

MEDIATEK

聯發科技 2019年第四季法人說明會 MediaTek 2019-Q4 Investor Conference

February 7, 2020



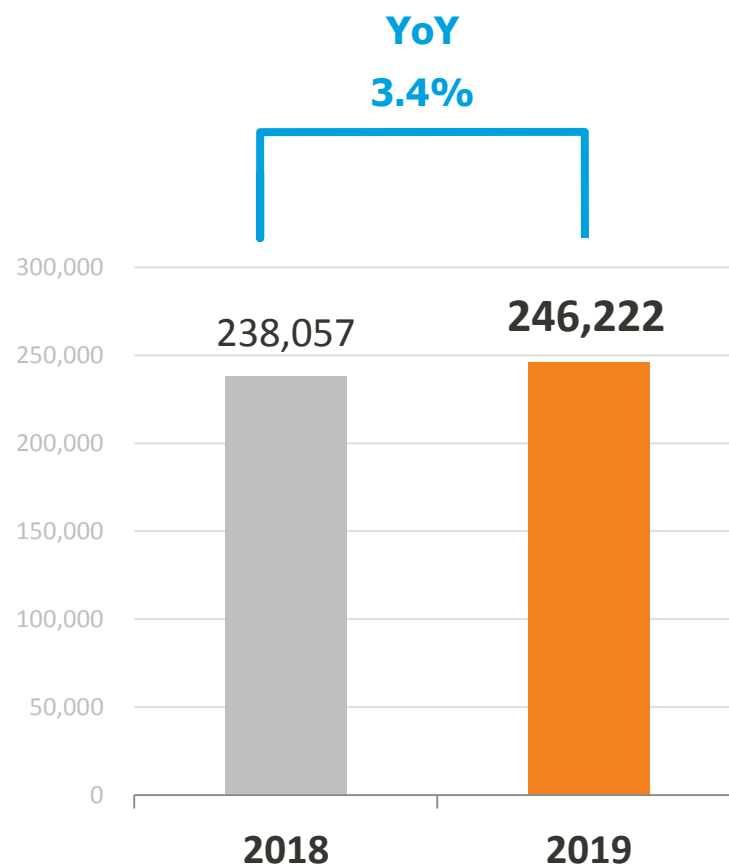
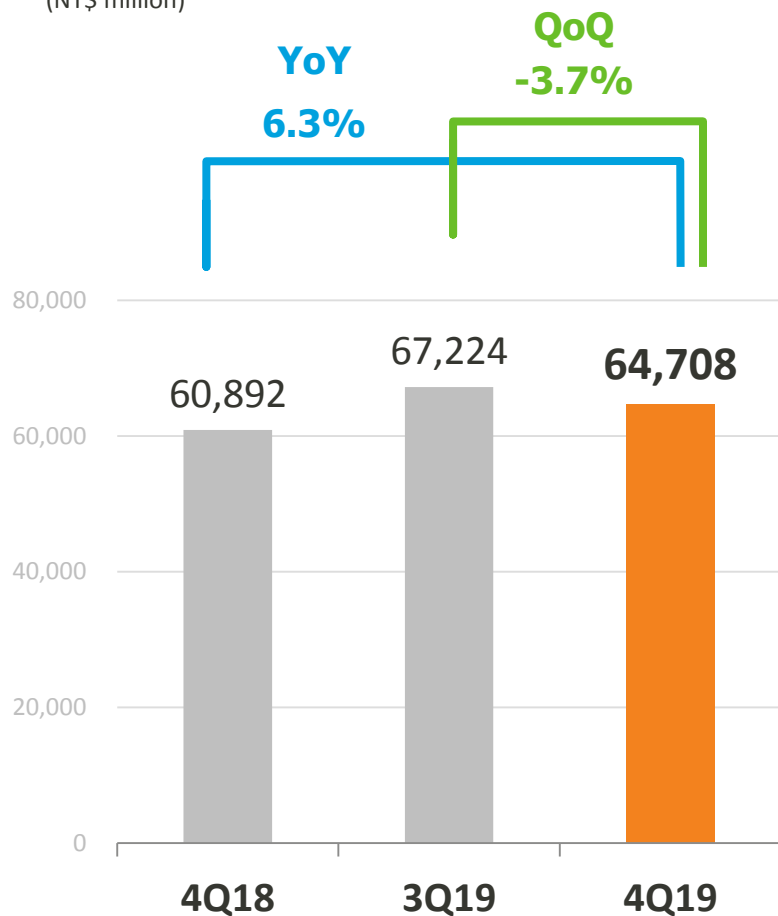
Safe Harbor Statement

These factors may cause actual results materially different from the information provided herein. The factors include the impact of competitive products and pricing, timely acceptance of products design 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, market oversupply, availability of manufacturing capacity, financial stability in end markets, potential difficulties in talents retention, unexpected costs and expenses, any merger and acquisition associated uncertainties such as obtaining of regulatory approval or integration delay, loss of significant customers, involvement in legal or administrative proceedings, new regulations that may impact our business operation, fluctuations in foreign exchange rates, global economic conditions or non-economic conditions and any other risks factors.

