SEOUL SEMICONDUCTOR

Make the World Cleaner, Healthier, Safer and more Beautiful with Light

2023 2Q Earnings Results

IR team

08.10.2023

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

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2023 2Q Financial Results

1. Sales and Profit margin
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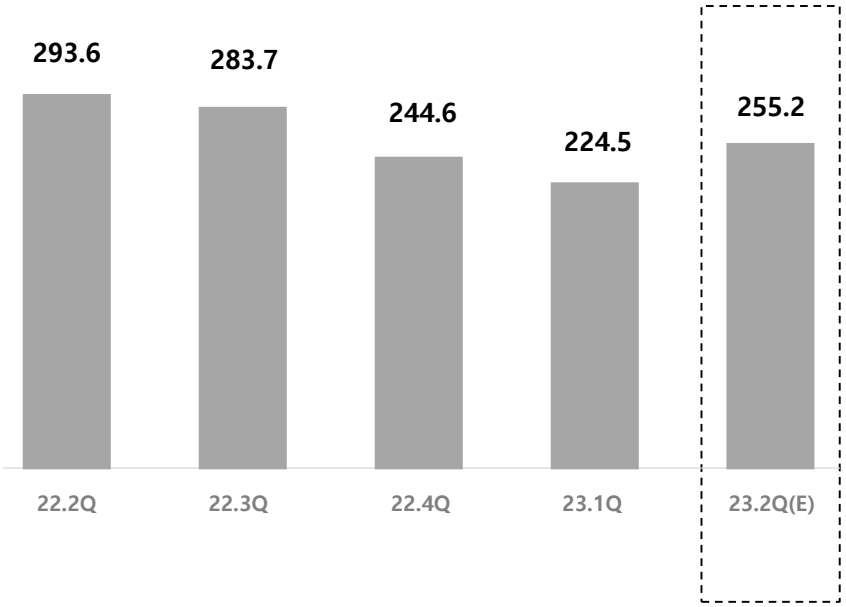
1. Sales and Profit margin

- Sales fell 13% YoY, but rose 14% QoQ thanks to IT and LT sales expansion in 2Q
- Profit margin improved by 5%p QoQ due to cost reduction effect that has been implemented since the end of last year along with sales expansion

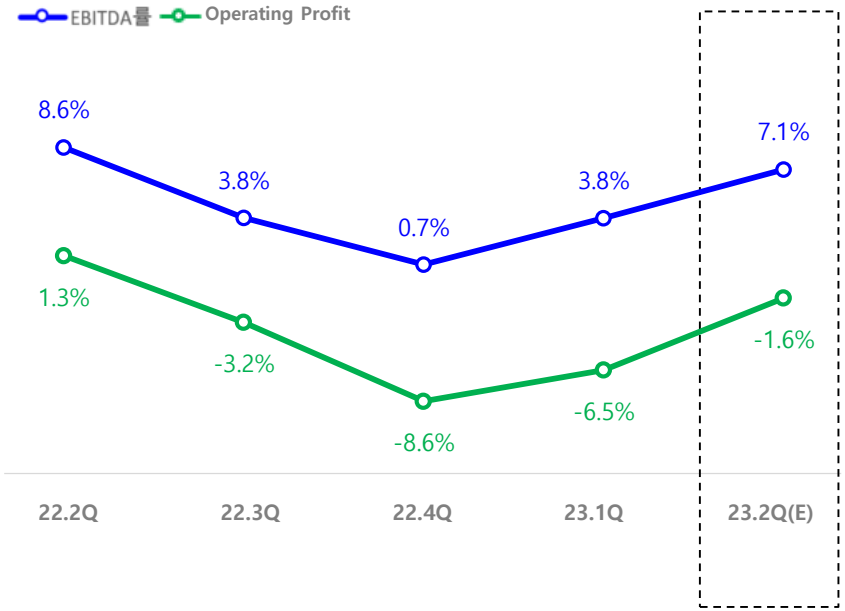
Sales

(Unit: Bn KRW)



OPM(%), EBITDA(%)

(Unit: Bn KRW)

