

# 2Q 2024 Earning Release

**LS**ELECTRIC

SMART ENERGY  
GLOBAL LEADER

**50** 50TH ANNIVERSARY  
ENABLE  
THE CHANGE





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2. Business Introduction
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4. Global Business

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## Disclaimer

This presentation material is prepared for investors reference, based on data that have not been filed with the financial supervisory commission. Actual business performance may not necessarily be consistent with the projections herein, as a result of unexpected changes in the market environment and other conditions. The financial information in this document are consolidated earnings results based on K-IFRS.



## Company Overview

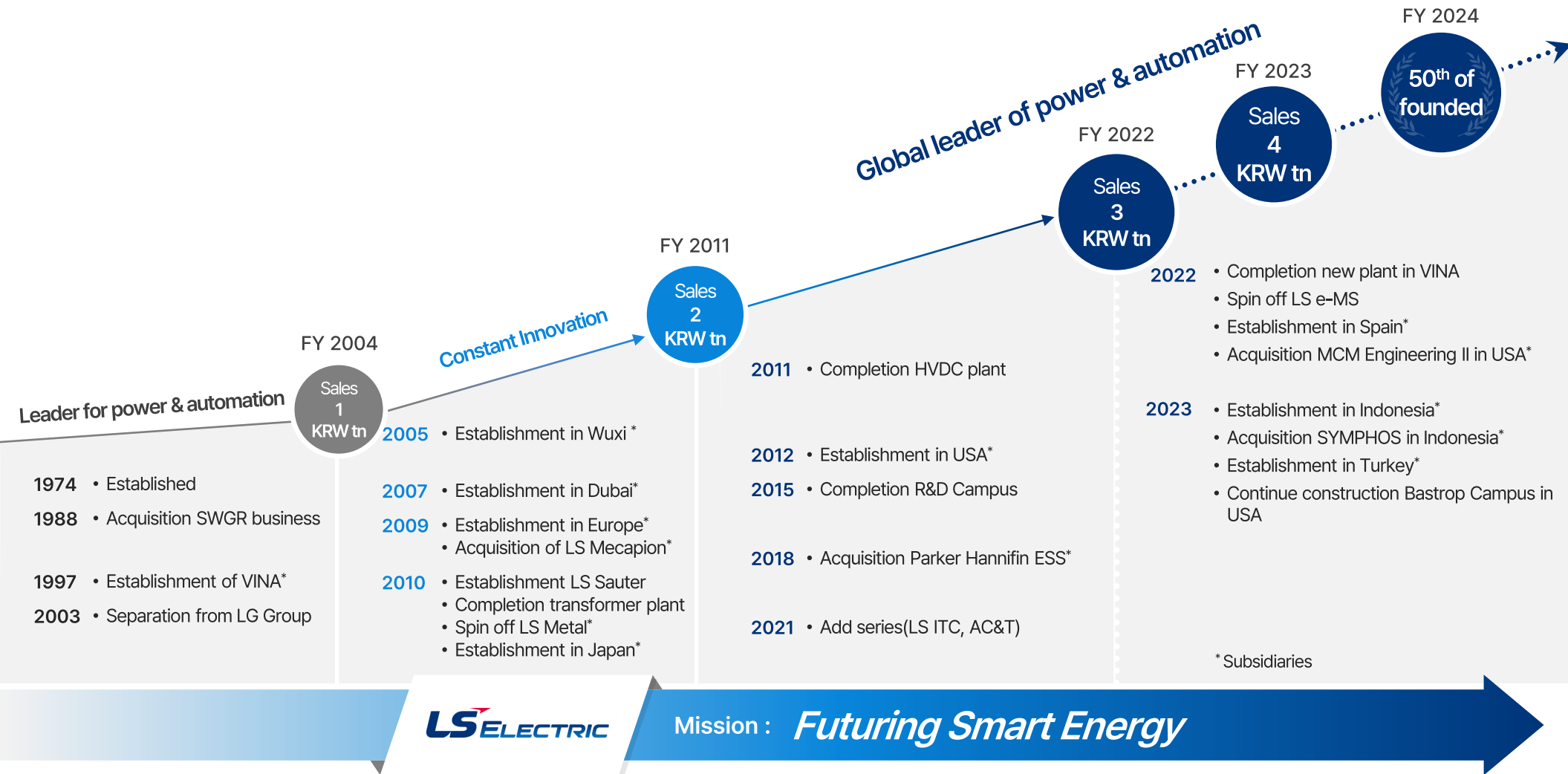
1. History & Growth
2. Business Introduction
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# 1. History & Growth

