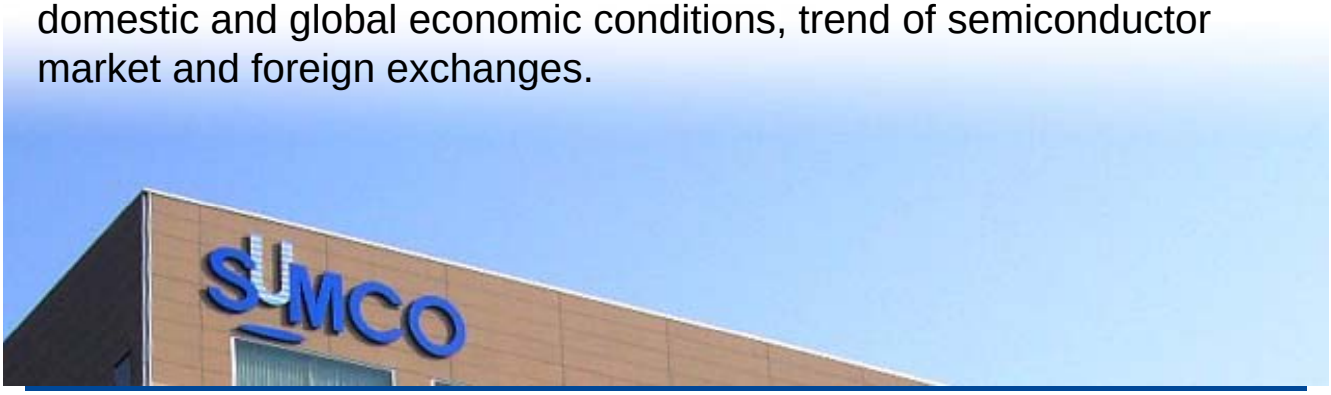
Results for Fiscal Year 2018 (Ended December 31, 2018)

February 5, 2019
SUMCO Corporation
（Code：3436）
（LEI：353800SUSRUOM0V6KU92）

Notes Regarding the Forecasts

This material is prepared for the purpose of continuous disclosure to general shareholders and investors and will not constitute an offer or solicitation of securities of the Company in any states or jurisdictions.

The estimate, expectation, forecast and other future information is prepared based on the information which is available for the Company as of today and on certain assumptions and qualifications (which includes our subjective judgment) and the actual financial performance or result may be substantially different from such future information contained in the material due to risk factors including domestic and global economic conditions, trend of semiconductor market and foreign exchanges.



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Summary and Market Environment

Mayuki Hashimoto

Representative Director,
CEO & Chairman of the Board

1-1. Summary

4Q-2018 Consolidated Business Result

(Billions of Yen)

	4Q-2018 Forecast	4Q-2018 Actual	Change
Net Sales	84.0	82.6	(1.4)
Operating Income	21.0	20.9	(0.1)
Ordinary Income	20.0	20.3	+0.3
Net Income (Note)	15.0	15.9	+0.9
Exchange Rate (Yen/US$)	113.0	113.4	+0.4

1Q-2019 Consolidated Business Forecast

(Billions of Yen)

	4Q-2018 Actual	1Q-2019 Forecast	Change
Net Sales	82.6	85.0	+2.4
Operating Income	20.9	19.0	(1.9)
Ordinary Income	20.3	18.0	(2.3)
Net Income (Note)	15.9	13.0	(2.9)
Exchange Rate (Yen/US$)	113.4	110.0	(3.4)

(Note) Net income attributable to owners of the parent

1-2. Dividend

		FY2014 (Dec-2014)	FY2015 (Dec-2015)	FY2016 (Dec-2016)	FY2017 (Dec-2017)	FY2018 (Dec-2018)
Dividends per share for common stocks (Yen)	Interim	-	10.0	5.0	10.0	**30.0**
	Year-end	4.0	10.0	5.0	18.0	(FCST) (Note) **32.0**
	Total	4.0	20.0	10.0	28.0	(FCST) **62.0**
Dividends payment (Billions of Yen)	Interim	-	2.9	1.4	2.9	**8.7**
	Year-end	1.0	2.9	1.4	5.2	(FCST) **9.3**
	Total	1.0	5.8	2.9	8.2	(FCST) **18.1**
Dividend ratio	(%)	6.8%	28.5%	44.5%	30.4%	(FCST) **31.0%**

(Note) 2 yen per share increase from FY2018 year-end dividend forecast of 30 yen.

