LX International

3Q 2023 Earnings Release

Disclaimer

This company has adopted its financial statements under

Korean International Financial Reporting Standards(K-IFRS).

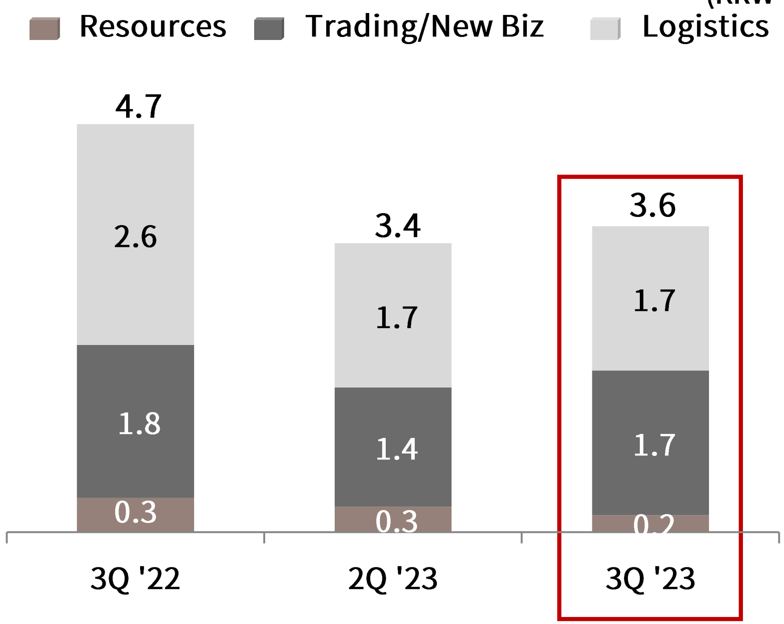
This IR presentation has been prepared based on internally audited figures and

final figures may change due to the results of independent auditors' review.

3Q ’23 Results

Sales

(KRW Tn)



❑ **YoY △1.1** (4.7 → 3.6)

- Decrease in ocean & air freight rates
- Decrease in commodity prices

❑ **QoQ +0.2** (3.4 → 3.6)

- Increase in LCD panel prices and sales volume

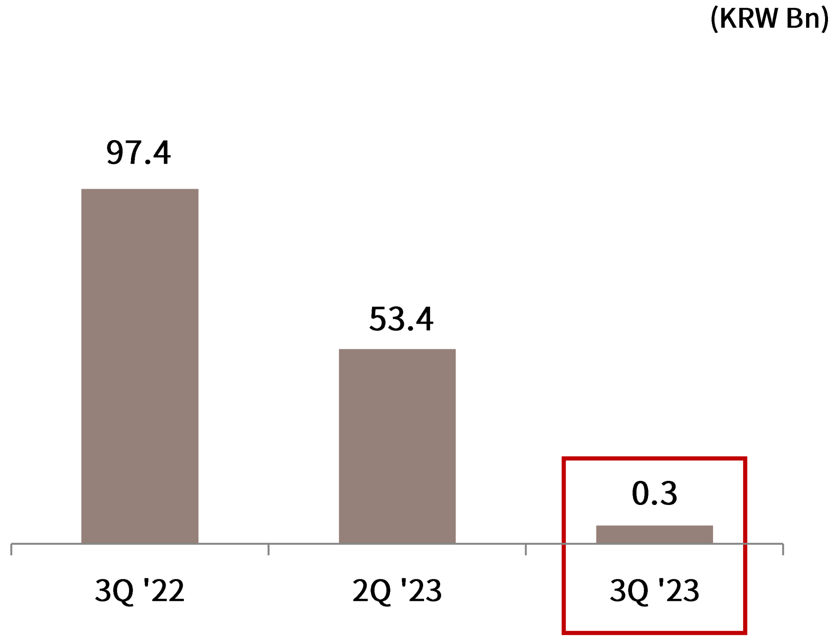
Profit/Loss

(KRW Bn)

Items	3Q ’22	2Q ’23	3Q ’23	YoY	QoQ
Operating Profit	272.6 5.8%	129.2 3.8%	63.6 1.7%	△77%	△51%
EBITDA	336.9 7.2%	205.9 6.0%	144.8 4.0%	△57%	△30%
Profit Before Tax	267.0	110.8	76.7	△71%	△31%
Net Profit	247.5	72.1	49.0	△80%	△32%

