



# LOTTE FINE CHEMICAL

4Q FY19 Business Results

Feb. 10<sup>th</sup> 2020

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Since this document has yet to be reviewed by external auditors, please note that the figures in the document may be revised following an independent review.

This document contains forward-looking statements or information that are based on estimates and assumptions.

Please be advised that such forward-looking statements involve known and unknown risks, uncertainties and assumptions, and are subject to change.

The financial information in this document has been prepared in accordance with K-IFRS.

# Contents

## I. 4Q FY19 Business Results

1. Income Statement

2. Financial Position

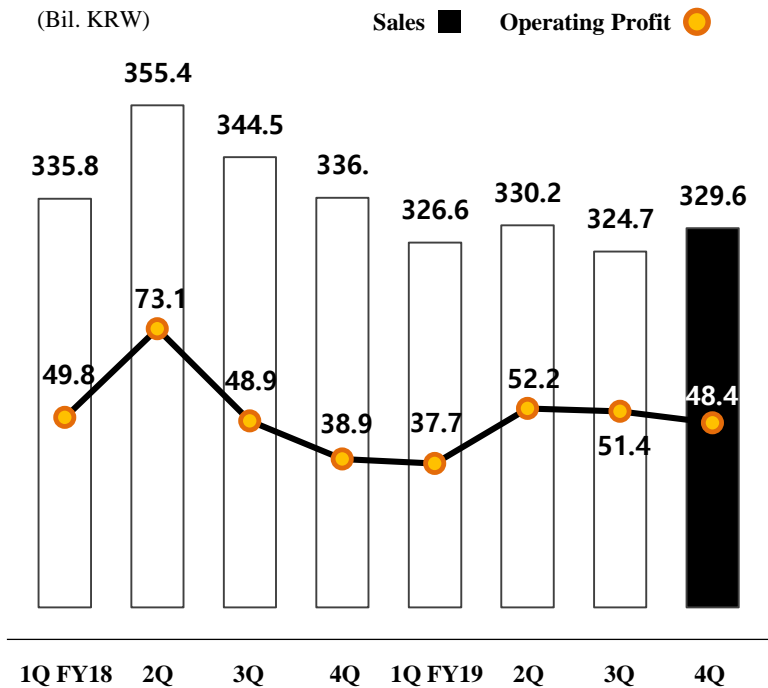
## II. Divisional Results Analysis

※ Quarterly Business Results

# 1. 4Q FY19 Business Results

## (1) Income Statement

Revenues and operating profit recorded KRW 329.6 billion and KRW 48.4 billion respectively (OPM 14.7%)



