

2023 Q1 Earnings Results

April 26, 2023 | Investor Relations

Disclaimer

You Dream,
We Display.

At the time, the external auditor has not yet completed its review of LG Display's Q1 2023 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.

Revenues & Profits

(Unit : KRW Bn, %)

	Q1'22	Q4'22	Q1'23	QoQ	YoY
Revenues	6,471	7,302	4,411	-40%	-32%
Operating Income	38 1%	-876 -12%	-1,098 -25%	N/A	N/A
EBITDA*	1,211 19%	209 3%	-80 -2%	N/A	N/A
Income Before Tax	37	-1,860	-1,475	N/A	N/A
Net Income	54	-2,094	-1,153	N/A	N/A

Details

Environment

- 01 Macro uncertainties continued
 - Sluggish set demand
 - Inventory corrections across downstream industries
- 02 Weak demand for high-end products

Major Issues

- TV** LCD TV Exit Strategy
OLED TV seasonal impact
- IT** Decline in high-end segment
- SP** Seasonal decline in mobile panel 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.

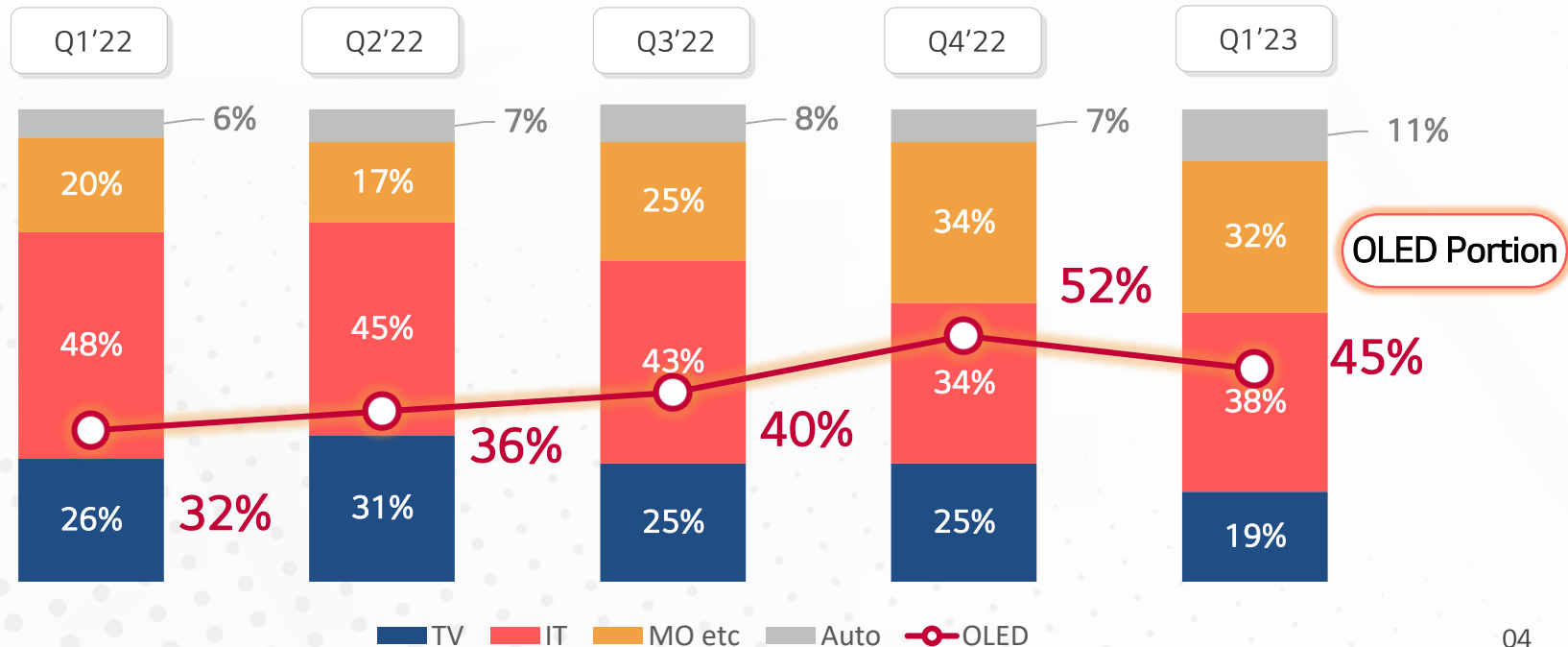
Shipment & Product Revenue Mix

- Shipment declined while ASP increased, due to seasonality and the impact of LCD TV Exit strategy

Shipment and ASP

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Area Shipment (Mm ²)	8.1	7.8	7.7	7.9	4.2
QoQ	-13%	-4%	-2%	2%	-46%
ASP per m ² (USD)	660	566	675	708	850
QoQ	-18%	-14%	19%	5%	20%

Product Revenue Mix



Financial Positions & Cash Flow

- Inventory level maintained below 3 trillion won driven by active inventory management
- Key Financial ratios were up on rise in debt in order to strengthen liquidity position

Financial Positions

(Unit : KRW Bn)

	Q1'22	Q4'22	Q1'23
Asset	38,267	35,686	36,644
Current Assets	13,138	9,444	9,854
Cash *	4,111	3,547	3,894
Inventory	4,230	2,873	2,811
Non-Current Assets	25,129	26,242	26,791
Liabilities	23,510	24,367	26,115
Current Liabilities	14,535	13,962	12,758
Non-Current Liab.	8,974	10,405	13,357
Shareholder's Equity	14,757	11,319	10,529
Debts	13,052	14,991	17,179
Net Debts	8,941	11,444	13,286
Liabilities to Equity Ratio	159%	215%	248%
Current Ratio	90%	68%	77%
Net Debt to Equity Ratio	61%	101%	126%

