

1Q 2023 Review & Outlook



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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

1. Total Results

Sales 976bwn(YoY 246bwn increased), Operating Profit 82bwn(YoY 41bwn increased)

Increase in sales and Operating Profit of each division, growth of Electric Infra

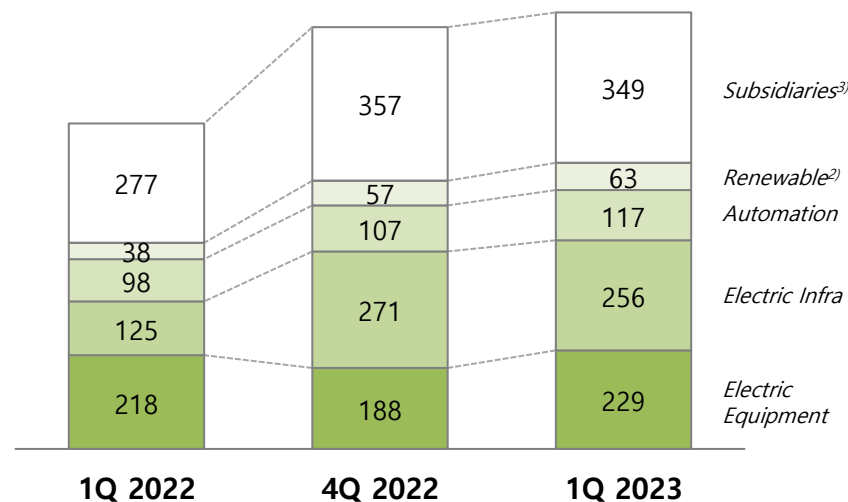
Income Statement

(unit : bwn)

Segment	1Q 2022	4Q 2022	1Q 2023	YoY	QoQ
Sales	730	930	976	246	46
Operating Profit	41	26	82	41	56
Profit before tax	41	26	62	21	36
Net income	33	17	50	17	34

Sales Breakdown by Business¹⁾

(unit : bwn)



¹⁾ Sales of subsidiaries are before the consolidated adjustments.

²⁾ Renewable 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 3,562bwn(YoY 599bwn increased), Net Debts 357bwn(YoY 375bwn increased)

Total Liabilities/Equity Ratios 125%, Debts/Total Assets Ratio 27%

Net Debts rise due to increased inventories, accounts receivable as operations expand and sales growth

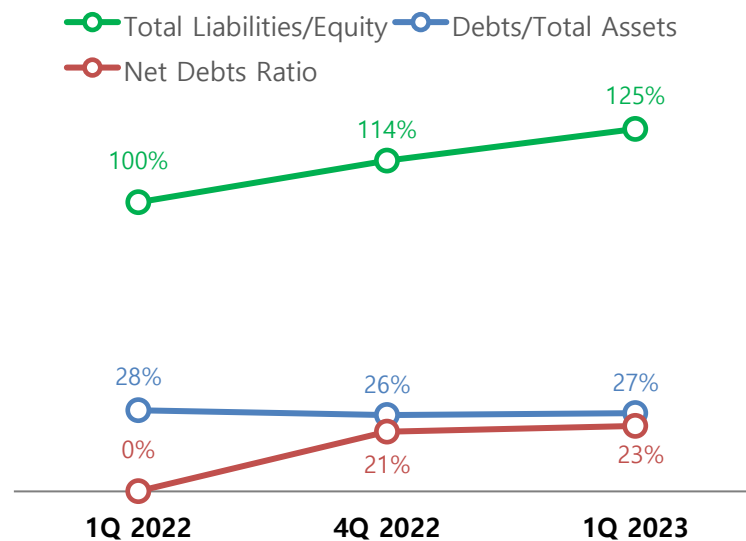
Financial Statement

(unit : bwn)

Segment	1Q 2022	4Q 2022	1Q 2023	YoY	QoQ
Total Assets	2,963	3,323	3,562	599	239
Current Assets	2,062	2,341	2,562	500	221
Cash & cash equivalent	848	556	608	△240	52
Total Liabilities	1,482	1,774	1,982	500	208
Debts	831	876	965	135	89
Net Debts	△18	320	357	375	37
Equity	1,481	1,549	1,580	99	31

