



# 2Q25 Business Results

2025.08.05 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.

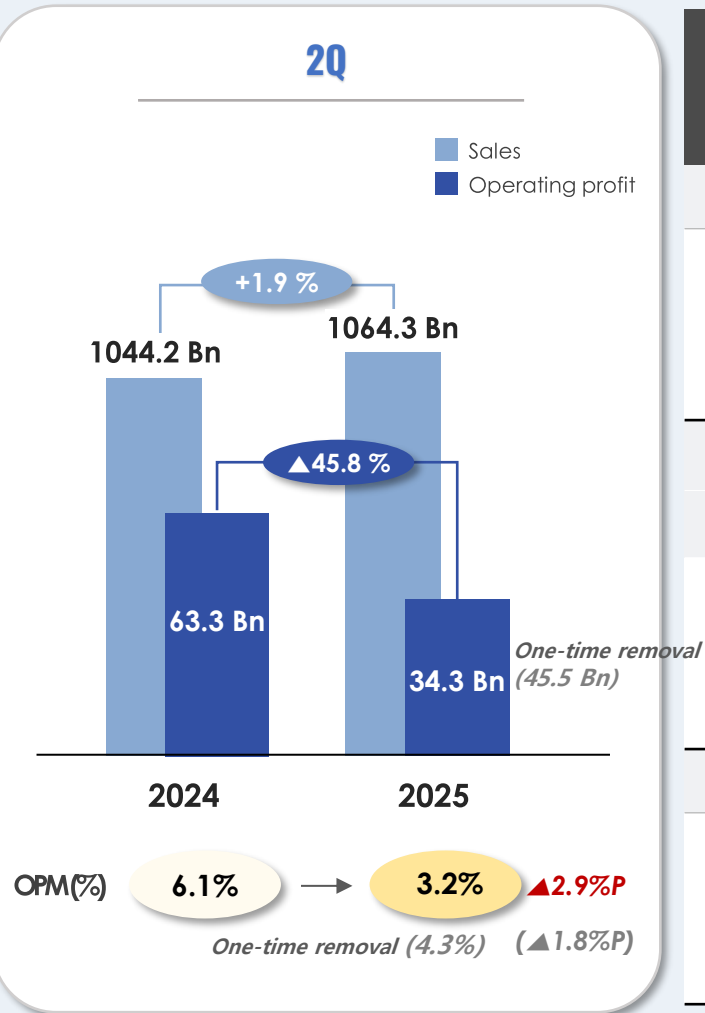
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August, 2025  
LOTTE WELLFOOD. IR

# 2Q25 Performance

## Consolidate Basis



(Unit: 100 million KRW)

Category	2Q			
	2024	2025	YoY	
			Amount	%(%oP)
<b>Sales</b>	<b>10,442</b>	<b>10,643</b>	<b>201</b>	<b>1.9</b>
Domestic	8,366	8,320	▲47	▲0.6
Export	541	645	104	19.1
Global	2,194	2,439	246	11.2
<b>Operating Profit</b>	<b>633</b>	<b>343</b>	<b>▲290</b>	<b>▲45.8</b>
One-time removal	633	455	▲178	▲28.1
Domestic	418	256	▲163	▲38.8
Export	69	76	7	9.9
Global	216	127	▲88	▲41.0
<b>Margin(%)</b>	<b>6.1</b>	<b>3.2</b>	<b>▲2.9P</b>	
Domestic	5.0	3.1	▲1.9P	
Export	12.7	11.8	▲0.9P	
Global	9.8	5.2	▲4.6P	

## Domestic Business

External factors	1	2	
	1	Sales decline due to slow consumption in the first half of the year and unfavorable weather conditions	2
2H outlook	Sales growth due to consumption stimulation in the second half of the year and favorable weather during the peak season, Expected easing of cost burdens due to stabilization of cacao stock prices		
Internal factors	1	2	
	1	One-time expenses incurred to improve productivity	2
2H outlook	Pursuing sales and profit improvement by focusing on core products and expanding high-margin portfolios		

## Global Business

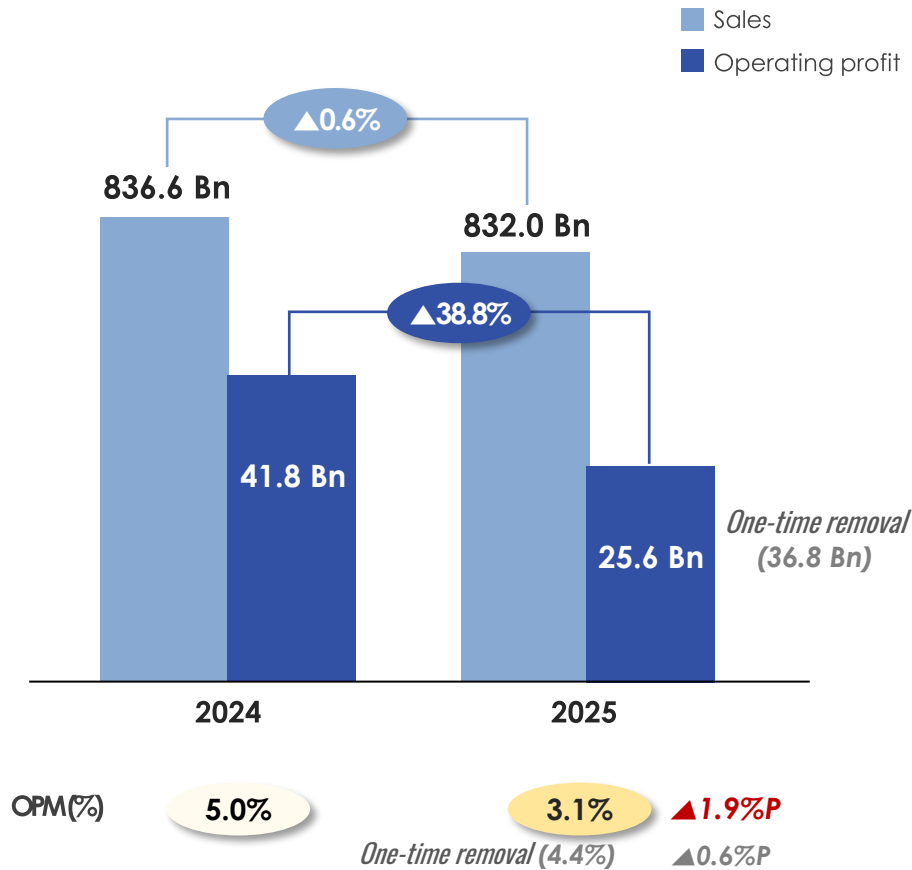
External factors	1	2	
	1	Kazakhstan, sales recover due to the weakening of the tenge against the ruble	2
2H outlook	Kazakhstan sales are expected to grow due to the continued weak tenge, Profit improvement expected in the second half due to easing cost pressures		
Internal factors	1	2	
	1	Initial stabilization work underway at Pune plant in India	2
2H outlook	Accelerated sales growth and price increases in major corporations such as India and CIS (additional price increase in Kazakhstan in July)		

