



FY2021 Q1 Earnings

2021. 04. 28 | Investor Relations

Disclaimer

Review of the FY2021 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

FY2021 Q1

We Do Technology
첨단기술의 중심, 더 나은 세상을 만듭니다

Market

Highlights



Strong
PC demand

+

Solid
Mobile Demand

=

Rapidly
Improving
Memory Market



Revenue Analysis

Bit Growth

DRAM +4%

NAND +21%

Outperformed
Guidance

'21 Q1 Revenue
KRW 8.49T
+7% QoQ / +18% YoY

'20 Q4 Revenue
KRW 7.97T

MCP

Sales Portion 23%
+1%p QoQ

Strong Demand
for High Density

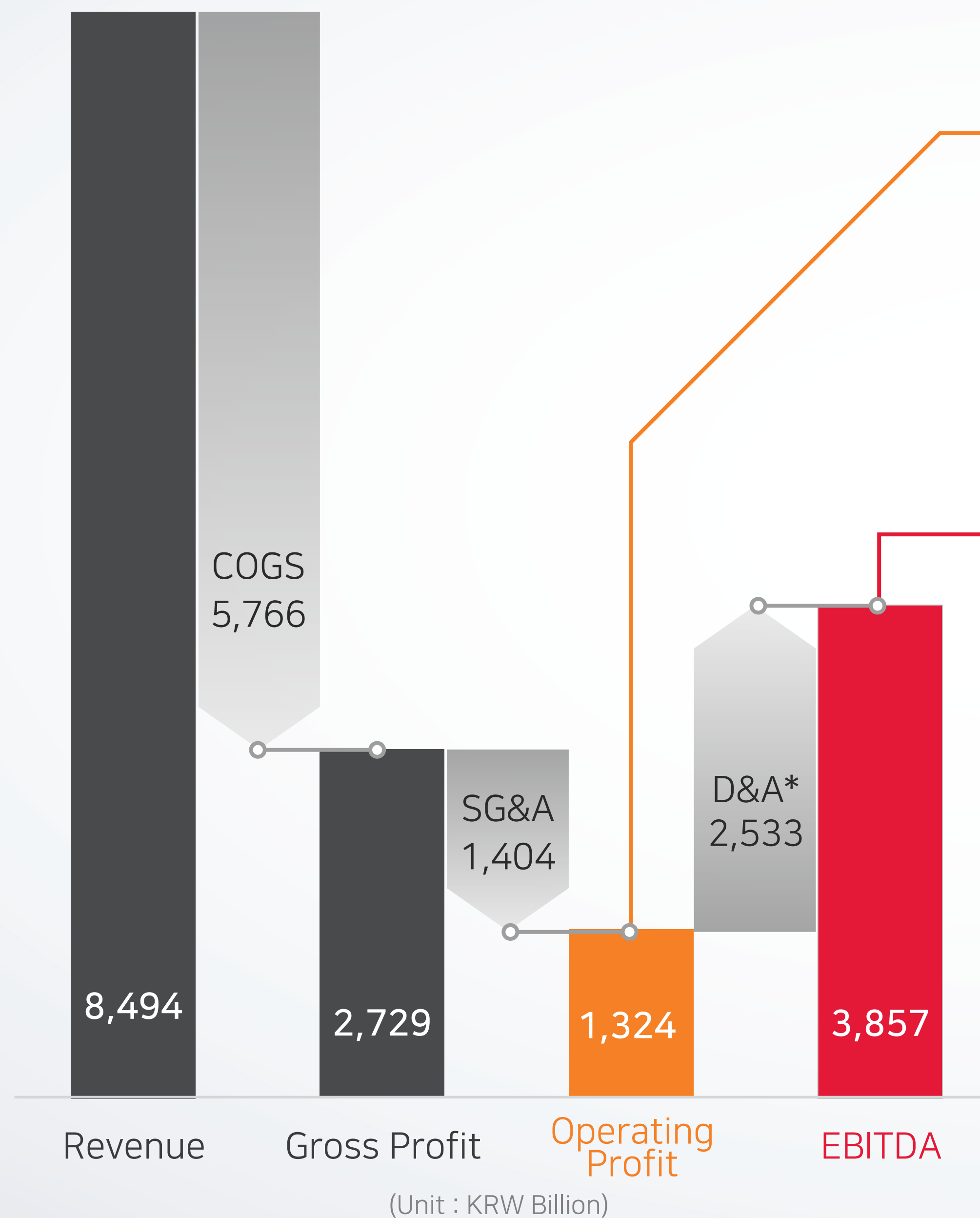
ASP

DRAM +4%

NAND -7%

Better Pricing
Condition

Profit Analysis – Operating Profit



Operating Profit

KRW 1.32T

(+37% QoQ / +65% YoY)

- SG&A expense decreased due to tight control
- Cost reduction through yield improvement on major technology products

