

# 1Q 2022 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.**

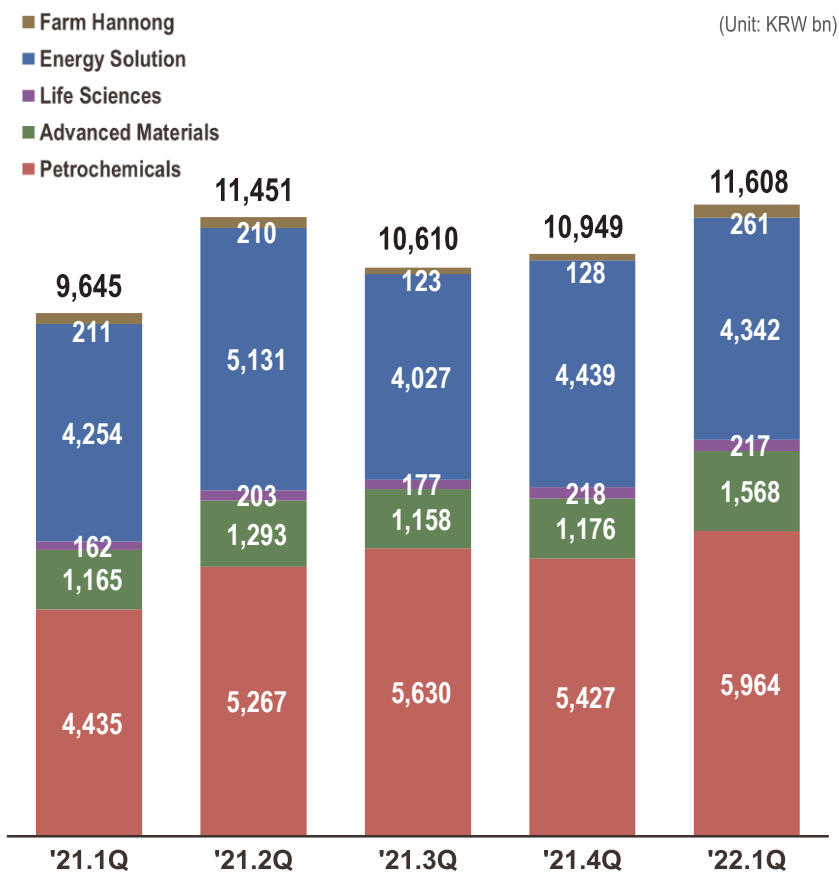
# 1Q 2022 Business Results

## Sales & Profits Trends (consolidated)

(Unit: KRW bn)

	2021				2022
	1Q	2Q	3Q	4Q	1Q
<b>Sales</b>	9,645	11,451	10,610	10,949	<b>11,608</b>
<b>Operating Profit (%)</b>	1,409 14.6%	2,141 18.7%	727 6.8%	748 6.8%	<b>1,024</b> 8.8%
<b>EBITDA (%)</b>	2,040 21.2%	2,826 24.7%	1,467 13.8%	1,536 14.0%	<b>1,818</b> 15.7%
<b>Pre-tax Income (%)</b>	1,428 14.8%	2,213 19.3%	738 7.0%	512 4.7%	<b>1,024</b> 8.8%
<b>Net Income (%)</b>	1,371 14.2%	1,566 13.7%	680 6.4%	337 3.1%	<b>769</b> 6.6%