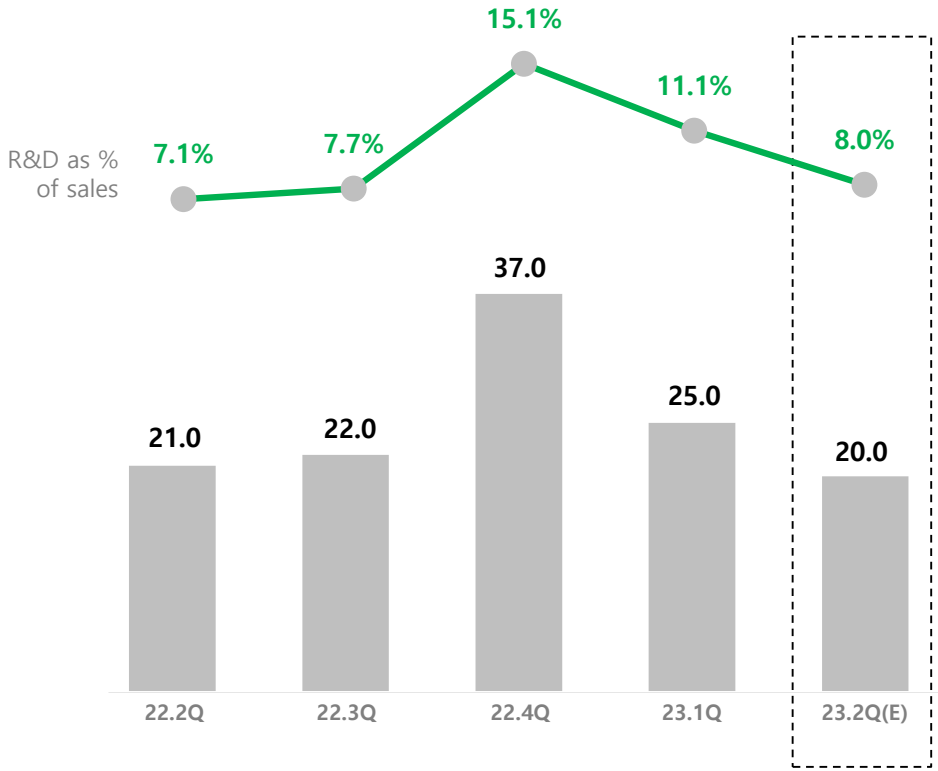


2. R&D Investment, Expense

- The amount of R&D investment has decreased since the Q4'22, following the direction of profit-oriented business operation
- Sales increased by 14% in QoQ due to cost-cutting efforts, but the proportion of SG&A expenses to sales decreased by 4%p

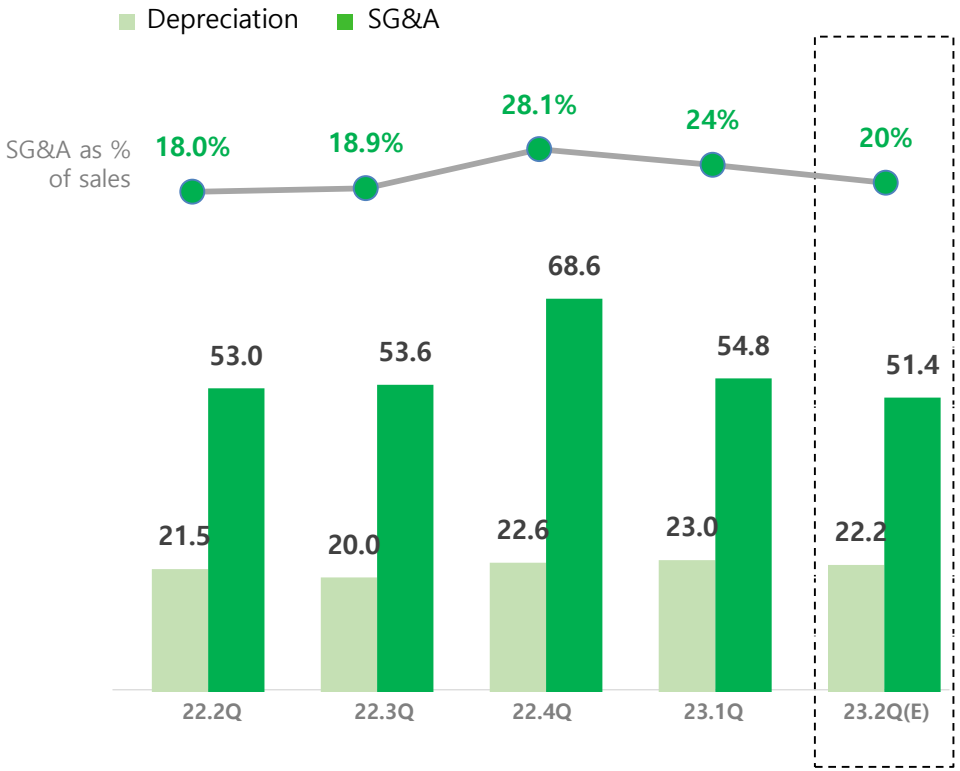
R&D Investments

(Unit: Bn KRW)



