

## 2Q 2022 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 879bwn (YoY 236bwn increased), Operating Profit 60bwn (YoY 13bwn increased)**

**Sales and Operating profit increase by each segment and subsidiaries.**

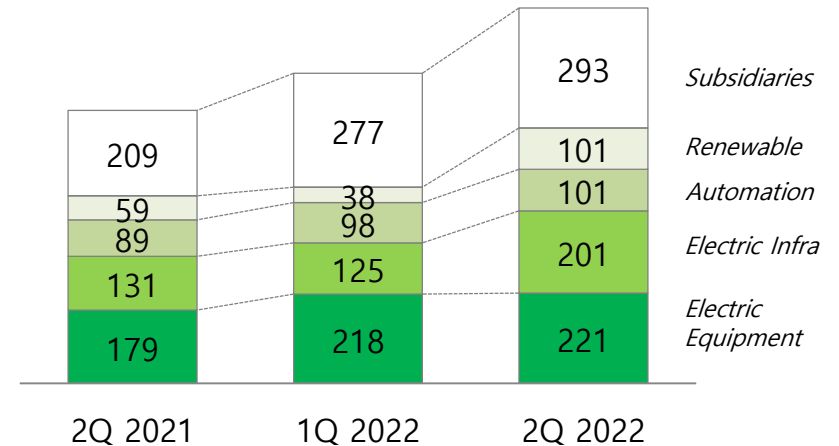
## Income Statement

(unit : bwn)

Segment	2Q 2021	1Q 2022	2Q 2022	YoY	QoQ
Sales	643	730	879	236	149
Operating Profit	47	41	60	13	20
Profit before tax	45	41	35	△10	△7
Net income	38	33	27	△11	△7

## Sales Breakdown by Business

(unit : bwn)



\* Subsidiaries includes LS Metal, LS Sauter, LS Mecapion, Wuxi,

Dalian, Vietnam, LS ITC, AC&T and LS-eMS

\*\* Convergence Business includes Trans SOC, Solar and Smart-Grid

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

# Financial Position

**Total assets 3,049bwn (YoY 273bwn increased), Net Debts 79bwn (YoY 198bwn decreased)**  
**Total Liabilities/Equity Ratios 102%, Debts/Total Assets Ratios 25% (Stable financial structure)**

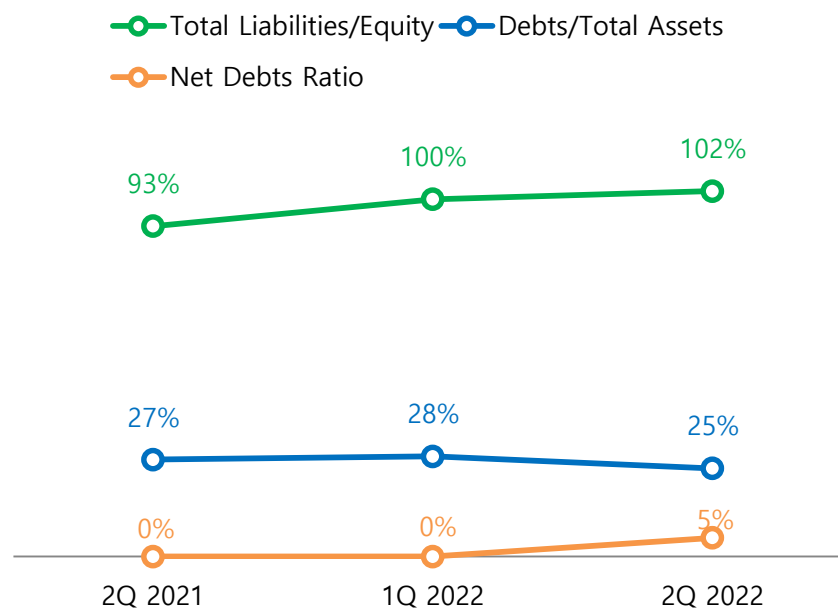
## Financial Statement

(unit : bwn)

