



SEOUL SEMICONDUCTOR

Company that turns crisis into opportunity Opportunity knocks on only those who are prepared

EARNINGS RELEASE

2Q 2019

Jul 31, 2019

All IR information can be downloaded from the internet

1) IR Book - Visit Seoul Semiconductor's Website (<http://www.seoulsemicon.com/en/>)

- Investor > IR Room

1) Full Financial Statements

- Full financial statements can be downloaded from the Dart system

(<http://englishdart.fss.or.kr>)

- XBRL Financial Statements (check menu on the top) > XBRL Search > Enter the company code # (046890)

- You can also access other material disclosures of Seoul Semiconductor on this site

Disclaimer

This presentation material may contain forward-looking statements, as defined in the safe harbor provisions of KOSDAQ Disclosure Regulation. These forward-looking statements reflect Seoul Semiconductor's current views with respect to future events and financial performance, and are subject to certain risks and uncertainties, which could cause actual results to differ materially from those anticipated. Although Seoul Semiconductor believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be attained. Seoul Semiconductor undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All financial numbers are consolidated basis unless stated otherwise.

Table of Contents

- I. 2Q 2019 quarter results**
- II. 3Q 2019 guidance**
- III. Appendix**

I

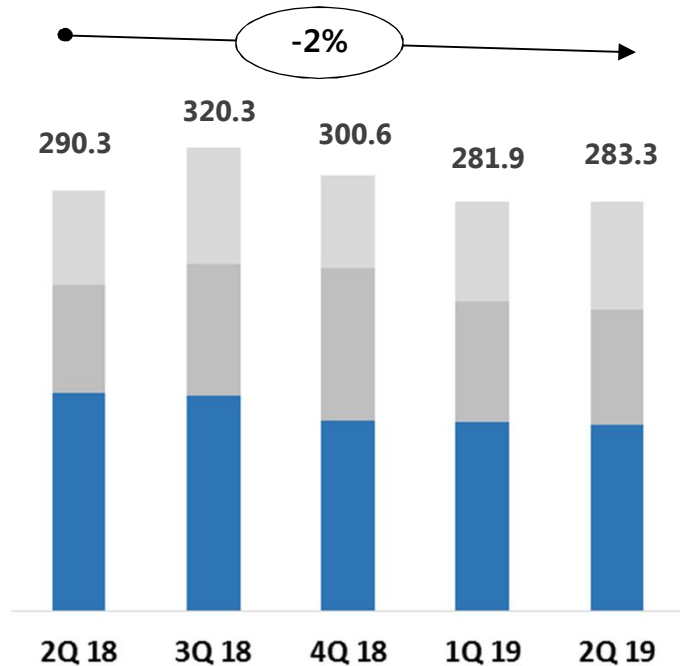
2Q 2019 quarter results

I. 2Q 2019 quarter results _ 1) Sales & earnings

■ **SSC maintained sales level of 2Q18 while the industry is expected to record double digit YoY decline**
 ■ **Operating profit fell YoY due to one-off expenses, but is expected to rebound in 2H19**

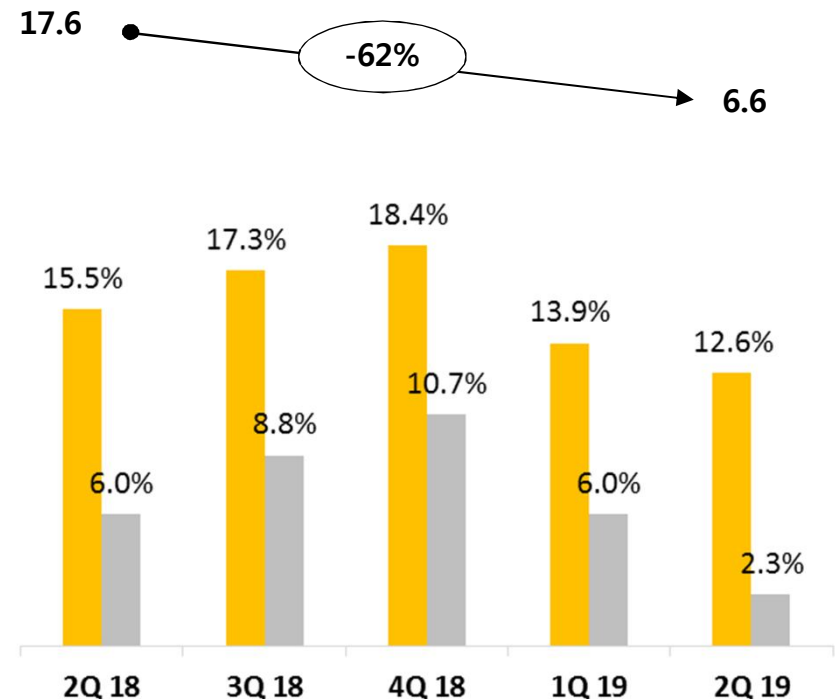
Sales (Bn KrW, %)

