Getac

Getac Technology Corporation

Investor Conference
1H'20 Business Report

Getac Technology Corporation

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Aug 13, 2020

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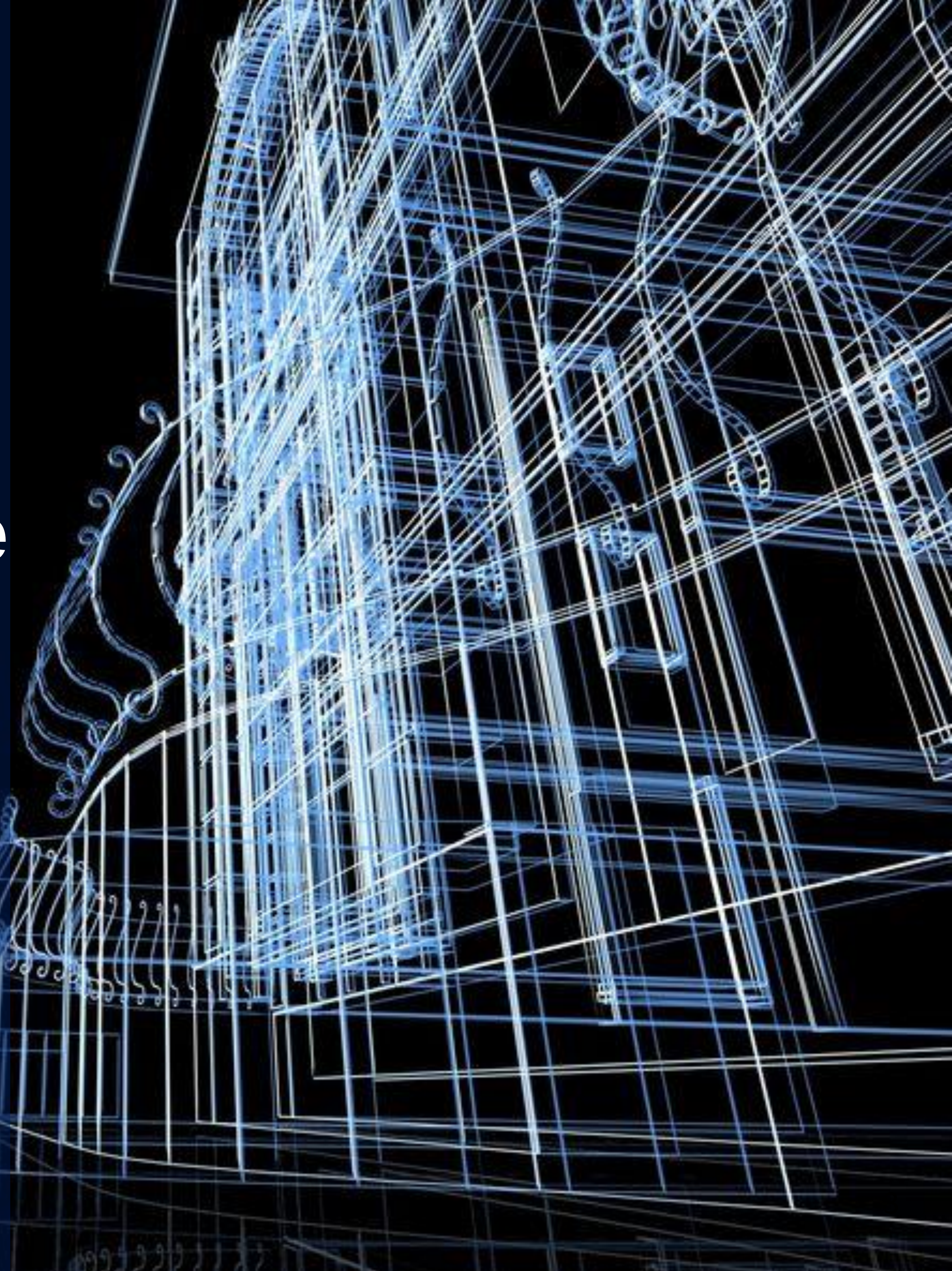
Business Update

