Stock Code: 1528

Anderson Group

2017/11/15

Safe Harbor Notice

Anderson group'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.

Agenda

- ✓ Company Introduction
- ✓ Business Operations
- ✓ Financial Performance
- ✓ Q & A

Company Introduction

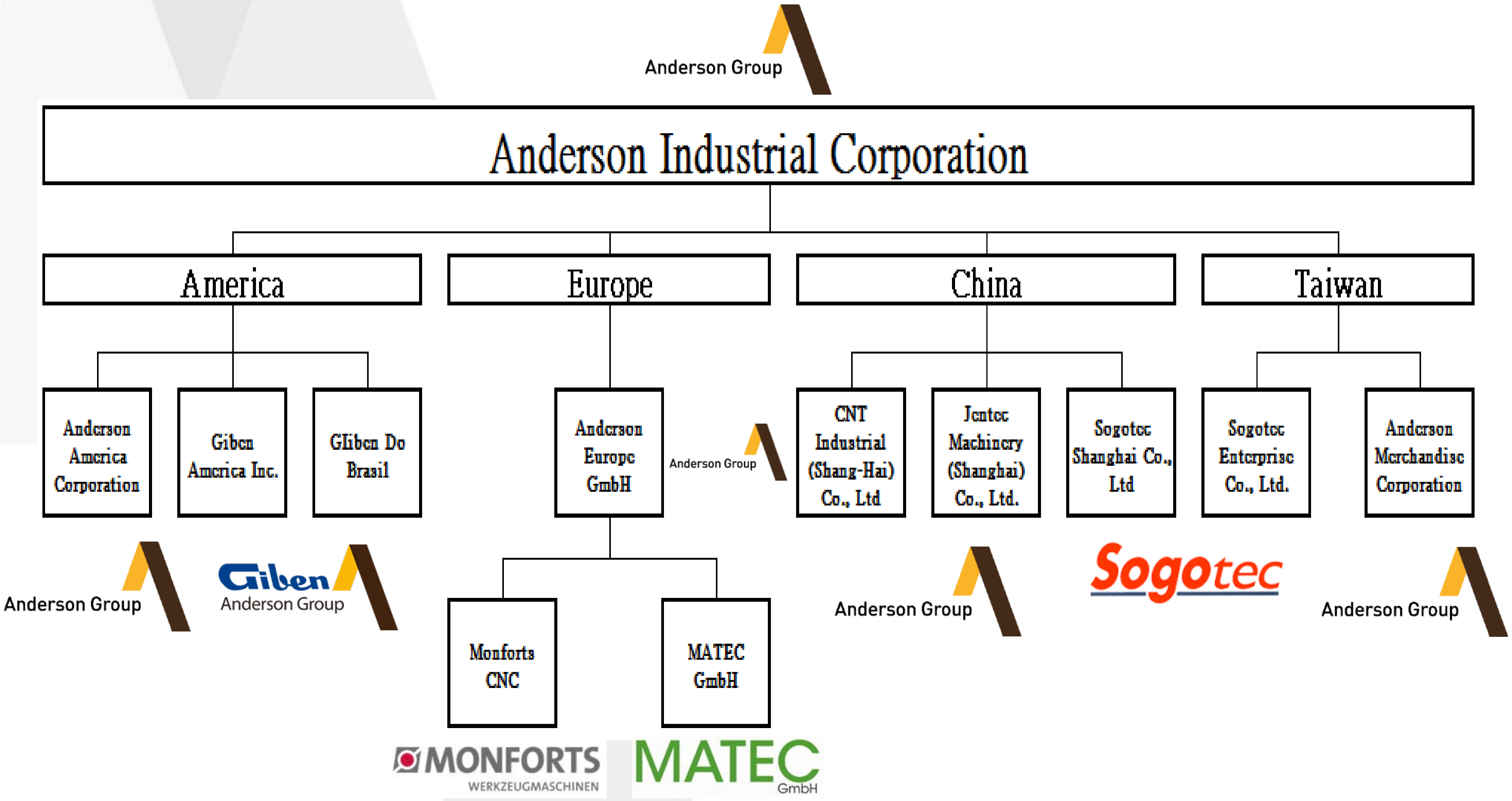
Milestones

Anderson Group

- ✓ 1972 – Anderson Industrial Corporation founded.
- ✓ 1985 – First CNC router in market under brand name “ANDI”
- ✓ 1993 – Anderson America founded in USA. Anderson Europe founded in Germany.
- ✓ 1997 – CNT founded in China Shanghai.
- ✓ 2000 – Initial Public Offering at Taiwan Stock Exchange.
- ✓ 2007 – Sogotec founded for PCB market.
- ✓ 2011 – Jentec founded in China Shanghai.
- ✓ 2014 – PARPRO became major shareholder.
  - Acquisition of Giben America and Giben Brazil.
- ✓ 2015 – Spin-off PCB to Sogotec/Acquisition of MONFORTS , Germany
- ✓ 2017 – Acquisition of MATEC , Germany

