

3Q 2021 Earnings Release



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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.

3Q 2021 Business Results

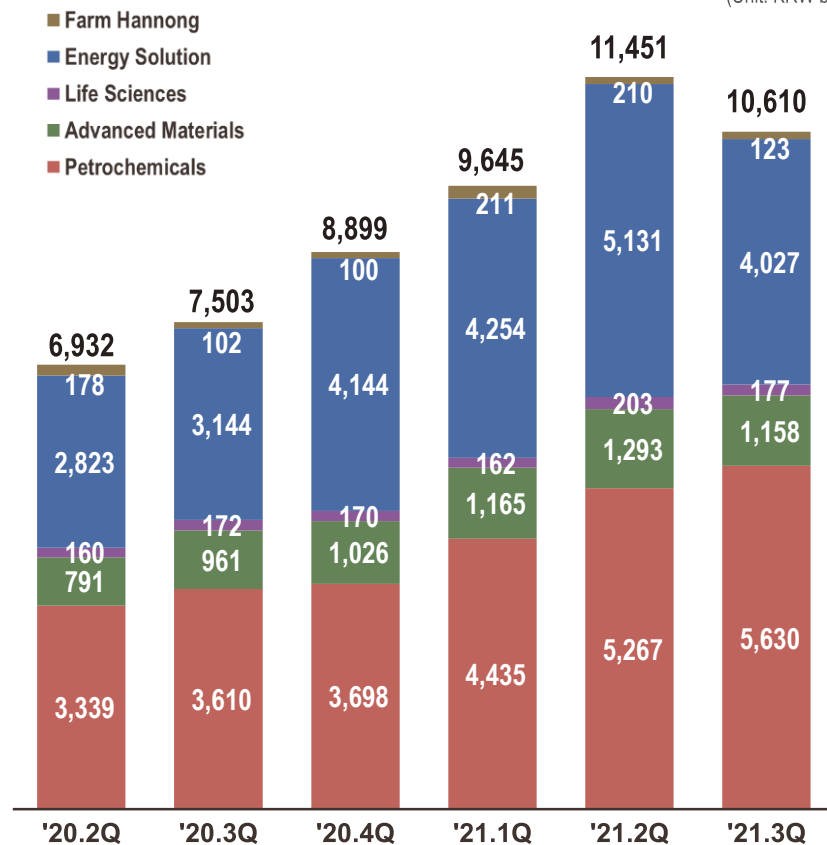
Sales & Profits Trends

(Unit: KRW bn)

	2020			2021		
	2Q	3Q	4Q	1Q	2Q	3Q
Sales	6,932	7,503	8,899	9,645	11,451	10,610
Operating Profit (%)	573 8.3%	904 12.0%	120 1.4%	1,409 14.6%	2,141 18.7%	727 6.8%
EBITDA (%)	1,132 16.3%	1,491 19.9%	756 8.5%	2,040 21.2%	2,826 24.7%	1,467 13.8%
Pre-tax Income (%)	472 6.8%	710 9.5%	-390 -4.4%	1,428 14.8%	2,213 19.3%	738 7.0%
Net Income (%)	419 6.0%	570 7.6%	-343 -3.9%	1,371 14.2%	1,566 13.7%	680 6.4%

Sales trend by business

(Unit: KRW bn)



※ In accordance with some of suspended/sold business, business performance was written retrospectively.

3Q 2021 Business Results

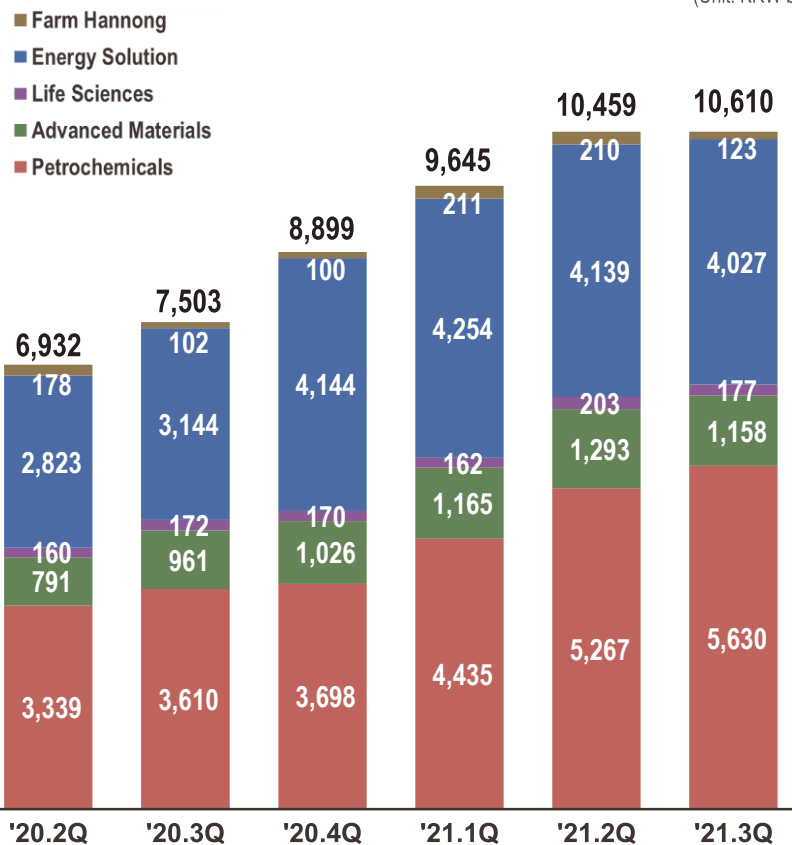
Sales & Profits Trends ◀ Except '21 One-offs

