

Digital Business Innovator

Opening a New Future Through AX



Investor Presentation
March 2025

LG CNS

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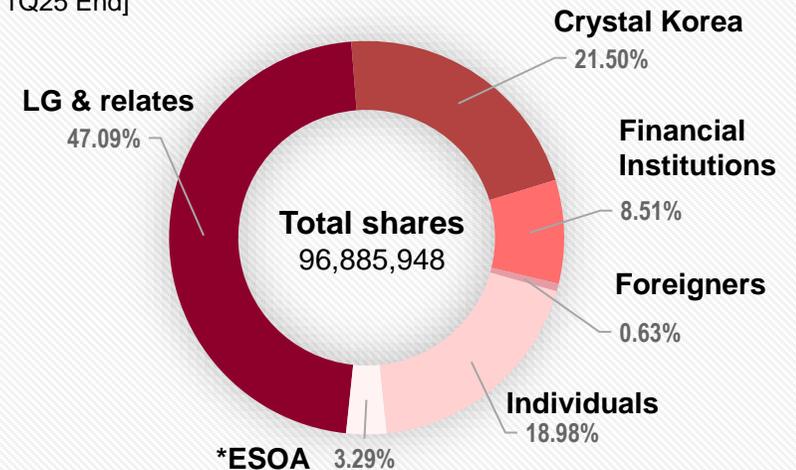
LG CNS (KOSPI 064400)

Corporate Information

Established	January 14, 1987
Headquarter	Seoul, Republic of Korea
CEO	Hyun Shin-Gyoon
Listing	February 5, 2025
Employees	6,977 (HQ)
Sector	IT Service
Capital Stock	KRW 52 billion
FY2024 Earnings	Revenue : KRW 5,983 billion Operating Profit : 513 billion
Credit Rating	AA0 (Stable)

Shareholder composition

[As of 1Q25 End]



Ownership Info.

Holder	Shares	Ownership %
LG & relates	45,623,918	47.09%
Crystal Korea	20,830,479	21.50%
Institutions	8,241,743	8.51%
Foreigners	610,577	0.63%
ESOA	3,912,272	3.29%
Individuals	18,394,036	18.98%

Subsidiaries

Company	Own	Business
Biztech-i	96.09%	IT outsourcing
Biztech-on	96.09%	BPO
Right brain	61.91%	UX/UI consulting
Open source consulting	73.06%	Cloud solution development
GT innovision	55.05%	IT outsourcing
Haengbokmaru	100%	Welfare support

* ESOA: Employee stock ownership association

LG CNS is a leading company delivering sustained growth and robust profits through AI Transformation (AX)



Market Leadership

Top-tier IT Service Player
Pioneer in the domestic DX market

Leading Cloud Technology

With 50+ types of Certification from 3 leading Hyperscalers (AWS, Azure, GCP)

No.1 Market Share

Finance, Government,
Smart Logistics, Smart City



Operational Excellence

35+ years
of global track record
as an IT specialist

Core AX capabilities

AI, Data, Cloud, Robot

Largest AX talent Pool

Cloud professionals: 1,000+
AI/Data professionals: 700+



Robust Financials

13.0%
'21A – '24A Revenue CAGR

16.0%
'21A – '24A Operating profit CAGR

15.8%
'21A – '24A Net income CAGR

Emerging as a frontrunner AX company driving AI, cloud, and digital transformation on our IT foundation

Cloud & AI

Driving DX across the entire
Business value chain



- › **AI**
 - Tailored AI solutions with cutting-edge tech.
- › **Cloud Service**
 - Cloud migration, setup and management
- › **Cloud Infrastructure**
 - Private/ Hybrid/ Public cloud infra development

Smart Engineering

Smart Tech
for Engineering Innovation



- › **Smart Factory**
 - Automation and Virtualization of factories
- › **Smart Logistics**
 - Delivering innovation in logistics solution
- › **Smart City**
 - Smart city solutions extends to mobility, Autonomous driving, healthcare and IoT

