

PEGATRON



PEGATRON

2019 First Quarter Business Review

May 07, 2019

- **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.

1Q2019 Consolidated Financial Result

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Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	1Q 2019		4Q 2018		QoQ	1Q 2018		YoY
Net Revenue	294,115	100%	465,847	100%	-36.9%	280,893	100%	4.7%
COGS	287,443	97.7%	453,771	97.4%	-36.7%	271,692	96.7%	5.8%
Gross Profit	6,672	2.3%	12,076	2.6%	-44.7%	9,201	3.3%	-27.5%
Operating Expense	6,253	2.1%	7,490	1.6%	-16.5%	7,051	2.5%	-11.3%
Operating Income (Loss)	419	0.1%	4,586	1.0%	-90.9%	2,150	0.8%	-80.5%
Net Non-Operating Income (Loss)	1,313	0.4%	1,351	0.3%	-2.8%	137	0.0%	858.4%
FX Gain (Loss)	145	0.0%	167	0.0%	-13.2%	(471)	-0.2%	-130.8%
Others	1,168	0.4%	1,184	0.3%	-1.4%	608	0.2%	92.1%
PBT	1,732	0.6%	5,937	1.3%	-70.8%	2,287	0.8%	-24.3%
Tax	(1,131)	0.4%	(2,360)	0.5%	-52.1%	(326)	0.1%	246.9%
Net Income	601	0.2%	3,577	0.8%	-83.2%	1,961	0.7%	-69.4%
Net Income Attributable to the Parent	1,331	0.5%	3,272	0.7%	-59.3%	2,079	0.7%	-36.0%
EPS	0.51		1.25		-59.2%	0.80		-36.3%

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	<u>1Q2019</u>	<u>4Q2018</u>	<u>QoQ</u>	<u>1Q2018</u>	<u>YoY</u>
Cash and Equivalents	150,657	106,068	44,589	131,852	18,805
AR (Net)	149,169	198,884	(49,715)	123,123	26,046
Inventory (Net)	139,448	164,988	(25,540)	116,295	23,153
Other Current Assets	15,594	12,865	2,729	18,311	(2,717)
Fixed Assets (Net)	88,435	87,606	829	80,416	8,019
Total Assets	559,192	584,351	(25,159)	484,637	74,555
AP	164,981	228,075	(63,094)	146,890	18,091
Total Current Liabilities	340,680	370,401	(29,721)	274,296	66,384
Total Liabilities	370,772	397,904	(27,132)	299,967	70,805
Total Equity	188,420	186,447	1,973	184,670	3,750
Total Liabilities and Equity	559,192	584,351	(25,159)	484,637	74,555
Current Ratio	134%	130%	-	142%	-
Debt Ratio (TTL Liabilities / TTL Assets)	66%	68%	-	62%	-
Interest-bearing Debt Ratio	26%	20%	-	20%	-

