WPG Holdings Ltd.
(3702.TT/3702.TW)
1Q14 Earning Release

Apr. 30th, 2014

Safe Harbor Notice

- These forward-looking statements, which may include statements regarding WPG' future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on WPG' current expectations.

- 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 ability to successfully expand our capacity; our dependence on key personnel; general economic and political conditions, including those related to the IC industry; 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.

- In addition, beginning on January 1, 2013, any financial information contained here within is presented in conformity with TIFRS (International Financial Reporting Standards as endorsed for use in R.O.C.). We have historically presented our consolidated financial statements in accordance with ROC GAAP, including our consolidated financial statements for the year ended December 31, 2012. Consequently, the selected comparison financial information to be included in our quarterly earning releases in 2013 may differ materially from those released historically.

- Our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, 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

- Welcome — Kathryn Chen
- 1Q14 Financial Highlights & 2Q14 Outlook — Cliff Yuan
- Q&A — Simon Huang/ Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	1Q14	1Q14 Guidance	4Q13	1Q13	*QoQ(%)*	*YoY(%)*
Net Sales	102,329	95~100B	111,285	86,563	(8.0)	18.2
Gross Margin	4.70%	*4.3% ~ 4.6%*	4.05%	4.87%	+65 bp	-17 bp
Operating Expenses	(2,898)		(3,063)	(2,836)	(5.4)	2.2
Operating Income	1,908		1,442	1,380	32.3	38.2
Operating Margin	1.86%	*1.4% ~ 1.65%*	1.30%	1.59%	+57 bp	+27 bp
Net Income	1,395		1,005	1,040	38.7	34.1
EPS (NT$)(1)	0.84		0.61	0.63		
Net Book Value (NT$)(1)	25.48					
Total Assets	141,078		135,106	125,042		
Total Liabilities	98,781		95,169	84,898		
Total Equity	42,297		39,937	40,144		
Net Working Capital	70,902		68,438	60,566		
Free Cash Flow	(2,037)		1,424	(1,236)		
KEY Indices(2)						
ROWC	*10.8%*		*8.4%*	*9.1%*	+234 bp	+165 bp
NWC/Sales	*0.17*		*0.15*	*0.17*		
ROE	*13.6%*		*10.3%*	*10.7%*	+326 bp	+294 bp
Gearing	1.00		1.03	0.83		

(1).Weighted average shares outstanding

(2).Annualized

Statements of Comprehensive Income

Unit:NT$million

Item	1Q14	4Q13	QoQ(%)	1Q13	YoY(%)
Net operating Revenue	102,329	111,285	*(8.0)*	86,563	*18.2*
COGS	(97,523)	(106,780)	*(8.7)*	(82,348)	*18.4*
Gross Profit	4,806	4,505	*6.7*	4,216	*14.0*
Gross Margin	*4.70%*	*4.05%*		*4.87%*	
Operating Expenses	(2,898)	(3,063)	*(5.4)*	(2,836)	*2.2*
Operating Income	1,908	1,442	*32.3*	1,380	*38.2*
Operating Margin	*1.86%*	*1.30%*		*1.59%*	
Net Non-operating Items	(179)	(214)	*(16.4)*	(105)	*70.0*
Net Financing costs	(278)	(258)	*7.8*	(194)	*42.9*
Others	99	44		89	
Profit Before Tax/Minority	1,729	1,228	*40.8*	1,275	*35.6*
Tax	(336)	(221)	*51.9*	(235)	*43.2*
Minority/Accounting Principle Change	2	(1)		(0)	
Profit After Tax/Minority	1,395	1,005	*38.7*	1,040	*34.1*
Net Margin	*1.36%*	*0.90%*		*1.20%*	
EPS (NT$)(1)	0.84	0.61		0.63	
Tax %	19%	18%		18%	

(1).Weighted average shares outstanding

Balance Sheet

Unit:NT$million	1Q14		4Q13		1Q13	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash & Marketable Securities	10,150	*7*	9,489	*7*	7,746	*6*
Accounts Receivable - Trade	69,874	*50*	71,705	*53*	60,889	*49*
Inventory	41,181	*29*	35,056	*26*	36,417	*29*
Current Assets	126,822	*90*	120,777	*89*	110,944	*89*
Others	14,256	*10*	14,329	*11*	14,098	*11*
Total Assets	141,078	*100*	135,106	*100*	125,042	*100*
Current Interest-bearing Debt	48,568	*34*	47,843	*35*	36,403	*29*
Accounts Payble	40,153	*28*	38,323	*28*	36,740	*29*
Accrued Liabilities and Others	5,178	*4*	4,975	*4*	5,045	*4*
Current Liabilities	93,899	*67*	91,142	*67*	78,188	*63*
Long-term Interest-bearing Debt	4,176	*3*	3,225	*2*	5,810	*5*
Others	706	*1*	803	*1*	901	*1*
Total Liabilities	98,781	*70*	95,169	*70*	84,898	*68*
Total Equity	42,297	*30*	39,937	*30*	40,144	*32*
KEY Indices(1)						
Net Working Capital (NT$million)	70,902		68,438		60,566	
AR Turnover Days	*63*		*58*		*64*	
Inventory Turnover Days	*36*		*32*		*39*	
AP Turnover Days	*37*		*34*		*39*	
Average Collection Periods Days	*62*		*56*		*63*	
Current Ratio	*135%*		*133%*		*142%*	
Gearing	*1.00*		*1.03*		*0.83*	

