

4Q 2024 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 the contents **may be altered in the course of audit.**

The financial information included in this material has been prepared on a **consolidated basis** in accordance with Korea International Financial Reporting Standards (K-IFRS).

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.

4Q 2024 Business Results

Sales & Profits Trends (consolidated)

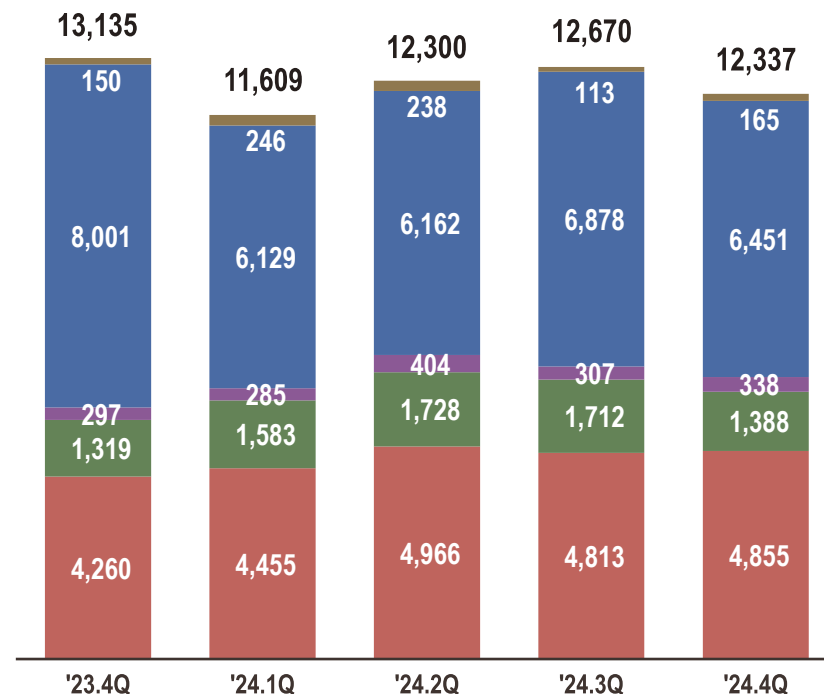
(Unit: KRW bn)

LG Chem	2023	2024			
	4Q	1Q	2Q	3Q	4Q
Sales	13,135	11,609	12,300	12,670	12,337
Operating Profit (%)	247 1.9%	265 2.3%	406 3.3%	498 3.9%	-252 -2.0%
EBITDA (%)	1,306 9.9%	1,351 11.6%	1,562 12.7%	1,649 13.0%	1,027 8.3%
Pre-tax Income (%)	218 1.7%	323 2.8%	187 1.5%	378 3.0%	-1,157 -9.4%
Net Income (%)	129 1.0%	342 2.9%	60 0.5%	1,013 8.0%	-899 -7.3%

Sales trend by business

Life Sciences Farm Hannong
 Advanced Materials Energy Solution
 Petrochemicals

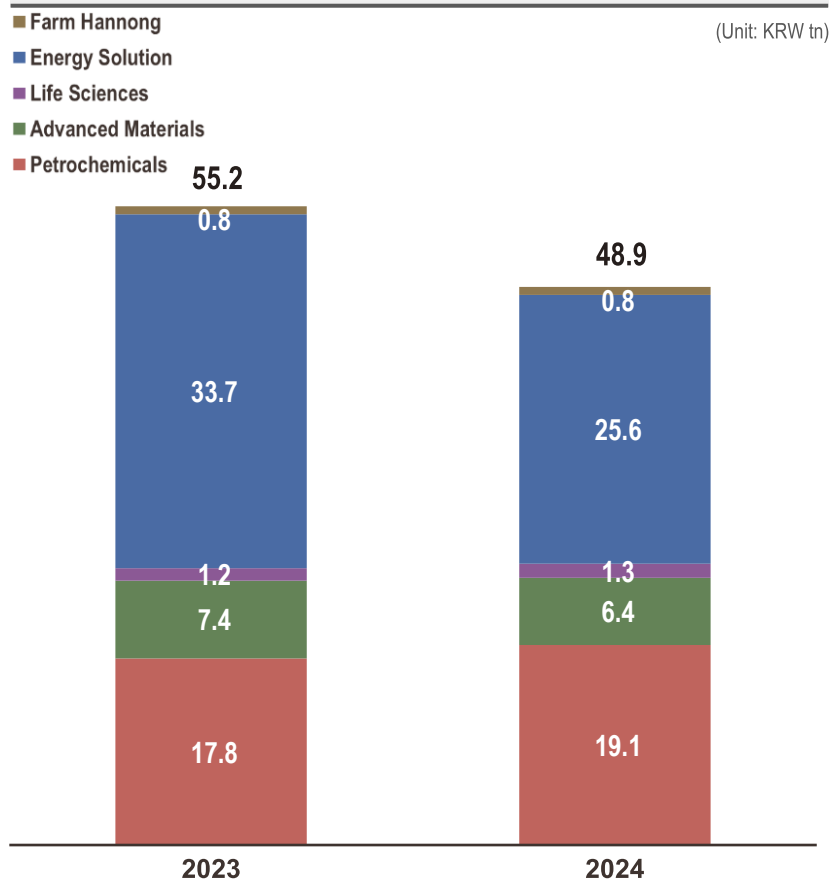
(Unit: KRW bn)



Full-Year 2024 Business Results

Sales & Profits Trends (consolidated)

Annual Sales Trend



(Unit: KRW bn)

LG Chem	2023	2024
Operating Profit (%)	2,529 4.6%	917 1.9%
Petrochemicals	-143 -0.8%	-136 -0.7%
Advanced Materials	585 7.9%	510 8.0%
Life Sciences	29 2.4%	110 8.3%
Energy Solution	2,163 6.4%	575 2.2%
Farm Hannong	46 5.9%	44 5.8%
EBITDA (%)	6,486 11.7%	5,589 11.4%

Full-Year 2024 Business Results

Financial Position (consolidated)

