

4Q 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 1,030bwn(YoY 101bwn increased), Operating Profit 68bwn(YoY 42bwn increased)

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

4Q Income Statement

Unit : bwn

Segment	4Q 2022	3Q 2023	4Q 2023	YoY	QoQ
Sales	930	1,023	1,030	101	8
Operating Profit	26	70	68	42	△2
Profit before tax	26	61	47	21	△14
Net income	17	41	44	27	3

2023 Income Statement

Unit : bwn

Segment	2022	2023	YoY
Sales	3,371	4,231	860
Operating Profit	188	325	137
Profit before tax	127	264	137
Net income	91	207	116

02. Financial Position

Total Assets 3,733bwn(YoY 410bwn increased), Net Debts 348bwn(YoY 27bwn increased)

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

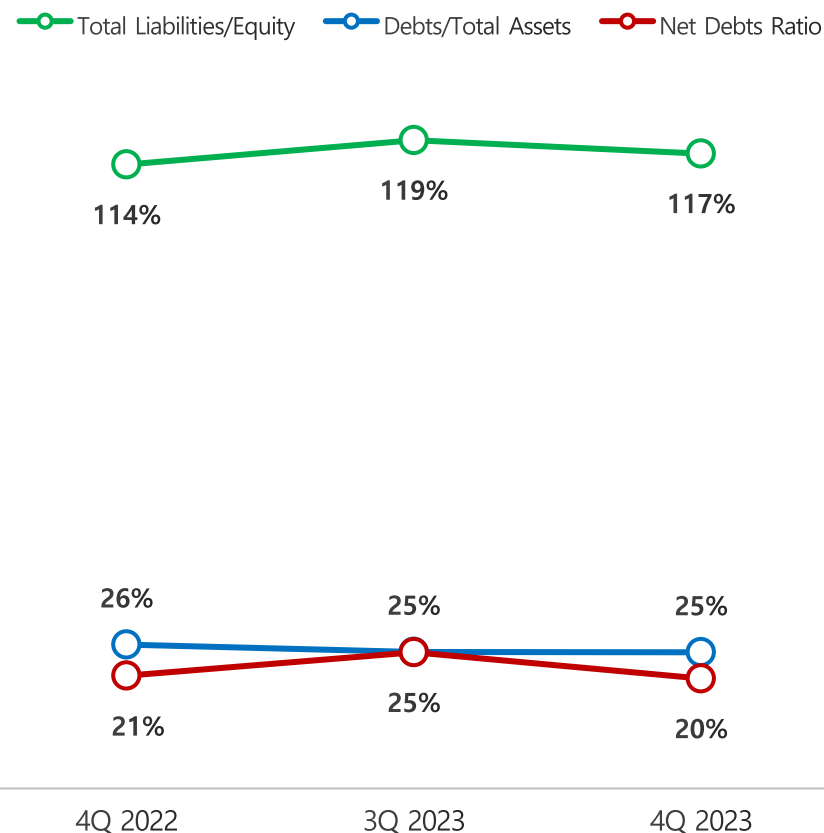
Financial Statement

Unit : bwn

Segment	4Q 2022	3Q 2023	4Q 2023	YoY	QoQ
Total Assets	3,323	3,690	3,733	410	43
Current Assets	2,341	2,616	2,605	264	△10
Cash & cash equivalent	556	504	584	28	80
Total Liabilities	1,774	2,005	2,009	235	4
Debts	876	924	932	55	7
Net Debts	320	421	348	27	△73
Equity	1,549	1,685	1,724	175	39

Financial Ratios

Unit : %



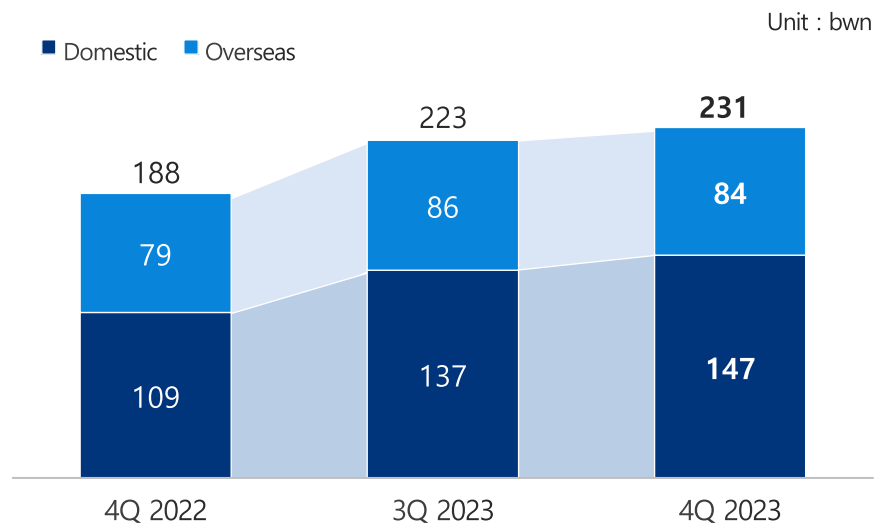
03. Business Results & Outlook - ① Electric Equipment



Domestic market sales continued.

