



SEOUL SEMICONDUCTOR

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

EARNINGS RELEASE

3Q 2019

Oct 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

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Table of Contents

- I. 3Q 2019 quarter results**
- II. 4Q 2019 guidance**
- III. Appendix**

I

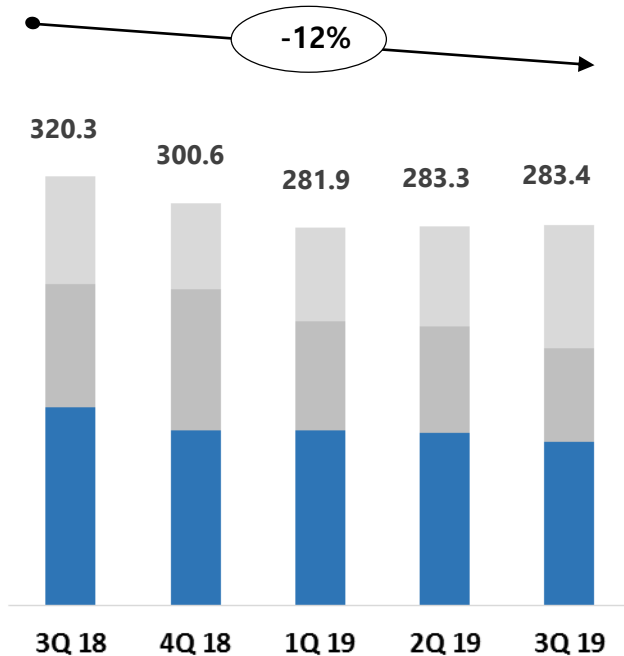
3Q 2019 quarter results

I. 3Q 2019 quarter results _ 1) Sales & earnings

- Due to severe competition, chip makers 1H19 sales declined more than 20%, is expected to continue in Q3
- LED packagers sales decline less severe compared to chip makers
- Low utilization and weaker than expected product mix improvement capped seasonal QoQ profit growth

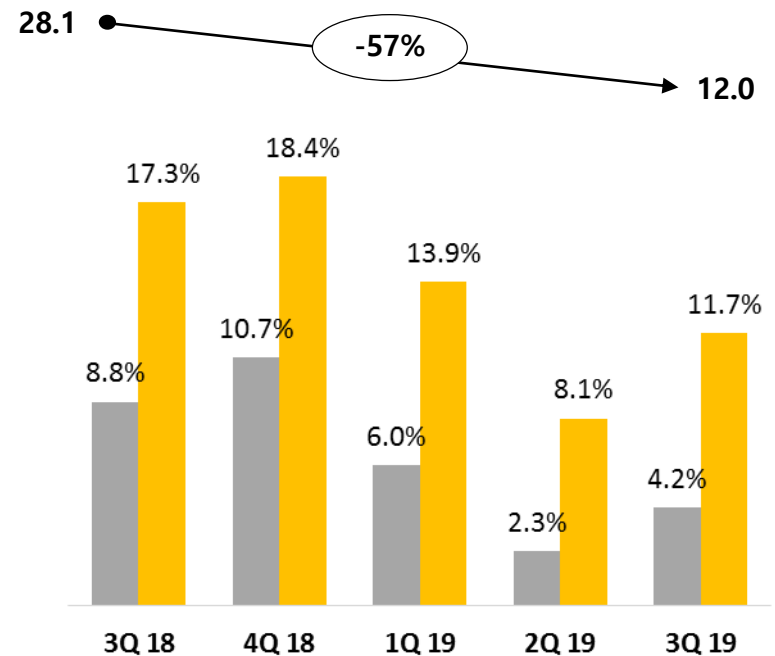
Sales (Bn KrW, %)

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



Profitability (Bn KrW, %)