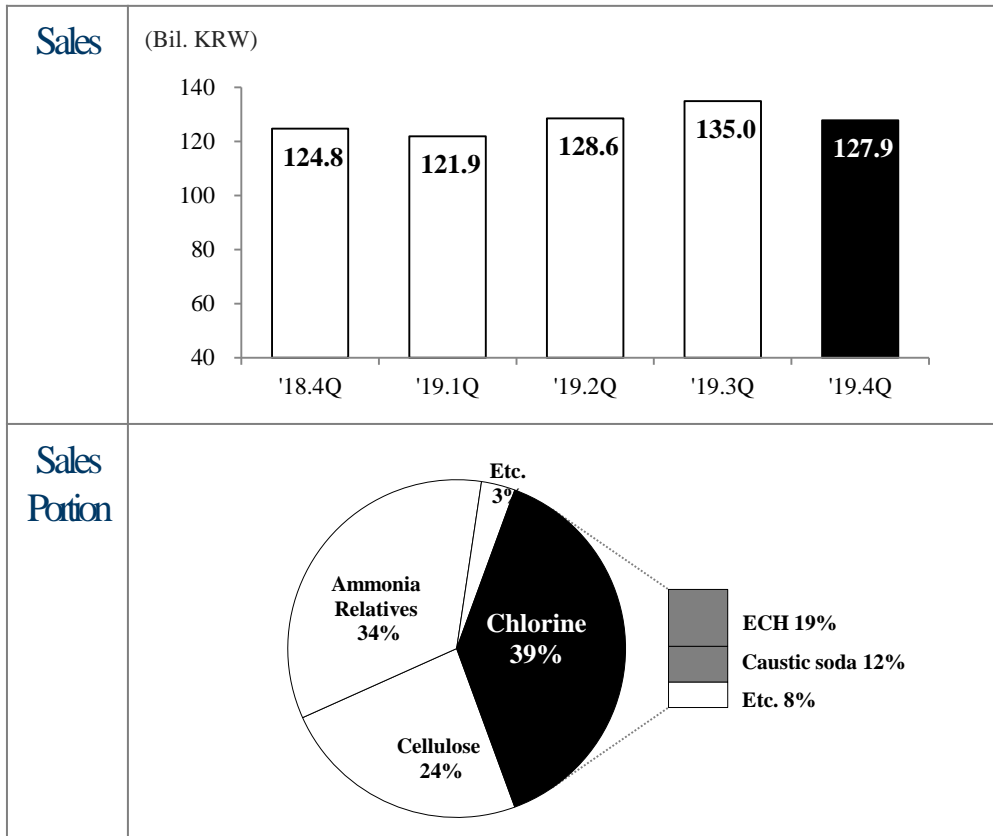
(Bil. KRW)	4Q FY18	3Q FY19	4Q FY19	QoQ	YoY
<b>Sales</b>	336.0	324.7	329.6	1.5%	▲1.9%
<b>Gross Profit</b>	61.6	76.9	70.9	▲7.8%	15.1%
<b>Operating Profit</b>	38.9	51.4	48.4	▲5.8%	24.4%
<b>Pre-tax Income</b>	46.1	64.3	50.0	▲22.2%	8.5%
<b>Net Income</b>	36.4	48.7	38.2	▲21.6%	4.9%
Oil Price(WTI, \$/bbl)	58.77	56.45	56.96	0.9%	▲3.1%
Exchange Rate (₩/\$)	1,127.43	1,194.94	1,175.81	▲1.6%	4.3%

Assets and liabilities stood at KRW 1,791.9 billion and KRW 299.4 billion respectively at the end of December.

(Bil. KRW)	Dec. 2018	Sep. 2019	Dec. 2019	Compared to Dec. 2018
<b>Asset</b>	<b>1,700.0</b>	<b>1,761.3</b>	<b>1,791.9</b>	<b>91.9</b>
Cash and Equivalents	6.8	53.2	10.6	3.8
<b>Liabilities</b>	<b>322.1</b>	<b>297.1</b>	<b>299.4</b>	<b>▲22.7</b>
Borrowings	81.2	81.3	81.3	0.1
<b>Shareholder's Equity</b>	<b>1,377.9</b>	<b>1,464.2</b>	<b>1,492.5</b>	<b>114.6</b>
Capital	129.0	129.0	129.0	-
Debt Ratio	23.4%	20.3%	20.1%	▲3.3%p
Capital Ratio	81.1%	83.1%	83.3%	2.3%p

## 2. Divisional Results : Chlorine

Revenues stood at KRW 127.9 billion, accounting for 38.8% of the total revenues.

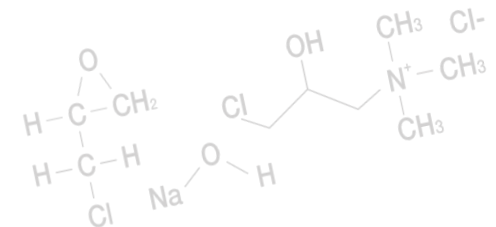


### ECH

- Revenues fell QoQ with a market price decline due to the seasonality issue (Q4) and the continued weak demand in the downstream (Epoxy), a result of economic slowdown.
- Revenues went up YoY enabled by the increased sales volume.

