WT MICROELECTRONICS 文曄科技

2015 Fourth Quarter Investor Conference

Presented by Cheryl Yang

February 2, 2016

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- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our dependence on key personnel; general economic and political conditions; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.
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Agenda

1. Overview

2. Financial Update

3. Business Outlook

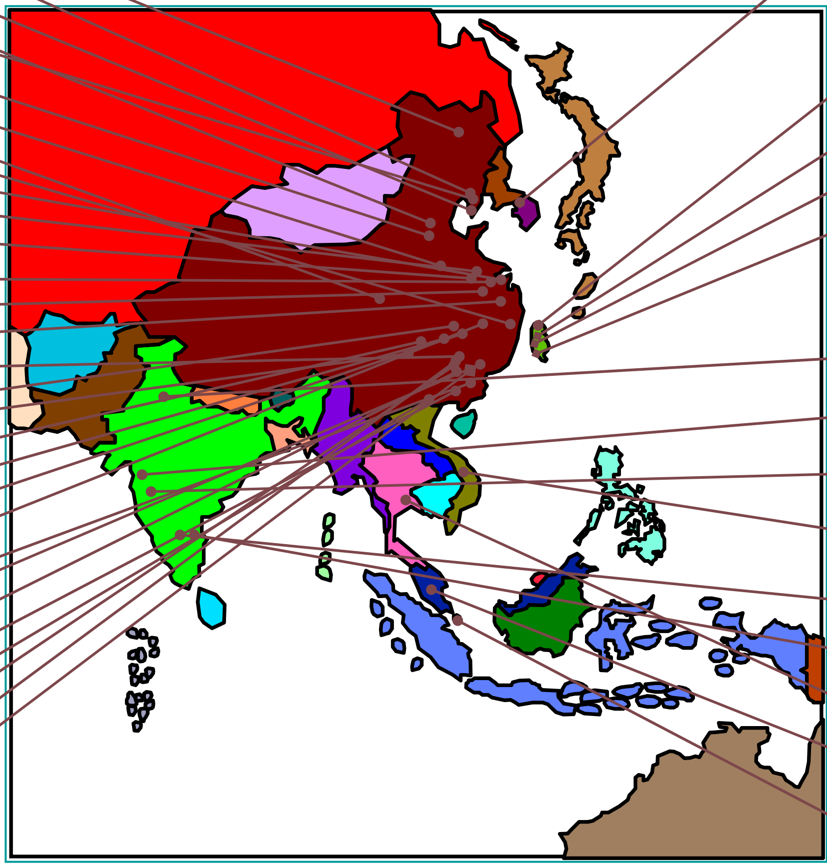
4. Questions and Answers

1. Overview

Offices Across Asia

China Offices

Harbin
Shenyang
Dalian
Beijing
Qingdao
Zhengzhou
Jinan
Xian
Ningbo
Shanghai
Wuxi
Suzhou
Kunshan
Nanjing
Hangzhou
Wenzhou
Hefei
Chengdu
Chongqing
Changsha
Wuhan
Fuzhou
Fuqing
Xiamen
Dongguan
Shunde
Guangzhou
Zhuhai
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
Vietnam
Bangalore, S. India
Chennai, S. India
Bangkok, Thailand
Penang, Malaysia
Singapore

1. Overview

4Q 15

- Revenue in line with guidance, down 4.02% sequentially
- Gross profit margin in line with guidance, down 0.08 ppt
- Operating profit margin in line with guidance, down 0.18 ppt