Financial Ratios

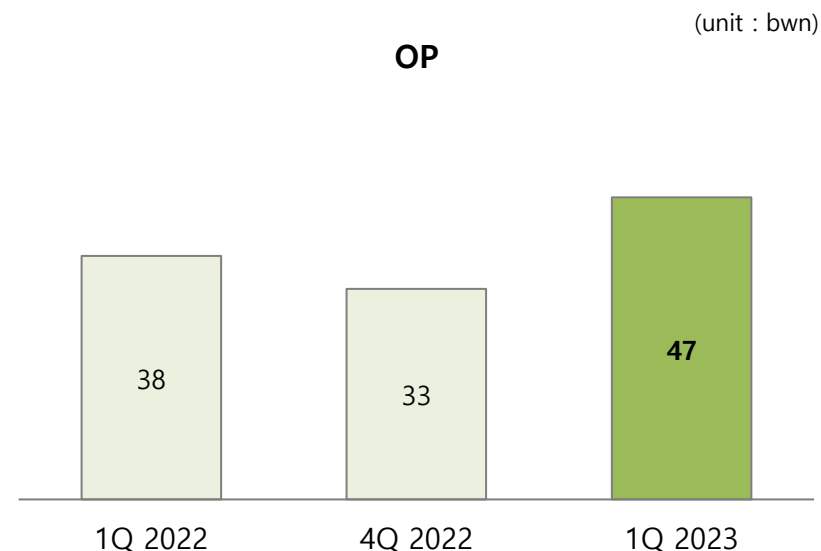
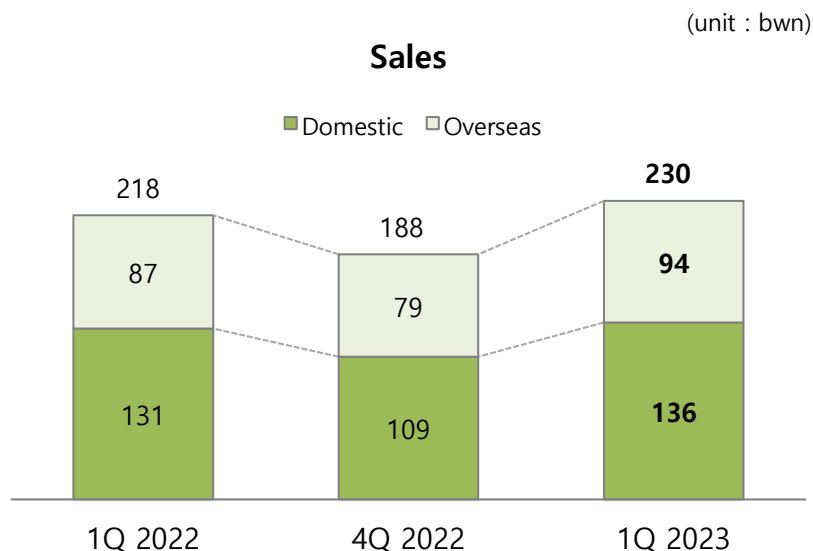
(unit : %)



3. Business Results & Outlook

① Electric Equipment

Overseas sales growth and increase in profitability by a price increase



1Q Result

- Sales increased YoY 5%, OP increased YoY 24%
- Increase in profitability by a price increase
- Expanding sales of carryover products
- Expanding sales in major overseas markets
 - ➔ Spain's renewable industry investment boosts deliveries of related devices

