



Q1 2025 Earnings Release

April 28, 2025 Investor Relations

Contents

I. Financial Performance

- Business Performance
- Financial Position

II. Business Highlights

- Cloud & AI
- Smart Engineering
- Digital Business Service

III. Appendix

- Income Statement, Financial Position (Consolidated)

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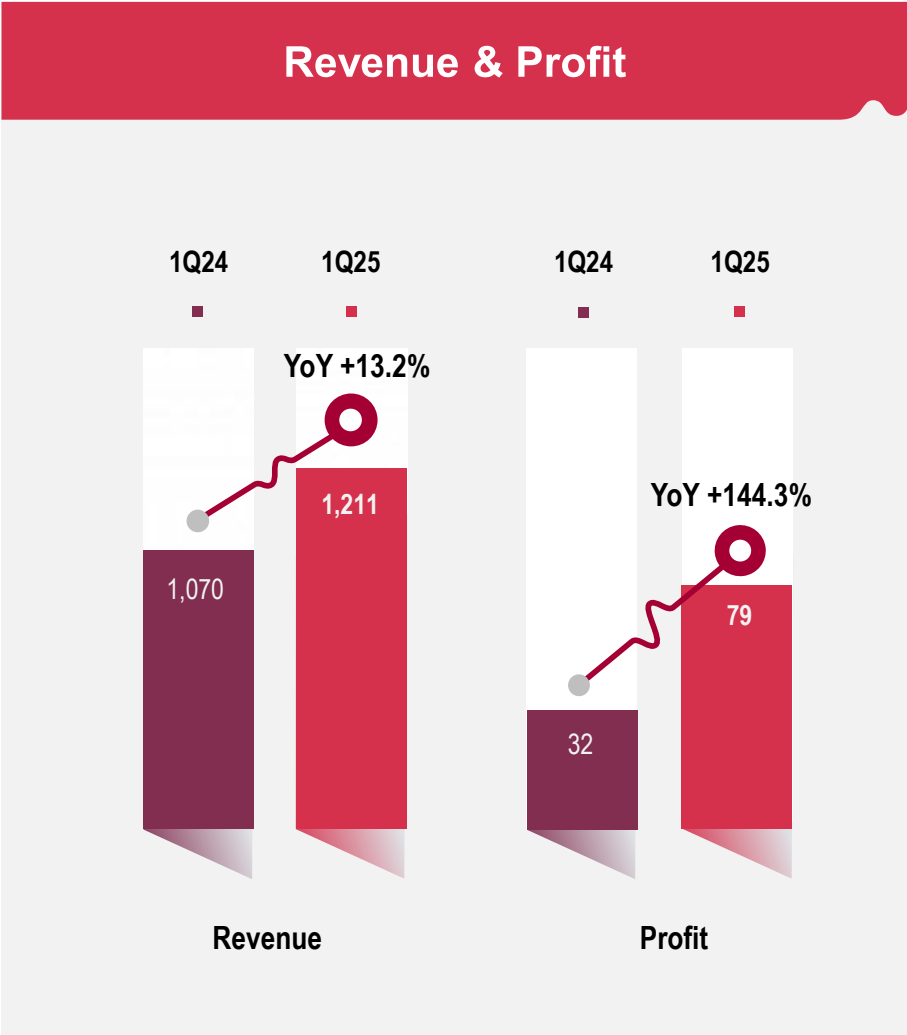
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- I. Financial Performance
 - Business Performance
 - Financial Position
- II. Business Highlights
- III. Appendix

Achieved Q1 revenue of KRW 1.2 trillion (+13.2% YoY) and operating profit of KRW 78.9 billion (+144.3% YoY), driven by strong growth in Cloud & AI business



Income Statement

(Billion KRW)

