



2Q 21 Earnings Release IR Presentation

LG Corp.

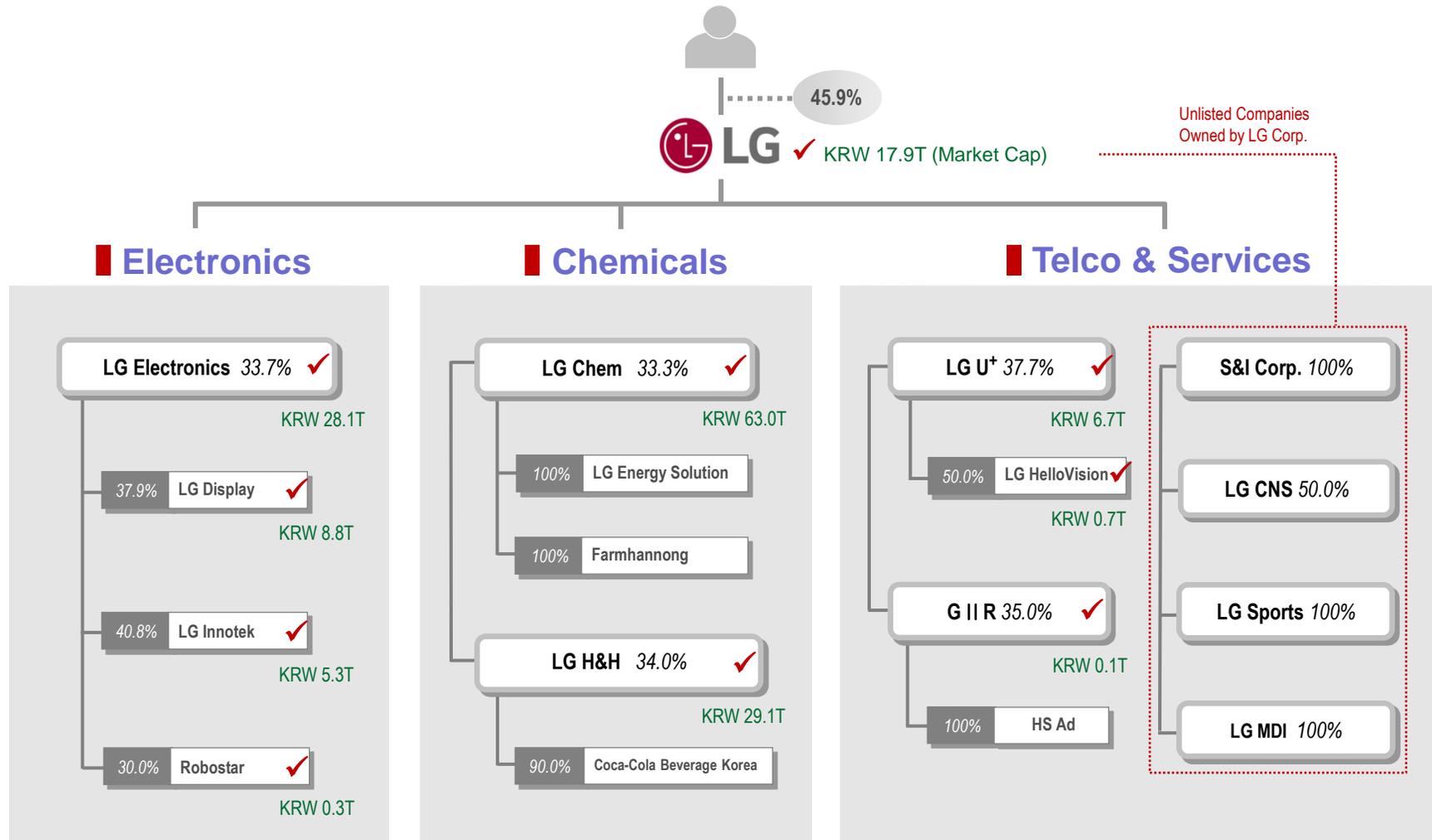
AUG 2021



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1. Holding Structure



✓ : Listed Companies

- As of end of June 2021
- Shares(%) are based on common stocks only

2. (1) 2Q 21 Earnings Overview – Consolidated Income Statement

'21 1Q vs '21 2Q '20 2Q vs '21 2Q

Account (KRW MM)	2019	'20.1Q	'20.2Q	'20.3Q	'20.4Q	2020	21.1Q	21.2Q	2021.1H	QoQ	YoY
Sales	6,534,451	1,509,762	1,482,397	1,906,227	1,733,751	6,632,137	2,180,459	1,923,498	4,103,957	(11.8%)	29.8%
G/L on Valuation of Equity Method Securities	467,864	459,223	250,054	568,226	(73,807)	1,203,696	860,026	488,484	1,348,510	(43.2%)	95.4%
Cost of Sales	5,205,548	885,271	1,038,514	1,101,501	1,539,272	4,564,558	1,095,815	1,215,776	2,311,591	10.9%	17.1%
Gross Profit	1,328,903	624,491	443,883	804,726	194,479	2,067,579	1,084,644	707,722	1,792,366	(34.8%)	59.4%
SG&A	334,584	89,768	94,768	85,160	95,645	365,341	83,786	96,013	179,799	14.6%	1.3%
Operating Profit	994,319	534,723	349,115	719,566	98,834	1,702,238	1,000,858	611,709	1,612,567	(38.9%)	75.2%
Net Non-operating Income	(13,714)	8,540	(3,856)	44,408	2,893	51,985	119,305	(1,190)	118,115	(101.0%)	-
Non-operating Income	87,267	37,437	14,193	68,137	116,178	235,945	140,112	15,579	155,691	(88.9%)	9.8%
Non-Operating Expenses	100,981	28,897	18,049	23,729	113,285	183,960	20,807	16,769	37,576	(19.4%)	(7.1%)
Pre-Tax Income	980,605	543,263	345,259	763,974	101,727	1,754,223	1,120,163	610,519	1,730,682	(45.5%)	76.8%
Profit from Continuing Operations	785,003	514,398	122,207	714,774	78,254	1,429,633	1,022,960	573,469	1,596,429	(43.9%)	369.3%
Profit from Discontinued Operations	321,752	77,684	9,004	46,915	(22,578)	111,025	34,433	427,610	462,043	1,141.9%	4,649.1%
Net Income	1,106,755	592,082	131,211	761,689	55,676	1,540,658	1,057,393	1,001,079	2,058,472	(5.3%)	663.0%
Controlling Interests	1,079,949	589,422	119,933	742,404	13,914	1,465,673	1,040,022	971,004	2,011,026	(6.6%)	709.6%

Source : Company's Consolidated Financial Statements under K-IFRS