Consolidated Cash Flows Statement

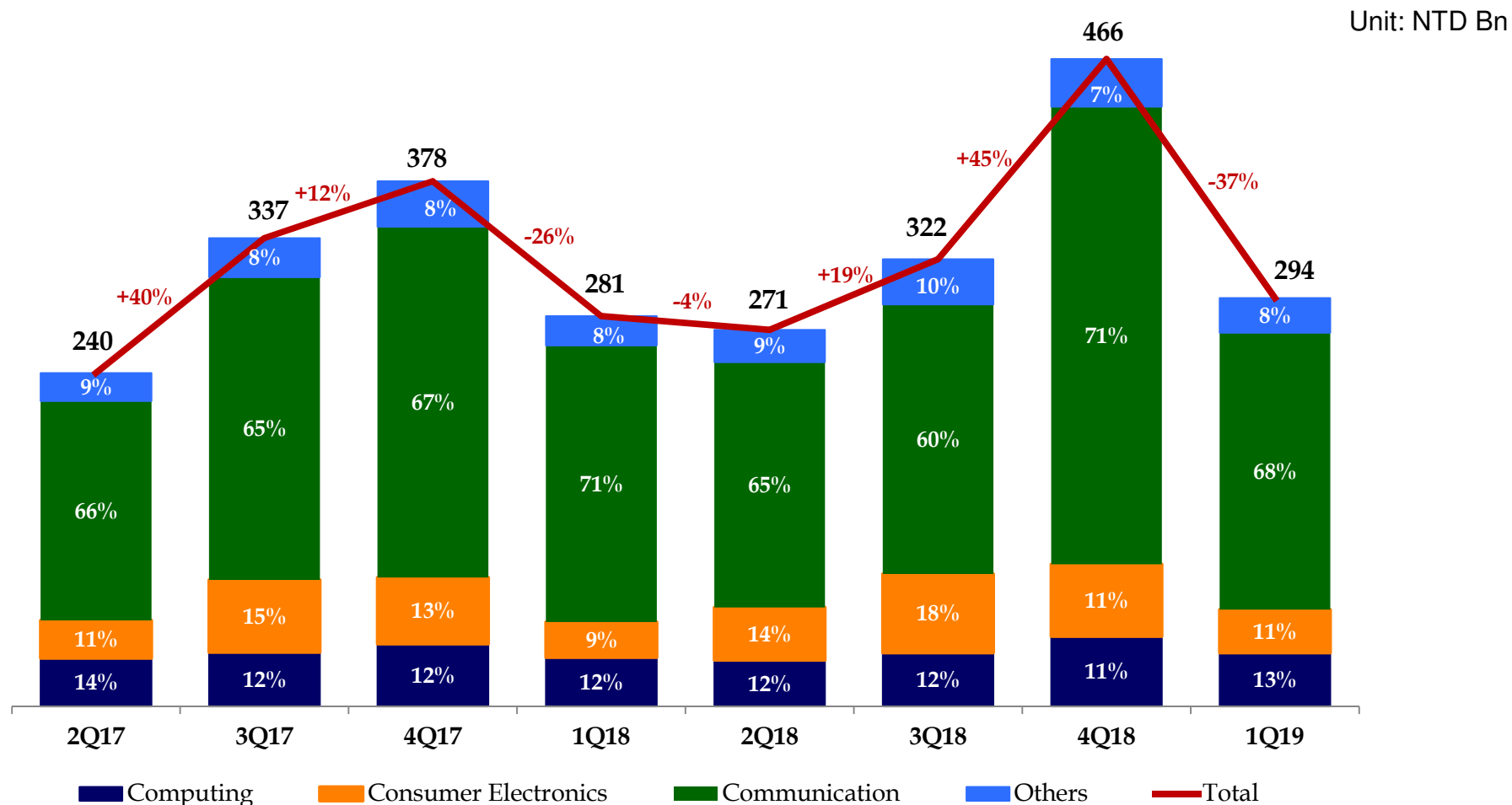
<i>(NT\$ Mn)</i>	<u>1Q 2019</u>	<u>1Q 2018</u>
Cash Flows from Operating Activities:	14,142	(11,511)
Cash Flows from Investing Activities:	(3,051)	(4,847)
Cash Flows from Financing Activities:	33,196	41,552
Impact from Changes in FX Rate	303	(786)
Net Increase in Cash	44,590	24,408
Cash, beginning of the period	106,068	107,444
Cash, end of the period	150,658	131,852

<i>Note:</i>	<u>1Q 2019</u>	<u>1Q 2018</u>
Depreciation and amortization	4,705	3,850

