

# SOLUM

Solution Provider



## SOLUM IR Material

2025.9

## 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**

+

# Our Business

SOLUM

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



**REWE**

 **Loblaw's**



**LOWE'S**

### Financials (FY24, KRW)

Sales

**446** bn.

O/P

**45** bn.

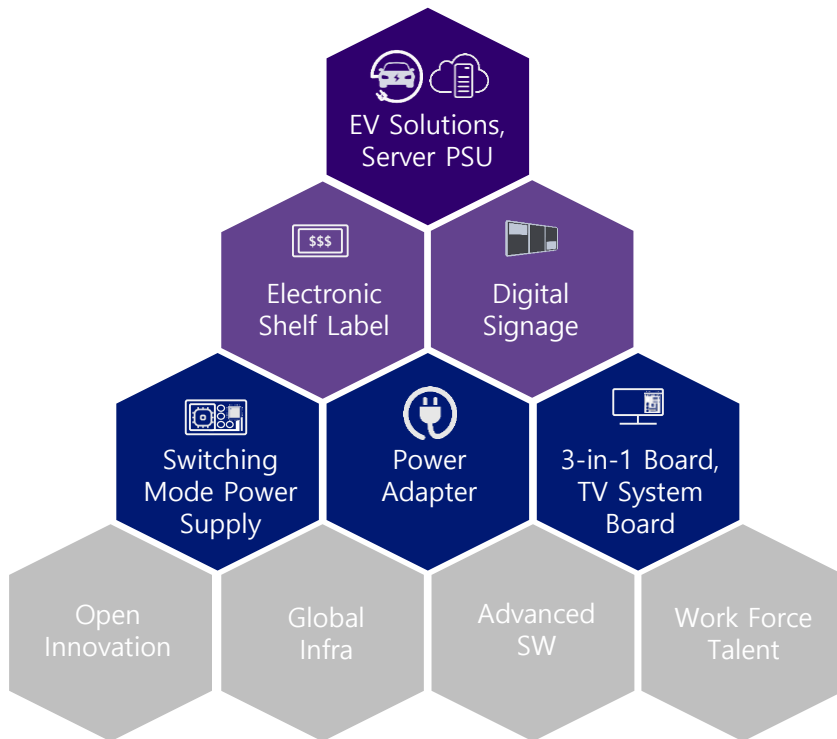
1) ICT (Info. and Comm. Technology) – ESL, IoT products  
3) Electronics – Power Module, 3-in-1 board, Digital Signage, etc.  
5) 3-in-1 Board – video board, power board & tuner

