



SUNONwealth Electric
Machine Industry Co., Ltd

2018 Q1 Operation results

— 2421.TW / 2421 TT —

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Safe Harbor Notice

This presentation is based on the information obtained from various sources which the Company believes to be reliable. But at some point in the future, there are a variety of factors which could cause actual results to differ materially from those statements. Therefore, please refer to the information on MOPS website as the main basis if any adjustment has been made.

(<http://mops.twse.com.tw/mops/web/index>)



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Thermal & Thermal Management

All electronic devices and circuitry generate excess heat and thus require thermal management to improve reliability and prevent premature failure. The amount of heat output is equal to the power input, if there are no other energy interactions. There are several techniques for cooling including various styles of heat sinks, thermoelectric coolers, forced air systems and fans, heat pipes, and others.

Passive Cooling

Heat sinks



Heat pipes Vapor chamber



Active Cooling

Liquid cooling



Cooling Fan



From Wikipedia, the free encyclopedia

Thermal Module

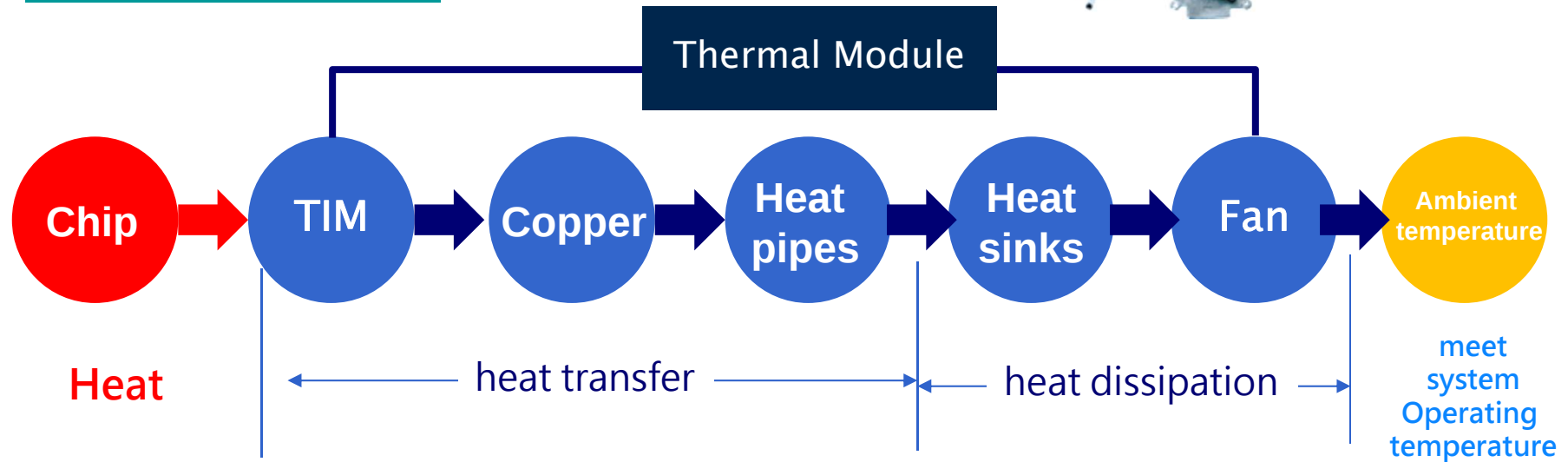


Photo Source :Internet



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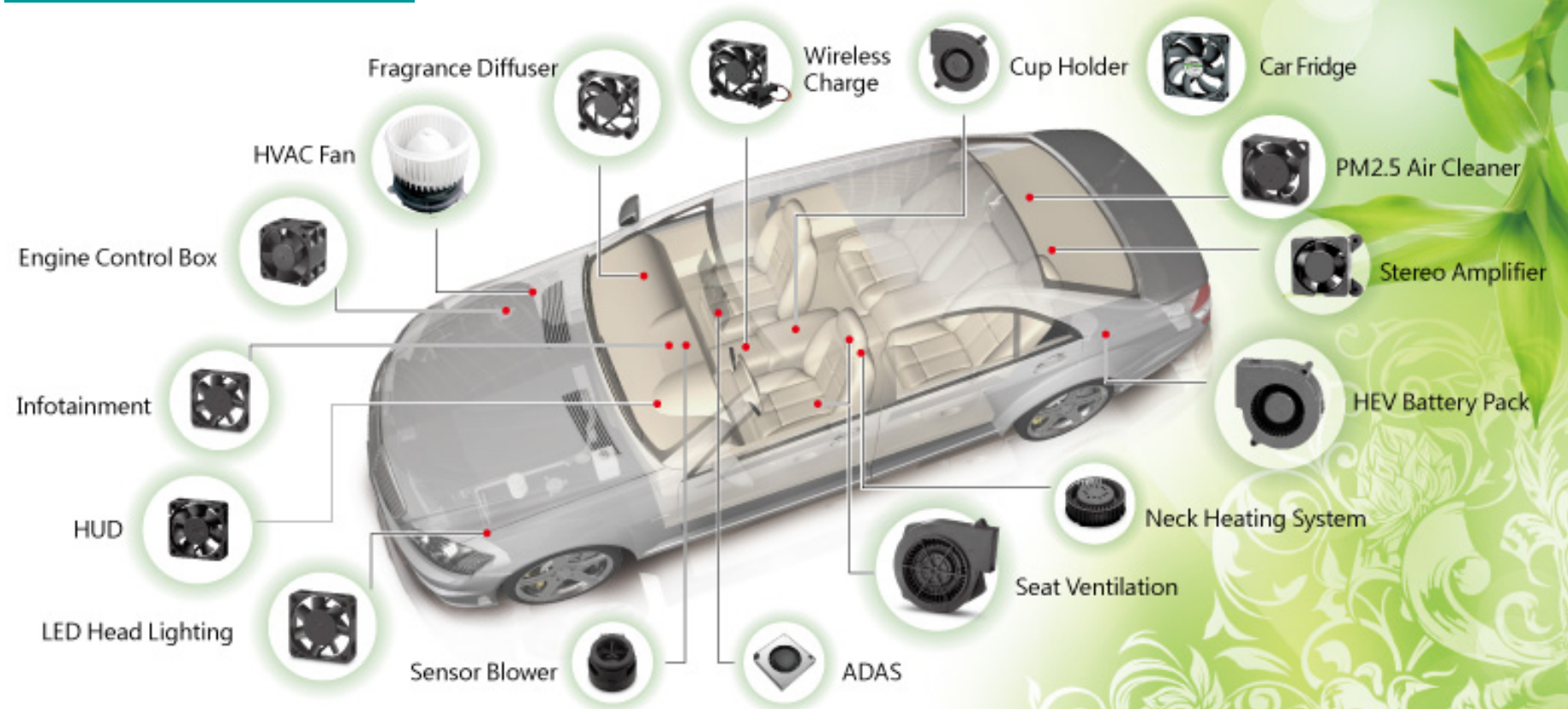
Cooling Fan (Server)