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

2Q



## Key Details

### Sales by Major Business

(unit: 100 million KRW)

Category	2024		2025		YoY		
	Amount	Composition ratio	Amount	Composition ratio	Amount	%	Composition ratio difference
Confectionery	2,611	31.2	2,623	31.5	12	0.4	0.3
Ice cream	1,965	23.5	1,818	21.9	▲148	▲7.5	▲1.6
Fats & Oils	1,152	13.8	1,237	14.9	85	7.4	1.1
Food materials, etc. <sup>1</sup>	545	6.5	563	6.8	17	3.2	0.3
<b>Domestic Total</b>	<b>8,366</b>	<b>100.0</b>	<b>8,320</b>	<b>100.0</b>	<b>▲47</b>	<b>▲0.6</b>	<b>-</b>
Export	541	6.5	645	7.8	104	19.1	1.3

### Cause of Increase/Decrease in annual sales

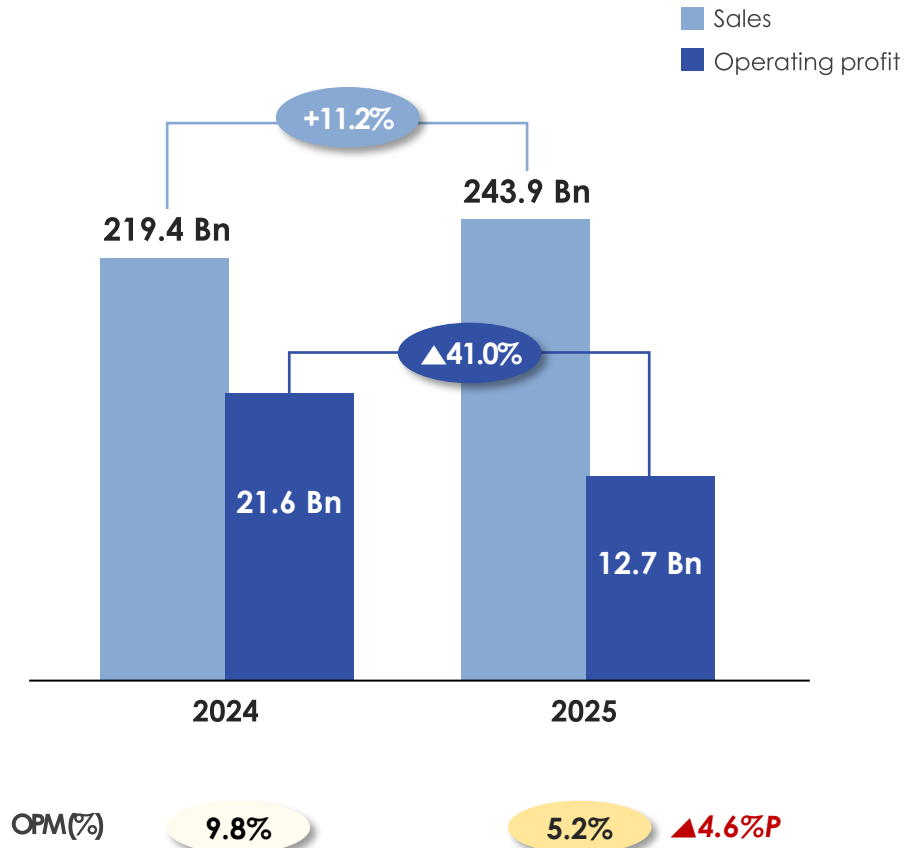
Confectionery	Sales slowdown due to the impact of the slowdown in consumption by economic contraction
Ice cream	Sales decreased due to unfavorable weather conditions (25 days of rainfall → 43 days)
Fats & Oils	Sales increase due to the price rise of major oils such as soybean oil
Food materials, etc. <sup>1</sup>	Growth due to increased sales to business partners (GRS source, cutting lettuce, etc.)
Export	Sales increased for PEPERO (+3.9 Bn) in North America and meat processing canned ham (+2.2 Bn) in Southeast Asia

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

# Global Business

## Business Performance

2Q



## Key Details

### Sales by Major Business

(Unit: 100 million KRW)

