



# FY2021 Q3 Earnings

2021. 10. 26 | Investor Relations

## Disclaimer

Review of the FY2021 Q3 financial results has not been finalized.  
Figures in this earnings release are subject to changes during  
the independent auditing process.

All financial information contained in this document is based on consolidated K-IFRS.

This material contains forward-looking statements which can be subject to certain  
risks and uncertainties that could cause actual results to differ materially.



# Financial Results

FY2021 Q3

We Do Technology  
첨단기술의 중심, 더 나은 세상을 만듭니다

# Revenue Analysis

## Bit Growth

DRAM -Low Single%  
NAND +Low 20%

Solid MO/SV Demand  
Focus on Profitability

'21 Q3 Revenue  
**KRW 11.81T**  
+14% Q/Q, +45% Y/Y

'21 Q2 Revenue  
**KRW 10.32T**

## MCP

Sales Portion 24%  
Revenue +29% Q/Q

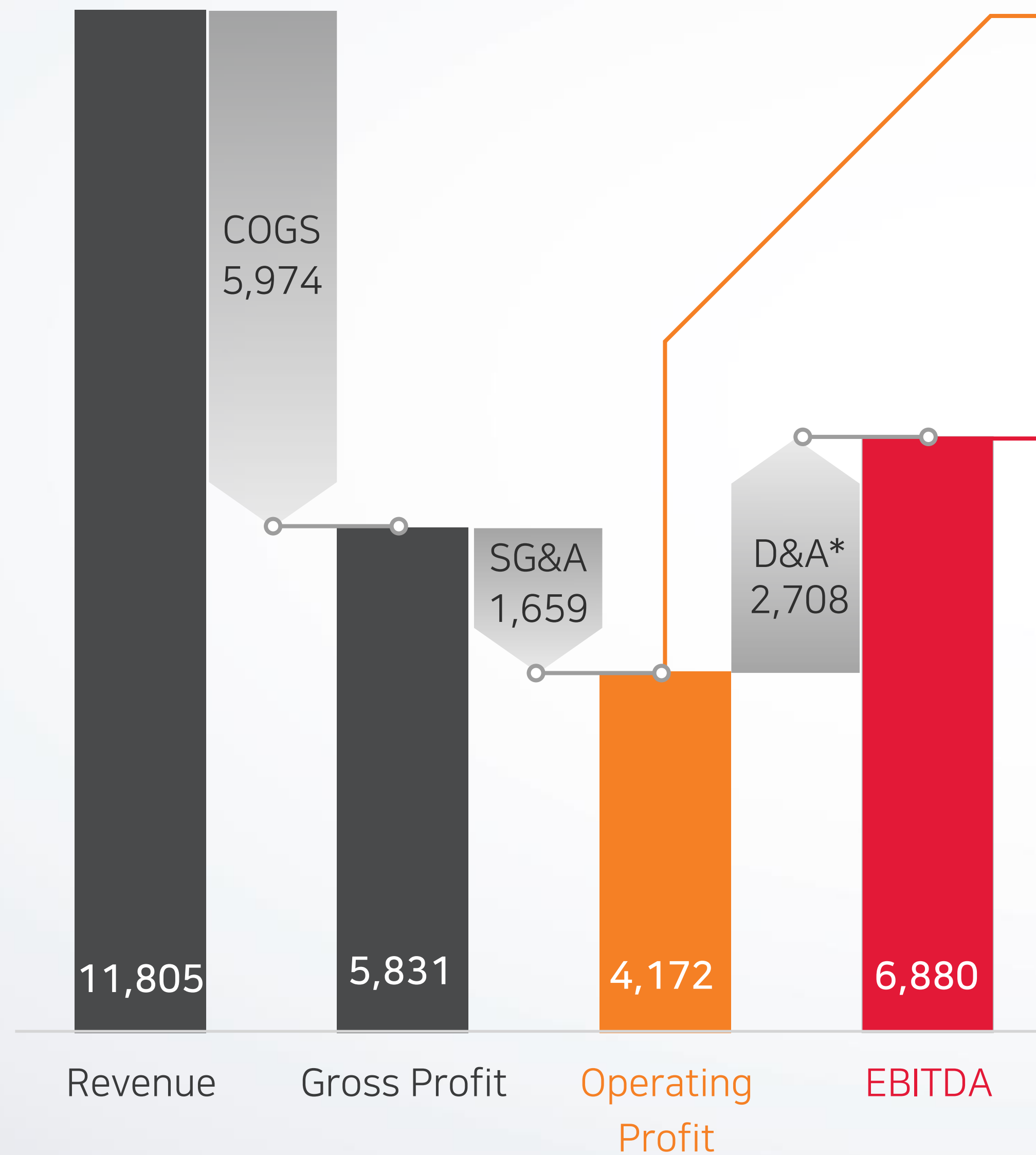
Strong Demand for  
High Density Products  
Record-high revenue

## ASP

DRAM +High Single%  
NAND +Mid Single%

Continued Strong  
Pricing Environment

# Profit Analysis – Operating Profit



(Unit : KRW Billion)

## Operating Profit

**KRW 4.17T**

(+55% Q/Q, +220% Y/Y)

- DRAM/NAND unit costs were down, as yield improved for 1znm/128L and sales portion increased for those products
- Labor cost was down q/q from higher base in Q2 due to one-off expense
- Achieved positive OP margin for NAND

