

1Q 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.

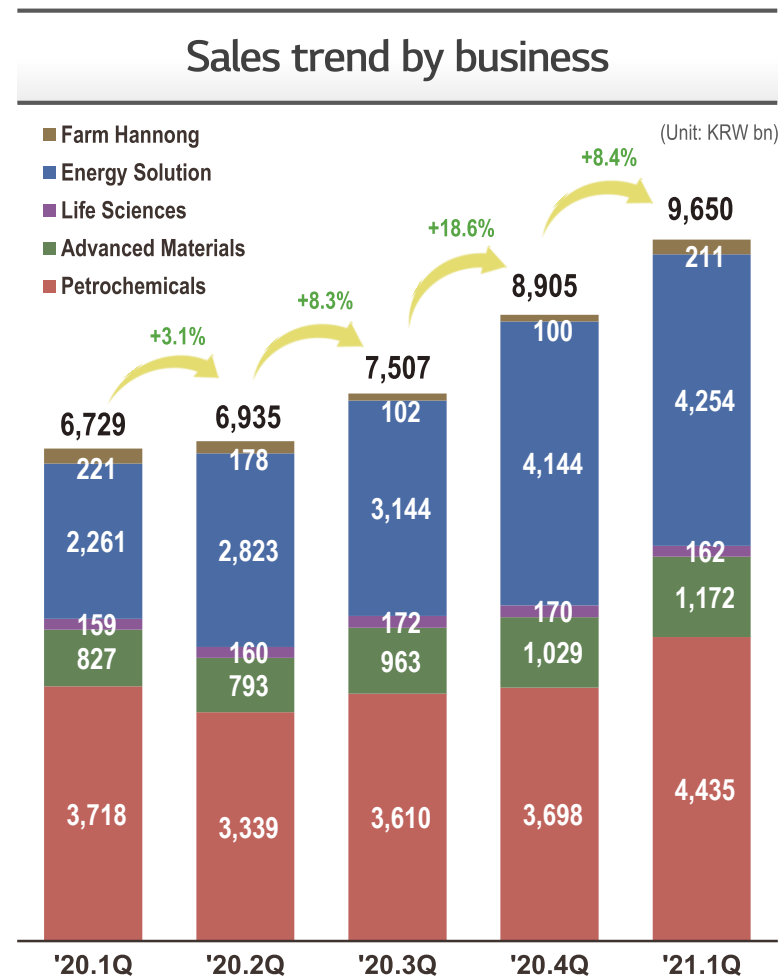
Please note it may differ from actual results, due to uncertainties including changes in the future business environment and strategy.

1Q 2021 Business Results

Sales & Profits Trends

(Unit: KRW bn)

	2020				2021
	1Q	2Q	3Q	4Q	1Q
Sales	6,729	6,935	7,507	8,905	9,650
Operating Profit (%)	206 3.1%	572 8.2%	902 12.0%	119 1.3%	1,408 14.6%
EBITDA (%)	737 10.9%	1,130 16.3%	1,489 19.8%	755 8.5%	2,039 21.1%
Pre-tax Income (%)	158 2.3%	470 6.8%	708 9.4%	-392 -4.4%	1,427 14.8%
Net Income (%)	36 0.5%	419 6.0%	570 7.6%	-343 -3.9%	1,371 14.2%



1Q 2021 Business Results

Financial Position

Balance Sheet

(Unit: KRW tn)

	4Q 2019	4Q 2020	1Q 2021
Asset	34.0	41.4	44.7
Cash and Equivalents	1.9	3.9	5.3
Liabilities	16.6	22.6	25.0
Debt	8.4	10.2	11.4
Equity	17.4	18.8	19.6

Financial Ratios

(Unit: %)

	4Q 2019	4Q 2020	1Q 2021
Liabilities / Equity	95.7%	120.3%	127.5%
Debts / Equity	48.4%	54.2%	58.2%
Net Debts / Equity	37.4%	33.5%	31.4%
ROE	2.2%	3.8%	28.5%
ROA	1.2%	1.8%	12.7%