### Sales trend by business



# 1Q 2022 Business Results

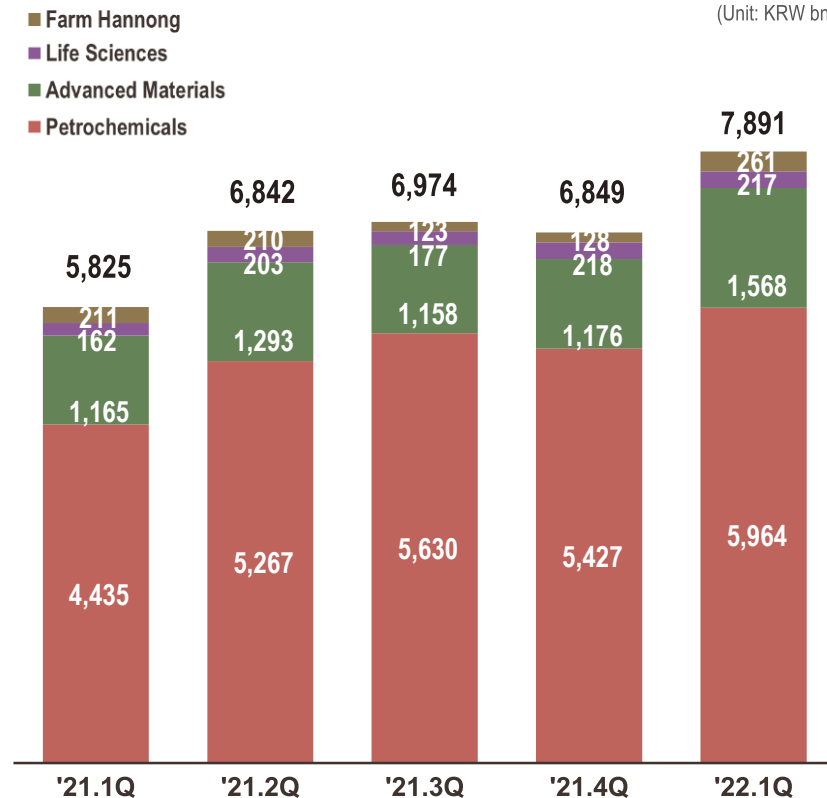
## Sales & Profits Trends (excluding Energy Solution)

(Unit: KRW bn)

	2021				2022
	1Q	2Q	3Q	4Q	1Q
<b>Sales</b>	5,825	6,842	6,974	6,849	<b>7,891</b>
<b>Operating Profit (%)</b>	1,089 18.7%	1,436 21.0%	1,099 15.8%	657 9.6%	<b>818</b> <b>10.4%</b>
<b>EBITDA (%)</b>	1,395 24.0%	1,769 25.9%	1,458 20.9%	1,037 15.1%	<b>1,193</b> <b>15.1%</b>

### Sales trend by business

(Unit: KRW bn)



# 1Q 2022 Business Results

## Financial Position (consolidated)

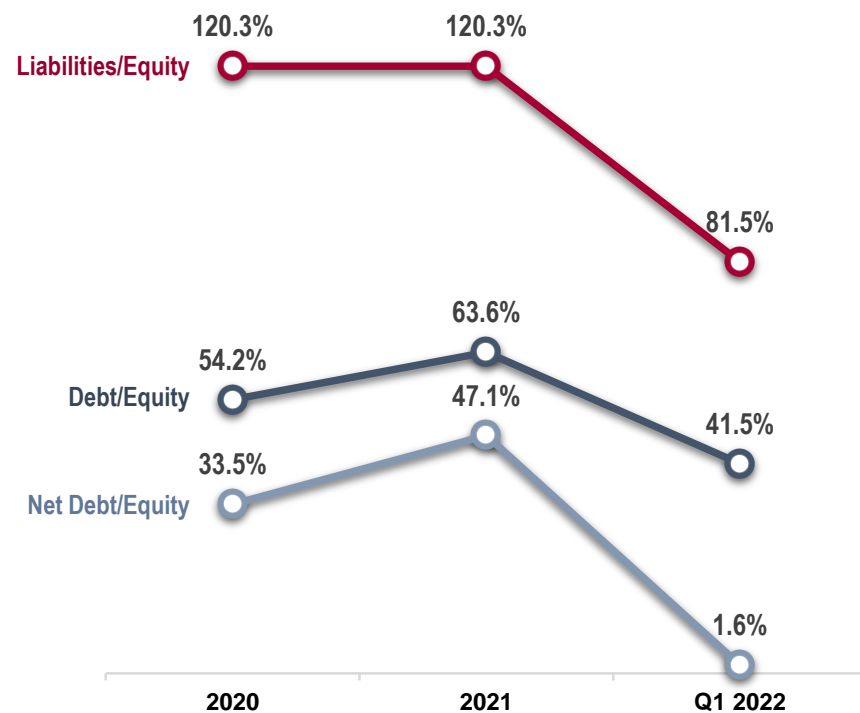
### Balance Sheet

(Unit: KRW tn)

