

MEDIATEK

聯發科技 2017年第一季法人說明會 MediaTek 2017-Q1 Investor Conference

April 28, 2017



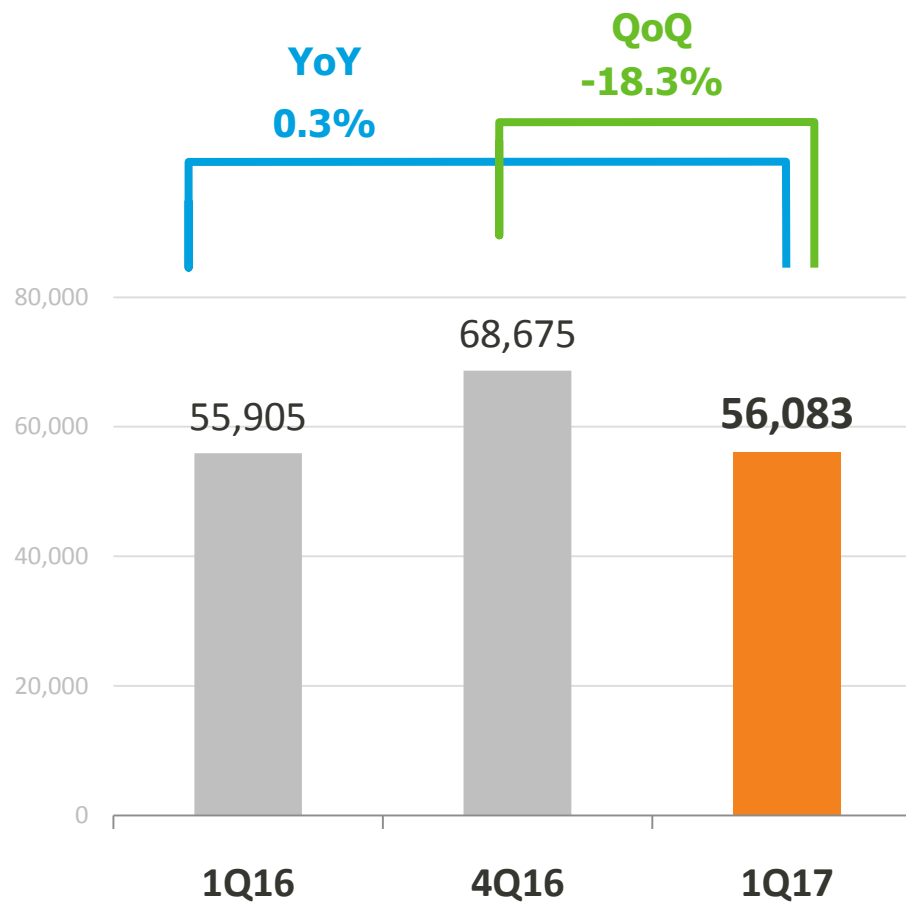
Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this presentation are forward looking statements that are subject to risks and uncertainties that could cause actual results to differ materially, including the impact of competitive products and pricing, timely design acceptance by our customers, timely introduction of new technologies, ability to ramp new products into volume, industry wide shifts in supply and demand for semiconductor products, industry overcapacity, availability of manufacturing capacity, financial stability in end markets, and other risks.

