

# SEMCO Q3 2022 Earnings Results

Oct 26, 2022



# Disclaimer

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

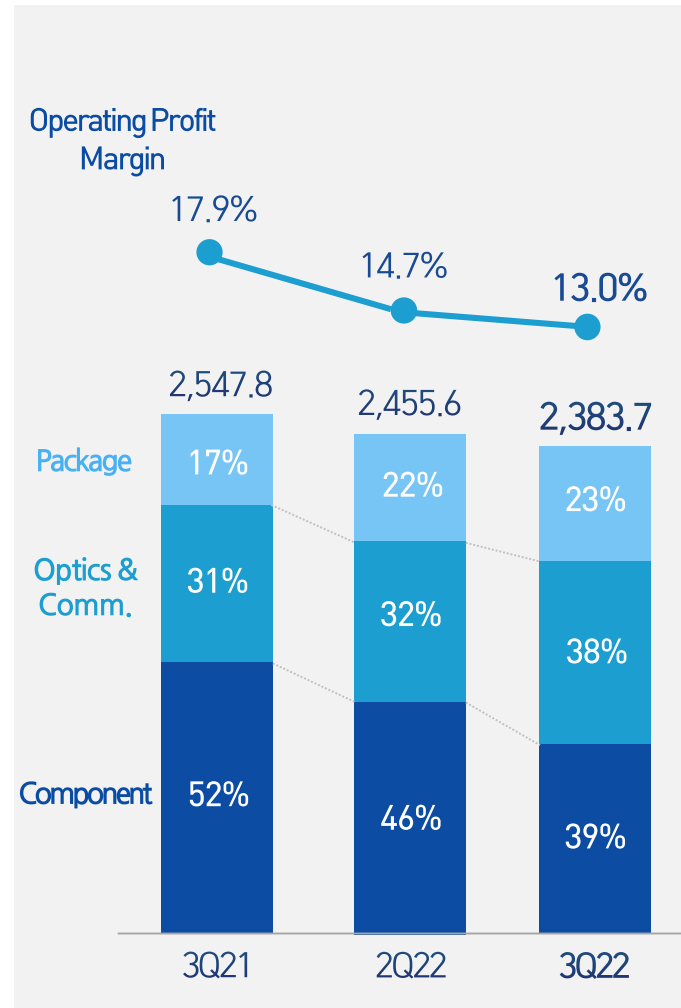
(Unit : KRW Billion)

	3Q22	2Q22	QoQ	3Q21	YoY
Sales	2,383.7	2,455.6	3% ↓	2,547.8	6% ↓
Component	929.8	1,140.1	18% ↓	1,320.9	30% ↓
Optics & Communication	901.4	779.1	16% ↑	787.4	14% ↑
Package	552.5	536.4	3% ↑	439.5	26% ↑
Operating Profit (%)	311.0 (13.0%)	360.1 (14.7%)	14% ↓	455.8 (17.9%)	32% ↓
Pre-tax Profit (%)	380.0 (15.9%)	385.2 (15.7%)	1% ↓	472.6 (18.5%)	20% ↓
Net Income (%)	271.7 (11.4%)	281.3 (11.5%)	3% ↓	349.5 (13.7%)	22% ↓

※ Net income attributable to owners of the parent

## Earnings Trend

(Unit : KRW Billion)



