FY2024 Q4 Earnings

DB HiTek

Feb.2025

Great People Great Technology

Disclaimer

Review of the FY2024 Q4 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.

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FY2024 Q4 Financial Results

2024.Q4 Earning Results

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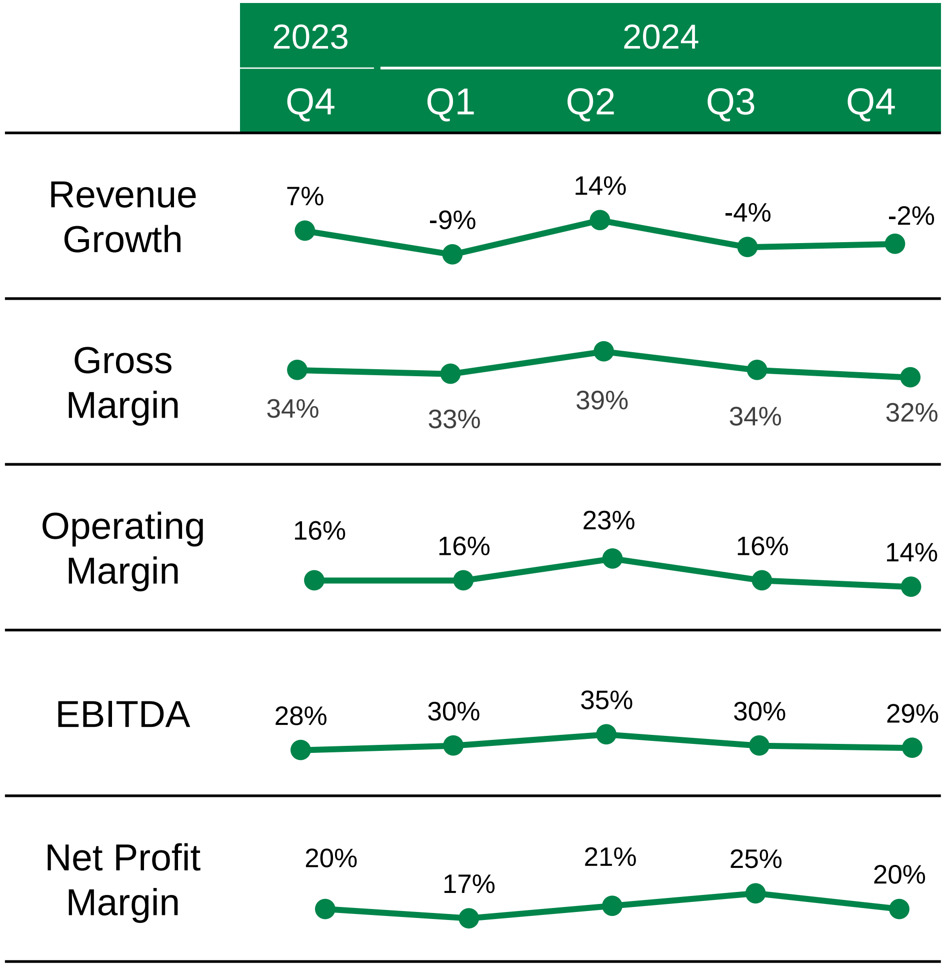
Revenue : W283BN(-2% QoQ, -1% YoY), OP : W40bn(-16% QoQ, -12% YoY)

Sales fell by 1% YoY due to a minor inventory adjustment. Operating profit decreased by 12% YoY mainly because of rising fixed costs, such as depreciation and electricity expenses

Unit: WBN	2024.Q4	2024.Q3	QoQ	2023.Q4	YoY
Revenue	283.4	287.8	-2%	287.5	-1%
- GlobalChip	55.7	51.4	+8%	50.3	+11%
Gross Profit	90.2	99.0	-9%	96.4	-6%
Margin	32%	34%	-2%pt	34%	-2%pt
Operating Profit	39.5	47.1	-16%	45.0	-12%
Margin	14%	16%	-2%pt	16%	-2%pt
EBITDA	81.0	86.8	-7%	81.0	-0.0%
Margin	29%	30%	-1%pt	28%	+1%pt
Net Profit	57.3	71.0	-19%	57.0	+1%
Margin	20%	25%	-6%pt	20%	+0%pt