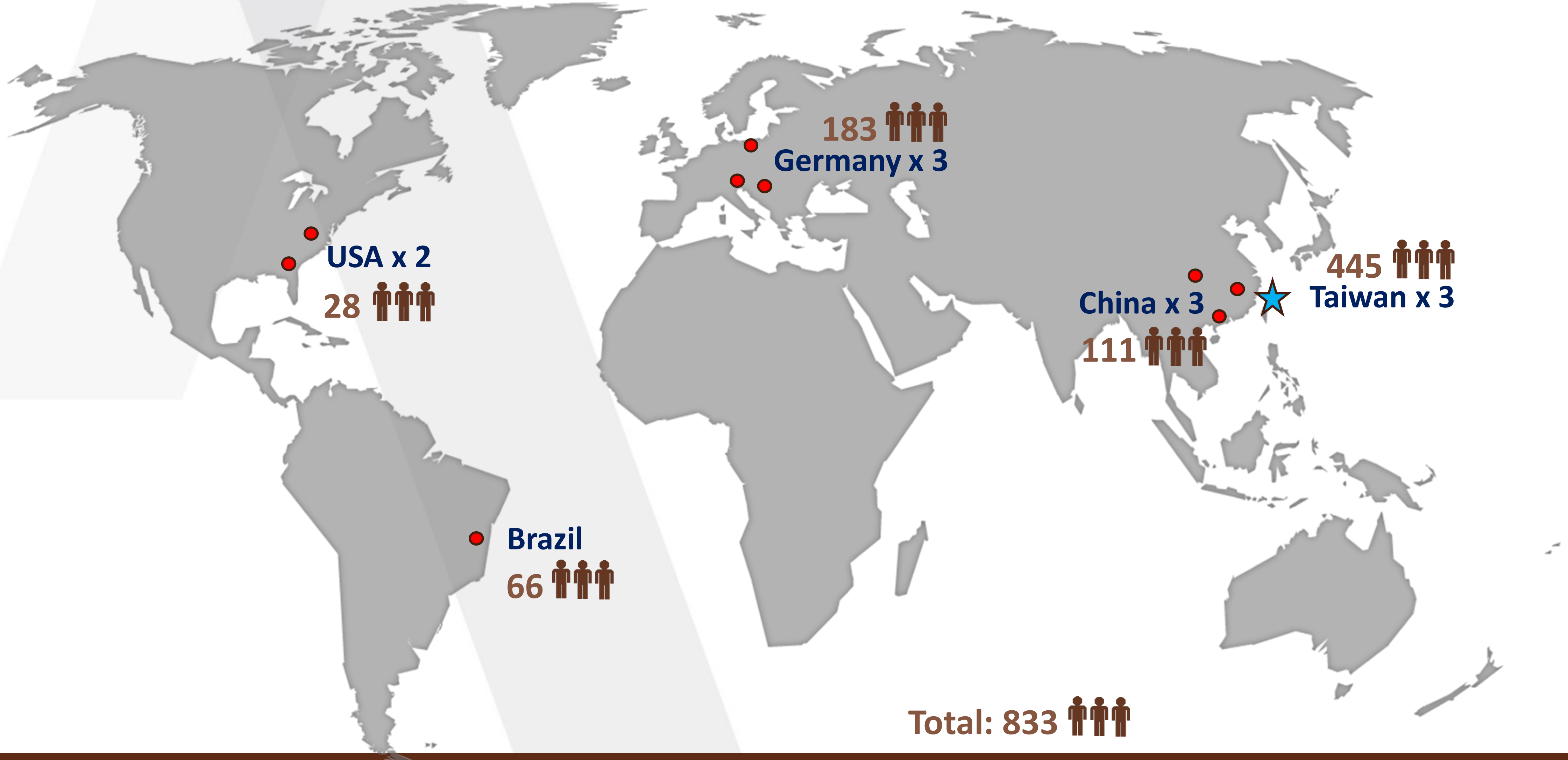
Organizational Structure

Anderson Group



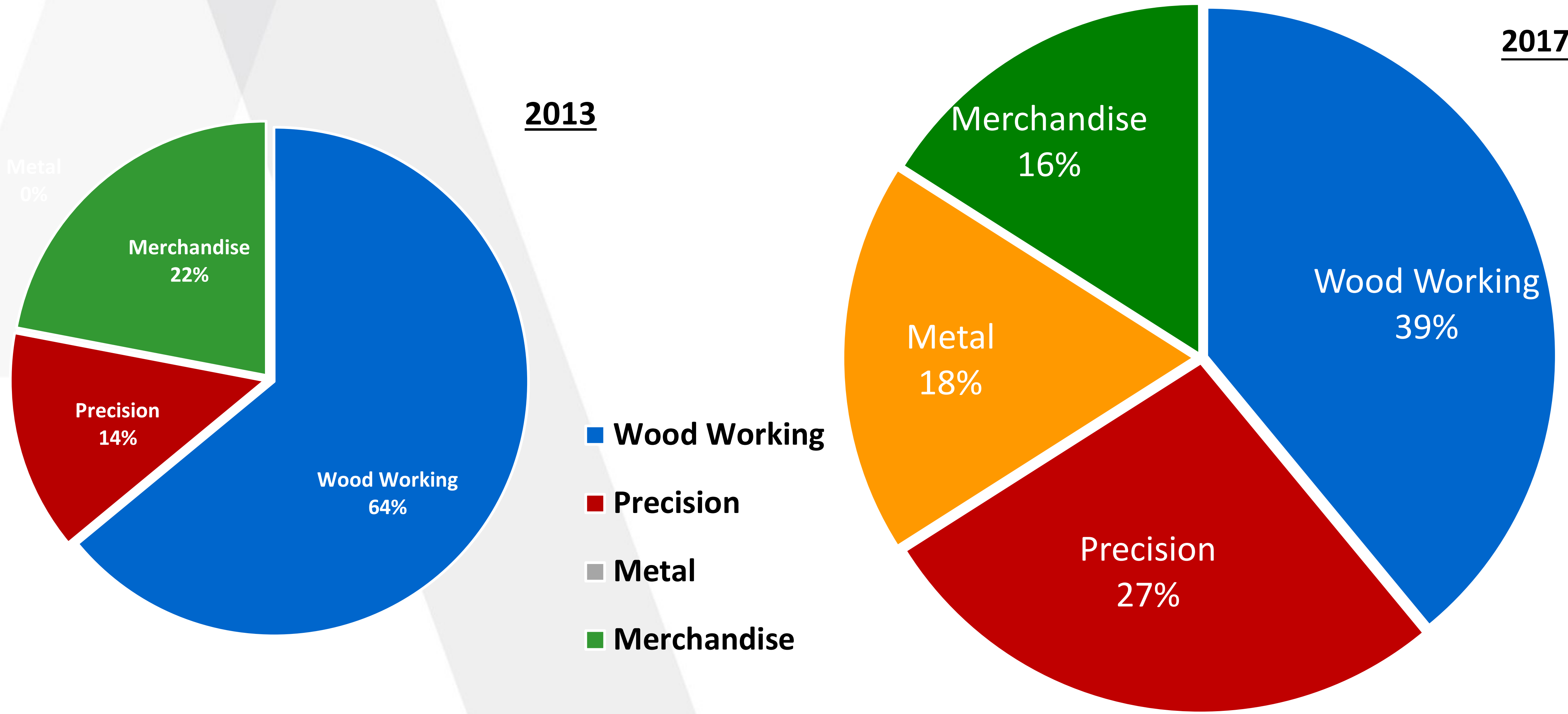
Group Global Coverage