2. Financial Update

Statement of Comprehensive Income

Unit: NT$M

Key accounts	4Q15		4Q15	3Q15		QoQ	4Q14		YoY
	Amount	%	Guidance	Amount	%		Amount	%	
Net Operating revenues	**27,575**	**100.00%**	**26.4B~28.1B**	**28,729**	**100.00%**	**-4.02%**	**30,327**	**100.00%**	**-9.07%**
Gross profit (GP)	**1,560**	**5.66%**	**5.6%~5.8%**	**1,648**	**5.74%**	**-0.08ppt**	**1,659**	**5.47%**	**+0.19ppt**
Operating expenses	(989)	-3.59%		(1,002)	-3.49%	+0.1ppt	(1,001)	-3.30%	+0.29ppt
Operating income (OM)	**571**	**2.07%**	**2.0%~2.2%**	**646**	**2.25%**	**-0.18ppt**	**658**	**2.17%**	**-0.1ppt**
Financing costs	(88)	-0.32%		(94)	-0.33%	-0.01ppt	(111)	-0.37%	-0.05ppt
Others	94	0.34%		55	0.19%		32	0.11%	
Earning before tax	577	2.09%		607	2.11%	-4.94%	579	1.91%	-0.35%
Income tax expense	(69)	-0.25%		(99)	-0.34%	-30.30%	(92)	-0.30%	-25.00%
Non-Controlling Interests	-	-		-	-		-	-	
Profit after tax (PAT)	**508**	**1.84%**		**508**	**1.77%**	**0.00%**	**487**	**1.61%**	**4.31%**
EPS(in dollars)	**1.13**			**1.14**		**-0.88%**	**1.37**		**-17.52%**

2. Financial Update

Statement of Comprehensive Income

Unit: NT$M

Key accounts	Y2015		Y2014		YoY
	Amount	%	Amount	%	
Net Operating revenues	**113,598**	**100.00%**	**107,767**	**100.00%**	**5.41%**
Gross profit (GP)	**6,390**	**5.63%**	**6,181**	**5.74%**	**-0.11ppt**
Operating expenses	(3,914)	-3.45%	(3,719)	-3.45%	-0ppt
Operating income (OM)	**2,476**	**2.18%**	**2,462**	**2.28%**	**-0.1ppt**
Financing costs	(370)	-0.33%	(368)	-0.34%	-0.01ppt
Others	244	0.22%	151	0.14%	
Earning before tax	2,350	2.07%	2,245	2.08%	4.68%
Income tax expense	(367)	-0.32%	(408)	-0.38%	-10.05%
Non-Controlling Interests	-	-	-	-	
Profit after tax (PAT)	**1,983**	**1.75%**	**1,837**	**1.70%**	**7.95%**
EPS(in dollars)	**4.49**		**5.18**		**-13.32%**