	2020	2021	1Q 2022
<b>Asset</b>	41.4	51.1	<b>64.4</b>
Cash and Equivalents	3.9	3.8	<b>14.1</b>
<b>Liabilities</b>	22.6	27.9	<b>28.9</b>
Debt	10.2	14.8	<b>14.7</b>
<b>Equity</b>	18.8	23.2	<b>35.5</b>
<b>BPS (Unit:KRW)</b>	230,440	277,127	<b>387,345</b>

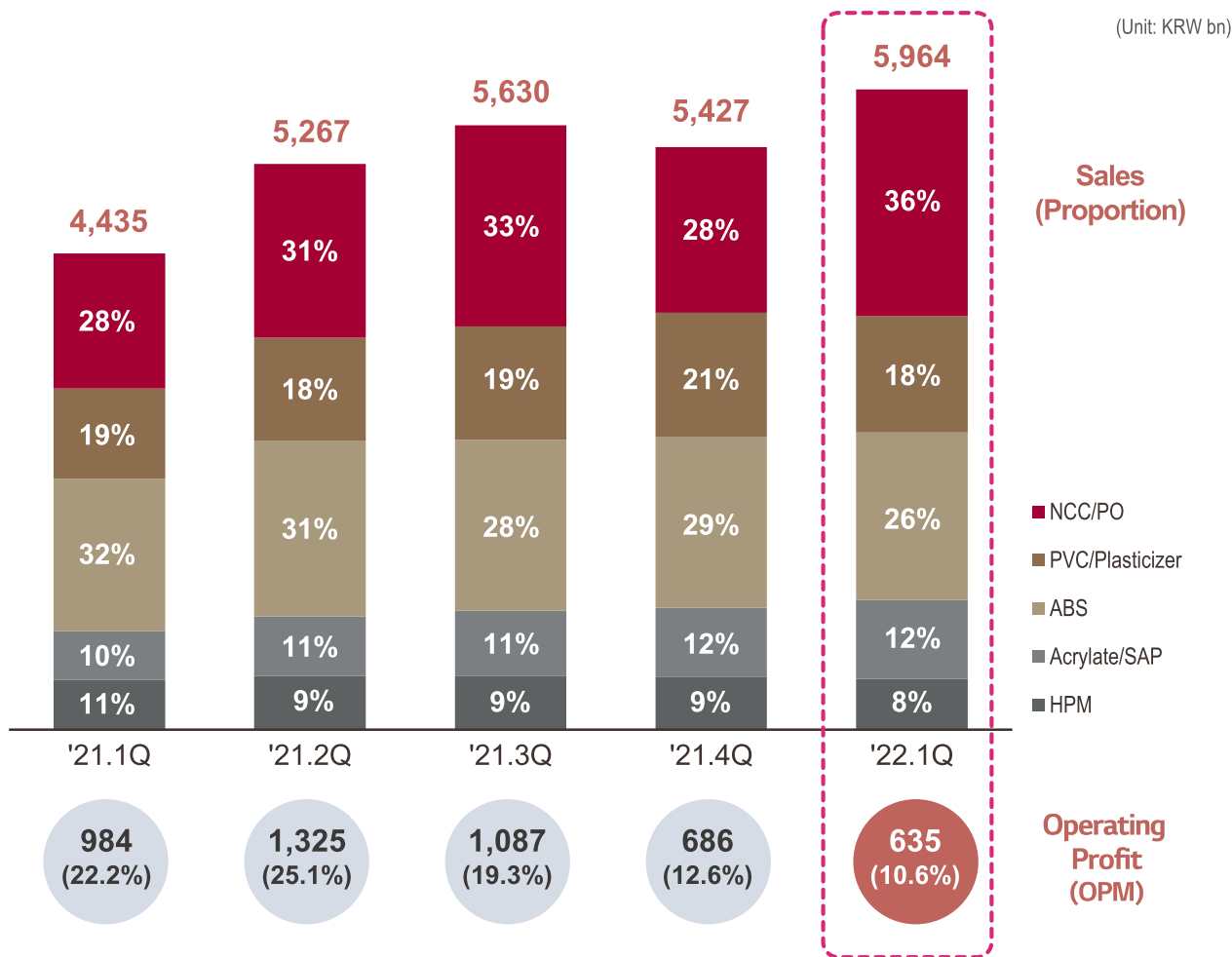
### Financial Ratios

(Unit: %)



