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Investors Relations Conference
1H'18 Business Report

Getac Technology Corporation

2018.08.15

Disclaimer

- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources. Getac undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.
- Our actual results of operations, financial condition or business prospects may differ from those expressed or implied in these forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, international economic conditions, supply chain issues, exchange rate fluctuations and other risks and factors beyond our control.

AGENDA

Investors Relations Conference

01 Business Update
James Hwang/ Chairman

02 Financial Update
Grace Tseng/Head of Accounting

03 Q&A

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01

Business Update

James Hwang/ Chairman

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About Getac

Basic Information

Founded in 1989
IPO in 2002
(TWSE:3005)

Company Size

Worldwide Employee numbers: 8,282
Capital:NT$5.8B
2017 Consolidated Revenue: NT$22.20 billion

Business Coverage

Rugged Computing
Combo Mechanical Products
Automotive Parts
Aerospace Fasteners

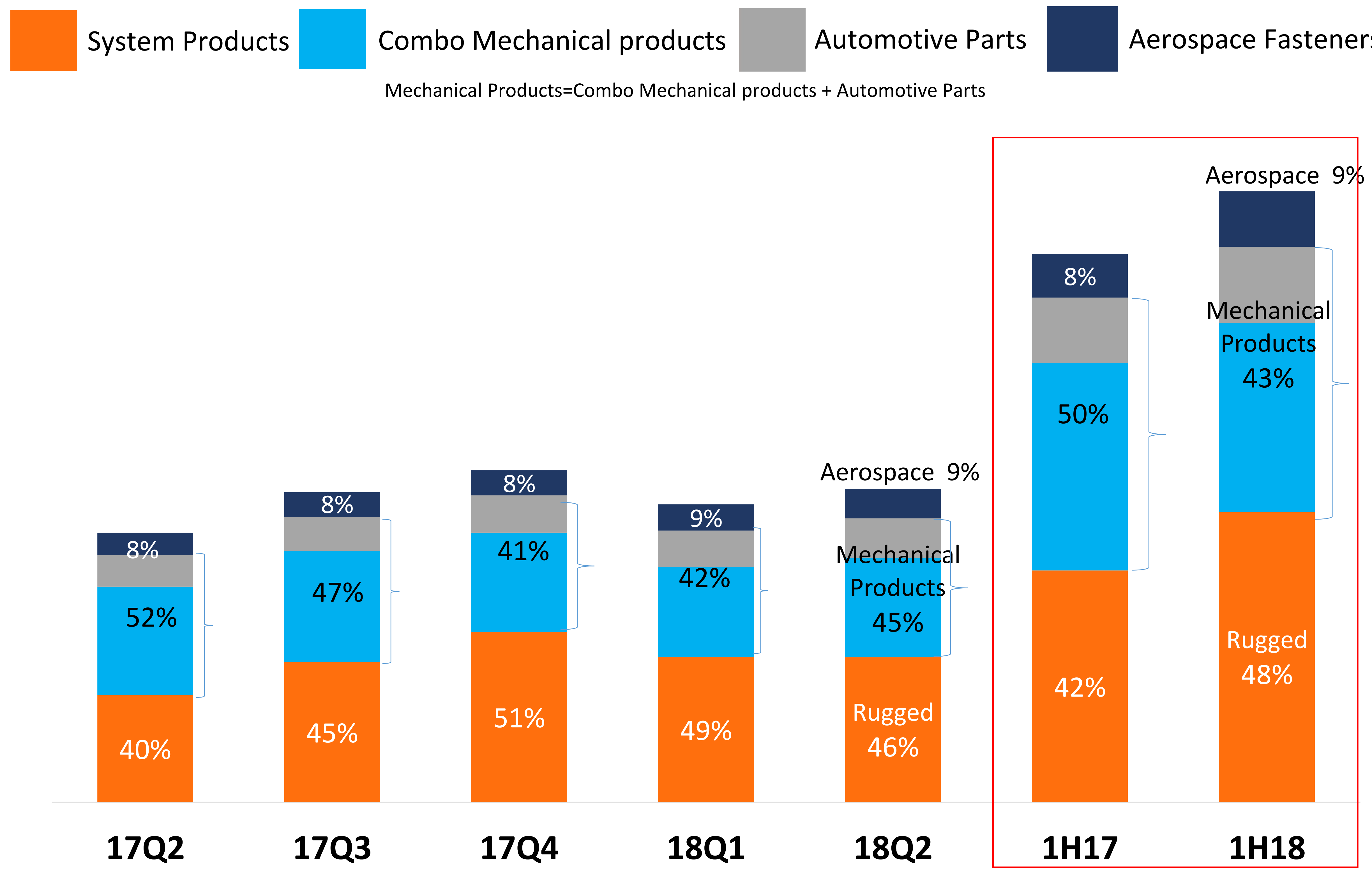
Manufacturing Locations

Rugged Computers
Kunshan China(1)
Combo Mechanical
Kunshan China(2)
Hanoi, Vietnam(1)
Automotive Parts
Chengshu, China(1)
Hanoi, Vietnam(1)

Business Coverage

Rugged Computing Solutions	Combo Mechanical Products	Automotive Mechanical Products	Aerospace Fasteners
World's Top 3 mobile rugged computing solution brand.	RHCM production process leading manufacturer	Large share of WW spindle/spool Shipment qty.	One of the very few certified aerospace fasteners manufacturers in Asia Pacific region.
