



**WPG Holdings Ltd.
(3702.TT/3702.TW)
4Q18 Earning Release**

Jan. 30th, 2019

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.**
- **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**

■ **4Q18 Financial Highlights & 1Q19 Outlook** **Cliff Yuan**

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

Result Highlights



Unit:NT\$million

item	4Q18	4Q18 Forecast	3Q18	4Q17	QoQ(%)	YoY(%)	2018	2017	YoY(%)
Net Sales	131,817	132 ~ 138B	150,362	138,461	(12.3)	(4.8)	545,124	532,510	2.4
Gross Margin	4.37%	4.1% ~ 4.3%	4.32%	3.90%	+5 bp	+47 bp	4.34%	4.16%	+18 bp
Operating Expenses	(3,221)		(3,564)	(2,781)	(9.6)	15.8	(13,066)	(12,198)	7.1
Operating Income	2,535		2,927	2,620	(13.4)	(3.3)	10,568	9,953	6.2
Operating Margin	1.92%	1.80% ~ 1.95%	1.95%	1.89%	-2 bp	+3 bp	1.94%	1.87%	+7 bp
Net Income	1,569		1,769	1,645	(11.3)	(4.6)	7,432	7,308	1.7
EPS (NT\$) ₍₁₎	0.93		1.02	0.90			4.21	4.10	
Net Book Value (NT\$) ₍₁₎	32.40								
Total Assets	195,814		211,387	178,668			195,814	178,668	
Total Liabilities	140,940		158,346	126,612			140,940	126,612	
Total Equity	54,875		53,041	52,055			54,875	52,055	
Net Working Capital	110,053		113,192	99,732			110,053	99,732	

Free Cash Flow	4,018		(1,898)	4,236			(3,277)	8,048	
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KEY Indices₍₂₎

ROWC	9.2%		10.3%	10.5%	-113 bp	-130 bp	9.6%	10.0%	-38 bp
NWC/Sales	0.21		0.19	0.18			0.20	0.19	
ROE	11.9%		13.6%	13.0%	-175 bp	-114 bp	14.0%	14.4%	-39 bp
Gearing	1.24		1.36	1.20			1.24	1.20	

(1).Weighted average shares
outstanding

1,679

1,736

1,825

1,766

1,783

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit: NT\$million

Item	4Q18	3Q18	QoQ(%)	4Q17	YoY(%)	2018	2017	YoY(%)
Revenue	131,817	150,362	(12.3)	138,461	(4.8)	545,124	532,510	2.4
COGS	(126,061)	(143,871)	(12.4)	(133,059)	(5.3)	(521,490)	(510,359)	2.2
Gross Profit	5,756	6,492	(11.3)	5,401	6.6	23,634	22,151	6.7
Gross Margin	4.37%	4.32%		3.90%		4.34%	4.16%	
Operating Expenses	(3,221)	(3,564)	(9.6)	(2,781)	15.8	(13,066)	(12,198)	7.1
Operating Income	2,535	2,927	(13.4)	2,620	(3.3)	10,568	9,953	6.2
Operating Margin	1.92%	1.95%		1.89%		1.94%	1.87%	
Net Non-operating Items	(562)	(670)	(16.1)	(674)	(16.5)	(1,335)	(1,073)	24.4
Net Financing costs	(706)	(665)	6.2	(533)	32.4	(2,448)	(1,812)	35.1
Foreign Exchange	100	(11)	NM	78	29.3	335	401	(16.5)
Others	43	5		(218)		778	337	
Profit Before Tax	1,972	2,257	(12.6)	1,947	1.3	9,233	8,880	4.0
Tax	(387)	(475)	(18.4)	(292)	32.8	(1,747)	(1,514)	15.4
Minority	(16)	(14)		(10)		(53)	(58)	
Profit After Tax	1,569	1,769	(11.3)	1,645	(4.6)	7,432	7,308	1.7
Net Margin	1.19%	1.18%		1.19%		1.36%	1.37%	
EPS (NT\$) ₍₁₎	0.93	1.02		0.90		4.21	4.10	
Tax %	20%	21%		15%		19%	17%	
(1).Weighted average shares outstanding	1,679	1,736		1,825		1,766	1,783	

Unaudited, Prepared by WPG based on TIFRS.

Balance Sheet



Unit: NT\$million

item	4Q18		3Q18		4Q17	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	7,170	4	8,419	4	7,100	4
Accounts Receivable - Trade	98,502	50	108,996	52	91,383	51
Inventory	64,207	33	67,689	32	57,474	32
Current Assets	180,771	92	196,613	93	163,855	92
Others	15,043	8	14,774	7	14,813	8
Total Assets	195,814	100	211,387	100	178,668	100
Current Interest-bearing Debt	62,620	32	74,825	35	62,753	35
Accounts Payable	52,656	27	63,492	30	49,125	27
Accrued Liabilities and Others	10,992	6	11,880	6	6,284	4
Current Liabilities	126,268	64	150,196	71	118,162	66
Long-term Interest-bearing Debt	13,366	7	6,897	3	7,238	4
Others	1,305	1	1,252	1	1,212	1
Total Liabilities	140,940	72	158,346	75	126,612	71
Total Equity	54,875	28	53,041	25	52,055	29

KEY Indices⁽¹⁾

Net Working Capital (NT\$million)	110,053	113,192	99,732
AR Turnover (Days)	72	63	62
Inventory Turnover (Days)	48	42	41
AP Turnover (Days)	42	37	37
Average Collection Periods (Days)	78	67	66
Current Ratio	143%	131%	139%
Gearing	1.24	1.36	1.20