Billion KRW	2024					2025	
	1Q	2Q	3Q	4Q	FY	1Q	YoY
Revenue	1,070	1,450	1,438	2,024	5,983	1,211	+13.2%
COGS	939	1,202	1,197	1,713	5,051	1,053	+12.1%
Gross Profit	131	247	242	311	931	158	+20.7%
SG&A	99	110	99	111	418	79	-19.8%
Operating Profit (Loss)	32	138	143	200	513	79	+144.3%
%	3.0%	9.5%	9.9%	9.9%	8.6%	6.5%	+3.5%p
Net Income before Tax	20	132	151	182	486	88	+335.3%
Net Income (Loss)	13	102	118	132	365	57	+350.8%

I. Financial Performance

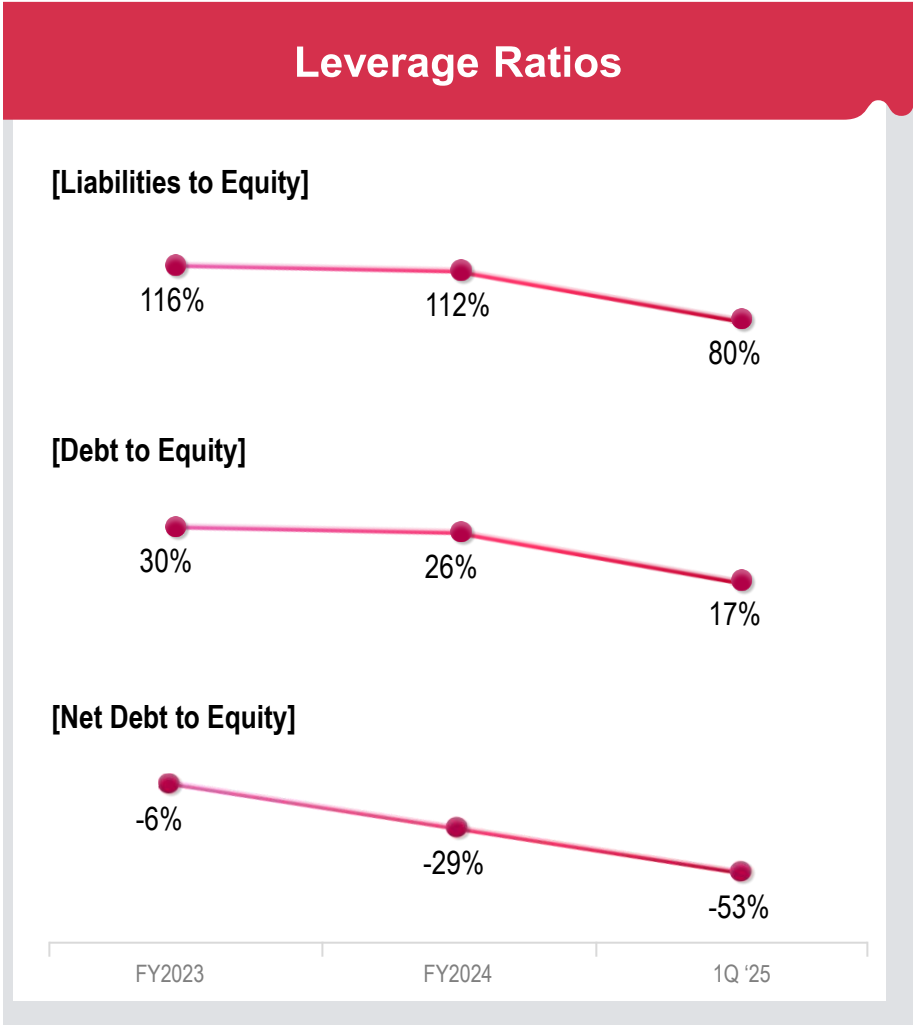
- Business Performance
- Financial Position

II. Business Highlights

III. Appendix

Financial position improved significantly, with cash and cash equivalents increasing to KRW 1.8 trillion, while the debt ratio declined from 112% to 80%

