

MEDIATEK

聯發科技 2018年第四季法人說明會 MediaTek 2018-Q4 Investor Conference

January 30, 2019



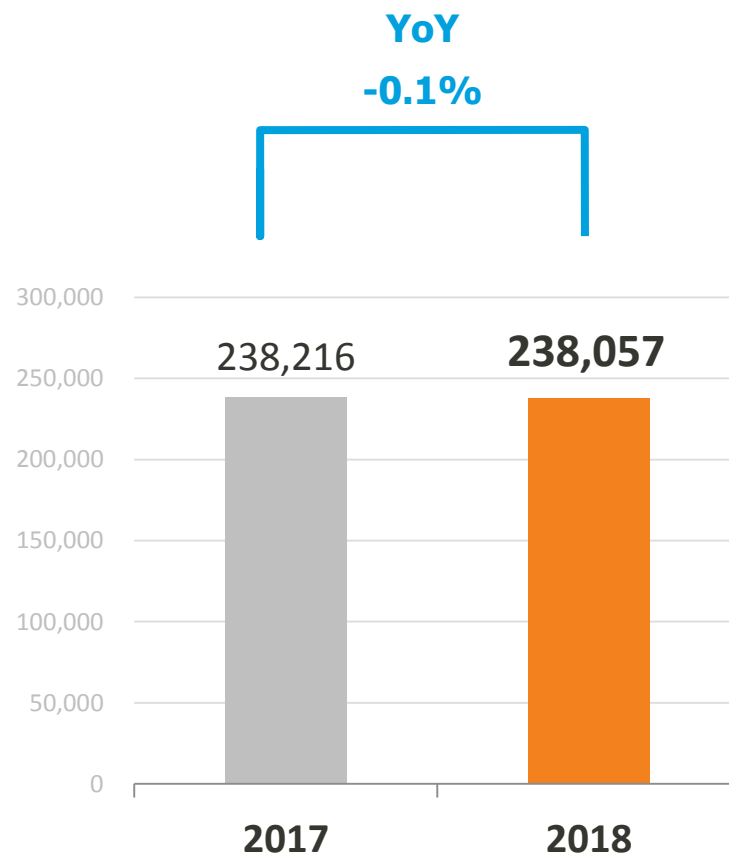
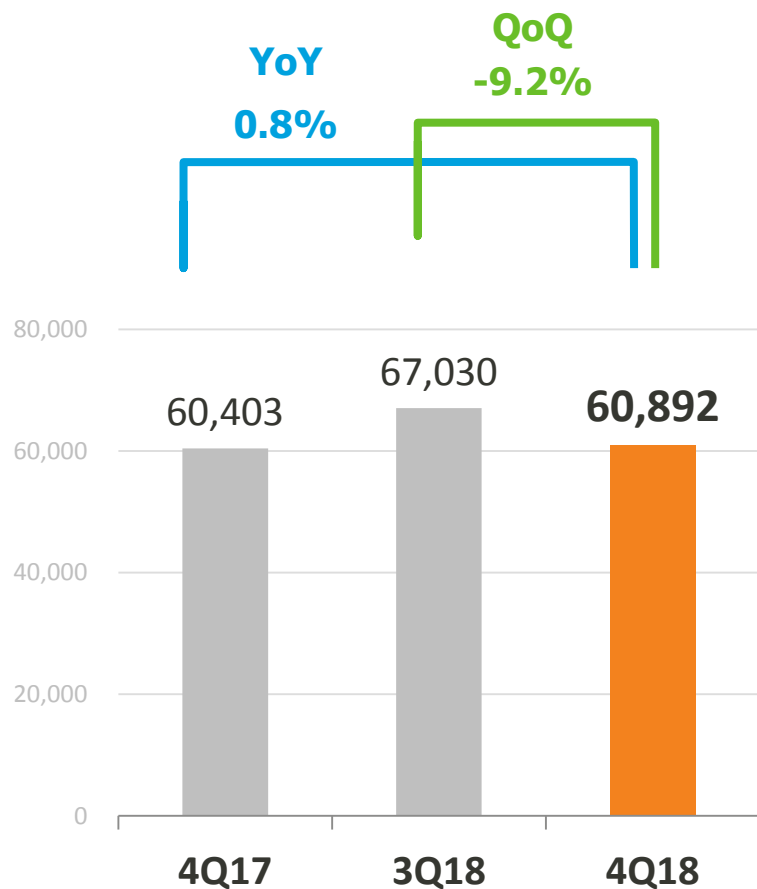
Safe Harbor Statement

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.

