

3Q 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

Total Results

Sales 683bwn (YoY 124bwn increased), Operating Profit 40bwn (YoY 19bwn increased)

Sales and Operating profit increase by Electric Infra, Automation Segment, and Subsidiaries

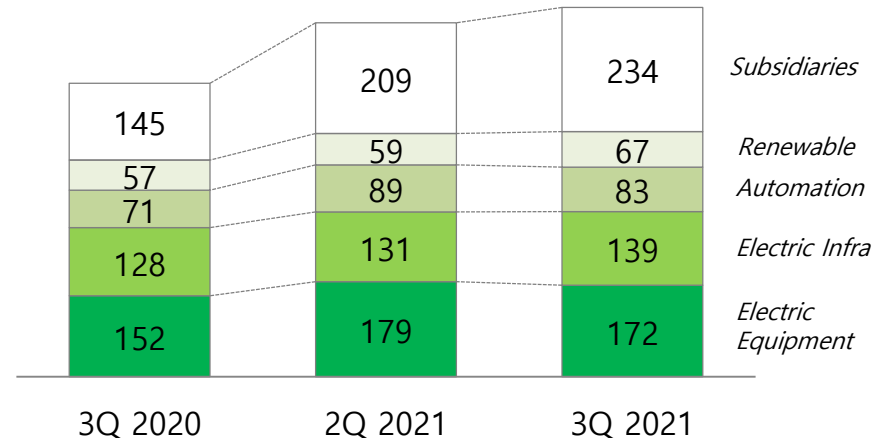
Income Statement

(unit : bwn)

Segment	3Q 2020	2Q 2021	3Q 2021	YoY	QoQ
Sales	559	643	683	124	39
Operating Profit	22	47	40	19	△7
Profit before tax	29	45	11	△18	△34
Net income	19	38	9	△10	△29

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 2,778bwn (YoY 229bwn increased), Net Debts Δ 98 (YoY 115bwn decreased)
Total Liabilities/Equity Ratios 90%, Debts/Total Assets Ratios 25% (stable financial structure)

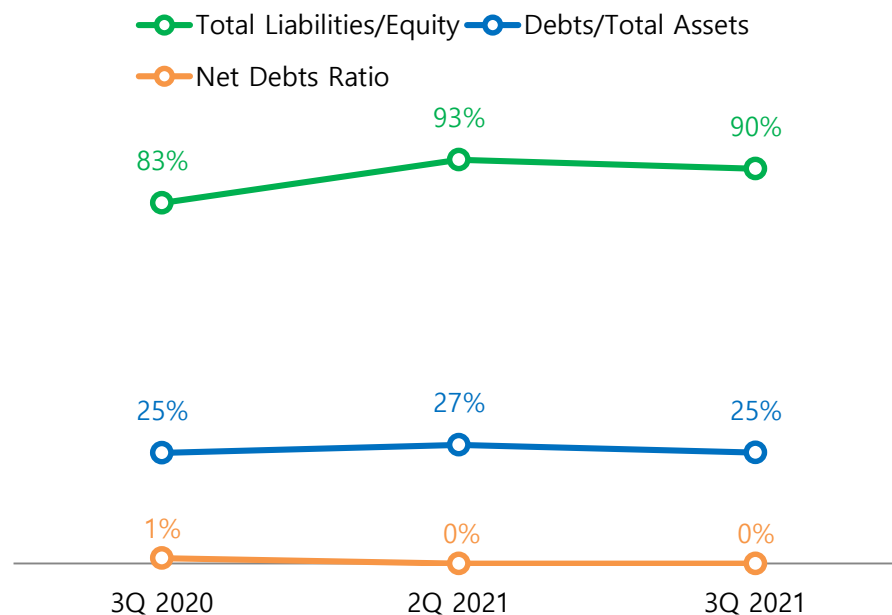
Financial Statement

(unit : bwn)

Segment	3Q 2020	2Q 2021	3Q 2021	YoY	QoQ
Total Assets	2,549	2,776	2,778	229	2
Current Assets	1,673	1,865	1,889	216	24
Cash & cash equivalent	629	873	804	176	Δ 68
Total Liabilities	1,153	1,334	1,319	166	Δ 15
Debts	646	754	707	61	Δ 47
Net Debts	17	Δ 118	Δ 98	Δ 115	21
Equity	1,396	1,442	1,459	63	17

