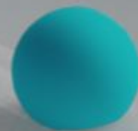


LG Energy Solution

Q3 2025 | Earnings Conference Call



LG Energy Solution

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Q3 2025 Earnings Conference Call

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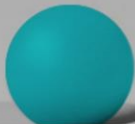
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Disclaimer

The information regarding business performance of LG Energy Solution is provided for the convenience of investors of the Company prior to the audit by external auditors. Please note that some of the information contained herein may change in the course of the final audit by external auditors.

The financial information contained in this document has been prepared on a consolidated basis in accordance with K-IFRS or Korean International Financial Reporting Standards.

Some of the statements as contained herein can be forward-looking considering the current business environment and the Company's business strategies. Therefore, in accordance with uncertainties inclusive of changes in future business environment and corporate strategies, actual results may differ materially from those expressed in the aforementioned statements.



Part.1

Q3'25 Financial Performance

Business Performance

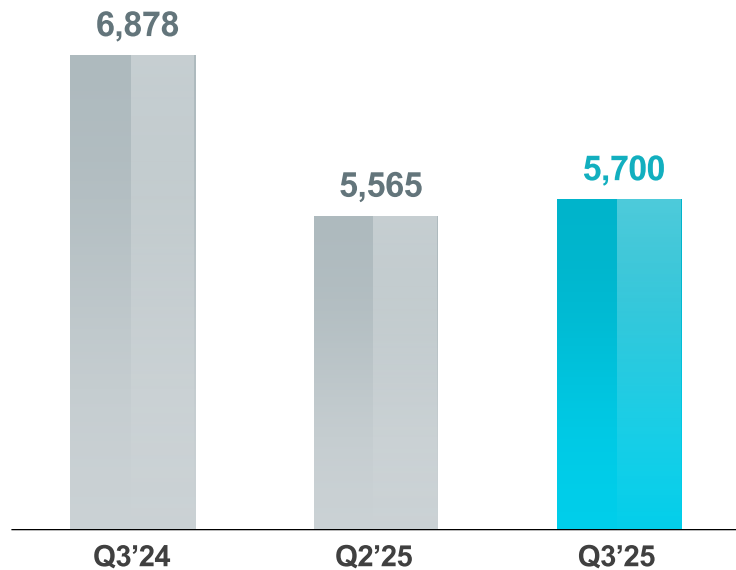
Financial Position

Cash Flow and EBITDA

Business Performance

Revenue

(Billion KRW)

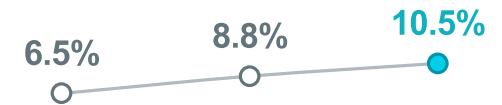


Despite demand slowdown for EV pouch batteries due to the expiration of EV subsidy in the U.S., revenue increased slightly QoQ driven by the ESS production increase in Michigan site and new model launch effect for EV cylindrical and IT pouch

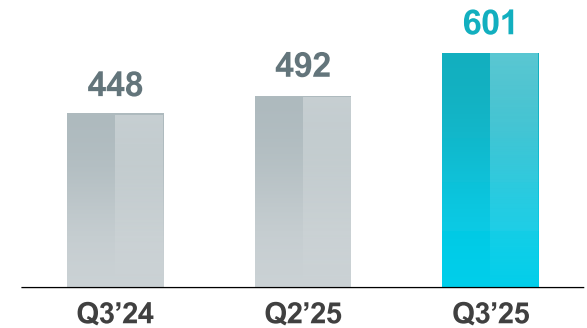
Operating Profit

(Billion KRW)

Operating Profit Margin



Operating Profit



North America Production Incentive

Quarter	North America Production Incentive (Billion KRW)
Q3'24	466
Q2'25	491
Q3'25	366

Even with the decrease of Production Incentive amount, increased ESS volume in the U.S., the impact of new products for small batteries and continued efforts for cost reduction have led to significant improvement in operating profit, recording 235.8 bn KRW, excluding N. America Production Incentive

