

IR : 2020 1Q Business Review

May. 2020

Disclaimer

The financial information included in this material is earnings based on K-IFRS. All information regarding financial results and business performance contained herein have been prepared on a separate basis that excludes subsidiaries.

General Information

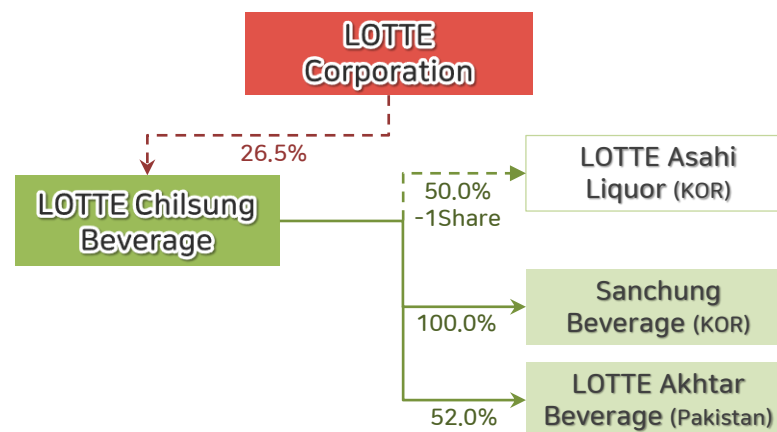
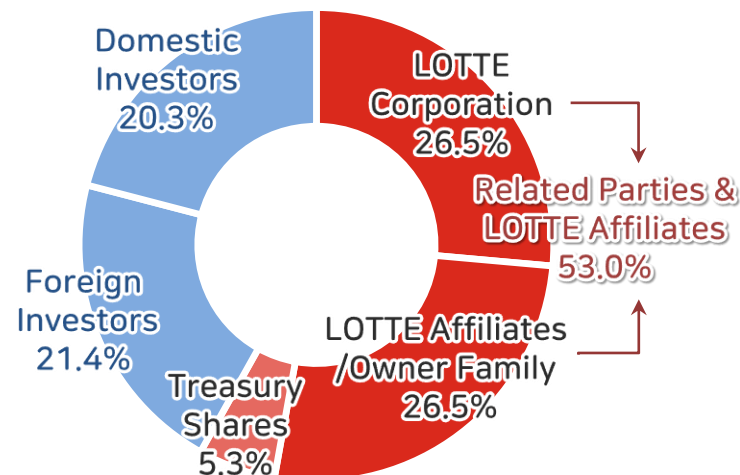
- Established May 9, 1950
- Main Business Beverage/Liquor
- Employees 5,969 (Beverage 4,250, Liquor 1,719)
- Production 12 plants (Beverage 6, Liquor 6)
- Sales Organization 136 branches
- Shareholdings Common stock as of End-March 2020

Name	Shares	Ownership(%)
LOTTE Corporation	2,121,660	26.54
LOTTE Aluminum	708,870	8.87
LOTTE Scholarship	501,680	6.28
Hotel LOTTE	473,450	5.92
LOTTE Japan	109,830	1.37
SHIN, Gyeok-Ho	104,080	1.30
SHIN, Yeong-Ja	212,380	2.66
LEE, Yeong-Gu	930	0.01
Related Parties & LOTTE Affiliates	4,234,130	52.96
Others	3,339,220	41.78
Treasury Shares	420,110	5.26
Total	7,993,460	100.0

