AX Leading Company

Opening a New Future Through AI Transformation

Q2 2026
Earnings Presentation

July 2026 Investor Relations

LG CNS

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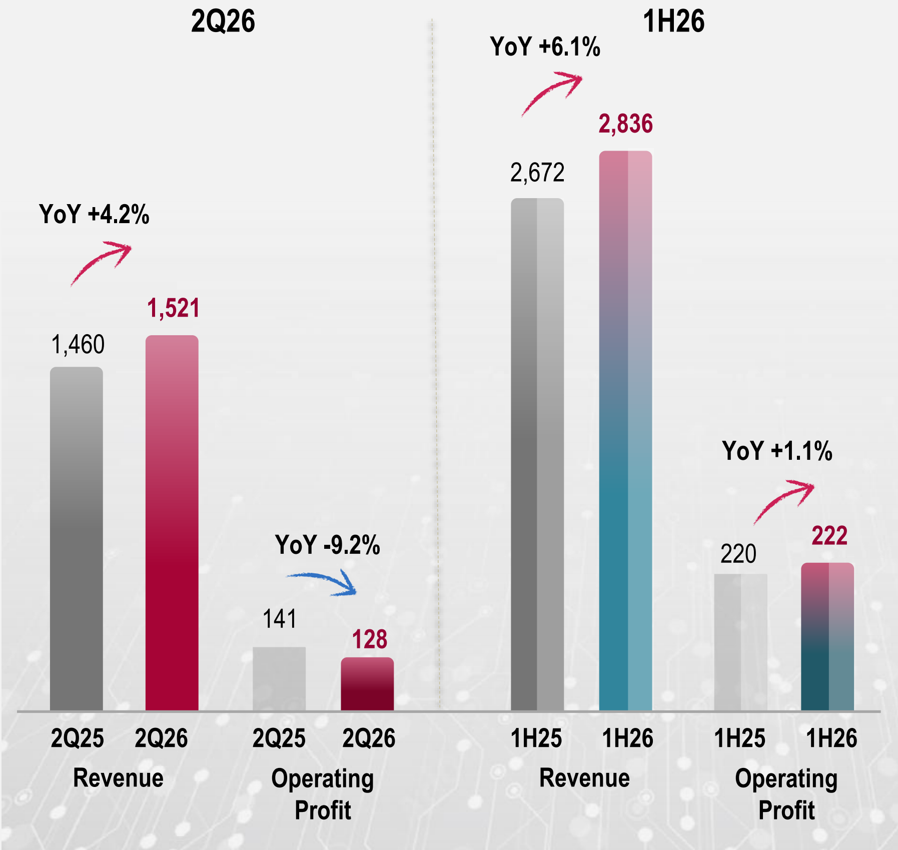
1H26 Revenue at KRW 2.84 trillion, Driven by Non-Captive Growth

Financial Results

(Unit: KRW billion)



