



FY2022 Q4 Earnings

2023. 02. 01 | Investor Relations

Disclaimer

Review of the FY2022 Q4 financial results has not been finalized.
Figures in this earnings release are subject to changes during
the independent auditing process.

All financial information contained in this document is based on consolidated K-IFRS.

This material contains forward-looking statements which can be subject to certain
risks and uncertainties that could cause actual results to differ materially.



Financial Results

FY2022 Q4

We Do Technology
첨단기술의 중심, 더 나은 세상을 만듭니다

Revenue Analysis

DRAM

QoQ Flat B/G

Expanded sales to new end-products

FY2022 Q4 Revenue
KRW 7.70T
-30% QoQ / -38% YoY

NAND

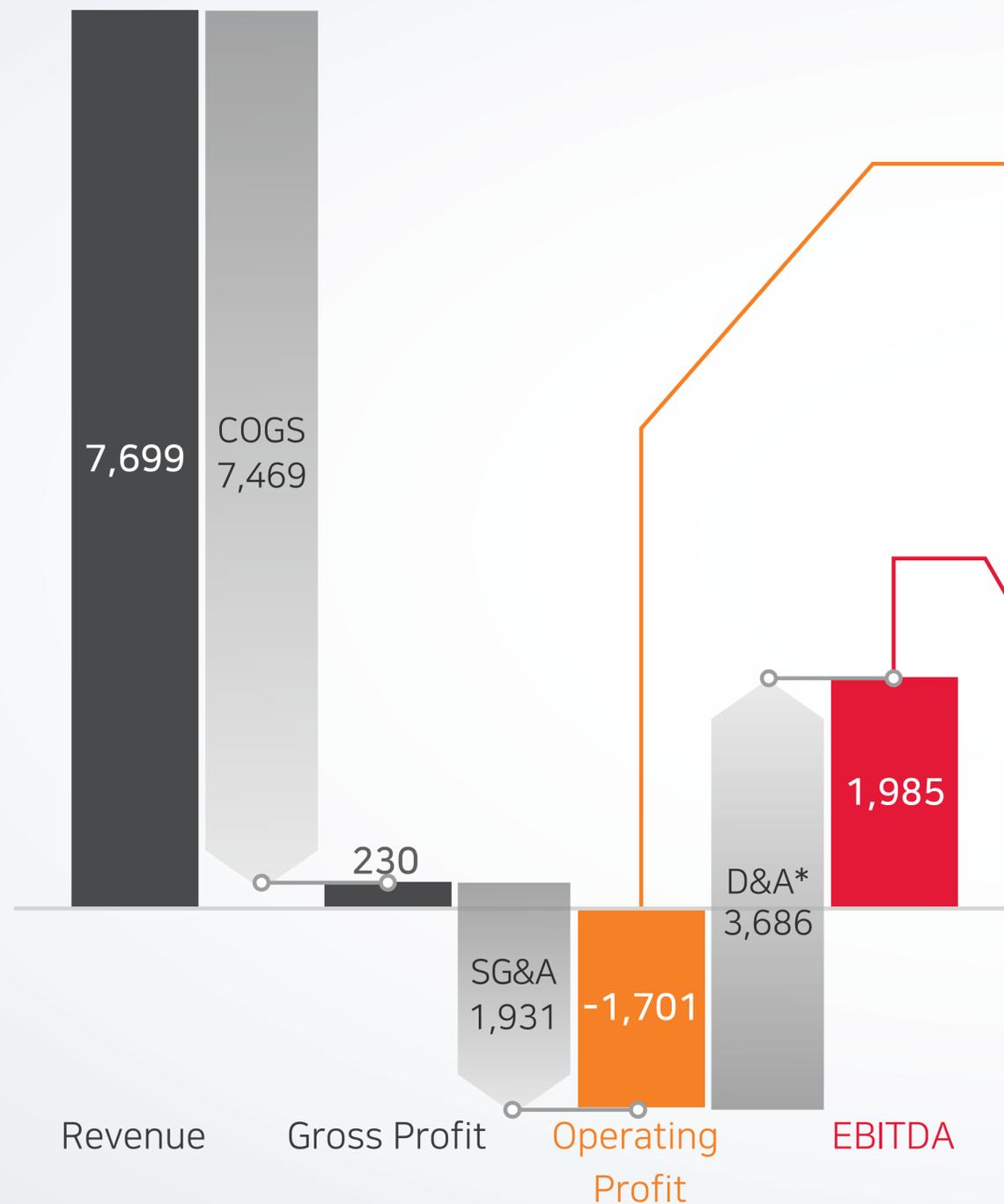
QoQ +High Single% B/G

Expanded sales to new MO products & eSSD for DCs

FY2022 Q3 Revenue
KRW 10.98T

* Solidigm results consolidated from FY'22

Profit Analysis – Operating Profit



(Unit : KRW Billion)

