

The logo for Primax, featuring the word "PRIMAX" in a stylized font. The letters "P", "R", "I", "M", and "A" are in blue, while the "X" is in red. The letters are bold and have a slight shadow effect.

**PRIMAX**



**Primax Electronics (4915 TT)**

**3Q17 Earnings Conference**

**30 Oct 2017**

# 3Q17 Result



## Record Q3 GM、EPS

## Record PBT、PAT

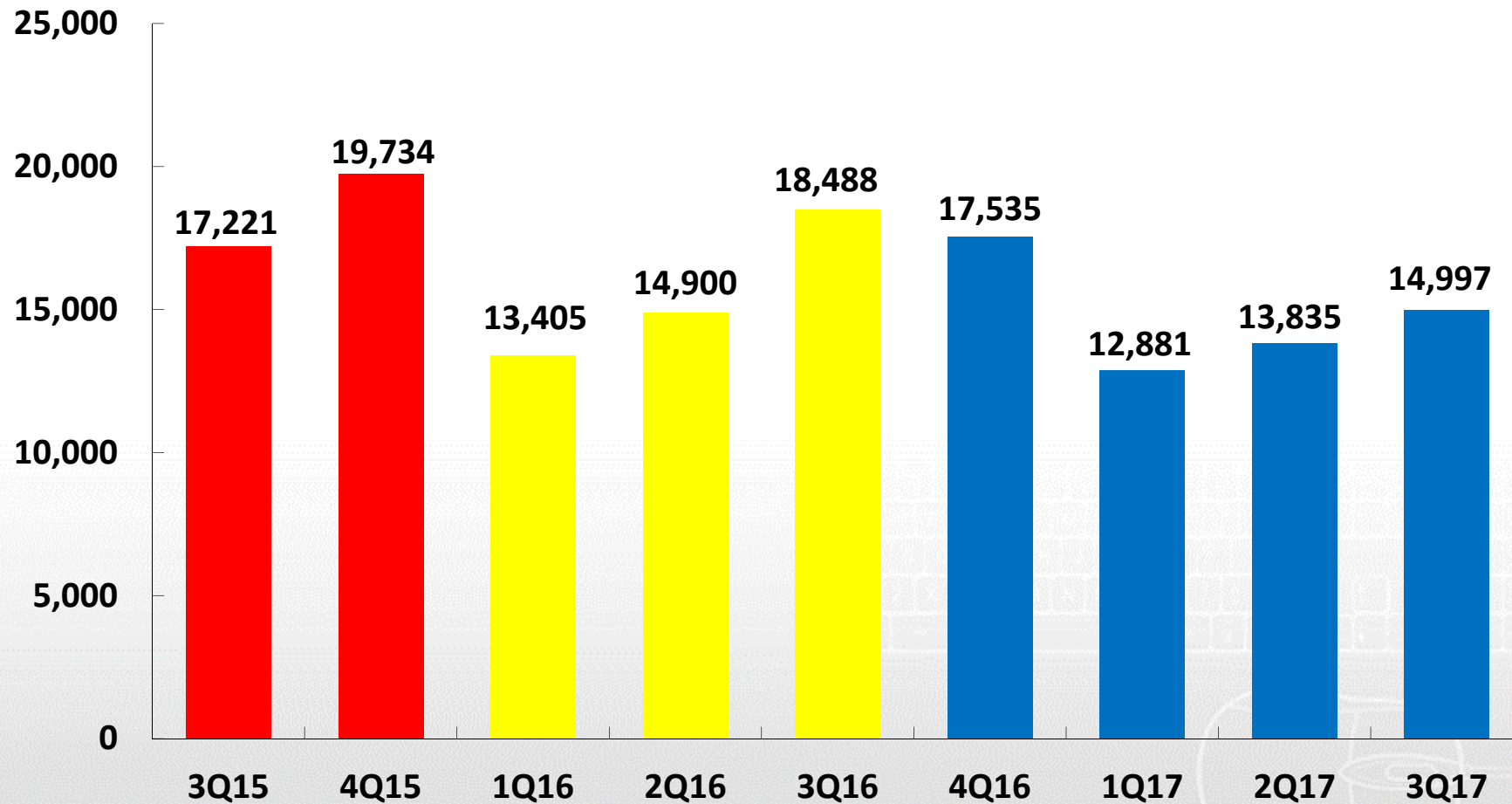
Amount : NTD M

	Q3 17	Q2 17	Q3 16	QoQ	YoY
<b>Net Sales</b>	<b>14,997</b>	<b>13,835</b>	<b>18,488</b>	<b>8.4%</b>	<b>-18.9%</b>
<b>COGS</b>	<b>13,016</b>	<b>12,052</b>	<b>16,295</b>		
<b>Gross Profit</b>	<b>1,981</b>	<b>1,783</b>	<b>2,193</b>		
<i>Gross Margin</i>	<b>13.2%</b>	12.9%	11.9%	0.3%	<b>1.3%</b>
<b>Operating Expense</b>	<b>1,382</b>	<b>1,191</b>	<b>1,351</b>		
<i>Operating Expense %</i>	9.2%	8.6%	7.3%	0.6%	1.9%
