

SEMCO Q4 2023 Earnings Results

Jan 31, 2024



Disclaimer

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

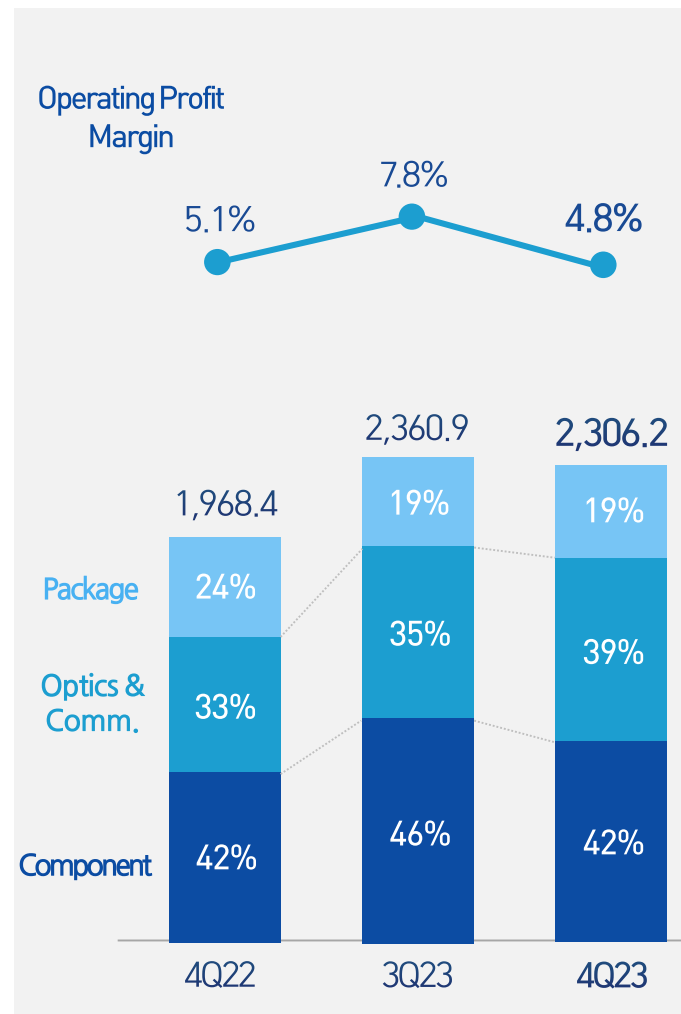
(Unit : KRW Billion)

	4Q23	3Q23	QoQ	4Q22	YoY	2023
Sales	2,306.2	2,360.9	2% ↓	1,968.4	17% ↑	8,909.4
Component	975.1	1,095.9	11% ↓	833.1	17% ↑	3,903.0
Optics & Communication	888.4	825.4	8% ↑	655.5	36% ↑	3,289.0
Package	442.7	439.6	1% ↑	479.8	8% ↓	1,717.4
Operating Profit (%)	110.4 (4.8%)	184.0 (7.8%)	40% ↓	101.2 (5.1%)	9% ↑	639.4 (7.2%)
Pre-tax Profit (%)	62.7 (2.7%)	191.8 (8.1%)	67% ↓	-5.4 (-0.3%)	-	543.2 (6.1%)
Net Income (%)	43.4 (1.9%)	155.5 (6.6%)	72% ↓	112.2 (5.7%)	61% ↓	423.0 (4.7%)

※ Net income attributable to owners of the parent

Earnings Trend

(Unit : KRW Billion)



Financial Position

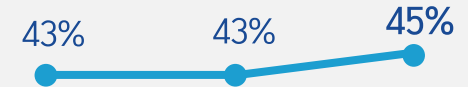
Financial Status

(Unit : KRW Billion)

	4Q23	3Q23	QoQ	4Q22
Assets	11,657.9	11,496.1	1% ↑	10,997.2
Cash	1,669.2	1,663.6	0.3% ↑	1,677.1
Account Receivable	1,126.4	1,198.7	6% ↓	990.7
Inventory	2,119.5	1,936.6	9% ↑	1,901.6
Investment	281.4	278.4	1% ↑	320.3
Tangible	5,603.3	5,577.4	0.5% ↑	5,235.3
Others	858.1	841.4	2% ↑	872.2
Liabilities	3,627.5	3,432.8	6% ↑	3,303.7
Debts	1,521.5	1,458.1	4% ↑	1,421.3
Equity	8,030.3	8,063.3	0.4% ↓	7,693.5
Issued Capital	388.0	388.0	-	388.0

