

SAMSUNG ELECTRONICS

Earnings Presentation:
1Q 2025 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 1Q 2025 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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APPENDICES

Earnings Presentation

Speakers

Moderator



Sooncheol Park,
EVP
Chief Financial Officer

Jaejune Kim,
EVP
Memory

Hyeokman Kwon,
VP
System LSI

Mijung Noh,
VP
Foundry

Charles Hur,
EVP
Samsung Display Corp

Daniel Araujo,
VP
Mobile eXperience

KL Roh,
EVP
Visual Display

Daniel Oh,
EVP
Investor Relations

Device Solutions

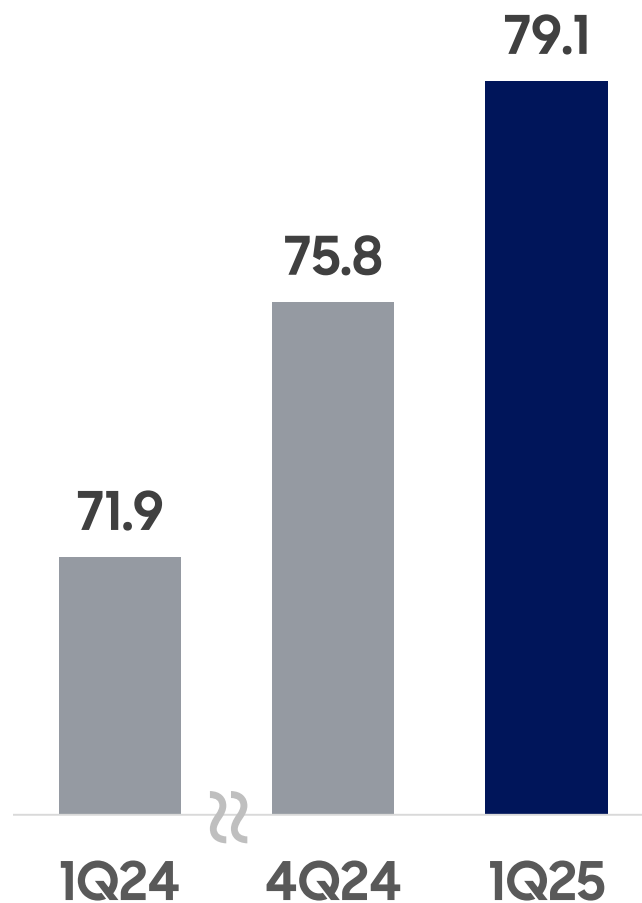
Device eXperience

1Q 2025 Highlights

Based on consolidated financial statements

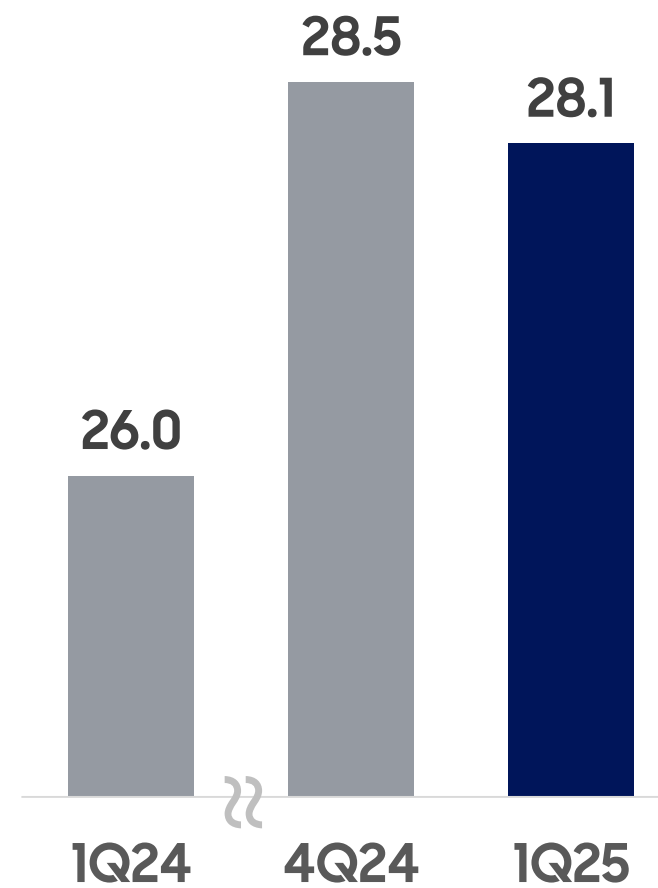
Revenues

KRW **79.1T**



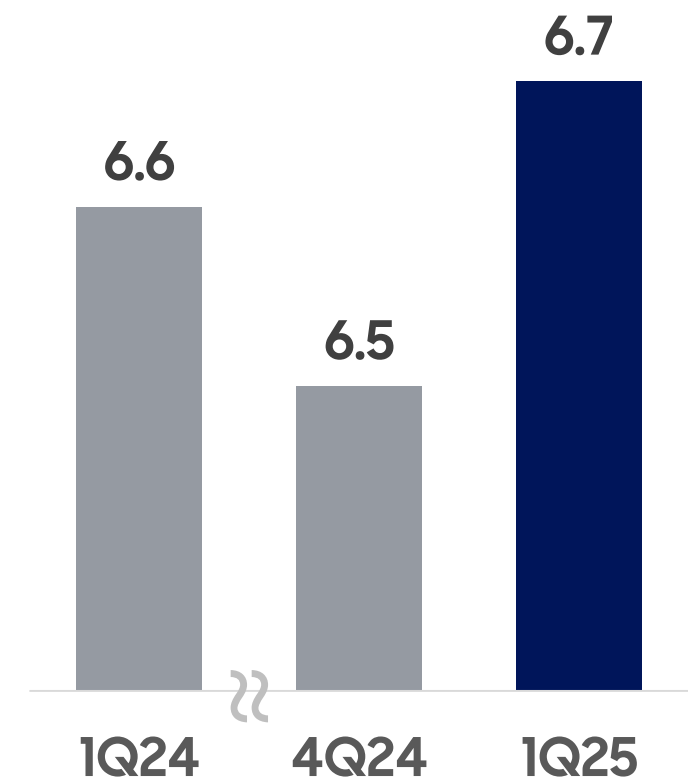
Gross Profit

KRW **28.1T**



Operating Profit

KRW **6.7T**

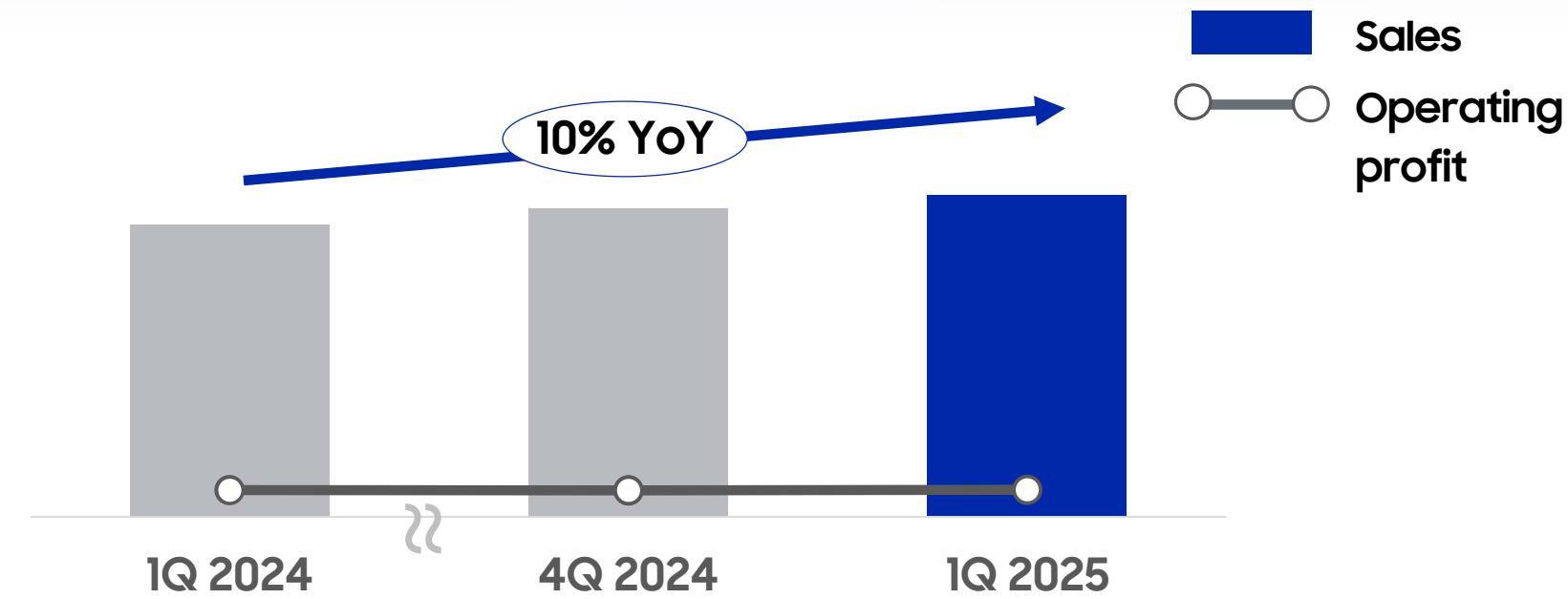


1Q 2025 Results & Financial Data

Based on 2025 consolidated financial statements

| KRW trillion | 1Q24 | % of sales | 4Q24 | % of sales | 1Q25 | % of sales |
|---|-------------|---------------|--------------|---------------|--------------|---------------|