(1).Annualized

Cash Flows

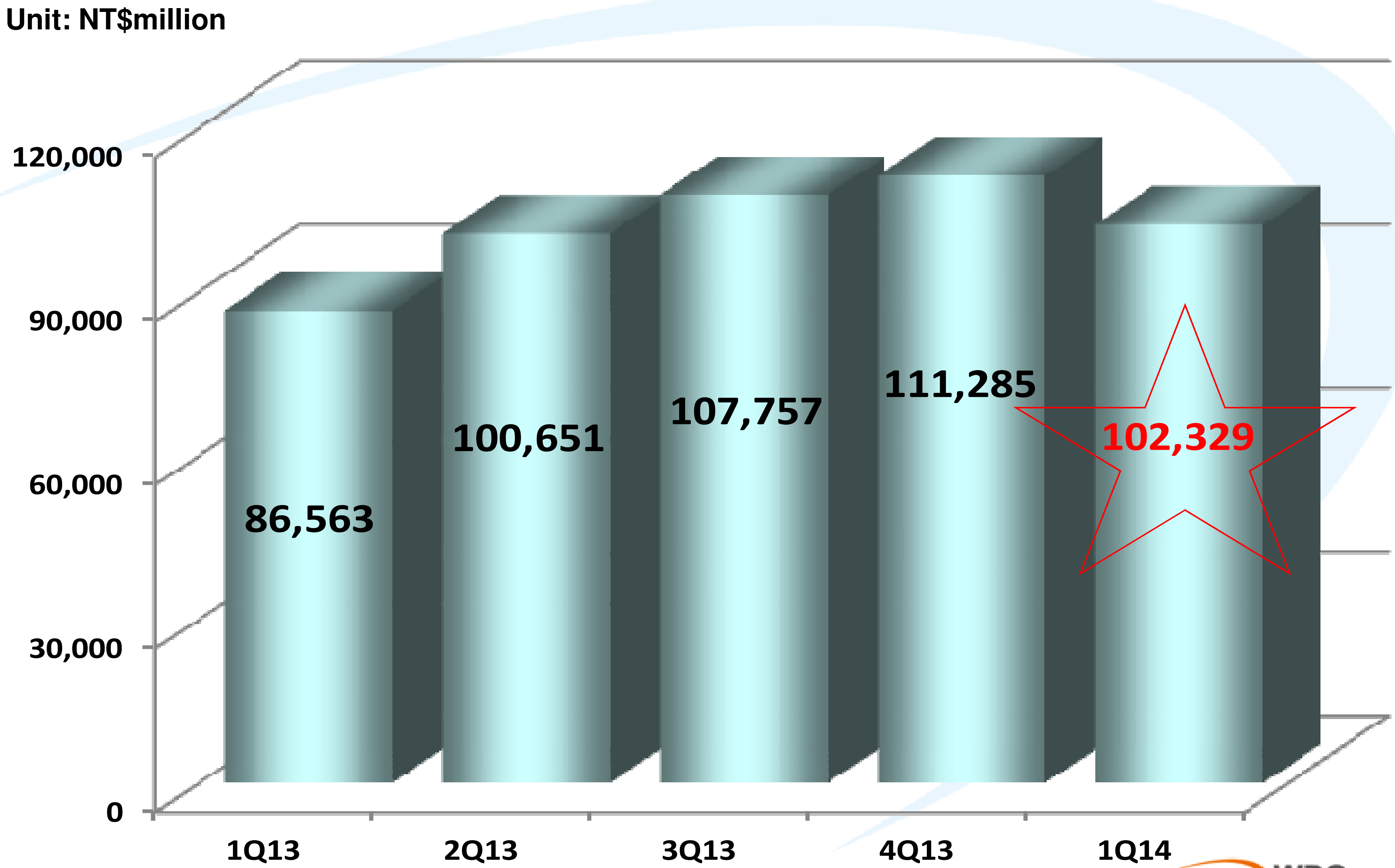
Unit:NT$million

item	1Q14	4Q13	1Q13
-Income before Income Tax(1)	1,729	1,228	1,275
-Changes of NWC	(2,464)	227	(951)
-Adjustment & Others	(1,302)	(31)	(1,560)
From Operation	**(2,037)**	**1,424**	**(1,236)**
-Financial Instrument	51	410	367
-Capital Expenditure	(86)	(79)	(782)
-Effect on changes of consolidated subsidiaries	-	-	(6)
-Others	31	(1)	(47)
From Investment	**(4)**	**331**	**(467)**
-Financial Debt	1,676	(882)	(337)
-Others	(4)	(1)	(0)
From Financing	**1,672**	**(883)**	**(337)**
Cumulative translation adjustments	**1,033**	**277**	**898**
Net Cash Position Change	**664**	**1,148**	**(1,142)**
Ending Cash Balance	**10,122**	**9,459**	**7,730**

(1).Minority interest is included.

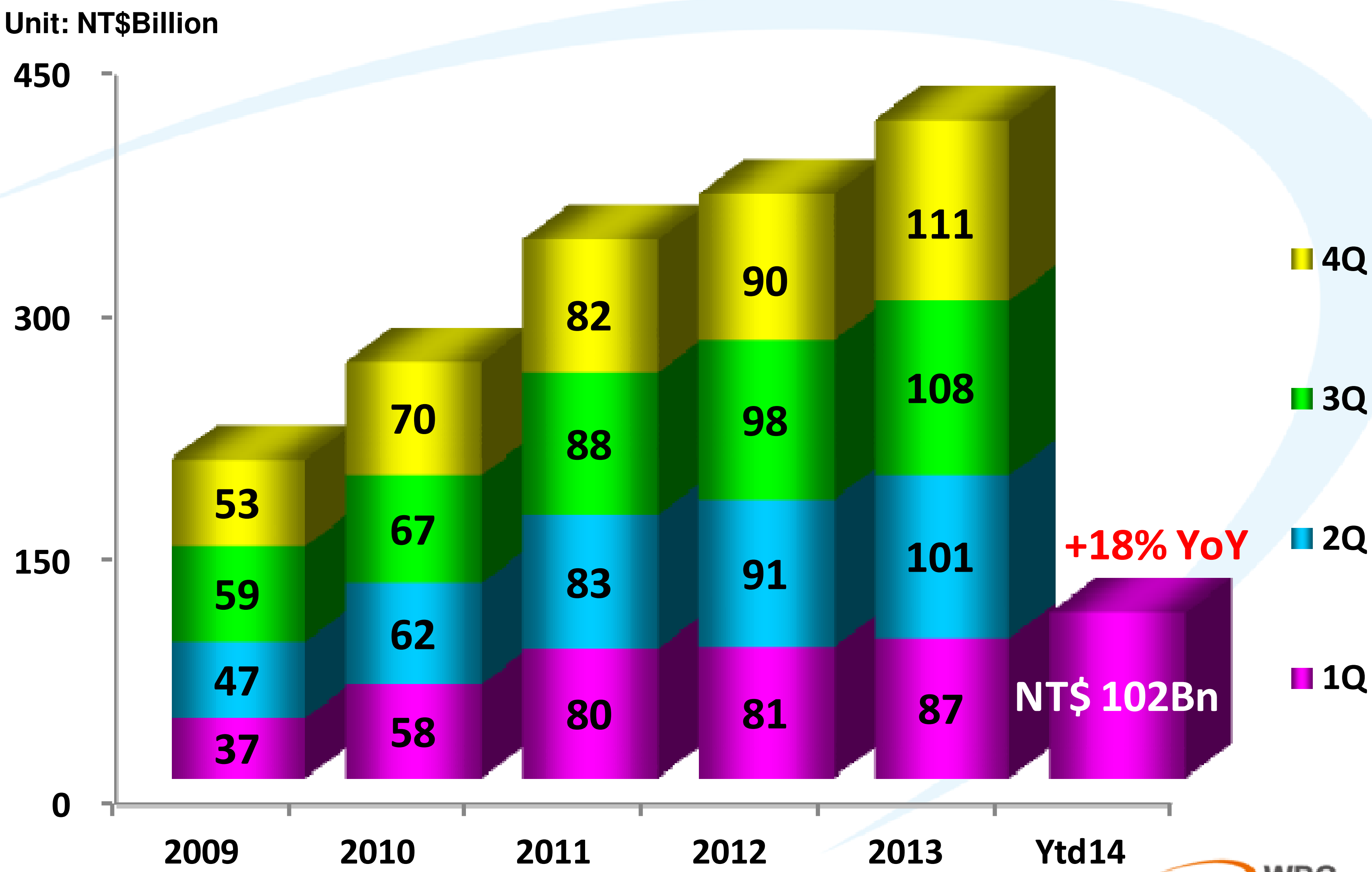
Unaudited, Prepared by WPG based on TIFRS.

