Y2014 Financial Results

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## Y2014 Financial Results

<table>
<thead>
<tr>
<th>NT$M</th>
<th>Y2012</th>
<th>Y2013</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>*4Q</th>
<th>*Full</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>27,552</td>
<td>30,660</td>
<td>8,147</td>
<td>9,278</td>
<td>9,125</td>
<td>9,184</td>
<td>35,734</td>
<td>17%</td>
</tr>
<tr>
<td><em>YOY growth</em></td>
<td>4%</td>
<td>11%</td>
<td>23%</td>
<td>19%</td>
<td>15%</td>
<td>11%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Margins</strong></td>
<td>39.2%</td>
<td>41.0%</td>
<td>41.5%</td>
<td>40.1%</td>
<td>39.6%</td>
<td>40.2%</td>
<td>40.3%</td>
<td>-0.7%</td>
</tr>
<tr>
<td><strong>Gross Margins</strong></td>
<td>10,808</td>
<td>12,586</td>
<td>3,379</td>
<td>3,717</td>
<td>3,616</td>
<td>3,688</td>
<td>14,400</td>
<td>14%</td>
</tr>
<tr>
<td><strong>OPEX</strong></td>
<td>6,945</td>
<td>7,917</td>
<td>2,014</td>
<td>2,206</td>
<td>2,280</td>
<td>2,424</td>
<td>8,924</td>
<td>13%</td>
</tr>
<tr>
<td><strong>OPEX%</strong></td>
<td>25.2%</td>
<td>25.8%</td>
<td>24.7%</td>
<td>23.8%</td>
<td>25.0%</td>
<td>26.4%</td>
<td>25.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>3,863</td>
<td>4,668</td>
<td>1,365</td>
<td>1,512</td>
<td>1,336</td>
<td>1,264</td>
<td>5,477</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Operating Margin%</strong></td>
<td>14.0%</td>
<td>15.2%</td>
<td>16.8%</td>
<td>16.3%</td>
<td>14.6%</td>
<td>13.8%</td>
<td>15.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Non-Operating Income</strong></td>
<td>374</td>
<td>500</td>
<td>69</td>
<td>(23)</td>
<td>262</td>
<td>262</td>
<td>570</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>17.6%</td>
<td>20.1%</td>
<td>19.4%</td>
<td>18.8%</td>
<td>16.9%</td>
<td>18.9%</td>
<td>18.5%</td>
<td>-1.6%</td>
</tr>
<tr>
<td><strong>NPAT</strong></td>
<td>3,491</td>
<td>4,127</td>
<td>1,156</td>
<td>1,209</td>
<td>1,327</td>
<td>1,237</td>
<td>4,929</td>
<td>19%</td>
</tr>
<tr>
<td><strong>EPS (NT$)</strong></td>
<td>6.23</td>
<td>6.60</td>
<td>1.84</td>
<td>1.91</td>
<td>2.10</td>
<td>1.95</td>
<td>7.80</td>
<td>18%</td>
</tr>
</tbody>
</table>

*Un-Audited
### Y2014 Sales By Region

<table>
<thead>
<tr>
<th>Region</th>
<th>USD$ M 2013</th>
<th>USD$ M 2014</th>
<th>GR%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>312</td>
<td>339</td>
<td>+9%</td>
<td>29%</td>
</tr>
<tr>
<td>Europe</td>
<td>141</td>
<td>179</td>
<td>+27%</td>
<td>15%</td>
</tr>
<tr>
<td>Greater China</td>
<td>300</td>
<td>342</td>
<td>+14%</td>
<td>29%</td>
</tr>
<tr>
<td>Asia/Intercon</td>
<td>141</td>
<td>159</td>
<td>+13%</td>
<td>14%</td>
</tr>
<tr>
<td>DMS/E2E</td>
<td>70</td>
<td>82</td>
<td>+17%</td>
<td>7%</td>
</tr>
<tr>
<td>Affiliates/M&amp;A</td>
<td>56</td>
<td>70</td>
<td>24%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,020</td>
<td>1,169</td>
<td>+15%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Local Sales:** US 1,169M, +15%

#### Europe

- **AEU:** 132.1M GR%: +23%
- **ADLoG:** 34.2M GR%: +7%
- **AGEPG:** 12.4M GR%: -28%

#### Asia/Intercon

- **Japan:** 22.8M GR%: +24%
- **Korea:** 41.8M GR%: -4%
- **AAU/NZ:** 10.8M GR%: -12%
- **SAP:** 21.6M GR%: +12%
- **Intercon:** 41.8M GR%: +35%
- **LATAM:** 20.0M GR%: +21%