2. Financial Update

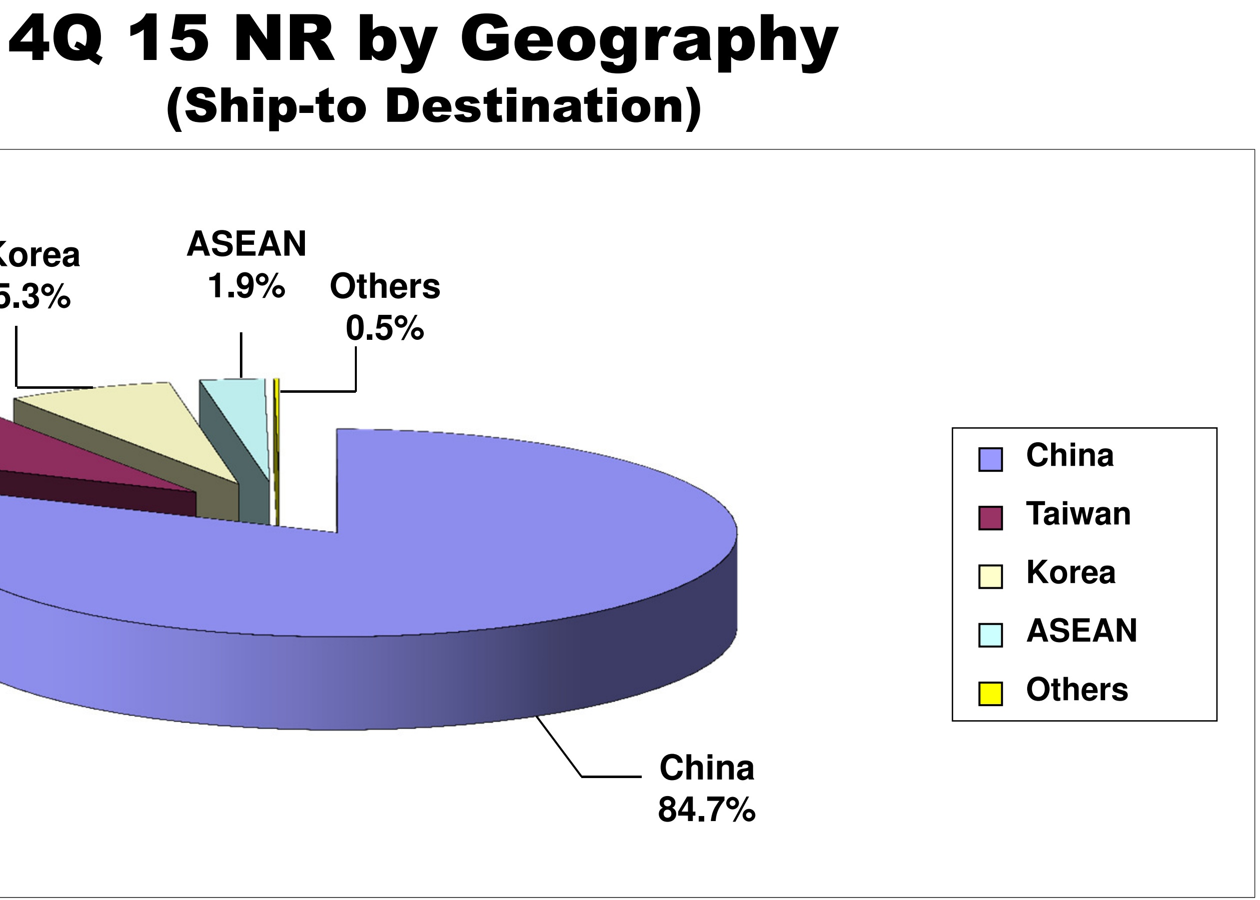
Balance Sheet

Unit: NT$M

Key accounts	4Q15		3Q15		4Q14	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	1,549	3	2,031	4	1,552	4
Accounts receivable	22,882	48	24,353	48	13,562	32
Inventory	16,552	35	16,880	33	15,350	36
Other current assets	2,976	7	4,371	8	8,843	21
Current assets	43,959	93	47,635	93	39,307	93
Non-current assets	3,283	7	3,380	7	3,010	7
Total Assets	47,242	100	51,015	100	42,317	100
Short-term loans	15,261	32	17,380	34	12,549	30
Accounts payable	11,249	24	13,518	27	12,313	29
Other current liabilities	1,548	3	1,316	2	1,499	3
Current liabilities	28,058	59	32,214	63	26,361	62
Long-term loans	1,906	4	1,914	4	1,807	4
Other liabilities	299	1	354	1	272	1
Total Liabilities	30,263	64	34,482	68	28,440	67
Non-Controlling Interests	1	-	1	-	1	-
Equity holders of the Company	16,978	36	16,532	32	13,876	33
Total Equity	16,979	36	16,533	32	13,877	33

