WT MICROELECTRONICS 文曄科技

2015 First Quarter Investor Conference

Presented by Cheryl Yang

May 5, 2015

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Agenda

1. Overview

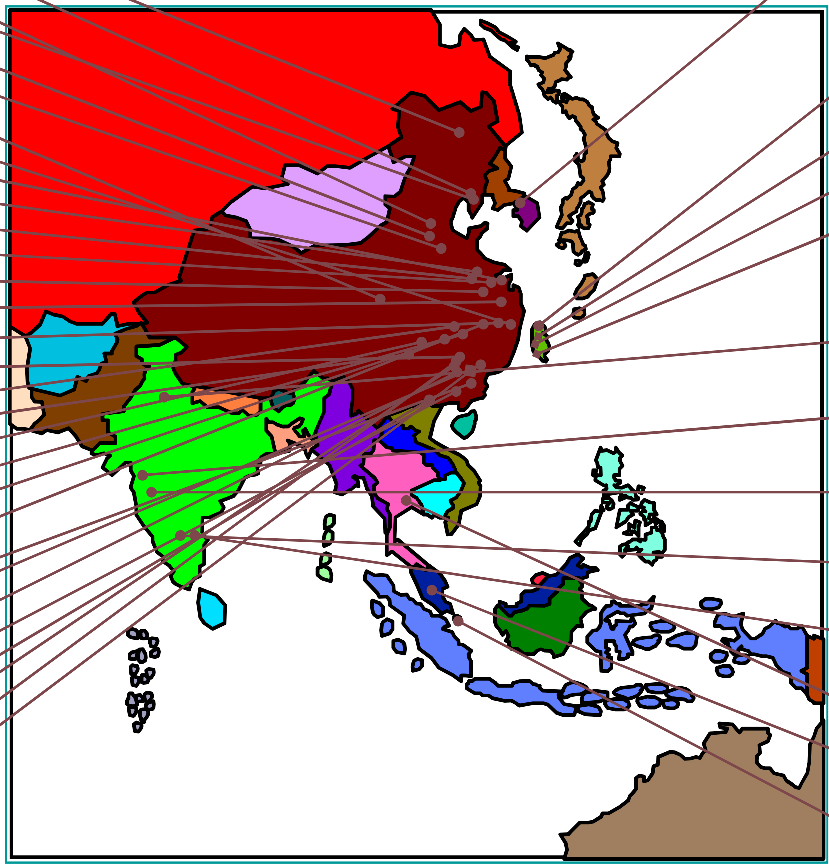
2. Financial Update

3. Business Outlook

4. Questions and Answers

1. Overview

Offices Across Asia



China Offices

Harbin
Shenyang
Beijing
Qingdao
Zhengzhou
Jinan
Xian
Ningbo
Shanghai
Wuxi
Suzhou
Kunshan
Nanjing
Hangzhou
Taizhou
Wenzhou
Hefei
Chengdu
Chongqing
Changsha
Wuhan
Fuzhou
Fuqing
Xiamen
Dongguan
Shunde
Guangzhou
Zhongshan
Hong Kong
Shenzhen

Korea Office

Seoul

Taiwan Offices

Taipei, Headquarters
Hsinchu, R&D
Taichung
Tainan

South Asia Offices

New Delhi, N. India
Mumbai, N. India
Pune, N. India
Bangalore, S. India
Chennai, S. India
Bangkok, Thailand
Penang, Malaysia
Singapore

1. Overview

1Q 15

- Revenue in line with guidance, down 5.9% sequentially
- Gross profit margin in line with guidance, up 0.03 ppts
- Operating expense in line with guidance, down by NT$46.42 million
- Operating profit margin in line with guidance, down 0.02 ppts
- Inventory turnover days higher than expected, up by 5 days

