

SAMSUNG ELECTRONICS

Earnings Presentation:
2Q 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 2Q 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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PRESENTERS

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PERFORMANCE
BY BUSINESS SEGMENT

APPENDICES

Earnings Presentation

Presenters



**Sooncheol
Park,
EVP**

Chief Financial Officer



**Jaejune Kim,
EVP
Memory**



**Hyeokman
Kwon,
VP
System LSI**



**Mijung Noh,
VP
Foundry**



**Joonyoung
Park,
EVP
Samsung Display
Corp**



**Daniel Araujo,
VP
Mobile eXperience**



**KL Roh,
EVP
Visual Display**



**Daniel Oh,
EVP
Investor Relations**

Device Solutions

Device eXperience

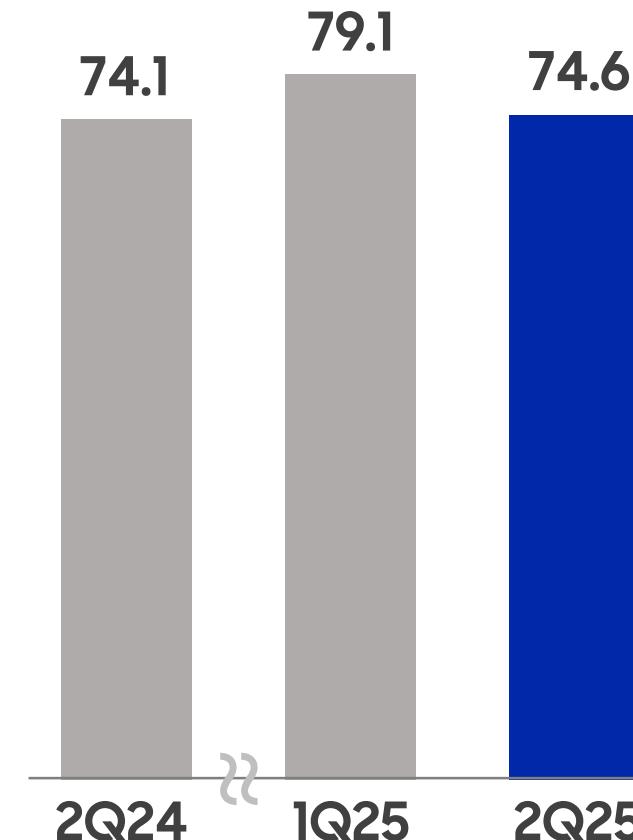
Moderator

2Q 2025 Highlights

Based on consolidated financial statements

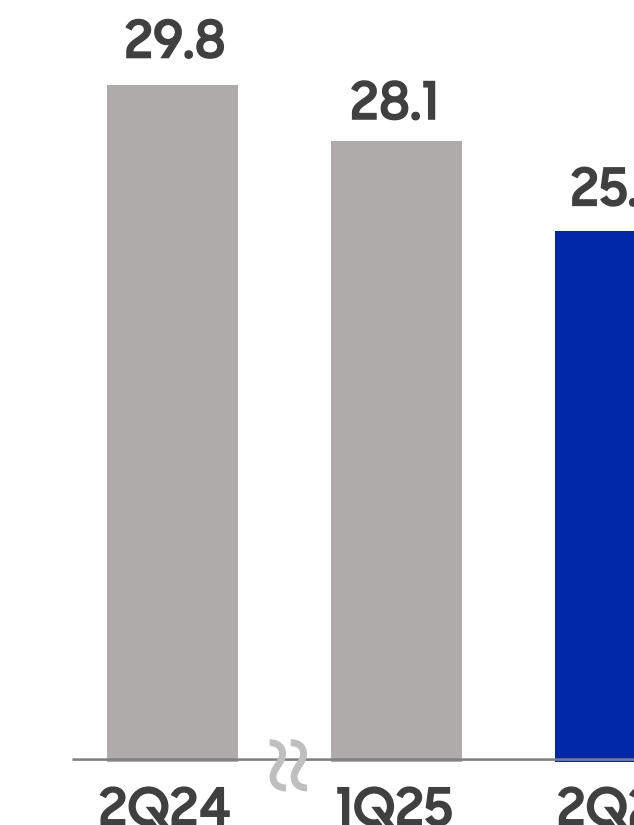
Revenues

