

4Q 2024 Earning Release

LS ELECTRIC

SMART ENERGY
GLOBAL LEADER

50 50TH ANNIVERSARY
ENABLE
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

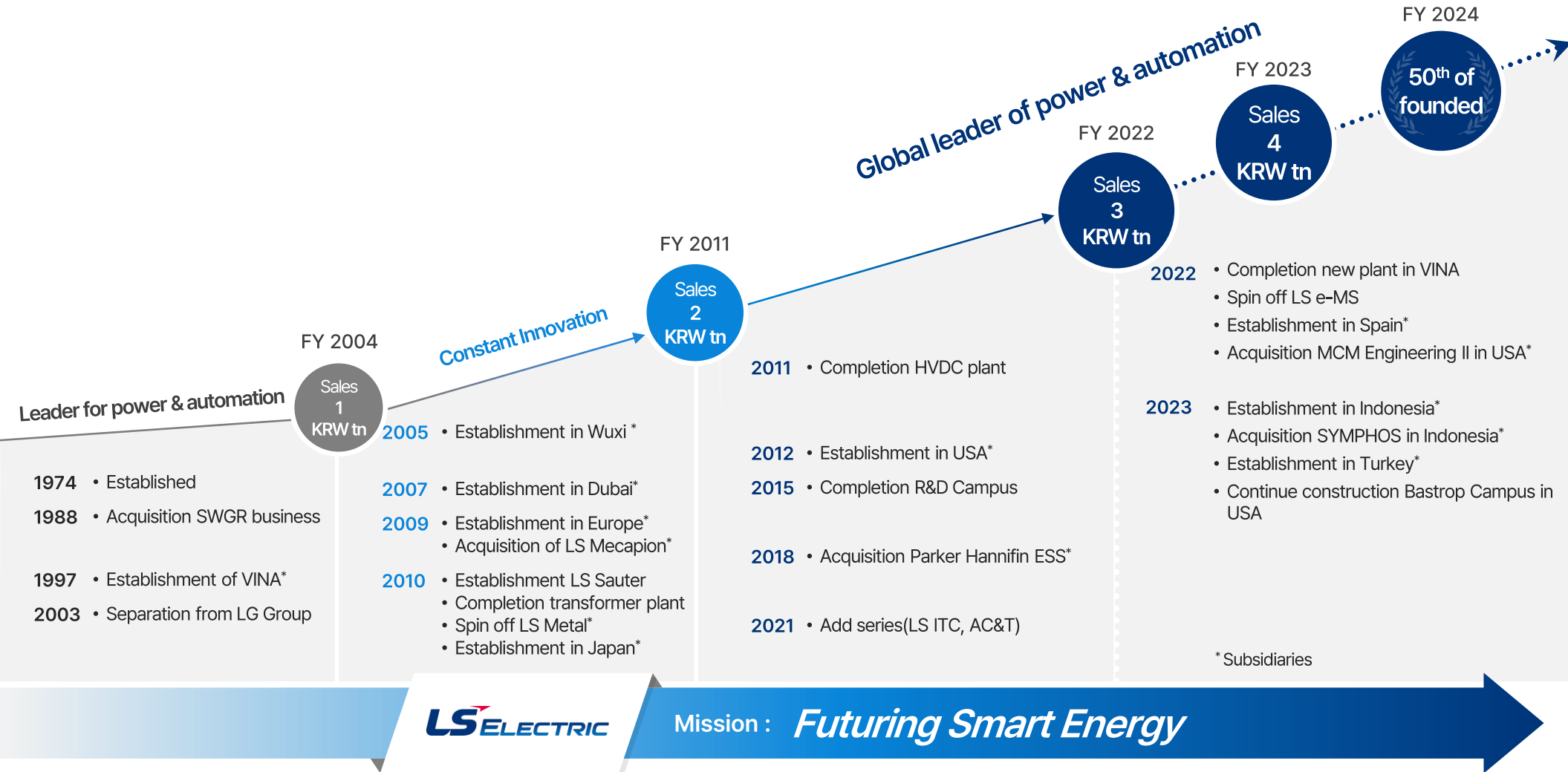
1. History & Growth
2. Business Introduction
3. Business Performance
4. Global Business



