



SEOUL SEMICONDUCTOR

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

EARNINGS RELEASE

1Q 2020

Apr 28, 2020

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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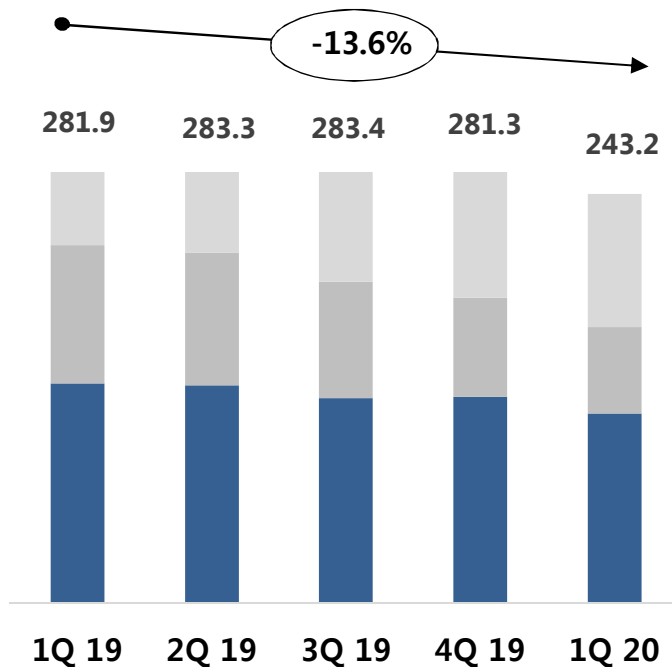
1Q 2020 quarter results

I. 1Q 2020 quarter results _ 1) Sales & earnings

- SSC's Q1 sales matched guidance despite of COVID19 outbreak
- EBITDA for Q1 recorded 25.2 bn down 3.5% YoY in margin

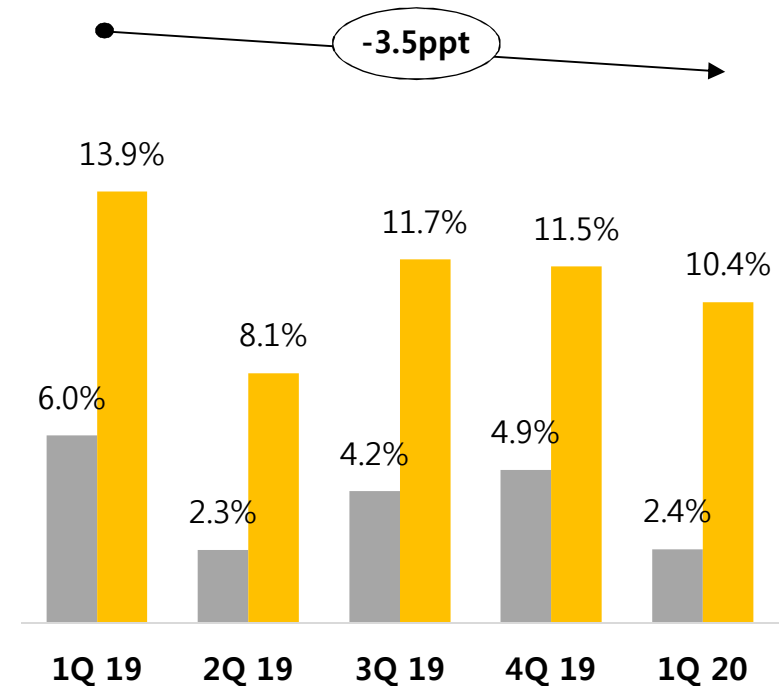
Sales (Bn KrW, %)

- TV & MNT
- Others (TBPC, NBPC, Phone & etc.)
- General lighting (Incl. automotive)



Profitability (Bn KrW, %)