Cash Flow

(Unit : KRW Bn)

	Q1'22	Q4'22	Q1'23
Cash at Beginning of Quarter	4,285	3,264	3,547
Cash Flow from Operating Activities	752	855	(443)
Net Income (Loss)	54	(2,094)	(1,153)
Depreciation & Amortization	1,172	1,084	1,018
Change in Working Capital & Others *	(474)	1,865	(308)
Cash Flow from Investing Activities	(1,201)	(1,367)	(1,039)
Cash Flow before Financing Activities	(449)	(512)	(1,482)
Financing Activities	298	853	1,850
ETC.	(23)	(58)	(21)
Net Change in Cash	(174)	283	347
Cash at the End of Quarter	4,111	3,547	3,894

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)

※ Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding. 05



Appendix. IFRS Statements of Income

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(Unit : KRW Bn)

Accounts	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23
Revenue	6,883	6,966	7,223	8,807	29,878	6,471	5,607	6,771	7,302	26,152	4,411
COGS	5,651	5,515	5,915	7,492	24,573	5,654	5,332	6,721	7,322	25,028	4,794
Gross Profit	1,232	1,451	1,308	1,315	5,305	818	276	51	-20	1,124	-383
Operating Income	523	701	529	476	2,231	38	-488	-759	-876	-2,085	-1,098
EBITDA	1,620	1,770	1,696	1,645	6,731	1,211	662	391	209	2,472	-80
Income before tax	324	550	609	236	1,719	37	-512	-1,099	-1,860	-3,433	-1,475
Net Income	266	424	464	180	1,334	54	-382	-774	-2,094	-3,196	-1,153
EPS (Unit: KRW)	744	1,185	1,296	502	3,727	152	-1,068	-2,163	-5,852	-8,931	-3,223
Margins (%)											
Gross Margin	17.9	20.8	18.1	14.9	17.8	12.6	4.9	0.7	-0.3	4.3	-8.7
Operating Margin	7.6	10.1	7.3	5.4	7.5	0.6	-8.7	-11.2	-12.0	-8.0	-24.9
EBITDA Margin	23.5	25.4	23.5	18.7	22.5	18.7	11.8	5.8	2.9	9.5	-1.8

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

Appendix. IFRS Statements of Financial Position

You Dream,
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(Unit : KRW Bn)

Accounts	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Asset	36,392	36,319	37,602	38,155	38,267	38,305	40,134	35,686	36,644
A/R	4,309	4,208	4,288	4,575	3,774	2,683	2,865	2,359	2,382
Cash*	4,352	4,317	4,209	4,285	4,111	3,669	3,264	3,547	3,894
Inventory	2,352	2,723	3,580	3,350	4,230	4,722	4,517	2,873	2,811
Liabilities	23,158	22,563	22,995	23,392	23,510	23,675	25,850	24,367	26,115
A/P	3,975	3,737	4,329	4,814	5,270	4,491	5,029	4,062	3,935
Short-term debts	3,671	4,402	4,907	4,007	4,805	6,011	5,156	5,434	5,214
Long-term debts	10,638	9,416	8,544	8,657	8,247	7,975	10,135	9,557	11,966
Shareholder's Equity	13,234	13,756	14,607	14,763	14,757	14,630	14,284	11,319	10,529
BPS (Unit: KRW)	36,985	38,444	40,823	41,257	41,243	40,888	39,919	31,634	29,425
Net debt to equity ratio(%)	75.2	69.1	63.3	56.8	60.6	70.5	84.2	101.1	126.2

* Cash includes short term financial instruments

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

Appendix. IFRS Statements of Cash Flow

You Dream,
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(Unit : KRW Bn)

Accounts	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23
Net Income (Loss)	266	424	464	180	1,334	54	-382	-774	-2,094	-3,196	-1,153
Depreciation & Amortization	1,097	1,068	1,167	1,169	4,501	1,172	1,151	1,151	1,084	4,557	1,018
Others	477	512	192	286	1,467	-852	-129	0	682	-299	-221
Working Capital*	-777	-508	-345	428	-1,202	378	-181	561	1,183	1,941	-87
Cash Flow from Operating Activities	1,063	1,496	1,478	2,063	6,100	752	459	937	855	3,003	-443
Cash Flow from Investing Activities**	-778	-916	-966	-986	-3,646	-1,201	-1,276	-1,843	-1,367	-5,687	-1,039
Net Cash flow before Financing Activities	285	580	512	1,077	2,454	-449	-817	-906	-512	-2,684	-1,482
Financing Activities	-214	-599	-603	-983	-2,399	298	647	523	853	2,321	1,850
Dividends	0	0	0	0	0	0	-233	0	0	-233	0
Change in non-controlling interest***	-16	-16	-17	-18	-67	-23	-39	-22	-58	-142	-21
Net Change in Cash	55	-35	-108	76	-12	-174	-442	-405	283	-738	347

* 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	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23
1. Operating Income	523	701	529	476	2,231	38	-488	-759	-876	-2,085	-1,098
2. Depreciation	988	944	1,010	1,035	3,977	1,039	1,016	1,014	917	3,986	848
3. Amortization	109	125	157	133	523	134	134	137	167	571	170
EBITDA (1+2+3)	1,620	1,770	1,696	1,645	6,731	1,211	662	391	209	2,472	-80

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.