

2022 2Q Financial Results

EARNINGS RELEASE

2022.2Q

2022 Aug 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)

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2022 2Q Financial Results

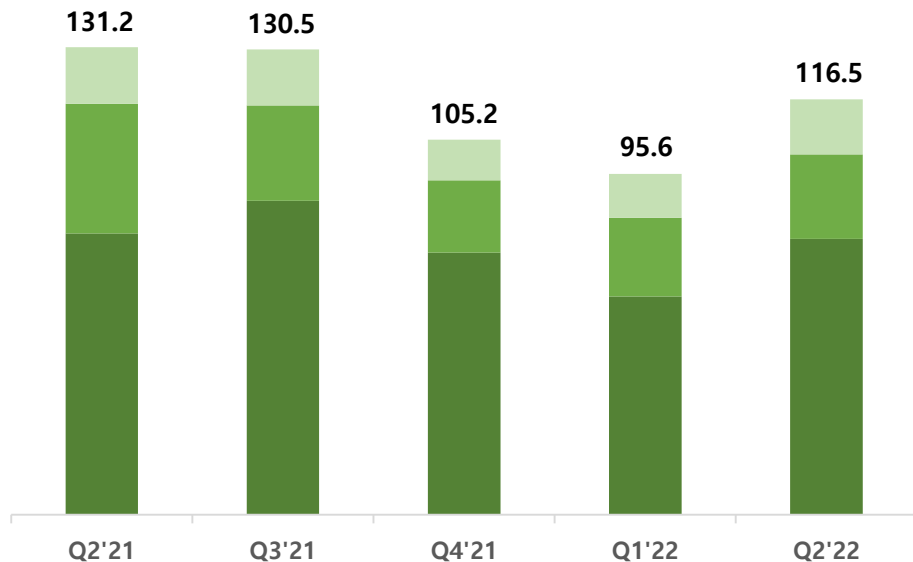
I. 2022 2Q Earnings _ 1) Quarterly Sales and Profits

- Sales increases after low seasonality amid global IT demand slowdown concerns
- UV sales growth continues this year / Automobile bound sales increases