- Operating profit margin
- EBITDA margin

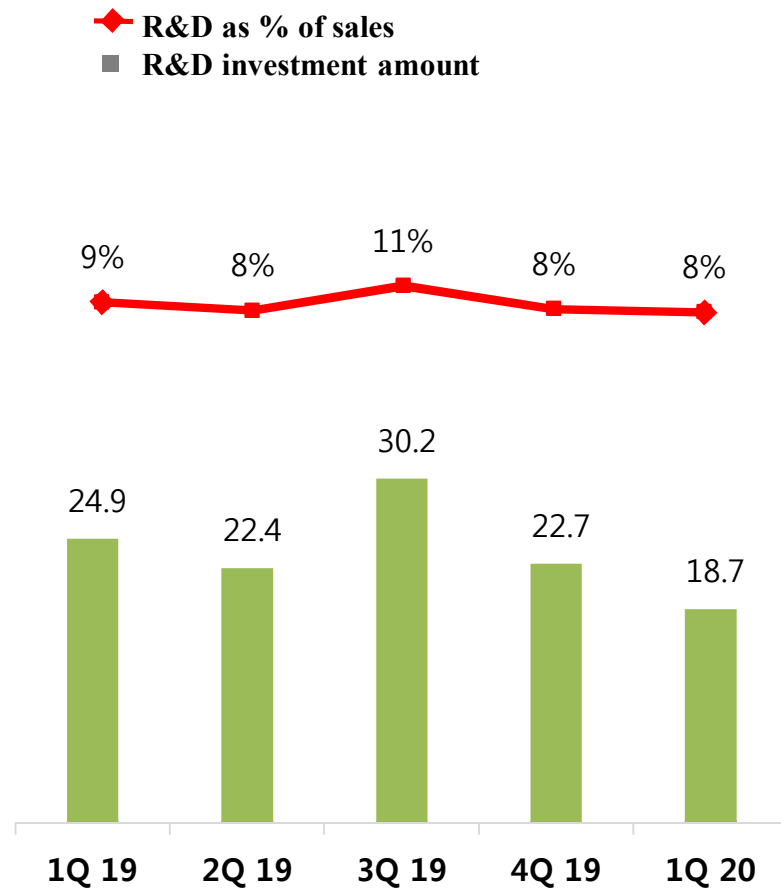


I. 1Q 2020 quarter results _ 2) Investments & expense

- SSC is generating profits even when manufacturing from Korea
- If R&D spending is lowered to competitor level, SSC can generate above double digit margin

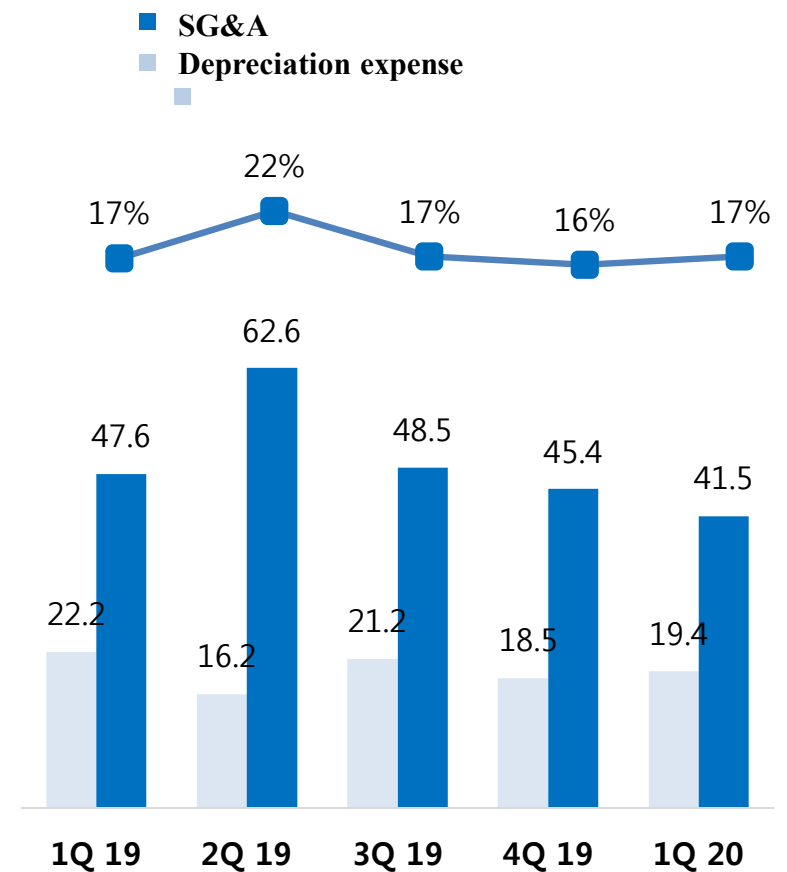
R&D investments

(Bn KrW, %)



