

# SAMSUNG ELECTRONICS

**Earnings Presentation:**  
3Q 2024 Financial Results

**SAMSUNG**

# Disclaimer

The financial information in this document are consolidated earnings results based on K-IFRS.

This document is provided for the convenience of investors only before the external review on our 3Q 2024 financial results is completed.  
The Audit outcomes may cause some parts of this document to change.

This document contains "forward-looking statements" - that is statements related to future not past events.  
In this context "forward-looking statements" often address our expected future business and financial performance and often contain words such as "expects" "anticipates" "intends" "plans" "believes" "seeks" or "will".  
"Forward-looking statements" by their nature address matters that are to different degrees uncertain.  
For us particular uncertainties which could adversely or positively affect our future results include:

- The behavior of financial markets including fluctuations in exchange rates interest rates and commodity prices
- Strategic actions including dispositions and acquisitions · Unanticipated dramatic developments in our major businesses including DX (Digital eXperience) DS (Device Solutions)
- Numerous other matters at the national and international levels which could affect our future results

These uncertainties may cause our actual results to be materially different from those expressed in this document.

# Index

PRESENTERS

3Q 2024 RESULTS  
& FINANCIAL DATA

PERFORMANCE  
BY BUSINESS SEGMENTS

RESULTS &  
OUTLOOK

APPENDICES

# Earnings Presentation: Speakers



**Daniel Oh, EVP**  
Investor Relations

**Jaejune Kim, EVP**  
Memory

**Tommy Kwon, VP**  
System LSI

**Taejoong Song, VP**  
Foundry

**Charles Hur, EVP**  
Samsung Display Corp

**Jongmin Lee, EVP**  
CX · MDE

**Daniel Araujo, VP**  
Mobile eXperience

**KL Roh, VP**  
Visual Display



Device Solutions



Device eXperience

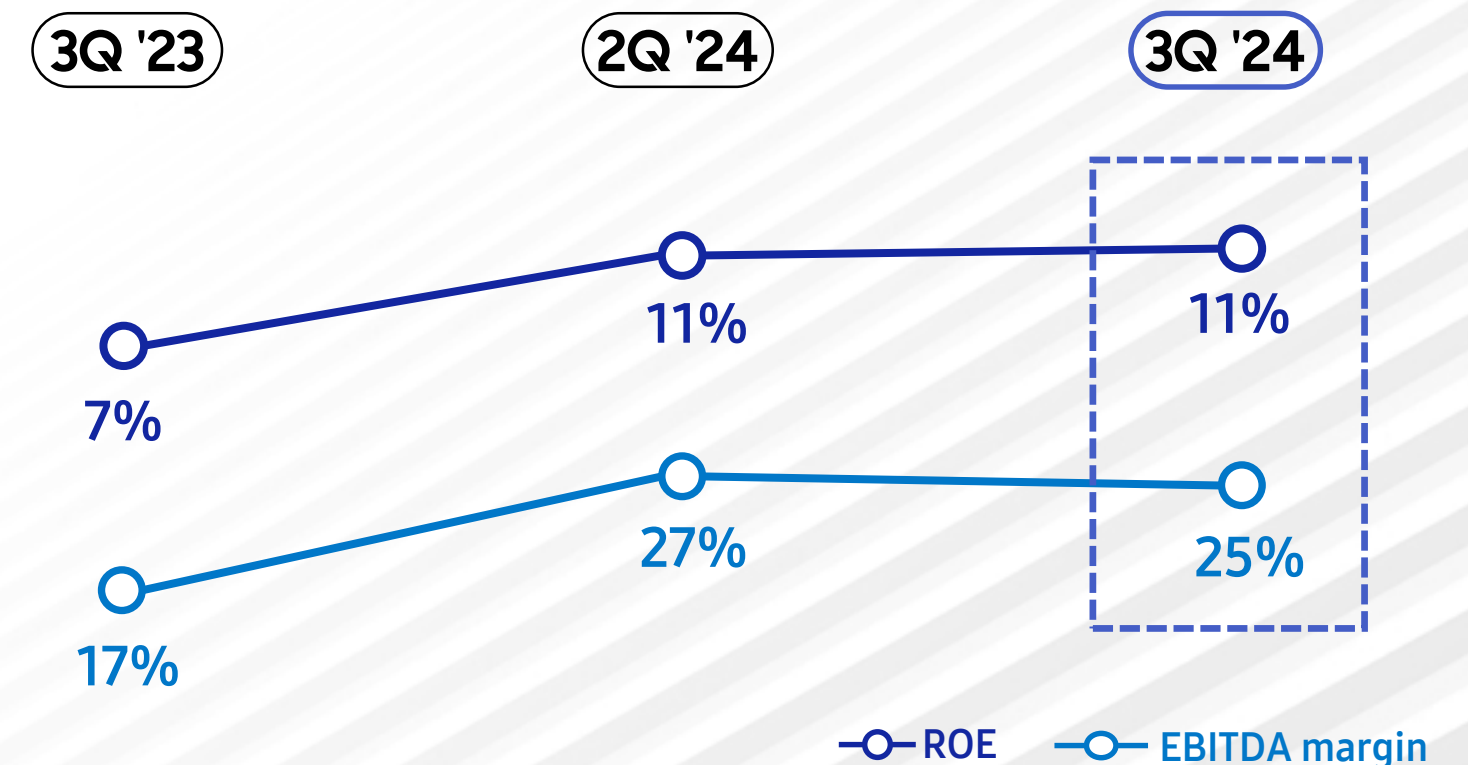
# 3Q 2024 Results & Financial Data

Based on the consolidated financial statement in 3Q 2024

