

1Q 2021 Review & Outlook





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.

I . Results & Outlook

1Q 2021 Total Results

Sales 589bwn (YoY 46bwn decreased), Operating Profit 23bwn (YoY 17bwn decreased)

Sales and Operating profit decrease by Renewable/Electric Infra Segment

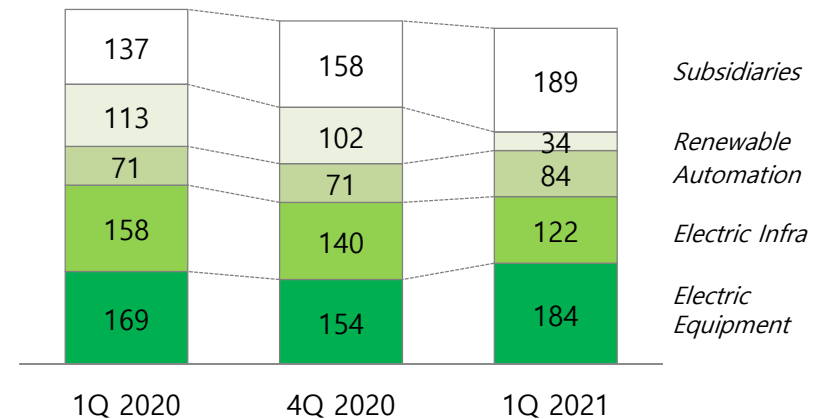
Income Statement

(unit : bwn)

Segment	1Q 2020	4Q 2020	1Q 2021	YoY	QoQ
Sales	636	610	589	△46	△21
Operating Profit	40	33	23	△17	△9
Profit before tax	33	34	21	△12	△13
Net income	22	21	16	△6	△5

Sales Breakdown by Business

(unit : bwn)



* Subsidiaries includes LS Metal, LS Sauter, LS Mecapion, Wuxi, Dalian, Vietnam, LS ITC and AC&T

** Convergence Business includes Trans SOC, Solar, Smart-Grid and EV components.

*** Sales of subsidiaries are before the consolidated adjustments.

1Q 2021 Financial Position

Total assets 2,559bwn (YoY 39bwn decreased)

Total Liabilities/Equity Ratios 82%, Debts/Total Assets Ratios 24% (stable financial structure)

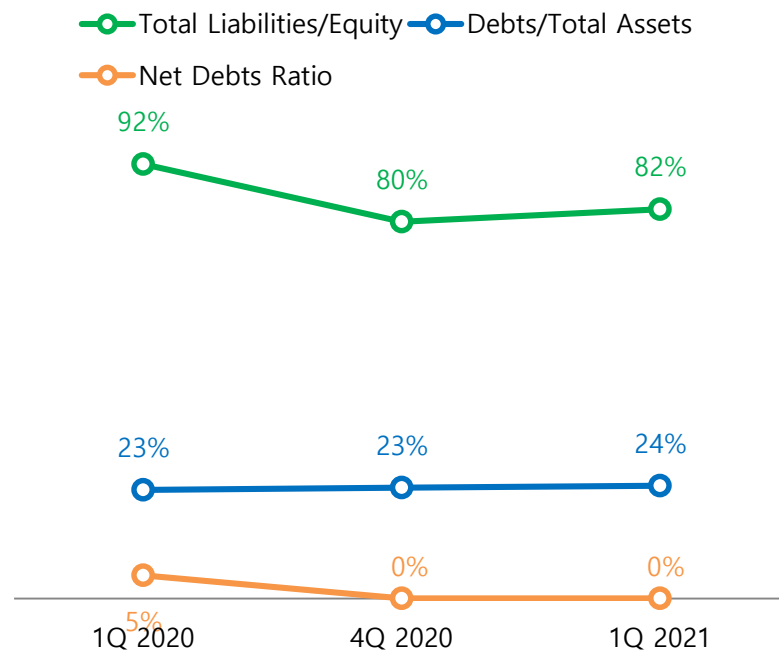
Financial Statement

(unit : bwn)

