

# 2022 4Q Earnings Results

January 27, 2023 | Investor Relations

# Disclaimer

You Dream,  
We Display.

At the time, the external auditor has not yet completed its review of LG Display's 4Q 2022 earnings report. The following is provided for the convenience of our investors and the contents herein are subject to change during the audit review process of the external auditor.

All information on the financial performance of the company presented herein was prepared on a consolidated basis in accordance with the International Financial Reporting Standards applicable in the Republic of Korea.

Please note that expectations and projections about future events included in this data reflect existing market conditions and LG Display's current management direction and may vary based on changes to the market environment or the company's strategic direction.



## Recover Financial Soundness

“Intensify Business realignment”

- 01 ----- Accelerate LCD TV exit strategy
- 02 ----- Manage inventory at minimum level
- 03 ----- Reduce cost & CAPEX, improve operational efficiency



## Business Upgrade

“Secure a stable revenue structure & strengthen future portfolio”

- 01 ----- Supply-demand-based business focus on high value-added area
- 02 ----- Drive to the transition in order-based business structure
- 03 ----- Broaden market-creating businesses



# Revenues & Profits

You Dream,  
We Display.

(Unit : KRW Bn, %)

	Q4'21	Q3'22	Q4'22	QoQ	YoY
Revenues	8,807	6,771	7,302	8%	-17%
Operating Income	476 5%	-759 -11%	-876 -12%	N/A	N/A
EBITDA*	1,645 19%	391 6%	209 3%	-47%	-87%
Income Before Tax	236	-1,099	-1,860	N/A	N/A
Net Income	180	-774	-2,094	N/A	N/A

## Details

### Environment

- 01 Worsening macro-economy
  - Sluggish demand
  - Inventory adjustment across downstream industries
- 02 Demand weakness spreading to high-end products

### Major Issues

- TV/IT** Weak demand & continuous inventory adjustment
- SP** Increase of new model shipment

Source : Unaudited, Company financials  
K-IFRS(Consolidated)

\*EBITDA = Operating Income + Depreciation + Amortization  
K-IFRS(Consolidated)

※ Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

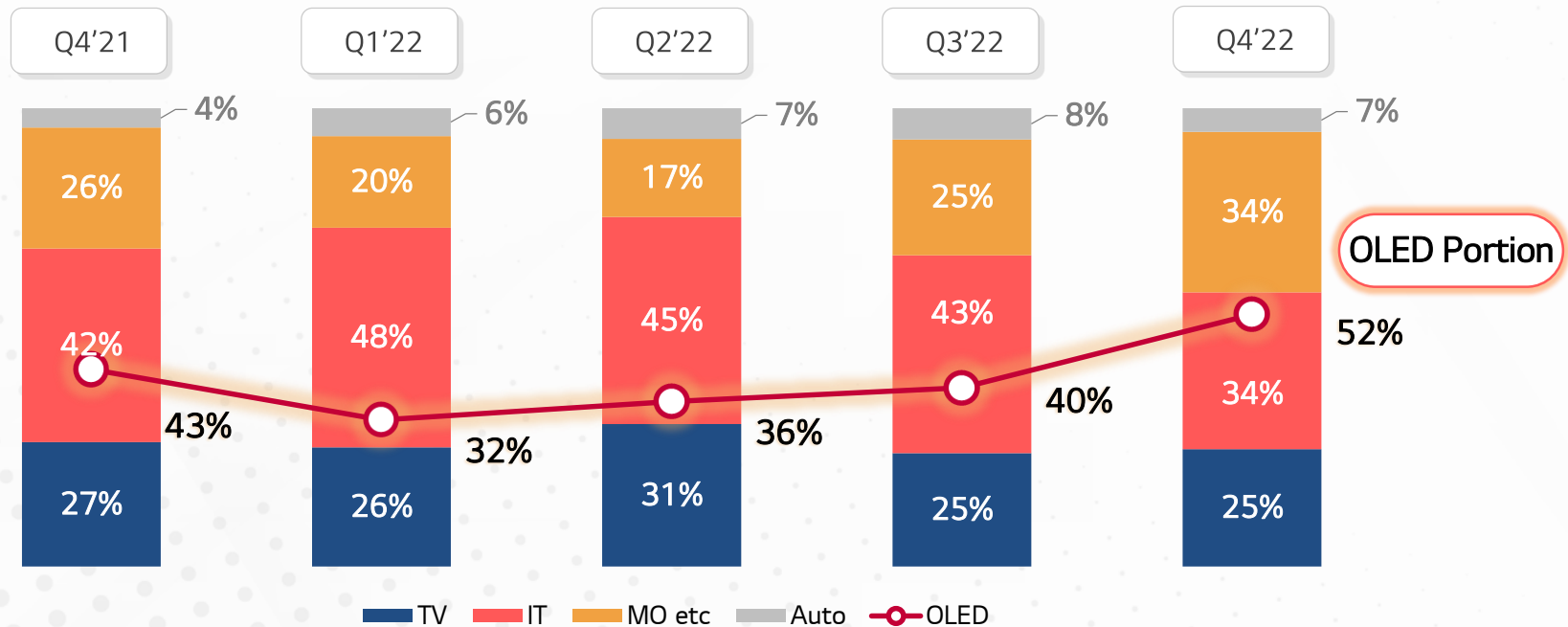
# Shipment & Product Revenue Mix

- OLED's contribution keeps growing, with its revenue portion exceeding 50% in Q4'22.

## Shipment and ASP

	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
Area Shipment (Mm <sup>2</sup> )	9.4	8.1	7.8	7.7	7.9
QoQ	12%	-13%	-4%	-2%	2%
ASP per m <sup>2</sup> (USD)	806	660	566	675	708
QoQ	8%	-18%	-14%	19%	5%

## Product Revenue Mix



# Financial Positions & Cash Flow

- Inventory decreased by 1.6 trillion won (QoQ), Changes in financial ratios caused by impairment loss
- Maintaining cash of 3 trillion won level

## Financial Positions (Unit : KRW Bn)

	Q4'21	Q3'22	Q4'22
<b>Asset</b>	<b>38,155</b>	<b>40,134</b>	<b>35,686</b>
Current Assets	13,187	11,779	9,444
Cash *	4,285	3,264	3,547
Inventory	3,350	4,517	2,873
Non-Current Assets	24,967	28,355	26,242
<b>Liabilities</b>	<b>23,392</b>	<b>25,850</b>	<b>24,367</b>
Current Liabilities	13,995	14,963	13,962
Non-Current Liab.	9,397	10,887	10,405
<b>Shareholder's Equity</b>	<b>14,763</b>	<b>14,284</b>	<b>11,319</b>
Debts	12,664	15,291	14,991
Net Debts	8,379	12,027	11,444
Liabilities to Equity Ratio	158%	181%	215%
Current Ratio	94%	79%	68%
Net Debt to Equity Ratio	57%	84%	101%

## Cash Flow (Unit : KRW Bn)

	Q4'21	Q3'22	Q4'22
Cash at Beginning of Quarter	4,209	3,669	3,264
Cash Flow from Operating Activities	2,063	937	855
Net Income (Loss)	180	(774)	(2,094)
Depreciation & Amortization	1,169	1,151	1,084
Change in Working Capital & Others *	714	561	1,865
Cash Flow from Investing Activities	(986)	(1,843)	(1,367)
Cash Flow before Financing Activities	1,077	(906)	(512)
Financing Activities	(983)	523	853
ETC.	(18)	(22)	(58)
Net Change in Cash	76	(405)	283
<b>Cash at the End of Quarter</b>	<b>4,285</b>	<b>3,264</b>	<b>3,547</b>

Cash includes deposits at financial institutions

\* Change of W/C includes F/X effects

\* Cash includes short term financial instruments.

Source : Unaudited, Company financials K-IFRS (Consolidated)



# Appendix. IFRS Statements of Income

You Dream,  
We Display.

