



# FY2023 Q1 Earnings

2023. 04. 26 | Investor Relations

## Disclaimer

Review of the FY2023 Q1 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

FY2023 Q1

We Do Technology  
첨단기술의 중심, 더 나은 세상을 만듭니다

# Revenue Analysis

## DRAM

B/G Around 20% ↓ QoQ  
ASP High Teen% ↓ QoQ

FY2023 Q1 Revenue  
**KRW 5.09T**  
-34% QoQ / -58% YoY

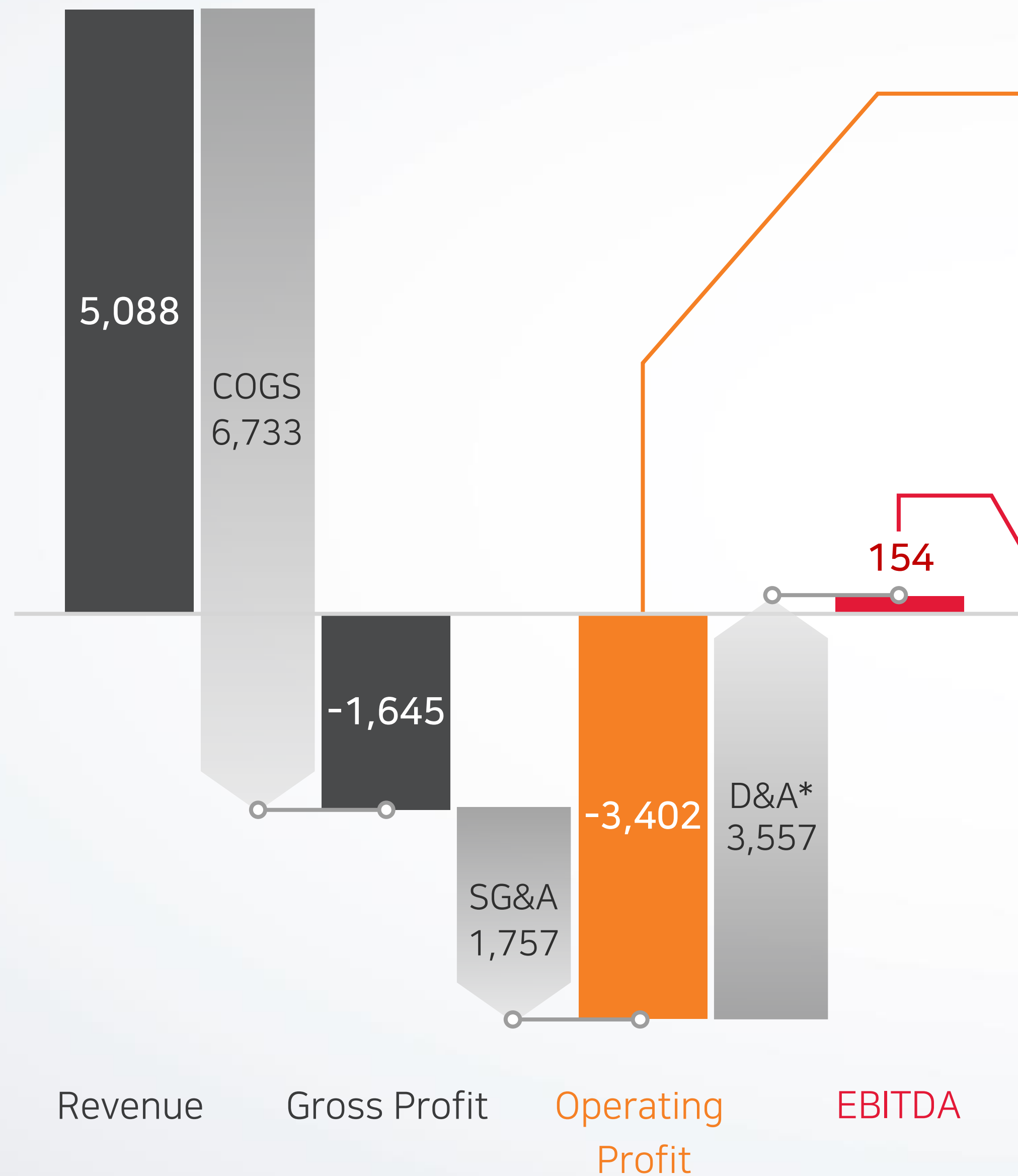
FY2022 Q4 Revenue  
**KRW 7.67T**

## NAND

B/G Mid Teen% ↓ QoQ  
ASP Around 10% ↓ QoQ

\* Solidigm results consolidated from FY'22

# Profit Analysis – Operating Profit



(Unit : KRW Billion)

