

PLUX Hit Product, 'Ceiling Fan'



## 2025 Q3 Business Performance Announcement and Value-Up Implementation Status

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The Place Where Home Appliances Become Easy

# LOTTE HIMART

Investor Relations | 2025.10.31

# Disclaimer

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# Summary

“Continued improvement in sales and operating profit for three consecutive quarters (1Q~3Q)”

	[ 3Q ]	[ 2Q ]	[ 1Q ]	[Cumulative total]
<b>Total revenue growth rate</b>	<b>+0.5%</b>	<b>+2.4%</b>	<b>+3.4%</b>	<b>+2.0%</b>
※ Both offline existing stores and e-commerce have shown growth for three consecutive quarters Total sales growth rate				
	[Unit: 100 Million KRW]			
<b>Operating profit</b>	<b>190</b>	<b>105</b>	<b>▲111</b>	<b>184</b>
(YoY) { Including one-time factors	<b>▲123</b>	<b>+77</b>	<b>+49</b>	<b>+4</b>
{ Excluding one-time factors	<b>+101</b>	<b>+49</b>	<b>+93</b>	<b>+244</b>

**Key achievements**  
(cumulative Jan. to Sep.)

The four major strategies for lifelong customer care are the cornerstone of HIMART’s performance improvement and are being carried out without a hitch as strategies to enhance corporate value.

- ✔ Continued expansion of Safe Care Service performance: **+44%**
- ✔ Successful settlement of PB, PLUX launched in April: **+6.4%**
- ✔ Store reformat store growth: **+44%**
- ✔ E-commerce direct purchase sales growth centered on own mall: **+9%**

# Financial Results in 3Q '25

[Unit: 100 Million KRW]

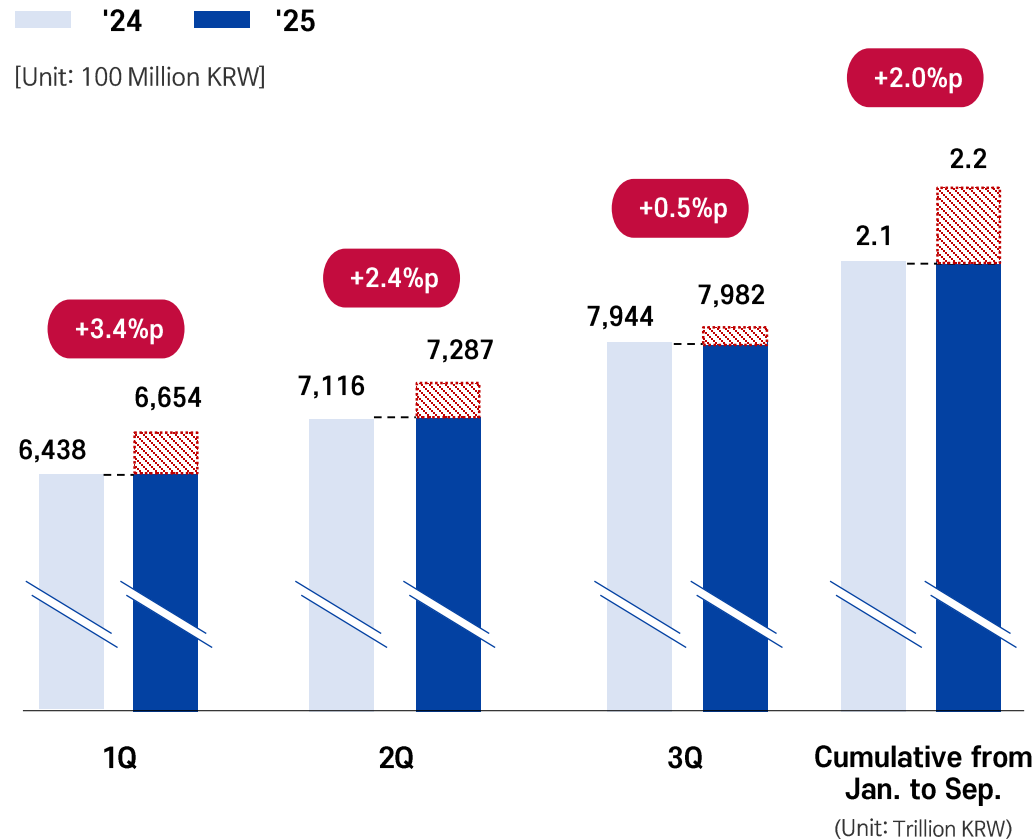
Category	3Q						Cumulative from Jan. to Sep.					
	'25	Ratio	YoY		'24	Ratio	'25	Ratio	YoY		'24	Ratio
			Including one-time factors	Excluding one-time factors					Including one-time factors	Excluding one-time factors		
Total Revenue	7,982	-	+0.5%	+0.5%	7,944	-	21,923	-	+2.0%	+2.0%	21,498	-
Reported Revenue	6,525	100.0%	▲4.9%	▲0.9%	6,859	100.0%	17,757	100.0%	▲1.4 %	+0.1%	18,003	100.0%
Gross Profit	1,937	29.7%	▲12.2%	+0.2%	2,207	32.2%	5,342	30.1%	+3.4%	+9.2%	5,165	28.7%
SG & A Expenses	1,748	26.8%	▲7.8%	▲5.3%	1,895	27.6%	5,159	29.1%	+3.5%	+4.0%	4,985	27.7%
Operating profit	<u>190</u>	2.9%	▲123	<u>+101</u>	312	4.6%	<u>184</u>	1.0%	+4	<u>+244</u>	180	1.0%
Profit Before Tax	140	2.1%	▲127	+98	267	3.9%	93	0.5%	+19	+259	75	0.4%
Net Profit	142	2.2%	▲126	+98	268	3.9%	115	0.6%	+28	+268	87	0.5%

