



Disclaimer

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

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

Review of the FY2020 Q3 financial results has not been finalized. Figures in this earnings release are subject to changes during the independent auditing process.



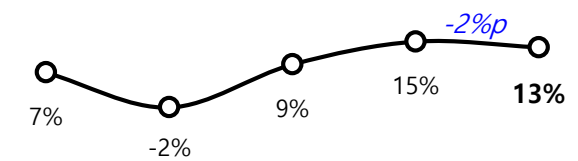
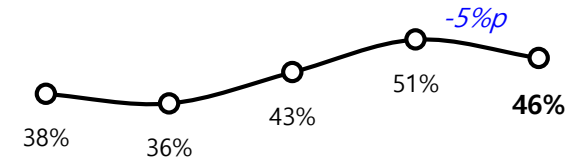
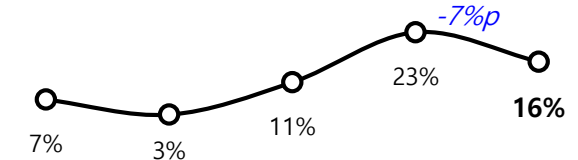
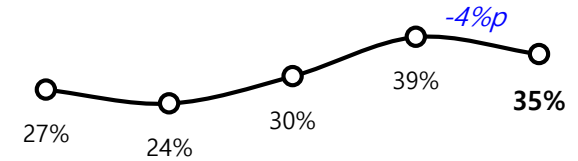
FY2020 Q3 Financial Results

Results of Operation

Income Statement

| <i>(Unit: KRW Billion)</i> | | Q3'20 | Q2'20 | Q3'19 | QoQ | YoY |
|---|-------|-------|-------|-------|------|-------|
| Revenue | | 8,129 | 8,607 | 6,839 | -6% | +19% |
| Gross Profit | | 2,843 | 3,344 | 1,816 | -15% | +57% |
| Operating Profit | | 1,300 | 1,947 | 473 | -33% | +175% |
| EBITDA* | | 3,762 | 4,352 | 2,631 | -14% | +43% |
| Net Profit | | 1,078 | 1,264 | 495 | -15% | +118% |
| EPS(KRW) | Basic | 1,575 | 1,846 | 721 | | |
| | Dil. | 1,575 | 1,846 | 721 | | |
| Shares Outstanding (Mil. Shares) | Basic | 684.0 | 684.0 | 684.0 | | |
| | Dil. | 684.1 | 684.1 | 684.1 | | |

Profit Margins



Q3'19 Q4 Q1'20 Q2 Q3

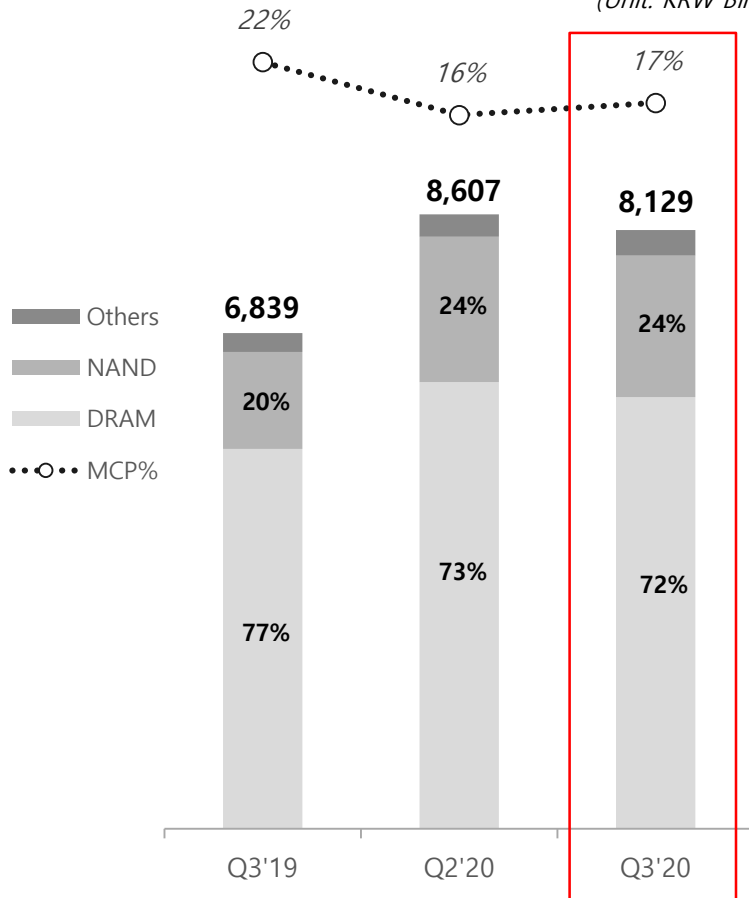
* EBITDA = Operating Profit + Depreciation & Amortization