Anderson Group



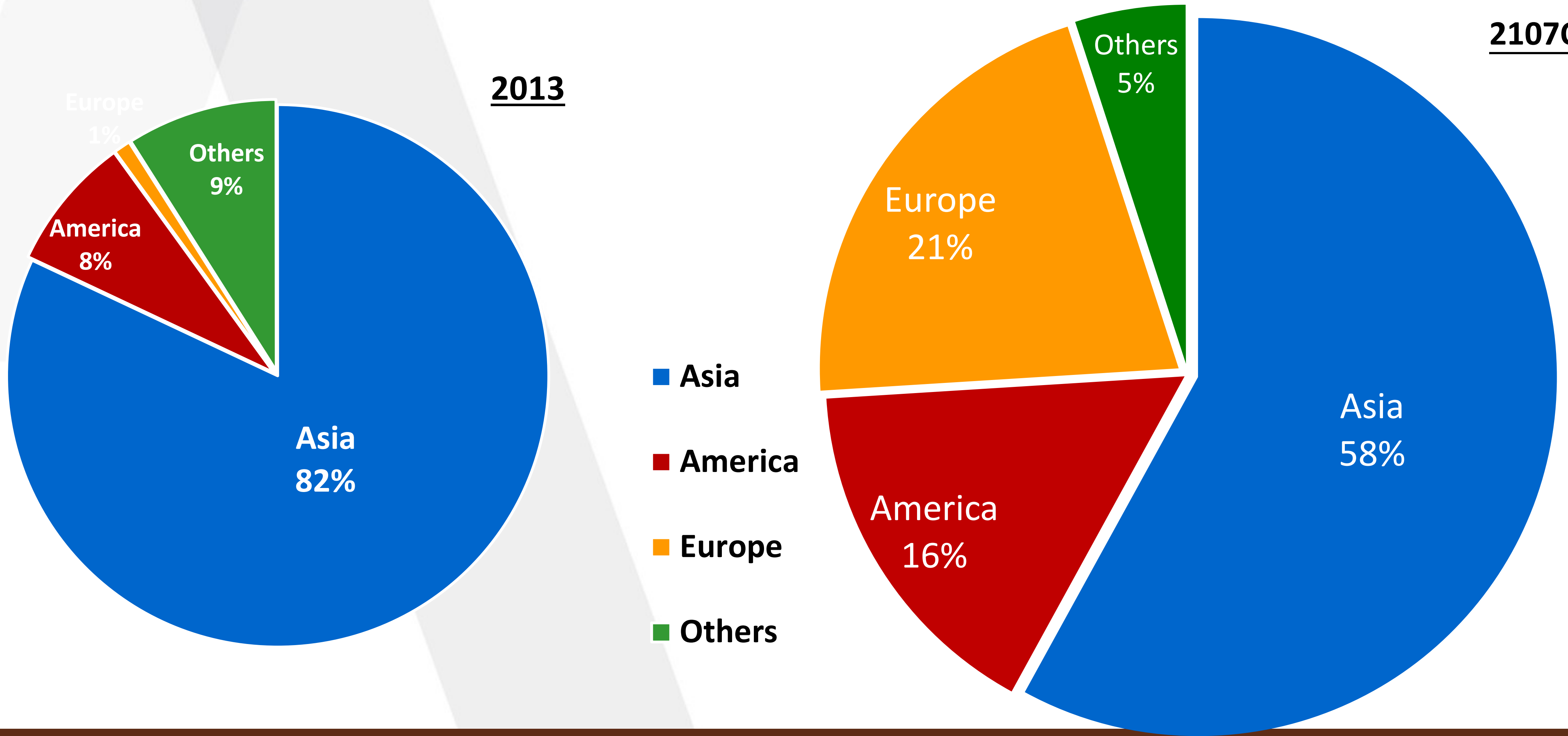
Changes in Business Landscape (by sales)

Anderson Group



Changes in Business Landscape (by geography)

