



SEOUL SEMICONDUCTOR

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

EARNINGS RELEASE

3Q 2020

Oct 26, 2020

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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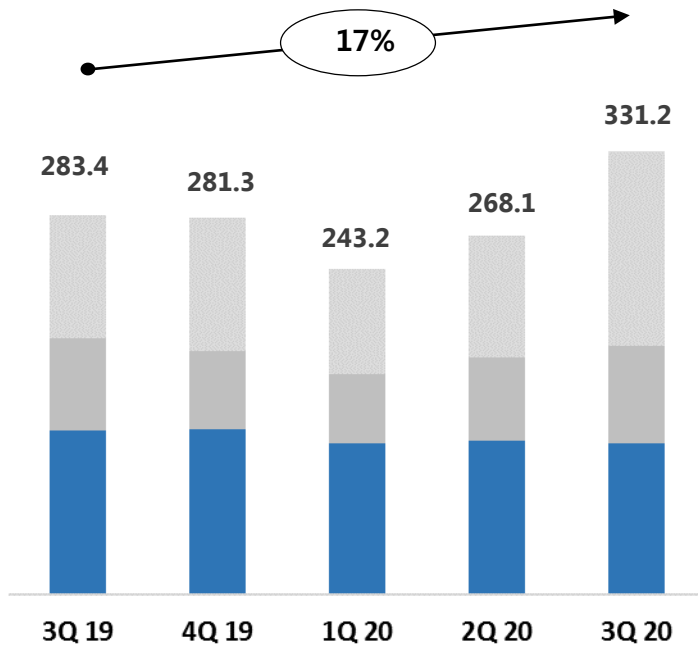
3Q 2020 quarter results

I. 3Q 2020 quarter results _ 1) Sales & earnings

- Booked record quarterly sales despite of COVID19, demonstrating solid fundamentals and technology competitiveness
- Realized fair pricing for its differentiated products after winning numerous IP lawsuits

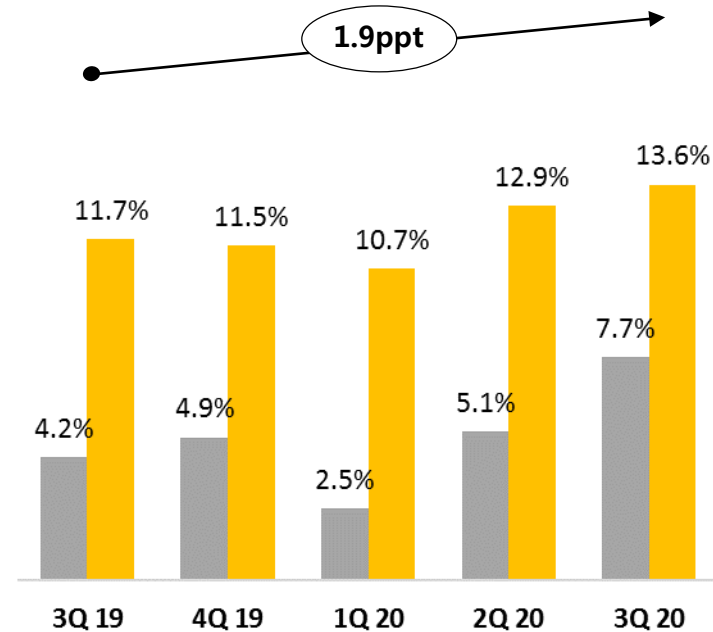
Sales (Bn KrW, %)

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



Profitability (%)

