

4Q 2025
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.

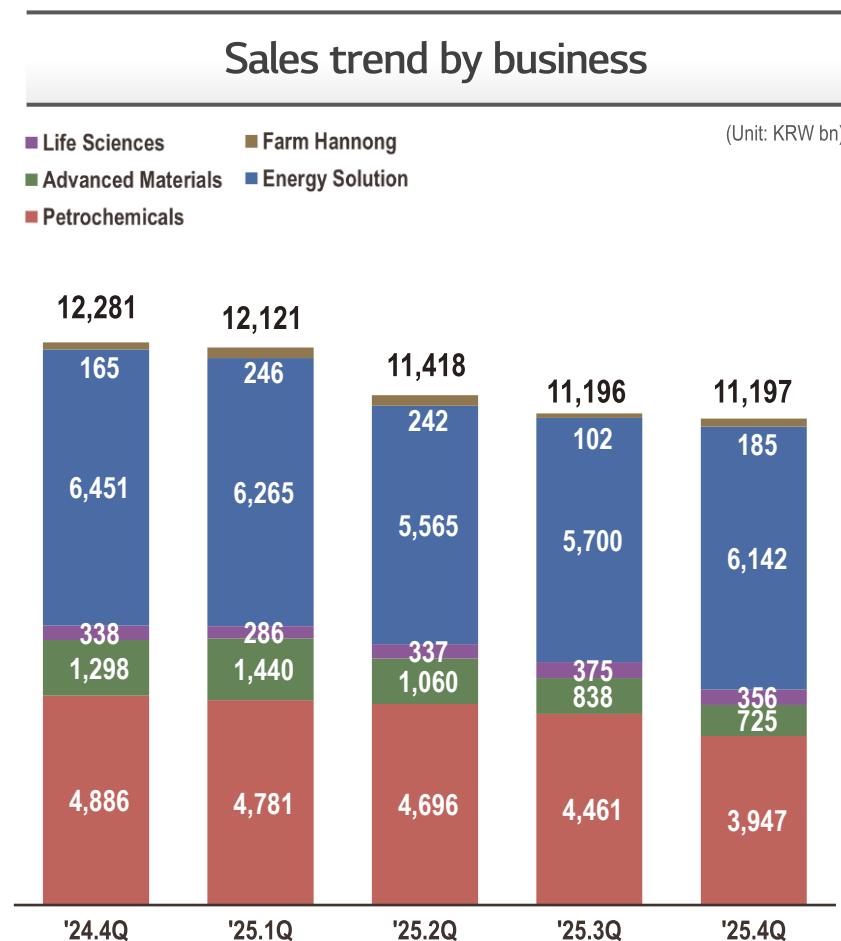
Please note it may differ from actual results, due to uncertainties including changes in the future business environment and strategy.

4Q 2025 Business Results

Sales & Profits Trends (consolidated)

LG Chem	2024		2025		
	4Q	1Q	2Q	3Q	4Q
Sales	12,281	12,121	11,418	11,196	11,197
Operating Profit (%)	-261 -2.1%	438 3.6%	477 4.2%	680 6.1%	-413 -3.7%
EBITDA (%)	1,018 8.2%	1,723 14.2%	1,715 15.0%	1,992 17.8%	1,103 9.9%
Pre-tax Income (%)	-1,165 -9.4%	437 3.6%	-185 -1.6%	457 4.1%	-2,489 -22.2%
Net Income (%)	-899 -7.3%	260 2.1%	-112 -1.0%	447 4.0%	-1,573 -14.0%

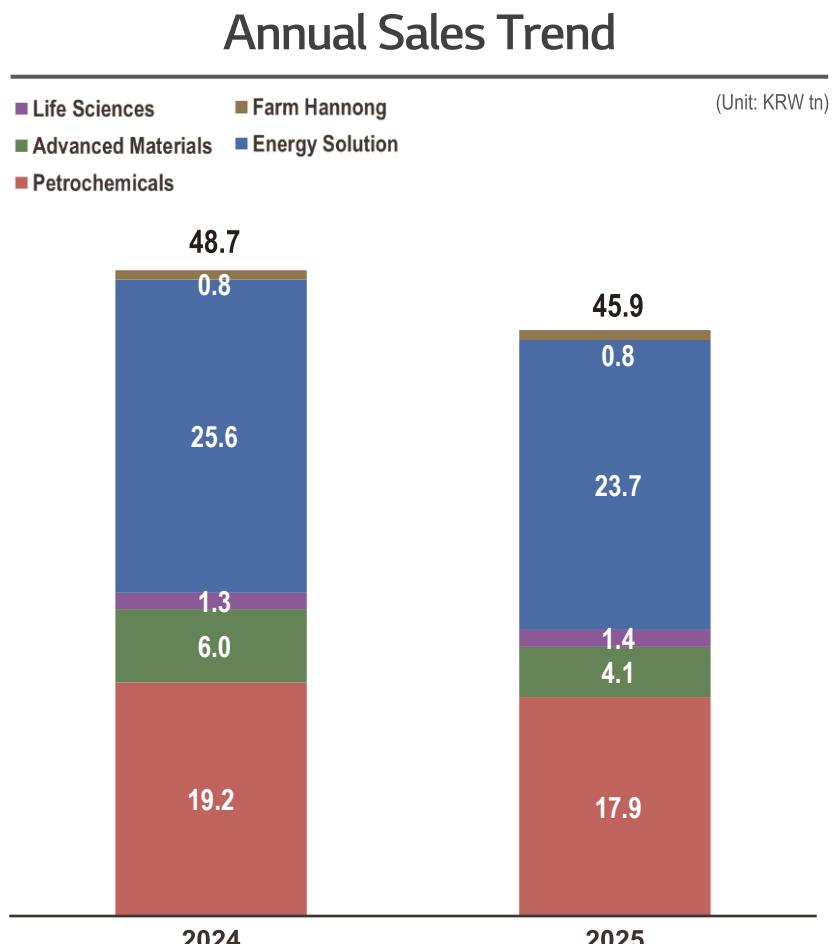
※ Following our decisions to discontinue and sell some of our businesses, the relevant business results have been compiled retroactively.



