

SEMCO 3Q 19 Earnings Results

Oct 24, 2019



This presentation material is prepared for the convenience of investors, before the external audit on our 3Q 2019 financial results is completed. The audit results may cause some parts of this presentation material to change.

Business data contains forward projections from internal market estimates and publicly available sources. Actual business performance may differ from the projections herein, as a result of unexpected changes in the market environment and other conditions.

The financial information in this document is consolidated earnings results based on K-IFRS.

Table of Contents

I. 3Q 2019 Results

II. Divisional Results & Outlook

III. Appendix



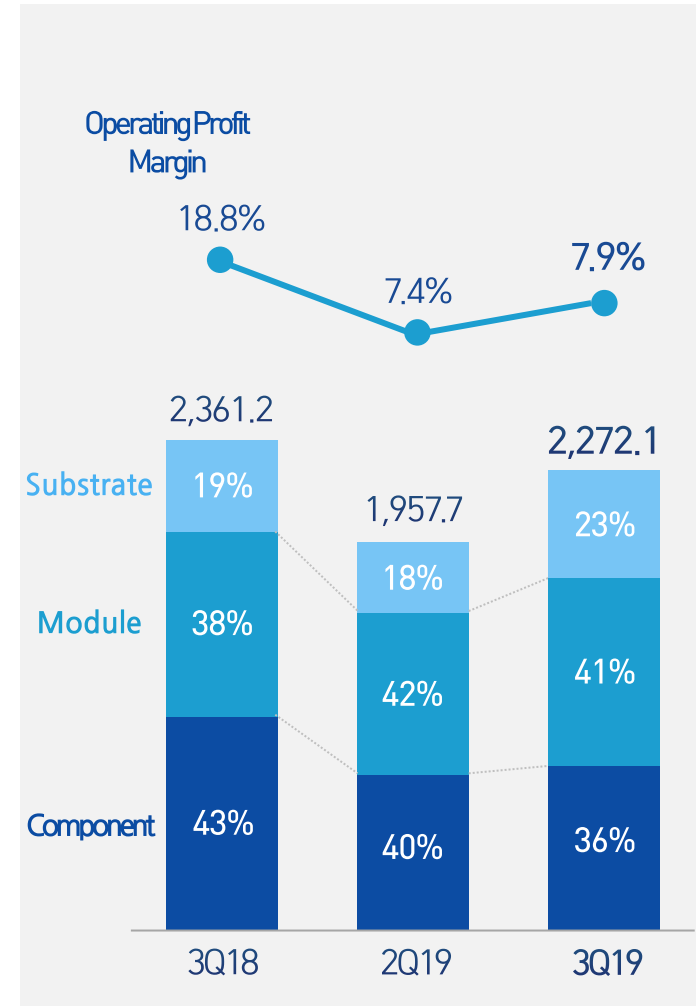
Income Statement

(Unit : KRW Billion)

	3Q19	2Q19	QoQ	3Q18	YoY
Sales	2,272.1	1,957.7	16% ↑	2,361.2	4% ↓
Component	820.1	786.7	4% ↑	1,026.8	20% ↓
Module	941.0	824.3	14% ↑	896.8	5% ↑
Substrate	511.0	346.8	47% ↑	437.6	17% ↑
Operating Profit (%)	180.2 (7.9%)	145.2 (7.4%)	24% ↑	444.5 (18.8%)	59% ↓
Pre-tax Profit (%)	162.3 (7.1%)	119.2 (6.1%)	36% ↑	408.2 (17.3%)	60% ↓
Net Income (%)	103.5 (4.6%)	303.6 (15.5%)	66% ↓	237.7 (10.1%)	56% ↓

Earnings Trend

(Unit : KRW Billion)



