

1Q`22 Earnings Release

28th April, 2022

LG Electronics

All information regarding management performance and financial results of LG Electronics (the “Company”) during the 1st quarter of 2022 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 2022 has been prepared in advance, prior to being reviewed by outside 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 the 2nd quarter of 2022.

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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Consolidated Earnings and Outlook

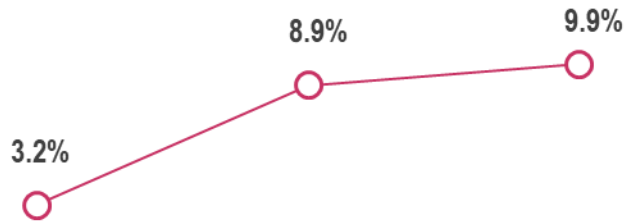
Consolidated Earnings and Outlook

Sales / Profits

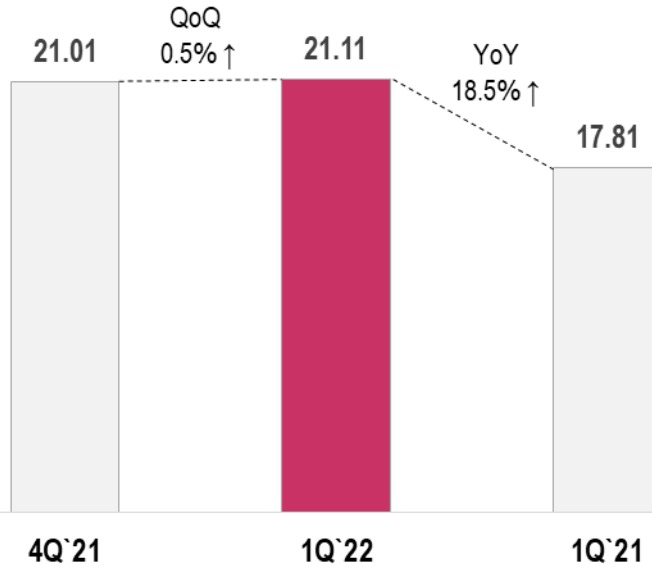
Sales / Profits

(Unit : KRW trillion)

OPM (%)



Sales



Performance by Division

(Unit : KRW billion)

		4Q'21	QoQ	1Q'22	YoY	1Q'21
Consolidated¹⁾	Sales	21,008.6	+0.5%	21,111.4	+18.5%	17,812.4
	OP	677.7	+1,202.8	1,880.5	+113.2	1,767.3
	(%)	3.2%	+5.7%p	8.9%	-1.0%p	9.9%
H&A Home Appliance & Air Solution	Sales	6,524.8	+22.2%	7,970.2	+18.8%	6,708.9
	OP	157.1	+290.5	447.6	-458.6	906.2
	(%)	2.4%	+3.2%p	5.6%	-7.9%p	13.5%
HE Home Entertainment	Sales	4,985.8	-18.5%	4,064.9	+1.4%	4,008.7
	OP	162.7	+25.7	188.4	-206.9	395.3
	(%)	3.3%	+1.3%p	4.6%	-5.3%p	9.9%
VS²⁾ Vehicle component Solutions	Sales	1,657.4	+13.3%	1,877.6	+8.5%	1,730.8
	OP	-48.8	+42.5	-6.3	-1.7	-4.6
	(%)	-2.9%	+2.6%p	-0.3%	+0.0%p	-0.3%
BS³⁾ Business Solutions	Sales	1,662.9	+21.3%	2,016.7	+23.7%	1,630.1
	OP	-34.7	+71.7	37.0	-73.8	110.8
	(%)	-2.1%	+3.9%p	1.8%	-5.0%p	6.8%

1) LG Innotek is included

2) From '22, due to transfer of business to LG Chemical, battery pack business with GM has been restated to 'others' from 'VS division'

3) From '22, due to transfer of business to LG Chemical, CEM business has been restated to 'others' from 'BS division'

Consolidated Earnings and Outlook

Income Trend / Cash Flow

Income Trend

(Unit : KRW billion)

