

SEMCO Q2 2023 Earnings Results

July 26, 2023



Disclaimer

This presentation material is prepared for the convenience of investors, before the external audit on our Q2 2023 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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Earnings Overview

Income Statement

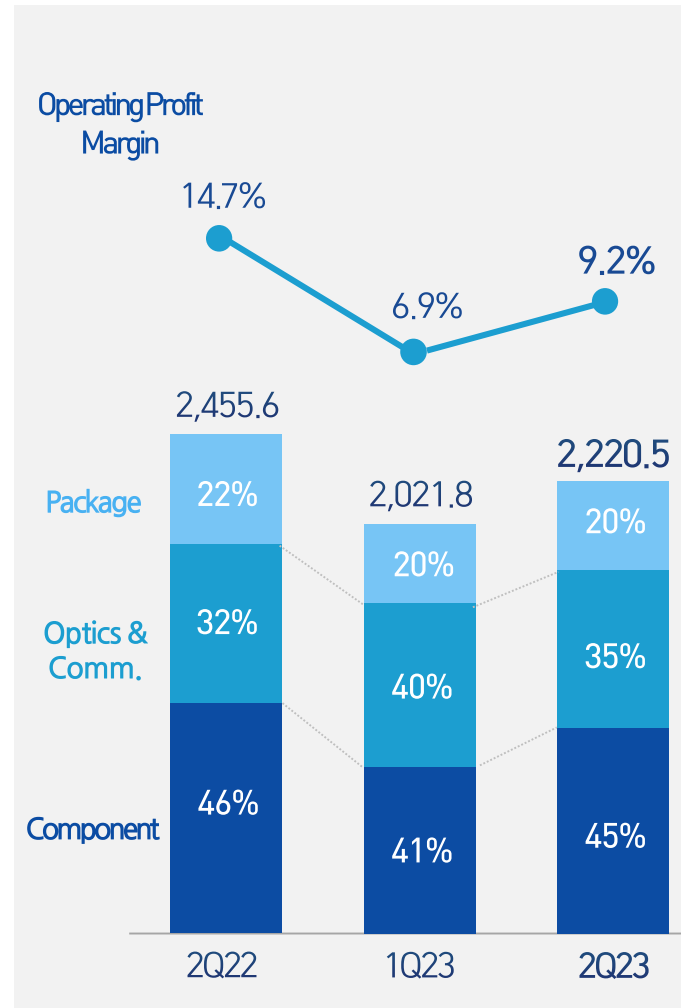
(Unit : KRW Billion)

	2Q23	1Q23	QoQ	2Q22	YoY
Sales	2,220.5	2,021.8	10% ↑	2,455.6	10% ↓
Component	1,006.5	825.5	22% ↑	1,140.1	12% ↓
Optics & Communication	776.6	798.6	3% ↓	779.1	0.3% ↓
Package	437.4	397.6	10% ↑	536.4	18% ↓
Operating Profit (%)	205.0 (9.2%)	140.1 (6.9%)	46% ↑	360.1 (14.7%)	43% ↓
Pre-tax Profit (%)	145.7 (6.6%)	143.0 (7.1%)	2% ↑	385.2 (15.7%)	62% ↓
Net Income (%)	112.6 (5.1%)	111.4 (5.5%)	1% ↑	281.3 (11.5%)	60% ↓

※ Net income attributable to owners of the parent

Earnings Trend

(Unit : KRW Billion)



Financial Position

Financial Status

(Unit : KRW Billion)

	2Q23	1Q23	QoQ	2Q22
Assets	11,186.6	11,000.1	2% ↑	10,708.0
Cash	1,585.0	1,589.1	0.3% ↓	1,164.1
Account Receivable	1,063.8	9,589	11% ↑	1,226.4
Inventory	1,957.5	1,902.2	3% ↑	1,973.5
Investment	259.3	235.2	10% ↑	328.6
Tangible	5,404.2	5,403.6	-	4,901.1
Others	916.8	911.1	1% ↑	1,114.3
Liabilities	3,379.8	3,243.5	4% ↑	3,287.6
Debts	1,449.9	1,432.2	1% ↑	1,382.4
Equity	7,806.8	7,756.6	1% ↑	7,420.4
Issued Capital	388.0	388.0	-	388.0