## EBITDA

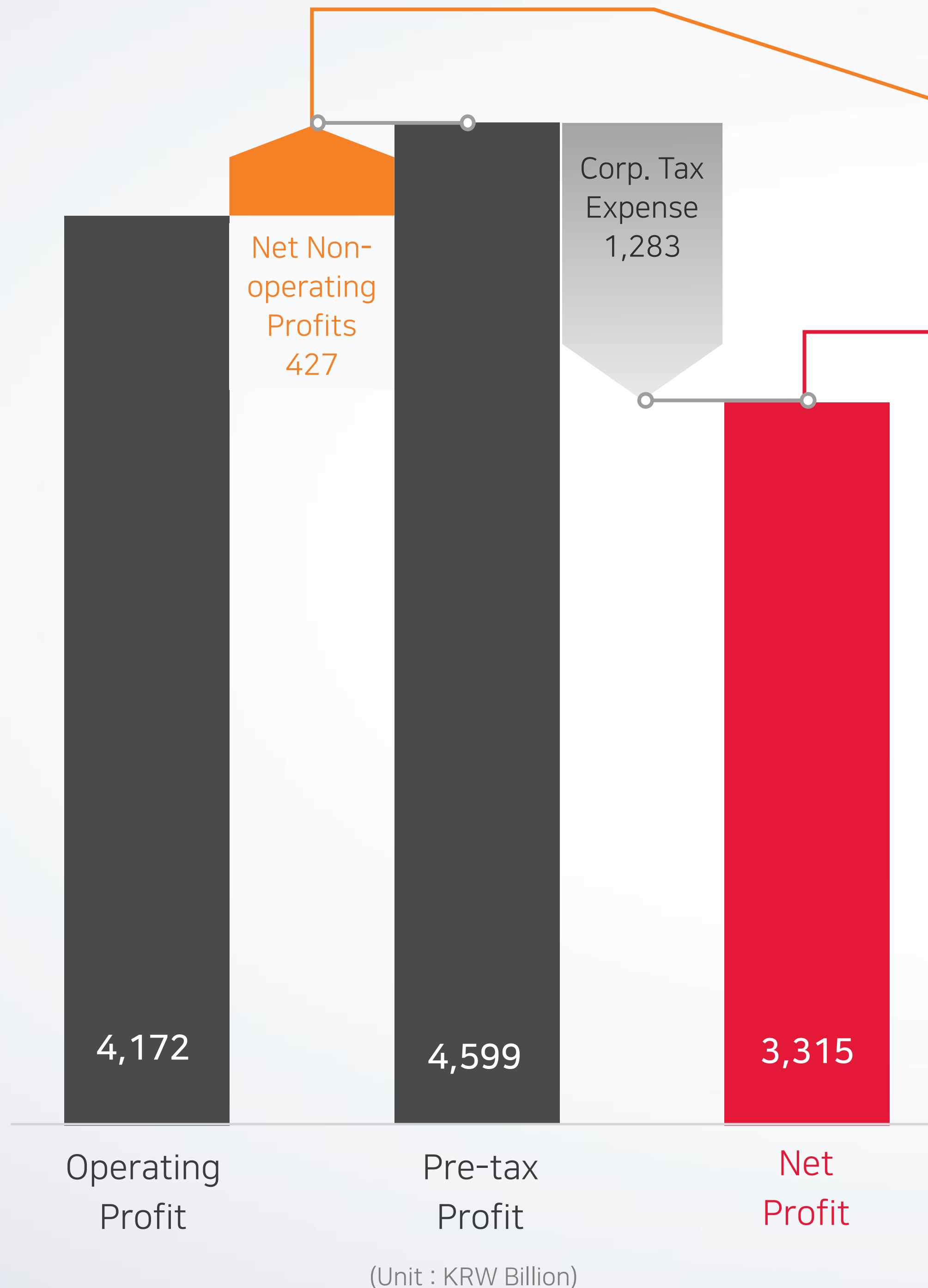
**KRW 6.88T**

(+30% Q/Q, +83% Y/Y)

- D&A 2.71T (+4% Q/Q, +10% Y/Y)
- EBITDA Margin 58%

\* D&A : Depreciation & Amortization

# Profit Analysis – Net Profit



## Non-operating Profits

**KRW 0.43T**

- Net interest expense KRW 60B
- Net foreign currency-related gain KRW 404.1B
- Gain on equity-method valuation KRW 41.5B, etc.

## Net Profit

**KRW 3.32T**

(+67% Q/Q, +206% Y/Y)

- Net Profit Margin 28%
- Effective Tax Rate 28%

# Financial Position

End of '21 Q2

End of '21 Q3

Cash\*

**KRW 6.64T**

**KRW 10.01T**

(+51% Q/Q, +111% Y/Y)