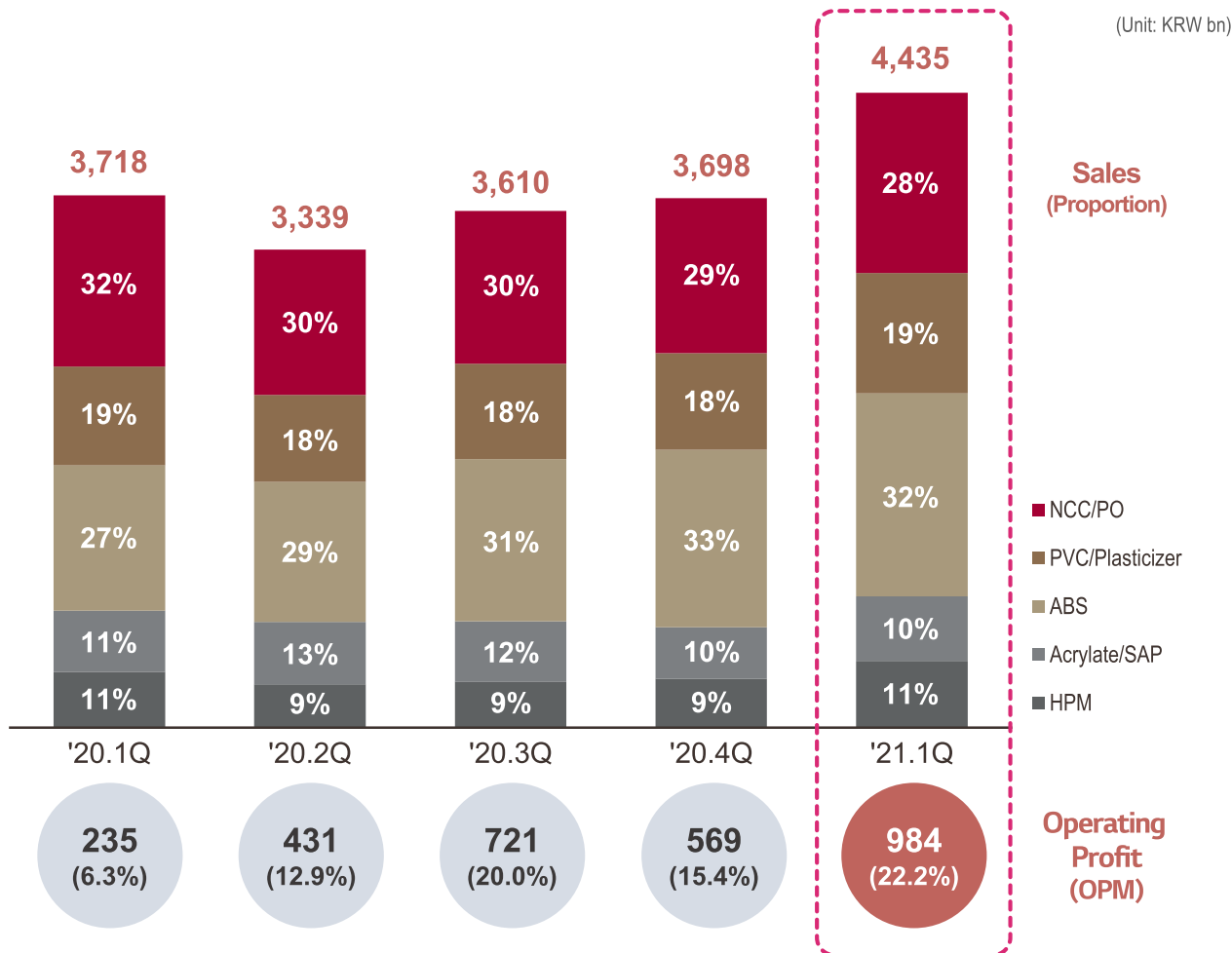
※ ROE: Net Income / Avg of beginning & ending equity

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

- Recorded the highest-ever profit thanks to continued strong demand of home electronics, medical gloves, etc. and recovery of the downstream industry including construction.



