



# **Primax Electronics Ltd. (4915 TT)**

## **1Q16 Earnings Conference Call**

**CFO Yi Pin Lee**

**12 May 2016**

# 1Q16 Result 3 Consecutive Yrs Rec' Breaking Q1

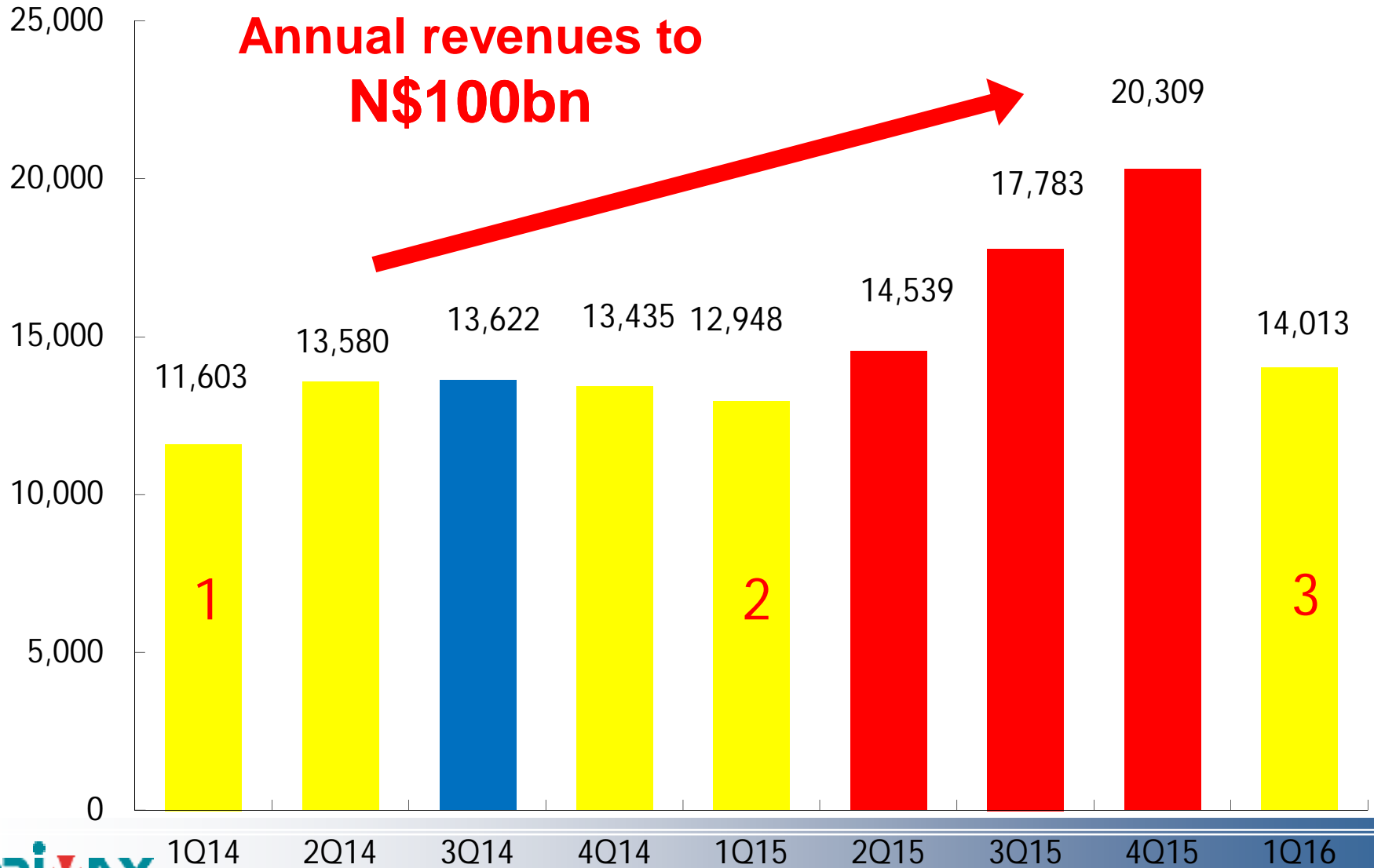
Amount : NTD M

	Q1 16	Q4 15	Q1 15	QoQ	YoY
<b>Net Sales</b>	<b>14,013</b>	20,309	12,958	-31.0%	<b>8.1%</b>
<b>COGS</b>	12,445	18,131	11,526		
<b>Gross Profit</b>	1,567	2,178	1,432		
<i>Gross Margin</i>	11.2%	10.7%	11.1%	0.5%	0.1%
<b>Operating Expense</b>	1,105	1,417	1,059		
<i>Operating Expense %</i>	7.9%	7.0%	8.2%	0.9%	-0.3%
<b>Operating Income</b>	463	761	373	-39.2%	<b>23.9%</b>
<i>Operating Margin</i>	3.3%	3.7%	2.9%	-0.4%	0.4%
<b>Non-operating Items</b>	197	(25)	118		
<b>Income before Tax</b>	659	735	492	-10.4%	<b>34.1%</b>
<b>Income Tax</b>	219	224	114		
<b>Net Income</b>	440	512	378	-14.0%	16.4%
<i>Net Margin</i>	3.1%	2.5%	2.9%	0.6%	0.2%
<b>Net income attributed to Primax</b>	401	505	368		
<b>EPS (NT\$)</b>	<b>0.91</b>	1.15	0.85		

