

2022 1Q Financial Results

EARNINGS RELEASE

2022.1Q

2022 May 9th

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

This presentation material may contain forward-looking statements, as defined in the safe harbor provisions of KOSDAQ Disclosure Regulation. These forward-looking statements reflect Seoul Semiconductor's current views with respect to future events and financial performance, and are subject to certain risks and uncertainties, which could cause actual results to differ materially from those anticipated. Although Seoul Semiconductor believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be attained. Seoul Semiconductor undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All financial numbers are consolidated basis unless stated otherwise.

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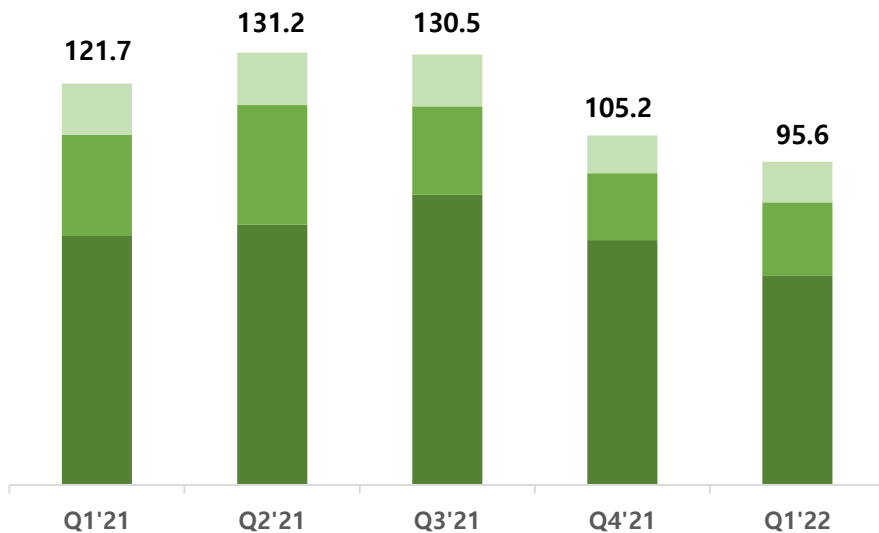
2022 1Q Financial Results

I. 2022 1Q Earnings _ 1) Quarterly Sales and Profits

- Geopolitical Risk rises effecting IT demand amid low-season
- UV sales rebounds / Micro LED sales growth continues

