

Y2016 Financial Results

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Eric Chen
VP of Finance & IT

Safe Harbor Notice

- **This presentation contains forward-looking statements and is subject to risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements.**
- **The projections should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.**

Y2016 Financial Results

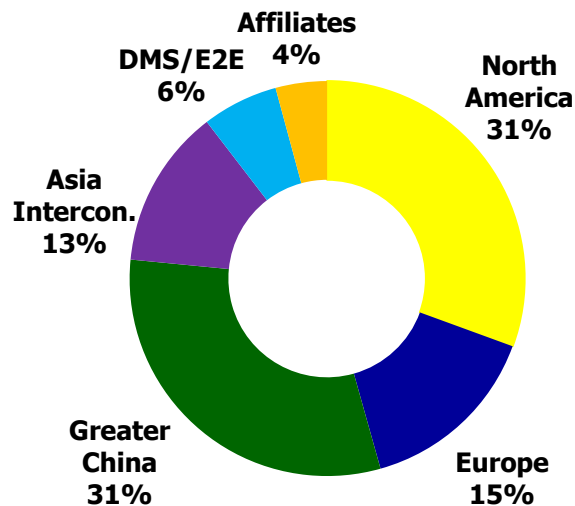
Consolidated

| NT\$M | Y2013 | Y2014 | Y2015 | 2016 | | | | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | 1Q | 2Q | 3Q | *4Q | *Full |
| Net Sales | 30,660 | 35,732 | 38,001 | 10,073 | 10,713 | 10,411 | 10,805 | 42,002 |
| YOY growth | 11% | 17% | 6% | 15% | 7% | 10% | 11% | 11% |
| Gross Margin % | 41.0% | 40.3% | 40.4% | 41.1% | 39.7% | 41.5% | 40.3% | 40.8% |
| Gross Margin | 12,586 | 14,393 | 15,345 | 4,137 | 4,307 | 4,324 | 4,350 | 17,118 |
| Operating Expense | 7,917 | 8,884 | 9,416 | 2,654 | 2,630 | 2,589 | 2,613 | 10,486 |
| YOY growth | 12% | 12% | 6% | 18% | 12% | 7% | 9% | 11% |
| Operating Margin | 4,668 | 5,509 | 5,929 | 1,483 | 1,677 | 1,735 | 1,737 | 6,632 |
| Operating Margin % | 15.2% | 15.4% | 15.6% | 18.5% | 15.7% | 16.7% | 16.1% | 15.8% |
| Non-Operating Income | 500 | 547 | 361 | 151 | 150 | 106 | 59 | 466 |
| Effective Tax Rate | 20.1% | 18.5% | 18.5% | 19.4% | 19.6% | 19.9% | 19.8% | 19.8% |
| NPAT | 4,127 | 4,932 | 5,127 | 1,316 | 1,469 | 1,474 | 1,430 | 5,689 |
| EPS(NT\$) | 6.59 | 7.80 | 8.08 | 2.08 | 2.31 | 2.33 | 2.24 | 8.96 |

*Un-Audited

Y2016 Sales By Region

| USD\$ M | 2015 | 2016 | GR% | % |
|---------------|--------------|--------------|------------|-------------|
| North America | 351 | 395 | +13% | 31% |
| Europe | 185 | 195 | +6% | 15% |
| Greater China | 373 | 399 | +7% | 31% |
| Asia/Intercon | 158 | 169 | +7% | 13% |
| DMS/E2E | 81 | 80 | -1% | 6% |
| Affiliates | 52 | 54 | +4% | 4% |
| Total | 1,200 | 1,293 | +8% | 100% |



Europe

| | | |
|---------------|--------|----------|
| AEU: | 162.0M | GR%: +7% |
| ADLoG: | 32.9M | GR%: -3% |

Greater China

| | | |
|----------------|--------|-----------|
| China: | 310.7M | GR%: +5% |
| Taiwan: | 84.1M | GR%: +17% |

