

SAMSUNG SDI

4Q24 Quarterly Earnings

2025.01.24

Disclaimer

- The financial information herein are consolidated earnings results based on K-IFRS.
- This document is provided for the convenience of investors before the external audit on our financial results is completed, some parts of this document may change during the audit process.
- The document contains 'forward-looking statements' about the future using words such as "anticipates," "predicts," "plans," "expects," and etc. Please be aware that such 'forward-looking statements' by their nature of uncertainty may result differently when actually occurred in practice.

Financial Status

I/S Summary

(Unit: Bn KRW)

	4Q23	3Q24	4Q24	QoQ	YoY	FY23	FY24	YoY
Revenue	5,273	3,936	3,754	-5%	-29%	21,437	16,592	-23%
Operating Income	295	130	-257	Turned to a loss	Turned to a loss	1,545	363	-76%
Pre-tax Income	561	267	-347	Turned to a loss	Turned to a loss	2,382	527	-78%
Discontinued Operations*	13	4	9	155%	-30%	87	55	-37%
Net Income	493	230	-243	Turned to a loss	Turned to a loss	2,066	576	-72%
EBITDA	749	589	222	-62%	-70%	3,273	2,216	-32%

* The profit or loss from discontinued operations is separately stated and retroactively applied due to the decision to discontinue the polarizer film business

B/S Summary

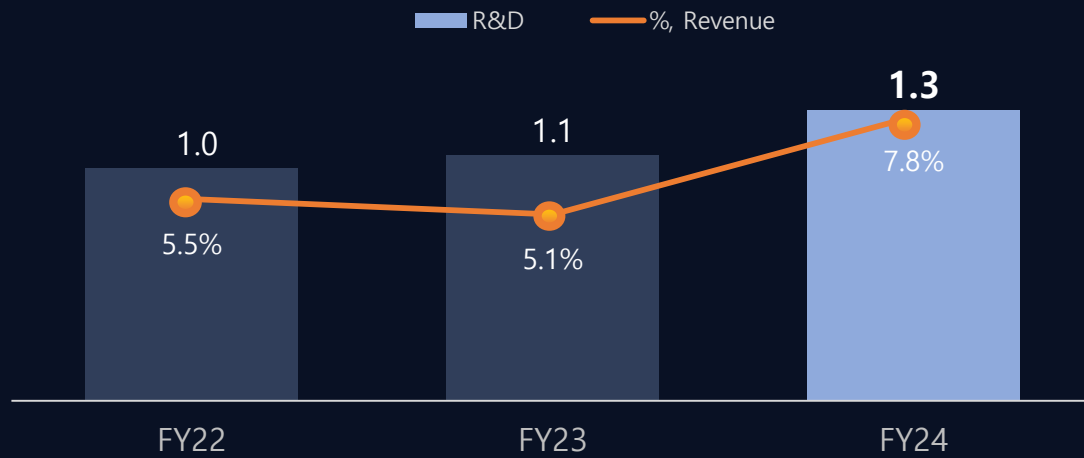
(Unit: Bn KRW)

	FY23	3Q24	FY24	QoQ	YoY
Assets	34,039	38,145	40,588	+2,443	+6,549
Current Assets	9,187	10,130	10,359	+229	+1,172
Non-current Assets	24,852	28,015	30,229	+2,215	+5,378
Liabilities	14,132	17,010	19,021	+2,011	+4,889
Equity	19,907	21,135	21,567	+432	+1,660
Cash and Cash Equivalents	1,524	1,622	1,885	+263	+361
Total Debt	5,718	9,015	11,602	+2,588	+5,885