Photo Source :Internet



Cooling Fan (Auto)



| Satisfy High Safety & Security Standard | Conform to Eco-friendly Requirement |
| Realize Smarter & More comfortable Science Technology | Over 10 years Cooperation with Worldwide Automobile Manufacturers |
2014 SUNONWEALTH Electric Machine Industry Co., Ltd.

High Efficiency & High Quality

SUNON®

37 YEARS

Innovative
Energy-Saving Motor
Design & Technology

Company Overview

Established : 1980

Employees : 500 people (Taiwan)
7400 people (China)

Turnover : NTD\$ 10.95 Bn (Y2017)

Factories : Kaohsiung Plant (Taiwan)
Kun Shan Plant (China)
Foshan Plant (China)
Beihai Plant (China)
Hefei Plant (China)

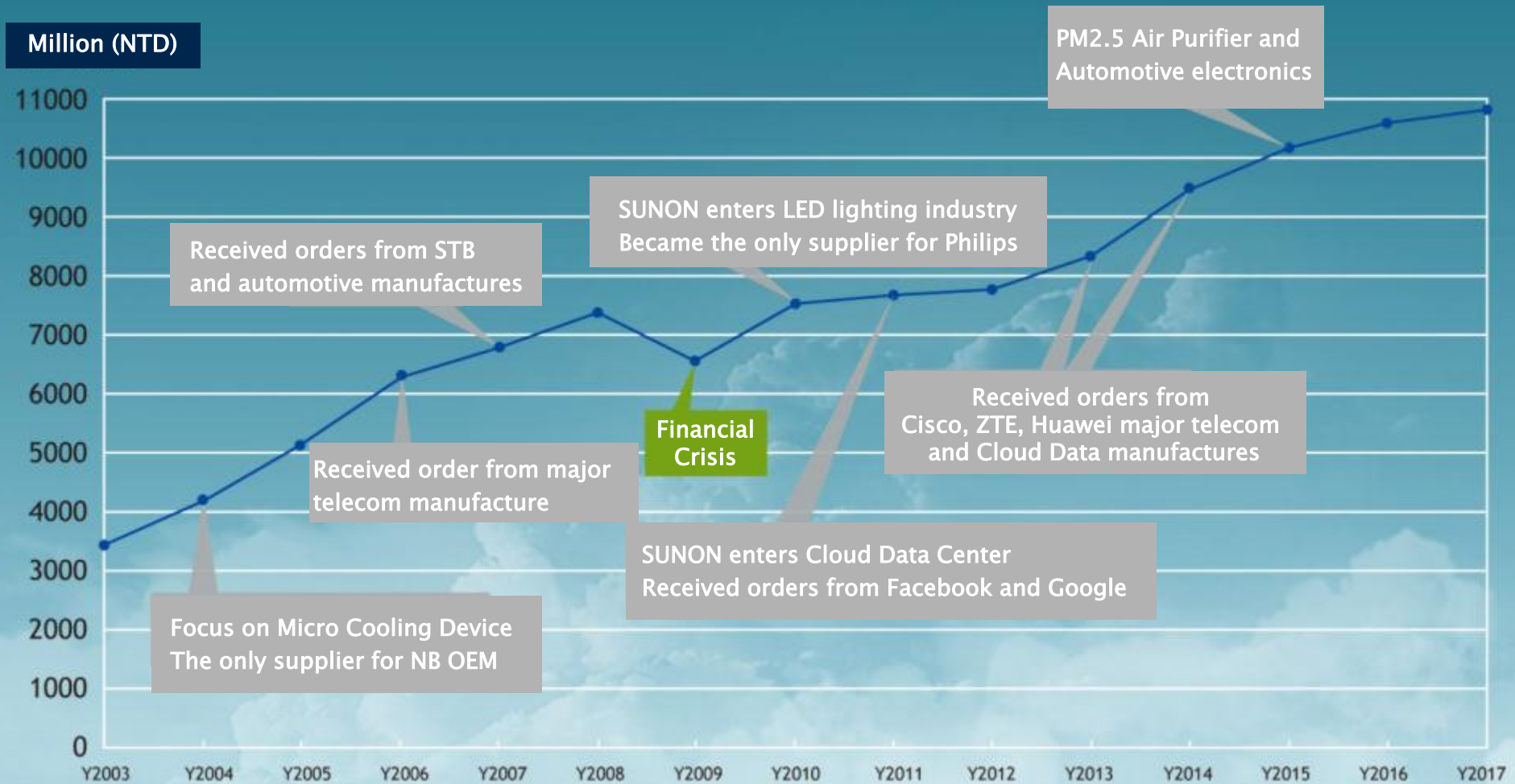


Fan 8mm-630mm

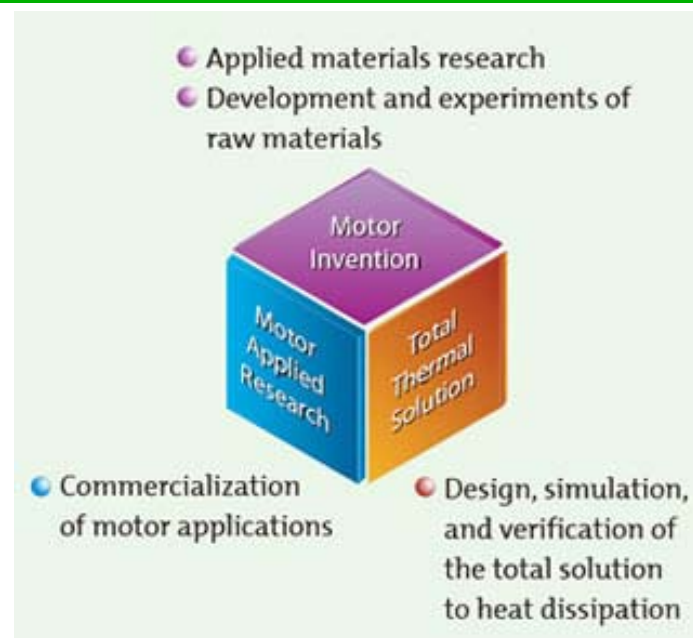
HVLS Fan and motor ~7000mm

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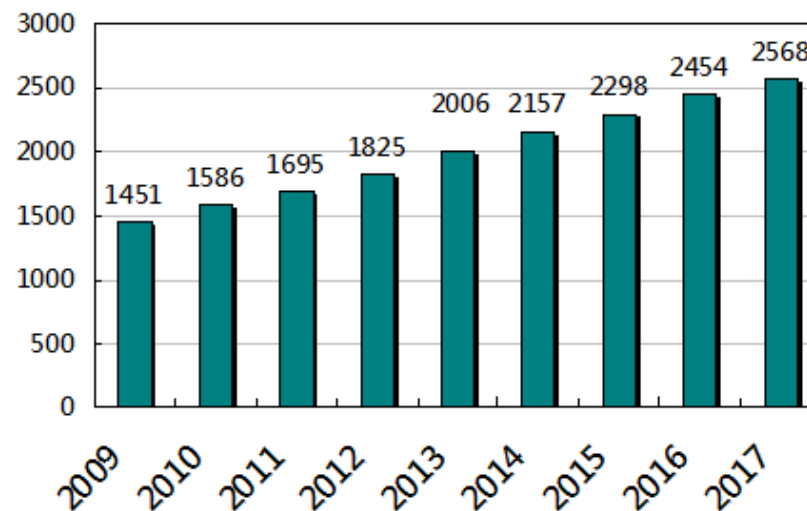
Growth Pattern