Rugged Computing Solutions	Plastic Injection Composite Materials	Die-Casting Metal Parts	Bolt and nuts for aeroplane engine
  Getac Video Solution 			

Revenue Distribution by Products



Business Update

- 1H Revenue increased by 11.45% year-over-year。All product lines except combo mechanical products (Composite material chassis) showed an upward trend compared to the same period last year.
- Rugged Computing
  - 1H sees a strong growth momentum coming from government project wins and automobile manufacturer customers.
  - Market penetration rate has increased significantly as a result of several major projects wins from European automobile manufacturers.
  - Continued to promote solution business and develop value-added product lines.

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Business Update

- Combo Mechanical Products
  - The shipment of NB chassis and game console products in 1H has decreased compared to the same period last year.
  - Continued to promote carbon fiber chassis products (hybrid molding) and enhance cost competitiveness through operational management.
- Automotive parts
  - Continue to increase market share of ADAS and New Energy vehicle related component products. The unit shipment of new products is expected to increase in 2H compared to the same period last year.
  - Capacity Expansion Plan
    - Vietnam capacity expansion continues as planned , but the Kunshan Capacity Expansion is delayed because Kunshan government temporarily suspends to review application of hazardous waste facilities and issue permits; The Expansion delay will not affect the revenue performance of Automotive Parts in 2018.

