



# 2019 3Q Silicon Works

**Nov 2019**

Silicon Works is a global fabless system IC player providing total solution specialized for display panel and developing innovative technologies through aggressive R&D investment for successful business expansion to automotive etc.

# Disclaimer

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All financial information contained herein is based on a consolidated basis in accordance with International Financial Reporting Standards (“IFRS”).

All forward-looking statements are based on various factors relating to our internal operations, business strategy and market environments, all of which are subject to change and difficult to predict and many of which are beyond control. Our actual future results and the timing of certain events may differ materially from those forward-looking statements implied herein.

Forward-looking statements are based on information available to us on the date hereof, and we expressly disclaim and do not bear responsibility to publicly update any changes in our expectations, or any changes in our events, conditions.

- This presentation is available on our investor relations website at

<http://www.siliconworks.co.kr/eng/main/> .

# About Silicon Works

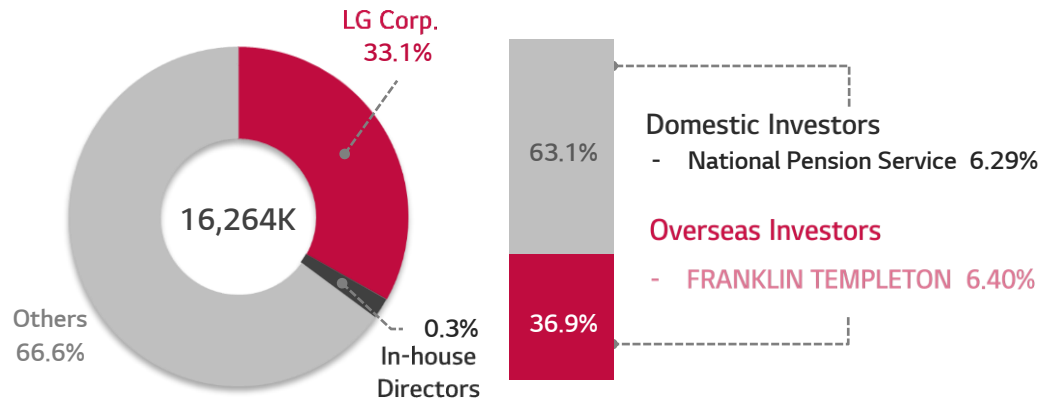
## Company Profile

\* As of 3Q'19

- Chairman of the Board and CEO: Boik Sohn
- IPO: June 8th, 2010 KOSDAQ (Ticker: 108320)
- Number of Employees: Total 1,015 / R&D 740 (73%)

## Stakeholders

\* As of Nov '19



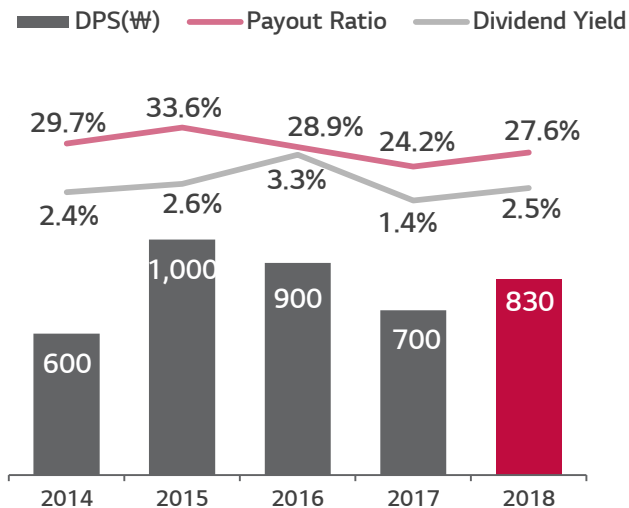
## Global Network

- Beijing : Silicon Works China Co., Ltd
- Corporate Chengdu Branch Office
- Corporate Nanjing Branch Office
- Corporate Shenzhen Branch Office