(Unit: KRW trillion)	3Q23	2Q24	% of sales	3Q24	% of sales
<b>Sales</b>	<b>67.40</b>	<b>74.07</b>	<b>100.0%</b>	<b>79.10</b>	<b>100.0%</b>
Cost of sales	46.62	44.31	59.8%	49.10	62.1%
<b>Gross profit</b>	<b>20.79</b>	<b>29.76</b>	<b>40.2%</b>	<b>30.00</b>	<b>37.9%</b>
SG&A expenses	18.35	19.31	26.1%	20.82	26.3%
R&D expenses	7.01	8.05	10.9%	8.87	11.2%
<b>Operating profit</b>	<b>2.43</b>	<b>10.44</b>	<b>14.1%</b>	<b>9.18</b>	<b>11.6%</b>
Other non-operating income/expenses	0.04	0.07	-	0.16	-
Equity method gain/loss	0.26	0.20	-	0.18	-
Finance income/expenses	1.21	0.88	-	0.79	-
<b>Profit before income tax</b>	<b>3.94</b>	<b>11.60</b>	<b>15.7%</b>	<b>10.32</b>	<b>13.0%</b>
Income tax	(1.90)	1.75	-	0.22	-
<b>Net profit</b>	<b>5.84</b>	<b>9.84</b>	<b>13.3%</b>	<b>10.10</b>	<b>12.8%</b>
Profit attributable to owners of the parent	5.50	9.64	13.0%	9.78	12.4%
<b>Earnings per share (KRW)</b>	<b>810</b>	<b>1,419</b>		<b>1,440</b>	

## Key Profitability Indicators

	3Q23	2Q24	3Q24
<b>ROE</b>	<b>7%</b>	<b>11%</b>	<b>11%</b>
Profitability (net profit/sales)	0.09	0.13	0.13
Asset turnover (sales/asset)	0.60	0.63	0.67
Leverage (asset/equity)	1.26	1.26	1.26
<b>EBITDA margin</b>	<b>17%</b>	<b>27%</b>	<b>25%</b>



# Results by Business Segments

## Sales

(Unit: KRW trillion)

	3Q23	2Q24	3Q24	QoQ	YoY
<b>Total</b>	<b>67.40</b>	<b>74.07</b>	<b>79.10</b>	<b>7%↑</b>	<b>17%↑</b>
<b>DX</b>	<b>44.02</b>	<b>42.07</b>	<b>44.99</b>	<b>7%↑</b>	<b>2%↑</b>
<b>MX / NW</b>	<b>30.00</b>	<b>27.38</b>	<b>30.52</b>	<b>11%↑</b>	<b>2%↑</b>
<b>MX</b>	<b>29.25</b>	<b>26.64</b>	<b>29.98</b>	<b>13%↑</b>	<b>3%↑</b>
<b>VD / DA</b>	<b>13.71</b>	<b>14.42</b>	<b>14.14</b>	<b>2%↓</b>	<b>3%↑</b>
<b>VD</b>	<b>7.32</b>	<b>7.54</b>	<b>7.58</b>	<b>1%↑</b>	<b>4%↑</b>
<b>DS</b>	<b>16.44</b>	<b>28.56</b>	<b>29.27</b>	<b>3%↑</b>	<b>78%↑</b>
<b>Memory</b>	<b>10.53</b>	<b>21.74</b>	<b>22.27</b>	<b>2%↑</b>	<b>112%↑</b>
<b>SDC</b>	<b>8.22</b>	<b>7.65</b>	<b>8.00</b>	<b>5%↑</b>	<b>3%↓</b>
<b>Harman</b>	<b>3.80</b>	<b>3.62</b>	<b>3.53</b>	<b>2%↓</b>	<b>7%↓</b>