James Hwang
Chairman



About Getac

Basic Information

Founded in 1989

IPO in 2002

(TWSE:3005)

Worldwide Employee numbers: 9,141

Capital : NT$ **5.8B**

2019 Consolidated Revenue: NT$ **27billion**

Manufacturing Locations

Rugged Computers

Taipei, Taiwan(1)

Kunshan, China(1)

Combo Mechanical

Kunshan, China(2)

Hanoi, Vietnam(1)

Automotive Parts

Chengshu, China(1)

Hanoi, Vietnam(1)

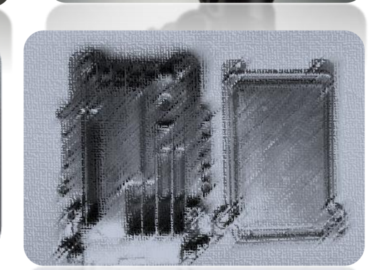
Sustainability Performance

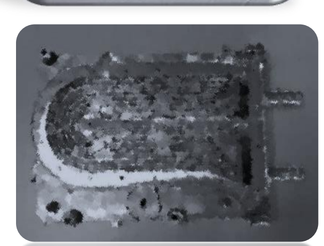
- TWSE Corporate Governance 100 Index
- FTSE TWSE Taiwan Dividend+ Index
- Taiwan High Compensation 100 Index
- 2019 TCSA Corporate Sustainability Report Awards-Gold Award
- HR Asia Award : The Best Companies to Work for in Asia, Taiwan Edition.

Business Coverage

Rugged Computing Solutions	Combo Mechanical Products	Automotive Mechanical Products	Aerospace Fasteners (TWSE:3004) 39%
Mobile Rugged Computing Solution Brand	RHCM Production Process Leading Manufacturer	Large Share Of WW Spindle/Spool Shipment Qty.	Certified Aerospace Fasteners Manufacturers In Asia Pacific Region.
Rugged Computing Solutions	Plastic Injection Composite Materials (Fiber glass/Carbon fiber/others)	Die-Casting Metal Parts (ADAS & New Energy Vehicle Related Application)	Bolt and nuts for airplane engine

