

**PEGATRON**



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## **2019 Second Quarter Business Review**

August 8, 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.

## **2Q2019 Consolidated Financial Result**

## Consolidated Income Statements

<i>(NT\$ Mn)</i>	<u>1H2019</u>		<u>1H2018</u>		<u>YoY</u>
Net Revenue	593,480	100%	552,150	100%	7.5%
COGS	576,676	97.2%	534,175	96.7%	8.0%
Gross Profit	16,804	2.8%	17,975	3.3%	-6.5%
Operating Expense	13,424	2.3%	14,186	2.6%	-5.4%
Operating Income (Loss)	3,380	0.6%	3,789	0.7%	-10.8%
Net Non-Operating Income (Loss)	2,611	0.4%	1,742	0.3%	49.9%
FX Gain (Loss)	140	0.0%	540	0.1%	-74.1%
Others	2,471	0.4%	1,202	0.2%	105.6%
PBT	5,991	1.0%	5,531	1.0%	8.3%
Tax	(2,462)	0.4%	(851)	0.2%	189.3%
Net Income	3,529	0.6%	4,680	0.8%	-24.6%
<b>Net Income Attributable to the Parent</b>	<b>4,796</b>	<b>0.8%</b>	<b>5,012</b>	<b>0.9%</b>	<b>-4.3%</b>
EPS	1.84		1.92		-4.2%

## Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	2Q 2019		1Q 2019		QoQ	2Q 2018		YoY
Net Revenue	299,365	100%	294,115	100%	1.8%	271,256	100%	10.4%
COGS	289,233	96.6%	287,443	97.7%	0.6%	262,483	96.8%	10.2%
Gross Profit	10,132	3.4%	6,672	2.3%	51.9%	8,773	3.2%	15.5%
Operating Expense	7,172	2.4%	6,253	2.1%	14.7%	7,135	2.6%	0.5%
Operating Income (Loss)	2,960	1.0%	419	0.1%	606.4%	1,638	0.6%	80.7%
Net Non-Operating Income (Loss)	1,299	0.4%	1,313	0.4%	-1.1%	1,605	0.6%	-19.1%
FX Gain (Loss)	(5)	0.0%	145	0.0%	-103.4%	1,011	0.4%	-100.5%
Others	1,304	0.4%	1,168	0.4%	11.6%	594	0.2%	119.5%
PBT	4,259	1.4%	1,732	0.6%	145.9%	3,243	1.2%	31.3%
Tax	(1,331)	0.4%	(1,131)	0.4%	17.7%	(524)	0.2%	154.0%
Net Income	2,928	1.0%	601	0.2%	387.2%	2,719	1.0%	7.7%
Net Income Attributable to the Parent	3,465	1.2%	1,331	0.5%	160.3%	2,933	1.1%	18.1%
EPS	1.33		0.51		160.8%	1.12		18.8%

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	2Q2019	1Q2019	QoQ	2Q2018	YoY
Cash and Equivalents	145,433	150,657	(5,224)	125,239	20,194
AR (Net)	150,370	149,169	1,201	136,746	13,624
Inventory (Net)	116,550	139,448	(22,898)	128,554	(12,004)
Other Current Assets	19,287	15,594	3,693	18,274	1,013
Fixed Assets (Net)	86,097	88,435	(2,338)	85,871	226
<b>Total Assets</b>	<b>532,780</b>	<b>559,192</b>	<b>(26,412)</b>	<b>509,912</b>	<b>22,868</b>
AP	150,840	164,981	(14,141)	151,282	(442)
<b>Total Current Liabilities</b>	<b>312,505</b>	<b>340,680</b>	<b>(28,175)</b>	<b>302,387</b>	<b>10,118</b>
<b>Total Liabilities</b>	<b>351,092</b>	<b>370,772</b>	<b>(19,680)</b>	<b>329,890</b>	<b>21,202</b>
<b>Total Equity</b>	<b>181,688</b>	<b>188,420</b>	<b>(6,732)</b>	<b>180,021</b>	<b>1,667</b>
<b>Total Liabilities and Equity</b>	<b>532,780</b>	<b>559,192</b>	<b>(26,412)</b>	<b>509,912</b>	<b>22,868</b>
Current Ratio	138%	134%	-	135%	-
Debt Ratio (TTL Liabilities / TTL Assets)	66%	66%	-	65%	-
Interest-bearing Debt Ratio	25%	26%	-	23%	-