# Results & Outlook by Business

## Petrochemicals



### Results

- Solid profitability due to a strong product portfolio despite rising raw material prices and intensifying lockdowns in China



### Outlook

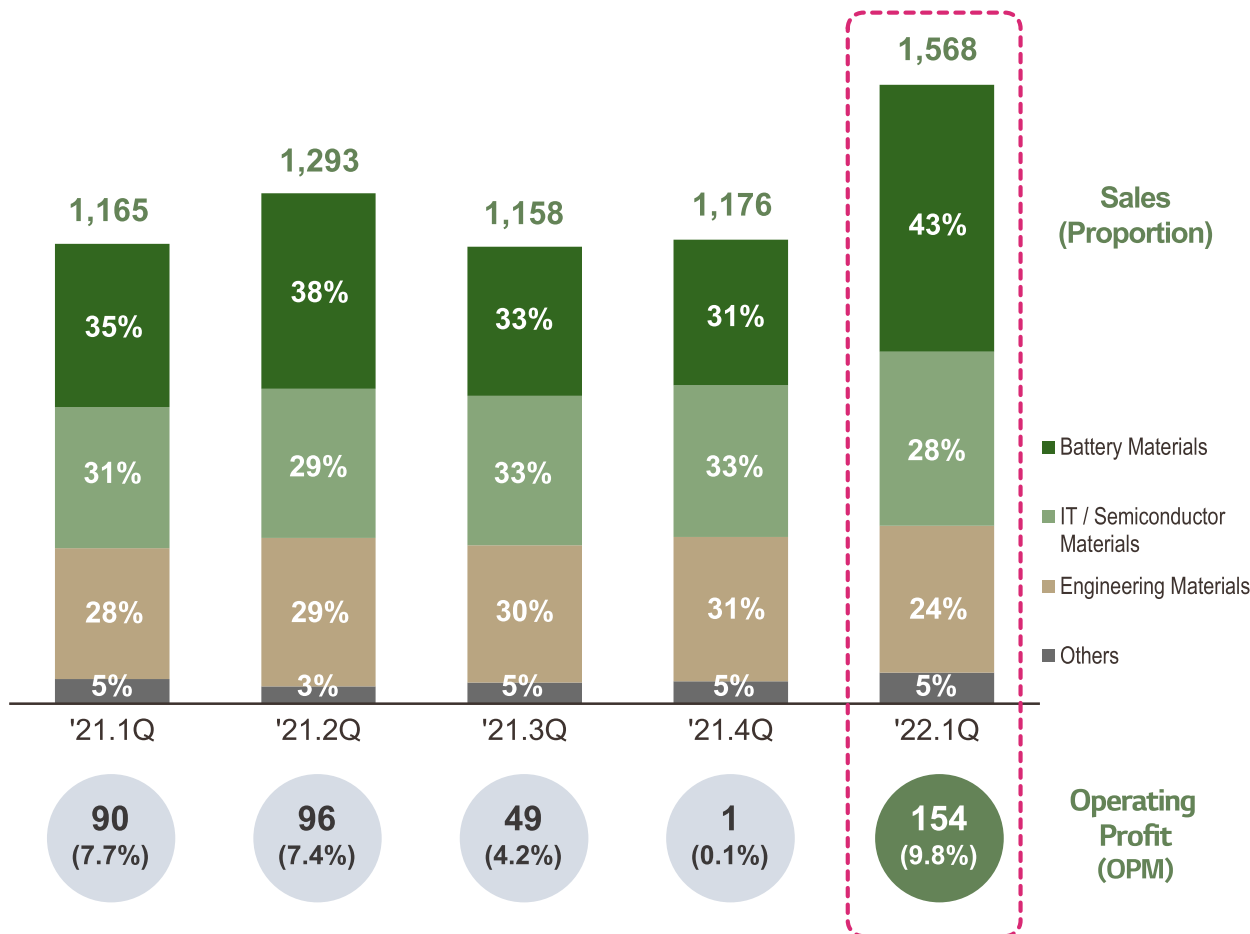
- Despite high oil price and delayed global demand recovery, sales expected to rise and profitability secured through premium product sales and increased price

※ HPM : High Performance Materials

# Results & Outlook by Business

## Advanced Materials

(Unit: KRW bn)



### Results

- Sales growth driven by increase in battery material shipments and ASP hikes due to increasing raw material cost
- Improved profitability due to increased shipments of premium products (high-nickel cathode materials & OLED/semiconductor materials)