Sales

Unit: krw bn, %

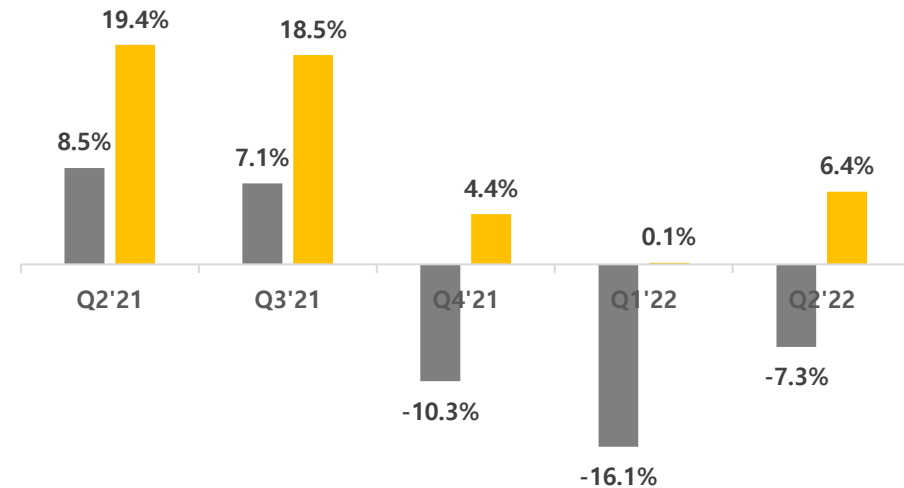
- UV
- WICOP
- Others



Profit

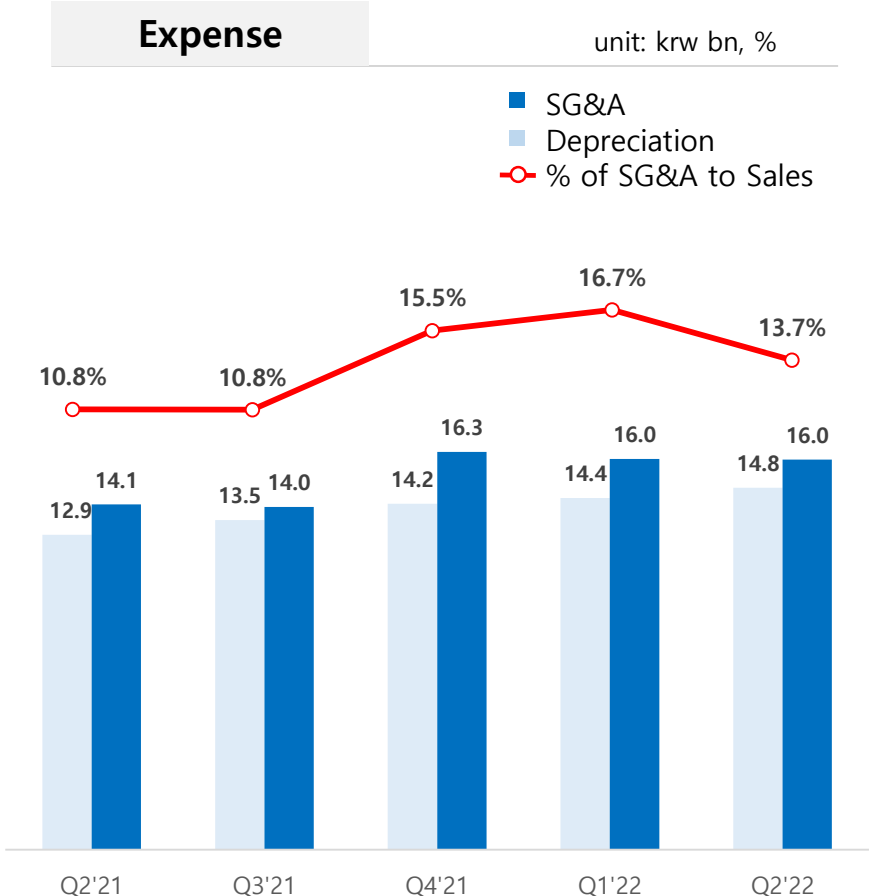
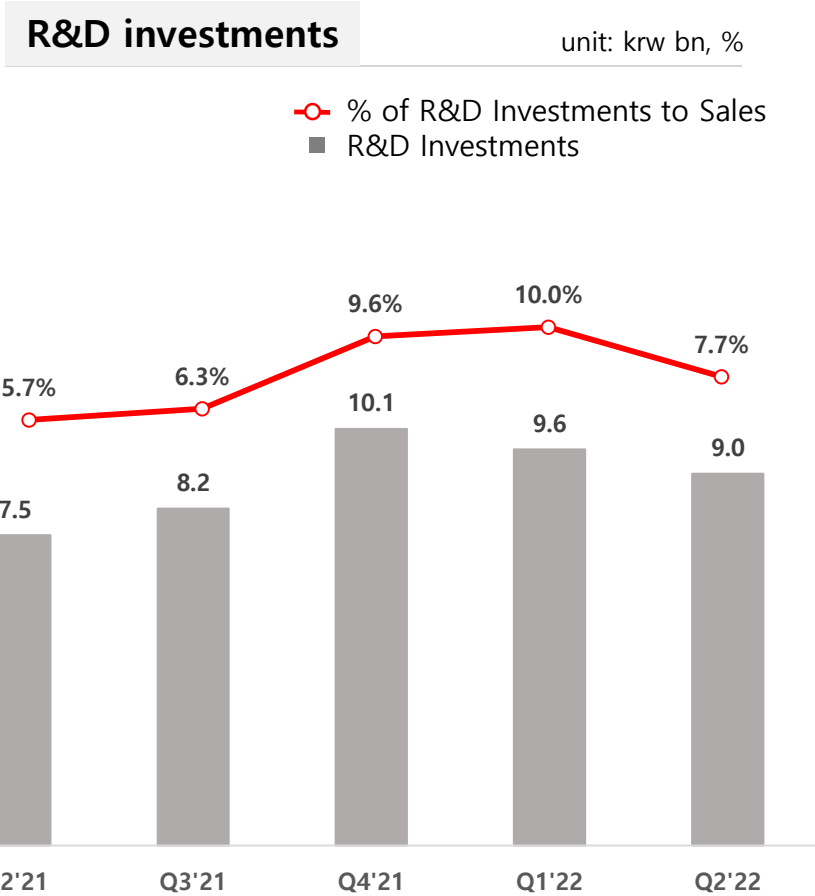
Unit: %

