

PEGATRON



PEGATRON

2014 Fourth Quarter Business Review

March 23, 2015

- **Financial Results**
- **Business Highlight**

- Pegatron's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

2014 & 4Q2014 Consolidated Financial Result

Consolidated Income Statements (2014 vs. 2013)

<i>(NT\$ Mn)</i>	2014		2013		YoY
Net Revenue	1,019,738	100%	949,752	100%	7.4%
COGS	960,283	94.2%	904,235	95.2%	6.2%
Gross Profit	59,455	5.8%	45,517	4.8%	30.6%
Operating Expense	31,135	3.1%	29,940	3.2%	4.0%
Operating Income (Loss)	28,320	2.8%	15,577	1.6%	81.8%
Net Non-Operating Income (Loss)	(2,058)	-0.2%	3,453	0.4%	-159.6%
FX Gain (Loss)	1,171	0.1%	2,113	0.2%	-44.6%
Others	(3,229)	-0.3%	1,340	0.1%	-341.0%
PBT	26,262	2.6%	19,030	2.0%	38.0%
Tax	(7,334)	0.7%	(4,783)	0.5%	53.3%
Net Income	18,928	1.9%	14,247	1.5%	32.9%
Net Income Attributable to the Parent	14,658	1.4%	9,554	1.0%	53.4%
EPS	6.24		4.16		50.0%
Excluding Impact from ECB Valuation	2014		2013		YoY
Valuation Gain (Loss) on ECB	(4,172)		535		-
PBT	30,434		18,495		64.6%
Net Income Attributable to the Parent	18,830		9,019		108.8%
EPS	8.02		3.93		104.1%

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Consolidated Income Statements (QoQ)

<i>(NT\$ Mn)</i>	4Q 2014		3Q 2014		QoQ	4Q 2013		YoY
Net Revenue	351,946	100%	236,703	100%	48.7%	265,959	100%	32.3%
COGS	332,012	94.3%	221,483	93.6%	49.9%	252,557	95.0%	31.5%
Gross Profit	19,934	5.7%	15,220	6.4%	31.0%	13,402	5.0%	48.7%
Operating Expense	9,453	2.7%	8,152	3.4%	16.0%	8,292	3.1%	14.0%
Operating Income (Loss)	10,481	3.0%	7,068	3.0%	48.3%	5,110	1.9%	105.1%
Net Non-Operating Income (Loss)	(379)	-0.1%	958	0.4%	-139.6%	1,135	0.4%	-133.4%
FX Gain (Loss)	1,454	0.4%	470	0.2%	209.4%	752	0.3%	93.4%
Others	(1,833)	-0.5%	488	0.2%	-475.6%	383	0.1%	-578.6%
PBT	10,102	2.9%	8,026	3.4%	25.9%	6,245	2.3%	61.8%
Tax	(3,324)	0.9%	(1,847)	0.8%	80.0%	(1,642)	0.6%	102.4%
Net Income	6,778	1.9%	6,179	2.6%	9.7%	4,603	1.7%	47.3%
Net Income Attributable to the Parent	5,681	1.6%	4,748	2.0%	19.7%	3,379	1.3%	68.1%
EPS	2.38		2.03		17.2%	1.46		63.0%
Excluding Impact from ECB Valuation	4Q 2014		3Q 2014		QoQ	4Q 2013		YoY
Valuation Gain (Loss) on ECB	(1,830)		(24)		-	445		-
PBT	11,932		8,050		48.2%	5,800		105.7%
Net Income Attributable to the Parent	7,511		4,772		57.4%	2,934		156.0%
EPS	3.11		2.04		52.2%	1.27		145.0%

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	4Q2014	3Q2014	QoQ	4Q2013	YoY
Cash and Equivalents	107,689	80,749	26,940	74,261	33,428
AR (Net)	129,863	107,838	22,025	104,037	25,826
Inventory (Net)	95,630	105,952	(10,322)	103,599	(7,969)
Other Current Assets	36,421	37,853	(1,432)	45,038	(8,617)
Total Current Assets	369,603	332,392	37,211	326,935	42,668
Investment	2,539	3,601	(1,062)	2,884	(345)
Fixed Assets (Net)	72,898	70,703	2,195	73,917	(1,019)
Other Assets	12,053	12,245	(192)	12,160	(107)
Total Non-Current Assets	87,490	86,549	941	88,961	(1,471)
Total Assets	457,093	418,941	38,152	415,896	41,197
Short-term Borrowings	27,181	30,168	(2,987)	23,014	4,167
AP	174,768	166,371	8,397	158,674	16,094
Other Current Liabilities	63,048	47,591	15,457	57,585	5,463
Total Current Liabilities	264,997	244,130	20,867	239,273	25,724
Long-term Loans	13,949	15,334	(1,385)	28,708	(14,759)
Other Liabilities	3,276	4,113	(837)	3,859	(583)
Total Liabilities	282,222	263,577	18,645	271,840	10,382
Paid-in Capital	25,157	23,679	1,478	23,212	1,945
Capital Surplus	74,296	67,209	7,087	63,176	11,120
Retained Earnings	29,325	23,644	5,681	21,144	8,181
Others	4,901	1,218	3,683	(210)	5,111
Treasury Stocks	(8)	(6)	(2)	(17)	9
Net Equity	174,871	155,364	19,507	144,055	30,816
Total Liabilities and Net Equity	457,093	418,941	38,152	415,896	41,197
Current Ratio	139%	136%	-	137%	-
Debt Ratio (TTL Liabilities / TTL Assets)	62%	63%	-	65%	-
Interest-bearing Debt Ratio	9%	11%	-	12%	-