**Operating Profit (Loss)**  
**KRW -3.40T**

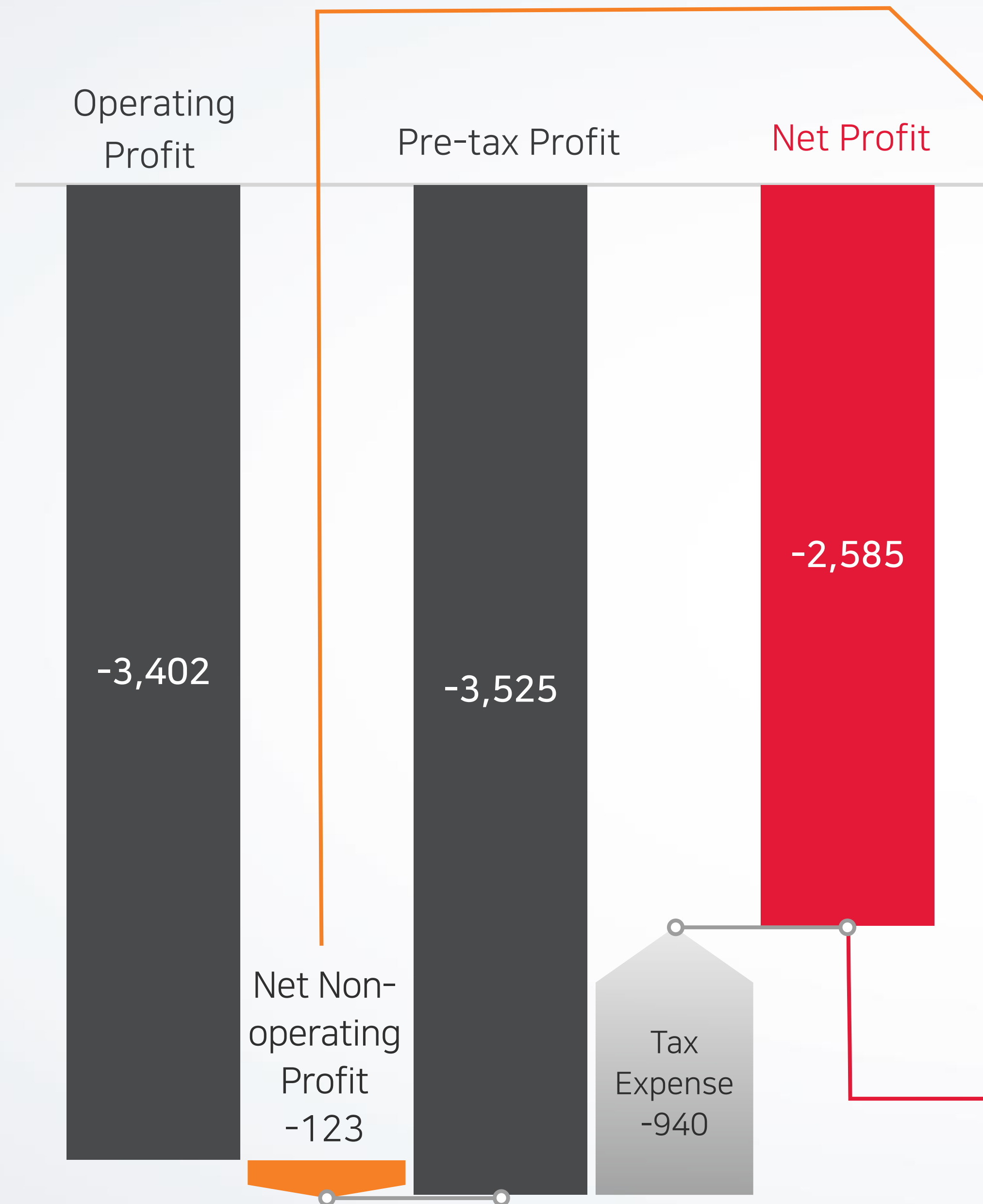
- Despite lower COGS and SG&A expenses,
- Rapid revenue decline and expanded inventory valuation loss

**EBITDA KRW 0.15T**  
(-91% QoQ / -98% YoY)

- EBITDA margin 3%

\* D&A : Depreciation and Amortization Expense

# Profit Analysis – Net Profit



(Unit : KRW Billion)

**Non-operating Profit (Loss)**  
**KRW -0.12T**

- Net interest expense KRW 0.25T,  
Foreign currency related net gain KRW 0.10T, etc.