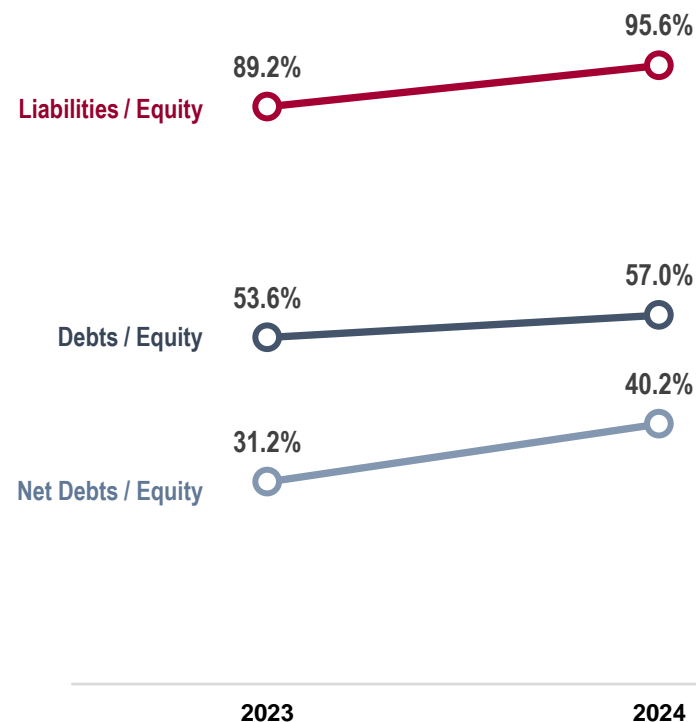
Balance Sheet

(Unit: KRW tn)

LG Chem	2023	2024
Asset	77.5	93.9
Cash and cash equivalents	9.1	8.1
Liabilities	36.5	45.9
Debts	21.9	27.4
Equity	40.9	48.0

Financial Ratios

(Unit: %)



Results & Outlook by Business

● Petrochemicals

● Advanced Materials

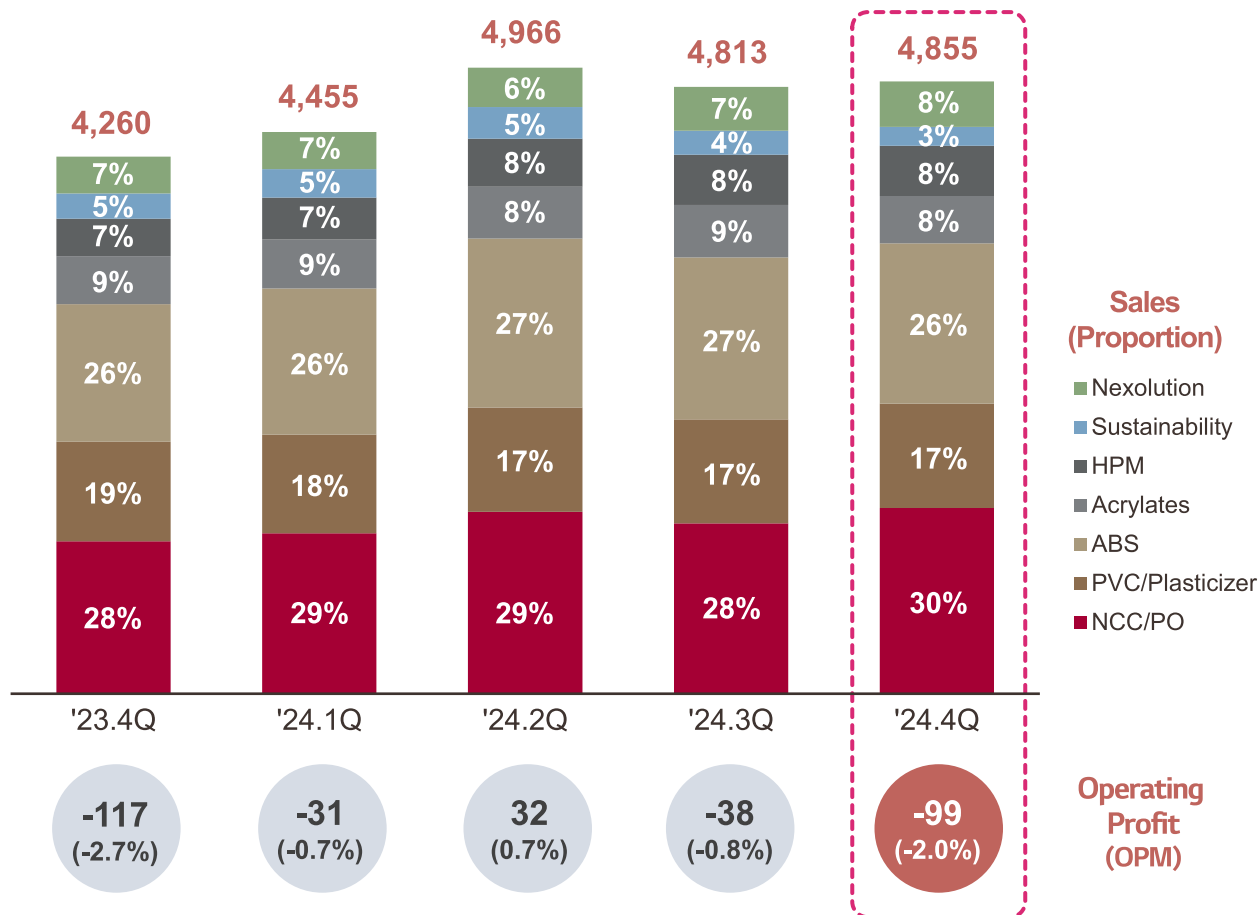
● Life Sciences

● Farm Hanning

● Energy Solution

Petrochemicals

(Unit: KRW bn)



Results

- Chinese economic recovery remains sluggish, worsening spread of some products due to rising domestic electricity costs & the impact of regular maintenance, resulting in a deficit



