

# 2017 Third Quarter Investor Conference

2017/11/13

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# Safe Harbor Statement

- ❑ These information which may include statements regarding its results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on Edom's current expectations. Actual results may differ materially from those expressed or implied in these forward-looking statements
- ❑ In addition, any financial information contained here within is presented in conformity with International Financial Reporting Standards (IFRSs).
- ❑ Except as required by law, our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.

# Agenda

- Overview
- Financial Update
- Q & A

# Overview



Founded in 1996  
Headquarters at Taipei

700+  
Employees

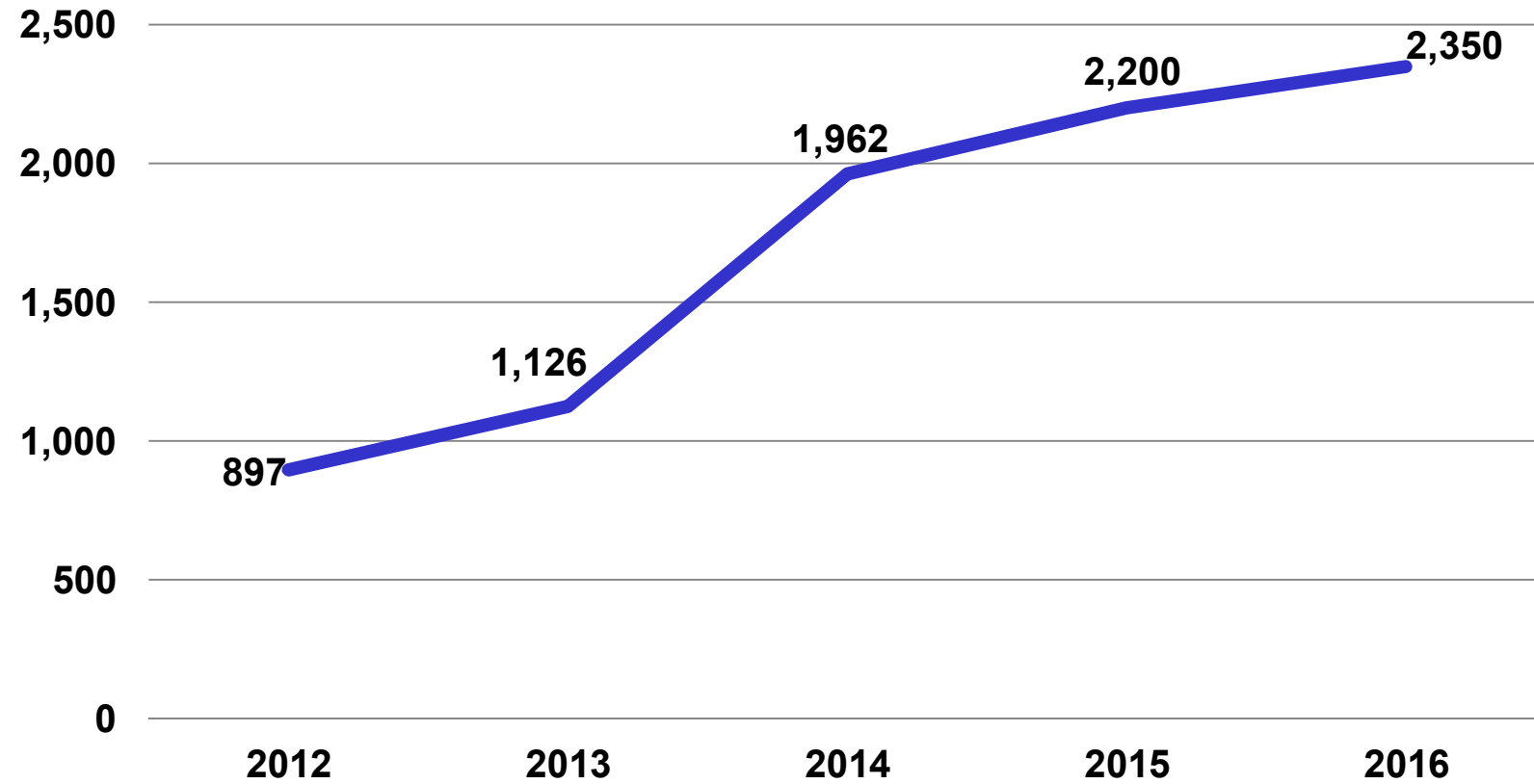
28  
Sales Offices

US\$2.35 Billion  
2016 Revenue

## Main Principals

# Overview

## 8th Largest Semiconductor in 2016



Revenue  
(US\$ millions)



4G LTE



Mobile Phone/Tablet



Data Center



Identification



Security



IoT

# Overview

## Mega Trends Driving Growth



### IoT

Wearables  
Smart City / Home  
Smart Healthcare  
Smart Metering  
Smart Factory  
Smart Agriculture, etc.



