



SEOUL SEMICONDUCTOR

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

EARNINGS RELEASE

4Q 2020

Feb 8, 2021

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

Disclaimer

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Table of Contents

- I. Financial performance
- II. Industry status and outlook
- III. 2021 momentums
- IV. Appendix



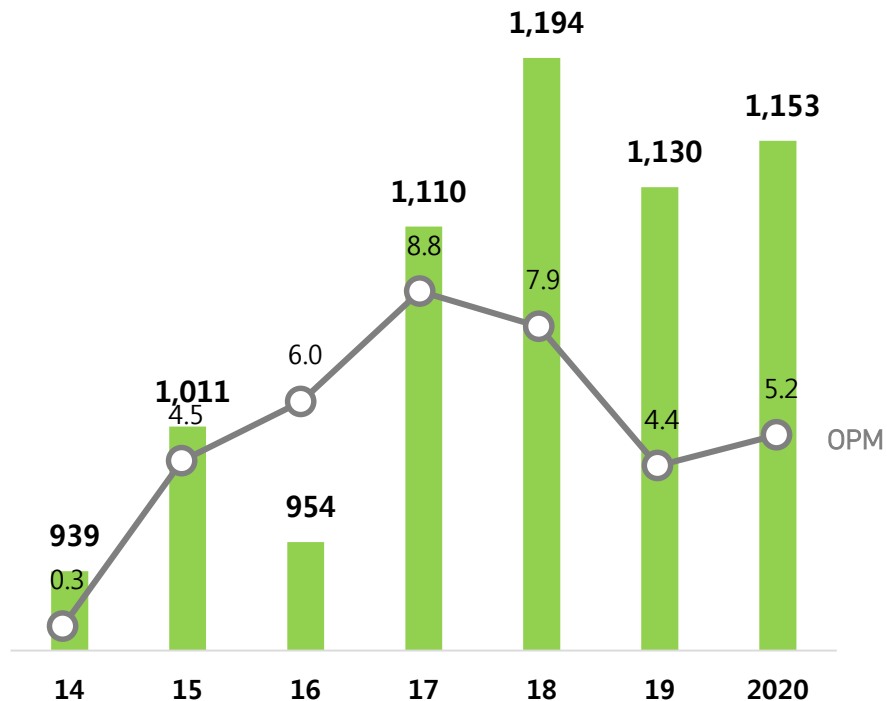
Financial performance

I. Financial performance _ 1) Sales & earnings

Company that turns crisis into opportunity
Sales and profit grew thanks to our world's first 2nd generation LED technologies

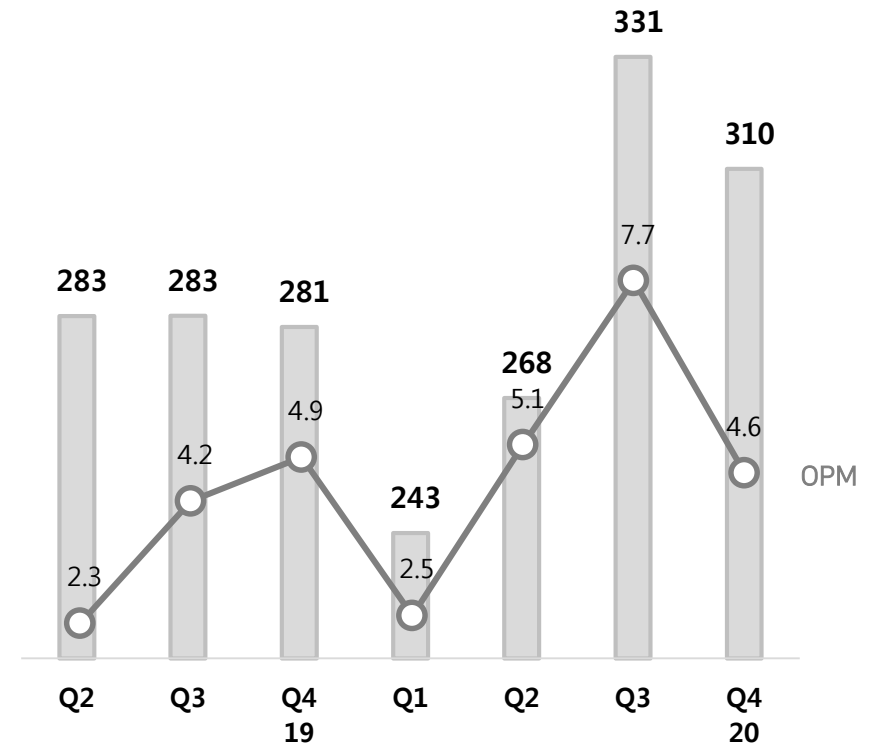
Sales & earnings trend (Annual)

(Units: Bn KRW)