SUNON Research

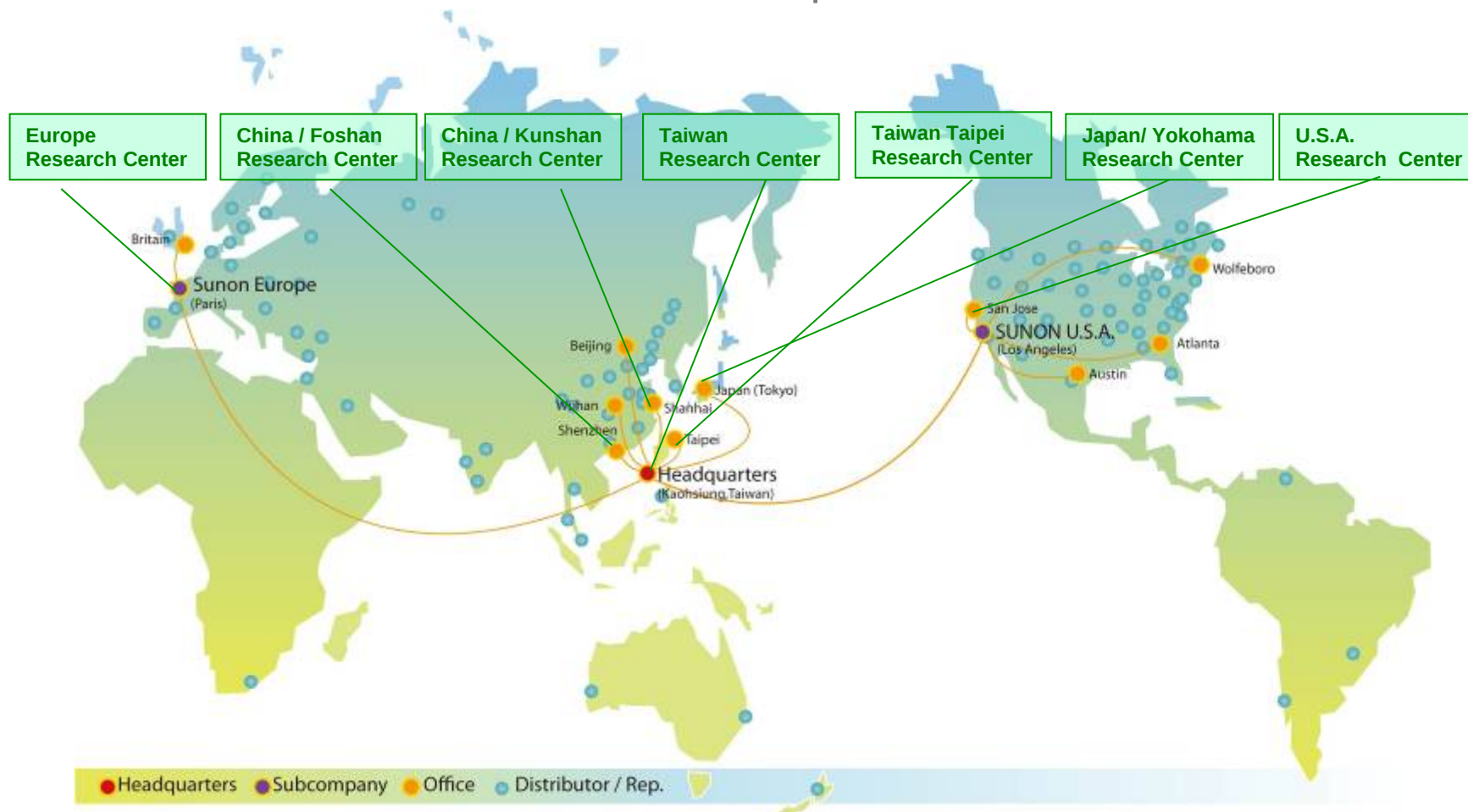


PATENTS



Global Support

- Over 1,000 sales representatives, 12 subsidiaries and offices, and over 130 distributors around the world.
- 7 research centers which provide a worldwide technological service network for quick and efficient services.



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World Leading Motor Technology

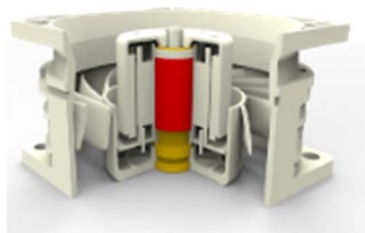
MagLev
System

Shockproof
System

Ultra
Thin

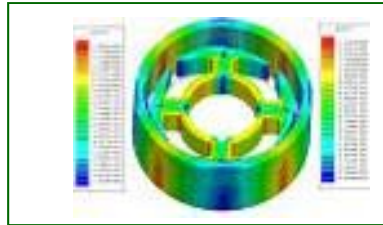
Energy
Efficient

Sound
Quality
Analysis

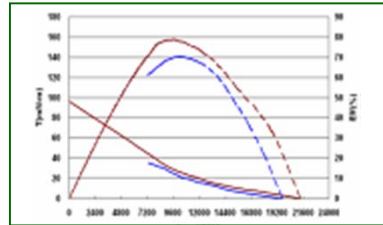


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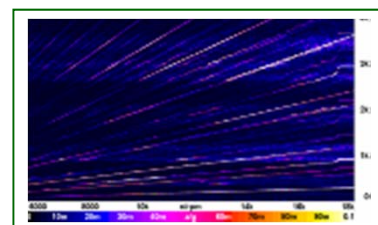
Outstanding Technology



