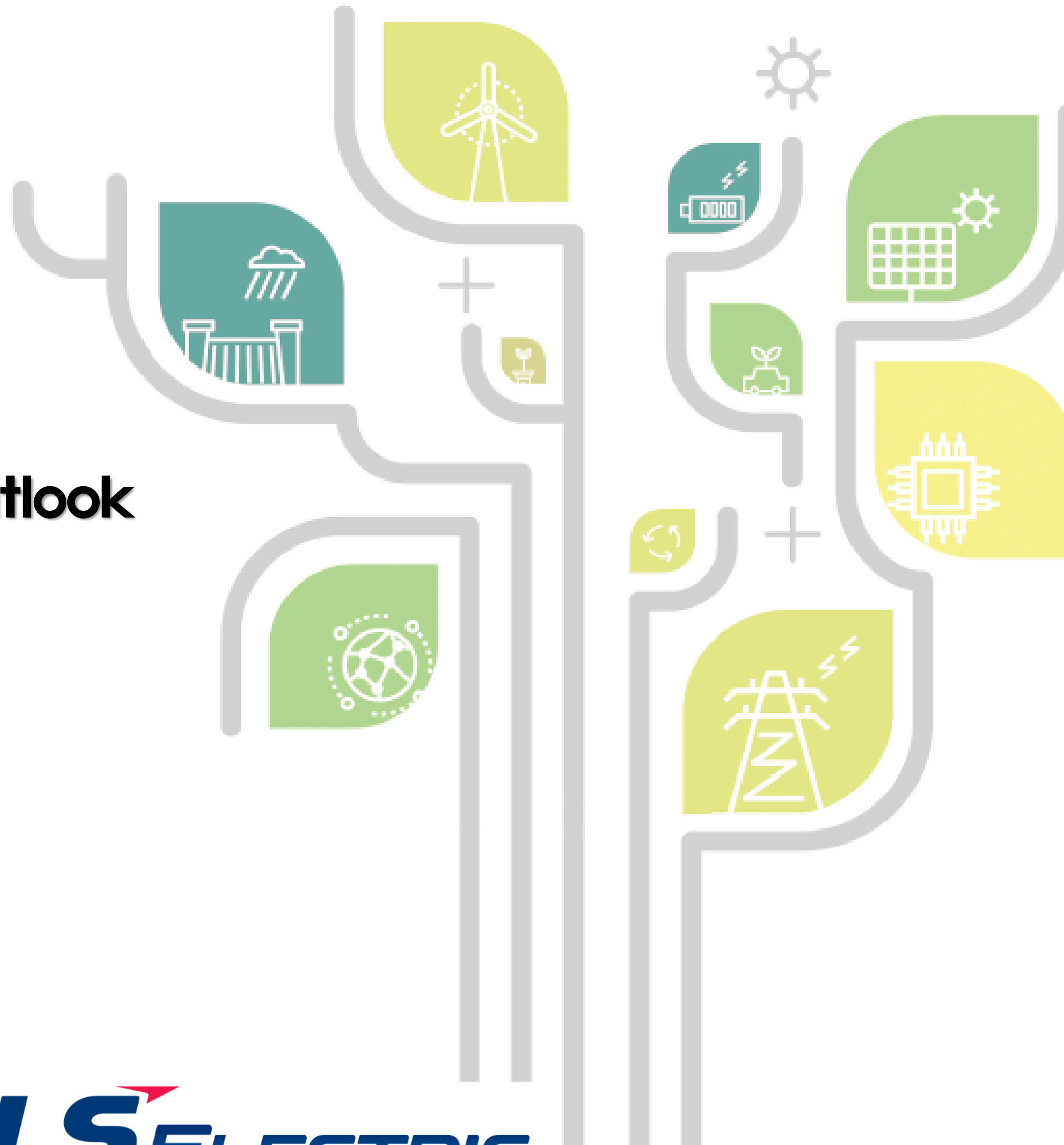
4Q 2021 Review & Outlook



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 753bwn (YoY 143bwn increased), Operating Profit 44bwn (YoY 12bwn increased)

Sales and Operating profit increase by Electric Equipment, Electric Infra, and Subsidiaries

