

PEGATRON



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2015 First Quarter Business Review

May 7, 2015

- **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.

1Q2015 Consolidated Financial Result

Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	1Q 2015		4Q 2014		QoQ	1Q 2014		YoY
Net Revenue	274,263	100%	351,946	100%	-22.1%	218,737	100%	25.4%
COGS	257,188	93.8%	332,012	94.3%	-22.5%	207,440	94.8%	24.0%
Gross Profit	17,075	6.2%	19,934	5.7%	-14.3%	11,297	5.2%	51.1%
Operating Expense	8,184	3.0%	9,453	2.7%	-13.4%	6,231	2.8%	31.3%
Operating Income (Loss)	8,891	3.2%	10,481	3.0%	-15.2%	5,066	2.3%	75.5%
Net Non-Operating Income (Loss)	446	0.2%	(379)	-0.1%	-217.7%	(604)	-0.3%	-173.8%
FX Gain (Loss)	(320)	-0.1%	1,454	0.4%	-122.0%	(256)	-0.1%	25.0%
Others	766	0.3%	(1,833)	-0.5%	-141.8%	(348)	-0.2%	-320.1%
PBT	9,337	3.4%	10,102	2.9%	-7.6%	4,462	2.0%	109.3%
Tax	(2,120)	0.8%	(3,324)	0.9%	-36.2%	(976)	0.4%	117.2%
Net Income	7,217	2.6%	6,778	1.9%	6.5%	3,486	1.6%	107.0%
Net Income Attributable to the Parent	6,328	2.3%	5,681	1.6%	11.4%	2,732	1.2%	131.6%
EPS	2.48		2.38		4.2%	1.18		110.2%
Excluding Impact from ECB Valuation	1Q 2015		4Q 2014		QoQ	1Q 2014		YoY
Valuation Gain (Loss) on ECB	(239)		(1,830)		-	(586)		-
PBT	9,576		11,932		-19.7%	5,048		89.7%
Net Income Attributable to the Parent	6,567		7,511		-12.6%	3,318		97.9%
EPS	2.57		3.11		-17.2%	1.43		79.7%

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	1Q2015	4Q2014	QoQ	1Q2014	YoY
Cash and Equivalents	118,019	107,689	10,330	85,971	32,048
AR (Net)	116,832	129,863	(13,031)	83,625	33,207
Inventory (Net)	88,215	95,630	(7,415)	80,844	7,371
Other Current Assets	27,057	36,421	(9,364)	25,519	1,538
Total Current Assets	350,123	369,603	(19,480)	275,959	74,164
Investment	2,446	2,539	(93)	2,858	(412)
Fixed Assets (Net)	71,147	72,898	(1,751)	73,058	(1,911)
Other Assets	12,077	12,053	24	11,589	488
Total Non-Current Assets	85,670	87,490	(1,820)	87,505	(1,835)
Total Assets	435,793	457,093	(21,300)	363,464	72,329
Short-term Borrowings	38,936	36,732	2,204	24,067	14,869
AP	148,276	174,768	(26,492)	120,560	27,716
Other Current Liabilities	47,447	53,497	(6,050)	41,267	6,180
Total Current Liabilities	234,659	264,997	(30,338)	185,894	48,765
Long-term Loans	13,665	13,949	(284)	20,306	(6,641)
Other Liabilities	3,572	3,276	296	3,703	(131)
Total Liabilities	251,896	282,222	(30,326)	209,903	41,993
Paid-in Capital	25,637	25,157	480	23,231	2,406
Capital Surplus	77,017	74,296	2,721	65,439	11,578
Retained Earnings	35,653	29,325	6,328	23,875	11,778
Others	3,574	4,901	(1,327)	1,242	2,332
Treasury Stocks	(1)	(8)	7	(18)	17
Net Equity	183,897	174,871	9,026	153,561	30,336
Total Liabilities and Net Equity	435,793	457,093	(21,300)	363,464	72,329
Current Ratio	149%	139%	-	148%	-
Debt Ratio (TTL Liabilities / TTL Assets)	58%	62%	-	58%	-
Interest-bearing Debt Ratio	12%	11%	-	12%	-