## Operating Profit

(Unit: KRW trillion)

	3Q23	2Q24	3Q24	QoQ	YoY
<b>Total</b>	<b>2.43</b>	<b>10.44</b>	<b>9.18</b>	<b>(1.26)</b>	<b>6.75</b>
<b>DX</b>	<b>3.73</b>	<b>2.72</b>	<b>3.37</b>	<b>0.65</b>	<b>(0.36)</b>
<b>MX / NW</b>	<b>3.30</b>	<b>2.23</b>	<b>2.82</b>	<b>0.59</b>	<b>(0.48)</b>
<b>VD / DA</b>	<b>0.38</b>	<b>0.49</b>	<b>0.53</b>	<b>0.04</b>	<b>0.15</b>
<b>DS</b>	<b>(3.75)</b>	<b>6.45</b>	<b>3.86</b>	<b>(2.59)</b>	<b>7.62</b>
<b>SDC</b>	<b>1.94</b>	<b>1.01</b>	<b>1.51</b>	<b>0.50</b>	<b>(0.42)</b>
<b>Harman</b>	<b>0.45</b>	<b>0.32</b>	<b>0.36</b>	<b>0.04</b>	<b>(0.10)</b>

※ Sales and operating profit of each business stated above reflect the organizational structure as of December 2021 and the sales of business units include intersegment sales.  
 ※ The DX Division provides earnings call materials based on the business structure before the reorganization to prevent confusion and to improve understanding among investors.  
 ※ DX: Device eXperience MX: Mobile eXperience DS: Device Solutions  
 ※ Harman's sales and operating profit figures are based on Samsung Electronics' fiscal year and acquisition related expenses are reflected.

# Memory

## 3Q24 Results

### Memory

**Market** AI/Conventional server demand was strong, driven by tech companies' investments. Inventory adjustments negatively impacted mobile demand, and supply-demand was affected somewhat by the increasing supply of legacy products in China.

**SEC** Inventory level and mix improved further; and sales expanded significantly in HBM, DDR5, and Server SSD, led by active responses to demand for high-value-added AI/Server products. Profit was negatively affected by one-off costs, such as incentive provisioning, and currency effects due to a weak dollar.

## 4Q24 Outlook

### Memory

**Market** Market trend to be similar to that of the previous quarter; and we plan to monitor demand factors, such as geopolitical issues and stimulus packages.

**SEC** Improve business fundamentals by accelerating advanced node migration and inventory mix normalization, aiming to enhance our profit-focused portfolio. Expand HBM sales in line with capacity increase; and accelerate transition to 1b nano for high-density server demand based on 32Gb DDR5. Solidify market competitiveness with the further expansion of sales of V8-based PCIe Gen5 and the sales of high-density QLC mass-products.

## 2025 Outlook

### Memory

**Market** AI /Conventional server demand to remain strong, given continued robust investments by tech companies. Content-per-box to increase, driven by the release of more on-device AI smartphones.

**SEC** Strengthen profit-centered business competitiveness by focusing on differentiated products, rather than short-term bit share. Expand HBM3E sales and transition to 1b nm; while sales of 128GB and higher DDR5 modules for server and LPDDR5x for mobile, PC and server are positioned to increase significantly. Proactively meet high-density demand trend in NAND with accelerated V8 transition and QLC products.

# S.LSI/Foundry

## 3Q24 Results

### S.LSI

**Market** Mobile set shipments overshot demand in 1H, causing an increase in channel inventories, which led to adjustments in purchasing demand in 2H.

**SEC** Sales increased thanks to pre-emptive responses to 2H demand decline; but earnings decreased due to one-off costs.

### Foundry

**Market** Demand for advanced nodes increased, driven by rising demand for AI, but mobile and PC demand underperformed.

**SEC** Performance declined due to one-off costs. However, we achieved order targets in advanced nodes below 5nm and in AI/HPC applications.

## 4Q24 Outlook

### S.LSI

**Market** Some mobile customers to adjust purchases and inventory due to overshoot in 1H.

**SEC** Improve earnings by optimizing operational resources amid likely adjustments in purchasing demand until year-end.