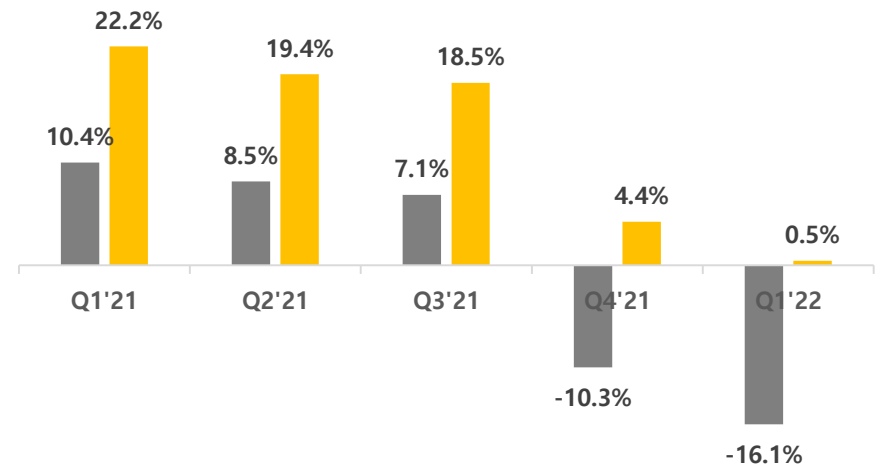
Sales Unit: krw bn, %

- UV
- WICOP
- Others



Profit Unit: %

- OPM
- EBITDA margin



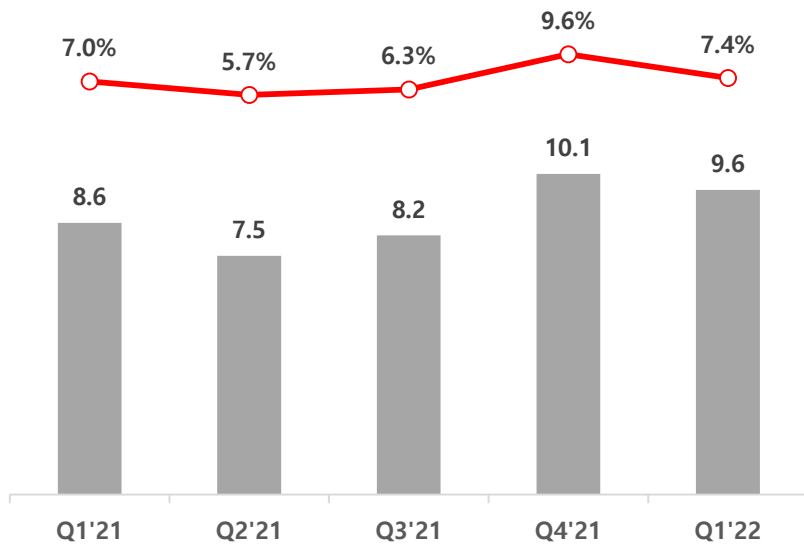
I. 2022 1Q Earnings _ 2) 1Q R&D investment & Expense

• R&D investment and SG&A expense drops vs. 2021 4Q

R&D investments

unit: krw bn, %

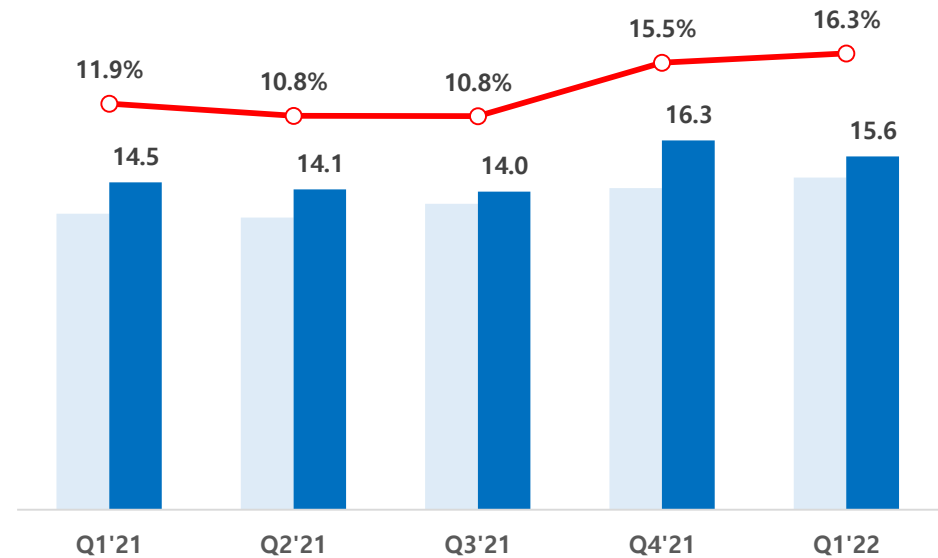
- % of R&D Investments to Sales
- R&D Investments



Expense

unit: krw bn, %

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



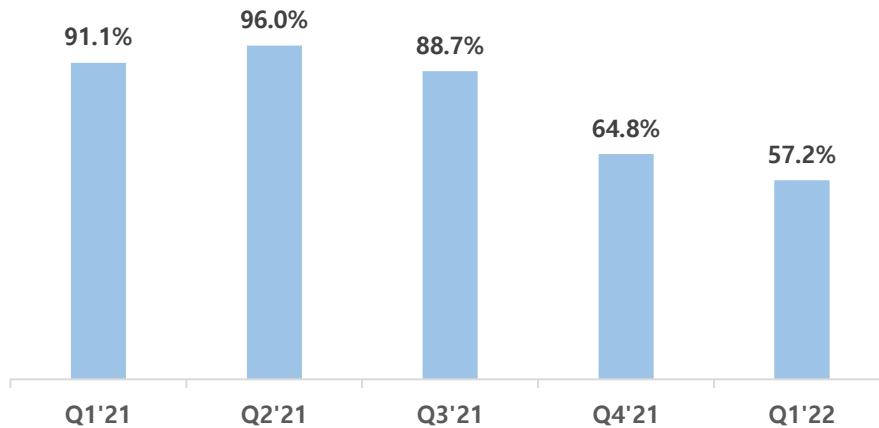
I. 2021 Earnings _ 3) 1Q Utilization and CAPEX

