

# SEMCO Q2 2022 Earnings Results

Jul 27, 2022



# Disclaimer

This presentation material is prepared for the convenience of investors, before the external audit on our Q2 2022 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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# Earnings Overview

## Income Statement

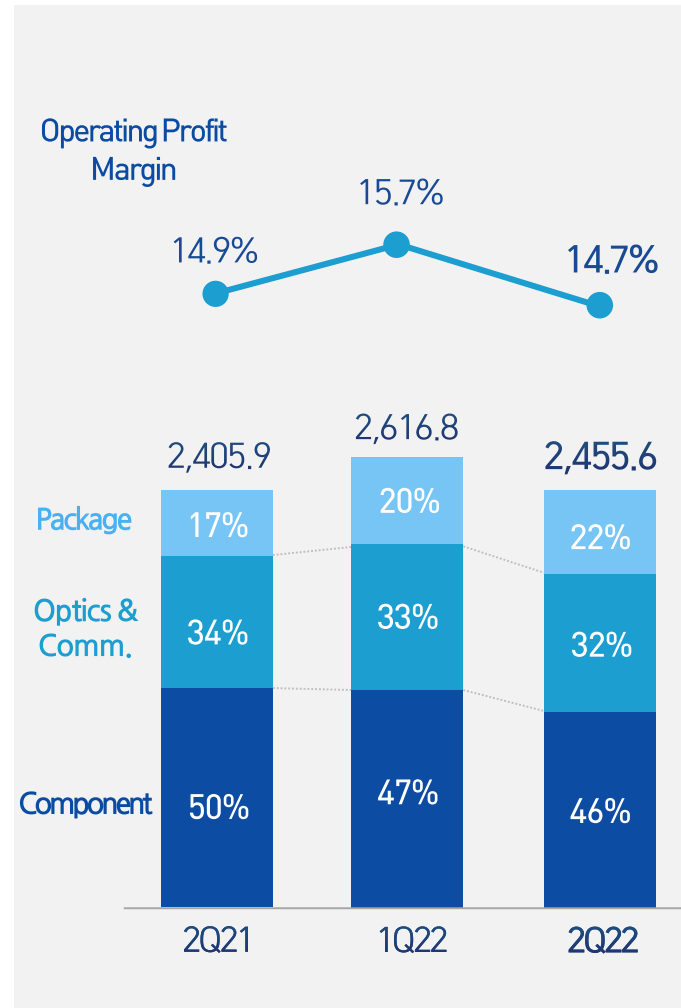
(Unit : KRW Billion)

	2Q22	1Q22	QoQ	2Q21	YoY
Sales	2,455.6	2,616.8	6% ↓	2,405.9	2% ↑
Component	1,140.1	1,229.3	7% ↓	1,195.2	5% ↓
Optics & Communication	779.1	867.9	10% ↓	813.7	4% ↓
Package	536.4	519.6	3% ↑	397.0	35% ↑
Operating Profit (%)	360.1 (14.7%)	410.5 (15.7%)	12% ↓	358.1 (14.9%)	1% ↑
Pre-tax Profit (%)	385.2 (15.7%)	427.0 (16.3%)	10% ↓	336.1 (14.0%)	15% ↑
Net Income (%)	281.3 (11.5%)	315.4 (12.1%)	11% ↓	224.2 (9.3%)	25% ↑

※ Net income attributable to owners of the parent

## Earnings Trend

(Unit : KRW Billion)



