



2022 1Q Earnings Results

All IR information can be downloaded from the internet

1) IR Presentations

- Visit Seoul Semiconductor's Website <http://www.seoulsemicon.com/en/ir/data/>

2) Financial Statements

- Full financial statements can be downloaded from the Dart system

<http://englishdart.fss.or.kr> Enter company code 046890 and then press search button

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

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

IR TEAM

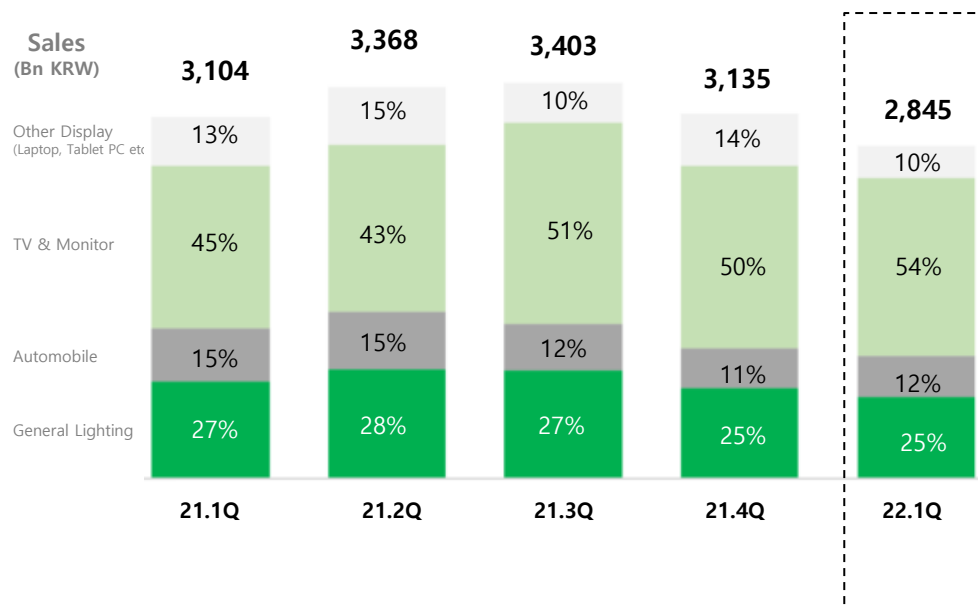
May, 10th, 2022

Disclaimer

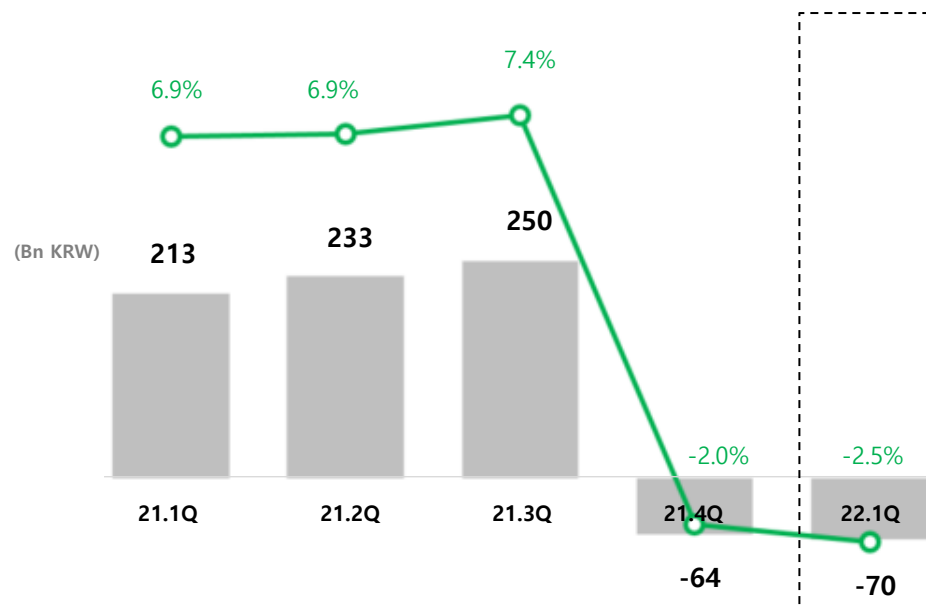
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I. Q1'22 Earnings : 1) Sales and Profit