Consolidated Revenue



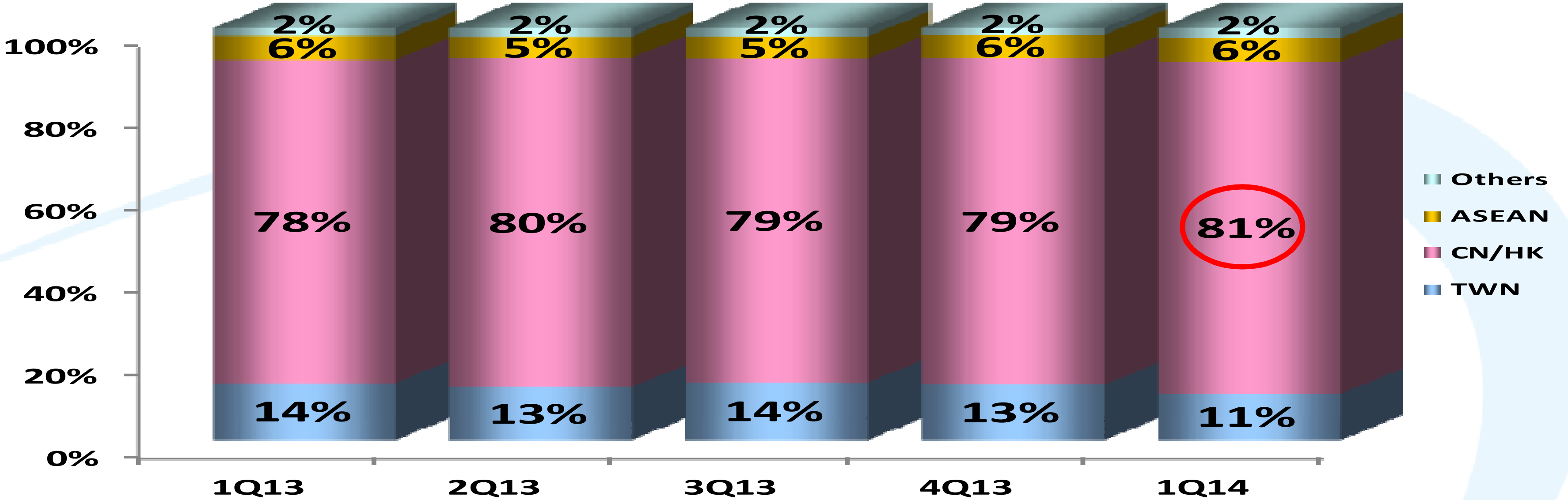
Unaudited, Prepared by WPG based on TIFRS.

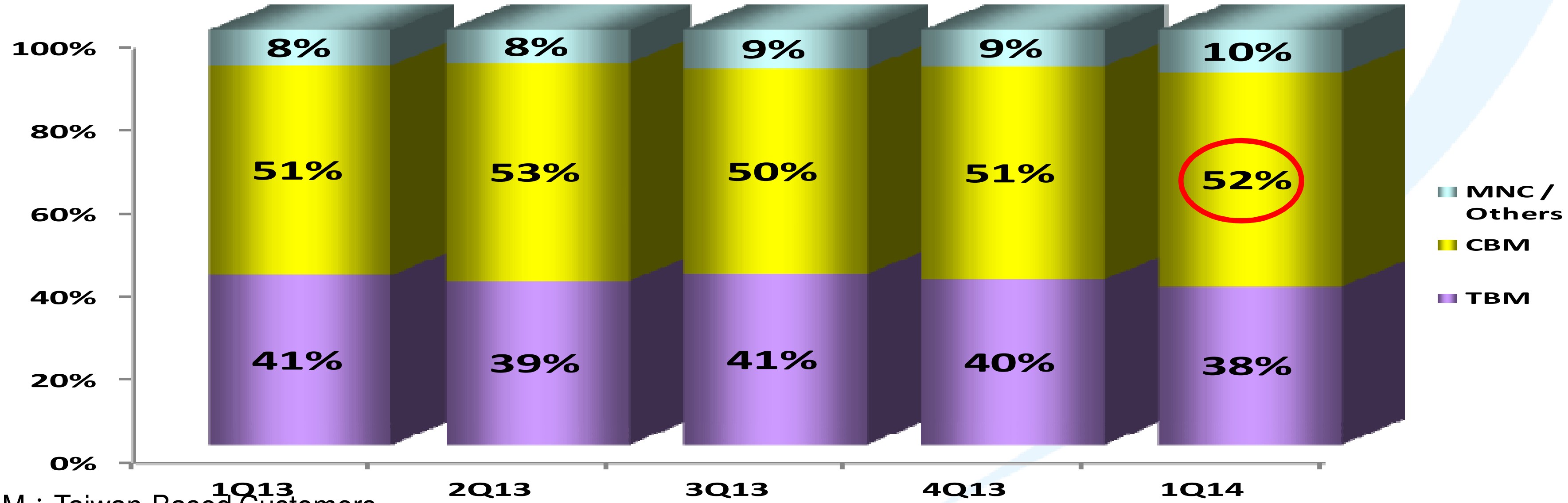
Consolidated Revenue



Unaudited, Prepared by WPG based on TIFRS.

