

# **SFA & SFA Semicon**

## **2020 First Half Earnings Announcement**





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Business Performance



## Chapter 1-1. SFA Business Performance

1. Profit and Loss (Consolidated)
2. Profit and Loss (Separate)
3. Orders/Sales/Backlog (Separate)

## 1. Profit and Loss (Consolidated)

Sales amount of SFA and major subsidiaries has grown in comparison to last year despite COVID-19

- Expanding customers, global business, and new businesses have made the growth possible in uncertain times

The company was able to maintain sound profitability via high-profit margin product expansion, cost reduction, sales increase of overseas subsidiaries, etc.

Unit: Billion KRW	20Y1H	19Y1H	19Y2H	Year on year	From the previous half
Sales revenue	786.4	668.1	909.7	+18%	-14%
SFA	429.0	342.1	518.8	+25%	-17%
SFA Semicon	297.4	264.9	324.0	+12%	-8%
SNU	34.6	30.1	34.2	+15%	+1%
Sales profit	147.5 18.8%	133.2 19.9%	184.1 20.2%	+11%	-20%
Operating profit	91.9 11.7%	89.3 13.4%	124.9 13.7%	+3%	-26%
Pretax profit	77.2 9.8%	87.8 13.1%	109.1 12.0%	-12%	-29%
Net profit	58.4 7.4%	64.5 9.7%	82.5 9.1%	-9%	-29%



## 2. Profit and Loss (Separate)

Sales increased by 25% compared to last year despite COVID-19

- The company was able to generate sound sales from the backlog of 735.8 billion KRW at the end of last year

Maintained profitability by reducing costs and upgrading the efficiency of project execution

Unit: Billion KRW	20Y1H	19Y1H	19Y2H	Year on year	From the previous half
Sales revenue	429.0	342.1	518.8	+25%	-17%
Sales profit	103.3 24.1%	94.6 27.7%	139.0 26.8%	+9%	-26%
Operating profit	62.5 14.6%	64.4 18.8%	91.6 17.7%	-3%	-32%
Pre-tax profit	69.6 16.2%	102.2 29.9%	111.1 21.4%	-32%	-37%
Net profit	63.0 14.7%	81.7 23.9%	80.7 15.6%	-23%	-22%

### 3. Orders/Sales/Backlog (Separate)

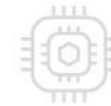
Orders worth 438 B KRW were secured in the 1<sup>st</sup> half regardless of the global pandemic

- In the 1<sup>st</sup>Q, orders of display customers were delayed due to the lockdown in China
- In the 2<sup>nd</sup>Q, the company secured large-scale turnkey orders as the Chinese display customers resumed investment
- In the 1<sup>st</sup> half, high-performance automation system orders were received in the secondary battery business

Sales worth 429 B KRW were secured in the 1<sup>st</sup> half by executing projects delayed in 1<sup>st</sup>Q

Unit: Billion KRW	Orders (1H)	Sales (1H)	Backlog(2Q end)	Remarks
<b>Total</b>	<b>438.2</b>	<b>429.0</b>	<b>685.3</b>	※ Orders (1H) 438.2 bln KRW - 1Q 126.1 bln KRW - 2Q 312.1 bln KRW (QoQ increased 148%)  ※ Sales (1H) 429.0 bln KRW - 1Q 202.5 bln KRW - 2Q 226.5 bln KRW (QoQ increased 12%)
Domestic	77.0	125.7	149.6	
Export	361.2	303.3	535.7	
Display	320.2	255.9	401.8	
Secondary battery	64.0	69.7	142.7	
Semiconductor	14.0	13.4	23.8	
Distribution · other manufacturing	31.3	60.0	80.6	
Glass	8.7	30.0	36.4	

※ Orders include the amount secured by SFA's subsidiary located in Shenzhen, China



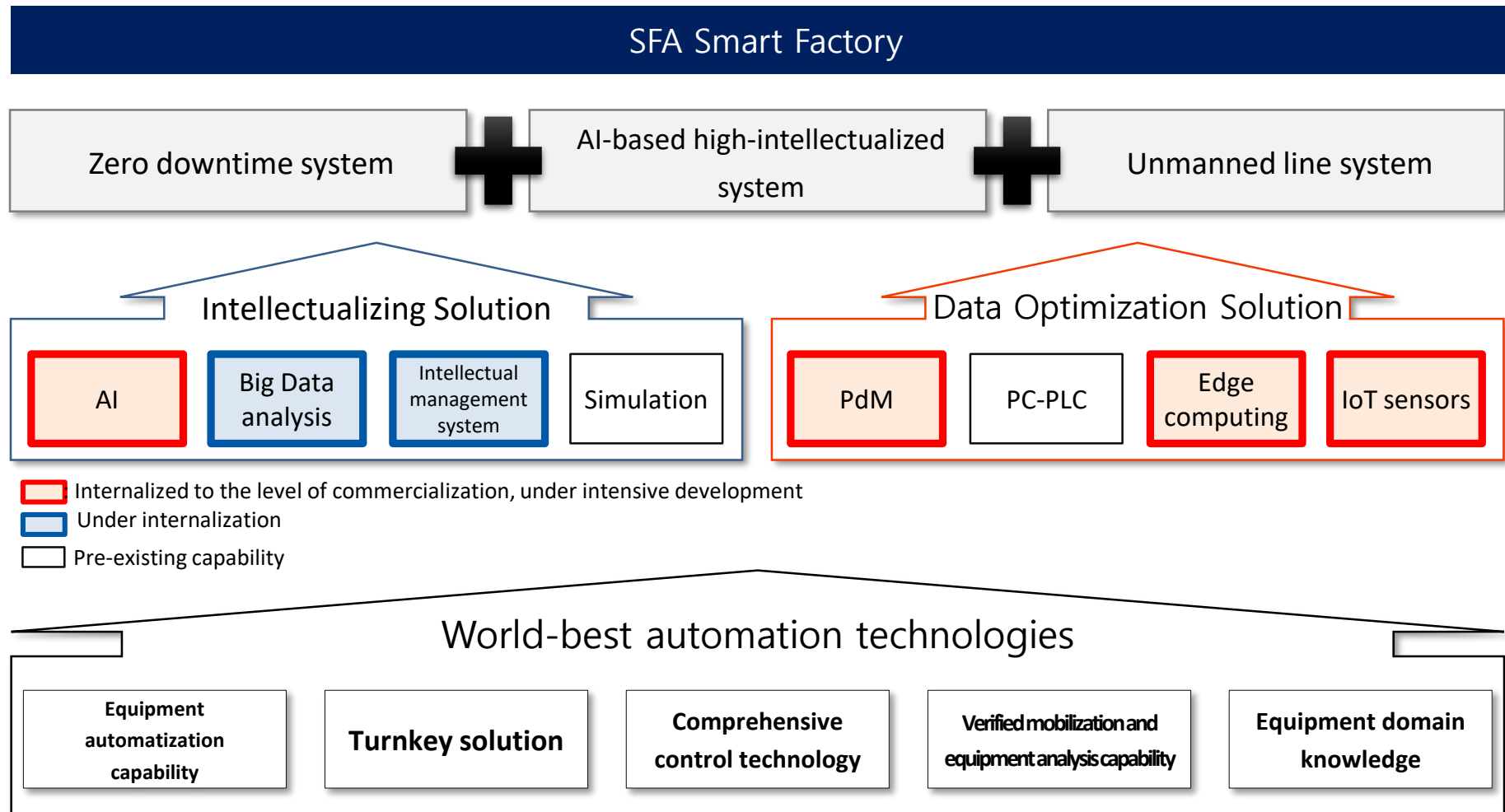
## **Chapter 1-2. Growth Strategy of SFA**

