

1Q 2023 Investor Briefing

IR team

2023.05.10

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I

1Q 2023 Financial results

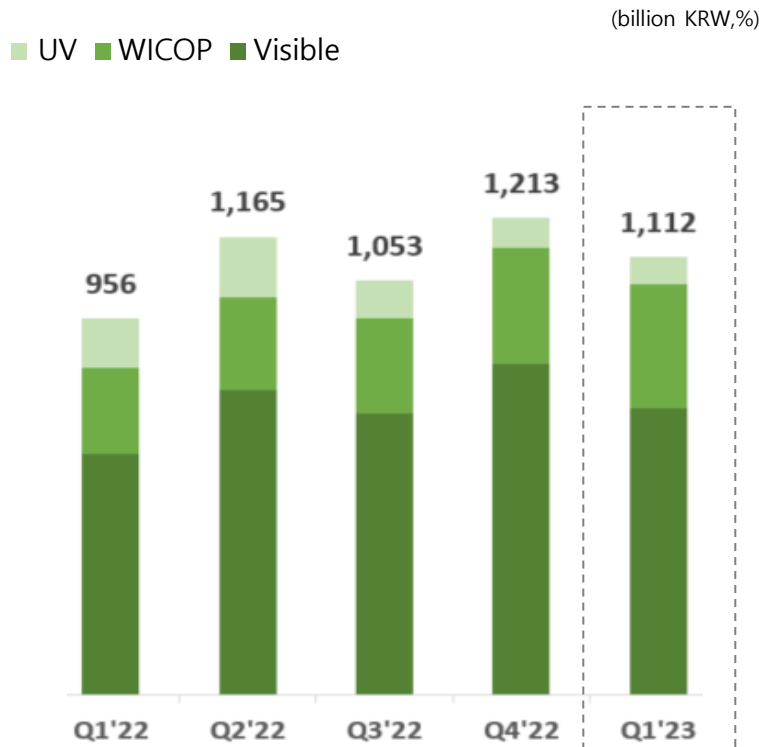
Agenda

- I. 1Q 2023 Financial results
- II. 2Q 2023 Sales outlook
- III. Appendix

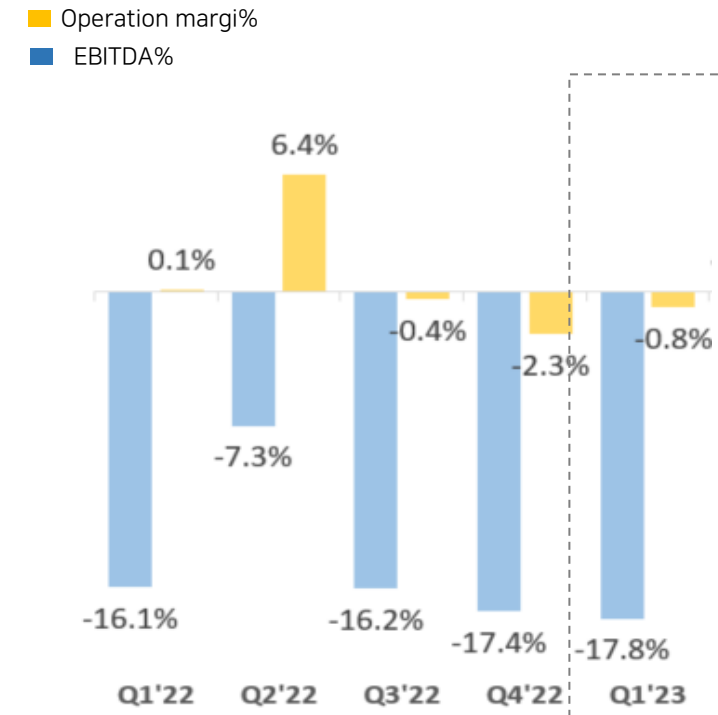
1. Sales & Profit

- QoQ, sales decreased by 8.3% (KRW 10.1 billion), but YoY sales increased by 16.3% (KRW 15.6 billion)
- Operating margin recorded -17.8%, similar to the previous quarter, and EBITDA margin, a cash generation performance, increased by 1.5%