The above management performance is based on data that has not been reviewed by an external auditor, so some of the information may change during the review process.

# Continued improvement in total revenue and operating profit for the third consecutive quarter

## Total revenue continue to grow despite the domestic home appliance market's reverse growth

Domestic home appliance market ▲6.7% (Statistics Korea: Jan.-Aug.)



## OFF-Line Existing stores and e-commerce continue to grow

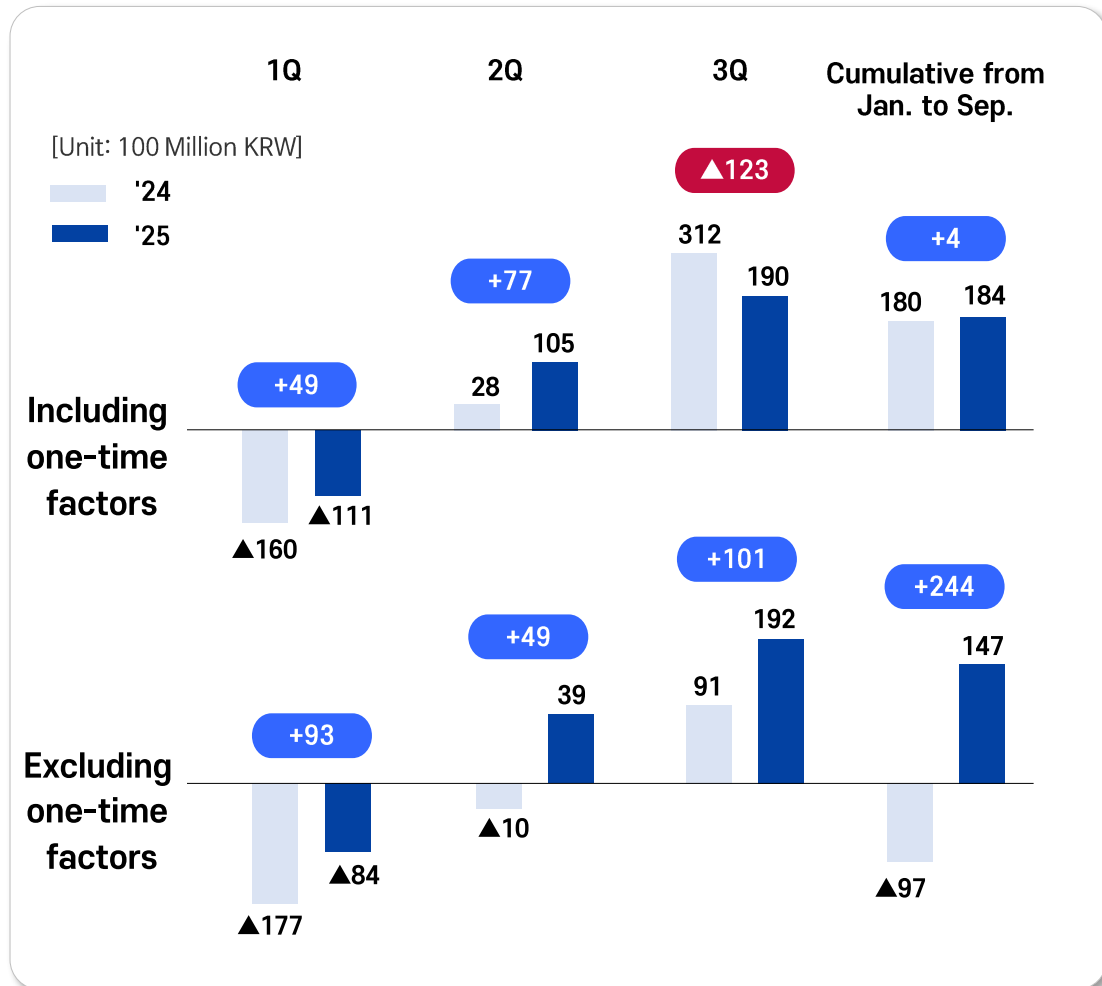
Category	1Q	2Q	3Q	'25 cumulative
OFF-Line Existing stores	5.8%	2.5%	2.3%	3.4%
E-commerce	9.1%	14.0%	3.7%	8.6%

