WPG Holdings

WPG Holdings Ltd.
(3702.TT/3702.TW)
3Q17 Earning Release

Nov 7th, 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
- 3Q17 Financial Highlights — Cliff Yuan
- Q&A — Simon Huang/ Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	3Q17	2Q17	3Q16	QoQ(%)	YoY(%)	Ytd17	Ytd16	YoY(%)
Net Sales	146,667	128,408	142,259	14.2	3.1	394,049	397,551	(0.9)
Gross Margin	4.19%	4.23%	4.17%	-3 bp	+3 bp	4.25%	4.23%	+2 bp
Operating Expenses	(3,423)	(3,087)	(3,376)	10.9	1.4	(9,417)	(9,773)	(3.6)
Operating Income	2,730	2,342	2,555	16.6	6.8	7,333	7,049	4.0
Operating Margin	1.86%	1.82%	1.80%	+3.8 bp	+7 bp	1.86%	1.77%	+9 bp
Net Income	2,026	1,791	1,867	13.1	8.5	5,663	4,975	13.8
EPS (NT$)(1)	1.11	1.02	1.12			3.20	2.99	
Net Book Value (NT$)(1)	27.86							
Total Assets	190,680	177,971	177,498			190,680	177,498	
Total Liabilities	139,319	128,801	130,081			139,319	130,081	
Total Equity	51,360	49,170	47,417			51,360	47,417	
Net Working Capital	98,559	96,122	92,260			98,559	92,260	
Free Cash Flow	(1,384)	1,895	(182)			3,745	13,954	
KEY Indices(2)								
ROWC	*11.1%*	*9.7%*	*11.1%*	+133 bp	+0 bp	*9.9%*	*10.2%*	-27 bp
NWC/Sales	*0.17*	*0.19*	*0.16*			*0.19*	*0.17*	
ROE	*16.1%*	*14.6%*	*15.8%*	+155 bp	+33 bp	*15.0%*	*14.0%*	+100 bp
Gearing	1.27	1.21	1.25			1.27	1.25	
(1).Weighted average shares outstanding	1,824	1,751	1,674			1,769	1,662	

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit:NT$million

Item	3Q17	2Q17	QoQ(%)	3Q16	YoY(%)	Ytd17	Ytd16	YoY(%)
Revenue	146,667	128,408	14.2	142,259	3.1	394,049	397,551	(0.9)
COGS	(140,515)	(122,979)	14.3	(136,328)	3.1	(377,300)	(380,729)	(0.9)
Gross Profit	6,153	5,429	13.3	5,931	3.7	16,750	16,822	(0.4)
Gross Margin	4.19%	4.23%		4.17%		4.25%	4.23%	
Operating Expenses	(3,423)	(3,087)	10.9	(3,376)	1.4	(9,417)	(9,773)	(3.6)
Operating Income	2,730	2,342	16.6	2,555	6.8	7,333	7,049	4.0
Operating Margin	1.86%	1.82%		1.80%		1.86%	1.77%	
Net Non-operating Items	(268)	(130)	105.6	(284)	(5.6)	(399)	(844)	(52.7)
Net Financing costs	(460)	(418)	10.0	(370)	24.4	(1,278)	(1,111)	15.1
Foreign Exchange Gains/Losses	101	112	(9.1)	31	230.8	324	115	181.5
Others	91	176		55		555	152	
Profit Before Tax	2,462	2,211	11.3	2,271	8.4	6,934	6,204	11.8
Tax	(425)	(403)	5.4	(398)	6.7	(1,222)	(1,213)	0.7
Minority	(11)	(17)		(6)		(48)	(16)	
Profit After Tax	2,026	1,791	13.1	1,867	8.5	5,663	4,975	13.8
Net Margin	1.38%	1.39%		1.31%		1.44%	1.25%	
EPS (NT$)(1)	1.11	1.02		1.12		3.20	2.99	
Tax %	17%	18%		18%		18%	20%	
(1).Weighted average shares outstanding	1,824	1,751		1,674		1,769	1,662	

Unaudited, Prepared by WPG based on TIFRS.

Balance Sheet

Unit:NT$million	3Q17		2Q17		3Q16	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash & Marketable Securities	7,039	*4*	6,670	*4*	7,078	*4*
Accounts Receivable - Trade	95,333	*50*	86,069	*48*	94,033	*53*
Inventory	61,113	*32*	59,527	*33*	50,927	*29*
Current Assets	176,188	*92*	163,497	*92*	163,746	*92*
Others	14,491	*8*	14,474	*8*	13,752	*8*
Total Assets	190,680	*100*	177,971	*100*	177,498	*100*
Current Interest-bearing Debt	61,179	*32*	62,498	*35*	62,275	*35*
Accounts Payble	57,887	*30*	49,473	*28*	52,699	*30*
Accrued Liabilities and Others	6,802	*4*	10,405	*6*	7,504	*4*
Current Liabilities	125,869	*66*	122,376	*69*	122,478	*69*
Long-term Interest-bearing Debt	12,319	*6*	5,157	*3*	6,524	*4*
Others	1,131	*1*	1,268	*1*	1,079	*1*
Total Liabilities	139,319	*73*	128,801	*72*	130,081	*73*
Total Equity	51,360	*27*	49,170	*28*	47,417	*27*
KEY Indices(1)						
Net Working Capital (NT$million)	98,559		96,122		92,260	
AR Turnover (Days)	*56*		*59*		*58*	
Inventory Turnover (Days)	*39*		*45*		*35*	
AP Turnover (Days)	*35*		*37*		*34*	
Average Collection Periods (Days)	*61*		*68*		*58*	
Current Ratio	*140%*		*134%*		*134%*	
Gearing	*1.27*		*1.21*		*1.25*	