- Daejeon Campus
- Yangjae Campus

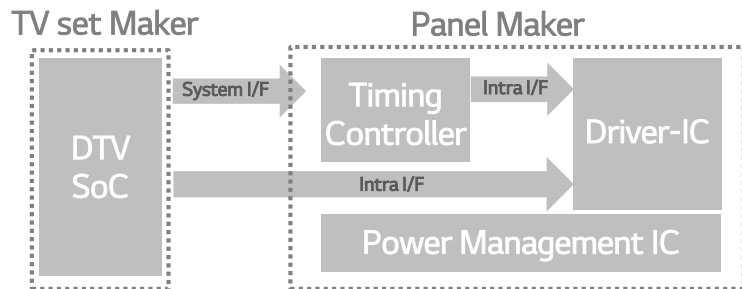
- Santa Clara(CA) : Silicon Works Inc. USA

## Dividend



# What Silicon Works does

## System Structure



Total  
Solution  
Provider

On Display  
Driver-IC

On Display  
T-CON

Power Supply  
PMIC

Touch  
Controller IC

IP

LED BLU  
LED BLU D-IC

## Product Line-up

### TV / Commercial

Driver-IC  
Timing Controller  
Power Management IC  
LED BLU Driver IC



### Mobile / Wearable Devices

Mobile DDI  
P-OLED DDI  
TDDI (Touch embedded DDI)  
Touch IC



IT

Driver-IC  
Timing Controller  
Power Management IC  
In-cell Touch Solution  
LED BLU Driver IC



