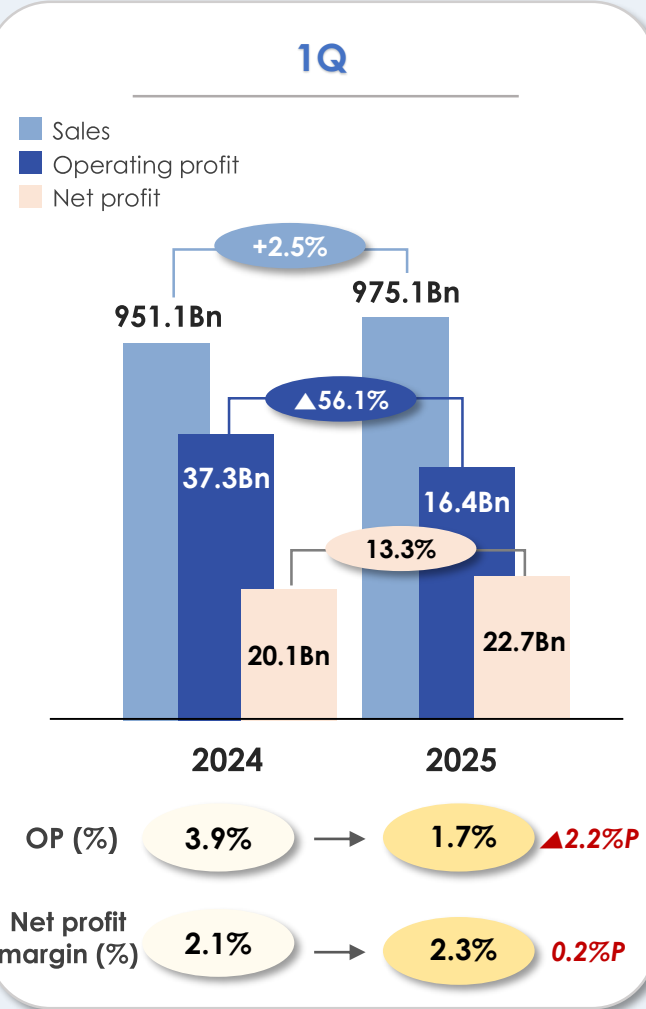
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May, 2025
LOTTE WELLFOOD. IR

1Q25 Performance

Consolidate Basis



(unit: 100 million KRW)

구분	1Q		YoY	
	2024	2025	Amount	%(%P)
Sales	9,511	9,751	241	2.5
Domestic Business	7,640	7,574	▲66	▲0.9
Export	484	610	127	26.2
Global Business	1,972	2,300	328	16.6
Operating Profit	373	164	▲209	▲56.1
Domestic Business	272	101	▲172	▲63.0
Export	42	81	39	91.6
Global Business	143	90	▲53	▲36.9
Margin(%)	3.9	1.7	▲2.2P	
Domestic Business	3.6	1.3	▲2.3P	
Export	8.7	13.3	4.6P	
Global Business	7.3	3.9	▲3.4P	

Sales increased by + 2.5%,
operating profit decreased by ▲ 56.1%

Domestic Business

Sales decreased by ▲ 0.9% ,
operating profit decreased by ▲ 63.0%
Slight decrease in sales due to economic downturn
and slowdown in consumption
Profitability decreased year-on-year due to
continued burden of cacao costs.

Export sales increased by + 26.2% ,
operating profit increased by + 91.6%

Global Business

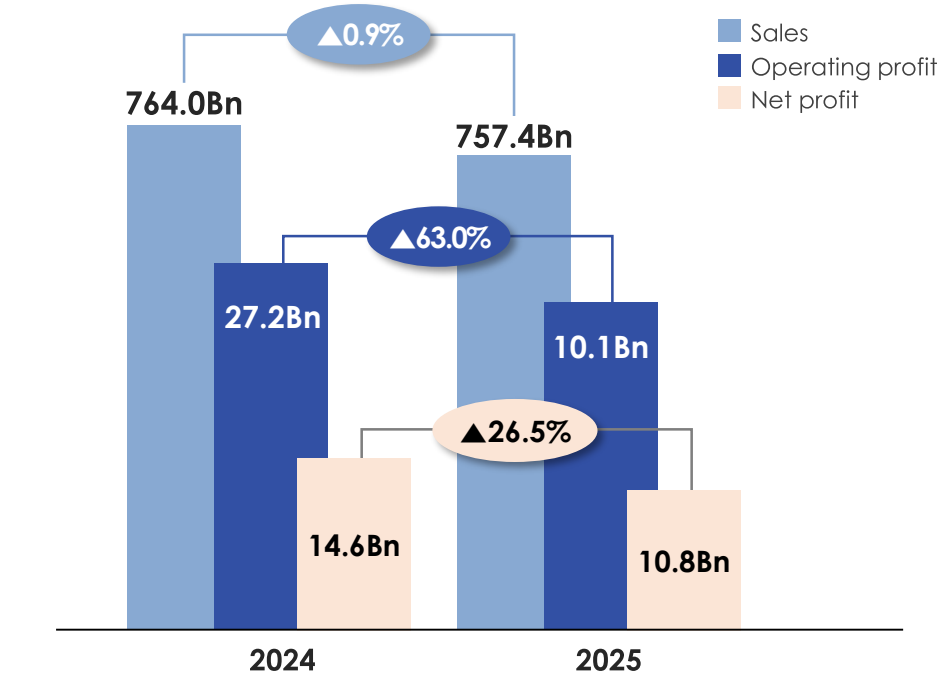
Sales increased by + 16.6% ,
operating profit decreased by ▲ 36.9%