(1).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Cash Flows

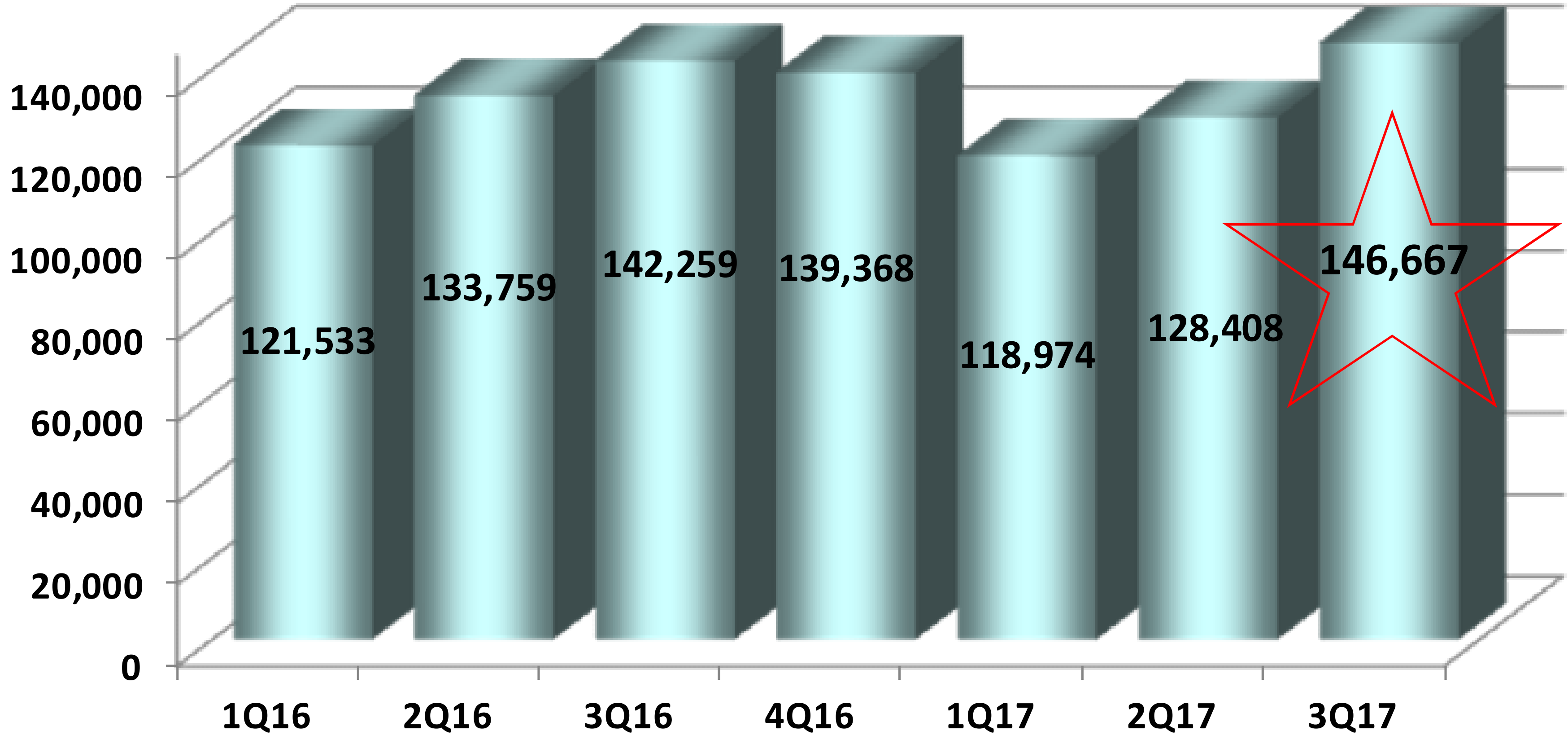
Unit:NT$million

item	3Q17	2Q17	3Q16	Ytd17	Ytd16
-Income before Income Tax	2,462	2,211	2,271	6,934	6,204
-Changes of NWC	(2,754)	(2,296)	(2,260)	(4,112)	4,901
-Adjustment & Others	(1,092)	1,980	(193)	924	2,848
From Operation	**(1,384)**	**1,895**	**(182)**	**3,745**	**13,954**
-Financial Instrument	203	(277)	(446)	252	(967)
-Capital Expenditure	(14)	(176)	(37)	(849)	(99)
-Acquisition of subsidiaries	-	-	(4)	-	(34)
-Others	4	(122)	(587)	(144)	(533)
From Investment	**193**	**(575)**	**(1,075)**	**(741)**	**(1,633)**
-Financial Debt	6,364	(1,939)	6,112	3,864	(7,511)
-Cash Dividends	(4,178)	-	(3,974)	(4,178)	(3,974)
-Others	(135)	105	(52)	(27)	(41)
From Financing	**2,050**	**(1,834)**	**2,087**	**(341)**	**(11,526)**
Cumulative translation adjustments	**(492)**	**167**	**(1,742)**	**(4,098)**	**(3,187)**
Net Cash Position Change	**367**	**(347)**	**(912)**	**(1,435)**	**(2,392)**
Ending Cash Balance	**7,022**	**6,655**	**7,055**	**7,022**	**7,055**

Unaudited, Prepared by WPG based on TIFRS.

