

3Q`24 Earnings Release

24th October, 2024

LG Electronics

All information regarding management performance and financial results of LG Electronics (the “Company”) during the 3rd 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 3rd 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 4th 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.

Table of Contents

- I** Value-up Program
- II** Consolidated Earnings and Outlook
- III** Performance and Outlook by Division
- IV** ESG Activities and Achievements

I

Value-up Program

Value-up Program

Mid-to Long-term Goals

- Future Vision 2030 : Revenue 100 Tri. KRW by 2030 & Triple7 (Rev. CAGR 7% / OPM 7% / EV/EBITDA 7×)
- ROE¹⁾ ≥ 10% by 2027

Strategy for Mid- to Long-term Goals

- Platform-based Service Business
 - ☞ Expanding to platform-based business(webOS, Smarthome, etc.) from H/W-based business
- Expanding B2B Businesses
 - ☞ Offering differentiated solutions(HVAC, automotive electronics and smart factories, etc.) to B2B Customers
- New-to-LGE
 - ☞ Identifying new high-growth potential areas that align with our capabilities

Future Business Structure

- Mid- to Long-term Revenue and Operating Profit proportion Change
 - ☞ By innovating our business portfolio, we aim to increase the contribution of these businesses from 39% to 52% of total revenue and from 55% to 76% of operating profit by 2030.

Shareholder Return Strategies

- 1st Phase (FY2021 ~ FY2023) ☞ Payout Ratio 20%, Annual dividend scheme
- 2nd Phase (FY2024 ~ FY2026) ☞ Payout Ratio 25%, Semi-annual dividend scheme, Minimum dividend of 1,000 won per common share per year
- Inninatives²⁾ ☞ Reviewing various shareholder return strategies, including cancellation of treasury shares, stock buyback and quarterly dividend scheme

1) Equity Attributable to Owners of Parent Net Income / Equity

2) Subject to update

III

Consolidated Earnings and Outlook

3rd Quarter Performance

- Despite a delayed recovery in EV demand, Q3 revenue grew year-over-year, driven by increased appliance sales in emerging markets, a rise in OLED TV sales, and accelerated growth in incubating businesses such as subscription and webOS platform services.
- Operating profit saw a decline due to continued pressure from rising logistics costs, LCD panel prices, and fixed costs from delayed EV component sales.

4th Quarter Outlook

- Delays in demand recovery and market uncertainties are expected to persist, with risks posed by gradual interest rate cuts and potential oil price fluctuations triggered by geopolitical tensions in the Middle East. Global shipping rates, on the other hand, are stabilizing, alleviating concerns over further increases in logistics costs.
- We aim to achieve year-on-year revenue growth by expanding our home appliance business and actively responding to the increasing demand for TVs and Vehicle components including infotainment sector. To maintain stable profitability, we will focus on high-margin products, efficiently allocate marketing resources, and optimize global operations.
- Despite ongoing global macroeconomic uncertainties, a prolonged demand slump, and intensified competition, we will leverage our unique competitive strengths to proactively address the rapidly changing external environment and achieve our desired outcomes.