MAGNETIZATION
SIMULATION ANALYSIS



MOTOR EFFICIENCY
ANALYSIS



VIBRATION FREQUENCY
SPECTRUM ANALYSIS



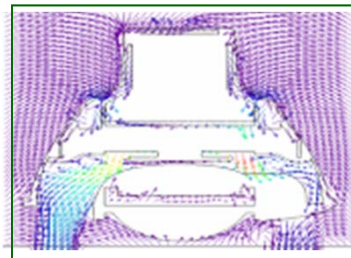
MATERIAL ANALYSIS
AND RESEARCH

Total motor, thermal, ventilation solution

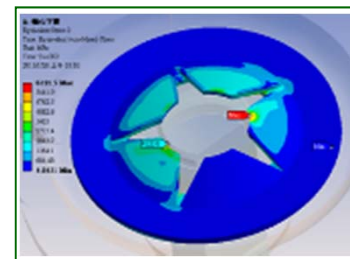
SOUND QUALITY
ANALYSIS



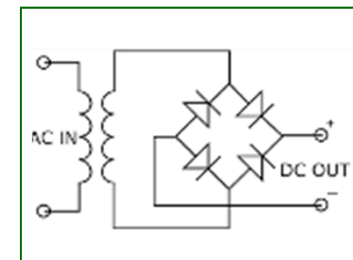
THERMAL ANALYSIS



STRUCTURAL SIMULATION
ANALYSIS

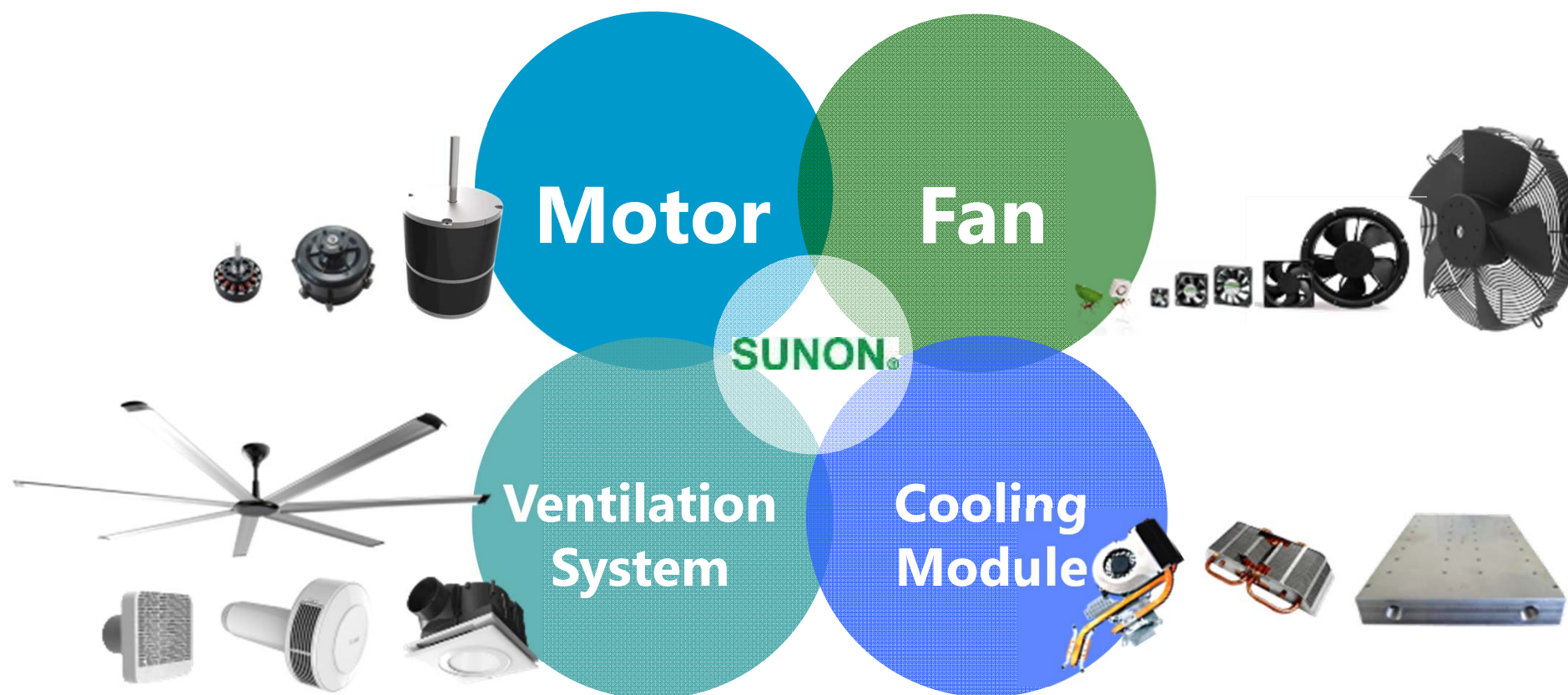


HIGH VOLTAGE DIRECT
CURRENT(DC)
ELECTRICITY



