

# 1Q 2025 Earning Release



**Beyond** 

SMART ENERGY  
GLOBAL LEADER





## 01. Company Overview

1. History & Growth
2. Business Introduction
3. Business Performance
4. Global Business
5. Sites in US

## 02. 1Q 2025 Earning Release

1. Total Results
2. Breakdown by business
3. Financial Position

## 03. Global business strategy

1. HTR capacity expansion
2. Global M/S expansion
3. Global AI, IDC market entry

## 04. Appendix

1. Condensed Statement
2. Breakdown Non-OP

## 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.



## Company Overview

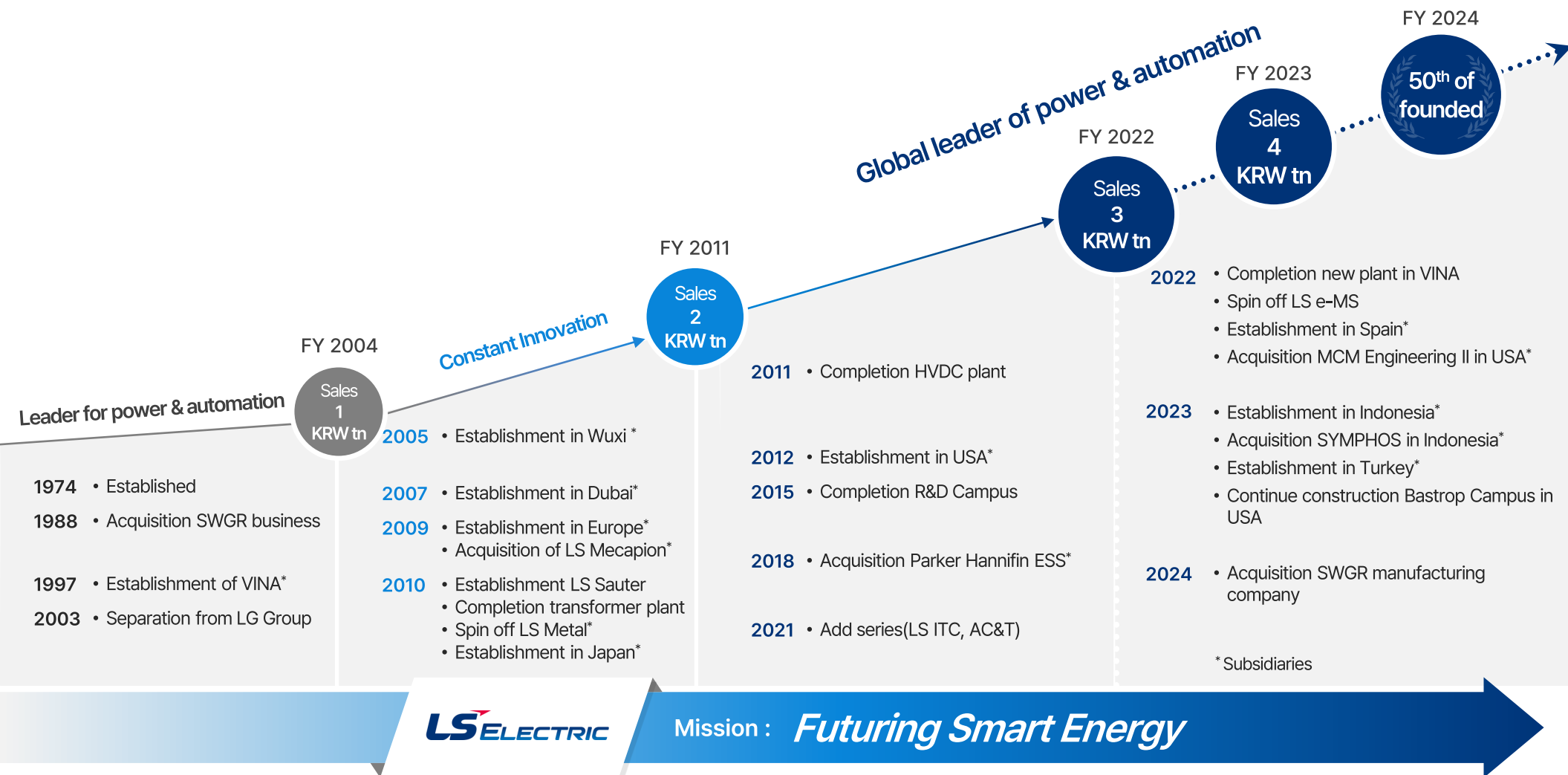
1. History & Growth
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# 1. History & Growth

