



PEGATRON

2013 Second Quarter Business Review

August 12, 2013



- **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.

2Q13 Consolidated Financial Result

Consolidated Income Statement

<i>(NT\$ Mn)</i>	1H2013		1H2012		YoY
Net Revenue	429,815	100%	391,269	100%	9.9%
COGS	408,359	95.0%	374,315	95.7%	9.1%
Gross Profit	21,457	5.0%	16,953	4.3%	26.6%
Operating Expense	13,910	3.2%	12,007	3.1%	15.8%
Operating Income (Loss)	7,546	1.8%	4,946	1.3%	52.6%
Net Non-Operating Income (Loss)	568	0.1%	99	0.0%	473.7%
FX Gain (Loss)	1,111	0.3%	(48)	0.0%	2414.6%
Others	(543)	-0.1%	147	0.0%	-469.4%
PBT	8,115	1.9%	5,045	1.3%	60.9%
Tax	(2,149)	0.5%	(1,360)	0.3%	58.0%
Net Income	5,966	1.4%	3,685	0.9%	61.9%
Net Income Attributable to the Parent	3,698	0.9%	1,989	0.5%	85.9%

Note:

1. Valuation gain (loss) on financial instrument

1H2013

(985)

1H2012

(41)

2. 1H2013 EPS of NT\$1.62 based on 2,290Mn shares.

Consolidated Income Statement

<i>(NT\$ Mn)</i>	2Q2013		1Q2013		QoQ	2Q2012		YoY
Net Revenue	212,227	100%	217,588	100%	-2.5%	219,308	100%	-3.2%
COGS	202,774	95.5%	205,584	94.5%	-1.4%	209,726	95.6%	-3.3%
Gross Profit	9,453	4.5%	12,004	5.5%	-21.3%	9,582	4.4%	-1.3%
Operating Expense	6,796	3.2%	7,114	3.3%	-4.5%	6,297	2.9%	7.9%
Operating Income (Loss)	2,657	1.3%	4,890	2.2%	-45.7%	3,285	1.5%	-19.1%
Net Non-Operating Income (Loss)	773	0.4%	(205)	-0.1%	477.1%	582	0.3%	32.8%
FX Gain (Loss)	770	0.4%	341	0.2%	-125.8%	(670)	-0.3%	-214.9%
Others	3	0.0%	(546)	-0.3%	100.5%	1,252	0.6%	-99.8%
PBT	3,429	1.6%	4,685	2.2%	-26.8%	3,868	1.8%	-11.3%
Tax	(917)	0.4%	(1,232)	0.6%	-25.6%	(987)	0.5%	-7.1%
Net Income	2,513	1.2%	3,453	1.6%	-27.2%	2,880	1.3%	-12.7%
Net Income Attributable to the Parent	1,393	0.7%	2,306	1.1%	-39.6%	1,925	0.9%	-27.6%

Note:

	2Q2013	1Q2013	2Q2012
1. Valuation gain (loss) on financial instrument	(339)	(646)	1,134
2. 2Q2013 EPS of NT\$0.61 based on 2,290Mn shares.			

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	2Q2013	1Q2013	QoQ	2Q2012	YoY
Cash and Equivalents	62,824	67,897	(5,073)	53,263	9,561
AR (Net)	81,661	84,143	(2,482)	119,435	(37,774)
Inventory (Net)	88,805	104,435	(15,630)	77,478	11,327
Other Current Assets	26,119	36,077	(9,958)	18,134	7,985
Total Current Assets	259,409	292,552	(33,143)	268,310	(8,901)
Investment	3,445	3,504	(59)	3,587	(142)
Fixed Assets (Net)	75,396	74,430	966	71,893	3,503
Other Assets	11,921	11,068	853	10,482	1,439
Total Non-Current Assets	90,762	89,002	1,760	85,962	4,800
Total Assets	350,171	381,554	(31,383)	354,272	(4,101)
Short-term Borrowings	27,329	19,364	7,965	30,713	(3,384)
AP	112,072	149,463	(37,391)	129,170	(17,098)
Other Current Liabilities	52,518	48,827	3,691	36,255	16,263
Total Current Liabilities	191,919	217,654	(25,735)	196,138	(4,219)
Long-term Loan	19,455	23,998	(4,543)	32,986	(13,531)
Other Liabilities	4,463	3,938	525	2,793	1,670
Total Liabilities	215,837	245,590	(29,753)	231,917	(16,080)
Paid-in Capital	22,901	22,901	0	22,564	337
Capital Surplus	62,511	62,640	(129)	61,213	1,298
Retained Earnings	15,268	17,311	(2,043)	10,612	4,656
Others	(455)	(1,677)	1,222	(1,655)	1,200
Treasury Stocks	(29)	(26)	(3)	(19)	(10)
Net Equity	134,334	135,964	(1,630)	122,355	11,979
Total Liabilities and Net Equity	350,171	381,554	(31,383)	354,272	(4,101)
Current Ratio	135%	134%	-	137%	-
Debt Ratio (TTL Liabilities / TTL Assets)	62%	64%	-	65%	-
Interest-bearing Debt Ratio	13%	11%	-	18%	-