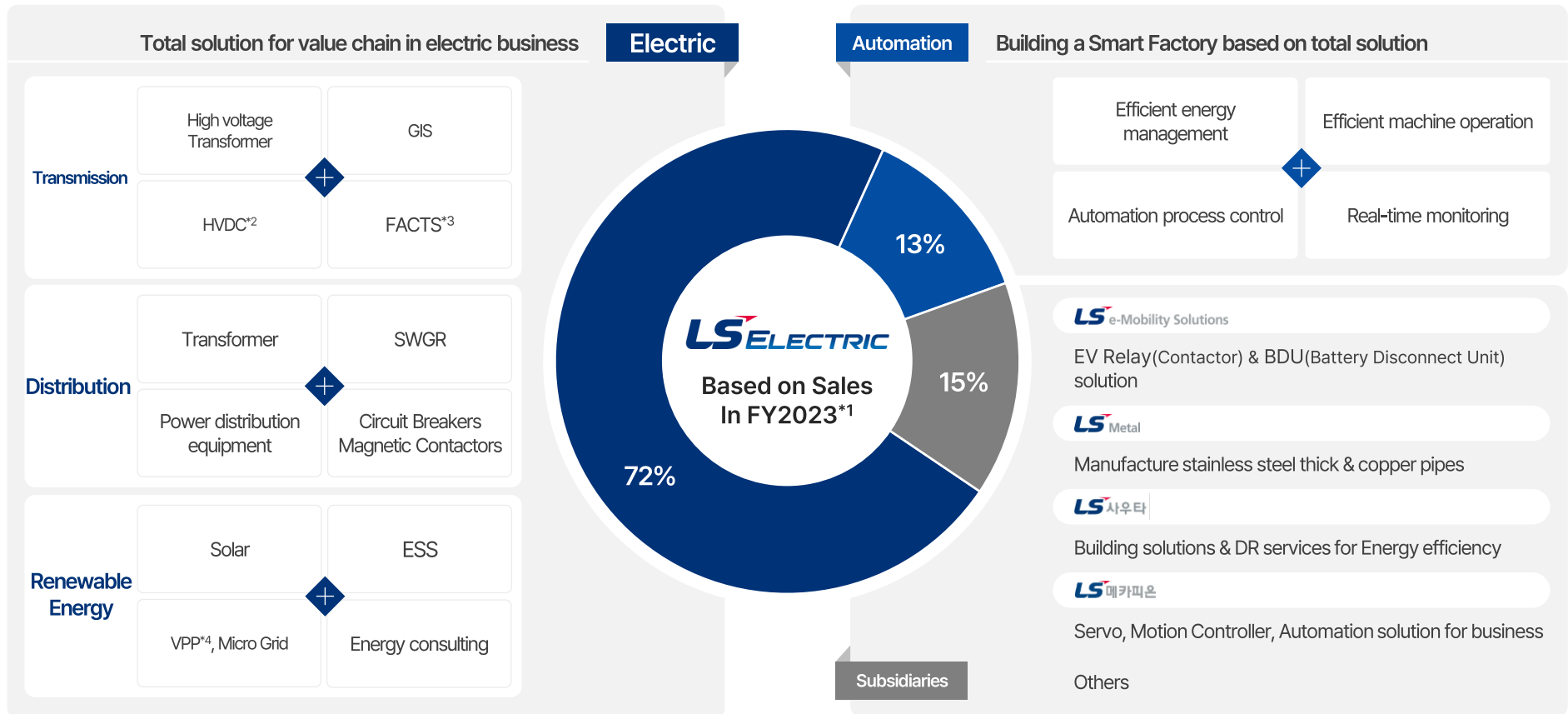


Founded in 1974, Grows to Korea's No.1 company in power and automation business.  
Leading the future energy business



## 2. Business Introduction

Provides an efficient and secure smart manufacturing environment with total solutions of power energy and automation



\*1: Excluding consolidated adjustment

\*2: HVDC(High Voltage Direct Current transmission system)