Operating Profit (Loss)
KRW -1.70T

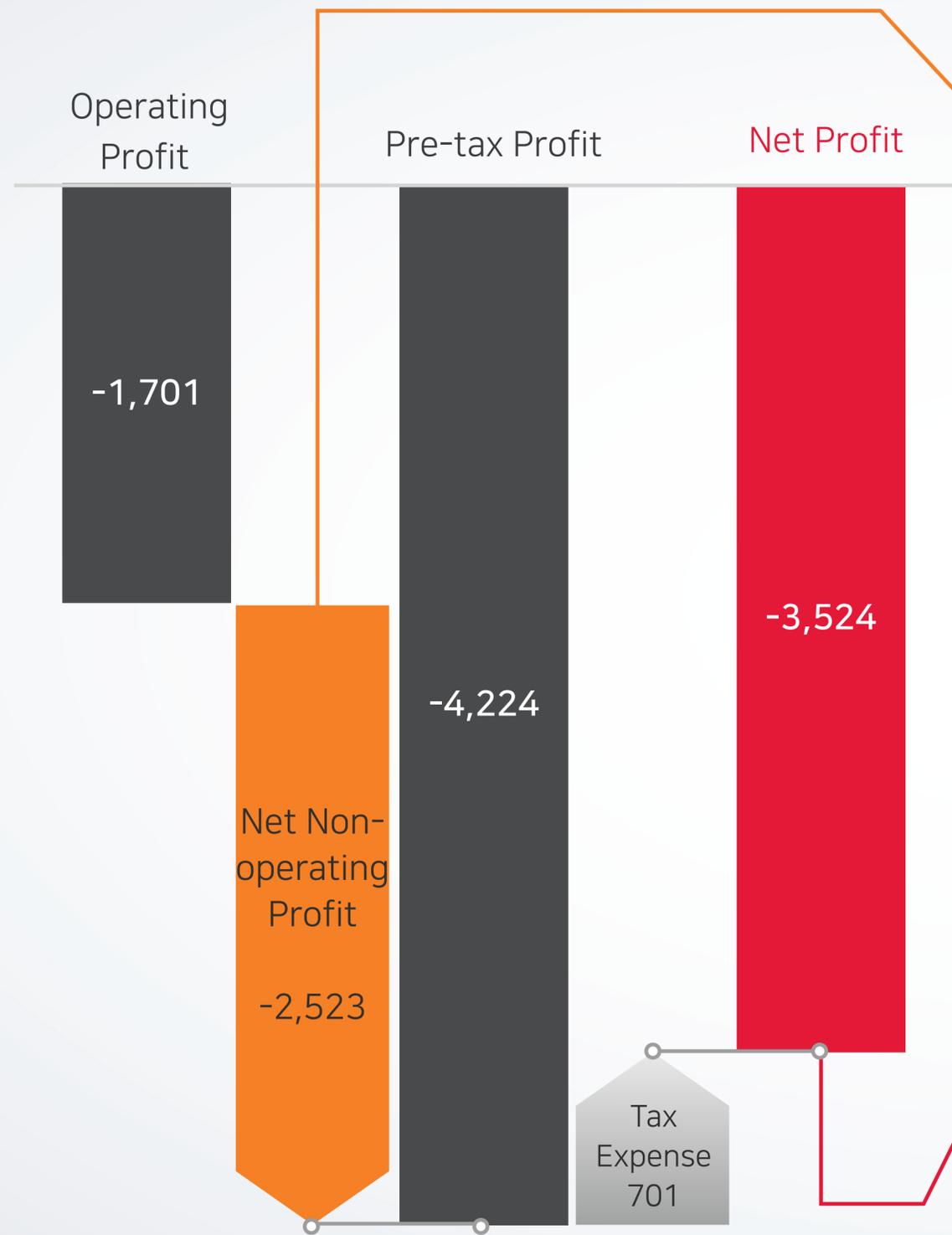
- Sales reduction & further inventory valuation loss due to rapid price drop

EBITDA KRW 1.98T
(-62% QoQ / -72% YoY)

- EBITDA margin 26%

* D&A : Depreciation and Amortization Expense

Profit Analysis – Net Profit



(Unit : KRW Billion)

Non-operating Profit (Loss) KRW -2.52T

- Valuation loss on financial assets including Kioxia investment KRW 0.62T
- Impairment loss on NAND related intangible assets KRW 1.55T, etc

Net Profit KRW -3.52T

- Net profit margin -46%

2022

Highlights

Revenue KRW 44.6T, OP KRW 7.0T

- Despite high market uncertainties, revenue rose by KRW 1.7T YoY
- OP down 44% YoY due to drastic decline in memory demand in 2H

DRAM

- Increased sales of high density products for PV/SV
- Stronger sales & validation activities of products with high-growth potential, such as DDR5/HBM
- Maintained industry-leading position in HBM

NAND

- Improved cost-competitiveness for 176L products by quick ramp-up
- eSSD sales grew x4 YoY, through strengthened product competitiveness and wider customer base