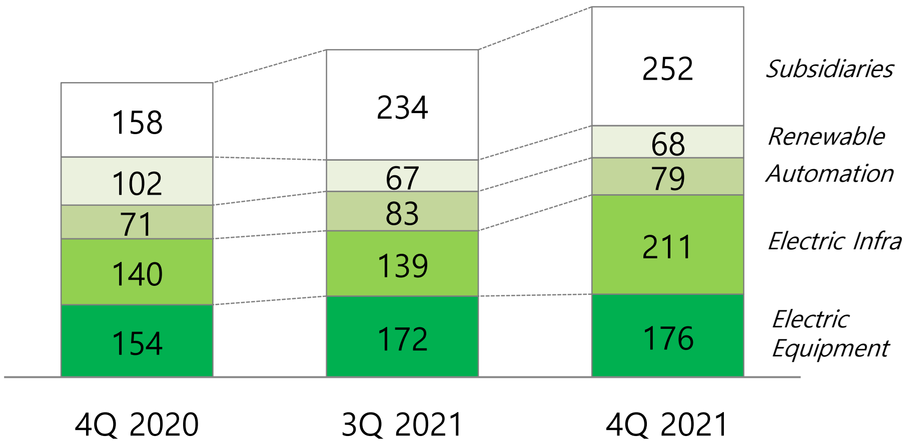
Income Statement

(unit : bwn)

Segment	4Q 2020	3Q 2021	4Q 2021	YoY	QoQ
Sales	610	683	753	143	70
Operating Profit	33	40	44	12	4
Profit before tax	34	11	34	△1	22
Net income	21	9	23	2	14

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 2,806bwn (YoY 266bwn increased), Net Debts △14 (YoY 74bwn increased)

Total Liabilities/Equity Ratios 90%, Debts/Total Assets Ratios 25% (stable financial structure)

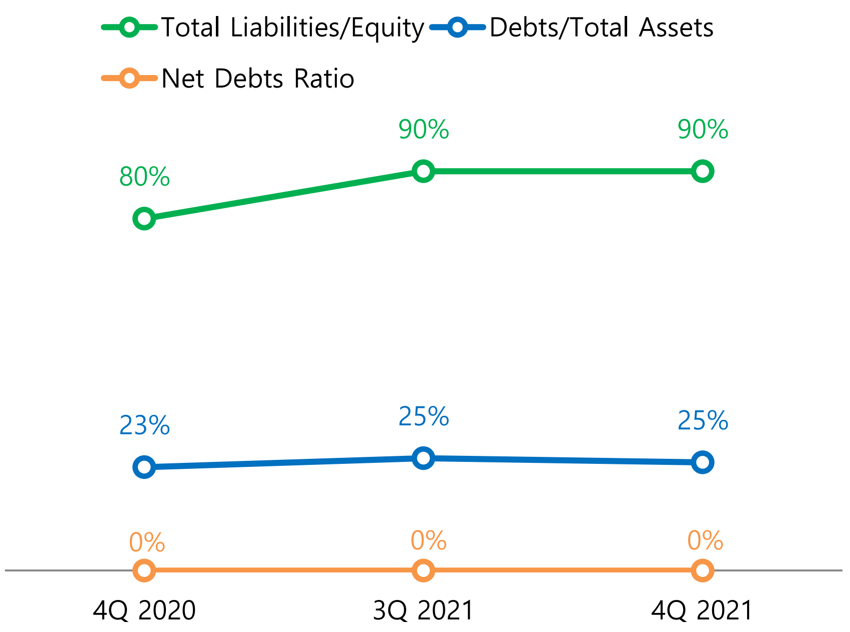
Financial Statement

(unit : bwn)

Segment	4Q 2020	3Q 2021	4Q 2021	YoY	QoQ
Total Assets	2,540	2,778	2,806	266	28
Current Assets	1,650	1,889	1,897	247	8
Cash & cash equivalent	683	804	702	18	△103
Total Liabilities	1,127	1,319	1,333	206	13
Debts	595	707	688	93	△19
Net Debts	△88	△98	△14	74	84
Equity	1,413	1,459	1,473	60	14

Financial Ratios

(unit : %)