Business Highlight

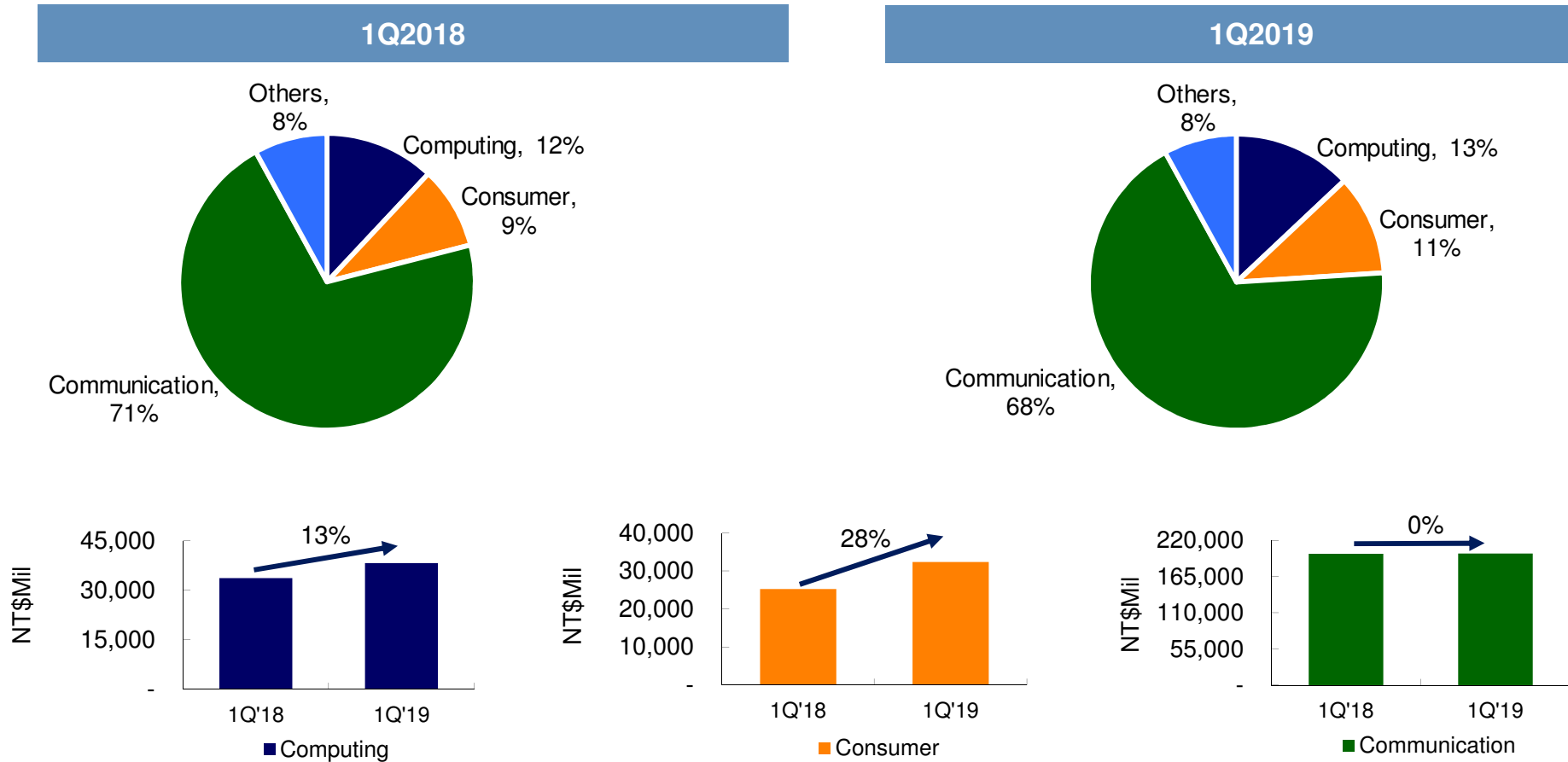
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Consolidated Revenue Trend



Consolidated revenue totaled NT\$294Bn in 1Q2019, down by 37% QoQ but up by 4.7% YoY. QoQ decline was attributable to less working days and entering of low season, while YoY growth was driven mainly by better contribution from Computing and Consumer Electronics segments.