### Data Center Cloud Computing

Server  
Networking  
Storage systems  
Cloud Software Platform,  
etc.



### Automation Automotive

EV/HEV  
Digital Cockpit  
Smart Car / Self-Driving Car  
Robot, Drone, etc.



### More Emerging Applications

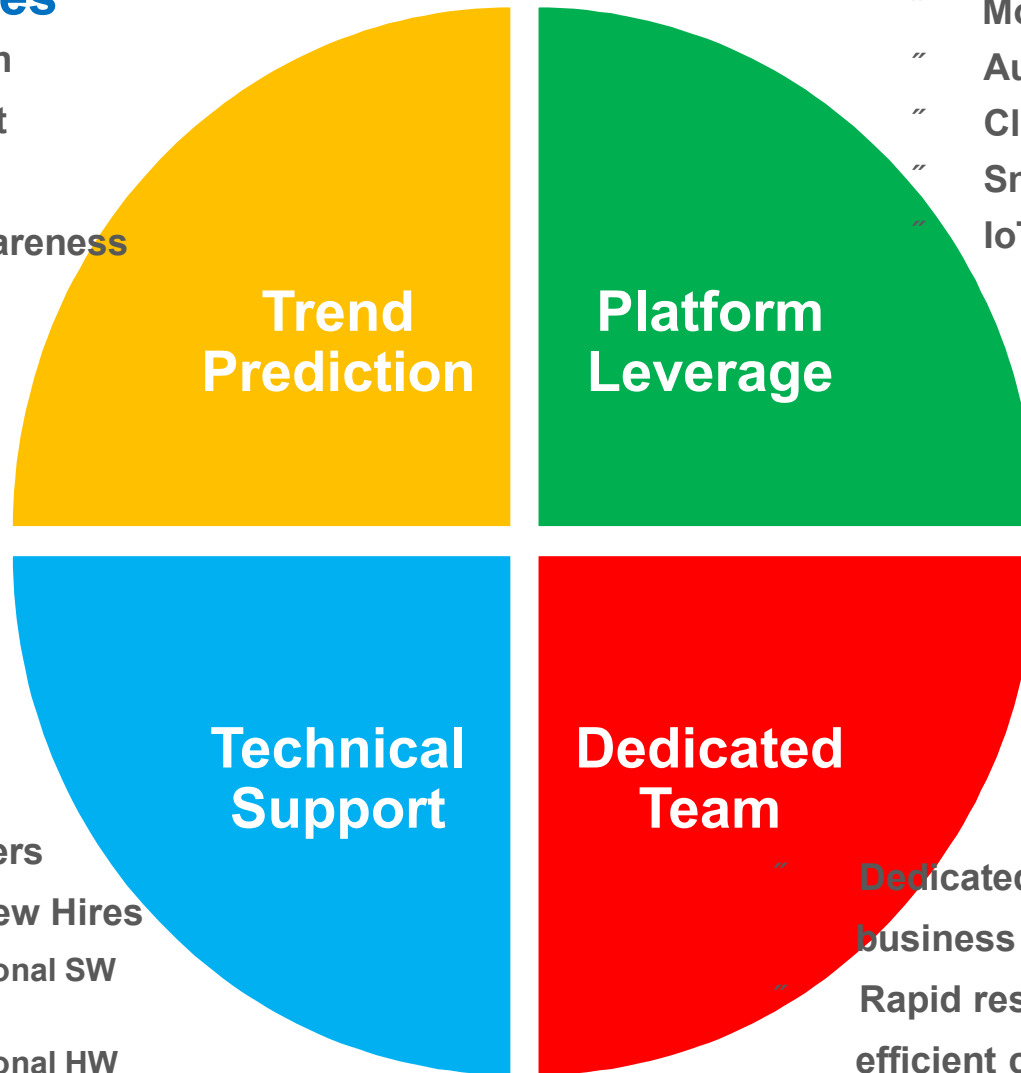
Virtual Reality  
Augmented Reality  
Artificial Intelligence  
Machine Learning,  
FinTech, etc.