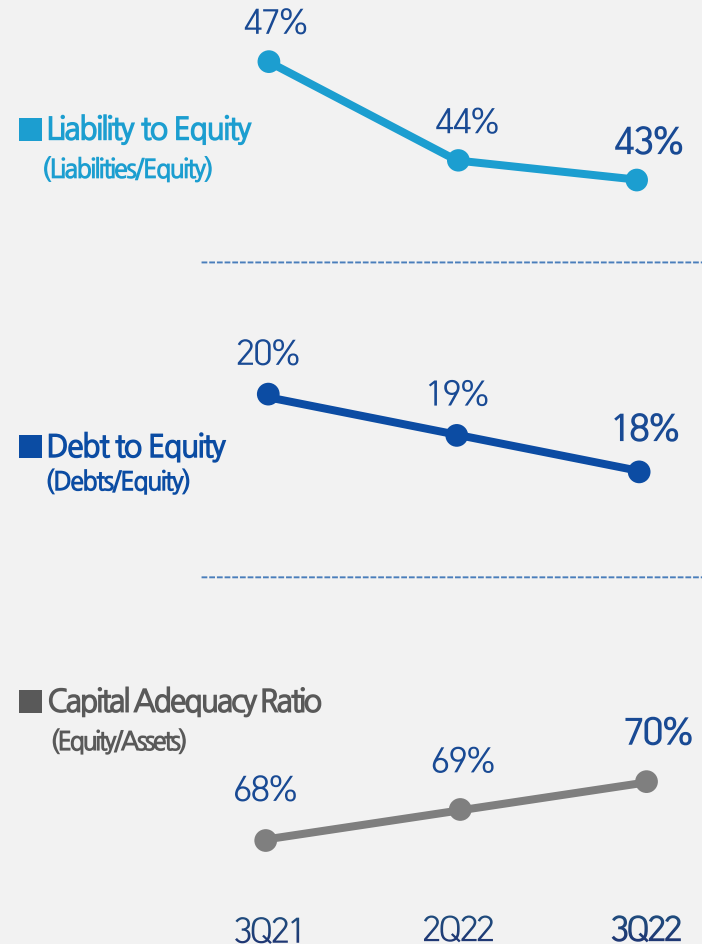
# Financial Position

## Financial Status

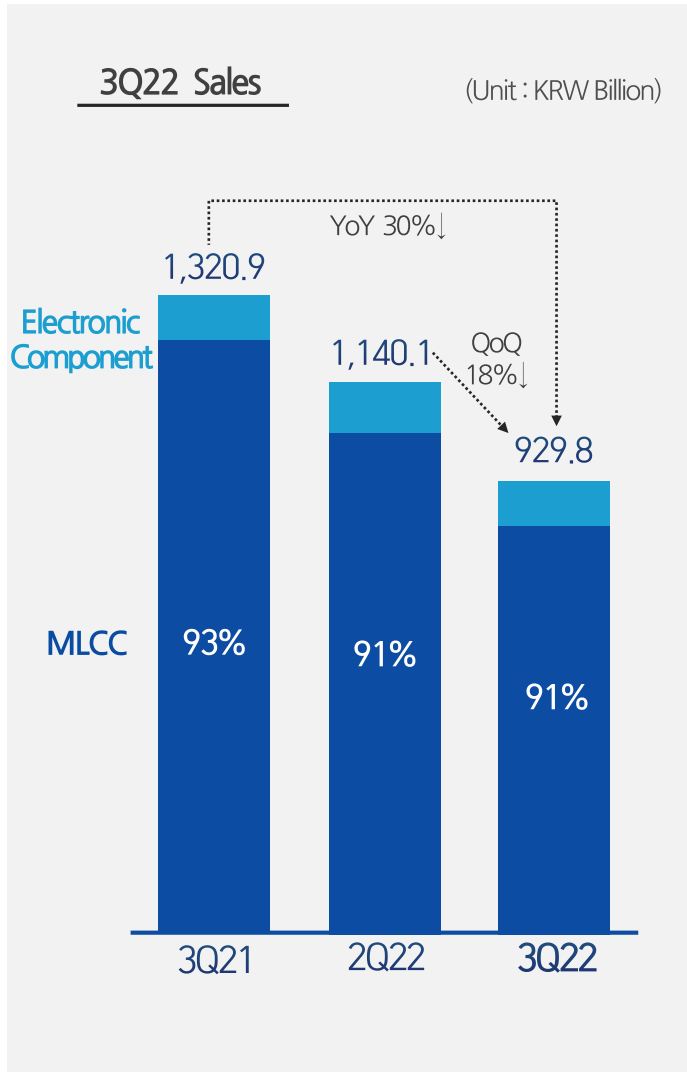
(Unit : KRW Billion)