Outlook

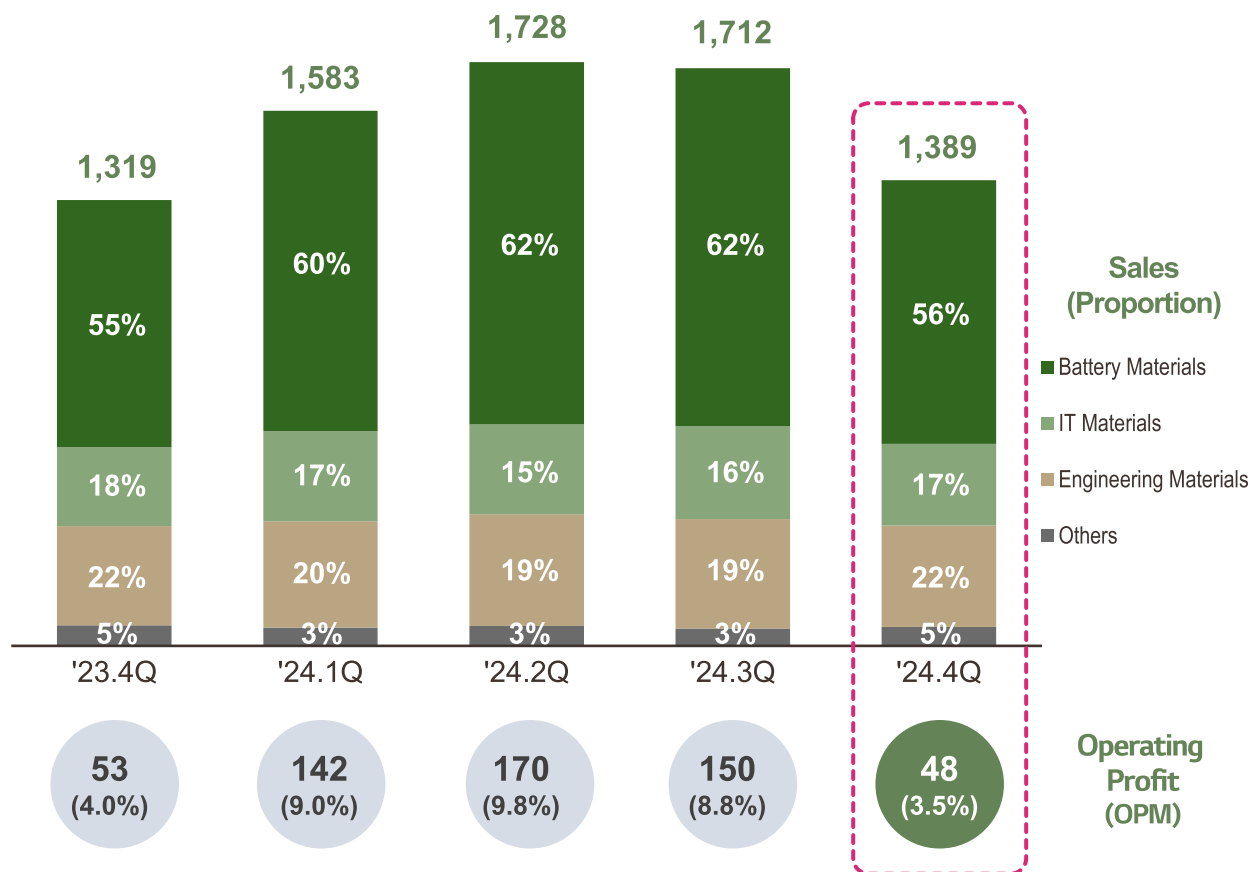
- Market conditions remain consistent with the previous quarter, with expected improvements in profitability due to lower raw material costs, reduced freight charges, and a stronger exchange rate



Results & Outlook by Business

Advanced Materials

(Unit: KRW bn)



Results

- Decline in sales/profitability due to year-end inventory adjustments by battery material customers and falling sales prices.
- Despite sales decline during the off-season, IT/Engineering materials continue to sustain solid profitability



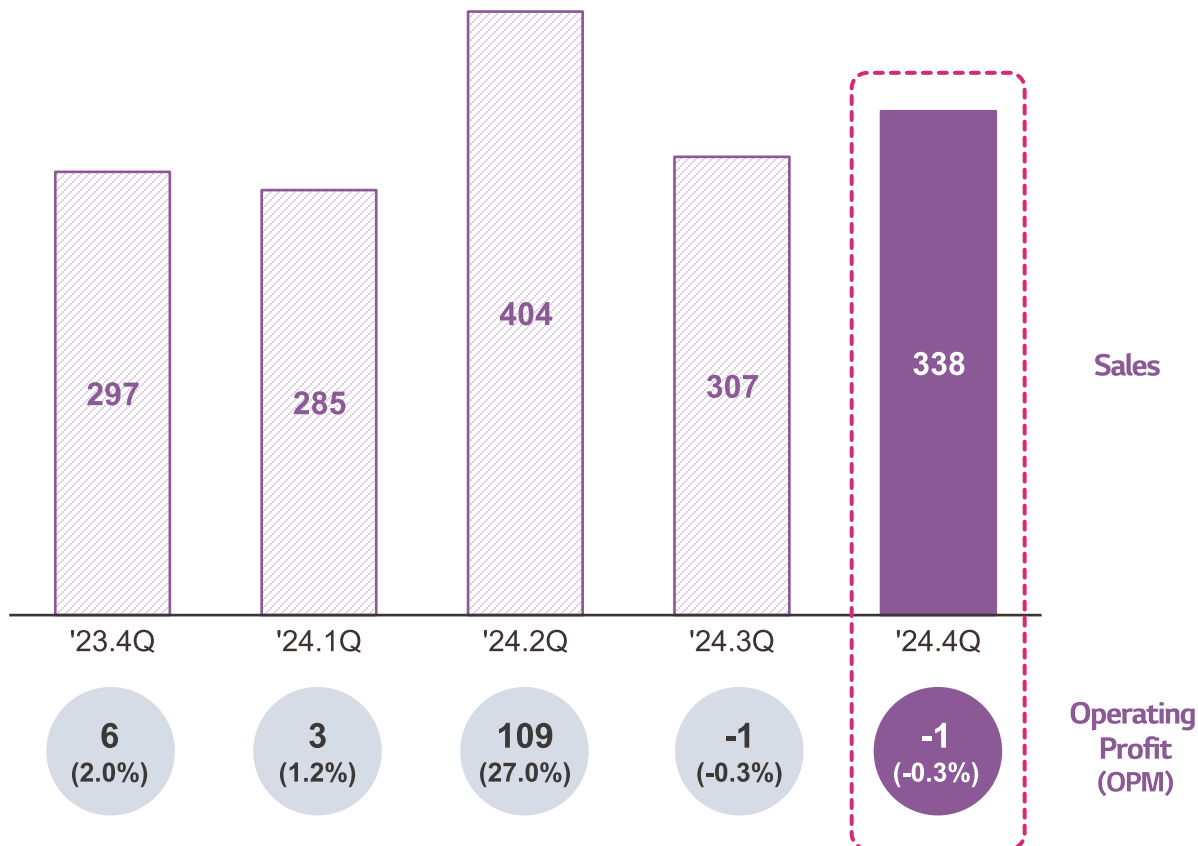
Outlook

- Changes in global (US) EV support policies are expected to reduce the short-term demand for battery materials, but profitability is expected to improve QoQ due to reduced negative metal lagging effects.