**Key Factors: MCU, Power, Sensor, Connectivity, Identification/Security, Software**

# Overview

## Our Advantages

- “ Precise prediction
- “ Early Involvement
- “ Cross-industry opportunities awareness

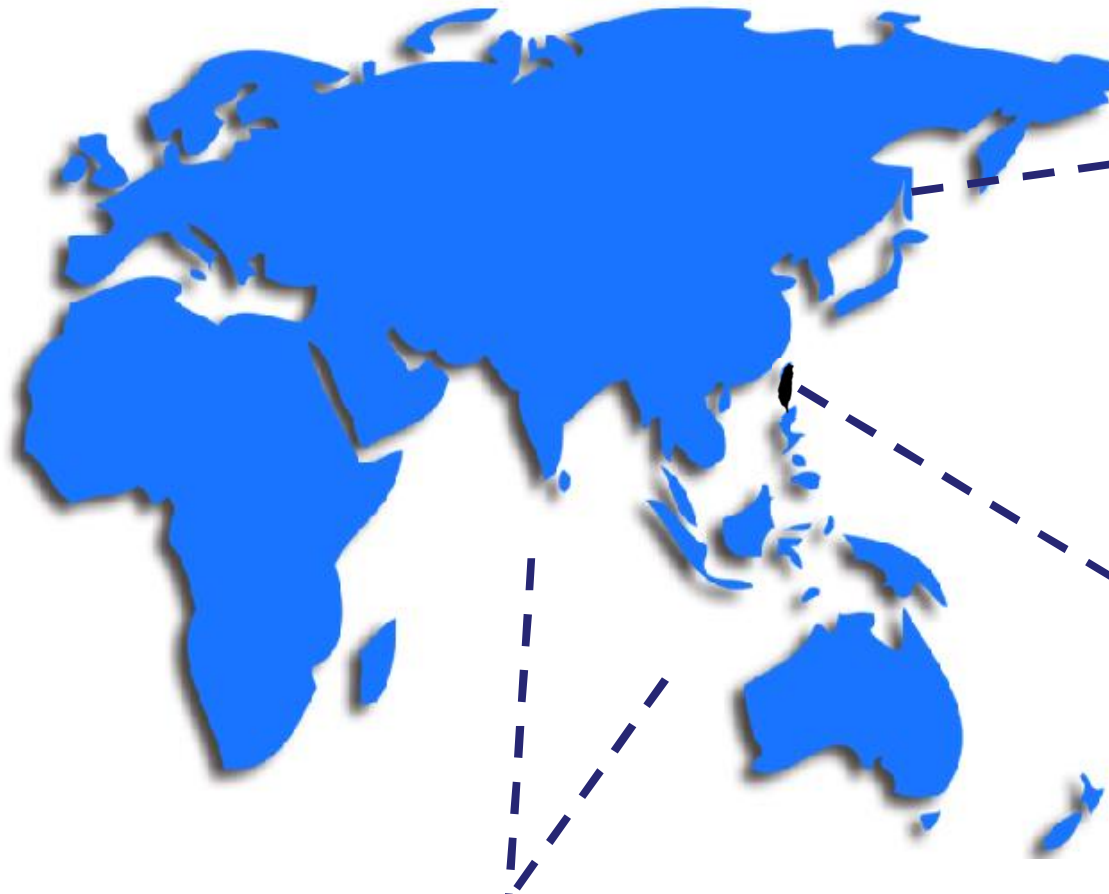


- “ Mobile Phone/Tablet
- “ Automotive/Industrial
- “ Cloud/Networking
- “ Smart Home/Automation
- “ IoT

- “ Total 155 Engineers
- “ FAE Support – New Hires
  - 80% professional SW engineers
  - 20% professional HW engineers

- “ Dedicated team to drive business (by application / vendor)
- “ Rapid response and highly efficient customer service
- “ Experts at demand creation

# Overview



## China 19 sales offices

Shenzhen, Dongguan, Guangzhou, Zhuhai, Xiamen, Fuzhou, Hong Kong, Shanghai, Ningbo, Beijing, Dalian, Tianjin, Qingdao, Hefei, Hangzhou, Xi'an, Chengdu, Chongqing, Wuhan

## Taiwan 3 sales offices

Taipei (Headquarters), Taichung, Kaohsiung

## Southeast Asia & India 6 Sales Offices

Malaysia, Singapore, Thailand, India (Bangalore, Pune, Delhi)