1. History & Growth

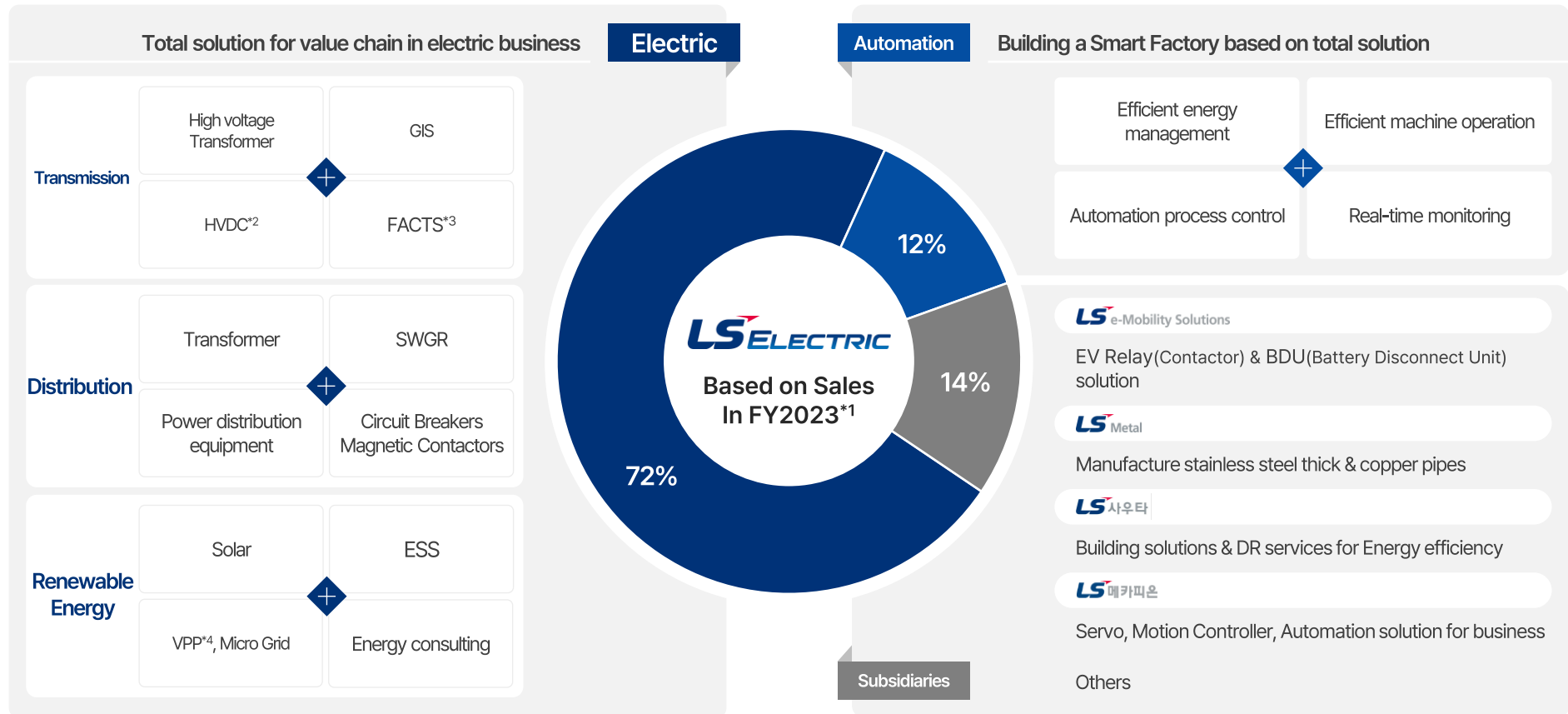


Founded in 1974, Grows to Korea's No.1 company in power and automation business.
Leading the future energy business



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)

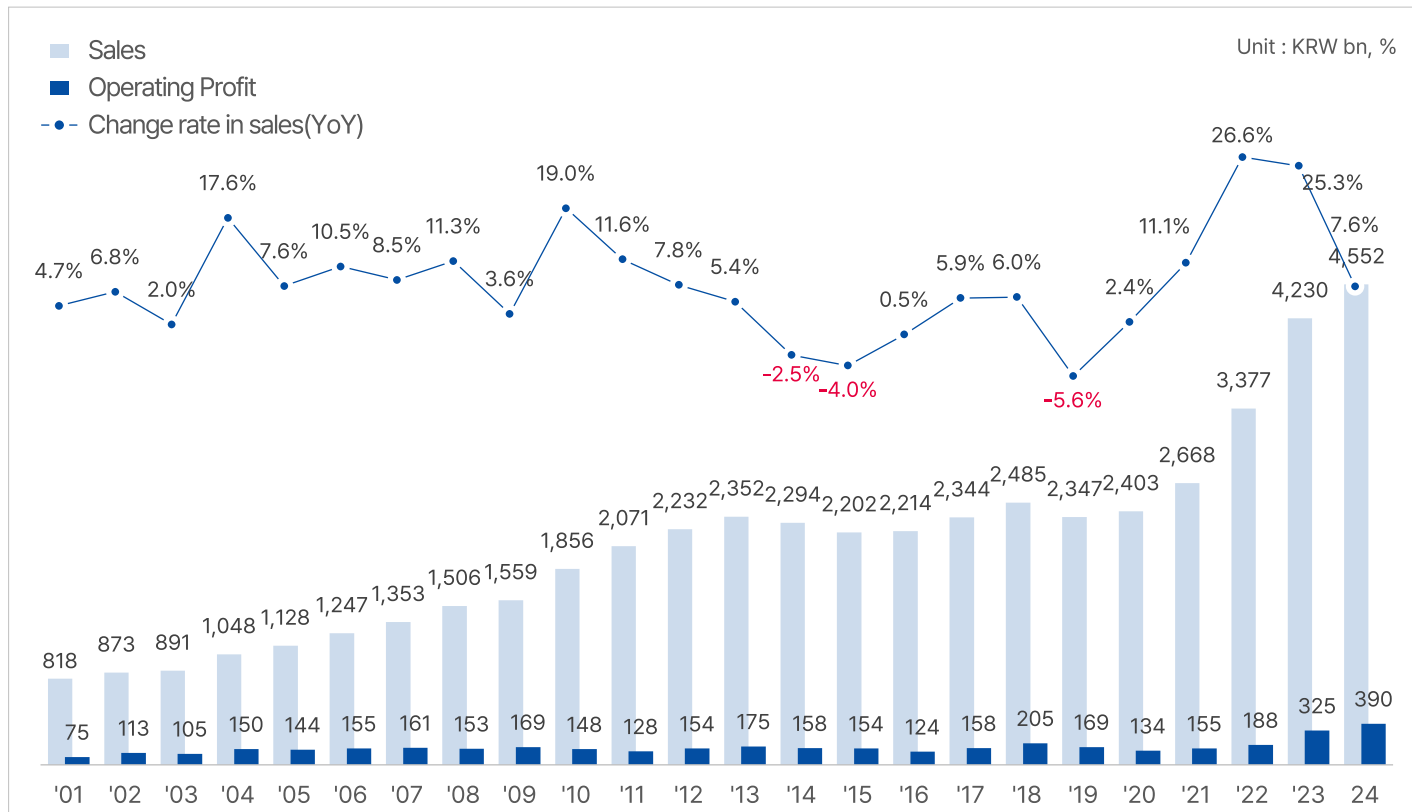
*3: FACTS(Flexible AC Transmission System)

