

SEMCO 1Q 19 Earnings Results

April 30, 2019



This presentation material is prepared for the convenience of investors, before the external audit on our 1Q 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.

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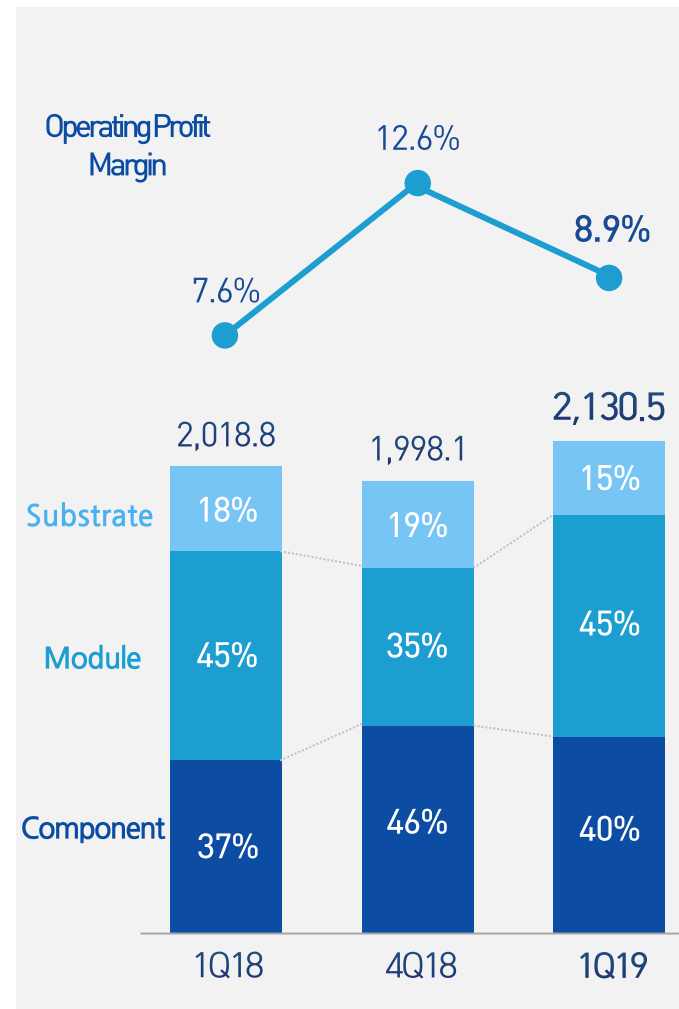
Income Statement

(Unit : KRW Billion)

	1Q19	4Q18	QoQ	1Q18	YoY
Sales	2,130.5	1,998.1	7% ↑	2,018.8	6% ↑
Component	836.3	896.1	7% ↓	753.0	11% ↑
Module	951.2	687.3	38% ↑	899.8	6% ↑
Substrate	328.9	381.8	14% ↓	357.1	8% ↓
Operating Profit (%)	190.3 (8.9%)	252.3 (12.6%)	25% ↓	154.0 (7.6%)	24% ↑
Pre-tax Profit (%)	171.9 (8.1%)	237.7 (11.9%)	28% ↓	152.3 (7.5%)	13% ↑
Net Income (%)	129.8 (6.1%)	185.3 (9.3%)	30% ↓	111.2 (5.5%)	17% ↑

Earnings Trend

(Unit : KRW Billion)