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

Sales Analysis - 1

Revenue Trend

(Unit: KRW Billion)



* Revenue Portion is in USD basis

- While demand for mobile recovered, server DRAM & SSD demand for data center showed weakness
- Revenue declined QoQ -6% as prices turned downward

DRAM

- QoQ B/G +4%, ASP -7%
- Although procurement trend from server customers was sluggish, responded actively to demand from new product launches in mobile & graphics, and also to increased purchase of consumer products by certain customer
- Price declined QoQ, led by Server DRAM

NAND

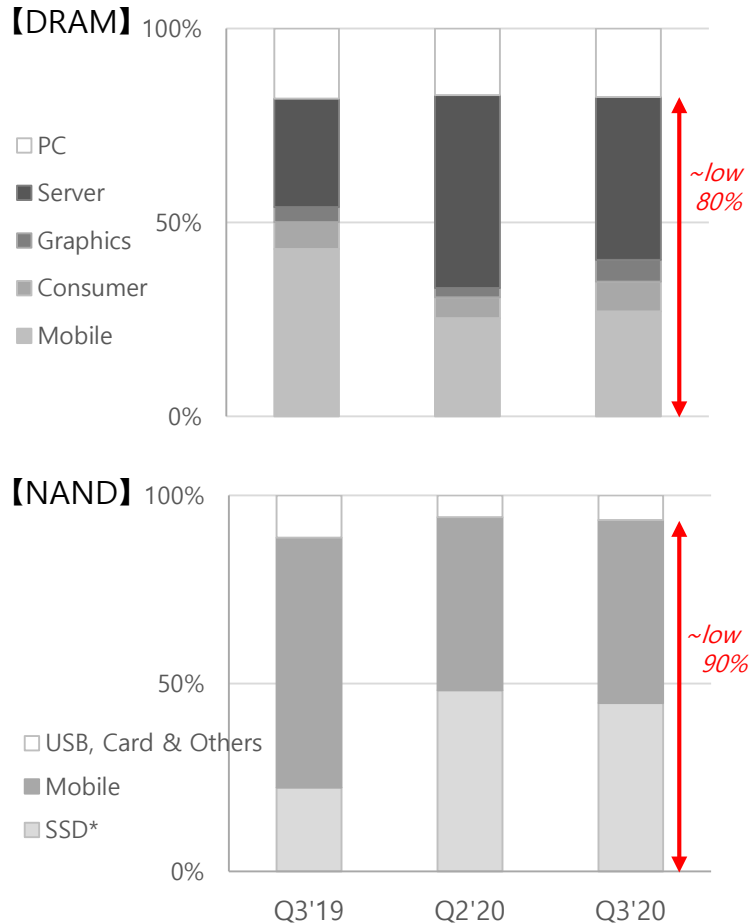
- QoQ B/G +9%, ASP -10%
- Despite slowdown of datacenter SSD demand, expanded product sales of mobile NAND and game console SSDs
- Price showed weakness QoQ, led by eSSD

MCP

- Shipments increased, following demand recovery of smartphones in China
- Revenue: +5% QoQ, Revenue portion: 17%