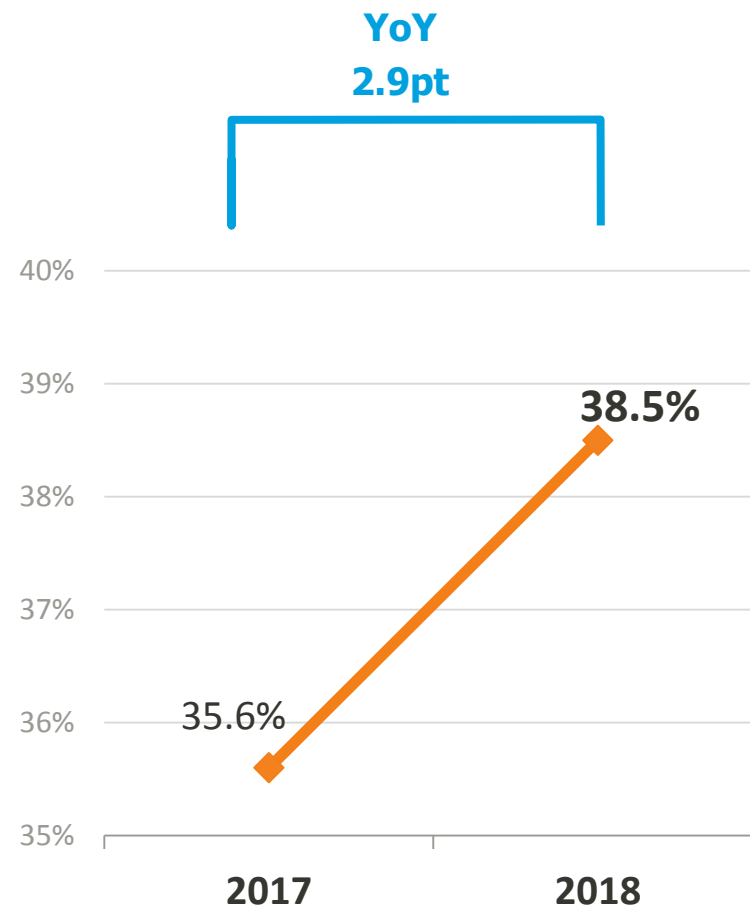
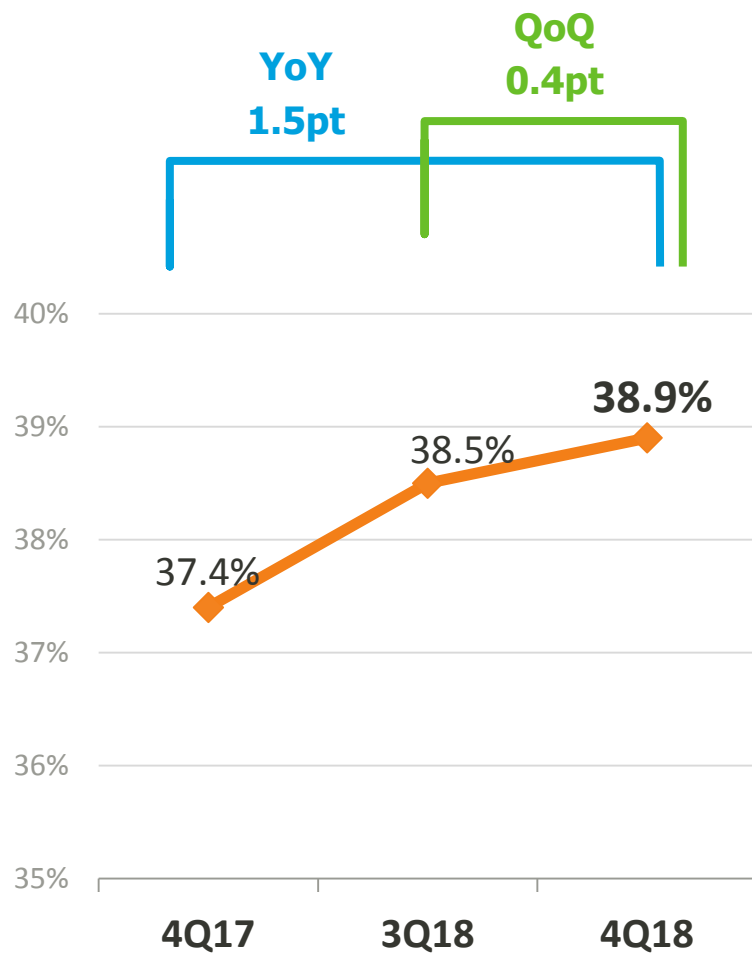
This presentation also includes Non-Taiwan-International Financial Reporting Standards (Non-TIFRS) financial measures which exclude share-based compensation, amortization of acquisition related assets, tax effect and other items. The information should be considered in addition to, not as a substitute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

Consolidated Revenue

(NT\$ million)