EBITDA

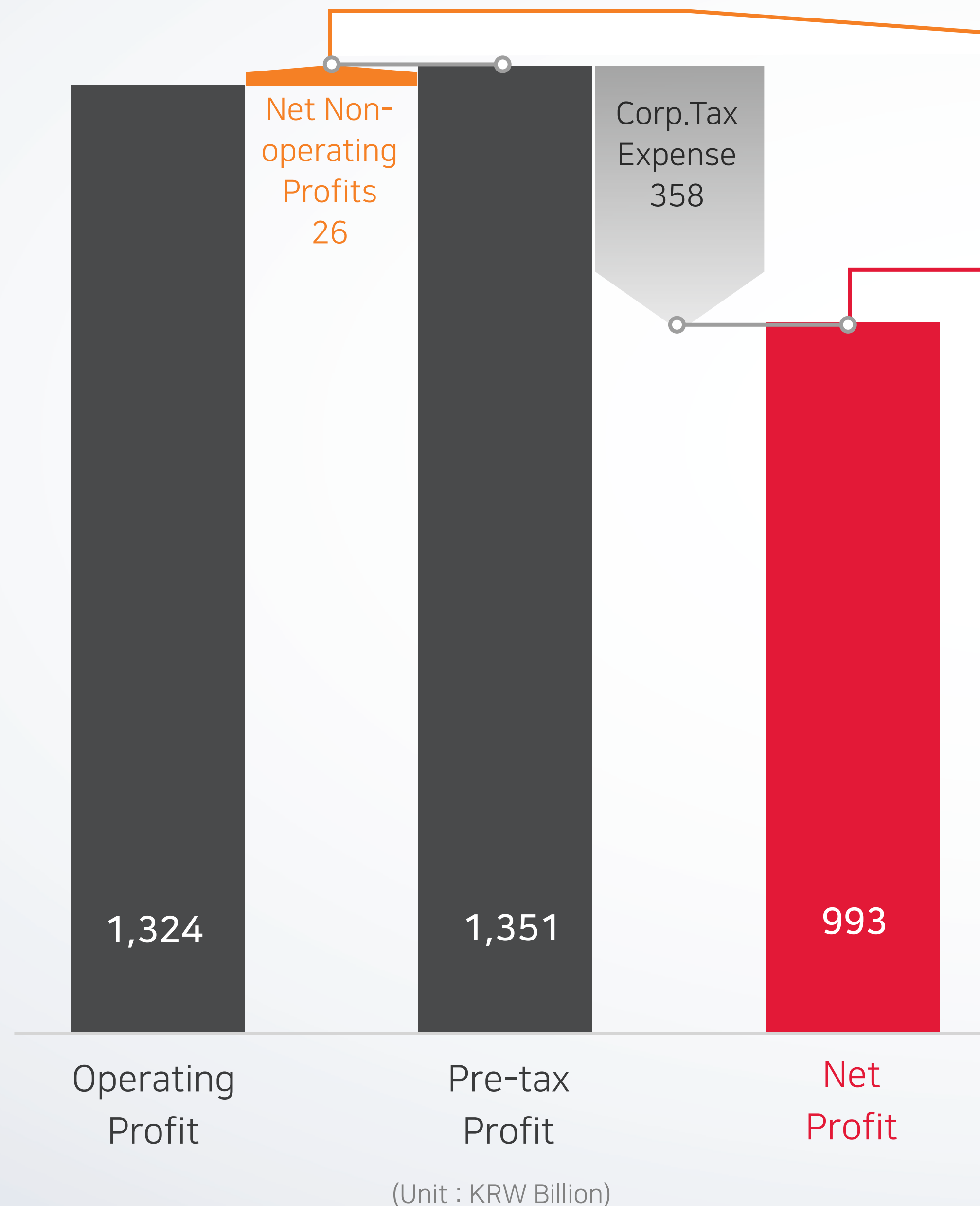
KRW 3.86T

(+8% QoQ / +24% YoY)

- D&A 2.53T (-2% QoQ / +10% YoY)
- EBITDA Margin 45%

* D&A : Depreciation & Amortization

Profit Analysis – Net Profit



Non-operating Profits

KRW 0.03T

- Gain on F/X Transaction related to A/R, etc (Strong USD)
- Loss on F/X Translation related to valuation of Kioxia investment, etc (Weak JPY)
- Net interest expense KRW 0.06T

Net Profit

KRW 0.99T

(-44% QoQ / +53% YoY)

- Net Profit Margin 12%
- QoQ reduction due to base effect from gain on valuation of Kioxia investment in '20 Q4 (1.72T)

Financial Position

'20 Q4

'21 Q1

Cash*

KRW 4.95T

KRW 5.99T

(+21% QoQ / +26% YoY)