**Net Profit KRW -2.59T**

- Net profit margin -51%

# Financial Position

'22 Q4

'23 Q1

Cash\*

KRW 6.41T

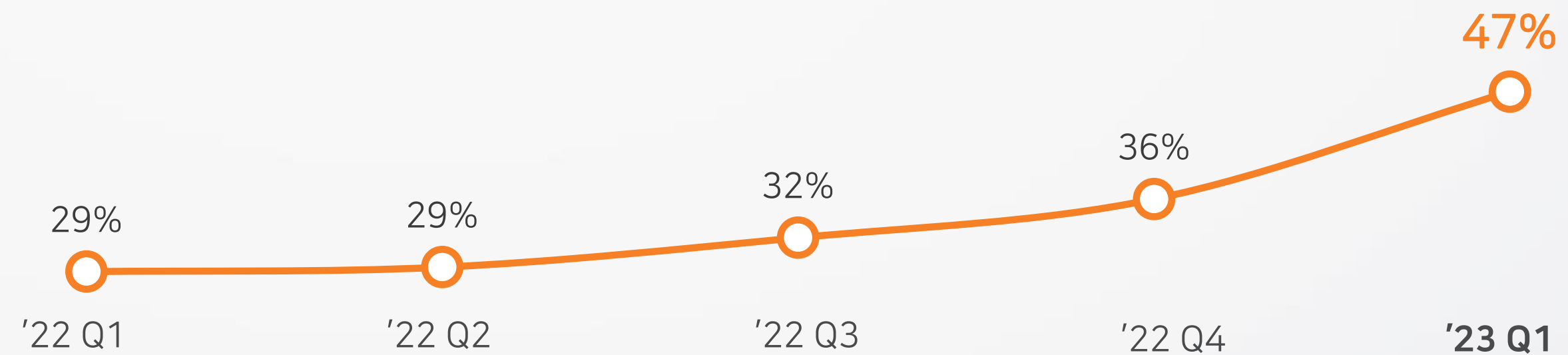
KRW 6.14T

Debt\*\*

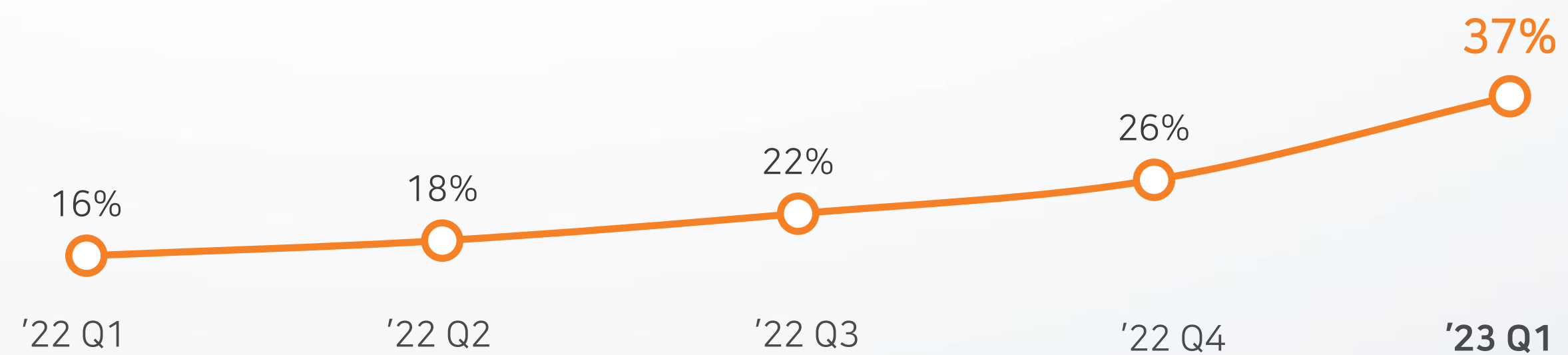
KRW 23.00T

KRW 28.76T

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



# Market Outlook

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# Company Plan

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첨단기술의 중심, 더 나은 세상을 만듭니다



# Market Outlook

## Summary

DRAM Demand B/G

Yr. '23; +Mid~High Single% YoY

NAND Demand B/G

Yr. '23; +Mid~High Teen% YoY

### PC

PC shipment decline for 2 consecutive years

Weak Consumer PC demand, but increase in contents from greater high-spec LT/Gaming PC sales

### Mobile

Demand recovery in 2H with China economy rebound & new product launches

Contents growth from flagship models which have lower price sensitivity

Increased interest in high-density /high-performance products such as 16GB or higher LPDDR5X /9.6Gbps Turbo

### Server

Yr. '23 demand to soften due to tightened IT spending/inventory adjustments by CSPs

Demand to shift towards DDR5

Higher demand for HBM due to intensifying competition of LLM /Generative AI tech. development and commercialization

# Company Plan

## DRAM

B/G

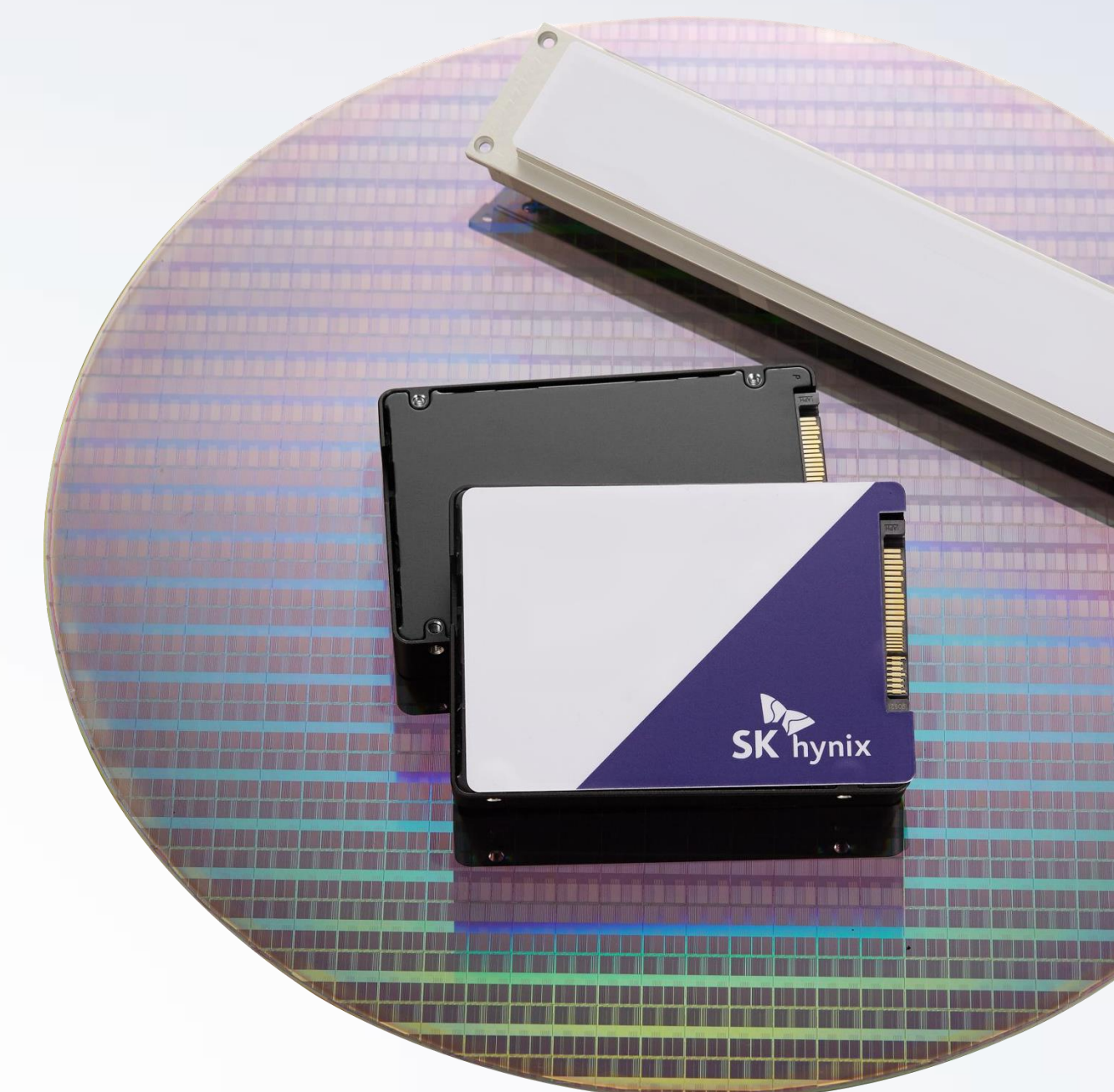
Flexible response to customers' demand by actively shifting product mix

Double digit% increase QoQ in Q2'23

Tech

Proactively support DDR5/LPDDR5 demand

Yield of all 1nm products reached stable levels



## NAND

B/G

Flexible response to customers' demand by actively shifting product mix

Double digit% increase QoQ in Q2'23

(Solidigm included)