DRIVE CHANGE FOR 2030

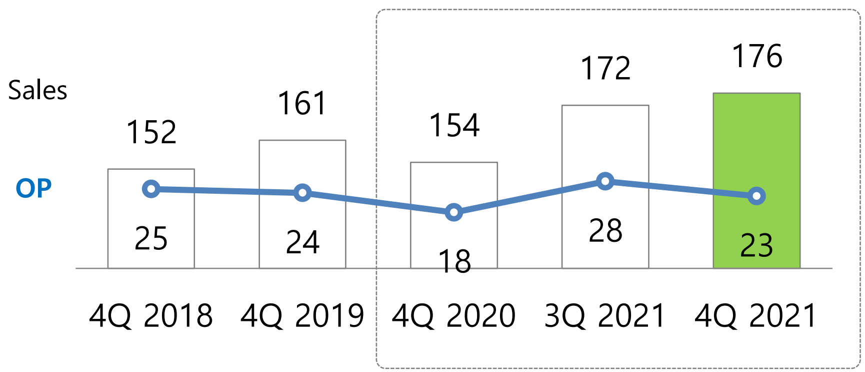
Business Results & Outlook

Electric Equipment – Sales increased in Domestic and Overseas mkt

Electric Infra – Expecting Investment in Major Company

Electric Equipment

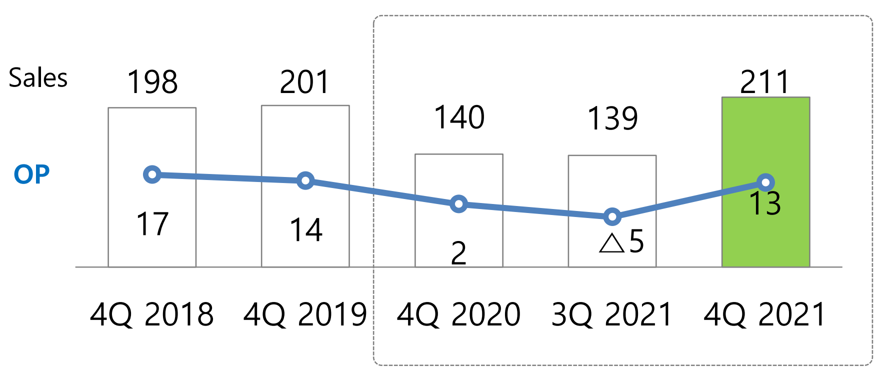
(unit : bwn)



- **Sales increased YoY 14.4%, OP increased YoY 28.7%**
  - **Sales increased Domestic and Overseas mkt**
- **Sales continued in Domestic mkt (1st Quarter)**
- **Expected to increase sales in EUROPE**

Electric Infra

(unit : bwn)



- **Sales increased YoY 50.5%, OP increased YoY 550.3%**
  - **Domestic/Oversea sales increased**
- **Sales boost in Battery and IDC business**

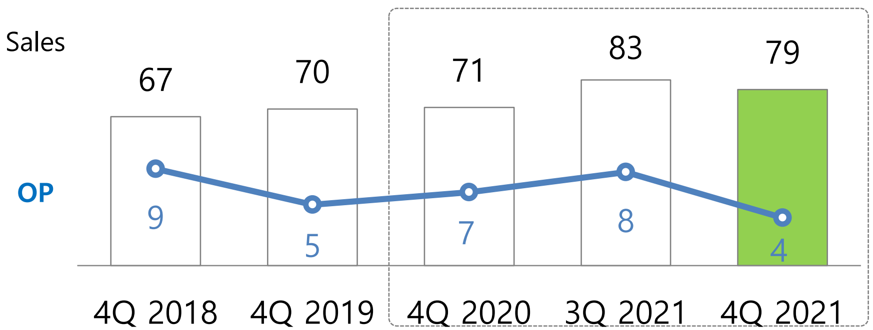
Business Results & Outlook

Automation – Sales increase in Domestic/Oversea mkt

Renewable - Sales decreased in Solar, Sales decreased in Smartgrid(ESS)

Automation

(unit : bwn)

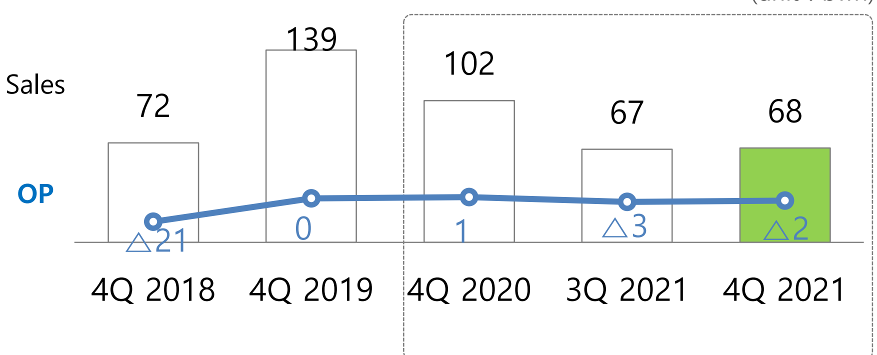


- **Sales increased YoY 11.3%, OP decreased YoY 35.1%**
  - **Sales increase in Domestic mkt (Major and Machinery)**
  - **Sales increased in Overseas mkt**

- **Sales boost in Machinery Business**
- **Sales boost in New mkt (Car/Battery)**

Renewable Business

(unit : bwn)



- **Sales decreased YoY 33.5%, OP decreased YoY 249.1%**
  - **Sales decreased Solar/EV**
  - **Sales decreased Smartgrid(ESS)**