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

Unrivalled 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

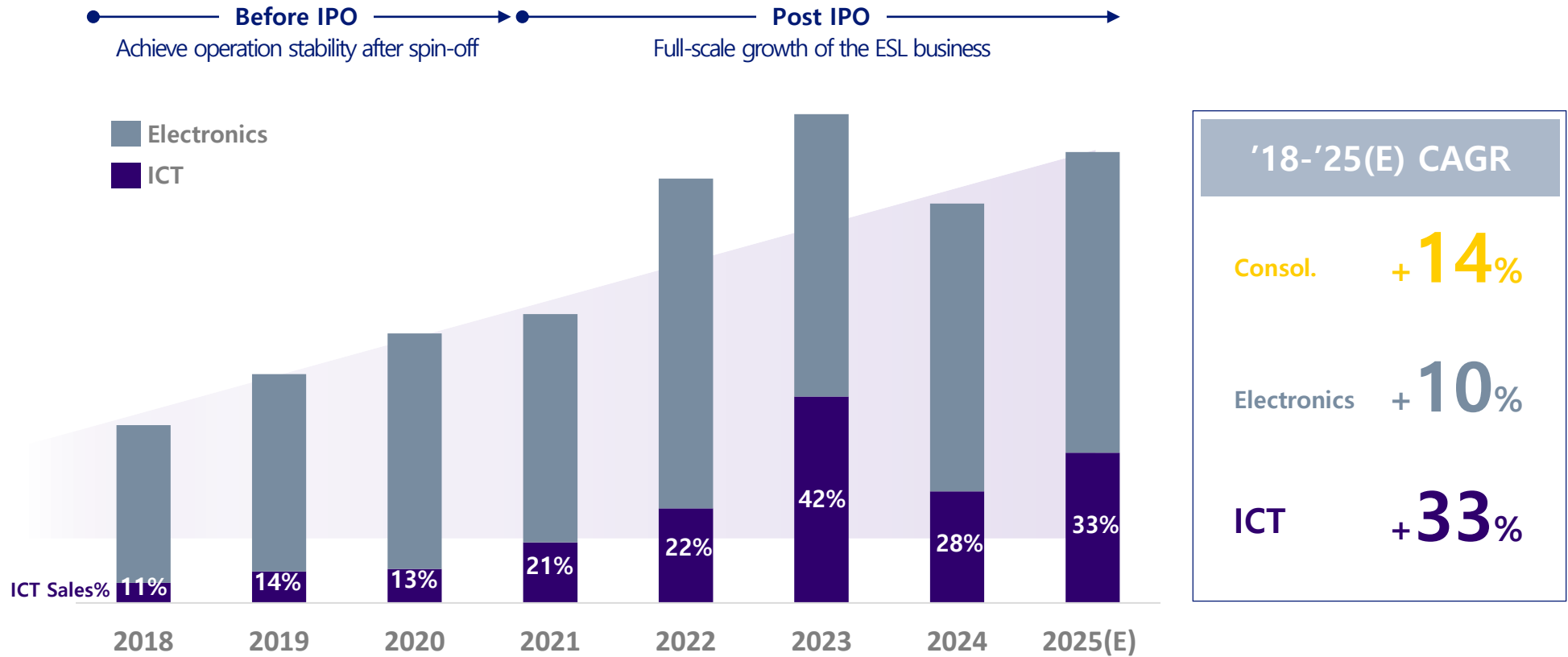
## Enablers / Foundation

Framework for strong, sustainable winning business model

# Topline Growth Trend

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



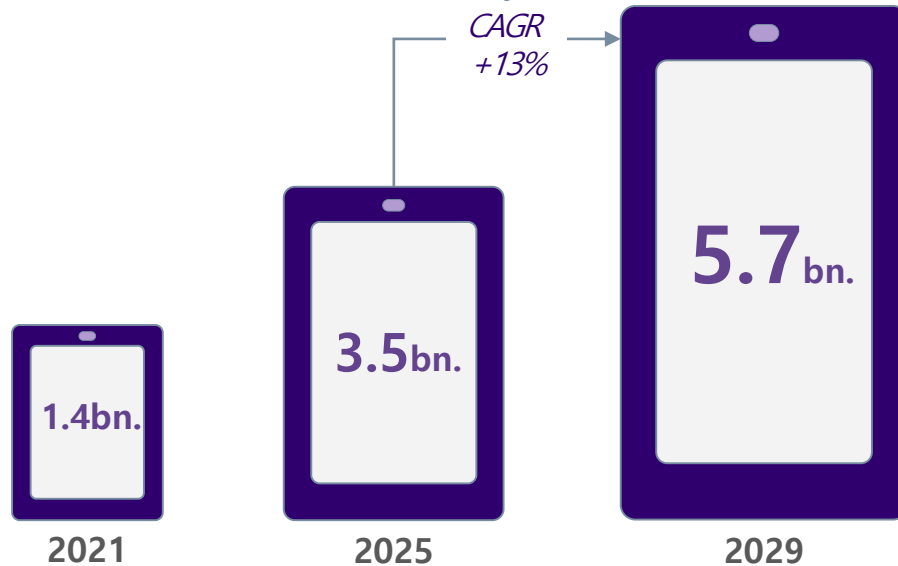
A structurally favorable and sustainable competitive environment, driven by a double-digit industry growth and a commanding market share held by the top four players