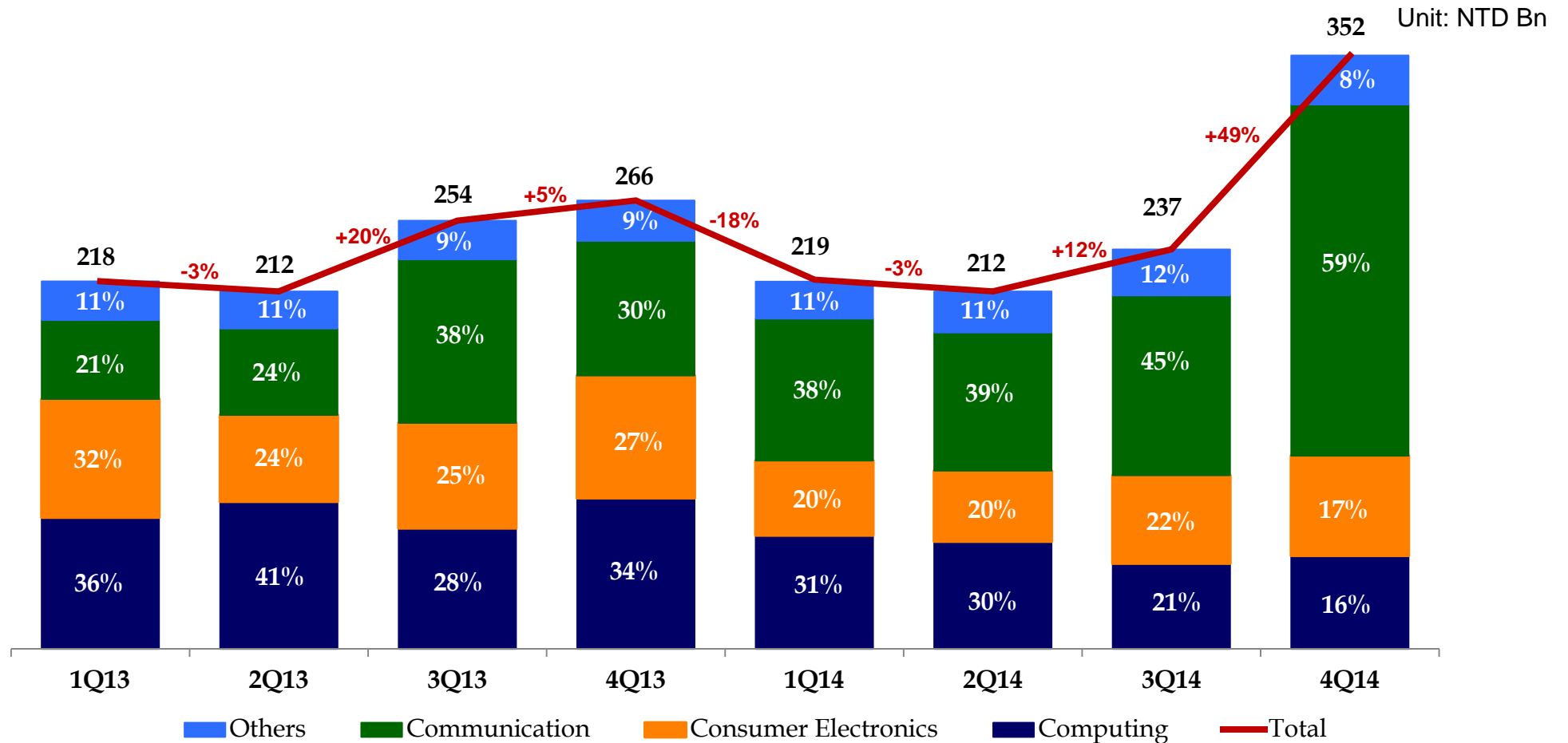
Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	2014	2013
Cash Flows from Operating Activities:	49,567	25,071
Cash Flows from Investing Activities:	(9,318)	(12,974)
Cash Flows from Financing Activities:	(9,570)	2,151
Impact from Changes in FX Rate	2,749	589
Net Increase in Cash	33,428	14,837
Cash, beginning of the period	74,261	59,424
Cash, end of the period	107,689	74,261