Expense

(Unit: Bn KRW)



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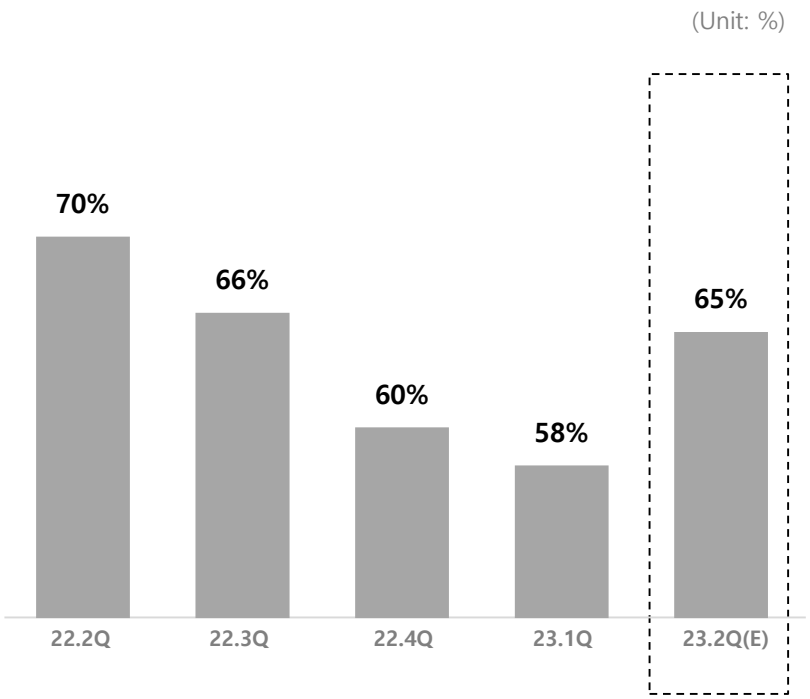
3. Utilization ratio, CAPEX

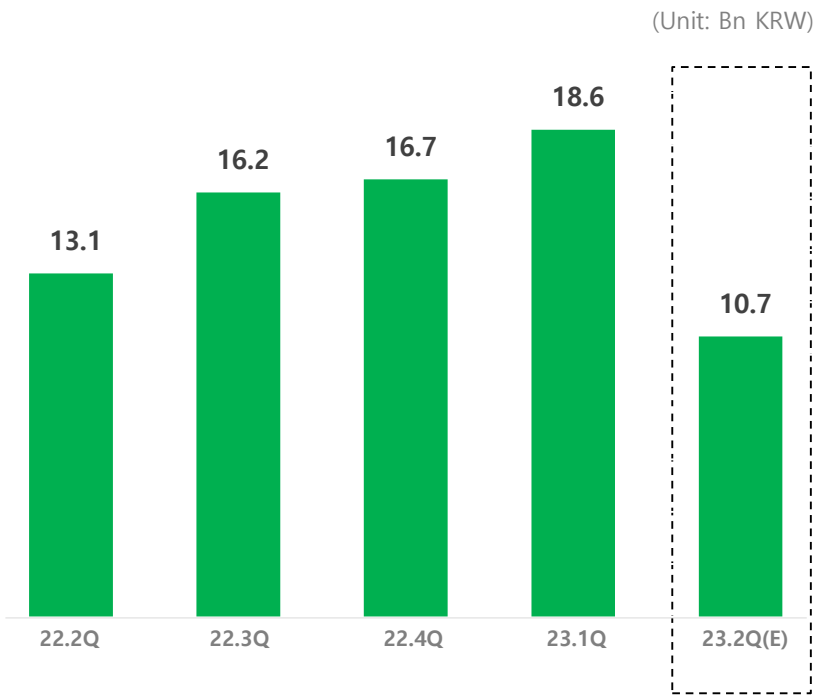
- The main reason for the 7%p QoQ increase in the utilization rate in 2Q was increased sales
- Capex QoQ decline was mainly the decrease in investment in subsidiaries for the purpose of diversifying production sites