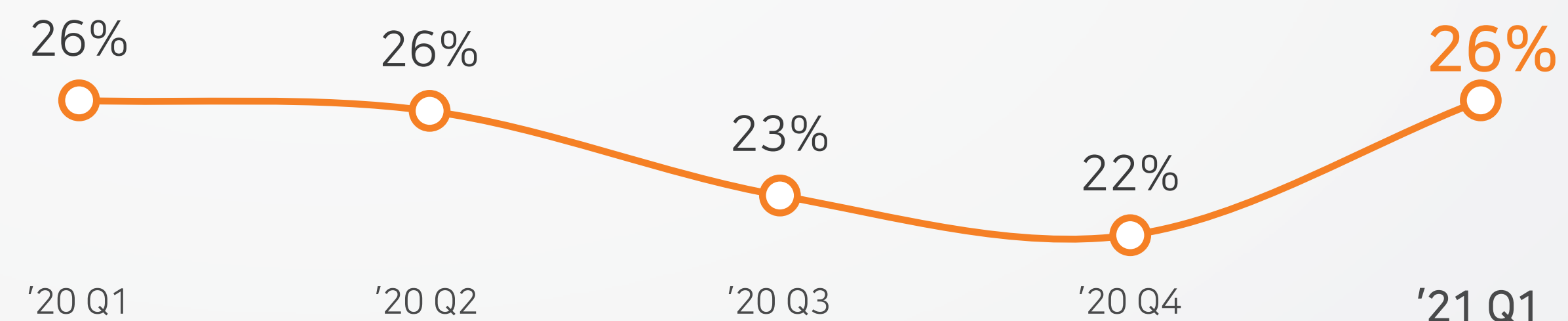
Debt**

KRW 11.25T

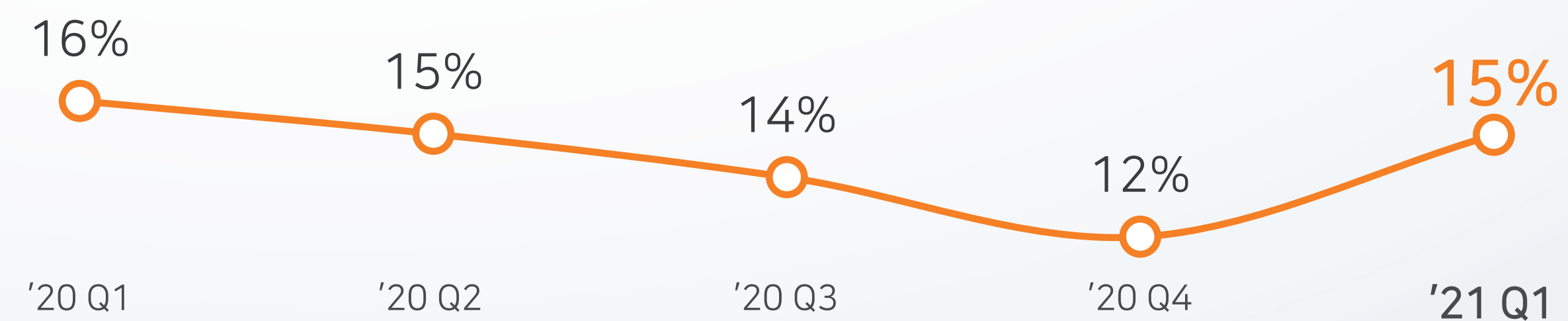
KRW 13.59T

(+21% QoQ / +9% YoY)

