

SEMCO Q3 2021 Earnings Results

Oct 27, 2021



Disclaimer

This presentation material is prepared for the convenience of investors, before the external audit on our Q3 2021 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

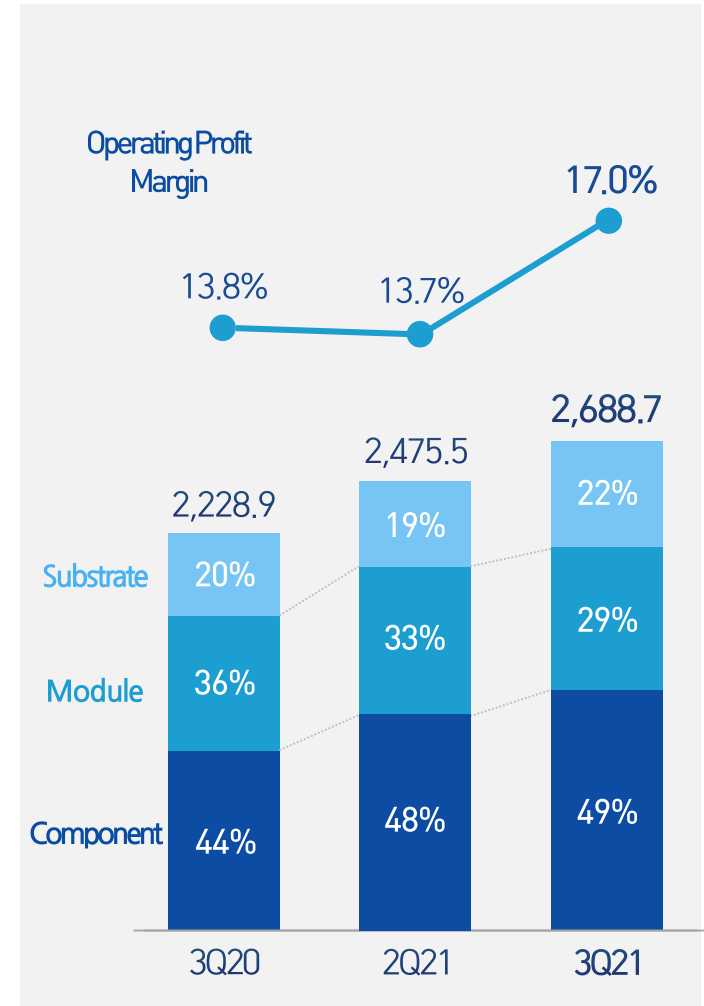
(Unit : KRW Billion)

	3Q21	2Q21	QoQ	3Q20	YoY
Sales	2,688.7	2,475.5	9% ↑	2,228.9	21% ↑
Component	1,320.9	1,195.2	11% ↑	983.2	34% ↑
Module	787.4	813.7	3% ↓	793.8	1% ↓
Substrate	580.4	466.6	24% ↑	452.0	28% ↑
Operating Profit (%)	457.8 (17.0%)	339.3 (13.7%)	35% ↑	307.4 (13.8%)	49% ↑
Pre-tax Profit (%)	476.0 (17.7%)	317.3 (12.8%)	50% ↑	300.8 (13.5%)	58% ↑
Net Income (%)	349.5 (13.0%)	224.2 (9.1%)	56% ↑	230.2 (10.3%)	52% ↑

※ Net income attributable to owners of the parent

Earnings Trend

(Unit : KRW Billion)



