

2Q 2021 Earnings Release



Contents

2Q 2021 Business Results 3-4

Results & Outlook by Business 5-9

Appendix 10-14

- Sales & Operating Profit by Business
- Income Statements / Financial Position / Cash Flows
- CAPEX & R&D Expenses



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.

※ Profits and losses from additional EV provision on August 10, 2021 are reflected.

2Q 2021 Business Results

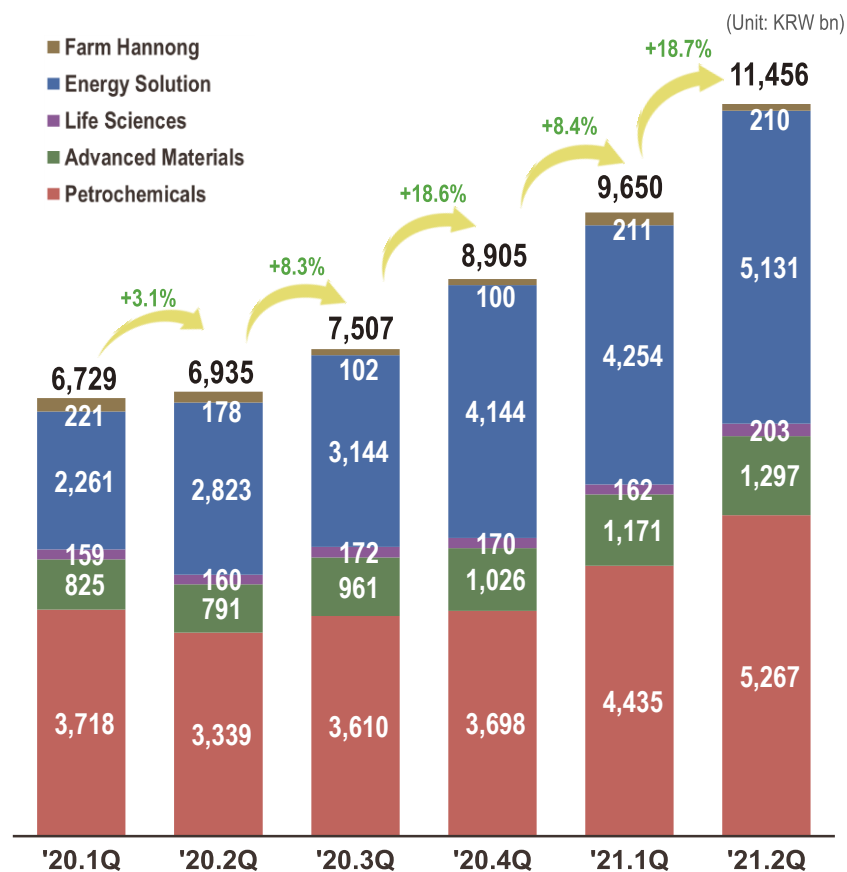
Sales & Profits Trends

(Unit: KRW bn)

	2020				2021		
	1Q	2Q	3Q	4Q	1Q	2Q	Except one-off
Sales	6,729	6,935	7,507	8,905	9,650	11,456	10,464
Operating Profit (%)	206 3.1%	572 8.2%	902 12.0%	119 1.3%	1,408 14.6%	2,140 18.7%	1,666 15.9%
EBITDA (%)	737 10.9%	1,130 16.3%	1,489 19.8%	755 8.5%	2,039 21.1%	2,824 24.7%	2,350 22.5%
Pre-tax Income (%)	158 2.3%	470 6.8%	708 9.4%	-392 -4.4%	1,427 14.8%	2,211 19.3%	-
Net Income (%)	36 0.5%	419 6.0%	570 7.6%	-343 -3.9%	1,371 14.2%	1,566 13.7%	-

※ In the 2Q.2021 business result, there were one-off things: license fee from SKI and provision of ESS/EV recall

Sales trend by business



2Q 2021 Business Results

Financial Position

Balance Sheet

(Unit: KRW tn)

	4Q 2019	4Q 2020	1Q 2021	2Q 2021
Asset	34.0	41.4	44.7	46.7
Cash and Equivalents	1.9	3.9	5.3	4.2
Liabilities	16.6	22.6	25.0	25.2
Debt	8.4	10.2	11.4	12.0
Equity	17.4	18.8	19.6	21.5