Sales in Kazakhstan slowed down due to
the exchange rate impact, etc.,
but sales increased due to growth in India area and
other corporations,
increased burden of cacao and major raw materials,
decreasing profitability

Domestic Business

Business Performance

1Q



OP (%)	3.6%	1.3%	▲2.3%P
Net profit margin (%)	1.9%	1.4%	▲0.5%P

Key Details

Sales by Major Business

(unit: 100 million KRW)

Category	1Q24	1Q25		
	Sales	Sales	YoY	
			Amount	%
Confectionery	2,814	2,846	31	1.1
Ice cream	1,066	1,006	▲60	▲5.6
Fats & Oils	1,104	1,137	33	3.0
Food materials, etc. ¹	518	534	16	3.1
Domestic Total	7,640	7,574	▲66	▲0.9
Export	484	610	127	26.2

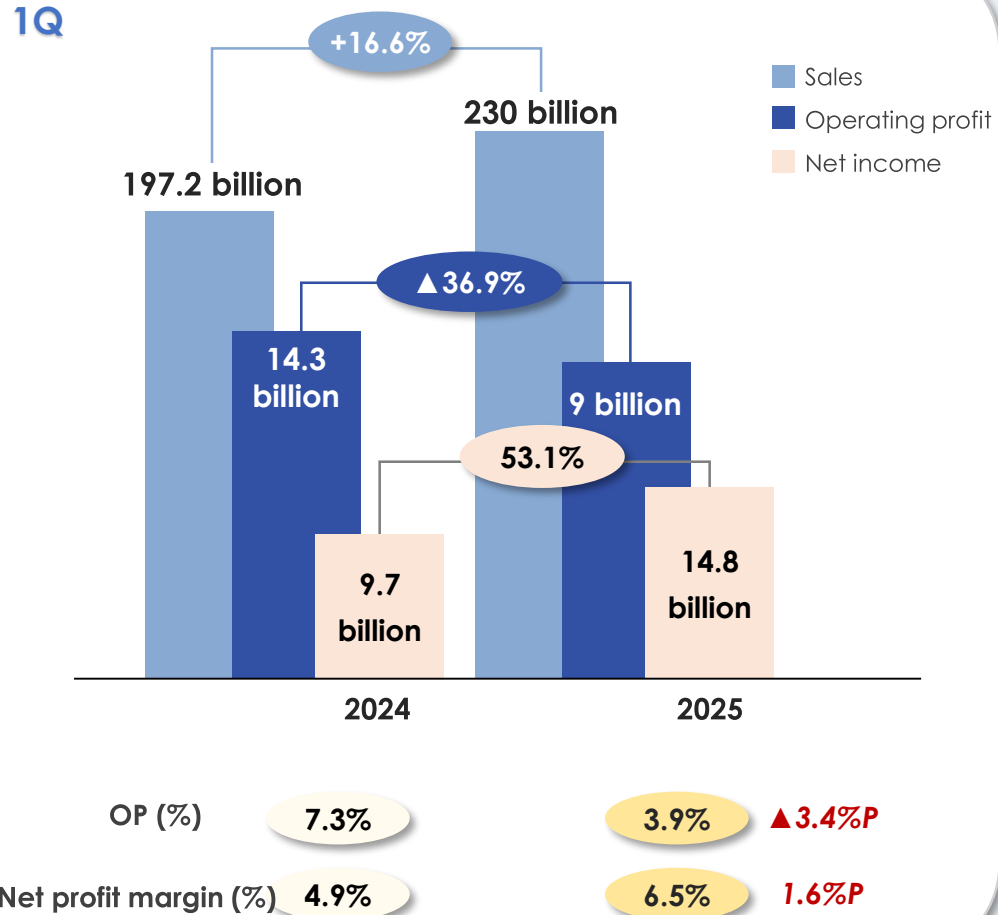
Cause of Increase/Decrease in 1Q sales

Confectionery	Sales slowdown due to the impact of the slowdown in consumption due to the economic downturn
Ice cream	Off-season sales decline due to slowing consumption and the reduction of inefficient SKUs
Fats & Oils	Sales increase due to increase in prices of major oils such as palm oil
Food materials, etc. ¹	Growth due to increased sales to business partners (GRS, etc.)
Export	North American PEPERO and Southeast Asian processed meat canned ham sales increase

Note 1. Food materials, etc : Food materials, ingredients, coffee, catering.

Global Business

Business Performance



Key Details

Sales by major subsidiaries

(unit: 100 million KRW)

Category	1Q24	1Q25		
	Sales	Sales	YoY	
			Amount	%
Ice cream	343	461	118	34.4
Dry sweets	303	341	38	12.5
India Total	646	802	156	24.2
Kazakhstan	663	676	13	1.9
KF RUS	199	243	44	22.5
Global Total	1,972	2,300	328	16.6

Cause of Increase/Decrease in 1Q Sales

India Ice Cream	Favorable weather impact and expanded coverage in southern regions
India Confectionery	Sales expansion due to continued growth of Choco Pie
Kazakhstan	Despite the stabilization of the ruble, sales slow down due to the impact of the Russian product inventory
KF RUS	Expanding pie coverage and growing MT channels

Business Strategy - Domestic Business

Building a foundation for sales growth

Developing key brands

- ✓ **PEPERO:** Expanding the high-growth global market and activating domestic consumption throughout the year

Expanding global strategy (centered on the US/Southeast Asia/India)		Activate Korean year-round consumption (limited edition MKT)
K-taste limited edition Korea/Global Simultaneous launch (Injeolmi Patbingsu)	Global P-Day Campaign (Using K-pop idols)	Limited-time flavors (Strawberry, Matcha, etc.)

