

**PEGATRON**



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## **2018 Second Quarter Business Review**

August 9, 2018

- 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.

## **2Q2018 Consolidated Financial Result**

## Consolidated Income Statements

<i>(NT\$ Mn)</i>	1H2018		1H2017		YoY
Net Revenue	552,150	100%	479,379	100%	15.2%
COGS	534,175	96.7%	456,314	95.2%	17.1%
Gross Profit	17,975	3.3%	23,065	4.8%	-22.1%
Operating Expense	14,186	2.6%	13,102	2.7%	8.3%
Operating Income (Loss)	3,789	0.7%	9,963	2.1%	-62.0%
Net Non-Operating Income (Loss)	1,742	0.3%	10	0.0%	17320.0%
FX Gain (Loss)	540	0.1%	(1,147)	-0.2%	-147.1%
Others	1,202	0.2%	1,157	0.2%	3.9%
PBT	5,531	1.0%	9,973	2.1%	-44.5%
Tax	(851)	0.2%	(2,134)	0.4%	-60.1%
Net Income	4,680	0.8%	7,839	1.6%	-40.3%
<b>Net Income Attributable to the Parent</b>	<b>5,012</b>	<b>0.9%</b>	<b>7,319</b>	<b>1.5%</b>	<b>-31.5%</b>
EPS	1.92		2.84		-32.4%

## Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	2Q 2018		1Q 2018		QoQ	2Q 2017		YoY
Net Revenue	271,256	100%	280,893	100%	-3.4%	240,380	100%	12.8%
COGS	262,483	96.8%	271,692	96.7%	-3.4%	229,276	95.4%	14.5%
Gross Profit	8,773	3.2%	9,201	3.3%	-4.7%	11,104	4.6%	-21.0%
Operating Expense	7,135	2.6%	7,051	2.5%	1.2%	6,718	2.8%	6.2%
Operating Income (Loss)	1,638	0.6%	2,150	0.8%	-23.8%	4,386	1.8%	-62.7%
Net Non-Operating Income (Loss)	1,605	0.6%	137	0.0%	1071.5%	479	0.2%	235.1%
FX Gain (Loss)	1,011	0.4%	(471)	-0.2%	-314.6%	134	0.1%	654.5%
Others	594	0.2%	608	0.2%	-2.3%	345	0.1%	72.2%
PBT	3,243	1.2%	2,287	0.8%	41.8%	4,865	2.0%	-33.3%
Tax	(524)	0.2%	(326)	0.1%	60.7%	(1,179)	0.5%	-55.6%
Net Income	2,719	1.0%	1,961	0.7%	38.7%	3,686	1.5%	-26.2%
Net Income Attributable to the Parent	2,933	1.1%	2,079	0.7%	41.1%	3,437	1.4%	-14.7%
EPS	1.12		0.80		40.0%	1.34		-16.4%

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	2Q2018	1Q2018	QoQ	2Q2017	YoY
Cash and Equivalents	125,239	131,852	(6,613)	122,809	2,430
AR (Net)	136,746	123,123	13,623	79,166	57,580
Inventory (Net)	128,554	116,295	12,259	92,505	36,049
Other Current Assets	18,274	18,311	(37)	47,098	(28,824)
Fixed Assets (Net)	85,871	80,416	5,455	68,797	17,074
<b>Total Assets</b>	<b>509,912</b>	<b>484,637</b>	<b>25,275</b>	<b>425,240</b>	<b>84,672</b>
AP	151,282	146,890	4,392	139,812	11,470
<b>Total Current Liabilities</b>	<b>302,387</b>	<b>274,296</b>	<b>28,091</b>	<b>244,705</b>	<b>57,682</b>
<b>Total Liabilities</b>	<b>329,891</b>	<b>299,967</b>	<b>29,924</b>	<b>253,969</b>	<b>75,922</b>
<b>Total Equity</b>	<b>180,021</b>	<b>184,670</b>	<b>(4,649)</b>	<b>171,271</b>	<b>8,750</b>
<b>Total Liabilities and Equity</b>	<b>509,912</b>	<b>484,637</b>	<b>25,275</b>	<b>425,240</b>	<b>84,672</b>
Current Ratio	135%	142%	-	140%	-
Debt Ratio (TTL Liabilities / TTL Assets)	65%	62%	-	60%	-
Interest-bearing Debt Ratio	23%	20%	-	11%	-