Utilization ratio[1)]



1) Package only

Capex



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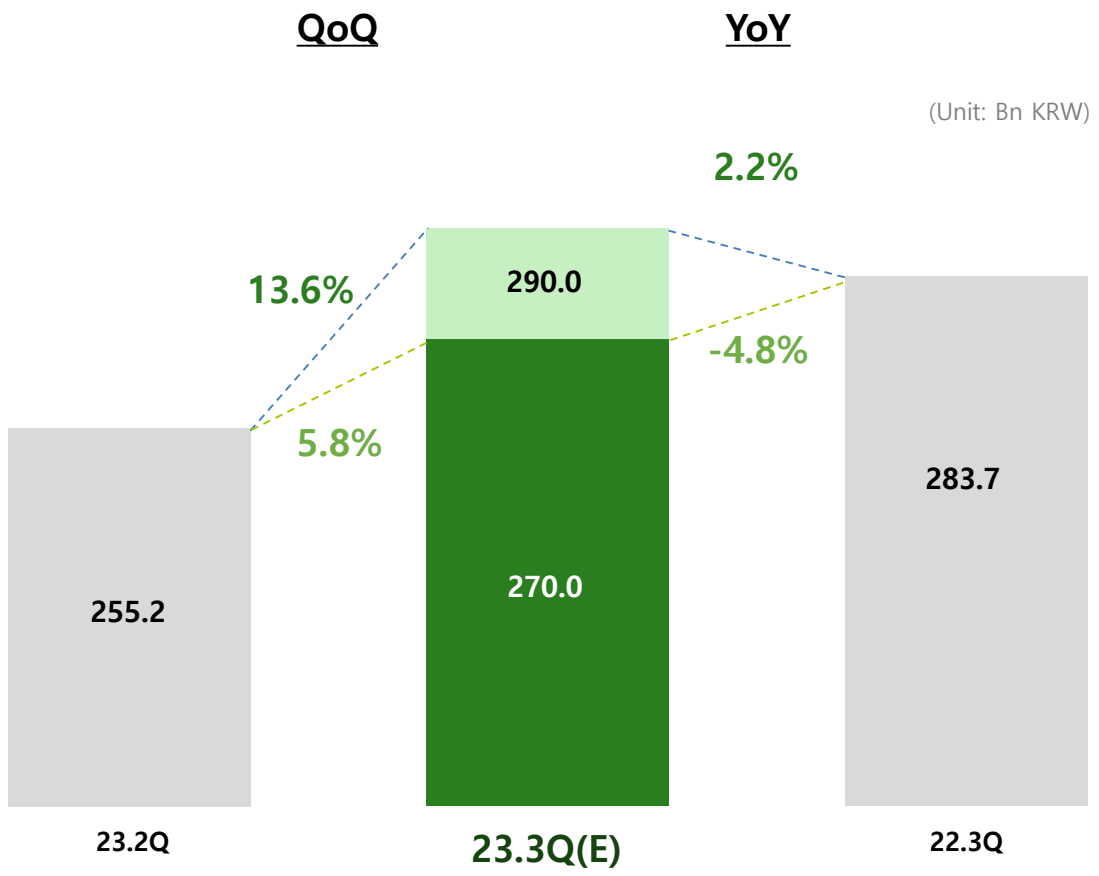
02

2023 3Q Guidance

1. Sales Guidance

1. Sales Guidance

- 3Q outlook is expected to be between 270 and 290 billion won due to sales growth in the automobile division among the three business divisions