Anderson Group



Unit Sold v.s Unit price

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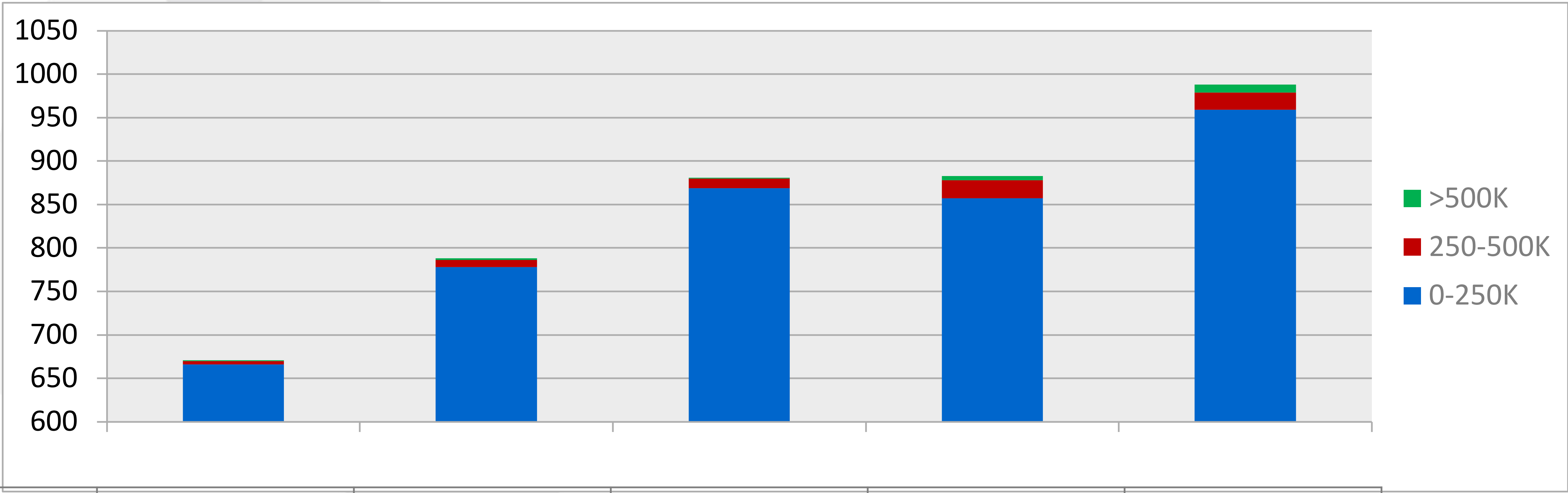