- 1. Current Status and Strategy of Smart Factory Business**
- 2. Growth Strategy for Each Business**
- 3. Business Globalization**
- 4. SFA Business Value**

# 1. Current Status and Strategy of Smart Factory Business

Coming up with hyper-efficient equipment & factory, based on the differentiated smart solution & system

⇒ Top-class Smart Factory Provider

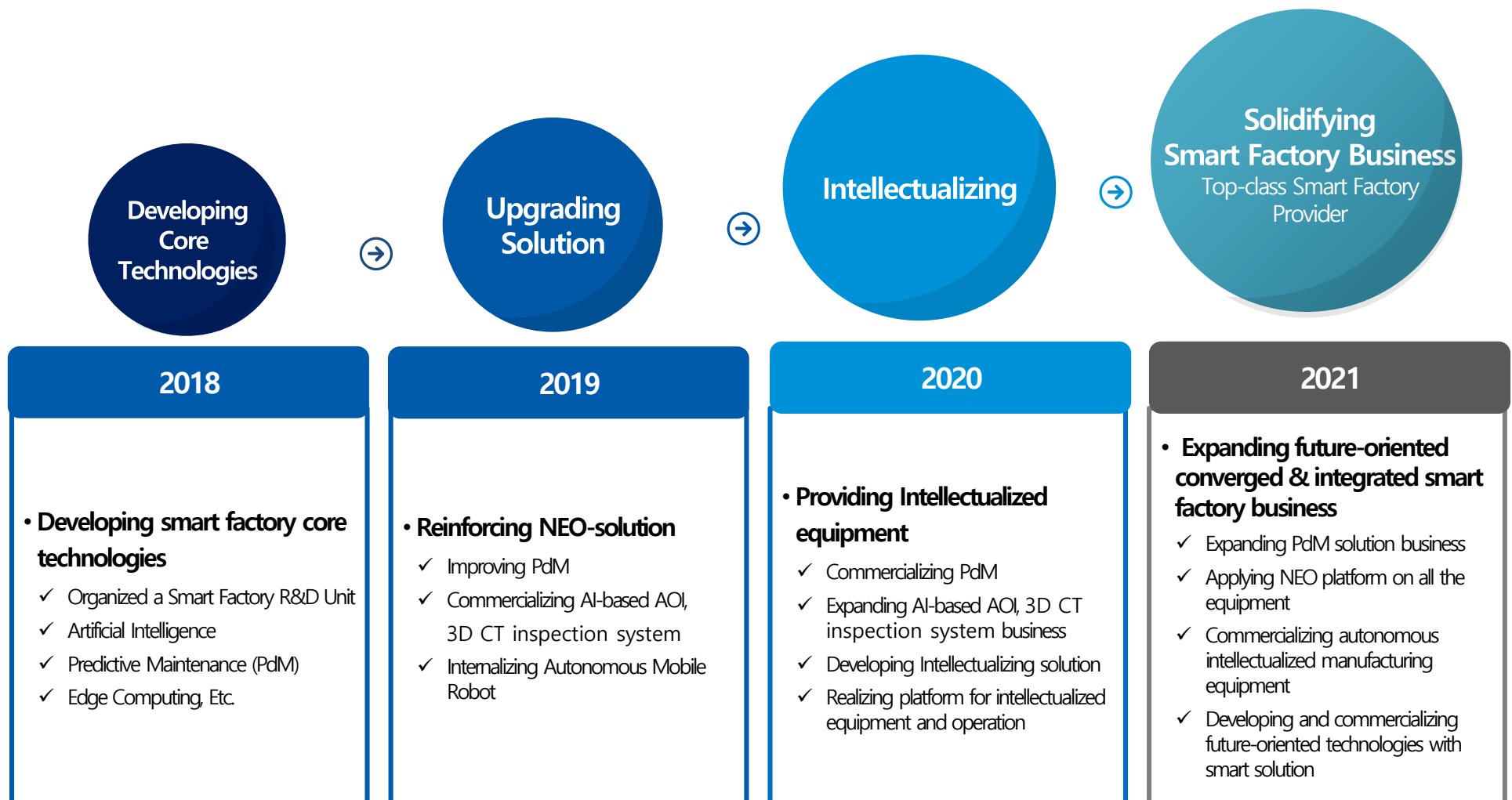




# 1. Current Status and Strategy of Smart Factory Business

Striving to achieve the status of “Global Top Player in Smart Factory Industry” based on the unequaled domain knowledge of equipment business

Developing and commercializing core technologies of smart factory, smart equipment



# 1. Current Status and Strategy of Smart Factory Business

Accelerating business expansion based on aggressive R&D investment & world-class equipment domain knowledge  
 Creating new smart factory business and expanding technological dominance, based on the integration of innovative smart technologies and equipment technologies

## Major Achv.

**Accomplished the development of upgrading & intellectualizing smart technologies, expanded commercialization**

- Commercialized and expanded AI-based AOI, 3D CT inspection system business
- Developed AI Platform technology
- Commercialized PdM Solution (Application of OHT PdM in Wafer production line, etc.)
- Internalized Big Data analysis solution (OHT PdM, etc.)

**Secured smart technologies for innovative equipment**

- Developed and commercialized AI-based unmanned line system, intellectualized technologies (Robot Picking System, Mixed Robot Palletizer, etc.)
- Developed AI-based high-performance measurement system with algorithm application

## Future Plan

**Expanding smart technology application**

(Inspection, Transfer, Measurement, Picking, Quality control)

**Expanding industry coverage**

(Secondary Battery, Semiconductor, Display, Distribution & Other Manufacturing Industry)

**Accelerating smart technology application onto all equipment**

(Logistics system, Process Equipment & Special industrial Equipment etc.)

**Securing technological dominance over competitors**

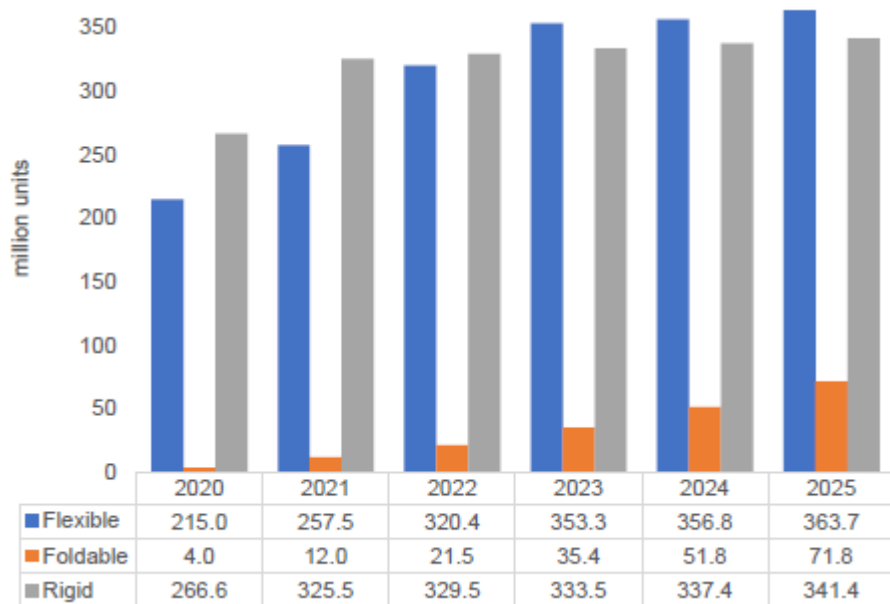
(Reinforcing competitiveness based on enhancement of core smart factory technologies)