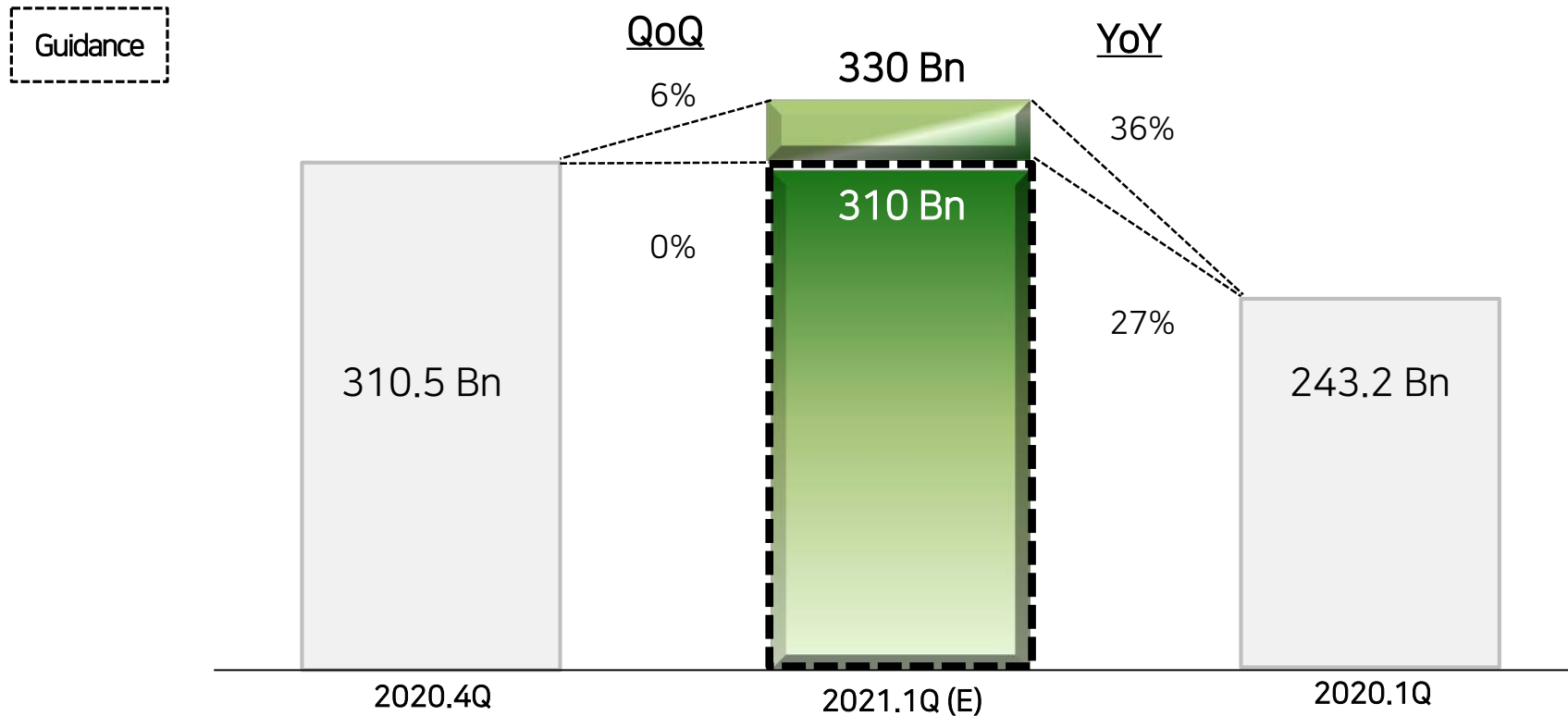
Sales & earnings trend (Quarter)

(Units: Bn KRW)