	3Q22	2Q22	QoQ	3Q21
<b>Assets</b>	11,200.8	10,708.0	5% ↑	10,089.2
Cash	1,619.4	1,164.1	39% ↑	1,445.7
Account Receivable	1,315.3	1,226.4	7% ↑	1,396.3
Inventory	1,931.9	1,973.5	2% ↓	1,506.1
Investment	307.0	328.6	7% ↓	329.7
Tangible	5,179.0	4,901.1	6% ↑	4,581.7
Others	848.2	1,114.3	24% ↓	829.7
<b>Liabilities</b>	3,368.1	3,287.6	2% ↑	3,226.2
Debts	1,414.7	1,382.4	2% ↑	1,380.3
<b>Equity</b>	7,832.7	7,420.4	6% ↑	6,863.0
Issued Capital	388.0	388.0	-	388.0

## Financial Ratio



# Component



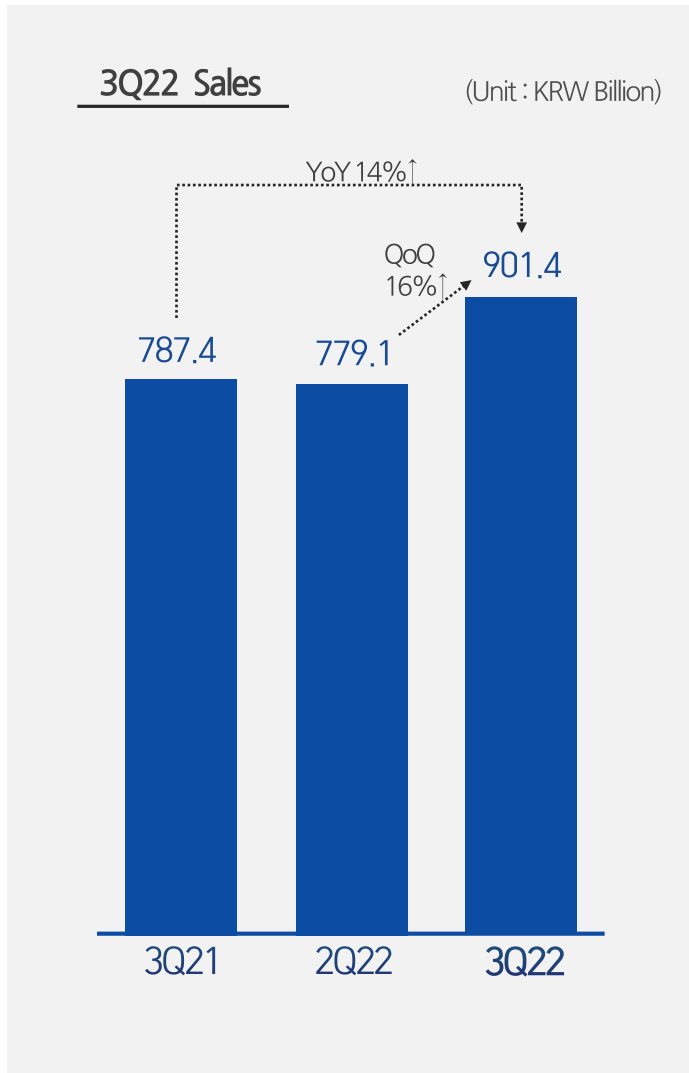
## 2022 Q3 Results

- Revenue decreased due to slow IT set demand and component inventory adjustments
  - Supply decrease to Chinese smartphone and PC OEMs
- Automotive revenue continuing growth trend
  - Automotive MLCC continues to expand driven by growth of ADAS, autonomous driving and EV