- Others (Tablet, NBPC, phone, CE, UV & etc.)
- TV & Monitor
- General lighting (Incl. automotive)



Profitability (Bn KrW, %)

- Operating profit margin
- EBITDA margin

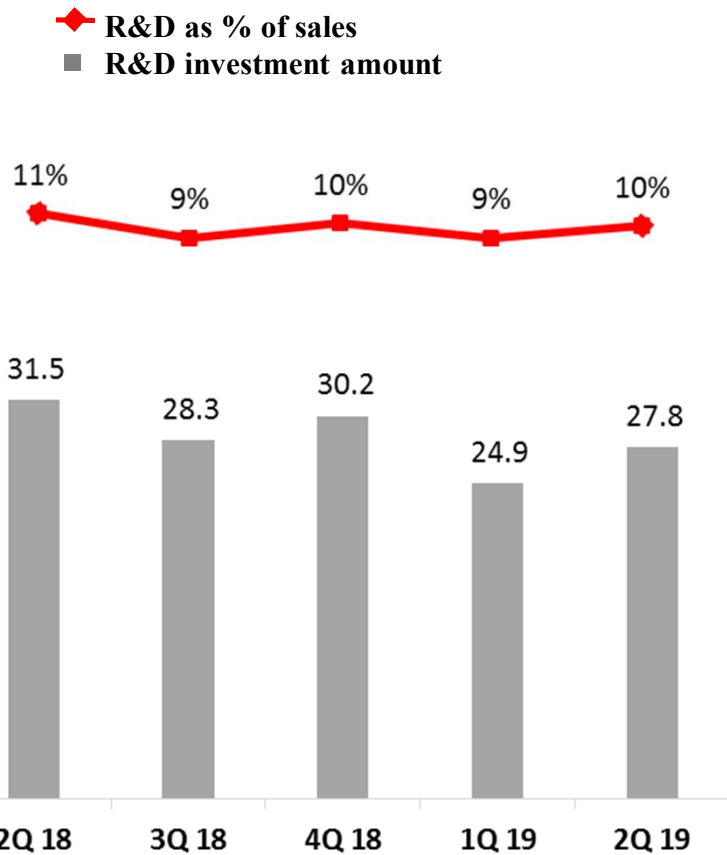


I. 2Q 2019 quarter results _ 2) Investments & expense

- R&D spending rose modestly QoQ due to production of newly launched technology products
- Expense rose due to change in IFRS standards and one-off costs