Financial Ratio

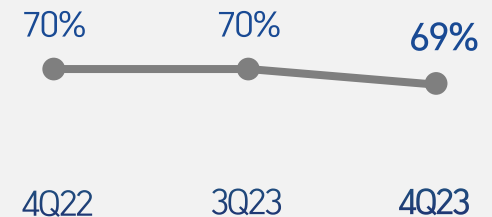
Liability to Equity (Liabilities/Equity)



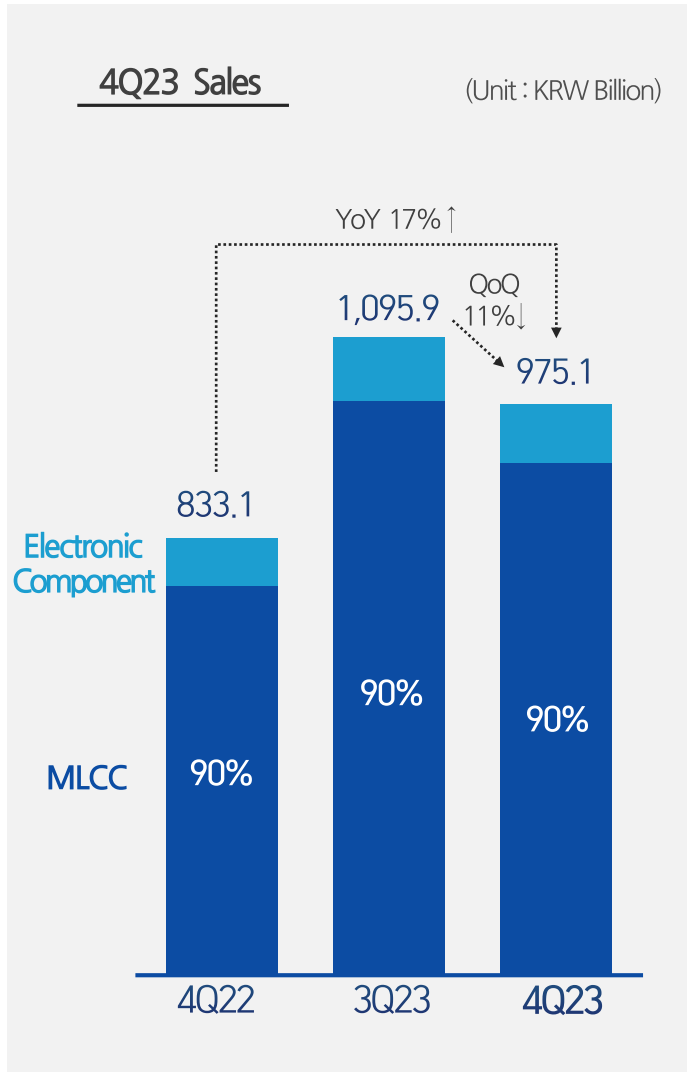
Debt to Equity (Debts/Equity)



Capital Adequacy Ratio (Equity/Assets)



