



**WPG Holdings Ltd.  
(3702.TT/3702.TW)  
2Q17 Earning Release**

Aug 1st, 2017

# 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**

■ **2Q17 Financial Highlights**

**Cliff Yuan**

■ **Q&A**

**Simon Huang/**

**Scott Lin/**

**Cliff Yuan**

# Result Highlights



Unit: NT\$million

item	2Q17	1Q17	2Q16	QoQ(%)	YoY(%)	1H17	1H16	YoY(%)
Net Sales	128,408	118,974	133,759	7.9	(4.0)	247,382	255,292	(3.1)
Gross Margin	4.23%	4.34%	4.28%	-12 bp	-5 bp	4.28%	4.27%	+2 bp
Operating Expenses	(3,087)	(2,907)	(3,321)	6.2	(7.0)	(5,994)	(6,397)	(6.3)
Operating Income	2,342	2,261	2,398	3.6	(2.4)	4,603	4,494	2.4
Operating Margin	1.82%	1.90%	1.79%	-7.7 bp	+3 bp	1.86%	1.76%	+10 bp
Net Income	1,791	1,846	1,553	(3.0)	15.3	3,637	3,108	17.0
EPS (NT\$) <sub>(1)</sub>	1.02	1.07	0.94			2.09	1.88	
Net Book Value (NT\$) <sub>(1)</sub>	27.67							
<b>Total Assets</b>	<b>177,792</b>	<b>177,123</b>	<b>171,867</b>			<b>177,792</b>	<b>171,867</b>	
<b>Total Liabilities</b>	<b>128,806</b>	<b>128,236</b>	<b>125,734</b>			<b>128,806</b>	<b>125,734</b>	
<b>Total Equity</b>	<b>48,987</b>	<b>48,887</b>	<b>46,133</b>			<b>48,987</b>	<b>46,133</b>	
<b>Net Working Capital</b>	<b>96,270</b>	<b>93,743</b>	<b>90,020</b>			<b>96,270</b>	<b>90,020</b>	
<b>Free Cash Flow</b>	<b>1,926</b>	<b>3,235</b>	<b>196</b>			<b>5,160</b>	<b>14,160</b>	
<b>KEY Indices<sub>(2)</sub></b>								
ROWC	9.7%	9.6%	10.7%	+8 bp	-93 bp	9.6%	10.0%	-42 bp
NWC/Sales	0.19	0.20	0.17			0.19	0.18	
ROE	14.6%	15.0%	13.3%	-46 bp	+128 bp	14.8%	13.3%	+150 bp
Gearing	1.22	1.31	1.17			1.22	1.17	
(1).Weighted average shares outstanding	1,751	1,731	1,656			1,741	1,656	

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

# Statements of Comprehensive Income

Unit:NT\$million

Item	2Q17	1Q17	QoQ(%)	2Q16	YoY(%)	1H17	1H16	YoY(%)
Revenue	128,408	118,974	7.9	133,759	(4.0)	247,382	255,292	(3.1)
COGS	(122,979)	(113,805)	8.1	(128,040)	(4.0)	(236,785)	(244,401)	(3.1)
Gross Profit	5,429	5,168	5.0	5,719	(5.1)	10,597	10,891	(2.7)
Gross Margin	4.23%	4.34%		4.28%		4.28%	4.27%	
Operating Expenses	(3,087)	(2,907)	6.2	(3,321)	(7.0)	(5,994)	(6,397)	(6.3)
Operating Income	2,342	2,261	3.6	2,398	(2.4)	4,603	4,494	2.4
Operating Margin	1.82%	1.90%		1.79%		1.86%	1.76%	
Net Non-operating Items	(130)	(1)	19,848.8	(368)	(64.5)	(131)	(560)	(76.6)
Net Financing costs	(418)	(400)	4.7	(350)	19.5	(818)	(741)	10.4
Foreign Exchange Gains/Losses	112	111	0.8	(55)	NM	222	84	163.5
Others	176	288		38		465	96	
Profit Before Tax	2,211	2,261	(2.2)	2,031	8.9	4,472	3,933	13.7
Tax	(403)	(395)	2.1	(473)	(14.8)	(798)	(815)	(2.2)
Minority	(17)	(20)		(5)		(37)	(10)	
Profit After Tax	1,791	1,846	(3.0)	1,553	15.3	3,637	3,108	17.0
Net Margin	1.39%	1.55%		1.16%		1.47%	1.22%	
EPS (NT\$) <sub>(1)</sub>	1.02	1.07		0.94		2.09	1.88	
Tax %	18%	17%		23%		18%	21%	
(1).Weighted average shares outstanding	1,751	1,731		1,656		1,741	1,656	

Unaudited, Prepared by WPG based on TIFRS.

# Balance Sheet



Unit:NT\$million

item	2Q17		1Q17		2Q16	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	6,670	4	7,016	4	8,004	5
Accounts Receivable - Trade	86,041	48	80,113	45	86,498	50
Inventory	59,477	33	62,923	36	53,854	31
<b>Current Assets</b>	<b>163,363</b>	<b>92</b>	<b>162,905</b>	<b>92</b>	<b>158,526</b>	<b>92</b>
Others	14,429	8	14,218	8	13,341	8
<b>Total Assets</b>	<b>177,792</b>	<b>100</b>	<b>177,123</b>	<b>100</b>	<b>171,867</b>	<b>100</b>
Current Interest-bearing Debt	62,498	35	66,940	38	48,093	28
Accounts Payable	49,247	28	49,294	28	50,332	29
Accrued Liabilities and Others	10,648	6	5,761	3	10,328	6
<b>Current Liabilities</b>	<b>122,393</b>	<b>69</b>	<b>121,995</b>	<b>69</b>	<b>108,753</b>	<b>63</b>
Long-term Interest-bearing Debt	5,157	3	5,087	3	15,878	9
Others	1,255	1	1,154	1	1,103	1
<b>Total Liabilities</b>	<b>128,806</b>	<b>72</b>	<b>128,236</b>	<b>72</b>	<b>125,734</b>	<b>73</b>
<b>Total Equity</b>	<b>48,987</b>	<b>28</b>	<b>48,887</b>	<b>28</b>	<b>46,133</b>	<b>27</b>

## KEY Indices<sup>(1)</sup>

Net Working Capital (NT\$million)	96,270	93,743	90,020
AR Turnover (Days)	59	66	56
Inventory Turnover (Days)	45	45	39
AP Turnover (Days)	37	39	34
Average Collection Periods (Days)	68	72	61
Current Ratio	133%	134%	146%
Gearing	1.22	1.31	1.17

(1).Annualized

Unaudited, Prepared by WPG based on TIFRS.