(Unit: KRW bn)

	2020			2021		
	2Q	3Q	4Q	1Q	2Q	3Q
Sales	6,932	7,503	8,899	9,645	10,459	10,610
Operating Profit (%)	573 8.3%	904 12.0%	120 1.4%	1,409 14.6%	1,667 15.9%	1,350 12.7%
EBITDA (%)	1,132 16.3%	1,491 19.9%	756 8.5%	2,040 21.2%	2,351 22.5%	2,091 19.7%
Pre-tax Income (%)	472 6.8%	710 9.5%	-390 -4.4%	1,428 14.8%	-	-
Net Income (%)	419 6.0%	570 7.6%	-343 -3.9%	1,371 14.2%	-	-

Sales trend by business

(Unit: KRW bn)



※ In accordance with some of suspended/sold business, business performance was written retrospectively.

※ In the business result, one-off fees including 'license fee from SKI' and 'provision of ESS/EV recall' were excluded.

3Q 2021 Business Results

Financial Position

Balance Sheet

(Unit: KRW tn)

	2020	1Q 2021	2Q 2021	3Q 2021
Asset	41.4	44.7	46.7	49.8
Cash and Equivalents	3.9	5.3	4.2	4.3
Liabilities	22.6	25.1	25.2	27.1
Debt	10.2	11.4	12.0	14.0
Equity	18.8	19.6	21.5	22.7

Financial Ratios

(Unit: %)

	2020	1Q 2021	2Q 2021	3Q 2021
Liabilities / Equity	120.3%	127.5%	116.7%	119.7%
Debts / Equity	54.2%	58.2%	56.0%	61.8%
Net Debts / Equity	33.5%	31.3%	36.4%	42.7%
ROE	3.8%	28.5%	30.5%	12.3%
ROA	1.8%	12.7%	13.7%	5.6%

