

PEGATRON



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2018 First Quarter Business Review

May 10, 2018

- **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.

1Q2018 Consolidated Financial Result

Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	1Q 2018		4Q 2017		QoQ	1Q 2017		YoY
Net Revenue	280,893	100%	377,561	100%	-25.6%	238,999	100%	17.5%
COGS	271,692	96.7%	365,514	96.8%	-25.7%	227,038	95.0%	19.7%
Gross Profit	9,201	3.3%	12,047	3.2%	-23.6%	11,961	5.0%	-23.1%
Operating Expense	7,051	2.5%	7,399	2.0%	-4.7%	6,384	2.7%	10.4%
Operating Income (Loss)	2,150	0.8%	4,648	1.2%	-53.7%	5,577	2.3%	-61.4%
Net Non-Operating Income (Loss)	137	0.0%	849	0.2%	-83.9%	(469)	-0.2%	-129.2%
FX Gain (Loss)	(471)	-0.2%	(375)	-0.1%	25.6%	(1,281)	-0.5%	-63.2%
Others	608	0.2%	1,224	0.3%	-50.3%	812	0.3%	-25.1%
PBT	2,287	0.8%	5,497	1.5%	-58.4%	5,108	2.1%	-55.2%
Tax	(326)	0.1%	(1,522)	0.4%	-78.6%	(955)	0.4%	-65.9%
Net Income	1,961	0.7%	3,975	1.1%	-50.7%	4,153	1.7%	-52.8%
Net Income Attributable to the Parent	2,079	0.7%	3,725	1.0%	-44.2%	3,882	1.6%	-46.4%
EPS	0.80		1.42		-43.7%	1.51		-47.0%