- Operating profit margin
- EBITDA margin

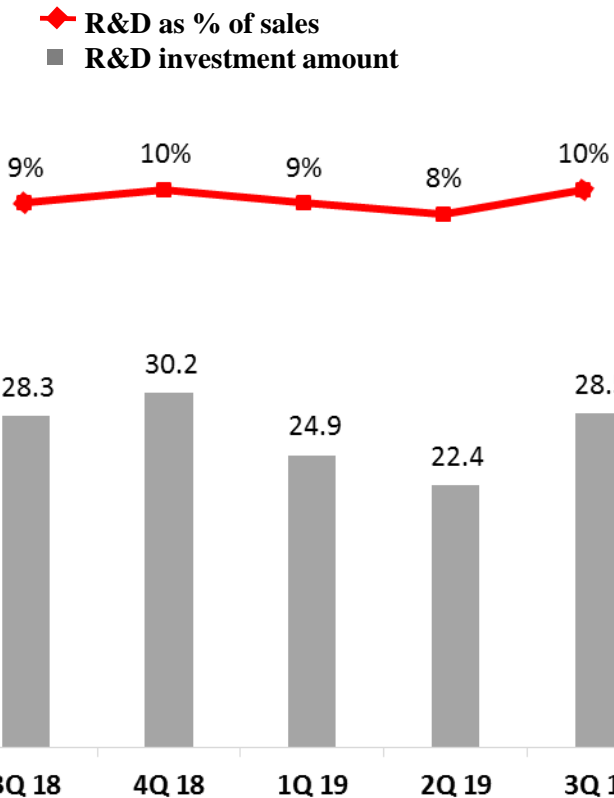


I. 3Q 2019 quarter results _ 2) Investments & expense

- R&D spending rose modestly QoQ due to production of newly launched technology products
- Expense returned to normal level post one-off costs in the previous quarter

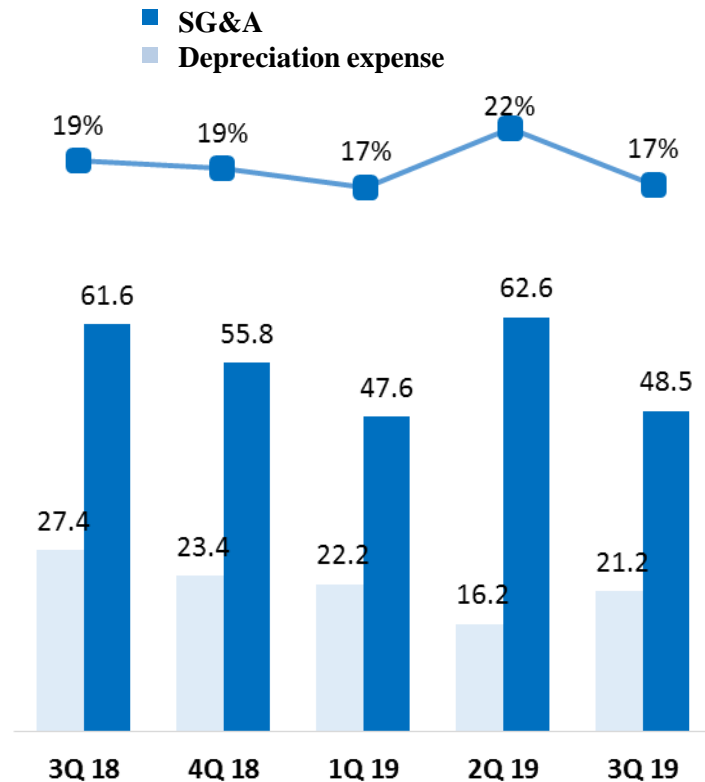
R&D investments

(Bn KrW, %)



Expense

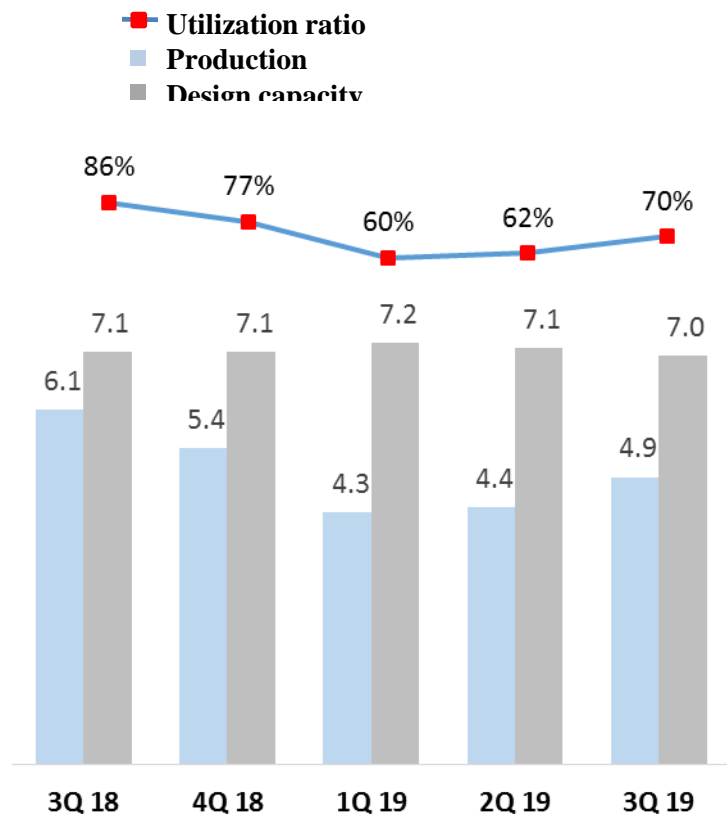
(Bn KrW, %)