Digital Business Service

Building modern systems with
Next-gen IT system integration

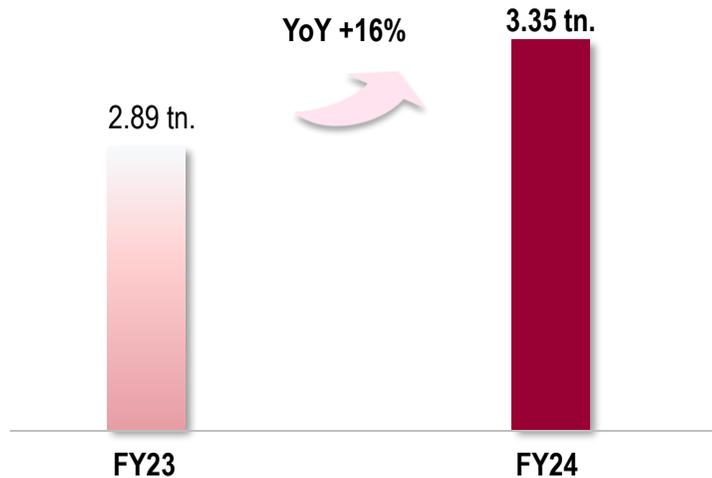


- › **Traditional SI & SM**
 - 35+ years of IT and cross-industry expertise
 - System integration and management
- › **IT Consulting**
 - DX strategy and operations consulting

Financial Highlights

【Cloud & AI revenue】

(unit: KRW)



● Revenue : +457.6 billion (YoY+16%)

- Solidifying our leading position in Cloud & AI business
- Expanded domestic and global client network
- Increased revenue from Indonesian data center consulting and such

Business Highlights

✓ Growth driven by Cloud Expansion and rising AI Demand

- 1 Expanding through top-tier partnerships with the three leading hyperscalers (AWS, MS, Google)**
 - Achieved Korea's 1st AWS Gen Ai service competency certification
 - First company in Asia certified as a Google cloud Gen Ai specialist
- 2 Securing business opportunities via new CSP partnerships**
 - Based on Kakao Cloud and C-Cloud
- 3 Sustained revenue from large-scale data center projects**
 - Hanam, Jukjeon and Samsung data centers build & operation
 - Pioneering overseas datacenter expansion as Korea's first mover
- 4 Accelerates AI expansion through DAP GenAI Platform**
 - GenAI for Banks, Manufacturer's Image GenAI, RPA

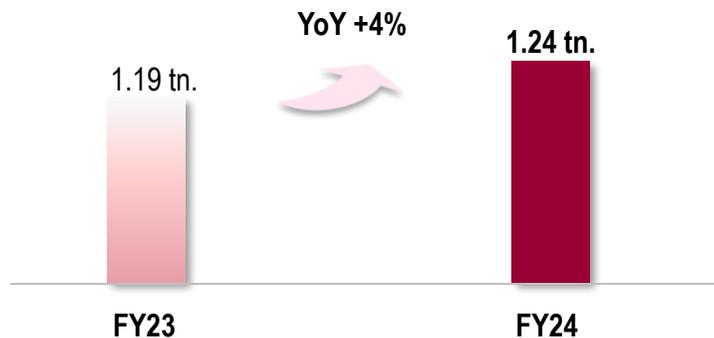
Note: DAP (Data Analytics&AI Platform) : AI Big Data Platform of LG CNS

Note: RPA (RoboticProcess Automation) :Automation of simple, repetitive business processes

Financial Highlights

【Smart Engineering revenue】

(unit: KRW)



● Revenue : +43.7 billion (YoY+4%)

- LG energy solution & Honda JV USA factory system integration
- Smart distribution center system integration
- Domestic Smart City and Overseas transportation payment related system integration and operation

Business Highlights

✓ Growth in distribution center, Increased progress in USA factories, Smart city and Transportation businesses

- 1 Smart Factory**

 - Increased LG Family's North American factory projects driven by demand for process automation and intelligent manufacturing
- 2 Smart Logistics**

