

SEMCO Q2 2020 Earnings Results

July 28, 2020



This presentation material is prepared for the convenience of investors, before the external audit on our Q2 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.

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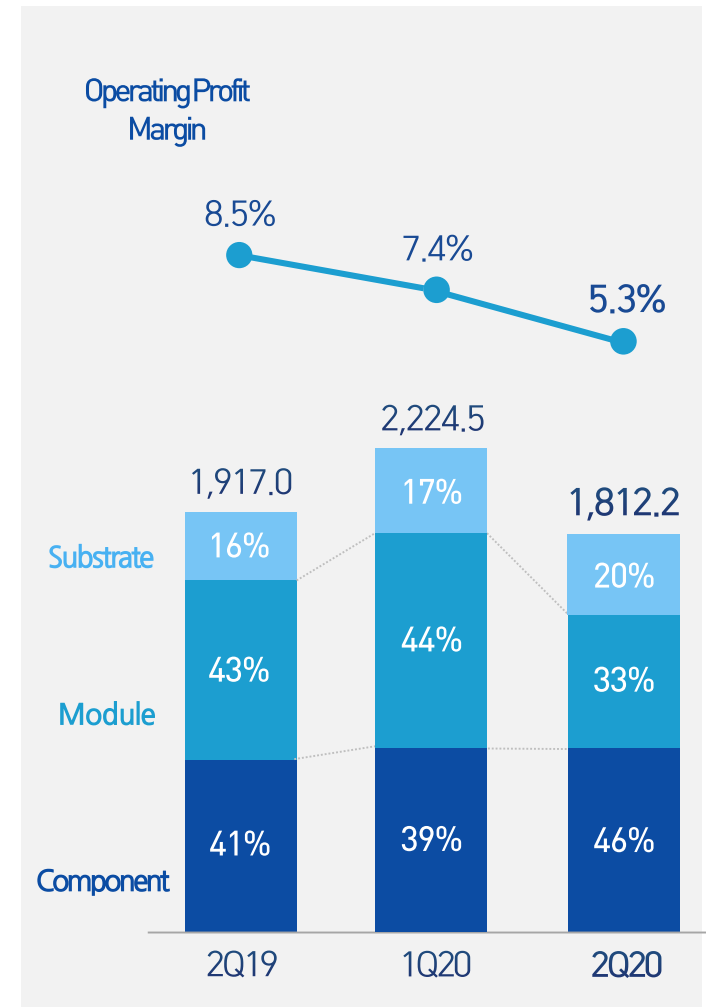
Income Statement

(Unit : KRW Billion)

	2Q20	1Q20	QoQ	2Q19	YoY
Sales	1,812.2	2,224.5	19% ↓	1,917.0	5% ↓
Component	839.6	857.6	2% ↓	786.7	7% ↑
Module	604.8	983.2	38% ↓	824.3	27% ↓
Substrate	367.8	383.7	4% ↓	306.0	20% ↑
Operating Profit (%)	96.0 (5.3%)	164.6 (7.4%)	42% ↓	163.8 (8.5%)	41% ↓
Pre-tax Profit (%)	67.8 (3.7%)	156.7 (7.0%)	57% ↓	141.1 (7.4%)	52% ↓
Net Income (%)	39.2 (2.2%)	132.1 (5.9%)	70% ↓	303.6 (15.8%)	87% ↓

Earnings Trend

(Unit : KRW Billion)