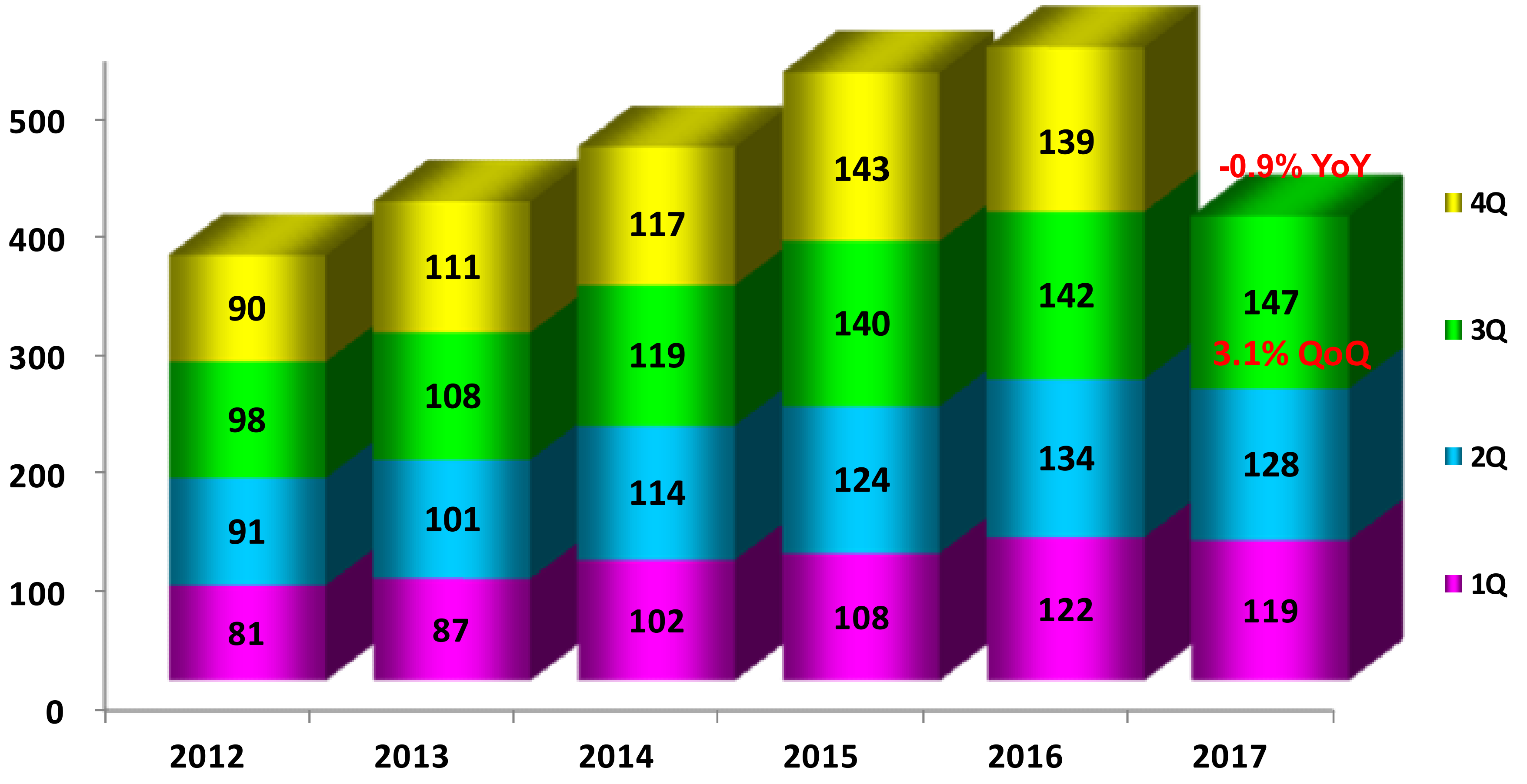
Consolidated Revenue

Unit: NT$million

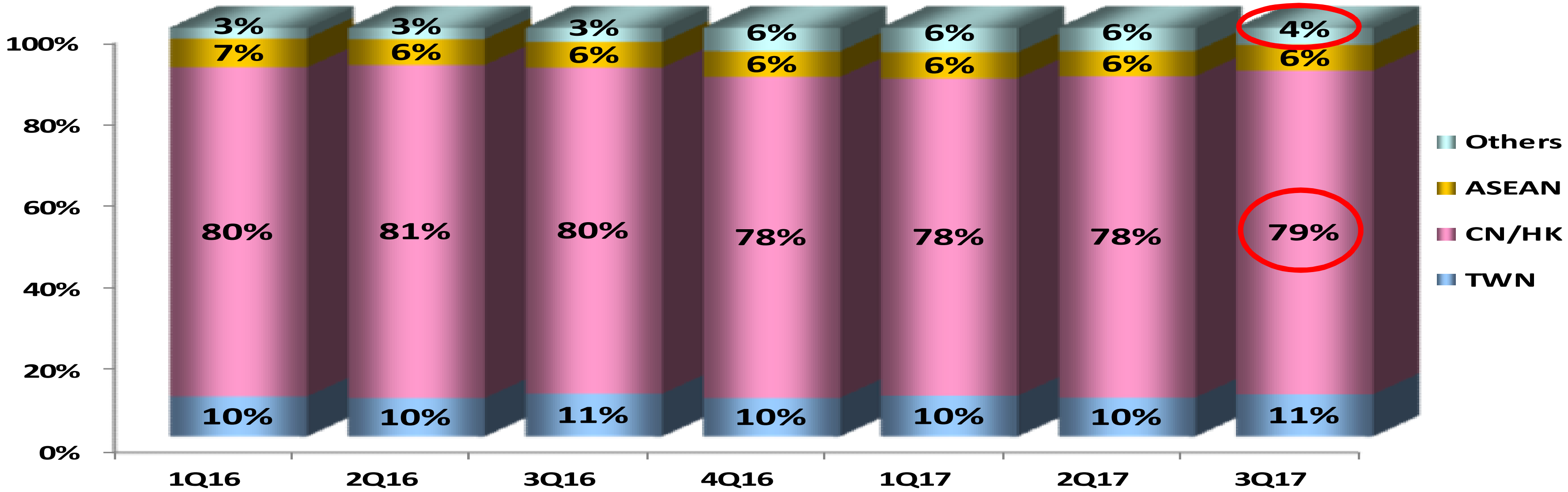