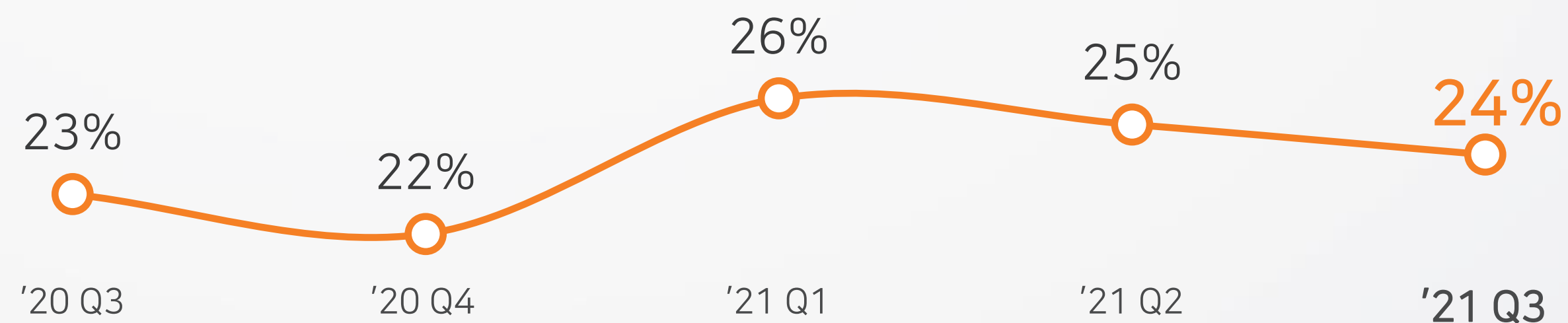
Debt\*\*

**KRW 13.85T**

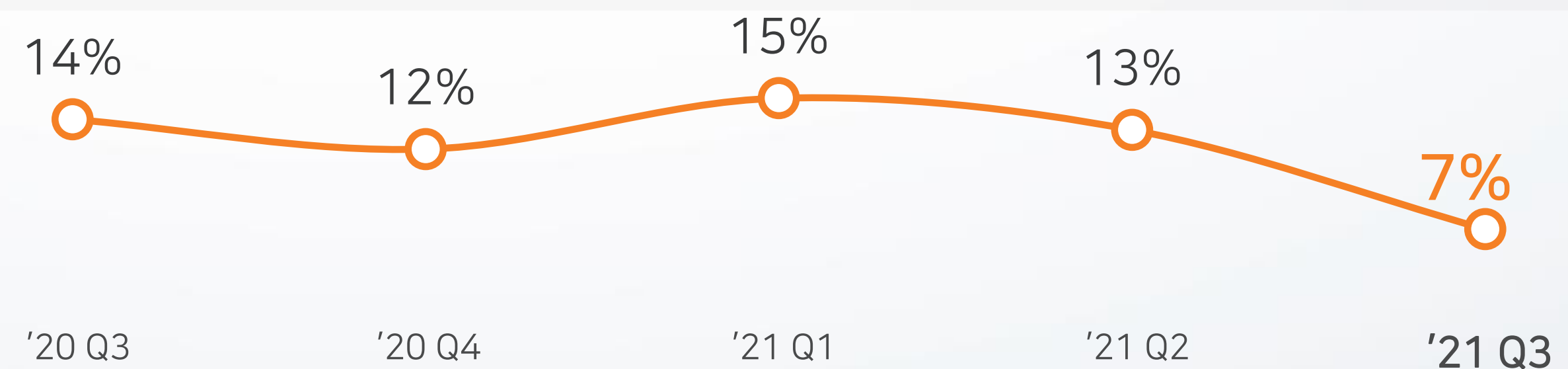
**KRW 14.29T**

(+3% Q/Q, +22% Y/Y)

Debt-to-Equity Ratio



Net Debt-to-Equity Ratio



\* Cash = Cash & Cash Equivalents + Short-term Financial Instruments

\*\* Debt = Short-term Borrowings + Current portion of Long-term Borrowings + Debentures + Long-Term Borrowings



# FY2021 Outlook

We Do Technology  
첨단기술의 중심, 더 나은 세상을 만듭니다



# Market Outlook

## Summary

### '21 DRAM Demand B/G

+Low~Mid 20% y/y  
(vs. 20% projected early this year)

### '21 NAND Demand B/G

+Over 40% y/y  
(vs. Low 30% projected early this year)