2-1. Market Environment

4Q-2018

✓ Volume - Full production continued for both 300 mm and 200 mm wafers, even if over supply tightness eased

✓ Pricing - Recovery was achieved for all diameters in line with plans based on long-term agreements with customers

1Q-2019 Forecast

✓ Volume - Even though global demand for 300 mm wafers is in a correction phase, SUMCO will produce volumes based on long-term agreements, according to existing plans

- Demand for small-diameter wafers of 200 mm or less remains solid for automotive but is softening for industrial and consumer

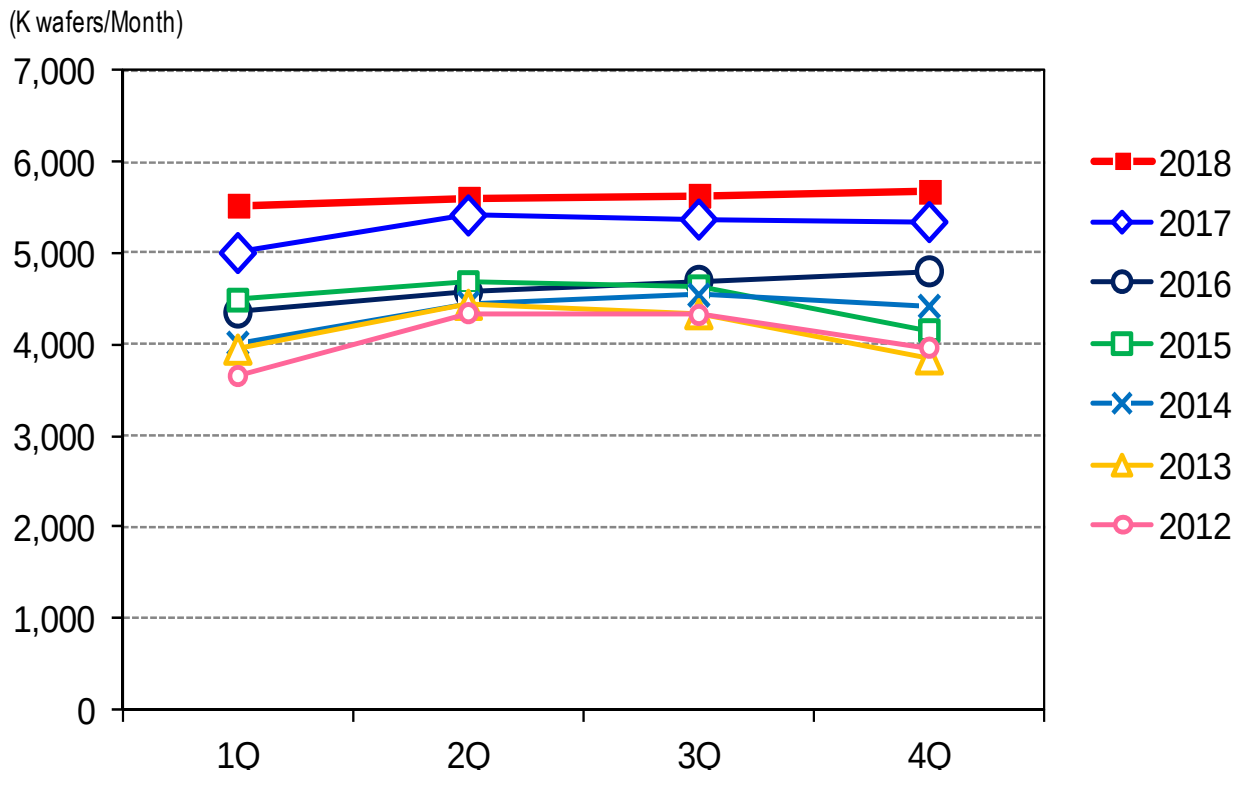
✓ Pricing - Recovery will continue based on long-term agreements

Outlook

✓ 300mm - Short-term semiconductor demand is in a correction phase; but as the volume of data handled continues to expand steadily and further demand will be created for AI and 5G, medium-term wafer demand will be solid