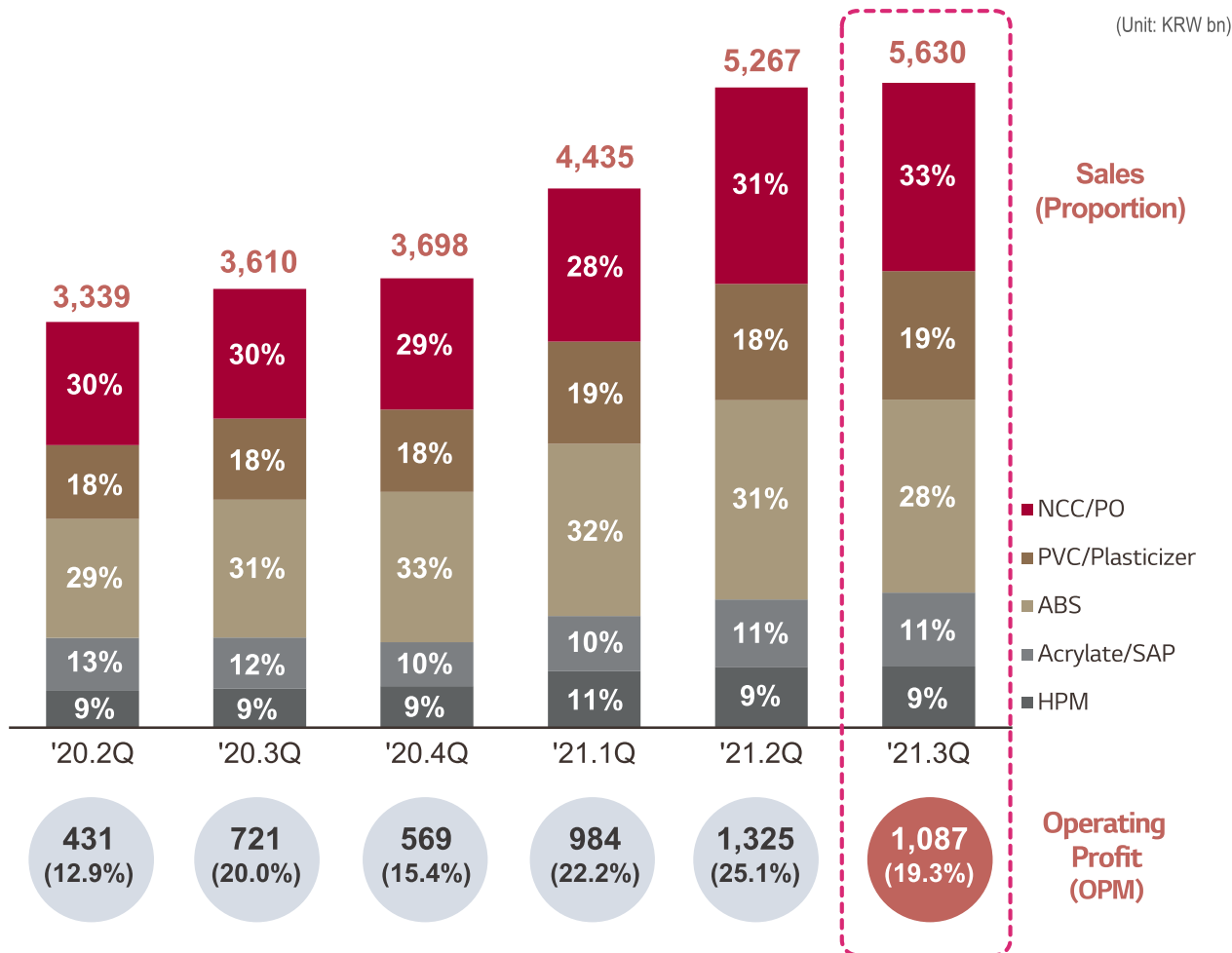
※ ROE: Net Income / Avg of beginning & ending equity

ROA: Net Income / Avg of beginning & ending asset

※ Net Income calculation for each Quarters : Quarterly Net Income X 4

Results & Outlook by Business

Petrochemicals



Results