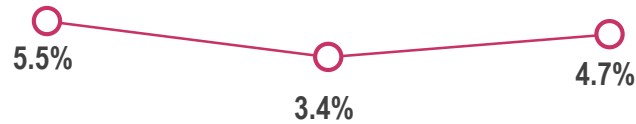
Consolidated Earnings and Outlook

Sales / Profits

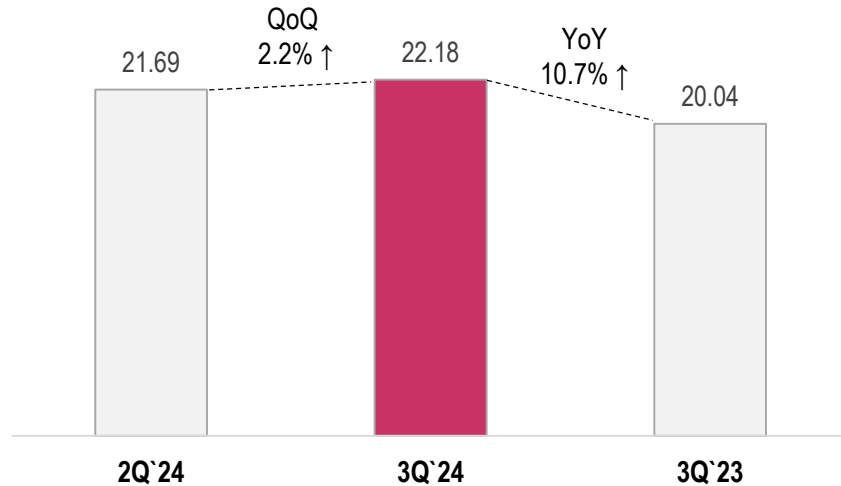
Sales / Profits

(Unit : KRW trillion)

OPM (%)



Sale



Performance by Division

(Unit : KRW billion)

		2Q'24	QoQ	3Q'24	YoY	3Q'23
Consolidated ¹⁾	Sales	21,694.4	+2.2%	22,176.4	+10.7%	20,037.9
	OP	1,197.2	-445.3	751.9	-198.2	950.1
	(%)	5.5%	-2.1%p	3.4%	-1.3%p	4.7%
H&A ²⁾ Home Appliance & Air Solution	Sales	8,842.9	-5.7%	8,337.6	+11.7%	7,463.8
	OP	694.4	-167.2	527.2	+27.7	499.5
	(%)	7.9%	-1.6%p	6.3%	-0.4%p	6.7%
HE ²⁾ Home Entertainment	Sales	3,618.2	+3.6%	3,747.3	+5.2%	3,562.2
	OP	97.0	-47.6	49.4	-66.3	115.7
	(%)	2.7%	-1.4%p	1.3%	-1.9%p	3.2%
VS ³⁾ Vehicle component Solutions	Sales	2,692.0	-3.0%	2,611.3	+4.3%	2,503.5
	OP	82.8	-81.7	1.1	-87.5	88.6
	(%)	3.1%	-3.1%p	0.0%	-3.5%p	3.5%
BS Business Solutions	Sales	1,464.4	-4.5%	1,398.9	+5.1%	1,330.9
	OP	-5.9	-71.0	-76.9	-56.4	-20.5
	(%)	-0.4%	-5.1%p	-5.5%	-4.0%p	-1.5%

1) LG Innotek is included. Due to the close of Battery Pack business in 'VS division', the company has restated the comparative information of income statements from previous periods from 3Q'24

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

3) Due to the close of Battery Pack business in 'VS division', the company has restated the comparative information of income statements from previous periods from 3Q'24

Consolidated Earnings and Outlook

Income Trend / Cash Flow

Income Trend

(Unit : KRW billion)

	2Q`24	QoQ	3Q`24	YoY	3Q`23
Operating Profit	1,197.2	-445.3	751.9	-198.2	950.1
Net financial income/expense	-22.7	-39.7	-62.4	-101.2	38.8
Gain/Loss on equity method	-210.6	+84.4	-126.2	+140.7	-266.9
Other non-operating income/expense	-56.8	+28.4	-28.4	+75.5	-103.9
Income Before Tax	907.1	-372.2	534.9	-83.2	618.1
Corporate income tax	269.8	-81.7	188.1	+32.3	155.8
Income (Loss) from continuing operations	637.3	-290.5	346.8	-115.5	462.3
Income (Loss) from discontinued operations	-7.8	-248.8	-256.6	-279.5	22.9
Net Income	629.5	-539.3	90.2	-395.0	485.2
EBITDA	2,044.8		1,688.6		1,745.1

Cash Flow

(Unit : KRW billion)