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SUNON Product Line



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Fan & Blower

Fan Size
8mm– 630mm



Fan Tray



DC Axial Fan



DC Blower



AC Axial Fan



Mighty Mini Fan



Water proof Fan



Explosion-proof Fan



Dual Blower



EC Axial Fan



EC Blower



EC Centrifugal Fan

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Cooling Module

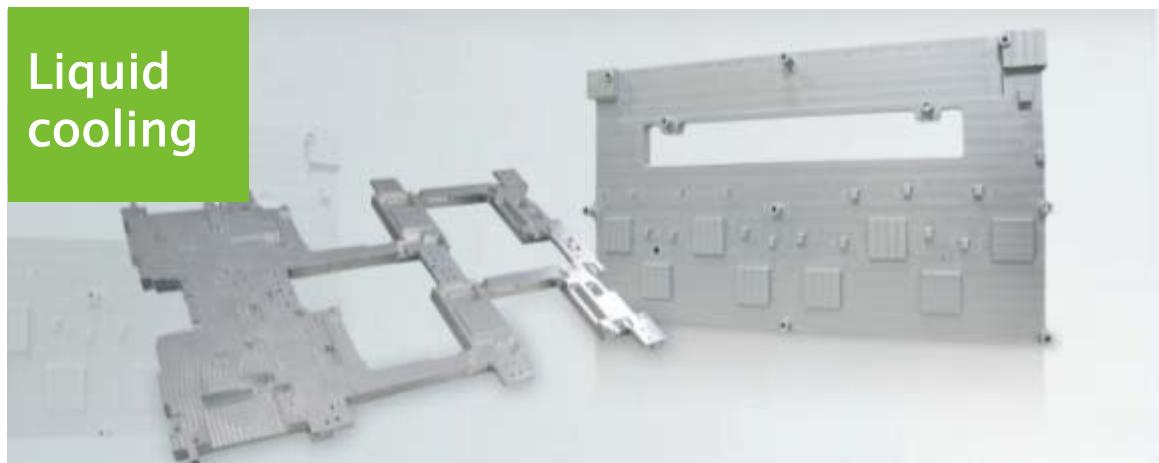
Active
Cooling
Module



Passive
Cooling
Module



Liquid
