

3Q 2023 Review & Outlook



SMART ENERGY
GLOBAL LEADER





01. Result & Outlook

1. Total Results
2. Financial Position
3. Business Results & Outlook

02. Business Introduction

03. Appendix

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.

Results & Outlook

1. Total Results
2. Financial Position
3. Business Results & Outlook
 - Electric Equipment
 - Electric Infra
 - Automation
 - Renewable
 - Subsidiaries



01.Total Results



Sales 1,023bwn(YoY 184bwn increased), Operating Profit 70bwn(YoY 9bwn increased)

Sales and OP increased by growth of Electric Infra business in U.S.

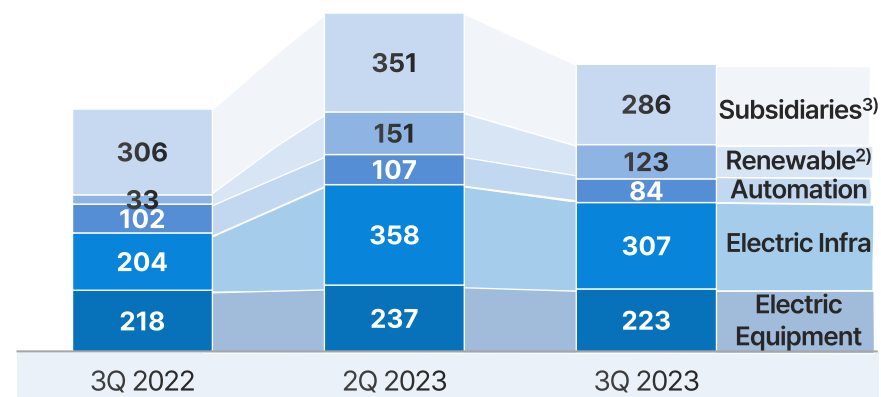
Income Statement

Unit : bwn

Segment	3Q 2022	2Q 2023	3Q 2023	YoY	QoQ
Sales	839	1,202	1,023	184	△179
Operating Profit	61	105	70	9	△35
Profit before tax	25	94	61	36	△34
Net income	14	73	41	27	△32

Sales Breakdown by Business¹⁾

Unit : bwn



¹⁾ Sales of subsidiaries are before the consolidated adjustment.

²⁾ Renewable Business includes Trans SOC, Solar and Smart-Grid.

³⁾ Subsidiaries includes LS Meter, LS Sauter, LS Mecapion, Wuxi, Dalian, Vietnam, LS ITC, AC&T and LS e-MS.

02. Financial Position

Total Assets 3,689bwn(YoY 544bwn increased), Net Debts 421bwn(YoY 150bwn increased)

Working capital is increased by the expansion of Infra business, but debt ratio decreased to the previous quarter.

Financial Statement

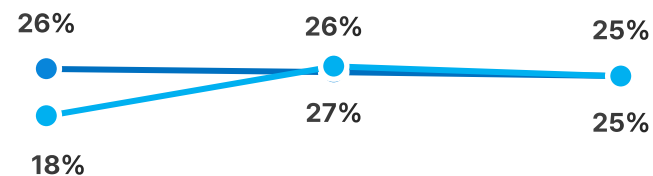
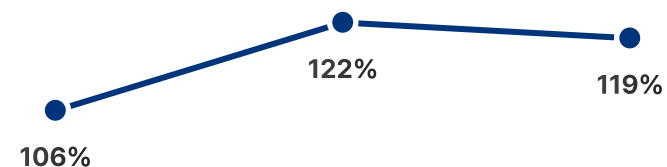
Unit : bwn

Segment	3Q 2022	2Q 2023	3Q 2023	YoY	QoQ
Total Assets	3,145	3,645	3,689	544	44
Current Assets	2,189	2,605	2,614	425	9
Cash & cash equivalent	558	498	504	△54	6
Total Liabilities	1,616	2,002	2,004	388	2
Debts	828	938	925	96	△14
Net Debts	271	440	421	150	△19
Equity	1,529	1,643	1,685	156	42