- Strong, persistent demand in major downstream products, although the profitability declined due to stabilization of overheated demand and normalization of supply



Outlook

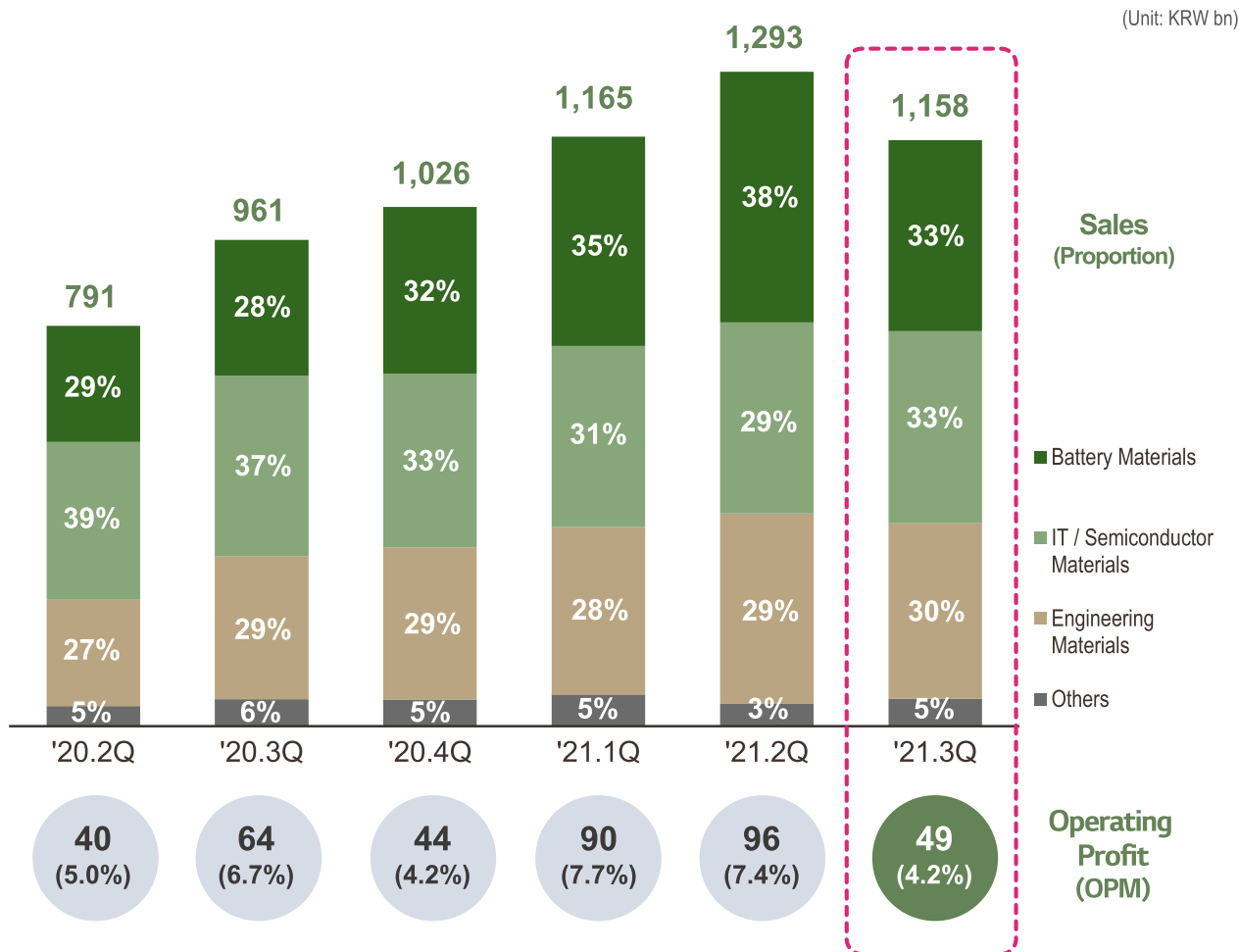
- Solid performance to continue from China's power restriction and rising coal prices despite the 4Q regular TA