## Total 28 Sales Offices

Will Open More Branches

# Financial Update

## Statement of Comprehensive Income

Unit : NT\$K

Item	Quarterly					Yearly		
	Q317	Q217	QoQ	Q316	YoY	3Q17	3Q16	YoY
Operating revenue	21,501,594	16,762,662	28.3%	24,689,294	(12.9%)	55,334,228	53,346,750	3.7%
COGS	(20,815,836)	(16,199,296)	28.5%	(23,992,984)	(13.2%)	(53,512,121)	(51,764,481)	3.4%
Gross profit	685,758	563,366	21.7%	696,310	(1.5%)	1,822,107	1,582,269	15.2%
Gross profit%	3.2%	3.4%		2.8%		3.3%	3.0%	
Operating expenses	(426,509)	(369,781)	15.3%	(433,583)	(1.6%)	(1,175,790)	(1,078,834)	9.0%
Operating income	259,249	193,585	33.9%	262,727	(1.3%)	646,317	503,435	28.4%
Operating income%	1.2%	1.2%		1.1%		1.2%	0.9%	
Financial costs	(104,964)	(101,172)	3.7%	(78,430)	33.8%	(334,506)	(219,254)	52.6%
Others	12,696	11,626		(4,930)		23,879	(8,582)	
Profit before tax	166,981	104,039	60.5%	179,367	(6.9%)	335,690	275,599	21.8%
Income tax	(28,730)	(26,882)	6.9%	(28,988)	(0.9%)	(66,958)	(48,340)	38.5%
Profit after tax	138,251	77,157	79.2%	150,379	(8.1%)	268,732	227,259	18.2%
Net profit %	0.6%	0.5%		0.6%		0.5%	0.4%	
EPS (In dollar)(1)	0.62	0.35		0.68		1.21	1.03	