## 2. Growth Strategy for Each Business : Display

Demand in the mobile OLED market is expected to grow continuously

- Shipments in 2025 will increase by 60% compared to that of 2020
- Investment for new & conversion(from Rigid to Flexible) lines will increase due to increasing demand for Flexible/Foldable panels
- Investment for new generation display for TV is expected to continue in the long term

『 Global Mobile OLED panel shipments forecast 』



(Source : UBI Research, 2020)

『 New TV technology R&D schedule of major companies 』

Maker	M/S ('19년)	2017	2018	2019	2020	2021	2022
삼성전자	20%			QD-LCD			Micro LED, QNED QD-OLED
LG전자	12%	OLED		CSO	Rollable		
TCL	9%		QD-LCD				Mini LED, Micro LED
Hisense	8%		QD-LCD				Dual cell, Micro LED
xiaomi	6%				OLED		
Skyworth	5%						Mini LED, Micro LED

(Source : KTB Investment, 2020)

## 2. Growth Strategy for Each Business : Display

**Maintaining technological competitiveness and securing overseas large-scale turnkey orders**

**Expanding orders for core process equipment and system responding to the growing demand of high-value panels**

**Solidifying long-term growth via aggressive R&D for core technologies & equipment of next-generation display**

### Major Achv.

**Secured large-scale turnkey orders for clean logistics from Chinese customers**

- BOE B12, HKC H5, etc.

**Successfully executed large-scale projects and secured the fullest confidence of customers**

- BOE B11, Visionox V3, HKC H4, etc.

**Secured various process equipment & logistics system orders due to the growing demand for high-valued flexible panels**

- Module equipment (Lami), Laser ablation, and clean logistics system (OHT, OHS, Stocker, etc.)

**Expanded equipment line-up for next-gen display to solidify long-term growth**

- Vacuum laser equipment for High-resolution TV, Laser placement equipment for Micro LED and High-efficiency equipment, etc.

### Future Plans

**Expanding orders on 6G OLED logistics system & module equipment**

(based on large-scale turnkey reference and equipment technologies for flexible panels)

**Developing new technologies aggressively to secure the turnkey market of next-gen display**

(Equipment for QD, Mini LED, Micro LED, etc.)

**Intensifying technological dominance over competitors, based on smart technologies**

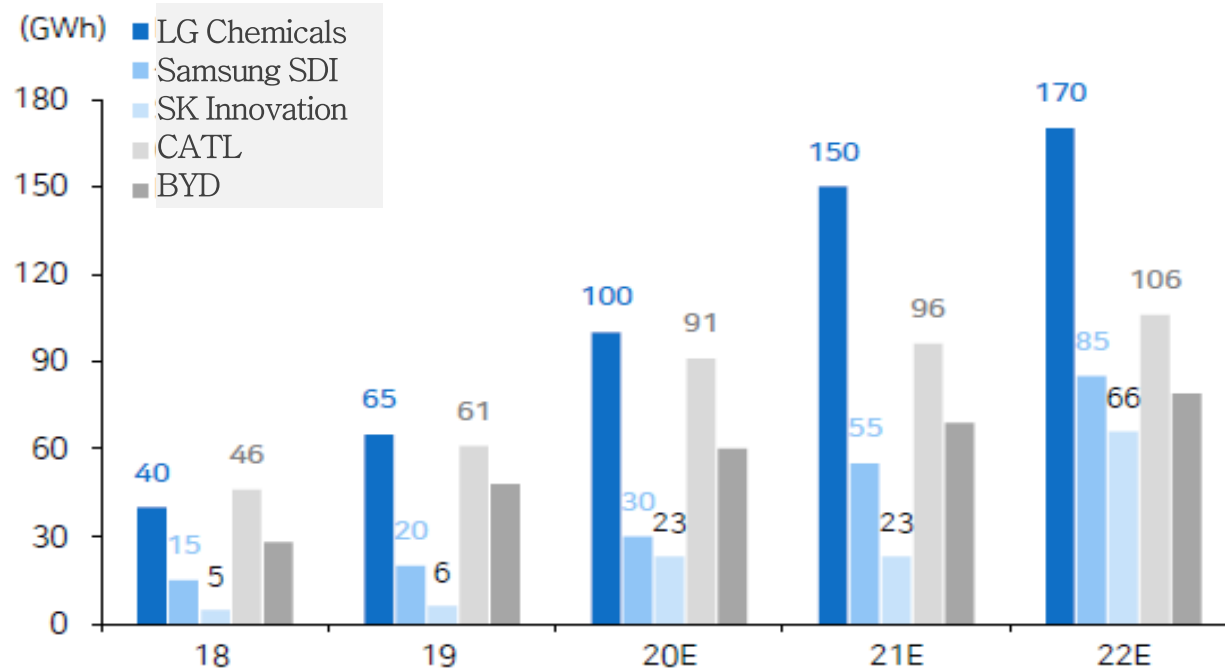
(Application of innovative concepts & AI technologies, etc.)

## 2. Growth Strategy for Each Business : Secondary Battery

3 major domestic & global battery makers plan to expand huge-volume of capacity expansion

- Global demand for the secondary battery is projected to grow 17 times till '30 (compared to '19)
- 3 major domestic battery makers plan to expand the manufacturing capacity more than 4 times from '19 to '25
- Car and material makers' capital expenditure will grow as well

### EV Battery Capacity Expansion Outlook



Source: Meritz Securities Research Center (2020)



## 2. Growth Strategy for Each Business : Secondary Battery

Developing high-value/high-technology concentrated core equipment and expanding commercialization

Differentiating business capability through the fulfillment of overseas and large-scale turnkey projects

Growing as a core business unit (18Y : 67 B KRW → 19Y : 156 B KRW → 20Y1H : 64 B KRW (order basis))

### Major Achv.

**Accelerated commercialization of high-value process equipment & logistics system, enlarged business scope to the global market**

- Developed smartized equipment(AI-based AOI, 3D CT inspection system) and secured orders
- Commercialized core process equipment (degassing equip, separate film equip, stack measurement equip, etc.) and enlarged business scope to the global market
- Received automation system orders for formation process and separator film (High-Performance Stacker Crane, RTV, etc.)
- Commercializing turnkey projects for electrode/assembly process and other process equipment

### Future Plans

#### Enlarging equipment portfolio

(Differentiation of equipment performance in electrode/assembly/formation process, Developing high-value equipment and electrode material equipment)

#### Securing world-best equipment by AI-based technologies

(AI-based AOI, 3D CT inspection system, PdM based logistics system, etc.)

#### Accelerating diversification of domestic/overseas customer

(battery, car and material makers, etc.)

