

PEGATRON



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2016 First Quarter Business Review

May 10, 2016

- 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.

1Q2016 Consolidated Financial Result

Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	1Q2016		4Q2015		QoQ	1Q2015		YoY
Net Revenue	256,382	100%	411,984	100%	-37.8%	274,263	100%	-6.5%
COGS	241,570	94.2%	388,558	94.3%	-37.8%	257,188	93.8%	-6.1%
Gross Profit	14,812	5.8%	23,426	5.7%	-36.8%	17,075	6.2%	-13.3%
Operating Expense	8,036	3.1%	10,198	2.5%	-21.2%	8,184	3.0%	-1.8%
Operating Income (Loss)	6,776	2.6%	13,228	3.2%	-48.8%	8,891	3.2%	-23.8%
Net Non-Operating Income (Loss)	(275)	-0.1%	(1,284)	-0.3%	-78.6%	446	0.2%	-161.7%
FX Gain (Loss)	(755)	-0.3%	(1,672)	-0.4%	-54.8%	(320)	-0.1%	135.9%
Others	480	0.2%	388	0.1%	23.7%	766	0.3%	-37.3%
PBT	6,501	2.5%	11,944	2.9%	-45.6%	9,337	3.4%	-30.4%
Tax	(1,660)	0.6%	(3,532)	0.9%	-53.0%	(2,120)	0.8%	-21.7%
Net Income	4,841	1.9%	8,412	2.0%	-42.5%	7,217	2.6%	-32.9%
Net Income Attributable to the Parent	4,106	1.6%	6,815	1.7%	-39.8%	6,328	2.3%	-35.1%
EPS	1.58		2.63		-39.9%	2.48		-36.3%
Excluding Impact from ECB Valuation	1Q2016		4Q2015		QoQ	1Q2015		YoY
Valuation Gain (Loss) on ECB	0		0		-	(239)		-
PBT	6,501		11,944		-45.6%	9,576		-32.1%
Net Income Attributable to the Parent	4,106		6,815		-39.8%	6,567		-37.5%
EPS	1.58		2.63		-39.9%	2.57		-38.5%

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	1Q2016	4Q2015	QoQ	1Q2015	YoY
Cash and Equivalents	110,770	102,561	8,209	118,019	(7,249)
AR (Net)	78,984	120,030	(41,046)	116,832	(37,848)
Inventory (Net)	86,618	118,165	(31,547)	88,215	(1,597)
Other Current Assets	53,943	49,647	4,296	27,057	26,886
Total Current Assets	330,315	390,403	(60,088)	350,123	(19,808)
Investment	1,816	1,855	(39)	2,446	(630)
Fixed Assets (Net)	71,325	71,038	287	71,147	178
Other Assets	13,720	12,791	929	12,077	1,643
Total Non-Current Assets	86,861	85,684	1,177	85,670	1,191
Total Assets	417,176	476,087	(58,911)	435,793	(18,617)
Short-term Borrowings	51,904	48,071	3,833	38,936	12,968
AP	101,950	161,147	(59,197)	148,276	(46,326)
Other Current Liabilities	56,091	58,489	(2,398)	47,447	8,644
Total Current Liabilities	209,945	267,707	(57,762)	234,659	(24,714)
Long-term Loans	9,824	12,307	(2,483)	13,665	(3,841)
Other Liabilities	3,789	3,734	55	3,572	217
Total Liabilities	223,558	283,748	(60,190)	251,896	(28,338)
Paid-in Capital	26,028	26,030	(2)	25,637	391
Capital Surplus	78,975	78,972	3	77,017	1,958
Retained Earnings	46,761	42,655	4,106	35,653	11,108
Others	1,482	2,725	(1,243)	3,574	(2,092)
Treasury Stocks	(2,073)	(3)	(2,070)	(1)	(2,072)
Net Equity	193,618	192,339	1,279	183,897	9,721
Total Liabilities and Net Equity	417,176	476,087	(58,911)	435,793	(18,617)
Current Ratio	157%	146%	-	149%	-
Debt Ratio (TTL Liabilities / TTL Assets)	54%	60%	-	58%	-
Interest-bearing Debt Ratio	15%	13%	-	12%	-

