

SAMSUNG ELECTRONICS

Earnings Presentation:
4Q 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 4Q 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.

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PRESENTERS

4Q 2024 FINANCIAL
RESULTS

PERFORMANCE
BY BUSINESS SEGMENT

APPENDICES

Earnings Presentation

Speakers

Moderator



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EVP
Chief Financial Officer

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Memory

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System LSI

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EVP
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Device Solutions

Device eXperience

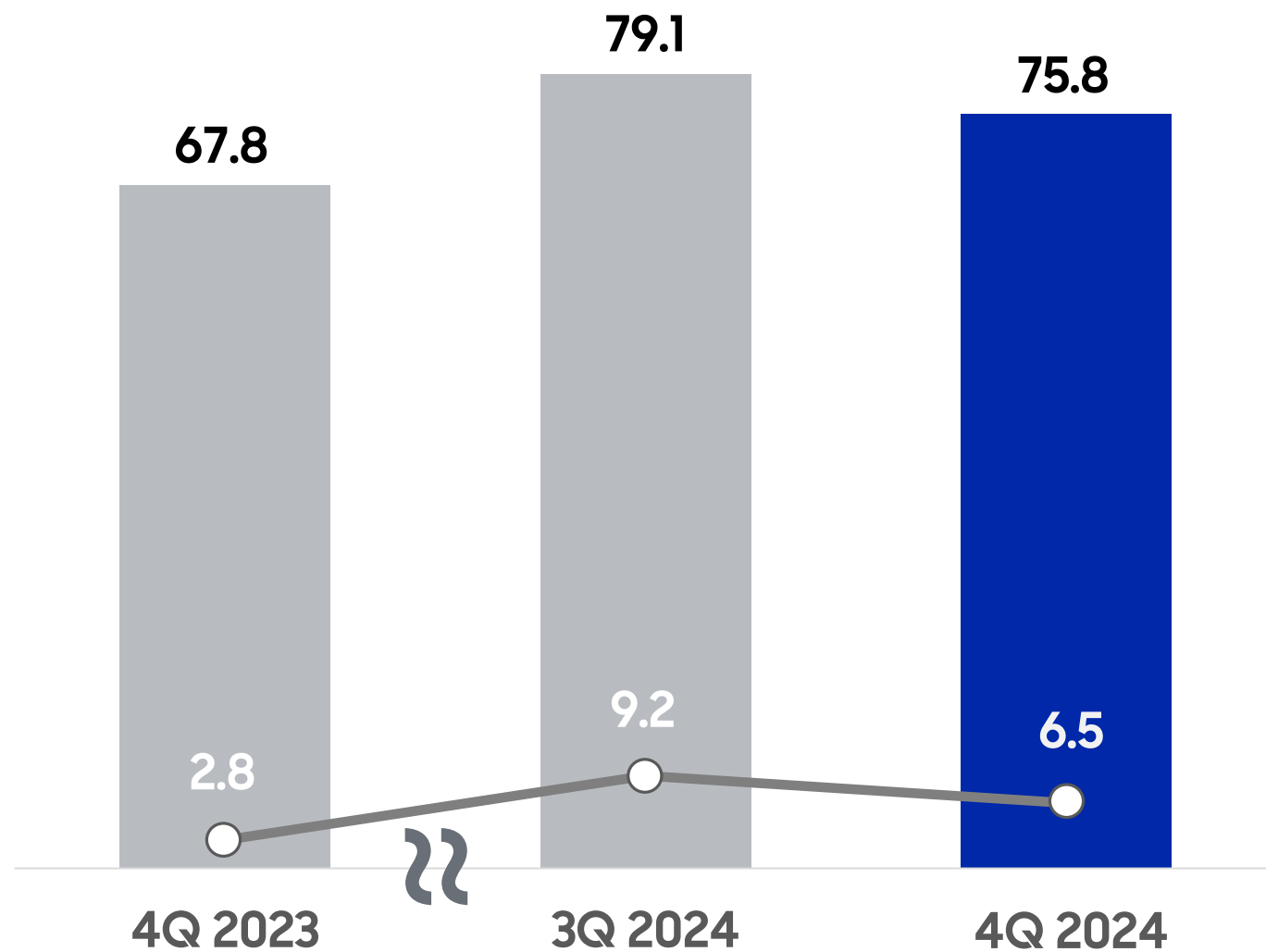
4Q 2024 Highlights

Based on 2024 consolidated financial statements

Quarterly results

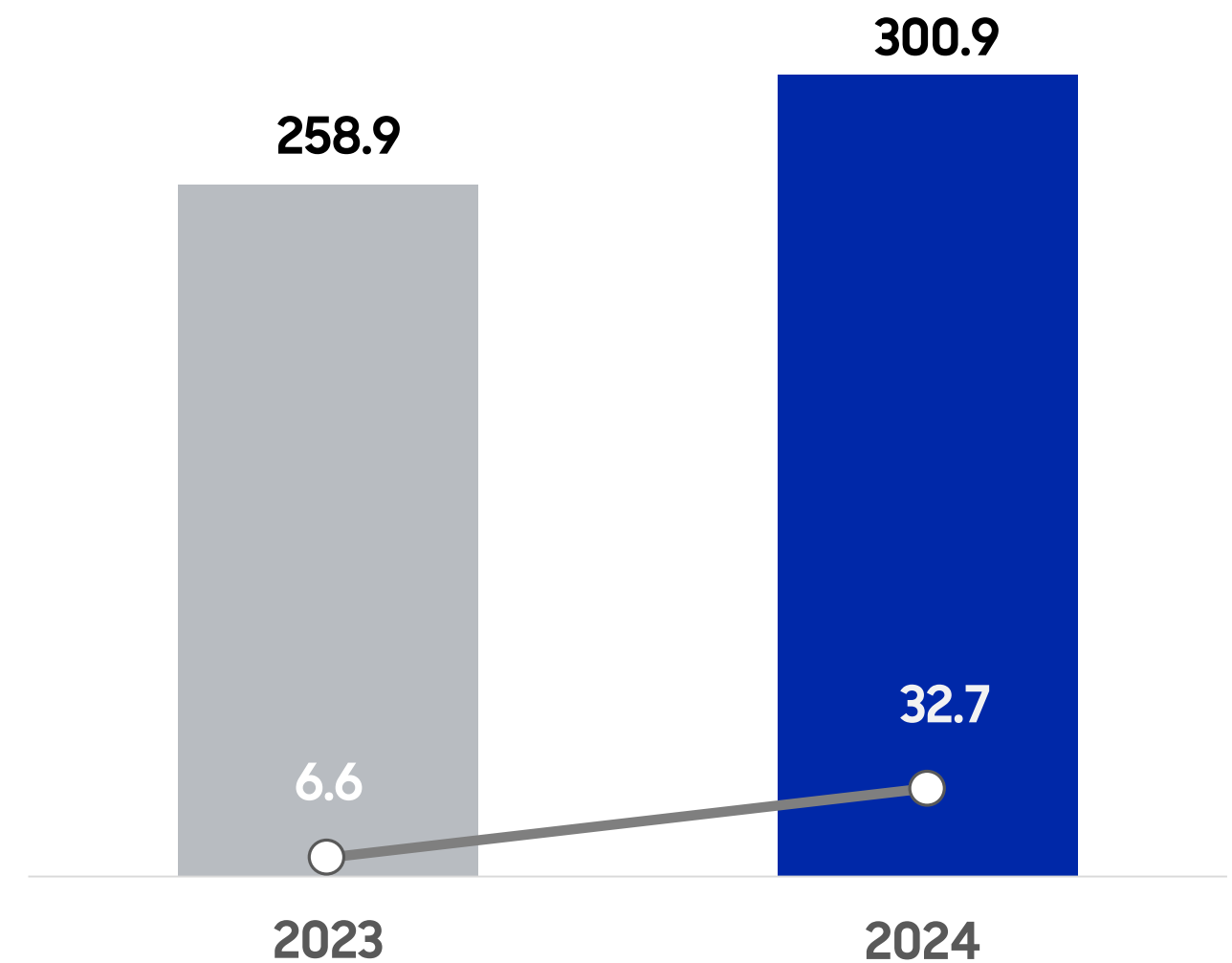
KRW 75.8T

■ Sales
○—○ Operating profit
Unit: KRW trillion



Full-year results

KRW 300.9T

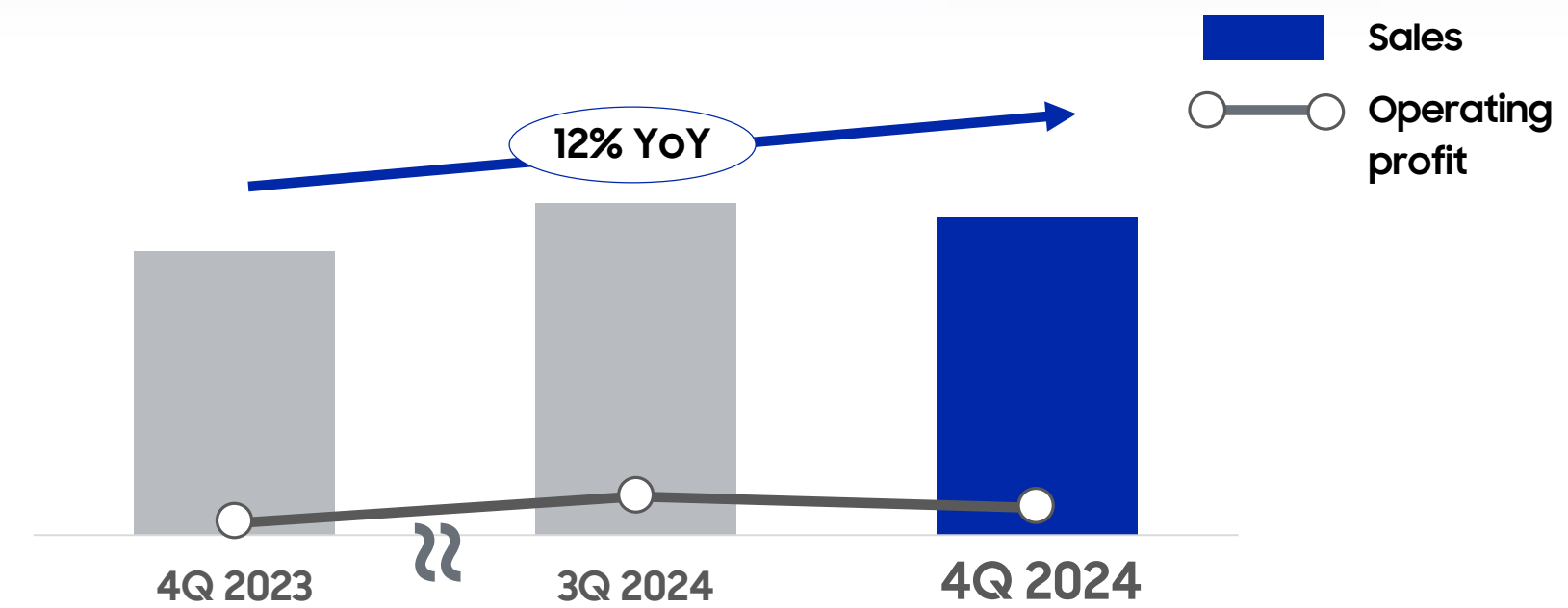


4Q 2024 Results & Financial Data

Based on 2024 consolidated financial statements

KRW trillion	4Q23	3Q24	% of sales	4Q24	% of sales	2023	% of sales	2024	% of sales
Sales	67.8	79.1	100.0%	75.8	100.0%	258.9	100.0%	300.9	100.0%
Cost of sales	46.1	49.1	62.1%	47.3	62.4%	180.4	69.7%	186.6	62.0%
Gross profit	21.7	30.0	37.9%	28.5	37.6%	78.5	30.3%	114.3	38.0%
SG&A expenses	18.8	20.8	26.3%	22.0	29.1%	72.0	27.8%	81.6	27.1%
R&D expenses	7.5	8.9	11.2%	10.3	13.5%	28.3	10.9%	35.0	11.6%
Operating profit	2.8	9.2	11.6%	6.5	8.6%	6.6	2.5%	32.7	10.9%
Other non-operating income/expenses	(0.3)	0.2	-	0.04	-	0.1	-	0.3	-
Equity method gain/loss	0.2	0.2	-	0.2	-	0.9	-	0.8	-
Finance income/expenses	0.8	0.8	-	1.2	-	3.5	-	3.7	-
Profit before income tax	3.5	10.3	13.0%	7.9	10.4%	11.0	4.3%	37.5	12.5%
Income tax	(2.8)	0.2	-	0.2	-	(4.5)	-	3.1	-
Net profit	6.3	10.1	12.8%	7.8	10.2%	15.5	6.0%	34.5	11.5%
Profit attributable to owners of the parent	6.0	9.8	12.4%	7.6	10.0%	14.5	5.6%	33.6	11.2%
Earnings per share (KRW)	887	1,440		1,116		2,131		4,950	

