

# 3Q 2022 Review & Outlook



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# 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

# 1. Total Results

**Sales 839bwn(YoY 156bwn increased), Operating Profit 61bwn(YoY 13bwn increased)**  
**Sales and Operating profit increase by Electric, Automation segment and subsidiaries.**

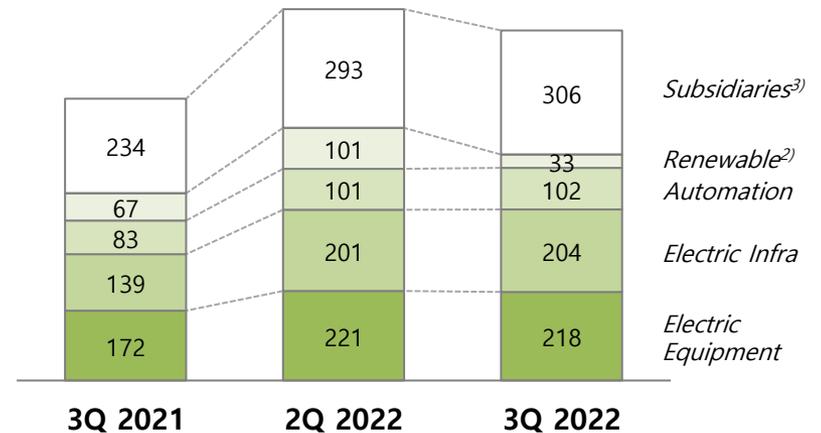
## Income Statement

(unit : bwn)

Segment	3Q 2021	2Q 2022	3Q 2022	YoY	QoQ
Sales	683	879	839	156	△40
Operating Profit	40	60	61	20	1
Profit before tax	11	35	25	13	△10
Net income	9	27	14	5	△14

## Sales Breakdown by Business<sup>1)</sup>

(unit : bwn)



- 1) Sales of subsidiaries are before the consolidated adjustments.  
 2) Convergence Business includes Trans SOC, Solar and Smart-Grid.  
 3) Subsidiaries includes LS Metal, LS Sauter, LS Mecapion, Wuxi, Dalian, Vietnam, LS ITC, AC&T and LS-eMS.

## 2. Financial Position

Total assets 3,145bwn(YoY 366bwn increased), Net Debts 271bwn(YoY 368bwn increased)

Total Liabilities/Equity Ratios 106%, Debts/Total Assets Ratios 26%

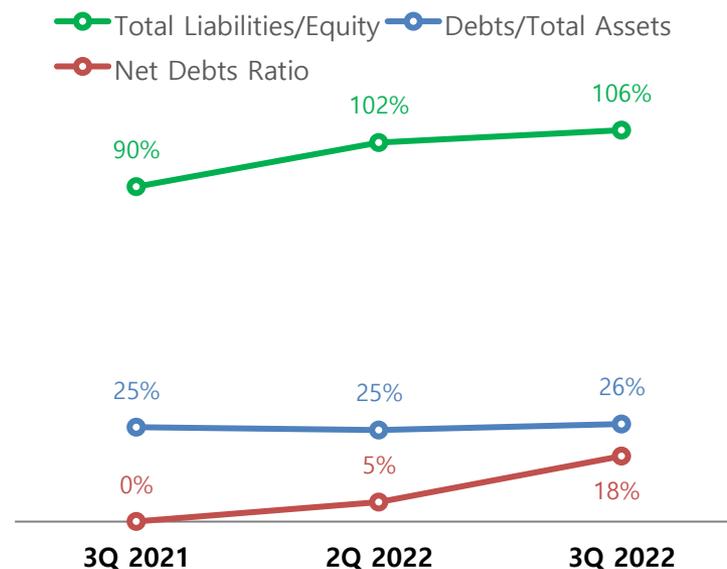
### Financial Statement

(unit : bwn)