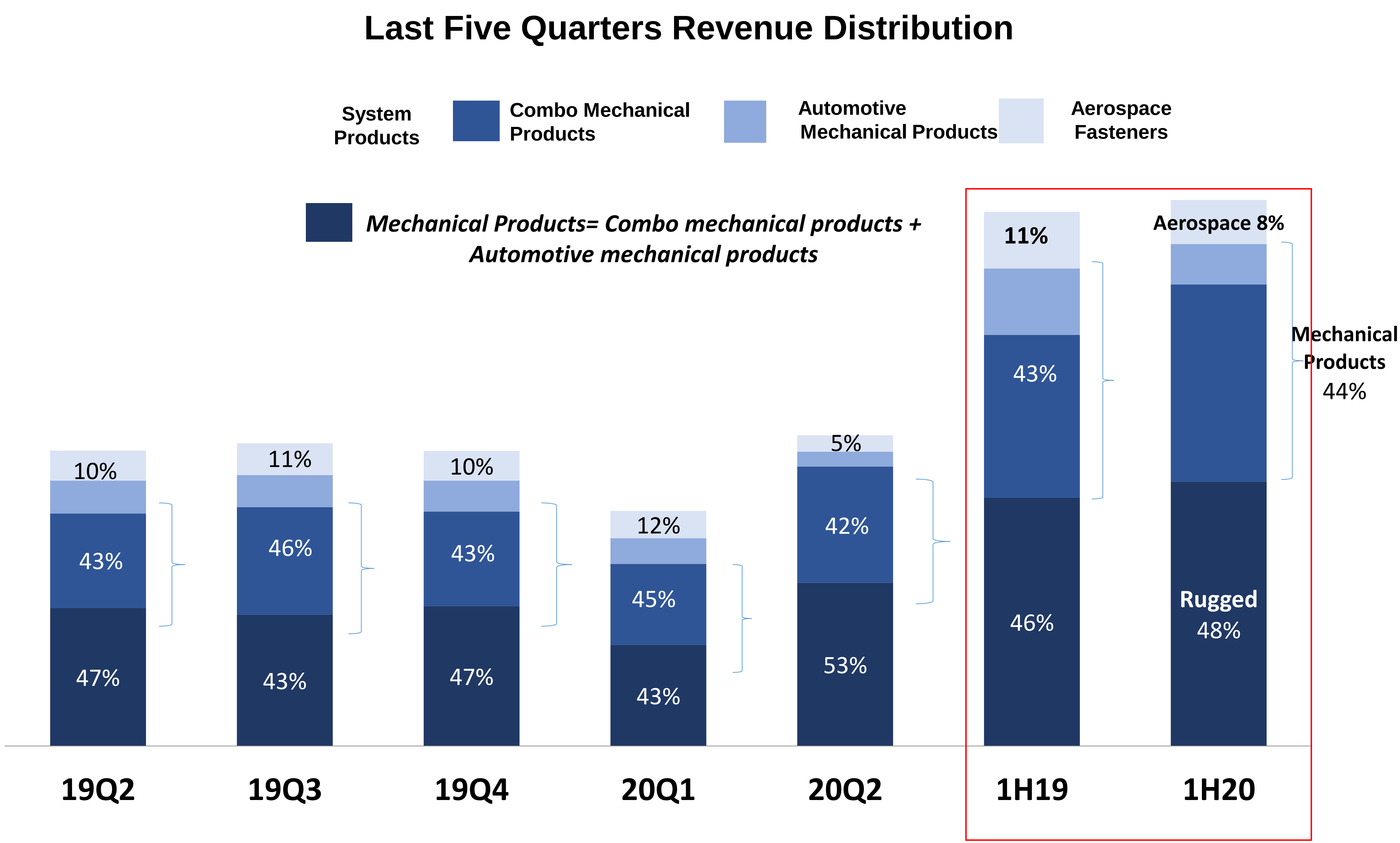
Getac Video Solution





*Some product photos are blurred

Revenue Distribution by Products



Business Update

- Affected by COVID-19 pandemic in the first quarter, the number of working days was reduced, resulting a small decline of revenue. In the second quarter, most of the supply chain resumed work and the supply return to normal.
- Consolidated revenue in the second quarter hit a new single-quarter high, up more then 30% from the previous quarter. The main growth driver comes from rugged computers and combo mechanical products..

  - **Rugged Computer Products:** Rugged computer shipments were stable in the second quarter. However, a few European and American automobile customers have slowed or delayed shipments due to the lockdown, but overall shipments were in line with expectations.

  - **Combo Mechanical Products:** Affected by the COVID-19 pandemic in the second quarter, working from home, distance learning, and home entertainment requirements boost the chassis demand of commercial notebook, educational notebook, and for game console.

Business Update

- **Automotive Mechanical Products**: The automobile industry has been severely affected by the COVID-19 epidemic. Many European and American auto factories have closed their factories, and the stagnant economic activities also have dragged down auto sales, resulting in a sharp decline in shipments in the second quarter.

- In response to international trade barriers, the factory in Dazhi Road, Taoyuan, Taiwan was purchased in the second quarter as the company's medium and long-term development plan.

