

# 4Q23 Quarterly Earnings

2024. 1. 30



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**MSCI**  
ESG RATINGS **A**  
CCC B BB BBB A AA AAA

This document is provided for the convenience of investors only, before the external audit on our 4Q23 financial results is completed.  
The audit outcome may cause some parts of this document to change.

**SAMSUNG SDI**

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# 4Q23 Earnings and Financial Status

## Sales & Profit

Unit : Bn KRW

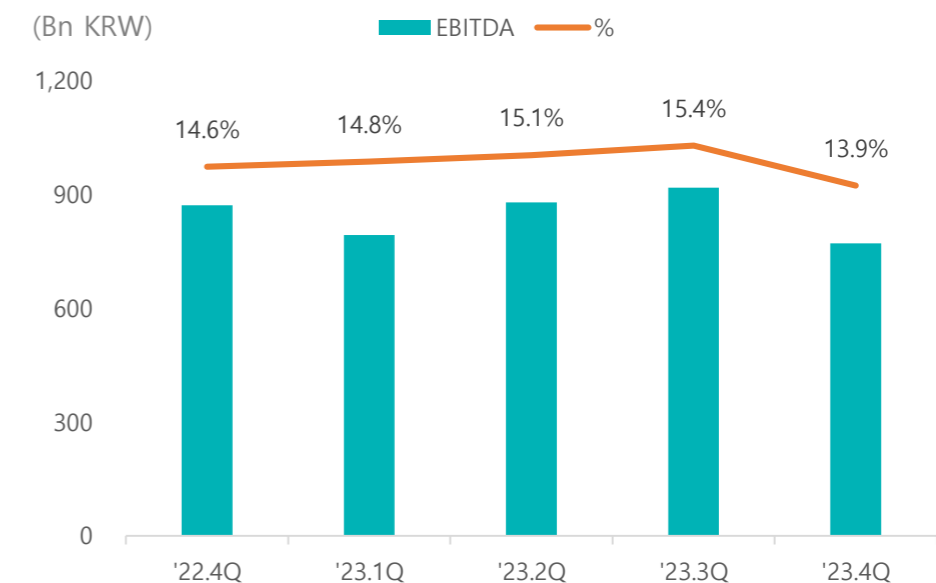
Items	4Q23			3Q23	4Q22	FY23			FY22
		QoQ	YoY					YoY	
<b>Revenue</b>	5,564.8	△6.4%	△6.7%	5,948.1	5,965.9	22,708.3	+12.8%		20,124.1
Batteries	4,998.3	△6.4%	△6.4%	5,339.9	5,341.6	20,406.1	+16.2%		17,566.3
Electronic Mat.	566.5	△6.9%	△9.3%	608.2	624.3	2,302.2	△10.0%		2,557.8
<b>Operating Profit</b>	311.8	△37.1%	△36.5%	496.0	490.8	1,633.4	△9.7%		1,808.0
(%)	(5.6%)	(△3%p)	(△3%p)	(8.3%)	(8.2%)	(7.2%)	(△2%p)		(9.0%)
Batteries	226.1	△45.1%	△37.0%	411.8	359.1	1,342.4	+7.1%		1,253.8
(%)	(4.5%)	(△3%p)	(△2%p)	(7.7%)	(6.7%)	(6.6%)	(△1%p)		(7.1%)
Electronic Mat.	85.7	+1.6%	△35.0%	84.2	131.7	291.0	△47.5%		554.2
(%)	(15.1%)	(1%p ↑)	(△6%p)	(13.9%)	(21.1%)	(12.6%)	(△9%p)		(21.7%)
<b>Non-operating Profit</b>	269.4	+1.9%	△13.7%	264.4	312.4	852.7	+1.0%		844.3
<b>Pre-tax Profit</b>	581.2	△23.6%	△27.6%	760.4	803.2	2,486.1	△6.3%		2,652.3
(%)	(10.4%)	(△2%p)	(△3%p)	(12.8%)	(13.5%)	(10.9%)	(△2%p)		(13.2%)
<b>Net Profit</b>	493.3	△20.7%	△21.6%	622.4	629.2	2,066.0	+1.3%		2,039.4
(%)	(8.9%)	(△2%p)	(△2%p)	(10.5%)	(10.5%)	(9.1%)	(△1%p)		(10.1%)