### Outlook

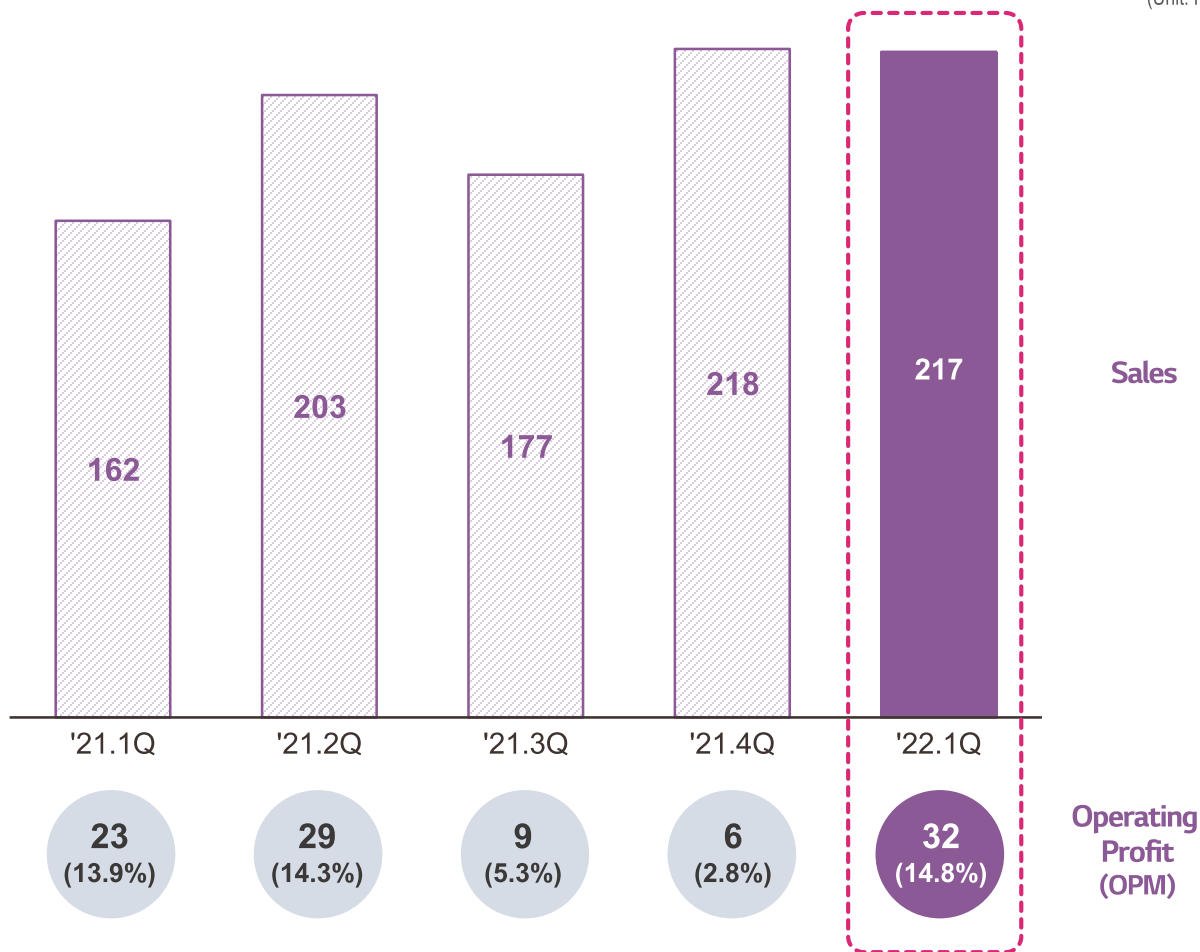
- Growth in sales and profitability expected from battery materials, accompanied with business expansion and increase in premium product sales



# Results & Outlook by Business

## Life Sciences

(Unit: KRW bn)



### Results

- Sales and profitability improved YoY with continuous growth of major products such as diabetes treatments and growth hormone product