Financial Ratios

(Unit: %)

	4Q 2019	4Q 2020	1Q 2021	2Q 2021
Liabilities / Equity	95.7%	120.3%	127.5%	117.5%
Debts / Equity	48.4%	54.2%	58.2%	56.0%
Net Debts / Equity	37.4%	33.5%	31.4%	36.5%
ROE	2.2%	3.8%	28.5%	30.5%
ROA	1.2%	1.8%	12.7%	13.7%

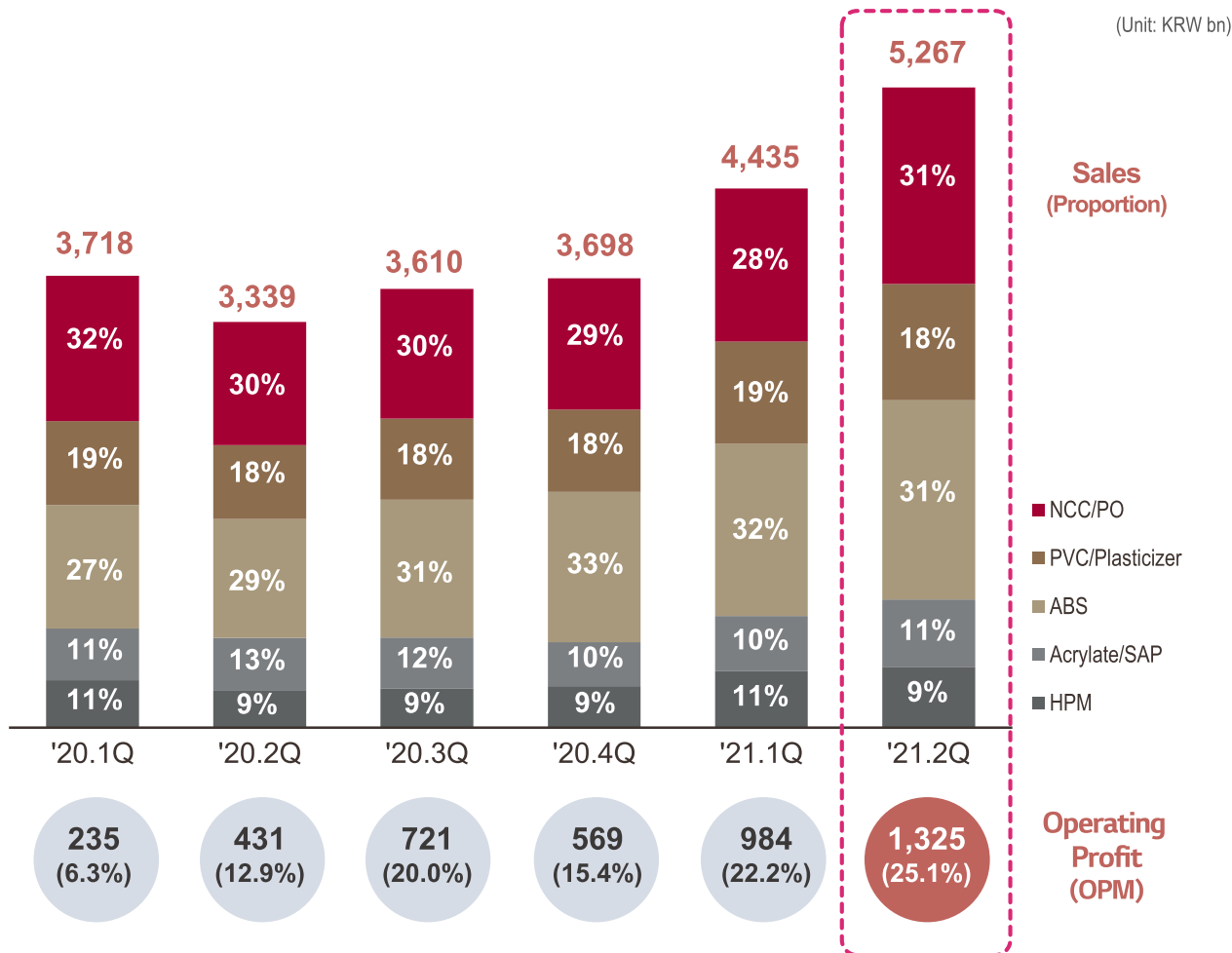
※ ROE: Net Income / Avg of beginning & ending equity