## Global ESL Market Outlook

(unit : USD)

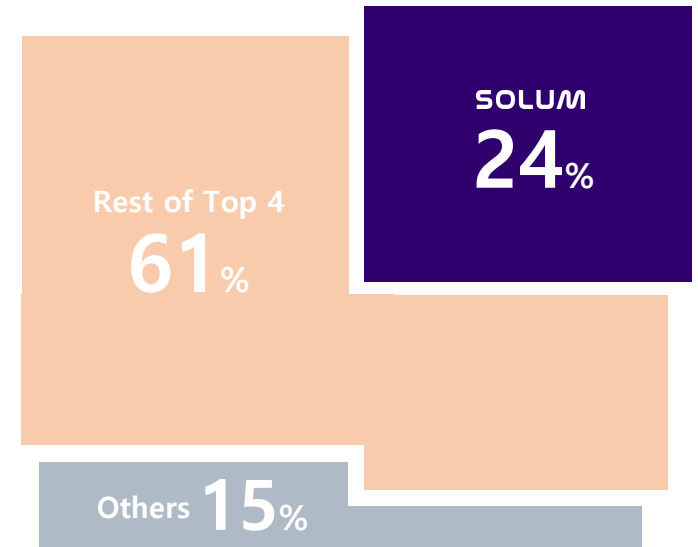
### Growth Catalysts

- Reduced labor
- Omni-channel optimization
- AI & IoT tech. retail solutions
- Enhanced customer experience