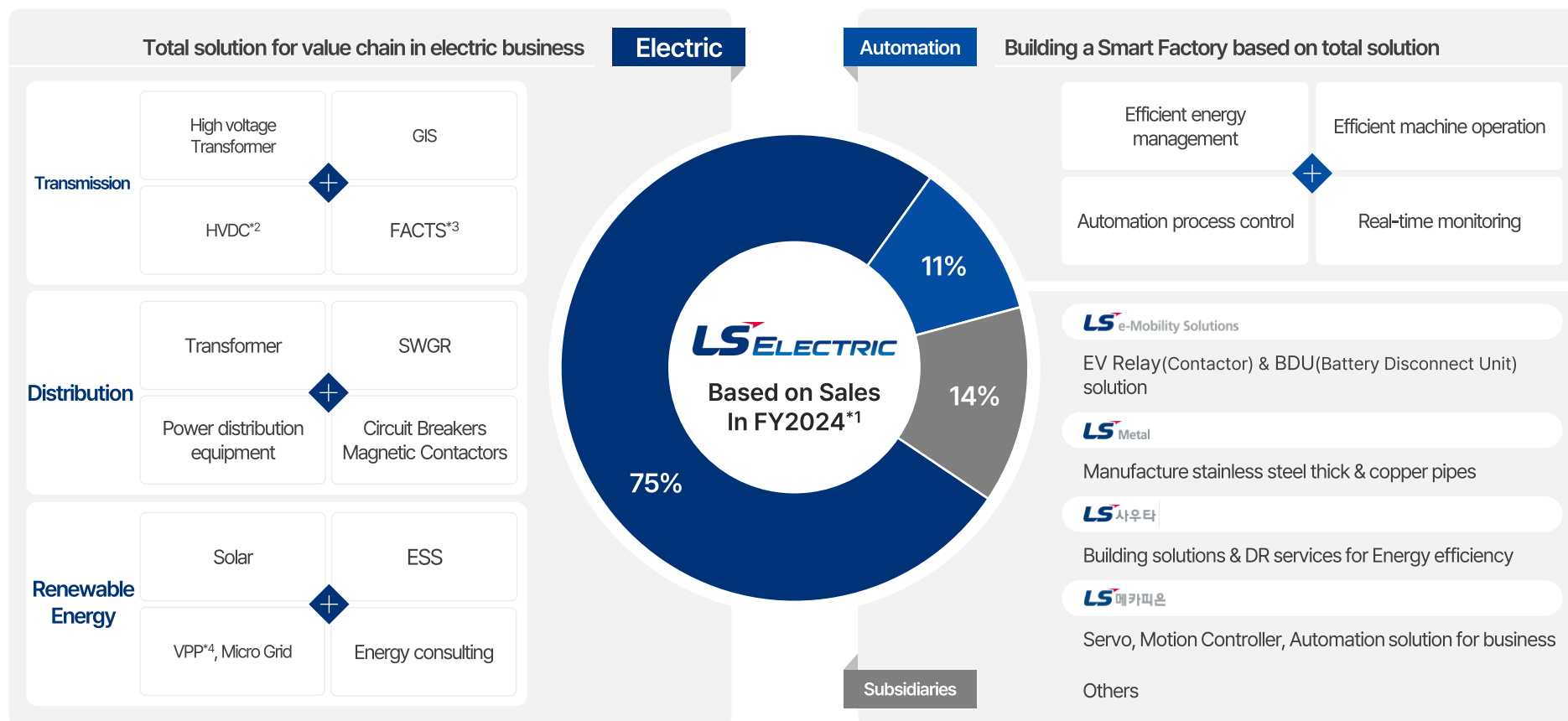


Founded in 1974, Grows to Korea's No.1 company in power and automation business.  
Leading the future energy business



## 2. Business Introduction

Provides an efficient and secure smart manufacturing environment with total solutions of power energy and automation



\*1 : Excluding consolidated adjustment

\*2 : HVDC(High Voltage Direct Current transmission system)

\*3 : FACTS(Flexible AC Transmission System)

\*4 : VPP (Virtual Power Plant)

