

**PEGATRON**



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## **2013 Fourth Quarter Business Review**

March 24, 2014

- **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.

**2013 & 4Q2013 Consolidated Financial Result**

## Consolidated Income Statements (2013 vs. 2012)

<i>(NT\$ Mn)</i>	2013		2012		YoY
Net Revenue	949,752	100%	881,197	100%	7.8%
COGS	904,235	95.2%	844,165	95.8%	7.1%
Gross Profit	45,517	4.8%	37,032	4.2%	22.9%
Operating Expense	29,940	3.2%	24,821	2.8%	20.6%
Operating Income (Loss)	15,577	1.6%	12,211	1.4%	27.6%
Net Non-Operating Income (Loss)	3,453	0.4%	1,968	0.2%	75.5%
FX Gain (Loss)	2,113	0.2%	931	0.1%	127.0%
Others	1,340	0.1%	1,037	0.1%	29.2%
PBT	19,030	2.0%	14,179	1.6%	34.2%
Tax	(4,783)	0.5%	(3,843)	0.4%	24.5%
Net Income	14,247	1.5%	10,336	1.2%	37.8%
Net Income Attributable to the Parent	9,554	1.0%	6,383	0.7%	49.7%
EPS	4.16		2.83		

Note:

	2013	2012
1. Valuation gain (loss) on ECB	535	503
2. Impairment loss	(339)	0

## Consolidated Income Statements (QoQ)

(NT\$ Mn)	4Q2013		3Q2013		QoQ	4Q2012		YoY
Net Revenue	265,959	100%	253,978	100%	4.7%	267,043	100%	-0.4%
COGS	252,557	95.0%	243,320	95.8%	3.8%	256,738	96.1%	-1.6%
Gross Profit	13,402	5.0%	10,658	4.2%	25.7%	10,305	3.9%	30.1%
Operating Expense	8,292	3.1%	7,737	3.0%	7.2%	6,063	2.3%	36.8%
Operating Income (Loss)	5,110	1.9%	2,921	1.2%	74.9%	4,242	1.6%	20.5%
Net Non-Operating Income (Loss)	1,135	0.4%	1,750	0.7%	-35.1%	1,358	0.5%	-16.4%
FX Gain (Loss)	752	0.3%	249	0.1%	202.0%	1,090	0.4%	-31.0%
Others	383	0.1%	1,501	0.6%	-74.5%	268	0.1%	42.9%
PBT	6,245	2.3%	4,671	1.8%	33.7%	5,600	2.1%	11.5%
Tax	(1,642)	0.6%	(992)	0.4%	65.5%	(1,686)	0.6%	-2.6%
Net Income	4,603	1.7%	3,679	1.4%	25.1%	3,914	1.5%	17.6%
<b>Net Income Attributable to the Parent</b>	<b>3,379</b>	<b>1.3%</b>	<b>2,478</b>	<b>1.0%</b>	<b>36.4%</b>	<b>2,769</b>	<b>1.0%</b>	<b>22.0%</b>
EPS	1.46		1.08			1.23		

Note:

	4Q2013	3Q2013	4Q2012
1. Valuation gain (loss) on ECB	445	1,075	226
2. Impairment loss	(339)	0	0

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	<b>4Q2013</b>	<b>3Q2013</b>	<b>QoQ</b>	<b>4Q2012</b>	<b>YoY</b>
Cash and Equivalents	74,261	62,450	11,811	59,424	14,837
AR (Net)	104,037	112,195	(8,158)	122,724	(18,687)
Inventory (Net)	103,599	107,970	(4,371)	92,678	10,921
Other Current Assets	45,038	39,316	5,722	33,425	11,613
Total Current Assets	326,935	321,931	5,004	308,251	18,684
Investment	2,884	3,315	(431)	3,389	(505)
Fixed Assets (Net)	73,917	74,078	(161)	73,179	738
Other Assets	12,160	12,231	(71)	10,536	1,624
Total Non-Current Assets	88,961	89,624	(663)	87,104	1,857
Total Assets	415,896	411,555	4,341	395,355	20,541
Short-term Borrowings	32,034	32,564	(530)	28,464	3,570
AP	158,674	163,481	(4,807)	172,381	(13,707)
Other Current Liabilities	48,565	50,320	(1,755)	37,258	11,307
Total Current Liabilities	239,273	246,365	(7,092)	238,103	1,170
Long-term Loan	28,708	23,499	5,209	26,644	2,064
Other Liabilities	3,859	3,859	0	2,970	889
Total Liabilities	271,840	273,723	(1,883)	267,717	4,123
Paid-in Capital	23,212	23,199	13	22,903	309
Capital Surplus	63,176	63,049	127	61,723	1,453
Retained Earnings	21,144	17,746	3,398	15,006	6,138
Others	(210)	(1,277)	1,067	(3,808)	3,598
Treasury Stocks	(17)	(22)	5	(19)	2
Net Equity	144,055	137,832	6,223	127,638	16,417
Total Liabilities and Net Equity	415,896	411,555	4,341	395,355	20,541
Current Ratio	137%	131%	-	129%	-
Debt Ratio (TTL Liabilities / TTL Assets)	65%	67%	-	68%	-
Interest-bearing Debt Ratio	15%	14%	-	14%	-

## Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	2013	2012
Cash Flows from Operating Activities:	25,071	24,584
Cash Flows from Investing Activities:	(12,683)	(20,539)
Cash Flows from Financing Activities:	1,861	6,710
Impact from Changes in FX Rate	588	(918)
Net Increase in Cash	14,837	9,837
Cash, beginning of the period	59,424	49,587
Cash, end of the period	74,261	59,424

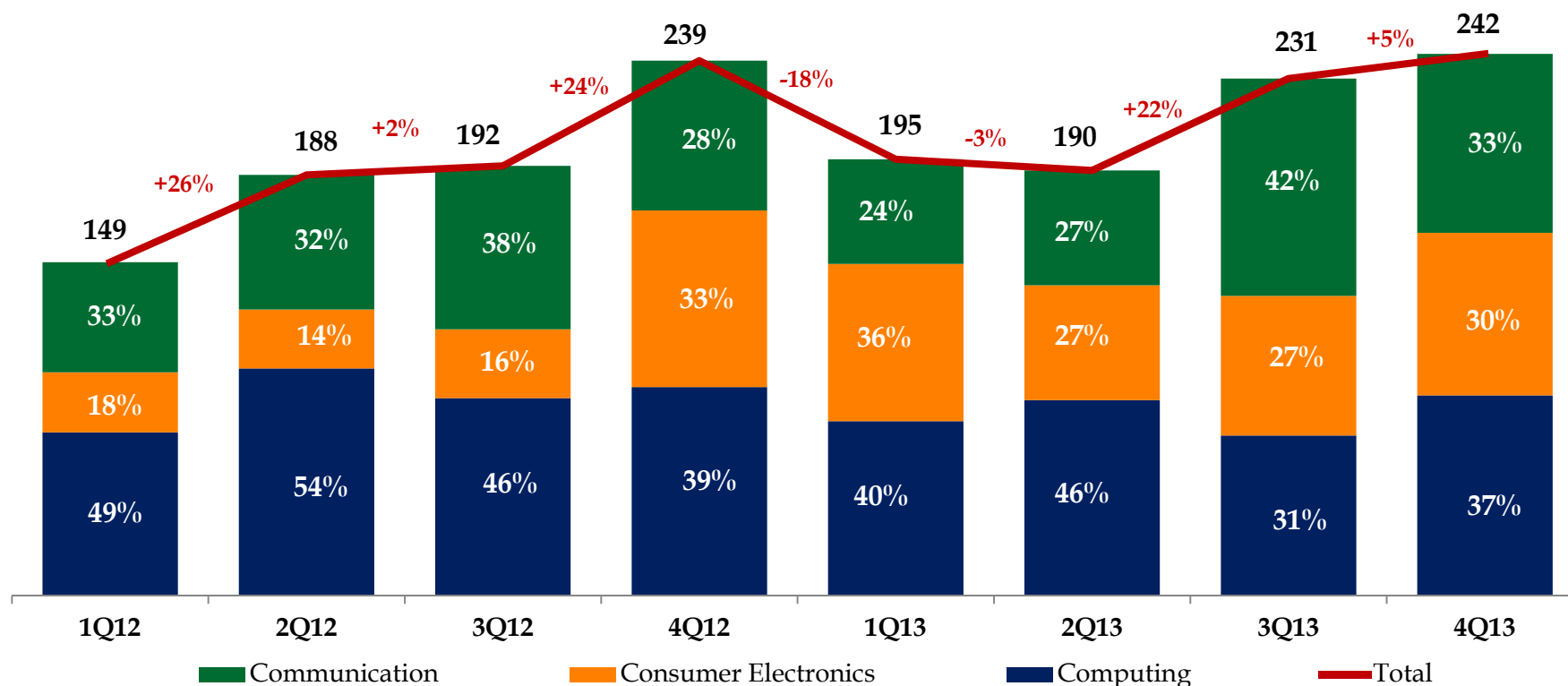
<i>Note:</i>	2013	2012
Depreciation and amortization	13,925	13,080