#### Greater China

- **China:** 265.1M GR%: +17%
- **Taiwan:** 69.3M GR%: +2%
- **AiS:** 7.6M GR%: +37%

#### Affiliates/M&A

- **Advansus:** 30.0M GR%: +10%
- **ALNC:** 13.6M GR%: -3%
- **APOS:** 9.3M GR%: -27%

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*Enabling an Intelligent Planet*
Y2014 Sales By Region

US$ M

North America

Europe

Greater China

Asia/Intercon

DMS-E2E

Affiliates/M&A

Y2013

Y2014

+149M (+15%)
Y2014 Sales By Strategic Biz Group

NCG/ISG/ICG
Advantech Business Group Structure

Networks & Communications (DMS) +20%
- Blade Computing & Systems
- Network Appliances
- Digital Video Platforms
- Embedded Switches

Intelligent Systems
- Industrial Communications & Servers
- Intelligent Video Systems
- Intelligent IoT Modules
- Transportation Solutions

iConnectivity +8%
- Industrial Communications
- WISE (Wireless IoT Solutions)

Emb’Core

Embedded Core Computing (Emb’Core)
- Single Board Computers
- Industrial Motherboards
- Computer-On-Motherboard
- Embedded Software Services
- Industrial Display & Controls
- Gaming Computing
- Embedded Design-To-Order Services

US 338.2M
29%, +17%

US 213.5M
18%, +0%

AGS

US 129.6M
11%, +2%

iServices

Service Automation -7%
- Digital Healthcare
- Industrial Vehicle Computing
- Industrial Portable Computing
- Intelligent Retail & Hospitality

Applied Computing (DMS)
- Medical Computing
- Portable Computing
- POS/POI/Kiosk
- Embedded Systems

iAutomation

Industrial Automation
- Industrial I/O & Data Cables
- Industrial HMI
- WebAccess+ IoT Software
- Power & Energy
- FA/EFMS Solutions
- Machine Automation Solutions

US 167.3M
14%, +8%

Local Sales: US 1,169M, GR: +15%

Emb’Core

US 320.7M
28%, +18%

57%
32%
Y2014 Sales By Strategic Biz Group

<table>
<thead>
<tr>
<th>Services Automation</th>
<th>iAutomation</th>
<th>Embedded</th>
<th>NCG/ISG/ICG</th>
<th>AGS&amp; Others</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USD$ M</strong></td>
<td><strong>2013</strong></td>
<td><strong>2014</strong></td>
<td><strong>Sales</strong></td>
<td><strong>GR</strong></td>
</tr>
<tr>
<td>NCG</td>
<td>132.1</td>
<td>158.1</td>
<td>+26.0</td>
<td>20%</td>
</tr>
<tr>
<td>ISG</td>
<td>132.3</td>
<td>154.4</td>
<td>+22.1</td>
<td>17%</td>
</tr>
<tr>
<td>ICG</td>
<td>23.8</td>
<td>25.7</td>
<td>+1.9</td>
<td>8%</td>
</tr>
</tbody>
</table>

US$ M

Y2013: 1,020

Y2014: 1,169

+149M (+15%)
## Y2014 Working Capital

<table>
<thead>
<tr>
<th>NT $M</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full</td>
<td>Full</td>
<td>1Q</td>
</tr>
<tr>
<td>Cash Position</td>
<td>5,022</td>
<td>4,924</td>
<td>5,649</td>
</tr>
<tr>
<td>Account Receivable</td>
<td>4,281</td>
<td>5,584</td>
<td>5,959</td>
</tr>
<tr>
<td>DSO (Days)</td>
<td>55</td>
<td>62</td>
<td>65</td>
</tr>
<tr>
<td>Inventory</td>
<td>3,890</td>
<td>4,025</td>
<td>4,511</td>
</tr>
<tr>
<td>DOH (Days)</td>
<td>84</td>
<td>75</td>
<td>85</td>
</tr>
<tr>
<td>Account Payable</td>
<td>2,327</td>
<td>2,925</td>
<td>3,106</td>
</tr>
<tr>
<td>AP (Days)</td>
<td>49</td>
<td>54</td>
<td>59</td>
</tr>
</tbody>
</table>

*Un-Audited*
Partnering for Smart City & IoT Solutions

推动智慧城市创新 共建物联产业典范

Industrial Cloud & Cloud Networks

Private Cloud

iConnectivity

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