- ✓ **Ghana:** Expanding high margin portfolio (Premium Ghana, Ghana Desert House)

- Premium sales ratio among Ghana products: 16% (6 types) per year in 2024 → 28% (12 types) in 25.1Q / targeting 45% per year
- Spring season Shell Lemon&Berry, Ghana Dessert House Bakery (1Q) / Ghana Ice Cream Bar, Pie (2Q) Launch

Launching new products to respond to the peak ice cream season

- ✓ **Improve profitability and expand demand by strengthening the high value-added lineup**

- Utilizing big brands, expanding the low-sugar market (World Cone, Krunch, Seolleim, etc.)
- Responding to retro trends, re-launching popular products from the past (Daerong Daerong, Mom's mistake)



<Low-sugar ice cream>



<Daerong Daerong, Mom's mistake>

Expanding exports

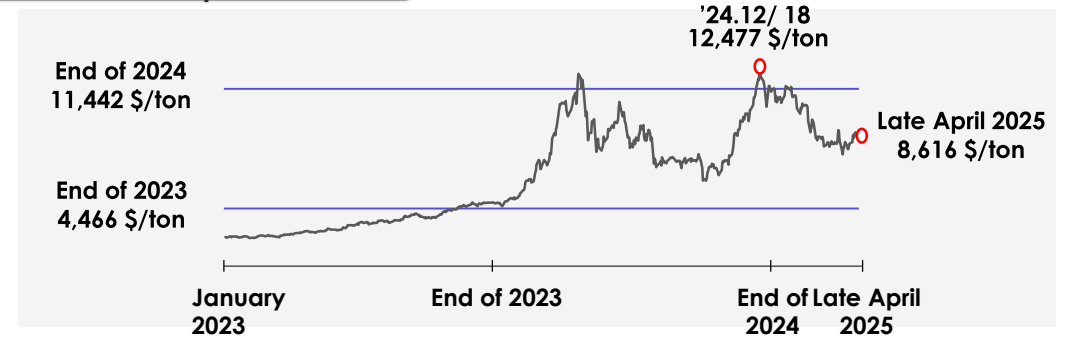
- ✓ **Strategic national export, utilization of overseas corporate infrastructure → fostering global market BFY brands (ZERO, etc.)**
- ✓ **Increase sales volume through entry into major overseas mainstream markets (Costco, LIDL, Philippine S&R, etc.)**

Note1. BFY : Better For You

Note2. Cocoa price: London Futures Exchange

Operating with a focus on profitability

Cocoa market price and response



- Increase the composition ratio of mixed chocolates (51% in 2024 → 56% in 2025 target)
- Improve purchasing efficiency & ensure stability (Sustainable Bean, diversification of cocoa bean origin)

Expanding high-profit categories

- ✓ **Expanding the gum market and strengthening brand power**

- Xylitol: Strengthening oral efficacy lineup – Mouth watering gum launch
- Sleepy gum : User expansion and Fun&Play TPO enhancement XZ Gum King launch (May)



<XZ Gum King>

- ✓ **Consolidating H&W brand market position**

- ZERO: Category expansion (bakery) and global sales expansion
- Theory of SICSA : Launch of new products that give H&W value to popular menu (April)
- JOEE Veggie5: Strengthening competitiveness in snacks using H&W (April)



<Theory of SICSA new product, JOEE Veggie5>

Business strategy _ Global

INDIA

1 ONE INDIA project in progress

- Merger approval completed, registration in progress
→ Financial leverage effect, strengthening of LOTTE brand, integrated operation synergy
- Achieve 15% growth in sales in India by 2025 through regional coverage and expansion of bases

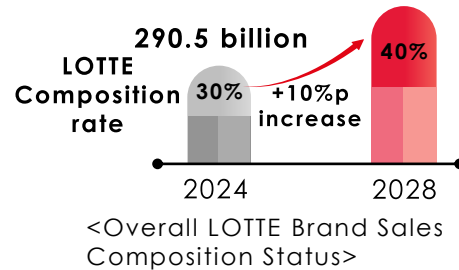
2 Pune plant operations stabilized

- Increased sales through stabilization of peak season operation rate (98% → 77%, ▲21% YoY)
- Discovery of new distributors and expansion of business lines (+39% YoY growth in 1Q, including southern Bangalore)

3 Raising awareness through LOTTE brand development



<LOTTE Krunch> <Big Choco Pie> <PEPERO>



4 Strengthening Havmor's competitiveness

- Expansion of production capacity through the latest facilities and High-CAPA facilities
- Strengthening market position through sports and famous influencer marketing



Kazakhstan

1 Management status

- Sales and profit decreased due to the sales and burden of cacao because of the exchange rate volatility (weakness of the KZT/RUB) in 2024
- Kazakhstan's confectionery market is worth 3.6 trillion won, expected to continue growing due to the increasing proportion of the youth population (Percentage of population aged 0-14: Kazakhstan 30% vs Korea 11%)
→ Despite intensifying competition from low-priced Russian products, we are pushing for a leap forward by reinforcing high-growth categories