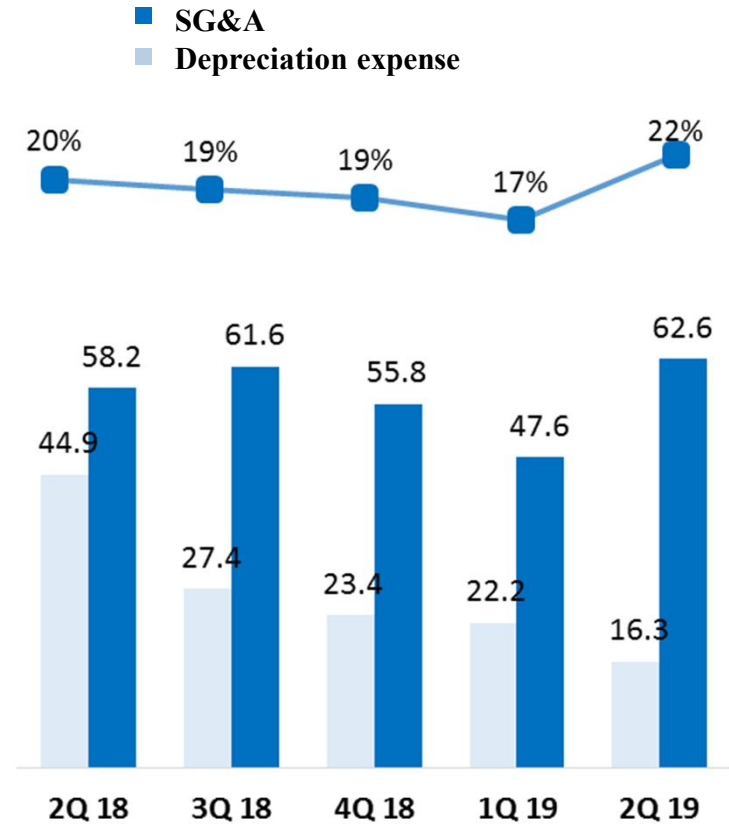
R&D investments

(Bn KrW, %)



Expense

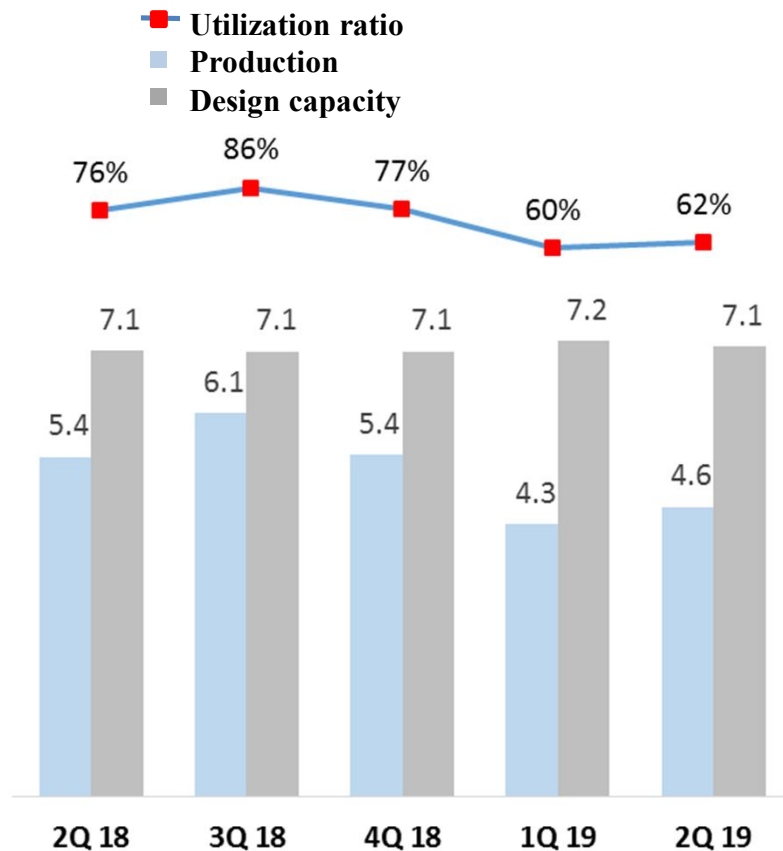
(Bn KrW, %)