	4Q`21	QoQ	1Q`22	YoY	1Q`21
Operating Profit	677.7	+1,202.8	1,880.5	+113.2	1,767.3
Net financial income/expense	-37.2	+31.4	-5.8	-14.2	8.4
Gain/Loss on equity method	64.7	-55.2	9.5	-74.1	83.6
Other non-operating income/expense	-658.3	+696.7	38.4	+102.5	-64.1
Income Before Tax	46.9	+1,875.7	1,922.6	+127.4	1,795.2
Corporate income tax	139.4	+382.0	521.4	+114.8	406.6
Income (Loss) from continuing operations	-92.5	+1,493.7	1,401.2	+12.6	1,388.6
Income (Loss) from discontinued operations	113.8	-114.0	-0.2	+219.3	-219.5
Net Income	21.3	+1,379.7	1,401.0	+231.9	1,169.1
EBITDA	1,437.8		2,610.2		2,501.0

Cash Flow

(Unit : KRW billion)

	4Q`21	1Q`22
<input type="checkbox"/> Cash at the beginning of period	6,619.8	6,051.5
• Cash flow from operating activities	441.7	-137.7
Net income/loss	21.3	1,401.0
Depreciation	760.1	729.7
Gain/Loss on equity method investment	-64.7	-9.5
• Cash flow from investing activities	-391.8	-446.1
Increase/Decrease in tangible assets	-606.1	-602.0
Increase/Decrease in intangible assets	-246.5	-133.8
• Cash flow from financing activities	-596.0	45.9
Repayment of lease obligation	-85.7	-77.4
Increase/Decrease in debt	-518.0	123.3
• Effects of exchange rate changes on cash and cash equivalents	-31.1	47.4
<input type="checkbox"/> Net changes in cash	-577.2	-490.5
<input type="checkbox"/> Changes in cash held for sale ¹⁾	8.9	58.4
<input type="checkbox"/> Cash at the end of period	6,051.5	5,619.4
Net C/F	18.8	-536.4

1) Different amount from conversion of cash held for sale (4Q`21: KRW 8.9billion, 1Q`22: KRW 58.4billion)
 - To be sold off by LG Innotek China Huizhou subsidiary (4Q`21: KRW 0.3billion, 1Q`22: KRW 58.4billion)
 - To be sold off by LG Electronics China Yantai/Qingdao subsidiary (4Q`21: KRW 8.6billion)

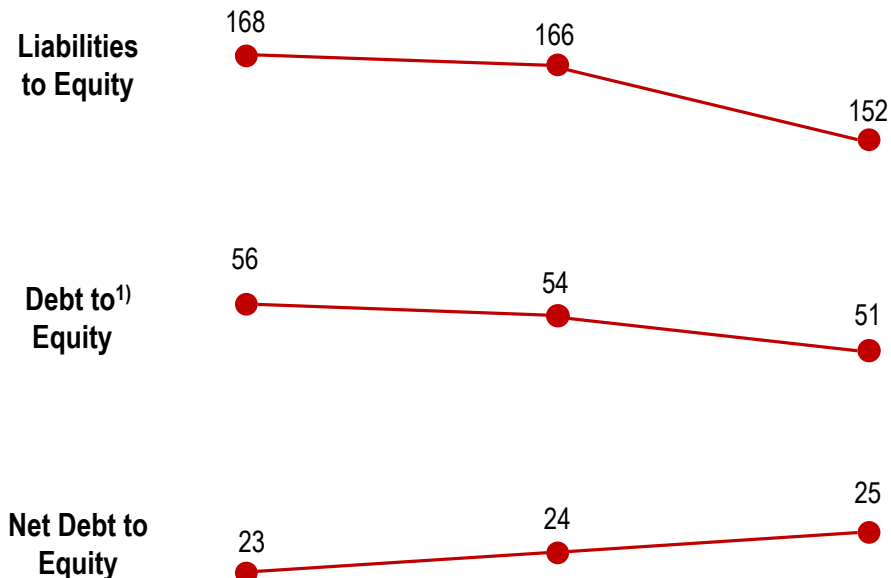
Consolidated Earnings and Outlook

Leverage Ratio / Financial Position

Leverage Ratio

(Unit: %)

1Q`21 4Q`21 1Q`22



1) Lease Liability is included

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

Financial Position

(Unit : KRW trillion)

	1Q`21	4Q`21	1Q`22
Assets	50.46	53.48	55.05
Current Assets	25.31	27.49	29.12
Cash and Cash equivalents	6.30	6.05	5.62
Inventory	8.00	9.75	10.21
Non-Current Assets	25.15	25.99	25.93
Liabilities	31.61	33.38	33.17
Current Liabilities	21.65	23.62	23.36
Non-Current Liabilities	9.96	9.76	9.81
Equity	18.85	20.10	21.88
Debt	9.76	9.93	10.10
Net Debt²⁾	4.35	4.83	5.47