Sales



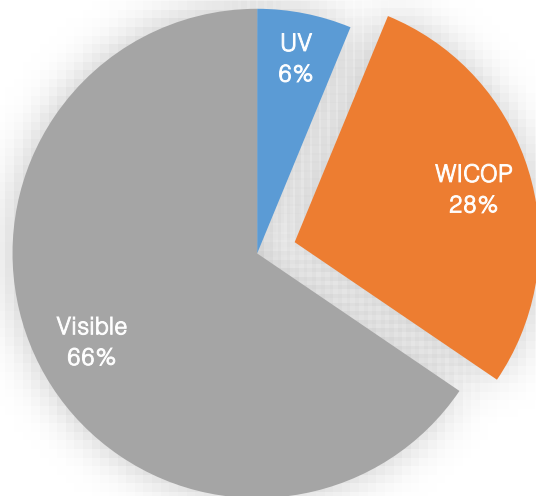
Operation & EBITDA margin



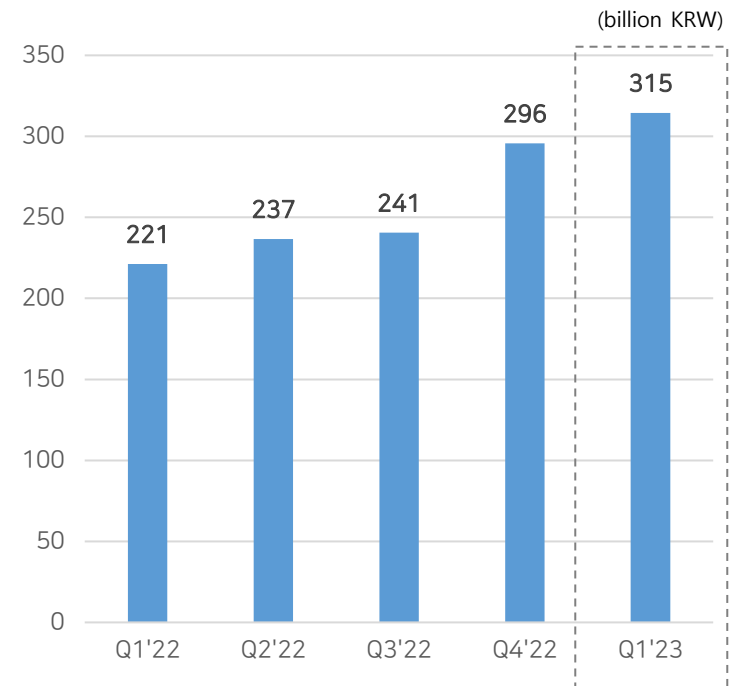
1. Sales & Profit - WICOP

- WICOP RGB one pixel, which won the Innovation Award at CES 2023, is growing.
- Sales portion as of 1Q 2023, WICOP is 28% and sales are on the rise.
- YoY, WICOP sales increased by 42.5% (KRW 9.4 billion), including WICOP base RGB one Pixel Micro LED

