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2Q 2024 Earnings Release

WeConnectScience



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The business results currently under audit review are presented here for investors' convenience. Hence, please be advised that some of their contents **may be altered in the course of audit.**

The business results are subject to the **K-IFRS** (Korea International Financial Reporting Standards).

Forecasts and projections contained in this material are based on current business environments and management's strategies.

Please note it may differ from actual results, due to uncertainties including changes in the future business environment and strategy.

2Q 2024 Business Results

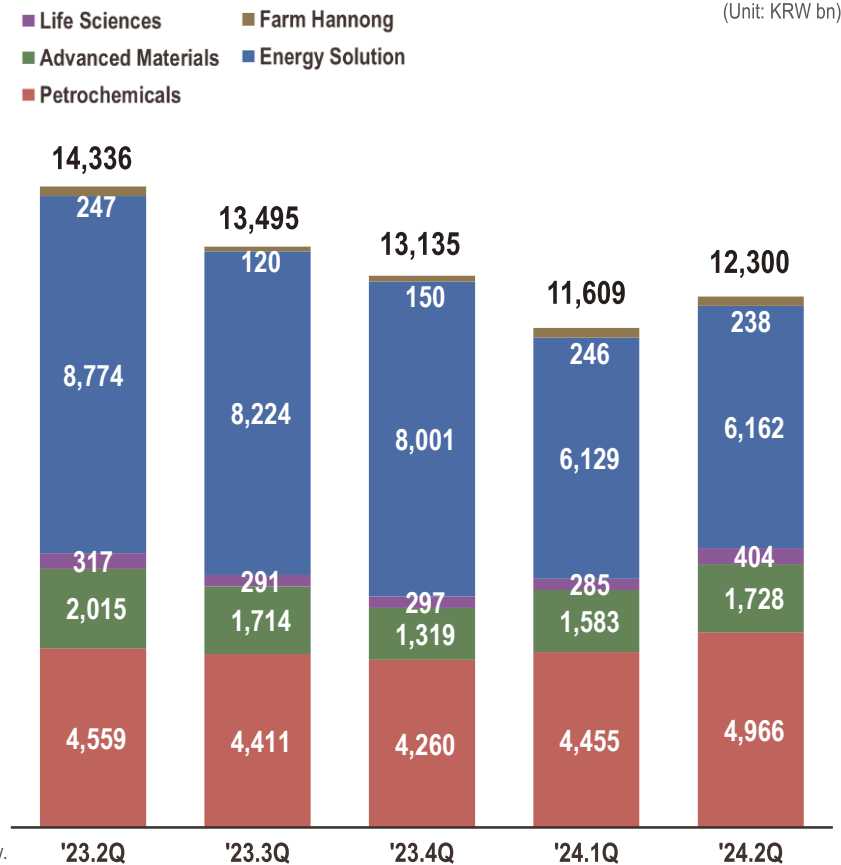
Sales & Profits Trends (consolidated)

(Unit: KRW bn)

LG Chem	2023			2024	
	2Q	3Q	4Q	1Q	2Q
Sales	14,336	13,495	13,135	11,609	12,300
Operating Profit (%)	618 4.3%	860 6.4%	247 1.9%	265 2.3%	406 3.3%
EBITDA (%)	1,595 11.1%	1,859 13.8%	1,306 9.9%	1,351 11.6%	1,562 12.7%
Pre-tax Income (%)	780 5.4%	576 4.3%	218 1.7%	323 2.8%	187 1.5%
Net Income (%)	671 4.7%	585 4.3%	129 1.0%	342 2.9%	60 0.5%

Sales trend by business

(Unit: KRW bn)



※ Following our decisions to discontinue and sell some of our businesses, the relevant business results have been compiled retroactively.

2Q 2024 Business Results

Financial Position (consolidated)