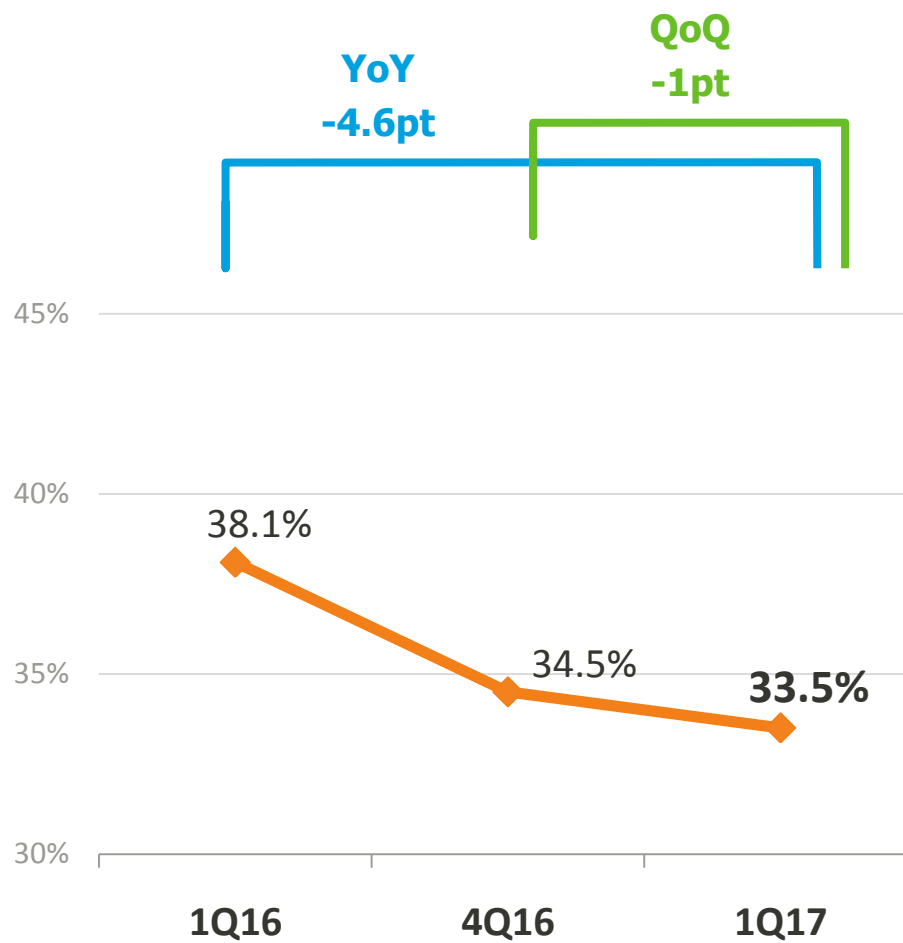
This presentation also includes Non-Taiwan-International Financial Reporting Standards (Non-TIFRS) financial measures which exclude share-based compensation, amortization of acquisition related assets, tax effect and other items. The information should be considered in addition to, not as a substitute, for Taiwan-International Financial Reporting Standards (TIFRS). Earnings distribution is made accordance with financial statements based on TIFRS.

Consolidated Revenue

(NT\$ million)

