



FY2024 Q2 Earnings

2024. 07. 25 | Investor Relations

Disclaimer

Review of the FY2024 Q2 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

FY2024 Q2

We Do Technology
첨단기술의 중심, 더 나은 세상을 만듭니다

Revenue Analysis

DRAM

B/G Low 20% ↑ QoQ
ASP Mid Teen% ↑ QoQ

FY2024 Q2 Revenue
KRW 16.42T
+32% QoQ / +125% YoY

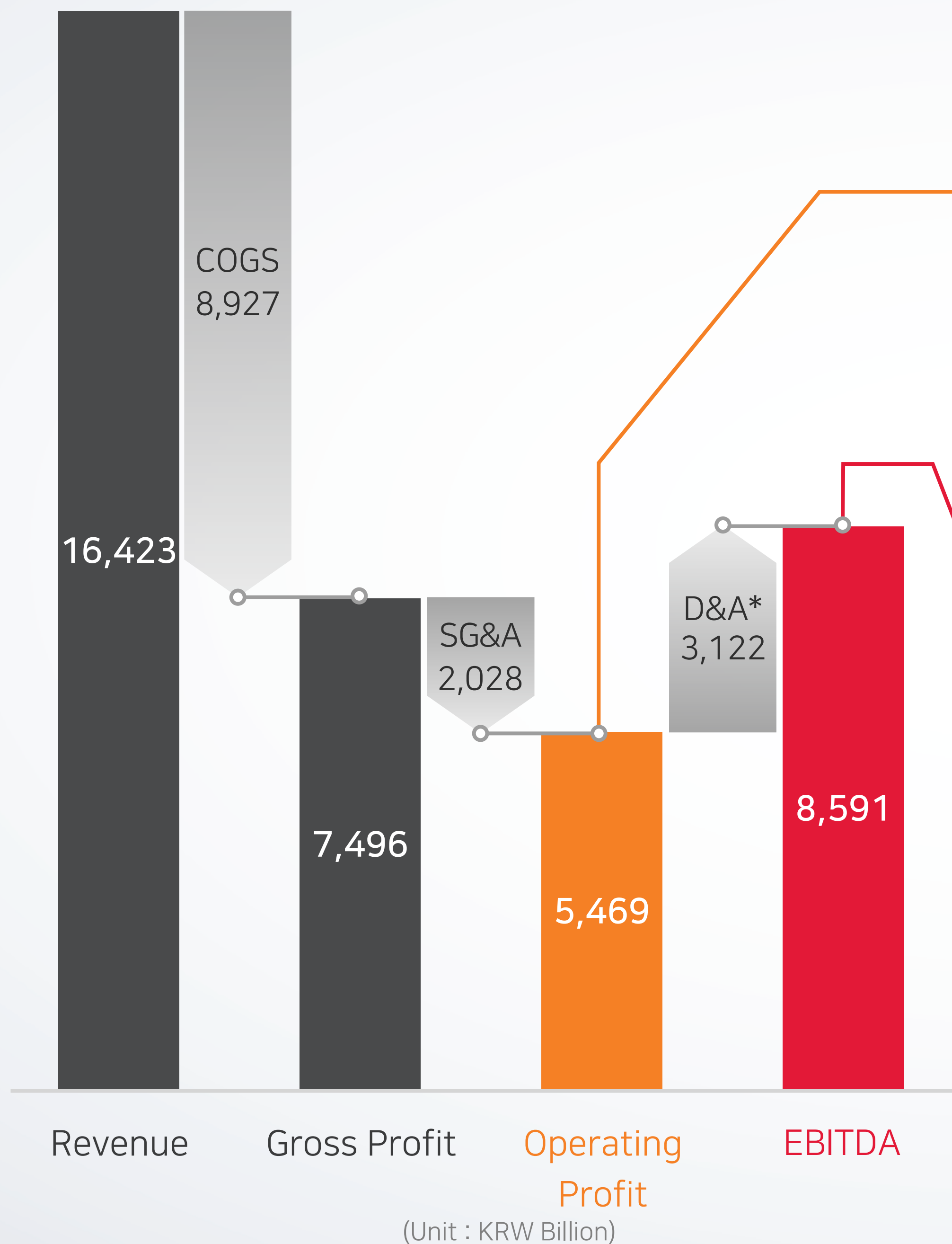
FY2024 Q1 Revenue
KRW 12.43T

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B/G Low Single% ↓ QoQ
ASP Mid~High Teen% ↑ QoQ