- Operating profit margin
- EBITDA margin

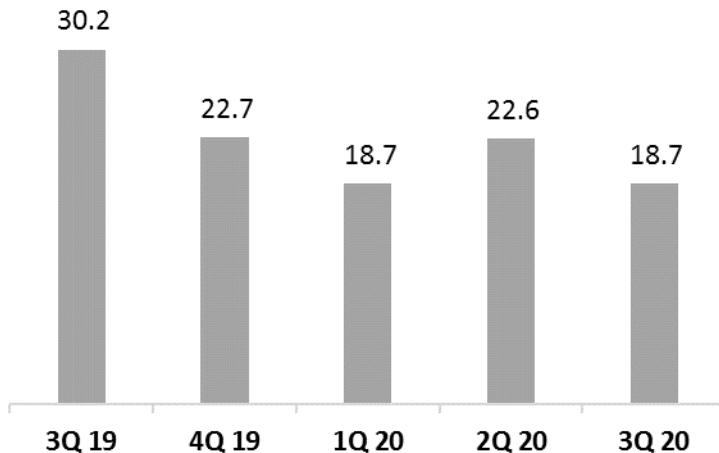
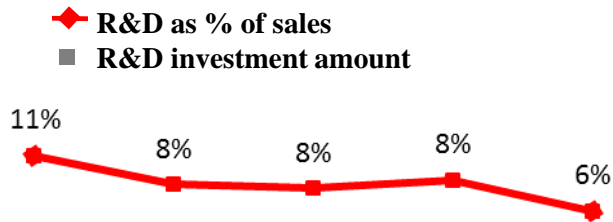


I. 3Q 2020 quarter results _ 2) Investments & expense

- R&D spending gradually lowered to 6% of sale
- SG&A to sales fell dramatically to 12% on cost innovation activities and increased sales

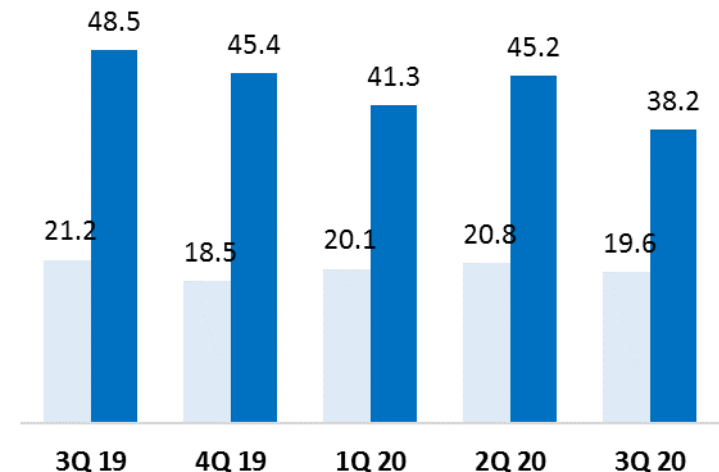
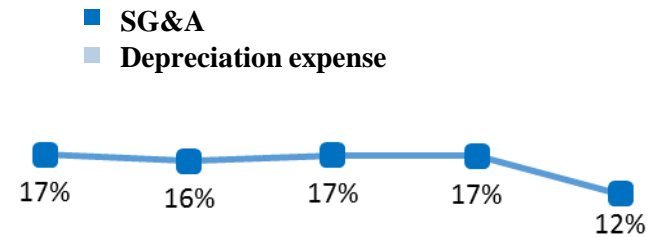
R&D investments

(Bn KrW, %)



Expense

(Bn KrW, %)

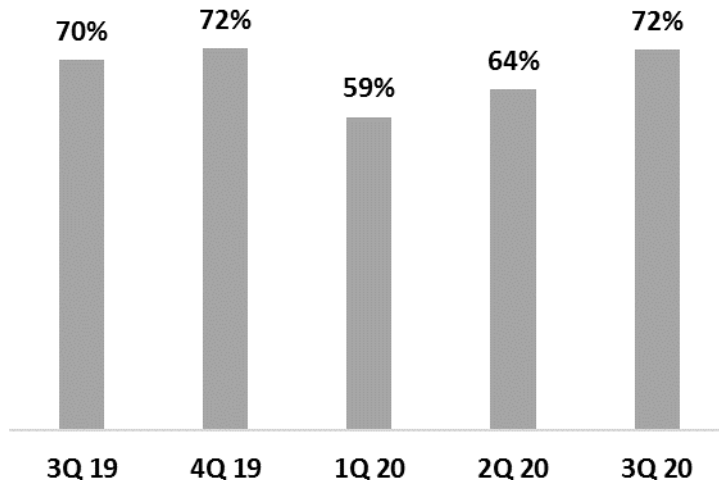


I. 3Q 2020 quarter results _ 3) Production & CapEx

- Increased customer order for our IP guaranteed products and stable supply lead to rise in utilization
- Expenditure spent to meet increased demand from the front industry and for launch of new 2nd generation products