## Consolidated Cash Flows Statement

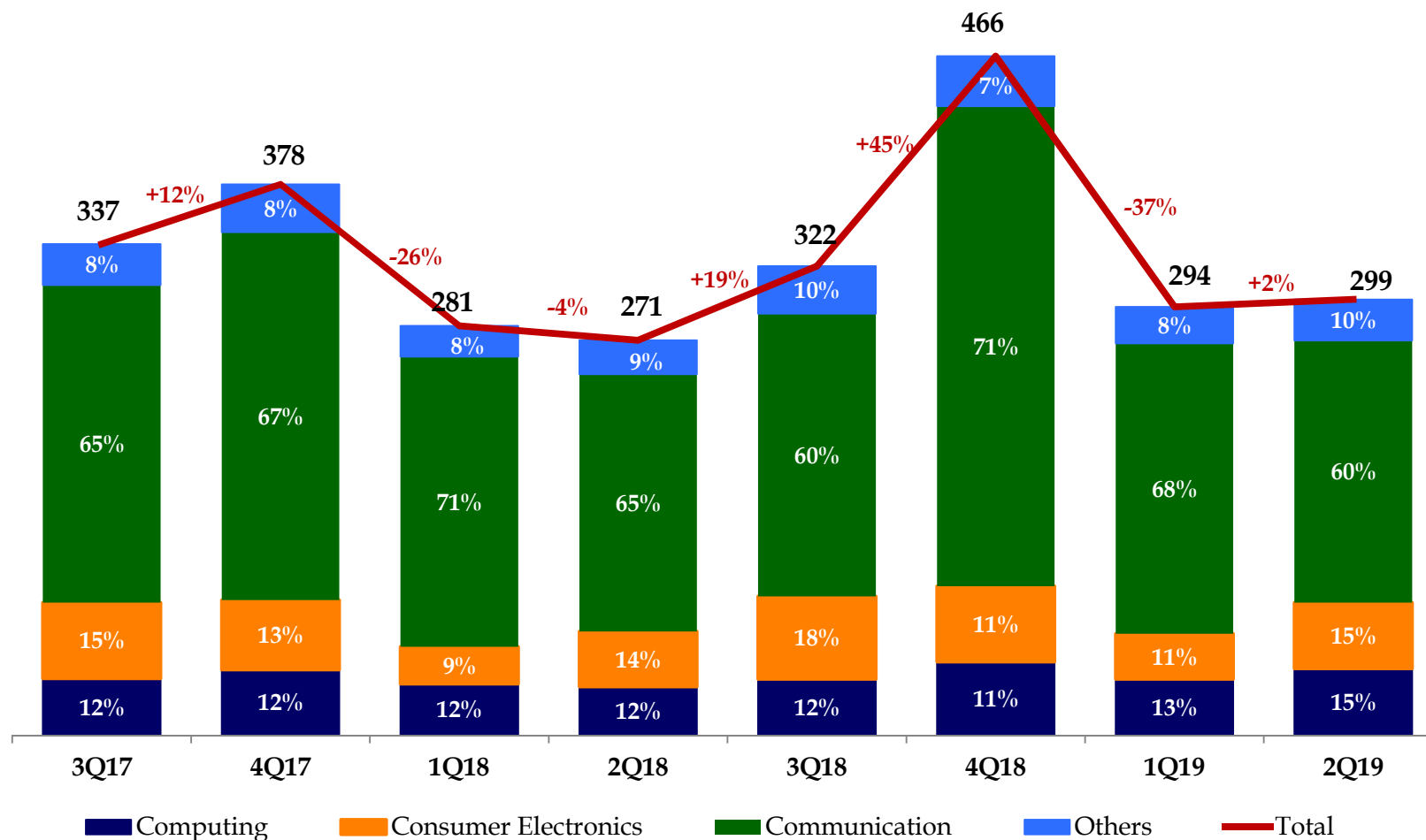
<i>(NT\$ Mn)</i>	<u>1H 2019</u>	<u>1H 2018</u>
<b>Cash Flows from Operating Activities:</b>	<b>24,896</b>	<b>(26,925)</b>
<b>Cash Flows from Investing Activities:</b>	<b>(5,083)</b>	<b>(14,756)</b>
<b>Cash Flows from Financing Activities:</b>	<b>18,974</b>	<b>58,316</b>
<b>Impact from Changes in FX Rate</b>	<b>578</b>	<b>1,160</b>
<b>Net Increase in Cash</b>	<b>39,365</b>	<b>17,795</b>
<b>Cash, beginning of the period</b>	<b>106,068</b>	<b>107,444</b>
<b>Cash, end of the period</b>	<b>145,433</b>	<b>125,239</b>
<b>Note:</b>	<u><b>1H 2019</b></u>	<u><b>1H 2018</b></u>
<b>Depreciation and amortization</b>	<b>9,400</b>	<b>7,866</b>