2 Introduction of new brands and portfolio diversification

- Portfolio diversification through expansion of categories other than chocolate (jelly, snacks, etc.)
- Expanding synergy through network sharing between CIS corporations (Cross-Selling)



<ZERO jelly>

KF RUS

1 Management status

- '25.1Q sales growth of +22.5% year-on-year, steady growth in domestic demand/exports continues
- Despite environmental changes due to the Russian-Ukrainian War, domestic market is stable

2 LOTTE Choco Pie coverage expansion and brand awareness enhancement

- Continued expansion of Choco Pie coverage, including Cheese-flavored Choco Pie (January 2025)
- In 2025, the achievement of the Choco Pie sales double-digit growth target compared to the previous year



<Cheese-flavored Choco Pie>

Financial Status

• Focus on mid-to long-term investment to maximize infrastructure efficiency and execute stable investment considering operating cash flow

Credit rating

Long term

AA
Stable

Short term

A¹

Annual conversion standard

Category	December 2024	March 2025
Asset	4.3 trillion	4.4 trillion
Capital	2.2 trillion	2.2 trillion
Liabilities	2.1 trillion	2.2 trillion
Total borrowings	1.3 trillion	1.3 trillion
Sales	4.0 trillion	975.1 billion
Operating profit	157.1 billion	16.4 billion
(Operating profit margin)	3.9%	1.7%
Net income	82 billion	23 billion
Net income margin	2.0%	2.3%
EBITDA	361 billion	341 billion

Note1. EBITDA: Reflects the performance of the previous 4 quarters

Note2. CAPEX: Separate criteria

	2023	2024	March 2025	2025(P) Financial Management Standards
Capex	240 billion	260 billion	Around EBITDA	
Debt ratio	96.0%	95.0%	96.5%	Less than 100%
Interest Compensation ratio	3.7x	2.9x (3.4x) <small>Excluding one-time issues</small>	1.3x	More than 3.0x
Net debt/EBITDA	2.2x	2.8x	3.0x	Less than 4.0x

Guidance in 2025

- Contents ▶

- Amount of sales ▶

- Operating profit margin ▶

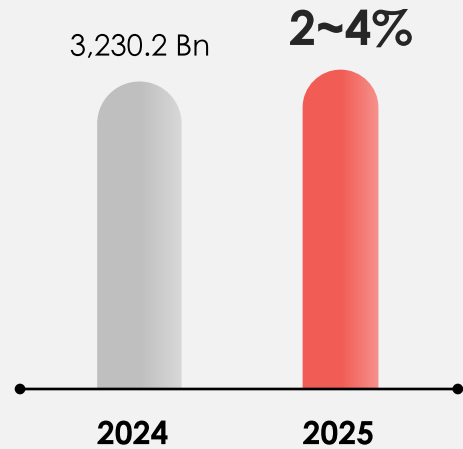
Domestic Business

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

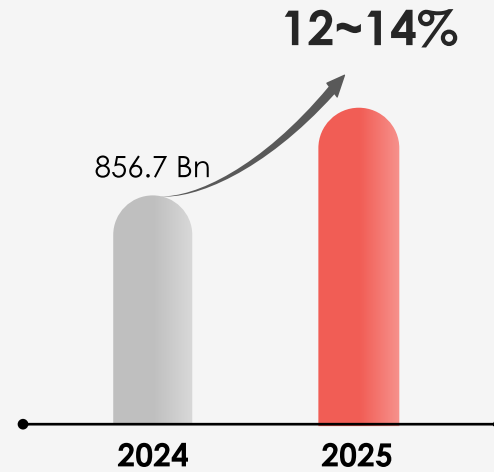


Global Business

Sales growth forecast of 12~14%

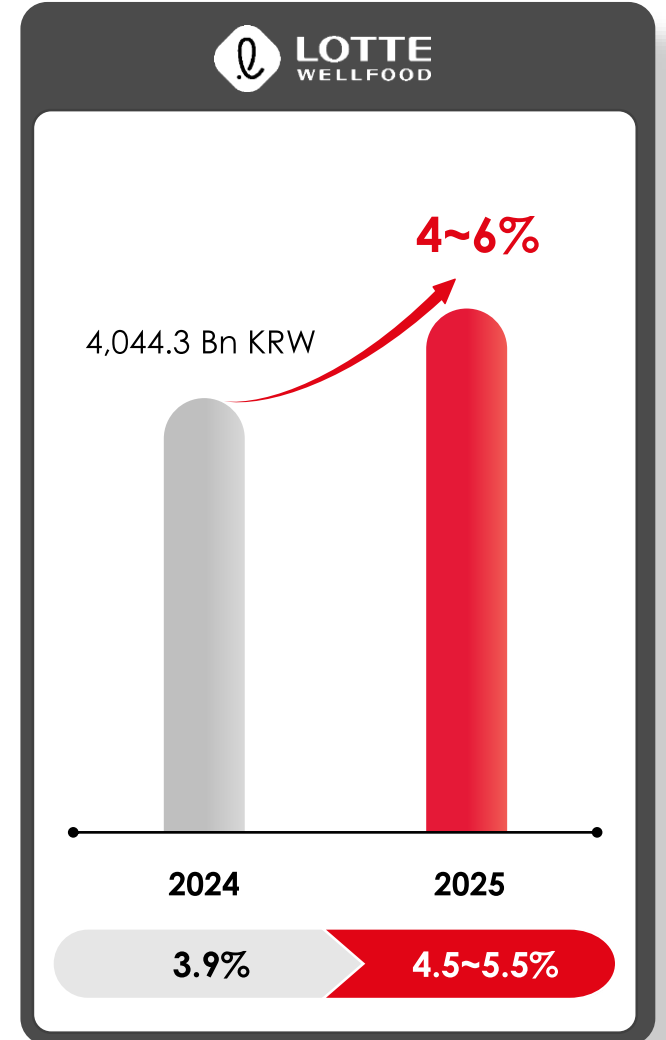
- Sales expansion based on key regions such as India