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Financial Update

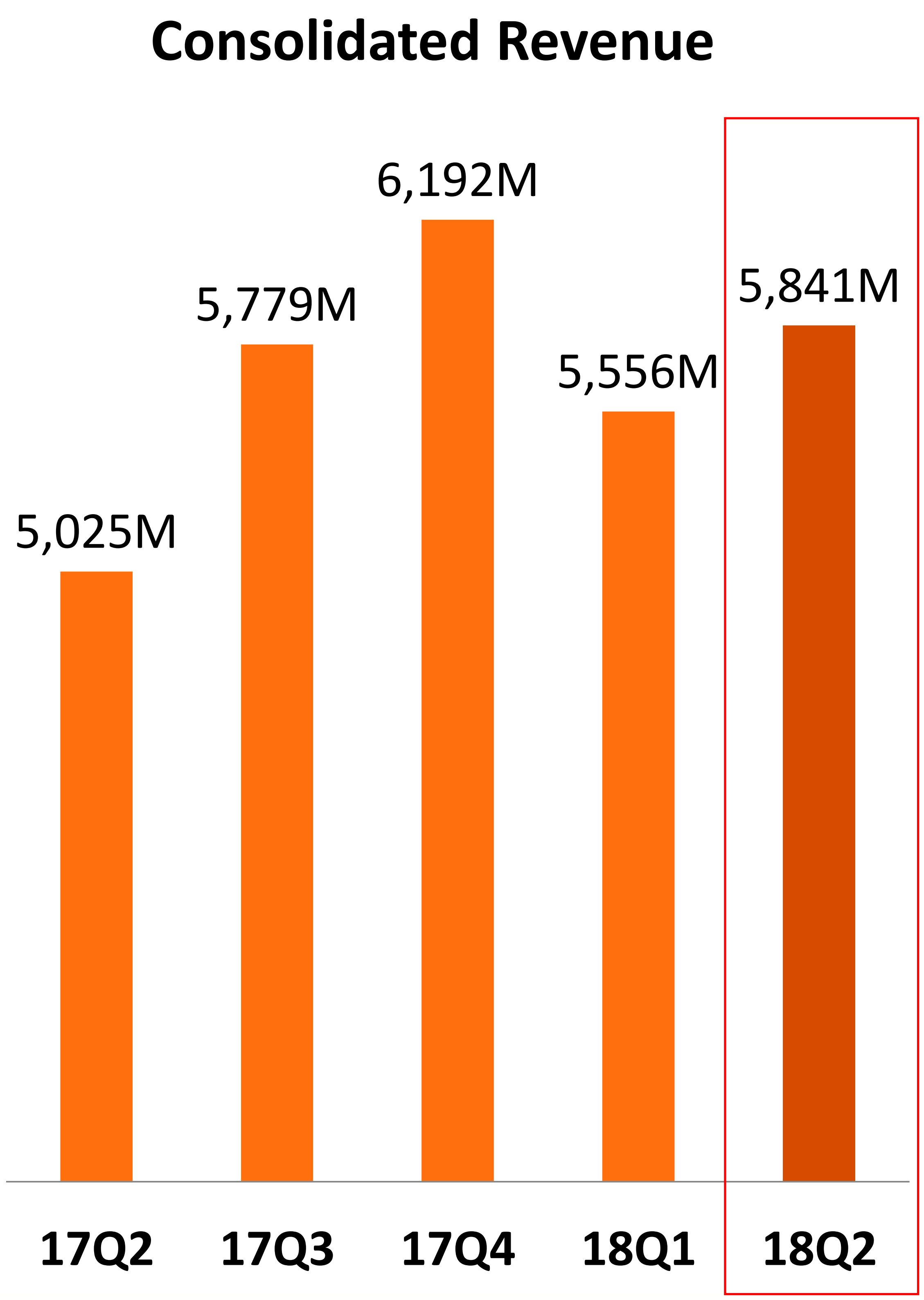
Grace Tseng/Head of Accounting

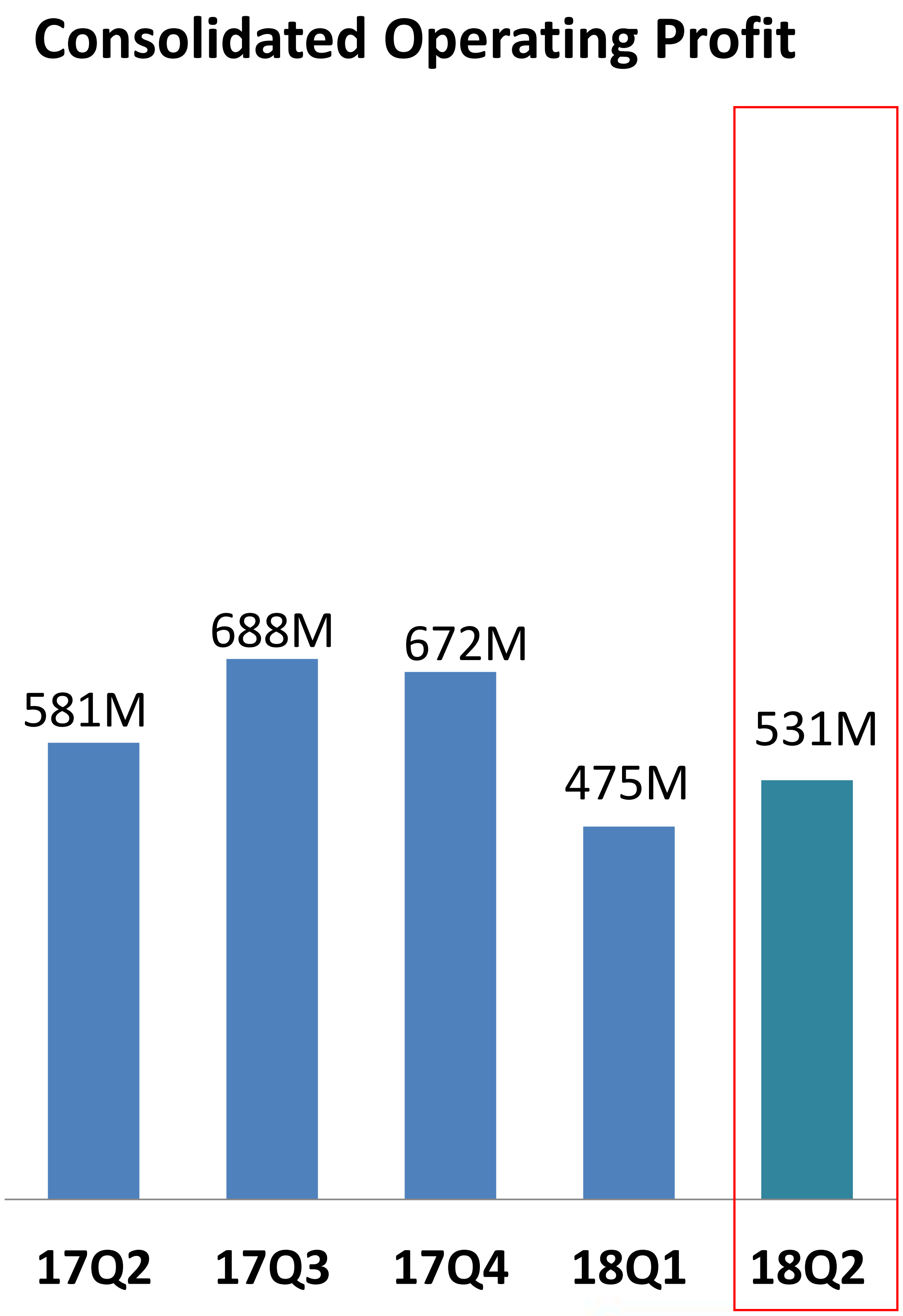
1H’18 Consolidated Income Statement

Unit: NT$Million

	2017 1H	2018 1H	YoY (%)
Operating Revenue	10,226	11,397	11.45%
Gross Profit	2,902	3,115	7.34%
(%)	28.38%	27.34%	
Operating Expense	(1,768)	(2,134)	20.70%
(%)	-17.29%	-18.72%	
Operating Profit	1,153	1,006	-12.75%
	11.28%	8.83%	
Non-operating Income			
Other gains & losses	(39)	129	
Share of profit of associate & accounted for under equity method	(8)	9	
Others	48	61	
Subtotal	1	199	
Profit before income tax	1,154	1,205	4.42%
Income tax expense	(273)	(203)	
Net profit after tax	820	910	10.98%
EPS (NT$)	1.45	1.58	8.97%