cooling



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Motor

Highly Energy efficient motor 0.1W ~ 1500W



DC motor



Commercial
Refrigerator / Freezer
EC motor



HVACR
EC horsepower motor



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Ventilation

Eco ventilation solution



Ventilation Fan



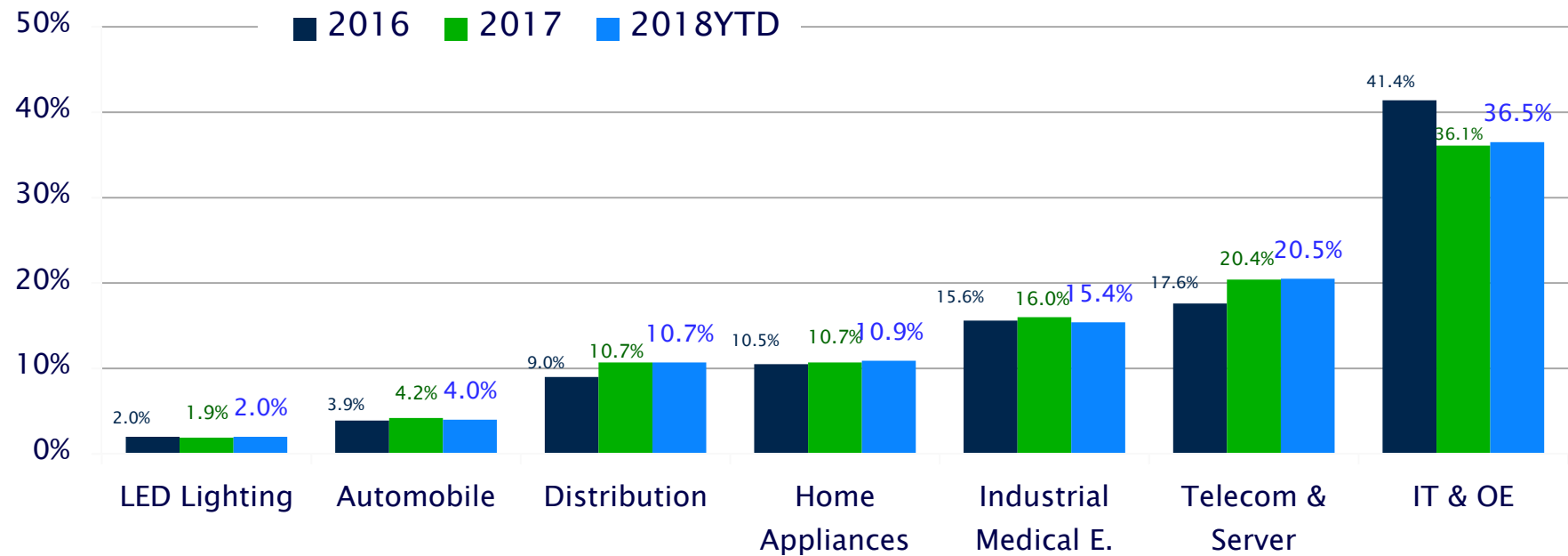
Flow2 One



HVLS Fan

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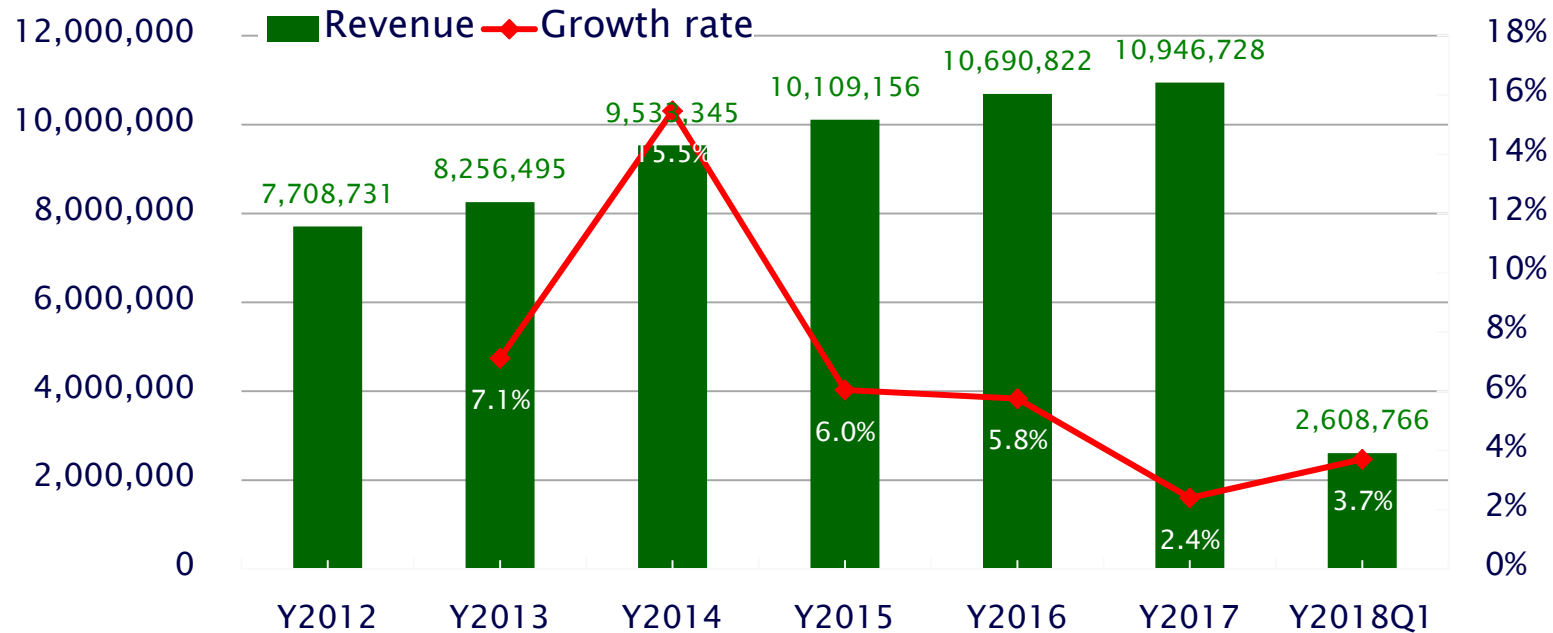
Products Application