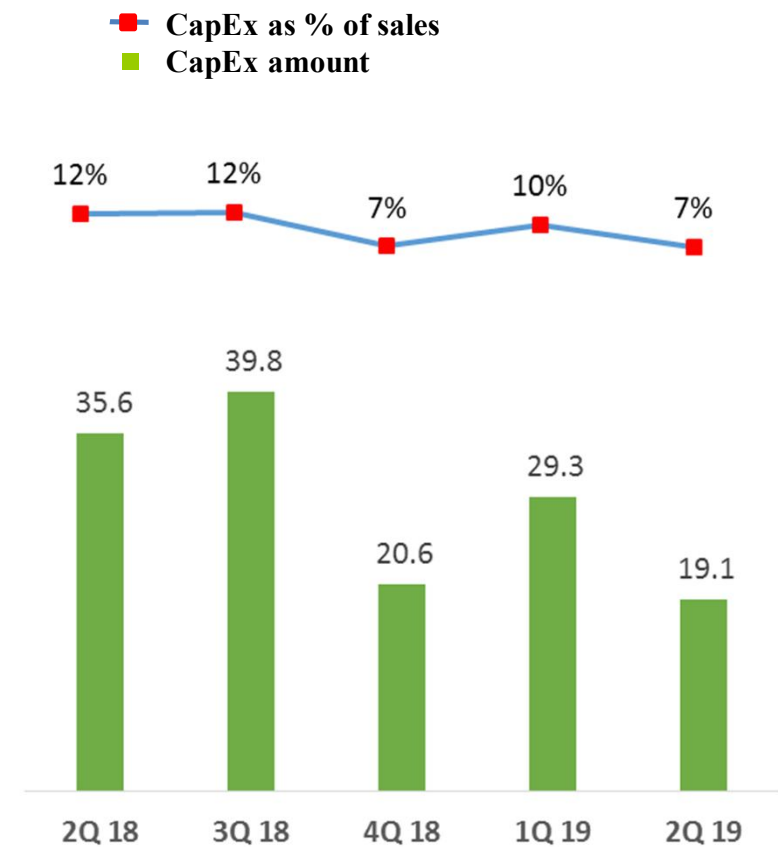
I. 2Q 2019 quarter results _ 3) Production & CapEx

- Utilization declined temporarily on efforts to diversify production sites, but on path to rebound
- CapEx spending maintains low level considering current market conditions

Production (Bn PKG, %)



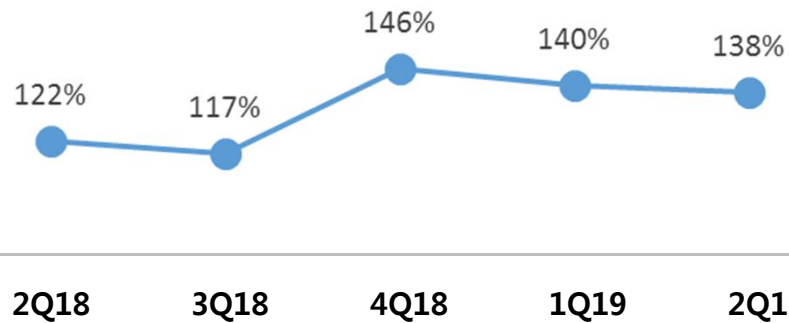
CapEx (Bn KrW, %)



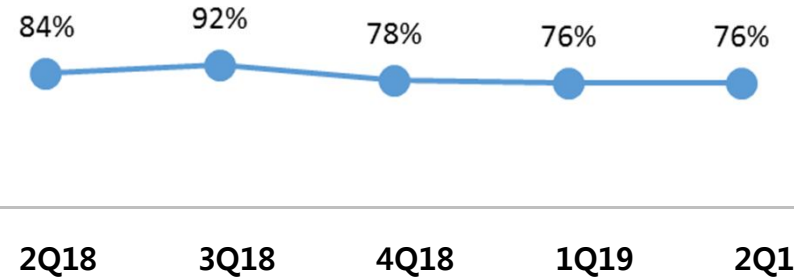
I. 2Q 2019 quarter results _ 4) Balance sheet

- D/E ratio continues to maintain healthy level
- Inventory T/O days turned even healthier in Q2