※ HPM : High Performance Materials



Results & Outlook by Business

Advanced Materials



Results

- Decline in sales/profitability due to decreased shipments of Battery Materials/Engineering Materials led by semiconductor shortage



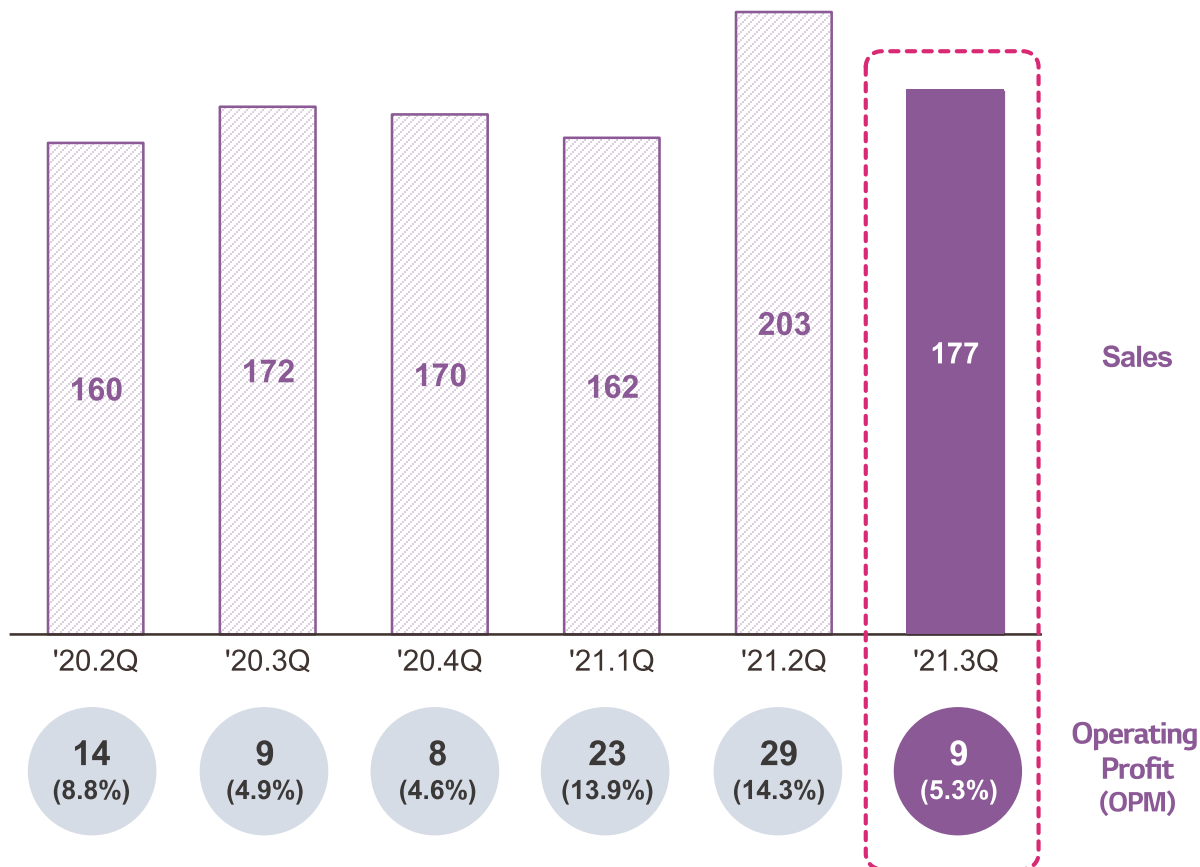
Outlook

- Concerns about seasonality of IT materials and demand issues in the front industry to continue

Results & Outlook by Business

Life Sciences

(Unit: KRW bn)



Results

- Decline in sales due to reorganization of China's sales network and regular inspection of some production lines



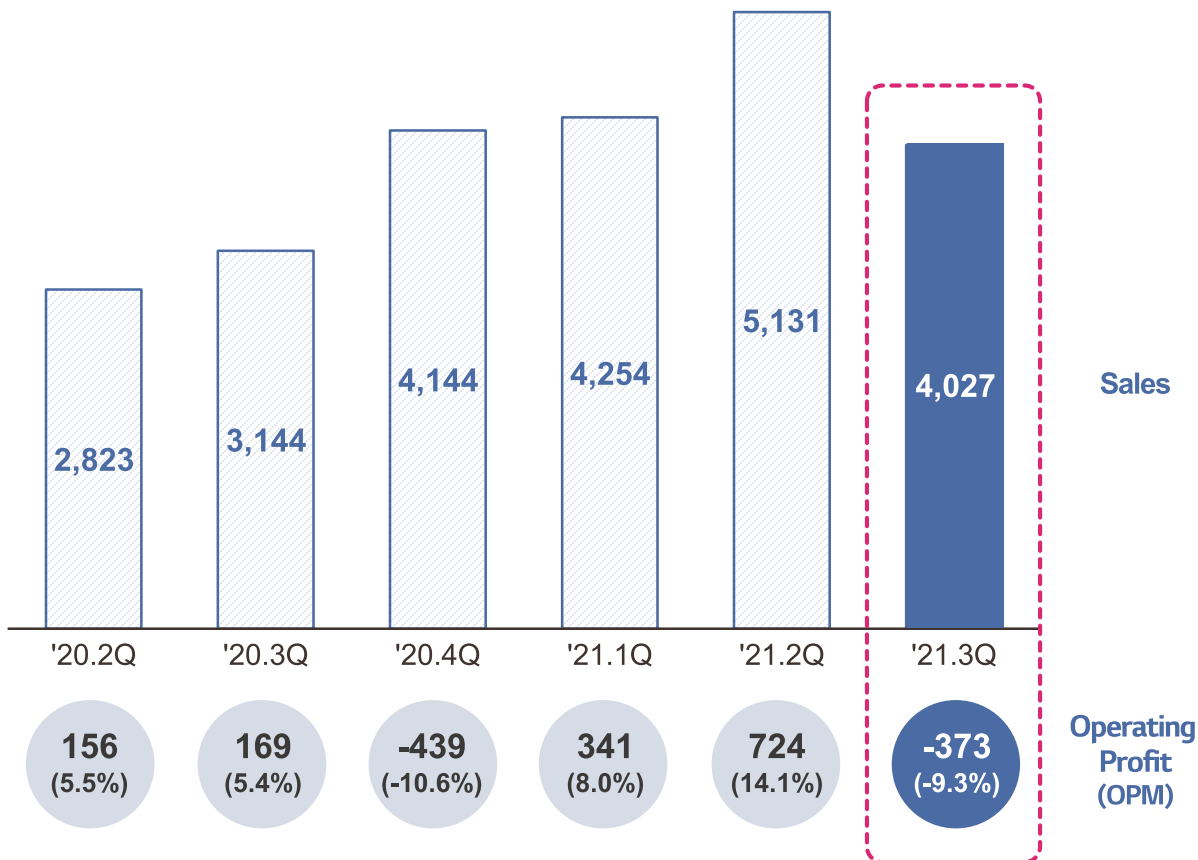
Outlook

- Sales to grow from increasing M/S of major products like Eucept and polio vaccines

