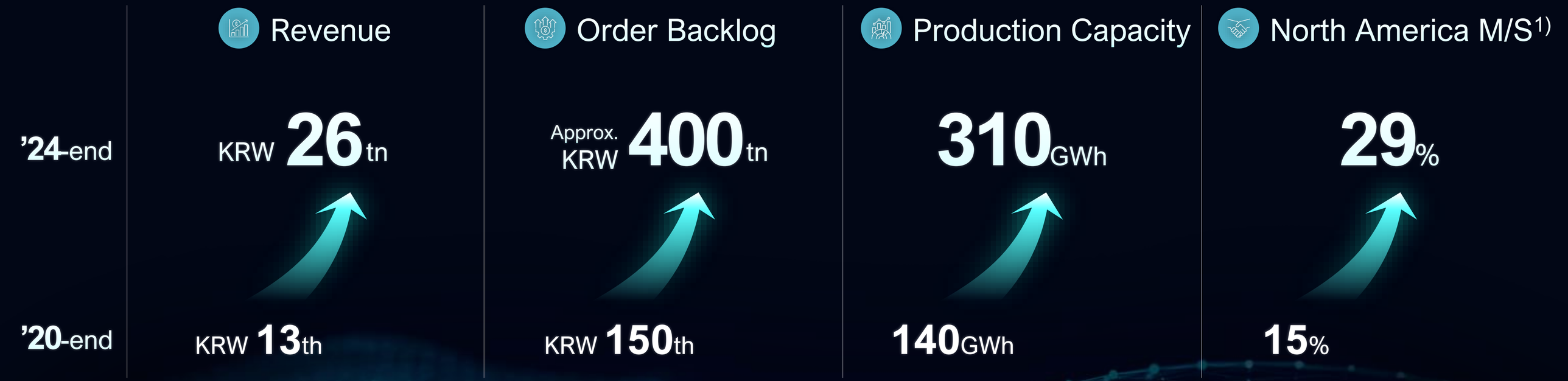
CEO Keynote

CEO / Kim, Dong Myung

LG Energy Solution

Achievements Since Establishment

Over 2x Growth in 4 Years



1) '24.Q4

Achievements Since Establishment

Securing Key Competitive-edges to Become a Global Leading Company

Global Operational Excellence

Established 13 global production sites (incl. 4 JVs)

Fastly achieved over 90% of yield in the new overseas plants

Technology Leadership

Developed high-performance batteries with various materials, process innovation and BMS solutions

Secured about 70K patented technologies

Strong Order Backlog

Order backlog increased at +28% CAGR[1)]

Secured 9 of the Top 10 global automakers

Supply Chain Competitiveness

Constructed stable global supply chain via long-term contracts & equity investments

Implemented a flexible SCM system

1) ’20~’24 CAGR

Market Environment Changes

Increased Policy Volatility

Expansion of Protectionism to Safeguard National Sovereignty & Economic Interest

US

- Tariff measures, such as retaliatory and reciprocal, to get more intensified
- Environmental policies to become more fluid

Europe

- Strengthened tariffs imposed on Chinese-made EVs
- Incentives planned to expand for the battery industry within the region
- Burden of carbon emissions penalties mitigated for automakers

China

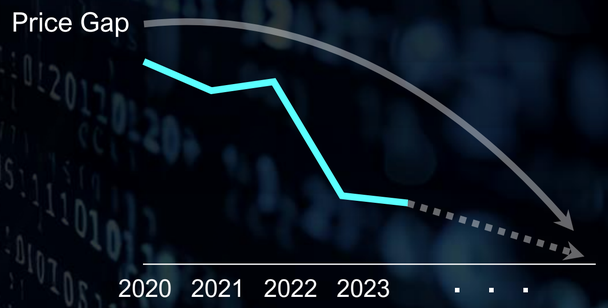
- Resources weaponized with export controls
- Government-led support for the battery industry