Price/Units	Y2013	Y2014	Y2015	Y2016	Y2017Q3
(USD) 0-250K	500~1000	500~1000	500~1000	500~1000	1000~2000
250-500K	4	8	11	21	20
>500K	1	2	1	5	9

Anderson Group

Our Products

Anderson Group	   
Sogotec	  
Giben Anderson Group	 
MONFORTS WERKZEUGMASCHINEN	 
MATEC GmbH	   

Industrial Coverage vs Customers

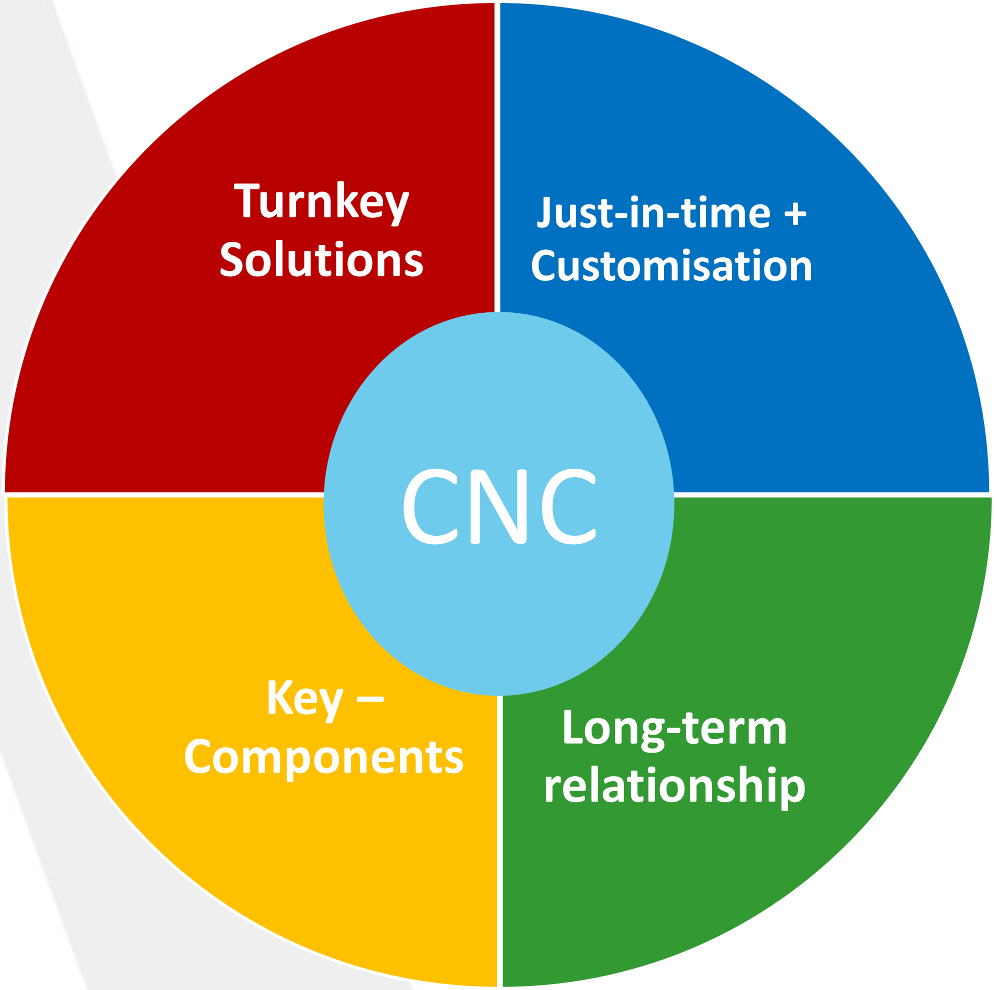
Anderson Group

Wood–working/ plastic/ Composite	Anderson Group Giben Anderson Group	United Technologies 掌上明珠家居 WISION 维尚家具
Aerospace	MONFORTS WERKZEUGMASCHINEN MATEC GmbH	AIRBUS BOEING MTU Aero Engines
Automotive	MONFORTS WERKZEUGMASCHINEN MATEC GmbH	VOLVO BMW Volkswagen ROLLS ROYCE
Precision-process	MATEC GmbH	BOSCH Technik fürs Leben ALSTOM Pfiffner precise solutions
PCB	Sogotec	APEX CHIN POON Unitech

Business Operations

Anderson Group

Our Core Competence



Our Vision

Anderson Group

Excellence

To pursue excellence and no Me-Too

Integrity and Diversity

To pursue organizational integrity with diversity in culture and management in a multinational corporate

Innovation and Dynamics

To be a top-tier global machine maker with total solutions for diversified applications by:

- Migration from cost-based machines to high-value-added CNC machines with wider applications
- Migrate from manufacturing to service provider to diversify revenue stream

Our Strategies

Application Expansion

- Moving from woodworking machines to high value-added applications, e.g. plastic, composite, non-ferrous and ferrous
- Moving from machine maker to a service and solution provider .