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

- Highest-ever earnings through strong product portfolio which includes eco-friendly materials; renewable energy, hygiene, etc. and improved demand from global economic recovery



Outlook

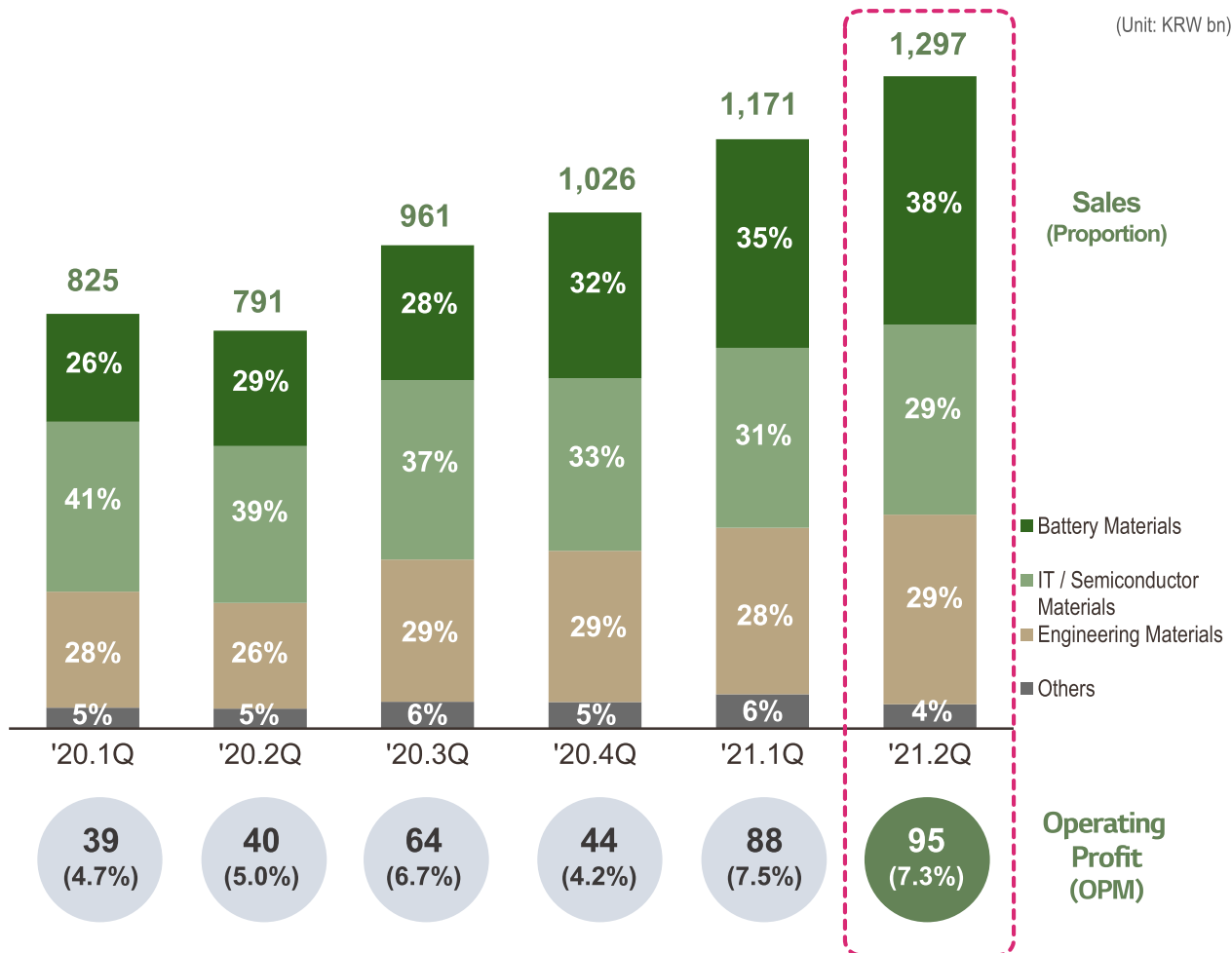
- Expect solid profitability despite stabilizing overheated demand
- Sales growth from the new capacity including Yeosu 2nd NCC