## B/S Summary

Unit : Bn KRW

Items	FY23			3Q23	FY22
		QoQ	YoY		
<b>Assets</b>	34,038.8	+1.5%	+12.5%	33,546.7	30,257.5
<b>Liabilities</b>	14,131.6	△1.3%	+8.4%	14,322.7	13,040.0
<b>Equity</b>	19,907.2	+3.6%	+15.6%	19,224.0	17,217.5
<b>D/E Ratio</b>	71%	△4%p	△5%p	75%	76%

## EBITDA

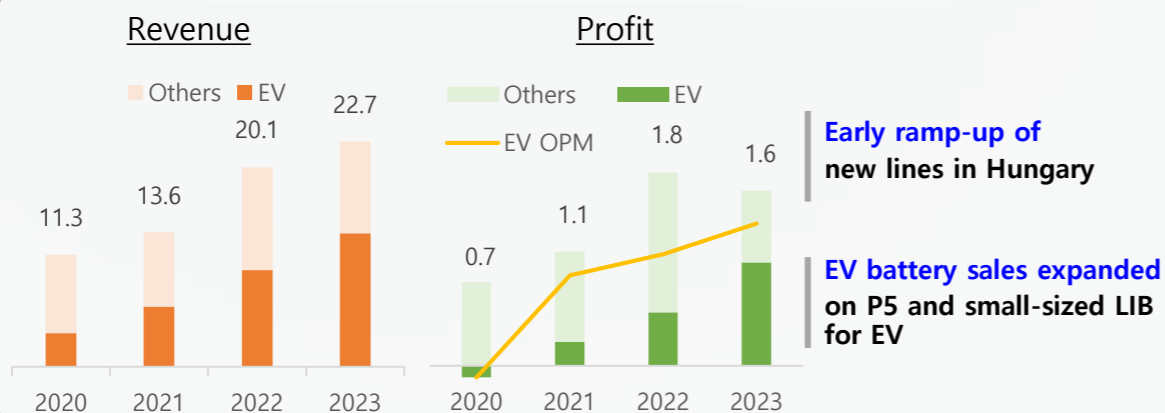


# FY2023 Review & FY2024 Outlook

## FY2023 Review

Despite sluggish performance due to global recession,  
EV battery revenue and profitability continued to grow

【 Yearly Results – Overall / EV Battery 】



【 Preparation for Future Growth Engine 】

- Expanded partnership with OEMs**
  - GM J/V MOU (Apr)
  - STLA J/V Plant#2 agreement (Sep)
  - Hyundai Motors supply agreement (Oct)
  - Volvo partnership expanded (Nov)
- Accelerated ASB commercialization**
  - Pilot line set-up (Mar)
  - Commercialization Team formed (Dec)
  - Material internalization for black-boxing core technologies
- Enhanced global R&D competitiveness**
  - Shanghai R&D Center (Europe/USA in 2022)
  - Staged for global top talents
  - Boosted patent application
- Reinforced ESG management**
  - Joined Global Battery Alliance (Mar)
  - 'Best'-rated in Corporate Partnership Index

## FY2024 Outlook

Amid stagnant market around chasm · global economic recession,  
Rise on 『Super-gap Technology,  
Cost Innovation, Customer-base Enlargement』

### Super-gap Technology

- Accelerate ASB commercialization and mass-production prep
- Continue enhancing material technological edge via establishment of mass-production system
- Strengthen tech competitiveness in pouch battery through investment expansion

### Cost Innovation

- Lead the world-best cost competence via cost innovation
- Improve profit centering on next-gen battery & materials

### Customer-base Enlargement

- Strengthen strategic partnerships with current customers and continue discovering new customers
- Push for commercialization of new products such as EUV materials and OLED polarizer films.