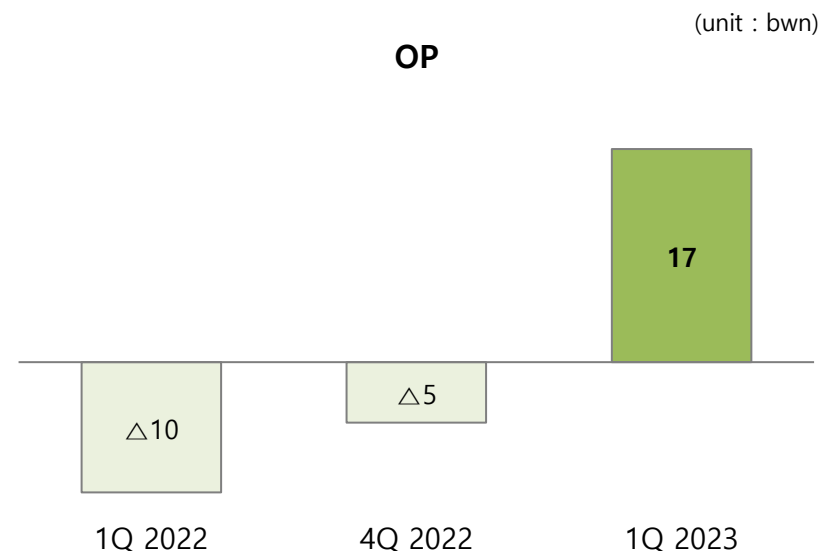
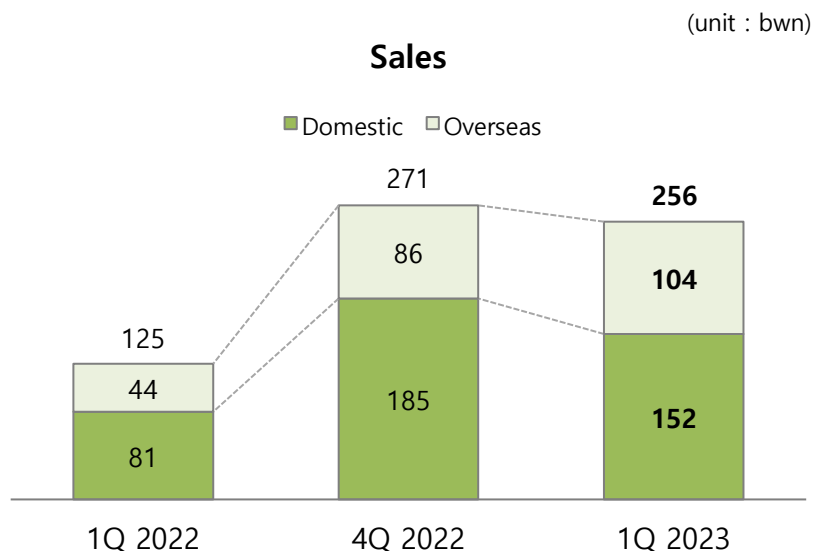
2Q Outlook

- Facility investment in emerging such as EV is expected to increase
- Increase investment in facilities in the Americas
- Growing Demand Due to Expansion of Renewable Power Generation Market in Europe
- Facility Investment Delayed in the Domestic Semiconductor Industry

3. Business Results & Outlook

② Electric Infra

Sales and OP increase in Domestic and Overseas markets



1Q Result

- Sales increased YoY 105%, OP increased YoY 263%
- Battery, semiconductor plant sales increased in U.S.
- COVID-19 lockdown easing improves PJT progress of overseas congestion

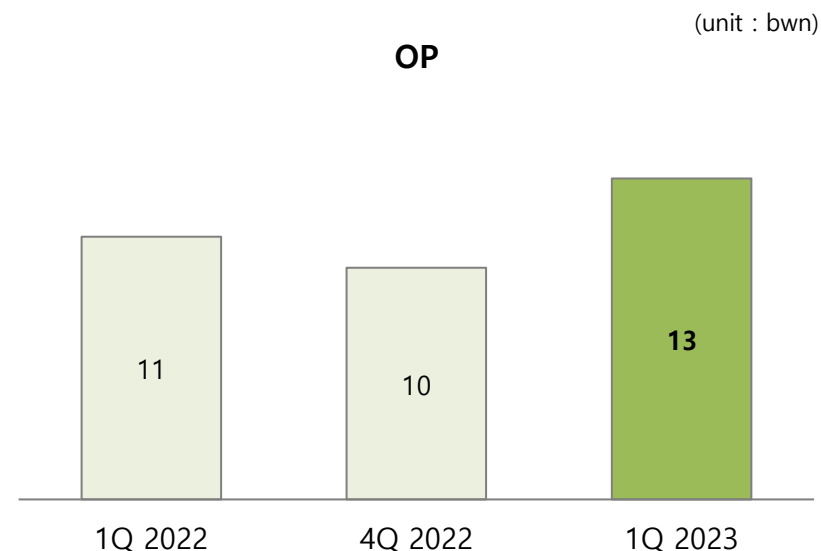
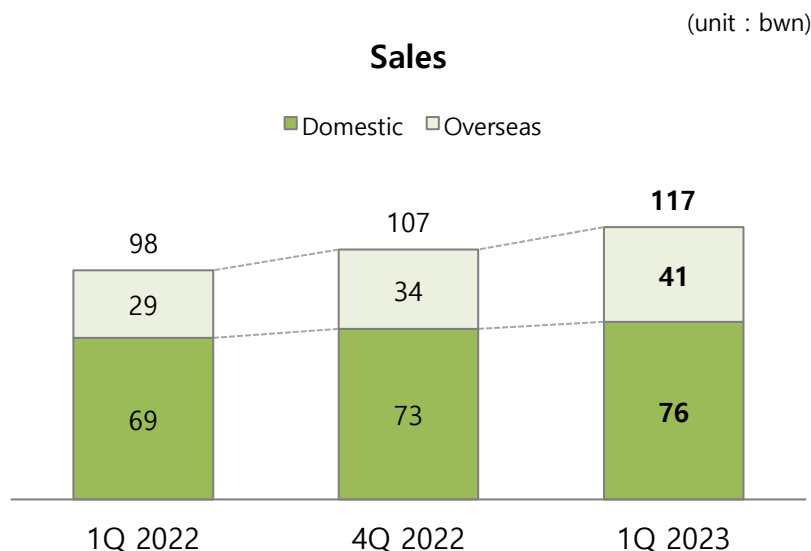
2Q Outlook