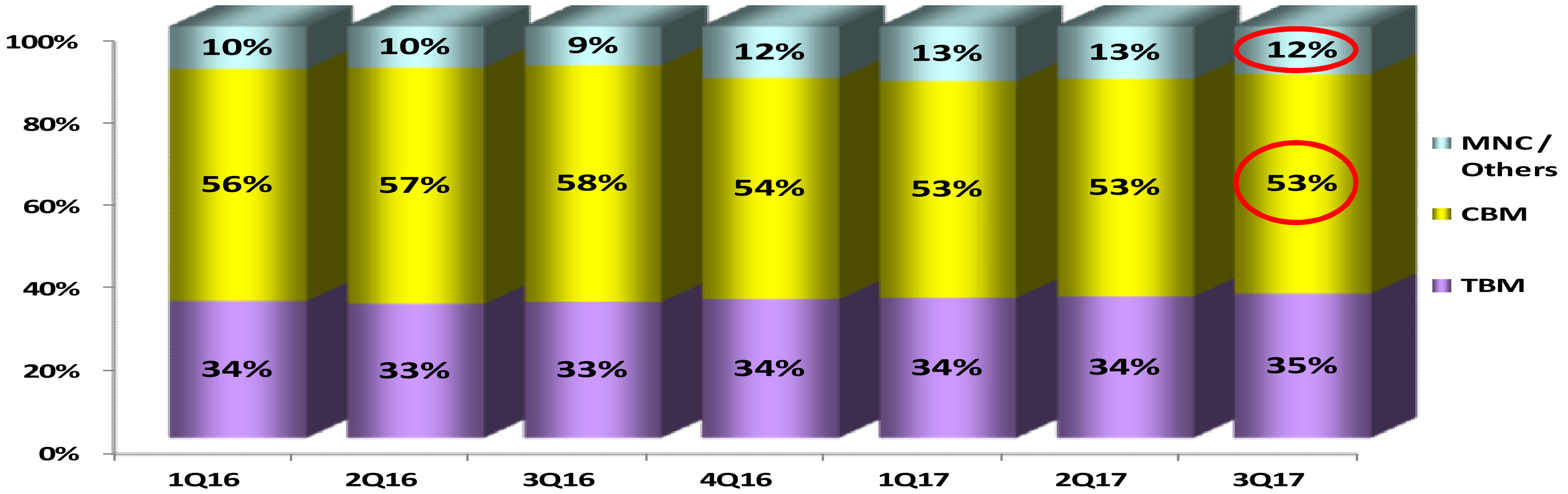
Consolidated Revenue

Unit: NT$billion



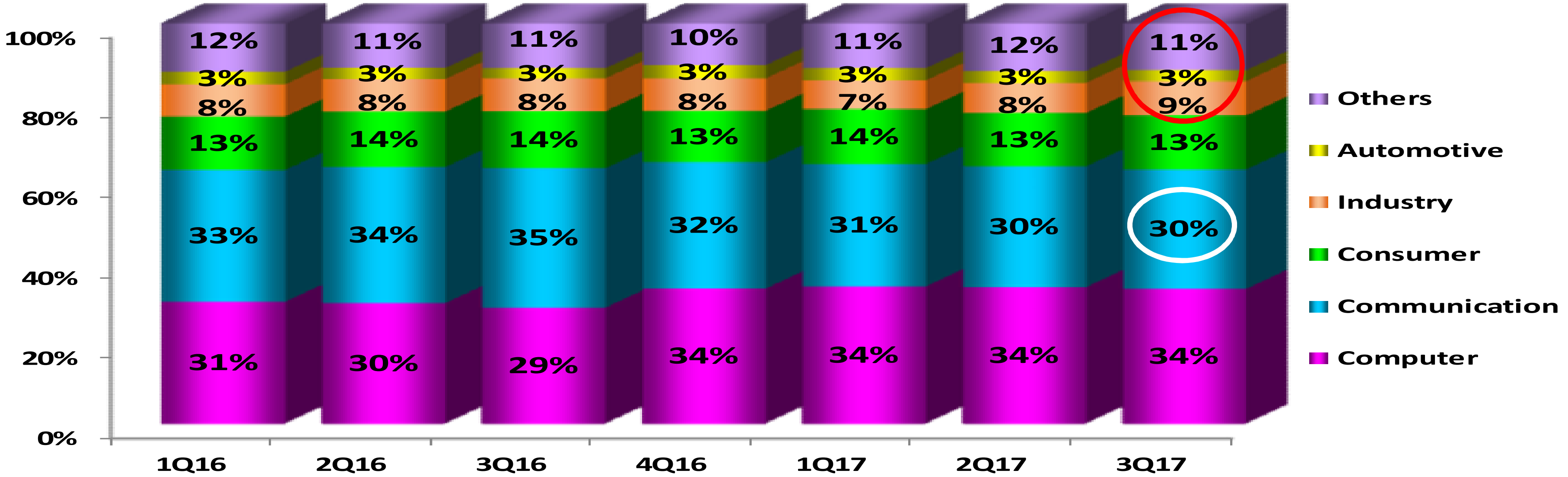
Sales breakdown by Geography/ Customer