Segment	2Q 2021	1Q 2022	2Q 2022	YoY	QoQ
Total Assets	2,776	2,963	3,049	273	86
Current Assets	1,865	2,062	2,122	257	60
Cash & cash equivalent	873	848	673	△200	△175
Total Liabilities	1,334	1,482	1,542	208	60
Debts	754	831	752	△2	△78
Net Debts	△118	△18	79	198	97
Equity	1,442	1,481	1,507	65	26

## Financial Ratios

(unit : %)

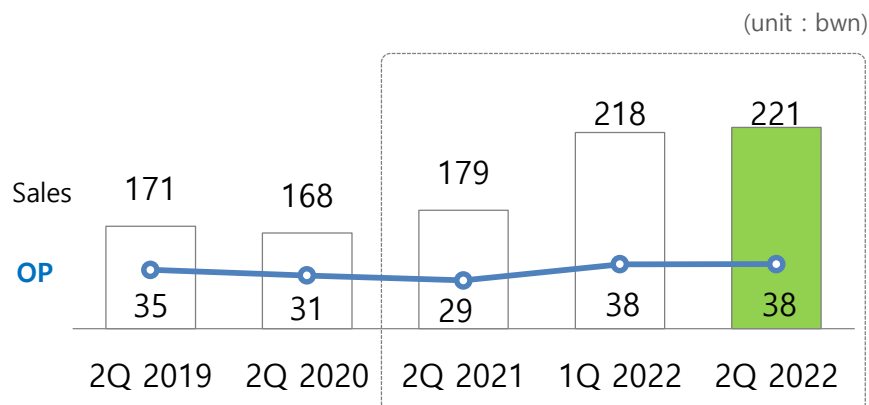


# Business Results & Outlook

**Electric Equipment – Sales increased in Domestic and Overseas mkt and due to exchange rate rise**

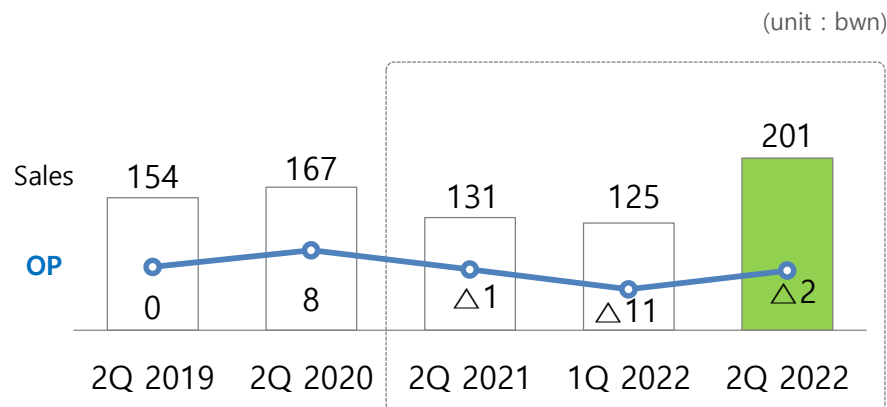
**Electric Infra – Sales increased in Domestic and Overseas market**

## Electric Equipment



- Sales increased YoY 23%, OP increased YoY 34%
- Sales continued Domestic and increased Overseas mkt
- Sales expected to decline in Domestic mkt(3<sup>rd</sup> quarter)
- Sales expected to decline slightly, mainly in Europe and Middle East mkt

## Electric Infra



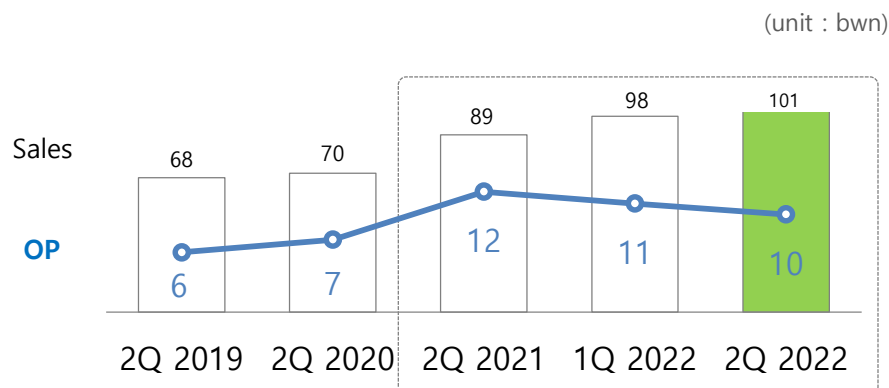
- Sales increased YoY 53%, OP decreased YoY 52%
- Sales increased in Overseas mkt
- QoQ improvement in pforitability
- Sales continued in IDC and Battery business
- Increased order backlog in the second quarter and expected sales in the second half