Product portfolio



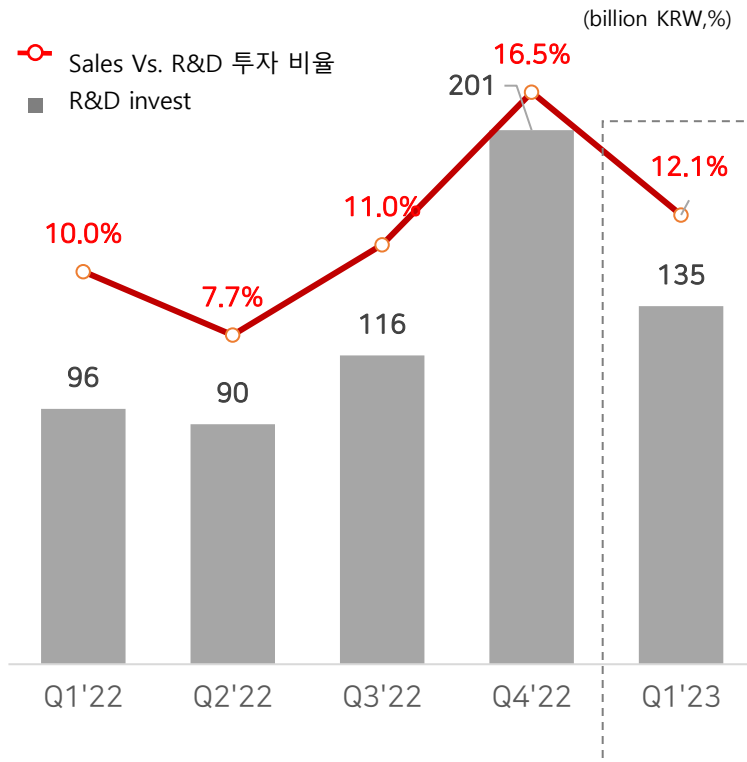
WICOP Sales



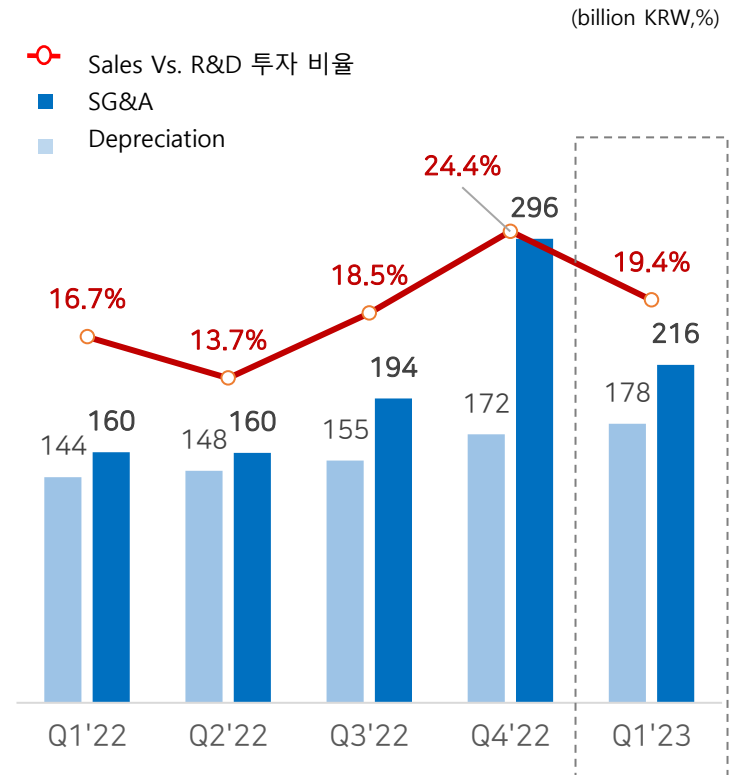
2. R & D, SG&A expense

- ROI R&D investing
- Q4'2022 Loss of R&D intangible assets was the reason for the increase of R&D expenses
- SG&A expenses increased by KRW 2.2 billion but expected to decrease due to expense reduction activities

R & D



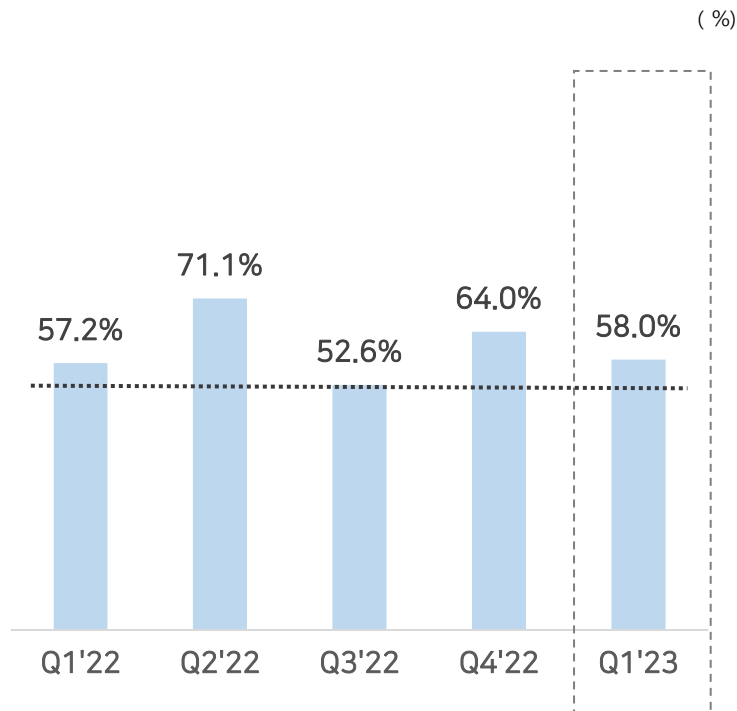
판매관리비(R&D포함)