Electric Equipment business continued stable OP.

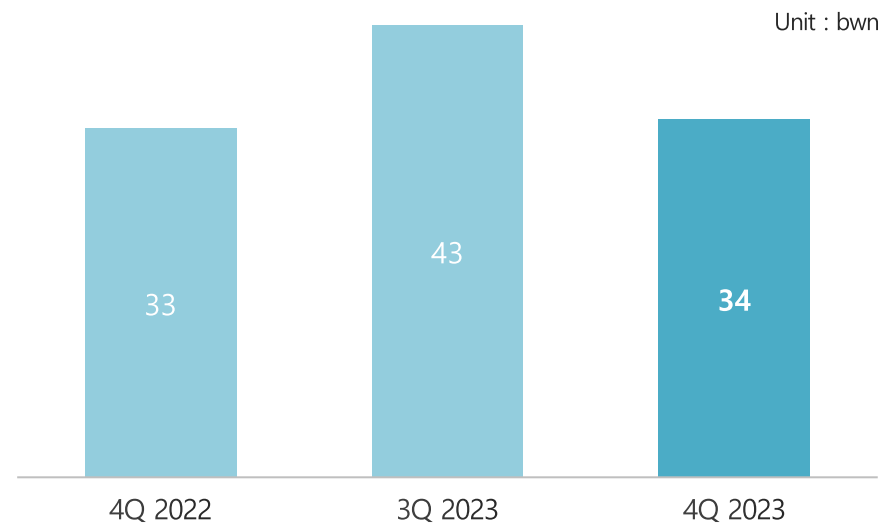
Sales



4Q Result

- Sales increased YoY 23%, OP increased YoY 3%
- OP rate continued over 15%
- U.S and Europe market sales increased

OP



Outlook

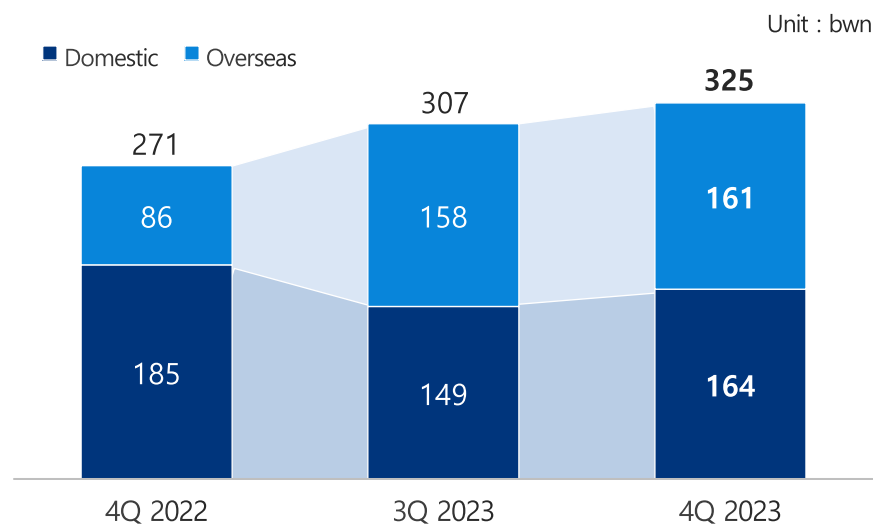
- Mass production sales in Domestic will be stable
- Expecting volume growth in Europe, U.S and Middle East

