

1Q`24 Earnings Release

25th April, 2024

LG Electronics

All information regarding management performance and financial results of LG Electronics (the “Company”) during the 1st quarter of 2024 as contained herein has been prepared on a consolidated basis in accordance with International Financial Reporting Standards (“IFRS”).

The information regarding results of 1st quarter of 2024 has been prepared in advance, prior to being reviewed by external auditors, solely for the convenience of investors of the Company, and is subject to change in the process of final review by external auditors.

The information contained herein includes forward-looking statements in respect to future plans, prospects, and performances of the Company as well as the Company’s projected sales plan for year of 2nd quarter of 2024.

These forward-looking statements also refer to the Company’s performance on consolidated base, as indicated.

The aforementioned forward-looking statements are influenced by changes in the management environment and relative events, and by their nature, these statements refer to uncertain circumstances. Consequently, due to these uncertainties, the Company’s actual future results may differ materially from those expressed or implied by such statements.

Please note that as the forward-looking statements contained herein are based on the current market situation and the Company’s management direction, they are subject to change according to the changes in future market environment and business strategy.

The information contained herein should not be utilized for any legal purposes in regards to investors’ investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors’ reliance on the information contained herein.

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I

Consolidated Earnings and Outlook

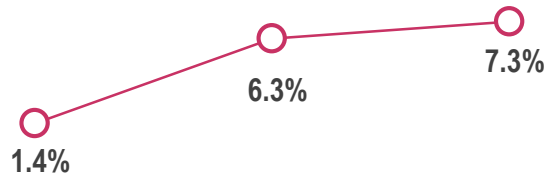
Consolidated Earnings and Outlook

Sales / Profits

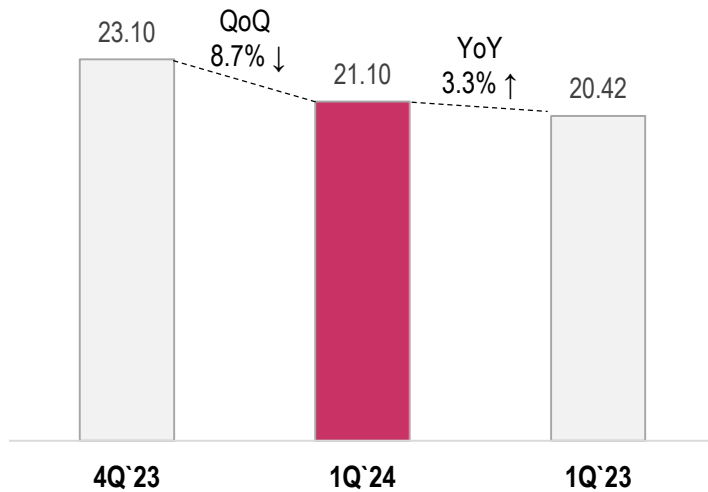
Sales / Profits

(Unit : KRW trillion)

OPM (%)



Sales



Performance by Division

(Unit : KRW billion)

		4Q'23	QoQ	1Q'24	YoY	1Q'23
Consolidated ¹⁾	Sales	23,104.1	-8.7%	21,095.9	+3.3%	20,415.9
	OP	313.1	+1,022.3	1,335.4	-162.0	1,497.4
	(%)	1.4%	+4.9%p	6.3%	-1.0%p	7.3%
H&A ²⁾ Home Appliance & Air Solution	Sales	6,682.2	+28.8%	8,607.5	+7.2%	8,029.2
	OP	-117.7	+1,058.0	940.3	-74.9	1,015.2
	(%)	-1.8%	+12.7%p	10.9%	-1.7%p	12.6%
HE ²⁾ Home Entertainment	Sales	4,150.6	-15.9%	3,492.0	+4.2%	3,352.1
	OP	-70.1	+202.3	132.2	-71.7	203.9
	(%)	-1.7%	+5.5%p	3.8%	-2.3%p	6.1%
VS Vehicle component Solutions	Sales	2,593.1	+2.7%	2,661.9	+11.5%	2,386.5
	OP	5.7	+46.3	52.0	-2.0	54.0
	(%)	0.2%	+1.8%p	2.0%	-0.3%p	2.3%
BS Business Solutions	Sales	1,268.8	+24.2%	1,575.5	+6.5%	1,479.6
	OP	-89.5	+102.3	12.8	-52.9	65.7
	(%)	-7.1%	+7.9%p	0.8%	-3.6%p	4.4%