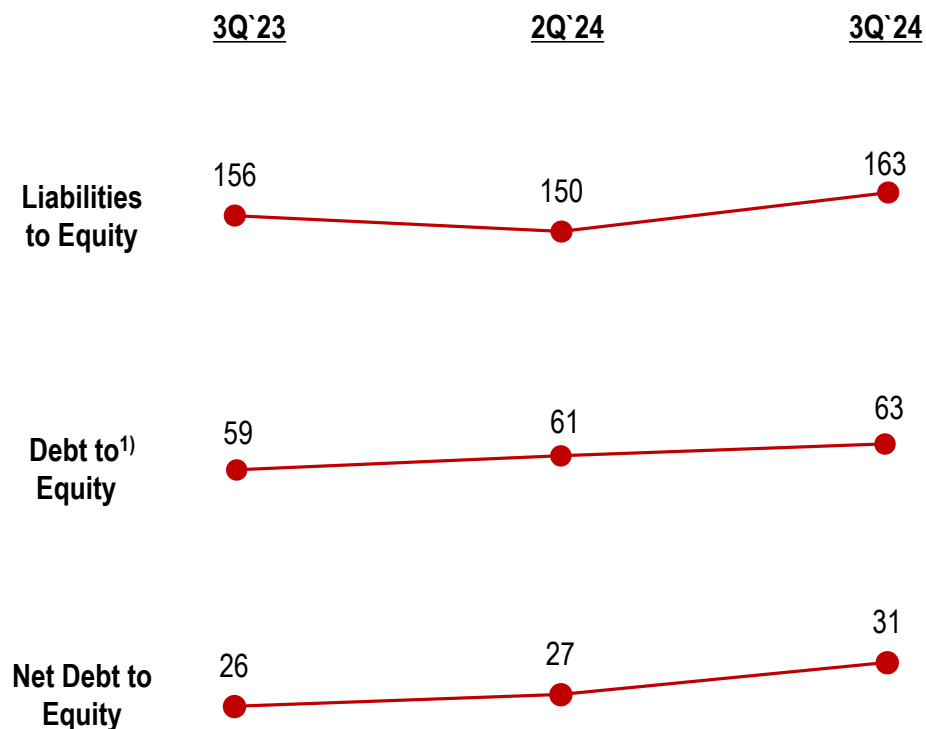
	2Q`24	3Q`24
<input type="checkbox"/> Cash at the beginning of period	7,009.6	8,554.5
• Cash flow from operating activities	2,006.7	207.2
Net income/loss	629.5	90.2
Depreciation	847.5	936.7
Gain/Loss on equity method investment	210.6	126.2
• Cash flow from investing activities	-866.5	-754.1
Increase/Decrease in tangible assets	-561.1	-590.7
Increase/Decrease in intangible assets	-232.0	-241.1
• Cash flow from financing activities	308.2	-134.6
Repayment of lease obligation	-67.3	-140.6
Increase/Decrease in debt	602.2	95.9
• Effects of exchange rate changes on cash and cash equivalents	96.5	-180.7
<input type="checkbox"/> Net changes in cash	1,544.9	-862.2
<input type="checkbox"/> Cash at the end of period	8,554.5	7,692.3
Net C/F	1,236.7	-727.5

Consolidated Earnings and Outlook

Leverage Ratio / Financial Position

Leverage Ratio

(Unit: %)



Financial Position

(Unit : KRW trillion)

	3Q'23	2Q'24	3Q'24
Assets	61.90	63.13	64.32
Current Assets	32.62	32.74	34.52
Cash and Cash equivalents	8.11	8.55	7.69
Inventory	9.95	9.93	11.02
Non-Current Assets	29.28	30.39	29.80
Liabilities	37.68	37.88	39.90
Current Liabilities	25.12	24.20	26.77
Non-Current Liabilities	12.56	13.68	13.13
Equity	24.22	25.25	24.42
Debt	13.27	14.29	14.19
Net Debt²⁾	6.27	6.91	7.65