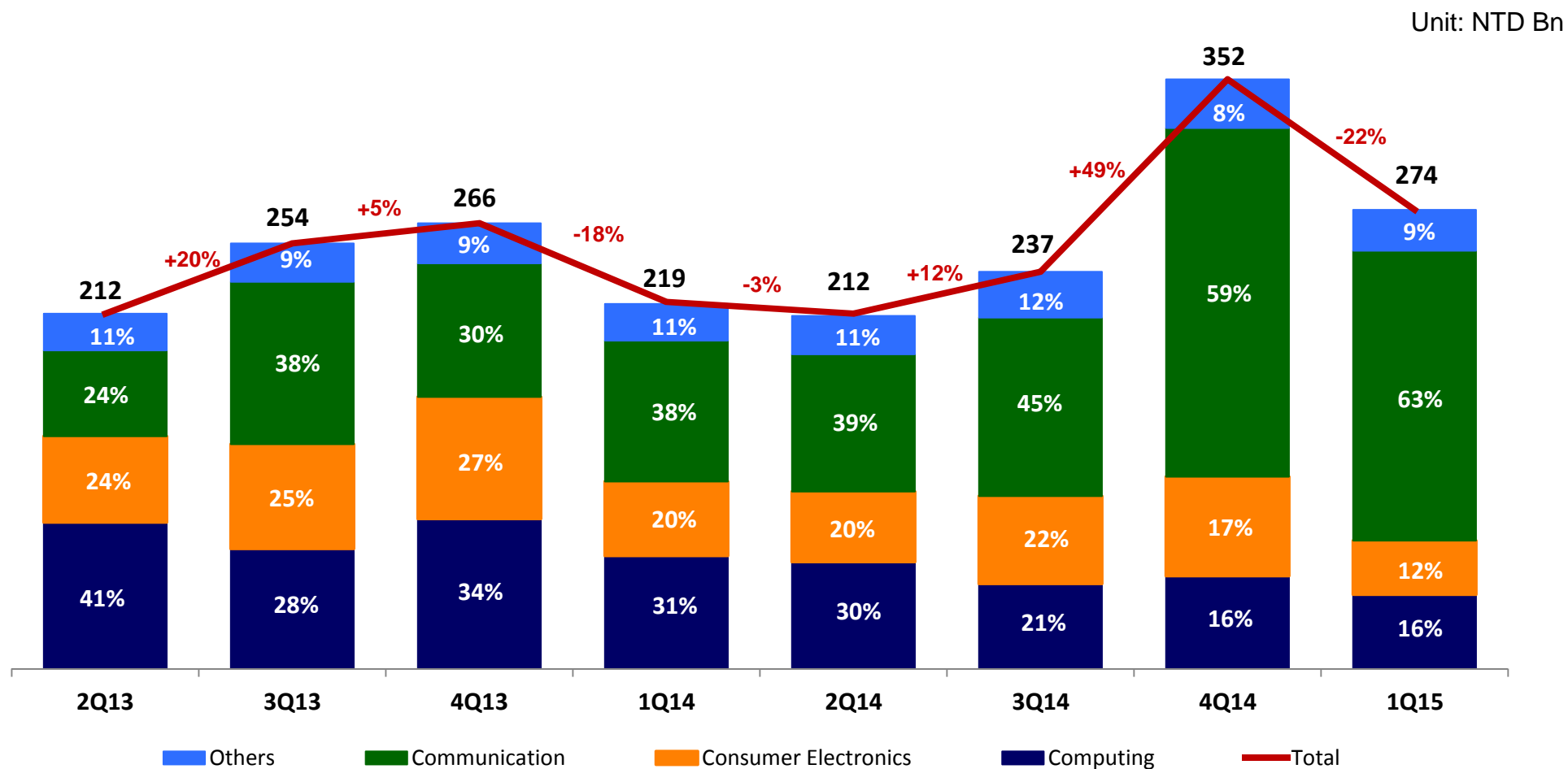
Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	1Q2015	1Q2014
Cash Flows from Operating Activities:	9,600	24,495
Cash Flows from Investing Activities:	(2,359)	(726)
Cash Flows from Financing Activities:	3,897	(12,727)
Impact from Changes in FX Rate	(808)	668
Net Increase in Cash	10,330	11,710
Cash, beginning of the period	107,689	74,261
Cash, end of the period	118,019	85,971

