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# 3Q 2024 Earnings Release

WeConnectScience



# Contents

## **3Q 2024 Business Results** 3 - 4

---

## **Results & Outlook by Business** 5 - 9

---

## **Appendix** 10 - 17

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- Income Statements / Financial Position / Cash Flows
- CAPEX & R&D Expenses
- C&EN Global chemical firms Top 10
- Brand Finance Global chemical brands Top 10
- Petrochemical Divisions & Products
- Cathode Capa Plan



**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 2024 Business Results

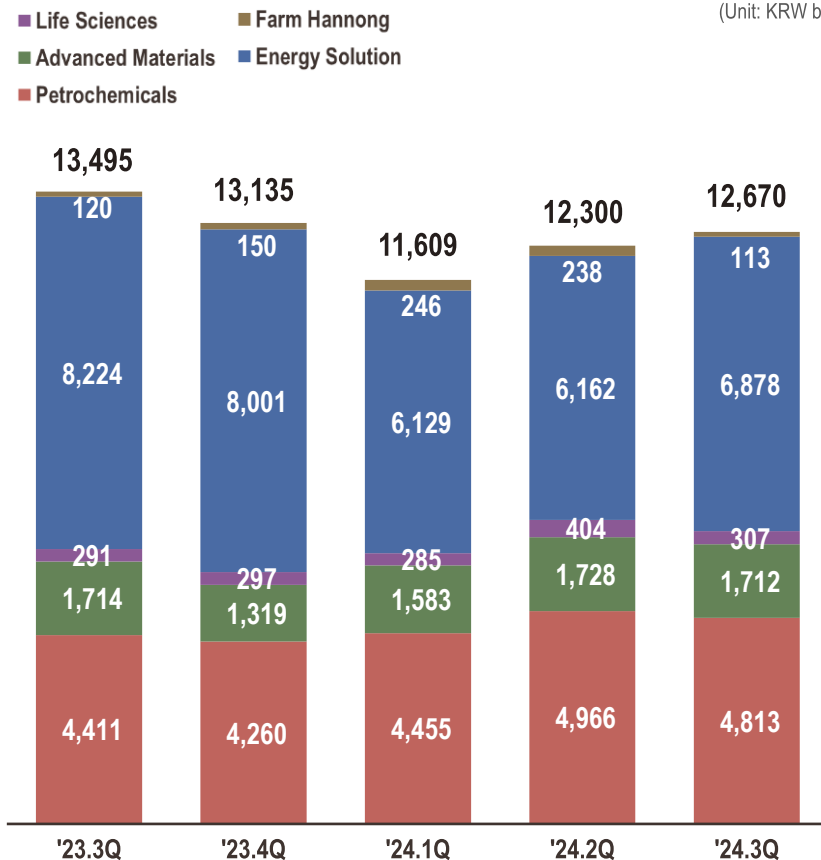
## Sales & Profits Trends (consolidated)

(Unit: KRW bn)

LG Chem	2023		2024		
	3Q	4Q	1Q	2Q	3Q
<b>Sales</b>	13,495	13,135	11,609	12,300	<b>12,670</b>
<b>Operating Profit (%)</b>	860 6.4%	247 1.9%	265 2.3%	406 3.3%	<b>498 3.9%</b>
<b>EBITDA (%)</b>	1,859 13.8%	1,306 9.9%	1,351 11.6%	1,562 12.7%	<b>1,649 13.0%</b>
<b>Pre-tax Income (%)</b>	576 4.3%	218 1.7%	323 2.8%	187 1.5%	<b>378 3.0%</b>
<b>Net Income (%)</b>	585 4.3%	129 1.0%	342 2.9%	60 0.5%	<b>1,013 8.0%</b>

### Sales trend by business

(Unit: KRW bn)



