

## 2Q 2021 Review & Outlook



# Disclaimer

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**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

# Total Results

Sales 643bwn (YoY 45bwn increased), Operating Profit 47bwn (YoY 8bwn increased)

Sales and Operating profit increase by Automation Segment

## Income Statement

(unit : bwn)

Segment	2Q 2020	1Q 2021	2Q 2021	YoY	QoQ
Sales	598	589	643	45	54
Operating Profit	39	23	47	8	24
Profit before tax	32	21	45	13	24
Net income	24	16	38	14	22

## 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.

# Financial Position

**Total assets 2,776bwn (YoY 226bwn increased)**

**Total Liabilities/Equity Ratios 93%, Debts/Total Assets Ratios 27% (stable financial structure)**

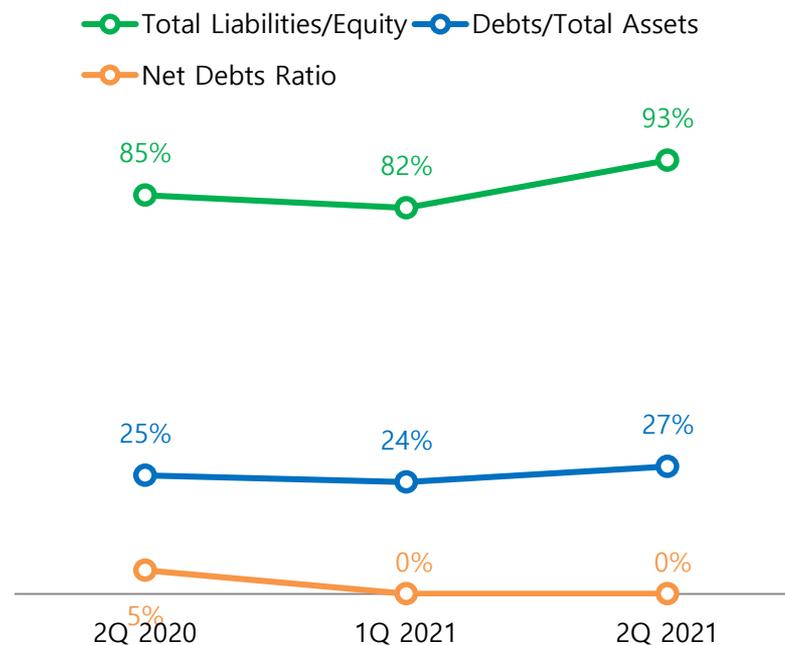
## Financial Statement

(unit : bwn)

Segment	2Q 2020	1Q 2021	2Q 2021	YoY	QoQ
Total Assets	2,550	2,559	2,776	226	217
Current Assets	1,677	1,660	1,865	188	205
Cash & cash equivalent	575	662	873	297	211
Total Liabilities	1,172	1,156	1,334	162	178
Debts	645	610	754	109	144
Net Debts	70	△52	△118	△188	△67
Equity	1,378	1,403	1,442	64	39

## Financial Ratios

(unit : %)