**Business Highlight**

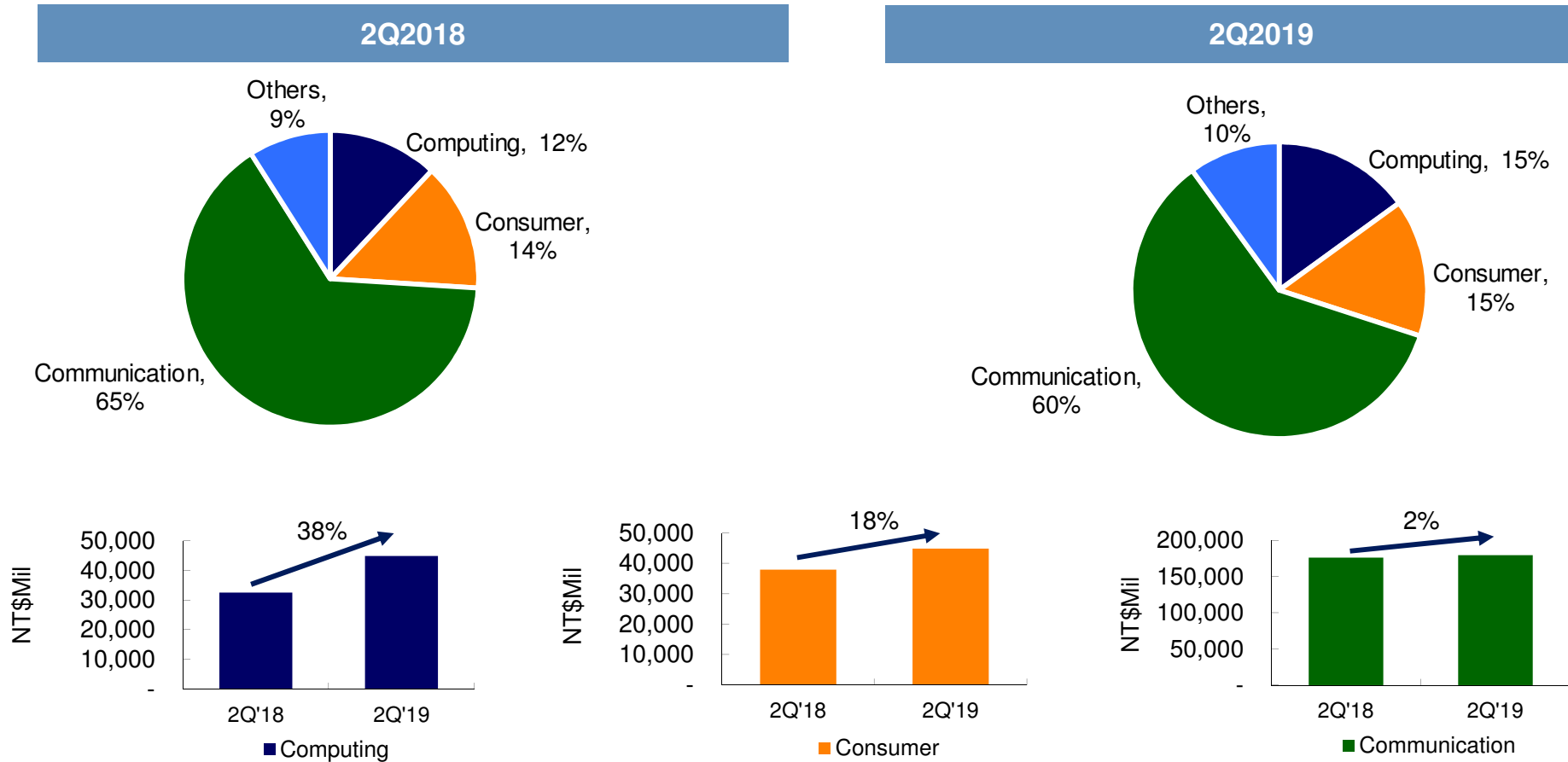
## Consolidated Revenue Trend

Unit: NTD Bn



Consolidated revenue totaled NT\$299Bn in 2Q2019, increased by 2% QoQ and by 10% YoY, mainly driven by better contribution from Computing and Consumer Electronics segments.