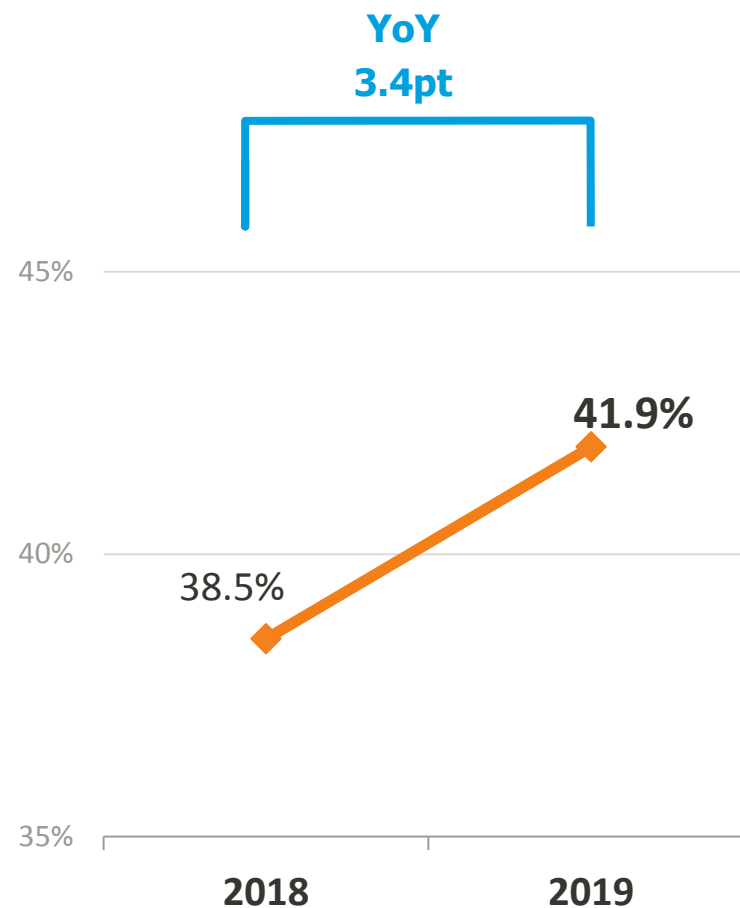
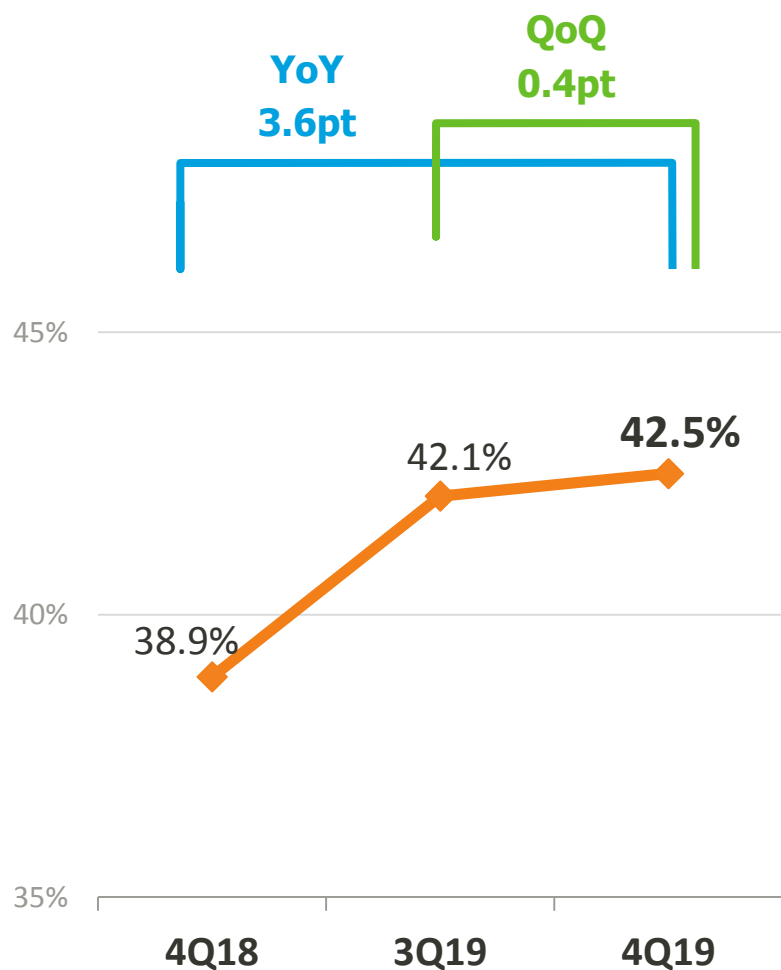
This presentation also supplements Non Taiwan International Financial Reporting Standards (TIFRS, as recognized by FSC) financial measures which exclude share-based compensation, amortization of acquisition related assets, tax effect and other items. This supplemental information is for reference only, not as a substitute for information based on TIFRS. Your attention is called that final actual earnings distribution will be made in accordance with financial statements based on TIFRS.