### New Application

Automotive System IC  
Home Appliances System IC  
Battery Management IC



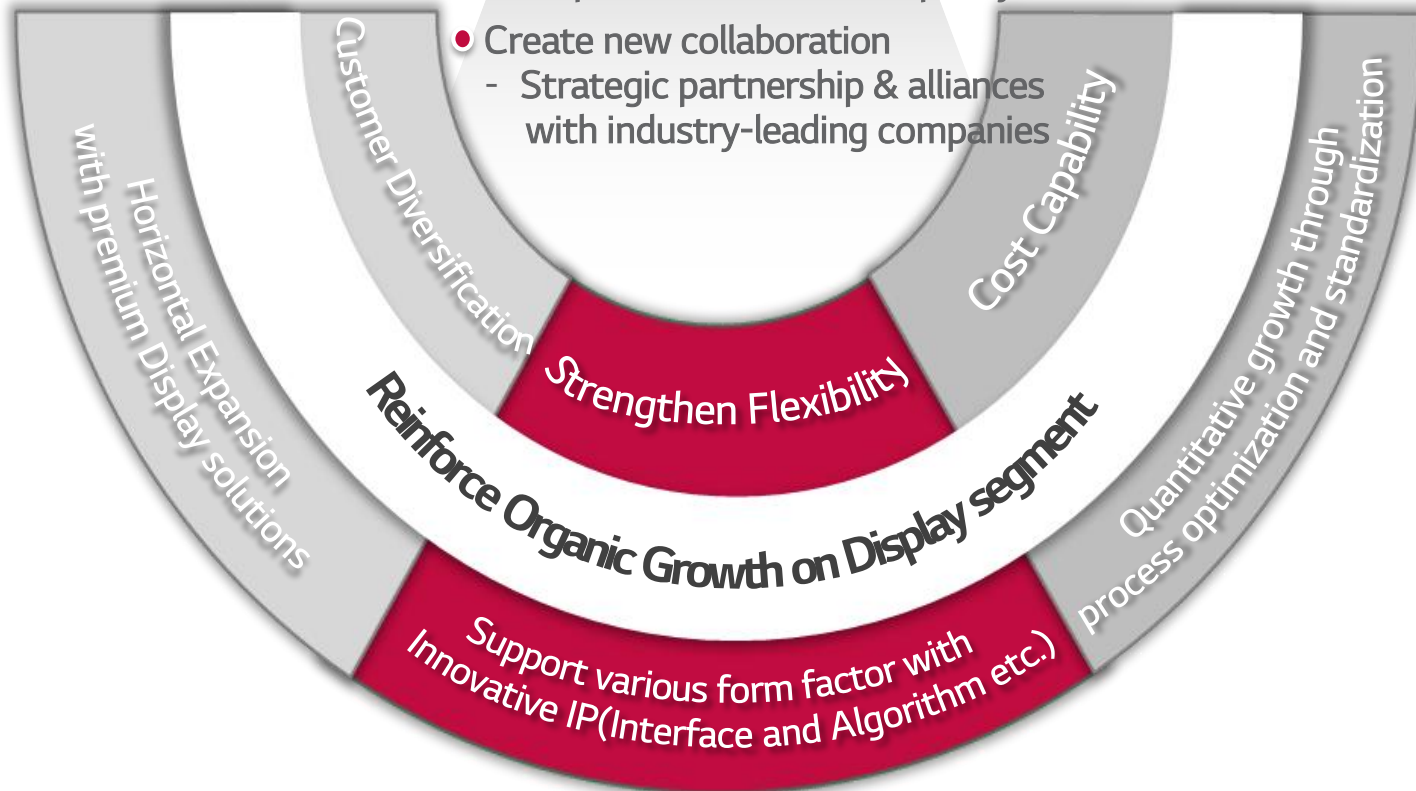
# How Silicon Works will grow

**Sustainable Growth**



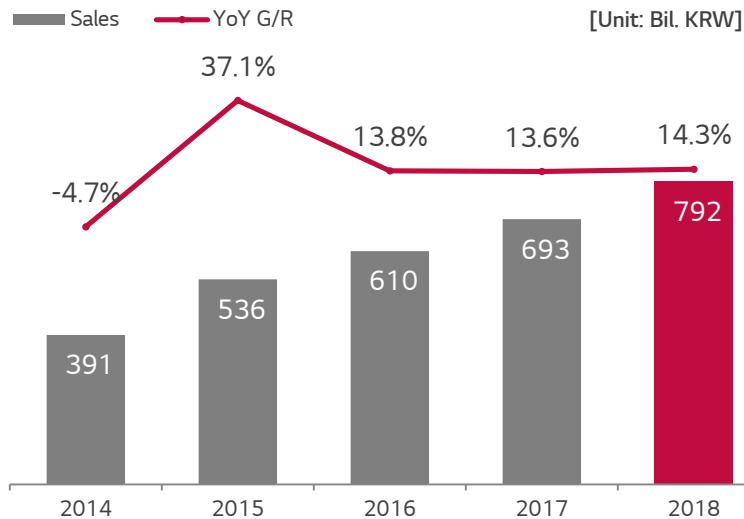
## Drive Inorganic Growth on New Application segment

- Create highly marketable product line-up with a world-class quality
- Create new collaboration
  - Strategic partnership & alliances with industry-leading companies