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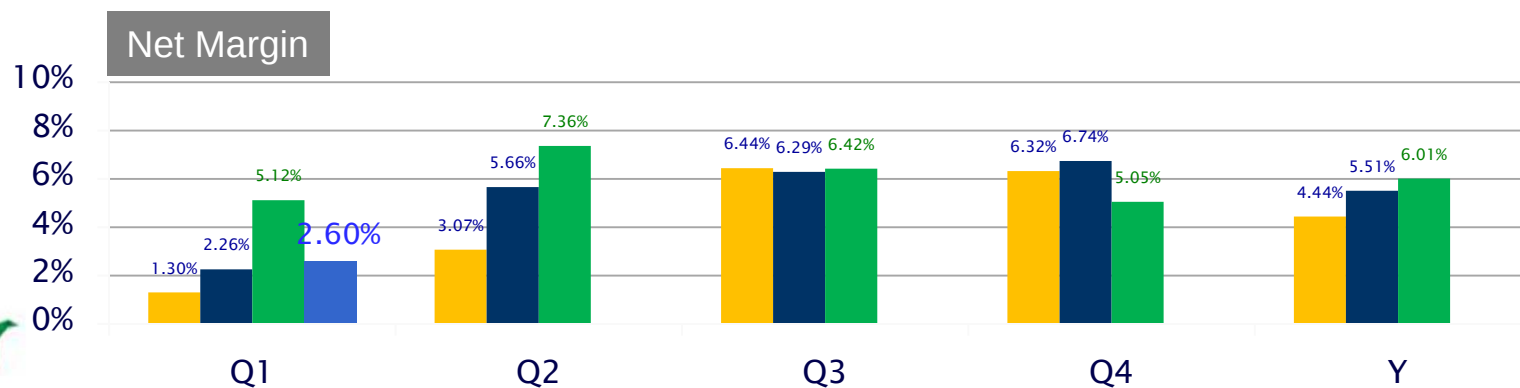
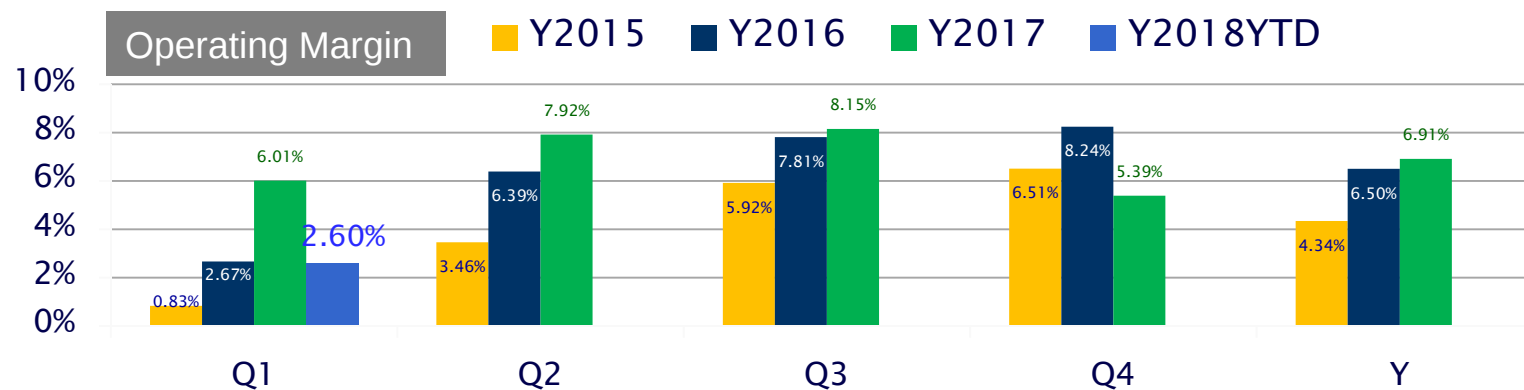
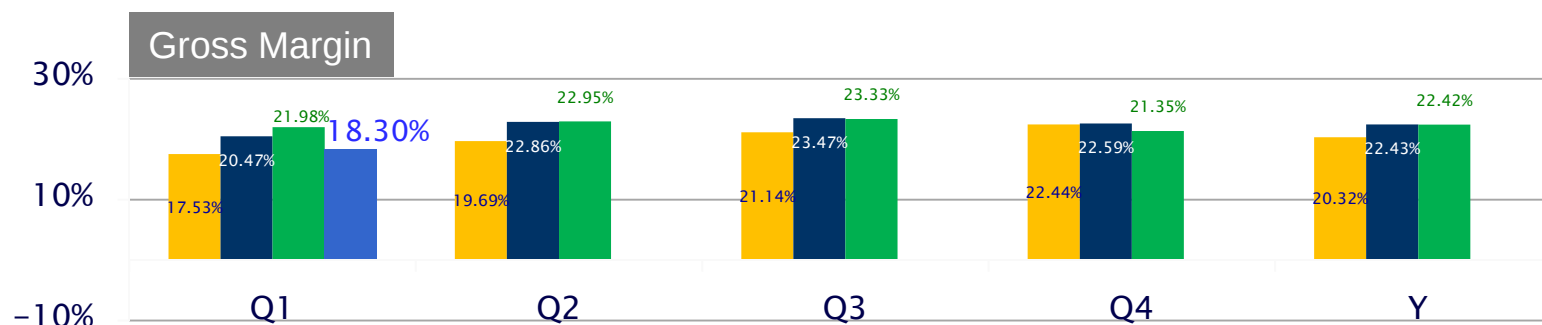
Revenue Performance

UNIT: NTD (K)