(Unit : KRW Bn)

Accounts	Q4'19	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022
Revenue	6,422	23,476	4,724	5,307	6,738	7,493	24,262	6,883	6,966	7,223	8,807	29,878	6,471	5,607	6,771	7,302	26,152
COGS	5,969	21,607	4,446	5,179	5,892	6,109	21,626	5,651	5,515	5,915	7,492	24,573	5,654	5,332	6,721	7,322	25,028
Gross Profit	452	1,868	278	128	845	1,384	2,636	1,232	1,451	1,308	1,315	5,305	818	276	51	-20	1,124
Operating Income	-422	-1,359	-362	-517	164	678	-36	523	701	529	476	2,231	38	-488	-759	-876	-2,085
EBITDA	586	2,336	630	413	1,288	1,766	4,098	1,620	1,770	1,696	1,645	6,731	1,211	662	391	209	2,472
Income before tax	-2,173	-3,344	-295	-669	-54	416	-602	324	550	609	236	1,719	37	-512	-1,099	-1,860	-3,433
Net Income	-1,817	-2,872	-199	-504	11	615	-76	266	424	464	180	1,334	54	-382	-774	-2,094	-3,196
EPS (Unit: KRW)	-5,078	-8,027	-556	-1,408	31	1,720	-213	744	1,185	1,296	502	3,727	152	-1,068	-2,163	-5,852	-8,931
Margins (%)																	
Gross Margin	7.0	8.0	5.9	2.4	12.5	18.5	10.9	17.9	20.8	18.1	14.9	17.8	12.6	4.9	0.7	-0.3	4.3
Operating Margin	-6.6	-5.8	-7.7	-9.7	2.4	9.0	-0.1	7.6	10.1	7.3	5.4	7.5	0.6	-8.7	-11.2	-12.0	-8.0
EBITDA Margin	9.1	10.0	13.3	7.8	19.1	23.6	16.9	23.5	25.4	23.5	18.7	22.5	18.7	11.8	5.8	2.9	9.5

Source : Unaudited, Company financials  
K-IFRS (Consolidated)



# Appendix. IFRS Statements of Financial Position

You Dream,  
We Display.

(Unit : KRW Bn)

Accounts	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
<b>Asset</b>	<b>35,575</b>	<b>35,886</b>	<b>35,054</b>	<b>35,497</b>	<b>35,066</b>	<b>36,392</b>	<b>36,319</b>	<b>37,602</b>	<b>38,155</b>	<b>38,267</b>	<b>38,305</b>	<b>40,134</b>	<b>35,686</b>
A/R	3,154	2,749	2,803	3,769	3,518	4,309	4,208	4,288	4,575	3,774	2,683	2,865	2,359
Cash*	3,415	3,637	3,599	3,367	4,297	4,352	4,317	4,209	4,285	4,111	3,669	3,264	3,547
Inventory	2,051	2,310	2,039	2,400	2,171	2,352	2,723	3,580	3,350	4,230	4,722	4,517	2,873
<b>Liabilities</b>	<b>23,086</b>	<b>23,323</b>	<b>22,953</b>	<b>23,323</b>	<b>22,335</b>	<b>23,158</b>	<b>22,563</b>	<b>22,995</b>	<b>23,392</b>	<b>23,510</b>	<b>23,675</b>	<b>25,850</b>	<b>24,367</b>
A/P	2,618	2,872	3,466	4,037	3,779	3,975	3,737	4,329	4,814	5,270	4,491	5,029	4,062
Short-term debts	1,940	2,847	3,099	2,531	3,101	3,671	4,402	4,907	4,007	4,805	6,011	5,156	5,434
Long-term debts	11,541	11,706	11,545	11,843	10,968	10,638	9,416	8,544	8,657	8,247	7,975	10,135	9,557
<b>Shareholder's Equity</b>	<b>12,488</b>	<b>12,563</b>	<b>12,101</b>	<b>12,174</b>	<b>12,731</b>	<b>13,234</b>	<b>13,756</b>	<b>14,607</b>	<b>14,763</b>	<b>14,757</b>	<b>14,630</b>	<b>14,284</b>	<b>11,319</b>
<b>BPS</b> (Unit: KRW)	<b>34,901</b>	<b>35,110</b>	<b>33,818</b>	<b>34,024</b>	<b>35,581</b>	<b>36,985</b>	<b>38,444</b>	<b>40,823</b>	<b>41,257</b>	<b>41,243</b>	<b>40,888</b>	<b>39,919</b>	<b>31,634</b>
<b>Net debt to equity ratio(%)</b>	<b>80.6</b>	<b>86.9</b>	<b>91.3</b>	<b>90.4</b>	<b>76.8</b>	<b>75.2</b>	<b>69.1</b>	<b>63.3</b>	<b>56.8</b>	<b>60.6</b>	<b>70.5</b>	<b>84.2</b>	<b>101.1</b>

\* Cash includes short term financial instruments

Source : Unaudited, Company financials  
K-IFRS (Consolidated)

# Appendix. IFRS Statements of Cash Flow

You Dream,  
We Display.