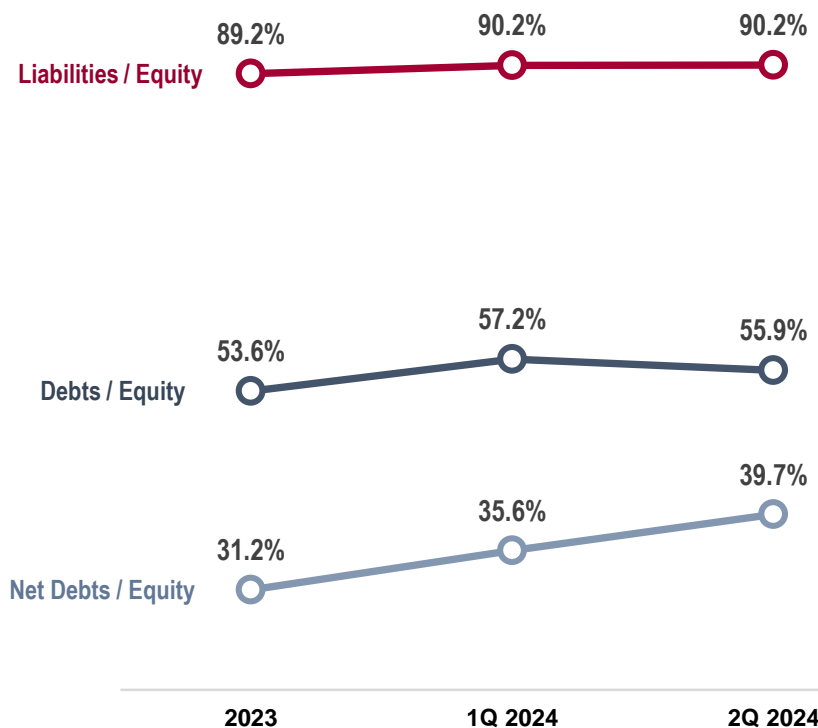
Balance Sheet

(Unit: KRW tn)

LG Chem	2023	1Q 2024	2Q 2024
Asset	77.5	82.1	84.2
Cash and Equivalents	9.1	9.3	7.2
Liabilities	36.5	38.9	39.9
Debts	21.9	24.7	24.8
Equity	40.9	43.2	44.3

Financial Ratios

(Unit: %)



