

2023 Q2 Earnings Results

July 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 Q2 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

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(Unit : KRW Bn, %)

	Q2'22	Q1'23	Q2'23	QoQ	YoY
Revenues	5,607	4,411	4,739	7%	-15%
Operating Income	-488 -9%	-1,098 -25%	-881 -19%	N/A	N/A
EBITDA*	662 12%	-80 -2%	130 3%	N/A	-80%
Income Before Tax	-512	-1,475	-877	N/A	N/A
Net Income	-382	-1,153	-699	N/A	N/A

Details

Environment

- ⊕ Rise in demand for panels
 - Inventory corrections in downstream industries
 - Stabilization of set makers' inventory level
- ⊖ Weak demand for high-end products

Major Issues

- TV** Increase in OLED panel shipment
- IT** MNT / NBPC shipment growth
- SP** Seasonal decline for mobile

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.

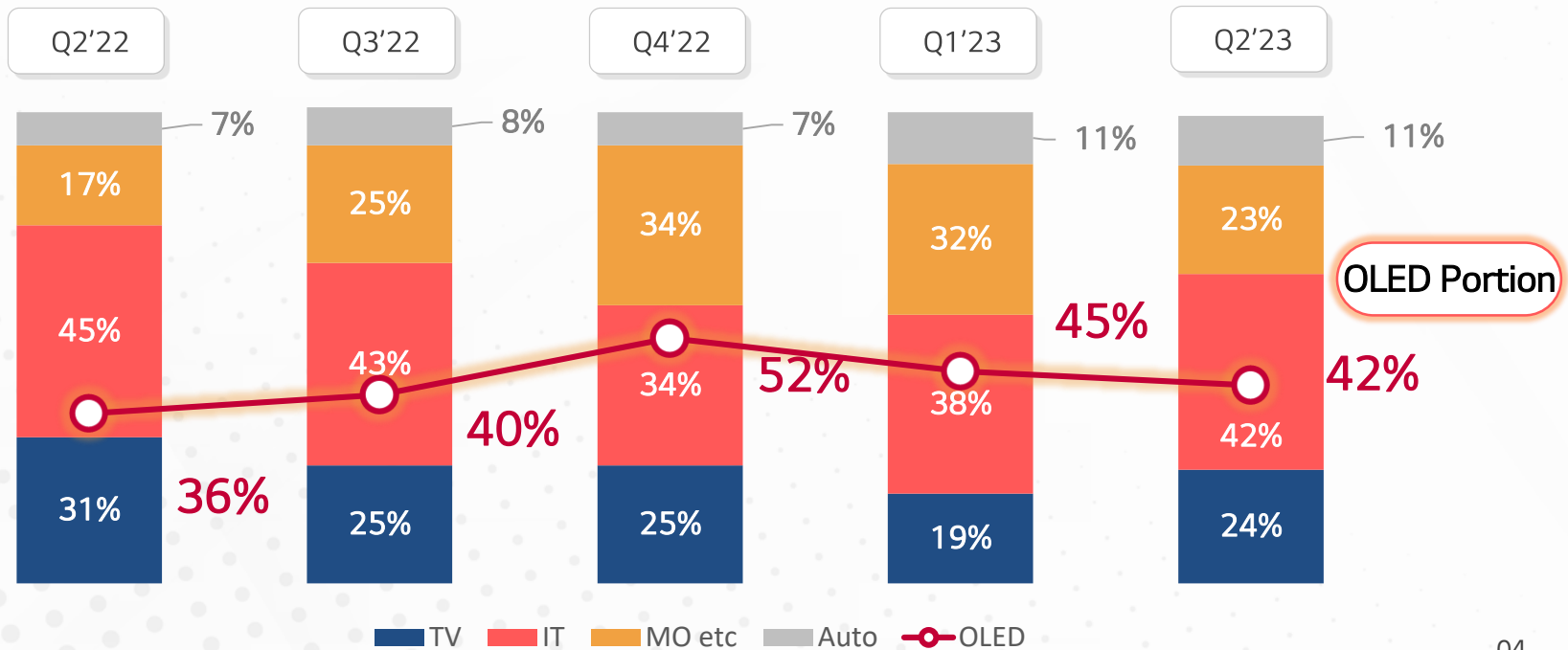
Shipment & Product Revenue Mix

- Area shipment increased by rise in demand for large and mid-sized panels
- ASP per m² decreased due to low seasonality for mobile panels

Shipment and ASP

	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Area Shipment (Mm ²)	7.8	7.7	7.9	4.2	4.7
QoQ	-4%	-2%	2%	-46%	11%
ASP per m ² (USD)	566	675	708	850	803
QoQ	-14%	19%	5%	20%	-6%

Product Revenue Mix



Financial Positions & Cash Flow

- Intense inventory management, Cash and cash equivalent stably maintaining above high 3 trillion won level
- Strategic financial activities for solidifying liquidity position

Financial Positions

(Unit : KRW Bn)

	Q2'22	Q1'23	Q2'23
Asset	38,305	36,644	37,372
Current Assets	11,990	9,854	10,655
Cash *	3,669	3,894	3,853
Inventory	4,722	2,811	2,682
Non-Current Assets	26,315	26,791	26,718
Liabilities	23,675	26,115	27,861
Current Liabilities	14,976	12,758	13,202
Non-Current Liab.	8,700	13,357	14,659
Shareholder's Equity	14,630	10,529	9,511
Debts	13,987	17,180	17,421
Net Debts	10,318	13,286	13,568
Liabilities to Equity Ratio	162%	248%	293%
Current Ratio	80%	77%	81%
Net Debt to Equity Ratio	71%	126%	143%