#### Securing capability for large-scale turnkey projects

(Acquiring opportunities for domestic/overseas turnkey orders using the line up of strategic alliance)

## 2. Growth Strategy for Each Business : Semiconductor

Securing competitiveness through continuous development of technologies/equipment and diversifying customers(domestic/overseas)

Accelerating the commercialization of OHT system business in connecting line between Main Fab and Test line

Securing a stepping stone to enter Main Fab OHT market

Preoccupying the smart equipment market applying AI and PdM

<b>Business Envr.</b>	<p><b>Continuous growth of the semiconductor equipment market is expected</b></p> <ul style="list-style-type: none"> <li>• 2019Y : 59.6\$bn → 2020Y : 63.2\$bn → 2021Y : 70.0\$bn (SEMI, 2020)</li> <li>• Investment volume is projected to expand further from 2019Y (Korea/Taiwan's capa. expansion, China's aggressive expansion of semiconductor industry)</li> </ul>
<b>Main Achv.</b>	<p><b>Secured orders from major domestic/overseas customers and accelerated business expansion</b></p> <ul style="list-style-type: none"> <li>• Secured new orders(OHT, Lifter, Stocker, Application Tester, etc.) from new customers</li> </ul> <p><b>Secured a stepping stone to expand OHT system business</b></p> <ul style="list-style-type: none"> <li>• Continuing OHT system business in test line and connecting line</li> </ul> <p><b>Reinforced differentiated competitiveness with the application of smart technologies</b></p> <ul style="list-style-type: none"> <li>• Applied AI &amp; PdM on-site for the first time in the world</li> <li>• Achieved world-best performance in 8 categories of automation equipment quality assessment</li> </ul>
<b>Future Plan</b>	<p><b>Reinforcing competitiveness with the application of innovative smart technologies</b> (OCS, PdM, Edge Computing, etc.)</p> <p><b>Promoting commercialization of OHT system into the main Fab market</b></p> <p><b>Accelerating business expansion by successful diversification of customers(domestic/overseas)</b></p>

## 2. Growth Strategy for Each Business : Distribution & Other Manufacturing

Internalizing & commercializing core equipment dominated by major overseas companies

Developing & commercializing innovative smart automation system, unmanned line system & operating system

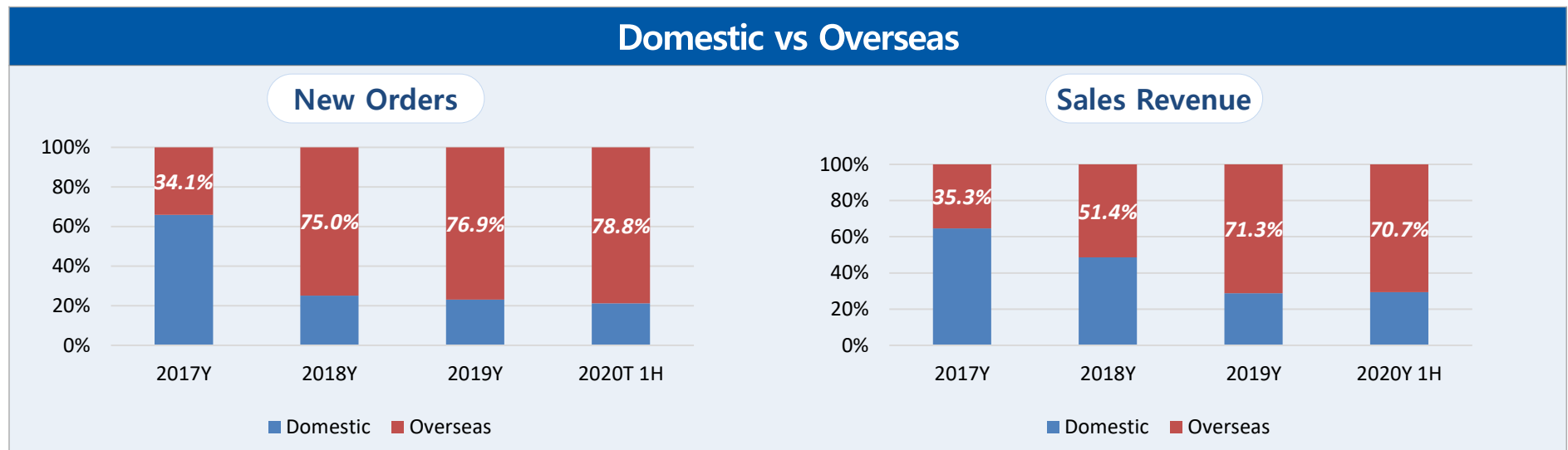
<b>Business Envr.</b>	<p>Demand for intellectualized unmanned/automated manufacturing system is growing for enhancing operating efficiency, productivity &amp; cost competitiveness</p> <p>The trend of constructing fulfillment centers for B2C online distribution is becoming active</p> <p>Investment demand in the food/drink industry is growing due to high growth potential including HMR</p>
<b>Main Achv.</b>	<p><b>Internalized and commercialized core equipment/system</b></p> <ul style="list-style-type: none"> <li>• Cross Belt Sorter, high-speed sorter</li> <li>• High-Performance Stacker Crane</li> <li>• Pocket Sorter, etc.</li> </ul> <p><b>Developed and commercialized innovative smart automated/unmanned equipment and operation system</b></p> <ul style="list-style-type: none"> <li>• AI-based unmanned RPS (Robot Picking System)</li> <li>• Mixed Robot Palletizer</li> <li>• Innovative transfer equipment (autonomous AGV)</li> <li>• Integrated operation management system (WMS)</li> </ul> <p><b>Aggressively expanded high-technology concentrated business portfolio</b></p> <ul style="list-style-type: none"> <li>• Smart logistics system (High-Performance Stacker Crane, etc.)</li> <li>• Smart fulfillment center</li> </ul>
<b>Future Plan</b>	<p>Expanding internalization of core equipment/system and accelerating commercialization</p> <p>Expanding smart equipment/system portfolio and accelerating commercialization</p> <p><b>Smartizing all fields of distribution &amp; other manufacturing lines</b> (Core Smart technologies, converging &amp; integrating technology, turnkey project performing capability)</p> <p>Expanding overseas business</p>

### 3. Business Globalization

Overseas sales/orders are on the increase as SFA is pushing forward with the strategy to expand global business

- The ratio of overseas orders has become more than 75% since 2018

Using business globalization strategy, SFA will reduce market volatility resulting from the limited number of customers and markets, and ultimately strengthen its long-term growth



### 3. Business Globalization

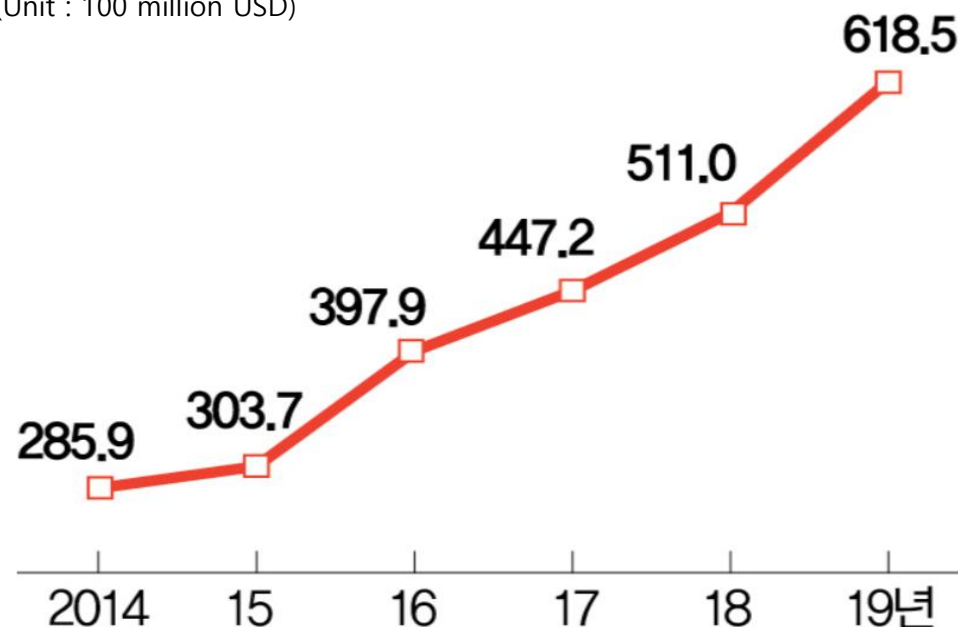
Business opportunities for domestic equipment makers are increasing due to the rapid increase of foreign direct investment by domestic companies.