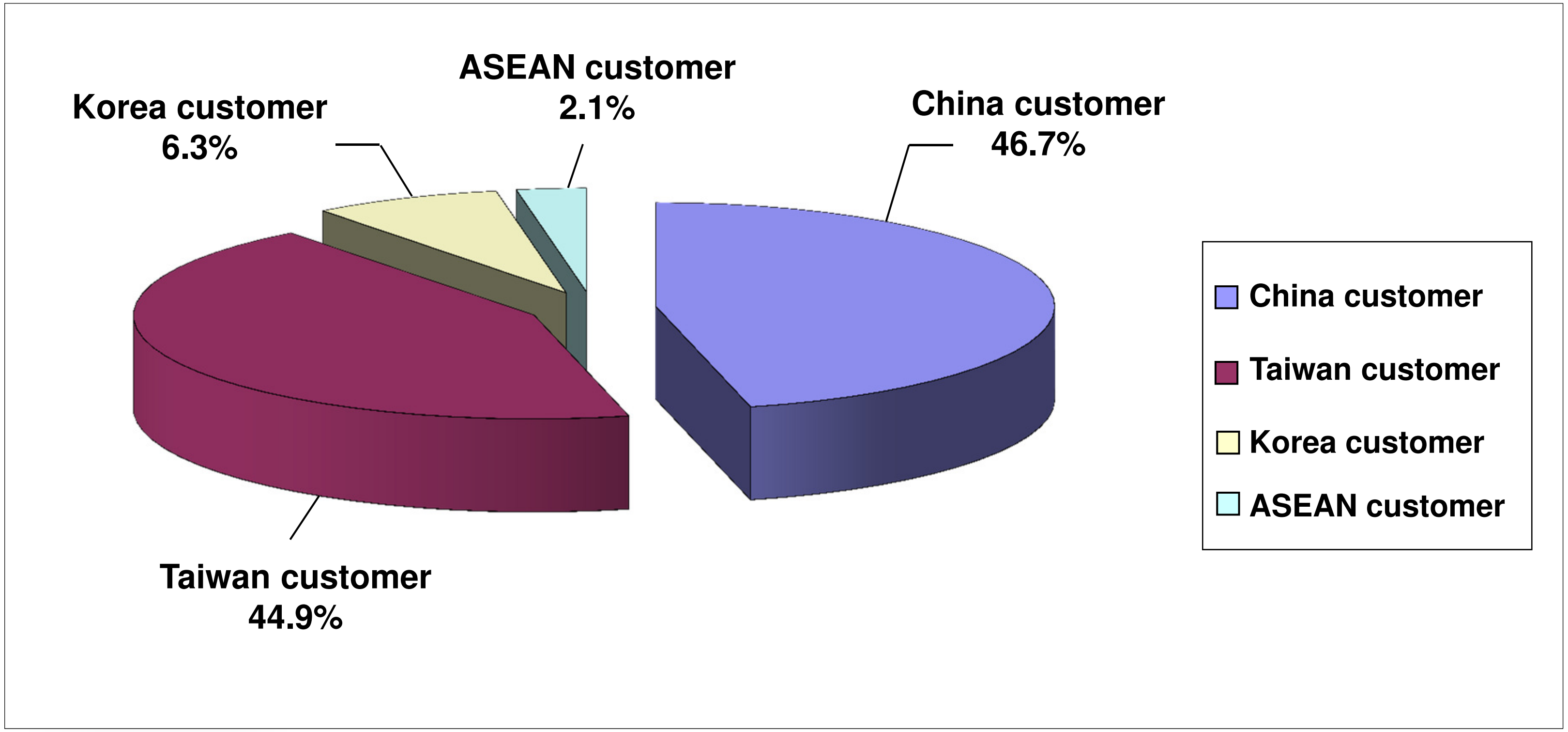
Indices	4Q15	3Q15	4Q14
Current ratio	157%	148%	149%
Debt/Assets ratio	64%	68%	67%
Debt/Equity ratio	178%	209%	205%
Gearing ratio	0.92	1.04	0.92