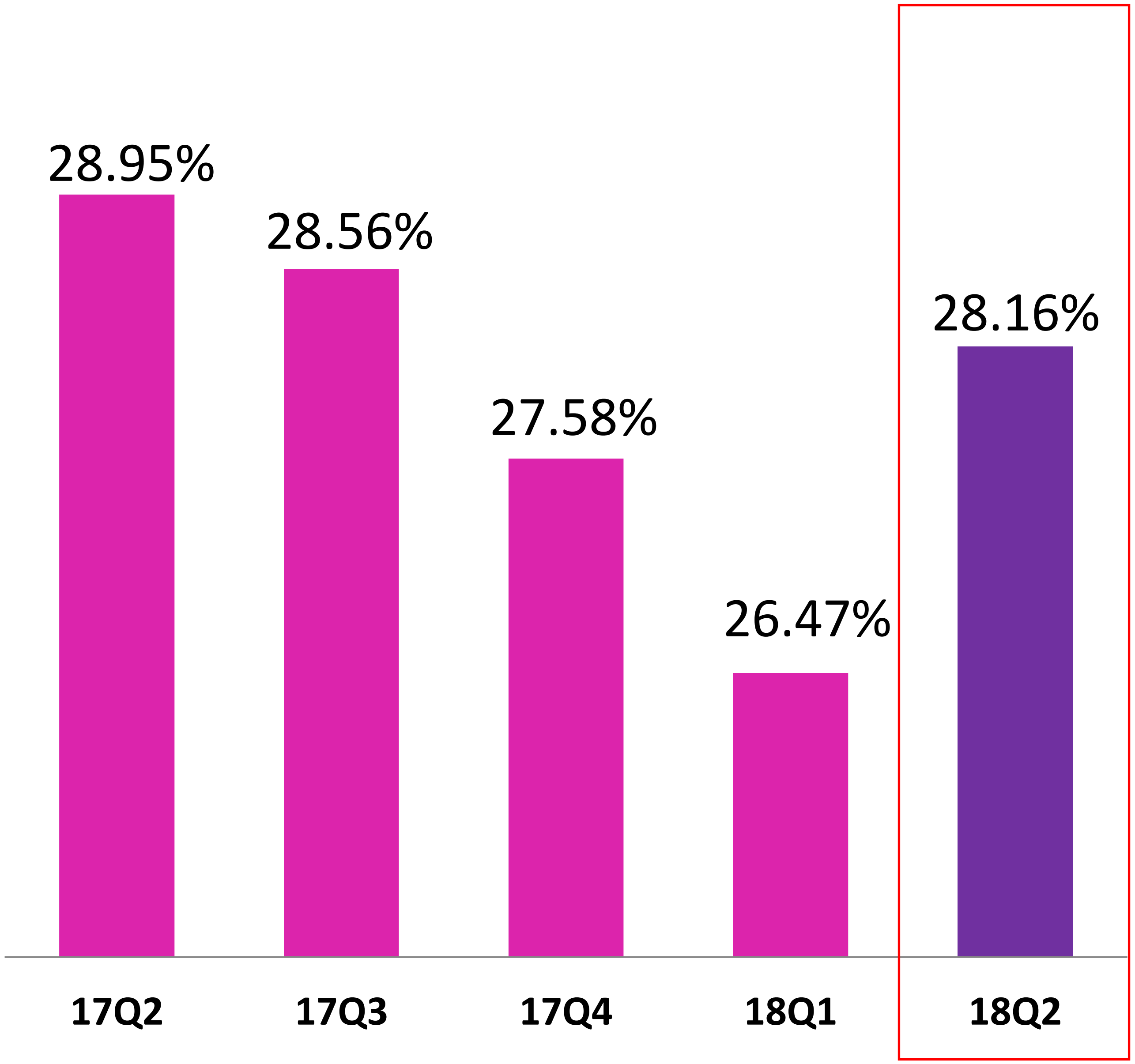
Financial Performance of last five quarters