## Q4 Market Outlook and Strategy

- While IT demand uncertainty is expected to continue, automotive demand likely to remain solid
  - Focus on high-value ultra-small size/ultra-high capacitance MLCC for flagship smartphone
  - Continue to pursue faster-than-market revenue growth by diversifying automotive customer base and increasing supply of high reliability MLCC

# Optics & Communication Solution



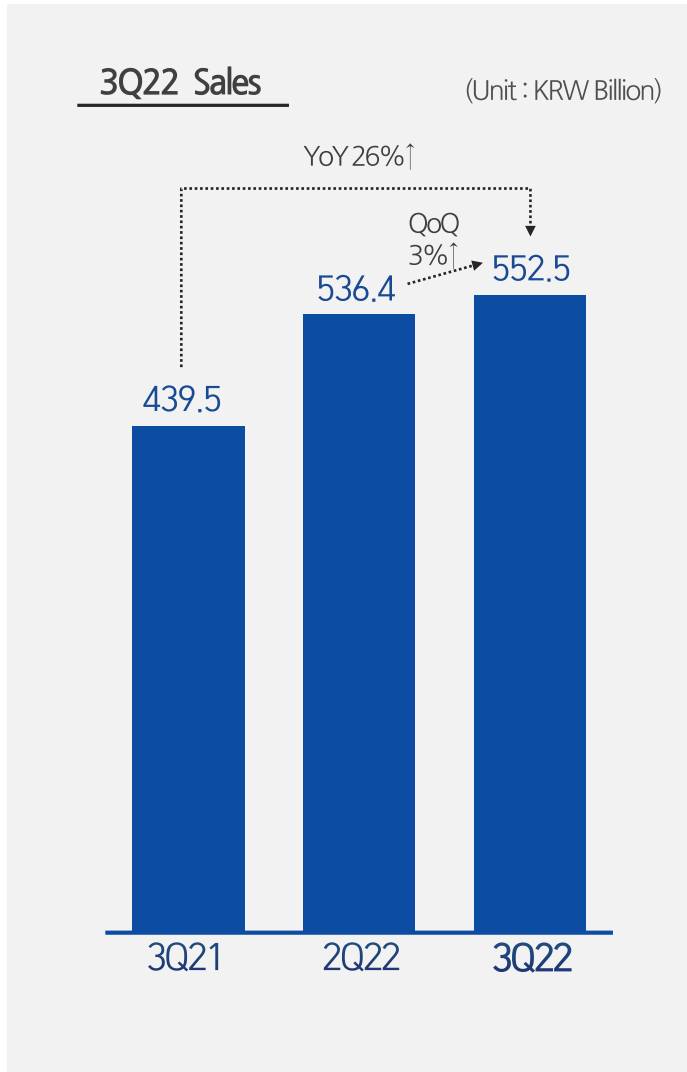
## 2022 Q3 Results

- Revenue increased due to increase in high-performance camera modules for new flagships of Korean/overseas key customers
  - Increased supply of high-spec, slim camera for strategic customer's foldable phone
  - Full-scale supply of folded-zoom, triple camera for overseas customer
- Increased supply of high-reliability camera modules by capturing increased automotive demand

## Q4 Market Outlook and Strategy

- Mobile camera module demand expected to be soft due to year-end seasonality
  - Focus on timely response with high-pixel camera to new flagships scheduled for release in early 2023
- Automotive camera module market expected to continue growth driven by advances in ADAS/autonomous driving
  - Focus on seizing market leadership by increasing supply of high-pixel camera modules

# Package Solution



## 2022 Q3 Results

- Divisional revenue increased thanks to strong demand for 5G/network/automotive substrates despite slowdown in demand from certain applications such as smartphone and PC
  - BGA supply increased around 5G antenna and ARM processor substrates
  - FCBGA supply decreased for PC applications but increased for network/automotive applications