Sales



Profit



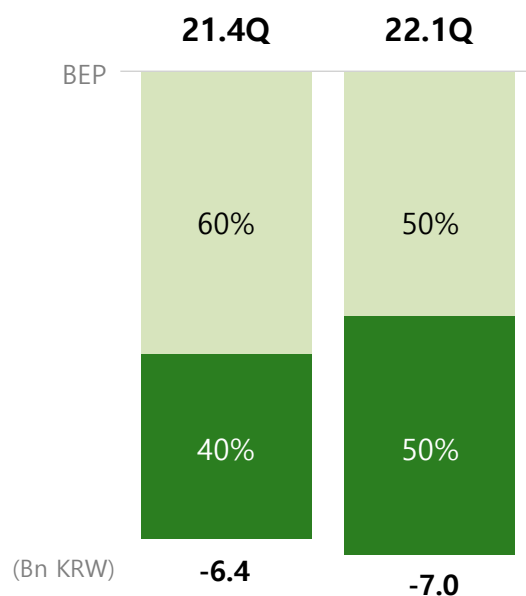
1) IT: TV, Monitor, Laptop, Tablet PC, Mobile, Flash, Navigation etc

2) Others: UV, Laser Diode, VCSEL etc

※ Any discrepancies in any table between then total sums of the amounts listed are due to rounding

I. Q1'22 Earnings : 2) Profits analysis

- Cost increase
- Sales decline



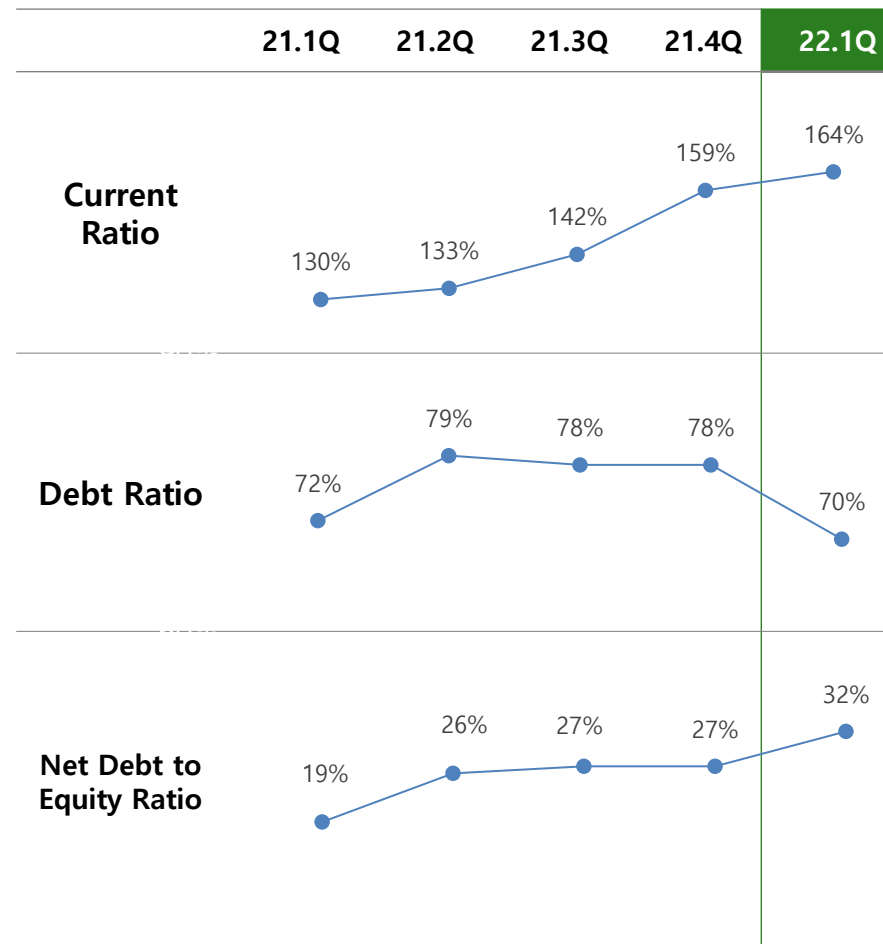
Facts	Forecast
Securing safety stock and inventory valuation loss	2Q sales trend recovery is clear
New business preparation	Increased sales → Recovered costs → Improved profits