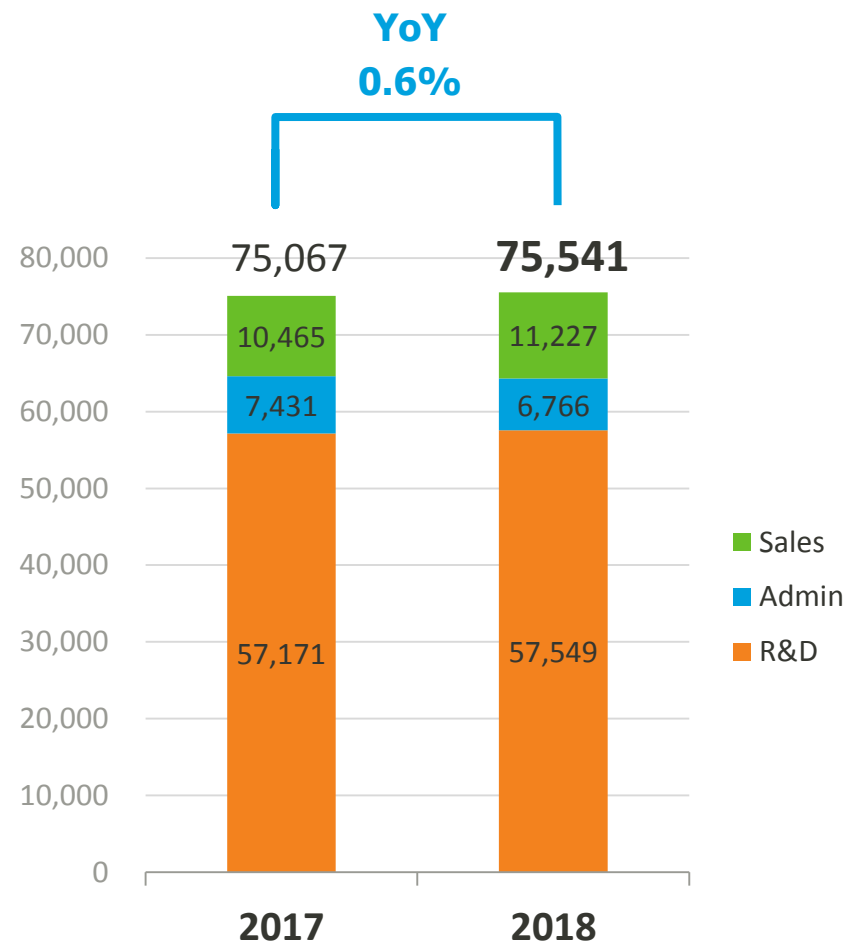
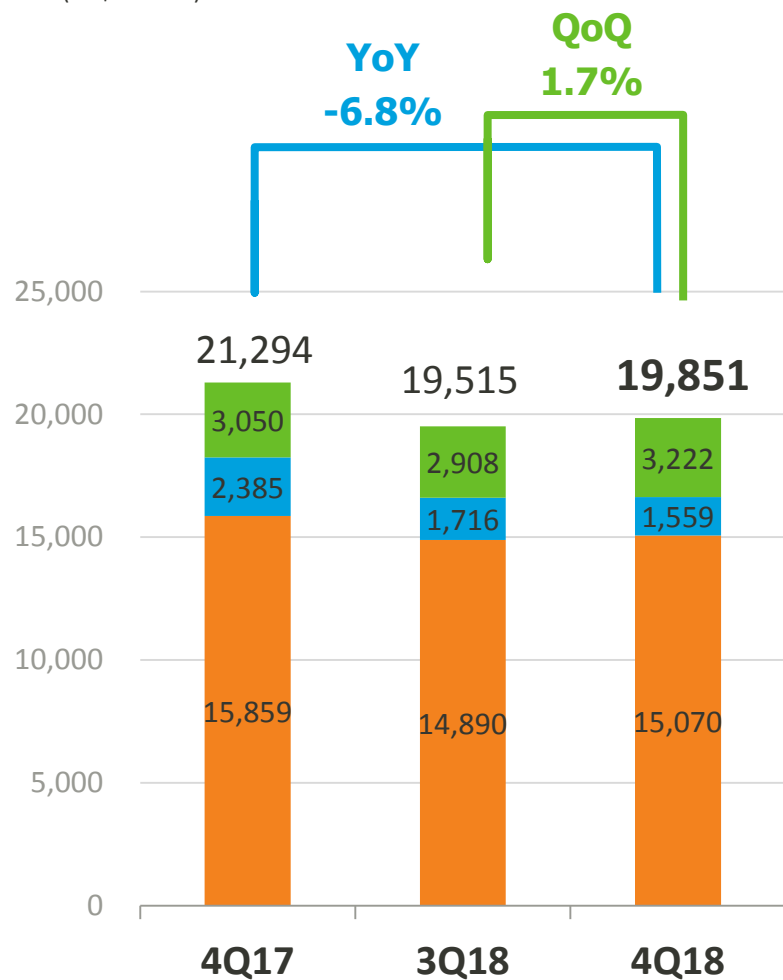


