

2017 3Q Earnings Results

October 30, 2017

SAMSUNG
ELECTRO-MECHANICS



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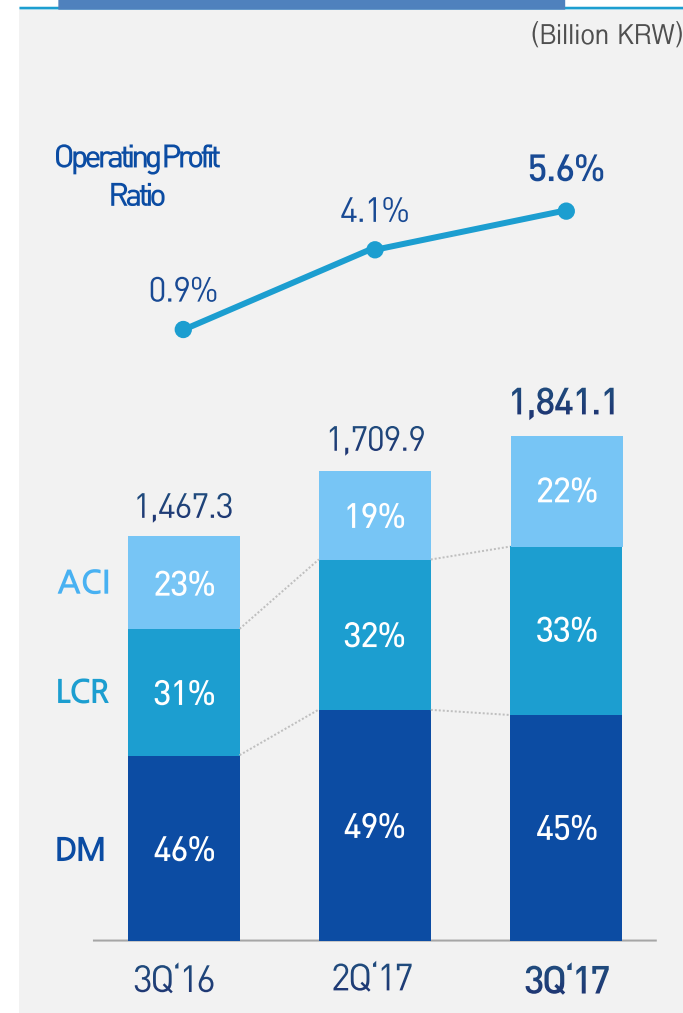
The financial information in this document is consolidated earnings results based on K-IFRS.

Earnings Overview

Income Statement

(Billion KRW)	3Q'17	2Q'17	QoQ	3Q'16	YoY
Sales	1,841.1	1,709.9	131.2↑	1,467.3	373.8↑
Cost of Sales	1,467.0	1,373.1	93.9↑	1,231.0	236.0↑
Gross Profit	374.1	336.8	37.3↑	236.3	137.8↑
SG&A	270.9	266.1	4.8↑	223.5	47.4↑
Operating Profit	103.2	70.7	32.5↑	12.8	90.4↑
Pre-tax Profit	98.5	64.0	34.5↑	5.1	93.4↑
Net Income	71.9	33.3	38.6↑	2.2	69.7↑
Gross Profit Ratio	20.3%	19.7%	0.6%p↑	16.1%	4.2%p↑
Operating Profit Ratio	5.6%	4.1%	1.5%p↑	0.9%	4.7%p↑
Net Income Ratio	3.9%	1.9%	2.0%p↑	0.1%	3.8%p↑