I. Q1'22 Earnings : 3) Financial Position

Financial Positions

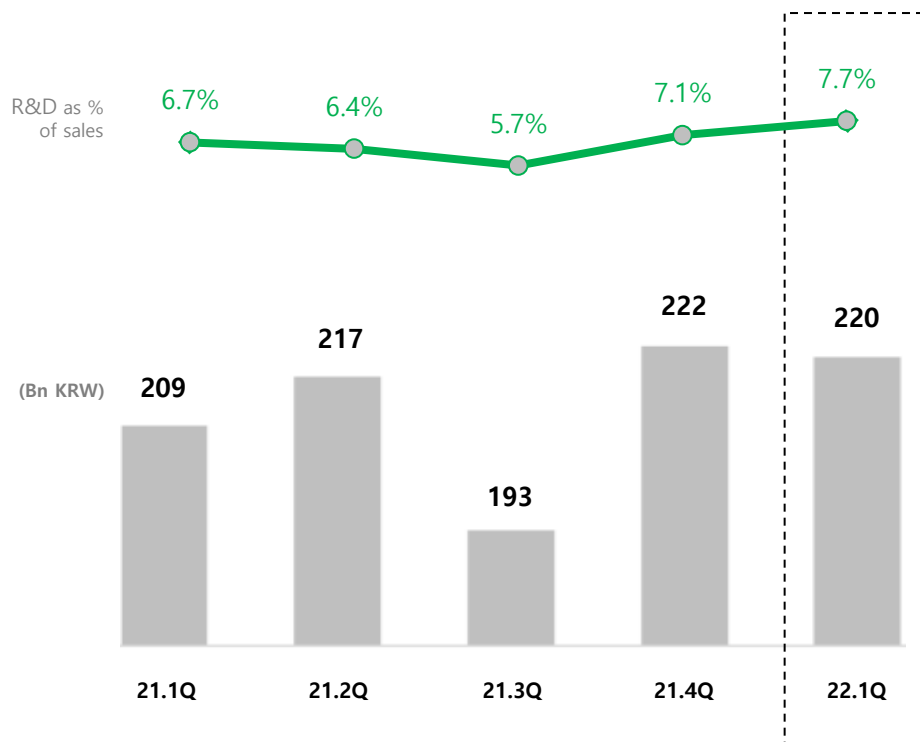
(Bn KRW)	21.1Q	21.2Q	21.3Q	21.4Q	22.1Q
Total Assets	14,040	14,771	15,427	15,131	14,010
Current Assets	7,034	7,339	7,597	7,297	6,074
Cash and Equivalents	351	412	439	860	278
Inventory	1,707	1,877	2,188	2,098	1,937
Non-current Assets	7,007	7,432	7,830	7,834	7,936
Total Liabilities	5,888	6,498	6,745	6,610	5,754
Current Liabilities	5,400	5,507	5,368	4,588	3,700
Non-Current Liabilities	488	991	1,378	2,021	2,054
Total Equity	8,152	8,273	8,682	8,521	8,256
Debts	2,100	2,650	2,823	3,204	2,975
Net Debts	1,576	2,163	2,359	2,266	2,623

