

# SOLUM

Solution Provider



## SOLUM IR Material

2025.6

## Tailwinds



- **Automation/DT** Accelerated demand for intelligent, automated solutions across industries
- **Connectivity** Demand for real-time data analytics and control of intelligent edge
- **Electrification** Increasing power management, distribution and consumption

**Positioned for Strong Growth Amidst Favorable Industry Megatrends**

- **Key Enabling HW** Core HW technologies elemental to innovative solutions, incl. display, power, semiconductor, sensor, comms.
- **Advanced In-House SW** Scalable & secure SW solutions, combined with our HW architecture, offer max. performance and efficiency
- **Optimized Global Infra** A globally optimized footprint maximizes operation flexibility, cost efficiency, and value delivery

**Best-in-Class Solution**



The ICT<sup>1)</sup> business, led by ESL<sup>2)</sup>, is growing strongly due to rising retail automation demand, while the Electronics<sup>3)</sup> business sustains stable sales with its captive customers and pursues growth through product and market diversification, including server PSUs<sup>4)</sup> and EV solutions

## Electronics

“Reliable and optimal power solutions”

3-in-1 board<sup>5)</sup> integrating essential components of a TV into a single solution, as well as built-in power modules that supply and control power for various electronic devices.

### Key Customers

**SAMSUNG**



HYUNDAI **KEFICO**

 **LG Electronics**

### Financials (FY24, KRW)

Sales

**1,149** bn.

O/P

**25** bn.

## ICT

“Comprehensive smart solutions for retailers”

A digital display device, Electronic Shelf Label, along with the related communication gateway and software, that replaces the manually managed paper price tags traditionally used in retail stores.

### Key Customers







**LOWE'S**

### Financials (FY24, KRW)

Sales

**446** bn.

O/P

**45** bn.

1) ICT (Info. and Comm. Technology) – ESL, IoT products

3) Electronics – Power Module, 3-in-1 board, Digital Signage, etc.

5) 3-in-1 Board – video board, power board & tuner

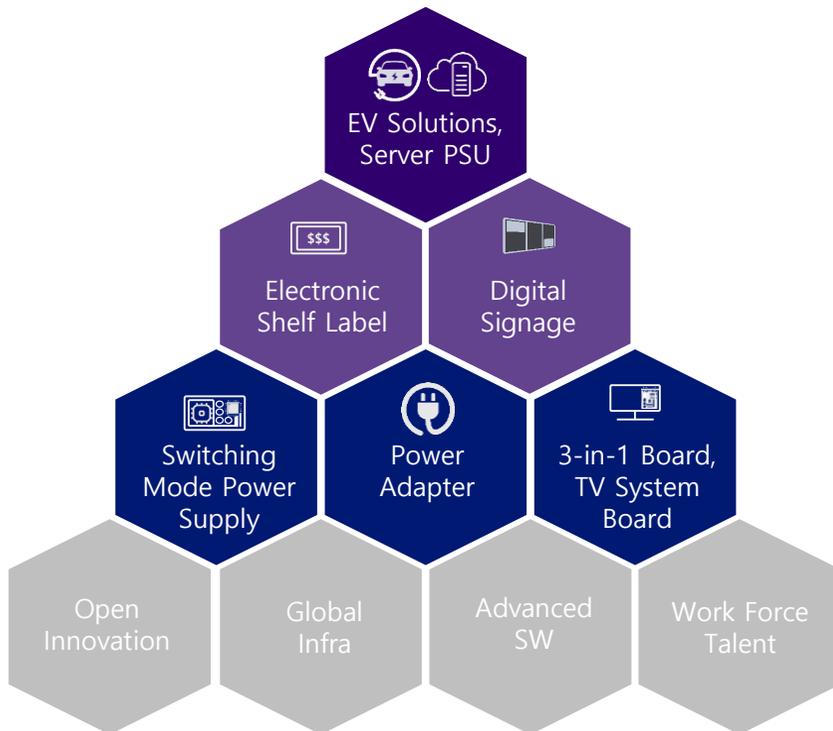
2) ESL – Electronic Shelf Label

4) PSU – Power Supply Unit

# Winning Business Model

SOLUM

Based on our strong global execution capabilities and comprehensive product portfolio, we are committed to building a robust framework to ensure sustainable, long-term growth



## Future Solutions

Proactively preparing for future high-potential industries to seed the next wave of growth