Financial Update

Vicky Hsieh/ CFO

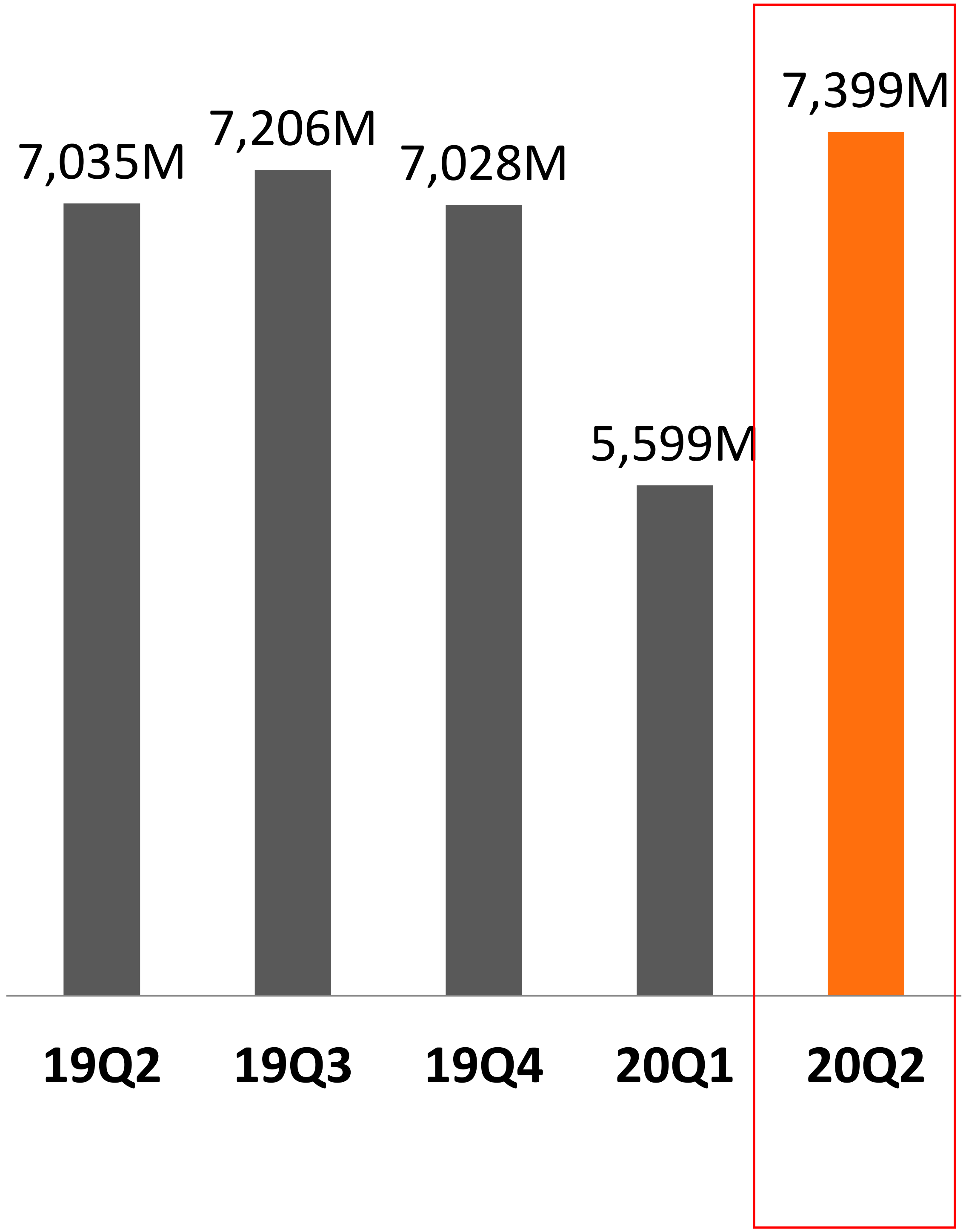
1H'20 Consolidated Income Statement

Unit: NT$Million

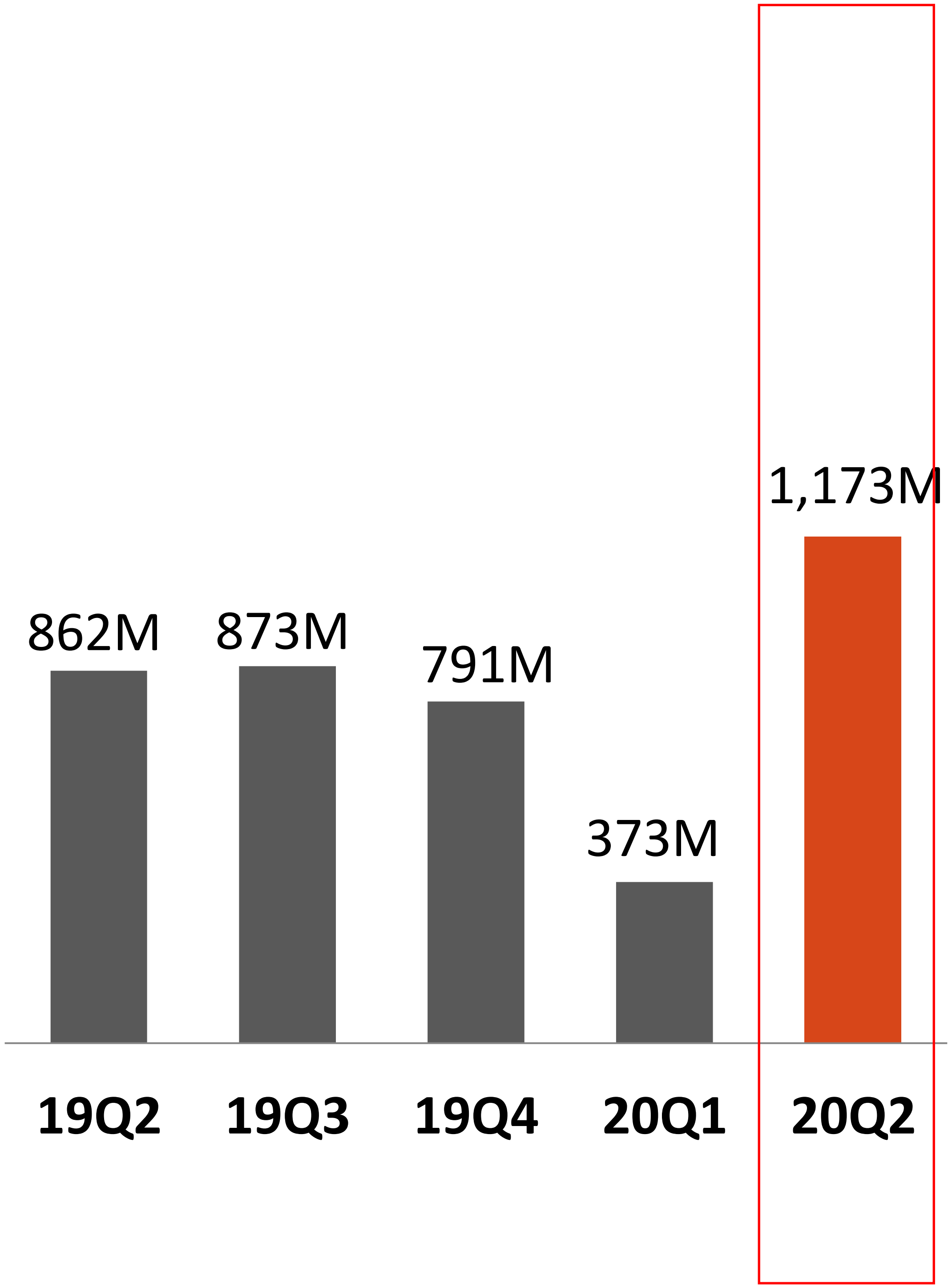
Item \ Year	2019			2020			
	Q1	Q2	1H	Q1	Q2	1H	1H YoY Change(%)
Operating Revenue	5,684	7,035	12,719	5,599	7,399	12,998	2.2%
Gross Profit	1,477	2,029	3,506	1,451	2,278	3,729	6.4%
(%)	25.99%	28.84%	27.57%	25.91%	30.79%	28.69%	
Operating Expense	(1,044)	(1,180)	(2,224)	(1,093)	(1,119)	(2,212)	-0.5%
(%)	-18.37%	-16.77%	-17.49%	-19.52%	-15.12%	-17.02%	
Operating Profit	450	862	1,312	373	1,173	1,546	17.8%
(%)	7.92%	12.25%	10.32%	6.66%	15.85%	11.89%	
Non-operating Income	21	(66)	(45)	16	(17)	(1)	n.m
Profit before income tax	471	796	1,267	389	1,156	1,545	21.9%
Income tax expense	(89)	(222)	(311)	(69)	(238)	(307)	-1.3%
Comprehensive income, attributable to owners of parent	333	504	837	276	881	1,157	38.2%
EPS (NT$)	0.57	0.88	1.45	0.47	1.51	1.98	36.6%