※ Net income attributable to owners of the parent

※ 2Q19 net income contains the profit from PLP business sale

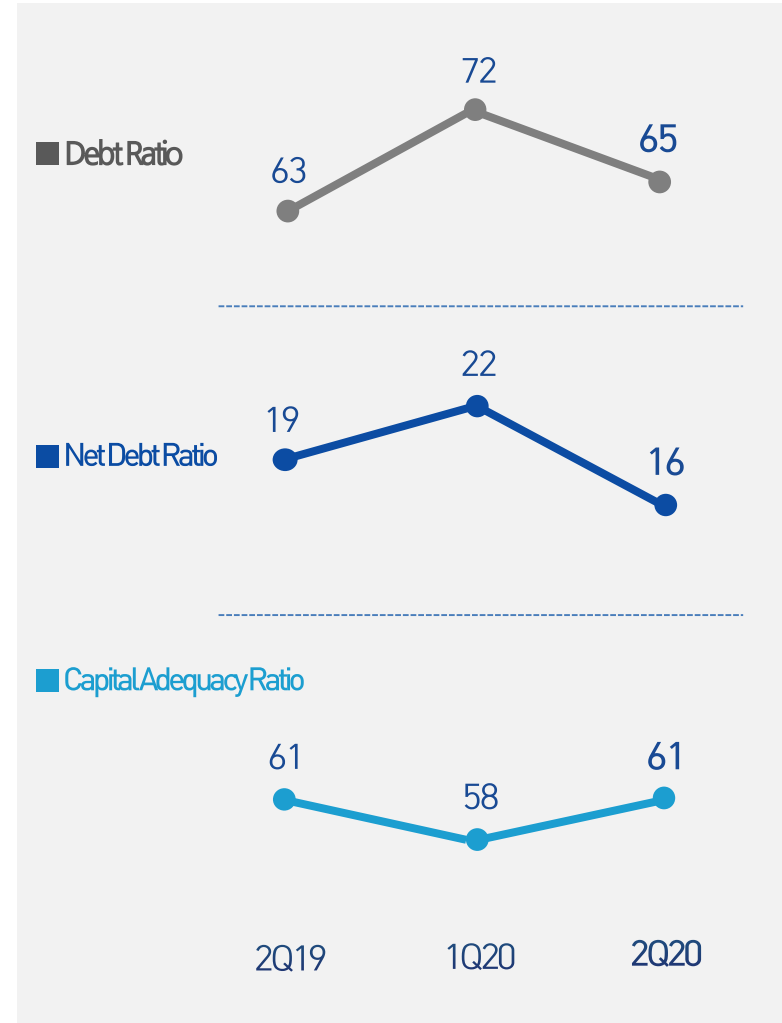
Financial Status

(Unit : KRW Billion)

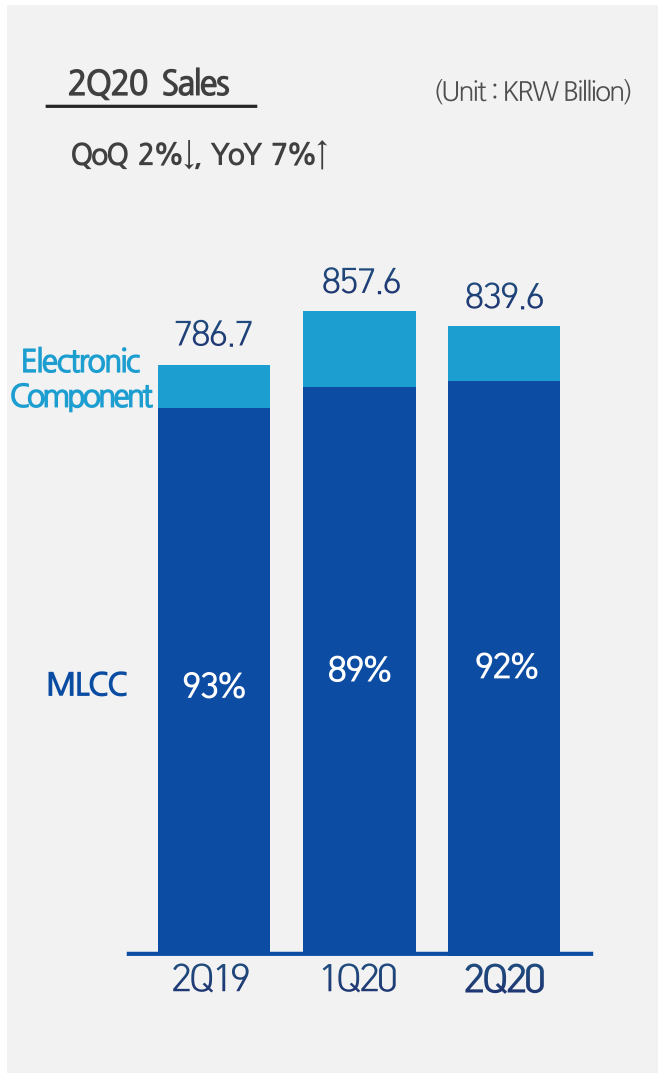
	2Q20	1Q20	QoQ	2Q19
Assets	9,188.4	9,484.5	3% ↓	8,776.4
Cash	1,511.6	1,246.6	21% ↑	1,166.1
Account Receivable	863.4	1,248.4	31% ↓	1,165.1
Inventory	1,173.1	1,341.7	13% ↓	1,227.4
Investment	212.9	194.8	9% ↑	218.7
Tangible	4,621.9	4,622.7	0.02% ↓	4,448.5
Others	805.5	830.3	3% ↓	550.6
Liabilities	3,628.6	3,972.5	9% ↓	3,391.5
Debts	2,381.9	2,458.2	3% ↓	2,162.5
Net Debts	870.3	1,211.6	28% ↓	996.4
Equity	5,559.8	5,512.0	1% ↑	5,384.9
Issued Capital	388.0	388.0	-	388.0