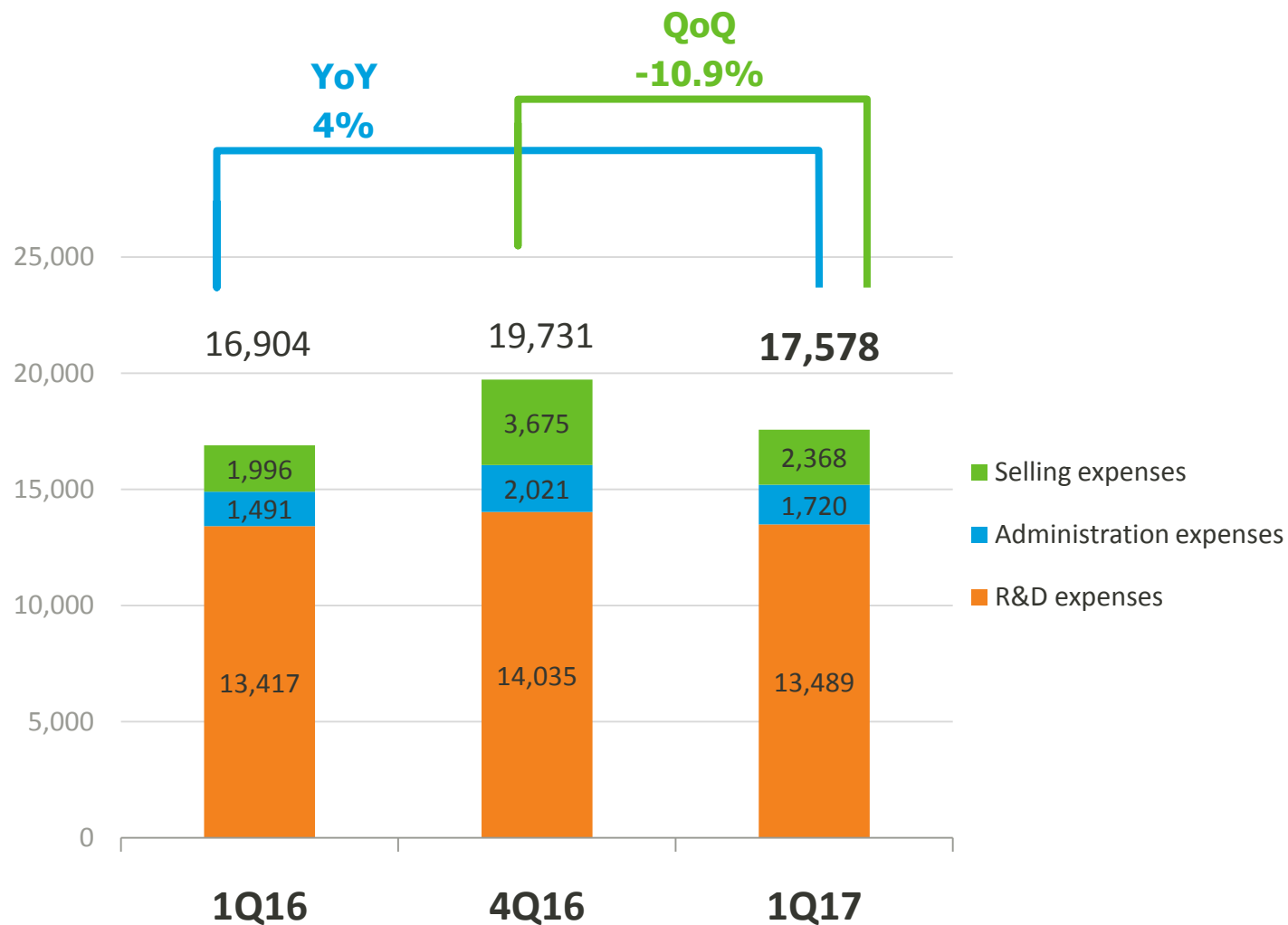


Consolidated Gross Margin