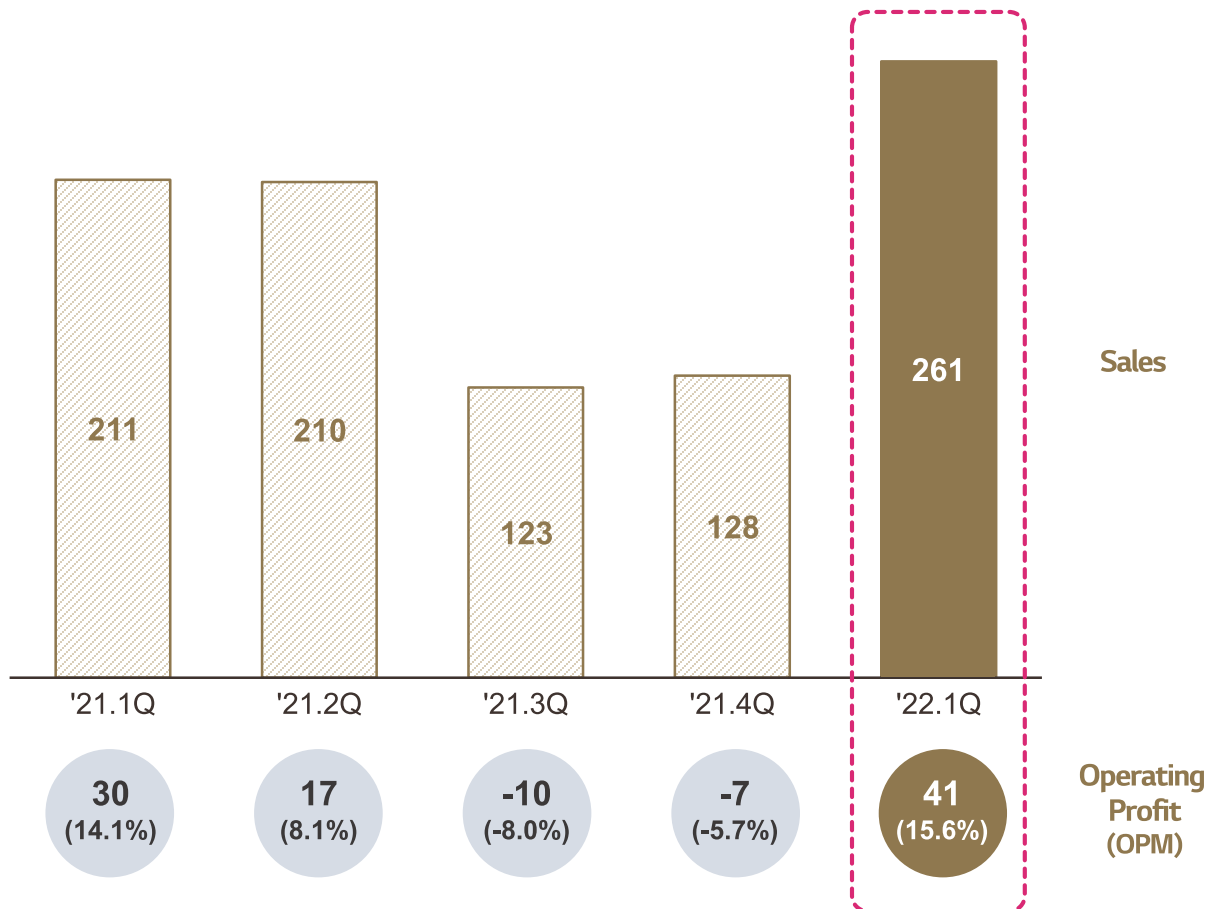
### Outlook

- Sales to increase from both M/S expansion of major products (diabetes treatment, etc) and recovery in aesthetics business

# Results & Outlook by Business

## Farm Hannong

(Unit: KRW bn)



### Results

- Improved sales and profitability YoY from increased sales of crop protection product including increased export of Terrad'or



