

**PEGATRON**



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## **2015 Fourth Quarter Business Review**

March 17, 2016

- **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.

**2015 & 4Q2015 Consolidated Financial Result**

## Consolidated Income Statements (2015 vs. 2014)

<i>(NT\$ Mn)</i>	2015		2014		YoY
Net Revenue	1,213,713	100%	1,019,738	100%	19.0%
COGS	1,138,438	93.8%	960,283	94.2%	18.6%
Gross Profit	75,275	6.2%	59,455	5.8%	26.6%
Operating Expense	35,600	2.9%	31,135	3.1%	14.3%
Operating Income (Loss)	39,675	3.3%	28,320	2.8%	40.1%
Net Non-Operating Income (Loss)	(489)	0.0%	(2,058)	-0.2%	-76.2%
FX Gain (Loss)	(3,524)	-0.3%	1,171	0.1%	-400.9%
Others	3,035	0.3%	(3,229)	-0.3%	-194.0%
PBT	39,186	3.2%	26,262	2.6%	49.2%
Tax	(10,314)	0.8%	(7,334)	0.7%	40.6%
Net Income	28,872	2.4%	18,928	1.9%	52.5%
Net Income Attributable to the Parent	23,812	2.0%	14,658	1.4%	62.5%
EPS	9.23		6.24		47.9%
<b>Excluding Impact from ECB Valuation</b>	<b>2015</b>		<b>2014</b>		<b>YoY</b>
Valuation Gain (Loss) on ECB	(239)		(4,172)		-
PBT	39,425		30,434		29.5%
Net Income Attributable to the Parent	24,051		18,830		27.7%
EPS	9.32		8.02		16.2%

## Consolidated Income Statements (QoQ)

<i>(NT\$ Mn)</i>	4Q 2015		3Q 2015		QoQ	4Q 2014		YoY
Net Revenue	411,984	100%	309,538	100%	33.1%	351,946	100%	17.1%
COGS	388,558	94.3%	288,668	93.3%	34.6%	332,012	94.3%	17.0%
Gross Profit	23,426	5.7%	20,870	6.7%	12.2%	19,934	5.7%	17.5%
Operating Expense	10,198	2.5%	9,052	2.9%	12.7%	9,453	2.7%	7.9%
Operating Income (Loss)	13,228	3.2%	11,818	3.8%	11.9%	10,481	3.0%	26.2%
Net Non-Operating Income (Loss)	(1,284)	-0.3%	(1,187)	-0.4%	8.2%	(379)	-0.1%	238.8%
FX Gain (Loss)	(1,672)	-0.4%	(1,462)	-0.5%	14.4%	1,454	0.4%	-215.0%
Others	388	0.1%	275	0.1%	41.1%	(1,833)	-0.5%	-121.2%
PBT	11,944	2.9%	10,631	3.4%	12.4%	10,102	2.9%	18.2%
Tax	(3,532)	0.9%	(3,119)	1.0%	13.2%	(3,324)	0.9%	6.3%
Net Income	8,412	2.0%	7,512	2.4%	12.0%	6,778	1.9%	24.1%
<b>Net Income Attributable to the Parent</b>	<b>6,815</b>	<b>1.7%</b>	<b>6,014</b>	<b>1.9%</b>	<b>13.3%</b>	<b>5,681</b>	<b>1.6%</b>	<b>20.0%</b>
EPS	2.63		2.31		13.9%	2.38		10.5%
<b>Excluding Impact from ECB Valuation</b>	<b>4Q 2015</b>		<b>3Q 2015</b>		<b>QoQ</b>	<b>4Q 2014</b>		<b>YoY</b>
Valuation Gain (Loss) on ECB	0		0		-	(1,830)		-
PBT	11,944		10,631		12.4%	11,932		0.1%
Net Income Attributable to the Parent	6,815		6,014		13.3%	7,511		-9.3%
EPS	2.63		2.31		13.9%	3.11		-15.4%