Financial Position

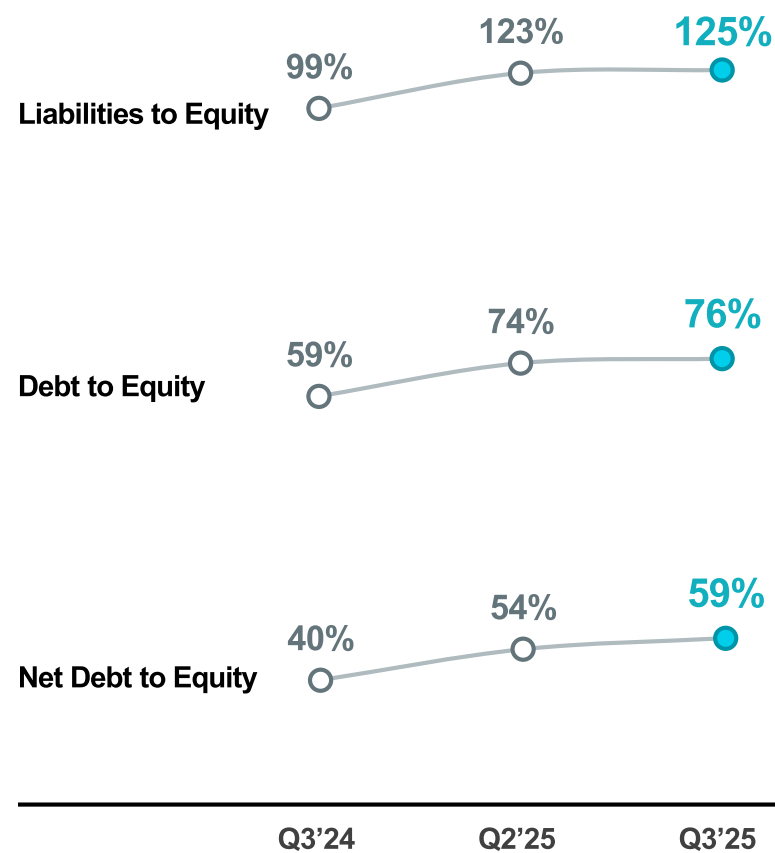
Financial Position

(Billion KRW)

	Q3'24	Q2'25	Q3'25
Asset	56,627	62,983	67,010
Cash and Cash Equivalents, etc.*	5,385	5,440	5,324
Liabilities	28,130	34,682	37,273
Debt	16,899	20,857	22,728
Equity	28,498	28,300	29,737

* Deposits held by financial institution included

Leverage Ratio



Cash Flow and EBITDA

Cash Flow

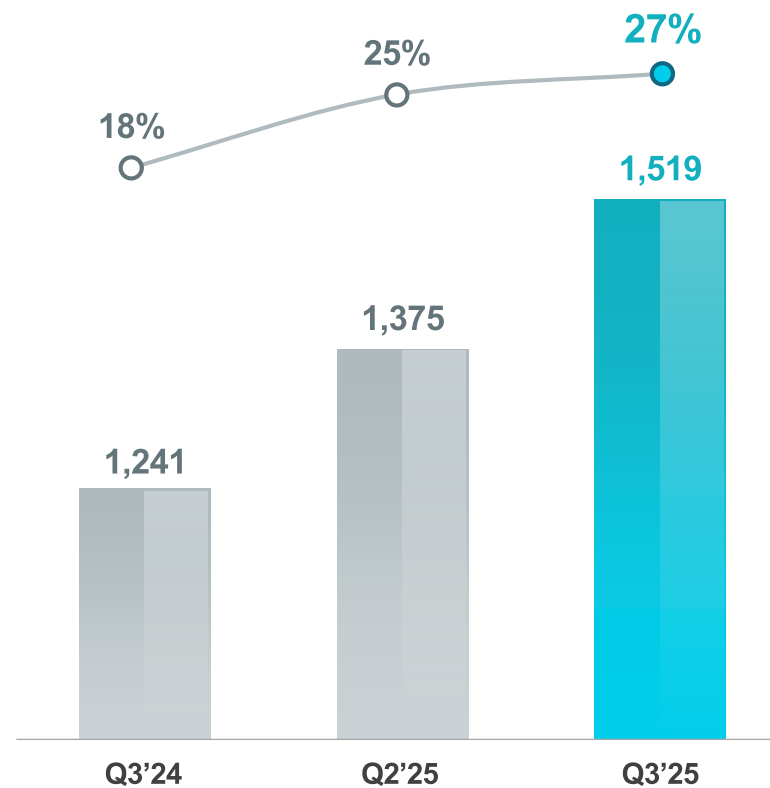
(Billion KRW)

