Primax Electronics Ltd. (4915 TT)

1Q15 Earnings Conference Call

CFO Yi Pin Lee

14 May 2015

1Q15 Result

Record Q1 Revenue

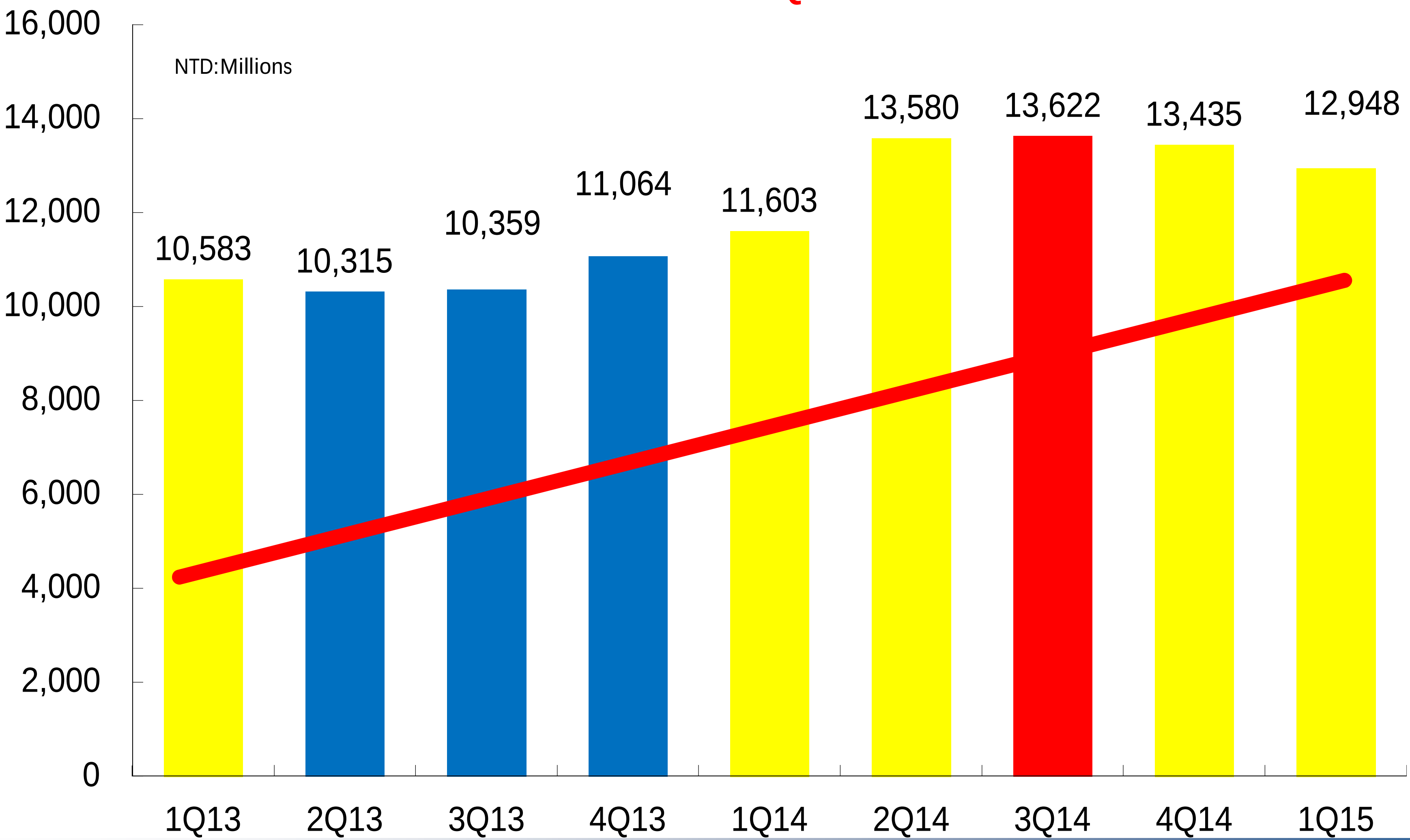
Amount ：NTD M	Q1 15	Q4 14	Q1 14	QoQ	YoY
Net Sales	12,958	13,435	11,603	-3.6%	11.7%
COGS	11,526	11,849	10,178		
Gross Profit	1,432	1,586	1,425		
Gross Margin	11.1%	11.8%	12.3%	-0.8%	-1.2%
Operating Expense	1,059	1,263	927		
Operating Expense %	8.2%	9.4%	8.0%	-1.2%	0.2%
Operating Income	373	323	497	15.5%	-24.9%
Operating Margin	2.9%	2.4%	4.3%	0.5%	-1.4%
Non-operating Items	118	102	(51)		
Income before Tax	492	425	446	15.6%	10.1%
Income Tax	114	85	101		
Net Income	378	340	345	11.1%	9.5%
Net Margin	2.9%	2.5%	3.0%	0.4%	-0.1%
Net income attributed to Primax	368	332	323		
EPS (NT$)	0.85	0.76	0.75		