2025

Business Results

Sales & Profits Trends (consolidated)



(Unit: KRW bn)

LG Chem	2024	2025
Operating Profit (%)	875 1.8%	1,181 2.6%
Petrochemicals	-104 -0.5%	-356 -2.0%
Advanced Materials	437 7.2%	146 3.6%
Life Sciences	110 8.3%	128 9.4%
Energy Solution	575 2.2%	1,346 5.7%
Farm Hannong	44 5.8%	38 4.9%
EBITDA (%)	5,547 11.4%	6,534 14.2%

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2025

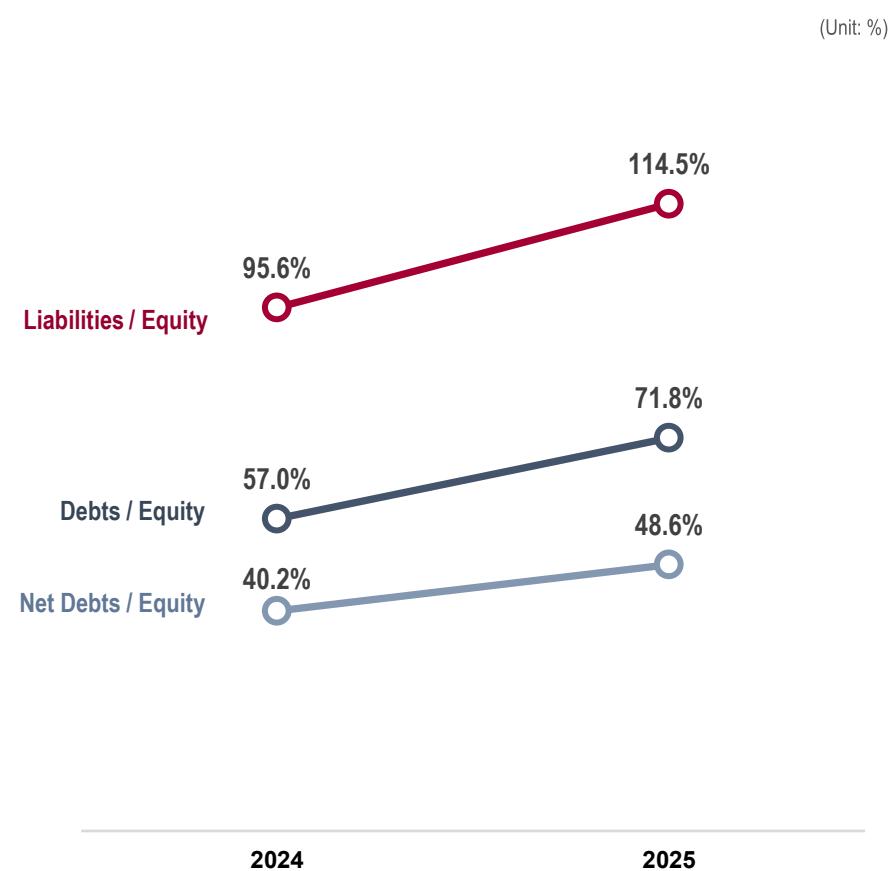
Business Results

Financial Position (consolidated)

Balance Sheet

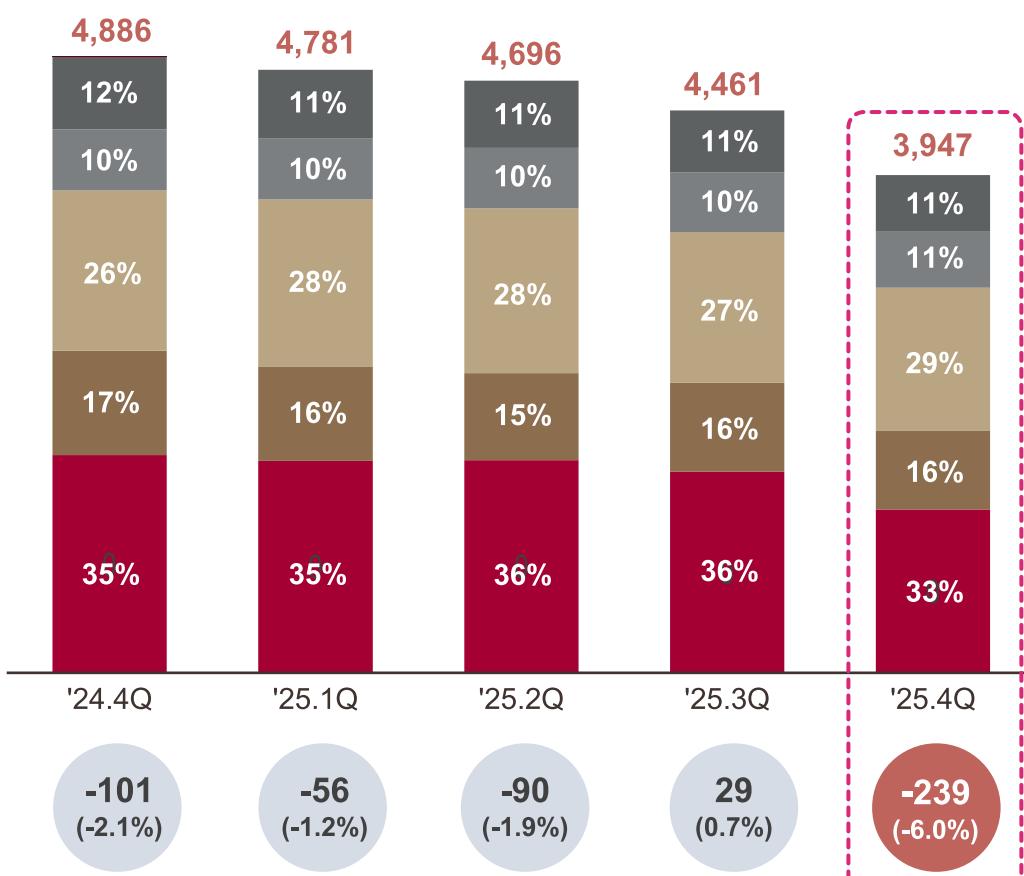
LG Chem	(Unit: KRW tn)	
	2024	2025
Asset	93.9	101.1
Cash and cash equivalents	8.1	10.9
Liabilities	45.9	54.0
Debts	27.4	33.8
Equity	48.0	47.1

Financial Ratios



Results & Outlook by Business

Petrochemicals



※ Computed based on the reorganization as of January 1, 2025, with past performance retroactively applied

[Major Changes] - Some of the existing Advanced Materials division Battery Materials products transferred to Petrochemical division
 - Dissolution of the Nexolution business unit and the Sustainability business unit of the Petrochemicals division and transfer of products to other business units (SAP: Acrylates/SAP division, NBL: HPM division, POE: NCC/PO etc.)

