

**PEGATRON**



# **PEGATRON**

## **2019 Fourth Quarter Business Review**

March 26, 2020

- **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.

**2019 & 4Q2019 Consolidated Financial Result**

## Consolidated Income Statements (2019 vs. 2018)

<i>(NT\$ Mn)</i>	2019		2018		YoY
Net Revenue	1,366,287	100%	1,340,002	100%	2.0%
COGS	1,321,182	96.7%	1,299,233	97.0%	1.7%
Gross Profit	45,105	3.3%	40,769	3.0%	10.6%
Operating Expense	28,199	2.1%	28,838	2.2%	-2.2%
Operating Income (Loss)	16,906	1.2%	11,931	0.9%	41.7%
Net Non-Operating Income (Loss)	8,562	0.6%	3,125	0.2%	174.0%
FX Gain (Loss)	(483)	0.0%	567	0.0%	-185.2%
Others	9,045	0.7%	2,558	0.2%	253.6%
PBT	25,468	1.9%	15,056	1.1%	69.2%
Tax	(7,184)	0.5%	(3,940)	0.3%	82.3%
Net Income	18,284	1.3%	11,116	0.8%	64.5%
Net Income Attributable to the Parent	19,318	1.4%	11,115	0.8%	73.8%
EPS	7.40		4.25		74.1%

## Consolidated Income Statements (QoQ)

<i>(NT\$ Mn)</i>	4Q 2019		3Q 2019		QoQ	4Q 2018		YoY
Net Revenue	418,012	100%	354,795	100%	17.8%	465,847	100%	-10.3%
COGS	403,020	96.4%	341,486	96.2%	18.0%	453,771	97.4%	-11.2%
Gross Profit	14,992	3.6%	13,309	3.8%	12.6%	12,076	2.6%	24.1%
Operating Expense	7,695	1.8%	7,079	2.0%	8.7%	7,490	1.6%	2.7%
Operating Income (Loss)	7,297	1.7%	6,230	1.8%	17.1%	4,586	1.0%	59.1%
Net Non-Operating Income (Loss)	3,543	0.8%	2,407	0.7%	47.2%	1,351	0.3%	162.3%
FX Gain (Loss)	(875)	-0.2%	252	0.1%	-447.2%	167	0.0%	-624.0%
Others	4,418	1.1%	2,155	0.6%	105.0%	1,184	0.3%	273.1%
PBT	10,840	2.6%	8,637	2.4%	25.5%	5,937	1.3%	82.6%
Tax	(2,389)	0.6%	(2,333)	0.7%	2.4%	(2,360)	0.5%	1.2%
Net Income	8,451	2.0%	6,304	1.8%	34.1%	3,577	0.8%	136.3%
Net Income Attributable to the Parent	8,225	2.0%	6,297	1.8%	30.6%	3,272	0.7%	151.4%
EPS	3.15		2.41		30.7%	1.25		152.0%

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	4Q2019	3Q2019	QoQ	4Q2018	YoY
Cash and Equivalents	145,796	138,936	6,860	106,068	39,728
AR (Net)	206,338	220,978	(14,640)	198,884	7,454
Inventory (Net)	106,063	131,597	(25,534)	164,988	(58,925)
Other Current Assets	17,637	19,115	(1,478)	12,865	4,772
Fixed Assets (Net)	80,249	82,555	(2,306)	87,606	(7,357)
Other Assets	14,437	15,573	(1,136)	13,940	497
<b>Total Assets</b>	<b>570,520</b>	<b>608,754</b>	<b>(38,234)</b>	<b>584,351</b>	<b>(13,831)</b>
AP	218,102	238,319	(20,217)	228,075	(9,973)
<b>Total Current Liabilities</b>	<b>345,587</b>	<b>389,701</b>	<b>(44,114)</b>	<b>370,401</b>	<b>(24,814)</b>
<b>Total Liabilities</b>	<b>377,274</b>	<b>421,505</b>	<b>(44,231)</b>	<b>397,904</b>	<b>(20,630)</b>
<b>Total Equity</b>	<b>193,246</b>	<b>187,249</b>	<b>5,997</b>	<b>186,447</b>	<b>6,799</b>
<b>Total Liabilities and Equity</b>	<b>570,520</b>	<b>608,754</b>	<b>(38,234)</b>	<b>584,351</b>	<b>(13,831)</b>
Current Ratio	138%	131%	-	130%	-
Debt Ratio (TTL Liabilities / TTL Assets)	66%	69%	-	68%	-
Interest-bearing Debt Ratio	17%	20%	-	20%	-