# Business Results & Outlook

**Automation – Sales and Operating profit increase in Domestic & Overseas market**

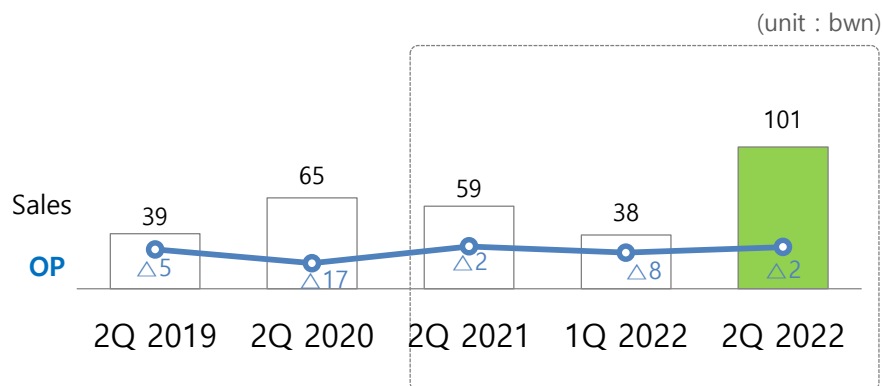
**Renewable – Sales increased in Domestic Solar system**

## Automation



- Sales increased YoY 14%, OP decreased YoY 19%
  - Sales increase in Domestic mkt (Major and Machinery)
  - Sales increased in Overseas mkt
- Sales continued in Machinery Business
- Sales continued in Major mkt (Car/Battery)

## Renewable Business



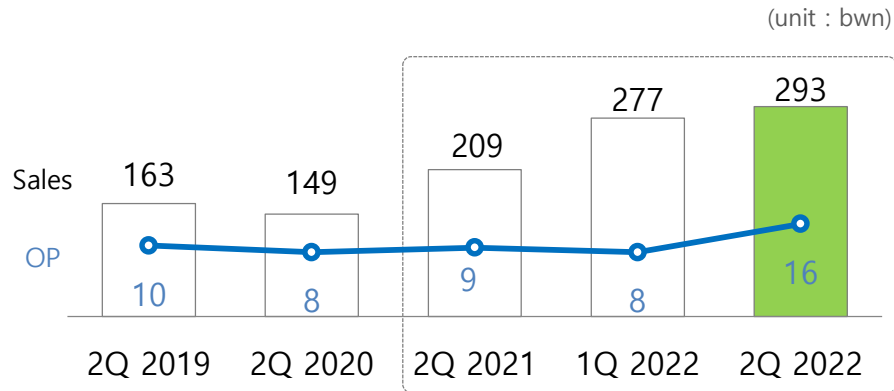
- Sales increased YoY 72%, OP decreased YoY 28%
  - Sales increased in Domestic Solar Business
  - Sales and Operating profits decreased in EV Subsidiaries
- Sales decreased in Solar Business(in second half)
- EV segment expected to resolve semiconductor supply and demand issues  
(LS-eMS incorporated as a subsidiary from 2<sup>nd</sup> quarter)

# Business Results & Outlook

Korea Subsidiaries Sales and Profit increased

Sales increased in China and Vietnam Business

## Subsidiaries



- Sales increased YoY 40%, OP increased YoY 71%
  - LS Metals : Sales increased due to copper price hike
  - LS Mecapion : Increased sales to semiconductors business
- Sales expected to decline due to lower copper prices in the second half