(Unit: KRW bn)



Results

- Recorded a loss due to a narrowing spread resulting from increased shipment volumes in region, as well as the impact of one-off costs at overseas operations.



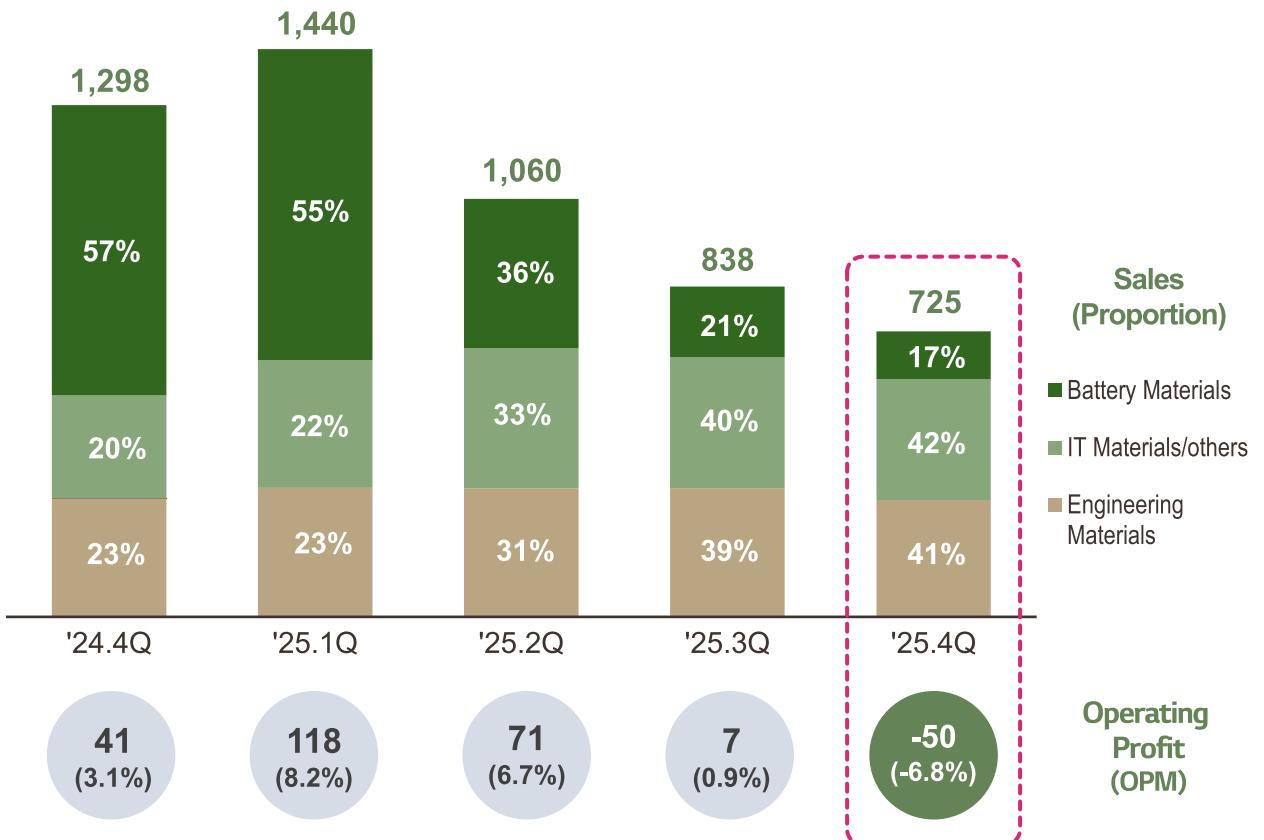
Outlook

- Amid a market environment similar to the previous quarter, profitability is expected to improve driven by base effects from one-off costs and ongoing cost reduction efforts.



Results & Outlook by Business

Advanced Materials



※ Following our decisions to discontinue and sell some of our businesses, the relevant business results have been compiled retroactively.

Results

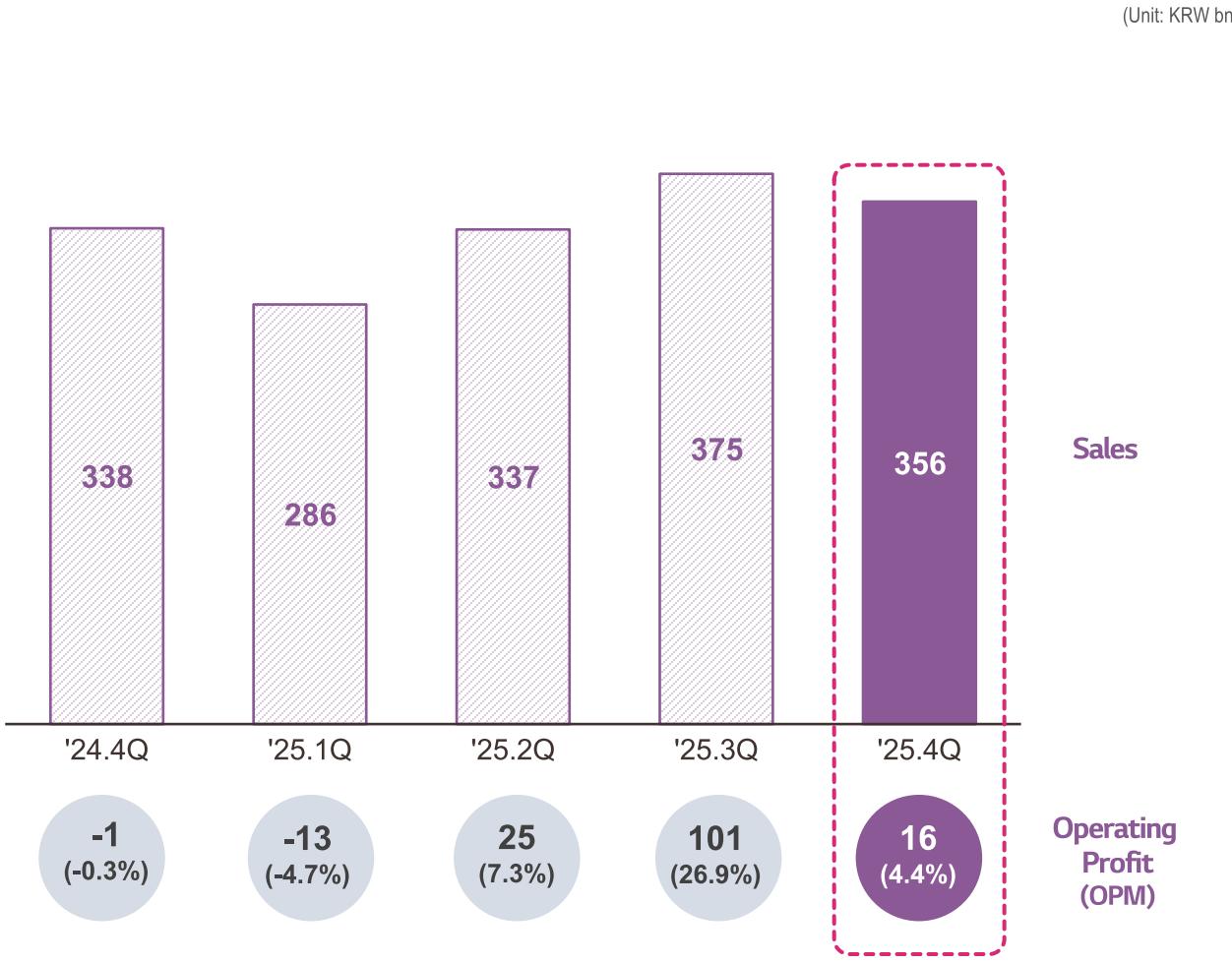
- Recorded a decline in revenue and turned to a loss, driven by year-end inventory adjustments by Battery Materials customers and seasonal off-peak demand in IT/Engineering Materials.

