



LOTTE FINE CHEMICAL

1Q FY20 Business Results

Apr. 29th 2020

Lifetime
Value Creator

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.

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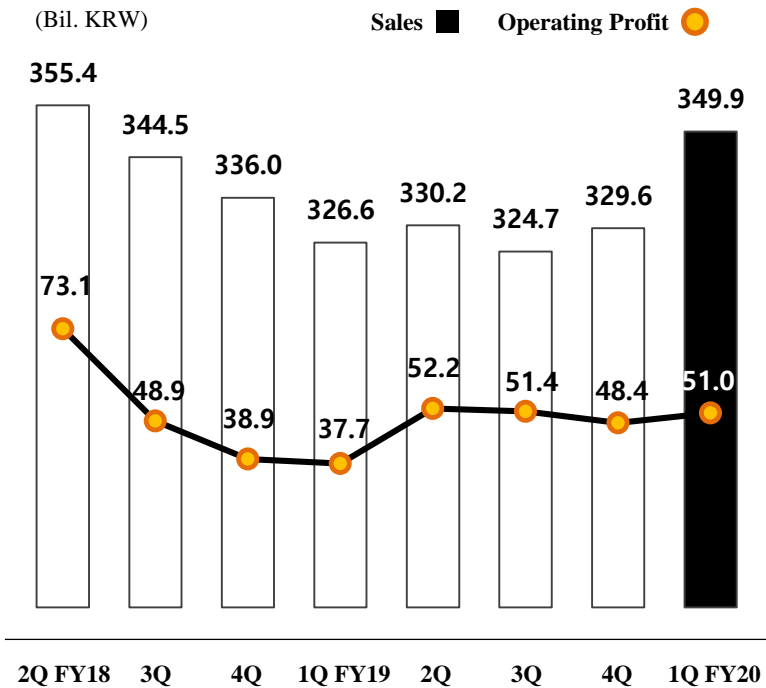
※ Quarterly Business Results

1. 1Q FY20 Business Results

(1) Income Statement



Revenues and operating profit recorded KRW 349.9 billion and KRW 51.0 billion respectively (OPM 14.6%)



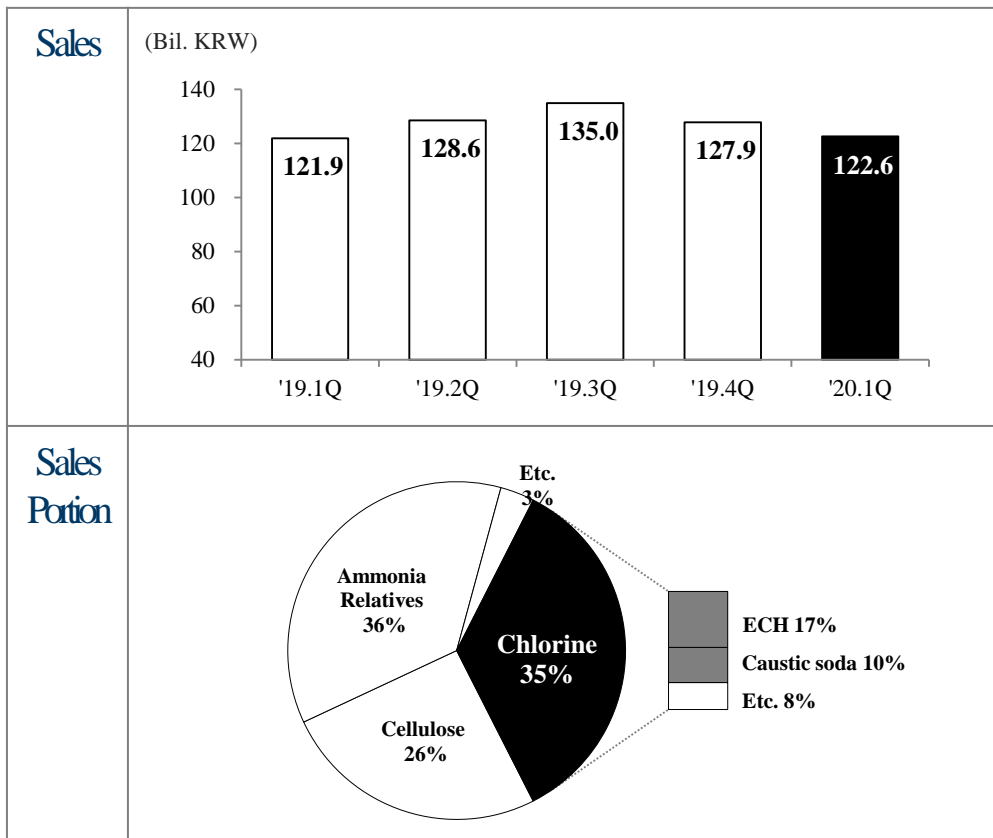
(Bil. KRW)	1Q FY19	4Q FY19	1Q FY20	QoQ	YoY
Sales	326.6	329.6	349.9	6.2%	7.1%
Gross Profit	60.5	70.9	74.9	5.6%	23.8%
Operating Profit	37.7	48.4	51.0	5.4%	35.3%
Pre-tax Income	51.7	50.8	64.6	27.2%	25.0%
Net Income	40.8	38.9	43.1	10.8%	5.6%
Oil Price(WTI, \$/bbl)	54.90	56.96	46.17	▲18.9%	▲15.9%
Exchange Rate (₩/\$)	1,125.06	1,175.81	1,192.72	1.4%	6.0%

Assets and liabilities stood at KRW 1,864.0 billion and KRW 371.0 billion respectively at the end of March.