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



FY2021 Outlook

We Do Technology
첨단기술의 중심, 더 나은 세상을 만듭니다

Market Outlook

Summary

Demand

Demand Increase from
Accelerated Digitalization,
customers' inventory-builds

DRAM

Tight supply situation
continuing throughout
the year

NAND

Faster than expected
Market improvement

PC & GP

Strong PC demand from
1PC per person trend

Continuing effect from New
game console launch

MO

Pent-up demand
5G transition

Intensifying competition
for market share

SV

Increasing demand from
Hyperscalers for new DC
investments

Full-fledged demand in the 2H,
coming from new CPU launch

Company Plan

DRAM

Demand B/G

YoY +20%

SK hynix B/G

'21 B/G in-line w/ market demand
2Q B/G +low single digit%

Technology

Ramp-up of 1znm in 2Q
Start 1anm(using EUV) mass production in '21

NAND

Demand B/G

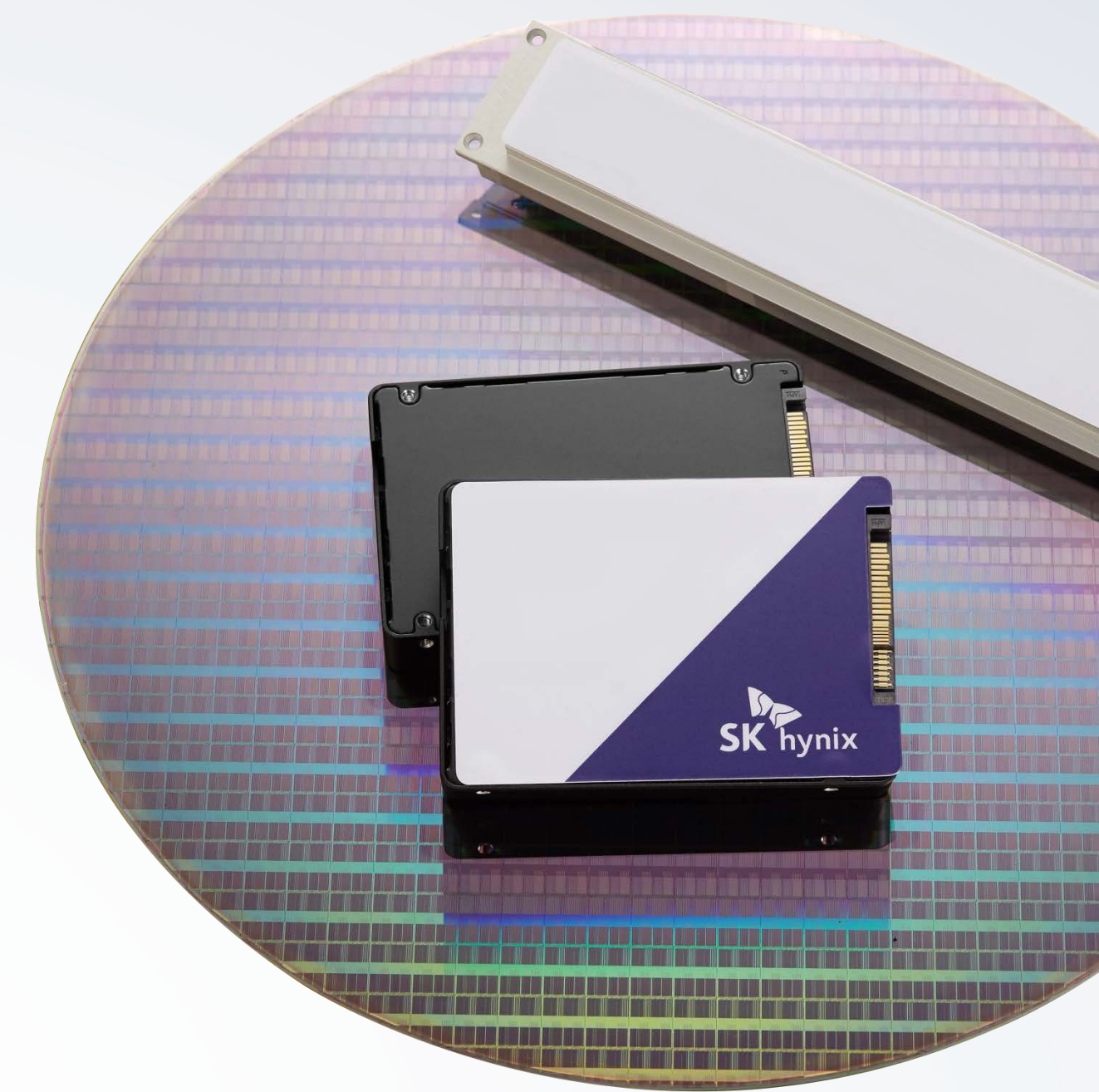
YoY mid +30%

SK hynix B/G

'21 B/G outgrow market demand
2Q B/G Flat

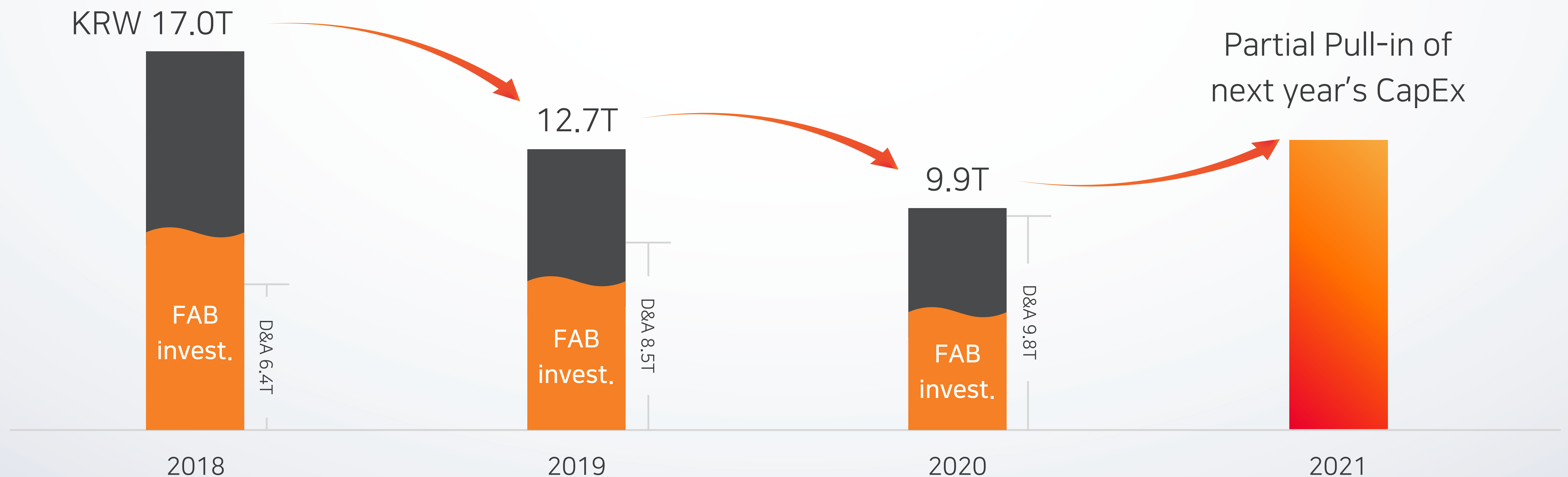
Technology

128L mix to reach 80% by year-end
Increase high dens. 128L-MCP/DC SSD sales
Start 176L mass production in '21



CapEx Outlook

- Elongated equipment lead-time due to tighter supply
- Supply can get tighter in 2H due to better than expected demand
- Decided to increase 2H CapEx to support next year's demand
- Increased CapEx will be used to improve next year's productivity



* D&A : Depreciation & Amortization

ESG Mgmt.

Achievements

Promote board-centered mgmt.

- Independent director as Chairman of the Board
- 100% independent Nomination Committee
- Expanded role of Strategy, Compensation Committee

Launch of the Carbon Neutral Committee

- Participation of 4 Major semi./display corps. and Ministry of Trade, Industry & Energy
- Announced Joint Declaration for 2050 Carbon Neutrality

Future Plans

Increase mgmt. transparency·independency

- Reinforce BOD's engagement in corp. mgmt. such as long-term strategies and mgmt. compensation

Promote joint efforts across the industry

- Eco-friendly tech. development thru mutual cooperation
- Discuss Initiatives such as RE100



