

SEMPHIL credits Meralco partnership as key component to top line growth

Stable energy essential in manufacture of delicate and high value electronic circuits



Samsung Electro-Mechanics Philippines Corp. is the local next-generation products manufacturing arm of Samsung, South Korea's largest and highly diversified *chaebol*, Korean for multinational conglomerate.

Samsung Electro-Mechanics Philippines Corp., or SEMPHIL, produces billions of units per month of multi-layer ceramic capacitors (MLCCs) in strict Class 100 cleanrooms – laboratories said to be thousands of times cleaner than hospital operating rooms with only 0.5 mm of dust particles permitted per cubic inch, using precise machines that require zero power fluctuations.

In the Philippines, that stable power is provided by Meralco. MLCCs are no smaller than grains of sand, yet crucial for managing the flow of electric current on mobile and smart devices, digital cameras, display and game consoles, printers, and wearable electronics. Without them, today's electronic gadgets will not function.

Producing delicate electronic parts is prone to problems when exposed to unreliable energy, so "a stable supply of electric power is important in our manufacturing operation," said SEMPHIL President Sang Hyuk Kim.

"We always worry about unstable power, especially because the Philippines is known for tropical storms, but Meralco helped us."

Partnership leads to growth beyond expectation

A next-generation products manufacturing arm of Samsung, SEMPHIL is the second largest producer of MLCCs behind Samsung's China subsidiaries.

SEMPHIL adds to the total MLCC inventory of Samsung Electro-Mechanics Co., Ltd. (SEM), which in turn exports 80 percent of output for overseas demand.

Kim acknowledged that 2017 presented a huge challenge to expand production. Their 18-hectare Calamba, Laguna plant operates 24/7, requiring electrical load enough to power five giant malls.

Support from key allies allowed SEMPHIL to increase capacity to turn out their high value product. Kim reports that their annual revenue "increased tremendously" compared to 2016.

"Through collaboration with partners, we met our revenue and production objectives," Kim said. "We really appreciate Meralco. Their help was one of the factors that made this possible. All our major targets were reached."

"Our actual goal was to grow by 30 percent. We went beyond expectation – almost a 50 percent increase."

An added bonus, the production boost led to employee population rising to almost 6,000, providing more jobs to Filipinos. Aside from gainful employment, scholarships are given to improve technical knowledge and skills.

A global brand with opportunities for growth

For making the Philippines a strategic manufacturing hub and a global source for MLCCs while providing employment opportunities to thousands, SEMPHIL was named a Meralco Corporate Industrial Luminary for 2017.

But as if billions of units of MLCCs a month isn't impressive enough, Kim anticipates production volume to still grow. The paradigm shift in how we access information assures our dependence on smart devices, and the demand for the micro electronics that make them tick will only rise.

The technology in the digital world is no longer visible but it has transformed the way we interact every day. SEMPHIL has ventured into reducing the size of MLCCs while still maintaining the same capacitors. They are heavily investing on R&D (research and development). Soon, the company will be equipped with capabilities to manufacture components for the automotive industry, today's hottest opportunity.

As a result, "we are hiring more qualified engineers and raising the stakes for the process improvement-oriented tasks," said Kim.

The local talent pool will certainly be there. And SEMPHIL is already looking at enhancing their engagement with Meralco.

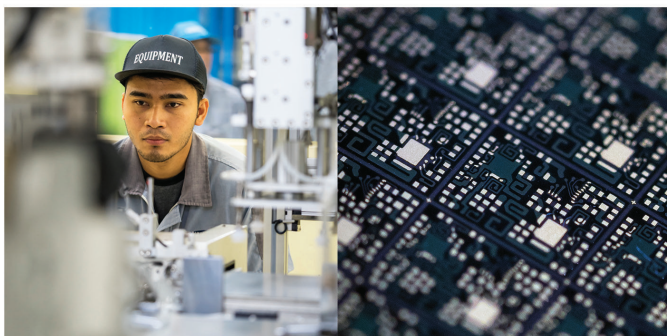
"The country has a strong manufacturing sector, with electronics manufacturing accounting for 58 percent of total export receipts," said Meralco Senior Vice President and Head, Customer Retail Services and Corporate Communications Alfredo S. Panlilio. "There is always room for aggressive growth. And Meralco is poised to deliver the energy solutions that will further cultivate this economic strength."

To learn more about Meralco partnerships, speak to your Relationship Manager, or visit www.meralco.com.ph/corporatepartners, contact the Meralco Corporate Partners at 16210, or email corporatepartners@meralco.com.ph.



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- Sang Hyuk Kim
President, SEMPHIL



Due to a rise in production, SEMPHIL hired almost 6,000 Filipinos in 2017 to manufacture billions of units of multi-layer ceramic capacitors; tiny electronic components (seen on the right) vital to today's digital devices.



(From left to right) Meralco Head for Private Sector Relationship Management – Electronics and Automotive Marvin Jovero, Meralco Relationship Manager Kristian Ubalde, and SEMPHIL President Sang Hyuk Kim.



Meralco Senior Vice President and Head, Customer Retail Services and Corporate Communications Alfredo S. Panlilio (left) and Meralco President and CEO Oscar S. Reyes (right) with Kim during the Meralco Luminaries Awards for 2017.