- **Sales boost in Solar/ESS Business**
- **Sales boost in EV mkt**

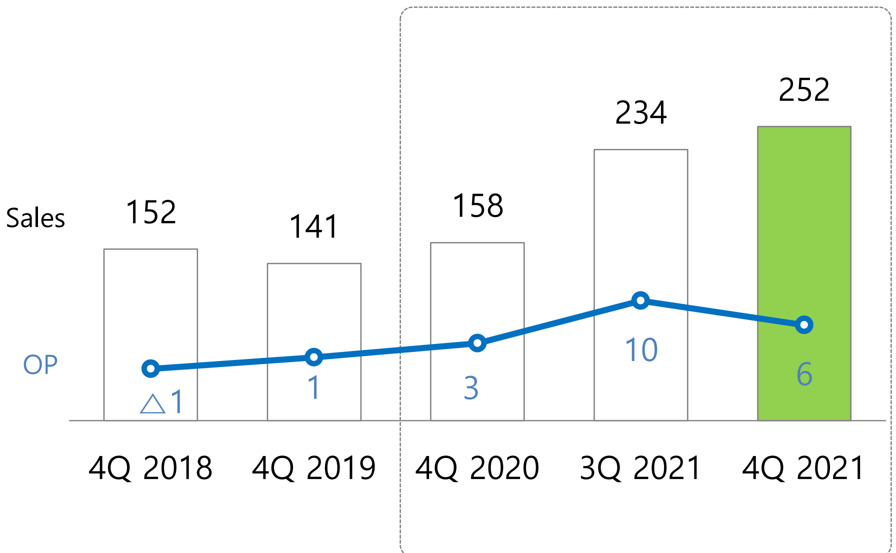
Business Results & Outlook

LS Metal/Mecapoin – Sales/Profit increased

Sales increased in Vietnam Business

Subsidiaries

(unit : bwn)



- **Sales increased YoY 60.1%, OP increased YoY 97.3%**
  - **Sales/Profit increased in Vietnam business**

- **Sales Boost in LS Metals**
- **Sales Boost in Vietnam business**

Ⅱ. Company & Business Introduction

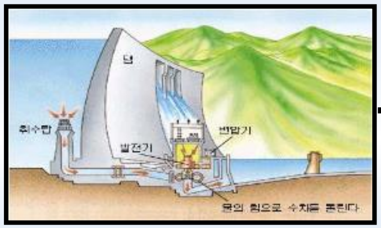
Business Introduction

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

Electric Infra Business

Primary Transmission

Power Plant



Primary Substation

HVDC

GIS

Power-Transformer

Sub-Transmission

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)

SWGR

M-TR

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)

VCB

RMU, LBS

ACB

MCCB

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

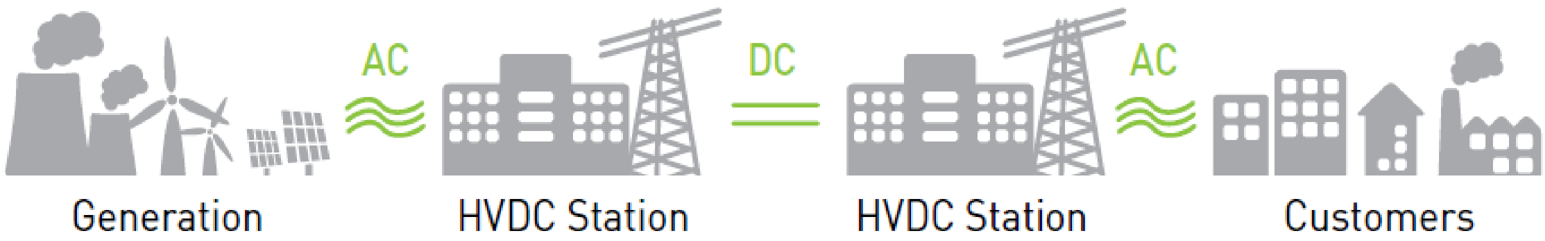
Green Car Solution

Photovoltaic System

Railway System

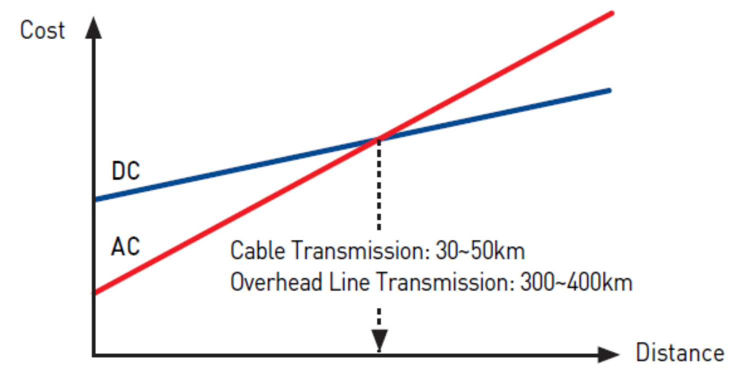
HVDC

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



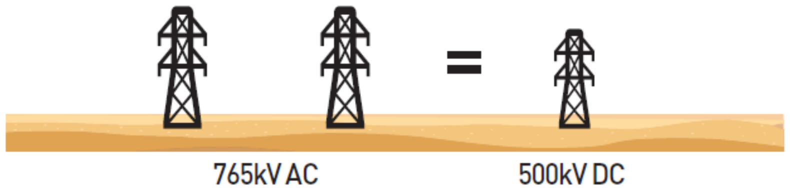
Long Distance Transmission with Lower Cost

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.