Financial Position

'21 Q4

'22 Q4

Cash*

KRW 8.67T

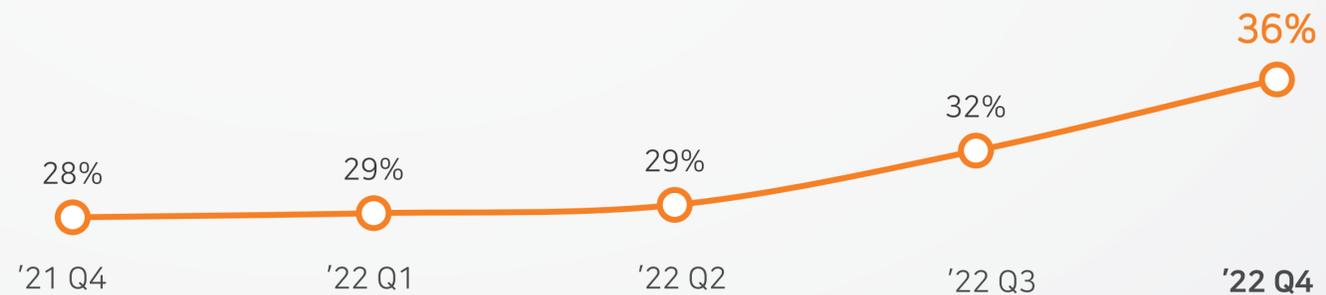
KRW 6.41T

Debt**

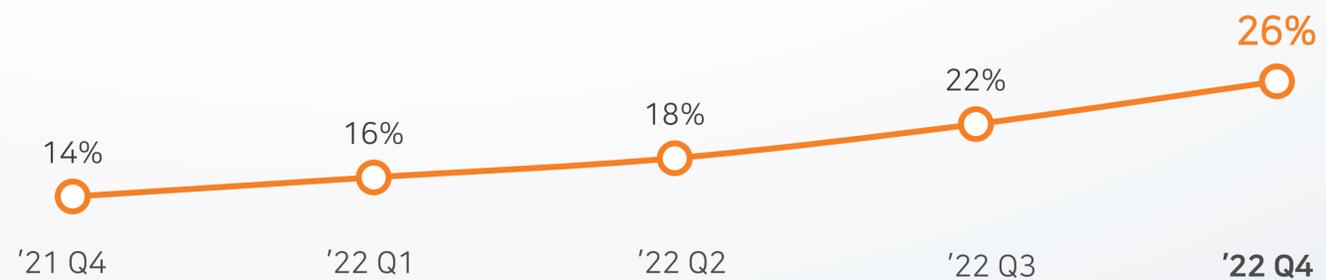
KRW 17.62T

KRW 23.00T

Debt-to-Equity Ratio



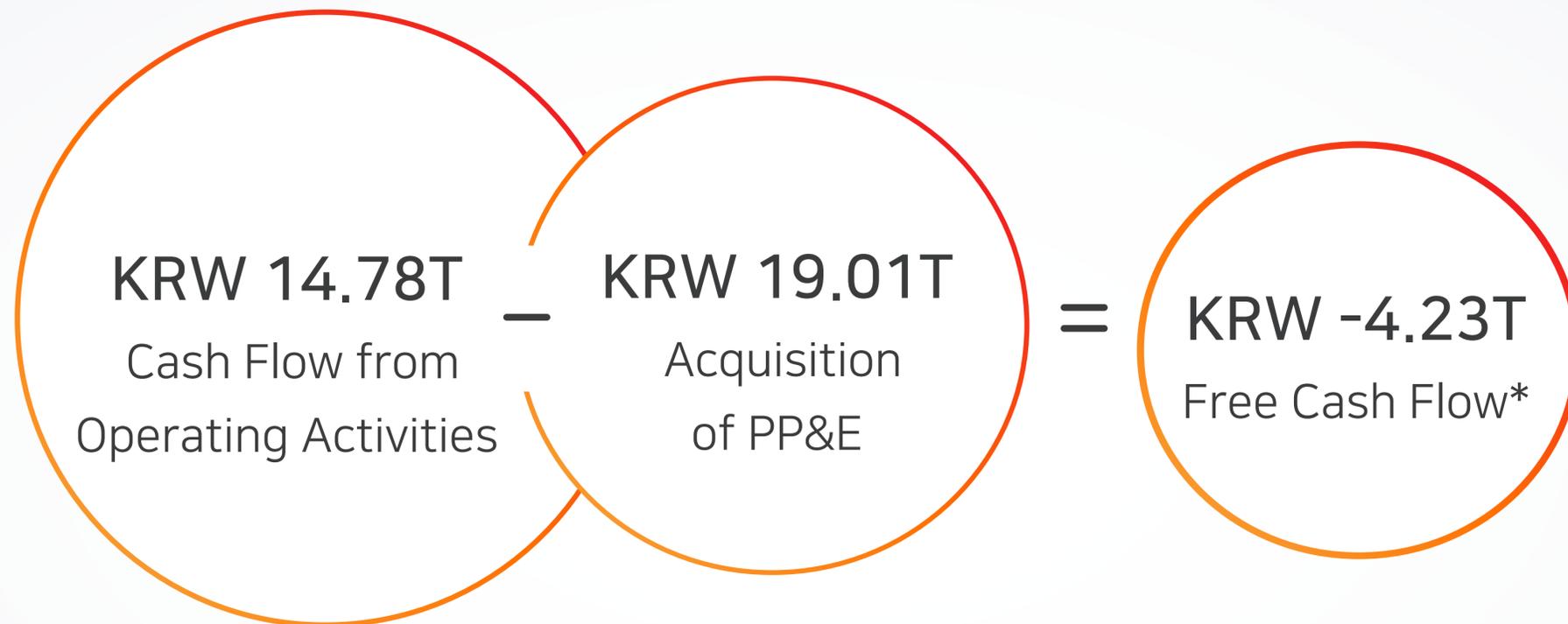
Net Debt-to-Equity Ratio



* Cash = Cash & Cash Equivalents + Short-term Financial Instruments

** Debt = Short-term Borrowings + Current portion of Long-term Borrowings + Debentures + Long-Term Borrowings

FY2022 Dividend



Annual Dividend** = KRW 1,200 per share + 5% of Annual FCF *

Q4 DPS KRW 300/share, '22 Accumulated DPS KRW 1,200/share

* FCF = Cash Flow from Operating Activities – Acquisition of PP&E (based on consolidated Cash Flow Statement for the Fiscal Year)

** Refer to “Management Information related to Key Management Matters (Fair Disclosure) Jan 28, 2022” for Dividend policy(FY22~FY24). If annual FCF is negative, fixed dividend is payed

※ All figures in this presentation are rounded to KRW Billions, leading to some statements not adding up completely



Market Outlook

Company Plan

We Do Technology
첨단기술의 중심, 더 나은 세상을 만듭니다

Market Outlook

Summary

DRAM Demand B/G

Yr. '23; +Low Teen% YoY

NAND Demand B/G

Yr. '23; +Low 20% YoY

PC

Negative '23 PC shipment growth

Expect 10%+ DRAM contents growth
From increased sales of high-perform.
NB/Gaming PCs