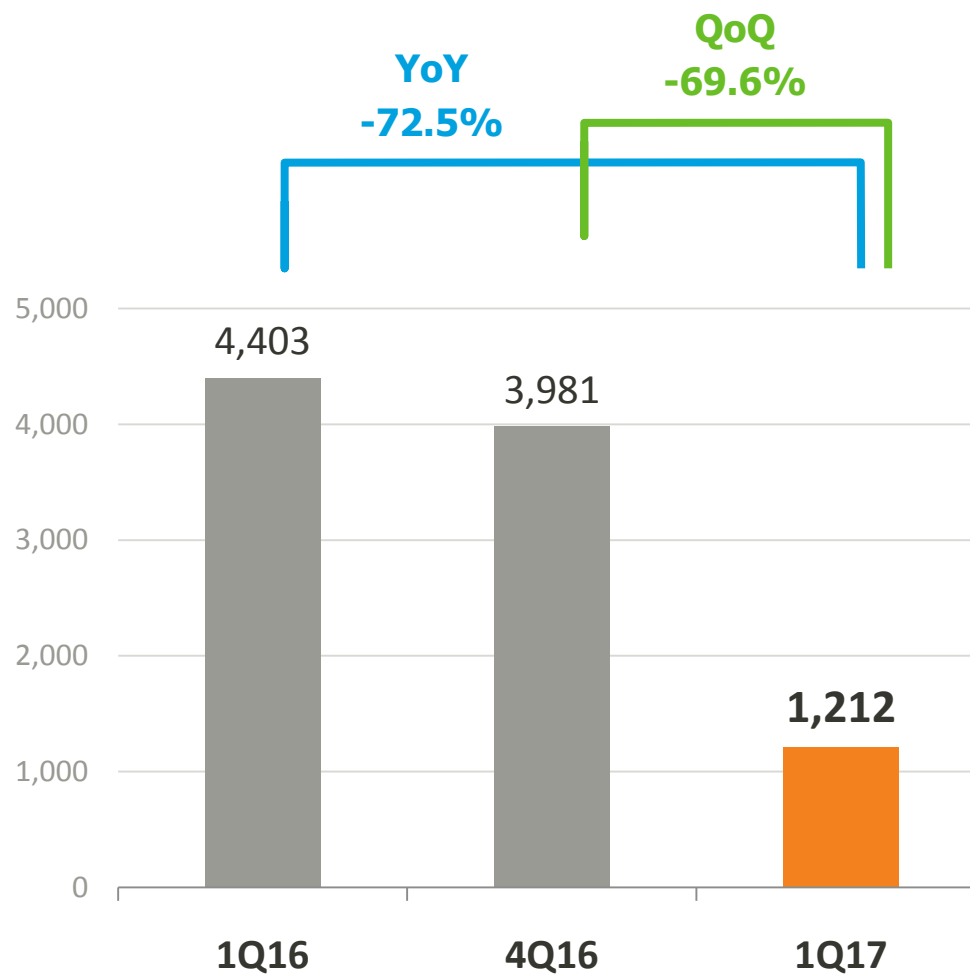
Consolidated Operating Expenses

(NT\$ million)