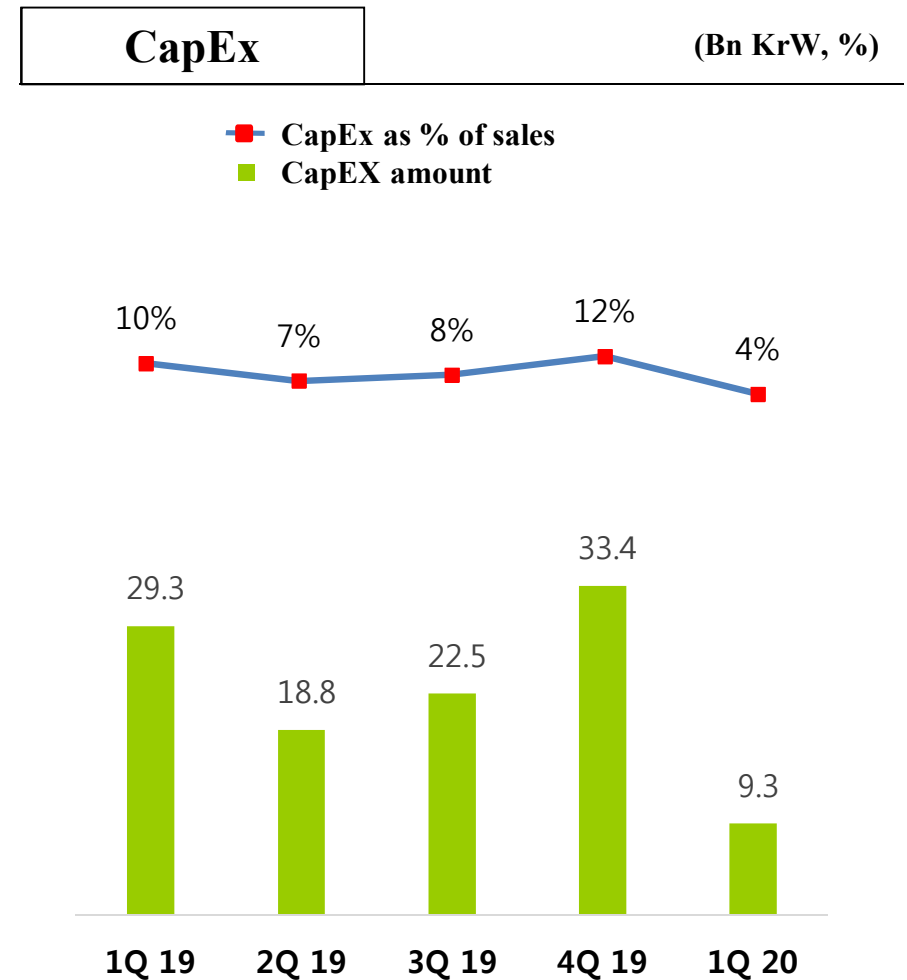
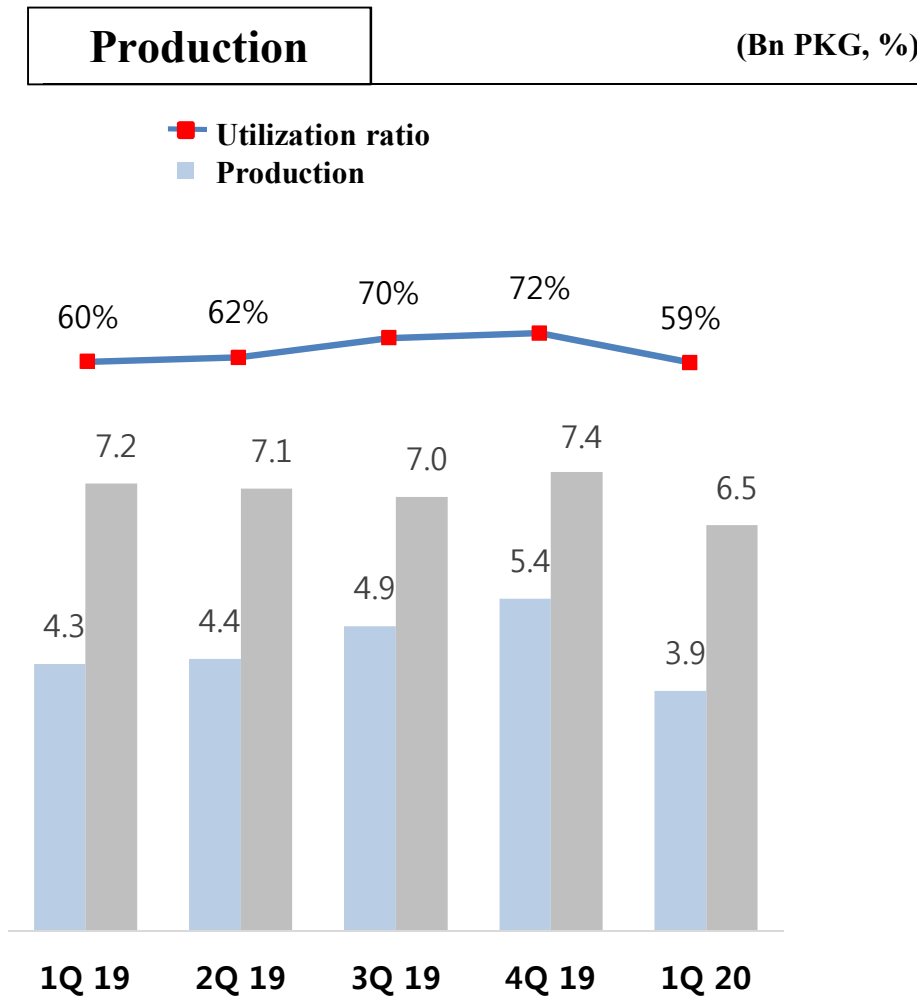
Expense