## Consolidated Cash Flows Statement

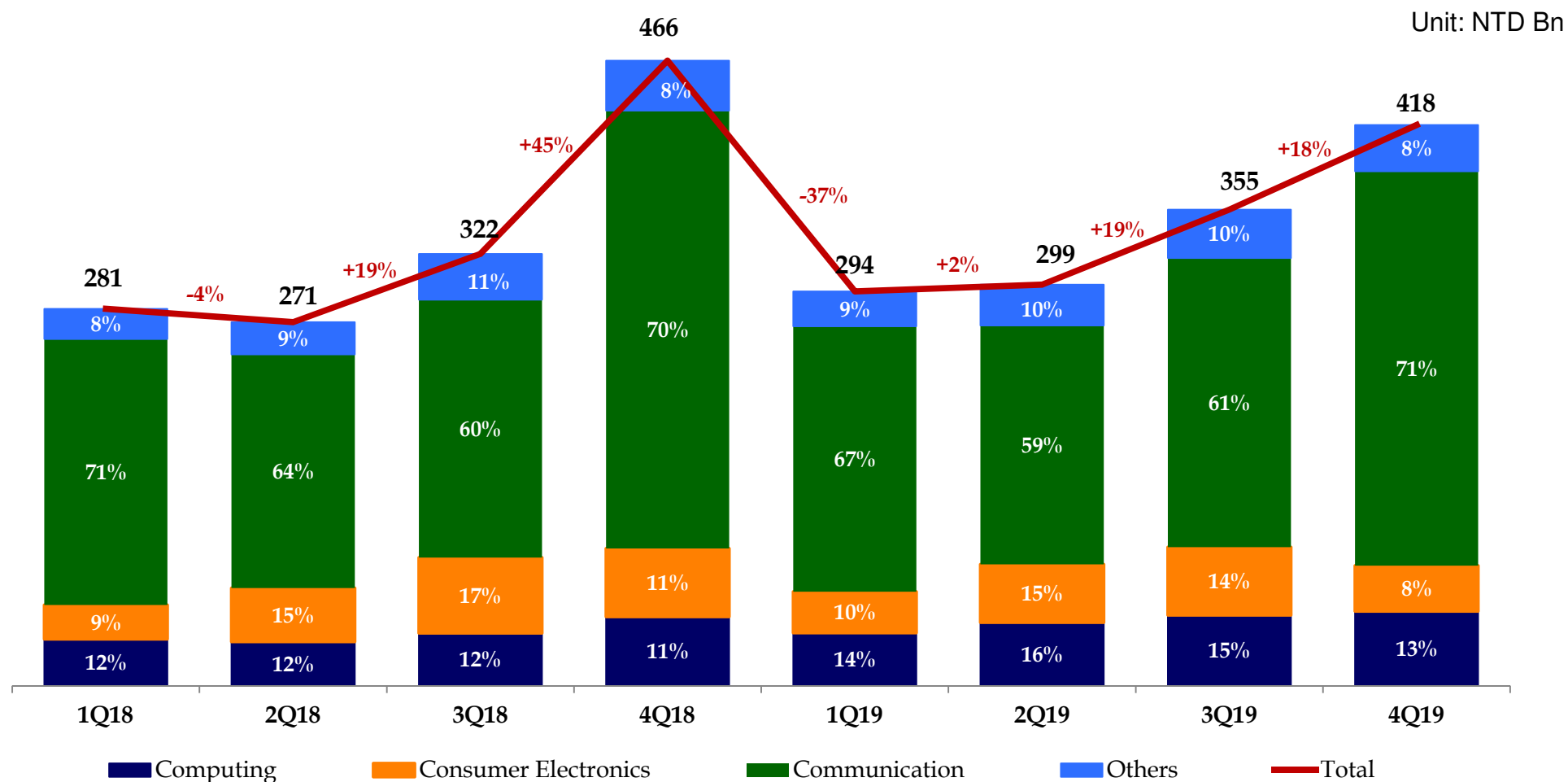
<i>(NT\$ Mn)</i>	2019	2018
<b>Cash Flows from Operating Activities:</b>	<b>77,478</b>	<b>(23,148)</b>
<b>Cash Flows from Investing Activities:</b>	<b>(9,616)</b>	<b>(24,979)</b>
<b>Cash Flows from Financing Activities:</b>	<b>(25,663)</b>	<b>45,142</b>
<b>Impact from Changes in FX Rate</b>	<b>(2,472)</b>	<b>1,609</b>
<b>Net Increase in Cash</b>	<b>39,727</b>	<b>(1,376)</b>
<b>Cash, beginning of the period</b>	<b>106,068</b>	<b>107,444</b>
<b>Cash, end of the period</b>	<b>145,795</b>	<b>106,068</b>