Tech

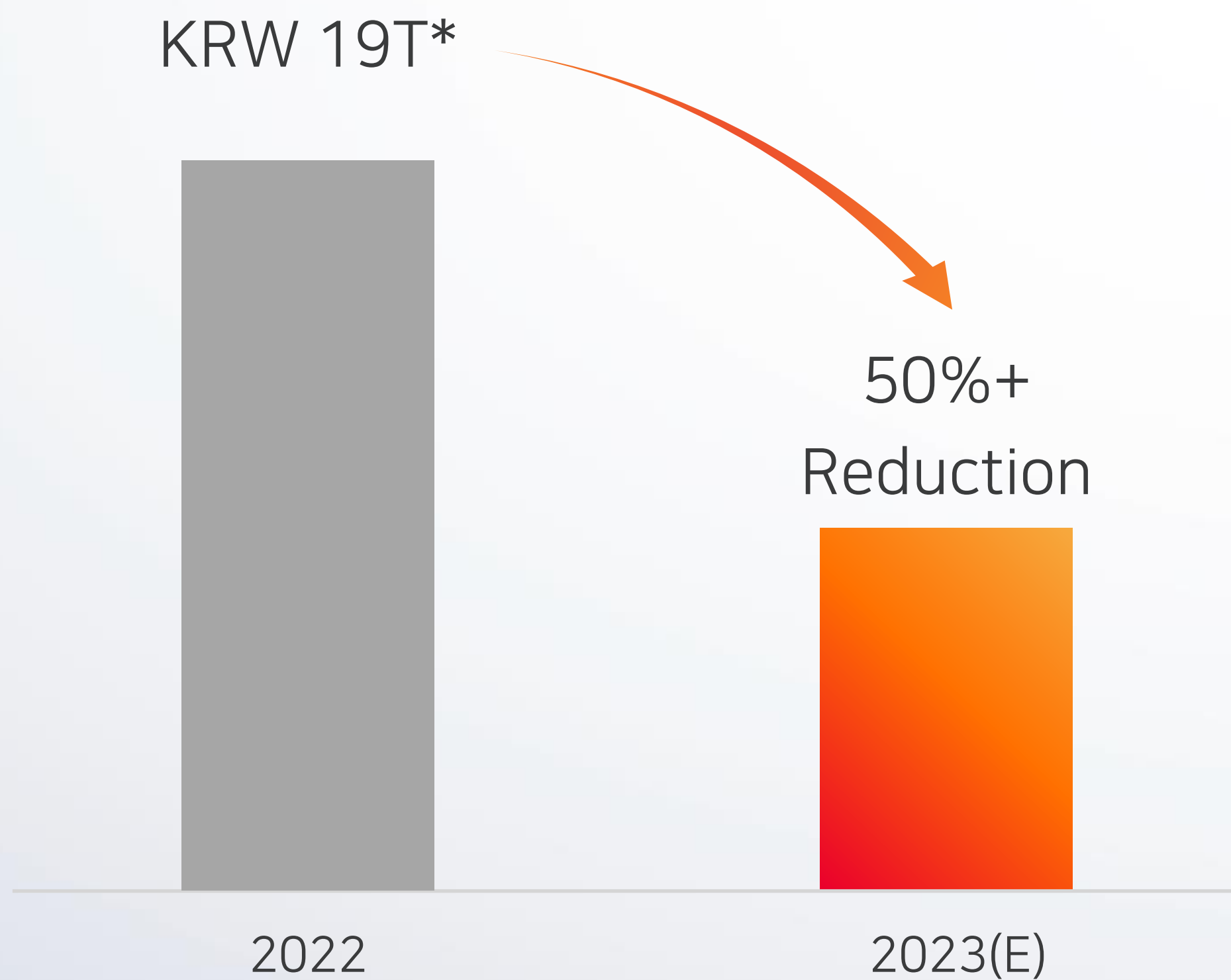
Expand sales of 176L SSD/uMCP products

Yield of all 176L products reached stable levels

# CapEx Outlook

## Summary

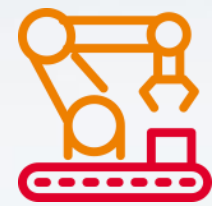
Yr.'23 Capex (reduced by 50%+ YoY) well under execution



\* Consolidated CapEx

- Minimized investments in every aspect, excluding essential investments to maintain competitiveness
- Continue investments on DDR5/LPDDR5/HBM3 which have higher growth potential to prepare for 2H'23 and '24
- Secure readiness for mass production of DRAM 1bnm/NAND 238L within '23
- Reduced wafer loadings of some legacy & low-margin products in Q4'22, effects gradually materializing from Q1
- Adjusting wafer starts of products with relatively high inventory levels, reflecting lowered demand outlook for '23

# Tech /Product Highlights



## Maintain tech. leadership by securing readiness for 1bnm/238L mass production

- 1bnm net die efficiency significantly improved from 1anm, process efficiency maximized with increased EUV applications
- Achieved high yield rates for these next gen. products at initial test stage



## Full product line-up of 1anm based DDR5

- Most number of validated DDR5 products from early introduction, and is the sole supplier that offers 1anm based HDM such as 128GB or more
- Yr. '23 sales of 128GB or higher density DDR5 modules to increase by more than 6-times YoY

## Competitive HBM product line-up & mkt. position

- Developed industry's 1st 12-layer stack of HBM product, industry's current largest 24GB density HBM3, Achieved same stack height as 16GB product using TSV
- Yr. '23 HBM sales to increase by more than 50% YoY



# ESG Management

## Review of 2022 ESG management results by ESG Management Committee in April

- Last July, introduced ESG targets to be achieved by 2030 based on ESG framework 'PRISM', and is progressively implementing ESG management by annually reviewing yearly goals and their progress
- Achieved 21 out of 27 yearly goals set for 2022
  - **Achieved 100% rate of renewable energy consumption in global sites**
- For areas with insufficient results, ESG Management Committee will consistently evaluate and make improvement efforts