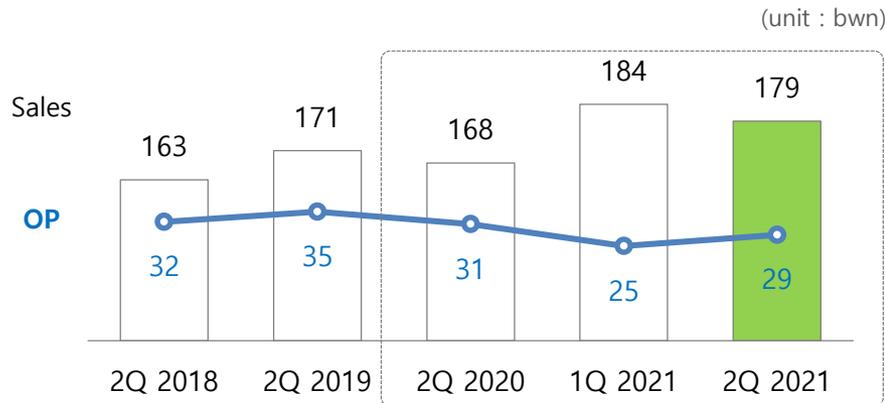


# Business Results & Outlook

**Electric Equipment – Sales increased in Domestic and Overseas mkt**

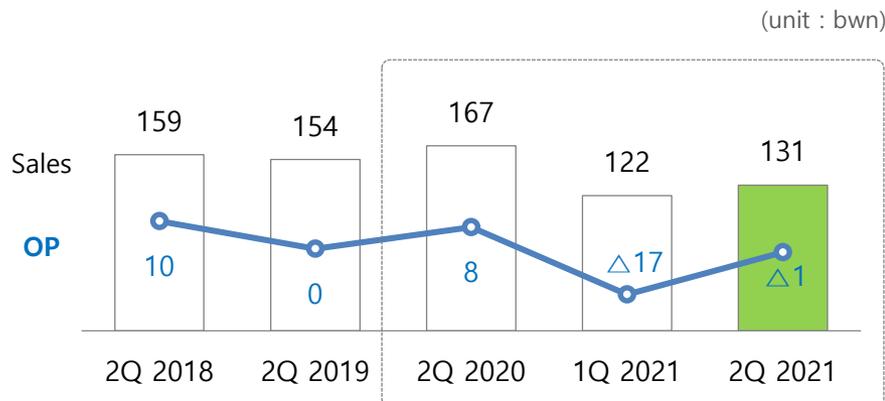
**Electric Infra – Expecting Investment in Major Company**

## Electric Equipment



- Sales increased YoY 7%, OP decreased YoY 9%
  - Sales increased Domestic and Overseas mkt
  - OP decreased due to Currency/LME effect
- Sales continued in Domestic mkt (3th Quarter)
- Boosted sales in EUROPE and Southeast Asia mkt

## Electric Infra



- Sales decreased YoY 21%, OP decreased YoY 113%
  - Oversea sales recovered
  - QoQ improvement in operating profit
- Increase in order backlog in KEPCO and Major Company
- Sales boost in (Battery and IDC business)

# Business Results & Outlook

**Automation – Sales and Operating profit increase in Domestic/Oversea mkt**

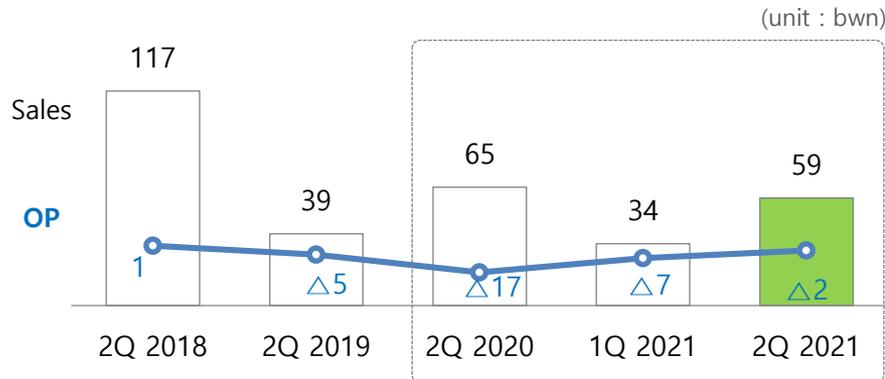
**Renewable - Sales increased in Solar/EV**

## Automation



- Sales increased YoY 27%, OP increased YoY 66%
  - Sales increase in Domestic mkt (Major and Machinery)
  - Sales increased in Overseas mkt
- Sales Boost in Machinery Business
- Sales Boost in New mkt(Semiconductor/Car/Battery)

## Renewable Business



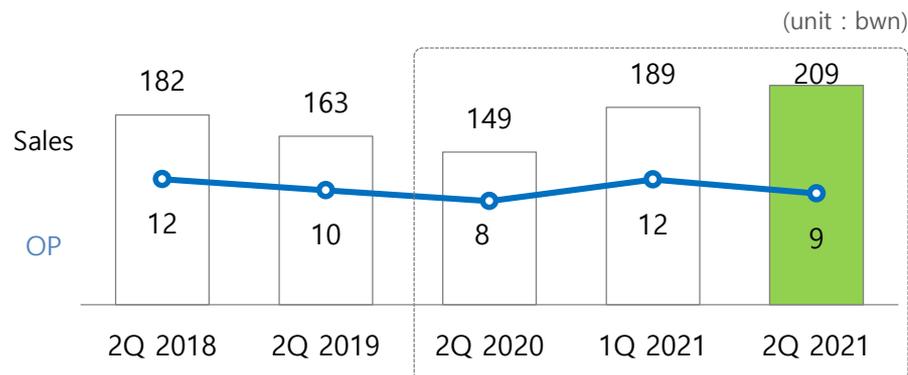
- Sales decreased YoY 9%, OP increased YoY 89%
  - Sales increased Solar/EV
- Sales Boost in Solar/EV Business