Consolidated Revenue

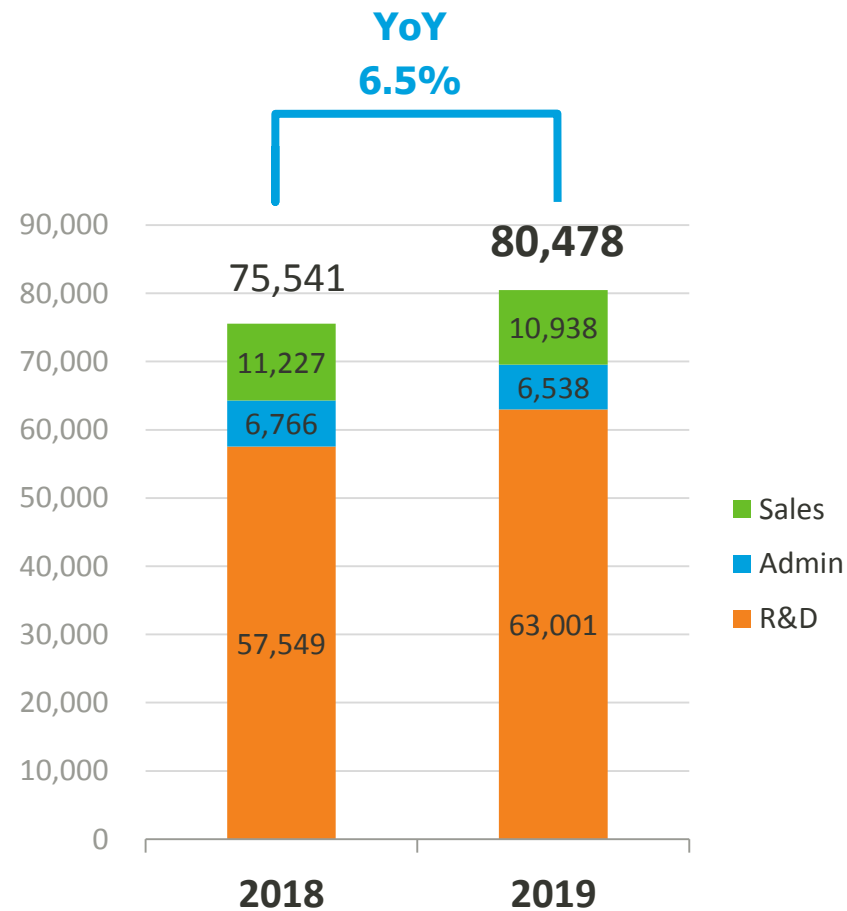
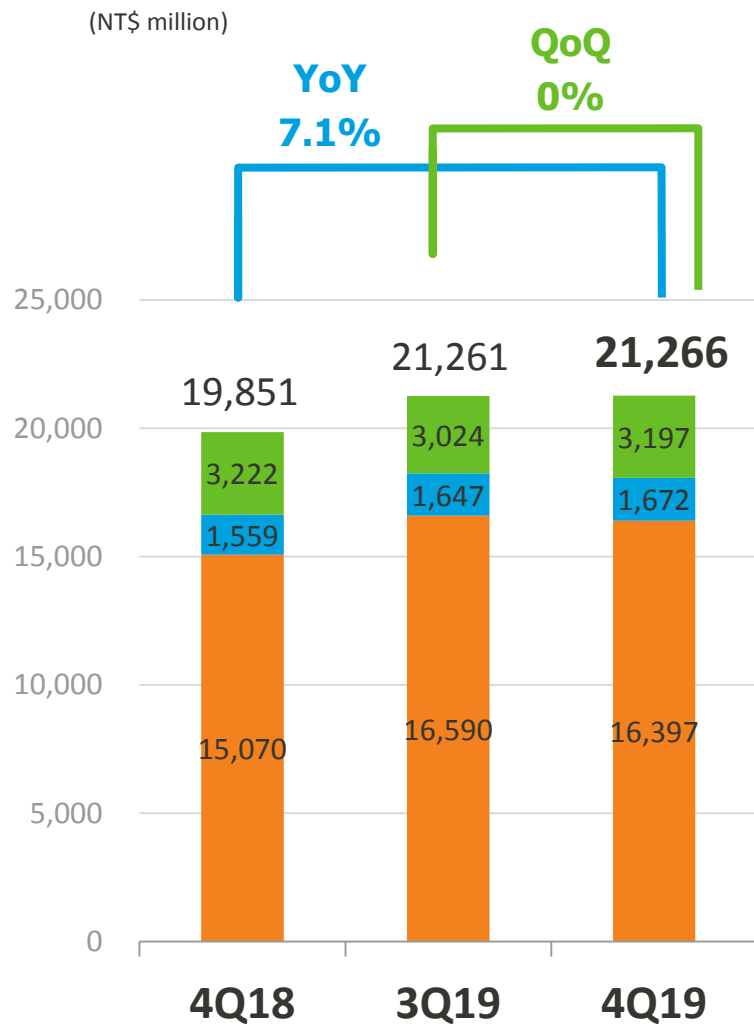
(NT\$ million)