Financial Status

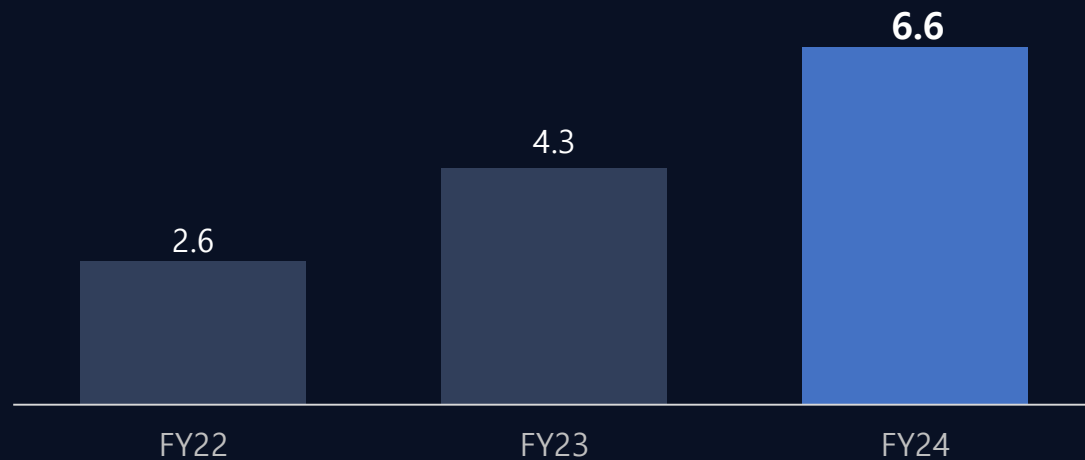
R&D

(Unit: Tn KRW)