(1)Based on 2017'Q2 weighted average of outstanding shares

# Financial Update

## Balance Sheet

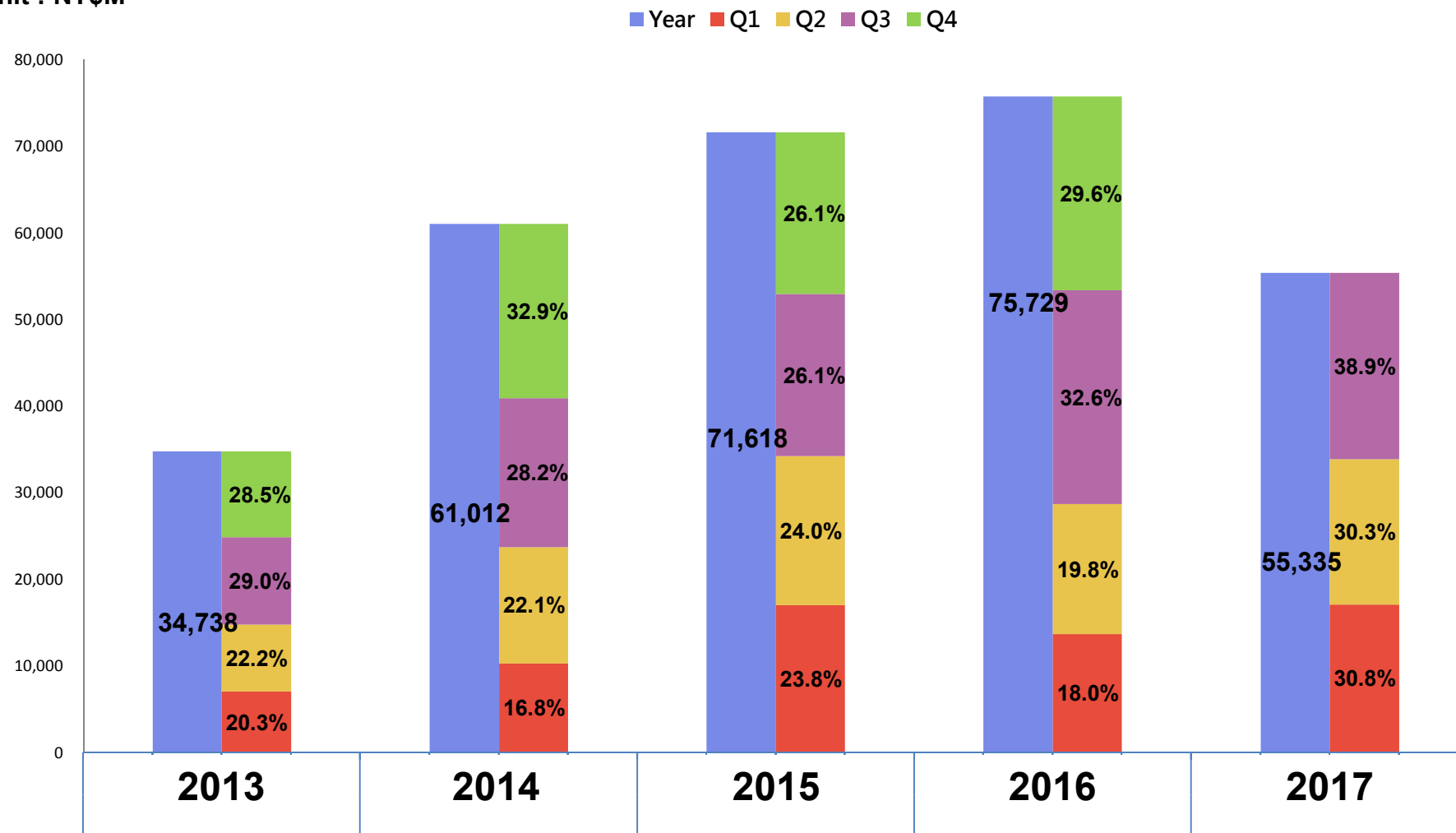
Unit : NT\$K

Item	2017/09/30		2017/06/30		2016/09/30	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	664,429	4.3	589,290	4.0	762,705	3.7
Notes/Accounts receivable	5,897,433	37.7	4,712,608	32.0	9,029,663	43.7
Inventory	7,695,566	49.2	8,094,598	54.9	9,803,981	47.5
Other current assets	358,356	2.3	347,452	2.3	360,807	1.8
Non-current assets	1,011,486	6.5	1,000,604	6.8	684,752	3.3
<b>Total Assets</b>	<b>15,627,270</b>	<b>100.0</b>	<b>14,744,552</b>	<b>100.0</b>	<b>20,641,908</b>	<b>100.0</b>
Short-term borrowings	3,498,334	22.4	3,794,430	25.7	8,063,038	39.1
Notes/Account payable	6,463,986	41.4	5,533,286	37.5	7,265,985	35.2
Other current liabilities	1,509,471	9.5	1,483,515	10.2	1,598,298	7.7
Long-term borrowings	900,077	5.8	800,000	5.4	480,000	2.3
Others	42,402	0.3	48,355	0.3	80,913	0.4
<b>Total Liabilities</b>	<b>12,414,270</b>	<b>79.4</b>	<b>11,659,586</b>	<b>79.1</b>	<b>17,488,234</b>	<b>84.7</b>
<b>Total Equity</b>	<b>3,213,000</b>	<b>20.6</b>	<b>3,084,966</b>	<b>20.9</b>	<b>3,153,674</b>	<b>15.3</b>
Index	3Q17		2Q17		3Q16	
A/R turnover days	29		29		30	
Inventory turnover days	41		46		48	
A/P turnover days	33		34		32	
Cash operating cycle days	37		41		46	
Current ratio	127%		127%		118%	
Return of assets	4.6%		4.2%		3.3%	