## Q4 Market Outlook & Strategy

- BGA demand expected to be soft in certain applications due to seasonality
  - Focus on ARM processor substrates and other products with solid demand
- FCBGA demand for PC is expected to remain slow but demand for high-end FCBGA including server/network/automotive applications is expected to continue growth
  - Start mass production of server substrates and increase supply for network/automotive applications



# Income Statement

(Unit : KRW Billion)	3Q22	2Q22	QoQ	3Q21	YoY
Sales	2,383.7	2,455.6	3% ↓	2,547.8	6% ↓
Cost of Sales	1,807.0	1,819.6	1% ↓	1,822.5	1% ↓
Gross Profit (%)	576.7 (24.2%)	636.0 (25.9%)	9% ↓ (1.7%p ↓)	725.3 (28.5%)	20% ↓ (4.3%p ↓)
SG&A	265.7	275.9	4% ↓	269.5	1% ↓
Operating Profit (%)	311.0 (13.0%)	360.1 (14.7%)	14% ↓ (1.7%p ↓)	455.8 (17.9%)	32% ↓ (4.9%p ↓)
Non-operating income/expense	69.0	25.1	-	16.8	-
Pre-tax Profit (%)	380.0 (15.9%)	385.2 (15.7%)	1% ↓ (0.2%p ↑)	472.6 (18.5%)	20% ↓ (2.6%p ↓)
Income Tax	109.9	90.9	21% ↑	116.1	5% ↓
Continuing Operations	270.1	294.3	8% ↓	356.6	24% ↓
Discontinued Operations	-1.9	-11.5	-	-3.1	-
Net Income (%)	271.7 (11.4%)	281.3 (11.5%)	3% ↓ (0.1%p ↓)	349.5 (13.7%)	22% ↓ (2.3%p ↓)

※ Net income attributable to owners of the parent

# Financial Status

(Unit : KRW Billion)	3Q22	2Q22	QoQ	3Q21	YoY
<b>Assets</b>	11,200.8	10,708.0	5% ↑	10,089.2	11% ↑
<b>Current</b>	5,324.4	5,103.4	4% ↑	4,800.9	11% ↑
Cash	1,619.4	1,164.1	39% ↑	1,445.7	12% ↑
Account Receivable	1,315.3	1,226.4	7% ↑	1,396.3	6% ↓
Inventory	1,931.9	1,973.5	2% ↓	1,506.1	28% ↑
Others	457.8	739.4	38% ↓	452.8	1% ↑
<b>Non-current</b>	5,876.4	5,604.6	5% ↑	5,288.3	11% ↑
Investment	307.0	328.6	7% ↓	329.7	7% ↓
Tangible	5,179.0	4,901.1	6% ↑	4,581.7	13% ↑
Intangible	151.1	144.6	4% ↑	139.1	9% ↑
Others	239.3	230.3	4% ↑	237.8	1% ↑
<b>Liabilities</b>	3,368.1	3,287.6	2% ↑	3,226.2	4% ↑
Current	2,438.8	2,484.9	2% ↓	2,392.6	2% ↑
Non-current	929.3	802.7	16% ↑	833.6	11% ↑
<b>Equity</b>	7,832.7	7,420.4	6% ↑	6,863.0	14% ↑
Issued Capital	388.0	388.0	-	388.0	-

# Cash Flow

(Unit : KRW Billion)	3Q22	2Q22	3Q21
Cash at the beginning of period	1,164.1	1,022.3	1,613.5
Cash flows from operating activities	521.3	572.8	482.7
Net Income	268.2	282.7	353.5
Depreciation	221.1	221.4	218.5
Cash flows used in investing activities	-8.1	-414.8	-157.0
Increase in tangible/intangible assets	-309.8	-301.8	-192.2
Cash flows from financing activities	-77.8	-30.4	-488.5
Increase/Decrease in debt	-57.9	148.6	-471.5
Foreign exchange difference	19.9	14.3	14.3
Net changes in cash	455.3	141.8	-148.5
Cash at the end of period	1,619.4	1,164.1	1,465.0