	Q2'25	Q3'25
Beginning Cash Balance	3,574	5,440
Cash Flow from Operating Activities	250	1,267
EBITDA	1,375	1,519
Working Capital	326	(958)
Cash Flow from Investing Activities	(2,717)	(2,463)
Capex	(2,717)	(2,171)
Cash Flow from Financing Activities	4,447	999
Net Changes in Cash	1,867	(117)
Ending Cash Balance	5,440	5,324

EBITDA

(Billion KRW)

EBITDA %



* Note : Deposits held by financial institutions included in Beginning/Ending Cash Balance



Part.2

Industry Trends & Business Strategy

Key Achievements

Industry Trend

Business Strategy

Key Achievements

New Orders

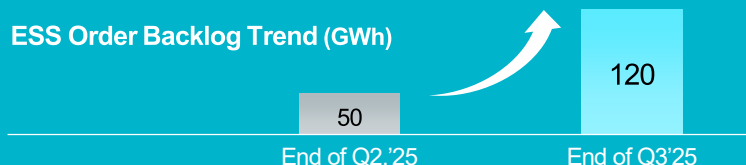


ESS

Continuing Expansion of Order Backlog

- Winning long-term contract for U.S. residential ESS project (13GWh for the period of '25~'30)
- 120GWh of order backlog by end of Q3, including additional large-scale contract for grid ESS project
- Preemptive preparation of production capacity within the strategic region to capture customers' needs for non-Chinese supply chain

ESS Order Backlog Trend (GWh)

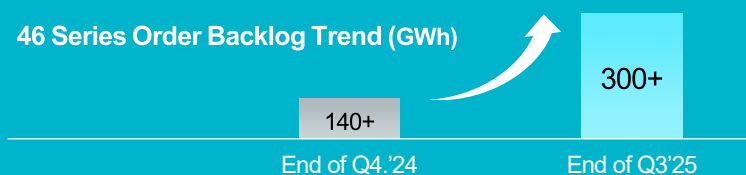


EV

Winning Additional Contract Based on New Products

- Diversifying cylindrical customer base with large supply contracts - 46 Series: Total 107GWh (70% to the U.S./ 30% to EU)
- Reaffirming competitiveness of local production capabilities and product portfolio

46 Series Order Backlog Trend (GWh)



Operation / Technology / Supply Chain



Establishing Stable Operation Structure in North America

- Expanding production scope of Stellantis JV from Module to Cell
- Converting production lines from EV to other application under discussion



Developing Lithium Metal Battery with Quick-charging Technology

- Providing a driving range of over 800 km and a life span of over 300,000 km with a fast charging time of 12min.
- Laying foundation for commercializing next generation battery technology



Enhancing Lithium Supply Chain within the U.S.