T H A N K Y O U



Appendix

FY 2021 Q1

We Do Technology
첨단기술의 중심, 더 나은 세상을 만듭니다

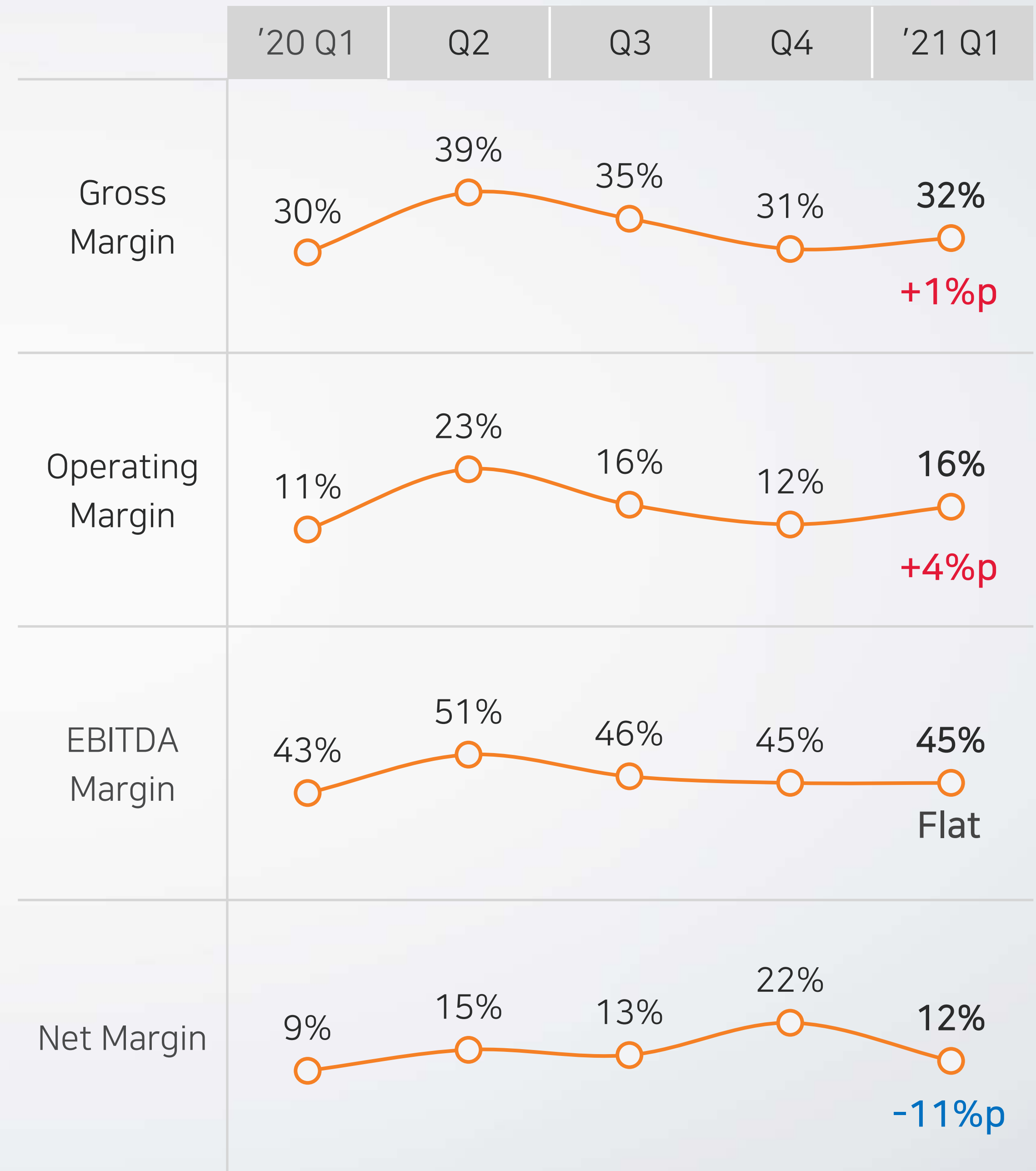
Income Statement Summary

(Unit : KRW Billion)		'21 Q1	'20 Q4	'20 Q1	QoQ	YoY
Revenue		8,494	7,966	7,199	7%	18%
Gross Profit		2,729	2,431	2,192	12%	24%
Operating Profit		1,324	966	800	37%	65%
EBITDA*		3,857	3,557	3,107	8%	24%
Net Profit		993	1,768	649	(44%)	53%
EPS (KRW)	Basic	1,451	2,583	948	—	—
	Dil.	1,451	2,582	947	—	—
Shares Outstanding (Mil. Shares)	Basic	684	684	684	—	—
	Dil.	684	684	684	—	—

* EBITDA = Operating Profit + Depreciation & Amortization

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

Profitability Ratios



Statement of CF Summary

(Unit : KRW Billion)