## Key Strategic Initiatives Performance ('25 Jan-Sep cumulative)

Safety Care	PB, PLUX	Store Reformat	E-Commerce
<b>+44%</b>	<b>+6.4%</b>	<b>+44%</b>	<b>+9%</b>

Grow leads with frequent services and products, even in unfriendly external environments

# Operating profit growth for three consecutive quarters when one-time factors are excluded



## Continued increase in Gross Margin (excluding one-time factors)

Category	1Q	2Q	3Q	'25 cumulative
Gross Margin	28.7%	31.0%	29.7%	29.8%
YoY	+3.7%p	+3.8%p	+0.3%p	+2.5%p
SG&A Expense Ratio	30.3%	30.4%	26.7%	29.0%
YoY	+1.9%p	+2.9%p	▲1.2%p	+1.1%p

## One-time gain or loss details

[Unit: 100 Million KRW]

Category	1Q	2Q	3Q	'25 cumulative	
'25	Revenue	-	66	-	66
	Cost	27	-	3	29
	<b>GAP</b>	<b>▲27</b>	<b>66</b>	<b>▲3</b>	<b>37</b>
'24	Revenue	18	40	274	332
	Cost	1	1	53	55
	<b>GAP</b>	<b>17</b>	<b>38</b>	<b>221</b>	<b>277</b>

※ One-time gain: VAT refund, one-time loss: ordinary wage etc.

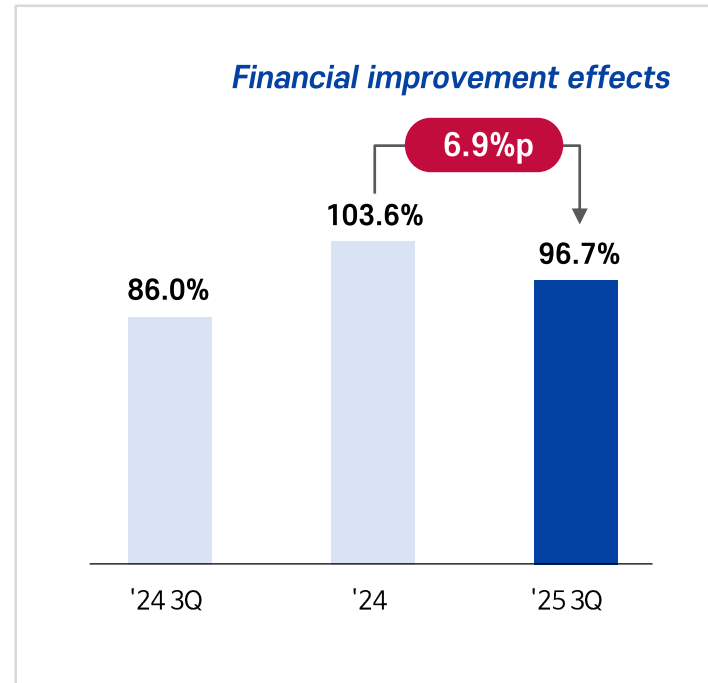
## Strengthen key financial metrics by improving operating performance

### Key financial metrics for Q3 (units: billion)

Category	'25 Sep.	'24 Sep.	YoY
<b>A s s e t</b>	<b>18,497</b>	<b>23,212</b>	<b>▲4,715</b>
Cash and deposits	1,129	2,014	▲885
goodwill	5,729	8,376	<u>▲2,647</u>
<b>Liabilities</b>	<b>9,092</b>	<b>10,735</b>	<b>▲1,643</b>
Borrowings	4,280	5,650	<u>▲1,370</u>
L e a s e	1,499	1,730	▲231
<b>Capital</b>	<b>9,405</b>	<b>12,477</b>	<b>▲3,072</b>
Capitalization	1,180	1,180	-
E x c e s s issuance of shares	4,452	7,452	▲3,000
Retained earnings	3,855	3,927	▲72