# Financial Update

## Operating revenue

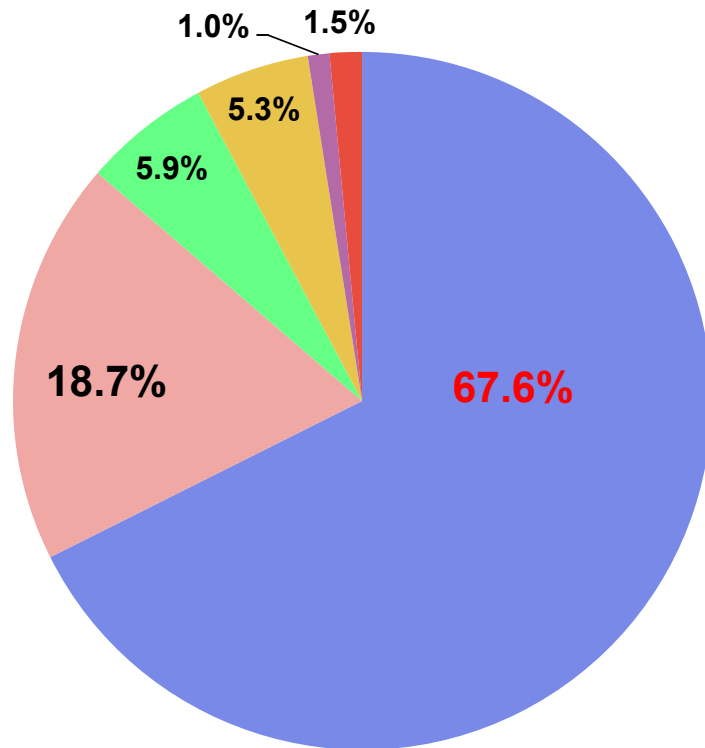
Unit : NT\$M



# Financial Update

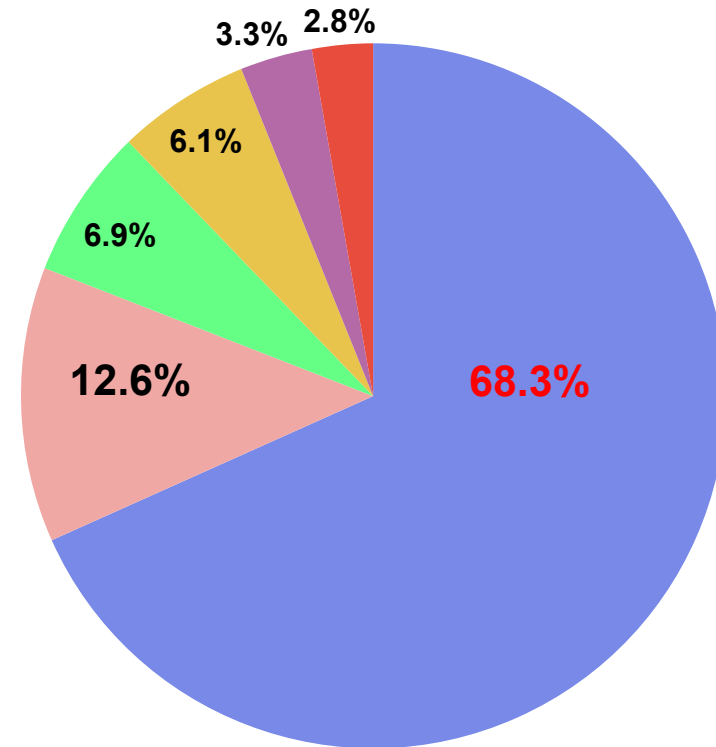
## Year 2017 Q1~Q3 Application

- **Wireless Communications**
- **Computer**
- **Industrial**
- **Consumer**
- **Wired Communications**
- **Others**