Expect low-20% annual cSSD demand
growth due to price elasticity

Mobile

Limited S/P shipment growth due
to weak consumer sentiment

Demand recovery in 2H'23 from
lower channel inventory and China
re-opening/stimulus measures

Continuing polarization between
flagship and low/mid-end models

Server

Slower demand growth in '23 due to
weak corporate IT investment &
inventory correction by CSPs

Higher demand for high-perform. SV
with release of new CPU

Expect high-teen% SV DRAM
demand growth, and high-30%
eSSD demand growth

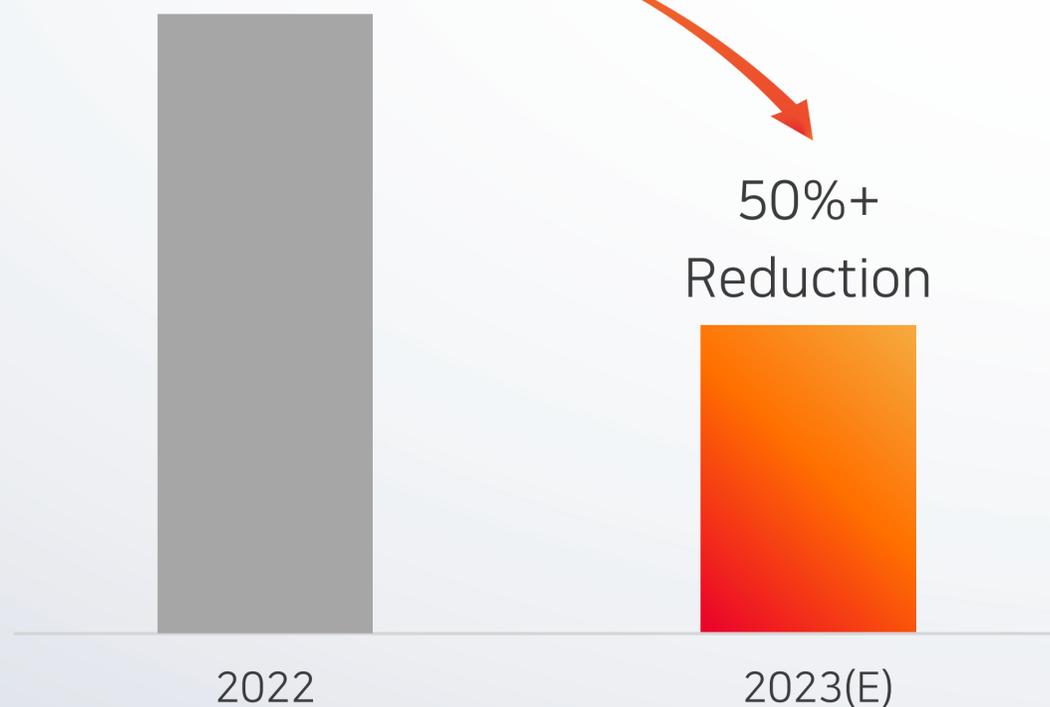
CapEx Outlook

Summary

'23 CapEx to be reduced by 50%+ YoY



KRW 19T*



- Maintain critical investments for ramp-up of new products (DDR5/LPDDR5/HBM3), as well as investment in R&D/infrastructure to prepare for future growth
- Maximize equip. efficiency, and maintain throughout upturn
- Reduction of wafer starts of legacy & low-margin products in Q4, expect '23 DRAM/NAND wafer output to decline YoY
- Negative production bit growth for DRAM in '23, and limited growth for NAND

* Consolidated CapEx

Company Plan

DRAM

B/G

Flexible shipment growth to meet market demand growth in '23

Double digit % decrease QoQ in Q1'23

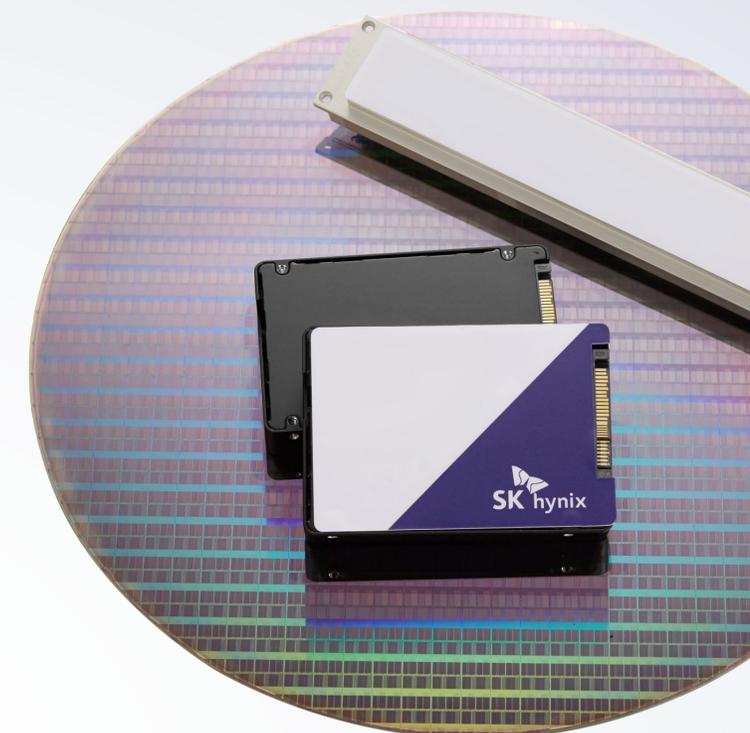
Tech

1nm, 20% of total DRAM production by 22YE

Readiness of 1bnm mass production by mid-23

Industry's first Intel validation of 1nm DDR5 products

Introduced world's fastest MO DRAM 'LPDDR5 Turbo'