Improved profitability through external growth and improved productivity



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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
 - 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**
- Signed MOU for the Opening of Happy Home No.13 Child Center (with Save the Children, Jeongseon County)**



April, 2024



December, 2024



April, 2025

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

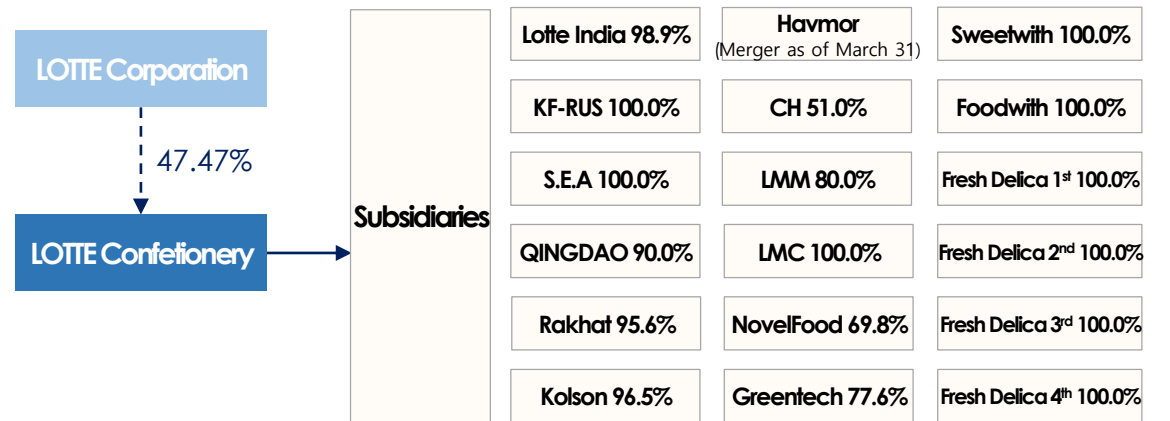
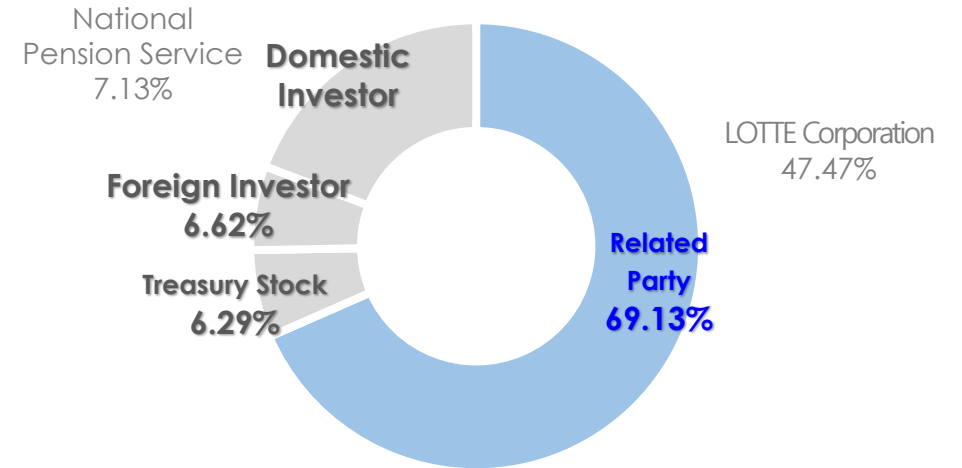
Appendix Company Overview

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 Mar 31, 2025

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	1,456	0.02%
Related Party Total	6,521,992	69.13%
Treasury stock	593,307	6.29%
Others	2,319,275	24.58%
Total	9,434,574	100.00%

Shareholding Structure



※ To enhance shareholder value, 1.38% of treasury stock was retired as of April 29, 2025 (Total outstanding shares post-retirement: 9,304,574)

Appendix_Dividends

	2019		2020		2021		2022	2023	2024	Remarks
	Confectionery	Foods	Confectionery	Foods	Confectionery	Foods	Wellfood	Wellfood	Wellfood	
Par Value (KRW)	500	5,000	500	5,000	500	5,000	500	500	500	
Price (KRW)	149,500	413,000	102,000	331,500	120,500	344,500	122,500	123,800	111,600	· Closing Price
Net income (100 million KRW)	381	375	410	702	349	▲10	616	705	846	· Domination shares
Cash Dividends (100 million KRW)	83	109	103	109	103	99	203	265	292	· DPS x number of shares
DPS (KRW)	1,300	12,000	1,600	12,000	1,600	10,000	2,300	3,000	3,300	
Dividend Rate	260%	240%	320%	240%	320%	200%	460%	600%	660%	· $DPS \div \text{Par Value}$
Dividend Yield	0.9%	2.9%	1.6%	3.5%	1.3%	2.8%	1.8%	2.4%	3.0%	· $DPS \div \text{Price}$
Dividend Rate	21.90%	29.10%	25.03%	15.55%	29.40%	-	33.05%	37.60%	34.48%	· $\text{Cash Dividends} \div \text{Net income}$