Consolidated Gross Margin

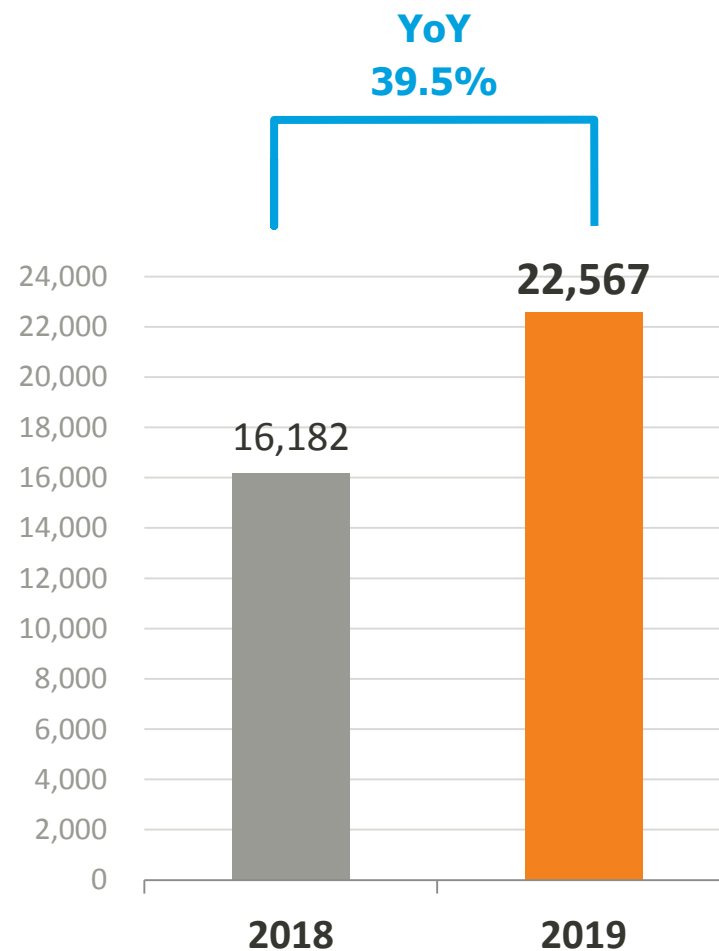
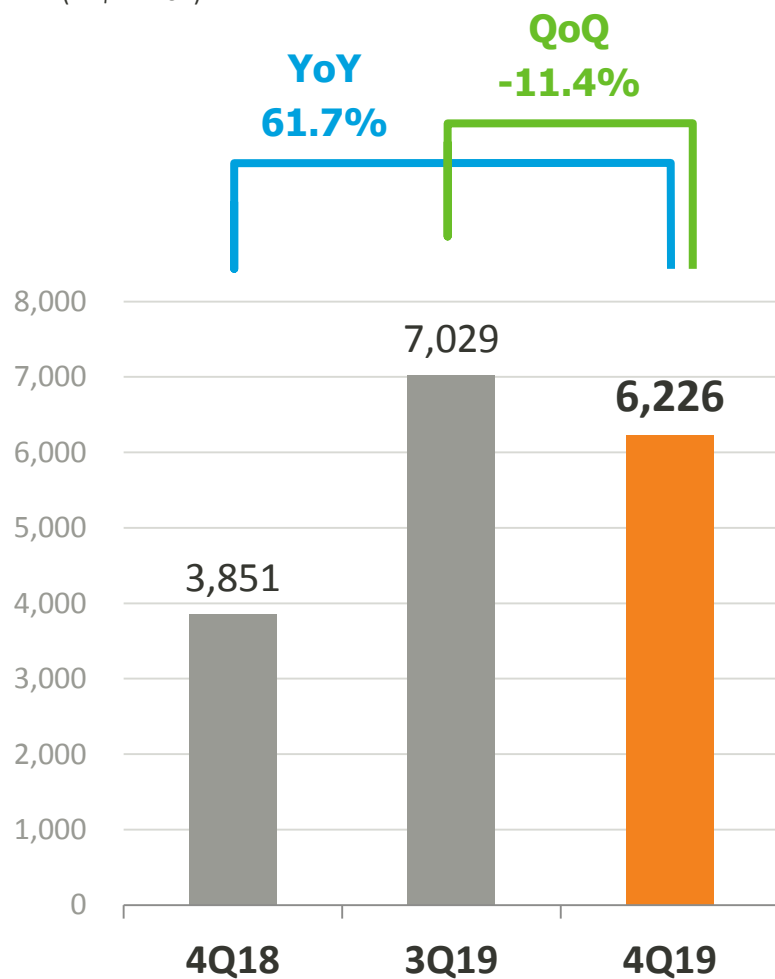


Consolidated Operating Expenses

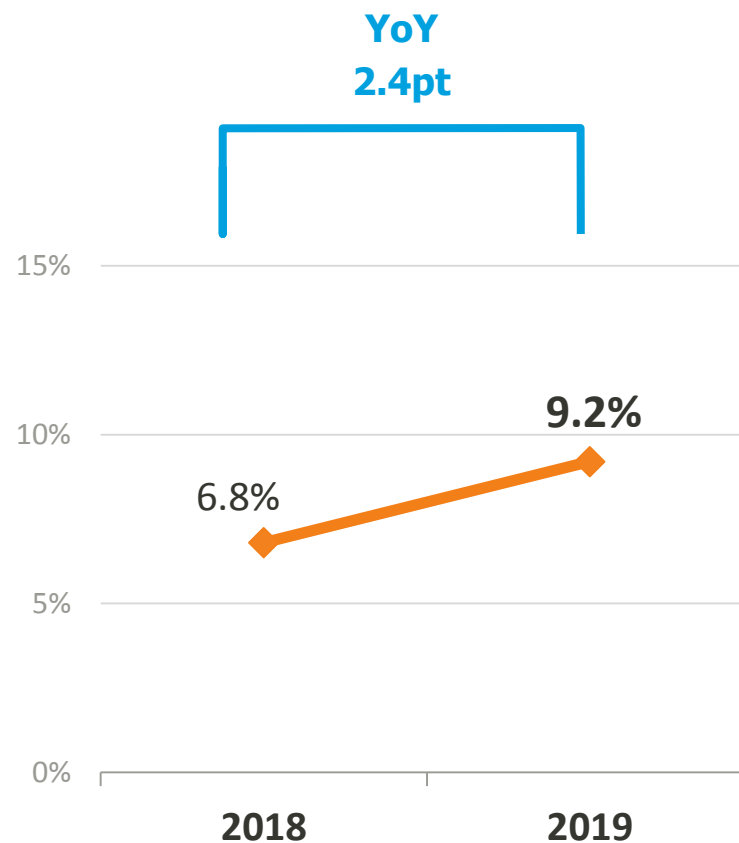
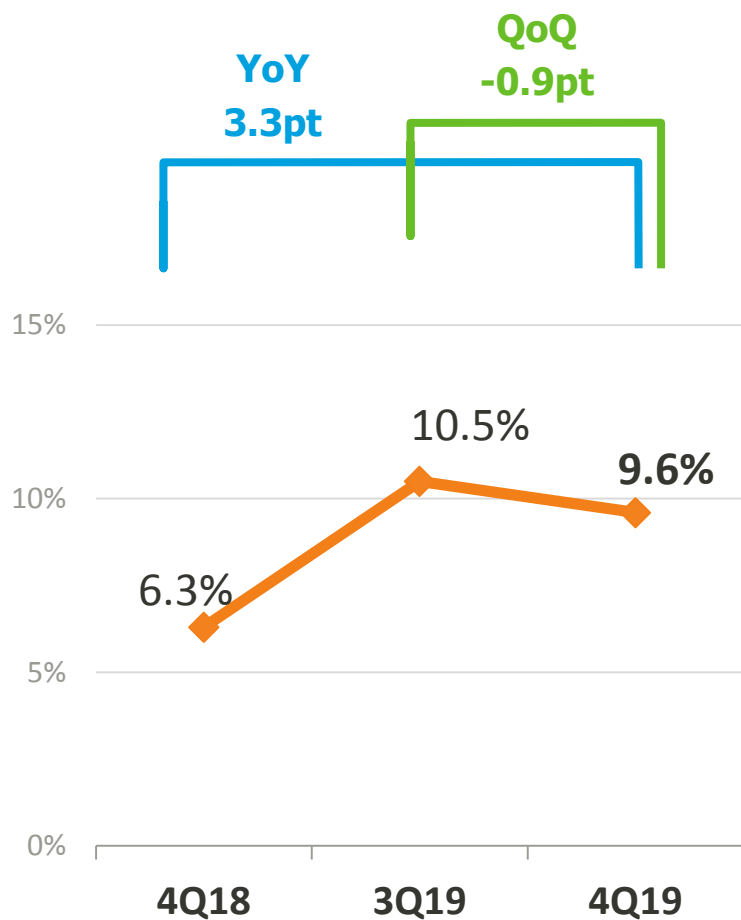


