



DE LICACY

2019 1Q Investor Update

May 23, 2019

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Outline

- **Capacity**
- Customer
- Financial Performance

Capacity Expansion

Vietnam Factory Capacity Expansion in Progress



Capacity Overview

DL, Hangzhou



P/D: 4.5M/month
Y/D: 1.2M/month

DL, Vietnam



P/D: 3.0M/month
Y/D: 0.9M/month

DL, Tainan



P/D: 3.0M/month
Y/D: 0.9M/month

- Capacity
- **Customer**
- Financial Performance

Our Customers

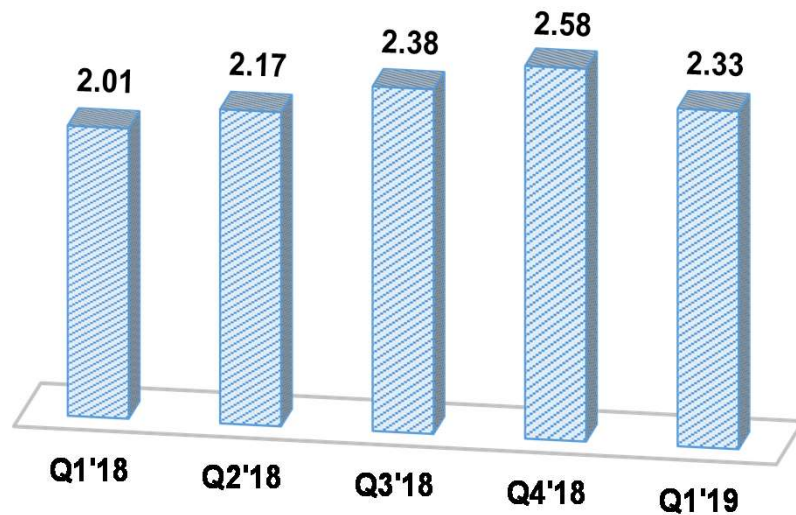
Brand customers include UA, Adidas, 5.11, Columbia, Express ...



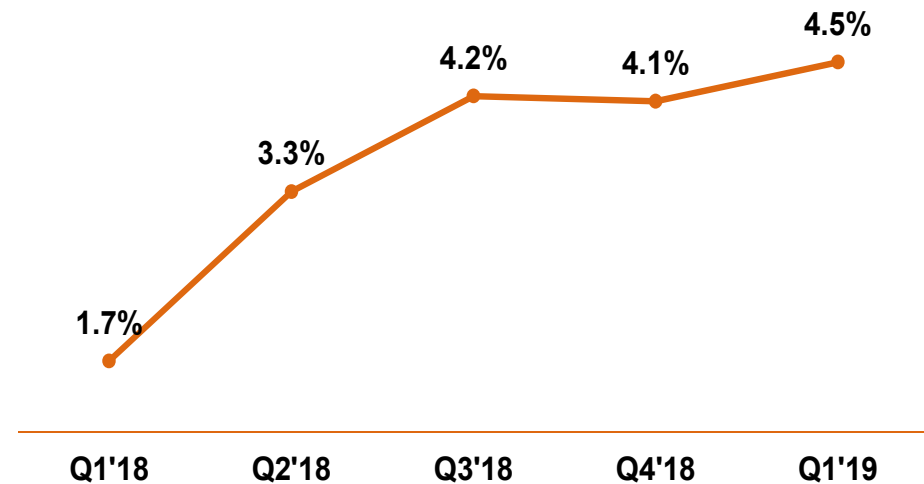
- Capacity
- Customer
- **Financial Performance**

Profitability Increase

Total Revenue (NT\$B)



Operating Margin (%)



Consolidated P&L

(in NT\$ millions)	Q1'19	Q4'18	Q1'18	QoQ	YoY
Net Revenue	2,334	2,575	2,005	-9.4%	16.4%
Gross Margin	18.0%	16.8%	15.1%	+1.2ppts	+2.9ppts
Operating Expenses	319	349	309	-8.7%	3.1%
Operating Margin	4.5%	4.1%	1.7%	+0.4ppts	+2.8ppts
Non-Operating Items	15	(14)	(36)	n.a.	n.a.
Net Income to Shareholders of the Parent Company	102	54	(29)	90.8%	n.a.
Net Profit Margin	4.4%	2.1%	-1.4%	+2.3ppts	+5.8ppts
EPS (NT Dollar)	0.31	0.16	(0.09)	93.8%	n.a.
ROE	1.9%	1.0%	-0.5%	+0.9ppts	+2.4ppts
Average Exchange Rate - USD/NTD	30.83	30.85	29.30	-0.1%	5.2%

Balance Sheets & Key Indices

(in NT\$ millions)	Q1'19		Q4'18		Q1'18	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	3,212	18.7%	2,871	17.3%	2,627	18.2%
Accounts Receivable	2,021	11.7%	2,033	12.2%	1,634	11.3%
Inventories	2,905	16.9%	2,838	17.1%	2,676	18.5%
Long-term Investments	858	5.0%	859	5.2%	419	2.9%
Property and Equipment	6,313	36.7%	6,035	36.3%	5,510	38.2%
Total Assets	17,216	100.0%	16,624	100.0%	14,431	100.0%
Current Liabilities	8,025	46.6%	10,038	60.4%	6,452	44.7%
Long-term Borrowings	3,626	21.1%	1,226	7.4%	2,236	15.5%
Total Liabilities	11,798	68.5%	11,403	68.6%	8,847	61.3%
Total Shareholders' Equity	5,417	31.5%	5,221	31.4%	5,584	38.7%
Key Indices						
A/R Turnover Days	79		69		78	
Inventory Turnover Days	137		123		136	
Current Ratio (x)	1.16		0.88		1.19	

A decorative network diagram in the top right corner, consisting of a complex web of interconnected nodes and lines. The nodes are represented by small circles in shades of grey and blue, while the connecting lines are thin and light grey. The diagram has a triangular shape, pointing towards the top right.

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Q & A

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