# 3Q 2024 Business Results

## Financial Position (consolidated)

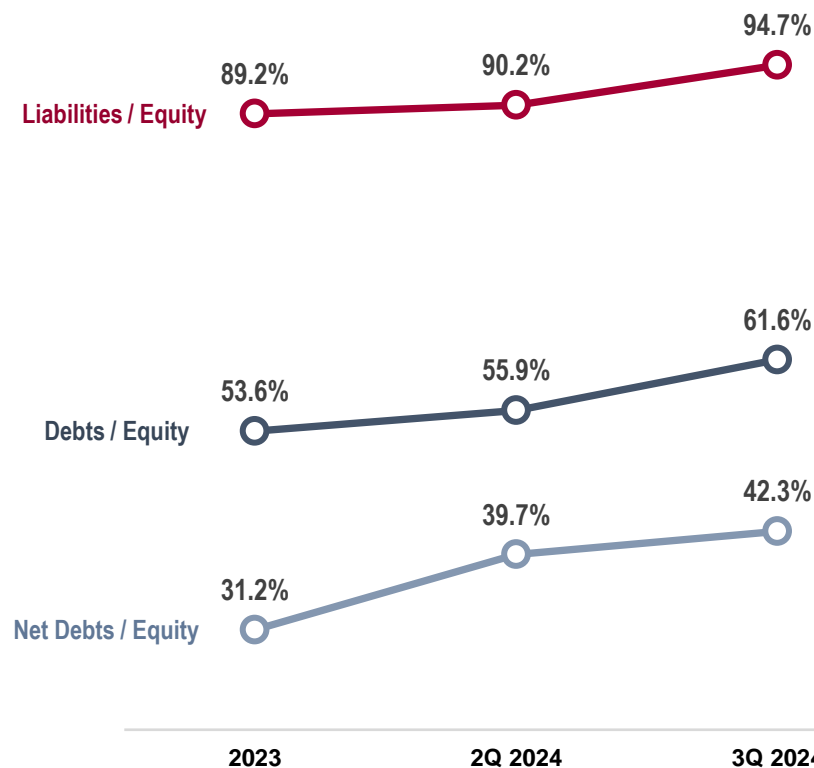
### Balance Sheet

(Unit: KRW tn)

LG Chem	2023	2Q 2024	3Q 2024
<b>Asset</b>	77.5	84.2	<b>88.8</b>
Cash and Equivalents	9.1	7.2	<b>8.8</b>
<b>Liabilities</b>	36.5	39.9	<b>43.2</b>
Debts	21.9	24.8	<b>28.1</b>
<b>Equity</b>	40.9	44.3	<b>45.6</b>

### Financial Ratios

(Unit: %)