Outlook

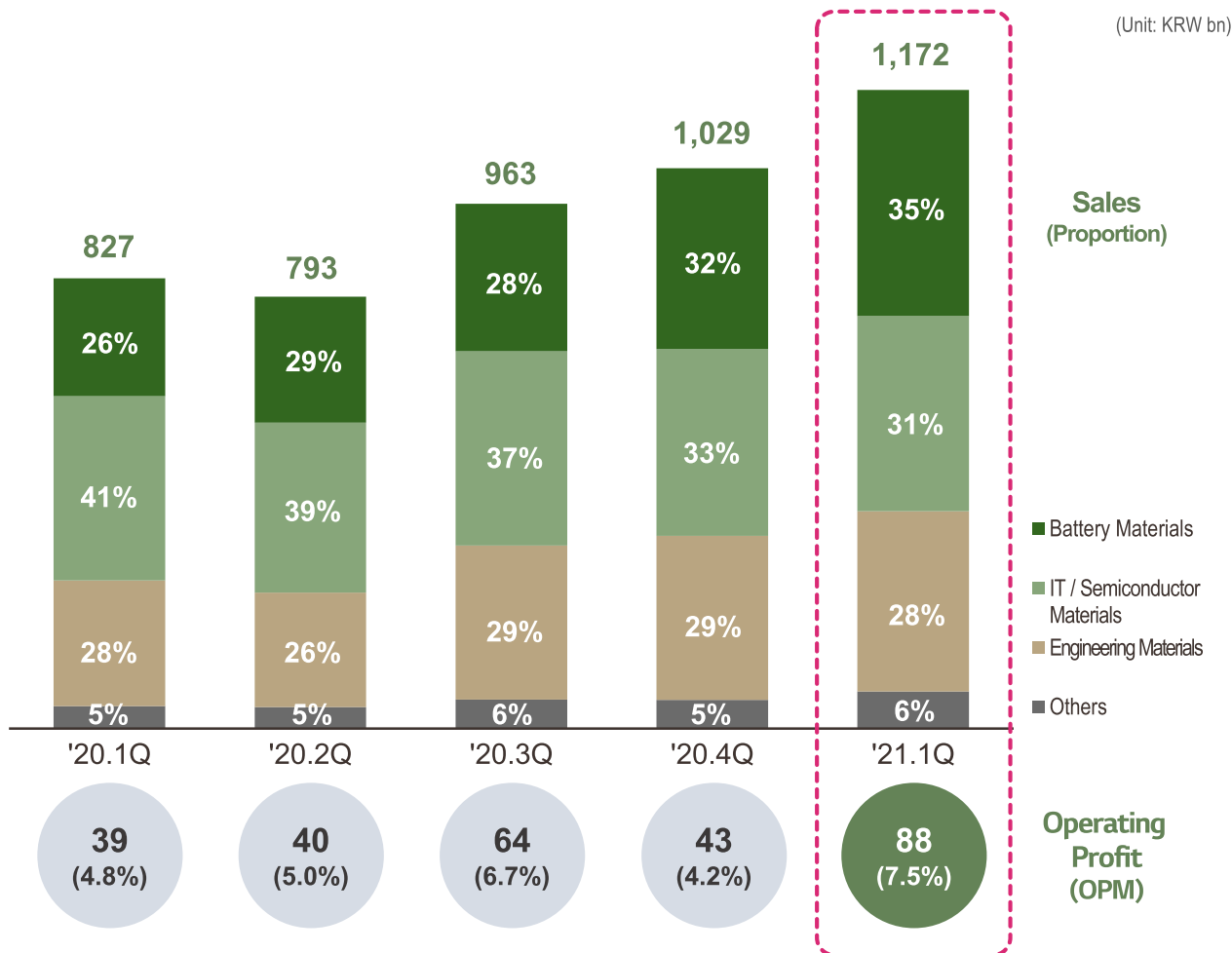
- Sales growth from the operation of new capacity and stable profitability from robust demand.

※ HPM : High Performance Materials (Rubber/Specialty Polymers)



Results & Outlook by Business

Advanced Materials



Results

- Achieved sales growth and higher profitability due to increased sales volume of cathodes and EPC along with cost and productivity improvement activities.