03. Business Results & Outlook - ② Electric Infra



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

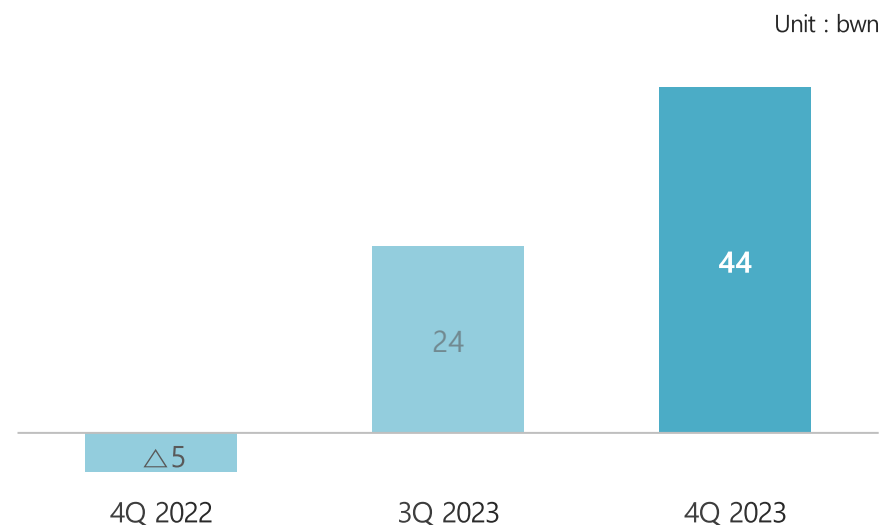
Sales



4Q Result

- Sales increased YoY 20%, OP increased on a large scale
- OP rate 13.4%

OP



Outlook

- U.S. market sales will continue.
- Expect increase of new order for high-voltage transformer

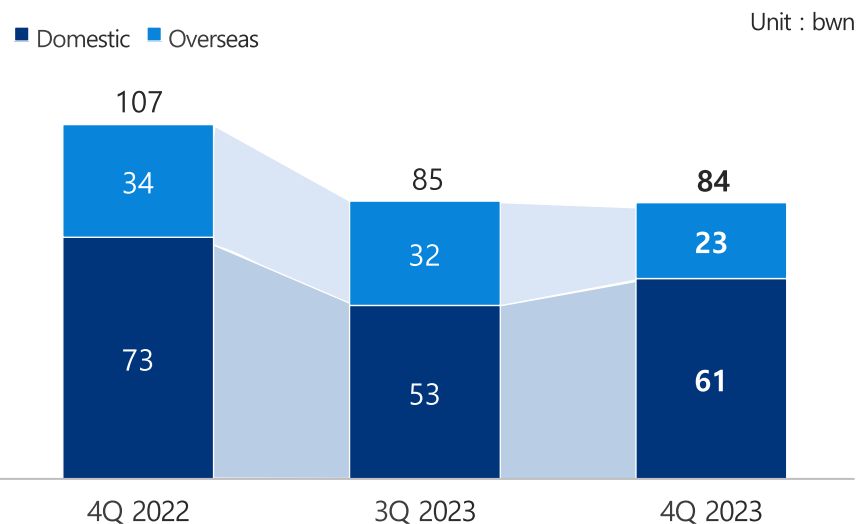
03. Business Results & Outlook - ③ Automation



Sales and OP decreased by recession.

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

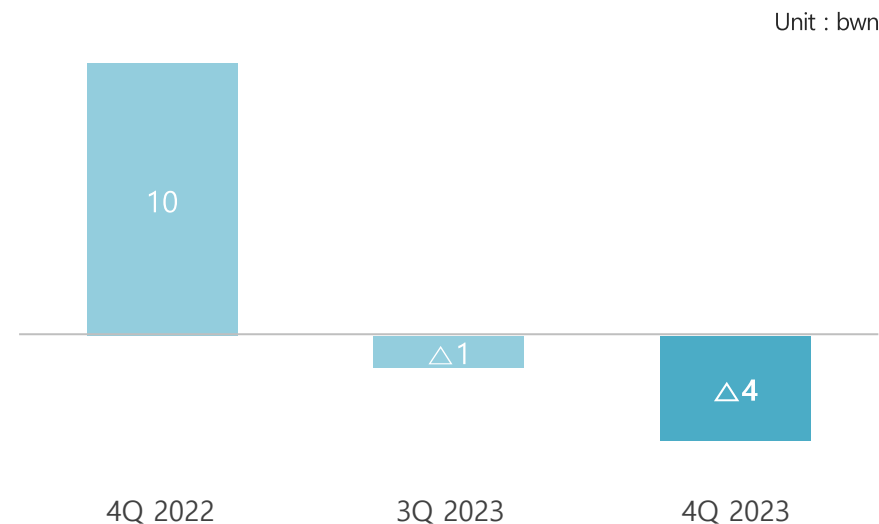
Sales



4Q Result

- Sales decreased YoY 22%, OP decreased YoY 17%
 - Reduce PLC and INV volume by a recession
- Sales decrease by increase of distribution inventory in automation device market

