



# FY2023 Q3 Earnings

2023. 10. 26 | Investor Relations

## Disclaimer

Review of the FY2023 Q3 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 Q3

We Do Technology  
첨단기술의 중심, 더 나은 세상을 만듭니다

# Revenue Analysis

## DRAM

B/G Around 20% ↑ QoQ  
ASP Around 10% ↑ QoQ

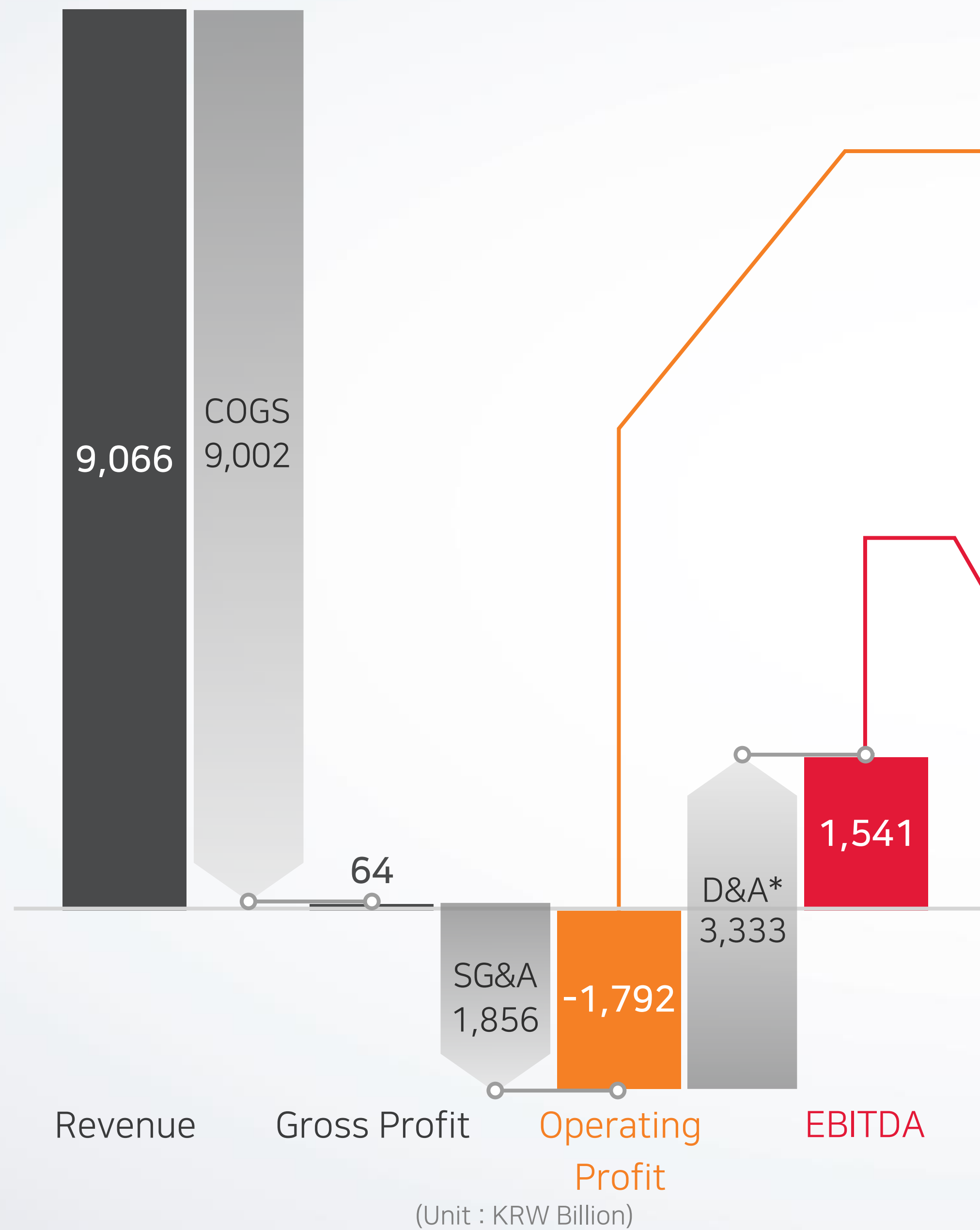
FY2023 Q3 Revenue  
**KRW 9.07T**  
+24% QoQ / -17% YoY

FY2023 Q2 Revenue  
**KRW 7.31T**

## NAND

B/G Mid Single% ↑ QoQ  
ASP Slightly ↓ QoQ

# Profit Analysis – Operating Profit



**Operating Profit (Loss)**  
**KRW -1.79T**

- DRAM turned to profitability after 2 quarters of losses
- OP improved by 1 tr. won sequentially due to increase in revenue & reversal of inventory valuation losses