Sales Analysis - 2

Revenue Breakdown by Application



* Includes discrete NAND for SSDs

❖ Data center customers' inventory adjustments led to procurement slowdown, which led to weakness in overall memory pricing

**Mobile
DRAM
+
Mobile
NAND**

- Responded actively to new smartphone launches and seasonal demand recovery, thus mobile revenue mix rose for both DRAM & NAND
- Demand recovery from China led to revenue increase, especially for MCP products

**PC/Graphics
DRAM
+
Client SSD**

- Responded actively to momentum from new game console launches, with increased DRAM density and first-time SSD adoption, and also to relatively solid demand from laptops
- Revenue mix increased for PC DRAM, Graphics DRAM and cSSD

**Server
DRAM
+
Enterprise
SSD**

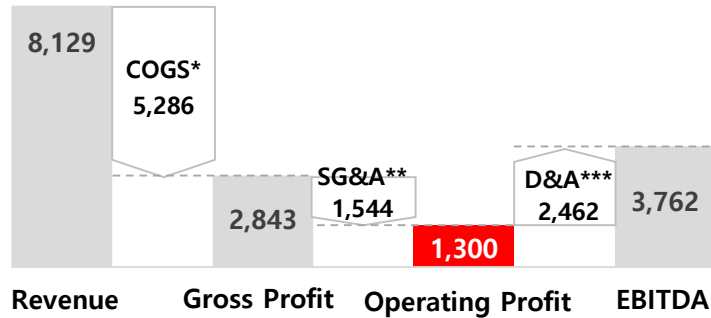
- Revenue portion of server DRAM and eSSD decreased, due to procurement slowdown from server customers in 2H'20
- Price environment also showed weakness, especially for server DRAM and eSSD

Profit Analysis

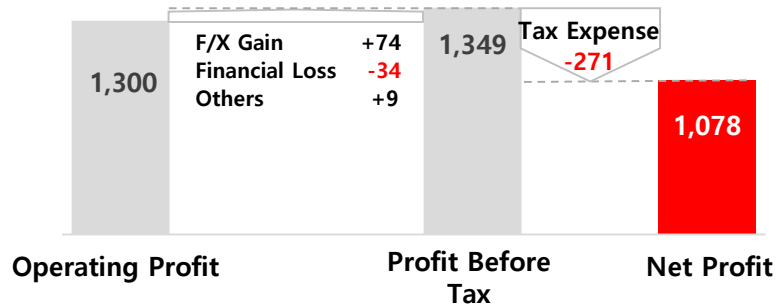
Profit Analysis

【Operating Profit】

(Unit: KRW Billion)



【Net Income】



* Cost of Goods Sold

** Selling, General & Administrative Expenses

*** Depreciation & Amortization

- Profitability was reduced due to price decline even with cost reduction from better yields of 128L NAND and further yield improvements of 96L NAND & 1Ynm DRAM on the top of matured yield levels, combined with mix increase of those tech nodes. Recorded Gross Profit of KRW 2.84T (-15% QoQ) & Operating Profit of KRW 1.30T(-33% QoQ).
- Depreciation & Amortization expenses rose slightly, leading to EBITDA of KRW 3.76T with EBITDA margin of 46%
- Gain on translation of borrowings offset foreign exchange loss following depreciation of USD, and led to Net Non-operating Profits of KRW 49B
- Net Profit reached KRW 1.08T with Net Margin of 13%

Capital Structure

Balance Sheet

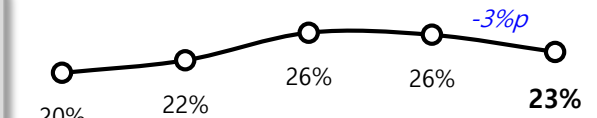
| <i>(Unit: KRW Billion)</i> | Q3'20 | Q2'20 | Q4'19 | QoQ | vs. Q4'19 |
|-----------------------------|--------|--------|--------|--------|--------------|
| Assets | 69,267 | 69,259 | 64,789 | +8 | +4,478 |
| Cash* | 4,756 | 5,265 | 3,995 | -509 | +761 |
| Liabilities | 18,768 | 19,856 | 16,846 | -1,088 | +1,922 |
| Debt ** | 11,703 | 12,690 | 10,524 | -987 | +1,179 |
| Shareholders' Equity | 50,499 | 49,403 | 47,943 | +1,096 | +2,556 |
| Capital Stock | 3,658 | 3,658 | 3,658 | - | - |
| Retained Earnings | 45,221 | 44,149 | 42,931 | +1,073 | +2,291 |

