

# SEMCO Q3 2020 Earnings Results

Oct 26, 2020



This presentation material is prepared for the convenience of investors, before the external audit on our Q3 2020 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. Q3 2020 Results

II. Divisional Results & Outlook

III. Appendix



## Income Statement

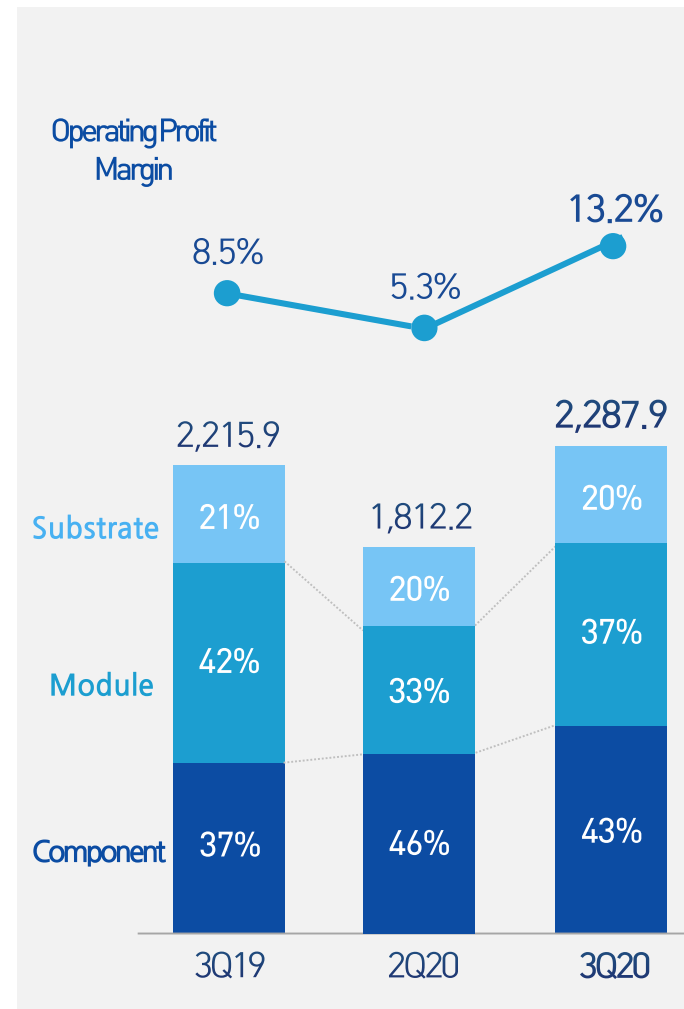
(Unit : KRW Billion)

	3Q20	2Q20	QoQ	3Q19	YoY
<b>Sales</b>	2,287.9	1,812.2	26% ↑	2,215.9	3% ↑
<b>Component</b>	983.2	839.6	17% ↑	820.1	20% ↑
<b>Module</b>	852.7	604.8	41% ↑	941.0	9% ↓
<b>Substrate</b>	452.0	367.8	23% ↑	454.8	1% ↓
<b>Operating Profit (%)</b>	302.5 (13.2%)	96.0 (5.3%)	215% ↑	189.2 (8.5%)	60% ↑
<b>Pre-tax Profit (%)</b>	300.7 (13.1%)	67.8 (3.7%)	344% ↑	175.3 (7.9%)	72% ↑
<b>Net Income (%)</b>	230.2 (10.1%)	39.2 (2.2%)	487% ↑	103.5 (4.7%)	122% ↑

※ Net income attributable to owners of the parent

## Earnings Trend

(Unit : KRW Billion)