- Utilization rate drops as global SCM issues still continues amid low seasonality
- Capex slightly up on Micro LED business expansion (module & package)

Utilization Rate

unit: %

■ utilization rate

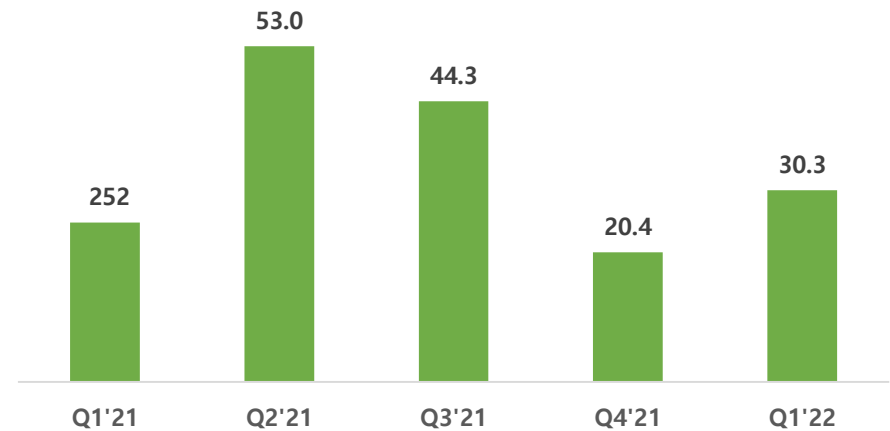


Note) The above production performance index is the average value for the quarter, which is somewhat different from the end of the quarter.

CAPEX

unit: krw bn

■ CAPEX



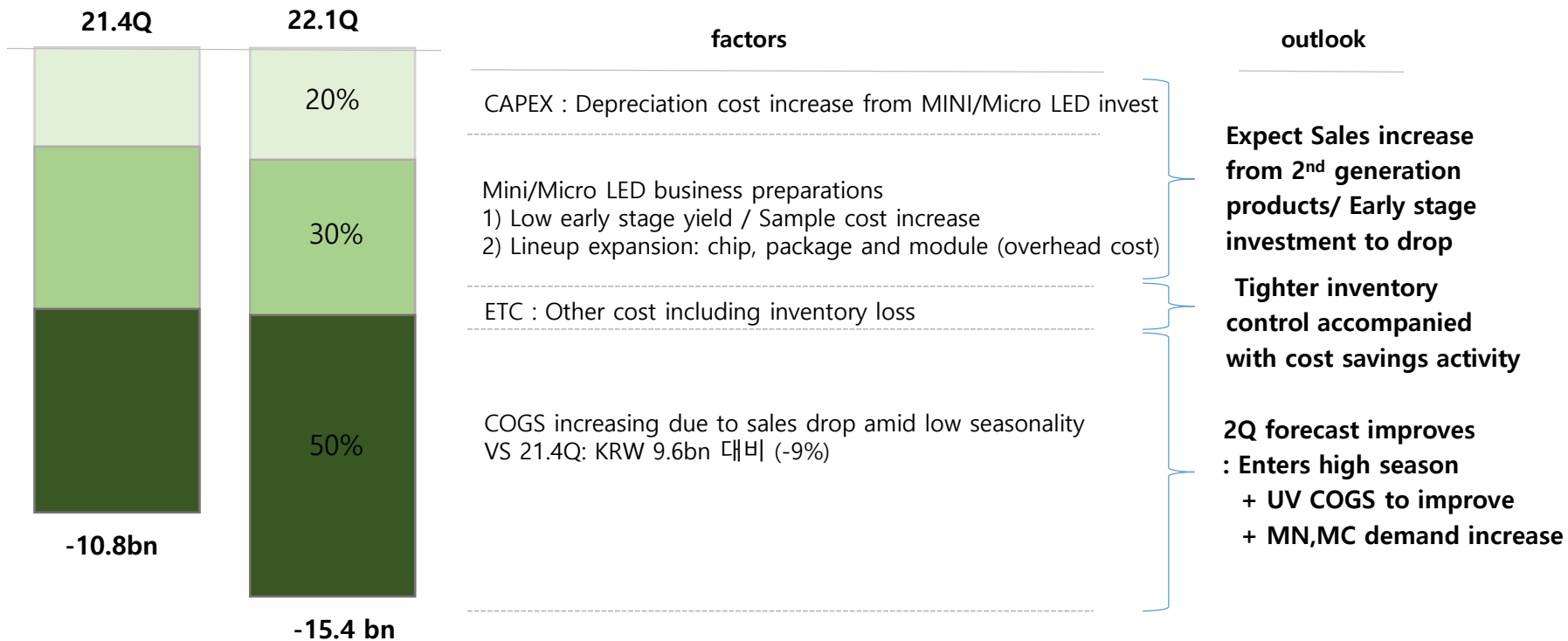
Note) The information contained in this IR report is the result of internal settlement and is subject to change according to outside auditor's review.