2. Financial Update

Statement of Comprehensive Income

Unit: NT$K

Key accounts	1Q15 Amount	1Q15 %	4Q14 Amount	4Q14 %	QoQ	1Q14 Amount	1Q14 %	YoY
Net Operating revenues	**28,537,762**	**100.00%**	**30,327,188**	**100.00%**	**-5.90%**	**23,007,779**	**100.00%**	**24.04%**
Gross profit (GP)	**1,569,429**	**5.50%**	**1,658,926**	**5.47%**	**+0.03ppt**	**1,360,728**	**5.91%**	**-0.41ppt**
Operating expenses	(954,912)	-3.35%	(1,001,329)	-3.30%	+0.05ppt	(868,656)	-3.78%	-0.43ppt
Operating income (OM)	**614,517**	**2.15%**	**657,597**	**2.17%**	**-0.02ppt**	**492,072**	**2.14%**	**+0.01ppt**
Financing costs	(102,933)	-0.36%	(111,357)	-0.37%	-0.01ppt	(84,660)	-0.37%	-0.01ppt
Others	59,928	0.21%	32,736	0.11%		(754)	0.00%	
Earning before tax	571,512	2.00%	578,976	1.91%	-1.29%	406,658	1.77%	40.54%
Income tax expense	(92,274)	-0.32%	(91,673)	-0.30%	0.66%	(67,820)	-0.30%	36.06%
Non-Controlling Interests	(36)	0.00%	(33)	0.00%		(35)	0.00%	
Profit after tax (PAT)	**479,202**	**1.68%**	**487,270**	**1.61%**	**-1.66%**	**338,803**	**1.47%**	**41.44%**
EPS(in dollars)	**1.24**		**1.37**		**-9.49%**	**1.00**		**24.00%**