Financial Ratios

Unit : %

—●— Total Liabilities/Equity —●— Debts/Total Assets —●— Net Debts Ratio



3Q 2022

2Q 2023

3Q 2023

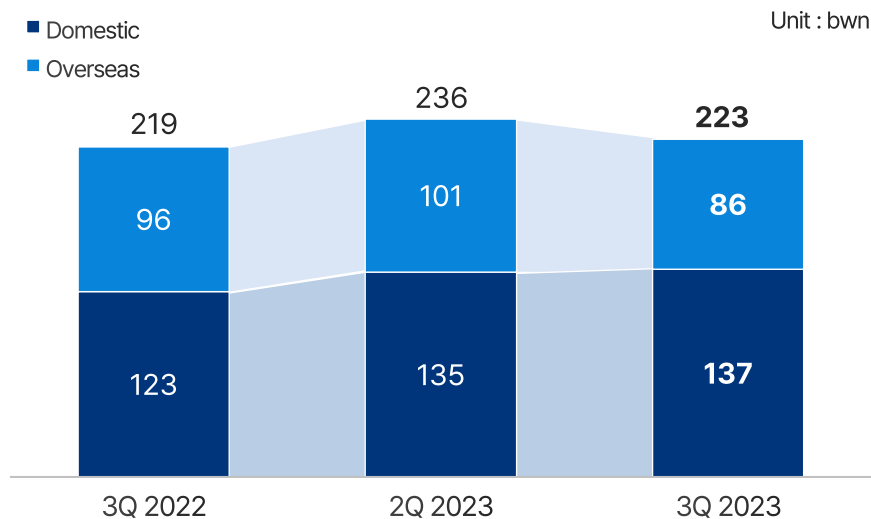
03. Business Results & Outlook - ① Electric Equipment



Some overseas market sales decreased.

Overseas market in Europe, UAE and Turkey sales expect increase by a decrease in distribution inventory.

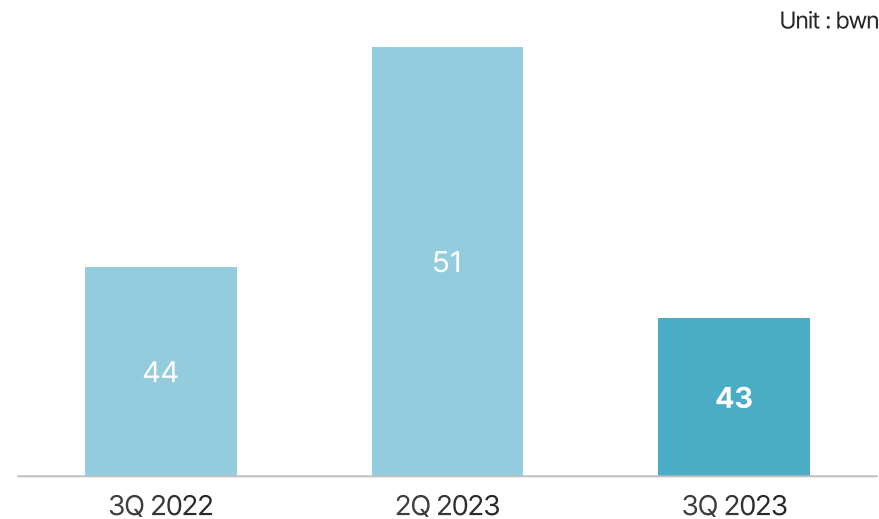
Sales



3Q Result

- Sales increased YoY 2%, OP decreased YoY 3%
- Profits fell slightly due to a recession in Southeast Asia market
- Europe market sales decreased slightly due to increase in distribution inventory

OP



Outlook

- Demand for Power devices in North America maintains growth
- Expecting volume growth in Europe, U.S and Middle East

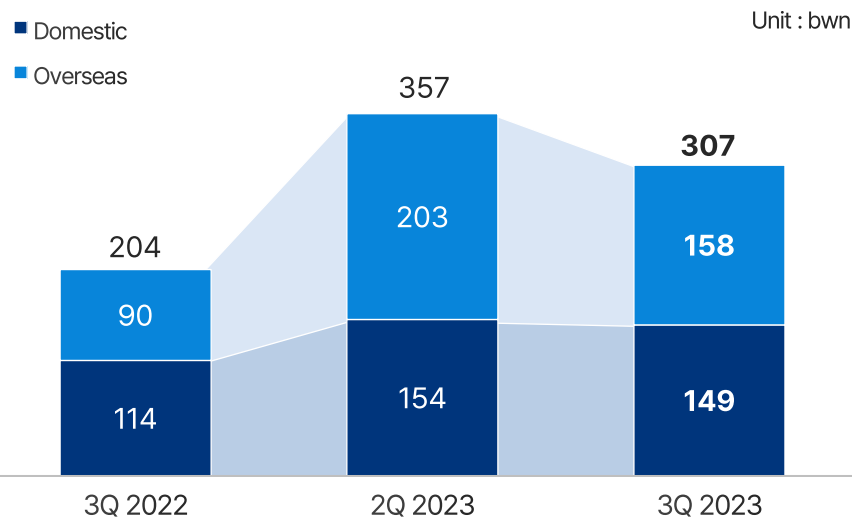
03. Business Results & Outlook - ② Electric Infra



Electric Infra business shows remarkable growth in U.S. market due to investment of company.

Sales expect to continue in U.S. market and large-scale power facility orders from overseas are expected.