I. Financial performance _ 2) 1Q 2021 sales guidance

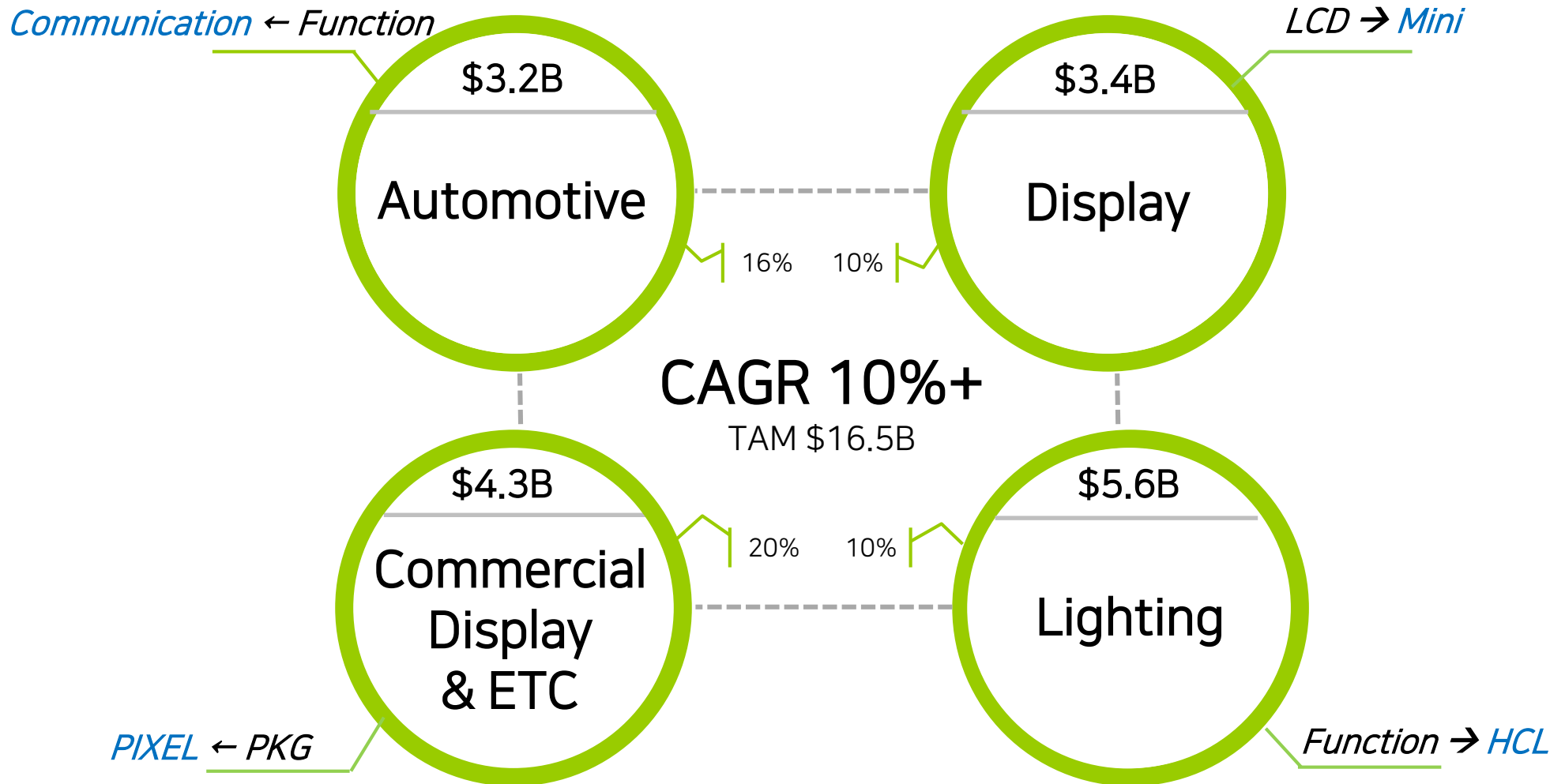
We expect 1Q 2021 sales to grow 27% ~ 36% YoY which exceeds record KRW 283 bn recorded during past 10 years





Industry status & outlook

II. Industry status & outlook _ 1) World's No.1 technology & outlook by segment



Note 1) CAGR is market estimate for segments SSC is targeting

2) -> arrow shows development of trends

3) SU2020, Yole2020, SSC estimate

* HCL : Human Centric Lighting

II. Industry status & outlook _ 2) By application

Communication ← Function

LCD → Mini

Our Position	Present / Future	Trend	Before
New Opp. - Wicop	ADB	Exterior lighting	Function
New sales - Vcsl	Sensing	Self driving	Limitation W. IR
New sales - Micro Clean Pixel	Pedestrian alert	Exterior comm.	None
New sales - Violeds	Sterilize Air/surface	Clean	None

New sales - Micro Clean Display	4K 90" ~ 180" FHD 45" ~ 180"	Not available for under 180"	PKG (1010)
	Mid to large	Limitation under bright lights	None

\$3.2B
Automotive

\$3.4B
Display

TAM
\$ 16.5B

\$4.3B
Commercial Display & ETC

\$5.6B
Lighting

Before	Trend	Present / Future	Our Position
LCD	50" & above high resolution	Mini	Sales 3~5X - Wicop
None	Above 90" large solution	Not possible with LCD/OLED	New sales - Micro Clean Pixel

Function	New Opp. in high power	Mgmt. issues with L, O, C	Lead sales - Wicop
	Spectrum similar to the sun	Tech. limitation of 12 color, CRI 90	New sales - Sunlike

PIXEL ← RGB PKG

Function → HCL, High power

Note 1) CAGR is market estimate for segments SSC is targeting
 2) -> arrow shows development of trends
 3) SU2020, Yole2020, SSC estimate