# Results & Outlook



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## EV & ESS Battery

### 4Q23 Results

#### Revenue on par with previous quarter's

- xEV battery sales sustained expansion with P5(Gen5)  
ESS battery sales down with declined utility sales
- Profit fell due to tentative profitability effect by raw materials price decrease

### 1Q24 Outlook

#### New product sales to expand

- xEV to start P6 mass-production for a major customer, to pursue project acquisition for P6 and volume-segment platforms
- ESS to expand sales with Samsung Battery Box, a total solution with enhanced energy density and safety

### FY24 Market Outlook

#### EV Battery Market Outlook: **\$185B** (YoY +18%)

\* S&P, SDI Marketing

- Amid the muted market growth forecast due to prolonged high interest rates and global recession, gradual recovery to commence from 2H, when low interest rate effect is expected to kick-in
- Mid-to long-term demand expected to grow thanks to green policies such as US IRA & EU 2025 CO<sub>2</sub> regulation
- ➔ SDI to increase revenue and profitability through sales increase of high-value products - P5 and P6, to win projects with next-gen platform and prepare for initiation of US production

#### ESS Market Outlook: **\$26B** (YoY +18%)

\* Wood Mackenzie, BNEF, S&P, SDI Marketing

- Forecast of continued growth of NA·EU·CN markets and a rise of new demand in Korea and South America with strong policy push for ESS industry
- ➔ SDI to expand order wins with new product and to prepare LFP product

## Small Battery

### 4Q23 Results

#### Revenue down due to continued market demand decline

- Revenue and profitability decreased due to delayed recovery of power tool, M-Mobility and IT product demand and market inventory level increase

### 1Q24 Outlook

#### Pouch sales to grow despite seasonal lull

- Cylindrical sales to decrease affected by seasonality. New applications and new customers, such as e-Scooter for Southeast and West-Asia to be secured. Samples to be supplied to customer and new project wins to be pursued with 46Φ
- Pouch sales to increase with a launch of new flagship s/phone models

### FY24 Market Outlook

#### Small Battery Market Outlook: \$44B (YoY +3%)

\* S&P500, Euromonitor, Markets and Markets, SDI Marketing

#### Cylindrical

- Power tool demand forecast to stagnate overall, while demand for Professional usage to grow with increased product variation and electrification fostered by strengthened environmental regulation
- Mobility market to continue growth with rising adoption of cylindrical battery to EVs and widening e-scooter demand in Southeast/west Asia

#### Pouch

- Demand to go up YoY with base effect in key IT products S/phone battery demand to expand with flagship models
- ➔ SDI to discover new BOs for new applications & M-Mobility, gain edge with timely development of new cylindrical · pouch batteries

# Earnings and Forecast

## Electronic Materials

### 4Q23 Results

#### Profitability slightly improved with robust OLED & semiconductor materials sales

- OLED materials sales expanded with mass production of new platform
- Semiconductor materials revenue and profit up QoQ, thanks to recovering demand and new product application
- Polarizer film revenue down with panel production cuts due to sluggish demand

### 1Q24 Outlook

#### To expand new product sales amid low season

- Seasonality to negatively affect sales of OLED materials and polarizer films
- Semiconductor materials to see sales growth thanks to recovering market demand and new product expansion

### FY24 Market Outlook

#### Rising Demand on High-value Materials

##### Display

- Demand for big screen LCD TV panels to continue increasing
- Mobile panels to see demand increase centered around OLED

##### Semiconductor

- DRAM market normalization and foundry demand increase due to AI demand growth to raise wafer inputs

➔ SDI to improve revenue and profitability via expanding supply of high-value materials, diversifying customer portfolio, and launching new products with high functionality in a timely manner

# Appendix



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# FY23 Dividend

Shareholder Return Policy : Base dividend 1,000KRW +5~10% annual FCF pay-out<sup>(\*)</sup>

Only base dividend to be paid, due to negative FY23 Free Cash Flow

▶ Total payout **66.9Bn KRW**, Common **1,000 KRW**, Preferred **1,050 KRW**

## FY19~FY23 Dividend Trend

Item		FY19	FY20	FY21	FY22	FY23
Dividend per Share (KRW)	Common	1,000	1,000	1,000	1,030	1,000
	Preferred	1,050	1,050	1,050	1,080	1,050
Total Payout (Bn KRW)		66.9	66.9	66.9	69.0	66.9
Payout Ratio		18.8%	11.6%	5.7%	3.5%	3.3%
Dividend Yield		0.4%	0.2%	0.2%	0.2%	0.2%

(1) Please refer to Matters Related to Ad Hoc Public Disclosure Obligation (Fair Disclosure) dated 2022.1.27 as to the details of Shareholder Return Policy from 2022 through 2024.