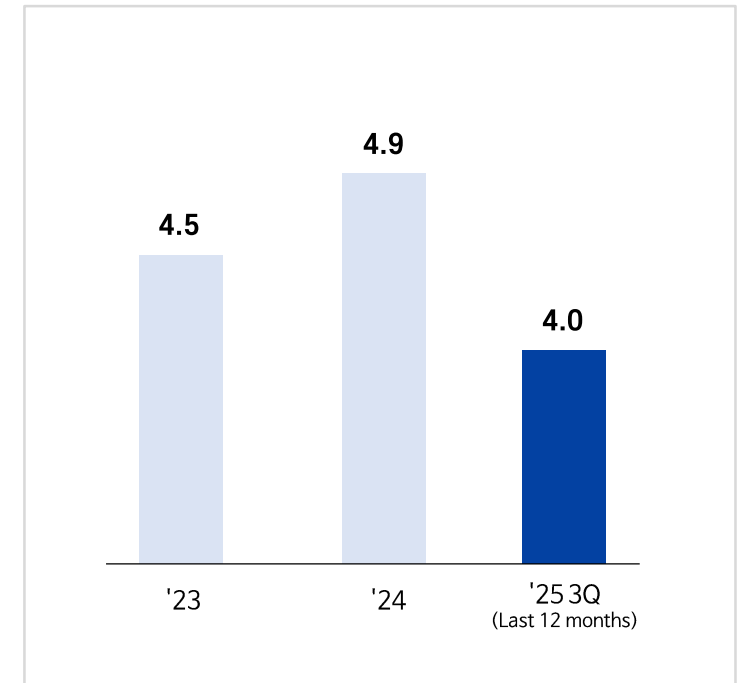
※ Retained earnings: Capital transfer of 300 billion won, goodwill impairment loss ▲264.7 billion, dividends ▲6.9 billion, etc.

### Debt-to-equity ratio (units:%)



※ 264.7 billion in goodwill impairment losses in 2024

### Actual borrowings/EBITDA (units:times)



**Status of implementation of the enterprise value enhancement plan and major strategies for '25**

# Goal Setting and Planning (2024.11.1)



- ✓ Overcome Sales Degrowth : Key to Resolve Undervaluation
- ✓ Setting 2029 Revenue as a Goal

- ✓ Enhance Value Creation through Business Operation
- ✓ Setting 2029 Operating Profit as a Goal

- ✓ Enhance Predictability of Dividends and Shareholder Value
- ✓ Setting Dividend Payout Ratio Target

## Core Business Strategy

Store Format Innovation and Enhance Customer Experience

Customer Lifetime Care, HIMART Safety Care

Enhancing selection diversity, PB 'PLUX' for daily appliances

Integrated ON·OFF Experience, e-Commerce

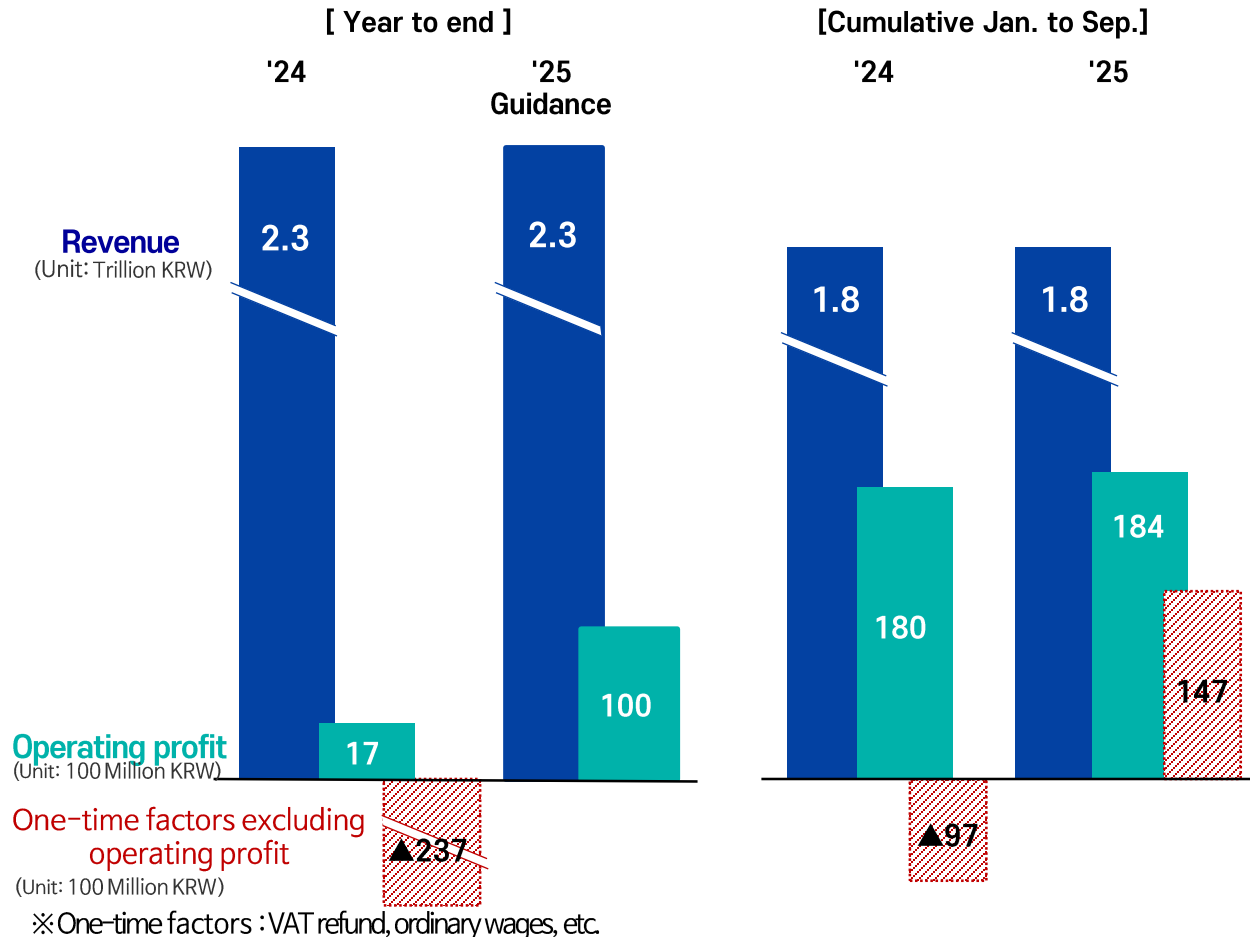
Return Profits to Shareholders through Dividends