Results & Outlook by Business

Energy Solution

(Unit: KRW bn)



Results

- Revenue declined due to auto chip shortage impact and without one-time profits
- Profitability decreased due to one-off provisioning



Outlook

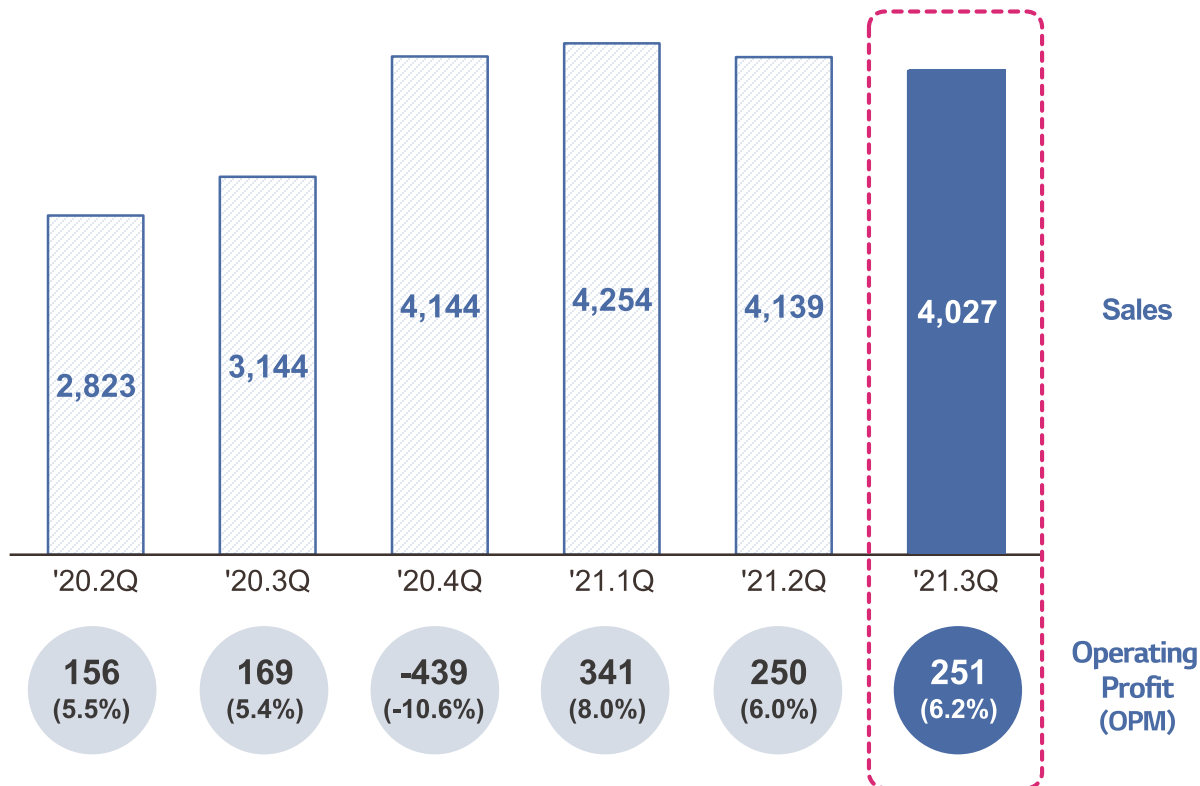
- Revenue expected to grow on the back of EV sales recovery and increased demand for IT devices
- Continuing efforts to enhance profitability via quality control process and value-chain networking



Results & Outlook by Business

Energy Solution ◀ Except '21 One-offs

(Unit: KRW bn)



Results

- Overall revenue maintained thanks to solid demand for cylindrical EVs and IT devices even with the auto chip shortage impacts in EV battery revenue
- Profitability maintained excluding the one-off

Outlook

- Revenue expected to grow on the back of EV sales recovery and increased demand for IT devices
- Continuing efforts to enhance profitability via quality control process and value-chain networking