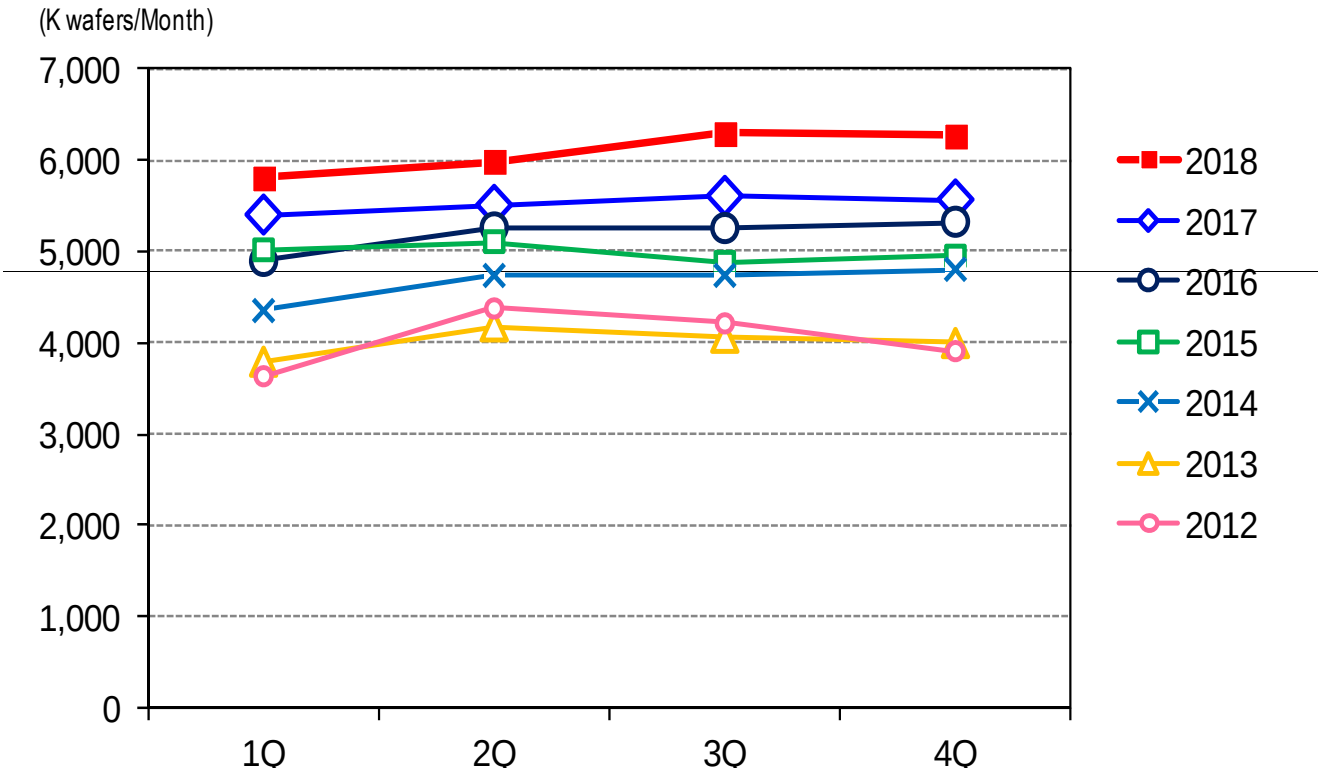
✓ 200mm - Despite inventory adjustments in some sectors, demand growth will continue in the medium term, especially for automotive

3-1. 200mm Wafer Trend Forecast



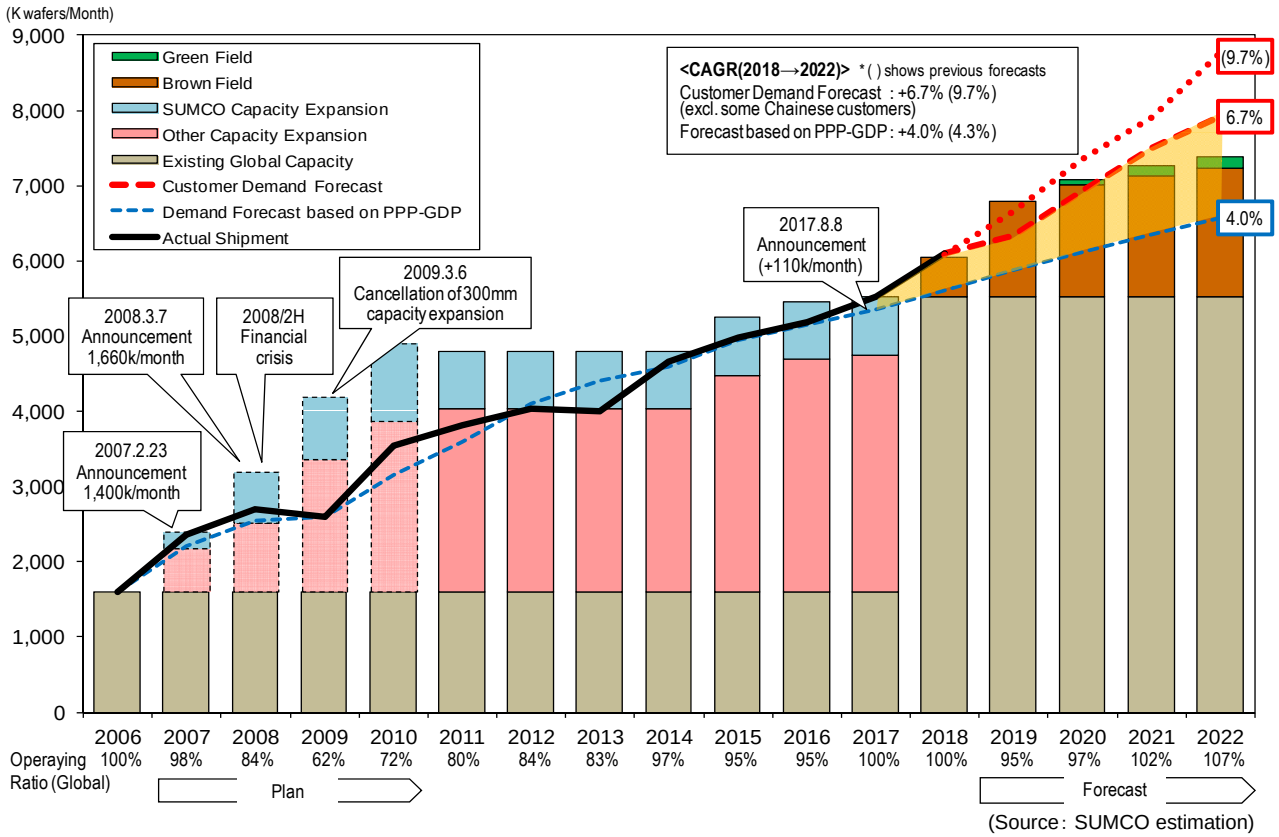
(Source: SUMCO estimation)