* Note: Excl. 775,310 Preferred Shares

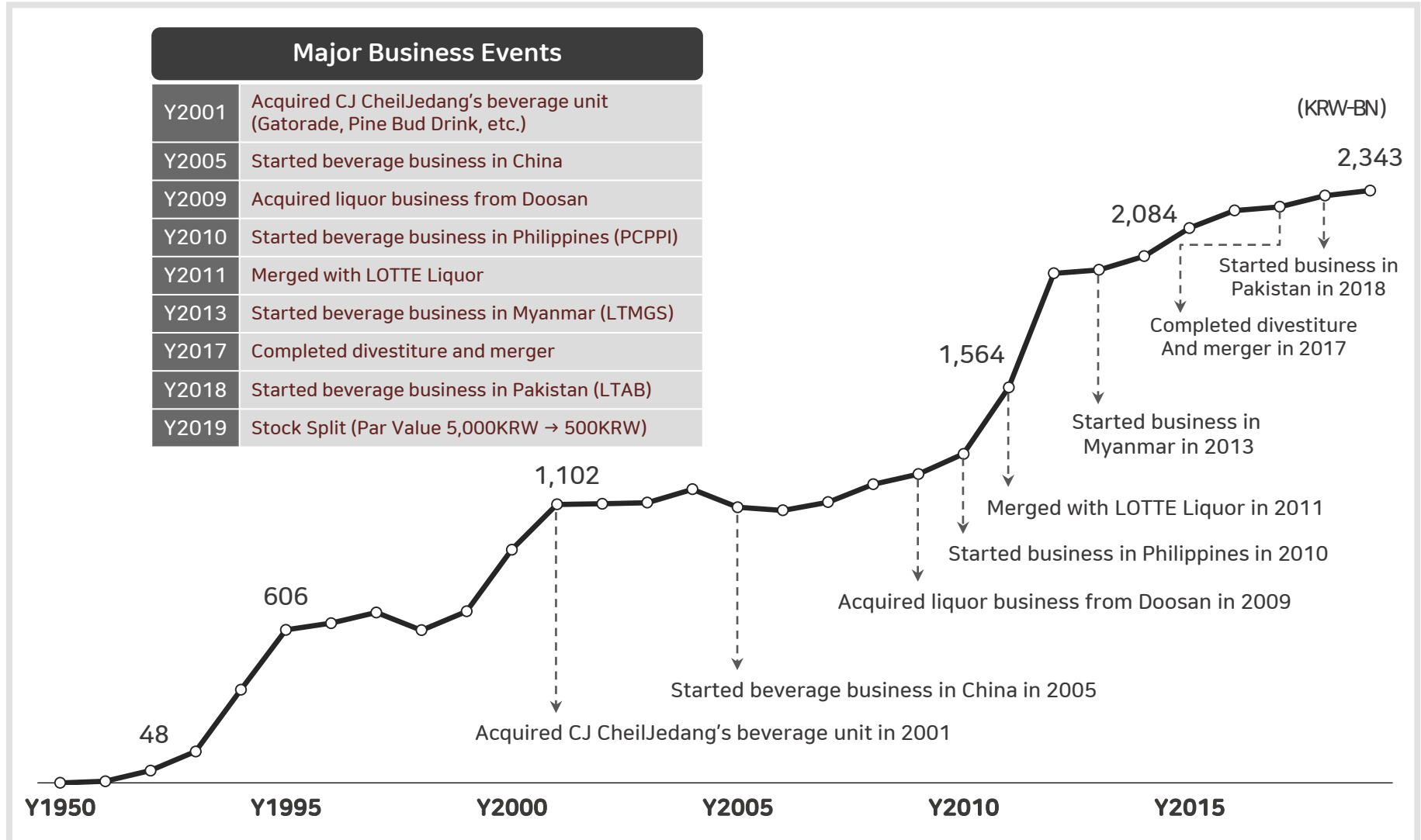
Shareholding Structure

As of End-March 2020



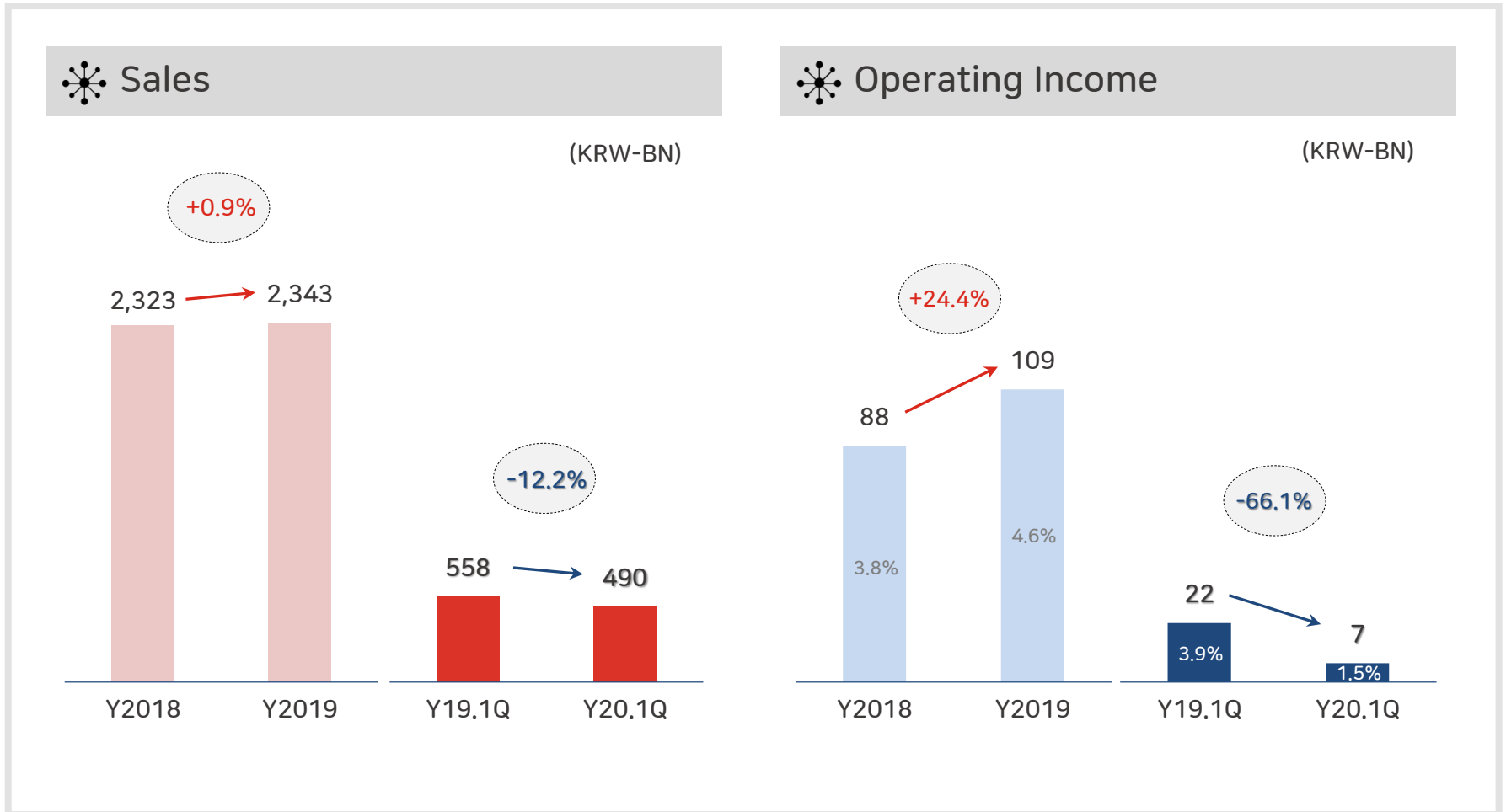
Company History

Established in 1950 / Acquired by LOTTE Group in 1974 / Merged with LOTTE Liquor in 2011



Performance - Separated (1Q)