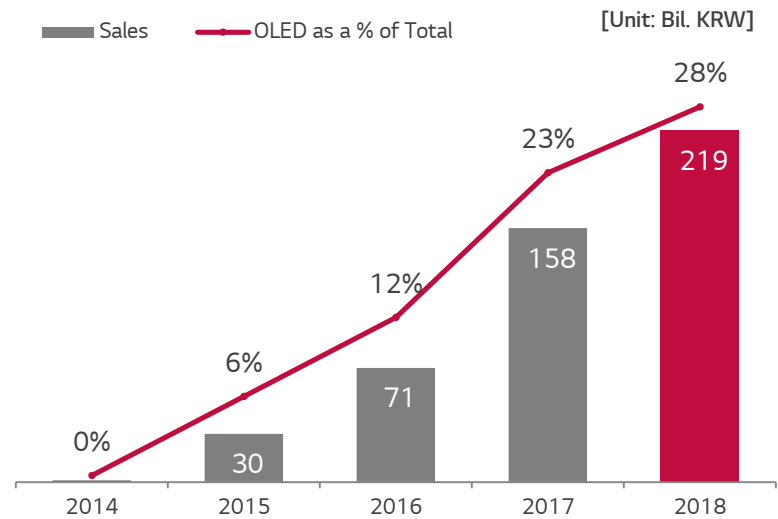


# Sales Trend

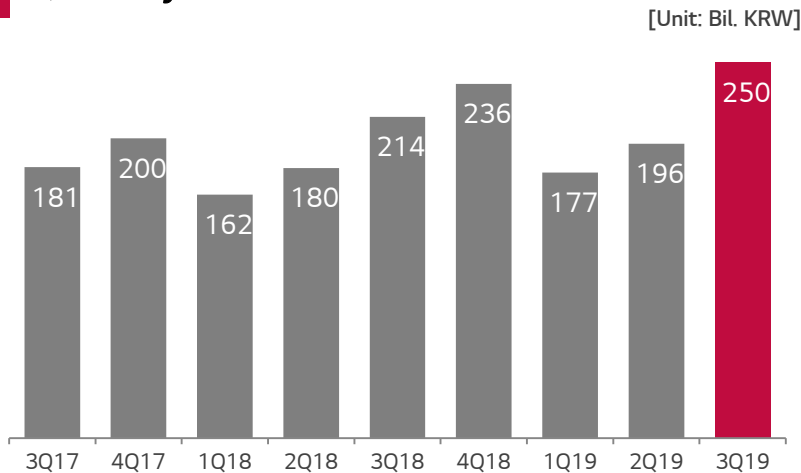
## Yearly Sales Trend



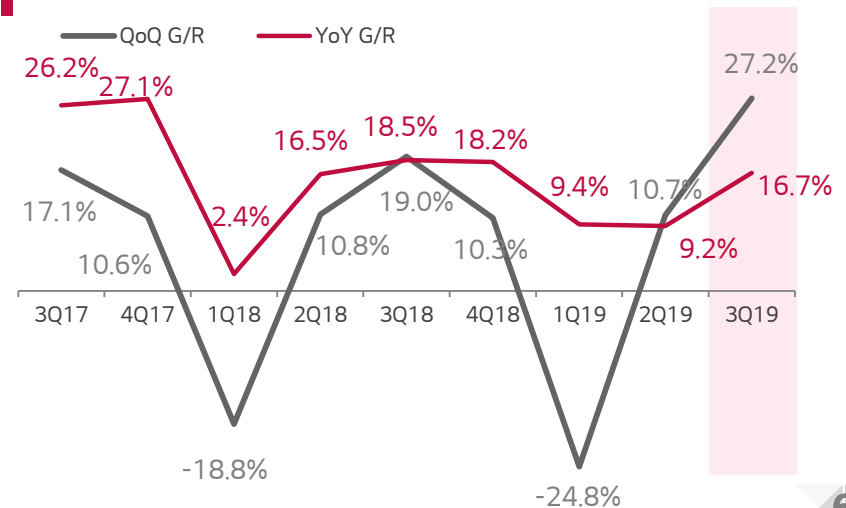
## OLED Sales Trend



## Quarterly Sales Trend