Consolidated Cash Flows Statement

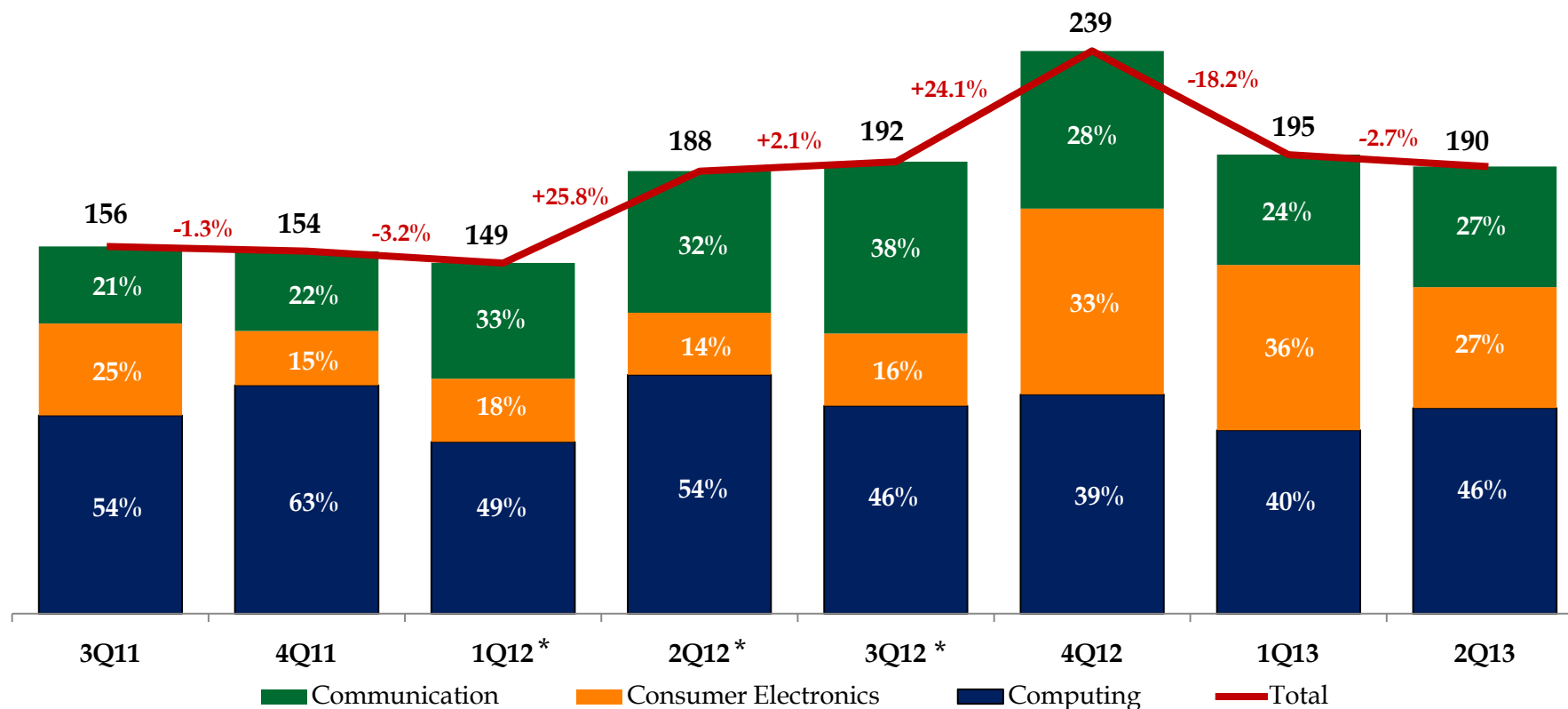
<i>(NT\$ Mn)</i>	<u>1H2013</u>
Cash Flows from Operating Activities:	8,607
Cash Flows from Investing Activities:	(6,635)
Cash Flows from Financing Activities:	196
Impact from Changes in FX Rate	715
Net Increase in Cash	<u>2,883</u>
Cash, beginning of the period	59,941
Cash, end of the period	<u>62,824</u>

