



# **PEGATRON**

## **2013 Third Quarter Business Review**

November 11, 2013



- **Financial Results**
- **Business Highlight**

- Pegatron's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

**3Q13 Consolidated Financial Result**

## Consolidated Income Statement

<i>(NT\$ Mn)</i>	<u>1~3Q2013</u>		<u>1~3Q2012</u>		<u>YoY</u>
Net Revenue	683,793	100%	614,154	100%	11.3%
COGS	651,678	95.3%	587,427	95.6%	10.9%
Gross Profit	32,115	4.7%	26,727	4.4%	20.2%
Operating Expense	21,648	3.2%	18,758	3.1%	15.4%
Operating Income (Loss)	10,467	1.5%	7,969	1.3%	31.3%
Net Non-Operating Income (Loss)	2,318	0.3%	610	0.1%	280.0%
FX Gain (Loss)	1,361	0.2%	(159)	0.0%	956.0%
Others	957	0.1%	769	0.1%	24.4%
PBT	12,785	1.9%	8,579	1.4%	49.0%
Tax	(3,141)	0.5%	(2,157)	0.4%	45.6%
Net Income	9,644	1.4%	6,422	1.0%	50.2%
<b>Net Income Attributable to the Parent</b>	<b>6,176</b>	<b>0.9%</b>	<b>3,614</b>	<b>0.6%</b>	<b>70.9%</b>

Note:

1. Valuation gain (loss) on ECB

2. 1~3Q2013 EPS of NT\$2.70.

	<u>1~3Q2013</u>	<u>1~3Q2012</u>
	90	277

## Consolidated Income Statement

<i>(NT\$ Mn)</i>	3Q2013		2Q2013		QoQ	3Q2012		YoY
Net Revenue	253,978	100%	212,227	100%	19.7%	222,886	100%	13.9%
COGS	243,320	95.8%	202,774	95.5%	20.0%	213,112	95.6%	14.2%
Gross Profit	10,658	4.2%	9,453	4.5%	12.7%	9,774	4.4%	9.0%
Operating Expense	7,737	3.0%	6,796	3.2%	13.8%	6,751	3.0%	14.6%
Operating Income (Loss)	2,921	1.2%	2,657	1.3%	9.9%	3,023	1.4%	-3.4%
Net Non-Operating Income (Loss)	1,750	0.7%	773	0.4%	126.4%	511	0.2%	242.5%
FX Gain (Loss)	249	0.1%	770	0.4%	-67.7%	(111)	0.0%	324.3%
Others	1,501	0.6%	3	0.0%	49933.3%	622	0.3%	141.3%
PBT	4,671	1.8%	3,429	1.6%	36.2%	3,534	1.6%	32.2%
Tax	(992)	0.4%	(917)	0.4%	8.2%	(797)	0.4%	24.5%
Net Income	3,679	1.4%	2,513	1.2%	46.4%	2,737	1.2%	34.4%
<b>Net Income Attributable to the Parent</b>	<b>2,478</b>	<b>1.0%</b>	<b>1,393</b>	<b>0.7%</b>	<b>77.9%</b>	<b>1,625</b>	<b>0.7%</b>	<b>52.5%</b>

Note:

1. Valuation gain (loss) on ECB

2. 3Q2013 EPS of NT\$1.08.

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	<u>3Q2013</u>	<u>2Q2013</u>	<u>QoQ</u>	<u>3Q2012</u>	<u>YoY</u>
Cash and Equivalents	62,450	62,824	(374)	51,488	10,962
AR (Net)	112,195	81,661	30,534	115,029	(2,834)
Inventory (Net)	107,970	88,805	19,165	94,053	13,917
Other Current Assets	39,316	26,119	13,197	22,613	16,703
Total Current Assets	321,931	259,409	62,522	283,183	38,748
Investment	3,315	3,445	(130)	3,589	(274)
Fixed Assets (Net)	74,078	75,396	(1,318)	73,273	805
Other Assets	12,231	11,921	310	9,650	2,581
Total Non-Current Assets	89,624	90,762	(1,138)	86,512	3,112
Total Assets	411,555	350,171	61,384	369,695	41,860
Short-term Borrowings	22,314	27,329	(5,015)	22,562	(248)
AP	163,481	112,072	51,409	148,830	14,651
Other Current Liabilities	60,570	52,518	8,052	41,052	19,518
Total Current Liabilities	246,365	191,919	54,446	212,444	33,921
Long-term Loan	23,499	19,455	4,044	30,753	(7,254)
Other Liabilities	3,859	4,463	(604)	2,719	1,140
Total Liabilities	273,723	215,837	57,886	245,916	27,807
Paid-in Capital	23,199	22,901	298	22,564	635
Capital Surplus	63,049	62,511	538	61,256	1,793
Retained Earnings	17,746	15,268	2,478	12,237	5,509
Others	(1,277)	(455)	(822)	(3,021)	1,744
Treasury Stocks	(22)	(29)	7	(19)	(3)
Net Equity	137,832	134,334	3,498	123,779	14,053
Total Liabilities and Net Equity	411,555	350,171	61,384	369,695	41,860
Current Ratio	131%	135%	-	133%	-
Debt Ratio (TTL Liabilities / TTL Assets)	67%	62%	-	67%	-
Interest-bearing Debt Ratio	11%	13%	-	14%	-

## Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	<u>1~3Q2013</u>
Cash Flows from Operating Activities:	10,018
Cash Flows from Investing Activities:	(8,399)
Cash Flows from Financing Activities:	743
Impact from Changes in FX Rate	256
Net Increase in Cash	2,618
Cash, beginning of the period	59,832
Cash, end of the period	62,450

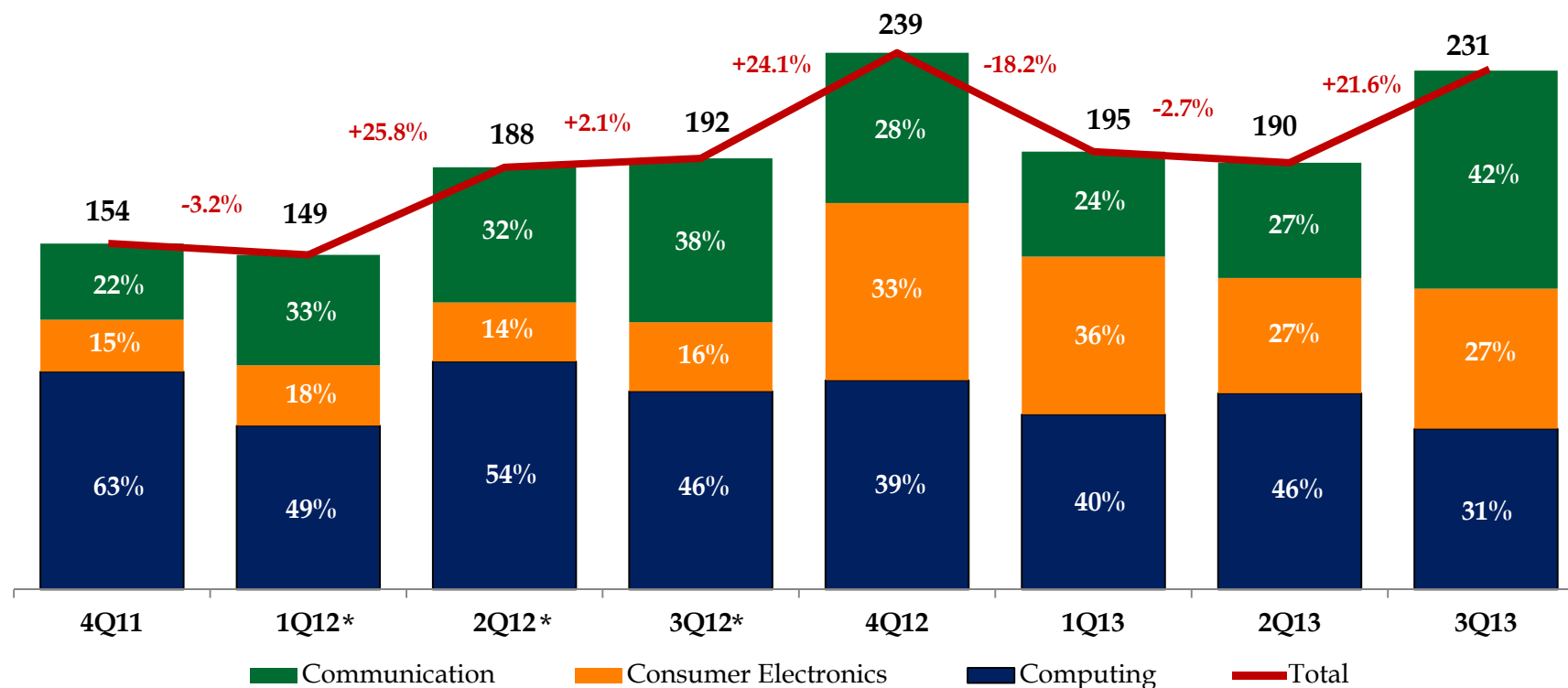
<i>Note:</i>	<u>1~3Q2013</u>
Depreciation and amortization	10,342