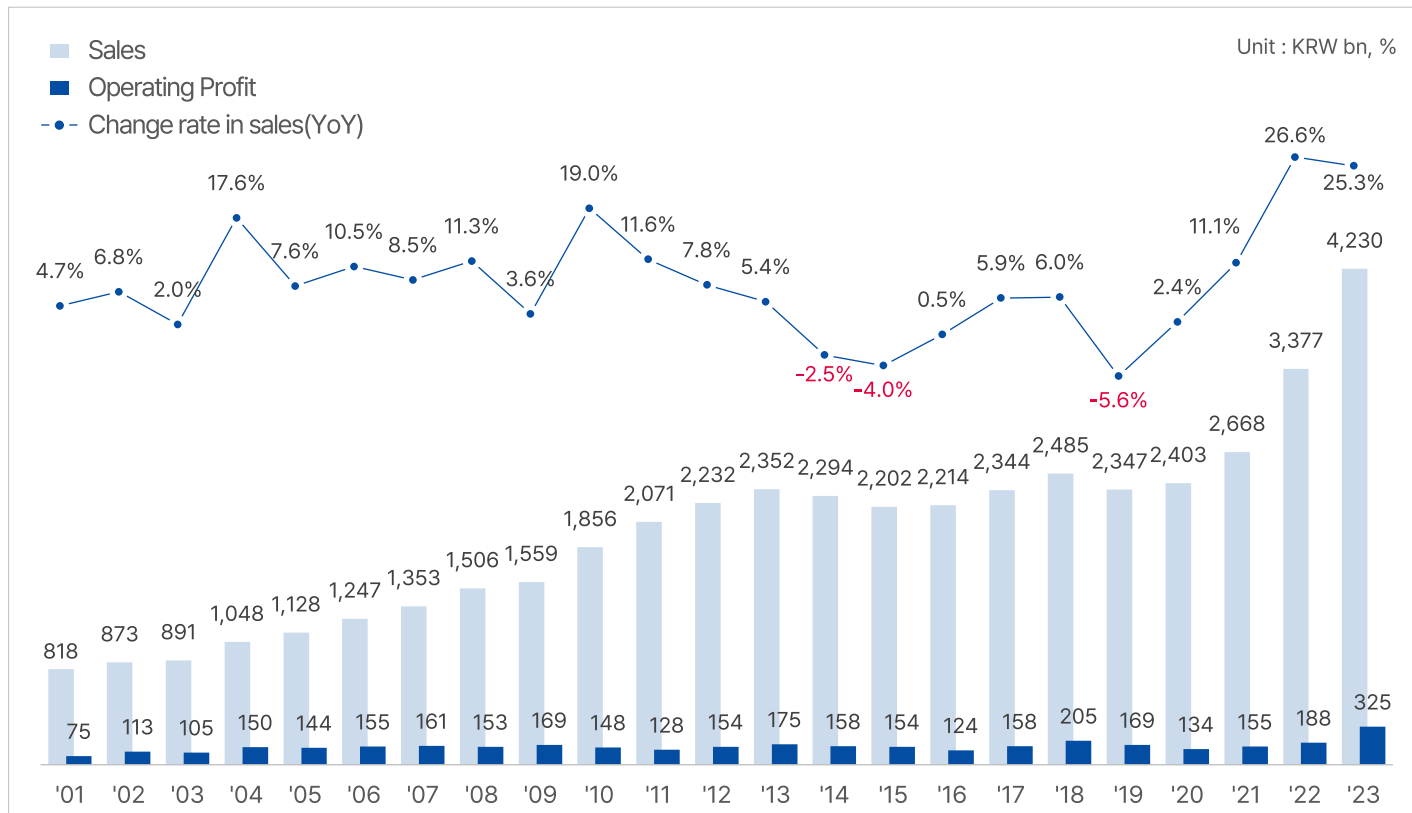
\*3: FACTS(Flexible AC Transmission System)

\*4: VPP (Virtual Power Plant)

### 3. Business Performance



Continuing stable sales & profit growth, Active implementation of shareholder return policies  
 (A dividend policy : Over 40% of separate Net income)



Condensed Statement FY 2023  
(Unit : KRW bn)

Sales	<b><u>4,230</u></b>
Operating Profit	<b><u>325</u></b>
Total Assets	<b><u>3,733</u></b>
Total Liabilities	<b><u>2,009</u></b>
Equity	<b><u>1,724</u></b>