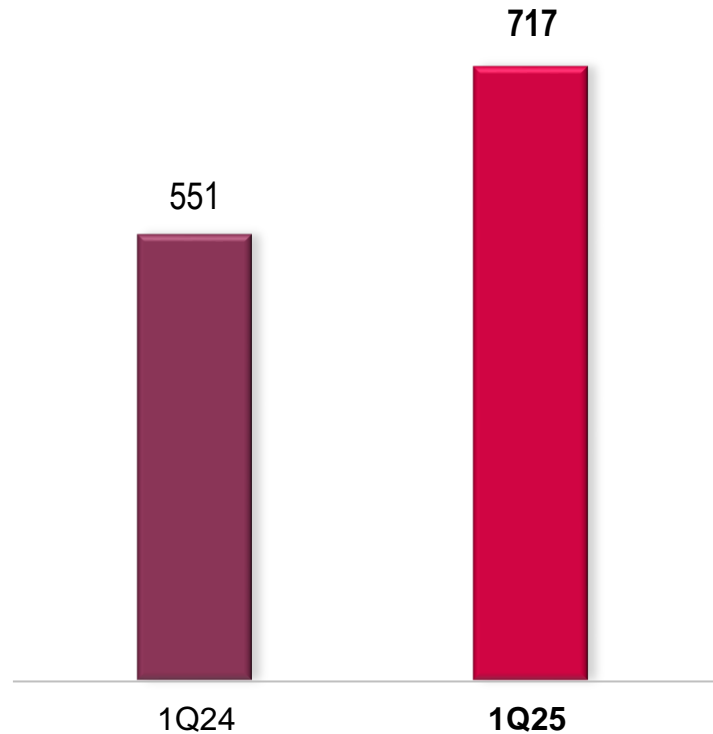
Financial Position			
Billion KRW	FY2023	FY2024	1Q '25
Total Assets	4,041	4,505	4,718
Current Assets	3,037	3,435	3,608
Cash and cash equivalents *	666	1,163	1,834
Non-current assets	1,003	1,069	1,114
Total Liabilities	2,172	2,382	2,092
Current Liabilities	1,543	1,852	1,742
Non-current liabilities	629	529	349
Total Equity	1,868	2,123	2,626
Borrowing**	551	556	444
Net Borrowing	Δ115	Δ607	Δ1,390
Credit Rate	AA-(Stable)	AA-(Positive)	AA-(Positive)
* Financial institution deposits inclusive			
**Lease liabilities exclusive			



- I. Financial Performance
- II. Business Highlights
 - Cloud & AI
 - Smart Engineering
 - Digital Business Service
- III. Appendix

Cloud & AI Revenue

(Billion KRW)