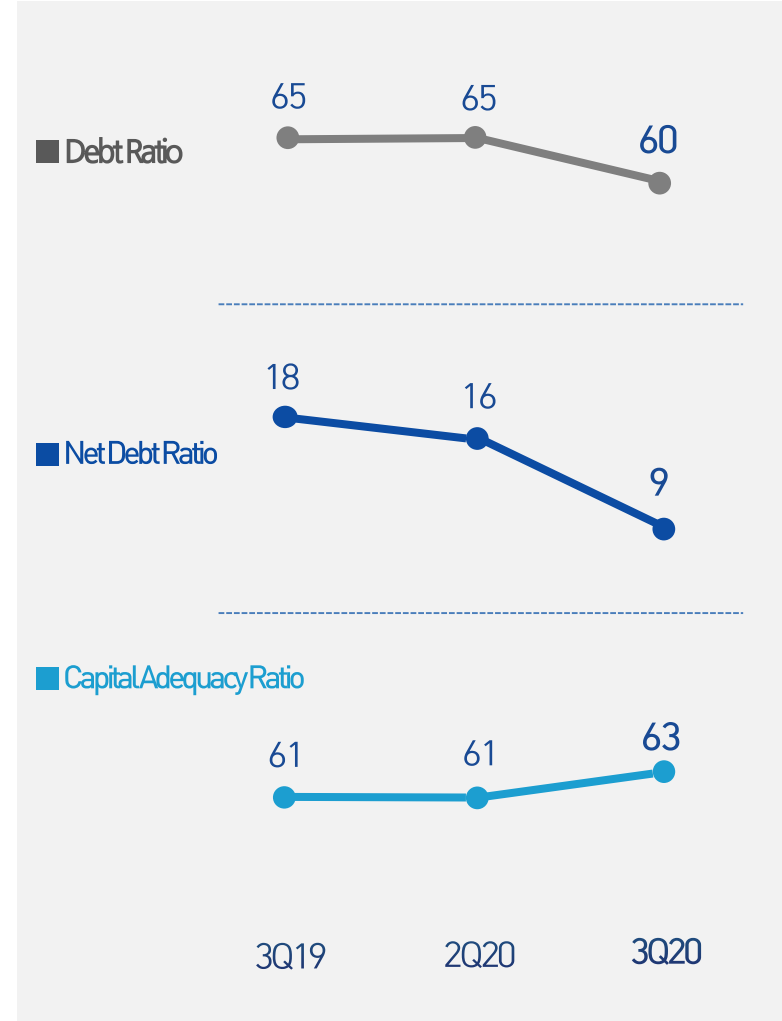
## Financial Status

(Unit : KRW Billion)

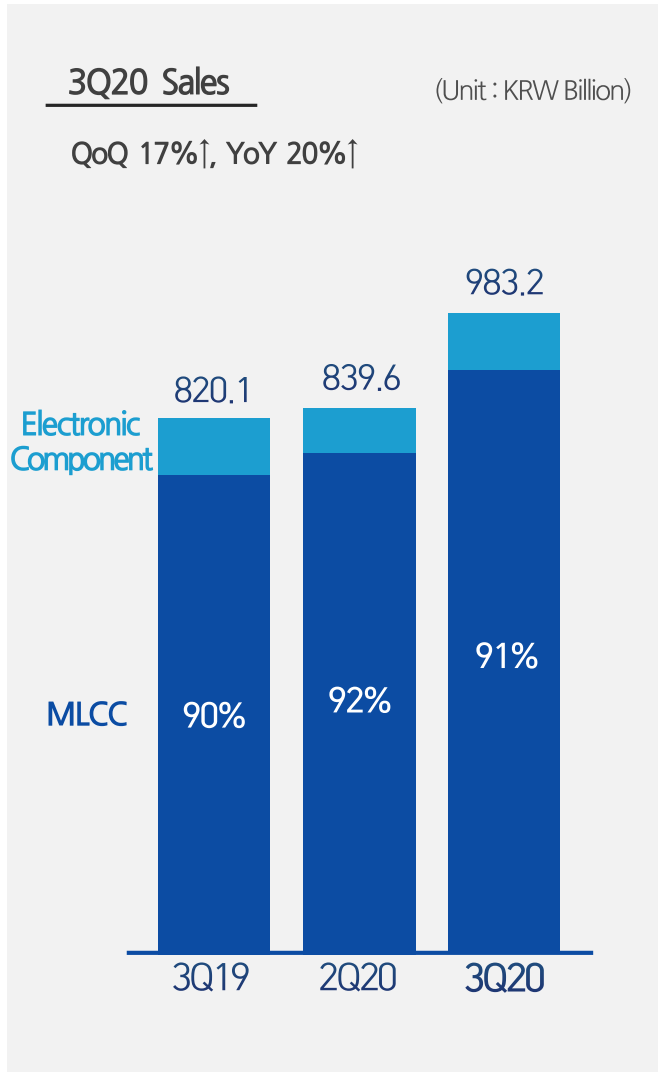
	3Q20	2Q20	QoQ	3Q19
<b>Assets</b>	9,245.5	9,188.4	1% ↑	9,083.4
Cash	1,474.2	1,511.6	2% ↓	1,292.7
Account Receivable	981.0	863.4	14% ↑	1,202.9
Inventory	1,169.7	1,173.1	0.3% ↓	1,186.9
Investment	206.2	212.9	3% ↓	216.3
Tangible	4,628.3	4,621.9	0.1% ↑	4,591.9
Others	786.1	805.5	2% ↓	592.7
<b>Liabilities</b>	3,457.8	3,628.6	5% ↓	3,570.4
Debts	1,998.5	2,381.9	16% ↓	2,299.9
Net Debts	524.3	870.3	40% ↓	1,007.2
<b>Equity</b>	5,787.7	5,559.8	4% ↑	5,513.0
Issued Capital	388.0	388.0	-	388.0

