

Investor Conference

— The Second Half of Year 2016

March 8, 2017



Agenda



Financial Report

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Business Outlook

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CFO

Q&A

Disclaimer



These presentations and discussions contain certain forward-looking statements with respect to the results of operation, financial condition and current expectation about future events. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

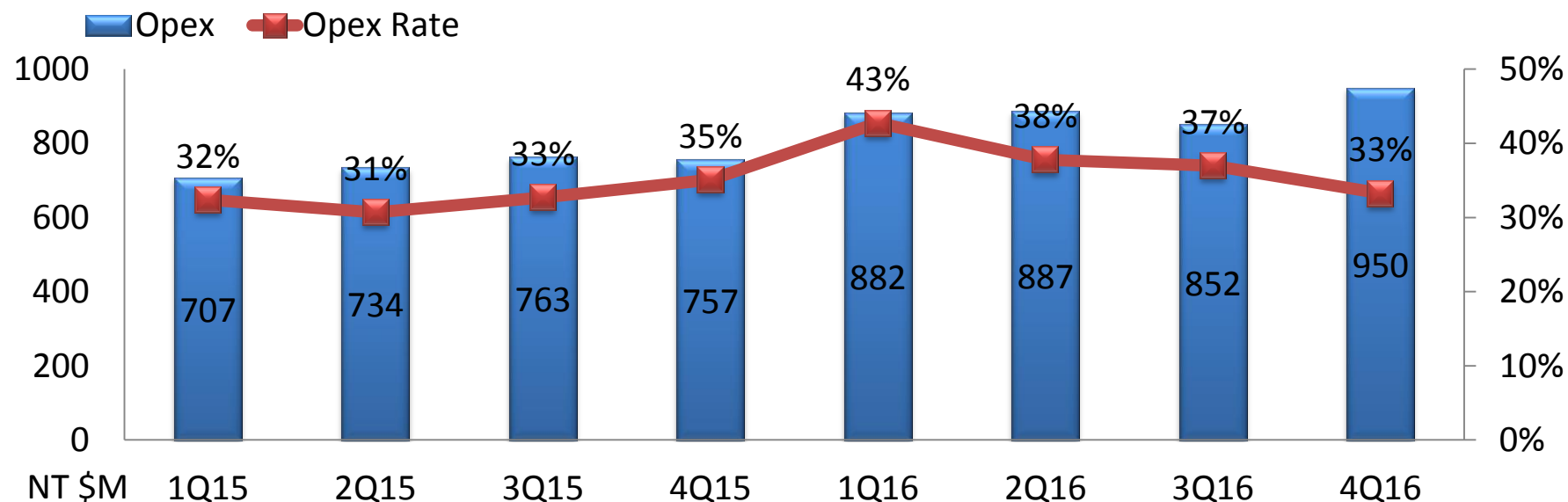
We undertake no obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise. The actual result could differ materially from those anticipated in these forward looking statements.

Statement of Comprehensive Income



<i>Amount : NT\$ Million</i>	2016		2015		YoY	2H'16		1H'16		HoH
	Amount	%	Amount	%	%	Amount	%	Amount	%	%
Net Sales	9,570	100.0	9,068	100.0	5.5	5,159	100.0	4,411	100.0	17.0
COGS	5,403	56.5	5,322	58.7	1.5	2,937	56.9	2,467	55.9	19.1
Gross Profit	4,166	43.5	3,747	41.3	11.2	2,222	43.1	1,944	44.1	14.3
Operating Expenses	3,571	37.3	2,961	32.7	20.6	1,801	34.9	1,769	40.1	1.8
Operating Income	596	6.2	785	8.7	-24.1	421	8.2	175	4.0	140.3
Other Income/Expenses	-64	-0.7	-17	-0.2	288.8	-66	-1.3	2	0.0	NA
Income Before Tax	532	5.6	769	8.5	-30.9	355	6.9	177	4.0	100.5
Net Income	431	4.5	609	6.7	-29.2	281	5.5	150	3.4	88.1
Basic EPS(NT\$)	2.00		3.03		-34.0	1.30		0.70		85.7