OP



Outlook

- Expect decreased of distribution inventories
- Focus high-end market like a battery and logistics

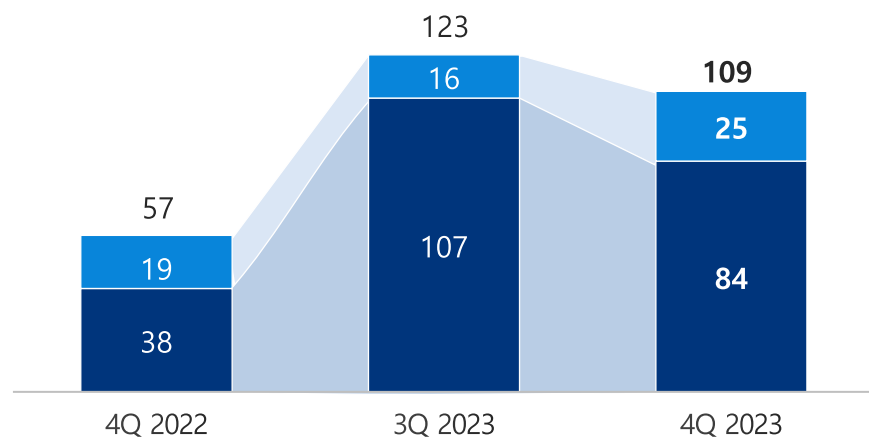
03. Business Results & Outlook - ④ Renewable

Solar project-driven sales continue.

Sales

- Domestic
- Overseas

Unit : bwn

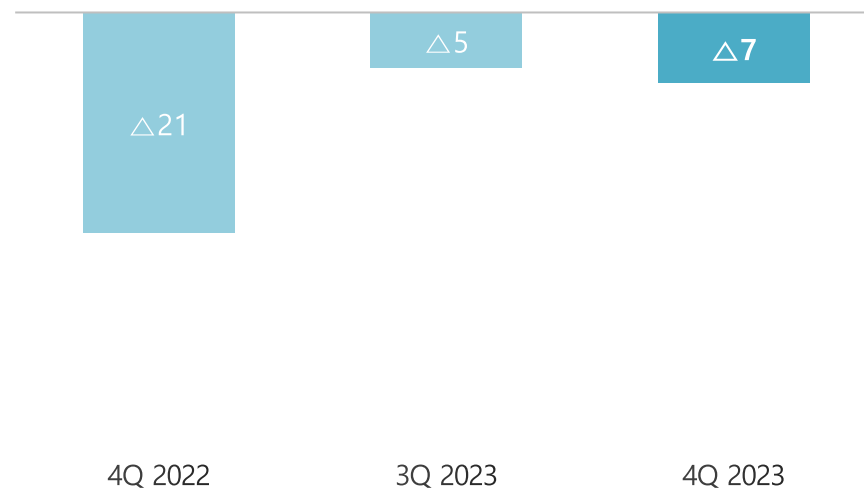


4Q Result

- Sales increased YoY 92%, OP deficit continued
- Sales continued by large-scale solar PJT in domestic.
- Continued 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 overseas.
- Sales will be increased in England ESS PJT.

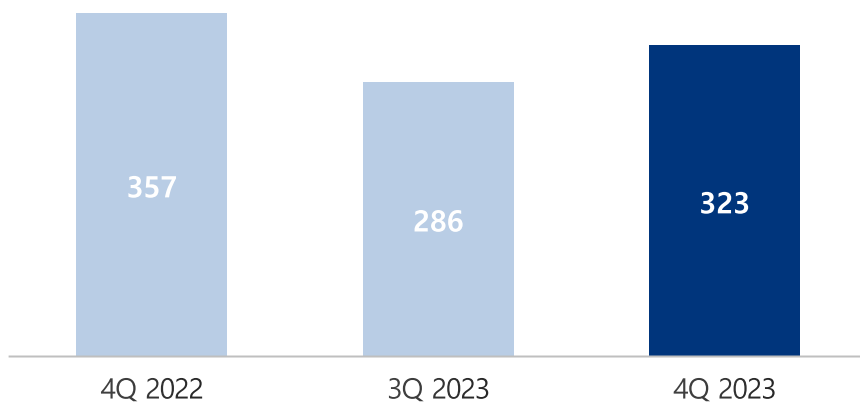
03. Business Results & Outlook - ⑤ Subsidiaries



The EV Relay factory in Mexico completed and initial investment costs continued to accrue.