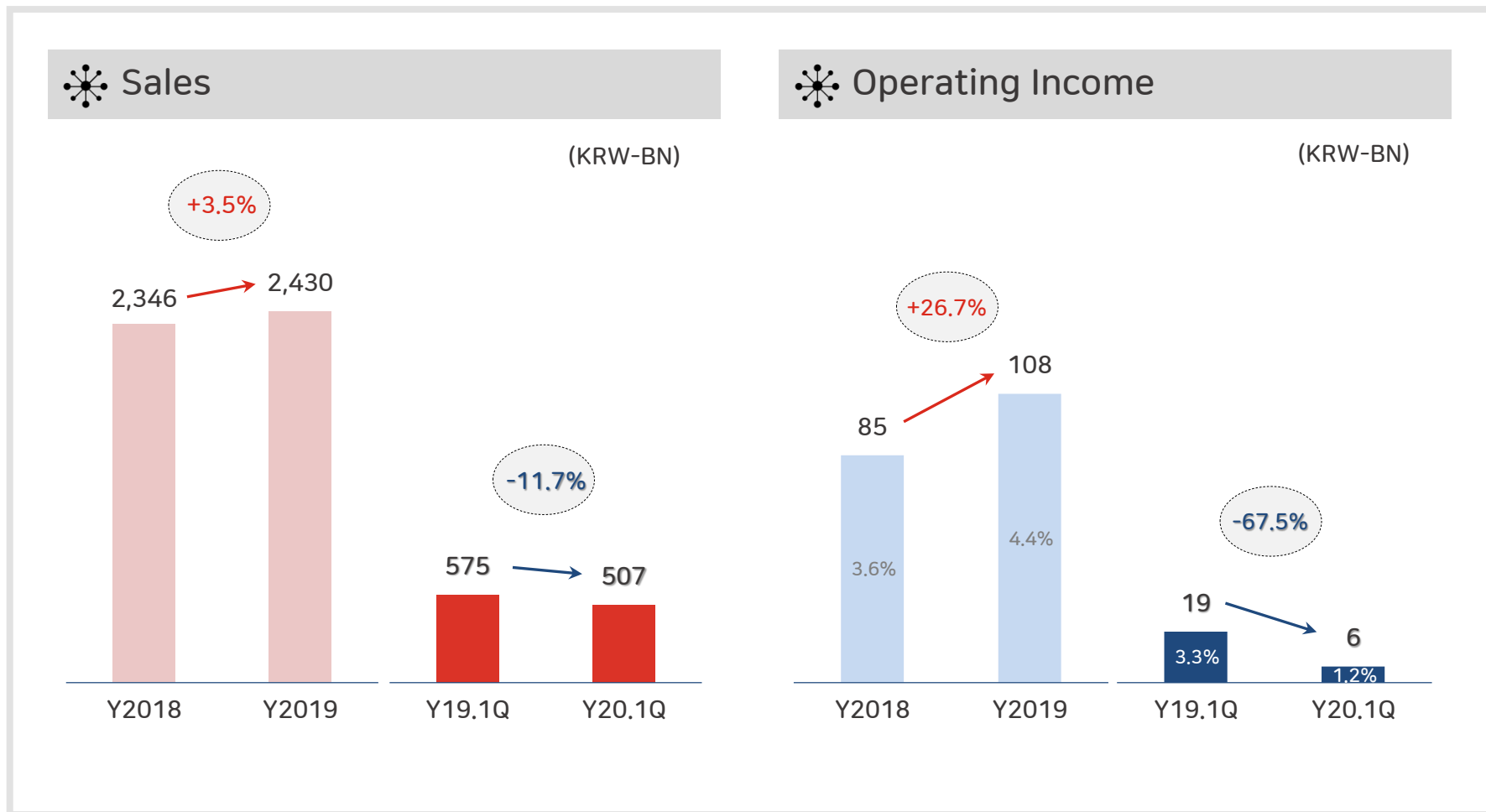
- Sales : 2020 1Q 490 BN KRW (YoY -12.2%)
- Operating Income : 2020 1Q 7 BN KRW (YoY -66.1%)



Source : Company Separate Financial Statement

Performance - Consolidated (1Q)