Segment	1Q 2020	4Q 2020	1Q 2021	YoY	QoQ
Total Assets	2,598	2,540	2,559	△39	19
Current Assets	1,713	1,650	1,660	△53	10
Cash & cash equivalent	531	683	662	131	△21
Total Liabilities	1,244	1,127	1,156	△88	29
Debts	597	595	610	13	15
Net Debts	66	△88	△52	△118	36
Equity	1,354	1,413	1,403	49	△11

Financial Ratios

(unit : %)

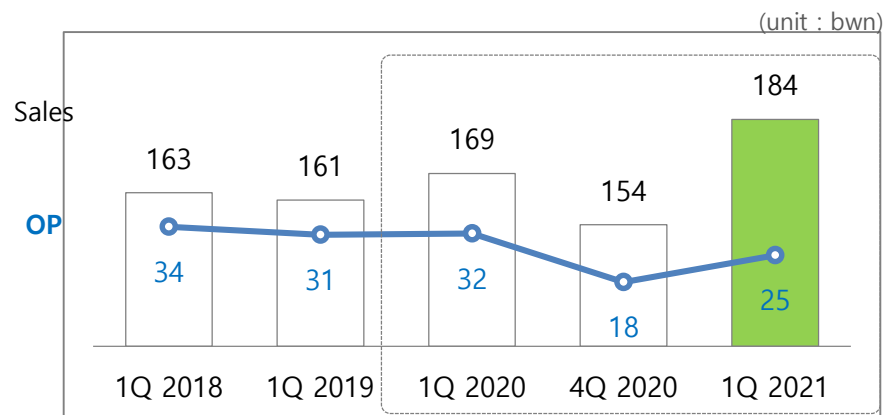


Business Results & Outlook

Electric Equipment – Sales increased in Domestic and Overseas mkt

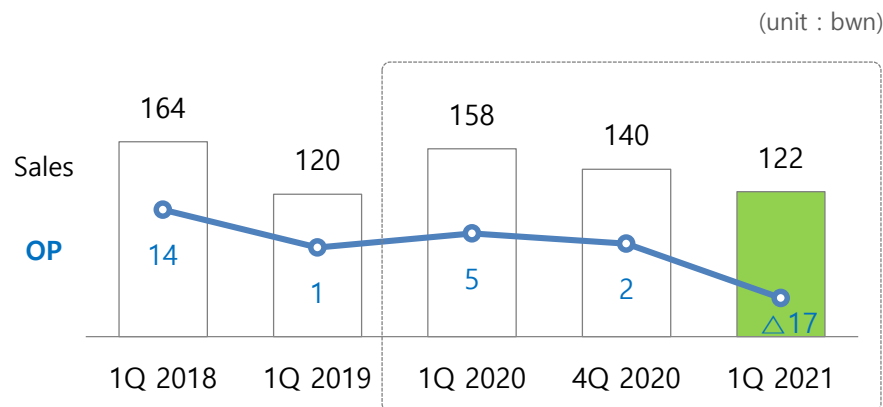
Electric Infra – Sales decreased due to Domestic and Oversea mkt (Major Company)

Electric Equipment



- Sales increased YoY 9%, OP decreased YoY 19%
 - Sales increased Domestic and Overseas mkt
 - OP decreased due to Currency/LME effect
- Sales continued in Domestic mkt (2th Quarter)
- Boosted sales in EUROPE mkt

Electric Infra



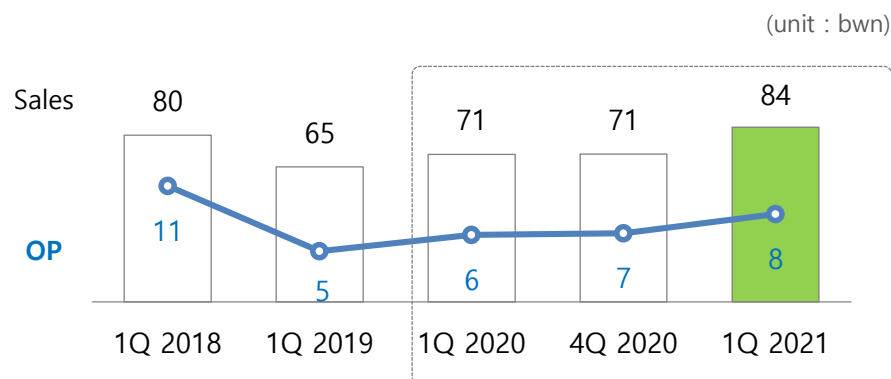
- Sales decreased YoY 23%, OP decreased YoY 408%
 - Domestic and Oversea sales decreased in Major Company
- Expecting Investment in KEPCO
- Sales boost in Oversea mkt(Battery business)