Business Environment

- Expect uncertainties to persist with the raw material price hikes due to the prolonged Russia-Ukraine conflict, global inflationary pressures and delay in easing of the global supply chain issues

Key Strategies

- Maintain growth momentum and leading position in the global market by strengthening regional and product portfolio
- Drive business performance through continuous improvement in cost structure and preemptive risk management

Sales & Profit Outlook

- Expect sales to increase YoY on the back of new product launches and robust sales of premium products
- Maintain sound profitability through product mix improvement and enhanced operation efficiency

III

Performance and Outlook by Division

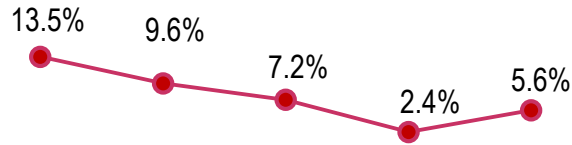
Performance and Outlook by Division

H&A (Home Appliance & Air Solution)

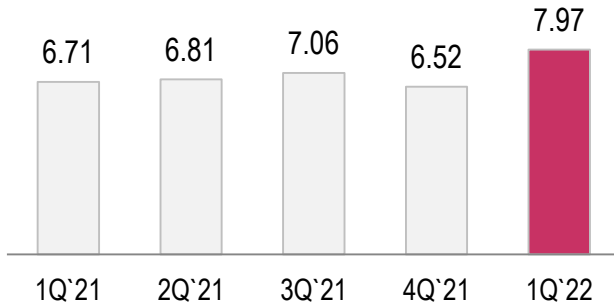
Performance

(Unit : %, KRW trillion)

OPM



Sales



Key Products



LG Instaview DID
Craft Ice



WashTower



LG Whisen
Tower Luxury

1Q'22 Performance

- **Sales** : Recorded 8 trillion won with 19% increase YoY driven by growth across overseas markets
- **Profit** : Despite revenue growth and marketing cost savings, operating profit decreased YoY due to rising raw material and logistics costs

2Q'22 Outlook

- **Market** : Raw material and logistics cost burdens are expected to persist and Russia-Ukraine conflict, lockdown in major cities of China and global oil price hike are projected to pose further risk to business operation
- **LGE** : Continue efforts to expand sales of premium products and focus our capabilities to secure sound profitability through new product launches and aggressive selling price increase

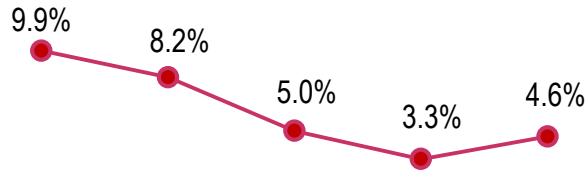
Performance and Outlook by Division

HE (Home Entertainment)

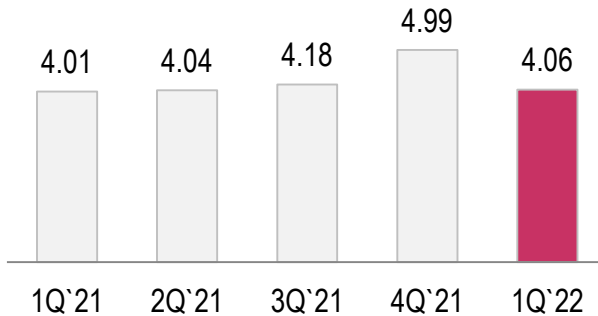
Performance

(Unit : %, KRW trillion)

OPM



Sales



Key Products



LG OLED TV



LG Sound Bar & TONE Free

1Q'22 Performance

- **Sales** : Despite overall demand decrease in major regions such as North America and Europe, recorded slight growth YoY thanks to strong revenue from premium products
- **Profit** : Operating profit decreased YoY due to increased marketing expenses

2Q'22 Outlook

- **Market** : TV demand is projected to decrease YoY in Russia and advanced markets such as North America and Europe, but demand for premium TV is expected to be maintained
- **LGE** : Improve product mix focusing on premium TVs such as OLED, QNED, and large-size TVs to maintain revenue levels similar to that of the previous year and exert efforts to secure profitability with efficient resource management