Outlook

- Despite continued weakness in North American EV demand, cathode shipments are expected to increase, supported by quarter-on-quarter base effects.
- Meanwhile, profitability in IT/Engineering Materials is expected to remain solid.

Results & Outlook by Business

Life Sciences



Results

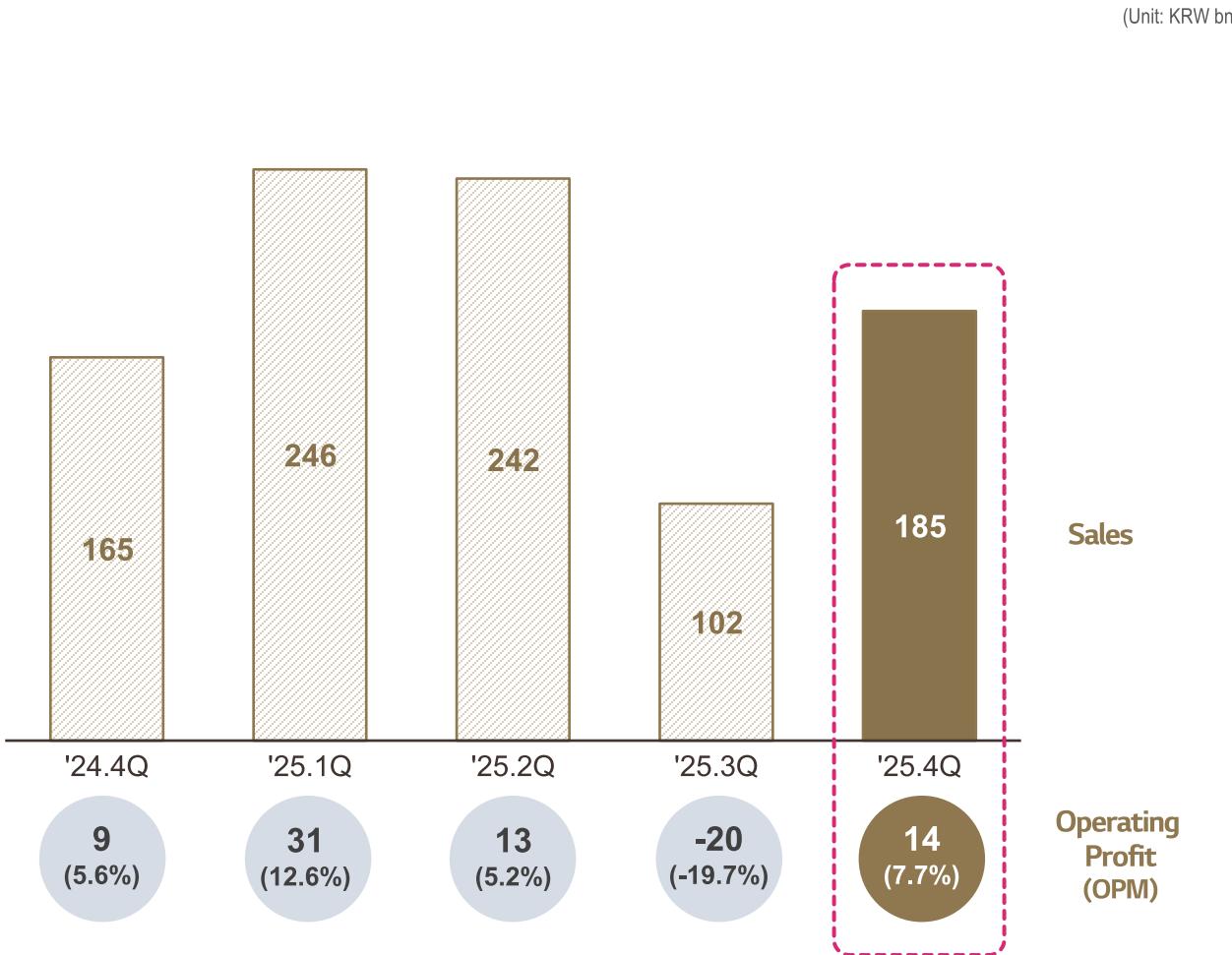
- Sales of key products increased, but sales/profitability decreased QoQ due to the reflection of the remaining upfront from the out-licensing of a rare obesity treatment in the previous quarter.

Outlook

- Strong sales of key products are expected to be maintained and investment in R&D for global clinical trials will be continued.