# Results & Outlook by Business

● Petrochemicals

● Advanced Materials

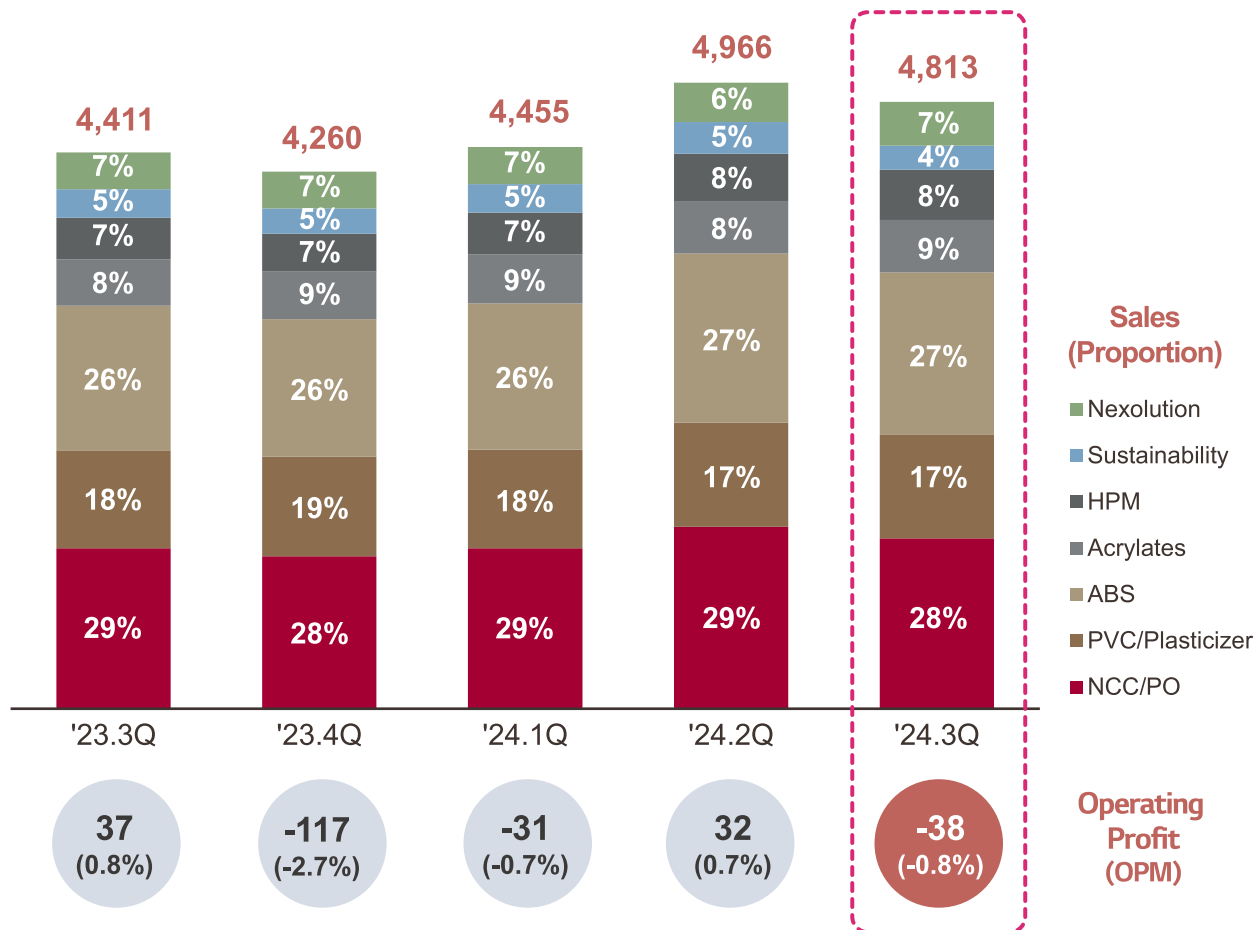
● Life Sciences

● Farm Hanning

● Energy Solution

## Petrochemicals

(Unit: KRW bn)



### Results

- Marginal deficit attributed to temporary rise in costs of raw materials & freight charges and weakening exchange rates.



### Outlook

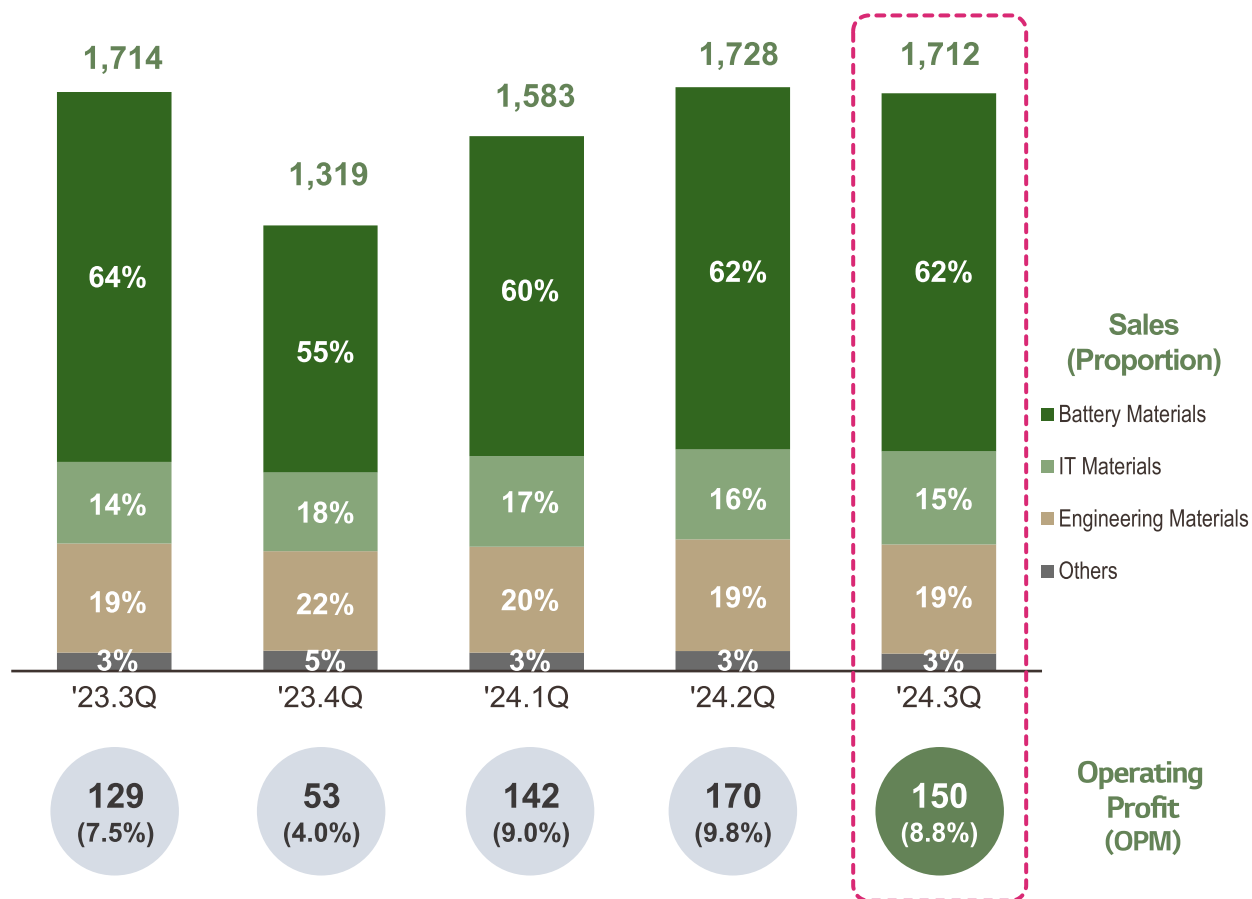
- Profitability is prospecting to gradually improve on the back of improved spread from falling raw material prices, increased utilization rate of new capacity, and expanded sales across Europe and American markets.



