



WPG Holdings Ltd. (3702.TT/3702.TW) 4Q15 Earning Release

Feb 3rd, 2016

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.
- 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**

■ **4Q15 Financial Highlights & 1Q16 Outlook** **Cliff Yuan**

■ **Q&A** **Simon/
Scott Lin/
Cliff Yuan**

Result Highlights



Unit:NT\$million

item	4Q15	4Q15 Guidance	3Q15	4Q14	QoQ(%)	YoY(%)
Net Sales	142,716	129 ~ 135B	140,469	117,076	1.6	21.9
Gross Margin	3.91%	3.95% ~ 4.1%	4.05%	4.32%	-13 bp	-41 bp
Operating Expenses	(3,505)		(3,341)	(3,281)	4.9	6.8
Operating Income	2,076		2,342	1,777	(11.3)	16.9
Operating Margin	1.45%	1.4% ~ 1.6%	1.67%	1.52%	-21.2 bp	-6 bp
Net Income	1,273		1,617	1,345	(21.3)	(5.3)
EPS (NT\$) ₍₁₎	0.77		0.98	0.81		
Net Book Value (NT\$) ₍₁₎	28.95					
Total Assets	178,727		188,286	160,347		
Total Liabilities	130,237		140,872	115,230		
Total Equity	48,490		47,414	45,118		
Net Working Capital	98,264		97,842	88,472		
Free Cash Flow	(2,839)		(6,160)	(6,035)		
KEY Indices ₍₂₎						
ROWC	8.5%		9.6%	8.0%	-112 bp	+42 bp
NWC/Sales	0.17		0.17	0.19		
ROE	11.0%		14.1%	12.7%	-312 bp	-171 bp
Gearing	1.38		1.35	1.22		

(1).Weighted average shares outstanding

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit:NT\$million

Item	4Q15	3Q15	QoQ(%)	4Q14	YoY(%)
Net operating Revenue	142,716	140,469	1.6	117,076	21.9
COGS	(137,134)	(134,787)	1.7	(112,018)	22.4
Gross Profit	5,581	5,682	(1.8)	5,058	10.3
Gross Margin	3.91%	4.05%		4.32%	
Operating Expenses	(3,505)	(3,341)	4.9	(3,281)	6.8
Operating Income	2,076	2,342	(11.3)	1,777	16.9
Operating Margin	1.45%	1.67%		1.52%	
Net Non-operating Items	(484)	(383)	26.5	(142)	241.5
Net Financing costs	(416)	(352)	18.1	(322)	29.0
Others	(68)	(31)		180	
Profit Before Tax/Minority	1,592	1,959	(18.7)	1,635	(2.6)
Tax	(310)	(341)	(9.0)	(289)	7.3
Minority/Accounting Principle Change	(8)	(1)		(1)	
Profit After Tax/Minority	1,273	1,617	(21.3)	1,345	(5.3)
Net Margin	0.89%	1.15%		1.15%	
EPS (NT\$) ₍₁₎	0.77	0.98		0.81	
Tax %	19%	17%		18%	

(1).Weighted average shares outstanding

Unaudited, Prepared by WPG based on TIFRS.

Balance Sheet



Unit:NT\$million

item	4Q15		3Q15		4Q14	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
Cash & Marketable Securities	9,740	5	10,250	5	11,201	7
Accounts Receivable - Trade	92,889	52	93,167	49	82,250	51
Inventory	49,654	28	60,686	32	47,374	30
Current Assets	165,090	92	174,538	93	146,246	91
Others	13,637	8	13,748	7	14,102	9
Total Assets	178,727	100	188,286	100	160,347	100
Current Interest-bearing Debt	59,568	33	62,512	33	52,656	33
Accounts Payable	44,278	25	56,011	30	41,151	26
Accrued Liabilities and Others	7,400	4	7,934	4	6,429	4
Current Liabilities	111,246	62	126,457	67	100,236	63
Long-term Interest-bearing Debt	18,009	10	13,428	7	14,102	9
Others	982	1	987	1	891	1
Total Liabilities	130,237	73	140,872	75	115,230	72
Total Equity	48,490	27	47,414	25	45,118	28

KEY Indices₍₁₎

Net Working Capital (NT\$million)	98,264	97,842	88,472
AR Turnover (Days)	59	57	63
Inventory Turnover (Days)	37	39	39
AP Turnover (Days)	33	35	36
Average Collection Periods (Days)	63	61	66
Current Ratio	148%	138%	146%
Gearing	1.38	1.35	1.22

Unaudited, Prepared by WPG based on TIFRS.