* HCL : Human Centric Lighting



2021 momentums

III. 2021 momentums _ 1) '21 momentums & differentiation technology

We will rise again with world's first 2nd generation LED technologies

	Application area	'21 momentum	Differentiated technology
Auto	<ul style="list-style-type: none"> Fueled + EV autonomous driving 	New Lidar, demand for Clean, outdoor display	VCSEL, Wicop, Violeds, Micro Clean Pixel
Display	<ul style="list-style-type: none"> Compete W. OLED & high res LCD display 	3~5X larger than current BLU Mkt. Start production of MINI	WICOP enhanced tech
	<ul style="list-style-type: none"> Signage & below 200" commercial display 	Provide new solution for Commercial Display market	MICRO Clean Pixel
Lighting	<ul style="list-style-type: none"> Study better, Eye better, Immunity better 	Light that improves children's myopia, study better, & improve immunity	Sunlike

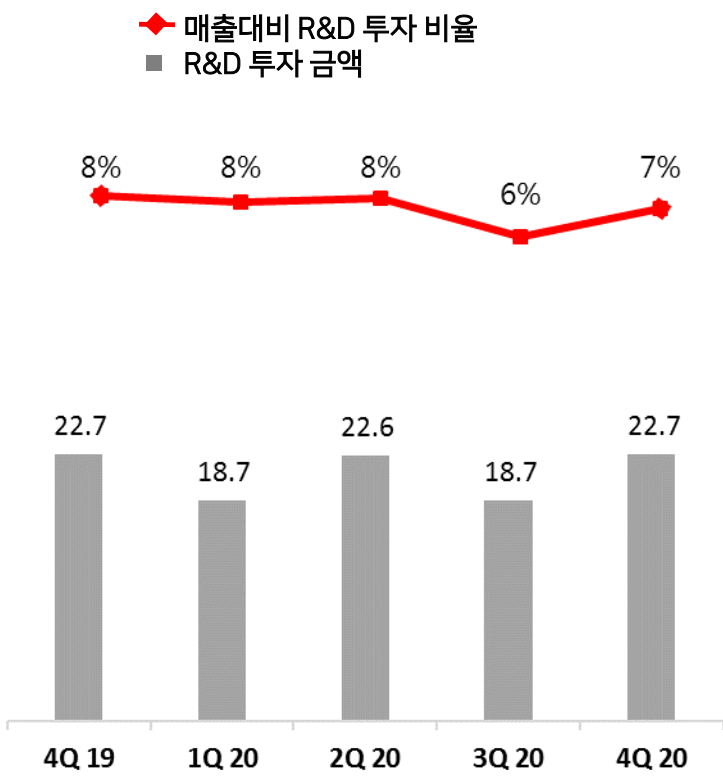
IV

APPENDIX

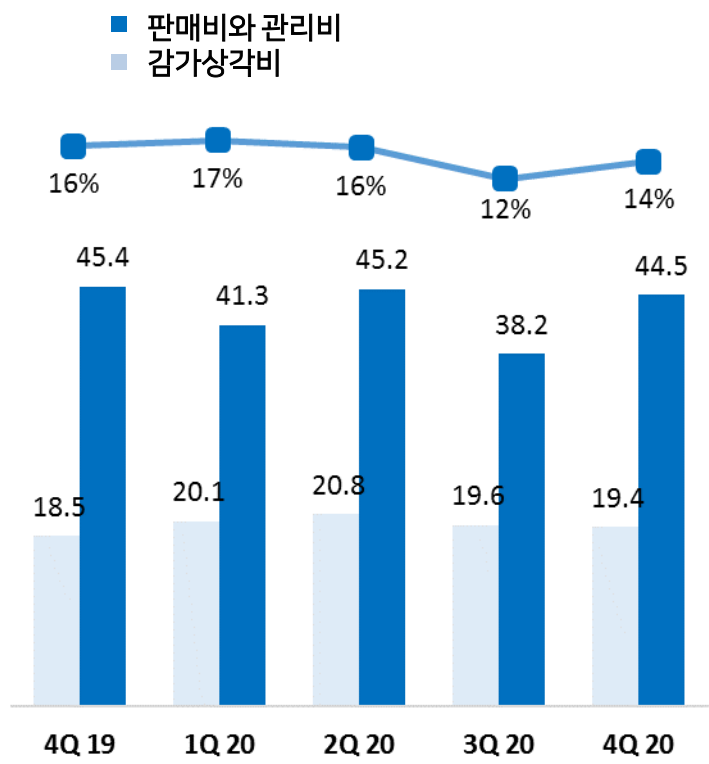
IV. Appendix _ 1) R&D and expenses

- R&D investments incrementally nearing mid to high single digit
- SG&A maintaining low to mid teens range on continued cost innovation and rise of sales

