

2017 1Q Earnings Results

April 26, 2017

SAMSUNG
ELECTRO-MECHANICS



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The financial information in this document is consolidated earnings results based on K-IFRS.

Earnings Overview

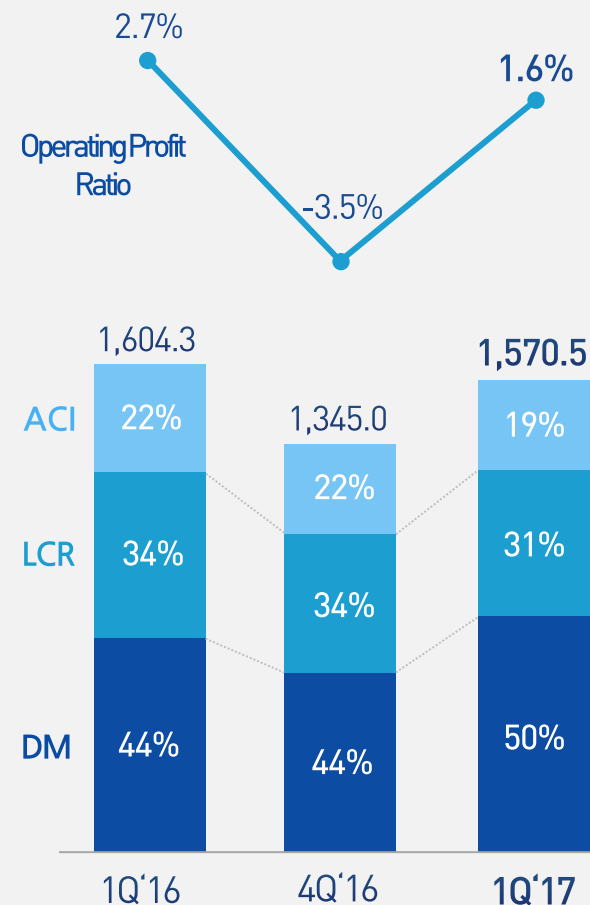
Income Statement

(Billion KRW)

	1Q'17	4Q'16	QoQ	1Q'16	YoY
Sales	1,570.5	1,345.0	225.5↑	1,604.3	33.8↓
Cost of Sales	1,304.3	1,127.9	176.4↑	1,319.6	15.3↓
Gross Profit	266.2	217.1	49.1↑	284.7	18.5↓
SG&A	240.7	263.6	22.9↓	241.8	1.1↓
Operating Profit	25.5	-46.5	72.0↑	42.9	17.4↓
Pre-tax Profit	11.5	-59.0	70.5↑	45.2	33.7↓
Net Income	2.2	-35.3	37.5↑	31.3	29.1↓
Gross Profit Ratio	17.0%	16.1%	0.9%p↑	17.7%	0.7%p↓
Operating Profit Ratio	1.6%	-3.5%	5.1%p↑	2.7%	1.1%p↓
Net Income Ratio	0.1%	-2.6%	2.7%p↑	2.0%	1.9%p↓

Quarterly Earnings Trend

(Billion KRW)



※ Net income attributable to owners of the parent

Financial Position

Financial Analysis

(Billion KRW)