Improve Profitability through Strategies Execution

(\*) Payout Ratio = Total Dividends / Adjusted Net Income  
 • Adjusted Net Income : Net Income after adjusting impairment effects, such as goodwill impairment

## '24 Value Up target met with shareholders

[ '25 Guidance ]  
**Sales 2.3 trillion, Operating profit 10 billion**



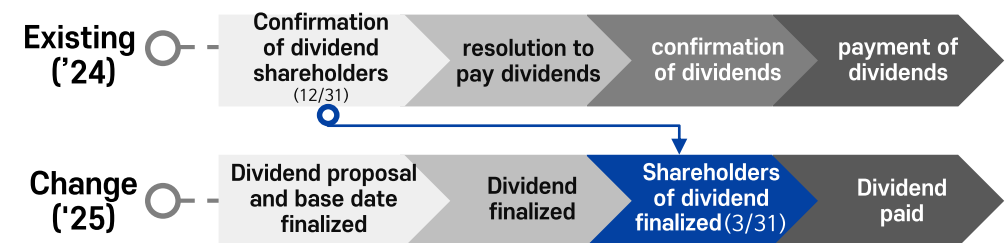
## Increased predictability of shareholder returns and dividends

- ✔ Dividend payout ratio 30% → Dividend yield of 4.1% despite net loss

[Unit: KRW]

Category	2020	2021	2022	2023	2024
Dividend per share	1,200	1,000	300	300	300
Dividend payout ratio	26%	27%	-	-	-
Dividend yield	3.8%	3.9%	2.3%	2.9%	4.1%

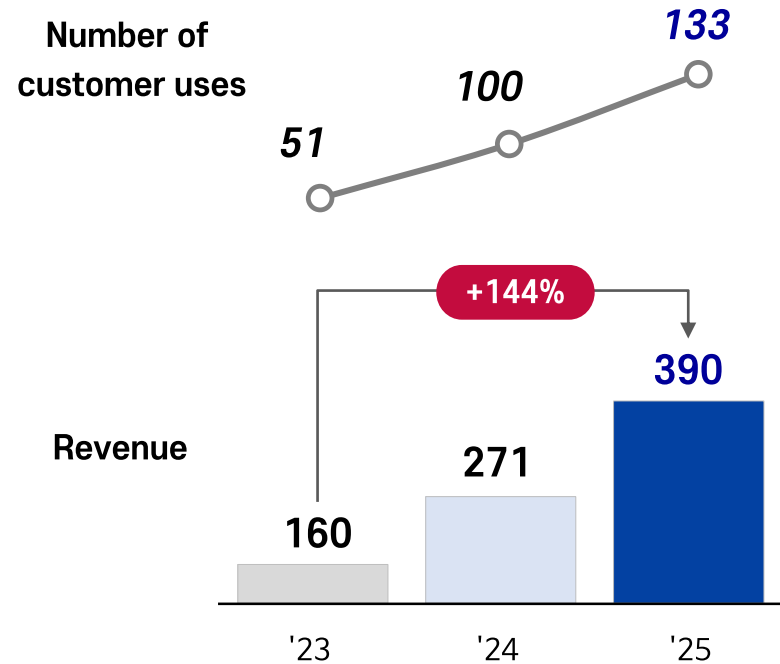
- ✔ Introduced a pre-dividend confirmation, post-dividend base date structure



## The strongest care service in Korea that takes responsibility until the end

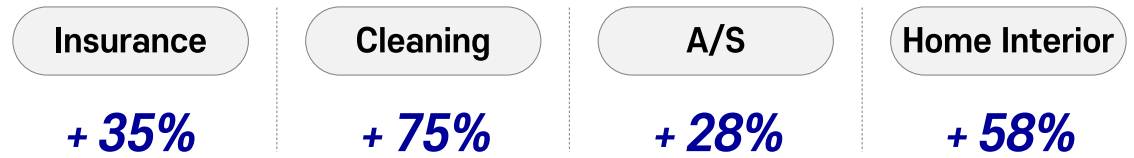
### Safety Care performance (January–September)