1) LG Innotek is included

2) From 1Q'24, Home Beauty business has been restated to 'H&A division' from 'HE division'

Consolidated Earnings and Outlook

Income Trend / Cash Flow

Income Trend

(Unit : KRW billion)

	4Q`23	QoQ	1Q`24	YoY	1Q`23
Operating Profit	313.1	+1,022.3	1,335.4	-162.0	1,497.4
Net financial income/expense	-151.1	+198.7	47.6	+74.6	-27.0
Gain/Loss on equity method	15.4	-325.1	-309.7	+162.0	-471.7
Other non-operating income/expense	-276.4	+181.5	-94.9	-29.9	-65.0
Income Before Tax	-99.0	+1,077.4	978.4	+44.7	933.7
Corporate income tax	-23.0	+416.0	393.0	+5.2	387.8
Income (Loss) from continuing operations	-76.0	+661.4	585.4	+39.5	545.9
Income (Loss) from discontinued operations	-0.4	+0.4	0.0	-0.6	0.6
Net Income	-76.4	+661.8	585.4	+38.9	546.5
EBITDA	1,178.9		2,181.2		2,268.6

Cash Flow

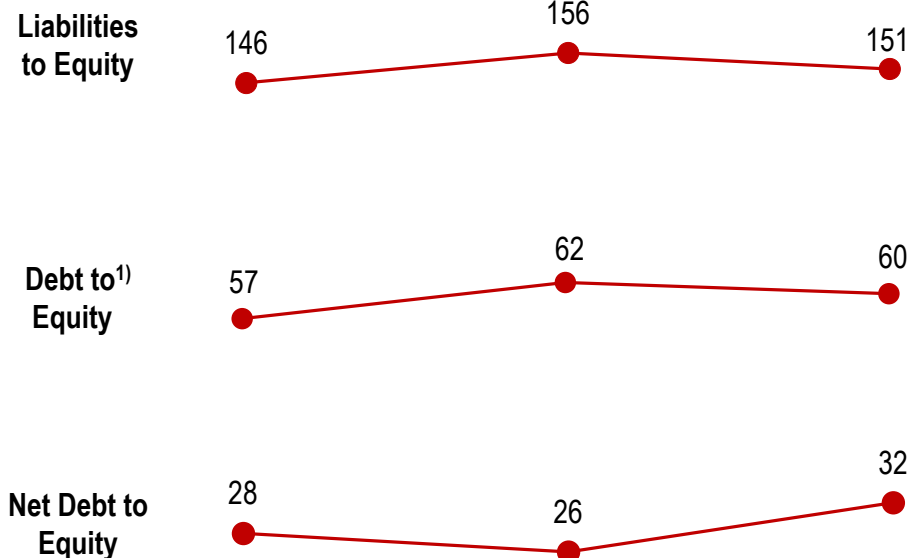
(Unit : KRW billion)

	4Q`23	1Q`24
<input type="checkbox"/> Cash at the beginning of period	8,112.2	8,487.6
• Cash flow from operating activities	1,536.2	-80.1
Net income/loss	-76.4	585.4
Depreciation	865.8	845.8
Gain/Loss on equity method investment	-15.4	309.7
• Cash flow from investing activities	-1,080.7	-1,499.6
Increase/Decrease in tangible assets	-754.7	-536.5
Increase/Decrease in intangible assets	-240.4	-363.3
• Cash flow from financing activities	-9.8	48.3
Repayment of lease obligation	-85.6	-75.1
Increase/Decrease in debt	88.7	123.4
• Effects of exchange rate changes on cash and cash equivalents	-70.3	53.4
<input type="checkbox"/> Net changes in cash	375.4	-1,478.0
<input type="checkbox"/> Cash at the end of period	8,487.6	7,009.6
Net C/F	385.2	-1,526.3

Leverage Ratio

(Unit: %)

1Q'23 4Q'23 1Q'24



1) Lease Liability is included

2) Net Debt = Debt + Lease Liability – Cash and Cash equivalents

Financial Position

(Unit : KRW trillion)