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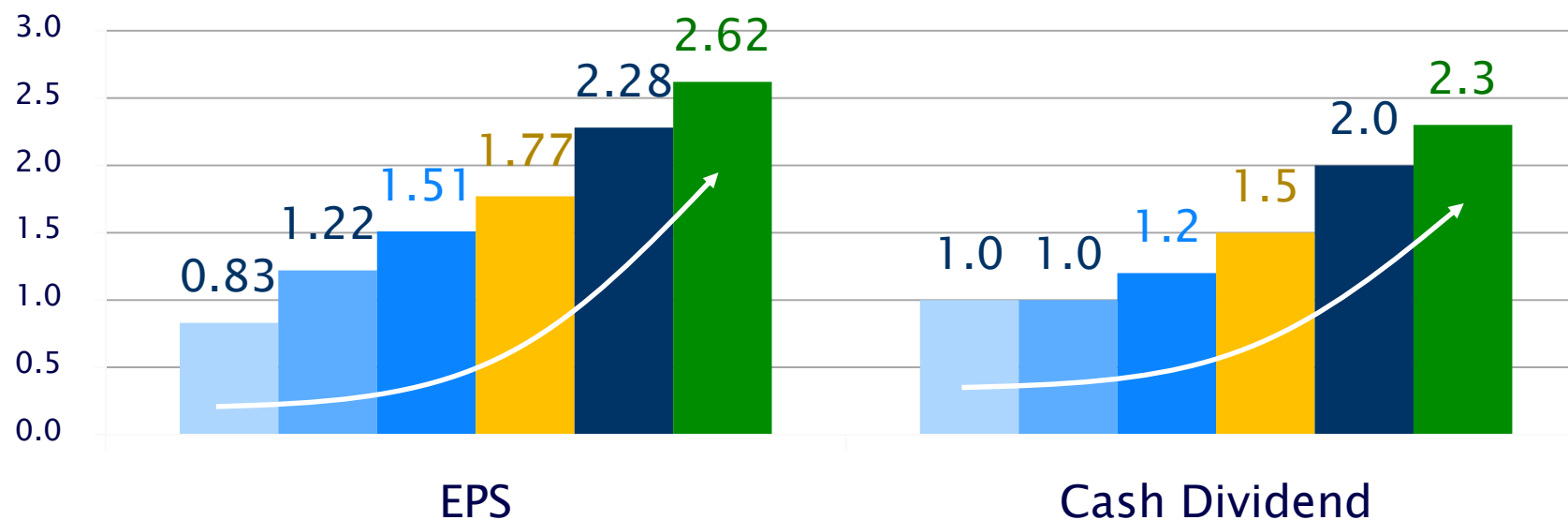
Profit Margin



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Earning & Cash Dividend

UNIT: NTD



Y2012 Y2013 Y2014 Y2015 Y2016 Y2017

Payout R.	120.48%	81.97%	79.47%	84.75%	87.72%	87.79%
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Medium Term Drivers

Automobile



EC motor
for HVACR



IoT &
Industry 4.0



5G
Application



AI HPC & Cloud
Computing



Home Application
VR MR AR



Gaming Concept



Air Purifier



Photo Source :Internet

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Appendix I

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME									
NT\$ M	2014	2015	2016	2017	2018Q1	Growth YOY(%)			
						2015	2016	2017	2018Q1
OPERATING REVENUES	9,533	10,109	10,691	10,947	2,609	6.04%	5.76%	2.39%	3.74%
GROSS PROFIT	1,953	2,054	2,398	2,454	477	5.17%	16.75%	2.34%	-13.74%
INCOME FROM OPERATIONS	418	439	695	756	70	5.02%	58.31%	8.78%	-53.64%
INCOME BEFORE INCOME TAX	525	584	833	842	84	11.24%	42.64%	1.08%	-42.86%
NET INCOME attribute to owners	379	442	572	657	67	16.62%	29.41%	14.86%	-47.24%
EPS (NT\$)	1.51	1.77	2.28	2.62	0.27				
Gross Margin	20.49%	20.32%	22.43%	22.42%	18.28%				
Operating Margin	4.38%	4.34%	6.50%	6.91%	2.68%				
Net Margin(*)	3.98%	4.37%	5.35%	6.00%	2.57%				

(*)Net Margin=Net Income attribute to owners / Revenue



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Appendix II

CONSOLIDATED BALANCE SHEETS									
NT\$ M	2014	2015	2016	2017	2018Q1	Growth YOY(%)			
						2015	2016	2017	2018Q1
TOTAL ASSETS	7,324	7,523	8,391	8,813	8,419	2.72%	11.54%	5.03%	6.83%
Cash	961	1,269	1,338	1,387	1,188	32.05%	5.44%	3.66%	12.39%
A/R, N/R	2,440	2,439	2,871	2,724	2,507	-0.04%	17.71%	-5.12%	-4.31%
Inventories	1,338	1,480	1,377	1,744	1,767	10.61%	-6.96%	26.65%	21.95%
PP&E	1,810	1,775	2,182	2,294	2,317	-1.93%	22.93%	5.13%	8.68%
TOTAL LIABILITIES	3,364	3,516	4,324	4,639	4,143	4.52%	22.98%	7.28%	8.68%
Short-term loans	497	464	454	636	536	-6.64%	-2.16%	40.09%	8.94%
A/P	1,934	2,084	2,469	2,550	2,290	7.76%	18.47%	3.28%	8.48%
Long-term loans	0	0	320	320	320				
TOTAL EQUITY	3,960	4,007	4,067	4,174	4,276	1.19%	1.50%	2.63%	5.09%
Days sales outstanding	85	88	91	93	91				
Days sales of inventory	60	64	63	67	75				
Current Ratio	1.635	1.6317	1.5336	1.4898	1.5802				



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