Consolidated Gross Margin



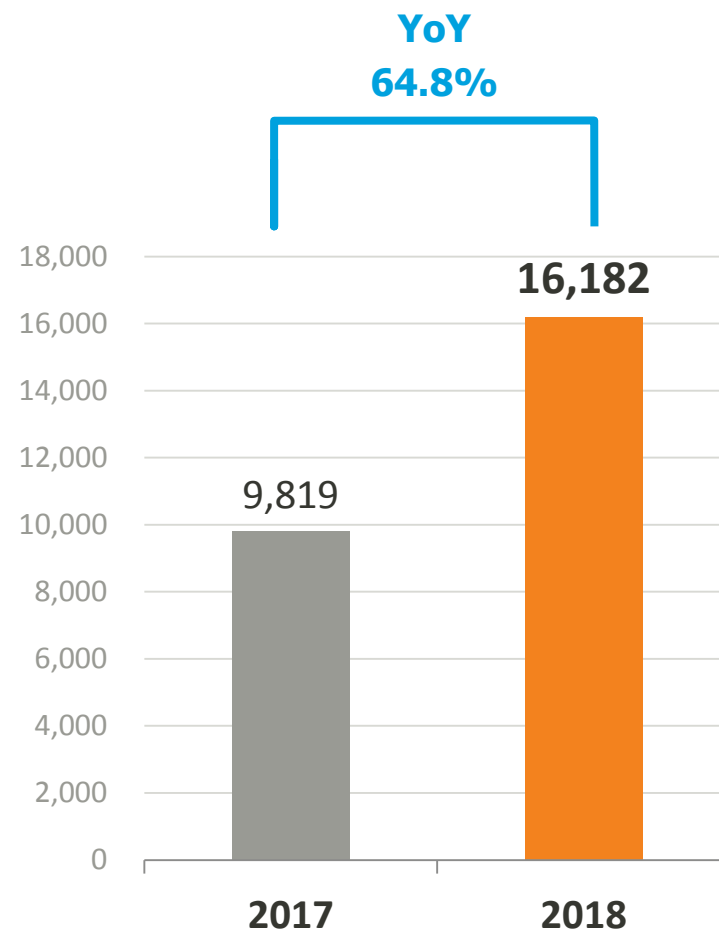
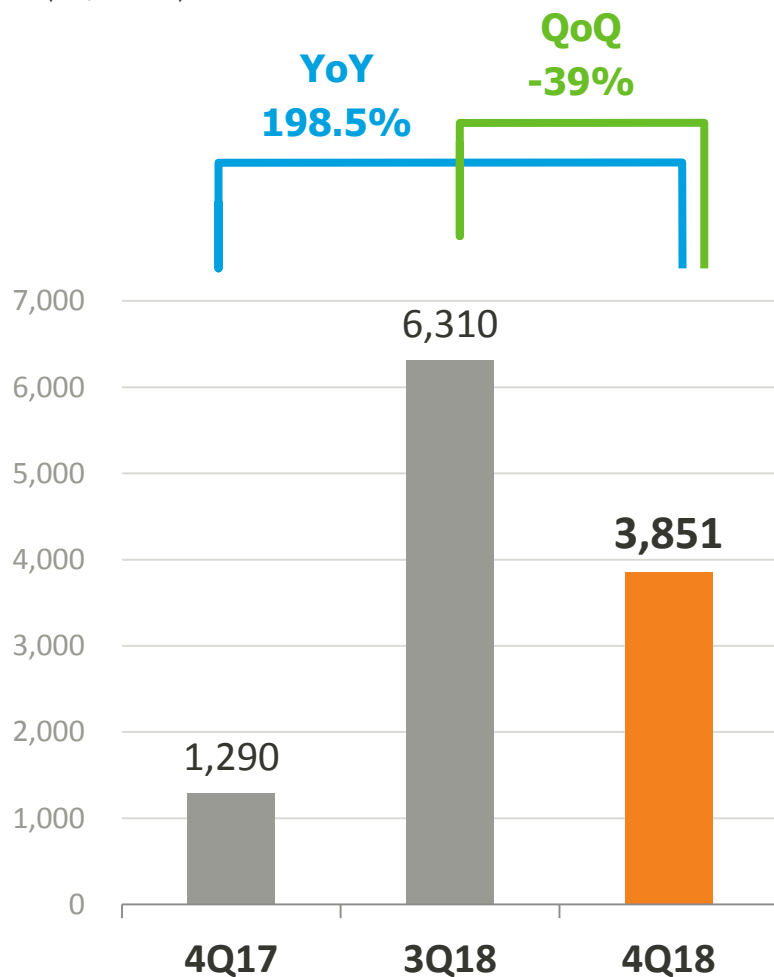
Consolidated Operating Expenses

(NT\$ million)

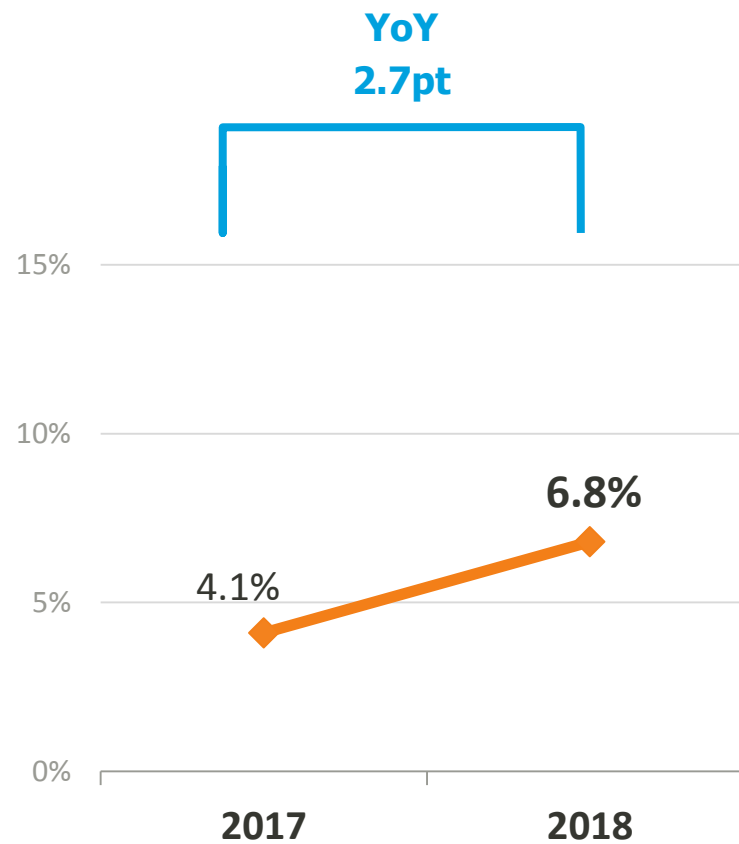
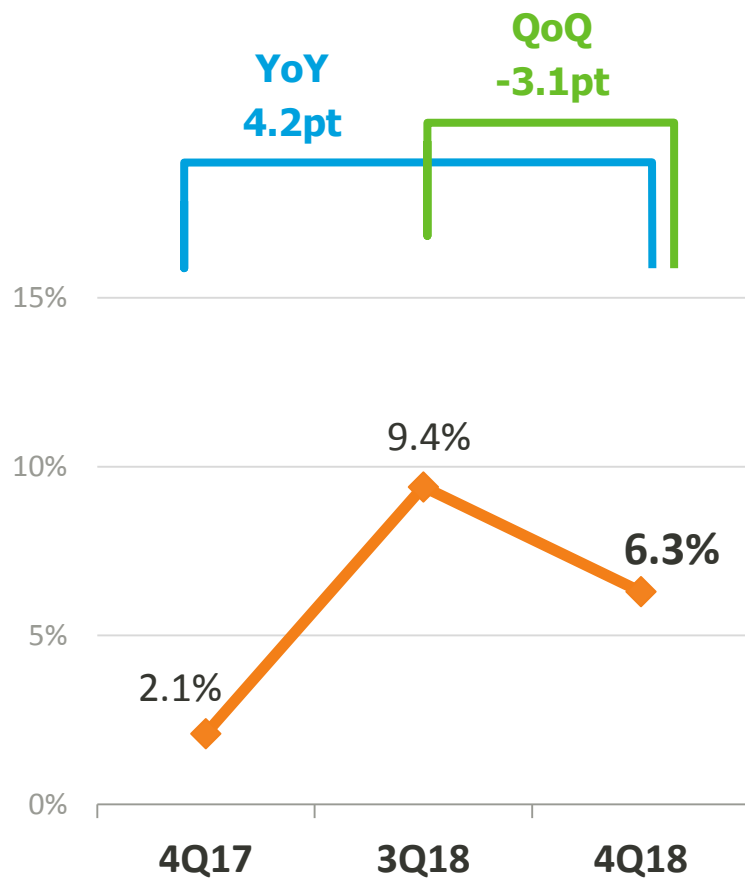