# Business Results & Outlook

LS Metal/Mecapoin – Sales/Profit increased

Sales/Profit increased in China Business

## Subsidiaries



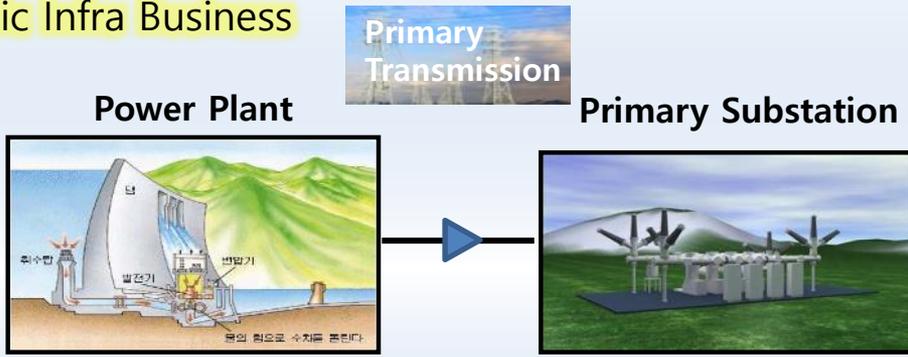
- Sales increased YoY 40%, OP increased YoY 17%
  - LS Metals sales increased
  - Sales/Profit increased in China business
- Sales Boost in LS Metals Vina
- Sales Boost in LS Mecapoin

