

SEMCO Q4 2021 Earnings Results

Jan 26, 2022



Disclaimer

This presentation material is prepared for the convenience of investors, before the external audit on our Q4 2021 financial results is completed. The audit results may cause some parts of this presentation material to change.

Also, the Company decided to discontinue its RFPCB business in Q4, and classified all profit and loss items of the RFPCB business under “Discontinued operations”, separately from its continuing operations. We have also prepared corresponding pro forma income statement for previous periods.

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

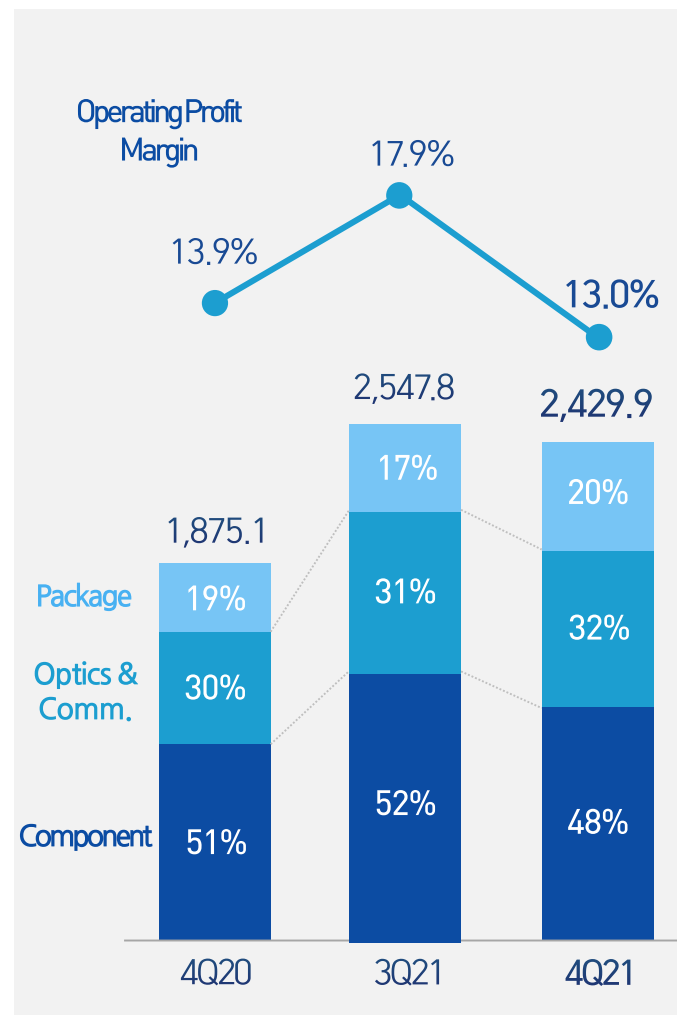
Income Statement

(Unit : KRW Billion)

	4Q21	3Q21	QoQ	4Q20	YoY	2021
Sales	2,429.9	2,547.8	5% ↓	1,875.1	30% ↑	9,675.0
Component	1,173.6	1,320.9	11% ↓	964.7	22% ↑	4,778.2
Optics & Communication	777.4	787.4	1% ↓	564.0	38% ↑	3,219.8
Package	478.9	439.5	9% ↑	346.4	38% ↑	1,677.0
Operating Profit (%)	316.2 (13.0%)	455.8 (17.9%)	31% ↓	260.9 (13.9%)	21% ↑	1,486.9 (15.4%)
Pre-tax Profit (%)	324.2 (13.3%)	472.6 (18.6%)	31% ↓	255.3 (13.6%)	27% ↑	1,491.3 (15.4%)
Discontinued Operations	-115.7	-3.1	-	-0.3	-	-162.3
Net Income (%)	85.5 (3.5%)	349.5 (13.7%)	76% ↓	202.5 (10.8%)	58% ↓	892.4 (9.2%)

Earnings Trend

(Unit : KRW Billion)