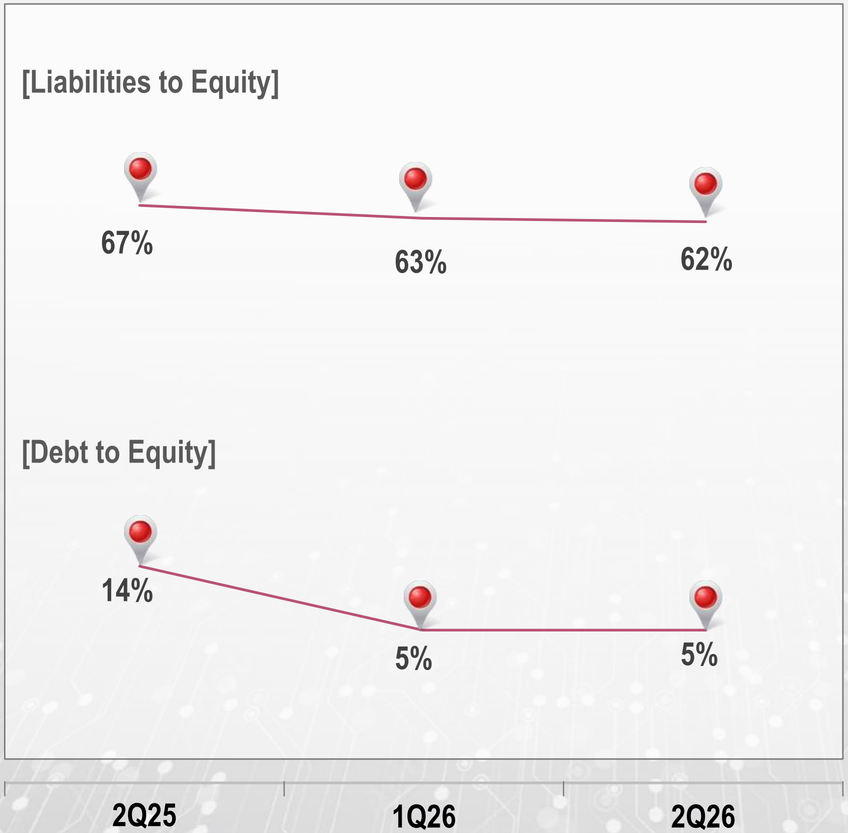
Condensed Income Statement

(Unit: KRW billion)

	2Q25	2Q26	YoY	1H25	1H26	YoY
Revenue	**1,460**	**1,521**	**+4.2%**	**2,672**	**2,836**	**+6.1%**
Cost of Good Sold	1,221	1,288	+5.4%	2,274	2,421	+6.5%
Gross Profit	**239**	**233**	**-2.4%**	**397**	**415**	**+4.4%**
GPM(%)	16.4%	15.3%	-1.1%p	14.9%	14.6%	-0.3%p
SG&A	98	105	+7.3%	178	193	+8.5%
Operating Profit	**141**	**128**	**-9.2%**	**220**	**222**	**+1.1%**
OPM (%)	9.6%	8.4%	-1.2%p	8.2%	7.8%	-0.4%p
Net Income Before Tax	132	153	+16.1%	220	266	+20.9%
Net Income	**99**	**119**	**+19.9%**	**156**	**200**	**+27.7%**

Sustaining a strong balance sheet backed by a stable net cash position

Leverage Ratios



Condensed Financial Position

(Unit: KRW billion)

	2Q25	1Q26	2Q26
Total Assets	**4,544**	**4,784**	**4,947**
Current Assets	3,394	3,482	3,614
Cash and cash equivalents*	1,538	1,820	1,612
Non-current Assets	1,150	1,302	1,333
Total Liabilities	**1,830**	**1,851**	**1,891**
Current Liabilities	1,432	1,375	1,500
Non-Current Liabilities	398	476	394
Total Equity	**2,714**	**2,933**	**3,056**
Borrowing**	391	160	160
Net Cash	1,147	1,660	1,452

*Including deposits with financial institutions

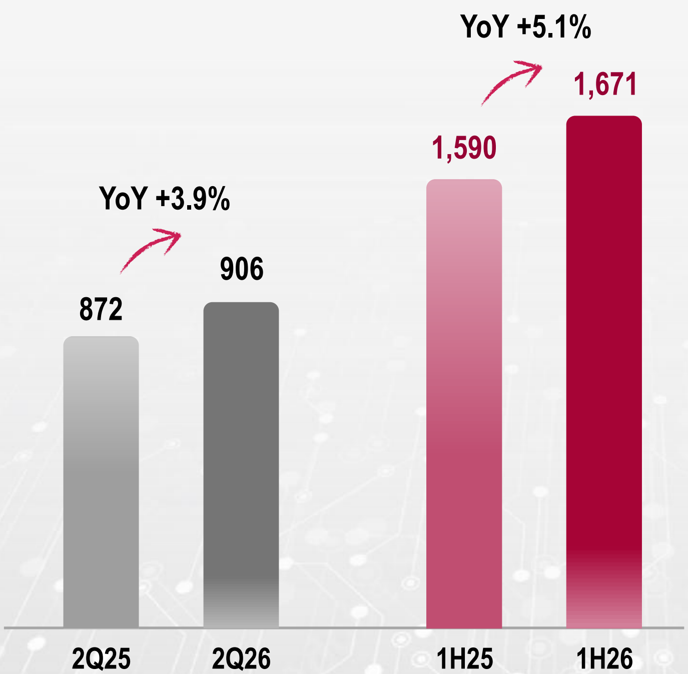
**Excluding lease liabilities

Financial Highlights

Cloud & AI Revenue

2Q26 Revenue increased by +33.6 bn. (YoY +3.9%)