Consolidated Operating Income

(NT\$ million)

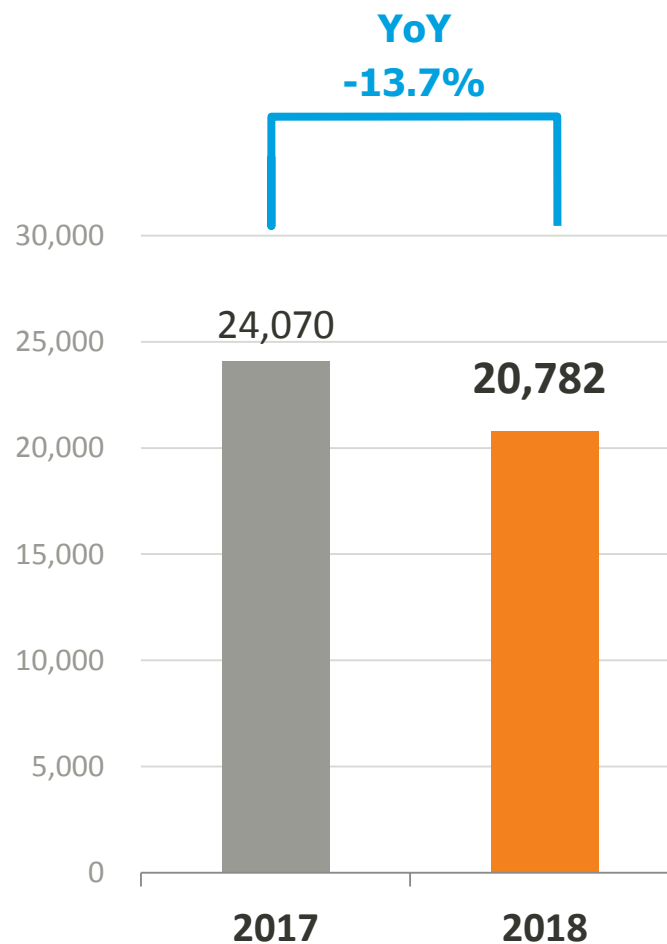
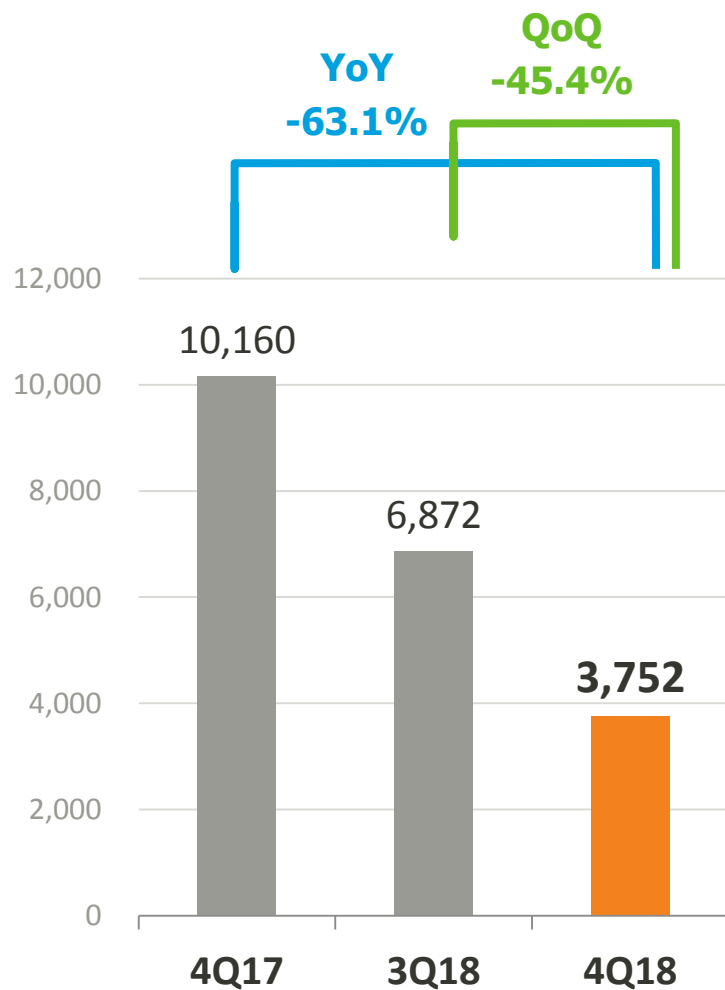