## Star Products

Unrivaled products in high-growth sectors underpinning strong topline growth and profit expansion

## Cash Cow Business

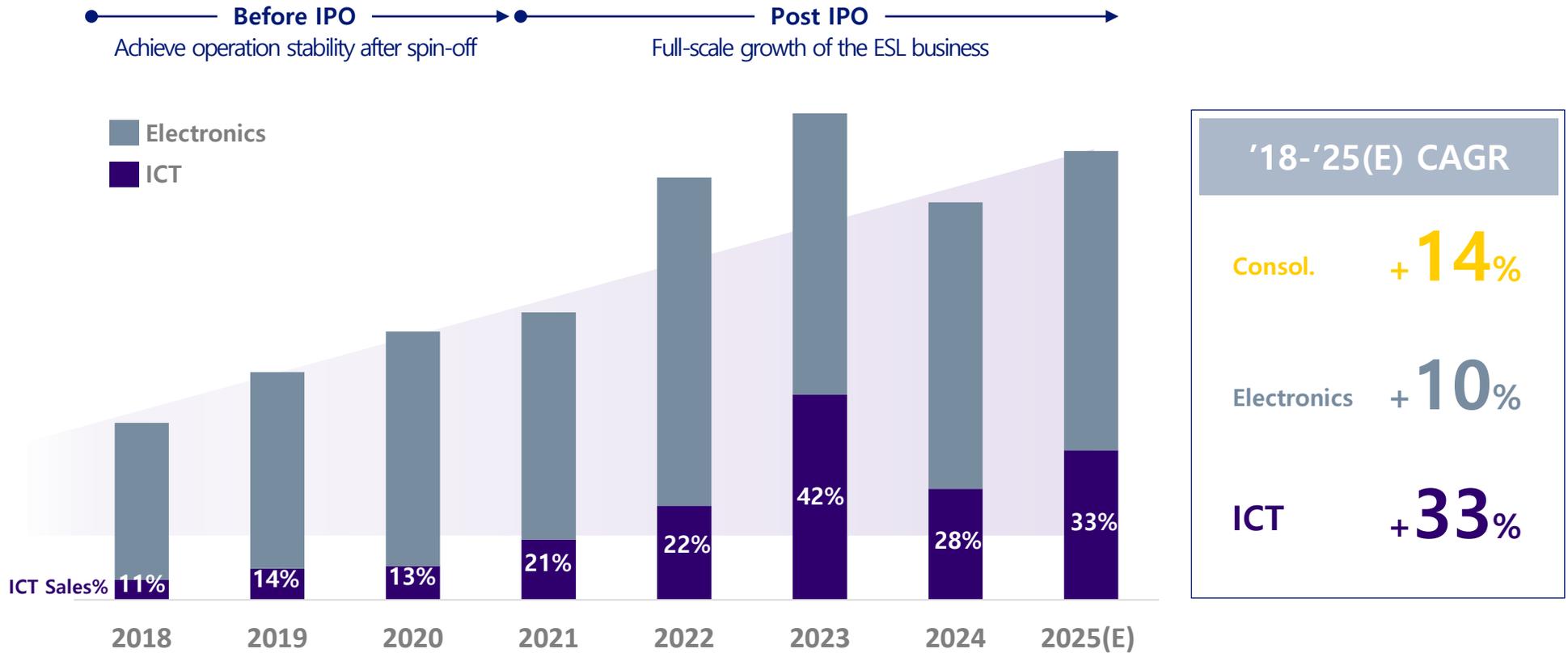
Proprietary technologies in power, electronics, and display, while easing fixed cost pressure through stable revenue flow