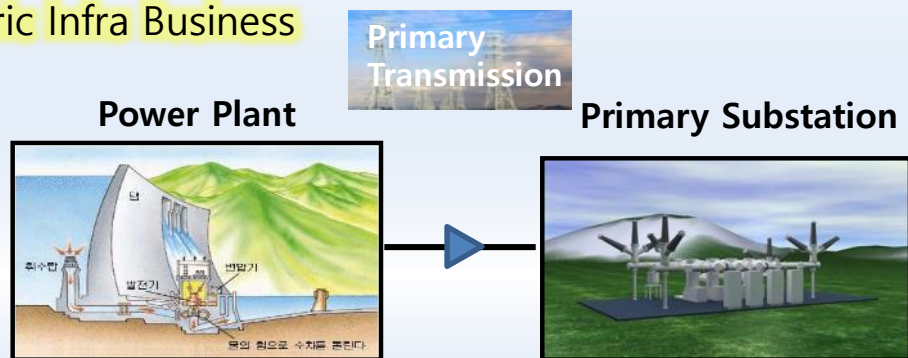


## II. Company & Business Introduction

# 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.

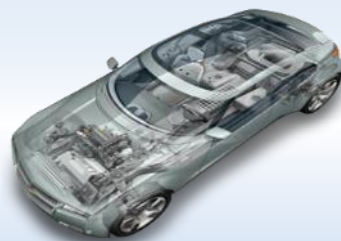
#### < Main Products >

- 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



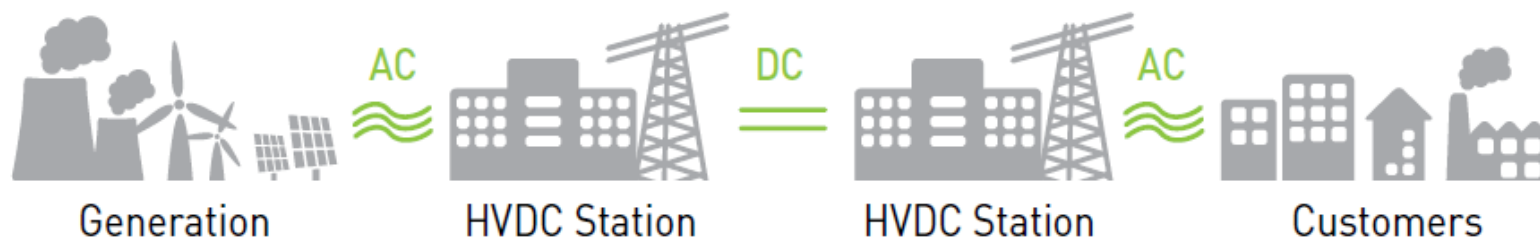
Photovoltaic System



Railway System

# HVDC

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



## Long Distance Transmission with Lower Cost

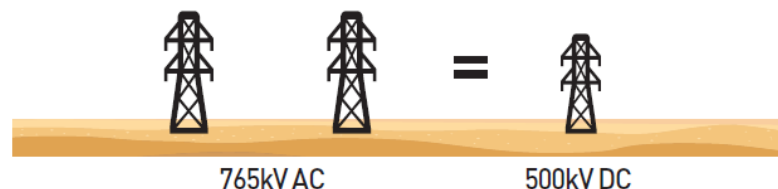
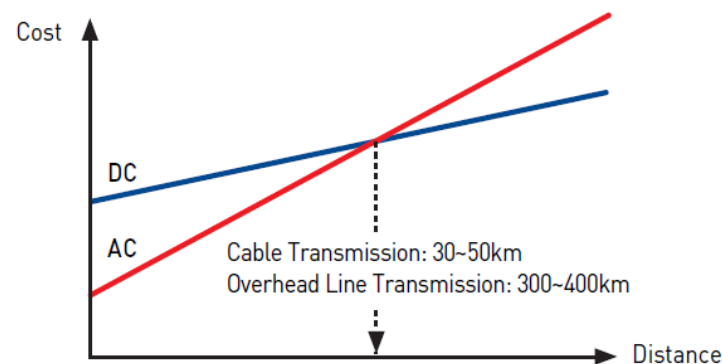
HVDC is the only option for the overhead transmission longer than 300km or submarine/underground 40km thanks to DC characteristics.