| Sales | <u>71.9</u> | <u>100.0%</u> | <u>75.8</u> | <u>100.0%</u> | <u>79.1</u> | <u>100.0%</u> |
| Cost of sales | 45.9 | 63.8% | 47.3 | 62.4% | 51.0 | 64.5% |
| Gross profit | <u>26.0</u> | <u>36.2%</u> | <u>28.5</u> | <u>37.6%</u> | <u>28.1</u> | <u>35.5%</u> |
| SG&A expenses | 19.4 | 27.0% | 22.0 | 29.1% | 21.4 | 27.1% |
| R&D expenses | 7.8 | 10.9% | 10.3 | 13.5% | 9.0 | 11.4% |
| Operating profit | <u>6.6</u> | <u>9.2%</u> | <u>6.5</u> | <u>8.6%</u> | <u>6.7</u> | <u>8.4%</u> |
| Other non-operating income/expenses | 0.1 | - | 0.04 | - | 0.9 | - |
| Equity method gain/loss | 0.2 | - | 0.2 | - | 0.1 | - |
| Finance income/expenses | 0.8 | - | 1.2 | - | 1.5 | - |
| Profit before income tax | <u>7.7</u> | <u>10.7%</u> | <u>7.9</u> | <u>10.4%</u> | <u>9.2</u> | <u>11.6%</u> |
| Income tax | 1.0 | - | 0.2 | - | 0.9 | - |
| Net profit | <u>6.8</u> | <u>9.4%</u> | <u>7.8</u> | <u>10.2%</u> | <u>8.2</u> | <u>10.4%</u> |
| Profit attributable to owners of the parent | 6.6 | 9.2% | 7.6 | 10.0% | 8.0 | 10.1% |
| Earnings per share (KRW) | <u>975</u> | | <u>1,116</u> | | <u>1,192</u> | |

