



Earnings Release, 2Q 2025

The Place Where Home Appliances Become Easy

LOTTE HIMART

Investor Relations | 2025.7.28

Disclaimer

The information contained in this presentation include forecast of Lotte Himart Co., Ltd (thereunder referred to as the company). These forecasts are subject to change due to unknown risks, uncertainties and other factors. Also, the company's future performance or forecast may differ materially from actual performance.

This material should not be used for any legal purpose; Please note that the company does not take any responsibility for the investment results based on the information provided in this material, nor is liable for damages.

This material has been prepared based on information as of the date of writing, and the company is not responsible for publicly updating new information or future events that change in the future.

The financial information in this document is prepared based on the preliminary operating performance of individual financial standards prepared in accordance with Korean International Financial Reporting Standards (K-IFRS).

As this material has been prepared for the convenience of investors while the external auditor has not completed the accounting audit, some of the contents may be changed during the audit process.

Summary

“Revenue and Profit Growth for Two Consecutive Quarters → Entering a Growth Trajectory”

Revenue

2Q Revenue: KRW 594.2B (Total Revenue +2.6% YoY / Net Revenue +0.8% YoY)

1H Revenue: KRW 1,123.2B (Total Revenue +3.0% YoY / Net Revenue +0.8% YoY)

Channel Growth: OFF (2Q +1.1%, 1H +1.8%), ON (2Q +14.0%, 1H +11.0%)

Operating Profit

2Q: KRW 10.5B (+KRW 7.7B YoY), 1H: KRW -0.6B (+KRW 12.7B YoY)

Customer Touchpoint Expansion

Subscription Service, 11 brands onboard. surpassed KRW 10B in revenue within 2 months (10K subscriptions)

Apple Service Centers: Launched 89 locations for diagnostics and repairs (targeting 1.2M annual customers)

⇒ Expected to address weak points, such as attracting younger customers

Financial Results in 2Q '25

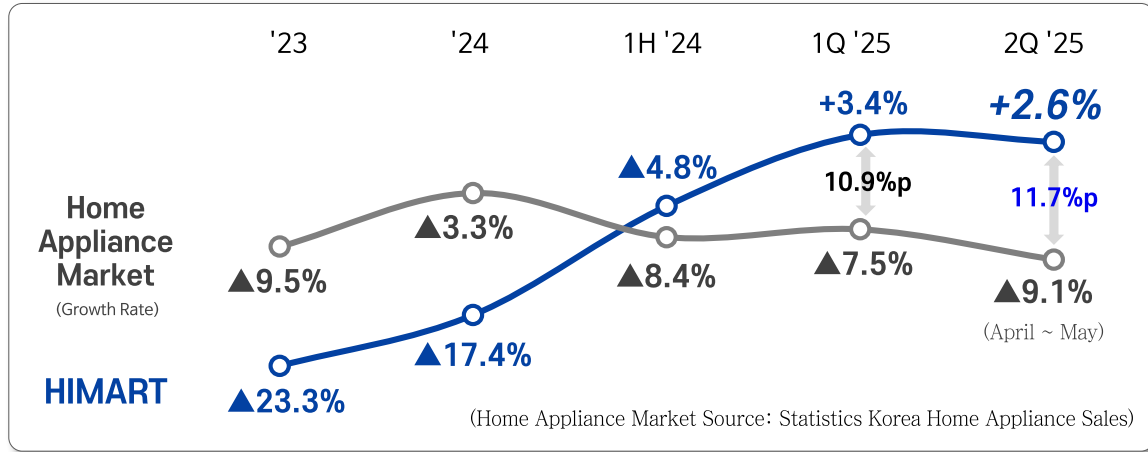
[Unit: 100 Million KRW]

Category	2Q					1H				
	'25	Ratio	YoY	'24	Ratio	'25	Ratio	YoY	'24	Ratio
Revenue	5,942	100.0%	+0.8%	5,893	100.0%	11,232	100.0%	+0.8%	11,144	100.0%
Reported Revenue	1,888	31.8%	+15.5%	1,635	27.7%	3,405	30.3%	+15.1%	2,957	26.5%
Gross Profit	1,784	30.0%	+11.0%	1,607	27.3%	3,411	30.4%	+10.4%	3,090	27.7%
SG & A Expenses	105	1.8%	+77	28	0.5%	▲6	▲0.1%	+127	▲133	▲1.2%
Excluding One-Time Factors	46	0.8%	+44	1	0.0%	▲36	▲0.3%	+123	▲159	▲1.4%
Profit Before Tax	106	1.8%	+83	23	0.4%	▲47	▲0.4%	+145	▲192	▲1.7%
Net Profit	111	1.9%	+97	14	0.2%	▲27	▲0.2%	+154	▲181	▲1.6%

※ The above business performance figures are prepared prior to the completion of the external auditor's review and are subject to change during the review process.