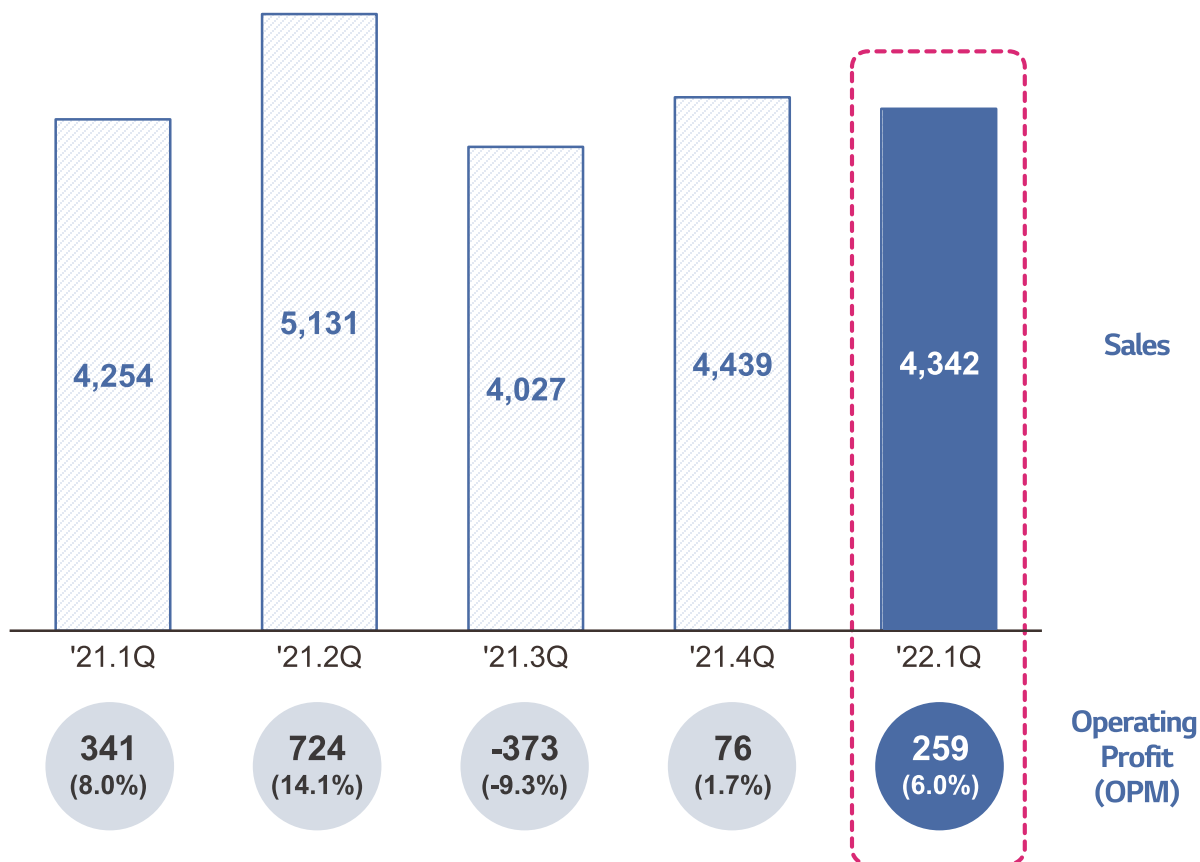
### Outlook

- Annual sales and profitability to improve by expanding overseas crop protection business and functional seed business

# Results & Outlook by Business

## Energy Solution

(Unit: KRW bn)



### Results

- Sales were down slightly due to automotive chip shortage, geopolitical risks and the production of the recalled batteries.
- Operating profit improved on the back of expansion of the cost pass-through scheme and ASP adjustment, and productivity improvement through manufacturing automation.



### Outlook

- Despite uncertainty persisting due to automotive chip shortage and geopolitical risks, sales are expected to improve by increased sales of strategic OEMs.



# Appendix

## Sales & Operating Profits

(Unit: KRW bn)

LG Chem	2020					2021					2022
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Sales	6,724	6,932	7,503	8,899	30,059	9,645	11,451	10,610	10,949	42,655	11,608
Cost of Sales	5,613	5,418	5,705	7,005	23,741	7,187	7,606	7,961	8,684	31,436	9,110
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%	2,265 20.7%	11,218 26.3%	2,498 21.5%
SG&A Expenses	903	941	894	1,774	4,512	1,049	1,705	1,923	1,517	6,193	1,473
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%	748 6.8%	5,025 11.8%	1,024 8.8%
Other non-operating income(expenses)	-48	-101	-194	-510	-854	18	72	11	-237	-135	-1
Income before tax	160	472	710	-390	952	1,428	2,213	738	512	4,891	1,024
Net Income	36	419	570	-343	682	1,371	1,566	680	337	3,954	769
EPS (Unit:KRW)	6,666					47,108					8,832