# Cash Flows



Unit: NT\$ million

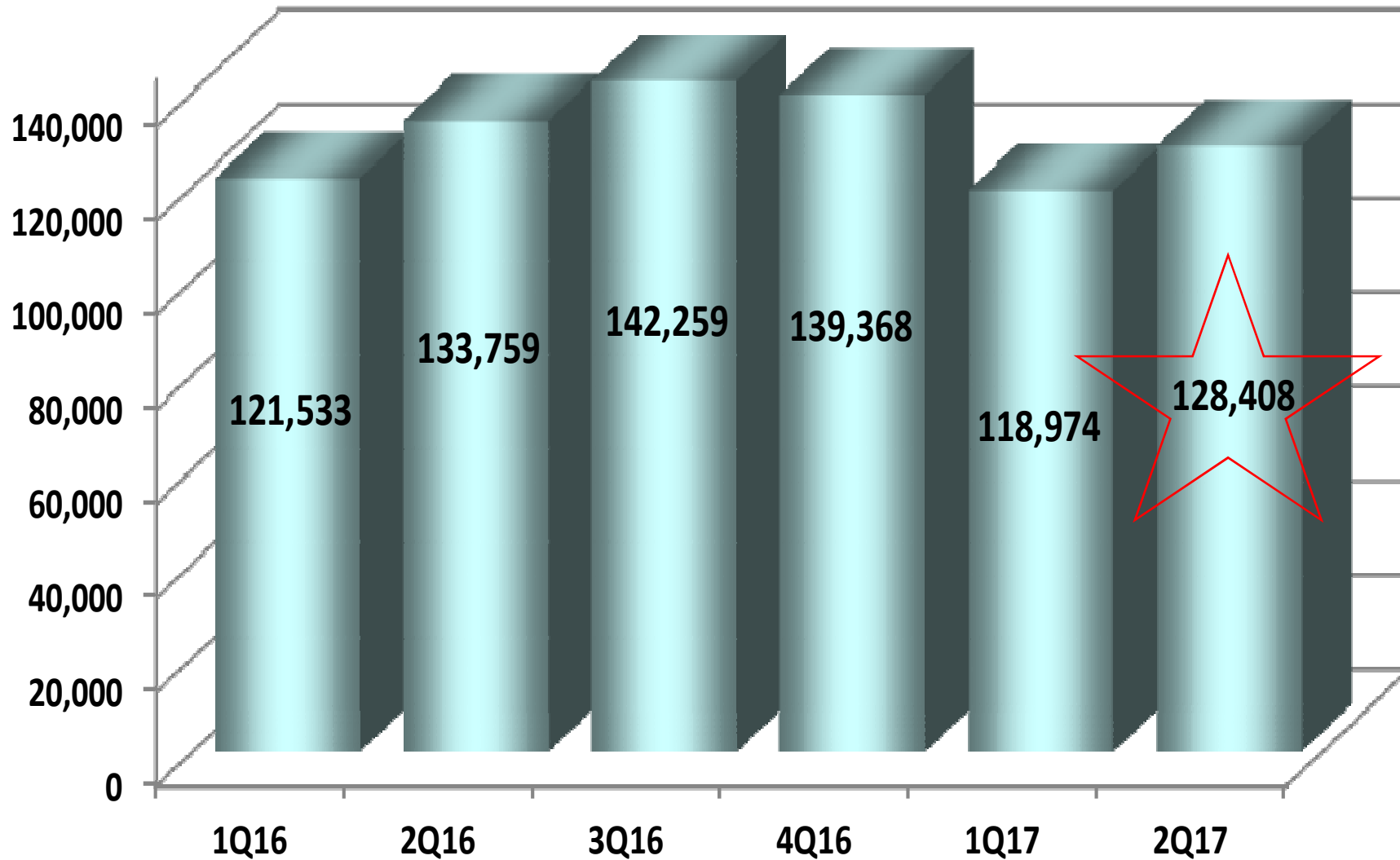
item	2Q17	1Q17	2Q16	1H17	1H16
-Income before Income Tax	2,211	2,261	2,031	4,472	3,933
-Changes of NWC	(2,762)	938	(3,229)	(1,824)	7,162
-Adjustment & Others	2,476	36	1,394	2,512	3,066
<b>From Operation</b>	<b>1,926</b>	<b>3,235</b>	<b>196</b>	<b>5,160</b>	<b>14,160</b>
-Financial Instrument	(277)	327	(462)	50	(520)
-Capital Expenditure	(152)	(660)	(33)	(812)	(62)
-Acquisition of subsidiaries	-	-	-	-	(30)
-Others	(30)	(26)	13	(56)	58
<b>From Investment</b>	<b>(459)</b>	<b>(359)</b>	<b>(481)</b>	<b>(818)</b>	<b>(554)</b>
-Financial Debt	(1,919)	(561)	(1,039)	(2,480)	(13,623)
-Others	96	3	(13)	99	(14)
<b>From Financing</b>	<b>(1,823)</b>	<b>(557)</b>	<b>(1,052)</b>	<b>(2,380)</b>	<b>(13,637)</b>
<b>Cumulative translation adjustments</b>	<b>9</b>	<b>(3,773)</b>	<b>(146)</b>	<b>(3,764)</b>	<b>(1,449)</b>
<b>Net Cash Position Change</b>	<b>(347)</b>	<b>(1,455)</b>	<b>(1,483)</b>	<b>(1,802)</b>	<b>(1,480)</b>
<b>Ending Cash Balance</b>	<b>6,655</b>	<b>7,002</b>	<b>7,967</b>	<b>6,655</b>	<b>7,967</b>

Unaudited, Prepared by WPG based on TIFRS.