Financial Ratios

(unit : %)

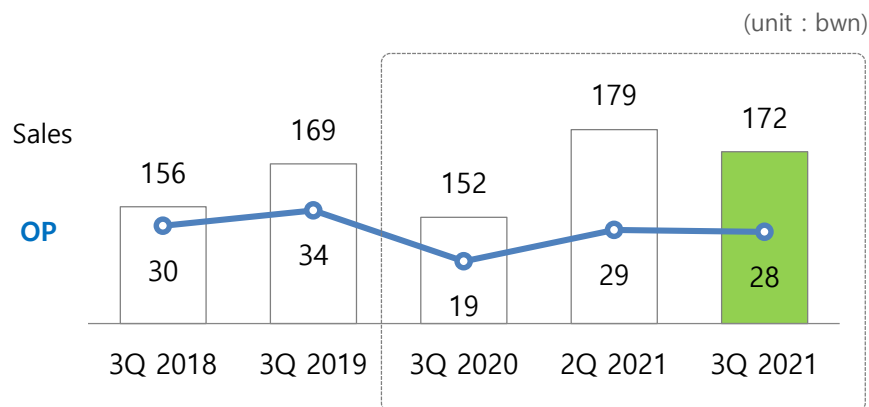


Business Results & Outlook

Electric Equipment – Sales increased in Domestic and Overseas mkt

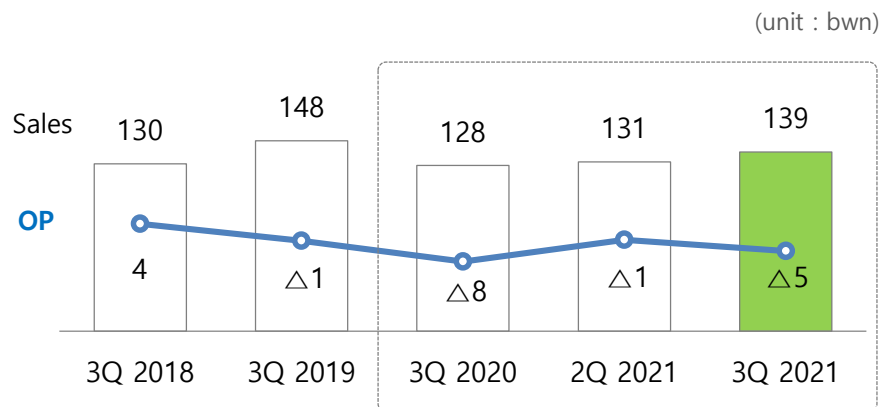
Electric Infra – Expecting Investment in Major Company

Electric Equipment



- Sales increased YoY 13%, OP increased YoY 47%
- Sales continued Domestic and increased Overseas mkt
- Sales continued in Domestic mkt (4th Quarter)
- Continued sales in EUROPE and Southeast Asia mkt

Electric Infra



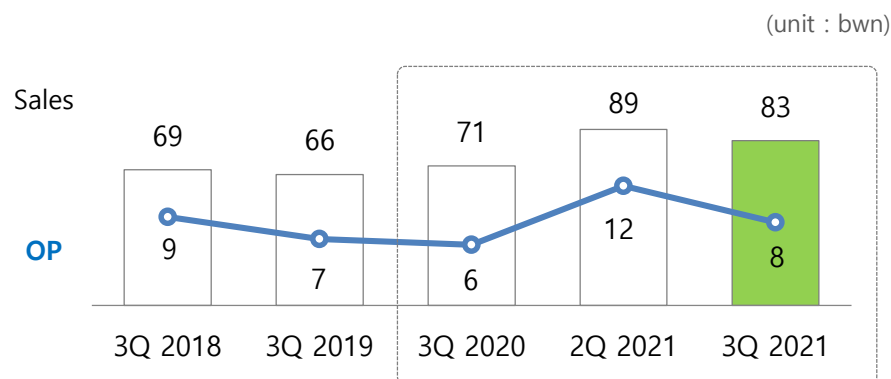
- Sales increased YoY 8%, OP increased YoY 42%
- Oversea sales recovered
- QoQ improvement in operating profit
- Increase in order backlog
- Sales boost in Battery and IDC business