Business Results & Outlook

Automation – Sales increased in Domestic mkt (Major and Machinery mkt)

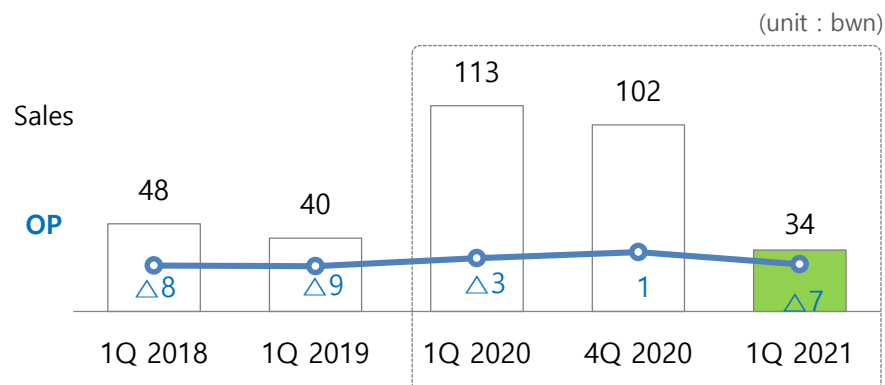
Renewable - Sales decreased in Smart-Grid(ESS)/Solar

Automation



- Sales increased YoY 18%, OP increased YoY 31%
 - Sales increase in Domestic mkt (Major and Machinery)
 - Sales decreased in Overseas mkt
- Sales Boost in New mkt(Semiconductor/Car)

Renewable Business



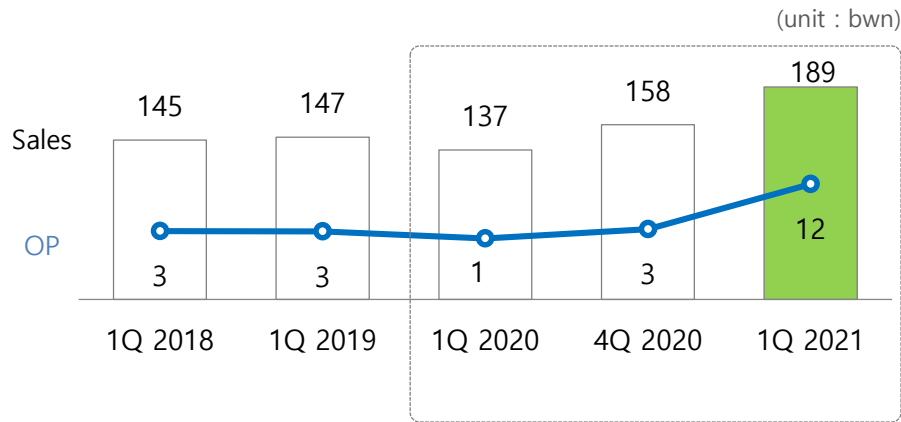
- Sales decreased YoY 70%, OP decreased YoY 150%
 - Sales decreased Solar/Smart-Grid (ESS)
 - Sales/Profit increased by EV
- Sales Boost in Solar/EV components Business