※ Net income attributable to owners of the parent

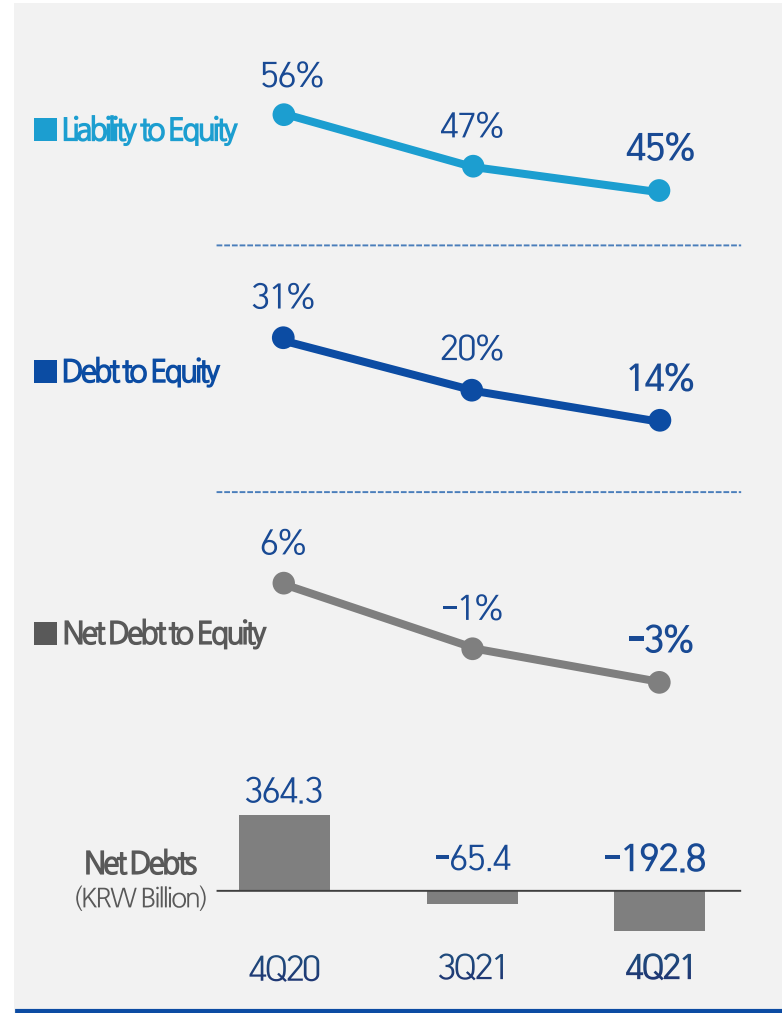
Financial Position

Financial Status

(Unit : KRW Billion)