## 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

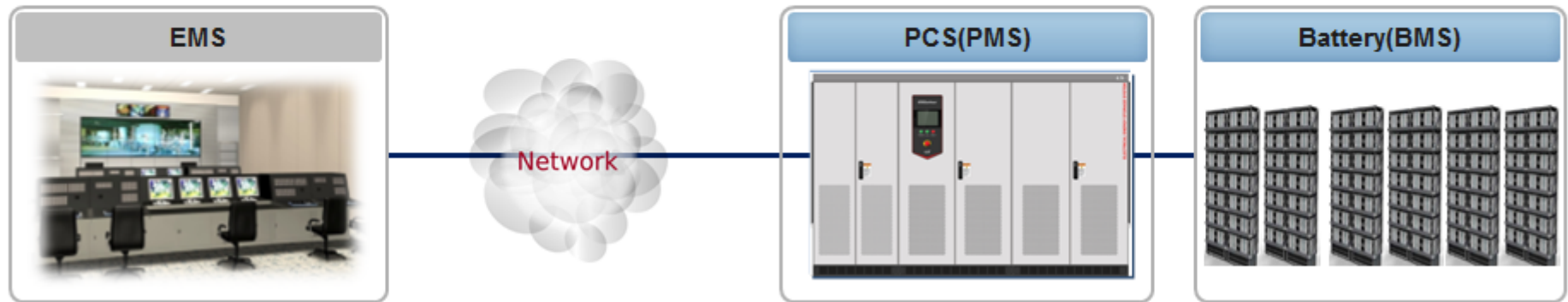
HVDC can directly interconnect load centers with huge energy sources efficiently. Therefore, negative impact on the grid is minimized. HVDC also improves the performance of AC grid by means of additional controllability.



# ESS Applications

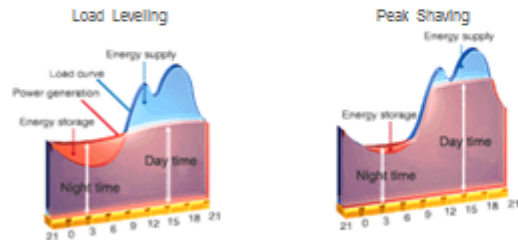
ESS(Energy Storage System) includes PCS(Power Conversion System) and battery, and make an efficient way of use electricity power