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



Results & Outlook by Business

Advanced Materials



Results

- Sales growth and stable profitability due to greater shipment of cathodes and higher engineering material ASP

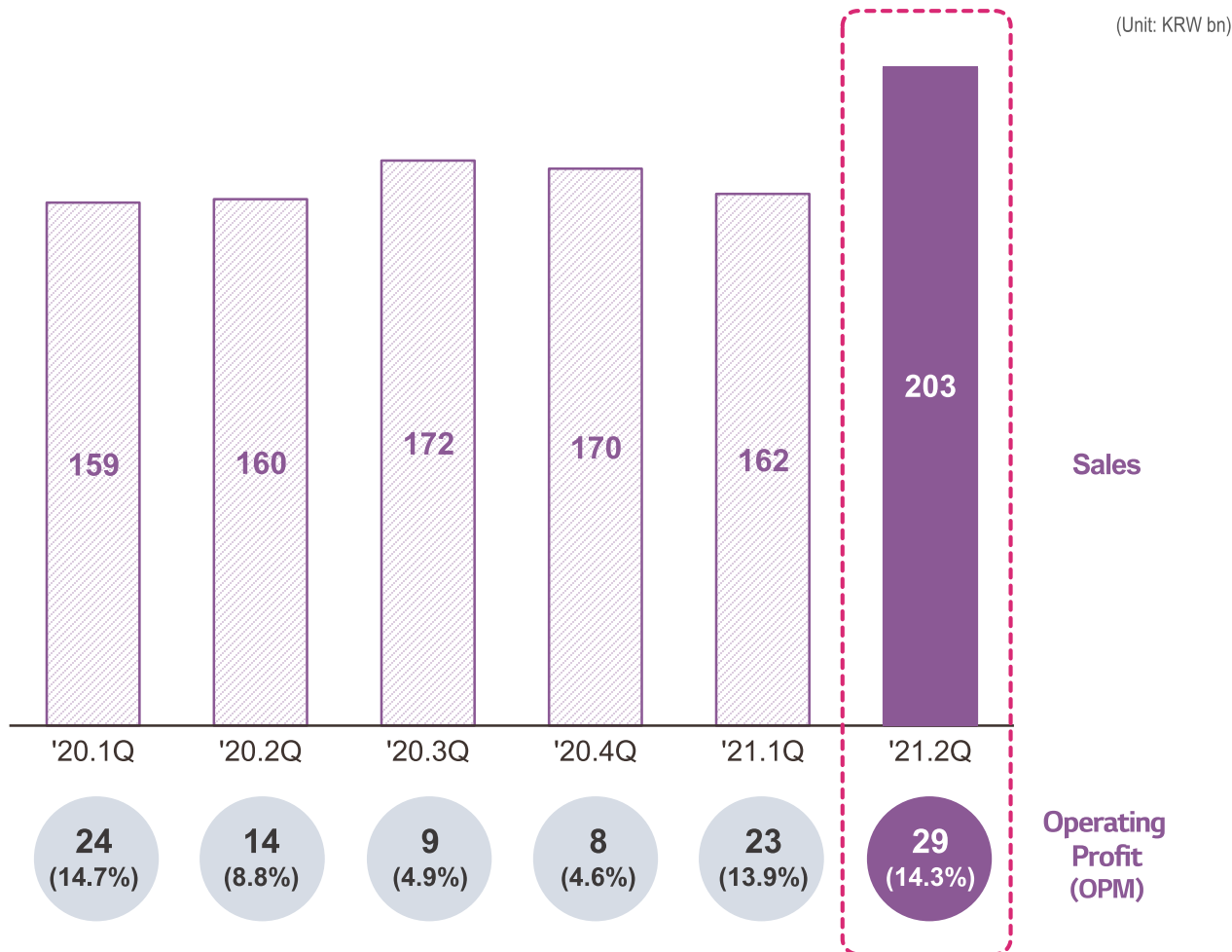


Outlook

- Battery material business to continue expanding despite demand concerns in the front industry

Results & Outlook by Business

Life Sciences



Results

- Higher sales and profitability from the launch of new polio vaccine and sales growth of key products including Zemiglo and Utropin



