

# 2021 3Q Financial Results

## EARNINGS RELEASE

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2021/ 3Q

2021 Nov 3rd

Pls download our IR materials from the below page.

- 1) IR Book : (<http://www.seoulviosys.com/kr/ir/data/>)
- 2) Financial Statement : (<http://dart.fss.or.kr>) search code (092190)

# Disclaimer

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# 2021 3Q Financial Results

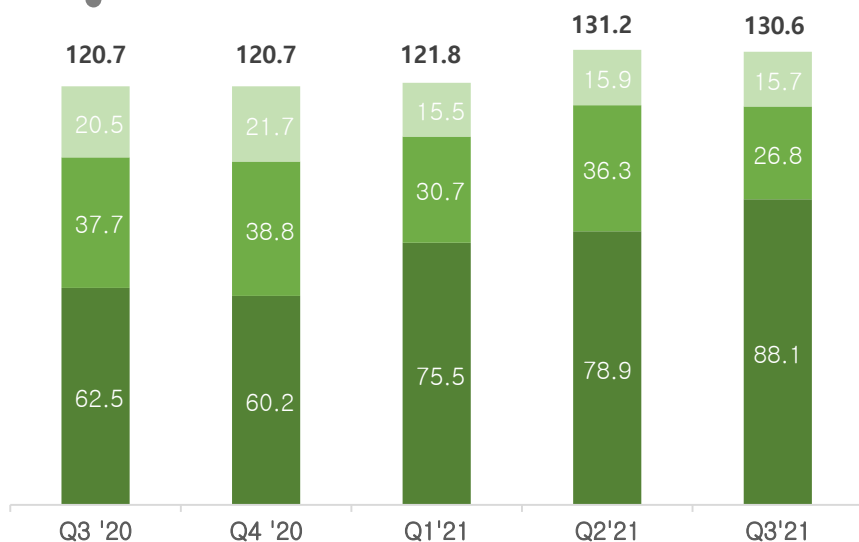
# I. 2021 3Q Earnings \_ 1) Sales and OPM