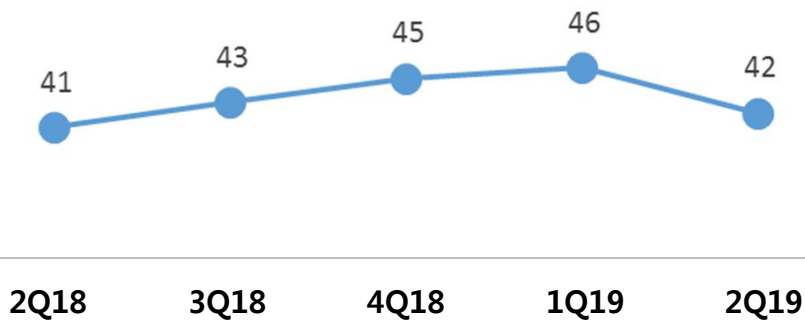
Current ratio



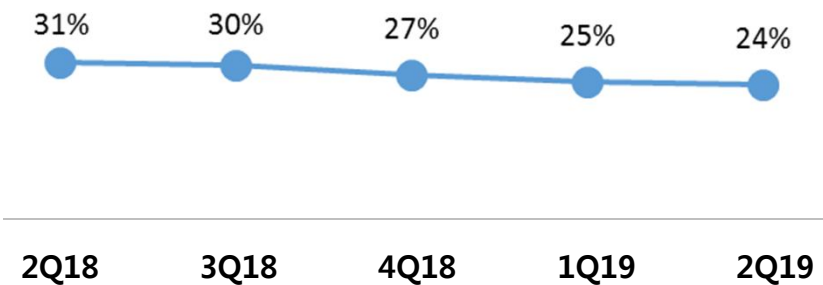
Debt to equity



Inventory T/O



Net debt ratio

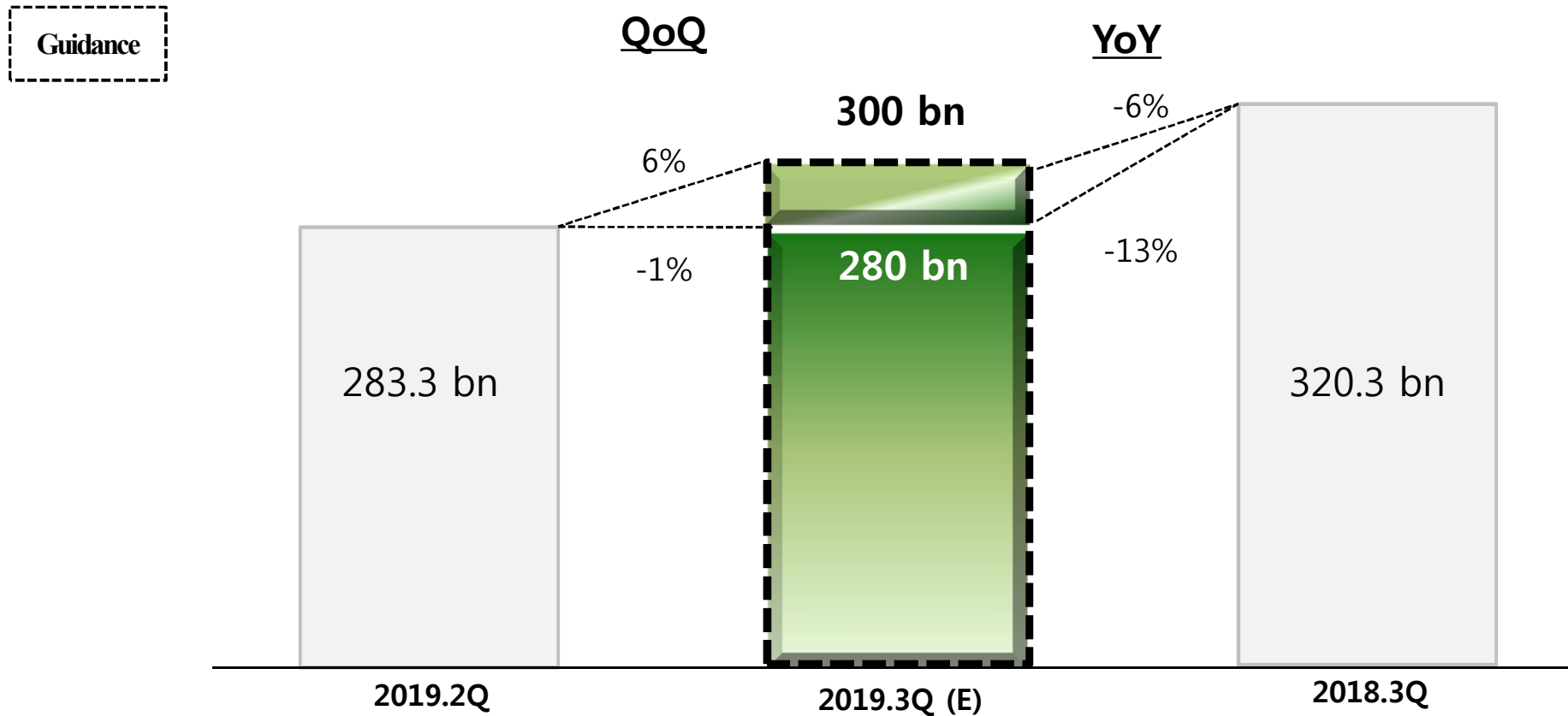


II

3Q 2019 guidance

II. 3Q 2019 guidance

- Guide for 3Q sales of 280 ~ 300 bn, a range of -1% ~ 6% increase QoQ, and range of -6 ~ -13% YoY