Achieved record quarterly revenue

Profit Analysis – Operating Profit



Operating Profit
KRW 5.47T

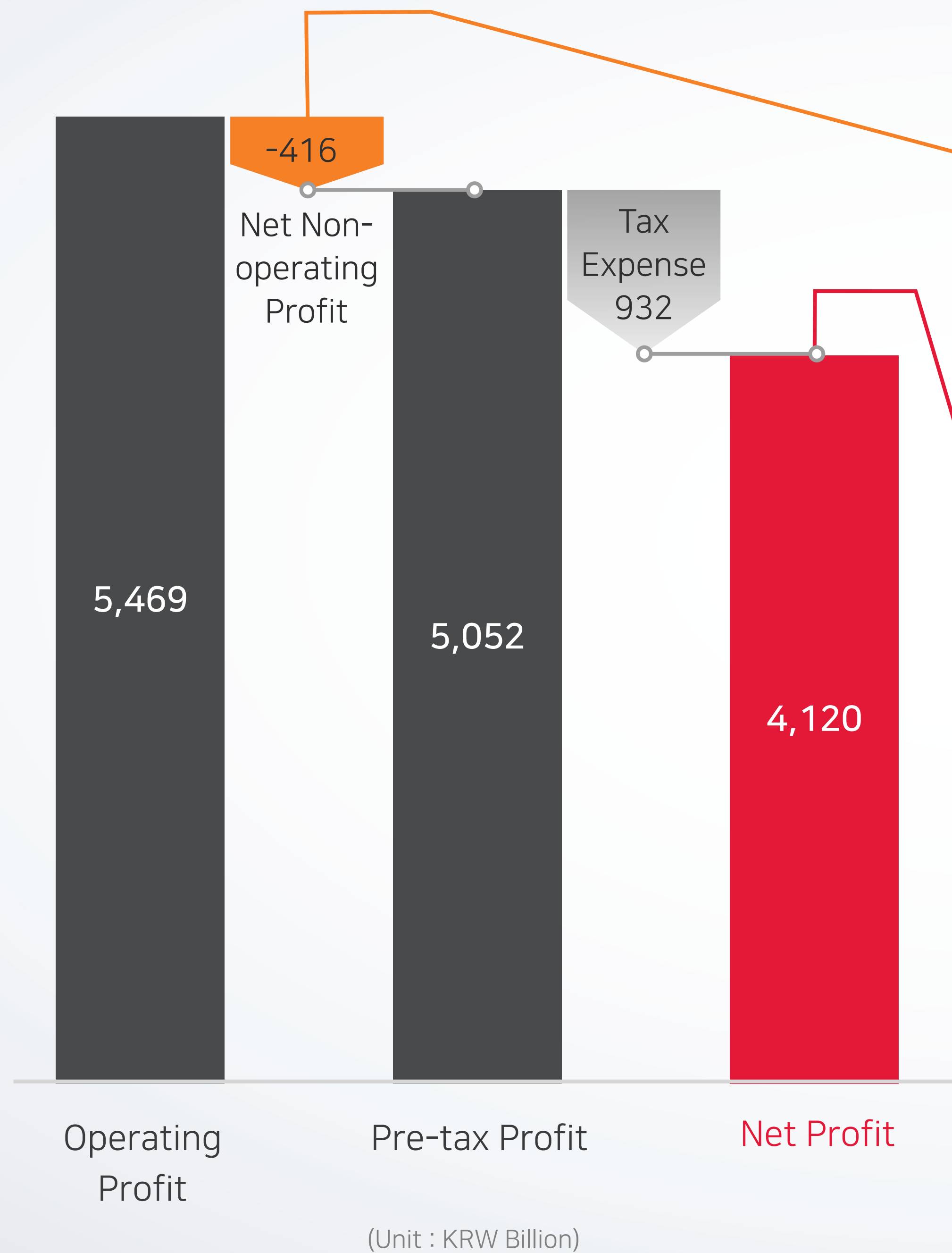
- Revenue expansion from ASP increase, higher mix of value-added products, favorable F/X impact
- HBM sales grew more than +80% QoQ, +250% YoY, eSSD sales grew around +50% QoQ
- OP Margin 33%

EBITDA KRW 8.59T
(+41% QoQ / +1,305% YoY)

- EBITDA Margin 52%

* D&A : Depreciation and Amortization Expense

Profit Analysis – Net Profit



Non-operating Profit (Loss) KRW -0.42T

- Net interest expense KRW 0.28T
- Net foreign currency related loss KRW 0.16T, etc

Net Profit KRW 4.12T

- Net profit margin 25%

Financial Position

'24 Q1

'24 Q2

Cash*

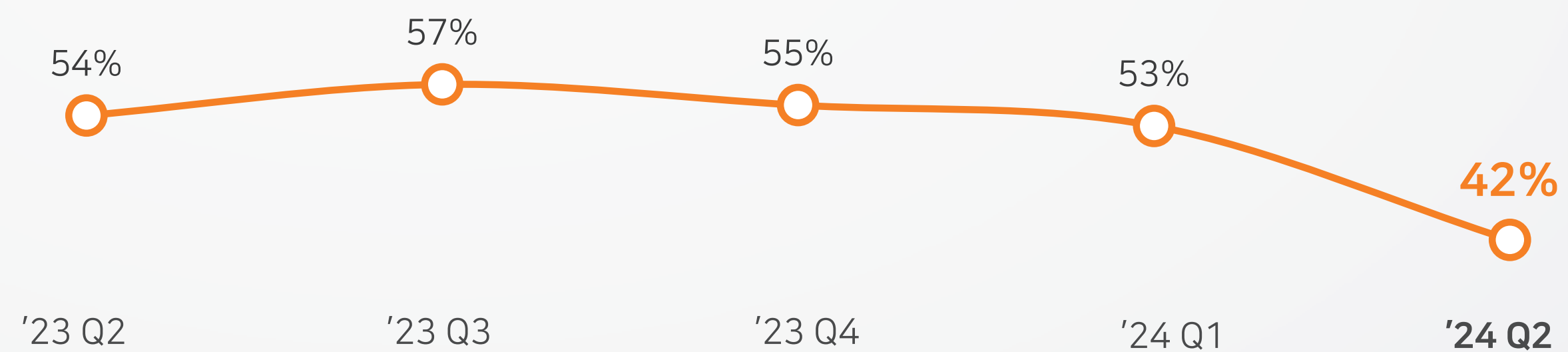
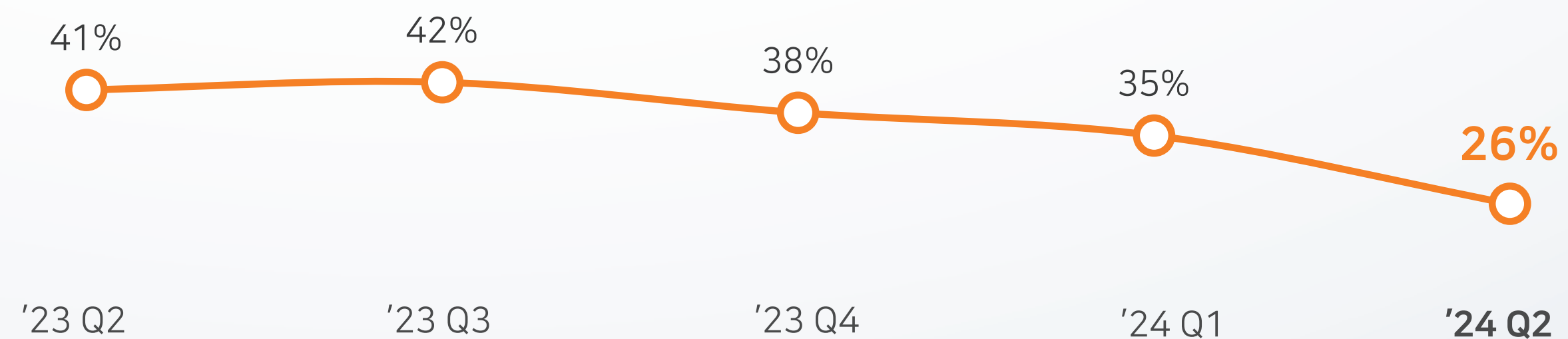
KRW 10.32T

