

Investor Conference

- The Second Half of Year 2018

March 25, 2019



Agenda



Financial Report

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Business Outlook

Jeff Chou,
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.

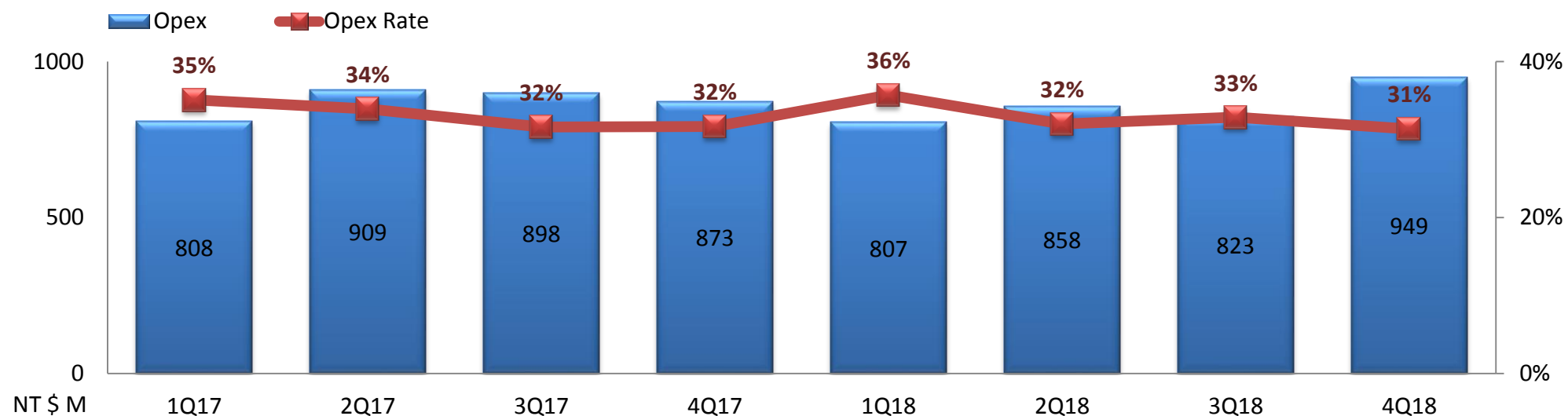
Statement of Comprehensive Income



Amount : NT\$ Million

	1Q'18	2Q'18	3Q'18	4Q'18	2018	2017	YoY
	Amount	Amount	Amount	Amount	Amount	Amount	%
Net Sales	2,260	2,683	2,506	3,028	10,477	10,668	-2
Gross Profit	811	928	905	1,083	3,727	3,963	-6
<i>Gross Margin rate</i>	<i>36%</i>	<i>35%</i>	<i>36%</i>	<i>36%</i>	<i>36%</i>	<i>37%</i>	
Operating Expenses	807	858	823	949	3,437	3,488	-1
Operating Income	5	70	82	133	290	475	-39
<i>Operating Margin rate</i>	<i>0.2%</i>	<i>3%</i>	<i>3%</i>	<i>4%</i>	<i>3%</i>	<i>5%</i>	
Other Income/Expenses	13	-11	-6	16	12	31	-60
Income Before Tax	17	59	76	150	302	506	-40
Net Income	22	47	58	118	245	390	-37
Basic EPS(NT\$)	0.10	0.22	0.27	0.53	1.12	1.79	-37

Detail of Operating Expense



Amount: NT\$ Million	1Q'18	2Q'18	3Q'18	4Q'18	2018		2017		YoY
	Amount	Amount	Amount	Amount	Amount	%	Amount	%	%
Sales	246	274	266	309	1,096	10	1,027	9	7
Admin	189	203	188	236	817	8	890	8	-8
R&D	371	380	369	404	1,524	15	1,572	15	-3
Operating Expenses	807	858	823	949	3,437	33	3,488	32	-1

Consolidated Balance Sheet Highlights



<i>Amount : NT\$ Million</i>	2018.12.31	2017.12.31
Cash & Financial asset	1,421	1,404
AR	2,029	1,794
Inventory	2,596	2,275
AP	1,676	1,452
Loan	818	526
Liability	3,711	3,174
Equity	4,568	4,626
Total Assets	8,279	7,800