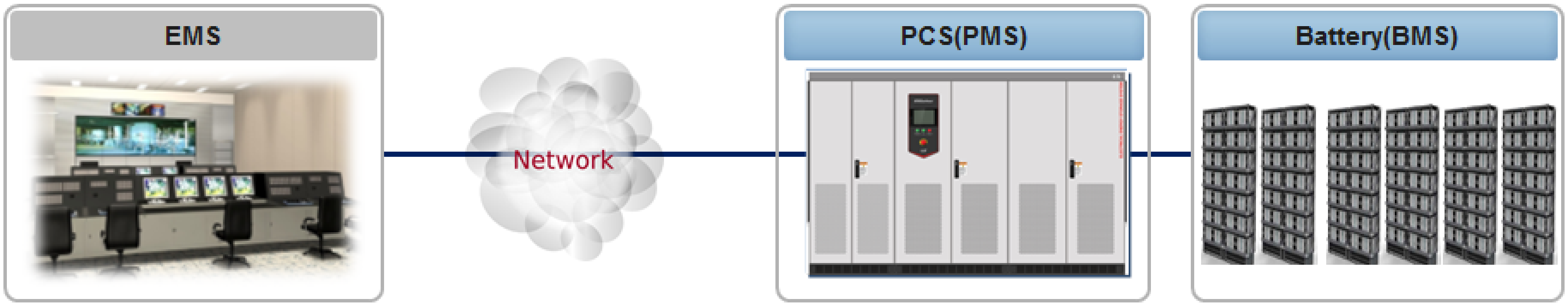
Optimal Grid Management

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

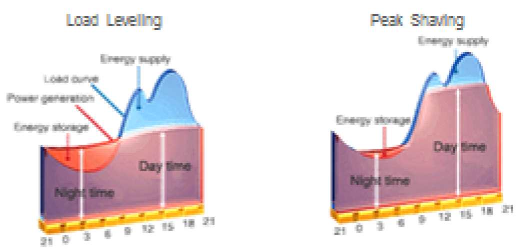
ESS(Energy Storage System) includes PCS(Power Conversion System) and battery, and make an efficient way of use electricity power

