

PEGATRON



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2019 Third Quarter Business Review

November 7, 2019

- **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.

3Q2019 Consolidated Financial Result

Consolidated Income Statements

<i>(NT\$ Mn)</i>	1Q~3Q 2019		1Q~3Q 2018		YoY
Net Revenue	948,275	100%	874,154	100%	8.5%
COGS	918,162	96.8%	845,462	96.7%	8.6%
Gross Profit	30,113	3.2%	28,692	3.3%	5.0%
Operating Expense	20,504	2.2%	21,348	2.4%	-4.0%
Operating Income (Loss)	9,609	1.0%	7,344	0.8%	30.8%
Net Non-Operating Income (Loss)	5,019	0.5%	1,775	0.2%	182.8%
FX Gain (Loss)	392	0.0%	400	0.0%	-2.0%
Others	4,627	0.5%	1,375	0.2%	236.5%
PBT	14,628	1.5%	9,119	1.0%	60.4%
Tax	(4,795)	0.5%	(1,580)	0.2%	203.5%
Net Income	9,833	1.0%	7,539	0.9%	30.4%
Net Income Attributable to the Parent	11,093	1.2%	7,842	0.9%	41.5%
EPS	4.25		3.00		41.7%

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Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	3Q 2019		2Q 2019		QoQ	3Q 2018		YoY
Net Revenue	354,795	100%	299,365	100%	18.5%	322,004	100%	10.2%
COGS	341,486	96.2%	289,233	96.6%	18.1%	311,287	96.7%	9.7%
Gross Profit	13,309	3.8%	10,132	3.4%	31.4%	10,717	3.3%	24.2%
Operating Expense	7,079	2.0%	7,172	2.4%	-1.3%	7,162	2.2%	-1.2%
Operating Income (Loss)	6,230	1.8%	2,960	1.0%	110.5%	3,555	1.1%	75.2%
Net Non-Operating Income (Loss)	2,407	0.7%	1,299	0.4%	85.3%	33	0.0%	7193.9%
FX Gain (Loss)	252	0.1%	(5)	0.0%	-5140.0%	(140)	0.0%	-280.0%
Others	2,155	0.6%	1,304	0.4%	65.3%	173	0.1%	1145.7%
PBT	8,637	2.4%	4,259	1.4%	102.8%	3,588	1.1%	140.7%
Tax	(2,333)	0.7%	(1,331)	0.4%	75.3%	(729)	0.2%	220.0%
Net Income	6,304	1.8%	2,928	1.0%	115.3%	2,859	0.9%	120.5%
Net Income Attributable to the Parent	6,297	1.8%	3,465	1.2%	81.7%	2,830	0.9%	122.5%
EPS	2.41		1.33		81.2%	1.08		123.1%

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	3Q2019	2Q2019	QoQ	3Q2018	YoY
Cash and Equivalents	138,936	145,433	(6,497)	98,906	40,030
AR (Net)	220,978	150,370	70,608	166,375	54,603
Inventory (Net)	131,597	116,550	15,047	185,921	(54,324)
Other Current Assets	19,115	19,287	(172)	13,753	5,362
Fixed Assets (Net)	82,555	86,097	(3,542)	86,048	(3,493)
Total Assets	608,754	532,780	75,974	566,645	42,109
AP	238,319	150,840	87,479	236,573	1,746
Total Current Liabilities	389,701	312,505	77,196	357,776	31,925
Total Liabilities	421,505	351,092	70,413	384,775	36,730
Total Equity	187,249	181,688	5,561	181,870	5,379
Total Liabilities and Equity	608,754	532,780	75,974	566,645	42,109
Current Ratio	131%	138%	-	130%	-
Debt Ratio (TTL Liabilities / TTL Assets)	69%	66%	-	68%	-
Interest-bearing Debt Ratio	20%	25%	-	17%	-