Financial Ratio

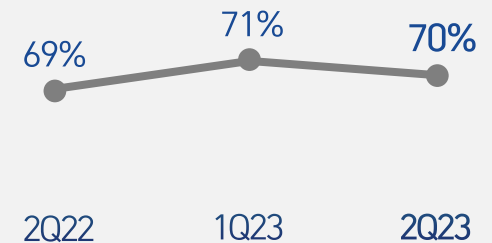
■ **Liability to Equity**
(Liabilities/Equity)



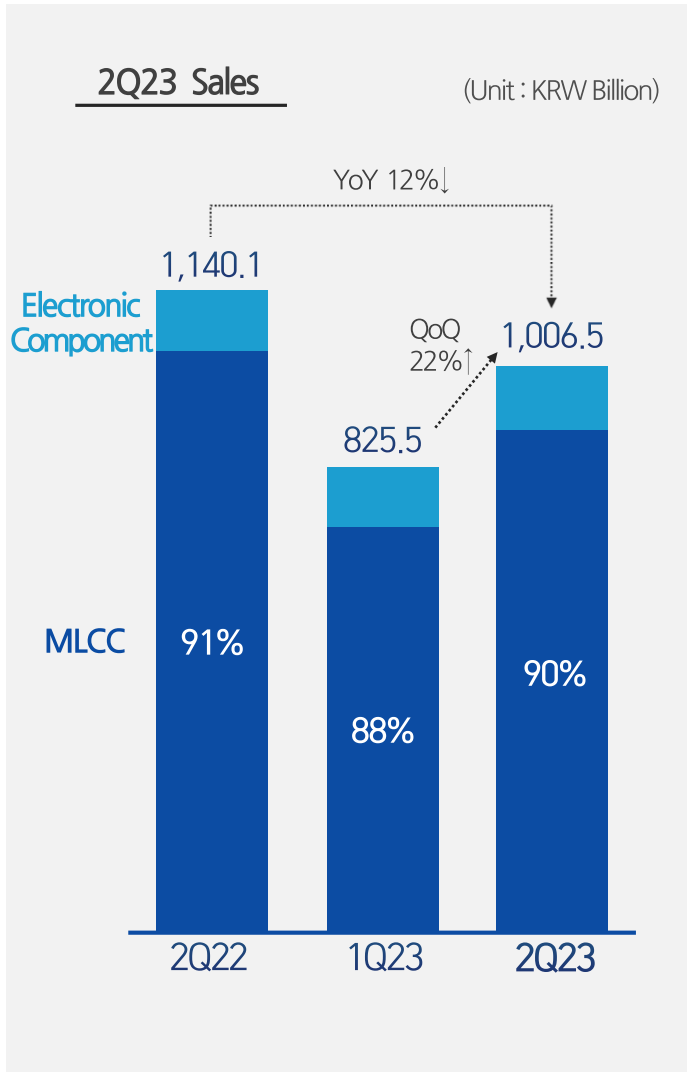
■ **Debt to Equity**
(Debts/Equity)



■ **Capital Adequacy Ratio**
(Equity/Assets)