KRW **74.6T**



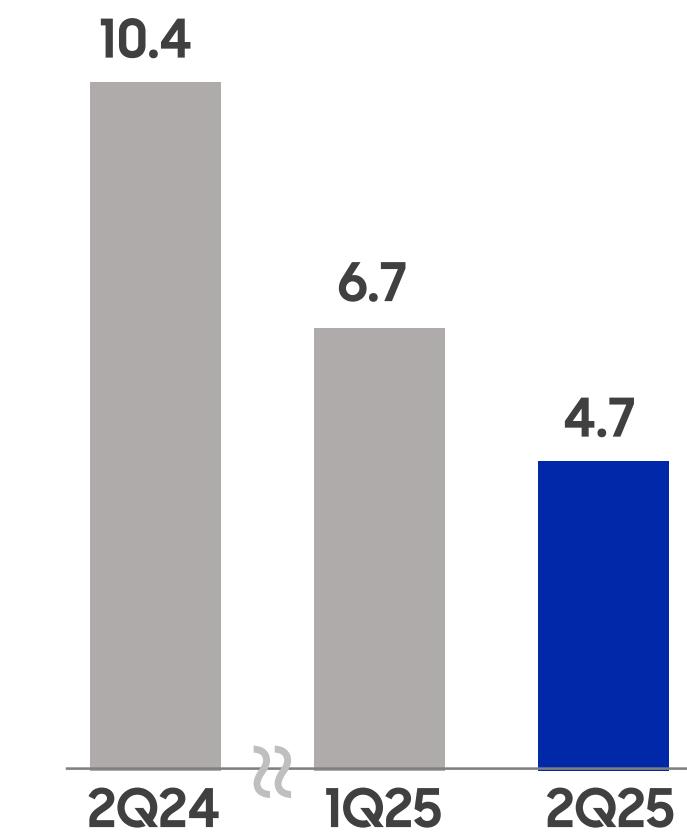
Gross Profit

KRW **25.5T**



Operating Profit

KRW **4.7T**

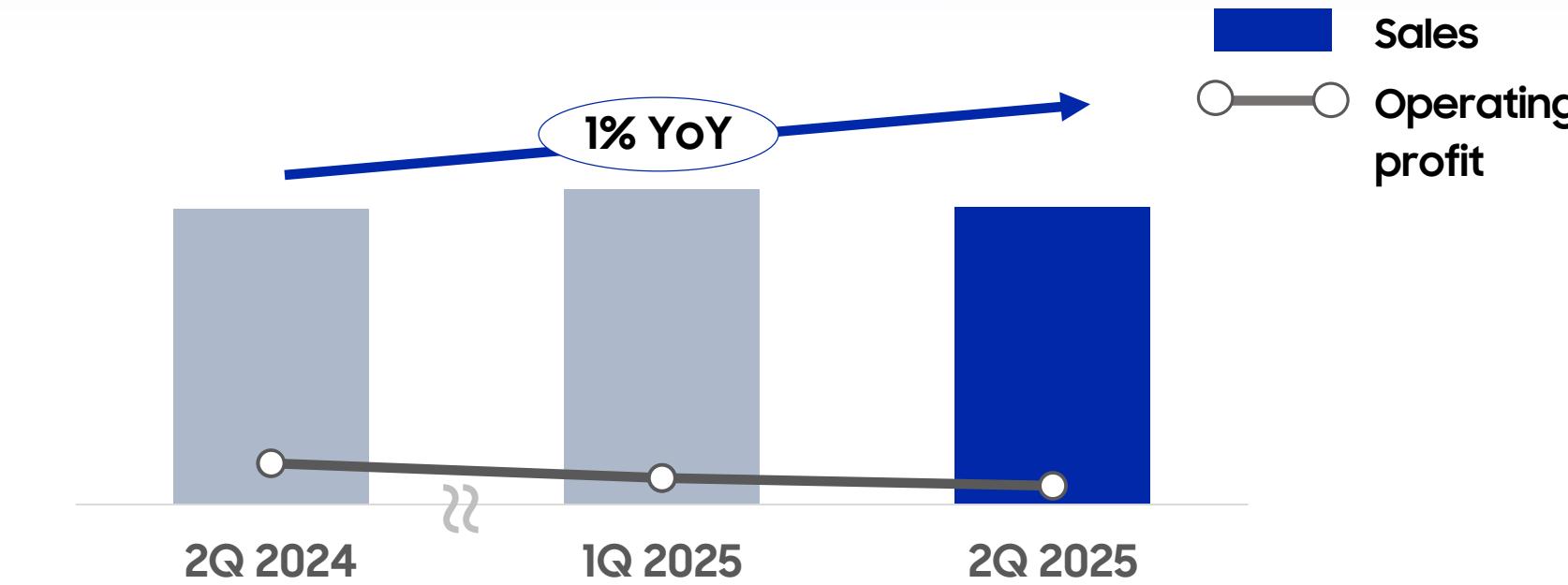


2Q 2025 Results & Financial Data

Based on 2025 consolidated financial statements

KRW trillion	2Q24	% of sales	1Q25	% of sales	2Q25	% of sales
Sales	74.1	100.0%	79.1	100.0%	74.6	100.0%
Cost of sales	44.3	59.8%	51.0	64.5%	49.1	65.8%
Gross profit	29.8	40.2%	28.1	35.5%	25.5	34.2%
SG&A expenses	19.3	26.1%	21.4	27.1%	20.8	27.9%
R&D expenses	8.0	10.9%	9.0	11.4%	9.0	12.1%
Operating profit	10.4	14.1%	6.7	8.4%	4.7	6.3%
Other non-operating income/expenses	0.1	-	0.9	-	0.02	-
Equity method gain/loss	0.2	-	0.1	-	0.2	-
Finance income/expenses	0.9	-	1.5	-	0.9	-
Profit before income tax	11.6	15.7%	9.2	11.6%	5.8	7.7%
Income tax	1.8	-	0.9	-	0.6	-
Net profit	9.8	13.3%	8.2	10.4%	5.1	6.9%