(Bn KrW, %)



I. 1Q 2020 quarter results _ 3) Production & CapEx

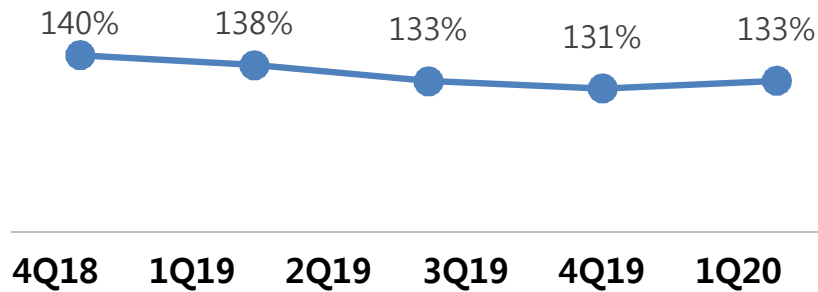
- Utilization declined due to relocation of equipment, but expect to end in Q1 with utilization expected to recover from Q2



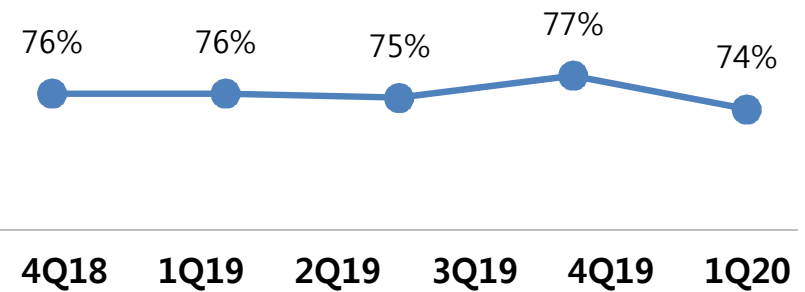
I. 1Q 2020 quarter results _ 4) Balance sheet

- D/E ratio and net debt ratio declined while maintaining over 100% current ratio reflecting healthy balance sheet
- Inventory T/O days increased slightly to secure safety stock, but still lower than industry peers