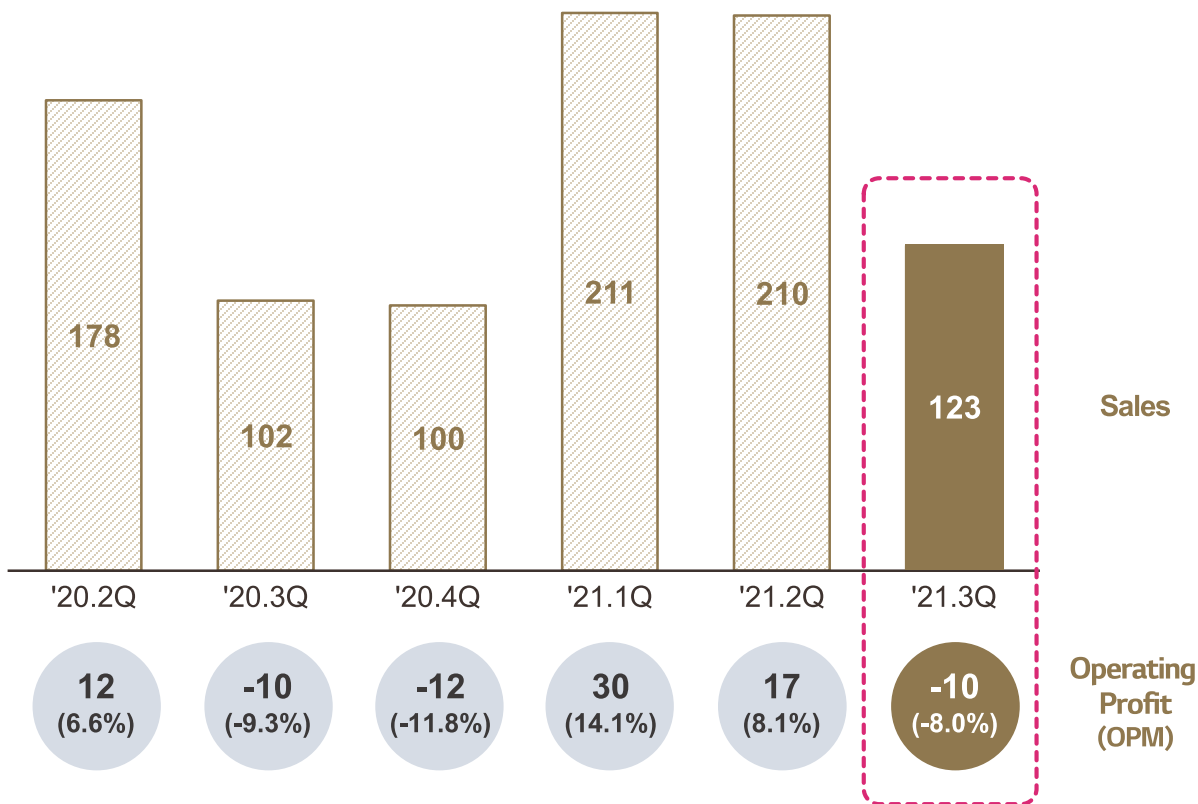


※ One-off license fee from SKI and provisions related to ESS/EV recalls were excluded in 2Q 2021.
 ※ One-off provisions related to EV recall were excluded in 3Q 2021.

Results & Outlook by Business

Farm Hannong

(Unit: KRW bn)



Results

- Improved sales and profitability YoY, thanks to increased shipments of crop protection and fertilizers despite rising raw material prices



Outlook

- Annual sales to improve by strengthening product portfolio and penetrating into overseas market

Appendix

Sales & Operating Profits by Business

(Unit: KRW bn)

LG Chem	2020					2021		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Sales	6,724	6,932	7,503	8,899	30,059	9,645	11,451	10,610
Operating profit (%)	208 3.1%	573 8.3%	904 12.0%	120 1.4%	1,805 6.0%	1,409 14.6%	2,141 18.7%	727 6.8%
EBITDA (%)	738 11.0%	1,132 16.3%	1,491 19.9%	756 8.5%	4,117 13.7%	2,040 21.2%	2,826 24.7%	1,467 13.8%
Petrochemicals	3,718	3,339	3,610	3,698	14,364	4,435	5,267	5,630
Operating profit (%)	235 6.3%	431 12.9%	721 20.0%	569 15.4%	1,955 13.6%	984 22.2%	1,325 25.1%	1,087 19.3%
Advanced Materials	825	791	961	1,026	3,603	1,165	1,293	1,158
Operating profit (%)	39 4.7%	40 5.0%	64 6.7%	44 4.2%	186 5.2%	90 7.7%	96 7.4%	49 4.2%
Life Sciences	159	160	172	170	661	162	203	177
Operating profit (%)	24 14.7%	14 8.8%	9 4.9%	8 4.6%	54 8.1%	23 13.9%	29 14.3%	9 5.3%
Energy Solution	2,261	2,823	3,144	4,144	12,372	4,254	5,131	4,027
Operating profit (%)	-52 -2.3%	156 5.5%	169 5.4%	-439 -10.6%	-167 -1.3%	341 8.0%	724 14.1%	-373 -9.3%
Farm Hannong	221	178	102	100	602	211	210	123
Operating profit (%)	35 15.8%	12 6.6%	-10 -9.3%	-12 -11.8%	25 4.2%	30 14.1%	17 8.1%	-10 -8.0%

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※ Applied retroactive effects of past performance based on the reorganization.