Cash Flows



Unit:NT\$million

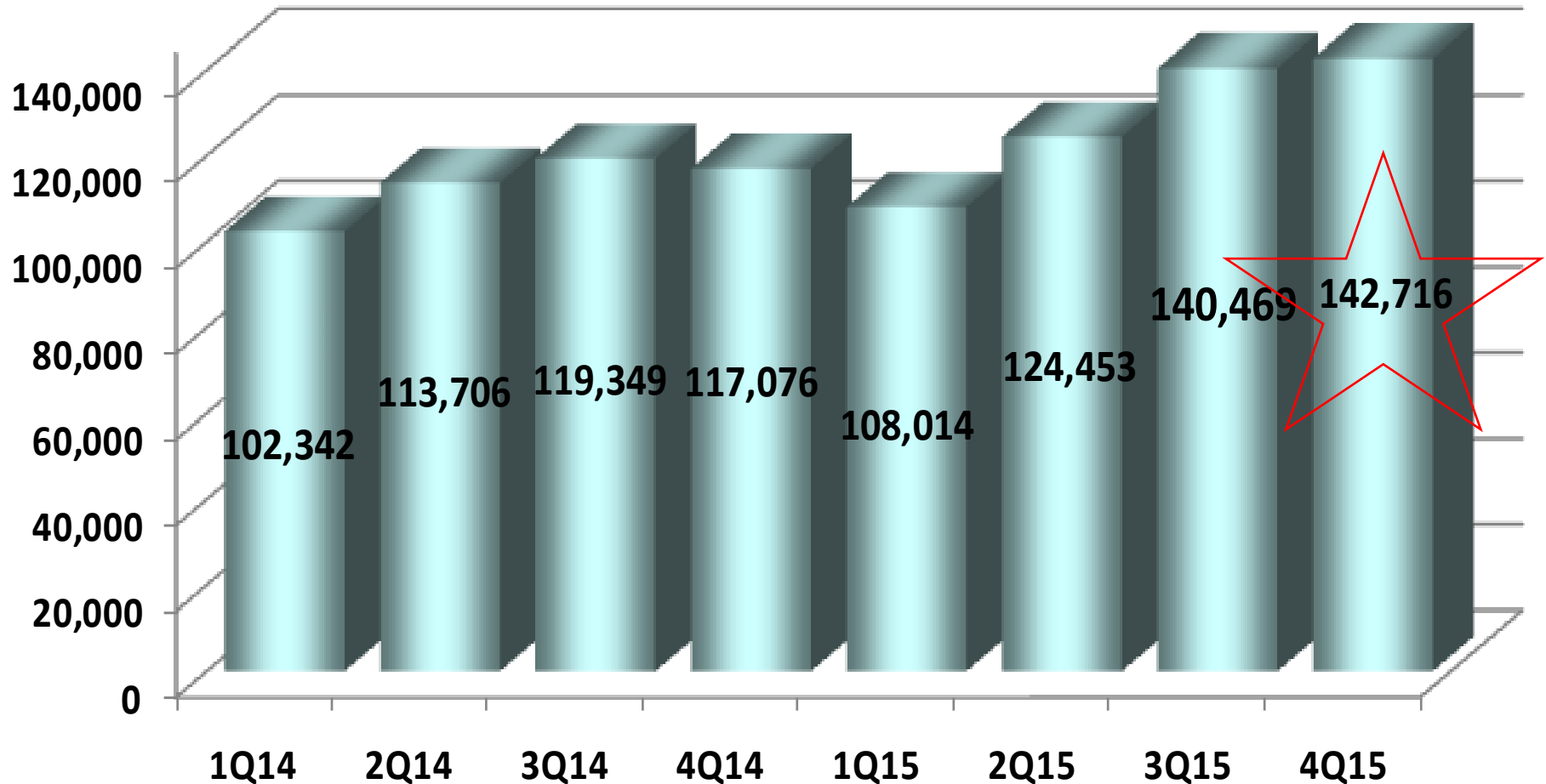
item	4Q15	3Q15	4Q14
-Income before Income Tax	1,592	1,959	1,635
-Changes of NWC	(727)	(7,079)	(6,858)
-Adjustment & Others	(3,705)	(1,040)	(813)
From Operation	(2,839)	(6,160)	(6,035)
-Financial Instrument	768	(1,023)	(111)
-Capital Expenditure	-	11	264
-Acquisition of subsidiaries	-	5	-
-Others	(3)	(131)	(112)
From Investment	765	(1,138)	42
-Financial Debt	1,637	10,004	4,428
-Cash Dividends	-	(4,139)	-
-Others	42	54	2
From Financing	1,679	5,919	4,430
Cumulative translation adjustments	(123)	3,074	2,079
Net Cash Position Change	(518)	1,695	515
Ending Cash Balance	9,678	10,195	11,185

Unaudited, Prepared by WPG based on TIFRS.