Sales

Unit : bwn

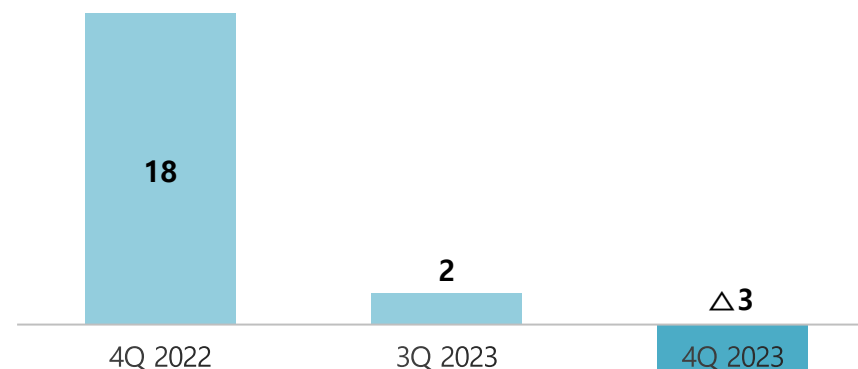


4Q Result

- Sales decreased YoY 9%, OP decreased 82%
- Sales of China subsidiaries decreased by a recession.
- LS e-MS completed factory construction in Mexico and receiving orders from several automobile manufacturer.

OP

Unit : bwn



Outlook

- EV Relay order backlog will be increased.
- Production of prototypes is scheduled in the second half.

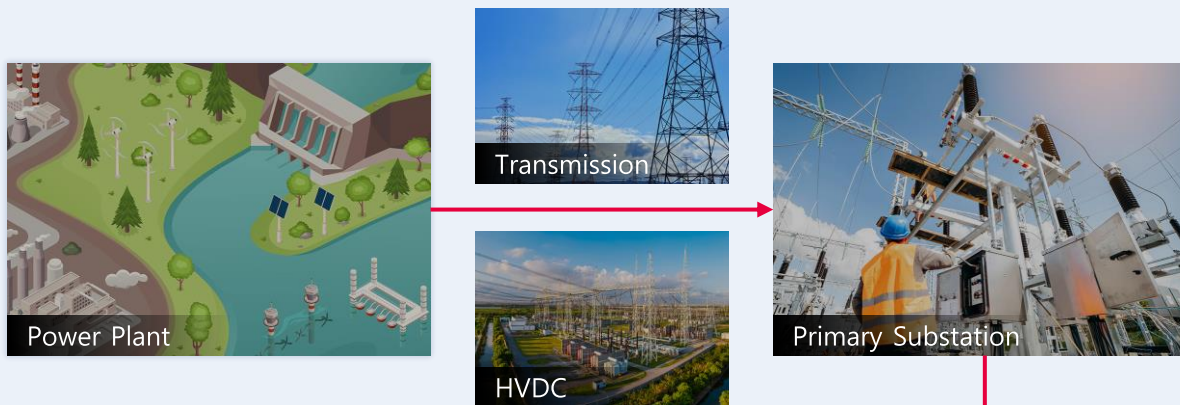
Business Introduction

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

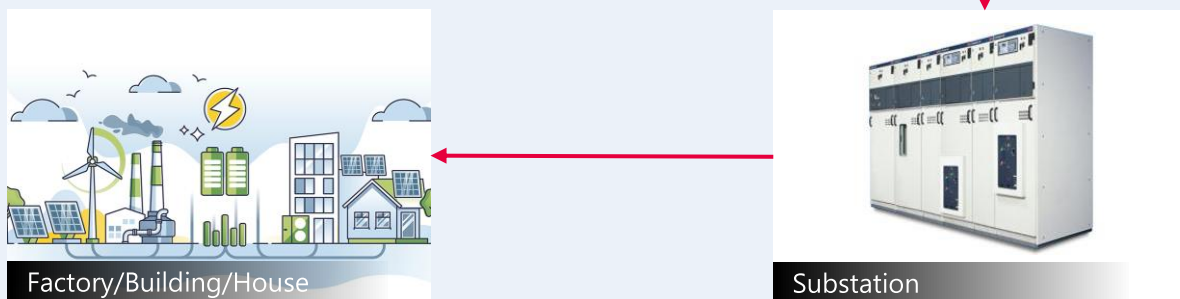
FACTS

Power Transformers Diagnosis Equipment

Mold-TR)