# Consolidated Revenue



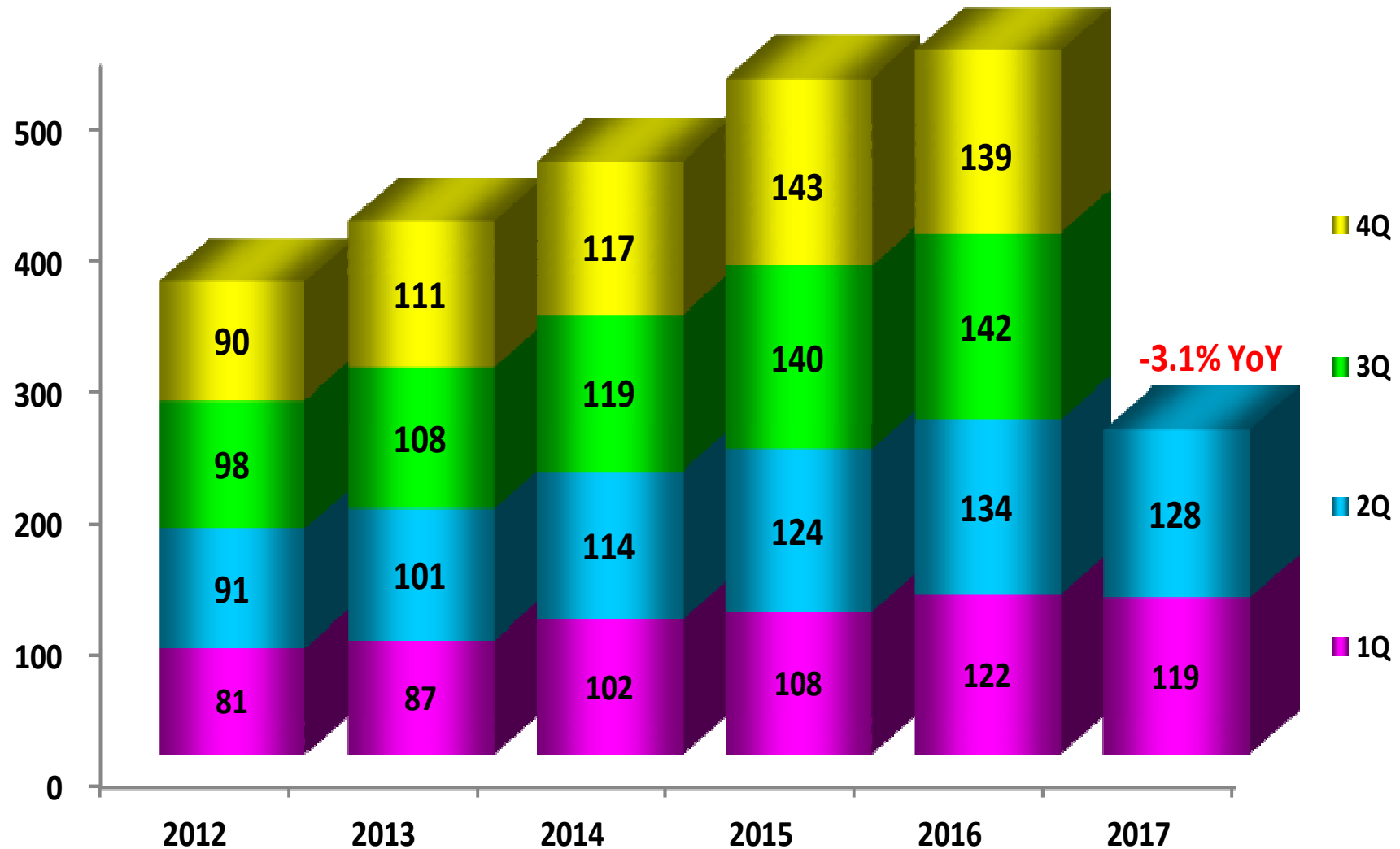
Unit: NT\$million



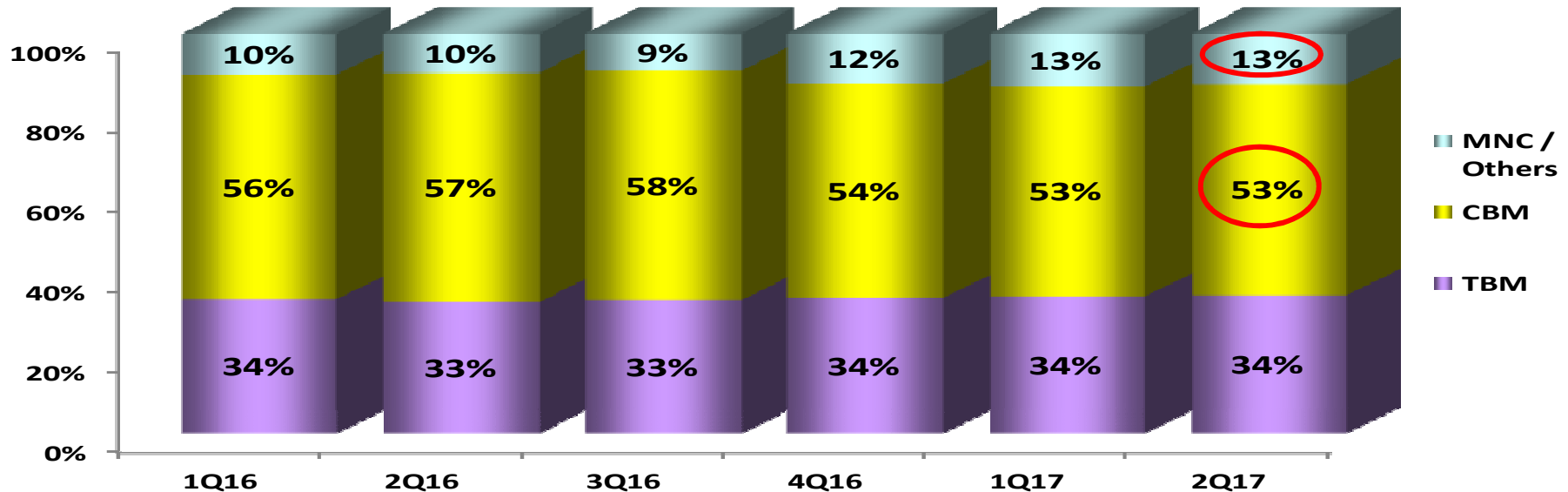
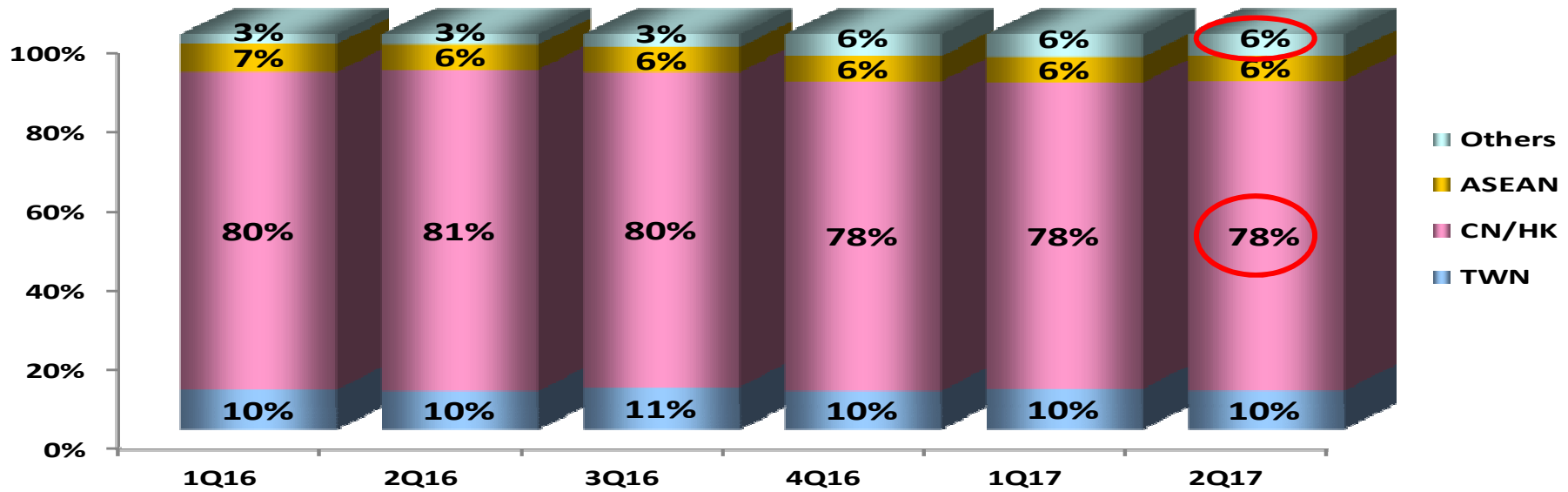
# Consolidated Revenue