Stability Ratios

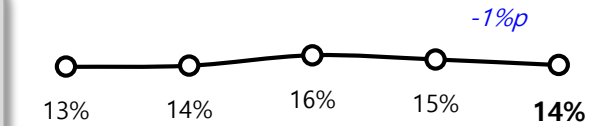
Current Ratio



Debt-to-Equity Ratio



Net Debt-to-Equity Ratio



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

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

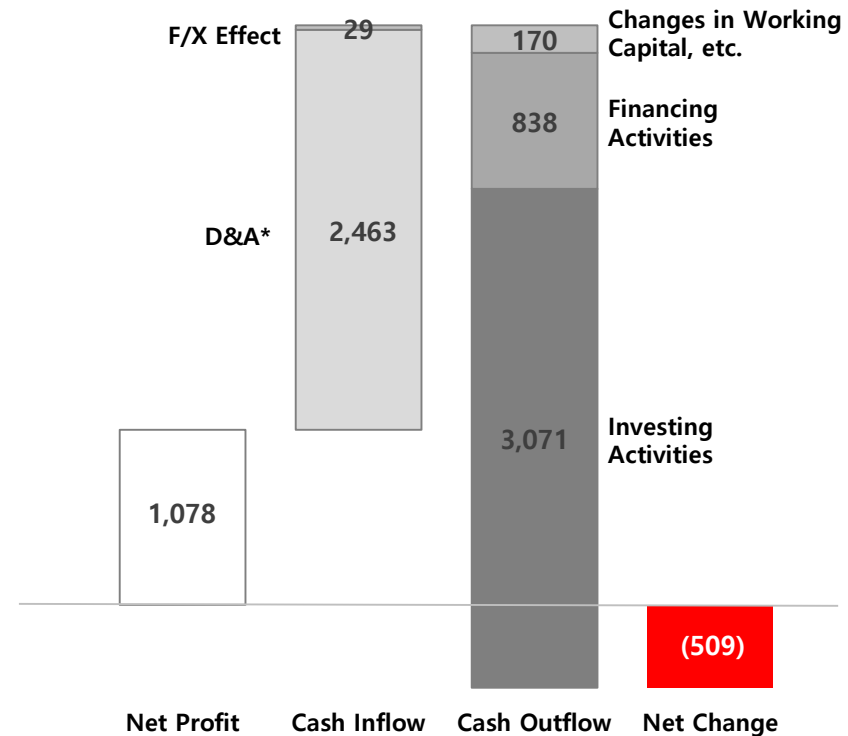
Cash Flow

Cash Flow

| (Unit: KRW Billion) | Q3'20 | Q2'20 | Q3'19 |
|---|---------|---------|---------|
| Beginning Cash Balance | 5,265 | 4,742 | 3,110 |
| CF from Operating Activities | 3,372 | 3,362 | 2,509 |
| Net Profit | 1,078 | 1,264 | 495 |
| D&A* | 2,463 | 2,405 | 2,160 |
| Changes in Working Capital, etc. | (170) | (308) | (146) |
| CF from Investing Activities | (3,071) | (2,534) | (3,092) |
| Acquisition of PP&E | (2,540) | (2,214) | (2,892) |
| CF from Financing Activities | (838) | (279) | 711 |
| Changes in Debt | (788) | 457 | 776 |
| Repayment of Lease Liability | (50) | (54) | (65) |
| Dividend Payout | 0 | (684) | 0 |
| Share Repurchase | 0 | 0 | 0 |
| Effect of F/X rate changes on Cash & Equivalents | 29 | (26) | 18 |
| Net Changes in Cash | (509) | 522 | 146 |
| Ending Cash Balance | 4,756 | 5,265 | 3,256 |