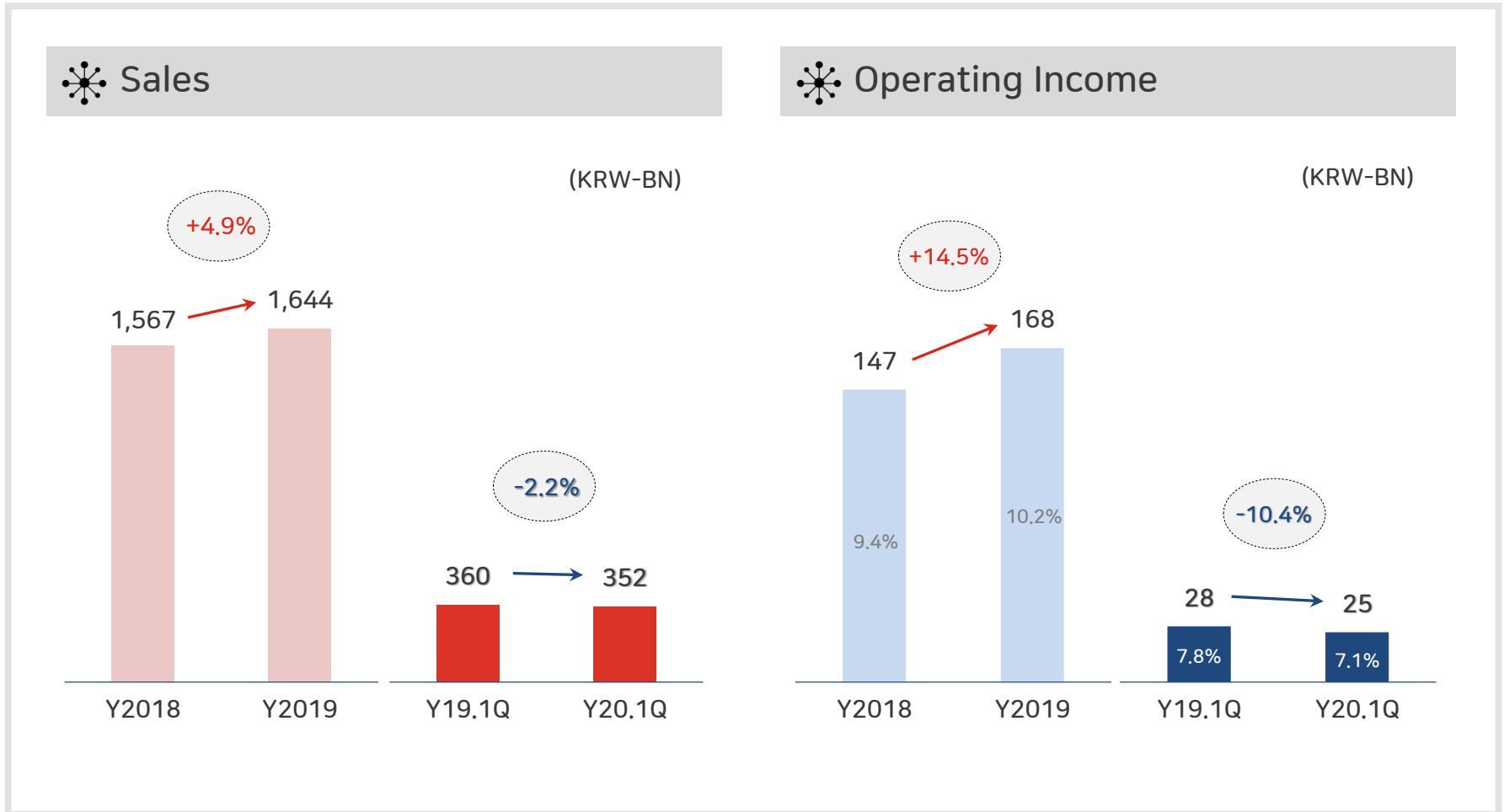
- Sales : 2020 1Q 507 BN KRW (YoY -11.7%)
- Operating Income : 2020 1Q 6 BN KRW (YoY -67.5%)



Source : Company Consolidated Financial Statement (Subsidiary Company : Sanchung Beverage(KOR), LOTTE Akhtar Beverage Limited(Pakistan))

Performance - Beverage (1Q)

- Sales : 2020 1Q 352 BN KRW (YoY -2.2%)
- Operating Income : 2020 1Q 25 BN KRW (YoY -10.4%)