Financial Performance Of Last Five Quarters

Consolidated Revenue

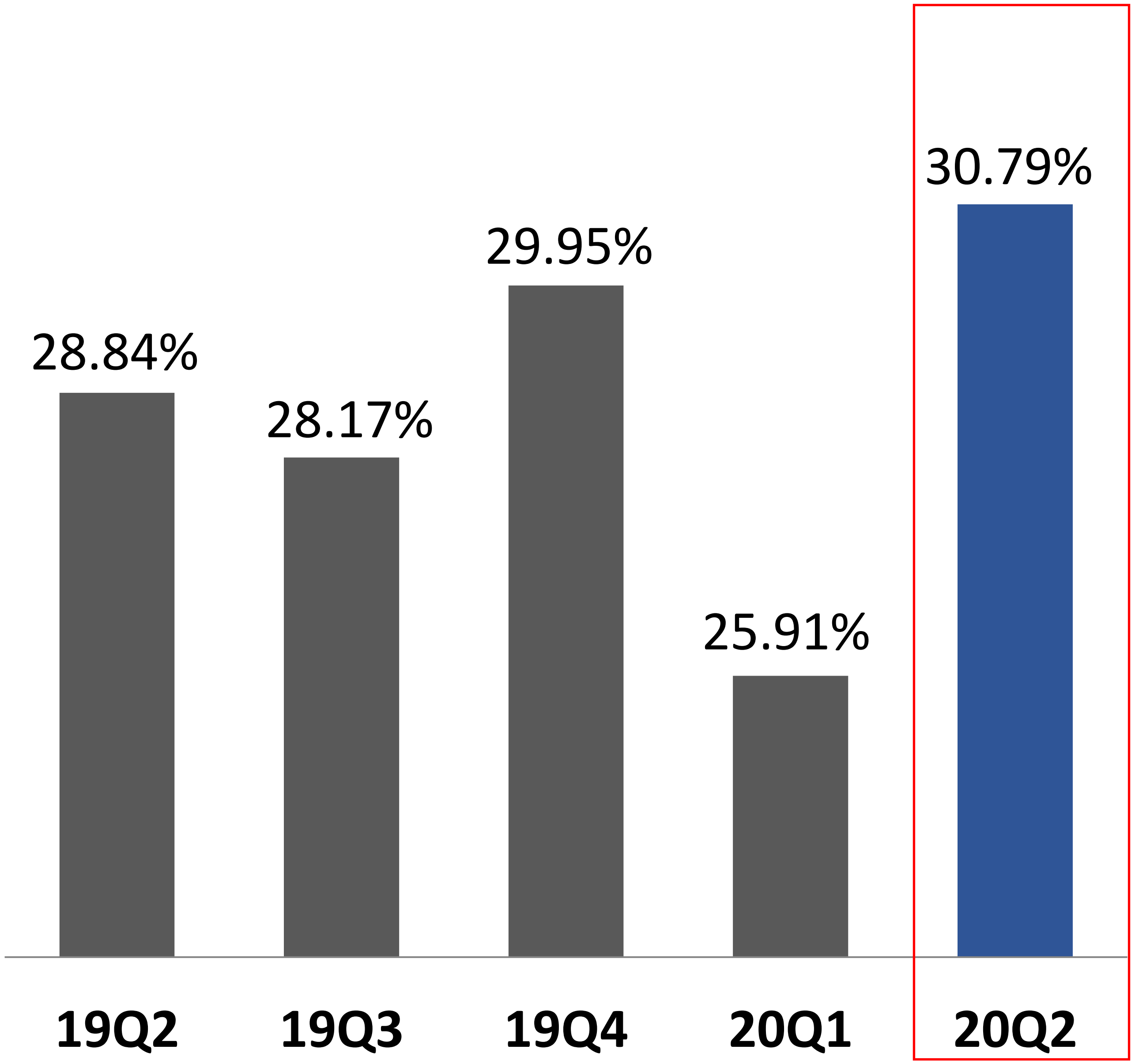


Consolidated Operating Profit

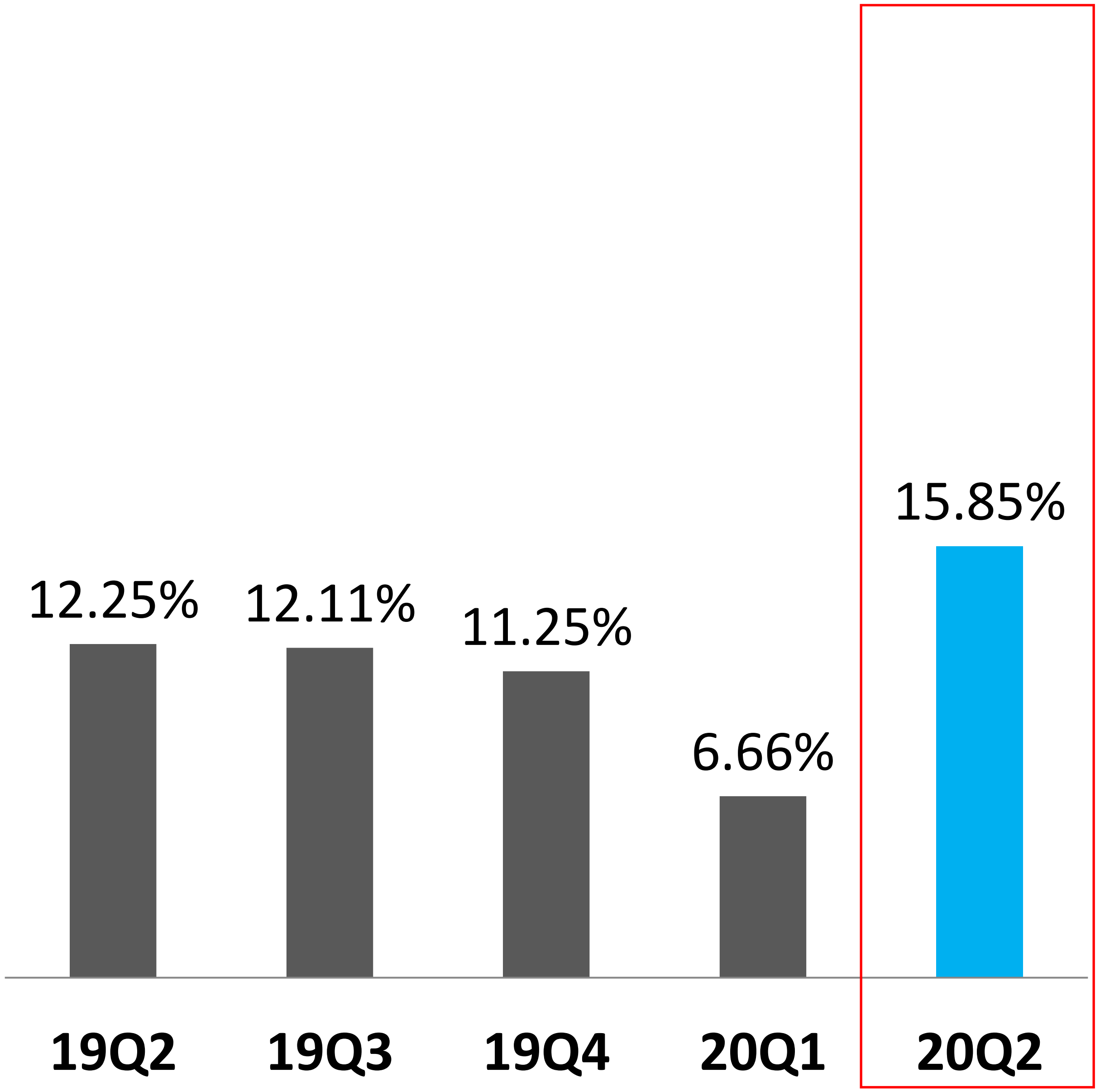


Financial Performance Of Last Five Quarters

Gross Margin(%)



Operating Margin(%)



1H'20 Balance Sheet

Unit: NT$ millions

Item	2019.06.30	2020.03.31	2020.06.30
Cash And Cash Equivalents (Incl. Bank Deposit Over Three Months)	6,482	7,491	5,298
Accounts Receivable-net	6,387	5,206	6,540
Inventories-net	4,606	5,194	5,529
Financial Assets Measured At Fair Value Through Other Comprehensive Income	595	630	690
Investments Accounted For Under The Equity Method	1,049	886	876
Property, Plant And Equipment – Net	7,200	7,390	8,327
TOTAL ASSETS	29,858	30,259	30,534
Short-term Borrowings	200	1,085	1,100
Long-term Borrowings (include current portion)	2,028	2,126	2,227