## Enablers / Foundation

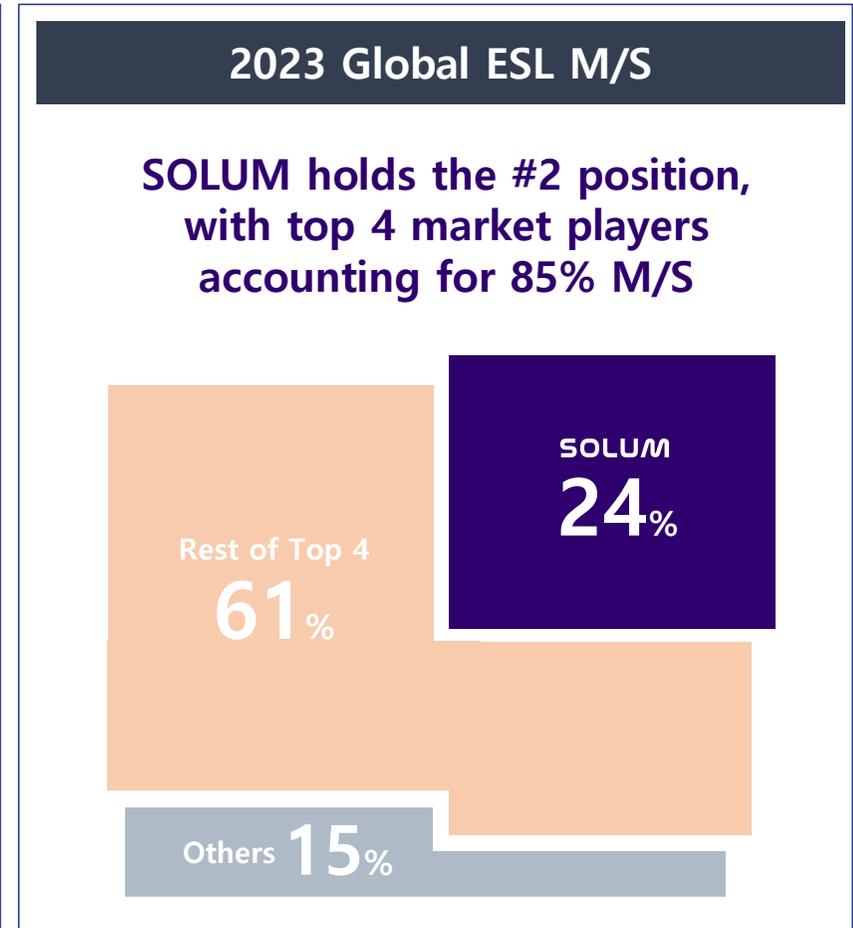
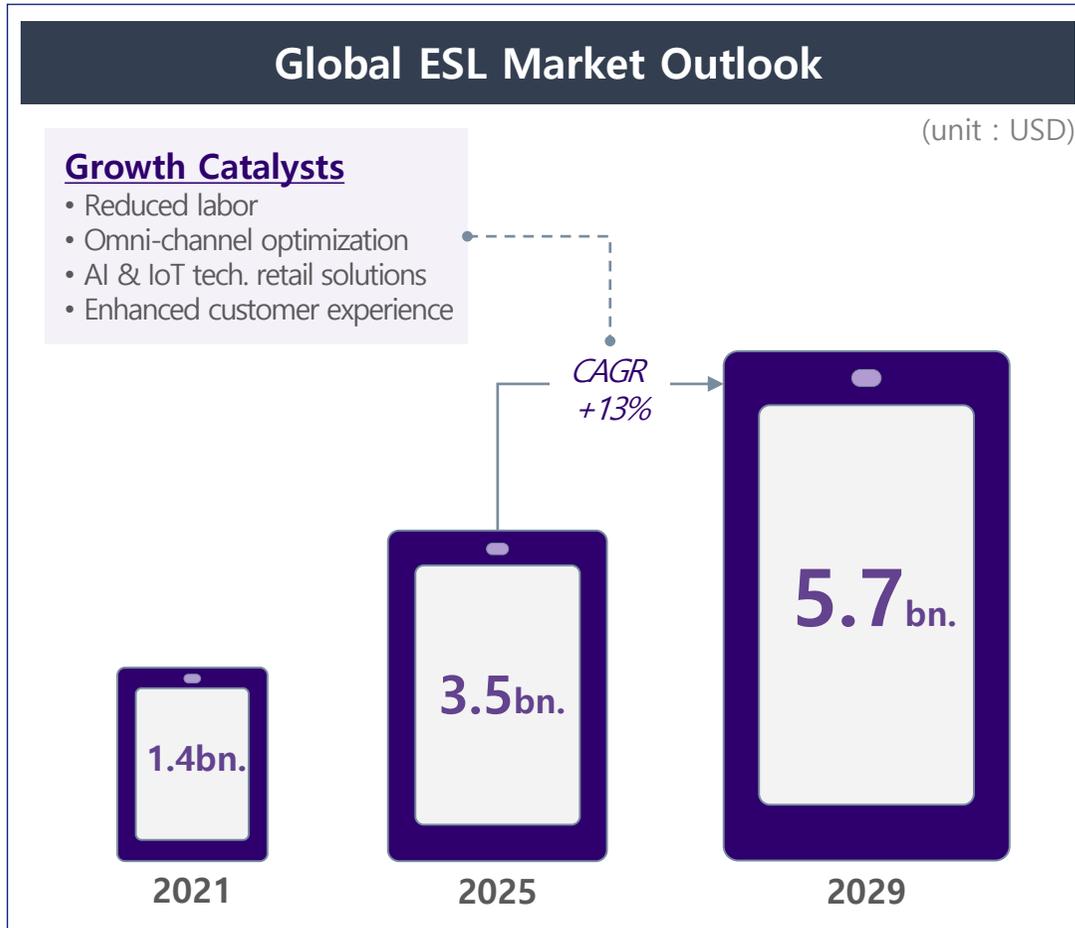
Framework for strong, sustainable winning business model