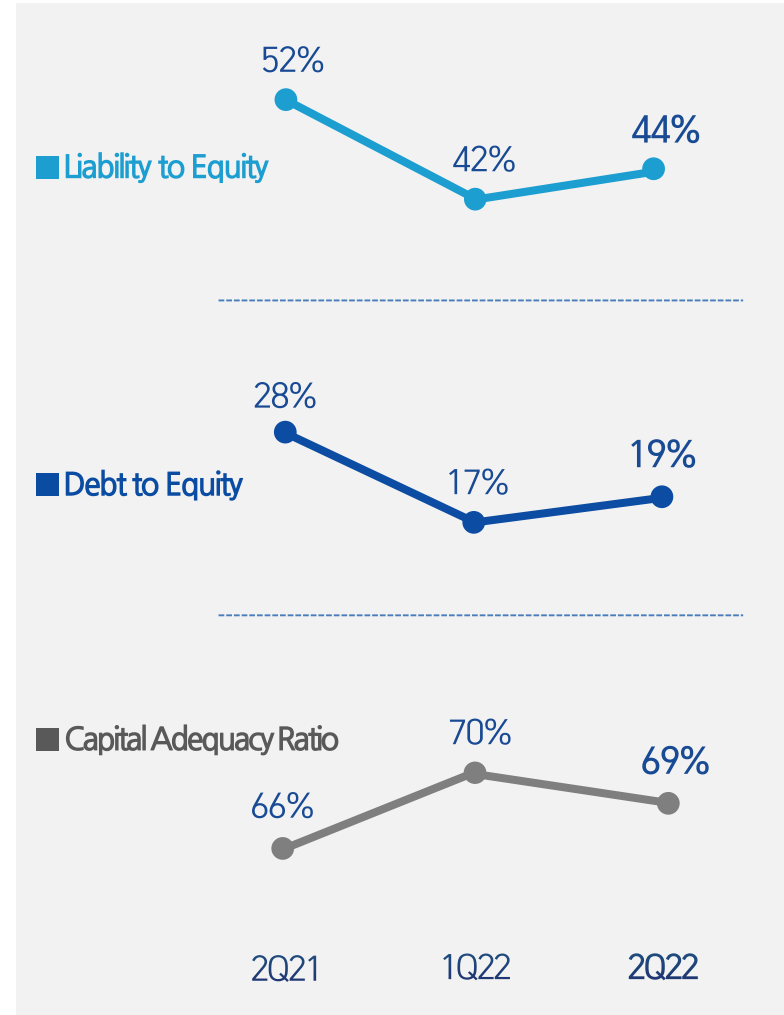
# Financial Position

## Financial Status

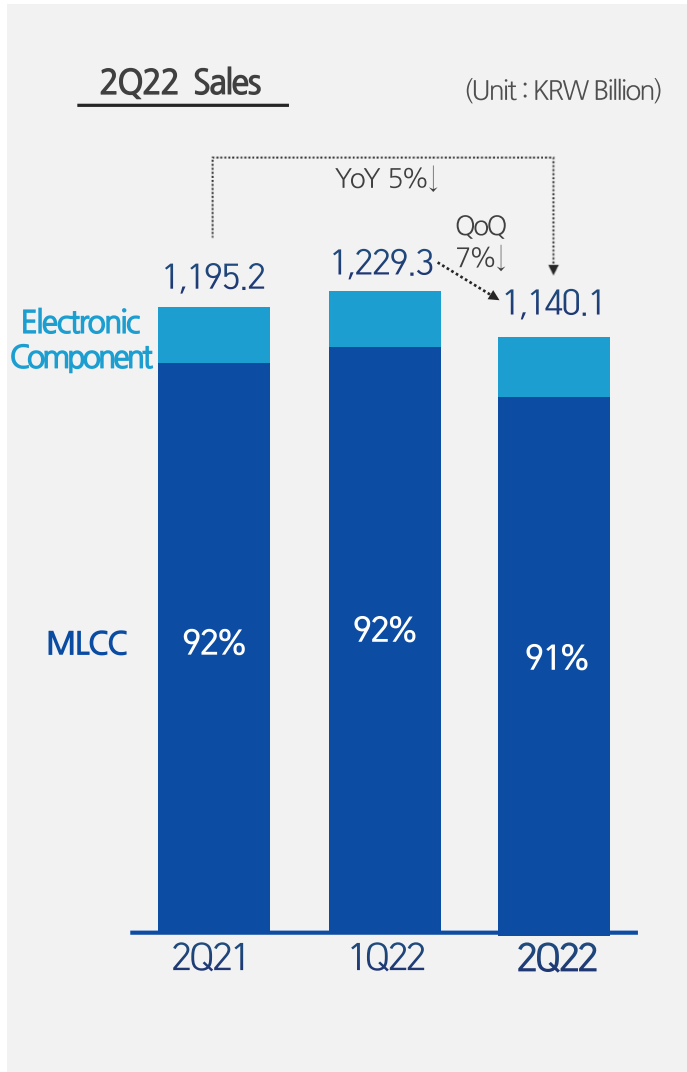
(Unit : KRW Billion)