Detail of Operating Expense



<i>Amount: NT\$ Million</i>	1Q'16	2Q'16	3Q'16	4Q'16	2016		2015		YoY
	Amount	Amount	Amount	Amount	Amount	%	Amount	%	%
Sales	266	267	242	282	1,056	11.0	884	9.7	19.5
Admin	243	237	212	270	962	10.0	776	8.6	23.9
R&D	373	383	398	398	1,553	16.2	1,301	14.4	19.3
Operating Expenses	882	887	852	950	3,571	37.3	2,961	32.7	20.6

Consolidated Balance Sheet Highlights



<i>Amount : NT\$ Million</i>	<u>2016.12.31</u>	<u>2015.12.31</u>
Cash & Financial asset	1,857	1,775
AR	1,966	1,527
Inventory	1,728	1,741
AP	1,479	1,103
Short-term loan	507	1,534
Long-term loan	200	-
Liability	3,384	3,694
Equity	4,686	3,907
Total Assets	8,070	7,601

Days of Sales Outstanding (DSO)	66.6	63.1
Days of Inventory at hand (DOH)	117.2	113.7
Days of Payable Outstanding (DPO)	87.2	73.5
Cash Conversion Cycle (CCC)	96.5	103.2
Debt rate	41.9%	48.6%
ROE	10.0%	16.2%
BV/per share	21.5	19.4

Consolidated Cash Flows Highlights



Amount : NT\$ Million

	2016	2015	YoY(\$)
From Operating Activities	688	908	-221
Income before Tax	532	769	-237
Depreciation & Amortization	291	251	40
Net Charge in Working Capital	-177	-7	-170
From Investing Activities	-368	-1,007	639
Acquisition of subsidiary	13	-509	522
Available-for-sale financial assets	201	-200	401
Investments in debt instrument without active market	-329	-2	-327
Investments accounted for using equity method	-70	0	-70
Capital Expenditures - PP&E and Software	-183	-312	128
From Financing Activities	-324	468	-792
Issuing shares	976	15	961
Cash dividends	-522	-350	-172
Net Change in Debt	-779	802	-1581
Exchange Rate Influence	-41	19	-60
Net Change in Cash	-45	389	-434

Business Outlook

Jeff Chou
CFO



Sales breakdown by Business Unit



Healthcare, Infotainment & Manufacturing (HIM)

- Measurement
- Automation
- Infotainment
- Healthcare

19%, YOY -3%

Embedded Platforms & Modules (EPM)

- Modules and Boards
- Platforms

45%, YOY 8%

Networking, Communication & Public (NCP)

- Net & Com
- Public Sector
- Tier One

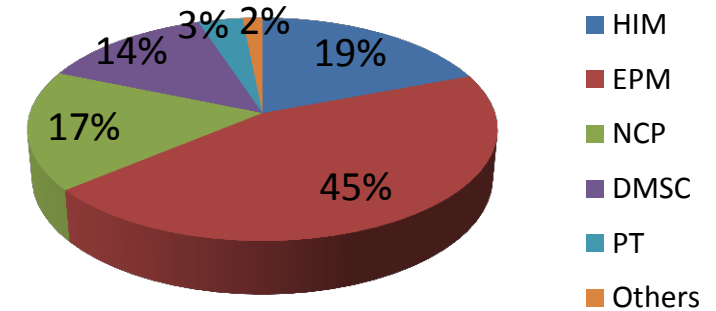
17%, YOY 10%

Design & Manufacturing (DMSC)