[Unit: 10,000 cases, 100 Million KRW]



More than doubled the number of uses and revenue in two years

### Evolution of the nation's strongest 'Safety Care Service' (sales growth from January to September)



~'24) Unit Service Capability Enhancement  
⇒ '25) Pre-problem solving, area expansion

#### Pre-installation inspection & inconvenience check (June)

- Eliminate inconvenience while using home appliances
- Refrigerator / washing machine level adjustment, etc.



#### Apple Performance Pre-Diagnostics (July)

- Korea's first pre-diagnosis solution
- 365 days of repair reception



# Customer inconvenience Data-based, cost-effective innovation PLUX evolves into everyday appliances

## 'PLUX', looking for more and changing younger



[ '25 36 products released: Young customers leading daily life, small, and mobile ]

- 330L Refrigerator (1st)
- 43-inch QLED mobile TV (1st)
- 18L Dehumidifier (1st)
- Foldable Hair Dryer (1st)

⇒ 20-30s (new customers)  
25% → 27% (+2%p)

[ Q4 '25: 24 launches, target of about 60 launches in '26 ]



Quiet Slim Seal Fan (June)

**New product challenge**  
(1,800 units sold in 4 months)



Air Cooling Firm Curl (Sep.)

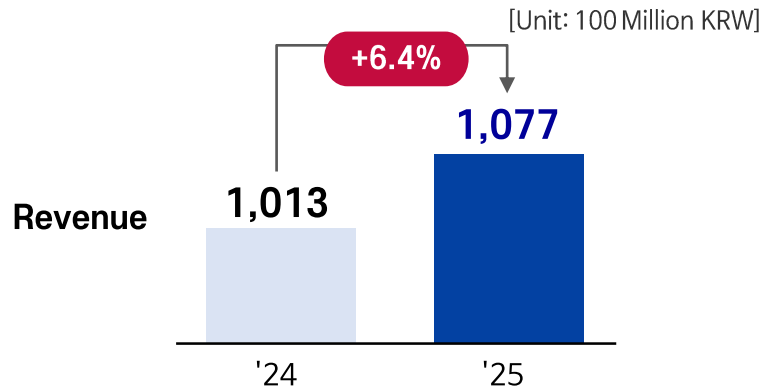
**800 units sold per month**  
(43% of total sales of the item, overwhelming No. 1)



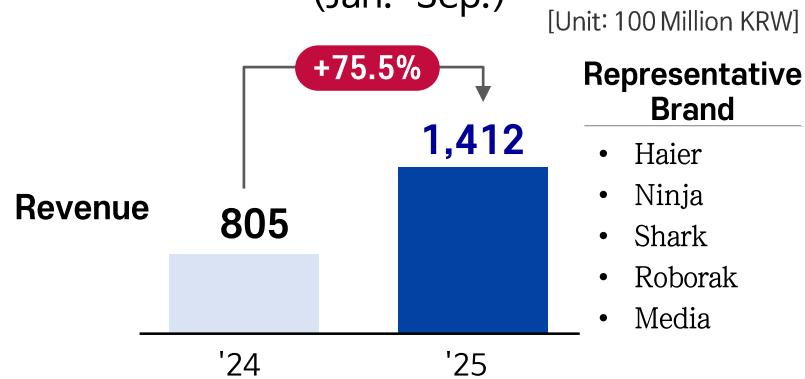
Custom Keyboard (Nov.)