## II. Company & Business Introduction

# Business Introduction

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

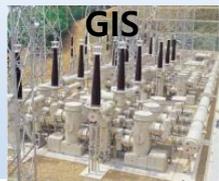
### Electric Infra Business



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



Substation



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



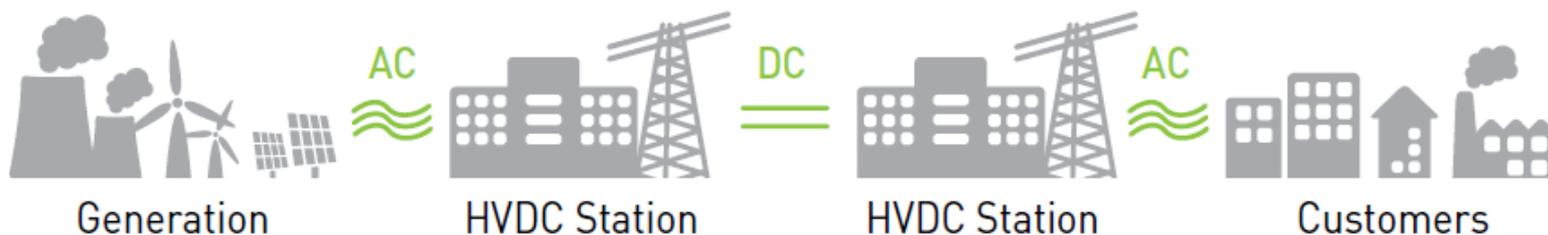
Photovoltaic System



Railway System

# HVDC

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



## Long Distance Transmission with Lower Cost

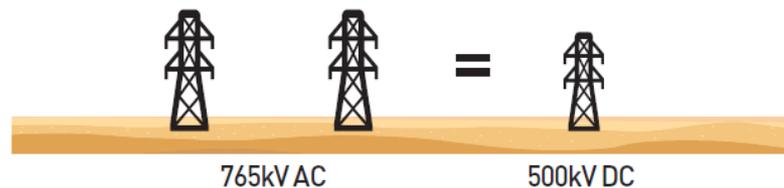
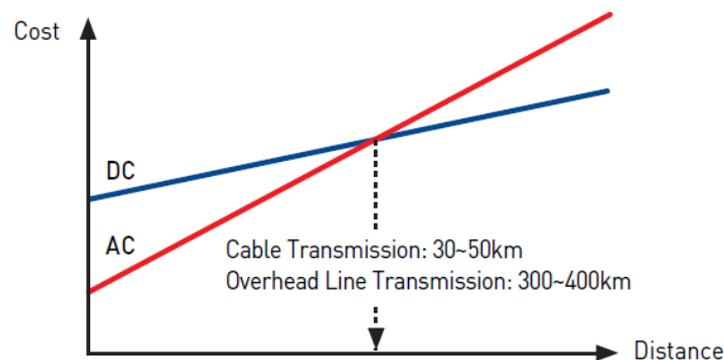
HVDC is the only option for the overhead transmission longer than 300km or submarine/underground 40km thanks to DC characteristics.

## 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

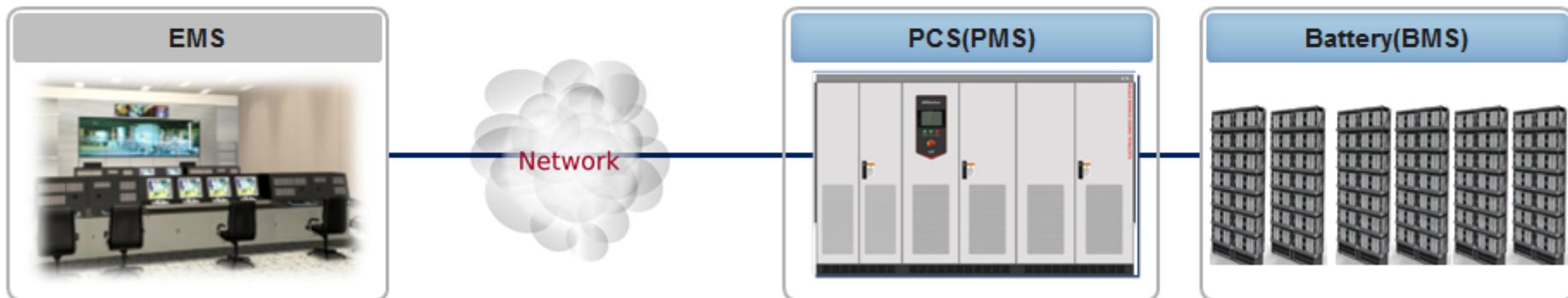
HVDC can directly interconnect load centers with huge energy sources efficiently. Therefore, negative impact on the grid is minimized. HVDC also improves the performance of AC grid by means of additional controllability.



# ESS Applications

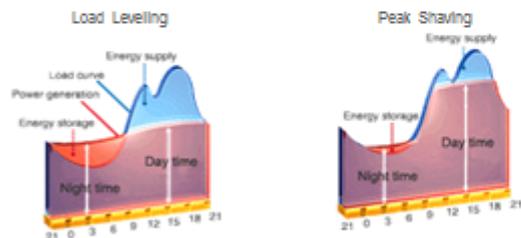
ESS(Energy Storage System) includes PCS(Power Conversion System) and battery, and make an efficient way of use electricity power