Consolidated Revenue



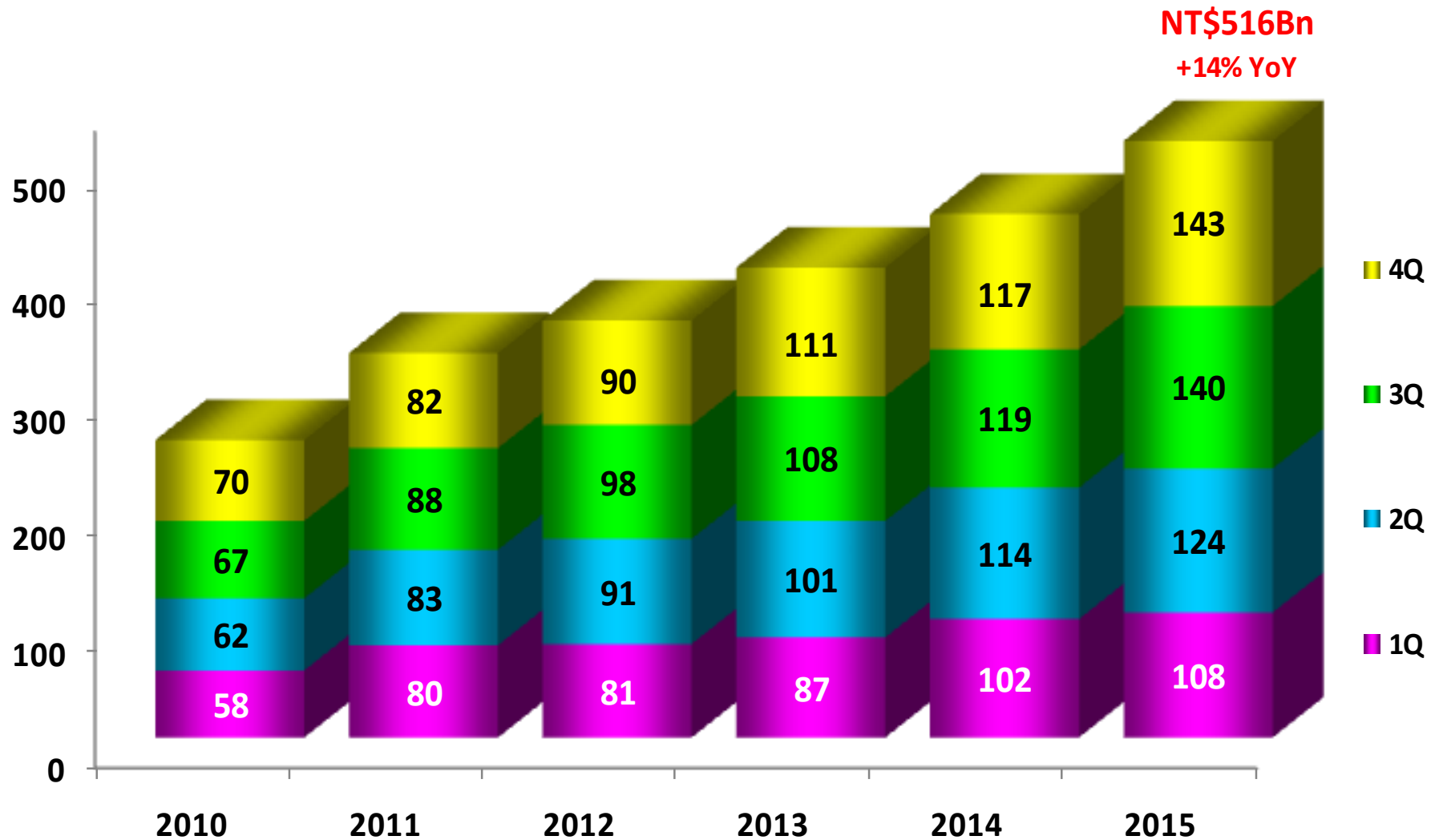
Unit: NT\$million



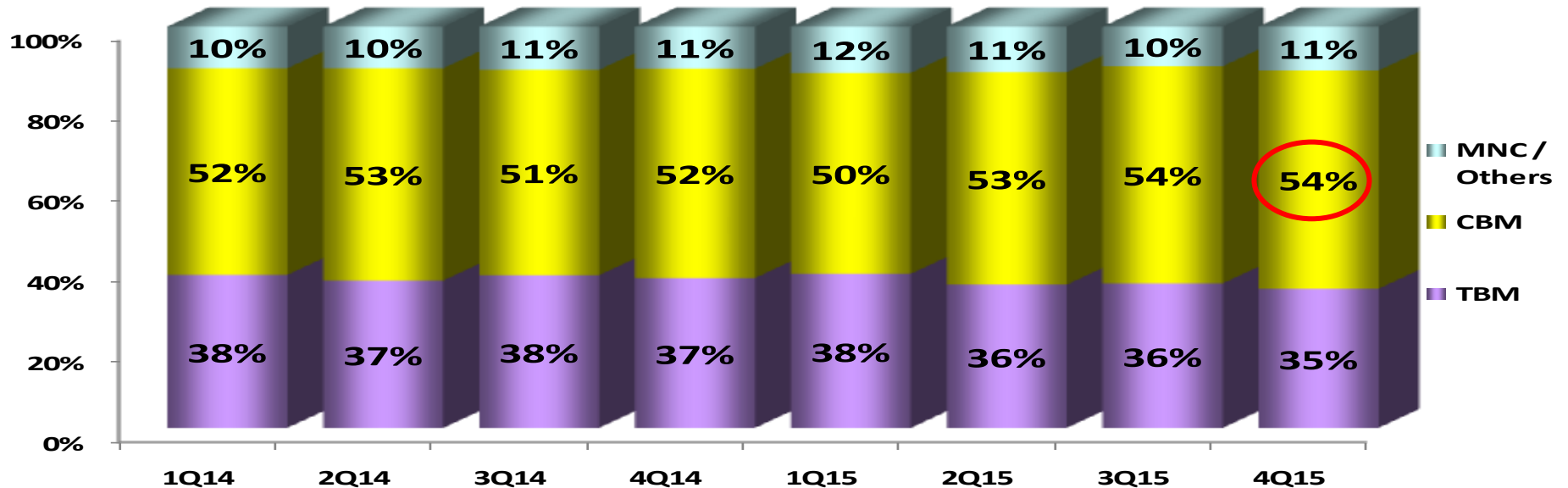
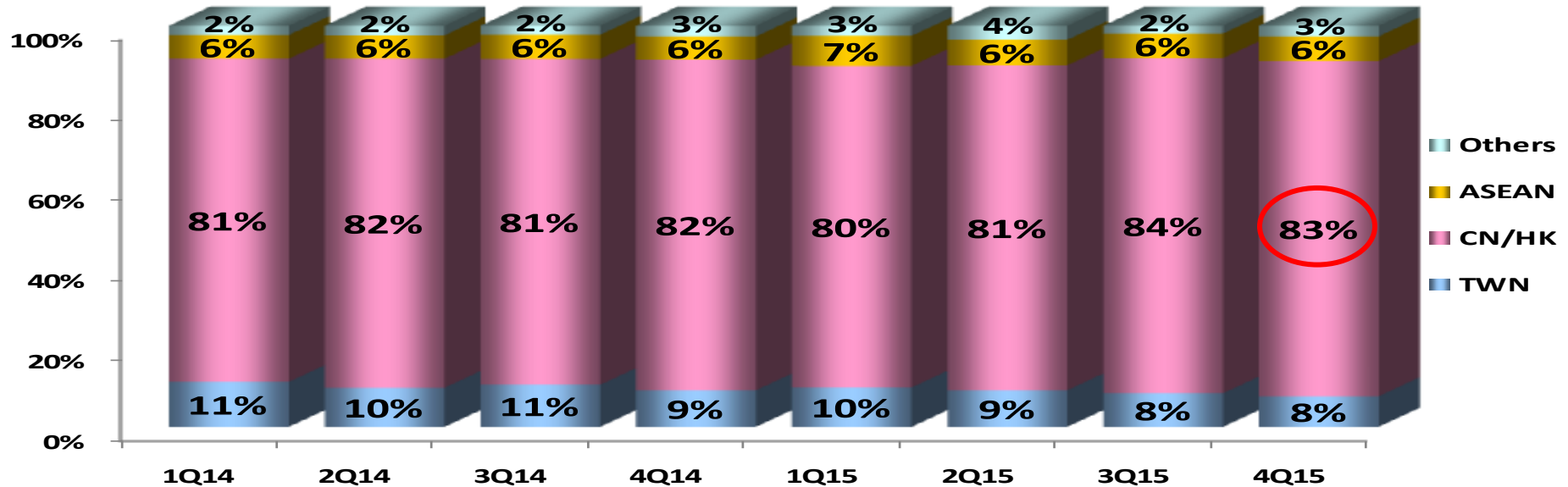
Consolidated Revenue