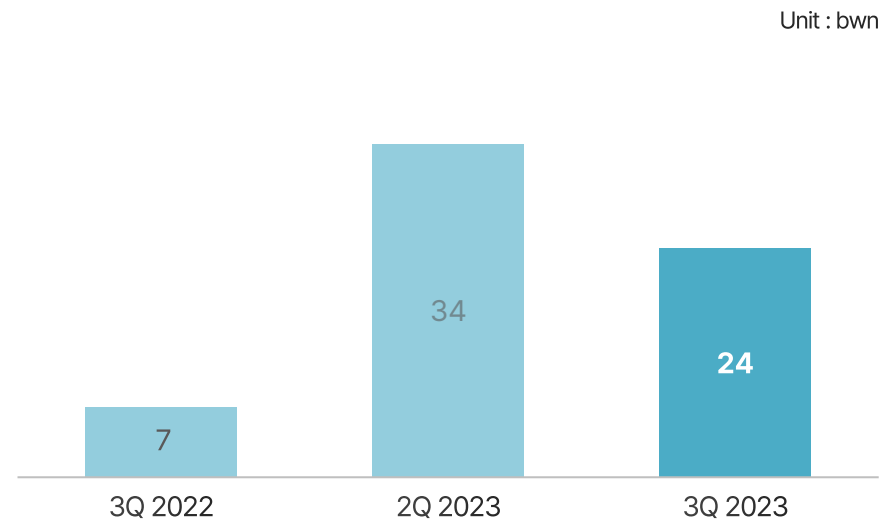
Sales



3Q Result

- Sales increased YoY 51%, OP increased YoY 228%
- Facilities investment continued in U.S.
 - ➔ North America's new order is 27% in Q3

OP



Outlook

- New order in U.S. market will continue.
- Large-scale power facility order expect in overseas market.
- Expect increase of new order for high-voltage transformer

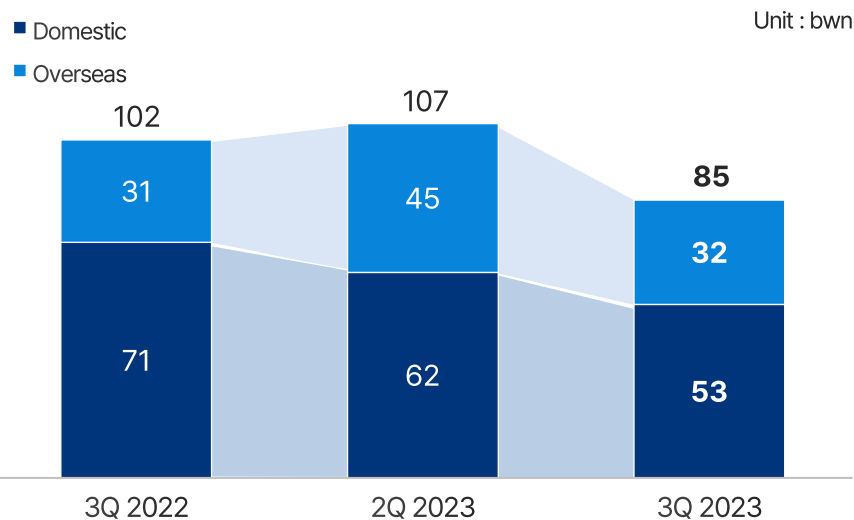
03. Business Results & Outlook - ③ Automation



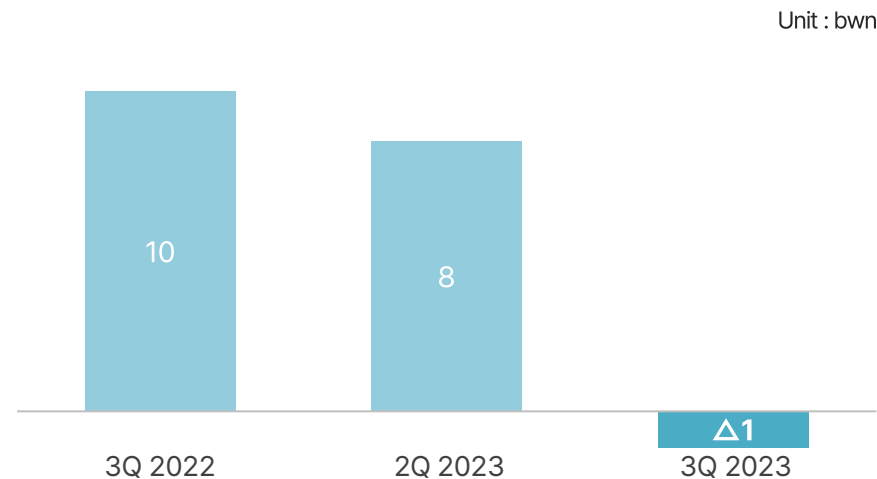
Sales and OP decreased by increase of distribution inventories.