Category	2Q						
	2024		2025		YoY		
	Amount	Composition ratio	Amount	Composition ratio	Amount	%	Composition ratio difference
Ice cream	696	31.7	765	31.4	69	10.0	▲0.3
Confectionery	262	11.9	278	11.4	16	6.1	▲0.6
India Total	958	43.7	1,043	42.8	85	8.9	▲0.9
Kazakhstan	567	25.8	607	24.9	40	7.1	▲1.0
KF RUS	213	9.7	271	11.1	58	27.3	1.4
Belgium	144	6.6	159	6.5	15	10.3	▲0.1
Others <sup>1</sup>	311	14.2	359	14.7	47	15.2	0.5
Global Total	2,194	100.0	2,439	100.0	246	11.2	-

### Cause of Increase/Decrease in annual sales

India Ice Cream	Sales increased due to new product launches despite the early monsoon (price increase in January and March)
India Confectionery	Continued sales growth due to expanded coverage of Choco Pie (price increase in March)
Kazakhstan	Recovery in domestic sales and export sales due to stabilization of the ruble (price increase in April and July)
KF RUS	Sales increased due to expanded regional coverage and exchange rates (price increase in January)
Belgium	Sales of PB products (Aldi, etc.) increased (price increase in January)

Note 1. Others : Pakistan, Myanmar, Singapore

# Business Strategy - Domestic Business

## Strengthening core product brands

### No. 1 PEPERO Focus



#### ✓ Activating year-round domestic consumption

- Utilization of brand ambassador 'Stray Kids'
  - On-pack promotions, expansion of new channels for the MZ generation, such as Daiso (dedicated packs, etc.)

#### ✓ Encourage participation in PEPERO Day and implement global marketing

- Domestic PEPERO Day Campaign: TVC execution, viral marketing targeting MZ generation
- Expansion of countries participating in global campaigns ('22: 6 countries, '25: 17 countries, '26: 20 countries)
  - Outdoor advertising and festival in New York Times Square (November), K-POP dance challenge, etc.

#### ✓ Continue global expansion based on core regions (target overseas sales ratio of 33% in 2024 to 40% in 2025)

- Continued expansion of exports to North America and Southeast Asia, and commencement of production at India (July)

### Expansion of high-margin gum category

#### ✓ XYLITOL: Strengthening expertise and trustworthiness in "dental health" → Expanding functional value

#### ✓ ZORUM BUNCHUK: Expand brand exposure (TPO promotion, etc.)



### Ice cream response during peak season

#### ✓ WORLDCONE: Established premium upper lineup and implemented branding campaign

- Commercialization of trendy ingredients (low-sugar, matcha, etc.)
  - Expansion of consumption among the MZ generation

#### ✓ SEOLEIM : Seasonal consumption expansion through anticipation of trends and refreshing (coolish) type launches

## Expanding high-margin portfolio

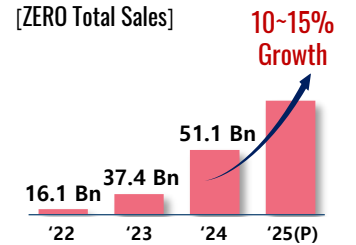
#### ✓ Premiumization

- Repositioning with premium desserts such as Premium GHANA and Fresh MONCHER
  - April 25, 'Atelier Ghana' exhibition held



#### ✓ Consolidating H&W brand market position

- Expansion of casual H&W products (low sugar such as WORLDCONE, SEOLEIM, CUSTARD, etc.)
- Addition of functional portfolio (XYLITOL, Natuur Vegan, etc.)
- Strengthening H&W professional brands (ZERO, Theory of SICSA, etc.)



## Trend Catch

#### ✓ Strengthening brand identity to bond with young target customers

- Partnership / Collaboration Marketing
  - WORLDCONE : Collaboration promotion with Legendary Soccer Match <ICONS MATCH>
  - GHANA / PEPERO : Baseball live viewing trend 'Lotte Giants' Collaboration (August)



#### ✓ Consumer trend-based marketing

- Commercialization of trendy ingredients (such as matcha)
  - Expansion of consumption among the MZ generation
  - Seasonal 'Cheongsu-dang' collaboration → Positive response leads to regular operation
- Brand campaign targeting consumers in their 20s and 40s who are interested in regional co-prosperity (Seasonal-core & ESG)
  - Launch of products made from 'Gochang' sweet potatoes (brand viral marketing)





# 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

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

Annual plan

Category	December 2024	June 2025
Asset	4.3 trillion	4.3 trillion
Capital	2.2 trillion	2.2 trillion
Liabilities	2.1 trillion	2.1 trillion
Total borrowings	1.3 trillion	1.3 trillion
Sales	4.0 trillion	2.0 trillion
Operating profit	157 billion	51 billion
(Operating profit margin)	3.9%	2.5%
Net income	82 billion	38 billion
Net income margin	2.0%	1.9%
EBITDA	361 billion	400 billion level

	2023	2024	June 2025	2025(P) Financial management Standards
Capex	240 billion	260 billion	Around EBITDA	
Debt ratio	96.0%	95.0%	96.4%	Less than 100%
Interest Compensation ratio	3.7x	2.9x (3.4x) <small>Excluding one-time issues</small>	2.0x	More than 3.0x
Net debt/EBITDA	2.2x	2.8x	3.6x	Less than 4.0x

Note1. CAPEX: Separate criteria

# Guidance in 2025

- Contents

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- Amount of sales

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- Operating profit margin

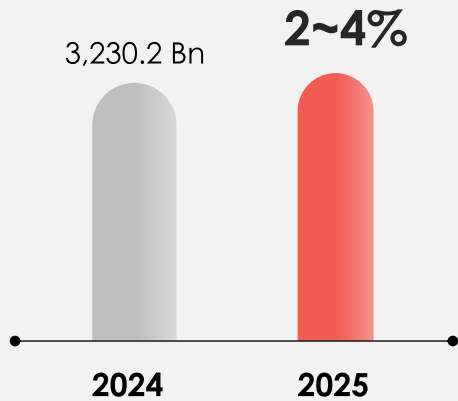
## Domestic Business

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

- Recovery of sales in Key Businesses

**Continued efforts to improve profits**

- Enhancement of high margin core products, portfolio diversification, and organizational efficiency