Consolidated Cash Flows Statement

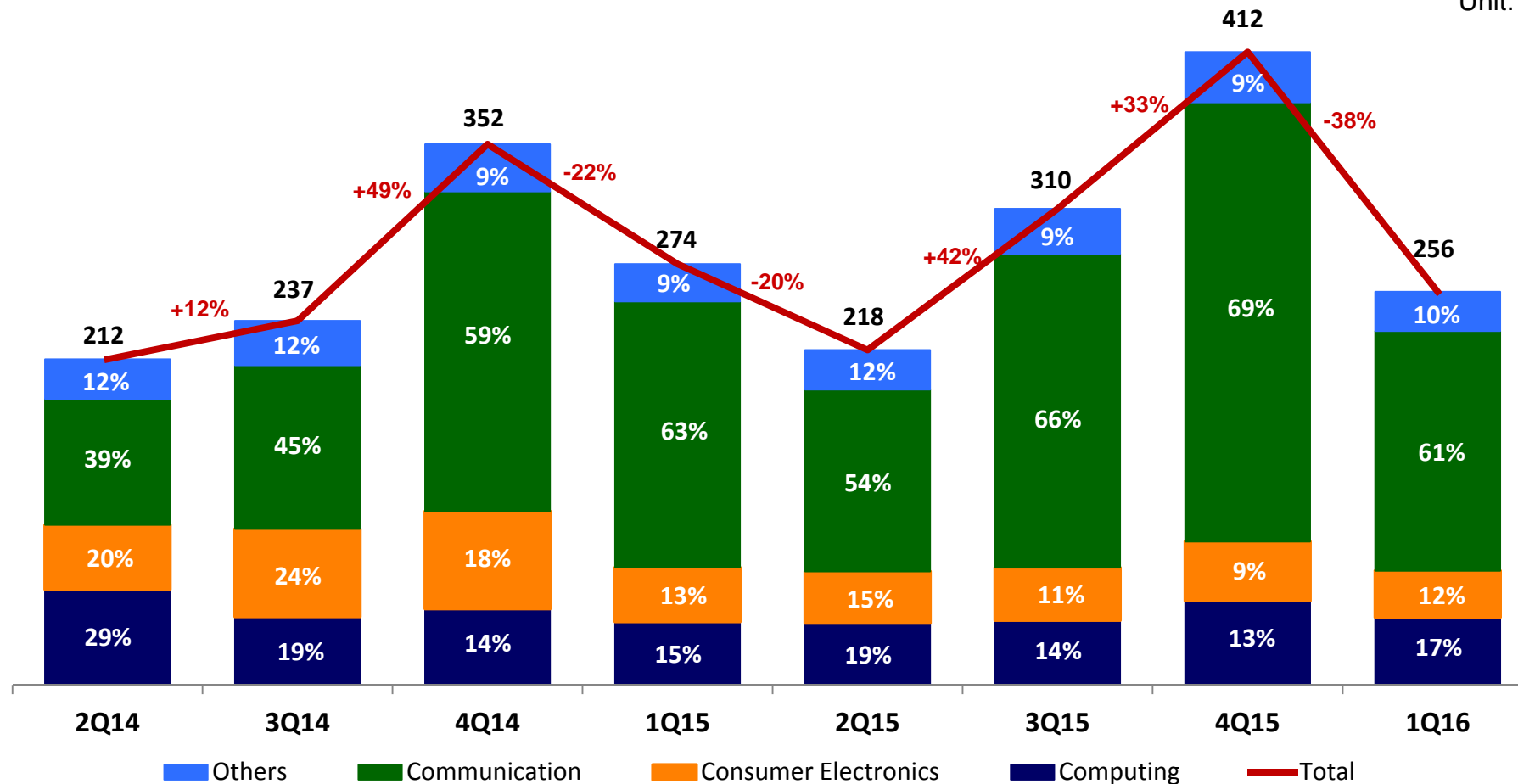
<i>(NT\$ Mn)</i>	<u>1Q2016</u>	<u>1Q2015</u>
Cash Flows from Operating Activities:	14,249	9,600
Cash Flows from Investing Activities:	(4,299)	(2,359)
Cash Flows from Financing Activities:	(684)	3,897
Impact from Changes in FX Rate	(1,057)	(808)
Net Increase in Cash	8,209	10,330
Cash, beginning of the period	102,561	107,689
Cash, end of the period	110,770	118,019

<i>Note:</i>	<u>1Q2016</u>	<u>1Q2015</u>
Depreciation and amortization	3,335	3,456