I. 2022 1Q Earnings _ 4) Earnings analysis

- Cost Increase : low mini/micro early stage yield / Capex increase from lineup expansion
- Sales decrease : COGS increase during low season due to low demand
- ➔ 2Q forecast +15% increase / early orders ahead of high season

Operating Loss (vs 4Q)

Unit: krw, %





2022 2Q Guidance

III. 2022 1Q Guidance _ 1) Key Future Growth Momentum

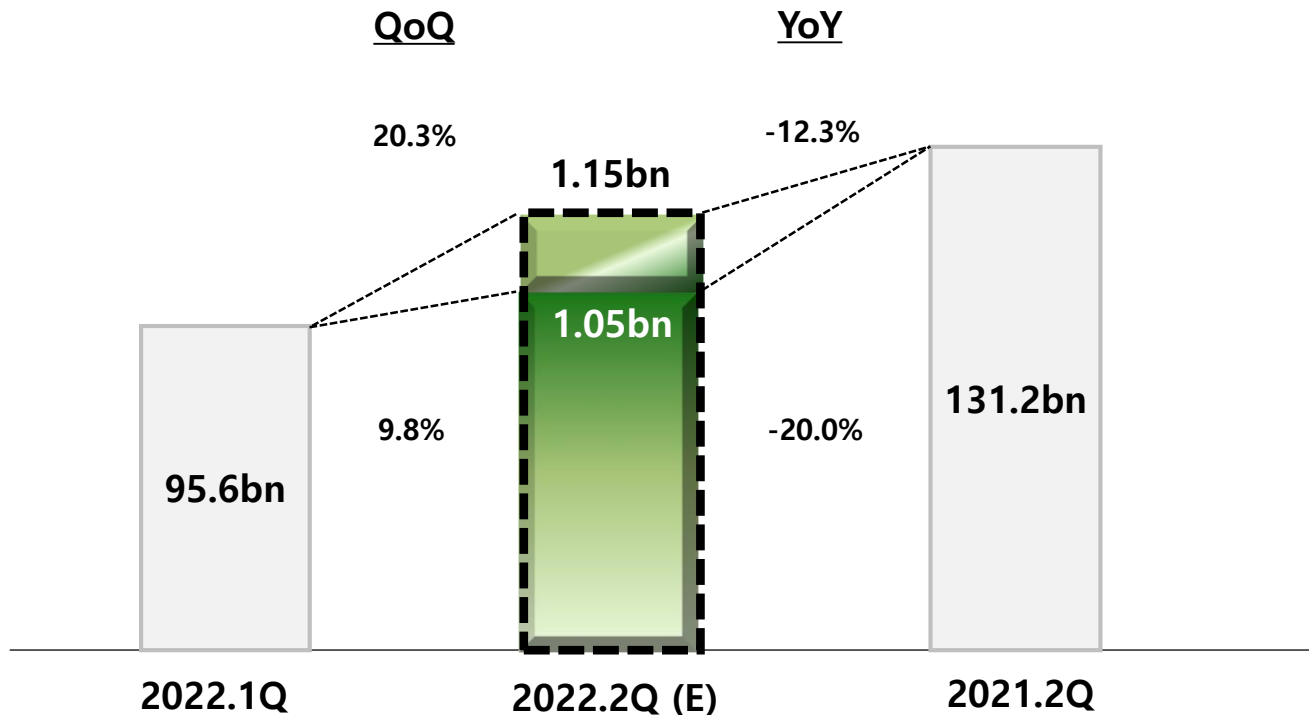
2nd Generation LED products to spark triggering point of LED industry