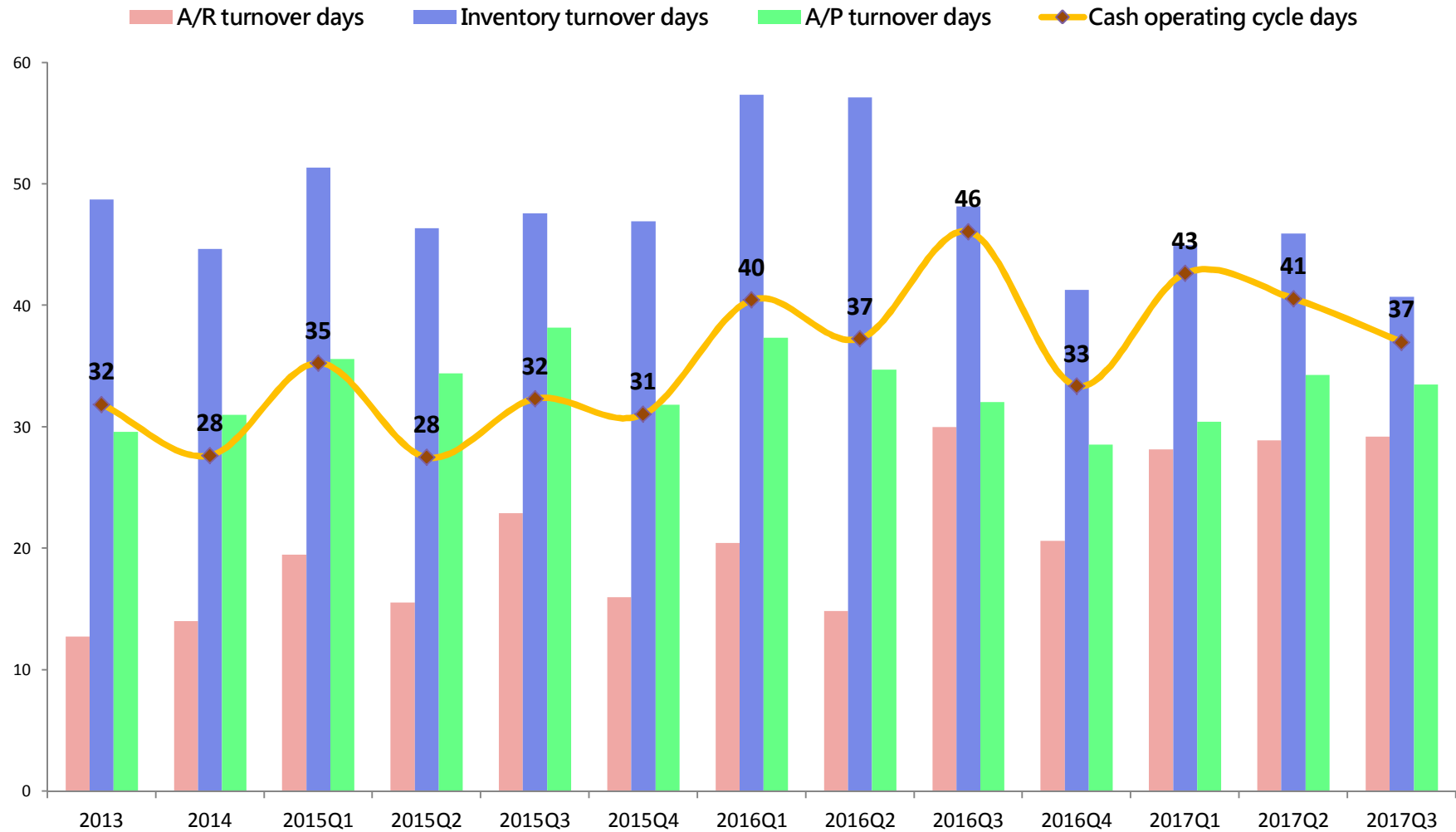
## Year 2017 Q1~Q3 Category

- **Analog**
- **Logic**
- **Optoelectronics**
- **Micro Components**
- **Memory**
- **Others**