# 4. Global Business

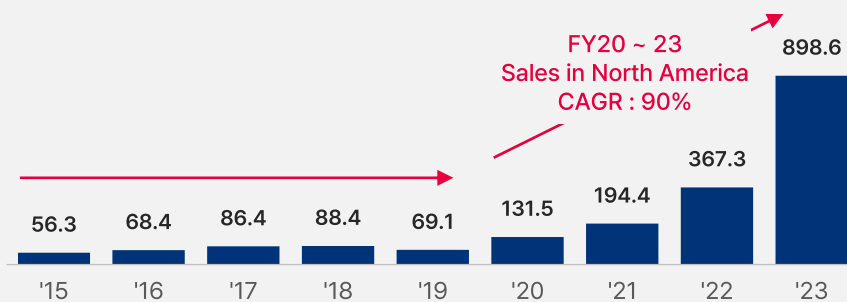


Global business growth in earnest after FY 2020



Entry into Global Market centered on North America

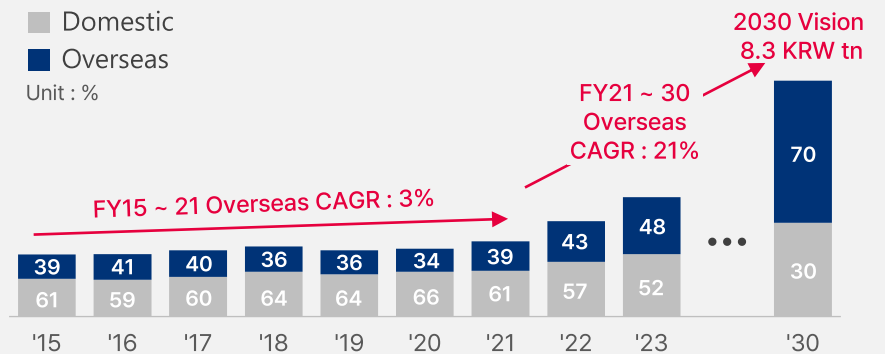
Unit : KRW bn



Expansion of overseas sales in earnest

■ Domestic  
■ Overseas

Unit : %





## 2Q 2024 Earning Release

1. Total Results
2. Breakdown by business
  - Electric
  - Automation / Subsidiaries
3. Financial Position





# 1. Total Results



LS ELECTRIC achieves its highest quarterly Operating Profit by a boom in electric business in the U.S.

(YoY Sales  $\Delta$ 6%, OP +4%, QoQ Sales +9%, OP +17%)

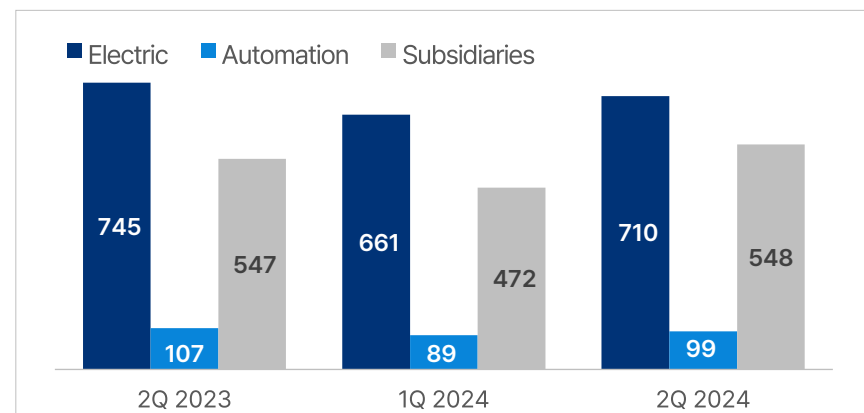
## Consolidated Performance

Units : KRW bn, %

Segments	2Q 2023	1Q 2024	2Q 2024	YoY	QoQ
Sales	1,202	1,039	1,132	$\Delta$ 70 $\Delta$ 6%	93 9%
Operating Profit (%)	105 (8.7%)	94 (9.0%)	110 (9.7%)	5 4%	16 17%
EBITDA	114	115	120	6 5%	5 5%
Profit before tax	94	99	101	7 7%	2 2%
Net Income	73	80	65	$\Delta$ 8 $\Delta$ 12%	$\Delta$ 15 $\Delta$ 19%