Financial Ratios

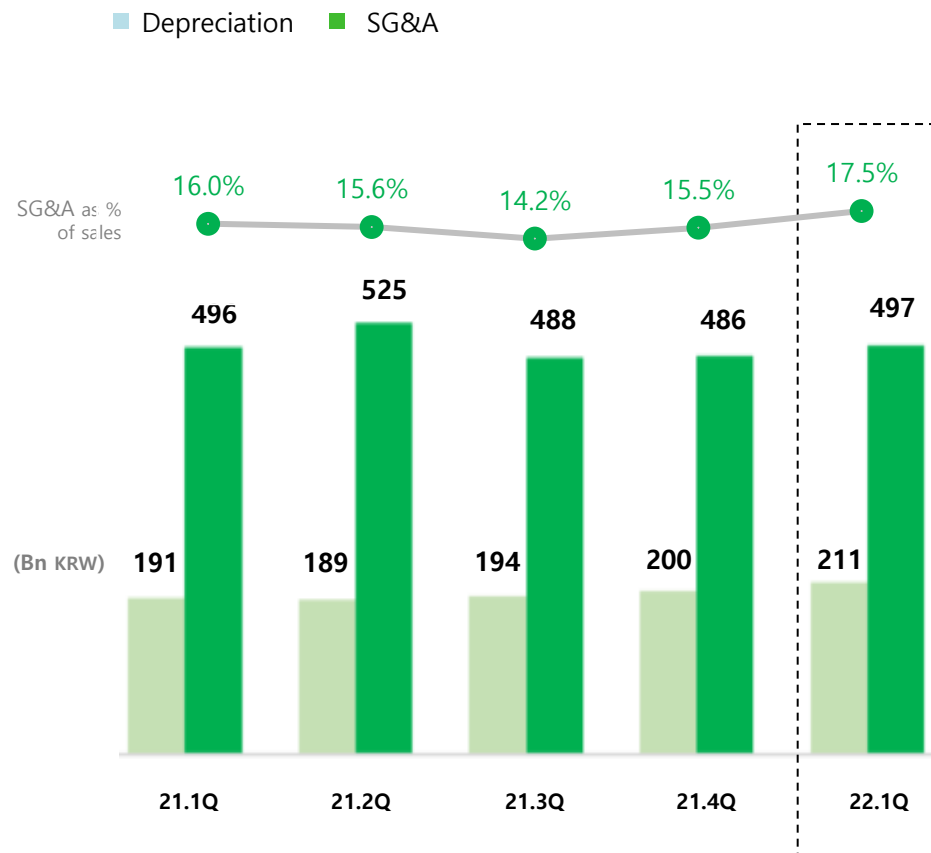


I. Q1'22 Earnings : 4) R&D Investments, Expense

R&D Investments



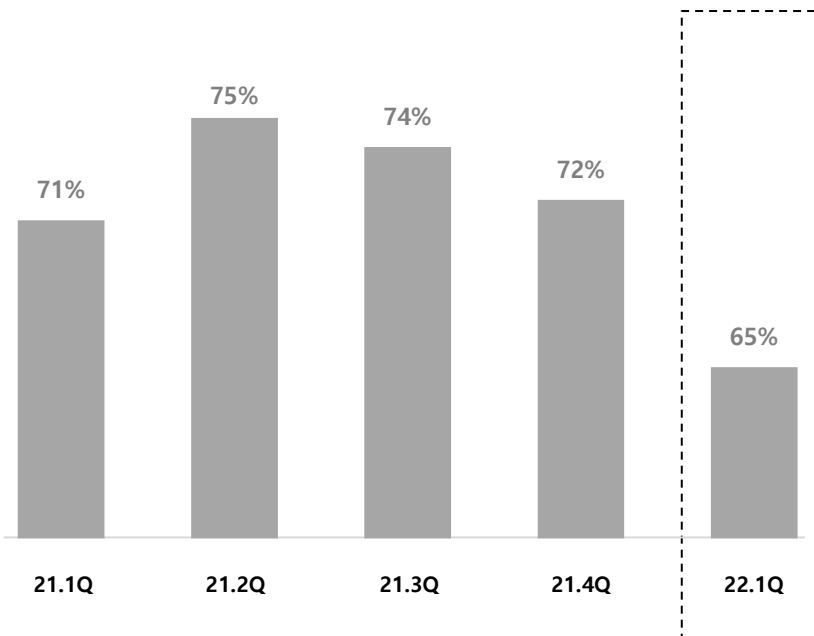
Expense



I. Q1'22 Earnings : 5) Utilization ratio, CAPEX, EBITDA

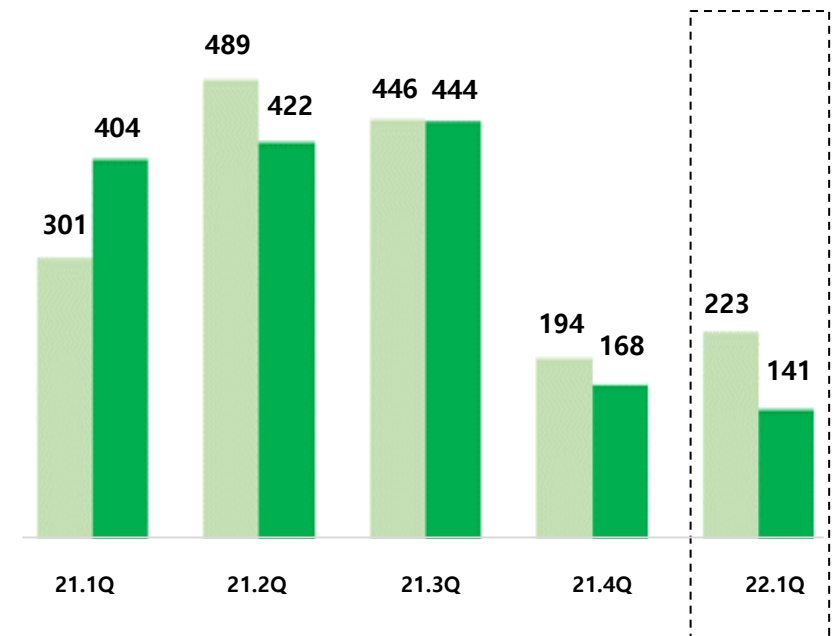
Utilization ratio