Market Environment Changes

Insufficient Tech/ Infra

Needs of Improved Consumer Convenience for EV Adoption Acceleration

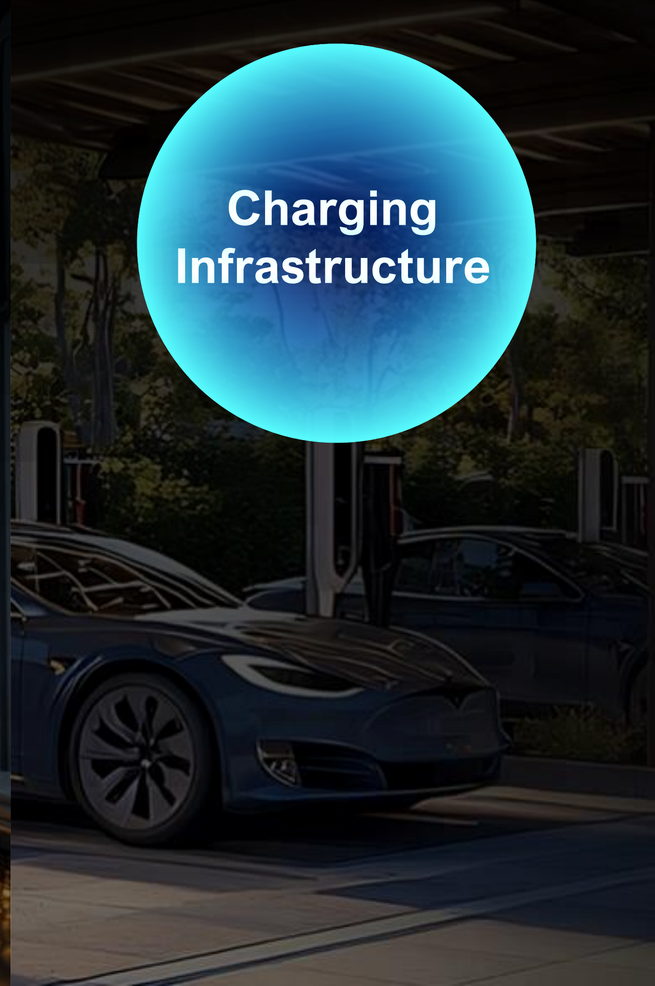
EV Price Parity



EV Model Diversification

Safety Enhancement

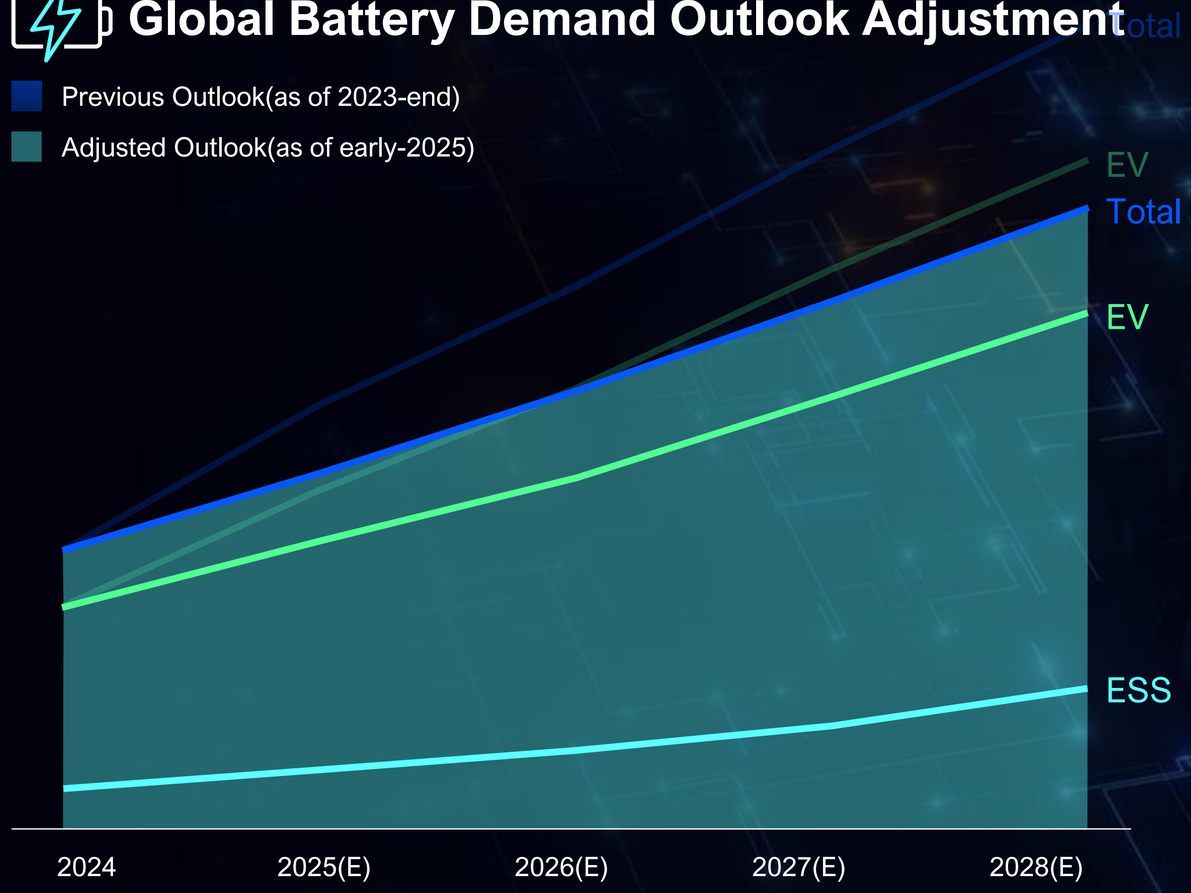
Charging Infrastructure



Changes in Battery Demand

EV-driven Demand Deceleration Forecast → Still, Long-term Growth Remains Strong

Global Battery Demand Outlook Adjustment



Outlook Revised
+20% CAGR

Outlook Unchanged
+20% CAGR

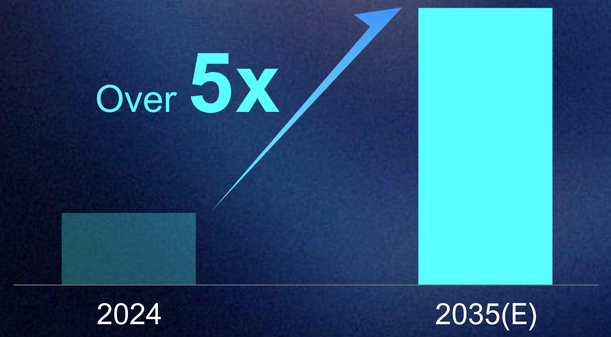
* Source : market data and company estimates, EV + ESS + IT, GWh basis

EV P-rate

	2024	2035(E)
N. America	11%	56%
Europe	19%	60%

*Source : BNEF

ESS Demand



*Source : BNEF, GWh basis

Now,

Be Agile to Market Dynamics and Capitalize on Opportunities for Future Growth

Fundamental Competitiveness Solidification

1. Product/Quality Competitiveness
2. Structural Cost Competitiveness
3. Future Technology Readiness

Qualitative Growth

Operational Efficiency Improvement

1. Prudent Capex Execution
2. Portfolio Rebalancing

Key Initiatives

Accelerating Future Readiness with Fundamental Competitive Edges

1 Boost Product/Quality Competitiveness

- Develop key materials having the edge in cost/charging speed/safety
- **EV** Secure optimized solutions by segment
  ESS Develop differentiated system capability based on high capacity LFP
- Advance BMS diagnostic tech. and quality management system

2 Securing Structural Cost Leadership

- Expand the adoption of cost-effective materials and invest in the value chain
- Accelerate process innovation
- Advance the SCM system