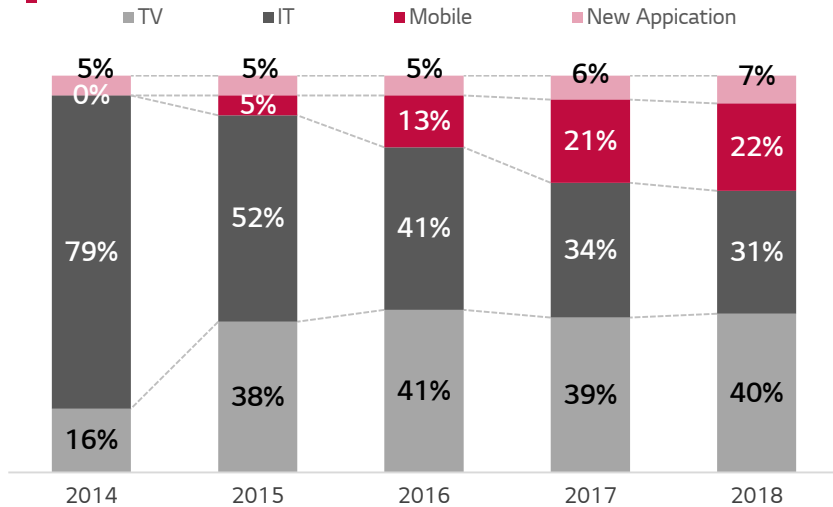


## Quarterly Sales Growth Rate

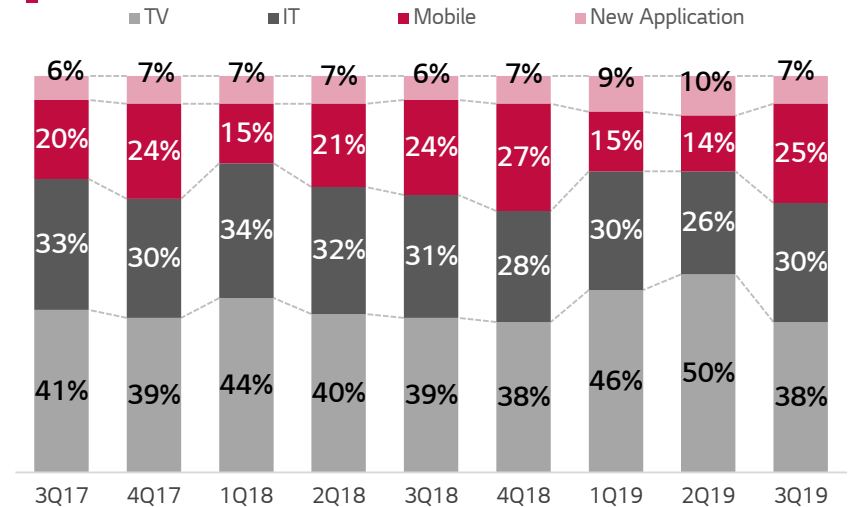


# Sales Breakdown

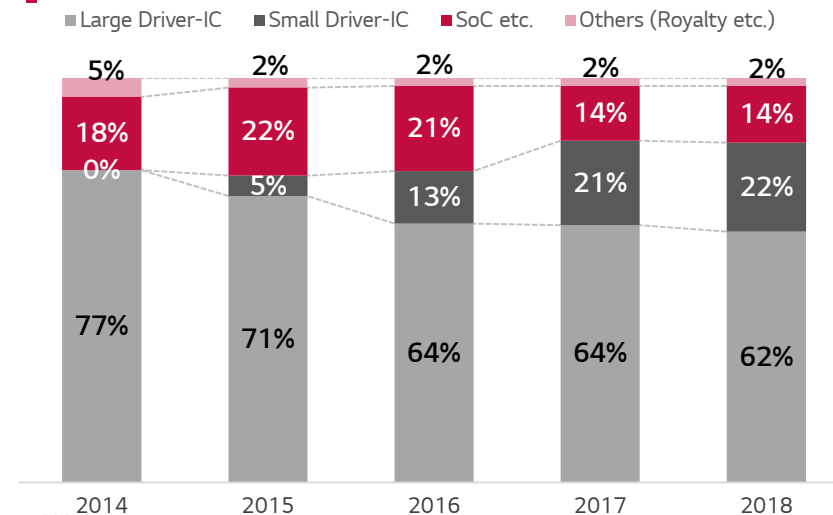
## Yearly Sales breakdown by Application