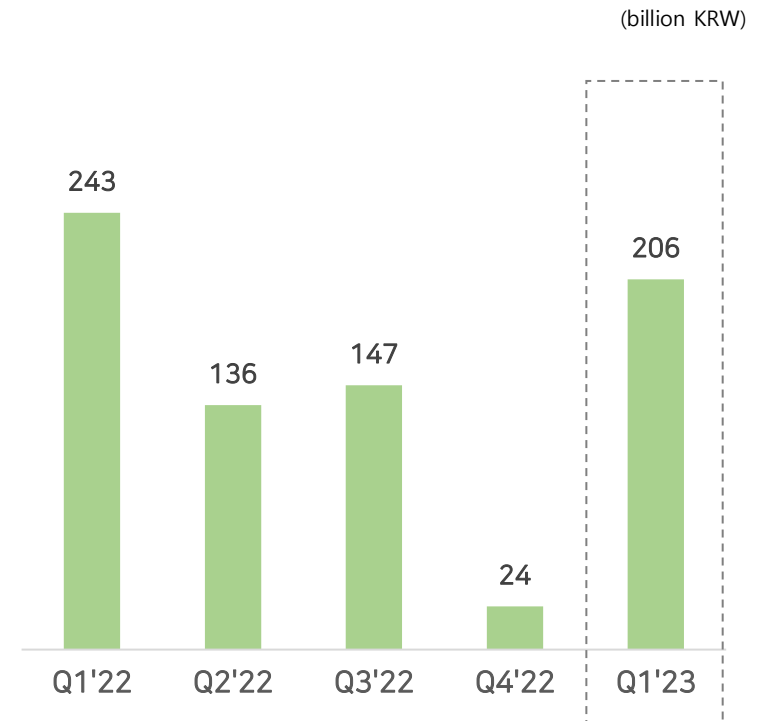
3. Factory efficiency

- The factory operation rate is 58% after bottoming out at 52.6% in the 3Q of 2022.
- Factory utilization rate decreased by 6% from 64% compared to the previous quarter
- CAPEX was only KRW 2.4 billion in the previous quarter. Because of advanced CAPEX invest.