Sales and operating profit growth



Key profitability indicators

	4Q23	3Q24	4Q24	2023	2024
ROE	7%	11%	8%	4%	9%
Profitability (net profit/sales)	0.1	0.1	0.1	0.1	0.1
Asset turnover (sales/asset)	0.6	0.7	0.6	0.6	0.6
Leverage (asset/equity)	1.3	1.3	1.3	1.3	1.3
EBITDA margin	18%	25%	23%	16%	24%

Results by Business Segment

Sales

KRW trillion	4Q23	3Q24	4Q24	QoQ	YoY	2023	2024	YoY
Total	67.8	79.1	75.8	4%↓	12%↑	258.9	300.9	16%↑
DX	39.5	45.0	40.5	10%↓	2%↑	170.0	174.9	3%↑
MX / NW	25.0	30.5	25.8	15%↓	3%↑	112.4	117.3	4%↑
MX	24.0	30.0	25.0	17%↓	4%↑	108.6	114.4	5%↑
VD / DA	14.3	14.1	14.4	2%↑	1%↑	56.4	56.5	0.04%↑
VD	8.4	7.6	8.6	13%↑	2%↑	30.4	30.9	2%↑
DS	21.7	29.3	30.1	3%↑	39%↑	66.6	111.1	67%↑
Memory	15.7	22.3	23.0	3%↑	46%↑	44.1	84.5	91%↑
SDC	9.7	8.0	8.1	2%↑	16%↓	31.0	29.2	6%↓
Harman	3.9	3.5	3.9	11%↑	0.04%↑	14.4	14.3	1%↓

Operating profit

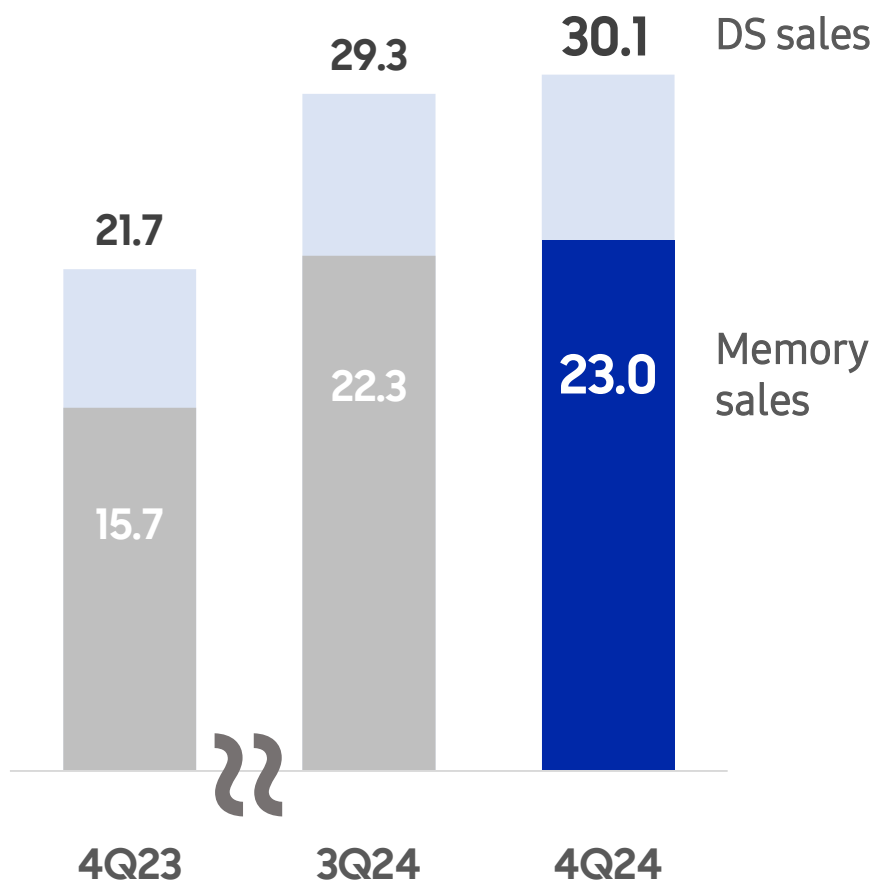
KRW trillion	4Q23	3Q24	4Q24	QoQ	YoY	2023	2024	YoY
Total	2.8	9.2	6.5	2.7↓	3.7↑	6.6	32.7	26.2↑
DX	2.6	3.4	2.3	1.1↓	0.3↓	14.4	12.4	1.9↓
MX / NW	2.7	2.8	2.1	0.7↓	0.6↓	13.0	10.6	2.4↓
VD / DA	(0.1)	0.5	0.2	0.4↓	0.2↑	1.2	1.7	0.5↑
DS	(2.2)	3.9	2.9	1.0↓	5.0↑	(14.9)	15.1	30.0↑
SDC	2.0	1.5	0.9	0.6↓	1.1↓	5.6	3.7	1.8↓
Harman	0.3	0.4	0.4	0.04↑	0.05↑	1.2	1.3	0.1↑