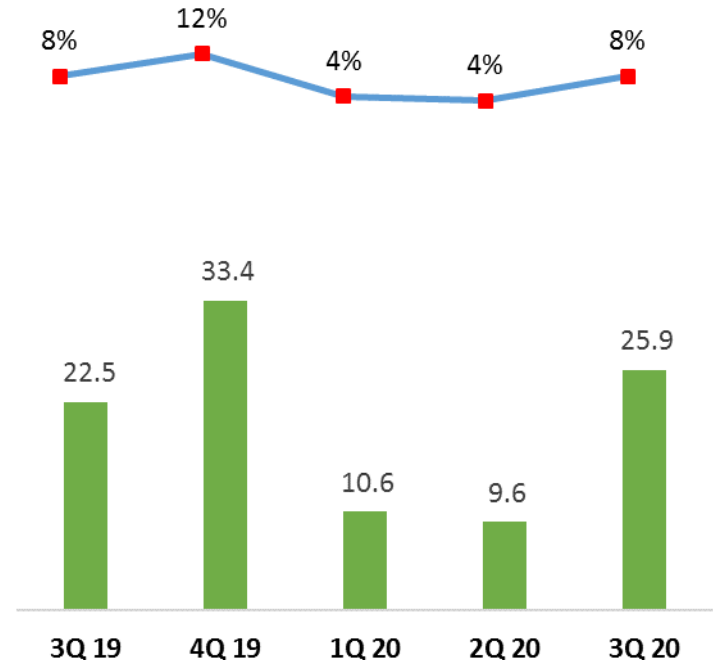
Production (%)

■ Utilization ratio



CapEx (Bn KrW, %)

■ CapEx as % of sales
■ CapEx amount



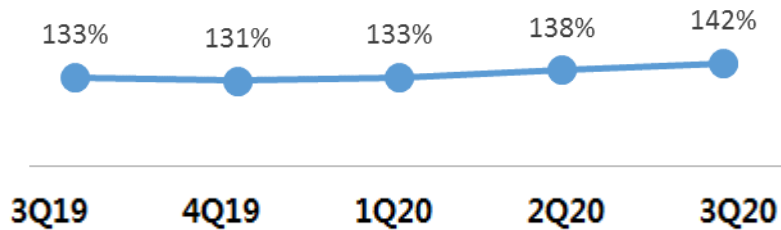
* Based on monthly average capacity & production, and can be different from quarter end figures

* Preliminary figures are updated with actual figures post earnings release

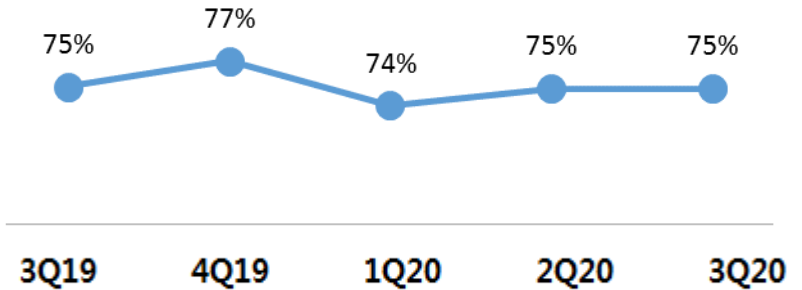
I. 3Q 2020 quarter results _ 4) Balance sheet

- Current ratio improved slightly maintaining over 100% while net debt to equity improved substantially
- Inventory which rose amid COVID19 to secure safety stocks, fell to normal levels as we enter high season