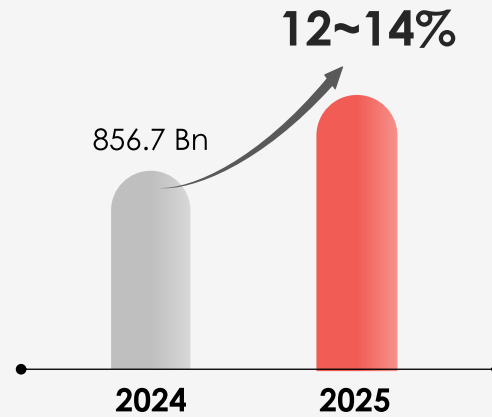
## Global Business

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

- Sales growth driven by the Key market of India

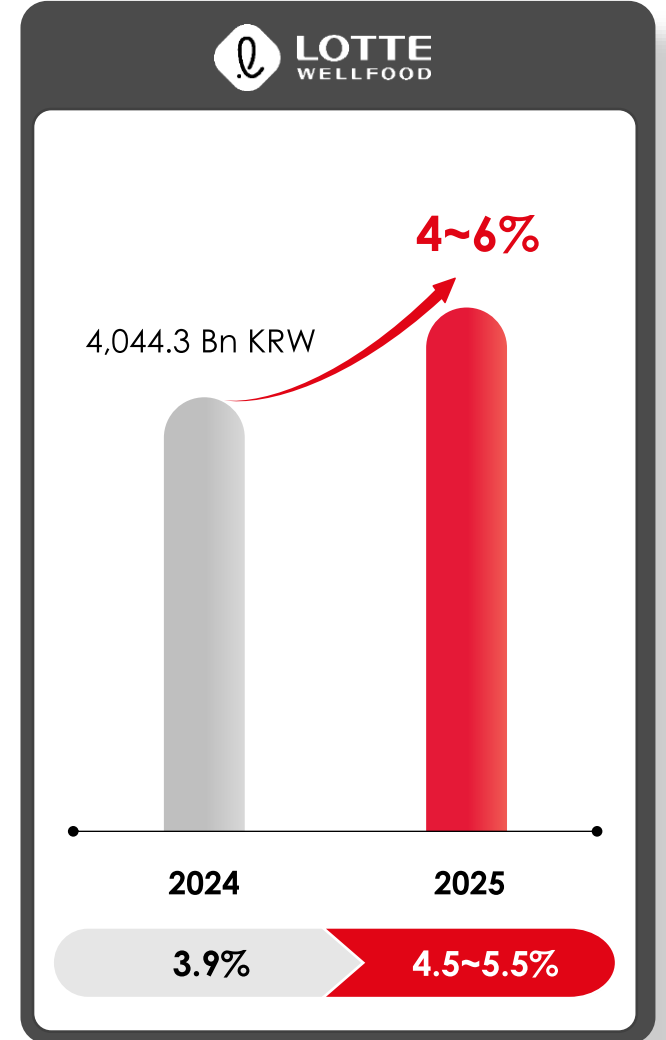
**Improved profitability through external growth and Improved productivity**

- Normalization of prices, reduced cost burden, and stable exchange rates



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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
- Supply of Biodiesel feedstock through waste resource recycling
  - Collecting and integrating waste cooking oil from domestic sources and supply to oil refining companies and biodiesel producers.
  - Acquired and operating under ISCC EU\* certification to facilitate entry into the global market.
  - \* ISCC (International Sustainability and Carbon Certification): Certification for sustainable bioenergy and biofuels.
- Signed MOU for the Opening of Happy Home No.13 Child Center (with Save the Children, Jeongseon County)
- Upgraded "Doctor Xylitol Bus" equipped with advanced equipment (with Korean dental association)



December, 2024



April, 2025



May, 2025

## Recent Achievements by Sector

- E**
  - Expansion of Eco-Friendly plastic packaging materials
    - Applied recycled PET (rPET) to all 750ml "Pasteur" products.
    - For six of these products, 25% of the container material has been switched to chemical recycled PET (C-rPET \*)
  - Reduction of ink and organic solvent use through Eco-Friendly Flexo printing
  - Reduction in plastic usage by applying special trays without removal of FSC-certified paper
- S**
  - Award for excellence in the safety management campaign (Ministry of Employment and Labor)
  - "Social contribution" Award – recognized as an excellent company in the Give Green environmental sharing campaign
  - Selected as an excellent work-life balance company in Korea (Ministry of Employment and Labor)
  - 2024 grand prize in the Co-prosperity growth category (Korea Commission for Corporate Partnership)
  - Presidential commendation for outstanding contribution to regional investment attraction (Ministry of the Interior and Safety)
- 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

\*C-rPET: Chemically recycled PET with superior quality and wide applicability for recycling purposes.

