

SEMCO Q1 2020 Earnings Results

April 28, 2020



This presentation material is prepared for the convenience of investors, before the external audit on our Q1 2020 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.

Table of Contents

I. Q1 2020 Results

II. Divisional Results & Outlook

III. Appendix



Income Statement

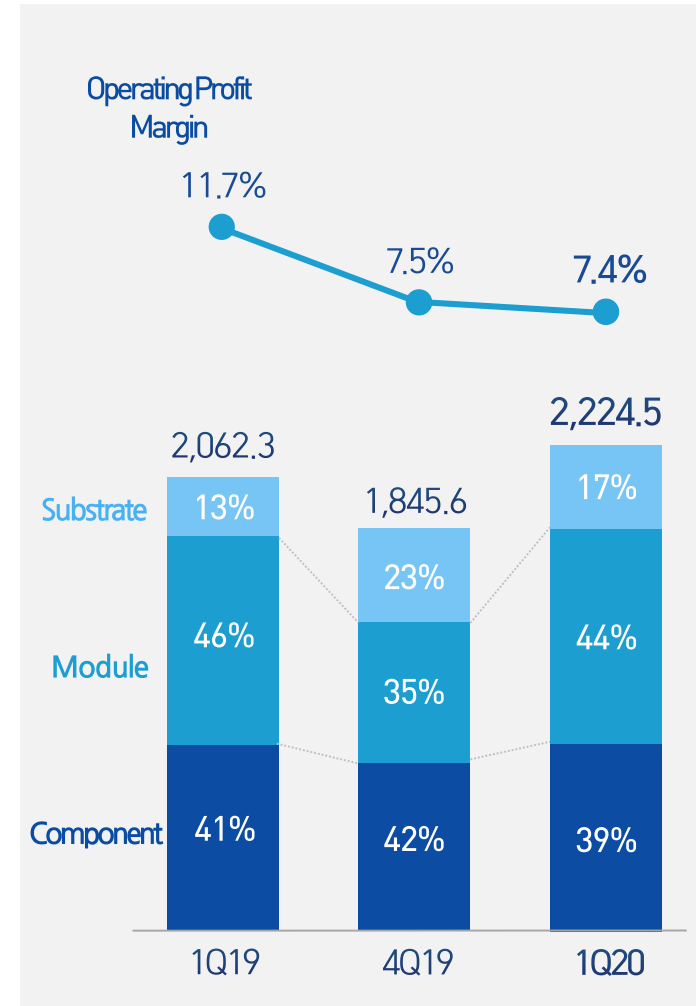
(Unit : KRW Billion)

	1Q20	4Q19	QoQ	1Q19	YoY
Sales	2,224.5	1,845.6	21% ↑	2,062.3	8% ↑
Component	857.6	775.0	11% ↑	838.0	2% ↑
Module	983.2	641.8	53% ↑	943.7	4% ↑
Substrate	383.7	428.8	11% ↓	280.7	37% ↑
Operating Profit (%)	164.6 (7.4%)	138.7 (7.5%)	19% ↑	242.3 (11.7%)	32% ↓
Pre-tax Profit (%)	156.7 (7.0%)	148.7 (8.1%)	5% ↑	225.5 (10.9%)	31% ↓
Net Income (%)	132.1 (5.9%)	-22.6 (-1.2%)	Turn to Black	129.8 (6.3%)	2% ↑

※ Net income attributable to owners of the parent

Earnings Trend

(Unit : KRW Billion)



