

SEMCO Q4 2020 Earnings Results

Jan 27, 2021



This presentation material is prepared for the convenience of investors, before the external audit on our Q4 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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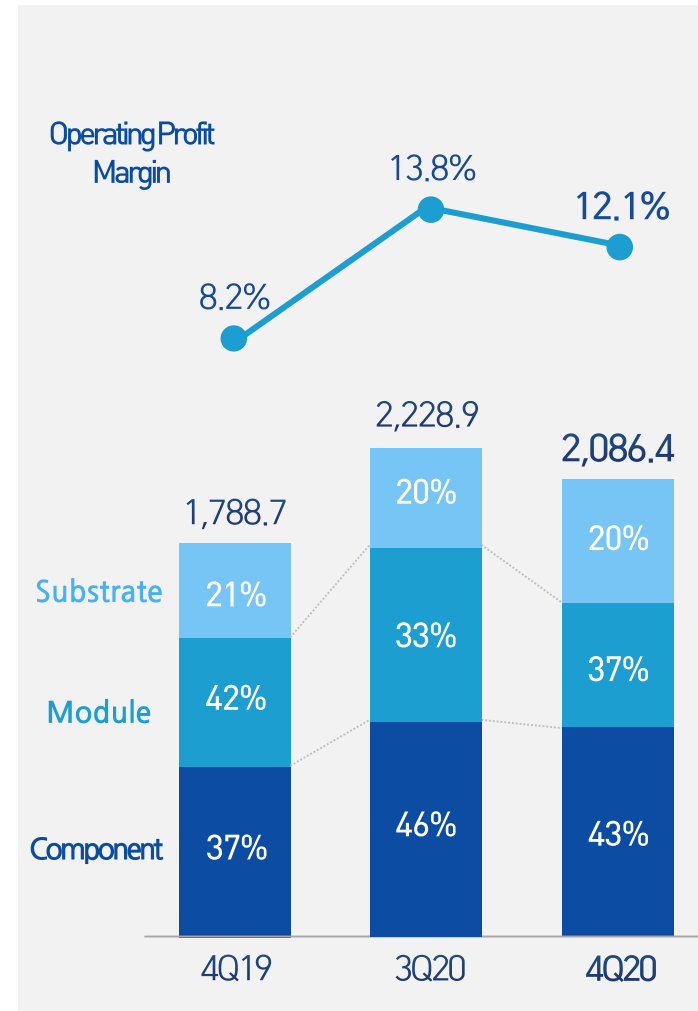
Income Statement

(Unit : KRW Billion)

	4Q20	3Q20	QoQ	4Q19	YoY	2020
Sales	2,086.4	2,228.9	6% ↓	1,788.7	17% ↑	8,208.7
Component	964.5	983.1	2% ↓	774.9	24% ↑	3,644.9
Module	564.0	793.8	29% ↓	585.0	4% ↓	2,802.5
Substrate	557.9	452.0	23% ↑	428.8	30% ↑	1,761.3
Operating Profit (%)	252.7 (12.1%)	307.4 (13.8%)	18% ↓	145.9 (8.2%)	73% ↑	829.1 (10.1%)
Pre-tax Profit (%)	248.2 (11.9%)	300.8 (13.5%)	17% ↓	155.4 (8.7%)	60% ↑	782.9 (9.5%)
Net Income (%)	202.5 (9.8%)	230.2 (10.3%)	12% ↓	-22.6 (-1.3%)	Turn to Black	604.0 (7.4%)

Earnings Trend

(Unit : KRW Billion)