Industry decline overcome, HIMART achieves revenue growth

Revenue & Operating Profit Growth



Operating Profit Status

[Unit: 100 Million KRW]

Category		1Q '25	2Q '25	1H '25
Operating Profit		▲111	105	▲6
	YoY	+50	+77	<u>+127</u>
Operating Profit Excluding One-Offs		▲81	46	▲36
	YoY	+79	+44	<u>+123</u>

1H Achievements

Category	Safety Care Service	PB, PLUX	Direct Purchase on Own Mall Revenue Growth
Total Sales Growth Rate	+78%	+12%	+28%

Market decline countered via strategic products & touchpoint expansion

Review of Key Strategies for the First Half of '25

Strengthen recognition as a specialized home appliance store

***Advance
Safety Care Service***

Address issues through direct visits
(responding to aging society)

Renew experiential stores

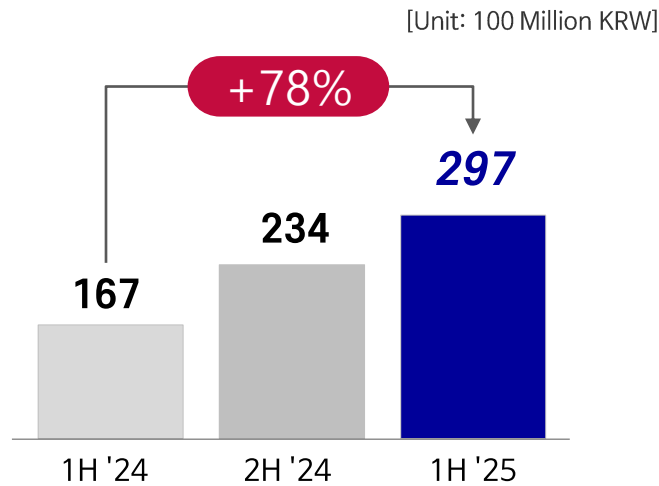
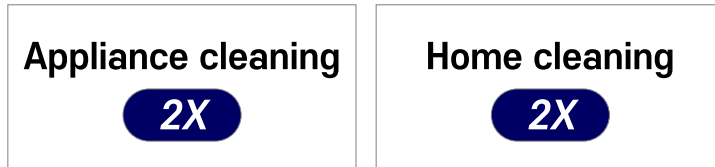
Personalized consultation based on
home layout
Mobile UTOPIA

***Everyday appliances
PB, PLUX***

Expand PB offerings
(e.g., ceiling fans, moveable TVs)

HIMART Safety Care Service sales grew by +78%, driven by **addressing minor inconveniences**

Growth in high-touch service areas



HIMART Safety Care Sales Overview

Launched in-home consulting for aging society (June)

- Support for seniors living apart from family or unable to visit stores
- Specialized services for appliance setup and usage assistance



- ① Noise/level adjustment
- ② TV setup/remote issue
- ③ Sunday emergency installation

Served **1,000+** customers since opening

71%
Customers aged 50+

64%
Washer, Dryer, TV

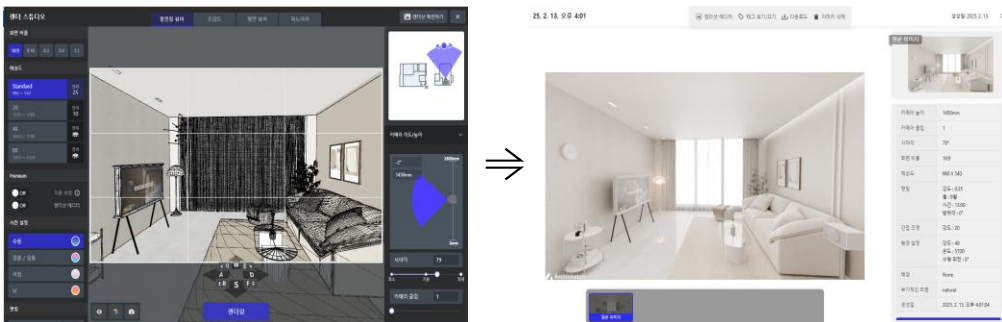
Development of Specialized Stores for **Maximized Customer Experience**