* As the financial data of 2Q21 have been prepared in advance, they are subject to change during the final review by external auditors.

2. (2) 2Q 21 Earnings Overview – Consolidated Balance Sheet

'21 1Q vs '21 2Q '20 2Q vs '21 2Q

Account (KRW MM)	2019	'20.1Q	'20.2Q	'20.3Q	2020	21.1Q	21.2Q	QoQ	YoY
Assets	22,434,630	22,634,923	23,698,950	24,409,713	24,282,268	25,162,045	24,005,975	(4.6%)	1.3%
Current Assets	3,939,057	3,792,161	4,529,723	4,632,676	5,895,921	6,372,438	4,587,283	(28.0%)	1.3%
Cashable Assets ⁽¹⁾	1,904,793	2,116,791	3,138,452	3,037,506	2,960,187	3,170,619	2,972,062	(6.3%)	(5.3%)
Inventories	62,402	76,818	87,109	75,537	41,682	56,711	74,607	31.6%	(14.4%)
Non-Current Assets	18,495,573	18,842,762	19,169,227	19,777,037	18,386,347	18,789,607	19,418,692	3.3%	1.3%
PP&E ⁽²⁾	3,032,096	3,022,272	3,008,869	2,986,366	2,947,472	2,750,450	2,760,782	0.4%	(8.2%)
Liabilities	3,413,609	3,354,791	3,319,796	3,321,146	3,420,978	5,219,390	2,935,836	(43.8%)	(11.6%)
Current Liabilities	2,244,801	2,186,769	1,990,001	1,960,541	2,133,263	3,999,703	1,787,416	(55.3%)	(10.2%)
Short-term Borrowings	357,629	355,176	282,742	288,145	301,250	293,532	222,101	(24.3%)	(21.4%)
Non-Current Liabilities	1,168,808	1,168,022	1,329,795	1,360,605	1,287,715	1,219,687	1,148,420	(5.8%)	(13.6%)
Long-term Debts	757,385	761,849	900,036	907,357	927,438	841,633	751,476	(10.7%)	(16.5%)
Shareholder's Equity	19,021,021	19,280,132	20,379,154	21,088,567	20,861,290	19,942,655	21,070,139	5.7%	3.4%
Capital Stock	879,359	879,359	879,359	879,359	879,359	879,359	801,613	(8.8%)	(8.8%)
Capital Surplus	2,363,147	2,363,147	3,003,926	3,003,926	2,964,730	2,969,304	2,969,304	0.0%	(1.2%)
AOCI ⁽³⁾	(112,366)	(44,364)	(56,739)	(103,355)	(365,812)	(239,620)	(125,722)	-	-
Other Capital Items	(2,385)	(2,385)	(2,385)	(2,385)	(2,385)	(1,659,704)	(1,565,341)	-	-
Retained Earnings	15,699,266	15,902,347	16,010,521	16,748,411	16,782,359	17,409,009	18,374,368	5.5%	14.8%
Minority Interests	194,000	182,028	544,472	562,611	603,039	584,307	615,917	5.4%	13.1%

