



Primax Electronics Ltd. (4915 TT)

4Q15 Earnings Conference Call

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CFO Yi Pin Lee

24 Mar 2016

2015 Result

**Record Revenues 、 EPS
Continue Strengthen Earning Structure**

Amount : NTDM

	2015	2014	YoY
Net Sales	65,589	52,240	25.6%
COGS	58,449	46,021	
Gross Profit	7,140	6,219	
<i>Gross Margin</i>	10.9%	11.9%	-1.0%
Operating Expense	4,972	4,389	
<i>Operating Expense %</i>	7.6%	8.4%	-0.8%
Operating Income	2,168	1,830	18.5%
<i>Operating Margin</i>	3.3%	3.5%	-0.2%
Non-operating Items	305	218	
Income before Tax	2,473	2,048	20.8%
Income Tax	656	439	
Net Income	1,817	1,609	12.9%
<i>Net Margin</i>	2.8%	3.1%	-0.3%
Net income attributed to Primax	1,773	1,545	
EPS (NT\$)	4.06	3.57	

4Q15 Result

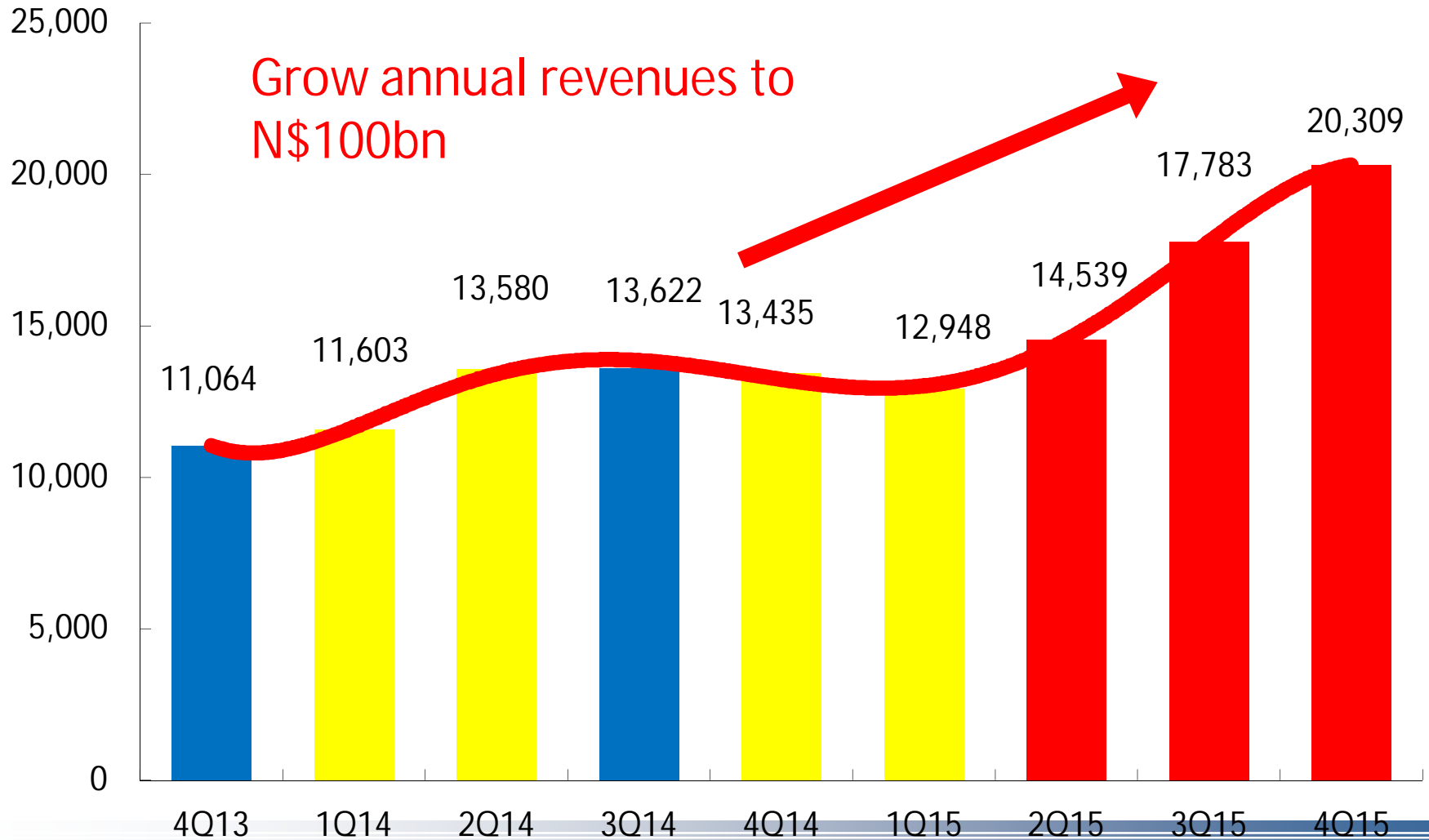
Amount : NTDM

	Q4 15	Q3 15	Q4 14	QoQ	YoY
Net Sales	20,309	17,783	13,435	14.2%	51.2%
COGS	18,131	15,799	11,849		
Gross Profit	2,178	1,984	1,586		
<i>Gross Margin</i>	10.7%	11.2%	11.8%	-0.4%	-1.1%
Operating Expense	1,417	1,342	1,263		
<i>Operating Expense %</i>	7.0%	7.5%	9.4%	-0.6%	-2.4%
Operating Income	761	642	323	18.5%	135.5%
<i>Operating Margin</i>	3.7%	3.6%	2.4%	0.1%	1.3%
Non-operating Items	(25)	119	102		
Income before Tax	735	761	425	-3.4%	72.9%
Income Tax	224	224	85		
Net Income	512	537	340	-4.8%	50.5%
<i>Net Margin</i>	2.5%	3.0%	2.5%	-0.5%	0.0%
Net income attributed to Primax	505	501	332		
EPS (NT\$)	1.15	1.15	0.76		