Business Results & Outlook

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

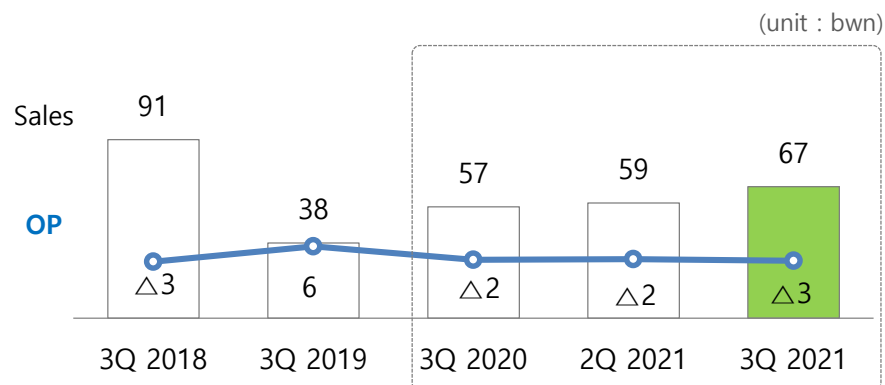
Renewable - Sales increased in Solar/EV, Sales decreased in Smartgrid(ESS)

Automation



- Sales increased YoY 18%, OP increased YoY 37%
 - Sales increase in Domestic mkt (Major and Machinery)
 - Sales increased in Overseas mkt
- Sales Boost in Machinery Business
- Sales Boost in New mkt (Car/Battery)

Renewable Business



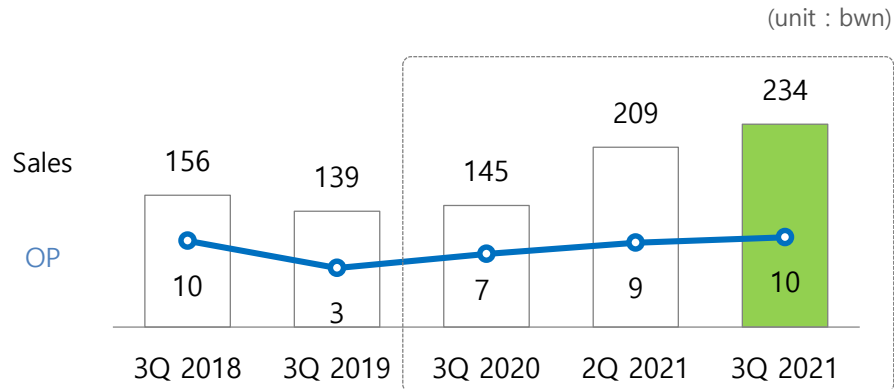
- Sales increased YoY 18%, OP decreased YoY 34%
 - Sales increased Solar/EV
- Sales Boost in Solar/ESS Business
- Sales boost in EV mkt