1) Lease Liability is included

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

III

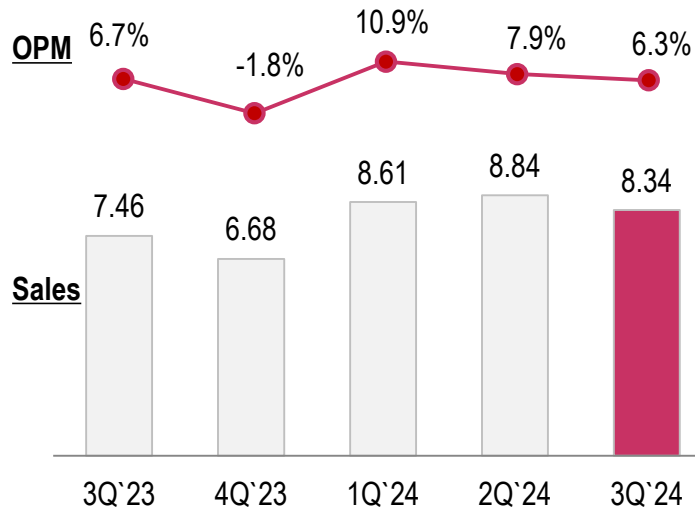
Performance and Outlook by Division

Performance and Outlook by Division

H&A (Home Appliance & Air Solution)

Performance¹⁾

(Unit : %, KRW trillion)



Key Products



LG DIOS
MoodUP Refrigerator



LG Signature
Washer-Dryer



LG Whisen
Tower Luxury

3Q'24 Performance

- **Sales** : Achieved year-over-year revenue growth despite the delayed demand recovery in the global appliance market, driven by the expanded sales of B2B products and steep growth in our subscription business.
- **Profit** : Reached a level at least equal to that of the same period last year, despite increasing pressure from logistics costs, thanks to revenue growth and initiatives to enhance material expenses and productivity.

4Q'24 Outlook

- **Market** : The domestic market is expected to remain stagnant while the overseas market is projected to recover, supported by improvements in leading economic indicators in major countries.
However, uncertainties persist due to the ongoing geopolitical risks and the unpredictability surrounding the U.S. presidential election, among other factors.
- **LGE** : We plan to introduce new products tailored to local market needs and strengthen the volume zone segment to sustain our growth momentum.
Furthermore, we will enhance our productivity to optimize manufacturing costs and marketing expenses to secure profits.

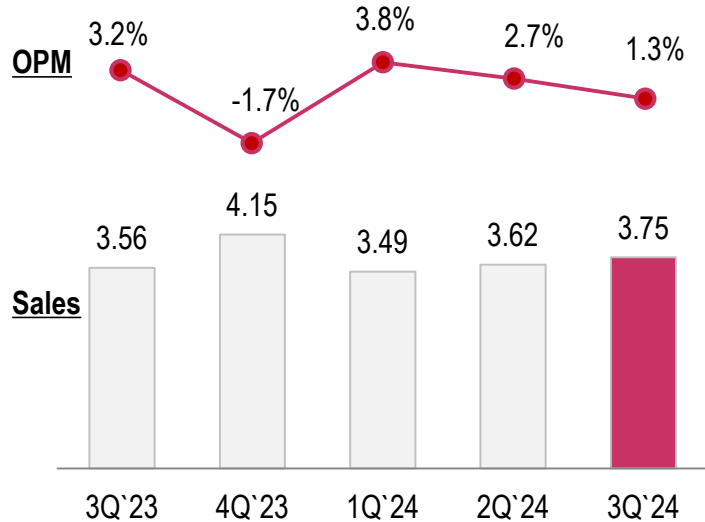
1) From 1Q'24, Home Beauty business has been restated to 'H&A division' from 'HE division'

Performance and Outlook by Division

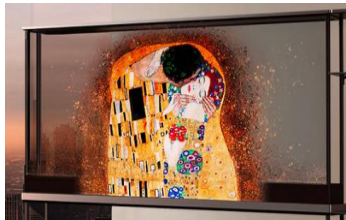
HE (Home Entertainment)

Performance¹⁾

(Unit : %, KRW trillion)



Key Products



LG SIGNATURE OLED T



LG Wireless Speaker & Earbuds

3Q'24 Performance

- **Sales :** Continue to grow year-over-year, fueled by increased TV hardware sales, particularly in Europe, and a surge in OLED TV shipments. The expansion of webOS-based advertisement and content businesses has contributed significantly to this upward trend.
- **Profit :** Posted a small drop year-over-year due to ongoing cost pressure stemming from rising LCD panel prices.