NAND

B/G

Flexible shipment growth to meet market demand growth in '23

High-single digit% decrease QoQ in Q1'23
(Solidigm included)

Tech

176L, 60% of total NAND production by 22YE
Secure readiness for 238L mass production by mid-23

ESG Management

Established 'Sustainability Reporting System(SRS)*'

- Provides over 500 entries of digitized, visualized ESG data accumulated for over 4 years
- Improved accessibility of Sustainability Report by enabling downloads per key sections

* <https://sustainability.skhynix.com/datacenter>

Joined Semiconductor Climate Consortium(SCC) as a founding member

- First global consultative body formed to reduce GHG emissions throughout the semiconductor value chain, newly established by SEMI** in Nov.'22
- Major global ICT companies leading in fields such as material, component, equipment, etc. are also participating as founding members

** Semiconductor Equipment and Materials International



Appendix

FY2022 Q4

We Do Technology
첨단기술의 중심, 더 나은 세상을 만듭니다

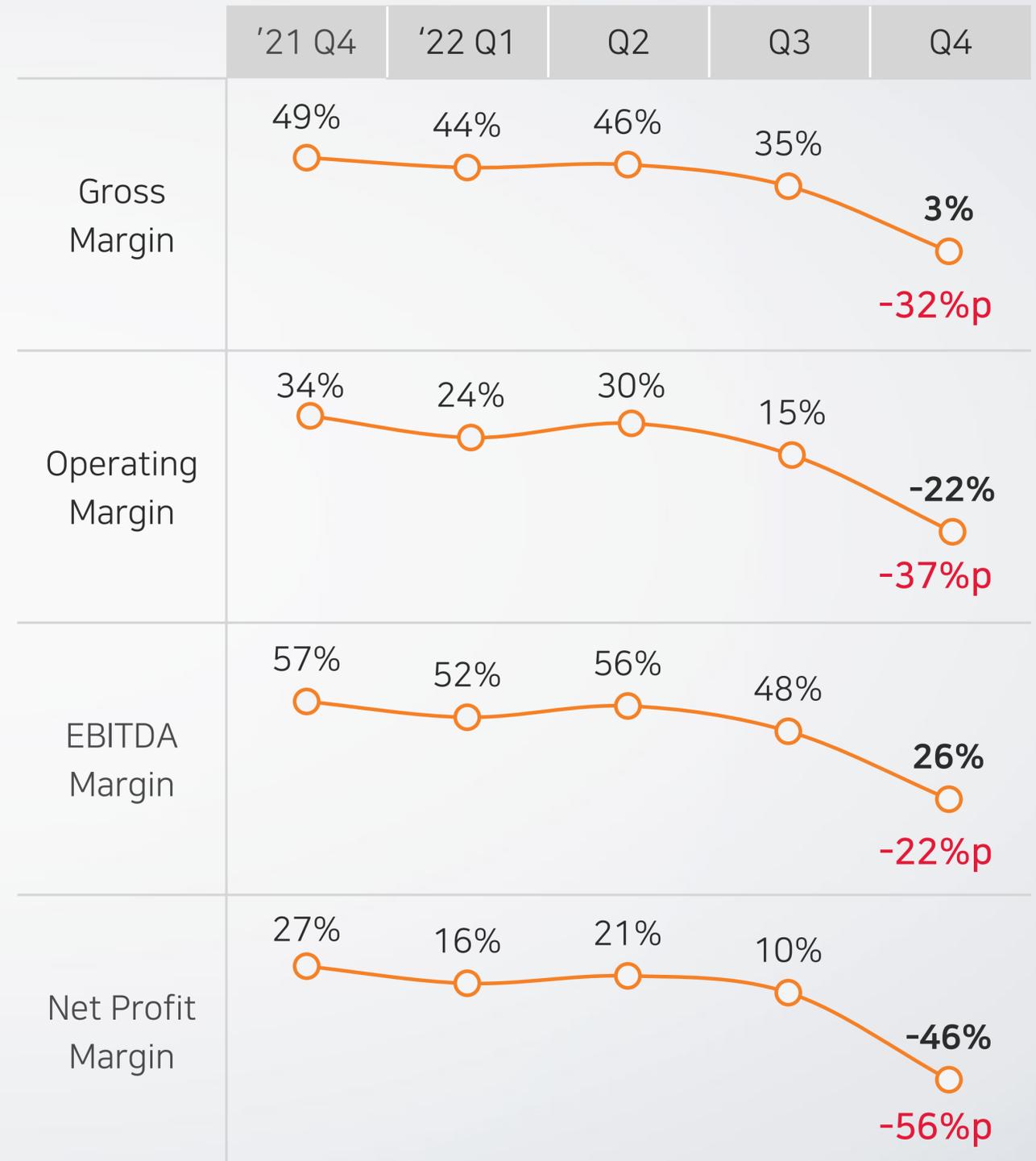
Income Statement

(Unit : KRW Billion)		'22 Q4	'22 Q3	'21 Q4	Q/Q	Y/Y
Revenue		7,699	10,983	12,377	-30%	-38%
Gross Profit		230	3,873	6,053	-94%	-96%
Operating Profit		(1,701)	1,656	4,220	-	-
EBITDA*		1,985	5,220	7,011	-62%	-72%
Net Profit		(3,524)	1,103	3,320	-	-
EPS (KRW)	Basic	(5,134)	1,609	4,823	-	-
	Dil.	(5,133)	1,609	4,821	-	-
Shares Outstanding (Mil. Shares)	Basic	688	688	688	-	-
	Dil.	688	688	688	-	-

* EBITDA = Operating Profit + Depreciation & Amortization

※ All figures in this presentation are rounded to KRW Billions, leading to some statements not adding up completely