# Topline Growth Trend

Following the 2021 IPO, the ICT business – driven primarily by ESL business – demonstrated strong growth, serving as a key catalyst to topline expansion



A structurally favorable and sustainable competitive environment, driven by a double-digit industry growth and a commanding market share held by the top four players



Source : Deloitte, SOLUM internal analysis

We are leading the advancement of Value Added Services(VAS), delivering a turnkey solution that empowers retailers to unlock new value and innovative business models

## Gateway

Improved updates, speed, and tag capacity via advanced communication technology

Gateway	Infrared / RF	→	BLE
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## ESL Tag

Range of specs and options such as color & size, and extended battery life with lower power consumption

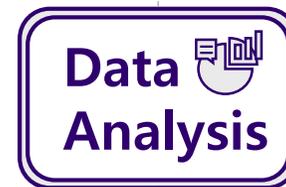
Display	LCD / B&W	→	EPD / Color
Size	Small / Standardized	→	Large / Customized
Battery	Coin Cell	→	Digital Shelf System

- RF : Radio Frequency
- BLE : Bluetooth Low Energy
- EPD : Electronic Paper Display

## Server

Migration to cloud-based management systems and expanded integration features for legacy systems

Management System	On premise	→	SaaS
	Basic data input/output features	→	Add-on features



### AI-Powered Services

- Real-time shelf monitoring
- Inventory management
- Automated planogram assignment

### Advanced Data Analytics

- Retail data collection and analysis
- Product assortment automation
- Pricing strategy optimization

### Retail Market Solution

- Digital campaigns
- Customer experience features
- Real-time campaign tracking

Driven by the rapid digital shift in advertising, we aim to evolve into a total marketing solutions provider by incorporating digital signage alongside our market-leading ESL solutions