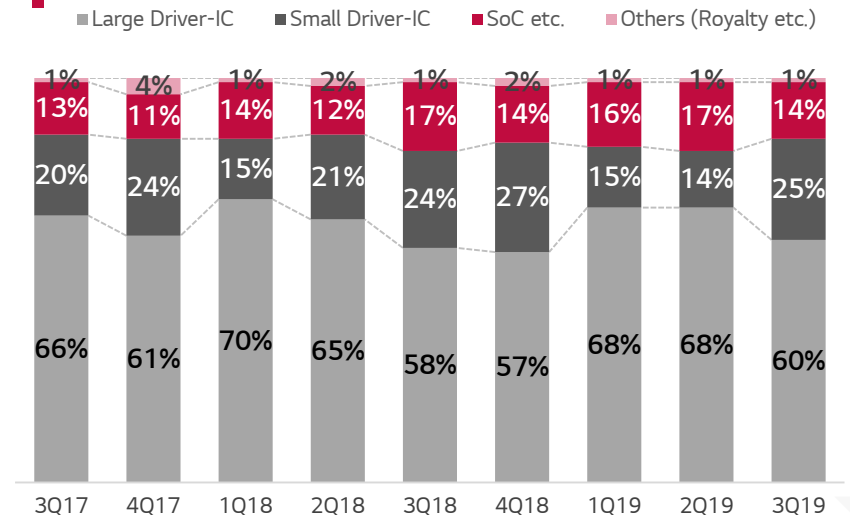
## Quarterly Sales breakdown by Application