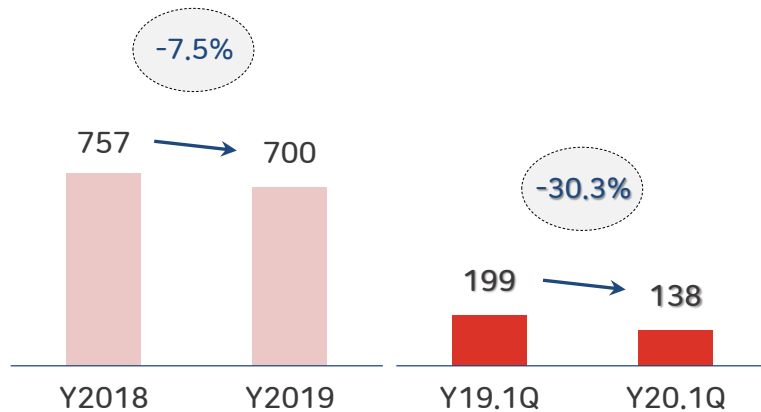
Source : Company Separate Financial Statement

Performance - Liquor (1Q)

- Sales : 2020 1Q 138 BN KRW (YoY -30.3%)
- Operating Income : 2020 1Q -18 BN KRW (YoY -191.7%)

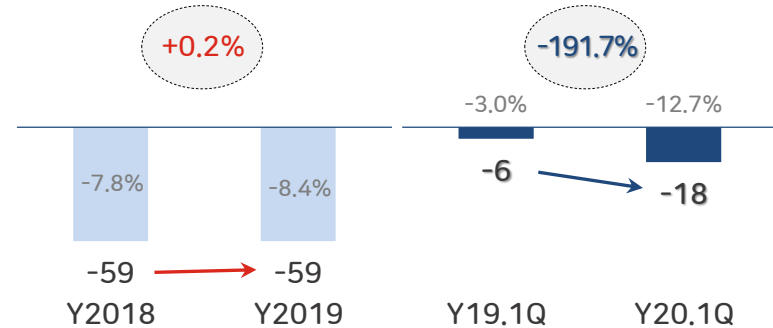
* Sales

(KRW-BN)



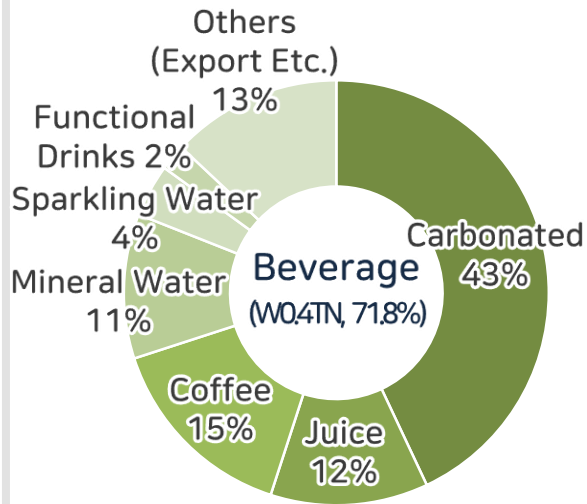
* Operating Income

(KRW-BN)