<b>Operating Income</b>	<b>599</b>	<b>592</b>	<b>842</b>	<b>1.2%</b>	<b>-28.9%</b>
<i>Operating Margin</i>	4.0%	4.3%	4.6%	-0.3%	-0.6%
<b>Non-operating Items</b>	<b>292</b>	<b>88</b>	<b>(46)</b>		
<b>Income before Tax</b>	<b>891</b>	<b>680</b>	<b>797</b>	<b>31.0%</b>	<b>11.9%</b>
<b>Income Tax</b>	<b>249</b>	<b>183</b>	<b>214</b>		
<b>Net Income (Loss) from Continuing Operation</b>	<b>642</b>	<b>497</b>	<b>583</b>	<b>29.3%</b>	<b>10.2%</b>
<b>Income (Loss) from Discontinued Operations</b>	<b>0</b>	<b>0</b>	<b>50</b>		
<b>Net Income</b>	<b>642</b>	<b>497</b>	<b>633</b>	<b>29.3%</b>	<b>1.4%</b>
<i>Net Margin</i>	4.3%	3.6%	3.4%	0.7%	0.9%
<b>Net income attributed to Primax</b>	<b>619</b>	<b>462</b>	<b>562</b>	<b>34.0%</b>	<b>10.2%</b>
<b>EPS (NT\$)</b>	<b>1.40</b>	<b>1.05</b>	<b>1.28</b>		