KRW 9.69T

Debt**

KRW 29.51T

KRW 25.23T

Debt-to-Equity
RatioNet 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

Company Plan

We Do Technology
첨단기술의 중심, 더 나은 세상을 만듭니다

Market Outlook

Summary

- In 2H, strong AI SV demand to continue, as well as gradual recovery in conventional applications with the launch of AI-enabled PC/MO devices

PC

Demand recovery relatively weaker than initial expectations

Customers supporting diverging demand trends with AI-enabled high-spec devices, and lower spec & cost products

High-spec devices to drive 2H demand, AI PCs to drive higher contents & low-power memory adoption in LT

MO

Moderate demand recovery in 1H

Gradual set demand improvement in 2H with launches of AI-enabled flagship & foldable phones

Expect 2H/Yr. '25 demand growth driven by further AI phone releases, which require higher contents than existing high-end models

SV

AI SV driving demand growth, with exponential growth in W/L as Gen. AI evolves, and rising AI spending by Big Tech companies

General purpose SV demand to gradually improve along with the replacement cycle of DC SVs, and investments to adopt new energy & cost efficient platforms

Company Plan

Sales B/G

DRAM

Q3 B/G: Low single% increase QoQ

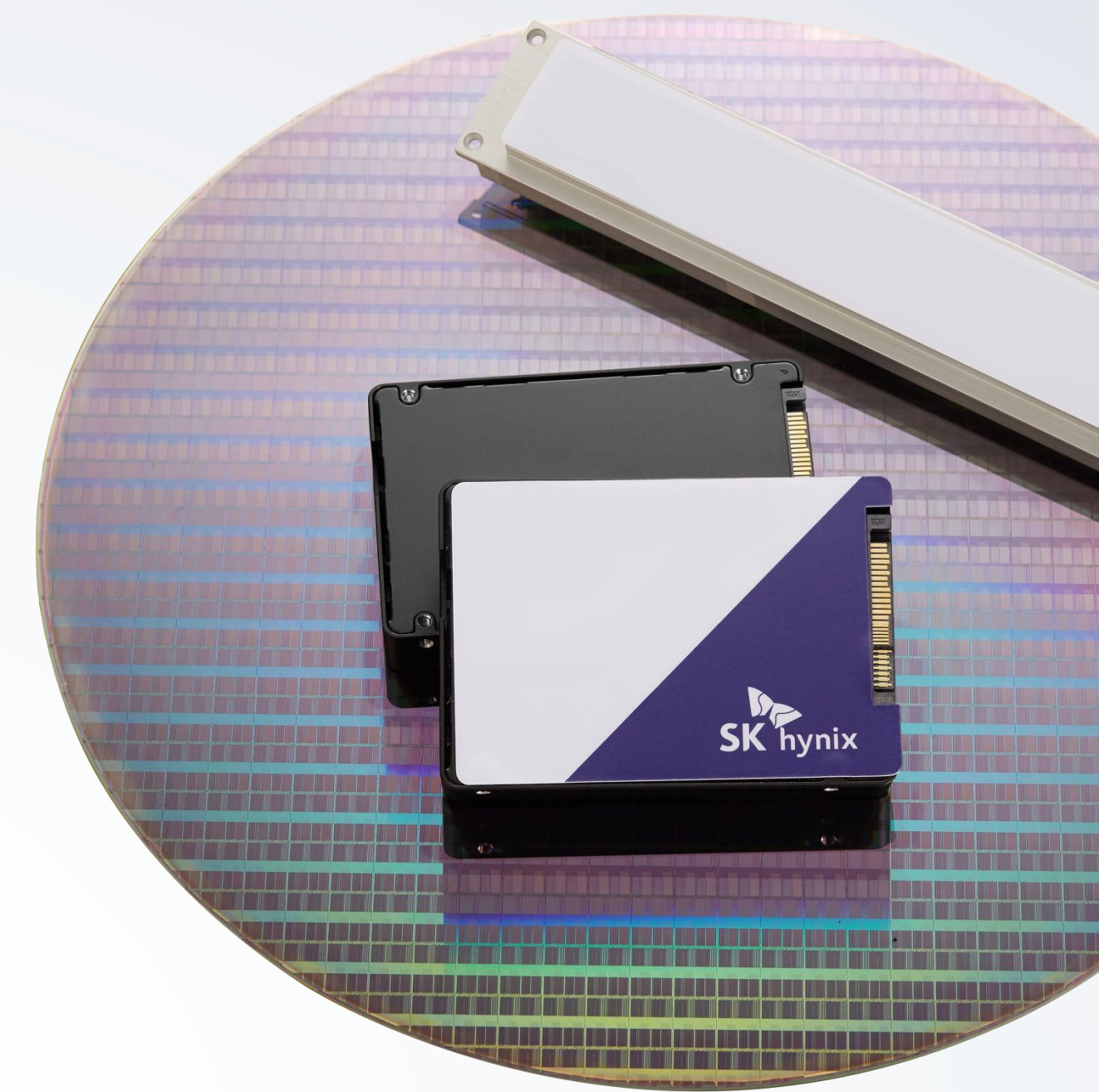
- Increase volume shipment of HBM products