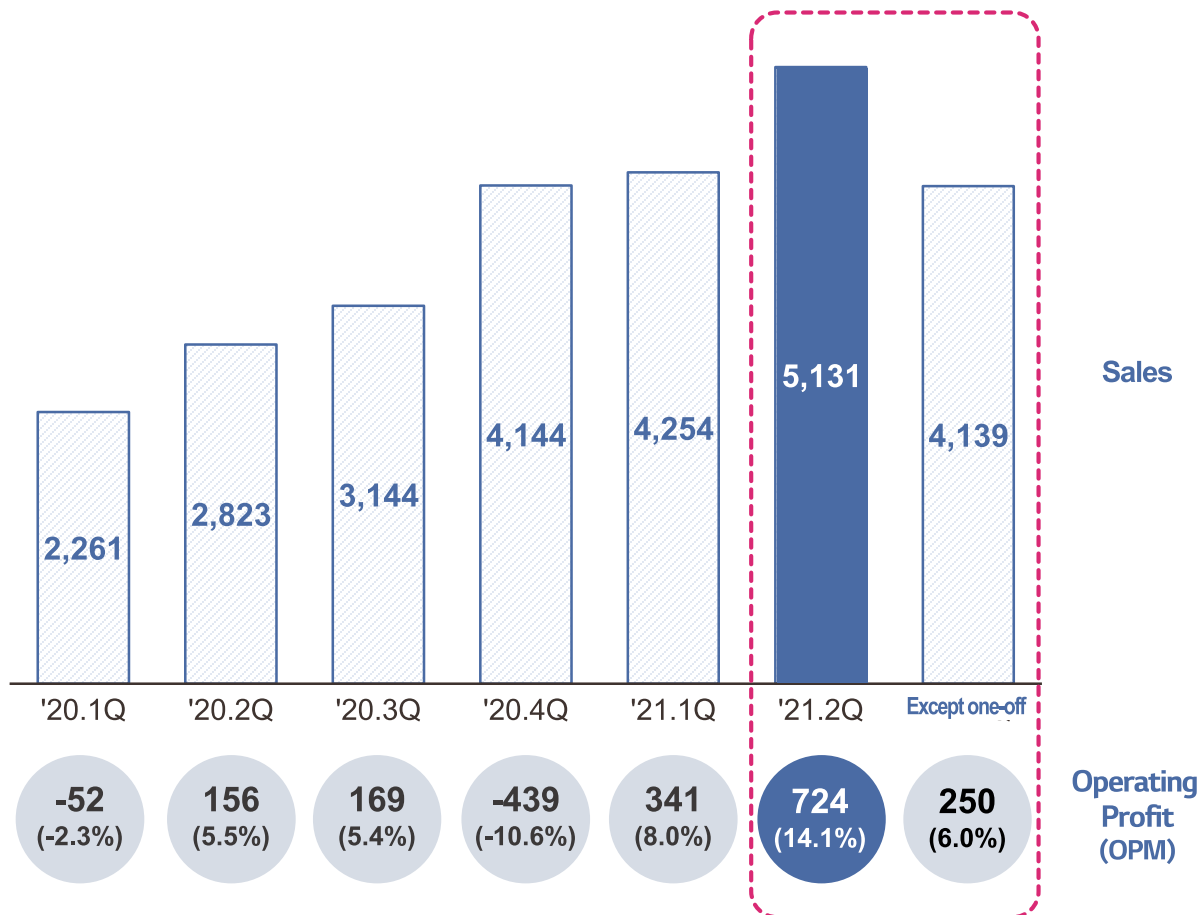
Outlook

- Sales growth to continue from the launch of new aesthetic product
- More overseas clinical trials and higher R&D expenditure

Results & Outlook by Business

Energy Solution

(Unit: KRW bn)



Results

- Sales increased due to one-off issue while disruption in EV battery shipment resulting from semiconductor shortage.
- Overall profitability improved due to one-off issue.