- OPM
- EBITDA margin



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

• R&D investment and SG&A expense ratio drops vs. 2022 1Q



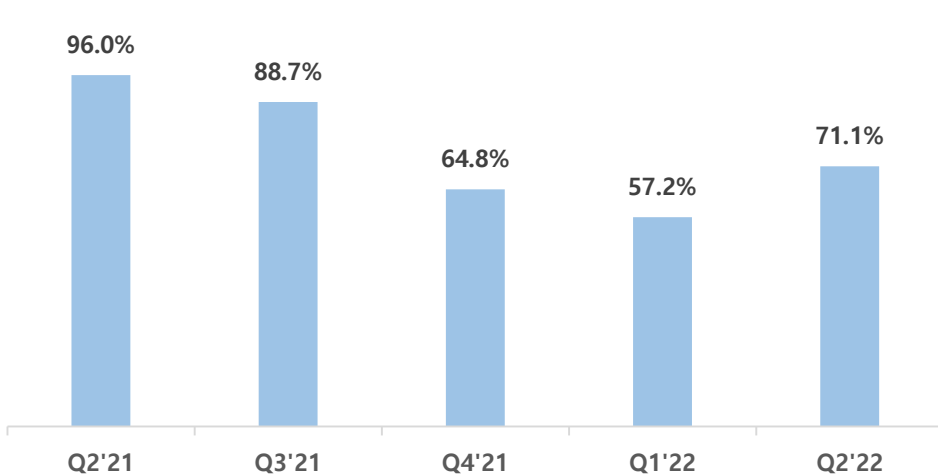
I. 2021 2Q Earnings _ 3) Utilization and CAPEX

- Utilization rate rebounds after low seasonality and automobile bound sales increase
- Capex in down trend after 2nd generation LED production capacity ramp up last year

Utilization Rate

unit: %

■ utilization rate

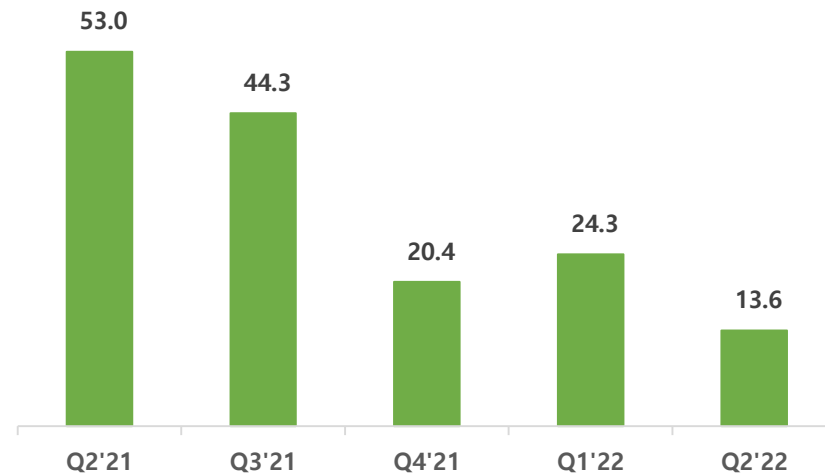


Note) The above production performance index is the average value for the quarter, which is somewhat different from the end of the quarter.

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.