## Concept of ESS



## Function of ESS

➤ Peak Shaving, Load Leveling



➤ Renewable Energy Smoothing



➤ Frequency Regulation



• EMS : Energy Management System

• PCS : Power Conditioning System

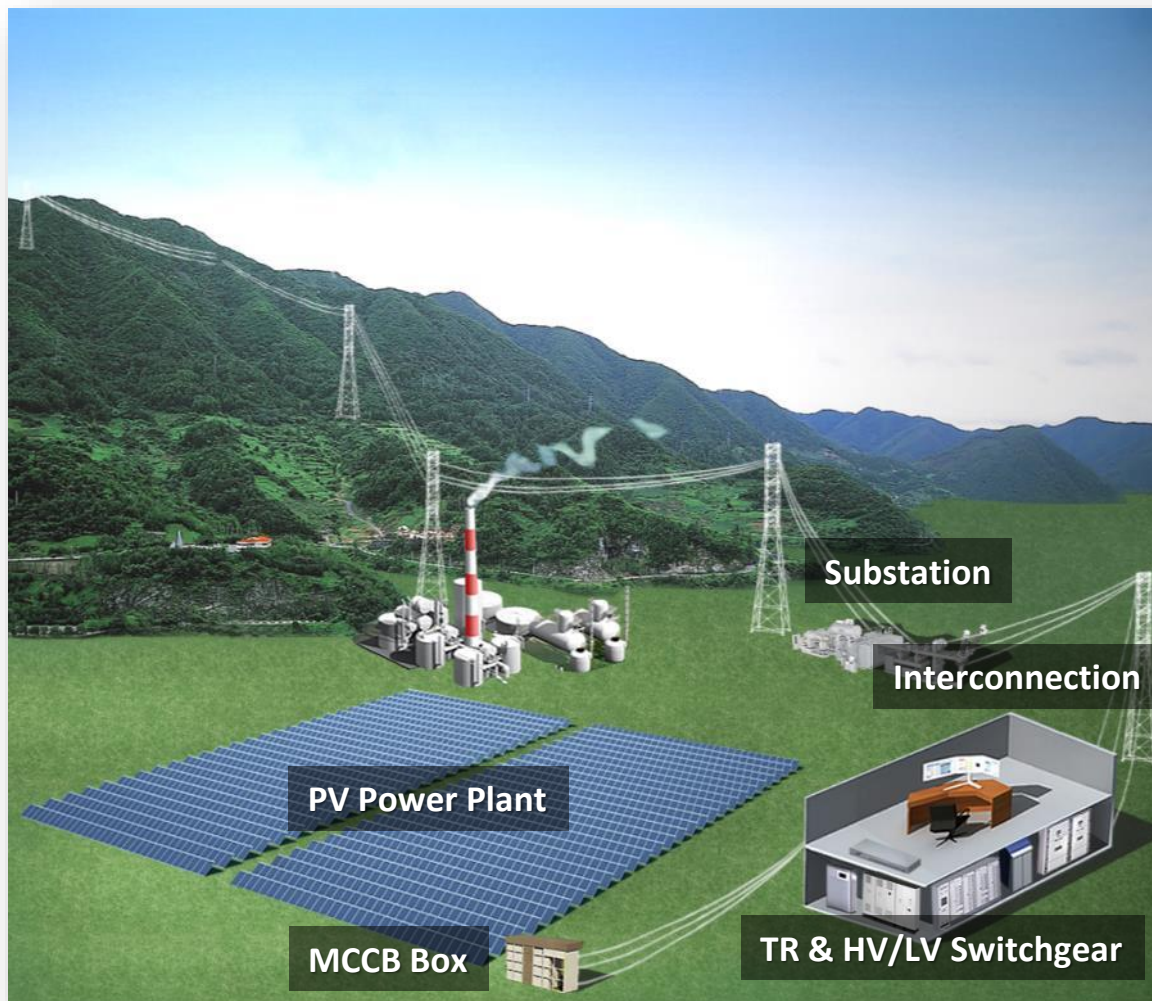
• PMS : Power Management System

• 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.



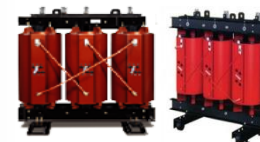
## System Components



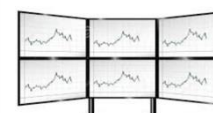
**PV Power System**  
- Module  
- Inverter  
- Balance of System



- HV Switchgear  
- MV Switchgear  
- LV Switchgear



**Transformer**



**Monitoring(SCADA)**

# III. Appendix

# Appendix 1. Condensed Statement

## Income statement

(unit : bwn, %)

Segment	2Q 2021	1Q 2022	2Q 2022	YoY	QoQ
Sales	643	730	879	36.6%	20.4%
Cost of Sales	△516	△596	△718	39.1%	20.5%
Gross Profit	127	134	161	26.6%	20.0%
(%)	(19.8%)	(18.4%)	(18.3%)	-	-
SG&A	△80	△94	△101	26.0%	7.8%
Operating Profit	47	41	60	27.8%	48.1%
(%)	(7.3%)	(5.6%)	(6.8%)	-	-
Non-OP and Loss	△2	1	△26	1,105.1%	△4,035.2%
Profit before tax	45	41	35	△22.9%	△16.1%
Net Income	38	33	27	△29.2%	△20.2%
(%)	(5.9%)	(4.6%)	(3.0%)	-	-
EBITDA Margin	10.3%	8.7%	8.9%	-	-

## Statements of Cash Flows

(unit : bwn)