3-2. 300mm Wafer Trend Forecast



(Source: SUMCO estimation)

3-3. 300mm Wafer Global Capacity and Demand



(Source: SUMCO estimation)

FY2018
Consolidated Business Result

Michiharu Takii
Representative Director,
Vice Chairman

4-1. Summary of Consolidated Business Result

(Billions of Yen)

	FY2017 Actual	FY2018 Actual 1Q	2Q	3Q	4Q	Total	Change
Net sales	260.6	77.2	81.8	83.4	82.6	325.0	+64.4
Operating income	42.0	19.5	21.6	23.1	20.9	85.1	+43.1
Non-operating income and expenses	(5.3)	(1.3)	0.2	(0.4)	(0.6)	(2.1)	+3.2
Ordinary income	36.7	18.2	21.8	22.7	20.3	83.0	+46.3
Extraordinary income and expenses	-	-	-	(0.8)	(10.0)	(10.8)	(10.8)
Income taxes	(4.5)	(3.0)	(3.1)	(4.2)	8.6	(1.7)	+2.8
Net income attributable to non-controlling interests	(5.2)	(2.5)	(3.3)	(3.2)	(3.0)	(12.0)	(6.8)
Net income attributable to owners of the parent	27.0	12.7	15.4	14.5	15.9	58.5	+31.5
Capital expenditure (Acceptance basis)	22.8	8.0	9.9	23.0	18.3	59.2	+36.4
Depreciation	23.4	5.9	6.6	7.0	8.4	27.9	+4.5
EBITDA (Note 1)	67.0	25.9	28.5	30.5	29.7	114.6	+47.6
Exchange rate (Yen/US$) (Note 2)	112.3	109.7	108.1	110.9	113.4	110.5	(1.8)
Operating margin (%)	16.1%	25.3%	26.4%	27.6%	25.3%	26.2%	+10.1%
EBITDA margin (%)	25.7%	33.6%	34.9%	36.5%	35.9%	35.3%	+9.6%
ROE (%)	12.0%	21.1%	24.4%	21.8%	22.9%	22.3%	+10.3%
Net income per share (Yen)	92.12	43.53	52.46	49.48	54.27	199.74	+107.62

(Note 1) EBITDA = Operating Income + Depreciation + Amortization of Goodwill
(Note 2) If the yen appreciate by 1 yen against the US dollar, operating income of SUMCO will decrease by 1.0-1.1 billion yen per year.

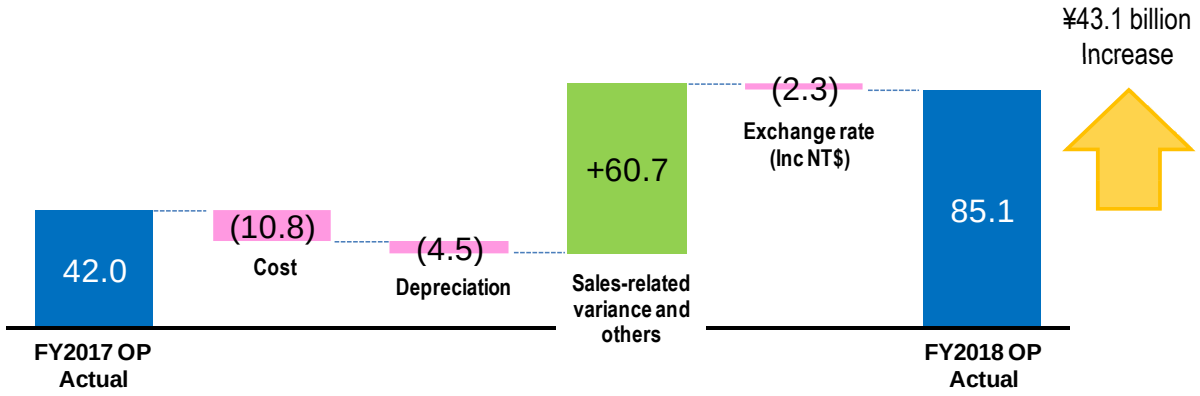
4-2. Analysis of Changes in Operating Income