Concept of ESS

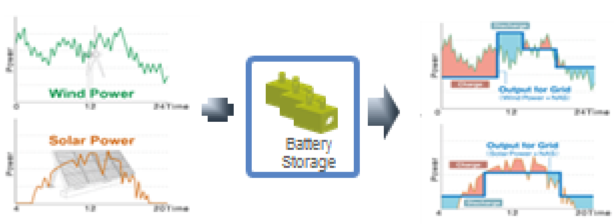


Function of ESS

➢ Peak Shaving, Load Leveling



➢ Renewable Energy Smothing

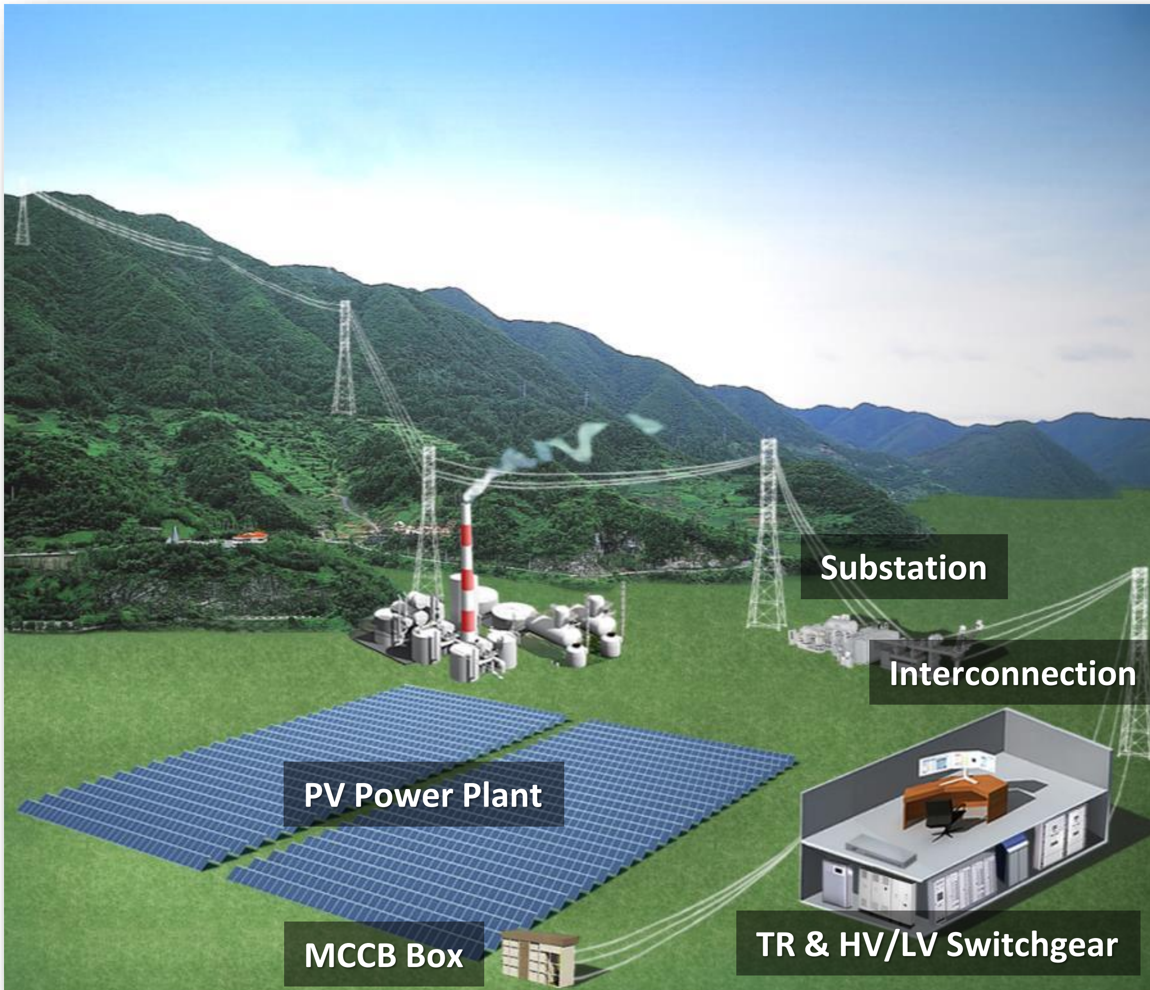


➢ Frequency Regulation

- 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	4Q 2020	3Q 2021	4Q 2021	YoY	QoQ
Sales	610	683	753	23.4%	10.3%
Cost of Sales	△503	△564	△618	22.8%	9.7%
Gross Profit	107	119	135	26.3%	13.4%
(%)	(17.5%)	(17.4%)	(17.9%)	-	-
SG&A	△74	△79	△91	22.1%	15.3%
Operating Profit	33	40	44	35.7%	9.5%
(%)	(5.3%)	(5.9%)	(5.9%)	-	-
Non-OP and Loss	2	△29	△11	△731.2%	△63.2%
Profit before tax	34	11	34	△2.2%	196.8%
Net Income	21	9	23	7.9%	152.1%
(%)	(3.5%)	(1.3%)	(3.0%)	-	-
EBITDA Margin	8.5%	8.0%	8.4%	-	-

Statements of Cash Flows

(unit : bwn)

Segment	'20.4Q	'21.4Q	YoY
Cash and cash equivalents at the beginning of year	**535**	**683**	**149**
Cash Flows From Operating Activities	**289**	**105**	**△184**
Cash Flows From Investing Activities	**△84**	**△124**	**△39**
Capex	△73	△59	14
R&D	△5	△7	△2
Others	△6	△57	△52
Cash Flows From Financing Activities	**△55**	**35**	**90**
Effect of exchange rate changes on cash and cash equivalents	△0	2	3
Cash and cash equivalents	**683**	**804**	**121**

Statement of Financial position

(unit : bwn, %)

Segment	4Q 2020	3Q 2021	4Q 2021	QoQ	YoY
Total Assets	**2,540**	**2,778**	**2,806**	**10%**	**1%**
Current Assets	1,650	1,889	1,897	15%	0%
Cash&Cash Equivalents	683	804	702	3%	△13%
Inventories	177	230	261	48%	14%
Other Current Assets	790	855	934	18%	9%
Non-Current Assets	891	890	909	2%	2%
Tangible Assets	557	557	564	1%	1%
Intangible Assets	104	106	102	△3%	△4%
Other Non-Current Assets	229	227	243	6%	7%
Total Liabilities	**1,127**	**1,319**	**1,333**	**18%**	**1%**
Current Liabilities	644	777	855	33%	10%
Short-term borrowings	136	194	244	80%	26%
Non-Current Liabilities	483	543	478	△1%	△12%
Long-term borrowings	459	512	444	△3%	△13%
Equity	**1,413**	**1,459**	**1,473**	**4%**	**1%**
Current Ratio	256%	243%	222%	△13%	△9%
Equity/Total Assets	56%	53%	53%	△6%	△0%
Total Liabilities/Equity	80%	90%	90%	13%	0%
Net debts Ratio	△6%	△7%	△1%	△85%	△86%

