

3Q 2024 Earning Release

LSELECTRIC

SMART ENERGY
GLOBAL LEADER

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THE CHANGE





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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

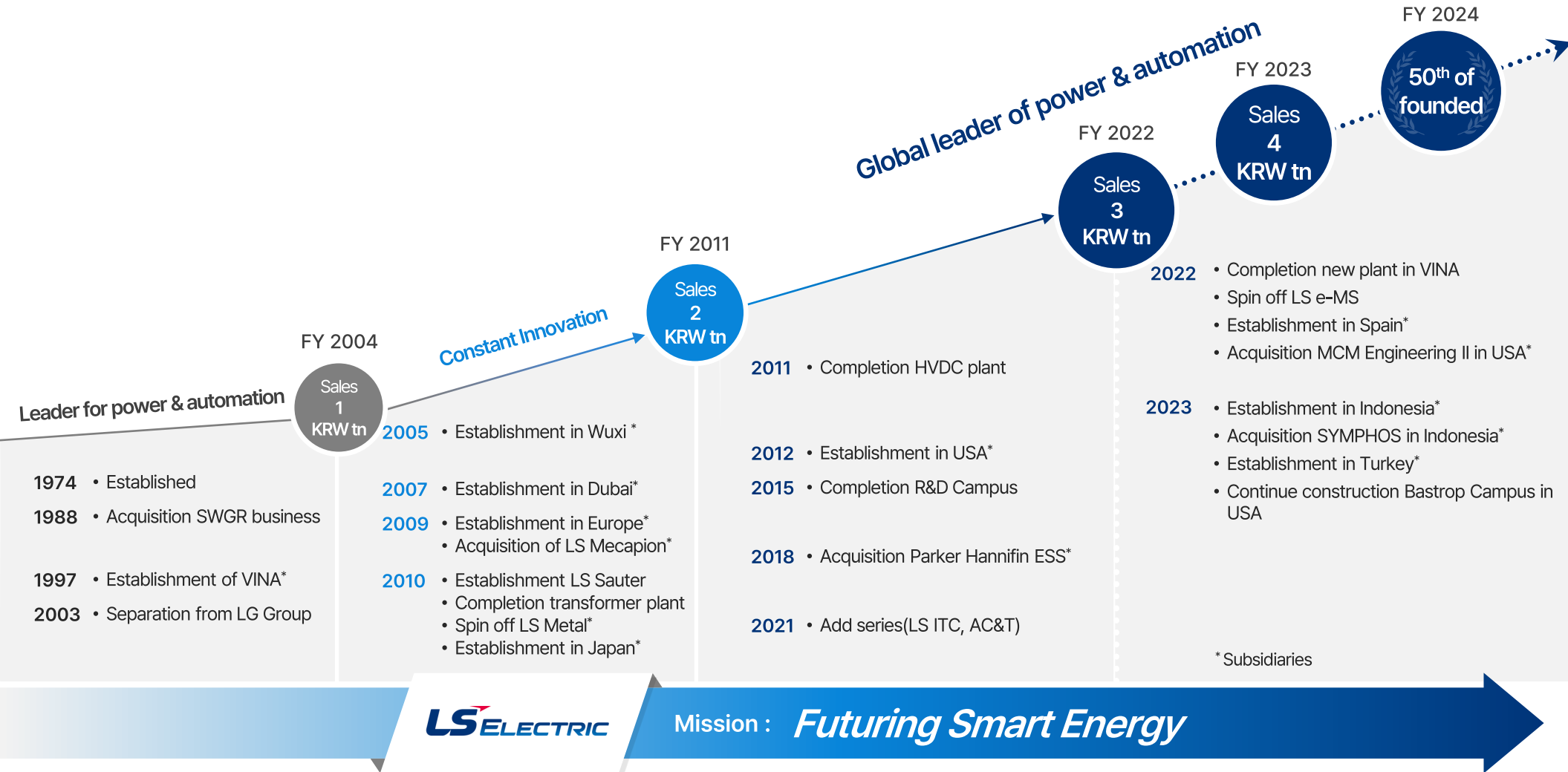
1. History & Growth
2. Business Introduction
3. Business Performance
4. Global Business