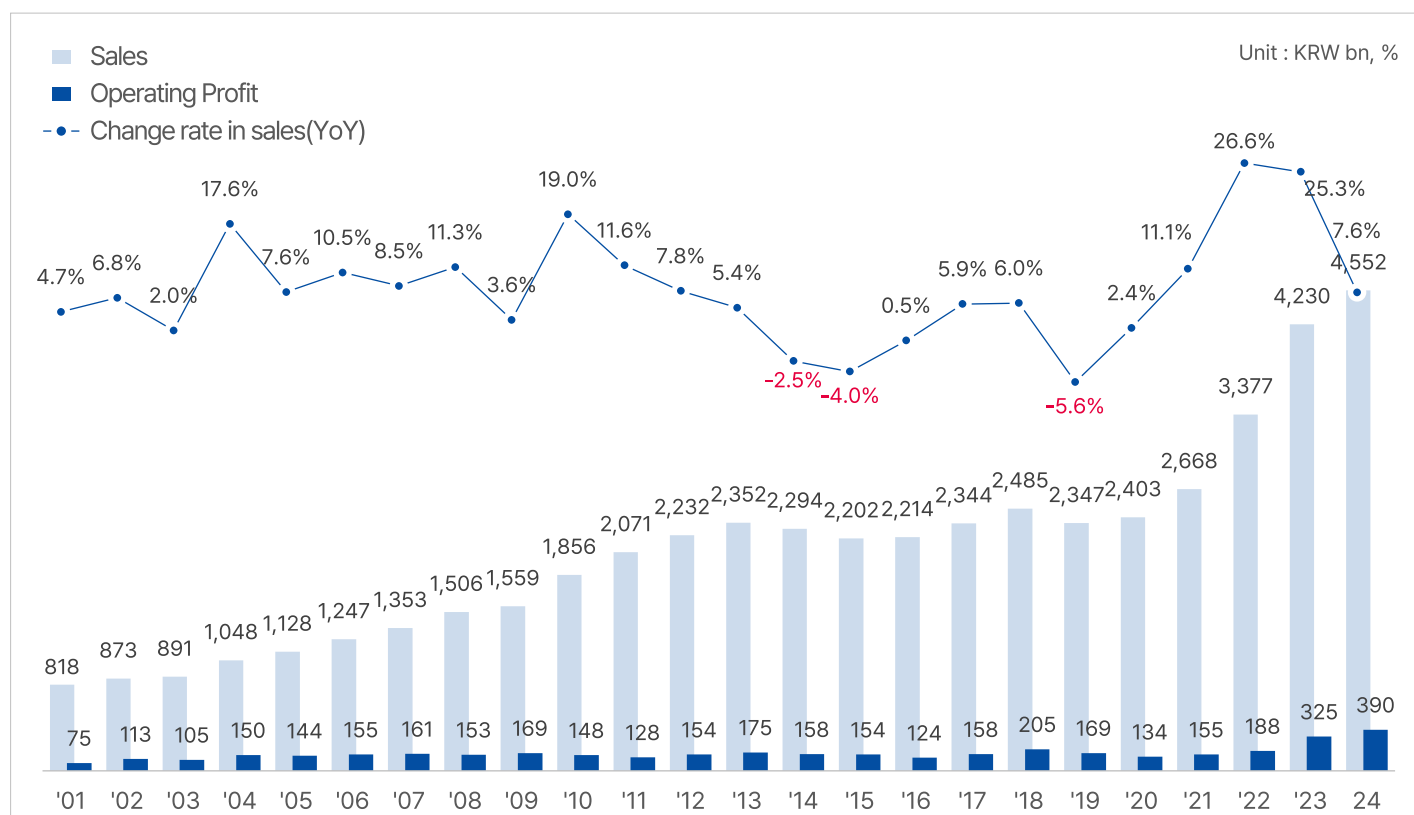
### 3. Business Performance

Continuing stable sales & profit growth, Active implementation of shareholder return policies

(A dividend policy : Over 40% of separate Net income)

CAGR 8%

Surplus for 24 consecutive years



Condensed Statement FY 2024  
(Unit : KRW bn)

Sales **4,552**

Operating Profit **390**

Total Assets **4,493**

Total Liabilities **2,593**

Equity **1,899**

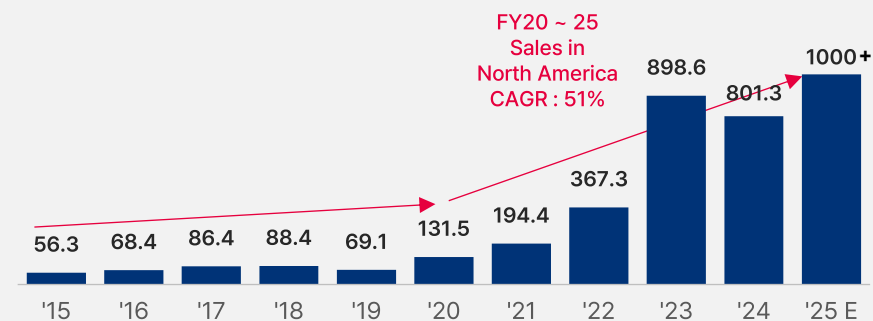
## 4. Global Business

Global business growth in earnest after FY 2020



Entry into Global Market centered on North America

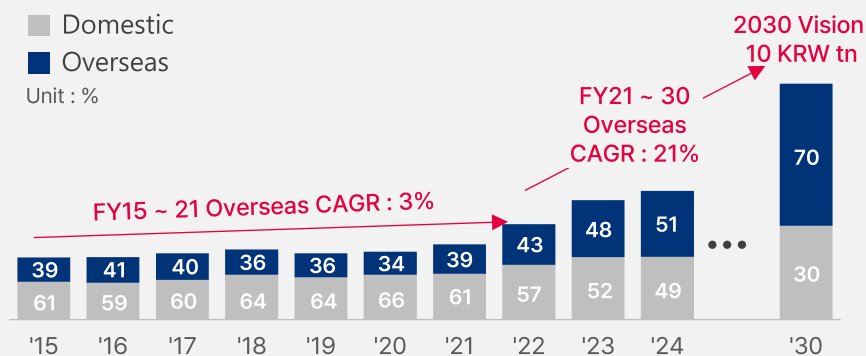
Unit : KRW bn



Expansion of overseas sales in earnest

■ Domestic  
■ Overseas

Unit : %



## 5. Sites in US

# of Production center: 2

# of Sales Office: 3

# of A/S, R&D Center: 1



### MCM Engineering

Function	Production
Item	SWGR
Annul Capa	50 Bil KRW
Location	Utah, USA



### Bastrop Campus

Function	A/S, R&D, Etc
Item	Distribution
Annul Capa	TBA
Location	Texas, USA



## 1Q 2024 Earning Release

1. Total Results
2. Breakdown by business
  - Electric
  - Automation / Subsidiaries
3. Financial Position



# 1. Total Results (Quarterly)



Electric business maintained solid performance driven by overseas market while Automation is successfully shown turnaround from Q4.24. Newly acquired subsidiaries added sales leading to slight decrease in OPM in consolidated basis.