## 2023 Global ESL M/S

SOLUM holds the #2 position, with top 4 market players accounting for 85% M/S



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

**Data Analysis** 



### 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

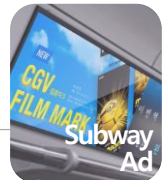
### Grow<sup>(topline)</sup>

Achieve an higher ASP through expanded solution offerings to retail customers

## Product



## Applications

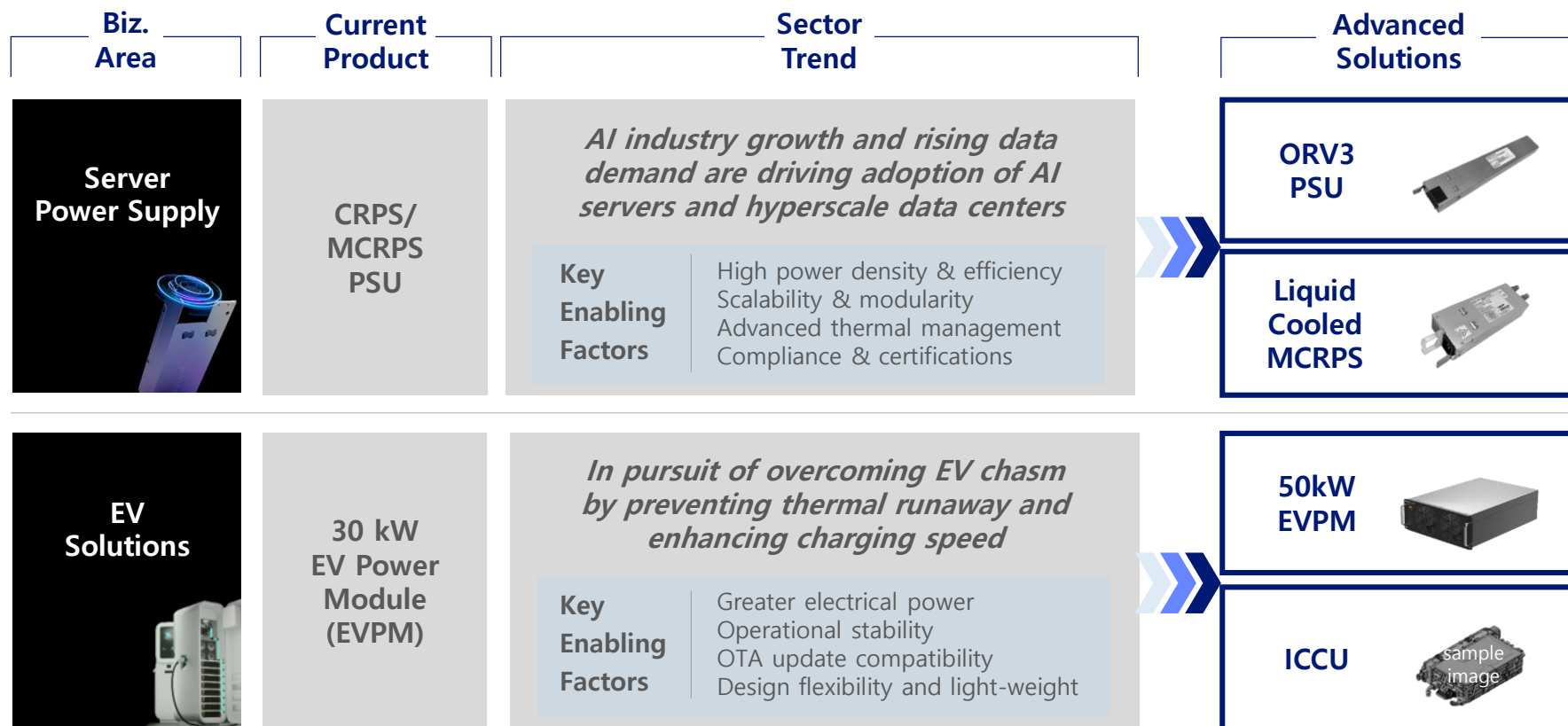




# Next Growth Engine

SOLUM

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

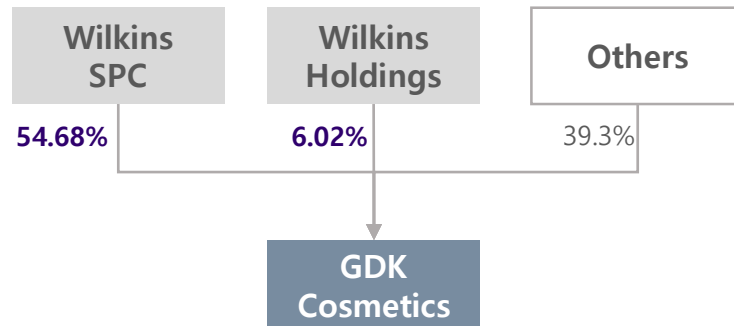
## Closing Date

June 25, 2025

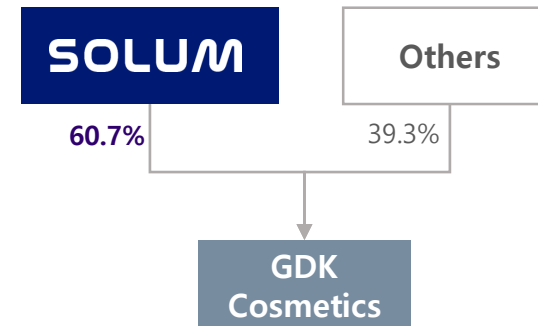
## Acquisition Price

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%)