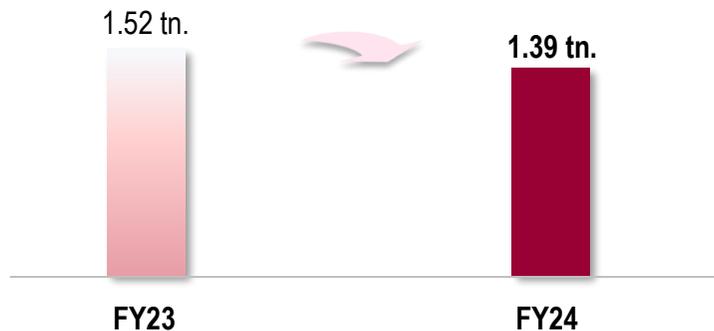
 - Expanding business opportunities in logistics automation, ongoing development of logistics robot platform
 - Global 'Open' business expansion through LG group's North American operations
- 3 Smart City**

 - Proactive engagement in Government's smart city projects
 - Global transportation payment services incl. Greece & Columbia
- 4 Diversifying Clients and Expanding into Emerging Sectors**

 - Shipbuilding, defense and automotive industries

Financial Highlights

【Digital Business Service revenue】



● Revenue

- Revenue from finance and service sectors slightly declined YoY, but major finance project wins secure growth for 2025
- YoY growth in manufacturing & public sector continues

Business Highlights

- ✓ Financial sector revenue temporarily declined, with recovery expected from public projects and next-gen finance project wins

1 Increased public sector revenue

- Participated large public projects (*KOMSCO, Supreme court, etc.)
- Expanding public projects (Mongolia, Bangladesh, Uzbekistan, etc.)

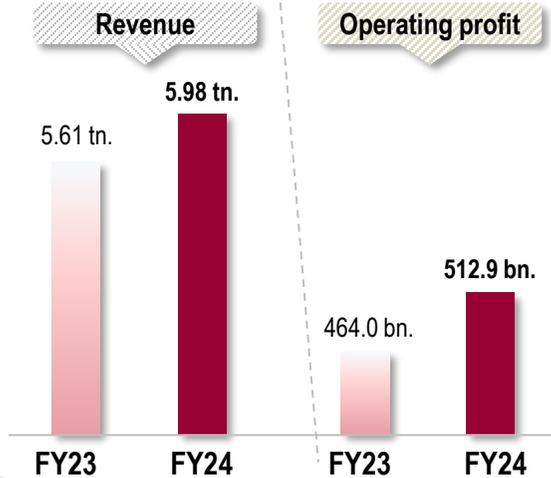
2 Pursuing major finance deals for 2025 growth

- Diversifying Financial Business into Insurance and Securities
- Exploring global opportunities in previously entered markets (such as Indonesia)

* KOMSCO : Korea Minting and Security Printing Corporation

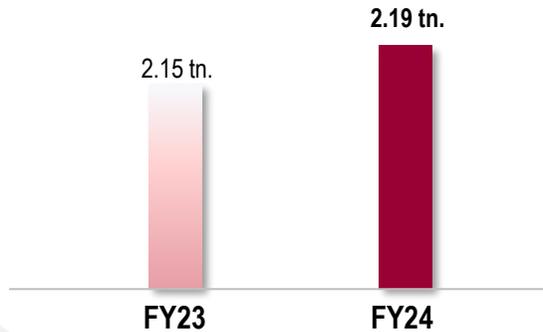
Financial Highlights

【Key Financials】



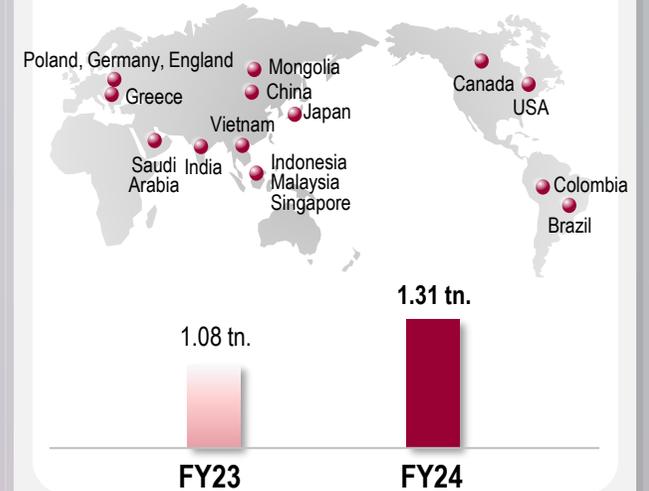
- Key Growth Drivers, Cloud & AI Led Strong Performance with Record Revenue, Up KRW 377.3B (+7% YoY)
- Operating profit up KRW 48.9B (+11% YoY)