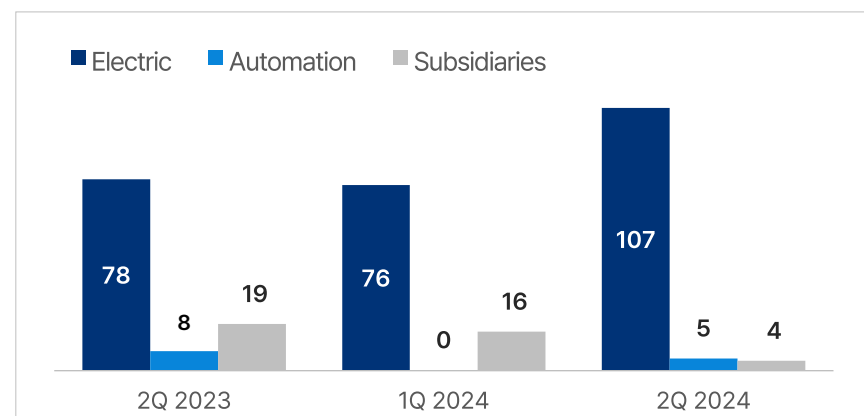
## Sales by business

Unit : KRW bn



## OP by business

Unit : KRW bn

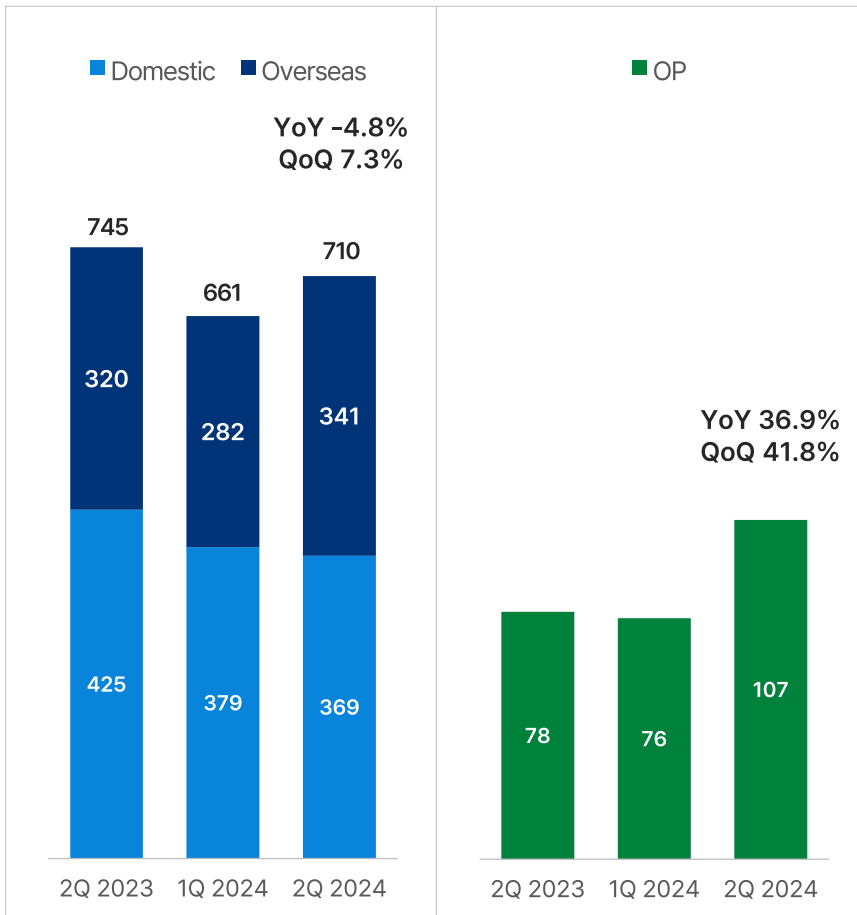


## 2. Breakdown by business ① Electric

Continuing to grow the electric business with SWGR and High voltage transformer in U.S.