Consolidated Balance Sheet

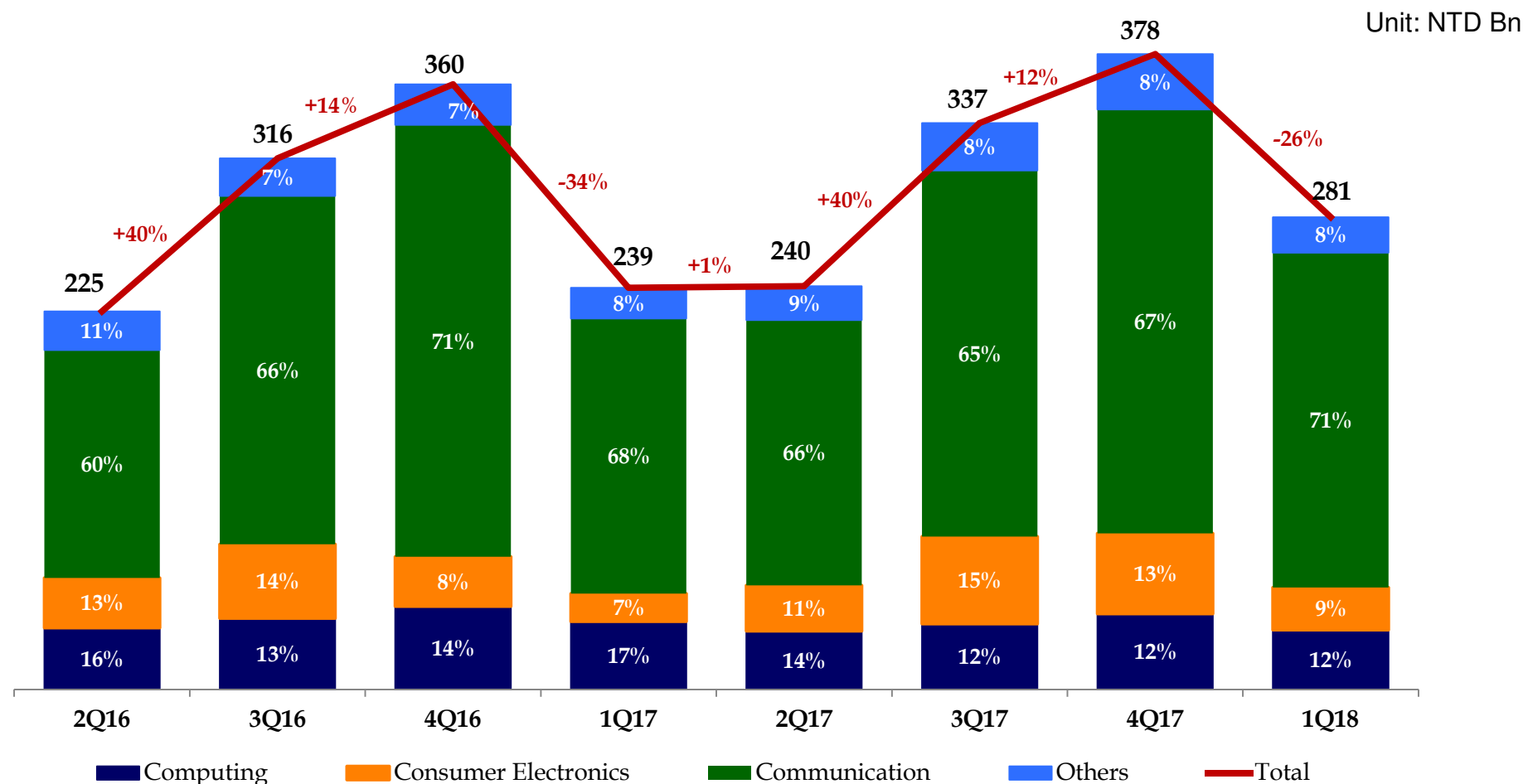
<i>(NT\$ Mn)</i>	1Q2018	4Q2017	QoQ	1Q2017	YoY
Cash and Equivalents	131,852	107,444	24,408	108,698	23,154
AR (Net)	123,123	149,414	(26,291)	63,793	59,330
Inventory (Net)	116,295	123,875	(7,580)	88,620	27,675
Other Current Assets	18,311	14,666	3,645	50,318	(32,007)
Fixed Assets (Net)	80,416	78,075	2,341	64,546	15,870
Total Assets	484,637	488,236	(3,599)	388,959	95,678
AP	146,890	186,896	(40,006)	119,138	27,752
Total Current Liabilities	274,296	291,327	(17,031)	197,407	76,889
Total Liabilities	299,967	308,512	(8,545)	209,091	90,876
Total Equity	184,670	179,724	4,946	179,868	4,802
Total Liabilities and Equity	484,637	488,236	(3,599)	388,959	95,678
Current Ratio	142%	136%	-	158%	-
Debt Ratio (TTL Liabilities / TTL Assets)	62%	63%	-	54%	-
Interest-bearing Debt Ratio	20%	13%	-	11%	-

Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	<u>1Q2018</u>	<u>1Q2017</u>
Cash Flows from Operating Activities:	(11,511)	2,339
Cash Flows from Investing Activities:	(4,847)	(3,481)
Cash Flows from Financing Activities:	41,552	4,824
Impact from Changes in FX Rate	(786)	(3,697)
Net Increase in Cash	24,408	(15)
Cash, beginning of the period	107,444	108,713
Cash, end of the period	131,852	108,698
Note:	<u>1Q2018</u>	<u>1Q2017</u>
Depreciation and amortization	3,850	3,124