Application	Key Theme	Technology
<ul style="list-style-type: none">UV	<ul style="list-style-type: none">Maintain global MS #1 in UV-CAuto bound Violeds sales startsDesign wins towards global household electronic companies increases	Violeds
<ul style="list-style-type: none">Micro LED	<ul style="list-style-type: none">Next Key Patented Technology to replace LCD & OLEDSmartwatch display development completeDeveloped 1μm diameter blue & green micro light emitting diode (LED) for AR / VR applicationsStrong solution for Auto headlamps and ADB RCL thanks to high luminance	Micro Clean Pixel
<ul style="list-style-type: none">Chip	<ul style="list-style-type: none">Package-less LED chip revolutionOnly company that covers 200nm ~ 1400nm spectrum of lights (UV to LD)	WICOP

II. 2022 2Q Guidance _ 2) Guidance

Raise guidance despite global SCM issues and demand concerns as co enters high seasonality accompanied with 2nd generation product growth

2Q Guidance





APPENDIX

Article from 'Semiconductor Today' on WICOP patent lawsuit

29 April 2022

Patent Lawsuits over Phillips' TV and Filament LED bulbs



Seoul Semiconductor files patent lawsuits over Philips' TV and filament LED bulbs

South Korean LED maker Seoul Semiconductor Co Ltd says that it has launched patent infringement lawsuits in the USA against global retail company Ace Hardware and in Europe against a distributor of Conrad Electronic's sales platform.

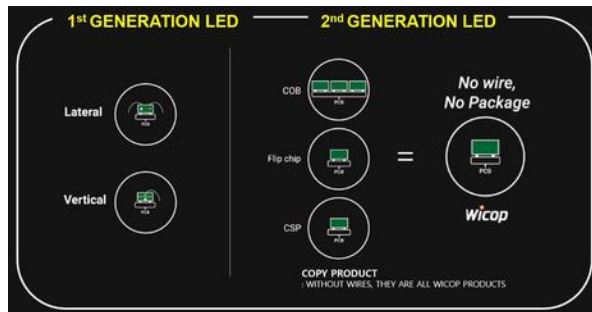
In the two cases, which are pending in the US District Court for the Eastern District of Virginia and the German District Court of Düsseldorf, Seoul asserted infringement of its patents by Philips brand TVs, filament LED bulbs, and premium lighting products. Seoul also sought a recall of infringing products as well as the destruction of those products in the German case.

In these lawsuits, Seoul's patents cover phosphor technology for high-quality color gamut and WICOP (Wafer-level Integrated Chip on PCB) technology.

Seoul says that it has developed its phosphor technology together with a Japanese company (M) over the last 15 years and has succeeded in producing LED lights that are the closest spectrum to natural light. Based on the quality of these lights, Seoul's phosphor technology can be found in premium lighting products requiring a color rendering index (CRI) of more than 90, as well as display products.

WICOP is a patented technology that is compactly designed without wire bonding or packaging, enabling LEDs to be mounted directly in a PCB assembly. The technology has been adopted in over models of 100 car (comprising about 10% of the global automobile market). The firm adds that it is also used in about 20% of the global TV market, as of 2020.

Seoul has already obtained permanent injunctions against various infringing products several times in Europe and the USA. In September 2020, the German District Court of Düsseldorf issued permanent injunctions, an order of recall and destruction against filament LED bulbs manufactured by a Phillips brand affiliate. In 2019 and 2021, the US District Court for the Central District of California and the New Jersey District Court issued permanent injunctions against the sales of a Philips TV product and 13 automotive lighting brand LED products, respectively.