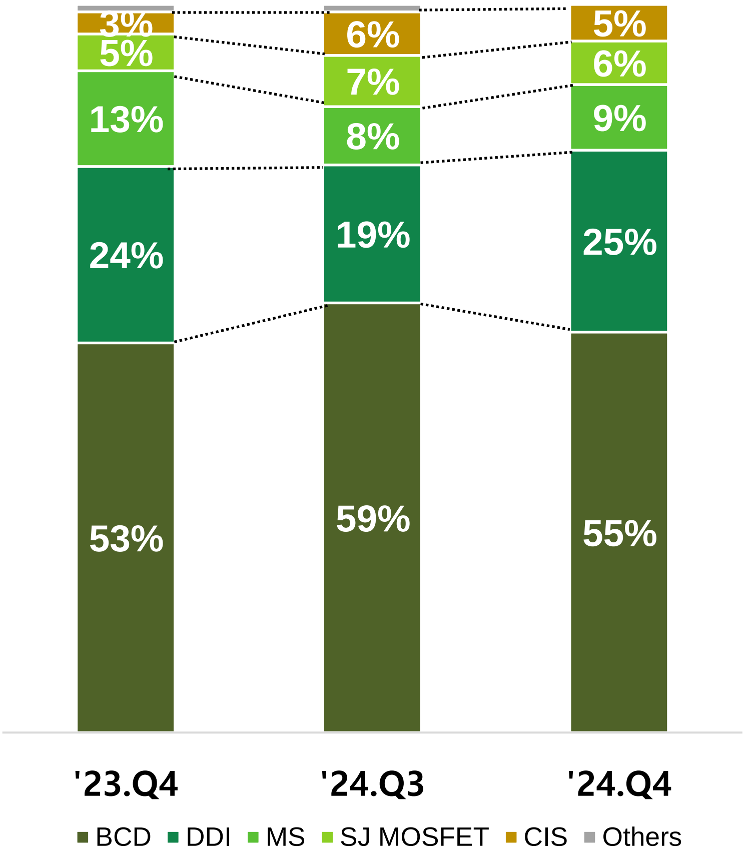


2024.Q4 Revenue Breakdown

DB HiTek

The demand for our main product, power semiconductors, remains strong. DDI revenue has recovered as TV demand picks up, thanks to subsidies provided in China

<By Product>



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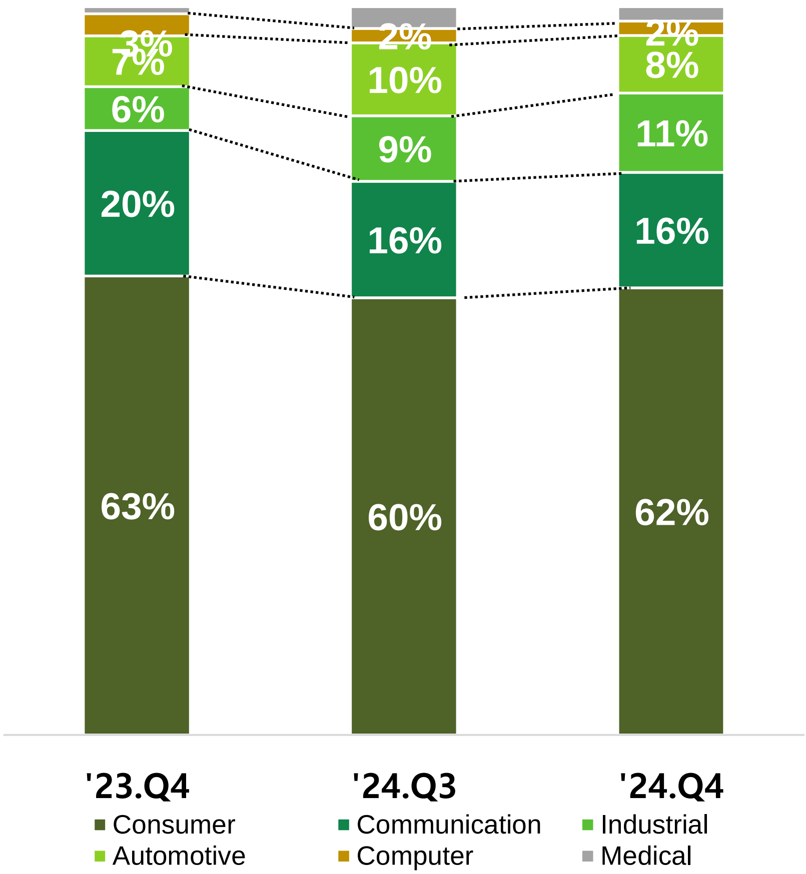