Factory operation ratio

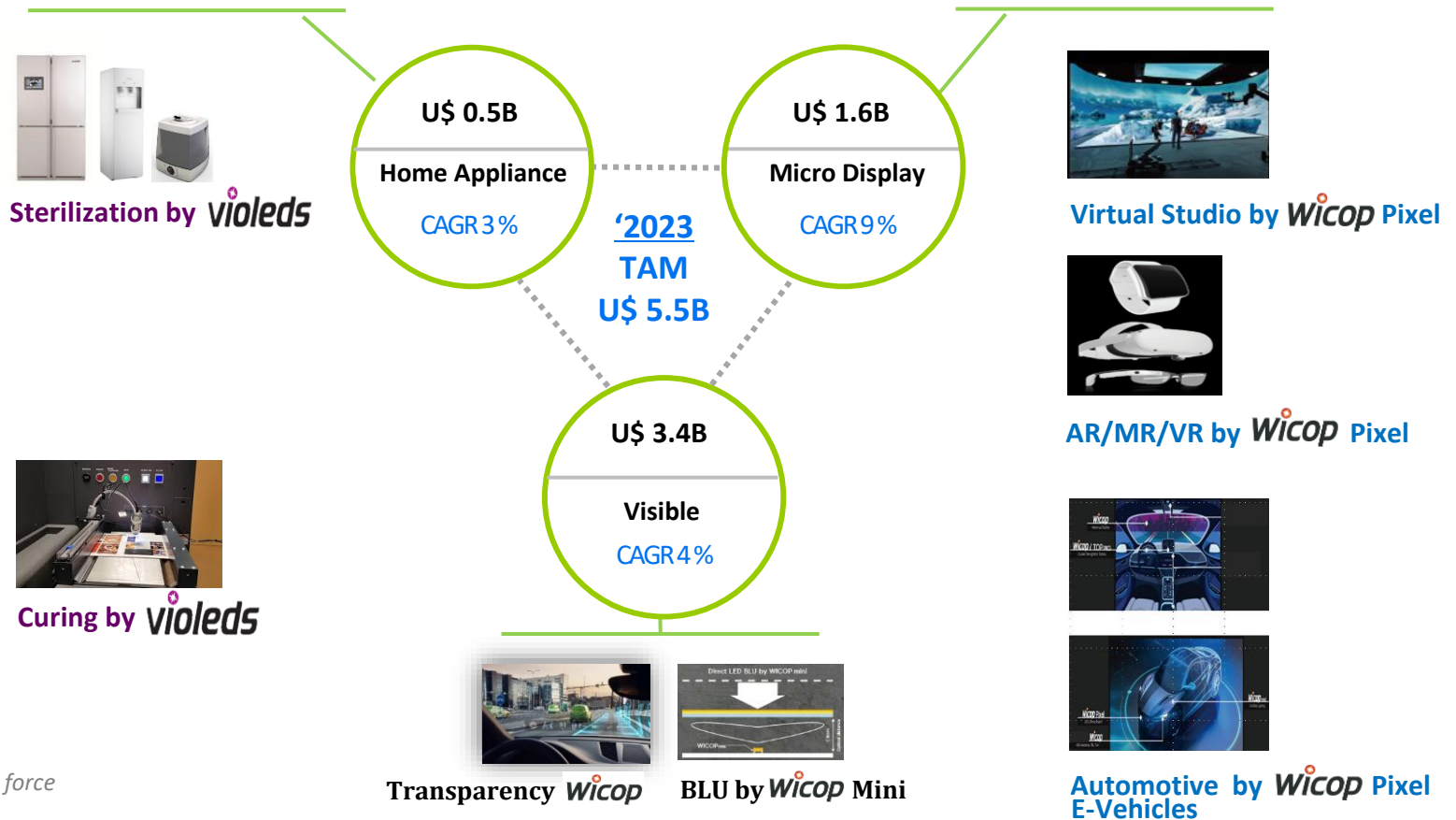


CAPEX



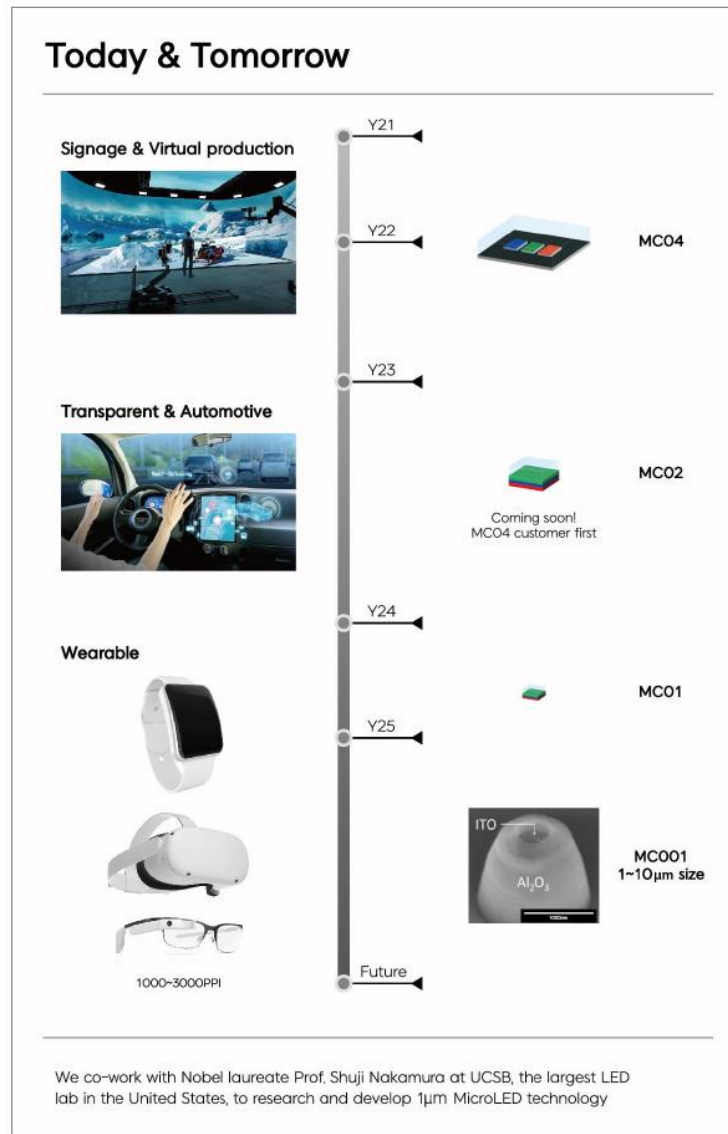
4. Strategy

- Expansion of UV LED applications (home appliances, industrial, automobile, curing)
- WICOP = No Wire, No PKG, No Lens & No 3chips/ Cost reduction of more than 45%
- Expand application of WICOP-based laminated RGB one pixel Micro LED