Financial Ratio

(Unit : %)



※ Cash : Cash and Cash Equivalents



Q2 2020 Results

- **MLCC supply disruption due to Philippine lock-down**
 - Hard to fully capture upside demand from “Untact Life”
- **MLCC revenue increased slightly QoQ**
 - Increased MLCC supply for PCs, servers, game devices
 - Decreased in mobile and automotive MLCC sales

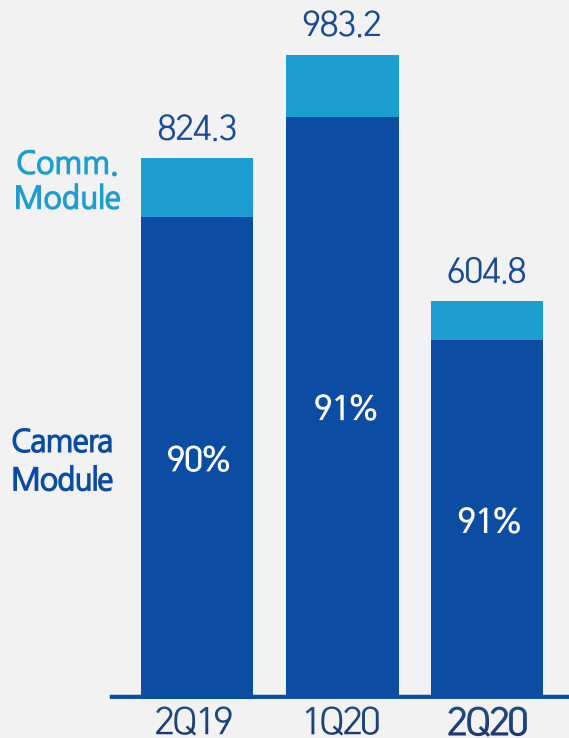
2H Market Outlook and Strategy

- **Mobile demand to grow with new flagships and 5G roll-out**
 - Increase supply with design-wins and timely mass production of small-size, high-capacitance MLCC
- **PCs & game devices demand to remain solid**
 - Increase supply with greater production flexibility across all manufacturing sites

2Q20 Sales

(Unit : KRW Billion)

QoQ 38%↓, YoY 27%↓



Q2 2020 Results

- **Revenue decrease due to COVID-19 & seasonality**
 - Decreased supply of camera module and communication module to the strategic customer
- **Increased sales of camera module to Chinese customer**
 - Increased supply of high-pixel OIS module and optical 5x zoom module

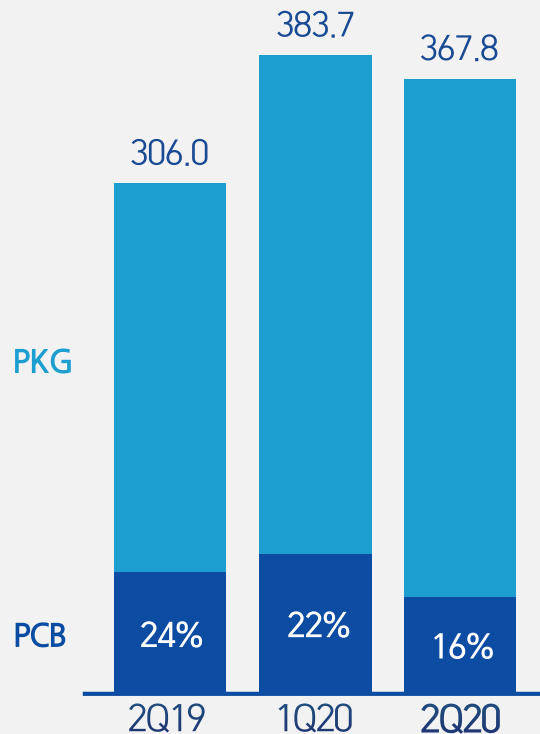
2H Market Outlook and Strategy

- **Demand for high-end camera module to recover vs. Q2, but uncertainty remains around flagship set demand YoY due to COVID-19**
 - Focus on increasing high-end camera module supply for strategic customer's flagship
- **5G comm. module market to show meaningful growth**
 - Focus on winning new supply opportunities of next-gen. 5G antenna module