(Bil. KRW)	Mar. 2019	Dec. 2019	Mar. 2020	Compared to Dec. 2019
Asset	1,756.1	1,792.7	1,864.0	71.3
Cash and Equivalents	6.7	10.6	16.1	5.5
Liabilities	380.7	299.6	371.0	71.4
Borrowings	81.2	81.3	82.0	0.7
Shareholder's Equity	1,375.4	1,493.1	1,493.0	▲0.1
Capital	129.0	129.0	129.0	-
Debt Ratio	27.7%	20.1%	24.8%	4.7%p
Capital Ratio	78.3%	83.3%	80.1%	▲3.2%p

2. Divisional Results : Chlorine

Revenues stood at KRW 122.6 billion, accounting for 35.0% of the total revenues.

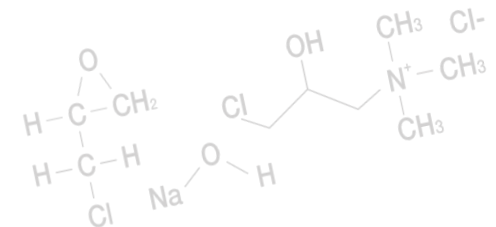


ECH

- With COVID-19, the epoxy businesses in China had their operation on hold and logistics in trouble, which had impacts on domestic and international market prices, resulting in a decline of sales QoQ.
- An increase in sales volume led to sales increase YoY

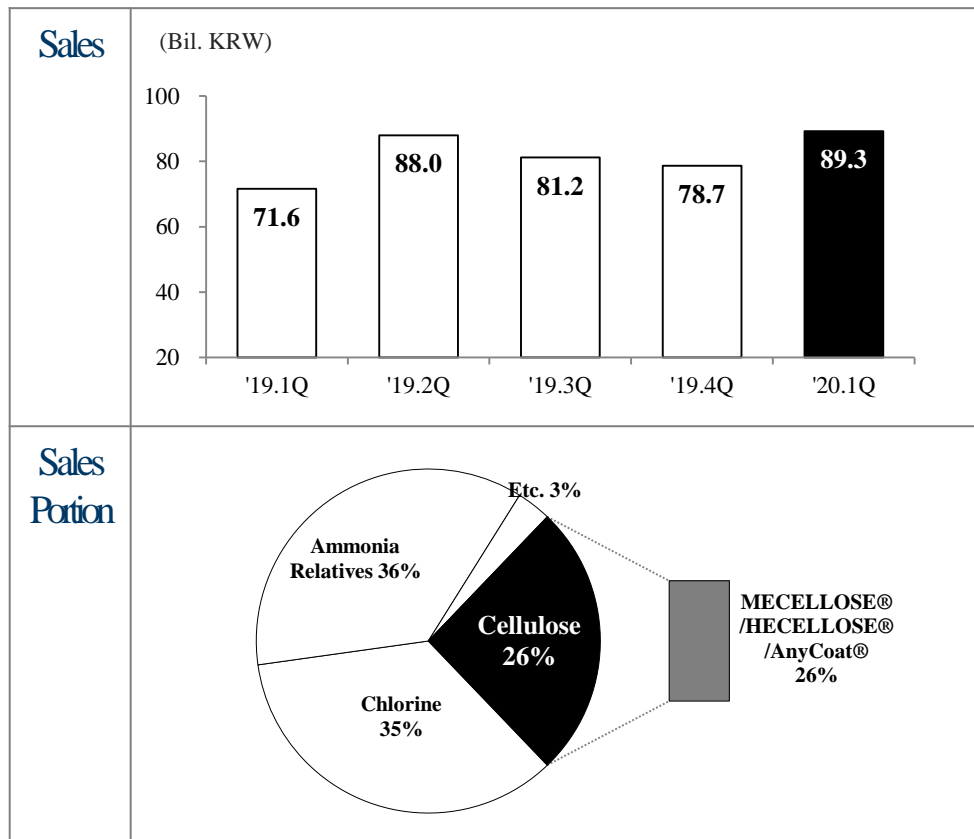
Caustic soda

- 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 89.3 billion, accounting for 25.5% of the total revenues.