Results & Outlook by Business

● Petrochemicals

● Advanced Materials

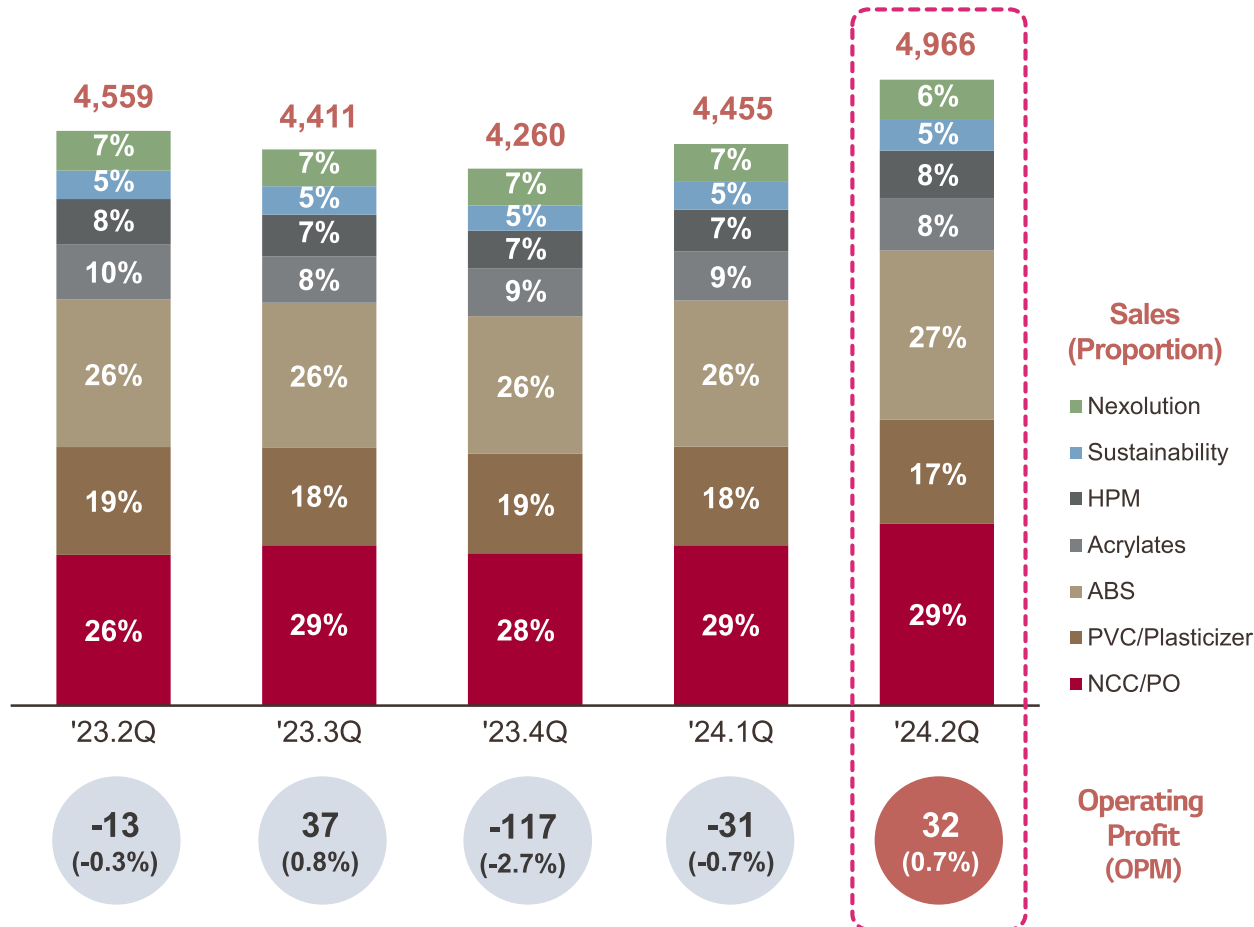
● Life Sciences

● Farm Hannong

● Energy Solution

Petrochemicals

(Unit: KRW bn)



Results

- Despite strong raw material prices, turnaround in profitability due to increase in shipments of major products driven by seasonality of front industry.



Outlook

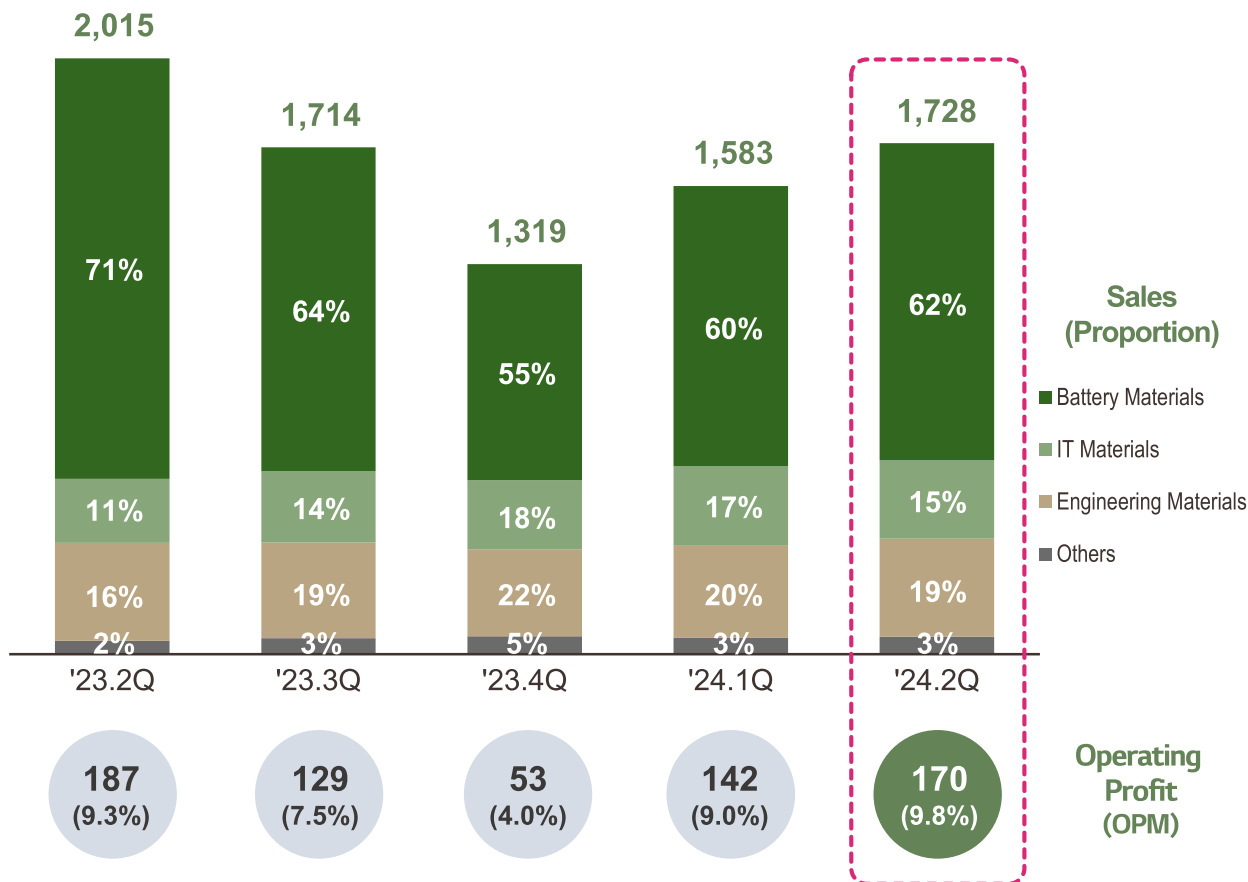
- Supply/demand balance is expected to recover gradually, but the extent of improvement in profitability would be limited due to the delay in global demand recovery and rising freight rates