Unit: NT\$billion



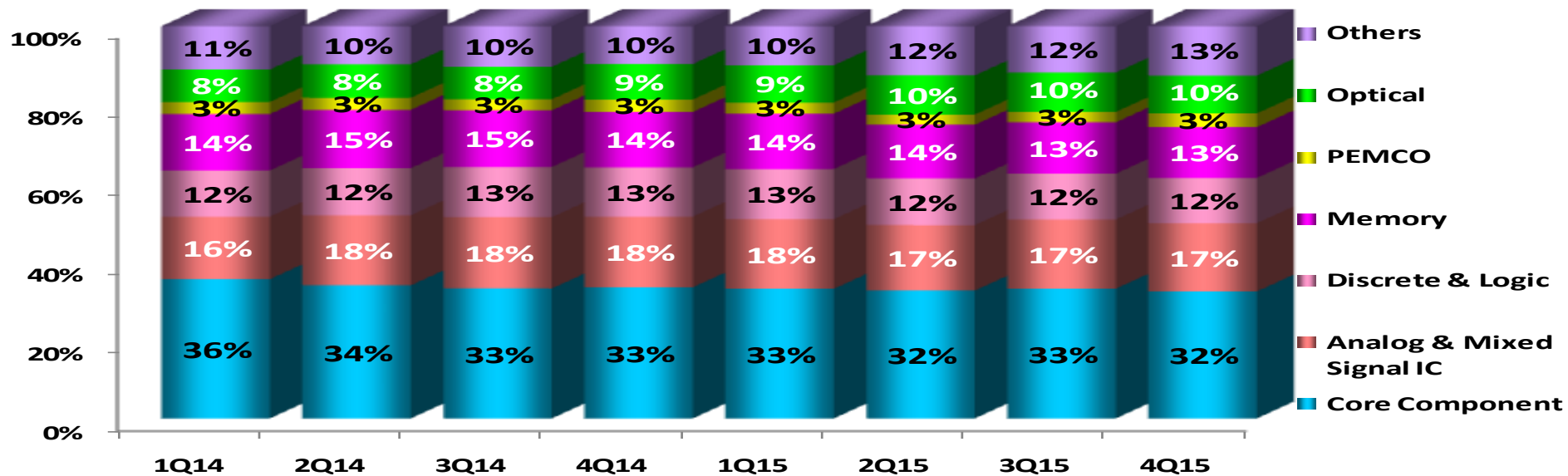
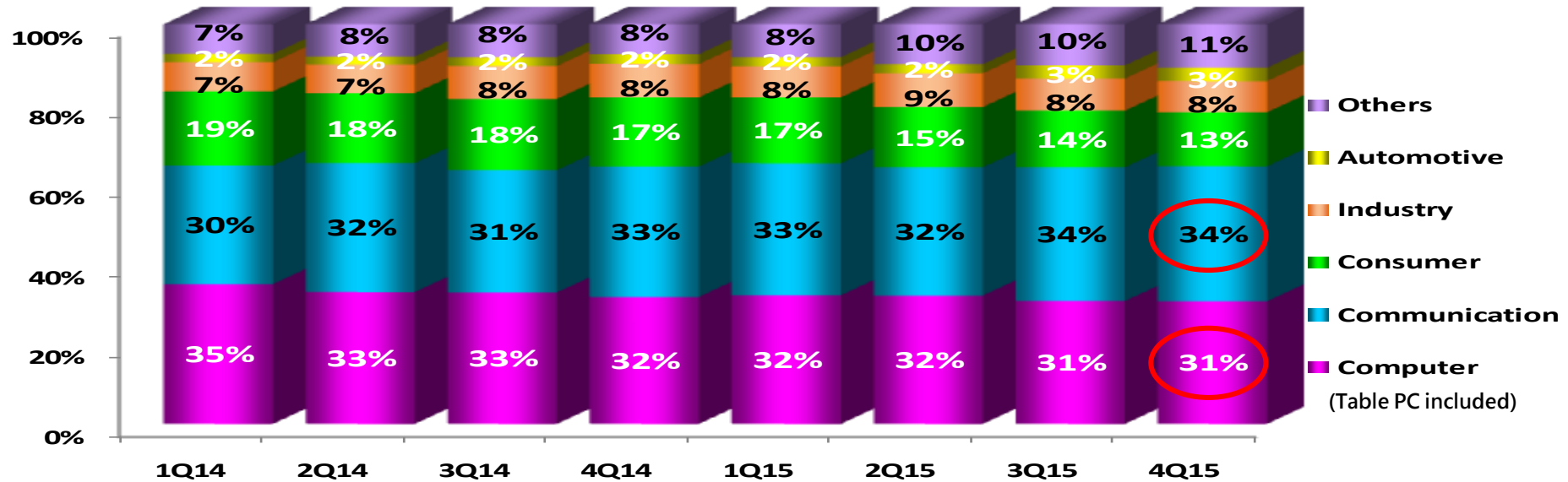
Sales breakdown by Geography/ Customer