4Q'24 Outlook

- **Market :** Overall market demand for TVs in Q4, we expect to see a slight year-over-year improvement. The demand recovery is likely to be more pronounced in the volume zone than the premium segment.
- **LGE :** Aim to accelerate sales growth and enhance our contribution to overall profitability by continuing to expand the sales of premium products such as OLED/QNED TVs. Strengthening the competitiveness of mass-tier products to meet volume zone demand and strengthening partnerships to grow the ecosystem of the webOS platform.

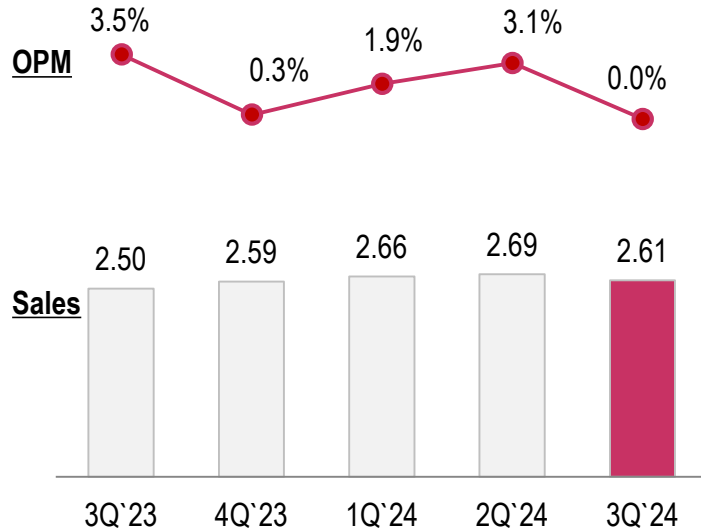
1) From 1Q'24, Home Beauty business has been restated to 'H&A division' from 'HE division'

Performance and Outlook by Division

VS (Vehicle component Solutions)

Performance¹⁾

(Unit : %, KRW trillion)



Key Products



- Head unit
- Telematics
- Automotive Display

Infotainment



- Traction Motor
- Inverter

xEV Components



- Automotive Lighting
- Automotive Vision System

Safety & Convenience Devices

3Q'24 Performance

- **Sales** : Maintained year-over-year growth momentum. However, quarter-over-quarter sales saw a slight dip due to stagnant demand in the EV market.
- **Profit** : Decreased year-over-year, impacted by reduced sales and increased R&D costs for upfront investments in the mass production of existing projects and future preparations for SDV.

4Q'24 Outlook

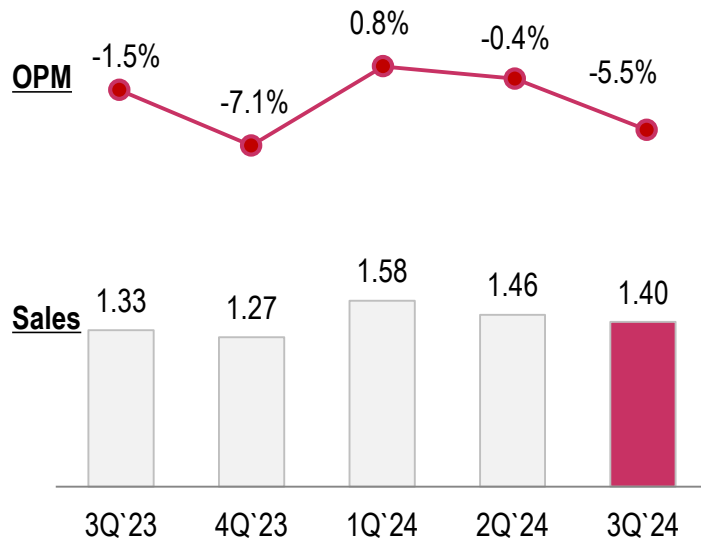
- **Market** : Although demand for vehicles is expected to grow quarter-on-quarter, the growth rate is expected to slow down compared to the forecast in the past mainly due to the stagnation in EV demand.
- **LGE** : Despite these headwinds, we plan to continue growing sales and strengthening our market position based on orders on hand, and secure profitability by improving our product mix and optimizing operational costs.