# Results & Outlook by Business

## Advanced Materials

(Unit: KRW bn)



### Results

- Battery material shipments and sales prices slightly decreased QoQ.
- Marginal QoQ decline in the overall profitability of advanced materials business due to the influence of exchange rates, etc.



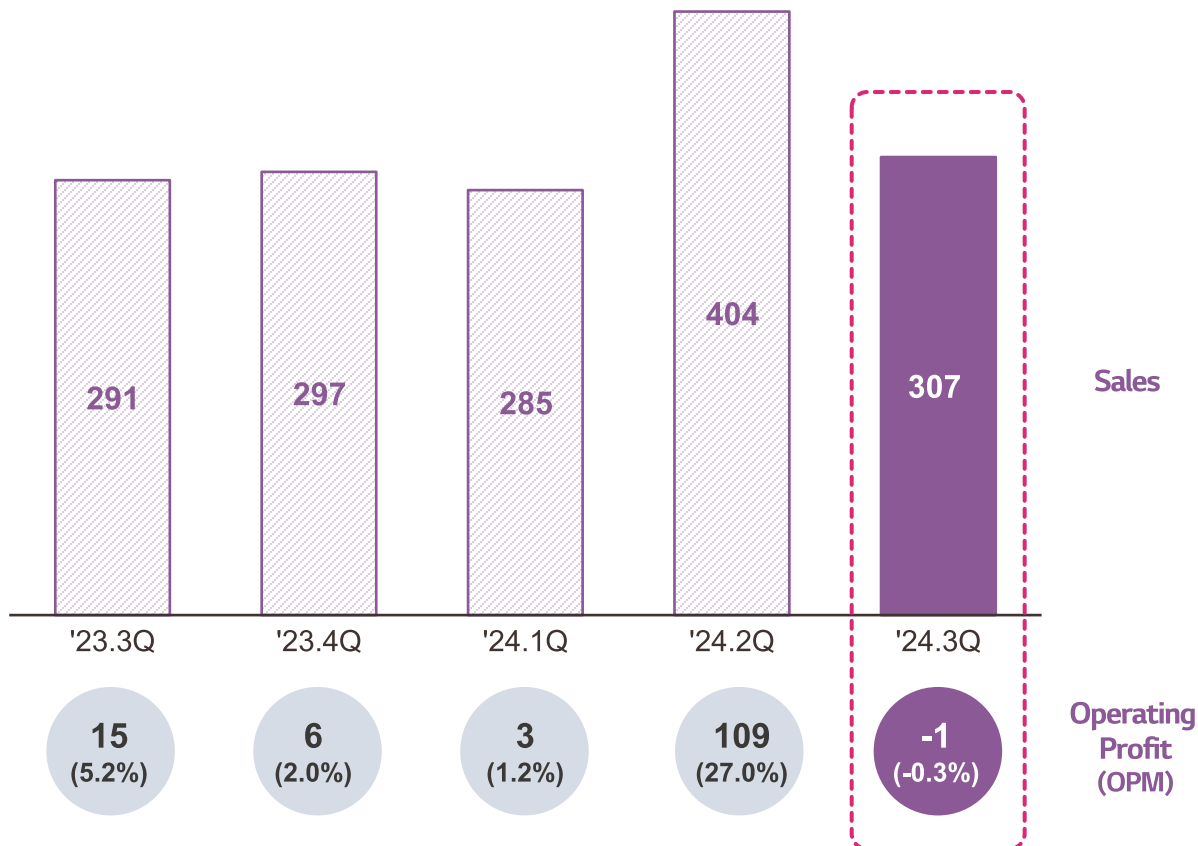
### Outlook

- Sales and profitability are expected to fall short in the upcoming quarter due to year-end inventory adjustments by front industries and seasonality effects.