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Q3 B/G: Mid single% decrease QoQ

(incl. Solidigm)

- eSSD sales volume will increase while other products sales reflect soft end mkt. demand and relatively high customer inventory
- Revenue growth to continue with optimized product mix and ASP increases



CapEx

- Construction for M15X and Yong-in Cluster progressing as planned
- Rising investment for infrastructure as well as investments to support HBM that consumes more wafers and C/R space than conventional DRAM
- CapEx for Yr. '24 expected to be higher than earlier plans, but will be executed within OCF
- Maintain prudent investment decision based on end-demand and profitability
- Pursue investment efficiency and financial stability

Tech/ Products

Highlights

HBM3E

- Increased sales of HBM3E meaningfully from Q2
- Bit crossover over HBM3 expected from Q3
- HBM3E will be more than 50% of HBM volume in Yr. '24
- HBM3E 12Hi on track to start mass production in Q3, volume shipment to customers in Q4
- Full HBM product portfolio of HBM2E ~ HBM3E 12Hi

DDR5

- Sole supplier of 256GB modules in the industry
- In 2H, planning to launch 32Gb DDR5 based high density SV DRAM, and MCRDIMM*

* MCRDIMM: Multiplexer Combined Ranks DIMM, offers superior bandwidth vs. RDIMM to target HPC market

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- Increased sales of high density eSSDs, which are growing in demand
- eSSD sales expected to grow 4X YoY in Yr. '24
- Support high density eSSD demand with industry's only 60TB eSSD in 2H, and 128TB to be launched beginning of Yr.'25, continuing product competitiveness
- Support on-device AI PC demand with our high-performance/low-power PCIe Gen5 cSSD

ESG Management

Issued 'Sustainability Report 2024'

- Achieved company-wide renewable electricity adoption rate of 30% for 2nd consecutive year
- Received ISO compliance and anti-bribery management system certifications issued by BSI(British Standards Institute)

Joint declaration for GHG reduction with 28 members of ECO Alliance*

- GHG emissions from the participating companies account for 50% of company's Scope 3** emissions from purchased raw materials
- Continue various programs to support member companies' in achieving GHG reduction targets

* ECO Alliance: Coalition of 46 semiconductor companies committed to building eco-friendly semiconductor ecosystem, launched in 2019 led by SK hynix