<i>Note:</i>	<u>1H2013</u>
Depreciation and amortization	<u>6,876</u>

Business Highlight

DMS Revenue Trend

Unit: NTD Bn



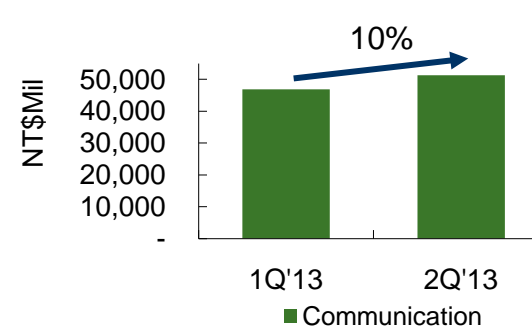
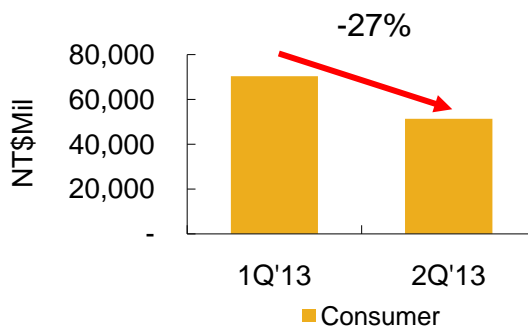
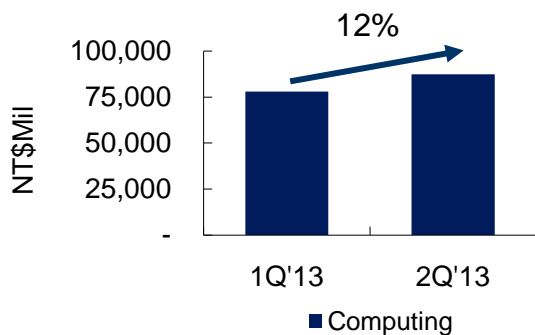
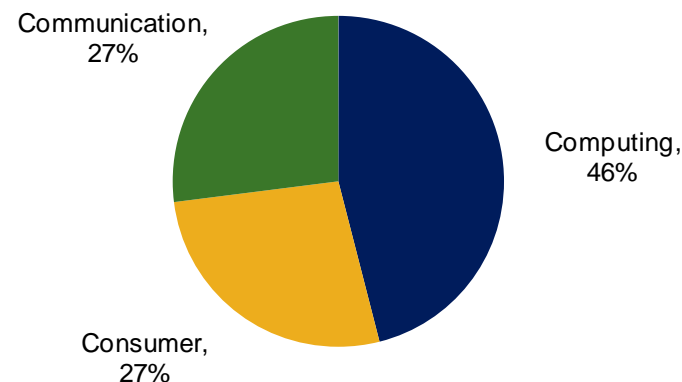
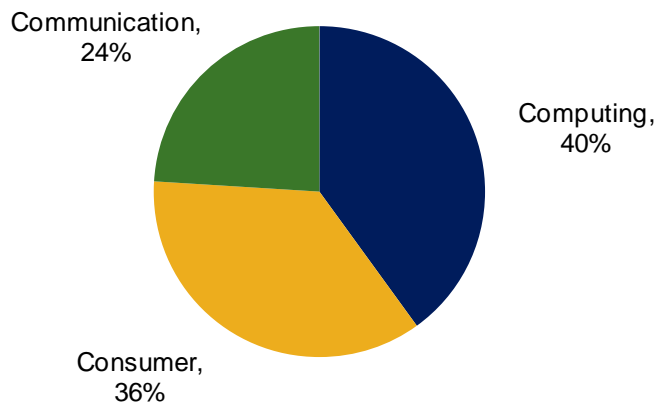
Revenue in 2Q2013 totaled NT\$190Bn, a 2.7% decline from NT\$195Bn in the previous quarter. The decline was attributable to declining revenue from consumer electronics, while revenue from both computing and communication segments grew QoQ due to better than expected volume demand from customers.

* Minor adjustment made on the revenue breakdown percentage of Computing & Consumer Electronics segments.

