Y2016 Financial Results

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VP of Finance & IT
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

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

*Un-Audited
## Y2016 Sales By Region

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

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

### 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%

### Greater China
- **China:** 310.7M GR%: +5%
- **Taiwan:** 84.1M GR%: +17%

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

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Y2016 Sales By Product Group

**Embedded-IoT**

- **US 334.6M**
  - 25.9%, +1%
- **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**

**Industrial-IoT**

- **US 422.0M**
  - 32.6%, +18%
- **Industrial Automation**
  - Industrial I/O & Controllers
  - Automation Computing & HMI
  - Motion Controls & Machine Vision
  - Remote IoT Devices (WISE)
  - WebAccess+ Solutions
  - iFactory (Industry 4.0) Solutions
  - Machine Automation Solutions
  - Energy & Environment Solutions
- **Intelligent Systems**
  - Industrial Computers
  - Industrial Servers & Storage
  - Intelligent Video Solutions
  - Transportation Solutions
  - iConnectivity
- **iFactory (Industry 4.0) Solutions**
- **iFactory (Industry 4.0) Solutions**

**Service-IoT**

- **US 84.2M**
  - 6.5%, -8%
- **Digital Healthcare & Intelligent Hospital**
  - Medical Computing & Tablets
  - Intelligent Hospital Solutions
  - Intelligent Retail & Hospitality
  - iRetail Platforms
  - Intelligent Retail & Hospitality Solutions
  - Digital Signage Solutions
- **Digital Logistics & Fleet Management**
  - In-Vehicle Computing
  - Digital Logistics & Fleet Management Solutions
  - Smart City & iBuilding

**Allied DMS**

- **US 429.6M**
  - 33.2%, +8%
- **Networks & Communications**
  - Telecom & Mission Critical Systems
  - Enterprise Network Platforms
  - Network & Embedded Switches
  - Video Broadcasting Solutions
- **Service-IoT DMS**
- **Applied Computing**
  - Industrial Mobile Computing
  - Applied Computing DMS
- **Applied Purchasing Services**
  - Components (CAPS)
  - Peripherals (PAPS)

**AGS**

- **US 22.7M**
  - 1.8%, -0.4%
- **Industrial Automation**
  - Industrial I/O & Controllers
  - Automation Computing & HMI
  - Motion Controls & Machine Vision
  - Remote IoT Devices (WISE)
  - WebAccess+ Solutions
  - iFactory (Industry 4.0) Solutions
  - Machine Automation Solutions
  - Energy & Environment Solutions
- **Intelligent Systems**
  - Industrial Computers
  - Industrial Servers & Storage
  - Intelligent Video Solutions
  - Transportation Solutions
  - iConnectivity
- **iFactory (Industry 4.0) Solutions**

% of Sales, YoY Growth

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## Y2016 Working Capital

<table>
<thead>
<tr>
<th>NT$ M</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full</td>
<td>Full</td>
<td>Q1 End</td>
</tr>
<tr>
<td>Cash Position</td>
<td>5,648</td>
<td>5,633</td>
<td>6,008</td>
</tr>
<tr>
<td>Account Receivable</td>
<td>5,916</td>
<td>6,467</td>
<td>6,321</td>
</tr>
<tr>
<td>DSO (Days)</td>
<td>58</td>
<td>60</td>
<td>57</td>
</tr>
<tr>
<td>Inventory</td>
<td>4,782</td>
<td>4,869</td>
<td>5,232</td>
</tr>
<tr>
<td>DOH (Days)</td>
<td>78</td>
<td>76</td>
<td>79</td>
</tr>
<tr>
<td>Account Payable</td>
<td>3,166</td>
<td>3,226</td>
<td>3,512</td>
</tr>
<tr>
<td>Days</td>
<td>52</td>
<td>47</td>
<td>53</td>
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</tbody>
</table>
Partnering for Smart City & IoT Solutions

驅動智慧城市創新 共建物聯產業典範