3 Preparing for Future Tech.

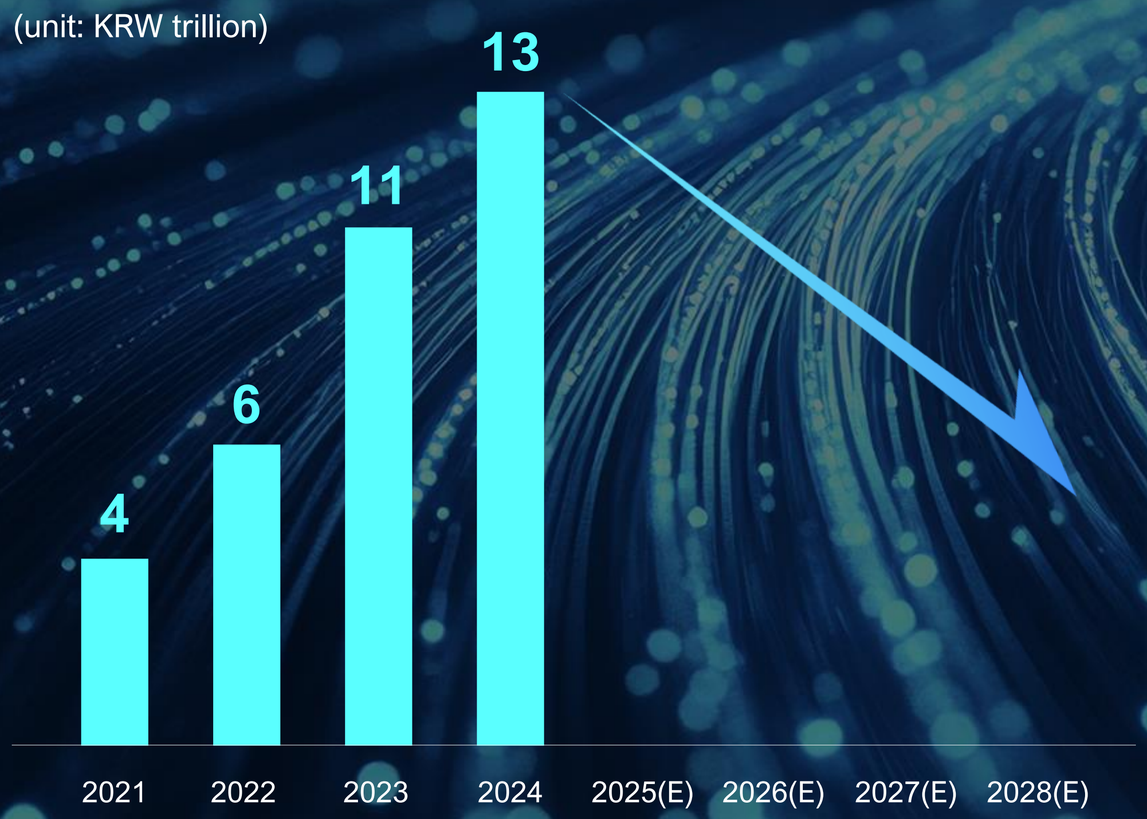
- Secure outstanding performance of next-gen batteries
- Nurture service businesses to enhance profit-generating capability

Key Initiatives

Operational Efficiency Improvement

1 Prudent Capex Execution

Priority-based Capex Execution, Focusing on Essential Investments



1. **Maintenance Capex:**
   Shift away from new site expansion,
   while maximizing efficiency of existing plants
2. **Investment in R&D**
3. **Investment in**
   Structural Competitiveness Enhancement

Gradual Reduction of Annual Capex

Key Initiatives

Operational Efficiency Improvement

2 Portfolio Rebalancing

Effective Resource Allocation,
Concentrating on Winning Business / Customer / Product & Technology