Component



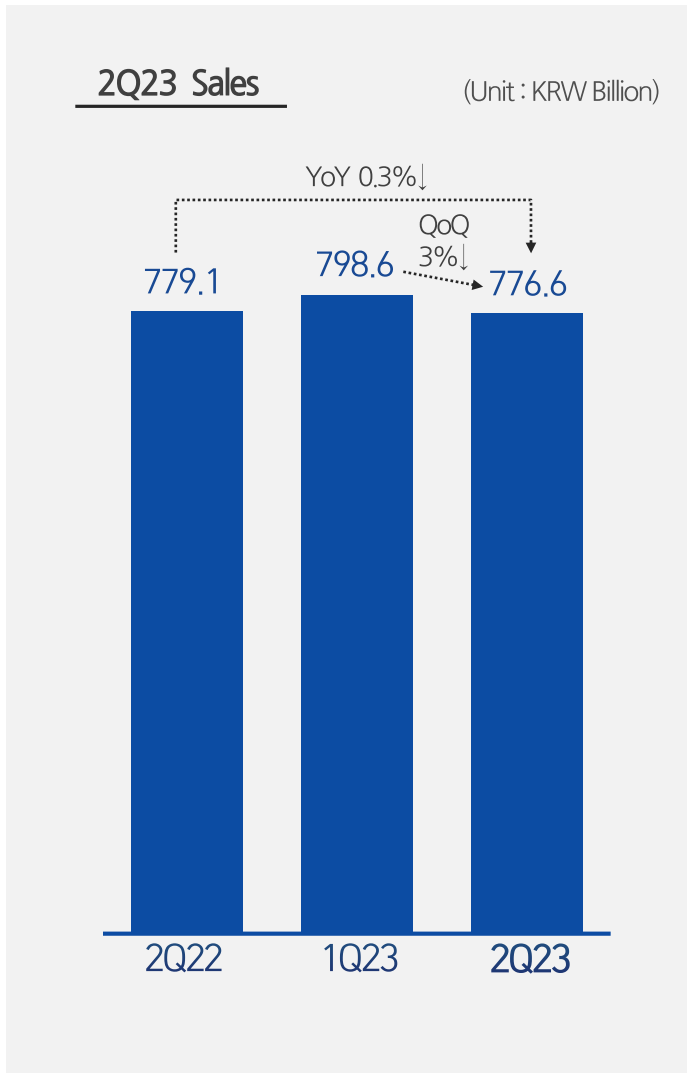
2023 Q2 Results

- Revenue increased across all applications: IT/automotive/industrial
 - Demand increased due to smartphone shipment growth tied to new Chinese smartphone launches
 - Revenue growth driven by solid automotive/industrial market including xEV, ADAS and servers

Q3 Market Outlook & Strategy

- Seasonal demand growth in IT market including new smartphone launches and automotive demand also expected to increase
 - Focus on timely supply of high-end ultra small/ultra high capacitance MLCC for flagship smartphones and high reliability MLCC for automotive applications

Optics & Communication Solution



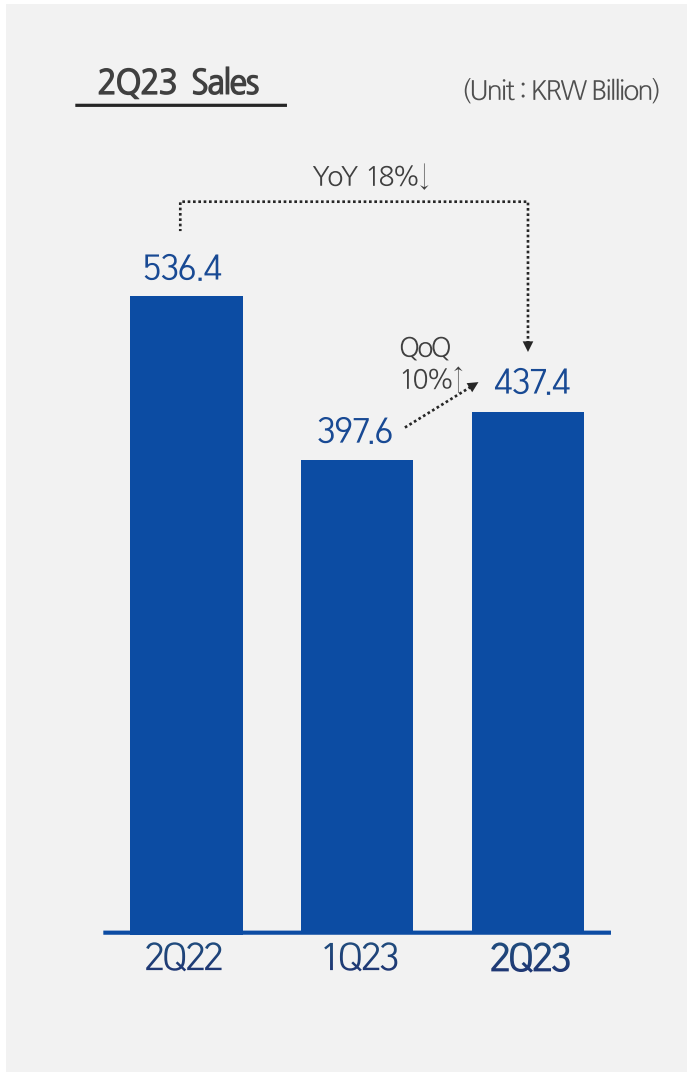
2023 Q2 Results

- While camera module supply to Chinese flagship smartphones increased, revenue decreased QoQ due to main customer's low seasonality
 - Mass production of high-spec camera modules such as variable aperture, high pixel folded zoom for Chinese customers
- Automotive camera module revenue increased driven by greater supply to overseas customers

Q3 Market Outlook & Strategy

- Key Korean/overseas OEMs asking for differentiating camera technology for their 2nd half flagships
 - Greater differentiation with new design variable aperture/ folded zoom camera modules
- Automotive camera module market expected to continue growth driven by advances in ADAS/autonomous driving
 - Strengthen growth potential by winning design-ins for new models and diversifying customer base