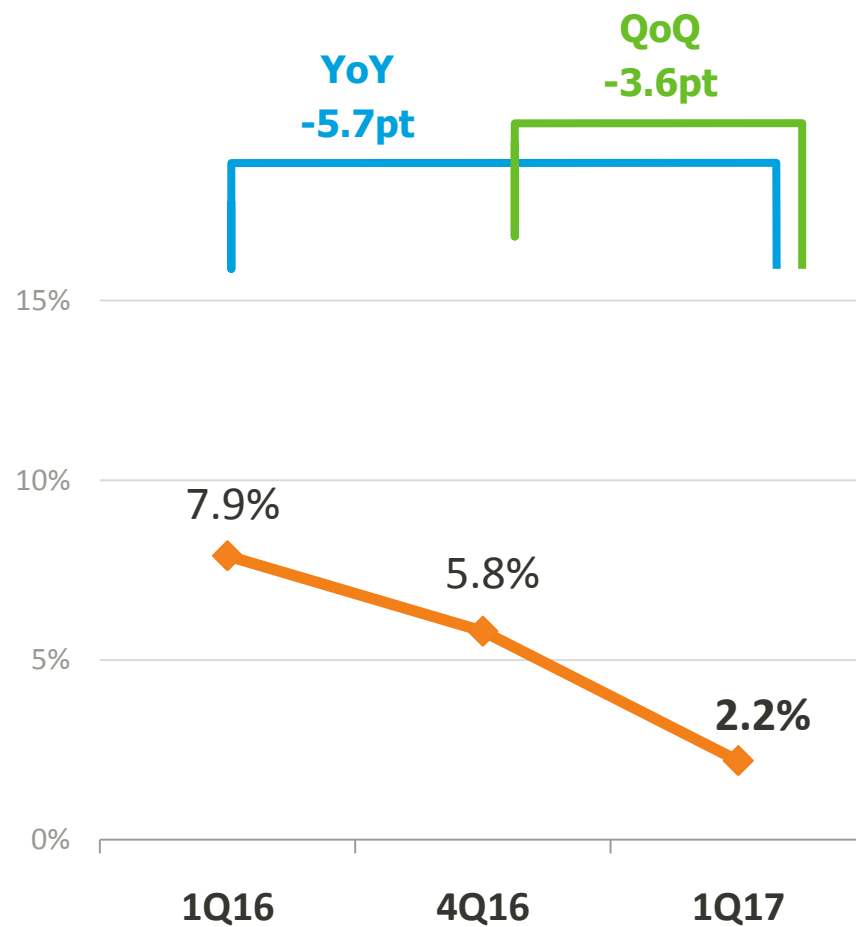


Consolidated Operating Income

(NT\$ million)