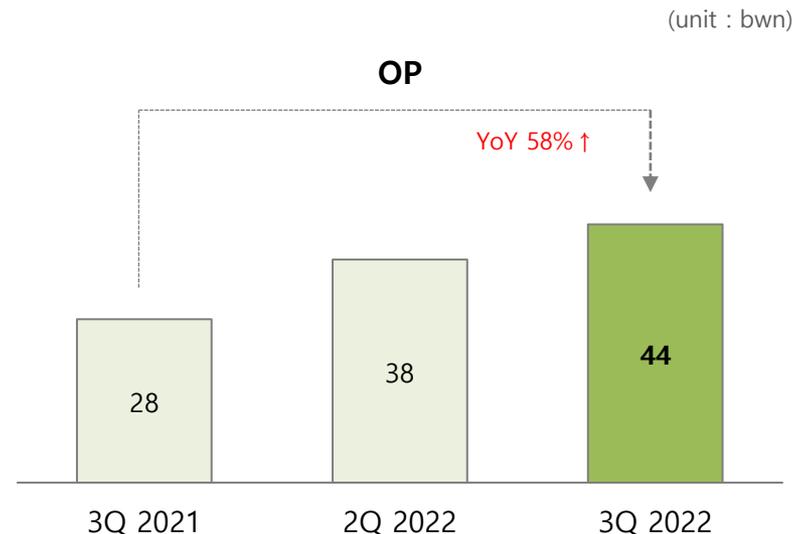
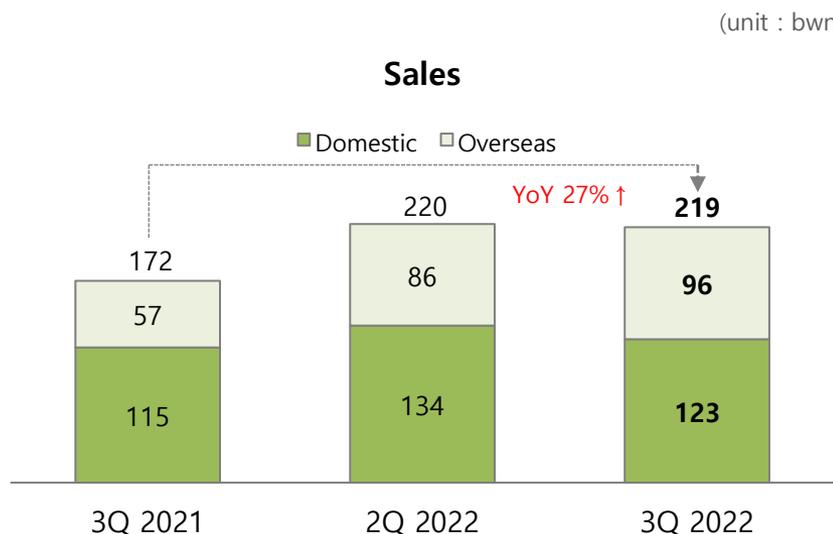
Segment	3Q 2021	2Q 2022	3Q 2022	YoY	QoQ
Total Assets	2,778	3,049	3,145	366	95
Current Assets	1,889	2,122	2,189	300	67
Cash & cash equivalent	804	673	558	△247	△116
Total Liabilities	1,319	1,542	1,616	296	74
Debts	707	752	828	121	76
Net Debts	△98	79	271	368	191
Equity	1,459	1,507	1,529	70	22

### Financial Ratios

(unit : %)