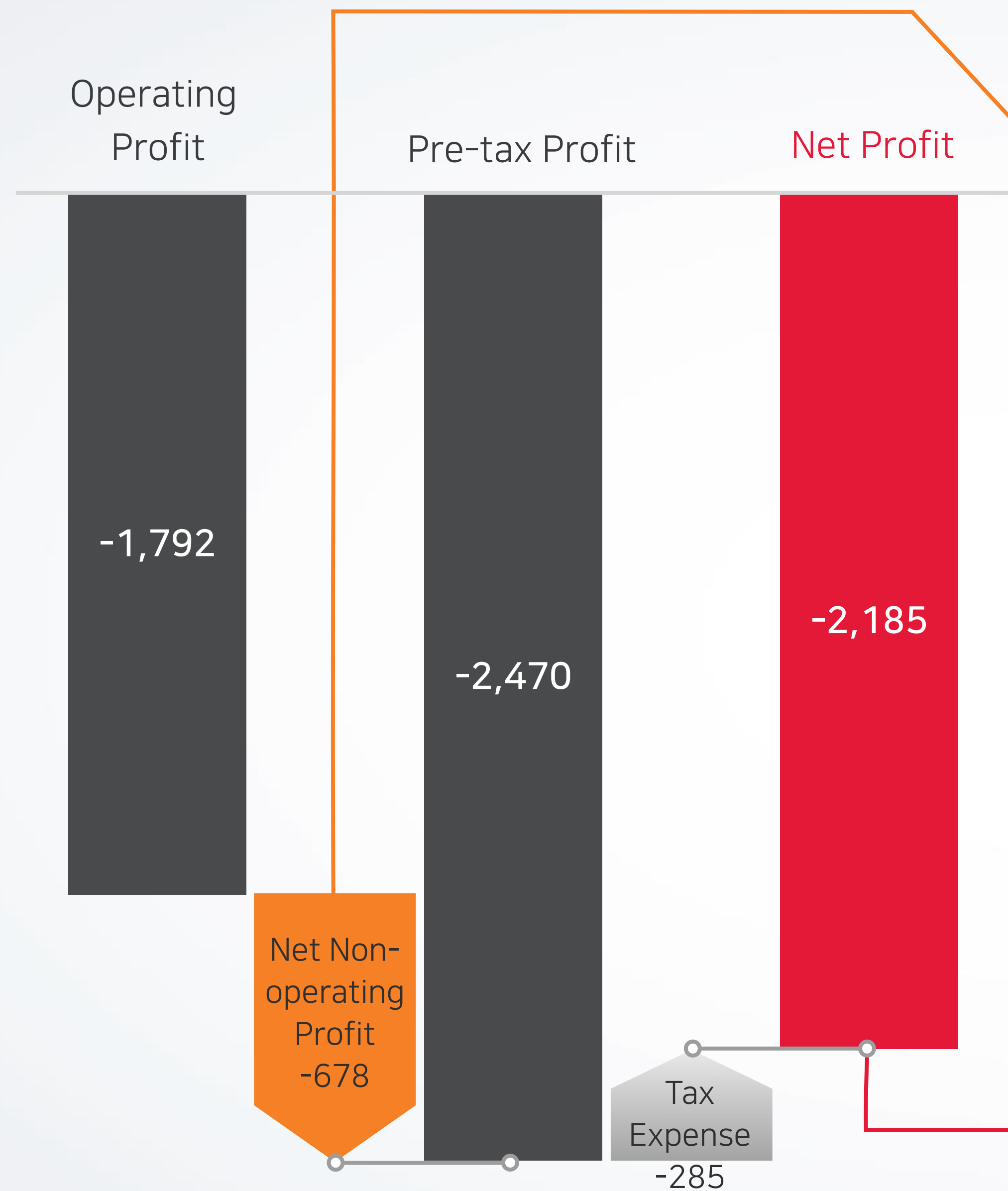
**EBITDA KRW 1.54T**  
**(+152% QoQ / -70% YoY)**

- EBITDA margin 17%

\* D&A : Depreciation and Amortization Expense



# Profit Analysis – Net Profit



(Unit : KRW Billion)

**Non-operating Profit (Loss)**  
**KRW -0.68T**

- Net interest expense KRW 0.34T
- Net foreign currency related loss KRW 0.16T, etc