Sales and operating profit growth



Key profitability indicators

| | 1Q24 | 4Q24 | 1Q25 |
|----------------------------------|------|------|------|
| ROE | 7% | 8% | 8% |
| Profitability (net profit/sales) | 0.1 | 0.1 | 0.1 |
| Asset turnover (sales/asset) | 0.6 | 0.6 | 0.6 |
| Leverage (asset/equity) | 1.3 | 1.3 | 1.3 |
| EBITDA margin | 22% | 23% | 22% |

Results by Business Segment

Sales

| KRW trillion | 1Q24 | 4Q24 | 1Q25 | QoQ | YoY |
|---------------|-------------|-------------|-------------|-------------|-------------|
| Total | <u>71.9</u> | <u>75.8</u> | <u>79.1</u> | <u>4%↑</u> | <u>10%↑</u> |
| DX | <u>47.3</u> | <u>40.5</u> | <u>51.7</u> | <u>28%↑</u> | <u>9%↑</u> |
| MX / NW | 33.5 | 25.8 | 37.0 | 43%↑ | 10%↑ |
| MX | 32.8 | 25.0 | 36.2 | 45%↑ | 10%↑ |
| VD / DA | 13.5 | 14.4 | 14.5 | 0.4%↑ | 7%↑ |
| VD | 7.2 | 8.6 | 7.8 | 10%↓ | 7%↑ |
| DS | <u>23.1</u> | <u>30.1</u> | <u>25.1</u> | <u>17%↓</u> | <u>9%↑</u> |
| Memory | 17.5 | 23.0 | 19.1 | 17%↓ | 9%↑ |
| SDC | <u>5.4</u> | <u>8.1</u> | <u>5.9</u> | <u>28%↓</u> | <u>9%↑</u> |
| Harman | <u>3.2</u> | <u>3.9</u> | <u>3.4</u> | <u>13%↓</u> | <u>7%↑</u> |