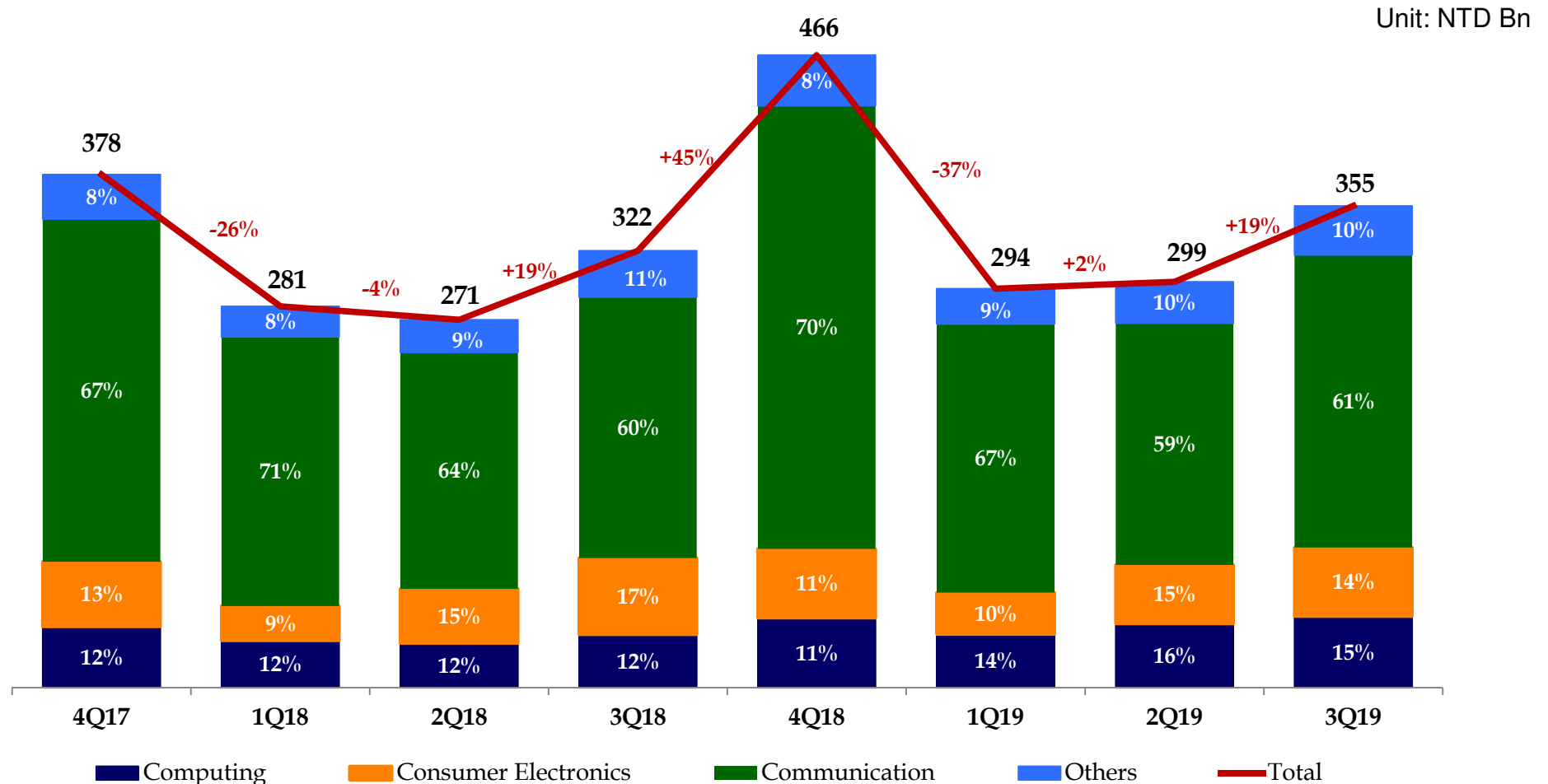
Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	<u>1Q~3Q 2019</u>	<u>1Q~3Q 2018</u>
Cash Flows from Operating Activities:	41,972	(14,728)
Cash Flows from Investing Activities:	(7,086)	(20,924)
Cash Flows from Financing Activities:	(2,094)	25,817
Impact from Changes in FX Rate	76	1,297
Net Increase in Cash	32,868	(8,538)
Cash, beginning of the period	106,068	107,444
Cash, end of the period	138,936	98,906

<i>Note:</i>	<u>1Q~3Q 2019</u>	<u>1Q~3Q 2018</u>
Depreciation and amortization	13,986	12,062