Cash Flow

(Unit : KRW Bn)

	Q2'22	Q1'23	Q2'23
Cash at Beginning of Quarter	4,111	3,547	3,894
Cash Flow from Operating Activities	459	(443)	609
Net Income (Loss)	(382)	(1,153)	(699)
Depreciation & Amortization	1,151	1,018	1,011
Change in Working Capital & Others *	(310)	(308)	297
Cash Flow from Investing Activities	(1,276)	(1,039)	(1,000)
Cash Flow before Financing Activities	(817)	(1,482)	(391)
Financing Activities	647	1,850	402
ETC.	(272)	(21)	(53)
Net Change in Cash	(442)	347	(42)
Cash at the End of Quarter	3,669	3,894	3,853

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	Q2'23
Revenue	6,883	6,966	7,223	8,807	29,878	6,471	5,607	6,771	7,302	26,152	4,411	4,739
COGS	5,651	5,515	5,915	7,492	24,573	5,654	5,332	6,721	7,322	25,028	4,794	4,911
Gross Profit	1,232	1,451	1,308	1,315	5,305	818	276	51	-20	1,124	-383	-173
Operating Income	523	701	529	476	2,231	38	-488	-759	-876	-2,085	-1,098	-881
EBITDA	1,620	1,770	1,696	1,645	6,731	1,211	662	391	209	2,472	-80	130
Income before tax	324	550	609	236	1,719	37	-512	-1,099	-1,860	-3,433	-1,475	-877
Net Income	266	424	464	180	1,334	54	-382	-774	-2,094	-3,196	-1,153	-699
EPS (Unit: KRW)	744	1,185	1,296	502	3,727	152	-1,068	-2,163	-5,852	-8,931	-3,223	-1,953
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	-3.7
Operating Margin	7.6	10.1	7.3	5.4	7.5	0.6	-8.7	-11.2	-12.0	-8.0	-24.9	-18.6
EBITDA Margin	23.5	25.4	23.5	18.7	22.5	18.7	11.8	5.8	2.9	9.5	-1.8	2.7

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	Q2'23
Asset	36,392	36,319	37,602	38,155	38,267	38,305	40,134	35,686	36,644	37,372
A/R	4,309	4,208	4,288	4,575	3,774	2,683	2,865	2,359	2,382	3,487
Cash*	4,352	4,317	4,209	4,285	4,111	3,669	3,264	3,547	3,894	3,853
Inventory	2,352	2,723	3,580	3,350	4,230	4,722	4,517	2,873	2,811	2,682
Liabilities	23,158	22,563	22,995	23,392	23,510	23,675	25,850	24,367	26,115	27,861
A/P	3,975	3,737	4,329	4,814	5,270	4,491	5,029	4,062	3,935	4,481
Short-term debts	3,671	4,402	4,907	4,007	4,805	6,011	5,156	5,434	5,214	4,940
Long-term debts	10,638	9,416	8,544	8,657	8,247	7,975	10,135	9,557	11,966	12,481
Shareholder's Equity	13,234	13,756	14,607	14,763	14,757	14,630	14,284	11,319	10,529	9,511
BPS (Unit: KRW)	36,985	38,444	40,823	41,257	41,243	40,888	39,919	31,634	29,425	26,580
Net debt to equity ratio(%)	75.2	69.1	63.3	56.8	60.6	70.5	84.2	101.1	126.2	142.7

* 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	Q2'23
Net Income (Loss)	266	424	464	180	1,334	54	-382	-774	-2,094	-3,196	-1,153	-699
Depreciation & Amortization	1,097	1,068	1,167	1,169	4,501	1,172	1,151	1,151	1,084	4,557	1,018	1,011
Others	477	512	192	286	1,467	-852	-129	0	682	-299	-221	727
Working Capital*	-777	-508	-345	428	-1,202	378	-181	561	1,183	1,941	-87	-430
Cash Flow from Operating Activities	1,063	1,496	1,478	2,063	6,100	752	459	937	855	3,003	-443	609
Cash Flow from Investing Activities**	-778	-916	-966	-986	-3,646	-1,201	-1,276	-1,843	-1,367	-5,687	-1,039	-1,000
Net Cash flow before Financing Activities	285	580	512	1,077	2,454	-449	-817	-906	-512	-2,684	-1,482	-391
Financing Activities	-214	-599	-603	-983	-2,399	298	647	523	853	2,321	1,850	402
Dividends	0	0	0	0	0	0	-233	0	0	-233	0	0
Change in non-controlling interest***	-16	-16	-17	-18	-67	-23	-39	-22	-58	-142	-21	-53
Net Change in Cash	55	-35	-108	76	-12	-174	-442	-405	283	-738	347	-42

* 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

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	Q2'23
1. Operating Income	523	701	529	476	2,231	38	-488	-759	-876	-2,085	-1,098	-881
2. Depreciation	988	944	1,010	1,035	3,977	1,039	1,016	1,014	917	3,986	848	848
3. Amortization	109	125	157	133	523	134	134	137	167	571	170	163
EBITDA (1+2+3)	1,620	1,770	1,696	1,645	6,731	1,211	662	391	209	2,472	-80	130

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.