SFA has expanded overseas business

- based on executing capability for large-scale projects and global projects
- based on securing the pool of overseas subcontractors and reinforcing overseas business infrastructure

#### Foreign Direct Investment by Domestic Companies

(Unit : 100 million USD)



(Source : Seoul Economy, 2020.3.20)

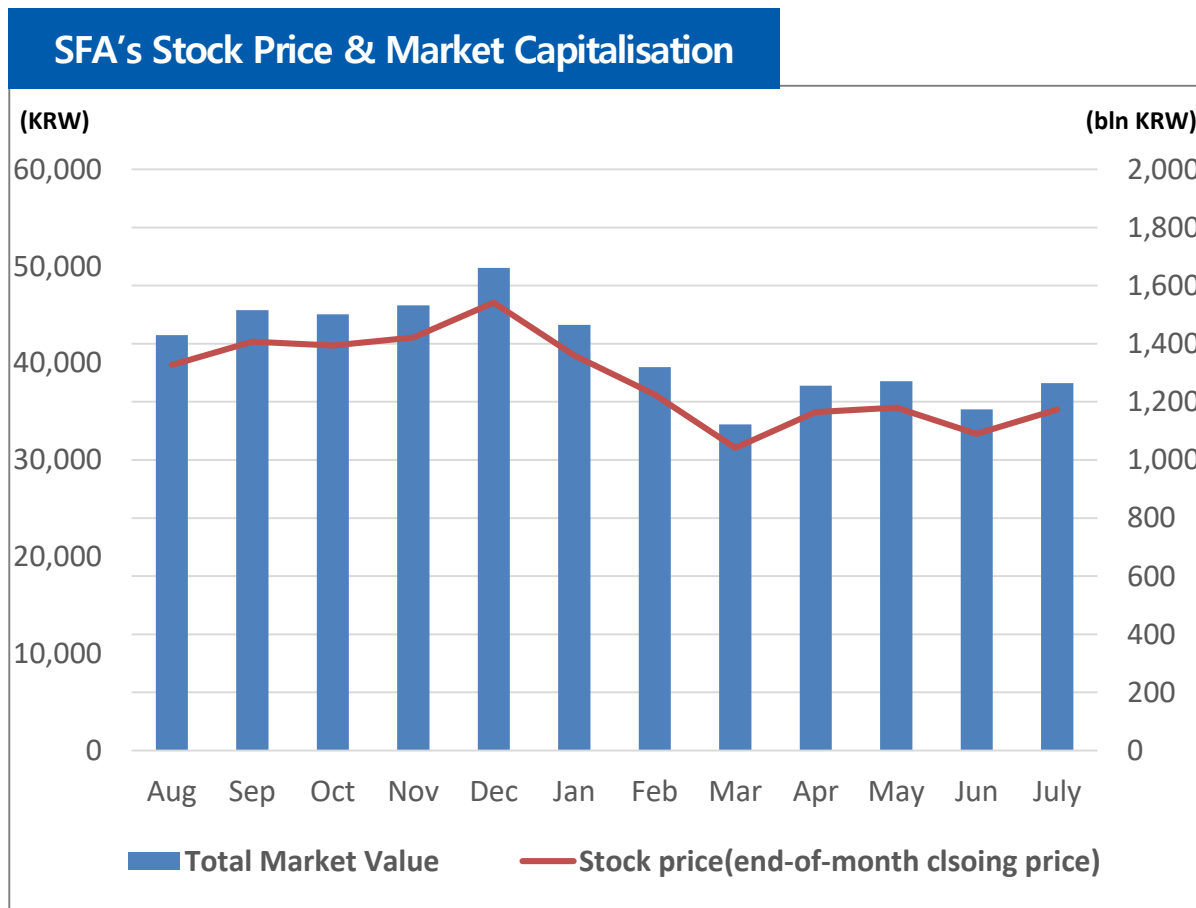


## 4. Evaluation of SFA Business Value

The company believes that SFA Business is largely undervalued due to the lack of communication with the market about SFA's business value

SFA plans to communicate actively about its own competitiveness, technological capability & long-term growth strategy

(as of 14<sup>th</sup> of August 2020)



SFA Business Value	
Market Capitalisation	1,237.1bln
(-) Market Capitalisation of listed subsidiaries	558.7bln
<div>SFA Semicon (945.6 bln × 54% = 510.6 bln)</div> <div>SNU Precision (129.9 bln × 37% = 48.1bln)</div>	
(+) Net Debt (Financial debt – Cash)	
SFA Business Value	372.2bln



## **Chapter 2. SFA Semicon Business Performance**

1. Summary
2. Profit and Loss (Consolidated)
3. Status of New Business
4. Key Issues in the 2<sup>nd</sup> half
5. Stock Price

# 1. Summary

## ■ key Issues in 1<sup>st</sup> Half

- **The growing demand for contact-free devices caused by COVID-19 has made market condition positive**
  - Sales increased 12%(YoY), operating profit increased 16%(YoY) due to growing demand of packaging for PC/server
- **The level of financial stability has been reinforced**
  - The debt ratio decreased from 109.4% to 89.5% due to sound profitability and execution of CB/BW
  - The credit rating was upgraded to BBB(0) from BBB(-)

## ■ key Issues in 2<sup>nd</sup> Half

- **Debt refinancing scheduled on September is expected to go smoothly**
  - Financial debt, postponed by creditors during work out period, has arrived at its due date.
  - 100 billion KRW will be reimbursed using the cash holdings (Financial debt: 234.4 billion → 130 billion)
  - Borrowing process is under discussion at a 2.5% interest rate, based on improved debt ratio, stable cash flow, and decreasing trend of market interest rate
- **Market condition of packaging for PC/server is expected to be positive in the 2nd half due to the contact-free trend caused by COVID-19**
- **Market condition of packaging for mobile is expected to improve**

## 2. Profit and Loss (Consolidated)

Sales have increased as packaging volume for PC/server surpassed that of mobile as a result of COVID-19

Sales and profit have grown compared to those of 19Y1H

### ■ 20Y1H

(Unit: Billion KRW)

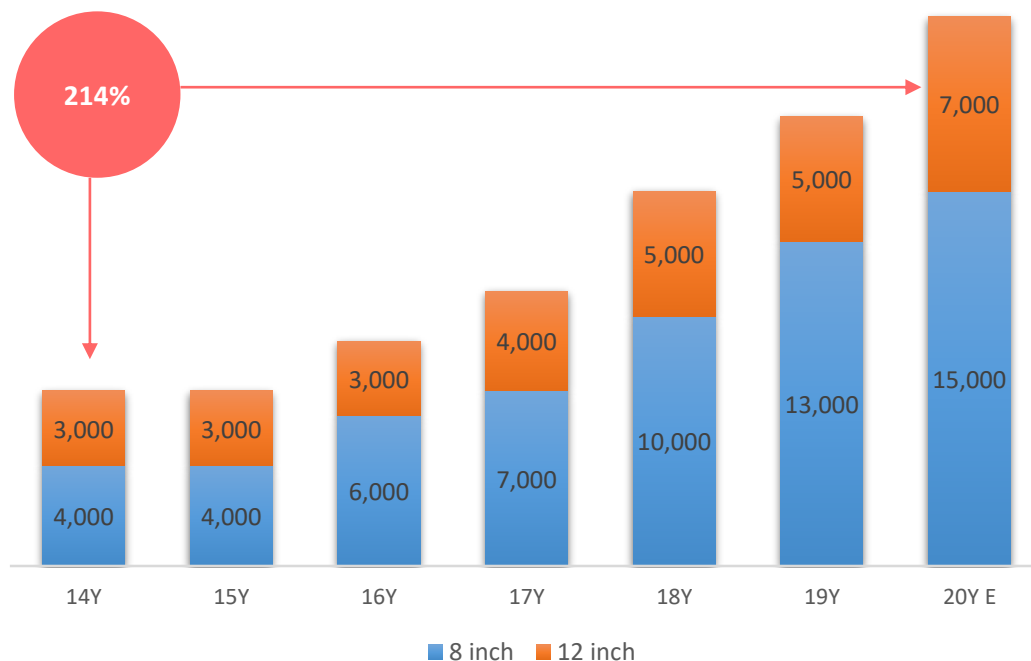
Category	20Y 1H	19Y 1H	19Y 2H	Year on year	From the previous half
Sales Amount	297.4	264.9	324	12%	-8%
Sales Profit	25.7 8.6%	20.1 7.6%	33 10.2%	28%	-22%
Operating profit	15.7 5.3%	13.5 5.1%	25.6 7.9%	16%	-39%
Pre-Tax Profit	13.7 4.6%	11.8 4.5%	14.6 4.5%	16%	-6%
Net Profit	11.5 3.9%	9.4 3.5%	11.5 3.5%	22%	0%