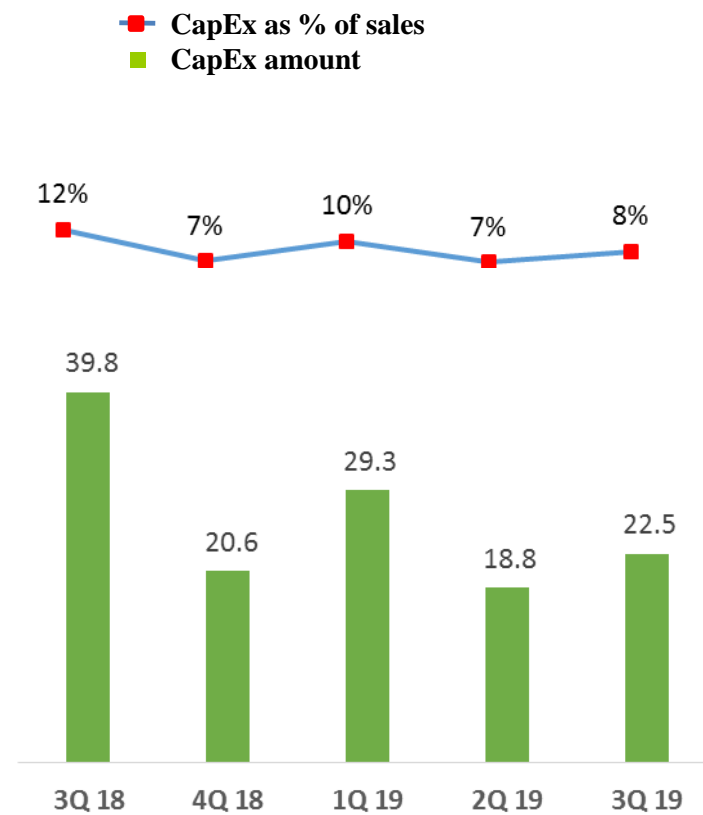
I. 3Q 2019 quarter results _ 3) Production & CapEx

- 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, %)



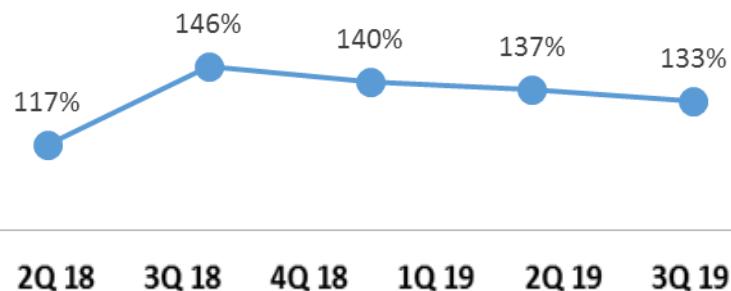
CapEx (Bn KrW, %)



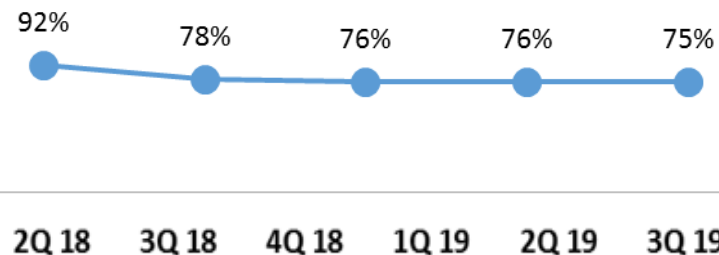
I. 3Q 2019 quarter results _ 4) Balance sheet

- D/E ratio continues to maintain healthy level
- Inventory T/O days turned hovers around healthy 45 days