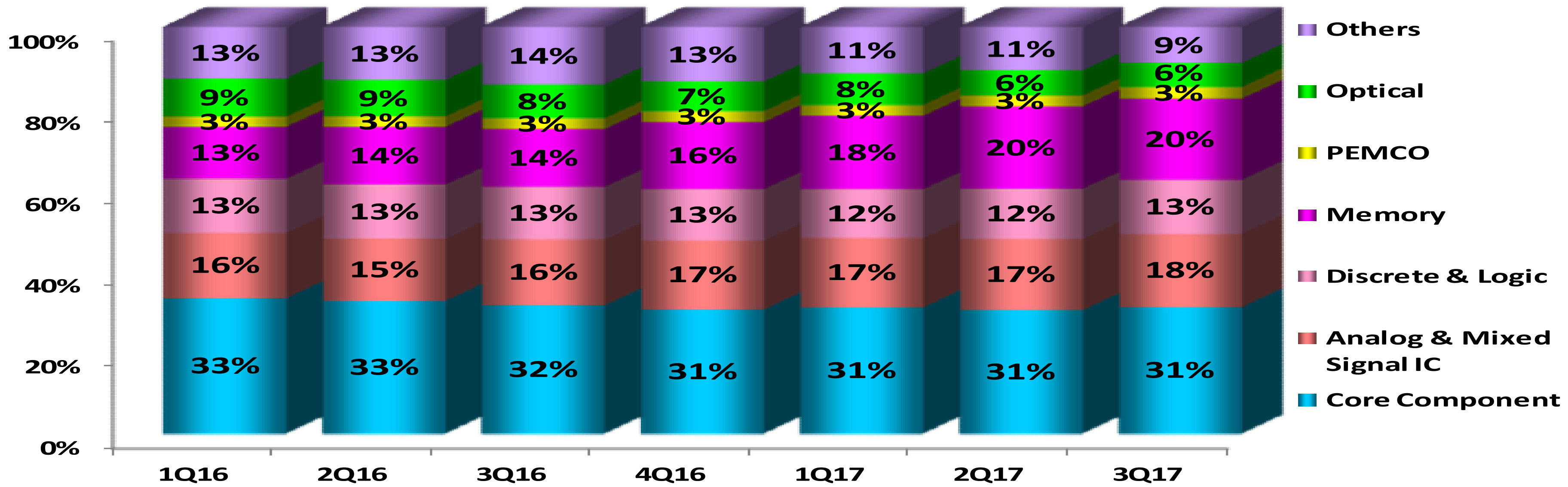




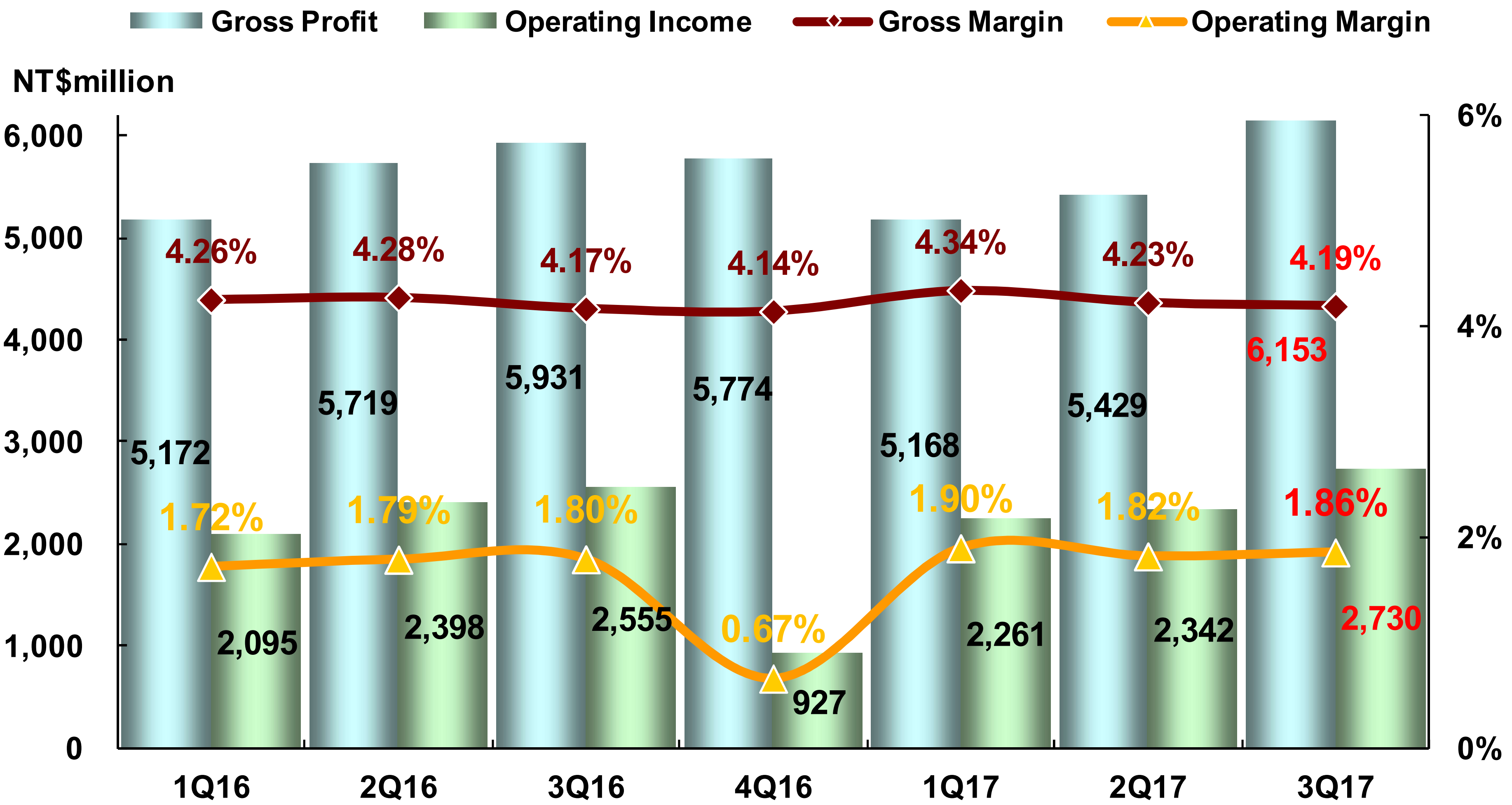
TBM：Taiwan-Based Customers
CBM：China Based Customers