※ Net income attributable to owners of the parent

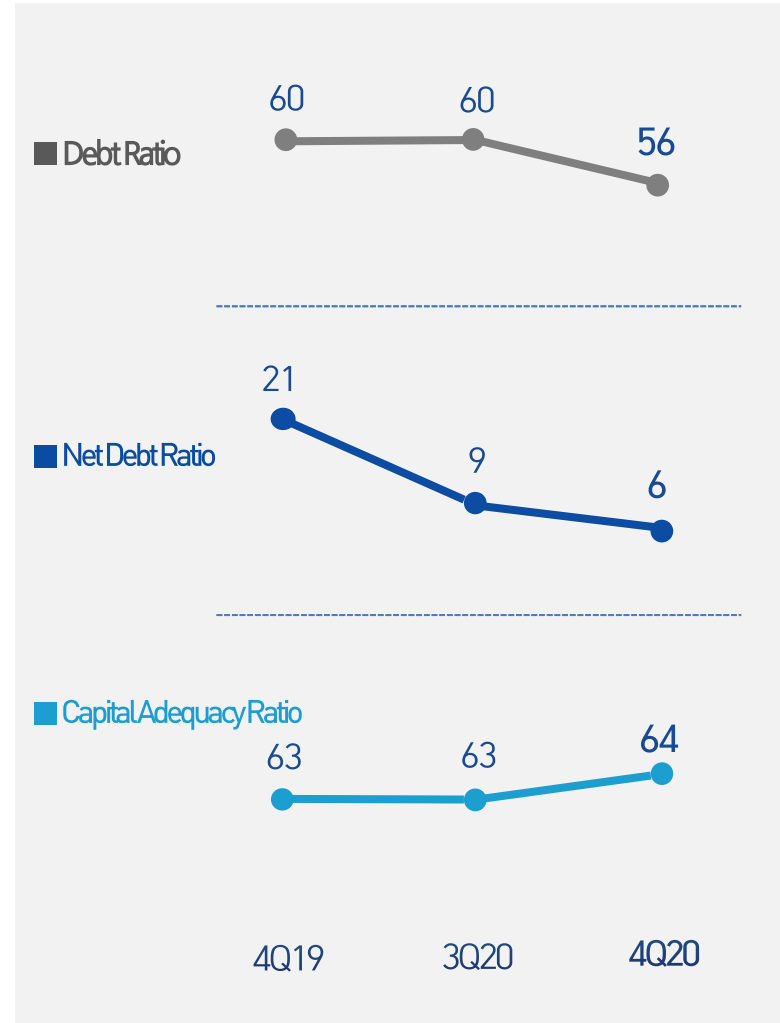
Financial Status

(Unit : KRW Billion)

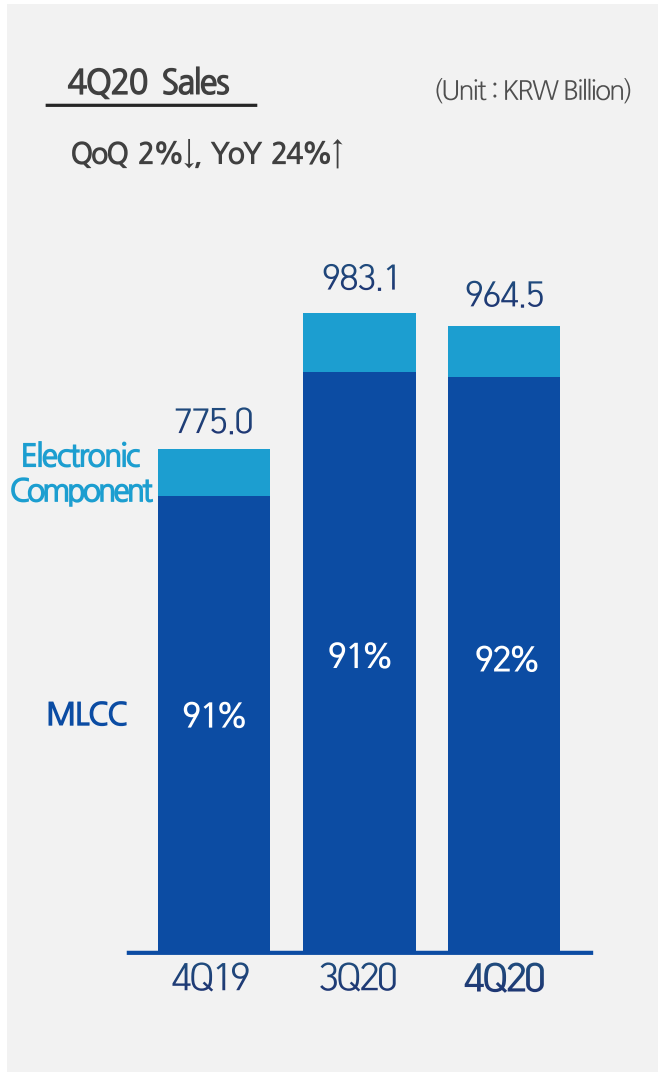
	4Q20	3Q20	QoQ	4Q19
Assets	9,225.5	9,245.5	0.2% ↓	8,674.2
Cash	1,479.8	1,474.2	0.4% ↑	803.8
Account Receivable	943.8	981.0	4% ↓	976.0
Inventory	1,337.9	1,169.7	14% ↑	1,271.3
Investment	275.7	206.2	34% ↑	243.9
Tangible	4,424.4	4,628.3	4% ↓	4,514.5
Others	763.9	786.1	3% ↓	864.7
Liabilities	3,315.1	3,457.8	4% ↓	3,244.1
Debts	1,844.1	1,998.5	8% ↓	1,962.8
Net Debts	364.3	524.3	31% ↓	1,159.0
Equity	5,910.4	5,787.7	2% ↑	5,430.1
Issued Capital	388.0	388.0	-	388.0