Profit attributable to owners of the parent	9.6	13.0%	8.0	10.1%	4.9	6.6%
Earnings per share (KRW)	1,419		1,192		737	

Sales and operating profit growth



Key profitability indicators

	2Q24	1Q25	2Q25
ROE	11%	8%	5%
Profitability (net profit/sales)	0.13	0.10	0.07
Asset turnover (sales/asset)	0.63	0.61	0.59
Leverage (asset/equity)	1.26	1.27	1.27
EBITDA margin	27%	22%	20%

Results by Business Segment

Sales

KRW trillion	2Q24	1Q25	2Q25	QoQ	YoY
Total	<u>74.1</u>	<u>79.1</u>	<u>74.6</u>	<u>6%↓</u>	<u>1%↑</u>
DX	<u>42.1</u>	<u>51.7</u>	<u>43.6</u>	<u>16%↓</u>	<u>4%↑</u>
MX / NW	27.4	37.0	29.2	21%↓	7%↑
MX	26.6	36.2	28.5	21%↓	7%↑
VD / DA	14.4	14.5	14.1	3%↓	2%↓
VD	7.5	7.8	7.0	10%↓	7%↓
DS	<u>28.6</u>	<u>25.1</u>	<u>27.9</u>	<u>11%↑</u>	<u>2%↓</u>
Memory	21.7	19.1	21.2	11%↑	3%↓
SDC	<u>7.6</u>	<u>5.9</u>	<u>6.4</u>	<u>9%↑</u>	<u>17%↓</u>
Harman	<u>3.6</u>	<u>3.4</u>	<u>3.8</u>	<u>12%↑</u>	<u>6%↑</u>