# Company Plan

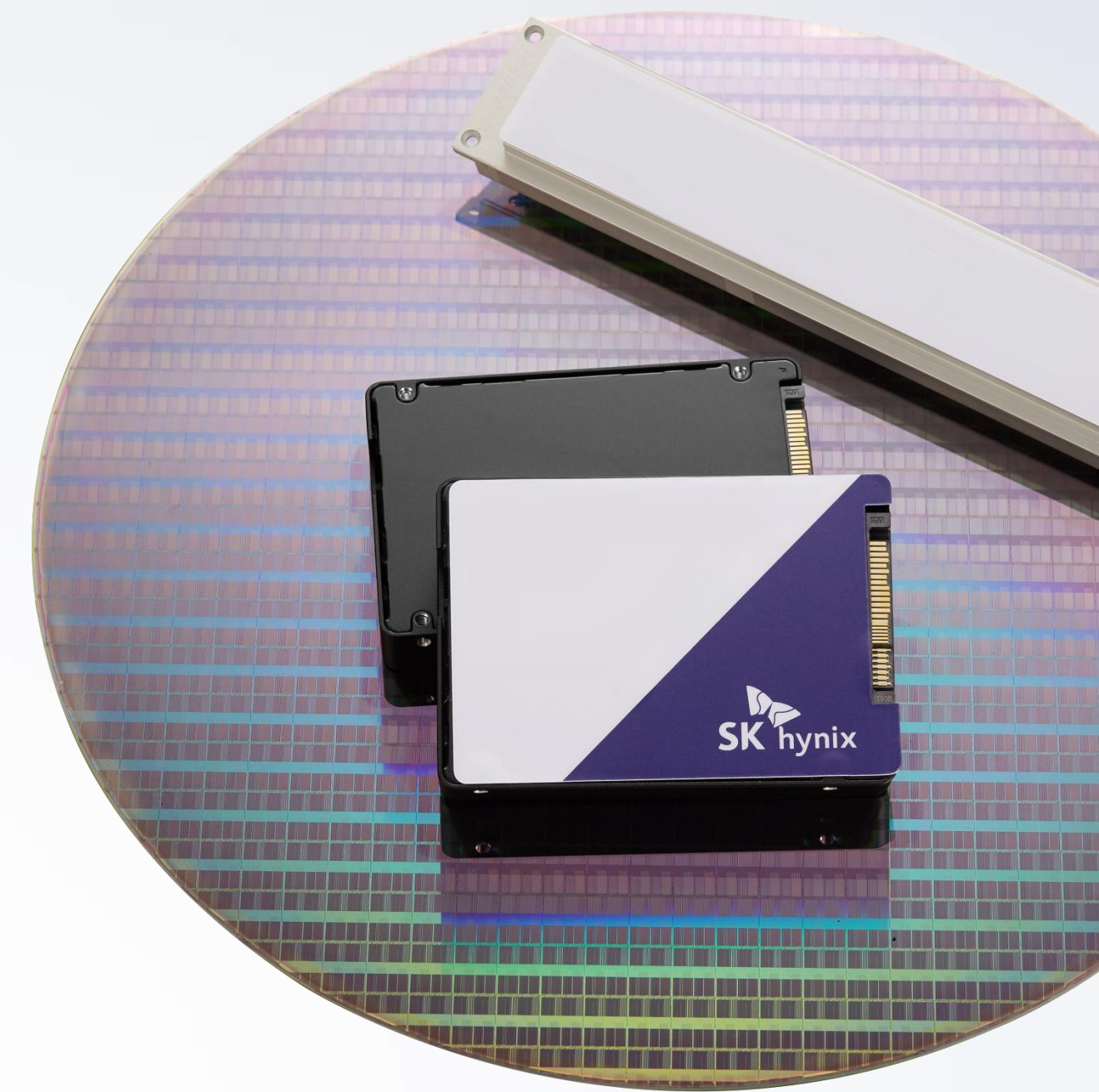
## DRAM

### SK hynix B/G

4Q B/G +mid~high single digit%  
'21 B/G slightly below mkt demand G/R

### Technology

Increase production of 1znm 16Gb  
Start shipment of 1anm, which uses EUV  
Start mass production of DDR5 in 2H



## NAND

### SK hynix B/G

4Q B/G +double digit%  
'21 B/G higher than mkt demand G/R

### Technology

Start mass production of 176L within '21  
Bit portion of 128L reached 75% in 3QE,  
1 quarter ahead of schedule  
NAND profit turnaround for full-year '21 due to  
smooth ramp-up of 128L

# ESG Management

## Integrated Environmental Management System approved by MOE\*

\*Korea Ministry of Environment

- Established environmental management system to set criteria and collect data on pollutant emissions throughout all semiconductor fabrication processes
- First semiconductor company in Korea to get Gov. approval (for Icheon Fab Site) for changing the method of managing the environmental data per site, which is a more comprehensive method

## Develop & Implement new tech. to reduce air pollutants

- Co-developed (w/partners) & applied systems to reduce nitrogen oxide(NOx) and ammonia(NH<sub>3</sub>) that are emitted during manufacturing processes
- Ceaseless technological innovation and R&D to further reduce environmental impact and establish green manufacturing processes



T H A N K Y O U



# Appendix

FY 2021 Q3

We Do Technology  
첨단기술의 중심, 더 나은 세상을 만듭니다

# Income Statement

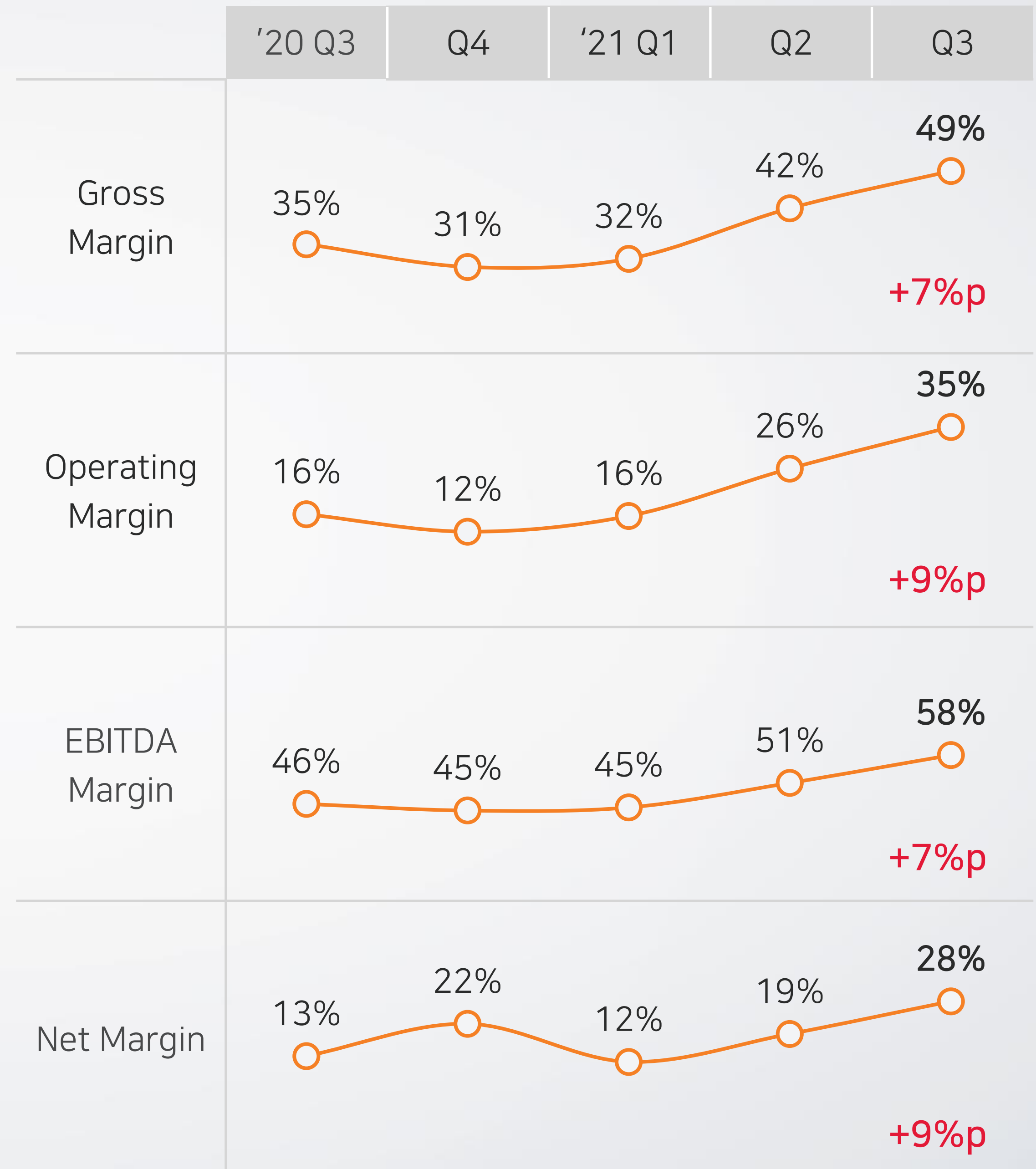
(Unit : KRW Billion)