Appendix 2. Results for the past 3 years

HQ

(unit : bwn)

Segment				19					20					21					Y-o-Y (4Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
HQ	Electric Equipment	Sales	Domestic	109	103	105	102	418	108	107	103	103	421	118	111	115	110	455	7%
			Overseas	52	68	64	60	244	60	61	49	51	222	66	68	57	66	256	30%
			Total	161	171	169	161	662	169	168	152	154	643	184	179	172	176	711	14%
		Operating Profit		31	35	34	24	125	32	31	19	18	100	25	29	28	23	105	29%
	Electric Infra	Sales	Domestic	90	115	113	169	487	118	134	110	115	476	103	100	109	156	468	36%
			Overseas	30	39	35	32	136	40	33	19	26	117	18	31	30	56	135	116%
			Total	120	154	148	201	623	158	167	128	140	593	122	131	139	211	603	51%
		Operating Profit		1	0	△1	14	13	5	8	△8	2	8	△17	△1	△5	13	△9	550%
	Automation	Sales	Domestic	44	47	47	51	188	49	52	55	55	210	63	63	63	61	250	12%
			Overseas	21	21	19	20	81	22	18	16	16	72	21	26	21	18	85	10%
			Total	65	68	66	70	269	71	70	71	71	282	84	89	83	79	335	11%
		Operating Profit		5	6	7	5	23	6	7	6	7	26	8	12	8	4	33	△35%
	Renewable Business	Sales	Domestic	25	24	33	118	199	101	68	42	73	285	18	26	44	38	127	△48%
			Overseas	16	16	5	21	57	12	△3	14	29	52	16	32	23	30	101	2%
			Total	40	39	38	139	256	113	65	57	102	337	34	59	67	68	228	△34%
		Operating Profit		△9	△5	6	0	△6	△3	△17	△2	1	△21	△7	△2	△3	△2	△14	△249%
	Subtotal	Sales	Domestic	267	289	298	439	1,293	376	360	310	346	1,392	302	301	331	366	1,301	6%
			Overseas	118	144	123	132	517	134	109	98	122	463	121	157	131	169	577	39%
			Total	386	432	421	571	1,810	510	469	408	468	1,855	423	458	462	535	1,877	14%
		Operating Profit		28	36	46	44	155	41	30	15	28	113	10	38	29	38	115	37%

Appendix 2. Results for the past 3 years

Subsidiaries

(unit : bwn)

Segment				19					20					21					Y-o-Y (4Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Subsidiaries	LS Metal	Sales	Domestic	43	43	42	45	174	37	40	44	40	161	44	57	55	63	219	56%
			Overseas	31	38	25	29	123	46	40	37	42	166	45	52	59	69	224	64%
			Total	75	81	68	74	297	83	80	82	82	326	90	108	113	131	443	60%
		Operating Profit		△2	2	△0	1	1	0	2	0	△1	2	△0	1	1	1	3	292%
	Subsidiaries (Korea)	Sales		10	15	9	13	46	16	18	14	16	63	32	35	43	47	156	192%
		Operating Profit		△1	△1	△1	△1	△4	0	1	1	1	3	3	3	5	3	14	196%
	Subsidiaries (China)	Sales		57	61	57	44	220	34	44	42	52	173	49	51	59	53	212	1%
		Operating Profit		5	9	5	1	20	1	4	5	3	14	7	5	4	2	18	△37%
	Subsidiaries (Vietnam)	Sales		6	10	5	10	30	4	7	8	7	26	18	14	19	22	73	206%
		Operating Profit		0	0	△1	0	1	△1	0	0	△0	△1	1	0	1	△0	2	86%
	Subtotal	Sales		147	167	139	141	594	137	149	145	158	588	189	209	234	252	884	60%
		Operating Profit		3	10	3	1	17	1	8	7	3	19	12	9	10	6	38	97%