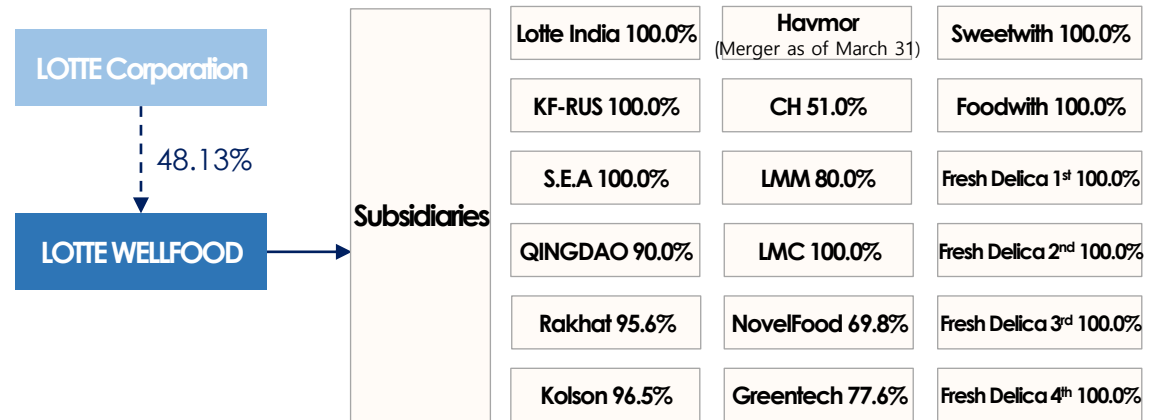
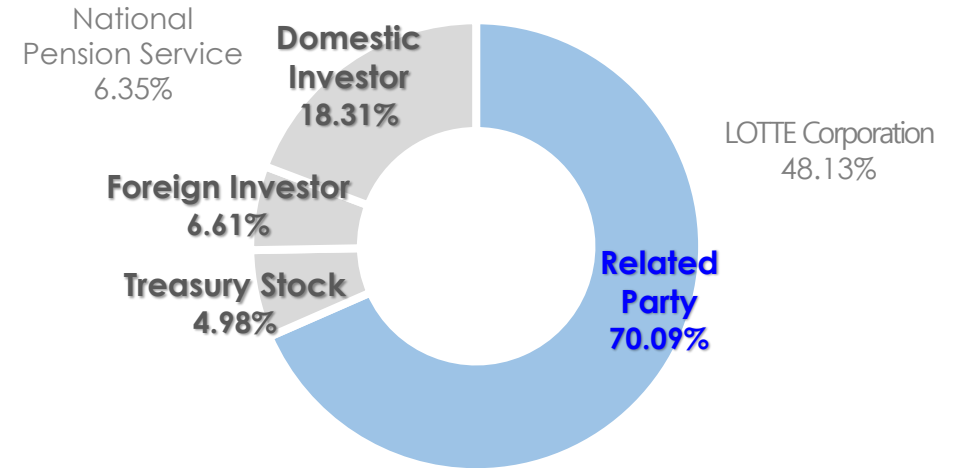
# Appendix Company Overview

## General Information

- Established : Mar 24, 1967
- Credit Ratings : AA/Stable, A1
- Main Business : Total Food Company
- Homepage : <https://www.lottewellfood.com>
- Production : Domestic 15 / Overseas 21
- Shareholders : As of June 30, 2025

Name	No. of Shares	Ownership (%)
LOTTE Corporation	4,478,208	48.13%
LOTTE Aluminum Co., Ltd.	643,381	6.91%
LOTTE Scholarship Foundation	496,144	5.33%
LOTTE Holdings Co., Ltd.	416,338	4.47%
SHIN, Dong bin	182,117	1.96%
SHIN, Yeong ja	140,939	1.49%
L2 Investment Company	137,722	1.48%
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%
<b>Related Party Total</b>	<b>6,521,992</b>	<b>70.09%</b>
Treasury stock	463,307	4.98%
Others	2,319,275	24.93%
<b>Total</b>	<b>9,304,574</b>	<b>100.00%</b>

## Shareholding Structure



※ To enhance shareholder value, 1.38% of treasury stock was retired as of April 29, 2025

# Appendix\_Dividends

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

# Appendix\_2Q25 Consolidated Financial Statements

## Income Statement

(Unit : 100 million KRW, %)

	2Q						Jan-Jun					
	2024		2025		YoY		2024		2025		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales	10,442	100.0	10,643	100.0	201	1.9	19,952	100.0	20,394	100.0	442	2.2
Gross Profit	3,269	31.3	3,049	28.6	▲221	▲6.8	6,044	30.3	5,582	27.4	▲461	▲7.6
SG&A	2,636	25.2	2,705	25.4	69	2.6	5,037	25.2	5,075	24.9	38	0.7
Operating Profit	633	6.1	343	3.2	▲290	▲45.8	1,006	5.0	507	2.5	▲499	▲49.6
Ordinary Profit	588	5.6	253	2.4	▲335	▲57.0	876	4.4	565	2.8	▲311	▲35.5
Net Profit	407	3.9	157	1.5	▲250	▲61.5	608	3.0	384	1.9	▲224	▲36.8

## Balance Sheet

(Unit : 100 million KRW, %)

	2024.12.31	2025.06.30	QoQ
Current assets	14,287	14,426	139
Non current assets	29,130	28,795	▲335
<b>Total assets</b>	<b>43,417</b>	<b>43,221</b>	<b>▲196</b>
Current liabilities	10,561	9,510	▲1,051
Non current liabilities	10,593	11,706	1,113
Borrowings (a)	13,185	13,436	251
<b>Total liabilities (b)</b>	<b>21,153</b>	<b>21,216</b>	<b>63</b>
Share capital	47.2	46.5	▲0.7
<b>Total equity (c)</b>	<b>22,264</b>	<b>22,005</b>	<b>▲259</b>
Debt to equity ratio (b/c)	95.0	96.4	1.4
Current assets	59.2	14,426	139

# Appendix\_2Q25 Separate Financial Statements

## Income Statement

(Unit : 100 million KRW, %)