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	<b>4Q2015</b>	<b>3Q2015</b>	<b>QoQ</b>	<b>4Q2014</b>	<b>YoY</b>
Cash and Equivalents	102,561	101,961	600	107,689	(5,128)
AR (Net)	120,030	151,501	(31,471)	129,863	(9,833)
Inventory (Net)	118,165	158,121	(39,956)	95,630	22,535
Other Current Assets	49,647	41,755	7,892	36,421	13,226
Total Current Assets	390,403	453,338	(62,935)	369,603	20,800
Investment	1,855	2,025	(170)	2,539	(684)
Fixed Assets (Net)	71,038	71,439	(401)	72,898	(1,860)
Other Assets	12,791	13,023	(232)	12,053	738
Total Non-Current Assets	85,684	86,487	(803)	87,490	(1,806)
Total Assets	476,087	539,825	(63,738)	457,093	18,994
Short-term Borrowings	48,071	67,260	(19,189)	36,732	11,339
AP	161,147	217,168	(56,021)	174,768	(13,621)
Other Current Liabilities	58,489	52,601	5,888	53,497	4,992
Total Current Liabilities	267,707	337,029	(69,322)	264,997	2,710
Long-term Loans	12,307	12,519	(212)	13,949	(1,642)
Other Liabilities	3,734	4,538	(804)	3,276	458
Total Liabilities	283,748	354,086	(70,338)	282,222	1,526
Paid-in Capital	26,030	26,032	(2)	25,157	873
Capital Surplus	78,972	78,922	50	74,296	4,676
Retained Earnings	42,655	35,866	6,789	29,325	13,330
Others	2,725	4,201	(1,476)	4,901	(2,176)
Treasury Stocks	(3)	(2)	(1)	(8)	5
Net Equity	192,339	185,739	6,600	174,871	17,468
Total Liabilities and Net Equity	476,087	539,825	(63,738)	457,093	18,994
Current Ratio	146%	135%	-	139%	-
Debt Ratio (TTL Liabilities / TTL Assets)	60%	66%	-	62%	-
Interest-bearing Debt Ratio	13%	15%	-	11%	-

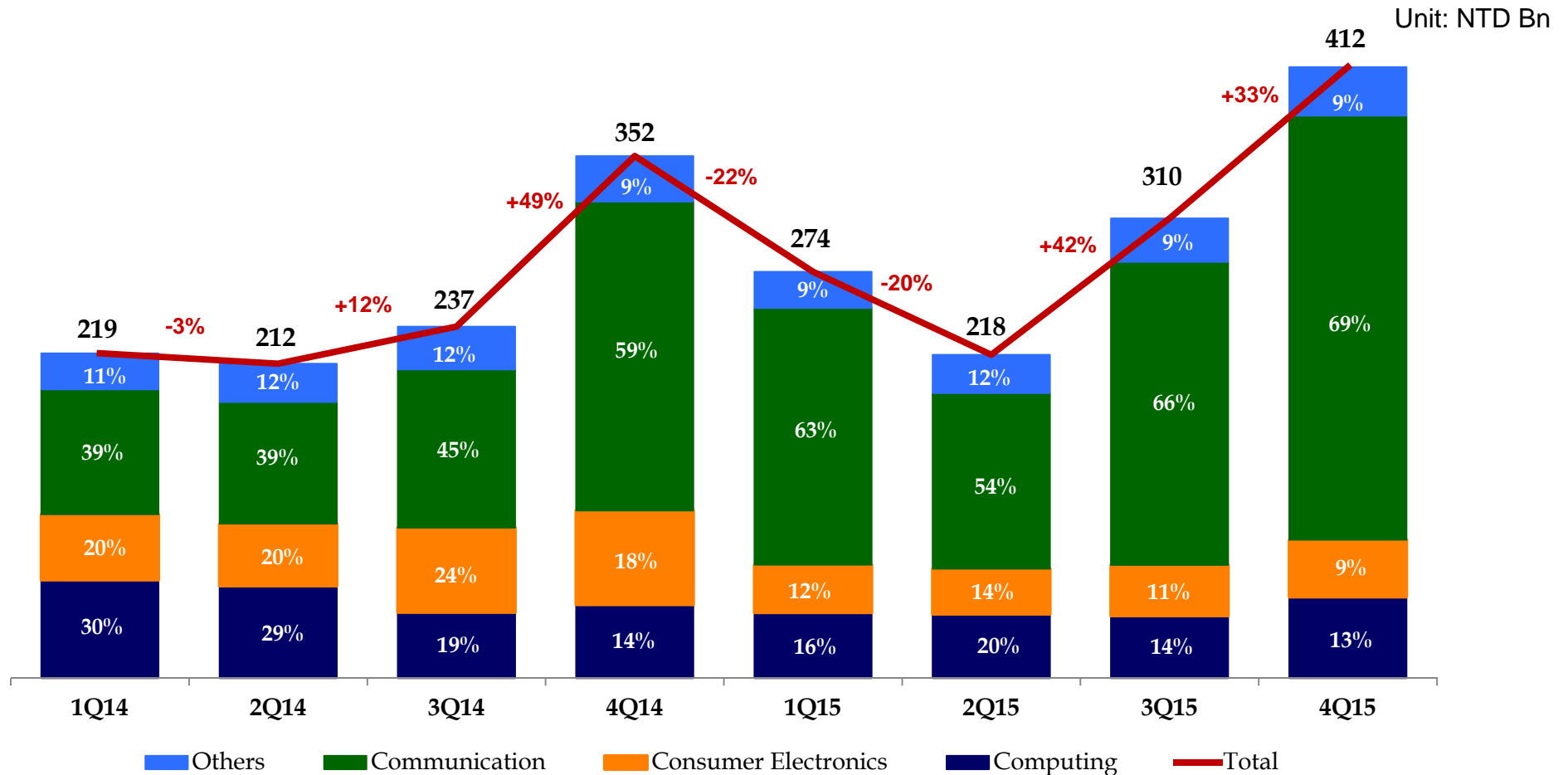
## Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	2015	2014
Cash Flows from Operating Activities:	9,972	49,567
Cash Flows from Investing Activities:	(12,753)	(9,318)
Cash Flows from Financing Activities:	(2,693)	(9,570)
Impact from Changes in FX Rate	346	2,749
Net Increase in Cash	(5,128)	33,428
Cash, beginning of the period	107,689	74,261
Cash, end of the period	102,561	107,689
<i>Note:</i>	2015	2014
Depreciation and amortization	13,695	13,762