**Net Profit KRW -2.19T**

- Net profit margin -24%

# Financial Position

'23 Q2

'23 Q3

Cash\*

**KRW 7.49T**

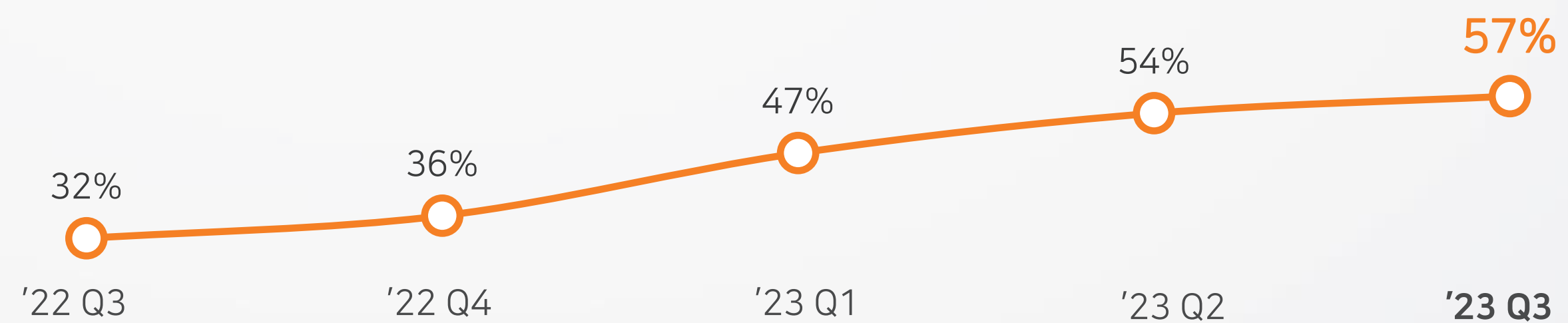
**KRW 8.53T**

Debt\*\*

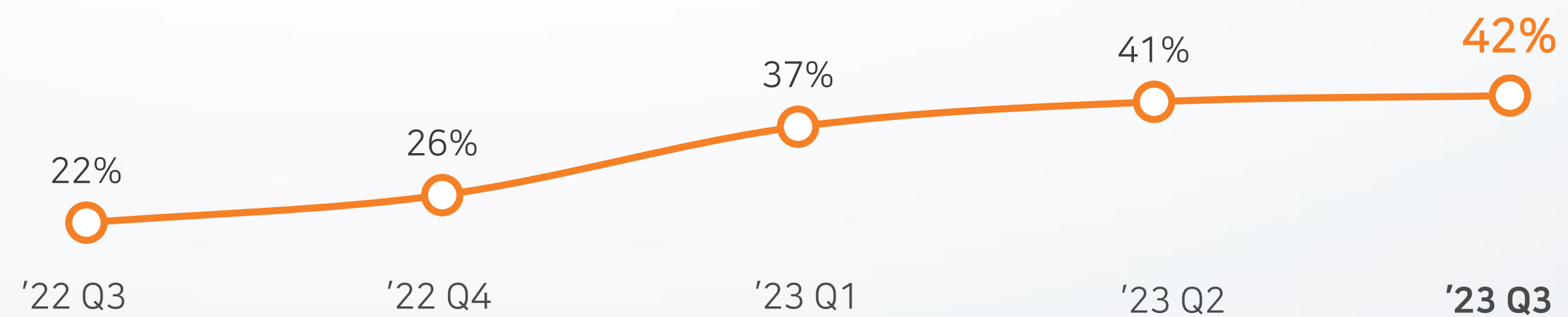
**KRW 30.81T**

**KRW 31.56T**

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

We Do Technology  
첨단기술의 중심, 더 나은 세상을 만듭니다



# Market Outlook

## Summary

### DRAM Demand B/G

Yr. '23; +Mid Single% YoY  
Yr. '24; +High Teen% YoY

### NAND Demand B/G

Yr. '23; +High Single% YoY  
Yr. '24; +High Teen% YoY

### PC

Normalized channel inventory

Yr. '24 shipment to grow by mid-single%, driven by PC replacement demand

Yr. '24 contents to grow by double digit%, due to lower cost burdens from memory price decline and emergence of AI PC market

### MO

Yr. '24 SP shipment to grow by mid single%, with replacement cycle

Accelerated demand for LPD5 due to 2H product launches and higher flagship mix

Wider use case of AI to accelerate adoption of high-density memory

### SV

Yr. '24 to see gradual recovery, driven by improved system build demand from CSPs with increased investments

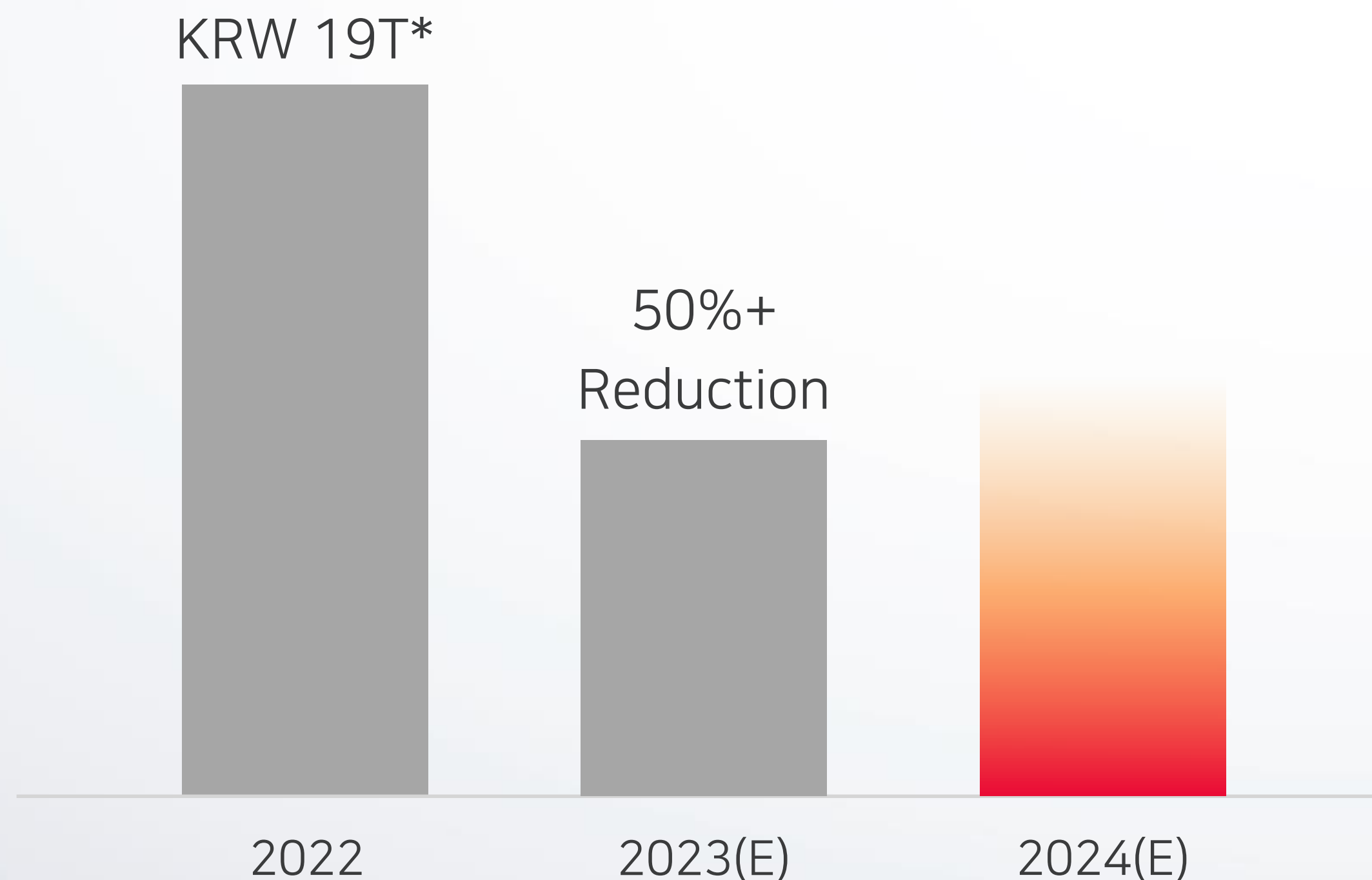
Yr. '24 recovery in demand for general purpose SVs, ongoing investments for AI SVs due to intensifying competition in AI market



# CapEx Outlook

## Summary

Yr.'24 CapEx to increase from Yr. '23 level, although incremental growth will be minimized, considering capex efficiency & financial stability



- Stable production & support of competitive products, such as DDR5, LPDDR5, HBM
- Prioritize spending for tech. migration to 1nm/1bnm, and to secure HBM and TSV capacity

