Y2016 1H Financial Results

By Eric Chen
VP of finance & IT
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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.
# Y2016 1H Financial Results

<table>
<thead>
<tr>
<th>NT$M</th>
<th>Y2015</th>
<th>Y2016</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H</td>
<td>2H</td>
<td>1Q</td>
<td>2Q</td>
</tr>
<tr>
<td>Net Sales</td>
<td>18,812</td>
<td>19,189</td>
<td>10,073</td>
<td>10,713</td>
</tr>
<tr>
<td>YoY%</td>
<td>8%</td>
<td>5%</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>Gross Margins%</td>
<td>40.2%</td>
<td>40.5%</td>
<td>41.1%</td>
<td>40.2%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>4,588</td>
<td>4,828</td>
<td>2,654</td>
<td>2,630</td>
</tr>
<tr>
<td>Operating Margin%</td>
<td>15.9%</td>
<td>15.4%</td>
<td>14.7%</td>
<td>15.6%</td>
</tr>
<tr>
<td>No-operating Income</td>
<td>122</td>
<td>240</td>
<td>152</td>
<td>149</td>
</tr>
<tr>
<td>Effective Tax Rate</td>
<td>18.2%</td>
<td>18.7%</td>
<td>19.4%</td>
<td>19.7%</td>
</tr>
<tr>
<td>NPAT</td>
<td>2,539</td>
<td>2,588</td>
<td>1,318</td>
<td>1,462</td>
</tr>
<tr>
<td>EPS (NT$)</td>
<td>4.01</td>
<td>4.07</td>
<td>2.08</td>
<td>2.31</td>
</tr>
</tbody>
</table>
### Y2016 1H Sales By Region/Sales Force

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

**Local Sales:** US 628M, +4%

#### 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
- **Advainixs:** $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**
  - Blade Computing & Systems
  - Network Appliances
  - Network Virtualization Platforms
  - Network & Embedded Switches
  - Broadcasting & Surveillance Platforms
  - +5%

- **Embedded Core Computing**
  - Embedded Box Computer
  - Modular Computing Boards
  - Wireless IoT Modules
  - Display Systems & Gaming Solutions
  - Industrial Motherboard & DTOS
  - Embedded Peripherals
  - 48%, -2%

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

- **Service Automation Platforms**
  - +5%

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

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

- **iConnectivity**
  - Industrial Communications
  - Industrial Switches
  - +189%

- **Smart City Solutions**
  - Industrial Mobile Computing
  - iRetail Platforms
  - Medical Computing & Tablets
  - In-Vehicle Computing
  - +14%

- **Enabling an Intelligent Planet**

Local Sales: US 628M, +4%

- US 301.8M
  - 48%, -2%

- US 73.0M
  - 12%, +6%

- US 46.4M
  - 7%, +0%
## Y2016 1H Working Capital

<table>
<thead>
<tr>
<th></th>
<th>NT$ M</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2014</td>
<td>2015</td>
<td>2016</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Full</td>
<td>1Q End</td>
<td>2Q End</td>
<td>1Q End</td>
</tr>
<tr>
<td>Cash Position</td>
<td></td>
<td>5,648</td>
<td>6,778</td>
<td>7,564</td>
<td>6,008</td>
</tr>
<tr>
<td>Account Receivable</td>
<td></td>
<td>5,952</td>
<td>5,535</td>
<td>6,557</td>
<td>6,321</td>
</tr>
<tr>
<td>DSO (Days)</td>
<td></td>
<td>59</td>
<td>58</td>
<td>63</td>
<td>57</td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td>4,782</td>
<td>4,880</td>
<td>4,680</td>
<td>5,232</td>
</tr>
<tr>
<td>DOH (Days)</td>
<td></td>
<td>78</td>
<td>87</td>
<td>71</td>
<td>79</td>
</tr>
<tr>
<td>Account Payable</td>
<td></td>
<td>3,397</td>
<td>3,107</td>
<td>3,536</td>
<td>3,512</td>
</tr>
<tr>
<td>Days</td>
<td></td>
<td>56</td>
<td>56</td>
<td>53</td>
<td>53</td>
</tr>
</tbody>
</table>
Partnering for Smart City & IoT Solutions

驅動智慧城市創新 共建物聯產業典範