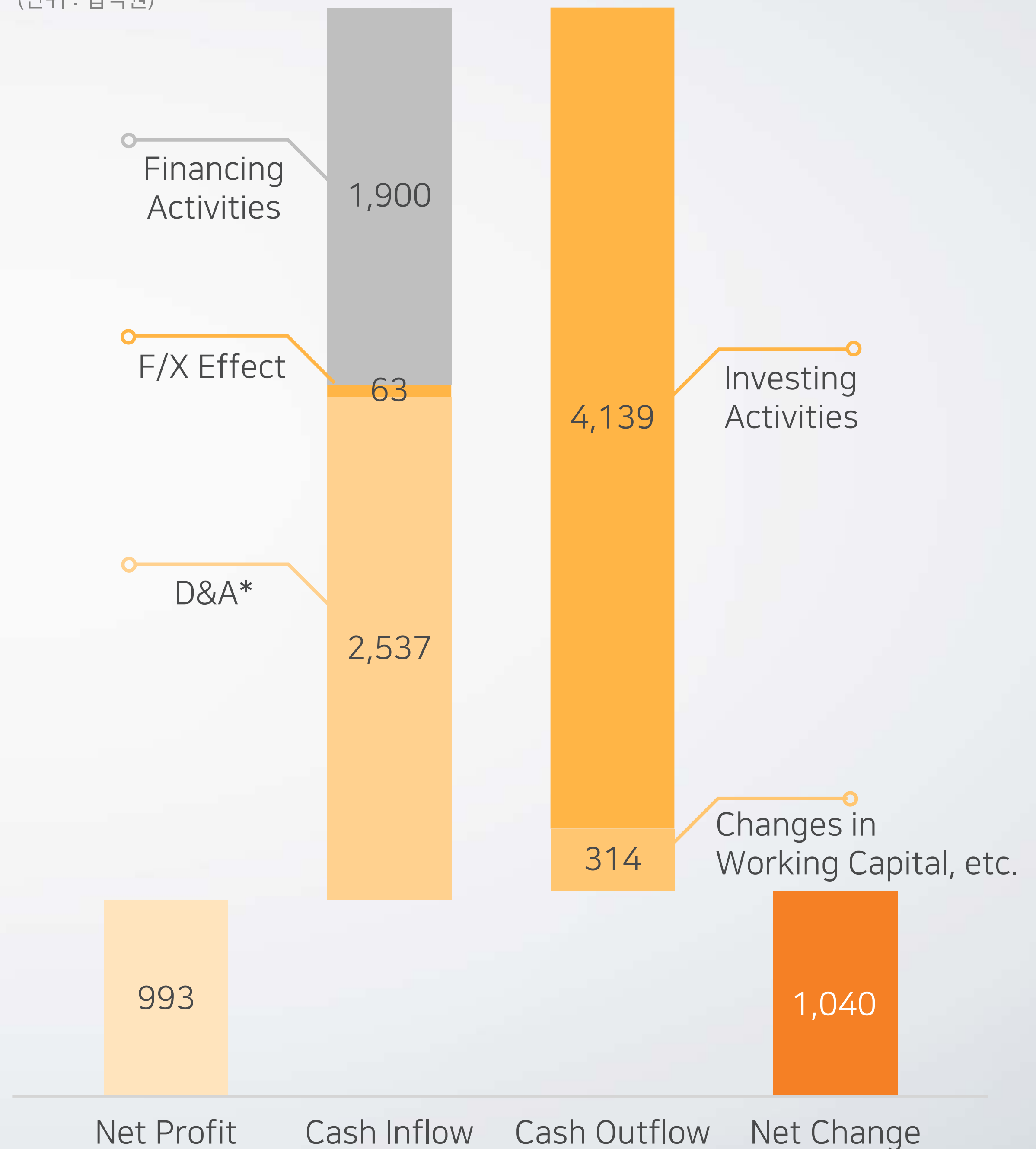
	'21 Q1	'20 Q4	'20 Q1
Beginning Cash Balance	4,948	4,756	3,995
CF from Operating Activities	3,215	3,267	2,344
Net Profit	993	1,768	649
D&A*	2,537	2,592	2,311
Changes in Working Capital, etc.	(314)	(1,093)	(616)
CF from Investing Activities	(4,139)	(2,957)	(3,022)
Acquisition of PP&E	(4,105)	(2,530)	(2,785)
CF from Financing Activities	1,900	(48)	1,417
Changes in Debt	1,984	111	1,471
Repayment of Lease Liability	(83)	(162)	(54)
Dividend Payout	-	-	-
Share Repurchase	-	-	-
Effect of F/X rate changes on Cash & Equivalents	63	(69)	8
Net Changes in Cash	1,040	192	747
Ending Cash Balance	5,988	4,948	4,742

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

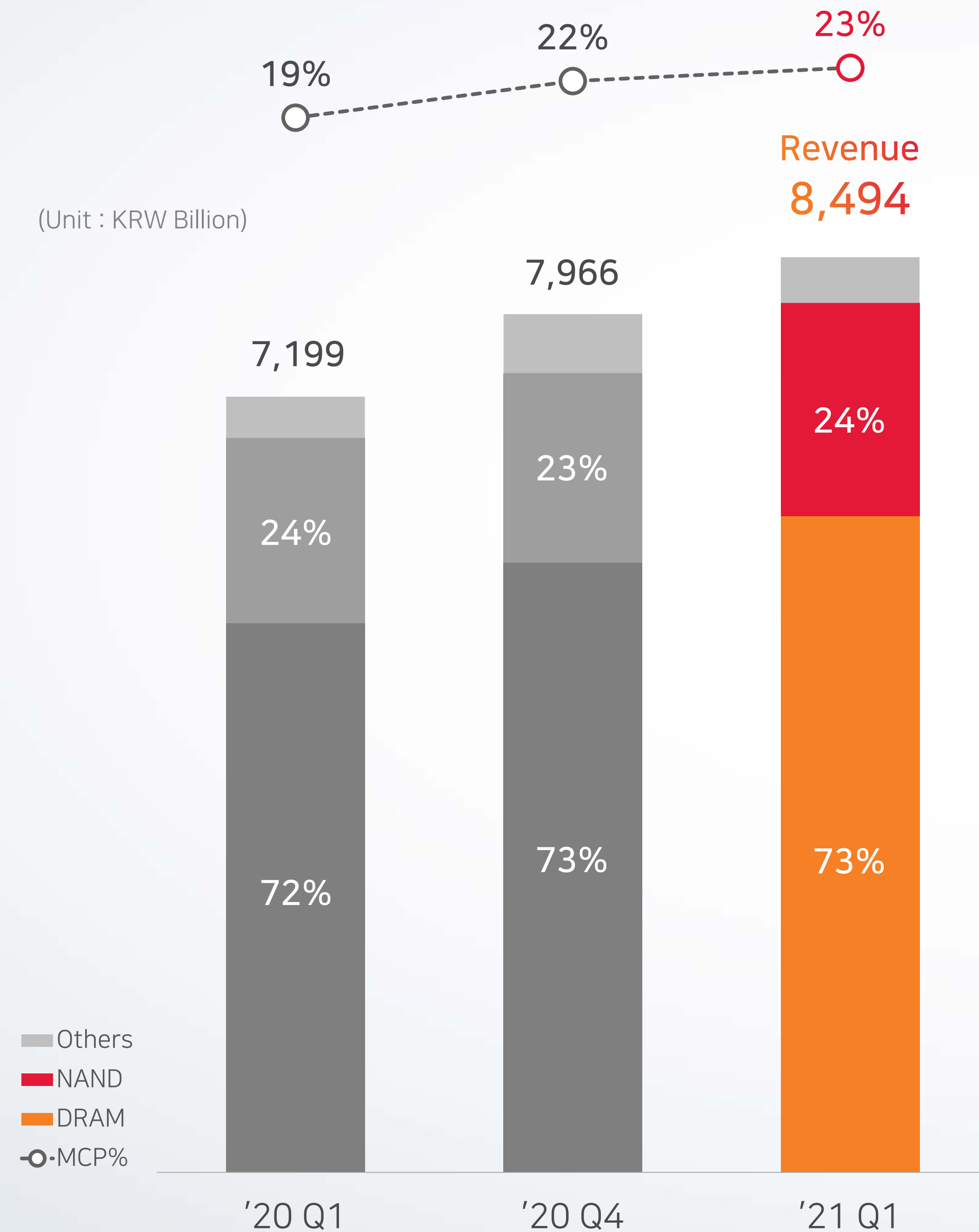
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Net Cash Flow