### 3. Status of New Business : (1) Bumping Business of SSK 2<sup>nd</sup> Fab

Continuously expanding capacity since 2015 when the 2<sup>nd</sup> fab first started to ramp up

The bumping business is expected to expand continuously due to the growing non-memory market

#### ● Capacity enlargement Status



Year	Production Capa (Wfrs/mo)	Capacity increase rate compared to the previous year
14Y	7,000	-
15Y	7,000	-
16Y	9,000	29%
17Y	11,000	22%
18Y	15,000	36%
19Y	18,000	20%
20Y (E)	22,000	22%



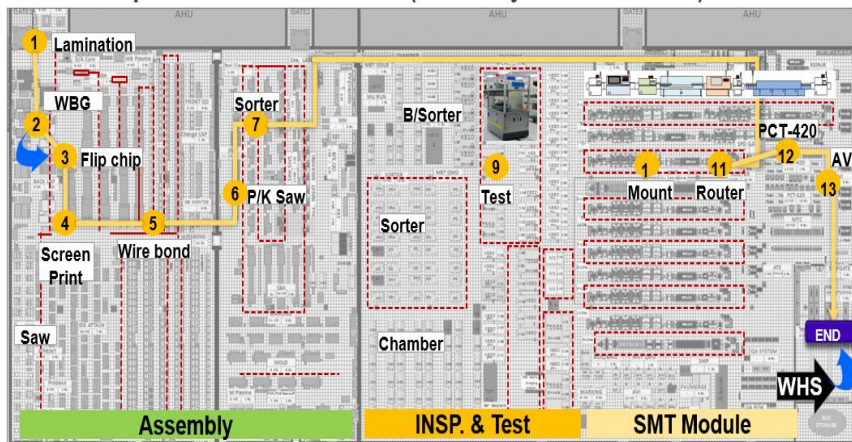
### 3. Status of New Business : (2) Competitiveness of SSP

SSP holds the highest productivity and competitiveness in the semiconductor back-end process industry

#### High productivity

- ✓ Established the world's only single-floored production line that can conduct a whole packaging process (Assembly → Test → Module)
- ✓ Secured top-class efficiency by adopting non-stop logistics flow between processes and utilizing AGVs which enable to transfer products automatically

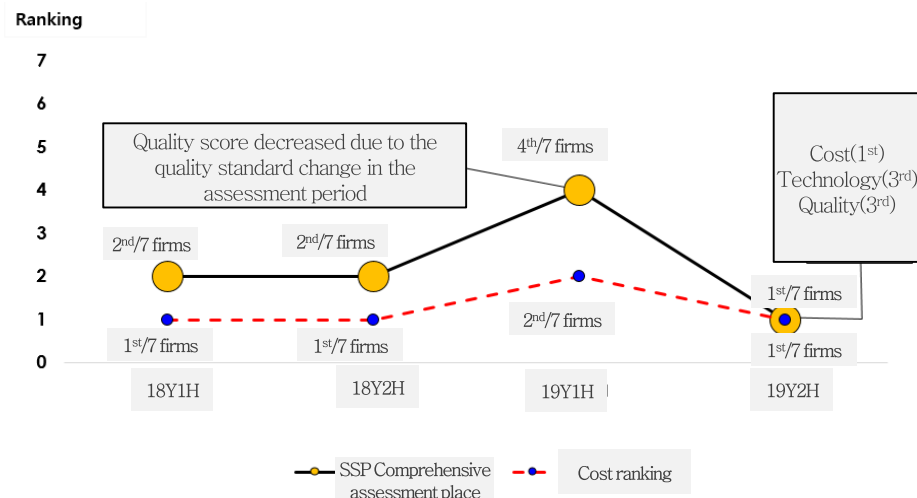
##### □ Non-Stop In-Line Flow Production(Assembly→Test→Module)



- ✓ Established online automated system for production, equipment & tool control system

#### High quality

- ✓ Continuously receives a top grade in terms of quality evaluation among the group of OSAT subcontractors
  - holds 1<sup>st</sup> place in the cost competitiveness evaluation
- ✓ Holds a stable mass production system
  - Established cooperative labor-management relations
  - Maintained the maximum capacity utilization rate despite COVID-19



※ AGV : Automatic Guided Vehicle

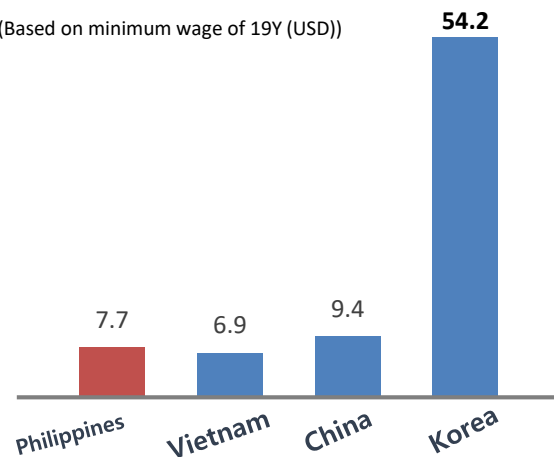
### 3. Status of New Business : (2) Competitiveness of SSP

SSP is taking advantage of low labor cost and stable wage growth of the Philippines

The Philippines has the highest productivity per capita in the OSAT industry

#### Labor Cost

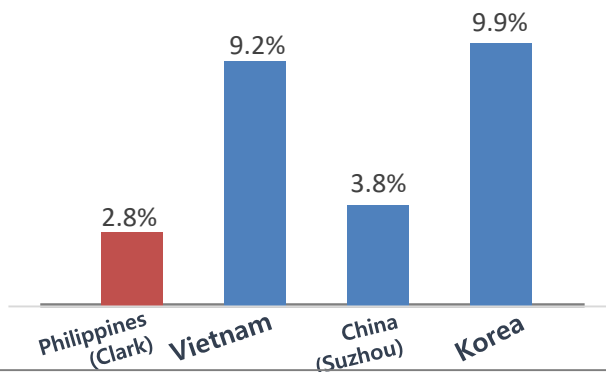
(Based on minimum wage of 19Y (USD))



- 14 % of Korean, 82 % of Chinese
- The labor cost of the Philippines is higher than that of Vietnamese. However, considering the wage increase rate, the Philippines has higher competitiveness than Vietnam

#### Wage Increase Rate

(Based on average wage increase for the last 5Yrs 5Y)

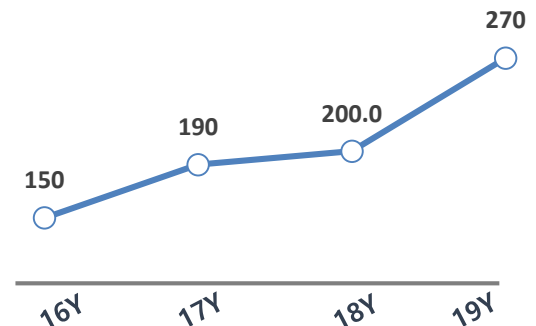


- SSP holds the lowest wage increase rate for the last 5 years(15Y ~ 19Y)
- Wage raise of the Phil.('19 gov't record/ USD)

17Y	18Y	19Y
7.3	7.7	7.7

#### Productivity Per Capita

(Unit : mln Won/capita)



- 65% of work force has a college diploma
- Fluent in English
- Well constructed training system
- Continuous increase in productivity per capita due to proficiency improvement

※ Based on minimum daily wage from KOTRA (according to '19/\$)

### 3. Status of New Business : (3) SSP 2<sup>nd</sup> Fab

2<sup>nd</sup> fab in the Philippines, the key for the company's long-term growth, has been constructed.