Company will focus overseas and high-end market like a battery and logistics.

Sales



OP



3Q Result

- Sales decreased YoY 18%, OP decreased YoY 111%
 - ➔ Reduce PLC and INV volume by a recession
- Sales decrease by increase of distribution inventory in automation device market.

Outlook

- Expect decreased of distribution inventories
- Orders expected to stagnate in the automation device market.

03. Business Results & Outlook - ④ Renewable



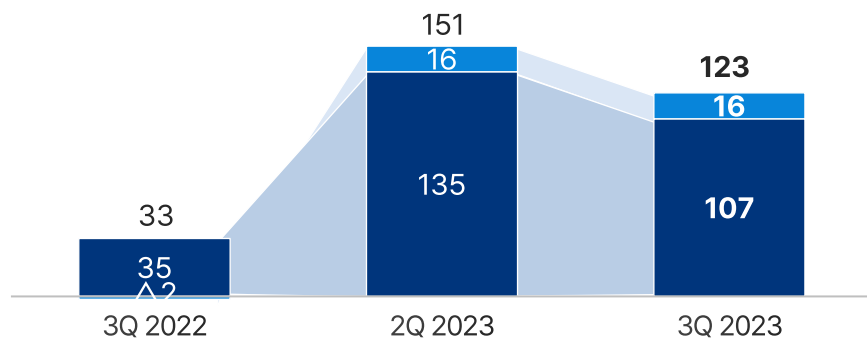
Sales of renewable businesses expanded YoY due to large scale domestic solar projects.

Looking for renewable business(ESS and solar PJT) in overseas market.

Sales

- Domestic
- Overseas

Unit : bwn

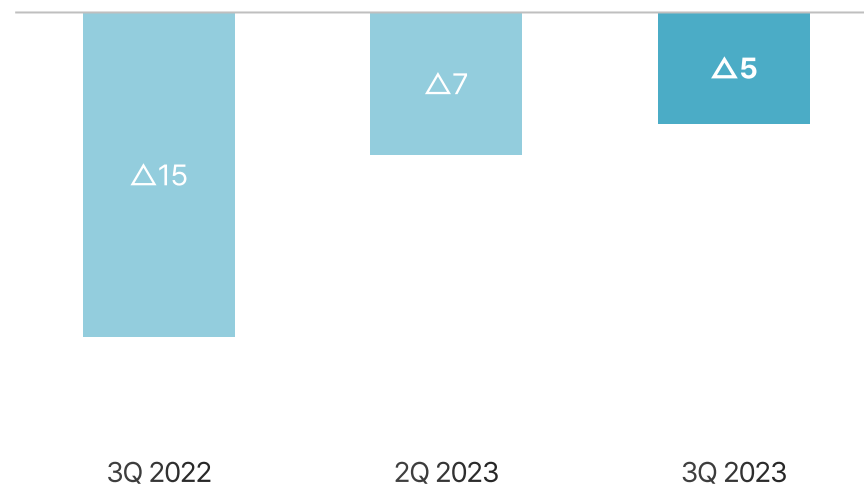


3Q Result

- Sales increased YoY 269%, OP increased YoY 66%
- Sales increased by large-scale solar PJT in domestic.
- Continued Botley ESS PJT in U.K.

OP

Unit : bwn



Outlook

- Continued sales as large-scale solar PJT in domestic.
- Expected taking a new ESS business in England.
- Expected taking a new solar PJT in domestic.

03. Business Results & Outlook - ⑤ Subsidiaries

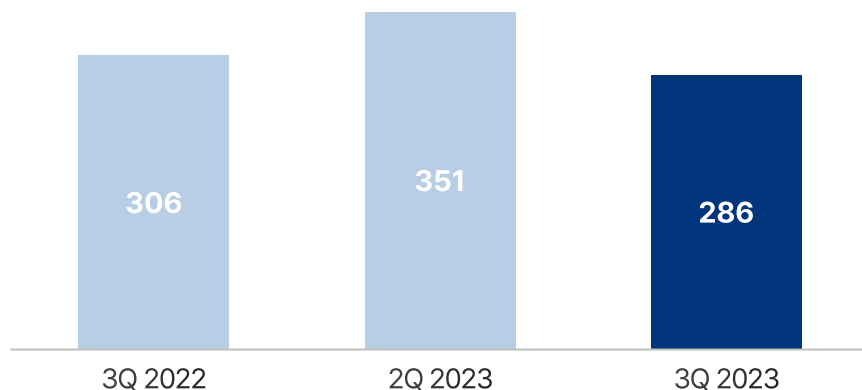


Sales and OP of subsidiaries decreased by a recession of China and a fall in price of copper.

The EV Relay factory in Mexico will be completed in 4Q.