Current ratio

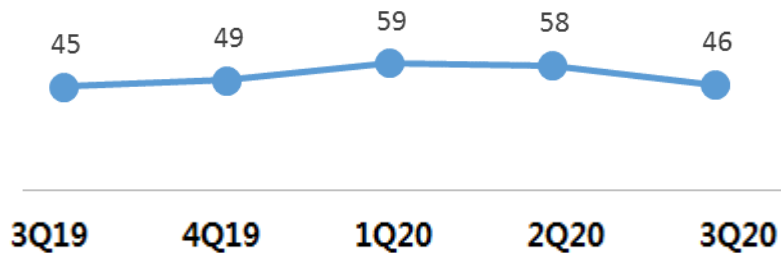


Debt to equity

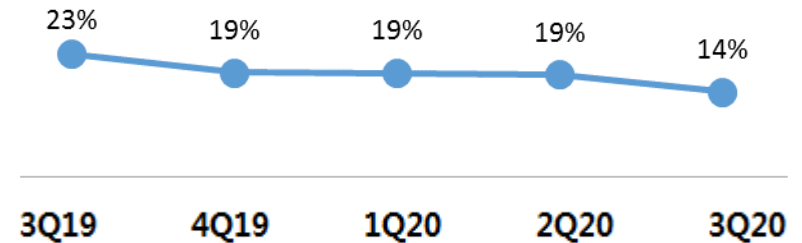


Inventory T/O

Industry average inventory
 Chip makers: 132 days
 Packagers 71 days



Net debt ratio



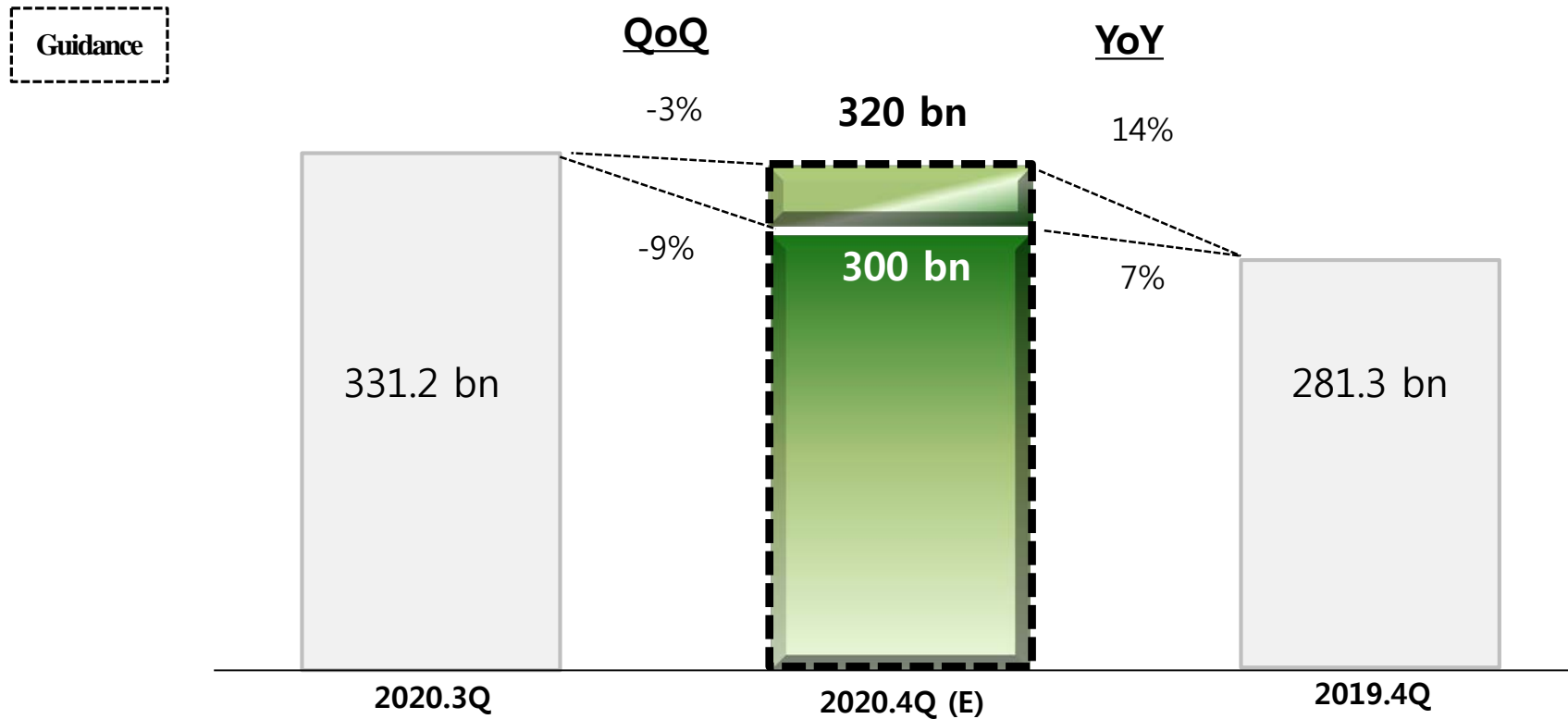
* Industry average: As of 2Q20

II

4Q 2020 guidance

II. 4Q 2020 guidance

- Expect 4Q sales to grow 7 ~ 14% YoY



III

APPENDIX

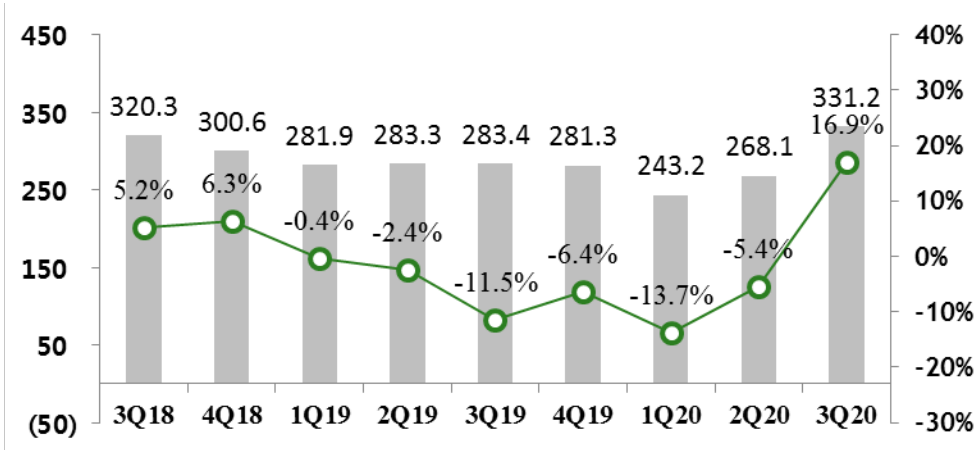
III. Appendix _ 1) Condensed financials

(Bn KrW)	2020.Q3	2020.Q2	2020.Q1	2019.Q4	2019.Q3	2019.Q2	2019.Q1	2018.Q4	2018.Q3	2019	2018	2017	2016	2015
[Income Statement]														
Sales	331.2	268.1	243.2	281.3	283.4	283.3	281.9	300.6	320.3	1,129.9	1,194.2	1,110.4	953.8	1,011.2
COGS	267.7	209.2	195.9	222.0	222.9	214.0	217.3	212.8	230.6	876.2	871.0	826.1	720.1	773.0
COGS (%)	81%	78%	81%	79%	79%	76%	77%	71%	72%	78%	73%	74%	75%	76%
Gross Profit	63.6	58.9	47.3	59.3	60.5	69.3	64.6	87.8	89.7	253.7	323.2	284.3	233.7	238.2
Gross Profit (%)	19.2%	22.0%	19.4%	21.1%	21.3%	24.5%	22.9%	29.2%	28.0%	22.5%	27.1%	25.6%	24.5%	23.6%
SG&A	38.2	45.2	41.3	45.4	48.5	62.6	47.6	55.8	61.6	204.1	228.3	186.1	176.2	192.6
SG&A Ratio	11.5%	16.8%	17.0%	16.1%	17.1%	22.1%	16.9%	18.6%	19.2%	18.1%	19.1%	16.8%	18.5%	19.0%