Resources

Operating Profit



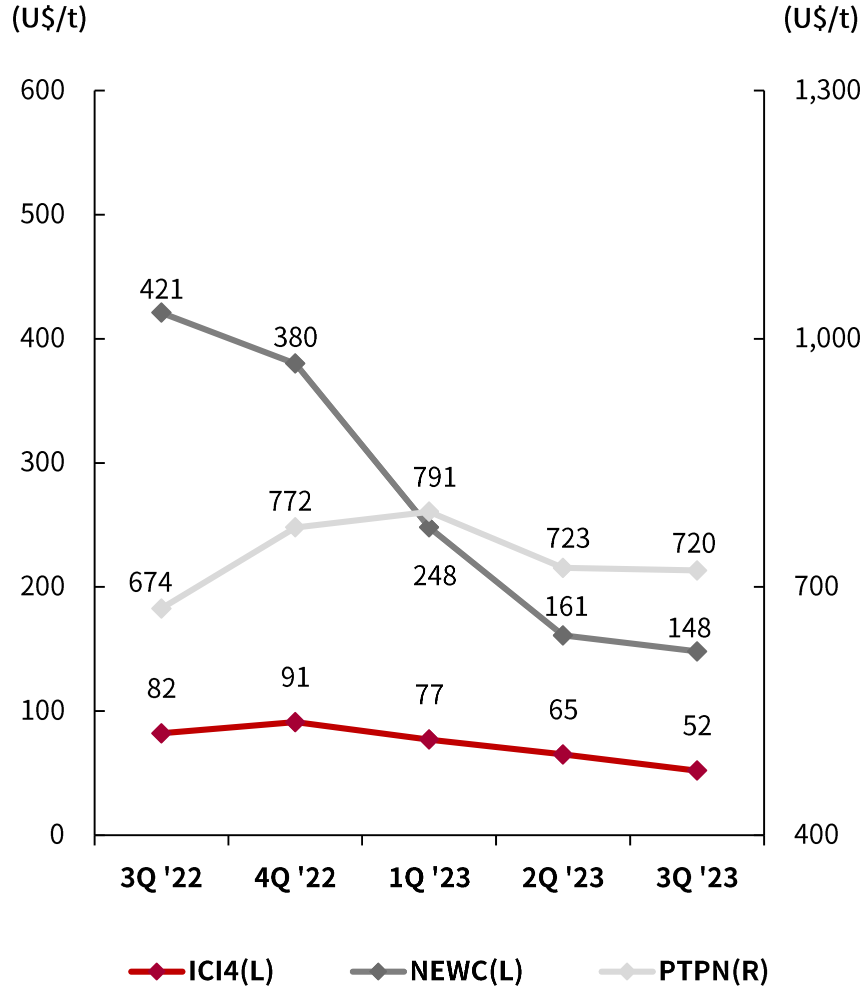
❑ **YoY △97.1** (97.4 → 0.3)

- Decrease in commodity prices

❑ **QoQ △53.1** (53.4 → 0.3)