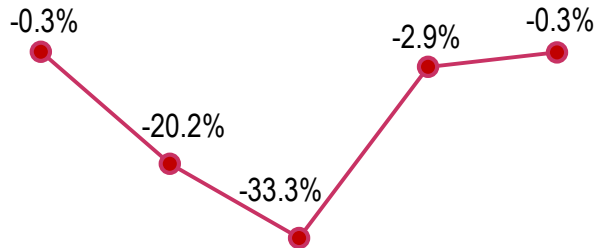
Performance and Outlook by Division

VS (Vehicle component Solutions)

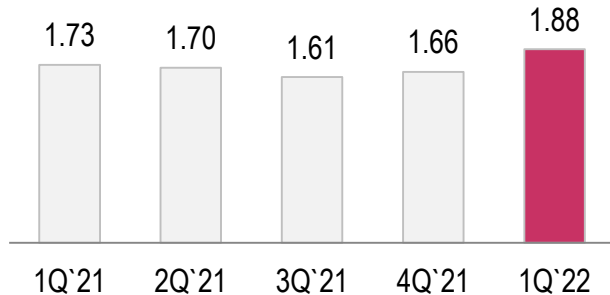
Performance¹⁾

(Unit : %, KRW trillion)

OPM



Sales



Key Products



- AV/AVN
- Telematics
- CID

Infotainment



- Traction Motor
- Inverter

xEV Components



- AVS Camera
- Cluster
- Automotive Lighting

Safety & Convenience Devices

1Q'22 Performance

- **Sales :** Sales grew YoY / QoQ thanks to close cooperation with OEMs on timely production and supply amidst the prolonged supply shortage of automotive semiconductors
- **Profit :** Operating loss reduced QoQ driven by revenue growth

2Q'22 Outlook

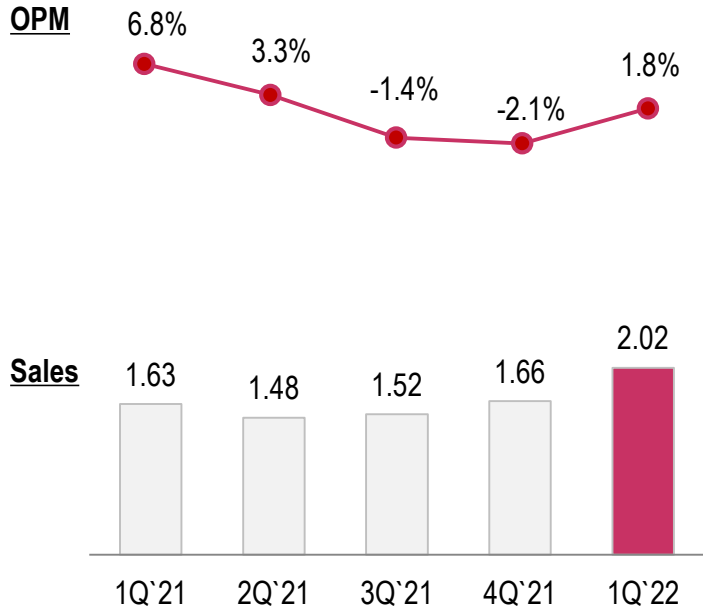
- **Market :** Uncertainties in the external market are expected to persist including disruption in auto semiconductor supply, Russia and Ukraine conflict, and lockdown in major cities of China
- **LGE :** Strengthen our business risk management through flexible response to customers and continuous improvement in cost structure

1)) From '22, due to transfer of business to LG Chemical, battery pack business with GM has been restated to 'others' from 'VS division'

Performance and Outlook by Division

Performance¹⁾

(Unit : %, KRW trillion)



Key Products



Gaming Monitor & 21:9 Monitor



Gram PC



Information Display

1Q'22 Performance

- **Sales** : Increased YoY / QoQ on the back of the sustained growth in gaming monitors and gram PCs in Information Technology business and expanded sales of digital signage and hotel TV products in Information Display business
- **Profit** : Decreased YoY due to rising component prices and logistics costs

2Q'22 Outlook

- **Market** : B2C market with regard to IT products is expected to decline, but B2B market demand is expected to expand and demand for signage and hotel TVs are expected to show continuous growth
- **LGE** : In IT business, actively meet demand for high-end products and B2B market and in Information Display business, identify new projects in diverse verticals and award more projects to maintain growth momentum in sales and secure stable profitability