- Expected increase in sales in the U.S.
- Expansion of orders for emerging promising industries such as IDC
- Investment in some industries delayed due to concerns over economic slowdown

3. Business Results & Outlook

③ Automation

Sales and OP increased in Domestic and Overseas markets



1Q Result

- Sales increased YoY 19%, OP increased YoY 23%
- Increased sales due to Automakers increase investment in electricity lines
- Increase in profitability by a price increase
- U.S. market volume increases

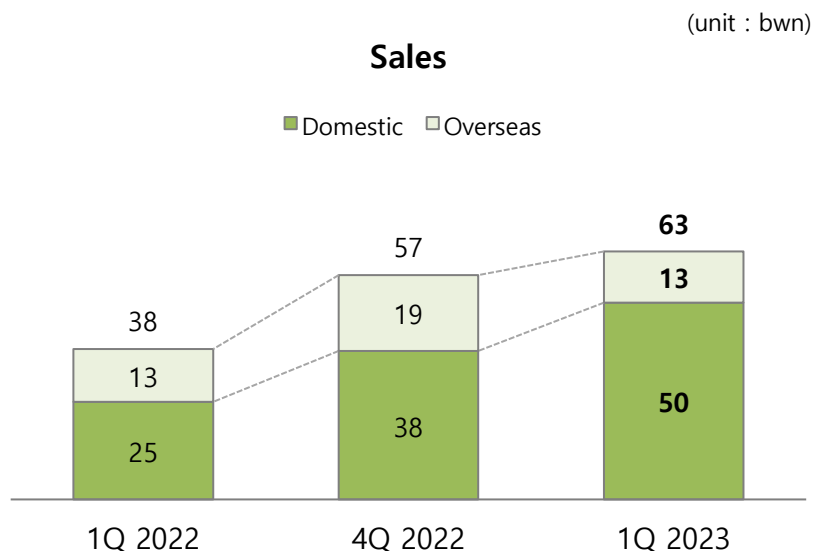
2Q Outlook

- Sales continued in automotive industry
- Expanding Smart Factory business capability
- Expanding Tech Square Business
- Expected increase in sales in the U.S.
- Concerns over stagnant sales due to increased distribution inventory at dealerships

3. Business Results & Outlook

④ Renewable

Sales rise, but profits fall due to rising raw material prices



1Q Result

- Sales increased YoY 65%, OP decreased YoY 73%
- Increased ESS PJT Sales in Japan
- Rising raw material prices for Solar business