III

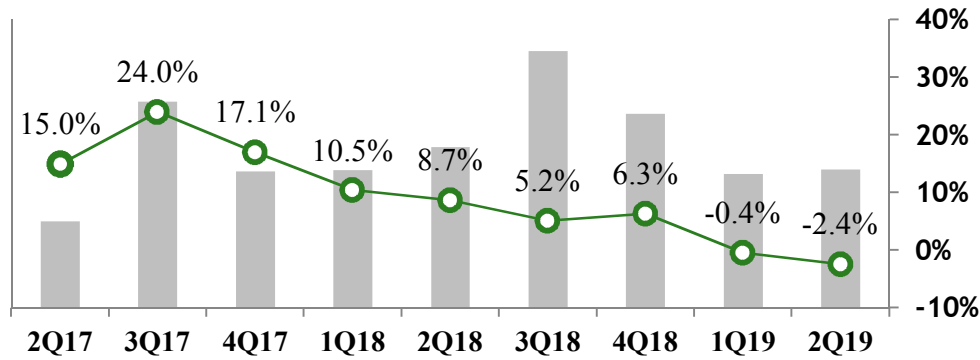
APPENDIX

III. Appendix _ 1) Condensed financials

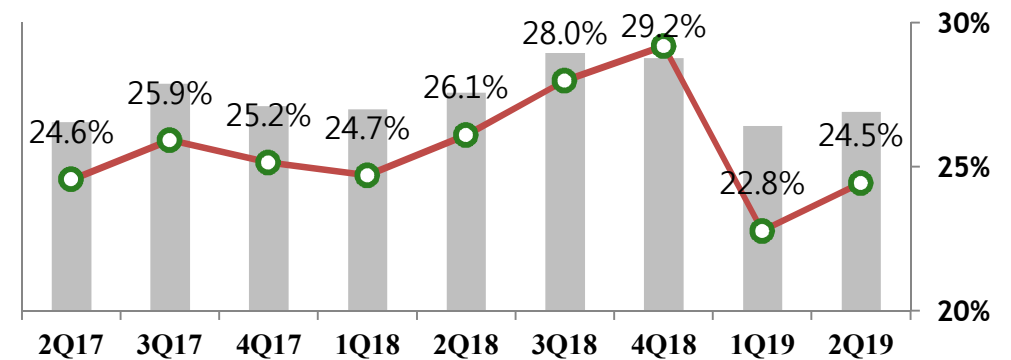
(Bn KrW)	2019.Q2	2019.Q1	2018.Q4	2018.Q3	2018.Q2	2018.Q1	2017.Q4	2017.Q3	2017.Q2	2017.Q1	2018	2017	2016	2015	2014
[Income Statement]															
Sales	283.3	281.9	300.6	320.3	290.3	283.0	282.7	304.5	267.0	256.2	1,194.2	1,110.4	953.8	1,011.2	939.3
COGS	214.0	217.3	212.8	230.6	214.5	213.0	211.7	225.5	201.3	187.6	871.0	826.1	720.1	773.0	749.6
COGS (%)	76%	77%	71%	72%	74%	75%	75%	74%	75%	73%	73%	74%	75%	76%	80%
Gross Profit	69.3	64.6	87.8	89.7	75.8	70.0	71.1	79.0	65.6	68.6	323.2	284.3	233.7	238.2	189.7
Gross Profit (%)	24.5%	22.9%	29.2%	28.0%	26.1%	24.7%	25.2%	25.9%	24.6%	26.8%	27.1%	25.6%	24.5%	23.6%	20%
SG&A	62.6	47.6	55.8	61.6	58.2	52.8	50.9	48.4	41.6	45.2	186.1	186.1	176.2	192.6	187.1
Operating Profit	6.6	17.1	32.0	28.1	17.6	17.2	20.2	30.6	24.1	23.4	94.9	98.3	57.5	45.6	2.6
Operating Profit (%)	2.3%	6.0%	10.7%	8.8%	6.0%	6.1%	7.1%	10.0%	9.0%	9.1%	7.9%	8.8%	6.0%	4.5%	0%
Pre-tax Profit	9.1	18.9	21.4	21.1	20.7	15.1	- 0.1	30.4	29.7	10.5	78.4	70.5	49.6	37.0	- 13.2
Net Profit	7.0	11.8	24.2	13.7	13.5	11.3	- 5.1	21.9	23.8	5.8	62.6	46.4	37.5	26.8	0.7