# Results & Outlook by Business

## Life Sciences

(Unit: KRW bn)



### Results

- Decline in profitability due to increased R&D costs; however, sales of major products such as diabetes treatments, infertility treatments, and vaccines continued to grow.



### Outlook

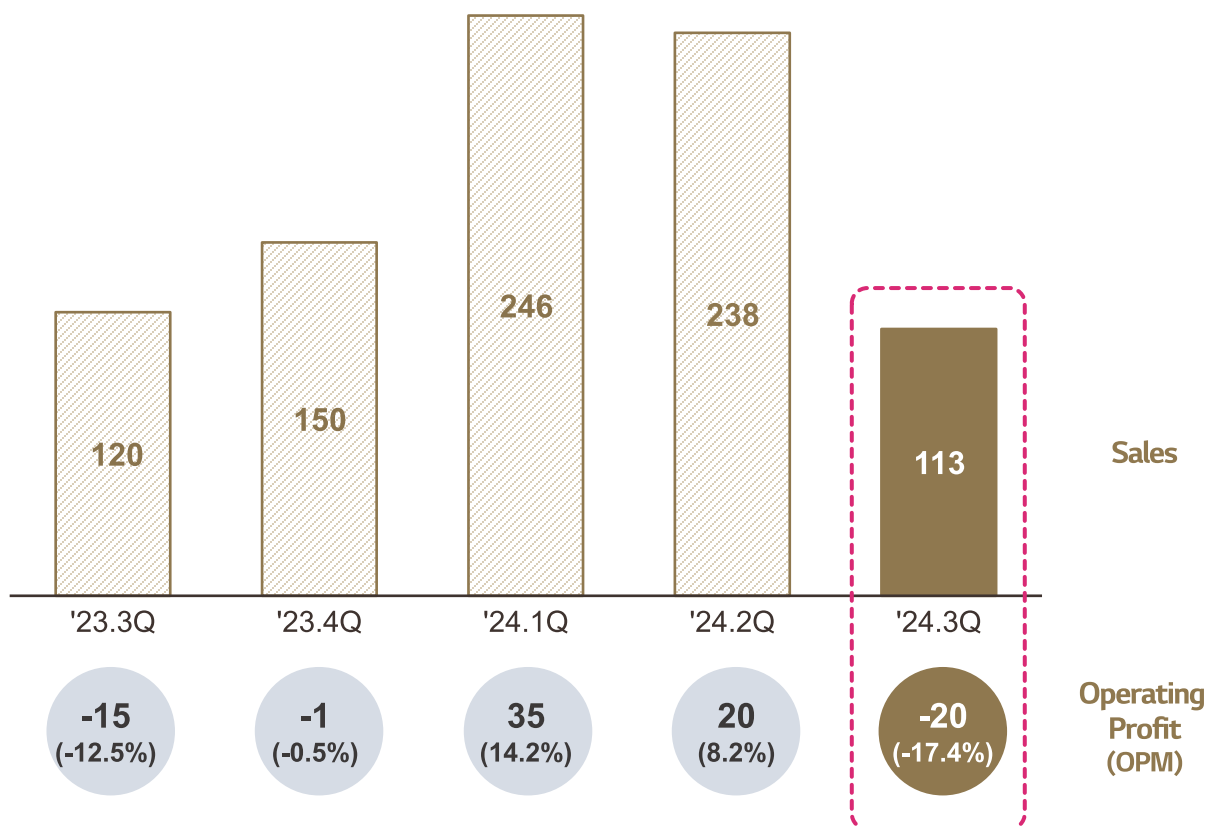
- Solid sales expected for major products, but impact of increased R&D costs due to global clinical trials continues.



# Results & Outlook by Business

## Farm Hannong

(Unit: KRW bn)



### Results

- Domestic sales of crop protection products grew marginally, however overall sales and profitability weakened YoY due to exit from the chemical fertilizer business.