# Quarterly Sales



Amount : NTD M

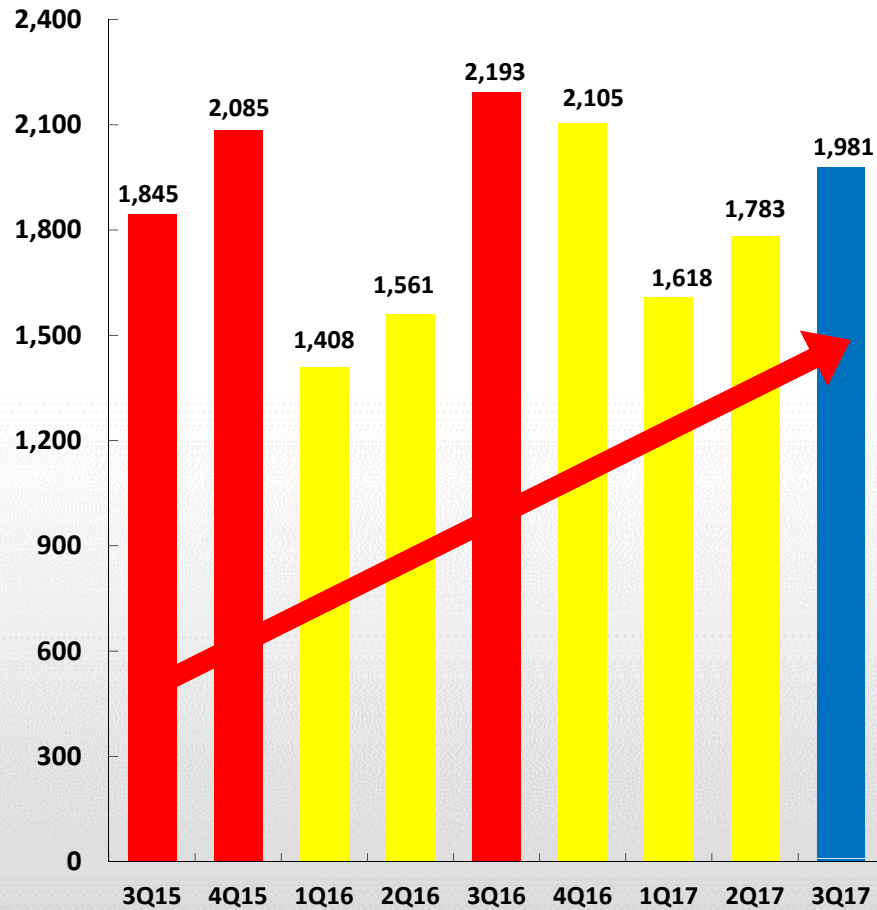


# Gross Profit 、 Gross Margin

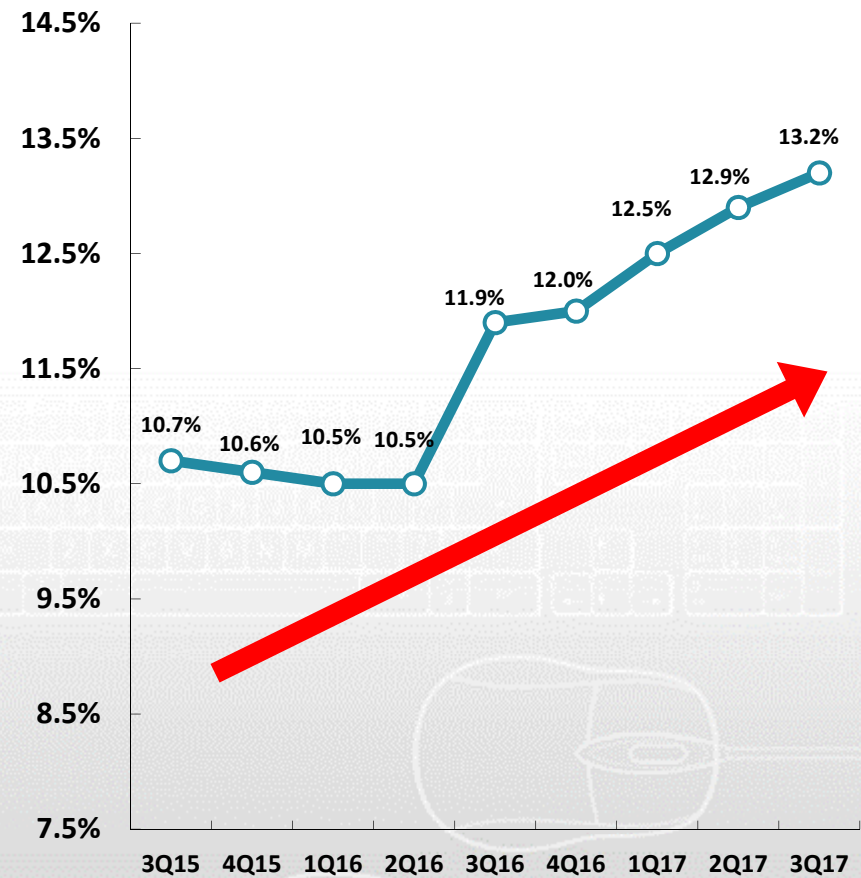


## Gross Profit

Amount : NTD M