	1Q'23	4Q'23	1Q'24
Assets	57.49	60.24	61.37
Current Assets	29.25	30.34	31.07
Cash and Cash equivalents	6.81	8.49	7.01
Inventory	9.83	9.13	10.04
Non-Current Assets	28.24	29.90	30.30
Liabilities	34.13	36.74	36.91
Current Liabilities	22.81	24.16	24.09
Non-Current Liabilities	11.32	12.58	12.82
Equity	23.36	23.50	24.46
Debt	12.22	13.32	13.57
Net Debt²⁾	6.51	6.03	7.75

Business Environment

- Difficult business environment is expected to persist, due to high interest rates maintained in major countries caused by continued inflation, increasing uncertainties in international situations, and instable oil prices stemming from fluctuations in crude oil supply

Key Strategies

- Pursue qualitative growth by accelerating the shift in portfolio by innovating our business models
- Deploy differentiated market strategies to flexibly respond to changes in demand

Sales & Profit Outlook

- Expect sales to grow year-on-year through continued stable growth in appliance, active efforts to address demand recovery in TV, and solid sales in vehicle components
- Improve profitability year-on-year on the back of operating leverage effect, more contribution in operating profit from high-profit businesses, and cost structure stabilization

III

Performance and Outlook by Division

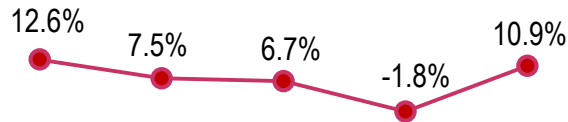
Performance and Outlook by Division

H&A (Home Appliance & Air Solution)

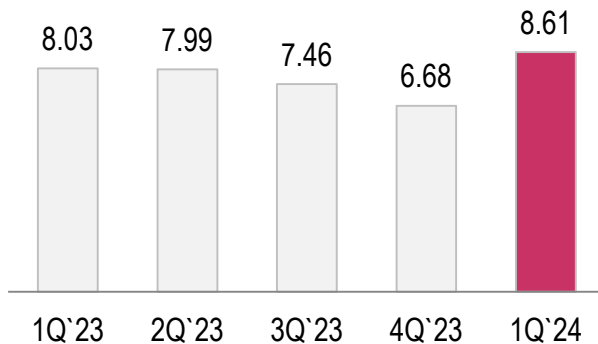
Performance¹⁾

(Unit : %, KRW trillion)

