

ADVANTECH

2017 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.**

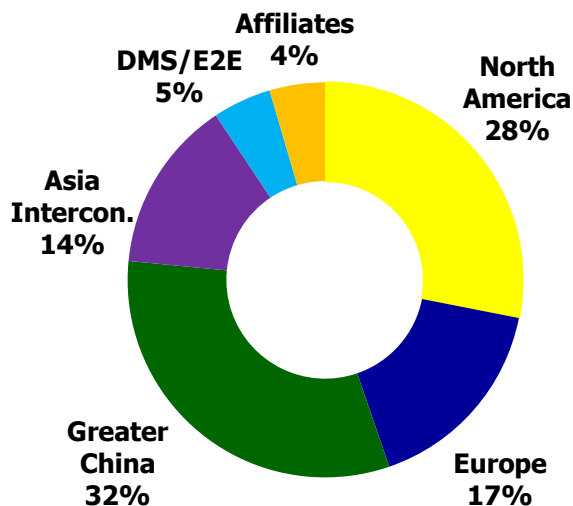
2017 Financial Results

NT\$M	2014	2015	2016	2017				
				1Q	2Q	3Q	4Q	Full
Net Sales	35,732	38,001	42,002	10,006	11,406	11,203	11,706	44,375
YOY growth	17%	6%	11%	0%	6%	8%	9%	6%
Gross Margin %	40.3%	40.4%	40.8%	40.5%	38.6%	39.0%	38.8%	39.2%
Gross Margin	14,393	15,345	17,118	4,051	4,401	4,371	4,558	17,381
Operating Expense	8,884	9,416	10,486	2,548	2,648	2,643	2,763	10,602
YOY growth	12%	6%	11%	-4%	1%	2%	6%	1%
Operating Margin	5,509	5,929	6,632	1,503	1,753	1,728	1,795	6,779
Operating Margin %	15.4%	15.6%	15.8%	15.0%	15.4%	15.4%	15.3%	15.3%
Non-Operating Income	547	361	466	- 4	386	252	121	755
Effective Tax Rate	18.5%	18.5%	19.8%	19.6%	19.5%	19.3%	15.2%	18.4%
NPAT	4,932	5,127	5,689	1,206	1,723	1,598	1,622	6,149
EPS (NT\$)	7.09	7.35	8.15	1.73	2.47	2.29	2.35	8.84

2017 Sales By Region

Local Sales: US 1,455M, +12%

USD\$ M	2016	2017	GR%	%
North America	395	409	+4%	28%
Europe	195	242	+24%	17%
Greater China	423	463	+9%	32%
Asia/Intercon	170	206	+21%	14%
DMS/E2E	54	70	+29%	5%
Affiliates	62	66	+7%	4%
Total	1,299	1,455	+12%	100%



Europe

AEU:	206.8M	GR%: +28%
ADLoG:	35.4M	GR%: +8%

Greater China

China:	360.3M	GR%: +8%
Taiwan:	102.3M	GR%: +15%

Asia/Intercon

Japan:	55.4M	GR%: +5%
Korea:	60.3M	GR%: +32%
AAU/NZ:	12.3M	GR%: +1%
ASEAN:	28.9M	GR%: +19%
India:	9.8M	GR%: +21%
Russia:	17.1M	GR%: +61%
ME&A:	22.7M	GR%: +16%
LATAM	14.6M	GR%: +14%

Affiliates

ALNC:	18.2M	GR%: +27%
Advanixs:	15.4M	GR%: -20%
A-Cermate:	10.7M	GR%: +19%
A-KOSTEC:	4.8M	GR%: -19%

2017 Performance by SBG

Local Sales: US 1,455M, +12%

US 687.4M, 47%, +8.3%, 99%

Embedded-IoT + Allied DMS (Design-in)

Networks & Communications

- Telecom & Mission Critical Systems
 - Enterprise Network Platforms
 - Network & Embedded Switches
 - Video Bro...
- US 167.2M**

11%, +7.5%, 100%

Embedded Core & IoT Modules

- Computing on Modules
 - Single Board Computers
 - Industrial Motherboards
 - Embedded Box Computers
 - Industrial Displays
 - Industrial Flash Storage (SQFlash)
 - Embedded Wireless Modules (M2.COM)
- US 391.5M**

27%, +16.9%, 106%

Applied Computing

- Industrial Mobile Computing
- Applied Computing DMS

US 128.7M

9%, -10.7%, 82%

APS & AGS

US 181.2M

13%, +19.4%, 106%

Industrial-IoT

+15%, 102%
Industrial Automation

- Industrial I/O & Controllers
- Automation Computing & HMI
- Motion Controls & Machine Vision
- Remote IoT Devices (WISE)
- WebAccess+
- iFactory (Industry 4.0) Solutions
- Machine Automation Solutions
- Energy & Environment Solutions

US 484.8M

33%, +14.9%, 102%

+18%, 108%
Intelligent Systems

- Industrial Computers
- Industrial Servers & Storage
- Intelligent Video Solutions
- Transportation Solutions
- Connectivity
- Network Edge Solutions
- Industrial Switches +5%, 87%
- Industrial Wireless Devices
- Industrial Cellular Routers

Service-IoT

Intelligent Healthcare

- Medical Computing & Tablets
- Intelligent Hospital Solutions

Intelligent Retail

- iRetail Platforms
 - Intelligent Retail & Hospitality Solutions
 - Digital Signage Solutions
- US 101.7M**

7%, +12.5%, 91%

Intelligent Logistics

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

2017 Working Capital

Consolidated

NT\$ M	2015	2016	2017			
	Full	Full	Q1	Q2	Q3	Q4
Cash Position	5,633	7,237	6,678	8,315	6,477	8,300
Account Receivable	6,467	7,378	6,719	7,730	7,534	7,866
DSO (Days)	60	63	58	65	63	62
Inventory	4,869	5,597	5,799	5,969	6,587	6,242
DOH (Days)	76	78	88	77	84	78
Account Payable	3,226	4,983	3,605	4,198	5,174	5,281
Days	47	69	54	54	68	66