**Sales increased +8.2% YoY**  
**UV: Expanding M/S to strengthen dominant presence**

**Sales** Unit: Bn KRW, %

- UV
- WICOP
- Others

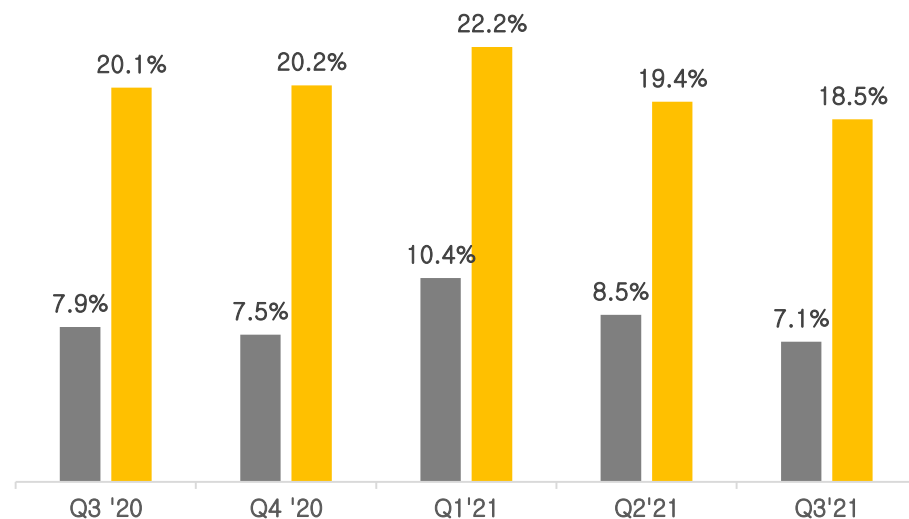
YoY +8.2%



**Profit** Unit: %

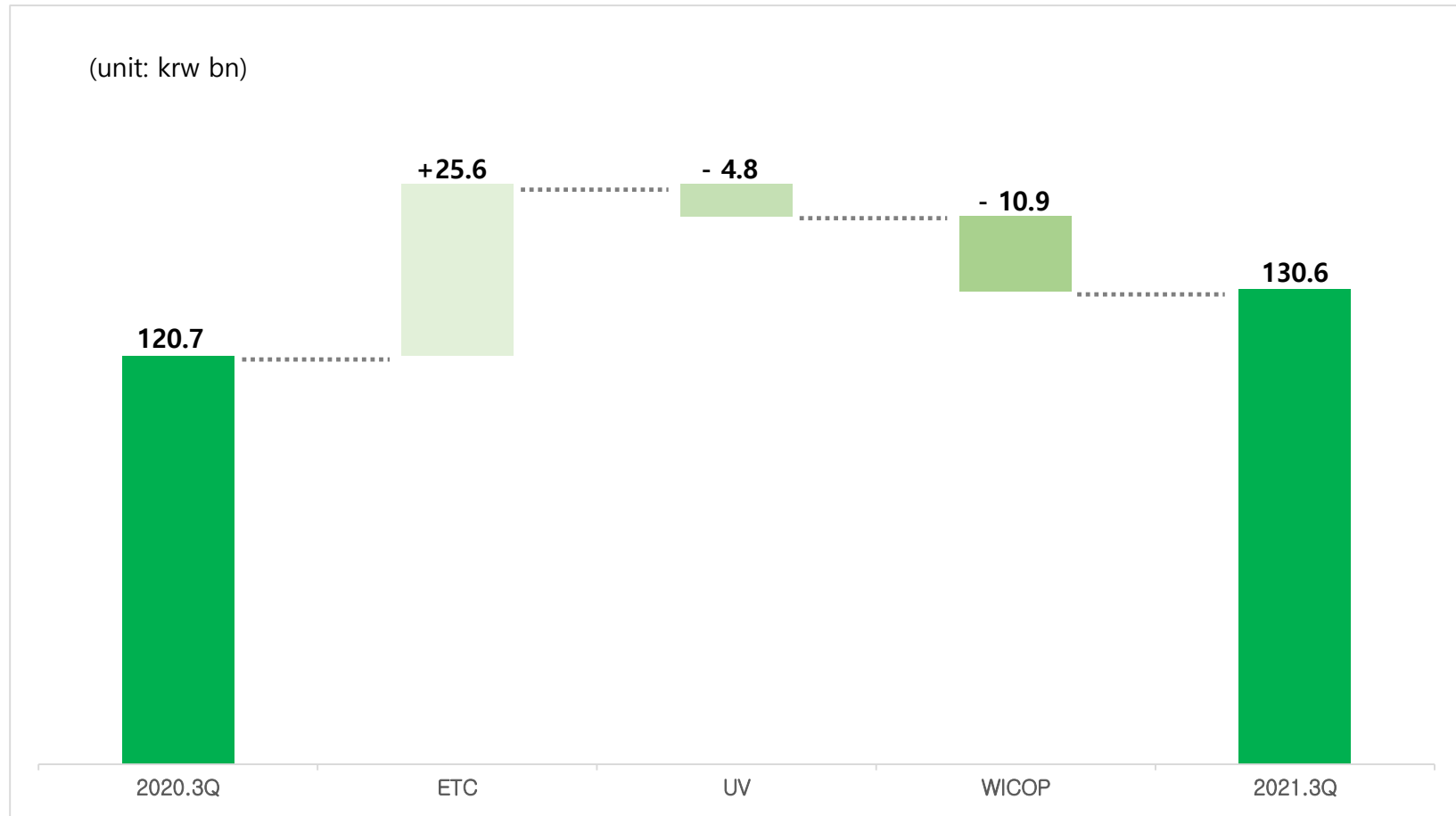
- OPM
- EBITDA margin

YoY -0.8ppt