<i>Note:</i>	2019	2018
<b>Depreciation and amortization</b>	<b>18,567</b>	<b>16,476</b>



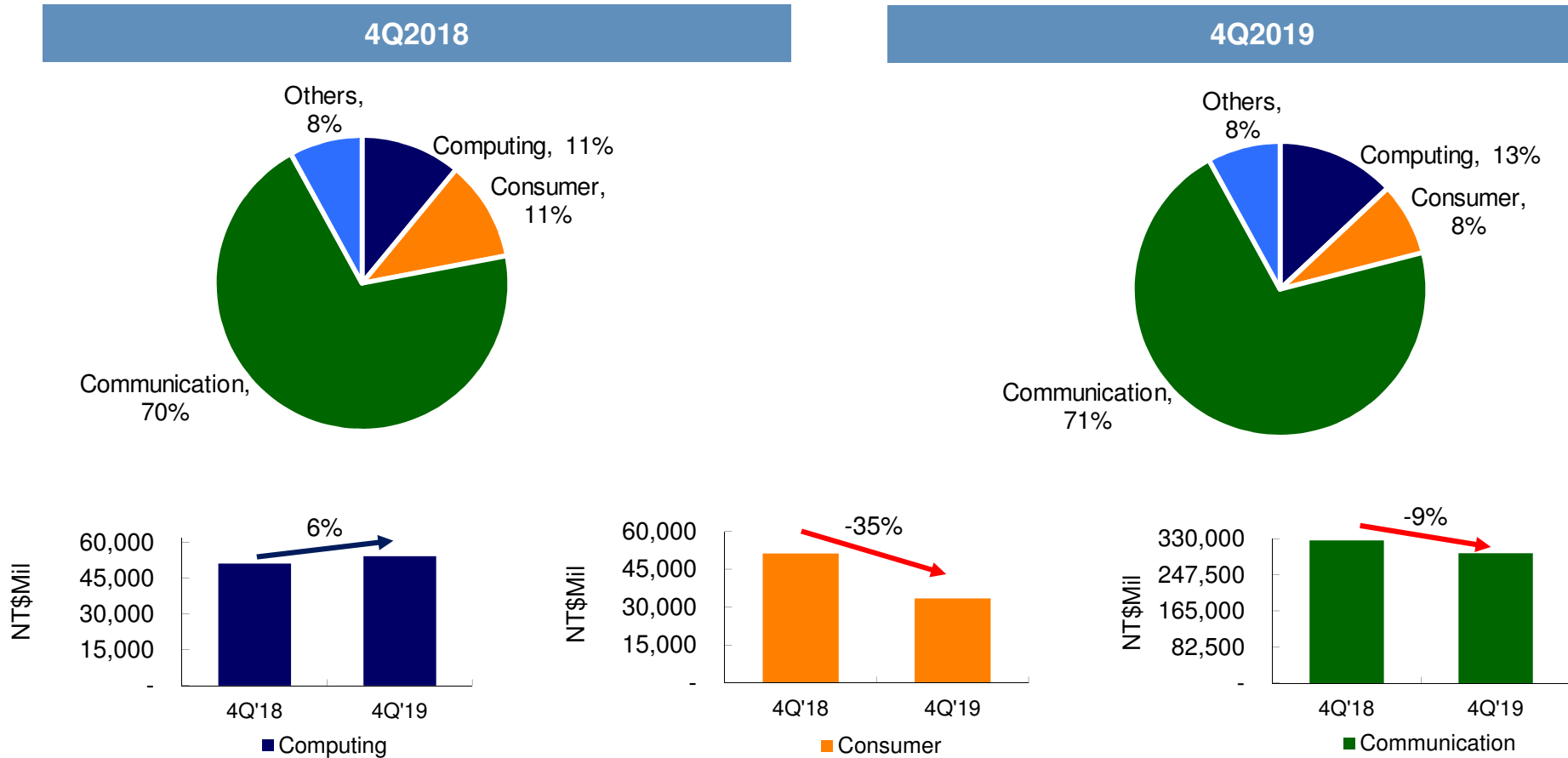
**Business Highlight**

## Consolidated Revenue Trend



Consolidated revenue totaled NT\$418Bn in 4Q2019, increased by 18% from NT\$355Bn in the previous quarter. The growth was mainly driven by increasing volume in Communication segment.