Net Cash Flow

(Unit: KRW Billion)



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

[Attachment1] Statement of Financial Position

K-IFRS (KRW Billion)

| | Q3'20 | Q2'20 | Q4'19 | QoQ | vs. Q4'19 |
|-----------------------------------|---------------|---------------|---------------|--------|-----------|
| Assets | | | | | |
| Current Assets | 17,036 | 17,363 | 14,458 | -327 | +2,579 |
| Cash & Cash Equivalents* | 4,756 | 5,265 | 3,995 | -509 | +761 |
| Accounts Receivables | 5,476 | 5,608 | 4,262 | -133 | +1,214 |
| Inventories | 6,151 | 5,814 | 5,296 | +336 | +855 |
| Non-Current Assets | 52,231 | 51,896 | 50,332 | +334 | +1,899 |
| Property, plant & equipment | 40,712 | 40,514 | 39,950 | +198 | +762 |
| Intangible Assets | 3,502 | 3,626 | 2,571 | -123 | +931 |
| Total Assets | 69,267 | 69,259 | 64,789 | +8 | +4,478 |
| Liabilities | | | | | |
| Interest-bearing Debts | 11,703 | 12,690 | 10,524 | -987 | +1,179 |
| S-T Borrowings | 680 | 850 | 1,168 | -170 | -488 |
| Current Portion of LT Borrowings | 2,913 | 3,251 | 1,569 | -337 | +1,344 |
| Bonds/Convertible Bonds | 3,482 | 3,495 | 2,745 | -12 | +737 |
| L-T Borrowings | 4,627 | 5,095 | 5,040 | -468 | -413 |
| Accounts Payables | 1,014 | 1,128 | 1,043 | -113 | -28 |
| Total Liabilities | 18,768 | 19,856 | 16,846 | -1,088 | +1,922 |
| Shareholders' Equity | | | | | |
| Capital Stock | 3,658 | 3,658 | 3,658 | - | - |
| Capital Surplus | 4,144 | 4,144 | 4,144 | - | - |
| Retained Earnings | 45,221 | 44,149 | 42,931 | +1,073 | +2,291 |
| Total Shareholders' Equity | 50,499 | 49,403 | 47,943 | +1,096 | +2,556 |

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

[Attachment2] Income Statement

K-IFRS (KRW Billion)

| | | Q3'20 | Q2'20 | Q3'19 | QoQ | YoY |
|---|---------|-------|-------|-------|------|-------|
| Revenue | | 8,129 | 8,607 | 6,839 | -6% | +19% |
| Cost of Goods Sold | | 5,286 | 5,262 | 5,023 | +0% | +5% |
| Gross Profit | | 2,843 | 3,344 | 1,816 | -15% | +57% |
| SG&A Expenses | | 1,544 | 1,397 | 1,343 | +10% | +15% |
| Operating Profit | | 1,300 | 1,947 | 473 | -33% | +175% |
| Net Financial Profit/Loss | | -34 | -58 | -63 | | |
| Net F/X Transaction & Translation Profit/Loss | | 74 | -111 | 79 | | |
| Income (Expense) From Jointly Controlled Entities and Associates, Net | | -3 | 8 | 4 | | |
| Others | | 12 | -59 | 28 | | |
| EBITDA | | 3,762 | 4,352 | 2,631 | -14% | +43% |
| Income Before Tax | | 1,349 | 1,727 | 520 | -22% | +159% |
| Tax Expense/Benefit | | 271 | 463 | 25 | -41% | +991% |
| Net Profit | | 1,078 | 1,264 | 495 | -15% | +118% |
| EPS(KRW) | Basic | 1,575 | 1,846 | 721 | | |
| | Diluted | 1,575 | 1,846 | 721 | | |
| Shares Outstanding (Mil. Shares) | Basic | 684.0 | 684.0 | 684.0 | | |
| | Diluted | 684.1 | 684.1 | 684.1 | | |