1. History & Growth

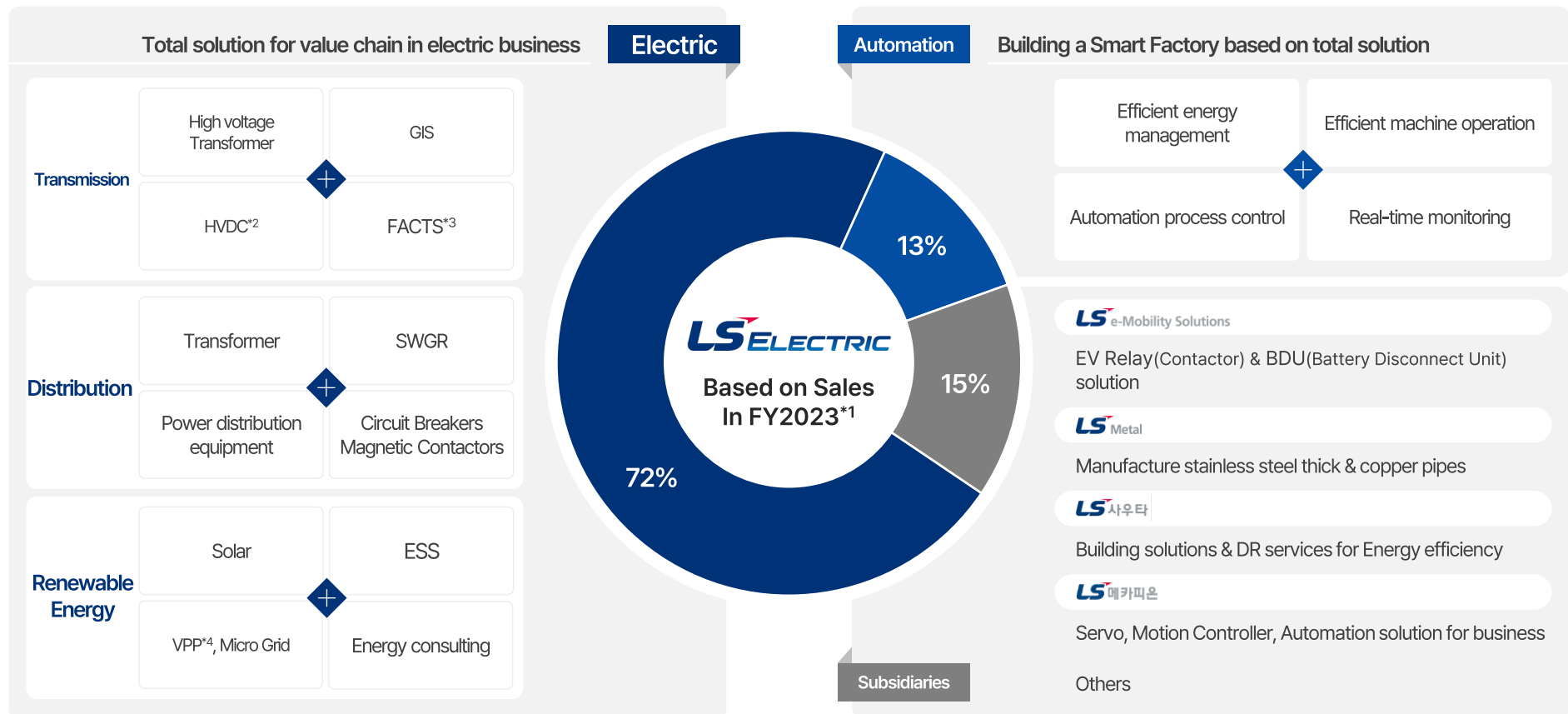


Founded in 1974, Grows to Korea's No.1 company in power and automation business.
Leading the future energy business



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)

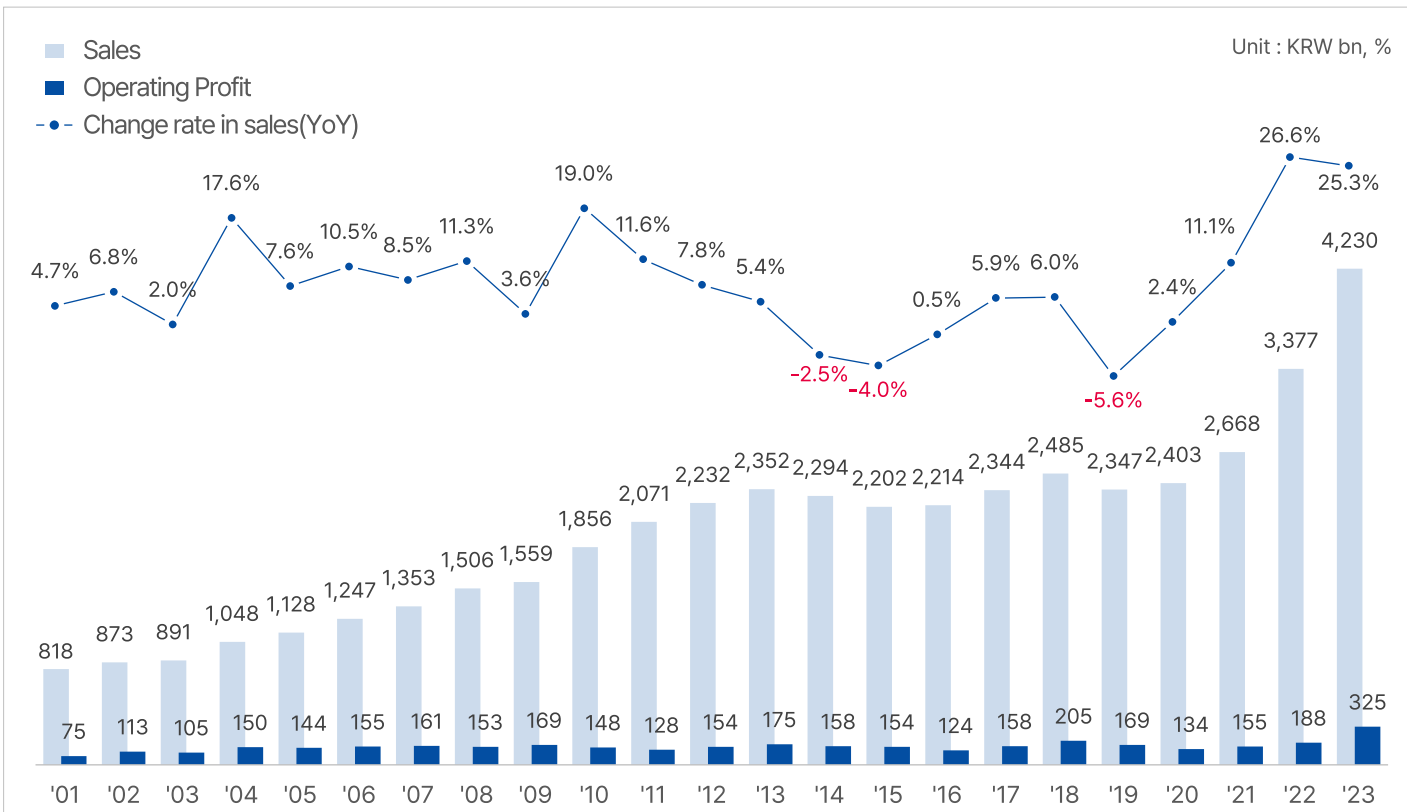
*3: FACTS(Flexible AC Transmission System)