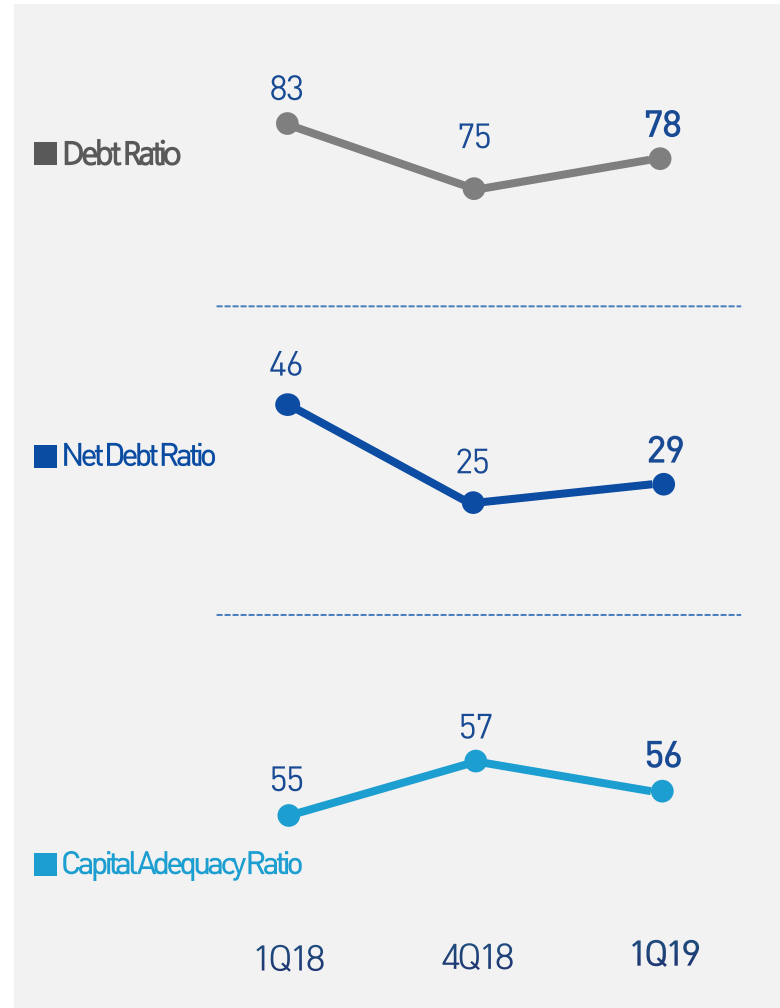
Financial Status

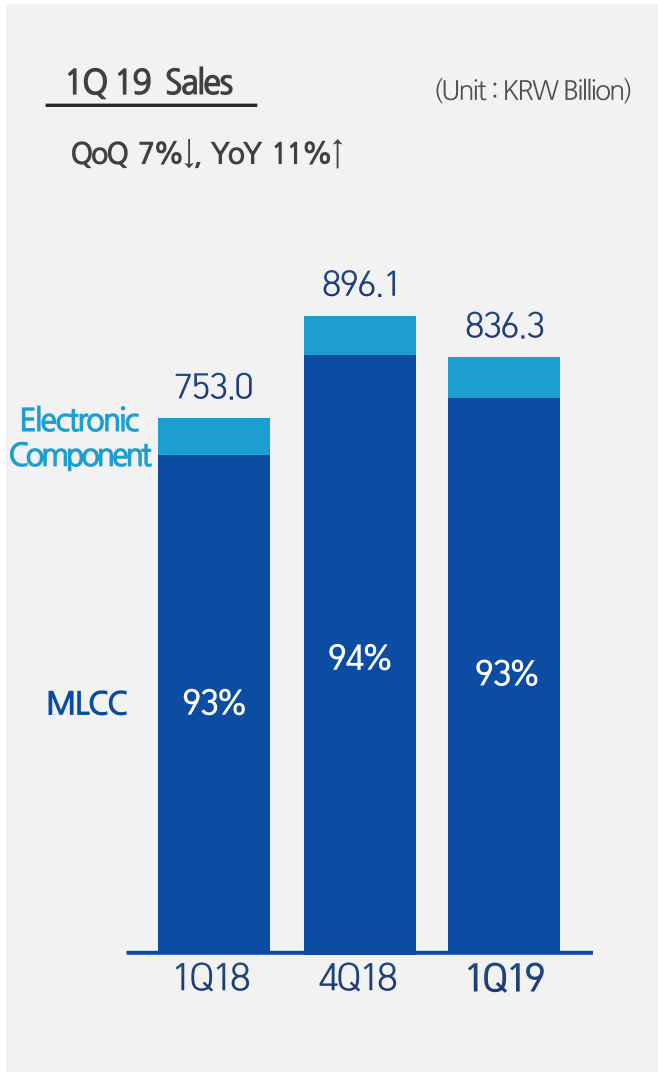
(Unit : KRW Billion)

	1Q19	4Q18	QoQ	1Q18
Assets	9,000.5	8,644.9	4% ↑	8,224.8
Current	3,687.1	3,525.3	5% ↑	2,789.2
Cash Equivalents	1,143.7	1,202.4	5% ↓	611.9
Inventory	1,124.2	1,115.6	1% ↑	902.4
Non-Current	5,313.4	5,119.6	4% ↑	5,435.6
Tangible	4,740.4	4,558.0	4% ↑	4,251.7
Liabilities	3,943.2	3,698.4	7% ↑	3,733.1
Debts	2,608.3	2,454.1	6% ↑	2,689.1
Net Debts	1,464.6	1,251.7	17% ↑	2,077.2
Equity	5,057.3	4,946.5	2% ↑	4,491.7