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_1 Q25 Consolidated Financial Statements

Income Statement

(Unit : 100 million KRW, %)

	1Q					
	2024		2025		YoY	
	Amount	%	Amount	%	Amount	%
Sales	9,511	100.0	9,751	100.0	241	2.5
Gross Profit	2,774	29.2	2,534	26.0	▲240	▲8.7
SG&A	2,401	25.2	2,370	24.3	▲31	▲1.3
Operating Profit	373	3.9	164	1.7	▲209	▲56.1
Ordinary Profit	288	3.0	312	3.2	24	8.3
Net Profit	201	2.1	227	2.3	27	13.3

Balance Sheet

(Unit : 100 million KRW, %)

	2024.12.31	2025.03.31	QoQ
Current assets	14,287	14,616	329
Non current assets	29,130	29,365	236
Total assets	43,417	43,982	565
Current liabilities	10,561	10,542	▲19
Non current liabilities	10,593	11,061	469
Borrowings (a)	13,185	13,243	58
Total liabilities (b)	21,153	21,604	450
Share capital	47	47	-
Total equity (c)	22,264	22,378	114
Debt to equity ratio (b/c)	95.0	96.5	1.5
Current assets	59.2	59.2	▲0.0

Appendix_1Q25 Separate Financial Statements

Income Statement

(Unit : 100 million KRW, %)

	1Q					
	2024		2025		YoY	
	Amount	%	Amount	%	Amount	%
Sales	7,640	100.0	7,574	100.0	▲66	▲0.9
Gross Profit	2,264	29.6	1,978	26.1	▲286	▲12.6
SG&A	1,992	26.1	1,877	24.8	▲114	▲5.7
Operating Profit	272	3.6	101	1.3	▲172	▲63.0
Ordinary Profit	190	2.5	127	1.7	▲63	▲33.1
Net Profit	146	1.9	108	1.4	▲39	▲26.5

Balance Sheet

(Unit : 100 million KRW, %)

	2024.12.31	2025.03.31	QoQ
Current assets	10,186	10,399	213
Non current assets	28,949	28,851	▲98
Total assets	39,136	39,250	114
Current liabilities	8,633	8,568	▲65
Non current liabilities	9,728	10,178	450
Borrowings (a)	12,460	12,553	93
Total liabilities (b)	18,361	18,746	385
Share capital	47	47	-
Total equity (c)	20,775	20,504	▲271
Debt to equity ratio (b/c)	88.4	91.4	3.0
Current assets	60.0	61.2	1.2

Appendix_Sales Breakdown

(Unit : 100 million KRW)

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
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	9,705	9,751
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	7,497	7,574
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	2,846
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	1,006
Bakery	265	269	283	324	280	308	332	368	302	305	297	316	305	307	284	338	312
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	1,137
Food/Materials	564	619	620	628	602	711	728	709	702	755	664	530	518	545	533	533	534
Dairy	480	495	469	454	472	468	444	459	444	459	460	438	424	428	449	404	405
Processed Meats	675	577	720	586	684	620	790	655	682	613	707	586	643	587	642	567	640
HMR	518	534	578	577	575	647	707	679	647	698	694	695	667	684	693	694	609
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	2,321	2,300
Kazakhstan	389	380	437	548	423	505	592	817	656	669	638	734	663	567	582	834	676
Pakistan	197	231	216	211	201	216	219	201	158	158	138	138	171	181	158	153	196
Belgium	213	146	255	378	206	133	260	310	191	89	207	269	171	144	246	316	213
India(Conf)	168	109	198	194	210	198	270	250	255	224	289	267	303	262	316	296	341
India(Ice)	249	240	287	218	311	602	356	275	351	637	390	278	343	696	379	311	461
China	54	59	54	63	42	41	39	40	8	0	0	0	0	0	0	0	0
Russia	115	108	143	159	122	190	232	262	193	187	196	201	199	213	222	215	243
Singapore	31	28	27	30	25	27	29	32	31	34	35	38	34	34	38	40	34
Myanmar	59	78	81	86	67	77	88	83	66	79	100	102	87	97	139	156	130

Note1. 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-Dec				Jan-Mar			
	2022	2023	2024	YoY(%)	2023	2024	2025	YoY(%)
Kazakhstan (KZT)	2.80	2.86	2.91	1.8	2.80	2.95	2.85	▲3.4
Pakistan (PKR)	6.33	4.68	4.90	3.5	4.92	4.76	5.20	9.2
Belgium (EUR)	1357.38	1412.36	1475.05	4.6	1368.51	1443.10	1529.33	6.0
India (INR)	16.43	15.81	16.30	3.0	15.51	16.00	16.78	4.9
China (CNY)	191.57	184.22	189.20	2.6	186.18	184.56	199.33	8.0
Russia (RUB)	19.32	15.46	14.74	▲3.7	17.43	14.64	15.58	6.4
Singapore (SGD)	936.47	972.16	1020.35	5.1	956.81	991.51	1077.59	8.7
Myanmar (MMK)	0.68	0.62	0.65	4.4	0.61	0.63	0.69	9.5