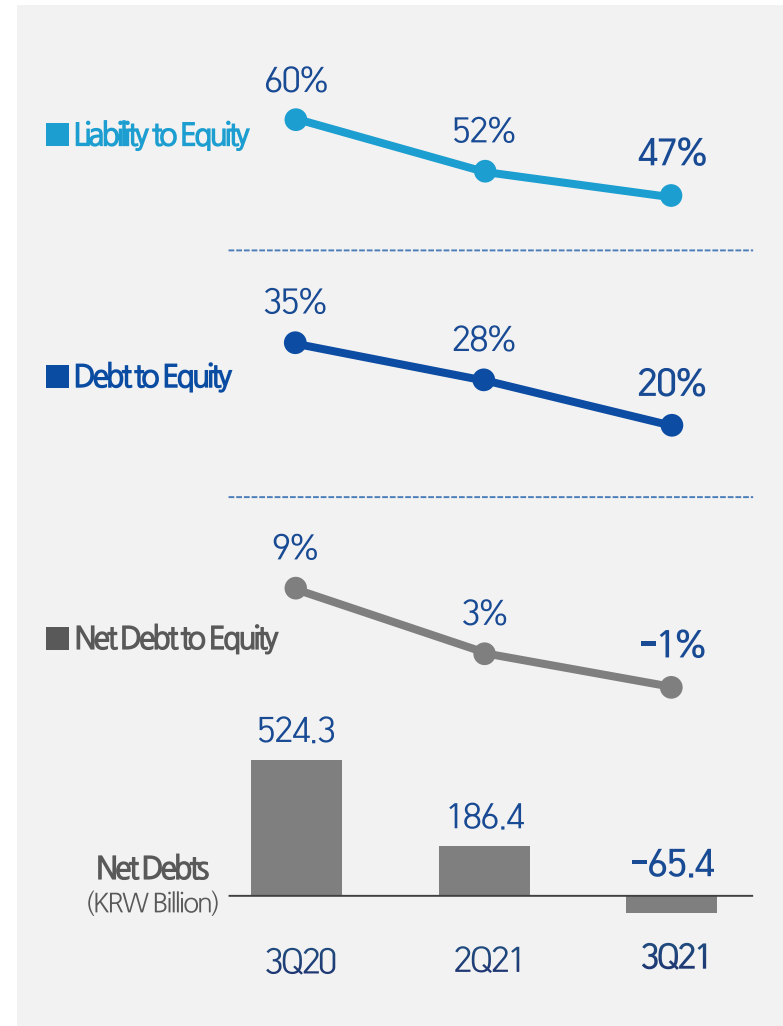
Financial Position

Financial Status

(Unit : KRW Billion)

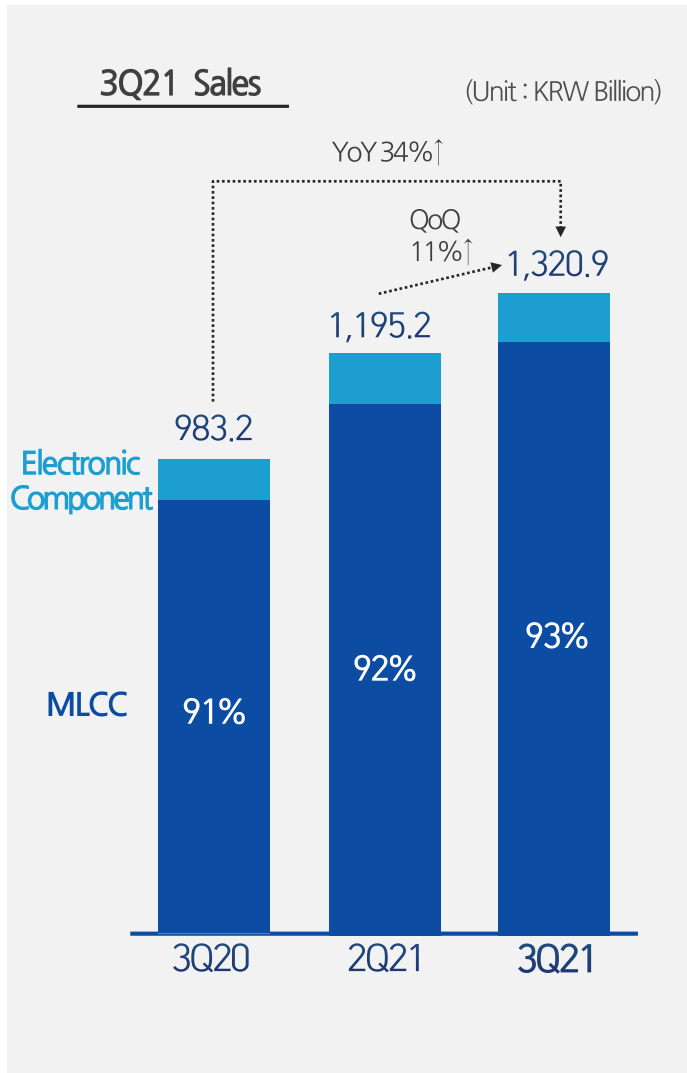
	3Q21	2Q21	QoQ	3Q20
Assets	10,089.2	9,760.2	3% ↑	9,245.5
Cash	1,445.7	1,611.1	10% ↓	1,474.2
Account Receivable	1,396.3	1,155.2	21% ↑	981.0
Inventory	1,506.1	1,384.1	9% ↑	1,169.7
Investment	329.7	334.8	2% ↓	206.2
Tangible	4,581.7	4,486.5	2% ↑	4,628.3
Others	829.7	788.5	5% ↑	786.1
Liabilities	3,226.2	3,352.5	4% ↓	3,457.8
Debts	1,380.3	1,797.5	23% ↓	1,998.5
Net Debts	-65.4	186.4	-	524.3
Equity	6,863.0	6,407.7	7% ↑	5,787.7
Issued Capital	388.0	388.0	-	388.0