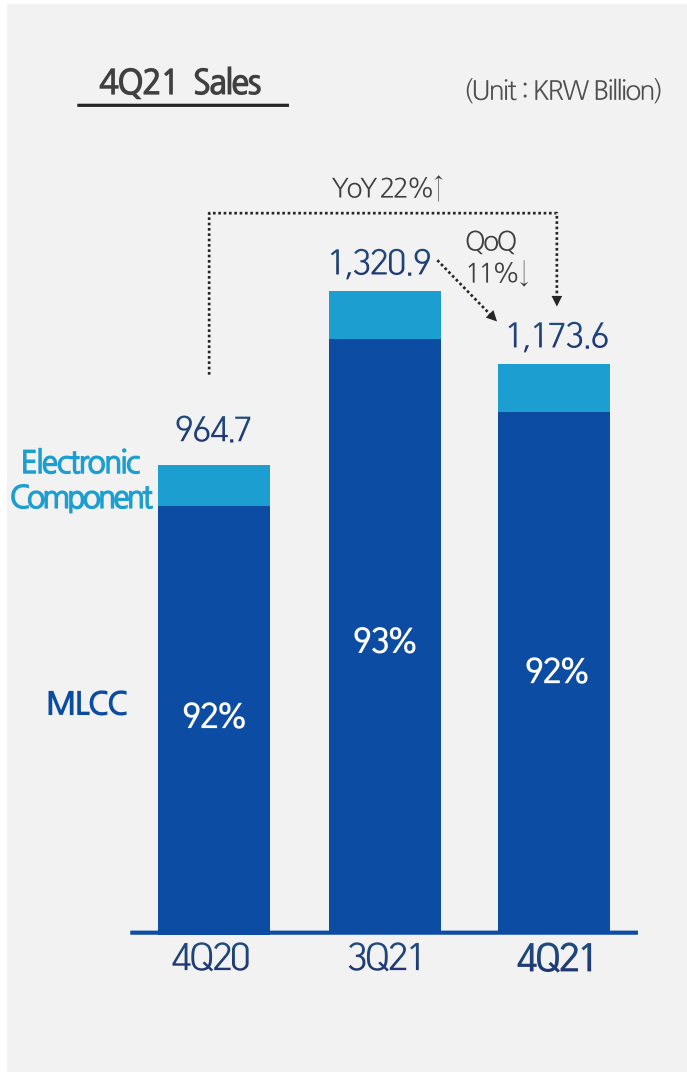
	4Q21	3Q21	QoQ	4Q20
Assets	9,941.4	10,089.2	1% ↓	9,225.5
Cash	1,185.2	1,445.7	18% ↓	1,479.8
Account Receivable	1,219.4	1,396.3	13% ↓	943.8
Inventory	1,818.4	1,506.1	21% ↑	1,337.9
Investment	347.1	329.7	5% ↑	275.7
Tangible	4,639.4	4,581.7	1% ↑	4,424.4
Others	731.9	829.7	12% ↓	763.9
Liabilities	3,070.3	3,226.2	5% ↓	3,315.1
Debts	992.4	1,380.3	28% ↓	1,844.1
Net Debts	-192.8	-65.4	-	364.3
Equity	6,871.1	6,863.0	0.1% ↑	5,910.4
Issued Capital	388.0	388.0	-	388.0

Financial Ratio



※ Net Debts = Debts - Cash

Component



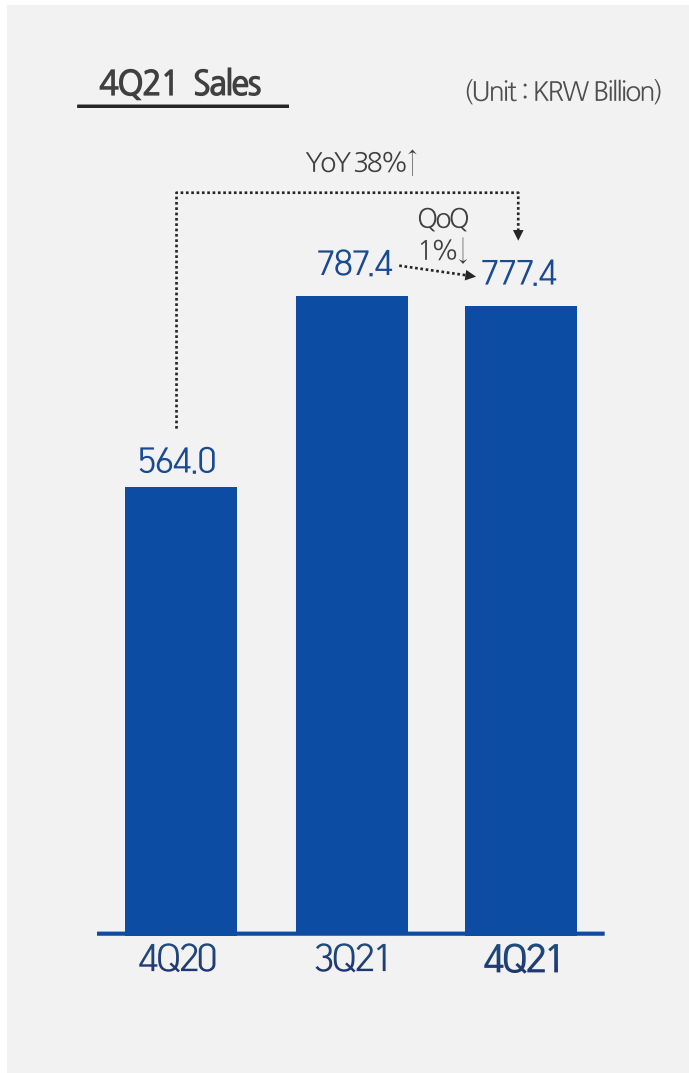
2021 Q4 Results

- Revenue decrease due to slowdown in IT demand
 - Supply decrease mainly in commodity MLCC for PC, TV
 - Sales of high-end MLCC including large size MLCC for industrial and automotive increased