2. Financial Update

Balance Sheet

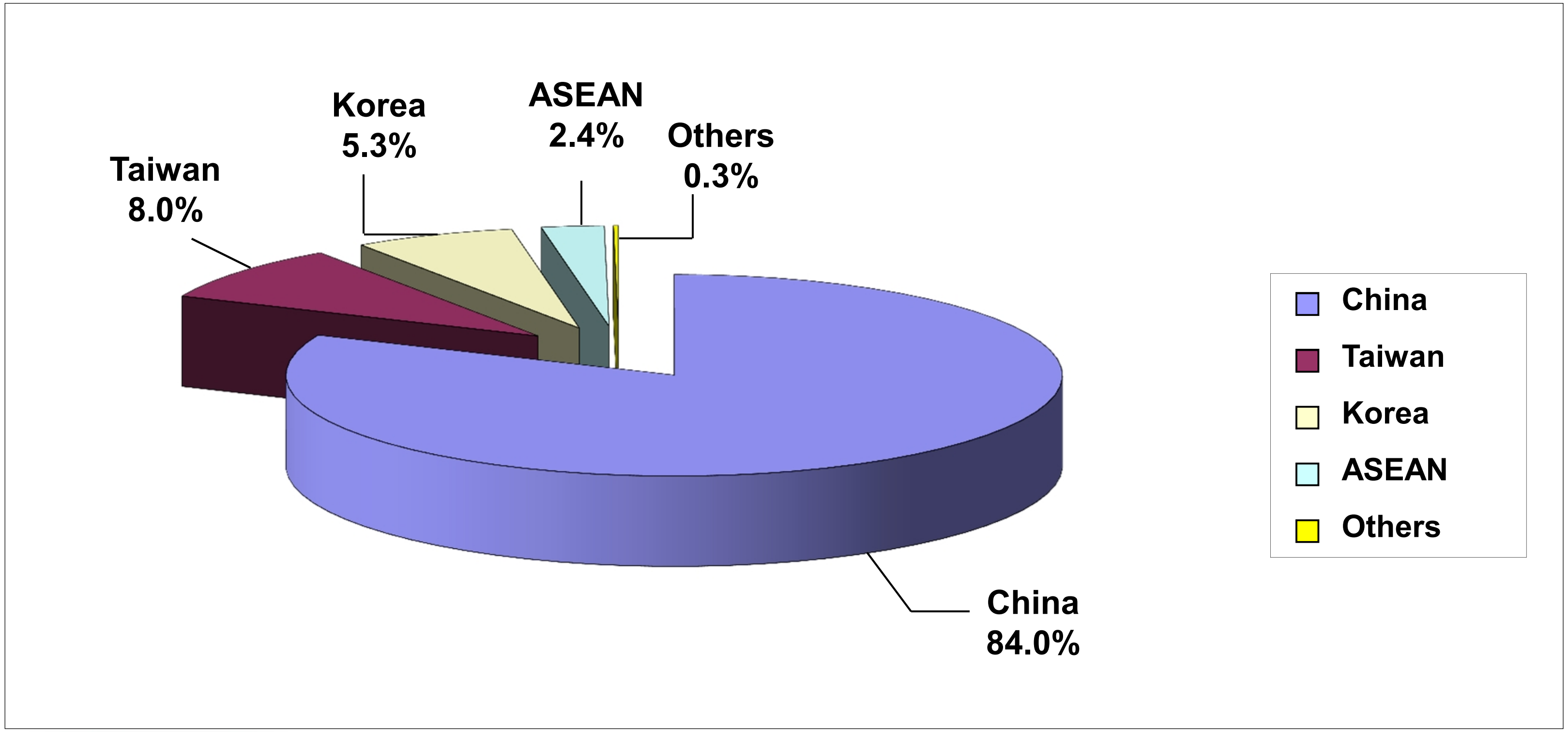
Unit: NT$K

Key accounts	1Q15		4Q14		1Q14	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	1,404,658	3	1,551,837	4	1,564,618	4
Accounts receivable	19,575,492	43	13,561,792	32	12,933,157	35
Inventory	16,183,853	35	15,349,741	36	12,538,132	34
Other current assets	5,615,121	12	8,843,335	21	7,125,017	19
Current assets	42,779,124	93	39,306,705	93	34,160,924	92
Non-current assets	2,997,152	7	3,009,954	7	2,945,387	8
Total Assets	45,776,276	100	42,316,659	100	37,106,311	100
Short-term loans	10,561,245	23	12,549,462	29	9,429,166	25
Accounts payable	15,113,833	33	12,313,390	29	12,244,793	33
Other current liabilities	1,317,017	3	1,498,617	4	1,239,081	4
Current liabilities	26,992,095	59	26,361,469	62	22,913,040	62
Long-term loans	1,783,245	4	1,807,470	4	1,504,950	4
Other liabilities	237,431	-	271,547	1	170,343	-
Total Liabilities	29,012,771	63	28,440,486	67	24,588,333	66
Non-Controlling Interests	566	-	532	-	601	-
Equity holders of the Company	16,762,939	37	13,875,641	33	12,517,377	34
Total Equity	16,763,505	37	13,876,173	33	12,517,978	34

Indices	1Q15	4Q14	1Q14
Current ratio	158%	149%	149%
Debt/Assets ratio	63%	67%	66%
Debt/Equity ratio	173%	205%	196%
Gearing ratio	0.65	0.92	0.75