■ Utilization ratio

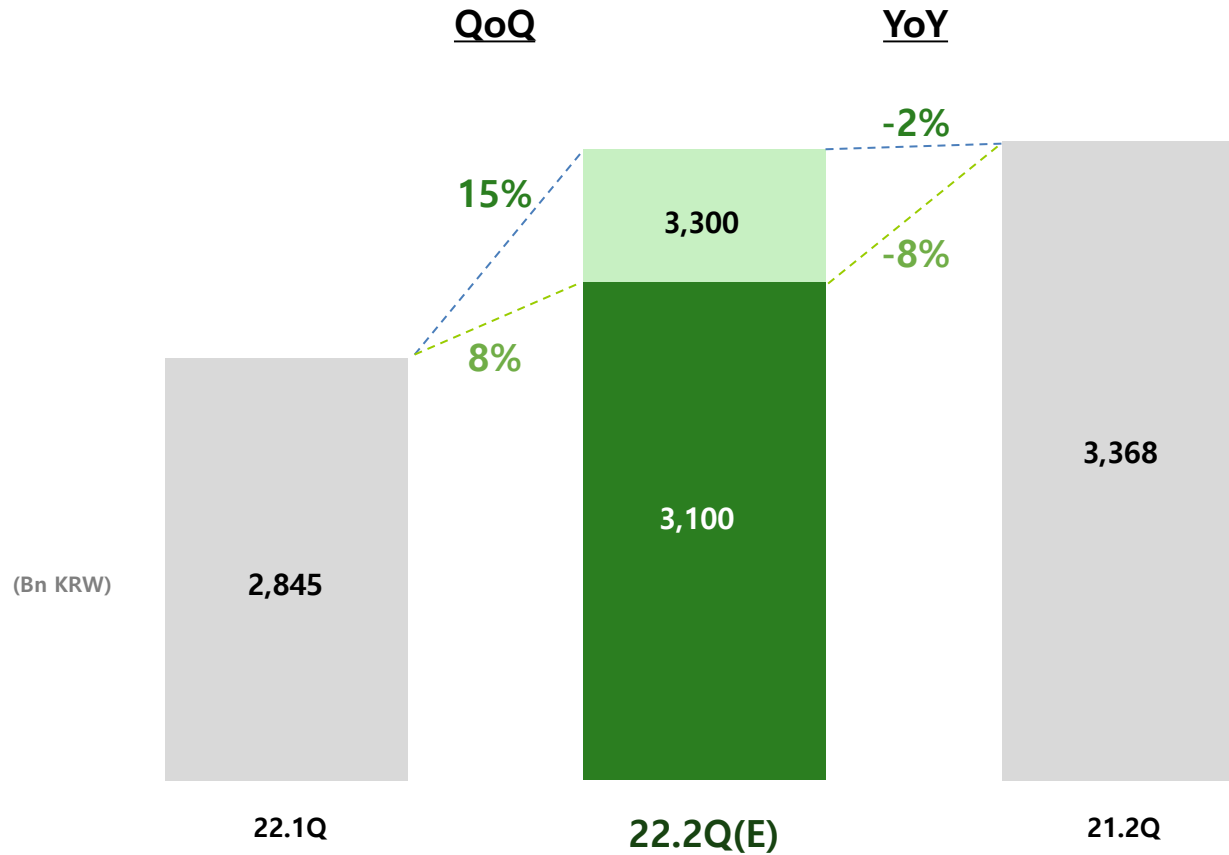


Capex, EBITDA

■ Capex ■ EBITDA



II. Q2'22 Guidance : Sales Guidance



II. Q2'22 & Year 2022 Forecast : Sustainable growth plan

- Customer diversification and business area expansion based on LED 2nd generation tech innovation