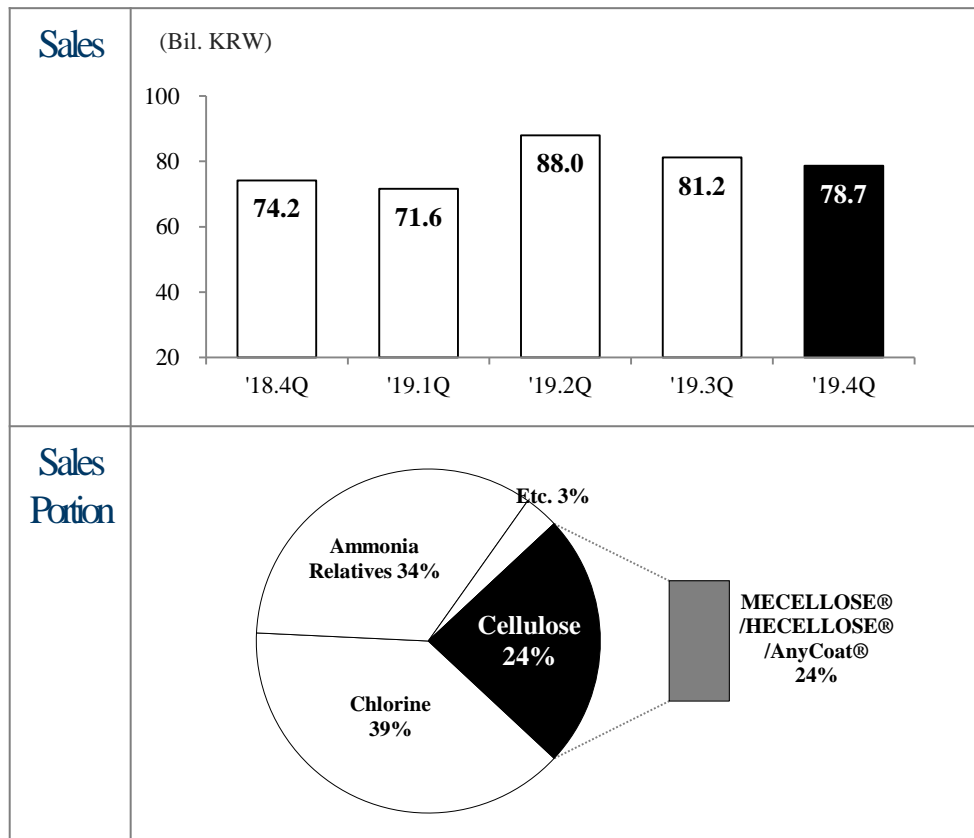
### Caustic soda

- Revenues fell QoQ due to weakening market price, a result of demand depressed by overall economic slowdown.
- Revenues fell YoY as affected by sales price down with market price depreciation.



## 2. Divisional Results : Cellulose

Revenues stood at KRW 78.7 billion, accounting for 23.9% of the total revenues.