Operating profit

KRW trillion	2Q24	1Q25	2Q25	QoQ	YoY
Total	<u>10.4</u>	<u>6.7</u>	<u>4.7</u>	<u>2.0↓</u>	<u>5.8↓</u>
DX	<u>2.7</u>	<u>4.7</u>	<u>3.3</u>	<u>1.4↓</u>	<u>0.6↑</u>
MX / NW	2.2	4.3	3.1	1.2↓	0.9↑
VD / DA	0.5	0.3	0.2	0.1↓	0.3↓
DS	<u>6.5</u>	<u>1.1</u>	<u>0.4</u>	<u>0.8↓</u>	<u>6.1↓</u>
SDC	<u>1.0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.01↑</u>	<u>0.5↓</u>
Harman	<u>0.3</u>	<u>0.3</u>	<u>0.5</u>	<u>0.2↑</u>	<u>0.2↑</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

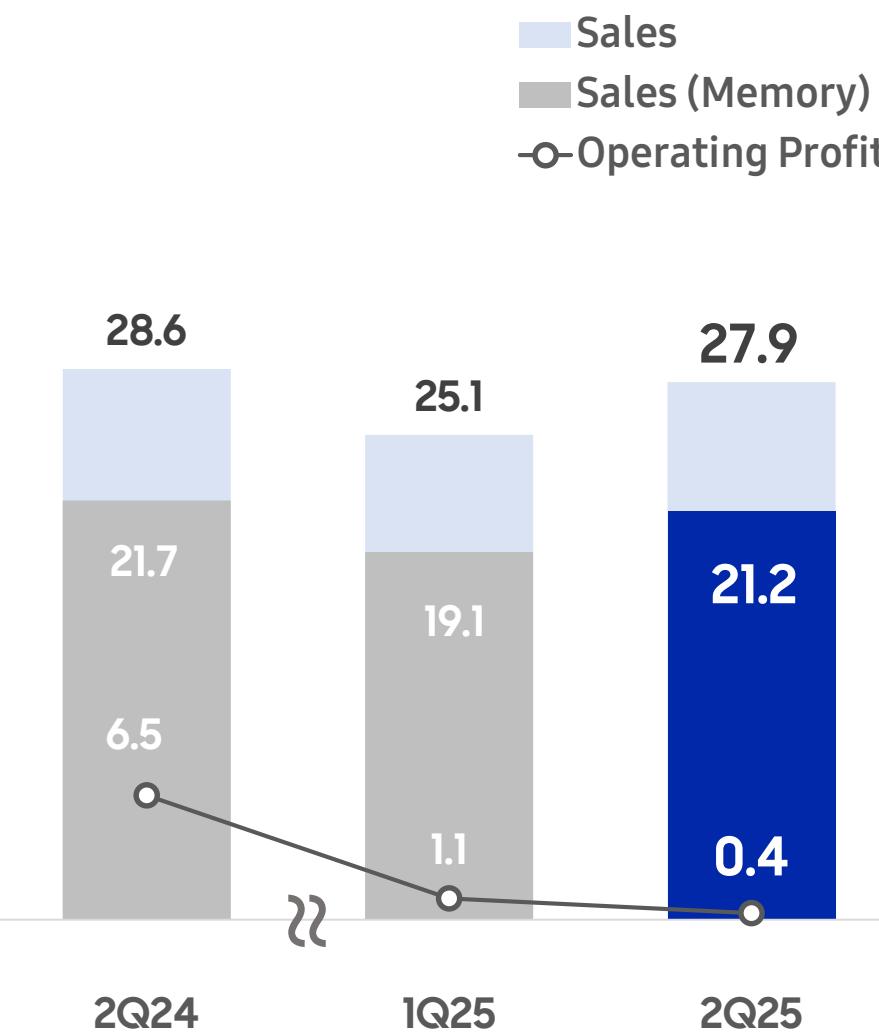
* Sales and operating profit of VD/DA include the results of Health & Medical Equipment business.