# I. 2021 3Q Earnings \_ 2) Product Mix

**ETC which includes Mini and Micro LED leads growth**



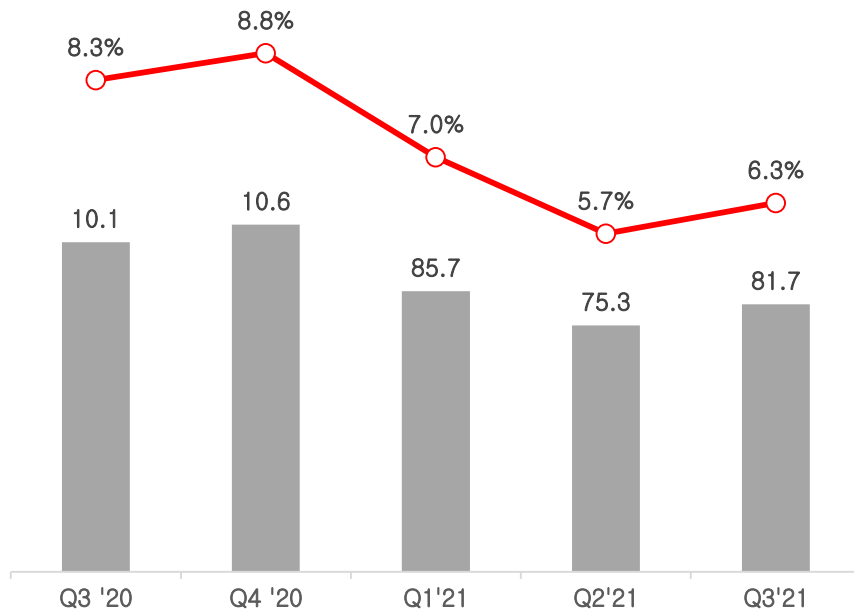
# I. 2021 3Q Earnings \_ 3) R&D investment & Expense

## Maintained R&D investment and SG&A levels

### R&D investments

unit: krw bn, %

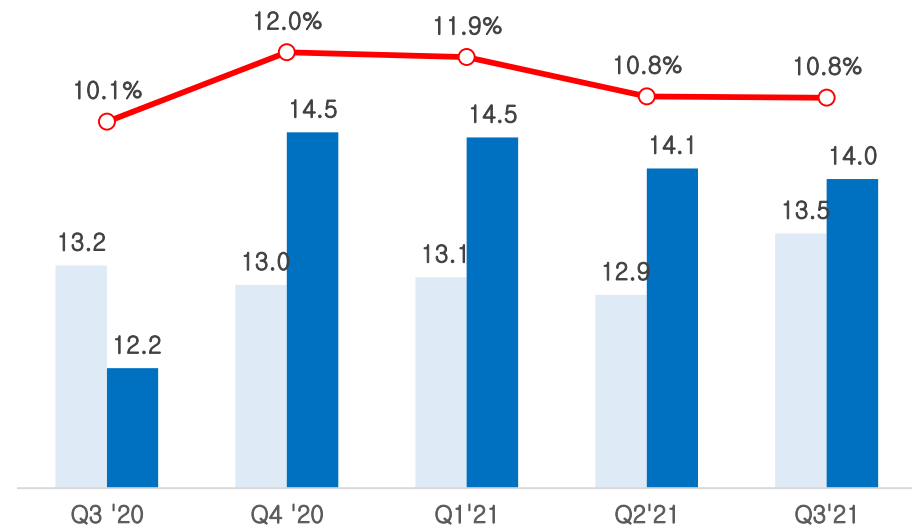
- % of R&D Investments to Sales
- R&D Investments