Operating Profit	25.4	13.7	6.0	13.9	12.0	6.6	17.1	32.0	28.1	49.5	94.9	98.3	57.5	45.6
Operating Profit (%)	7.7%	5.1%	2.5%	4.9%	4.2%	2.3%	6.0%	10.7%	8.8%	4.4%	7.9%	8.8%	6.0%	4.5%
Pre-tax Profit	18.5	13.0	10.1	0.2	19.6	9.0	18.9	21.4	21.1	47.7	78.4	70.5	49.6	37.0
Net Profit	14.6	8.8	6.1	1.5	15.6	6.9	11.8	24.2	13.7	35.8	62.6	46.4	37.5	26.8
[Balance Sheet]														
Total Assets	1,421.5	1,365.6	1,325.0	1,322.1	1,311.4	1,305.2	1,271.1	1,293.8	1,349.9	1,322.1	1,293.8	1,227.3	1,090.6	1,136.0
Current Assets	712.2	653.2	610.1	619.1	592.2	598.4	573.3	601.6	649.4	619.1	601.6	575.5	503.7	500.3
Cash and Equivalents	96.3	70.1	64.6	72.4	43.1	40.1	32.2	36.8	33.2	72.4	36.8	77.7	61.2	105.4
Inventory	161.8	179.0	164.7	154.3	150.3	133.4	132.2	155.2	143.4	154.3	155.2	137.5	108.5	107.0
Non-current Assets	709.2	712.3	714.9	703.0	719.2	706.8	697.8	692.2	700.5	703.0	692.2	651.9	586.9	635.8
Total Liabilities	609.3	585.4	561.8	576.4	562.8	573.9	547.2	568.5	647.7	576.4	568.5	551.4	438.7	511.0
Current Liabilities	501.2	474.6	458.9	472.8	445.2	435.1	408.8	412.7	553.2	472.8	412.7	435.5	396.2	405.8
Non-Current Liabilities	108.1	110.7	102.9	103.6	117.6	138.8	138.4	155.8	94.5	103.6	155.8	116.0	42.5	105.3
Total Equity	812.1	780.2	763.2	745.7	748.6	731.3	724.0	725.3	702.1	745.7	725.3	675.9	651.9	625.0