Business Results & Outlook

LS Mecapoin – Sales/Profit increased

Sales/Profit increased in China Business

Subsidiaries



- Sales increased YoY 38%, OP increased YoY 701%

- LS Metals sales increased

- Sales/Profit increased in China business

- Sales Boost in LS Metals Vina

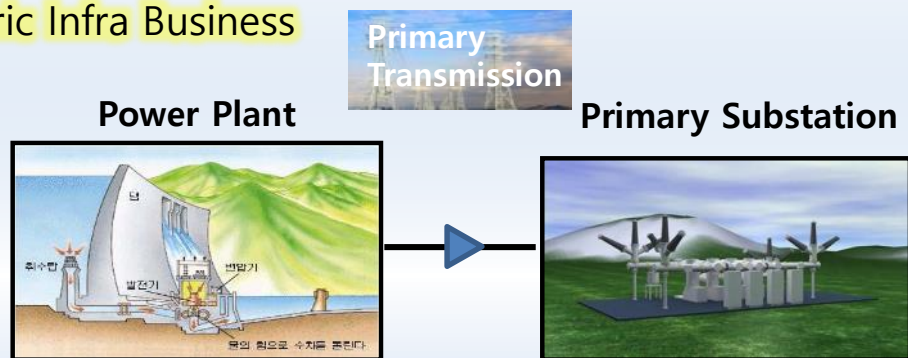
- Sales Boost in LS Mecapoin

II. Company & Business Introduction

Business Introduction

Leading Provider of Total Electric Power, Automation & Green Business Solutions

Electric Infra Business



Ultra-high voltage power transmission & distribution system equipment such as gas insulated switchgear (GIS)

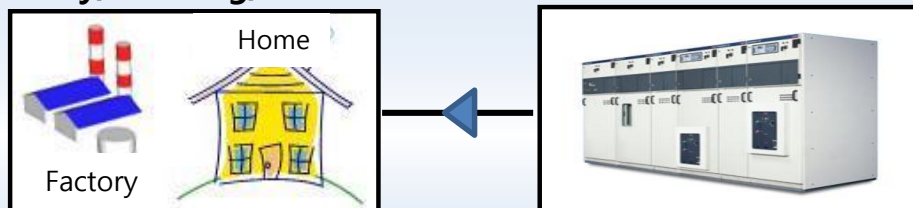
< Main Products >

- Gas Insulated Switchgear (GIS)
- Power Transformers
- Remote Monitoring & Diagnosis Equipment
- HVDC
- Switchgear (SWGR)



Electric Equipment Business

Factory/Building/Household



Top low and medium voltage electrical equipment for electricity users

<Main Products>

- Vacuum Circuit Breakers (VCB)-MV
- Air Circuit Breakers (ACB)
- Molded Case Circuit Breakers (MCCB)
- Magnetic Contactors (MC)



Business Introduction

Automation Business

Factory / Building (FA/PA)



Discrete Automation



Process Automation



Building Automation

From simple automation control to large-scale manufacturing facilities and process control, LSIS provides the optimal solutions to diverse industrial fields.

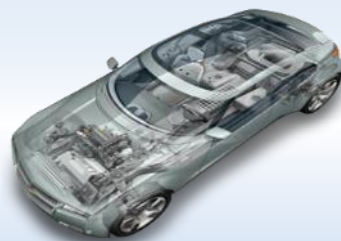
< Main Products >

- Variable Frequency Drive
- PLC (Programmable Logic Controller)
- HMI (Human Machine Interface)
- Servo Drive & Motor
- DCS (Distributed Control System)
- RTU (Remote Terminal Unit)