(1).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Cash Flows



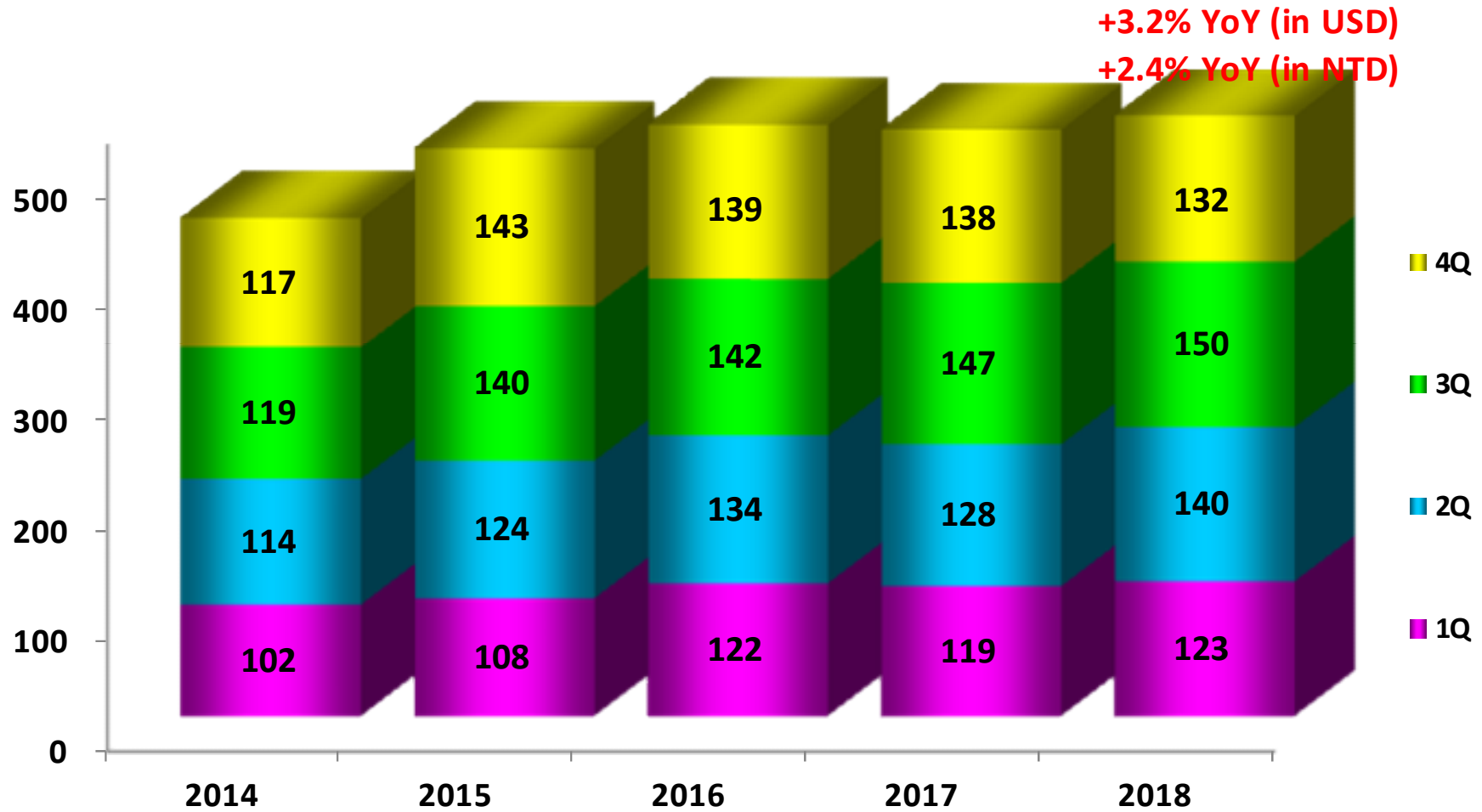
Unit: NT\$ million	4Q18	3Q18	4Q17	2018	2017
-Income before Income Tax	1,972	2,257	1,947	9,233	8,880
-Changes of NWC	3,445	(4,851)	(1,393)	(7,620)	(5,174)
-Adjustment & Others	(1,399)	696	3,682	(4,890)	4,342
From Operation	4,018	(1,898)	4,236	(3,277)	8,048
-Other Financial Instruments	335	(603)	477	(49)	742
-Capital Expenditure	(124)	(426)	(98)	(674)	(975)
-Acquisition of subsidiaries	-	-	(12)	-	(12)
-Marketable Financial Instruments	(67)	344	(45)	679	(202)
-Others	53	327	4	87	2
From Investment	197	(358)	326	43	(446)
-Financial Debt	(5,736)	7,305	(3,512)	5,999	337
-Cash Dividends	-	(4,380)	-	(4,380)	(4,178)
-Others	(28)	1	35	(12)	(12)
From Financing	(5,764)	2,926	(3,477)	1,607	(3,853)
Cumulative translation adjustments	300	191	(1,009)	1,672	(5,108)
Net Cash Position Change	(1,249)	860	76	44	(1,359)
Ending Cash Balance	7,142	8,391	7,098	7,142	7,098

Unaudited, Prepared by WPG based on TIFRS.

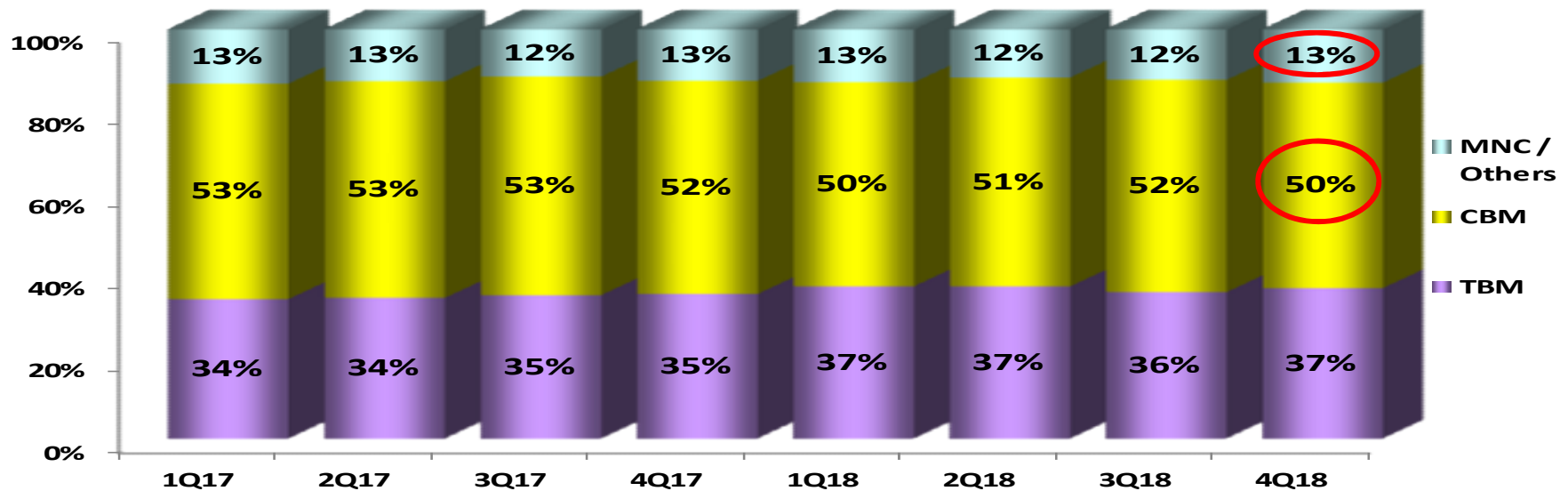
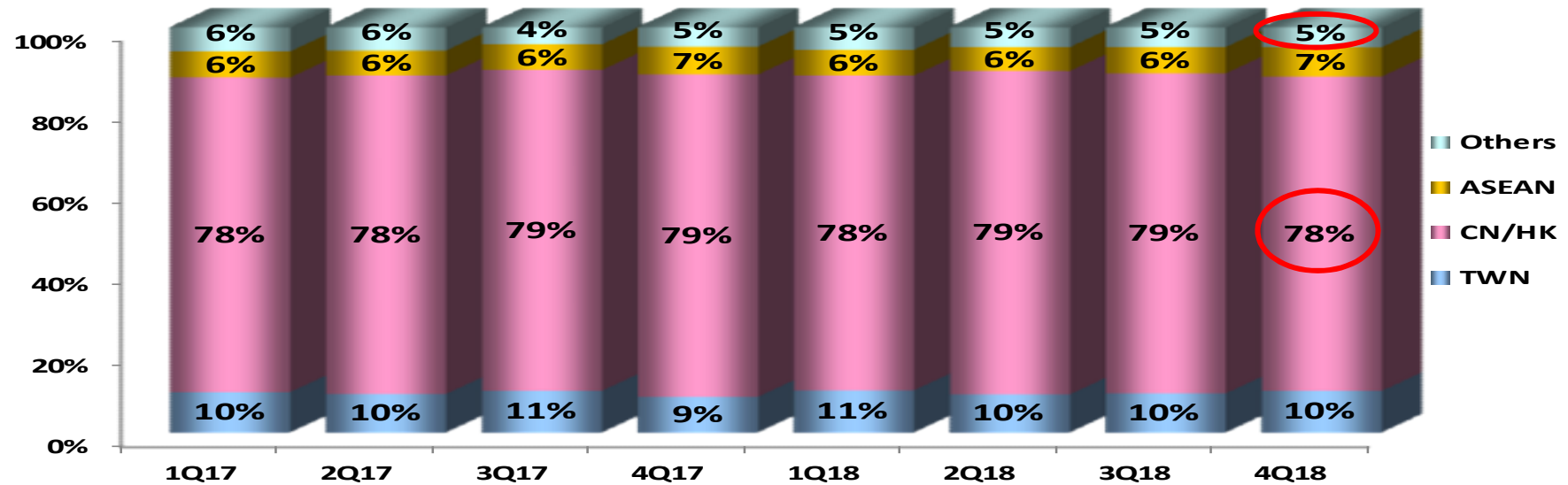
Consolidated Revenue