Consolidated Operating Income

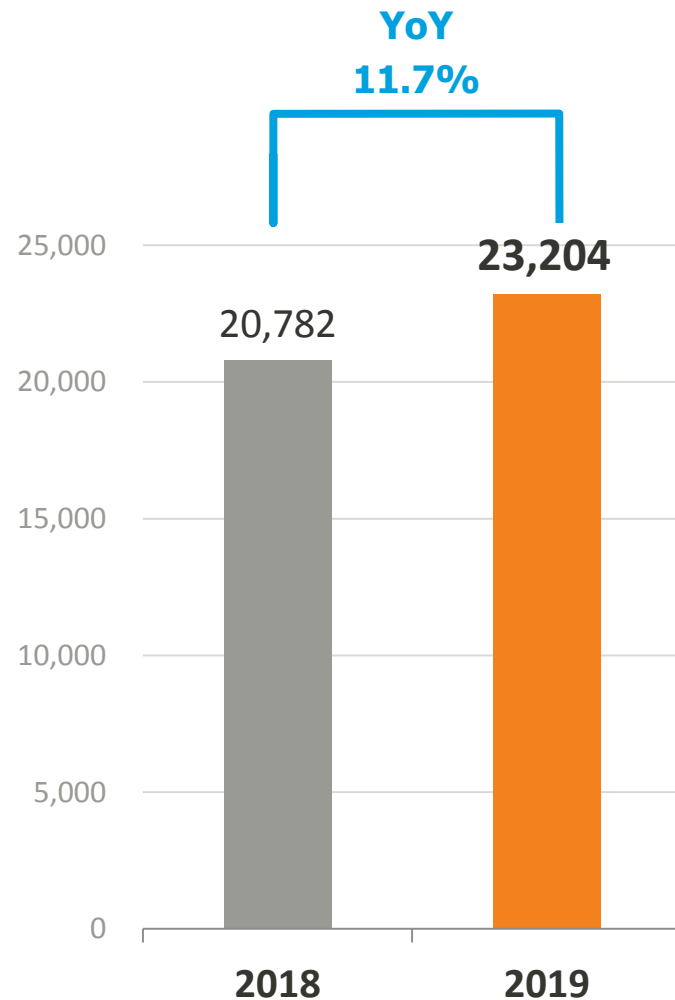
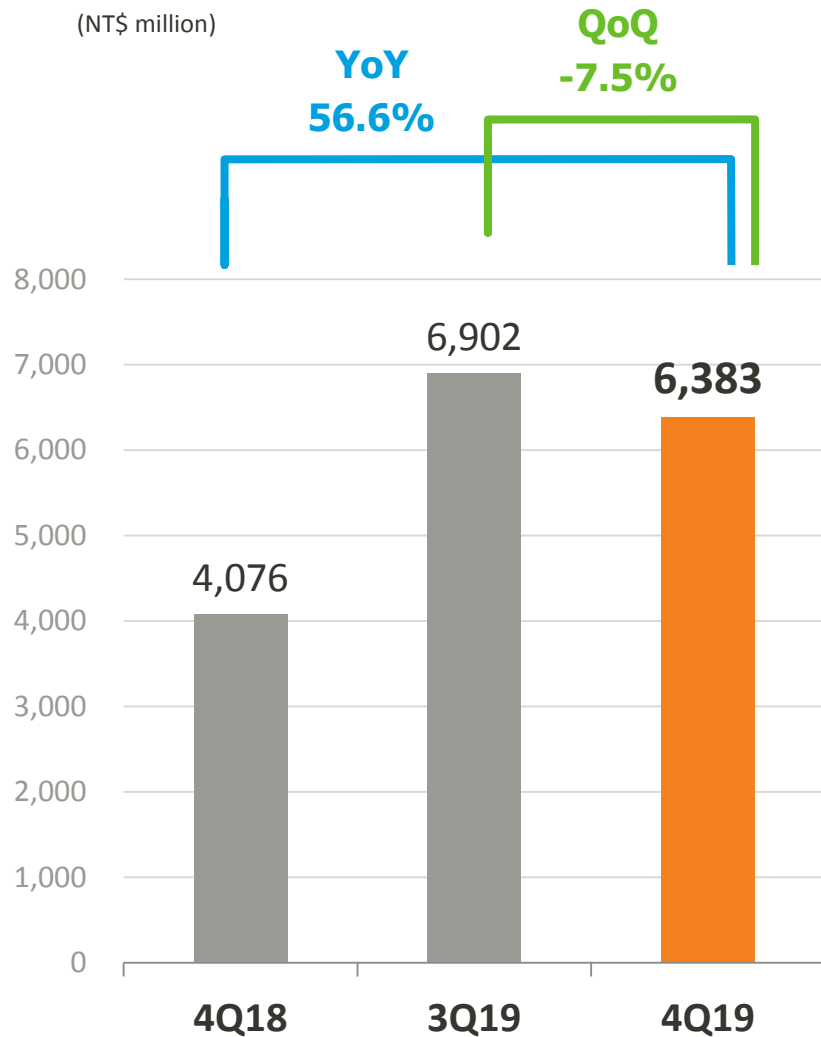
(NT\$ million)