## Sales increased in Domestic and Overseas market



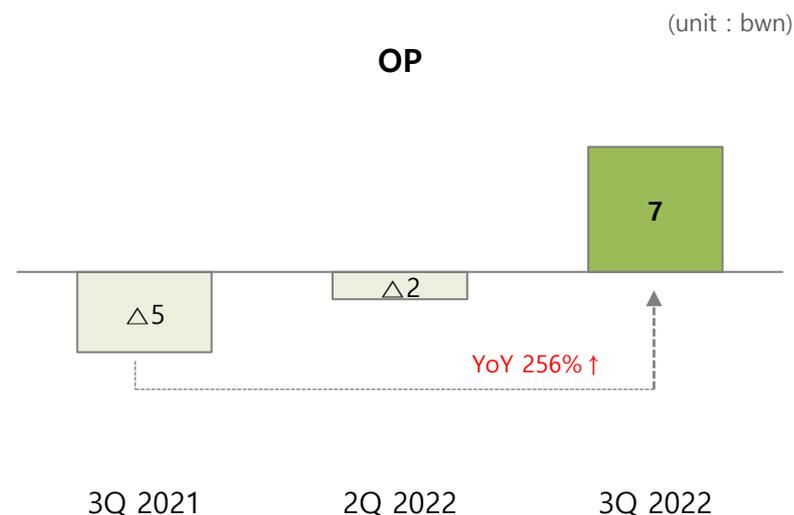
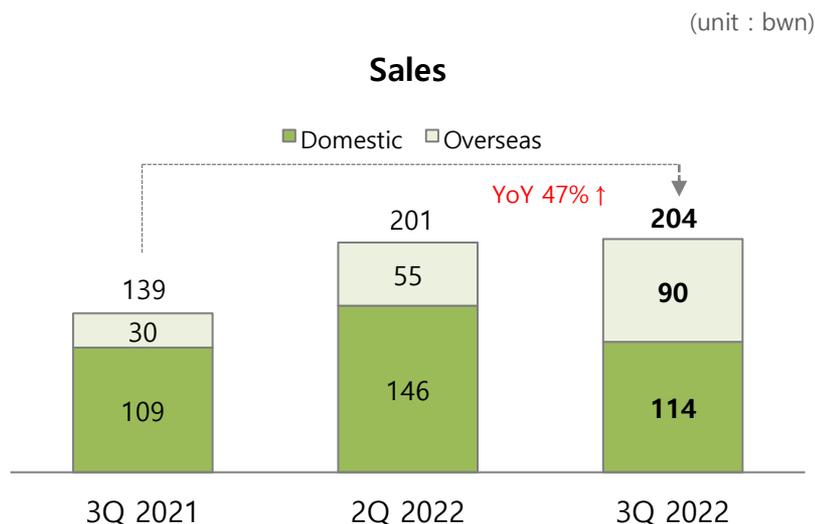
### 3Q Result

- Sales increased YoY 27%, OP increased YoY 58%
- Increase profit due to exchange rate effect
- Revitalization of domestic and foreign markets

### 4Q Outlook

- Sales expected to decline in Domestic market
- Sales expected to decline slightly in Europe and Middle East markets