	2Q22	1Q22	QoQ	2Q21
<b>Assets</b>	10,708.0	10,065.7	6% ↑	9,760.2
Cash	1,164.1	959.1	21% ↑	1,611.1
Account Receivable	1,226.4	1,224.2	0.2% ↑	1,155.2
Inventory	1,973.5	1,766.3	12% ↑	1,384.1
Investment	328.6	359.1	8% ↓	334.8
Tangible	4,901.1	4,697.9	4% ↑	4,486.5
Others	1,114.3	1,059.1	5% ↑	788.5
<b>Liabilities</b>	3,287.6	2,976.5	10% ↑	3,352.5
Debts	1,382.4	1,186.7	16% ↑	1,797.5
<b>Equity</b>	7,420.4	7,089.2	5% ↑	6,407.7
Issued Capital	388.0	388.0	-	388.0

## Financial Ratio



# Component



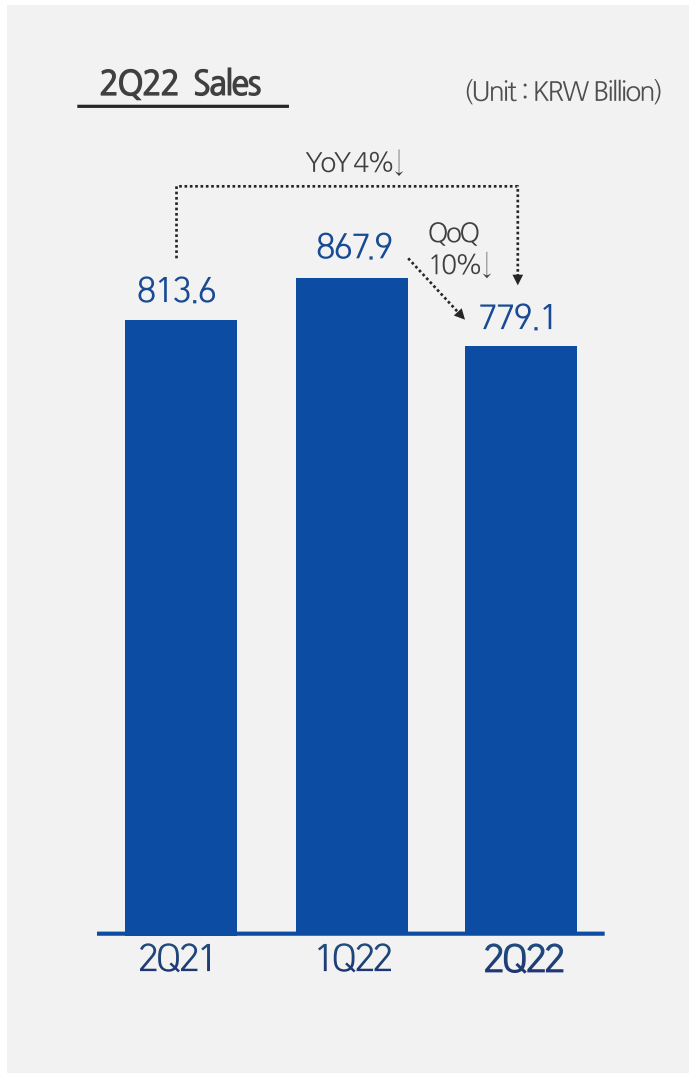
## 2022 Q2 Results

- Revenue decreased due to slow IT set demand
  - Decrease in commodity MLCC for Chinese smartphone, PC, TV applications
- High-end MLCC revenue increased from industrial and automotive applications
  - Supply increase driven by customer diversification and demand growth