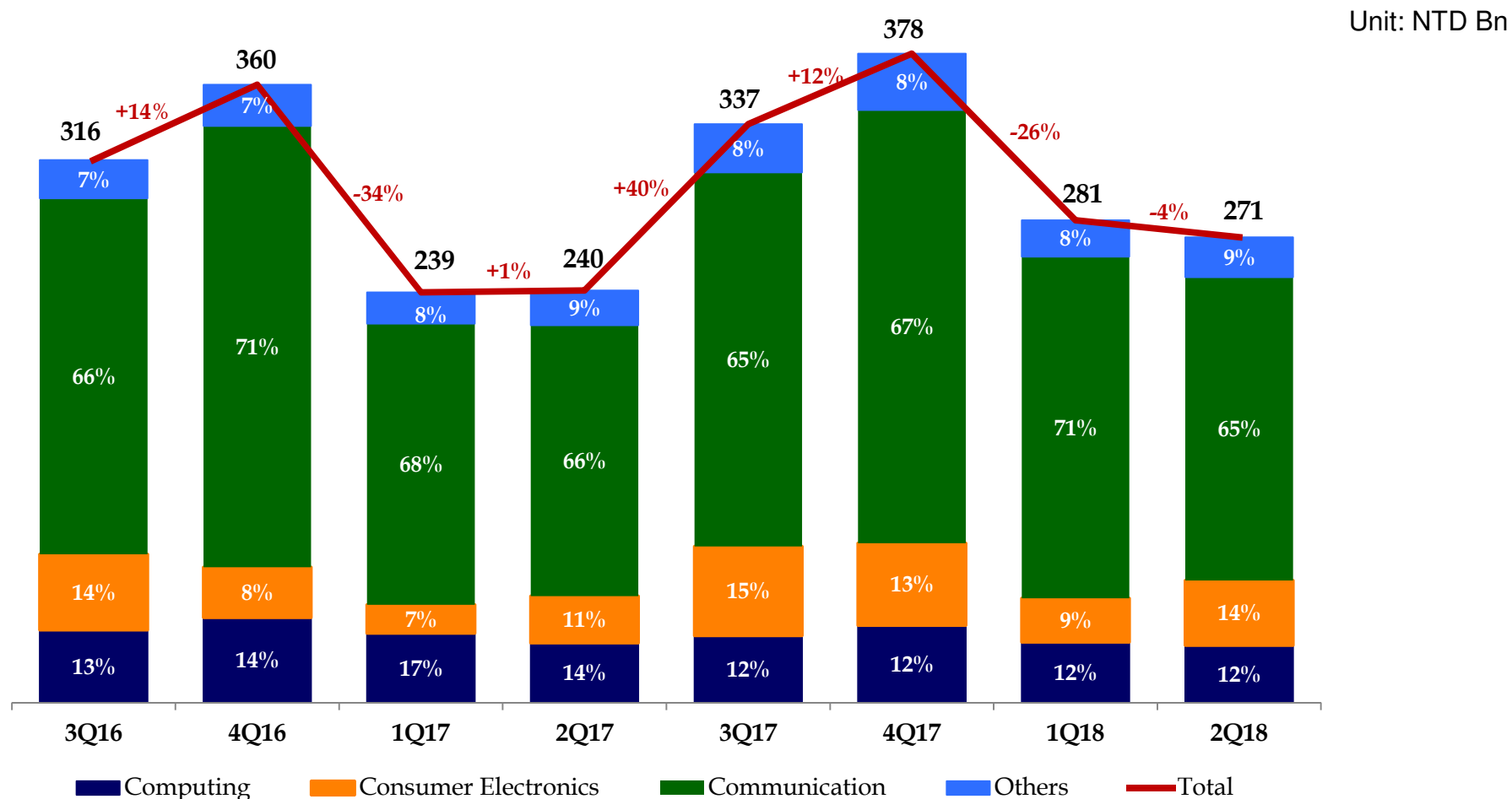
## Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	1H2018	1H2017
Cash Flows from Operating Activities:	(26,925)	18,824
Cash Flows from Investing Activities:	(14,756)	(11,345)
Cash Flows from Financing Activities:	58,316	9,716
Impact from Changes in FX Rate	1,160	(3,099)
Net Increase in Cash	17,795	14,096
Cash, beginning of the period	107,444	108,713
Cash, end of the period	125,239	122,809
<i>Note:</i>	1H2018	1H2017
Depreciation and amortization	7,866	6,206