※ 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
 ※ Sales and operating profit of VD/DA include the results of Health & Medical Equipment business.
 ※ Harman's sales and operating profit figures are based on Samsung Electronics' fiscal year and acquisition related expenses are reflected.

Memory

DS results

KRW trillion



4Q 2024 results

- Achieved record-high 4Q revenue backed by higher DRAM ASP, resulting from increased sales of HBM & high-density DDR5
- Mobile and PC demand remained soft
- Earnings declined due to R&D and initial ramp-up cost for advanced node capacity

1Q 2025 outlook

- Accelerate advanced node migration to address high-density / high-spec demand
- Continue expanding sales of high-value-added products (e.g. server DDR5 & QLC SSD)

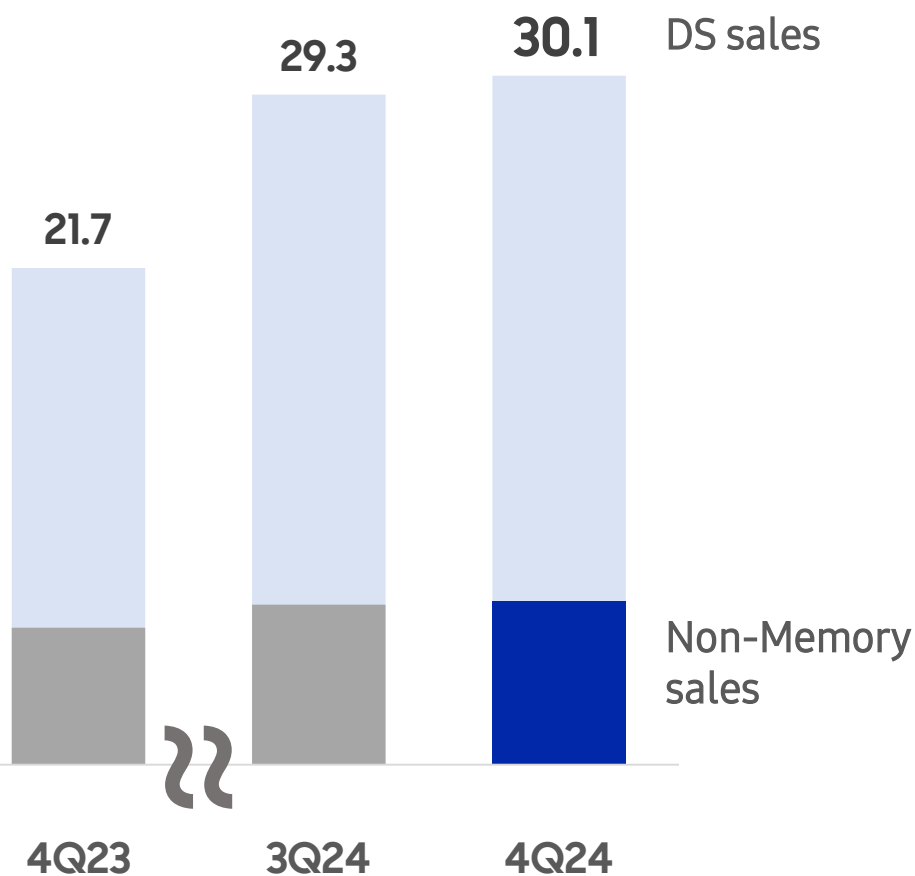
2025 outlook

- Reduce proportion of legacy products in both DRAM & NAND amid limited bit growth
- Optimize portfolio centered on advanced node-based HBM, LPDDR5x, QLC SSD, etc.