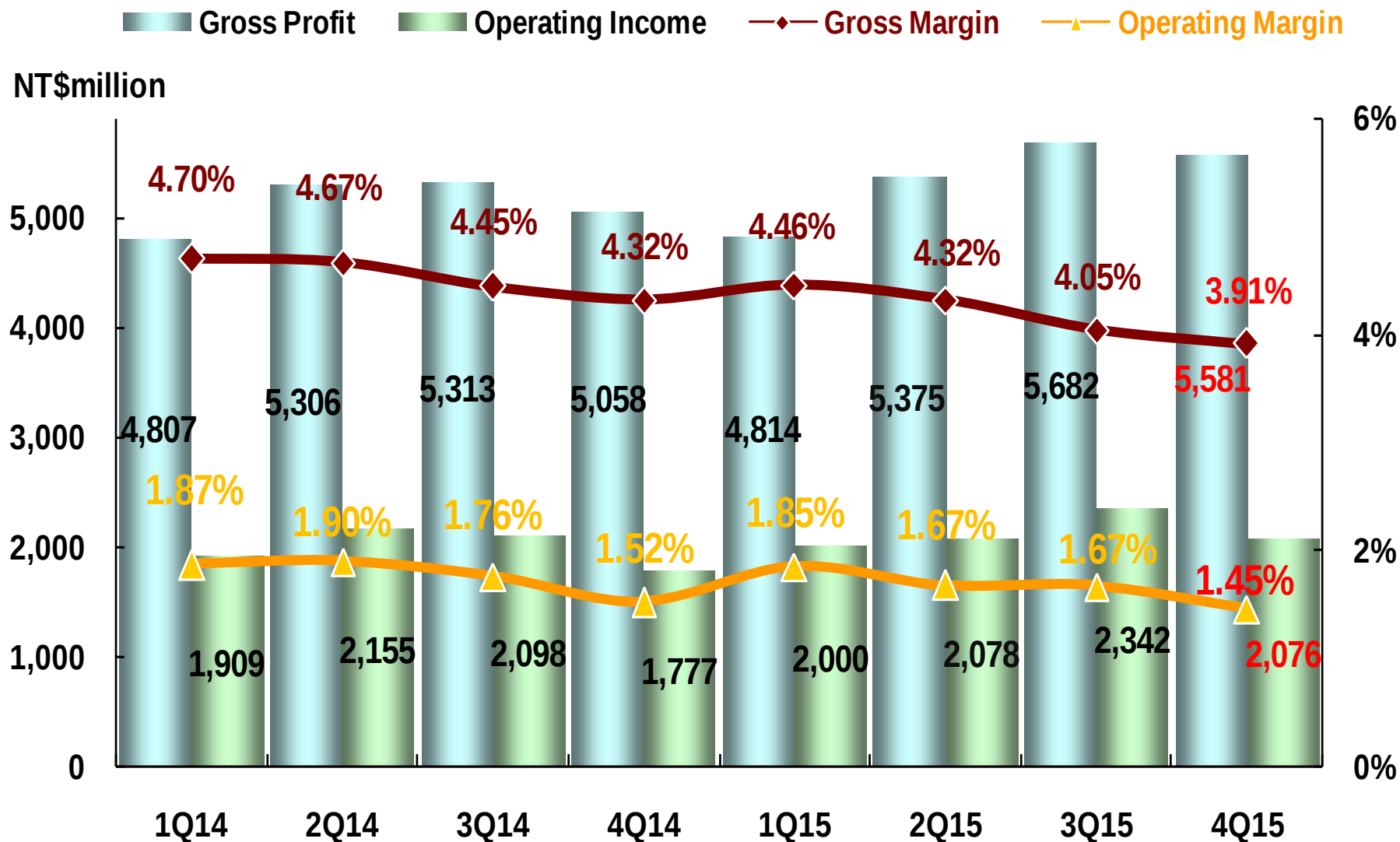
TBM : Taiwan-Based Customers

CBM : China Based Customers

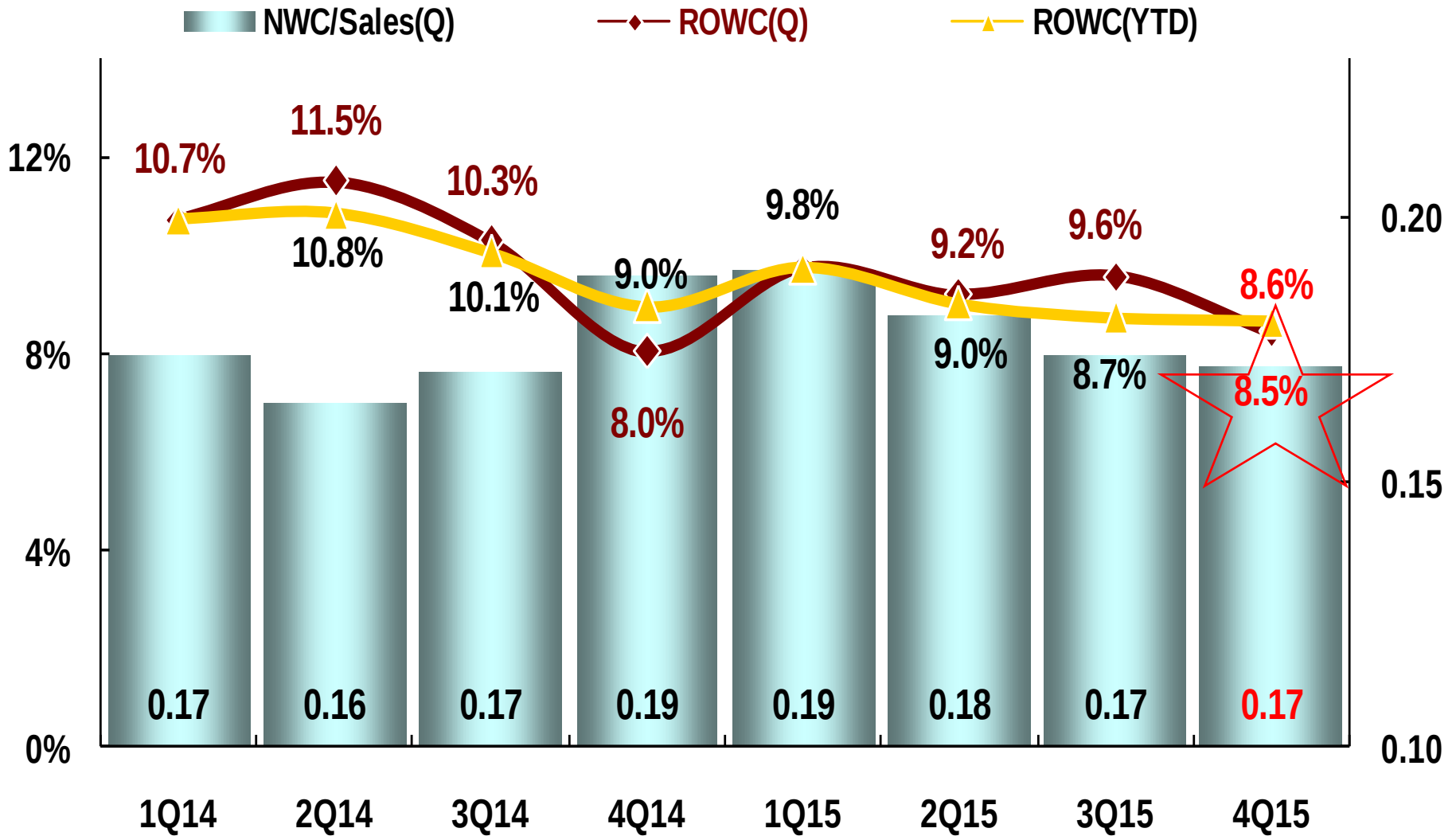
Sales breakdown by Application/ Device Type