## Rationale

### Integrate

Leverage core competencies in current business areas, incl. ESL and 3-in-1 board

### Enhance

Elevate customer experience and amplify marketing impact

### Grow (topline)

Achieve an higher ASP through expanded solution offerings to retail customers

## Product



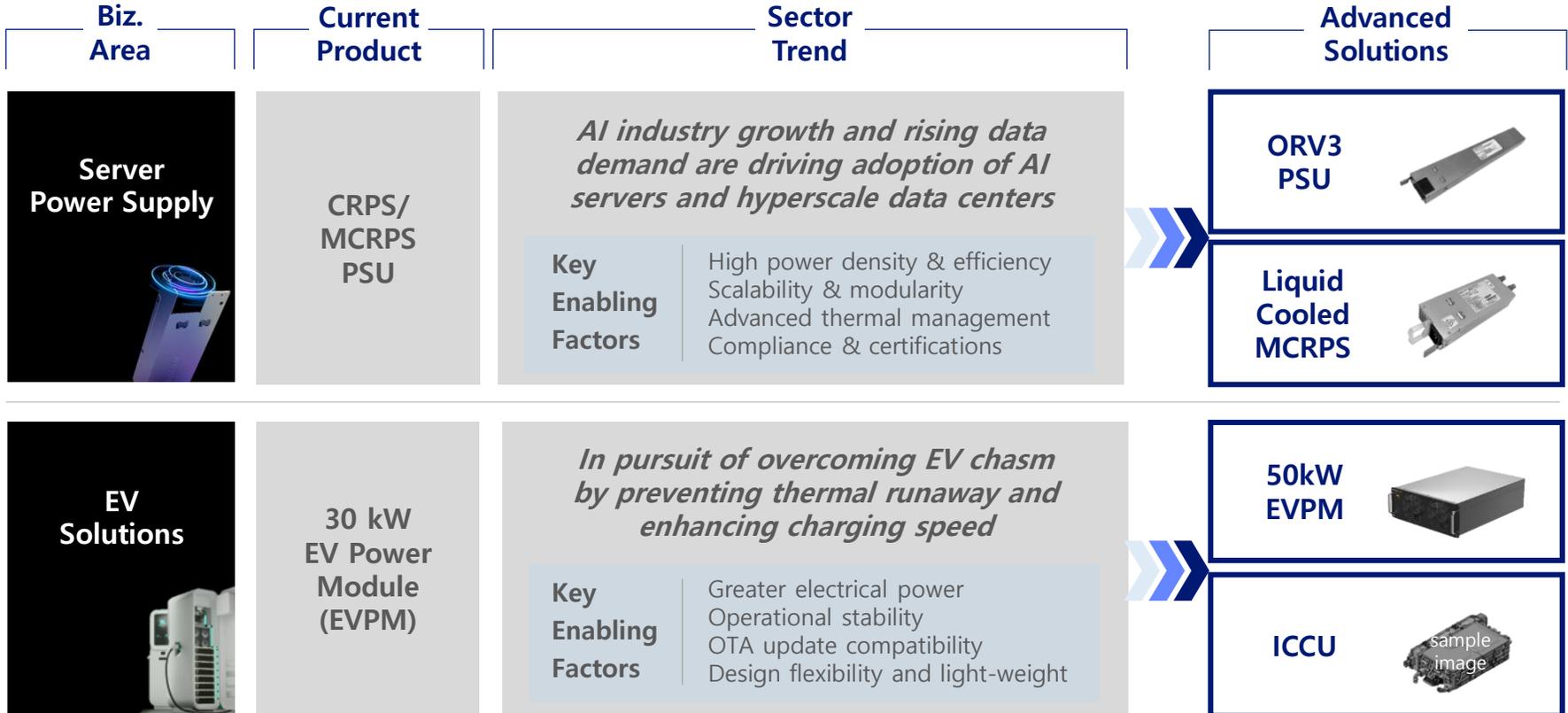
## Applications



• ASP : Average Selling Price

# Next Growth Engine

We are striving to secure market leadership and long-term growth by strengthening our product portfolio through innovation-driven product development



- CRPS – Common Redundant Power Supply
- MCRPS – Modular CRPS
- ORV3 – Open Rack V3 Base Specification
- ICCU – Integrated Charging and Discharging Control Unit

# Acquisition of GDK Cosmetics

SOLUM

Recently closed an M&A transaction to acquire 60.7% of ownership stake in GDK Cosmetics to accelerate growth of our healthcare business

## Signing Date

June 11, 2025

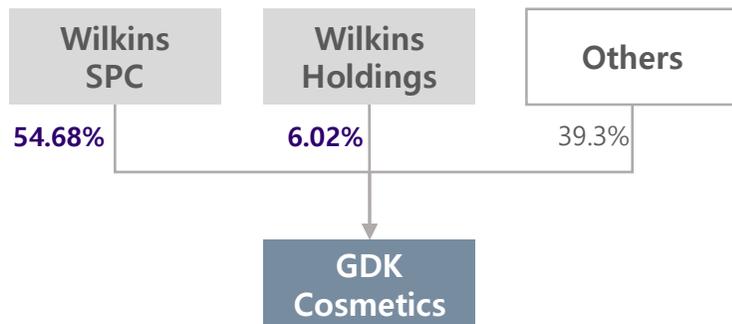
## Closing Date

June 25, 2025

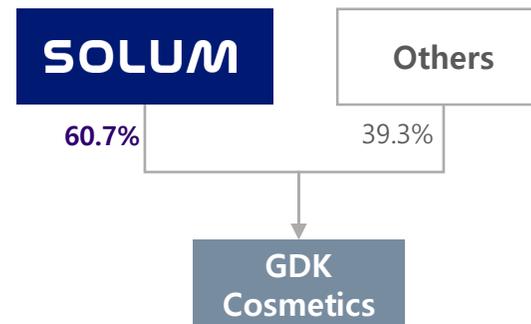
## Acquisition Price

KRW 43 bn.  
(EV 74 bn., EV/EBITDA 8.8x)