S.LSI / Foundry

DS results

KRW trillion



4Q 2024 results

- S.LSI : Earnings declined due to weak mobile demand and higher R&D expenses
- Foundry : Earnings decreased due to lower utilization and higher R&D expenses; 2nm development underway, with DK released for customer design

1Q 2025 outlook

- S.LSI : Earnings to stay weak due to delayed flagship SoC entry
- Foundry : Persistent weakness due to sluggish mobile demand and fixed-cost burden stemming from lower utilization

2025 outlook

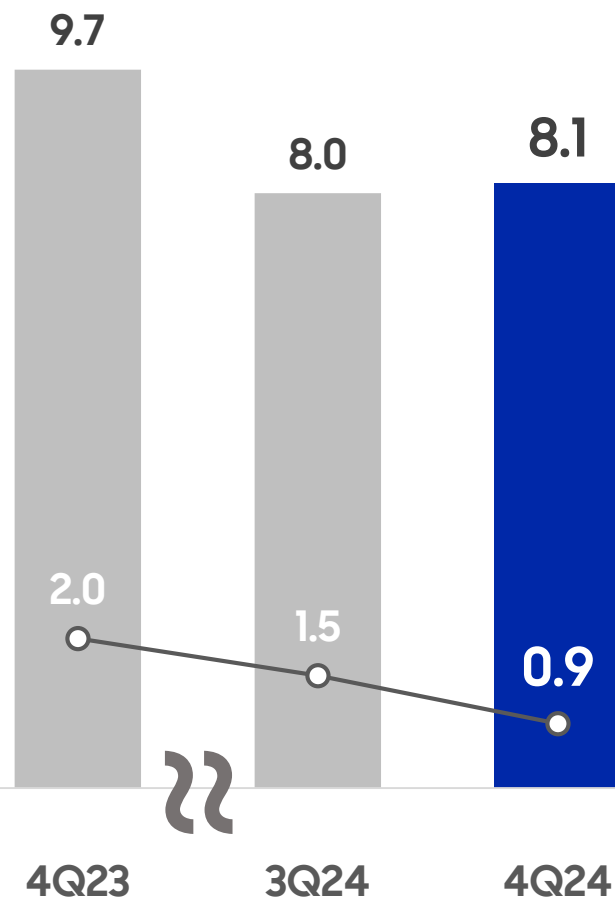
- S.LSI : Ensure timely flagship SoC development; actively address sensor demand
- Foundry : Targeting YoY growth via advanced node AI/HPC product sales increase; Enhance competitiveness of advanced and mature nodes for future growth

SDC (Samsung Display Corporation)

SDC results

KRW trillion

■ Sales ○ Operating profit



4Q 2024 results

- Mobile : Performance impacted by weak smartphone demand & competition
* Smartphone/IT/Auto etc.
- Large : Year-end TV sales & productivity enhancements drove slight improvement
* TV/Monitor

1Q 2025 outlook

- Mobile : Smartphone demand to remain weak; conservative performance outlook
- Large : Launch high-performance TVs & monitors; strive to increase sales

2025 outlook

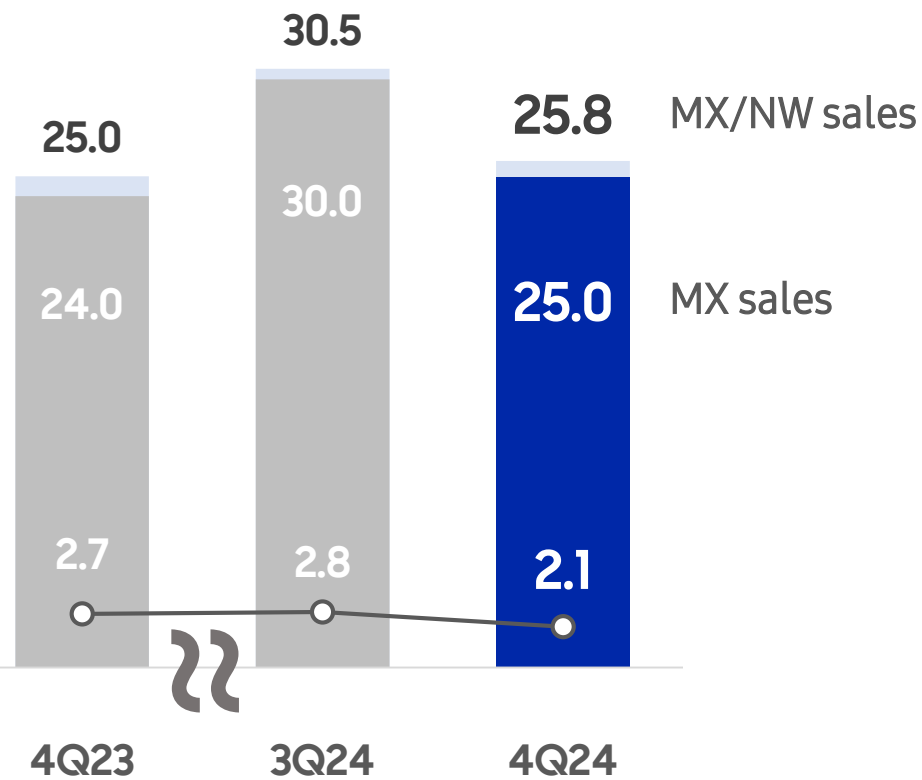
- Mobile : Sustain high-end leadership by strengthening product competitiveness; diversify business portfolio by expanding sales of IT / Auto
- Large : Enhance premium TV panel leadership & expand high-performance monitor panel sales