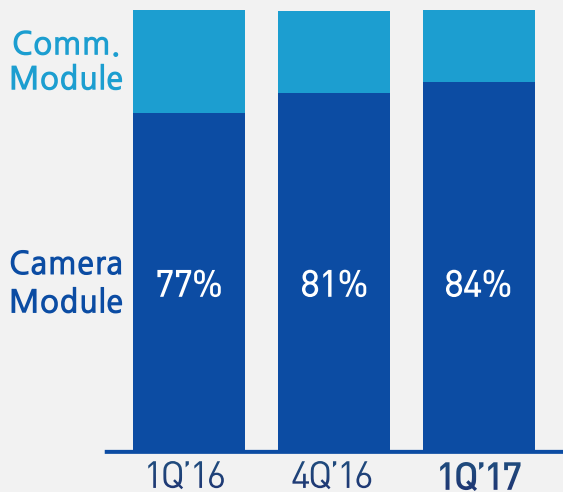
	1Q'17	4Q'16	QoQ	1Q'16	YoY
Total Assets	7,671.2	7,662.6	8.6↑	7,353.9	317.3↑
Current Assets	2,723.5	2,812.4	88.9↓	2,847.1	123.6↓
Quick Assets	1,895.6	1,985.2	89.6↓	2,136.7	241.1↓
Cash	786.2	1,065.8	279.6↓	1,100.5	314.3↓
Inventory Assets	827.9	827.2	0.7↑	710.4	117.5↑
Non-Current Assets	4,947.7	4,850.2	97.5↑	4,506.8	440.9↑
Investments	822.5	795.1	27.4↑	855.5	33.0↓
Tangible Assets	3,809.6	3,714.4	95.2↑	3,256.6	553.0↑
Total Liabilities	3,410.4	3,325.0	85.4↑	3,028.3	382.1↑
Debts	2,506.1	2,443.6	62.5↑	2,082.1	424.0↑
Net Debts	1,719.9	1,377.8	342.1↑	981.6	738.3↑
Total Equity	4,260.8	4,337.6	76.8↓	4,325.6	64.8↓
Current Ratio	117.8%	137.7%	19.9%p↓	155.2%	37.4%p↓
Capital Adequacy Ratio	55.5%	56.6%	1.1%p↓	58.8%	3.3%p↓
Debt Ratio	80.0%	76.7%	3.3%p↑	70.0%	10.0%p↑
Net Debt Ratio	40.4%	31.8%	8.6%p↑	22.7%	17.7%p↑

※ Cash = Cash + Deposit, Net Debts = Debts - Cash

Quarterly Performance (Billion KRW)



Sales Portion



Camera Module

◆ 1Q'17 Results

- Sales growth on strategic customer's new flagship model
- Increased China sales with Dual / High-Resolution modules

◆ Outlook and Strategy

- Expand supply for Chinese major customers' high-end models
- Secure just-in-time supply system for Dual cam adoption trend

Communication Module

◆ 1Q'17 Results

- WiFi sales growth on strategic customer's new flagship model

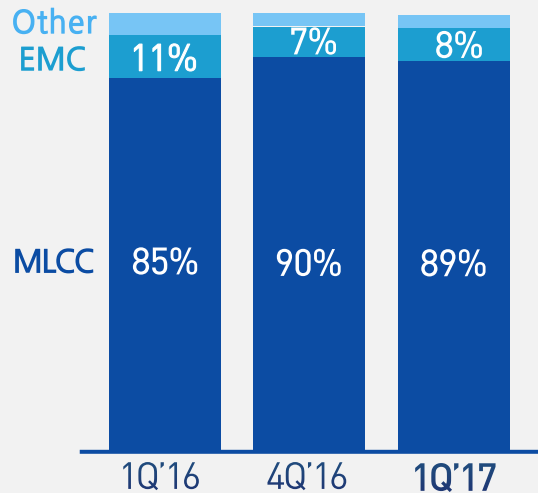
◆ Outlook and Strategy

- Secure advanced technology for next generation Comm. module

Quarterly Performance (Billion KRW)



Sales Portion



MLCC

◆ 1Q'17 Results

- Sales increased for strategic customer's new flagship model
- Increased supply of high reliability MLCC to Industrial/Auto

◆ Outlook and Strategy

- Expand high reliability MLCC sales and product line-ups
- Strengthen supply ability using new overseas facilities and productivity improvement