Results & Outlook by Business

Advanced Materials

(Unit: KRW bn)



Results

- Despite concerns about slowing EV growth, sales and profitability improved driven by increased battery material shipments
- Improved overall advanced materials business profitability by increasing the proportion of value-added products



Outlook

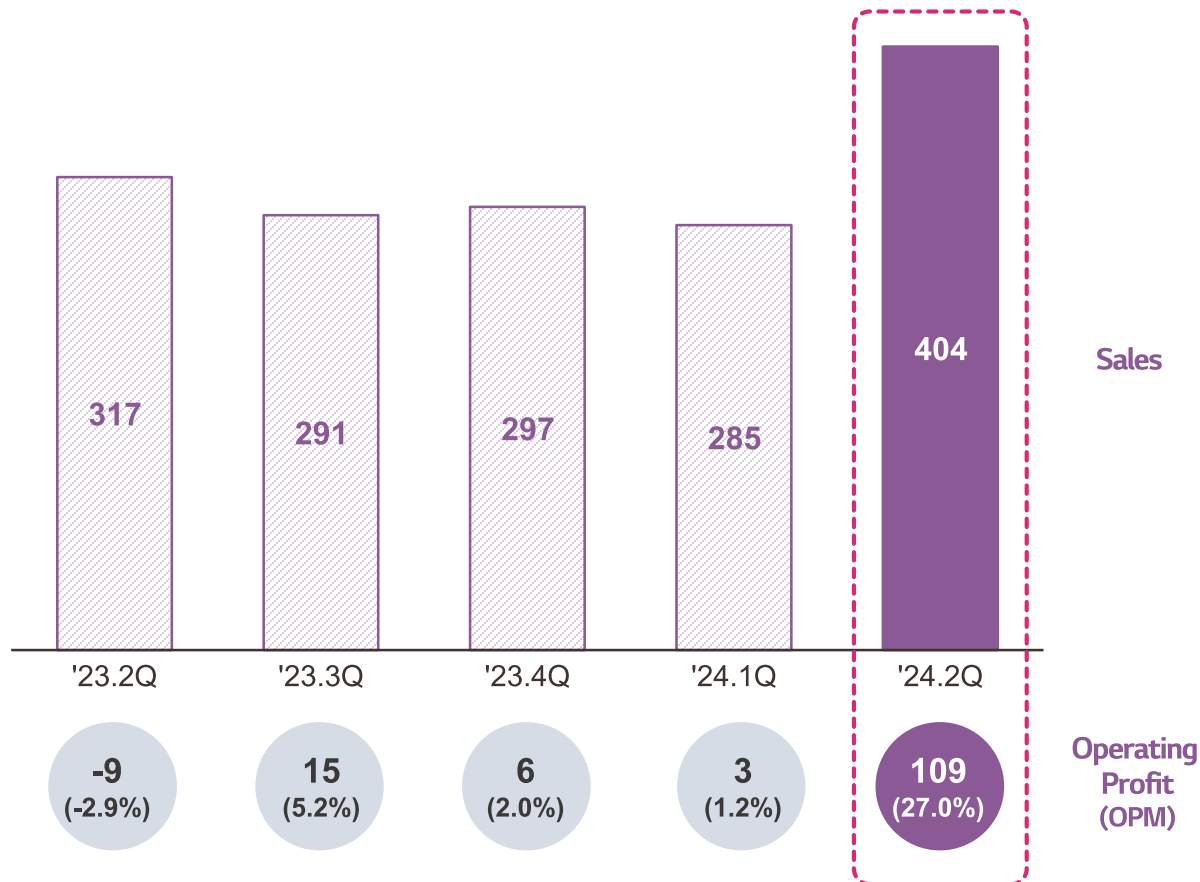
- Battery material shipments are expected to decrease due to sluggish front-end demand, but profitability is expected to improve as metal prices stabilize.