## Yearly Sales breakdown by Product

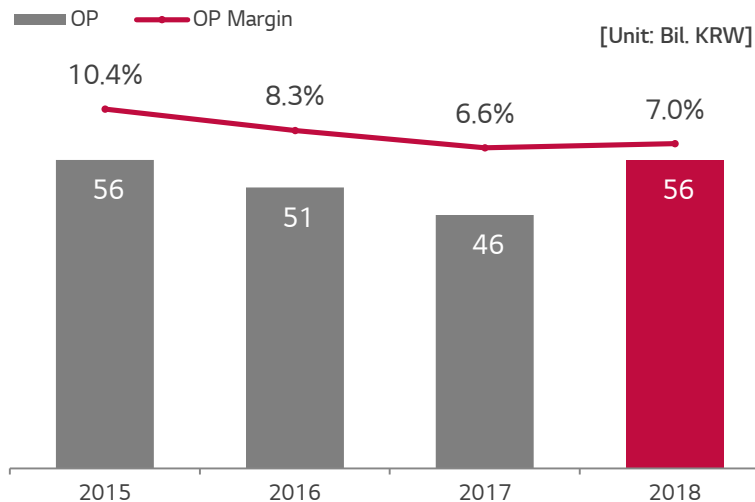


## Quarterly Sales breakdown by Product

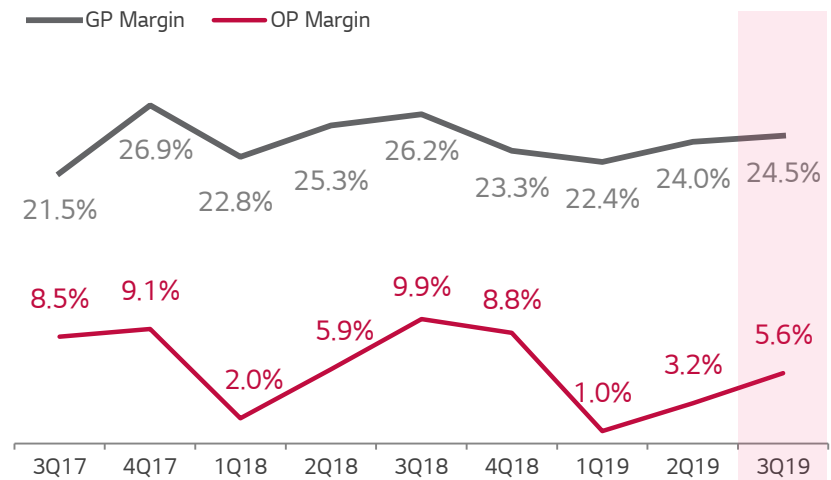


# Profitability Analysis

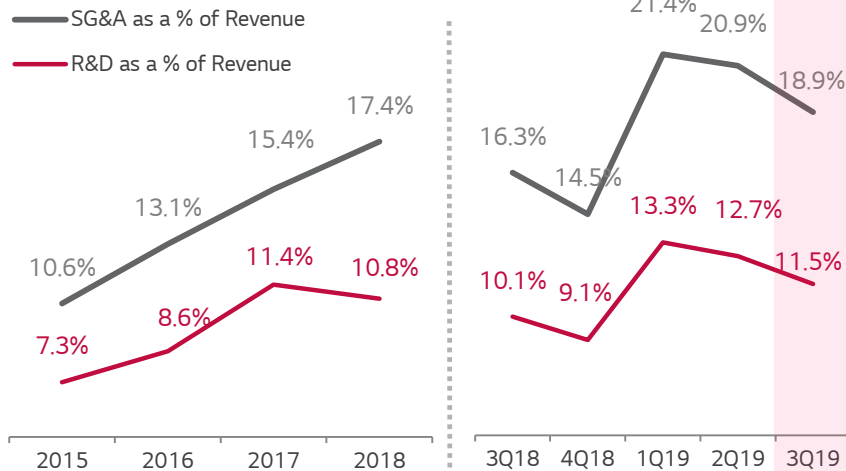
## Yearly Operating Profit Trend



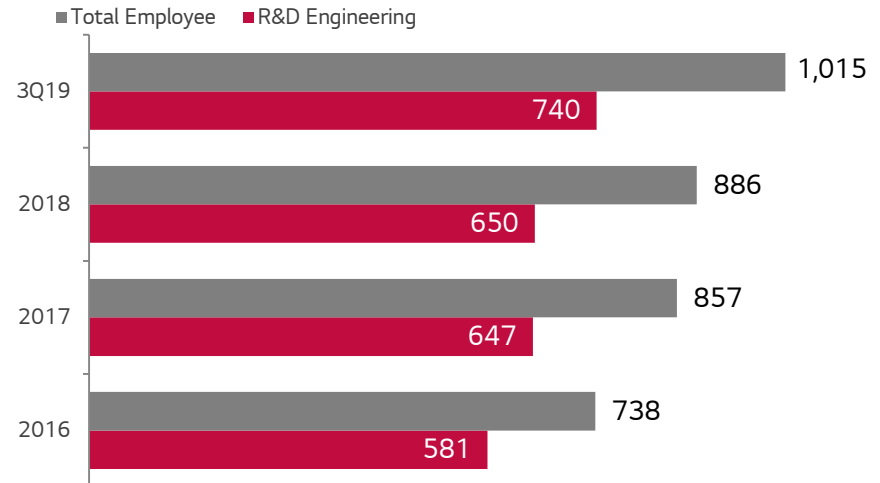
## Quarterly Profitability Trend



## OPEX Trend



## Human Resource Trend





# Appendix 1. Consolidated Statement of Income

(Unit: KRW mil.)	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	2017	2018
<b>Revenue</b>	<b>162,156</b>	<b>179,723</b>	<b>213,925</b>	<b>236,014</b>	<b>177,366</b>	<b>196,302</b>	<b>249,726</b>	<b>692,761</b>	<b>791,818</b>
Cost of Sales	125,134	134,229	157,796	181,000	137,661	149,098	188,491	540,354	598,160
<b>Gross Profits</b>	<b>37,022</b>	<b>45,493</b>	<b>56,129</b>	<b>55,014</b>	<b>39,706</b>	<b>47,203</b>	<b>61,235</b>	<b>152,407</b>	<b>193,658</b>
Selling, General and Administrative	33,853	34,977	34,876	34,155	37,943	40,970	47,188	106,886	137,861
Research and Development	22,476	20,133	21,510	21,589	23,532	24,839	28,625	79,214	85,709
<b>Operating Profits</b>	<b>3,169</b>	<b>10,517</b>	<b>21,253</b>	<b>20,859</b>	<b>1,763</b>	<b>6,233</b>	<b>14,047</b>	<b>45,522</b>	<b>55,797</b>
<b>Income(loss) before Incomes Taxes</b>	<b>4,573</b>	<b>10,765</b>	<b>22,670</b>	<b>21,233</b>	<b>3,244</b>	<b>7,334</b>	<b>15,575</b>	<b>48,350</b>	<b>59,241</b>
Income Tax	(1,522)	2,020	4,921	4,862	387	1,328	5,102	1,286	10,280
<b>Net Profits</b>	<b>6,095</b>	<b>8,745</b>	<b>17,749</b>	<b>16,371</b>	<b>2,858</b>	<b>6,006</b>	<b>10,473</b>	<b>47,064</b>	<b>48,960</b>
<b>EBITDA</b>	<b>4,499</b>	<b>12,235</b>	<b>24,004</b>	<b>23,616</b>	<b>5,557</b>	<b>9,945</b>	<b>17,837</b>	<b>50,936</b>	<b>64,354</b>
Depreciation and Amortization	1,330	1,718	2,751	2,758	3,794	3,712	3,790	5,414	8,557