*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	4,230
Operating Profit	325
Total Assets	3,733
Total Liabilities	2,009
Equity	1,724

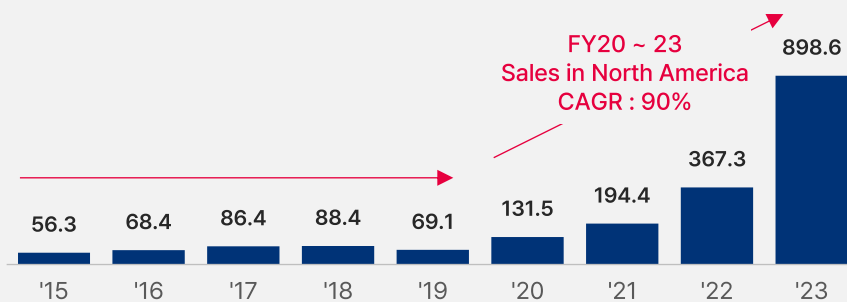
4. Global Business

Global business growth in earnest after FY 2020



Entry into Global Market centered on North America

Unit : KRW bn

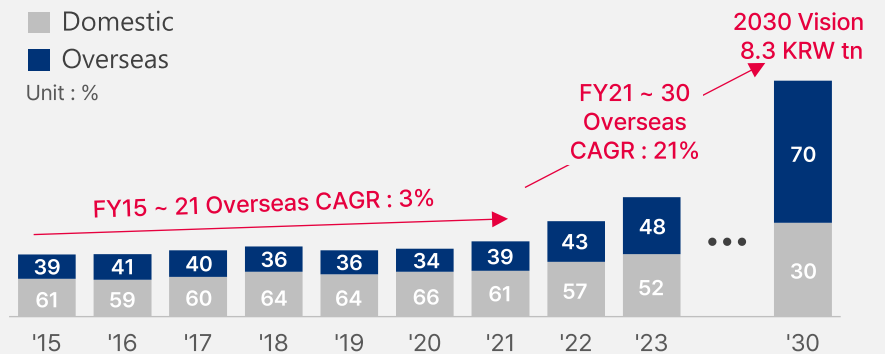


Expansion of overseas sales in earnest

■ Domestic

■ Overseas

Unit : %



3Q 2024 Earning Release

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



1. Total Results



Temporary decline due to the adjustment of the timing of large projects, seasonal factors, and the delayed recovery of upstream industries (YoY Sales $\Delta 0\%$, OP $\Delta 4\%$, QoQ Sales $\Delta 10\%$, OP $\Delta 39\%$)

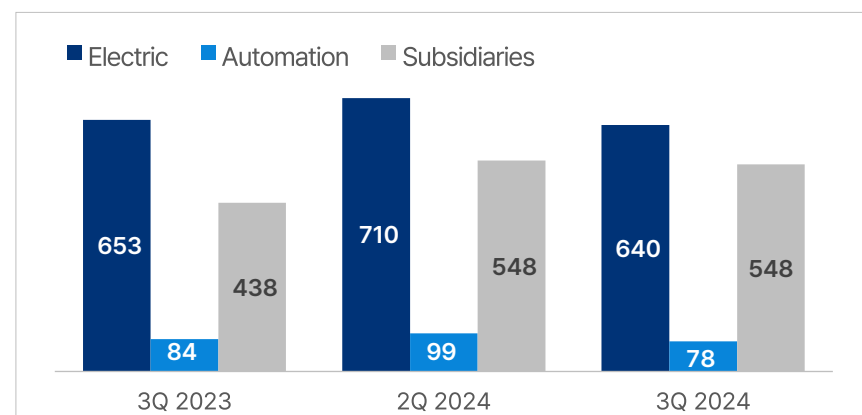
Consolidated Performance

Units : KRW bn, %

Segments	3Q 2023	2Q 2024	3Q 2024	YoY	QoQ
Sales	1,023	1,132	1,021	$\Delta 2$ $\Delta 0\%$	$\Delta 111$ $\Delta 10\%$
Operating Profit (%)	70 (8.7%)	110 (9.7%)	66 (6.5%)	$\Delta 4$ $\Delta 5\%$	$\Delta 44$ $\Delta 39\%$
EBITDA	79	120	76	$\Delta 3$ $\Delta 4\%$	$\Delta 44$ $\Delta 37\%$
Profit before tax	61	101	53	$\Delta 8$ $\Delta 12\%$	$\Delta 48$ $\Delta 47\%$
Net Income	41	65	35	$\Delta 6$ $\Delta 14\%$	$\Delta 30$ $\Delta 46\%$