### Expense

unit: krw bn, %

- SG&A
- Depreciation
- % of SG&A to Sales



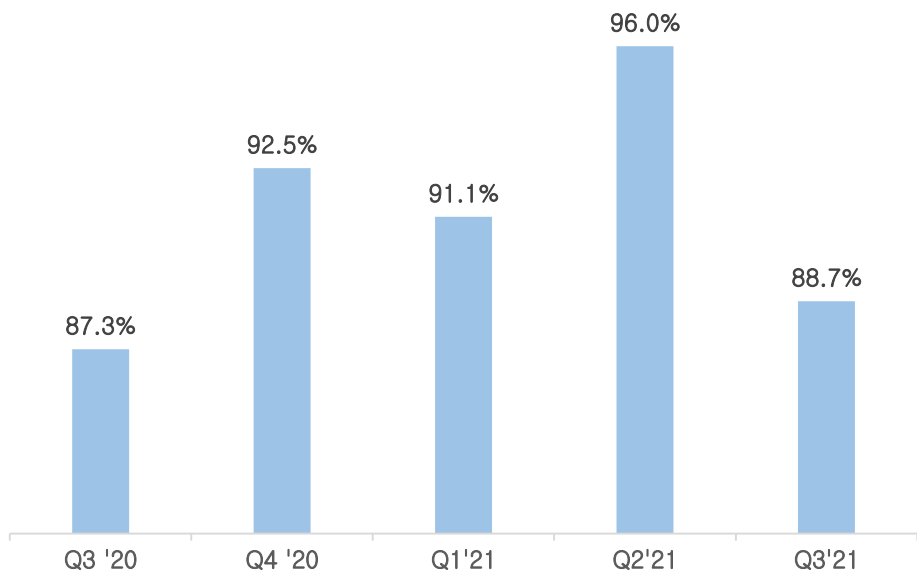
# I. 2021 3Q Earnings \_ 4) Utilization and CAPEX

**CAPEX increased to cope with future demand of 2<sup>nd</sup> generation LED products**

## Utilization Rate

unit: %

■ utilization rate

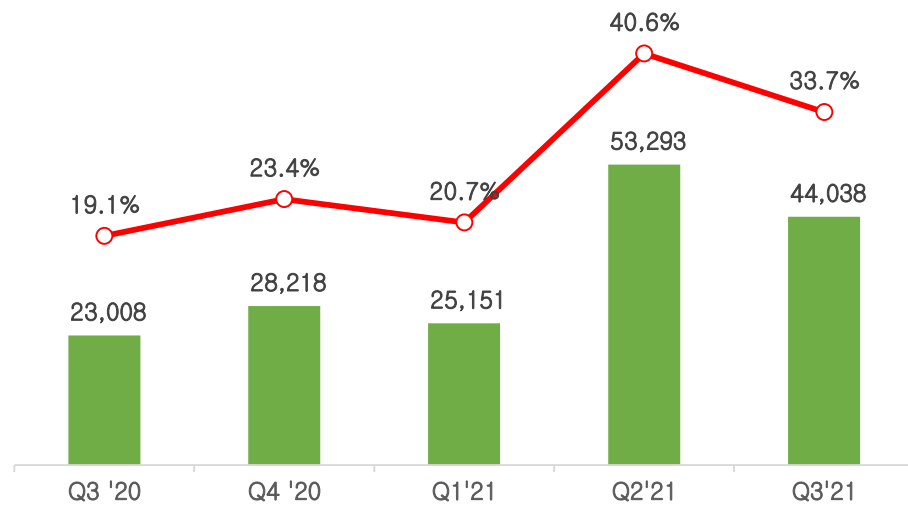


*Note) The above production performance index is the average value for the quarter, which is somewhat different from the end of the quarter.*

## CAPEX

unit: million KRW, %

○ % CapEx to CAPEX  
■ CAPEX



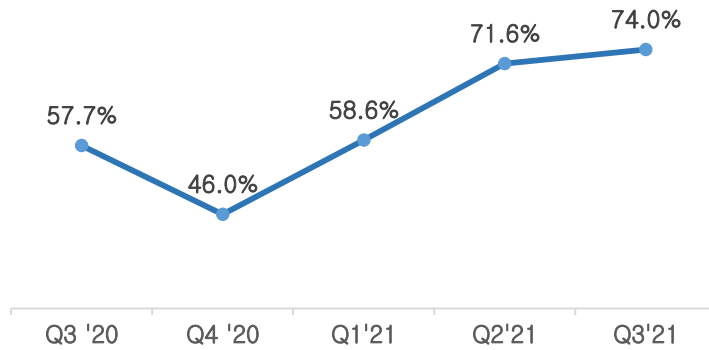
*Note) The information contained in this IR report is the result of internal settlement and is subject to change according to outside auditor's review.*