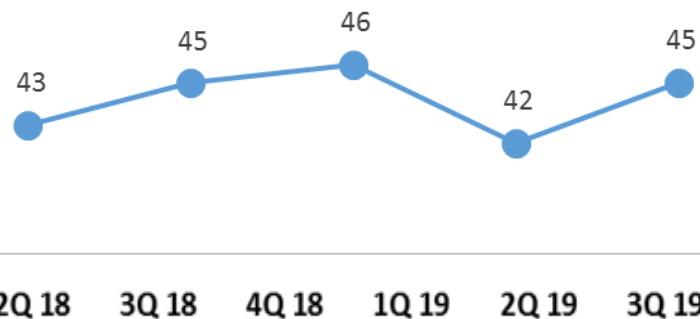
Current ratio



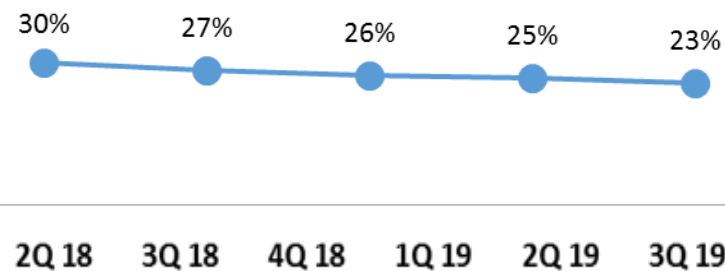
Debt to equity



Inventory T/O



Net debt ratio

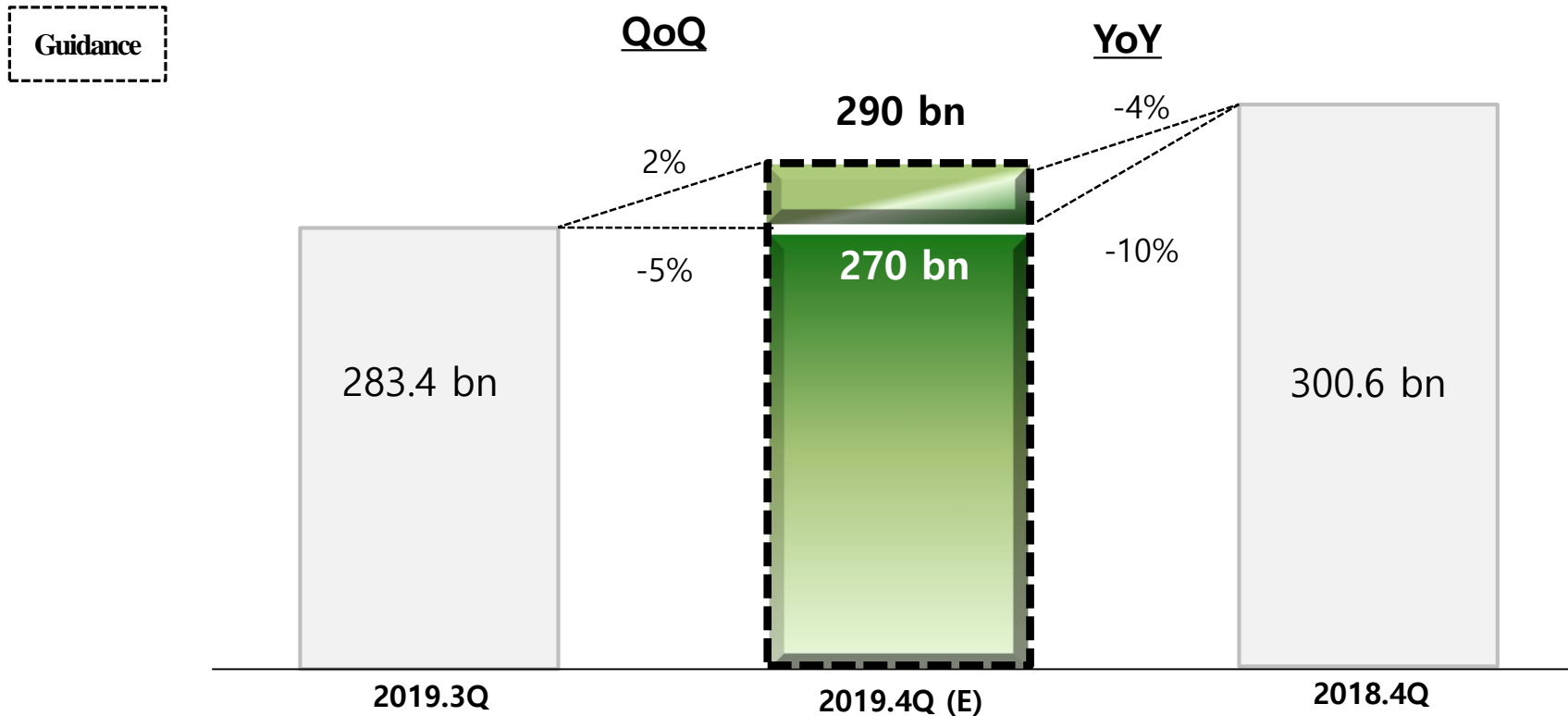


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4Q 2019 guidance

II. 4Q 2019 guidance

- Guide for 4Q sales of 270 ~ 290 bn
- Expect -5% ~ 2% increase QoQ, and range of -10 ~ -4% YoY





APPENDIX

III. Appendix _ 1) Condensed financials

(Bn KrW)	2019.Q3	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	283.4	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	222.9	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 (%)	79%	76%	77%	71%	72%	74%	75%	75%	74%	75%	73%	73%	74%	75%	76%	80%
Gross Profit	60.5	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 (%)	21.3%	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	48.5	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	12.0	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 (%)	4.2%	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	19.6	9.0	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	15.6	6.9	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	1,311.3	1,305.2	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	592.2	598.2	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	43.1	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	150.3	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	719.2	706.8	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	562.7	573.9	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	445.1	435.1	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	117.6	138.8	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	748.6	731.3	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