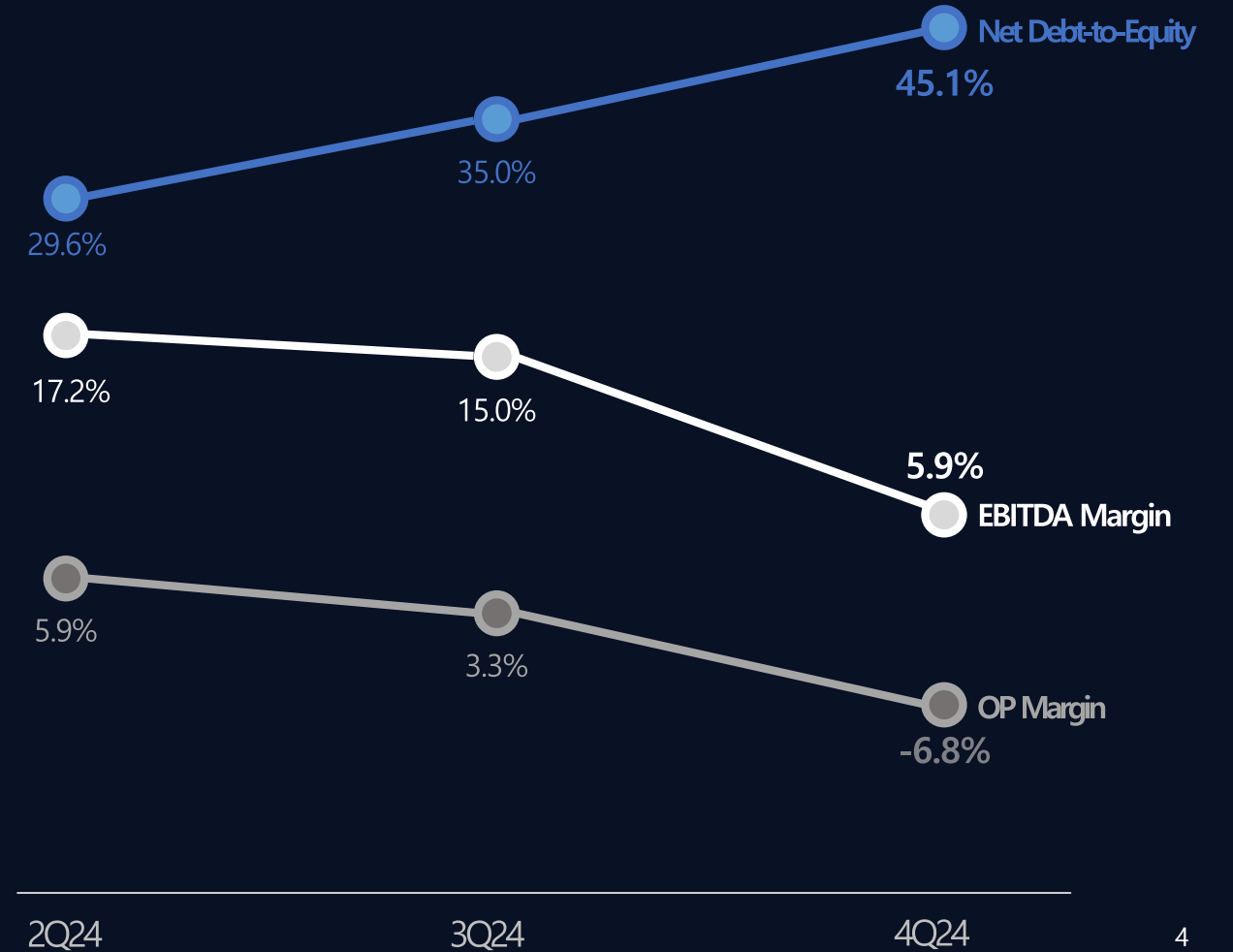


CAPEX

(Unit: Tn KRW)