Quarterly Sales

Amount : NTDM

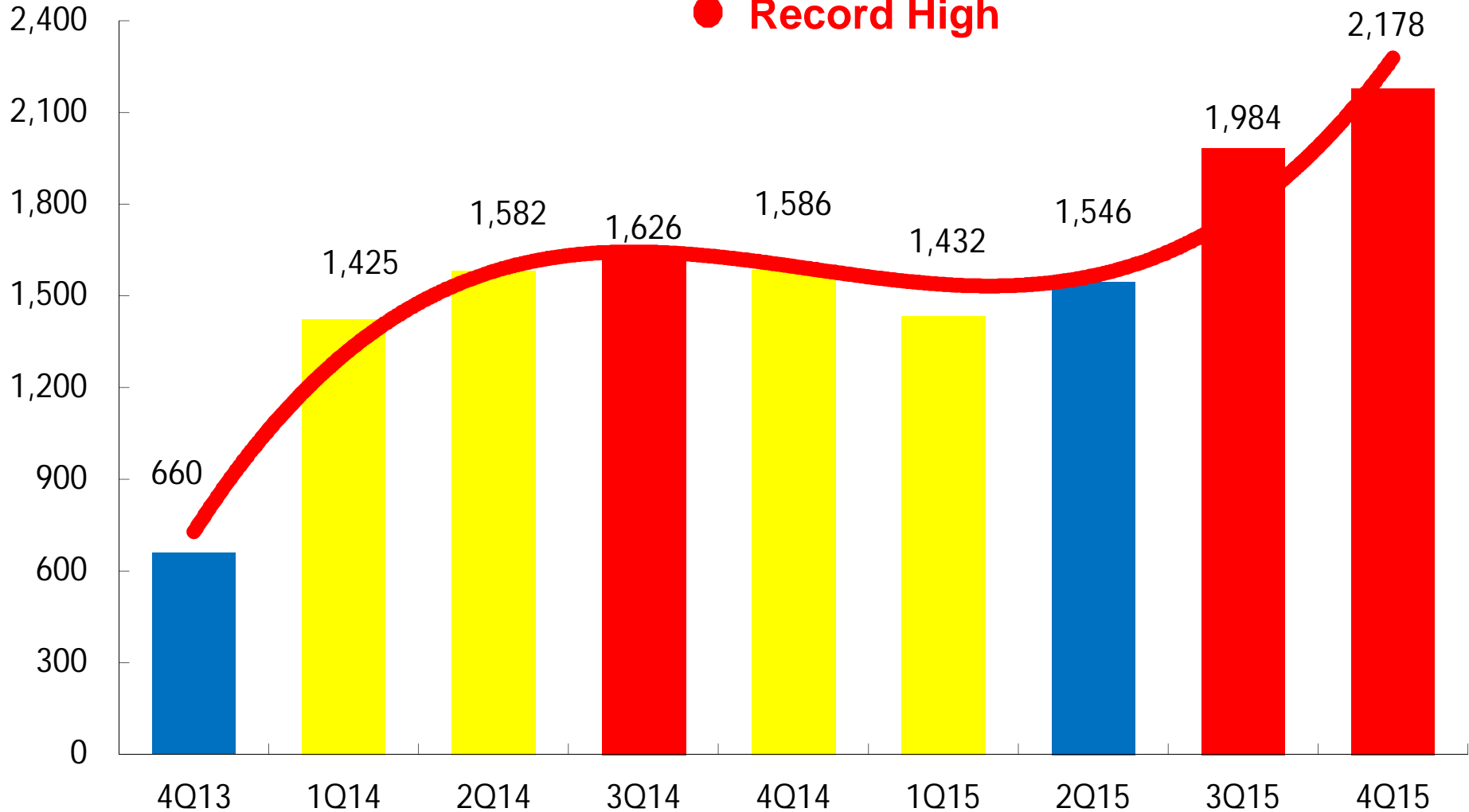
- Record YoY
- Record High



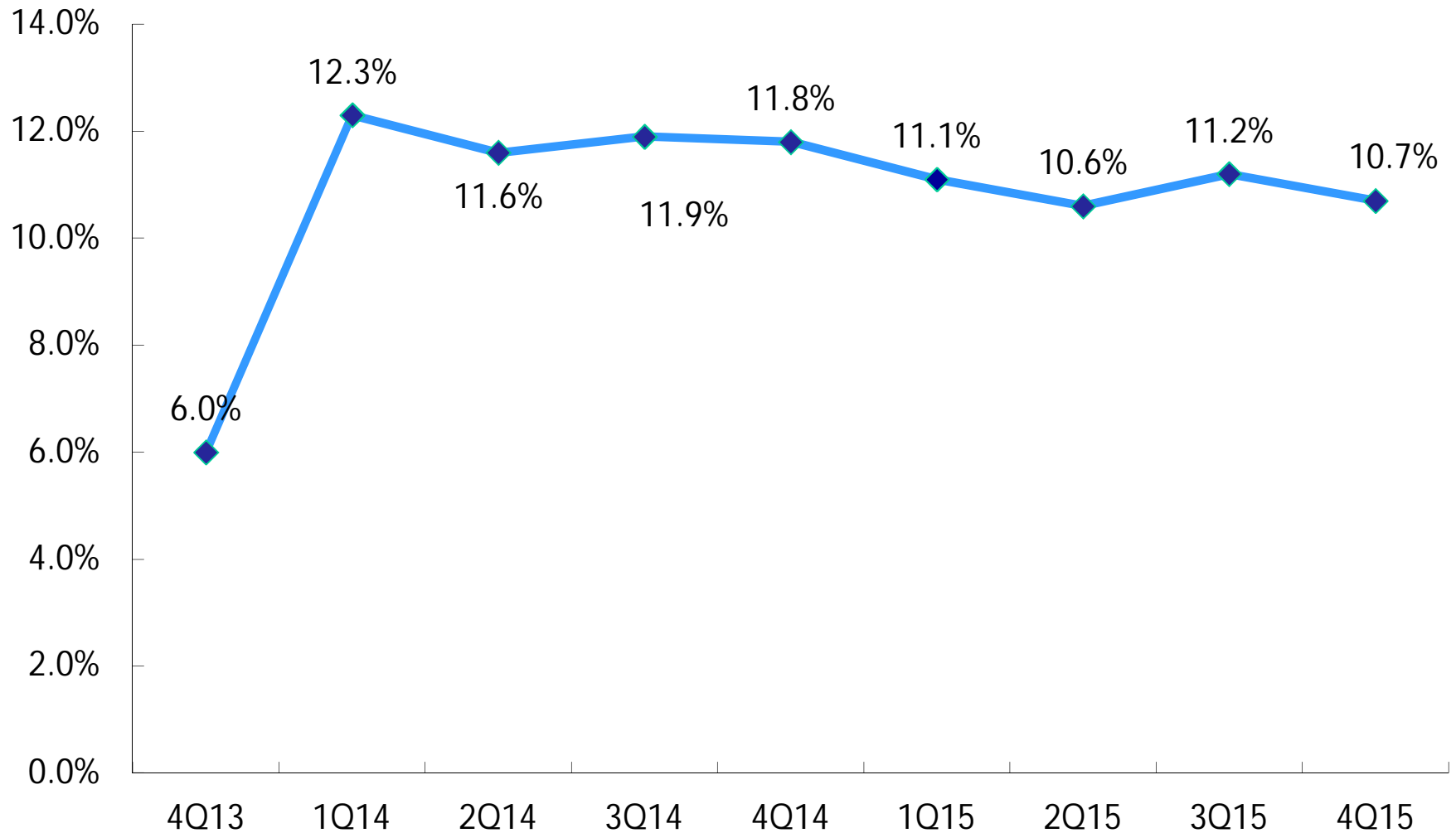
Gross Profit

Amount : NTDM

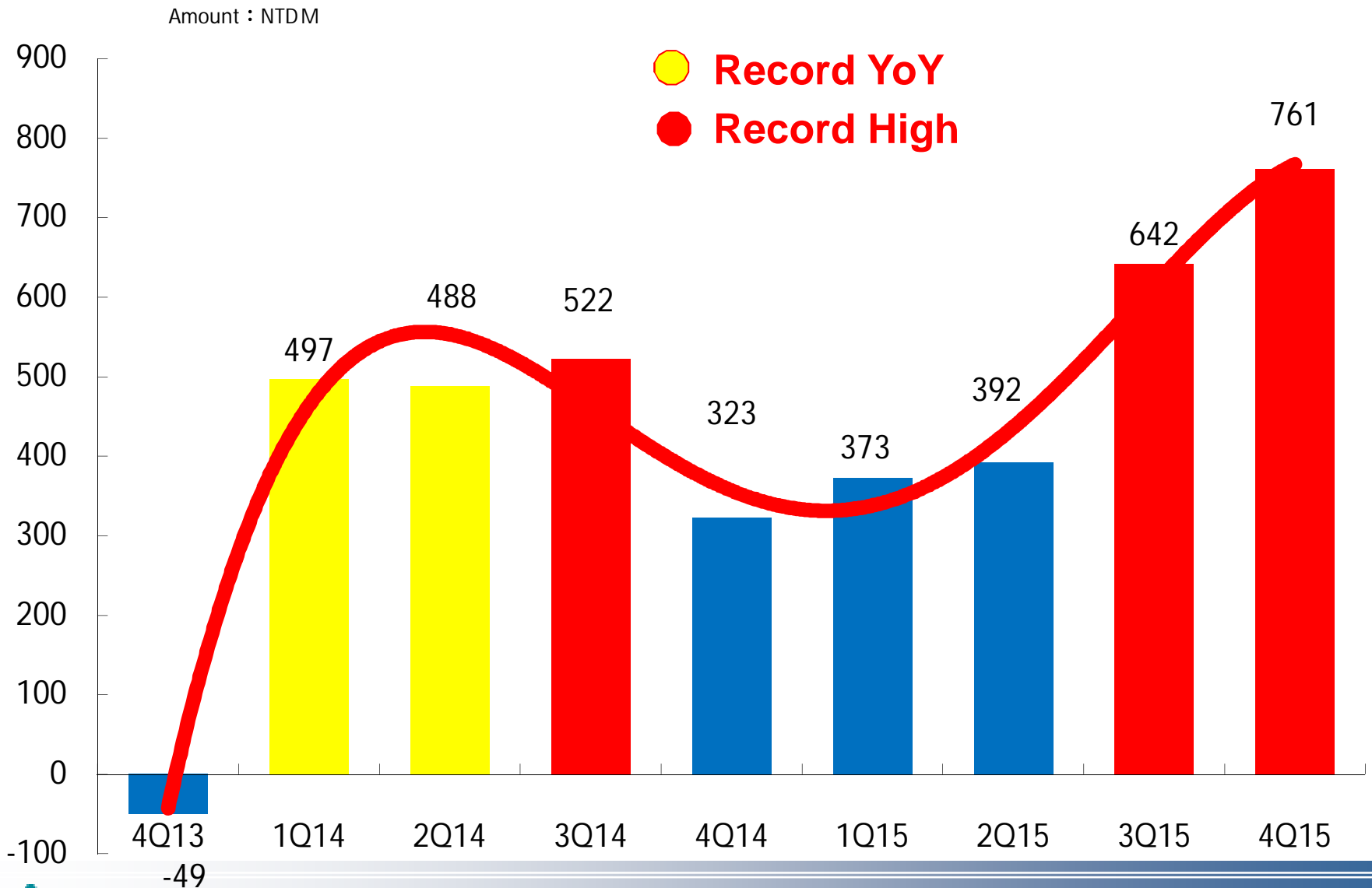
- Record YoY
- Record High



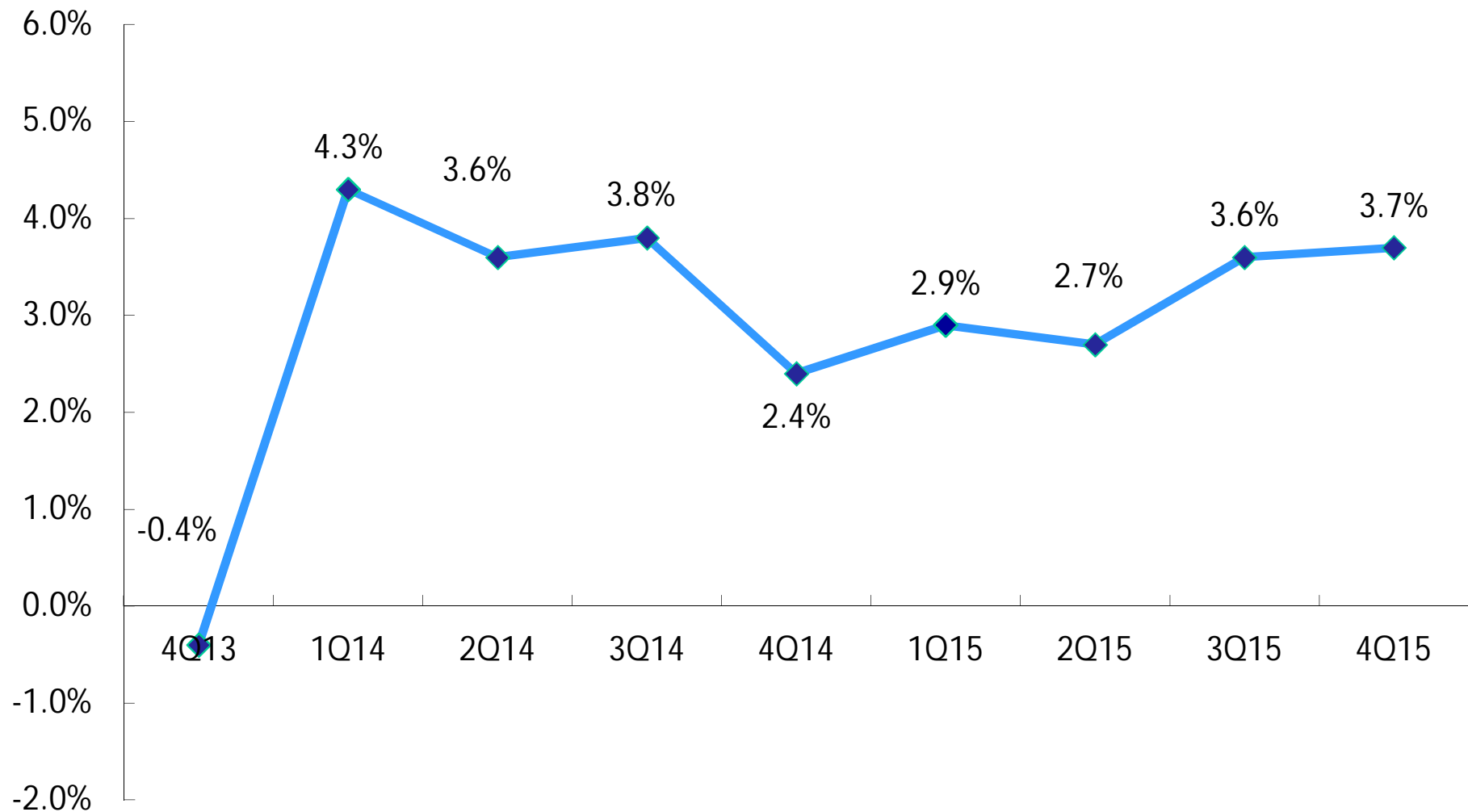
Gross Margin



Operating Profit

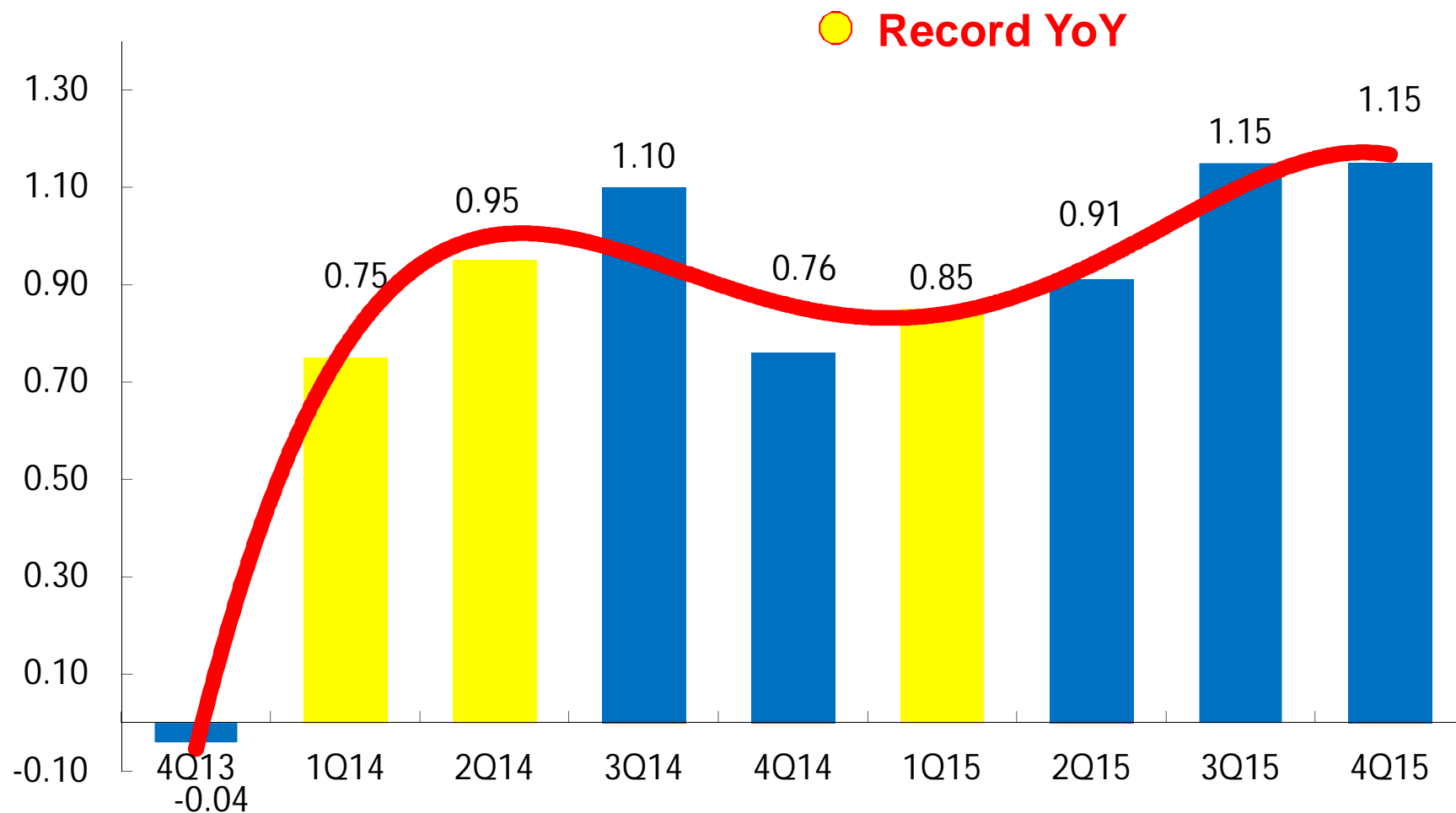


Operating Margin



EPS

Amount : NTD



4Q15 Balance Sheet