Sales breakdown by Geography/ Customer



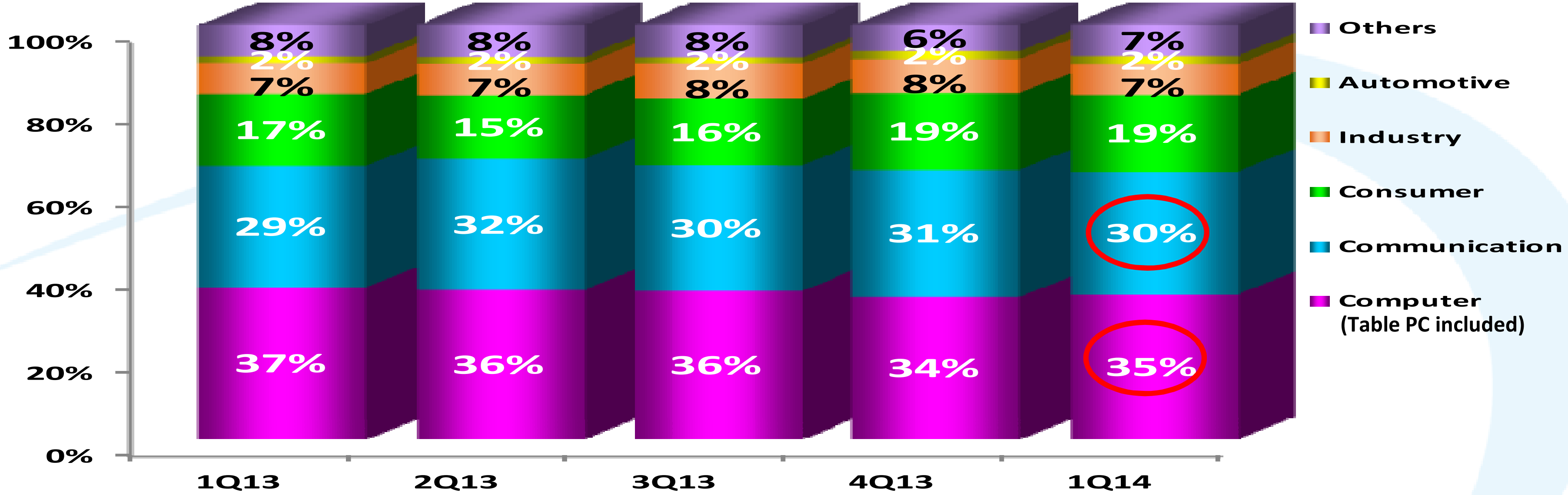


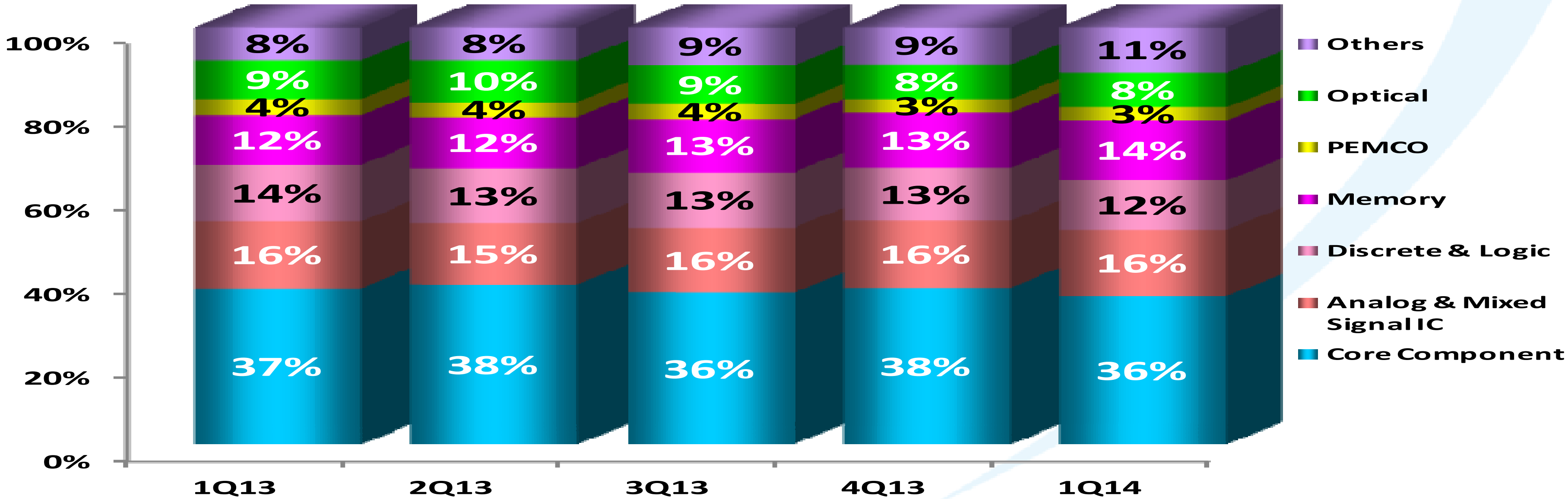
TBM：Taiwan-Based Customers

CBM：China Based Customers

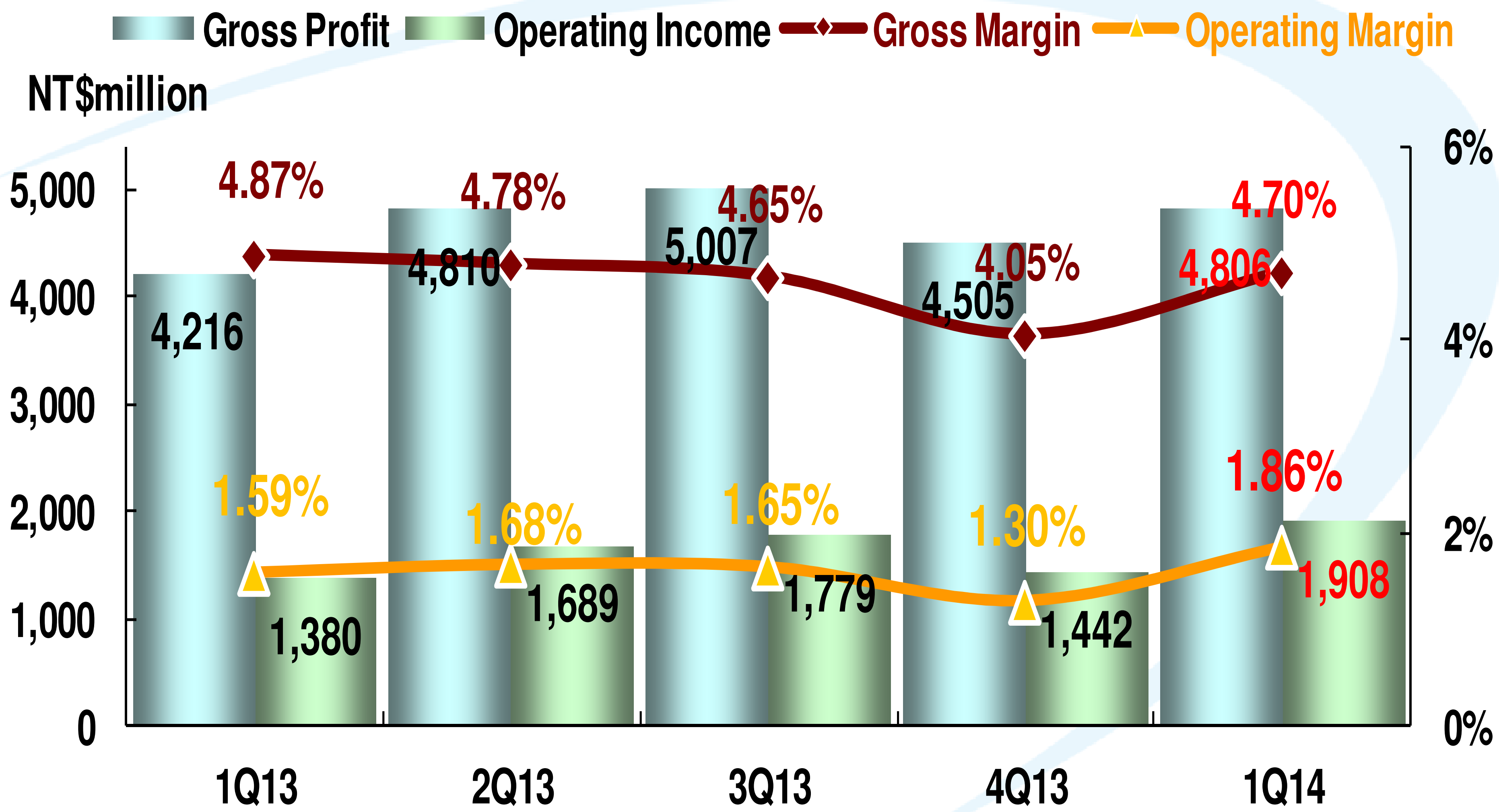
Unaudited, Prepared by WPG based on TIFRS.