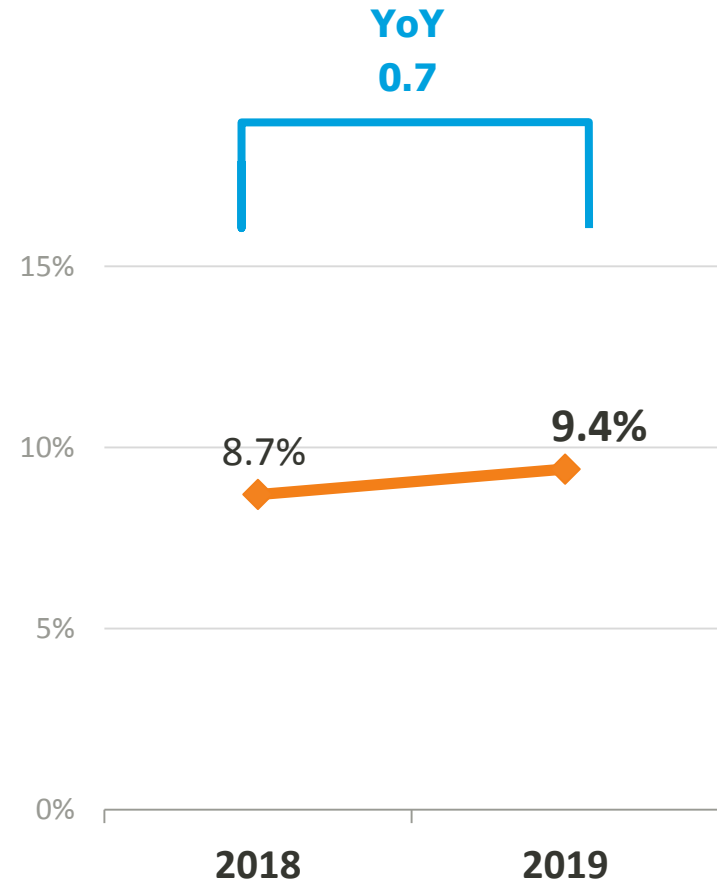
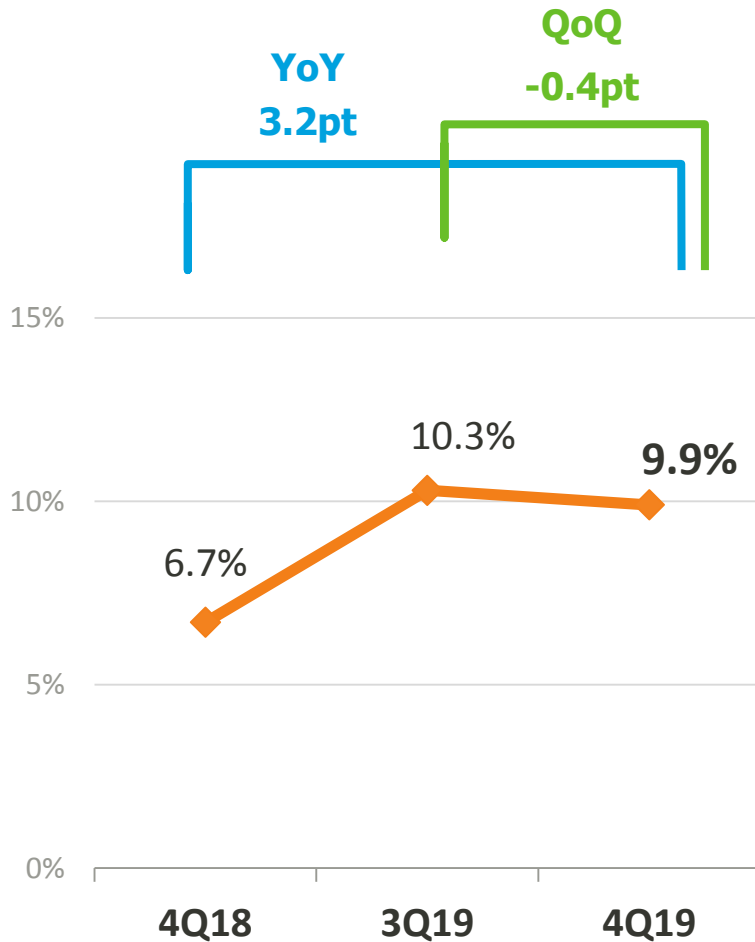
Consolidated Operating Margin