(단위 : 십억원)



Revenue by Business Unit

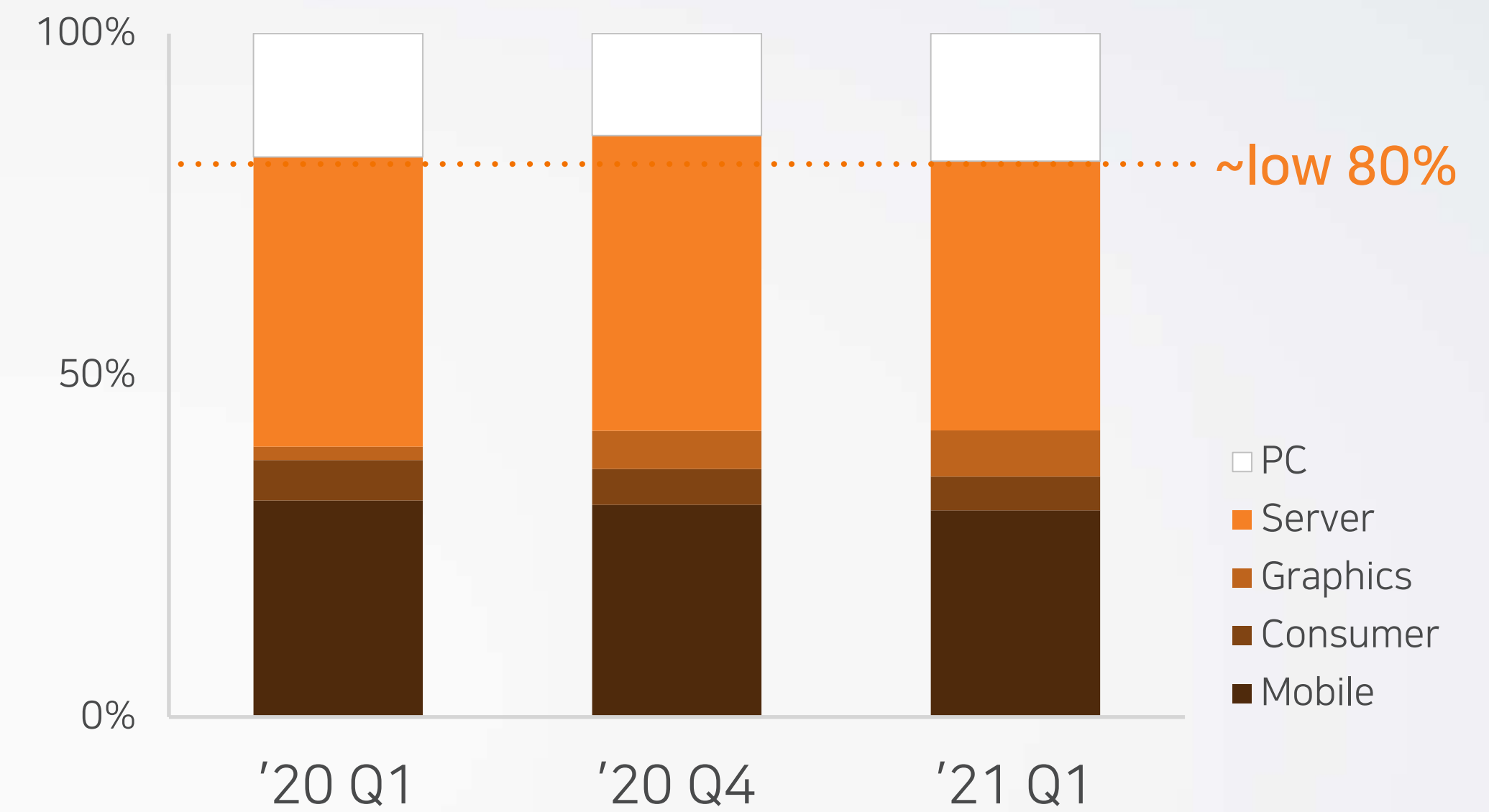


* Revenue Portion in USD basis

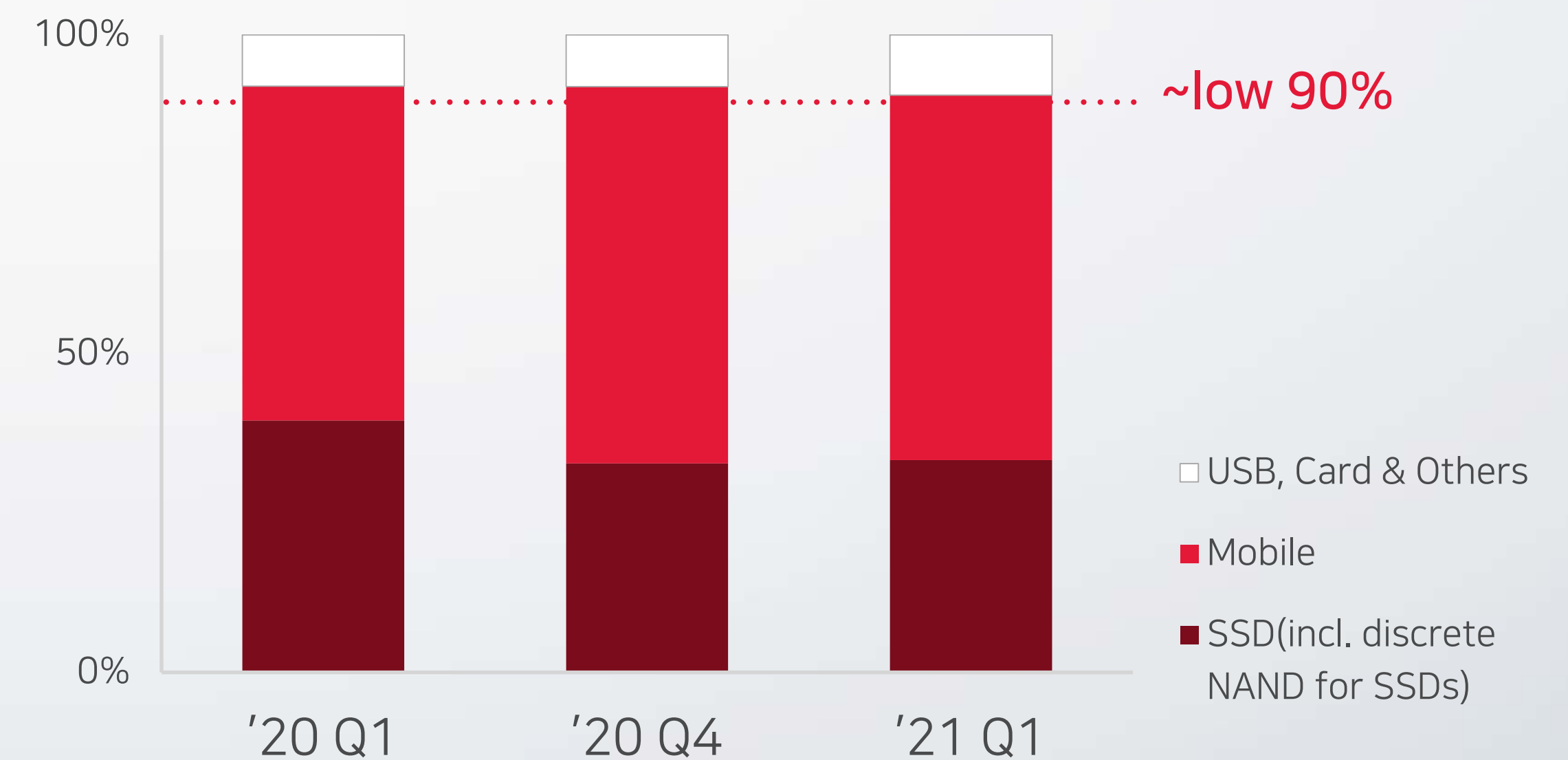
※ All figures in this presentation are rounded to KRW Billions, leading to some statements not adding up completely

Revenue by Application

DRAM



NAND





THE END

[Attachment1] Statement of Financial Position

K-IFRS (KRW Billion)

	Q1'21	Q4'20	Q1'20	QoQ	YoY
Assets					
Current Assets	18,385	16,571	15,800	+1,814	+2,585
Cash & Cash Equivalents*	5,988	4,948	4,742	+1,040	+1,246
Accounts Receivables	5,336	4,931	4,717	+405	+619
Inventories	6,183	6,136	5,426	+46	+757
Non-Current Assets	56,733	54,603	51,343	+2,130	+5,390
Property, plant & equipment	43,329	41,231	40,517	+2,098	+2,812
Intangible Assets	3,473	3,400	2,549	+73	+924
Total Assets	75,118	71,174	67,143	+3,944	+7,975
Liabilities					
Interest-bearing Debts	13,593	11,252	12,416	+2,341	+1,177
S-T Borrowings	148	180	1,372	-31	-1,224
Current Portion of LT Borrowings	2,659	2,935	2,124	-276	+535
Bonds	6,436	3,610	3,654	+2,826	+2,782
L-T Borrowings	4,350	4,527	5,265	-177	-916
Accounts Payables	1,260	1,046	962	+214	+298