Consolidated Operating Margin

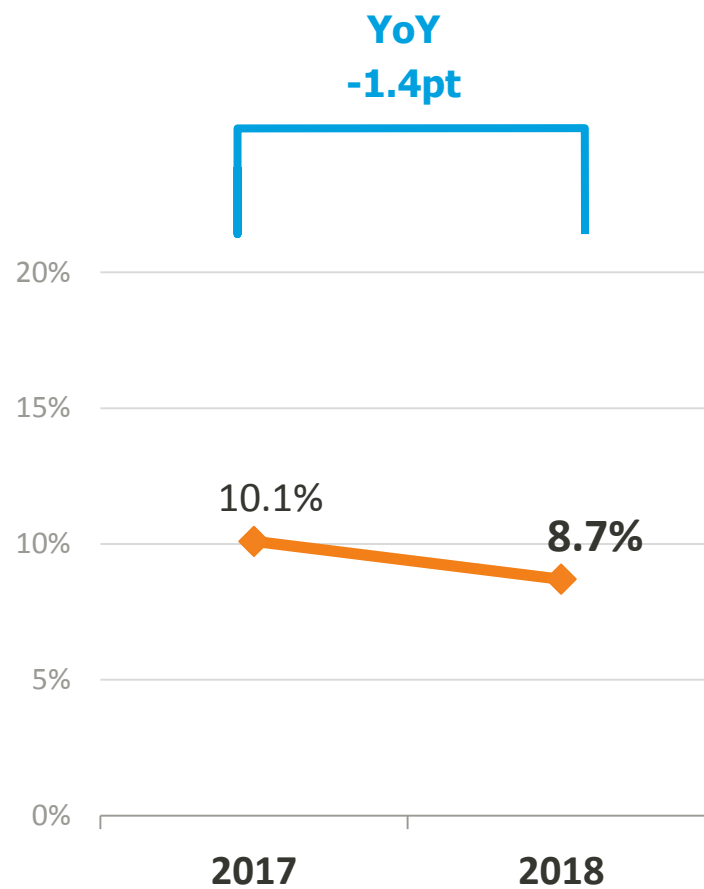
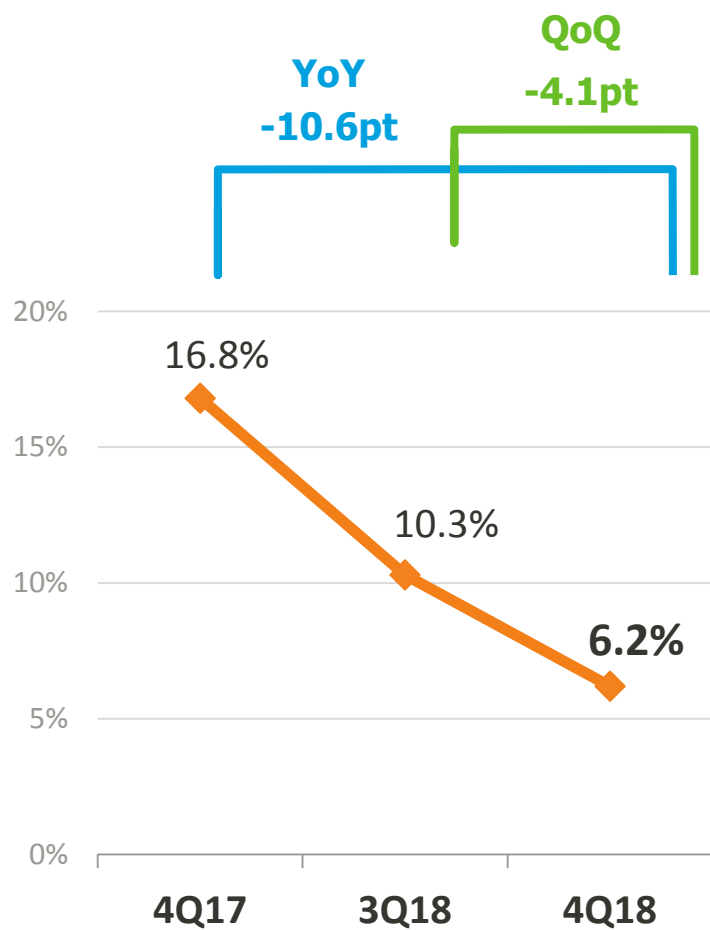


Consolidated Net Income

(NT\$ million)