Highlights

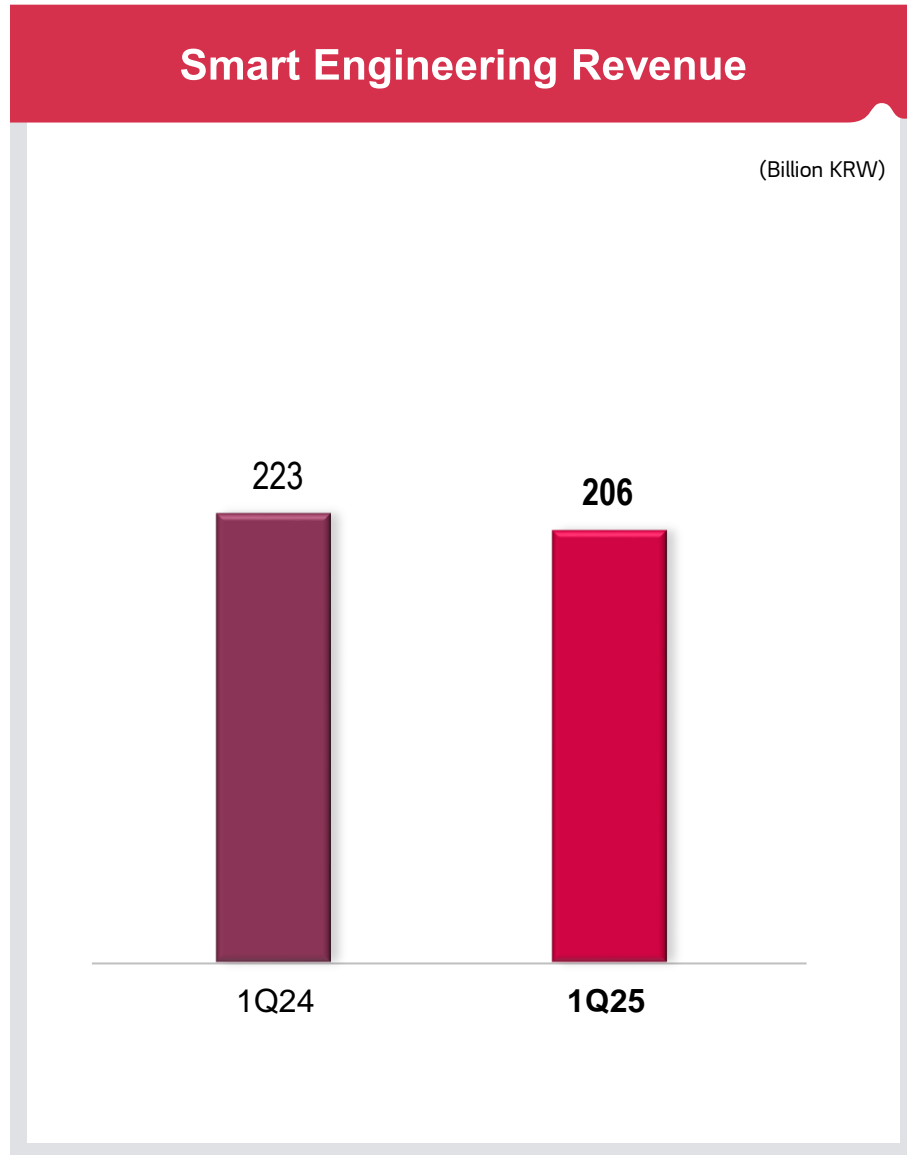
● Strong Growth driven by AI Cloud

- Sustained revenue growth driven by rising demand for cloud-based AI services
- Expansion of global manufacturing/public infrastructure projects
- Accelerated revenue contribution from domestic and global AI data center projects
- Expansion of enterprise data platform business
- Increasing adoption of GenAI in next-generation financial systems

▶ Expand domestic & global AX business by strengthening E2E* IT business capabilities and partnership with global big-tech companies

* E2E (End to End) : The entire process of IT service including analysis, design, operation, and maintenance

- I. Financial Performance
- II. Business Highlights
 - Cloud & AI
 - Smart Engineering
 - Digital Business Service
- III. Appendix



Highlights

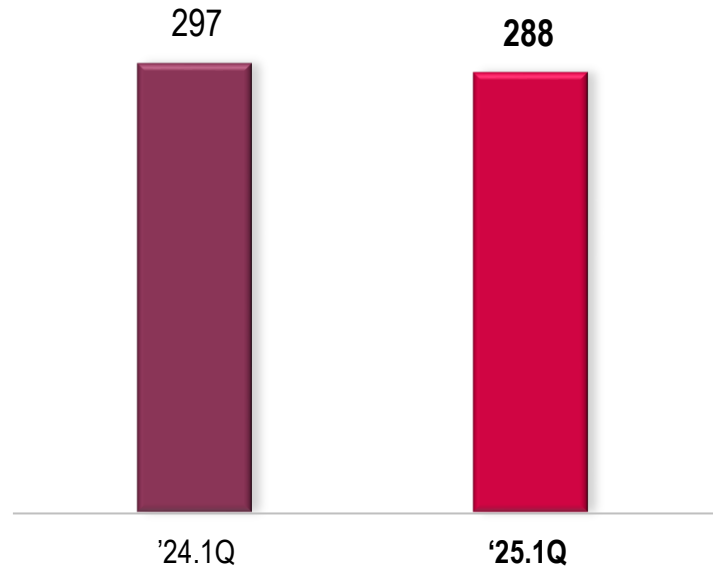
- **Investment delayed, gradual restart ahead**
 - Temporary decrease from strategic delay of customer investment considering changes in the market environment
 - **[Non-Captive]** Expanding the base of Smart Factory business by securing customers in the new industries (Shipbuilding, Defense)
 - **[Captive]** Response to the diversified business demand of LG Energy Solution (expanding the ESS lines) and applying the new solutions (Logistics robots, etc.)
 - Securing stable revenue from key projects such as smart cities, domestic/ overseas transportation system operation and Kenya ITS*
- **Growth recovery fueled by affiliate expansions, new robotics business, non-captive customers (Shipbuilding and defense), and global expansion**