【Non-Captive Revenue】



- Non-captive revenue increased by KRW 39.2B YoY across public, manufacturing, and service sectors

【Overseas Revenue】



- Overseas revenue up approximately KRW 230B (+21% YoY)
- Overseas revenue accounted for 22% in 2024, up 3 percentage points YoY.

Core Strengths

Key Initiatives for 2025

Cloud & AI

- Leading Cloud based DX
- Custom AI solutions
- Top tier partnerships with global companies

Smart Engineering

- DX for diverse industries
- Logistics optimization
- Smart City and Transport system Integration and maintenance.

Digital Business Service

- Extensive Track record in finance and E-Government
- AI & Cloud-Driven Service Innovation

- Expanding Cloud Market Share by scaling MSP business with Strategic Clients
- Securing AX leadership by expanding Gen Ai businesses
- Growing Global Presence via partnerships (such as Data Centers)

- Expanding Manufacturing and Logistics Services with AMR
- Steady Pilot City Progress & Global Transportation system Business Acceleration

- Growing Customer Base Through AX Expertise
- Enhancing Business and global expansion through diverse market approaches with subsidiaries and partners

Key Growth Strategies

Leader AX market

- Expanding AX Services and Leading Customers by Integrating AI Across All Application Areas

Global business expansion

- Driving M&A for Global Expansion and growth opportunities
- Expanding Business with Existing Core Global Customers

Develop new growth engine

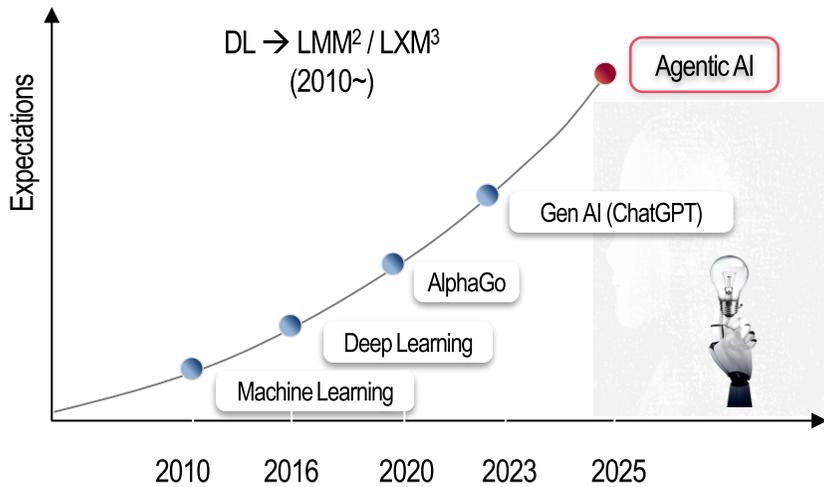
- Expanding Enterprise Software Business and Boosting Growth Drivers

Optimizing operational efficiency

- Delivering Consistent and Flexible Services via GDC
- Improving Productivity and Quality, as well as Reducing Costs by utilizing AIDD

From Enterprise AX¹ Strategy to AI Innovation - Positioning as a Trusted AX Leader

Accelerating AI Growth



• Global Gen AI market is projected to grow at CAGR 34.7% (KRW 142tn. by 2030)
 - ref : Grand view research (2023)

LG CNS Offering

AI Agent Service

AI Biz. Application

- Developing and Offering AI Service

AI Platform

- Delivering Platform
- for on-site application

Manufacturer	Chemical	Finance / Gov.	Telecom / Retail
Value Chain AX Discovery	Gen-AI system issue management	AI Platform	Warehouse storage Optimization
Circuit design Assistant	Customer service all-in-one Chatbot	AI based mis-selling Prevention	Multilingual VoC Analysis Using LLM
Inventory Optimization	AI Based process quality classification	AI Contact Center	Customer Service Chatbot
AI Based Steel Scrap Grading	Defect Prevention and Prediction	Legal Review of Ads & Product copy	Online Shopping Assistant



- Gen AI Platform Development and Customized LLM Delivery

GenAI Market Growth

Generative AI market growth is accelerating, fueling rising investment demand in AI infrastructure amid intense competition.