Results & Outlook by Business

Life Sciences

(Unit: KRW bn)



Results

- Sales of major products such as diabetes treatments, autoimmune disease treatments, and vaccines continue to increase, but a marginal deficit attributed to unfavorable product mix and increased marketing costs was recorded



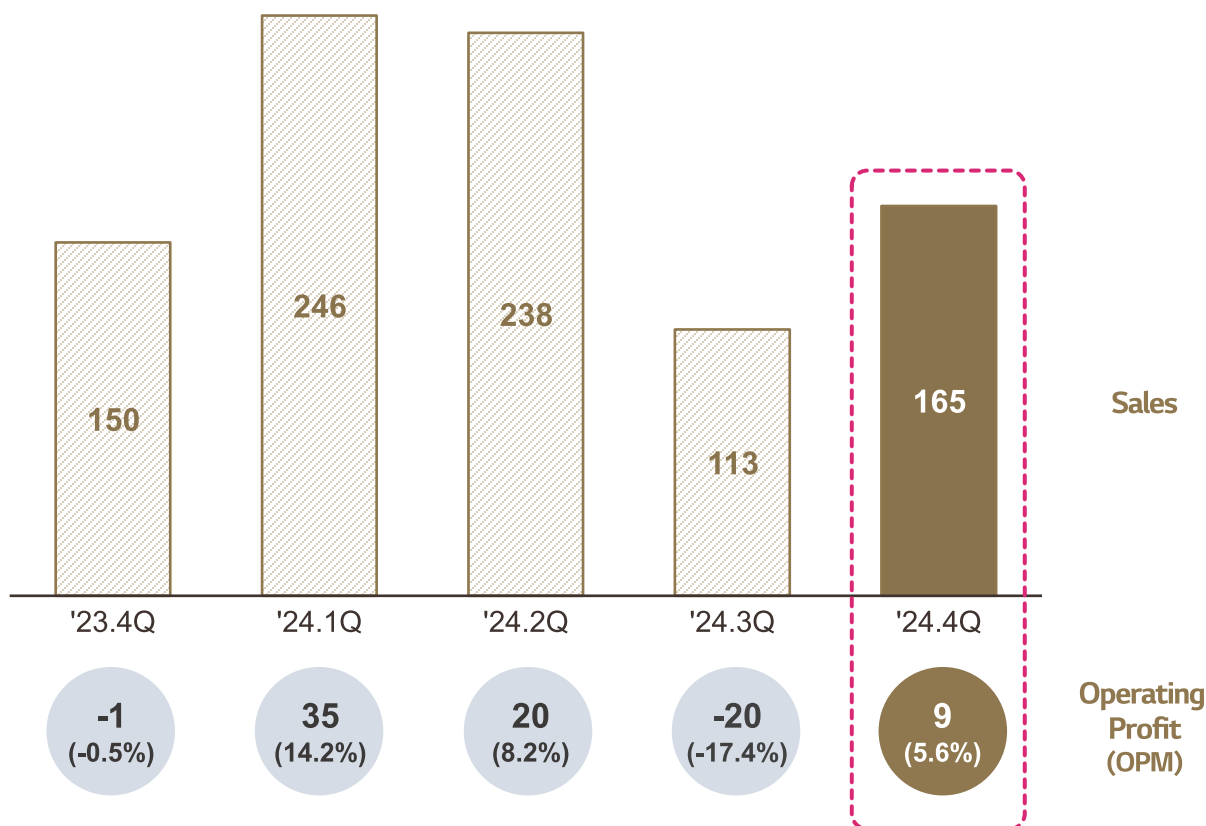
Outlook

- Maintain solid sales of major products and continue investing in R&D, including global clinical trials

Results & Outlook by Business

Farm Hannong

(Unit: KRW bn)



Results

- Increased YoY sales and profitability by expanding domestic and overseas sales of crop protection products



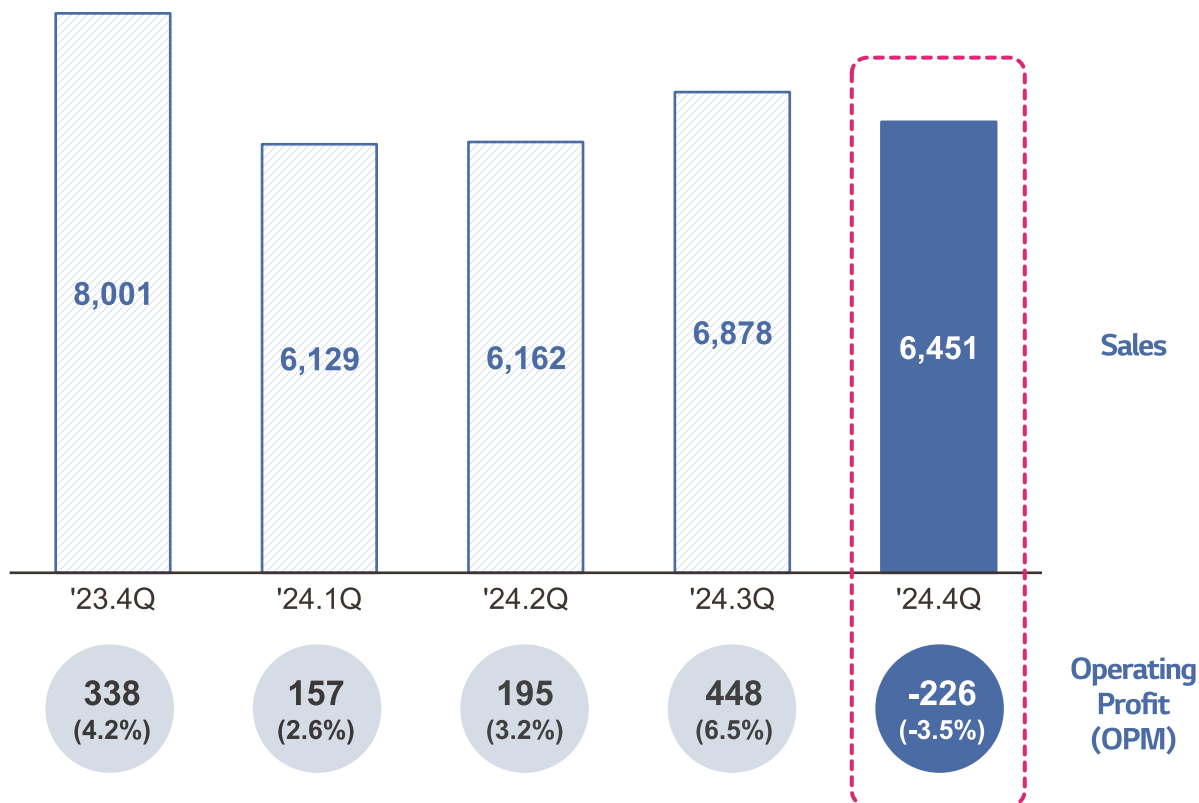
Outlook

- Despite the withdrawal from the chemical fertilizer business, continue efforts to improve sales and profitability by expanding global sales of high-profit crop protection products

Results & Outlook by Business

Energy Solution

(Unit: KRW bn)



Results

- Sales decreased due to year-end inventory adjustments by North American customers, delay in some ESS PJTs, and decline in metal prices
- Weak EV demand, unfavorable product mix, and one-time costs from year-end obsolete inventory clearance contributed to a shift into deficit



Outlook

- While short-term demand growth may slow due to increased volatility in major countries' green policies, the U.S. protectionist stance is expected to enhance early-mover advantage in the local battery market



2024 Performance Review

- **Business structure advancement through bold restructuring of low-growth/profit commodity products**

- Advanced materials - Sale of polarizer/films business,
- Petrochemicals - Rationalization of small-scale non-core/ intermediate raw materials/ aging lines (Yeosu PVC, EG, SM, etc.)