Revenue Breakdowns by Products (Quarter-over-Quarter)

1Q2013

2Q2013

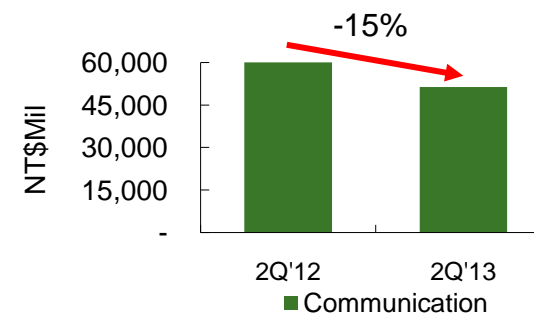
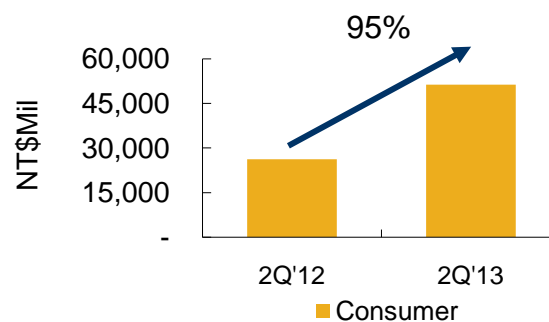
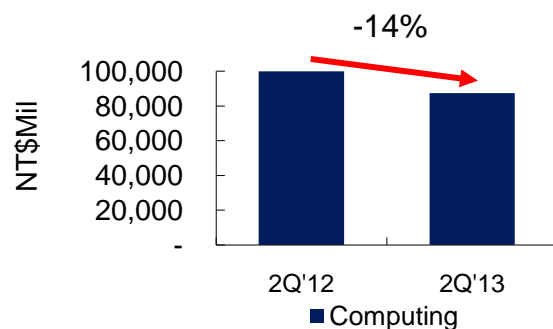
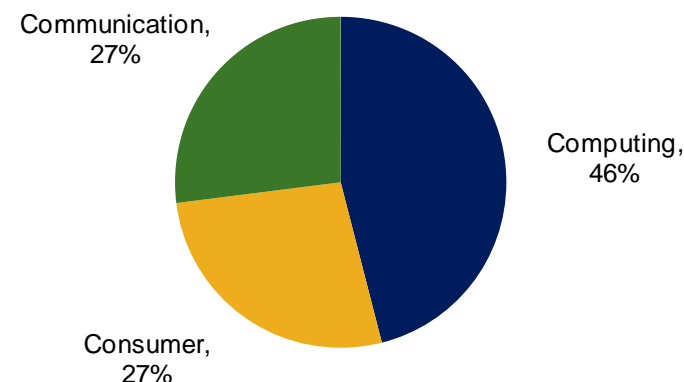
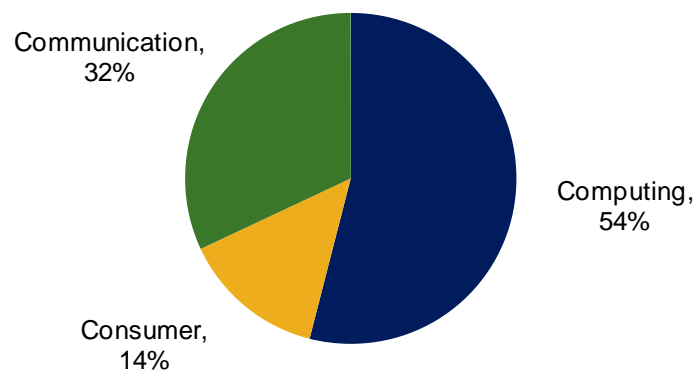


As a result of better than expected demand in NB and communication products, revenue in computing and communication segments grew by 12% and 10% QoQ respectively. Whereas revenue from consumer electronics segment declined by 27% QoQ, inline with the previous guidance.

Revenue Breakdowns by Products (Year-over-Year)

2Q2012

2Q2013



Benefitting from increasing shipment in tablets, revenue from consumer electronics segment grew by 95% on a YoY basis and its revenue contribution in 2Q2013 increased to 27% from 14% in a-year-ago quarter. Consequently, revenue contribution percentage from computing segment declined to 46% while that of communication segment declined to 27% in 2Q2013.

- NB shipment to decline by 5% ~ 10%
- MB & DT shipment to decline by 10% ~ 15%
- Revenue from non computing segment to grow by 40% ~ 50%

Q & A

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