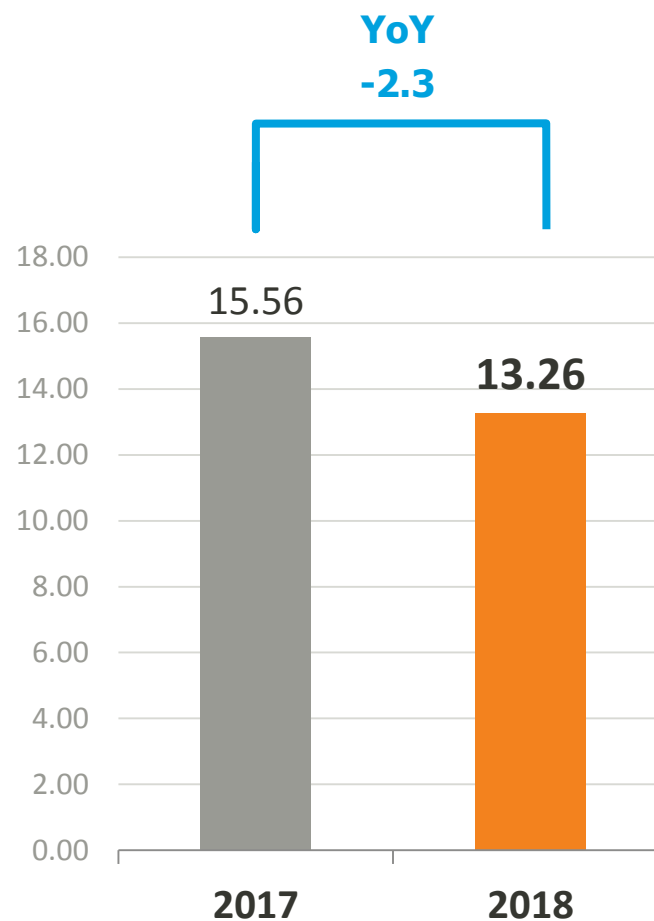
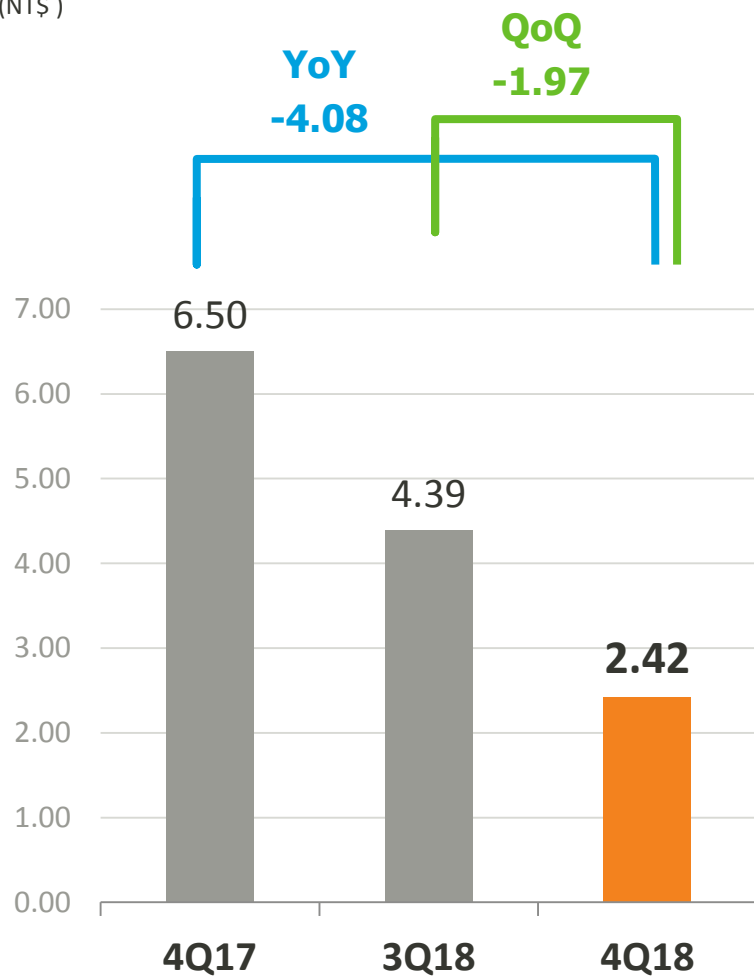


Consolidated Net Profit Margin



Consolidated Earnings Per Share

(NT\$)



Business Outlook

- ◆ For 2019-Q1, we currently expect:
 - ◆ Consolidated revenue: Around NT\$48.7 billion ~ 53.6 billion,
at a forecast exchange rate of 30.9 NT dollars to 1 US dollar
 - ◆ Consolidated gross margin: 39.5% ± 1.5%
 - ◆ Consolidated operating expense ratio: 35% ± 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)	4Q18	3Q18	4Q17	Q-Q	Y-Y
Net Sales	60,892	67,030	60,403	(9.2%)	0.8%
Operating costs	(37,190)	(41,206)	(37,819)		
Gross profit	23,702	25,825	22,584	(8.2%)	4.9%
Selling expenses	(3,222)	(2,908)	(3,050)		
Administration expenses	(1,559)	(1,716)	(2,385)		
R&D expenses	(15,070)	(14,890)	(15,859)		
Operating expenses	(19,851)	(19,515)	(21,294)		
Operating income	3,851	6,310	1,290	(39.0%)	198.5%
Net non-operating income	319	1,342	9,445		
Net income before income tax	4,170	7,652	10,735		
Income tax expense	(418)	(779)	(575)		
Net income	3,752	6,872	10,160	(45.4%)	(63.1%)
EPS attributable to the parent(NT\$)	2.42	4.39	6.50		

Note: Sums may not equal totals due to rounding.