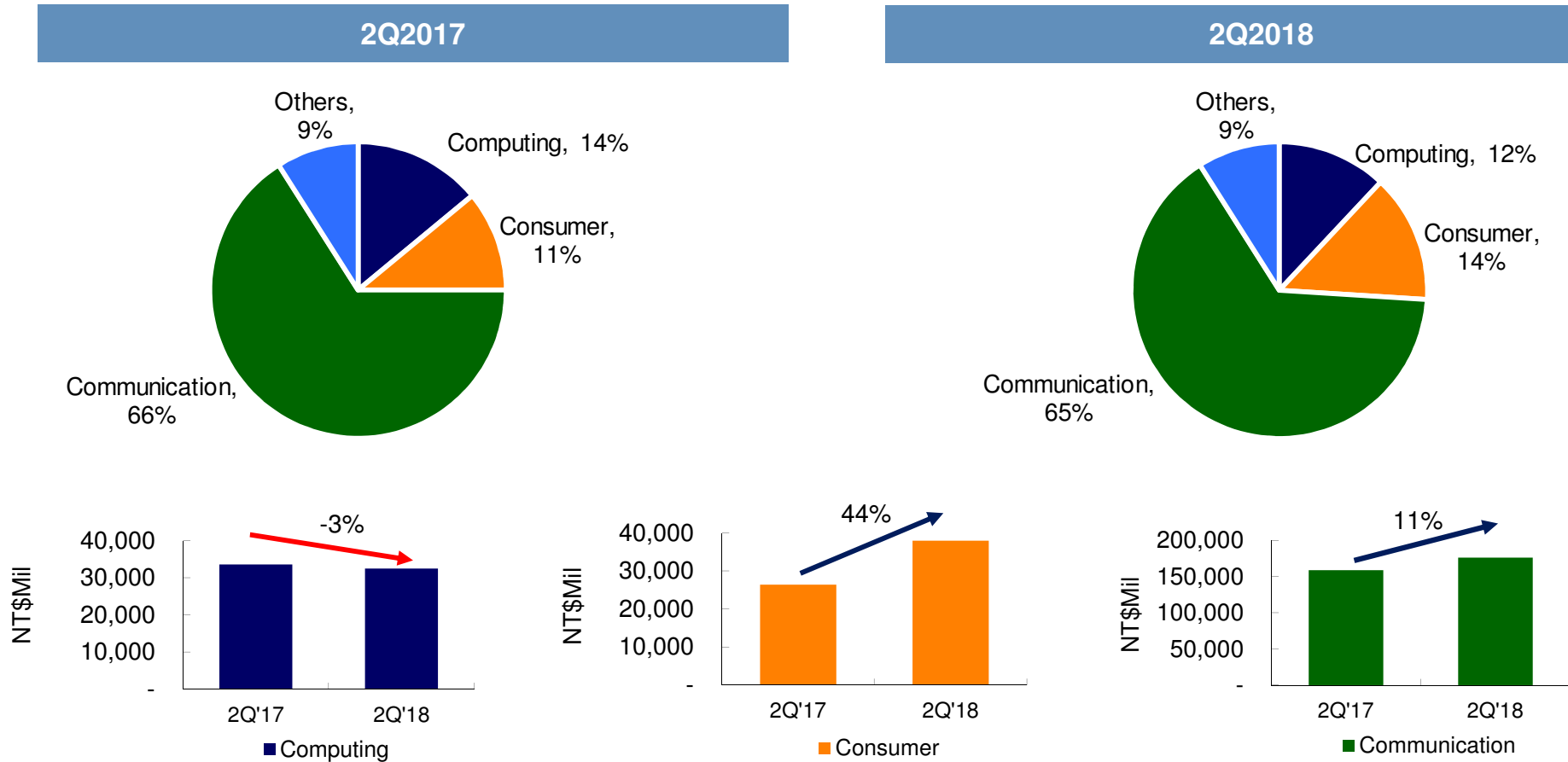
**Business Highlight**

## Consolidated Revenue Trend



Consolidated revenue totaled NT\$271Bn in 2Q2018, declined by 4% QoQ due to low season but increased by 13% YoY driven mainly by better contribution from Consumer Electronics segments.