Industry	Facts	LED 2 Gen Tech
Lighting	<ul style="list-style-type: none"> • Started w/ residential lighting → expanded to car interior and plants 	SunLike
Automotive	<ul style="list-style-type: none"> • LEDs are the perfect for automotive exterior displays that require high brightness and ADB • Auto driving tech drives communication lighting tech demand → Expand MicroLED display adoption for front and rear parts 	WICOP MC WICOP ADB ¹⁾
Display	<ul style="list-style-type: none"> • Due to increased eye health interests, larger number of Set companies adopt LBL²⁾ tech • The best contrast ratio and free size can be realized • Develop / prepare wearable devices mass production 	CdO ³⁾ fluorescent agent WICOP MINI WICOP MC
Home appliances	<ul style="list-style-type: none"> • Advance into automotive products and increase in new applications such as HVAC⁴⁾ • Increase in global home appliance sales and new customers 	Violeds

1) ADB: Adaptive Driving Beam

2) LBL: Low Blue Light

3) CdO: Cadmium Oxide

4) HVAC: Heating, Ventilation, & Air conditioning

Q&A

III. Appendix : Patent litigation case(1)

From Bloomberg

19 April 2022



Seoul Viosys Obtains Permanent Injunction Against UV LED Products That Infringe Violeds Patented Technology

April 19, 2022 08:00 PM Eastern Daylight Time

ANSAN, South Korea—(BUSINESS WIRE)—Seoul Viosys (“SVC”) (KOSDAQ: 092190), a subsidiary of Seoul Semiconductor Co., Ltd., announced that the United States District Court for the Middle District of Florida issued a permanent injunction against Namsung America, Inc. (“Namsung”). Namsung sold home electronics incorporating UV LEDs manufactured and supplied by SL Vionics Co., Ltd. (previously known as Semicon Light).

“There are companies that seek to increase their profits by using other companies’ patented technology. This is not only immoral, but it seeks to cheat inventors everywhere who have invested and believed in their ideas.”

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Prior to the lawsuit, Namsung ignored repeated notices of patent infringement from SVC. Since 2020, SVC has been requesting that companies stop selling SL Vionics’ LED products. SVC believes that SL Vionics’ LED products infringe SVC’s proprietary Violeds technology, which SVC invented and has been utilizing to produce its UV LED products. When Namsung continued selling products after notice from SVC, SVC filed this lawsuit, which asserted infringement of eleven (11) patents.

The Court’s permanent injunction order applies to any colorable variations of the infringing products, as well as any parties who are in active concert or participation with making or selling such products.

SVC’s CEO, Young-joo Lee, said, “There are companies that seek to increase their profits by using other companies’ patented technology. This is not only immoral, but it seeks to cheat inventors everywhere who have invested and believed in their ideas.”

In order to protect its hard-earned technology and promote a fair marketplace, SVC actively pursues enforcement against suspected infringing UV LED products all over the world. As an example, SVC recently brought a search and seizure of suspected infringing products against FNAC Darty Group, a large European retailer, and subsequently filed a patent infringement lawsuit in France. SVC also filed a patent infringement lawsuit against a European distribution company in the Netherlands, seeking a preliminary injunction against its UV LED products.

III. Appendix : Patent litigation case(2)

From Semiconductor Today

29 April 2022



Seoul Semiconductor files patent lawsuits over Philips' TV and filament LED bulbs

South Korean LED maker Seoul Semiconductor Co Ltd says that it has launched patent infringement lawsuits in the USA against global retail company Ace Hardware and in Europe against a distributor of Conrad Electronic's sales platform.