\* Consolidated CapEx



# Company Plan

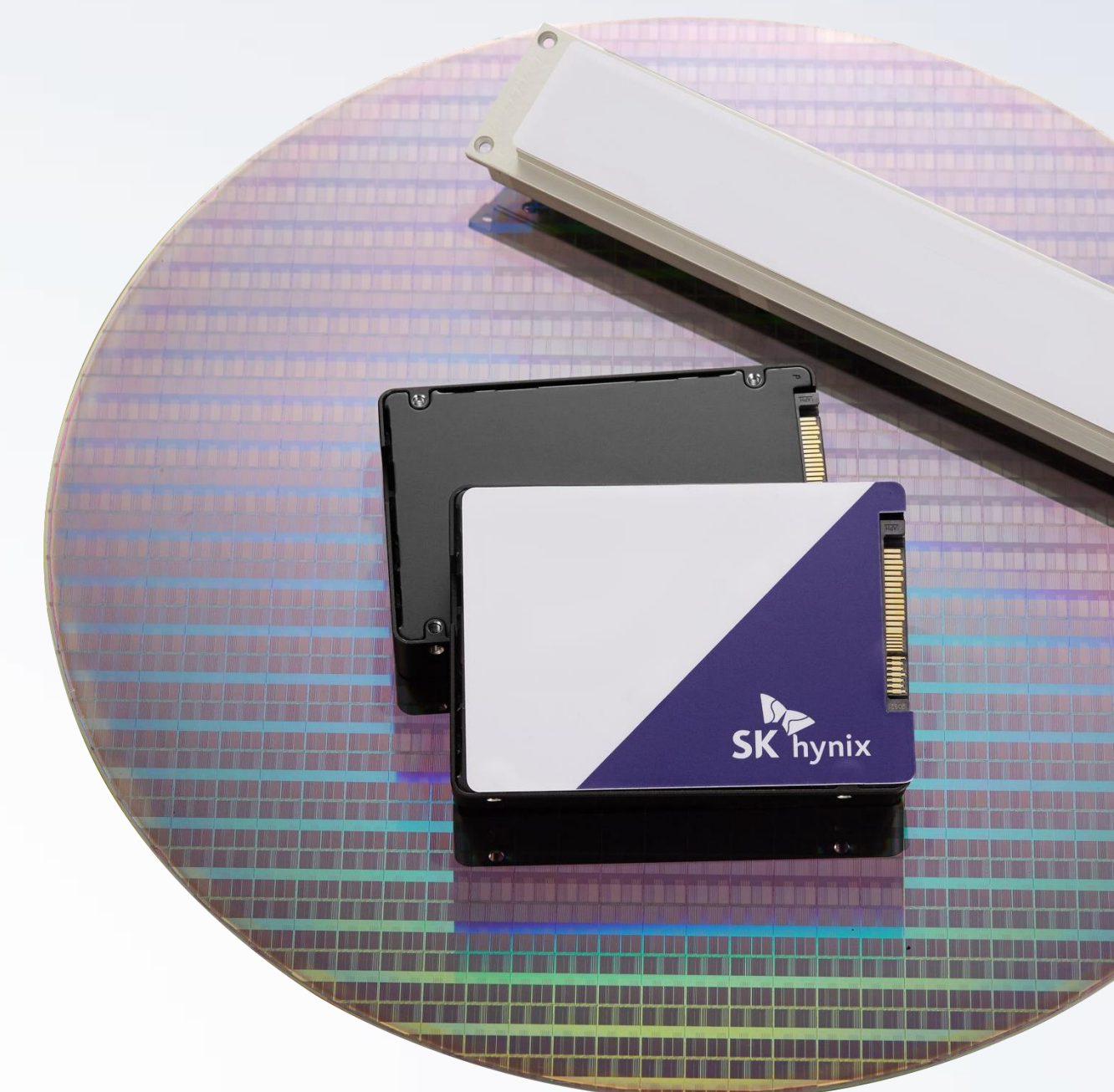
## DRAM

B/G

Higher sales of DDR5  
Increase around 10% QoQ in Q4'23

Tech

Most of 1nm prod. reached matured yield level  
Next gen. 1bnm yield improvement on-track  
Shipped samples of 1bnm HBM3E in Aug.



## NAND

B/G

Reduced sales of lower margin products  
Decrease in teens % QoQ in Q4'23  
(Solidigm included)

Tech

Most of 176L prod. reached matured yield level  
Next gen. 238L yield improvement on-track



# HBM3E

## Highlights

### Industry-leading HBM3E competitiveness

- World-class performance in heat treatment, user convenience, as well as speed, which is critical for AI memory
- Heat dissipation performance enhanced by 10%, enabled by Advanced MR-MUF technology
- Backward compatible with existing systems without needing design or structural changes

### Solidify position as key player in AI infra

- On back of our industry-leading HBM development and production capabilities, we are committed to full support of our HBM3E products to customers in Yr. '24





# ESG Management

## Published TCFD(Task Force on Climate-related Financial Disclosure) report, disclosing climate-related risks and opportunities, and our strategies

- In the second issue, enhanced analysis of physical risks related to climate change
- Expanded scope of physical risk assessment to include not only our domestic and overseas sites, but also over 60 key business partners
- Applied latest climate change scenario used by IPCC\* in our analysis

\* Intergovernmental Panel on Climate Change





# Appendix

FY2023 Q3

We Do Technology  
첨단기술의 중심, 더 나은 세상을 만듭니다

# Income Statement

(Unit : KRW Billion)