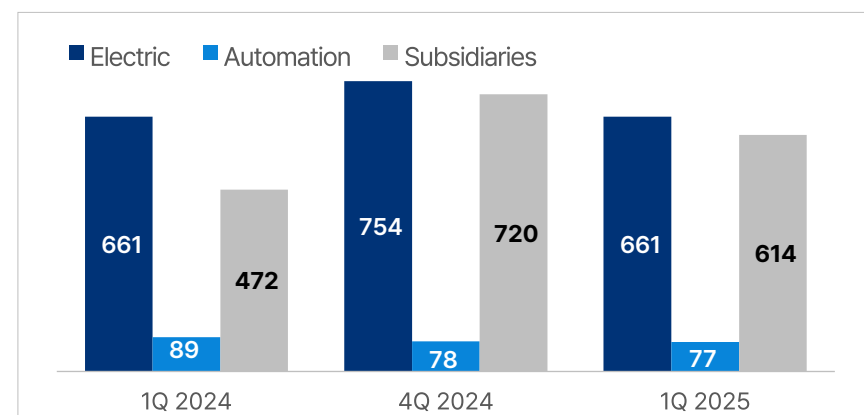
## Consolidated Performance

Units : KRW bn, %

Segments	1Q 2024	4Q 2024	1Q 2025	YoY	QoQ
Sales	1,039	1,360	1,032	△0.6%	△24.1%
Operating Profit (%)	94 (9.0%)	120 (8.8%)	87 (8.5%)	△6.9% △0.5%p	△27.2% △0.3%p
EBITDA	103	131	99	△4.1%	△24.3%
Profit before tax	98	80	84	△15.2%	3.8%
Net Income	80	63	68	△15.5%	7.3%

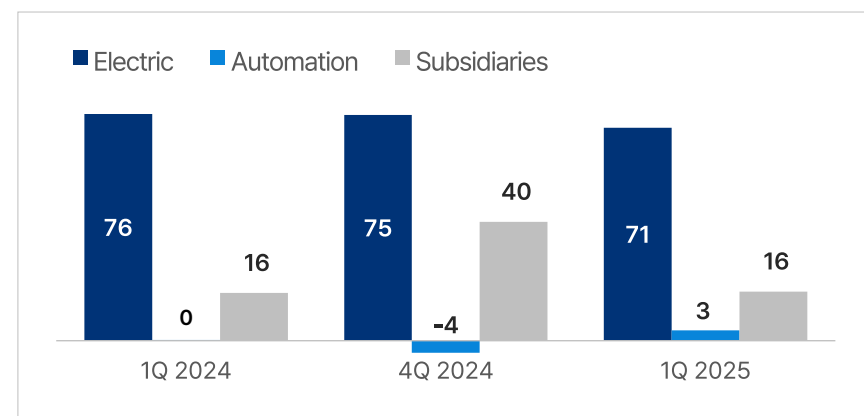
## Sales by business

Unit : KRW bn



## OP by business

Unit : KRW bn

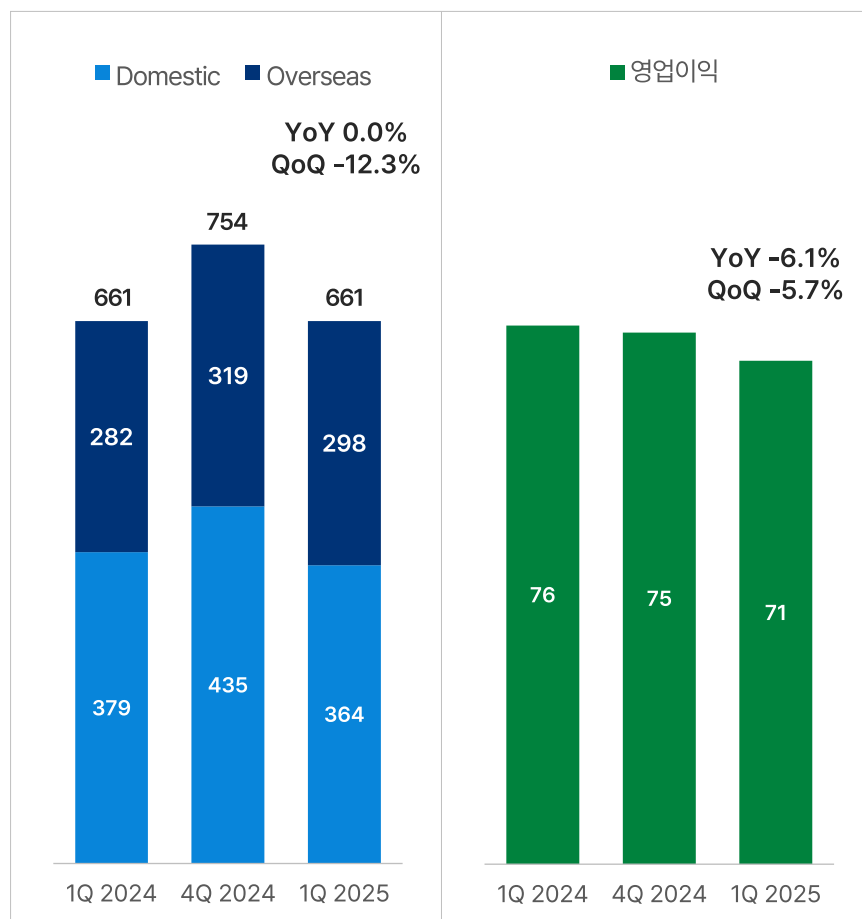


## 2. Breakdown by business ① Electric

OP margin decreased due to distribution system sales carry-over in domestic market but expect to rebound from Q2. Maintain strong growth momentum in HVTR/ SWGR. New orders from US and expansion of sales channels are also noticeable.