**Business Highlight**

## DMS Revenue Trend

Unit: NTD Bn

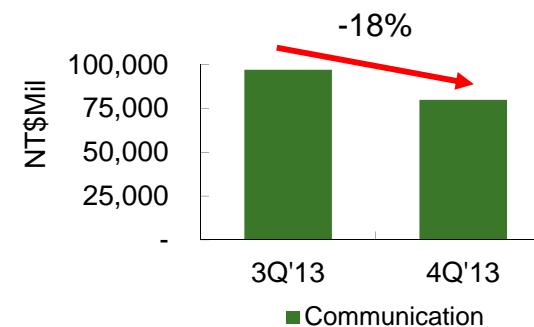
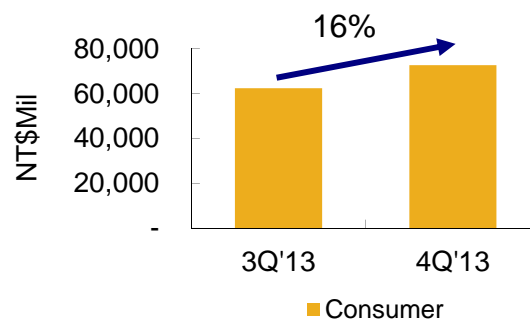
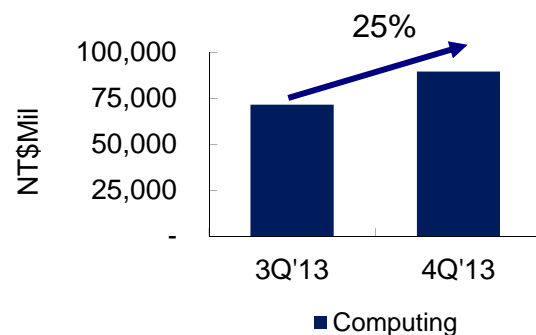
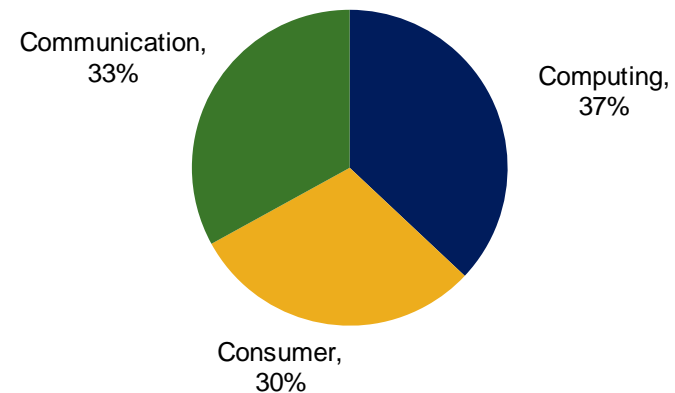
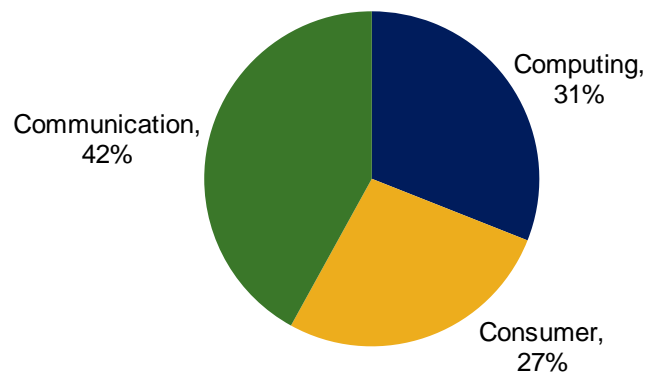


Revenue in 4Q2013 totaled NT\$242Bn, a 5% growth from NT\$231Bn in the previous quarter. The growth was driven mainly by better than expected demand in Computing segment and the holiday season pickup in Consumer Electronics products, but partially offset by the decline in Communication segment.