Renewable Business



Smart Grid



Green Car Solution



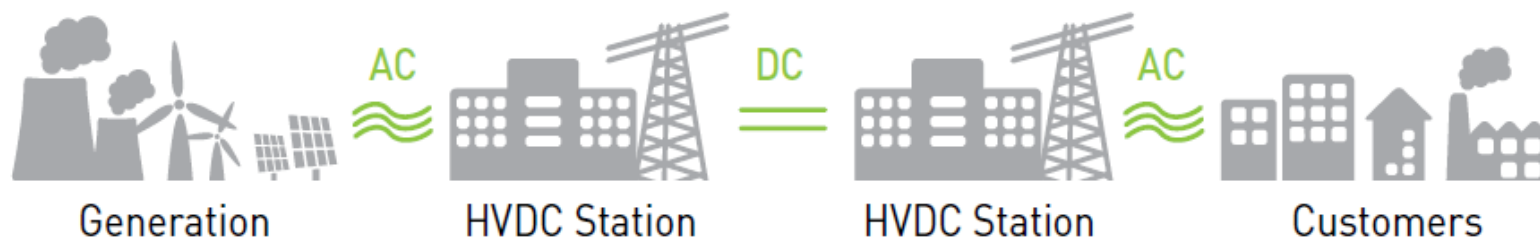
Photovoltaic System



Railway System

HVDC

HVDC system converts AC to DC to transmit long distance and then converts back again to AC
Connect with the AC grid with very low loss



Long Distance Transmission with Lower Cost

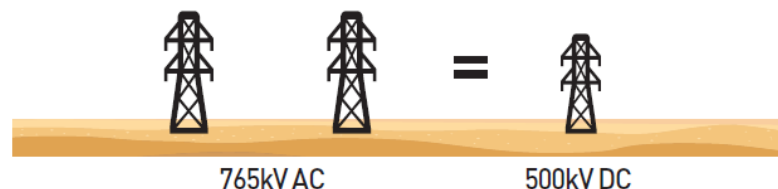
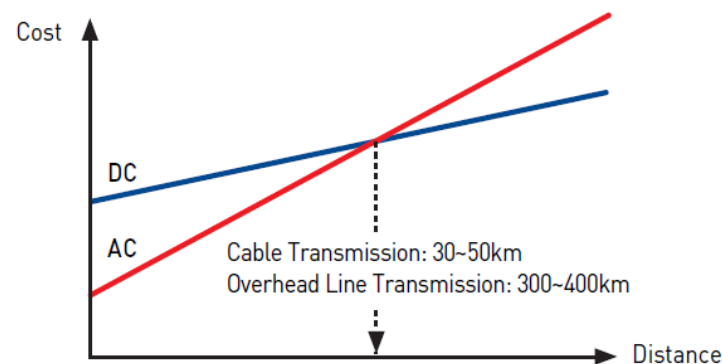
HVDC is the only option for the overhead transmission longer than 300km or submarine/underground 40km thanks to DC characteristics.

Eco-friendly Transmission

HVDC system has lower environmental impact because it requires fewer overhead lines comparing to AC system. The technology is also the key component in the future energy system based on renewable energy sources.

Optimal Grid Management

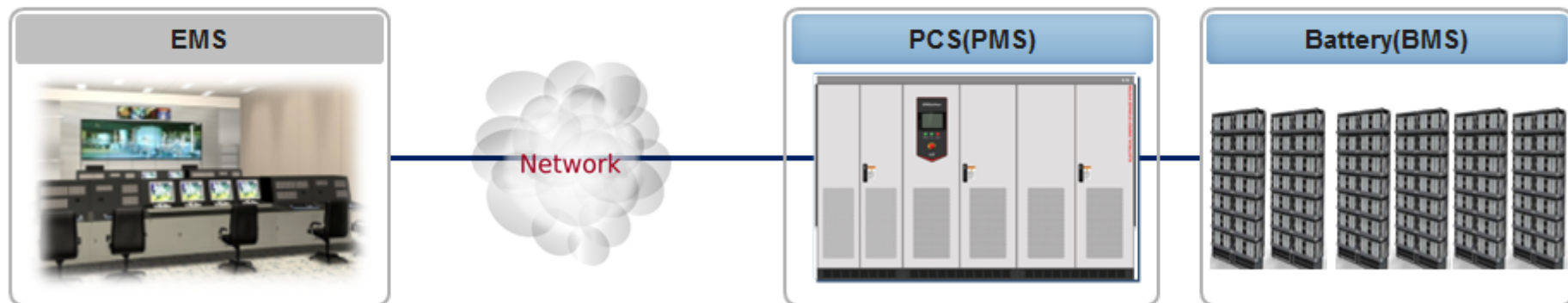
HVDC can directly interconnect load centers with huge energy sources efficiently. Therefore, negative impact on the grid is minimized. HVDC also improves the performance of AC grid by means of additional controllability.