2022 Market Outlook and Strategy

- Despite uncertainty of slowdown in demand for commodity MLCC, overall market including high-end MLCC expected to continue growth
 - Actively respond to market change with better productivity and product mix
 - Expand high-end line-up for 5G, server, xEV applications and increase customer design-ins

Optics & Communication Solution



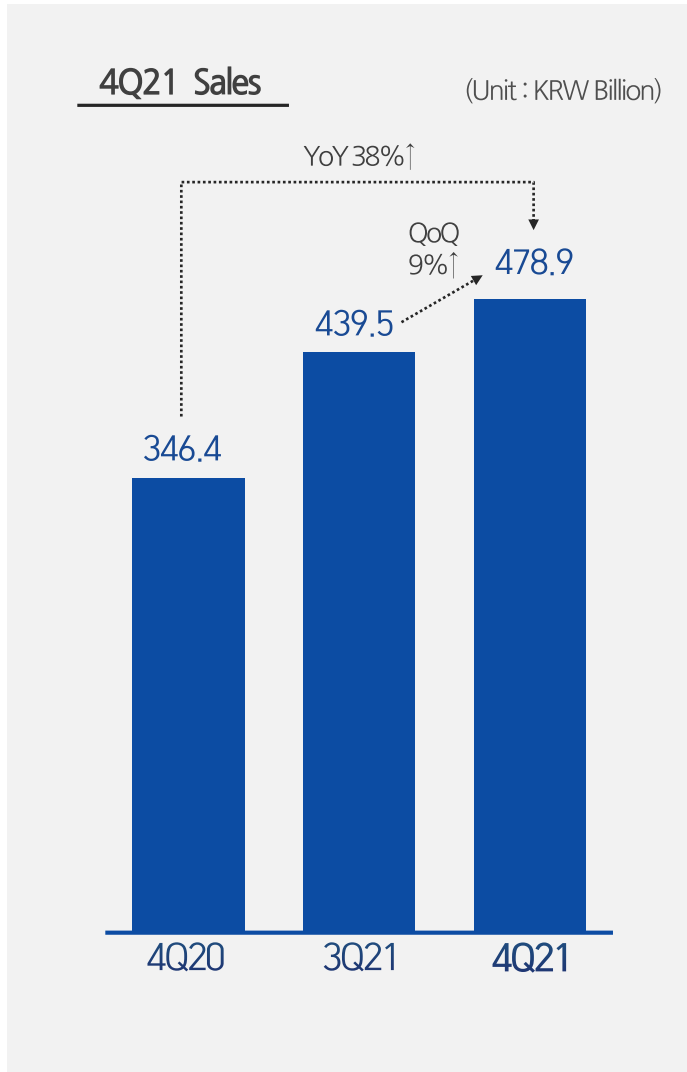
2021 Q4 Results

- **Revenue decline due to seasonality despite increased supply to overseas customer**
 - Supply of high-end camera module for overseas customer's flagship continues to grow
 - Supply of C/M to strategic customer and Chinese OEM decreased
- **Revenue of automotive C/M for major customer increased**
 - Increased supply of C/M for high-performance ADAS applications

2022 Market Outlook and Strategy

- **Demand for smartphone and automotive C/M with differentiating functionality to continue**
 - Lead flagship market by developing high-end cameras based on core component technology
 - Focus on expanding high-spec automotive C/M supply, leveraging mobile C/M technology

Package Solution



2021 Q4 Results

- **High-spec BGA revenue growth driven by 5G demand growth**
 - BGA supply for high-end AP and 5G antenna continued to grow
- **Increased high-end FCBGA revenue from major customers**
 - Increased supply of FCBGA for thin CPU in laptop and for automotive applications