Financial Ratio

(Unit : %)



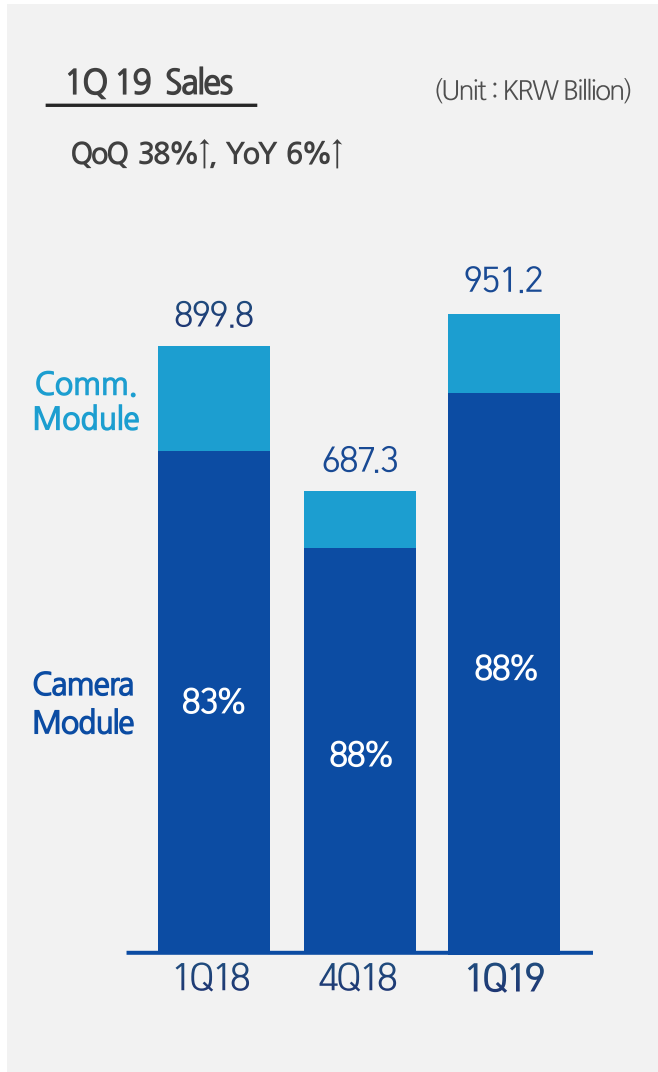


1Q 19 Results

- **Decreased revenue due to delay in IT demand recovery and inventory adjustment**
 - Decreased sales to Chinese PC and mobile applications
- **Increased Auto/Industrial MLCC revenue**
 - Increased sales to global automotive customers and network applications

2Q Outlook and Strategy

- **Stagnant demand for IT mid/low-end, Tight high-end supply expected to continue**
 - Focus on increasing supply of ultra high capacitance and other high-end products
- **Increase demand for Auto/Industrial high reliability MLCC**
 - Switch over IT capacity to meet market demand, expand high reliability line-up, increase sales to major customer



1Q 19 Results

- Increased revenue driven by mass production of new high performance multi camera
 - Started supply of triple cam to strategic & Chinese customers
- Supplied new standard comm. module to strategic customer
 - Supplied WiFi 11ax module for flagship smartphone

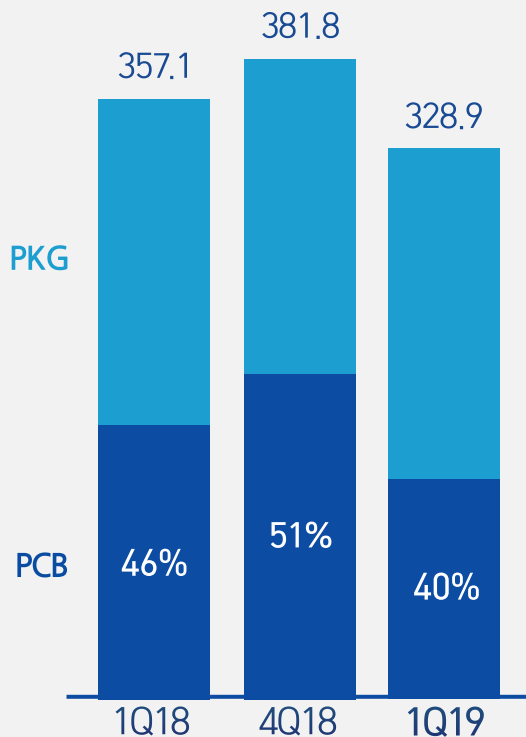
2Q Outlook and Strategy

- Chinese customers are expected to launch new models with high performance camera
 - Increase supply of high-end camera module (high pixel, high power zoom)
- Opening & gradually growing of 5G module market
 - Continuing development of high performance Ant. module