Results & Outlook by Business

Farm Hannong



Results

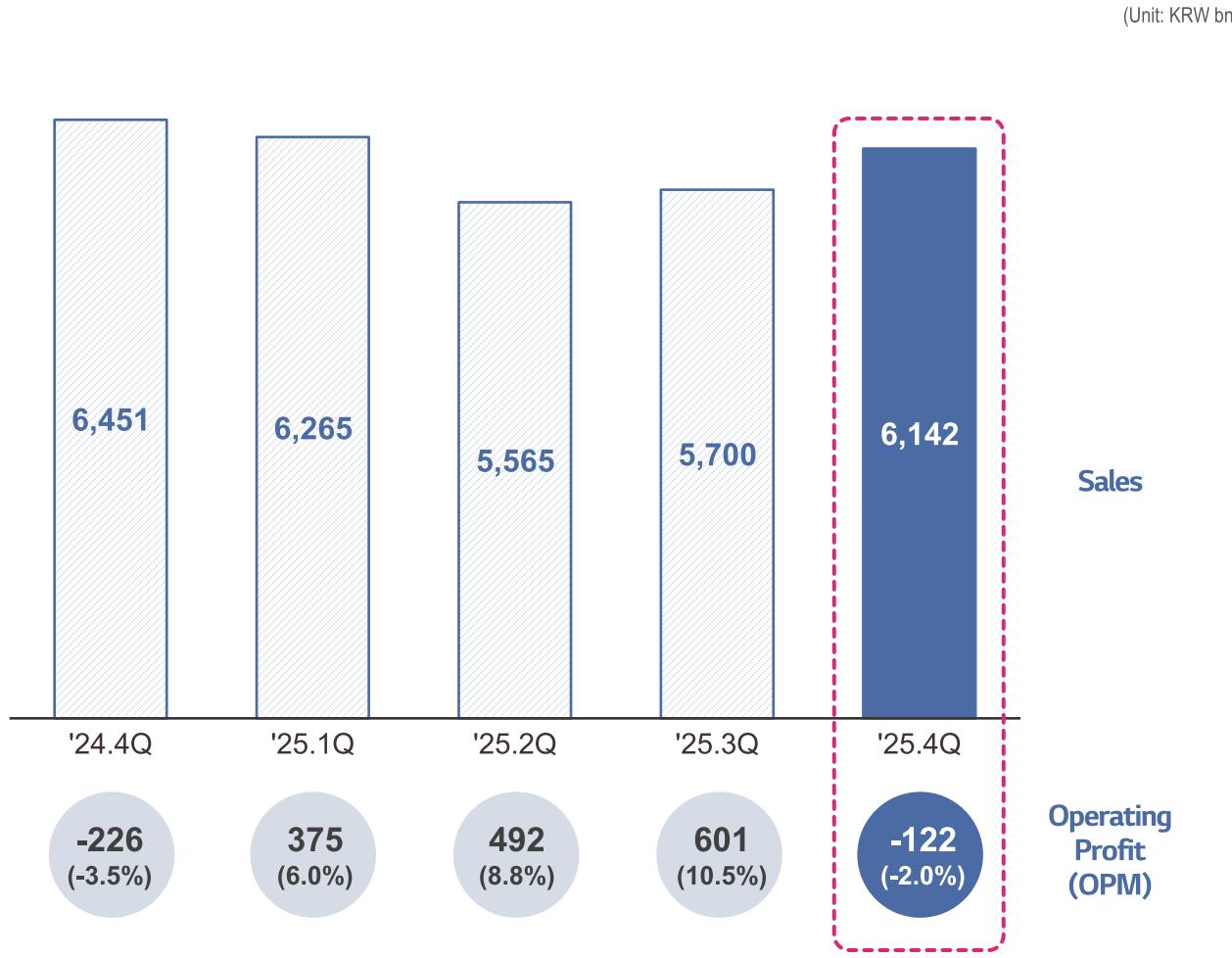
- Sales and profitability increased through increased domestic sales of crop protection products and increased exports of Terrad'or.

Outlook

- Sales and profitability are expected to improve YoY due to increased domestic and international crop protection products.

Results & Outlook by Business

Energy Solution



Results

- Revenue increased QoQ due to sales volume growth in North America and solid demand from cylindrical for strategic EV customer.
- Recorded operating loss due to deterioration of product mix from customer's EV sales slowdown in North America and the initial cost burden from operation of additional ESS production lines.