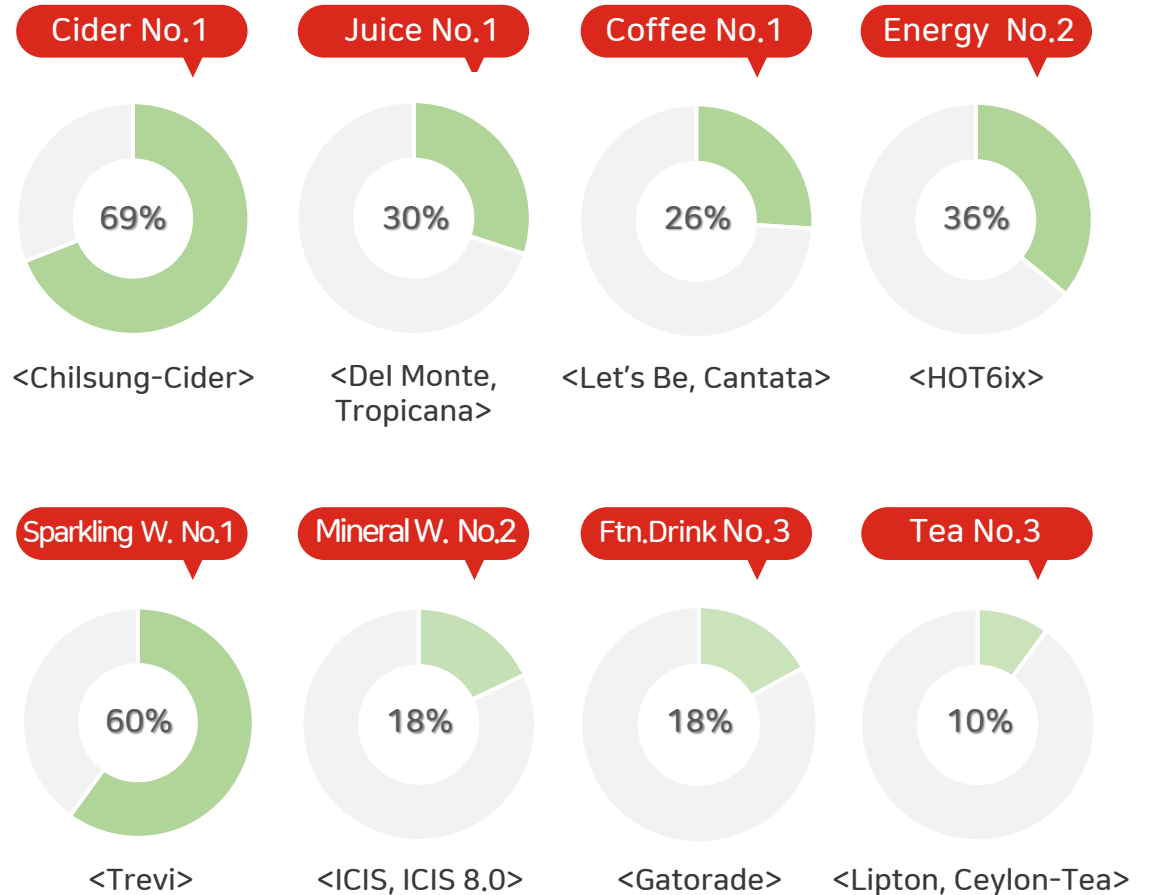


State of business (1Q) - Beverage

* Sales Breakdown¹⁾



* Domestic M/S for Core Products²⁾



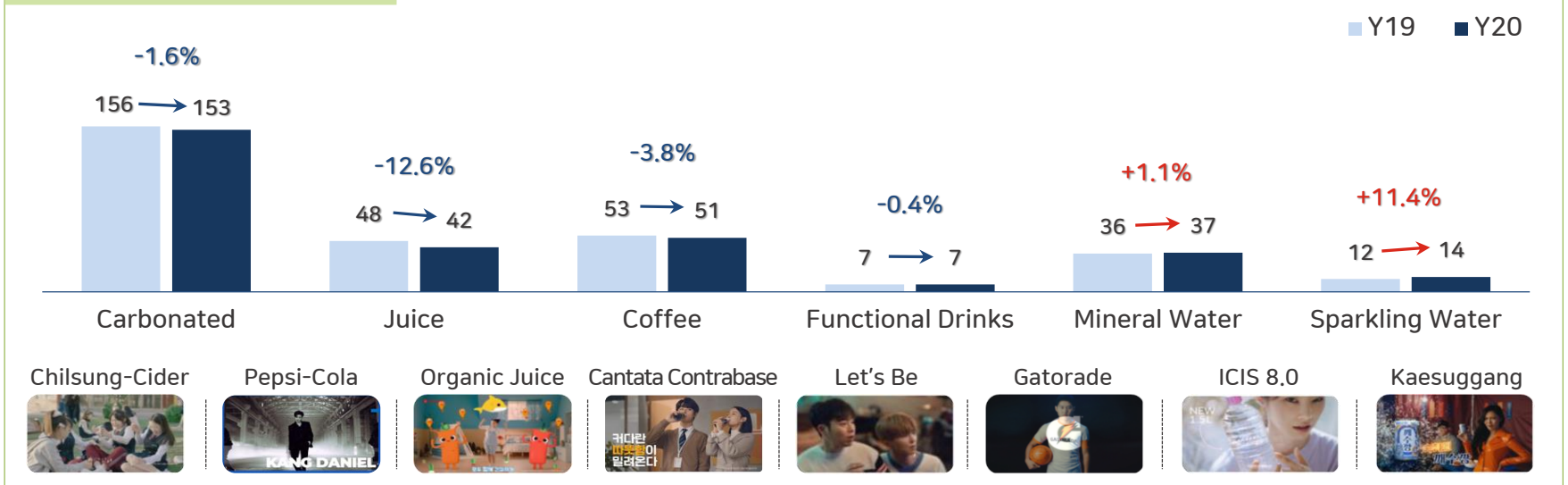
Sales by category (1Q)