** Scope 3: Indirect-emissions generated throughout the value chain



Appendix

FY2024 Q2

We Do Technology
첨단기술의 중심, 더 나은 세상을 만듭니다

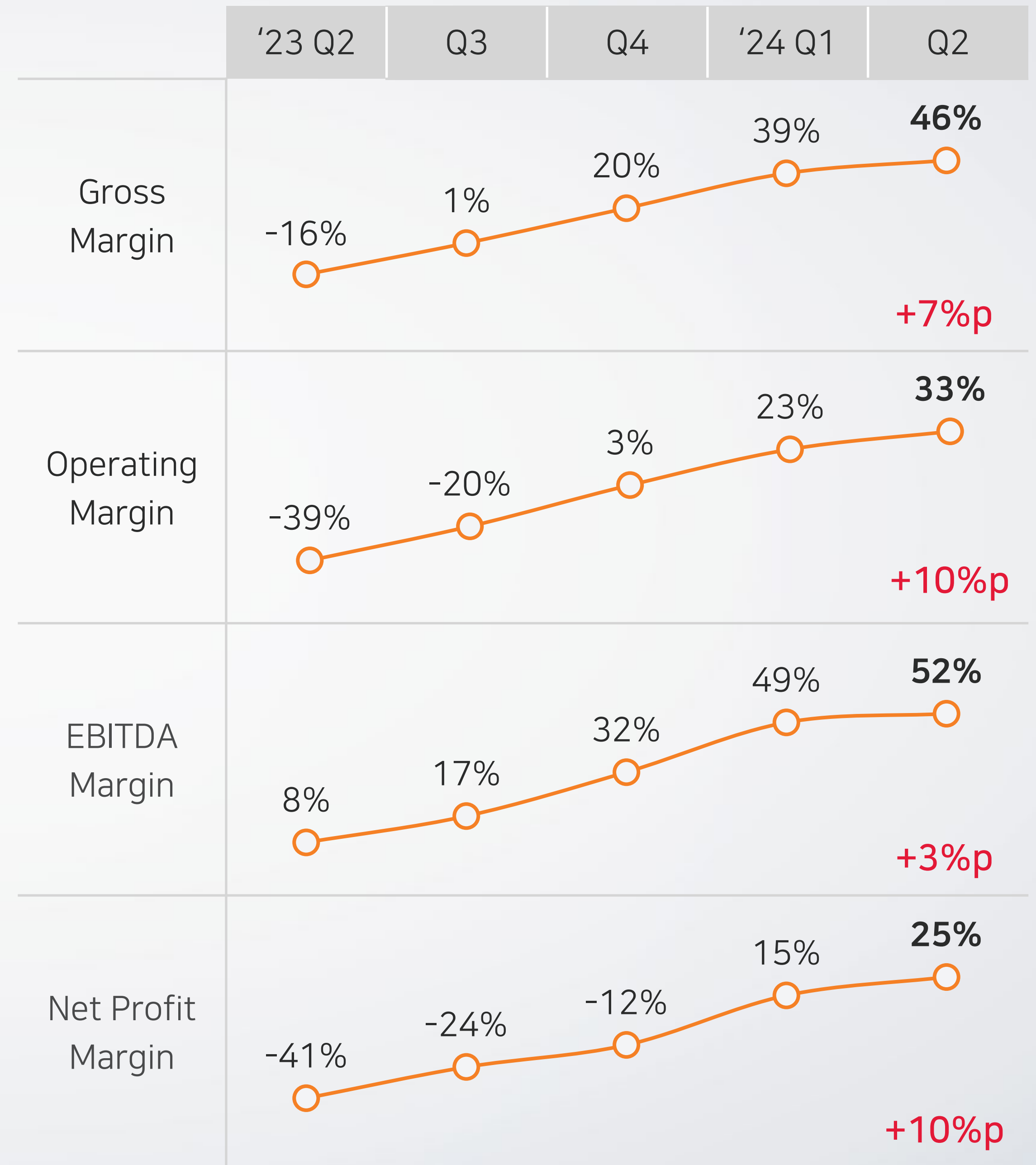
Income Statement

(Unit : KRW Billion)		'24 Q2	'24 Q1	'23 Q2	Q/Q	Y/Y
Revenue		16,423	12,430	7,306	+32%	+125%
Gross Profit		7,496	4,795	(1,178)	+56%	-
Operating Profit		5,469	2,886	(2,882)	+89%	-
EBITDA*		8,591	6,073	612	+41%	+1,305%
Net Profit		4,120	1,917	(2,988)	+115%	-
EPS (KRW)	Basic	5,983	2,788	(4,347)	-	-
	Diluted	5,938	2,788	(4,347)	-	-
Shares Outstanding (Mil. Shares)	Basic	689	688	688	-	-
	Diluted	710	689	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)

	'24 Q2	'24 Q1	'23 Q2
Beginning Cash Balance**	10,319	8,921	6,136
CF from Operating Activities	5,697	5,385	1,341
Net Profit (Loss)	4,120	1,917	(2,988)
D&A*	3,132	3,194	3,510
Changes in Working Capital, etc.	(1,554)	274	819
CF from Investing Activities	(2,207)	(3,226)	(2,039)
Acquisition of PP&E	(2,079)	(3,103)	(1,934)
CF from Financing Activities	(4,120)	(913)	2,077
Changes in Debt	(3,601)	(783)	2,584
Repayment of Lease Liability	(149)	(161)	(85)
Dividend Payout	(413)	0	(413)
Effect of F/X rate changes on Cash & Equivalents	(1)	151	(23)
Net Changes in Cash	(631)	1,398	1,355
Ending Cash Balance**	9,688	10,319	7,491