Sales breakdown by Application/ Device Type

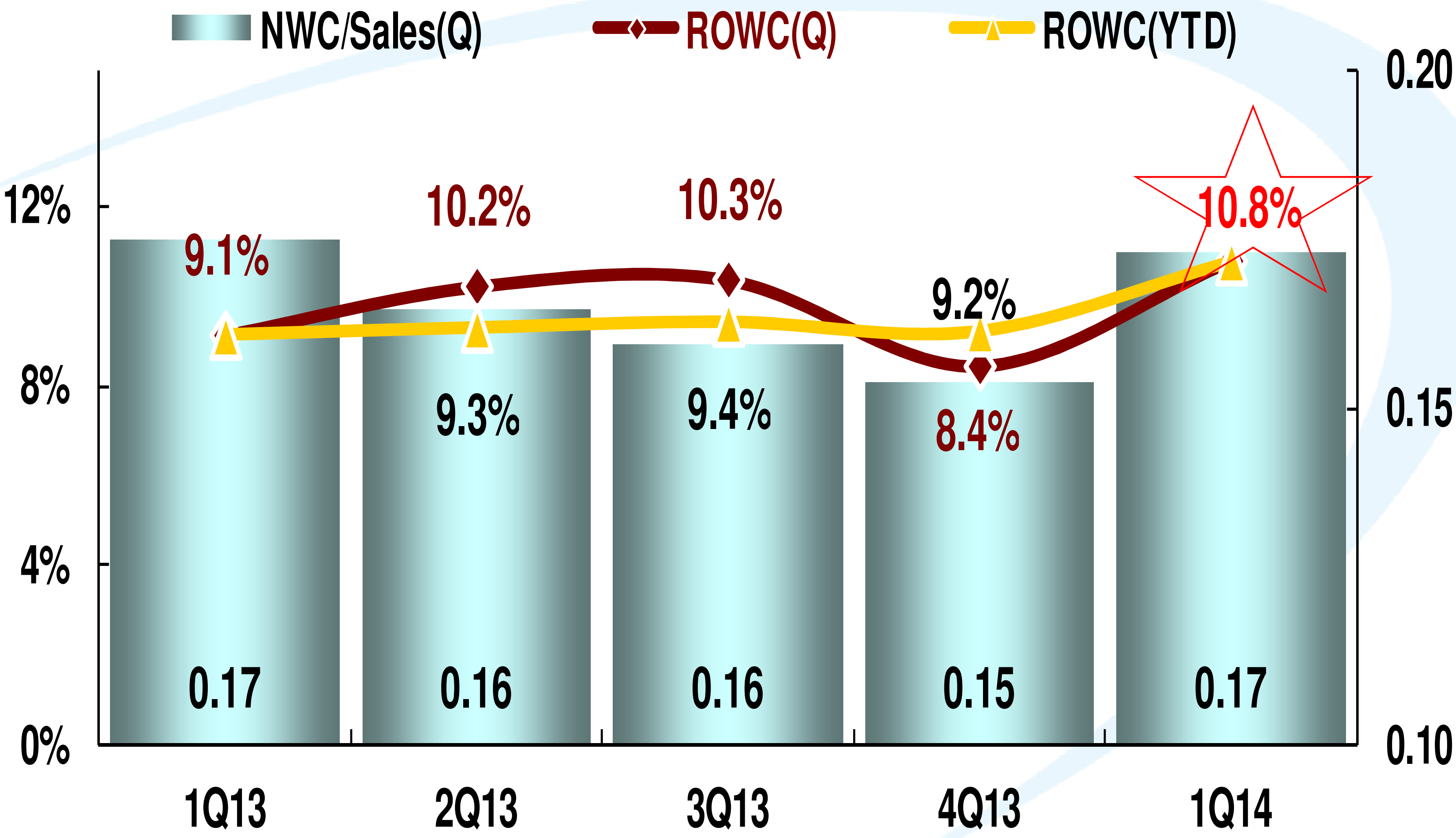




Gross Margin vs. Operating Margin

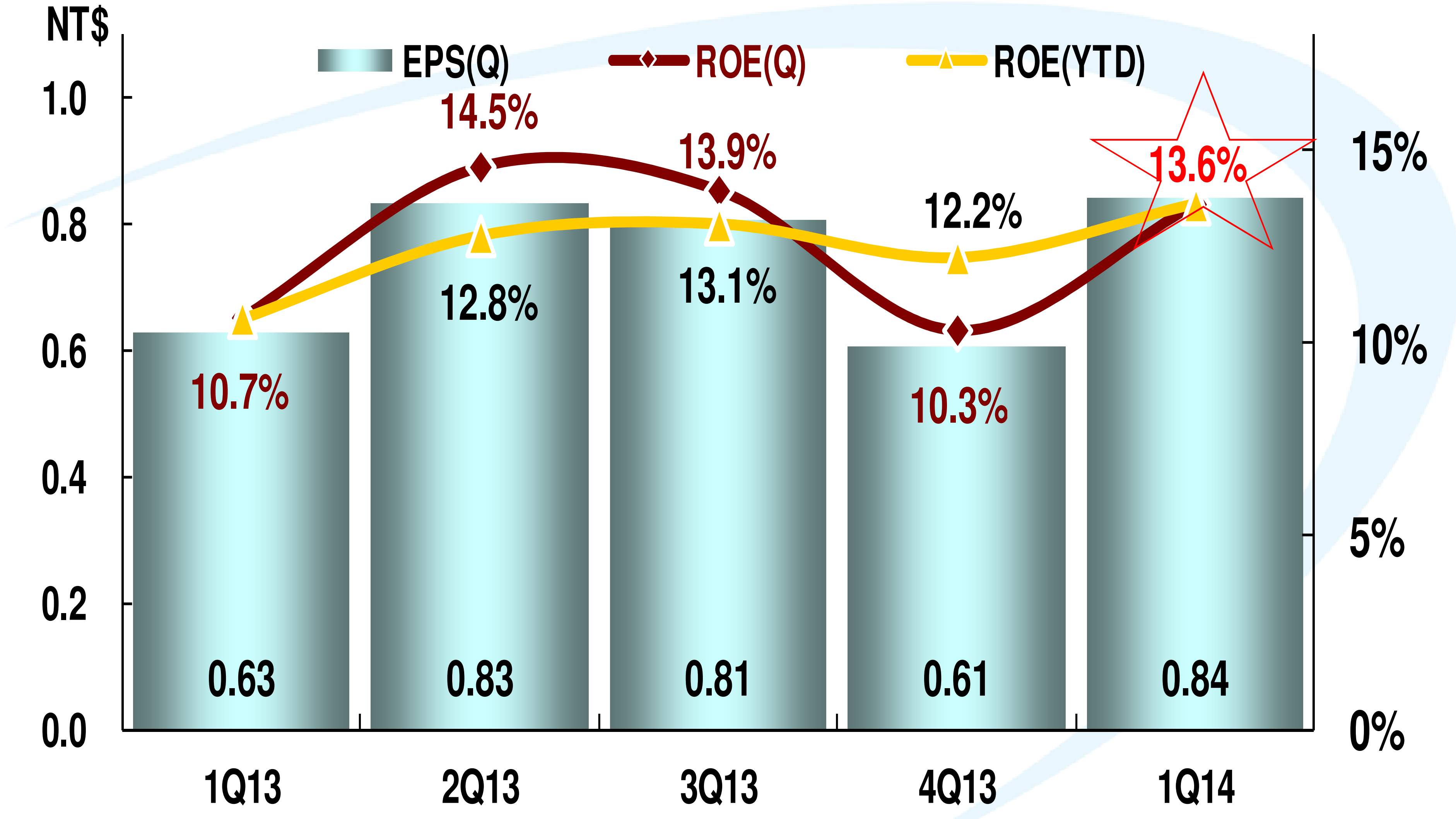


ROWC vs. NWC/Sales



Note：Annualized

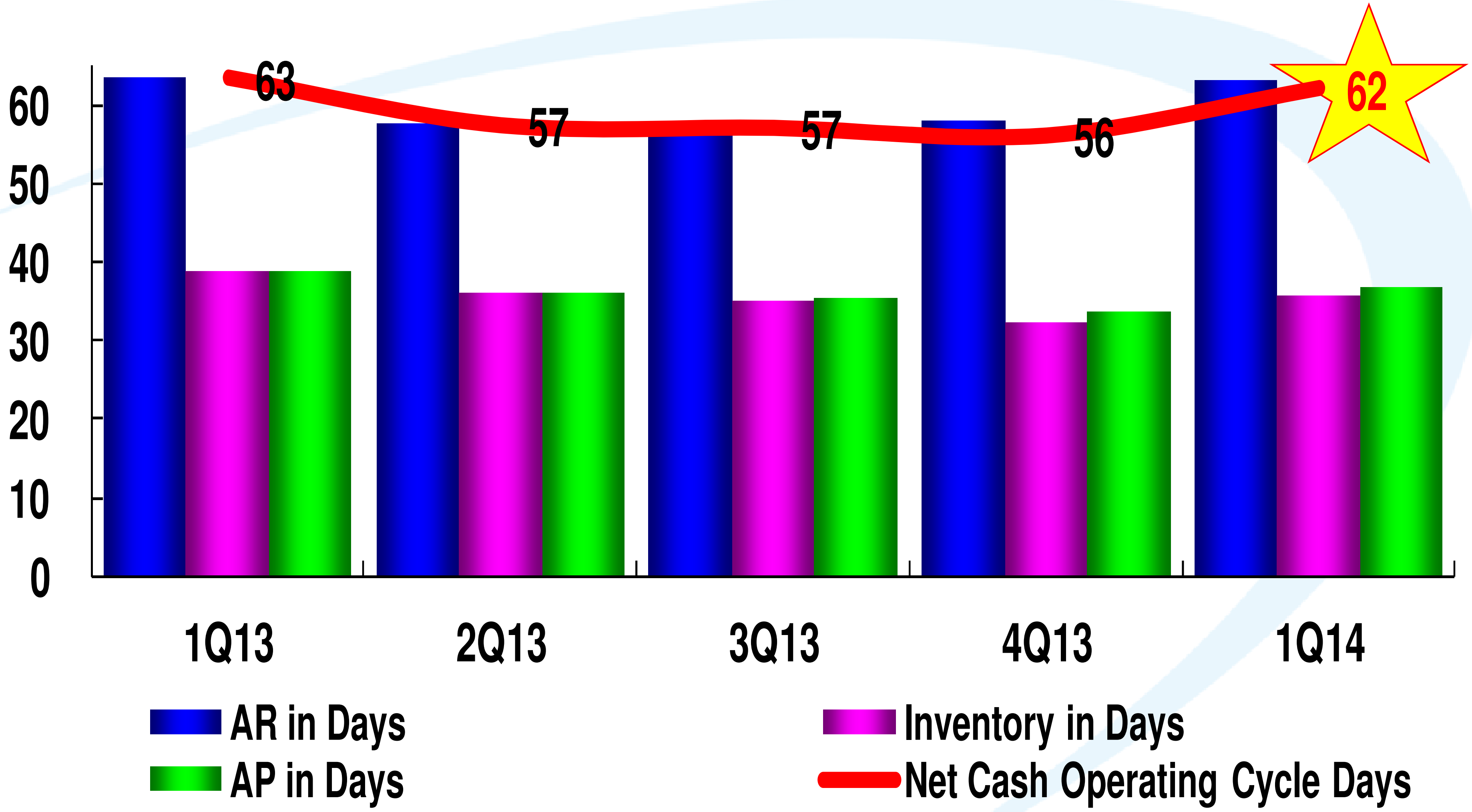
ROE vs. EPS



Note：Annualized

Unaudited, Prepared by WPG based on TIFRS.

Operating Cash Cycle



Note：Annualized

2Q14 Guidance

Based on our current business outlook, management expects：

- **Revenues to be between NT$ 105 billion and NT$ 110 billion at a forecast FX rate of 30.1 NT dollars to 1 US dollar averaged over 2Q14.**
- **Gross profit margin to be between 4.4% and 4.7%**
- **Operating profit margin to be between 1.65% and 1.9%**

62 Solutions Launched in 1Q14

工業電子

▶ 推出電源應用解決方案	2014-03-19
▶ 推出電源應用方案	2014-03-19
▶ 力推適用電源管理之完整解決方案	2014-03-19
▶ 力推在網通產品的電源解決方案	2014-03-19
▶ 推出符合CoC电源规范之QR解決方案	2014-03-18
▶ 力推高性能PC Power解決方案	2014-03-18