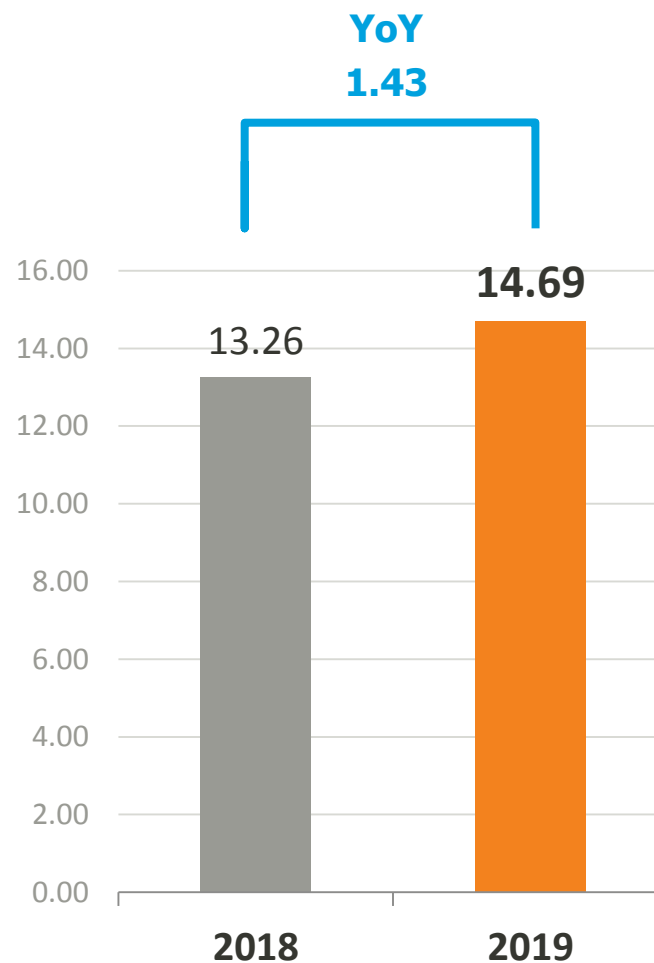
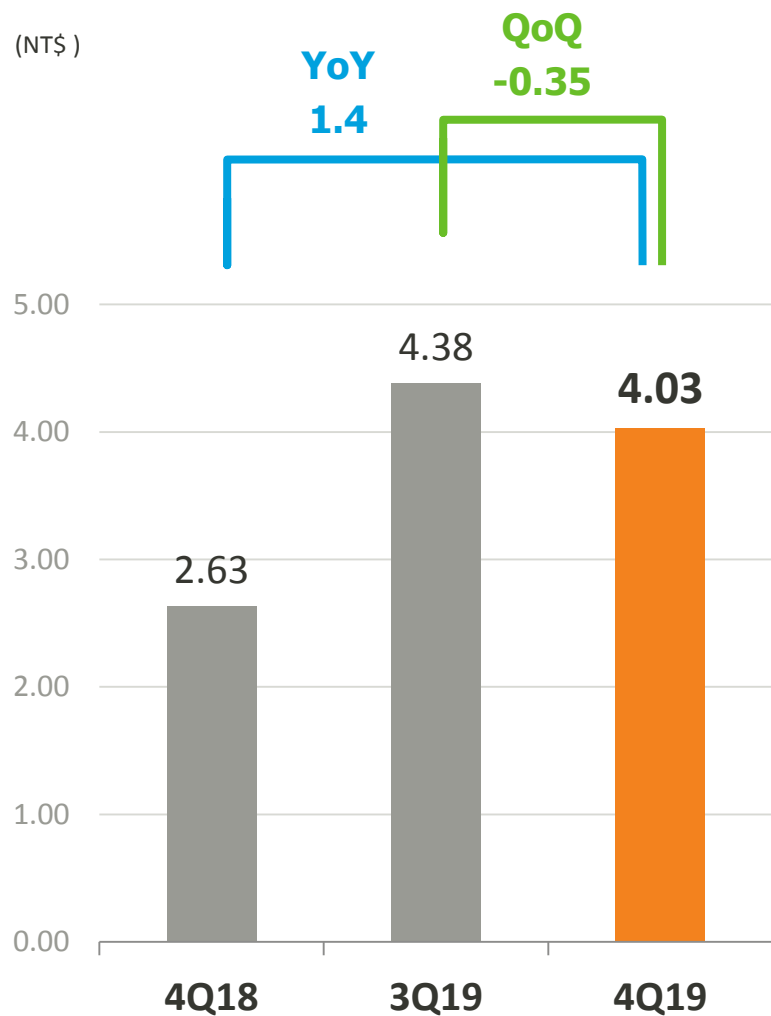
Consolidated Net Income



Consolidated Net Profit Margin



Consolidated Earnings Per Share



Business Outlook

- ◆ For 2020-Q1, we currently expect:
 - ◆ Consolidated revenue: Around NT\$55 billion ~ 60.2 billion, at a forecast exchange rate of 30 NT dollars to 1 US dollar
 - ◆ Consolidated gross margin: 42% $\pm$ 1.5%
 - ◆ Consolidated operating expense ratio: 34.5% $\pm$ 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)	4Q19	3Q19	4Q18 ^(Note2)	Q-Q	Y-Y
Net Sales	64,708	67,224	60,892	(3.7%)	6.3%
Operating costs	(37,216)	(38,934)	(37,190)		
Gross profit	27,492	28,290	23,702	(2.8%)	16.0%
Selling expenses	(3,197)	(3,024)	(3,222)		
Administration expenses	(1,672)	(1,647)	(1,559)		
R&D expenses	(16,397)	(16,590)	(15,070)		
Operating expenses	(21,266)	(21,261)	(19,851)		
Operating income	6,226	7,029	3,851	(11.4%)	61.7%
Net non-operating income	829	918	642		
Net income before income tax	7,055	7,947	4,493		
Income tax expense	(672)	(1,045)	(418)		
Net income	6,383	6,902	4,076	(7.5%)	56.6%
EPS attributable to the parent(NT\$)	4.03	4.38	2.63		

Note1: Sums may not equal totals due to rounding.

Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect annual amount for the period 2018.

Supplemental Information: Percentage of Revenue

	4Q19	3Q19	4Q18
Gross profit	42.5%	42.1%	38.9%
Selling expenses	(4.9%)	(4.5%)	(5.3%)
Administration expenses	(2.6%)	(2.4%)	(2.6%)
R&D expenses	(25.3%)	(24.7%)	(24.7%)
Operating income	9.6%	10.5%	6.3%
Non-operating income	1.3%	1.4%	1.1%
Income tax expense	(1.0%)	(1.6%)	(0.7%)
Net income	9.9%	10.3%	6.7%

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)	2019	2018	Y-Y
Net Sales	246,222	238,057	3.4%
Operating costs	(143,176)	(146,334)	
Gross Profit	103,046	91,724	12.3%
Selling expenses	(10,938)	(11,227)	
Administration expenses	(6,538)	(6,766)	
R&D expenses	(63,001)	(57,549)	
Operating Expenses	(80,478)	(75,541)	
Operating Income	22,567	16,182	39.5%
Net Non-operating Income	4,460	7,509	
Net Income Before Income Tax	27,027	23,691	
Income tax expense	(3,823)	(2,909)	
Net Income	23,204	20,782	11.7%
EPS Attributable to the Parent(NT\$)	14.69	13.26	

Note: Sums may not equal totals due to rounding.

Supplemental Information: Percentage of Revenue

	2019	2018
Gross profit	41.9%	38.5%
Selling expenses	(4.4%)	(4.7%)
Administration expenses	(2.7%)	(2.8%)
R&D expenses	(25.6%)	(24.2%)
Operating income	9.2%	6.8%
Non-operating income	1.8%	3.2%
Income tax expense	(1.6%)	(1.2%)
Net income	9.4%	8.7%

Note: Sums may not equal totals due to rounding.

Balance Sheet Summary (Unaudited)

(In NT\$ millions)

(In NT\$ millions)	4Q19	3Q19	4Q18 ^(Note2)
Cash & financial assets-current	203,174	205,786	164,671
Accounts receivable	26,837	30,450	28,939
Inventories	27,615	31,028	30,980
Other current assets	9,103	10,967	11,448
Funds and investments	73,278	56,446	49,262
Intangible assets	70,917	71,884	73,789
Other non-current assets	47,778	47,330	43,748
Total assets	458,702	453,891	402,836
Short-term loans	57,255	54,701	51,057
Accounts payable	22,314	23,101	17,687
Other current liabilities	51,530	50,719	53,848
Total non-current liabilities	13,204	12,539	5,918
Total equity	314,400	312,830	274,326

Note1: Sums may not equal totals due to rounding.

Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect annual amount for the period 2018.

Cash Flow Statement (Unaudited)

(In NT\$ millions)

(In NT\$ millions)	4Q19	3Q19	4Q18
Net cash provided by (used in) operating activities	19,588	7,192	8,703
Net cash provided by (used in) investing activities	1,502	2,891	(1,106)
Net cash provided by (used in) financing activities	2,775	(27,244)	(12,830)
Effect of changes in exchange rate on cash and cash equivalents	(2,293)	(928)	452
Net increase (decrease) in cash and cash equivalents	21,573	(18,089)	(4,781)
Cash and cash equivalents at the end of the period	177,545	155,972	143,170

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^{Note3}

(In NT\$ millions)	4Q19	3Q19	4Q18 ^(Note2)	Q-Q	Y-Y
TIFRS operating income	6,226	7,029	3,851		
TIFRS net income	6,383	6,902	4,076		
TIFRS EPS(NT\$)	4.03	4.38	2.63		
Non-TIFRS reconciliation items	627	1,140	35		
Share-based compensation	321	934	(343)		
Amortization of acquisition related assets	417	420	421		
Tax effect	(111)	(214)	(43)		
Non-TIFRS operating income	6,964	8,383	3,929	(16.9%)	77.2%
Non-TIFRS operating income margin (%)	10.8%	12.5%	6.5%		
Non-TIFRS net income	7,010	8,043	4,111	(12.8%)	70.5%
Non-TIFRS net income margin (%)	10.8%	12.0%	6.8%		
Non-TIFRS EPS(NT\$)	4.43	5.11	2.66		

Note1: Sums may not equal totals due to rounding.

Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect annual amount for the period 2018.

Note3: 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)	2019	2018	Y-Y
TIFRS operating income	22,567	16,182	
TIFRS net income	23,204	20,782	
TIFRS EPS(NT\$)	14.69	13.26	
Non-TIFRS reconciliation items	3,100	1,369	
Share-based compensation	2,019	152	
Amortization of acquisition related assets	1,678	1,518	
Tax effect	(597)	(301)	
Non-TIFRS operating income	26,265	17,853	47.1%
Non-TIFRS operating income margin (%)	10.7%	7.5%	
Non-TIFRS net income	26,304	22,152	18.7%
Non-TIFRS net income margin (%)	10.7%	9.3%	
Non-TIFRS EPS(NT\$)	16.68	14.14	

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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