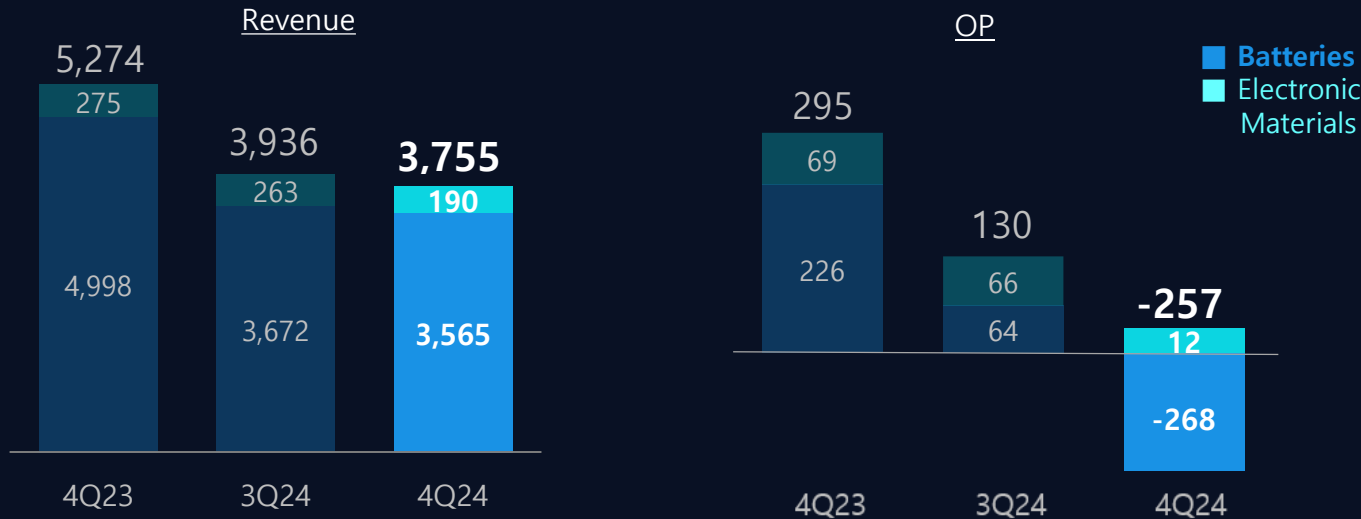
Key Financial Ratios



Earnings by Business

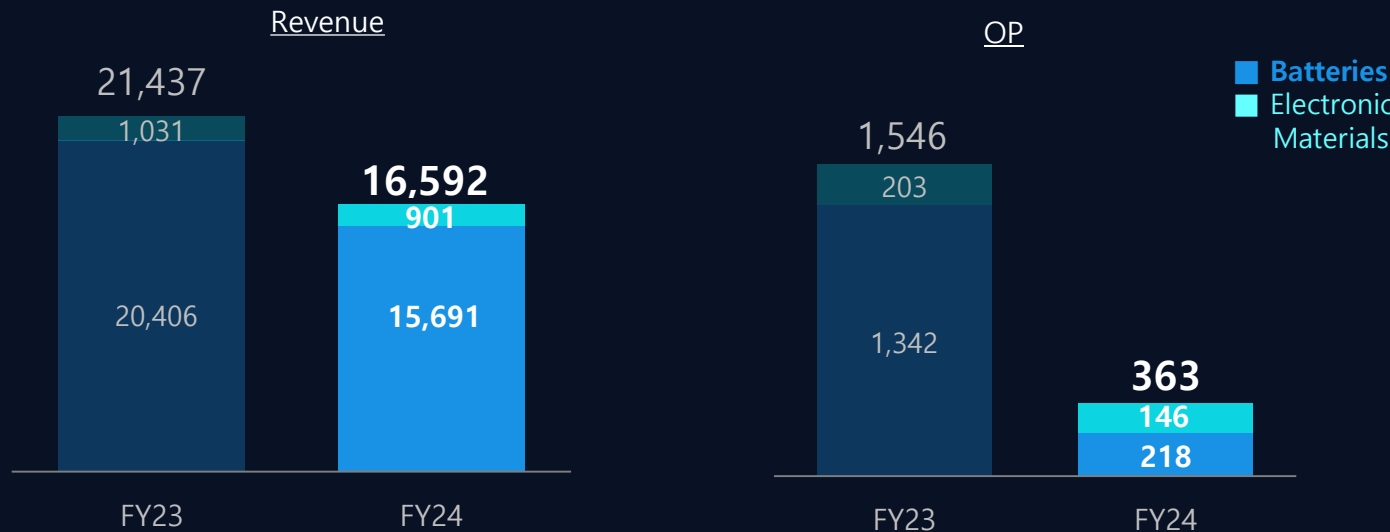
4Q24 Results

(Unit: Bn KRW)



FY24 Results

(Unit: Bn KRW)



4Q24 Revenue

[Batteries]

- Revenue from EV, Powertool and M-Mobility decreased due to customers' destocking amid stagnant demand
- ESS revenue reached quarterly record-high through increased U.S. utilities and UPS sales, thanks to higher energy demand from data-centers

[Electronic Materials]

- Demand for semi-conductor materials maintained stable, while display materials was down due to seasonality

4Q24 OP

- Turned to a loss due to lower utilization from weak demand in EV/PT/OLED, increased fixed cost from new fab operation, one-time costs, and etc.



FY24 Summary

Revenue & OP down YoY amid sluggish demand

2024 Business Highlights

Prepared for U.S. EV Business Expansion



- Initiated and stabilized SPE operation earlier than scheduled * StarPlus Energy (Stellantis J/V)
- GM J/V contract signed
- U.S. DOE loan approved

Enhanced Product Competitiveness



- Advanced ASB sample stage, expanded customer base, internalized key materials
- Started mass-production of P6, No.1 energy-dense premium prismatic battery
- Started mass-production of SBB 1.5, new turn-key ESS solution
- Built pilot line for LFP large cell

Expanded Customer Partnership · Award



- Awarded premium prismatic battery projects from EU · Asian major OEMs
- Enhanced cooperation with OEMs for 46Φ battery projects
- Expanded partnership with three major ESS IPP companies in U.S. * Independent Power Producer
- First-in into all flagship models for IT

Sustainability (ESG)



- CO₂ Footprint of two additional products verified from Carbon Trust
- Platinum rating validated for 'Zero Waste to Landfill' at all domestic/overseas sites
- A+ rating on 2024 ESG Evaluation & Ratings (KCGS)
- Listed on DJSI World Index for 20th time

FY25 Market Forecast

Market Forecast by Business

EV

- YoY **21%** growth is expected in 2025 centered around **U.S. and EU markets**, switched from Chinese market in 2024. However, macro uncertainties will continue.
- U.S.' stronger 'against-China' stance and stricter EU CO2 regulation seem as **opportunities**. However, **market recovery may possibly delay** as U.S. IRA subsidies · tax credit could contract and EU consumer buying power might further reduce.
- **Tighter global cost competition** is expected as more volume/entry seg EVs will likely be sold, plus increased Chinese battery exports. Newer battery companies are likely to suffer due to stressed financial situation caused by delays in mass production.