Business Results & Outlook

LS Metal/Mecapoin – Sales/Profit increased

Sales/Profit increased in China Business

Subsidiaries



- Sales increased YoY 40%, OP increased YoY 17%

- Sales/Profit increased in Vietnam business

- Sales Boost in LS Metals

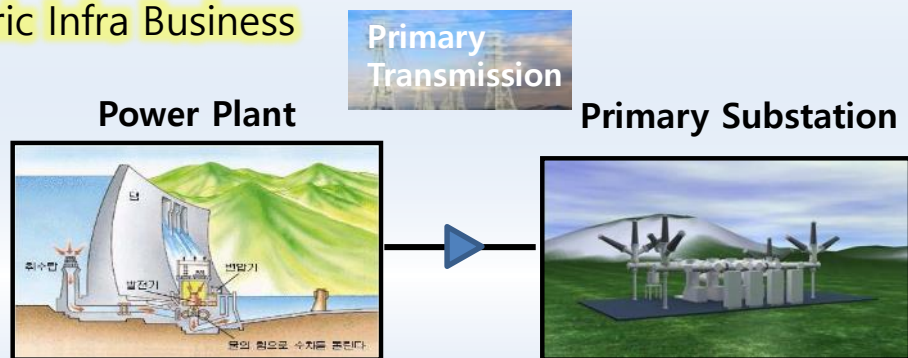
- Sales Boost in LS Mecapoin

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



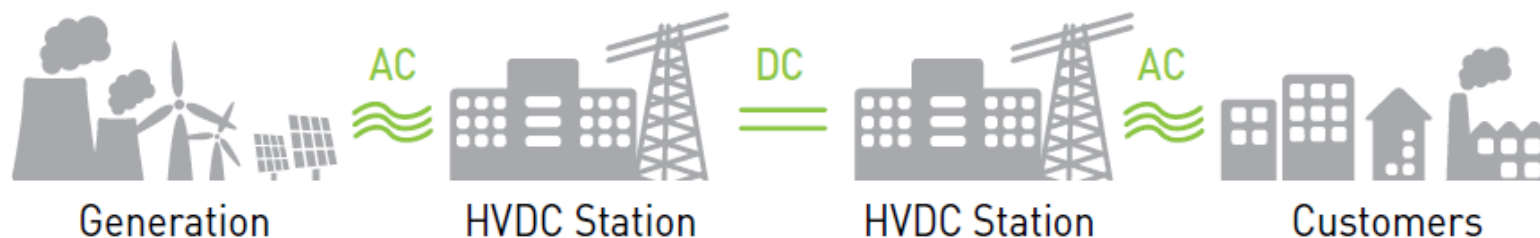
Photovoltaic System



Railway System

HVDC

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



Long Distance Transmission with Lower Cost

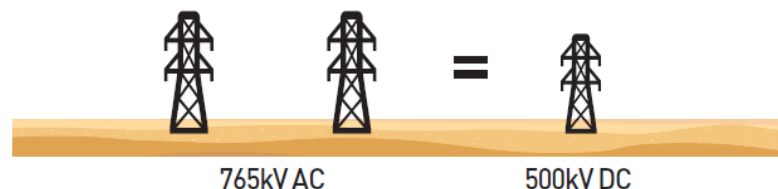
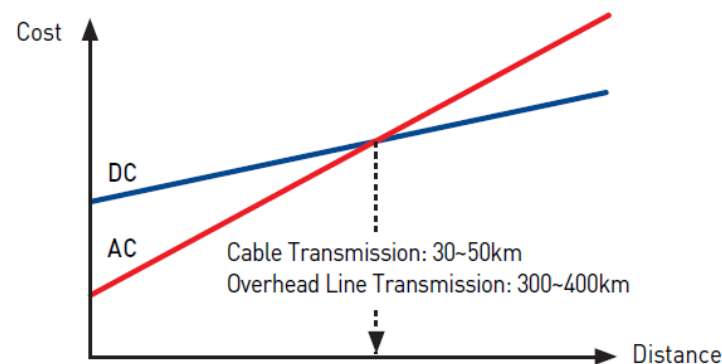
HVDC is the only option for the overhead transmission longer than 300km or submarine/underground 40km thanks to DC characteristics.

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

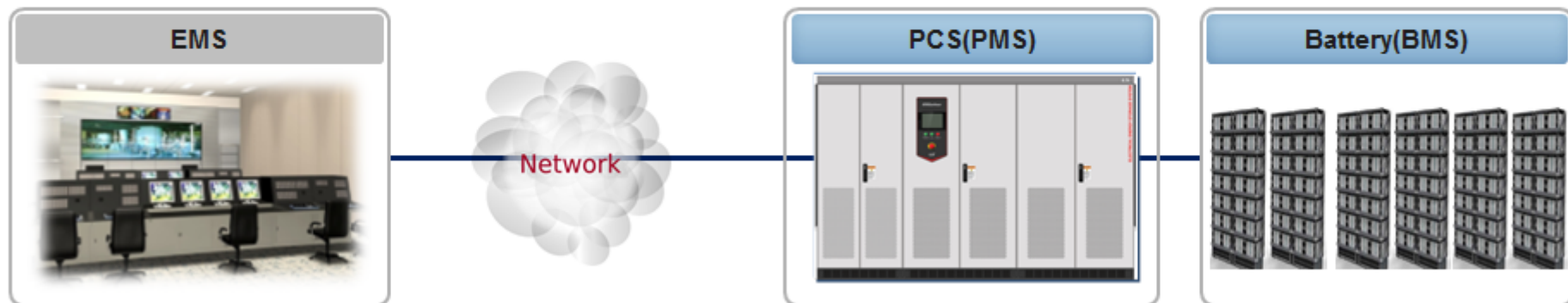
HVDC can directly interconnect load centers with huge energy sources efficiently. Therefore, negative impact on the grid is minimized. HVDC also improves the performance of AC grid by means of additional controllability.