**Business Highlight**

## DMS Revenue Trend

Unit: NTD Bn



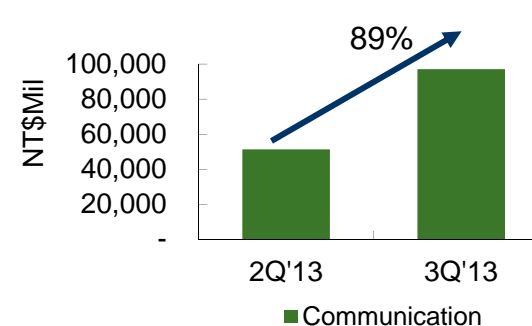
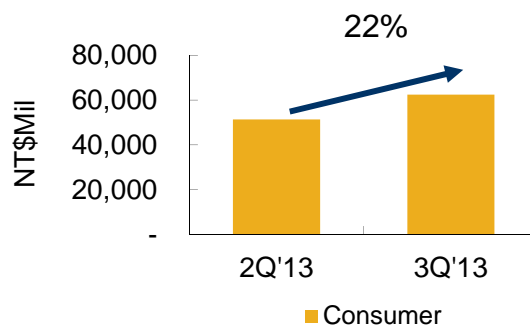
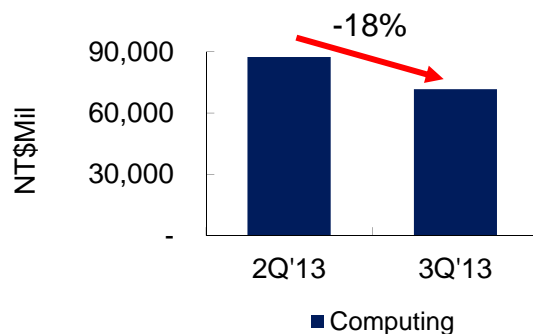
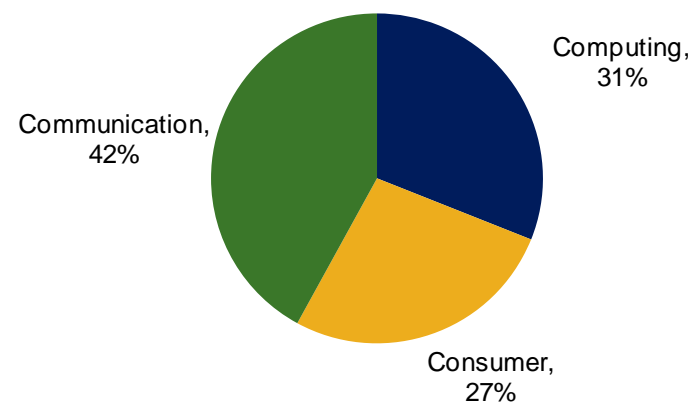
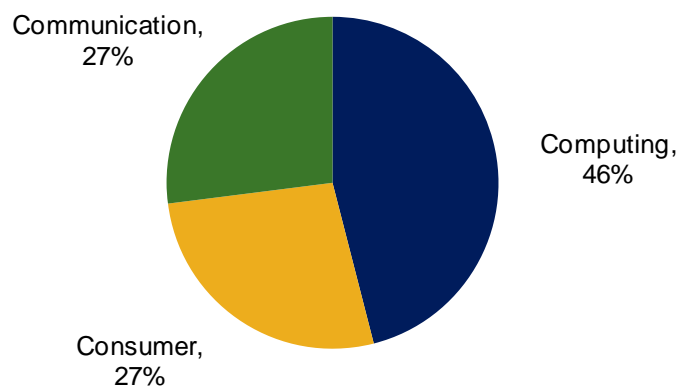
Revenue in 3Q2013 totaled NT\$231Bn, a 21.6% growth from NT\$190Bn in the previous quarter. The growth was driven by new product launch in communication segment coupling with seasonal effect in consumer electronic segment, while revenue from computing segment declined on QoQ basis due to lackluster demand.

\* Minor adjustment made on the revenue breakdown percentage of Computing & Consumer Electronics segments.