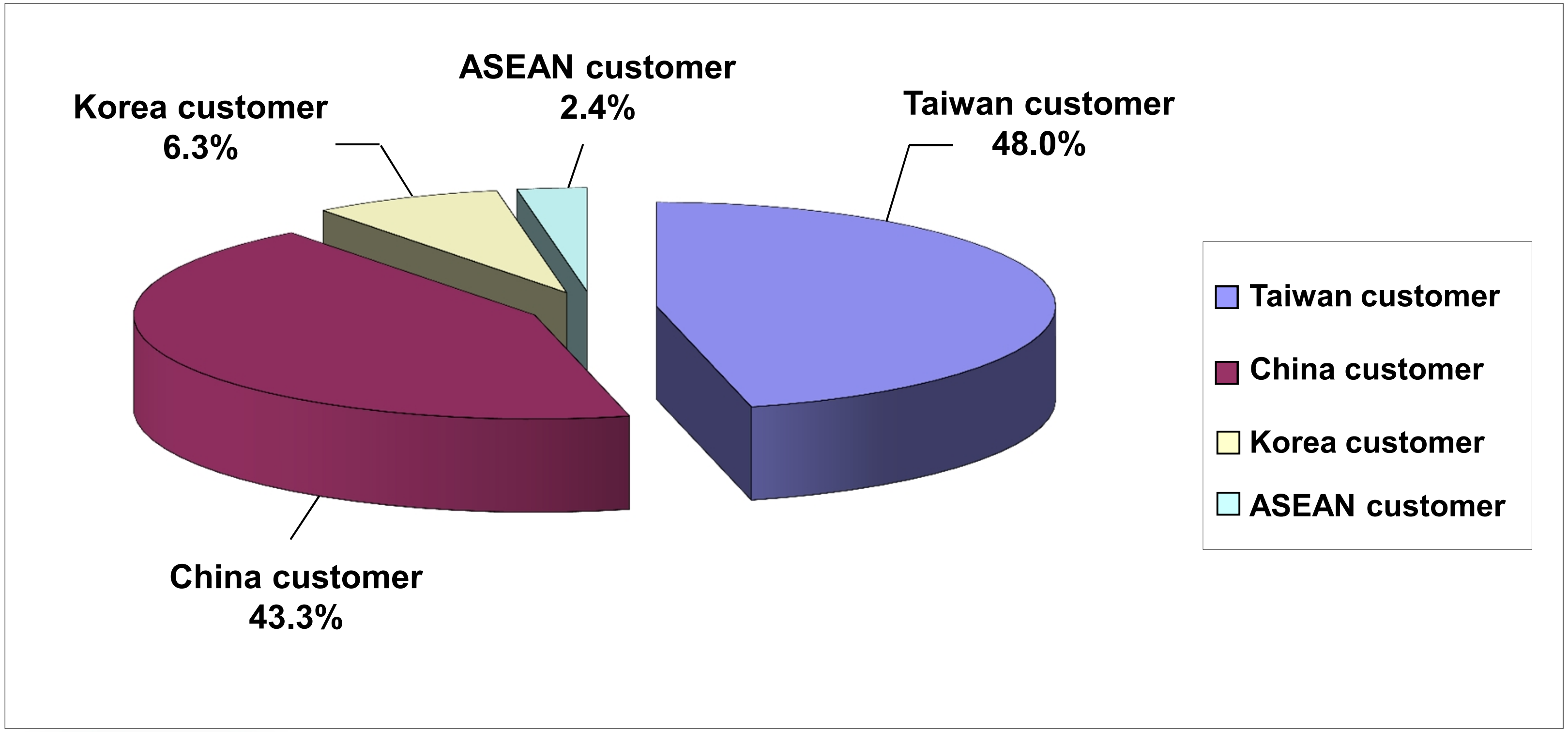
2. Financial Update

1Q 15 NR by Geography
(Ship-to Destination)