Days of Sales Outstanding (DSO)	66.6	64.3
Days of Inventory at hand (DOH)	131.7	108.9
Days of Payable Outstanding (DPO)	84.6	79.8
Cash Conversion Cycle (CCC)	113.7	93.5
Debt rate	44.8%	40.7%
ROE	5.3%	8.4%
BV/per share	21.0	21.3

Consolidated Cash Flows Highlights



Amount : NT\$ Million

	2018	2017	YoY(\$)
From Operating Activities	162	406	-245
Income before Tax	302	506	-204
Depreciation & Amortization	278	298	-20
Net Change in Operating assets and liabilities	-407	-555	148
From Investing Activities	-159	125	-284
Net change in debt investments with no active market	0	310	-310
Net change in Capital Expenditures - PP&E and Software	-147	-174	27
From Financing Activities	-13	-580	567
Cash dividends	-326	-393	66
Net Change in Debt	303	-189	491
Exchange Rate Influence	27	-75	103
Net Change in Cash	17	-124	141



Business Outlook

Jeff Chou
CFO

Business Units & Capabilities

Addressing Domain-specific and COTS Requirements



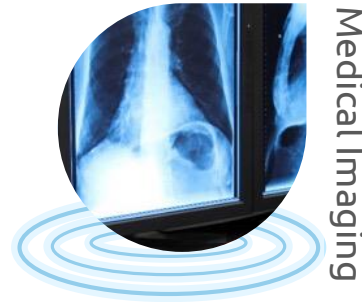
IoT Applications



Machine Vision



Gaming



Medical Imaging



Telecom Core



Military

IST : IoT Solutions & Technologies

- Open Instr. : Data Acquisition, Module Instr.
- Smart Factory : Motion, Vision and Industry IO
- Connected Factories : Machine Condition Monitoring, AOI



EPM: Embedded Platforms & Modules

- IoT gateways for brownfield & greenfield connections
- Application-ready building blocks for faster TTM
- Intelligent Modules : CPU, GPGPU, VPU and FPGA



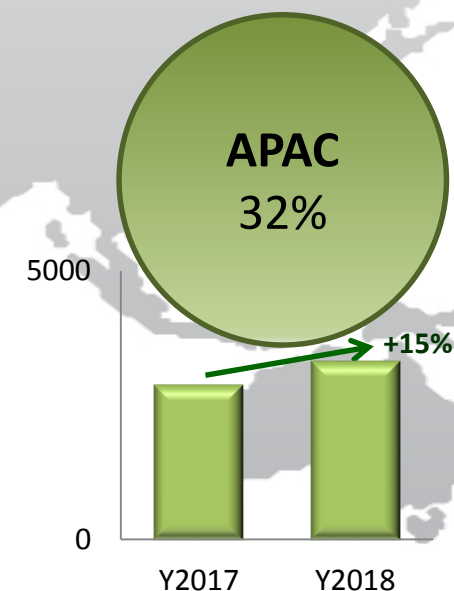
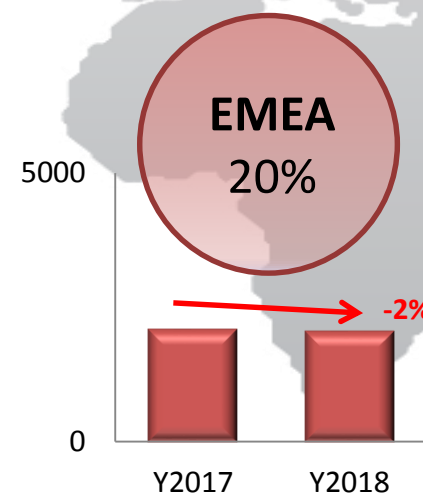
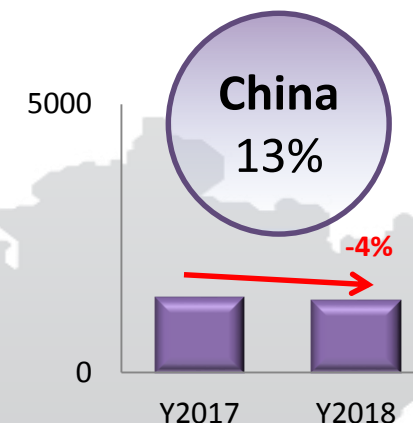
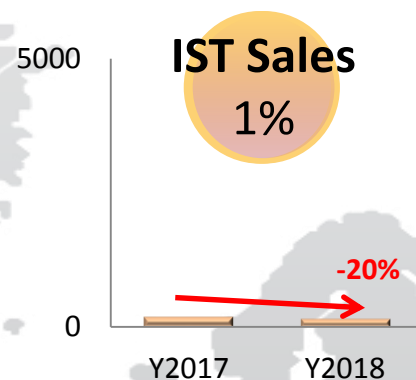
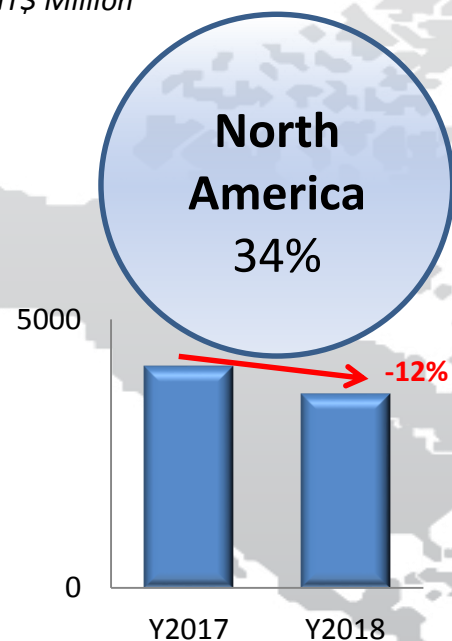
NCP : Networking, Communications, Public