## Gross Margin

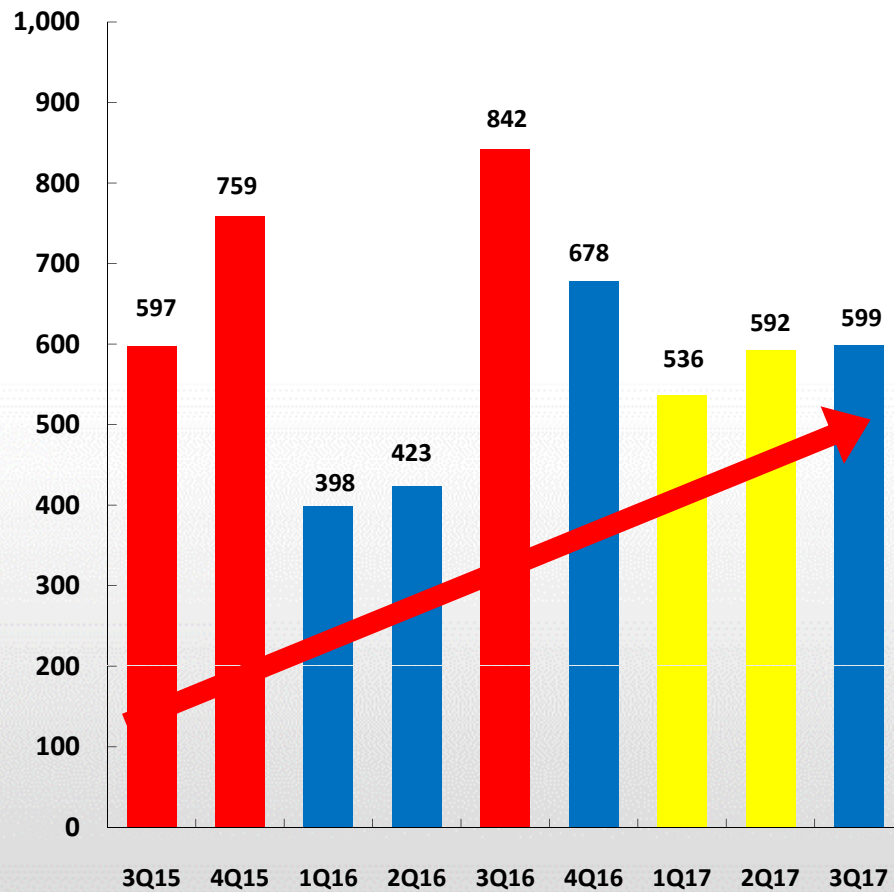


# Operating Profit - Operating Margin

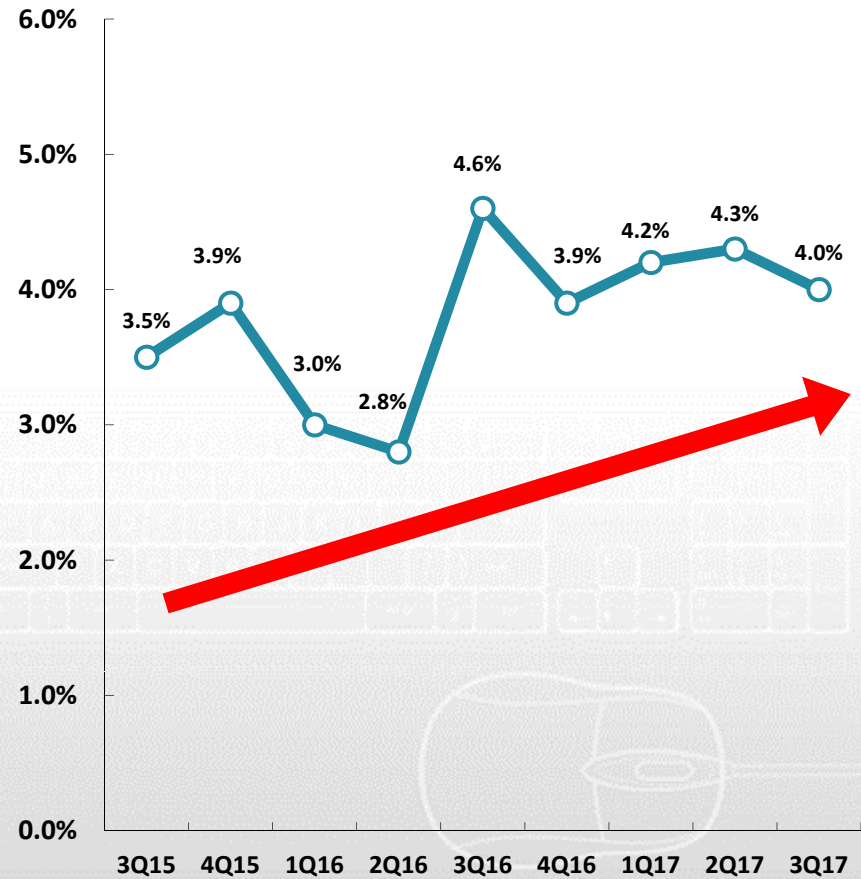


## Operating Profit

Amount : NTD M