Tailored placement advice based on actual home structures

Built-In Planner Solution (July, 150 Locations)

→ 3D simulation of living spaces for appliance and furniture placement

→ Preview home interiors with furniture and appliances



Gangdong Godeok , Changwon Sangnam

New Launch (4/25)

Renewal (5/2)

Mobile UTOPIA Initiative

→ **monthly sales growth 8X**

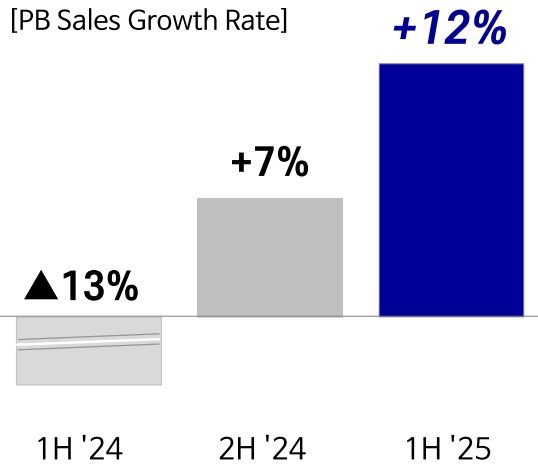


Godeok, First Branch

- Honest pricing plans and easy to understand
- Interactive Experiences: Self-Photo Booths, Mobile Games, etc
- Easy Online Sign-Ups

Cost-effective lifestyle appliances, pioneering a new PB category

April '25, PLUX Launching



Among 30 new products,
15 ranked #1 in category, 22 in Top 3

43" Moveable QLED TV



Core needs

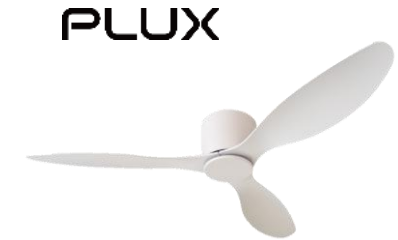
TV needs for 1-2 person households, high space efficiency

Differentiation

Popular for QLED backlight and UHD 4K resolution, over 30% cheaper than leading brands

Expected annual sales 12,000 units
(Category #1)

Low-noise slim ceiling fan



Concerns about blade noise and installation

Installation guaranteed by HIMART, BLDC (low-noise) motor used, priced at 50% of similar spec products

Expected annual sales: 10,000 units
(New item)

Continuous Advancement of Three Key Strategies for 2nd Half of '25

✓ Advance Safety Care Service

✓ HIMART Subscription Launch (May)

- Achieved 10 billion KRW in 2 months
- Lifestyle-focused subscription with diverse brands
- Expected to generate 200,000 annual Care customers

✓ Apple Nationwide Repair Service (July)

- Introduced Korea's first pre-diagnosis solution
- Resolves inconvenience for 20~30 office workers, 365-day repair service

Renew experiential stores

✓ Introduction of Built-In Planner Solution

- Integrated consultation stores for appliances, furniture, and interior
- July, 150 stores → Expansion to all stores by end of '25

✓ Expansion of Mobile-Specialized Stores, MOTOPIA

- May '25, 2 stores → Expansion to 8 stores by end of '25

✓ Renovation of 20+ Stores in 2nd Half

Everyday appliances PB, PLUX

✓ Launch of 34 New Products in 2nd Half

- Custom keyboard, 32" white bezel QLED TV, direct water purifier, wet/dry vacuum cleaner, etc.

[Key Product - Custom Keyboard]



- Detachable front cover (easy color change and maintenance)
- Integrated keycap remover design

Through regular care customers, we will continue our promise to customers and shareholders as a life-attached home appliance expert

We will achieve our annual guidance of **KRW 10 billion in operating profit and make this a year of **real business turning****

롯데하이마트 비전·미션

가전 라이프 평생 케어, 롯데하이마트

라이프 스테이지에 꼭 맞는 가전 제품과 세심한 케어 서비스로
고객의 평생 가전 라이프를 안심하게 한다.