▶ 推出符合2014 能源之星待機能效要求的電源轉接器方案	2014-03-17
▶ 推出針對小家電市場的電源方案	2014-03-17
▶ 推出電池管理系統方案	2014-03-17
▶ 推出系列 QI 標準無線充電方案	2014-03-17
▶ 推出數位電源解決方案	2014-03-17
▶ 推出320W 12V/27A Desk Top PC Power Supply解決方案	2014-03-13
▶ 推出65W筆記本電腦電源解決方案	2014-03-13
▶ 力推應用於工業控制領域之低電壓DP轉VGA解決方案	2014-02-19
▶ 力應用於工業控制領域之eDP轉LVDS解決方案	2014-02-19
▶ 推出高集成、高效率無刷直流電機驅動方案	2014-02-19
▶ 推出電池管理系統方案	2014-02-19
▶ 推出系列QI標準無線充電方案	2014-02-19
▶ 推出電力線監控系統方案	2014-02-19
▶ 推出電機控制解決方案	2014-02-19
▶ 推出針對小家電市場的電源方案	2014-02-19
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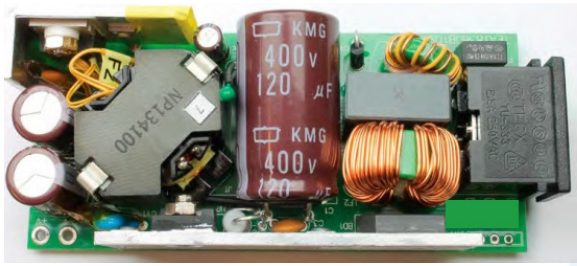
▶ 推出數位電源解決方案	2014-02-19
▶ 力推適用工業控制之完整解決方案	2014-02-18
▶ 推出無線氣體感測器解決方案	2014-02-17
▶ 推出全系列工業產品應用解決方案	2014-02-17
▶ 推出Embedded R-Series與G-Series SOC整合式晶片組嵌入式高效能解決方案	2014-02-17

智能手機

▶ 推出手機應用方案	2014-03-05
▶ 推出智能手機方案	2014-03-05
▶ 力推多模TD-SCDMA和EDGE/GPRS/GSM低成本的四核智能手機平臺	2014-03-05
▶ 推出高效能及低寄生電容ESD/極佳性能EMI Filter/高效能Lightning Surge保護元件	2014-03-05