### Foundry

**Market** Mobile/PC market rebound delayed; weak demand to persist, but advanced demand to grow due to AI.

**SEC** Continue to develop 2nm GAA technology and focus on process/infra development to secure mobile/HPC customers.

## 2025 Outlook

### S.LSI

**Market** Smartphone growth to be limited, but demand for high-spec on-device AI components to be solid.

**SEC** Maximize next-gen SoC supply; boost HDR/Zoom sensor products; enhance integrated PDDI and T-CON in DDIs.

### Foundry

**Market** Market to show double-digit growth, driven by advanced node demand despite inventory concerns.

**SEC** Secure major customers with successful 2nm mass production, and focus on securing new customers with HBM Buffer Die solution via collaboration with the memory business.



# SDC (Samsung Display Corporation)

## 3Q24 Results

### Mobile

SEC Performance improved thanks to the launches of new smartphone products.

### Large

SEC Profitability declined, despite increased sales from stable demand.

## 4Q24 Outlook

### Mobile

SEC Demand for flagship products to continue, and IT and automotive businesses to grow.  
Outlook for profitability is conservative due to intensified competition.

### Large

SEC Continue to address customer demand by enhancing production efficiency, and keep striving to expand sales on a sequential basis.

## 2025 Outlook

### Mobile

Market OLED penetration to increase as more manufacturers adopt OLED panels.

SEC Strengthen leadership in the foldable and high-end segments through innovative technologies.  
Expand within the IT and automotive businesses to diversify portfolio.

### Large

Market Share of self-luminous products in the premium segment to increase.

SEC TV: advantages of QD-OLED to strengthen our presence in the premium market.  
Monitor: diversified product portfolio to expand sales in the gaming and B2C markets.