롯데하이마트 Brand Value

Selection

비교, 체험할 수 있는
다양한 구색

Curation

나에게 딱 맞는
최적의 큐레이션

Care Service

끝까지
책임져주는 관리

롯데하이마트 Brand Slogan

“가전이 쉬워지는 곳, 롯데하이마트”



Launching 2 Months Ago, Exceeded 10 Billion Won

Diverse Brands, Lifestyle-Integrated Subscriptions

1	Subscription Terms	36 Month 80%	>	60 Month 20%
2	Items	Major Home Appliances 70%	>	Lifestyle, Kitchen, IT Appliances 30%
3	New Customer Ratios	Subscriptions 12%	>	Company Wide 7%

Wide Customer Needs Addressed, Area Expansion

		[Lifestyle & Kitchen Appliances]		
	Major Home Appliance	Cordless vacuum cleaner	Robot Vacuum	Electric Pressure Cooker
Brand	LG · Samsung	Shark	roborock	CUCKOO
Major Care Services	Complete Disassembly Cleaning	New Battery Provision	Regular Delivery of Mops, Dust Bags	Pressure Packaging

- ✓ Product Diversification: Range Hood, Electric Shaver, Food Waste Disposer, Camera, etc.
- ✓ Brand Expansion: Drongi, Smartkara, Philips, Canon, etc.
- ✓ Price Range Lowered: 700,000 Won → 500,000 Won

HIMART Subscriptions: Expected to Generate 200,000 Regular Care Customers Annually

Apple Nationwide Repair Acceptance (7/21), **First Domestic Pre-Diagnosis Solution Introduction**

Estimated annual repair cases nationwide **1.2 million** units → Expected new customer acquisition for HIMART

Solution to time and space inconveniences for 20-30-year-old salaried workers

✓ **Pre-diagnosis System Introduction**

- Simple errors that do not require repair can be resolved at the visited store

- ✓ **Convenience for Students and Salaried Workers, 365 days a year nearby stores accept repairs even on weekends until 8 PM**

Diagnostic Items

- Software
 - memory
 - camera
 - display
 - battery
 - ⋮
- up to 20 other items**



[iPhone]



[iPad]



[Apple Watch]

[Appendix] Non-recurring Impact in 1H '25

[Unit: 100 Million KRW]

Category		1H '25	1H '25	
			1Q	2Q
'25	Non-recurring Impact (①-②)	30	▲30	59
	① Non-recurring Revenue (VAT Refund)	66	-	66
	② Non-recurring Expenses (Retroactive Payment of Regular Wages, etc.)	▲36	▲30	▲7
'24	Non-recurring Impact (①-②)	26	▲1	26
	① Non-recurring Revenue (VAT Refund)	57	18	40
	② Non-recurring Expenses (Restoration Costs for Closed Locations, etc.)	▲31	▲18	▲13
Net Impact	Non-recurring Impact in 2025 (①-②)	4	▲29	33
	① Non-recurring Revenue	9	▲18	27
	② Non-recurring Expenses	▲5	▲12	6

[Appendix] Key Financial Figures Composition in 1H '25

[Unit: 100 Million KRW]

Category	1H '25		1H '24		YoY	
		Ratio		Ratio		YoY
A s s e t s	19,113	100.0%	23,080	100.0%	▲3,967	▲17.2%
Cash and Deposits	974	5.1%	1,367	5.9%	▲393	▲28.7%
Inventory	4,286	22.4%	4,222	18.3%	+64	+1.5%
Fixed Assets	5,612	29.4%	6,194	26.8%	▲582	▲9.4%
Intangible Assets	5,729	30.0%	8,376	36.3%	▲2,647	▲31.6%
L i a b i l i t i e s	9,870	51.6%	10,877	47.1%	▲1,007	▲9.3%
Borrowings (excluding Lease)	4,920	25.7%	5,650	24.5%	▲730	▲12.9%
Lease Liabilities	1,620	8.5%	1,843	8.0%	▲223	▲12.1%
C a p i t a l	9,243	48.4%	12,203	52.9%	▲2,960	▲24.3%
share capital	1,180	6.2%	1,180	5.1%	-	-
Share Premium	4,452	23.3%	7,452	32.3%	▲3,000	▲40.3%
Retained Earnings	3,696	19.3%	3,654	15.8%	+42	+1.1

※ Change in Retained Earnings : Capital Transfer: +3,000, Net Income for the Period: -2,900, Dividends: -69, Insurance Claims: +11

[Appendix] Asset Sale Proceeding Status in 2Q '25

[Unit: 100 Million KRW]

Category	Sale Price (①)	Book Value (②)	Gain on Disposition (①-②) (Recognized as Revenue)
Sale Completed (3 Stores)	152	93	59
Land at Jorye Branch Stores	28	5	23 (March)
Eogok Logistics Center	45	37	8 (May)
Suji Branch Stores	79	51	28 (June)