Profitability



Statement of Cash Flows

(Unit : KRW Billion)

	'22 Q4	'22 Q3	'21 Q4
Beginning Cash Balance**	7,212	7,496	10,013
CF from Operating Activities	1,204	3,738	5,907
Net Profit (Loss)	(3,524)	1,103	3,320
D&A*	3,691	3,566	2,796
Changes in Working Capital, etc.	1,037	(931)	(208)
CF from Investing Activities	(4,359)	(5,149)	(10,681)
Acquisition of PP&E	(4,137)	(4,804)	(2,790)
CF from Financing Activities	2,719	847	3,412
Changes in Debt	3,012	1,123	3,492
Repayment of Lease Liability	(89)	(73)	(80)
Dividend Payout	(206)	(206)	(5)
Share Repurchase	2	3	5
Effect of F/X rate changes on Cash & Equivalents	(368)	281	21
Net Changes in Cash	(803)	(283)	(1,341)
Ending Cash Balance**	6,409	7,212	8,673

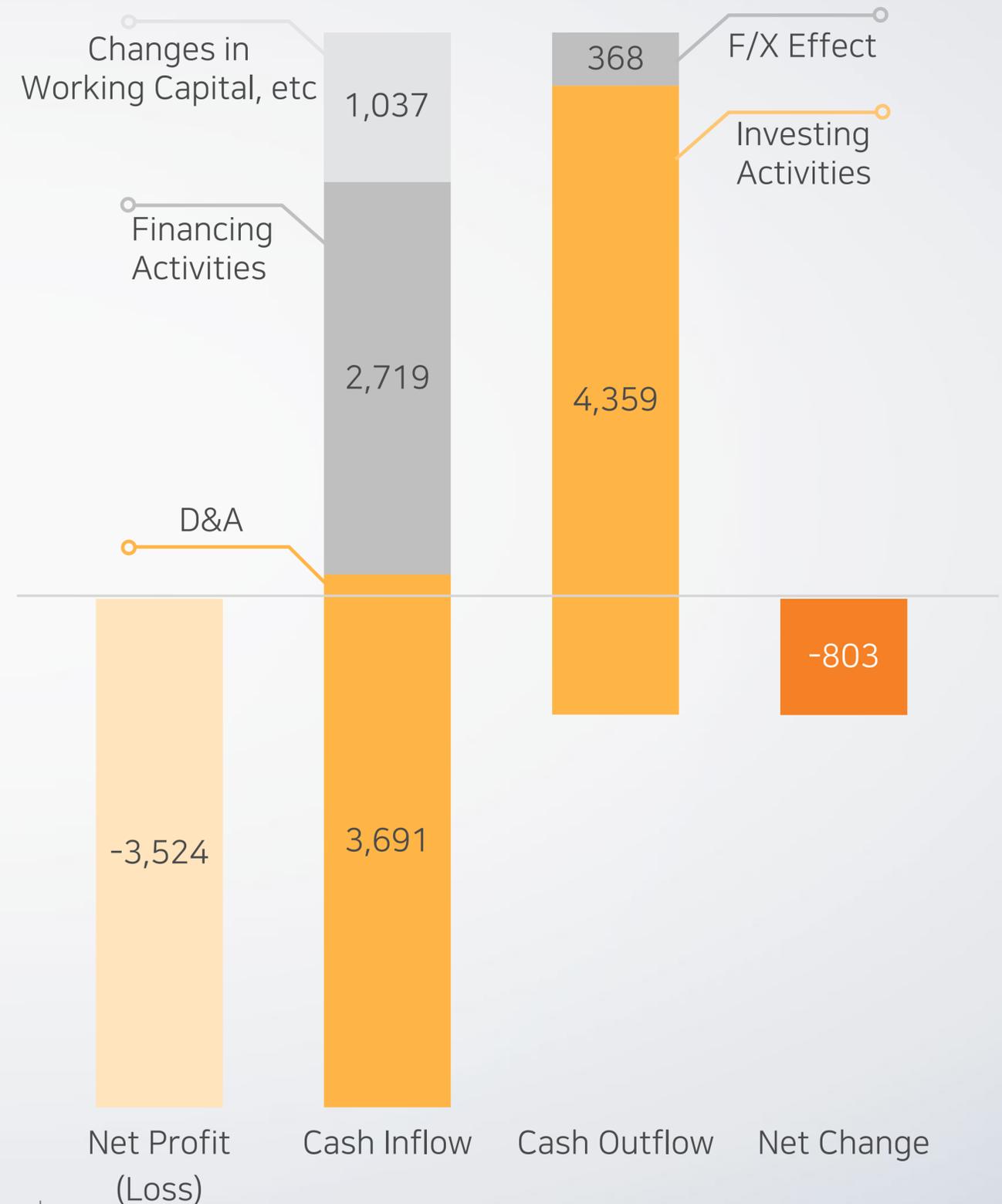
* Depreciation & Amortization, including depreciation for non-operating (idle) assets