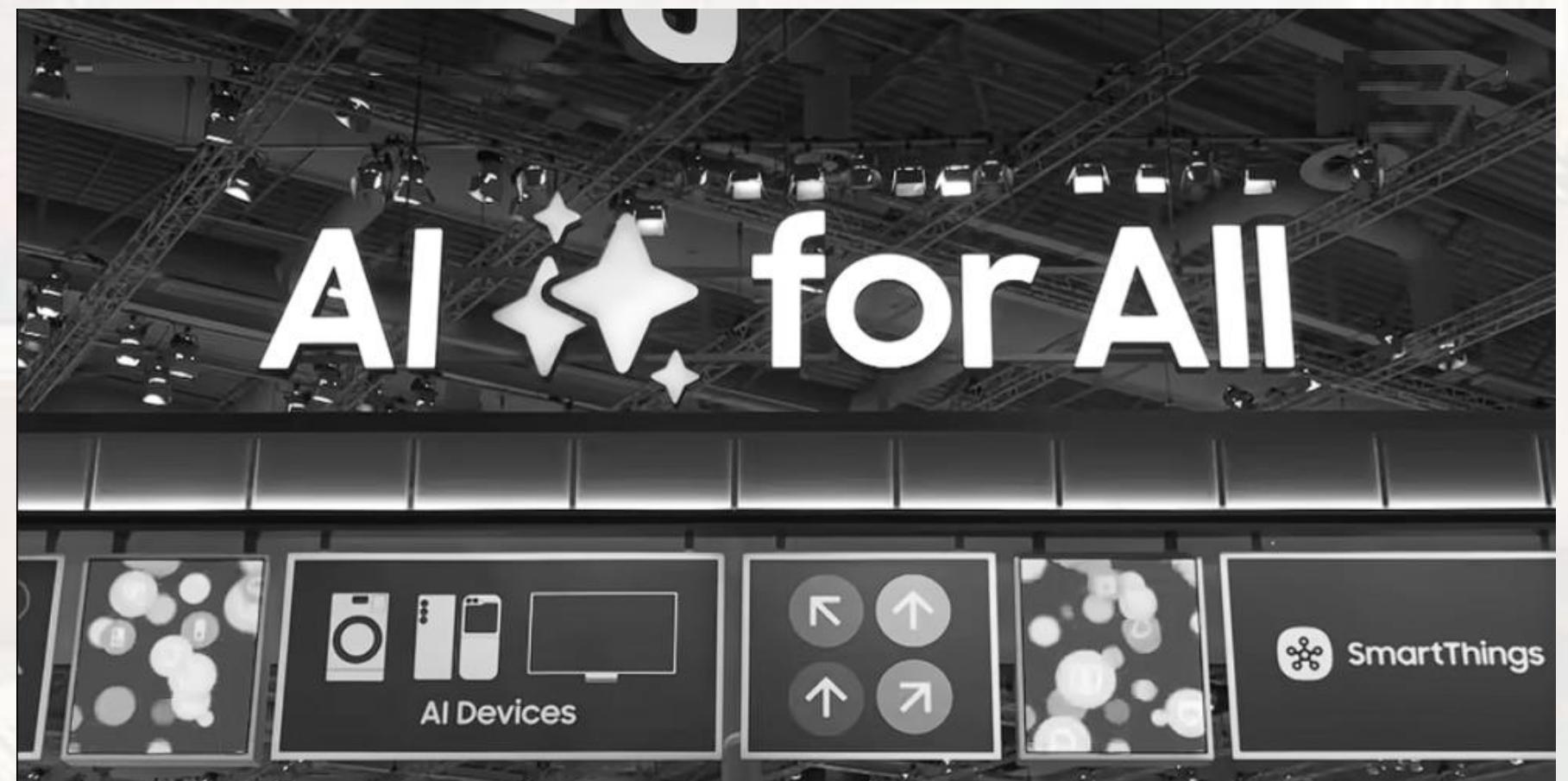
# Samsung's Multi-Device AI Strategy

## SmartThings-based AI Platform

- Product Intelligence
- Spatial intelligence
- Personalization

## Top Priorities:

- Security (Knox Matrix)
- Connectivity and Lifestyle
- Intelligent Saving Technology
- Health and Well-being



# MX/NW

## 3Q24 Results

### MX

**Market** Smartphone demand increased only slightly as the market was affected by global inflation, which delayed a recovery in consumption.

**SEC** Revenue and operating profit grew QoQ due to releases of new smartphones, tablets, and wearables. Sales increased, focusing on flagship models, resulting in profitability close to the double digits, despite the rise in material costs.

### NW

**SEC** Sales declined due to seasonal effects and ongoing reductions in investments by operators.

## 4Q24 Outlook

### MX

**Market** Smartphone market to grow due to seasonality, with competition in the mass-market segment likely to intensify, especially in emerging markets.

**SEC** Implement various sales programs for AI smartphones, including foldables and S24 series, aiming for double-digit growth in annual flagship sales. Contribute to MX's sales and profits by expanding sales of tablets and wearables with a particular focus on new premium products.

### NW

**SEC** Increase revenue on the back of growth in major domestic and overseas markets.

## 2025 Outlook

### MX

**Market** Smartphone market to grow slightly, and Tablet, Note PC, and smartwatch markets to expand.

**SEC** Expand S25 series sales by offering a complete Galaxy AI experience and strengthening marketing programs. Innovate design and specialize AI for foldables. Expand premium tablet, NPC, and wearable sales. Improve connectivity among products, including upcoming XR devices, to further elevate user experiences in the Galaxy ecosystem. Improve profitability by enhancing AI and expanding sales centered on flagship products.

### NW

**SEC** Improve performance on 4G/5G NW expansion, growing adoption of ORAN/vRAN, and acquisition of new orders from key operators. Enhance H/W competitiveness via 5G core chips, and reinforce S/W based leadership with vRAN/ORAN.

# VD/DA/Harman

## 3Q24 Results

### VD

**Market** TV market demand increased QoQ thanks to seasonal effects, but it declined slightly YoY mainly due to global sporting events pulling demand into the first half.

**SEC** Earnings increased both YoY and QoQ by focusing on sales of strategic products, expanding sales of service business and optimizing resource management.

### DA

**SEC** Earnings declined QoQ due to weak seasonality and logistics cost burdens, but they improved YoY thanks to increased sales of premium products, centering on new BESPOKE AI.

### Harman

**SEC** Earnings improved QoQ thanks to increased sales of consumer audio products and an improved cost structure.

## 4Q24 Outlook

### VD

**Market** TV market demand to recover thanks to year-end peak seasonality, although competition is likely to intensify.

**SEC** Capture peak season demand through strategic collaborations with major retailers. Expand sales and secure profitability by emphasizing the non-price competitiveness in areas such as security, design, and content.

### DA

**SEC** Increase sales YoY by capturing the AI home appliance market through the global expansion of BESPOKE AI and boosting sales of system air conditioners.

### Harman

**SEC** Maintain robust profitability by expanding sales of consumer audio products during end-year peak season and streamlining operational processes.