■ FY2017 Actual → FY2018 Actual

(Billions of Yen)

	FY2017 Actual	FY2018 Actual	Change
Net Sales	260.6	325.0	+64.4
Operating Income	42.0	85.1	+43.1
Exchange Rate (Yen/US$)	112.3	110.5	(1.8)

【Analysis of Changes in Operating Income】



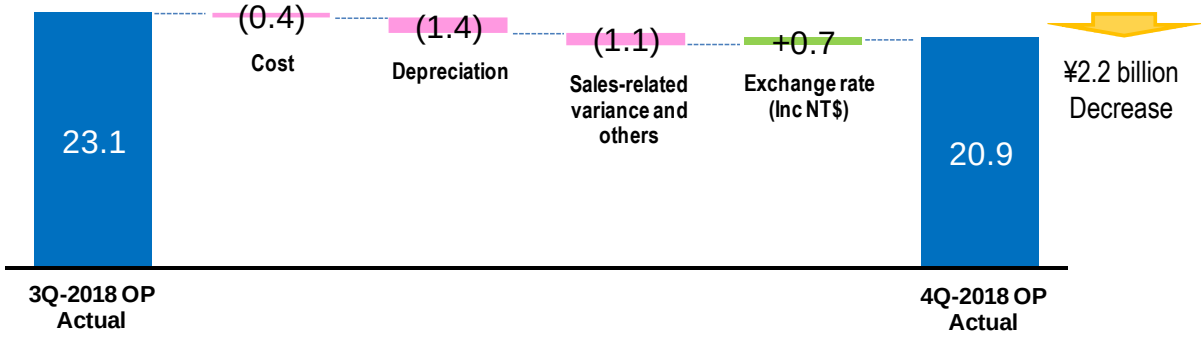
4-3. Analysis of Changes in Operating Income

■ 3Q-2018 Actual → 4Q-2018 Actual

(Billions of Yen)

	3Q-2018 Actual	4Q-2018 Actual	Change
Net Sales	83.4	82.6	(0.8)
Operating Income	23.1	20.9	(2.2)
Exchange Rate (Yen/US$)	110.9	113.4	+2.5

【Analysis of Changes in Operating Income】



4-4. Consolidated Balance Sheet

(Billions of Yen)

	End of Dec-2017	End of Dec-2018	Change
Cash and time deposits	74.6	78.9	+4.3
Finished products and WIP	29.8	34.4	+4.6
Raw materials and supplies	152.8	153.1	+0.3
Tangible and intangible assets	163.4	191.1	+27.7
Deferred income tax assets	5.8	15.1	+9.3
Other assets	104.5	115.6	+11.1
Total Assets	530.9	588.2	+57.3
Debt and borrowings	169.3	153.3	(16.0)
Other liabilities	80.0	109.4	+29.4
Liabilities	249.3	262.7	+13.4
Capital stock	138.7	138.7	-
Capital surplus	26.9	30.7	+3.8
Retained earnings	73.3	117.7	+44.4
Others	42.7	38.4	(4.3)
Equity	281.6	325.5	+43.9
Shareholders' equity ratio	45.4%	48.4%	+3.0%
Equity per share (Yen)	822.5	971.8	+149.3
D/E ratio (gross)	0.7x	0.5x	(0.2)x
D/E ratio (net)	0.4x	0.3x	(0.1)x

4-5. Consolidated Cash-Flow

(Billions of Yen)

	FY2018 Actual
Income before income taxes	72.2
Depreciation	27.9
Subtotal	100.1
Decrease in inventories	(2.1)
Changes in working capital, etc.	(4.4)
Net cash provided by operating activities	93.6
Capital expenditure (Acceptance basis)	(59.2)
Others, net	6.9
Net cash used in investing activities	(52.3)
Free cash-flow	41.3

1Q-2019
Consolidated Business Forecast

5-1. 1Q-2019 Consolidated Business Forecast

(Billions of Yen)