Value-added Creation

- Continuing create added value to clients and cost rationalization by standardization of parts, self-developed key components
- Driving to achieve high gross margin

Expansion of geographical coverage

- Extending sales channel for metal process machines into N. America, S.E. Asia and China
- Partnership with major distributors in major markets

Growing Dynamics

Anderson Group

- Expansion of 2nd Production facility in Taichung, TAIWAN
- Acceleration of production migration across regions, e.g. Europe -> US/Asia, Taiwan -> Brazil, S American
- Expansion from single machine base to multiple machines and tasks process
- Focus on customization and customer specific needs e.g. increase of value-added

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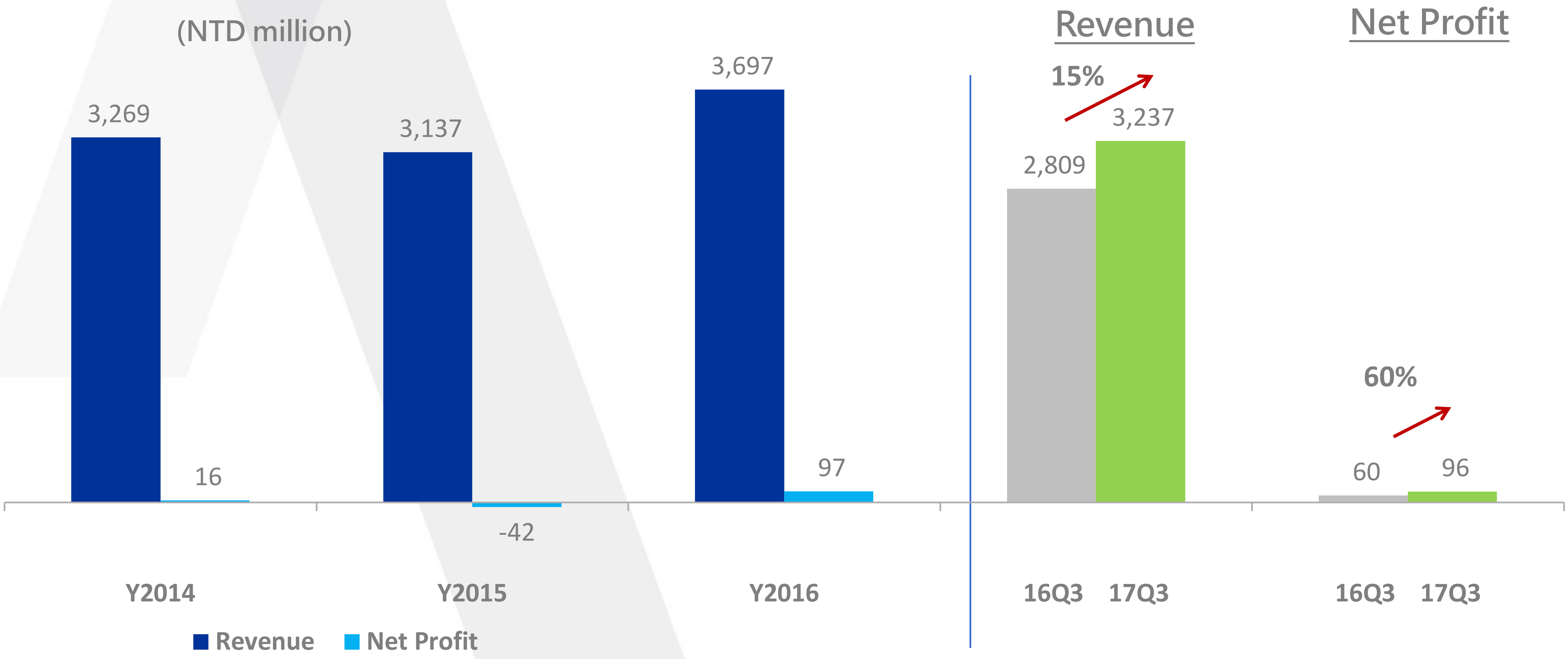
Financial Performance