- Decrease in commodity prices

Commodity Prices

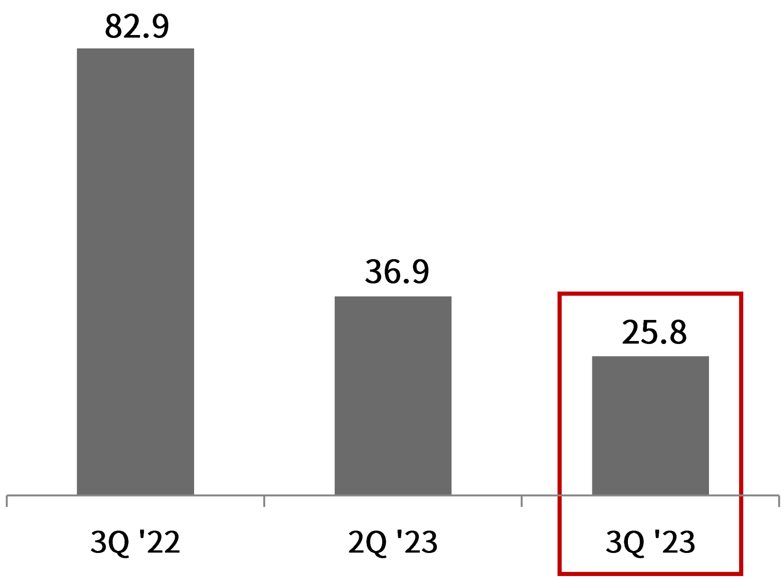


*ICI4(Indonesian Coal): Argus, GAR 4,200kcal
*NEWC(Australian Coal): Globalcoal, GAR 6,322kcal
*PTPN(Indonesian CPO): PT Perkebunan Nusantara CPO Tender Price

Trading/New Biz

Operating Profit

(KRW Bn)



❑ **YoY △57.1** (82.9 → 25.8)

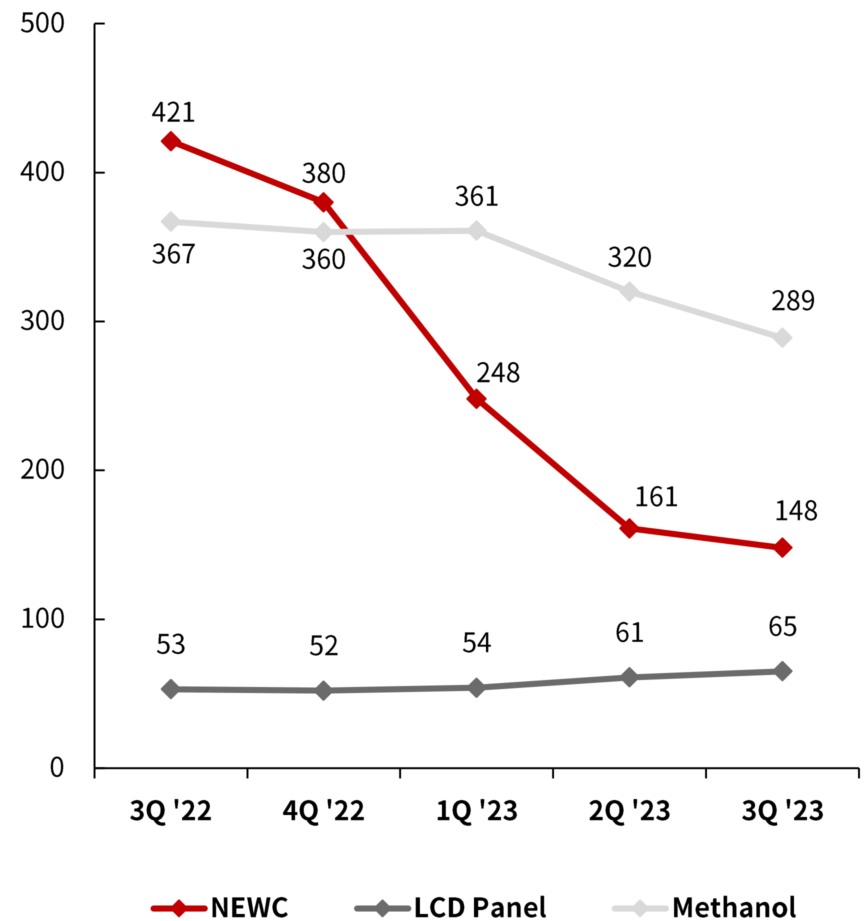
- Decrease profit in resources trading due to weak commodity prices

❑ **QoQ △11.1** (36.9 → 25.8)

- Decrease profit in resources trading due to weak commodity prices

Prices of major products

(U$/t, U$, U$/MT)