* 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



2Q 2025 results

- Proactively addressed server demand by expanding HBM3E sales, as well as portion of high-density DDR5 products
- NAND inventory reduced significantly via server SSD sales expansion as a result of the prompt resumption of delayed datacenter projects
- Earnings impacted by one-off costs such as inventory value adjustments, etc.

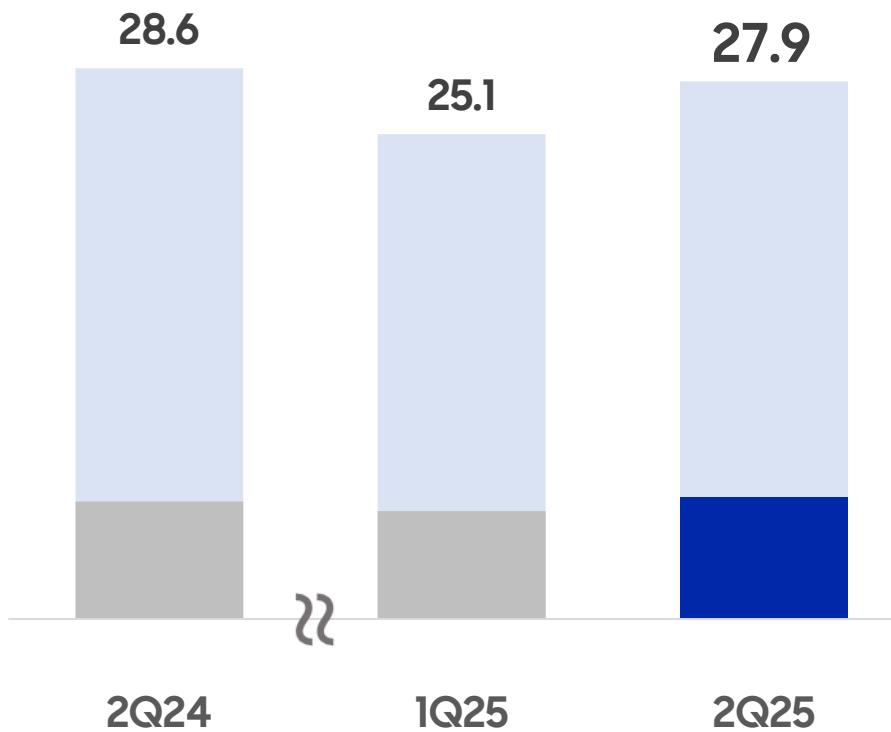
2H 2025 outlook

- Actively respond to higher density trend with HBM, LPDDR5x for server, etc.
- Expand sales of industry-leading 128GB¹ DDR5 and 24Gb GDDR7 for AI server
- Plan to increase high-density & high-performance SSD while accelerating the transition to 8th Generation V-NAND across all applications

S.LSI / Foundry

DS results
KRW trillion

■ Sales ■ Sales (non-Memory)



2Q 2025 results

- S.LSI: Solid revenue from flagship SoC shipments using GAA, but limited earnings improvement due to advanced product development cost increase
- Foundry: Despite significant revenue growth, earnings remained weak due to impact of inventory value adjustments stemming from US export restrictions on advanced AI chips to China and prolonged low utilization at mature nodes