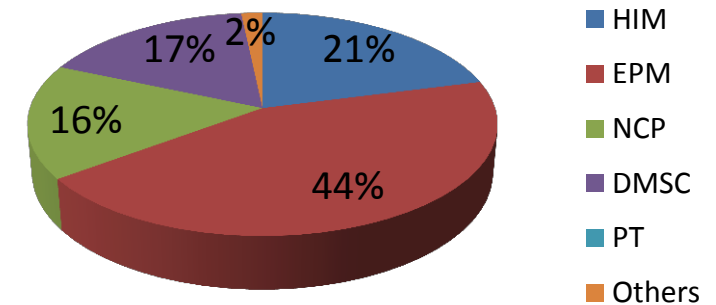
- Design & Manufacturing

14%, YOY -15%

Y2016



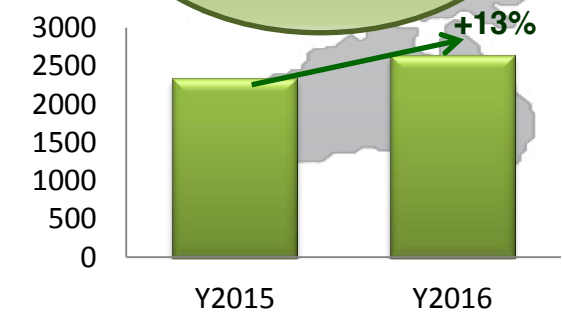
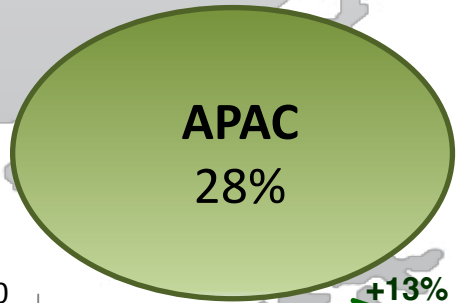
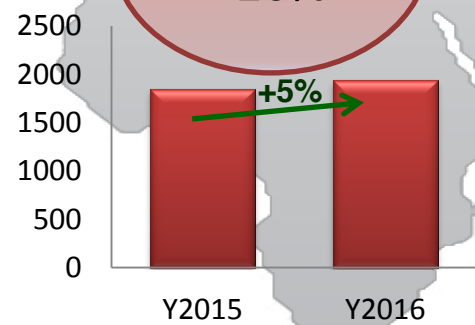
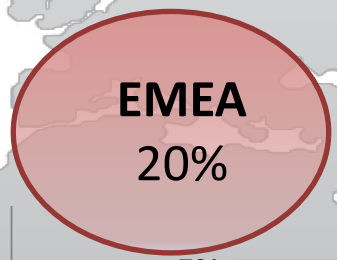
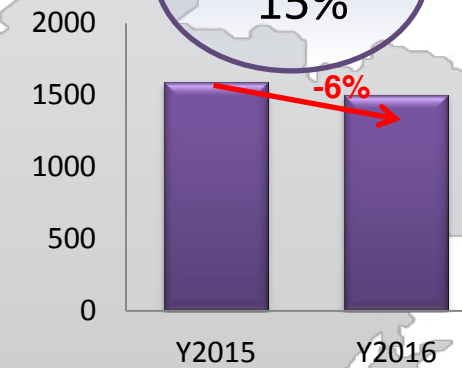
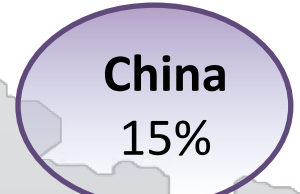
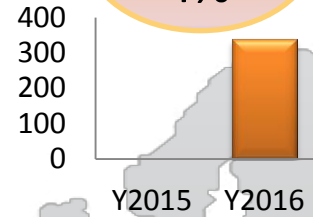
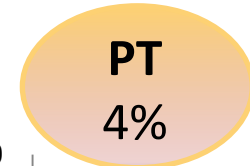
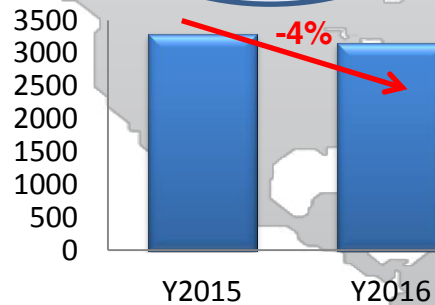
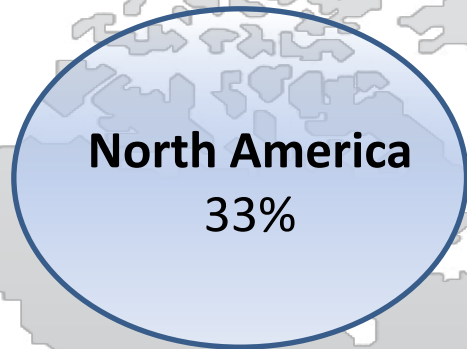
Y2015



Geographic Footprint & 2016 Claimed New DW



Amount : NT\$ Million



RBU	Y2016 claimed DW
AATI	17
EMEA	23
CHN	21
APAC	14

Q&A



ADLINK
TECHNOLOGY INC.