### Before



### After



*With increased market recognition of our healthcare business value, we secured KRW 22 bn. in Acq Fin and KRW 15 bn. from FI (pre-valuation of KRW 100 bn.), minimizing funding burden and maximizing project ROE*

## Expected Benefits

- Establish a financially self-sustaining, standalone business model for SOLUM Healthcare
- Positive impact on SOLUM's consolidated earnings (GDK FY24 Sales KRW 51.2bn. / OP 7.4bn. / OPM 14.4%)

# Strategic Rationale for Acquisition

SOLUM

A strong growth business with plans to accelerate GDK growth through business synergy with SOLUM's existing capabilities, aiming to create an additional cash-generating engine

## Strong Growth Profile

Solid growth trend and cash generation ability supported by a diversified customer portfolio



## Favorable Valuation

Favorable valuation compared to peers, even factoring in mgmt. premium associated with majority ownership

**GDK Acquisition EV/EBITDA Multiple**

(FY24 EBITDA, 25 1Q-end Net Debt)

8.8x

**Peer Group Trading Multiple Range**

8.2x ~ 14.9x

### Comparative Multiple

Listed Cosmetics ODM Companies	EV/EBITDA (FY25 1Q)
Kolmar Korea	10.2x
COSMAX	14.9x
COSMECCA	9.5x
C&C International	8.2x

Market Cap. as of '25.6.27

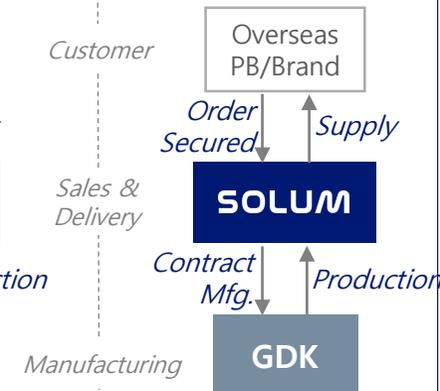
## Business Synergy Upside

Well-positioned to accelerate the growth of GDK by leveraging SOLUM's capabilities and global infra