## Sales increased in Domestic and Overseas markets and due to exchange rate rise



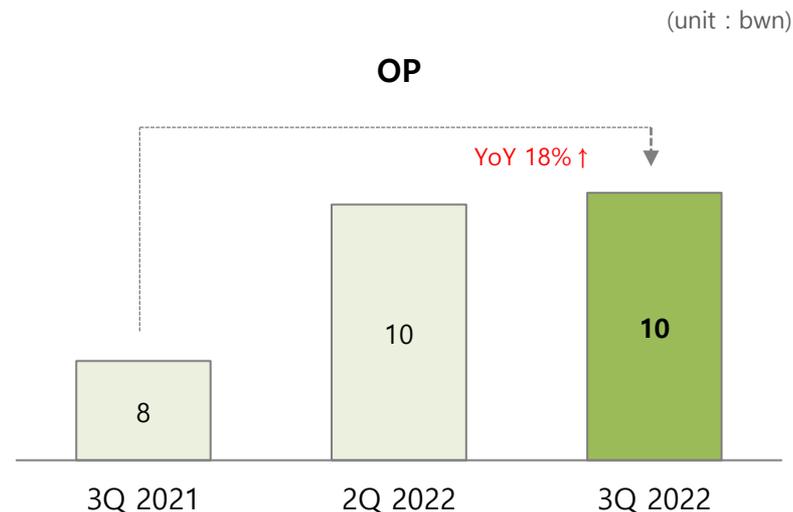
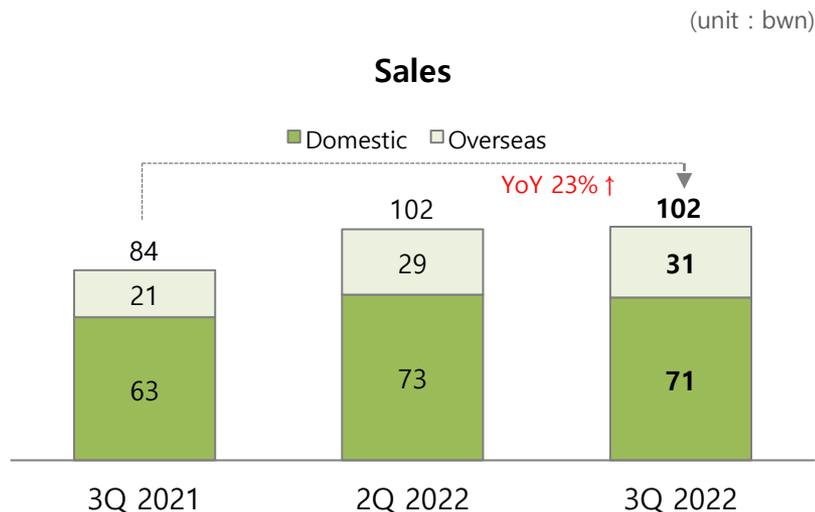
### 3Q Results

- Sales increased YoY 47%, OP increased YoY 256%
- Sales continued from facility investment of IDC, Battery and Semiconductor business

### 4Q Outlook

- Increased order backlog and expected sales
- Expected increase in sales due to expansion of facility investment in North America

## Sales and Operating profit increased in Domestic & Overseas markets



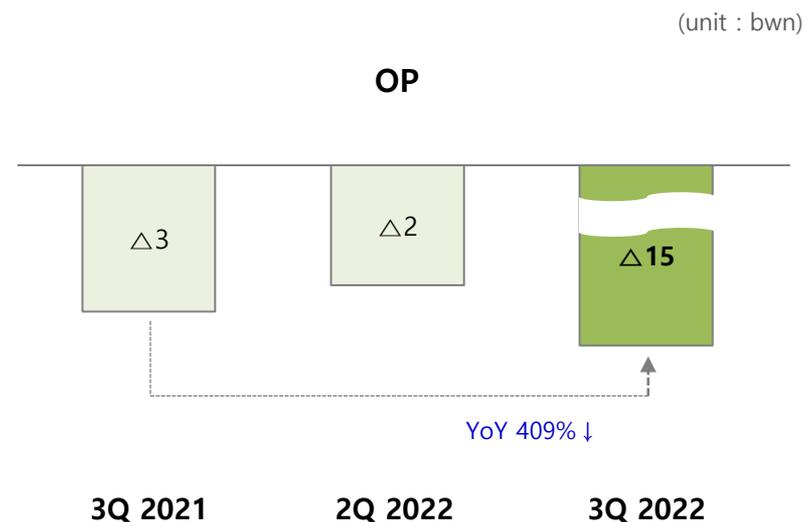
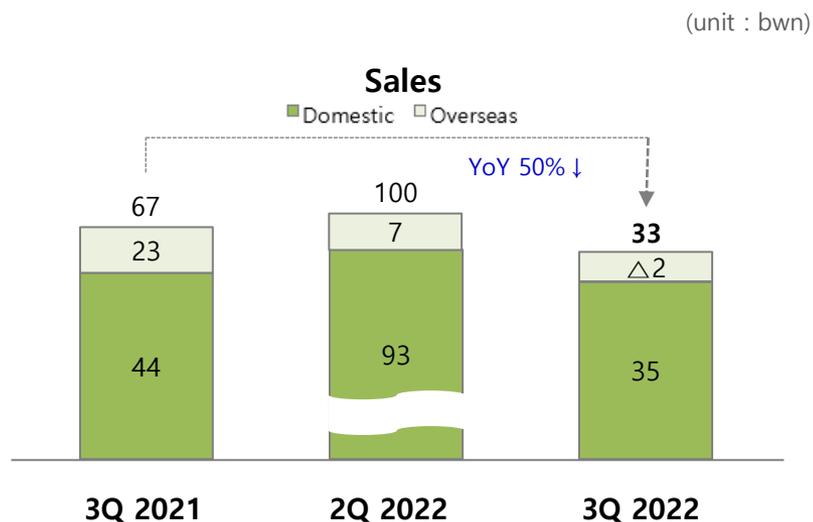
### 3Q Results