<i>Note:</i>	1Q2015	1Q2014
Depreciation and amortization	3,456	3,539

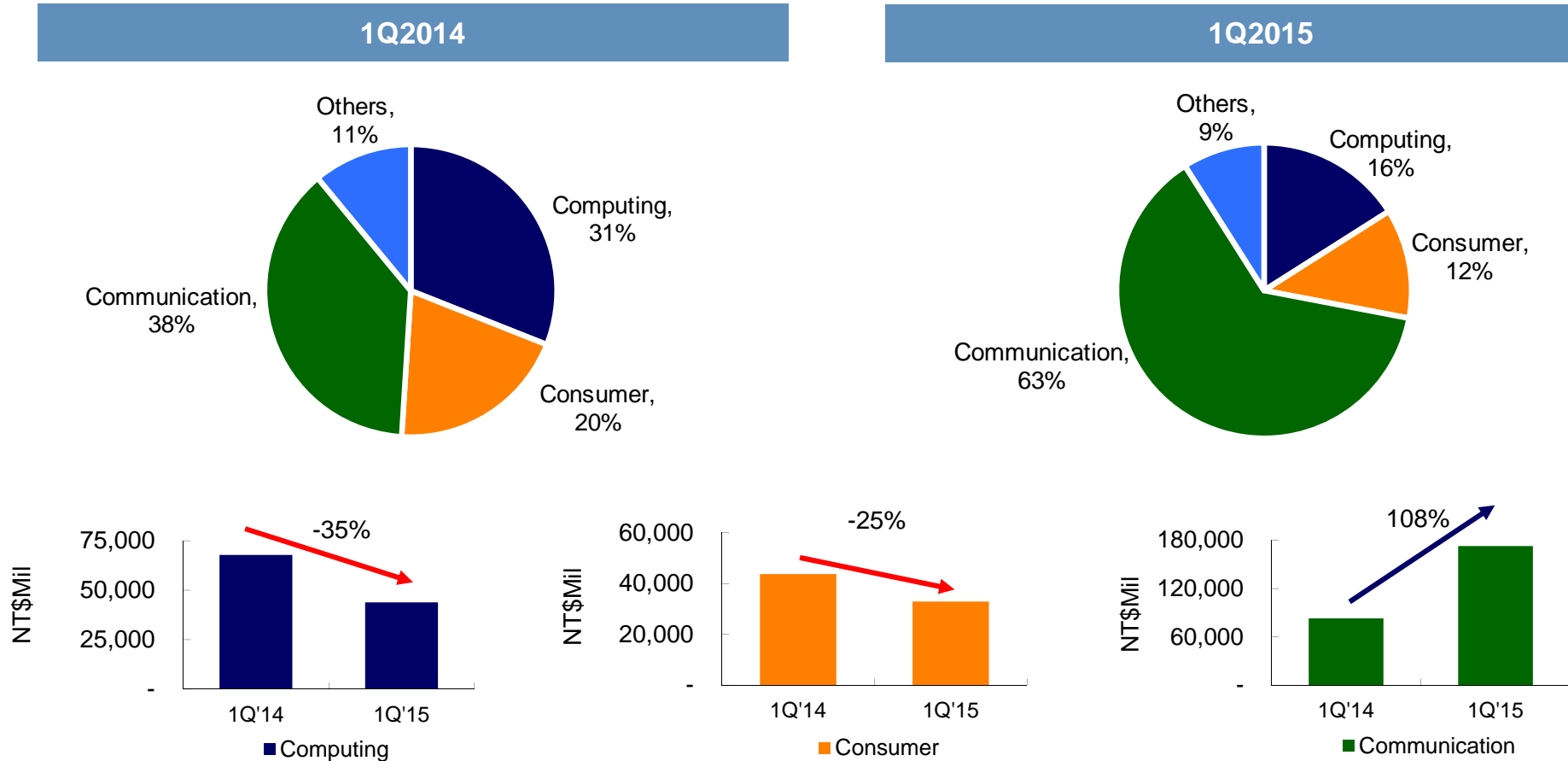
Business Highlight

Consolidated Revenue Trend



Consolidated revenue totaled NT\$274Bn in 1Q2015, the second highest quarterly revenue since 2010 despite 22% QoQ decline due to fewer working days and low season in Computing and Consumer Electronic segments.

