

ADVANTECH

Y2016 1H 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.**

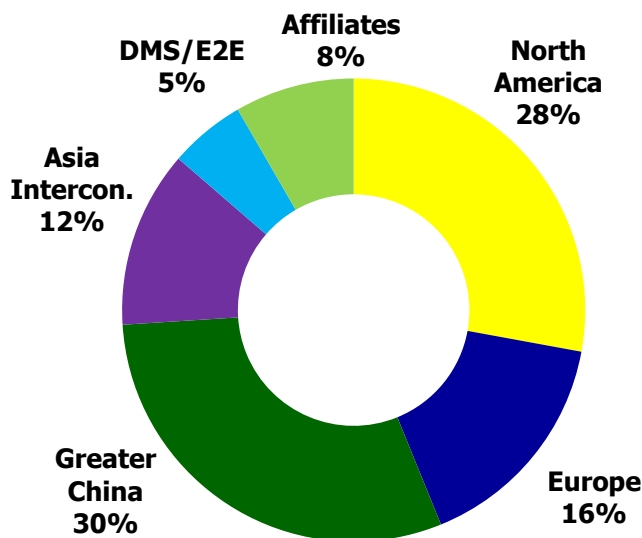
Y2016 1H Financial Results

NT\$M	Y2015		Y2016			Consolidated	
	1H	2H	1Q	2Q	1H	QoQ	YoY
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%

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%

Y2016 1H Sales By Strategic Product Group

Local Sales: US 628M, +4%

Embedded Design-In

Networks & Communications +5%

- Blade Computing & Systems
- Network Appliances
- Network Virtualization Platforms
- Network & Embedded Switches
- Broadcasting & Surveillance Platforms

Embedded Core Computing -4%

- Embedded Box Computer
- Module on Module IoT
- Wireless Modules
- Display Systems & Gaming Solutions
- Industrial Motherboard & DTOS
- Embedded Peripherals

Applied Computing -7%

- Medical Computing
- Embedded Systems
- Portable Computing
- Service Automation DTOS

US 301.8M

48%, -2%

% of Sales, YoY Growth

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
- Industrial IoT Modules
- Transportation Solutions
- **iConnectivity +189%**
- Industrial Communications
- Industrial Switches

US 207.1M

33%, +14%

Smart City Solutions

Service Automation Platforms

- Industrial Mobile Computing
- iRetail Platforms
- Medical Computing & Tablets
- In-Vehicle Computing

US 46.4M

7%, +0%

Intelligent Service Solutions

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

Y2016 1H Working Capital

NT\$ M	Consolidated				
	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 Receivable	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

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*