Unit: NT\$billion

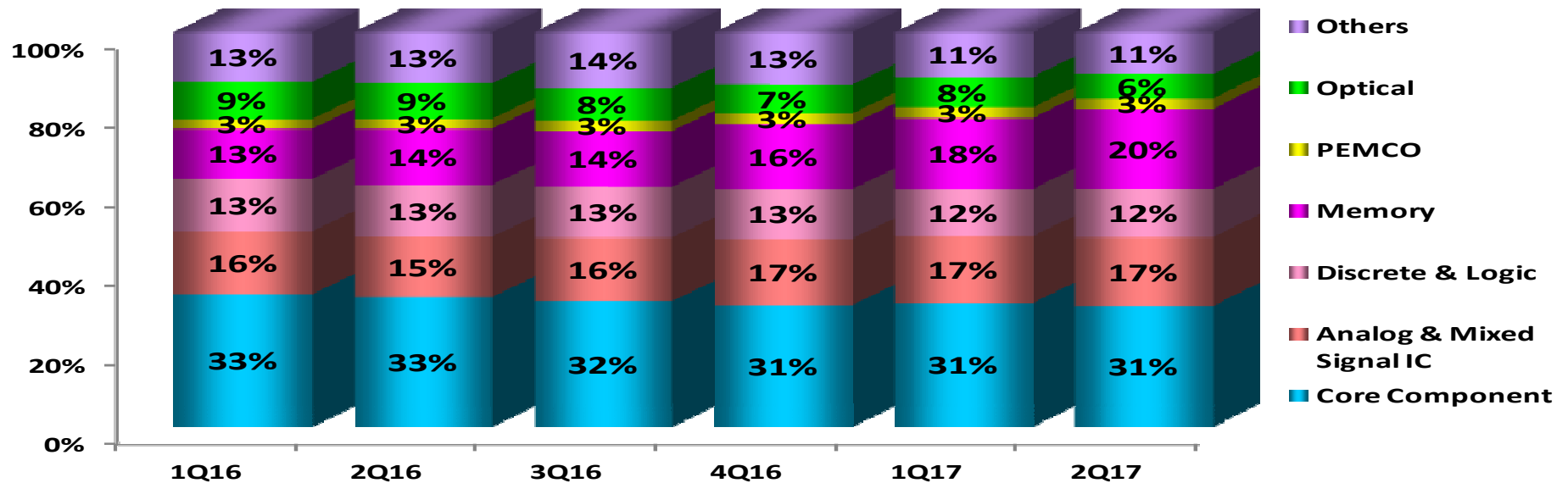
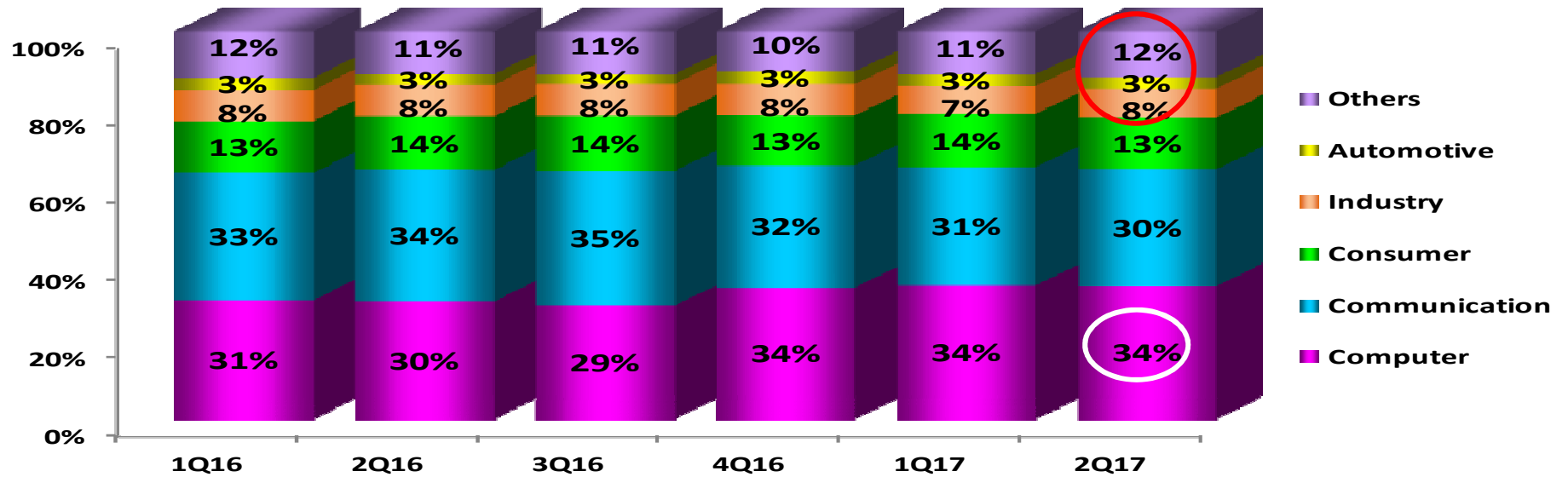