※ Net income attributable to owners of the parent

Financial Status

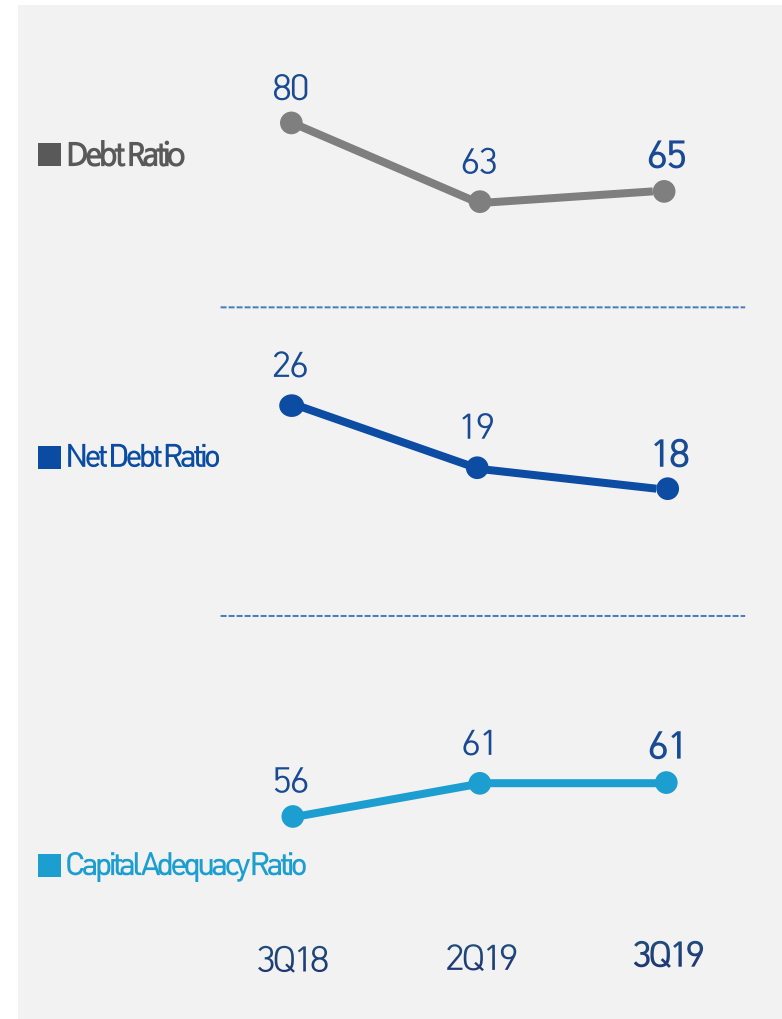
(Unit : KRW Billion)

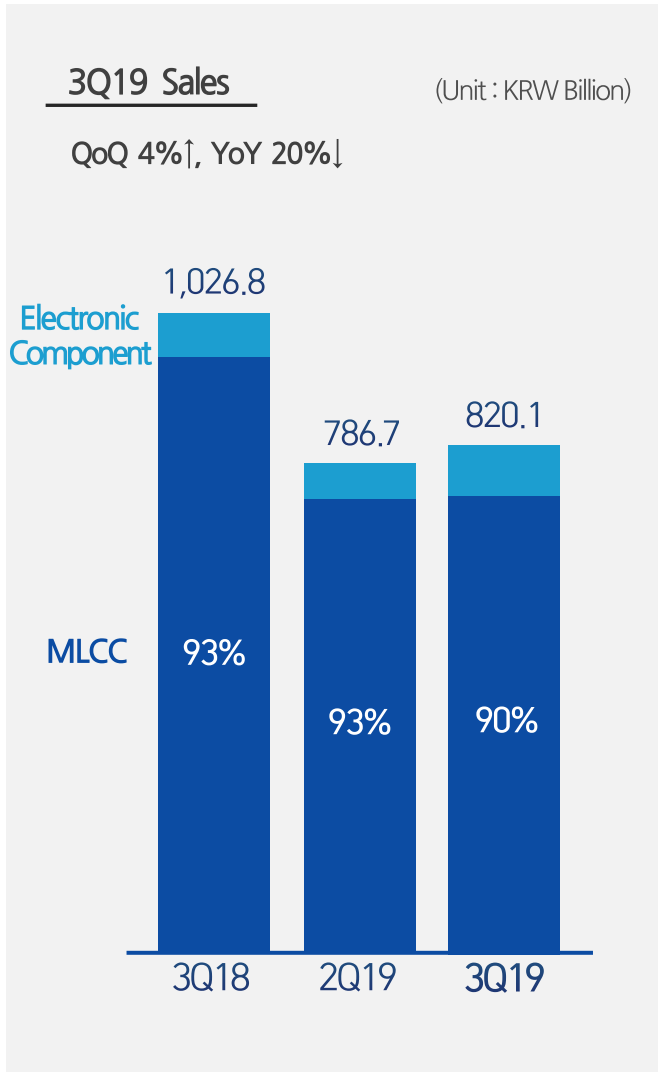
	3Q19	2Q19	QoQ	3Q18
Assets	9,083.4	8,776.4	3% ↑	8,613.2
Cash	1,292.7	1,166.1	11% ↑	1,268.6
Account Receivable	1,202.9	1,165.1	3% ↑	1,163.4
Inventory	1,186.9	1,227.4	3% ↓	996.8
Investment	216.3	218.7	1% ↓	216.1
Tangible	4,591.9	4,448.5	3% ↑	4,406.0
Others	592.7	550.6	8% ↑	562.3
Liabilities	3,570.4	3,391.5	5% ↑	3,832.1
Debts	2,299.9	2,162.5	6% ↑	2,516.1
Equity	5,513.0	5,384.9	2% ↑	4,781.1
Issued Capital	388.0	388.0	-	388.0
Net Debts	1,007.2	996.4	1% ↑	1,247.5