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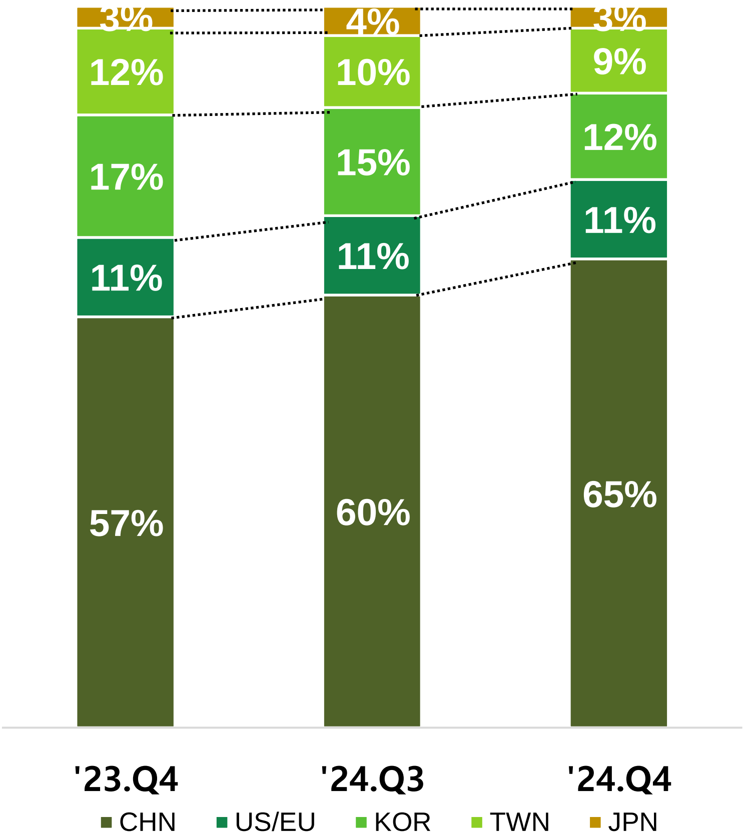


2024 Highlights

Foundry

➲ Despite the sluggish 8-inch foundry market, our earnings outperformed those of our competitors, paving the way for mid to long term growth

- Achieved 75% utilization, 18% OPM(parent only), outperforming competitors
- Accelerated preparation for new growth engine business like GaN, Si Capacitor, SiC and etc.
- Decided to invest KRW 250BN in infrastructure to ensure capacity, laying the foundation for sustained growth.

Fabless

➲ Strengthened the fabless foundation and infrastructure

- Added CST(formerly LGE) to LCD customers, following Samsung Display Company
- Diversified products from mid and large to small DDI, preparing for growth engines like Display PMIC, and etc..

ESG

➲ Enhanced Shareholder Return Policy (See P12)

02

Market Outlook · Company Plan

2025 Market Outlook & Company Plan

DB HiTek

Foundry

➲ 8-inch foundry market is projected to recover in 2025

- Foundry market growth(F) in 2025 +19% ; 8-inch market growth(F) +4% (Source : Omdia, as of ‘Oct. 2024)

➲ Utilization hit a low in Q424, with a turnaround expected starting in Q125

- 8-inch market utilization(F) in 2025 : 70% in 2024 → ‘75% in 2025 (Source : IDC, as of Dec. ‘24)
- Company’s utilization : 75% in 2024 → mid-high 80% range in 2025

➲ Revenue is expected to grow by 10%, with OPM recovering to around 20%

- Growth will be driven by technology differentiation, ASP defense with value-added products and maximizing utilization rates

➲ Laying the groundwork for a new business

- The Si capacitor is scheduled to begin mass production in Jun. 2025
- The GaN sample product is set to begin production in Apr. 2025

Fabless

➲ Revenue is projected to increase by 15% in 2025

- Revenue rebound anticipated from new LCD customers in China and expanding OLED business
- Aiming to enter the PMIC market in mid to long term, by acquiring essential IP, technology, and etc.