※Source: Yole, trend force
CAGR `2022~`2025

2. World 1st , WiCOP Based Micro LED

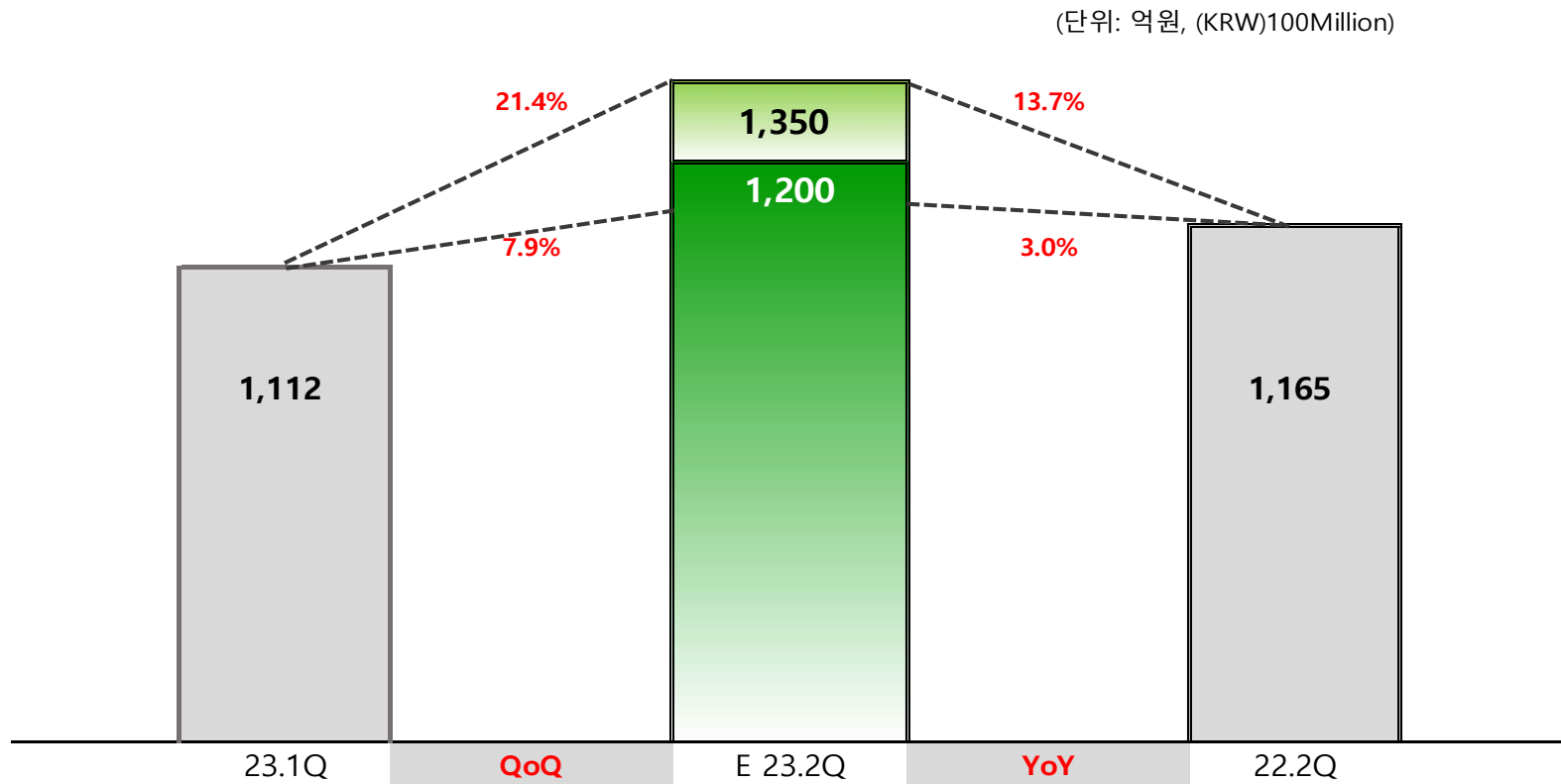




2Q 2023 Outlook

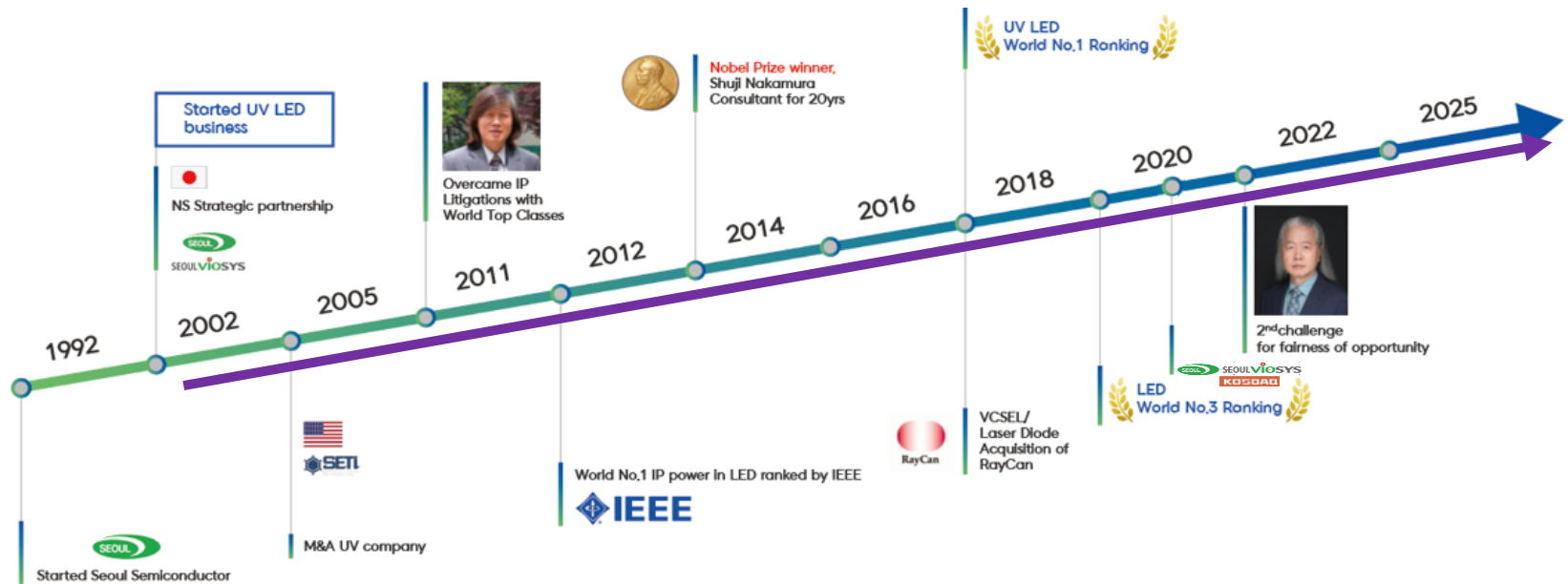
5. 2Q `2023 Guidance

2Q 2023, we expect to achieve sales of KRW 120 billion to KRW 135 billion, from 7.9% to 21.4% compare with the previous quarter. In case of YoY, sales may increase by 3.0% to 13.7%. Wicop-based LEDs which won the Innovation Award at CES last year, may lead the increase of sales amount with UV LEDs.



Q & A

SEOUL VIOSYS "For 20 years" Only LED





APPENDIX

#1. BS ratio analysis