Accounts payable	4,077	4,042	4,730
TOTAL LIABILITIES	14,152	15,047	14,532
TOTAL EQUITY	15,706	15,212	16,002

1H'20 Operational Efficiency

Unit: Days

	2019.06.30	2020.03.31	2020.06.30
Account Receivable Turnover Days	84	94	91
Inventory Turnover Days	113	138	126
Account Payable Turnover Days	82	94	91
Cash Conversion Days	115	138	126

Stable Profit and Pay-out Ratio

NT$: million

Item	2017	2018	2019	20201H
Consolidated Revenue	22,197	24,694	26,953	**12,998**
Operating Profit	2,513	2,652	2,976	**1,546**
Profit (Loss) Attributable To: Owners Of The Parent	1,910	2,212	2,129	**1,157**
Eps(Nt$)	3.38	3.83	3.67	**1.98**
Cash Dividend(Nt$)	2.5	3	2.8	**N.A**
Pay Out Ratio(%)	74%	78%	76%	**N.A**

Q & A

Appendix: Condensed Income Statement

NT$: million

Item\Year	2019					2020				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Operating Revenue	5,684	7,035	7,206	7,028	26,953	5,599	7,399			12,998
Gross Profit	1,477	2,029	2,030	2,105	7,641	1,451	2,278			3,729
(%)	25.99%	28.84%	28.17%	29.95%	28.35%	25.91%	30.79%			28.69%
Operating Expense	(1,044)	(1,180)	(1,167)	(1,326)	(4,717)	(1,093)	(1,119)			(2,212)
(%)	-18.37%	-16.77%	-16.19%	-18.87%	-17.50%	-19.52%	-15.12%			-17.02%
Operating Profit	450	862	873	791	2,976	373	1,173			1,546
(%)	7.92%	12.25%	12.11%	11.25%	11.04%	6.66%	15.85%			11.89%
Non-operating Income	21	(66)	(25)	42	(28)	16	(17)			(1)
Profit Before Income Tax	471	796	848	832	2,947	389	1,156			1,545
Income Tax Expense	(89)	(222)	(189)	(77)	(577)	(69)	(238)			(307)
Comprehensive Income, Attributable To Owners Of Parent	333	504	591	701	2,129	276	881			1,157
Eps (NT$)	0.57	0.88	1.01	1.21	3.67	0.47	1.51			1.98

Thank You

Investor Relations

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