2022 3Q Guidance

III. 2022 3Q Guidance _ 1) Key Future Growth Momentum

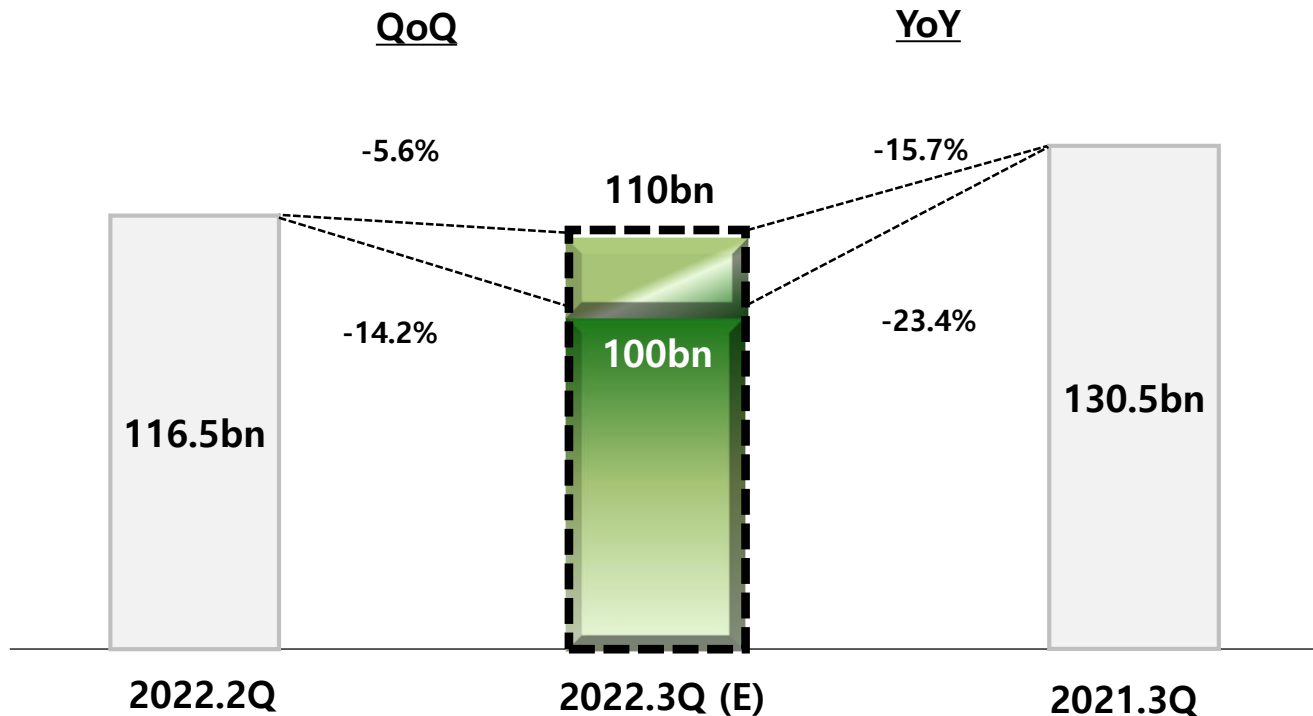
2nd Generation LED products to spark triggering point of LED industry

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 startsSales expansion towards global household electronic companies continues this yearEntered public water treatment system market to replace hazardous mercury	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 3Q Guidance _ 2) Guidance

3Q sales estimate 100bn to 110bn (KRW) considering on going IT demand concerns

3Q Guidance (KRW)





APPENDIX

III. Appendix_ 1) WICOP related patent Injunction

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.

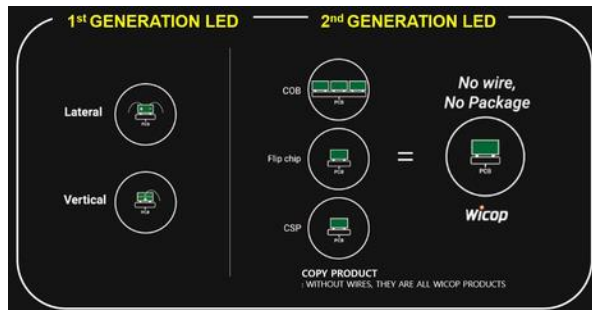
In the two cases, which are pending in the US District Court for the Eastern District of Virginia and the German District Court of Düsseldorf, Seoul asserted infringement of its patents by Philips brand TVs, filament LED bulbs, and premium lighting products. Seoul also sought a recall of infringing products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