Financial Ratio



※ Net Debts = Debts - Cash

Component Division



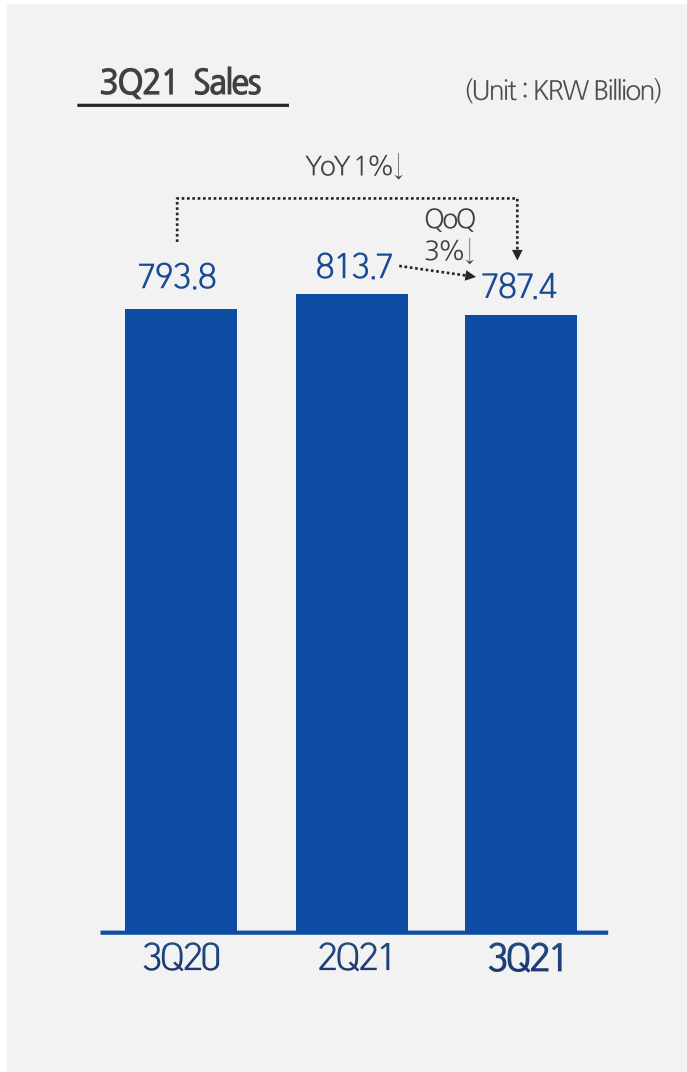
2021 Q3 Results

- **Revenue growth driven by increase in high-end MLCC supply**
 - Increased supply of small-size/high capacitance MLCC for major customer's flagship smartphone
 - Increased supply of high-end MLCCs for industrial & automotive applications
- **Higher profitability from stronger manufacturing capabilities**
 - Driven by manufacturing efficiency and productivity gains