Quarterly Sales

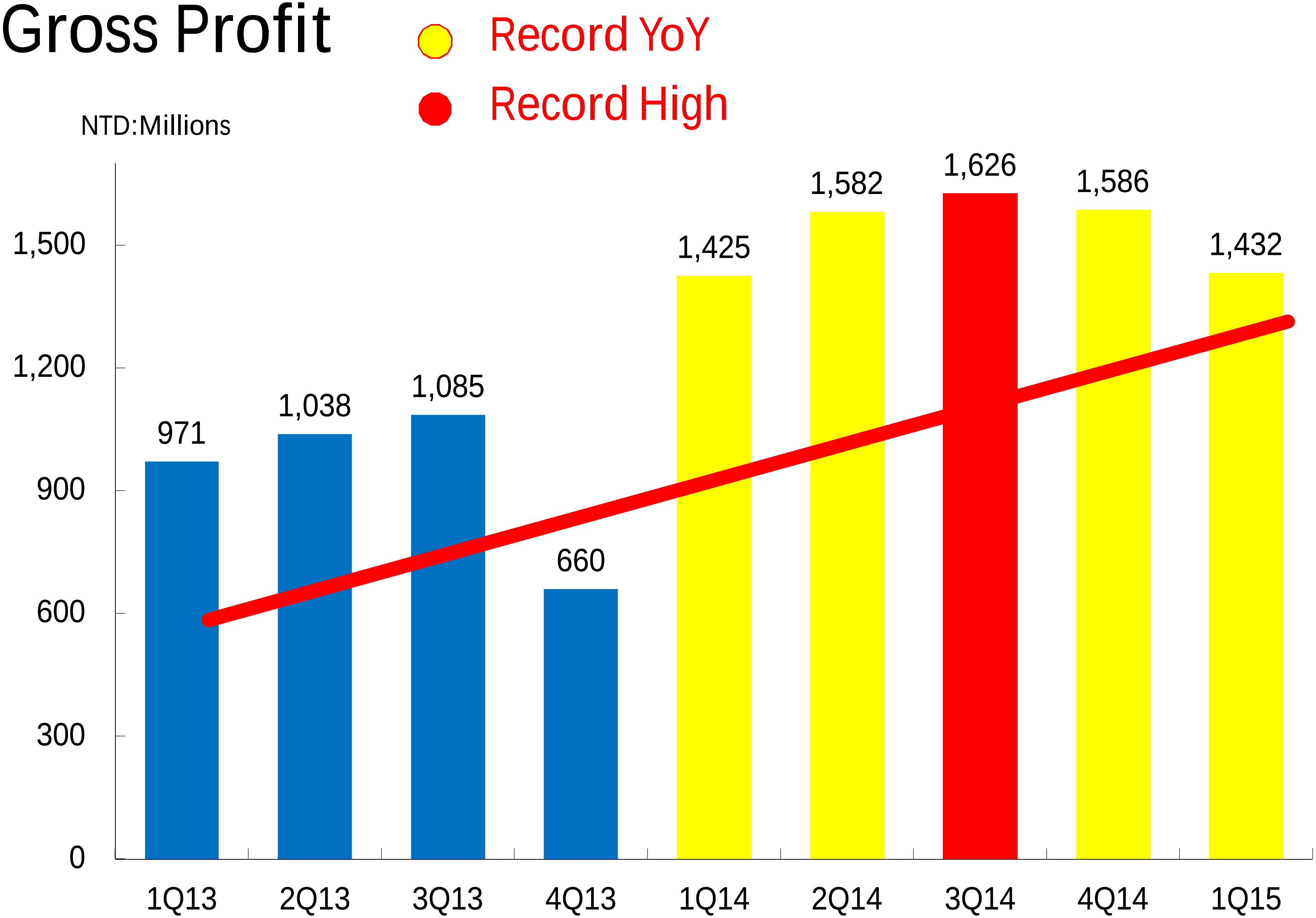
Record YoY

Record 2nd High

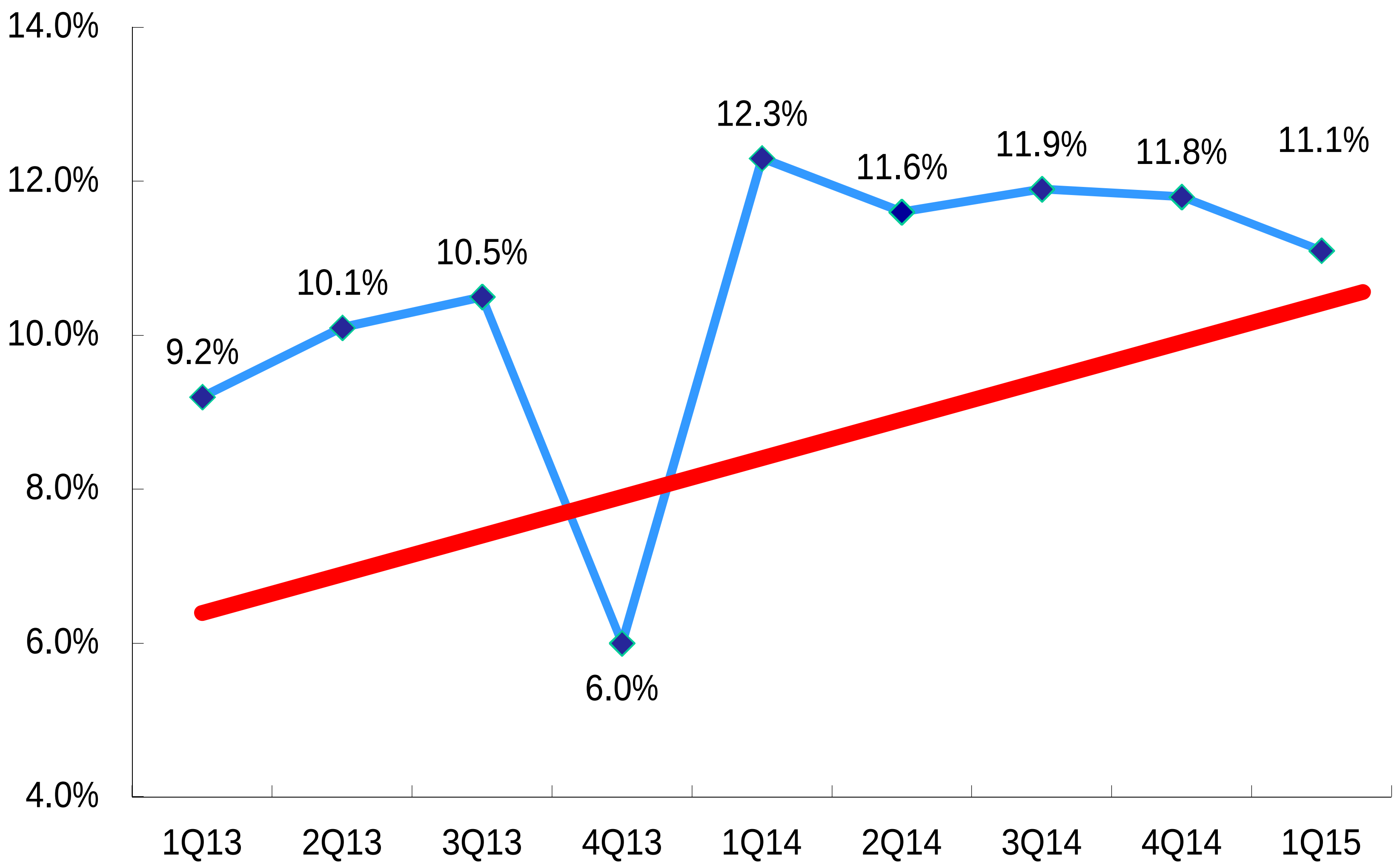
Consecutive 3 Years Record Q1



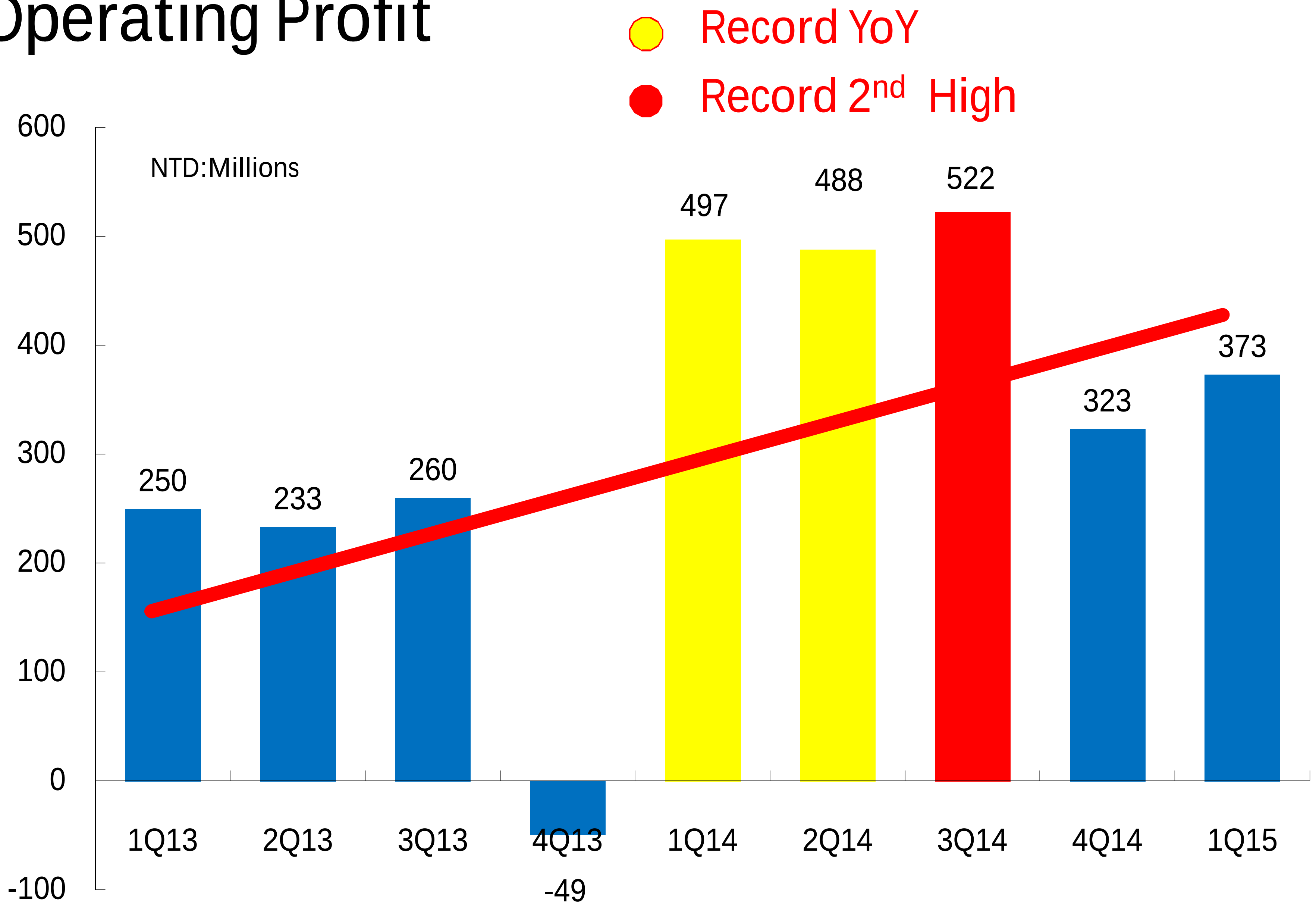
Gross Profit



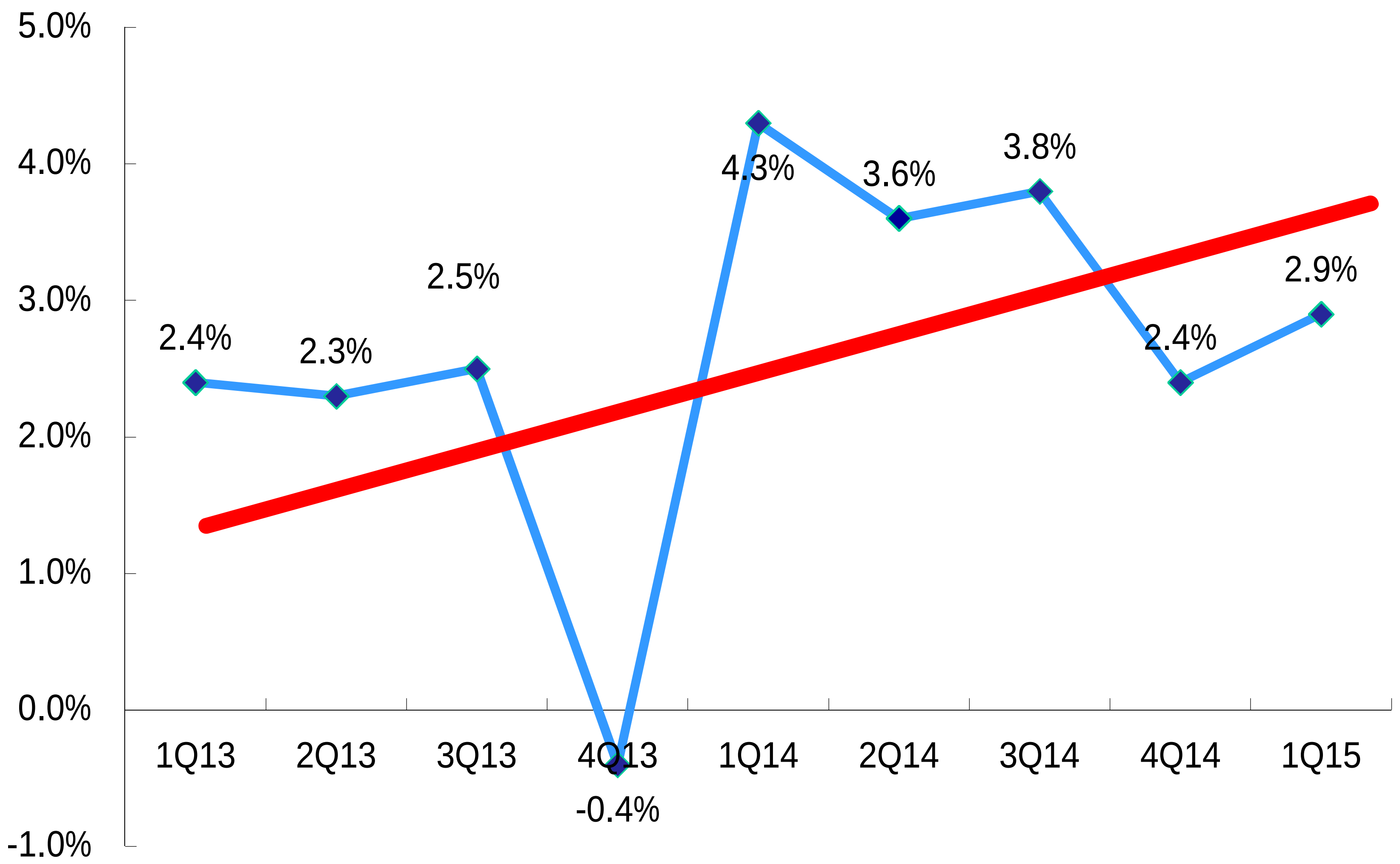
Gross Margin



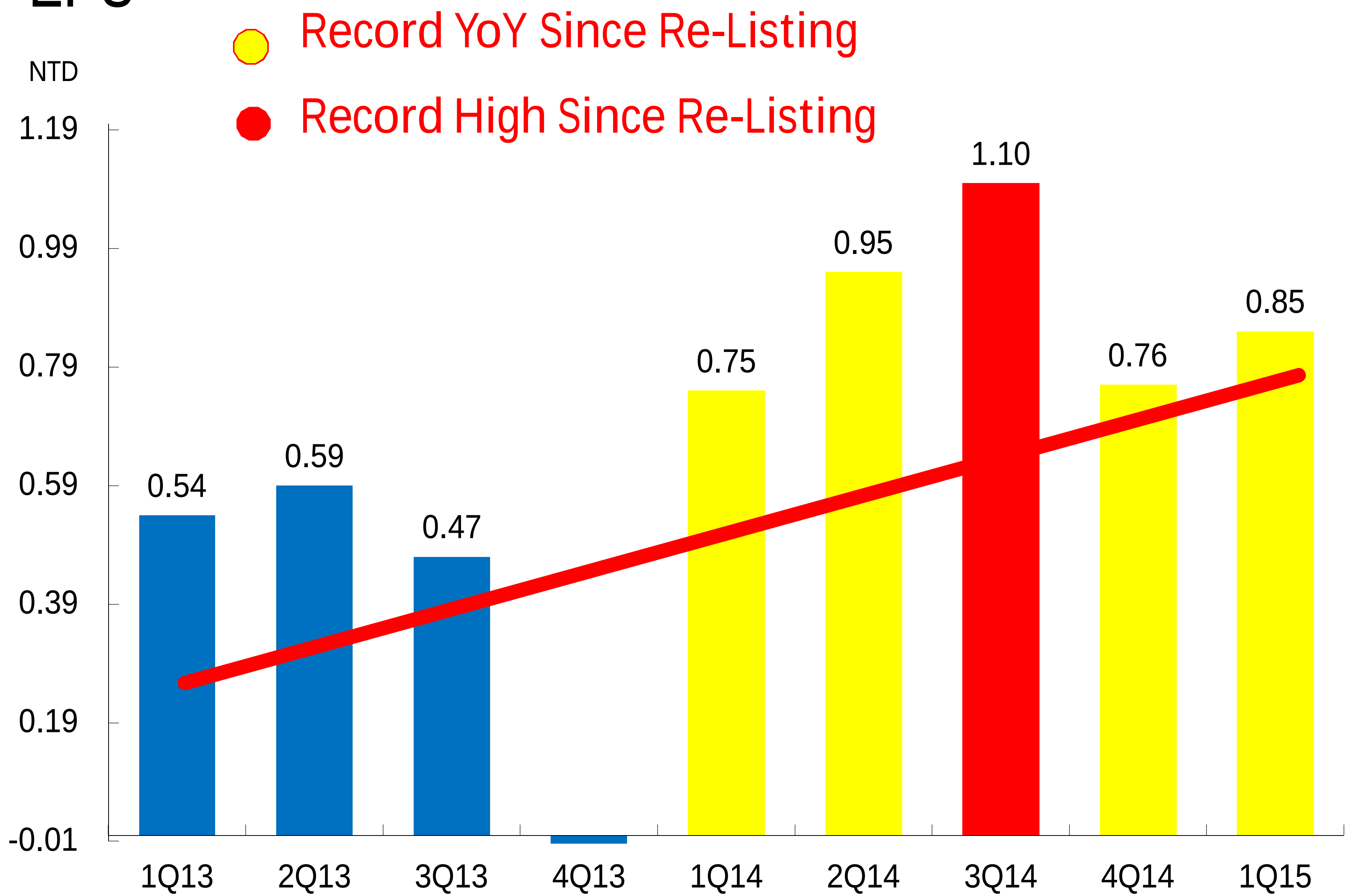
Operating Profit



Operating Margin



EPS



Record YoY Since Re-Listing
Record High Since Re-Listing
NTD
1.19
0.99
0.79
0.59