- **3C Strategy based execution enhancement for high-profit business structure reformation**

Expand high-value products in IT materials, EP, ABS, HPM, and Acrylates, with YoY profitability improvements across businesses and secure global supplier status for vaccines

- **Differentiated performance through selective capital investment focused on the 3 future growth drivers**

Sustainability

Establishment of HVO JV for biofuels and construction of a demo plant for supercritical pyrolysis *CR technology

Battery Materials

Customer diversification with new contracts, mass production of cathode materials in Gumi JV, and continued on-track investment in North America

New Drugs

Advancing oncology portfolio with launching Phase 3 trials for head and neck cancer, and progressing Phase 1 trials for immuno-oncology/cancer cachexia treatments

- **Strengthening core business capabilities with intensive Cost reduction, Commercial Excellence, and improved working capital management**

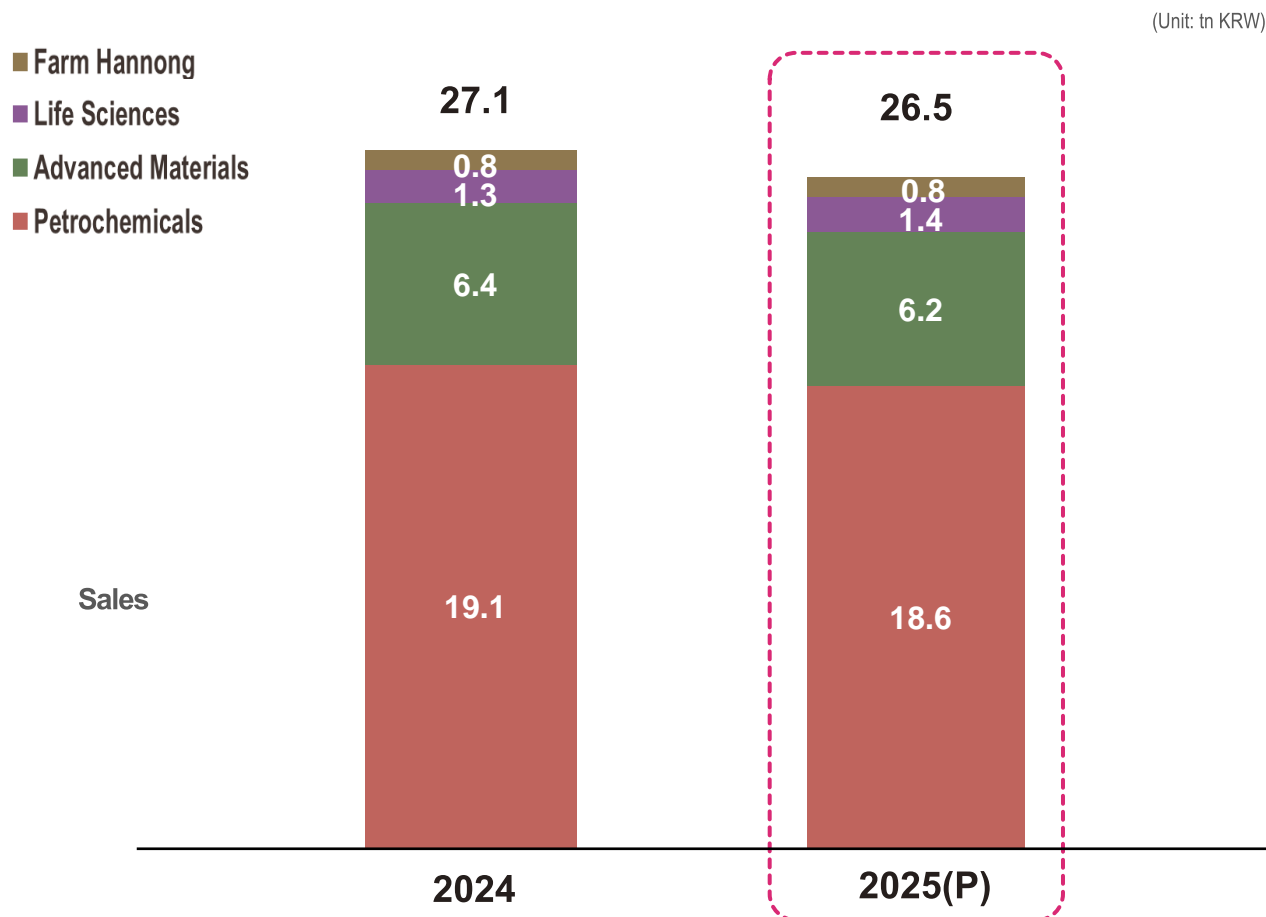
* Chemical Recycling

Key Activities For 2025

- Continued **enhancement of business structure** through proactive portfolio 'In/Out' strategies
- Strengthening structural competitiveness on a foundation of **quality enhancement for the 3 future growth drivers.**
- **Accelerating the transition to performance-based R&D** to dominate future technologies
- **Refinement of investment priorities** for optimal resource allocation and improvement of financial soundness
- Strengthening customer-centric Commercial Excellence and **maintaining profitability differentiation** based on cost and product competitiveness within the industry

2025 Business Plan

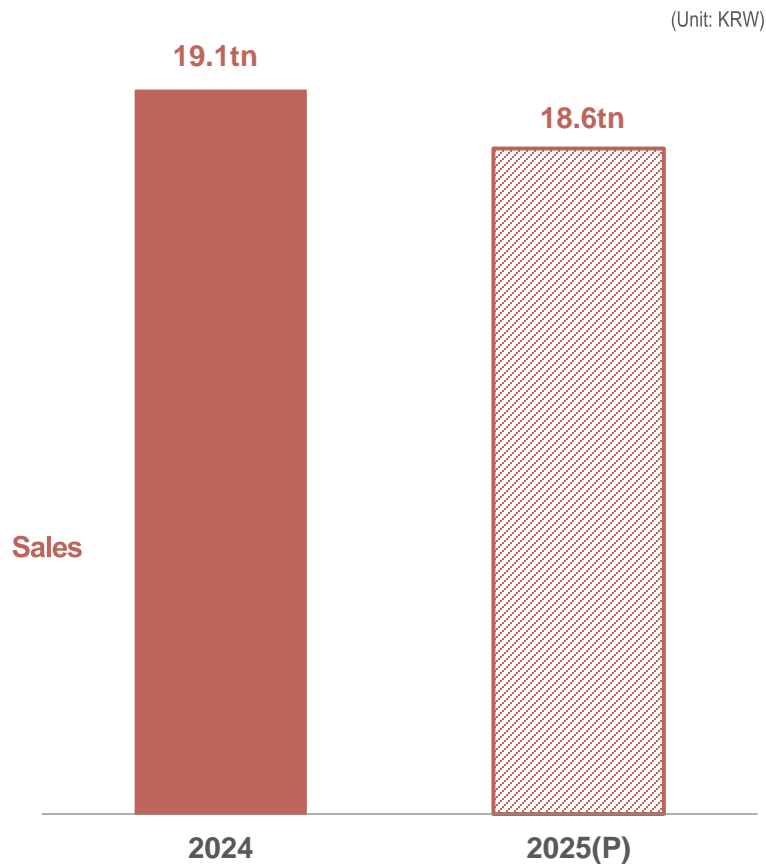
Business Target (excl. Energy Solution)