# Consolidated Income Statement

Unit : Bn KRW

Items	4Q22	FY22	1Q23	2Q23	3Q23	4Q23	FY23
<b>Revenue</b>	5,965.9	20,124.1	5,354.8	5,840.6	5,948.1	5,564.8	<b>22,708.3</b>
<b>COGS</b>	4,787.4	15,903.4	4,403.4	4,812.0	4,923.5	4,587.5	<b>18,726.4</b>
<b>Gross Profit</b>	1,178.5	4,220.7	951.5	1,028.6	1,024.6	977.2	<b>3,981.9</b>
(%)	(19.8%)	(21.0%)	(17.8%)	(17.6%)	(17.2%)	(17.6%)	<b>(17.5%)</b>
<b>Operating Profit</b>	490.8	1,808.0	375.4	450.2	496.0	311.8	<b>1,633.4</b>
(%)	(8.2%)	(9.0%)	(7.0%)	(7.7%)	(8.3%)	(5.6%)	<b>(7.2%)</b>
<b>Non-operating Profit</b>	312.4	844.3	185.9	133.0	264.4	269.4	<b>852.7</b>
<b>Pretax Profit</b>	803.2	2,652.3	561.3	583.2	760.4	581.2	<b>2,486.1</b>
(%)	(13.5%)	(13.2%)	(10.5%)	(10.0%)	(12.8%)	(10.4%)	<b>(10.9%)</b>
<b>Tax</b>	174.0	612.9	96.8	97.4	138.1	87.9	<b>420.1</b>
<b>Net Profit</b>	629.2	2,039.4	464.5	485.8	622.4	493.3	<b>2,066.0</b>
(%)	(10.5%)	(10.1%)	(8.7%)	(8.3%)	(10.5%)	(8.9%)	<b>(9.1%)</b>
<b>NP less Minority Interests</b>	601.3	1,952.1	439.3	460.5	613.2	496.2	<b>2,009.2</b>
(%)	(10.1%)	(9.7%)	(8.2%)	(7.9%)	(10.3%)	(8.9%)	<b>(8.8%)</b>
<b>Depreciation</b>	380.5	1,463.4	417.4	429.3	422.3	459.0	<b>1,728.0</b>
<b>CAPEX</b>	840.7	2,518.1	621.5	947.6	870.6	1,905.0	<b>4,344.7</b>

# Consolidated Balance Sheet

Unit : Bn KRW

Items	3Q22	FY22	1Q23	2Q23	3Q23	FY23
<b>Total Assets</b>	30,367.4	30,257.5	32,407.4	32,902.8	33,546.7	34,038.8
<b>Current Assets</b>	10,343.9	9,651.7	10,746.8	10,437.4	9,879.3	9,187.0
Cash and Cash Equivalent*	3,290.2	3,097.3	3,905.6	3,637.2	2,522.5	2,074.5
A/R & Others	3,488.2	3,349.8	3,537.0	3,564.4	4,015.4	3,815.1
Inventory	3,565.4	3,204.5	3,304.1	3,235.8	3,341.4	3,297.4
<b>Non-current Assets</b>	20,023.5	20,605.8	21,660.6	22,465.4	23,667.5	24,851.8
Investment Assets	9,817.4	10,144.7	10,616.7	10,753.2	11,071.7	11,303.7
Tangible & Intangible Assets	9,696.8	9,780.4	10,414.4	11,057.8	11,922.4	12,752.3
Others	509.3	680.8	629.5	654.5	673.4	795.9
<b>Total Liabilities</b>	13,460.3	13,040.0	14,408.2	14,450.2	14,322.7	14,131.6
<b>Current Liabilities</b>	8,291.4	8,006.9	9,108.7	9,489.2	9,091.8	8,518.9
<b>Non-current Liabilities</b>	5,168.9	5,033.1	5,299.4	4,961.0	5,231.0	5,612.7
<b>Shareholders' Equity</b>	16,907.0	17,217.5	17,999.2	18,452.6	19,224.0	19,907.2
<b>Paid-in Capital</b>	356.7	356.7	356.7	356.7	356.7	356.7
<b>D/E Ratio</b>	80%	76%	80%	78%	75%	71%

\* Short-term financial instruments included

# End Of Document



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