** Cash & Cash Equivalents + Short-term Financial Instruments, leading to deviation from reported numbers

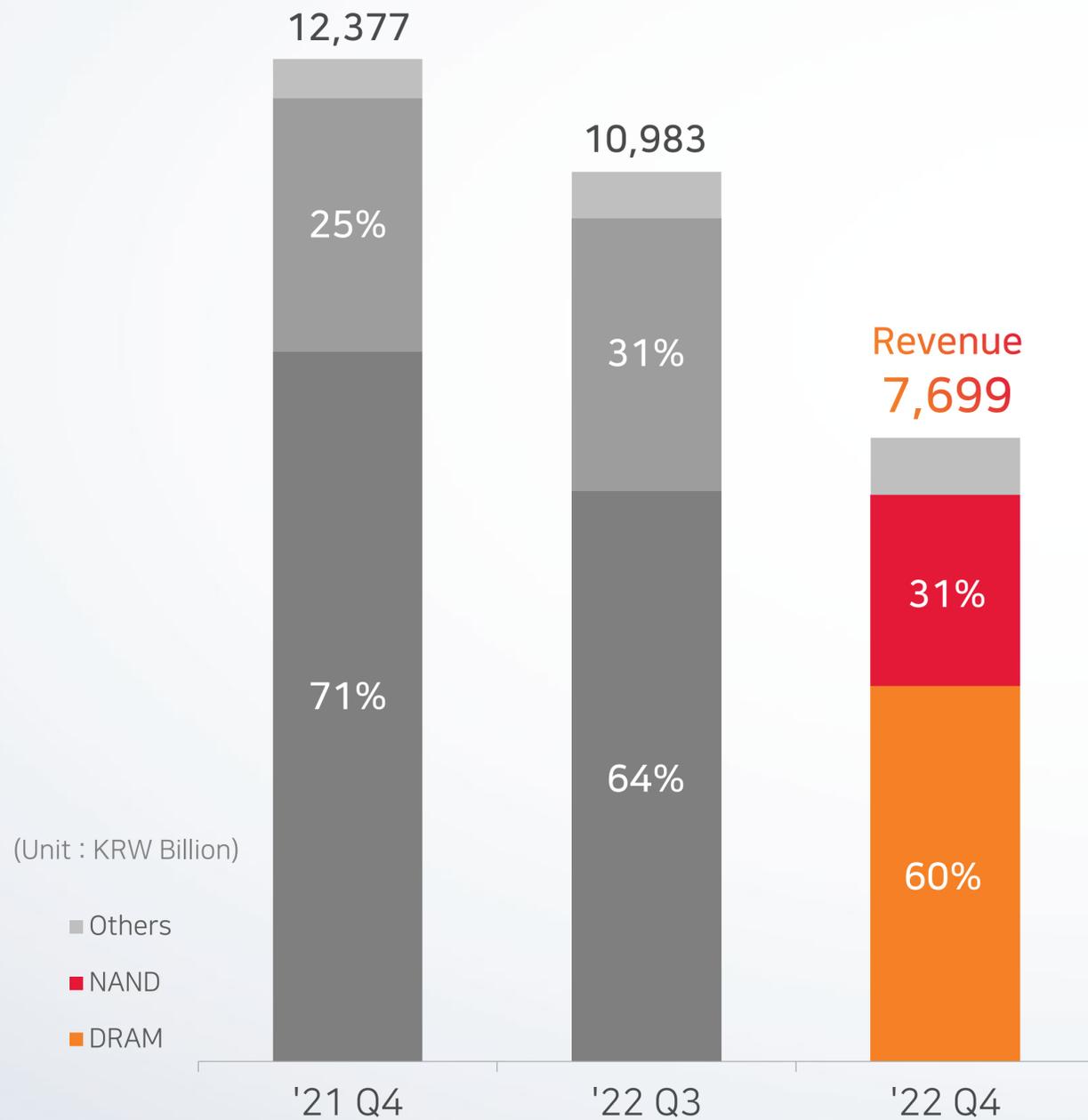
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Net Cash Flow

(Unit : KRW Billion)



Revenue by Product

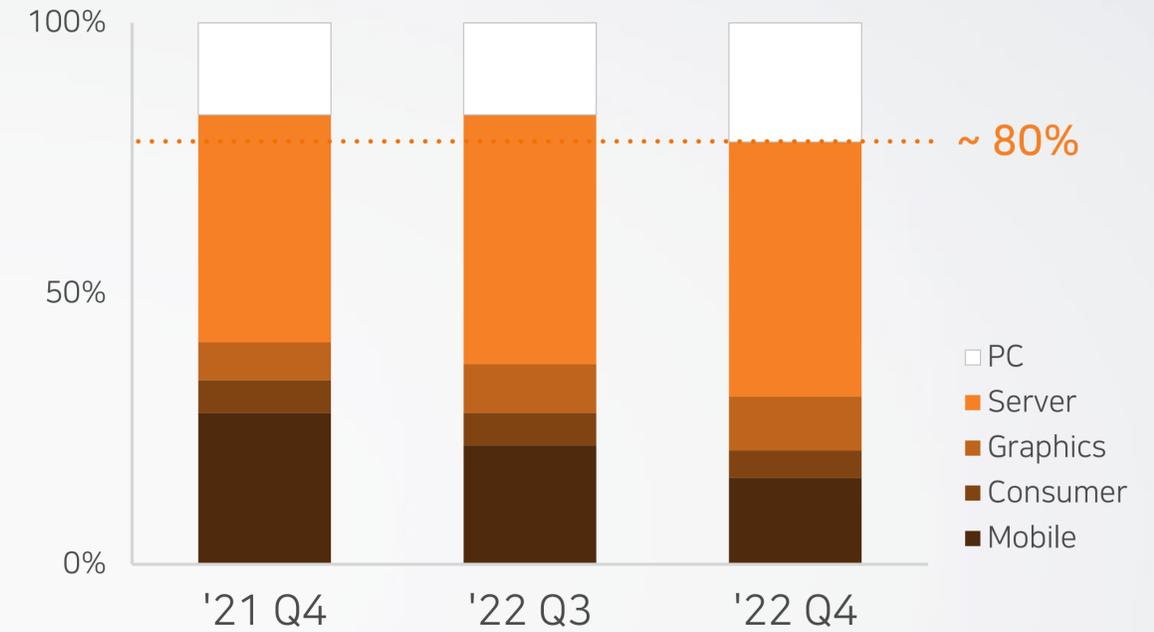


* Revenue by product portion is based on KRW, Solidigm results consolidated from FQ1'22