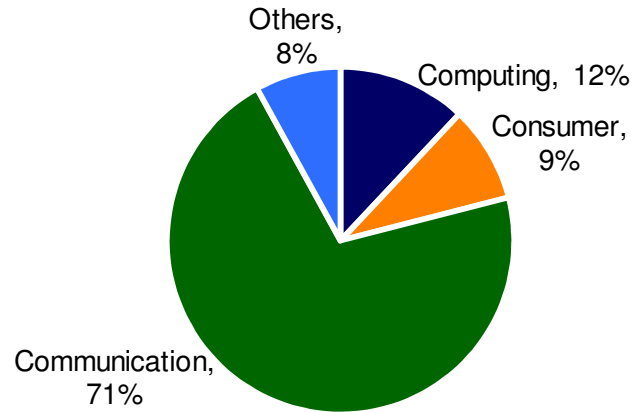
## Revenue Breakdowns by Products (Year-over-Year)



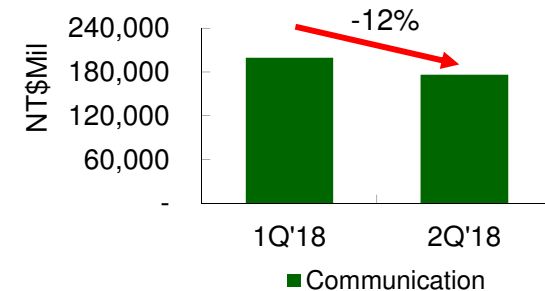
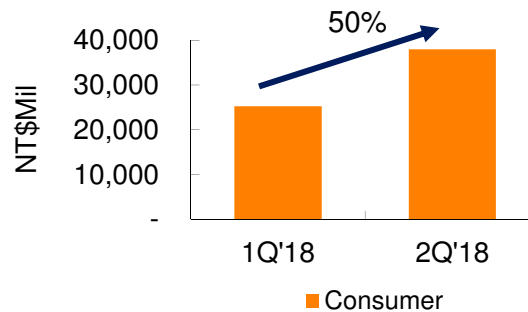
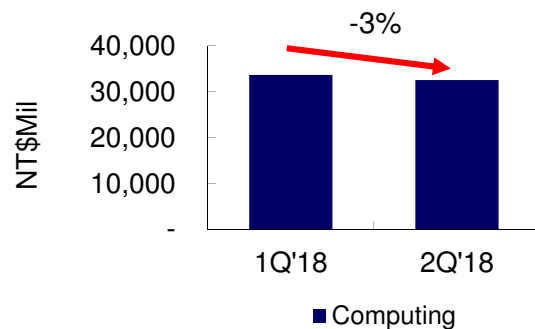
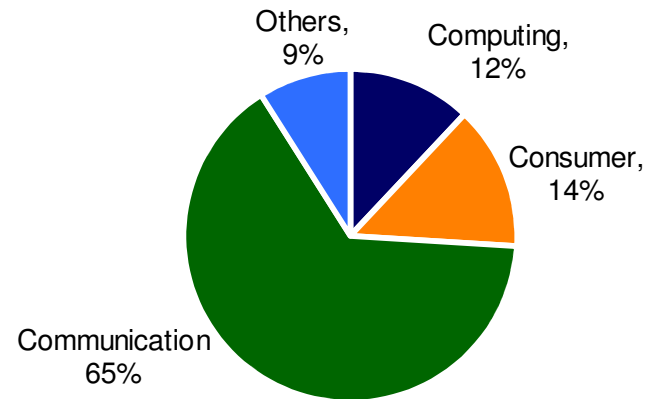
Benefitting from broader customer base and new product launch, revenue from Consumer Electronics segment grew by 44% YoY, whereas revenue from Communication segment also grew by 11% YoY due to better volume.

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

1Q2018



2Q2018



With new product launch and shipment pull out, revenue from Consumer Electronics segment increased by 50% QoQ, while revenue from Communication segment declined by 12% due to low season.

## Q & A