III. Appendix _ 2) Quarterly financial ratios

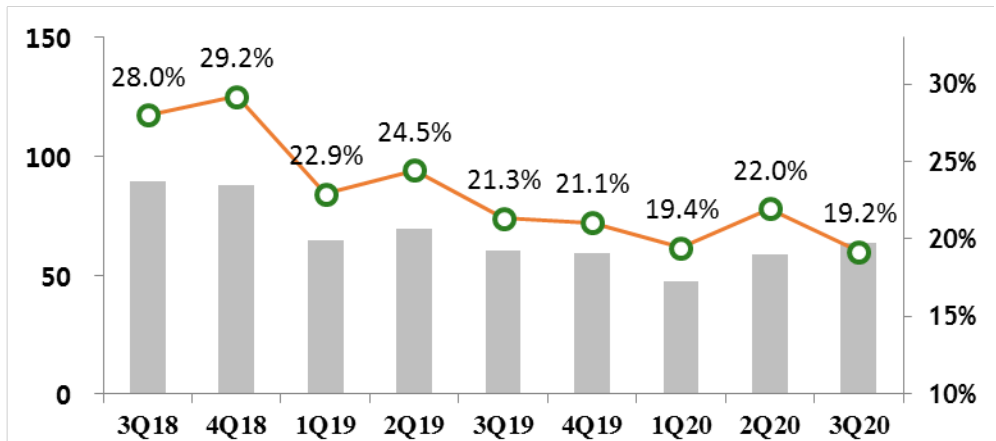
Sales & YoY change

(Krw bn)



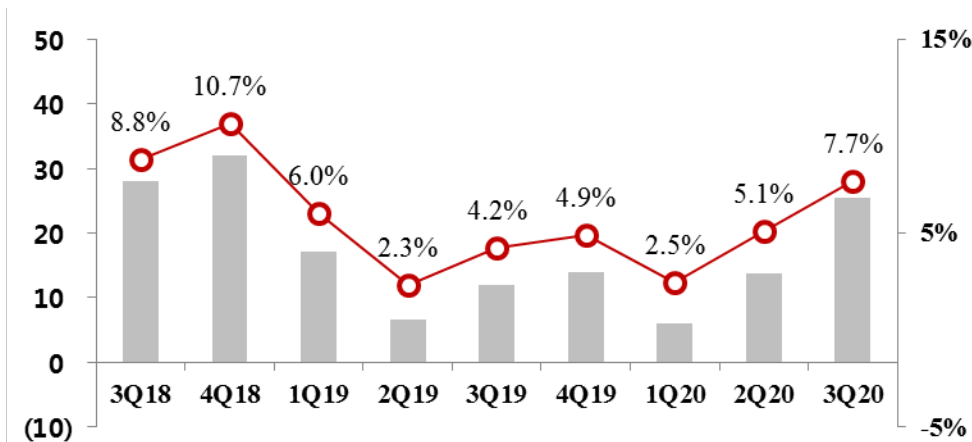
Gross profit

(Krw bn)



Operating profit

(Krw bn)



Net profit

(Krw bn)