Business Highlight

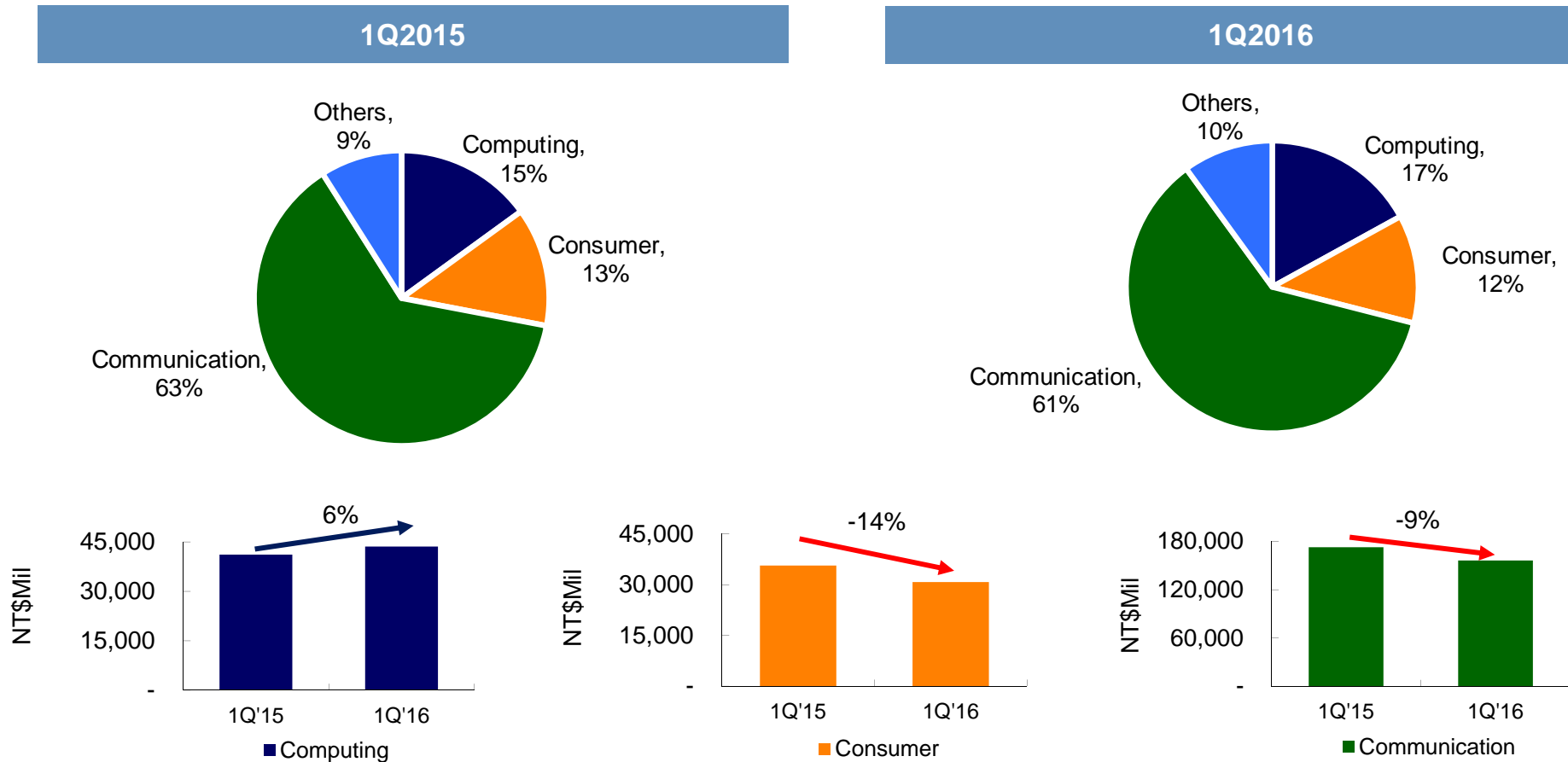
Consolidated Revenue Trend

Unit: NTD Bn



Consolidated revenue totaled NT\$256Bn in 1Q2016 and declined by 38% QoQ due to fewer working days and low season through out three product segments.