1)) From '22, due to transfer of business to LG Chemical, CEM business has been restated to 'others' from 'BS division'



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Income Statement

(Unit : KRW billion, %)

	2021										2022	
	1Q		2Q		3Q		4Q		Total		1Q	
Sales	17,812.4	100.0%	17,113.9	100.0%	18,786.7	100.0%	21,008.6	100.0%	74,721.6	100.0%	21,111.4	100.0%
Cost of goods sold	12,995.3	73.0%	12,579.5	73.5%	13,999.9	74.5%	16,274.0	77.5%	55,848.7	74.7%	15,194.4	72.0%
Gross profit	4,817.1	27.0%	4,534.4	26.5%	4,786.8	25.5%	4,734.6	22.5%	18,872.9	25.3%	5,917.0	28.0%
Selling & admin expense	3,049.8	17.1%	3,656.3	21.4%	4,246.1	22.6%	4,056.9	19.3%	15,009.1	20.1%	4,036.5	19.1%
Operating profit (Loss)	1,767.3	9.9%	878.1	5.1%	540.7	2.9%	677.7	3.2%	3,863.8	5.2%	1,880.5	8.9%
Financial income (Expense)	8.4	0.0%	-42.4	-0.2%	-23.0	-0.1%	-37.2	-0.2%	-94.2	-0.1%	-5.8	0.0%
Gains (loss) on equity method investment	83.6	0.5%	142.3	0.8%	158.3	0.8%	64.7	0.3%	448.9	0.6%	9.5	0.0%
Other non operating profit (Loss)	-64.1	-0.4%	92.4	0.5%	-45.1	-0.2%	-658.3	-3.1%	-675.1	-0.9%	38.4	0.2%
Net income before tax	1,795.2	10.1%	1,070.4	6.3%	630.9	3.4%	46.9	0.2%	3,543.4	4.7%	1,922.6	9.1%
Corporate Income Tax	406.6	2.3%	276.8	1.6%	155.8	0.8%	139.4	0.7%	978.6	1.3%	521.4	2.5%
Income (Loss) from continuing operations	1,388.6	7.8%	793.6	4.6%	475.1	2.5%	-92.5	-0.4%	2,564.8	3.4%	1,401.2	6.6%
Income (Loss) from discontinued operations	-219.5	-1.2%	-1,085.5	-6.3%	41.4	0.2%	113.8	0.5%	-1,149.8	-1.5%	-0.2	0.0%
Net Income (Loss)	1,169.1	6.6%	-291.9	-1.7%	516.5	2.7%	21.3	0.1%	1,415.0	1.9%	1,401.0	6.6%
Controlled shares	998.3		-390.1		384.9		38.6		1,031.7		1,226.6	
Non-controlled shares	170.8		98.2		131.6		-17.3		383.3		174.4	

* Since the information regarding results of 1Q'22 has been prepared in advance, it is subject to change in the process of final review by external auditors

Statements of Financial Position

	2021				(Unit : KRW billion)
	1Q	2Q	3Q	4Q	2022 1Q
Assets	50,458.6	50,666.9	54,559.8	53,481.5	55,050.9
Current Assets	25,306.6	24,807.4	28,099.2	27,487.8	29,125.9
Cash and cash equivalents	6,303.3	6,186.3	6,619.8	6,051.5	5,619.4
Accounts receivable	8,249.0	7,730.0	8,672.7	8,166.5	9,441.2
Inventory	7,995.9	8,327.5	9,958.1	9,754.0	10,214.3
Others	2,758.4	2,563.6	2,848.6	3,515.8	3,851.0
Non-current Assets	25,152.0	25,859.5	26,460.6	25,993.7	25,925.0
Investment	4,627.7	4,813.4	5,107.1	5,149.2	5,130.7
PP&E	14,064.8	14,578.6	14,802.1	14,700.8	14,721.3
Intangible assets	3,068.6	2,740.1	2,756.9	2,443.2	2,423.0
Others	3,390.9	3,727.4	3,794.5	3,700.5	3,650.0
Liabilities	31,607.8	31,965.3	34,254.7	33,383.5	33,170.6
Accounts payable	9,812.9	8,448.2	10,194.6	8,741.9	9,106.1
Debt	9,763.4	10,100.4	10,463.9	9,931.6	10,104.1
Lease liability	884.9	871.6	875.0	955.4	988.8
Other	11,146.6	12,545.1	12,721.2	13,754.6	12,971.6
Equity	18,850.8	18,701.6	20,305.1	20,098.0	21,880.3