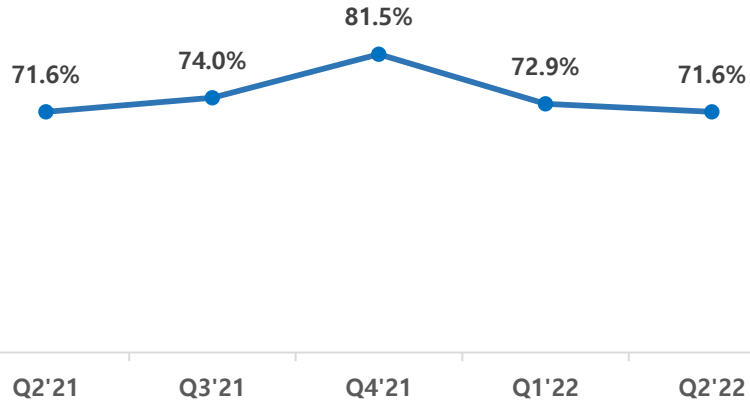
SVC's CEO, Young-joo Lee, said, "There are companies that seek to increase their profits by using other companies' patented technology. This is not only immoral, but it seeks to cheat inventors everywhere who have invested and believed in their ideas."

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.

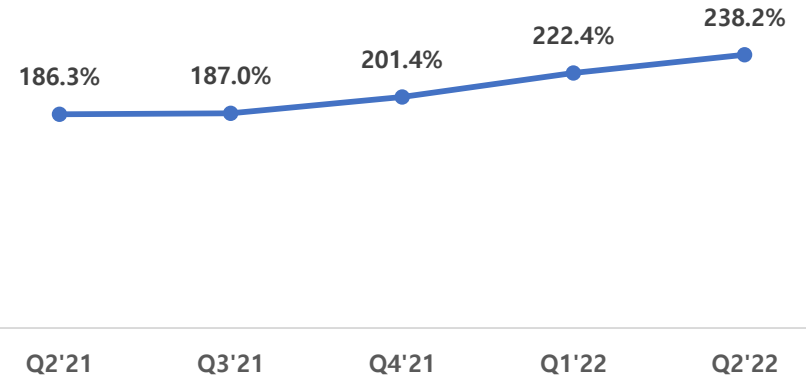


III. Appendix_ 3) Financial Ratios

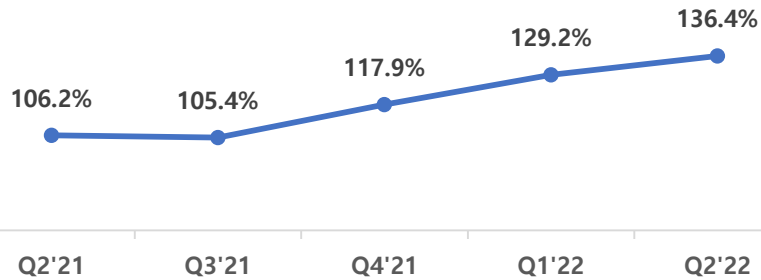
Current Ratio (%)



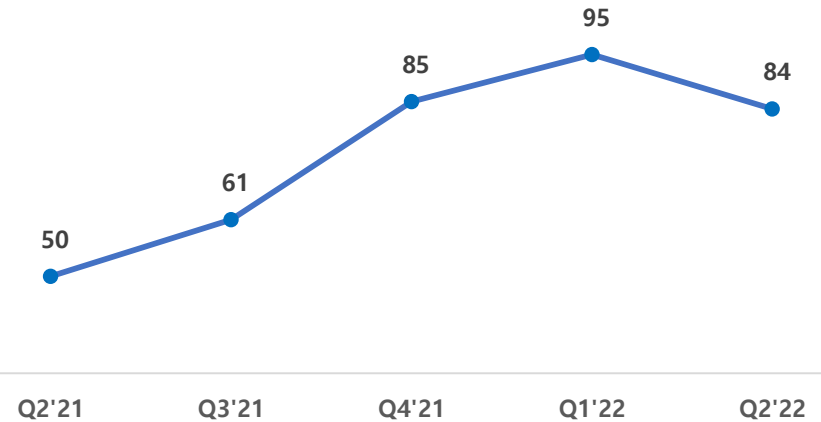
Debt Ratio (%)