Gross Margin vs. Operating Margin

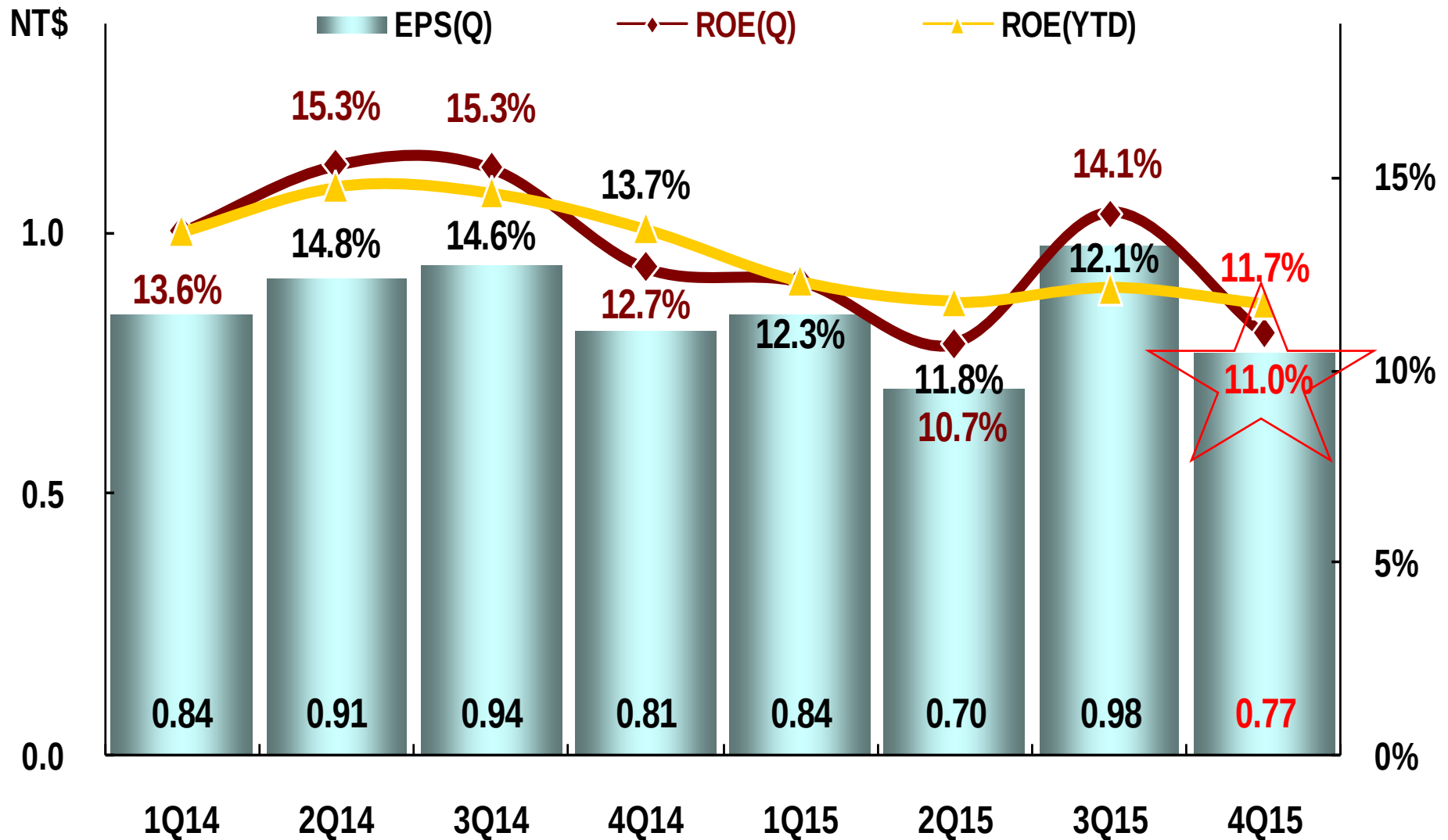


ROWC vs. NWC/Sales



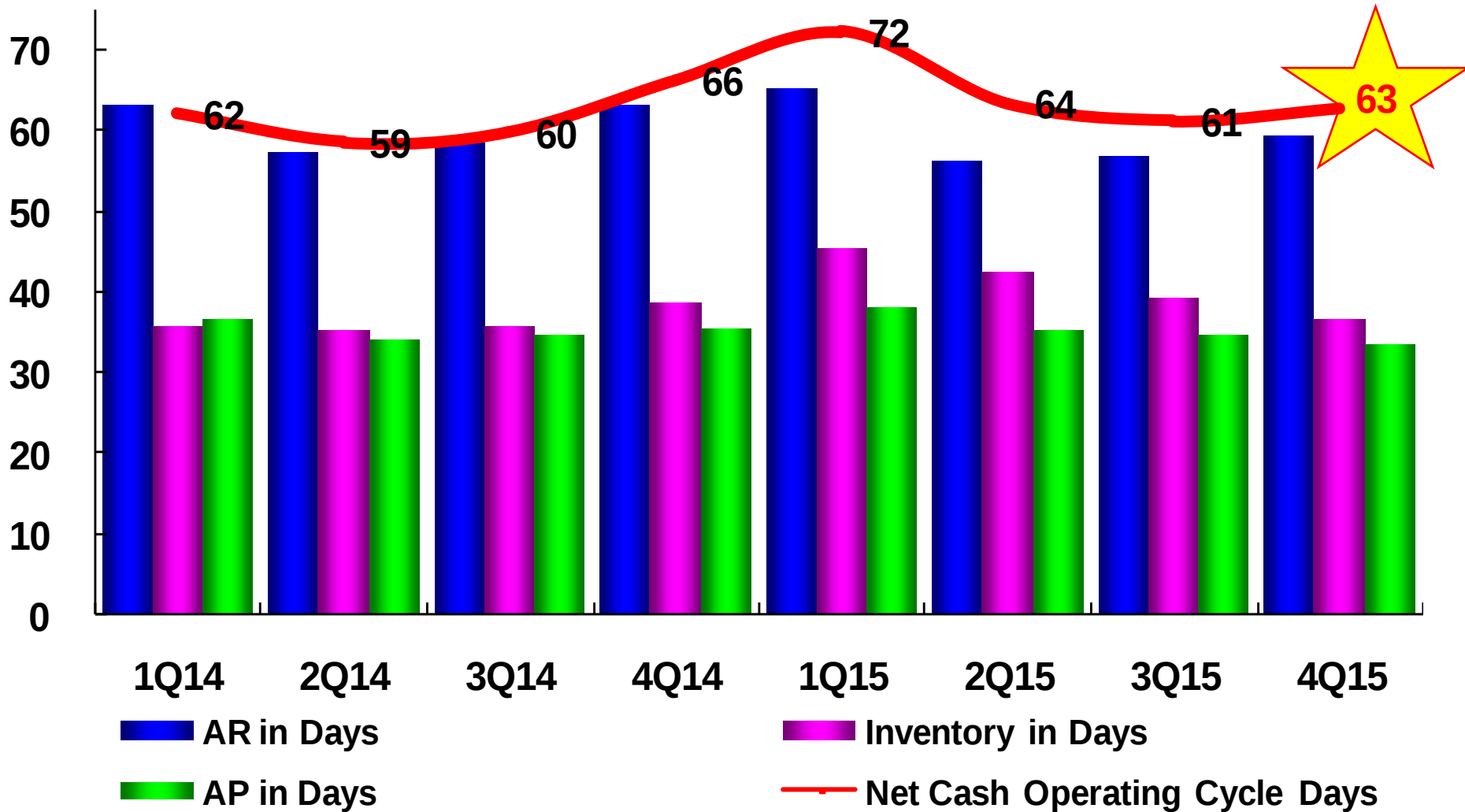
Note : Annualized

ROE vs. EPS



Note : Annualized

Operating Cash Cycle



Note : Annualized

54 Solutions Launched in 4Q15

汽车电子

汽车电子

- ▶ 推出導航引擎，增加3D軟體應用程式支援，加快衛星導航技術的發展腳步 2015-12-16
- ▶ 推出車載資通訊專用處理器，實現更安全、更環保及隨時聯網的汽車駕駛體驗 2015-12-16
- ▶ 推出基於WIFI互聯技術的車載影音導航系統方案 2015-12-16
- ▶ 力推適用汽車電子之完整解決方案 2015-12-16
- ▶ 推出基於車載音視頻高保真方案 2015-12-16
- ▶ 推出首款獨立型USB 2.0 Redriver，飛速提升汽車應用中的訊號完整性 2015-12-16
- ▶ 推出第一款多通道電感數位轉換器，可應用於汽車資訊娛樂控制台 2015-12-16
- ▶ 推出汽車LED大燈驅動解決方案 2015-12-16
- ▶ 力推汽車SSL照明多通道驅動解決方案 2015-12-16
- ▶ 力推智慧車用電機之驅動晶片電機控制器方案 2015-12-16
- ▶ 推出車載後視鏡方案 2015-10-14
- ▶ 推出適用汽車電子之完整解決方案 2015-10-14
- ▶ 推出多通道電感數位轉換器，可在大多數環境中實現精確定位和動作感測 2015-10-14
- ▶ 推出基於WIFI互聯技術的車載影音導航系統方案 2015-10-14
- ▶ 推出胎壓檢測方案 2015-10-14
- ▶ 推出自動改變光線射向(AFS)，以適應車輛行駛的前照燈系統 2015-10-14
- ▶ 推出智能車用電機之驅動晶片電機控制器方案 2015-10-14
- ▶ 力推分散式車門電子系統方案 2015-10-14
- ▶ 力推DRL解決方案 2015-10-14
- ▶ 推出PKE汽車無鑰匙門禁系統解決方案 2015-10-14