Operating profit

| KRW trillion | 1Q24 | 4Q24 | 1Q25 | QoQ | YoY |
|---------------|------------|------------|------------|-------------|-------------|
| Total | <u>6.6</u> | <u>6.5</u> | <u>6.7</u> | <u>0.2↑</u> | <u>0.1↑</u> |
| DX | <u>4.1</u> | <u>2.3</u> | <u>4.7</u> | <u>2.5↑</u> | <u>0.6↑</u> |
| MX / NW | 3.5 | 2.1 | 4.3 | 2.2↑ | 0.8↑ |
| VD / DA | 0.5 | 0.2 | 0.3 | 0.2↑ | 0.2↓ |
| DS | <u>1.9</u> | <u>2.9</u> | <u>1.1</u> | <u>1.8↓</u> | <u>0.8↓</u> |
| SDC | <u>0.3</u> | <u>0.9</u> | <u>0.5</u> | <u>0.4↓</u> | <u>0.1↑</u> |
| Harman | <u>0.2</u> | <u>0.4</u> | <u>0.3</u> | <u>0.1↓</u> | <u>0.1↑</u> |

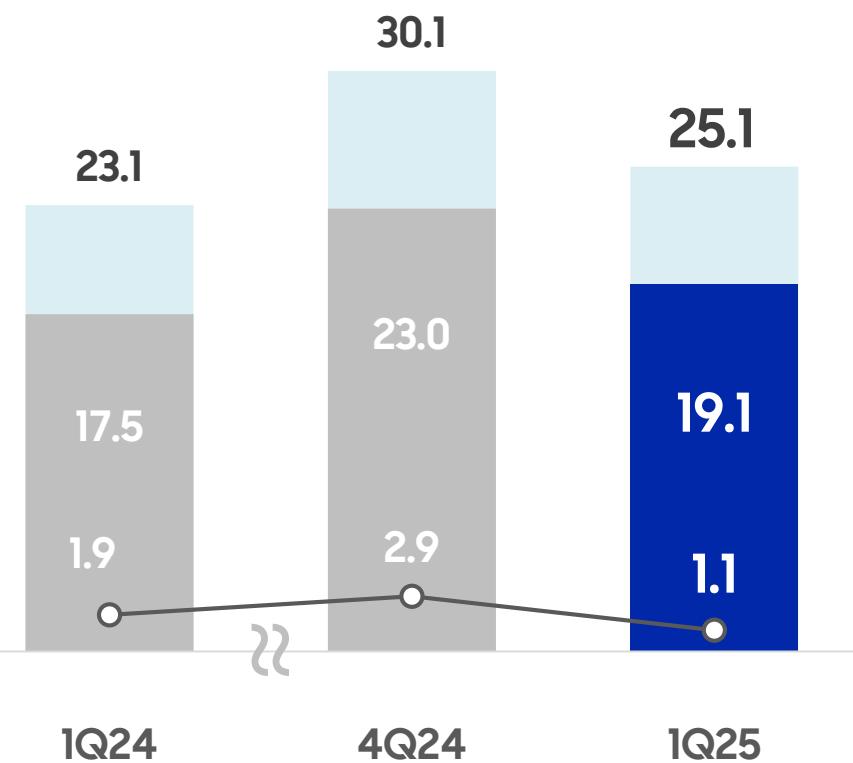
※ Sales and operating profit of each business stated above reflect the organizational structure as of December 2021 and the sales of business units include intersegment sales.
 ※ The DX Division provides earnings call materials based on the business structure before the reorganization to prevent confusion 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

■ Sales
■ Sales (Memory)
○ Operating Profit



1Q 2025 results

- Expanded server DRAM sales; addressed improved NAND demand amid perceived bottoming of market price
- Earnings impacted by ASP erosion, as well as HBM sales decline from AI Chip export control, etc.