### Performance of Electric business\*

Unit : KRW bn



\* Include Electric equipment, Electric Infra and Renewable

### Key factors

#### Replacement of equipment & demand for new power facilities

Units : KRW bn, %

Segments	'23.2Q	'24.1Q	'24.2Q	YoY	QoQ
Distribution Equipment	237	286	<b>279</b>	18%	Δ2%
SWGR	206	157	<b>187</b>	Δ9%	20%
Transformer	122	118	<b>120</b>	Δ2%	2%
High voltage	52	69	<b>84</b>	61%	22%
Renewable	151	78	<b>93</b>	Δ38%	19%

#### Increase order backlog(Unit : KRW tn)

- End of FY23 : 2.3 → 2Q 24 : 2.8 (+22%)

#### Expansion of overseas business

**FY20 : 24%** → **FY23 : 36%** → **2Q 24 : 45%**

- Electric Business in North America FY23 : 17% → 2Q 24 : 24%
- High voltage Transformer in North America : YoY +30 KRW bn(+685%, KRW bn 4 → 34)

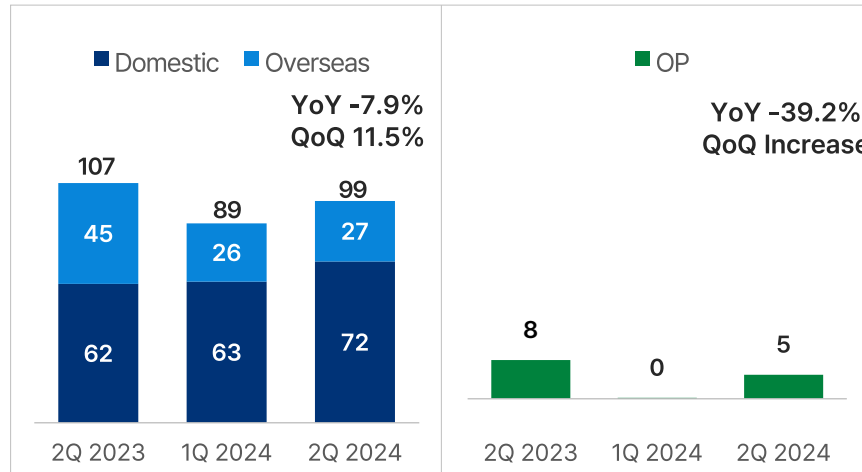
## 2. Breakdown by business ② Automation / Subsidiaries

Recovery in progress of automation business

Slow down performance of subsidiary

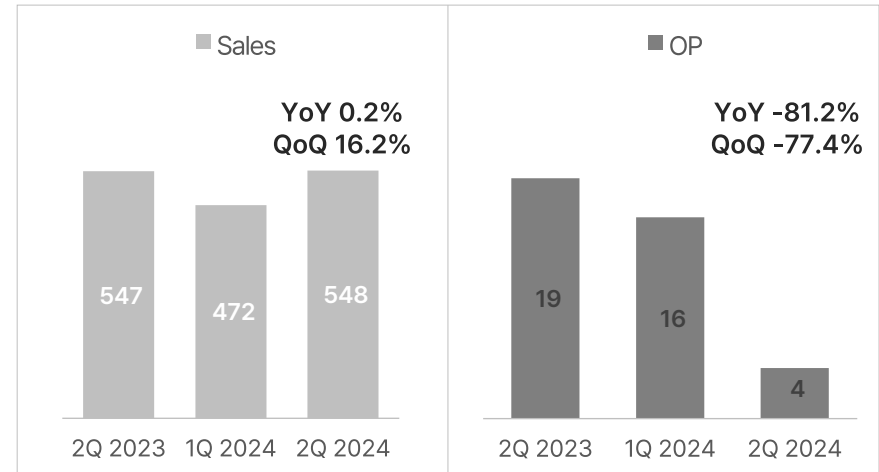
### Performance & Key factors

Unit : KRW bn



### Performance & Key factors

Unit : KRW bn



#### Key factors

Recovery of facilities investment of Corporation

Focus on recovery by targeting strategic customer

#### Key factors

OP decrease in several overseas markets

- U.S. subsidiary's profit continued in electric business
- China's economic slowdown cuts earnings
- Relevant subsidiaries' earnings slump due to sluggish EV penetration

### 3. Financial Position

Stable financial structure with 116% debt-to-equity ratio and 21% net deposit-to-deposit ratio