Appendix

Income Statements

(Unit: KRW bn)

LG Chem	2020					2021		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Sales	6,724	6,932	7,503	8,899	30,059	9,645	11,451	10,610
Cost of Sales	5,613	5,418	5,705	7,005	23,741	7,187	7,606	7,961
Gross Profit (%)	1,111 16.5%	1,514 21.8%	1,798 24.0%	1,895 21.3%	6,317 21.0%	2,458 25.5%	3,846 33.6%	2,650 25.0%
SG&A Expenses	903	941	894	1,774	4,512	1,049	1,705	1,923
Operating Profit (%)	208 3.1%	573 8.3%	904 12.0%	120 1.4%	1,805 6.0%	1,409 14.6%	2,141 18.7%	727 6.8%
Other non-operating income(expenses)	-48	-101	-194	-510	-854	18	72	11
Income before tax	160	472	710	-390	952	1,428	2,213	738
Net Income	36	419	570	-343	682	1,371	1,566	680
EPS (Unit:KRW)					6,666	16,776	19,965	7,832

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Appendix

Financial Position

(Unit: KRW bn)

LG Chem	2020				2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Assets	37,121	38,576	40,019	41,389	44,713	46,735	49,822
Cash and Equivalents	2,797	3,367	3,554	3,882	5,275	4,198	4,344
A/R	4,663	4,908	5,393	5,298	6,082	6,246	6,434
Inventory	5,335	4,753	4,928	5,350	5,890	6,876	7,986
Fixed Assets	21,702	22,017	22,528	22,847	23,470	24,217	25,217
Liabilities	19,705	20,734	21,198	22,599	25,065	25,244	27,143
A/P	2,550	2,261	2,859	3,459	3,792	3,727	3,649
Short-term debts	2,431	2,860	2,509	1,549	1,775	3,040	3,389
Long-term debts	9,123	9,001	8,856	8,637	9,651	8,988	10,630
Equity	17,416	17,842	18,821	18,790	19,648	21,491	22,679
Liabilities / Equity (%)	113.1%	116.2%	112.6%	120.3%	127.7%	117.5%	119.7%
Net debt / Equity (%)	50.3%	47.6%	41.5%	33.5%	31.3%	36.4%	42.7%
BPS (Unit:KRW)	217,238	221,857	232,070	230,440	240,083	260,560	272,417

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Appendix

Cash Flows

(Unit: KRW bn)

LG Chem	2020					2021		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Beginning Cash Balance	1,889	2,767	3,363	3,539	1,889	3,274	5,058	4,189
Operating Activities	-97	1,716	1,987	2,235	5,841	1,066	1,588	907
Operating Profit	208	573	904	120	1,805	1,409	2,141	727
Depreciation	531	559	587	636	2,312	631	685	741
Working Capital	-1,056	48	-62	272	-797	-885	-1,321	-1,375
Investing Activities	-1,328	-1,144	-1,000	-1,824	-5,296	-38	-1,360	-1,741
Financing Activities	2,283	44	-792	-596	938	688	-1,111	819
Borrow/Repay	3,139	308	-496	-1,179	1,772	1,240	602	1,991
Dividends	-	-154	-24	-	-178	-	-869	-
Ending Cash Balance	2,767	3,363	3,539	3,274	3,274	5,058	4,189	4,279

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Appendix

CAPEX & R&D Expenses

CAPEX

(Unit: KRW bn)

LG Chem	2020	1Q 2021	2Q 2021	3Q 2021
Petrochemicals	1,831	398	307	353
Advanced Materials	224	45	105	82
Life Sciences	45	33	26	25
Energy Solution	2,745	495	729	1,172
Common (incl. Farm Hannong)	478	58	87	114
Total	5,322	1,028	1,254	1,747

※ Applied retroactive effects of past performance based on the reorganization.

R&D Expenses

(Unit: KRW bn)

LG Chem	2020	1Q 2021	2Q 2021	3Q 2021
Petrochemicals	167	38	45	48
Advanced Materials	160	35	39	38
Life Sciences	174	38	52	56
Energy Solution	423	130	154	169
Common (incl. Farm Hannong)	245	41	50	52
Total	1,169	281	340	362

※ Applied retroactive effects of past performance based on the reorganization.

Thank you