# Appendix

FY2023 Q1

We Do Technology  
첨단기술의 중심, 더 나은 세상을 만듭니다

# Income Statement

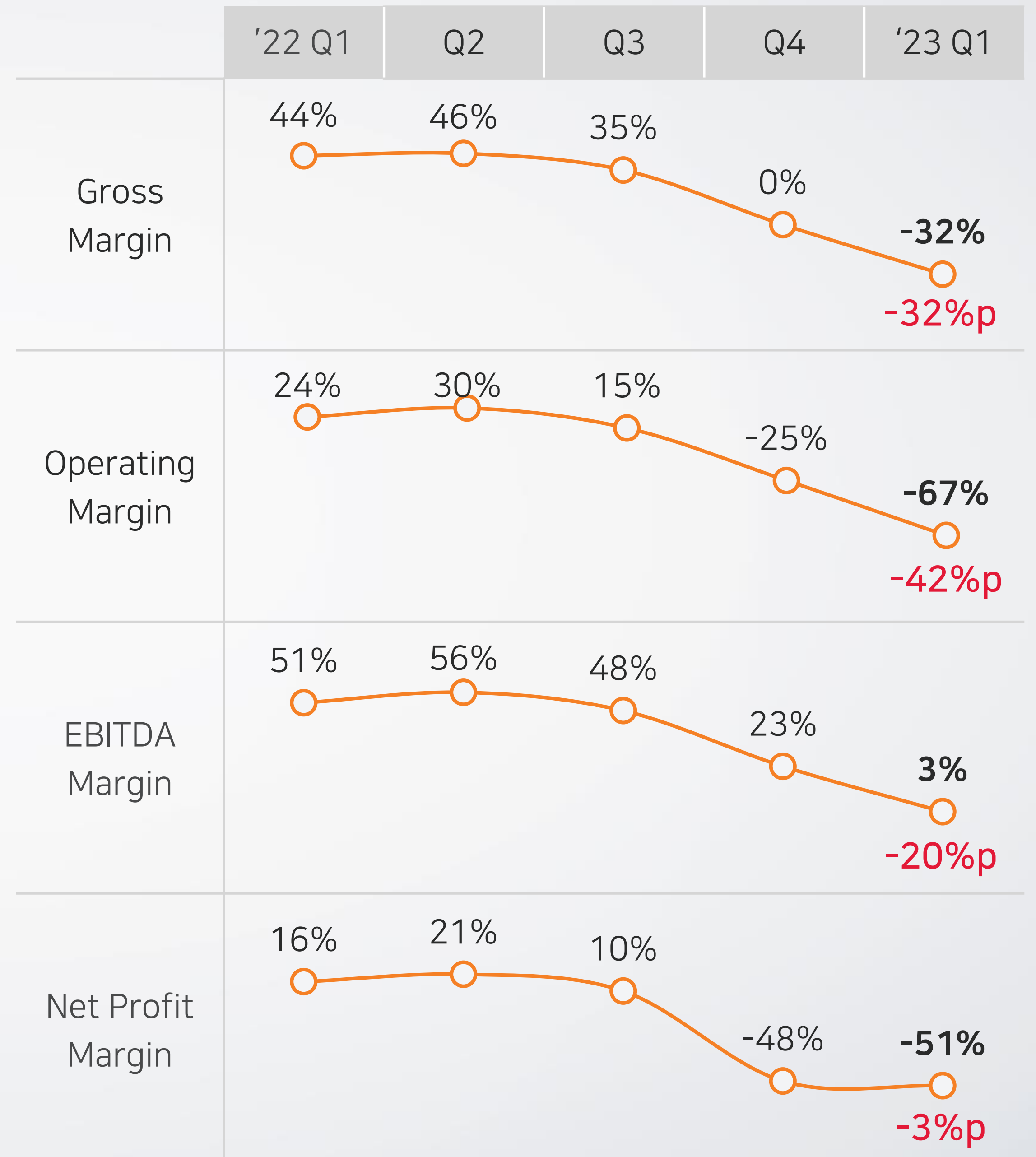
(Unit : KRW Billion)		'23 Q1	'22 Q4	'22 Q1**	Q/Q	Y/Y
Revenue		5,088	7,672	12,156	-34%	-58%
Gross Profit		(1,645)	3	5,401	-	-
Operating Profit		(3,402)	(1,898)	2,864	-	-
EBITDA*		154	1,788	6,256	-91%	-98%
Net Profit		(2,585)	(3,721)	1,987	-	-
EPS (KRW)	Basic	(3,751)	(5,421)	2,884	-	-
	Dil.	(3,751)	(5,420)	2,883	-	-
Shares Outstanding (Mil. Shares)	Basic	688	688	688	-	-
	Dil.	688	688	688	-	-

\* EBITDA = Operating Profit + Depreciation & Amortization

\*\* '22 Q1 figures reflect retroactive adjustments from Intel NSG acquisition accounting final results

※ 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)

	'23 Q1	'22 Q4	'22 Q1***
Beginning Cash Balance**	6,409	7,212	8,673
CF from Operating Activities	(1,982)	1,204	5,157
Net Profit (Loss)	(2,585)	(3,721)	1,987
D&A*	3,560	3,691	3,396
Changes in Working Capital, etc.	(2,957)	1,234	(226)
CF from Investing Activities	(3,345)	(4,359)	(6,074)
Acquisition of PP&E	(3,199)	(4,137)	(5,237)
CF from Financing Activities	4,981	2,719	175
Changes in Debt	5,058	3,012	245
Repayment of Lease Liability	(80)	(89)	(69)
Dividend Payout	0	(206)	0
Share Repurchase	3	2	0
Effect of F/X rate changes on Cash & Equivalents	73	(368)	65
Net Changes in Cash	(273)	(803)	(676)
Ending Cash Balance**	6,136	6,409	7,996