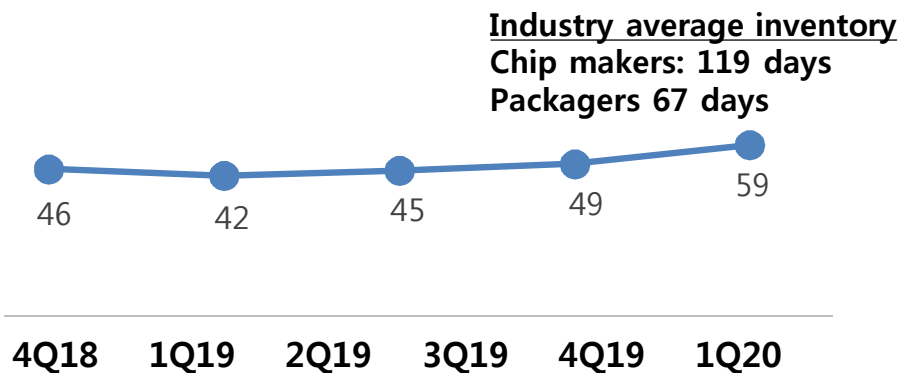
Current ratio



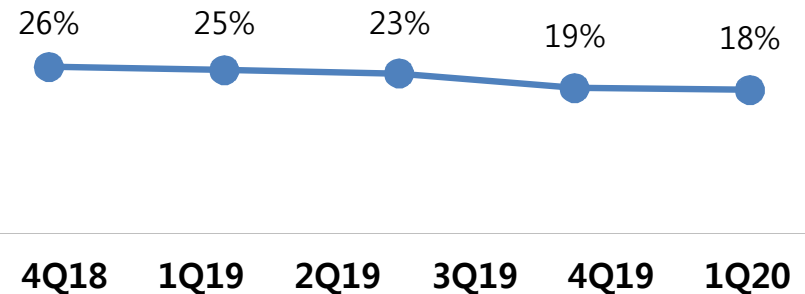
Debt to equity



Inventory T/O



Net debt ratio



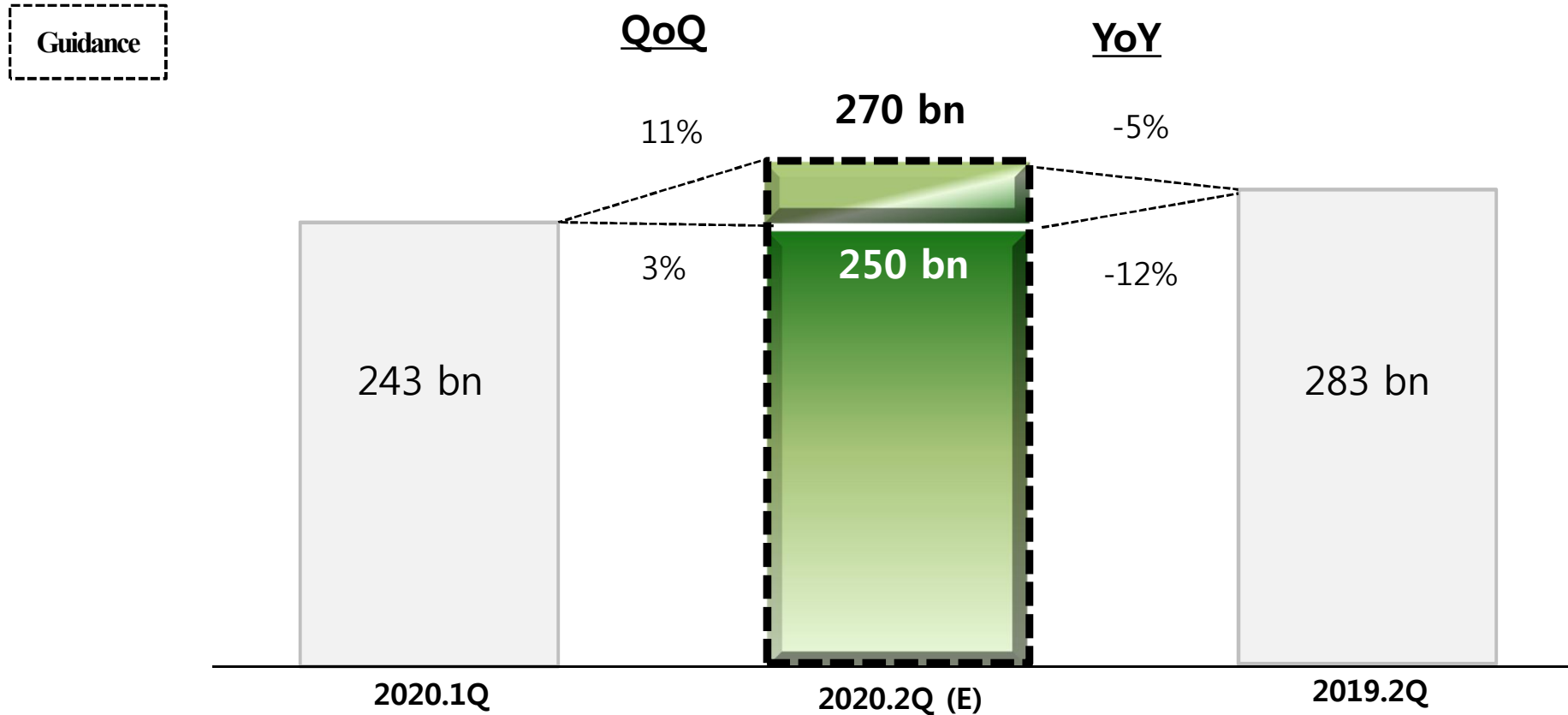
* Industry average: 3Q19 annualized for a few companies