		'21 Q3	'21 Q2	'20 Q3	Q/Q	Y/Y
Revenue		11,805	10,322	8,129	14%	45%
Gross Profit		5,831	4,339	2,845	34%	105%
Operating Profit		4,172	2,695	1,302	55%	220%
EBITDA*		6,880	5,309	3,764	30%	83%
Net Profit		3,315	1,988	1,084	67%	206%
EPS (KRW)	Basic	4,815	2,891	1,585	-	-
	Dil.	4,813	2,890	1,584	-	-
Shares Outstanding (Mil. Shares)	Basic	688	686	684	-	-
	Dil.	688	687	684	-	-

\* EBITDA = Operating Profit + Depreciation & Amortization

※ All figures in this presentation are rounded to KRW Billions, leading to some statements not adding up completely

# Profitability



# Statement of Cash Flows

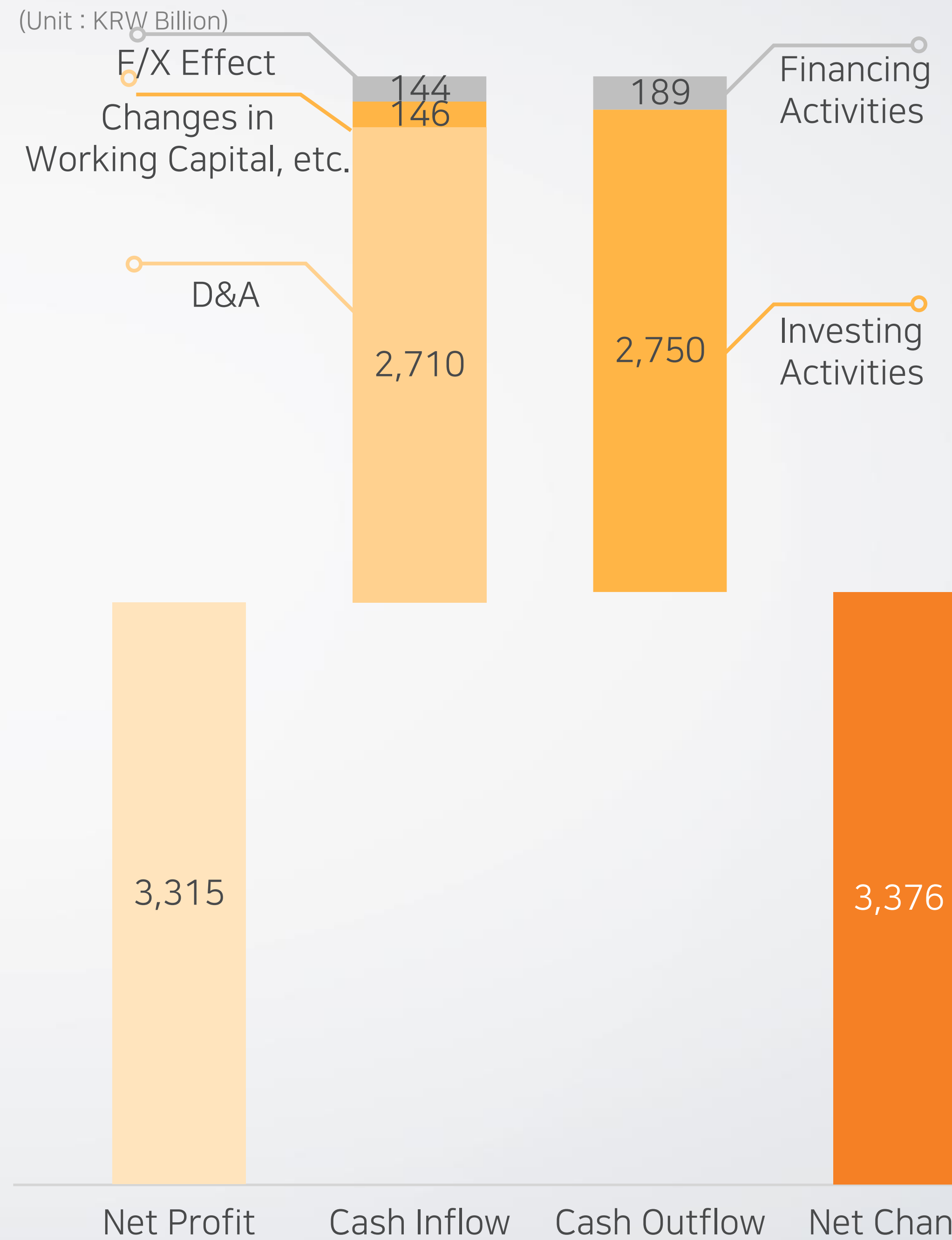
(Unit : KRW Billion)