Article from 'Bloomberg' on UV patent lawsuit

19 April 2022

Seoul Viosys obtains permanent injunction in US against Namsung Elec

Seoul Viosys Obtains Permanent Injunction Against UV LED Products That Infringe Violeds Patented Technology

April 19, 2022 08:00 PM Eastern Daylight Time

ANSAN, South Korea--(BUSINESS WIRE)--Seoul Viosys ("SVC") (KOSDAQ: 092190), a subsidiary of Seoul Semiconductor Co., Ltd., announced that the United States District Court for the Middle District of Florida issued a permanent injunction against Namsung America, Inc. ("Namsung"). Namsung sold home electronics incorporating UV LEDs manufactured and supplied by SL Vionics Co., Ltd. (previously known as Semicon Light).

"There are companies that seek to increase their profits by using other companies' patented technology. This is not only immoral, but it seeks to cheat inventors everywhere who have invested and believed in their ideas."

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Prior to the lawsuit, Namsung ignored repeated notices of patent infringement from SVC. Since 2020, SVC has been requesting that companies stop selling SL Vionics' LED products. SVC believes that SL Vionics' LED products infringe SVC's proprietary Violeds technology, which SVC invented and has been utilizing to produce its UV LED products. When Namsung continued selling products after notice from SVC, SVC filed this lawsuit, which asserted infringement of eleven (11) patents.

The Court's permanent injunction order applies to any colorable variations of the infringing products, as well as any parties who are in active concert or participation with making or selling such products.

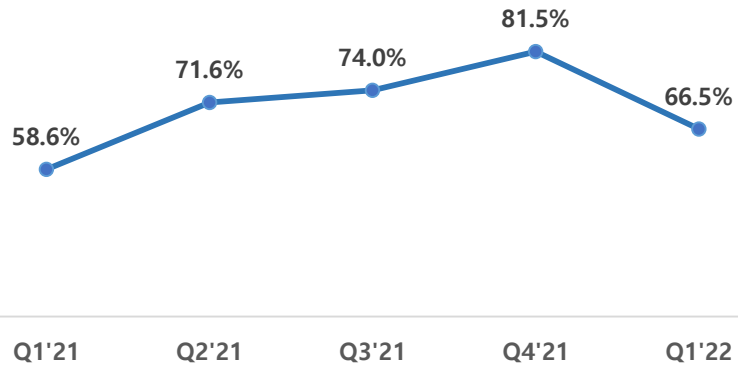
SVC's CEO, Young-joo Lee, said, "There are companies that seek to increase their profits by using other companies' patented technology. This is not only immoral, but it seeks to cheat inventors everywhere who have invested and believed in their ideas."

In order to protect its hard-earned technology and promote a fair marketplace, SVC actively pursues enforcement against suspected infringing UV LED products all over the world. As an example, SVC recently brought a search and seizure of suspected infringing products against FNAC Darty Group, a large European retailer, and subsequently filed a patent infringement lawsuit in France. SVC also filed a patent infringement lawsuit against a European distribution company in the Netherlands, seeking a preliminary injunction against its UV LED products.

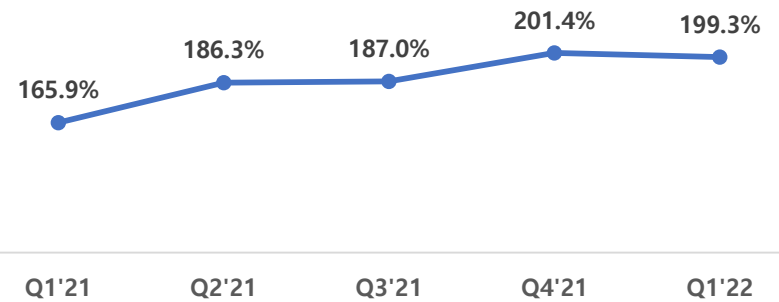


III. Appendix_ 3) Financial Ratios

Current Ratio (%)