2022 Market Outlook and Strategy

- **Package substrate demand expected to remain solid driven by growth of high capacity, high speed connection based market**
 - Upgrade product portfolio by expanding high-end new products for applications such as server and network devices
 - Pursue capacity expansion to respond to package substrate demand

Income Statement

(Unit : KRW Billion)	4Q21	3Q21	QoQ	4Q20	YoY
Sales	2,429.9	2,547.8	5% ↓	1,875.1	30% ↑
Cost of Sales	1,808.5	1,822.5	1% ↓	1,348.7	34% ↑
Gross Profit (%)	621.4 (25.6%)	725.3 (28.5%)	14% ↓ (2.9%p ↓)	526.4 (28.1%)	18% ↑ (2.5%p ↓)
SG&A	305.2	269.5	13% ↑	265.5	15% ↑
Operating Profit (%)	316.2 (13.0%)	455.8 (17.9%)	31% ↓ (4.9%p ↓)	260.9 (13.9%)	21% ↑ (0.9%p ↓)
Non-operating income/expense	8.0	16.8	-	-5.6	-
Pre-tax Profit (%)	324.2 (13.3%)	472.6 (18.6%)	31% ↓ (5.3%p ↓)	255.3 (13.6%)	27% ↑ (0.3%p ↓)
Income Tax	123.8	116.0	7% ↑	50.0	148% ↑
Continuing Operations	200.4	356.6	44% ↓	205.3	2% ↓
Discontinued Operations	-115.7	-3.1	-	-0.3	-
Net Income (%)	85.5 (3.5%)	349.5 (13.7%)	75% ↓ (10.2%p ↓)	202.5 (10.8%)	58% ↓ (7.3%p ↓)

※ Net income attributable to owners of the parent

Financial Status

(Unit : KRW Billion)	4Q21	3Q21	QoQ	4Q20	YoY
Assets	9,941.4	10,089.2	1% ↓	9,225.5	8% ↑
Current	4,598.3	4,800.9	4% ↓	4,150.3	11% ↑
Cash	1,185.2	1,445.7	18% ↓	1,479.8	20% ↓
Account Receivable	1,219.4	1,396.3	13% ↓	943.8	29% ↑
Inventory	1,818.4	1,506.1	21% ↑	1,337.9	36% ↑
Others	375.3	452.8	17% ↓	388.8	3% ↓
Non-current	5,343.1	5,288.3	1% ↑	5,075.2	5% ↑
Investment	347.1	329.7	5% ↑	275.7	26% ↑
Tangible	4,639.4	4,581.7	1% ↑	4,424.4	5% ↑
Intangible	141.8	139.1	2% ↑	138.3	3% ↑
Others	214.8	237.8	10% ↓	236.8	9% ↓
Liabilities	3,070.3	3,226.2	5% ↓	3,315.1	7% ↓
Current	2,234.7	2,392.6	7% ↓	1,914.9	17% ↑
Non-current	835.6	833.6	0.2% ↑	1,400.2	40% ↓
Equity	6,871.1	6,863.0	0.1% ↑	5,910.4	16% ↑
Issued Capital	388.0	388.0	-	388.0	-