2Q 2025 outlook

- Ramp up enhanced HBM3E 12H to meet initial demand
- Strengthen competitiveness in high-value-added market via high density server-centric biz
- Enhance cost competitiveness via accelerated 8th Gen V-NAND migration

2H 2025 outlook

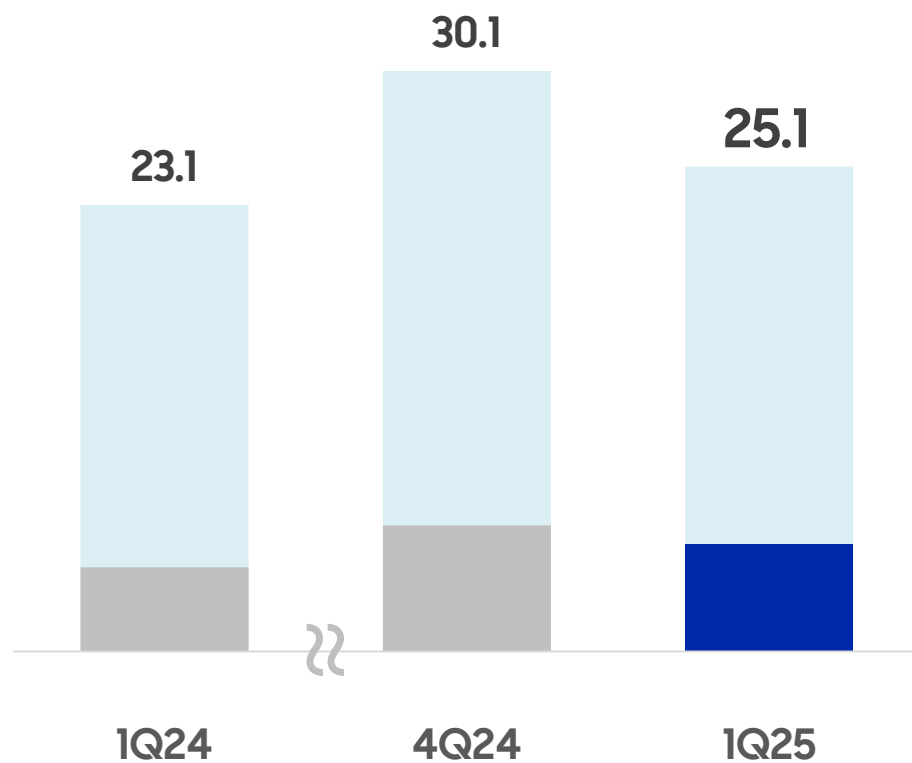
- Expand sales of enhanced HBM3E 12H products and high density DDR5 (i.e. 128GB or more)
- Actively respond to on-device AI trend via industry-leading 10.7Gbps LPDDR5x, etc.

S.LSI / Foundry

DS results

KRW trillion

■ Sales ■ Sales (non-Memory)



1Q 2025 results

- S.LSI: Despite missing flagship SoC entry, earnings improved modestly, driven by increased supply of high-resolution sensors and LSI products
- Foundry: Earnings weak on sluggish seasonal mobile demand, inventory adjustments, and stagnant fab utilization

2Q 2025 outlook

- S.LSI: Enter flagship SoC models at our key customer; maximize global 200Mp sensor sales
- Foundry: Stabilize 2nm process and drive earnings improvement by actively addressing strong U.S. mobile/auto demand