Component



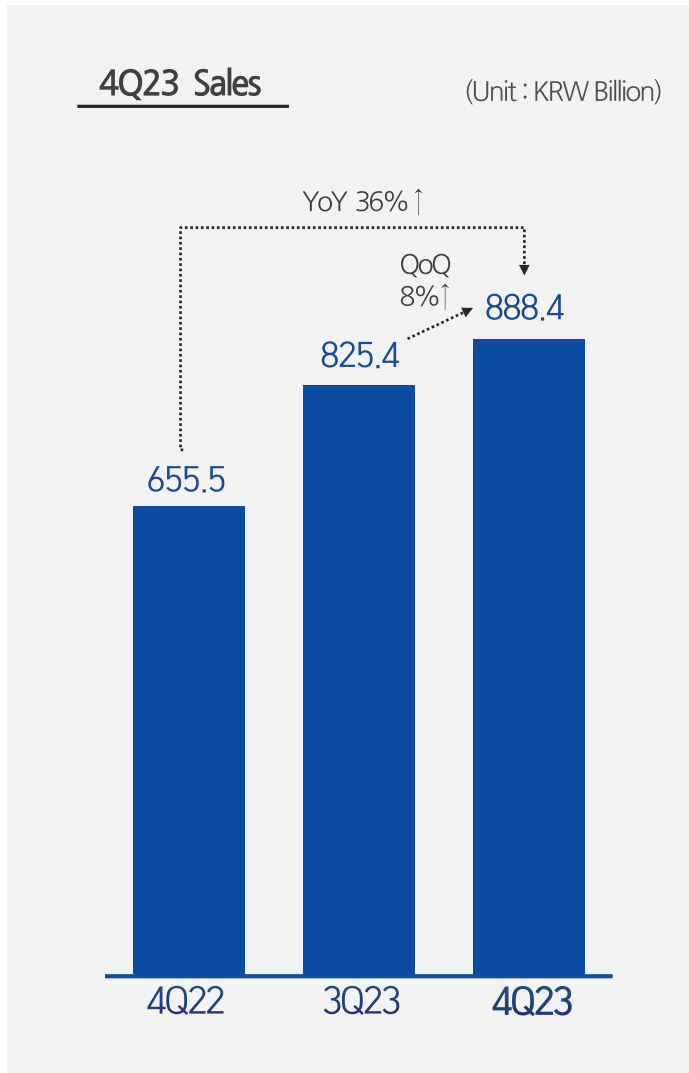
2023 Q4 Results

- Revenue decreased due to seasonality including year-end inventory adjustments
 - Supply decreased across applications such as PC, TV, home appliance, but revenue increased for smartphone MLCC thanks to launch of new smartphones by major overseas customers

2024 Market Outlook and Strategy

- IT/industrial market growth expected with recovery of smartphone, PC, server demand
 - Timely response with high-end MLCC such as small-size, high-capacitance MLCC and expand into industrial growth markets including AI servers
- Automotive MLCC demand expected to grow with continued growth of xEV, autonomous driving and easing of inventory adjustment
 - Continue to increase supply to global EV and tier-1 customers with strong high-reliability (high temperature, high voltage) MLCC offering

Optics & Communication Solution



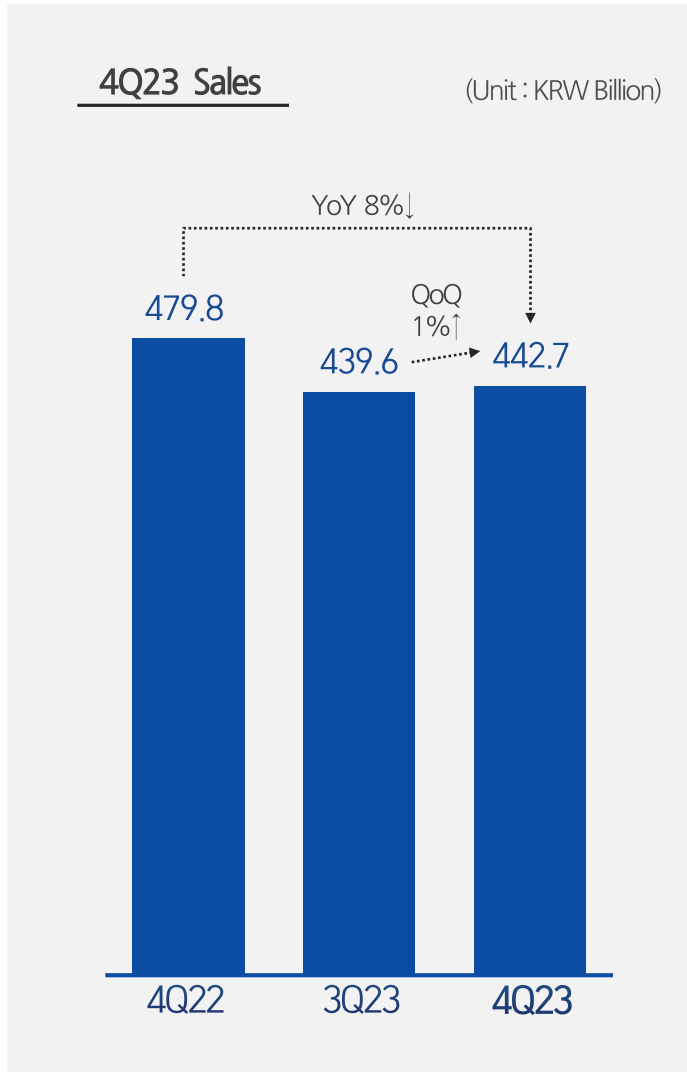
2023 Q4 Results

- Revenue increased from supply of camera module to new flagship smartphone of Korean and overseas customers
 - Started mass production of high-performance C/M including high picture quality folded zoom with new structural design
- Automotive camera module revenue increased with increased supply to overseas customers

2024 Market Outlook and Strategy

- Continued demand for high-spec camera module as a way of differentiating flagship phones
 - Increase development and supply of high-performance, differentiating products including new structure folded zoom/ multi-step iris
- In automotive, high-pixel cameras for autonomous driving, and technology differentiation expected to continue
 - Increase supply of high-pixel cameras to key customers and diversify customer base
 - Expand line-up of differentiating products such as C/M with higher reliability performance

Package Solution



2023 Q4 Results

- **BGA revenue increased with increased supply of high-end FCCSP**
 - Increased substrate supply for overseas customers' AP and ARM processors
- **FCBGA revenue decreased due to weak downstream demand including year-end inventory adjustment**
 - Increased supply of substrates for server and network, but decreased supply for PC