Market Outlook and Strategy

- **While demand from PC, TV applications is likely to decrease due to downstream market slowdown and inventory adjustments, demand from high-end smartphones, industrial and automotive applications is expected to remain solid**
 - Capture demand for high-end MLCC (small-size/high capacitance) from IT applications
 - Increase industrial/automotive MLCC supply using productivity gains and line-up expansion

Module Division



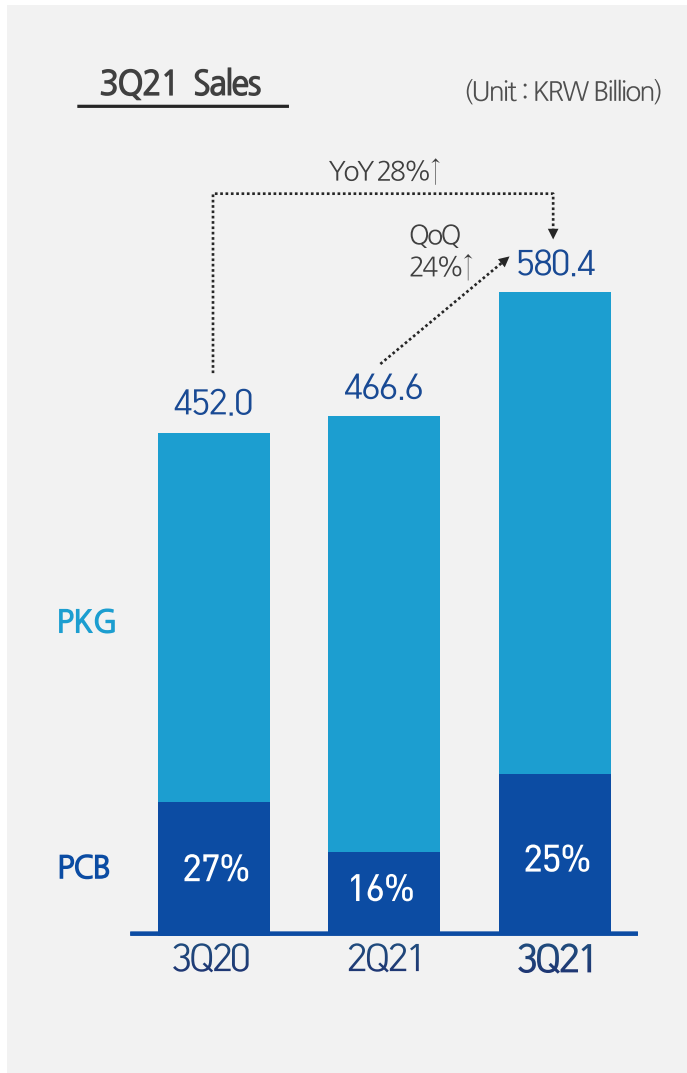
2021 Q3 Results

- **Increased revenue from strategic customer was offset by decrease in Chinese customer revenue: slight revenue decrease QoQ**
 - Increased supply of high-performance slim camera module for strategic customer's foldable smartphone
 - Decrease in supply to major customers due to slowdown in Chinese market demand
- **Full-scale mass production of camera module for overseas customer's flagship**
 - Supply of high-performance camera module with folded zoom and high-pixel OIS

Market Outlook and Strategy

- **Adoption of high-spec camera module to continue as way to differentiate smartphones**
 - Offer differentiated camera modules using lens and actuator internal production capabilities
 - Lead customers/markets by increasing high-performance camera module supply to key customers

Substrate Division



2021 Q3 Results

- **Revenue growth driven by full utilization of package substrate capacity and increase in RFPCB supply**
 - Increased BGA supply for overseas customer's high-end AP and 5G antennas
 - Continued growth of FCBGA supply for laptop thin CPU
 - Started RFPCB supply for new flagship model's OLED
- **Profitability gains driven by strong performance in all products**
 - Better product mix with larger contribution of high-end package substrates
 - Margin improvement from new RFPCB sales