Source : Company's Consolidated Financial Statements under K-IFRS

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Notes:

1. Cashable Assets = Cash & Cash Equivalents + Bank Deposits

2. PPE: Property, Plant, and Equipment

3. AOCI: Accumulated Other Comprehensive Income

2. (3) 2Q 21 Earnings Overview – Separate Income Statement

Account (KRW MM)	2019	'20.1Q	'20.2Q	'20.3Q	'20.4Q	2020	'21.1Q	'21.2Q	2021	'21 1Q vs '21 2Q		'20 2Q vs '21 2Q	
										QoQ	YoY		
Revenues	785,255	707,810	93,627	101,650	113,115	1,016,202	596,959	114,448	711,407	(80.8%)	22.2%		
Dividends Income	396,637	614,506	0	0	0	614,506	485,370	19	485,389	-	-		
Royalties Income	260,743	61,312	60,820	68,895	80,345	271,372	79,432	82,129	161,561	3.4%	35.0%		
Rental Revenue	127,875	31,992	32,807	32,755	32,770	130,324	32,157	32,300	64,457	0.4%	(1.5%)		
Operating Expenses	219,768	46,248	58,601	48,944	68,386	222,179	49,103	65,518	114,621	33.4%	11.8%		
Operating Profit	565,487	661,562	35,026	52,706	44,729	794,023	547,856	48,930	596,786	(91.1%)	39.7%		
Net Non-operating Income	12,821	2,394	861,351	4,545	(70,854)	797,436	19,077	6,406	25,483	(66.4%)	(99.3%)		
Pre-Tax Income	578,308	663,956	896,377	57,251	(26,125)	1,591,459	566,933	55,336	622,269	(90.2%)	(93.8%)		
Taxes and Dues	69,395	23,625	254,617	13,607	133	291,982	38,713	14,636	53,349	(62.2%)	(94.3%)		
Profit from Continuing Operations	508,913	640,331	641,760	43,644	(26,258)	1,299,477	528,220	40,700	568,920	(92.3%)	(93.7%)		
Profit from Discontinued Operations	72,248	33,829	(969)	40	(1,026)	31,874	34,433	731,934	766,367	-	-		
Net Income	581,161	674,160	640,791	43,684	(27,284)	1,331,351	562,653	772,634	1,335,287	37.3%	20.6%		

Source : Company's Consolidated Financial Statements under K-IFRS

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2. (4) 2Q 21 Earnings Overview – LG Affiliates (Electronics & Chemical)