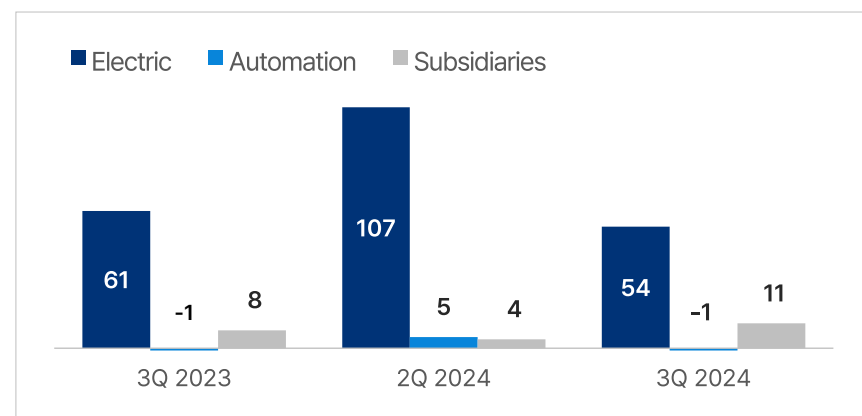
Sales by business

Unit : KRW bn



OP by business

Unit : KRW bn

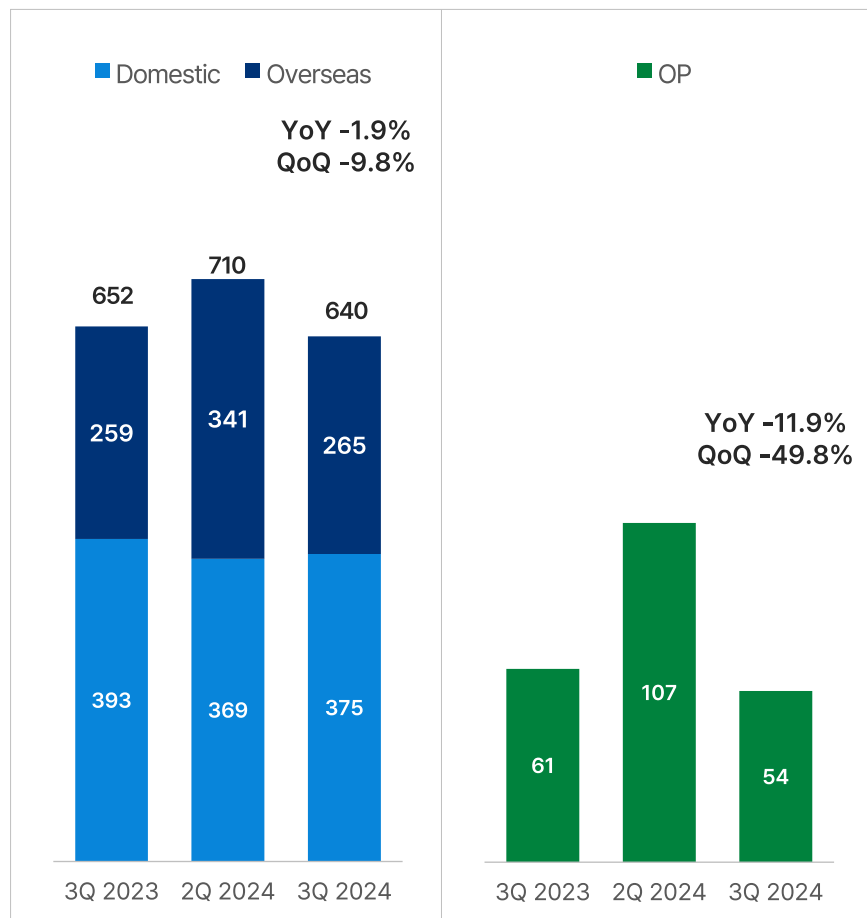


2. Breakdown by business ① Electric

While the performance of HVTR for U.S. is strong, decrease in the performance of distribution equipment due to seasonal factors, and the adjustment of delivery schedules for large PJT has led to a decline in SWGR

Performance of Electric business*

Unit : KRW bn



* Include Electric equipment, Electric Infra and Renewable

Key factors

Increase of equipment / Decrease in the quantity of SWGR

Units : KRW bn, %

Segments	'23.3Q	'24.2Q	'24.3Q	YoY	QoQ
Distribution Equipment*)	205	233	220	7%	Δ6%
SWGR*)	191	233	212	11%	Δ9%
Transformer	112	120	121	8%	1%
High voltage	61	84	86	40%	3%
Renewable	123	93	60	Δ51%	Δ36%

*) Adjustment of certain product line

Increase order backlog(Unit : KRW tn)

- End of FY23 : 2.3 → 3Q 24 : 2.9 (+26%)

Expansion of overseas business

FY20 : 24% → FY23 : 36% → 3Q 24 : 38%

- Electric Business in North America FY23 : 17% → 3Q 24 : 21%
- High voltage Transformer in North America : YoY +49 KRW bn(+549%, KRW bn 9 → 58)