Quarterly Earnings Trend



※ Net income attributable to owners of the parent

Financial Position

Financial Analysis

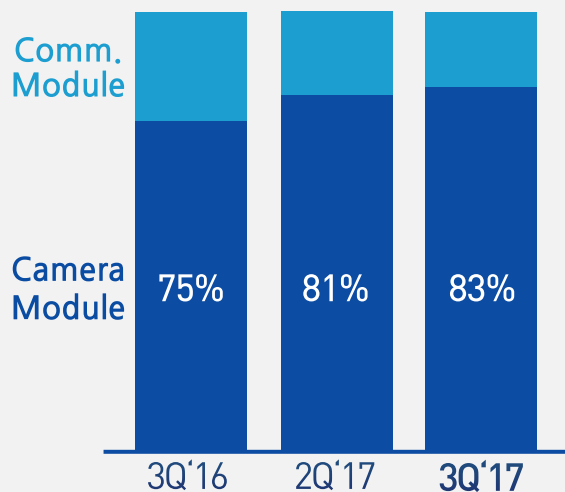
(Billion KRW)	3Q'17	2Q'17	QoQ	3Q'16	YoY
Total Assets	8,185.5	8,052.4	133.1↑	7,325.6	859.9↑
Current Assets	2,774.9	2,789.8	14.9↓	2,822.5	47.6↓
Quick Assets	1,938.7	1,929.2	9.5↑	2,139.3	200.6↓
Cash	719.8	742.9	23.1↓	1,161.7	441.9↓
Inventory Assets	836.2	860.6	24.4↓	683.2	153.0↑
Non-Current Assets	5,410.6	5,262.6	148.0↑	4,503.1	907.5↑
Investments	875.3	932.3	57.0↓	877.4	2.1↓
Tangible Assets	4,233.8	4,038.3	195.5↑	3,324.6	909.2↑
Total Liabilities	3,727.1	3,644.6	82.5↑	2,988.6	738.5↑
Debts	2,859.1	2,754.2	104.9↑	2,172.9	686.2↑
Net Debts	2,139.3	2,011.3	128.0↑	1,011.2	1,128.1↑
Total Equity	4,458.4	4,407.8	50.6↑	4,337.0	121.4↑
Current Ratio	90.9%	99.0%	8.1%p↓	157.5%	66.6%p↓
Capital Adequacy Ratio	54.5%	54.7%	0.2%p↓	59.2%	4.7%p↓
Debt Ratio	83.6%	82.7%	0.9%p↑	68.9%	14.7%p↑
Net Debt Ratio	48.0%	45.6%	2.4%p↑	23.3%	24.7%p↑

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

Quarterly Performance (Billion KRW)



Sales Portion



Camera Module

◆ 3Q'17 Results

- Sales grew on supply for strategic customer's first dual cam
- Started mass production of new model for auto

◆ Outlook and Strategy

- Dual cam market-leading by differentiated performance
- Strengthen biz. competitiveness with internalized components

Communication Module

◆ 3Q'17 Results

- Sales decreased to strategic customer's flagship model

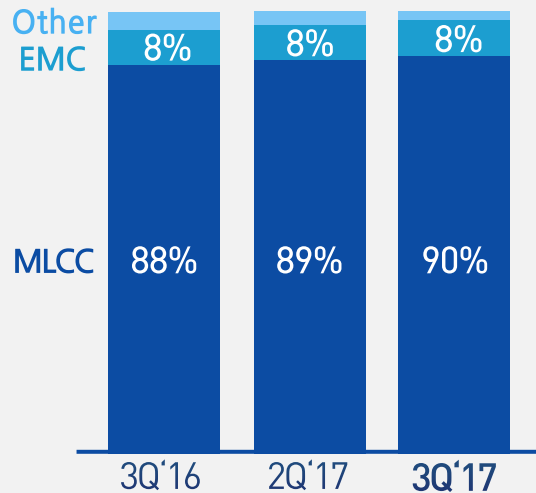
◆ Outlook and Strategy

- Secure fundamental technology for next-gen Comm. Module

Quarterly Performance (Billion KRW)



Sales Portion



MLCC

◆ 3Q'17 Results

- Small-size · high capacitance new products sales increased for overseas customer's flagship model
- Obtain new customers and approval for industrial · auto

◆ Outlook and Strategy

- Strengthen design-in activity and product line -up for auto
- High response to market demand by improving production efficiency at overseas plants