03

Growth Momentum

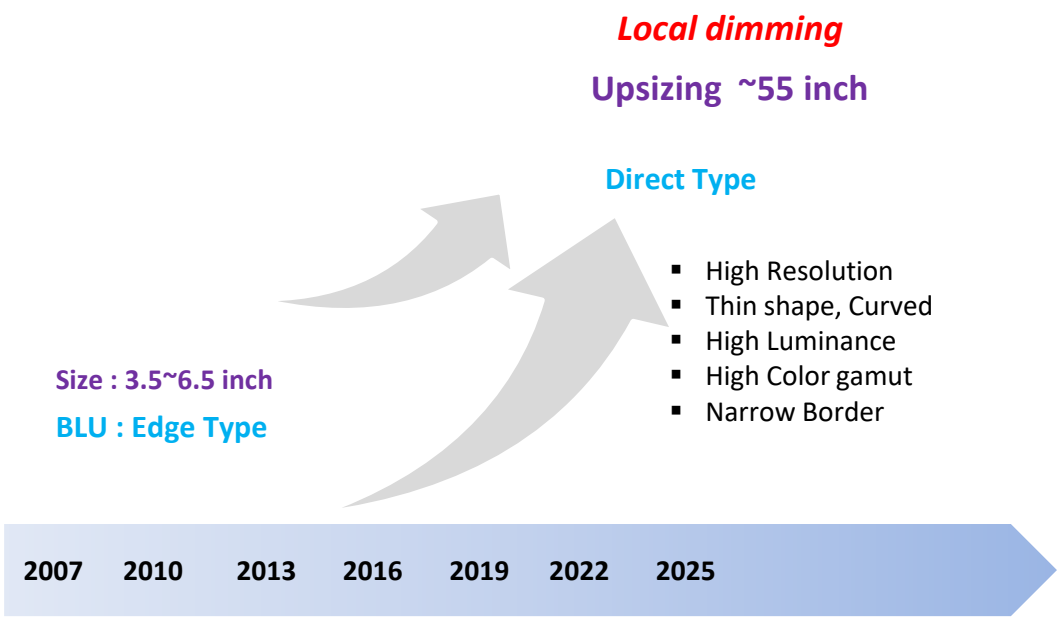
1. Sustainable growth plan

1. Sustainable growth plan

- The automotive display sales-based market grew at a CAGR of 15% in 2027 compared to 2022. Demand for local dimming occurs on the rise of large screens, multi-screens, and high resolutions. At the same time, edge type to direct one change is expected to lead LED increase significantly
- Accordingly, the Company entered WICOP-based headlamp and smart cockpit products with customized responses for each customer. 2023 order backlog expected to grow in double digits YoY, expected to grow continuously

Smart Cockpit Trend

Size	Display
~55inch Large Screen Wider Aspect Ratio	Local dimming High Resolution Thin shape / Curved Power consumption for EVs



Q&A

04 APPENIDX

1. LED Products for Patent Infringement in EU
2. Financial Position & Ratios
3. Condensed Financial Statements
4. Quarterly Profitability Ratios

1. Obtains Permanent Injunction Against Various LED Products for Patent Infringement in Europe

[businesswire, May. 18]

ANSAN, South Korea, May 18, 2023--(BUSINESS WIRE)--Seoul Semiconductor Co., Ltd. (KOSDAQ 046890), a leading global innovator of LED products and technology, announced on May 16 that the Higher Regional Court in Düsseldorf, Germany, issued a final judgement confirming a permanent injunction for infringement of Seoul's patent against multiple LED companies' LEDs.

The permanent injunction judgement extends to LED products from Everlight Electronics Co., Ltd., which were distributed globally through Mouser Electronics Inc., as well as LED products from LED Engin merged into Osram GmbH. The German Supreme Court also confirmed the validity of Seoul's patent in July 2022 by dismissing a patent invalidation lawsuit brought by the accused infringer.

As a result, Seoul and its affiliates have obtained 14 permanent injunction judgements against manufacturers and distributors of infringing products in the U.S. and Europe over the past five years. These judgements also include permanent injunctions, an order of recall and destruction against filament LED bulbs manufactured by a Phillips brand affiliate.

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2. Financial Position & Ratios