▶ 力推適用智慧型手機之完整解決方案	2014-03-05
▶ 力推NFC手機移動支付解決方案為電子支付提供便捷 安全的 超凡的體驗	2014-03-04
▶ 力推新款閃光燈及紅外線感測器於智能手機方案應用	2014-03-04
▶ 推出多款智能手機解決方案	2014-03-03



Power Solution

NFC Solution

62 Solutions Launched in 1Q14

LED照明

推出調光非隔離球泡燈方案	2014-01-11
推出汽車大功率LED可調光驅動方案	2014-01-11
推出Acdirect/調光/無閃LED驅動方案	2014-01-11
力推Acdirect/調光LED驅動方案	2014-01-11
推出市電供電LED調光及非調光驅動解決方案提高電源能效改善照明品質 延長使用壽命	2014-01-11
力推智能調光解決方案	2014-01-11
LED智慧調光中的應用	2014-01-11
LED可控矽調光電源方案	2014-01-11
可控矽調光LED驅動器設計	2014-01-11
推出LED照明解決方案	2014-01-10
力推適用LED照明應用裝置方案	2014-01-09

安全監控

推出智慧溫控器解決方案	2014-03-26
推出多領域應用人機交互平台	2014-03-26
推出物聯網Gateway解決方案	2014-03-26
推出 2G/3G、Zigbee、WIFI、BLE 無線通訊方案	2014-03-26
推出高性能工業級Ethernet 10/100/1000 Transceiver安防解決方案	2014-03-19
力推適用安全監控之完整解決方案	2014-03-19
推出含獨立數位回錄的攝像輸入及音視頻處理平台	2014-03-19
推出網絡攝像機(IP CAM)應用方案	2014-03-18
推出DSP的DVR方案	2014-03-10
推出Motor Driver for CCTV 解決方案	2014-03-10