## Q3 Market Outlook and Strategy

- Market uncertainty to continue for commodity MLCC, but demand for high-end MLCC tied to flagship smartphone, server and automotive to remain solid
  - Increase supply around small-size, ultra high-capacitance MLCC
  - Continue sales growth exceeding the market growth rate by diversifying automotive customer base

# Optics & Communication Solution



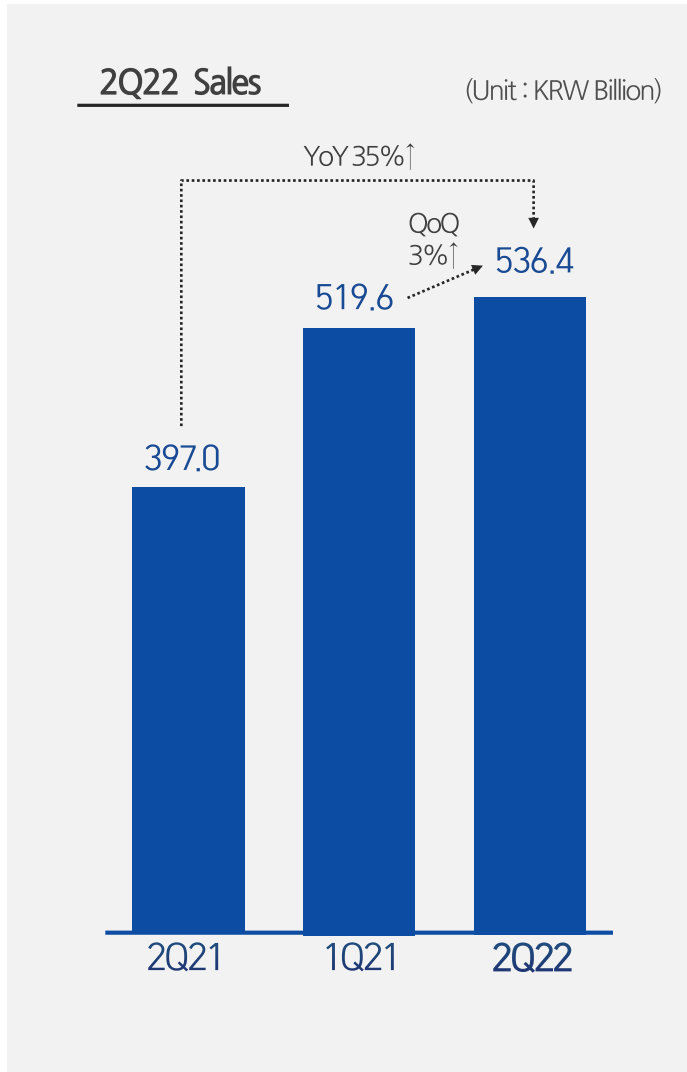
## 2022 Q2 Results

- Revenue decreased due to weakness in smartphone market demand
  - Camera module supply to strategic customer and Chinese customers decreased
- Started mass production of camera module for new flagships launching in 2H
  - Supplying high-end camera module for strategic customer's foldable and overseas customers' smartphone

## Q3 Market Outlook and Strategy

- Demand to recover driven by launch of new flagships of key customers
  - Increase supply of differentiated/high-spec modules leveraging core components internalization
- Automotive camera module market growth expected to continue by advancement of ADAS/autonomous driving
  - Focus on increasing supply of new high-pixel camera module and diversifying customer base

# Package Solution



## 2022 Q2 Results

- **BGA revenue similar to Q1 despite weaker smartphone demand**
  - Decreased supply of substrate for mobile AP & 5G antenna
  - Increased supply for high-end AP and memory substrates
- **FCBGA revenue increased driven by solid demand**
  - Increased supply of high-end FCBGA for laptop ultra thin CPU and automotive applications