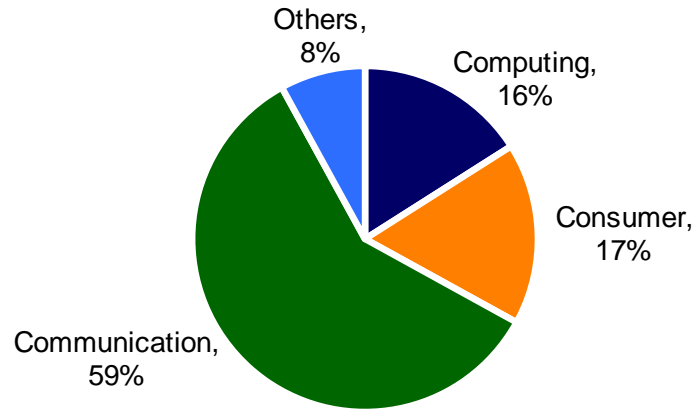
Revenue Breakdowns by Products (Year-over-Year)



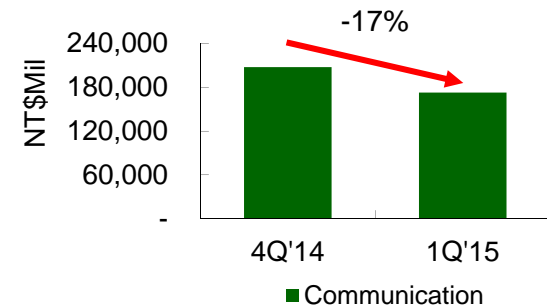
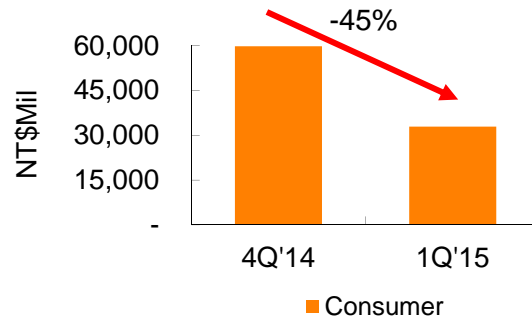
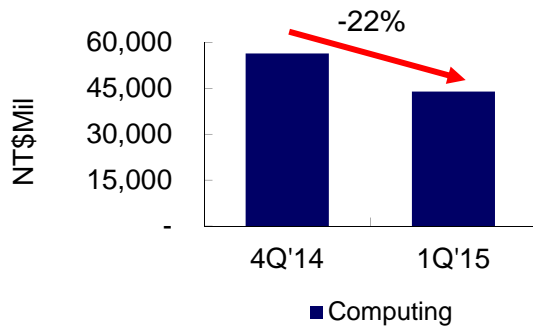
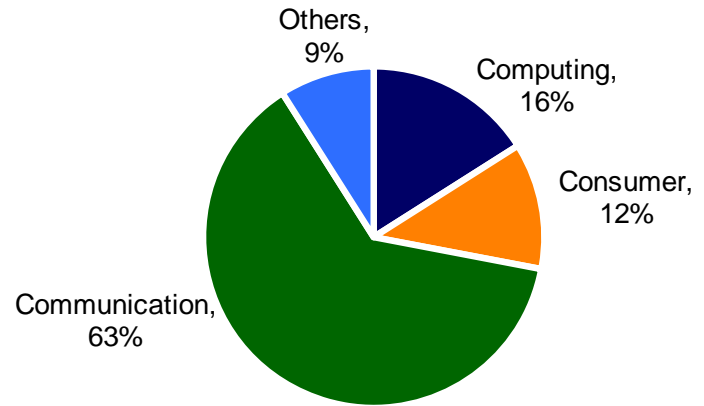
Driven by better demand in smartphone, revenue from Communication grew by 108% YoY and revenue contribution increased to 63% from 38% in a-year-ago quarter. Revenue contribution in Computing segment, due to change of PC strategy by customers, declined by 35% YoY, whilst that of Consumer Electronic segment also trended down by 25% YoY resulting from weaker demand in tablets.

Revenue Breakdowns (Quarter-over-Quarter)

4Q2014



1Q2015



Coming down from high base in 4Q2014 and seasonal effect in 1Q2015, revenue across three product segments declined QoQ.

- NB shipment volume to grow by 15% ~ 20%
- MB & DT shipment volume to remain flat
- Revenue from non computing segment to decline by 30% ~ 40%

Q & A