Business Division	Company	Account (KRW Bn)	2021		2020					2019	
			1Q	2Q	1Q	2Q	3Q	4Q	Total		
Electronics	LG Electronics	Sales Revenue	17,812.4	17,113.9	13,731.4	11,528.8	15,398.6	17,399.1	58,057.9	62,306.2	
		Operating Income	1,767.3	878.1	1,296.4	672.2	1,073.8	862.7	3,905.1	2,436.1	
		Income before Tax	1,795.2	1,070.4	1,666.1	357.1	928.5	391.6	3,343.3	528.6	
		Net Income	1,169.1	(292.0)	1,086.7	65.6	649.2	262.3	2,063.8	179.9	
	LG Display	Sales Revenue	6,882.8	6,965.6	4,724.2	5,307.0	6,737.6	7,461.2	24,230.1	23,475.6	
		Operating Income	523.0	701.1	(361.9)	(517.0)	164.4	685.5	(29.1)	(1,359.4)	
		Income before Tax	323.3	550.0	(294.9)	(668.9)	(54.3)	423.1	(595.1)	(3,344.9)	
		Net Income	265.8	423.8	(198.9)	(503.8)	11.1	621.0	(70.6)	(2,872.1)	
	LG Innotek	Sales Revenue	3,071.8	2,355.7	2,010.9	1,539.9	2,229.8	3,852.7	9,633.2	8,302.1	
		Operating Income	345.4	151.0	138.0	42.9	89.4	336.4	606.7	403.1	
		Income before Tax	332.3	203.0	109.3	14.6	34.7	159.7	318.3	158.2	
		Net Income	251.4	147.3	80.6	7.6	26.9	121.1	236.1	102.3	
Chemical	LG Chem	Sales Revenue	9,650.0	11,456.1	6,729.2	6,935.2	7,507.3	8,904.9	30,076.5	27,353.1	
		Operating Income	1,408.1	2,139.8	205.9	571.6	902.1	118.6	1,798.2	825.4	
		Income before Tax	1,426.6	2,211.3	157.6	470.0	707.6	(391.6)	943.7	574.4	
		Net Income	1,371.0	1,566.3	36.3	419.1	570.4	(343.4)	682.4	376.1	
	LG H&H	Sales Revenue	2,036.7	2,021.4	1,896.4	1,783.2	2,070.6	2,094.4	7,844.5	7,685.4	
		Operating Income	370.6	335.8	333.7	303.3	327.6	256.3	1,220.9	1,176.4	
		Income before Tax	354.4	305.2	320.3	276.6	318.3	205.8	1,121.1	1,092.1	
		Net Income	258.8	226.4	234.2	204.6	231.7	142.6	813.1	788.2	
	LG Energy Solution	Sales Revenue	4,254.1	5,131.0	Earnings in 2021 are only available as LG Energy Solution was established on 1 Dec 2020.						
		Operating Income	341.2	724.3							
		Income before Tax	300.6	837.8							
		Net Income	443.0	620.9							

Source : Company's Consolidated Financial Statements under K-IFRS

1) As the financial data of 2Q21 have been prepared in advance, it is subject to change during the final review by external auditors .

2) LG Electronics' P/L reflects profit & loss from discontinued operations in mobile business.

2. (5) 2Q 21 Earnings Overview – LG Affiliates (Telecom & Services)