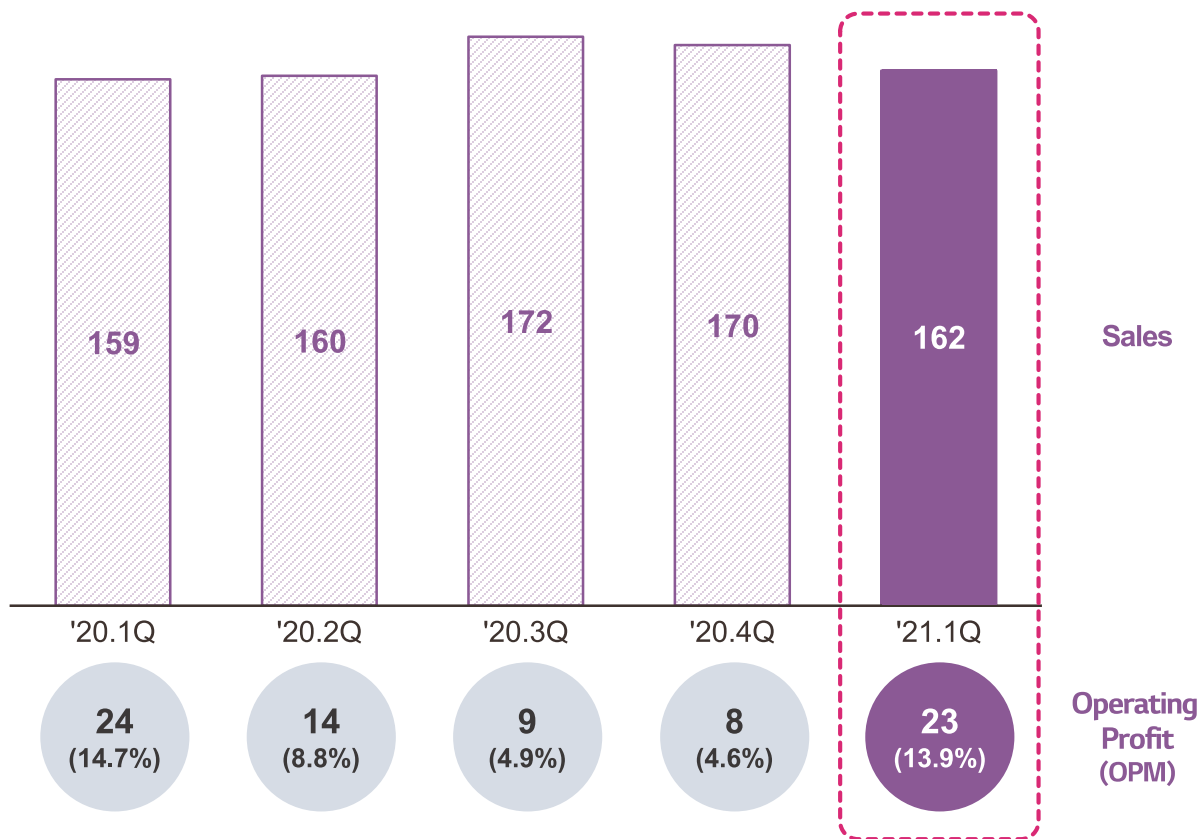
Outlook

- Sales growth to continue under the new cathode production line and expansion of battery material business.

Results & Outlook by Business

Life Sciences

(Unit: KRW bn)



Results

- Achieved higher profitability from stronger market positions of core products including Zemiglo and Eutropin.