- Sales increased YoY 23%, OP increased YoY 18%
- Sales continued in Major and Machinery
- Sales increased in Europe and North America

### 4Q Outlook

- Sales continued in Machinery business
- Sales continued in Major market(Car/Battery)

## Sales and Operating profit decreased in Domestic & Overseas markets



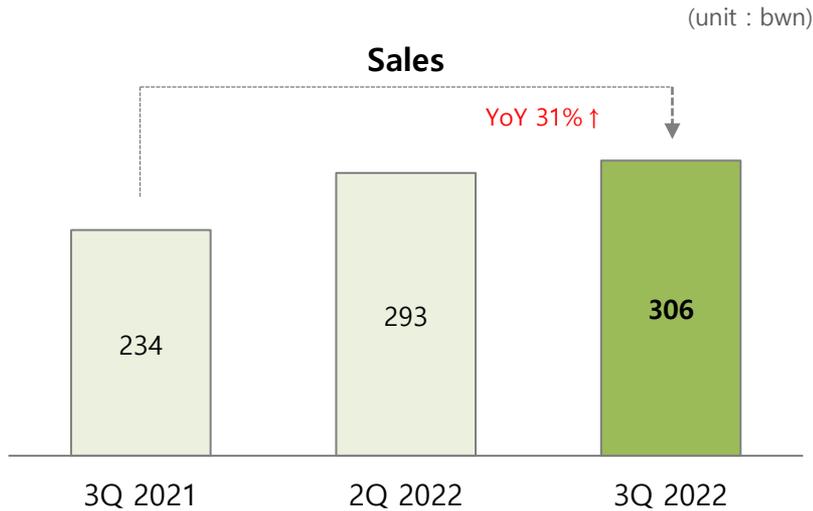
### 3Q Results

- Sales decreased YoY 50%, OP decreased YoY 409%
- Weak performance due to recognition of one-off bad debts

### 4Q Outlook

- Sales decreased in Solar business
- Looking for ESS business in overseas markets

## Sales increased in China and Vietnam business



## 3Q Results

- Sales increased YoY 31%, OP decreased YoY 1%
- Sales increased in China business

## 4Q Outlook

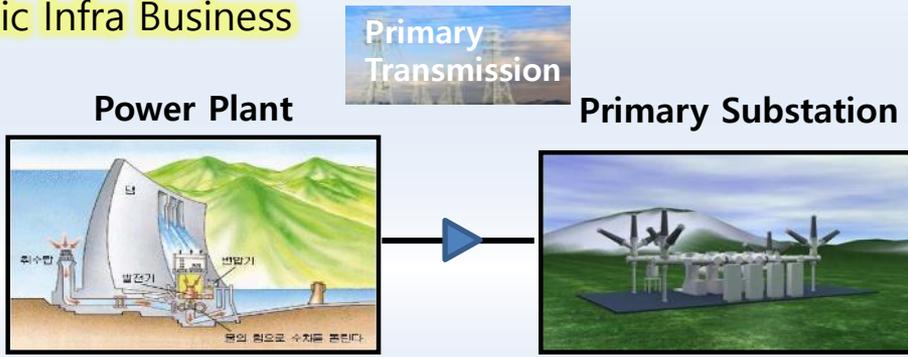
- Sales continued in China business
- LS-eMS sales are expected to increase due to electric vehicle market expected increase