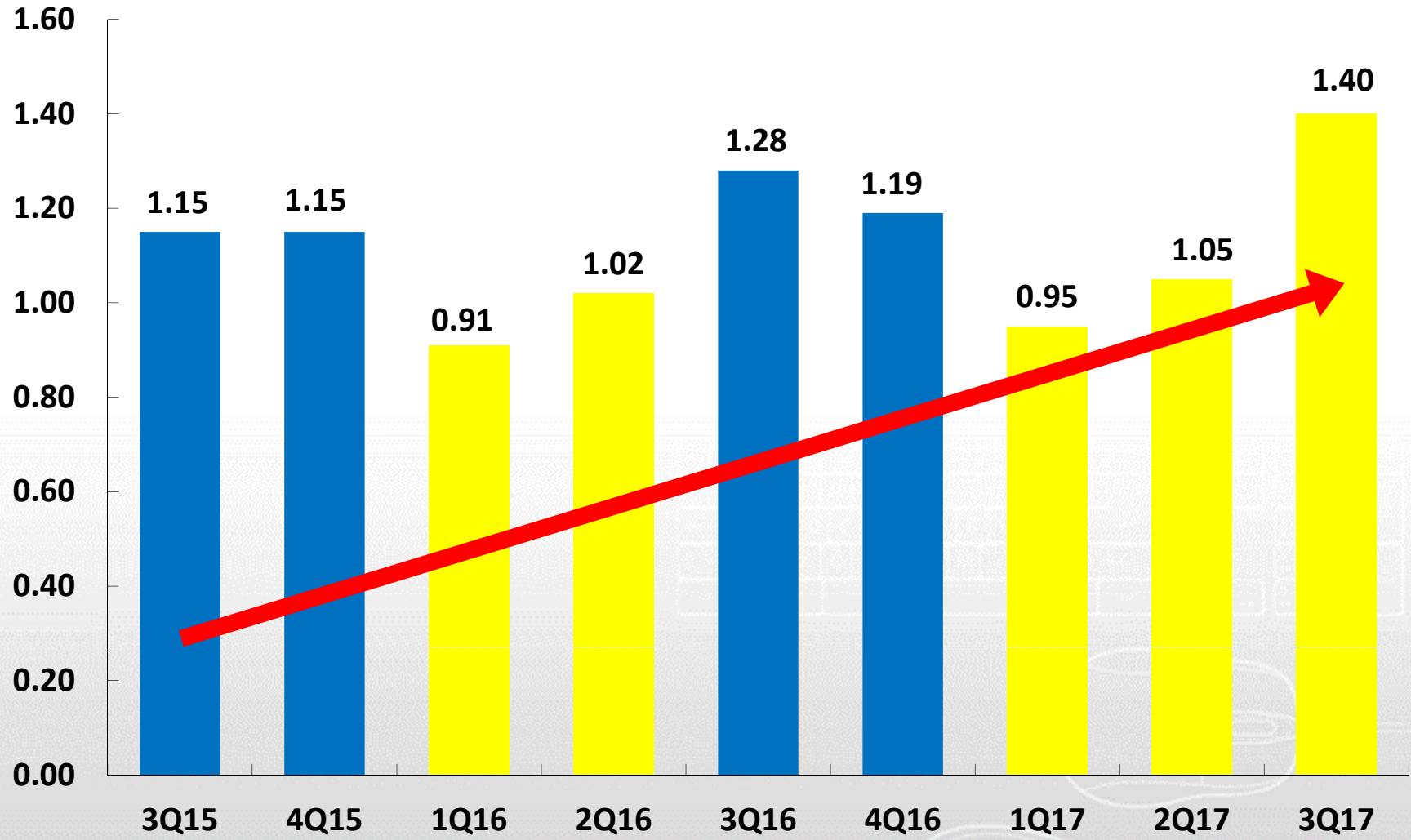
## Operating Margin



# EPS



Amount : NTD



# 3Q17 Balance Sheet



Selected items from Balance Sheet

(Amount : NTD M)