	2Q						Jan-Jun					
	2024		2025		YoY		2024		2025		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales	8,366	100.0	8,320	100.0	▲47	▲0.6	16,006	100.0	15,893	100.0	▲113	▲0.7
Gross Profit	2,597	31.0	2,438	29.3	▲159	▲6.1	4,861	30.4	4,416	27.8	▲445	▲9.1
SG&A	2,178	26.0	2,182	26.2	4	0.2	4,170	26.1	4,060	25.5	▲110	▲2.6
Operating Profit	418	5.0	256	3.1	▲162	▲38.8	691	4.3	357	2.2	▲334	▲48.4
Ordinary Profit	380	4.5	123	1.5	▲257	▲67.5	570	3.6	251	1.6	▲320	▲56.1
Net Profit	294	3.5	95	1.1	▲199	▲67.7	440	2.7	202	1.3	▲237	▲54.0

## Balance Sheet

(Unit : 100 million KRW, %)

	2024.12.31	2025.06.30	QoQ
Current assets	10,186	10,530	344
Non current assets	28,949	28,751	▲198
<b>Total assets</b>	<b>39,136</b>	<b>39,282</b>	<b>146</b>
Current liabilities	8,633	7,698	▲935
Non current liabilities	9,728	10,921	1,193
Borrowings (a)	12,460	12,843	383
<b>Total liabilities (b)</b>	<b>18,361</b>	<b>18,619</b>	<b>258</b>
Share capital	47.2	46.5	▲0.7
<b>Total equity (c)</b>	<b>20,775</b>	<b>20,662</b>	<b>▲112</b>
Debt to equity ratio (b/c)	88.4	90.1	1.7
Current assets	10,186	10,530	344

# Appendix\_Sales Breakdown

(Unit : 100 million KRW)

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
<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>9,819</b>	<b>9,873</b>	<b>10,759</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>	<b>7,574</b>	<b>8,320</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	2,846	2,623
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	1,818
Bakery	265	269	283	324	280	308	332	368	302	305	297	316	305	307	284	338	312	356
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	1,237
Food Materials	564	619	620	628	602	711	728	709	702	755	664	530	518	545	533	533	534	563
Dairy	480	495	469	454	472	468	444	459	444	459	460	438	424	428	449	404	405	409
Processed Meats	675	577	720	586	684	620	790	655	682	613	707	586	643	587	642	567	640	588
HMR	518	534	578	577	575	647	707	679	647	698	694	695	667	684	693	694	609	631
<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>	<b>2,300</b>	<b>2,439</b>
Kazakhstan	389	380	437	548	423	505	592	817	656	669	638	734	663	567	582	834	676	607
Pakistan	197	231	216	211	201	216	219	201	158	158	138	138	171	181	158	153	196	188
Belgium	213	146	255	378	206	133	260	310	191	89	207	269	171	144	246	316	213	159
India(Conf)	168	109	198	194	210	198	270	250	255	224	289	267	303	262	316	296	341	278
India(Ice)	249	240	287	218	311	602	356	275	351	637	390	278	343	696	379	311	461	765
China	54	59	54	63	42	41	39	40	8	0	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	271
Singapore	31	28	27	30	25	27	29	32	31	34	35	38	34	34	38	40	34	39
Myanmar	59	78	81	86	67	77	88	83	66	79	100	102	87	97	139	156	130	132

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-Mar				Jan-Jun			
	2023	2024	2025	YoY(%)	2023	2024	2025	YoY(%)
<b>Kazakhstan</b> (KZT)	2.80	2.95	2.85	▲3.4	2.86	3.00	2.79	▲7.0
<b>Pakistan</b> (PKR)	4.92	4.76	5.20	9.2	4.77	4.84	5.09	5.2
<b>Belgium</b> (EUR)	1368.51	1443.10	1529.33	6.0	1,399.88	1,459.35	1559.87	6.9
<b>India</b> (INR)	15.51	16.00	16.78	4.9	15.75	16.21	16.59	2.3
<b>China</b> (CNY)	186.18	184.56	199.33	8.0	186.80	186.73	196.61	5.3
<b>Russia</b> (RUB)	17.43	14.64	15.58	6.4	16.83	14.87	16.47	10.8
<b>Singapore</b> (SGD)	956.81	991.51	1077.59	8.7	969.23	1,002.20	1077.67	7.5
<b>Myanmar</b> (MMK)	0.61	0.63	0.69	9.5	0.62	0.64	0.68	6.3

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

# Appendix\_Current Exchange Rate

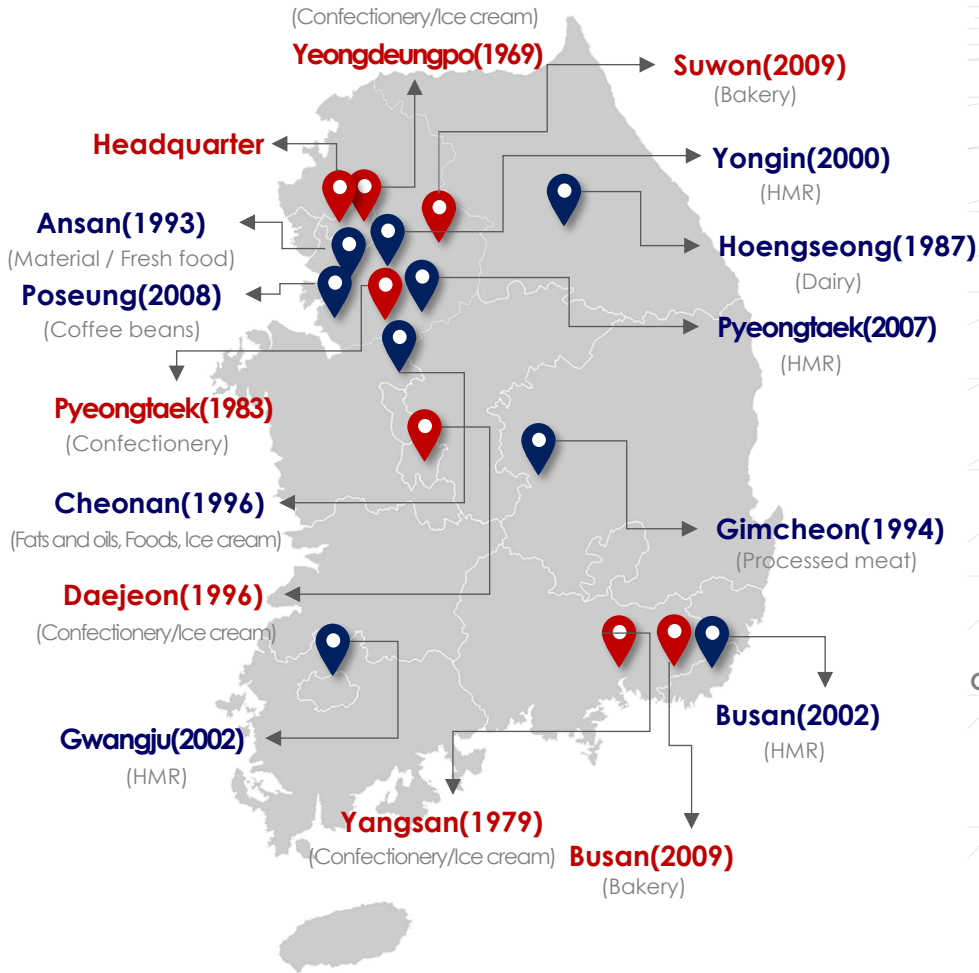
(Unit : KRW / Local currency)