Sales breakdown by Application/ Device Type

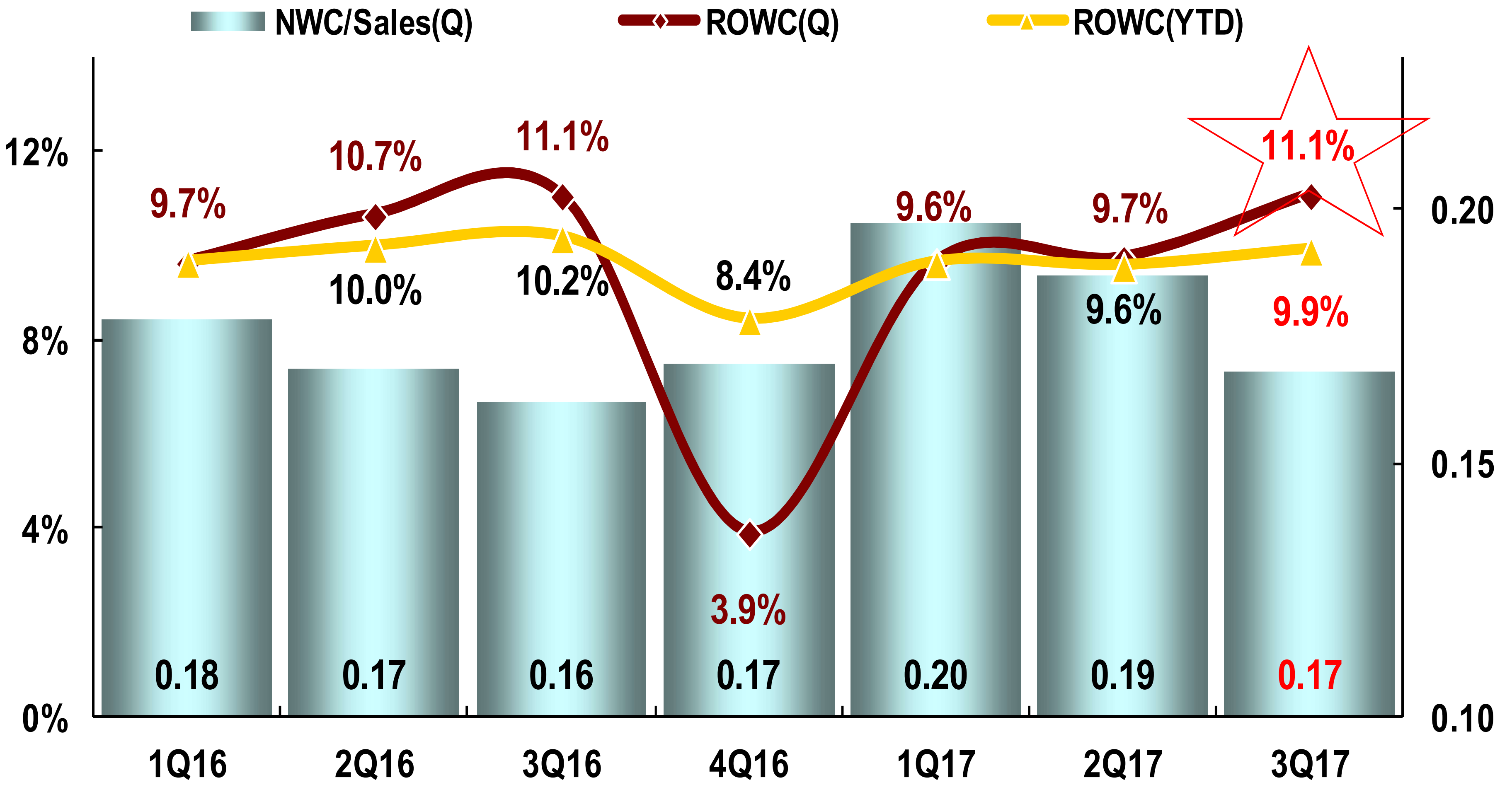




Gross Margin vs. Operating Margin

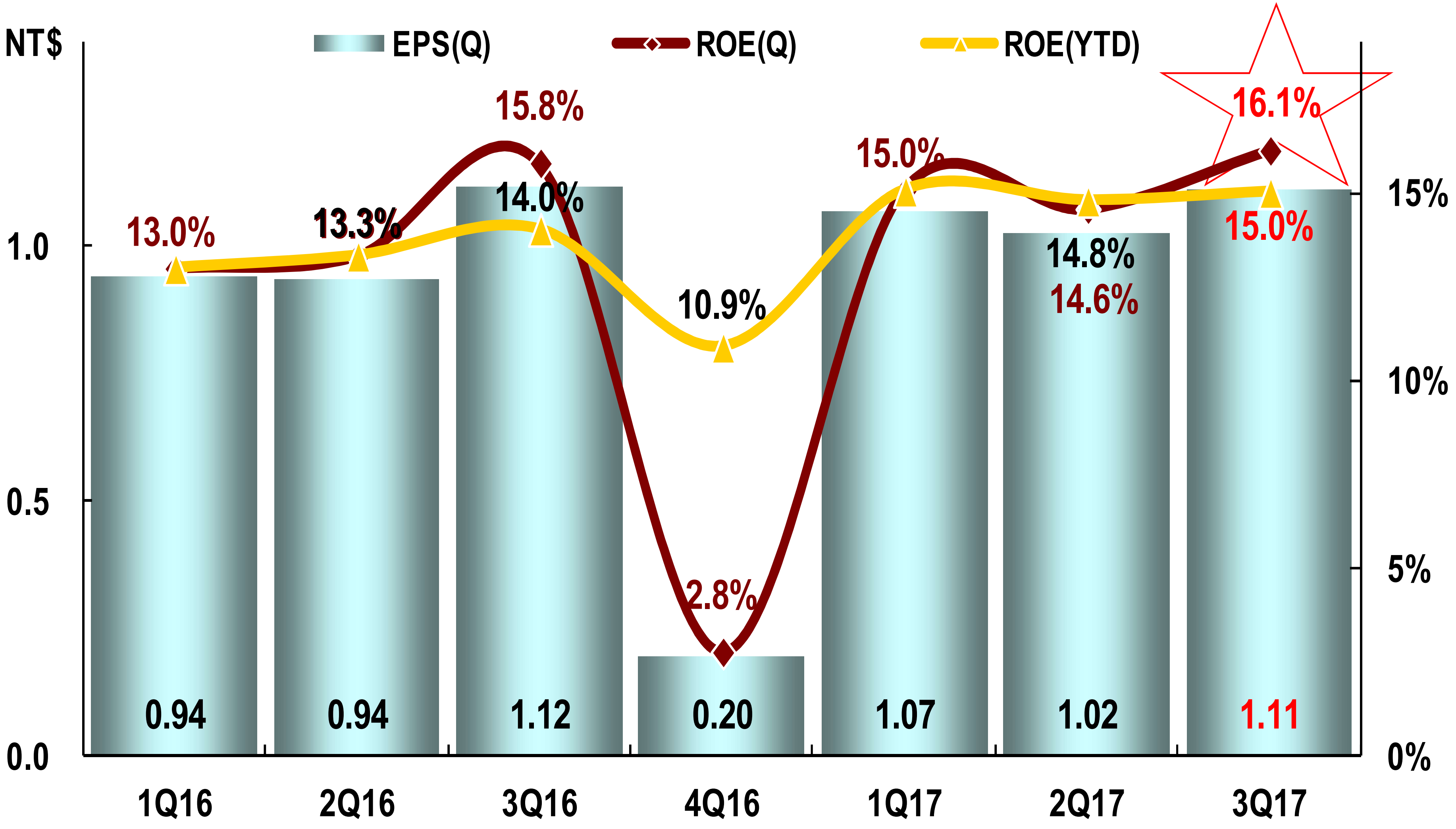


ROWC vs. NWC/Sales