※ Following our decisions to discontinue and sell some of our businesses, the relevant business results have been compiled retroactively.

Results & Outlook by Business

Life Sciences

(Unit: KRW bn)



Results

- Temporary increase in sales/profit due to recognition of upfront license-out fees for orphan drug for obesity, and increased sales of key products such as diabetes and vaccines.



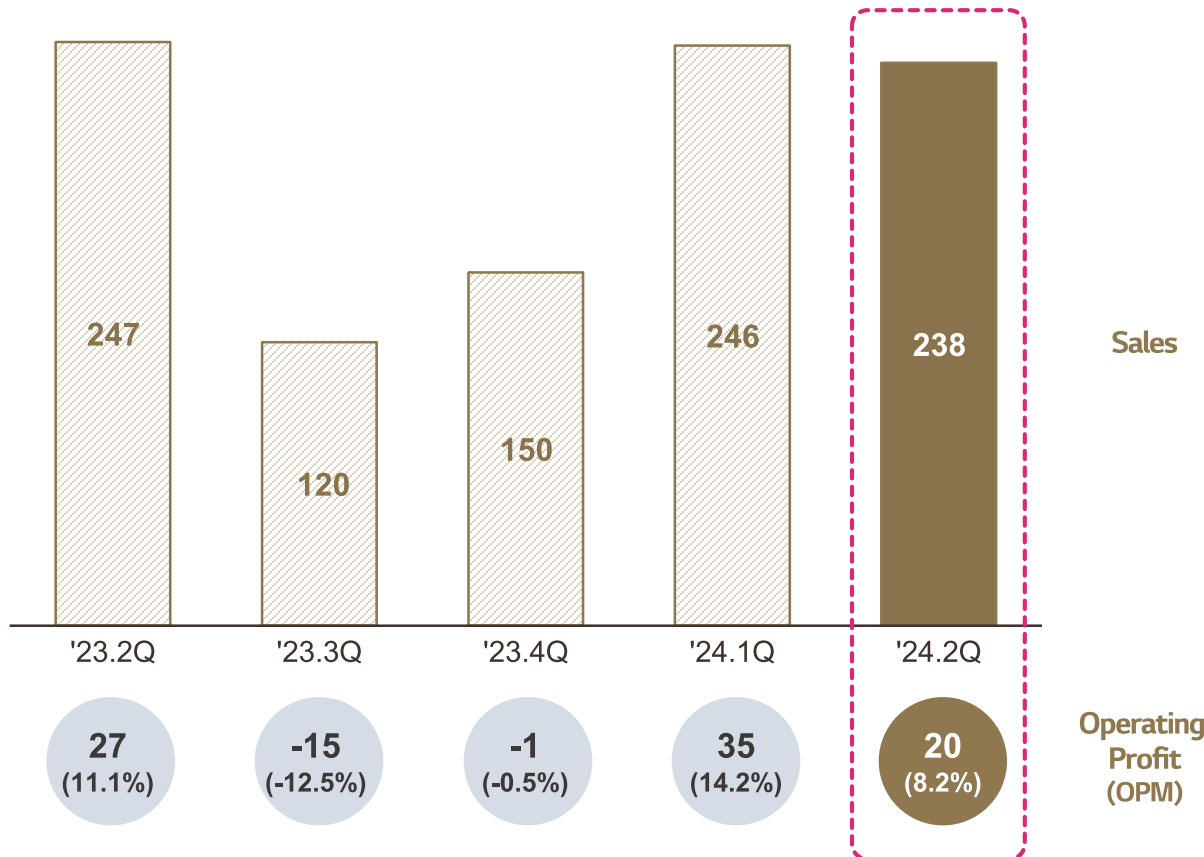
Outlook

- Sales of major products are solid, but profitability is expected to decline due to increased R&D costs on the back of global clinical trials.