Package Solution



2023 Q2 Results

- **Divisional revenue increased with greater BGA supply**
 - BGA demand improved with key customers running out of inventory, and supply increased in substrates for mobile AP, memory and ARM processor
 - For FCBGA, PC substrate revenue decreased but server/automotive substrate revenue increased

Q3 Market Outlook & Strategy

- **BGA demand is expected to increase driven by new smartphone launches**
 - Focus on increasing supply of substrates for mobile memory and 5G antenna
- **For FCBGA, PC substrate demand is expected to remain weak but server/network high-end substrate demand is expected to continue growth**
 - Focus on increasing supply of large-size/high multi-layer substrates and winning design-ins for next models

Income Statement

(Unit : KRW Billion)	2Q23	1Q23	QoQ	2Q22	YoY
Sales	2,220.5	2,021.8	10% ↑	2,455.6	10% ↓
Cost of Sales	1,738.8	1,634.1	6% ↑	1,819.6	4% ↓
Gross Profit (%)	481.7 (21.7%)	387.6 (19.2%)	24% ↑ (2.5%p ↑)	636.0 (25.9%)	24% ↓ (4.2%p ↓)
SG&A	276.8	247.6	12% ↑	275.9	-
Operating Profit (%)	205.0 (9.2%)	140.1 (6.9%)	46% ↑ (2.3%p ↑)	360.1 (14.7%)	43% ↓ (5.5%p ↓)
Non-operating income/expense	-59.3	3.0	-	25.1	-
Pre-tax Profit (%)	145.7 (6.6%)	143.0 (7.1%)	2% ↑ (0.5%p ↓)	385.2 (15.7%)	62% ↓ (9.1%p ↓)
Income Tax	19.7	23.0	14% ↓	90.9	78% ↓
Continuing Operations	126.0	120.0	5% ↑	294.3	57% ↓
Discontinued Operations	-6.5	-1.9	-	-11.5	-
Net Income (%)	112.6 (5.1%)	111.4 (5.5%)	1% ↑ (0.4%p ↓)	281.3 (11.5%)	60% ↓ (6.4%p ↓)

※ Net income attributable to owners of the parent

Financial Status

(Unit : KRW Billion)	2Q23	1Q23	QoQ	2Q22	YoY
Assets	11,186.6	11,000.1	2% ↑	10,708.0	4% ↑
Current	4,990.0	4,822.3	3% ↑	5,103.4	2% ↓
Cash	1,585.0	1,589.1	0.3% ↓	1,164.1	36% ↑
Account Receivable	1,063.8	958.9	11% ↑	1,226.4	13% ↓
Inventory	1,957.5	1,902.2	3% ↑	1,973.5	1% ↓
Others	383.7	372.1	3% ↑	739.4	48% ↓
Non-current	6,196.7	6,177.8	0.3% ↑	5,604.6	11% ↑
Investment	259.3	235.2	10% ↑	328.6	21% ↓
Tangible	5,404.2	5,403.6	-	4,901.1	10% ↑
Intangible	156.2	155.3	1% ↑	144.6	8% ↑
Others	377.0	383.7	2% ↓	230.3	64% ↑
Liabilities	3,379.8	3,243.5	4% ↑	3,287.6	3% ↑
Current	2,643.7	2,573.1	3% ↑	2,484.9	6% ↑
Non-current	736.1	670.4	10% ↑	802.7	8% ↓
Equity	7,806.8	7,756.6	1% ↑	7,420.4	5% ↑
Issued Capital	388.0	388.0	-	388.0	-

Cash Flow

(Unit : KRW Billion)	2Q23	1Q23	2Q22
Cash at the beginning of period	1,589.1	1,677.1	1,022.3
Cash flows from operating activities	414.8	188.1	572.8
Net Income	119.4	118.1	282.7
Depreciation	218.6	221.8	221.4
Cash flows used in investing activities	-267.2	-240.8	-414.8
Increase in tangible/intangible assets	-291.2	-353.5	-301.8
Cash flows from financing activities	-140.8	-49.5	-30.4
Increase/Decrease in debt	18.1	-25.8	148.6
Foreign exchange difference	-10.9	14.3	14.3
Net changes in cash	-4.1	-88.0	141.8
Cash at the end of period	1,585.0	1,589.1	1,164.1