Country	End of Mar.2024	End of Jun.2024	End of Sep.2024	End of Dec.2024	End of Mar.2025	QoQ (%)	End of Jun.2025	QoQ (%)
<b>Kazakhstan</b> (KZT)	3.00	2.98	2.74	2.80	2.91	3.9	2.61	▲10.3
<b>Pakistan</b> (PKR)	4.84	4.99	4.75	5.28	5.23	▲0.9	4.78	▲8.6
<b>Belgium</b> (EUR)	1,452.93	1,487.07	1,474.06	1528.73	1587.85	3.9	1591.80	0.2
<b>India</b> (INR)	16.15	16.65	15.76	17.19	17.14	▲0.3	15.87	▲7.4
<b>China</b> (CNY)	185.75	190.43	188.74	201.27	201.68	0.2	189.16	▲6.2
<b>Russia</b> (RUB)	14.55	16.34	13.99	13.30	17.26	29.8	17.28	0.1
<b>Singapore</b> (SGD)	997.67	1,022.75	1,030.37	1081.08	1092.32	1.0	1063.34	▲2.7
<b>Myanmar</b> (MMK)	0.64	0.66	0.63	0.70	0.70	0.0	0.65	▲7.1

# Appendix\_Locations

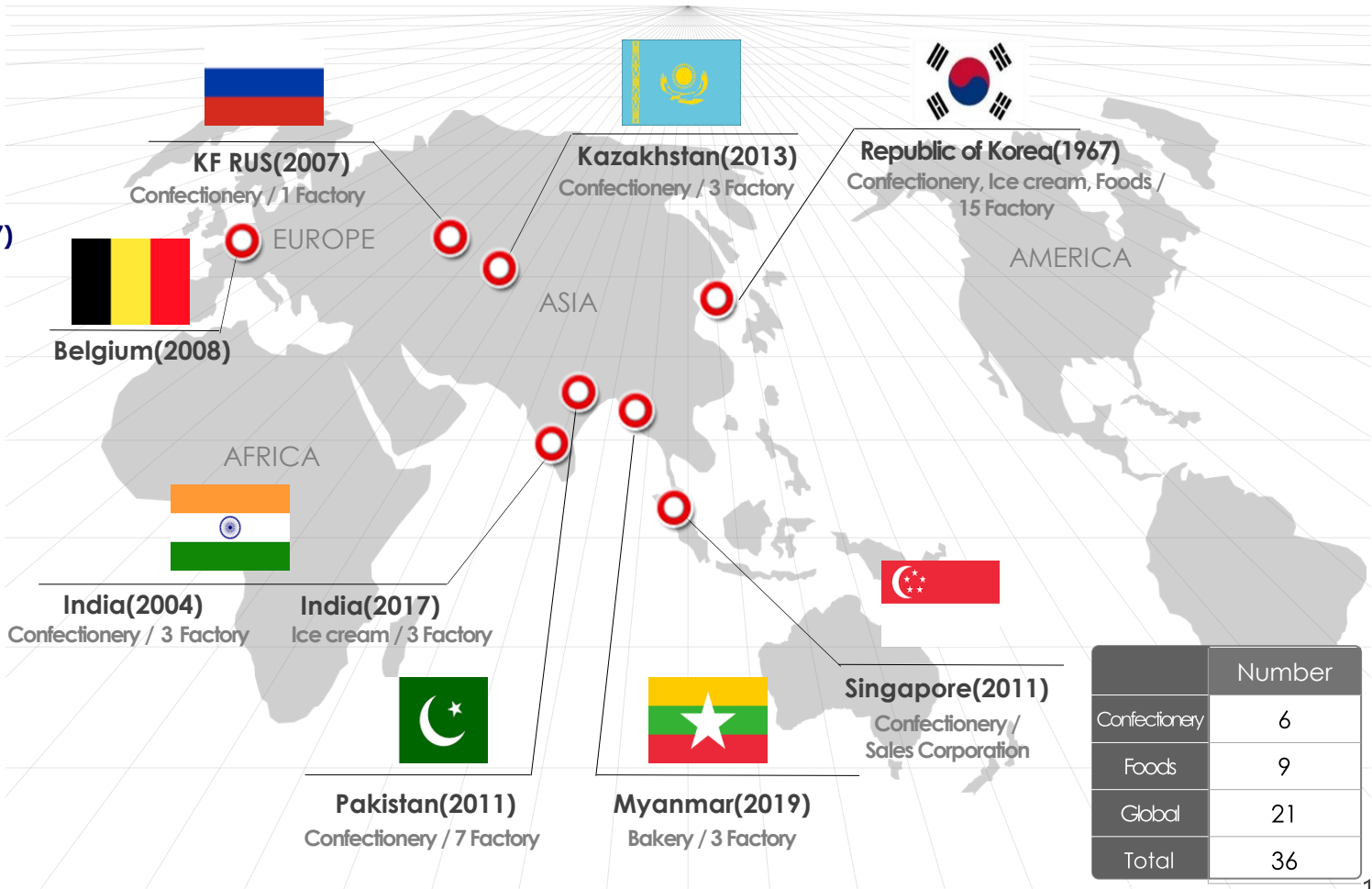
## Domestic (Number of Employees : 7,843)