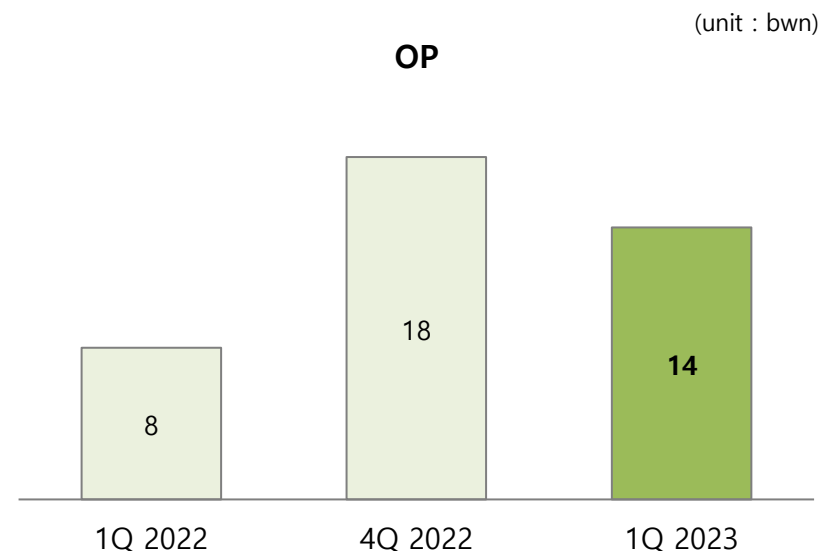
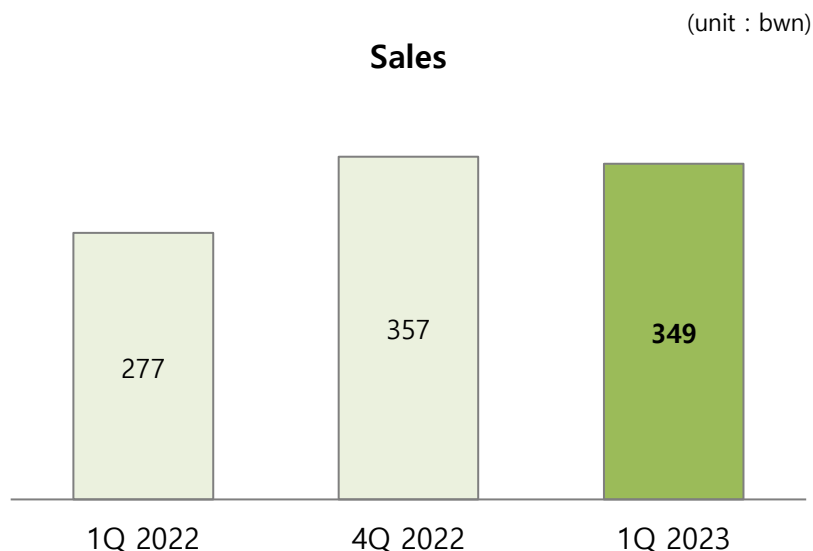
2Q Outlook

- Start Botely ESS PJT in U.K.
- Large-scale solar PJT in Korea to be carried out in earnest
- Looking for renewable business in Domestic and Overseas markets

3. Business Results & Outlook

⑤ Subsidiaries

Sales and OP increased in Domestic and Overseas markets



1Q Result

- Sales increased YoY 26%, OP increased YoY 80%
- Sales increased in domestic and overseas subsidiaries

2Q Outlook

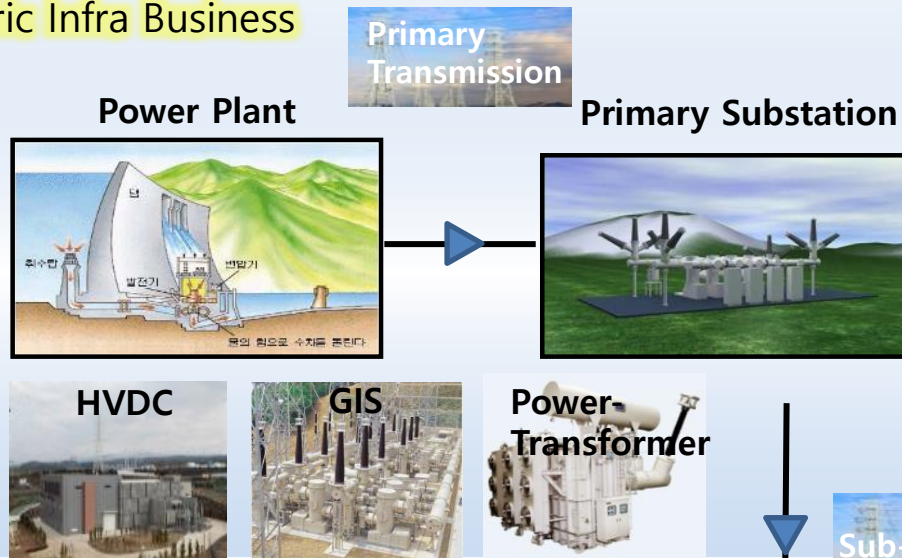
- Expectations for volume expansion following China's Reopening
- Expect more deliveries as new Middle East dealership finds
- Concerns over stagnant sales in Southeast Asian markets due to economic recession