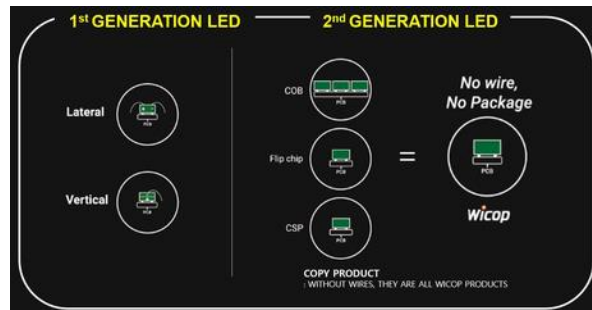
In the two cases, which are pending in the US District Court for the Eastern District of Virginia and the German District Court of Düsseldorf, Seoul asserted infringement of its patents by Philips brand TVs, filament LED bulbs, and premium lighting products. Seoul also sought a recall of infringing products as well as the destruction of those products in the German case.

In these lawsuits, Seoul's patents cover phosphor technology for high-quality color gamut and WICOP (Wafer-level Integrated Chip on PCB) technology.

Seoul says that it has developed its phosphor technology together with a Japanese company (M) over the last 15 years and has succeeded in producing LED lights that are the closest spectrum to natural light. Based on the quality of these lights, Seoul's phosphor technology can be found in premium lighting products requiring a color rendering index (CRI) of more than 90, as well as display products.

WICOP is a patented technology that is compactly designed without wire bonding or packaging, enabling LEDs to be mounted directly in a PCB assembly. The technology has been adopted in over models of 100 car (comprising about 10% of the global automobile market). The firm adds that it is also used in about 20% of the global TV market, as of 2020.

Seoul has already obtained permanent injunctions against various infringing products several times in Europe and the USA. In September 2020, the German District Court of Düsseldorf issued permanent injunctions, an order of recall and destruction against filament LED bulbs manufactured by a Phillips brand affiliate. In 2019 and 2021, the US District Court for the Central District of California and the New Jersey District Court issued permanent injunctions against the sales of a Philips TV product and 13 automotive lighting brand LED products, respectively.



III. Appendix : Condensed Financial Statements

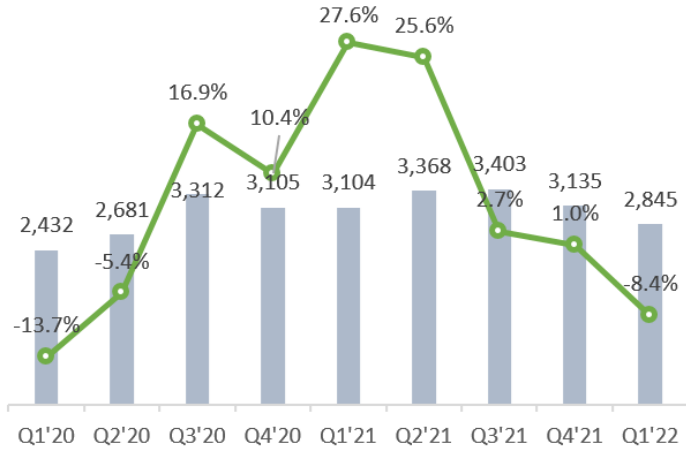
(십억 원)	'19.2Q	'19.3Q	'19.4Q	2019	'20.1Q	'20.2Q	'20.3Q	'20.4Q	2020	'21.1Q	'21.2Q	'21.3Q	'21.4Q	2021	'22.1Q
[Income Statement]															
Sales	2,833	2,834	2,813	11,299	2,432	2,681	3,312	3,105	11,531	3,104	3,368	3,403	3,135	13,010	2,845
COGS	2,140	2,229	2,220	8,762	1,959	2,092	2,677	2,516	9,244	2,395	2,610	2,664	2,680	10,350	2,418
COGS (%)	75.5%	78.7%	78.9%	77.5%	80.6%	78.0%	80.8%	81.0%	80.2%	77.2%	77.5%	78.3%	85.5%	79.5%	85.0%
Gross Profit	693	605	593	2,537	473	589	636	589	2,286	709	758	738	455	2,661	426
Gross Profit (%)	24.5%	21.3%	21.1%	22.5%	19.4%	22.0%	19.2%	19.0%	19.8%	22.8%	22.5%	21.7%	14.5%	20.5%	15.0%
SG&A	626	485	454	2,041	413	452	382	444	1,690	496	525	488	520	2,029	497
SG&A Ratio	22.1%	17.1%	16.1%	18.1%	17.0%	16.8%	11.5%	14.3%	14.7%	16.0%	15.6%	14.3%	16.6%	15.6%	17.5%
Operating Profit	66	120	139	495	60	137	254	146	597	213	233	250	-64	632	-70
Operating Profit (%)	2.3%	4.2%	4.9%	4.4%	2.5%	5.1%	7.7%	4.7%	5.2%	6.9%	6.9%	7.4%	-2.0%	4.9%	-2.5%
Pre-tax Profit	90	196	2	477	101	130	185	-60	357	310	213	341	-106	758	-41
Net Profit	69	156	15	358	61	88	146	-4	290	253	184	284	-107	615	-16
[Balance Sheet]															
Total Assets	13,052	13,114	13,221	13,221	13,250	13,656	14,285	13,302	13,302	14,040	14,771	15,427	15,131	15,131	14,010
Current Assets	5,984	5,922	6,191	6,191	6,101	6,532	7,192	6,482	6,482	7,034	7,339	7,597	7,297	7,297	6,074
Cash and Equivalents	327	430	444	444	315	116	630	348	348	351	412	439	860	860	278
Inventory	1,334	1,503	1,543	1,543	1,647	1,790	1,618	1,500	1,500	1,707	1,877	2,188	2,098	2,098	1,937
Non-current Assets	7,068	7,192	7,030	7,030	7,149	7,123	7,092	6,819	6,819	7,007	7,432	7,830	7,834	7,834	7,936
Total Liabilities	5,739	5,628	5,764	5,764	5,618	5,854	6,163	5,394	5,394	5,888	6,498	6,745	6,610	6,610	5,754
Current Liabilities	4,351	4,452	4,728	4,728	4,589	4,746	5,083	5,035	5,035	5,400	5,507	5,368	4,588	4,588	3,700
Non-Current Liabilities	1,388	1,176	1,036	1,036	1,029	1,107	1,081	359	359	488	991	1,378	2,021	2,021	2,054
Total Equity	7,313	7,486	7,457	7,457	7,632	7,802	8,121	7,908	7,908	8,152	8,273	8,682	8,521	8,521	8,256