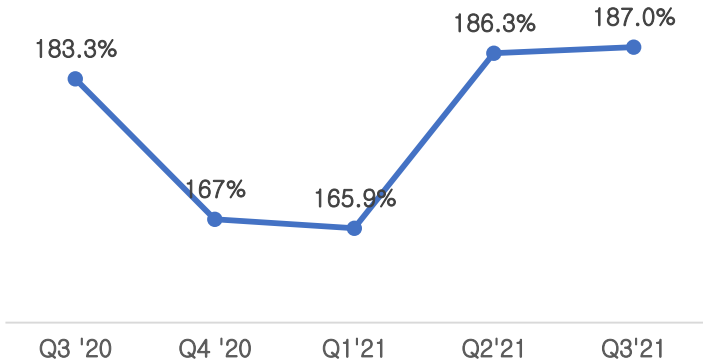
# I. 2021 3Q Earnings \_ 5) Financial Ratios

**Current Ratio continues to improve**  
**Still maintaining lower Inventory Level than Industry Average**

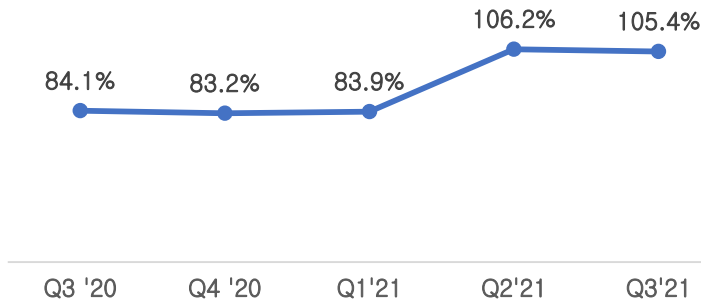
### Current Ratio %



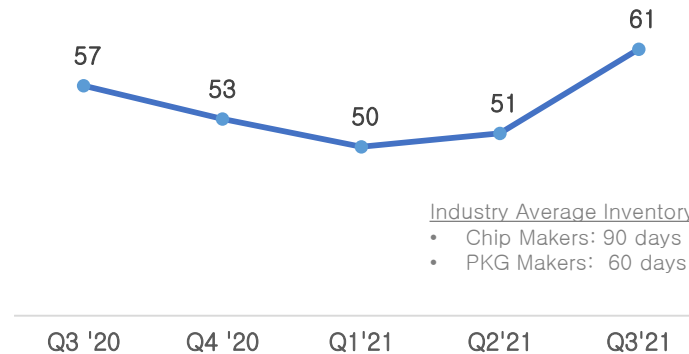
### Debt to Equity %



### Net Debt Ratio %



### Inventory T/O (days)



*Note) The information contained in this IR report is the result of internal settlement and is subject to change according to outside auditor's review.*



# 2021 4Q Guidance

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### III. 2021 4Q Guidance \_ 1) Key Future Growth Momentum

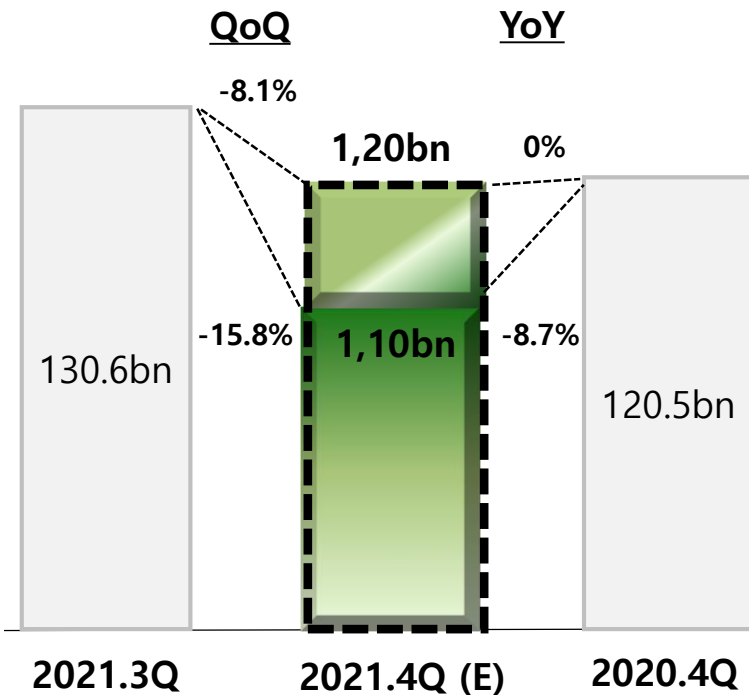
## 2<sup>nd</sup> Generation LED products to spark triggering point of LED industry