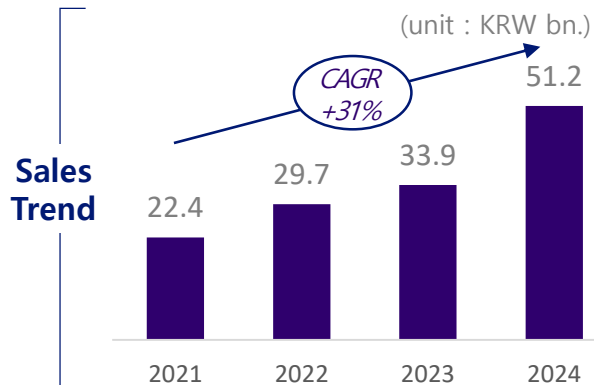
# Strategic Rationale for Acquisition

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

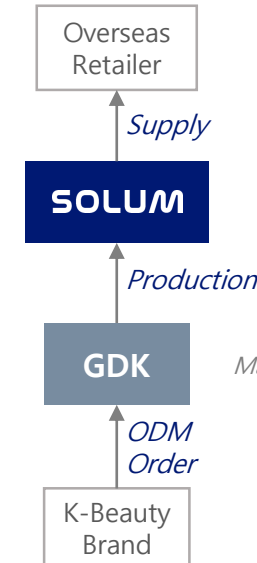
Listed Cosmetics ODM Companies	EV/EBITDA (FY25 1Q)
Kolmar Korea	10.2x
COSMAX	14.9x
COSMECCA	9.5x
C&C International	8.2x