### Performance of Electric business\*

Unit : KRW bn



\* Include Electric equipment, Electric Infra and Renewable

### Key factors

#### Increase of HVTR demand

Units : KRW bn, %

Segments	'24.1Q	'24.4Q	'25.1Q	YoY	QoQ
Distribution Equipment*)	241	210	230	Δ4.0%	10.0%
SWGR*)	200	219	199	Δ0.5%	Δ9.1%
Transformer	117	159	133	13.6%	Δ16.3%
High voltage	68	125	90	31.0%	Δ28.4%
Renewable	78	117	57	Δ26.8%	Δ51.2%

\*) Adjustment of certain product line

#### Increase order backlog(Unit : KRW tn)

• '24.1Q 2.6 → '24 4Q 3.4조 → '25 1Q 3.9

Units : KRW bn, %

Products	'24.1Q	'24	'25.1Q	YoY
SWGR	950	800	1,020	+27.5%
HV Transformer	658	1,519	1,620	+6.8%
HV GIS	140	213	262	+23.1%

#### Expanding Global business opportunity focusing North America

- Changes of North America sales portion  
- '23 1Q 13% → '24 1Q 17% → '25 1Q 24%
- Portion of New orders from US exceed 50% in Q1 25

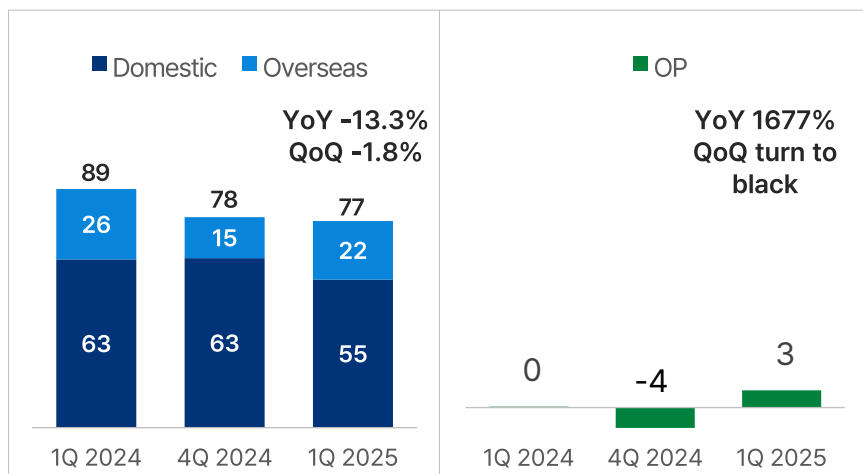
## 2. Breakdown by business ② Automation / Subsidiaries

Turnaround in OPM and expect to gradual recovery

Sales growth are mainly due to from US market & newly acquired domestic subsidiaries

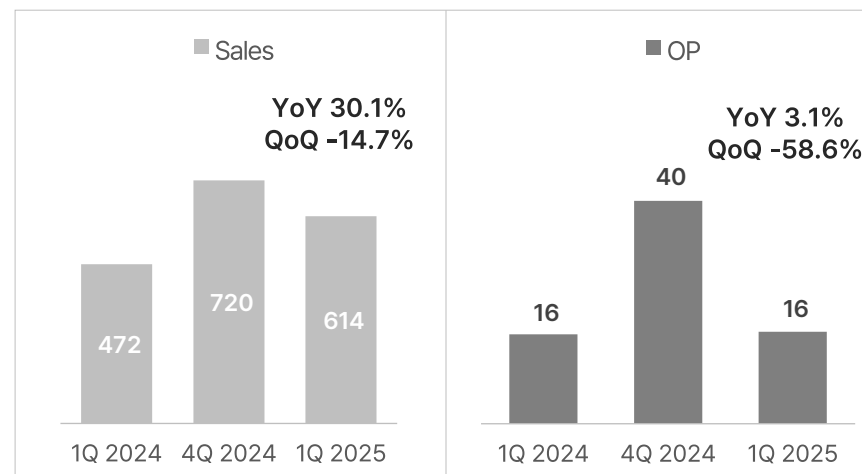
### Performance & Key factors

Unit : KRW bn



### Performance & Key factors

Unit : KRW bn



### Key factors

Sales decreased due to "profitability-pursuing" strategy

- Domestic YoY  $\Delta$ 12%, Overseas YoY  $\Delta$ 16%

Profit-focused → OP margin in recovery phase

- OPM : '24: 0.2% → '25.1Q: 4.4%

### Key factors

US, Vietnam: Continuing strong performance momentum  
Others: Delay for recovery mainly due to EV-related subsidiaries(prolonged EV Chasm)