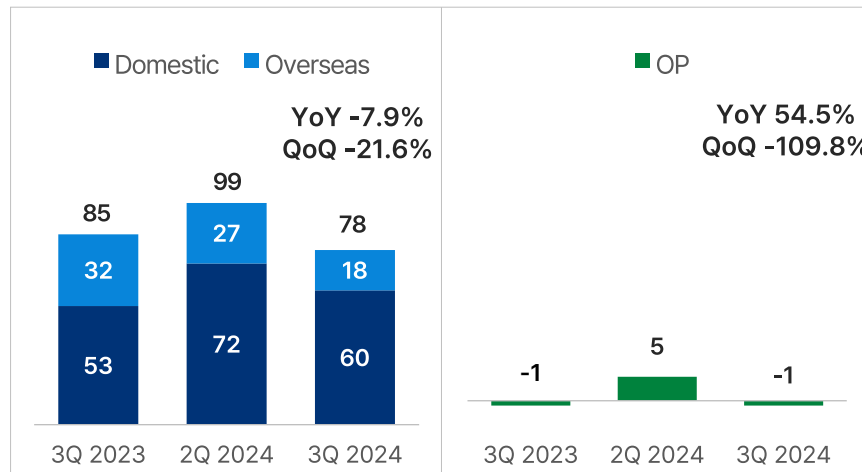
2. Breakdown by business ② Automation / Subsidiaries

Recovery in progress of automation business

Improvement performance due to U.S. business

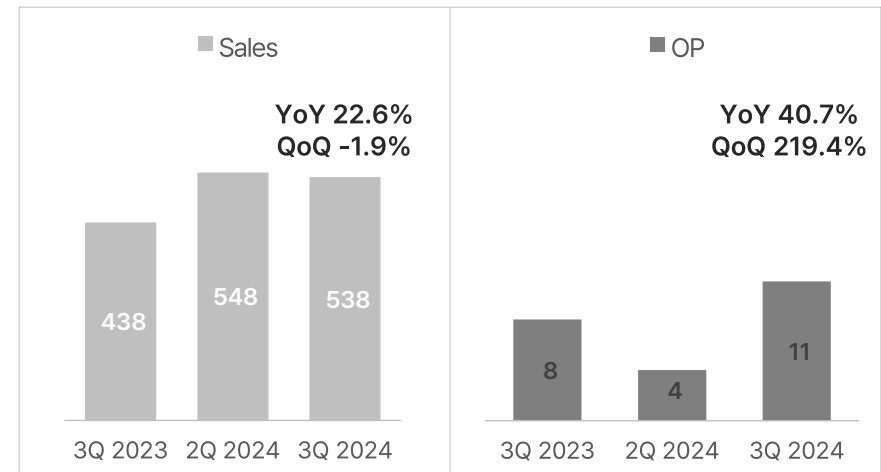
Performance & Key factors

Unit : KRW bn



Performance & Key factors

Unit : KRW bn



Key factors

Delayed market recovery

- Delayed recovery of upstream industries(EV, Batteries, Semiconductors)

Focusing on recovering performance

Key factors

Expansion of U.S. subsidiary performance

- Boom in the U.S. power market(YoY Sales +48%, OP +31%)
- Delayed recovery of performance due to the EV chasm
- Decrease in the performance due to recovery costs from typhoon damage in Vietnam

3. Financial Position



Stable financial structure with 110% debt-to-equity ratio and 26% net deposit-to-deposit ratio

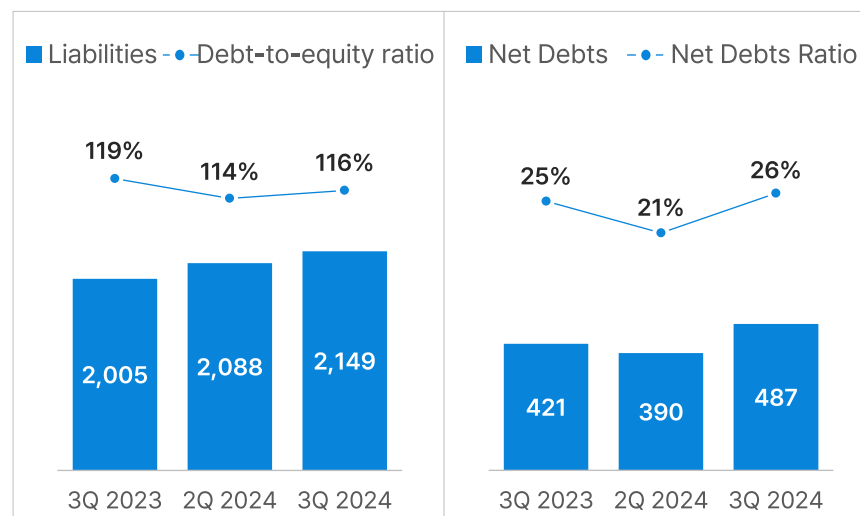
Financial Status

Unit : KRW bn

Segments	3Q 2023	2Q 2024	3Q 2024	YoY	QoQ
Total Assets	3,690	3,913	3,993	303	80
Current asset	2,616	2,724	2,730	114	6
Cash & cash equivalents	504	547	503	△1	△44
Total Liabilities	2,005	2,088	2,149	87	4
Debts	924	937	990	66	53
Net Debts	421	390	487	66	97
Equity	1,685	1,825	1,845	216	76

Financial Ratio

Units : KRW bn, %



Key factors

Net Debts increased due to a decrease in cash assets

- Acquisition of KOC Electric shares (40 KRW bn)
- Corporate tax interim payment (29 KRW bn)