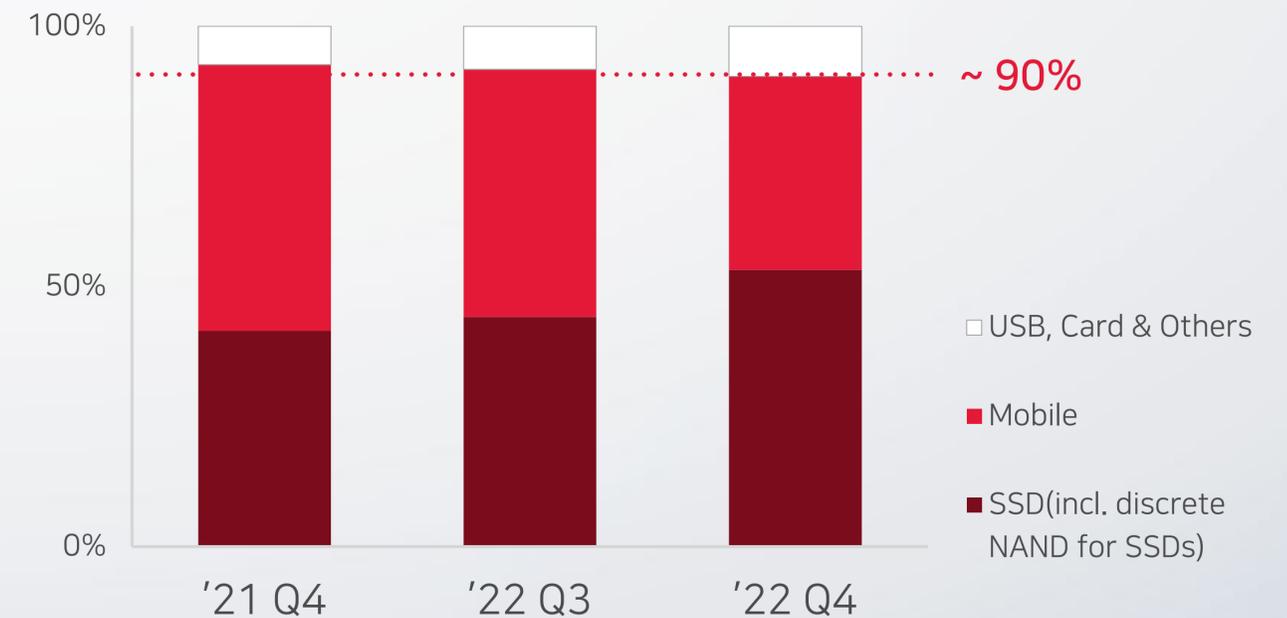
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Revenue by Application

DRAM



NAND



* Revenue by application is based on USD revenue of SKH(excl. Solidigm)



THE END

[Attachment1] Statement of Financial Position

K-IFRS (KRW Billion)

	Q4'22	Q3'22	Q4'21	QoQ	YoY
Assets					
Current Assets	28,953	31,897	26,907	-2,943	+2,046
Cash & Cash Equivalents*	6,409	7,212	8,673	-803	-2,264
Accounts Receivables	5,151	8,520	8,267	-3,368	-3,116
Inventories	15,633	14,665	8,950	+968	+6,683
Non-Current Assets	75,216	77,649	69,439	-2,433	+5,776
Property, Plant & Equipment	60,229	60,404	53,226	-176	+7,003
Intangible Assets	3,512	5,508	4,797	-1,996	-1,285
Total Assets	104,169	109,546	96,347	-5,377	+7,823
Liabilities					
Interest-bearing Debts	22,995	22,021	17,624	+973	+5,371
S-T Borrowings	3,833	1,902	233	+1,931	+3,600
Current Portion of L-T Borrowings	3,590	3,528	2,648	+62	+942
Bonds	6,498	6,994	7,214	-496	-716
L-T Borrowings	9,074	9,598	7,529	-524	+1,545
Accounts Payables	2,186	2,476	1,359	-290	+827
Total Liabilities	40,628	40,823	34,155	-194	+6,473
Shareholders' Equity					
Capital Stock	3,658	3,658	3,658	-	-
Capital Surplus	4,336	4,336	4,335	-	+2
Retained Earnings	56,940	60,233	55,784	-3,293	+1,155
Total Shareholders' Equity	63,541	68,723	62,191	-5,182	+1,350

* Short-term Financial Instruments and Short-term Investments included

[Attachment2] Income Statement

K-IFRS (KRW Billion)

		Q4'22	Q3'22	Q4'21	QoQ	YoY
Revenue		7,699	10,983	12,377	-30%	-38%
Cost of Goods Sold		7,469	7,110	6,323	+5%	+18%
Gross Profit		230	3,873	6,053	-94%	-96%
SG&A Expenses		1,931	2,217	1,834	-13%	+5%
Operating Profit		-1,701	1,656	4,220	-	-
Net Financial Profit/Loss		-156	-121	-58		
Net F/X Transaction & Translation P/L		-210	133	-14		
Net Income(Expense) From Jointly Controlled Entities & Associates		12	27	-22		
Others		-2,170	-10	540		
EBITDA		1,985	5,220	7,011	-62%	-72%
Income Before Tax		-4,224	1,683	4,666	-	-
Tax Expense/Benefit		-701	581	1,346	-	-
Net Profit		-3,524	1,103	3,320	-	-
EPS(KRW)	Basic	-5,134	1,609	4,823		
	Diluted	-5,133	1,609	4,821		
Shares Outstanding (mn shares)	Basic	688	688	688		
	Diluted	688	688	688		