Sales

Unit : bwn

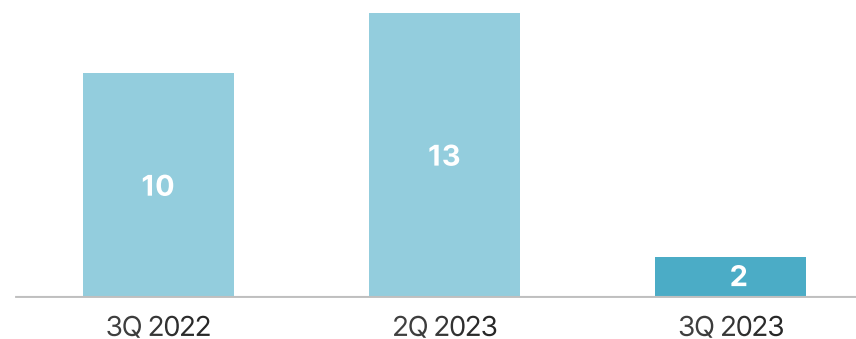


3Q Result

- Sales decreased YoY 7%, OP decreased 82%
- Sales of China subsidiaries decreased by a recession.
- One of domestic subsidiaries (LS Metal)' sales decreased by fall in price of copper.

OP

Unit : bwn



Outlook

- The EV Relay factory in Mexico will be completed.
 - ➔ LS e-MS expect to take a new order from North America and China
- Overseas subsidiaries excluding China are expected to perform well.

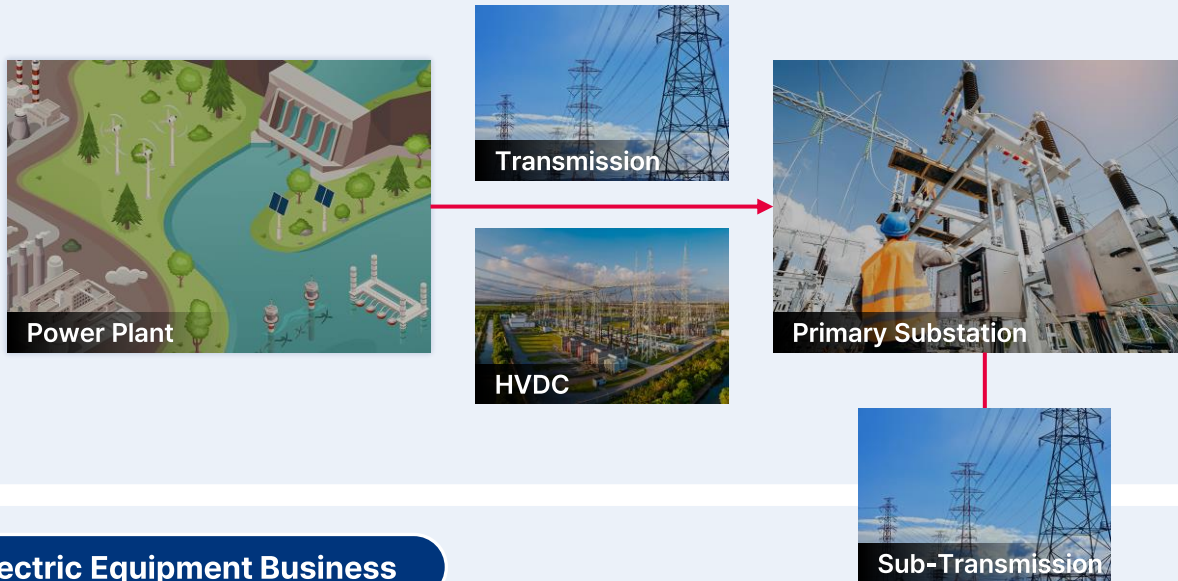
Business Introduction

1. Electric Equipment / Electric Infra
2. Automation / Renewable
3. Renewable(ESS, Solar)



01. Electric Equipment / Electric Infra

Electric Infra Business



Ultra high voltage power transmission & distribution system equipment such as

gas insulated switchgear (GIS)
Product

Gas Insulated Switchgear(GIS)

HVDC

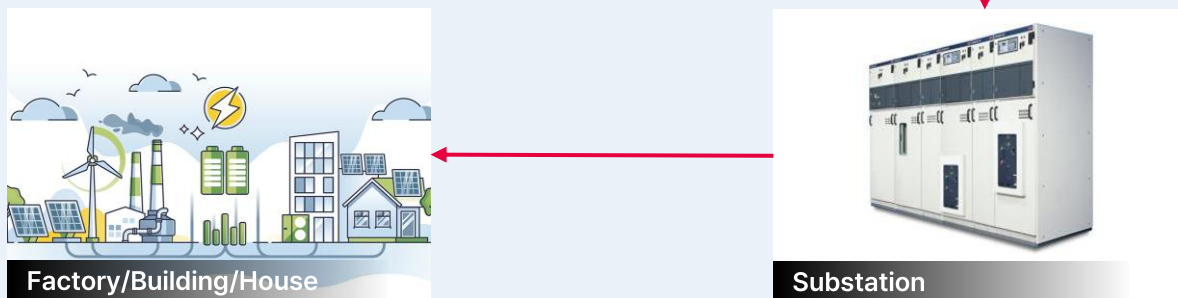
FACTS

Power
Transformers
Mold-TR)