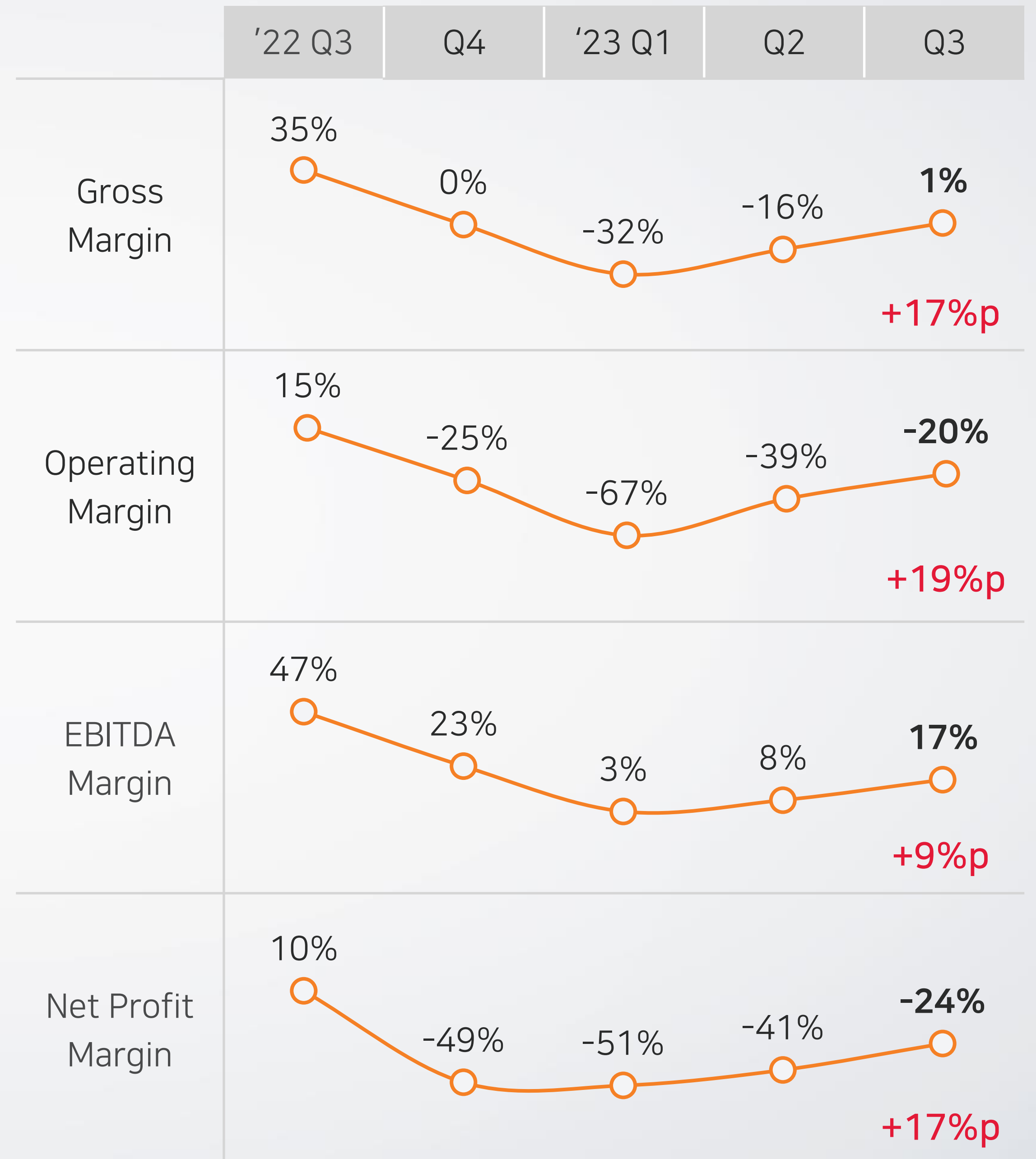
		'23 Q3	'23 Q2	'22 Q3**	Q/Q	Y/Y
Revenue		9,066	7,306	10,983	+24%	-17%
Gross Profit		64	(1,178)	3,866	-	-98%
Operating Profit		(1,792)	(2,882)	1,661	-	-
EBITDA*		1,541	612	5,216	+152%	-70%
Net Profit		(2,185)	(2,988)	1,108	-	-
EPS (KRW)	Basic	(3,174)	(4,347)	1,611	-	-
	Dil.	(3,174)	(4,347)	1,610	-	-
Shares Outstanding (Mil. Shares)	Basic	688	688	688	-	-
	Dil.	688	688	688	-	-

\* EBITDA = Operating Profit + Depreciation & Amortization

\*\* '22 Q3 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 Q3	'23 Q2	'22 Q3***
Beginning Cash Balance**	7,491	6,136	7,496
CF from Operating Activities	1,029	1,341	3,738
Net Profit (Loss)	(2,185)	(2,988)	1,108
D&A*	3,353	3,510	3,557
Changes in Working Capital, etc.	(140)	819	(927)
CF from Investing Activities	(396)	(2,039)	(5,149)
Acquisition of PP&E	(1,520)	(1,934)	(4,804)
CF from Financing Activities	340	2,077	847
Changes in Debt	659	2,584	1,123
Repayment of Lease Liability	(118)	(85)	(73)
Dividend Payout	(206)	(413)	(206)
Effect of F/X rate changes on Cash & Equivalents	67	(23)	281
Net Changes in Cash	1,040	1,355	(283)
Ending Cash Balance**	8,531	7,491	7,212