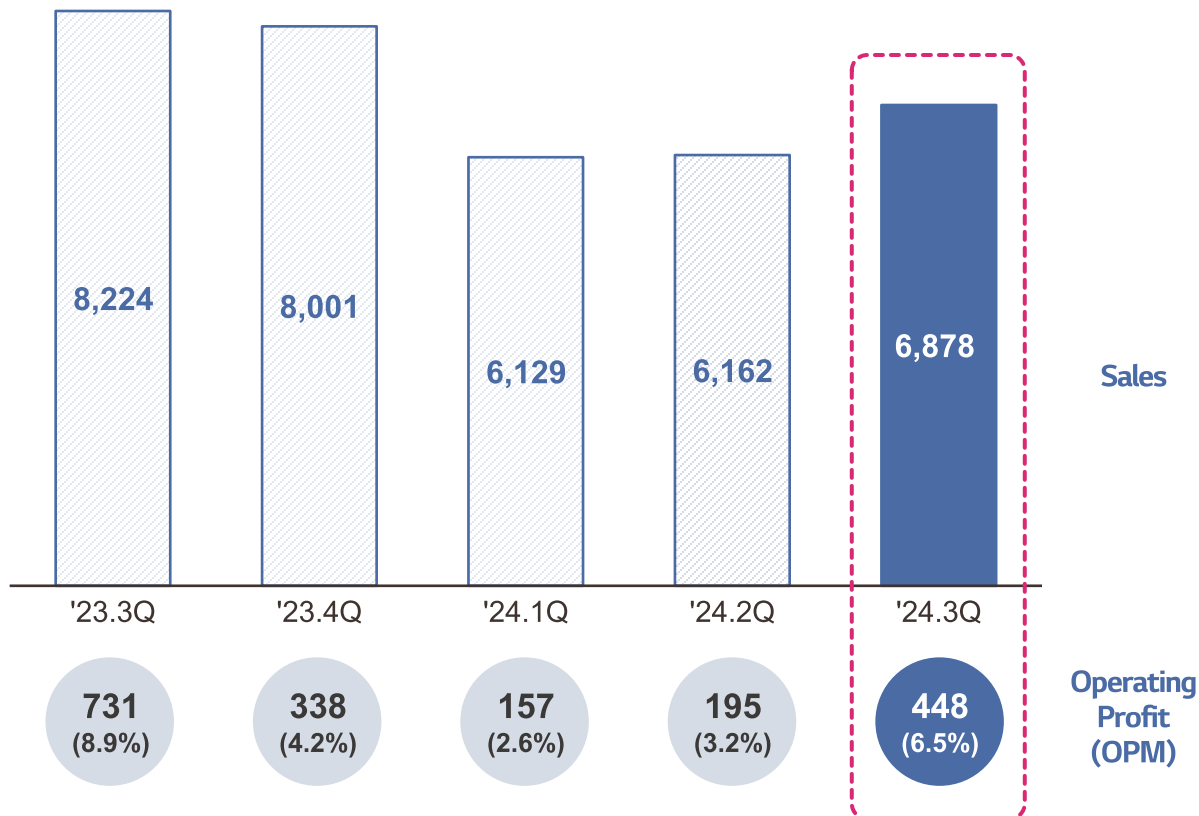
### Outlook

- Continue efforts to improve profit structure by expanding global crop protection sales and exiting from the chemical fertilizer business, etc.

# Results & Outlook by Business

## Energy Solution

(Unit: KRW bn)



### Results

- Increased sales due to expansion of European OEM supply volume, increased North American JV production and significant ESS growth.
- Improved profitability by increased operation rate due to volume expansion and stabilizing metal prices.



### Outlook

- Despite inventory adjustments by some customers and impact of falling metal prices, volume is projected to grow due to expansion of EV and ESS supply.



# Appendix

## Income Statements

(Unit: KRW bn)

LG Chem	2023					2024		
	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q
Sales	14,284	14,336	13,495	13,135	55,250	11,609	12,300	12,670
Cost of Sales	11,972	11,930	11,177	11,384	46,464	9,706	10,424	10,383
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%	2,288 18.1%
SG&A Expenses	1,609	1,899	1,673	1,753	6,934	1,828	1,918	2,255
Other non-operating income(*)	100	111	216	250	677	189	448	466
Operating Profit (%)	804 5.6%	618 4.3%	860 6.4%	247 1.9%	2,529 4.6%	265 2.3%	406 3.3%	498 3.9%
Other non-operating income(expenses)	120	162	-284	-30	-31	59	-219	-120
Income before tax	924	780	576	218	2,498	323	187	378
Net Income	669	671	585	129	2,053	342	60	1,013