Financial Ratio

(Unit : %)



※ Cash : Cash and Cash Equivalents



2020 Q4 Results

- **Despite shipment increase, revenue decreased slightly due to strong KRW**
 - Increase in MLCC supply driven by higher demand of Chinese mobile and automotive applications
- **Despite strong KRW, maintained profitability by improving manufacturing efficiency**
 - Better yield of overseas operations and unlocking key bottleneck processes

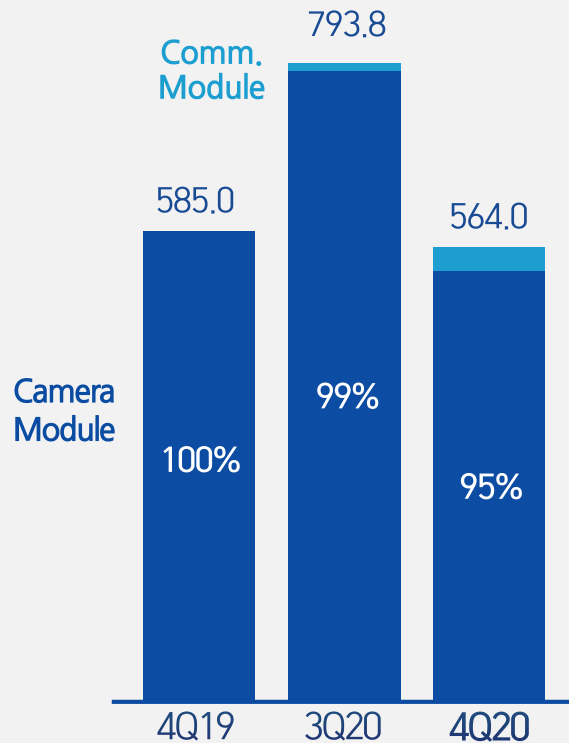
2021 Market Outlook and Strategy

- **Demand from smartphones and PCs to continue from 5G and “Untact Life”**
 - Timely design-in and mass production of small-size and high-capacitance MLCC for IT applications
- **Automotive MLCC demand expected to increase with recovery of auto demand**
 - Increase supply by adding new products to the high-reliability line-up

4Q20 Sales

(Unit : KRW Billion)

QoQ 29%↓, YoY 4%↓



2020 Q4 Results

- Revenue decreased due to seasonality of strategic customer
 - Camera module supply decreased due to weak flagship demand
- Mass production of next generation 5G communication module
 - Increase in supply of high-end antenna module for 5G mmWave