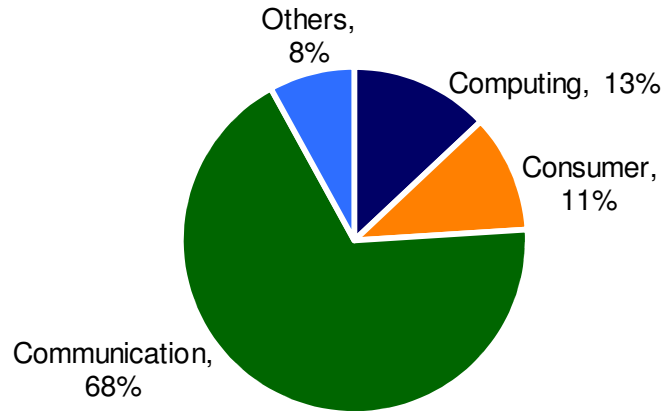
## Revenue Breakdowns by Products (Year-over-Year)



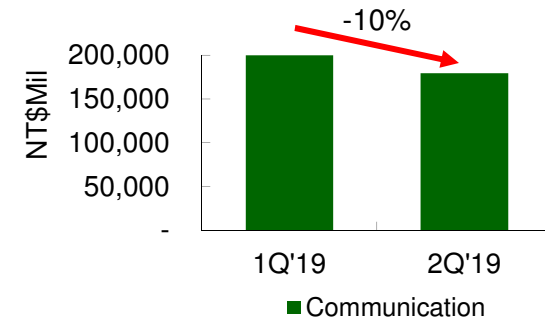
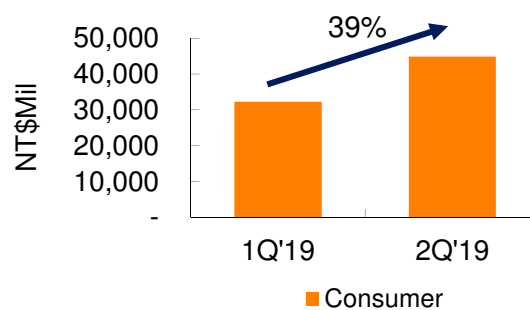
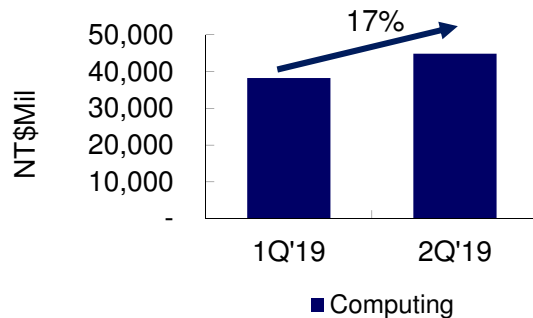
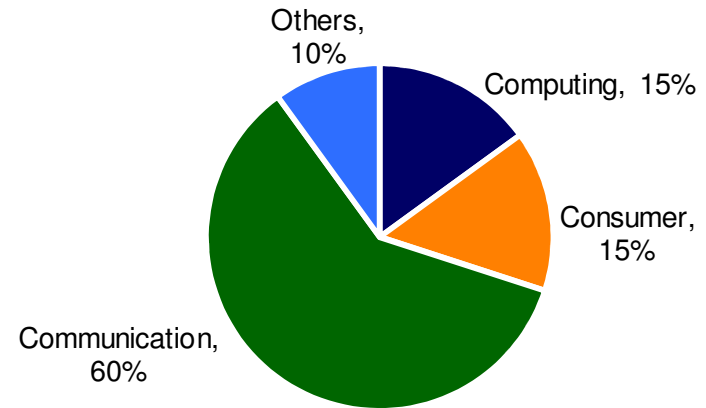
Benefitting from broader customer base and new product launch, revenue from Computing and Consumer Electronics segment grew by 38% and 18% respectively YoY, whereas revenue from Communication segment remained flattish.

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

1Q2019



2Q2019



With new product launch and shipment pull out, revenue from Computing and Consumer Electronics segment increased by 17% and 39% respectively QoQ, while revenue from Communication segment declined by 10% due to weakening demand.

## Q & A