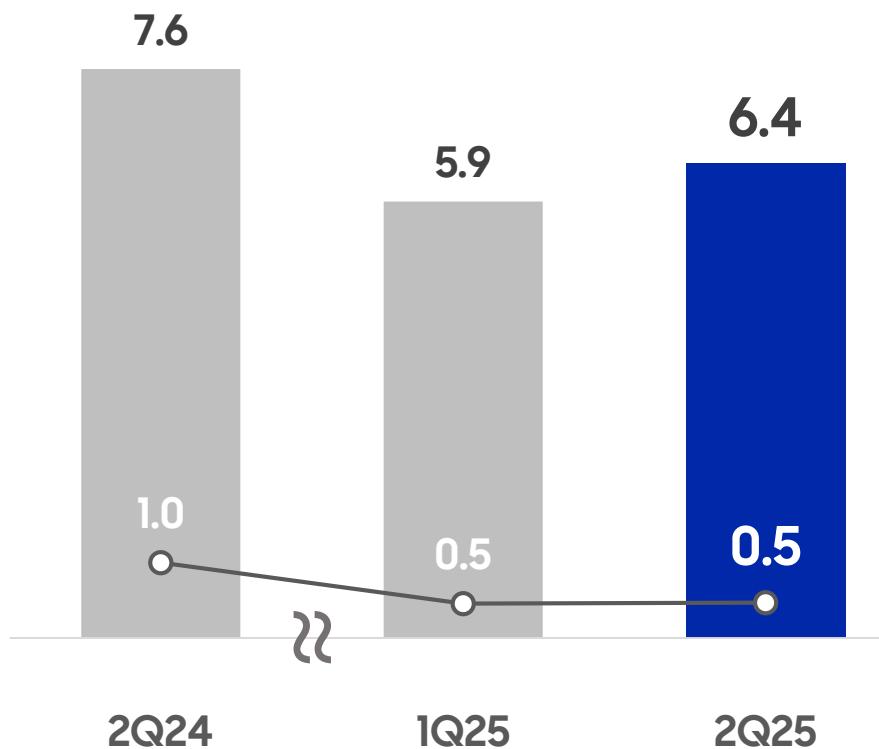
2H 2025 outlook

- S.LSI: Focus on improving Exynos competitiveness to ensure its adoption in the 2026 flagship lineup; expand sales of ultra-high-resolution and nano-prism sensors.
- Foundry: Ramp up mass production of a new mobile SOC with GAA 2nm process; improve factory utilization and profitability through expanded sales to major customers.

SDC (Samsung Display Corporation)

SDC results
KRW trillion

Sales
-o-Operating Profit



2Q 2025 results

- Small & Medium: Revenue increase via response to new smartphone models of major customers and expansion of sales from IT/Auto segments
- Large: Continued growth in sales of QD-OLED premium monitors in the gaming segment

2H 2025 outlook

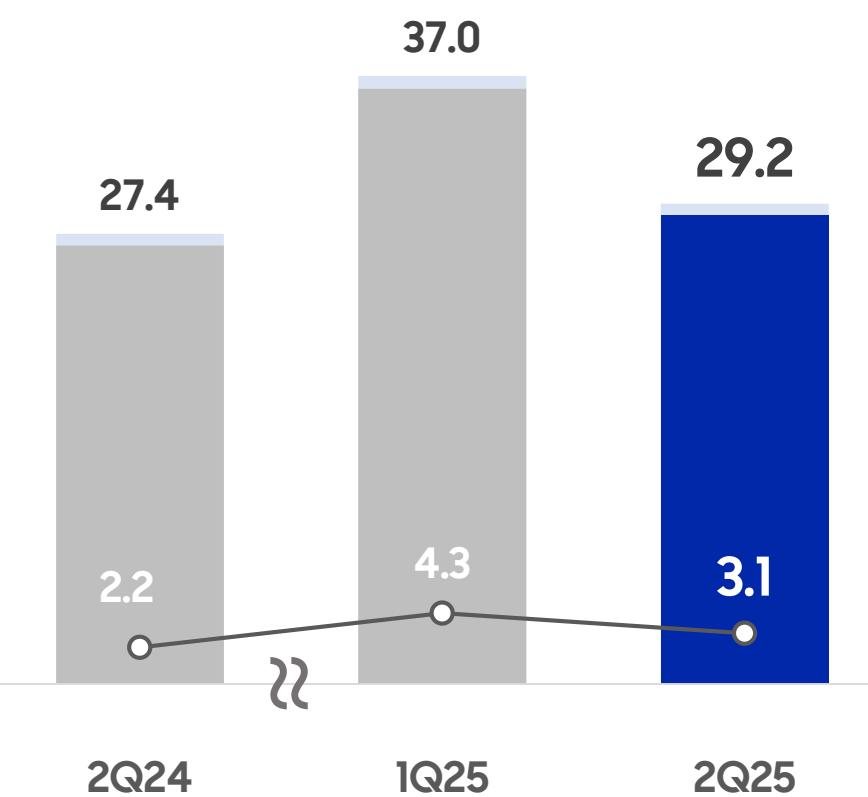
- Small & Medium: Expecting sales growth from major customers' new smartphone launches while market uncertainties persist; strengthen market leadership with differentiated technologies and expand sales beyond smartphone displays
- Large: Maintain stable supply of TV panels; continue to accelerate the penetration of QD-OLED monitors by enhancing the product lineup