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

Appendix _Current Exchange Rate

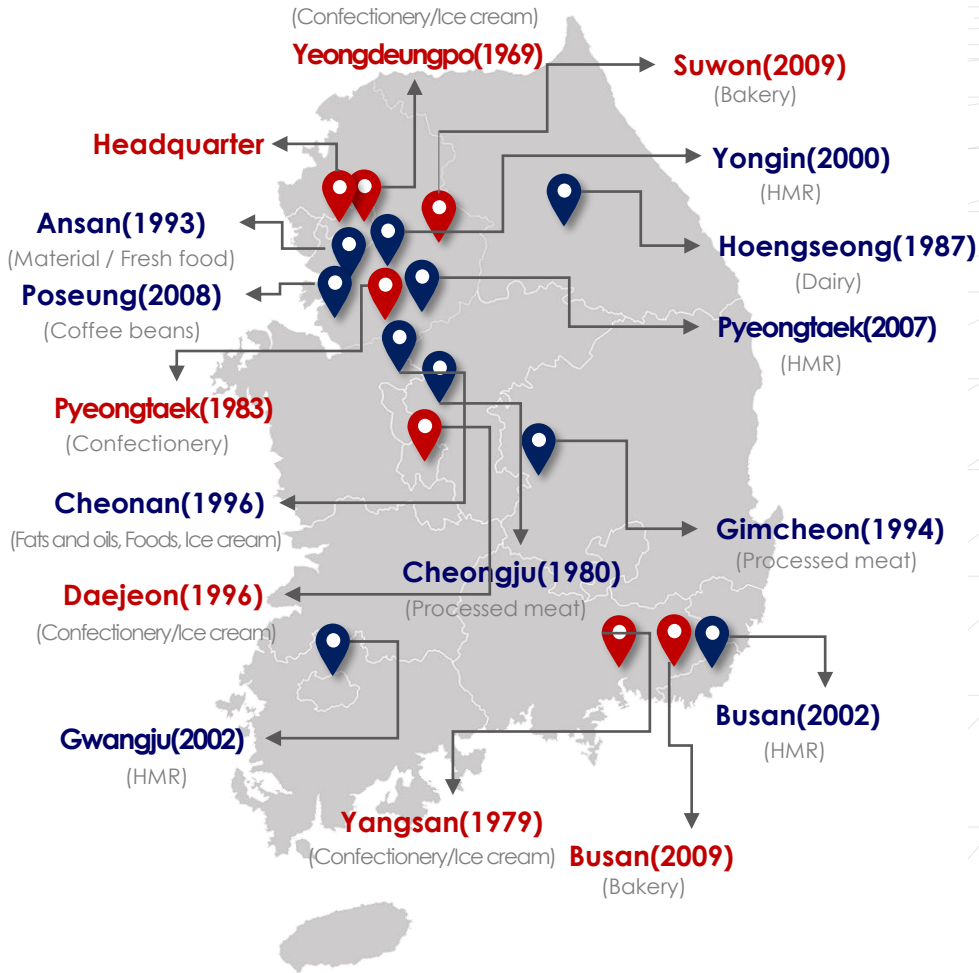
(Unit : KRW / Local currency)

Country	End of Mar.2024	End of Jun.2024	End of Sep.2024	End of Dec.2024	End of Mar.2025	QoQ (%)
Kazakhstan (KZT)	3.00	2.98	2.74	2.80	2.91	3.9
Pakistan (PKR)	4.84	4.99	4.75	5.28	5.23	▲0.9
Belgium (EUR)	1,452.93	1,487.07	1,474.06	1528.73	1587.85	3.9
India (INR)	16.15	16.65	15.76	17.19	17.14	▲0.3
China (CNY)	185.75	190.43	188.74	201.27	201.68	0.2
Russia (RUB)	14.55	16.34	13.99	13.30	17.26	29.8
Singapore (SGD)	997.67	1,022.75	1,030.37	1081.08	1092.32	1.0
Myanmar (MMK)	0.64	0.66	0.63	0.70	0.70	0.0