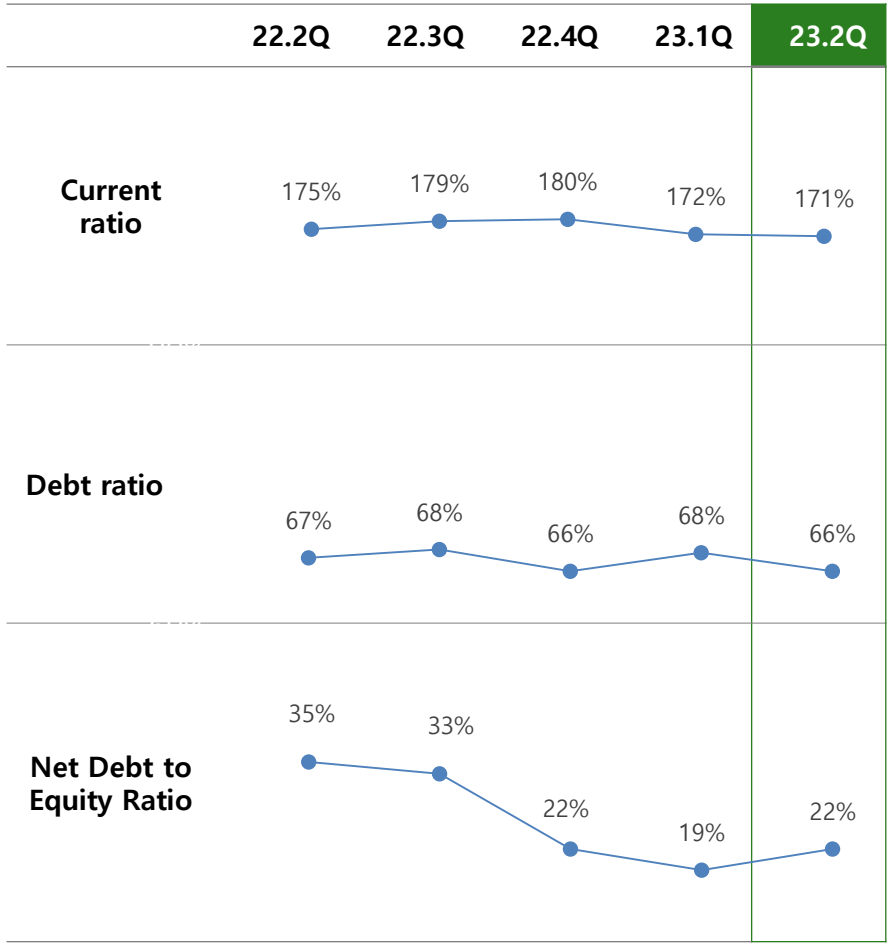
Financial Positions

(Unit: 100 Mn KRW)

	22.2Q	22.3Q	22.4Q	23.1Q	23.2Q
Total Assets	**14,225**	**14,488**	**12,899**	**12,817**	**12,466**
Current Assets	6,186	6,231	5,504	5,387	5,167
Cash and Equivalents	495	514	788	877	422
Inventory	2,047	1,615	1,392	1,324	1,369
Non-current Assets	8,039	8,257	7,394	7,430	7,299
Total Liabilities	**5,730**	**5,881**	**5,143**	**5,167**	**4,974**
Current Liabilities	3,542	3,478	3,051	3,125	3,030
Non-Current Liabilities	2,189	2,404	2,092	2,042	1,944
Total Equity	**8,495**	**8,607**	**7,756**	**7,651**	**7,492**
Debts	3,428	3,336	2,521	2,390	2,136
Net Debts	2,854	2,753	1,702	1,482	1,683

Financial Ratios

(Unit: %)