## Q3 Market Outlook & Strategy

- **Demand growth expected to continue for high-end package substrate for server/network/automotive applications**
  - Increase supply around high-end products, which offer higher technology barriers
  - Focus on preparing successful pilot mass production of high-end substrates for server



# Income Statement

(Unit : KRW Billion)	2Q22	1Q21	QoQ	2Q21	YoY
Sales	2,455.6	2,616.8	6% ↓	2,405.9	2% ↑
Cost of Sales	1,819.6	1,938.0	6% ↓	1,778.6	2% ↑
Gross Profit (%)	636.0 (25.9%)	678.8 (25.9%)	6% ↓ (-)	627.3 (26.1%)	1% ↑ (0.2%p ↓)
SG&A	275.9	268.3	3% ↑	269.2	2% ↑
Operating Profit (%)	360.1 (14.7%)	410.5 (15.7%)	12% ↓ (1.0%p ↓)	358.1 (14.9%)	1% ↑ (0.2%p ↓)
Non-operating income/expense	25.1	16.5	-	-22.0	-
Pre-tax Profit (%)	385.2 (15.7%)	427.0 (16.3%)	10% ↓ (0.6%p ↓)	336.1 (14.0%)	15% ↑ (1.7%p ↑)
Income Tax	90.9	104.2	13% ↓	78.2	16% ↑
Continuing Operations	294.3	322.8	9% ↓	257.9	14% ↑
Discontinued Operations	-11.5	-1.0	-	-23.3	-
Net Income (%)	281.3 (11.5%)	315.4 (12.1%)	11% ↓ (0.6%p ↓)	224.2 (9.3%)	25% ↑ (2.1%p ↑)

※ Net income attributable to owners of the parent

# Financial Status

(Unit : KRW Billion)	2Q22	1Q22	QoQ	2Q21	YoY
<b>Assets</b>	10,708.0	10,065.7	6% ↑	9,760.2	10% ↑
<b>Current</b>	5,103.4	4,658.5	10% ↑	4,557.2	12% ↑
Cash	1,164.1	959.1	21% ↑	1,611.1	28% ↓
Account Receivable	1,226.4	1,224.2	0.2% ↑	1,155.2	6% ↑
Inventory	1,973.5	1,766.3	12% ↑	1,384.1	43% ↑
Others	739.4	708.9	4% ↑	406.8	82% ↑
<b>Non-current</b>	5,604.6	5,407.2	4% ↑	5,203.0	8% ↑
Investment	328.6	359.1	8% ↓	334.8	2% ↓
Tangible	4,901.1	4,697.9	4% ↑	4,486.5	9% ↑
Intangible	144.6	138.6	4% ↑	142.7	1% ↑
Others	230.3	211.6	9% ↑	239.0	4% ↓
<b>Liabilities</b>	3,287.6	2,976.5	10% ↑	3,352.5	2% ↓
Current	2,484.9	2,093.7	19% ↑	2,028.3	23% ↑
Non-current	802.7	882.8	9% ↓	1,324.2	39% ↓
<b>Equity</b>	7,420.4	7,089.2	5% ↑	6,407.7	16% ↑
Issued Capital	388.0	388.0	-	388.0	-

# Cash Flow

(Unit : KRW Billion)	2Q22	1Q22	2Q21
Cash at the beginning of period	1,022.3	1,232.6	1,627.5
Cash flows from operating activities	511.2	153.6	399.1
Net Income	282.7	321.9	234.6
Depreciation	219.4	219.9	213.6
Cash flows used in investing activities	-359.7	-528.3	-167.6
Increase in tangible/intangible assets	-299.8	-223.9	-172.3
Cash flows from financing activities	-23.6	158.2	-248.3
Increase/Decrease in debt	155.4	172.3	-127.4
Foreign exchange difference	13.9	6.2	2.8
Net changes in cash	141.8	-210.3	-14.0
Cash at the end of period	1,164.1	1,022.3	1,613.5