Unit: NT\$billion

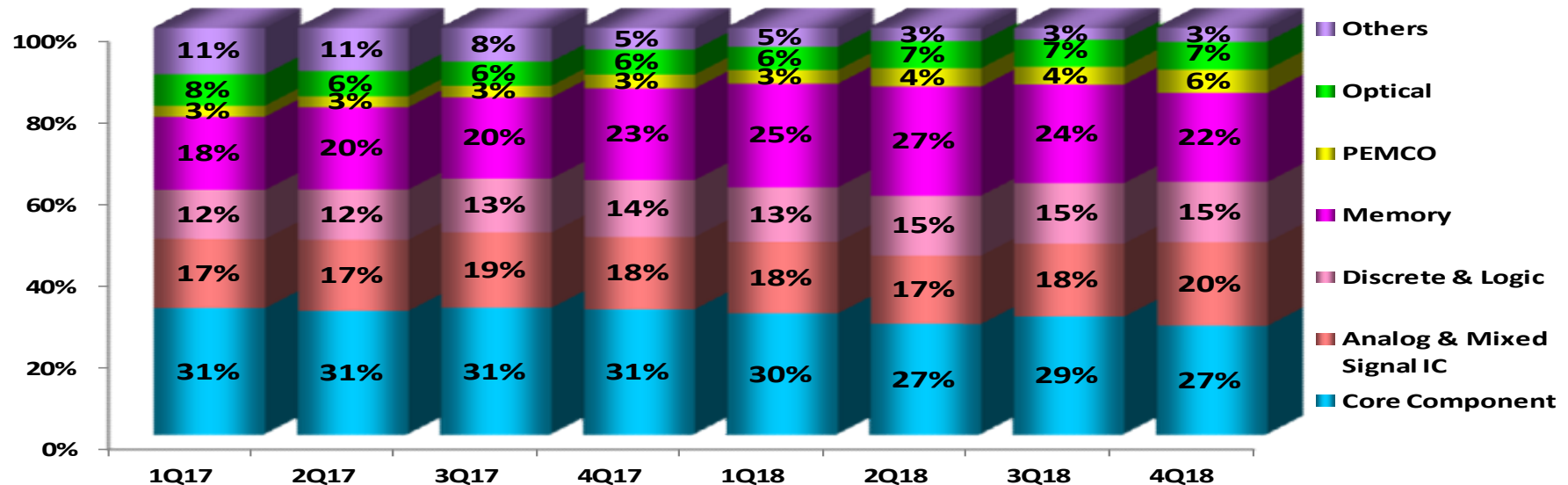
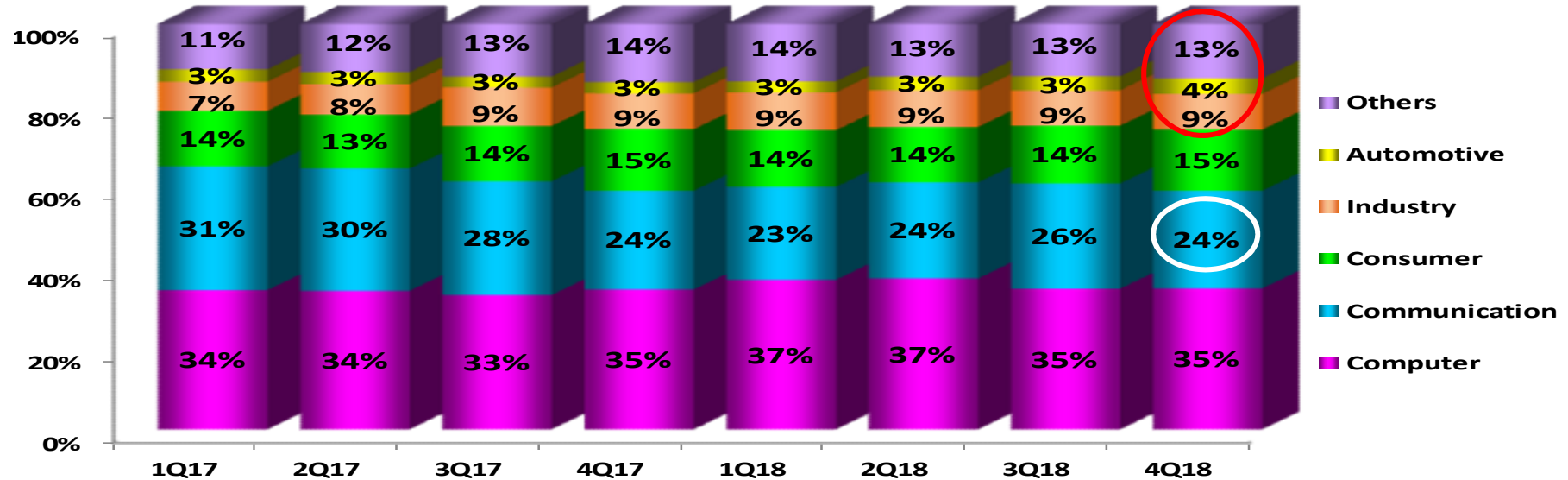