※ Cash : Cash and Cash Equivalents

Financial Ratio

(Unit : %)





3Q 19 Results

- Revenue growth with increased supply of MLCC for IT applications and Electronic Component
 - Demand improvement with seasonality and sales increase of new models
 - Increased supply in mobile high-end and PC/TV MLCC

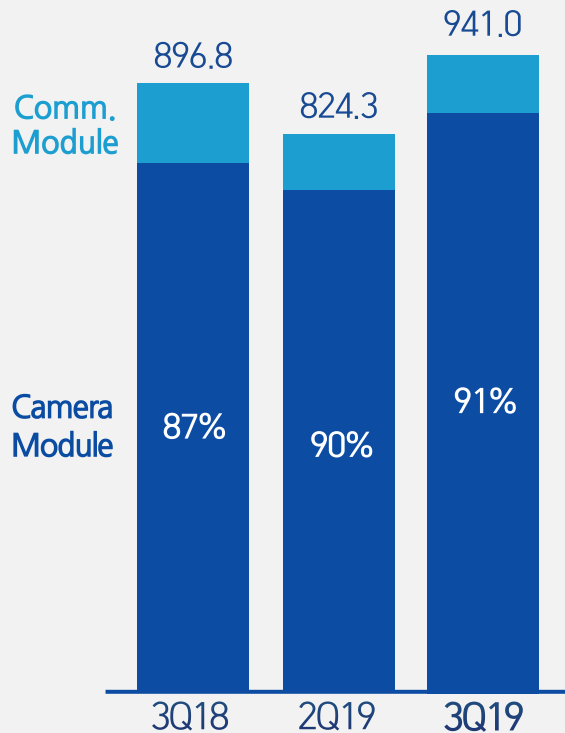
Market Outlook and Strategy

- Increasing demand from major IT applications and decreasing inventory to continue
 - Actively respond to high-end driven demand growth
- Expecting demand to grow IT/Industrial by 5G roll out, Automotive market by ADAS, autonomous driving and xEV
 - Strengthen response to 5G smartphone, network market and server applications
 - Continue to expand high reliability product line up with focus on Automotive Tier-1 and Korean customers

3Q19 Sales

(Unit : KRW Billion)

QoQ 14%↑, YoY 5%↑



3Q 19 Results

- Revenue growth with increased camera module supply to strategic customer
 - Growth in high-spec triple and quad camera modules
- Started supply of new product to Chinese customers
 - Started mass production of 48M↑ high pixel multi-camera

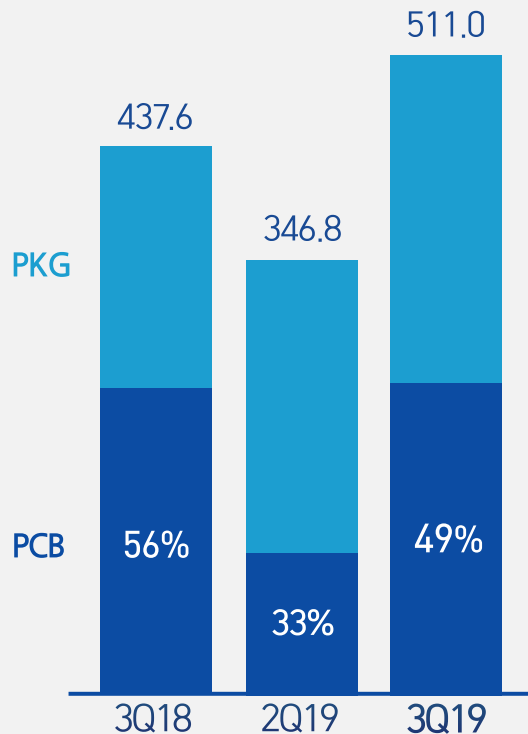
Market Outlook and Strategy

- Adoption of high-pixel/high power zoom camera to continue
 - Lead customer/market with technology differentiation in core components
- 5G communication module market to gradually expand
 - Secure high performance antenna technology and lead 5G market in early stage