## 2025 Outlook

### VD

**Market** Overall TV market to grow slightly, with strategic products such as QLED, OLED, and Big TVs continuing to gain share.

**SEC** Actively employ AI technology to not only advance core TV performance, such as picture and sound quality, but also enhance customer experiences with SmartThings, thus expanding the role of TVs to become the hub of the AI home. Keep expanding our service platform business.

### DA

**SEC** Enhance AI in home appliances and expand AI home appliances globally. Promote high-value-added areas by strengthening B2B businesses, including air-conditioner /builder/built-in, and increasing online sales.

### Harman

**SEC** Enhance competitiveness through collaborations with Samsung Electronics; diversify client base and expand new orders in Automotive; and target high-growth markets, such as TWS, in Consumer Audio.

# Appendix 1: Financial Position (Summary)

(Unit: KRW billion)	30.Sep.23	30.Jun.24	30.Sep.24
<b>Assets</b>	<b>454,466.4</b>	<b>485,757.7</b>	<b>491,307.3</b>
Cash ※	93,102.9	100,795.5	103,776.5
A/R	43,406.0	43,660.9	44,692.0
Inventories	55,256.0	55,566.6	53,356.8
Investments	28,965.3	28,614.3	31,914.6
PP&E	180,806.0	194,449.8	195,028.8
Intangible assets	23,137.0	23,623.3	23,077.5
Other assets	29,793.2	39,047.3	39,461.1
<b>Total assets</b>	<b>454,466.4</b>	<b>485,757.7</b>	<b>491,307.3</b>
<b>Liabilities</b>	<b>90,573.8</b>	<b>102,231.0</b>	<b>105,025.9</b>
Debts	10,050.0	16,481.4	16,931.9
Trade accounts and N/P	13,157.1	13,113.3	12,861.8
Other accounts and N/P & accrued expenses	40,037.5	41,612.1	44,485.7
Current income tax liabilities	3,411.7	5,103.2	4,882.4
Unearned revenue & other advances	2,251.8	2,362.5	2,595.4
Other liabilities	21,665.7	23,558.5	23,268.7
<b>Shareholders' equity</b>	<b>363,892.6</b>	<b>383,526.7</b>	<b>386,281.4</b>
Capital stock	897.5	897.5	897.5
<b>Total liability &amp; Shareholders' equity</b>	<b>454,466.4</b>	<b>485,757.7</b>	<b>491,307.3</b>

	30.Sep.23	30.Jun.24	30.Sep.24
Current ratio*	280%	258%	252%
Liability/equity	25%	27%	27%
Debt/equity	3%	4%	4%
Net debt/equity	(23%)	(22%)	(22%)

※ Current ratio = current assets/current liabilities

※ Cash = Cash and Cash equivalents Short-term financial instruments Short-term financial assets at amortized cost etc.

# Appendix 2: Cash Flow (Summary)

(Unit: KRW trillion)	3Q23	2Q24	3Q24
<b>Cash (beginning of period) *</b>	<b>97.13</b>	<b>97.39</b>	<b>100.80</b>
<b>Cash flows from operating activities</b>	<b>9.73</b>	<b>16.90</b>	<b>22.20</b>
Net profit	5.84	9.84	10.10
Depreciation	8.90	9.38	10.31
<b>Cash flows from investing activities</b>	<b>(12.75)</b>	<b>(11.51)</b>	<b>(14.30)</b>
Purchase of PP&E	(13.02)	(11.94)	(10.96)
<b>Cash flows from financing activities</b>	<b>(1.96)</b>	<b>(4.10)</b>	<b>(2.18)</b>
Increase in debts	0.51	0.87	0.28
Acquisition of treasury stock	-	-	-
Payment of dividends	(2.46)	(4.96)	(2.45)
<b>Increase in cash</b>	<b>(4.02)</b>	<b>3.40</b>	<b>2.98</b>
<b>Cash (end of period) *</b>	<b>93.10</b>	<b>100.80</b>	<b>103.78</b>

\* Cash = Cash and cash equivalents short-term financial instruments short-term financial assets at amortized cost etc.

## Current State of Net Cash (Net Cash = Cash \* - Debts)

(Unit: KRW trillion)	30.Sep.23	30.Jun.24	30.Sep.24
<b>Net Cash</b>	<b>83.05</b>	<b>84.31</b>	<b>86.84</b>

\* Cash = Cash and cash equivalents short-term financial instruments short-term financial assets at amortized cost etc.

**Thank you**

**SAMSUNG**