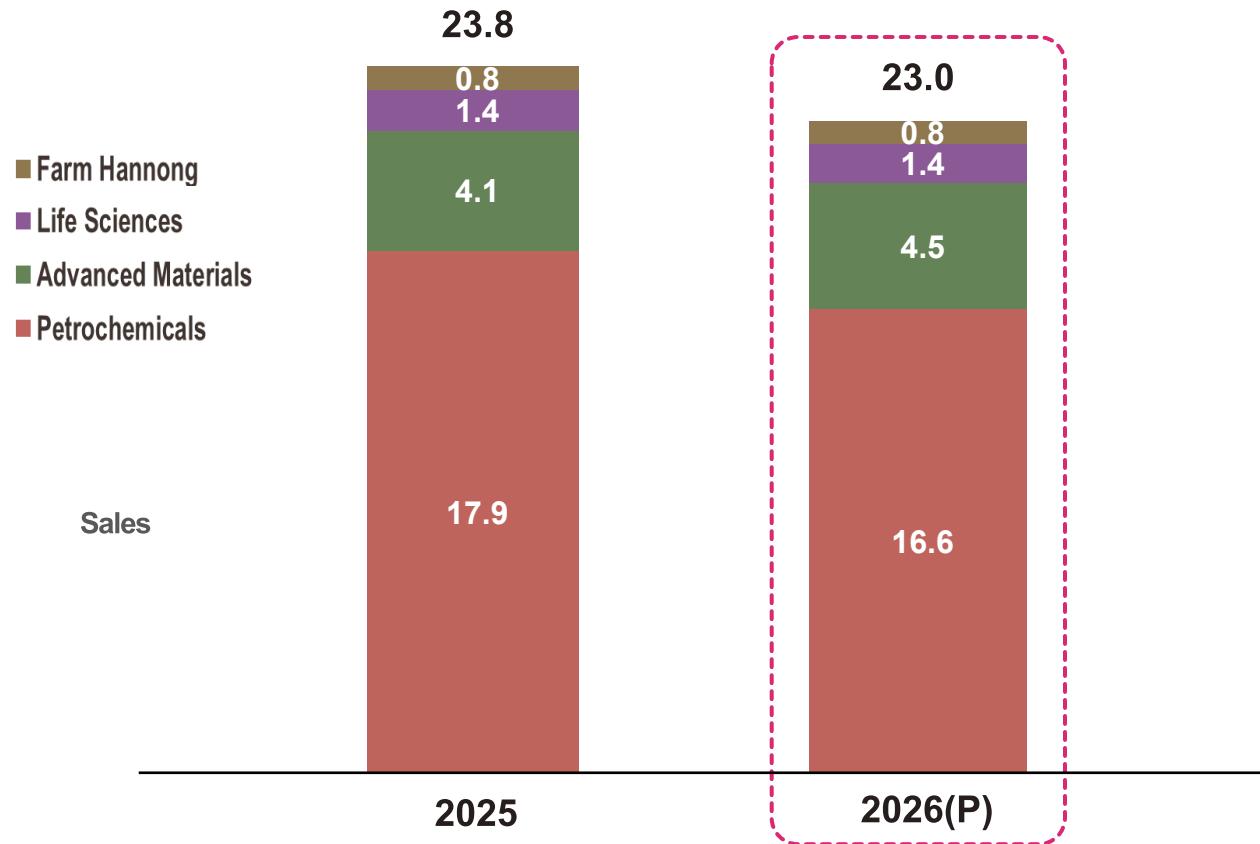
Outlook

- While EV sales slowdown in North America and conservative inventory management by major OEMs are expected to continue, ESS revenue growth is expected to accelerate with increased production in North America.
- The company aims to improve profitability through stable expansion of ESS production capacity, cost reduction and enhancement of operational efficiency

2026 Business Plan

Business Target (excl. Energy Solution)

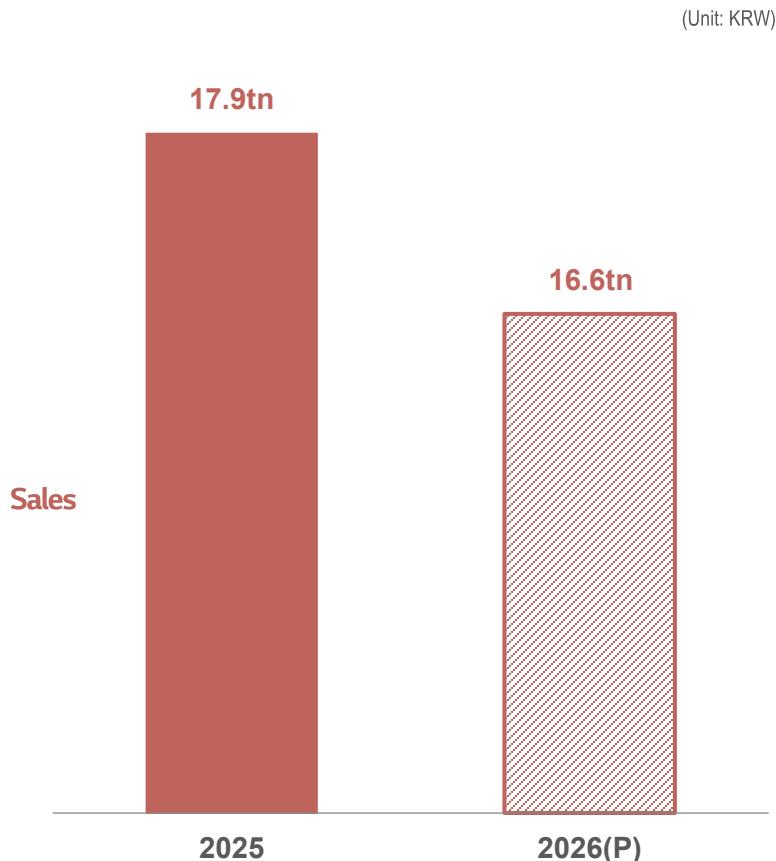
(Unit: tn KRW)



※ 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.



2025 Review

- Market conditions continued to deteriorate due to sluggish global demand and oversupply from China.
- Efforts are made to streamline low-margin businesses, such as Gimcheon SAP.
- Solid profitability maintained in high value-added products such as semiconductor IPA, and tire SSBR.