Market Cap. as of '25.6.27

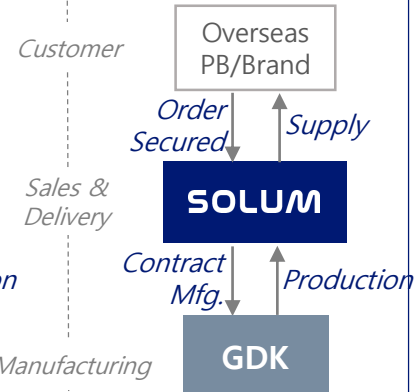
## Business Synergy Upside

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

### K-Beauty Brand Global Sale



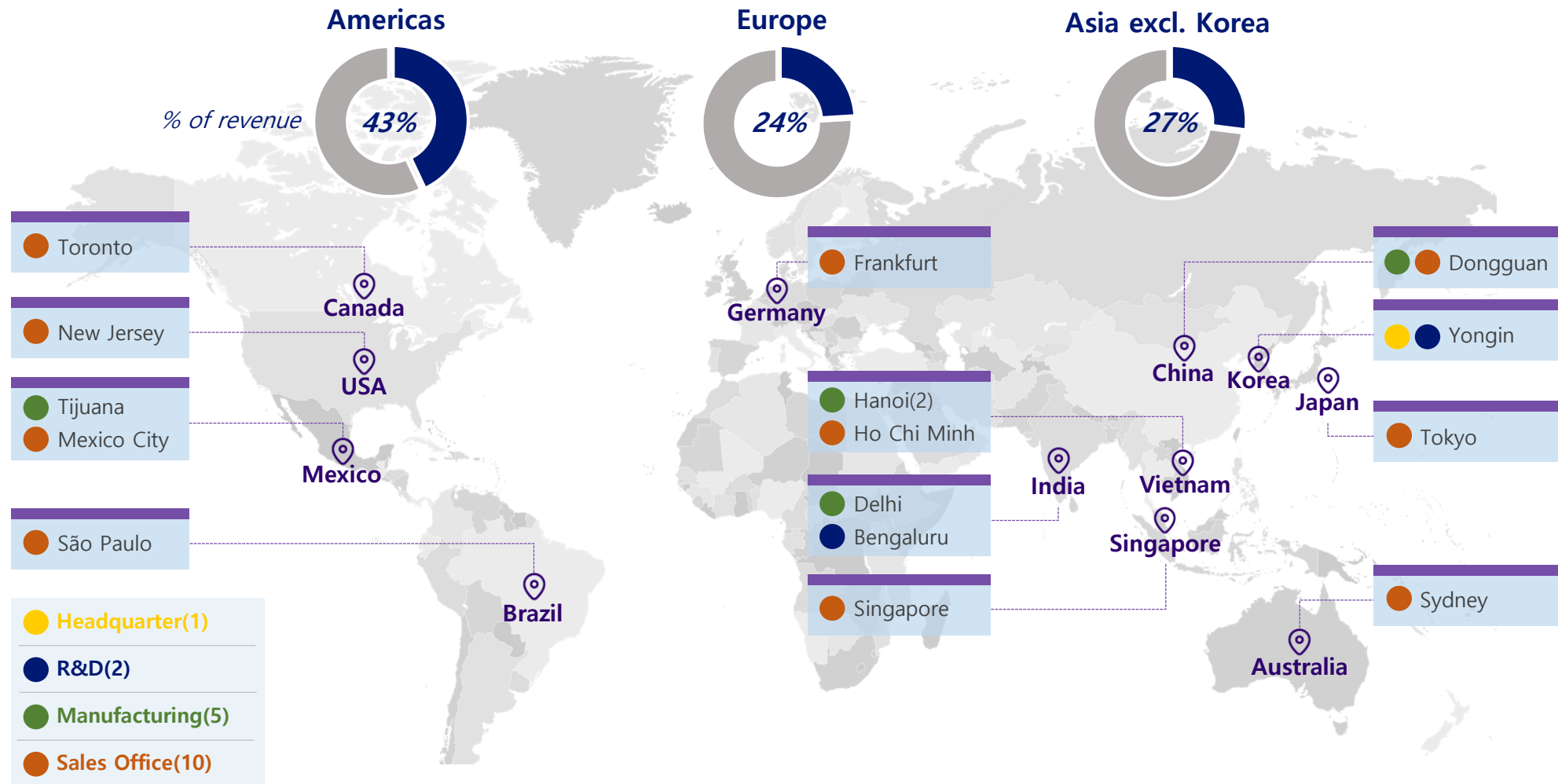
### Overseas Retailer PB or Brand ODM



# Global Capabilities

SOLUM

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

- Recognized for commitment, quality, and operational excellence

**SAMSUNG**

# **Recent Financials**

## **- 2Q25 Results**

# 2025 2Q Highlights

SOLUM

## 2Q Earnings

Sales **402.6** bn.

O/P **12.2** bn.

EBITDA **24.1** bn.

## Earnings Highlights

**ICT<sup>1)</sup> Division 2Q Sales KRW 144.0 bn.** (YoY +50%)

- Achieved the highest quarterly sales since 2023 3Q backed by successful execution of business strategy through strengthened global sales capabilities
- The Mega Project for a major NA customer progressing smoothly, expected to serve as a key driver for mid-term topline growth

**Electronics<sup>2)</sup> Division 2Q Sales KRW 258.6 bn.** (YoY -13%)

- Sales of 3in1 board declined due to reduced TV shipments by key customers  
→ Sales and profit expected to recover to normal levels in 3Q with recovery of production utilization

## Others

### GDK Cosmetics Acquisition

- A stable, cash cow business was acquired at a favorable valuation (EV/EBITDA multiple 8.8x), with further upside potential through realization of operational synergies with SOLUM
- Positive impact on SOLUM consolidated financials starting 3Q  
→ GDK Cosmetics 2025 1H Financials : Sales KRW 27.1 bn., O/P<sup>3)</sup> KRW 4.4 bn.

1) Info. and Comm. Technology – ESL, IoT products, CE-WiFi

2) Electronics – Power Module, 3in1 board, Digital Signage, Tuner

3) Excludes one-time goodwill compensation paid to employees in relation to the transaction