<i>Note:</i>	2014	2013
Depreciation and amortization	13,762	13,925

Business Highlight

Consolidated Revenue Trend

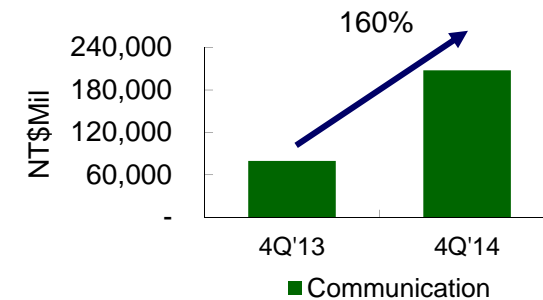
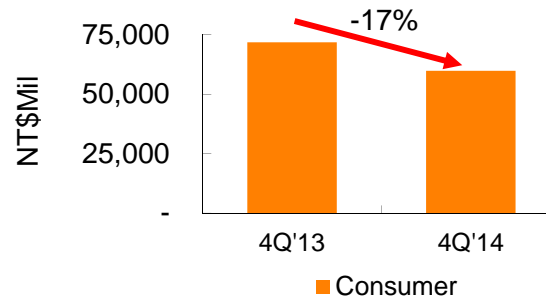
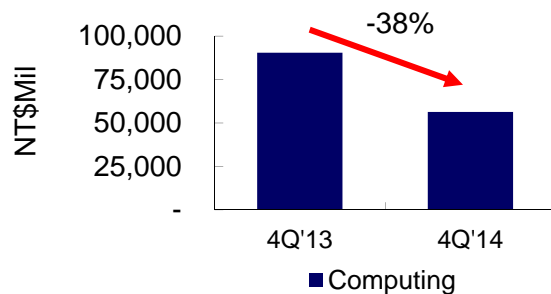
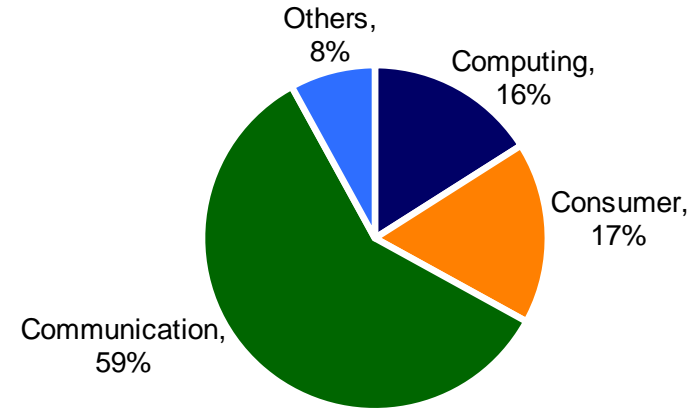
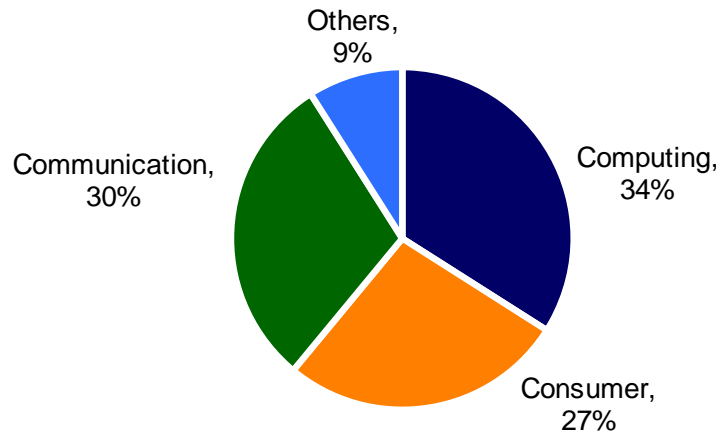


Consolidated revenue totaled NT\$352Bn and reached record high in 4Q2014, increased by 49% from NT\$237Bn in the previous quarter. The growth was mainly driven by strong demand of new product in Communication

Revenue Breakdowns by Products (Year-over-Year)