III. Appendix : Quarterly Profitability Ratios

Sales Growth

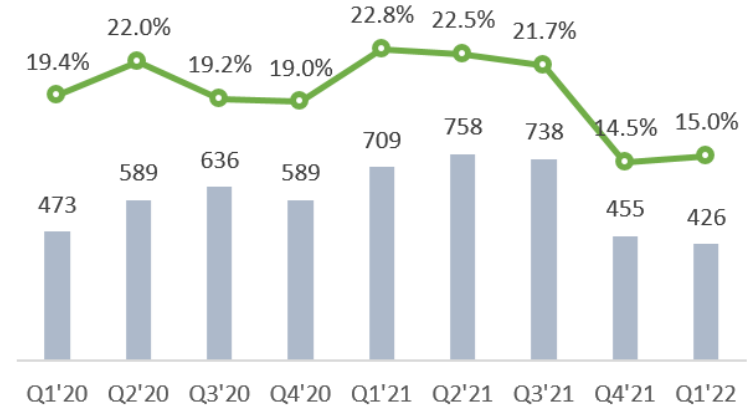
(Bn KRW)

(YoY Growth %)



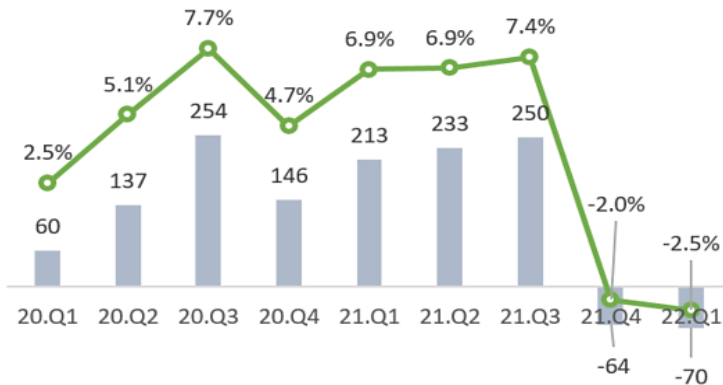
Gross Profit

(Bn KRW)



Operation Profit

(Bn KRW)



Net Profit

(Bn KRW)



**“After numerous trial and error,
we have secured the next 10 year
growth with our leading
technologies”**



SEOUL SEMICONDUCTOR