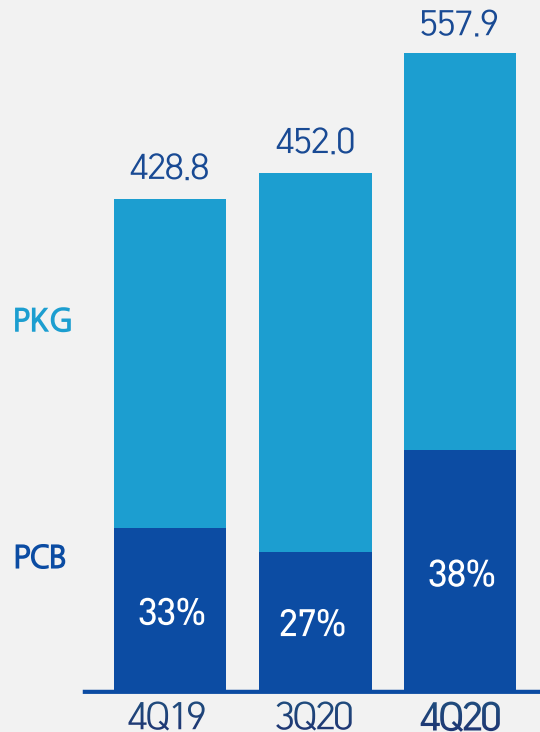
2021 Market Outlook and Strategy

- Continuing demand for high-performance camera module to differentiate smartphone
 - Lead high-end market with technology advantage (optical zoom and slim modules)
- Strong growth expected in mass-tier segment
 - Focus on camera module opportunities in high-end of mass-tier

4Q20 Sales

(Unit : KRW Billion)

QoQ 23%↑, YoY 30%↑



2020 Q4 Results

- Revenue growth across all products including PKG and PCB
 - Increase in supply of BGA for overseas customer's high-end AP and 5G antenna
 - Expanded supply of FCBGA for thin CPU in laptop
 - Increased supply of new RFPCB for OLED
- Improved profitability in all products
 - Product mix improvement with increase in high-end products such as high-multilayer package substrate for 5G
 - Improved margins from increased revenue of RFPCB for OLED

2021 Market Outlook and Strategy

- Demand for high-end package substrates to remain strong (5G/automotive/thin CPU)
 - Focus on profitability by increasing supply around high-end, growth markets

Income Statement

(Unit : KRW Billion)	4Q20	3Q20	QoQ	4Q19	YoY
Sales	2,086.4	2,228.9	6% ↓	1,788.7	17% ↑
Cost of Sales	1,555.1	1,649.6	6% ↓	1,359.9	14% ↑
Gross Profit (%)	531.3 (25.5%)	579.3 (26.0%)	8% ↓ (0.5%p ↓)	428.8 (24.0%)	24% ↑ (1.5%p ↑)
SG&A	278.6	271.9	2% ↑	282.9	2% ↓
Operating Profit (%)	252.7 (12.1%)	307.4 (13.8%)	18% ↓ (1.7%p ↓)	145.9 (8.2%)	73% ↑ (3.9%p ↑)
Non-operating Income/expense	-4.5	-6.6	-	9.5	-
Pre-tax Profit (%)	248.2 (11.9%)	300.8 (13.5%)	17% ↓ (1.6%p ↓)	155.4 (8.7%)	60% ↑ (3.2%p ↑)
Income Tax	49.6	64.2	23% ↓	-84.0	-
Net Income (%)	202.5 (9.7%)	230.2 (10.3%)	12% ↓ (0.6%p ↓)	-22.6 (-1.3%)	Turn to Black (11.0%p ↑)