# Quarterly Sales

Amount : NTDM

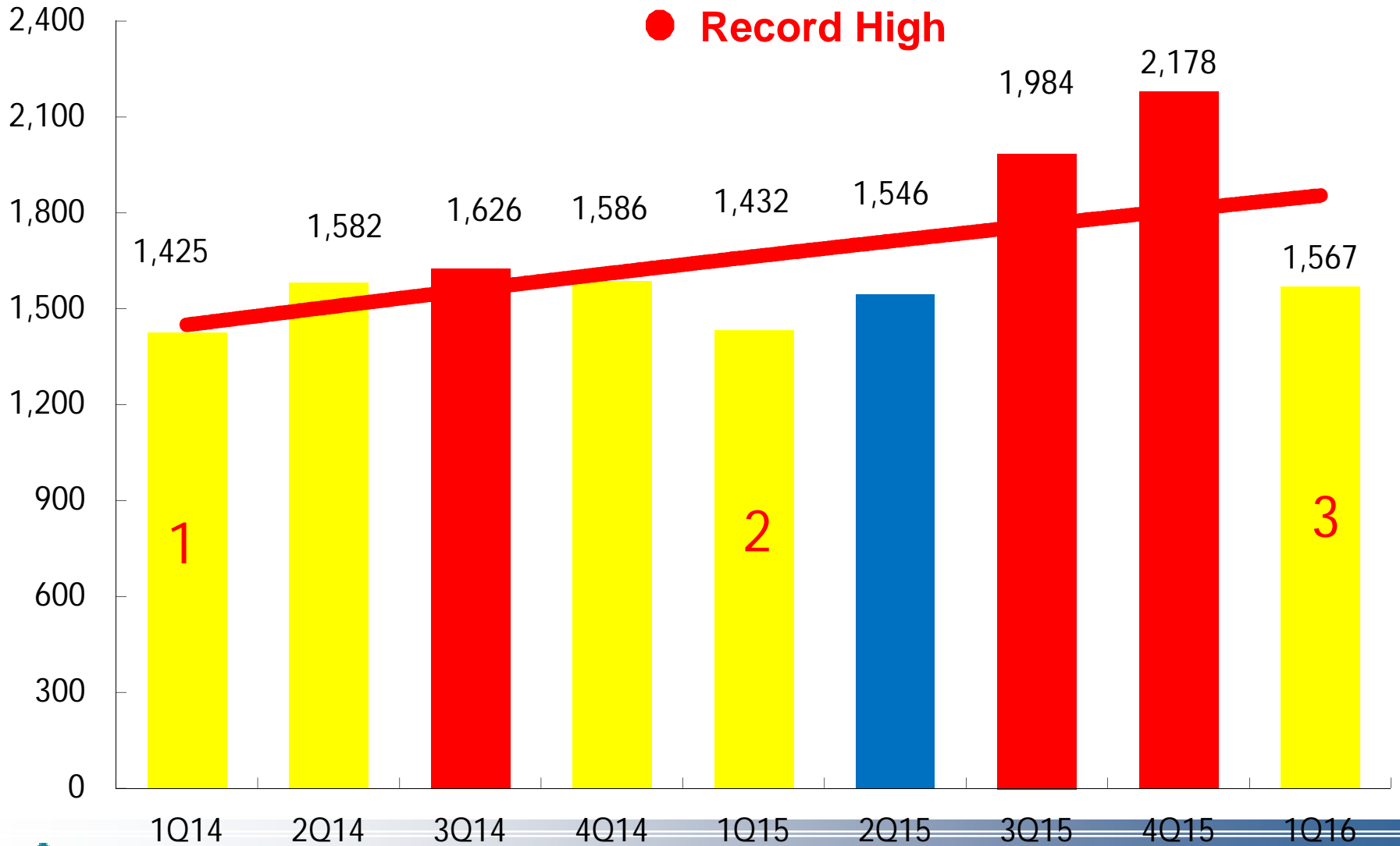
- Record YoY
- Record High



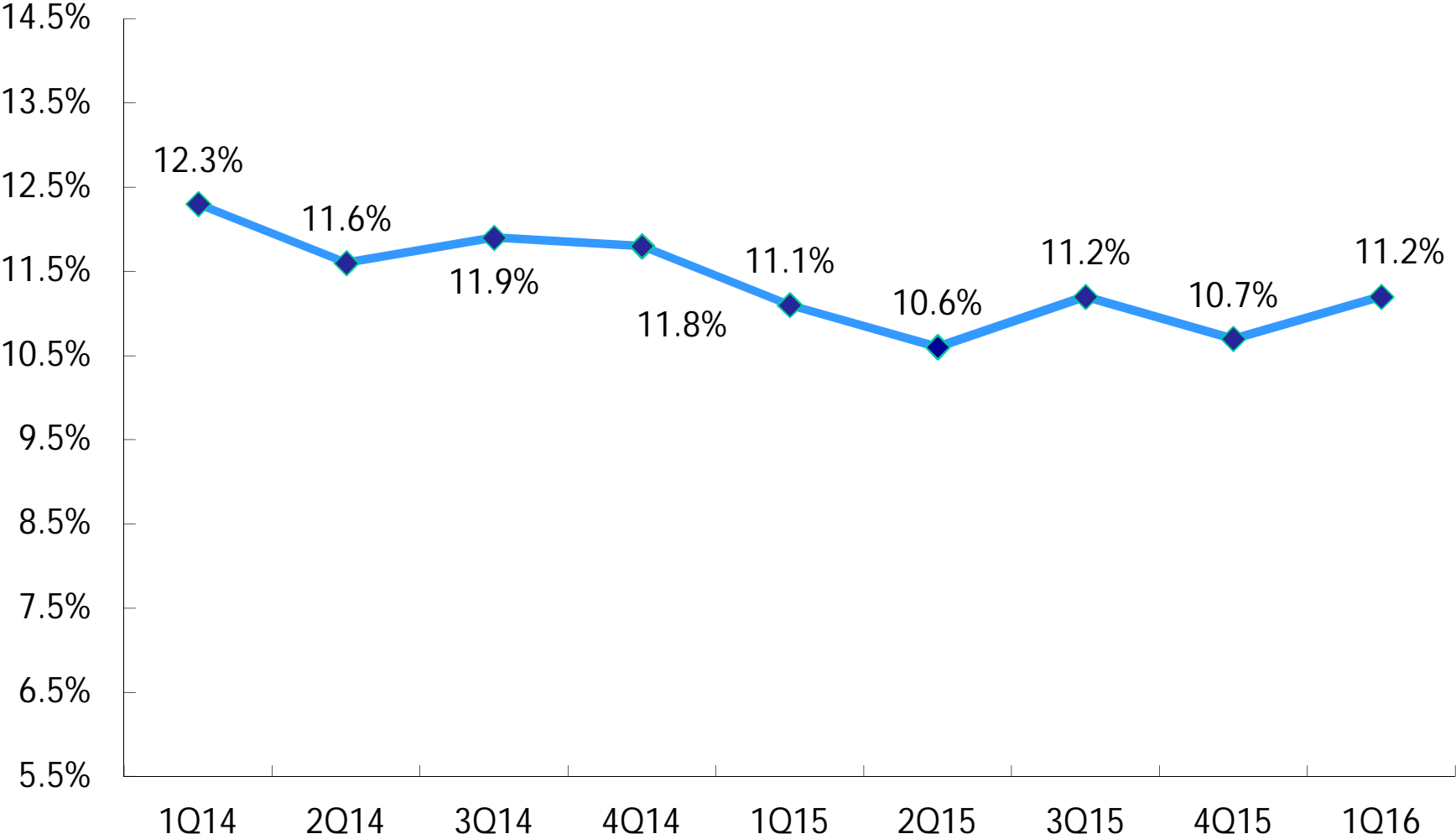
# Gross Profit

Amount : NTDM

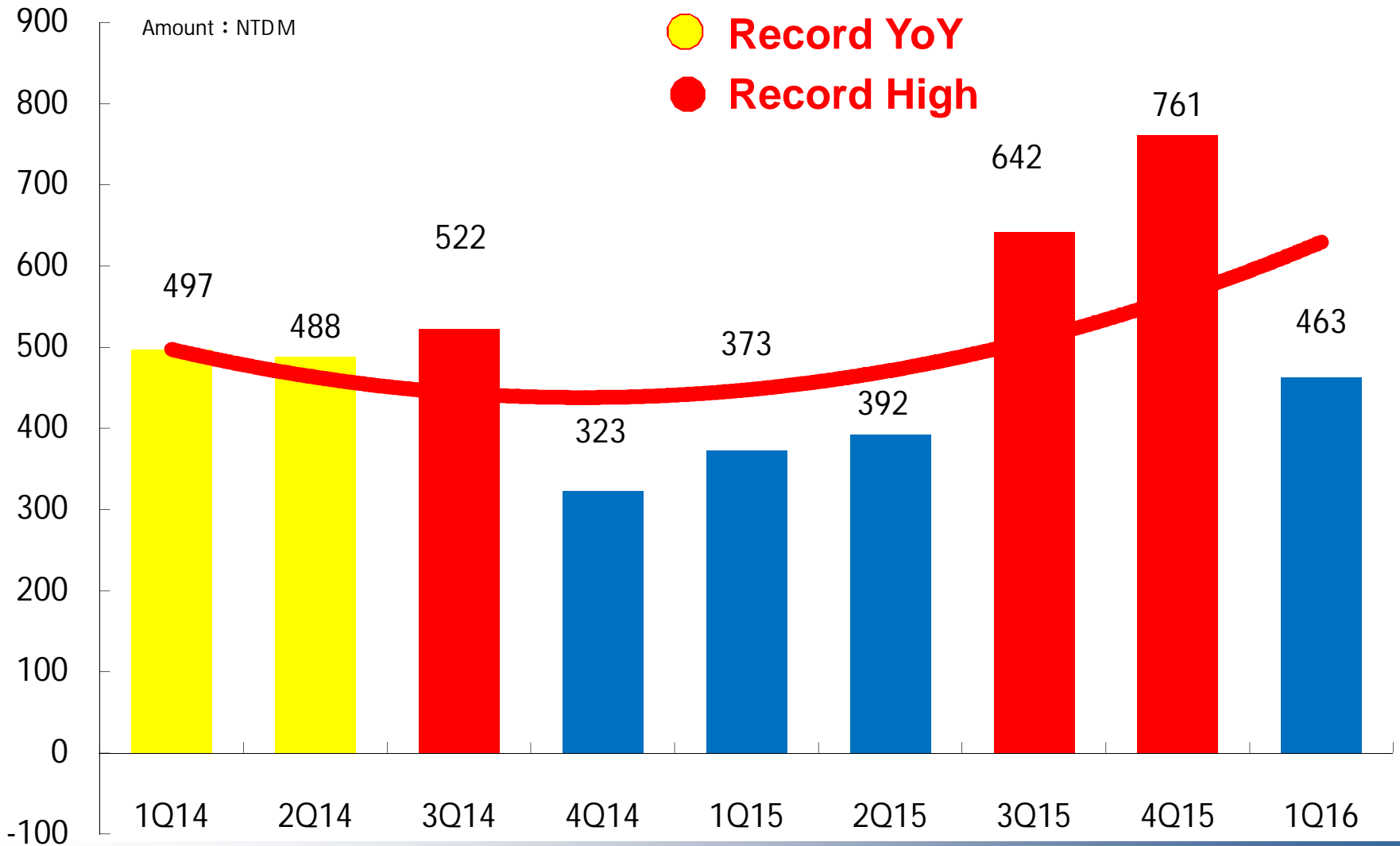
- Record YoY
- Record High



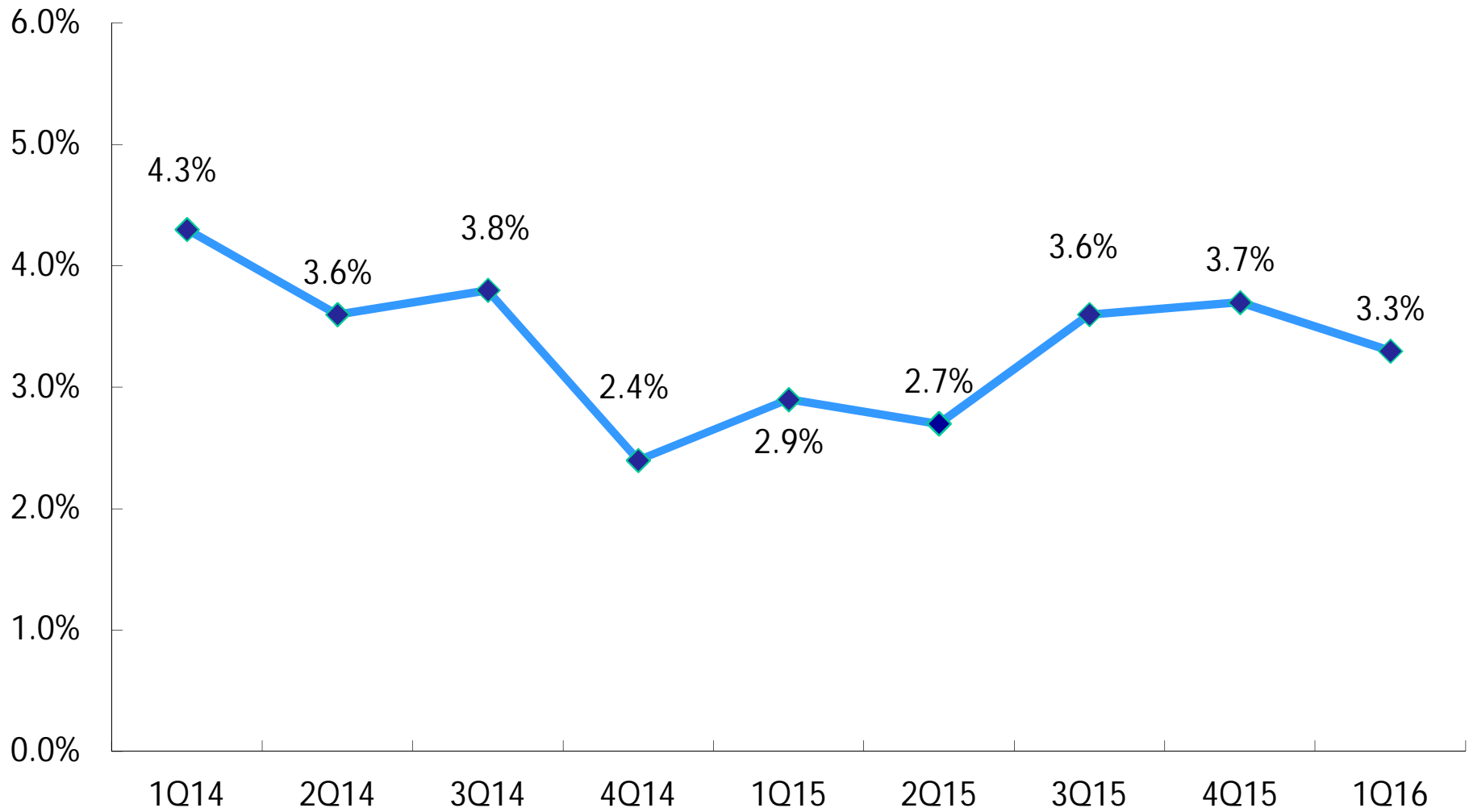
# Gross Margin



# Operating Profit



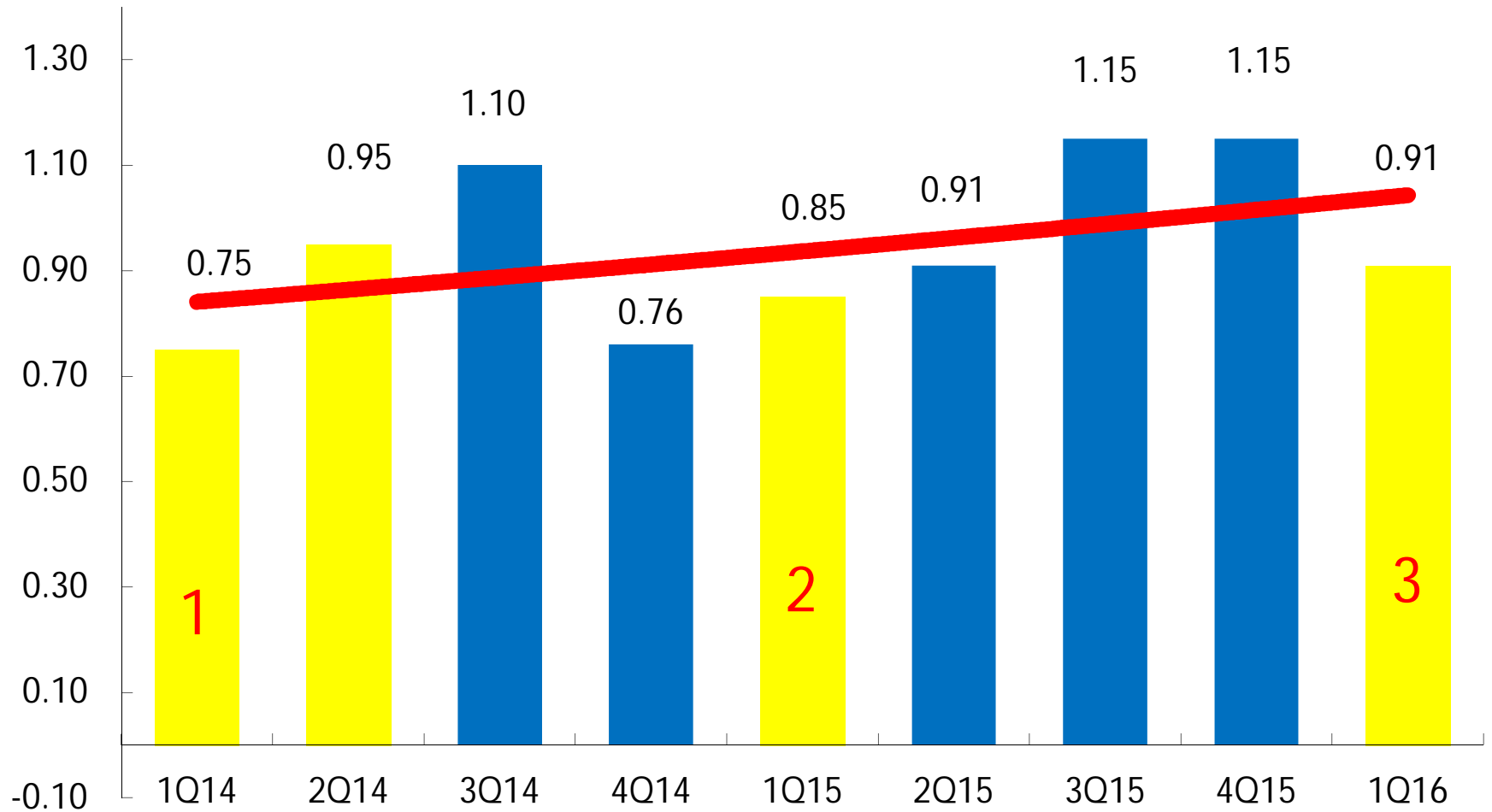
# Operating Margin



# EPS

Amount : NTD

● Record YoY