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

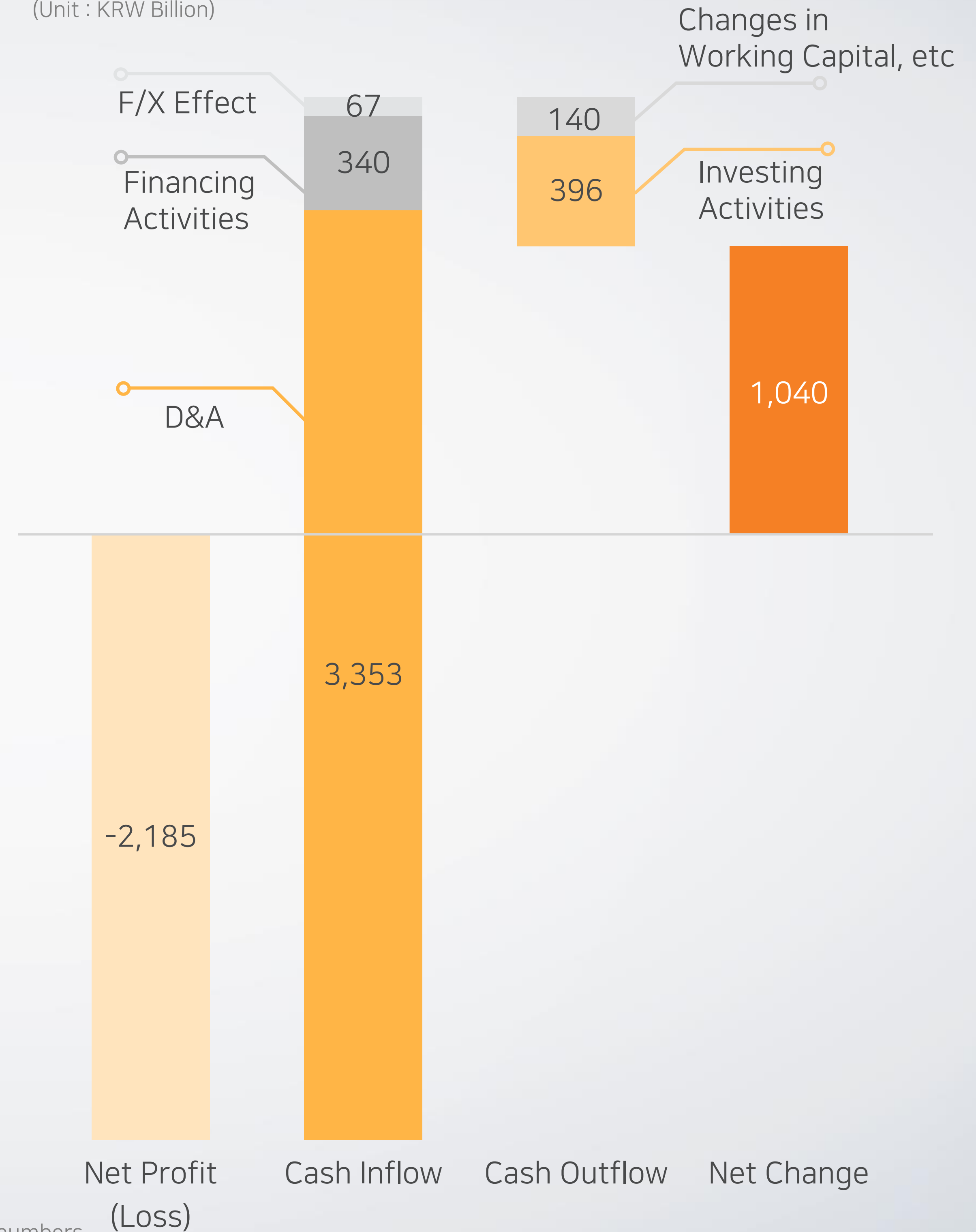
\*\* Cash &amp; Cash Equivalents + Short-term Financial Instruments, leading to deviation from reported numbers

\*\*\* '22 Q3 figures reflect retroactive adjustments from Intel NSG acquisition accounting final results

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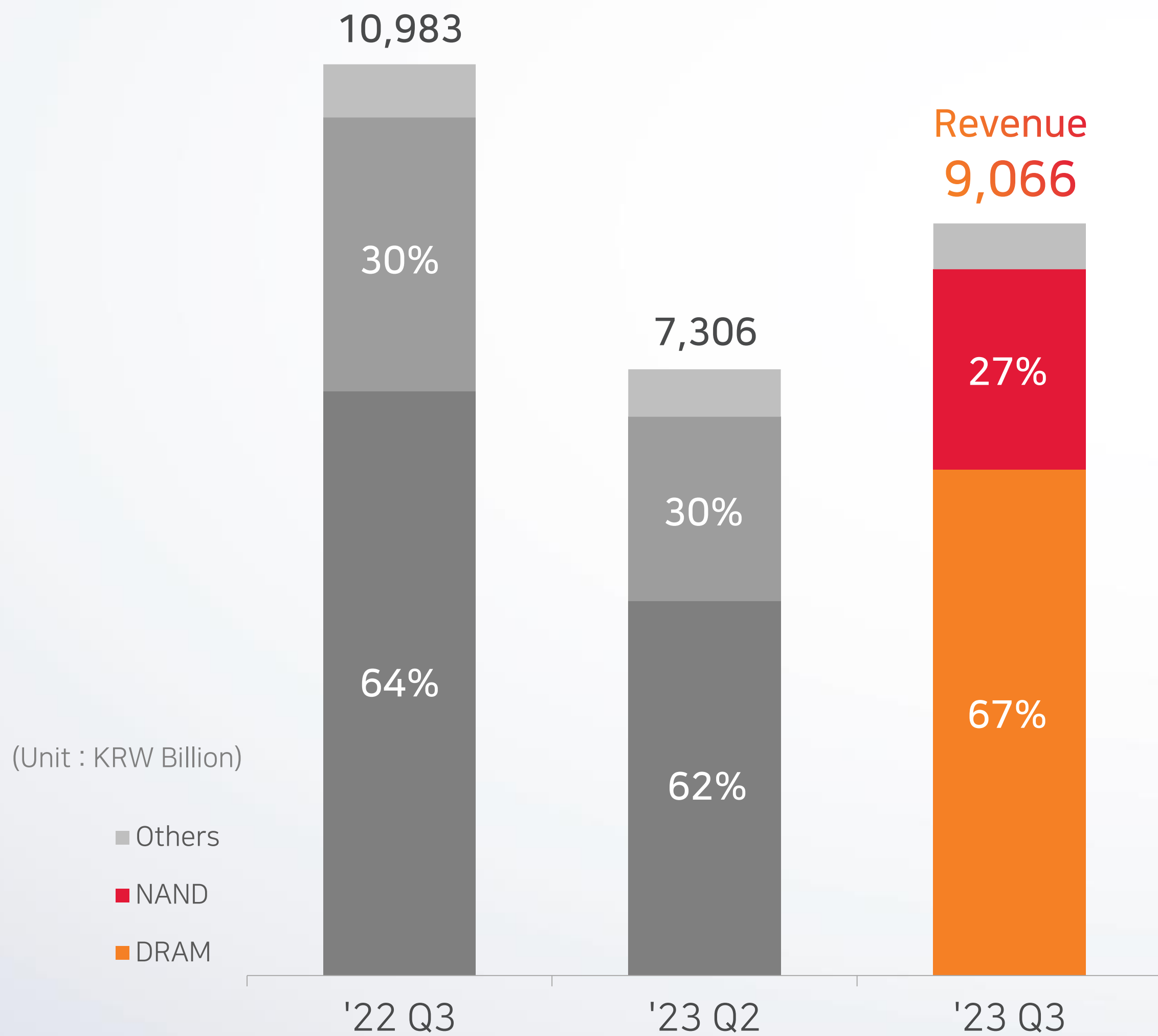
# Net Cash Flow