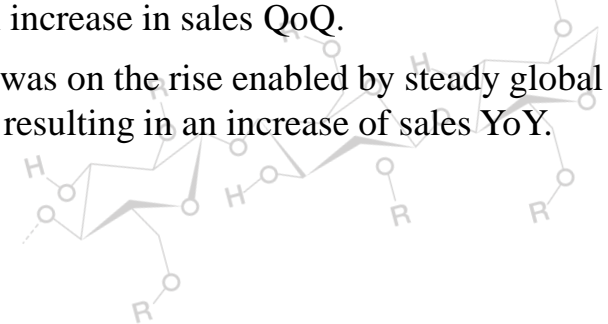


MECELLOSE[®], HECCELLOSE[®]

- Volume increase in major markets for market share expansion led to an increase in sales volume, resulting in increased sales QoQ.
- New and expanded sale volumes led to increased sales amount YoY.

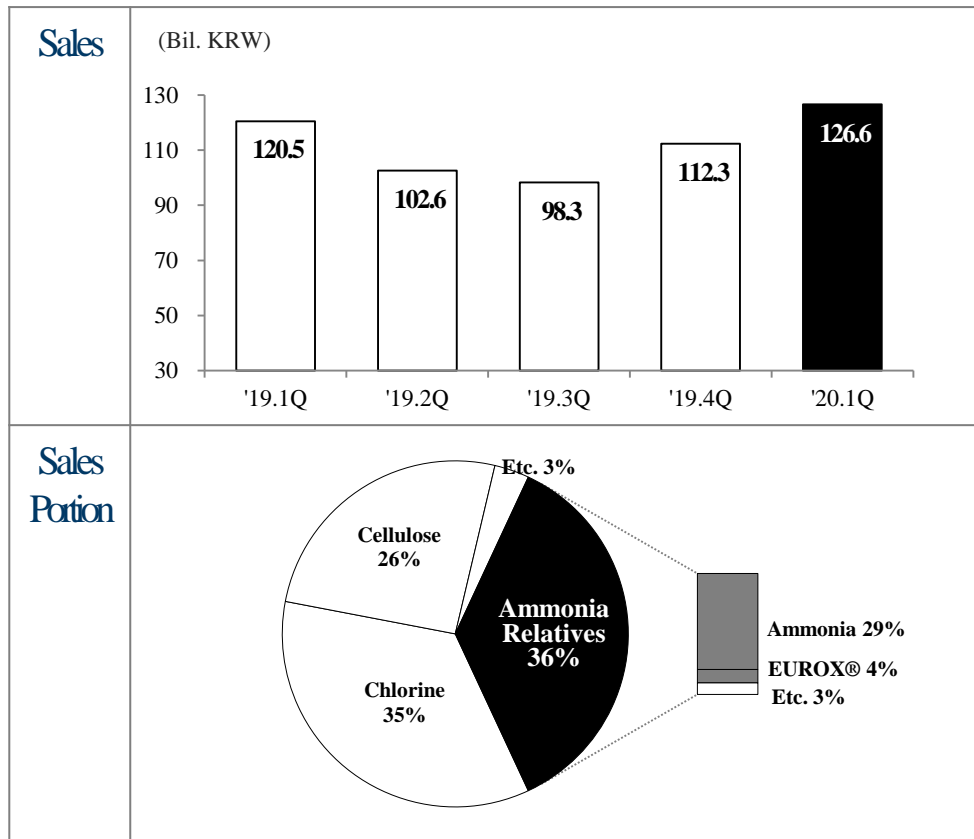
AnyCoat[®]

- Demand increase for capsules and from pharma companies and increase in sales volume for food led to sales growth, resulting in an increase in sales QoQ.
- Sales volume was on the rise enabled by steady global upward trend, resulting in an increase of sales YoY.



2. Divisional Results : Ammonia

Revenues stood at KRW 126.6 billion, accounting for 36.2% of the total revenues



Ammonia

- Despite the shrunken supply affected by troubled operation of major Ammonia plants and regular maintenance, the international prices were held steady due to decreased global demand caused by COVID-19. The demand was restored after the customers' regular maintenance, leading to an increase in both sales volume and sales amount QoQ.
- Sales amount increased YoY with an increase of sales volume overcoming the falling international prices.

EUROX®

- Sales dropped due to lowered sales volume QoQ as affected by COVID-19 as well as seasonal reasons like new year holidays
- Sales rose YoY with sales volume increase enabled by the AdBlue market growth.

Appendix. Quarterly Business Results



(Bil. KRW)	FY19					FY20				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	326.6	330.2	324.7	329.6	1,311.3	349.9				
Gross Profit	60.5	75.2	76.9	70.9	283.5	74.9				
Operating Profit	37.7	52.2	51.4	48.4	189.7	51.0				
Income Before Tax	51.7	58.1	64.3	50.8	224.9	64.6				
Net Income	40.8	40.0	48.7	38.9	168.4	43.1				
Oil Price (WTI, \$/bbl)	54.90	59.82	56.45	56.96	57.03	46.17				
Exchange Rate (₩/\$)	1,125.06	1,166.62	1,194.94	1,175.81	1,165.61	1,192.72				

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

MISSION

사랑과 신뢰를 받는
제품과 서비스를 제공하여
인류의 풍요로운 삶에 기여한다

We enrich people's lives by providing
superior products and services that
our customers love and trust