ESS

- U.S. will lead **14%** of market growth in lieu of growing demand on utilities/UPS driven by expansion in AI data-center.
- Demand on **Korean ESS batteries** will increase due to US-CN geopolitical tension

Small

* Excluding EV

- E2Wheeler (E-Scooter, etc.) is expected to grow around India market
* Electric 2-wheel vehicle
- Demand recovery on powertool and E-bike batteries will be **delayed** due to destocking

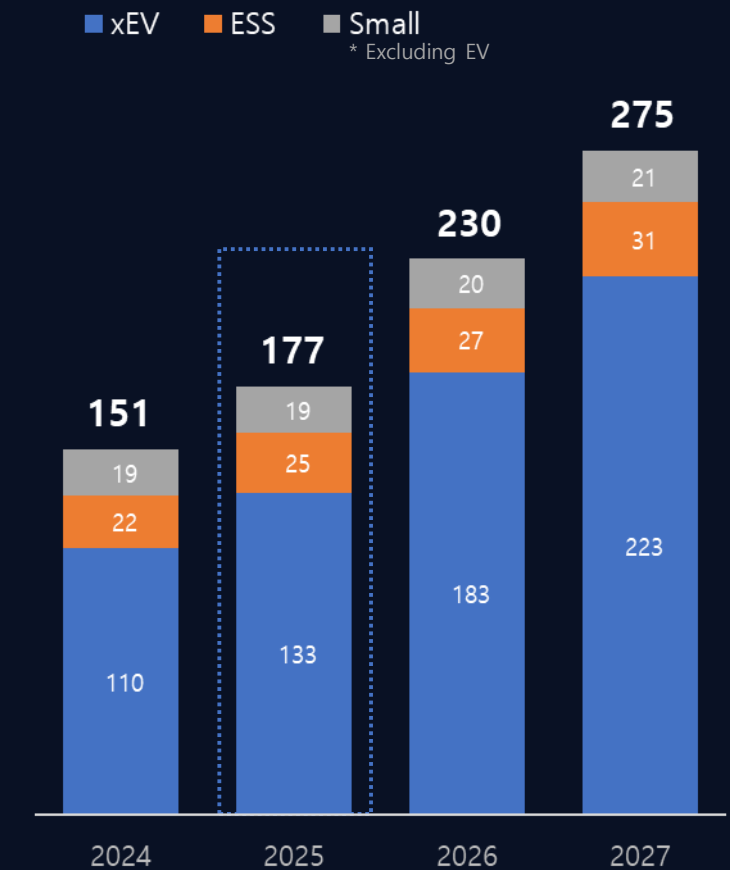
Electronic Materials

* SDI's participated markets only

- **Stable growth** is expected on semiconductors, thanks to increased bit shipments led by escalated demand for high-value AI products (2024 \$3.0B → 2025 \$3.5B)
- **Modest growth** is expected on display around IT/mobile OLED panels (2024 \$1.11B → 2025 \$1.13B)

Battery Market Outlook

(Unit: \$B)



* Source: S&P, BNEF, Wood Mackenzie, Omdia, SDI Marketing

Business Strategies

Setting ground for sustainable growth by Expanding Sales · Awards, Heightening Technical Edge, and Reforming Fundamentals

Expanding Sales · Awards

- ✓ **EV** Diversify EV trims, expand U.S. sales around SPE*, win LFP projects
- ✓ **ESS** Maximize sales through new utilities/UPS products via expanded capacity
- ✓ **Small** Increase sales for powertool · BBU** and improve M-Mobility competitiveness on differentiated product with new technology
- ✓ **E·M***** Strengthen promotion towards new customers to diversify customer portfolio

Heightening Technological Edge

- ✓ Achieve targeted energy density and complete mass production technology for All Solid Battery
- ✓ Complete development of next-Gen premium prismatic battery, P7
- ✓ Thrust commercialization based on LFP platform
- ✓ Launch new ultra-high power small batteries