ESS Applications

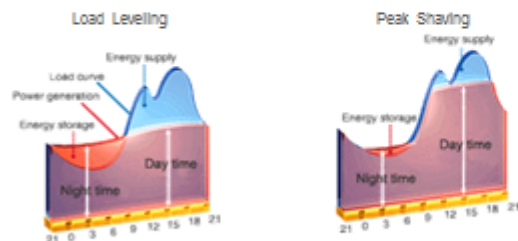
ESS(Energy Storage System) includes PCS(Power Conversion System) and battery, and make an efficient way of use electricity power

Concept of ESS



Function of ESS

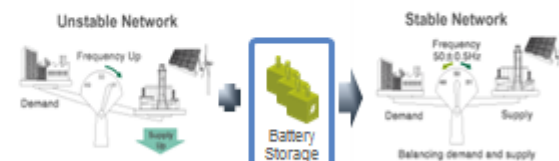
➤ Peak Shaving, Load Leveling



➤ Renewable Energy Smoothing



➤ Frequency Regulation



• EMS : Energy Management System

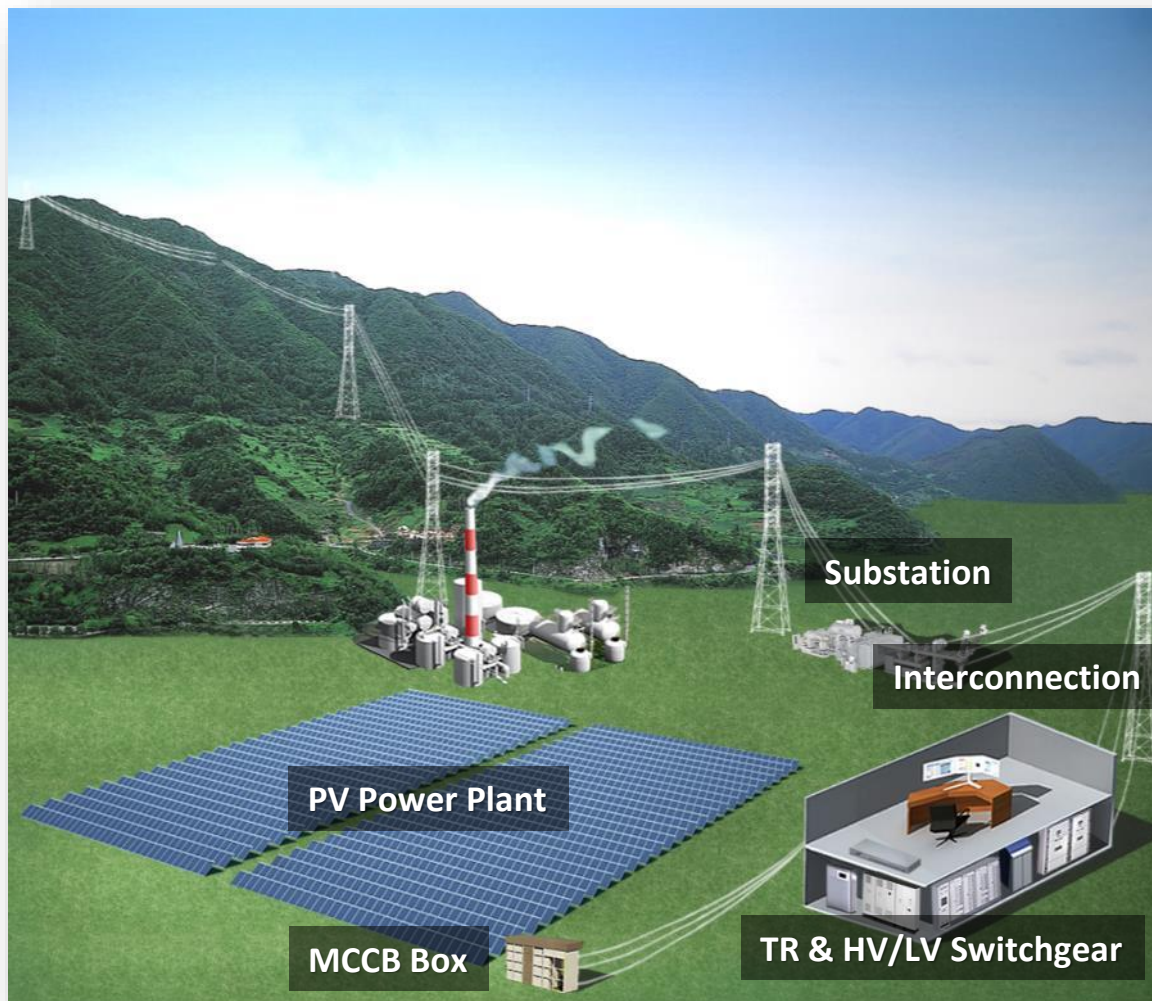
• PCS : Power Conditioning System

• 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

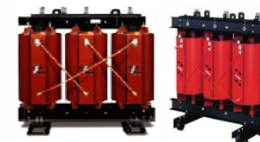


PV Power System

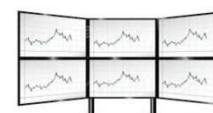
- Module
- Inverter
- Balance of System



- HV Switchgear
- MV Switchgear
- LV Switchgear



Transformer



Monitoring(SCADA)

III. Appendix

Appendix 1. Condensed Statement

Income statement

(unit : bwn, %)

Segment	3Q 2020	2Q 2021	3Q 2021	YoY	QoQ
Sales	559	643	683	22.2%	6.1%
Cost of Sales	△459	△516	△564	22.7%	9.2%
Gross Profit	99	127	119	20.0%	△6.3%
(%)	(17.8%)	(19.8%)	(17.4%)	-	-
SG&A	△77	△80	△79	1.5%	△1.8%
Operating Profit	22	47	40	85.4%	△14.0%
(%)	(3.9%)	(7.3%)	(5.9%)	-	-
Non-OP and Loss	7	△2	△29	△512.2%	1,250.7%
Profit before tax	29	45	11	△60.8%	△74.8%
Net Income	19	38	9	△51.9%	△76.0%
(%)	(3.4%)	(5.9%)	(1.3%)	-	-
EBITDA Margin	8.8%	10.3%	8.0%	-	-