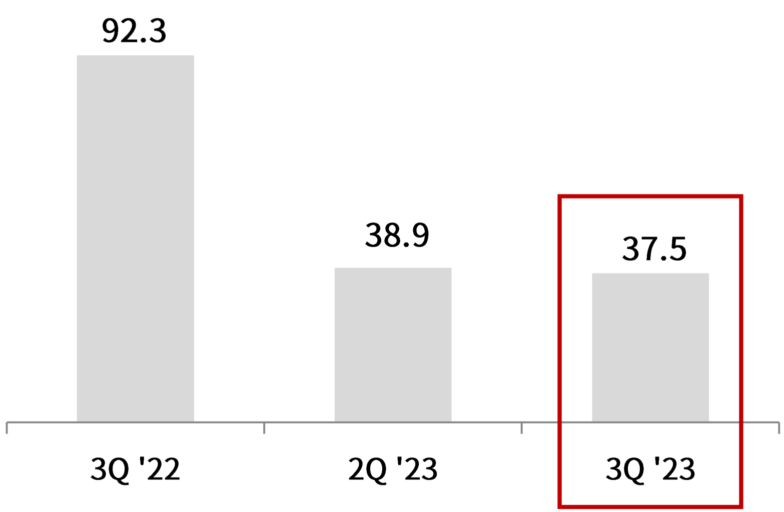


*NEWC(Australian Coal): Globalcoal, GAR 6,322kcal
*LCD Panel: DSCC, 43'' FHD Price
*Methanol: Platts, CFR Korea

Logistics

Operating Profit

(KRW Bn)



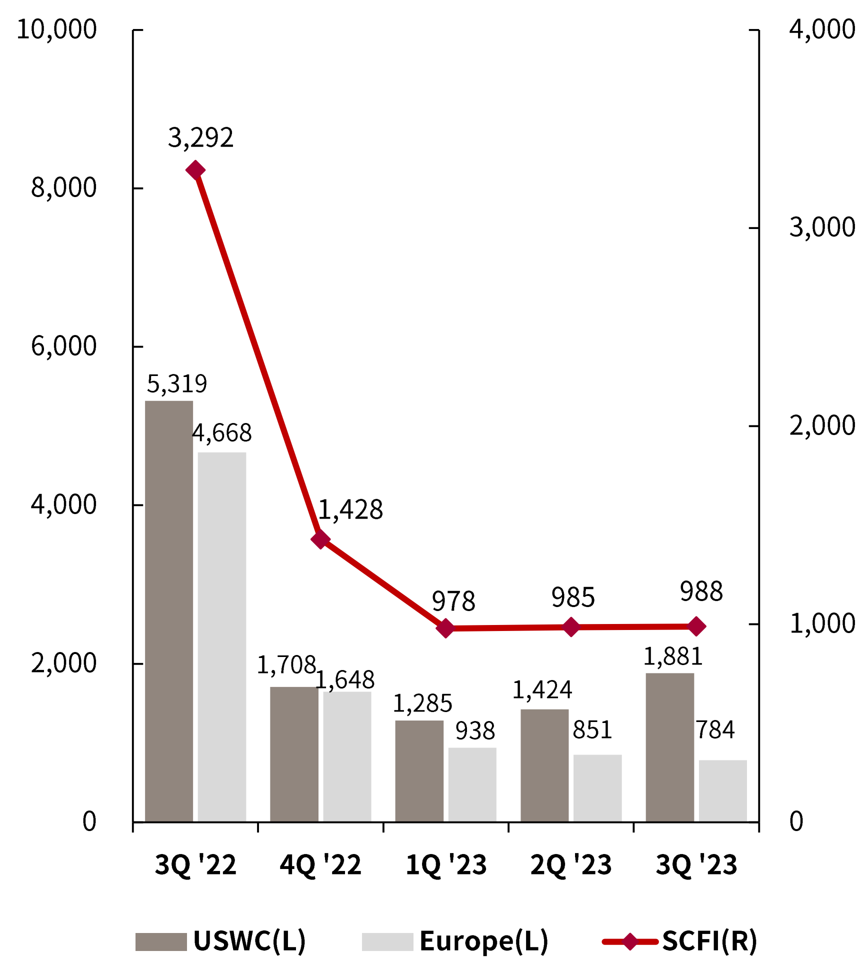
❑ **YoY △54.8** (92.3 → 37.5)

- Decrease in ocean & air freight rates

❑ **QoQ △1.4** (38.9 → 37.5)