※ The projected amount of the business target is based on our business plan, and may differ from the actual amount due to changes in the business environment and strategy revision.
The difference between the company's sales target and the sum of sales target by business division is due to intra-company transactions and common sales.

Business Review/Outlook

Petrochemicals



※ The projected amount of the business target is based on our business plan, and may differ from the actual amount due to changes in the business environment and strategy modifications.



2024 Review

- Market conditions continued to deteriorate due to supply surplus in Northeast Asia and global economic slowdown
- Profitability of major products declined due to rising costs of crude oil, raw materials, and transportation expenses amid geopolitical tensions
- Stable profitability maintained in high-value products such as semiconductor IPA, automotive ABS, and tire SSBR

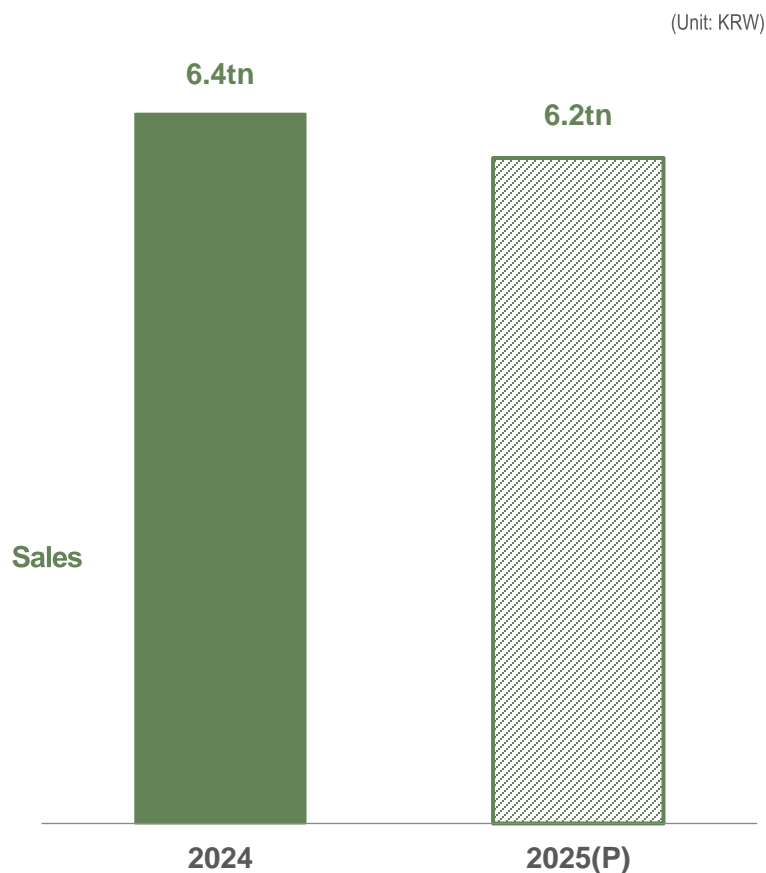


2025 Business Outlook / Strategic Direction

- Modest improvement in profitability expected as raw material and transportation cost pressures ease, and favorable exchange rates are anticipated, though global demand uncertainty persists
- ❶ Structural restructuring in commodity business and strengthening of cost competitiveness
- ❷ Shift toward a business portfolio focused on high-value applications
- ❸ Sustainability driven as a conservative strategy for future readiness through selective focus.

Business Review/Outlook

Advanced Materials



※ The projected amount of the business target is based on our business plan, and may differ from the actual amount due to changes in the business environment and strategy modifications.



2024 Review

- Major growth in shipments of cathode materials, primarily to North American clients, was offset by a decline in metal prices, resulting in lower overall revenue
- Stable profitability maintained through increased sales of high-value, differentiated products in Engineering/ IT materials

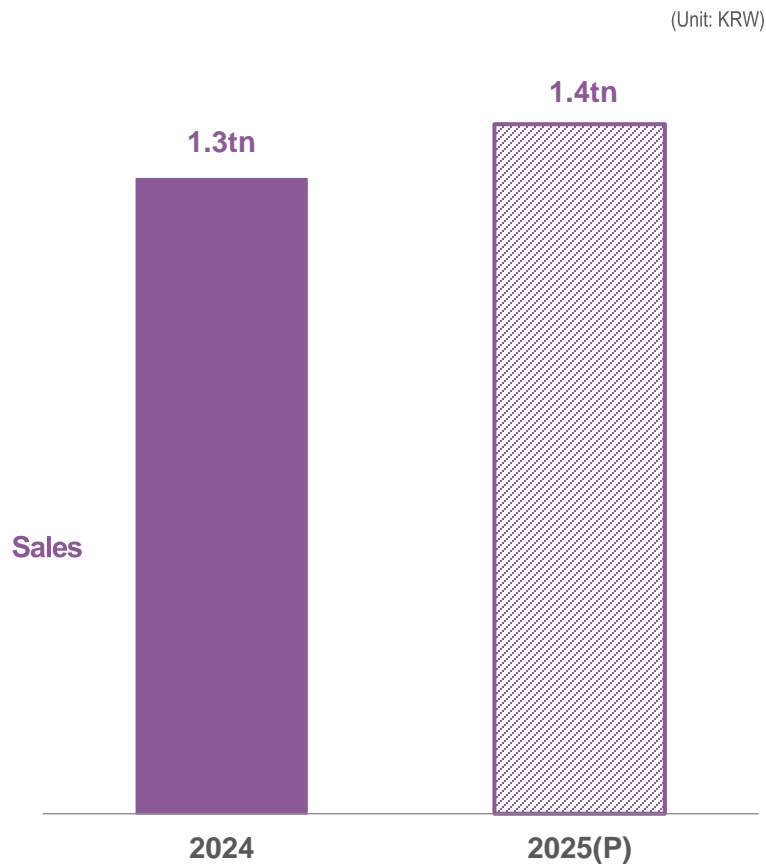


2025 Business Outlook / Strategic Direction

- Limited revenue growth due to slowing demand in EV, semiconductors, and displays markets, global policy uncertainties, and falling metal prices, but maintaining stable profitability through a diverse portfolio
- Optimizing cathode material production and SCM operations, while accelerating new product development, is expected to drive efforts to diversify our customer base

Business Review/Outlook

Life Sciences



※ The projected amount of the business target is based on our business plan, and may differ from the actual amount due to changes in the business environment and strategy modifications.