Business Highlight

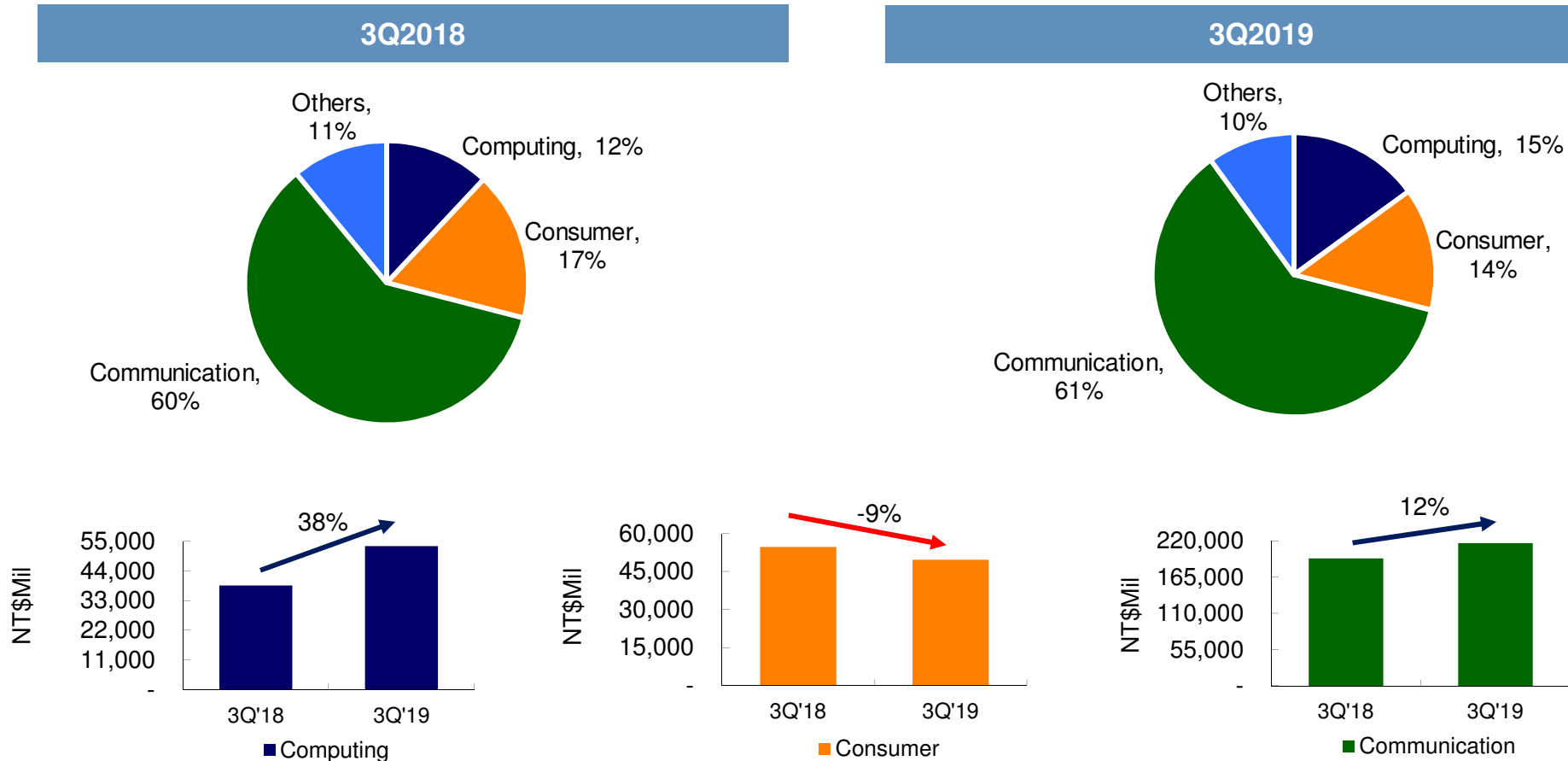
Consolidated Revenue Trend



Consolidated revenue totaled NT\$355Bn in 3Q2019, an increase of 19% from NT\$299Bn in the previous quarter. The growth was mainly driven by seasonal demand in all three product segments.

*Revenue breakdown percentage from 2018 was adjusted due to product re-categorization.