## Revenue Breakdowns by Products (Quarter-over-Quarter)

2Q2013

3Q2013

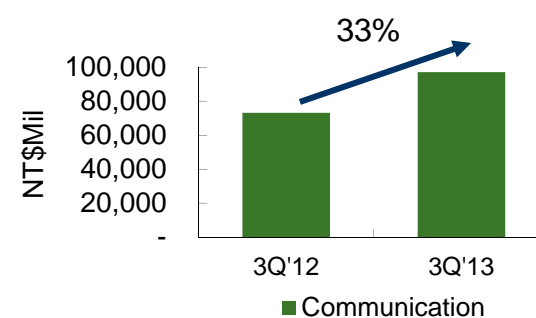
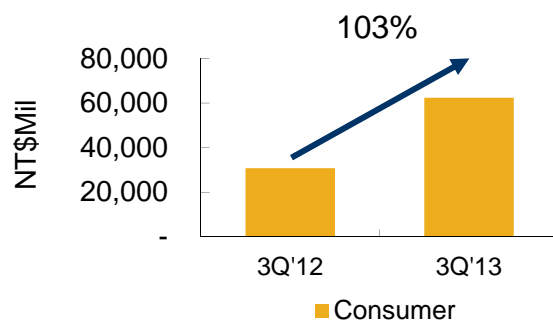
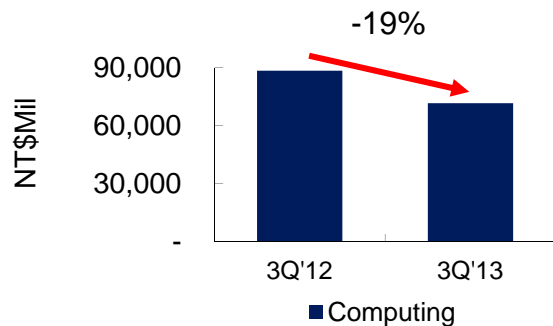
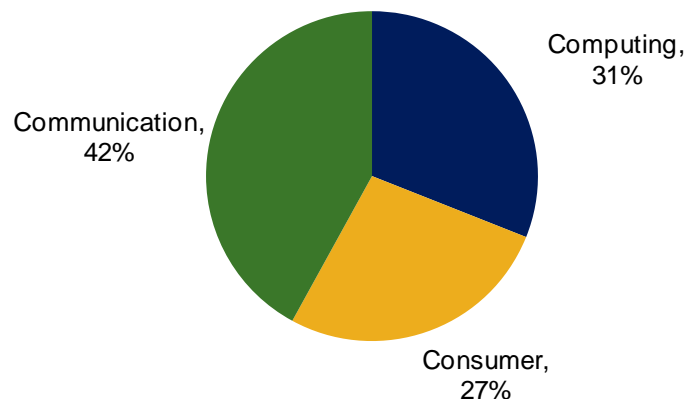
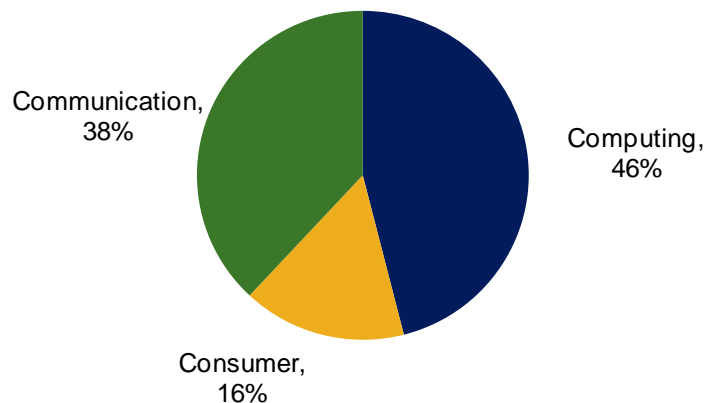


Benefiting from new product launch, revenue in communication segment grew by 89% and its revenue contribution increased to 42% in 3Q13 from 27% a quarter ago. Entering peak season, revenue from consumer electronics segment also grew by 22%, whereas revenue from computing segment declined by 18% QoQ due to lackluster demand in computing products.

## Revenue Breakdowns by Products (Year-over-Year)

3Q2012

3Q2013



Benefitting from increasing shipment in tablets and smartphone, revenue from consumer electronics and communication segments grew by 103% and 33% respectively on YoY basis, while that of computing segment declined by 19%.

- NB shipment to grow by single digit
- MB & DT shipment to grow by single digit
- Revenue from non computing segment to grow by single digit

- Pegatron Board of Directors approved to merge Unihan Corporation, a wholly owned subsidiary of Pegatron, effective on Dec 31, 2013. (Nov. 2013)

## Q & A

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