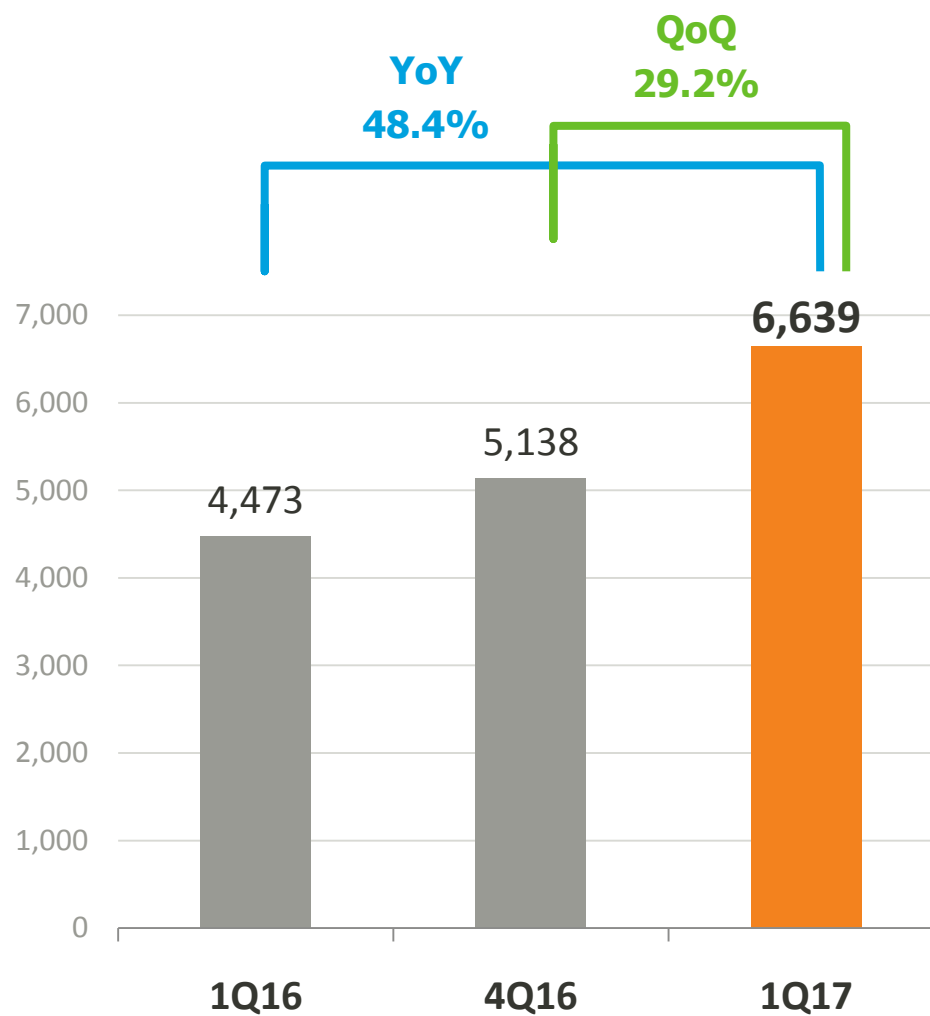


Consolidated Operating Margin

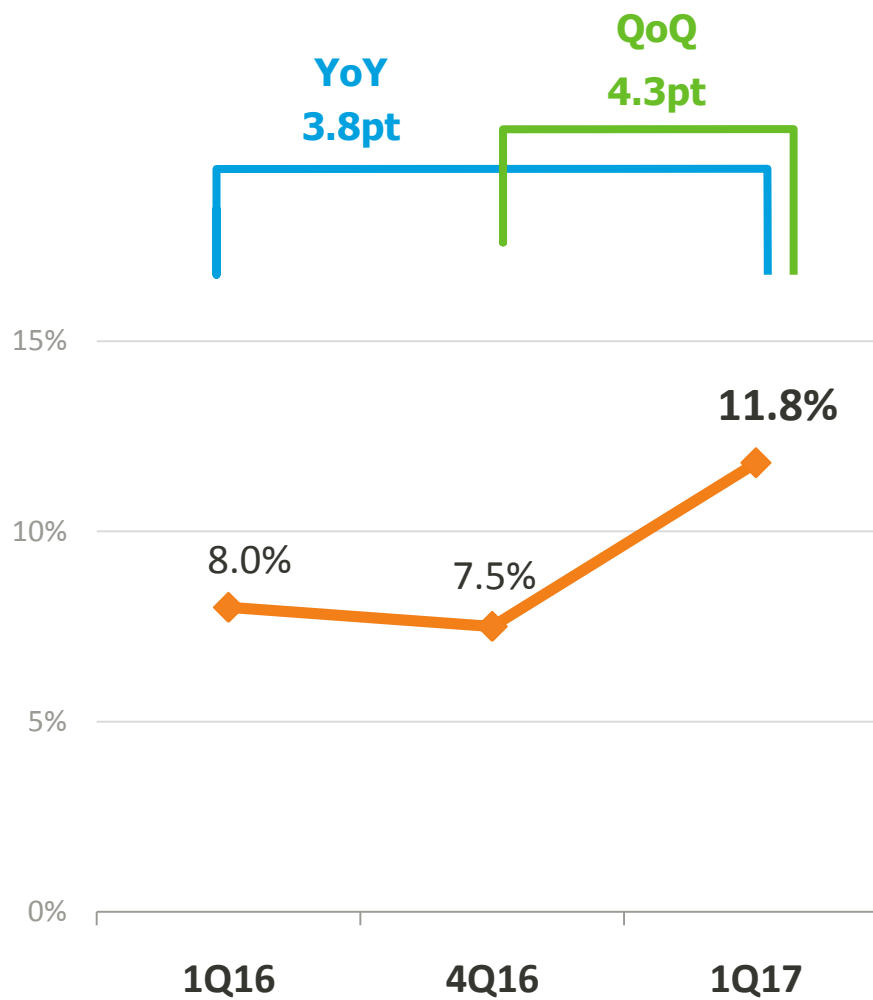


Consolidated Net Income

(NT\$ million)