*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 2024
(Unit : KRW bn)

Sales	4,552
Operating Profit	390
Total Assets	4,493
Total Liabilities	2,593
Equity	1,899

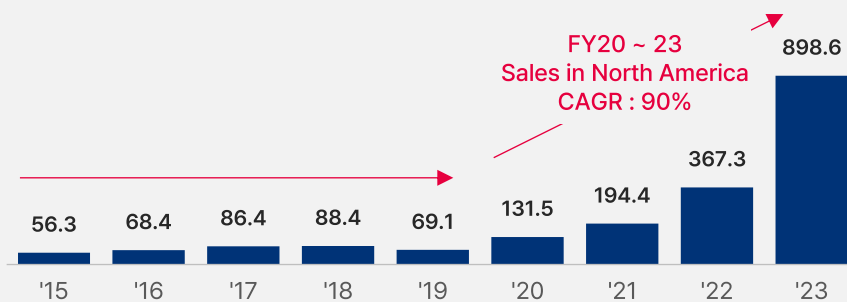
4. Global Business

Global business growth in earnest after FY 2020



Entry into Global Market centered on North America

Unit : KRW bn

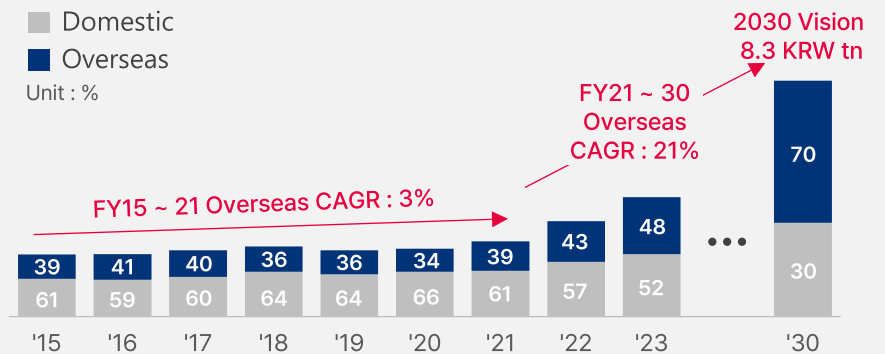


Expansion of overseas sales in earnest

■ Domestic

■ Overseas

Unit : %



4Q 2024 Earning Release

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



1. Total Results (Yearly)



The improved performance of the Electric business leads the growth of overall sales and operating profit
(YoY Sales +7.6%, OP +19.9%)

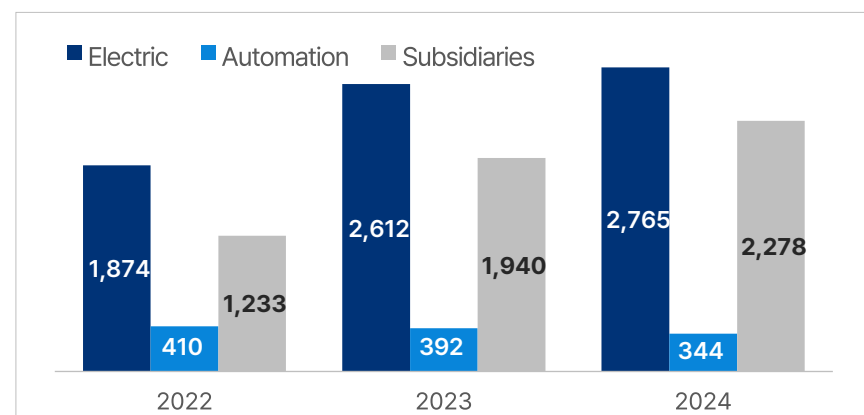
Consolidated Performance

Units : KRW bn, %

Segments	2022	2023	2024	YoY	
Sales	3,377	4,231	4,552	321	7.6%
Operating Profit (%)	188 (5.6%)	325 (7.7%)	390 (8.6%)	65	19.9%
EBITDA	221	361	429	68	19.0%
Profit before tax	127	264	333	69	26.2%
Net Income	91	208	242	34	16.6%

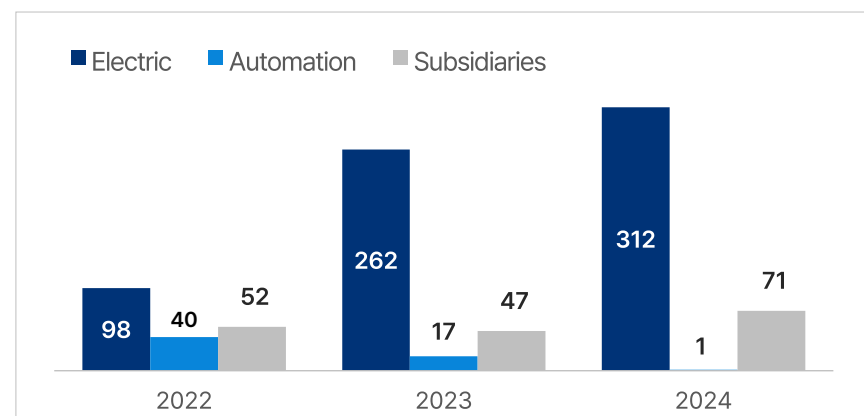
Sales by business

Unit : KRW bn



OP by business

Unit : KRW bn



1. Total Results (Quarterly)



Achieved the highest quarterly performance due to growth in U.S market and sales of HVTR*
(YoY Sales +31.9%, OP +76.1%, QoQ Sales +33.1%, OP +80.4%)