Statements of Cash Flows

(unit : bwn)

Segment	'20.3Q	'21.3Q	YoY
Cash and cash equivalents at the beginning of year	535	873	338
Cash Flows From Operating Activities	174	166	△8
Cash Flows From Investing Activities	△76	△104	△28
Capex	△55	△44	11
R&D	△3	△6	△3
Others	△19	△55	△36
Cash Flows From Financing Activities	△2	57	60
Effect of exchange rate changes on cash and cash equivalents	△1	2	3
Cash and cash equivalents	629	804	176

Statement of Financial position

(unit : bwn, %)

Segment	3Q 2020	2Q 2021	3Q 2021	QoQ	YoY
Total Assets	2,549	2,776	2,778	9%	0%
Current Assets	1,673	1,865	1,889	13%	1%
Cash&Cash Equivalents	629	873	804	28%	△8%
Inventories	182	204	230	26%	13%
Other Current Assets	862	788	855	△1%	8%
Non-Current Assets	876	911	890	2%	△2%
Tangible Assets	554	558	557	1%	△0%
Intangible Assets	106	109	106	△0%	△3%
Other Non-Current Assets	216	244	227	5%	△7%
Total Liabilities	1,153	1,334	1,319	14%	△1%
Current Liabilities	617	796	777	26%	△2%
Short-term borrowings	147	244	194	32%	△20%
Non-Current Liabilities	537	538	543	1%	1%
Long-term borrowings	499	510	512	3%	0%
Equity	1,396	1,442	1,459	5%	1%
Current Ratio	271%	234%	243%	△10%	4%
Equity/Total Assets	55%	52%	53%	△4%	1%
Total Liabilities/Equity	83%	93%	90%	9%	△2%
Net debts Ratio	1%	△8%	△7%	△644%	△19%