## Revenue Breakdowns by Products (Quarter-over-Quarter)

3Q2013

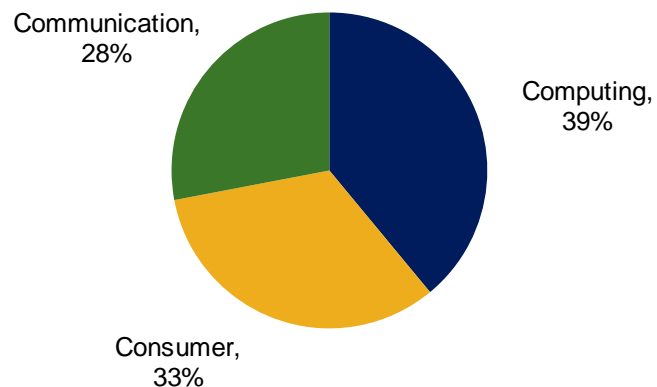
4Q2013



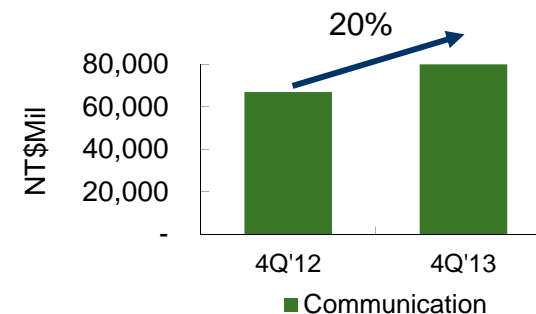
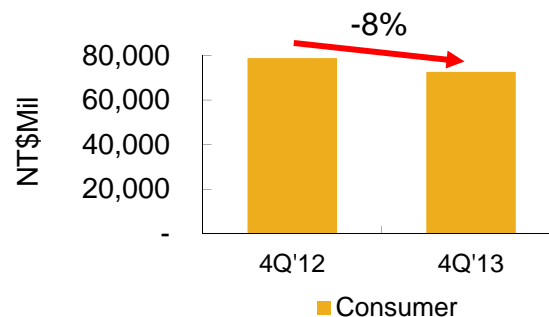
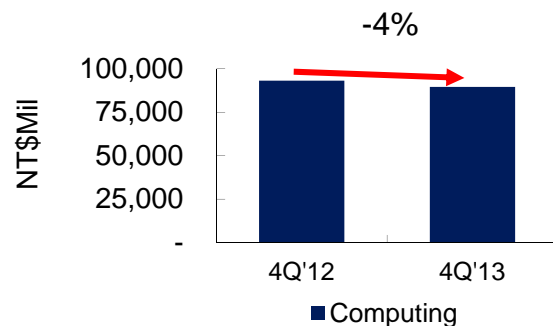
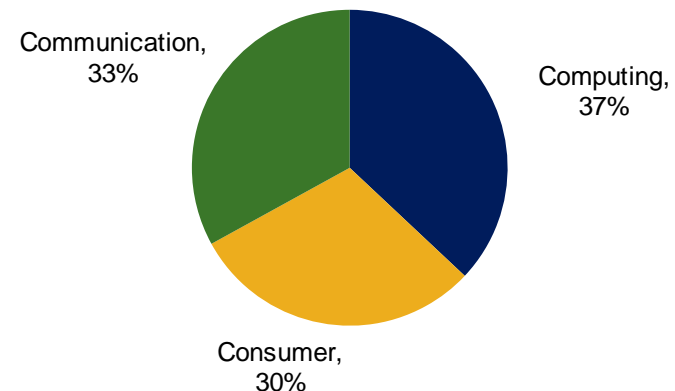
As a result of better than expected demand in NB and peak demand for consumer electronics prior to Christmas holiday, revenue from both Computing and Consumer Electronics segments grew by double digits and sales contribution grew from 31% and 27% to 37% and 30% respectively. Revenue for Communication segment, after the high base in the previous quarter, declined by 18% QoQ.

## Revenue Breakdowns by Products (Year-over-Year)

4Q2012



4Q2013



Revenue in both Computing segment and Consumer Electronics segment declined by 4% and 8% YoY respectively due to weakening demand resulting from intensifying competition from mobile devices, while sales in Communication segment grew by 20% on a YoY basis.

- NB shipment volume to decline by 20% ~ 25%
- MB & DT shipment volume to decline by 30% ~ 35%
- Revenue from non computing segment to decline by 15% ~ 20%

**Q & A**