MX / NW

MX / NW results

KRW trillion

○ MX/NW Operating profit



4Q 2024 results

- MX: Smartphone sales declined due to fading effects of new flagship models
On a full-year basis, flagship saw robust double-digit growth of S24 featuring Galaxy AI and tablet/wearables also increased
- NW: Revenue/Profitability improved in major domestic and overseas markets

1Q 2025 outlook

- MX: Drive sales growth focused on flagship models with the launch of Galaxy S25
Promote new AI experiences and competitiveness of products to lead AI smartphone market
Secure double-digit operating margin via flagship-centric sales and operational efficiencies
- NW: Revenue to decrease from investment reduction at domestic operators; profit to remain stable

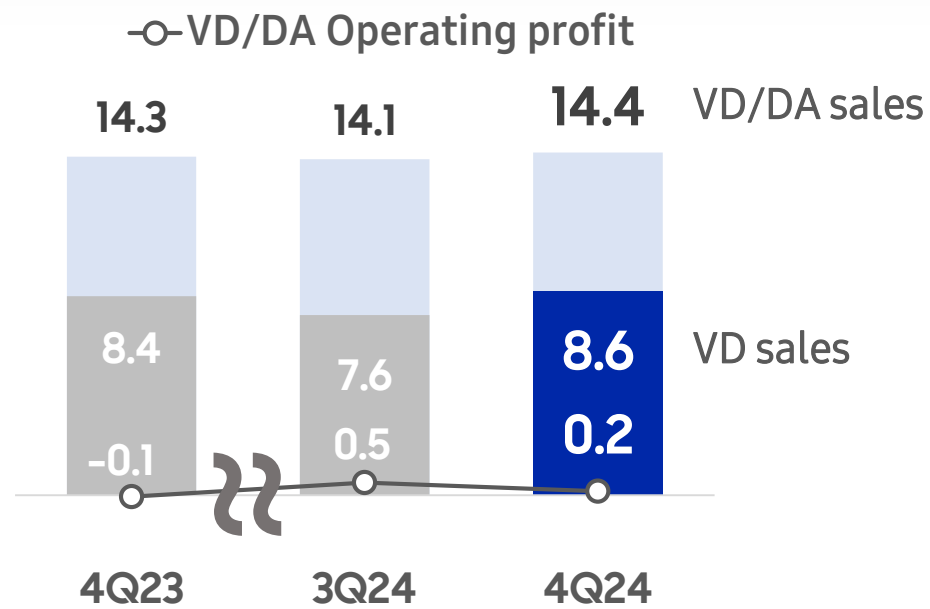
2025 outlook

- MX: Reinforce mobile AI leadership with personalized and differentiated experiences
Strengthen foldable lineups to generate new customer demand
Expand premium tablet/NPC/wearables/XR with advanced AI and enriched experiences
Improve profitability by efforts such as expanding flagship sales
- NW: Performance to improve on network expansion of major operators, securing new business orders, and increased adoption of vRan/ORAN