	'21 Q3	'21 Q2	'20 Q3
Beginning Cash Balance	6,638	5,988	5,265
CF from Operating Activities	6,171	4,561	3,372
Net Profit	3,315	1,988	1,078
D&A*	2,710	2,616	2,463
Changes in Working Capital, etc.	146	(44)	(170)
CF from Investing Activities	(2,750)	(3,247)	(3,071)
Acquisition of PP&E	(2,777)	(2,814)	(2,540)
CF from Financing Activities	(189)	(631)	(838)
Changes in Debt	(110)	247	(788)
Repayment of Lease Liability	(79)	(81)	(50)
Dividend Payout	0	(800)	-
Share Repurchase	0	4	-
Effect of F/X rate changes on Cash & Equivalents	144	(34)	29
Net Changes in Cash	3,376	649	(509)
Ending Cash Balance	10,013	6,638	4,756

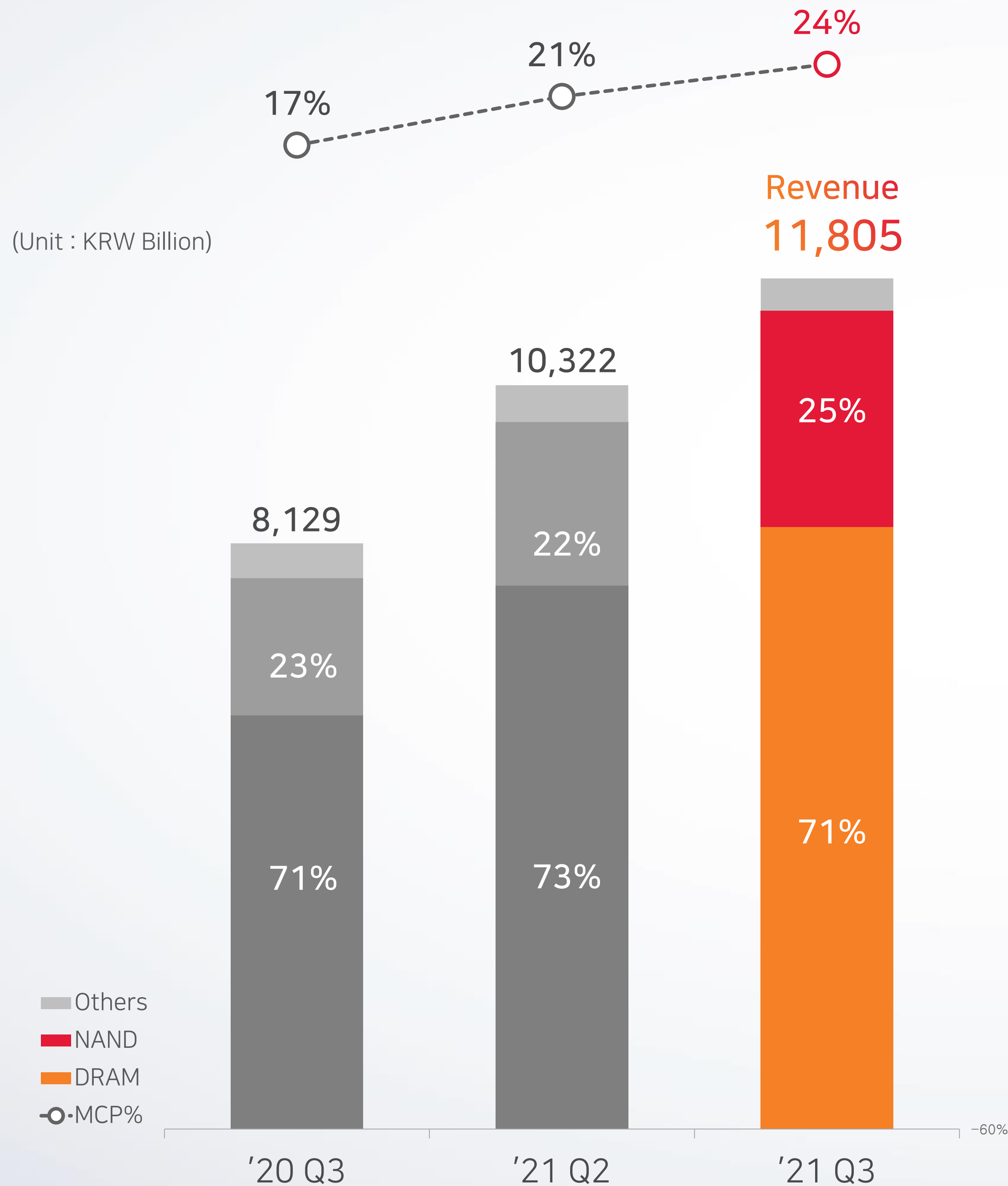
\* Depreciation & Amortization, including depreciation for non-operating (idle) assets