Diagnosis Equipment

SWGR

Electric Equipment Business



Top low and medium voltage electrical equipment for electricity users
Product

Vacuum Circuit Breakers(VCB)

Air Circuit Breakers(ACB)

Molded Case Circuit Breakers(MCCB)

Magnetic Contactors(MC)

02. Automation / Renewable

Automation Business

Factory / Building
(FA/PA)



Discrete
Automation



Process
Automation



Building
Automation



**From simple automation control to
large scale manufacturing facilities
and process control**

Product

Variable Frequency Drive

PLC(Programmable Logic Controller)

HMI(Human Machine Interface)

Servo Drive & Motor

DCS(Distributed Control System)

RTU(Remote Terminal Unit)

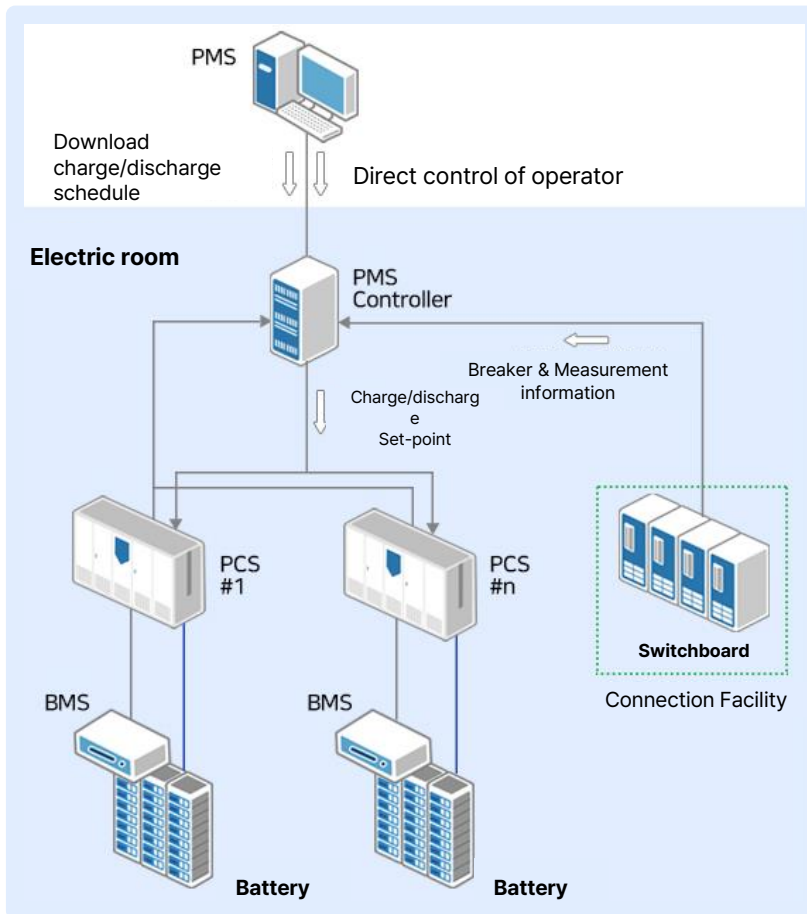
Renewable Business



03. Renewable(ESS, Solar)

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 breakers, Switch
- Relay
- GIMAC, GIPAM