R&D 투자 단위: 십억원, %



비용 단위: 십억원, %

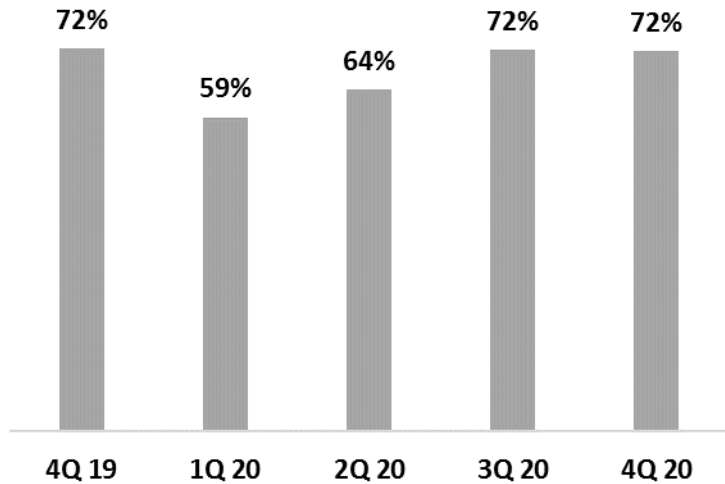


IV. Appendix _ 2) Production & CapEx

- Increased customer order for IP guaranteed products & stable supply lead to rise in utilization
- CAPEX designed to meet increased demand from the front industry and for 2nd Gen products

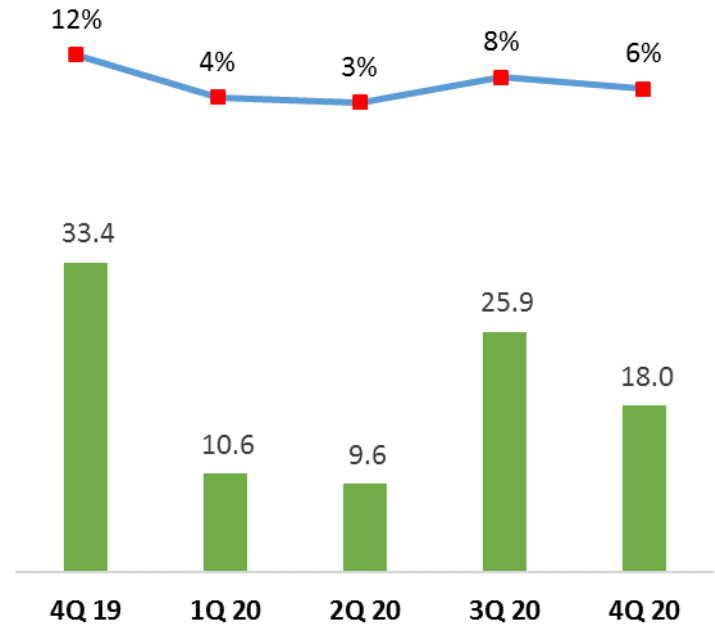
Production (%)

■ Utilization ratio



CapEx (Bn KrW, %)

■ CapEx as % of sales
■ CapEx amount



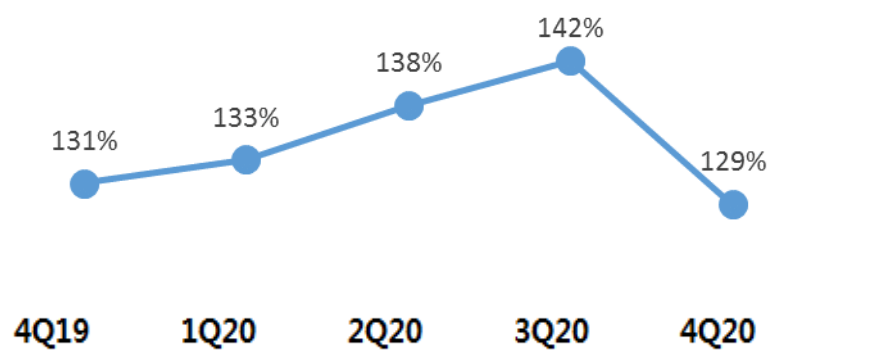
* Based on monthly average capacity & production, and can be different from quarter end figures

* Preliminary figures are updated with actual figures post earnings release

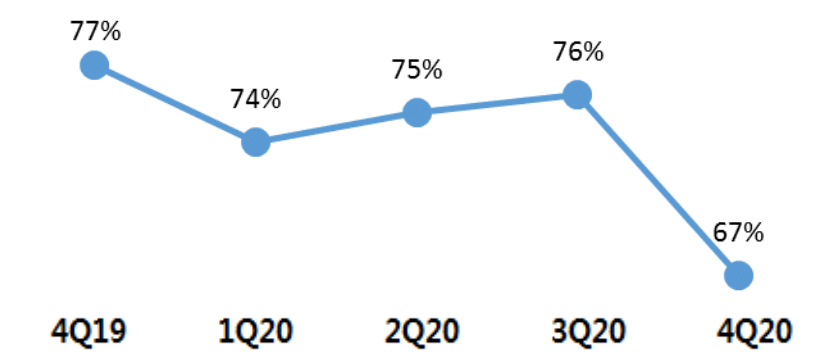
IV. Appendix _ 3) Balance sheet

- Current ratio maintained over 100% while net debt at healthy level in the mid teens
- Inventory which rose briefly to secure safety stocks due to COVID-19, are back to normal levels