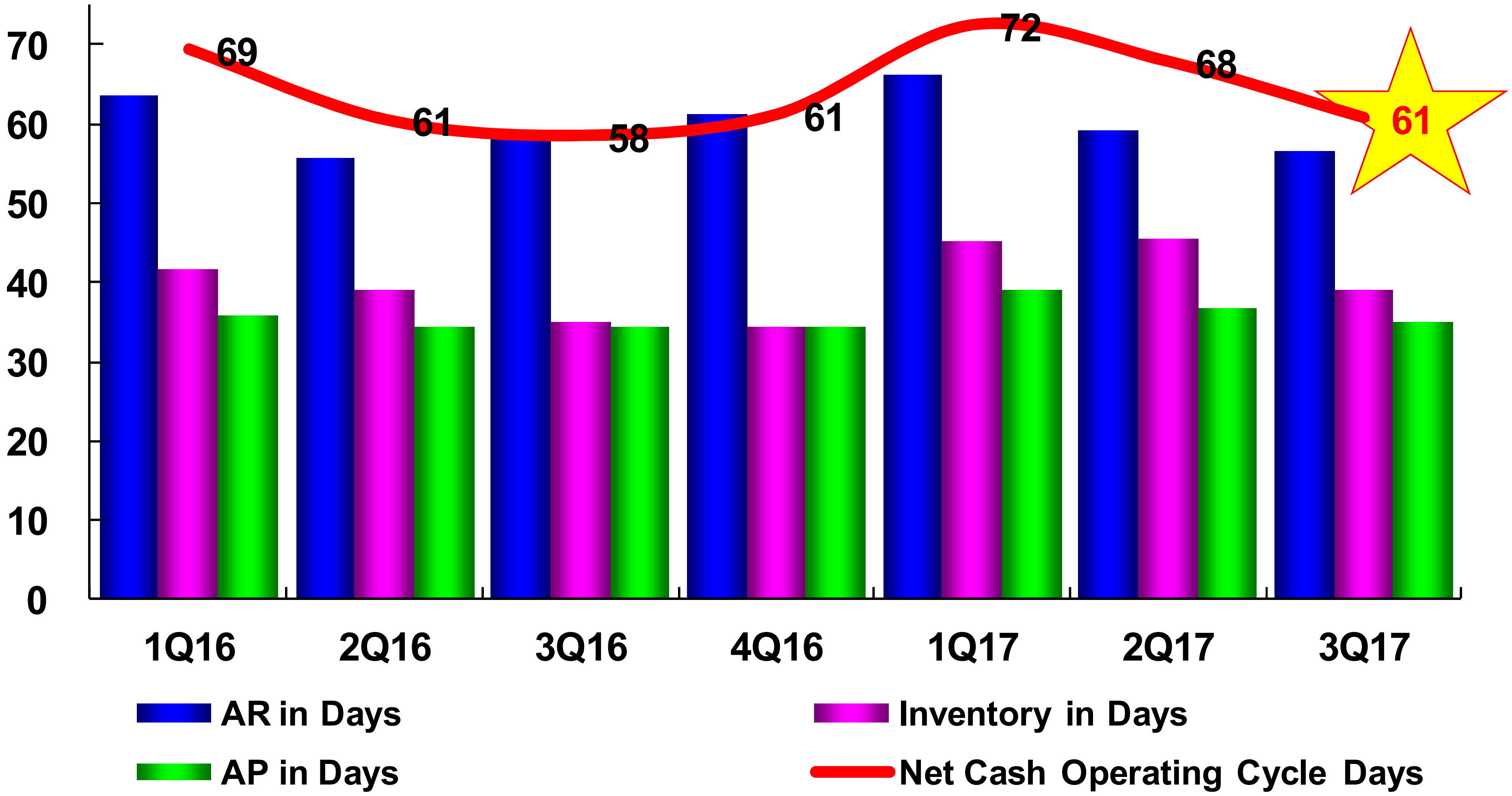
Note：Annualized

ROE vs. EPS



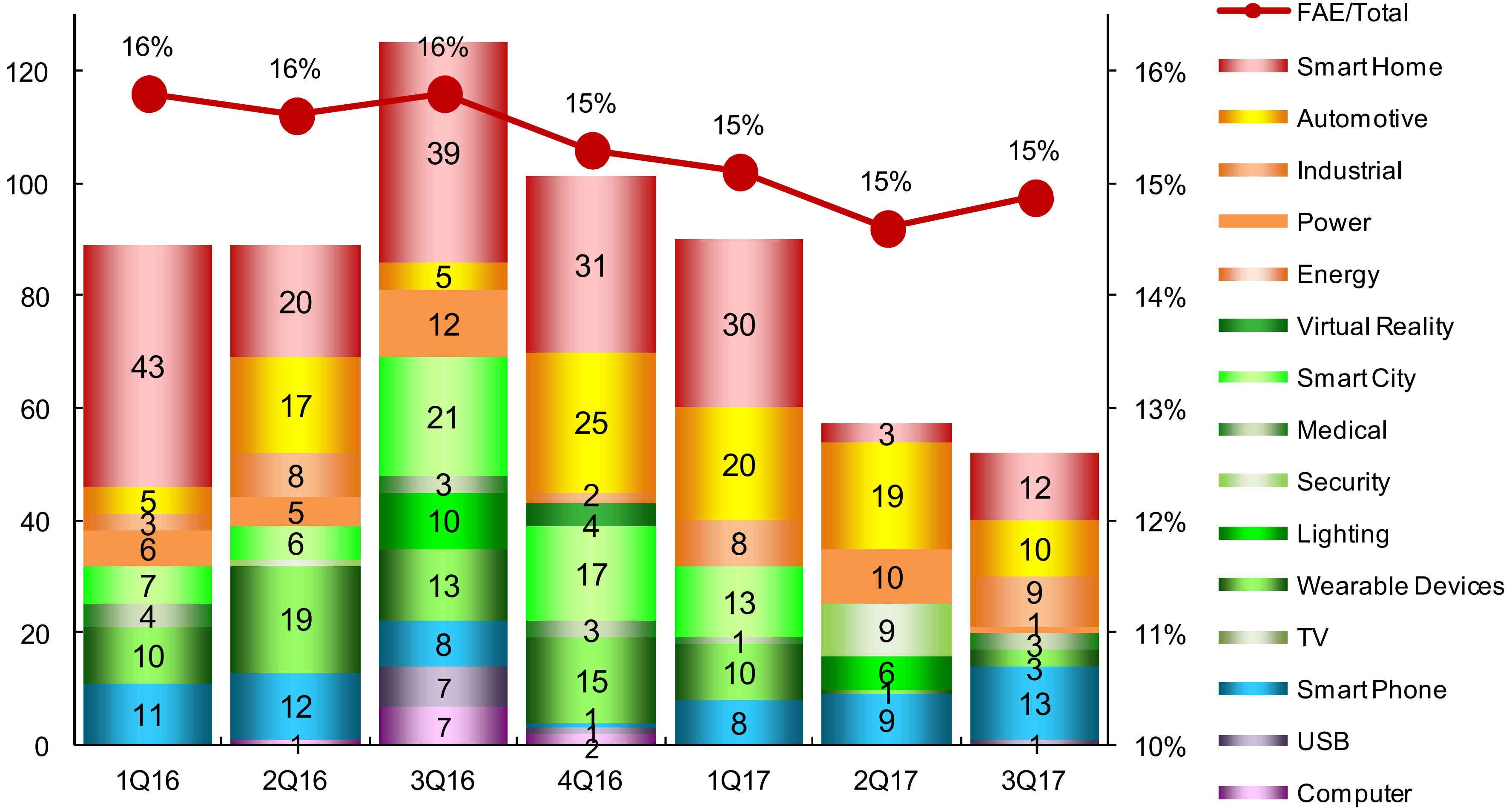
Note：Annualized

Operating Cash Cycle



Note：Annualized

More Solutions Launched ...