- Extreme rugged systems for harsh environments
- High performance computing for telecom/Mobile Edge
- Modular architecture for flexibility, dynamic expansion



Geographic Footprint & 2018 New DW

Amount : NT\$ Million



RBU	Y2018 DW
AATI	28
EMEA	18
CHN	24
APAC	26

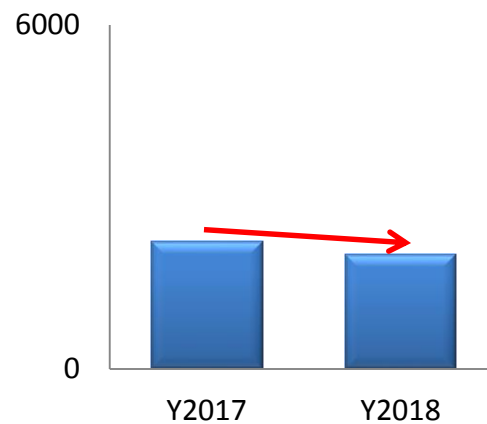
Sales breakdown by Business Unit

Amount : NT\$ Million

IST, 19%



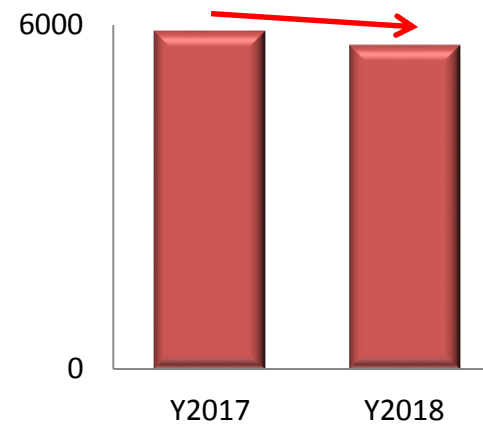
YOY -10%



EPM, 54%



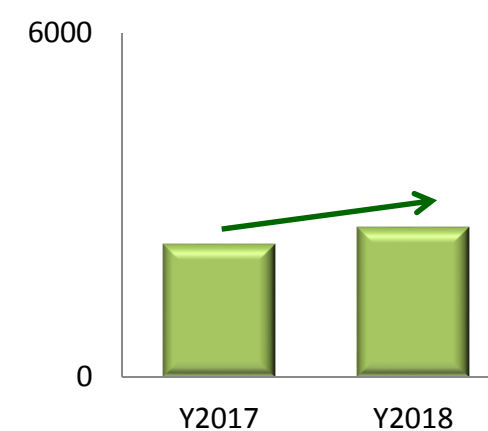
YOY -4%



NCP, 25%



YOY +13%



Q&A