II

2Q 2020 guidance

II. 2Q 2020 guidance

- Expect 2Q sales to be in the range of 250 ~ 270 bn increasing 3% ~ 11% QoQ



III

APPENDIX

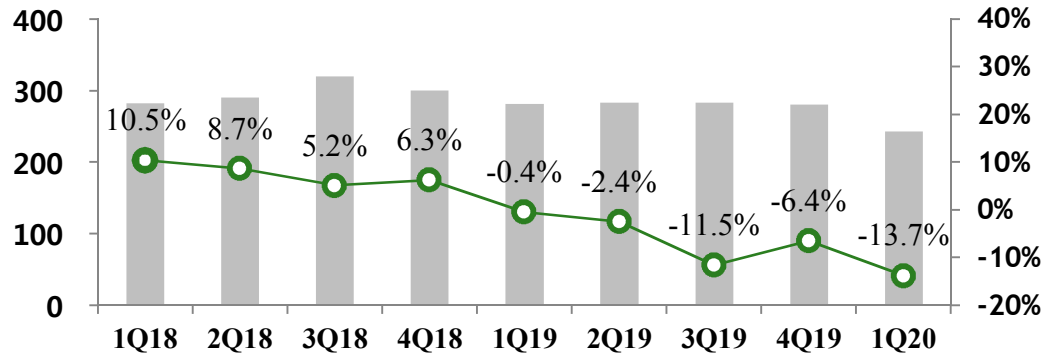
III. Appendix _ 1) Condensed financials

(Bn KrW)	2020.Q1	2019.Q4	2019.Q3	2019.Q2	2019.Q1	2018.Q4	2018.Q3	2018.Q2	2018.Q1	2019	2018	2017	2016	2015
[Income Statement]														
Sales	243.2	281.3	283.4	283.3	281.9	300.6	320.3	290.3	283.0	1,129.9	1,194.2	1,110.4	953.8	1,011.2
COGS	195.9	222.0	222.9	214.0	217.3	212.8	230.6	214.5	213.0	876.2	871.0	826.1	720.1	773.0
COGS (%)	81%	79%	79%	76%	77%	71%	72%	74%	75%	78%	73%	74%	75%	76%
Gross Profit	47.3	59.3	60.5	69.3	64.6	87.8	89.7	75.8	70.0	253.7	323.2	284.3	233.7	238.2
Gross Profit (%)	19.4%	21.1%	21.3%	24.5%	22.9%	29.2%	28.0%	26.1%	24.7%	22.5%	27.1%	25.6%	24.5%	23.6%
SG&A	41.5	45.4	48.5	62.6	47.6	55.8	61.6	58.2	52.8	204.1	228.3	186.1	176.2	192.6
Operating Profit	5.7	13.9	12.0	6.6	17.1	32.0	28.1	17.6	17.2	49.5	94.9	98.3	57.5	45.6
Operating Profit (%)	2.4%	4.9%	4.2%	2.3%	6.0%	10.7%	8.8%	6.0%	6.1%	4.4%	7.9%	8.8%	6.0%	4.5%
Pre-tax Profit	10.1	0.2	19.6	9.0	18.9	21.4	21.1	20.7	15.1	47.7	78.4	70.5	49.6	37.0
Net Profit	6.2	1.5	15.6	6.9	11.8	24.2	13.7	13.5	11.3	35.8	62.6	46.4	37.5	26.8
[Balance Sheet]														
Total Assets	1,325.7	1,322.1	1,311.4	1,305.2	1,271.1	1,293.8	1,349.9	1,277.5	1,262.5	1,322.1	1,293.8	1,227.3	1,090.6	1,136.0
Current Assets	610.7	619.1	592.2	598.4	573.3	601.6	649.4	582.4	574.5	619.1	601.6	575.5	503.7	500.3
Cash and Equivalents	64.6	72.4	43.1	40.1	32.2	36.8	33.2	38.1	42.8	72.4	36.8	77.7	61.2	105.4
Inventory	164.7	154.3	150.3	133.4	132.2	155.2	143.4	128.8	135.5	154.3	155.2	137.5	108.5	107.0
Non-current Assets	715.0	703.0	719.2	706.8	697.8	692.2	700.5	695.2	687.5	703.0	692.2	651.9	586.9	635.8
Total Liabilities	564.1	576.4	562.8	573.9	547.2	568.5	647.7	584.1	584.7	576.4	568.5	551.4	438.7	511.0
Current Liabilities	458.9	472.8	445.2	435.1	408.8	412.7	553.2	478.6	475.3	472.8	412.7	435.5	396.2	405.8
Non-Current Liabilities	105.2	103.6	117.6	138.8	138.4	155.8	94.5	105.5	109.5	103.6	155.8	116.0	42.5	105.3
Total Equity	761.6	745.7	748.6	731.3	724.0	725.3	702.1	693.4	677.8	745.7	725.3	675.9	651.9	625.0