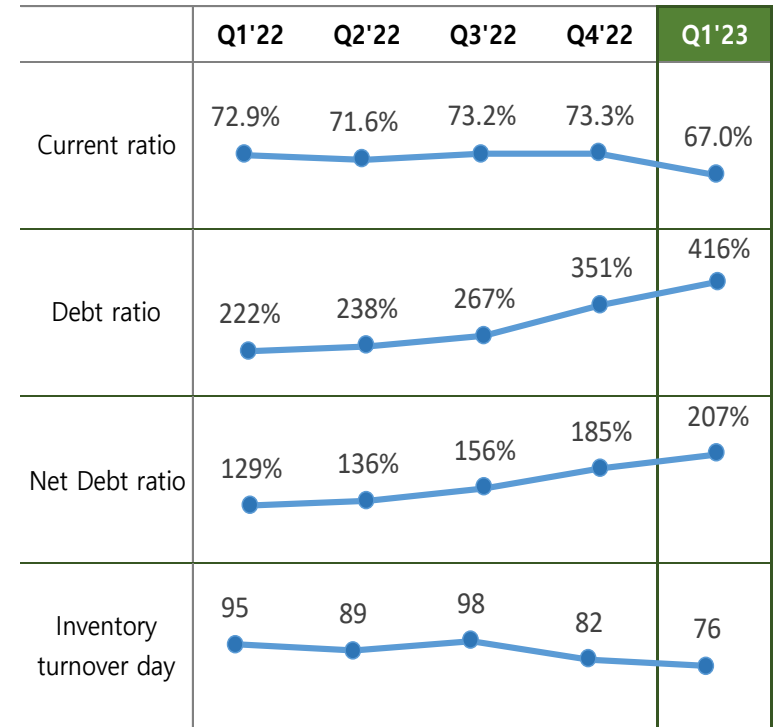
BS summary

(billion KRW)

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Asset	7,875	8,162	8,359	7,560	7,739
Current asset	2,133	2,234	2,204	2,191	2,206
Cash &	54	162	49	119	247
Inventory	1,009	1,133	1,068	961	889
Non-current asset	5,742	5,928	6,156	5,369	5,533
Debt	5,432	5,748	6,081	5,885	6,238
Current Liabilities	2,924	3,121	3,012	2,989	3,294
Non-Current Liabilities	2,508	2,628	3,069	2,896	2,945
Equity	2,442	2,413	2,279	1,675	1,500
Borrowings	3,210	3,454	3,596	3,220	3,360
Net Borrowings	3,156	3,292	3,547	3,101	3,113

BS ratio analysis

(%)



#2. BSPL summary (~2023.1Q.)