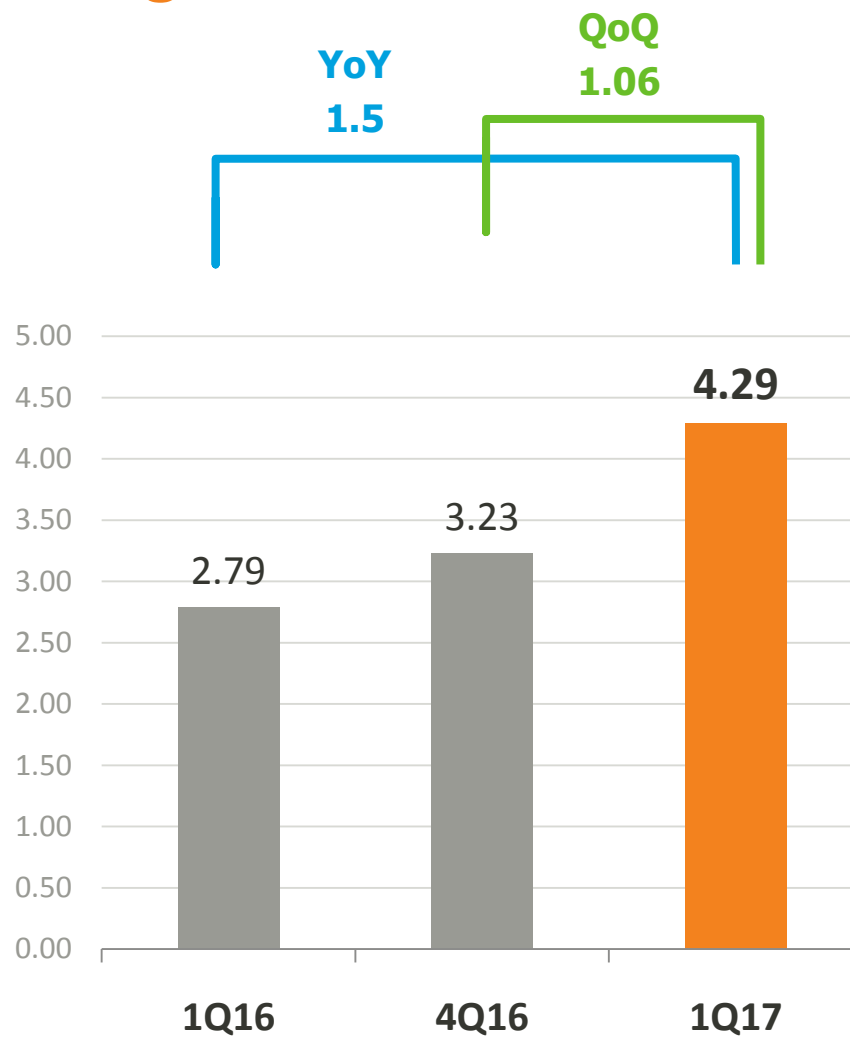


Consolidated Net Profit Margin



Consolidated Earnings Per Share

(NT\$)



Business Outlook

- ◆ For 2017-Q2, we currently expect:
 - ◆ Consolidated revenue: Around NT\$56.1 billion ~ 60.6 billion,
at a forecast exchange rate of 30 NT dollars to 1 US dollar
 - ◆ Consolidated gross margin: 34.0% ± 1.5%
 - ◆ Consolidated operating expense ratio: 30.0% ± 2%

Taiwan-International Financial Reporting Standards (TIFRS)

Financial Statements

Consolidated Income Statement (Unaudited)

(In NT\$ millions, except earnings per share)

(In NT\$ millions, except EPS)	1Q17	4Q16	1Q16	Q-Q	Y-Y
Net Sales	56,083	68,675	55,905	(18.3%)	0.3%
Operating costs	(37,293)	(44,963)	(34,598)		
Gross profit	18,790	23,713	21,307	(20.8%)	(11.8%)
Selling expenses	(2,368)	(3,675)	(1,996)		
Administration expenses	(1,720)	(2,021)	(1,491)		
R&D expenses	(13,489)	(14,035)	(13,417)		
Operating expenses	(17,578)	(19,731)	(16,904)		
Operating income	1,212	3,981	4,403	(69.6%)	(72.5%)
Net non-operating income	6,289	1,586	875		
Net income before income tax	7,501	5,568	5,278		
Income tax expense	(862)	(430)	(805)		
Net income	6,639	5,138	4,473	29.2%	48.4%
EPS attributable to the parent(NT\$)	4.29	3.23	2.79		

Note: Sums may not equal totals due to rounding.