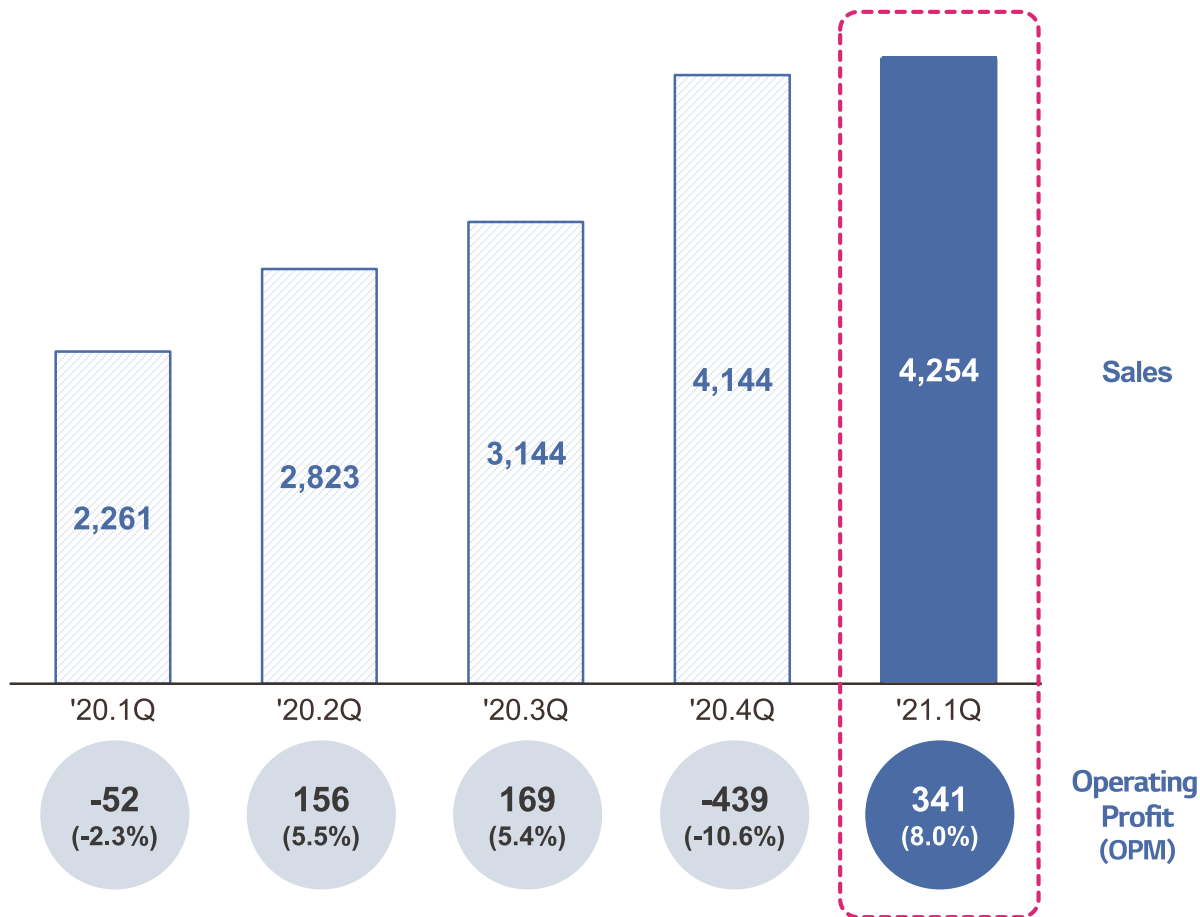
Outlook

- Sales to increase from the launch of a new polio vaccine
- Higher R&D expenditure to strengthen new drug development.

Results & Outlook by Business

Energy Solution

(Unit: KRW bn)



Results

- Improved profitability from continued increase in EV battery shipments, higher yield and lower cost structure.



Outlook

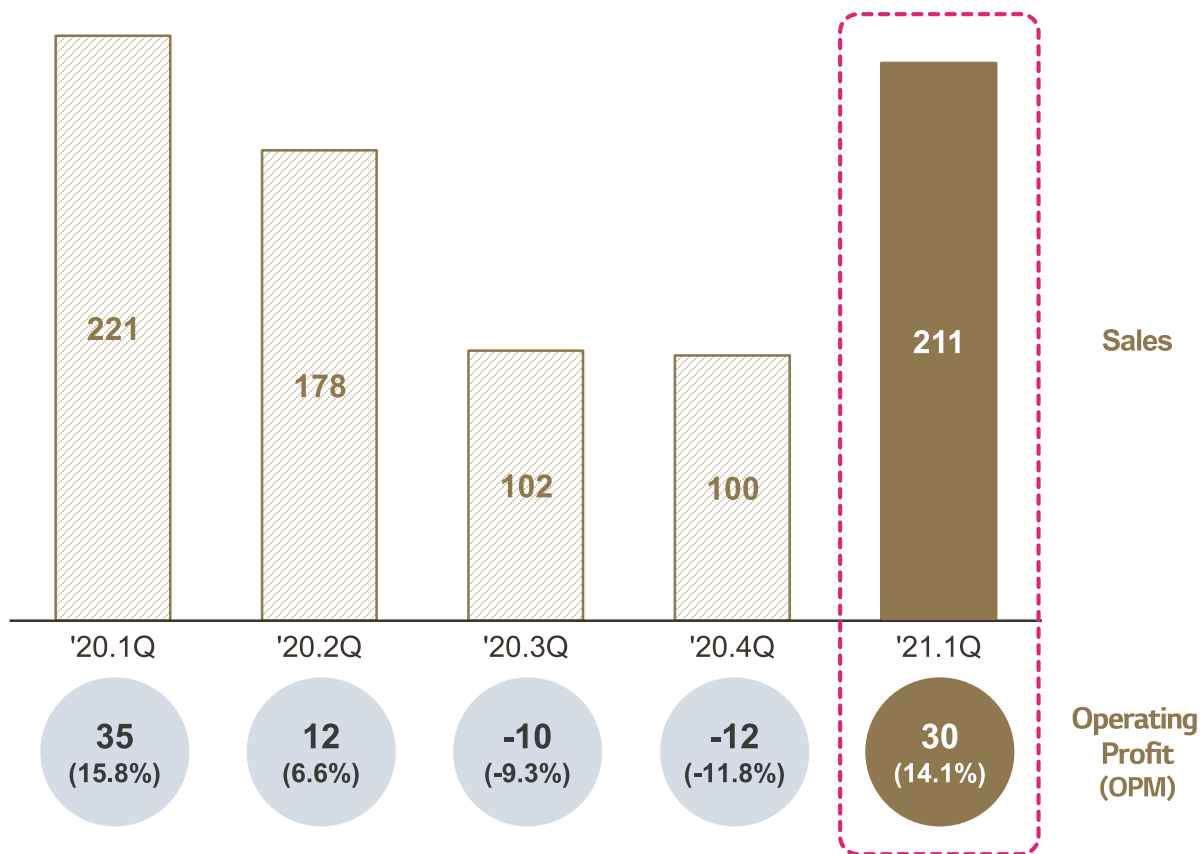
- Sales to grow from increased EV sales.
- Continue with efforts to increase profitability through stabilizing the new production line and cost savings.