# 1Q16 Balance Sheet

Selected items from Balance Sheet (Amount : NTD M)	2016/3/31		2015/3/31	
	Amt	%	Amt	%
Cash	5,666	16%	6,864	20%
Notes and Accounts receivable	11,099	32%	10,299	30%
Inventory	5,995	17%	5,534	16%
<b>Total Current Assets</b>	<b>23,824</b>	<b>68%</b>	<b>24,201</b>	<b>71%</b>
Fixed Assets	6,400	18%	5,016	15%
<b>Total Assets</b>	<b>35,059</b>	<b>100%</b>	<b>33,919</b>	<b>100%</b>
Notes and Accounts Payable	11,340	32%	11,707	35%
S-T Borrowings	2,875	8%	4,209	12%
CPLTD	809	2%	604	2%
<b>Total Current Liabilities</b>	<b>19,322</b>	<b>54%</b>	<b>19,933</b>	<b>59%</b>
L-T Borrowings	574	2%	1,328	4%
<b>Total Liabilities</b>	<b>21,778</b>	<b>62%</b>	<b>21,984</b>	<b>65%</b>
<b>Total Equity</b>	<b>13,281</b>	<b>38%</b>	<b>11,935</b>	<b>35%</b>
<b>Key Indices</b>				
AR Turnover (days)	70		71	
AP Turnover (days)	84		96	
Inventory Turnover (days)	42		45	
Cash Conversion Cycle (days)	27		19	