[Balance Sheet]															
Total Assets	1,305.5	1,271.1	1,293.8	1,349.9	1,277.5	1,262.5	1,227.3	1,249.1	1,157.1	1,084.2	1,293.8	1,227.3	1,090.6	1,136.0	1,180.3
Current Assets	598.6	573.3	601.6	649.4	582.4	574.5	575.5	609.7	549.7	480.3	601.6	575.5	503.7	500.3	503.9
Cash and Equivalents	40.1	32.2	36.8	33.2	38.1	42.8	77.7	61.5	67.9	53.2	36.8	77.7	61.2	105.4	105.8
Inventory	133.4	132.2	155.2	143.4	128.8	135.5	137.5	128.5	114.7	113.1	155.2	137.5	108.5	107.0	127.8
Non-current Assets	706.9	697.8	692.2	700.5	695.2	687.5	651.9	639.4	607.3	603.9	692.2	651.9	586.9	635.8	676.4
Total Liabilities	574.0	547.2	568.5	647.7	584.1	584.7	551.4	561.5	486.5	438.3	568.5	551.4	438.7	511.0	570.6
Current Liabilities	434.9	408.8	412.7	553.2	478.6	475.3	435.5	459.6	448.9	397.3	412.7	435.5	396.2	405.8	463.0
Non-Current Liabilities	139.0	138.4	155.8	94.5	105.5	109.5	116.0	101.8	37.6	41.0	155.8	116.0	42.5	105.3	107.6
Total Equity	731.5	724.0	725.3	702.1	693.4	677.8	675.9	687.6	670.5	645.9	725.3	675.9	651.9	625.0	609.7

III. Appendix _ 2) Quarterly financial ratios

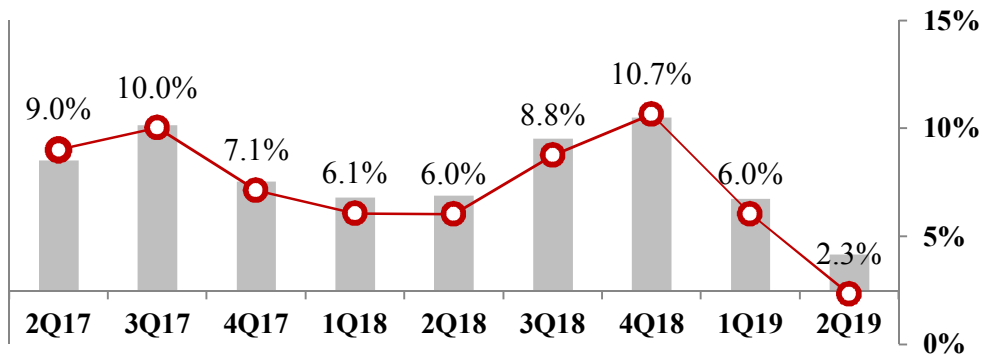
(Krw bn) **Sales & YoY change**



(Krw bn) **Gross profit**



(Krw bn) **Operating profit**



(Krw bn) **Net profit**