Front Cover Separation Replacement  
Keycap remover integrated design

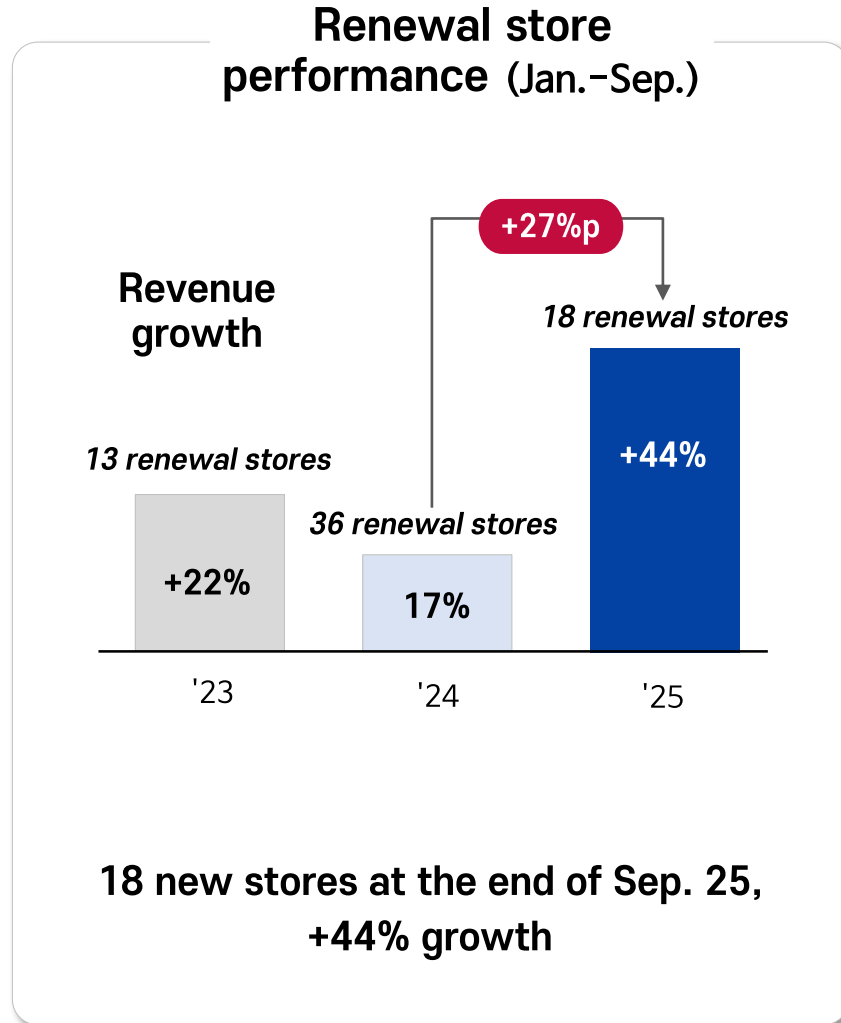
### PB sales performance (Jan.-Sep.)



### Overseas brand sales performance (Jan.-Sep.)



## Specialized counseling-focused, experiential renewal stores expanded



'23 ~ '24

**Strengthen basic assortment & establish a safe care consultation center**



- New customer acquisition: **3.8%**
- Additional purchase rate for customers using A/S: **15%**

'25

**Transition to an experiential professional counseling system for internal spaces**

**Utilize Built In Planner**

(Just tell us your home address and we'll suggest a 'perfect' product)



Reading fittings by size for each product  
(5,000 installations failed, resolved annually)

**Simultaneous experience of home appliances and durable equipment**

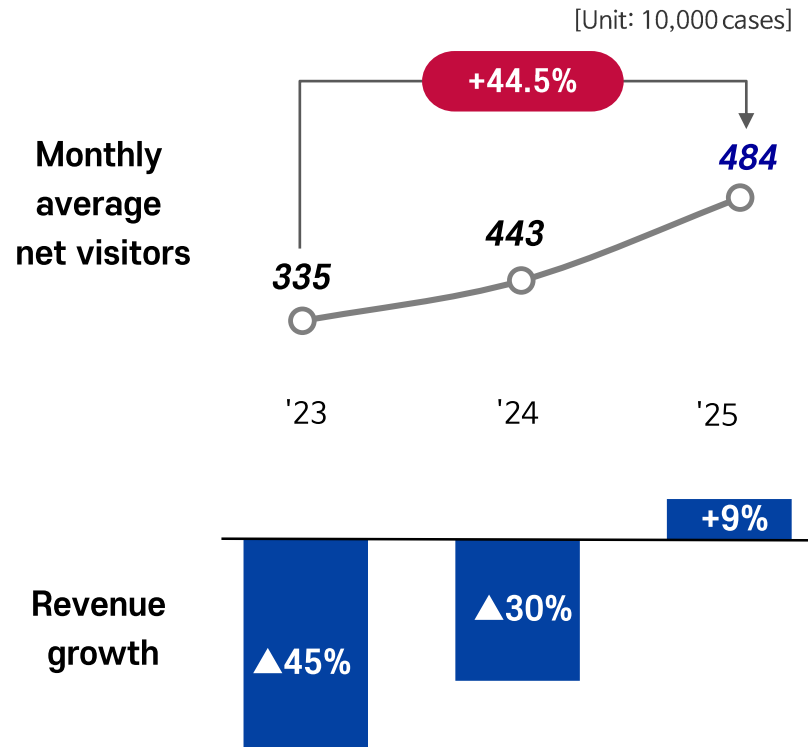
(Total House Care store)



Simultaneous consultation on durable equipment  
(sink bowl, faucet, middle door, lighting fixture, wash basin etc.)