(Unit : KRW Billion)





# Revenue by Product

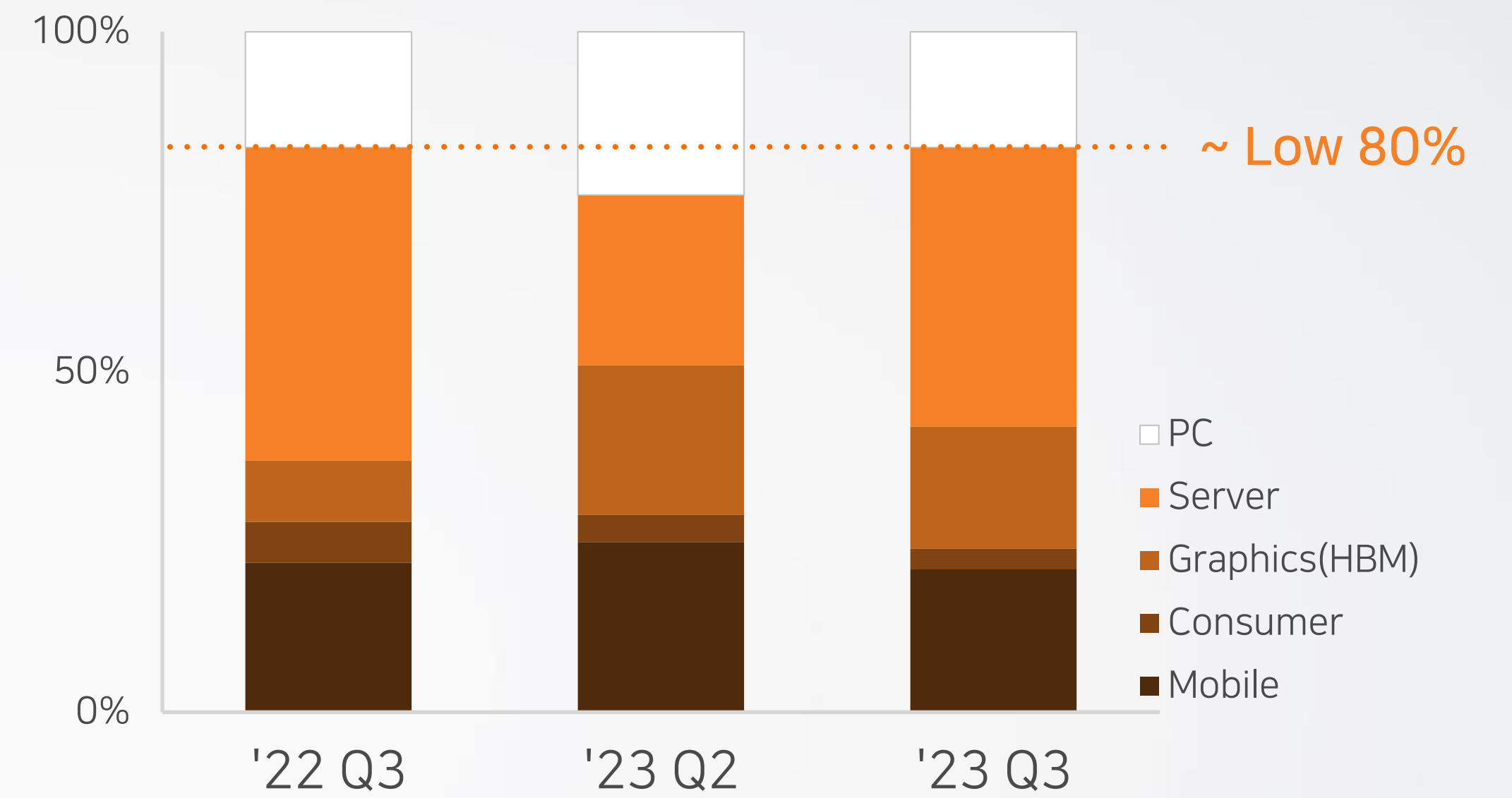


\* Revenue by product portion is based on KRW, Solidigm results consolidated from '22 1Q