VD / DA / Harman

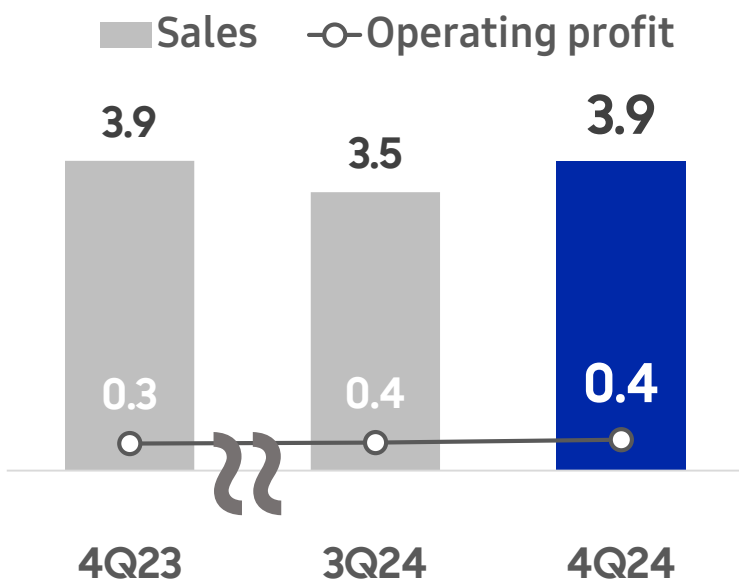
VD/DA results

KRW trillion



Harman results

KRW trillion



4Q 2024 results

- VD: Profitability decreased as a result of increased cost from intensified competition and slow demand
- DA: Profitability declined due to increasing competition, but the YoY recovery trend was sustained due to cost efficiency gains
- Harman: Revenue grew as consumer audio product sales expanded during year-end peak season, while automotive orders remained stable

1Q 2025 outlook

- VD: Expand strategic product sales through new model launches based on *Vision AI* and strengthened marketing efforts
- DA: Improve performance by expanding sales of premium products focusing on *BESPOKE AI* and system air conditioners
- Harman: Seek YoY revenue growth by boosting audio product sales

2025 outlook

- VD: Lead AI screen market through enhanced connected experience, product innovation, and strengthened line-up
- DA: Focus on profitability improvement with new, AI based model launches and business restructuring
- Harman: Increase sales through diversifying automotive clients and targeting high-growth audio product segments

Appendix 1: Financial Position (Summary)

KRW billion	31.Dec.23	30.Sep.24	31.Dec.24
Assets	455,906.0	491,307.3	514,532.0
Cash ※	92,407.2	103,776.5	112,651.8
A/R	36,647.4	44,692.0	43,623.1
Inventories	51,625.9	53,356.8	51,754.9
Investments	31,637.1	31,914.6	33,981.1
PP&E	187,256.3	195,028.8	205,945.2
Intangible assets	22,741.9	23,077.5	23,738.6
Other assets	33,590.2	39,461.1	42,837.3
Total assets	455,906.0	491,307.3	514,532.0
Liabilities	92,228.1	105,025.9	112,339.9
Debts	12,686.0	16,931.9	19,330.2
Trade accounts and N/P	11,319.8	12,861.8	12,370.2
Other accounts and N/P & accrued expenses	41,337.4	44,485.7	48,160.7
Current income tax liabilities	3,358.7	4,882.4	4,340.2
Unearned revenue & other advances	2,385.0	2,595.4	2,833.2
Other liabilities	21,141.2	23,268.7	25,305.4
Shareholder equity	363,677.9	386,281.4	402,192.1
Capital stock	897.5	897.5	897.5
Total liability & Shareholder equity	455,906.0	491,307.3	514,532.0

	31.Dec.23	30.Sep.24	31.Dec.24
Current ratio ※	259%	252%	243%
Liability/equity	25%	27%	28%
Debt/equity	3%	4%	5%
Net debt/equity	(22%)	(22%)	(23%)

※ 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)

KRW trillion	2023	4Q24	2024
Cash (beginning of period) *	115.23	103.78	92.41
Cash flows from operating activities	44.13	22.02	72.98
Net profit	15.49	7.75	34.45
Depreciation	35.53	10.73	39.65
Cash flows from investing activities	(59.49)	(16.88)	(53.37)
Purchase of PP&E	(57.61)	(15.09)	(51.41)
Cash flows from financing activities	(8.59)	(2.78)	(7.80)
Increase in debts	1.28	1.49	4.91
Acquisition of treasury stock	-	(1.81)	(1.81)
Payment of dividends	(9.86)	(2.46)	(10.89)
Increase in cash	(22.82)	8.88	20.24
Cash (end of period) *	92.41	112.65	112.65

* 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)

KRW trillion	31.Dec.23	30.Sep.24	31.Dec.24
Net Cash	79.72	86.84	93.32

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

Thank you

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