Market Outlook and Strategy

- **Demand for high-end package substrate (AP/5G antenna/network) expected to remain solid**
 - Actively respond to market demand by expanding package substrate capacity
 - Lead market with next generation technology such as micro patterning/high multilayer/embedded components

Income Statement

(Unit : KRW Billion)	3Q21	2Q21	QoQ	3Q20	YoY
Sales	2,688.7	2,475.5	9% ↑	2,228.9	21% ↑
Cost of Sales	1,949.0	1,856.7	5% ↑	1,649.5	18% ↑
Gross Profit (%)	739.7 (27.5%)	618.8 (25.0%)	20% ↑ (2.5%p ↑)	579.4 (26.0%)	28% ↑ (1.5%p ↑)
SG&A	281.9	279.5	1% ↑	272.0	4% ↑
Operating Profit (%)	457.8 (17.0%)	339.3 (13.7%)	35% ↑ (3.3%p ↑)	307.4 (13.8%)	49% ↑ (3.2%p ↑)
Non-operating income/expense	18.2	-22.0	-	-6.6	-
Pre-tax Profit (%)	476.0 (17.7%)	317.3 (12.8%)	50% ↑ (4.9%p ↑)	300.8 (13.5%)	58% ↑ (4.2%p ↑)
Income Tax	117.0	73.9	58% ↑	64.2	82% ↑
Net Income (%)	349.5 (13.0%)	224.2 (9.1%)	56% ↑ (3.9%p ↑)	230.2 (10.3%)	52% ↑ (2.7%p ↑)

※ Net income attributable to owners of the parent

Financial Status

(Unit : KRW Billion)	3Q21	2Q21	QoQ	3Q20	YoY
Assets	10,089.2	9,760.2	3% ↑	9,245.5	9% ↑
Current	4,800.9	4,557.2	5% ↑	4,009.4	20% ↑
Cash	1,445.7	1,611.1	10% ↓	1,474.2	2% ↓
Account Receivable	1,396.3	1,155.2	21% ↑	981.0	42% ↑
Inventory	1,506.1	1,384.1	9% ↑	1,169.7	29% ↑
Others	452.8	406.8	11% ↑	384.5	18% ↑
Non-current	5,288.3	5,203.0	2% ↑	5,236.1	1% ↑
Investment	329.7	334.8	2% ↓	206.2	60% ↑
Tangible	4,581.7	4,486.5	2% ↑	4,628.3	1% ↓
Intangible	139.1	142.7	3% ↓	144.6	4% ↓
Others	237.8	239.0	1% ↓	257.0	7% ↓
Liabilities	3,226.2	3,352.5	4% ↓	3,457.8	7% ↓
Current	2,392.6	2,028.3	18% ↑	2,093.6	14% ↑
Non-current	833.6	1,324.2	37% ↓	1,364.2	39% ↓
Equity	6,863.0	6,407.7	7% ↑	5,787.7	19% ↑
Issued Capital	388.0	388.0	-	388.0	-

※ Cash : Cash and Cash Equivalents

Cash Flow

(Unit : KRW Billion)	3Q21	2Q21	3Q20
Cash at the beginning of period	1,613.5	1,627.5	1,511.6
Cash flows from operating activities	480.0	399.0	554.2
Net Income	353.5	234.6	240.0
Depreciation	218.5	213.6	212.3
Cash flows used in investing activities	-155.7	-167.6	-213.1
Increase in tangible/intangible assets	-192.2	-172.3	-212.0
Cash flows from financing activities	-487.0	-248.3	-377.8
Increase/Decrease in debt	-470.6	-127.4	-360.5
Foreign exchange difference	14.2	2.9	-0.7
Net changes in cash	-148.5	-14.0	-37.4
Cash at the end of period	1,465.0	1,613.5	1,474.2