## Concept of ESS



## Function of ESS

➤ Peak Shaving, Load Leveling



➤ Renewable Energy Smoothing



➤ Frequency Regulation



• EMS : Energy Management System

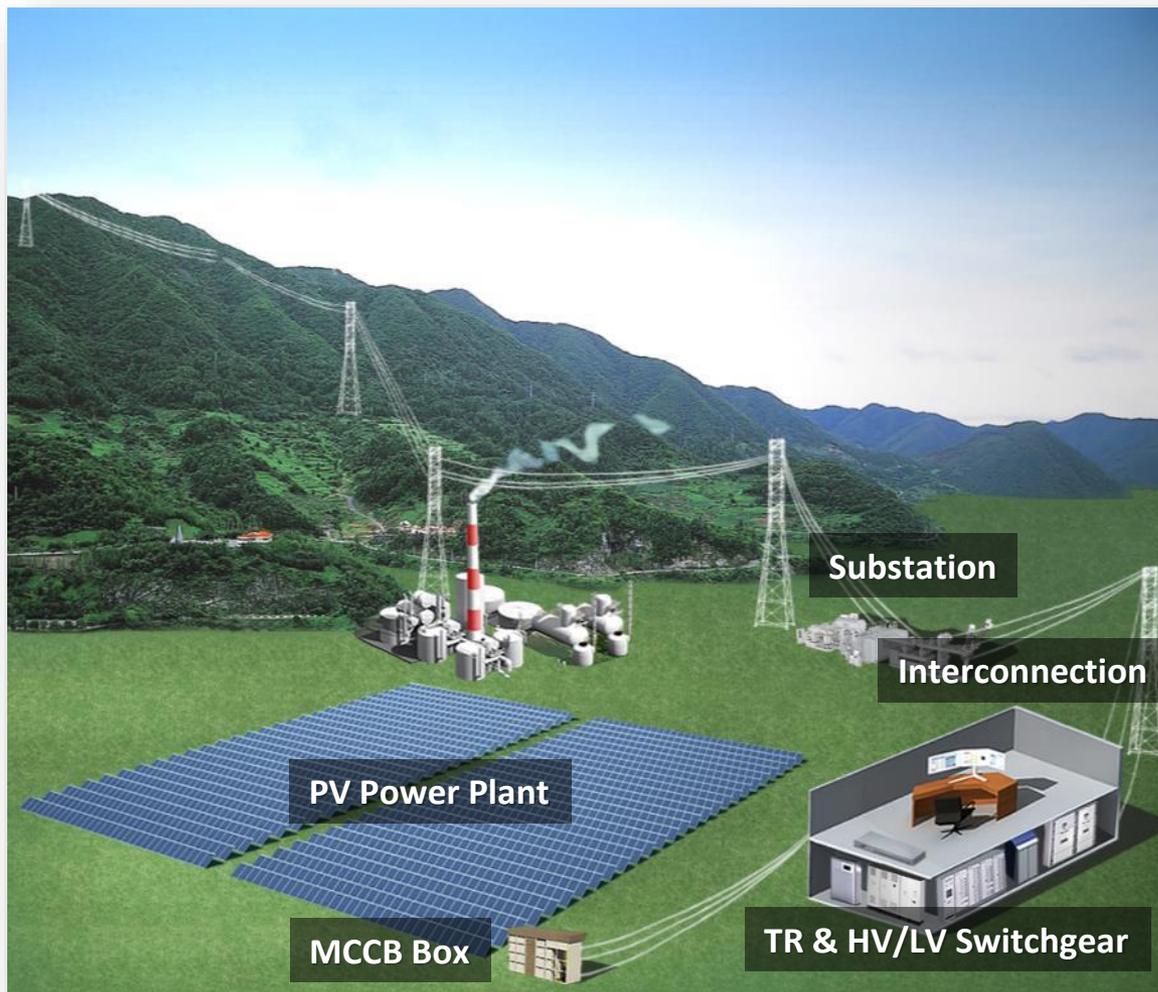
• PCS : Power Conditioning System

• 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



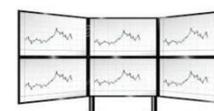
**PV Power System**  
- Module  
- Inverter  
- Balance of System



- HV Switchgear  
- MV Switchgear  
- LV Switchgear



**Transformer**



**Monitoring(SCADA)**

# III. Appendix

# Appendix 1. Condensed Statement

## Income statement

(unit : bwn, %)

Segment	2Q 2020	1Q 2021	2Q 2021	YoY	QoQ
Sales	598	589	643	7.5%	9.1%
Cost of Sales	△488	△483	△516	5.7%	6.8%
Gross Profit	110	106	127	15.6%	19.9%
(%)	(18.4%)	(18.0%)	(19.8%)	-	-
SG&A	△71	△83	△80	12.5%	△3.1%
Operating Profit	39	23	47	21.2%	101.4%
(%)	(6.5%)	(4.0%)	(7.3%)	-	-
Non-OP and Loss	△7	△2	△2	△69.9%	△8.8%
Profit before tax	32	21	45	41.9%	113.8%
Net Income	24	16	38	58.6%	139.7%
(%)	(4.0%)	(2.7%)	(5.9%)	-	-
EBITDA Margin	9.6%	7.2%	13.5%	-	-

## Statements of Cash Flows

(unit : bwn)