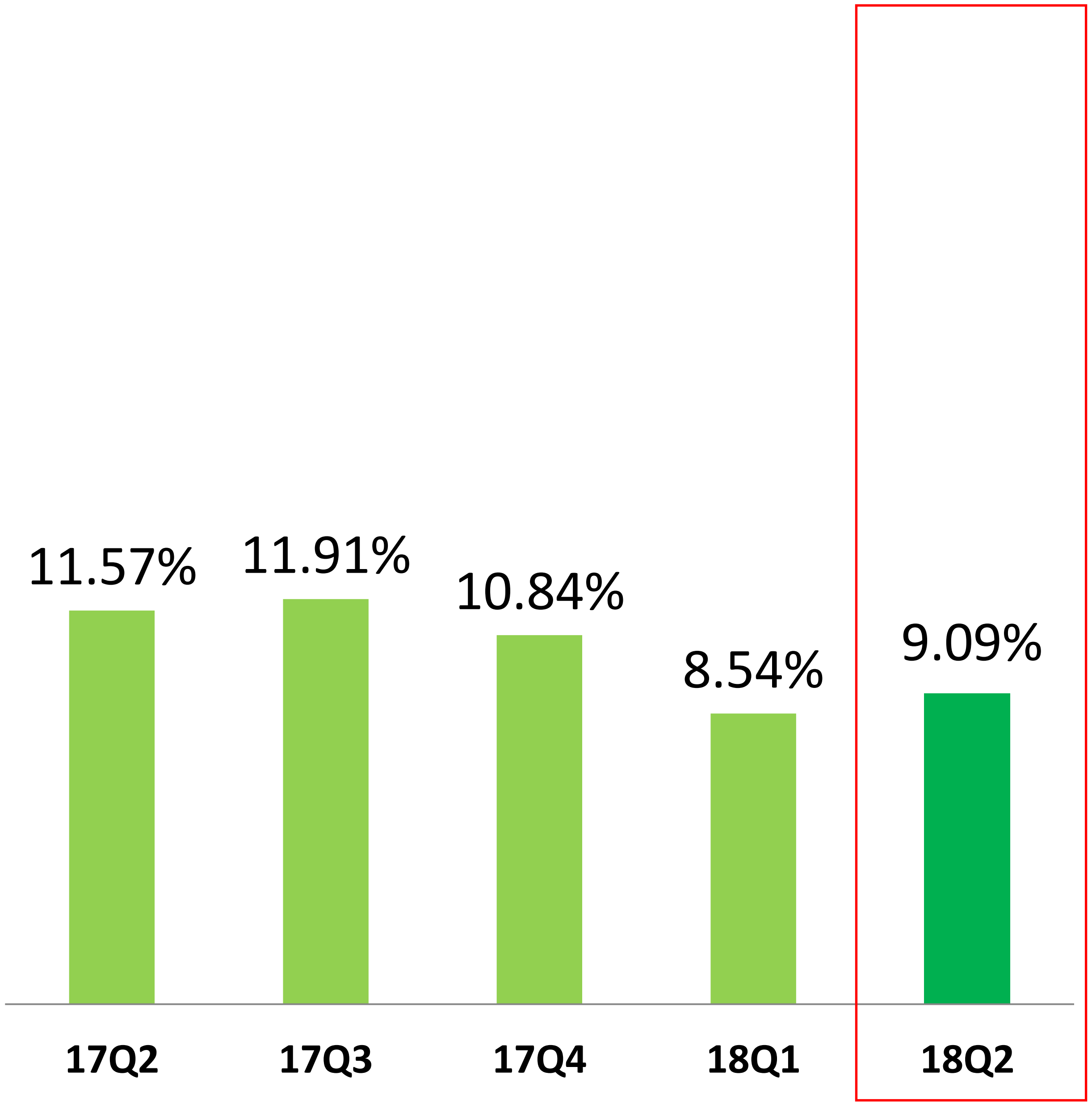


Financial Performance of last five quarters

Gross Margin(%)



Operating Margin(%)