Business growth and stability will be reinforced by diversifying customer base and increasing non-memory production lines.

#### 『 Production Base for Non-Memory 』

##### □ Investment

Category	Building Area	Production Area		Remarks
		Area	Comp. to SSP 1	
1 <sup>st</sup> construction	12,935 m <sup>2</sup>	10,982 m <sup>2</sup>	67%	Construction completed
2 <sup>nd</sup> construction	12,935 m <sup>2</sup>	12,935 m <sup>2</sup>	80%	TBD
Total	25,870 m <sup>2</sup>	23,917 m <sup>2</sup>	148%	

##### □ Current Status and Plans

- ✓ SSP's 1<sup>st</sup> Factory is wholly dedicated to packaging for PC/server
- ✓ SSP's 2<sup>nd</sup> factory will mainly package non-memory which is far less cyclical than memory
- ✓ Various customers in domestic and overseas markets are being secured
- ✓ Market demand for diversifying OSAT chain has risen due to US-China trade conflict and the outbreak of COVID-19



## 4. Key Issues in the 2nd half : Refinancing

The expiration date of financial debt falls in September

Refinancing is expected to be executed smoothly owing to the company's sound financial structure and credibility earned from the banking institutes

### ● Current Debt Status (2Q of '20)

Unit : Billion KRW	Amount
Borrowings	198.2
Debt of payment guarantee	36.2
<b>Total debt</b>	<b>234.4</b>
Current cash in possession (based on SSK property)	113.2
<b>Net debt</b>	<b>121.2</b>

### ● Refinancing Goal

(Based on the separate financial statements)

Unit : Billion KRW	Existing	Goal	Remarks
Borrowings	198.2	1,300	※ Credit line worth of 20 B KRW secured separately ※ Additional discussion for credit lines with numerous financial institutes
Debt of payment guarantee	36.2	0	
<b>Total debt</b>	<b>234.4</b>	<b>1,300</b>	
Interest rate	2.5%	TBD	※ Planned to obtain with a fixed rate of 2.5% and below
Expiration date	20.09.09	5-year expiration	※ Planned to redeem in installments

## 4. Key Issues in the 2nd half : Refinancing

Profitability and cash flow have been improving since the company takeover by SFA

Financial structure is expected to improve dramatically after Refinancing is completed

Unit : Billion KRW	'16	'17	'18	'19	'20 1H
Starting cash (A)	84.8	68.6	74.9	75.8	100.8
Operating profit (B)	0.5	19.5	26.0	25.7	5.6
Depreciation cost (C)	31.2	31.6	30.4	32.8	16.2
<b>Business cash flow (D = B + C)</b>	<b>31.7</b>	<b>51.1</b>	<b>56.4</b>	<b>58.5</b>	<b>21.8</b>
Investment (E)	-14.6	-15.4	-24.9	-31	-19.4
<b>Available cash (F = D + E)</b>	<b>17.1</b>	<b>35.7</b>	<b>31.6</b>	<b>27.5</b>	<b>2.4</b>
Debt redemption etc.	-33.4	-29.4	-30.7	-2.4	10.0
<b>Ending cash (H = A + F + G)</b>	<b>68.6</b>	<b>74.9</b>	<b>75.8</b>	<b>100.8</b>	<b>113.2</b>

(Based on the separate financial statements)

Unit : Billion KRW	'20 1H	After Refinancing
※ <b>Cashable asset</b> (Including non-current)	<b>1,132</b>	<b>216</b>
Current asset	2,027	1,111
Current debt	3,067	764
<b>- Debt</b> (Including debt w/ guarantees)	<b>(2,310)</b>	-
Non-current debt	170	1,437
<b>- Debt</b> (Including debt w/ guarantee)	<b>(34)</b>	<b>(1,300)</b>
Total capital	2,603	2,603
<b>Current ratio</b>	<b>66.1%</b>	<b>145.4%</b>
<b>Debt ratio</b>	<b>124.4%</b>	<b>84.6%</b>

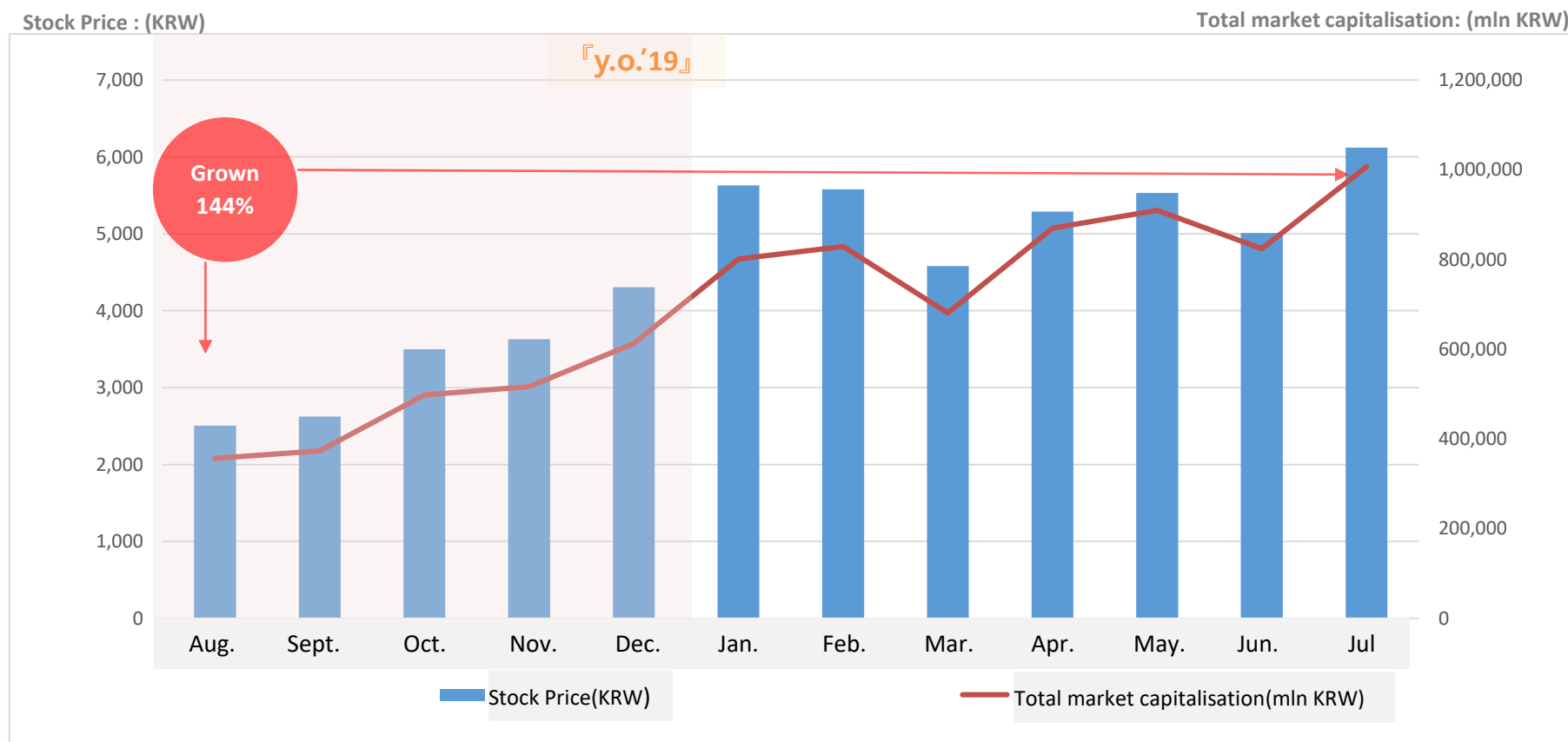
※ Only refinancing effect is reflected based on 20Y1H data