OPM



Sales



Key Products



LG DIOS
MoodUP Refrigerator



LG Signature
Washer-Dryer



LG Whisen
Tower Luxury

1Q'24 Performance

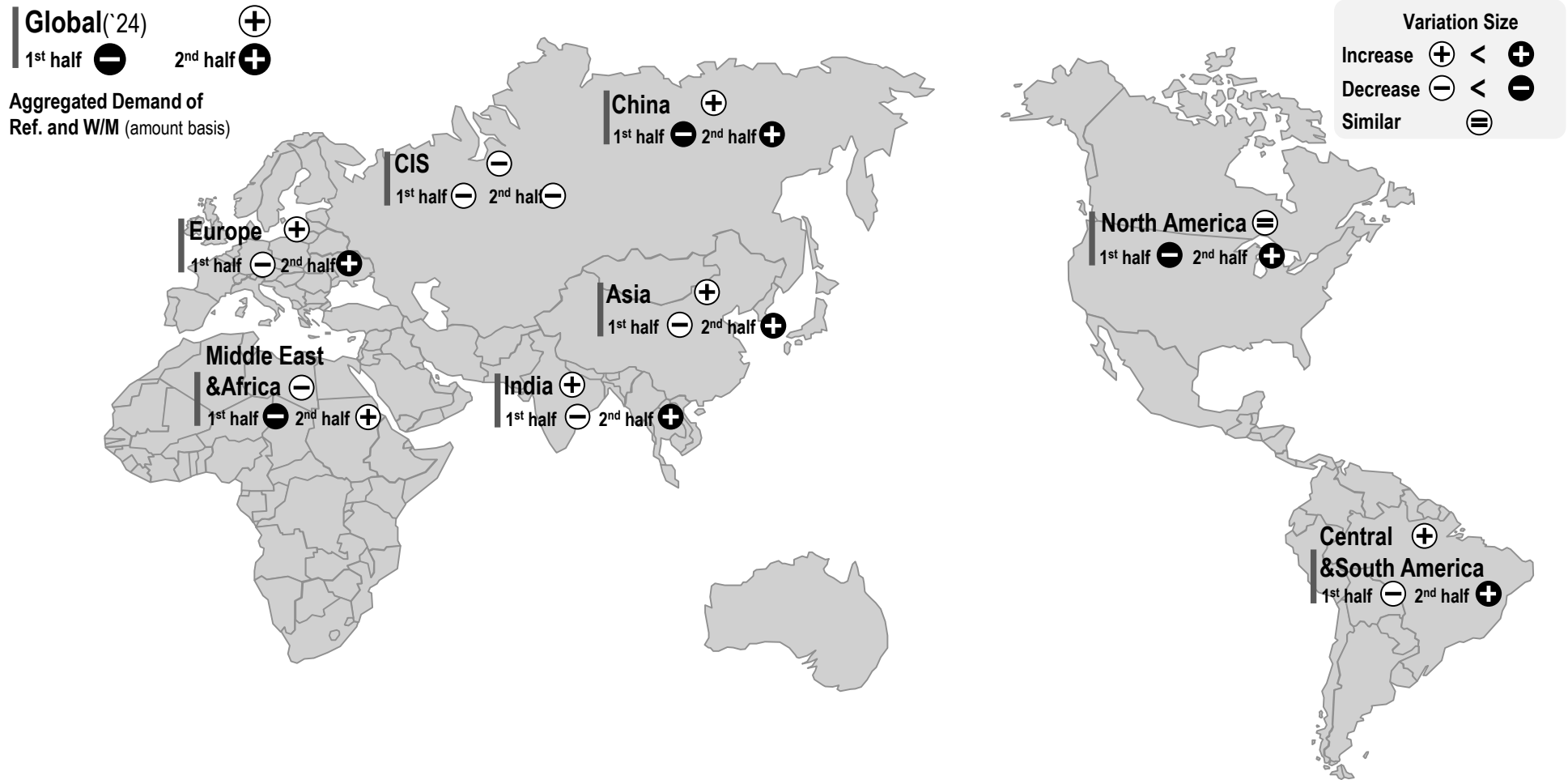
- **Sales** : Though recovery of market demand is delayed due to the continued slowdown in the global economy, with tangible signs of a gradual recovery in emerging markets, sales increased year-on-year on the back of two-track strategy of launching differentiated products and expanding price coverage, as well as expansion of new business areas including subscription and online businesses
- **Profit** : Despite leverage effect, material cost reduction and logistics cost stabilization, decreased year-on-year due to increased marketing expenses to address competition in the market

2Q'24 Outlook

- **Market** : Appliance demand is to show a gradual growth centered around emerging markets, but competition is expected to intensify with geopolitical instability and delayed recovery of demand in advanced markets
- **LGE** : Seek to continue driving top-line growth momentum by proactively responding to changes in the market through growth in B2C with new models in main businesses and expansion of the volume zone, increasing B2B sales portion focusing on HVAC, and strengthening online and subscription businesses. Improve operating profit year-on-year through efficient resource management and cost improvement efforts.

1) From 1Q'24, Home Beauty business has been restated to 'H&A division' from 'HE division'

Y2024 Global Appliance Demand Forecast



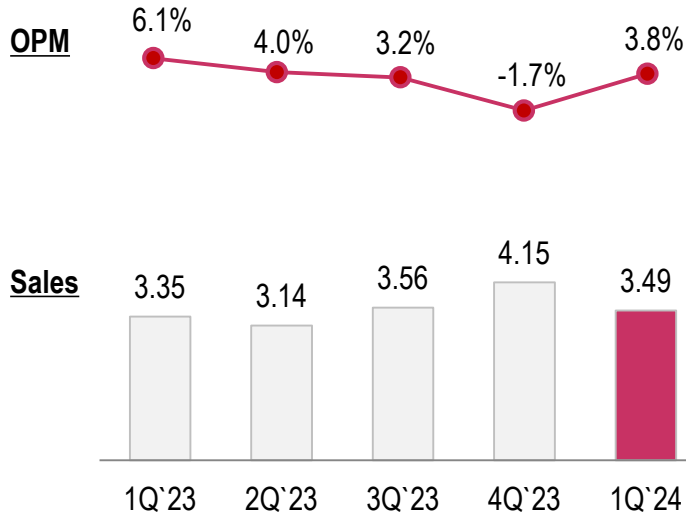
※ This "Global Home Appliance Market Demand Outlook" is not a forecast of our company's sales but a projection of the market demand for home appliances, independent of our sales predictions. This outlook is subject to change based on external factors such as macroeconomic conditions, and due to this uncertainty, the actual market conditions may differ from what is stated or implied in the "Market Outlook." Furthermore, this document cannot be used under any circumstances as legal evidence for the results of an investor's decisions.