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

Smart Grid



Photovoltaic System



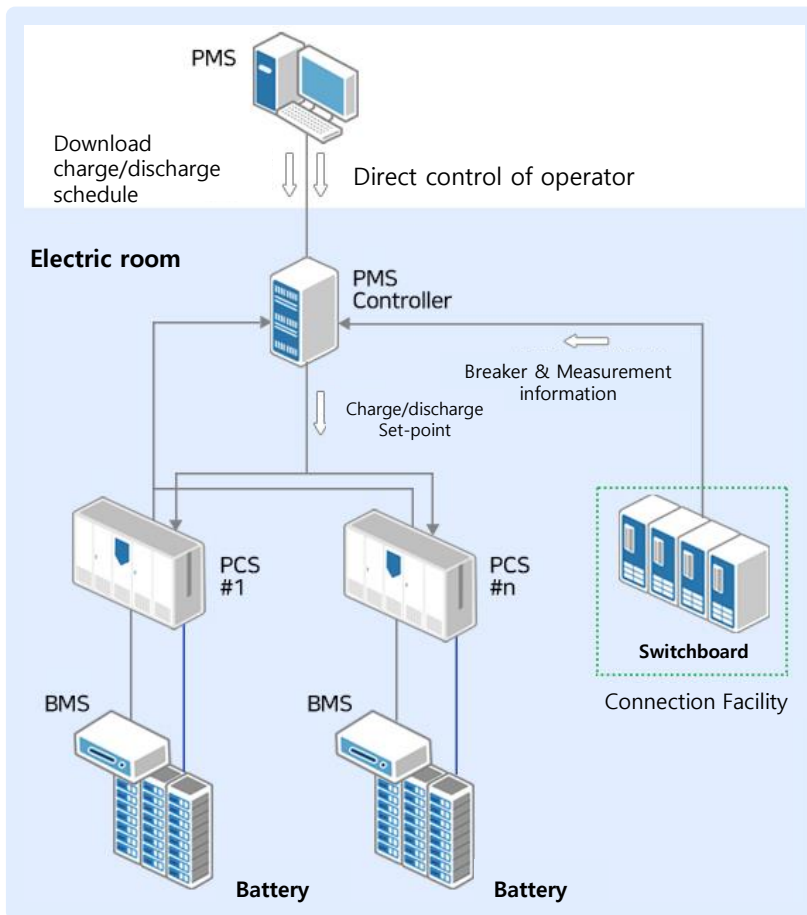
Railway System



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

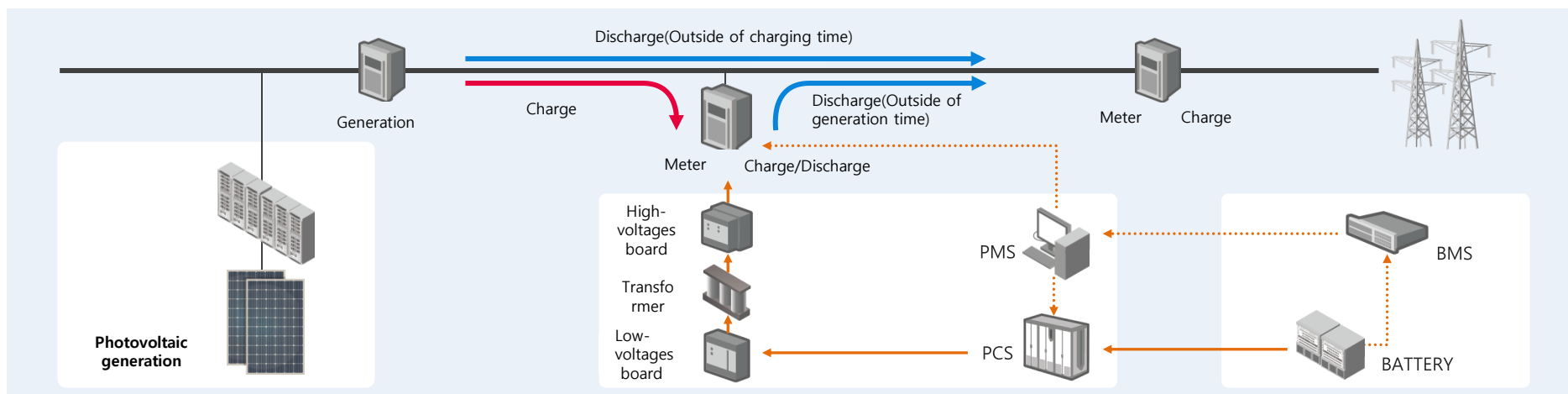
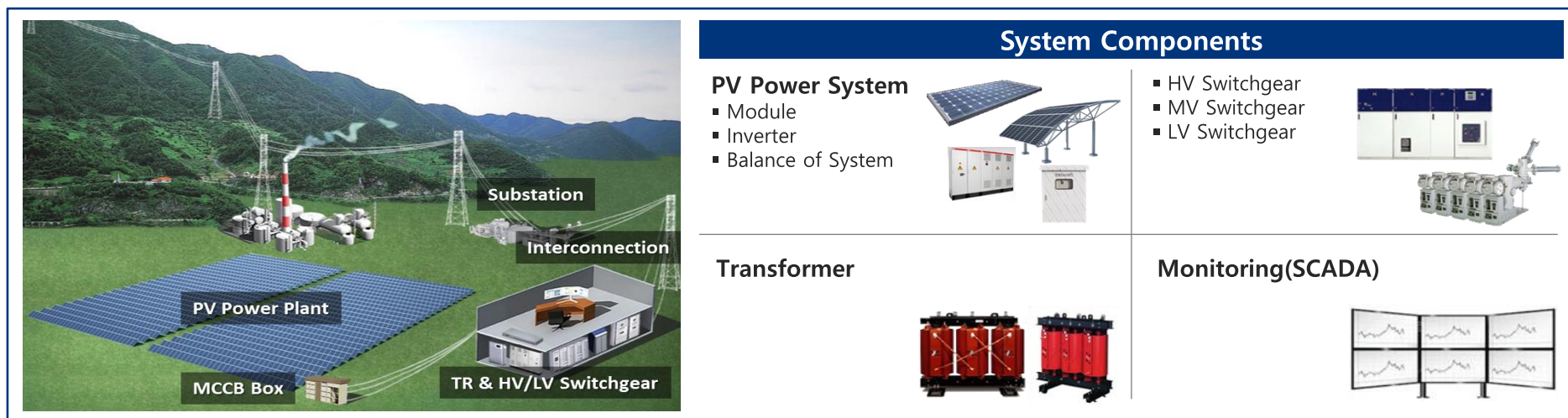
- Battery control
- Charge / Discharge