- US: Growth rate is noticeable in line with power market boom in US
- China: Negatively impacted by sluggish Macro.
- Vietnam: Continuing solid performance favored by M/S increase
- Newly joined subsidiaries(LS THiRA-UTECH, LS Power Solution)



### 3. Financial Position

Debt to Equity ratio: 147%, Net Debt ratio: 27%, Maintain solid financial stability

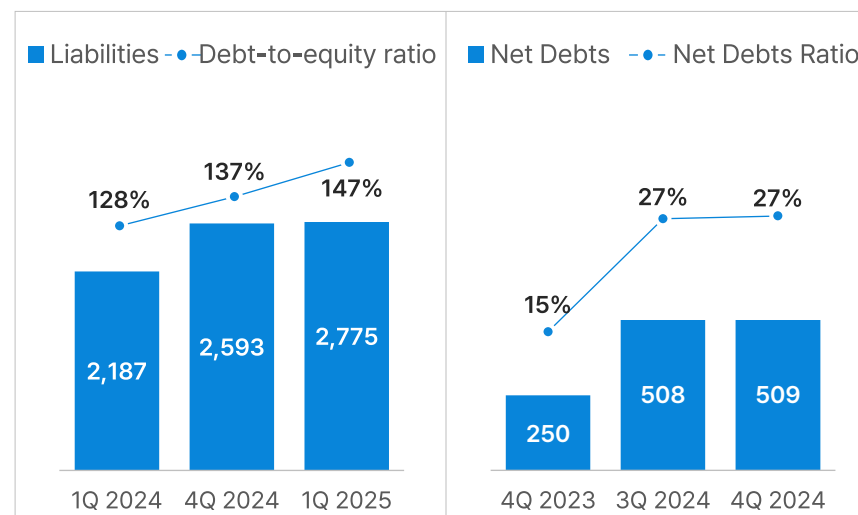
#### Financial Status

Unit : KRW bn

Segments	1Q 2024	4Q 2024	1Q 2025	YoY	QoQ
<b>Total Assets</b>	3,895	4,493	<b>4,658</b>	763	165
Current asset	2,764	3,054	<b>3,198</b>	434	144
Cash & cash equivalents	662	666	<b>804</b>	143	138
<b>Total Liabilities</b>	2,187	2,593	<b>2,775</b>	588	181
Debts	912	1,174	<b>1,313</b>	402	139
Net Debts	250	508	<b>509</b>	259	1
<b>Equity</b>	1,708	1,899	<b>1,883</b>	175	△16

#### Financial Ratio

Units : KRW bn, %



#### Key factors

**Debt-to-equity ratio temporarily increased due to dividend payable accrued in Q1**

- Dividend and Corp.tax payable increased in line with strong performance in 2024

**Expansion of order-base business**

- New orders may impact negatively on debt ratio

## Global Business Strategy

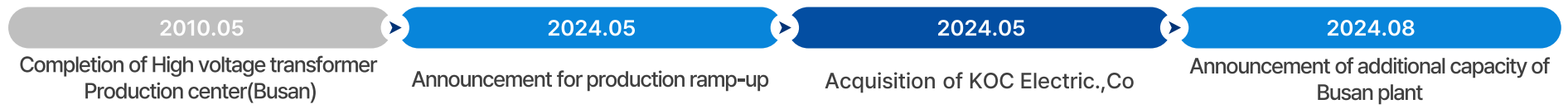
1. HVTR capacity expansion
2. Global M/S expansion
3. Global AI, IDC market entry



# 1. HVTR capacity expansion

Responding to the rapidly increasing global demand for transformer through large-scale capacity expansion and M&A

## History of transformer capacity expansion



### Capacity expansion(Busan Plant)



Investments	Completion date	CAPA
KRW bn 101	'25 3Q	KRW bn 700

### Acquisition of KOC Electric Co.,Ltd

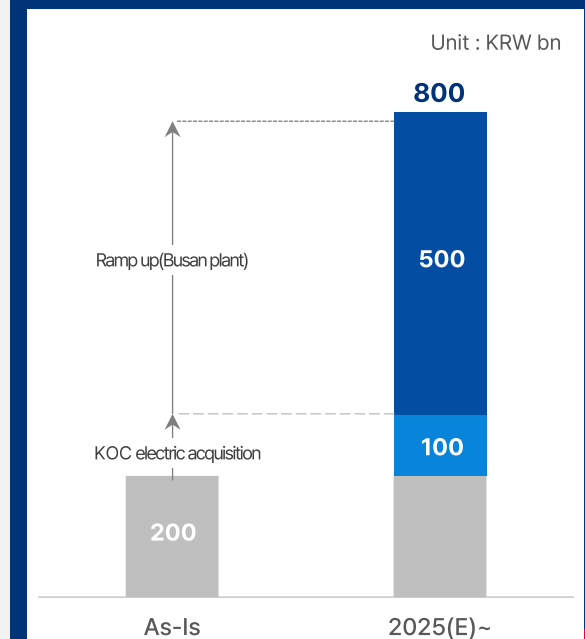
Press release of acquisition ('24.05.23)