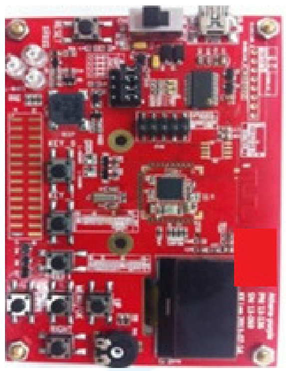
行动上网装置

推出28nm四核Android MID方案	2014-03-05
推出平板方案	2014-03-05
力推Baytrail-T平板电脑解决方案	2014-03-04
推出多重选择平板电脑解决方案	2014-03-02

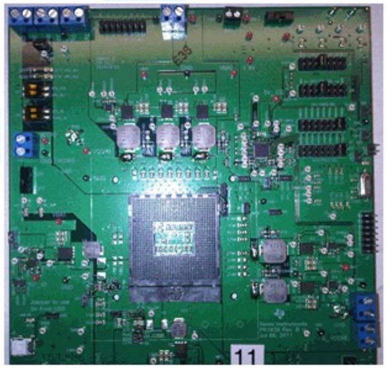
主機板

推出Thunderbolt 2設備端解決方案	2014-03-31
推出MCU產品於MB上的解決方案	2014-03-26

LED Solution

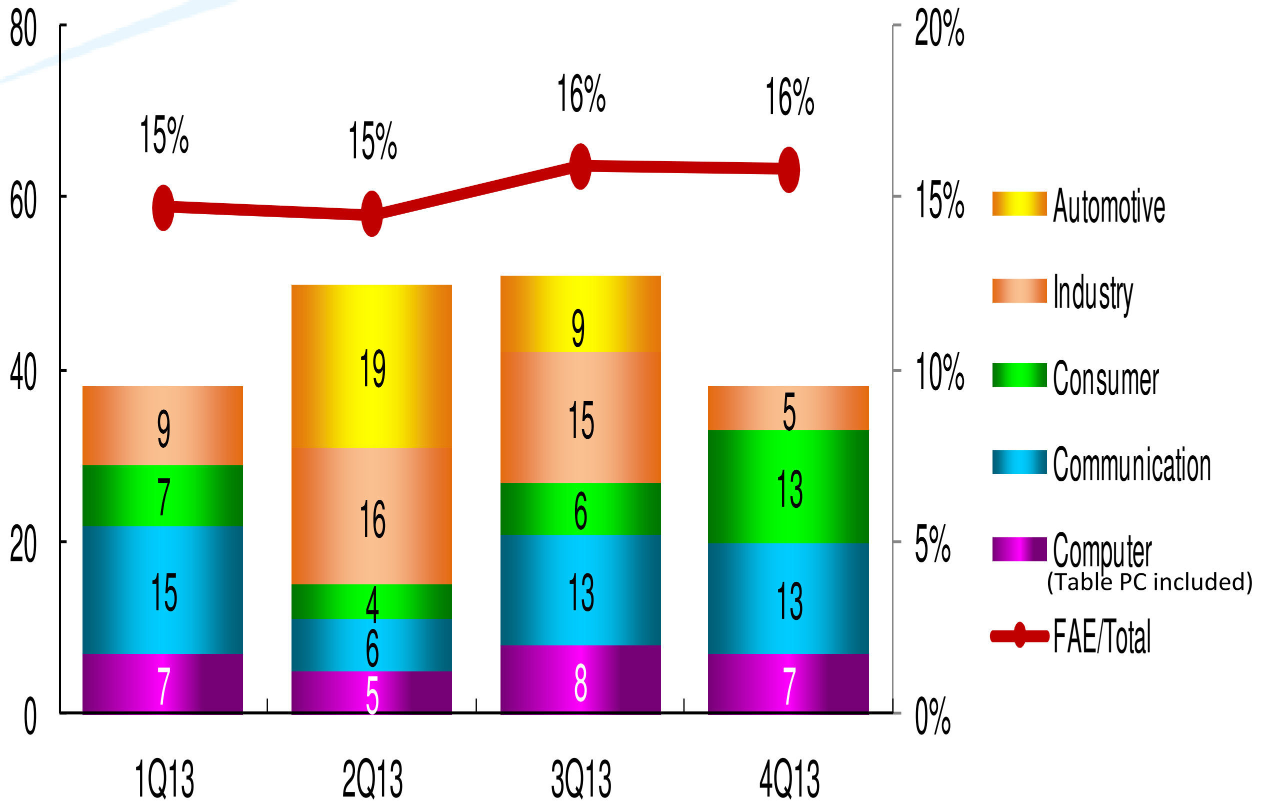


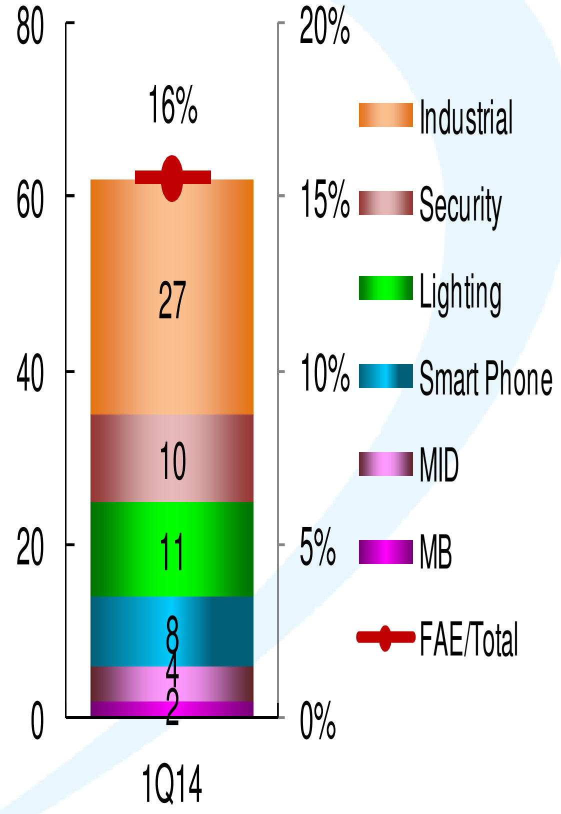
Zigbee Solution



MB Solution

More Solutions Launched …





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