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	3Q	Total	
HQ	Electric Equipment	Sales	Domestic	109	103	105	102	418	108	107	103	103	421	118	111	115	345	4%
			Overseas	52	68	64	60	244	60	61	49	51	222	66	68	57	190	11%
		Total		161	171	169	161	662	169	168	152	154	643	184	179	172	535	7%
		Operating Profit		31	35	34	24	125	32	31	19	18	100	25	29	28	82	△9%
	Electric Infra	Sales	Domestic	90	115	113	169	487	118	134	110	115	476	103	100	109	313	△25%
			Overseas	30	39	35	32	136	40	33	19	26	117	18	31	30	79	△7%
		Total		120	154	148	201	623	158	167	128	140	593	122	131	139	392	△21%
		Operating Profit		1	0	△1	14	13	5	8	△8	2	8	△17	△1	△5	△22	△113%
	Automation	Sales	Domestic	44	47	47	51	188	49	52	55	55	210	63	63	63	189	22%
			Overseas	21	21	19	20	81	22	18	16	16	72	21	26	21	67	43%
		Total		65	68	66	70	269	71	70	71	71	282	84	89	83	256	27%
		Operating Profit		5	6	7	5	23	6	7	6	7	26	8	12	8	29	66%
	Renewable Business	Sales	Domestic	25	24	33	118	199	101	68	42	73	285	18	26	44	89	△61%
			Overseas	16	16	5	21	57	12	△3	14	29	52	16	32	23	71	1,061%
		Total		40	39	38	139	256	113	65	57	102	337	34	59	67	160	△9%
		Operating Profit		△9	△5	6	0	△6	△3	△17	△2	1	△21	△7	△2	△3	△12	89%
	Subtotal	Sales	Domestic	267	289	298	439	1,293	376	360	310	346	1,392	302	301	331	935	△16%
			Overseas	118	144	123	132	517	134	109	98	122	463	121	157	131	408	44%
		Total		386	432	421	571	1,810	510	469	408	468	1,855	423	458	462	1,343	△2%
		Operating Profit		28	36	46	44	155	41	30	15	28	113	10	38	29	76	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	3Q	Total	
Subsidiaries	LS Metal	Sales	Domestic	43	43	42	45	174	37	40	44	40	161	44	57	55	156	21%
			Overseas	31	38	25	29	123	46	40	37	42	166	45	52	59	155	△2%
		Total		75	81	68	74	297	83	80	82	82	326	90	108	113	311	8%
		Operating Profit		△2	2	△0	1	1	0	2	0	△1	2	△0	1	1	2	△226%
	Subsidiaries (Korea)	Sales		10	15	9	13	46	16	18	14	16	63	32	35	43	110	106%
		Operating Profit		△1	△1	△1	△1	△4	0	1	1	1	3	3	3	5	12	981%
	Subsidiaries (China)	Sales		57	61	57	44	220	34	44	42	52	173	49	51	59	160	42%
		Operating Profit		5	9	5	1	20	1	4	5	3	14	7	5	4	16	468%
	Subsidiaries (Vietnam)	Sales		6	10	5	10	30	4	7	8	7	26	18	14	19	51	356%
		Operating Profit		0	0	△1	0	1	△1	0	0	△0	△1	1	0	1	2	373%
	Subtotal	Sales		147	167	139	141	594	137	149	145	158	588	189	209	234	631	38%
		Operating Profit		3	10	3	1	17	1	8	7	3	19	12	9	10	31	701%

Consolidated

(unit : bwn)

Segment				19					20					21				Y-o-Y (2Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	
Consolidation adjustment for Sales				△14	△18	△11	△13	△57	△11	△20	6	△15	△40	△23	△23	△13	△59	△113%
Consolidation adjustment for OP				△2	△3	3	△1	△3	△2	1	0	2	1	2	0	1	3	201%
Total Sales				519	581	548	699	2,347	636	598	559	610	2,403	589	643	683	1,915	△7%
Total Operating Profit				29	43	53	43	169	40	39	22	33	134	23	47	40	111	△42%

Appendix 3. Sales details for Convergence & Subsidiaries