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

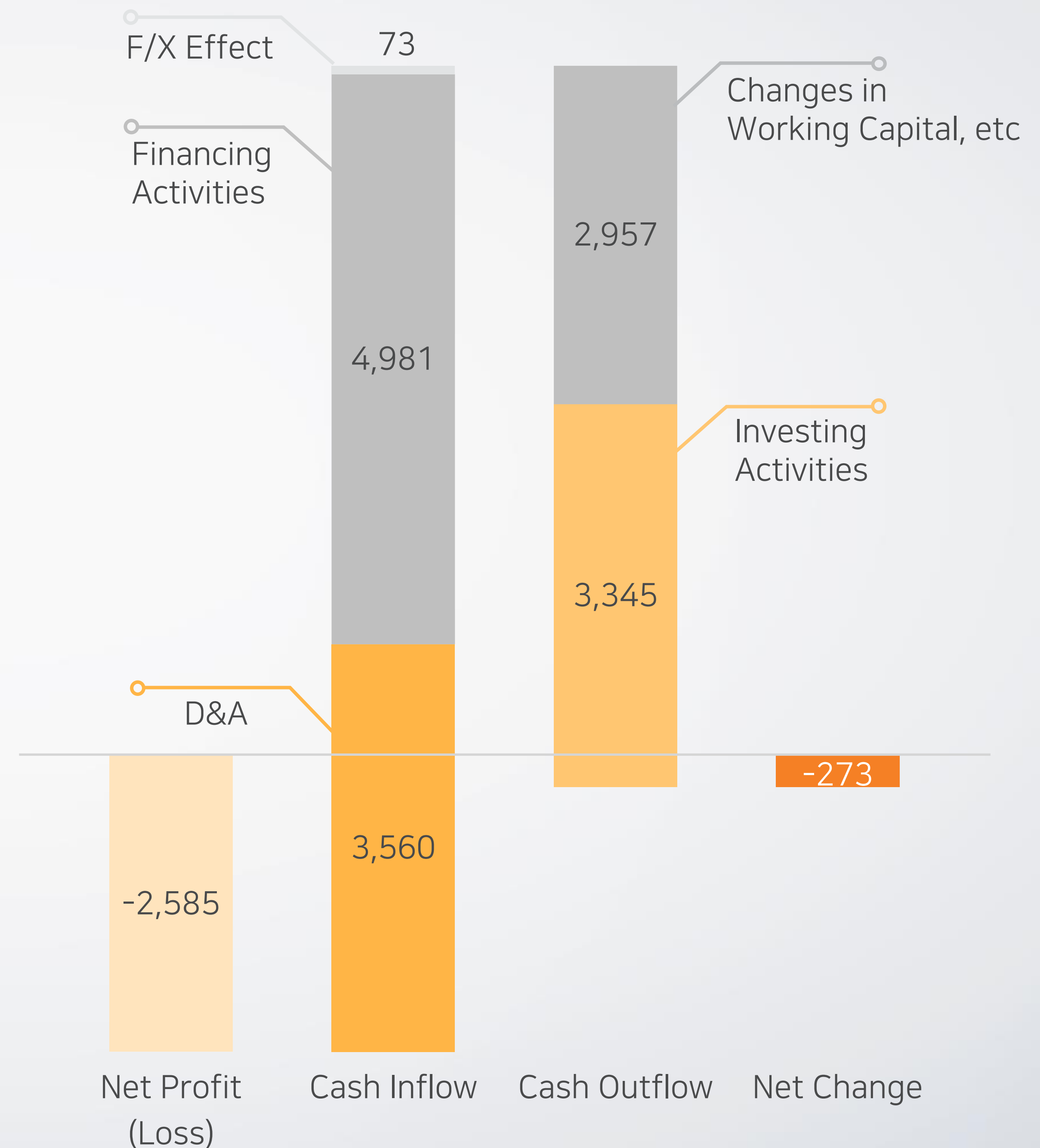
\*\* Cash &amp; Cash Equivalents + Short-term Financial Instruments, leading to deviation from reported numbers

\*\*\* '22 Q1 figures reflect retroactive adjustments from Intel NSG acquisition accounting final results

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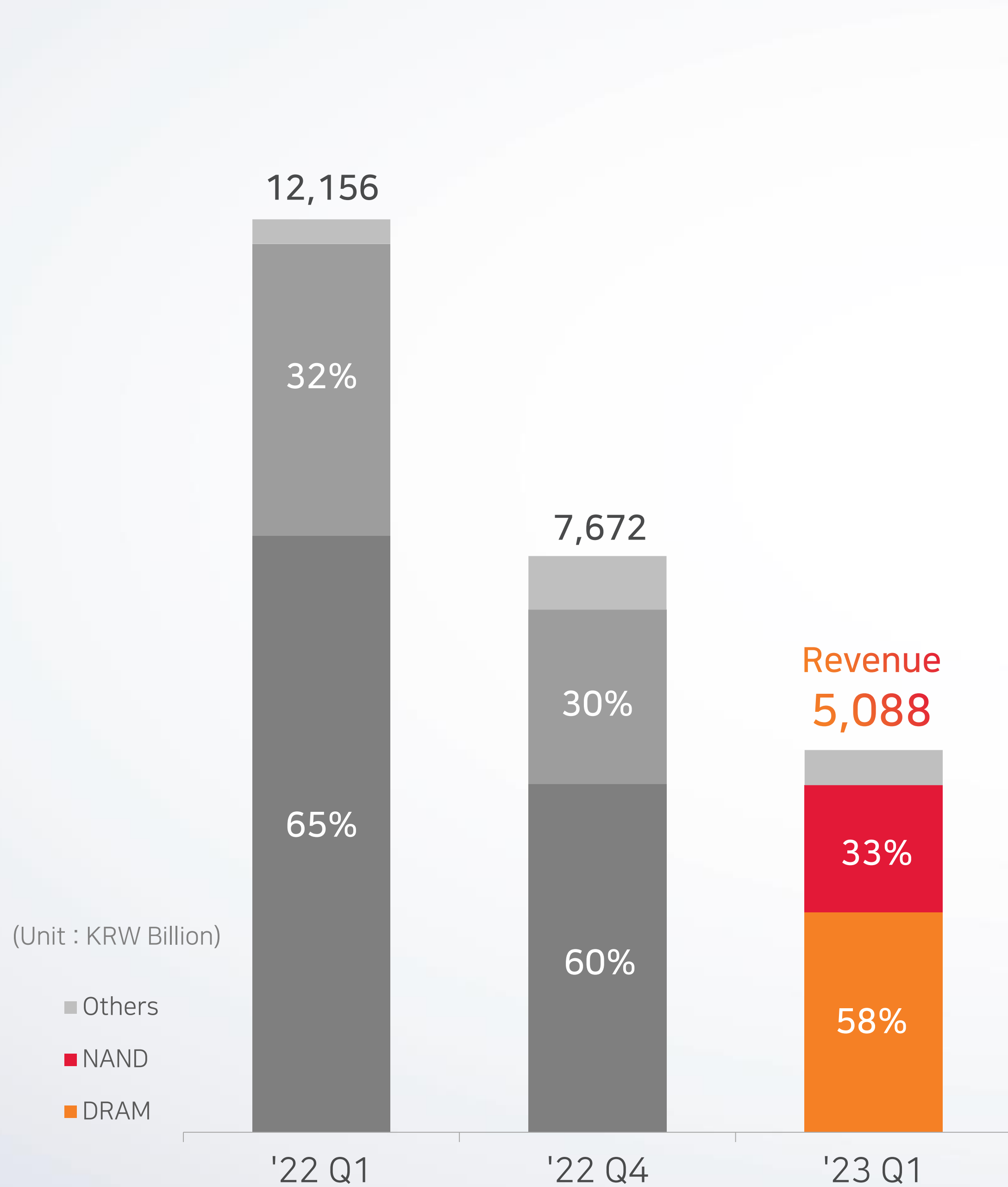
# Net Cash Flow