2024 Market Outlook and Strategy

- **Package substrate demand to improve driven by recovery of IT SET businesses such as PC, smartphone**
 - Focus on increasing supply around areas expecting demand growth such as memory and ARM processors
- **High-spec package substrate demand for server, autonomous driving to remain solid**
 - Focus on increasing supply of high-end substrates for server/AI, network, automotive by securing next generation substrate technologies such as thinner thickness, finer pitch

Income Statement

(Unit : KRW Billion)	4Q23	3Q23	QoQ	4Q22	YoY
Sales	2,306.2	2,360.9	2% ↓	1,968.4	17% ↑
Cost of Sales	1,918.8	1,896.8	1% ↑	1,596.8	20% ↑
Gross Profit (%)	387.4 (16.8%)	464.1 (19.7%)	17% ↓ (2.9%p ↓)	371.6 (18.9%)	4% ↑ (2.1%p ↓)
SG&A	277.0	280.1	1% ↓	270.4	2% ↑
Operating Profit (%)	110.4 (4.8%)	184.0 (7.8%)	40% ↓ (3.0%p ↓)	101.2 (5.1%)	9% ↑ (0.3%p ↓)
Non-operating income/expense	-47.7	7.8	-	-106.6	-
Pre-tax Profit (%)	62.7 (2.7%)	191.8 (8.1%)	67% ↓ (5.4%p ↓)	-5.4 (-0.3%)	- -
Income Tax	12.1	30.0	60% ↓	-140.9	-
Continuing Operations	50.6	161.7	69% ↓	135.5	63% ↓
Discontinued Operations	-2.6	3.2	-	-14.8	82% ↓
Net Income (%)	43.4 (1.9%)	155.5 (6.6%)	72% ↓ (4.7%p ↓)	112.2 (5.7%)	61% ↓ (3.8%p ↓)

※ Net income attributable to owners of the parent

Financial Status

(Unit : KRW Billion)	4Q23	3Q23	QoQ	4Q22	YoY
Assets	11,657.9	11,496.1	1% ↑	10,997.2	6% ↑
Current	5,208.4	5,133.9	1% ↑	4,888.3	7% ↑
Cash	1,669.2	1,663.6	0.3% ↑	1,677.1	0.5% ↓
Account Receivable	1,126.4	1,198.7	6% ↓	990.7	14% ↑
Inventory	2,119.5	1,936.6	9% ↑	1,901.6	11% ↑
Others	293.3	335.0	12% ↓	318.9	8% ↓
Non-current	6,449.5	6,362.2	1% ↑	6,108.9	6% ↑
Investment	281.4	278.4	1% ↑	320.3	12% ↓
Tangible	5,603.3	5,577.4	0.5% ↑	5,235.3	7% ↑
Intangible	151.4	156.7	3% ↓	150.1	1% ↑
Others	413.4	349.7	18% ↑	403.2	3% ↑
Liabilities	3,627.5	3,432.8	6% ↑	3,303.7	10% ↑
Current	2,900.5	2,809.9	3% ↑	2,525.1	15% ↑
Non-current	727.1	622.8	17% ↑	778.6	7% ↓
Equity	8,030.3	8,063.3	0.4% ↓	7,693.5	4% ↑
Issued Capital	388.0	388.0	-	388.0	-

Cash Flow

(Unit : KRW Billion)	4Q23	3Q23	4Q22
Cash at the beginning of period	1,663.6	1,585.0	1,619.4
Cash flows from operating activities	176.9	397.8	314.5
Net Income	48.1	164.9	120.7
Depreciation	204.4	208.5	216.4
Cash flows used in investing activities	-256.6	-285.4	-363.4
Increase in tangible/intangible assets	-294.2	-341.2	-479.3
Cash flows from financing activities	93.6	-46.5	143.1
Increase/Decrease in debt	101.6	-17.4	162.1
Foreign exchange difference	-8.3	12.7	-36.5
Net changes in cash	5.6	78.6	57.7
Cash at the end of period	1,669.2	1,663.6	1,677.1

■ Year-end dividend payout decided based on 2023 business results

- KRW 1,150 per one common stock (KRW 1,200 per one preferred stock)
- Dividend amount per share has decreased vs. 2022 in reflection of factors including weaker 2023 business performance. However, payout ratio has increased to promote shareholder return
 - Payout ratio 16.2%(2022) → 20.6% (2023)

■ Maintain a continuous policy of strengthening shareholder return

- Continue to enhance enterprise value through investment and growth, but also carry out greater shareholder return by maintaining a fair level of dividend payout
- Aim to maintain payout ratio of 20% or above going forward
(subject to change due to factors such as investment needs for future growth and cashflow situation)

※ The above plan is subject to change depending on the results of the audit by the external auditor and the resolutions taken by the upcoming regular general meeting of shareholders.