1. AX (AI Transformation) : AI-driven transformation of work methods, business models, and customer experiences

Expanding AX Opportunities

Partnering with AWS, MS, and Google to promote AX in finance, public, logistics, and smart factories

2. LMM (Large Multimodal Model) : AI model for generating text, images, and videos

3. LXM (Large X Model) : AI model processing various data types simultaneously

Accelerating global market entry in finance, government, cloud, and smart engineering, leveraging LG CNS's core strengths

Technology-Driven

Cloud & AI
(Data Center)

JV with Indonesia's Sinarmas Group ('24.07)

Execute Datacenter (30MW) development and several DX for Sinarmas group

Smart Engineering
(Smart Factory)

Ongoing Smart factory projects for automotive and battery producers (Stellantis, LG Energy Solution)

Plans to expand smart factory initiatives targeting LG Group and local manufacturers.

Enterprise SW

Accelerating Global Software market entry

PerfecTwin
(Testing Automation)

Targets US/Japan

Optapex
(Marketing Operation)

Targets US Amazon Sellers

Partnership-Driven (Focusing APAC region)

Cloud ERP

First Korean company to join SAP's Asia-Pacific Regional Strategic Services Partner (RSSP) initiative (Feb 2025)

Jointly engage in ERP consulting, implementation, and operations in the Asia-Pacific region as an SAP ERP service partner.

Japan / SouthEast Asian Financial DX

Jointly entering Japan and SEA with Korean financial companies



Explore follow-up Local financial projects

Accelerating financial DX in Japan and SEA

Expanding business by leveraging technical expertise and domestic references to meet financial DX demands such as downsizing and streamlining.

Expand enterprise software opportunities and enhance efficiency through GDC and AIDD

Enterprise SW Portfolio Growth

Enterprise Testing Automation Solution



- Defect detection through real transaction data
- Global reach via strategic SAP partnership



Marketing Optimization



AI Based Marketing optimization Solution

- AI & Mathematical marketing optimization
- Launched Optapex for Amazon sellers

Service Platform (SaaS)

SaaS Integration



- Integrating best solutions with LG know-how
- Tailored global solutions for clients

Operational Efficiency



GDC Global Delivery Center

Delivering consistent, flexible service via efficient HR use



AIDD AI-Driven Development

Hybrid insourcing and outsourcing of GDC operations

- Vietnam: Hybrid GDC
- Indonesia: Insourcing GDC

Optimize costs and build global delivery structure via GDC expansion

- Grow GDC presence through staff transition and insourced talent development

Full utilization of AIDD for all areas

- Extend AI coding to analysis, design, and testing

Enhance delivery productivity & AIDD

- Adopt AI in all delivery processes to boost productivity
- Advancement of client-specific AIDD

Consecutive dividends since 2002, with a recent consolidated payout ratio of 40%

Enhancing shareholder value through stable dividend payments



※ The dividend policy is not yet finalized, but we are considering maximization of payout ratio within distributable profits.