2. Financial Update



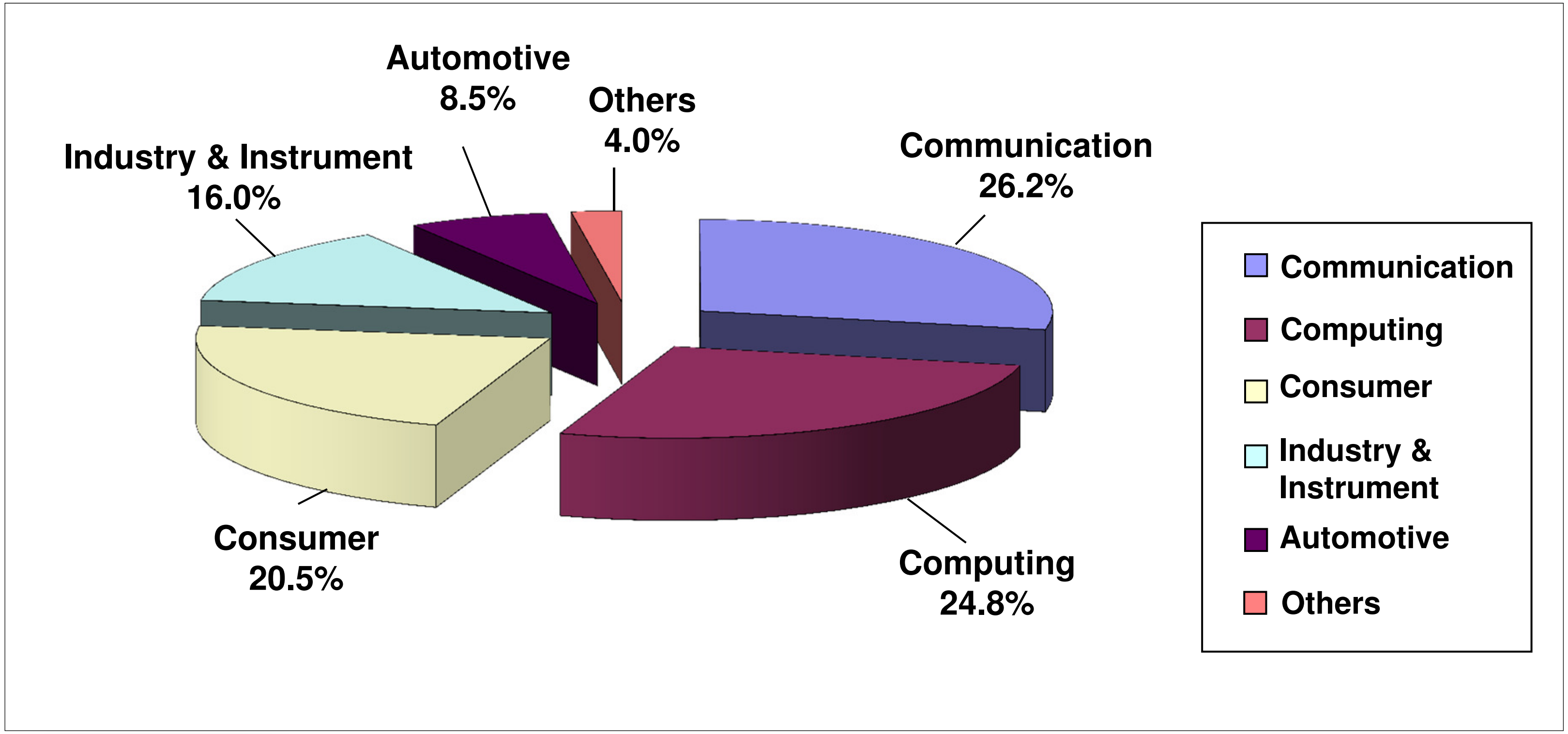
2. Financial Update

4Q 15 NR by Customer Base



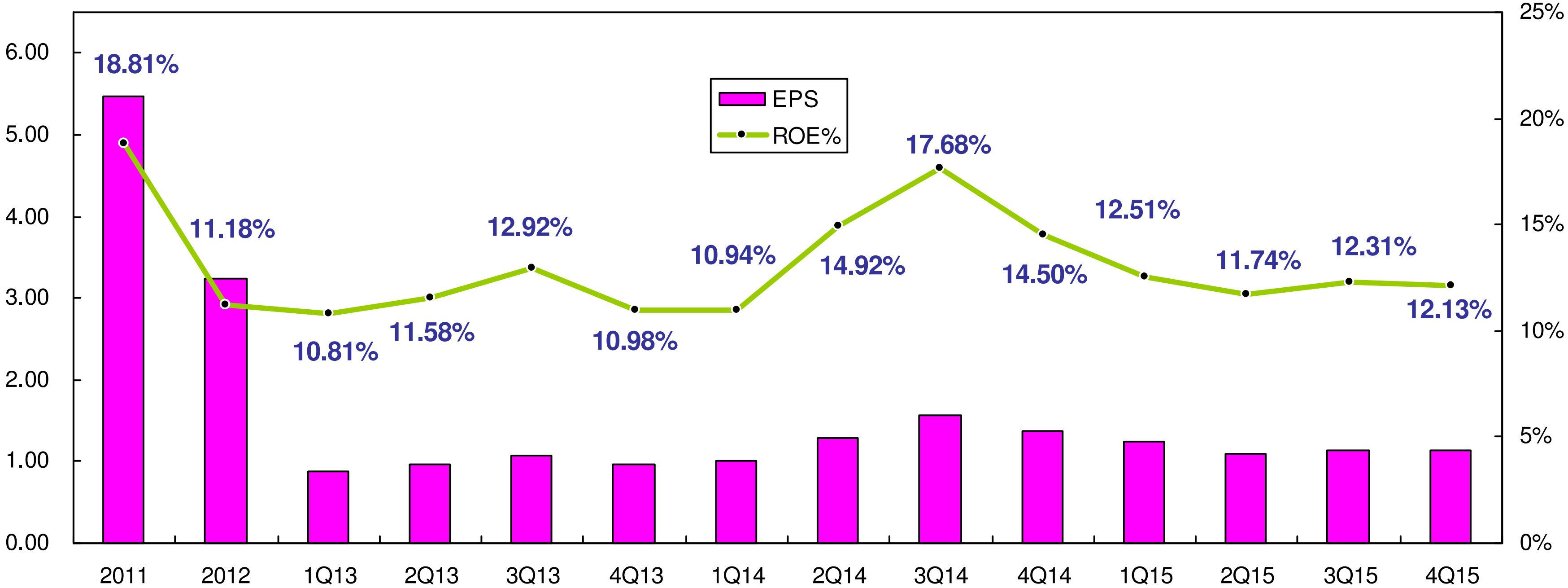
2. Financial Update

4Q 15 NR by Application



2. Financial Update

ROE vs. EPS

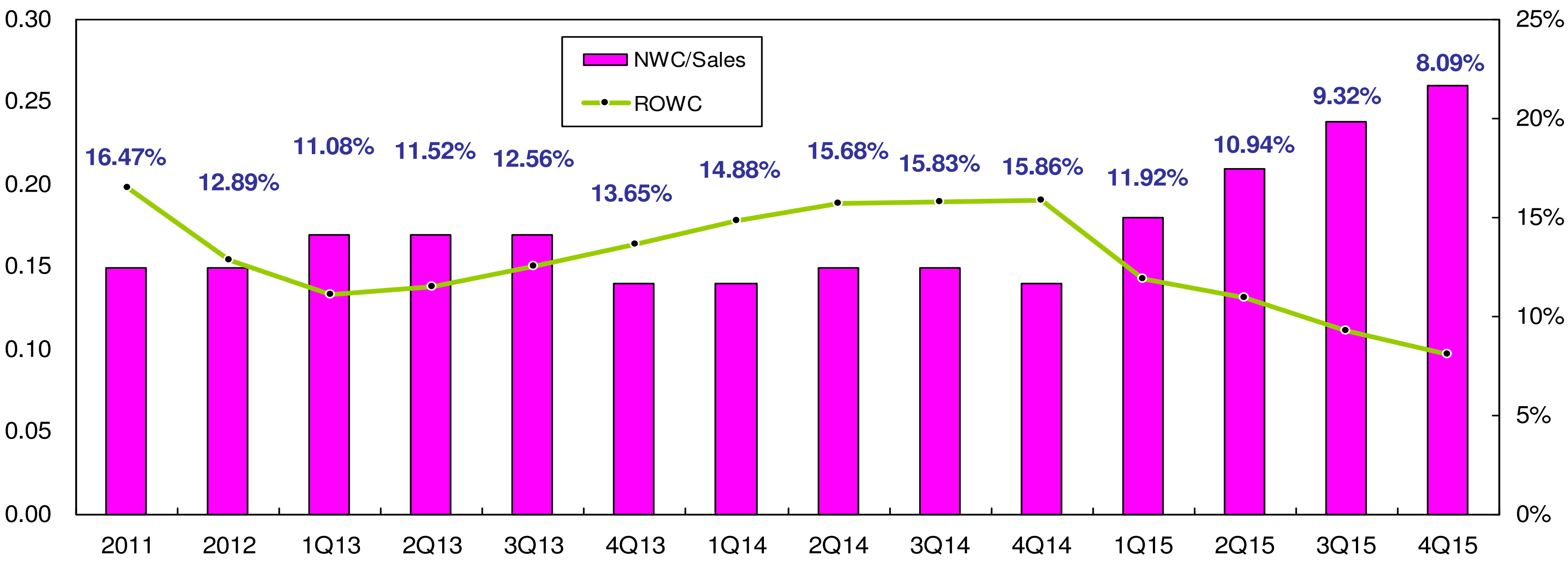


ITEM	2011	2012	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
ROE%	18.81%	11.18%	10.81%	11.58%	12.92%	10.98%	10.94%	14.92%	17.68%	14.50%	12.51%	11.74%	12.31%	12.13%
EPS	5.46	3.23	0.88	0.96	1.07	0.96	1.00	1.29	1.56	1.37	1.24	1.09	1.14	1.13