Results & Outlook by Business

Farm Hannong

(Unit: KRW bn)



Results

- Overseas sales of crop protection products continued to expand, however profitability weakened on YoY due to decline in fertilizer ASP



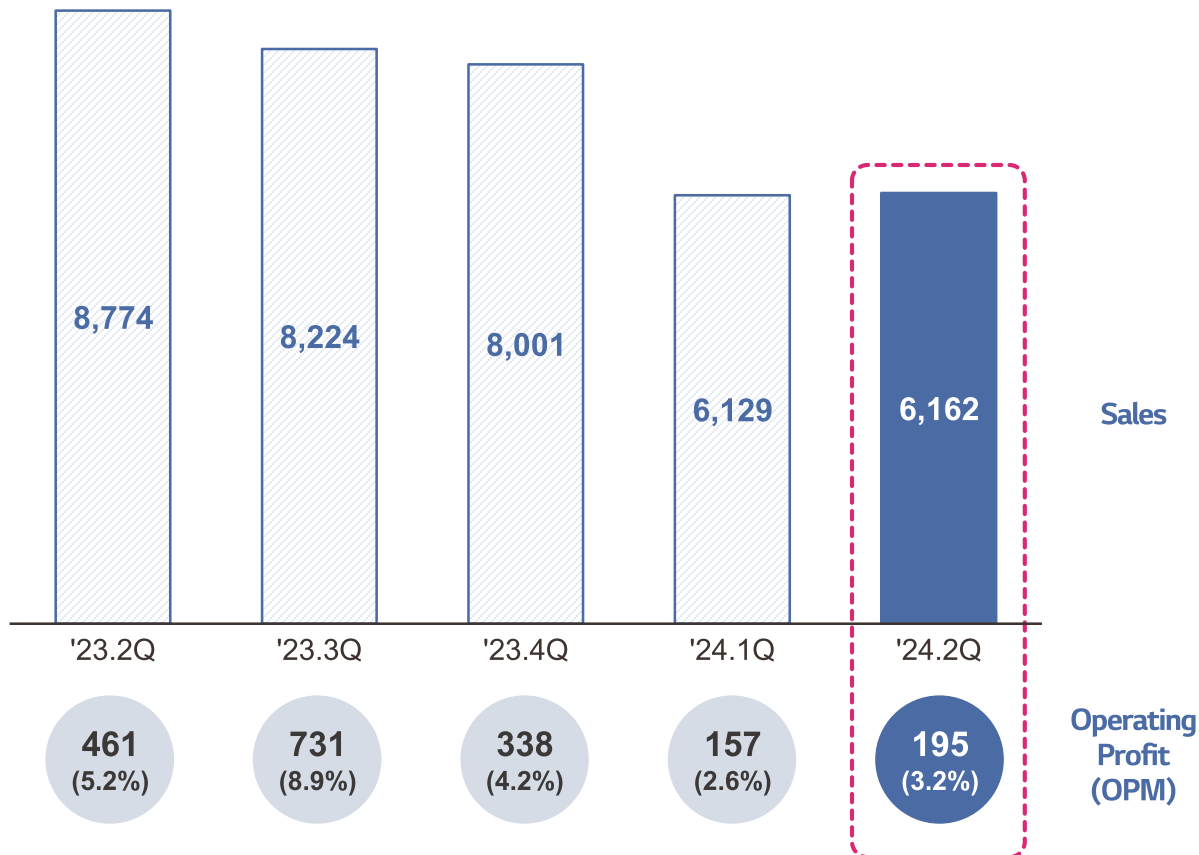
Outlook

- Sales decline is expected due to seasonal effects in the second half, and R&D expenses of preparation for the future will increase. However, annual profitability is projected to remain flat YoY, supported by overseas sales of crop protection products.

Results & Outlook by Business

Energy Solution

(Unit: KRW bn)



Results

- Despite the continued impact on sales prices due to falling metal prices, sales and AMPC increased due to increased volume following the launch of new EVs for North American customers



Outlook

- Sales to fall short of initial expectations due to slowing EV growth rate and continued weakness in metal prices
- Improved operational efficiency, by adjusting the production speed based on EV demand

LG Energy Solution
Lithium Ion Polymer

Appendix

Income Statements

(Unit: KRW bn)