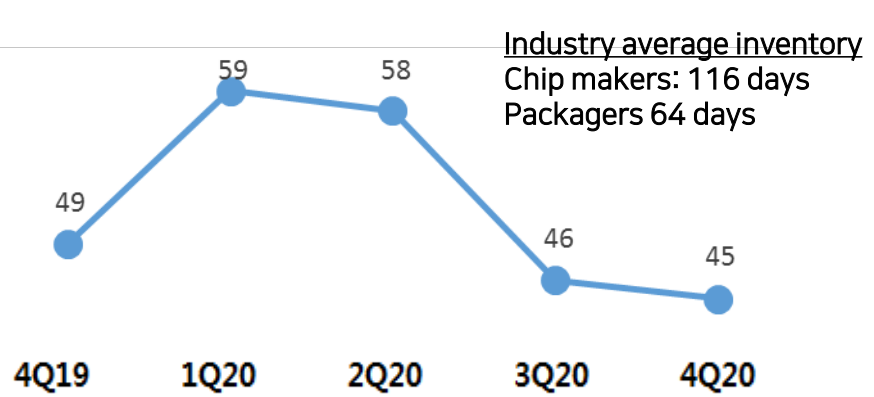
Current ratio



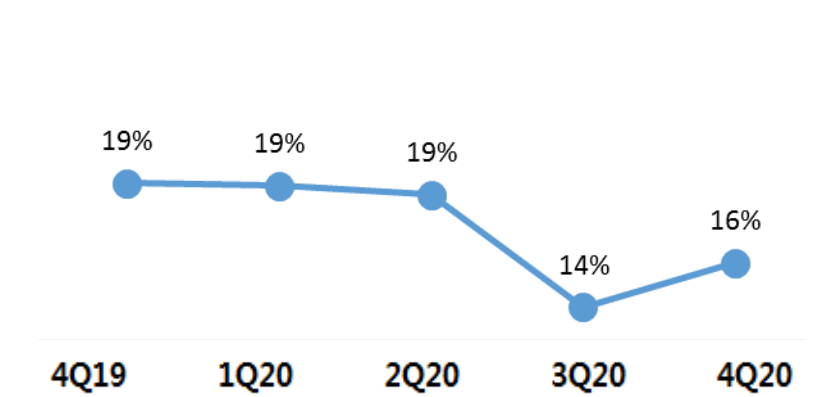
Debt to equity



Inventory T/O



Net debt ratio



* Industry average: As of 3Q20 and ration against sales

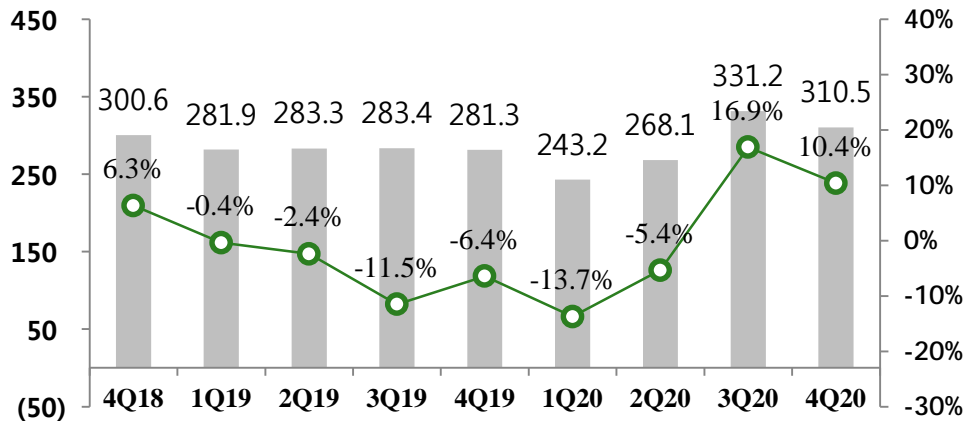
IV. Appendix _ 4) Condensed financials

(Bn KrW)	2020.Q4	2020.Q3	2020.Q2	2020.Q1	2019.Q4	2019.Q3	2019.Q2	2019.Q1	2020	2019	2018	2017	2016	2015	2014
[Income Statement]															
Sales	310.5	331.2	268.1	243.2	281.3	283.4	283.3	281.9	1,153.1	1,129.9	1,194.2	1,110.4	953.8	1,011.2	939.3
COGS	251.6	267.7	209.2	195.9	222.0	222.9	214.0	217.3	924.4	876.2	871.0	826.1	720.1	773.0	749.6
COGS (%)	81%	81%	78%	81%	79%	79%	76%	77%	80%	78%	73%	74%	75%	76%	80%
Gross Profit	58.9	63.6	58.9	47.3	59.3	60.5	69.3	64.6	228.6	253.7	323.2	284.3	233.7	238.2	189.7
Gross Profit (%)	19.0%	19.2%	22.0%	19.4%	21.1%	21.3%	24.5%	22.9%	19.8%	22.5%	27.1%	25.6%	24.5%	23.6%	20%
SG&A	44.5	38.2	45.2	41.3	45.4	48.5	62.6	47.6	169.1	204.1	228.3	186.1	176.2	192.6	187.1
SG&A Ratio	14.3%	11.5%	16.8%	17.0%	16.1%	17.1%	22.1%	16.9%	14.7%	18.1%	19.1%	16.8%	18.5%	19.0%	19.9%
Operating Profit	14.4	25.4	13.7	6.0	13.9	12.0	6.6	17.1	59.5	49.5	94.9	98.3	57.5	45.6	2.6
Operating Profit (%)	4.6%	7.7%	5.1%	2.5%	4.9%	4.2%	2.3%	6.0%	5.2%	4.4%	7.9%	8.8%	6.0%	4.5%	0%