## II. Business Introduction

# Business Introduction

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

### Electric Infra Business

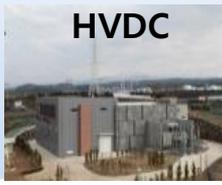


Primary Transmission

**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)



Sub-Transmission



### 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



Photovoltaic System

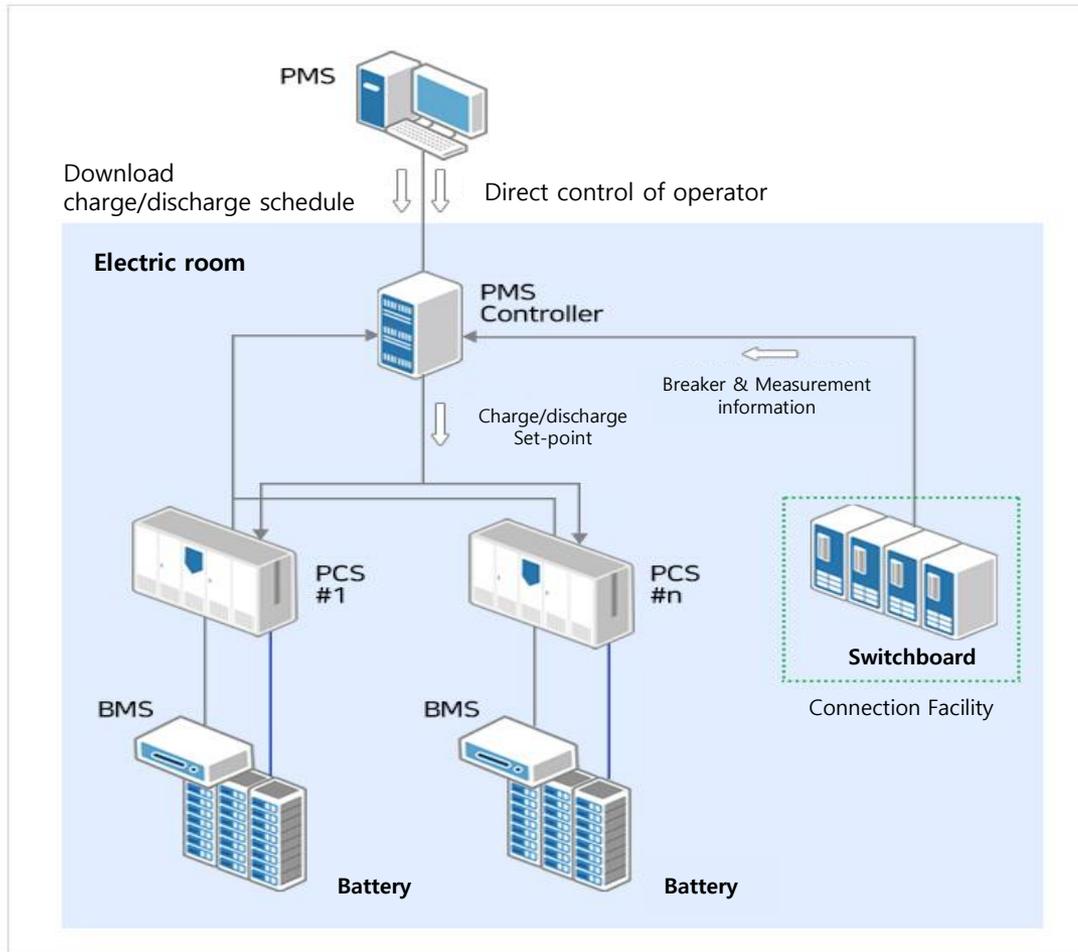


Railway System

# Business Introduction

ESS(Energy Storage System) is a system that stores the generated power and supplies it appropriately when necessary.