Results & Outlook by Business

Farm Hannong

(Unit: KRW bn)



Results

- Slight decrease in profitability YoY due to higher raw material prices.



Outlook

- While the burden of higher raw material prices persists, sales and profitability to improve from increased sales of high-value-added specialty fertilizers.

Appendix

Sales & Operating Profits by Business

(Unit: KRW bn)

LG Chem	2019					2020					2021
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Sales	6,265	6,778	6,899	7,411	27,353	6,729	6,935	7,507	8,905	30,077	9,650
Operating profit (%)	263 4.2%	247 3.6%	349 5.1%	-33 -0.5%	825 3.0%	206 3.1%	572 8.2%	902 12.0%	119 1.3%	1,798 6.0%	1,408 14.6%
EBITDA (%)	670 10.7%	702 10.4%	830 12.0%	483 6.5%	2,684 9.8%	737 10.9%	1,130 16.3%	1,489 19.8%	755 8.5%	4,110 13.7%	2,039 21.1%
Petrochemicals	3,786	3,965	3,994	3,923	15,667	3,718	3,339	3,610	3,698	14,364	4,435
Operating profit (%)	402 10.6%	383 9.7%	318 8.0%	314 8.0%	1,417 9.0%	235 6.3%	431 12.9%	721 20.0%	569 15.4%	1,955 13.6%	984 22.2%
Advanced Materials	878	877	849	850	3,454	827	793	963	1,029	3,611	1,172
Operating profit (%)	10 1.2%	17 2.0%	15 1.8%	6 0.7%	49 1.4%	39 4.8%	40 5.0%	64 6.7%	43 4.2%	187 5.2%	88 7.5%
Life Sciences	144	154	166	164	628	159	160	172	170	661	162
Operating profit (%)	12 8.2%	11 7.1%	16 9.7%	-2 -1.0%	37 5.9%	24 14.7%	14 8.8%	9 4.9%	8 4.6%	54 8.1%	23 13.9%
Energy Solution	1,650	2,009	2,210	2,481	8,350	2,261	2,823	3,144	4,144	12,372	4,254
Operating profit (%)	-148 -9.0%	-128 -6.4%	71 3.2%	-250 -10.1%	-454 -5.4%	-52 -2.3%	156 5.5%	169 5.4%	-439 -10.6%	-167 -1.3%	341 8.0%
Farm Hannong	228	170	94	99	590	221	178	102	100	602	211
Operating profit (%)	38 16.8%	9 5.4%	-11 -11.9%	-15 -15.5%	21 3.5%	35 15.8%	12 6.6%	-10 -9.3%	-12 -11.8%	25 4.2%	30 14.1%

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

Appendix

Income Statements

(Unit: KRW bn)