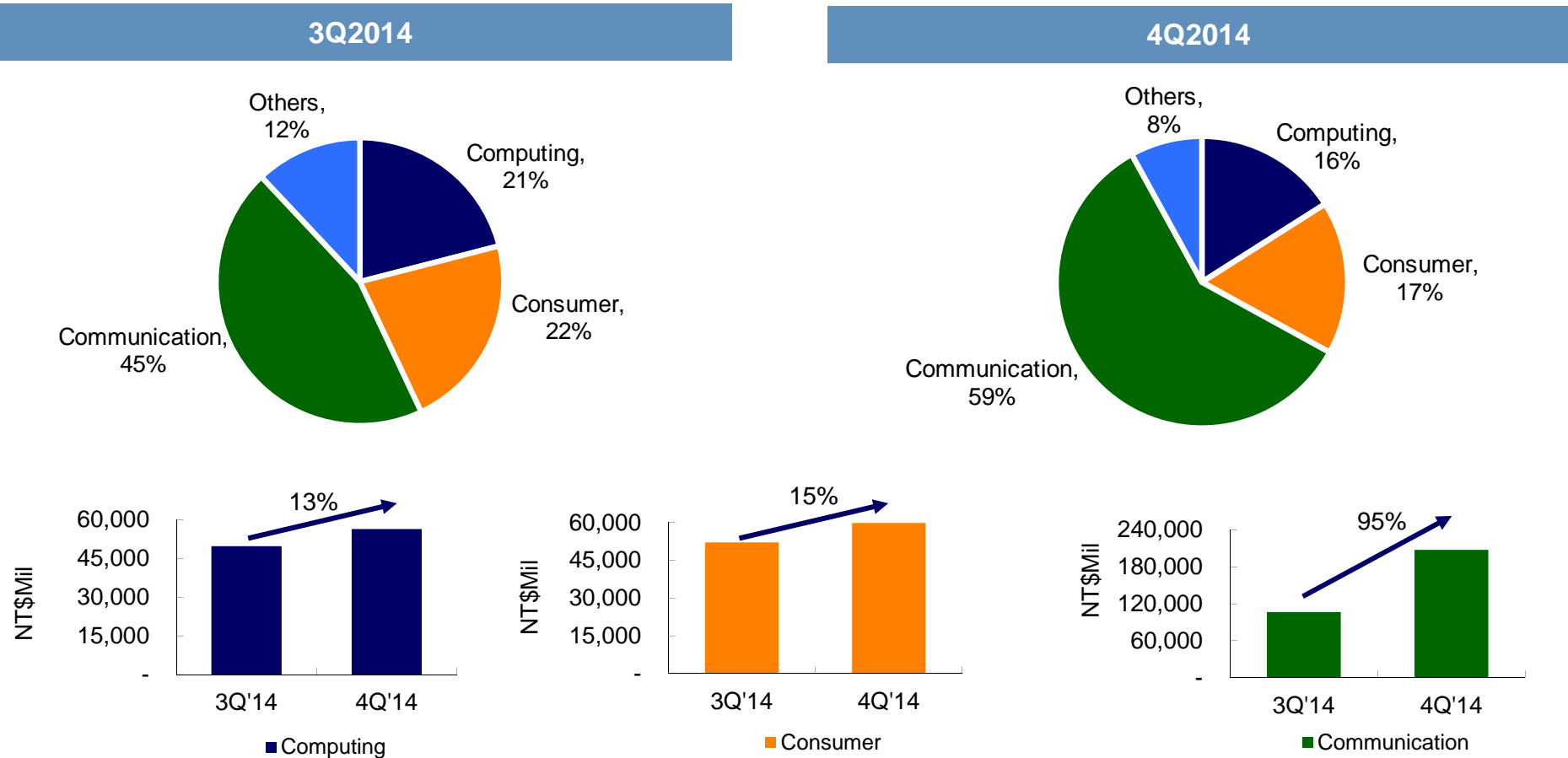
4Q2013

4Q2014



Benefiting from higher smartphone volume, revenue from Communication grew by 160% YoY and revenue contribution increased to 59% from 30% in a-year-ago quarter. Due to weaker than expected NB demand, revenue from Computing segment declined by 38% on a YoY basis, while that of Consumer Electronics declined by 17% as tablet demand is slowing down.

Revenue Breakdowns (Quarter-over-Quarter)



Driven by higher utilization, revenue from Communication segment increased by 95% QoQ. Entering the traditional peak season, revenue from Consumer Electronics segment grew by 15% QoQ, while that of Computing segment also increased by 13% due to lower base in 3Q14.

- NB shipment volume to decline by 15% ~ 20%
- MB & DT shipment volume to decline by 15% ~ 20%
- Revenue from non computing segment to decline by 20% ~ 25%

Q & A