EMC

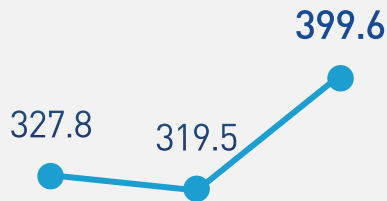
◆ 3Q'17 Results

- Sales grew to overseas customer's flagship model

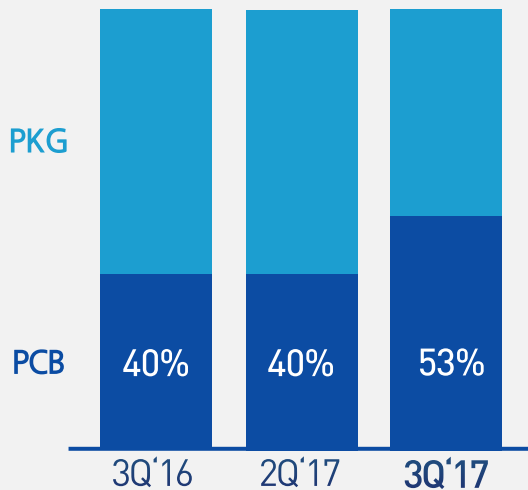
◆ Outlook and Strategy

- Diversify customer base and EMC product portfolio

Quarterly Performance (Billion KRW)



Sales Portion



Printed Circuit Board

◆ 3Q'17 Results

- Increased supply of RFPCB to overseas customer and main board for flagship model to strategic customer

◆ Outlook and Strategy

- Continuous improvement of profitability through expand supply of value-added RFPCB for OLED
- Expand next-gen HDI M/S with fine patterning technology

Package Substrate

◆ 3Q'17 Results

- FCCSP sales decreased on weak demand for overseas customer
- FCBGA sales grew on supply for thin core CPU

◆ Outlook and Strategy

- Intensify the 1st vendor position of FCCSP through higher technology and quality
- Diversify FCBGA line-up to break into new applications

A1. Income Statement

(Billion KRW)

	3Q'17	2Q'17	QoQ	3Q'16	YoY
Sales	1,841.1	1,709.9	131.2↑	1,467.3	373.8↑
Cost of Sales	1,467.0	1,373.1	93.9↑	1,231.0	236.0↑
Gross Profit (%)	374.1 (20.3%)	336.8 (19.7%)	37.3↑ (0.6%p↑)	236.3 (16.1%)	137.8↑ (4.2%p↑)
SG&A	270.9	266.1	4.8↑	223.5	47.4↑
Operating Profit (%)	103.2 (5.6%)	70.7 (4.1%)	32.5↑ (1.5%p↑)	12.8 (0.9%)	90.4↑ (4.7%p↑)
Non-operating Loss	4.7	6.7	2.0↓	7.7	3.0↓
Pre-tax Profit (%)	98.5 (5.4%)	64.0 (3.7%)	34.5↑ (1.7%p↑)	5.1 (0.3%)	93.4↑ (5.1%p↑)
Income Tax	23.9	26.2	2.3↓	1.2	22.7↑
Non-controlling interests Profit	2.7	4.5	1.8↓	1.7	1.0↑
Net Income (%)	71.9 (3.9%)	33.3 (1.9%)	38.6↑ (2.0%p↑)	2.2 (0.1%)	69.7↑ (3.8%p↑)

※ Net income attributable to owners of the parent

A2. Cash Flow

(Billion KRW)

	3Q'17	2Q'17	3Q'16
Cash at the beginning of period	632.9	506.2	919.9
Cash flows from operating activities	247.5	176.7	297.6
Net Income	74.5	37.9	3.9
Depreciation	142.5	162.4	141.6
Cash flows used in investing activities	-280.7	-218.6	-254.7
Increase in tangible assets	-316.0	-392.8	-285.9
Cash flows from financing activities	65.8	166.7	53.1
Increase/Decrease in debt	91.0	219.1	67.4
Foreign exchange difference	-25.7	1.9	-24.2
Net changes in cash	6.9	126.7	71.8
Cash at the end of period	639.8	632.9	991.7