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	4Q 2022	3Q 2023	4Q 2023	YoY	QoQ
Sales	930	1,023	1,030	10.8%	0.8%
Cost of Sales	△789	△846	△839	6.3%	△0.8%
Gross Profit (%)	140 (15.1%)	176 (17.2%)	191 (18.6%)	36.2% -	8.5% -
SG&A	△114	△106	△123	7.8%	16.0%
OP (%)	26 (2.8%)	70 (6.9%)	68 (6.6%)	160.7% -	△2.9% -
Non-OP and Loss	0	△9	△21	△9,494.2%	123.4%
Profit before tax	26	61	47	78.1%	△22.6%
Net income (%)	17 (1.8%)	41 (4.0%)	44 (4.3%)	165.8% -	8.1% -
EBITDA Margin	6.7%	8.4%	7.0%	-	-

Statements of Cash Flows

Unit : bwn

Segment	4Q 2022	4Q 2023	YoY
Cash and cash equivalents at the beginning of year	702	556	△146
Cash Flows from Operating activities	△145	223	369
Cash Flows from Investing activities	△131	△204	△73
Capex	△114	△120	△6
R&D	△3	△10	△8
Others	△14	△74	△59
Cash Flows from Financing activities	135	5	△130
Effect of exchange rate changes on cash and cash equivalents	△4	4	8
Cash and cash equivalents	556	548	28

Statement of Financial position

Unit : bwn, %

Segment	4Q 2022	3Q 2023	4Q 2023	YoY	QoQ
Total Assets	3,323	3,690	3,733	12%	1%
Current Assets	2,341	2,616	2,605	11%	△0%
Cash & Cash equivalents	556	504	584	5%	16%
Inventories	460	558	528	15%	△5%
Other Current Assets	1,325	1,554	1,493	13%	△4%
Non-Current Assets	982	1,074	1,128	15%	5%
Tangible Assets	618	665	682	10%	3%
Intangible Assets	86	97	94	9%	△3%
Other Non-Current Assets	227	312	352	27%	13%
Total Liabilities	1,774	2,005	2,009	13%	0%
Current Liabilities	1,390	1,525	1,449	4%	△5%
Short-term borrowings	526	479	417	△21%	△13%
Non-Current Liabilities	383	480	560	46%	17%
Long-term borrowings	350	445	514	47%	16%
Equity	1,549	1,685	1,724	11%	2%
Current Ratio	168%	172%	180%	7%	5%
Equity/Total Assets	47%	46%	46%	△1%	1%
Total Liabilities/Equity	114%	119%	117%	2%	△2%
Net debts Ratio	21%	25%	20%	△3%	△19%