Investments	Shares	CAPA
KRW bn 60	51.00%	KRW bn 100

Secured order backlog for 5years(~2029) → Capacity expansion for further growth

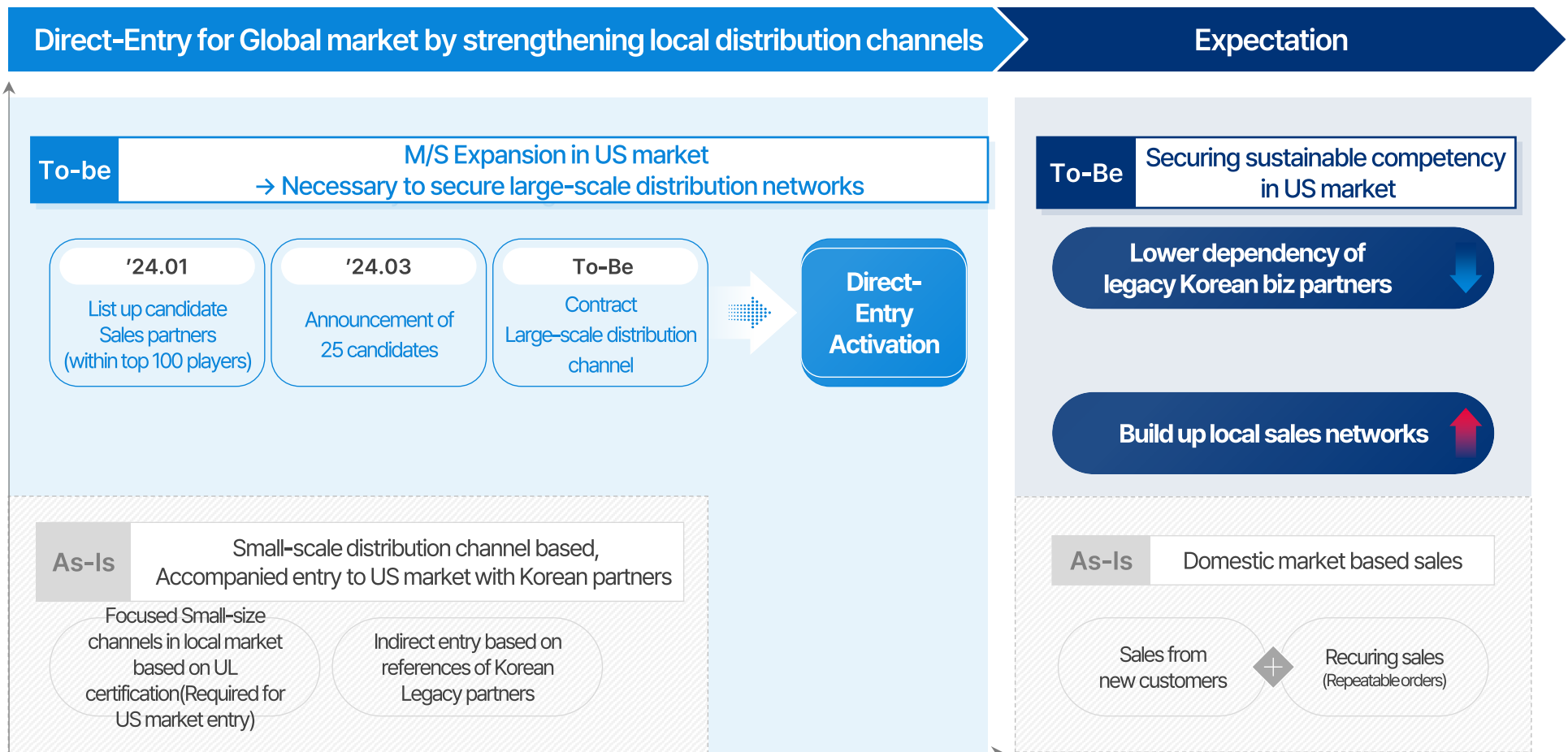
## Annual capacity outlook



## 2. Global M/S Expansion

As-Is : Along with secure UL certification, focusing on reliable sub provider leaning on entry plans of other business partners (LG, Hyundai, SK, Samsung, etc.)

+ Seeking global M/S expansion opportunity by shifting “Direct-Entry” strategy





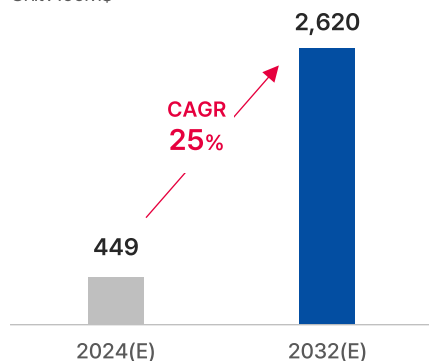
### 3. Global AI, IDC market entry

Based on solid supply references for domestic Data Center, LS will broaden its business range into global market  
Given favorable market trends, seeking new opportunity in recent data center boom leading explosive electricity demand → Capable of responding as NO.1 distribution system provider

#### AI & Data center outlook

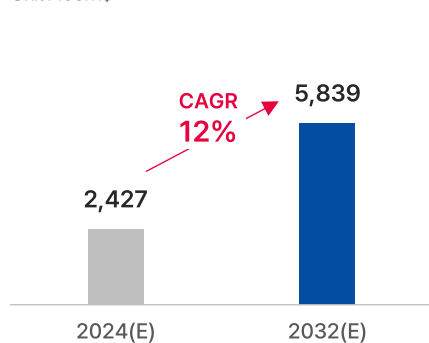
##### AI market outlook

Unit : 100M\$



##### Conventional Data center market outlook

Unit : 100M\$



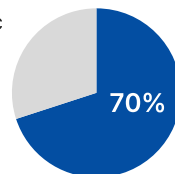
From. Fortune Business Insight

#### Global market entry strategy based on unrivaled business reference in domestic market

##### Secured market dominance in distribution system

###### M/S in Distribution system (for Data Center)

■ LS electric  
■ Misc.