Business

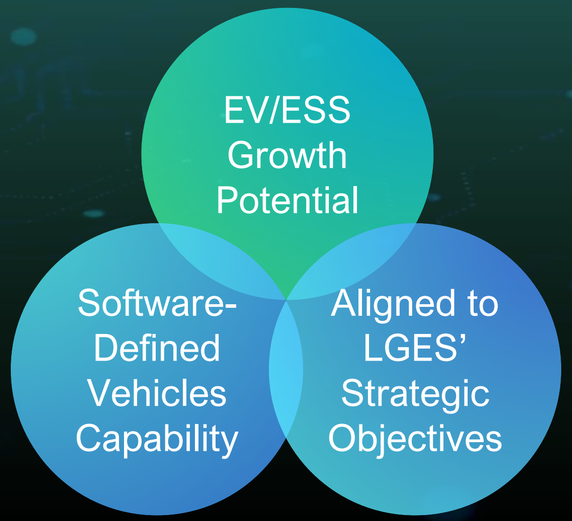
Non-EV Biz Expansion

ESS / New Application

\+ **BaaS** **EaaS**

Customer

Considering Customers' Strategic Directions



Product & Technology

Focusing Resources on Flagship Products and Advanced Technologies

All-Solid State

Dry Electrode

Strategic Directions

Maximize Corporate Value & Shareholder Value through Qualitative Growth

Value-up Goals

Focus on Sustainable Shareholder Value Creation via Profitable Growth

Growth

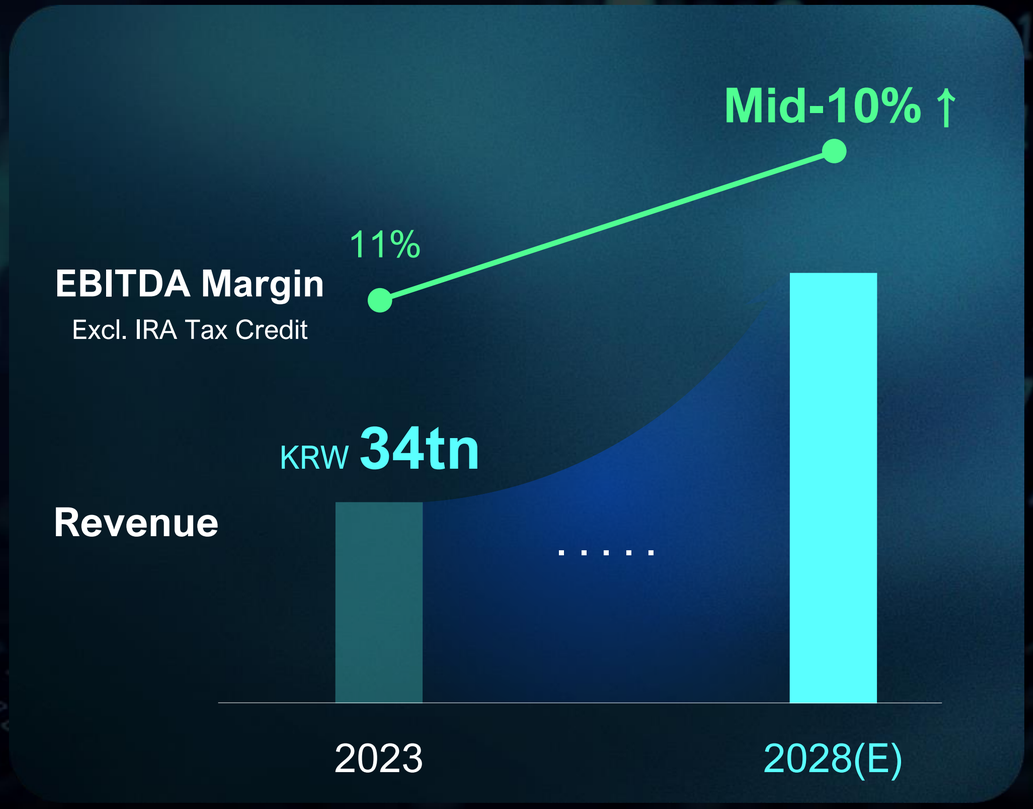
2-fold Revenue Growth
vs. 2023

Profitability

Mid-10% EBITDA Margin or above
Excluding IRA Tax Credit

Shareholder Value

Secure resources for shareholder return with stable FCF generation



Thank you

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