❄ Beverage

(KRW-BN, %)

Year	Carbonated	Juice	Coffee	Functional Drinks	Mineral Water	Sparkling Water
2019	156	48	53	7	36	12
2020	153	42	51	7	37	14
Chg.	-3	-6	-2	-	1	2
% YoY	-1.6	-12.6	-3.8	-0.4	1.1	11.4

% YoY Net sales



Appendix: Financial Information

Income Statement

(Unit: KRW-100MN)

	Y19.1Q	Portion(%)	Y20.1Q	Portion(%)	YoY(%)
Sales	5,584	100.0	4,904	100.0	(12.2)
Cost of Sales	3,311	59.3	3,001	61.2	(9.4)
Gross Income	2,273	40.7	1,903	38.8	(16.3)
SG&A	2,054	36.8	1,828	37.3	(11.0)
Operating Income	219	3.9	74	1.5	(66.1)
Net Income Before Income Tax	109	1.9	(13)	(0.3)	(111.5)
Net Income	47	0.8	(13)	(0.3)	(126.8)

Balance Sheet

(Unit: KRW-100MN)

	End-Y2019	End-Y19.1Q	End-Y20.1Q	YoY(%)
Current Assets	7,709	9,125	6,890	(24.5)
Non-Current Assets	24,136	25,652	24,142	(5.9)
Total Assets	31,846	34,777	31,033	(10.8)
Current Liabilities	9,065	9,370	11,038	17.8
Non-Current Liabilities	10,690	12,183	8,238	(32.4)
Total Liabilities	19,755	21,553	19,276	(10.6)
Total Shareholders' Equity	12,091	13,224	11,756	(11.1)

Source : Company Separate Financial Statement

Appendix: Financial Information

Income Statement

(Unit: KRW-100MN)

	Y19.1Q	Portion(%)	Y20.1Q	Portion(%)	YoY(%)
Sales	5,749	100.0	5,074	100.0	(11.7)
Cost of Sales	3,448	60.0	3,135	61.8	(9.1)
Gross Income	2,301	40.0	1,939	38.2	(15.7)
SG&A	2,109	36.7	1,876	37.0	(11.0)
Operating Income	193	3.3	63	1.2	(67.5)
Net Income Before Income Tax	67	1.2	(44)	(0.9)	(165.3)
Net Income	11	0.2	(35)	(0.7)	(425.9)

Balance Sheet

(Unit: KRW-100MN)

	End-Y2019	End-Y19.1Q	End-Y20.1Q	YoY(%)
Current Assets	7,884	9,327	7,102	(23.9)
Non-Current Assets	24,681	26,532	24,661	(7.1)
Total Assets	32,565	35,859	31,763	(11.4)
Current Liabilities	9,416	9,745	11,379	16.8
Non-Current Liabilities	10,869	12,383	8,464	(31.6)
Total Liabilities	20,285	22,128	19,843	(10.3)
Total Shareholders' Equity	12,280	13,731	11,920	(13.2)

Source : Company Consolidated Financial Statement (Subsidiary Company : Sanchung Beverage(KOR), LOTTE Akhtar Beverage Limited(Pakistan))

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