Appendix Locations

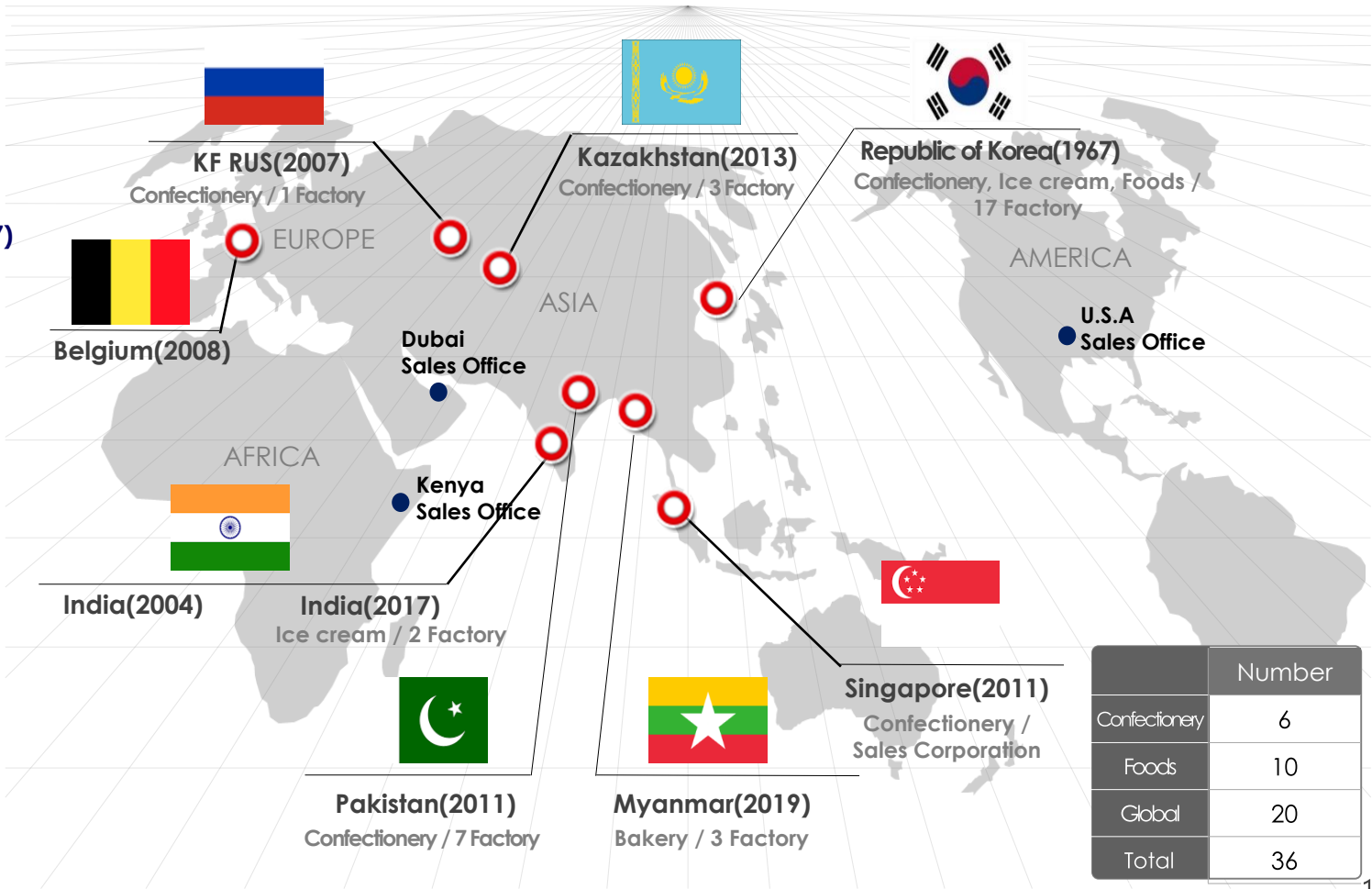
Domestic

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)



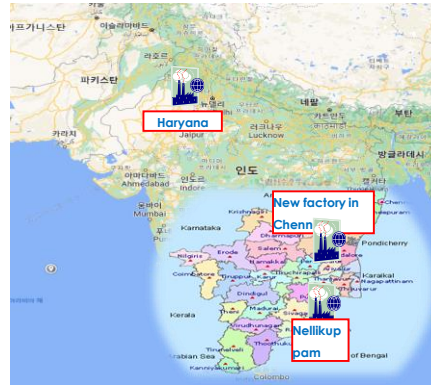
	Number
Confectionery	6
Foods	10
Global	20
Total	36

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	Xylitol	Zorum Bunchuk	Herb Candy	Malang Cow	
	Chocolate, Biscuit	Pepero	Ghana	LotteSand	Magaret	
	Pie, Snack	Chocopie	Mon cher	Kokkal Corn	Seafood	
Ice Cream	Bar, Pencil	Crunch Bar	Screw Bar	Snow Ice	Papico	
	Cone, Cup	Worldcone	GooGoocone	Fanfare	Double Bianco	
	Home	Goo Goo	Selection	Prime	Joanna	
Bakery	Mass produced, Bread, Pastry, etc	Character	Castella	Bread	Pastry	

	Line-up	Brand / Product				Note
Fats&Oils	Processed oil, Shortening, Margarine, Butter, etc	Falm oil	Shortening	Margarine	Butter	
Food Materials	Roasted coffee, RTD(Ready to drink), Set, etc	Coffee beans	Drip coffee	Set	Can	
	Additives, Chocolate, Processed food materials	Additives	Chocolate	Whipped Cream	Nuts	
	Seasoning food, Agricultural products, Food ingredients, etc	Ketchup	Mayonnaise	Sauce	Food ingredients	
Dairy	Milk, Dairy products, Baby food, etc	Milk	Easy Protein	Yogurt	Vegetable juice	
Processed Meats	Ham, Sausage, Fish and meat, Set, etc	Ham	Ham	Sausage	Canned ham	
HMR	Frozen food, Dumpling	Park Cutlet	Mandu	Tteokgalbi	Curry	

Appendix_Overview of Main Products

법 인		주요 LINE-UP	BRAND / 제품				비 고
	Kazakhstan (Rakhat)	Choco, Biscuit, Candy	 Kazakhstanski	 Tomyris	 Yablachiko	 Agerim	
	Pakistan (Kolson)	Snack, Pasta, Biscuit, Gum	 Slanty	 Pasta	 Macaroni	 Choco Pie	
	Belgium (Guylian)	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	 Fruto Pie	
	India Ice. (Havmor)	Ice Cream (Bulk, Bar, Cone, Cup, etc.)	 Vanilla	 Zulubar	 World Corn	 Lotte Krunch	
	Russia (KF-RUS)	Pie, Candy, Pepero	 Choco Pie	 Cacao Pie	 Banana Pie	 Strawberry Pie	
	Myanmar (L&MM)	Bakery (Mass-produced bread, Artisan bread)	 Sponge Cake	 Cup Cake	 Pound Cake	 Square Bread	
	Singapore (S.E.A)	Sales Corporation (Import and sales of domestic product)	 Pepero	 Choco Pie	 Custard	 Chic-choc	