Sales Trend

Anderson Group



Profit margin

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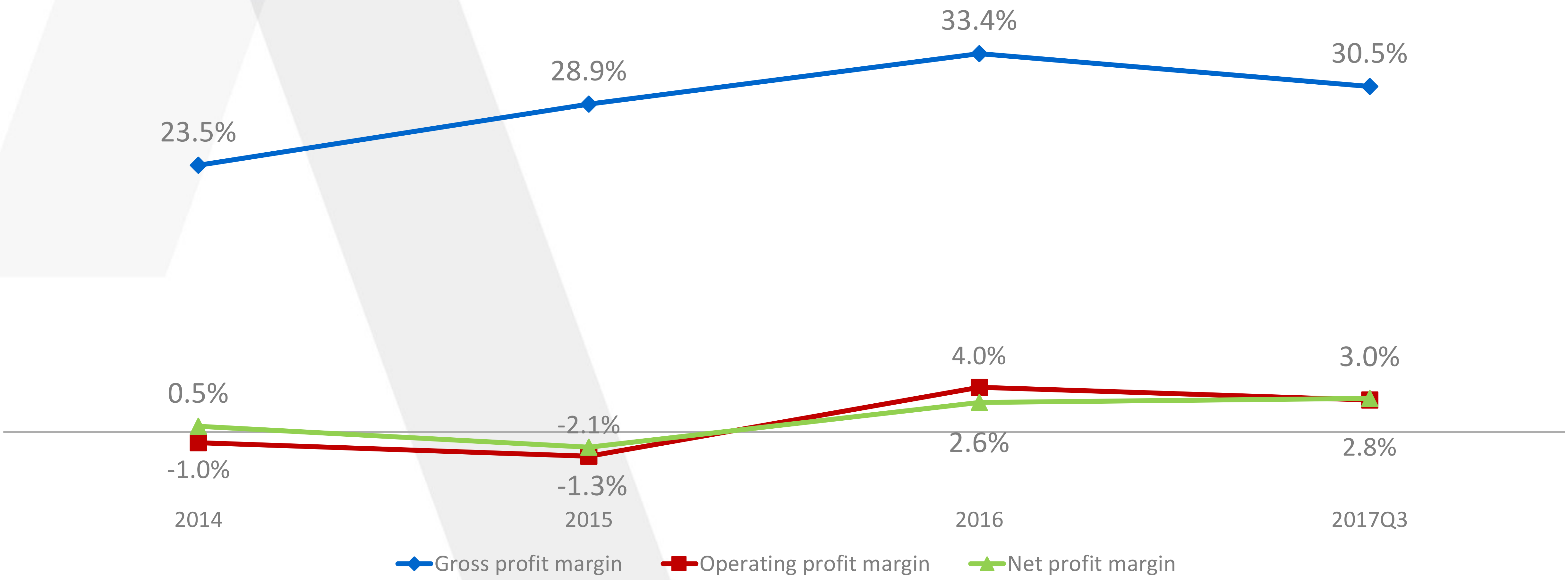

EPS Trend

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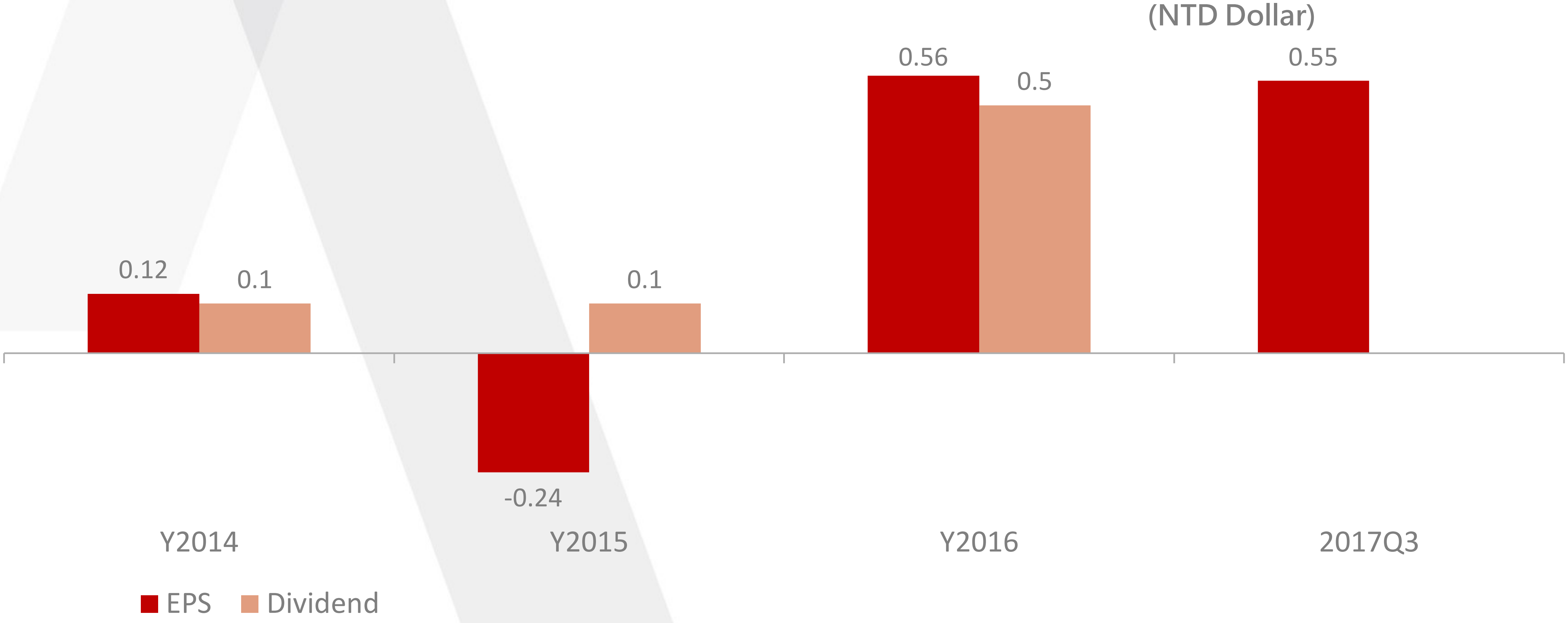