Segment	'21.2Q	'22.2Q	YoY
Cash and cash equivalents at the beginning of year	662	848	186
Cash Flows From Operating Activities	155	16	△139
Cash Flows From Investing Activities	△80	△59	21
Capex	△33	△52	△19
R&D	△4	1	5
Others	△43	△8	35
Cash Flows From Financing Activities	113	12	△100
Effect of exchange rate changes on cash and cash equivalents	1	2	0
Cash and cash equivalents	873	673	△200

## Statement of Financial position

(unit : bwn, %)

Segment	2Q 2021	1Q 2022	2Q 2022	QoQ	YoY
<b>Total Assets</b>	<b>2,776</b>	<b>2,963</b>	<b>3,049</b>	<b>10%</b>	<b>3%</b>
Current Assets	1,865	2,062	2,122	14%	3%
Cash&Cash Equivalents	873	848	673	△23%	△21%
Inventories	204	296	337	65%	14%
Other Current Assets	788	918	1,112	41%	21%
Non-Current Assets	911	901	927	2%	3%
Tangible Assets	558	561	586	5%	4%
Intangible Assets	109	101	97	△10%	△4%
Other Non-Current Assets	244	238	243	△0%	2%
<b>Total Liabilities</b>	<b>1,334</b>	<b>1,482</b>	<b>1,542</b>	<b>16%</b>	<b>4%</b>
Current Liabilities	796	881	1,089	37%	24%
Short-term borrowings	244	268	339	39%	27%
Non-Current Liabilities	538	600	453	△16%	△25%
Long-term borrowings	510	563	413	△19%	△27%
<b>Equity</b>	<b>1,442</b>	<b>1,481</b>	<b>1,507</b>	<b>5%</b>	<b>2%</b>
<b>Current Ratio</b>	234%	234%	195%	△17%	△17%
<b>Equity/Total Assets</b>	52%	50%	49%	△5%	△1%
<b>Total Liabilities/Equity</b>	93%	100%	102%	11%	2%
<b>Net debts Ratio</b>	△8%	△1%	5%	△164%	△542%



# Appendix 2. Results for the past 3 years

HQ

(unit : bwn)

Segment				20					21					22			Y-o-Y (1Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total	
HQ	Electric Equipment	Sales	Domestic	108	107	103	103	421	118	111	115	110	455	131	134	265	20%
			Overseas	60	61	49	51	222	66	68	57	66	256	87	86	173	28%
		Total		169	168	152	154	643	184	179	172	176	711	218	221	439	23%
		Operating Profit		32	31	19	18	100	25	29	28	23	105	38	38	76	34%
	Electric Infra	Sales	Domestic	118	134	110	115	476	103	100	109	156	468	81	146	226	45%
			Overseas	40	33	19	26	117	18	31	30	56	135	44	55	99	79%
		Total		158	167	128	140	593	122	131	139	211	603	125	201	325	53%
		Operating Profit		5	8	△8	2	8	△17	△1	△5	13	△9	△10	△2	△12	△52%
	Automation	Sales	Domestic	49	52	55	55	210	63	63	63	61	250	69	73	142	15%
			Overseas	22	18	16	16	72	21	26	21	18	85	29	29	58	10%
		Total		71	70	71	71	282	84	89	83	79	335	98	101	200	14%
		Operating Profit		6	7	6	7	26	8	12	8	4	33	11	10	21	△19%
	Renewable Business	Sales	Domestic	101	68	42	73	285	18	26	44	38	127	25	93	118	254%
			Overseas	12	△3	14	29	52	16	32	23	30	101	13	7	21	△77%
		Total		113	65	57	102	337	34	59	67	68	228	38	101	139	72%
		Operating Profit		△3	△17	△2	1	△21	△7	△2	△3	△2	△14	△7	△2	△10	△28%
	Subtotal	Sales	Domestic	376	360	310	346	1,392	302	301	331	366	1,301	306	446	752	48%
			Overseas	134	109	98	122	463	121	157	131	169	577	174	178	351	13%
		Total		510	469	408	468	1,855	423	458	462	535	1,877	479	623	1,103	36%
		Operating Profit		41	30	15	28	113	10	38	29	38	115	31	44	75	17%

# Appendix 2. Results for the past 3 years

## Subsidiaries

(unit : bwn)