## Financial Ratio

(Unit : %)



※ Cash : Cash and Cash Equivalents



## 2020 Q3 Results

- **Revenue growth driven by high-end MLCC**
  - Increased sales of small-sized, high-capacitance MLCC for major customer's mobile applications
  - Increased supply driven by recovery of automotive demand
- **Enhanced profitability through gains in yield and equipment efficiency**
  - Improved yield of overseas operations
  - Equipment efficiency gains by unlocking key bottleneck processes

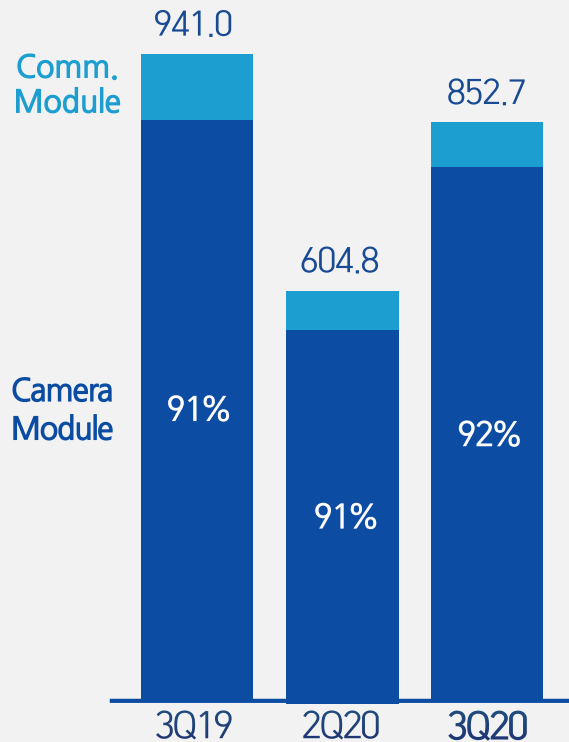
## Market Outlook and Strategy

- **IT related demand(mobile/PC/game device) expected to continue**
  - Focus on increasing supply of high-end MLCC for IT applications including small-size/high-capacitance MLCC
- **Automotive MLCC demand expected to increase with recovery of auto demand**
  - Increase supply by adding new products to the high-reliability line-up

## 3Q20 Sales

(Unit : KRW Billion)

QoQ 41%↑, YoY 9%↓



## 2020 Q3 Results

- Revenue growth driven by launch of new flagships by domestic and overseas customers
  - Increased supply of high-performance camera module including folded zoom
- Started mass production of 5G communication module
  - Supplied high-end antenna module for 5G mmWave

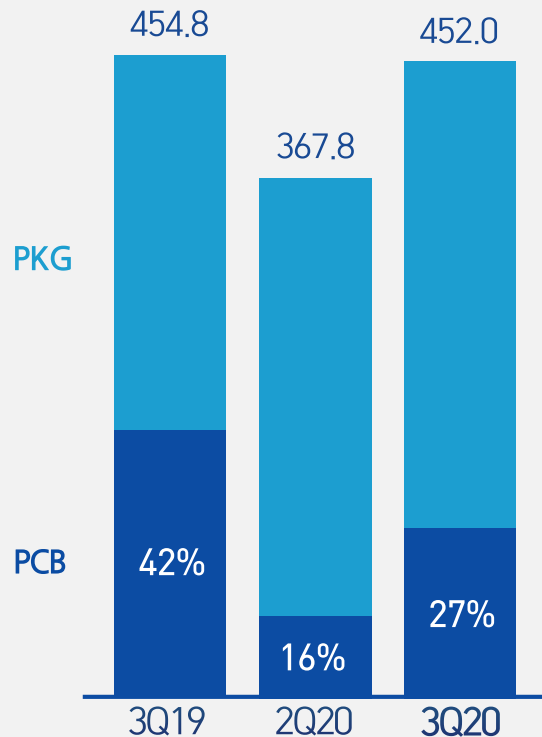
## Market Outlook and Strategy

- Stronger optical zoom and adoption of high pixel modules
  - Supply new high-end camera module for flagships and increase supply for upper mass tier smartphones
- 5G communication module market expected to expand
  - Diversify customers for 5G mmWave antenna modules