※ All figures in this presentation are rounded to KRW Billions, leading to some statements not adding up completely

# Net Cash Flow

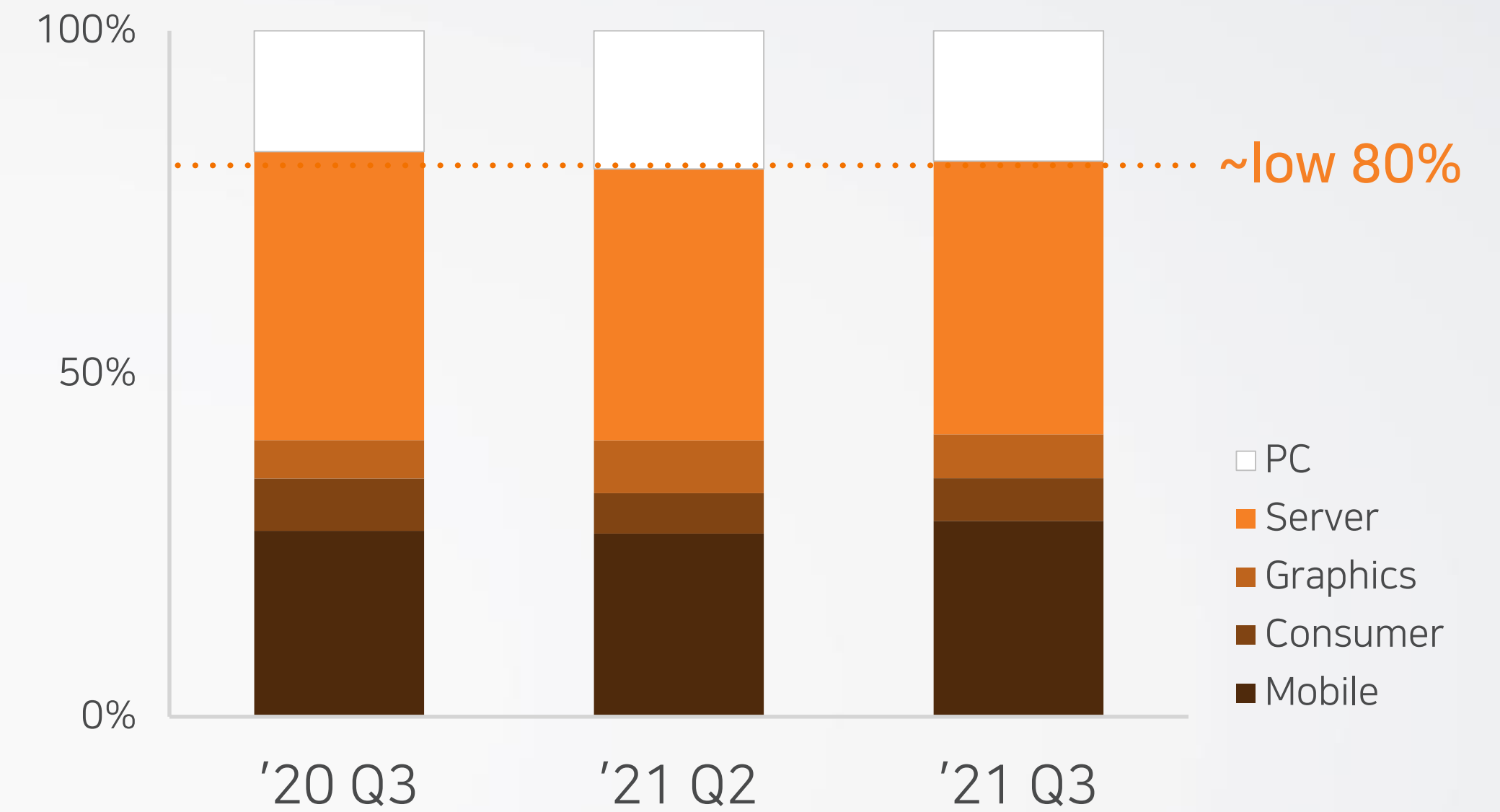


# Revenue by Business Unit

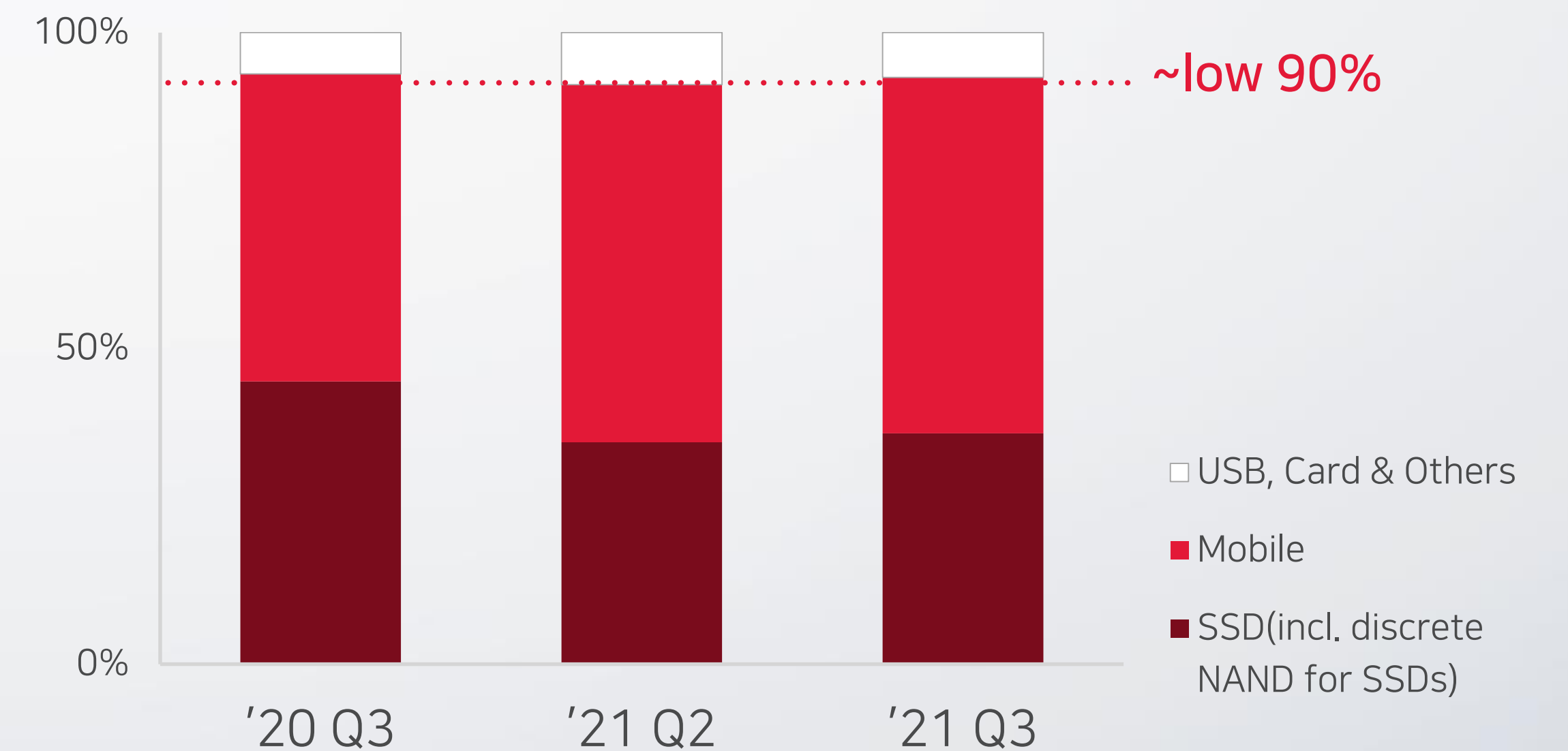


# Revenue by Application

## DRAM



## NAND



\* Revenue by Business Unit portion is based on KRW revenue

\* Revenue by Application is based on USD revenue





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THE END

# [Attachment1] Statement of Financial Position

K-IFRS (KRW Billion)

	Q3'21	Q2'21	Q4'20	QoQ	vs. Q4'20
<b>Assets</b>					
Current Assets	24,911	20,100	16,571	+4,811	+8,340
Cash & Cash Equivalents*	10,013	6,638	4,948	+3,376	+5,065
Accounts Receivables	7,517	6,500	4,931	+1,017	+2,586
Inventories	6,600	6,227	6,136	+374	+464
Non-Current Assets	58,359	57,618	54,603	+740	+3,756
Property, Plant & Equipment	44,308	43,867	41,231	+441	+3,077
Intangible Assets	3,541	3,587	3,400	-47	+140
<b>Total Assets</b>	<b>83,269</b>	<b>77,718</b>	<b>71,174</b>	<b>+5,551</b>	<b>+12,095</b>
<b>Liabilities</b>					
Interest-bearing Debts	14,291	13,846	11,252	+445	+3,040
S-T Borrowings	212	147	180	+65	+32
Current Portion of L-T Borrowings	2,312	2,168	2,935	+144	-623
Bonds	7,220	7,194	3,610	+26	+3,609
L-T Borrowings	4,548	4,337	4,527	+211	+21