## ※ System Configuration and Roles



- ESS System
  - Frequency control, auxiliary reserve power
  - Improve power quality and reliability
  - Consumer energy management
- PMS
  - Power Management System
  - AC-DC conversion
  - Power quality control
  - PCS & Battery control
- PCS
  - Power Conditioning System
  - AC-DC conversion
  - Power quality control
  - Modular type PCS
- Connection Facility
  - Transformer, Circuit breaker, Switch
  - Relay
  - GIMAC, GIPAM
- BMS
  - Battery control
  - Charge/Discharge
- Battery
  - Power storage



# III. Appendix

# Appendix 1. Condensed Statement

## Income Statement

(unit : bwn, %)

Segment	3Q 2021	2Q 2022	3Q 2022	YoY	QoQ
Sales	683	879	839	22.9%	△4.5%
Cost of Sales	△564	△718	△677	20.2%	△5.6%
Gross Profit	119	161	161	35.6%	0.3%
(%)	17.4%	18.3%	19.2%	-	-
SG&A	△79	△101	△101	28.1%	△0.1%
Operating Profit	40	60	61	50.2%	1.1%
(%)	5.9%	6.8%	7.2%	-	-
Non-OP and Loss	△29	△26	△36	23.4%	40.9%
Profit before tax	11	35	25	119.2%	△28.3%
Net Income	9	27	14	52.1%	△49.8%
(%)	1.3%	3.1%	1.6%	-	-
EBITDA Margin	8.0%	6.7%	5.0%	-	-

## Statements of Cash Flows

(unit : bwn)

Segment	3Q 2021	3Q 2022	YoY
Cash and cash equivalents at the beginning of year	683	702	18
Cash Flows From Operating Activities	166	△102	△268
Cash Flows From Investing Activities	△104	△112	△7
Capex	△44	△75	△31
R&D	△6	△1	5
Others	△55	△35	19
Cash Flows From Financing Activities	57	66	9
Effect of exchange rate changes on cash and cash	2	3	1
Cash and cash equivalents	804	558	△247

## Statement of Financial position

(unit : bwn, %)

Segment	3Q 2021	2Q 2022	3Q 2022	YoY	QoQ
<b>Total Assets</b>	<b>2,778</b>	<b>3,049</b>	<b>3,145</b>	<b>13%</b>	<b>3%</b>
Current Assets	1,889	2,122	2,189	16%	3%
Cash&Cash Equivalents	804	673	558	△31%	△17%
Inventories	230	337	426	85%	27%
Other Current Assets	855	1,112	1,205	41%	8%
Non-Current Assets	890	927	955	7%	3%
Tangible Assets	557	586	598	7%	2%
Intangible Assets	106	98	96	△9%	△2%
Other Non-Current Assets	227	243	261	15%	7%
<b>Total Liabilities</b>	<b>1,319</b>	<b>1,542</b>	<b>1,616</b>	<b>22%</b>	<b>5%</b>
Current Liabilities	777	1,089	1,162	50%	7%
Short-term borrowings	194	339	417	115%	23%
Non-Current Liabilities	543	453	453	△16%	0%
Long-term borrowings	512	413	411	△20%	△0%
<b>Equity</b>	<b>1,459</b>	<b>1,507</b>	<b>1,529</b>	<b>5%</b>	<b>1%</b>
<b>Current Ratio</b>	243%	195%	188%	△23%	△3%
<b>Equity/Total Assets</b>	53%	49%	49%	△7%	△2%
<b>Total Liabilities/Equity</b>	90%	102%	106%	17%	3%
<b>Net debts Ratio</b>	△7%	5%	18%	△365%	237%

# Appendix 2. Results for the past 3 years

HQ

(unit : bwn)