Application	Key Theme	Technology
<ul style="list-style-type: none"><li>UV</li></ul>	<ul style="list-style-type: none"><li>Virus /Air and Surface Disinfection To continue M/S expansion</li><li>3D printing curing (280nm~405nm)</li></ul>	Violeds
<ul style="list-style-type: none"><li>Micro LED</li></ul>	<ul style="list-style-type: none"><li>Next Key Patented Technology to replace LCD &amp; OLED</li><li>Reduces cost to 1/3 + high color uniformity</li></ul>	Micro Clean Pixel
<ul style="list-style-type: none"><li>Chip</li></ul>	<ul style="list-style-type: none"><li>Package-less LED chip revolution</li><li>Only company that covers 200nm ~ 1400nm spectrum of lights (UV to LD)</li><li>High Level Laser Technology for 5G tele-communication</li></ul>	WICOP

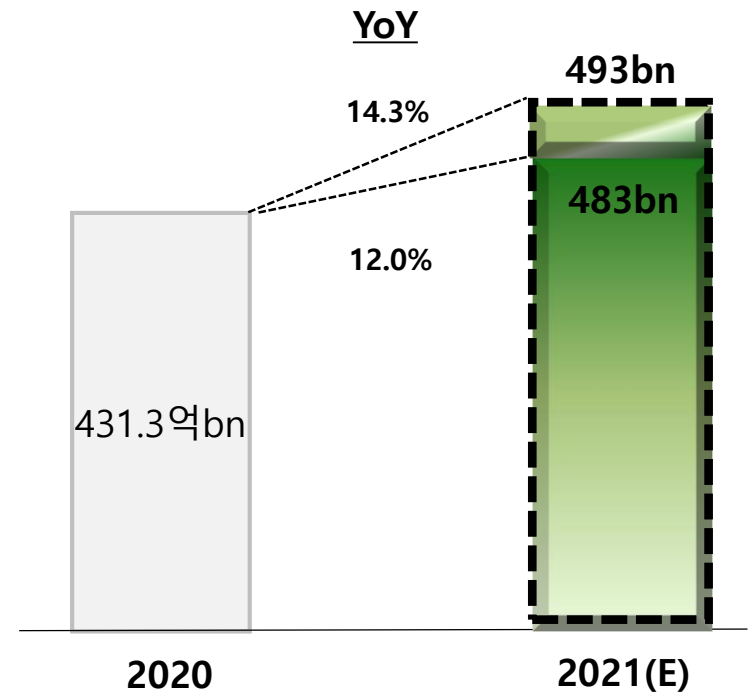
## II. 2021 4Q Guidance \_ 2) Guidance

2021 Sales expected to grow 12%~14.3% vs. 2020  
 Expect high growth next year once global tech parts supply issue is solve

4Q Guidance



2021 Sales est.





# APPENDIX

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- 1) WICOP related patent Injunction against 13 brands
- 2) Condensed Financial Statement

# III. Appendix\_ 1) WICOP related patent Injunction against 13 brands

## Global 102 Car Models Use WICOP “Permanent Injunction against 13 Brands”

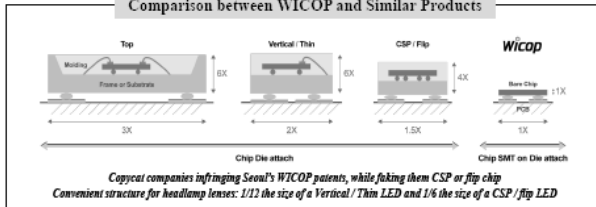
15 enjoined components that are used in 100 models and 7 million sales of global automobile products  
Second permanent injunction issued for infringement of WICOP patents: prior injunction was against a Philips brand TV product