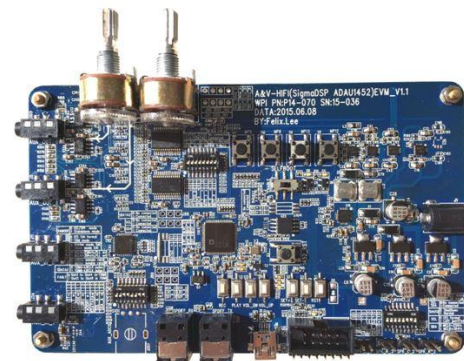
- ▶ 力推PEPS无钥匙进入解决方案 2015-10-14
- ▶ 推出1GB DDR3、4GB eMMC車載後視鏡方案 2015-09-02



Daily Running Lamp Solution



SSL-Multi Channel System Solution



Automotive Infotainment Solution



54 Solutions Launched in 4Q15

智能手機

- ▶ 推出新款NFC評估板，可廣泛的整合EEPROM記憶體容量 2015-09-02
- ▶ 推出具有高速存取的3G智慧手機方案 2015-09-02

智能家居

- ▶ 推出高速存取的智慧家居安防系統閘道解決方案 2015-09-02

工業電子

- ▶ 推出全新超低功耗 FRAM，達到彈性的記憶體使用 2015-09-02



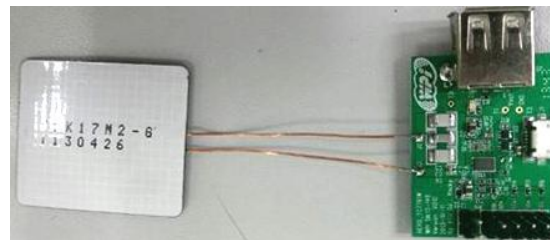
FRAM Solution

POWER

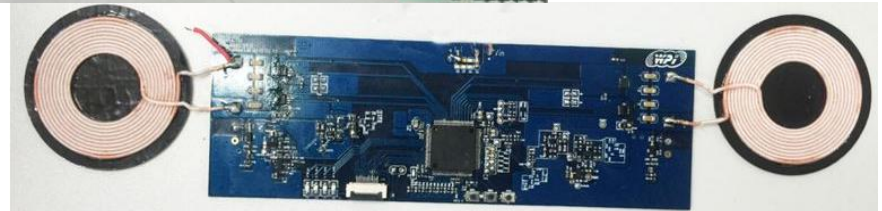


電源

- ▶ 推出穿戴式無線充電解決方案 2015-11-25
- ▶ 力推適用電源管理之完整解決方案 2015-11-04
- ▶ 推出全整合型磁通門感測器、訊號調節和補償線圈驅動器 IC，可提供閉迴路電流感測 2015-11-04
- ▶ 推出具頻率同步功能的高電流PMBus轉換器，可減少電磁干擾(EMI) 2015-11-04
- ▶ 推出速度最快的 600V閘極驅動器，可在伺服器和工業電源應用中實現更高功率密度 2015-11-04
- ▶ 推出無線充電模組方案 2015-11-04
- ▶ 推出符合Qi標準的無線充電方案 2015-11-04
- ▶ 推出新功率MOSFET，實現近乎完美的開關性能 2015-11-04
- ▶ 推出支持QC2.0快充方案 2015-11-04
- ▶ 力推S.M.P.S電源解決方案 2015-11-04
- ▶ 力推高整合度USB-PD Power Adaptor Solution 2015-11-04
- ▶ 力推高性能伺服器電源解決方案 2015-11-04



Wireless Charger Solution

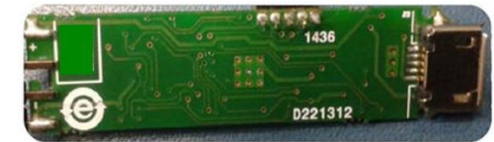


54 Solutions Launched in 4Q15



穿戴裝置

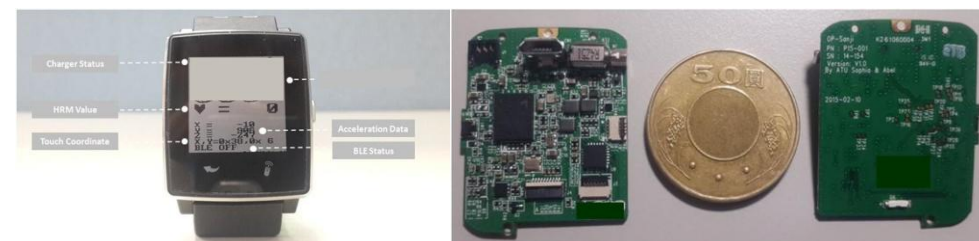
- 推出光學反射式心率方案 2015-12-30
- 力推穿戴裝置之完整解決方案 2015-11-25
- 力推紫外光and環境光感測器(UV and Light Sensor) 2015-11-25
- 推出微型光學心率參考設計，可應用於穿戴裝置 2015-11-25
- 代理產品線推出光學反射式心率及血氧方案 2015-11-25
- 推出系列藍牙智慧手錶方案 2015-11-25
- 推出BLE低功耗藍牙智能可穿戴方案 2015-11-25
- 推出可穿戴設備與微信平臺互聯互通的低功耗藍牙解決方案 2015-11-25
- 推出系列Sensor Hub解決方案 2015-11-25
- 推出藍牙精簡協定的智慧手環方案 2015-11-25
- 力推穿戴式設備心率血氧檢測解決方案. 2015-11-25
- 力推IR/PD產品於生醫檢測、虹膜辨識系統應用 2015-11-25
- 推出低功耗穿戴式手環方案 2015-11-25
- 推出穿戴裝置應用方案 2015-11-25
- 推出穿戴式產品之電池管理解決方案 2015-11-25
- 推出Bluetooth 4.1 LE Single Mode SoC解決方案 2015-11-25