BMS

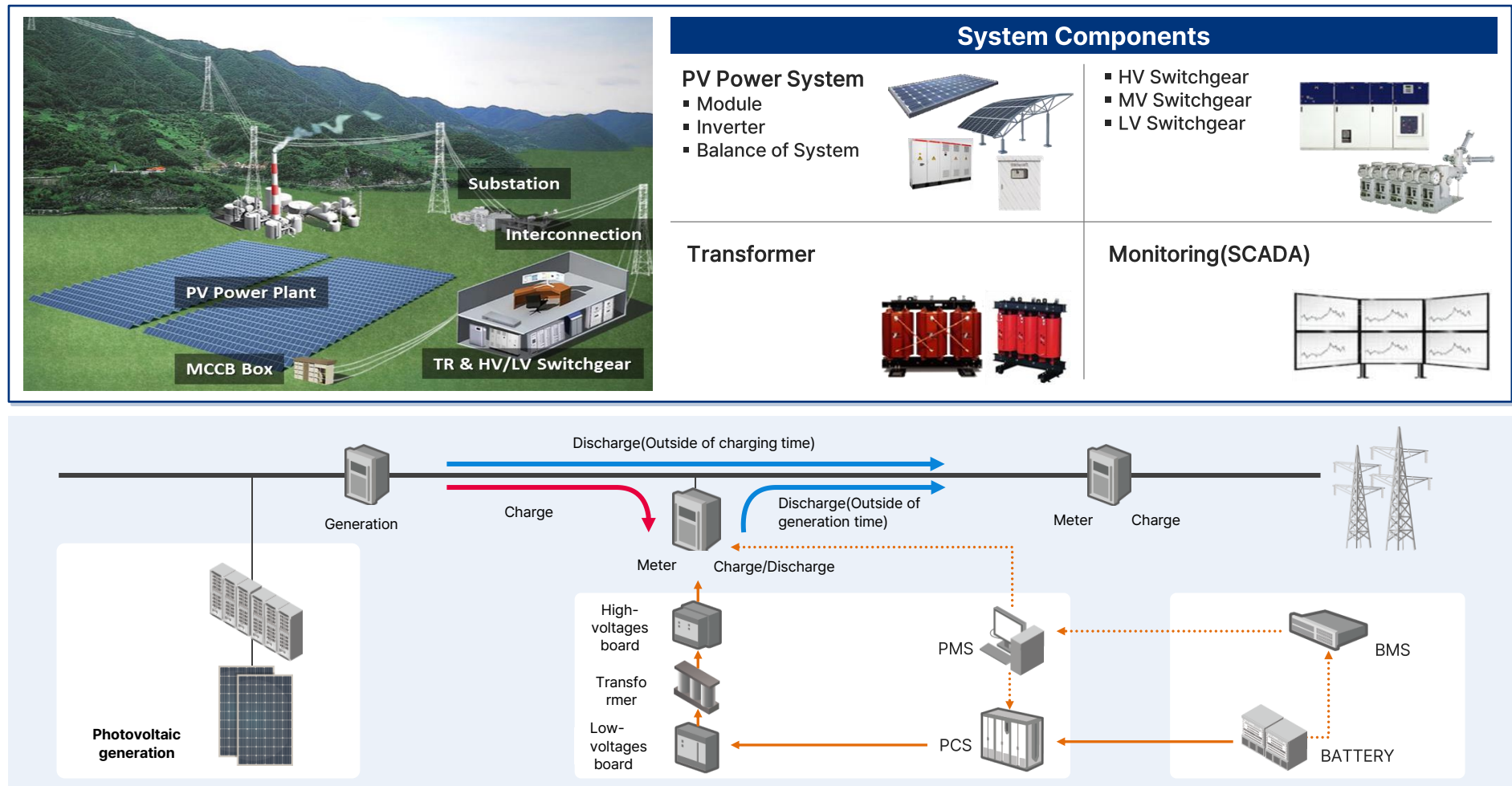
- Battery control
- Charge / Discharge

Battery

- Power storage

03. Renewable(ESS, Solar)

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



Appendix

1. Condensed Statement
2. Results for the past 3 years



01. Condensed Statement



Income Statement

Unit : bwn, %

Segment	3Q 2022	2Q 2023	3Q 2023	YoY	QoQ
Sales	839	1,202	1,023	21.9%	△14.9%
Cost of Sales	△677	△985	△846	24.9%	△14.1%
Gross Profit (%)	161 19.2%	216 18.0%	176 17.2%	9.2% -	△18.6% -
SG&A	△101	△112	△106	5.4%	△4.8%
OP (%)	61 7.2%	105 8.7%	70 6.9%	15.4% -	△33.2% -
Non-OP and Loss	△36	△11	△9	△73.6%	△10.7%
Profit before tax	25	94	61	144.5%	△35.7%
Net income (%)	14 1.6%	73 6.1%	41 4.0%	194.6% -	△44.4% -
EBITDA Margin	5.0%	10.1%	8.4%	-	-

Statements of Cash Flows

Unit : bwn

Segment	3Q 2022	3Q 2023	YoY
Cash and cash equivalents at the beginning of year	702	556	△146
Cash Flows from Operating activities	△102	106	208
Cash Flows from Investing activities	△112	△147	△36
Capex	△75	△87	△12
R&D	△1	△7	△6
Others	△35	△52	△17
Cash Flows from Financing activities	66	△18	△84
Effect of exchange rate changes on cash and cash equivalents	3	7	3
Cash and cash equivalents	558	504	△54