MX / NW

MX / NW results

KRW trillion

- Sales
- Sales (MX)
- Operating Profit



2Q 2025 results

- MX: Smartphone shipments decreased compared to 1Q when new models released, Grew both revenue and OP YoY by robust sales of S25 series, A series and Tablets Maintained solid double-digit profitability via efficient resource management
- NW: Increased profitability by expanded overseas revenue and improved resource efficiency

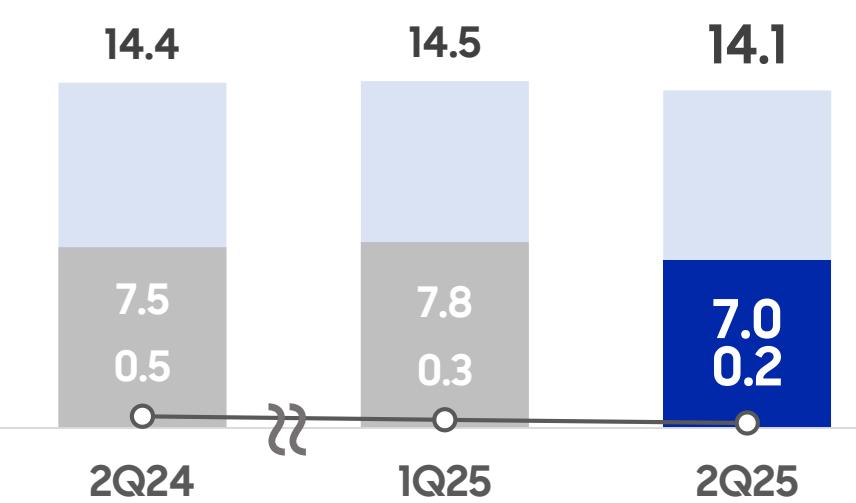
2H 2025 outlook

- MX: Focus on flagship sales of foldables/S25 series and emphasize AI on A series to increase M/S Reinforce AI for tablet/wearables and launch new form-factor products such as XR/TriFold to expand ecosystem and pursue solid profitability despite uncertainties and BOM cost burden
- NW: Achieve revenue targets and recover competitiveness by securing new orders with optimized cost