Business Division	Company	Account (KRW Bn)	2021		2020					2019
			1Q	2Q	1Q	2Q	3Q	4Q	Total	
Telecom & Services	LG U ⁺	Sales Revenue	3,416.8	3,345.5	3,286.6	3,272.6	3,341.0	3,517.3	13,417.6	12,382.0
		Operating Income	275.6	268.4	219.8	239.7	251.2	175.5	886.2	686.2
		Income before Tax	257.0	257.7	193.5	205.7	226.1	(251.9)	373.3	573.9
		Net Income	200.9	210.5	148.8	150.6	403.4	(224.7)	478.1	438.8
	GIIR	Sales Revenue	64.9	107.7	67.0	76.1	65.1	167.4	375.6	542.1
		Operating Income	(3.0)	1.7	(7.6)	0.6	(0.6)	33.0	25.3	21.9
		Income before Tax	(3.0)	5.4	(6.2)	0.6	(0.7)	25.9	19.6	21.1
		Net Income	(2.9)	3.9	(4.9)	0.5	(1.5)	14.9	9.0	15.3
	LG CNS	Sales Revenue	754.5	851.2	636.8	721.9	798.8	1,202.9	3,360.5	3,283.3
		Operating Income	54.4	56.2	24.4	39.3	57.1	125.2	246.1	212.8
		Income before Tax	52.5	50.3	28.2	32.9	60.3	110.3	231.7	207.3
		Net Income	37.7	40.0	19.8	23.3	42.8	80.6	166.5	163.5
	S&I Corp.	Sales Revenue	455.7	462.9	343.5	421.7	438.2	501.1	1,704.5	2,400.8
		Operating Income	28.5	20.2	22.8	18.7	39.5	(5.4)	75.6	134.8
		Income before Tax	39.0	30.9	33.4	18.1	41.1	(14.3)	78.2	138.2
		Net Income	31.2	21.2	36.8	5.8	31.8	(6.7)	67.7	388.9
	LG MDI	Sales Revenue	29.9	31.6	14.3	23.3	19.7	28.1	85.4	91.7
		Operating Income	2.1	(1.9)	(3.0)	3.7	(2.5)	0.4	(1.3)	6.3
		Income before Tax	2.3	(1.7)	(2.8)	3.8	(2.6)	1.0	(0.6)	6.8
		Net Income	0.9	(0.8)	(4.0)	4.3	(2.2)	1.0	(0.9)	5.0
LG Sports	Sales Revenue	5.3	17.4	5.0	15.3	14.7	22.8	57.8	66.7	
	Operating Income	(6.9)	2.3	(10.7)	2.1	1.2	5.5	(1.9)	1.0	
	Income before Tax	0.1	2.2	(10.9)	2.0	0.7	5.3	(3.1)	0.0	
	Net Income	(0.2)	2.2	(10.9)	2.0	0.7	5.3	(3.1)	(0.3)	

Source : Company's Consolidated Financial Statements under K-IFRS

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3. (1) Major Consolidated Subsidiaries Overview (LG CNS)

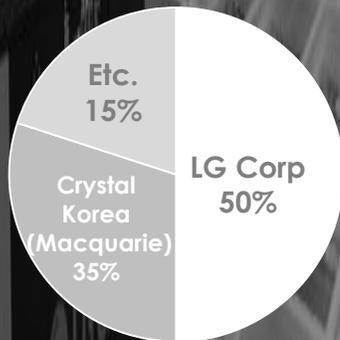
LG CNS provides customers with leading IT technology solutions for innovation and success in their businesses.

LG CNS

LG CNS provides comprehensive solutions(system construction & operation services, total outsourcing, IT solutions, SaaS and etc.) based on cutting edge IT technology and expertise earned from years of large-scale IT project successes from multiple industries.

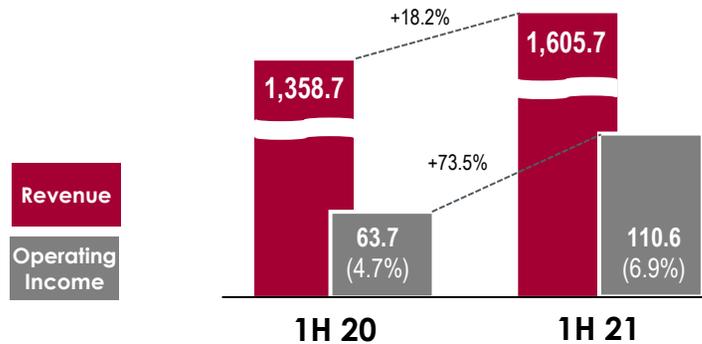
Also, LG CNS is leading digital innovation in the 4th Industrial Revolution Era as a DX enabler with AI, Big Data, IoT, Smart Logistics, Blockchain and other emerging technologies.

Shareholders



Financials

(Unit : KRW Bn)



1H 21 Earnings Review

- Customer's acceleration in Digital Transformation has led to increase in demand for solutions in smart logistics, cloud migration & transformation and etc., leading to increase in revenue and operating income.