**Business Highlight**

## Consolidated Revenue Trend

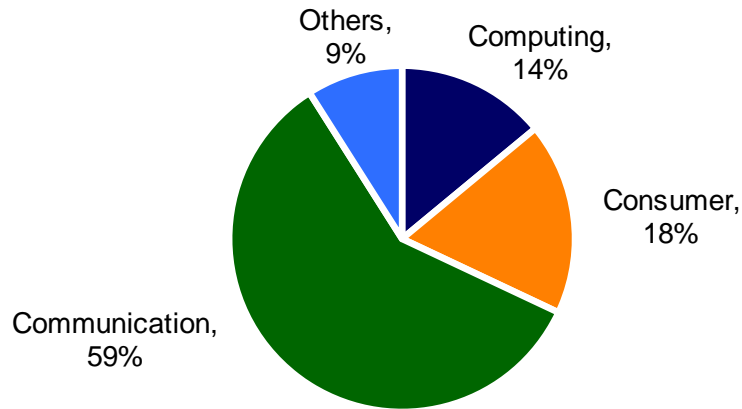


Consolidated revenue totaled NT\$412Bn and reached a record high in 4Q2015, increased by 33% from NT\$310Bn in the previous quarter. The growth was mainly driven by continuous demand in Communication segment.

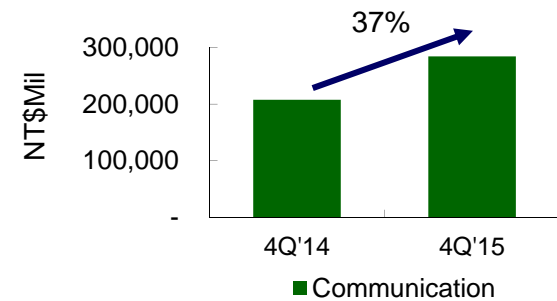
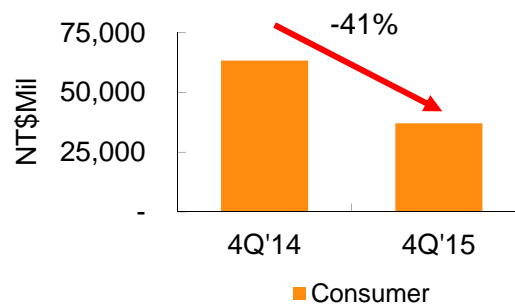
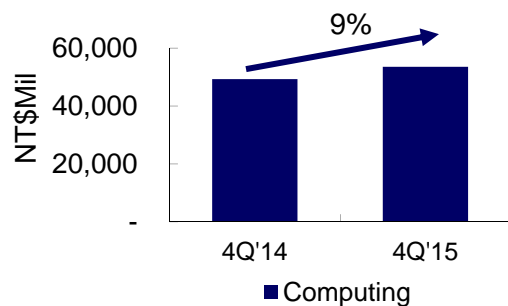
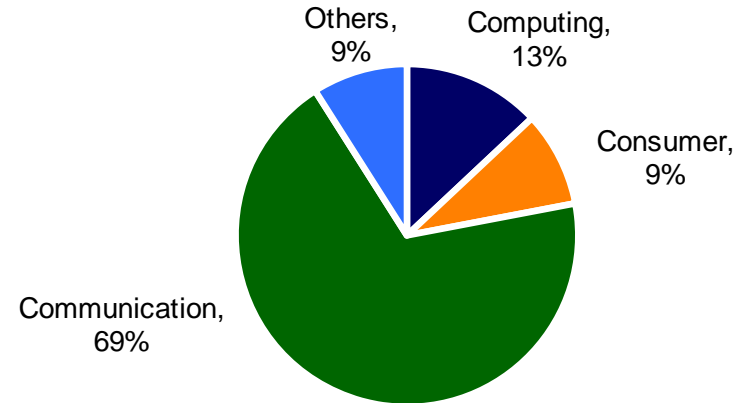
\* Revenue breakdown percentage in 2014 was adjusted due to product re-categorization.