VD / DA / Harman

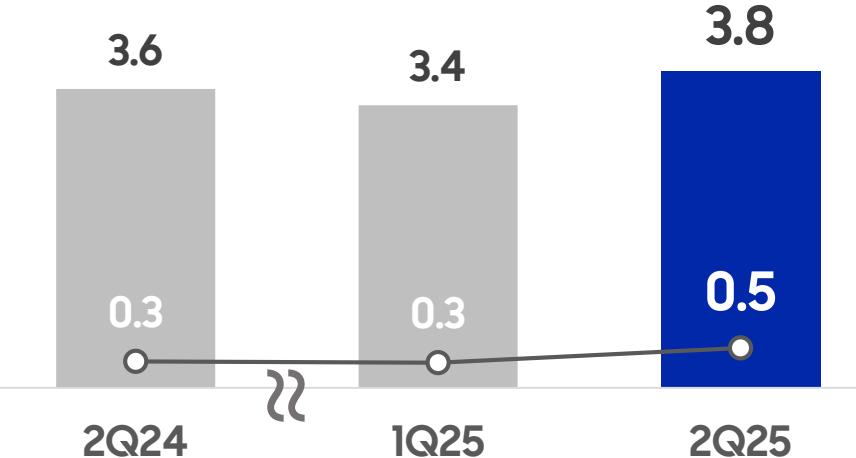
VD/DA results

KRW trillion
█ Sales █ Sales (VD) ○ -Operating Profit



Harman results

KRW trillion
█ Sales ○ -Operating Profit



2Q 2025 results

- VD: Improved premium sales mix; earnings declined due to intensified competition
- DA: Increased profitability driven by peak AC season and high-value added products sales
- Harman: Improved profitability via increased audio sales and cost optimization in automotive

2H 2025 outlook

- VD: Reinforce revenue growth through capturing peak-season demand based on strengthened lineup with superior viewing experience enhanced by AI features
- DA: Focus on AI-driven products sales and prioritize aligning the business toward high value-added businesses such as HVAC, while minimizing tariff impact through leveraging global manufacturing footprint
- Harman: Despite persistent tariff uncertainties, maintain growth by expanding audio sales during peak season and growing revenue share from automotive

Appendix 1: Financial Position (Summary)

KRW billion	30.Jun.24	31.Mar.25	30.Jun.25
Assets	485,757.7	516,376.7	504,875.2
Cash *	100,795.5	105,133.6	100,728.2
A/R	43,660.9	44,866.6	43,550.5
Inventories	55,566.6	53,220.3	51,037.4
Investments	28,614.3	33,489.1	33,240.3
PP&E	194,449.8	207,385.8	205,025.6
Intangible assets	23,623.3	26,695.1	25,997.7
Other assets	39,047.3	45,586.2	45,295.5
Total assets	485,757.7	516,376.7	504,875.2
Liabilities	102,231.0	109,762.4	105,313.2
Debts	16,481.4	11,143.9	14,029.7
Trade accounts and N/P	13,113.3	14,496.2	12,675.8
Other accounts and N/P & accrued expenses	41,612.1	48,936.7	42,922.0
Current income tax liabilities	5,103.2	6,281.5	7,643.1
Unearned revenue & other advances	2,362.5	2,932.7	2,620.2
Other liabilities	23,558.5	25,971.4	25,422.4
Shareholder equity	383,526.7	406,614.3	399,562.0
Capital stock	897.5	897.5	897.5
Total liability & Shareholder equity	485,757.7	516,376.7	504,875.2

	30.Jun.24	31.Mar.25	30.Jun.25
Current ratio *	258%	247%	251%
Liability/equity	27%	27%	26%
Debt/equity	4%	3%	4%
Net debt/equity	(22%)	(23%)	(22%)

* Current ratio = current assets/current liabilities

Appendix 2: Cash Flow (Summary)

KRW trillion	2Q24	1Q25	2Q25
Cash (beginning of period) *	97.39	112.65	105.13
Cash flows from operating activities	16.90	16.58	17.31
Net profit	9.84	8.22	5.12
Depreciation	9.38	10.73	10.56
Cash flows from investing activities	(11.51)	(13.57)	(13.35)
Purchase of PP&E	(11.94)	(12.13)	(13.04)
Cash flows from financing activities	(4.10)	(11.34)	(3.41)
Increase in debts	0.87	(8.31)	2.82
Acquisition of treasury stock	-	(2.96)	(1.32)
Payment of dividends	(4.96)	(0.08)	(4.90)
Increase in cash	3.40	(7.52)	(4.41)
Cash (end of period) *	100.80	105.13	100.73

* 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	30.Jun.24	31.Mar.25	30.Jun.25
Net Cash	84.31	93.99	86.70

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



Thank you

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