II. 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)

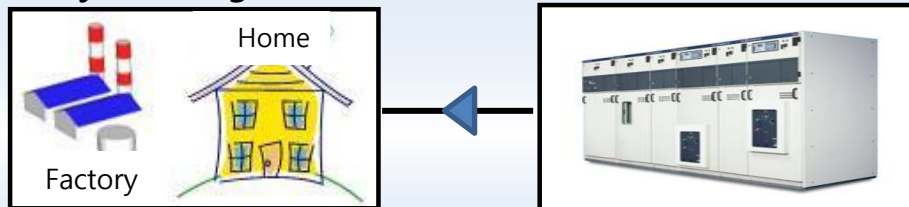
< Main Products >

- 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



Photovoltaic System

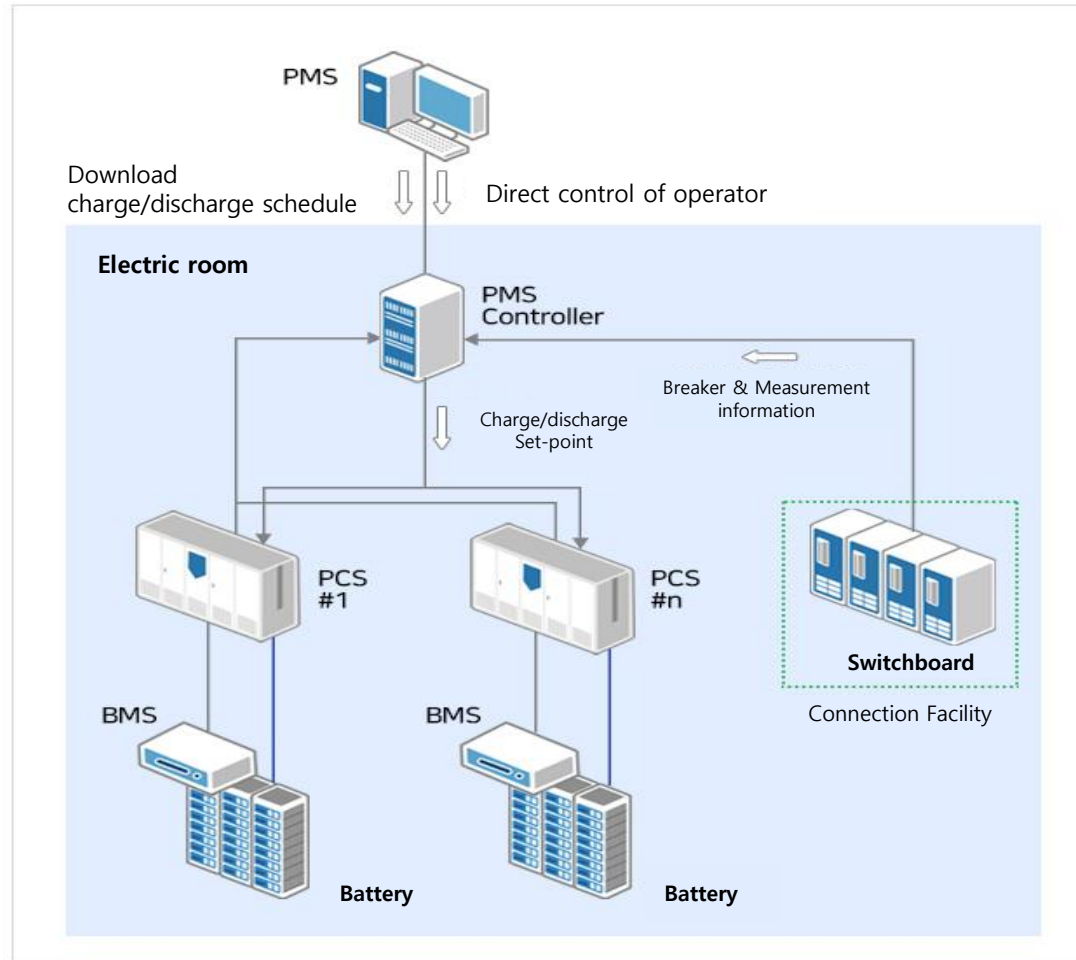


Railway System

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

Business Introduction

Provides a total solution that includes all power devices as well as solar modules.