Performance and Outlook by Division

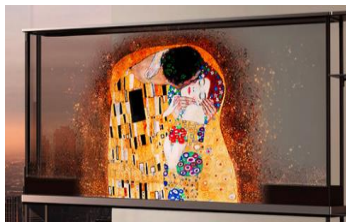
HE (Home Entertainment)

Performance¹⁾

(Unit : %, KRW trillion)



Key Products



LG SIGNATURE OLED T



LG Sound Bar & TONE Free

1Q'24 Performance

- **Sales** : Increased year-on-year based on expansion of software platform business and top-line growth in Europe.
- **Profit** : Though operating profit turned around and secured stable level of profitability, decreased year-on year due to cost pressures from rising LCD panel prices and increased marketing expenses to drive sales of premium products.

2Q'24 Outlook

- **Market** : Uncertainties such as ongoing global disputes, but demand for OLED TVs is expected to gradually improve and overall demand is expected to start picking up from the second half
- **LGE** : Enhance revenue and secure stable profitability by improving product mix based on increased sales of strategic products including QNED and OLED TV, and expanding coverage with new models
Continue to drive greater contributions in business performance from growth in software platform business.

1) From 1Q'24, Home Beauty business has been restated to 'H&A division' from 'HE division'

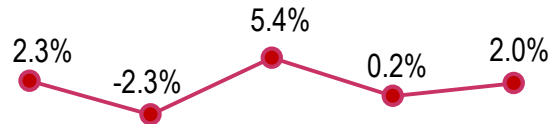
Performance and Outlook by Division

VS (Vehicle component Solutions)

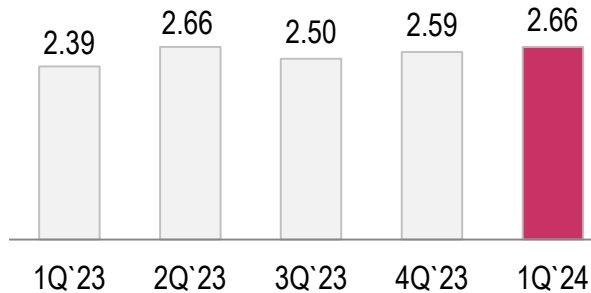
Performance

(Unit : %, KRW trillion)

OPM



Sales



Key Products



- Head unit
- Telematics
- Automotive Display

Infotainment



- Traction Motor
- Inverter

xEV Components



- Automotive Lighting
- Automotive Vision System

Safety & Convenience Devices

1Q'24 Performance

- **Sales** : Achieved double digit growth year-on-year, thanks to stable growth in in-vehicle infotainment business as well as effects from new OEM expansion and strong sales from existing OEMs by LG Magna ePowertrain
- **Profit** : Despite cost pressure from increased headcount especially with R&D recruitments to drive the SDV (software defined vehicle) sector, continued to secure profitability on the back of (effects from) program mix improvement as well as operating leverage effect and cost structure stabilization