- Decrease in cargo volume &
  operating profit margin due to low freight rates

Freight Rates



*Shanghai Shipping Exchange

Financial Highlights

Financial Positions

(KRW Bn)	'22	3Q '23
Assets	7,719.0	8,703.0
Cash & Cash Equivalents	1,550.7	1,241.5
Trade Receivables	1,374.9	1,369.9
Inventories	698.3	1,020.5
Investments/Intangible Assets	1,763.6	2,227.7
Others[1)]	2,331.5	2,843.4
Liabilities	4,682.5	5,481.8
Trade Payables	1,149.0	1,450.0
Borrowings[2)]	1,926.9	2,321.9
Others[1)]	1,606.6	1,709.9
Shareholders' Equity	3,036.5	3,221.2
Capital Stock	193.8	193.8
Surplus, etc.	2,842.7	3,027.4
Net Borrowings[3)]	326.7	1,026.7

Financial Ratio

	'22		3Q '23
Total Liabilities/ Shareholder's Equity	154%	+16%p	170%
Interest Bearing Liabilities/ Shareholder's Equity	63%	+9%p	72%
Net Interest Bearing Liabilities/ Shareholder's Equity	11%	+21%p	32%

1) Others(Assets): Tangible Assets, Non-Trade Receivables / Others(Liabilities): Lease Liabilities, Non-Trade Payables
2) Short-term Borrowings + Long-term Borrowings + Current Portion of Bonds and Long-Term Borrowings + Bonds Payables
3) Net Borrowings = Borrowings - (Cash & Cash Equivalents + Short term financial instrument)

Balance Sheet (K-IFRS Consolidated)

(KRW Bn)

Items	2022				2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Assets	7,560.2	7,716.3	7,962.3	7,719.0	8,361.6	8,358.7	8,703.0
Current Assets	5,066.7	4,999.1	4,926.0	4,482.2	4,384.3	4,381.1	4,621.1
Cash & Cash Equivalents	947.8	1,017.3	1,190.3	1,550.7	1,324.0	1,213.2	1,241.5
Trade Receivables	1,884.3	1,869.8	1,796.3	1,374.9	1,406.4	1,311.3	1,369.9
Inventories	1,072.9	1,075.7	880.7	698.3	742.9	940.5	1,020.5
Other Current Assets	1,161.7	1,036.3	1,058.7	858.3	911.0	916.1	989.2
Non-Current Assets	2,493.5	2,717.2	3,036.3	3,236.8	3,977.3	3,977.6	4,081.9
Tangible Assets	874.0	927.1	986.4	1,163.3	1,439.1	1,459.2	1,526.6
Investments	548.1	642.8	760.0	693.7	796.5	764.9	781.9
Intangible Assets	777.3	834.5	908.2	1,069.9	1,418.7	1,422.1	1,445.9
Other Non-Current Assets	294.1	312.8	381.7	309.9	323.0	331.4	327.5
Liabilities	5,032.8	4,919.7	4,808.6	4,682.5	5,256.1	5,205.8	5,481.8
Current Liabilities	3,795.6	3,590.2	3,247.6	2,935.0	2,995.7	2,797.6	3,125.7
Trade Payables	1,595.4	1,466.8	1,424.5	1,149.0	1,225.4	1,258.9	1,450.0
Short-term Borrowings	402.5	451.4	333.2	281.8	210.2	218.0	138.8
Current Portion of Bonds and Long-Term Borrowings	308.5	314.9	174.4	301.2	293.2	252.6	350.3
Other Current Liabilities	1,489.2	1,357.1	1,315.5	1,203.0	1,266.9	1,068.1	1,186.6
Non-Current Liabilities	1,237.2	1,329.5	1,561.0	1,747.5	2,260.4	2,408.2	2,356.1
Bonds Payables	538.7	518.7	518.8	469.0	469.1	668.5	668.6
Long-term Borrowings	336.7	447.9	647.4	874.9	1,300.9	1,241.9	1,164.2
Other Non-Current Liabilities	361.8	362.9	394.8	403.6	490.4	497.8	523.3
Equity	2,527.4	2,796.6	3,153.7	3,036.5	3,105.5	3,152.9	3,221.2

Income Statement (K-IFRS Consolidated)

(KRW Bn)