Sales breakdown by Geography/ Customer

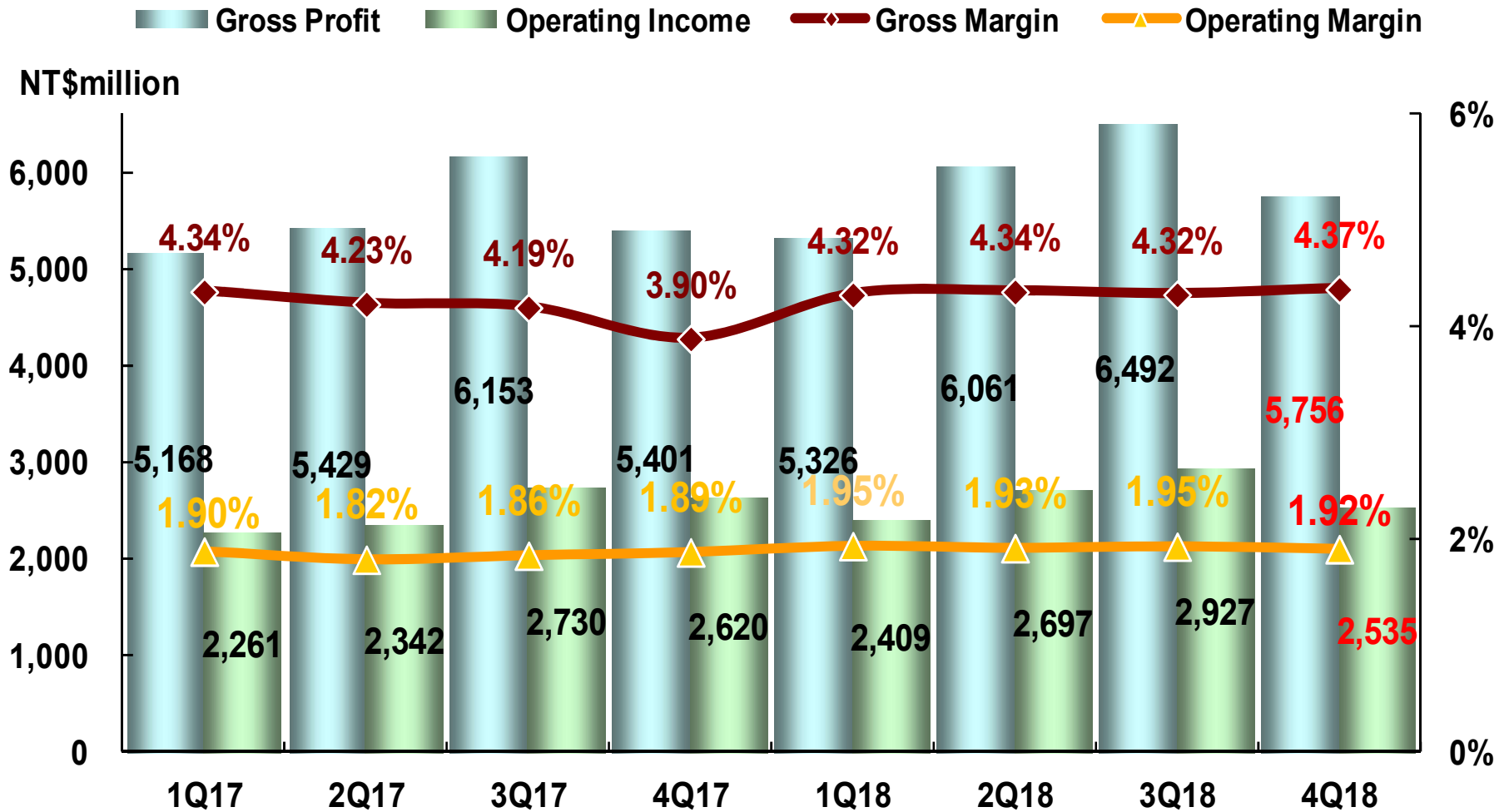


TBM : Taiwan-Based Customers
 CBM : China Based Customers

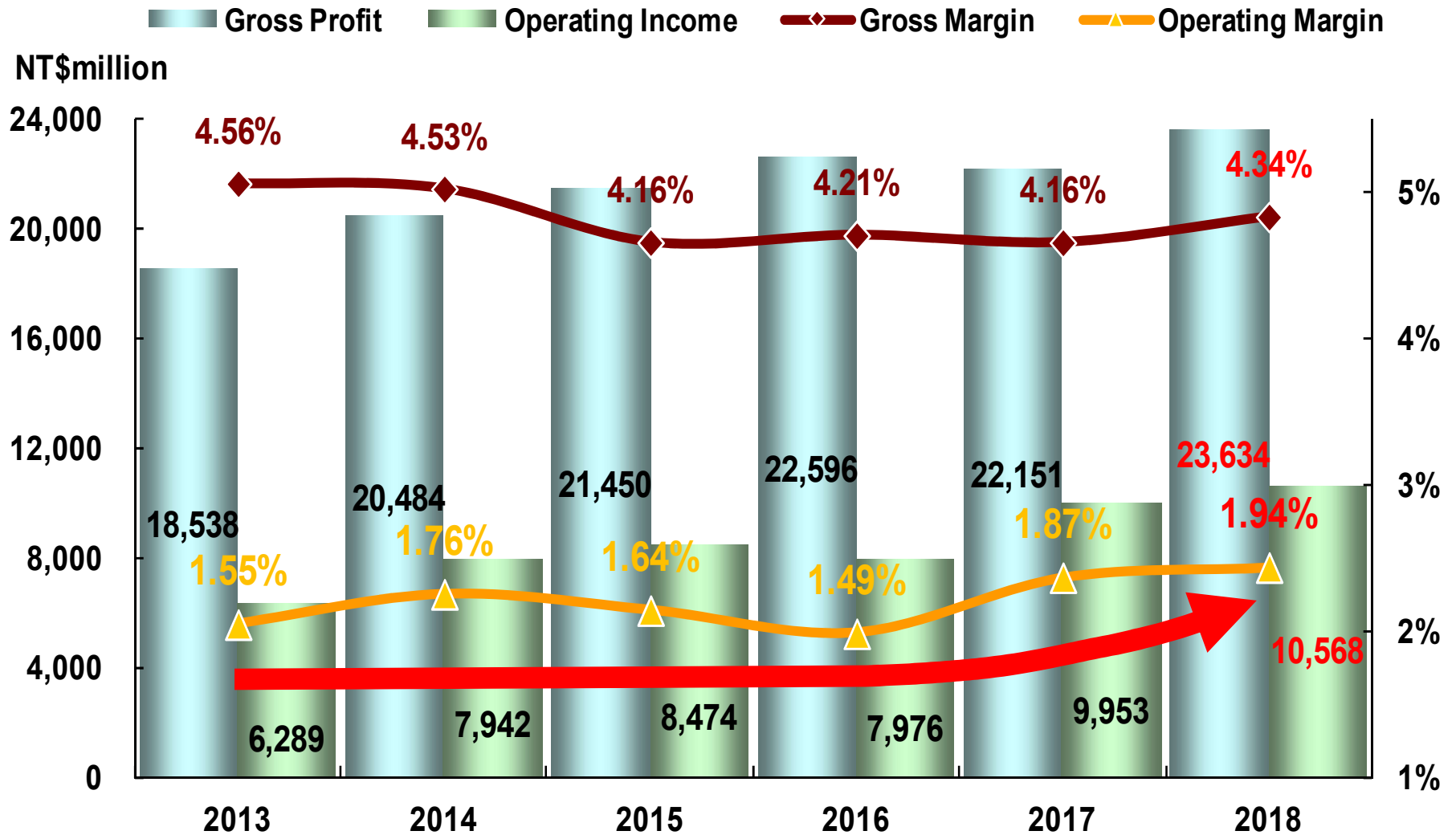
Sales breakdown by Application/ Device Type