Highlights

#1 DX Enabler

M/S #1

(Domestic Non-captive IT Service M/S in 2020)

Consists of Top Experts in AI and Big Data

Cloud : 1,000
AI : 300
Data : 400
(# of employees at the end of 1Q 21)

Growth in Profits & Profitability

Operating Income has grown 3x

2015 KRW 84.5 Bn (OPM 2.6%)
→ 2020 KRW 46.1 Bn (OPM 7.3%)

Preparation for Future Growth

Smart Logistics : M/S #1
(Domestic Non-captive M/S In 2020)

Emerging Technology Revenue Growth 41% in 2020

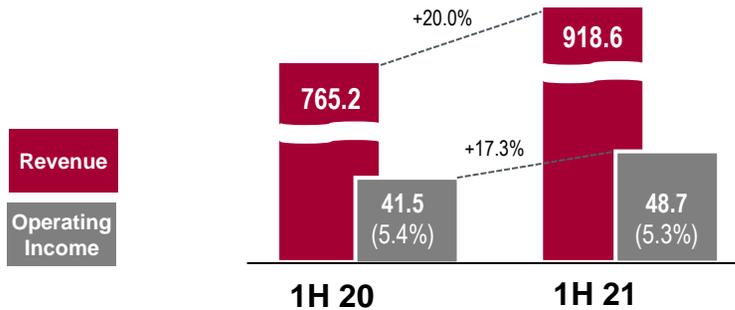
3. (2) Major Consolidated Subsidiaries Overview (S&I Corp.)

S&I Corp. is a total solutions provider and space expert of LG Group, managing business areas in Construction, CM, FM and Leisure.



Financials

(Unit : KRW Bn)



1H 21 Earnings Review

- Revenue and Operating Income increased as client's investments in domestic & overseas production facilities increased and also due to increase in number of facilities under management.

Highlights

Construction

- Construction Capability Rank #22 (2020)
- Business Areas
 - Construction (Clean Room, Production Facility)
 - Plant (Chemical Plant)

CM *

- CM Capability Rank #3 (2019)

* Construction Management

FM **

- 40 years of Experience (Non-captive Revenue KRW 200bn in '20)
- Business Area
 - Facility Management
 - Real Estate Lease/Management

** Facility Management

Leisure

- Konjiam Resort (9 Ski slopes & 470 Guest rooms)
- Konjiam Golf Club (18 Holes, 261acres)

4. ESG Management of LG Corp.

LG's ESG management is not only about risk and regulatory response, but also contributing to the future of humanity, including customers and next generation, through the process of pursuing our business with a perspective on preparing new business, technology, and future. LG will establish and work on ESG strategic tasks and KPIs based on the 4 principles below.

Justification

Active reflection of the social role changes required for companies

Sincerity

Drive ESG strategies with tasks and management activities that match declarations and practices

Feasibility

Establish feasible goals through innovation and investment while maintaining business competitiveness

Differentiation

Differentiated practice linked to LG's unique heritage and capabilities

LG Corp. will identify the threat and opportunities in terms of ESG through the ESG Committee & External ESG Advisory Group, and reflect them in the management activities.

ESG Committee

The highest deliberation and resolution organization for sustainable growth of LG Group

- | | |
|-----------|---|
| Role | <ul style="list-style-type: none"> Manage mid- to-long-term direction, goal setting and fulfillment of the group ESG risk management and actions |
| Structure | <ul style="list-style-type: none"> Consists of 4 outside directors and COO (total 5) Regular meetings held semiannually CSR team as dedicated support department (Secretariat), supported by external advisors |



External ESG Advisory Group

Advisory group for professional suggestion and diverse opinion collection

- | | |
|-----------|--|
| Role | <ul style="list-style-type: none"> Conduct research on group ESG issues Suggest ESG issues to the committee and inform on external trends by holding seminars, etc. |
| Structure | <ul style="list-style-type: none"> Consists of 2 separate group (Experts & MZ Generation) <ul style="list-style-type: none"> Experts Advisory Group(8 members): Professors & Researchers MZ Advisory Group(6 members): Youth Activists & Social Venture Conduct regular meetings, research tasks, advisory meetings, etc. |

4. ESG Management of LG Corp. (Cont'd)

LG Corp. will continue to upgrade the ESG management system for sustainable growth.



LG Corp. will continue to make up for the insufficient areas based on the international standards and the latest evaluation results.