## 3Q20 Sales

(Unit : KRW Billion)

QoQ 23%↑, YoY 1%↓



## 2020 Q3 Results

- Revenue growth in all areas including PKG and PCB
  - Increased supply of BGA for mobile AP & FCBGA for thin CPU
  - Started supply of OLED RFPCB for new flagship smartphone
- Enhanced profitability with increased mix of high-end products
  - Increased share of multi-layer substrates for 5G and continued full utilization of package lines
  - Increase in new RFPCB revenue helped improve margins

## Market Outlook and Strategy

- Demand for high-end package substrates expected to remain solid
  - Increase production of high-end package substrates for applications such as 5G/automotive/thin CPU
  - Continue to lead the market by securing leading next generation technology such as high multi-layer/micro circuit



# Income Statement

(Unit : KRW Billion)	3Q20	2Q20	QoQ	3Q19	YoY
<b>Sales</b>	2,287.9	1,812.2	26% ↑	2,215.9	3% ↑
<b>Cost of Sales</b>	1,697.5	1,449.3	17% ↑	1,677.2	1% ↑
<b>Gross Profit</b> (%)	590.4 (25.8%)	362.9 (20.0%)	63% ↑ (5.8%p ↑)	538.7 (24.3%)	10% ↑ (1.5%p ↑)
<b>SG&amp;A</b>	287.9	266.9	8% ↑	349.5	18% ↓
<b>Operating Profit</b> (%)	302.5 (13.2%)	96.0 (5.3%)	215% ↑ (7.9%p ↑)	189.2 (8.5%)	60% ↑ (4.7%p ↑)
<b>Non-operating income/expense</b>	-1.8	-28.2	-	-13.9	-
<b>Pre-tax Profit</b> (%)	300.7 (13.1%)	67.8 (3.7%)	344% ↑ (9.4%p ↑)	175.3 (7.9%)	72% ↑ (5.2%p ↑)
<b>Income Tax</b>	64.2	20.0	221% ↑	52.3	23% ↑
<b>Net Income</b> (%)	230.2 (10.1%)	39.2 (2.2%)	487% ↑ (7.9%p ↑)	103.5 (4.7%)	122% ↑ (5.4%p ↑)

※ Net income attributable to owners of the parent

# Financial Status

(Unit : KRW Billion)	3Q20	2Q20	QoQ	3Q19	YoY
<b>Assets</b>	9,245.5	9,188.4	1% ↑	9,083.4	2% ↑
<b>Current</b>	4,009.4	3,936.1	2% ↑	3,947.6	2% ↑
Cash	1,474.2	1,511.6	2% ↓	1,292.7	14% ↑
Account Receivable	981.0	863.4	14% ↑	1,202.9	18% ↓
Inventory	1,169.7	1,173.1	0.3% ↓	1,186.9	1% ↓
Others	384.5	388.0	1% ↓	265.1	45% ↑
<b>Non-current</b>	5,236.1	5,252.3	0.3% ↓	5,135.8	2% ↑
Investment	206.2	212.9	3% ↓	216.3	5% ↓
Tangible	4,628.3	4,621.9	0.1% ↑	4,591.9	1% ↑
Intangible	144.6	142.9	1% ↑	74.0	95% ↑
Others	257.0	274.6	6% ↓	253.6	1% ↑
<b>Liabilities</b>	3,457.8	3,628.6	5% ↓	3,570.4	3% ↓
Current	2,093.6	2,273.2	8% ↓	2,205.3	5% ↓
Non-current	1,364.2	1,355.4	1% ↑	1,365.1	0.1% ↓
<b>Equity</b>	5,787.7	5,559.8	4% ↑	5,513.0	5% ↑
Issued Capital	388.0	388.0	-	388.0	-

※ Cash : Cash and Cash Equivalents

# Cash Flow

(Unit : KRW Billion)	3Q20	2Q20	3Q19
Cash at the beginning of period	1,511.6	1,283.5	966.0
Cash flows from operating activities	556.8	565.9	404.2
Net Income	240.0	45.7	109.4
Depreciation	212.2	216.4	211.3
Cash flows used in investing activities	-213.2	-190.3	-167.2
Increase in tangible/intangible assets	-212.2	-196.3	-368.4
Cash flows from financing activities	-380.3	-134.0	-5.4
Increase/Decrease in debt	-363.0	-30.2	34.5
Foreign exchange difference	-0.7	-13.5	95.1
Net changes in cash	-37.4	228.1	326.7
Cash at the end of period	1,474.2	1,511.6	1,292.7