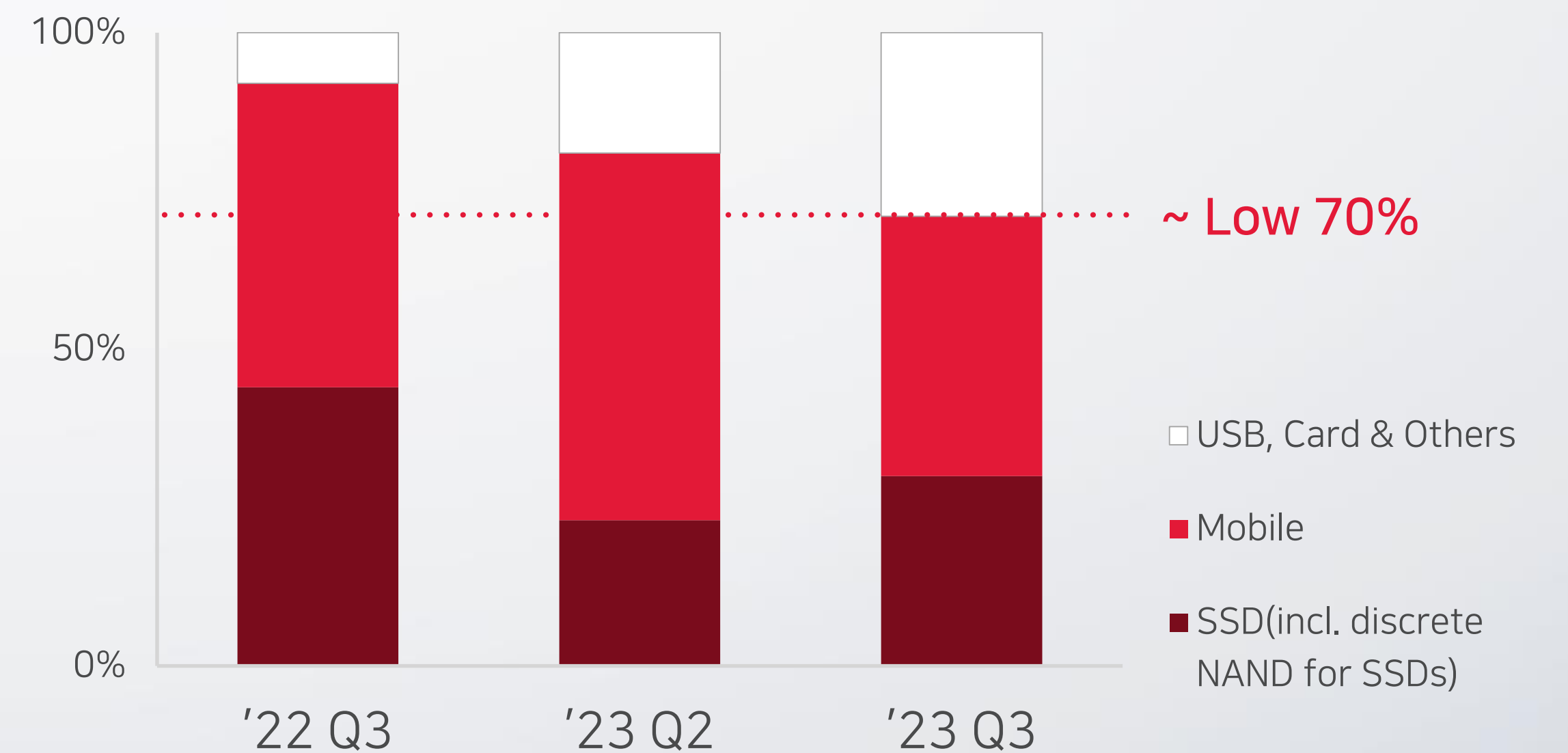
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# Revenue by Application

## 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)

	Q3'23	Q2'23	Q4'22	QoQ	vs. Q4'22
<b>Assets</b>					
Current Assets	30,394	29,661	28,733	+733	+1,661
Cash & Cash Equivalents*	8,531	7,491	6,409	+1,040	+2,122
Accounts Receivables	5,515	4,487	5,186	+1,028	+329
Inventories	14,948	16,420	15,665	-1,472	-717
Non-Current Assets	71,655	73,158	75,138	-1,502	-3,483
Property, Plant & Equipment	54,017	56,598	60,229	-2,581	-6,212
Intangible Assets	3,552	3,773	3,512	-221	+40
<b>Total Assets</b>	<b>102,049</b>	<b>102,819</b>	<b>103,872</b>	<b>-770</b>	<b>-1,822</b>
<b>Liabilities</b>					
Interest-bearing Debts	31,559	30,807	22,995	+752	+8,564
S-T Borrowings	5,150	4,340	3,833	+810	+1,316
Current Portion of L-T Borrowings	6,080	6,182	3,590	-101	+2,490
Bonds	9,750	10,249	6,498	-499	+3,252
L-T Borrowings	10,579	10,037	9,074	+542	+1,505
Accounts Payables	1,917	1,882	2,186	+35	-269
<b>Total Liabilities</b>	<b>46,818</b>	<b>45,360</b>	<b>40,581</b>	<b>+1,458</b>	<b>+6,237</b>
<b>Shareholders' Equity</b>					
Capital Stock	3,658	3,658	3,658	-	-
Capital Surplus	4,346	4,345	4,336	+1	+10
Retained Earnings	48,288	50,686	56,685	-2,398	-8,397
<b>Total Shareholders' Equity</b>	<b>55,232</b>	<b>57,459</b>	<b>63,291</b>	<b>-2,227</b>	<b>-8,059</b>

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

## [Attachment2] Income Statement

K-IFRS (KRW Billion)

		Q3'23	Q2'23	Q3'22	QoQ	YoY
Revenue		9,066	7,306	10,983	+24%	-17%
Cost of Goods Sold		9,002	8,484	7,117	+6%	+26%
Gross Profit		64	-1,178	3,866	-	-98%
SG&A Expenses		1,856	1,704	2,205	+9%	-16%
Operating Profit		-1,792	-2,882	1,661	-	-
Net Financial Profit/Loss		-337	-327	-121		
Net F/X Transaction & Translation P/L		-159	-517	133		
Net Income(Expense) From Jointly Controlled Entities & Associates		6	10	27		
Others		-187	-72	-10		
EBITDA		1,541	612	5,216	+152%	-70%
Income Before Tax		-2,470	-3,788	1,688	-	-
Tax Expense/Benefit		-285	-800	581	-	-
Net Profit		-2,185	-2,988	1,108	-	-
EPS(KRW)	Basic	-3,174	-4,347	1,611		
	Diluted	-3,174	-4,347	1,610		
Shares Outstanding (mn shares)	Basic	688	688	688		
	Diluted	688	688	688		