* ITS : Intelligent Transport System

- I. Financial Performance
- II. Business Highlights
 - Cloud & AI
 - Smart Engineering
 - Digital Business Service
- III. Appendix

Digital Business Service Revenue

(Billion KRW)



Highlights

● Temporary decline in DBS revenue

- Temporary decline due to the completion of major next-generation projects in banking sectors.
- Awarded Next-generation SI & ITO contracts
 - Targets Securities & Insurance industries
 - Securing stable revenue through the renewal of large-scale public ITO contracts.
- Growth in AX demand
 - Demand for related system improvement continues to increase in all industries in accordance with the spread of AI
- Driving additional revenue through the expansion of service offerings including ITO, EduTech, and Modern Workplace Platforms.

➤ **Turnaround expected through stable revenue based on new large-scale project wins from Financial/ Public sectors**

I. Financial Performance

- II. Business Highlights
- Cloud & AI
 - Smart Engineering
 - Digital Business Service

- III. Appendix (Consolidated)
- Income Statement
 - Financial Position

Income Statement (Consolidated)

(Billion KRW)

KRW Billion	2023	2024					2025
	FY	1Q	2Q	3Q	4Q	FY	1Q
Revenue	5,605	1,070	1450	1,438	2024	5,983	1,211
Cloud & AI	2,894	551	806	795	1,200	3,352	717
Smart Engineering	1,193	223	299	277	439	1,237	206
Digital Business Service	1,518	296	345	367	386	1,394	288
COGS	4,770	939	1,202	1,197	1,713	5,051	1,053
Gross Profit	835	131	247	242	311	931	158
SG&A	371	99	110	99	111	418	79
Operating Profit (Loss)	464	32	138	143	200	513	79
Net income before Tax	442	20	132	151	182	485	88
Income tax provision	110	7	30	34	50	121	31
Net Income	332	13	102	118	132	365	57

I. Financial Performance

- II. Business Highlights
- Cloud & AI
 - Smart Engineering
 - Digital Business Service

- III. Appendix (Consolidated)
- Income Statement
 - Financial Position

Financial Position (Consolidated)

(Billion KRW)				
KRW Billion	FY 2022	FY 2023	FY 2024	1Q '25
Total Assets	3,865	4,041	4,505	4,722
Current Assets	2,848	3,037	3,435	3,608
Cash and cash equivalents	728	505	1,077	1,692
Financial institution deposits	111	162	87	142
Trade receivables, net	1,392	1,532	1,662	999
Other current assets	616	839	611	775
Non-current assets	1,017	1,003	1,069	1,114
Property, plant and equipment, net	565	549	545	540
Intangible assets	104	88	64	62
Other non-current assets	348	367	460	512
Total Liabilities	2,234	2,172	2,382	2,091
Trade payables	740	768	794	529
Short-term borrowings	277	3	5	4
Current portion of long-term borrowings	260	0	160	280
Long-term borrowings	150	549	390	160
Other current liabilities	808	853	1,032	1,118
Total Equity	1,631	1,868	2,123	2,631