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

4Q2014



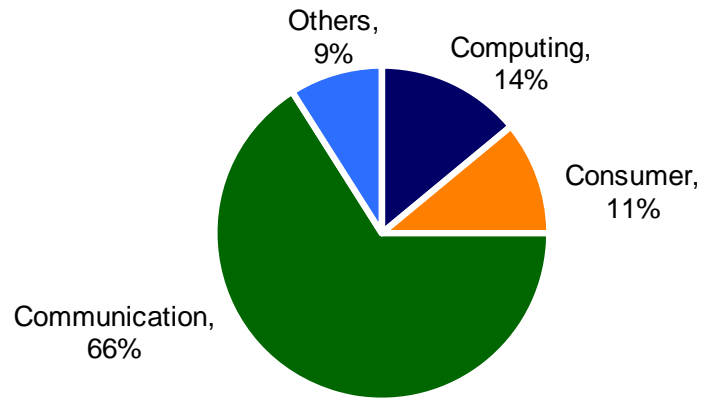
4Q2015



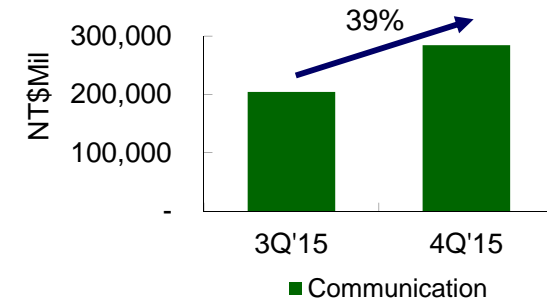
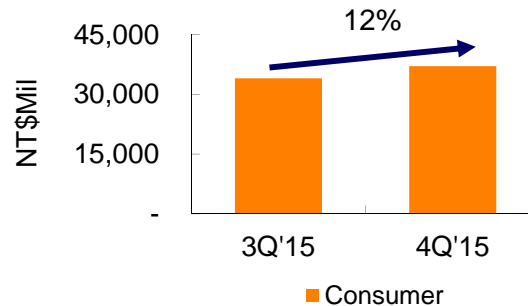
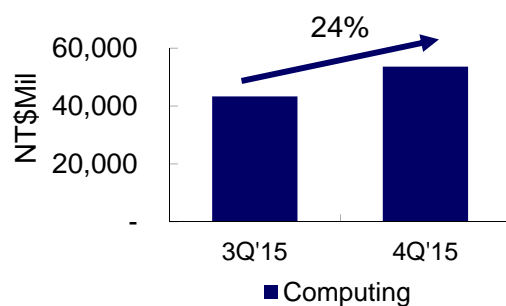
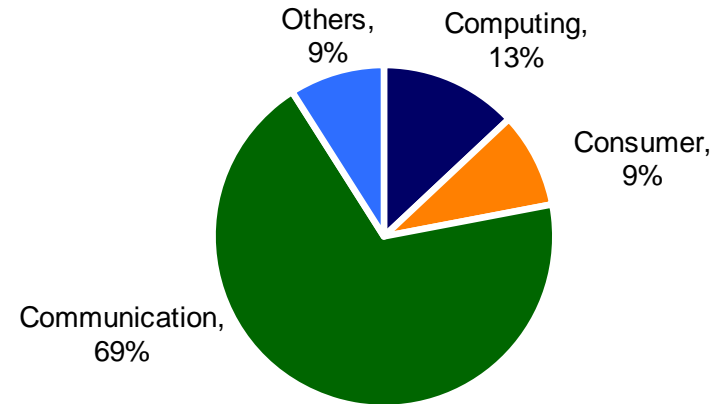
Benefiting from higher smartphone volume, revenue from Communication grew by 37% YoY and revenue contribution increased to 69% from 59% in a-year-ago quarter. Due to better than expected NB demand, revenue from Computing segment grew by 9% on a YoY basis, while that of Consumer Electronics declined by 41% due to change of customer base.

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

3Q2015



4Q2015



Double-digit growth achieved across three product segments driven by better than expected demand in NB, new product in tablet, and continuous shipment pulled out for smartphone.

- NB shipment volume to decline by 25% ~ 30%
- MB & DT shipment volume to decline by 0% ~ 5%
- Revenue from non computing segment to decline by 40% ~ 45%

## Q & A