System Components



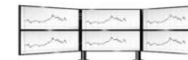
PV Power System
- Module
- Inverter
- Balance of System



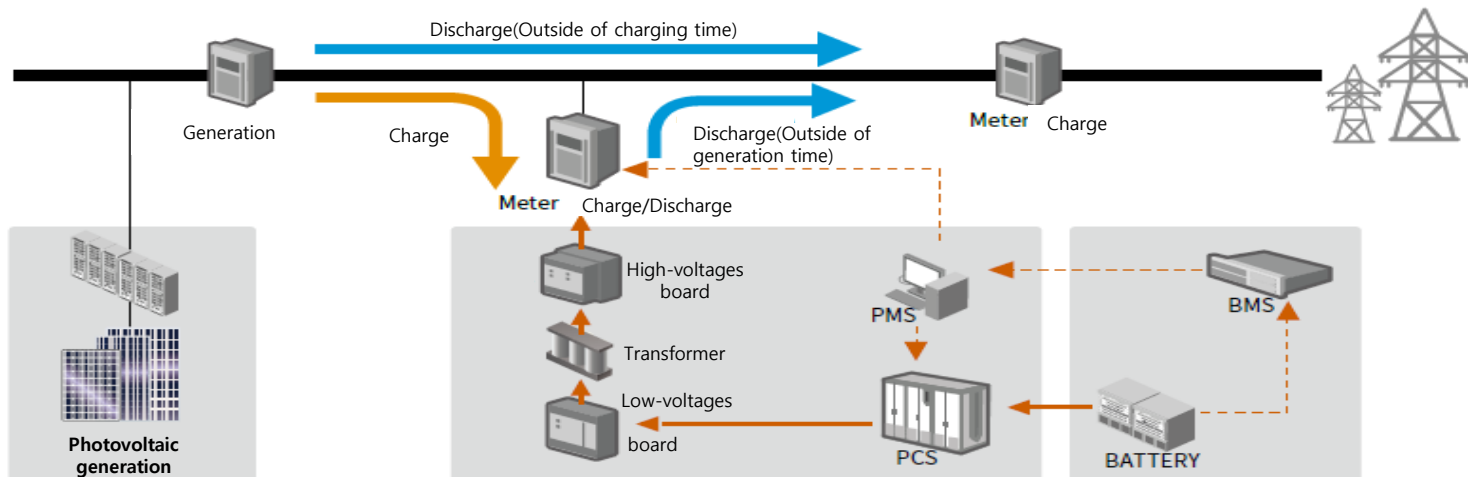
- HV Switchgear
- MV Switchgear
- LV Switchgear



Transformer



Monitoring(SCADA)



III. Appendix

Appendix 1. Condensed Statement

Income Statement

(unit : bwn, %)

Segment	1Q 2022	4Q 2022	1Q 2023	YoY	QoQ
Sales	730	930	976	33.7%	5.0%
Cost of Sales	△596	4,771	△786	32.0%	△116.5%
Gross Profit	134	140	189	41.3%	34.9%
(%)	18.4%	15.1%	19.4%	-	-
SG&A	△94	△114	△108	15.1%	△5.8%
Operating Profit	41	26	82	101.6%	213.0%
(%)	5.6%	2.8%	8.4%	-	-
Non-OP and Loss	1	0	△20	△3,057.0%	△8,766.3%
Profit before tax	41	26	62	51.0%	136.2%
Net Income	33	17	50	50.8%	205.9%
(%)	4.6%	1.8%	5.2%	-	-
EBITDA Margin	8.7%	6.7%	6.9%	-	-

Statements of Cash Flows

(unit : bwn)

Segment	1Q 2022	1Q 2023	YoY
Cash and cash equivalents at the beginning of year	702	556	△146
Cash Flows From Operating Activities	31	20	△12
Cash Flows From Investing Activities	△19	△50	△31
Capex	△17	△21	△4
R&D	2	△2	△3
Others	△3	△27	△24
Cash Flows From Financing Activities	135	73	△62
Effect of exchange rate changes on cash and cash	△1	9	10
Cash and cash equivalents	848	608	△240

Statement of Financial position

(unit : bwn, %)

Segment	1Q 2022	4Q 2022	1Q 2023	YoY	QoQ
Total Assets	2,963	3,323	3,562	20%	7%
Current Assets	2,062	2,341	2,562	24%	9%
Cash&Cash Equivalents	848	556	608	△28%	9%
Inventories	296	460	493	67%	7%
Other Current Assets	918	1,325	1,461	59%	10%
Non-Current Assets	901	982	1,000	11%	2%
Tangible Assets	561	618	626	11%	1%
Intangible Assets	101	86	86	△15%	△0%
Other Non-Current Assets	238	277	288	21%	4%
Total Liabilities	1,482	1,774	1,982	34%	12%
Current Liabilities	881	1,390	1,595	81%	15%
Short-term borrowings	268	526	610	128%	16%
Non-Current Liabilities	600	383	386	△36%	1%
Long-term borrowings	563	350	355	△37%	1%
Equity	1,481	1,549	1,580	7%	2%
Current Ratio	234%	168%	161%	△31%	△5%
Equity/Total Assets	50%	47%	44%	△11%	△5%
Total Liabilities/Equity	100%	114%	125%	25%	10%
Net debts Ratio	△1%	21%	23%	△2001%	9%