	2017/9/30		2016/9/30	
	Amt	%	Amt	%
Cash	5,860	16%	6,701	16%
Notes and Accounts receivable	12,205	34%	14,593	35%
Inventory	7,087	20%	6,449	16%
<b>Total Current Assets</b>	<b>26,928</b>	<b>74%</b>	<b>32,093</b>	<b>78%</b>
Fixed Assets	4,535	13%	4,760	12%
<b>Total Assets</b>	<b>36,165</b>	<b>100%</b>	<b>41,241</b>	<b>100%</b>
Notes and Accounts Payable	14,386	40%	16,158	39%
S-T Borrowings	1,983	5%	2,892	7%
CPLTD	136	0%	716	2%
<b>Total Current Liabilities</b>	<b>21,827</b>	<b>60%</b>	<b>25,991</b>	<b>63%</b>
L-T Borrowings	83	0%	219	1%
<b>Total Liabilities</b>	<b>23,459</b>	<b>65%</b>	<b>28,055</b>	<b>68%</b>
<b>Total Equity</b>	<b>12,706</b>	<b>35%</b>	<b>13,185</b>	<b>32%</b>

## Key Indices

AR Turnover (days)	71	70
AP Turnover (days)	118	112
Inventory Turnover (days)	34	30
Cash Conversion Cycle (days)	(13)	(12)
Current Ratio (%)	123.4	123.5
Total Liabilities-to-Assets Ratio (%)	64.9	68.0
Return on Equity (%)	12.3%	12.2%
Return on Equity-Annualized (%)	16.6%	16.3%

# 3Q17 Cash Flow



<i>Amount : NTD M</i>	<b>Q3 17 YTD</b>	<b>Q3 16 YTD</b>
<b>From Operation</b>	<b>547</b>	<b>(333)</b>
Continuing operation income before tax	2,161	1,991
Discontinued operation income before tax	0	203
- Income before tax	2,161	2,194
- Depreciation and amortization	808	1,231
- Notes and Accounts receivable	1,849	(959)
- Notes and Accounts payable	(2,821)	(2,009)
- Inventory	(142)	(275)
- Other Operating Sources / (Uses)	(1,308)	(515)
<b>From Investment</b>	<b>(1,511)</b>	<b>(863)</b>
- Fixed Assets	(830)	(634)
- Acquisition of subsidiaries' shareholding	(606)	0
- Cash from Non-Current Assets Held for Sale	0	(440)
- Proceeds from disposal of available-for-sale financial assets	(21)	220
- Other Investing Sources / (Uses)	(54)	(9)
<b>From Financing</b>	<b>509</b>	<b>510</b>
- S-T Borrowings	1,983	1,909
- L-T Borrowings	(382)	(418)
- Cash Dividend	(1,112)	(928)
- Exercise of ESOP	13	16
- Other Financing Sources / (Uses)	7	(70)
<b>Net Cash Position Change</b>	<b>(455)</b>	<b>(686)</b>
<b>Effect of foreign currency exchange translation</b>	<b>(45)</b>	<b>(237)</b>
<b>Cash at beginning of year</b>	<b>6,360</b>	<b>7,623</b>
<b>Ending Cash Balance</b>	<b>5,860</b>	<b>6,701</b>

# 4Q17、2018 Outlook



- ❖ Tymphony - Expect record top-line
- ❖ Strong smart speaker demands
- ❖ Primax - Expect top-line peak of the year
- ❖ Increasing dual-camera contributions
  
- ❖ 2018 Expand top-line and stabilize earnings structure
- ❖ Non-smartphone camera applications
- ❖ Tymphony - Continuous top-line upward trend
- ❖ Increasing contributions from smart speakers and headphones



# PRIMAX



Thank you!

## Note



- ❖ All figures stated above are unaudited and subject to audit amendments
- ❖ All number has reflected Global Tek restatement
- ❖  Record Quarter
- ❖  Historical Record High



# 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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