Current Ratio (%)	123.3		121.4	
Total Liabilities-to-Assets Ratio (%)	62.1		64.8	

# 1Q16 Cash Flow

<i>Amount - NTD M</i>	<b>Q1 16</b>	<b>Q1 15</b>
<b>From Operation</b>	<b>(3,026)</b>	<b>(1,149)</b>
- Income before tax	659	492
- Depreciation and amortization	423	340
- Notes and Accounts receivable	3,313	759
- Notes and Accounts payable	<b>(7,384)</b>	<b>(1,307)</b>
- Inventory	1,043	<b>(310)</b>
- Other Operating Sources / (Uses)	<b>(1,080)</b>	<b>(1,123)</b>
<b>From Investment</b>	<b>(126)</b>	<b>(580)</b>
- Fixed Assets	<b>(126)</b>	<b>(540)</b>
- Other Investing Sources / (Uses)	<b>(0)</b>	<b>(1)</b>
<b>From Financing</b>	<b>1,245</b>	<b>1,803</b>
- S-T Borrowings	1,525	1,754
- L-T Borrowings	<b>(295)</b>	<b>(7)</b>
- Other Financing Sources / (Uses)	15	41
<b>Net Cash Position Change</b>	<b>(1,907)</b>	<b>73</b>
<b>Effect of foreign currency exchange translation</b>	<b>(50)</b>	<b>(24)</b>
<b>Cash at beginning of year</b>	<b>7,623</b>	<b>6,814</b>
<b>Ending Cash Balance</b>	<b>5,666</b>	<b>6,864</b>

# 2Q16 Outlook

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- Expect 2Q16 YoY 、 QoQ growth
- Product Mix
  - Higher Mobile Device
- Mobile Device: Broader customer base & higher wallet share
- 3Q16 Continuous upward trend



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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