2024 Review

- Enhanced market leadership of key products such as Zemiglo, Eutropin, and Eucept led to sustained stable revenue
- Revenue growth and improved profitability were achieved through out-licensing the world's first oral treatment for rare obesity
- Continued investment in R&D for timely development of global new drug projects, including major clinical trial entries



2025 Business Outlook / Strategic Direction

- Projected stable revenue growth through strengthening market dominance of key products and expanding overseas sales share
- Focus on fostering innovative platforms to enhance anticancer competitiveness and expand the new drug portfolio
- Acceleration of follow-up new drug launches by timely management of anticancer clinical projects

Appendix

Income Statements

(Unit: KRW bn)

LG Chem	2023					2024				
	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year
Sales	14,284	14,336	13,495	13,135	55,250	11,609	12,300	12,670	12,337	48,916
Cost of Sales	11,972	11,930	11,177	11,384	46,464	9,706	10,424	10,383	10,868	41,380
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%	1,469 11.9%	7,536 15.4%
SG&A Expenses	1,609	1,899	1,673	1,753	6,934	1,828	1,918	2,255	2,098	8,100
Other operating income(*)	100	111	216	250	677	189	448	466	377	1,480
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%	-252 -2.0%	917 1.9%
Other non-operating income(expenses)	120	162	-284	-30	-31	59	-219	-120	-905	-1,185
Income before tax	924	780	576	218	2,498	323	187	378	-1,157	-268
Net Income	669	671	585	129	2,053	342	60	1,013	-899	515

※ 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)

구분	2023				2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Assets	70,896	72,501	77,500	77,467	82,116	84,188	88,795	93,858
Cash and Equivalents	6,810	6,871	8,883	9,142	9,294	7,170	8,834	8,068
A/R	8,604	8,657	8,924	8,083	8,152	8,857	8,659	8,166
Inventory	11,970	11,145	10,608	9,375	9,666	9,760	9,482	8,847
Tangible / Intangible Assets	35,186	37,465	40,016	42,643	45,643	49,128	52,061	58,190
Liabilities	32,492	32,893	36,135	36,529	38,937	39,924	43,178	45,862
A/P	5,535	4,887	5,012	4,118	4,195	4,266	3,710	3,682
Short-term debts	5,025	5,267	4,590	7,078	7,789	8,259	9,137	7,621
Long-term debts	12,849	13,968	17,318	14,850	16,894	16,492	18,976	19,755
Equity	38,404	39,608	41,365	40,938	43,179	44,264	45,617	47,995
Liabilities / Equity (%)	84.6%	83.0%	87.4%	89.2%	90.2%	90.2%	94.7%	95.6%
Net debt / Equity (%)	28.8%	31.2%	31.5%	31.2%	35.6%	39.7%	42.3%	40.2%

※ 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	4Q	Year
Beginning Cash Balance	8,512	6,810	6,871	8,883	8,512	9,142	9,294	7,170	8,834	9,142
Operating Activities	503	1,971	1,656	3,406	7,537	454	1,490	842	4,474	7,260
Operating Profit	804	618	860	247	2,529	265	406	498	-252	917
Depreciation	922	977	999	1,059	3,957	1,086	1,156	1,151	1,279	4,672
Working Capital	-465	125	280	1,294	1,234	-283	-762	-46	1,971	881
Investing Activities	-4,068	-2,750	-3,046	-3,262	-13,127	-4,009	-3,278	-3,202	-3,385	-13,873
Financing Activities	1,768	888	3,219	283	6,157	3,507	-447	4,154	-2,323	4,892
Borrow / Repay	1,909	1,362	2,672	20	5,964	2,755	68	3,361	-737	5,448
Dividends	-56	-840	-11	-197	-1,104	-81	-488	-	-	-569
Ending Cash Balance	6,810	6,871	8,883	9,142	9,142	9,294	7,170	8,834	7,841	7,841

※ 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	4Q 2024	2024 (Cumulative)
Petrochemicals	1,464	349	1,007
Advanced Materials	690	426	960
Life Sciences	770*	20	47
Common (incl. Farm Hannong)	487	187	362
Total	3,411	981	2,376

* Included the amount of AVEO acquisition

R&D Expenses

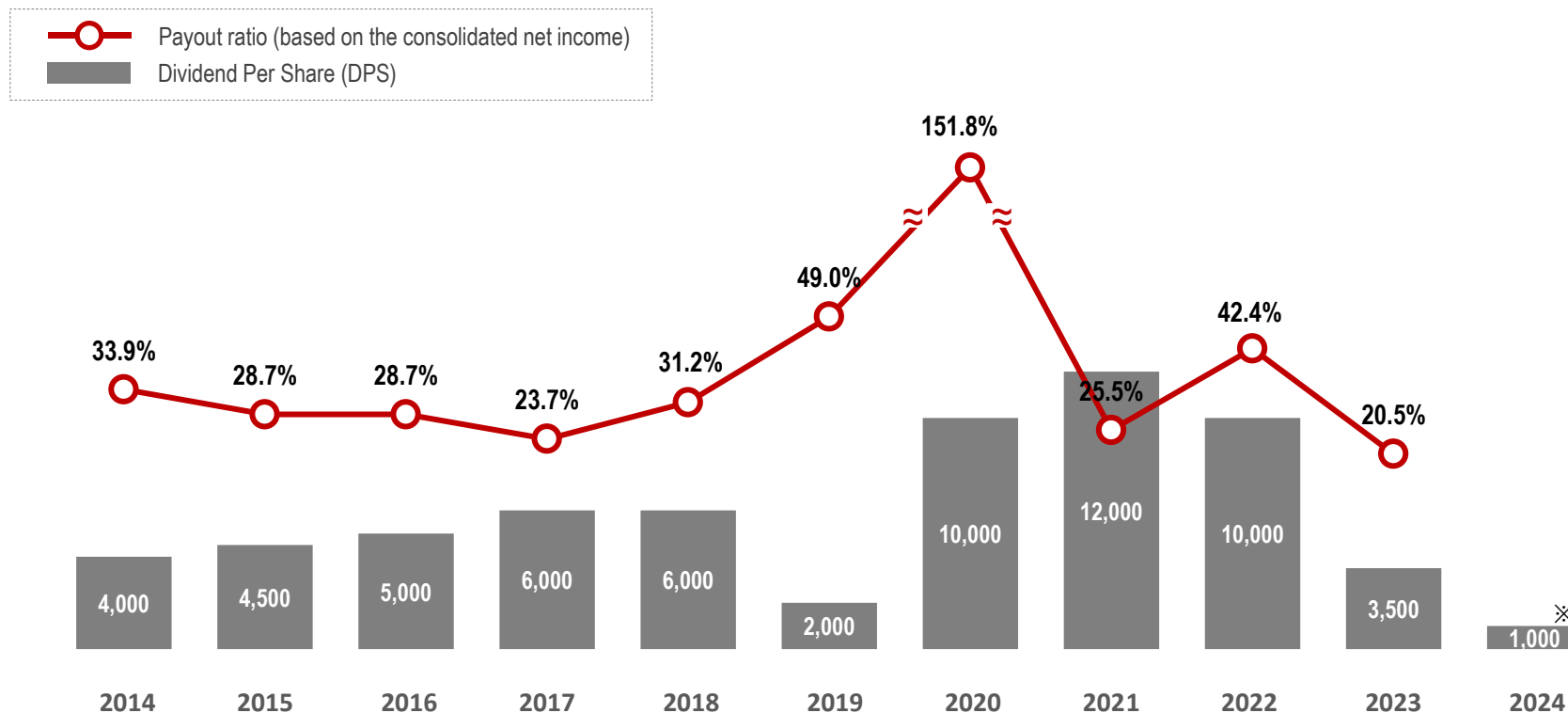
(Unit: KRW bn)