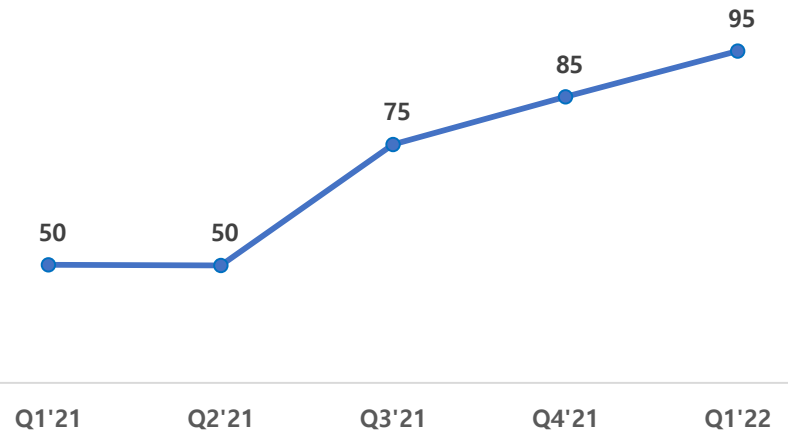
Debt Ratio (%)



Net Debt Ratio (%)



Inventory Turnover (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.

III. Appendix_ 4) Condensed Financial Statement

	2022.1Q	2021.Q4	2021.Q3	2021.Q2	2021.Q1	2021	2020	2020.Q4	2020.Q3	2020.Q2	2020.Q1	2019.Q4	2019.Q3	2019.Q2
(unit: million KRW)														
[Income Statement]														
Sales	95,642	105,196	130,551	131,161	121,769	488,677	431,282	120,485	120,661	103,235	86,901	91,548	90,668	89,618
COGS	95,443	99,758	107,192	105,861	94,669	407,480	346,704	95,962	98,953	80,728	71,061	70,255	72,949	67,080
COGS (%)	99.8%	94.8%	82.1%	80.7%	77.7%	83.4%	80.4%	79.6%	82.0%	78.2%	81.8%	76.7%	80.5%	74.9%
Gross Profit	199	5,437	23,359	25,300	27,100	81,196	84,578	24,523	21,708	22,507	15,840	21,294	17,719	22,538
Gross Profit (%)	0.2%	5.2%	17.9%	19.3%	22.3%	16.6%	19.6%	20.4%	18.0%	21.8%	18.2%	23.3%	19.5%	25.1%
SG&A	15,596	16,290	14,041	14,145	14,451	58,926	57,193	15,407	12,180	16,451	13,155	14,254	15,041	14,832
Operating Profit	-15,397	-10,852	9,318	11,155	12,649	22,270	27,385	9,116	9,528	6,056	2,685	7,040	2,677	7,707
Operating Profit (%)	-16.1%	-10.3%	7.1%	8.5%	10.4%	4.6%	6.3%	7.6%	7.9%	5.9%	3.1%	7.7%	3.0%	8.6%
Pre-Tax Profit	-17,419	-13,201	9,576	9,446	13,719	19,540	16,906	3,611	6,297	6,064	935	894	4,197	5,891
Net Profit	-13,297	-11,158	9,273	9,095	13,678	20,888	19,648	6,621	6,423	6,451	152	1,080	3,140	5,992
[Balance Sheet]														
Total Assets	731,069	775,635	783,137	725,153	660,388	582,822	582,883	582,883	608,306	602,296	602,907	579,081	555,433	558,368
Current Assets	156,851	219,237	229,785	221,965	195,876	137,938	137,938	137,938	159,526	156,271	156,670	137,985	109,376	117,087
Cash & Equivalents	5,391	9,778	9,976	10,216	11,763	6,947	6,947	6,947	7,522	3,082	5,298	6,272	9,348	4,378
Inventory	100,895	100,245	96,539	78,999	70,603	64,094	64,094	64,094	74,737	74,495	67,714	54,943	55,620	47,991
Non-Current Assets	574,217	556,398	553,352	503,188	464,512	444,884	444,944	444,944	448,780	446,025	446,237	441,096	446,057	441,281
Total Liabilities	486,827	518,264	510,281	471,872	412,070	363,604	363,545	363,545	393,602	392,026	399,443	391,587	393,176	400,590
Current Liabilities	236,025	268,994	310,603	310,072	334,295	297,607	297,549	297,549	276,521	272,065	287,654	274,105	258,287	291,551
Non-Current Liabilities	250,802	249,270	199,678	161,801	77,776	65,997	65,997	65,997	117,082	119,961	111,789	117,481	134,889	109,039
Total Equity	244,242	257,371	272,856	253,281	248,318	219,219	219,337	219,337	214,703	210,270	203,464	187,494	162,257	157,778

Thank You

www.seoulviosys.com