ESS Applications

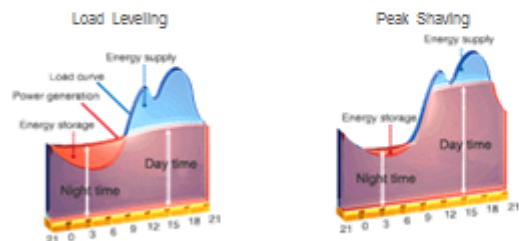
ESS(Energy Storage System) includes PCS(Power Conversion System) and battery, and make an efficient way of use electricity power

Concept of ESS



Function of ESS

➤ Peak Shaving, Load Leveling



➤ Renewable Energy Smoothing



➤ Frequency Regulation



• EMS : Energy Management System

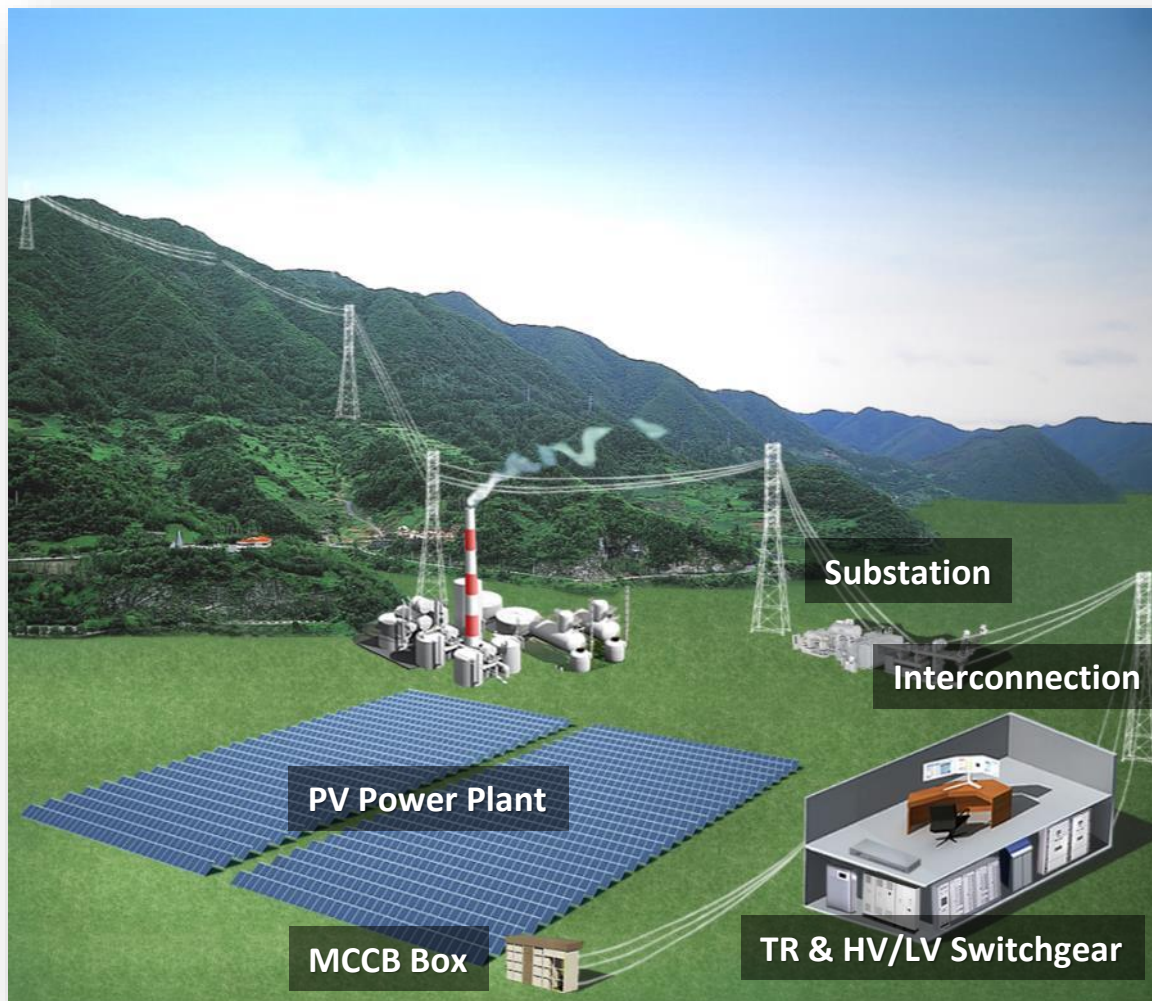
• PCS : Power Conditioning System

• PMS : Power Management System

• BMS : Battery Management System

PV Power Plant

We provide total solution for PV Power Plant. In addition to PV products, we can provide customers with all kinds of electric power equipment manufactured by LS ELECTRIC.



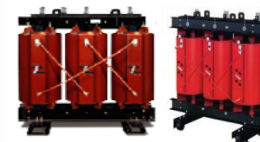
System Components



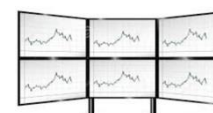
PV Power System
- Module
- Inverter
- Balance of System



- HV Switchgear
- MV Switchgear
- LV Switchgear



Transformer



Monitoring(SCADA)

III. Appendix

Appendix 1. Condensed Statement

Income statement

(unit : bwn, %)

Segment	1Q 2020	4Q 2020	1Q 2021	YoY	QoQ
Sales	636	610	589	△7.3%	△3.4%
Cost of Sales	△518	△503	△483	△6.6%	△4.0%
Gross Profit	118	107	106	△10.2%	△0.9%
(%)	(18.6%)	(17.5%)	(18.0%)	-	-
SG&A	△78	△74	△83	6.5%	11.2%
Operating Profit	40	33	23	△42.3%	△28.5%
(%)	(6.4%)	(5.3%)	(4.0%)	-	-
Non-OP and Loss	△7	2	△2	△68.3%	△239.4%
Profit before tax	33	34	21	△36.4%	△38.9%