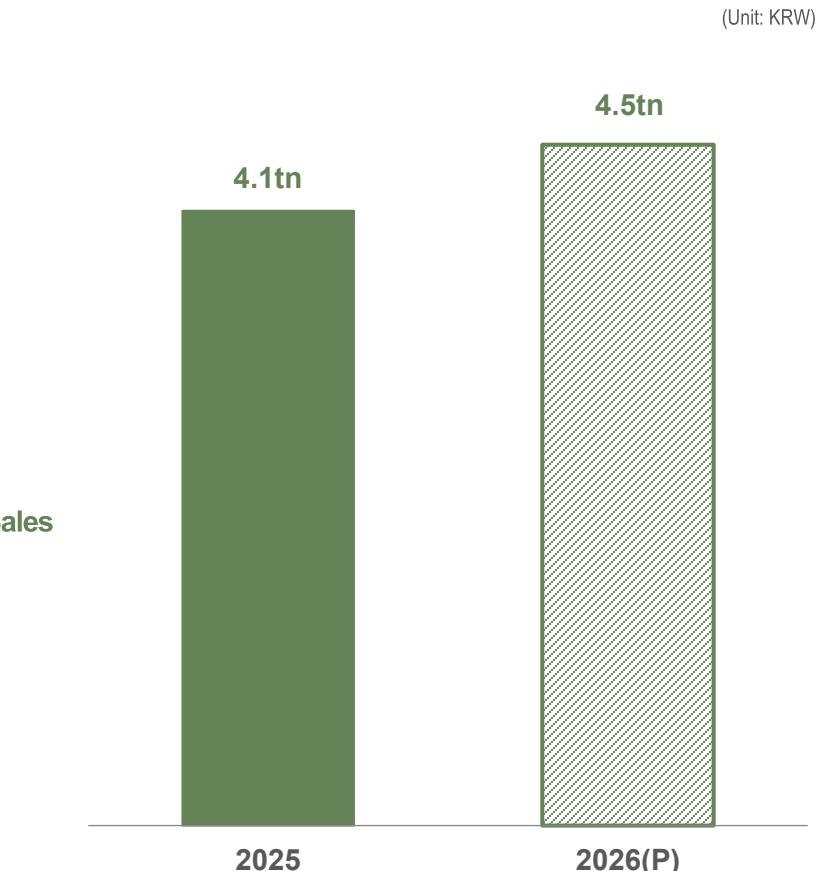


2026 Business Outlook / Strategic Direction

- Although some cracker shutdowns are expected in Korea, Asia, and Europe, profitability improvements are expected to be limited due to continued capacity expansion, mainly in China.
- Efforts, such as proactive collaboration with refiners, including a self-restructuring plan, cost reductions, and expansion into high value-added and new businesses, are made to reduce losses.
- ❶ Enhancement of business portfolio focused on high value-added applications.
- ❷ Strengthening competitiveness of new HVO businesses.

Business Review/Outlook

Advanced Materials



2025 Review

- Maintained solid profitability through increased sales of high value-added products in IT/Engineering Materials.
- Sales decreased and recorded an operating loss in Battery Materials due to increased volatility in eco-friendly policies and changes in North American customers' electrification strategies.



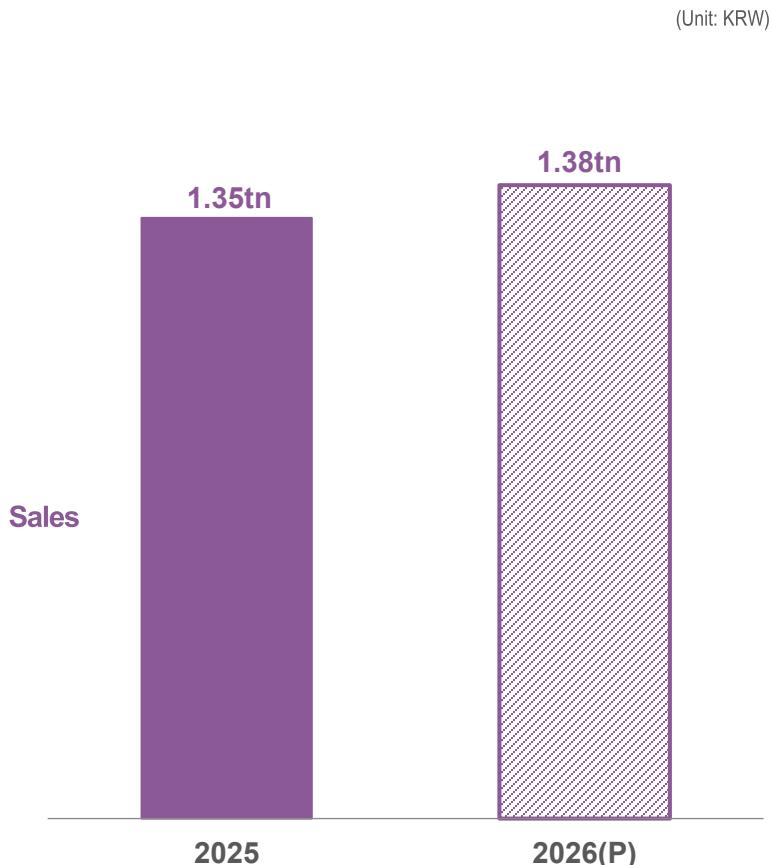
2026 Business Outlook / Strategic Direction

- IT/Engineering Materials are expected to focus on e-Mobility/semiconductor materials and maintain similar profitability.
- While the North American Battery Materials end market is expected to remain sluggish, performance is expected to improve via significant increase in new orders starting in the 2H of 2026.

※ 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.

Business Review/Outlook

Life Sciences



2025 Review

- Key products such as Zemiglo and Eutropin continued to generate stable sales by strengthening their market leadership position.
- Profitability improved due to robust sales of high-margin products and cost reductions.
- Clinical progress was made for key oncology drug pipeline.



2026 Business Outlook / Strategic Direction

- Sales increased 6% YoY due to Boostin business normalization, strengthened market position for key products, and increased overseas sales (excl. the profit from out-licensing of a rare obesity treatment).
- Continued to strengthen portfolio through accelerated global clinical trials of new oncology drug pipelines and product development to expand existing businesses.

※ 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.

Appendix

Income Statements

(Unit: KRW bn)

LG Chem	2024					2025				
	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year
Sales	11,556	12,242	12,620	12,281	48,700	12,121	11,418	11,196	11,197	45,932
Cost of Sales	9,672	10,390	10,353	10,833	41,247	10,101	9,518	8,808	9,696	38,123
Gross Profit (%)	1,884 16.3%	1,852 15.1%	2,268 18.0%	1,449 11.8%	7,452 15.3%	2,020 16.7%	1,900 16.6%	2,388 21.3%	1,501 13.4%	7,809 17.0%
SG&A Expenses	1,819	1,908	2,244	2,087	8,057	2,040	1,914	2,074	2,247	8,275
Other operating income ^(*)	189	448	466	377	1,480	458	491	366	333	1,647
Operating Profit (%)	254 2.2%	392 3.2%	490 3.9%	-261 -2.1%	875 1.8%	438 3.6%	477 4.2%	680 6.1%	-413 -3.7%	1,181 2.6%
Other non-operating income(expenses)	57	-218	-119	-904	-1,185	-1	-662	-223	-2,076	-2,961
Income before tax	311	174	370	-1,165	-310	437	-185	457	-2,489	-1,780
Net Income	342	60	1,013	-899	515	260	-112	447	-1,573	-977

※ The business results currently under audit review are presented here for investors' convenience. Hence, please be noted that some of contents may be altered in the course of audit.