Global Business Strategy

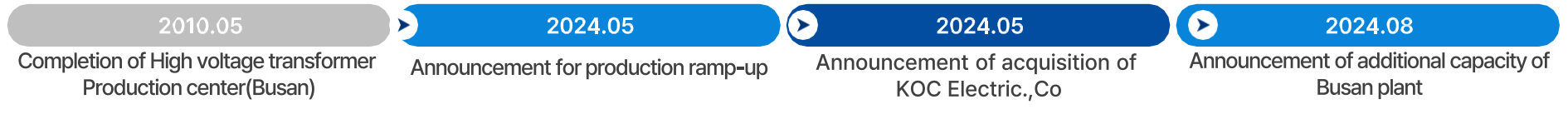
1. HVTR capacity expansion
2. Global M/S expansion
3. Global AI, IDC market entry



1. HVTR capacity expansion

Responding to the rapidly increasing global demand for transformer through large-scale capacity expansion and M&A

History of transformer capacity expansion



Capacity expansion(Busan Plant)

Investments	Completion date	CAPA
KRW bn 101	'25 3Q	KRW bn 700

Acquisition of KOC Electric Co.,Ltd

Press release of acquisition ('24.05.23)

Investments	Shares	CAPA
KRW bn 60	51.00%	KRW bn 100

Annual capacity outlook

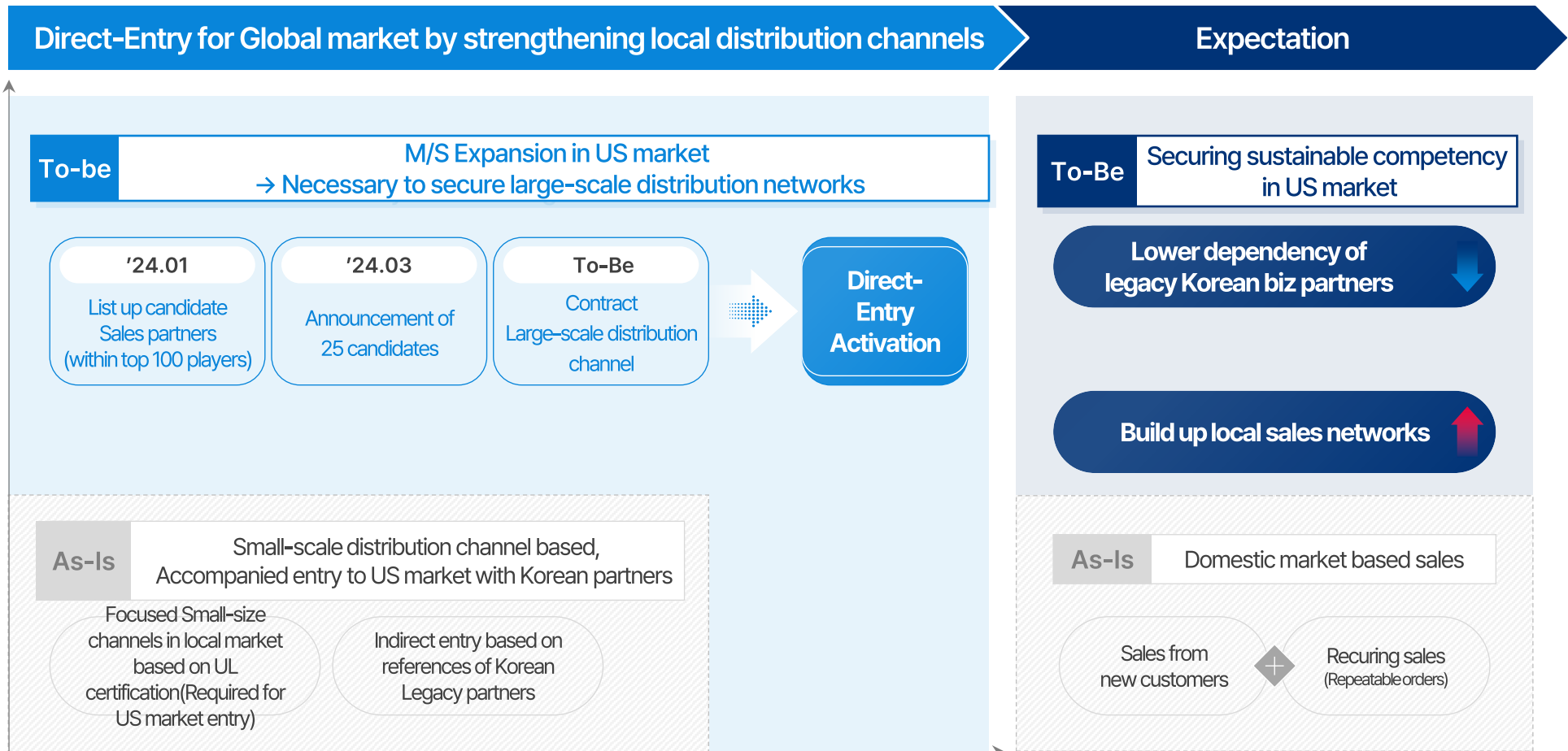
Unit : KRW bn

Category	As-Is	2025(E)~
As-Is	200	0
KOC electric acquisition	0	100
1st ramp up(Busan plant)	0	300
2nd ramp up(Busan plant)	0	200
Total	200	800

Secured order backlog for 5years(~2029) → Capacity expansion for further growth

2. Global M/S Expansion

As-Is : Along with secure UL certification, focusing on reliable sub provider leaning on entry plans of other business partners (LG, Hyundai, SK, Samsung, etc.)
 + Seeking global M/S expansion opportunity by shifting “Direct-Entry” strategy