Reforming Fundamentals

- ✓ Improve productivity of key products at Hungary, and achieve early stabilization for SPE through timely set-up and ramp-up
- ✓ Enhance investment efficiency by utilizing old lines and equipment
- ✓ Reduce cost by optimizing utilization-related resources, diversifying key materials, and simplifying manufacturing process

* StarPlus Energy (Stellantis J/V)

*** Electronic Materials

** Battery Backup Unit

FY24 Dividend & Shareholder Return Policy

FY24 Dividend

Dividend per share: Common 1,000 KRW, Preferred 1,050 KRW
Total Payout: 66.9Bn KRW

**※ Shareholder Return Policy: Base dividend 1,000 KRW +
 5~10% annual FCF pay-out⁽¹⁾**

(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.

FY25~FY27 Shareholder Return Policy

- No dividend will be paid for the next three years (FY25~FY27), as Free Cash Flow, the resource of dividends, is projected to remain negative due to continuous sizable CAPEX for mid-to long-term growth
- Next shareholder return policy will be re-established in 2028, by comprehensively considering business results, Free Cash Flow, investment plans, and etc.

Dividend Trend

		FY20	FY21	FY22	FY23	FY24
Dividend per Share (KRW)	Common	1,000	1,000	1,030	1,000	1,000
	Preferred	1,050	1,050	1,080	1,050	1,050
Total Payout (Bn KRW)		66.9	66.9	69.0	66.9	66.9
Payout Ratio		11.6%	5.7%	3.5%	3.3%	11.2%

* Amounts stated above may change as per external audit results and general meeting results

Consolidated Income Statement

(Unit: Bn KRW)

Items	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
Revenue	5,273	4,816	4,086	3,936	3,754	21,437	16,592
Gross Profit	933	843	922	758	571	3,782	3,094
(%)	17.7%	17.5%	22.6%	19.3%	15.2%	17.6%	18.6%
Operating Income	295	249	241	130	-257	1,545	363
(%)	5.6%	5.2%	5.9%	3.3%	-6.8%	7.2%	2.2%
Non-operating Income	265	24	94	137	-91	836	164
Equity Income in Affiliates	355	112	210	277	202	1,017	801
Pretax Income	561	273	335	267	-347	2,382	527
(%)	10.6%	5.7%	8.2%	6.8%	-9.2%	11.1%	3.2%
Income from Continuing Operations	480	281	265	227	-252	1,979	520
Discontinued Operations*	13	6	36	4	9	87	55
Net Income	493	287	301	230	-243	2,066	576
(%)	9.4%	6.0%	7.4%	5.9%	-6.5%	9.6%	3.5%
Net Income Attributable to Owners of the Parent	496	273	323	230	-227	2,009	599
(%)	9.4%	5.7%	7.9%	5.8%	-6.0%	9.4%	3.6%

* The income from discontinued operations is separately stated and retroactively applied due to the decision to discontinue the polarizer film business

Consolidated Balance Sheet

(Unit: Bn KRW)

Items	FY23	1Q24	2Q24	3Q24	FY24
Total Assets	34,039	35,451	37,783	38,145	40,588
Current Assets	9,187	10,045	9,969	10,130	10,359
Cash and Cash Equivalents	1,524	2,355	1,709	1,622	1,885
Accounts Receivables and others	3,403	3,610	4,076	3,865	4,042
Inventories	3,297	3,349	3,638	3,224	2,879
Assets held for sale	0	0	0	943	1,043
Non-current Assets	24,852	25,406	27,814	28,015	30,229
Investments	9,996	9,184	9,512	9,799	10,187
PP&E, Intangibles	12,752	14,201	16,305	16,359	18,341
Total Liabilities	14,132	14,846	16,593	17,010	19,021
Current Liabilities	8,519	9,832	10,609	10,706	10,822
Liabilities held for sale	0	0	0	169	193
Non-current Liabilities	5,613	5,014	5,984	6,304	8,199
Total Equity	19,907	20,605	21,190	21,135	21,567
Paid-in Capital	357	357	357	357	357