**K-Beauty Brand Global Sale**



**Overseas Retailer PB or Brand ODM**

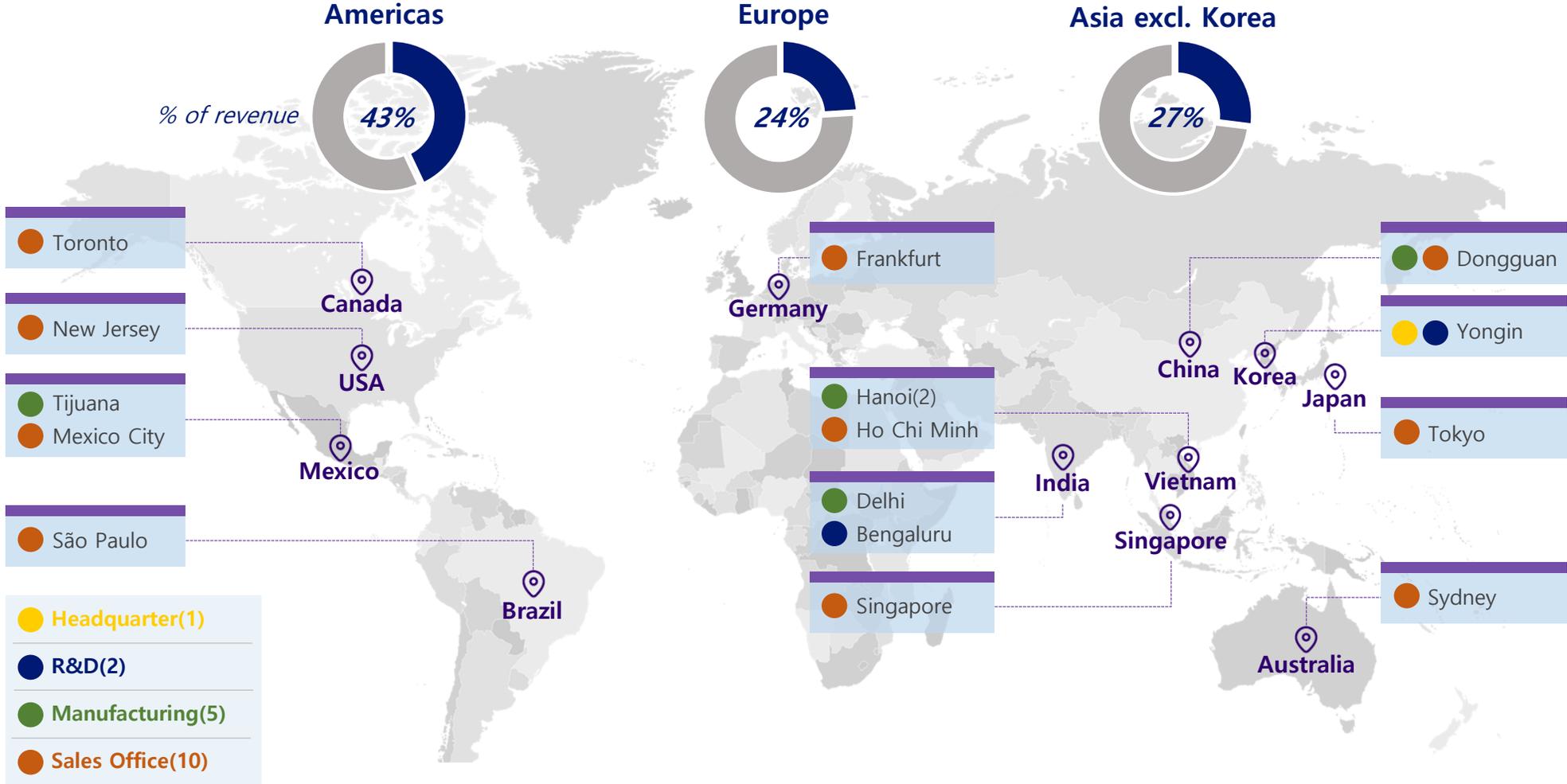


Manufacturing

Sales & Delivery

# Global Capabilities

Our seamless global expansion is built on global infrastructure comprising of scalable & cost-competitive operations, strategic proximity to customers, and enhanced local capabilities



Our strong track record of leveraging core technology to develop best-in-class products have earned us numerous prestigious awards and recognitions

## SOLUM IP Status

### SOLUM IP (560)

Patent	TM	Design
392	112	56

### Power (291)

Patent	TM	Design
277	2	12

### ESL (86)

Patent	TM	Design
34	18	34

### Tuner (72)

Patent	TM	Design
72	-	-

### IoT (46)

Patent	TM	Design
9	27	10

### Common (65)

Patent	TM	Design
-	65	-

## Award Recognitions

2020

**Red Dot Design Award**

- Newton retail product line



2020

**IDEA Design Award**

- Newton retail product line



2021

**Presidential Award**

- Localization of semiconductor components



2025

**Premier Partner**

**SAMSUNG**

- Recognized for commitment, quality, and operational excellence

# **Recent Financials**

## **- 1Q25 Results**

## Earnings Highlights

### 2025 1Q Sales KRW 397.4 bn.

Up 3.3% YoY, driven by increased sales volume of SMPS<sup>1)</sup> to NA customers and growth in sales of server PSUs<sup>2)</sup>

- Part of our ongoing efforts in customer diversification and product advancement

### 2025 1Q Operating Profit KRW 11.5 bn., EBITDA KRW 23.1 bn.

Increased SG&A from pre-emptive establishment of overseas sales corporations and expansion of sales & marketing personnel to strengthen ESL's<sup>3)</sup> global sales capabilities

- A temporary margin squeeze from higher fixed costs, as revenue contribution from these investments has yet to materialize

## Key Events

### Vision Declaration Ceremony (April 21)

Outlined our vision to evolve into a solution platform company by advancing our customer/product/regional portfolio and penetrating high-growth industries