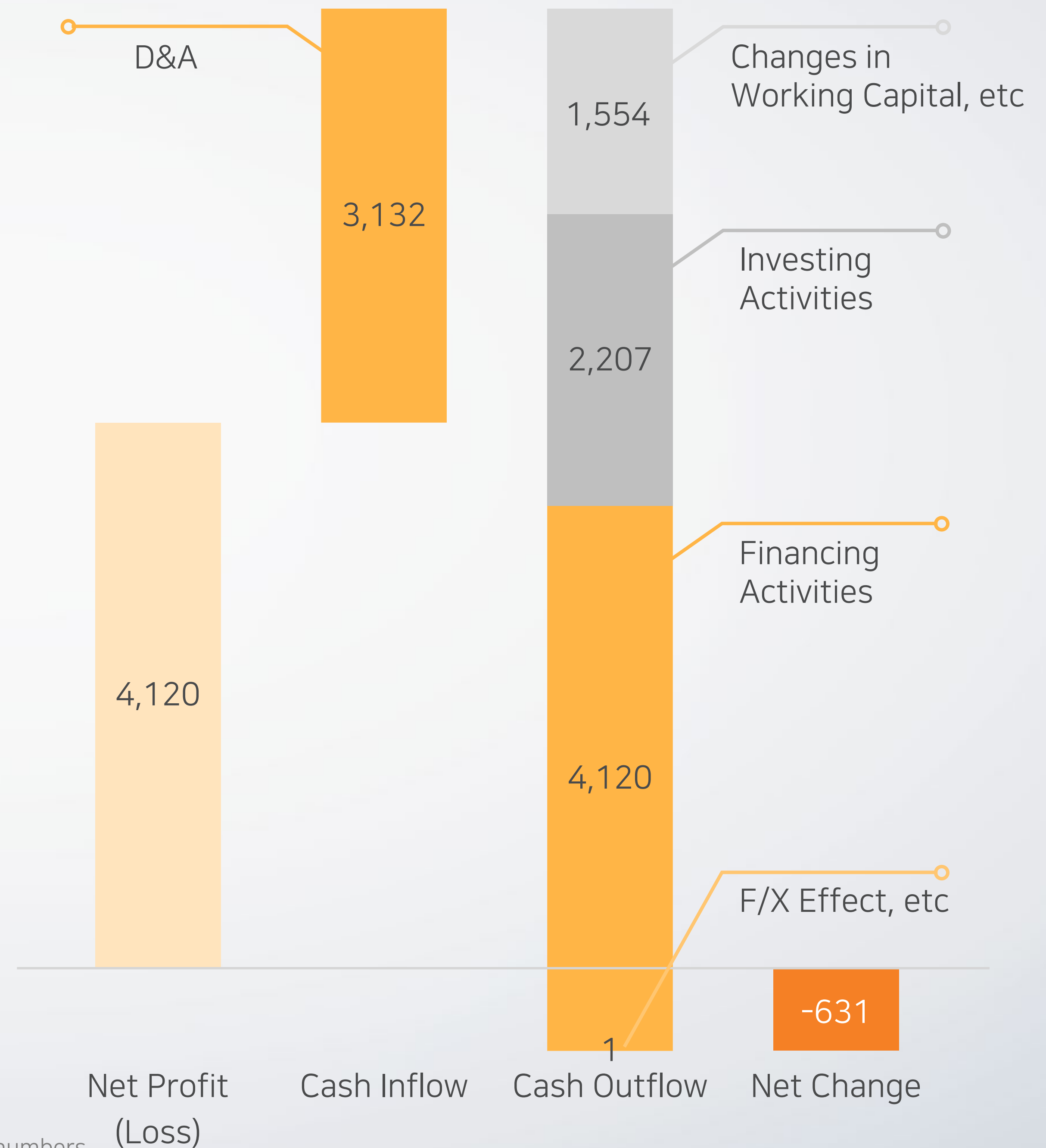
* Depreciation & Amortization, including depreciation for non-operating (idle) assets

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

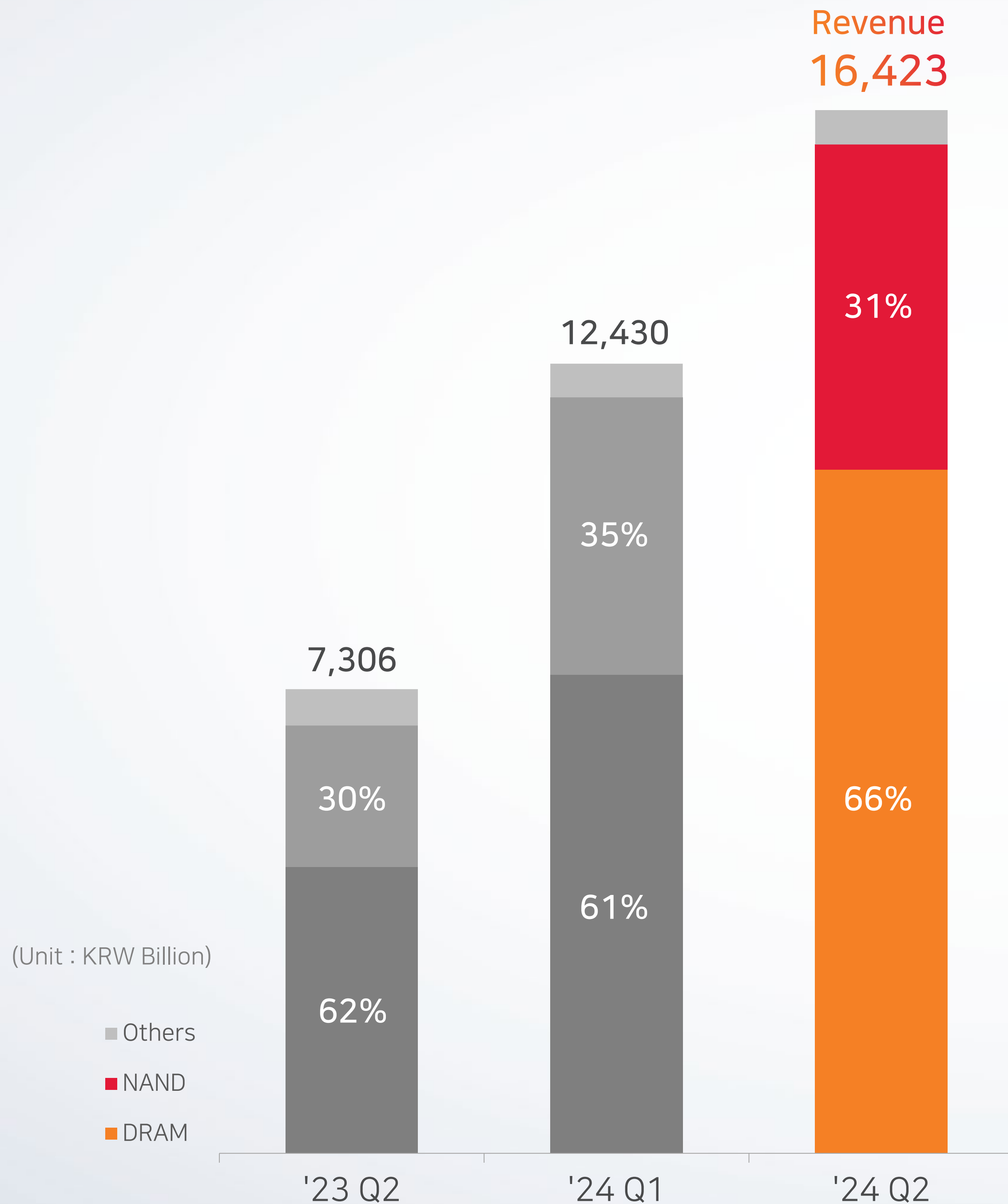
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Net Cash Flow