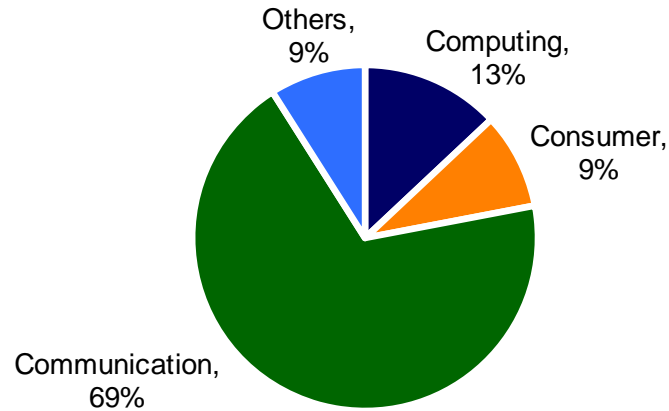
Revenue Breakdowns by Products (Year-over-Year)



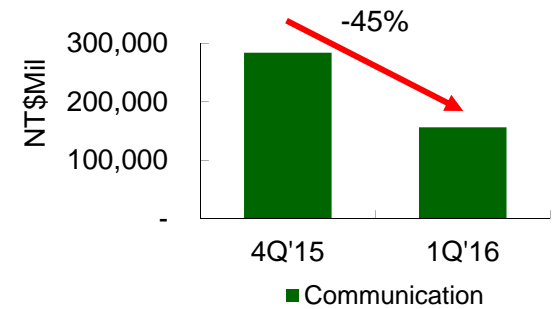
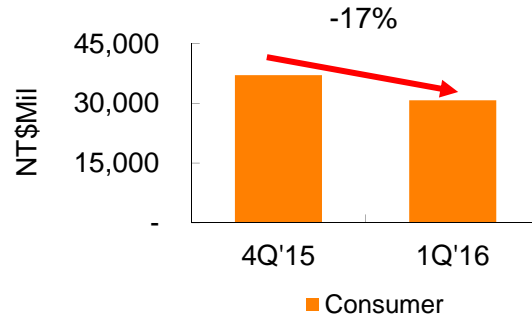
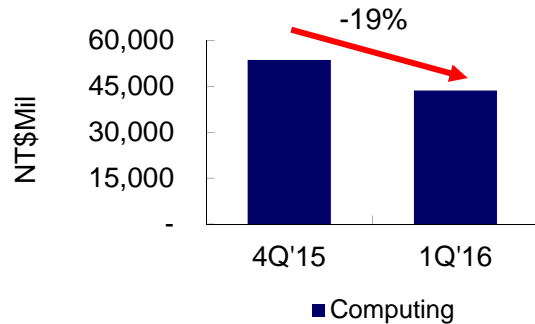
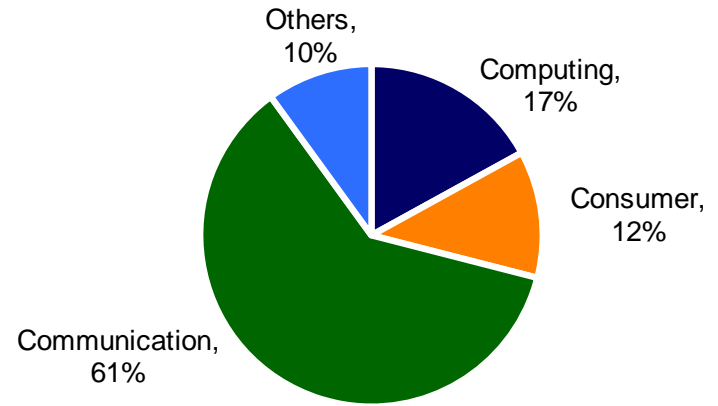
Driven by better demand in NB, revenue from Computing segment grew by 6% YoY and revenue contribution increased to 17% from 15% in a-year-ago quarter. Revenue from Consumer Electronics, due to different customer mix, declined by 14% YoY, while that of Communication segment declined by 9% as compared to the high base in 1Q15.

Revenue Breakdowns (Quarter-over-Quarter)

4Q2015



1Q2016



Coming down from high base in 4Q2015 and seasonal effect in 1Q2016, revenue across three product segments declined QoQ.

- NB shipment volume to decline by 10% ~ 15%
- MB & DT shipment volume to decline by 5%~10%
- Revenue from non computing segment to decline by 20% ~ 25%

Q & A