Accounts Payables	1,276	1,169	1,046	+107	+230
<b>Total Liabilities</b>	<b>24,555</b>	<b>22,840</b>	<b>19,265</b>	<b>+1,715</b>	<b>+5,290</b>
<b>Shareholders' Equity</b>					
Capital Stock	3,658	3,658	3,658	-	-
Capital Surplus	4,335	4,335	4,144	-	+191
Retained Earnings	52,460	49,156	46,996	+3,304	+5,465
<b>Total Shareholders' Equity</b>	<b>58,714</b>	<b>54,878</b>	<b>51,909</b>	<b>+3,836</b>	<b>+6,805</b>

\* Short-term Financial Instruments and Short-term Investments included

# [Attachment2] Income Statement

K-IFRS (KRW Billion)

		Q3'21	Q2'21	Q3'20	QoQ	YoY
Revenue		11,805	10,322	8,129	+14%	+45%
Cost of Goods Sold		5,974	5,982	5,283	-0%	+13%
Gross Profit		5,831	4,339	2,845	+34%	+105%
SG&A Expenses		1,659	1,645	1,544	+1%	+7%
Operating Profit		4,172	2,695	1,302	+55%	+220%
Net Financial Profit/Loss		-60	-63	-34		
Net F/X Transaction & Translation P/L		404	42	74		
Net income(expense) from Jointly Controlled Entities & Associates		41	125	-3		
Others		41	2	12		
EBITDA		6,880	5,309	3,764	+30%	+83%
Income Before Tax		4,599	2,801	1,358	+64%	+239%
Tax Expense/Benefit		1,283	813	273	+58%	+370%
Net Profit		3,315	1,988	1,084	+67%	+206%
EPS(KRW)	Basic	4,815	2,891	1,585		
	Diluted	4,813	2,890	1,584		
Shares Outstanding (mn shares)	Basic	688	686	684		
	Diluted	688	687	684		