1) Due to the close of Battery Pack business in 'VS division', the company has restated the comparative information of income statements from previous periods from 3Q'24

Performance and Outlook by Division

Performance

(Unit : %, KRW trillion)



Key Products



Gaming Monitor & 21:9 Monitor



Gram PC



Information Display

3Q'24 Performance

- **Sales** : Grew year-over-year thanks to increased sales of gaming monitors, LED signage, and other strategic products; a large volume of PC orders from B2B partners; and revitalized sales in online channels.
- **Profit** : Experienced a deeper deficit due to a drop in average selling prices, rising logistics and material costs, and increased resource allocation towards growing new business areas.

4Q'24 Outlook

- **Market** : Market demand for monitors and infotainment display business is likely to be similar to that of the previous quarter. Demand for PCs in general is expected to be sluggish while demand for premium laptops will grow year-over-year, as the market is showing more interest in AI PCs.
- **LGE** : We will concentrate on improving profitability by growing sales of the ID business by capitalizing on emerging opportunities in vertical markets, increasing sales of strategic products and invigorating online channels for IT products, and improving the efficiency.

IV

ESG Activities and Achievements

Competitiveness in high-efficiency and eco-friendly products

- Received a total of 10 awards at the 27th Energy Winner Awards, including the Carbon Neutrality Award.
- Our 15 products were selected as this year's Green products, marking the fifth consecutive year of being selected as a 'Green Masterpiece.'
- Five models of our TVs and Tromm Wash Combo were certified as the first E-Cycle Excellent Products of the year by E-Cycle Governance.

Access for All

- The LG Comfort Kit secured the Gold Medal at IDEA, a highly prized design competition.
- LGE was ranked first in the Home Appliance A/S category for our improved customer A/S experience and accessibility, and in the Call Center Quality Index for the introduction of AI Assistant Solution.

Commitment to responsible technological innovation

- Our V2X(Vehicle to Everything)¹⁾ module has achieved Common Criteria certification for its security, marking a world-first.
- Developing solutions that extend the lifespan of automotive electronic components with Altair, a leading American simulation company.

1) V2X(Vehicle to Everything): Technology which enables communication between vehicles and surrounding objects.
Including V2V(Vehicle to Vehicle), V2I(Vehicle to Infrastructure),V2P(Vehicle to Pedestrian),etc.



<http://www.lg.com/global>

(Unit : KRW billion, %)