※ Revolving loan of 20 B KRW is secured and additional loan of 20~30 B KRW is under discussion with various financial institutions

## 5. Stock Price : Company's Market Capitalisation Increased

Company's market capitalisation increased due to the recovery of investors' trust and improved financial status

- Increased market capitalisation resulted from investors' growing credibility on SFA Semicon after the Workout
- Stock price reflects the market expectation for stable profitability, improved financial status, and business expansion of 2<sup>nd</sup> factory in the Philippines.



※ Based on closing price at month-end



# Thank You

## Appendix

1. SFA Financial Statements (Consolidated)
2. SFA Financial Statements (Separate)
3. SFA Semicon Financial Statements (Consolidated)

# 1. SFA Financial Statements (Consolidated)

Consolidated Balance Sheet			
			Unit : Million KRW
Breakdown	2018	2019	20Y1H
Current asset	958,568	1,098,458	1,101,387
Non-current asset	701,964	707,449	694,314
<b>Total assets</b>	<b>1,660,532</b>	<b>1,805,907</b>	<b>1,795,701</b>
Current liabilities	404,842	665,329	626,669
Non-current liabilities	252,703	28,513	25,263
<b>Total liabilities</b>	<b>657,544</b>	<b>693,842</b>	<b>651,932</b>
Equity attributable to owners of parent	784,875	875,439	894,570
Issued capital	17,954	17,954	17,954
Capital surplus	34,956	35,296	35,588
Capital adjustments	-86,978	-85,867	-84,070
Other Comprehensive income/loss accumulated	-4,715	-3,007	-469
Retained earnings	823,658	911,063	925,566
Equity attributable to Non-controlling interests	218,112	236,626	249,199
<b>Total equity</b>	<b>1,002,987</b>	<b>1,112,065</b>	<b>1,143,769</b>

Remark : Based on K-IFRS consolidated financial statements

Consolidated Income Statement			
			Unit : Million KRW
Breakdown	2018	2019	20Y1H
<b>Sales Revenue</b>	<b>1,560,055</b>	<b>1,577,746</b>	<b>786,398</b>
Sales cost	1,232,329	1,260,370	638,855
Gross profit	327,726	317,376	147,542
Operating expense	93,369	103,171	55,662
<b>Operating Profit</b>	<b>234,357</b>	<b>214,205</b>	<b>91,880</b>
Other gains	33,133	53,300	39,304
Other losses	46,901	71,712	54,177
Finance income	14,361	12,630	5,884
Finance costs	10,711	11,475	5,666
Pretax Profit	224,237	196,947	77,224
<b>Net Profit</b>	<b>169,672</b>	<b>146,968</b>	<b>58,352</b>
Profit attributable to owners of parent	157,949	131,987	49,956
Profit attributable to non-controlling interests	11,724	14,981	8,395

Remark : Based on K-IFRS consolidated financial statements

## 2. SFA Financial Statements (Separate)

Balance Sheet			
Unit : Million KRW			
Breakdown	2018	2019	20Y1H
Current asset	609,089	702,088	681,995
Non-current asset	433,132	489,125	500,820
<b>Total assets</b>	<b>1,042,221</b>	<b>1,191,213</b>	<b>1,182,815</b>
Current liabilities	289,582	307,460	274,099
Non-current liabilities	1,443	12,782	8,196
<b>Total liabilities</b>	<b>291,025</b>	<b>320,242</b>	<b>282,295</b>
Issued capital	17,954	17,954	17,954
Capital surplus	33,943	34,272	34,527
Capital adjustments	-86,978	-85,867	-84,070
Other Comprehensive income/loss accumulated	-677	-707	-804
Retained earnings	786,953	905,319	932,913
<b>Total equity</b>	<b>751,196</b>	<b>870,970</b>	<b>900,520</b>

Remark : Based on K-IFRS consolidated financial statements

Income Statement			
Unit : Million KRW			
Breakdown	2018	2019	20Y1H
<b>Sales revenue</b>	<b>944,310</b>	<b>860,849</b>	<b>428,981</b>
Sales cost	702,086	627,216	325,705
Gross profit	242,224	233,633	103,275
Operating expense	65,007	77,704	40,775
<b>Operating profit</b>	<b>177,217</b>	<b>155,929</b>	<b>62,500</b>
Other gains	23,983	81,118	50,511
Other losses	26,161	45,317	46,200
Finance income	13,053	21,915	3,304
Finance costs	19	379	474
Pretax profit	188,072	213,265	69,642
<b>Net profit</b>	<b>142,578</b>	<b>162,393</b>	<b>63,047</b>

Remark : Based on K-IFRS consolidated financial statements

### 3. SFA Semicon Financial Statements (Consolidated)

Consolidated Balance Sheet			
			Unit : Million KRW
Breakdown	2018	2019	20Y1H
Current asset	177,162	226,727	252,884
Non-current asset	450,205	434,501	432,098
<b>Total assets</b>	<b>627,367</b>	<b>661,228</b>	<b>684,982</b>
Current liabilities	97,182	320,111	298,094
Non-current liabilities	242,461	25,275	25,409
<b>Total liabilities</b>	<b>339,643</b>	<b>345,386</b>	<b>323,503</b>
Equity attributable to owners of parent	266,782	293,956	337,670
Issued capital	70,818	71,403	82,487
Capital surplus	354,778	357,232	374,271
Capital adjustments	-4,352	-4,512	-4,221
Other Comprehensive income/loss accumulated	-2,567	1,695	6,642
Retained earnings	-151,895	-131,862	-121,509
Equity attributable to Non-controlling interests	20,942	21,885	23,807
<b>Total equity</b>	<b>287,724</b>	<b>315,842</b>	<b>361,479</b>

Remark : Based on K-IFRS consolidated financial statements

Consolidated Income Statement			
			Unit : Million KRW
Breakdown	2018	2019	20Y1H
<b>Sales revenue</b>	<b>457,853</b>	<b>588,938</b>	<b>297,379</b>
Sales cost	411,087	535,798	271,632
Gross profit	46,766	53,140	25,747
Operating expense	13,078	14,064	9,999
<b>Operating profit</b>	<b>33,688</b>	<b>39,075</b>	<b>15,748</b>
Other gains	10,596	13,012	7,346
Other losses	15,646	16,909	5,779
Finance income	1,671	1,728	1,033
Finance costs	11,033	10,503	4,653
Pretax profit	19,276	26,404	13,696
<b>Net profit</b>	<b>13,276</b>	<b>20,822</b>	<b>11,464</b>
Profit attributable to owners of parent	12,565	20,567	10,353
Profit attributable to non-controlling interests	710	255	1,112

Remark : Based on K-IFRS consolidated financial statements