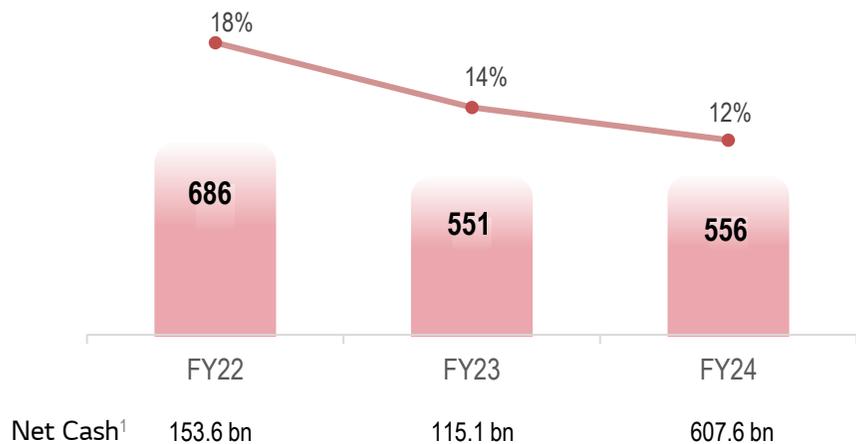
Financial stability indicators

[Debt Ratio]



[Borrowings dependency]

■ Borrowings ● Borrowing dependency (Unit : KRW bn.)

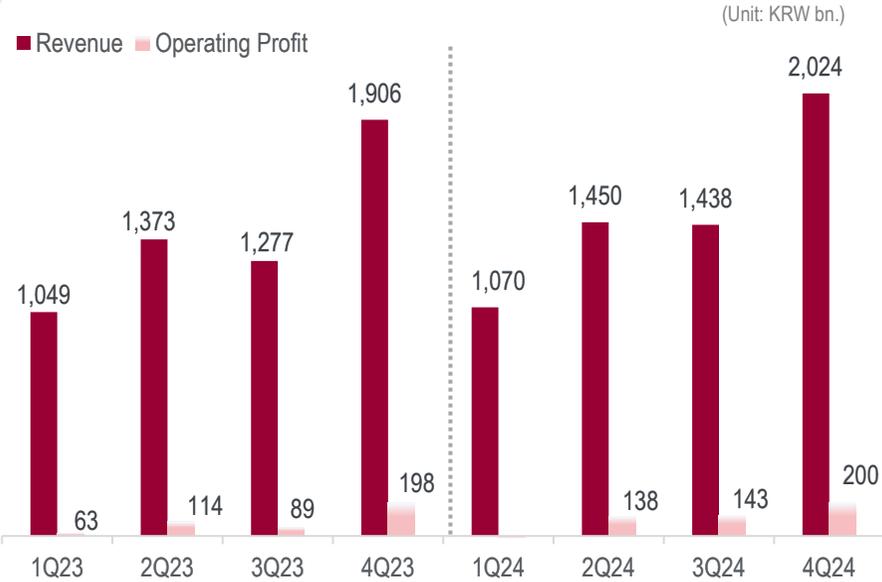


1) Net Cash : Borrowings(Short term+Long term) – Cash & Cash equivalents (incl. deposits)

Condensed Consolidated Balance Sheet

(Unit: KRW mn.)	FY24	FY23	FY22
Current Assets	3,435,316	3,037,232	2,847,939
Cash & Cash equivalents	1,076,592	504,568	728,349
Non-Current Assets	1,069,191	1,003,448	1,017,196
Total Assets	4,504,508	4,040,680	3,865,135
Current Liabilities	1,852,324	1,543,113	2,005,335
Accounts Payable	794,053	768,321	740,394
Short term borrowings	5,515	2,565	276,537
Current Portion of Long-term debt	160,315	0	259,918
Non-current Liabilities	529,373	629,311	229,012
Long term borrowings	389,693	548,750	149,681
Total Liabilities	2,381,697	2,172,423	2,234,346
Stockholder's equity	47,198	47,198	47,198
Retained Earnings	2,003,112	1,772,366	1,553,012
Total Equity	2,122,810	1,868,256	1,630,789

Quarterly Consolidated Earnings



Item	FY23					FY24					YoY
	1Q	2Q	3Q	4Q	Sum	1Q	2Q	3Q	4Q	Sum	
Revenue	1,049	1,373	1,277	1,906	5,605	1,070	1,450	1,438	2,024	5,983	+7%
Operating profit	63	114	89	198	464	32	138	143	200	513	+11%
Net profit	42	75	63	151	332	13	102	118	132	365	+10%

Revenue by business unit



Thank you

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