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

2. Financial Update

ROWC vs. NWC/Sales

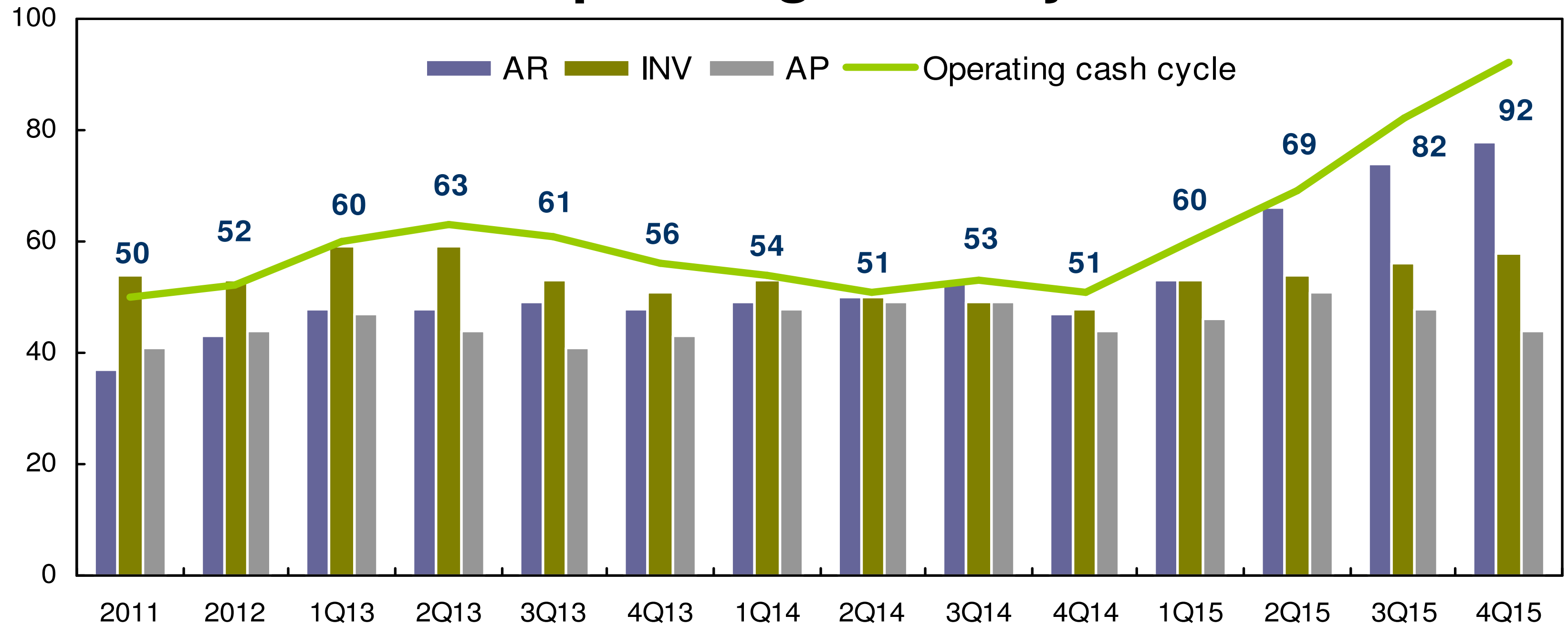


ITEM	2011	2012	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
NWC/Sales	0.15	0.15	0.17	0.17	0.17	0.14	0.14	0.15	0.15	0.14	0.18	0.21	0.24	0.26
ROWC	16.47%	12.89%	11.08%	11.52%	12.56%	13.65%	14.88%	15.68%	15.83%	15.86%	11.92%	10.94%	9.32%	8.09%

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	2Q15	3Q15	4Q15
AR	37	43	48	48	49	48	49	50	53	47	53	66	74	78
INV	54	53	59	59	53	51	53	50	49	48	53	54	56	58
AP	(41)	(44)	(47)	(44)	(41)	(43)	(48)	(49)	（49）	(44)	(46)	(51)	(48)	(44)
Operating cash cycle	50	52	60	63	61	56	54	51	53	51	60	69	82	92

3. Business Outlook

We currently expect 1Q 16 :

- Revenue : between NT$ 25.9 billion ~ NT$ 27.5 billion, at a forecast exchange rate of 33.4 NT Dollars to 1 US Dollar
- Gross profit margin : between 5.6% ~ 5.8%
- Operating profit margin : between 2.0% ~ 2.2%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A
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Thank You！

WT Microelectronics Co., Ltd.

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