LG Chem	2019					2020					2021
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Sales	6,265	6,778	6,899	7,411	27,353	6,729	6,935	7,507	8,905	30,077	9,650
Cost of Sales	5,130	5,674	5,701	6,163	22,667	5,620	5,422	5,711	7,012	23,764	7,193
Gross Profit (%)	1,135 18.1%	1,105 16.3%	1,198 17.4%	1,247 16.8%	4,686 17.1%	1,109 16.5%	1,513 21.8%	1,796 23.9%	1,893 21.3%	6,312 21.0%	2,457 25.5%
SG&A Expenses	872	858	849	1,281	3,860	904	942	894	1,775	4,514	1,049
Operating Profit (%)	263 4.2%	247 3.6%	349 5.1%	-33 -0.5%	825 3.0%	206 3.1%	572 8.2%	902 12.0%	119 1.3%	1,798 6.0%	1,408 14.6%
Other non-operating income(expenses)	-2	-60	-125	-64	-251	-48	-102	-194	-510	-855	19
Income before tax	261	187	223	-97	574	158	470	708	-392	944	1,427
Net Income	212	84	137	-57	376	36	419	570	-343	682	1,371
EPS (Unit:KRW)					4,085					6,666	16,776

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Appendix

Financial Position

(Unit: KRW bn)

LG Chem	2019				2020				2021
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Assets	31,212	32,436	33,531	34,024	37,121	38,576	40,019	41,389	44,692
Cash and Equivalents	3,122	2,667	2,085	1,921	2,797	3,367	3,554	3,882	5,260
A/R	4,616	4,738	4,575	3,738	4,663	4,908	5,393	5,298	6,082
Inventory	4,503	4,771	4,977	5,034	5,335	4,753	4,928	5,350	5,786
Fixed Assets	16,938	17,993	19,471	20,800	21,702	22,017	22,528	22,847	23,470
Liabilities	14,013	15,157	16,040	16,641	19,705	20,734	21,198	22,599	25,044
A/P	2,434	2,549	2,467	2,380	2,550	2,261	2,859	3,459	3,792
Short-term debts	1,630	1,432	1,744	1,356	2,431	2,860	2,509	1,549	1,775
Long-term debts	5,275	7,049	7,211	7,058	9,123	9,001	8,856	8,637	9,651
Equity	17,199	17,279	17,491	17,384	17,416	17,842	18,821	18,790	19,648
Liabilities / Equity (%)	81.5%	87.7%	91.7%	95.7%	113.1%	116.2%	112.6%	120.3%	127.5%
Net debt / Equity (%)	22.0%	33.6%	39.3%	37.4%	50.3%	47.6%	41.5%	33.5%	31.4%
BPS (Unit:KRW)	216,308	217,445	219,413	217,230	217,238	221,857	232,070	230,440	240,082

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Appendix

Cash Flows

(Unit: KRW bn)

LG Chem	2019					2020					2021
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Beginning Cash Balance	2,514	3,098	2,631	2,055	2,514	1,889	2,767	3,363	3,539	1,889	3,274
Operating Activities	644	246	395	1,839	3,124	-97	1,716	1,987	2,235	5,841	1,051
Operating Profit	263	247	349	-33	825	206	572	902	119	1,798	1,408
Depreciation	407	455	481	516	1,859	530	558	588	636	2,312	631
Working Capital	-181	-275	-124	693	113	-1,056	48	-62	272	-797	-885
Investing Activities	-1,527	-1,732	-1,360	-1,492	-6,111	-1,328	-1,144	-1,000	-1,824	-5,296	-38
Financing Activities	1,450	986	386	-525	2,298	2,283	44	-792	-596	938	688
Borrow/Repay	1,584	1,576	474	-540	3,093	3,139	308	-496	-1,179	1,772	1,240
Dividends	-	-484	-	-	-484	-	-154	-24	-	-178	-
Ending Cash Balance	3,098	2,631	2,055	1,889	1,889	2,767	3,363	3,539	3,274	3,274	5,043

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

Appendix

CAPEX & R&D Expenses

CAPEX

(Unit: KRW bn)

LG Chem	2019	2020	1Q 2021
Petrochemicals	1,773	1,831	398
Advanced Materials	416	224	45
Life Sciences	69	45	33
Energy Solution	3,580	2,745	522
Common (incl. Farm Hannong)	740	478	60
Total	6,578	5,322	1,057