ANSAN, South Korea – Seoul Semiconductor Co., Ltd. (“Seoul”), a leading global innovator of LED products and technology, announced that the New Jersey District Court issued a consent judgment and permanent injunction for infringement of twelve Seoul patents against 13 automotive lighting brand LED products being sold through automotive parts’ distribution channels. WICOP is a revolutionary technology that enables a package-less semiconductor. In 2015, WICOP was launched to the world when Seoul’s CEO, Chang Hoon Lee, invited global reporters to Shanghai to launch the new WICOP products.

### Seoul Semiconductor’s WICOP Technology Projects

On-going Project	Confirmed Project	Customers	Car Models
182	63	32	102

### Comparison between WICOP and Similar Products



WICOP technology has been used in 102 car models and approximately 10% of global automotive lighting products, such as headlamps and running lights. Seoul is leading the development of various 2nd LED technology. As the right-table shows, this injunction judgment follows Seoul’s victories in all 32 patent lawsuits filed in 7 countries or the past 3 years – including permanent injunctions and a recall order of infringing products.

“Intellectual property provides hope for young entrepreneurs and small businesses. But, it is very disappointing that even global, established companies knowingly uses products that infringe others’ patents,” says Seoul’s founder, Chang Hoon Lee. “Intellectual property is an incredible tool that allows people to break through class barriers, enabling small businesses and young entrepreneurs to compete with anyone.”

Since our industrial revolution, the infant mortality rate has declined from 43% to 3%, while access to electricity has increased to reach 83% of total world population and the illiteracy rate has also reduced significantly. So Intellectual property enable to make life more transparent and safer,” added Lee.

Financial Times

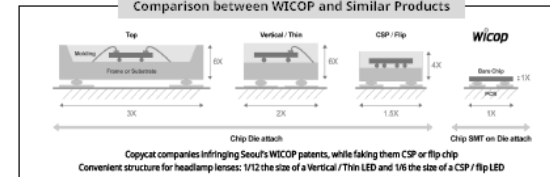
## 20% of Global TV Display Uses WICOP “Permanent Injunction against 13 Brands”

ANSAN, South Korea – Seoul Semiconductor Co., Ltd. (“Seoul”), a leading global innovator of LED products and technology, announced that the New Jersey District Court issued a consent judgment and permanent injunction for infringement of twelve Seoul patents against 13 automotive lighting brand LED products being sold through automotive parts’ distribution channels. WICOP is a revolutionary technology that enables a package-less semiconductor. In 2015, WICOP was launched to the world when Seoul’s CEO, Chung Hoon Lee, invited global reporters to Shanghai to launch the new WICOP products. WICOP technology is used in approximately 10% and 100 models of the glo-

### Seoul Semiconductor’s WICOP Technology Shipment

Products	Shipment (M unit)	Application (%)
TV	220	20
Tablet	150	27

### Comparison between WICOP and Similar Products



bal annual production of 80 million automobiles. It also widely used in display products such as smartphones and tablets, and approximately 20% of 220 million units of global display products based on TV in 2020. WICOP is recognized as a revolutionary semiconductor technology and is essential for production of mini and micro LEDs for an advanced display, and the global mini LED market expects to grow at CAGR of 52% and market revenue of \$1.2 billion in 2022 according to Strategies Unlimited, a global market research leader. Seoul is leading the LED industry with its differentiated 2nd generation technologies based on more than 10,000 patented technology.

As the above table shows, this injunction judgement follows Seoul’s victories in all 32 patent lawsuits filed in 7 countries from 2018 – including permanent injunctions and a recall order of infringing products. “Intellectual property provides hope for young entrepreneurs and small businesses. But, it is very disappointing that even global, established companies knowingly uses products that infringe others’ patents,” says Seoul’s founder, Chung Hoon Lee. “Intellectual property is an incredible tool that allows people to break through class barriers, enabling small businesses and young entrepreneurs to compete with anyone. Since our industrial revolution, the infant mortality rate has declined from 43% to 3%, while access to electricity has increased to reach 85% of total world population and the illiteracy rate has also reduced significantly. So Intellectual property enable to make life more transparent and safer,” added Lee.