2H 2025 outlook

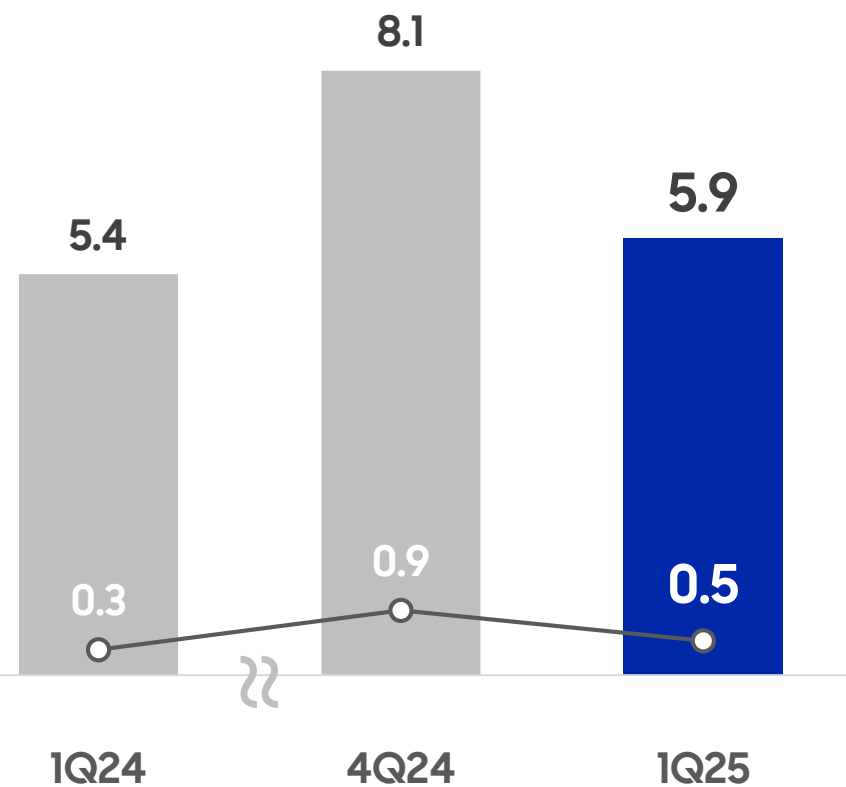
- S.LSI: Expand flagship SoC supply; proactively respond to high-resolution sensor demand
- Foundry: Start 2nm mass production and secure major orders; strengthen specialty processes on mature nodes

SDC (Samsung Display Corporation)

SDC results

KRW trillion

■ Sales
○ Operating Profit



1Q 2025 results

- Small & Medium: Performance declined compared to the prior quarter due to seasonality
- Large: Results improved via the launch of new QD-OLED monitor product for major clients

2Q 2025 outlook

- Small & Medium: Anticipate conservative earnings improvement, while pursuing stable supply of new product such as foldables
- Large: Demand for gaming monitors to grow with upcoming new product launches

2H 2025 outlook

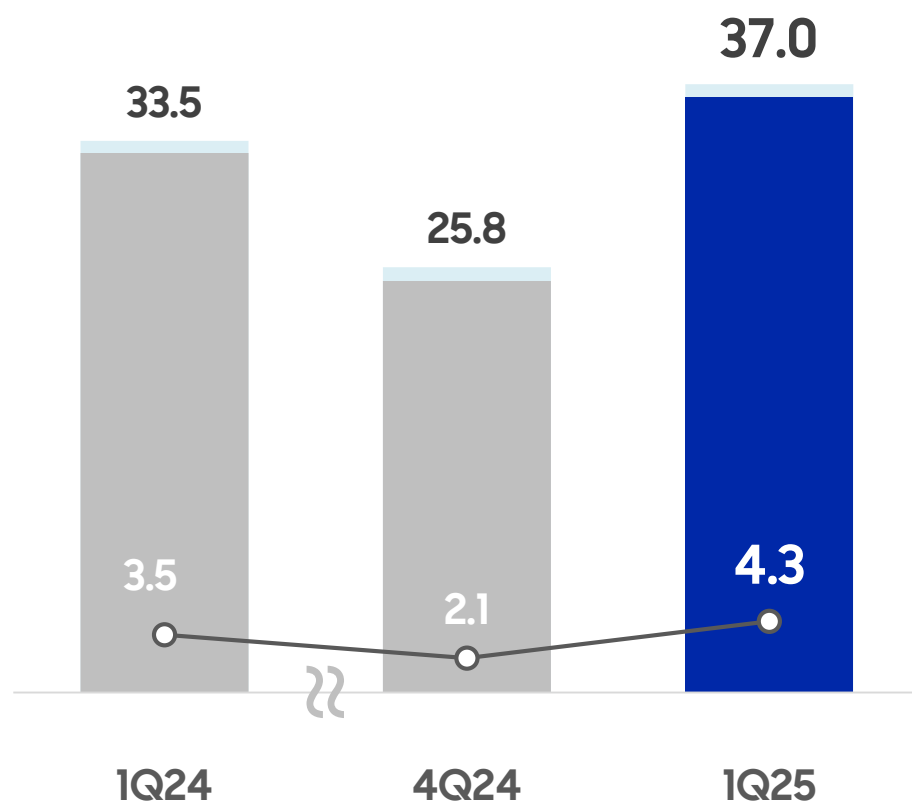
- Small & Medium: Grow sales through differentiated technologies and products amid rising uncertainties
- Large: Strengthen presence in both B2C and B2B monitor market with diverse lineups