Total Liabilities	22,739	19,265	18,895	+3,475	+3,844
Shareholders' Equity					
Capital Stock	3,658	3,658	3,658	-	-
Capital Surplus	4,143	4,144	4,144	-	-
Retained Earnings	47,179	46,996	42,890	+183	+4,289
Total Shareholders' Equity	52,379	51,909	48,248	+469	+4,131

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

[Attachment2] Income Statement

K-IFRS (KRW Billion)

		Q1'21	Q4'20	Q1'20	QoQ	YoY
Revenue		8,494	7,966	7,199	+7%	+18%
Cost of Goods Sold		5,766	5,535	5,007	+4%	+15%
Gross Profit		2,729	2,431	2,192	+12%	+24%
SG&A Expenses		1,404	1,465	1,392	-4%	+1%
Operating Profit		1,324	966	800	+37%	+65%
Net Financial Profit/Loss		-57	-67	-53		
Net F/X Transaction & Translation Profit/Loss		57	-333	179		
Income (Expense) From Jointly Controlled Entities and Associates, Net		17	-49	8		
Others		9	1,716	-6		
EBITDA		3,857	3,557	3,071	+8%	+26%
Income Before Tax		1,351	2,233	929	-40%	+45%
Tax Expense/Benefit		358	465	279	-23%	+28%
Net Profit		993	1,768	649	-44%	+53%
EPS(KRW)	Basic	1,451	2,583	948		
	Diluted	1,451	2,582	947		
Shares Outstanding (Mil. Shares)	Basic	684	684	684		
	Diluted	684	684	684		