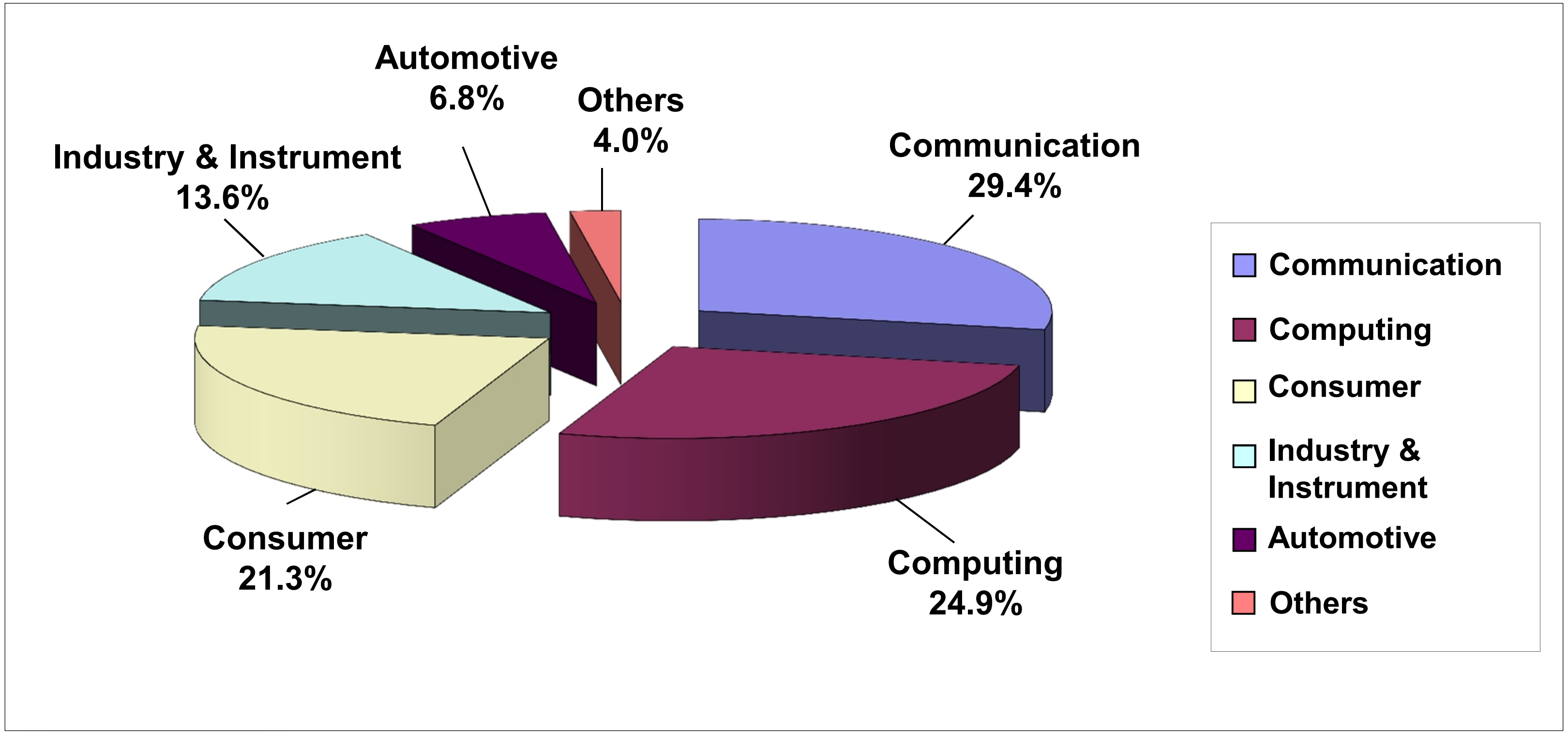
2. Financial Update

1Q 15 NR by Customer Base



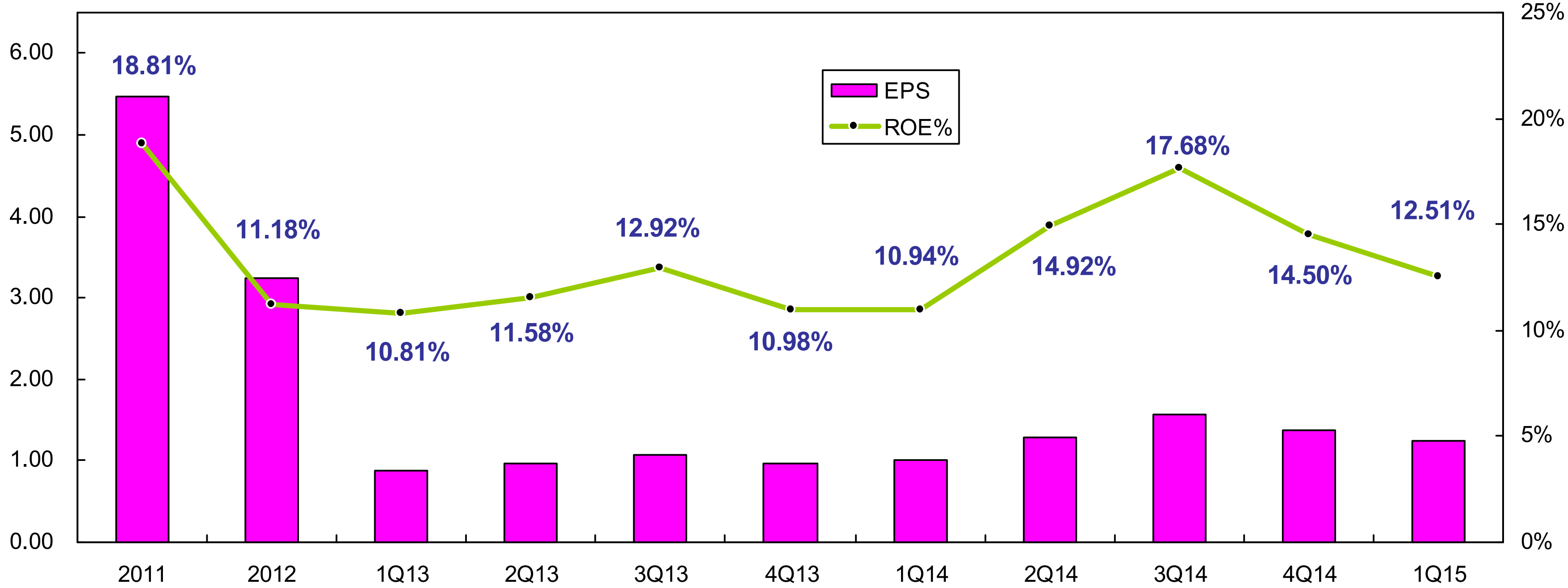
2. Financial Update

1Q 15 NR by Application



2. Financial Update

ROE vs. EPS