3. Condensed Financial Statements

(100 Million Won)	'20.2Q	'20.3Q	'20.4Q	2020	'21.1Q	'21.2Q	'21.3Q	'21.4Q	2021	'22.1Q	'22.2Q	'22.3Q	'22.4Q	2022	'23.1Q	'23.2Q
[Income Statement																
Sales	**2,681**	**3,312**	**3,105**	**11,531**	**3,104**	**3,368**	**3,403**	**3,135**	**13,010**	**2,876**	**2,936**	**2,837**	**2,446**	**11,094**	**2,245**	**2,552**
COGS	2,092	2,677	2,516	9,244	2,395	2,610	2,664	2,680	10,350	2,445	2,369	2,392	1,969	9,176	1,843	2,079
COGS (%)	78.0%	80.8%	81.0%	80.2%	77.2%	77.5%	78.3%	85.5%	79.5%	85.0%	80.7%	84.3%	80.5%	82.7%	82.1%	81.5%
Gross Profit	589	636	589	2,286	709	758	738	455	2,661	431	567	444	477	1,919	403	473
Gross Profit (%)	22.0%	19.2%	19.0%	19.8%	22.8%	22.5%	21.7%	14.5%	20.5%	15.0%	19.3%	15.7%	19.5%	17.3%	17.9%	18.5%
SG&A	452	382	444	1,690	496	525	488	520	2,029	501	530	536	686	2,253	548	514
SG&A Ratio	16.8%	11.5%	14.3%	14.7%	16.0%	15.6%	14.3%	16.6%	15.6%	17.4%	18.0%	18.9%	28.1%	20.3%	24.4%	20.1%
Operating Profit	**137**	**254**	**146**	**597**	**213**	**233**	**250**	**-64**	**632**	**-70**	**37**	**-92**	**-209**	**-334**	**-145**	**-41**
Operating Profit (%)	5.1%	7.7%	4.7%	5.2%	6.9%	6.9%	7.4%	-2.0%	4.9%	-2.4%	1.3%	-3.2%	-8.6%	-3.0%	-6.5%	-1.6%
Pre-tax Profit	130	185	-60	357	310	213	341	-106	758	-41	124	81	-472	-308	-132	-43
Net Profit	88	146	-4	290	253	184	284	-107	615	-16	90	-19	-597	-543	-117	-85
[Balance Sheet]																
Total Assets	**13,656**	**14,285**	**13,302**	**13,302**	**14,040**	**14,771**	**15,427**	**15,131**	**15,131**	**14,605**	**14,225**	**14,488**	**12,899**	**12,899**	**12,817**	**12,466**
Current Assets	6,532	7,192	6,482	6,482	7,034	7,339	7,597	7,297	7,297	6,669	6,186	6,231	5,504	5,504	5,387	5,167
Cash and Equivalents	116	630	348	348	351	412	439	860	860	278	495	514	788	788	877	422
Inventory	1,790	1,618	1,500	1,500	1,707	1,877	2,188	2,098	2,098	1,937	2,047	1,615	1,392	1,392	1,324	1,369
Non-current Assets	7,123	7,092	6,819	6,819	7,007	7,432	7,830	7,834	7,834	7,936	8,039	8,257	7,394	7,394	7,430	7,299
Total Liabilities	**5,854**	**6,163**	**5,394**	**5,394**	**5,888**	**6,498**	**6,745**	**6,610**	**6,610**	**6,348**	**5,730**	**5,881**	**5,143**	**5,143**	**5,167**	**4,974**
Current Liabilities	4,746	5,083	5,035	5,035	5,400	5,507	5,368	4,588	4,588	4,293	3,542	3,478	3,051	3,051	3,125	3,030
Non-Current Liabilities	1,107	1,081	359	359	488	991	1,378	2,021	2,021	2,055	2,189	2,404	2,092	2,092	2,042	1,944
Total Equity	**7,802**	**8,121**	**7,908**	**7,908**	**8,152**	**8,273**	**8,682**	**8,521**	**8,521**	**8,256**	**8,495**	**8,607**	**7,756**	**7,756**	**7,651**	**7,492**

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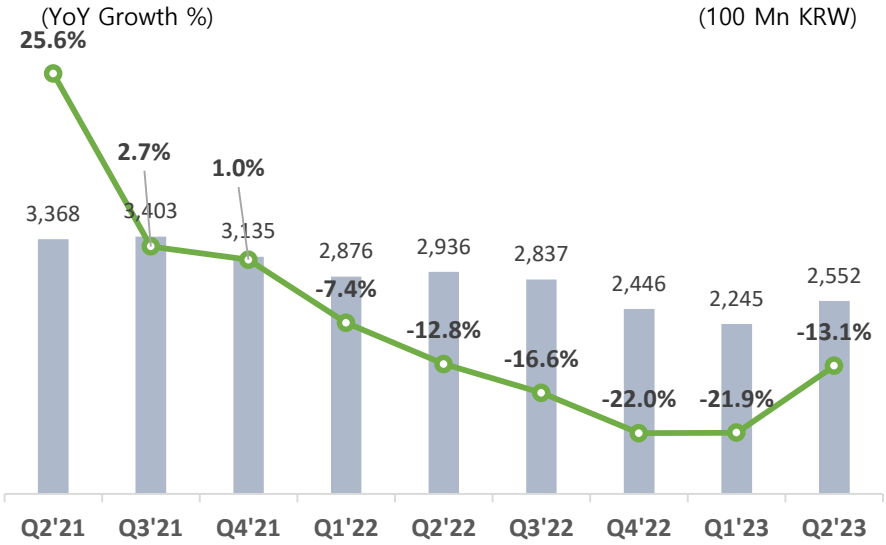
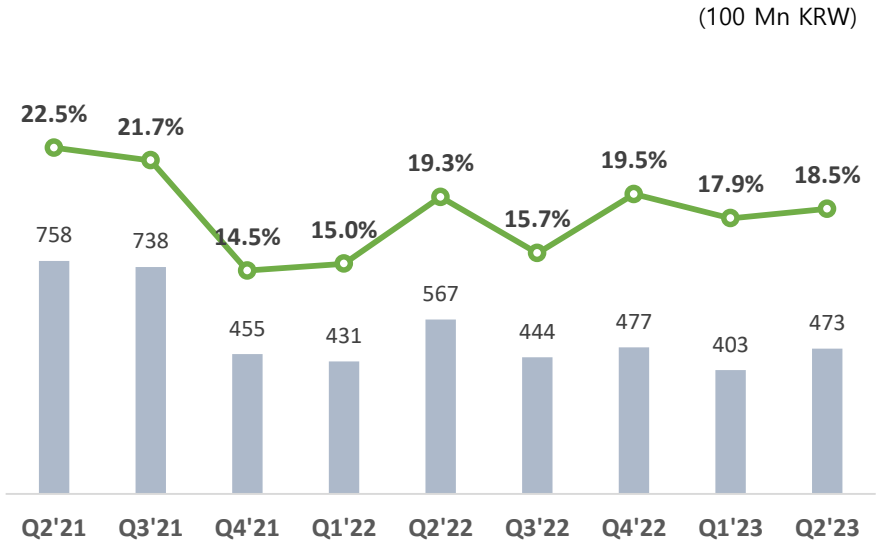
4. Quarterly Profitability Ratios