Net Income	22	21	16	△27.5%	△25.7%
(%)	(3.4%)	(3.5%)	(2.7%)	-	-
EBITDA Margin	8.3%	8.5%	7.2%	-	-

Statements of Cash Flows

(unit : bwn)

Segment	'20.1Q	'21.1Q	YoY
Cash and cash equivalents at the beginning of year	535	683	149
Cash Flows From Operating Activities	38	19	△19
Cash Flows From Investing Activities	△36	△15	21
Capex	△18	△12	6
R&D	△1	△3	△1
Others	△17	△0	16
Cash Flows From Financing Activities	△7	△32	△25
Effect of exchange rate changes on cash and cash equivalents	2	1	△1
Cash and cash equivalents	531	662	131

Statement of Financial position

(unit : bwn, %)

Segment	1Q 2020	4Q 2020	1Q 2021	QoQ	YoY
Total Assets	2,598	2,540	2,559	△1%	1%
Current Assets	1,713	1,650	1,660	△3%	1%
Cash&Cash Equivalents	531	683	662	25%	△3%
Inventories	207	177	192	△7%	8%
Other Current Assets	975	790	806	△17%	2%
Non-Current Assets	885	891	899	2%	1%
Tangible Assets	552	557	562	2%	1%
Intangible Assets	113	104	113	△0%	8%
Other Non-Current Assets	220	229	225	2%	△2%
Total Liabilities	1,244	1,127	1,156	△7%	3%
Current Liabilities	812	644	669	△18%	4%
Short-term borrowings	198	136	149	△25%	10%
Non-Current Liabilities	432	483	487	13%	1%
Long-term borrowings	399	459	461	15%	0%
Equity	1,354	1,413	1,403	4%	△1%
Current Ratio	211%	256%	248%	18%	△3%
Equity/Total Assets	52%	56%	55%	5%	△1%
Total Liabilities/Equity	92%	80%	82%	△10%	3%
Net debts Ratio	5%	△6%	△4%	△176%	△41%