(Unit : KRW Billion)



Revenue by Product

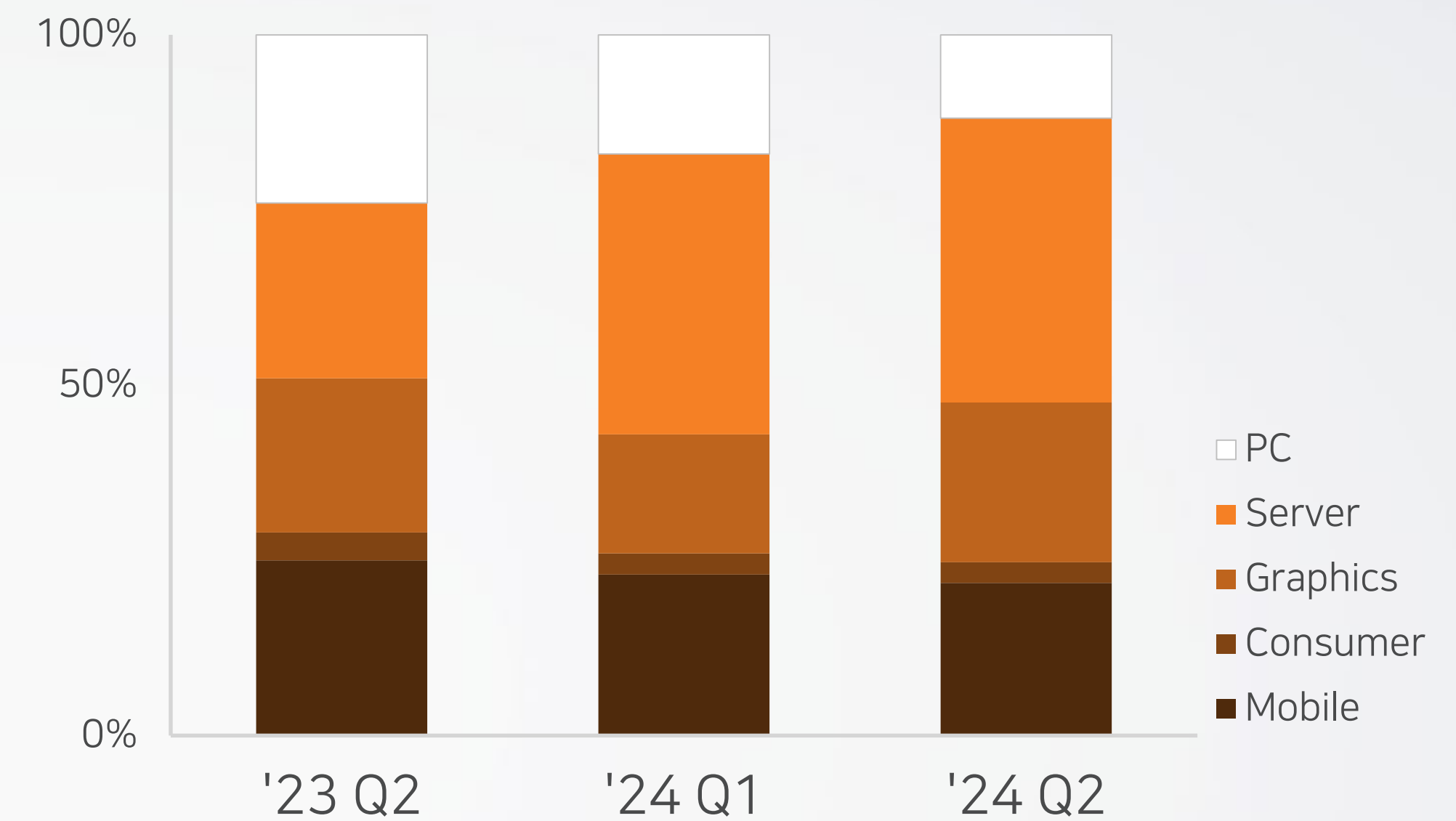


* Revenue by product portion is based on KRW, Solidigm results consolidated from '22 1Q