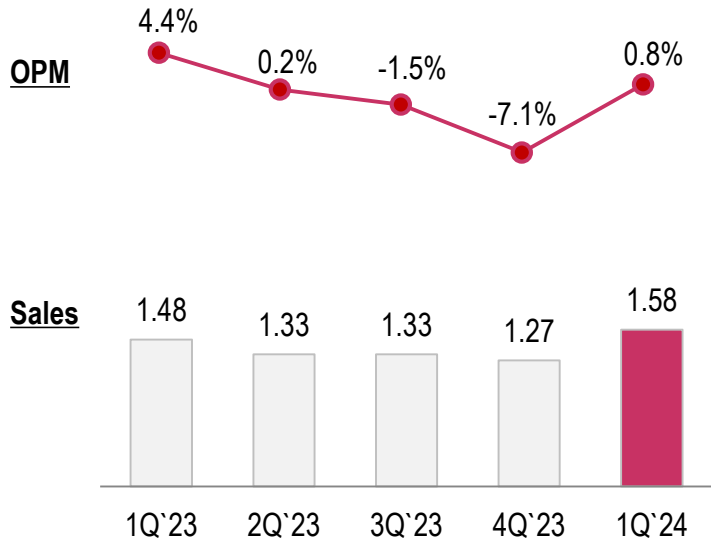
2Q'24 Outlook

- **Market** : Growth rate of global demand for automotives and electric vehicles is expected to slow, but demand for high value-added vehicle components is expected to grow
- **LGE** : Seek topline growth by expanding sales of differentiated products based on awarded business, and secure stable basis for profitability by optimizing operations considering market risks and enhancing efficiency in resource management

Performance and Outlook by Division

Performance

(Unit : %, KRW trillion)



Key Products



Gaming Monitor & 21:9 Monitor



Gram PC



Information Display

1Q'24 Performance

- **Sales :** Global IT demand is showing a gradual recovery and sales grew year-on-year on the back of new gaming monitor launches and enhanced sales of strategic products such as e-board and LED signage
- **Profit :** Decreased year-on-year due to intense price competition and rising component prices as well as investments in new businesses, but turned around driven by expanded sales in IT and efficient cost management.

2Q'24 Outlook

- **Market :** IT demand is expected to maintain similar levels as last year until the second half, while the information display market is expected to grow, but at a slower pace. Demand for gaming monitors and LED signage is anticipated to continue growing
- **LGE :** Pursue top-line growth through launch of new IT products aligned to customer needs (OLED gaming and smart monitors) and more business opportunities for B2B products. Secure profitability through efficient resource management.

III

ESG Activities and Achievements

Strengthen eco-friendly appliance line-up

- Launched, “LG Tromm Object Collection Wash Combo”, the only washer/dryer in Korea to adopt heat pump technology 100% : Utilizing differentiated empathetic AI technology, our 6 Motion system offers tailored washing and drying that minimizes fabric damage
- Unveiled the new wall-mounted Dual Cool air conditioner, featuring heating and cooling capabilities alongside achieving the highest European energy efficiency rating of A+++.

Demonstrate high-efficiency technology

- Named as ‘2024 Energy Star Partner of the Year- Sustained Excellence’ by the US Environmental Protection Agency and US Department of Energy
- Accelerated penetration into the global heat pump market with a seventh consecutive win at the US Air-conditioning, Heating and Refrigeration Institute’s Performance Award
- Swept the top three positions for 'Best High-Efficiency Top-Load Washers' in the U.S. Consumer Reports and selected as 'Green Choice' products.

Utilize responsible technology

- Secured transparency in AI capabilities through international standard certification (ISO/IEC 42001) for the overall AI management system.
- LG Magna proactively responded to changes in the mobility industry by obtaining vehicle cybersecurity certification.

IV

Strategic Direction

Advancing as a smart life solution company through strategic business portfolio transformation



Accelerate B2B Business

- Exceeded sales portion of 30% in 1Q`24
- Increase sales of vehicle components centered on high-value added parts
- Expand HVAC business with a focus on eco-friendly and high-efficiency products



Transition to Platform Business

- Expand the user base through increased adoption of webOS
- Provide customized advertising solutions
- Achieve annual sales of 1 trillion won in `24



New Biz in the Big Wave Sector

- Launch new ventures aligned with market and technology trends
- After establishing an electric vehicle charging plant in US, target North American market
- Develop electric vehicle charging business to achieve trillion won revenue

The successful global bond issuance in April 2024 has demonstrated high interest and expectations from international investors regarding our direction in transforming the business portfolio, based on a stable financial structure



LG

Life's Good

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Sustainability Indices**

In Collaboration with RobecoSAM 

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(Unit : KRW billion, %)