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(Unit : KRW billion, %)

		1Q`21	2Q`21	3Q`21	4Q`21	`21Total	1Q`22	QoQ	YoY
H&A	Sales	6,708.9	6,814.9	7,061.1	6,524.8	27,109.7	7,970.2	22.2%	18.8%
	OP	906.2	653.6	505.4	157.1	2,222.3	447.6		
	(%)	13.5%	9.6%	7.2%	2.4%	8.2%	5.6%		
HE	Sales	4,008.7	4,042.6	4,181.5	4,985.8	17,218.6	4,064.9	-18.5%	1.4%
	OP	395.3	333.5	208.3	162.7	1,099.8	188.4		
	(%)	9.9%	8.2%	5.0%	3.3%	6.4%	4.6%		
VS	Sales	1,730.8	1,701.1	1,611.1	1,657.4	6,700.4	1,877.6	13.3%	8.5%
	OP	-4.6	-343.2	-537.2	-48.8	-933.8	-6.3		
	(%)	-0.3%	-20.2%	-33.3%	-2.9%	-13.9%	-0.3%		
BS	Sales	1,630.1	1,476.8	1,521.9	1,662.9	6,291.7	2,016.7	21.3%	23.7%
	OP	110.8	49.1	-21.9	-34.7	103.3	37.0		
	(%)	6.8%	3.3%	-1.4%	-2.1%	1.6%	1.8%		
Others	Sales	827.9	966.3	807.9	632.4	3,234.5	1,447.8	128.9%	74.9%
	OP	14.3	47.5	57.5	13.0	132.3	868.9		
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LGE Consolidated Excluding LG Innotek (①)	Sales	14,906.4	15,001.7	15,183.5	15,463.3	60,554.9	17,377.2	12.4%	16.6%
	OP	1,422.0	740.5	212.1	249.3	2,623.9	1,535.6		
	(%)	9.5%	4.9%	1.4%	1.6%	4.3%	8.8%		
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LG Innotek (②)	Sales	3,071.8	2,355.7	3,798.4	5,724.1	14,950.0	3,952.4	-31.0%	28.7%
	OP	345.3	151.0	335.2	427.9	1,259.4	366.8		
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LGE-LG Innotek Inter-company Transaction (③)	Sales	165.8	243.5	195.2	178.8	783.3	218.2		
	OP	0.0	13.4	6.6	-0.5	19.5	21.9		
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LGE Consolidated (①+②-③)	Sales	17,812.4	17,113.9	18,786.7	21,008.6	74,721.6	21,111.4	0.5%	18.5%
	OP	1,767.3	878.1	540.7	677.7	3,863.8	1,880.5		
	(%)	9.9%	5.1%	2.9%	3.2%	5.2%	8.9%		

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* From `22, due to transfer of business to LG Chemical, CEM business has been restated to 'others' from 'BS 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 January 26th, 2022, we plan to return "more than 20% of net profit (excluding one-off non-recurring profit, based on profit attributable to owners of the parent) of consolidated financial statements" to shareholders over the next three years (FY2021 ~FY2023).
- Dividend amount for fiscal year 2021 will be determined at company's annual general meeting.
 ※ Dividend per share in 2021: Common stock 850 Korean Won, Preferred stock 900 Korean Won

		2014 (13th)	2015 (14th)	2016 (15th)	2017 (16th)	2018 (17th)	2019 (18th)	2020 (19th)	2021 (20th)
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	400	400	750	750	1,200	850
	Preferred	450	450	450	450	800	800	1,250	900
(Consolidated) Net Income (KRW billion)		399.4	124.4	76.9	1,725.8	1,240.1	31.3	1,968.3	1,031.7
Total Cash Dividends (KRW billion)		72.9	72.9	72.9	72.9	135.9	135.9	216.9	153.9
(Consolidated) Cash dividends payout ratio (%)		18.3	58.6	94.8	4.2	11.0	434.4	11.0	14.9
Cash dividend yield (%)	Common	0.7	0.8	0.8	0.4	1.2	1.0	1.1	0.6
	Preferred	1.6	1.6	1.9	1.0	3.1	2.8	2.5	1.4

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