	1Q-2018 Actual	4Q-2018 Actual	1Q-2019 Forecast	Change YoY	Change QoQ
Net sales	77.2	82.6	85.0	+7.8	+2.4
Operating income	19.5	20.9	19.0	(0.5)	(1.9)
Non-operating income and expenses	(1.3)	(0.6)	(1.0)	+0.3	(0.4)
Ordinary income	18.2	20.3	18.0	(0.2)	(2.3)
Extraordinary income and expenses	-	(10.0)	-	-	+10.0
Income taxes	(3.0)	8.6	(3.0)	0.0	(11.6)
Net income attributable to non-controlling interests	(2.5)	(3.0)	(2.0)	+0.5	+1.0
Net income attributable to owners of the parent	12.7	15.9	13.0	+0.3	(2.9)
Exchange rate (Yen/US$) (Note)	109.7	113.4	110.0	+0.3	(3.4)
Operating margin (%)	25.3%	25.3%	22.4%	(2.9%)	(2.9%)
ROE (%)	21.1%	22.9%	18.1%	(3.0%)	(4.8%)
Net income per share (Yen)	43.53	54.27	44.33	+0.80	(9.94)

(Note) If the yen appreciate by 1 yen against the US dollar, operating income of SUMCO will decrease by 1.0-1.1 billion yen per year.

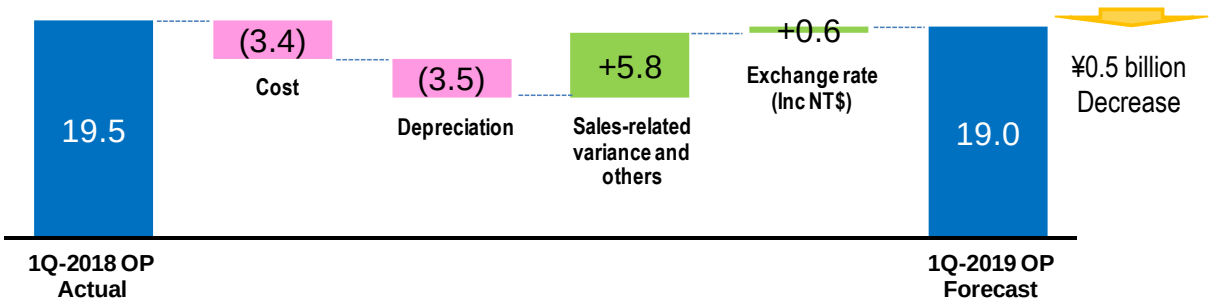
5-2. Analysis of Changes in Operating Income

■ 1Q-2018 Actual → 1Q-2019 Forecast

(Billions of Yen)

	1Q-2018 Actual	1Q-2019 Forecast	Change
Net Sales	77.2	85.0	+7.8
Operating Income	19.5	19.0	(0.5)
Exchange Rate (Yen/US$)	109.7	110.0	+0.3

【Analysis of Changes in Operating Income】



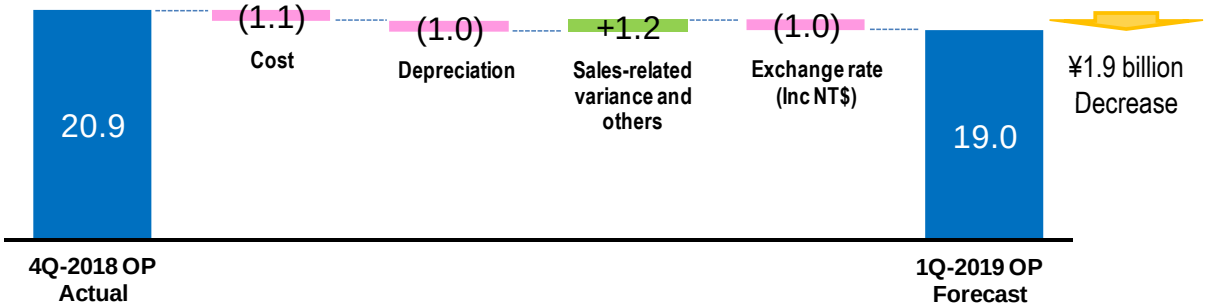
5-3. Analysis of Changes in Operating Income

■ 4Q-2018 Actual → 1Q-2019 Forecast

(Billions of Yen)