Financial Information (unit: million KRW)	FY2022				FY2021				FY2020				Yearly				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2023	2022	2021	2020
[Income Statement]																	
Sales	111,244	121,302	105,326	116,522	95,642	105,196	130,551	131,161	121,769	120,485	120,661	103,235	86,901	111,244	438,792	488,677	431,282
COGS	109,487	112,823	102,948	109,044	95,034	99,758	107,192	105,861	94,669	95,962	98,953	80,728	71,061	109,487	419,849	407,481	346,704
COGS (%)	98.4%	93.0%	97.7%	93.6%	99.4%	94.8%	82.1%	80.7%	77.7%	79.6%	82.0%	78.2%	81.8%	98.4%	95.7%	83.4%	80.4%
Gross Profit	1,757	8,479	2,378	7,478	608	5,437	23,359	25,300	27,100	24,523	21,708	22,507	15,840	1,757	18,943	81,196	84,578
Gross Profit (%)	1.6%	7.0%	2.3%	6.4%	0.6%	5.2%	17.9%	19.3%	22.3%	20.4%	18.0%	21.8%	18.2%	1.6%	4.3%	16.6%	19.6%
SG&A	21,599	29,636	19,437	15,983	16,005	16,290	14,041	14,145	14,451	15,407	12,180	16,451	13,155	21,599	81,061	58,926	57,346
Operating Profit	-19,842	-21,157	-17,058	-8,505	-15,397	-10,852	9,318	11,155	12,649	9,116	9,528	6,056	2,685	-19,842	-62,118	22,270	27,233
Operating Profit (%)	-17.8%	-17.4%	-16.2%	-7.3%	-16.1%	-10.3%	7.1%	8.5%	10.4%	7.6%	7.9%	5.9%	3.1%	-17.8%	-14.2%	4.6%	6.3%
Pre-Tax Profit	-25,700	-20,076	-27,022	-16,304	-17,416	-13,201	9,576	9,446	13,719	3,611	6,297	6,064	935	-25,700	-80,818	19,540	16,754
Net Profit	-25,530	-38,028	-29,661	-12,707	-13,295	-11,158	9,273	9,095	13,678	6,621	6,423	6,451	152	-25,530	-93,690	20,888	19,529
[Balance Sheet]																	
Total Assets	773,897	755,995	835,949	816,185	787,479	775,635	783,137	725,153	660,388	582,883	608,306	602,296	602,907	773,897	755,995	775,635	582,822
Current Assets	220,598	219,085	220,365	223,354	213,260	219,237	229,785	221,965	195,876	137,938	159,526	156,271	156,670	220,598	219,085	219,237	137,938
Cash & Equivalents	24,676	11,911	4,947	16,170	5,391	9,778	9,976	10,216	11,763	6,947	7,522	3,082	5,298	24,676	11,911	9,778	6,947
Inventory	88,902	96,066	106,762	113,260	100,895	100,245	96,539	78,999	70,603	64,094	74,737	74,495	67,714	88,902	96,066	100,245	64,094
Non-Current Assets	553,300	536,910	615,584	592,831	574,219	556,398	553,352	503,188	464,512	444,944	448,780	446,025	446,237	553,300	536,910	556,398	444,884
Total Liabilities	623,848	588,483	608,076	574,841	543,236	518,264	510,281	471,872	412,070	363,545	393,602	392,026	399,443	623,848	588,483	518,264	363,604
Current Liabilities	329,351	298,911	301,186	312,061	292,433	268,994	310,603	310,072	334,295	297,549	276,521	272,065	287,654	329,351	298,911	268,994	297,607
Non-Current Liabilities	294,497	289,572	306,890	262,780	250,802	249,270	199,678	161,801	77,776	65,997	117,082	119,961	111,789	294,497	289,572	249,270	65,997
Total Equity	150,049	167,512	227,872	241,344	244,244	257,371	272,856	253,281	248,318	219,337	214,703	210,270	203,464	150,049	167,512	257,371	219,219