1H'18 Balance Sheet

Unit: NT$millions

	2017.06.30	2017.12.31	2018.06.30
ASSETS			
Current Assets			
Cash and cash equivalents	4,987	4,440	5,567
Financial assets at fair value through profit or loss- current	0	2	15
Notes receivable	1	-	0
Accounts receivable-net	4,562	5,602	5,280
Inventories-net	3,488	4,208	4,014
Other Current Assets	1,858	1,611	1,311
Total current assets	14,896	15,863	16,187
Non-current assets			
financial assets measured at fair value through other comprehensive income	-	-	537
Investments accounted for under the equity method	1,223	1,263	1,188
Financial assets carried at cost – non-current	205	188	-
Available-for-sale financial assets- non-current	387	355	-
Property, plant and equipment – net	6,705	6,816	7,280
Investment property - net	280	269	257
Deferred income tax assets	188	208	259
Other non-current assets	837	821	1,445
Total non-current assets	9,825	9,920	10,966
TOTAL ASSETS	24,721	25,783	27,153

	2017.06.30	2017.12.31	2018.06.30
LIABILITIES			
Current liabilities			
Short-term borrowings	387	366	466
Accounts payable	3,088	3,809	3,526
Other current liabilities	5,496	4,507	5,656
Total current liabilities	8,971	8,682	9,648
Non-current liabilities			
Long-term borrowings	1,493	1,623	1,573
Other non-current liabilities	395	453	749
Total non-current liabilities	1,888	2,076	2,322
Total liabilities	10,859	10,758	11,970
SHAERHOLDERS' EQUITY			
Common stock	5,704	5,716	5,834
Capital surplus	2,552	2,575	2,932
Retained earnings	4,609	5,686	5,162
Currency translation differences	(180)	(187)	(5)
Unrealized gains and losses on financial assets measured at fair value through other comprehensive income	-	-	(121)
Unrealized gain or loss on available for sale financial assets	(86)	(111)	-
Treasury shares	(95)	(95)	(95)
Non-controlling interest	1,358	1,441	1,476
TOTAL EQUITY	13,862	15,025	15,183
TOTAL LIABILITIES AND EQUITY	24,721	25,783	27,153

1H’18 Operational Efficiency

Unit: NT$million, Days

Item	2017.06.30	2018.03.31	2018.06.30
Cash and cash equivalents (Incl. bank deposit over three months)	6,170	5,875	6211
Account Receivable Turnover Days	89	84	87
Inventory Turnover Days	105	114	111
Account Payable Turnover Days	85	80	81
Cash Conversion days	109	118	117

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Q & A

Q2’18 Consolidated Income Statement

Unit: NT$Million

	2017		2018		QoQ	YoY
	Q1	Q2	Q1	Q2	(%)	(%)
Operating Revenue	5,201	5,025	5,556	5,841	5.1%	16.2%
Gross Profit	1,448	1,454	1,471	1,644	11.8%	13.1%
(%)	27.84%	28.95%	26.47%	28.16%		
Operating Expense	(886)	(882)	(1,009)	(1,125)	11.5%	27.6%
(%)	-17.04%	-17.55%	-18.16%	-19.26%		
Operating Profit	572	581	475	531	11.8%	-8.6%
	11.00%	11.56%	8.54%	9.09%		
Non-operating Income						
Other gains & losses	(39)	0	103	26		
Share of profit of associate & accounted for under equity method	(4)	(4)	(7)	16		
Others	18	30	27	34		
Subtotal	(25)	26	123	76		
Profit before income tax	547	607	598	607	1.5%	0.0%
Income tax expense	(113)	(160)	(98)	(105)		
Net profit after tax	408	412	466	444	-4.7%	7.8%
EPS (NT$)	0.72	0.73	0.81	0.77	-4.9%	5.5%

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Stable Profit and Pay-out Ratio

NT $: million

Item	2014	2015	2016	2017	2018 1H
Consolidated Revenue	16,291	18,335	20,407	22,197	11,397
Operating Profit	774	1,444	2,204	2,513	1,006
Profit (loss) attributable to: Owners of the parent	880	1,274	2,080	1,910	910
EPS(NT$)	1.51	2.19	3.68	3.38	1.58
Cash Dividend(NT$)	1.3	2	3	2.5	N.A
Pay out Ratio(%)	86%	91%	82%	74%	N.A

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