Consolidated

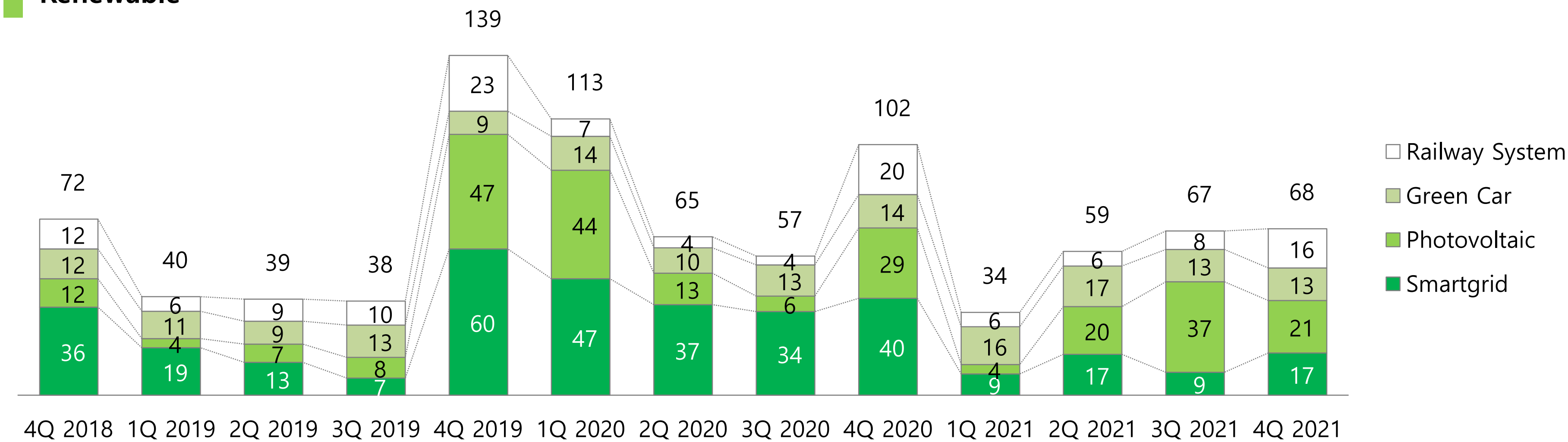
(unit : bwn)

Segment	19					20					21					Y-o-Y (4Q)
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Consolidation adjustment for Sales	△14	△18	△11	△13	△57	△11	△20	6	△15	△40	△23	△23	△13	△34	△93	△125%
Consolidation adjustment for OP	△2	△3	3	△1	△3	△2	1	0	2	1	2	0	1	△0	3	△118%
Total Sales	519	581	548	699	2,347	636	598	559	610	2,403	589	643	683	753	2,668	23%
Total Operating Profit	29	43	53	43	169	40	39	22	33	134	23	47	40	44	155	36%

Appendix 3. Sales details for Convergence & Subsidiaries

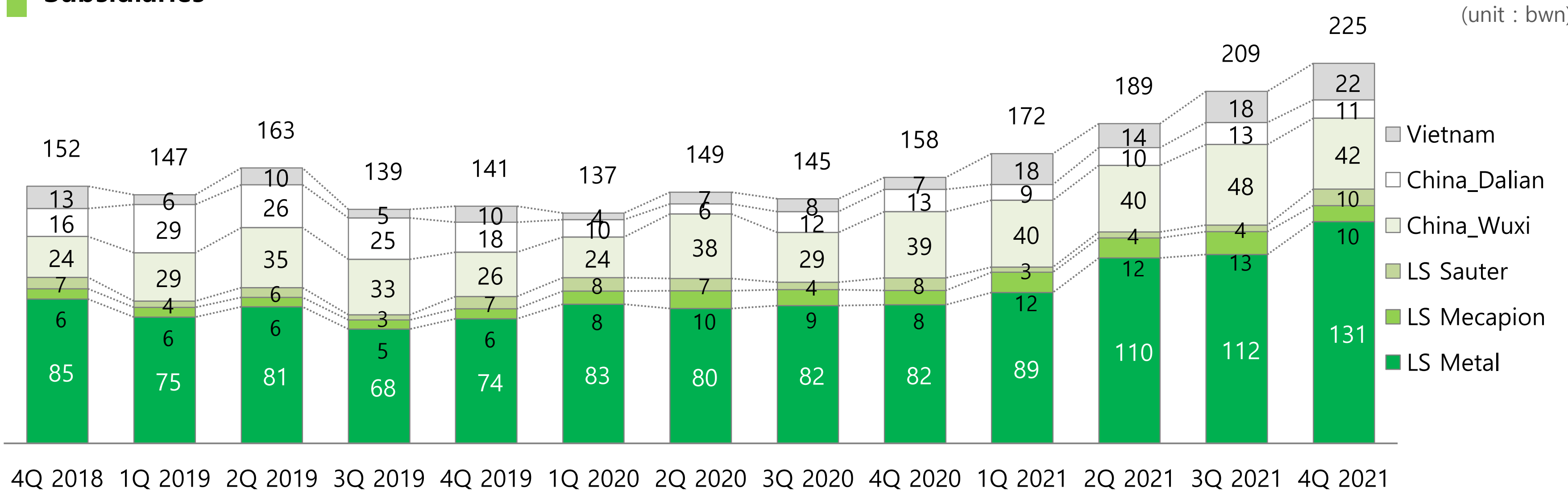
Renewable

(unit : bwn)



Subsidiaries

(unit : bwn)



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