Segment				20					21					22			Y-o-Y (1Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total	
Subsidiaries	LS Metal	Sales	Domestic	37	40	44	40	161	44	57	55	63	219	73	81	154	43%
			Overseas	46	40	37	42	166	45	52	59	69	224	65	65	129	25%
		Total		83	80	82	82	326	90	108	113	131	443	137	146	283	34%
		Operating Profit		0	2	0	△1	2	△0	1	1	1	3	0	7	7	445%
	Subsidiaries (Korea)	Sales		16	18	14	16	63	32	35	43	47	156	44	61	106	77%
		Operating Profit		0	1	1	1	3	3	3	5	3	14	5	4	8	29%
	Subsidiaries (China)	Sales		34	44	42	52	173	49	51	59	53	212	73	63	135	22%
		Operating Profit		1	4	5	3	14	7	5	4	2	18	3	4	8	△7%
	Subsidiaries (Vietnam)	Sales		4	7	8	7	26	18	14	19	22	73	23	23	46	63%
		Operating Profit		△1	0	0	△0	△1	1	0	1	△0	2	△0	1	0	80%
	Subtotal	Sales		137	149	145	158	588	189	209	234	252	884	277	293	570	40%
		Operating Profit		1	8	7	3	19	12	9	10	6	38	8	16	24	71%

## Consolidated

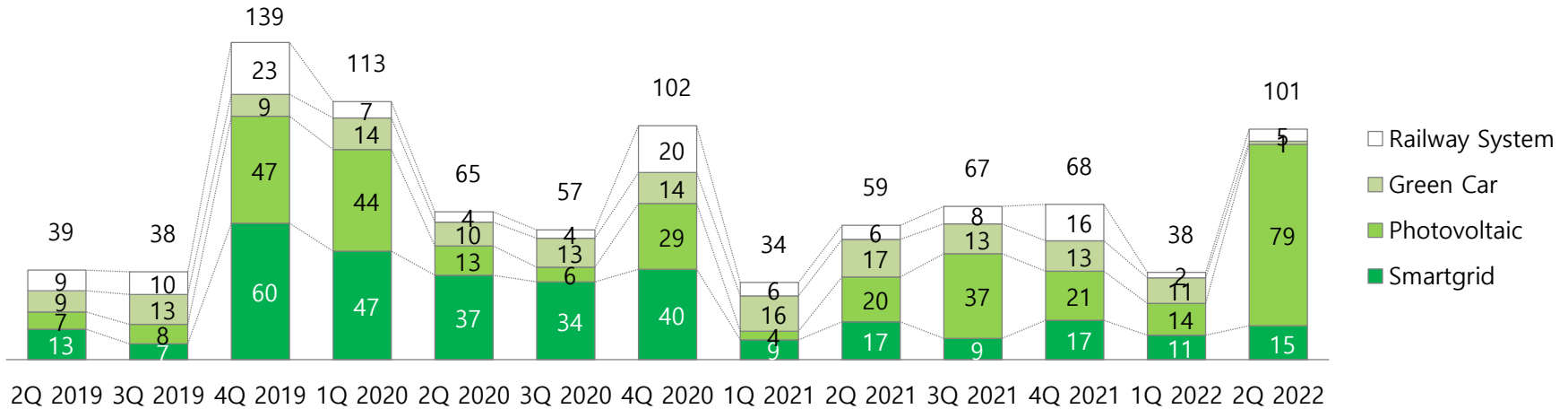
(unit : bwn)

Segment				20					21					22			Y-o-Y (1Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total	
Consolidation adjustment for Sales				△11	△20	6	△15	△40	△23	△23	△13	△34	△93	△27	△38	△64	△61%
Consolidation adjustment for OP				△2	1	0	2	1	2	0	1	△0	3	2	0	2	162%
Total Sales				636	598	559	610	2,403	589	643	683	753	2,668	730	879	1,608	37%
Total Operating Profit				40	39	22	33	134	23	47	40	44	155	41	60	101	28%

# Appendix 3. Sales details for Convergence & Subsidiaries

## Renewable

(unit : bwn)



## Subsidiaries

(unit : bwn)