Evaluation Organization	Evaluation Results (2020)	Notes
	BBB	Achieved "ESG Leader" in "Opportunities In Clean Technology"
	Climate Change: A-	Selected as "Carbon Management Sector Honors" in 2020
	BB (Investment Grade)	
	E: B+, S: A+, G: B+ / ESG Integrated Ratings: A	Evaluated as having a good sustainable management system

5. LG Corp. Capital Allocation Plan

Shareholder Return

Dividend Policy⁽¹⁾

- LG Corp's dividend policy is to pay out more than 50% of net income (excluding non-recurring income and on a standalone basis), which is within the range of the company's dividend income

Growth Investment

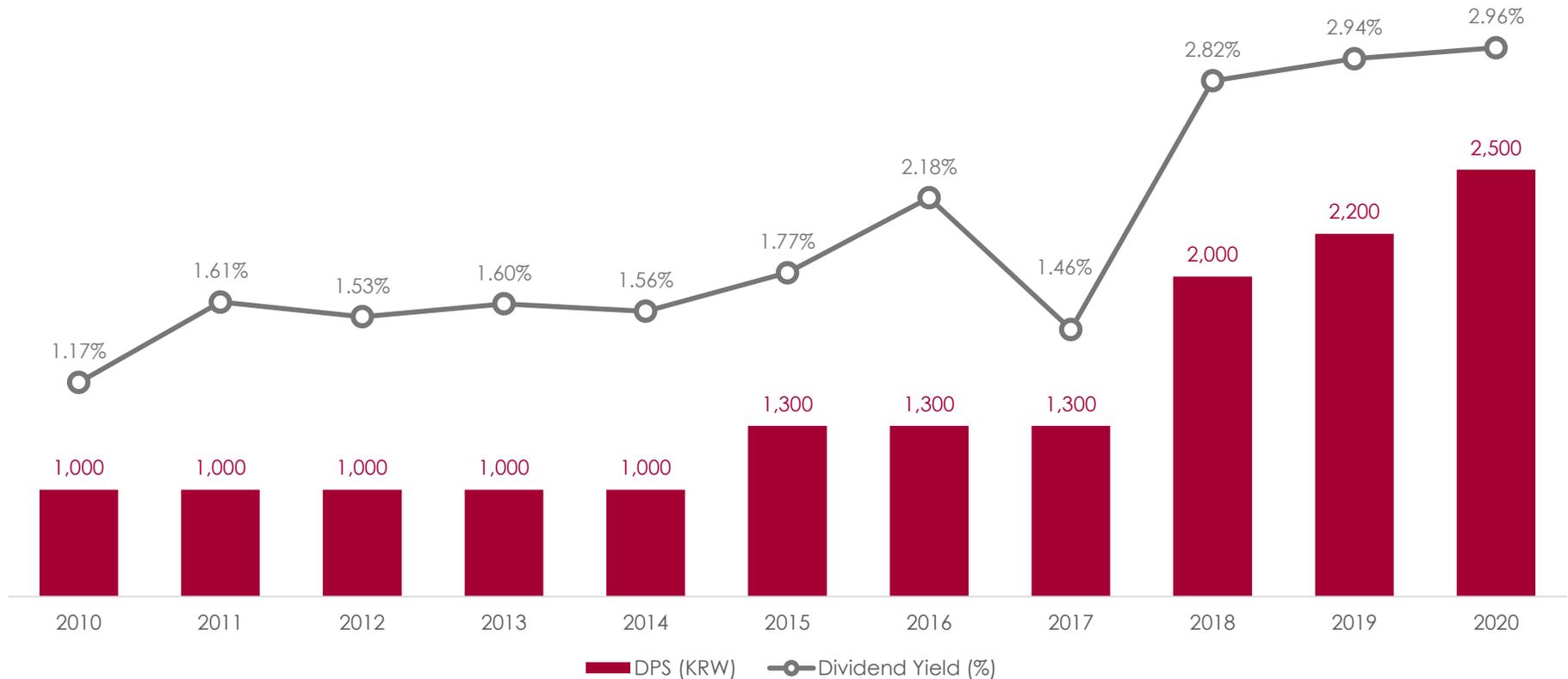
- Investment in high growth businesses within the same verticals to enhance LG's value chain
- Seeking organic/inorganic growth through investments and M&A

Notes:
1. As announced by LG Corp in a public disclosure on February 13, 2020

5. (1) LG Corp. Capital Allocation Plan – Shareholder Return

Compelling shareholder return in the form of dividends has been LG Corp's priority and will continue to be the primary focus