Income Statement

	2023										2024					
	1Q		2Q		3Q		4Q		Total		1Q		2Q		3Q	
Sales	19,967.5	100.0%	19,523.7	100.0%	20,037.9	100.0%	22,733.6	100.0%	82,262.7	100.0%	21,095.9	100.0%	21,694.4	100.0%	22,176.4	100.0%
Cost of goods sold	14,797.8	74.1%	14,638.1	75.0%	15,026.6	75.0%	17,998.9	79.2%	62,461.4	75.9%	15,710.9	74.5%	16,030.2	73.9%	16,798.4	75.7%
Gross profit	5,169.7	25.9%	4,885.6	25.0%	5,011.3	25.0%	4,734.7	20.8%	19,801.3	24.1%	5,385.0	25.5%	5,664.2	26.1%	5,378.0	24.3%
Selling & admin expense	3,671.3	18.4%	3,993.3	20.5%	4,061.2	20.3%	4,422.2	19.5%	16,148.0	19.6%	4,049.8	19.2%	4,467.0	20.6%	4,626.1	20.9%
Operating profit (Loss)	1,498.4	7.5%	892.3	4.6%	950.1	4.7%	312.5	1.4%	3,653.3	4.4%	1,335.2	6.3%	1,197.2	5.5%	751.9	3.4%
Financial income (Expense)	-16.9	-0.1%	17.5	0.1%	38.8	0.2%	-141.2	-0.6%	-101.8	-0.1%	58.6	0.3%	-22.7	-0.1%	-62.4	-0.3%
Gains (loss) on equity method investment	-471.7	-2.4%	-321.5	-1.6%	-266.9	-1.3%	15.4	0.1%	-1,044.7	-1.3%	-309.7	-1.5%	-210.6	-1.0%	-126.2	-0.6%
Other non operating profit (Loss)	-69.5	-0.3%	-43.2	-0.2%	-103.9	-0.5%	-275.3	-1.2%	-491.9	-0.6%	-94.9	-0.4%	-56.8	-0.3%	-28.4	-0.1%
Net income before tax	940.3	4.7%	545.1	2.8%	618.1	3.1%	-88.6	-0.4%	2,014.9	2.4%	989.2	4.7%	907.1	4.2%	534.9	2.4%
Corporate Income Tax	389.2	1.9%	232.3	1.2%	155.8	0.8%	-20.3	-0.1%	757.0	0.9%	395.8	1.9%	269.8	1.2%	188.1	0.8%
Income (Loss) from continuing operations	551.1	2.8%	312.8	1.6%	462.3	2.3%	-68.3	-0.3%	1,257.9	1.5%	593.4	2.8%	637.3	2.9%	346.8	1.6%
Income (Loss) from discontinued operations	-4.6	-0.0%	-117.5	-0.6%	22.9	0.1%	-8.1	-0.0%	-107.3	-0.1%	-8.0	-0.0%	-7.8	-0.0%	-256.6	-1.2%
Net Income (Loss)	546.5	2.7%	195.3	1.0%	485.2	2.4%	-76.4	-0.3%	1,150.6	1.4%	585.4	2.8%	629.5	2.9%	90.2	0.4%
Controlled shares	471.3		162.1		385.4		-305.9		712.9		474.7		559.1		48.6	
Non-controlled shares	75.2		33.2		99.8		229.5		437.7		110.7		70.4		41.6	

* Since the information regarding results of 3Q'24 has been prepared in advance, it is subject to change in the process of final review by external auditors

** Due to the close of Battery Pack business in 'VS division', the company has restated the comparative information of income statements from previous periods from 3Q'24

Statements of Financial Position

(Unit : KRW billion)

	2023				2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Assets	57,490.6	58,160.4	61,903.1	60,240.8	61,366.1	63,125.9	64,321.9
Current Assets	29,246.0	29,273.9	32,624.1	30,341.2	31,069.0	32,740.7	34,518.8
Cash and cash equivalents	6,811.0	7,238.7	8,112.2	8,487.6	7,009.6	8,554.5	7,692.3
Accounts receivable	8,921.1	9,491.2	10,827.9	9,265.0	10,289.9	10,184.3	11,076.8
Inventory	9,832.4	8,603.6	9,948.5	9,125.4	10,036.9	9,933.8	11,015.9
Others	3,681.5	3,940.4	3,735.5	3,463.2	3,732.6	4,068.1	4,733.8
Non-current Assets	28,244.6	28,886.5	29,279.0	29,899.6	30,297.1	30,385.2	29,803.1
Investment	3,613.3	3,210.6	3,003.6	3,004.5	3,283.6	3,129.4	2,898.6
PP&E	16,115.4	16,515.9	16,749.5	16,818.6	16,710.4	16,714.8	16,462.7
Intangible assets	2,518.9	2,561.6	2,685.9	2,867.7	2,930.8	3,104.9	3,283.1
Others	5,997.0	6,598.4	6,840.0	7,208.8	7,372.3	7,436.1	7,158.7
Liabilities	34,130.8	34,608.8	37,678.0	36,742.3	36,906.7	37,880.5	39,902.6
Accounts payable	9,110.0	8,271.9	10,848.2	9,427.3	9,978.0	9,571.5	10,652.9
Debt	12,221.4	12,809.2	13,266.0	13,320.8	13,567.5	14,285.0	14,190.7
Lease liability	1,100.1	1,084.7	1,115.1	1,193.0	1,187.3	1,177.7	1,148.5
Other	11,699.3	12,443.0	12,448.7	12,801.2	12,173.9	12,846.3	13,910.5
Equity	23,359.8	23,551.6	24,225.1	23,498.5	24,459.4	25,245.4	24,419.3