http://www.wpgholdings.com/hotchannel/index/zhtw

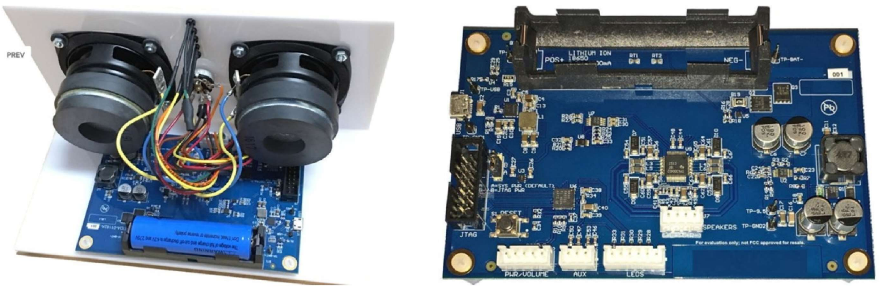
http://iot.wpgo2o.com/iot/index/zhtw

52 Solutions Launched in 3Q17

- 推出24GHz&77GHz車用雷達解決方案 2017-08-09
- 推出Full-HD 3D 360°車載全景環視的ADAS系統解決方案 2017-08-09
- 推廣77GHz汽車雷達系統助力自動駕駛實現 2017-08-09
- 推出超短程雷達參考設計 2017-08-09
- 力推應用于新能源車（EV, HEV, PHEV）車載充電器解決方案 2017-08-09
- 推出小尺寸電機控制模組參考設計 2017-08-09
- 力推3D深度感測鐳射掃描技術在車聯網上的應用 2017-08-09
- 無需二次開發，可直接量產！推出基於完整全套的交流充電樁方案 2017-08-09
- 推出內置（單串單並）電池可攜式車載功放設計 2017-09-20
- 推出700W汽車級Class-D功放設計 2017-09-20

- 力推3D深度感測鐳射掃描技術在智慧家居上的應用 2017-07-26
- 推出適用智能家居應用裝置方案 2017-07-26
- 推出智能家居方案，構建物聯網基礎建設 2017-07-26
- 推出氣壓感測器解決方案于居家安控及環境偵測應用 2017-07-26
- 推出無線 pH 感測器發送器參考設計 2017-07-26
- 推出基於WiFi 連接雲方案 2017-07-26
- 基於物聯智慧家居解決方案 2017-07-26
- 推出NFC溫度和光感測器參考設計 2017-07-26
- 推出基於視覺的佔用檢測解決方案 2017-07-26
- 推出智慧家庭的語音服務解決方案 2017-09-20
- 力推LoRa+mems MIC智慧語音控制家電 2017-09-20
- 力推智慧語音辨識方案 2017-09-20

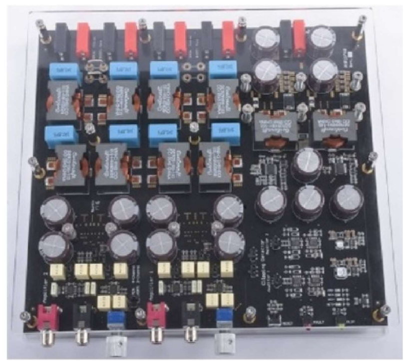
- 推出多感測器模組，可擴展穿戴和物聯網產品開發 2017-09-06
- 力推無線對耳藍牙耳機解決方案 2017-09-20
- 推出無線藍牙耳機解決方案 2017-09-20



Portable Audio Amplifier with Automatic Reduction Control Solution

Car Charger Solution

360˚ Surround View and ADAS Solution



Class-D Amplifier Solution

52 Solutions Launched in 3Q17

智能手機

推出適用智慧手機之完整解決方案	2017-09-06
力推NFC移動支付方案短距離無線通訊技術、移動支付、讀卡器、感應式卡片和點對點的功能	2017-09-06
推出基於四核智慧手機解決方案	2017-09-06
推出多感測器模組，可擴展智慧手機，穿戴和物聯網產品開發	2017-09-06
推出具有電源路徑和高壓適配器的全集成5A NVDC單節電池充電器	2017-09-06
推出鐳射投影，開拓手機未來的發展方向，以獨創的鐳射投影特色與市面上其他產品形成鮮明差異性	2017-09-06
針對電流輸出音訊DAC的高保真耳機放大器參考設計	2017-09-06
推出壓力指紋識別解決方案	2017-09-06
推出Hi-Fi audio headset方案	2017-09-06
力推以天線為中心的解決方案於智能手機應用	2017-09-06
力推靜電保護和浪湧電壓保護產品於智能手機應用	2017-09-06
Hi-Fi Headphone Amplifier Power Supply Reference Design	2017-09-06
力推1拖多藍牙音箱解決方案	2017-09-20

電源

推出實現無線充電的可穿戴設備電源參考設計	2017-08-23

USB傳輸應用

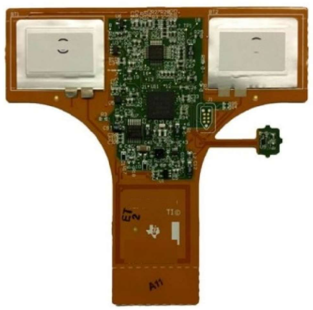
推出USB Type-C及電力輸送多埠適配器設計參考方案	2017-09-06

工業電子

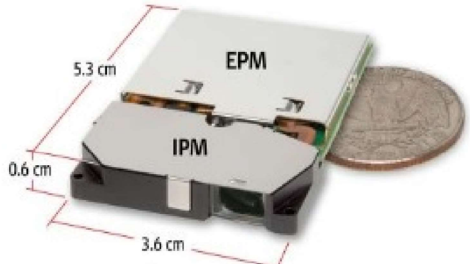
推出基於電梯及工業通訊應用方案	2017-07-12
力推適用工業電子之完整解決方案	2017-07-12
推出全新數位輸出/入開發套件於工業控制與自動化系統應用	2017-07-12
推出雲端開發套件，可靈活開發物聯網硬體以符合工業標準應用	2017-07-12
推出無人機感測與連接功能方案	2017-07-12
推出基於支援多種協定的工業智慧閘道設計	2017-07-12
推出基於廣告機商顯方案	2017-07-12
推出基於混合無縫拼接矩陣	2017-07-12
力推智慧型電源模組於消費性家電設備以及輕工業馬達應用	2017-07-12

醫療電子

推出低功耗藍芽模組(BLE)醫療電子應用方案	2017-08-23
力推微激光掃描技術在醫療電子的應用方案	2017-08-23
推出用於個人健康監視的多參數、生物信號監視器參考設計	2017-08-23



Multi-Parameter Bio-signal Monitor (MPBSM)



Molibe Projector Solution

WPG Holdings

http://www.WPGholdings.com
IR@WPGholdings.com