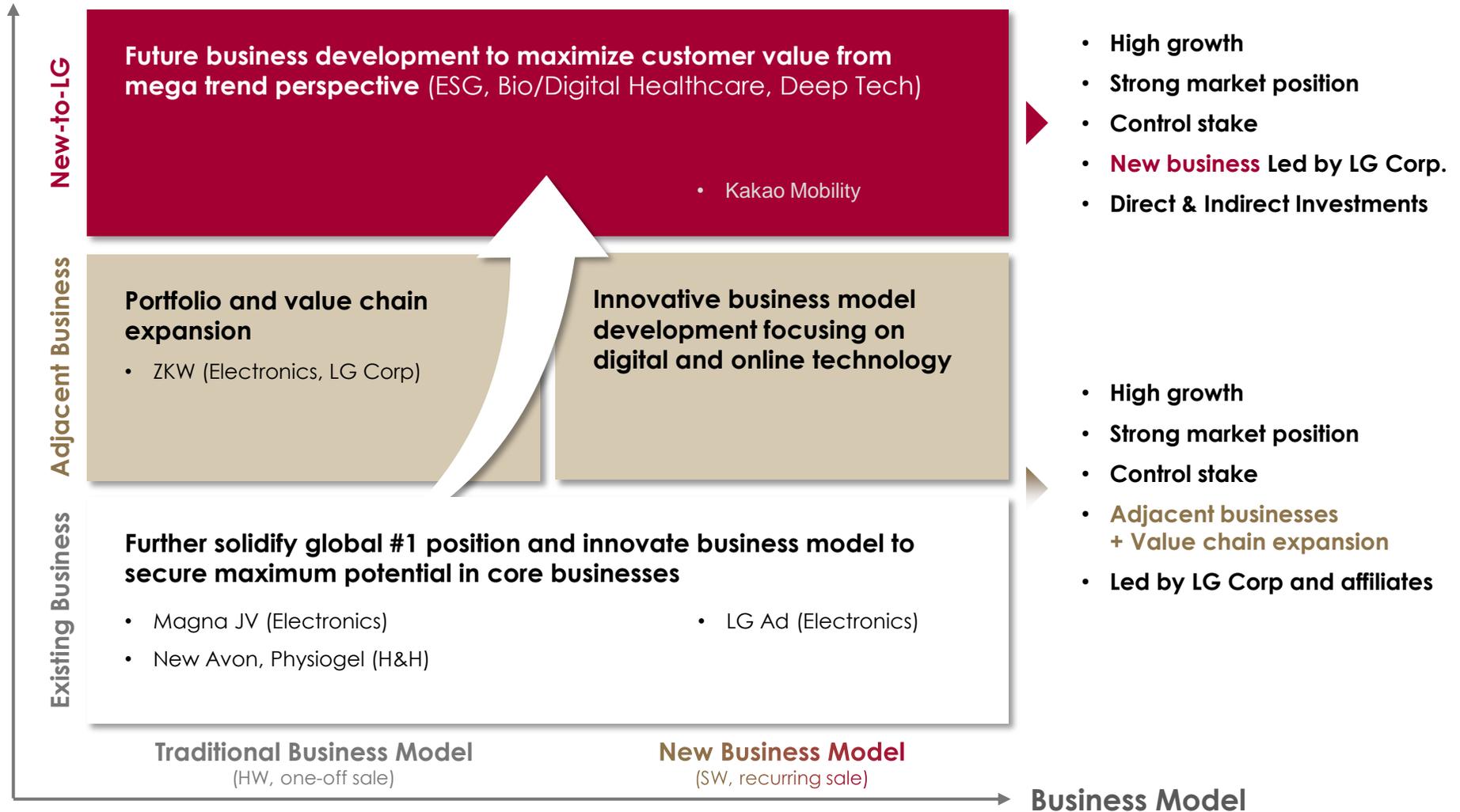
LG Corp. Historical Dividend Per Share and Dividend Yield Trend⁽¹⁾



Notes:
1. Dividend per share and dividend yield for common shares

5. (2) LG Corp. Capital Allocation Plan – Growth Investment

Business Area



Legal Disclaimer

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