## Appendix 2. Consolidated Statement of Financial Position

(Unit: KRW mil.)	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
<b>Total Assets</b>	<b>583,164</b>	<b>537,260</b>	<b>639,973</b>	<b>607,558</b>	<b>646,543</b>	<b>652,223</b>	<b>635,511</b>
<b>Current Assets</b>	<b>530,944</b>	<b>476,741</b>	<b>540,257</b>	<b>508,163</b>	<b>544,002</b>	<b>551,618</b>	<b>527,886</b>
Cash*	267,504	249,844	198,211	222,527	229,401	201,351	173,326
Accounts Receivable	172,068	130,083	215,224	158,800	182,166	195,268	178,422
Inventories	74,765	80,814	102,386	104,091	111,579	127,862	136,703
<b>Non-current Assets</b>	<b>52,220</b>	<b>60,519</b>	<b>99,716</b>	<b>99,395</b>	<b>102,540</b>	<b>100,605</b>	<b>107,625</b>
Tangible Assets	15,771	22,214	23,282	22,953	26,062	25,198	24,007
Intangible Assets	17,776	18,970	57,233	56,895	57,734	57,420	57,267
<b>Total Liabilities</b>	<b>177,669</b>	<b>123,096</b>	<b>208,190</b>	<b>160,945</b>	<b>210,465</b>	<b>210,148</b>	<b>182,939</b>
Current liabilities	173,117	116,935	200,461	155,224	199,482	199,590	170,426
Accounts payable	134,338	91,453	162,846	114,567	148,379	164,833	127,278
Non-current liabilities	4,552	6,161	7,728	5,721	10,982	10,558	12,514
<b>Total Shareholders' Equity</b>	<b>405,495</b>	<b>414,164</b>	<b>431,784</b>	<b>446,614</b>	<b>436,078</b>	<b>442,075</b>	<b>452,571</b>

\* Cash: Short-term financial instruments included.

# Appendix 3. Consolidated Statement of Cash Flow

(Unit: KRW mil.)	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	2017	2018
Cash generated by operating activities	(93)	2,397	(1,377)	26,447	11,258	(11,851)	(21,204)	32,505	27,373
Net Profits	6,095	8,745	17,749	16,371	2,858	6,006	10,473	47,064	48,960
Depreciation and Amortization	1,330	1,718	2,751	2,758	3,794	3,712	3,790	5,414	8,557
Working Capital Adjustment	(8,748)	(6,735)	(27,547)	6,279	3,032	(12,643)	(29,648)	(5,450)	(36,750)
Others	1,230	(1,332)	5,669	1,038	1,575	(8,927)	(5,819)	(14,524)	6,606
Cash used in investing activities	(7,223)	6,375	(50,184)	182,835	(63,668)	(11,932)	(46,092)	(205,915)	131,802
Cash generated by financial activities		(11,385)			(749)	(14,239)	(750)	(14,638)	(11,385)
Dividends		(11,385)				(13,499)		(14,638)	(11,385)
Increase(decrease) in cash and cash equivalents	(7,316)	(2,613)	(51,561)	209,281	(53,158)	(38,022)	(68,046)	(188,048)	147,791