(Unit: KRW billion)



Business Highlights

Earnings Review

- Increased system implementation for AI platforms and data
- Rising adoption of cloud-based AI services continues fuel MSP growth
- Strong growth in AI infrastructure projects and stable recurring maintenance revenue

Outlook

- Continued expansion in demand for AI and data system implementation
- Continued growth is expected, driven by accelerating demand for both AI infrastructure, including GPUs, and cloud-based AI services
- “XPUWorks” launch expands new subscription-based AI computing opportunities
- Driving new customer acquisition through expanded adoption of “AgenticWorks”, an end-to-end AI platform

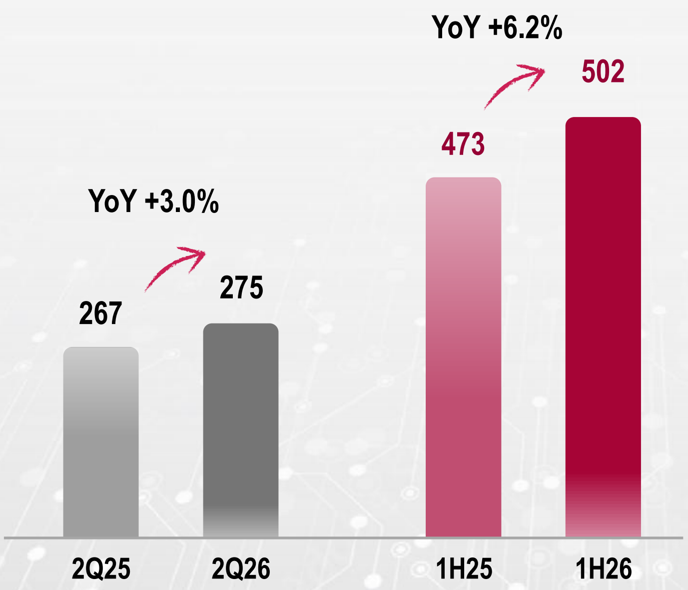
*XPU : A next-generation AI accelerator integrating CPUs, GPUs, and NPUs for diverse workloads.

Financial Highlights

Smart Engineering Revenue

2Q26 Revenue increased by +7.9 bn. (YoY +3.0%)

(Unit: KRW billion)



Business Highlights

Earnings Review

- Continued smart factory projects for LG affiliates
- Broad-based revenue growth across industries, including defense, shipbuilding, semiconductors, and pharmaceuticals
- Growth through broader service offerings in non-captive businesses, including logistics automation

Outlook

- AI factory demand driven by ESS and high-performance battery growth
- Expanding AX, RX*, and VX** offerings to capture growing demand for AI-driven smart factory transformation and logistics automation, while unlocking non-captive growth
- Pursuing new customer opportunities in North America while strengthening the global business foundation
- Expanding the "PhysicalWorks" platform and Data Factory infrastructure businesses

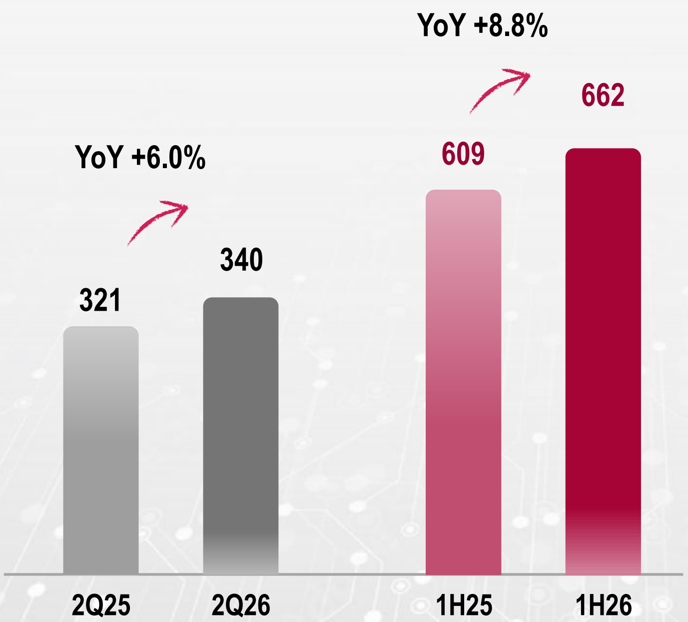
*RX: Robotics Transformation
**VX: Virtual Transformation