Outlook

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

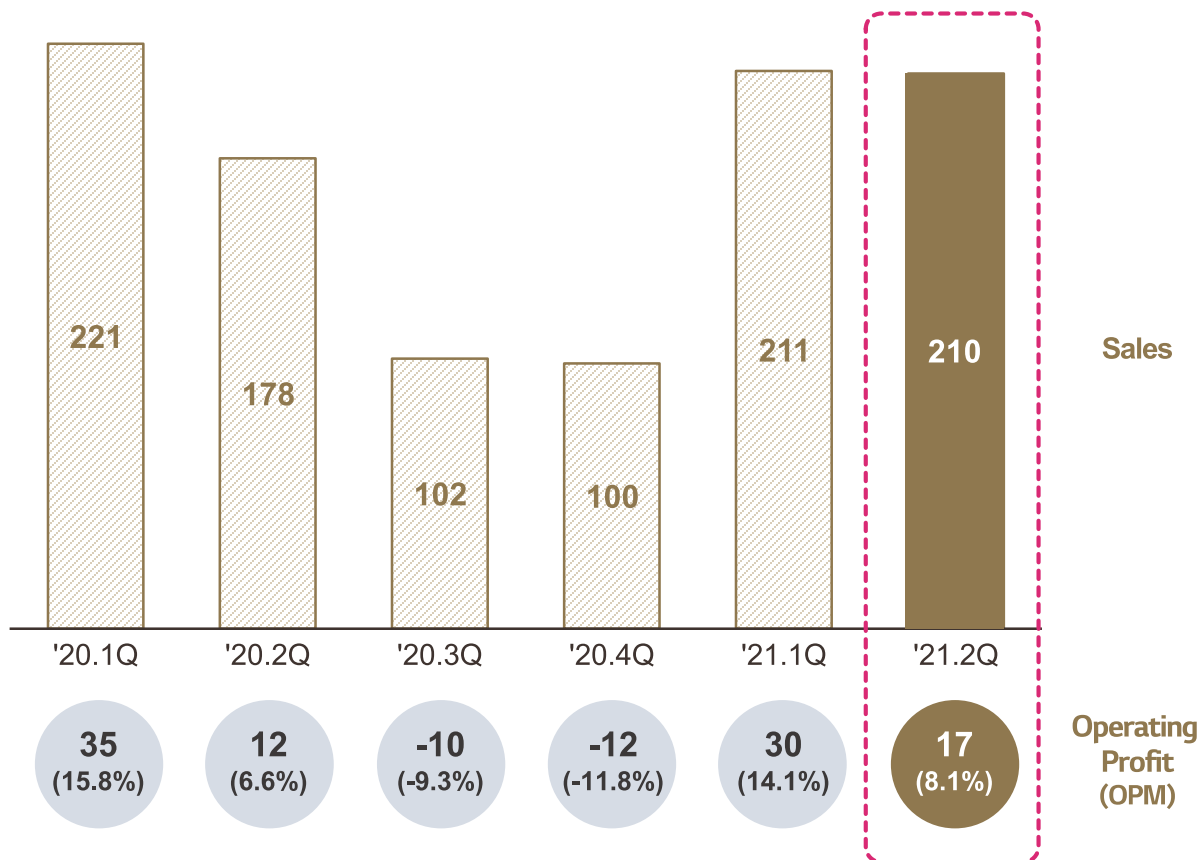
※ In the 2Q.2021 business result, there were one-off things: license fee from SKI and provision of ESS/EV recall



Results & Outlook by Business

Farm Hannong

(Unit: KRW bn)



Results

- Improved sales and profitability YoY thanks to greater sales of crop protection products despite higher raw material prices



Outlook

- Sales and profitability to improve from increased sales of crop protection products and fertilizers despite continued burden of rising raw material prices

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	2Q
Sales	6,265	6,778	6,899	7,411	27,353	6,729	6,935	7,507	8,905	30,077	9,650	11,456
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%	2,140 18.7%
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%	2,824 24.7%
Petrochemicals	3,786	3,965	3,994	3,923	15,667	3,718	3,339	3,610	3,698	14,364	4,435	5,267
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%	1,325 25.1%
Advanced Materials	878	877	849	850	3,454	825	791	961	1,026	3,603	1,171	1,297
Operating profit (%)	10 1.2%	17 2.0%	15 1.8%	6 0.7%	49 1.4%	39 4.7%	40 5.0%	64 6.7%	44 4.2%	186 5.2%	88 7.5%	95 7.3%
Life Sciences	144	154	166	164	628	159	160	172	170	661	162	203
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%	29 14.3%
Energy Solution	1,650	2,009	2,210	2,481	8,350	2,261	2,823	3,144	4,144	12,372	4,254	5,131
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%	724 14.1%
Farm Hannong	228	170	94	99	590	221	178	102	100	602	211	210
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%	17 8.1%