Income Statement

	2023										2024	
	1Q		2Q		3Q		4Q		Total		1Q	
Sales	20,415.9	100.0%	19,998.4	100.0%	20,709.4	100.0%	23,104.1	100.0%	84,227.8	100.0%	21,095.9	100.0%
Cost of goods sold	15,246.0	74.7%	15,112.4	75.6%	15,697.9	75.8%	18,368.8	79.5%	64,425.1	76.5%	15,710.9	74.5%
Gross profit	5,169.9	25.3%	4,886.0	24.4%	5,011.5	24.2%	4,735.3	20.5%	19,802.7	23.5%	5,385.0	25.5%
Selling & admin expense	3,672.5	18.0%	4,144.1	20.7%	4,014.8	19.4%	4,422.2	19.1%	16,253.6	19.3%	4,049.6	19.2%
Operating profit (Loss)	1,497.4	7.3%	741.9	3.7%	996.7	4.8%	313.1	1.4%	3,549.1	4.2%	1,335.4	6.3%
Financial income (Expense)	-27.0	-0.1%	9.2	0.0%	28.7	0.1%	-151.1	-0.7%	-140.2	-0.2%	47.6	0.2%
Gains (loss) on equity method investment	-471.7	-2.3%	-321.5	-1.6%	-266.9	-1.3%	15.4	0.1%	-1,044.7	-1.2%	-309.7	-1.5%
Other non operating profit (Loss)	-65.0	-0.3%	-43.4	-0.2%	-109.5	-0.5%	-276.4	-1.2%	-494.3	-0.6%	-94.9	-0.4%
Net income before tax	933.7	4.6%	386.2	1.9%	649.0	3.1%	-99.0	-0.4%	1,869.9	2.2%	978.4	4.6%
Corporate Income Tax	387.8	1.9%	191.7	1.0%	163.7	0.8%	-23.0	-0.1%	720.2	0.9%	393.0	1.9%
Income (Loss) from continuing operations	545.9	2.7%	194.5	1.0%	485.3	2.3%	-76.0	-0.3%	1,149.7	1.4%	585.4	2.8%
Income (Loss) from discontinued operations	0.6	0.0%	0.8	0.0%	-0.1	0.0%	-0.4	0.0%	0.9	0.0%	0.0	0.0%
Net Income (Loss)	546.5	2.7%	195.3	1.0%	485.2	2.3%	-76.4	-0.3%	1,150.6	1.4%	585.4	2.8%
Controlled shares	471.3		162.1		385.4		-305.9		712.9		474.8	
Non-controlled shares	75.2		33.2		99.8		229.5		437.7		110.6	

* Since the information regarding results of 1Q'24 has been prepared in advance, it is subject to change in the process of final review by external auditors

Statements of Financial Position

	2023				(Unit : KRW billion)
	1Q	2Q	3Q	4Q	2024 1Q
Assets	57,490.6	58,160.4	61,903.1	60,240.8	61,366.1
Current Assets	29,246.0	29,273.9	32,624.1	30,341.2	31,069.0
Cash and cash equivalents	6,811.0	7,238.7	8,112.2	8,487.6	7,009.6
Accounts receivable	8,921.1	9,491.2	10,827.9	9,265.0	10,289.9
Inventory	9,832.4	8,603.6	9,948.5	9,125.4	10,036.9
Others	3,681.5	3,940.4	3,735.5	3,463.2	3,732.6
Non-current Assets	28,244.6	28,886.5	29,279.0	29,899.6	30,297.1
Investment	3,613.3	3,210.6	3,003.6	3,004.5	3,283.6
PP&E	16,115.4	16,515.9	16,749.5	16,818.6	16,710.4
Intangible assets	2,518.9	2,561.6	2,685.9	2,867.7	2,930.8
Others	5,997.0	6,598.4	6,840.0	7,208.8	7,372.3
Liabilities	34,130.8	34,608.8	37,678.0	36,742.3	36,906.7
Accounts payable	9,110.0	8,271.9	10,848.2	9,427.3	9,978.0
Debt	12,221.4	12,809.2	13,266.0	13,320.8	13,567.5
Lease liability	1,100.1	1,084.7	1,115.1	1,193.0	1,187.3
Other	11,699.3	12,443.0	12,448.7	12,801.2	12,173.9
Equity	23,359.8	23,551.6	24,225.1	23,498.5	24,459.4

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(Unit : KRW billion, %)