※ 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	3Q
<b>Assets</b>	<b>70,896</b>	<b>72,501</b>	<b>77,500</b>	<b>77,467</b>	<b>82,116</b>	<b>84,188</b>	<b>88,795</b>
Cash and Equivalents	6,810	6,871	8,883	9,142	9,294	7,170	8,834
A/R	8,604	8,657	8,924	8,083	8,152	8,857	8,659
Inventory	11,970	11,145	10,608	9,375	9,666	9,760	9,482
Tangible / Intangible Assets	35,186	37,465	40,016	42,643	45,643	49,128	52,061
<b>Liabilities</b>	<b>32,492</b>	<b>32,893</b>	<b>36,135</b>	<b>36,529</b>	<b>38,937</b>	<b>39,924</b>	<b>43,178</b>
A/P	5,535	4,887	5,012	4,118	4,195	4,266	3,710
Short-term debts	5,025	5,267	4,590	7,078	7,789	8,259	9,137
Long-term debts	12,849	13,968	17,318	14,850	16,894	16,492	18,976
<b>Equity</b>	<b>38,404</b>	<b>39,608</b>	<b>41,365</b>	<b>40,938</b>	<b>43,179</b>	<b>44,264</b>	<b>45,617</b>
Liabilities / Equity (%)	84.6%	83.0%	87.4%	89.2%	90.2%	90.2%	94.7%
Net debt / Equity (%)	28.8%	31.2%	31.5%	31.2%	35.6%	39.7%	42.3%

※ 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	3Q
Beginning Cash Balance	8,512	6,810	6,871	8,883	8,512	9,142	9,294	7,170
Operating Activities	503	1,971	1,656	2,634	6,764	454	1,490	842
Operating Profit	804	618	860	247	2,529	265	406	498
Depreciation	922	977	999	1,059	3,957	1,086	1,156	1,151
Working Capital	-465	125	280	1,294	1,234	-283	-762	-46
Investing Activities	-4,068	-2,750	-3,046	-3,315	-13,179	-4,009	-3,278	-3,202
Financing Activities	1,768	888	3,219	1,108	6,983	3,507	-447	4,154
Borrow / Repay	1,909	1,362	2,672	20	5,964	2,755	68	3,361
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	8,834

※ 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	3Q 2024	3Q 2024 (Cumulative)
Petrochemicals	1,464	160	658
Advanced Materials	690	265	534
Life Sciences	770*	13	28
Common (incl. Farm Hannong)	487	53	175
Total	3,411	492	1,395

\* Included the amount of AVEO acquisition

### R&D Expenses

(Unit: KRW bn)









LG Chem	2023	3Q 2024	3Q 2024 (Cumulative)
Petrochemicals	232	61	182
Advanced Materials	243	64	180
Life Sciences	375	108	332
Common (incl. Farm Hannong)	194	48	142
Total	1,044	281	835

# Appendix

## C&EN Global chemical firms Top 10

**LG Chem leaps forward as a Global Top Player, 1<sup>st</sup> among Korean companies to break into Top 4**

- Emphasis on the importance of growth in the battery material business and sustainability businesses such as HVO, 3HP, Bio-PA (bio-nylon) etc.











Rank	Up/Down	Company	'23 Sales(\$Bn)
1	-	 <b>BASF</b> We create chemistry	74.5
2	-		58.1
3	-		44.6
4	▲3	 <b>LG Chem</b>	42.3
5	▲3		40.9
6	▼1	<b>ExxonMobil</b>	40.7
7	▼3		37.7
8	▲1	<b>lyondellbasell</b>	31.9
9	▲1	 <b>Formosa Plastics</b>	31.1
10	▲2		30.7

※ Source: C&EN (Chemical Engineering News) July 19, 2024

# Appendix

## Brand Finance Global Chemical brands Top 10

LG Chem's brand value is “KRW 5.8 trillion”, ranked among the top 2 strongest chemical brands globally.