LG Chem	2023					2024	
	1Q	2Q	3Q	4Q	Year	1Q	2Q
Sales	14,284	14,336	13,495	13,135	55,250	11,609	12,300
Cost of Sales	11,972	11,930	11,177	11,384	46,464	9,706	10,424
Gross Profit (%)	2,312 16.2%	2,405 16.8%	2,318 17.2%	1,750 13.3%	8,786 15.9%	1,904 16.4%	1,876 15.3%
SG&A Expenses	1,609	1,899	1,673	1,753	6,934	1,828	1,918
Other non-operating income(*)	100	111	216	250	677	189	448
Operating Profit (%)	804 5.6%	618 4.3%	860 6.4%	247 1.9%	2,529 4.6%	265 2.3%	406 3.3%
Other non-operating income(expenses)	120	162	-284	-30	-31	59	-219
Income before tax	924	780	576	218	2,498	323	187
Net Income	669	671	585	129	2,053	342	60

※ The business results currently under audit review are presented here for investors' convenience. Hence, please be advised that some of contents may be altered in the course of audit.

(*) The amount is expected to be received under the US Inflation Reduction Act by LG Energy Solution.

※ Following our decisions to discontinue and sell some of our businesses, the relevant business results have been compiled retroactively.

Appendix

Financial Position

(Unit: KRW bn)

LG Chem	2023				2024	
	1Q	2Q	3Q	4Q	1Q	2Q
Assets	70,896	72,501	77,500	77,467	82,116	84,188
Cash and Equivalents	6,810	6,871	8,883	9,142	9,294	7,170
A/R	8,604	8,657	8,924	8,083	8,152	8,857
Inventory	11,970	11,145	10,608	9,375	9,666	9,760
Tangible / Intangible Assets	35,186	37,465	40,016	42,643	45,643	49,128
Liabilities	32,492	32,893	36,135	36,529	38,937	39,924
A/P	5,535	4,887	5,012	4,118	4,195	4,266
Short-term debts	5,025	5,267	4,590	7,078	7,789	8,259
Long-term debts	12,849	13,968	17,318	14,850	16,894	16,492
Equity	38,404	39,608	41,365	40,938	43,179	44,264
Liabilities / Equity (%)	84.6%	83.0%	87.4%	89.2%	90.2%	90.2%
Net debt / Equity (%)	28.8%	31.2%	31.5%	31.2%	35.6%	39.7%

※ Cash and Equivalents includes cash, cash equivalents, and some deposits at financial institutions.

※ The business results currently under audit review are presented here for investors' convenience. Hence, please be advised that some of contents may be altered in the course of audit.

Appendix

Cash Flows

(Unit: KRW bn)

LG Chem	2023					2024	
	1Q	2Q	3Q	4Q	Year	1Q	2Q
Beginning Cash Balance	8,512	6,810	6,871	8,883	8,512	9,142	9,294
Operating Activities	503	1,971	1,656	2,634	6,764	454	1,490
Operating Profit	804	618	860	247	2,529	265	406
Depreciation	922	977	999	1,059	3,957	1,086	1,156
Working Capital	-465	125	280	1,294	1,234	-283	-762
Investing Activities	-4,068	-2,750	-3,046	-3,315	-13,179	-4,009	-3,278
Financing Activities	1,768	888	3,219	1,108	6,983	3,507	-447
Borrow / Repay	1,909	1,362	2,672	20	5,964	2,755	68
Dividends	-56	-840	-11	-197	-1,104	-81	-488
Ending Cash Balance	6,810	6,871	8,883	9,142	9,142	9,294	7,170

※ The financial information contained in this material has different standards from the cash flow statement in the audit report.

※ Beginning cash and ending cash include cash, cash equivalents, and some deposits at financial institutions. Accordingly, it was retroactively revised to the same beginning/ending-period cash basis.

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Appendix

CAPEX & R&D Expenses (excl. Energy Solution)

CAPEX

(Unit: KRW bn)

LG Chem	2023	1Q 2024	2Q 2024
Petrochemicals	1,464	261	237
Advanced Materials	690	113	155
Life Sciences	770*	5	10
Common (incl. Farm Hannong)	487	48	74
Total	3,411	427	476

* Included the amount of AVEO acquisition

R&D Expenses

(Unit: KRW bn)

LG Chem	2023	1Q 2024	2Q 2024
Petrochemicals	232	60	61
Advanced Materials	243	58	58
Life Sciences	375	108	116
Common (incl. Farm Hannong)	194	45	48
Total	1,044	271	283

Appendix

Petrochemical Divisions & Products (Capa)

as of 2Q 2024

(Unit : 1,000 tons)



C2 / C3 / BD / BZ
(3,350 / 1,980 / 510 / 900)

BPA
(505)