EMC

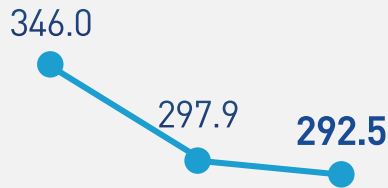
◆ 1Q'17 Results

- Sales increased for strategic customer's new flagship model

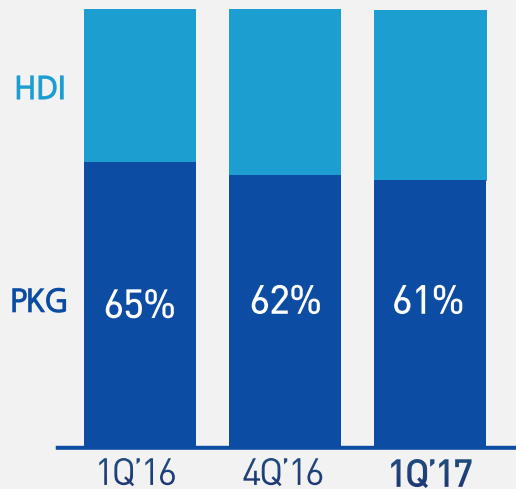
◆ Outlook and Strategy

- Diversify customer base with reliability improvement and performance differentiation for Power Inductor

Quarterly Performance (Billion KRW)



Sales Portion



PKG

◆ 1Q'17 Results

- FCCSP sales increased to strategic customer's flagship model
- FCBGA sales decreased on weak PC demand

◆ Outlook and Strategy

- Strengthen SiP & Memory substrate Business based on differentiated manufacturing technologies
- Expand supply of substrate for new generation CPUs

HDI

◆ 1Q'17 Results

- RF-PCB sales increased to strategic customer's new model

◆ Outlook and Strategy

- Enhance product competitiveness at overseas site and expand supply to strategic customer
- Expand high-valued product sales with new supply of RF-PCB for OLED and on time response to next generation HDI

A1. Income Statement

(Billion KRW)

	1Q'17	4Q'16	QoQ	1Q'16	YoY
Sales	1,570.5	1,345.0	225.5↑	1,604.3	33.8↓
Cost of Sales	1,304.3	1,127.9	176.4↑	1,319.6	15.3↓
Gross Profit (%)	266.2 (17.0%)	217.1 (16.1%)	49.1↑ (0.9%p↑)	284.7 (17.7%)	18.5↓ (0.7%p↓)
SG&A	240.7	263.6	22.9↓	241.8	1.1↓
Operating Profit (%)	25.5 (1.6%)	-46.5 (-3.5%)	72.0↑ (5.1%p↑)	42.9 (2.7%)	17.4↓ (1.1%p↓)
Non-operating Loss	14.0	12.5	1.5↑	-2.3	16.3↑
Pre-tax Profit (%)	11.5 (0.7%)	-59.0 (-4.4%)	70.5↑ (5.1%p↑)	45.2 (2.8%)	33.7↓ (2.1%p↓)
Income Tax	7.1	-22.0	29.1↑	8.6	1.5↓
Non-controlling interests Profit	2.2	-1.7	3.9↑	5.3	3.1↓
Net Income (%)	2.2 (0.1%)	-35.3 (-2.6%)	37.5↑ (2.7%p↑)	31.3 (2.0%)	29.1↓ (1.9%p↓)

※ Net income attributable to owners of the parent

A2. Cash Flow

(Billion KRW)

	1Q'17	4Q'16	1Q'16
Cash at the beginning of period	795.8	991.7	1,035.3
Cash flow from operating activities	-33.7	117.4	84.4
Net Income	4.4	-36.9	36.5
Depreciation	144.8	143.9	153.7
Cash flow from investing activities	-404.4	-479.4	-77.2
Increase in tangible assets	-397.9	-354.5	-132.6
Cash flow from financing activities	70.0	139.3	51.4
Increase/Decrease in debt	86.2	151.2	63.3
Net changes in cash	-289.6	-195.9	65.3
Cash at the end of period	506.2	795.8	1,100.5