Y2016 1H Financial Results

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- **This presentation contains forward-looking statements and is subject to risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements.**

- **The projections should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.**

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Y2016 1H Financial Results

NT$M	Y2015		Y2016			QoQ	YoY
	1H	2H	1Q	2Q	1H		
Net Sales	**18,812**	**19,189**	**10,073**	**10,713**	**20,786**	**6%**	**10%**
YoY%	**8%**	**5%**	**15%**	**7%**	**10%**		
Gross Margins%	**40.2%**	**40.5%**	**41.1%**	**40.2%**	**40.6%**	**-0.9%**	**0.4%**
Operating Expense	4,588	4,828	2,654	2,630	5,284	-1%	15%
Operating Margin%	**15.9%**	**15.4%**	**14.7%**	**15.6%**	**15.2%**	**0.9%**	**-0.7%**
No-operating Income	122	240	152	149	302	-2%	147%
Effective Tax Rate	18.2%	18.7%	19.4%	19.7%	19.6%	0.3%	1.4%
NPAT	**2,539**	**2,588**	**1,318**	**1,462**	**2,780**	**11%**	**9%**
EPS (NT$)	**4.01**	**4.07**	**2.08**	**2.31**	**4.39**	**11%**	**9%**

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Y2016 1H Sales By Region/Sales Force

Local Sales: US 628M, +4%

USD$ M	Y15 1H	Y16 1H	GR%	%
North America	182	200	+10%	32%
Europe	93	100	+7%	16%
Greater China	183	189	+4%	30%
Asia/Intercon.	80	78	-2%	12%
DMS/E2E	42	33	-20%	5%
Affiliates	26	28	+6%	5%
Total	**606**	**628**	**4%**	**100%**
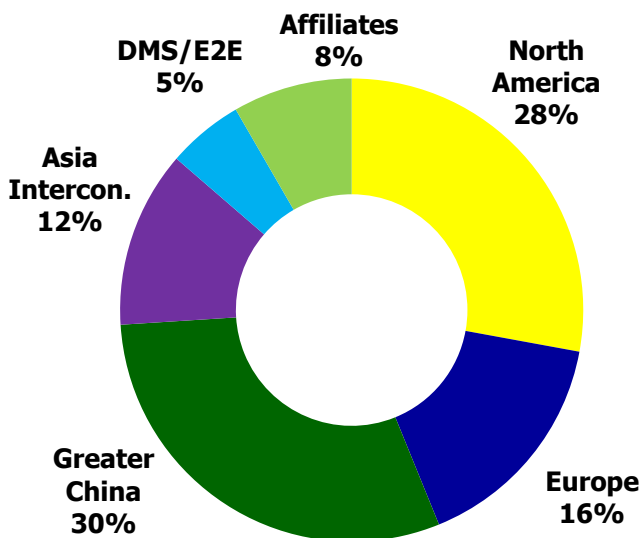
North America

ANA:	145.9M	GR%:	-4%
B+B:	24.8M		

Europe

AEU:	82.7M	GR%:	+7%
ADLoG:	17.6M	GR%:	+11%

Greater China

China:	145.9M	GR%:	+2%
Taiwan:	41.6M	GR%:	+13%

Asia/Intercon

Japan:	15.4M	GR%:	+20%
Korea:	20.2M	GR%:	-5%
AAU/NZ:	5.9M	GR%:	-8%
SAP:	11.2M	GR%:	-1%
Intercon:	19.4M	GR%:	-5%
LATAM:	5.5M	GR%:	-24%

Affiliates/M&A

Advanixs:	10.6M	GR%:	-4%
ALNC:	7.3M	GR%:	+7%
A-Cermate:	4.4M	GR%:	-7%

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Y2016 1H Sales By Strategic Product Group

Embedded Design-In

Networks & Communications +5%
- Blade Computing & Systems
- Network Appliances
- Network Virtualization Platforms
- Network & Embedded Switches
- Broadcasting & Surveillance Platforms

% of Sales, YoY Growth

Embedded Core Computing -4%
- Embedded Box Computer
- Modular Computing Boards
- Wireless Modules
- Display Systems & Gaming Solutions
- Industrial Motherboard & DTOS
- Embedded Peripherals

US 301.8M
48%, -2%

Applied Computing -7%
- Medical Computing
- Embedded Systems
- Portable Computing
- Service Automation DTOS

US 73.0M
12%, +6%

Industrial-IoT

Industrial Automation +4%
- Industrial I/O & Controllers
- Industrial HMI
- Automation Computing
- IoT Devices & Solutions
- WebAccess+ Solutions
- iFactory (Industry 4.0) Solutions
- Machine Automation Solutions
- Power & Energy Solutions

Intelligent Systems -1%
- Industrial Computers
- Industrial Servers & Storage
- Intelligent Video Solutions
- Intelligent IoT Modules
- Transportation Solutions

US 207.1M
33%, +14%

iConnectivity +189%
- Industrial Communications
- Industrial Switches

Smart City Solutions

Service Automation Platforms
- Industrial Mobile Computing
- iRetail Solutions
- Medical Computing & Tablets
- In-Vehicle Computing

US 46.4M
7%, +0%

Intelligent Service Solutions
- Intelligent Hospital
- Digital Logistics & Fleet Management
- Intelligent Retail & Hospitality

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Y2016 1H Working Capital

NT$ M	2014	2015		2016	
	Full	1Q End	2Q End	1Q End	2Q End
Cash Position	5,648	6,778	7,564	6,008	6,562
Account Receiveable	5,952	5,535	6,557	6,321	7,230
DSO (Days)	**59**	**58**	**63**	**57**	**63**
Inventory	4,782	4,880	4,680	5,232	4,991
DOH (Days)	**78**	**87**	**71**	**79**	**70**
Account Payable	3,397	3,107	3,536	3,512	3,540
Days	**56**	**56**	**53**	**53**	**50**

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