Supplemental Information: Percentage of Revenue

	4Q18	3Q18	4Q17
Gross profit	38.9%	38.5%	37.4%
Selling expenses	(5.3%)	(4.3%)	(5.0%)
Administration expenses	(2.6%)	(2.6%)	(3.9%)
R&D expenses	(24.7%)	(22.2%)	(26.3%)
Operating income	6.3%	9.4%	2.1%
Non-operating income	0.5%	2.0%	15.6%
Income tax expense	(0.7%)	(1.2%)	(1.0%)
Net income	6.2%	10.3%	16.8%

Note: Sums may not equal totals due to rounding.

Consolidated Income Statement (Unaudited)

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

(In NT\$ millions, except EPS)	2018	2017	Y-Y
Net Sales	238,057	238,216	(0.1%)
Operating costs	(146,334)	(153,330)	
Gross Profit	91,724	84,886	8.1%
Selling expenses	(11,227)	(10,465)	
Administration expenses	(6,766)	(7,431)	
R&D expenses	(57,549)	(57,171)	
Operating Expenses	(75,541)	(75,067)	
Operating Income	16,182	9,819	64.8%
Net Non-operating Income	7,509	17,418	
Net Income Before Income Tax	23,691	27,237	
Income tax expense	(2,909)	(3,167)	
Net Income	20,782	24,070	(13.7%)
EPS Attributable to the Parent(NT\$)	13.26	15.56	

Note: Sums may not equal totals due to rounding.

Supplemental Information: Percentage of Revenue

	2018	2017
Gross profit	38.5%	35.6%
Selling expenses	(4.7%)	(4.4%)
Administration expenses	(2.8%)	(3.1%)
R&D expenses	(24.2%)	(24.0%)
Operating income	6.8%	4.1%
Non-operating income	3.2%	7.3%
Income tax expense	(1.2%)	(1.3%)
Net income	8.7%	10.1%

Note: Sums may not equal totals due to rounding.

Balance Sheet Summary (Unaudited)

(In NT\$ millions)

(In NT\$ millions)	4Q18	3Q18	4Q17
Cash & financial assets-current	164,671	170,509	170,120
Accounts receivable	28,939	32,998	16,895
Inventories	30,980	38,008	26,540
Other current assets	11,448	13,579	25,109
Funds and investments	49,262	49,424	37,772
Intangible assets	73,789	74,093	76,029
Other non-current assets	43,748	43,662	42,348
Total assets	402,836	422,274	394,814
Short-term loans	51,057	63,891	64,316
Accounts payable	17,687	25,277	23,584
Other current liabilities	53,848	55,923	39,357
Total non-current liabilities	5,918	5,267	6,358
Total equity	274,326	271,917	261,199

Note: Sums may not equal totals due to rounding.

Cash Flow Statement (Unaudited)

(In NT\$ millions)

(In NT\$ millions)	4Q18	3Q18	4Q17
Net cash provided by (used in) operating activities	8,703	4,100	16,739
Net cash provided by (used in) investing activities	(1,106)	3,916	(2,137)
Net cash provided by (used in) financing activities	(12,830)	(30,906)	1,408
Effect of changes in exchange rate on cash and cash equivalents	452	(531)	(134)
Net increase (decrease) in cash and cash equivalents	(4,781)	(23,421)	15,877
Cash and cash equivalents at the end of the period	143,170	147,951	145,338

Note : Sums may not equal totals due to rounding.

【Supplemental Information】

Reconciliations of TIFRS Results to Non-TIFRS Results

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

(In NT\$ millions)	4Q18	3Q18	4Q17	Q-Q	Y-Y
TIFRS operating income	3,851	6,310	1,290		
TIFRS net income	3,752	6,872	10,160		
TIFRS EPS(NT\$)	2.42	4.39	6.50		
Non-TIFRS reconciliation items	35	545	299		
Share-based compensation	(-343)	268	(-54)		
Amortization of acquisition related assets	421	387	403		
Tax effect	(43)	(110)	(50)		
Non-TIFRS operating income	3,929	6,965	1,639	(43.6%)	139.7%
Non-TIFRS operating income margin (%)	6.5%	10.4%	2.7%		
Non-TIFRS net income	3,787	7,418	10,459	(48.9%)	(63.8%)
Non-TIFRS net income margin (%)	6.2%	11.1%	17.3%		
Non-TIFRS EPS(NT\$)	2.45	4.74	6.68		

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.

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

(In NT\$ millions)	2018	2017	Y-Y
TIFRS operating income	16,182	9,819	
TIFRS net income	20,782	24,070	
TIFRS EPS(NT\$)	13.26	15.56	
Non-TIFRS reconciliation items	1,369	2,047	
Share-based compensation	152	614	
Amortization of acquisition related assets	1,518	1,766	
Tax effect	(301)	(334)	
Non-TIFRS operating income	17,853	12,200	46.3%
Non-TIFRS operating income margin (%)	7.5%	5.1%	
Non-TIFRS net income	22,152	26,117	(15.2%)
Non-TIFRS net income margin (%)	9.3%	11.0%	
Non-TIFRS EPS(NT\$)	14.14	16.86	

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.

www.mediatek.com