- Signing a purchase contract of Lithium Carbonate for up to 40k tons, starting from '28
- Securing additional competitiveness in cost and volume beside the local production capability

* Contract with Australian company Anson Resources

Industry Trends

EV



Short-term Demand Slowdown due to Weakened Consumer Sentiment

- EV purchase preference to decline with the expiration of EV subsidy(30D)
- Sales of alternative line-ups such as HEV/EREV to improve due to OEMs' adjustment of electrification speed



Sustaining Growth Momentum Driven by Eco-friendly Policies and Expansion of Mid- to Low-priced EV Models

- Steady growth supported by the resumption of EV purchase subsidies in major countries and the continued CO₂ emission regulations
- Intensified price competition due to aggressive expansion by Chinese OEMs

North America EV P-rate Forecast Change (%)



ESS



Strong Growth Driven by the Resolution of Policy Uncertainties and Increased Power Demand from AI

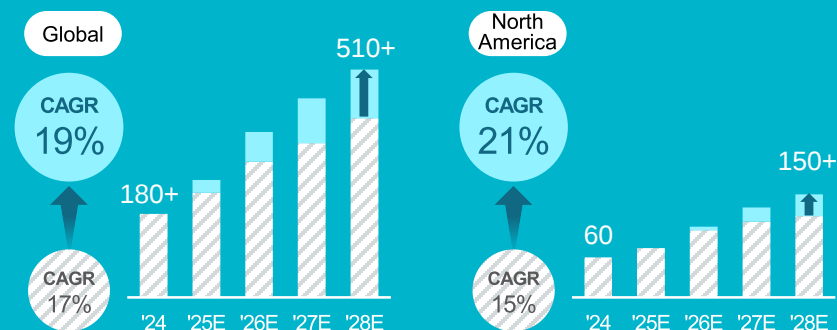
- Competitiveness of battery makers with local production capabilities to enhance as clean electricity Investment Tax Credit(48E) remains unchanged
- Structural demand growth driven by increased data center investments from Big Tech. companies



Increasing Needs for Local Production Driven by Sustained Demand Growth

- Increasing penetration of renewable energy and growing awareness of energy security among major countries
- Gradual increase in caution against high China dependency

ESS Demand Forecast Change (GWh)



Business Strategy

Market & Product Strategy

EV

Enhancing Competitiveness by Segment based on Diversified Form Factor/Chemistry

Performance

High-Ni.
Pouch/Cylindrical



46 Series
+Quick Charging



Standard

HV Mid-Ni.
Pouch



HV Mid-Ni.
+Quick Charging



LMR
Prismatic



Affordable

LFP
Pouch



✓ LFP
+Dry Electrode



Operation Strategy

To Maximize Operational Efficiency and Capture the Full Potential of the ESS Business

Accelerating the Transition of Production Capacity from EV to ESS & Maximizing ESS Supply Capabilities

To Enhance Asset Efficiency
Minimizing Capex
& Optimizing the Operating Asset Structure

To Improve Cost Structure
Expanding the Adoption of AX/DX
& Innovating Business/Manufacturing Process

ESS

Establishing Leading Position in the Market based on High-capacity Cells, High-density System, SI Capabilities

Hardware (Cell/Pack)

LFP Gen.2
Energy Density +20% ↑



LFP Gen.3
Energy Density +10% ↑



✓ LFP
Prismatic



System

O&M(Operation & Maintenance) + SI(System Integration)