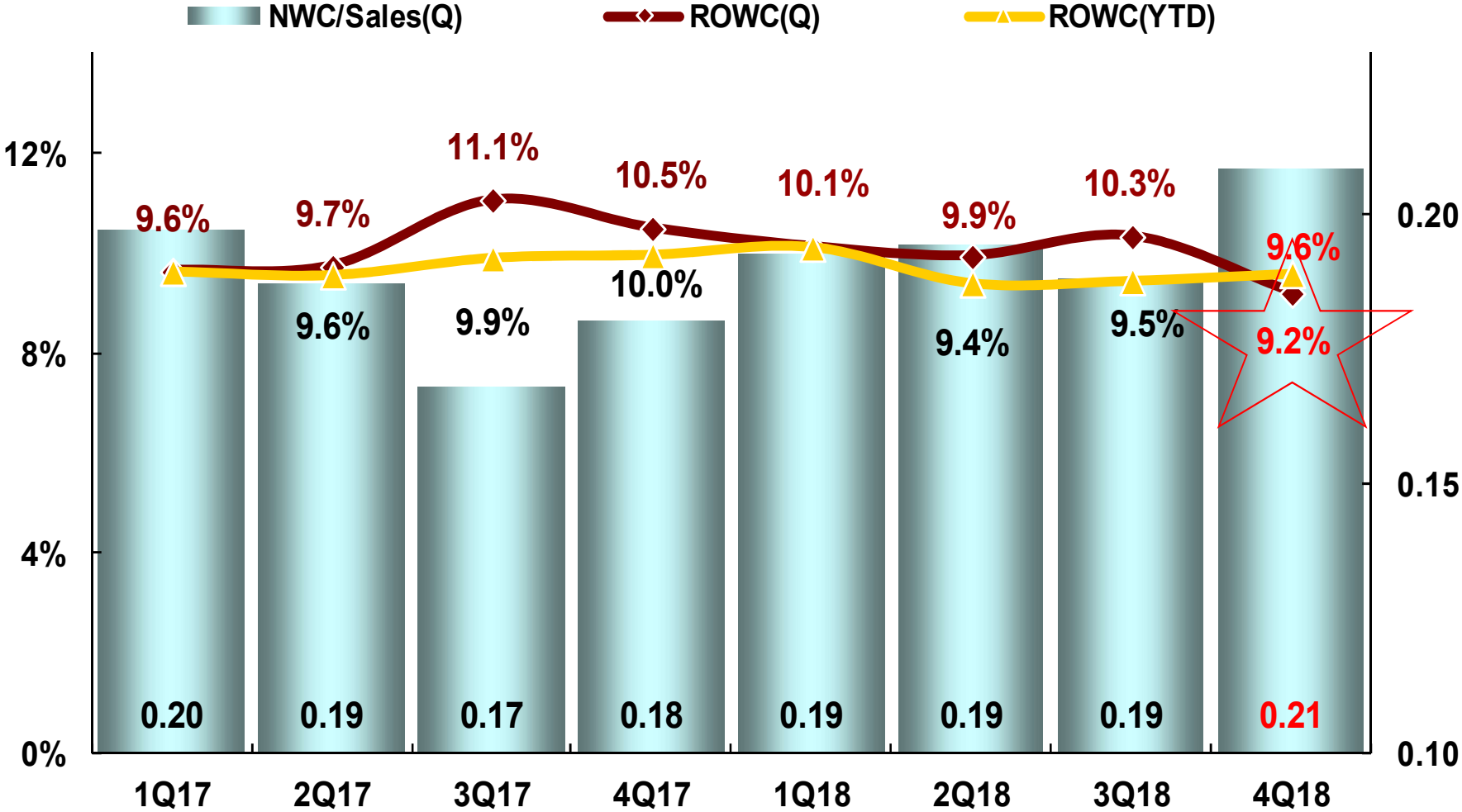
Gross Margin vs. Operating Margin



Gross Margin vs. Operating Margin

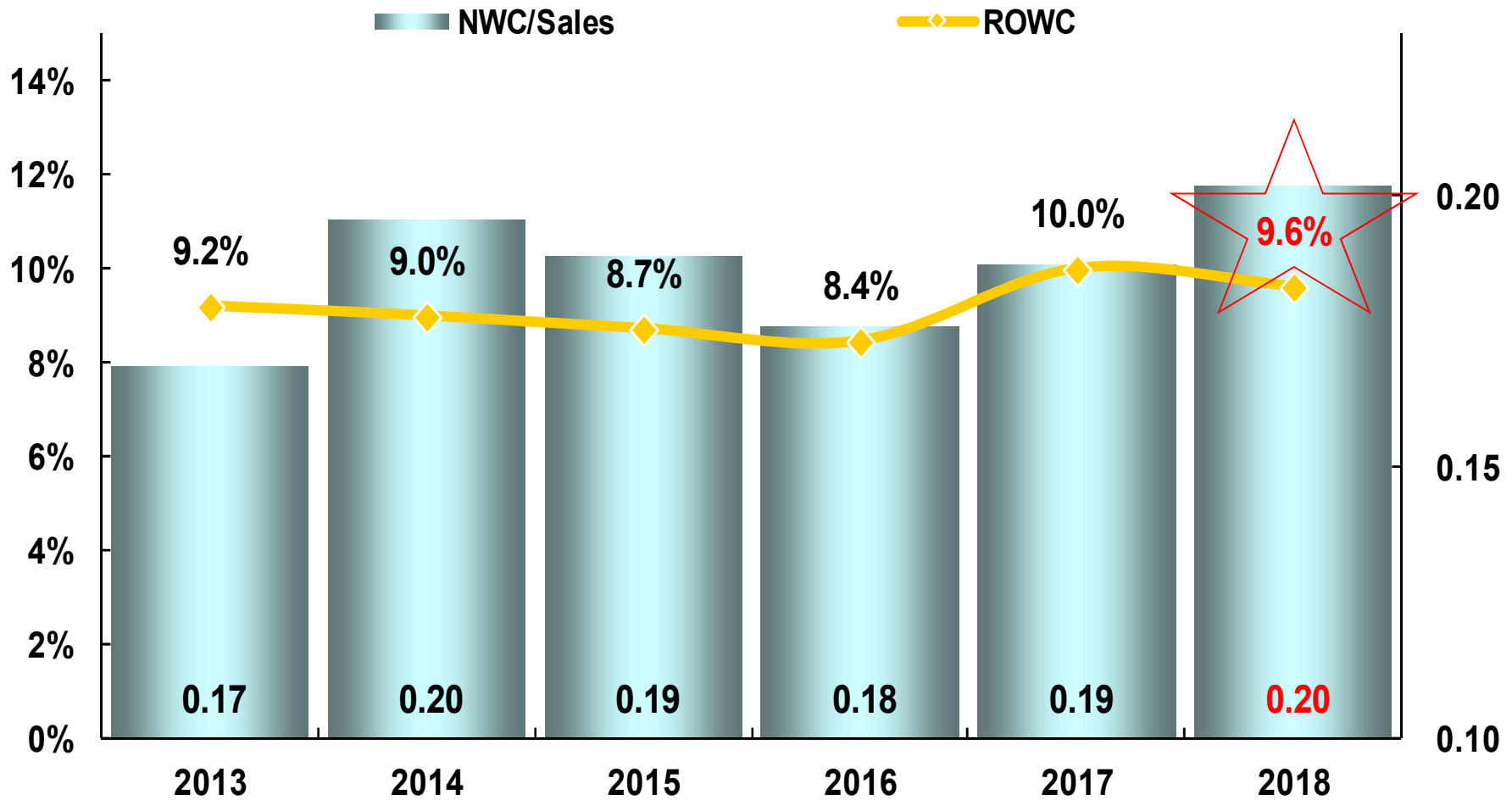


ROWC vs. NWC/Sales

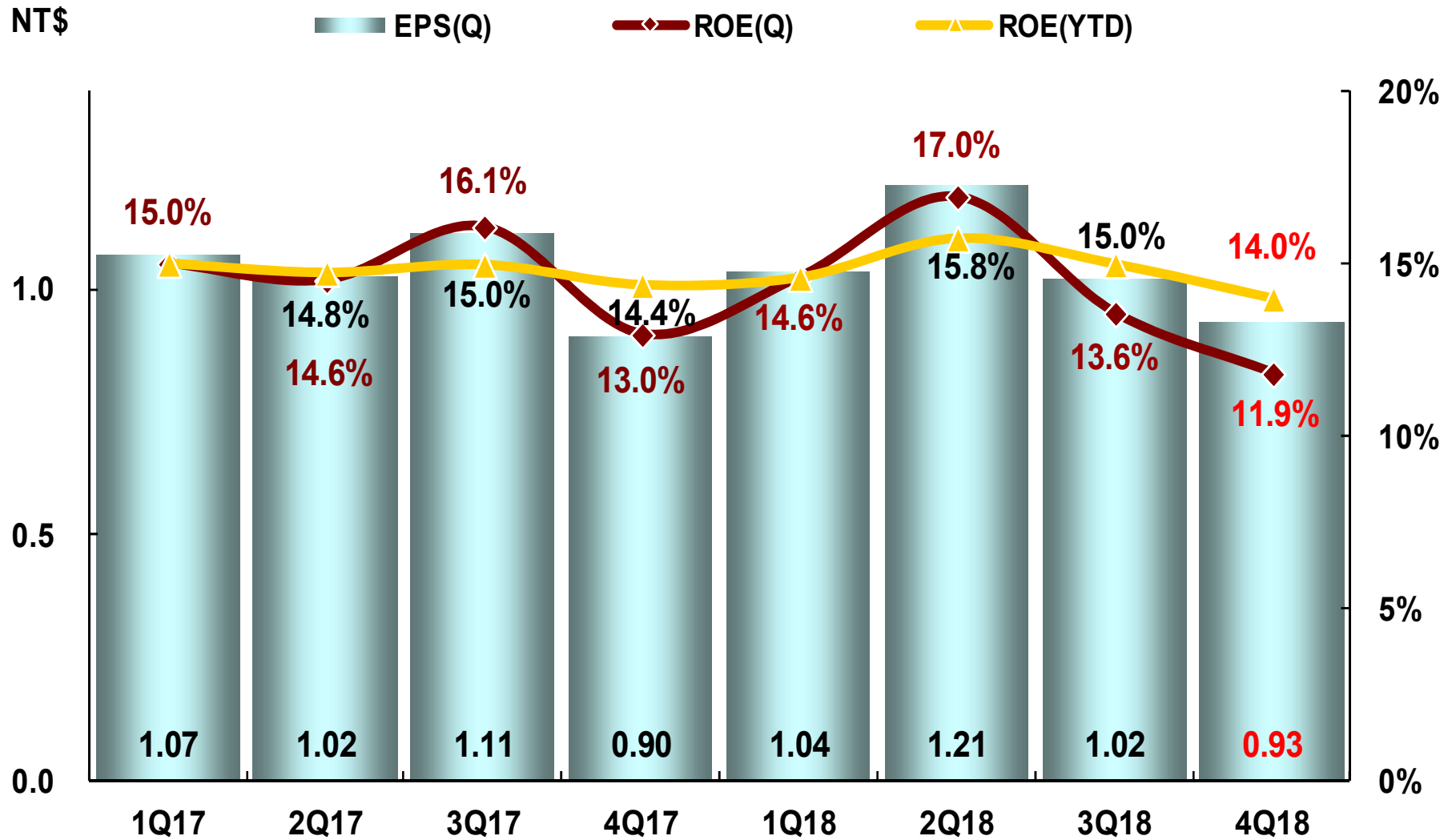


Note : Annualized

ROWC vs. NWC/Sales

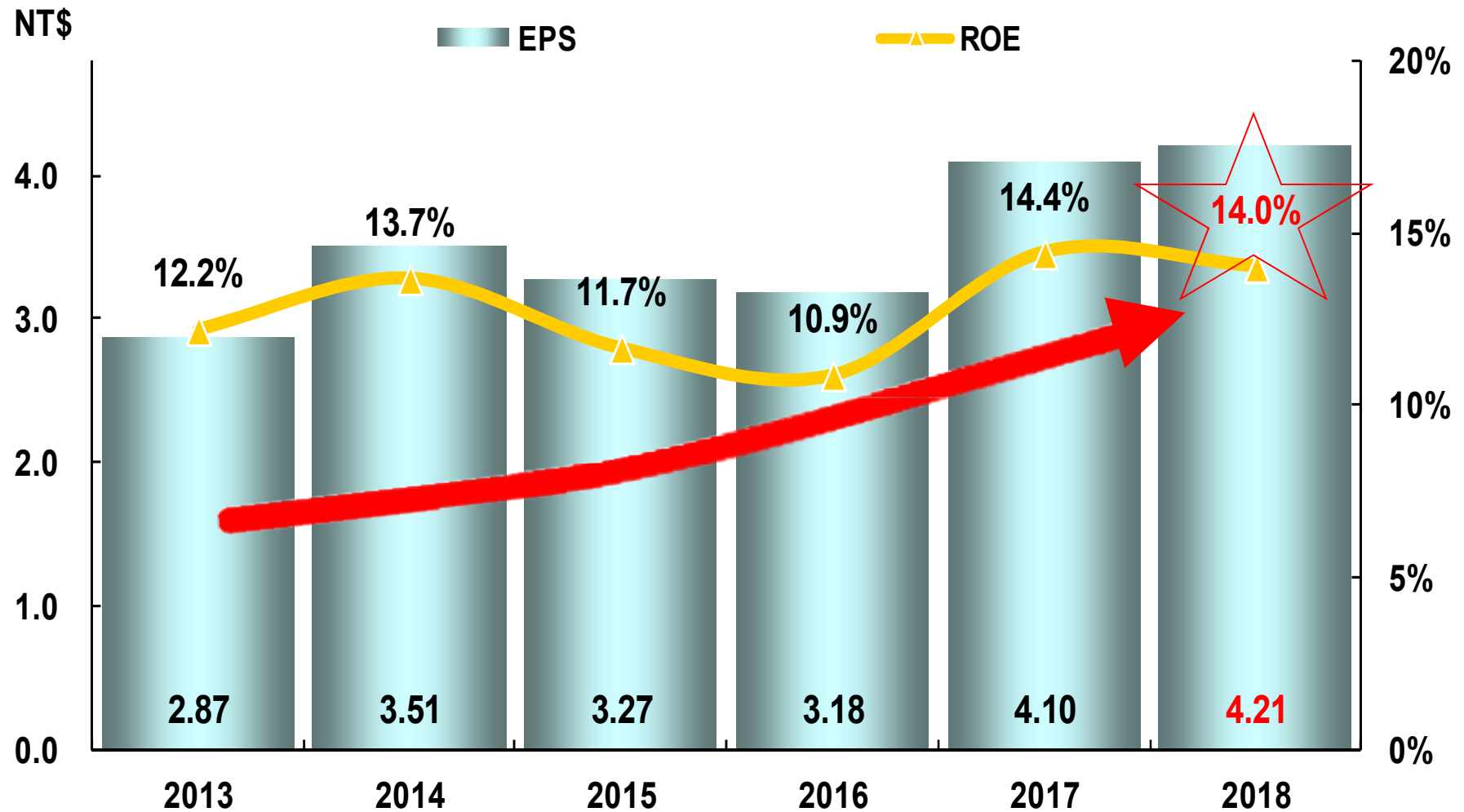


ROE vs. EPS

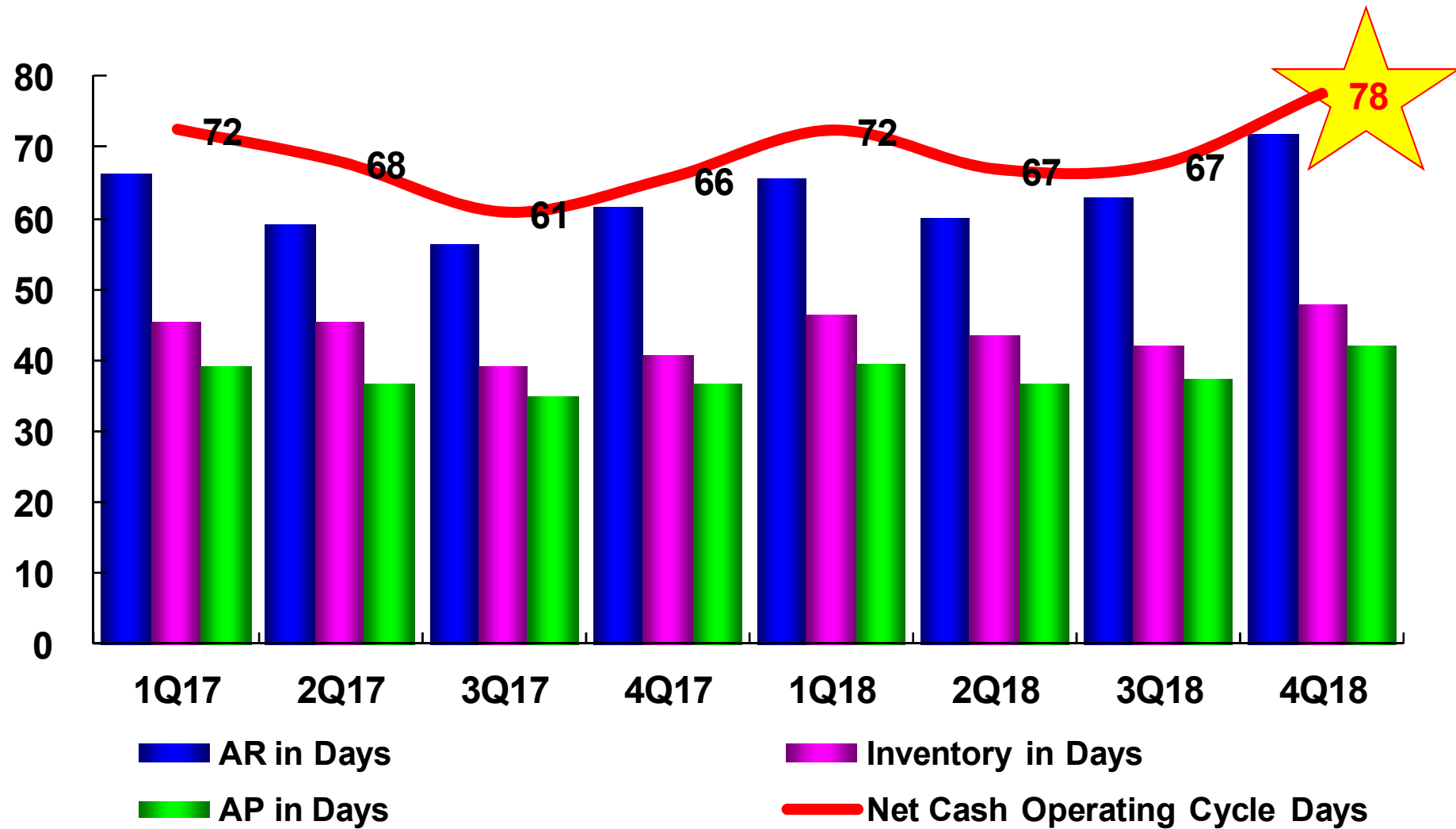