Appendix 2. Results for the past 3 years

HQ

(unit : bwn)

Segment				21					22					23		YoY (1Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	Total	
HQ	Electric Equipment	Sales	Domestic	118	111	115	110	455	131	134	123	109	497	136	136	4%
			Overseas	66	68	57	66	256	87	86	96	79	348	94	94	8%
		Total		184	179	172	176	711	218	221	218	188	845	229	229	5%
		Operating Profit		25	29	28	23	105	38	38	44	33	153	47	47	24%
	Electric Infra	Sales	Domestic	103	100	109	156	468	81	146	114	185	525	152	152	89%
			Overseas	18	31	30	56	135	44	55	90	86	275	104	104	135%
		Total		122	131	139	211	603	125	201	204	271	800	256	256	105%
		Operating Profit		△17	△1	△5	13	△9	△10	△2	7	△5	△10	17	17	263%
	Automation	Sales	Domestic	63	63	63	61	250	69	73	71	73	287	76	76	10%
			Overseas	21	26	21	18	85	29	29	31	34	123	41	41	41%
		Total		84	89	83	79	335	98	101	102	107	410	117	117	19%
		Operating Profit		8	12	8	4	33	11	10	10	10	40	13	13	22%
	Renewable Business	Sales	Domestic	18	26	44	38	127	25	93	35	38	191	50	50	102%
			Overseas	16	32	23	30	101	13	7	△2	19	38	13	13	△3%
		Total		34	59	67	68	228	38	101	33	57	229	63	63	65%
		Operating Profit		△7	△2	△3	△2	△14	△7	△2	△15	△21	△46	△13	△13	△74%
	Subtotal	Sales	Domestic	302	301	331	366	1,301	306	446	343	405	1,500	414	414	35%
			Overseas	121	157	131	169	577	174	178	215	218	784	251	251	45%
		Total		423	458	462	535	1,877	479	623	558	623	2,283	665	665	39%
		Operating Profit		10	38	29	38	115	31	44	46	17	138	65	65	108%

Appendix 2. Results for the past 3 years

Subsidiaries

(unit : bwn)

Segment				21					22					23		YoY (1Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	Total	
Subsidiaries	LS Metal	Sales	Domestic	44	57	55	63	219	73	81	68	69	291	64	64	△12%
			Overseas	45	52	59	69	224	65	65	65	73	268	91	91	41%
		Total		90	108	113	131	443	137	146	133	142	558	155	155	13%
		Operating Profit		△0	1	1	1	3	0	7	1	2	11	4	4	1,160%
	Subsidiaries (Korea)	Sales		32	35	43	47	156	44	61	62	78	246	64	64	44%
		Operating Profit		3	3	5	3	14	5	4	4	5	17	1	1	△75%
	Subsidiaries (China)	Sales		49	51	59	53	212	73	63	81	107	323	103	103	42%
		Operating Profit		7	5	4	2	18	3	4	6	7	21	6	6	92%
	Subsidiaries (Vietnam)	Sales		18	14	19	22	73	23	23	30	30	106	27	27	20%
		Operating Profit		1	0	1	△0	2	△0	1	△1	3	2	2	2	853%
	Subtotal	Sales		189	209	234	252	884	277	293	306	357	1,233	349	349	26%
		Operating Profit		12	9	10	6	37	8	16	10	18	52	14	14	79%

Consolidated

(unit : bwn)

Segment				21					22					23		YoY (1Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	Total	
Consolidation adjustment for Sales				△23	△23	△13	△34	△93	△27	△38	△24	△50	△139	△39	△39	△44%
Consolidation adjustment for OP				2	0	1	△0	3	2	0	4	△9	△2	3	3	88%
Total Sales				589	643	683	753	2,668	730	879	839	930	3,377	976	976	34%
Total Operating Profit				23	47	40	44	155	41	60	61	26	188	82	82	102%