Headquarter : 10, Yangpyeong-ro 21-gil, Yeongdeungpo-gu, Seoul  
 Factory : Confectionery 6 (Yeongdeungpo, Daejeon, Yangsan, etc.)  
 Foods 9 (Cheonan, Hoengseong, etc.)



## Overseas (Number of Employees : 8,225)

Overseas : 7 Nations (Kazakhstan, Pakistan, Belgium, India, Russia, Myanmar, Singapore)  
 Factory : 21 (Kazakhstan 3, Pakistan 7, Belgium 1, India(Conf) 3, India(Ice) 3, Russia 1, Myanmar 3)

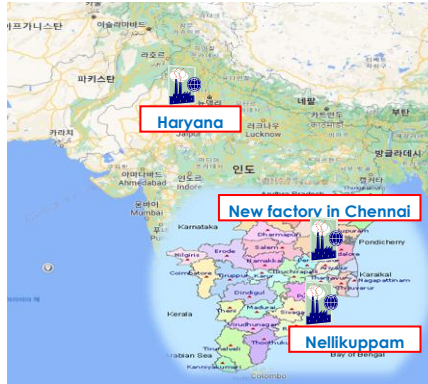


# Appendix\_Status of Major Overseas Subsidiaries

Market  
Status

Key  
Points

## LOTTE INDIA (Confectionery) First Overseas Confectionery Subsidiary



**Acquisition date:** May '04  
**Establishment Type :** M&A  
**Ownership:** 100%  
**Number of Employees:** 681  
**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:** 1,023  
**Number of factories:** 3

- ✓ 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

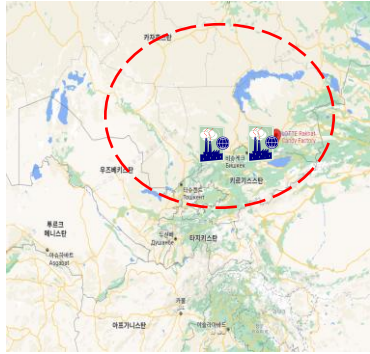
Market Status

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Key Points

## LOTTE RAKHAT JSC

Overseas subsidiary recording highest sales



**Acquisition date:** Nov. '13  
**Establishment Type :** M&A  
**Ownership:** 95.6%  
**Number of Employees:** 3,387  
**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:** 254  
**Number of factories:** 1

- ✓ 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



**Acquisition date :** Jul. '08  
**Establishment Type :** M&A  
**Ownership:** 51.0%  
**Number of Employees:** 180  
**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

# Appendix \_Status of Major Overseas Subsidiaries

Market Status

Key Points

## Kolson Pakistan Food Subsidiary



**Acquisition date:** Nov. '11  
**Establishment Type:** M&A  
**Ownership:** 96.5%  
**Number of Employees:** 1,385  
**Number of factories:** 7

- ✓ Fifth-largest population in the world (approx. 240M), GDP of around \$400.1 bn.
- ✓ Export opportunities to countries in the Middle East and Central Asia with labor shortages
- ✓ High consumption growth potential driven by a young population with a median age in the 20s

- Acquisition of Kolson ('11)
- Operates pasta, noodle, snacks, etc.
- Completion of Lahore Factory for Choco Pie production (July '18)

## L&M Mayson Myanmar Bakery Subsidiary



**Acquisition date:** Jan. '19  
**Establishment Type:** M&A  
**Ownership:** 80.0%  
**Number of Employees :** 1,292  
**Number of factories :** 3

- ✓ An economy with a population of about 54M people and a GDP of about \$71.5 bn.
- ✓ Untapped growth potential from urbanization with a median age in the early 20s
- ✓ Functions as a low-wage manufacturing hub in ASEAN after a military regime

- Acquisition of MMI ('19)
- Production and sales of mass-produced bread and various bakery products
- Achieved CAGR of 18.4% in sales from 2020 to 2024 (KRW 36.4B → 48.0B)  
 → Capable of stable food production and supply even under military control

## LOTTE Confectionery (S.E.A) Sales Subsidiary



**Acquisition date :** May, '11  
**Establishment Type:** M&A  
**Ownership:** 100%  
**Number of Employees:** 23  
**Number of factories: -**

- ✓ An economy with a population of about 5.6M people and a GDP of about \$383.0 bn.
- ✓ Potential to leverage global logistics hubs for export bases
- ✓ Growth momentum from the Korean Wave and increasing K-Food popularity

- Established sales corporation ('11)
- Imports and sells domestic products such as PEPERO and Choco Pie
- Export and Market Expansion in Southeast Asia (Singapore, Indonesia, Malaysia, Brunei, etc.)

# 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

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.	Pie, Candy, Gum	 Choco Pie	 Cacao Pie	 Coffee Bite	 Fruto Pie	
	India Ice.	Ice Cream (Bulk, Bar, Cone, Cup, etc.)	 Vanilla	 Zuubar	 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	