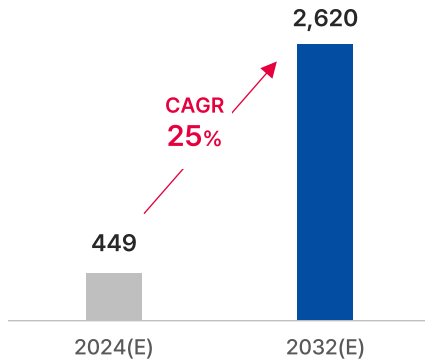
3. Global AI, IDC market entry

Based on solid supply references for domestic Data Center, LS will broaden its business range into global market
 Given favorable market trends, seeking new opportunity in recent data center boom leading explosive electricity demand → Capable of responding as NO.1 distribution system provider

AI & Data center outlook

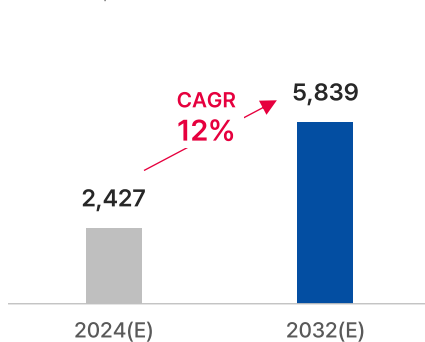
AI market outlook

Unit : 100M\$



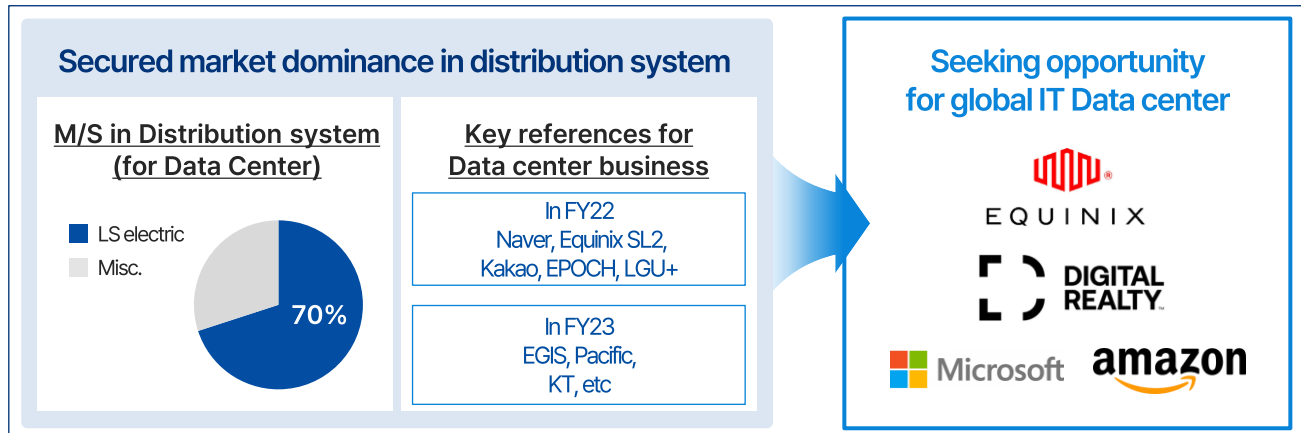
Conventional Data center market outlook

Unit : 100M\$

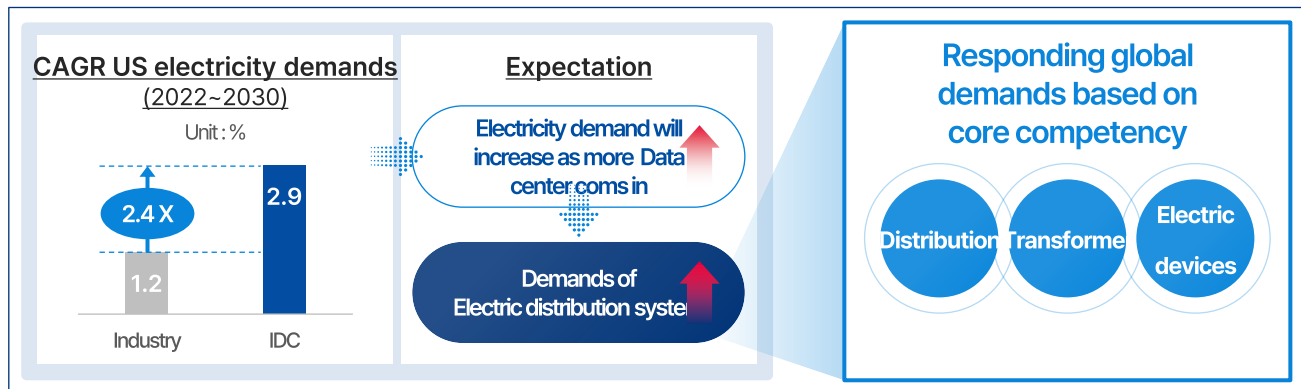


From Fortune Business Insight

Global market entry strategy based on unrivaled business reference in domestic market



Electricity demands up driven by data center boom → Capable of responding the demands



Appendix

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



1. Condensed Statement



Income Statement

Units : KRW bn, %

Segments	3Q 2023	2Q 2024	3Q 2024	YoY	QoQ
Sales	1,023	1,132	1,021	△0.1%	△9.8%
Cost of Sales	△846	△888	△839	△0.9%	△5.5%
Gross Profit(%)	176 (17.2)	245 (21.6%)	182 (17.8%)	3.4%	△25.6%
SG&A	△106	△135	△116	9.0%	△14.3%
OP(%)	70 (6.9%)	110 (9.7%)	66 (6.5%)	△5.2%	△39.4%
Non-OP & Loss	△9	△9	△13	36.6%	48.4%
Profit before tax	61	101	53	△11.7%	△47.0%
Net Income(%)	41 (4.0%)	65 (5.7%)	35 (3.4%)	△13.5%	△45.7%
EBITDA Margin	8.4%	11.2%	8.4%	-	-