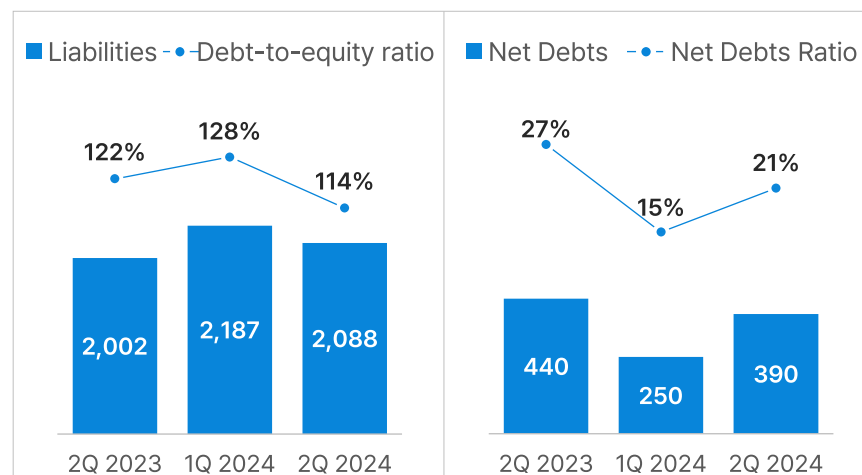
#### Financial Status

Unit : KRW bn

Segments	2Q 2023	1Q 2024	2Q 2024	YoY	QoQ
<b>Total Assets</b>	3,645	3,895	<b>3,913</b>	268	18
Current asset	2,605	2,764	<b>2,724</b>	119	△40
Cash & cash equivalents	498	661	<b>547</b>	49	△114
<b>Total Liabilities</b>	2,002	2,187	<b>2,088</b>	86	△99
Debts	938	912	<b>937</b>	△1	26
Net Debts	440	250	<b>390</b>	△50	140
<b>Equity</b>	1,643	1,708	<b>1,825</b>	181	117

#### Financial Ratio

Units : KRW bn, %



#### Key factors

##### Debt ratio decreased

- Debt ratio decreased due to payment dividend and tax
- Capital increase due to partial sale of treasury stocks

##### Net Debts increased

- Payment for dividend and tax
- Acquisition of shares for business



## Appendix

1. Condensed Statement
2. Breakdown Non-OP
3. At a Glance



# 1. Condensed Statement



## Income Statement

Units : KRW bn, %

Segments	2Q 2023	1Q 2024	2Q 2024	YoY	QoQ
Sales	1,202	1,039	1,132	△5.8%	9.0%
Cost of Sales	△985	△825	△888	△9.9%	7.6%
Gross Profit(%)	216 (18.0%)	214 (20.6%)	245 (21.6%)	13.1%	14.5%
SG&A	△112	△120	△135	21.1%	12.6%
OP(%)	105 (8.7%)	94 (9.0%)	110 (9.7%)	4.5%	17.0%
Non-OP & Loss	△11	5	△9	△17.9%	△283.4%
Profit before tax	94	98	101	7.0%	2.5%
Net Income(%)	73 (6.1%)	80 (7.7%)	65 (5.7%)	△11.5%	△18.9%
EBITDA Margin	10.1%	11.8%	11.2%	-	-

## Statements of Cash Flows

Unit : KRW bn

Segments	2Q 2023	2Q 2024	YoY
Cash & cash equivalents(1.1)	556	584	28
Cash Flows from Operating	74	99	25
Cash Flows from Investing	△156	△73	83
Capex	△59	△60	△1
R&D	△6	△3	3
Others	△92	△10	81
Cash Flows from Financing	16	△74	△89
Effects of exchange rate changes	8	11	3
Cash & cash equivalents	498	547	50

## Statement of financial position

Units : KRW bn, %

Segments	2Q 2023	1Q 2024	2Q 2024	YoY	QoQ
<b>Total Assets</b>	<b>3,645</b>	<b>3,895</b>	<b>3,913</b>	<b>7%</b>	<b>0%</b>
Current Assets	2,605	2,764	2,724	5%	△1%
Cash & Cash equivalents	498	662	547	10%	△17%
Inventories	493	521	517	5%	△1%
Other Current Assets	1,614	1,582	1,660	3%	5%
Non-Current Assets	1,040	1,131	1,189	14%	5%
Tangible Assets	647	688	708	9%	3%
Intangible Assets	86	94	101	17%	8%
Other Non-Current Assets	306	349	379	24%	9%
<b>Total Liabilities</b>	<b>2,002</b>	<b>2,187</b>	<b>2,088</b>	<b>4%</b>	<b>△5%</b>
Current Liabilities	1,519	1,686	1,659	9%	△2%
Short-term borrowings	493	455	553	12%	22%
Non-Current Liabilities	483	500	429	△11%	△14%
Long-term borrowings	445	457	384	△14%	△16%
<b>Equity</b>	<b>1,643</b>	<b>1,708</b>	<b>1,825</b>	<b>11%</b>	<b>7%</b>
<b>Current Ratio</b>	172%	164%	164%	△4%	0%
<b>Equity/Total Assets</b>	45%	44%	47%	3%	6%
<b>Total Liabilities/Equity</b>	122%	128%	114%	△6%	△11%
<b>Net debts Ratio</b>	27%	15%	21%	△20%	46%

