

ADVANTECH

Y2016 Financial Results

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Safe Harbor Notice

- **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.**

Y2016 Financial Results

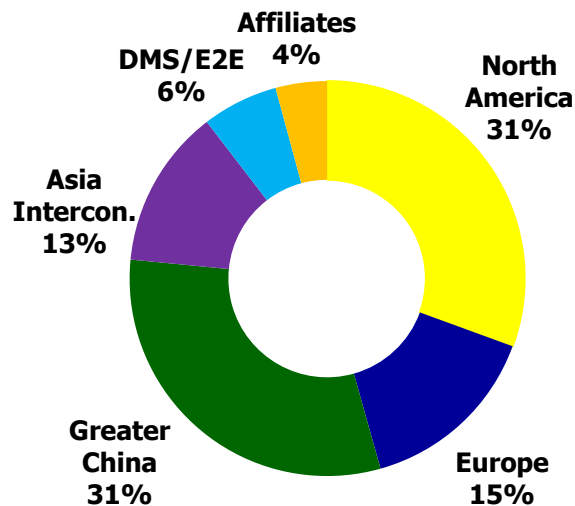
Consolidated

NT\$M	Y2013	Y2014	Y2015	2016				
				1Q	2Q	3Q	*4Q	*Full
Net Sales	30,660	35,732	38,001	10,073	10,713	10,411	10,805	42,002
YOY growth	11%	17%	6%	15%	7%	10%	11%	11%
Gross Margin %	41.0%	40.3%	40.4%	41.1%	39.7%	41.5%	40.3%	40.8%
Gross Margin	12,586	14,393	15,345	4,137	4,307	4,324	4,350	17,118
Operating Expense	7,917	8,884	9,416	2,654	2,630	2,589	2,613	10,486
YOY growth	12%	12%	6%	18%	12%	7%	9%	11%
Operating Margin	4,668	5,509	5,929	1,483	1,677	1,735	1,737	6,632
Operating Margin %	15.2%	15.4%	15.6%	18.5%	15.7%	16.7%	16.1%	15.8%
Non-Operating Income	500	547	361	151	150	106	59	466
Effective Tax Rate	20.1%	18.5%	18.5%	19.4%	19.6%	19.9%	19.8%	19.8%
NPAT	4,127	4,932	5,127	1,316	1,469	1,474	1,430	5,689
EPS(NT\$)	6.59	7.80	8.08	2.08	2.31	2.33	2.24	8.96

*Un-Audited

Y2016 Sales By Region

USD\$ M	2015	2016	GR%	%
North America	351	395	+13%	31%
Europe	185	195	+6%	15%
Greater China	373	399	+7%	31%
Asia/Intercon	158	169	+7%	13%
DMS/E2E	81	80	-1%	6%
Affiliates	52	54	+4%	4%
Total	1,200	1,293	+8%	100%



Europe

AEU:	162.0M	GR%: +7%
ADLoG:	32.9M	GR%: -3%

Greater China

China:	310.7M	GR%: +5%
Taiwan:	84.1M	GR%: +17%

Asia/Intercon

Japan:	36.5M	GR%: +33%
Korea:	45.7M	GR%: +10%
AAU/NZ:	11.9M	GR%: +8%
SAP:	24.0M	GR%: +7%
India:	8.0M	GR%: -0%
Russia:	10.6M	GR%: -8%
ME&A:	19.0M	GR%: -17%
LATAM	12.9M	GR%: -1%

Affiliates

ALNC:	14.3M	GR%: +14%
A-Cermate:	9.0M	GR%: -3%

Y2016 Sales By Product Group

Embedded-IoT

Embedded Core & IoT Modules

- Computing on Modules
- Single Board Computers
- Industrial Motherboards
- Embedded Box Computers
- Gaming Solutions
- Industrial Displays
- Industrial Flash Storage (SQFlash)
- Embedded Wireless Modules (M2.COM)
- WISE-PaaS & Cloud Software
- ARM/ RISC Computing
- Modular Board Design Services

US 334.6M

25.9%, +1%

Allied DMS

Networks & Communications +4% Applied Computing +14%

- Telecom & Mission Critical Systems
- Enterprise Network Platforms
- Network & Embedded Switches
- Video Broadcasting Solutions
- Industrial Mobile Computing
- Applied Computing DMS
- Service-IoT DMS

US 429.6M

33.2%, +8%

Allied Purchasing Services

- Components (CAPS)
- Peripherals (PAPS)

AGS

US 22.7M

1.8%, -0.4%

Industrial-IoT

- Industrial I/O & Controllers
- Automation Computing & HMI
- Motion Controls & Machine Vision
- Remote IoT Devices (WISE)
- WebAccess+ Software
- iFactory (Industry 4.0) Solutions
- Machine Automation Solutions
- Energy & Environment Solutions
- Intelligent Systems
- Industrial Computers
- Industrial Servers & Storage
- Intelligent Video Solutions
- Transportation Solutions
- iConnectivity
- Network Edge Solutions
- Industrial Switches
- Industrial Wireless Devices
- Industrial Cellular Routers

US 422.0M

32.6%, +18%

Service-IoT

Digital Healthcare & Intelligent Hospital

- Medical Computing & Tablets
- Intelligent Hospital Solutions
- Intelligent Retail & Hospitality
- iRetail Platforms
- Intelligent Retail & Hospitality Solutions
- Digital Signage Solutions

US 84.2M

6.5%, -8%

Digital Logistics & Fleet Management

- In-Vehicle Computing
- Digital Logistics & Fleet Management Solutions

Smart City & iBuilding

% of Sales, YoY Growth

Enabling an Intelligent Planet

ADVANTECH

Y2016 Working Capital

Consolidated

NT\$ M	2014	2015	2016			
	Full	Full	Q1 End	Q2 End	Q3 End	*Q4 End
Cash Position	5,648	5,633	6,008	6,562	4,453	7,237
Account Receivable	5,916	6,467	6,321	7,230	6,734	7,594
DSO (Days)	58	60	57	63	57	64
Inventory	4,782	4,869	5,232	4,991	5,289	5,219
DOH (Days)	78	76	79	70	78	73
Account Payable	3,166	3,226	3,512	3,540	3,468	4,648
Days	52	47	53	50	51	65

*Un-Audited

Partnering for Smart City & IoT Solutions

驅動智慧城市創新 共建物聯產業典範

Industrial Cloud
& Cloud Networks

Private Cloud

iConnectivity

Transportation *IoT Devices* *Computer On Modules* *Video and RFID*
Power & Energy *Environmental & Facility Monitoring* *Embedded Software*
iBuilding/BEMS *Industrial HMI* *Embedded Design-in Services* *Intelligent Display*
Intelligent Systems *iRetail & Hospitality* *iHospital* *Image & Video Processing*
Machine Automation *WebAccess+* *Digital Healthcare* *Digital Logistics* *Industrial PCs*