HDPE / LLDPE / PP
(550 / 600 / 380)

LDPE / EVA
(300 / 160)



PVC
(1,280)

Plasticizers
(175)

Alcohol
(300)

PC
(170)

Caustic Soda
(1,020)



ABS / SAN
(2,310) ^{'24.3Q} (2,310 → 2,380)

PS / EPS
(40 / 90)



Acrylates

Acrylic Acid
(650)

IPA
(265)

NPG
(175)



HPM

Synthetic Rubbers (BR/SSBR/NBR)
(365)

Specialty Polymers (SBL/SBS/MBS)
(310)



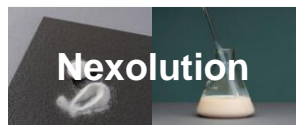
Sustainability

POE
(380)

CNT
(2.9)

PBAT
(50)

Mass production begins in the 2Q 2024



Nexolution

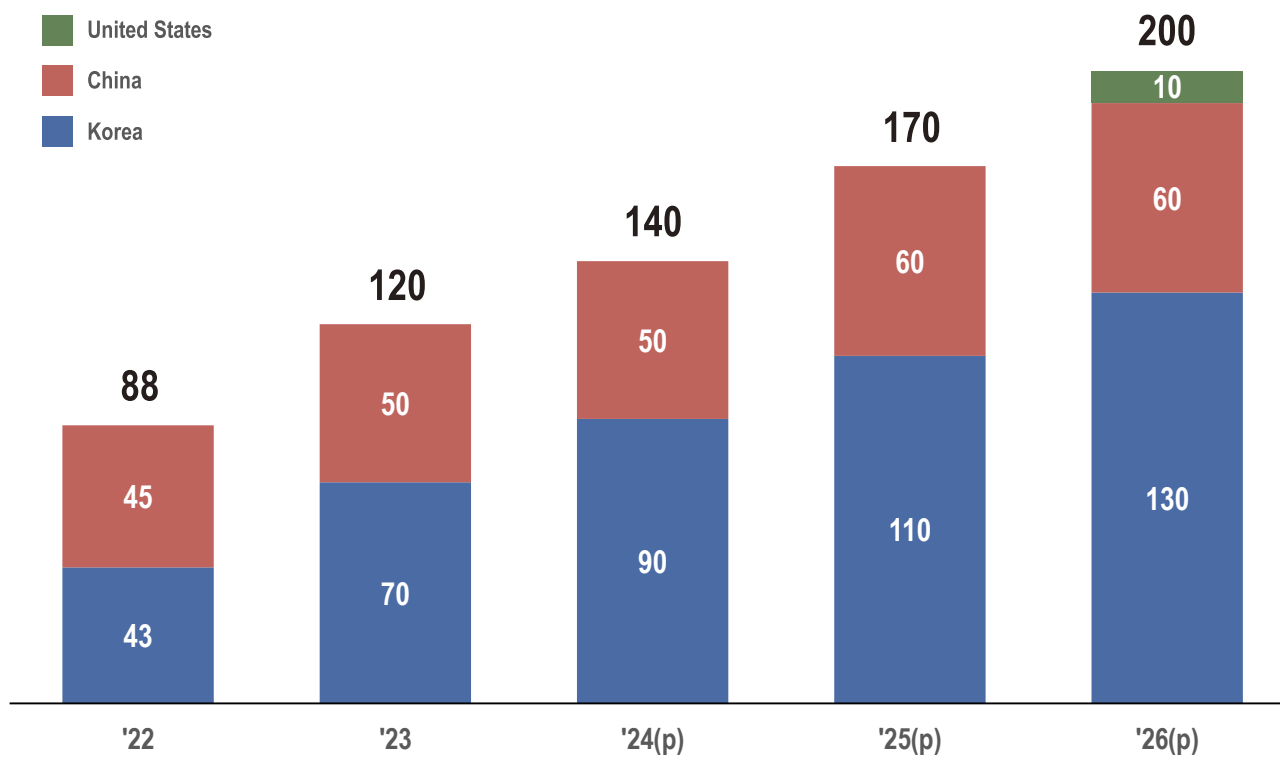
SAP
(500)

NBL
(555)

Appendix

Cathode Capa Plan

(Unit : 1,000 tons)



※ This is based on our business plan, and may differ from the actual capacity due to changes in the business environment and strategy revision.

Thank you

*We***Connect***Science*



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