###### Key references for Data center business

In FY22  
Naver, Equinix SL2,  
Kakao, EPOCH, LGU+

In FY23  
EGIS, Pacific,  
KT, etc

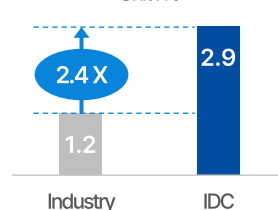
##### Seeking opportunity for global IT Data center



#### Electricity demands up driven by data center boom → Capable of responding the demands

##### CAGR US electricity demands (2022~2030)

Unit : %

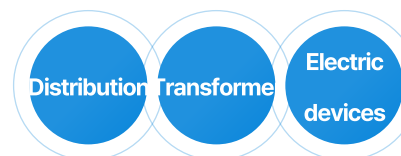


##### Expectation

Electricity demand will increase as more Data center comes in

Demands of Electric distribution system

##### Responding global demands based on core competency



## Appendix

1. Condensed Statement
2. Breakdown Non-OP



# 1. Condensed Statement



## Income Statement

Units : KRW bn, %

Segments	1Q 2024	4Q 2024	1Q 2025	YoY	QoQ
Sales	1,039	1,360	1,032	△0.6%	△24.1%
Cost of Sales	△825	△1,093	△806	△2.2%	△26.2%
Gross Profit(%)	214 (20.6%)	267 (19.6%)	226 (21.9%)	5.6%	△15.4%
SG&A	△120	△147	△138	15.3%	△5.9%
OP(%)	94 (9.0%)	120 (8.8%)	87 (8.5%)	△6.9%	△27.2%
Non-OP & Loss	5	△39	△4	△179.8%	△90.4%
Profit before tax	98	80	83	△15.2%	3.8%
Net Income(%)	80 (7.7%)	63 (4.6%)	67 (6.5%)	△15.5%	7.3%
EBITDA Margin	11.8%	7.6%	9.0%	-	-

## Statements of Cash Flows

Unit : KRW bn

Segments	1Q 2024	1Q 2025	YoY
Cash & cash equivalents(1.1)	584	660	76
Cash Flows from Operating	154	81	△74
Cash Flows from Investing	△21	△75	△54
Capex	△30	△48	△18
R&D	△1	△3	△2
Others	10	△25	△34
Cash Flows from Financing	△62	139	200
Effects of exchange rate changes	6	△0	△6
Cash & cash equivalents(12.31)	662	804	143

## Statement of financial position

Units : KRW bn, %

Segments	1Q 2024	4Q 2024	1Q 2025	YoY	QoQ
Total Assets	3,895	4,485	4,658	20%	4%
Current Assets	2,760	3,052	3,198	16%	5%
Cash & Cash equivalents	660	660	804	22%	22%
Inventories	521	510	507	△3%	△1%
Other Current Assets	1,580	1,882	1,887	19%	0%
Non-Current Assets	1,135	1,433	1,460	29%	2%
Tangible Assets	688	861	88	28%	2%
Intangible Assets	94	188	187	99%	△1%
Other Non-Current Assets	353	384	392	11%	2%
Total Liabilities	2,187	2,595	2,775	27%	7%
Current Liabilities	1,686	1,846	1,808	7%	△2%
Short-term borrowings	455	605	527	16%	△13%
Non-Current Liabilities	500	749	967	93%	29%
Long-term borrowings	457	569	786	72%	38%
Equity	1,708	1,890	1,883	10%	△0%
Current Ratio	164%	165%	177%	8%	7%
Equity/Total Assets	44%	42%	40%	△8%	△4%
Total Liabilities/Equity	128%	137%	147%	15%	7%
Net debts Ratio	15%	27%	27%	83%	△1%

## 2. Breakdown Non-OP

Units : KRW bn, %

Segments	1Q 2024	4Q 2024	1Q 2025	YoY	QoQ
Sales	1,039	1,360	1,032	-0.6%	-24.1%
Operating Profit	94	120	87	-6.9%	-27.2%
(%)	9.0%	8.8%	8.5%	-6.3%	-4.1%
Non-OP and Loss	5	-40	-4	-179.8%	90.4%
Financial gains & losses	-3	1	-9	-201.1%	-1040.1%
Other gains & losses	7	-33	6	-18.2%	117.8%
Other Non-OP & Loss	1	-7	-1	-210.6%	91.3%
Profit before tax	99	80	84	-15.2%	3.8%
Corporation Tax	-19	-18	-16	14.0%	8.7%
Net Income	80	63	67	-15.5%	7.3%
(%)	7.7%	4.6%	6.5%	-15.0%	41.0%