Low Energy Wearable Wristband Solution



PhotoPlethysmoGraphy Solution

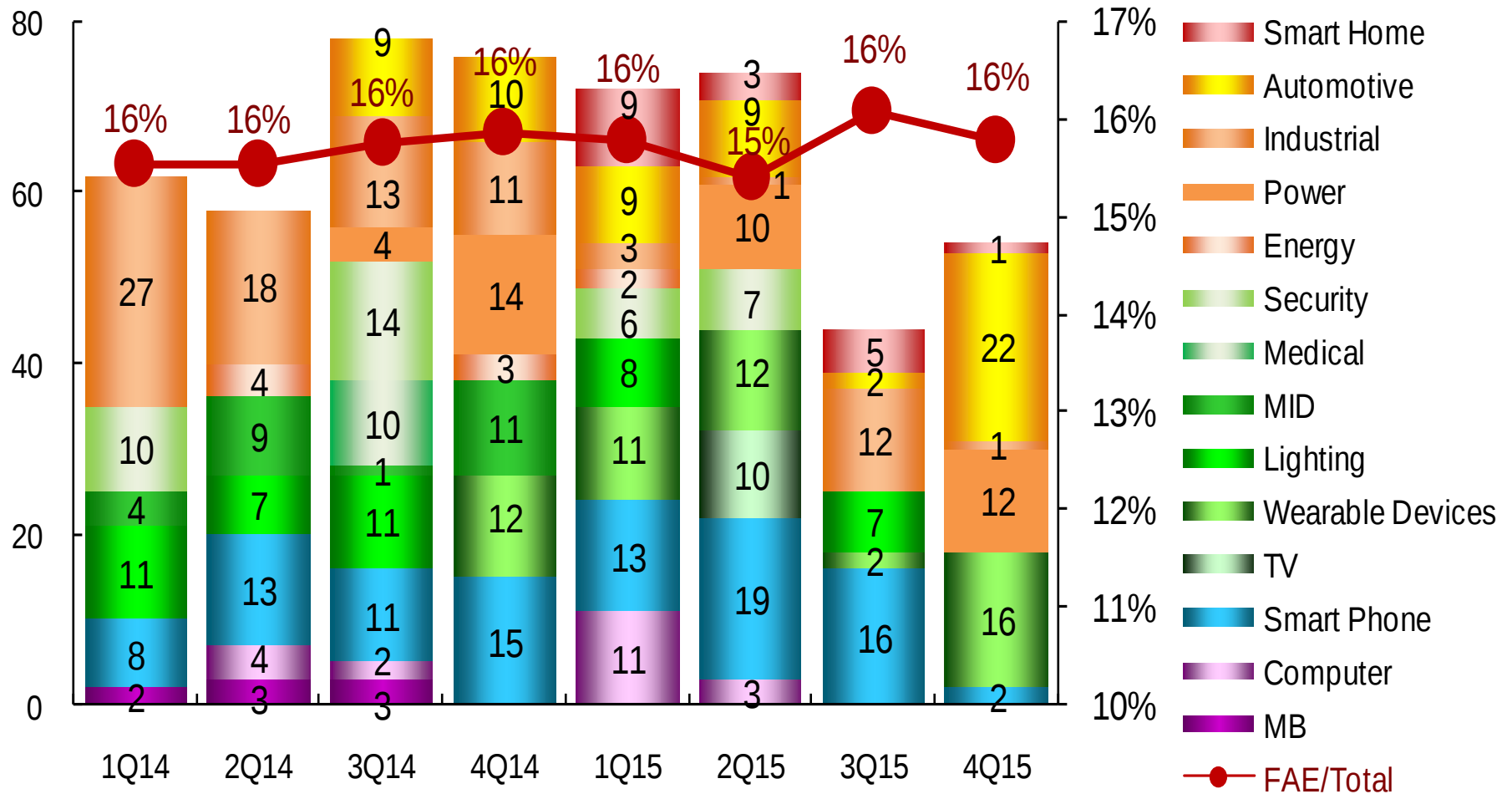


BLE Smart watch Solution



Sensor Hub Solution

More Solutions Launched



Recap of Recent Major Events

- **WPG Holdings Received an “A++” ranking in “Transparency and Information Disclosure” from Taiwan's Securities and Futures Institute (2015/04)**
- **WPG Holdings Acquire 44.21% shares of Genuine C&C INC. (OTC:5384) (2015/04/15)**
- **WPG Holdings Ranked The Forbes Global 2000 List in 2015 (2015/05)**
- **WPG Holdings Received 2015 Electronic Components Distributor Awards – Top Ten Overseas Distributors (2015/05)**
- **WPG Shareholders' Meeting Approved NT\$2.5 Cash Dividend Per Share (2015/06/24)**
- **WPG Holdings Moved to New Office at 8F., No.489, Sec. 2, Tiding Blvd., Neihu Dist., Taipei, Taiwan (2016/02/01)**

Result Highlights



Unit:NT\$million

item	2015	2014	YoY (%)
Net Sales	515,651	452,472	14.0
Gross Margin	4.16%	4.53%	-37 bp
Operating Expenses	(12,957)	(12,544)	3.3
Operating Income	8,496	7,940	7.0
Operating Margin	1.65%	1.75%	-11 bp
Net Income	5,449	5,807	(6.2)
EPS (NT\$) ₍₁₎	3.29	3.51	

Total Assets	178,727	160,347
Total Liabilities	130,237	115,230
Total Equity	48,490	45,118
Net Working Capital	98,264	88,472

Free Cash Flow	(8,902)	(13,453)
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KEY Indices₍₂₎

ROWC	8.6%	9.0%	-33 bp
NWC/Sales	0.19	0.20	
ROE	11.7%	13.7%	-196 bp
Gearing	1.38	1.22	

(1).Weighted average shares outstanding

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit:NT\$million

Item	2015	2014	YoY(%)
Net operating Revenue	515,651	452,472	14.0
COGS	(494,199)	(431,988)	14.4
Gross Profit	21,453	20,484	4.7
Gross Margin	4.16%	4.53%	
Operating Expenses	(12,957)	(12,544)	3.3
Operating Income	8,496	7,940	7.0
Operating Margin	1.65%	1.75%	
Net Non-operating Items	(1,336)	(835)	60.0
Net Financing costs	(1,421)	(1,188)	19.7
Others	85	353	
Profit Before Tax/Minority	7,160	7,105	0.8
Tax	(1,697)	(1,292)	31.3
Minority/Accounting Principle Change	(14)	(5)	
Profit After Tax/Minority	5,449	5,807	(6.2)
Net Margin	1.06%	1.28%	
EPS (NT\$) ₍₁₎	3.29	3.51	
Tax%	24%	18%	

(1).Weighted average shares outstanding

Unaudited, Prepared by WPG based on TIFRS.

Cash Flows



Unit:NT\$million

item	2015	2014
-Income before Income Tax	7,160	7,105
-Changes of NWC	(8,953)	(20,021)
-Adjustment & Others	(7,109)	(537)
From Operation	(8,902)	(13,453)
-Financial Instrument	(394)	(78)
-Capital Expenditure	(58)	207
-Acquisition of subsidiaries	(51)	-
-Others	(12)	134
From Investment	(515)	263
-Financial Debt	10,521	15,889
-Cash Dividends	(4,139)	(3,808)
-Others	64	63
From Financing	6,446	12,144
Cumulative translation adjustments	1,464	2,773
Net Cash Position Change	(1,507)	1,726
Ending Cash Balance	9,678	11,185



<http://www.WPGholdings.com>
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