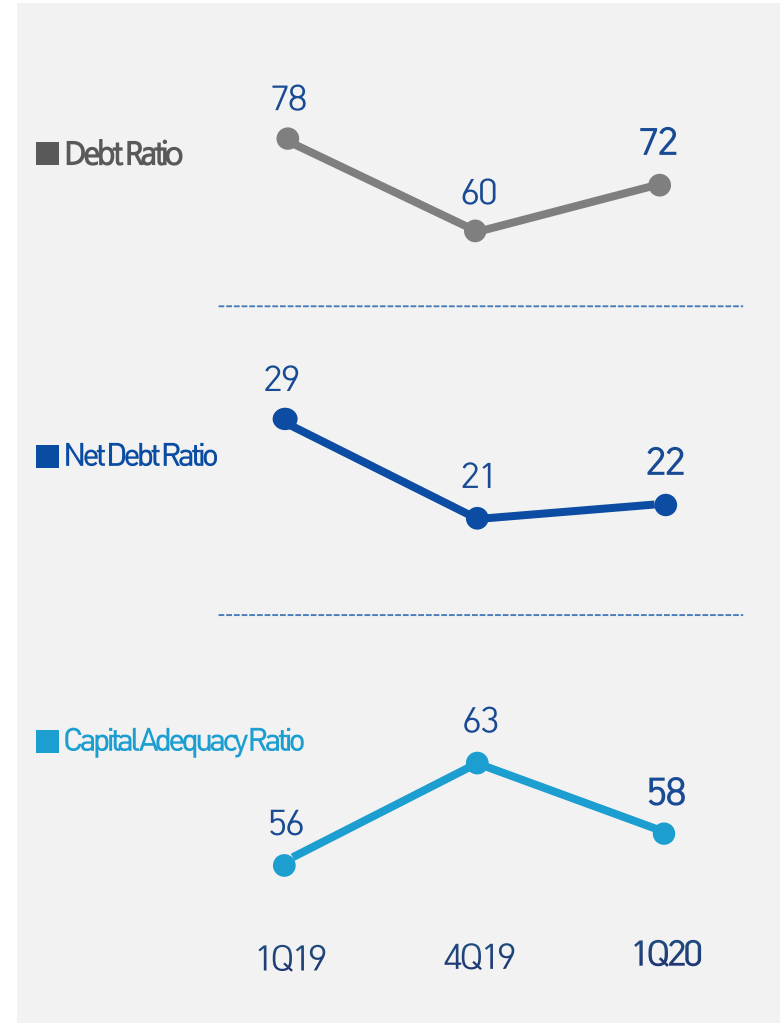
Financial Status

(Unit : KRW Billion)

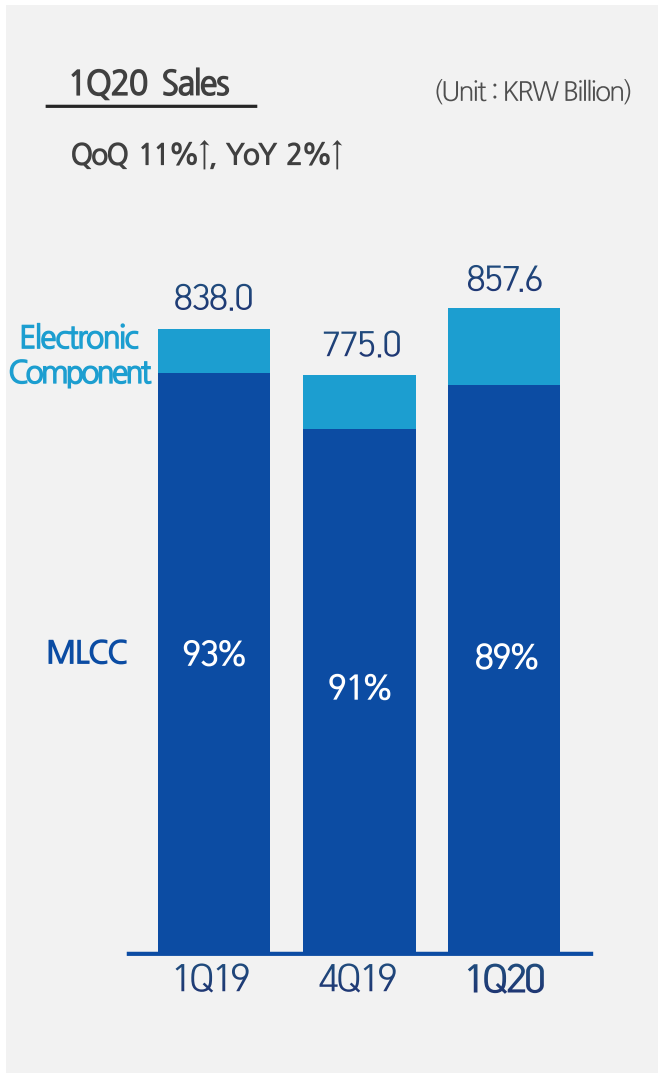
	1Q20	4Q19	QoQ	1Q19
Assets	9,484.5	8,674.2	9% ↑	9,000.5
Cash	1,246.6	803.8	55% ↑	1,143.7
Account Receivable	1,248.4	976.0	28% ↑	1,128.1
Inventory	1,341.7	1,271.3	6% ↑	1,124.2
Investment	194.8	243.9	20% ↓	223.7
Tangible	4,622.7	4,514.5	2% ↑	4,740.4
Others	830.3	864.7	4% ↓	640.4
Liabilities	3,972.5	3,244.1	22% ↑	3,943.2
Debts	2,458.2	1,962.8	25% ↑	2,608.3
Net Debts	1,211.6	1,159.0	5% ↑	1,464.6
Equity	5,512.0	5,430.1	2% ↑	5,057.3
Issued Capital	388.0	388.0	-	388.0