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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	2Q
Sales	6,265	6,778	6,899	7,411	27,353	6,729	6,935	7,507	8,905	30,077	9,650	11,456
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	7,611
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%	3,845 33.6%
SG&A Expenses	872	858	849	1,281	3,860	904	942	894	1,775	4,514	1,049	1,705
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%	2,140 18.7%
Other non-operating income(expenses)	-2	Δ60	-125	-64	-251	-48	-102	-194	-510	-855	19	68
Income before tax	261	187	223	-97	574	158	470	708	-392	944	1,427	2,211
Net Income	212	84	137	-57	376	36	419	570	-343	682	1,371	1,566
EPS (Unit:KRW)					4,085					6,666	16,776	19,132

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Appendix

Financial Position

(Unit: KRW bn)

LG Chem	2019				2020				2021	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Assets	31,212	32,436	33,531	34,024	37,121	38,576	40,019	41,389	44,692	46,735
Cash and Equivalents	3,122	2,667	2,085	1,921	2,797	3,367	3,554	3,882	5,260	4,198
A/R	4,616	4,738	4,575	3,738	4,663	4,908	5,393	5,298	6,082	6,246
Inventory	4,503	4,771	4,977	5,034	5,335	4,753	4,928	5,350	5,786	6,876
Fixed Assets	16,938	17,993	19,471	20,800	21,702	22,017	22,528	22,847	23,470	24,217
Liabilities	14,013	15,157	16,040	16,641	19,705	20,734	21,198	22,599	25,044	25,244
A/P	2,434	2,549	2,467	2,380	2,550	2,261	2,859	3,459	3,792	3,727
Short-term debts	1,630	1,432	1,744	1,356	2,431	2,860	2,509	1,549	1,775	3,040
Long-term debts	5,275	7,049	7,211	7,058	9,123	9,001	8,856	8,637	9,651	8,988
Equity	17,199	17,279	17,491	17,384	17,416	17,842	18,821	18,790	19,648	21,491
Liabilities / Equity (%)	81.5%	87.7%	91.7%	95.7%	113.1%	116.2%	112.6%	120.3%	127.5%	117.5%
Net debt / Equity (%)	22.0%	33.6%	39.3%	37.4%	50.3%	47.6%	41.5%	33.5%	31.4%	36.5%
BPS (Unit:KRW)	216,308	217,445	219,413	217,230	217,238	221,857	232,070	230,440	240,082	260,560

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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	2Q
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	5,058
Operating Activities	644	246	395	1,839	3,124	-97	1,716	1,987	2,235	5,841	1,066	1,588
Operating Profit	263	247	349	-33	825	206	572	902	119	1,798	1,408	2,140
Depreciation	407	455	481	516	1,859	530	558	588	636	2,312	631	685
Working Capital	-181	-275	-124	693	113	-1,056	48	-62	272	-797	-885	-1,321
Investing Activities	-1,527	-1,732	-1,360	-1,492	-6,111	-1,328	-1,144	-1,000	-1,824	-5,296	-38	-1,360
Financing Activities	1,450	986	386	-525	2,298	2,283	44	-792	-596	938	688	-1,111
Borrow/Repay	1,584	1,576	474	-540	3,093	3,139	308	-496	-1,179	1,772	1,240	602
Dividends	-	-484	-	-	-484	-	-154	-24	-	-178	-	-869
Ending Cash Balance	3,098	2,631	2,055	1,889	1,889	2,767	3,363	3,539	3,274	3,274	5,058	4,189

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Appendix

CAPEX & R&D Expenses

CAPEX

(Unit: KRW bn)

LG Chem	2019	2020	1Q 2021	2Q 2021
Petrochemicals	1,773	1,831	398	307
Advanced Materials	416	224	45	105
Life Sciences	69	45	33	26
Energy Solution	3,580	2,745	522	731
Common (incl. Farm Hannong)	740	478	60	88
Total	6,578	5,322	1,057	1,257

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

R&D Expenses

(Unit: KRW bn)

LG Chem	2019	2020	1Q 2021	2Q 2021
Petrochemicals	155	167	38	45
Advanced Materials	192	160	35	39
Life Sciences	164	174	38	52
Energy Solution	388	423	130	155
Common (incl. Farm Hannong)	234	245	41	51
Total	1,132	1,169	281	341

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

Thank you