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.Q2 2022.Q1 2021.Q4 2021.Q3 2021.Q2 2021.Q1 2020 2020.Q4 2020.Q3 2020.Q2 2020.Q1 2019.Q4 2019.Q3 2019.Q2

(unit: million KRW)

[Income Statement]

Sales	116,522	95,642	105,196	130,551	131,161	121,769	431,282	120,485	120,661	103,235	86,901	91,548	90,668	89,618
COGS	109,044	95,034	99,758	107,192	105,861	94,669	346,704	95,962	98,953	80,728	71,061	70,255	72,949	67,080
COGS (%)	93.6%	99.4%	94.8%	82.1%	80.7%	77.7%	80.4%	79.6%	82.0%	78.2%	81.8%	76.7%	80.5%	74.9%
Gross Profit	7,478	608	5,438	23,359	25,300	27,100	84,578	24,523	21,708	22,507	15,840	21,294	17,719	22,538
Gross Profit (%)	6.4%	0.6%	5.2%	17.9%	19.3%	22.3%	19.6%	20.4%	18.0%	21.8%	18.2%	23.3%	19.5%	25.1%
SG&A	15,983	16,005	16,290	14,041	14,145	14,451	57,193	15,407	12,180	16,451	13,155	14,254	15,041	14,832
Operating Profit	- 8,505	- 15,397	- 10,852	9,318	11,155	12,649	27,385	9,116	9,528	6,056	2,685	7,040	2,677	7,707
Operating Profit (%)	-7.3%	-16.1%	-10.3%	7.1%	8.5%	10.4%	6.3%	7.6%	7.9%	5.9%	3.1%	7.7%	3.0%	8.6%
Pre-Tax Profit	- 16,304	- 17,416	- 13,201	9,576	9,446	13,719	16,906	3,611	6,297	6,064	935	894	4,197	5,891
Net Profit	- 12,707	- 13,295	- 11,158	9,273	9,095	13,678	19,648	6,621	6,423	6,451	152	1,080	3,140	5,992

[Balance Sheet]

Total Assets	816,185	787,479	775,635	783,137	725,153	660,388	582,883	582,883	608,306	602,296	602,907	579,081	555,433	558,368
Current Assets	223,354	213,260	219,237	229,785	221,965	195,876	137,938	137,938	159,526	156,271	156,670	137,985	109,376	117,087
Cash & Equivalents	16,170	5,391	9,778	9,976	10,216	11,763	6,947	6,947	7,522	3,082	5,298	6,272	9,348	4,378
Inventory	113,260	100,895	100,245	96,539	78,999	70,603	64,094	64,094	74,737	74,495	67,714	54,943	55,620	47,991
Non-Current Assets	592,831	574,219	556,398	553,352	503,188	464,512	444,944	444,944	448,780	446,025	446,237	441,096	446,057	441,281
Total Liabilities	574,841	543,236	518,264	510,281	471,872	412,070	363,545	363,545	393,602	392,026	399,443	391,587	393,176	400,590
Current Liabilities	312,061	292,433	268,994	310,603	310,072	334,295	297,549	297,549	276,521	272,065	287,654	274,105	258,287	291,551
Non-Current Liabilities	262,780	250,802	249,270	199,678	161,801	77,776	65,997	65,997	117,082	119,961	111,789	117,481	134,889	109,039
Total Equity	241,344	244,244	257,371	272,856	253,281	248,318	219,337	219,337	214,703	210,270	203,464	187,494	162,257	157,778

Thank You

www.seoulviosys.com