Segment	'20.2Q	'21.2Q	YoY
Cash and cash equivalents at the beginning of year	535	662	127
Cash Flows From Operating Activities	99	155	56
Cash Flows From Investing Activities	△59	△80	△21
Capex	△38	△33	5
R&D	△3	△4	△1
Others	△18	△43	△25
Cash Flows From Financing Activities	1	113	112
Effect of exchange rate changes on cash and cash equivalents	△1	1	2
Cash and cash equivalents	575	873	297

## Statement of Financial position

(unit : bwn, %)

Segment	2Q 2020	1Q 2021	2Q 2021	QoQ	YoY
<b>Total Assets</b>	<b>2,550</b>	<b>2,559</b>	<b>2,776</b>	<b>9%</b>	<b>8%</b>
Current Assets	1,677	1,660	1,865	11%	12%
Cash&Cash Equivalents	575	662	873	52%	32%
Inventories	187	192	204	9%	7%
Other Current Assets	915	806	788	△14%	△2%
Non-Current Assets	873	899	911	4%	1%
Tangible Assets	553	562	558	1%	△1%
Intangible Assets	109	113	109	△0%	△4%
Other Non-Current Assets	211	225	244	16%	9%
<b>Total Liabilities</b>	<b>1,172</b>	<b>1,156</b>	<b>1,334</b>	<b>14%</b>	<b>15%</b>
Current Liabilities	591	669	796	35%	19%
Short-term borrowings	96	149	244	153%	63%
Non-Current Liabilities	581	487	538	△7%	11%
Long-term borrowings	549	461	510	△7%	11%
<b>Equity</b>	<b>1,378</b>	<b>1,403</b>	<b>1,442</b>	<b>5%</b>	<b>3%</b>
<b>Current Ratio</b>	284%	248%	234%	△17%	△5%
<b>Equity/Total Assets</b>	54%	55%	52%	△4%	△5%
<b>Total Liabilities/Equity</b>	85%	82%	93%	9%	12%
<b>Net debts Ratio</b>	5%	△4%	△8%	△262%	122%

# Appendix 2. Results for the past 3 years

HQ

(unit : bwn)

Segment			19					20					21			Y-o-Y (2Q)	
			1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total		
HQ	Electric Equipment	Sales	Domestic	109	103	105	102	418	108	107	103	103	421	118	111	229	4%
			Overseas	52	68	64	60	244	60	61	49	51	222	66	68	133	11%
		Total	161	171	169	161	662	169	168	152	154	643	184	179	363	7%	
	Operating Profit	31	35	34	24	125	32	31	19	18	100	25	29	54	△9%		
	Electric Infra	Sales	Domestic	90	115	113	169	487	118	134	110	115	476	103	100	204	△25%
			Overseas	30	39	35	32	136	40	33	19	26	117	18	31	49	△7%
		Total	120	154	148	201	623	158	167	128	140	593	122	131	253	△21%	
	Operating Profit	1	0	△1	14	13	5	8	△8	2	8	△17	△1	△18	△113%		
	Automation	Sales	Domestic	44	47	47	51	188	49	52	55	55	210	63	63	126	22%
			Overseas	21	21	19	20	81	22	18	16	16	72	21	26	47	43%
		Total	65	68	66	70	269	71	70	71	71	282	84	89	173	27%	
	Operating Profit	5	6	7	5	23	6	7	6	7	26	8	12	21	66%		
	Renewable Business	Sales	Domestic	25	24	33	118	199	101	68	42	73	285	18	26	44	△61%
			Overseas	16	16	5	21	57	12	△3	14	29	52	16	32	48	1,061%
		Total	40	39	38	139	256	113	65	57	102	337	34	59	93	△9%	
	Operating Profit	△9	△5	6	0	△6	△3	△17	△2	1	△21	△7	△2	△9	89%		
Subtotal	Sales	Domestic	267	289	298	439	1,293	376	360	310	346	1,392	302	301	604	△16%	
		Overseas	118	144	123	132	517	134	109	98	122	463	121	157	277	44%	
	Total	386	432	421	571	1,810	510	469	408	468	1,855	423	458	881	△2%		
Operating Profit	28	36	46	44	155	41	30	15	28	113	10	38	48	27%			