# Sales breakdown by Geography/ Customer

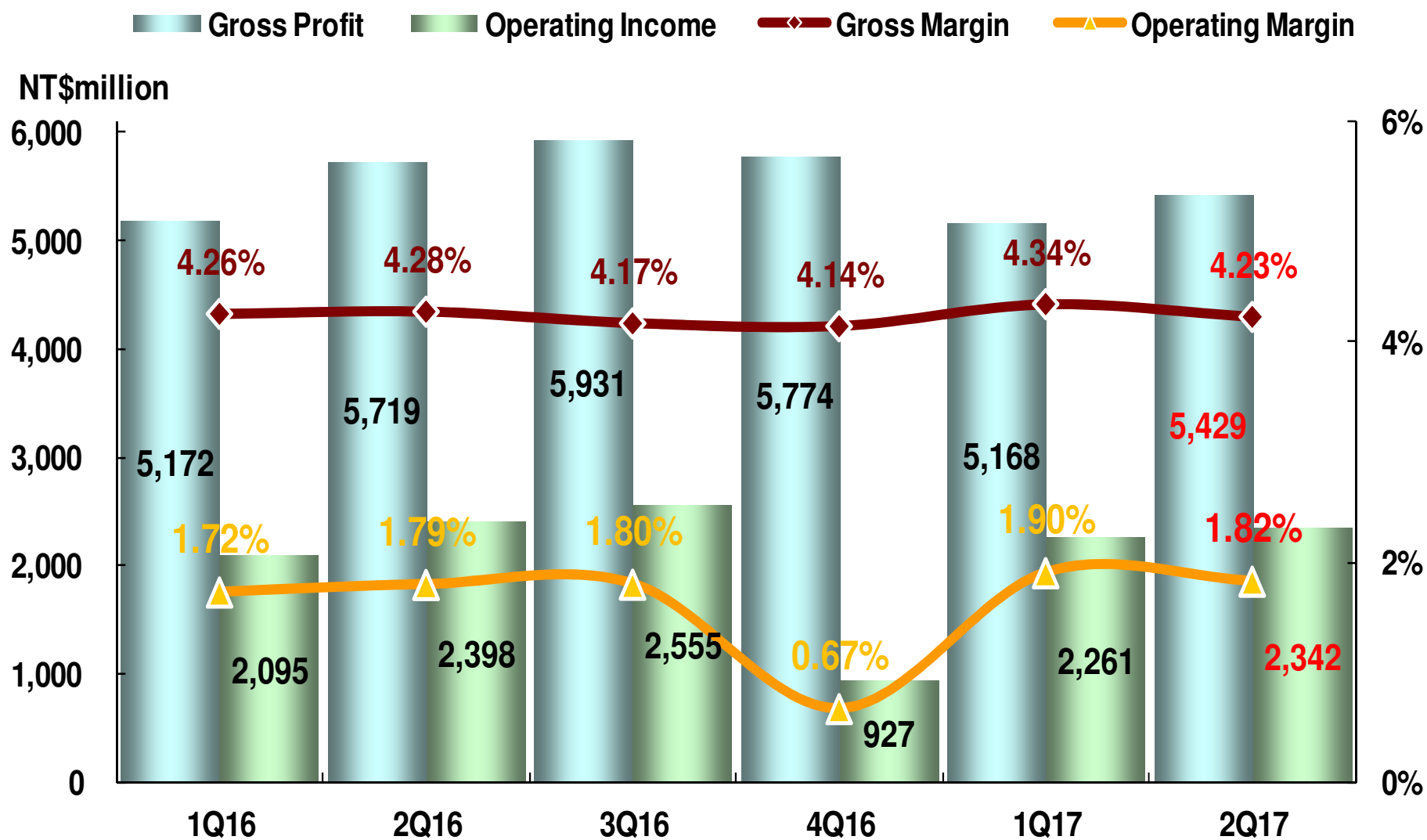


TBM : Taiwan-Based Customers  
 CBM : China Based Customers

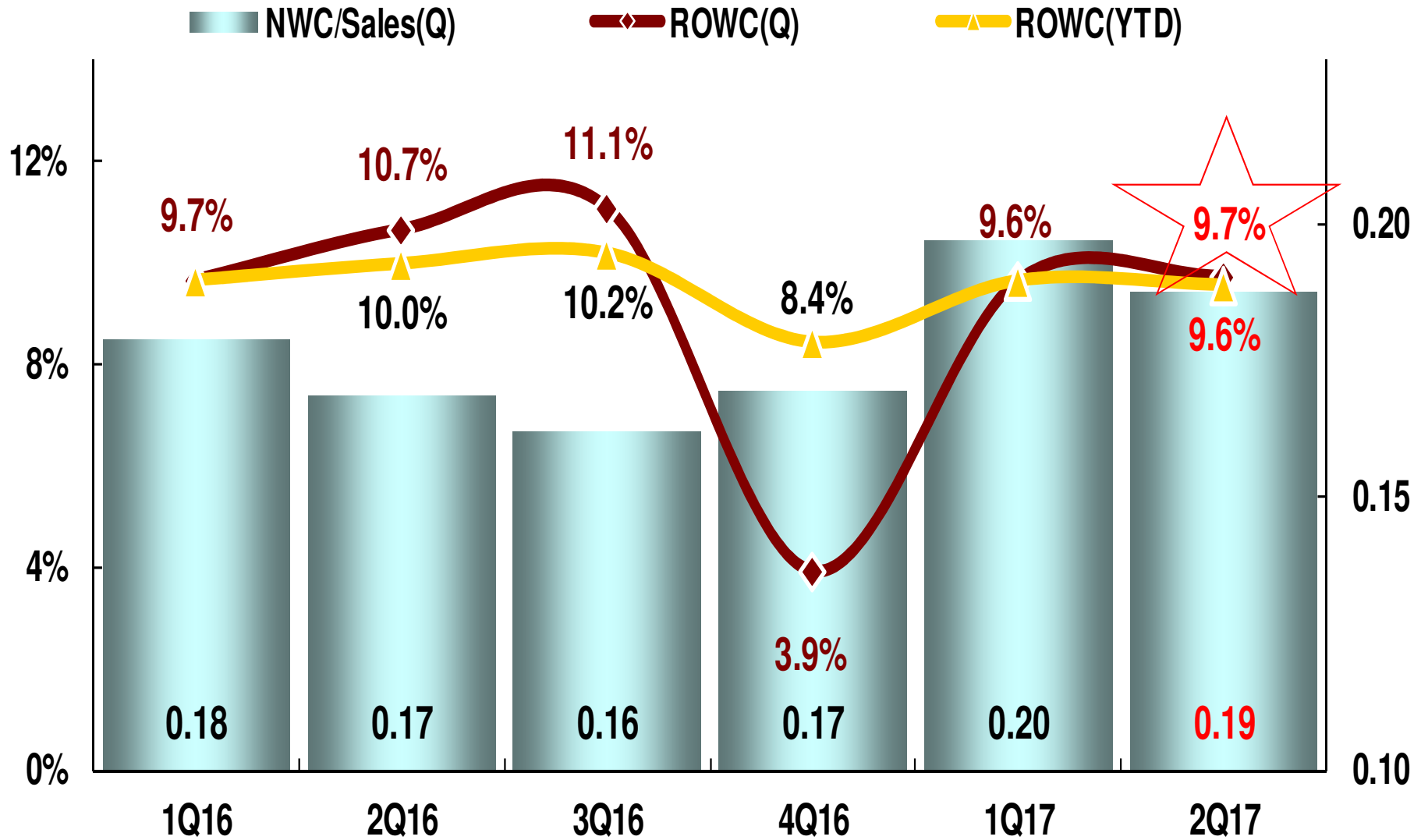
# Sales breakdown by Application/ Device Type