III. Appendix _ 2) Quarterly financial ratios

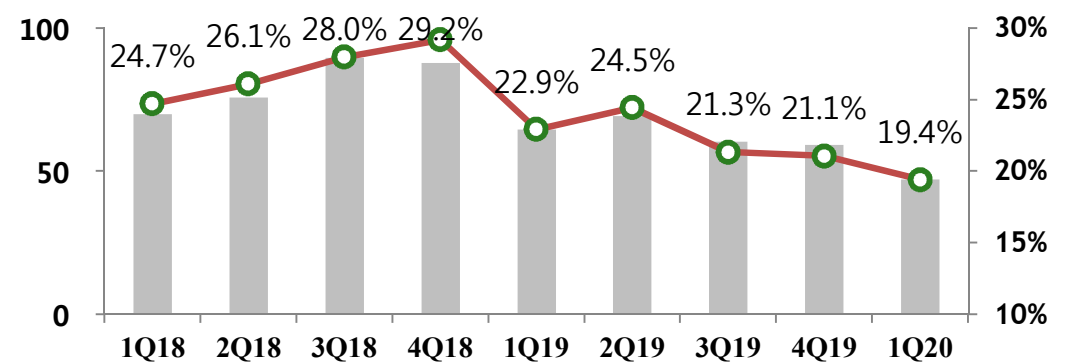
Sales & YoY change

(Krw bn)



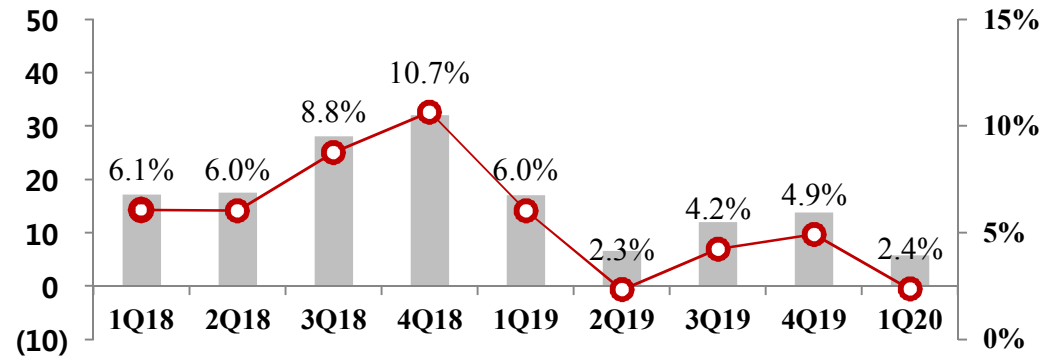
Gross profit

(Krw bn)



Operating profit

(Krw bn)



Net profit

(Krw bn)