0.39
0.19
-0.01
0.54
0.59
0.47
0.75
0.95
1.10
0.76
0.85
1Q13
2Q13
3Q13
4Q13
1Q14
2Q14
3Q14
4Q14
1Q15

1Q15 Statement of Financial Position

Selected items from Balance Sheet (Amount：NTD M)	1Q15 Amt	1Q15 %	1Q14 Amt	1Q14 %
Cash	6,864	20%	6,264	24%
Accounts receivable	10,299	30%	7,682	29%
Inventory	5,534	16%	4,413	17%
Total Current Assets	24,201	71%	19,272	73%
Fixed Assets	5,016	15%	3,479	13%
Total Assets	33,919	100%	26,546	100%
Accounts Payable	11,707	35%	9,687	37%
S-T Borrowings	4,209	12%	2,926	11%
CPLTD	604	2%	600	2%
Total Current Liabilities	19,933	59%	15,990	60%
L-T Borrowings	1,328	4%	1,200	5%
Total Liabilities	21,984	65%	17,514	66%
Total Equity	11,935	35%	9,032	34%
Key Indices				
AR Turnover (days)	63		56	
AP Turnover (days)	85		80	
Inventory Turnover (days)	39		38	
Cash Conversion Cycle (days)	18		14	
Current Ratio (%)	121.4		120.5	
Total Liabilities -to-Assets Ratio (%)	64.8		66.0	