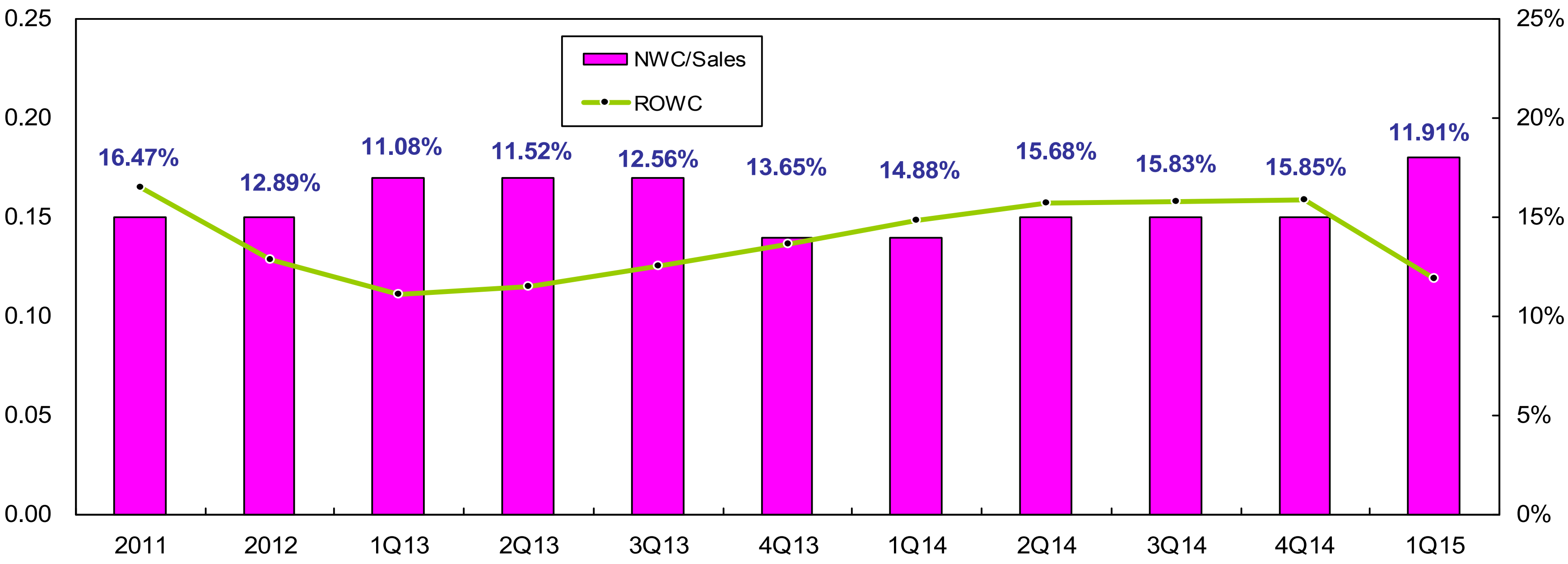


ITEM	2011	2012	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
ROE%	18.81%	11.18%	10.81%	11.58%	12.92%	10.98%	10.94%	14.92%	17.68%	14.50%	12.51%
EPS	5.46	3.23	0.88	0.96	1.07	0.96	1.00	1.29	1.56	1.37	1.24