Items	2022					2023			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total
Sales	4,918.1	5,020.0	4,709.4	4,112.1	18,759.5	3,699.9	3,440.4	3,659.4	10,799.7
Cost of Sales	4,494.3	4,515.4	4,221.6	3,692.8	16,924.0	3,301.7	3,069.5	3,364.5	9,735.7
Gross Profit	423.8	504.6	487.8	419.3	1,835.5	398.2	370.9	294.9	1,064.0
SG&A Expenses	178.1	215.2	215.2	261.4	870.0	236.5	241.7	231.3	709.4
Operating Profit	245.7	289.4	272.6	157.9	965.5	161.7	129.2	63.6	354.6
Non-Operating Profit	55.9	42.6	(5.6)	74.6	167.7	50.7	(18.4)	13.1	45.3
Finance Income/Costs	(0)	4.2	6.9	(34.2)	(23.0)	(10.2)	(18.9)	(24.7)	(56.5)
Gain(loss) of Equity Method	52.4	44.2	8.3	(7.3)	97.5	64.4	(1.8)	40.7	103.3
Other Income and Expenses	3.5	(5.8)	(20.8)	116.1	93.2	(3.5)	2.3	(0.2)	(1.5)
Profit Before Tax	301.6	332.0	267.0	232.5	1,133.2	212.4	110.8	76.7	399.9
Income Tax	78.5	101.1	19.5	154.8	353.9	56.0	38.7	27.7	122.4
Net Profit	223.1	230.9	247.5	77.7	779.3	156.4	72.1	49.0	277.5
Owners of the Parent	154.4	157.0	188.5	15.4	515.2	125.3	40.9	37.8	204.1
Non-Controlling Interests	68.7	73.9	59.0	62.3	264.1	31.1	31.2	11.2	73.4

Summary about Indonesian nickel mine(PT. AKP) acquisition

❑ Executive Summary

Name	PT. Adhi Kartiko Pratama (“AKP”)
Location	Southeast Sulawesi, Indonesia
Ownership	60% (Including management authority, 100% Off-take rights)
Investment	U$102 million
Reserves	36 million tons (Based on average nickel ratio 1.6%)
Output	1.5 million tons(’22), 2.0 million tons (’23(E))
Highlights	Initiated commercial production in the year 2012, 4.8 million tons of cumulative production from the year 2012 to 2022

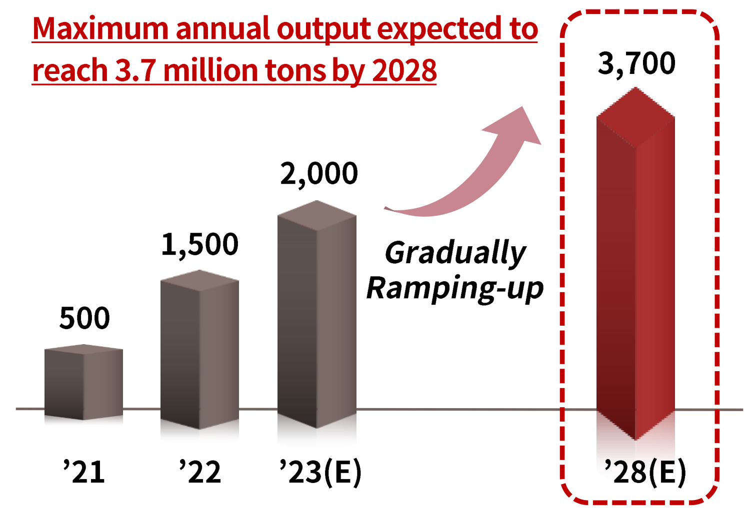
❑ Financial Highlights

(KRW Bn)

	Items	’20	’21	’22
BS	Assets	6.7	16.5	25.4
	Liabilities	6.7	9.9	15.8
	Equity	0.0	6.6	9.6
PL	Sales	8.0	21.5	70.2
	Operating Profit	△1.0	4.9	11.1
	OPM(%)	-	*22.5%*	*15.8%*
	Net Profit	△1.1	3.9	8.8