3Q19 Sales

(Unit : KRW Billion)

QoQ 47%↑, YoY 17%↑



3Q 19 Results

- **PKG : Increased revenue in PC CPU and mobile memory**
 - Increased supply in 10nm CPU thin FCBGA and MDRAM BGA
- **PCB: Growth in display RFPCB revenue**
 - Expanded supply to overseas customer for new product, started mass production for Chinese customer

Market Outlook and Strategy

- **Expecting BGA demand for mobile AP to continue with gradual expansion in 5G demand**
 - Maintain edge in AP FCCSP supply
 - Strengthen position in 5G antenna SiP market
- **Supply of FCBGA for Server/Network/Automotive to remain tight**
 - Increase supply of ultra-thin substrate for CPU and substrate for Automotive/GPU

Income Statement

(Unit : KRW Billion)	3Q19	2Q19	QoQ	3Q18	YoY
Sales	2,272.1	1,957.7	16% ↑	2,361.2	4% ↓
Cost of Sales	1,738.0	1,465.6	19% ↑	1,563.0	11% ↑
Gross Profit (%)	534.1 (23.5%)	492.1 (25.1%)	9% ↑ (1.6%p ↓)	798.2 (33.8%)	33% ↓ (10.3%p ↓)
SG&A	353.9	346.9	2% ↑	353.7	0.1% ↑
Operating Profit (%)	180.2 (7.9%)	145.2 (7.4%)	24% ↑ (0.5%p ↑)	444.5 (18.8%)	59% ↓ (10.9%p ↓)
Non-operating income/expense	-17.9	-26.0	31% ↓	-36.3	51% ↓
Pre-tax Profit (%)	162.3 (7.1%)	119.2 (6.1%)	36% ↑ (1.0%p ↑)	408.2 (17.3%)	60% ↓ (10.2%p ↓)
Income Tax	52.9	63.7	17% ↓	122.5	57% ↓
Net Income (%)	103.5 (4.6%)	303.6 (15.5%)	66% ↓ (10.9%p ↓)	237.7 (10.1%)	56% ↓ (5.5%p ↓)

※ Net income attributable to owners of the parent

Financial Status

(Unit : KRW Billion)	3Q19	2Q19	QoQ	3Q18	YoY
Assets	9,083.4	8,776.4	3% ↑	8,613.2	5% ↑
Current	3,947.6	3,837.6	3% ↑	3,670.6	8% ↑
Cash	1,292.7	1,166.1	11% ↑	1,268.6	2% ↑
Account Receivable	1,202.9	1,165.1	3% ↑	1,163.4	3% ↑
Inventory	1,186.9	1,227.4	3% ↓	996.8	19% ↑
Others	265.1	279.0	5% ↓	241.8	10% ↑
Non-current	5,135.8	4,938.8	4% ↑	4,942.6	4% ↑
Investment	216.3	218.7	1% ↓	216.1	0.1% ↑
Tangible	4,591.9	4,448.5	3% ↑	4,406.0	4% ↑
Intangible	74.0	77.5	5% ↓	168.1	56% ↓
Others	253.6	194.1	31% ↑	152.4	66% ↑
Liabilities	3,570.4	3,391.5	5% ↑	3,832.1	7% ↓
Current	2,205.3	2,205.7	0.02% ↓	2,762.7	20% ↓
Non-current	1,365.1	1,185.8	15% ↑	1,069.4	28% ↑
Equity	5,513.0	5,384.9	2% ↑	4,781.1	15% ↑
Issued Capital	388.0	388.0	-	388.0	-

※ Cash : Cash and Cash Equivalents

Cash Flow

(Unit : KRW Billion)	3Q19	2Q19	3Q18
Cash at the beginning of period	966.0	1,143.7	533.2
Cash flows from operating activities	401.9	15.2	565.8
Net Income	109.4	306.7	246.2
Depreciation	202.7	211.9	188.6
Cash flows used in investing activities	-167.3	368.1	312.7
Increase in tangible assets	-368.4	-224.1	-293.7
Cash flows from financing activities	-3.3	-543.5	-48.3
Increase/Decrease in debt	34.5	-435.8	-21.6
Foreign exchange difference	95.4	-17.5	-94.8
Net changes in cash	326.7	-177.7	735.4
Cash at the end of period	1,292.7	966.0	1,268.6