# Financial Results

unit : KRW bn., %, %p	2025 2Q	2024 2Q	YoY	2025 1Q	QoQ
Sales	402.6	393.9	+8.6	397.4	+5.2
Gross Profit	66.4	62.9	+3.5	66.7	-0.3
(%)	16.5%	16.0%	+0.5%p	16.8%	-0.3%p
Operating Profit	12.2	20.6	-8.3	11.5	+0.7
(%)	3.0%	5.2%	-2.2%p	2.9%	+0.1%p
EBITDA	24.1	31.5	-7.3	22.3	+1.8
(%)	6.0%	8.0%	-2.0%p	5.6%	+0.4%p
Net Income	10.2	15.2	-5.0	2.5	+7.7
(%)	2.5%	3.9%	-1.3%p	0.6%	+1.9%p



# Earnings by Business Division

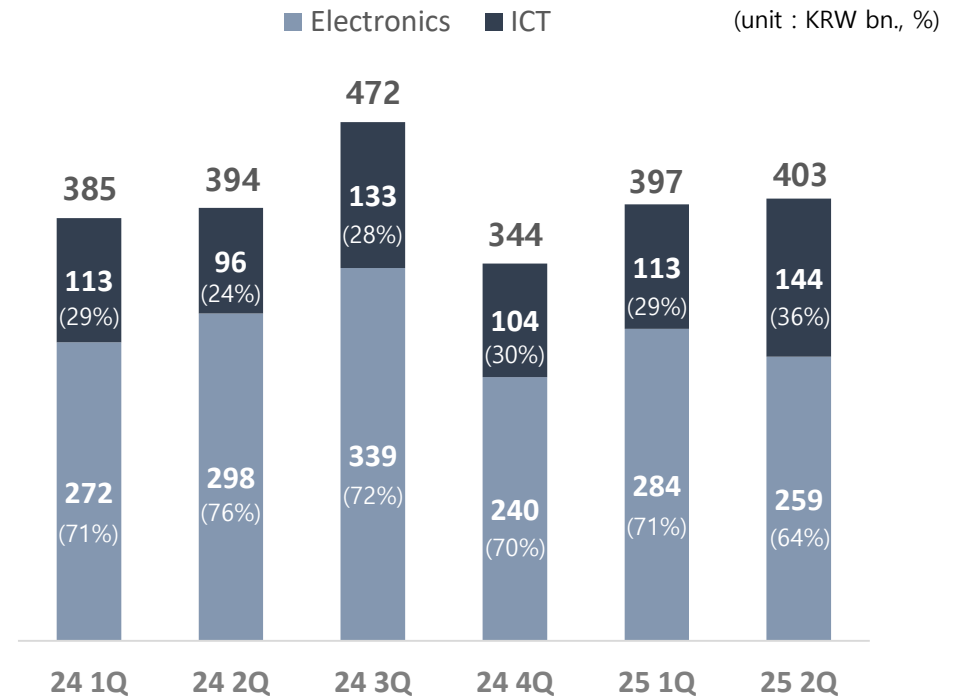
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## 2025 2Q Earnings by Division

Division	Sales	OP
Electronics <sup>1)</sup>	258.6 bn.	0.4 bn.
ICT <sup>2)</sup>	144.0 bn.	11.8 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

unit : KRW bn., %	2025 2Q end	2025 1Q end	Change	%
Total Assets	1,224.3	1,092.8	+131.5	+12.0%
Cash & Equivalents	89.6	102.9	-13.4	-13.0%
Total Liabilities	784.5	658.9	+125.6	+19.1%
Debt	455.2	376.6	+78.6	+20.9%
Total Equity	439.8	433.8	+6.0	+1.4%
Capital Stock	25.0	25.0	0.0	-
Liability to Equity %	178.4%	151.9%	+26.5%p	
Debt to Equity %	103.5%	86.8%	+16.7%p	
Net Debt to Equity %	83.1%	63.1%	+20.0%p	

Any projections in this document are made as of the date hereof taking into account current market conditions and the business direction of the Company. These projections may change based on any changes in market conditions or the Company's strategies. Accordingly, the Company undertakes no obligation to update or revise any forward-looking statements, whether due to new information, future events, or otherwise.



# End of Document



Empowering Tomorrow,  
Defining the Future