Pre-tax Profit	12.4	18.5	13.0	10.1	0.2	19.6	9.0	18.9	35.6	47.7	78.4	70.5	49.6	37.0	- 13.2
Net Profit	14.0	14.6	8.8	6.1	1.5	15.6	6.9	11.8	28.9	35.8	62.6	46.4	37.5	26.8	0.7
[Balance Sheet]															
Total Assets	1,320.4	1,428.5	1,365.6	1,325.0	1,322.1	1,311.4	1,305.2	1,271.1	1,325.0	1,322.1	1,293.8	1,227.3	1,090.6	1,136.0	1,180.3
Current Assets	638.7	719.2	653.2	610.1	619.1	592.2	598.4	573.3	610.1	619.1	601.6	575.5	503.7	500.3	503.9
Cash and Equivalents	80.2	96.3	70.1	64.6	72.4	43.1	40.1	32.2	64.6	72.4	36.8	77.7	61.2	105.4	105.8
Inventory	150.0	161.8	179.0	164.7	154.3	150.3	133.4	132.2	164.7	154.3	155.2	137.5	108.5	107.0	127.8
Non-current Assets	681.7	709.2	712.3	714.9	703.0	719.2	706.8	697.8	714.9	703.0	692.2	651.9	586.9	635.8	676.4
Total Liabilities	529.7	616.3	585.4	561.8	576.4	562.8	573.9	547.2	561.8	576.4	568.5	551.4	438.7	511.0	570.6
Current Liabilities	493.9	508.3	474.6	458.9	472.8	445.2	435.1	408.8	458.9	472.8	412.7	435.5	396.2	405.8	463.0
Non-Current Liabilities	35.9	108.1	110.7	102.9	103.6	117.6	138.8	138.4	102.9	103.6	155.8	116.0	42.5	105.3	107.6
Total Equity	790.6	812.1	780.2	763.2	745.7	748.6	731.3	724.0	763.2	745.7	725.3	675.9	651.9	625.0	609.7