Statements of Cash Flows

Unit : KRW bn

Segments	3Q 2023	3Q 2024	YoY
Cash & cash equivalents(1.1)	556	584	28
Cash Flows from Operating	106	119	14
Cash Flows from Investing	△147	△149	△3
Capex	△87	△99	△12
R&D	△7	△4	4
Others	△52	△47	5
Cash Flows from Financing	△18	△61	△43
Effects of exchange rate changes	7	11	4
Cash & cash equivalents(9.30)	504	503	△0

Statement of financial position

Units : KRW bn, %

Segments	3Q 2023	2Q 2024	3Q 2024	YoY	QoQ
Total Assets	3,690	3,913	3,993	8%	2%
Current Assets	2,616	2,724	2,730	4%	0%
Cash & Cash equivalents	504	547	503	△0%	△8%
Inventories	558	517	515	△8%	△0%
Other Current Assets	1,554	1,660	1,711	10%	3%
Non-Current Assets	1,074	1,189	1,264	18%	6%
Tangible Assets	665	708	788	18%	11%
Intangible Assets	97	101	130	34%	28%
Other Non-Current Assets	312	379	346	11%	△9%
Total Liabilities	2,005	2,088	2,149	7%	3%
Current Liabilities	1,525	1,659	1,614	6%	△3%
Short-term borrowings	479	553	570	19%	3%
Non-Current Liabilities	480	429	478	△0%	11%
Long-term borrowings	445	384	421	△5%	9%
Equity	1,685	1,825	1,845	9%	1%
Current Ratio	172%	164%	169%	△1%	3%
Equity/Total Assets	46%	47%	46%	1%	△1%
Total Liabilities/Equity	119%	114%	116%	△2%	2%
Net debts Ratio	25%	21%	26%	6%	23%

2. Breakdown Non-OP

Decrease in net income due to foreign exchange gains and losses related to derivative transactions and interest expenses.

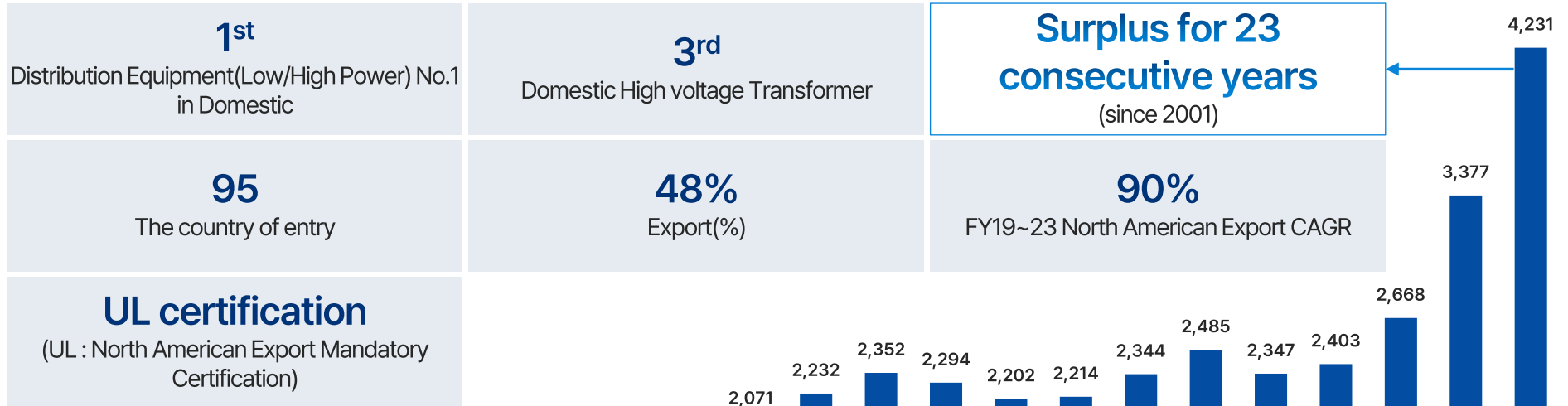
Units : KRW bn, %

Segments	3Q 2023	2Q 2024	3Q 2024	YoY	QoQ
Sales	1,023	1,132	1,021	-2 / -0.1%	-111 / -9.8%
Operating Profit	70	110	67	-3 / -5.2%	-43 / -39.4%
(%)	6.9%	9.7%	6.5%	-	-
Non-OP and Loss	-10	-9	-13	-3 / -36.6%	-4 / -48.4%
Financial gains & losses	-5	-4	-10	-5 / -105.1%	-6 / -161.2%
Other gains & losses	-4	-6	-4	-0 / -4.0%	2 / 34.9%
Other Non-OP & Loss	-1	1	1	2 / 258.2%	△0 / -8.3%
Profit before tax	61	101	54	-7 / -11.7%	-47 / -47.0%
Corporation Tax	-20	-36	-18	2 / 7.7%	18 / 49.3%
Net Income	41	65	35	-6 / -13.5%	-30 / -45.7%
(%)	4.0%	5.7%	3.4%	-	-

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