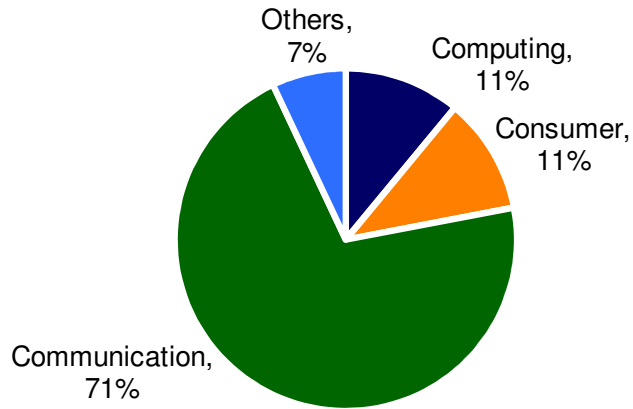
Revenue Breakdowns by Products (Year-over-Year)



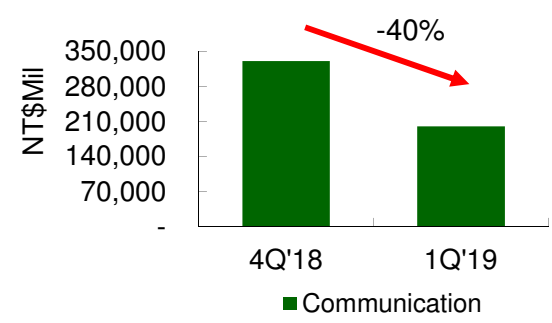
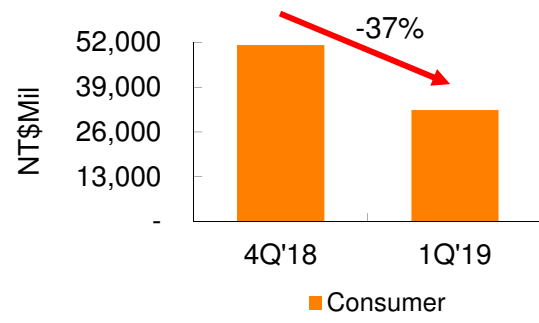
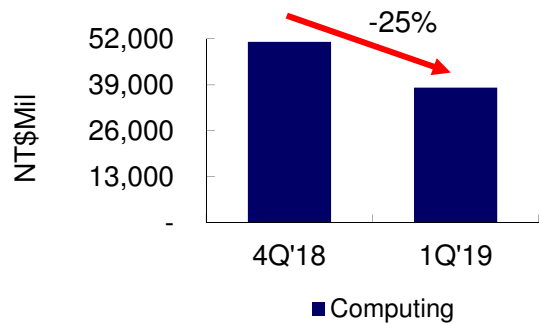
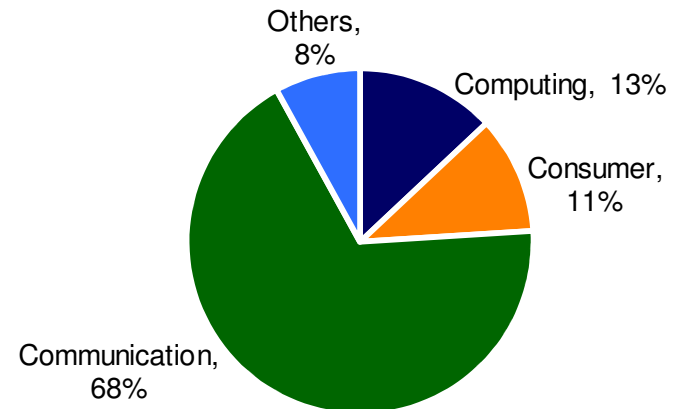
Benefitting from broader product range and customer base, revenue from Computing and Consumer Electronics segment grew by 13% and 28% respectively, whereas revenue from Communication segment remained flattish YoY.

Revenue Breakdowns by Products (Quarter-over-Quarter)

4Q2018



1Q2019



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

Q & A