### MECELLOSE<sup>®</sup>, HECELLOSE<sup>®</sup>

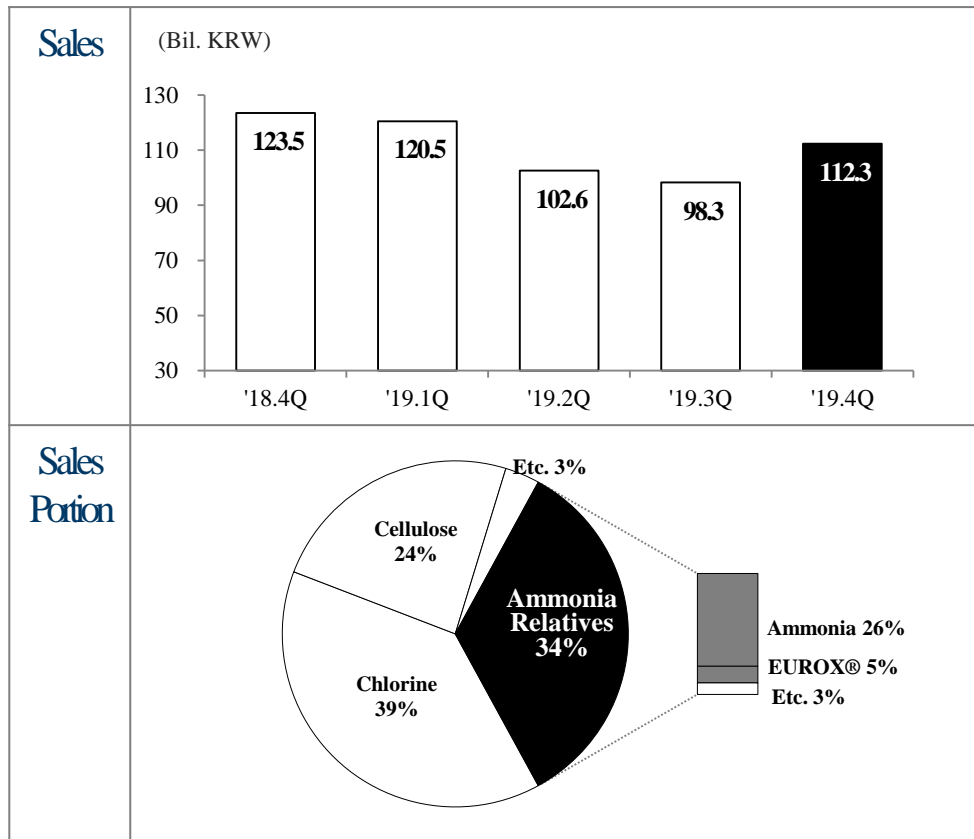
- Revenues fell QoQ for such reasons as decreased sales volume associated with seasonality of Q4 and price depreciation by a drop in the exchange rates.
- Revenues fell YoY due to fallen sales volume attributable to a drop in the demand following a depressed construction economy.

### AnyCoat<sup>®</sup>

- Revenues stayed at the similar level to the previous quarter for the sales volume by major capsule makers and pharma's remaining steady.
- Revenues rose YoY following the sales volume of major customers having gone up based on the steady global market growth.

## 2. Divisional Results : Ammonia

Revenues stood at KRW 112.3 billion, accounting for 34.1% of the total revenues



### Ammonia

- Revenues rose QoQ with firm and upward market price movements following the troubled supply situation in ME and the positive seasonal factor of the US.
- Revenues fell YoY due to market price turning down following increased global supply.

### EUROX®

- Revenues rose QoQ with increased sales volume based on higher demand with arrival of logistical peak season at the year-end.
- Revenues rose YoY enabled by the sales volume increase affected by the urea solution market growth.



# Appendix. Quarterly Business Results



(Bil. KRW)	FY18					FY19				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
<b>Sales</b>	335.8	355.4	344.5	336.0	1,371.7	326.6	330.2	324.7	329.6	1,311.3
<b>Gross Profit</b>	71.9	94.1	72.6	61.6	300.2	60.5	75.2	76.9	70.9	283.5
<b>Operating Profit</b>	49.8	73.1	48.9	38.9	210.7	37.7	52.2	51.4	48.4	189.7
<b>Income Before Tax</b>	70.8	87.8	70.4	46.1	275.2	51.7	58.1	64.3	50.0	224.1
<b>Net Income</b>	55.2	68.5	54.7	36.4	214.9	40.8	40.0	48.7	38.2	167.7
Oil Price (WTI, \$/bbl)	62.90	67.26	69.50	58.77	64.76	54.90	59.82	56.45	56.96	57.03
Exchange Rate (₩/\$)	1072.72	1,078.98	1,121.52	1,127.43	1,100.16	1,125.06	1,166.62	1,194.94	1,175.81	1,165.61

※ The difference between quarterly results and cumulative results is attributable to the round-off.

## MISSION

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인류의 풍요로운 삶에 기여한다

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