(*) Other operating income: 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	2024				2025			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Assets	82,116	84,188	88,795	93,858	95,091	93,952	98,475	101,062
Cash and Equivalents	9,294	7,170	8,834	8,068	7,293	8,385	8,593	10,903
A/R	8,152	8,857	8,659	8,166	8,783	7,651	7,711	6,725
Inventory	9,666	9,760	9,482	8,847	8,529	7,846	8,629	8,177
Tangible / Intangible Assets	45,643	49,128	52,061	58,190	60,369	59,672	62,809	59,960
Liabilities	38,937	39,924	43,178	45,862	46,984	49,365	52,247	53,956
A/P	4,195	4,266	3,710	3,682	3,925	3,187	3,478	3,537
Short-term debts	7,789	8,259	9,137	7,621	8,634	9,586	11,860	11,738
Long-term debts	16,894	16,492	18,976	19,755	20,769	22,212	21,727	22,074
Equity	43,179	44,264	45,617	47,995	48,106	44,587	46,229	47,106
Liabilities / Equity (%)	90.2%	90.2%	94.7%	95.6%	97.7%	110.7%	113.0%	114.5%
Net debt / Equity (%)	35.6%	39.7%	42.3%	40.2%	46.0%	52.5%	54.1%	48.6%

※ 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 noted that some of contents may be altered in the course of audit.

Appendix

Cash Flows

(Unit: KRW bn)

LG Chem	2024					2025				
	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year
Beginning Cash Balance	9,142	9,294	7,170	8,834	9,142	8,068	7,293	8,385	8,593	8,068
Operating Activities	454	1,490	842	4,227	7,012	1,891	1,339	2,461	2,544	8,234
Operating Profit	254	392	490	-261	875	438	477	680	-413	1,181
Depreciation	1,086	1,156	1,151	1,279	4,672	1,286	1,238	1,312	1,517	5,353
Working Capital	-283	-762	-46	1,099	9	-55	1,077	-552	1,496	1,966
Investing Activities	-4,009	-3,278	-3,202	-3,019	-13,507	-3,855	-3,508	-3,046	-1,272	-11,681
Financing Activities	3,507	-447	4,154	-2,394	4,821	1,184	3,460	667	932	6,243
Borrow / Repay	2,755	68	3,361	-737	5,448	2,027	2,395	1,790	225	6,436
Ending Cash Balance	9,294	7,170	8,834	8,068	8,068	7,293	8,385	8,593	10,903	10,903

※ 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

LG Chem	2024	(Unit: KRW bn)	
		2025	2026(P)
Petrochemicals	1,007	915	790
Advanced Materials	960	1,671	612
Life Sciences	47	70	30
Common (incl. Farm Hannong)	362	237	284
Total	2,376	2,893	1,716

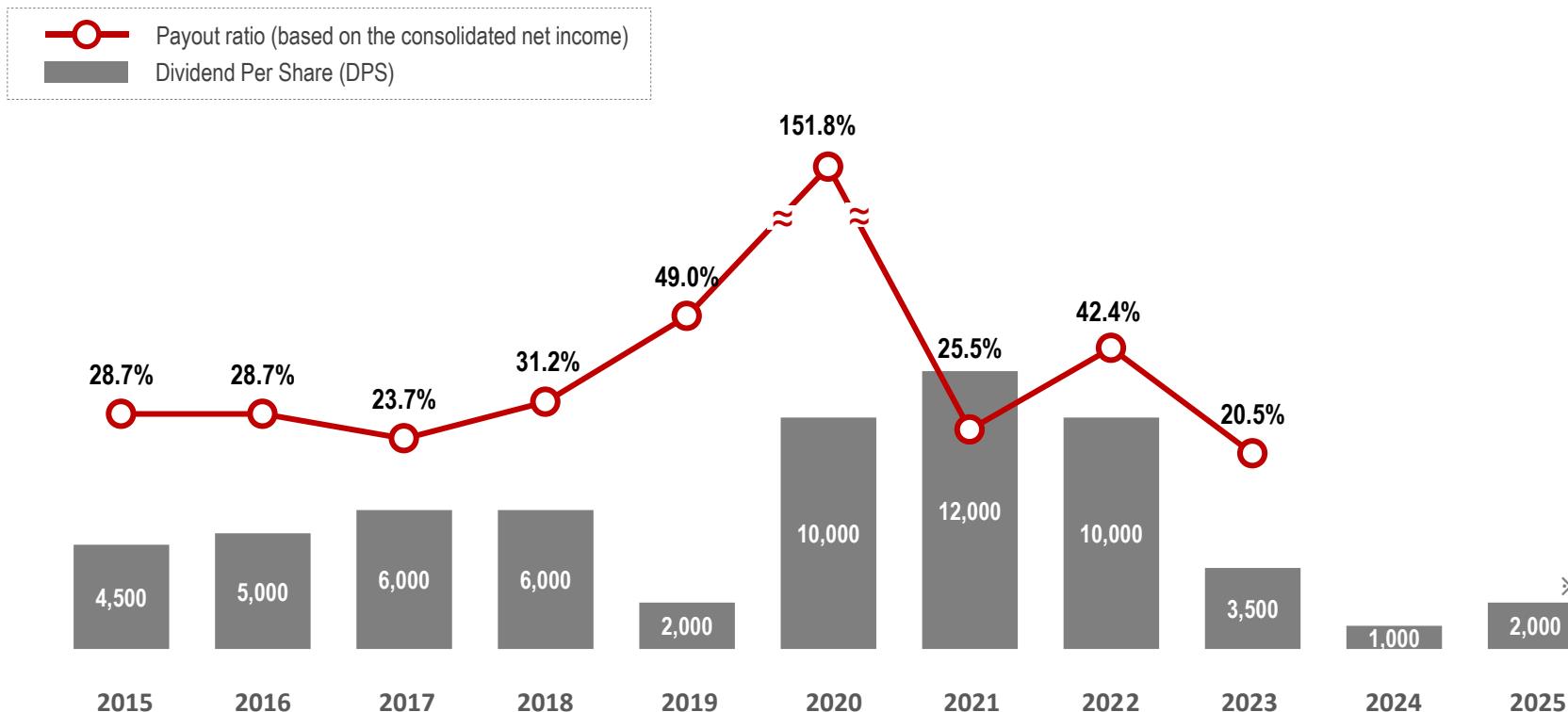
R&D Expenses

LG Chem	2024	(Unit: KRW bn)	
		2025	
Petrochemicals	239	230	
Advanced Materials	237	269	
Life Sciences	433	373	
Common (incl. Farm Hannong)	190	185	
Total	1,099	1,058	

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 on a dividend of KRW 2,000 per common share, as part of shareholder returns to enhance corporate value. The company plans to use 10% of the after-tax cash proceeds from the sale of LG Energy Solution shares as a source of dividends.

Thank you

We *Connect* Science



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