➡ Total Solution Provider

Part.3

Appendix

Income Statement

Financial Position

Cash Flow

Income Statement

	2023	2024					2025		
(Billion KRW)	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Revenue	33,745	6,129	6,162	6,878	6,451	25,620	6,265	5,565	5,700
Cost of Goods Sold	28,802	5,205	5,469	5,621	5,919	22,214	5,253	4,563	4,253
Gross Profit	4,943	924	693	1,257	532	3,406	1,012	1,002	1,447
(%)	14.6%	15.1%	11.2%	18.3%	8.2%	13.3%	16.2%	18.0%	25.4%
SG&A	3,457	956	945	1,275	1,135	4,311	1,095	1,001	1,211
Operating Profit(Loss)	2,163	157	195	448	(226)	575	375	492	601
(%)	6.4%	2.6%	3.2%	6.5%	(3.5%)	2.2%	6.0%	8.8%	10.5%
Operating Profit(Loss) (Excluding Production Incentive)	1,486	(32)	(252)	(18)	(603)	(905)	(83)	1	236
(%)	4.4%	(0.5%)	(4.1%)	(0.3%)	(9.3%)	(3.5%)	(1.3%)	0.0%	4.1%
EBITDA*	4,450	816	930	1,241	633	3,621	1,231	1,375	1,519
(%)	13.2%	13.3%	15.1%	18.0%	9.8%	14.1%	19.7%	24.7%	26.6%
Net Income before Tax	2,043	223	91	339	(304)	349	365	(27)	553
(%)	6.1%	3.6%	1.5%	4.9%	(4.7%)	1.4%	5.8%	(0.5%)	10%
Net Income(Loss)	1,638	212	(24)	561	(411)	339	227	91	536
(%)	4.9%	3.5%	(0.4%)	8.2%	(6.4%)	1.3%	3.6%	1.6%	9.4%

* North America Production Incentive included

Financial Position

	2023	2024				2025		
(Billion KRW)	FY	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Assets	45,437	49,275	51,501	56,627	60,307	62,299	62,983	67,010
Cash and Cash Equivalents, etc.*	5,069	5,288	3,871	5,385	3,899	3,574	5,440	5,324
Account Receivables	5,128	4,651	5,097	5,361	4,944	5,317	4,595	4,853
Inventory	5,396	5,658	5,552	5,366	4,552	4,282	4,054	4,883
PP&E	23,655	26,532	29,950	32,658	38,350	40,290	39,999	42,855
Liabilities	21,064	22,571	23,869	28,130	29,340	31,028	34,682	37,273
Account Payables	3,094	3,149	2,984	2,940	2,705	2,831	7,171	2,332
Debt	10,932	12,858	13,274	16,899	15,391	17,613	20,587	22,728
Equity	24,374	26,705	27,632	28,498	30,967	31,271	28,300	29,737
Share Capital	117	117	117	117	117	117	117	117

Leverage Ratios

Liabilities to Equity	86%	85%	86%	99%	95%	99%	123%	125%
Debt to Equity	45%	48%	48%	59%	50%	56%	74%	76%
Net Debt to Equity	24%	28%	34%	40%	37%	45%	54%	59%

* Deposits held by financial institution included.

Cash Flow

	2023	2024					2025		
(Billion KRW)	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Beginning Cash Balance	5,938	5,069	5,288	3,871	5,385	5,069	3,899	3,574	5,440
Cash Flows from Operating Activities	4,444	531	836	562	3,182	5,112	1,162	250	1,267
Operating Profit(Loss)	2,163	157	195	448	(226)	575	375	492	601
Depreciation	2,287	659	735	793	859	3,046	858	883	917
Working Capital	495	272	(505)	1	996	763	22	326	(958)
Cash Flows from Investing Activities	(9,719)	(3,464)	(2,776)	(3,062)	(2,763)	(12,065)	(3,441)	(2,717)	(2,463)
Investment in Facilities	(10,693)	(2,903)	(2,885)	(3,118)	(3,642)	(12,547)	(3,014)	(2,717)	(2,171)
Cash Flows from Financing Activities	4,355	3,007	453	4,128	(2,206)	5,382	1,950	4,447	999
Borrowing/Repayment	2,823	1,925	416	2,757	(1,508)	3,590	2,222	3,244	1,872
Net Changes in Cash	(869)	220	(1,417)	1,514	(1,486)	(1,170)	(325)	1,867	(117)
Ending Cash Balance	5,069	5,288	3,871	5,385	3,899	3,899	3,574	5,440	5,324

1. The financial information states herein has been prepared in the manner different from the standard applied to the cash flow statement of the auditor's report.

2. Deposits held by financial institute included.



EMPOWER EVERY POSSIBILITY

Our solutions empower humanity, things, and nature to reach their full potential, and to be more alive.