# Appendix 2. Results for the past 3 years

## Subsidiaries

(unit : bwn)

Segment			19					20					21			Y-o-Y (2Q)	
			1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total		
Subsidiaries	LS Metal	Sales	Domestic	43	43	42	45	174	37	40	44	40	161	44	57	101	21%
			Overseas	31	38	25	29	123	46	40	37	42	166	45	52	97	△2%
		Total	75	81	68	74	297	83	80	82	82	326	90	108	198	8%	
		Operating Profit	△2	2	△0	1	1	0	2	0	△1	2	△0	1	1	△226%	
	Subsidiaries (Korea)	Sales	10	15	9	13	46	16	18	14	16	63	32	35	67	106%	
		Operating Profit	△1	△1	△1	△1	△4	0	1	1	1	3	3	3	6	981%	
	Subsidiaries (China)	Sales	57	61	57	44	220	34	44	42	52	173	49	51	100	42%	
		Operating Profit	5	9	5	1	20	1	4	5	3	14	7	5	12	468%	
	Subsidiaries (Vietnam)	Sales	6	10	5	10	30	4	7	8	7	26	18	14	32	356%	
		Operating Profit	0	0	△1	0	1	△1	0	0	△0	△1	1	0	2	373%	
	Subtotal	Sales	147	167	139	141	594	137	149	145	158	588	189	209	398	38%	
		Operating Profit	3	10	3	1	17	1	8	7	3	19	12	9	21	701%	

## Consolidated

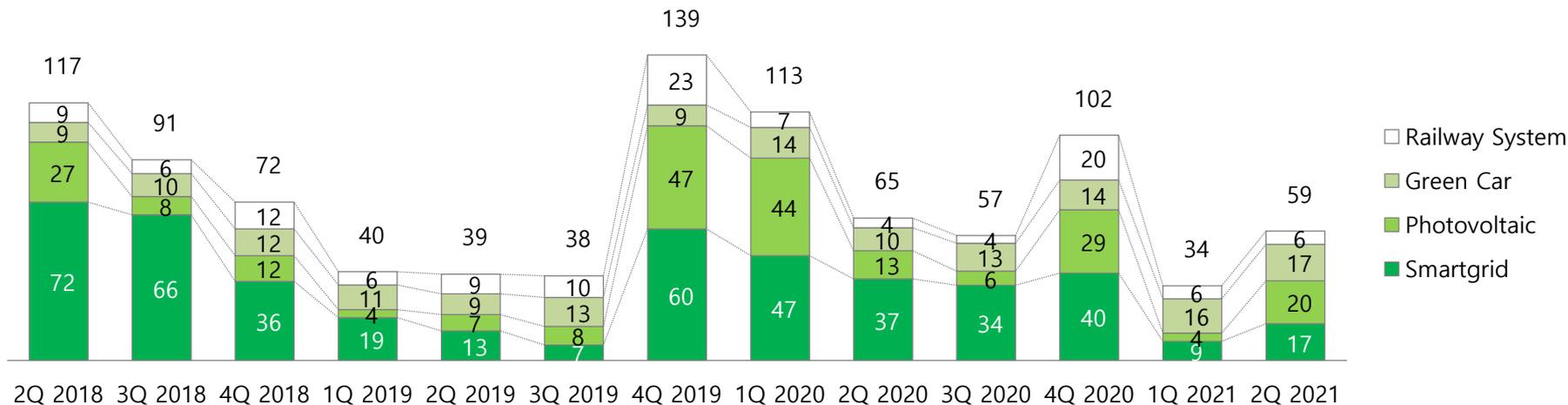
(unit : bwn)

Segment	19					20					21			Y-o-Y (2Q)
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total	
Consolidation adjustment for Sales	△14	△18	△11	△13	△57	△11	△20	6	△15	△40	△23	△23	△46	△113%
Consolidation adjustment for OP	△2	△3	3	△1	△3	△2	1	0	2	1	2	0	2	201%
Total Sales	519	581	548	699	2,347	636	598	559	610	2,403	589	643	1,233	△7%
Total Operating Profit	29	43	53	43	169	40	39	22	33	134	23	47	70	△42%

# Appendix 3. Sales details for Convergence & Subsidiaries

## Renewable

(unit : bwn)



## Subsidiaries

(unit : bwn)