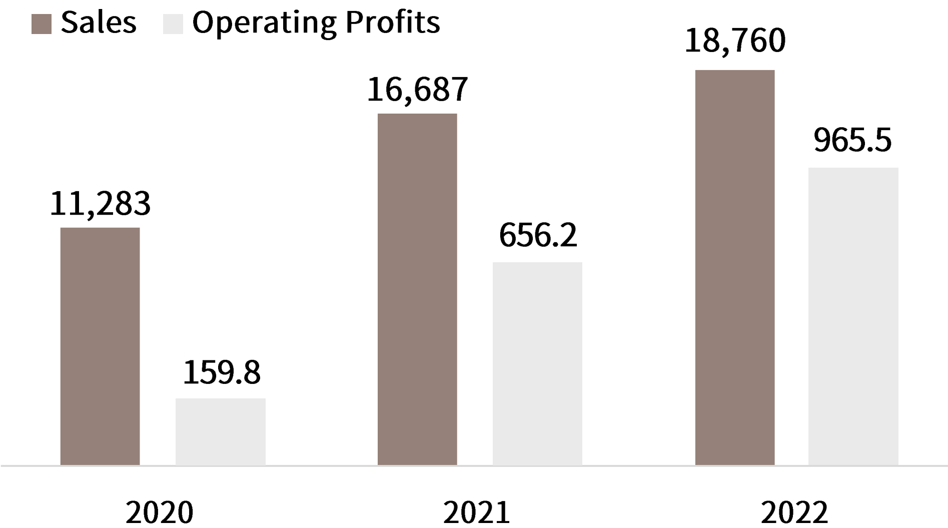
❑ Output

(Thousand tons)

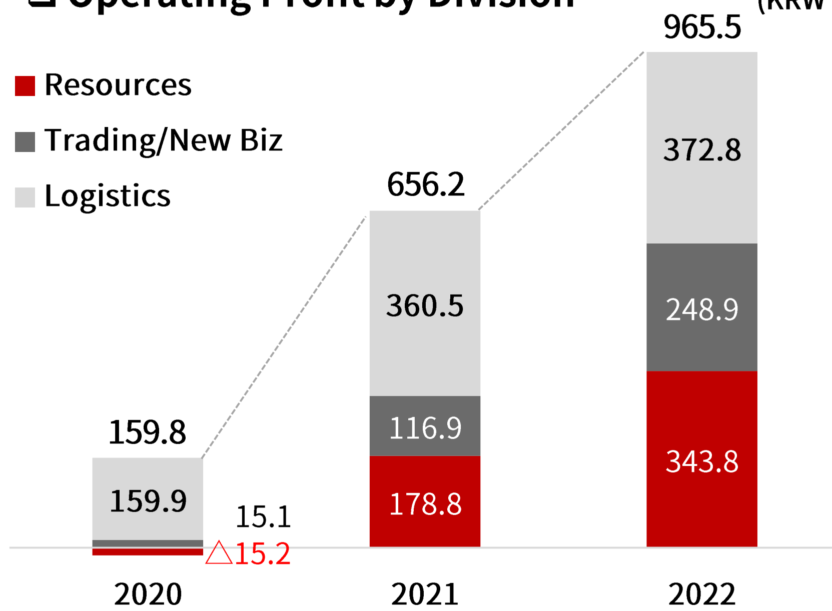


Business Overview

❑ Sales/Operating Profits (FY2020-FY2022) (KRW Bn)



❑ Operating Profit by Division (KRW Bn)



Resources

- **Develop & Operate Mines**
  - Invest/develop/operate coal mines
  - Proceeding to develop/operate nickel mine
- **Produce Crude Palm Oil(CPO)**
  - Invest, develop, operate palm plantations (22,000ha)
  - Produce Crude Palm Oil from company-owned mill

Trading/New Biz

- **Transaction service between buyer-seller**
  - Resources Trading (Coal, CPO, Nickel)
  - IT Components, Petrochemicals trading
- **Expand Eco&Green Project**
  - Hasang hydropower (Indonesia)
  - Poseung Green Power (Korea)
- **Eco-friendly materials business**
  - Took over LX Glas (Formerly Hanglas)
  - Proceeding to develop EV battery materials/glass raw materials trading

Logistics

- **Forwarding**
  - Sea: Container cargo, Bulk cargo
  - Air: Sea/Air-Air linked service
  - Rail: Provide service for Europe/Central Asia
- **W&D**
  - Operate 278 global logistics center
  - Provide Installations, Inland transportation services