2Q20 Sales

(Unit : KRW Billion)

QoQ 4% ↓, YoY 20% ↑



Q2 2020 Results

- **PKG : Increased revenue of PC substrates due to COVID-19**
 - FCBGA sales increased due to enlarging supply for PC CPU
 - Increased supply of memory substrates for overseas customer's GDDR
- **PCB : Revenue decreased due to weakness in major customer's demand**
 - Decreased supply of RFPCBs for OLED

2H Market Outlook and Strategy

- **Demand for OLED RFPCBs for new flagships and 5G substrates expected to grow**
 - Focus on increasing RFPCB M/S of overseas and strategic customers
 - Increase supply of 5G ant. and RF front-end SiP substrates

Income Statement

(Unit : KRW Billion)	2Q20	1Q20	QoQ	2Q19	YoY
Sales	1,812.2	2,224.5	19% ↓	1,917.0	5% ↓
Cost of Sales	1,449.3	1,730.4	16% ↓	1,412.4	3% ↑
Gross Profit (%)	362.9 (20.0%)	494.1 (22.2%)	27% ↓ (2.2%p ↓)	504.6 (26.3%)	28% ↓ (6.3%p ↓)
SG&A	266.9	329.6	19% ↓	340.8	22% ↓
Operating Profit (%)	96.0 (5.3%)	164.6 (7.4%)	42% ↓ (2.1%p ↓)	163.8 (8.5%)	41% ↓ (3.2%p ↓)
Non-operating income/expense	-28.2	-7.9	-	-22.7	-
Pre-tax Profit (%)	67.8 (3.7%)	156.7 (7.0%)	57% ↓ (3.3%p ↓)	141.1 (7.4%)	52% ↓ (3.7%p ↓)
Income Tax	20.0	31.4	36% ↓	57.0	65% ↓
Net Income (%)	39.2 (2.2%)	132.1 (5.9%)	70% ↓ (3.7%p ↓)	303.6 (15.8%)	87% ↓ (13.6%p ↓)

※ Net income attributable to owners of the parent

Financial Status

(Unit : KRW Billion)	2Q20	1Q20	QoQ	2Q19	YoY
Assets	9,188.4	9,484.5	3% ↓	8,776.4	5% ↑
Current	3,936.1	4,255.0	7% ↓	3,837.6	3% ↑
Cash	1,511.6	1,246.6	21% ↑	1,166.1	30% ↑
Account Receivable	863.4	1,248.4	31% ↓	1,165.1	26% ↓
Inventory	1,173.1	1,341.7	13% ↓	1,227.4	4% ↓
Others	388.0	418.3	7% ↓	279.0	39% ↑
Non-current	5,252.3	5,229.5	0.4% ↑	4,938.8	6% ↑
Investment	212.9	194.8	9% ↑	218.7	3% ↓
Tangible	4,621.9	4,622.7	0.02% ↓	4,448.5	4% ↑
Intangible	142.9	140.4	2% ↑	77.5	84% ↑
Others	274.6	271.6	1% ↑	194.1	41% ↑
Liabilities	3,628.6	3,972.5	9% ↓	3,391.5	7% ↑
Current	2,273.2	2,483.8	8% ↓	2,203.8	3% ↑
Non-current	1,355.4	1,488.7	9% ↓	1,187.7	14% ↑
Equity	5,559.8	5,512.0	1% ↑	5,384.9	3% ↑
Issued Capital	388.0	388.0	-	388.0	-

※ Cash : Cash and Cash Equivalents

Cash Flow

(Unit : KRW Billion)	2Q20	1Q20	2Q19
Cash at the beginning of period	1,283.5	855.5	1,143.7
Cash flows from operating activities	569.7	249.3	9.8
Net Income	45.8	133.2	306.7
Depreciation	219.4	207.9	211.9
Cash flows used in investing activities	-194.6	-214.0	368.1
Increase in tangible/intangible assets	-197.4	-217.2	-224.1
Cash flows from financing activities	-133.6	380.4	-538.1
Increase/Decrease in debt	-30.2	399.0	-435.8
Foreign exchange difference	-13.4	12.3	-17.5
Net changes in cash	228.1	428.0	-177.7
Cash at the end of period	1,511.6	1,283.5	966.0