Consolidated Performance

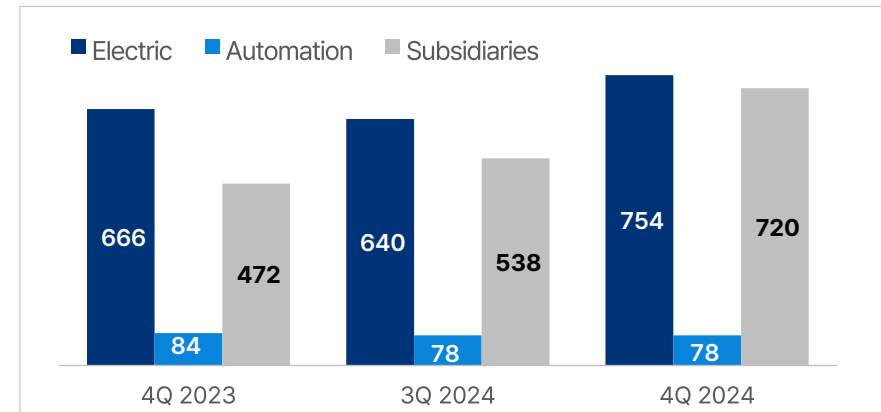
Units : KRW bn, %

Segments	4Q 2023	3Q 2024	4Q 2024	YoY	QoQ
Sales	1,030	1,021	1,360	329 31.9%	338 33.1%
Operating Profit (%)	68 (8.7%)	66 (6.5%)	120 (8.8%)	52 76.1%	53 80.4%
EBITDA	77	76	131	54 69.0%	55 72.3%
Profit before tax	47	53	80	34 71.4%	27 50.2%
Net Income	44	35	63	19 44.0%	28 78.9%

*HVTR : High Voltage Transformer

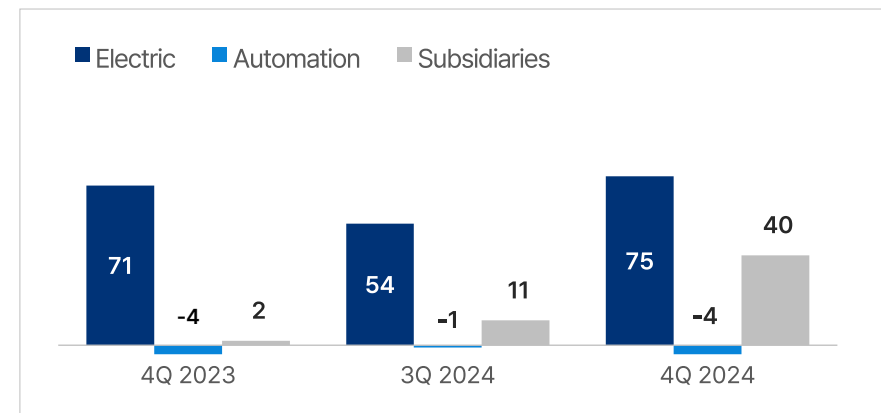
Sales by business

Unit : KRW bn



OP by business

Unit : KRW bn

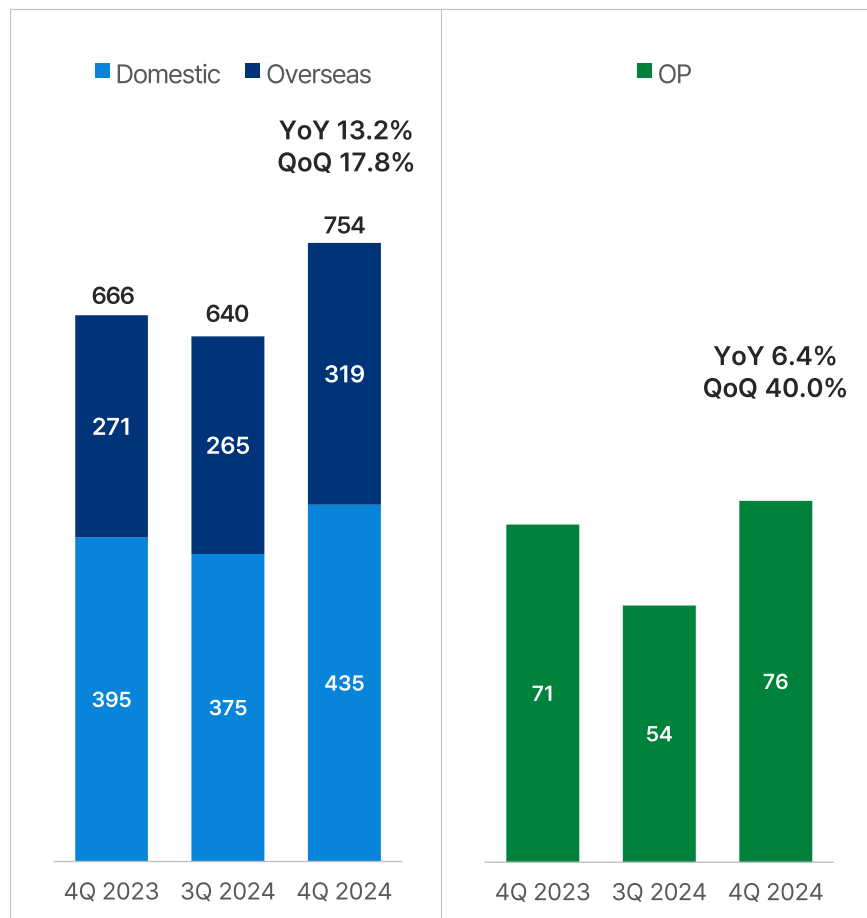


2. Breakdown by business ① Electric

The Strong growth of HVTR & SWGR in U.S.
Increase in new orders and expansion of customers in U.S. market.