Appendix 2. Results for the past 3 years

HQ

(unit : bwn)

Segment				19					20					21		Y-o-Y (1Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	Total	
HQ	Electric Equipment	Sales	Domestic	109	103	105	102	418	108	107	103	103	421	118	118	9%
			Overseas	52	68	64	60	244	60	61	49	51	222	66	66	9%
		Total		161	171	169	161	662	169	168	152	154	643	184	184	9%
		Operating Profit		31	35	34	24	125	32	31	19	18	100	25	25	△19%
	Electric Infra	Sales	Domestic	90	115	113	169	487	118	134	110	115	476	103	103	△12%
			Overseas	30	39	35	32	136	40	33	19	26	117	18	18	△54%
		Total		120	154	148	201	623	158	167	128	140	593	122	122	△23%
		Operating Profit		1	0	△1	14	13	5	8	△8	2	8	△17	△17	△408%
	Automation	Sales	Domestic	44	47	47	51	188	49	52	55	55	210	63	63	30%
			Overseas	21	21	19	20	81	22	18	16	16	72	21	21	△6%
		Total		65	68	66	70	269	71	70	71	71	282	84	84	18%
		Operating Profit		5	6	7	5	23	6	7	6	7	26	8	8	31%
	Renewable Business	Sales	Domestic	25	24	33	118	199	101	68	42	73	285	18	18	△82%
			Overseas	16	16	5	21	57	12	△3	14	29	52	16	16	32%
		Total		40	39	38	139	256	113	65	57	102	337	34	34	△70%
		Operating Profit		△9	△5	6	0	△6	△3	△17	△2	1	△21	△7	△7	△150%
	Subtotal	Sales	Domestic	267	289	298	439	1,293	376	360	310	346	1,392	302	302	△19%
			Overseas	118	144	123	132	517	134	109	98	122	463	121	121	△10%
		Total		386	432	421	571	1,810	510	469	408	468	1,855	423	423	△17%
		Operating Profit		28	36	46	44	155	41	30	15	28	113	10	10	△75%

Appendix 2. Results for the past 3 years

Subsidiaries

(unit : bwn)

Segment				19					20					21		Y-o-Y (1Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	Total	
Subsidiaries	LS Metal	Sales	Domestic	43	43	42	45	174	37	40	44	40	161	44	44	21%
			Overseas	31	38	25	29	123	46	40	37	42	166	45	45	△2%
		Total		75	81	68	74	297	83	80	82	82	326	90	90	8%
		Operating Profit		△2	2	△0	1	1	0	2	0	△1	2	△0	△0	△226%
	Subsidiaries (Korea)	Sales		10	15	9	13	46	16	18	14	16	63	32	32	106%
		Operating Profit		△1	△1	△1	△1	△4	0	1	1	1	3	3	3	981%
	Subsidiaries (China)	Sales		57	61	57	44	220	34	44	42	52	173	49	49	42%
		Operating Profit		5	9	5	1	20	1	4	5	3	14	7	7	468%
	Subsidiaries (Vietnam)	Sales		6	10	5	10	30	4	7	8	7	26	18	18	356%
		Operating Profit		0	0	△1	0	1	△1	0	0	△0	△1	1	1	373%
	Subtotal	Sales		147	167	139	141	594	137	149	145	158	588	189	189	38%
		Operating Profit		3	10	3	1	17	1	8	7	3	19	12	12	701%

Consolidated

(unit : bwn)

Segment				19					20					21		Y-o-Y (1Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	Total	
Consolidation adjustment for Sales				△14	△18	△11	△13	△57	△11	△20	6	△15	△40	△23	△23	△113%
Consolidation adjustment for OP				△2	△3	3	△1	△3	△2	1	0	2	1	2	2	201%
Total Sales				519	581	548	699	2,347	636	598	559	610	2,403	589	589	△7%
Total Operating Profit				29	43	53	43	169	40	39	22	33	134	23	23	△42%

Appendix 3. Sales details for Convergence & Subsidiaries