MX / NW

MX / NW results

KRW trillion

■ Sales
■ Sales (MX)
○ Operating Profit



1Q 2025 results

- MX: Grew sales and profit by launching Galaxy S25 series featuring advanced Galaxy AI
Secured double-digit profitability via cost competency amid some components price decline
- NW: Profitability improved due to revenue increase from major overseas markets

2Q 2025 outlook

- MX: Sustain flagship-centric sales by launching S25 Edge amid fading effect of new models
Expand AI phone lineup introducing “Awesome Intelligence” to the A series
- NW: Revenue to increase in major domestic and overseas markets

2H 2025 outlook

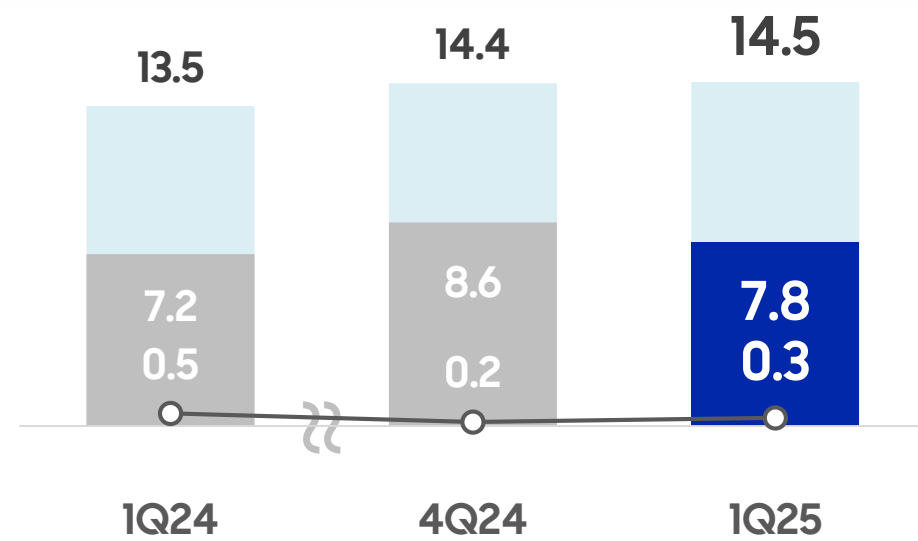
- MX: Strengthen foldable lineup optimizing AI functionality to generate customer demand
Enhance M/S via S25 sustain marketing and differentiated AI experiences on A series
Focus on AI/Health for premium tablet/wearables and explore new products such as XR
Pursue solid profitability via flagship-oriented sales and process optimization efforts
- NW: Performance to improve by securing new orders and major operators network expansion

VD / DA / Harman

VD/DA results

KRW trillion

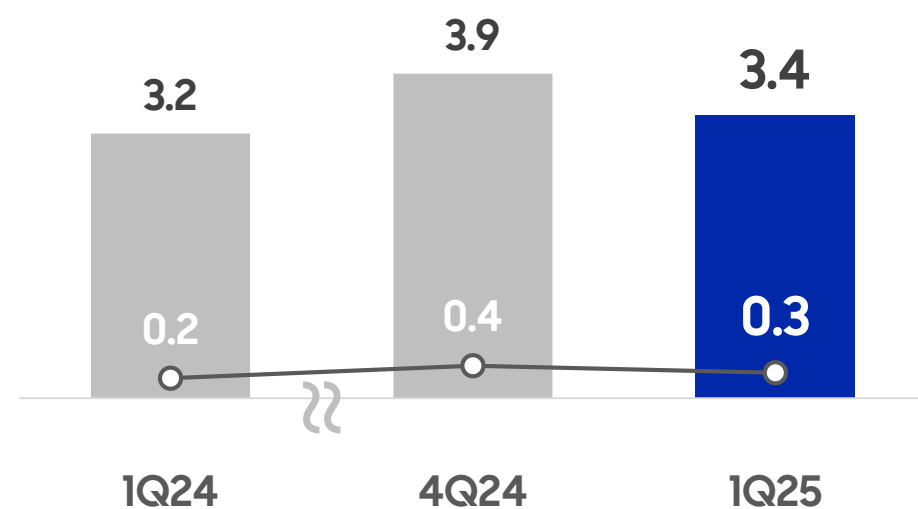
■ Sales ■ Sales (VD) ○ Operating Profit



Harman results

KRW trillion

■ Sales ○ Operating Profit



1Q 2025 results

- VD: Solid sales of strategic products, price increases and material cost reductions improved profitability
- DA: Improved QoQ profitability from sales increase of high value products
- Harman: Despite a seasonal slowdown, growth trend was sustained by improved product mix