Performance of Electric business*

Unit : KRW bn



* Include Electric equipment, Electric Infra and Renewable

Key factors

Increase of HVTR demand

Units : KRW bn, %

Segments	'23.4Q	'24.3Q	'24.4Q	YoY	QoQ
Distribution Equipment*)	233	220	220	Δ9.9%	Δ4.3%
SWGR*)	225	212	212	Δ3.3%	2.9%
Transformer	101	121	159	57.6%	31.3%
High voltage	58	86	125	116.1%	45.8%
Renewable	110	60	117	6.5%	94.8%

*) Adjustment of certain product line

Increase order backlog(Unit : KRW tn)

- '24.1Q 2.6 → 2Q 2.8 → 3Q 2.9 → 4Q 3.4
- End of FY23 : 2.3 → FY24 : 3.4 (+48%)

Expansion of overseas business

FY20 : 24% → **FY23 : 36%** → **FY24 : 37%**

- Electric Business in North America FY23 : 17% → FY24 : 20%
- High voltage Transformer in North America : YoY +58 KRW bn(+426%, KRW bn 14 → 72)

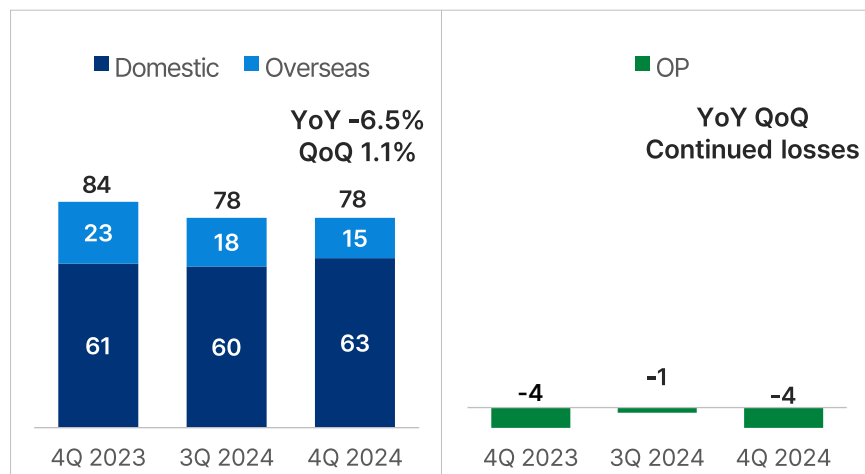
2. Breakdown by business ② Automation / Subsidiaries

Focusing on the recovery of the automation business

The impact of Electric business in U.S. expansion and subsidiary acquisition

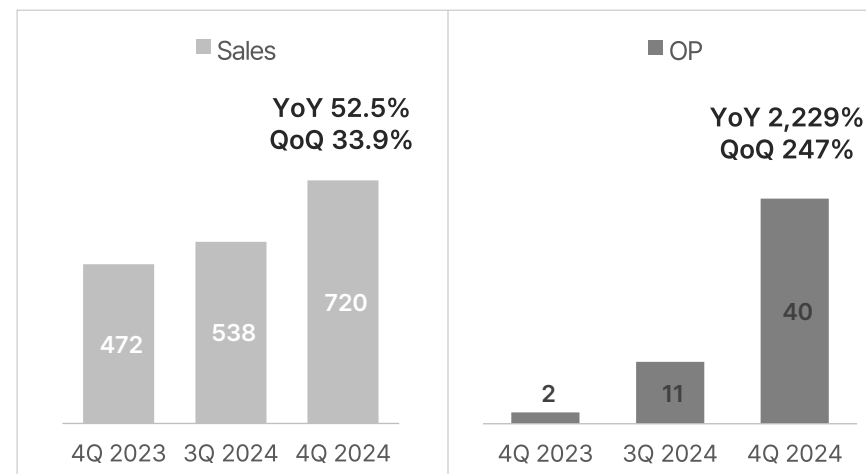
Performance & Key factors

Unit : KRW bn



Performance & Key factors

Unit : KRW bn



Key factors

Delayed market recovery

- Global automation equipment market slowdown (by weakness in upstream industries)

Focusing on securing customers and recovering performance

- Secured the contract with an Automotive company → Sales plan for semiconductor companies

Key factors

Expansion of U.S. subsidiary performance

- Boom in the U.S. power market (YoY Sales +175%, OP +more than 40 times)
- Delayed recovery of performance due to the EV chasm
- Increase in the consolidated revenue due to subsidiary acquisition

3. Financial Position



Stable financial structure with 137% debt-to-equity ratio and 27% net deposit-to-deposit ratio

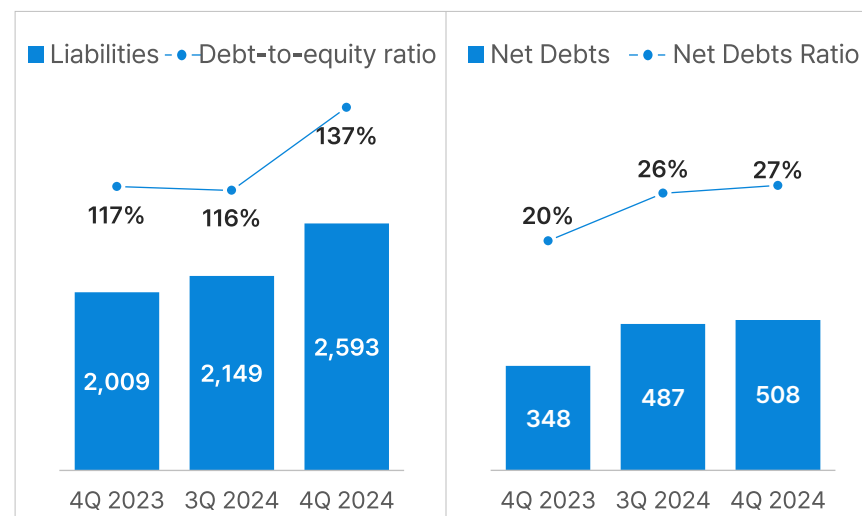
Financial Status

Unit : KRW bn

Segments	4Q 2023	3Q 2024	4Q 2024	YoY	QoQ
Total Assets	3,733	3,993	4,493	760	499
Current asset	2,605	2,730	3,054	450	324
Cash & cash equivalents	584	503	666	82	163
Total Liabilities	2,009	2,149	2,593	585	445
Debts	932	990	1,174	243	184
Net Debts	348	487	508	161	21
Equity	1,724	1,845	1,899	175	54