Statement of Financial position

Unit : bwn, %

Segment	3Q 2022	2Q 2023	3Q 2023	YoY	QoQ
Total Assets	3,145	3,645	3,689	17%	1%
Current Assets	2,189	2,605	2,614	19%	0%
Cash & Cash equivalents	558	498	504	△10%	1%
Inventories	426	493	557	31%	13%
Other Current Assets	1,205	1,614	1,553	29%	△4%
Non-Current Assets	955	1,040	1,074	12%	3%
Tangible Assets	598	647	665	11%	3%
Intangible Assets	96	86	97	1%	13%
Other Non-Current Assets	261	306	312	20%	2%
Total Liabilities	1,616	2,002	2,004	24%	0%
Current Liabilities	1,162	1,519	1,524	31%	0%
Short-term borrowings	417	493	480	15%	△3%
Non-Current Liabilities	453	483	480	6%	△1%
Long-term borrowings	411	445	445	8%	0%
Equity	1,529	1,643	1,685	10%	3%
Current Ratio	188%	172%	172%	△9%	0%
Equity/Total Assets	49%	45%	46%	△6%	1%
Total Liabilities/Equity	106%	122%	119%	13%	△2%
Net debts Ratio	18%	27%	25%	41%	△7%

02. Results for the past 3 years

Results of HQ

Unit : bwn

Segment				21					22					23			YoY (3Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
HQ	Electric Equipment	Sales	Domestic	118	111	115	110	455	131	134	123	109	497	136	135	137	12%
			Overseas	66	68	57	66	256	87	86	96	79	348	94	101	86	△10%
			Total	184	179	172	176	711	218	221	218	188	845	229	237	223	2%
		Operating Profit		25	29	28	23	105	38	38	44	33	153	47	51	43	△3%
	Electric Infra	Sales	Domestic	103	100	109	156	468	81	146	114	185	525	152	154	149	31%
			Overseas	18	31	30	56	135	44	55	90	86	275	104	203	158	76%
			Total	122	131	139	211	603	125	201	204	271	800	256	358	307	51%
		Operating Profit		△17	△1	△5	13	△9	△10	△2	7	△5	△10	17	34	24	228%
	Automation	Sales	Domestic	63	63	63	61	250	69	73	71	73	287	76	62	53	△26%
			Overseas	21	26	21	18	85	29	29	31	34	123	41	45	32	2%
			Total	84	89	83	79	335	98	101	102	107	410	117	107	84	△18%
		Operating Profit		8	12	8	4	33	11	10	10	10	40	13	8	△1	△111%
	Renewable Business	Sales	Domestic	18	26	44	38	127	25	93	35	38	191	50	135	107	206%
			Overseas	16	32	23	30	101	13	7	△2	19	38	13	16	16	989%
			Total	34	59	67	68	228	38	101	33	57	229	63	151	123	269%
		Operating Profit		△7	△2	△3	△2	△14	△7	△2	△15	△21	△46	△13	△7	△5	66%
	Subtotal	Sales	Domestic	302	301	331	366	1,301	306	446	343	405	1,500	414	487	446	30%
			Overseas	121	157	131	169	577	174	178	215	218	784	251	365	291	36%
			Total	423	458	462	535	1,877	479	623	558	623	2,283	665	853	737	32%
		Operating Profit		10	38	29	38	115	31	44	46	17	138	65	87	60	30%

02. Results for the past 3 years

Results of Subsidiaries

Unit : bwn

Segment				21					22					23			YoY (3Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
Subsidiaries	LS Metal	Sales	Domestic	44	57	55	63	219	73	81	68	69	291	64	66	63	△7%
			Overseas	45	52	59	69	224	65	65	65	73	268	91	71	67	3%
		Total		90	108	113	131	443	137	146	133	142	558	155	136	130	△2%
		Operating Profit		△0	1	1	1	3	0	7	1	2	11	4	5	2	48%
	Korea	Sales		32	35	43	47	156	44	61	62	78	246	64	61	62	1%
		Operating Profit		3	3	5	3	14	5	4	4	5	17	1	△2	△3	△189%
	China	Sales		49	51	59	53	212	73	63	81	107	323	103	117	68	△16%
		Operating Profit		7	5	4	2	18	3	4	6	7	21	6	6	1	△81%
	Vietnam	Sales		18	14	19	22	73	23	23	30	30	106	27	37	25	△16%
		Operating Profit		1	0	1	△0	2	△0	1	△1	3	2	2	3	2	253%
	Subtotal	Sales		189	209	234	252	884	277	293	306	357	1,233	349	351	286	△7%
		Operating Profit		12	9	10	6	37	8	16	10	18	52	14	13	2	△82%

Consolidated Results

Unit : bwn

Segment				21					22					23			YoY (3Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
Consolidation adjustment for Sales				△23	△23	△13	△34	△93	△27	△38	△24	△50	△139	△39	△2	△0	99%
Consolidation adjustment for OP				2	0	1	△0	3	2	0	4	△9	△2	3	5	8	92%
Total Sales				589	643	683	753	2,668	730	879	839	930	3,377	976	1,202	1,023	22%
Total Operating Profit				23	47	40	44	155	41	60	61	26	188	82	105	70	15%