1Q 19 Sales

(Unit : KRW Billion)

QoQ 14%↓, YoY 8%↓



1Q 19 Results

- **PCB : Decline in revenue of RFPCB for display**
 - Supply for OLED applications decreased due to fall in demand for overseas customer's smartphone
- **PKG : Increase in revenue of FCCSP for AP & FCBGA for PC**
 - Increased exclusive supply to high-end flagship

2Q Outlook and Strategy

- **Weak demand for overseas customer's smartphone continue**
 - Focus on expanding RFPCB line-up for Chinese customers' and camera module
- **Increasing demand for high-end PKG substrate**
 - Revenue growth by diversifying GPU/Auto PKG substrate

Income Statement

(Unit : KRW Billion)	1Q19	4Q18	QoQ	1Q18	YoY
Sales	2,130.5	1,998.1	7% ↑	2,018.8	6% ↑
Cost of Sales	1,596.9	1,373.2	16% ↑	1,546.7	3% ↑
Gross Profit (%)	533.6 (25.0%)	624.9 (31.3%)	15% ↓ (6.3%p ↓)	472.1 (23.4%)	13% ↑ (1.6%p ↑)
SG&A	343.3	372.6	8% ↓	318.1	8% ↑
Operating Profit (%)	190.3 (8.9%)	252.3 (12.6%)	25% ↓ (3.7%p ↓)	154.0 (7.6%)	24% ↑ (1.3%p ↑)
Non-operating Loss	18.4	14.6	26% ↑	1.7	982% ↑
Pre-tax Profit (%)	171.9 (8.1%)	237.7 (11.9%)	28% ↓ (3.8%p ↓)	152.3 (7.5%)	13% ↑ (0.6%p ↑)
Income Tax	38.8	46.1	16% ↓	36.5	6% ↑
Non-controlling interests Profit	3.3	6.3	48% ↓	4.6	28% ↓
Net Income (%)	129.8 (6.1%)	185.3 (9.3%)	30% ↓ (3.2%p ↓)	1,112 (5.5%)	17% ↑ (0.6%p ↑)

Financial Status

(Unit : KRW Billion)	1Q19	4Q18	QoQ	1Q18	YoY
Assets	9,000.5	8,644.9	4% ↑	8,224.8	9% ↑
Current	3,687.1	3,525.3	5% ↑	2,789.2	32% ↑
Quick	2,542.4	2,398.8	6% ↑	1,864.3	36% ↑
Cash equivalents	1,143.7	1,202.4	5% ↓	611.9	87% ↑
Inventory	1,124.2	1,115.6	1% ↑	902.4	25% ↑
Non-Current	5,313.4	5,119.6	4% ↑	5,435.6	2% ↓
Investment	223.7	213.3	5% ↑	878.7	75% ↓
Tangible	4,740.4	4,558.0	4% ↑	4,251.7	11% ↑
Liabilities	3,943.2	3,698.4	7% ↑	3,733.1	6% ↑
Debts	2,608.3	2,454.1	6% ↑	2,689.1	3% ↓
Net Debts	1,464.6	1,251.7	17% ↑	2,077.2	29% ↓
Equity	5,057.3	4,946.5	2% ↑	4,491.7	13% ↑
Current Ratio	140%	140%	-	98%	42%p ↑
Debt Ratio	78%	75%	3%p ↑	83%	5%p ↓
Net Debt Ratio	29%	25%	4%p ↑	46%	17%p ↓
Capital Adequacy Ratio	56%	57%	1%p ↓	55%	1%p ↑

Cash Flow

(Unit : KRW Billion)	1Q19	4Q18	1Q18
Cash at the beginning of period	1,002.4	1,268.6	444.6
Cash flows from operating activities	195.4	395.5	213.0
Net Income	133.0	191.7	115.8
Depreciation	203.2	193.4	159.2
Cash flows used in investing activities	-174.0	-577.2	-281.8
Increase in tangible assets	-373.3	-377.4	-282.9
Cash flows from financing activities	95.9	-154.1	99.9
Increase/Decrease in debt	124.1	-130.3	120.2
Foreign exchange difference	24.0	69.6	56.2
Net changes in cash	141.3	-266.2	87.3
Cash at the end of period	1,143.7	1,002.4	531.9