Financial Ratio

Units : KRW bn, %



Key factors

Contract Assets increased due to the growth in orders

Despite increasing dept for investing CAPEX and Equity Net debt is stable

Global Business Strategy

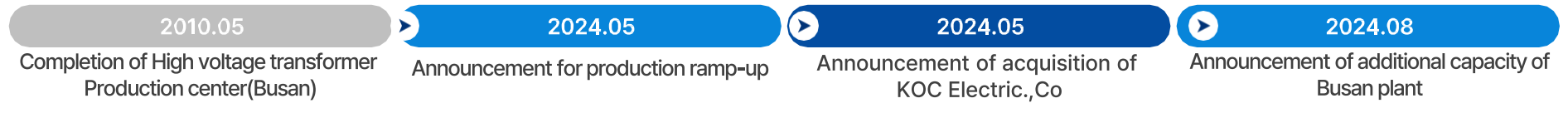
1. HVTR capacity expansion
2. Global M/S expansion
3. Global AI, IDC market entry



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)

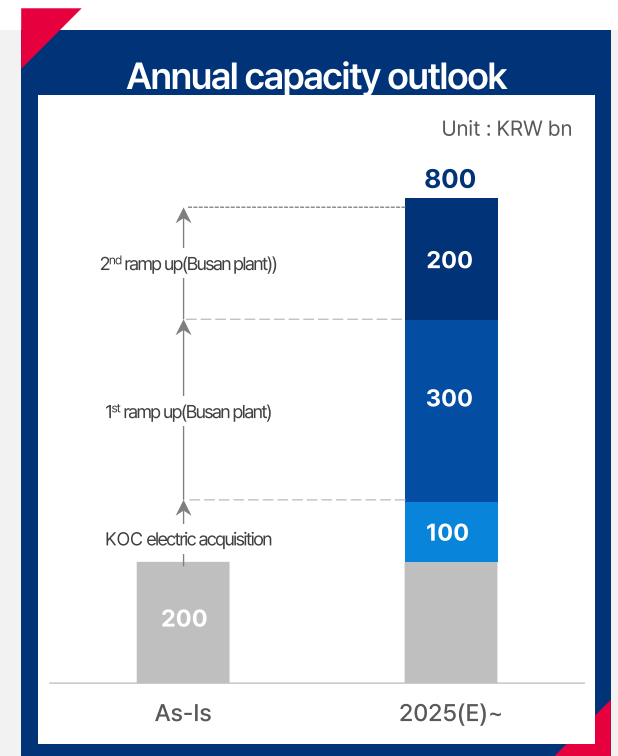
Investments	Completion date	CAPA
KRW bn 101	'25 3Q	KRW bn 700

Acquisition of KOC Electric Co.,Ltd

Press release of acquisition ('24.05.23)

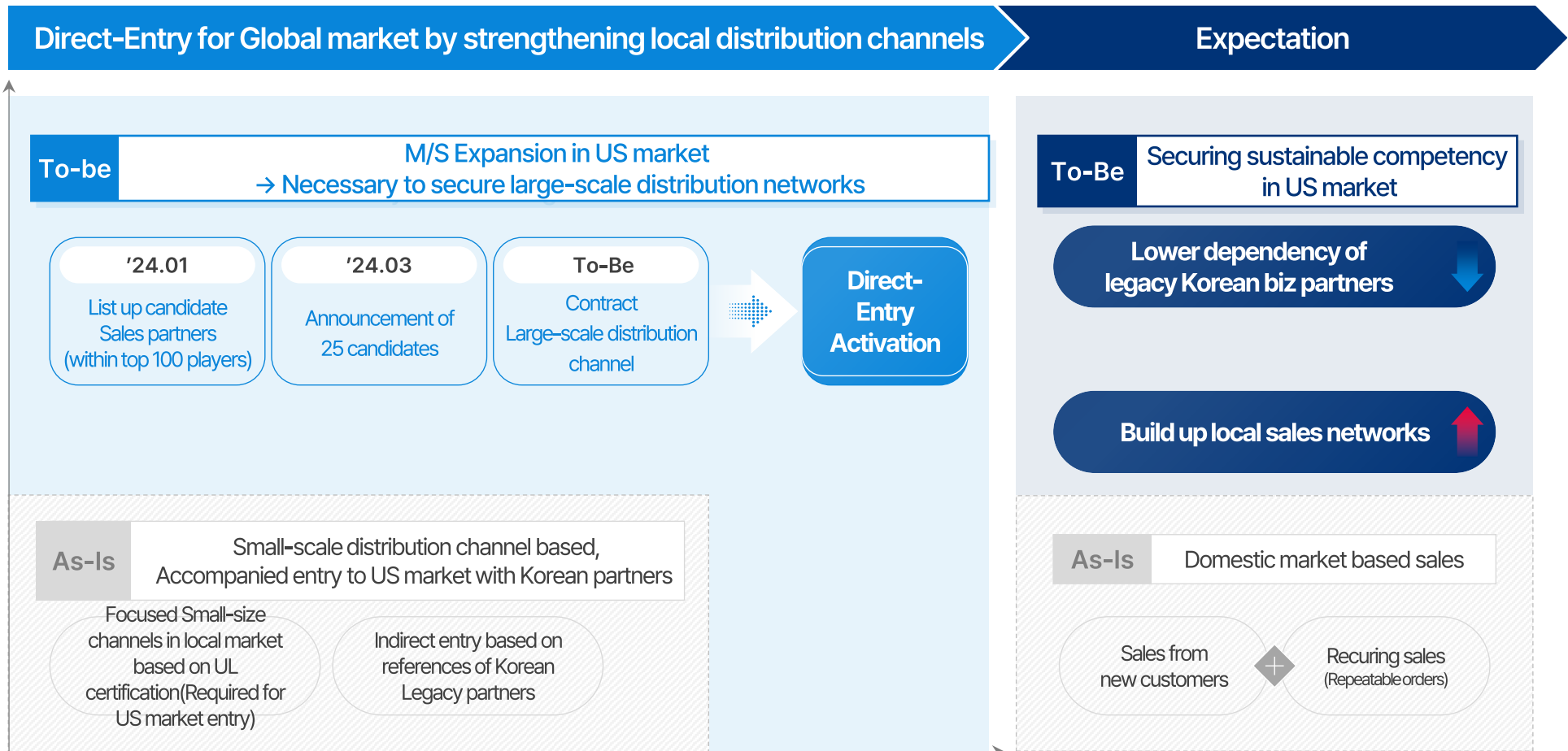
Investments	Shares	CAPA
KRW bn 60	51.00%	KRW bn 100