1) SMPS – Switching Mode Power Supply

2) PSU – Power Supply Unit

3) ESL – Electronic Shelf Label

# Financial Results

SOLUM

unit : KRW bn., %, %p

	2025 1Q	2024 1Q	YoY	2024 4Q	QoQ
<b>Sales</b>	397.4	384.8	+12.5	343.5	+53.9
<b>Gross Profit</b>	66.7	63.8	+2.9	60.7	+6.0
<i>(%)</i>	<i>16.8%</i>	<i>16.6%</i>	<i>+0.2%p</i>	<i>17.7%</i>	<i>-0.9%p</i>
<b>Operating Profit</b>	11.5	20.3	-8.8	1.3	+10.2
<i>(%)</i>	<i>2.9%</i>	<i>5.3%</i>	<i>-2.4%p</i>	<i>0.4%</i>	<i>+2.5%p</i>
<b>EBITDA</b>	23.1	29.9	-6.8	15.7	+7.4
<i>(%)</i>	<i>5.8%</i>	<i>7.8%</i>	<i>-2.0%p</i>	<i>4.6%</i>	<i>+1.2%p</i>
<b>Net Income</b>	2.5	11.6	-9.2	-0.5	3.0
<i>(%)</i>	<i>0.6%</i>	<i>3.0%</i>	<i>-2.4%p</i>	<i>-0.1%</i>	<i>+0.8%p</i>

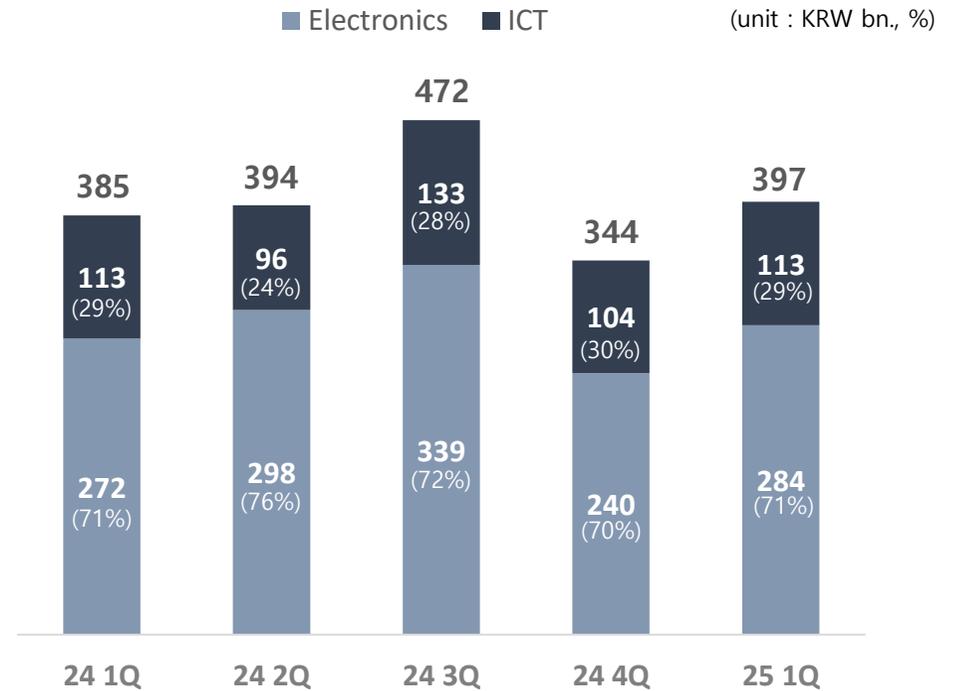
# Earnings by Business Division

## 2025 1Q Earnings by Division

Division	Sales	OP
Electronics <sup>1)</sup>	283.9 bn.	5.7 bn.
ICT <sup>2)</sup>	113.5 bn.	5.8 bn.

1) Electronics – Power Module, 3in1 board, Digital Signage, Tuner  
 2) Info. and Comm. Technology – ESL, IoT products, CE-WiFi

## Sales Trend by Division



# Balance Sheet

SOLUM

unit : KRW bn., %

	2024 end	2025 1Q end	Change	%
<b>Total Assets</b>	<b>982.7</b>	<b>1,092.8</b>	<b>+110.1</b>	<b>+11.2%</b>
Cash & Equivalents	106.9	102.9	-4.0	-3.7%
<b>Total Liabilities</b>	<b>548.4</b>	<b>658.9</b>	<b>+110.6</b>	<b>+20.2%</b>
Debt	331.8	376.6	+44.9	+13.5%
<b>Total Equity</b>	<b>434.4</b>	<b>433.8</b>	<b>-0.5</b>	<b>-0.1%</b>
Capital Stock	25.0	25.0	-	-
Liability to Equity %	126.3%	151.9%	+25.6%p	
Debt to Equity %	76.4%	86.8%	+10.4%p	
Net Debt to Equity %	56.6%	63.1%	+6.5%p	



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