Note : Annualized

ROE vs. EPS



Operating Cash Cycle



Note : Annualized

1Q19 Summary Forecast



Based on our current business outlook, management expects :

Unit:NT\$million

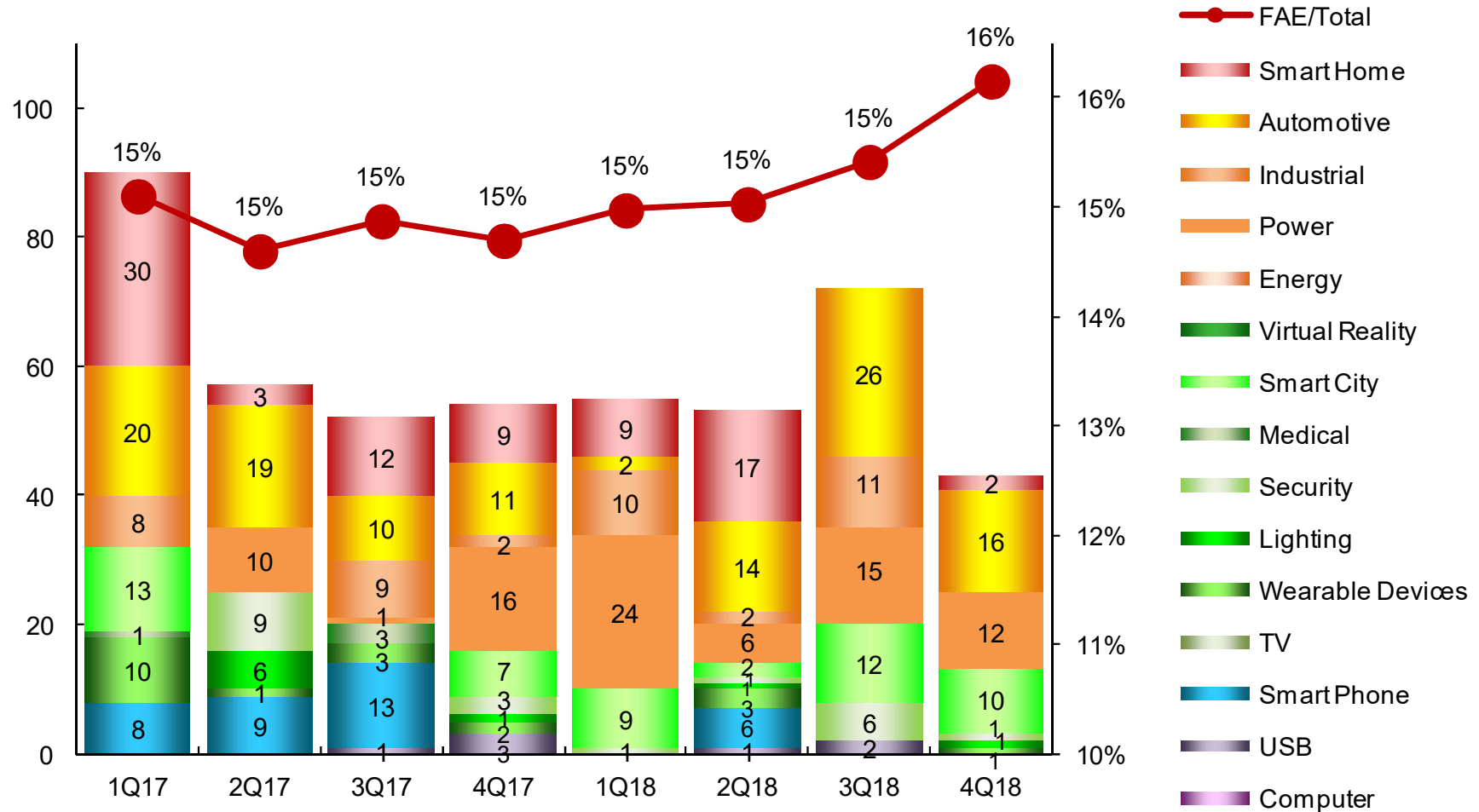
Item	1Q19 Forecast ⁽³⁾		4Q18 ⁽¹⁾
Revenue	117,000	~ 123,000	131,817
Gross Profit	4,797	~ 5,289	5,756
Gross Margin	4.10%	~ 4.30%	4.37%
Operating Expenses	2,867	~ 3,014	3,221
Operating Income	1,930	~ 2,275	2,535
Operating Margin	1.65%	~ 1.85%	1.92%
Profit Before Tax	1,372	~ 1,715	1,972
Profit After Tax	1,075	~ 1,349	1,569
EPS (NT\$) ₍₂₎	0.64	~ 0.80	0.93

(1). Unaudited

(2). Weighted average shares outstanding

(3). At a forecast FX rate of 30.6 NT dollars to 1 US dollar averaged over 1Q19.