※ Cash : Cash and Cash Equivalents

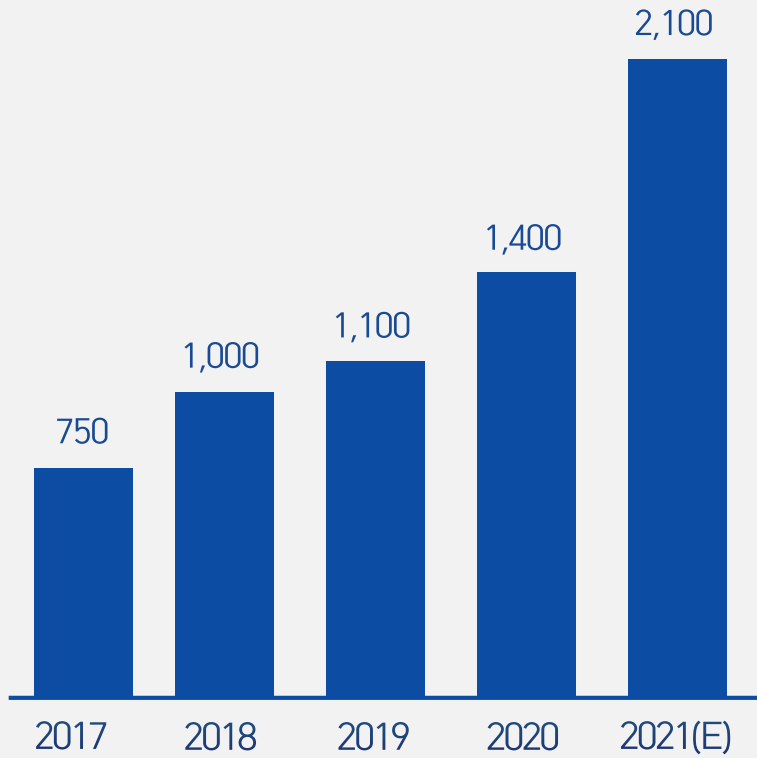
Cash Flow

(Unit : KRW Billion)	4Q21	3Q21	4Q20
Cash at the beginning of period	1,465.0	1,613.5	1,474.2
Cash flows from operating activities	489.3	482.7	215.6
Net Income	84.6	353.5	204.9
Depreciation	223.3	218.5	201.8
Cash flows used in investing activities	-304.6	-157.0	-111.6
Increase in tangible/intangible assets	-269.7	-192.2	-109.9
Cash flows from financing activities	-421.6	-488.5	-209.5
Increase/Decrease in debt	-391.7	-471.5	-67.6
Foreign exchange difference	4.5	14.3	-14.4
Net changes in cash	-232.4	-148.5	11.3
Cash at the end of period	1,232.6	1,465.0	1,485.5

Dividend Plan

Dividend per Share
(based on common share)

(Unit : KRW)



■ Year-end dividend decided based on 2021 business results

- KRW 2,100 per common share (2,150 for preferred)
- For enhancing shareholder return, increased dividend per share vs. 2020 (Payout ratio is same as 2020, 18%)

■ Continue to strengthen shareholder return

- Dividend per share has increased since 2017
- Targeting to gradually reach and maintain payout ratio of at least 20% (subject to adjustment considering investment needs for future growth and cash flow situation)

※ Subject to change depending on external audit results and approval by the General Meeting of Shareholders

(Reference) Income Statement

※ Historical and comparative data prepared in accordance with K-IFRS Article 1105

(Unit : KRW Billion)	2020	1Q21	2Q21	3Q21	4Q21	2021
Sales	7,753.3	2,291.4	2,405.9	2,547.8	2,429.9	9,675.0
Cost of Sales	5,784.5	1,717.5	1,778.6	1,822.5	1,808.5	7,127.1
Gross Profit (%)	1,968.8 (25.4%)	573.9 (25.0%)	627.3 (26.1%)	725.3 (28.5%)	621.4 (25.6%)	2,547.9 (26.3%)
SG&A	1,056.1	217.1	269.2	269.5	305.2	1,061.0
Operating Profit (%)	912.7 (11.8%)	356.8 (15.6%)	358.1 (14.9%)	455.8 (17.9%)	316.2 (13.0%)	1,486.9 (15.4%)
Non-operating income/expense	-43.8	1.6	-22.0	16.8	8.0	4.4
Pre-tax Profit (%)	868.9 (11.2%)	358.4 (15.6%)	336.1 (14.0%)	472.6 (18.6%)	324.2 (13.3%)	1,491.3 (15.4%)
Income Tax	184.6	95.6	78.2	116.0	123.8	413.6
Continuing Operations	684.3	262.8	257.9	356.6	200.4	1,077.7
Discontinued Operations	-60.5	-20.2	-23.3	-3.1	-115.7	-162.3
Net Income (%)	604.0 (7.8%)	233.2 (10.2%)	224.2 (9.3%)	349.5 (13.7%)	85.5 (3.5%)	892.4 (9.2%)

※ Net income attributable to owners of the parent