2Q 2025 outlook

- VD: Grow YoY TV sales with 2025 AI TV lineup and integration of advanced AI functions
- DA: Sales growth expected from Bespoke AI products and strong seasonal AC demand
- Harman: Pursue YoY sales growth through consumer audio (e.g., portable speakers, headsets)

2H 2025 outlook

- VD: Focus on capturing peak season demand through strategic collaboration with distributors based on enhanced product lineup
- DA: Amid ongoing uncertainties such as tariffs, strive to increase sales of AI-driven, high-value products and improve business structure
- Harman: Maintain solid profitability by improving cost efficiency, and aim to boost sales of high-growth audio products amid increasing automotive sales

Appendix 1: Financial Position (Summary)

| KRW billion | 31.Mar.24 | 31.Dec.24 | 31.Mar.25 |
|---|------------------|------------------|------------------|
| Assets | 470,899.8 | 514,532.0 | 516,376.7 |
| Cash ※ | 97,392.8 | 112,651.8 | 105,133.6 |
| A/R | 41,145.4 | 43,623.1 | 44,866.6 |
| Inventories | 53,347.7 | 51,754.9 | 53,220.3 |
| Investments | 28,184.0 | 33,981.1 | 33,489.1 |
| PP&E | 191,155.6 | 205,945.2 | 207,385.8 |
| Intangible assets | 23,246.6 | 23,738.6 | 26,695.1 |
| Other assets | 36,427.7 | 42,837.3 | 45,586.2 |
| Total assets | 470,899.8 | 514,532.0 | 516,376.7 |
| Liabilities | 98,983.7 | 112,339.9 | 109,762.4 |
| Debts | 15,504.2 | 19,330.2 | 11,143.9 |
| Trade accounts and N/P | 12,419.1 | 12,370.2 | 14,496.2 |
| Other accounts and N/P & accrued expenses | 41,886.0 | 48,160.7 | 48,936.7 |
| Current income tax liabilities | 4,172.8 | 4,340.2 | 6,281.5 |
| Unearned revenue & other advances | 2,629.8 | 2,833.2 | 2,932.7 |
| Other liabilities | 22,371.8 | 25,305.4 | 25,971.4 |
| Shareholder equity | 371,916.1 | 402,192.1 | 406,614.3 |
| Capital stock | 897.5 | 897.5 | 897.5 |
| Total liability & Shareholder equity | 470,899.8 | 514,532.0 | 516,376.7 |

| | 31.Mar.24 | 31.Dec.24 | 31.Mar.25 |
|------------------|-----------|-----------|-----------|
| Current ratio ※ | 255% | 243% | 247% |
| Liability/equity | 27% | 28% | 27% |
| Debt/equity | 4% | 5% | 3% |
| Net debt/equity | (22%) | (23%) | (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 | 1Q24 | 4Q24 | 1Q25 |
|--------------------------------------|---------|---------|---------|
| Cash (beginning of period) * | 92.41 | 103.78 | 112.65 |
| Cash flows from operating activities | 11.87 | 22.02 | 16.58 |
| Net profit | 6.75 | 7.75 | 8.22 |
| Depreciation | 9.23 | 10.73 | 10.73 |
| Cash flows from investing activities | (10.68) | (16.88) | (13.57) |
| Purchase of PP&E | (13.42) | (15.09) | (12.13) |
| Cash flows from financing activities | 1.26 | (2.78) | (11.34) |
| Increase in debts | 2.27 | 1.49 | (8.31) |
| Acquisition of treasury stock | - | (1.81) | (2.96) |
| Payment of dividends | (1.01) | (2.46) | (0.08) |
| Increase in cash | 4.99 | 8.88 | (7.52) |
| Cash (end of period) * | 97.39 | 112.65 | 105.13 |

* 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.Mar.24 | 31.Dec.24 | 31.Mar.25 |
|--------------|-----------|-----------|-----------|
| Net Cash | 81.89 | 93.32 | 93.99 |

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

Thank you

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