Book Value Per Share (NT$)	21.64		18.27	

1Q15 Statement of Cash Flows

Amount：NTD M

	1Q15	1Q14
From Operation	(1,149)	342
- Income before tax	492	446
- Depreciation and amortization	340	295
- Notes and Account receivable	759	1,399
- Notes and Account payable	(1,307)	(1,973)
- Inventory	(310)	601
- Other Operating Sources / (Uses)	(1,123)	(427)
From Investment	(580)	(2,474)
- Fixed Assets	(540)	(142)
- Acquisition of Tymphany's 70% shareholding	(39)	(2,330)
- Other Investing Sources / (Uses)	(1)	(2)
From Financing	1,803	3,579
- Exercise of ESOP	14	1
- S-T Borrowings	1,754	1,861
- L-T Borrowings	(7)	1,720
- Other Financing Sources / (Uses)	41	(2)
Net Cash Position Change	73	1,447
Effect of foreign currency exchange translation	(24)	31
Cash at beginning of year	6,814	4,787
Ending Cash Balance	6,864	6,264

2Q15 Outlook

- Continuous Top-Line Growth
  Earnings Structure Further Improving
- Product Mix: Pc Peripherals (+) Mobile Device (+)
  Businiss Equipment & Audio Sustain
- High Entry Barrier Pc Peripherals Product
  Strong Demand & New Account Add-In
  Following By New Project Mass Production
- CCM OIS Product To Perform
  Broader Customer Base & Higher Wallet Share

Thank you!

Safe Harbor Notice

- We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us
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