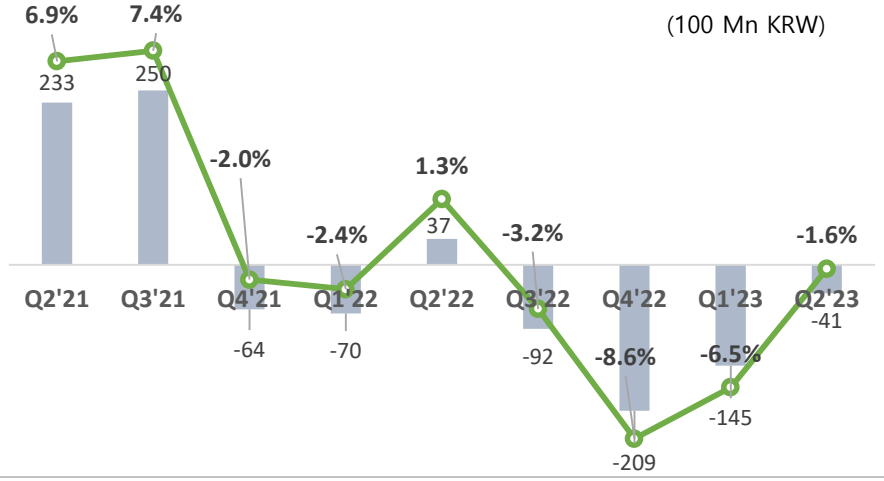
Sales Growth



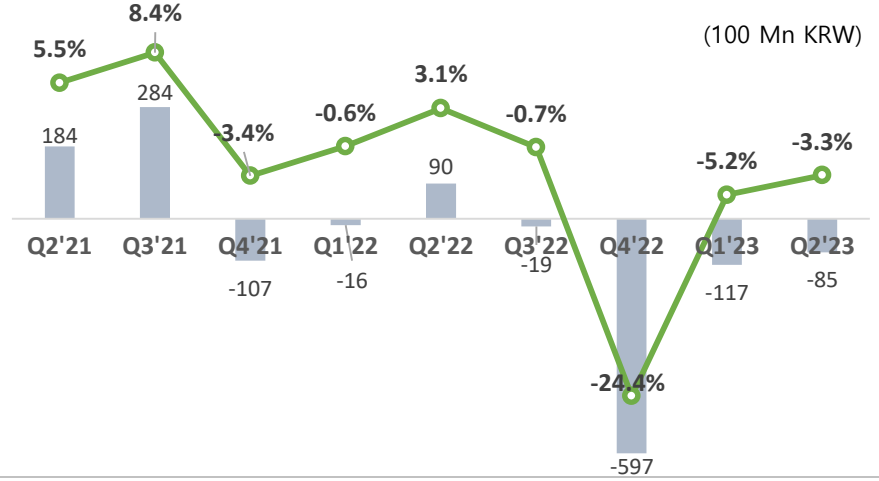
Gross Profit



Operation Profit



Net Profit



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