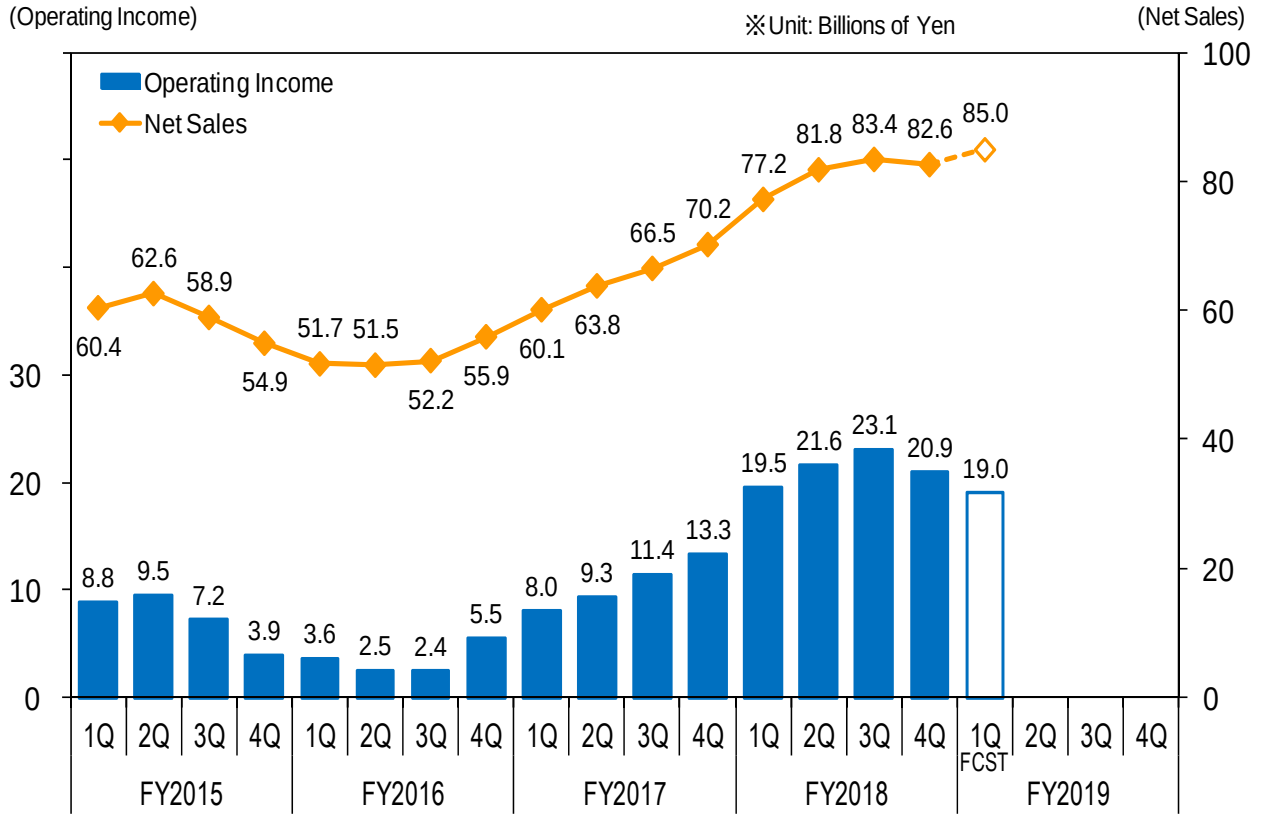
	4Q-2018 Actual	1Q-2019 Forecast	Change
Net Sales	82.6	85.0	+2.4
Operating Income	20.9	19.0	(1.9)
Exchange Rate (Yen/US$)	113.4	110.0	(3.4)