Segment				20					21					22				YoY (3Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	
HQ	Electric Equipment	Sales	Domestic	108	107	103	103	421	118	111	115	110	455	131	134	123	388	6%
			Overseas	60	61	49	51	222	66	68	57	66	256	87	86	96	269	68%
		Total	169	168	152	154	643	184	179	172	176	711	218	221	218	657	27%	
	Operating Profit			32	31	19	18	100	25	29	28	23	105	38	38	44	120	58%
	Electric Infra	Sales	Domestic	118	134	110	115	476	103	100	109	156	468	81	146	114	340	5%
			Overseas	40	33	19	26	117	18	31	30	56	135	44	55	90	189	199%
		Total	158	167	128	140	593	122	131	139	211	603	125	201	204	529	47%	
	Operating Profit			5	8	△8	2	8	△17	△1	△5	13	△9	△10	△2	7	△5	256%
	Automation	Sales	Domestic	49	52	55	55	210	63	63	63	61	250	69	73	71	213	14%
			Overseas	22	18	16	16	72	21	26	21	18	85	29	29	31	89	51%
		Total	71	70	71	71	282	84	89	83	79	335	98	101	102	302	23%	
	Operating Profit			6	7	6	7	26	8	12	8	4	33	11	10	10	31	18%
	Renewable Business	Sales	Domestic	101	68	42	73	285	18	26	44	38	127	25	93	35	153	△21%
			Overseas	12	△3	14	29	52	16	32	23	30	101	13	7	△2	19	△108%
		Total	113	65	57	102	337	34	59	67	68	228	38	101	33	172	△50%	
Operating Profit			△3	△17	△2	1	△21	△7	△2	△3	△2	△14	△7	△2	△15	△25	△409%	
Subtotal	Sales	Domestic	376	360	310	346	1,392	302	301	331	366	1,301	306	446	343	1,094	3%	
		Overseas	134	109	98	122	463	121	157	131	169	577	174	178	215	566	64%	
	Total	510	469	408	468	1,855	423	458	462	535	1,877	479	623	558	1,660	21%		
Operating Profit			41	30	15	28	113	10	38	29	38	115	31	44	46	121	61%	

# Appendix 2. Results for the past 3 years

## Subsidiaries

(unit : bwn)

Segment				20					21					22				YoY (3Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	
Subsidiaries	LS Metal	Sales	Domestic	37	40	44	40	161	44	57	55	63	219	73	81	68	222	24%
			Overseas	46	40	37	42	166	45	52	59	69	224	65	65	65	195	12%
		Total	83	80	82	82	326	90	108	113	131	443	137	146	133	416	17%	
		Operating Profit	0	2	0	△1	2	△0	1	1	1	3	0	7	1	9	52%	
	Subsidiaries (Korea)	Sales	16	18	14	16	63	32	35	43	47	156	44	61	62	167	45%	
		Operating Profit	0	1	1	1	3	3	3	5	3	14	5	4	4	12	△28%	
	Subsidiaries (China)	Sales	34	44	42	52	173	49	51	59	53	212	73	63	81	217	37%	
		Operating Profit	1	4	5	3	14	7	5	4	2	18	3	4	6	14	65%	
	Subsidiaries (Vietnam)	Sales	4	7	8	7	26	18	14	19	22	73	23	23	30	76	62%	
		Operating Profit	△1	0	0	△0	△1	1	0	1	△0	2	△0	1	△1	△1	△317%	
	Subtotal	Sales	137	149	145	158	588	189	209	234	252	884	277	293	306	876	31%	
		Operating Profit	1	8	7	3	19	12	9	10	6	37	8	16	10	34	△1%	

## Consolidated

(unit : bwn)

Segment				20					21					22				YoY (3Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	
Consolidation adjustment for Sales				△11	△20	6	△15	△40	△23	△23	△13	△34	△93	△27	△38	△24	△89	△89%
Consolidation adjustment for OP				△2	1	0	2	1	2	0	1	△0	3	2	0	4	6	252%
Total Sales				636	598	559	610	2,403	589	643	683	753	2,668	730	879	839	2,447	23%
Total Operating Profit				40	39	22	33	134	23	47	40	44	155	41	60	61	161	50%