(Unit : KRW Billion)





# Revenue by Product

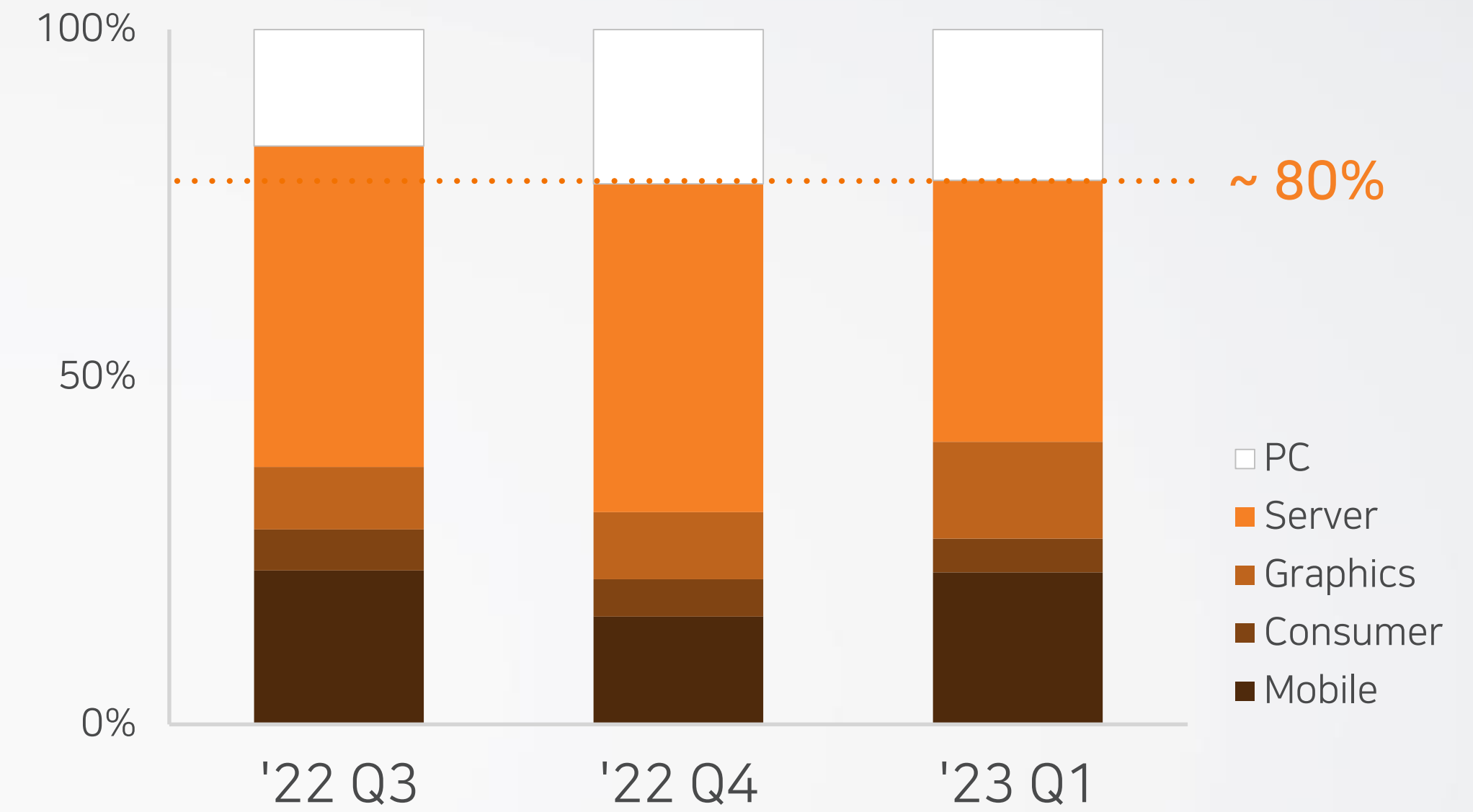


\* Revenue by product portion is based on KRW, Solidigm results consolidated from '22 1Q