Selected items from Balance Sheet

(Amount : NTD M)

	2015/12/31		2014/12/31	
	Amt	%	Amt	%
Cash	7,623	18%	6,814	22%
Notes and Accounts receivable	14,425	35%	10,453	34%
Inventory	7,351	18%	4,811	16%
Total Current Assets	30,413	73%	23,078	74%
Fixed Assets	6,284	15%	3,935	13%
Total Assets	41,732	100%	31,024	100%
Notes and Accounts Payable	18,724	45%	12,613	41%
S-T Borrowings	1,351	3%	2,149	7%
CPLTD	622	2%	600	2%
Total Current Liabilities	26,155	63%	19,255	62%
L-T Borrowings	1,055	3%	900	3%
Total Liabilities	28,815	69%	20,715	67%
Total Equity	12,917	31%	10,309	33%

Key Indices

AR Turnover (days)	69	64
AP Turnover (days)	98	91
Inventory Turnover (days)	38	36
Cash Conversion Cycle (days)	9	8
Current Ratio (%)	116.3	119.9
Total Liabilities-to-Assets Ratio (%)	69.0	66.8

4Q15 Cash Flow

<i>Amount : NTD M</i>	2015	2014
From Operation	5,022	3,354
- Income before tax	2,473	2,048
- Depreciation and amortization	1,473	1,193
- Notes and Accounts receivable	(3,356)	(1,401)
- Notes and Accounts payable	5,699	953
- Inventory	(2,536)	112
- Other Operating Sources / (Uses)	1,269	449
From Investment	(1,975)	(3,757)
- Fixed Assets	(1,898)	(1,095)
- Acquisition of subsidiaries' shareholding	(39)	(2,330)
- Other Investing Sources / (Uses)	(37)	(333)
From Financing	(2,228)	2,280
- S-T Borrowings	(1,101)	1,084
- L-T Borrowings	(261)	1,420
- Cash Dividend	(791)	(347)
- Exercise of ESOP	33	49
- Other Financing Sources / (Uses)	(107)	74
Net Cash Position Change	820	1,877
Effect of foreign currency exchange translation	(10)	150
Cash at beginning of year	6,814	4,787
Ending Cash Balance	7,623	6,814

2016 Outlook

- Another record breaking year of 2016
 - 1Q16 mild YoY growth
 - 2Q16 significant QoQ jump
- Product Mix
 - Higher percentage on Audio and Mobile Device
 - Revenues maintained on PC Peripheral and Business Equipment
- More applications for camera, audio and gaming related products



Thank you!

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- 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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