Note : Numbers prior to 2012 are based on R.O.C GAAP accounting principles

2. Financial Update

ROWC vs. NWC/Sales

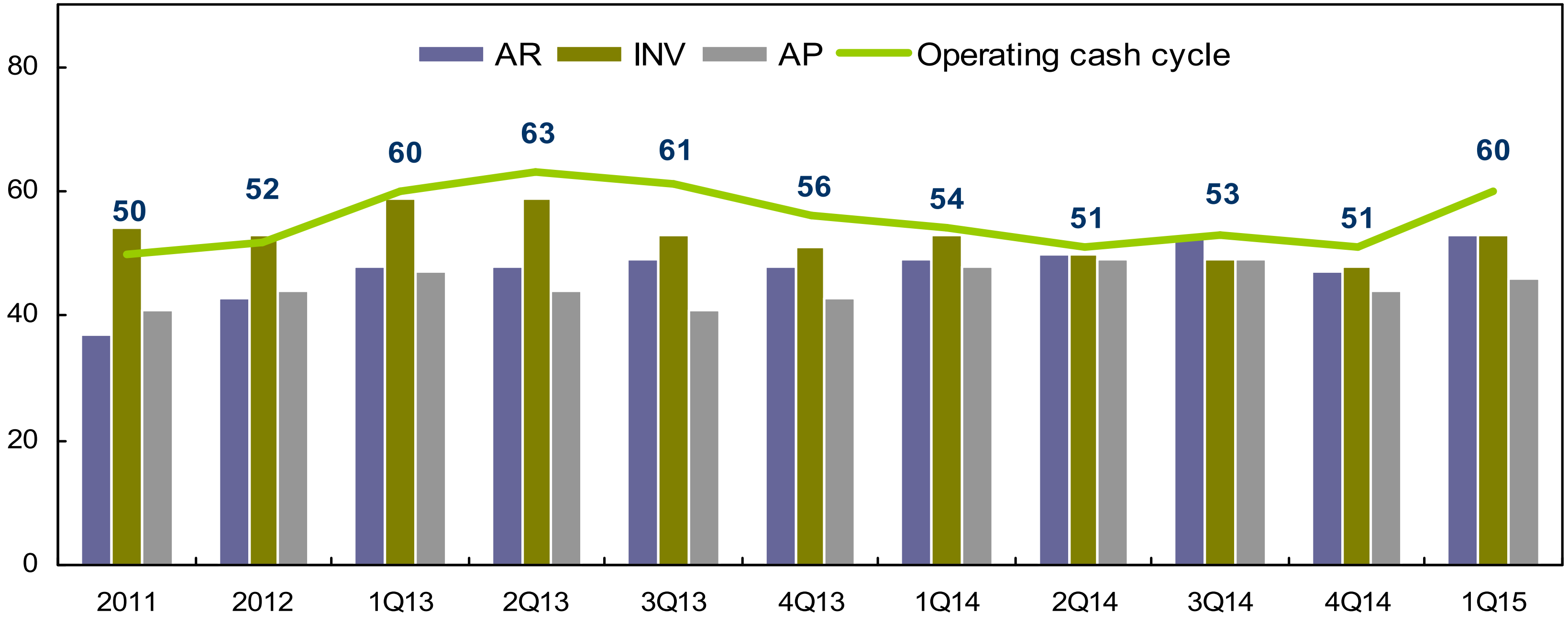


ITEM	2011	2012	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
NWC/Sales	0.15	0.15	0.17	0.17	0.17	0.14	0.14	0.15	0.15	0.14	0.18
ROWC	16.47%	12.89%	11.08%	11.52%	12.56%	13.65%	14.88%	15.68%	15.83%	15.85%	11.91%

Note : Numbers prior to 2012 are based on R.O.C. GAAP accounting principles

2. Financial Update

Operating Cash Cycle



Turnover days	2011	2012	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
AR	37	43	48	48	49	48	49	50	53	47	53
INV	54	53	59	59	53	51	53	50	49	48	53
AP	(41)	(44)	(47)	(44)	(41)	(43)	(48)	(49)	（49）	(44)	(46)
Operating cash cycle	50	52	60	63	61	56	54	51	53	51	60

3. Business Outlook

We currently expect 2Q 15 :

- Revenue : between NT$ 28.0 billion ~ NT$ 29.5 billion, at a forecast exchange rate of 30.8 NT Dollars to 1 US Dollar
- Gross profit margin : between 5.5% ~ 5.7%
- Operating expense : slightly up sequentially
- Operating profit margin : between 2.1% ~ 2.3%
- Inventory turnover days : remain at the same level


Q&A
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nswers

Thank You！

WT Microelectronics Co., Ltd.

Website : www.wtmec.com