IV. Appendix _ 5) Quarterly financial ratios

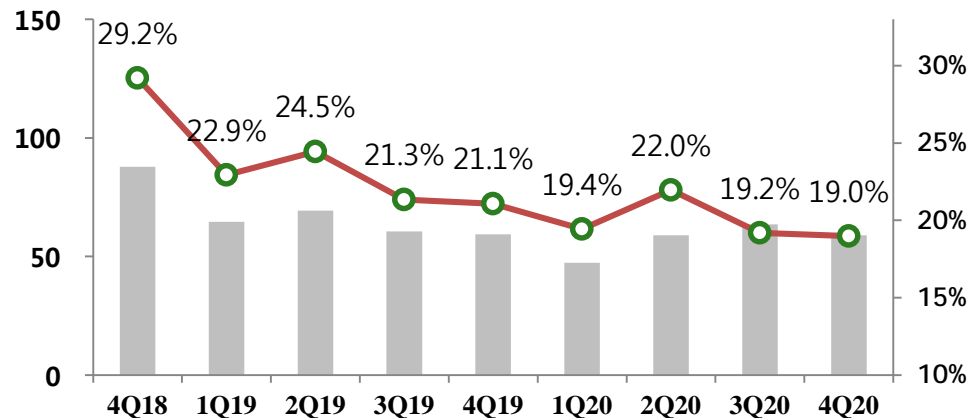
Sales & YoY change

Unit: KRW Bn, YoY%



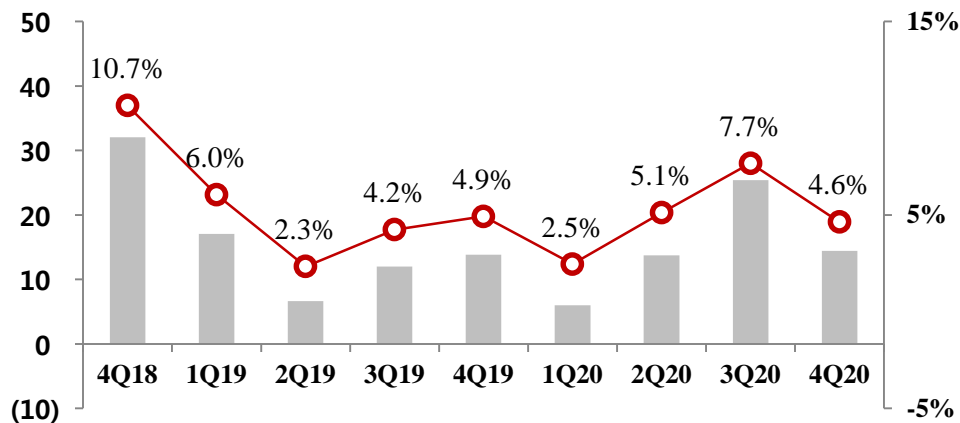
Gross profit

Unit: KRW Bn, %



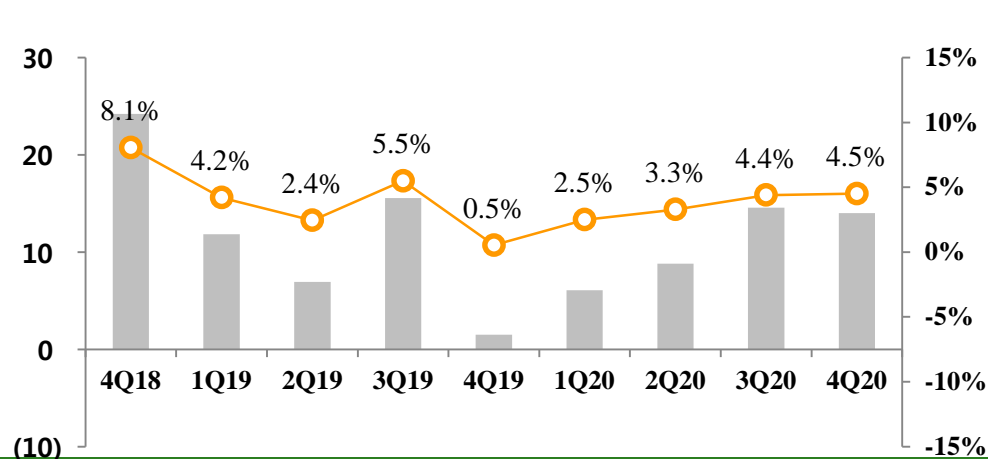
Operating profit

Unit: KRW Bn, %



Net profit

Unit: KRW Bn, %



IV. Appendix _ 6) 2nd generation LED technology

Seoul Semiconductor Obtains Again Permanent Injunctions and an Order for Recall against LED Lighting Products of Philips Brand Lighting Affiliate

The 2 nd Generation LED Technologies		
The 2 nd Generation Technologies	The World's 1 st Technologies of Seoul Semiconductor	Judgment
1 Virus Disinfection	<i>violeds</i> → Disinfect virus and bacteria	Permanent Injunction
2 Lighting That Perfectly Mimics Natural Sunlight	<i>SunLike</i> → Light source for healthy circadian rhythm to match 24-hour body cycles	-
3 Package-Free	<i>Wicop</i> → Light, thin, short and small / Core technology of Mini and Micro LED	Permanent Injunction
4 Classic Design Bulb	<i>Filament</i> → Filament LED with similar design to conventional incandescent bulbs	Permanent Injunction
5 More Than High-Voltage 6V	<i>AcrichMJT</i> → Easily connectable to 220V for home use with less number of LED	Permanent Injunction
6 High Voltage Driver	<i>Acrich Driver</i> → Connectable to 220V for home use and 20% cost reduction	Permanent Injunction
7 Color Rendering of More Than CRI-90	<i>UCD Phosphor</i> → White LED light source with color rendering close to sunlight	Permanent Injunction
8 Long Lifetime	<i>Over 10K hour</i> → Use 5 years available for 5 hours a day (Up to 10 times longer lifespan than incandescent bulbs)	Permanent Injunction
9 Less Electric Consumption	<i>Over 150 lm/W</i> → Electricity cost less than one-tenth compared to conventional incandescent bulbs and one-third of fluorescent lamps	Permanent Injunction

BUSINESS NEWS

THE WALL STREET JOURNAL.

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