Revenue Breakdowns by Products (Year-over-Year)

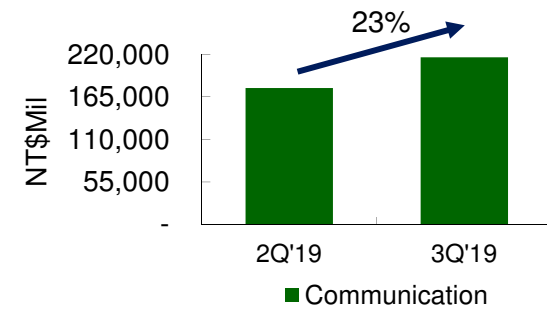
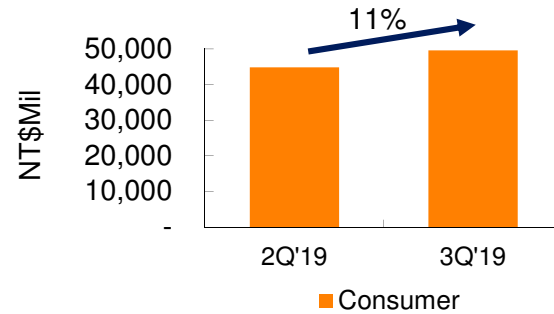
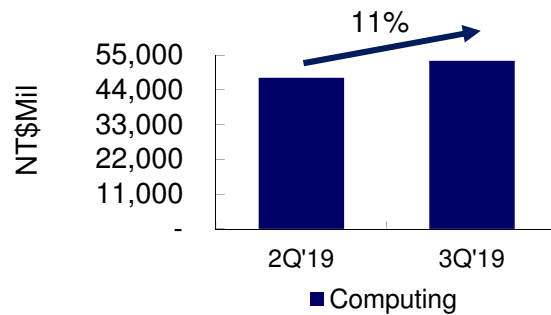
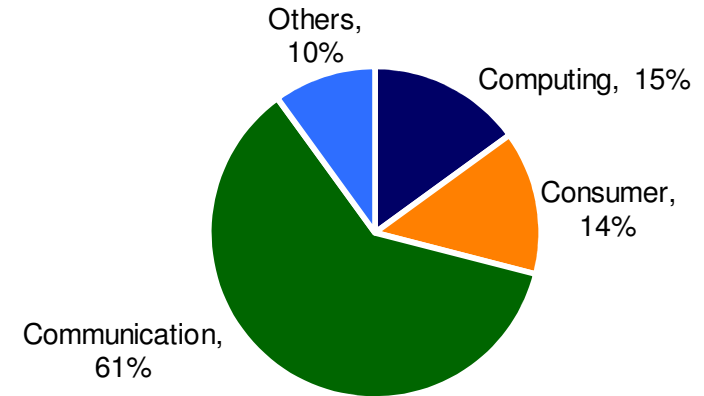
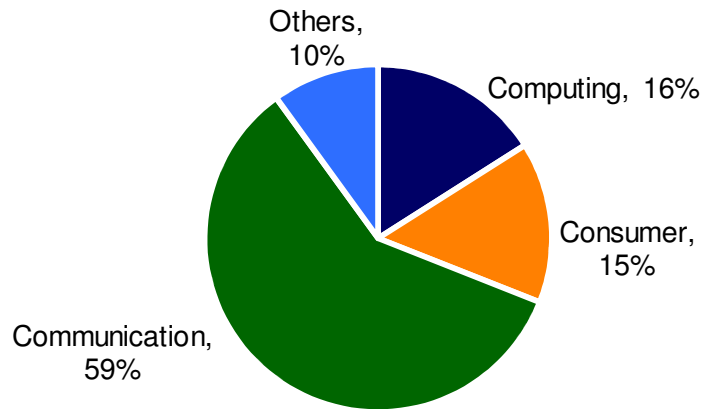


Benefitting from broader product portfolio and new product launch, revenue from Computing and Communication segment grew by 38% and 12% respectively, while revenue from Consumer Electronics segment declined by 9% YoY.

Revenue Breakdowns (Quarter-over-Quarter)

2Q2019

3Q2019



Entering peak season, revenue throughout three product segments grew by double digits QoQ.

Q & A