# Financial Update

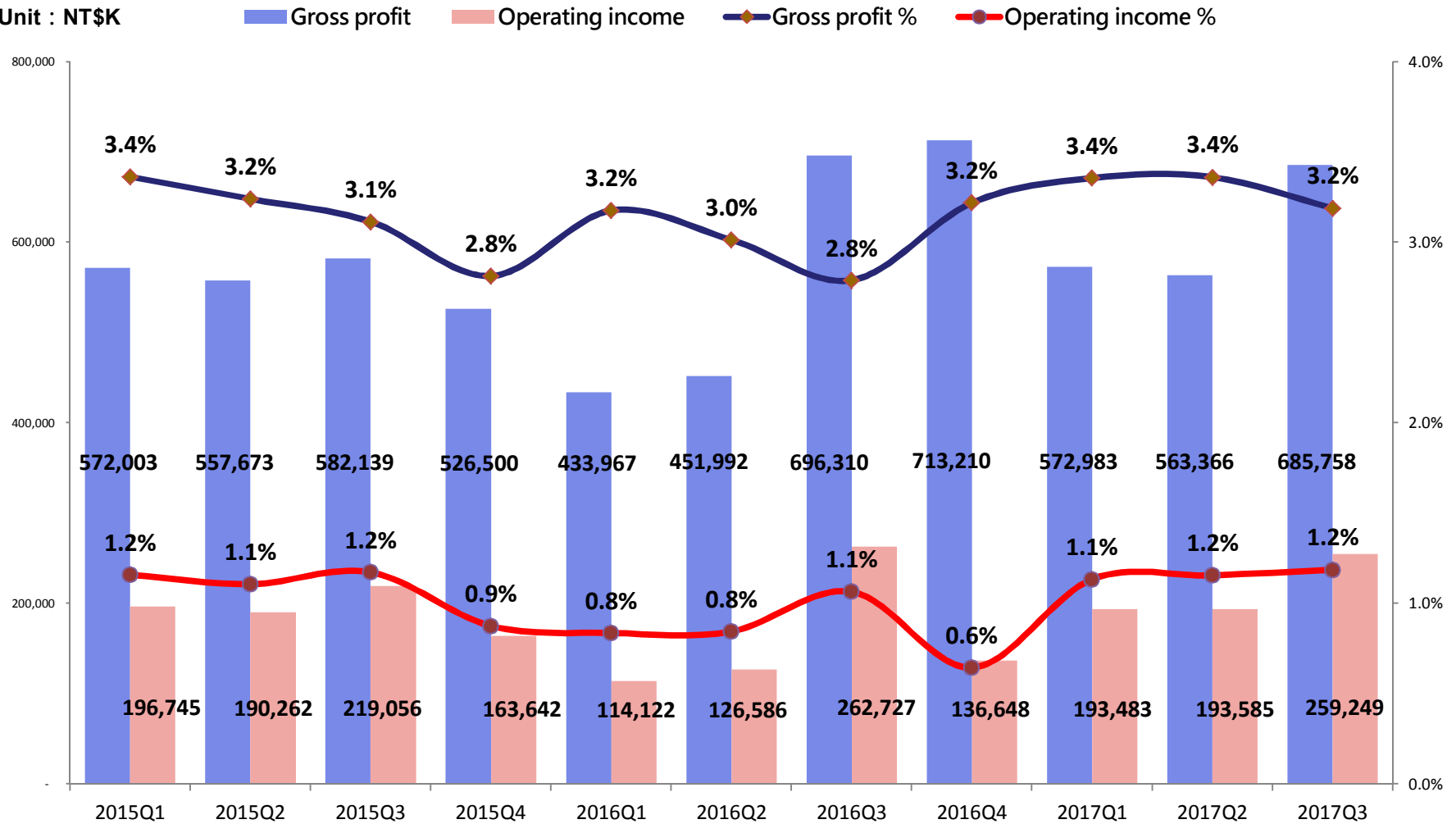
## Cash operating cycle



# Financial Update

## Gross profit & Operating income

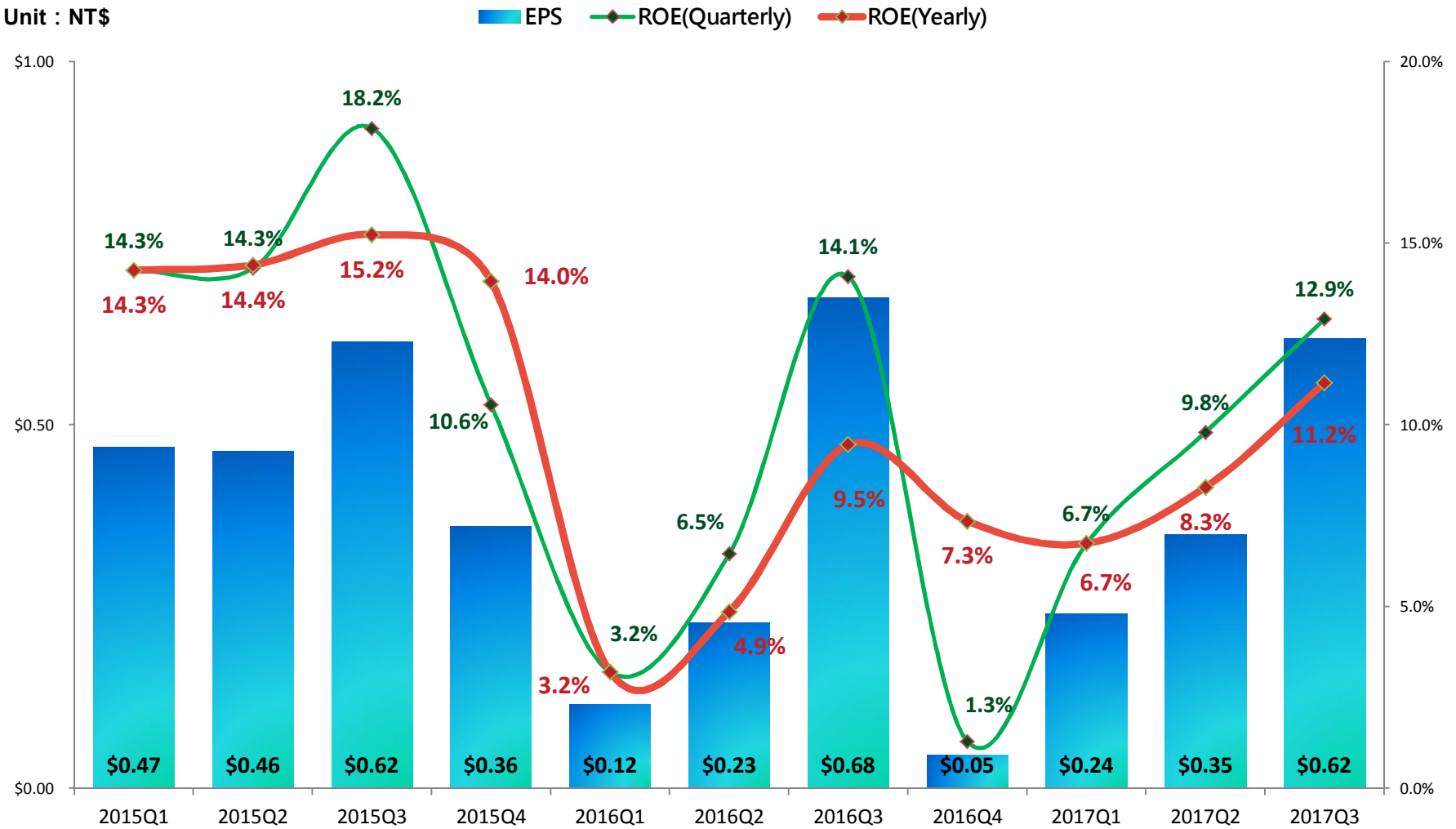
Unit : NT\$K



# Financial Update

## EPS & ROE

Unit : NT\$



Q&A

Thanks!