More Solutions Launched



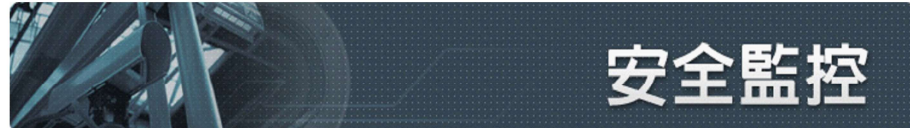
<http://www.wpgholdings.com/hotchannel/index/zhtw>

43 Solutions Launched in 4Q18



智能家居

- ▶ 推出適配智能音箱方案 2018-12-19
- ▶ 推出智慧語音傳輸服務方案 2018-12-19



安全監控

- ▶ 力推智能IPCAM解決方案 2018-12-19



LED照明

- ▶ 推出適用於工業紅外LED應用的高級可調光降壓LED驅動器參考設計 2018-12-19



Dimmable Buck Controller for LED Solution

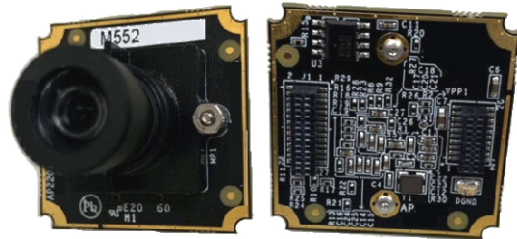


Smart Voice Services Solution

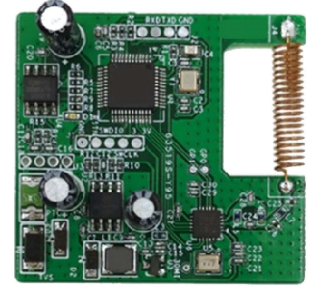


汽车电子

- ▶ 力推符合汽车标准的Bluetooth®5无线MCU 2018-12-19
- ▶ 推出先進駕駛輔助系統 2018-11-21
- ▶ 推出智能駕駛系統方案 2018-11-21
- ▶ 推出全集成降压转换器，可应用在行车记录仪 2018-11-21
- ▶ 推出適用車聯網之AVB橋接及影像壓縮解決方案 2018-11-21
- ▶ 力推24V智能電機驅動系統於汽車和工業控制應用 2018-11-21
- ▶ 推出符合EMC標準的汽車日間行車燈和位置燈參考設計 2018-11-21
- ▶ 力推汽車振盪器於ADAS、相機模塊和車載乙太網的Timing Solution 2018-10-24
- ▶ 力推工業級/汽車級Memory DRAM方案 2018-10-24
- ▶ 推出車用乙太網路解決方案 2018-10-24
- ▶ 推出胎壓監測方案 2018-10-24
- ▶ 推出先進駕駛輔助系統 2018-10-24
- ▶ 推出疲勞監測、前方碰撞、車道偏離、全景監控方案 2018-10-24
- ▶ 力推出MCU晶片於汽車車門控制解決方案 2018-10-24
- ▶ 力推USB Type A車用充電完整方案 2018-10-24
- ▶ 推出電源信號雙隔離型車用大電流檢測器方案 2018-10-24

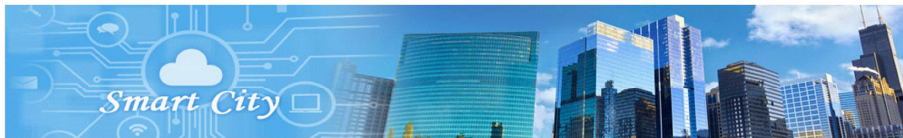


ADAS Solution

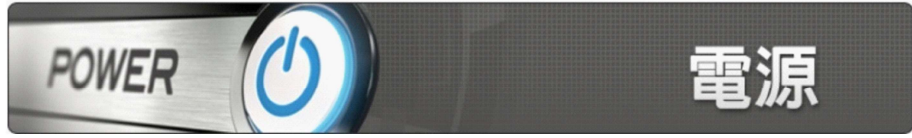


Tire Pressure Monitoring System Solution

43 Solutions Launched in 4Q18



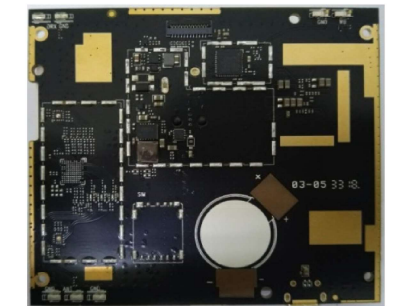
- ▶ 推出多合一物聯網節點開發套件核心元件 2018-12-19
- ▶ 推出適配智能考勤機方案 2018-12-19
- ▶ 推出智能城市電子鎖方案 2018-11-07
- ▶ 力推物聯網門鎖一站式PCBA解決方案 2018-11-07
- ▶ 力推整合式智能門鎖方案, 提供更便捷、更安全的智能生活體驗 2018-11-07
- ▶ 推出LTE行動通訊模塊支持M2M應用領域 2018-11-07
- ▶ 推出掃地機器人視覺系統 2018-11-07
- ▶ 力推360°角度傳感器於電機控制應用 2018-11-07
- ▶ 具有電池自主均衡功能的3節至5節串聯可堆疊超低功耗初級保護器 2018-11-07
- ▶ 推出聯網交流充電樁系統 2018-11-07



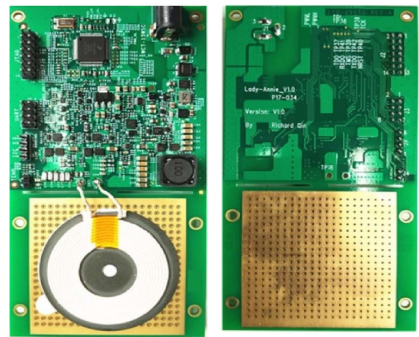
- ▶ 推出15W單線圈定頻無線充電解決方案 2018-12-19
- ▶ 力推15W車載無線充電解決方案 2018-12-05
- ▶ 推出USB Type-C™ PD移動電源參考設計 2018-12-05
- ▶ 力推Wireless Charger無線充電解決方案 2018-12-05
- ▶ 推出無線充電套件, 可為小尺寸穿戴設備充電 2018-12-05
- ▶ 力推新能源車(EV, HEV, PHEV)車載充電器解決方案 2018-12-05
- ▶ 力推晶片BMS均衡解決方案 2018-12-05
- ▶ 力推12V/1.5A 18W轉接器方案 2018-12-05
- ▶ 推出40W高輸出電流充電器方案 2018-12-05
- ▶ 力推240W電競筆電Adaptor方案 2018-12-05
- ▶ 推出TYPE-C高效能電源轉接器方案 2018-12-05
- ▶ 推出帶有微控制器且精度為±0.1°的分立式旋轉變壓器前端參考設計 2018-11-07



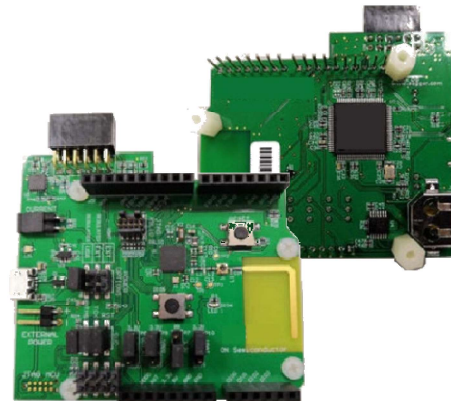
- ▶ 推出超低功耗藍芽模組 2018-12-19



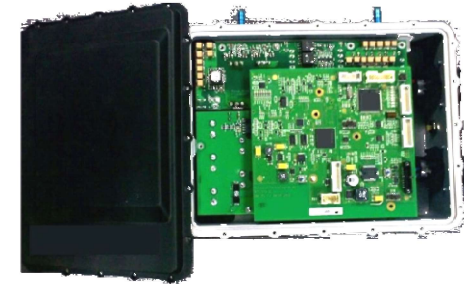
Smart Attendance Machine Solution



Wireless Charger Solution



Ultra-low Power BLE Solution



Electric Vehicles Charging Solution



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Thank you

The Benchmark of Distribution