Financial Ratio

(Unit : %)



※ Cash : Cash and Cash Equivalents



Q1 2020 Results

■ Revenue increase driven by IT/Industrial applications

- Sales increase in high-capacitance MLCC for strategic customer and MLCC for PCs/Game devices
- Increased supply for industrial applications such as Servers and power equipment

■ Decrease in automotive MLCC revenue

- Weak demand overall from OEMs and Tier-1s

Q2 Market Outlook and Strategy

■ Solid demand from PC/Server/Network due to working from home trend

- Focus on new design-ins, expand supply to global customers

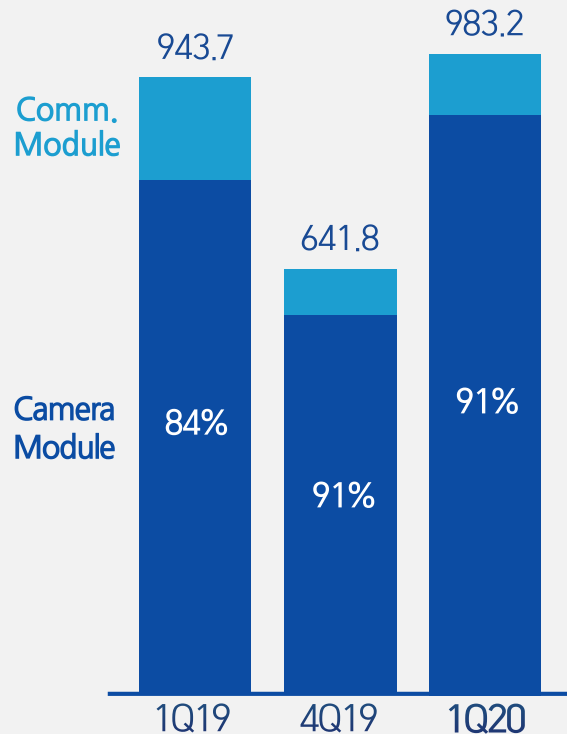
■ Weak demand from Mobile & Automotive

- Manage production flexibly according to order situation and sales trends

1Q20 Sales

(Unit : KRW Billion)

QoQ 53%↑, YoY 4%↑



Q1 2020 Results

- **Revenue growth with new flagship launched by strategic customer**
 - Increased supply of high-performance camera module and Wi-Fi module
- **Increased supply of ultra high-pixel camera module to Chinese customer**
 - Increased adoption of 100M class camera module

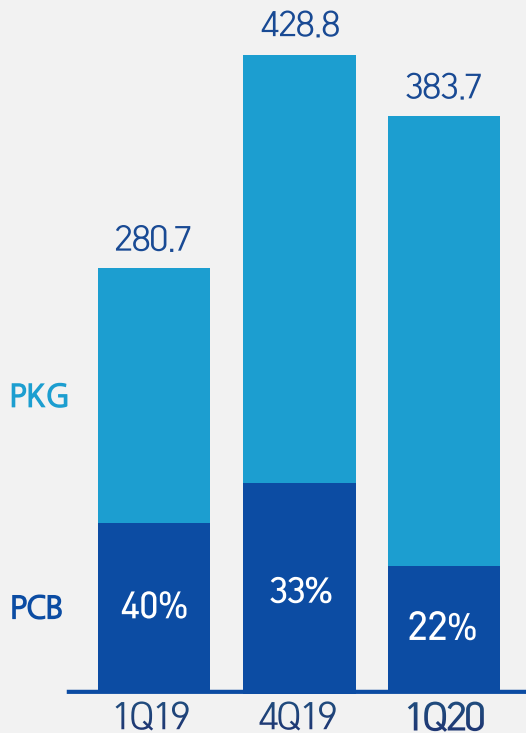
Q2 Market Outlook and Strategy

- **Camera module demand to decrease due to seasonality and COVID-19**
 - Focus on new wins in high-performance camera module including folded zoom for Chinese handset maker
- **5G communication module market to gradually expand**
 - Develop next generation 5G antenna technology and prepare for mass production