* Since the information regarding results of 3Q`24 has been prepared in advance, it is subject to change in the process of final review by external auditors

(Unit : KRW billion, %)

		1Q`23	2Q`23	3Q`23	4Q`23	`23 Total	1Q`24	2Q`24	3Q`24	QoQ	YoY
H&A	Sales	8,029.2	7,993.1	7,463.8	6,682.2	30,168.3	8,607.5	8,842.9	8,337.6	-5.7%	11.7%
	OP	1,015.2	597.3	499.5	-117.7	1,994.3	940.3	694.4	527.2		
	(%)	12.6%	7.5%	6.7%	-1.8%	6.6%	10.9%	7.9%	6.3%		
HE	Sales	3,352.1	3,139.1	3,562.2	4,150.6	14,204.0	3,492.0	3,618.2	3,747.3	3.6%	5.2%
	OP	203.9	126.4	115.7	-70.1	375.9	132.2	97.0	49.4		
	(%)	6.1%	4.0%	3.2%	-1.7%	2.6%	3.8%	2.7%	1.3%		
VS	Sales	2,386.5	2,664.5	2,503.5	2,593.1	10,147.6	2,661.8	2,691.9	2,611.3	-3.0%	4.3%
	OP	56.5	91.7	88.6	7.1	243.9	51.8	81.7	1.1		
	(%)	2.4%	3.4%	3.5%	0.3%	2.4%	1.9%	3.0%	0.0%		
BS	Sales	1,479.6	1,332.7	1,330.9	1,268.8	5,412.0	1,575.5	1,464.4	1,398.9	-4.5%	5.1%
	OP	65.7	2.6	-20.5	-89.5	-41.7	12.8	-5.9	-76.9		
	(%)	4.4%	0.2%	-1.5%	-7.1%	-0.8%	0.8%	-0.4%	-5.5%		
Others	Sales	565.6	748.1	674.7	640.2	2,628.6	594.2	719.1	587.0	-18.4%	-13.0%
	OP	17.9	71.3	93.6	94.7	277.5	20.5	176.7	119.4		
LGE Consolidated Excluding LG Innotek (①)	Sales	15,813.0	15,877.5	15,535.1	15,334.9	62,560.5	16,931.0	17,336.5	16,682.1	-3.8%	7.4%
	OP	1,359.2	889.3	776.9	-175.5	2,849.9	1,157.6	1,043.9	620.2		
	(%)	8.6%	5.6%	5.0%	-1.1%	4.6%	6.8%	6.0%	3.7%		
LG Innotek (②)	Sales	4,375.9	3,907.2	4,763.6	7,558.6	20,605.3	4,333.6	4,555.2	5,685.1	24.8%	19.3%
	OP	145.3	18.4	183.4	483.7	830.8	176.0	151.7	130.5		
LGE-LG Innotek Inter-company Transaction (③)	Sales	221.4	261.0	260.8	159.9	903.1	168.7	197.3	190.8		
	OP	6.1	15.4	10.2	-4.3	27.4	-1.6	-0.6	-1.2		
LGE Consolidated (①+②-③)	Sales	19,967.5	19,523.7	20,037.9	22,733.6	82,262.7	21,095.9	21,694.4	22,176.4	2.2%	10.7%
	OP	1,498.4	892.3	950.1	312.5	3,653.3	1,335.2	1,196.2	751.9		
	(%)	7.5%	4.6%	4.7%	1.4%	4.4%	6.3%	5.5%	3.4%		

* Since the information regarding results of 3Q`24 has been prepared in advance, it is subject to change in the process of final review by external auditors

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

*** Due to the close of Battery Pack business in 'VS division', the company has restated the comparative information of income statements from previous periods from 3Q`24