Balance sheet

Anderson Group

(NTD million)

	2014		2015		2016		2017Q3	
Cash	$ 567	12%	$ 919	20%	$ 537	11%	$ 617	11%
Accounts receivable	$ 978	21%	$ 731	16%	$ 1,111	23%	$ 1,111	20%
Inventories	$ 1,292	28%	$ 1,217	26%	$ 1,219	25%	$ 1,548	28%
Fixed assets	$ 998	22%	$ 959	21%	$ 1,018	21%	$ 1,177	21%
Other assets	$ 729	16%	$ 831	18%	$ 919	19%	$ 1,035	19%
Total assets	$ 4,564	100%	$ 4,657	100%	$ 4,804	100%	$ 5,487	100%
Bank loan	$ 1,554	34%	$ 1,291	28%	$ 1,287	27%	$ 1,794	33%
Other current liabilities	$ 818	18%	$ 936	20%	$ 1,103	23%	$ 1,264	23%
Other liabilities	$ 154	3%	$ 147	3%	$ 93	2%	$ 103	2%
Total liabilities	$ 2,526	55%	$ 2,374	51%	$ 2,483	52%	$ 3,160	58%
Owners' equity	$ 2,038	45%	$ 2,283	49%	$ 2,321	48%	$ 2,327	42%

Income Statement

Anderson Group

(NTD million)

	2014		2015		2016		2017Q3	
Operating revenue	$ 3,269	100%	$ 3,137	100%	$ 3,697	100%	$ 3,237	100%
Operating costs	$ 2,500	76.5%	$ 2,230	71.1%	$ 2,463	66.6%	$ 2,251	69.5%
Gross profit (loss)	$ 769	23.5%	$ 907	28.9%	$ 1,234	33.4%	$ 986	30.5%
Operating expenses	$ 800	24.5%	$ 974	31.1%	$ 1,088	29.4%	$ 894	27.6%
Net operating income (loss)	-$ 31	-1.0%	-$ 67	-2.1%	$ 146	4.0%	$ 92	2.8%
Non-operating income and expenses	$ 74	2.2%	$ 24	0.8%	-$ 6	-0.2%	$ 16	0.5%
Profit (loss)before tax	$ 42	1.3%	-$ 43	-1.4%	$ 140	3.8%	$ 108	3.3%
Tax expense (income)	$ 26	0.8%	-$ 1	0.0%	$ 43	1.2%	$ 12	0.4%
Profit (loss)	$ 16	0.5%	-$ 42	-1.3%	$ 97	2.6%	$ 96	3.0%

Major Financial index

Anderson Group

Item	Year	Y2014	Y2015	Y2016	2017Q3
Financial structure	Debt Ratio(%)	55	51	52	58
	Long-term funds to fixed assets(%)	268	260	275	252
Solvency	Current ratio(%)	185	166	181	166
	Quick ratio(%)	108	102	113	96
	Interest cover	2	-1	6	5
Operating ability	Accounts Receivable Turnover	2.58	2.81	3.21	3.31
	Days sales in account receivable	141	130	114	110
	Inventory turnover	2.1	1.78	2.02	2.17
	Account payable turnover	7.21	7.09	7.29	6.24
	Average days in sales	174	205	181	168
	Fixed property and equipment turnover	3.27	3.27	3.74	3.93
	Total assets turnover	0.72	0.68	0.78	0.84
Profitability	Return on Assets(%)	0.96	-0.49	2.55	2.24
	Return on Equity(%)	0.77	-1.95	4.21	4.06
	Profit Before Tax to Capital (%)	1.09	-2.4	7.78	5.91
	Profit ratio(%)	0.49	-1.34	2.62	2.92
	Earnings per share(dollar)	0.12	-0.24	0.56	0.54

Thank You

Q & A