※ Net income attributable to owners of the parent

Financial Status

(Unit : KRW Billion)	4Q20	3Q20	QoQ	4Q19	YoY
Assets	9,225.5	9,245.5	0.2% ↓	8,674.2	6% ↑
Current	4,150.3	4,009.4	4% ↑	3,507.5	18% ↑
Cash	1,479.8	1,474.2	0.4% ↑	803.8	84% ↑
Account Receivable	943.8	981.0	4% ↓	976.0	3% ↓
Inventory	1,337.9	1,169.7	14% ↑	1,271.3	5% ↑
Others	388.8	384.5	1% ↑	456.4	16% ↓
Non-current	5,075.2	5,236.1	3% ↓	5,166.7	2% ↓
Investment	275.7	206.2	34% ↑	243.9	13% ↑
Tangible	4,424.4	4,628.3	4% ↓	4,514.5	2% ↓
Intangible	138.3	144.6	4% ↓	141.2	2% ↓
Others	236.8	257.0	8% ↓	285.0	20% ↓
Liabilities	3,315.1	3,457.8	4% ↓	3,244.1	2% ↑
Current	1,914.9	2,093.6	9% ↓	1,850.4	3% ↑
Non-current	1,400.2	1,364.2	3% ↑	1,393.7	0.5% ↑
Equity	5,910.4	5,787.7	2% ↑	5,430.1	9% ↑
Issued Capital	388.0	388.0	-	388.0	-

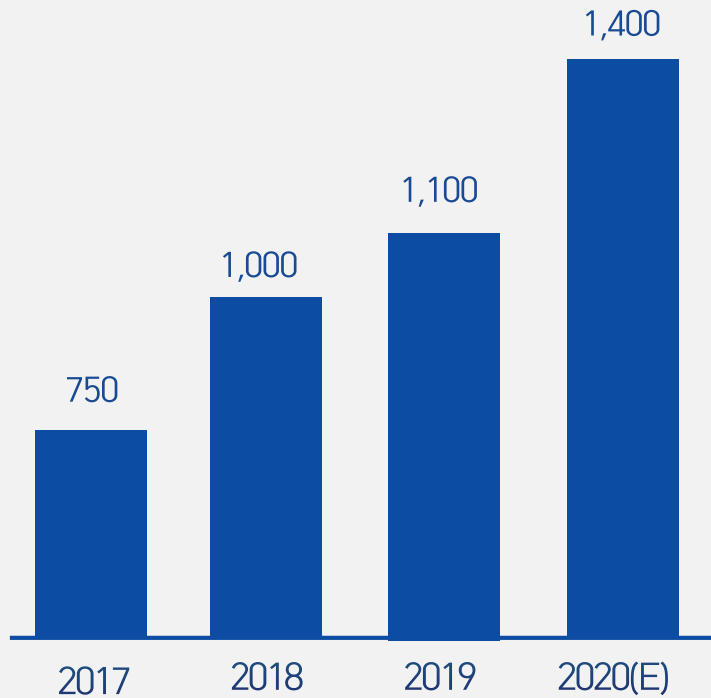
※ Cash : Cash and Cash Equivalents

Cash Flow

(Unit : KRW Billion)	4Q20	3Q20	4Q19
Cash at the beginning of period	1,474.2	1,511.6	1,292.7
Cash flows from operating activities	215.9	554.1	406.4
Net Income	204.9	240.0	-21.1
Depreciation	197.5	212.3	221.7
Cash flows used in investing activities	-112.0	-213.0	-543.9
Increase in tangible/intangible assets	-110.3	-212.1	-556.4
Cash flows from financing activities	-78.1	-377.8	-166.5
Increase/Decrease in debt	-67.7	-360.5	-143.6
Foreign exchange difference	-14.5	-0.7	-133.2
Net changes in cash	11.3	-37.4	-437.2
Cash at the end of period	1,485.5	1,474.2	855.5

Dividend per Share
(based on common share)

(Unit : KRW)



■ Year-end dividend determined based on 2020 business results

- KRW 1,400 per common share (1,450 for preferred)
- Dividend payout ratio increased YoY to strengthen shareholder return
 - Payout ratio 16% (2019) → 18% (2020)

■ Enhancement of shareholder return policy

- Dividend per share has steadily increased since 2017
- Goal is to maintain payout ratio of at least 20% (Subject to change depending on investment needs for future growth opportunities and cash flow)

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