# Gross Margin vs. Operating Margin

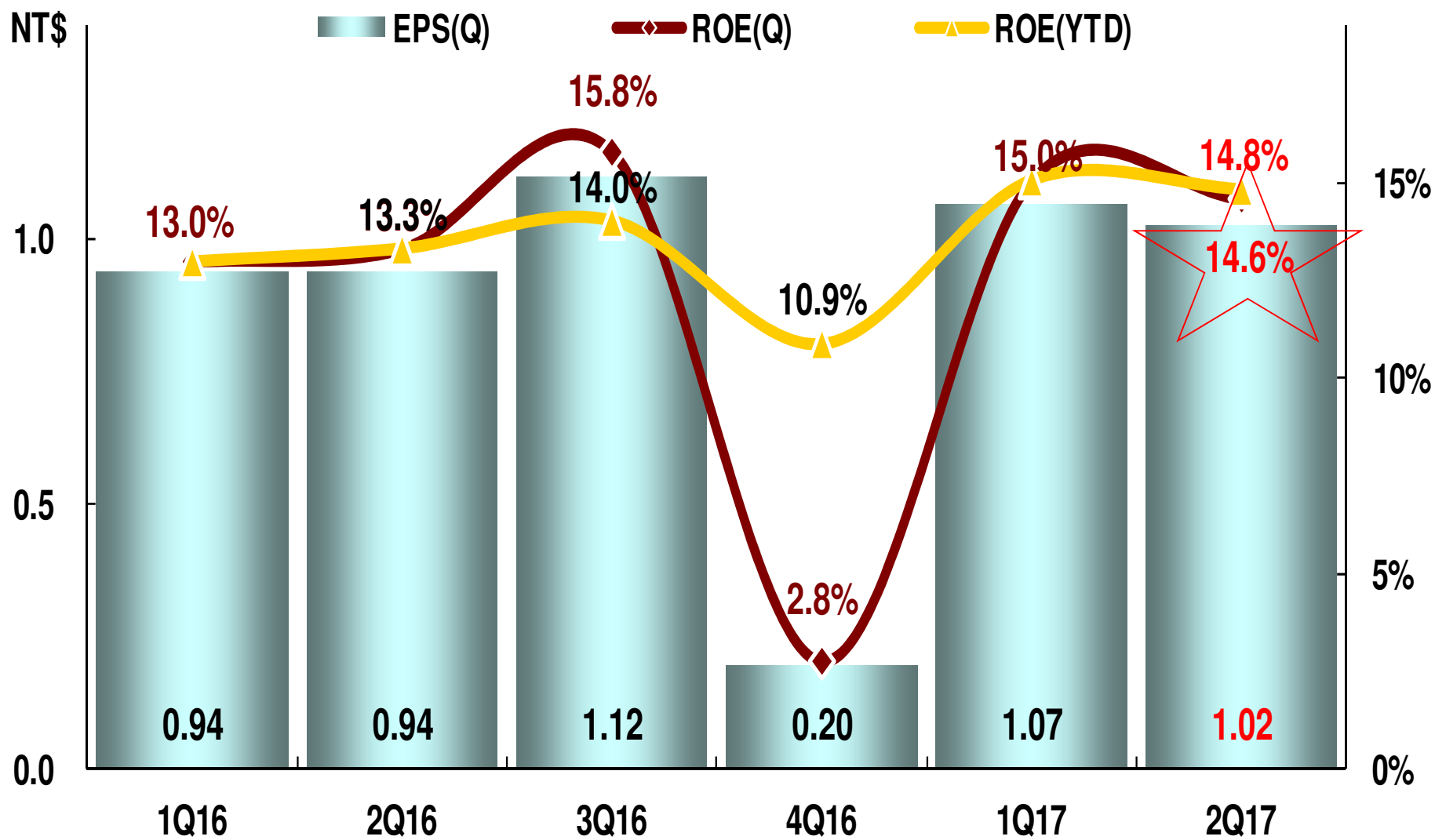


# ROWC vs. NWC/Sales



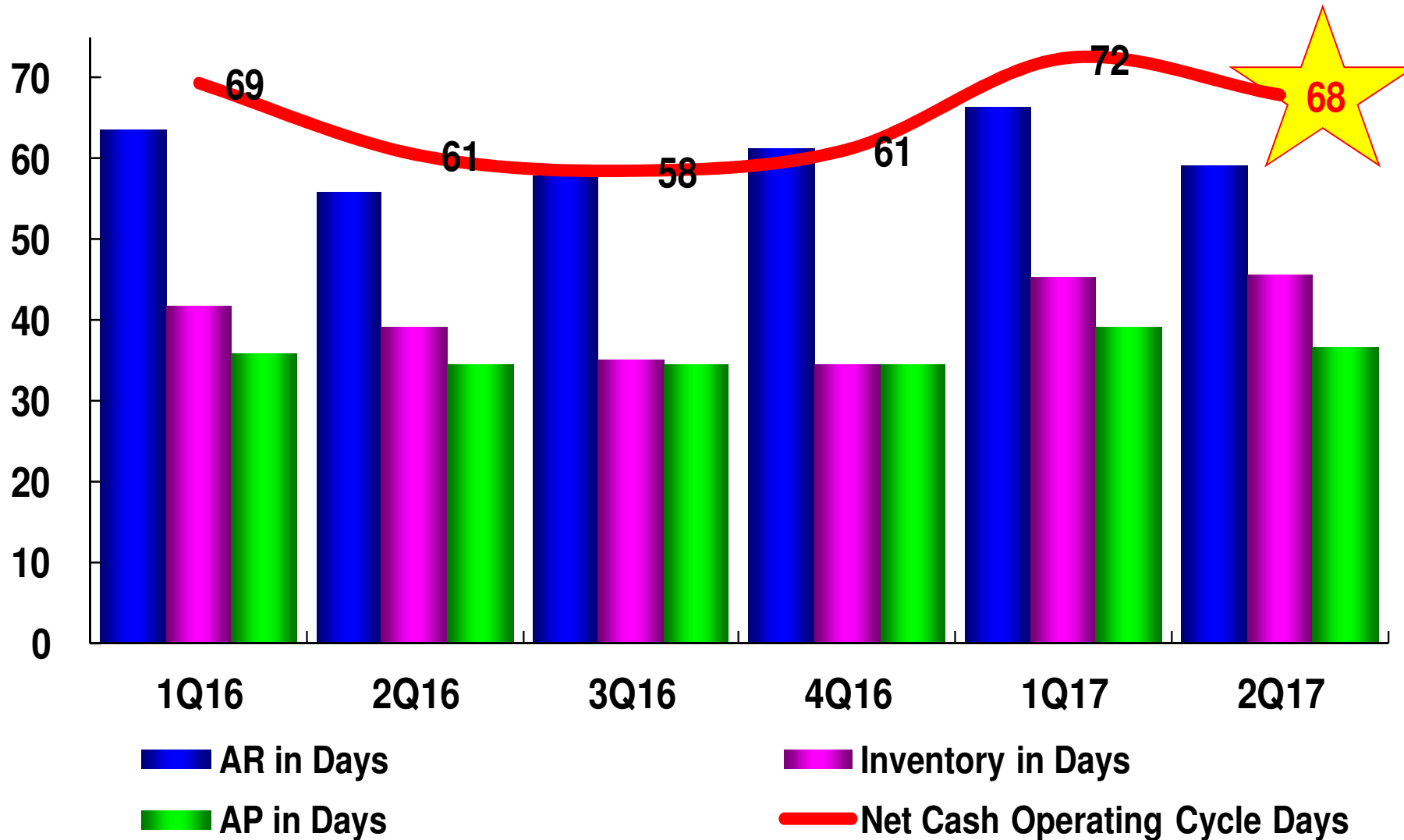
Note : Annualized

# ROE vs. EPS



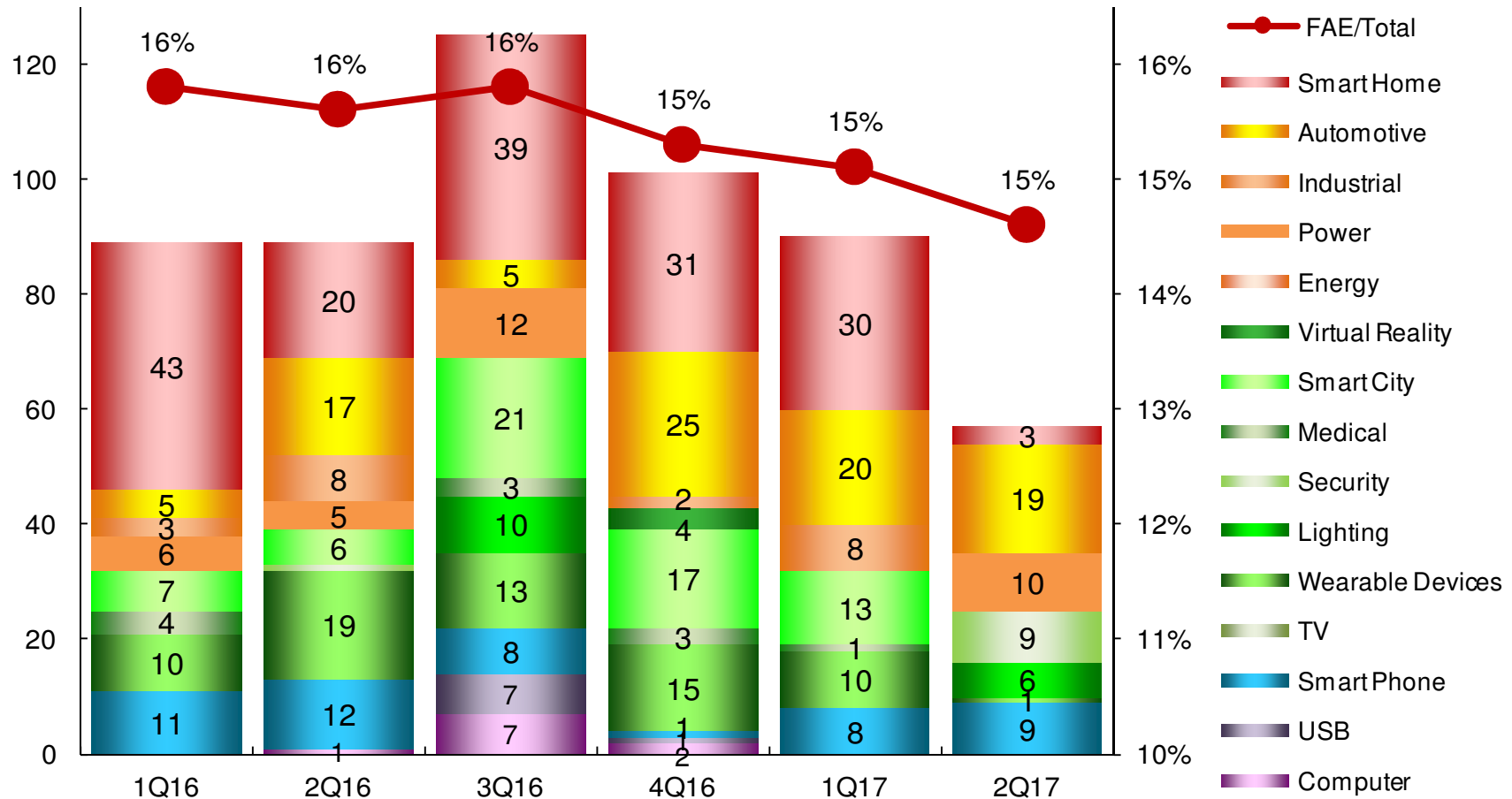
Note : Annualized

# Operating Cash Cycle



Note : Annualized

# More Solutions Launched



<http://www.wpg Holdings.com/hotchannel/index/zhtw>

<http://iot.wpg2o.com/iot/index/zhtw>

# 57 Solutions Launched in 2Q17



- ▶ 力推適用智慧手機、藍芽無線充電之完整解決方案 2017-05-24
- ▶ 推出適用智慧手機解決方案 2017-05-24
- ▶ 推出移動應用射頻前端解決方案 2017-05-24
- ▶ 力推LTE低噪聲放大器MMIC於智慧手機應用 2017-05-24
- ▶ 推出適用於智慧手機的基於晶片的智慧音訊功放解決方案 2017-05-24
- ▶ 推出32bit/192kHz Hi-Fi audio headset晶片方案 2017-05-24
- ▶ 推出動態NFC/RFID標籤晶片，兼備遠距離非接通信與快速資料傳輸 2017-05-24
- ▶ 推出指紋識別晶片方案，成為智慧手機搭載標配 2017-05-24
- ▶ 力推基於智慧手機雙卡NFC讀卡器方案 2017-05-24