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



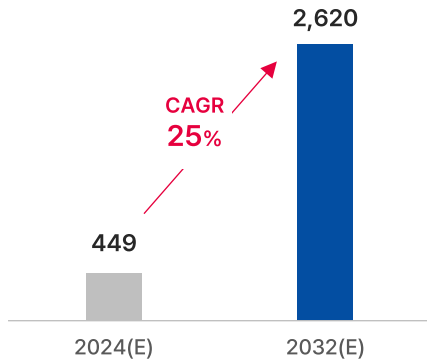
3. Global AI, IDC market entry

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

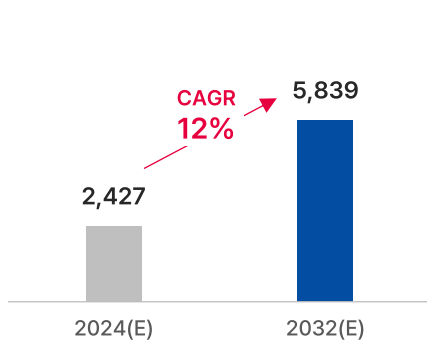
AI market outlook

Unit : 100M\$



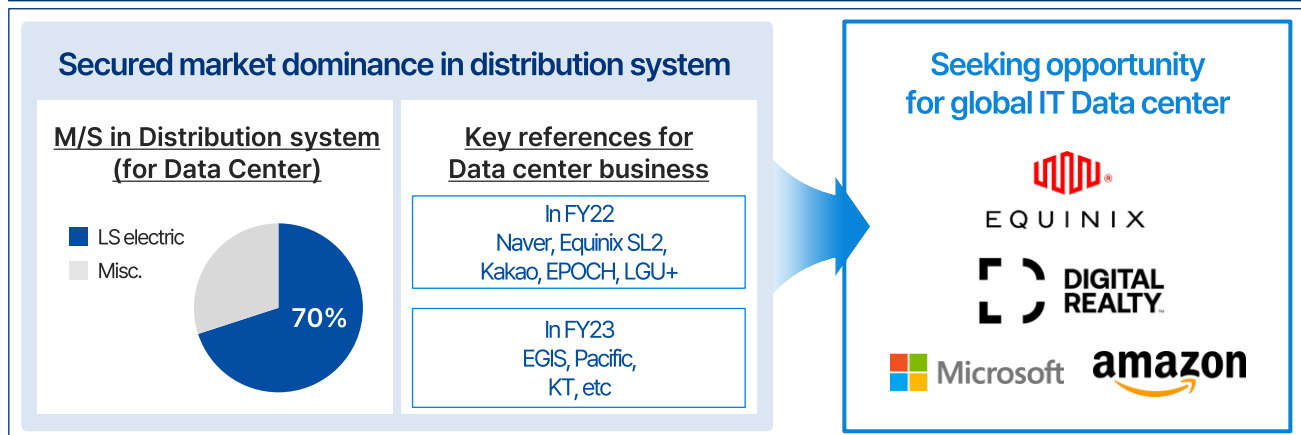
Conventional Data center market outlook

Unit : 100M\$

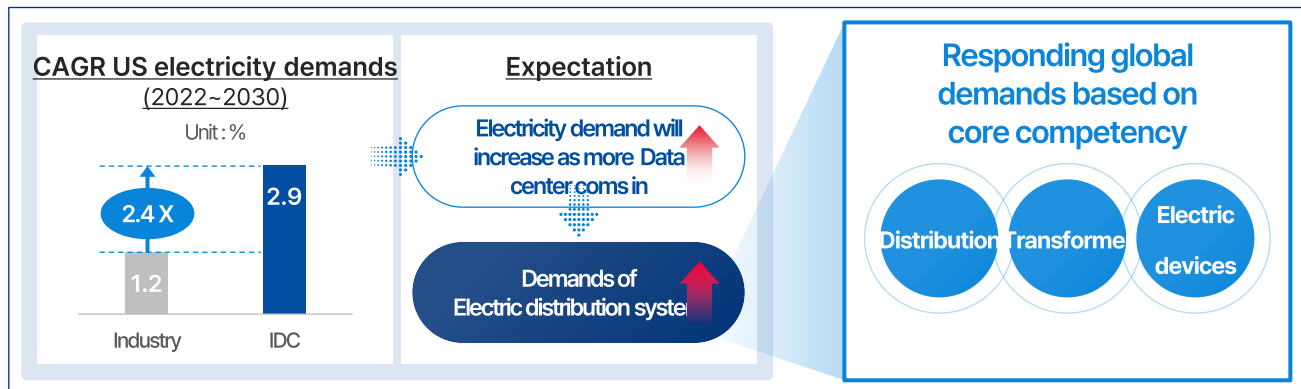


From. Fortune Business Insight

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	4Q 2023	3Q 2024	4Q 2024	YoY	QoQ
Sales	1,030	1,021	1,360	31.9%	33.1%
Cost of Sales	△839	△839	△1,093	30.2%	30.2%
Gross Profit(%)	191 (18.6%)	182 (17.8%)	267 (19.6%)	39.6%	46.5%
SG&A	△123	△116	△147	19.4%	27.0%
OP(%)	68 (6.6%)	66 (6.5%)	120 (8.8%)	76.1%	80.4%
Non-OP & Loss	△21	△13	△39	86.4%	205.2%
Profit before tax	47	54	80	71.4%	50.3%
Net Income(%)	44 (4.2%)	35 (3.4%)	63 (4.6%)	44.1%	78.7%
EBITDA Margin	7.0%	8.4%	7.6%	-	-