Rank	Up/Down	Company	Brand Index
1	-	 DUPONT	84.5
2	-	 <b>LG Chem</b>	84.4
3	▲3	 سابك sabic	80.8
4	▼1	 <b>BASF</b> We create chemistry	80.7
5	-	 Linde	79.1
6	New	 Givaudan	78.9
7	New	 Air Liquide	78.4
8	▲2	 <b>DOW</b>	75.1
9	New	 <b>DSM</b>	74.9
10	▼2	 <b>Shin-Etsu</b>	74.2

※ Source: Brand Finance Chemicals 50 2024



# Appendix

## Petrochemical Divisions & Products (Capa)

as of 3Q 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**  
(1,120)

**Plasticizers**  
(175)

**Alcohol**  
(300)

**PC**  
(170)

**Caustic Soda**  
(1,020)



**ABS / SAN**  
(2,345)

**PS / EPS**  
(40 / 90)



**Acrylic Acid**  
(650)

**IPA**  
(265)

**NPG**  
(175)



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

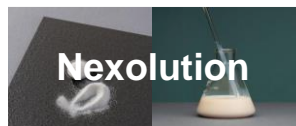
**Specialty Polymers (SBL/SBS/MBS)**  
(310)



**POE**  
(380)

**CNT**  
(2.9)

**PBAT**  
(50)



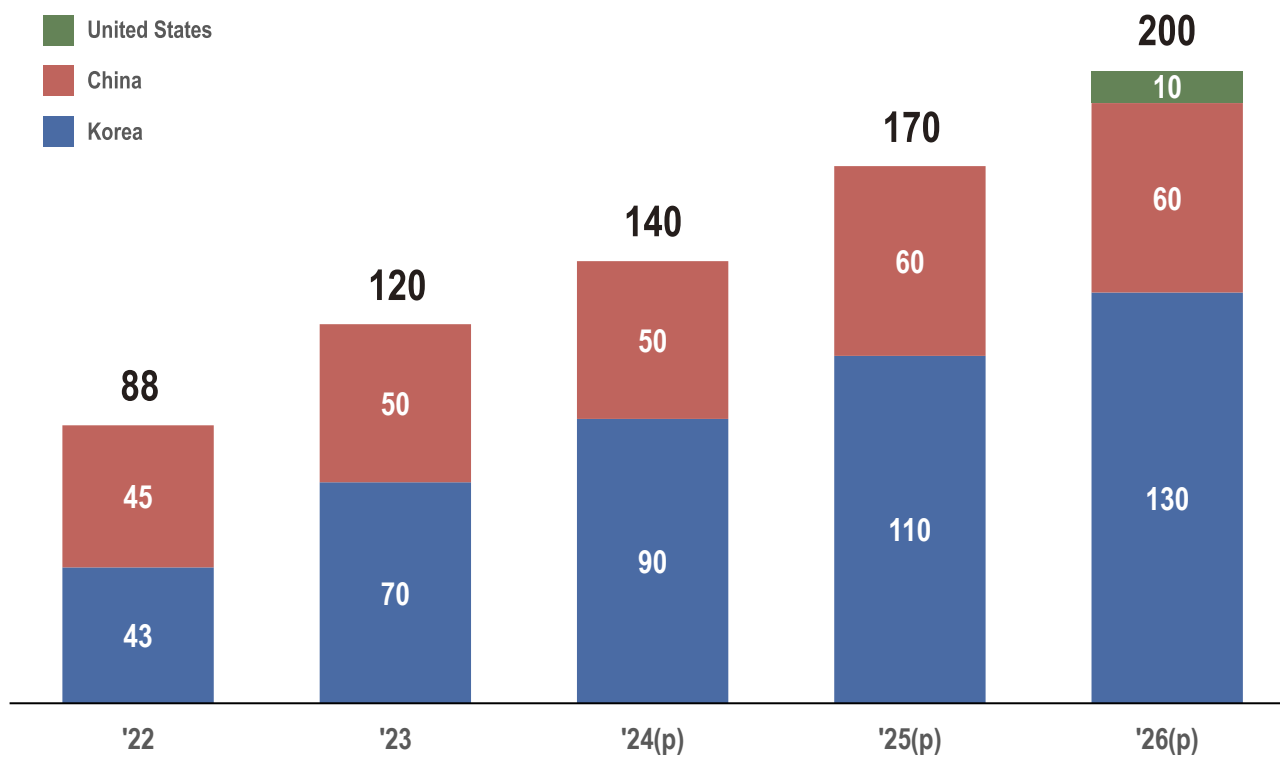
**SAP**  
(500)

**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

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LG Twin Tower, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 07336, Korea  
Tel. 02-3773-1114 / [www.lgchem.com](http://www.lgchem.com)

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