【Analysis of Changes in Operating Income】

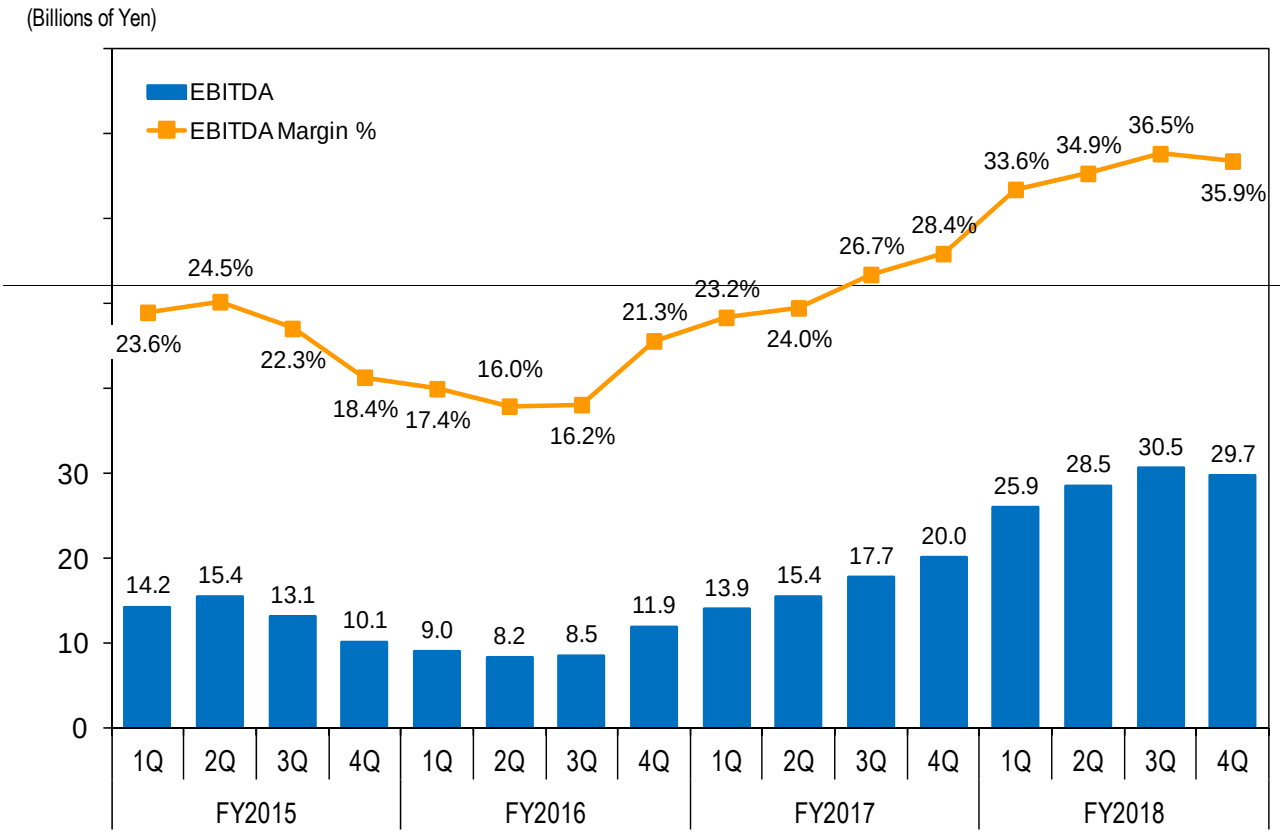


Reference Materials

Reference Materials: Quarterly Trend

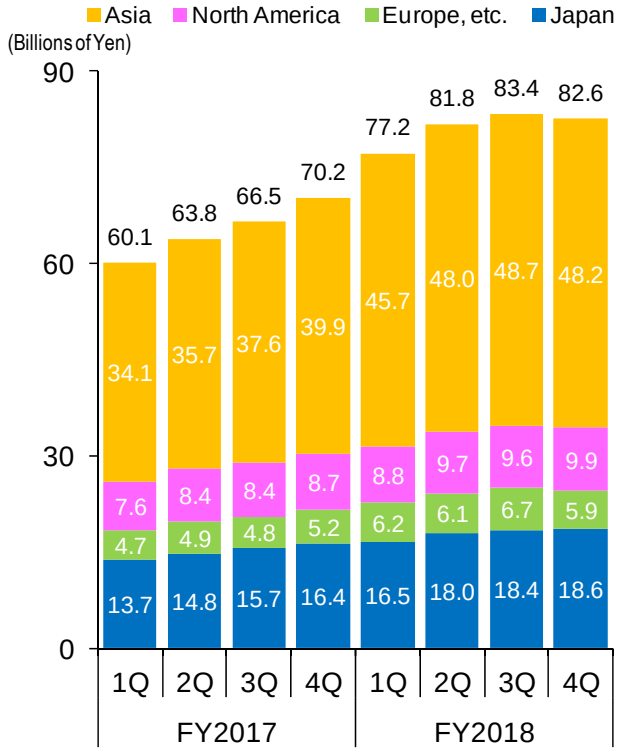


Reference Materials: EBITDA

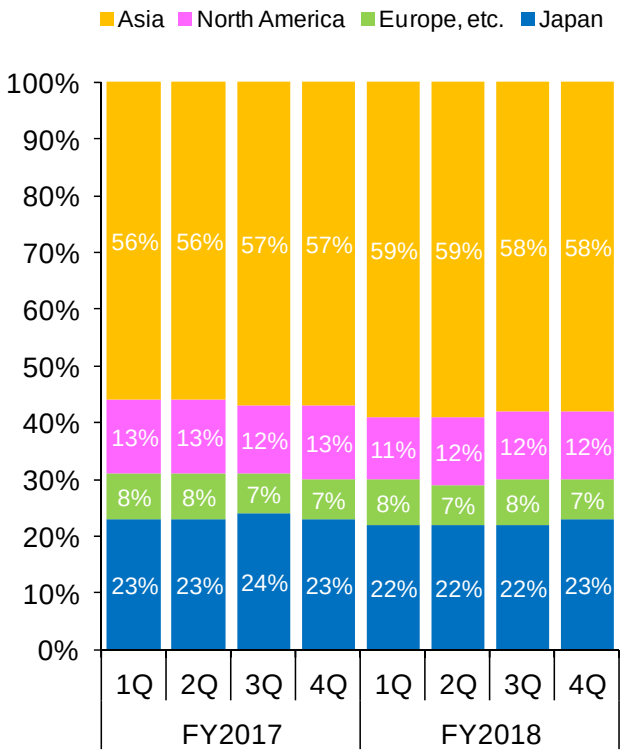


Reference Materials: Sales Results

Changes in Sales



Sales by Region





URL https://www.sumcosi.com/