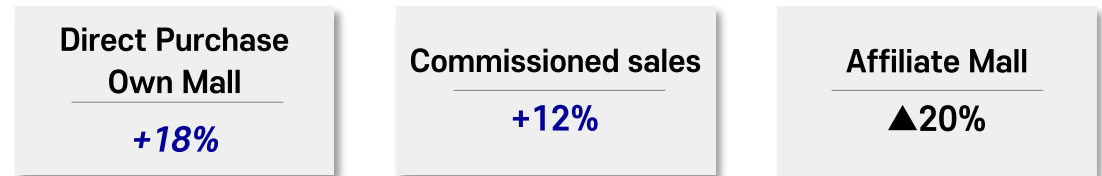
## ON·OFF experience integration, E-Commerce

### e-Commerce Performance (Jan. to Sep.)



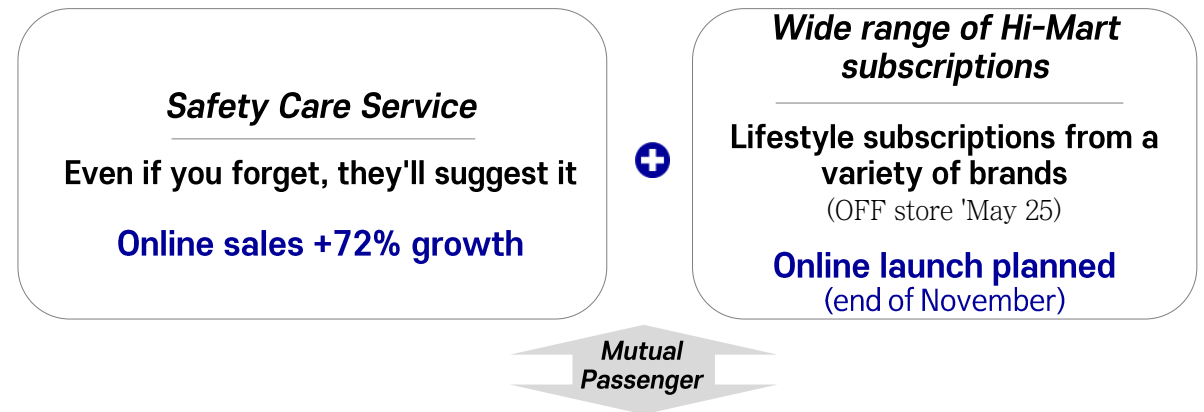
Online Plus Turning and Traffic Continues to Rise

### Building Korea's leading home appliance mall



※ In July 2024, the number of inefficient affiliate malls was reduced (25 → 12) due to the TMON Issue

### [ON · OFF Seamless shopping experience promotion]



**OFF Specialist Advisor**

- Korea's largest counseling workforce, home appliance specialist Mall
- OFF Sales staff recommend installing new apps online 10,000 per month

Even if our customers forget, we will continue to fulfill our promises to our customers and shareholders as a home appliance life specialist

**We will do our best to achieve \$10 billion in operating profit in '25  
and \$30 billion in operating profit in '26**

[ '24 Nov. Announcement Guidance ]

**Furthermore, we will enhance our corporate value  
through continuous efforts to achieve our 29-year goal**

**2029  
Sales  
Over  
2.8 Trillion**

**2029  
Operating Profit  
Over  
100 billion**

**Target  
Payout Ratio  
30%**

## 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”



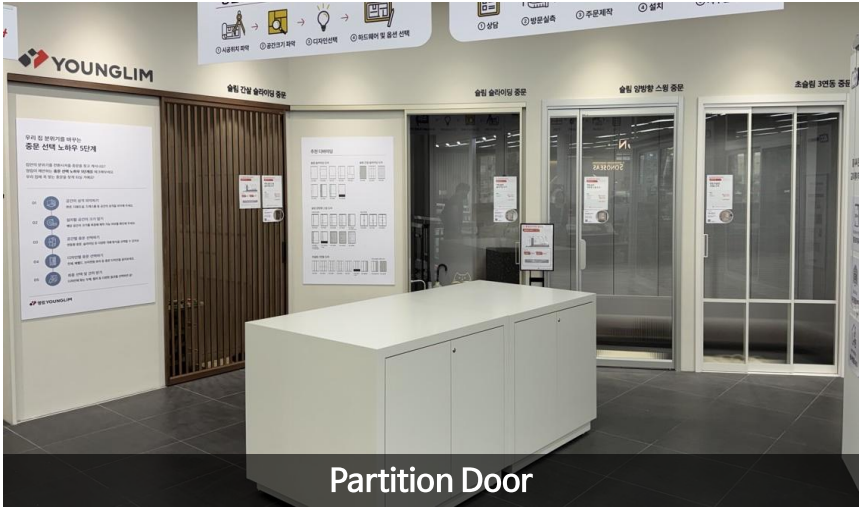
# [Appendix] Example of Gwangju Sangmu Store (1)



Integrated Home Appliances and Furniture Consultation Booth



Sink bowl · faucet



Partition Door



Windows

# [Appendix] Example of Gwangju Sangmu Store (2)