## 2. Breakdown Non-OP

Net Income decreased by Increasing Corporation Tax due to expansion of profits

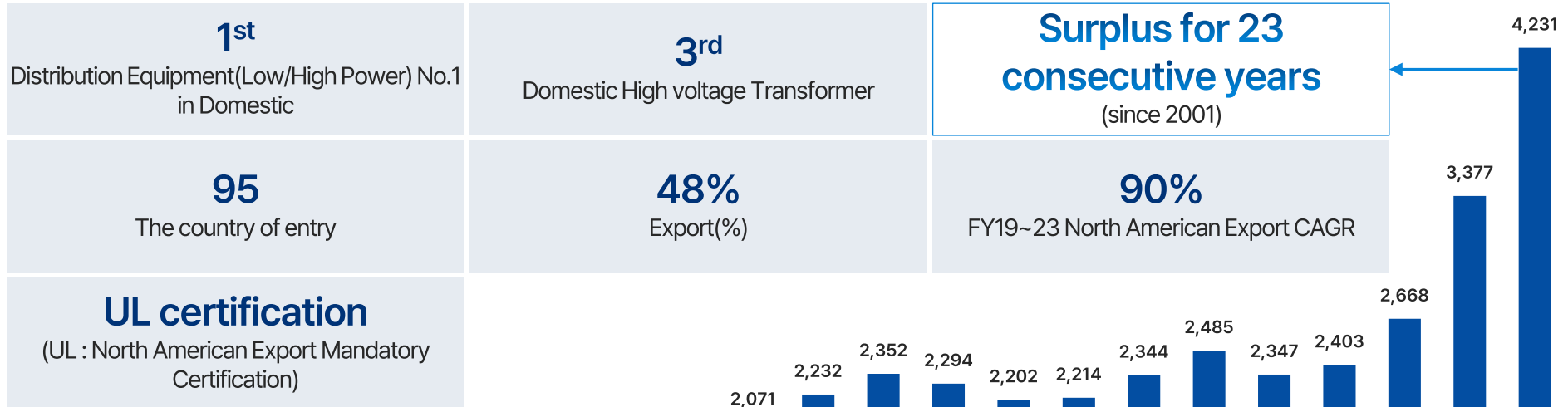
Units : KRW bn, %

Segments	2Q 2023	1Q 2024	2Q 2024	YoY	QoQ
Sales	1,202	1,039	<b>1,132</b>	-70 / -5.8%	93 / 9.0%
Operating Profit	105	94	<b>110</b>	5 / 4.5%	16 / 17.0%
(%)	8.7%	9.0%	<b>9.7%</b>	-	-
Non-OP and Loss	-11	5	<b>-9</b>	2 / 17.9%	-14 / -283.4%
Financial gains & losses	-7	-3	<b>-4</b>	3 / 45.9%	-1 / -29.1%
Other gains & losses	-3	7	<b>-6</b>	-3 / -99.7%	-13 / -184.9%
Other Non-OP & Loss	-0	1	<b>1</b>	1 / 464.1%	0 / 115.7%
Profit before tax	94	99	<b>101</b>	7 / 7.0%	2 / 2.5%
Corporation Tax	-21	-19	<b>-36</b>	-15 / -70.6%	-17 / -93.2%
Net Income	73	80	<b>65</b>	-8 / -11.5%	-15 / -18.9%
(%)	6.1%	7.7%	<b>5.7%</b>	-	-

### 3. At a Glance



Electric business Total Solution Provider, Strengthen stable business development and incremental targeting of overseas markets by becoming the strongest leader in distribution solution market.



\*1 : Underwriters Laboratories  
\*2: As of 2023

#### Trend of Sales

Unit : KRW bn