Supplemental Information: Percentage of Revenue

	1Q17	4Q16	1Q16
Gross profit	33.5%	34.5%	38.1%
Selling expenses	(4.2%)	(5.4%)	(3.6%)
Administration expenses	(3.1%)	(2.9%)	(2.7%)
R&D expenses	(24.1%)	(20.4%)	(24.0%)
Operating income	2.2%	5.8%	7.9%
Non-operating income	11.2%	2.3%	1.6%
Income tax expense	(1.5%)	(0.6%)	(1.4%)
Net income	11.8%	7.5%	8.0%

Note: Sums may not equal totals due to rounding.

Balance Sheet Summary (Unaudited)

(In NT\$ millions)

(In NT\$ millions)	1Q17	4Q16	1Q16
Cash & financial assets-current	152,165	153,466	172,722
Accounts receivable	18,288	20,481	15,598
Inventories	37,621	33,923	27,027
Other current assets	23,456	12,408	7,250
Funds and investments	40,899	36,971	20,433
Intangible assets	78,106	72,015	74,587
Other non-current assets	40,370	41,449	39,388
Total assets	390,905	370,712	357,005
Short-term loans	60,828	54,524	48,026
Accounts payable	31,297	24,630	23,023
Other current liabilities	37,515	40,174	32,994
Total non-current liabilities	6,301	4,721	3,126
Total equity	254,963	246,663	249,837

Note: Sums may not equal totals due to rounding..

Cash Flow Statement (Unaudited)

(In NT\$ millions)

(In NT\$ millions)	1Q17	4Q16	1Q16
Net cash provided by (used in) operating activities	(1,183)	9,209	7,958
Net cash provided by (used in) investing activities	(5,459)	(2,026)	(3,351)
Net cash provided by (used in) financing activities	9,702	(10,638)	107
Effect of changes in exchange rate on cash and cash equivalents	(4,472)	861	(2,031)
Net increase (decrease) in cash and cash equivalents	(1,412)	(2,595)	2,683
Cash and cash equivalents at the end of the period (Note 2)	139,149	141,349	155,963

Note 1: Sums may not equal totals due to rounding.

Note 2: Cash and cash equivalents at the end of fourth quarter of year 2016 included NT\$788 million of cash and cash equivalents from AutoChips Inc., which was reclassified as assets held for sale. Excluding the amount, cash and cash equivalents at the beginning of first quarter of year 2017 was NT\$140,561 million.

【Supplemental Information】

Reconciliations of TIFRS Results to Non-TIFRS Results

Reconciliations of TIFRS Results to Non-TIFRS Results^{Note2}

(In NT\$ millions)	1Q17	4Q16	1Q16	Q-Q	Y-Y
TIFRS operating income	1,212	3,981	4,403		
TIFRS net income	6,639	5,138	4,473		
TIFRS EPS(NT\$)	4.29	3.23	2.79		
Non-TIFRS reconciliation items	499	474	322		
Share-based compensation	207	177	11		
Amortization of acquisition related assets	369	370	364		
Tax effect	(76)	(73)	(53)		
Non-TIFRS operating income	1,788	4,528	4,778	(60.5%)	(62.6%)
Non-TIFRS operating income margin (%)	3.2%	6.6%	8.5%		
Non-TIFRS net income	7,139	5,611	4,795	27.2%	48.9%
Non-TIFRS net income margin (%)	12.7%	8.2%	8.6%		
Non-TIFRS EPS(NT\$)	4.60	3.53	3.00		

Note1: Sums may not equal totals due to rounding.

Note2: Non-TIFRS financial information should be considered in addition to, not as a substitute for TIFRS financial information. Reconciliations between TIFRS and Non-TIFRS results include share-based compensation, amortization of acquisition related assets, tax effect and other items. Earnings distribution is made in accordance with financial statements based on TIFRS.

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