Asia/Intercon

| | | |
|------------------|-------|-----------|
| Japan: | 36.5M | GR%: +33% |
| Korea: | 45.7M | GR%: +10% |
| AAU/NZ: | 11.9M | GR%: +8% |
| SAP: | 24.0M | GR%: +7% |
| India: | 8.0M | GR%: -0% |
| Russia: | 10.6M | GR%: -8% |
| ME&A: | 19.0M | GR%: -17% |
| LATAM | 12.9M | GR%: -1% |

Affiliates

| | | |
|-------------------|-------|-----------|
| ALNC: | 14.3M | GR%: +14% |
| A-Cermate: | 9.0M | GR%: -3% |

Y2016 Sales By Product Group

Embedded-IoT

Embedded Core & IoT Modules

- Computing on Modules
- Single Board Computers
- Industrial Motherboards
- Embedded Box Computers
- Gaming Solutions
- Industrial Displays
- Industrial Flash Storage (SQFlash)
- Embedded Wireless Modules (M2.COM)
- WISE-PaaS & Cloud Software
- ARM/ RISC Computing
- Modular Board Design Services

US 334.6M

25.9%, +1%

Allied DMS

Networks & Communications +4% Applied Computing +14%

- Telecom & Mission Critical Systems
- Enterprise Network Platforms
- Network & Embedded Switches
- Video Broadcasting Solutions
- Industrial Mobile Computing
- Applied Computing DMS
- Service-IoT DMS

US 429.6M

33.2%, +8%

AGS

US 22.7M

1.8%, -0.4%

Industrial-IoT

- Industrial I/O & Controllers
- Automation Computing & HMI
- Motion Controls & Machine Vision
- Remote IoT Devices (WISE)
- WebAccess+ Solutions
- iFactory (Industry 4.0) Solutions
- Machine Automation Solutions
- Energy & Environment Solutions
- Intelligent Systems
- Industrial Computers
- Industrial Servers & Storage
- Intelligent Video Solutions
- Transportation Solutions
- iConnectivity
- Network Edge Solutions
- Industrial Switches
- Industrial Wireless Devices
- Industrial Cellular Routers

US 422.0M

32.6%, +18%

Service-IoT

Digital Healthcare & Intelligent Hospital

- Medical Computing & Tablets
- Intelligent Hospital Solutions
- Intelligent Retail & Hospitality
- iRetail Platforms
- Intelligent Retail & Hospitality Solutions
- Digital Signage Solutions

US 84.2M

6.5%, -8%

Digital Logistics & Fleet Management

- In-Vehicle Computing
- Digital Logistics & Fleet Management Solutions

Smart City & iBuilding

% of Sales, YoY Growth

Enabling an Intelligent Planet

ADVANTECH

Y2016 Working Capital

Consolidated

| NT\$ M | 2014 | 2015 | 2016 | | | |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Full | Full | Q1 End | Q2 End | Q3 End | *Q4 End |
| Cash Position | 5,648 | 5,633 | 6,008 | 6,562 | 4,453 | 7,237 |
| Account Receivable | 5,916 | 6,467 | 6,321 | 7,230 | 6,734 | 7,594 |
| DSO (Days) | 58 | 60 | 57 | 63 | 57 | 64 |
| Inventory | 4,782 | 4,869 | 5,232 | 4,991 | 5,289 | 5,219 |
| DOH (Days) | 78 | 76 | 79 | 70 | 78 | 73 |
| Account Payable | 3,166 | 3,226 | 3,512 | 3,540 | 3,468 | 4,648 |
| Days | 52 | 47 | 53 | 50 | 51 | 65 |

*Un-Audited

Partnering for Smart City & IoT Solutions

驅動智慧城市創新 共建物聯產業典範

Industrial Cloud
& Cloud Networks

Private Cloud

iConnectivity

Transportation

IoT Devices

Computer On Modules

Video and RFID

Power & Energy

Environmental & Facility Monitoring

Embedded Software

iBuilding/BEMS

Industrial HMI

Embedded Design-in Services

Intelligent Display

Intelligent Systems

iRetail & Hospitality

iHospital

Image & Video Processing

Machine Automation

WebAccess+

Digital Healthcare

Digital Logistics

Industrial PCs