		1Q'23	2Q'23	3Q'23	4Q'23	'23 Total	1Q'24	QoQ	YoY
H&A	Sales	8,029.2	7,993.1	7,463.8	6,682.2	30,168.3	8,607.5	28.8%	7.2%
	OP	1,015.2	597.3	499.5	-117.7	1,994.3	940.3		
	(%)	12.6%	7.5%	6.7%	-1.8%	6.6%	10.9%		
HE	Sales	3,352.1	3,139.1	3,562.2	4,150.6	14,204.0	3,492.0	-15.9%	4.2%
	OP	203.9	126.4	115.7	-70.1	375.9	132.2		
	(%)	6.1%	4.0%	3.2%	-1.7%	2.6%	3.8%		
VS	Sales	2,386.5	2,664.5	2,503.5	2,593.1	10,147.6	2,661.9	2.7%	11.5%
	OP	54.0	-61.2	134.9	5.7	133.4	52.0		
	(%)	2.3%	-2.3%	5.4%	0.2%	1.3%	2.0%		
BS	Sales	1,479.6	1,332.7	1,330.9	1,268.8	5,412.0	1,575.5	24.2%	6.5%
	OP	65.7	2.6	-20.5	-89.5	-41.7	12.8		
	(%)	4.4%	0.2%	-1.5%	-7.1%	-0.8%	0.8%		
Others	Sales	1,014.0	1,222.8	1,346.2	1,010.7	4,593.7	594.2	-41.2%	-41.4%
	OP	19.4	73.8	93.9	96.7	283.8	20.6		
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LGE Consolidated Excluding LG Innotek (①)	Sales	16,261.4	16,352.2	16,206.6	15,705.4	64,525.6	16,931.1	7.8%	4.1%
	OP	1,358.2	738.9	823.5	-174.9	2,745.7	1,157.9		
	(%)	8.4%	4.5%	5.1%	-1.1%	4.3%	6.8%		
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LG Innotek (②)	Sales	4,375.9	3,907.2	4,763.6	7,558.6	20,605.3	4,333.6	-42.7%	-1.0%
	OP	145.3	18.4	183.4	483.7	830.8	176.0		
<hr/>									
LGE-LG Innotek Inter-company Transaction (③)	Sales	221.4	261.0	260.8	159.9	903.1	168.8		
	OP	6.1	15.4	10.2	-4.3	27.4	-1.5		
<hr/>									
LGE Consolidated (①+②-③)	Sales	20,415.9	19,998.4	20,709.4	23,104.1	84,227.8	21,095.9	-8.7%	3.3%
	OP	1,497.4	741.9	996.7	313.1	3,549.1	1,335.4		
	(%)	7.3%	3.7%	4.8%	1.4%	4.2%	6.3%		

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* From 1Q'24, Home Beauty business has been restated to 'H&A division' from 'HE division'

- Our shareholder returns are made through annual dividends, which are determined by comprehensively considering future strategic investments within the scope of dividend income, financial structure(cash flow etc.) and business environment with a priority on increasing shareholder value and increasing shareholder returns.
- In accordance with the mid-to long-term dividend policy announced on March 26th, 2024, we plan to return "more than 25% of net profit (excluding one-off non-recurring profit, based on profit attributable to owners of the parent) of consolidated financial statements, minimum 1,000 won per common share per year" to the shareholders over the next three years (FY2024 ~FY2026).
- Starting from the 2024 fiscal year, we will conduct semi-annual dividends, and from the dividend of the 2024 fiscal year, we plan to enhance dividend predictability for investors by first determining the dividend amount and then setting the dividend record date (as resolved by the board of directors).
- Dividend amount for fiscal year 2023 was determined at company's annual general meeting.
 ※ Dividend per share in 2023: Common stock 800 Korean Won, Preferred stock 850 Korean Won

		2016 (15th)	2017 (16th)	2018 (17th)	2019 (18th)	2020 (19th)	2021 (20th)	2022 (21st)	2023 (22nd)
Face value per share (KRW)	Common	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	Preferred	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Cash dividend per share (KRW)	Common	400	400	750	750	1,200	850	700	800
	Preferred	450	450	800	800	1,250	900	750	850
(Consolidated) Net Income (KRW billion)		76.9	1,725.8	1,240.1	31.3	1,968.3	1,031.7	1,196.4	712.9
Total Cash Dividends (KRW billion)		72.9	72.9	135.9	135.9	216.9	153.9	126.9	144.9
(Consolidated) Cash dividends payout ratio (%)		94.8	4.2	11.0	434.4	11.0	14.9	10.6	20.3
Cash dividend yield (%)	Common	0.8	0.4	1.2	1.0	1.1	0.6	0.8	0.8
	Preferred	1.9	1.0	3.1	2.8	2.5	1.4	1.7	1.8

* (Consolidated) net income is the profit attributable to owners of the parent