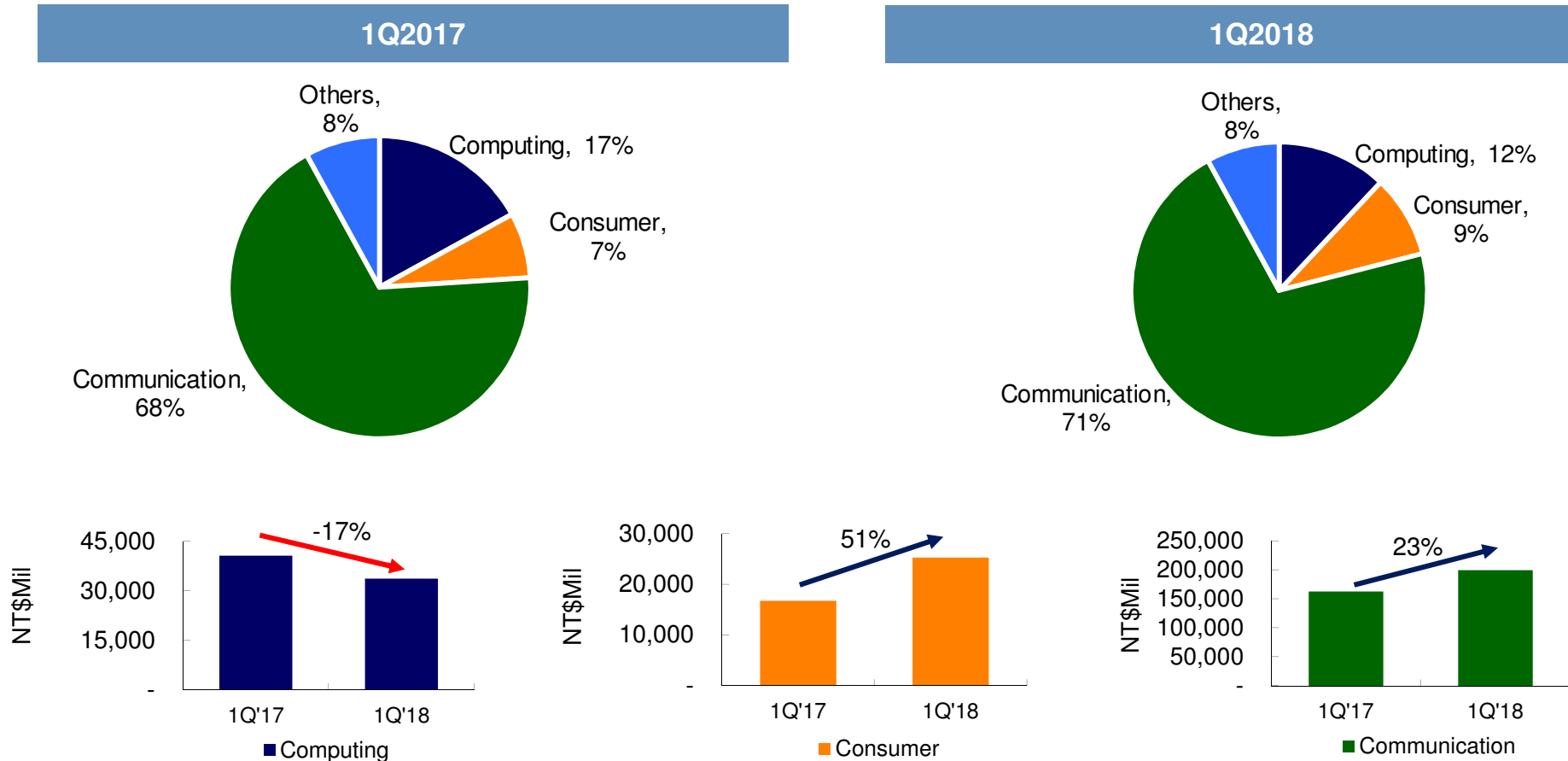
Business Highlight

Consolidated Revenue Trend



Consolidated revenue totaled NT\$281Bn in 1Q2018, declined by 26% QoQ and increased by 18% YoY. QoQ decline was attributable to less working days and entering of low season, while YoY growth was driven mainly by better contribution from Communication and Consumer Electronics segments.