- ▶ 力推適用LED照明應用裝置方案 2017-06-14
- ▶ 推出基於低功耗BLE藍牙1拖8舞臺燈光方案 2017-06-14
- ▶ 推出基於ZigBee智慧燈方案 2017-06-14
- ▶ 推出基於ZigBee LED Analog Dimming Control Box 2017-06-14
- ▶ 推出高亮度線性電流方案 2017-06-14
- ▶ 推出LED NFC驅動器 2017-06-14



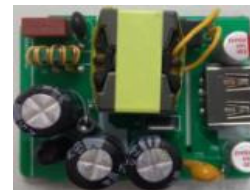
**NFC Reader Solution**



- ▶ 推出無袖帶血壓監測方案 2017-04-26



- ▶ 推出基於多協議24W快充方案 2017-04-12
- ▶ 推出Type-c電源解決方案 2017-04-12
- ▶ 推出開發諧振無線電能傳輸晶片 2017-04-12
- ▶ 推出TYPE-C PD移動電源方案 2017-04-12
- ▶ 力推創新型數位LLC平臺 2017-04-12
- ▶ 力推無線 DC/DC數字LED Power方案 2017-04-12
- ▶ 推出高能效無線充電晶片組，讓穿戴設備變得更小、更薄、密封更好 2017-04-12
- ▶ 力推無線充電方案 2017-04-12
- ▶ 推出Servers and telecoms SMPS (digital solutions) 解決方案 2017-04-12
- ▶ 推出基於QC3.0快充方案 2017-04-12



**Quick Charge Solution**



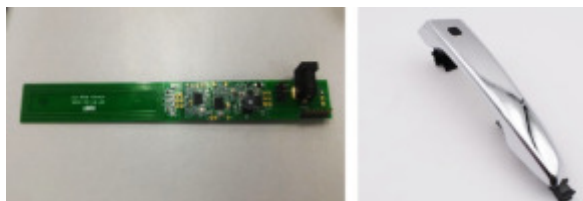
**Smart Lighting Solution**

# 57 Solutions Launched in 2Q17



## 汽车电子

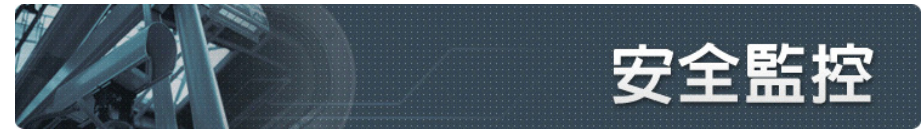
- ▶ 力推集成中高端車載資訊娛樂系統主機的解決方案 2017-06-28
- ▶ 推出精密型雙運算放大器，可應用在自動駕駛系統上 2017-06-28
- ▶ 推出基於晶片的新能源汽車BMS動力電池管理系統解決方案 2017-06-28
- ▶ 低成本，高精度~推出基於適用於車載BMS的電源信號雙隔離型分流器方案 2017-06-28
- ▶ 推出車門區控制器，單片集成電源管理和應急故障保護 2017-06-28
- ▶ 推出基於NFC近場車門把手解決方案 2017-06-28
- ▶ 力推車載充電方案 2017-06-28
- ▶ 推出新能源汽車OBC電源的應用 2017-06-28
- ▶ 力推全新低成本LED前燈解決方案 2017-06-28
- ▶ 力推基於車載DVR應用解決方案 2017-06-28
- ▶ 力推適用車聯網之完整解決方案 2017-05-10
- ▶ 推出車用乙太網路方案，構建車聯網基礎建設 2017-05-10
- ▶ 推出汽車音頻解決方案 2017-05-10
- ▶ 推出升級單片車載資訊服務/車聯網處理器，支援未來的汽車互聯駕駛服務 2017-05-10
- ▶ 力推基於Bluetooth智慧車鑰匙方案 2017-05-10
- ▶ 推出基於汽車跳頻PKE無鑰匙門禁系統解決方案 2017-05-10
- ▶ 力推LED Driver於汽車智能照明方案應用 2017-05-10
- ▶ 推出基於Full-HD 3D 360°全景環視與ADAS系統解決方案 2017-05-10
- ▶ 推出基於可微信控制繳費的交流充電樁方案 2017-05-10



NFC Car Door Control Solution



Surveillance Solution



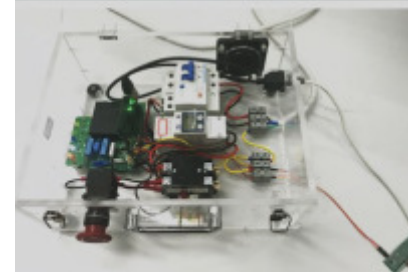
## 安全監控

- ▶ 力推適用安全監控之完整解決方案 2017-04-26
- ▶ 力推基於IP Network配套CODEC方案 2017-04-26
- ▶ 推出智慧安全監控方案~基於接入雲端的網路攝像機 2017-04-26
- ▶ 力推適用於樓宇可視對講方案 2017-04-26
- ▶ 力推無線感煙感溫探測器解決方案 2017-04-26
- ▶ 力推寵物屋溫濕度監視儀應用方案 2017-04-26
- ▶ 力推可提升安全性和降低系統成本的設備認證解決方案 2017-04-26
- ▶ 推出安全監控晶片 2017-04-26
- ▶ 推出NFC閱讀器晶片，可支援門禁控制等應用 2017-04-26

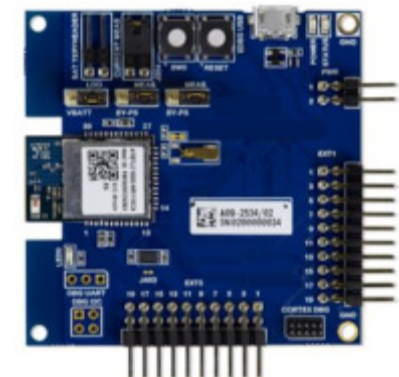


## 智能家居

- ▶ 力推基於Bluetooth智慧門鎖方案 2017-04-26
- ▶ 力推基於E-locker方案 2017-04-26
- ▶ 推出基於多功能低功耗電子鎖方案 2017-04-26



Charging Station Solution



Bluetooth Lock Solution



<http://www.WPGholdings.com>  
[IR@WPGholdings.com](mailto:IR@WPGholdings.com)



**Q&A**



*Thank you*

The Benchmark of Distribution