02. Results for the past 3 years



Results of HQ

Unit : bwn

Segment				21					22					23					YoY
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	(4Q)
HQ	Electric Equipment	Sales	Domestic	118	111	115	110	455	131	134	123	109	497	136	135	137	147	556	35%
			Overseas	66	68	57	66	256	87	86	96	79	348	94	101	86	84	365	7%
			Total	184	179	172	176	711	218	221	218	188	845	229	237	223	232	921	23%
		Operating Profit		25	29	28	23	105	38	38	44	33	153	47	51	43	34	174	3%
	Electric Infra	Sales	Domestic	103	100	109	156	468	81	146	114	185	525	152	154	149	164	619	△11%
			Overseas	18	31	30	56	135	44	55	90	86	275	104	203	158	161	626	88%
			Total	122	131	139	211	603	125	201	204	271	800	256	358	307	325	1,245	20%
		Operating Profit		△17	△1	△5	13	△9	△10	△2	7	△5	△10	17	34	24	44	119	999%
	Automation	Sales	Domestic	63	63	63	61	250	69	73	71	73	287	76	62	53	61	252	△17%
			Overseas	21	26	21	18	85	29	29	31	34	123	41	45	32	23	140	△33%
			Total	84	89	83	79	335	98	101	102	107	410	117	107	84	84	392	△22%
		Operating Profit		8	12	8	4	33	11	10	10	10	40	13	8	△1	△4	17	△138%
	Renewable Business	Sales	Domestic	18	26	44	38	127	25	93	35	38	191	50	135	107	84	377	123%
			Overseas	16	32	23	30	101	13	7	△2	19	38	13	16	16	25	70	32%
			Total	34	59	67	68	228	38	101	33	57	229	63	151	123	110	446	92%
		Operating Profit		△7	△2	△3	△2	△14	△7	△2	△15	△21	△46	△13	△7	△5	△7	△31	68%
	Subtotal	Sales	Domestic	302	301	331	366	1,301	306	446	343	405	1,500	414	487	446	456	1,803	12%
			Overseas	121	157	131	169	577	174	178	215	218	784	251	365	291	294	1,201	35%
			Total	423	458	462	535	1,877	479	623	558	623	2,283	665	853	737	750	3,004	20%
		Operating Profit		10	38	29	38	115	31	44	46	17	138	65	87	60	67	278	292%

02. Results for the past 3 years

Results of Subsidiaries

Unit : bwn

Segment				21					22					23					YoY (4Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Subsidiaries	LS Metal	Sales	Domestic	44	57	55	63	219	73	81	68	69	291	64	66	63	61	254	△11%
			Overseas	45	52	59	69	224	65	65	65	73	268	91	71	67	81	310	11%
		Total		90	108	113	131	443	137	146	133	142	558	155	136	130	142	563	0%
		Operating Profit		△0	1	1	1	3	0	7	1	2	11	4	5	2	1	13	△44%
	Korea	Sales		32	35	43	47	156	44	61	62	78	246	64	61	62	77	264	△2%
		Operating Profit		3	3	5	3	14	5	4	4	5	17	1	△2	△3	△4	△7	△169%
	China	Sales		49	51	59	53	212	73	63	81	107	323	103	117	68	72	361	△32%
		Operating Profit		7	5	4	2	18	3	4	6	7	21	6	6	1	△1	13	△111%
	Vietnam	Sales		18	14	19	22	73	23	23	30	30	106	27	37	25	32	121	8%
		Operating Profit		1	0	1	△0	2	△0	1	△1	3	2	2	3	2	0	7	△88%
	Subtotal	Sales		189	209	234	252	884	277	293	306	357	1,233	349	351	286	323	1,310	△9%
		Operating Profit		12	9	10	6	37	8	16	10	18	52	14	13	2	△3	26	△115%

Consolidated Results

Unit : bwn

Segment				21					22					23					YoY (4Q)
				1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Consolidation adjustment for Sales				△23	△23	△13	△34	△93	△27	△38	△24	△50	△139	△39	△2	△0	△43	△84	14%
Consolidation adjustment for OP				2	0	1	△0	3	2	0	4	△9	△2	3	5	8	4	20	142%
Total Sales				589	643	683	753	2,668	730	879	839	930	3,377	976	1,202	1,023	1,030	4,230	11%
Total Operating Profit				23	47	40	44	155	41	60	61	26	188	82	105	70	68	325	161%