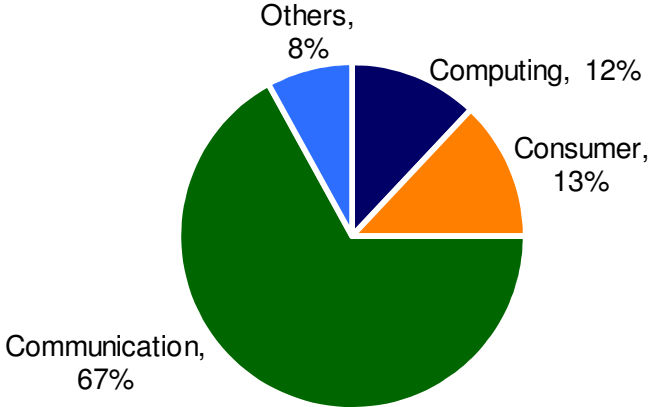
Revenue Breakdowns by Products (Year-over-Year)



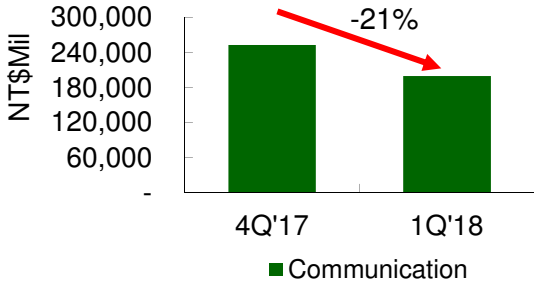
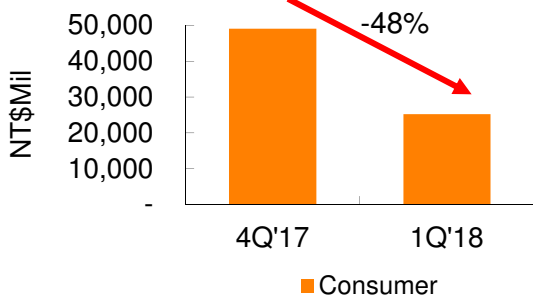
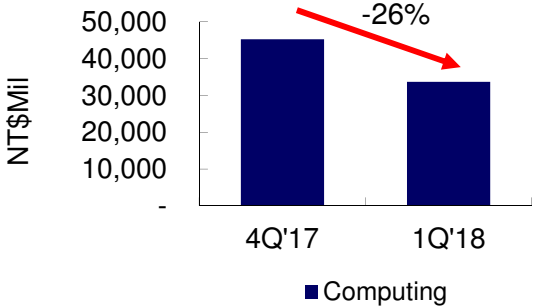
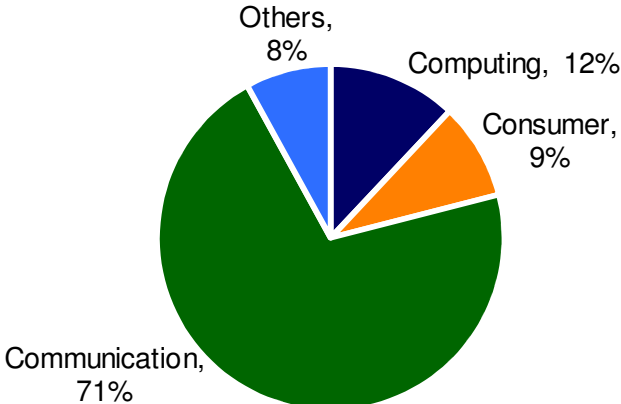
Benefitting from broader product range and customer base, revenue from Consumer Electronics segment grew substantially by 51% YoY, whereas revenue from Communication segment also grew by 23% YoY due to better than expected volume. Continuing impacted by weaker demand, revenue from Computing segment declined by 17% YoY.

Revenue Breakdowns by Products (Quarter-over-Quarter)

4Q2017



1Q2018



Entering low season, revenue declined by double digits QoQ across three product segments.

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