LG Chem	2023	4Q 2024	2024 (Cumulative)
Petrochemicals	232	59	239
Advanced Materials	243	57	237
Life Sciences	375	102	433
Common (incl. Farm Hannong)	194	48	190
Total	1,044	266	1,099

Appendix

Dividend Per Share (DPS) Trend

(Unit: KRW / Common Share)



※ Dividend Policy: Our company aims for a dividend payout ratio of at least 20% based on net profit (based on controlling shareholder equity, excluding one-time non-recurring gains) from consolidated financial statements. While no distributable profit was calculated for the current fiscal year under our dividend policy, we have decided to issue a dividend of 1,000 KRW in line with our commitment to enhancing shareholder value through return of profits.

Appendix

Petrochemical Division Products & Capacity as of 4Q 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
(145)

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)

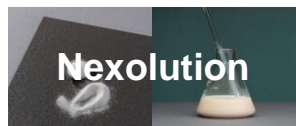
Specialty Polymers (SBL/SBS/MBS)
(310)



POE
(380)

CNT
(2.9)

PBAT
(50)

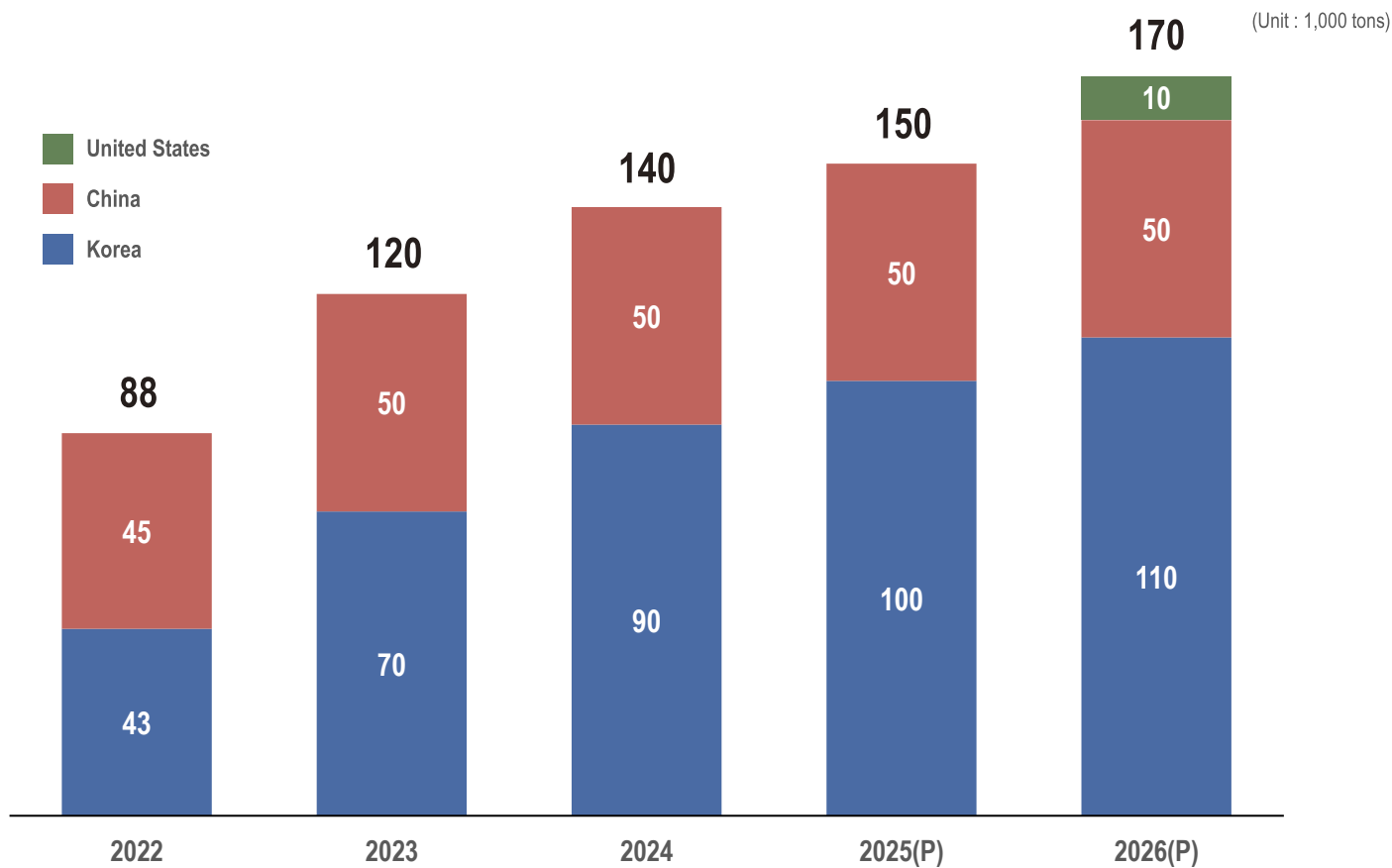


SAP
(500)

NBL
(555)

Appendix

Cathode Capacity Plan



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

Thank you

*We***Connect***Science*



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