Financial Highlights

Digital Business Service Revenue

2Q26 Revenue increased by +19.2 bn. (YoY +6.0%)

(Unit: KRW billion)



Business Highlights

Earnings Review

- **Solid growth led by financial Sector**
  - Growth driven by progress on large-scale banking and insurance projects
  - Secured major next-generation banking and ITO projects in Q2
  - Expanding collaboration with global financial clients

Outlook

- **Building differentiated competitiveness through AI-native capabilities**
  - Transitioning toward a new project delivery model powered by the proprietary DevOn Agentic AIND Platform*
  - Driving AI adoption across system development projects of all sizes and system maintenance and operations
- **Strengthening a solid growth foundation through next-generation financial system implementation and ITO**

*DevOn Agentic AIND(AI Native Development) Platform
▶ An Agentic AI-powered platform for IT system development and operation

Income Statement (Consolidated)

(Unit: KRW billion)

	2024					2025					2026	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Revenue	**1,070**	**1,450**	**1,438**	**2,024**	**5,983**	**1,211**	**1,460**	**1,522**	**1,936**	**6,130**	**1,315**	**1,521**
Cloud & AI	551	806	795	1,200	3,352	717	872	880	1,118	3,587	765	906
Smart Engineering	223	299	277	439	1,237	206	267	306	414	1,194	228	275
Digital Business Service	297	345	367	386	1,394	288	321	337	404	1,349	322	340
Cost of Goods Sold	939	1,202	1,197	1,713	5,051	1,053	1,221	1,310	1,593	5,177	1,134	1,288
Gross Profit	131	247	242	311	931	158	239	212	343	952	181	233
SG & A	99	110	99	111	418	79	98	92	131	401	87	105
Operating Profit	**32**	**138**	**143**	**200**	**513**	**79**	**141**	**120**	**212**	**552**	**94**	**128**
Net income before Tax	20	132	151	182	486	88	132	141	232	593	113	153
Income tax	8	30	34	50	121	31	33	36	55	154	32	34
Net profit	**13**	**102**	**118**	**132**	**365**	**57**	**99**	**105**	**178**	**439**	**81**	**119**
Profit attributable to owners of the parent	12	103	118	132	365	57	99	105	178	438	81	119

Financial Position (Consolidated)

(Unit: KRW billion)

	2024				2025				2026	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Total Assets	**3,701**	**3,815**	**3,899**	**4,505**	**4,722**	**4,544**	**4,708**	**5,285**	**4,784**	**4,947**
Current Assets	**2,677**	**2,775**	**2,865**	**3,435**	**3,608**	**3,394**	**3,548**	**3,965**	**3,482**	**3,614**
Cash and cash equivalents	609	752	879	1,077	1,692	1,301	1,269	1,141	881	565
Financial institution deposits	171	48	82	87	142	237	226	538	939	1,047
Trade receivables, net	1,059	1,090	1,021	1,662	999	1,042	1,144	1,665	876	1,074
Other current assets	839	885	883	611	775	814	910	621	787	928
Non-current assets	**1,023**	**1,040**	**1,034**	**1,069**	**1,114**	**1,150**	**1,159**	**1,320**	**1,302**	**1,333**
Property, plant and equipment	545	538	532	545	540	530	521	536	524	530
Intangible assets	81	71	68	64	62	56	54	53	50	49
Other non-current assets	398	431	434	460	513	564	584	732	727	755
Total Liabilities	**1,944**	**1,953**	**1,925**	**2,382**	**2,091**	**1,830**	**1,950**	**2,344**	**1,851**	**1,891**
Trade payables	450	518	506	794	529	522	553	664	503	619
Short-term borrowings	2	3	3	6	4	1	1	0	0	0
Current portion of long-term borrowings	110	160	160	160	280	230	230	230	0	100
Long-term borrowings	440	390	390	390	160	160	160	160	160	60
Other liabilities	943	883	867	1,032	1,118	918	1,007	1,290	1,189	1,111
Total Equity	**1,756**	**1,862**	**1,974**	**2,123**	**2,631**	**2,714**	**2,757**	**2,941**	**2,933**	**3,056**

Thank you

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