Statements of Cash Flows

Unit : KRW bn

Segments	4Q 2023	4Q 2024	YoY
Cash & cash equivalents(1.1)	556	584	28
Cash Flows from Operating	215	234	20
Cash Flows from Investing	△193	△254	△61
Capex	△120	△144	△24
R&D	△10	△6	4
Others	△63	△104	△41
Cash Flows from Financing	3	82	79
Effects of exchange rate changes	4	20	16
Cash & cash equivalents(12.31)	584	666	82

Statement of financial position

Units : KRW bn, %

Segments	4Q 2023	3Q 2024	4Q 2024	YoY	QoQ
Total Assets	3,733	3,994	4,493	20%	12%
Current Assets	2,605	2,730	3,054	17%	12%
Cash & Cash equivalents	584	503	666	14%	32%
Inventories	528	515	510	△3%	△1%
Other Current Assets	1,493	1,712	1,878	26%	10%
Non-Current Assets	1,128	1,264	1,438	28%	14%
Tangible Assets	682	788	861	26%	9%
Intangible Assets	94	130	187	99%	44%
Other Non-Current Assets	352	346	391	11%	13%
Total Liabilities	2,009	2,149	2,593	29%	21%
Current Liabilities	1,449	1,614	1,838	27%	14%
Short-term borrowings	417	570	604	47%	6%
Non-Current Liabilities	560	535	756	35%	41%
Long-term borrowings	517	421	570	11%	35%
Equity	1,724	1,845	1,899	10%	3%
Current Ratio	180%	169%	166%	△8%	△2%
Equity/Total Assets	46%	46%	42%	△8%	△8%
Total Liabilities/Equity	117%	116%	137%	17%	17%
Net debts Ratio	20%	26%	27%	33%	1%

2. Breakdown Non-OP

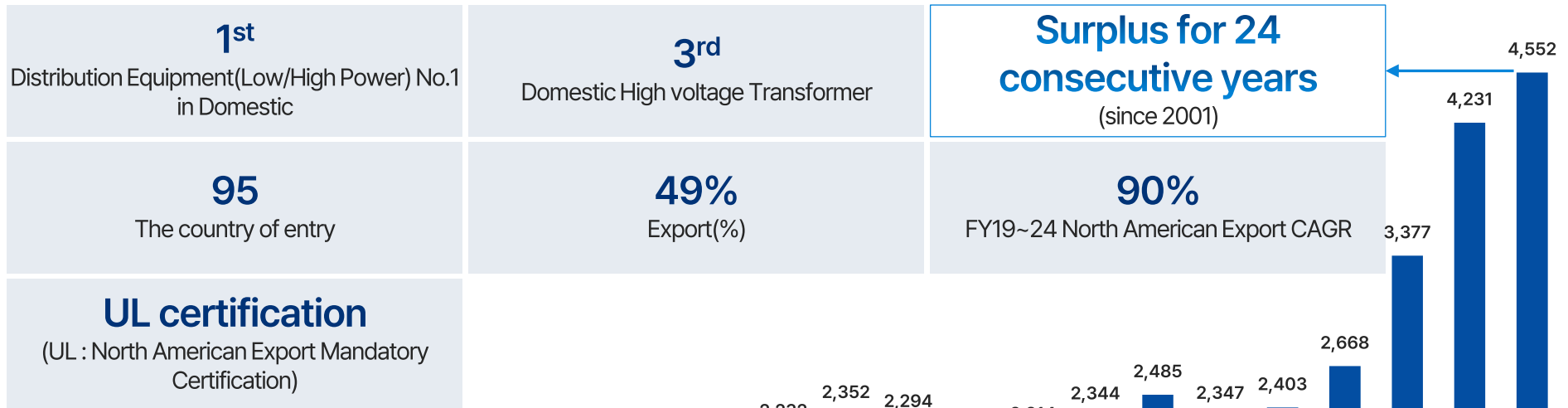
Despite the foreign exchange gains and losses and derivative trading/valuation gains and losses, net income increased due to the expansion of sales and operating profit

Units : KRW bn, %

Segments	4Q 2023	3Q 2024	4Q 2024	YoY	QoQ
Sales	1,030	1,021	1,360	330 / 31.9%	339 / 33.1%
Operating Profit	68	67	120	52 / 76.1%	53 / 80.4%
(%)	6.6%	6.5%	8.8%	-	-
Non-OP and Loss	-21	-13	-40	-19 / -86.4%	-27 / -205.2%
Financial gains & losses	-5	-10	1	6 / 120.9%	11 / 109.5%
Other gains & losses	-16	-4	-33	-17 / -107.2%	-29 / -733.1%
Other Non-OP & Loss	-1	1	-7	-6 / -1,093.8%	-8 / -733.4%
Profit before tax	47	54	80	33 / 71.4%	26 / 50.3%
Corporation Tax	-3	-18	-18	-15 / -426.7%	-0 / 3.9%
Net Income	44	35	63	19 / 44.1%	28 / 78.7%
(%)	4.2%	3.4%	4.6%	-	-

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 2024

Trend of Sales

Unit : KRW bn