China Business _ Foundry

Utilization in mid-high 80% range in Jan.2025 thanks to rising consumers and auto demands

Impact of tighter semiconductor restriction by China and US

- Acceleration in China's chip localization
  → **Preferred a strategic foundry among global foundries considering IP, PDK, service, product qualities, and etc.**
- Initiated anti-dumping investigation on Texas Instruments, US chip maker, in Jan.16 2025
  → **Moderating pressure on price reduction and expect benefits for TI's competitors**
  → **Increasing demand primarily driven by auto sector**

CHINA

Impact of market revitalization policy

- Announced an expanded subsidy program scope and coverage in Jan.08 2025
  → **Jan. showed strong demand, with solid expectations ahead**

Others

- **Expanding sales channels in China through corporate localization, and adding new local distributors**

Demand Analysis _ Foundry

Demand is expected to recover from 2025, Utilization projected to rise to 95% in 2H 2026

Expansion of AI application fields

Solid growth on Analog Power, main products

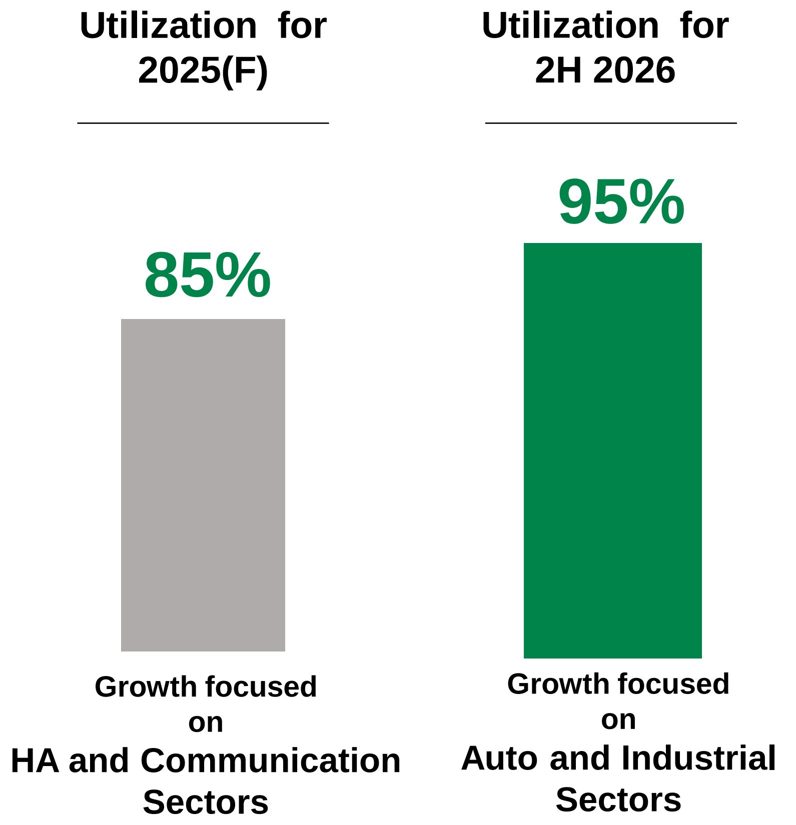
Expansion of high-voltage (HV BCD, MOSFET) lineup

Improvement on Specialty CIS

Expansion of new processes (Si Capacitor, GaN)

Business Strategy

※ Capacitor is a product that temporarily stores electricity. Even if the battery sends current, the distance to the semiconductor means the current cannot be supplied immediately; the capacitor quickly supplies current until it reaches the semiconductor.



03

Shareholder Return Policy

Shareholder Return Policy

FY2024 Shareholder Return Ratio 30%

Compliance with FY2023~2027 Shareholder Return Policy, announced on Dec.28 2023

Dividend Payout Ratio
10% → 10~20%

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Share Buyback
7.2% → 15%

※ Planning to do cancellation of treasury shares, if the mandatory cancellation is enforced.

≧ Shareholder Return Ratio **30%**

Enhancing Responsible MGMT
Restricted Stock Unit Compensation (2025)

Improving Procedure of Dividend Distribution
Designating shareholders who will receive dividend payouts after they determine dividend amounts.

Strengthening IR Activities
- Disclosing the quarterly preliminary financial results in 2023
- IR for foreign investors starting 2H 2024

Disclosure/IR Service in English
Providing English Disclosure and quarterly earnings materials in English stating 2024