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

R&D Expenses

(Unit: KRW bn)

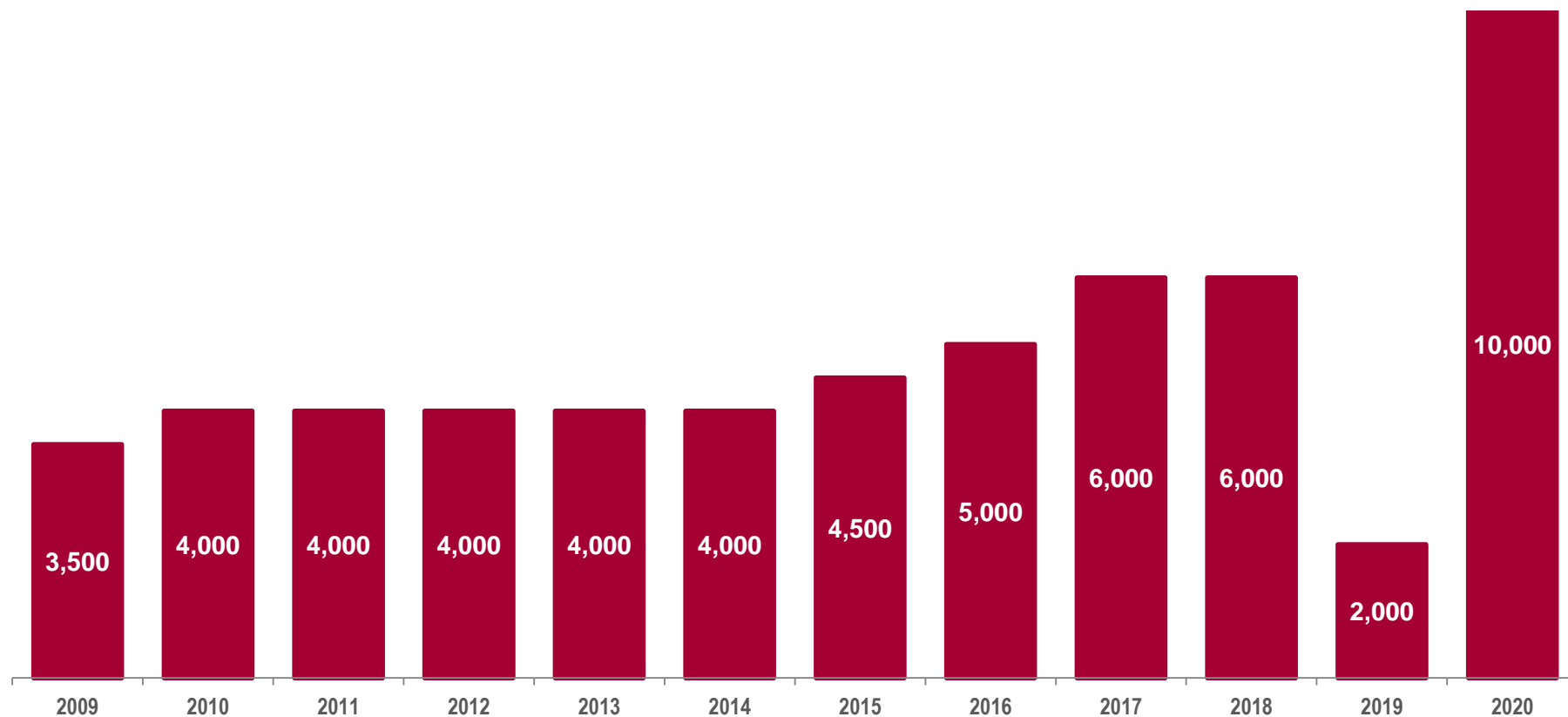
LG Chem	2019	2020	1Q 2021
Petrochemicals	155	167	38
Advanced Materials	192	160	35
Life Sciences	164	174	38
Energy Solution	388	423	130
Common (incl. Farm Hannong)	234	245	41
Total	1,132	1,169	281

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

Appendix

Dividend Per Share (DPS) Trend

(Unit: KRW / Common Share)



※ Dividend Policy : To enhance LG Chem's shareholder value, the company pursues 30% payout ratio or more based on the consolidated net income (excluding one-off non-recurring gain).

Thank you