Wall Street Journal

### III. Appendix\_ 2) Condensed Financial Statement

	2021.Q3	2021.Q2	2021.Q1	2020	2020.Q4	2020.Q3	2020.Q2	2020.Q1	2019.Q4	2019.Q3
<b>(unit: million KRW)</b>										
<b>[Income Statement]</b>										
<b>Sales</b>	<b>130,551</b>	<b>131,161</b>	<b>121,767</b>	<b>431,282</b>	<b>120,485</b>	<b>120,661</b>	<b>103,235</b>	<b>86,901</b>	<b>91,548</b>	<b>90,668</b>
COGS	107,192	105,861	95,451	346,704	95,962	98,953	80,728	71,061	70,255	72,949
COGS (%)	82.1%	80.7%	78.4%	80.4%	79.6%	82.0%	78.2%	81.8%	76.7%	80.5%
Gross Profit	23,359	25,300	26,315	84,578	24,523	21,708	22,507	15,840	21,294	17,719
Gross Profit (%)	17.9%	19.3%	21.6%	19.6%	20.4%	18.0%	21.8%	18.2%	23.3%	19.5%
SG&A	14,041	14,145	14,450	57,346	15,559	12,180	16,451	13,155	14,254	15,041
<b>Operating Profit</b>	<b>9,318</b>	<b>11,155</b>	<b>11,865</b>	<b>27,233</b>	<b>8,964</b>	<b>9,528</b>	<b>6,056</b>	<b>2,685</b>	<b>7,040</b>	<b>2,677</b>
Operating Profit (%)	7.14%	8.50%	9.7%	6.31%	7.4%	7.9%	5.9%	3.1%	7.7%	3.0%
Pre-Tax Profit	9,576	9,446	12,925	16,754	3,458	6,297	6,064	935	894	4,197
Net Profit	<b>9,273</b>	<b>9,095</b>	<b>12,894</b>	<b>19,529</b>	<b>6,502</b>	<b>6,423</b>	<b>6,451</b>	<b>152</b>	<b>1,080</b>	<b>3,140</b>
<b>[Balance Sheet]</b>										
<b>Total Assets</b>	<b>783,137</b>	<b>725,153</b>	<b>659,605</b>	<b>582,822</b>	<b>582,822</b>	<b>608,306</b>	<b>602,296</b>	<b>602,907</b>	<b>579,081</b>	<b>555,433</b>
Current Assets	229,785	221,965	196,185	137,938	137,938	159,526	156,271	156,670	137,985	109,376
Cash & Equivalents	9,976	10,216	11,763	6,947	6,947	7,522	3,082	5,298	6,272	9,348
Inventory	96,539	78,999	70,912	64,094	64,094	74,737	74,495	67,714	54,943	55,620
Non-Current Assets	553,352	503,188	463,419	444,884	444,884	448,780	446,025	446,237	441,096	446,057
<b>Total Liabilities</b>	<b>510,281</b>	<b>471,872</b>	<b>412,070</b>	<b>363,604</b>	<b>363,604</b>	<b>393,602</b>	<b>392,026</b>	<b>399,443</b>	<b>391,587</b>	<b>393,176</b>
Current Liabilities	310,603	310,072	334,295	297,607	297,607	276,521	272,065	287,654	274,105	258,287
Non-Current Liabilities	199,678	161,801	77,776	65,997	65,997	117,082	119,961	111,789	117,481	134,889
<b>Total Equity</b>	<b>272,856</b>	<b>253,281</b>	<b>247,534</b>	<b>219,219</b>	<b>219,219</b>	<b>214,703</b>	<b>210,270</b>	<b>203,464</b>	<b>187,494</b>	<b>162,257</b>

**Thank You**

[www.seoulviosys.com](http://www.seoulviosys.com)