

Y2018 Financial Results



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- The projections should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.

Y18 Financial Results

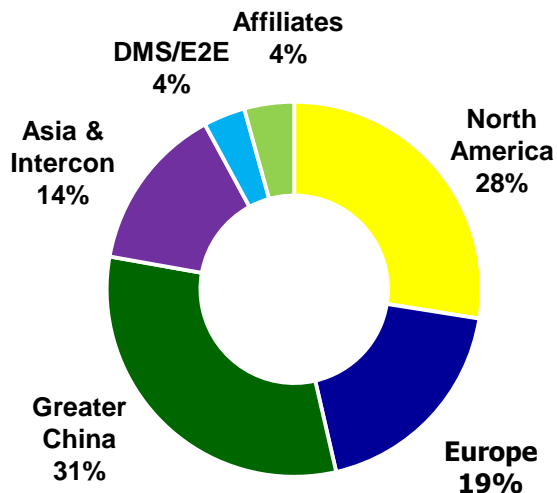
Consolidated

NT\$M	Y2016	Y2017	Y2018				YTM	YOY
			1Q	2Q	3Q	4Q		
Net Sales	42,002	44,375	11,355	12,645	12,360	12,367	48,727	10%
Gross Margin%	40.8%	39.2%	38.2%	37.9%	38.5%	38.6%	38.3%	-0.9%
Gross Margin	17,118	17,381	4,338	4,792	4,760	4,773	18,663	7%
Operation Expense	10,486	10,602	2,696	2,851	2,854	2,795	11,196	6%
Operation Margins	6,632	6,779	1,642	1,941	1,906	1,978	7,467	10%
YOY growth	12%	2%	9%	11%	10%	10%	10%	
Non-Operation Income	466	755	99	87	265	76	527	-30%
Effective Tax Rate	19.8%	18.4%	21.5%	21.4%	21.1%	20.1%	21.0%	2.6%
NPAT	5,689	6,149	1,368	1,595	1,713	1,640	6,316	3%
EPS (NT\$)	8.15	8.84	1.95	2.28	2.45	2.34	9.02	2%

Y18 Sales By Region

Local Sales: US\$1,618M, +11.2%

USD\$M	Y2017	Y2018	GR%	%
North America	393	445	13%	28%
Europe	256	306	20%	19%
Greater China	463	508	10%	31%
Asia & Intercon	206	232	13%	14%
DMS/E2E	70	58	-16%	4%
Affiliates	68	69	1%	4%
Total	1,455	1,618	11%	100%



North America

ANA:	415.4M	GR%:	+15.7%
iConnectivity Americas	29.4M	GR%:	-13.9%

Europe

AEU:	259.6M	GR%:	+17.6%
ADLoG:	46.0M	GR%:	+31.8%

Greater China

China:	400.4M	GR%:	+10.9%
Taiwan:	108.0M	GR%:	+5.7%

DMS/E2E

DMS(NC):	44.7M	GR%:	-22.0%
DMS(AC):	10.3M	GR%:	+14.2%

Asia & Intercon

Japan:	43.7M	GR%:	+9.2%
Korea:	65.0M	GR%:	+7.8%
AAU/NZ:	11.6M	GR%:	-5.3%
ASEAN:	30.4M	GR%:	+5.3%
India	15.3M	GR%:	+56.6%
Russia	15.2M	GR%:	-12.4%
ME&A	33.5M	GR%:	+60.5%
LATAM	16.4M	GR%:	+12.4%

Affiliates

Advanix:	15.3M	GR%:	-0.8%
ALNC:	20.4M	GR%:	+11.9%
A-Cermate:	12.4M	GR%:	+15.6%
A-Kostec:	2.8M	GR%:	-41.5%

Y18 Sales by SBG

Local Sales: US 1,618M, +11.2%

US 708.3M, 44%, +7.6%

Networks & Communications

- Telecom & Mission Critical Systems
- Enterprise Network Platforms
- Network & Embedded Switches
- Video Broadcasting Solutions

US 164.7M
10%, -1.5%

Embedded-IoT + Allied DMS (Design-in)

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)
- WISE-PaaS & Cloud Software
- ARM/ RISC Computing
- SBC/ Single Board Design Services
- Gaming Solutions

US 439.6M
27%, +12.3%

Applied Computing

- Industrial Mobile Computing
- Applied Computing DMS
- Service-IoT DMS

US 104.0M
7%, +4.7%

US 209.8M

13%, +16.3%

Industrial-IoT

+11% Industrial Automation

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

US 554.2M
34%, +13.3%

+16% Intelligent Systems

- Industrial Computers
- Industrial Servers & Storage
- Intelligent Video Solutions
- Transportation Solutions
- Connectivity
- Network Edge Solutions
- Industrial Switches
- Industrial Wireless Devices
- Industrial Cellular Routers

+11%

Service-IoT

Intelligent Healthcare

- Medical Computing & Tablets
- Intelligent Hospital Solutions

Intelligent Retail

- iRetail Platforms
- Intelligent Retail Hospitality Solutions
- Digital Signage Solutions

US 145.6M
9%, +14.4%

Intelligent Logistics

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

% of Sales, YoY Growth

Y18 Performance By SBG

Y2018	US\$ mn	Revenues	YoY	Gross Margin Range	Operating Profit	OP Margin
Industrial IOT		554	13%	45~50%	122	21.9%
Embedded IOT		440	12%	33~38%	72	16.3%
Allied DMS	ACG	104	5%	30~35%	15	14.1%
	NCG	165	-1%	35~40%	26	15.8%
Service IOT		146	14%	35~40%	9	6.0%
AGS & APS		210	16%	20~25%	24	11.3%
Other unallocated expenses					-20	
Total		1618	11%		248	15.3%

- IIoT grew 13%, GP range to be between 45~50%,
- EIoT grew 12%, low to the medium GP product line had a higher growth rate
- SIoT margin improved due to conduct the production transfer from Germany to Taiwan and China plant

Y18 Working Capital

Consolidated

NT\$ M	2016	2017	2018			
	Full	Full	Q1 End	Q2 End	Q3 End	Q4 End
Cash Position	7,237	8,300	8,386	10,275	6,993	8,676
Account Receivable	73,640	7,866	7,797	8,358	8,346	8,351
DSO (Days)	60	63	61	62	61	61
Inventory	5,597	6,242	6,818	7,174	7,600	7,558
DOH (Days)	77	80	87	82	84	84
Account Payable	4,983	5,281	5,376	6,251	6,248	5,811
AP Days	60	69	69	71	70	67