(Unit : KRW Bn)

Accounts	Q4'19	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022
Net Income (Loss)	-1,817	-2,872	-199	-504	11	616	-76	266	424	464	180	1,334	54	-382	-774	-2,094	-3,196
Depreciation & Amortization	1,008	3,695	992	930	1,124	1,088	4,134	1,097	1,068	1,167	1,169	4,501	1,172	1,151	1,151	1,084	4,557
Others	1,137	2,069	-915	-715	86	-931	-2,475	477	512	192	286	1,467	-852	-129	0	682	-299
Working Capital*	1,088	-154	400	811	-756	223	678	-777	-508	-345	428	-1,202	378	-181	561	1,183	1,941
Cash Flow from Operating Activities	1,416	2,738	278	522	465	996	2,261	1,063	1,496	1,478	2,063	6,100	752	459	937	855	3,003
Cash Flow from Investing Activities**	-1,051	-6,755	-812	-883	-370	-246	-2,311	-778	-916	-966	-986	-3,646	-1,201	-1,276	-1,843	-1,367	-5,687
Net Cash flow before Financing Activities	365	-4,017	-534	-361	95	750	-50	285	580	512	1,077	2,454	-449	-817	-906	-512	-2,684
Financing Activities	232	4,783	774	255	-310	114	833	-214	-599	-603	-983	-2,399	298	647	523	853	2,321
Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	-233	0	0	-233
Change in non-controlling interest***	-20	205	-18	68	-17	66	99	-16	-16	-17	-18	-67	-23	-39	-22	-58	-142
Net Change in Cash	577	971	222	-38	-232	930	882	55	-35	-108	76	-12	-174	-442	-405	283	-738

\* Working Capital consists of net change in AR, Inventory, AP and F/X effect

\*\* Cash Flow from Investing Activities exclude increase (decrease) of short term financial instruments.

\*\*\* Equity investments from other companies

Source : Unaudited, Company financials  
K-IFRS (Consolidated)

# Appendix. EBITDA Calculation

(Unit : KRW Bn)

Accounts	Q4'19	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022
1. Operating Income	-422	-1,359	-362	-517	164	678	-36	523	701	529	476	2,231	38	-488	-759	-876	-2,085
2. Depreciation	911	3,269	889	820	1,022	995	3,726	988	944	1,010	1,035	3,977	1,039	1,016	1,014	917	3,986
3. Amortization	97	426	103	110	102	93	408	109	125	157	133	523	134	134	137	167	571
<b>EBITDA (1+2+3)</b>	<b>586</b>	<b>2,336</b>	<b>630</b>	<b>413</b>	<b>1,288</b>	<b>1,766</b>	<b>4,098</b>	<b>1,620</b>	<b>1,770</b>	<b>1,696</b>	<b>1,645</b>	<b>6,731</b>	<b>1,211</b>	<b>662</b>	<b>391</b>	<b>209</b>	<b>2,472</b>

Source : Unaudited, Company financials  
K-IFRS (Consolidated)

**We add depreciation and amortization expense to operating income to calculate EBITDA.**

It is a key financial measure used by our senior management to internally evaluate the performance of our business and for other required of discretionary purposes.

We believe that the presentation of EBITDA will enhance an investor's understanding of our operating performance as we believe it is commonly reported and widely used by analysts and investors in our industry.

It also provides useful information for comparison on a more comparable basis of our operating performance and those of our competitors, who follow different accounting policies.

EBITDA is not a measure defined by GAAP. Our calculation of EBITDA may not be consistent with other similarly titled measures reported by other companies.