1Q20 Sales

(Unit : KRW Billion)

QoQ 11%↓, YoY 37%↑



Q1 2020 Results

■ PKG : Increased revenue from communication modules and PC CPU substrates

- Increased volume of SiP substrate for 5G ant. and RF front-end
- Increased supply of FCBGA for thin CPUs in laptops

■ PCB: RFPCB revenue decreased due to seasonality

- OLED substrate supply decreased due to weak demand from overseas customer

Q2 Market Outlook and Strategy

■ Mobile demand expected to be weak, but PC package substrate demand to remain solid

- Increase M/S of GDDR memory substrate at new customer
- Increase supply of FCBGA for thin CPUs and Automotive/Network applications

Income Statement

(Unit : KRW Billion)	1Q20	4Q19	QoQ	1Q19	YoY
Sales	2,224.5	1,845.6	21% ↑	2,062.3	8% ↑
Cost of Sales	1,730.4	1,406.4	23% ↑	1,494.0	16% ↑
Gross Profit (%)	494.1 (22.2%)	439.2 (23.8%)	13% ↑ (1.6%p ↓)	568.3 (27.6%)	13% ↓ (5.4%p ↓)
SG&A	329.6	300.5	10% ↑	326.0	1% ↑
Operating Profit (%)	164.6 (7.4%)	138.7 (7.5%)	19% ↑ (0.1%p ↓)	242.3 (11.7%)	32% ↓ (4.3%p ↓)
Non-operating income/expense	-7.9	10.0	-	-16.8	-
Pre-tax Profit (%)	156.7 (7.0%)	148.7 (8.1%)	5% ↑ (1.1%p ↓)	225.5 (10.9%)	31% ↓ (3.9%p ↓)
Income Tax	31.4	-84.3	137% ↓	46.1	32% ↓
Net Income (%)	132.1 (5.9%)	-22.6 (-1.2%)	Turn to Black (7.1%p ↑)	129.8 (6.3%)	2% ↑ (0.4%p ↓)

※ Net income attributable to owners of the parent

Financial Status

(Unit : KRW Billion)	1Q20	4Q19	QoQ	1Q19	YoY
Assets	9,484.5	8,674.2	9% ↑	9,000.5	5% ↑
Current	4,255.0	3,507.5	21% ↑	3,687.1	15% ↑
Cash	1,246.6	803.8	55% ↑	1,143.7	9% ↑
Account Receivable	1,248.4	976.0	28% ↑	1,128.1	11% ↑
Inventory	1,341.7	1,271.3	6% ↑	1,124.2	19% ↑
Others	418.3	456.4	8% ↓	291.1	44% ↑
Non-current	5,229.5	5,166.7	1% ↑	5,313.4	2% ↓
Investment	194.8	243.9	20% ↓	223.7	13% ↓
Tangible	4,622.7	4,514.5	2% ↑	4,740.4	2% ↓
Intangible	140.4	141.2	1% ↓	167.4	16% ↓
Others	271.6	267.1	2% ↑	181.9	49% ↑
Liabilities	3,972.5	3,244.1	22% ↑	3,943.2	1% ↑
Current	2,483.8	1,850.4	34% ↑	2,626.9	5% ↓
Non-current	1,488.7	1,393.7	7% ↑	1,316.3	13% ↑
Equity	5,512.0	5,430.1	2% ↑	5,057.3	9% ↑
Issued Capital	388.0	388.0	-	388.0	-

※ Cash : Cash and Cash Equivalents

Cash Flow

(Unit : KRW Billion)	1Q20	4Q19	1Q19
Cash at the beginning of period	855.5	1,292.7	1,002.4
Cash flows from operating activities	249.3	406.4	195.4
Net Income	133.2	-21.1	133.0
Depreciation	194.9	211.3	203.2
Cash flows used in investing activities	-214.0	-543.9	-174.0
Increase in tangible assets	-217.2	-556.4	-373.3
Cash flows from financing activities	380.4	-270.0	95.9
Increase/Decrease in debt	399.0	-247.1	124.1
Foreign exchange difference	12.3	-29.7	24.0
Net changes in cash	428.0	-437.2	141.3
Cash at the end of period	1,283.5	855.5	1,143.7