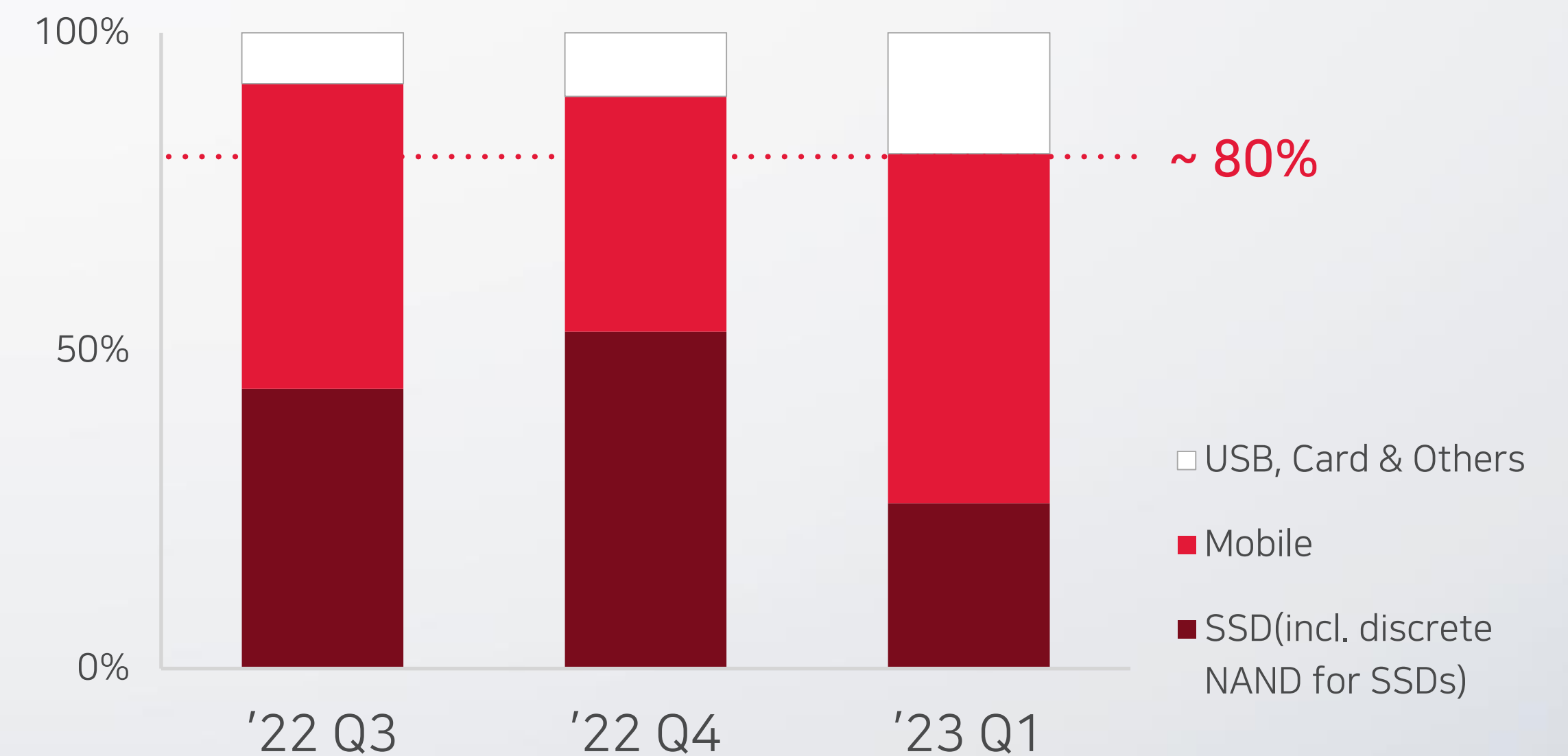
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# Revenue by Application

## 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)

	Q1'23	Q4'22	Q1'22	QoQ	YoY
<b>Assets</b>					
Current Assets	28,834	28,733	27,800	+101	+1,034
Cash & Cash Equivalents*	6,136	6,409	7,996	-273	-1,860
Accounts Receivables	4,227	5,186	8,146	-959	-3,919
Inventories	17,182	15,665	10,422	+1,518	+6,761
Non-Current Assets	75,551	75,138	71,629	+412	+3,922
Property, Plant & Equipment	59,226	60,229	55,508	-1,003	+3,718
Intangible Assets	3,831	3,512	4,732	+319	-901
<b>Total Assets</b>	<b>104,385</b>	<b>103,872</b>	<b>99,429</b>	<b>+513</b>	<b>+4,956</b>
<b>Liabilities</b>					
Interest-bearing Debts	28,758	22,995	18,114	+5,763	+10,644
S-T Borrowings	4,594	3,833	421	+761	+4,172
Current Portion of L-T Borrowings	3,349	3,590	3,288	-241	+61
Bonds	10,946	6,498	6,572	+4,449	+4,374
L-T Borrowings	9,869	9,074	7,832	+795	+2,036
Accounts Payables	1,746	2,186	2,292	-440	-546
<b>Total Liabilities</b>	<b>43,376</b>	<b>40,581</b>	<b>36,026</b>	<b>+2,795</b>	<b>+7,350</b>
<b>Shareholders' Equity</b>					
Capital Stock	3,658	3,658	3,658	-	-
Capital Surplus	4,347	4,336	4,336	-	+11
Retained Earnings	53,894	56,685	56,697	-2,791	-2,803
<b>Total Shareholders' Equity</b>	<b>61,009</b>	<b>63,291</b>	<b>63,403</b>	<b>-2,282</b>	<b>-2,394</b>

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

## [Attachment2] Income Statement

K-IFRS (KRW Billion)

		Q4'22	Q4'22	Q1'22	QoQ	YoY
Revenue		5,088	7,672	12,156	-34%	-58%
Cost of Goods Sold		6,733	7,669	6,754	-12%	-0%
Gross Profit		-1,645	3	5,401	-	-
SG&A Expenses		1,757	1,901	2,537	-8%	-31%
Operating Profit		-3,402	-1,898	2,864	-	-
Net Financial Profit/Loss		-253	-156	-77		
Net F/X Transaction & Translation P/L		99	-210	-16		
Net Income(Expense) From Jointly Controlled Entities & Associates		3	12	32		
Others		28	-2,170	-24		
EBITDA		154	1,788	6,256	-91%	-98%
Income Before Tax		-3,525	-4,421	2,779	-	-
Tax Expense/Benefit		-940	-701	791	-	-
Net Profit		-2,585	-3,721	1,987	-	-
EPS(KRW)	Basic	-3,751	-5,421	2,884		
	Diluted	-3,751	-5,420	2,883		
Shares Outstanding (mn shares)	Basic	688	688	688		
	Diluted	688	688	688		