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# Appendix

## Financial Position

(Unit: KRW bn)

LG Chem	2020				2021				2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
<b>Assets</b>	<b>37,121</b>	<b>38,576</b>	<b>40,019</b>	<b>41,389</b>	<b>44,713</b>	<b>46,735</b>	<b>49,822</b>	<b>51,135</b>	<b>64,417</b>
Cash and Equivalents	2,797	3,367	3,554	3,882	5,275	4,198	4,344	3,825	14,138
A/R	4,663	4,908	5,393	5,298	6,082	6,246	6,434	6,387	7,019
Inventory	5,335	4,753	4,928	5,350	5,890	6,876	7,986	8,284	9,312
Fixed Assets	21,702	22,017	22,528	22,847	23,470	24,217	25,217	26,823	27,724
<b>Liabilities</b>	<b>19,705</b>	<b>20,734</b>	<b>21,198</b>	<b>22,599</b>	<b>25,065</b>	<b>25,244</b>	<b>27,143</b>	<b>27,925</b>	<b>28,926</b>
A/P	2,550	2,261	2,859	3,459	3,792	3,727	3,649	3,742	4,691
Short-term debts	2,431	2,860	2,509	1,549	1,775	3,040	3,389	3,477	4,370
Long-term debts	9,123	9,001	8,856	8,637	9,651	8,988	10,630	11,289	10,324
<b>Equity</b>	<b>17,416</b>	<b>17,842</b>	<b>18,821</b>	<b>18,790</b>	<b>19,648</b>	<b>21,491</b>	<b>22,679</b>	<b>23,210</b>	<b>35,491</b>
Liabilities / Equity (%)	113.1%	116.2%	112.6%	120.3%	127.7%	117.5%	119.7%	120.3%	81.5%
Net debt / Equity (%)	50.3%	47.6%	41.5%	33.5%	31.3%	36.4%	42.7%	47.1%	1.6%
BPS (Unit:KRW)	217,238	221,857	232,070	230,440	240,083	260,560	272,417	277,127	387,345

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# Appendix

## Cash Flows

(Unit: KRW bn)

LG Chem	2020					2021					2022
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Beginning Cash Balance	1,889	2,767	3,363	3,539	1,889	3,274	5,058	4,189	4,279	3,274	3,761
Operating Activities	-97	1,716	1,987	2,235	5,841	1,066	1,588	903	1,957	5,513	156
Operating Profit	208	573	904	120	1,805	1,409	2,141	727	748	5,025	1,024
Depreciation	531	559	587	636	2,312	631	685	741	788	2,844	793
Working Capital	-1,056	48	-62	272	-797	-887	-1,319	-1,376	-150	-3,739	-711
Investing Activities	-1,328	-1,144	-1,000	-1,824	-5,296	-38	-1,360	-1,737	-2,215	-5,349	-7,264
Financing Activities	2,283	44	-792	-596	938	688	-1,111	819	-273	124	12,337
Borrow/Repay	3,139	308	-496	-1,179	1,772	1,240	602	1,991	747	4,580	-72
Dividends	-	-154	-24	-	-178	-	-869	-	-	-869	-
Ending Cash Balance	2,767	3,363	3,539	3,274	3,274	5,058	4,189	4,279	3,761	3,761	9,052

※ As of the end of Q1 2022, about KRW 5.1 trillion put on fixed deposit is reported as investment (-) activity. When the fixed deposit matures, it is reported as investment (+) activity.

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# Appendix

## CAPEX & R&D Expense (excluding Energy Solution)

### CAPEX

(Unit: KRW bn)

LG Chem	2020	2021	1Q 2022
Petrochemicals	1,830	1,610	147
Advanced Materials	224	840	58
Life Sciences	45	110	12
Common (inc. Farm Hannong)	478	593	100
<b>Total</b>	<b>2,577</b>	<b>3,153</b>	<b>317</b>

### R&D Expense

(Unit: KRW bn)

LG Chem	2020	2021	1Q 2022
Petrochemicals	167	184	48
Advanced Materials	160	154	41
Life Sciences	174	200	44
Common (inc. Farm Hannong)	245	195	42
<b>Total</b>	<b>746</b>	<b>733</b>	<b>175</b>

# Thank you