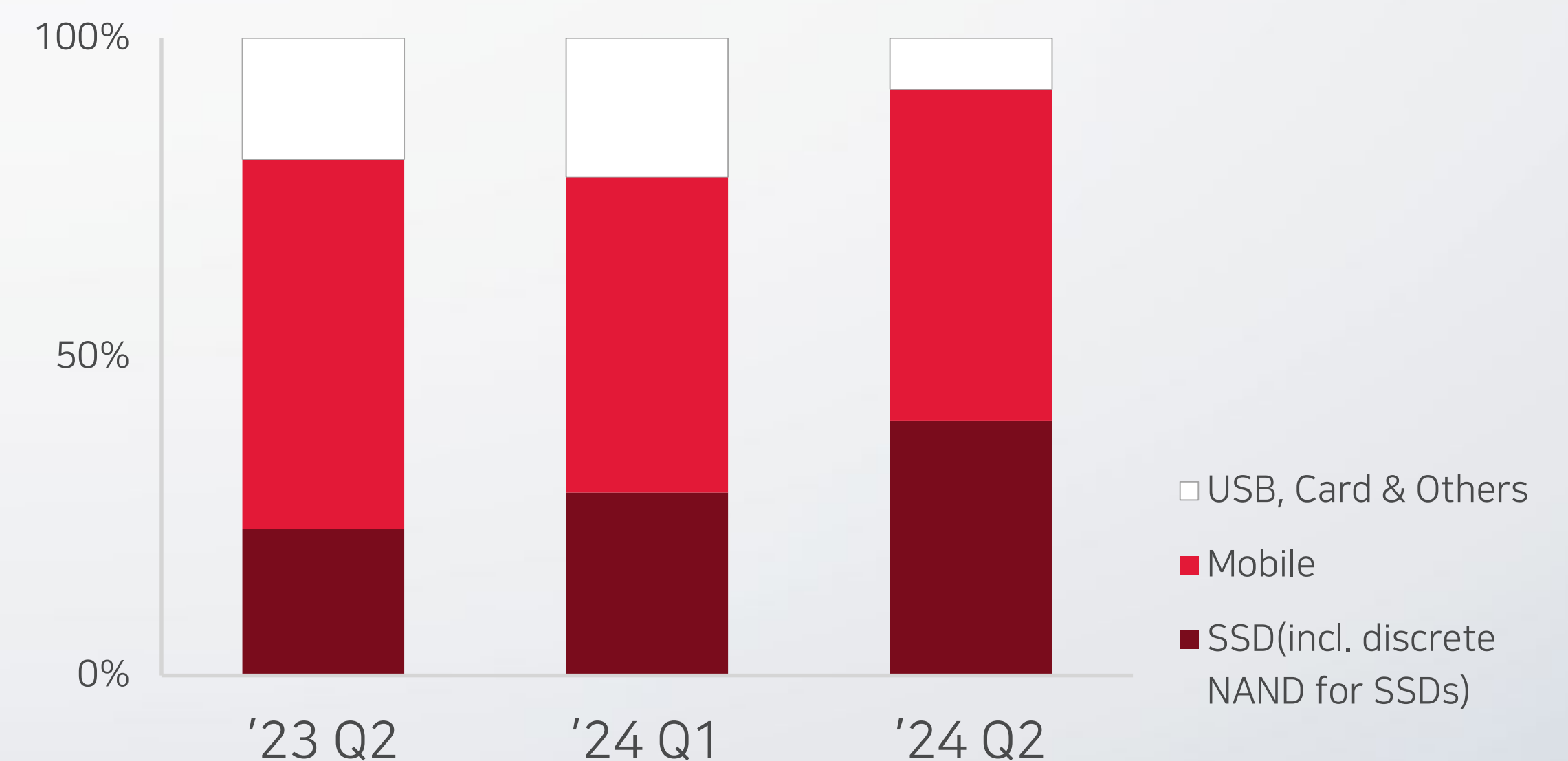
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Revenue by Application

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)

	Q2'24	Q1'24	Q4'23	QoQ	vs. Q4'23
Assets					
Current Assets	35,684	33,026	30,468	+2,658	+5,216
Cash & Cash Equivalents*	9,688	10,319	8,921	-631	+767
Accounts Receivables	10,224	7,179	6,600	+3,045	+3,623
Inventories	13,355	13,845	13,481	-490	-126
Non-Current Assets	69,941	70,171	69,862	-231	+79
Property, Plant & Equipment	53,232	53,164	52,705	+68	+527
Intangible Assets	3,840	3,830	3,835	+10	+5
Total Assets	105,624	103,198	100,330	+2,427	+5,294
Liabilities					
Interest-bearing Debts	25,228	29,506	29,469	-4,278	-4,241
S-T Borrowings	1,548	3,139	4,146	-1,591	-2,598
Current Portion of L-T Borrowings	4,727	5,707	5,712	-980	-985
Bonds	12,424	11,407	9,490	+1,017	+2,934
L-T Borrowings	6,530	9,254	10,121	-2,724	-3,591
Accounts Payables	2,093	1,747	1,846	+346	+248
Total Liabilities	45,794	47,690	46,826	-1,896	-1,032
Shareholders' Equity					
Capital Stock	3,658	3,658	3,658	-	-
Capital Surplus	4,420	4,406	4,373	+14	+48
Retained Earnings	52,302	48,392	46,729	+3,910	+5,572
Total Shareholders' Equity	59,830	55,507	53,504	+4,323	+6,326

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

[Attachment2] Income Statement

K-IFRS (KRW Billion)

		Q2'24	Q1'24	Q2'23	QoQ	YoY
Revenue		16,423	12,430	7,306	+32%	+125%
Cost of Goods Sold		8,927	7,635	8,484	+17%	+5%
Gross Profit		7,496	4,795	-1,178	+56%	-
SG&A Expenses		2,028	1,909	1,704	+6%	+19%
Operating Profit		5,469	2,886	-2,882	+89%	-
Net Financial Profit/Loss		-275	-322	-327		
Net F/X Transaction & Translation P/L		-159	-215	-517		
Net Income(Expense) From Jointly Controlled Entities & Associates		1	6	10		
Others		17	17	-72		
EBITDA		8,591	6,073	612	+41%	+1,305%
Income Before Tax		5,052	2,373	-3,788	+113%	-
Tax Expense/Benefit		932	456	-800	+105%	-
Net Profit		4,120	1,917	-2,988	+115%	-
EPS(KRW)	Basic	5,983	2,788	-4,347		
	Diluted	5,938	2,788	-4,347		
Shares Outstanding (mn shares)	Basic	689	688	688		
	Diluted	710	689	688		