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

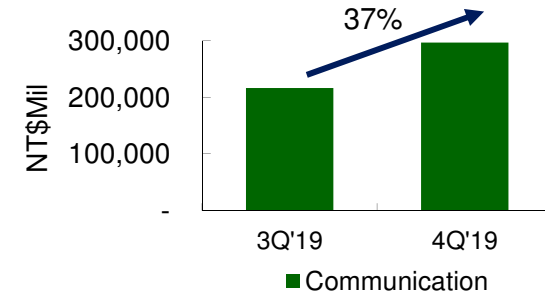
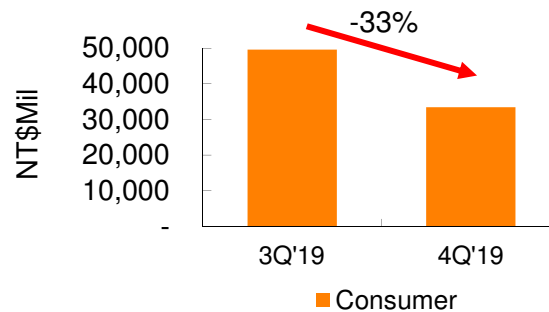
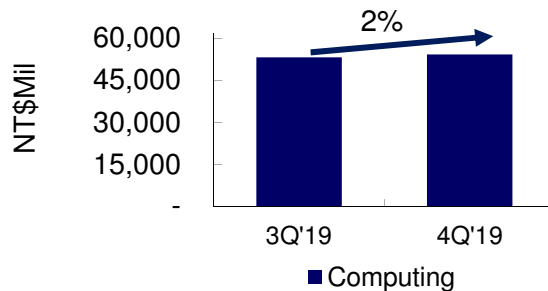
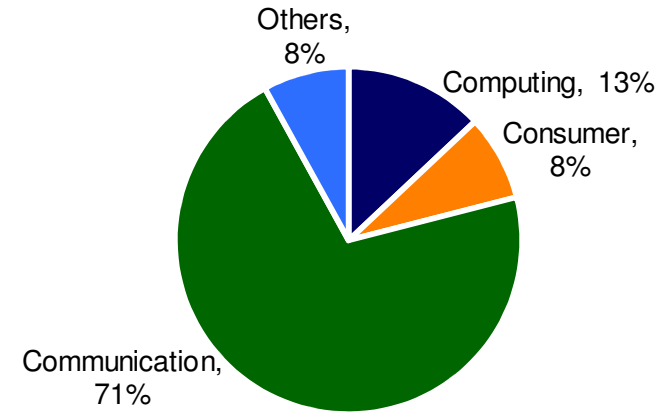
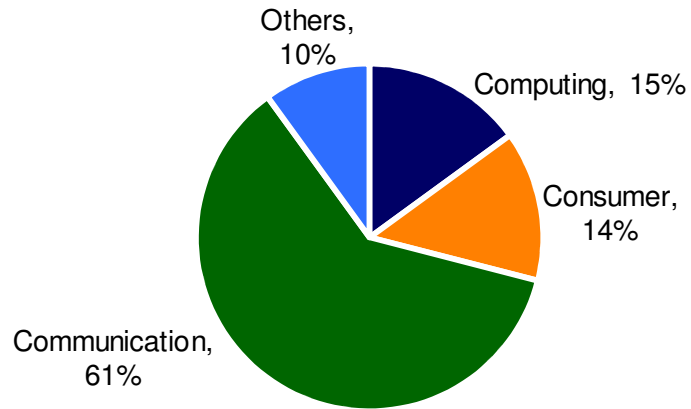


Benefitting from gaming PC strength, revenue from Computing grew by 6% YoY. Revenue from Consumer Electronics segment declined by 35% YoY due mainly to slowing demand, while revenue from Communication segment also decreased by 9% YoY owing to higher base in 2018.

## Revenue Breakdowns (Quarter-over-Quarter)

3Q2019

4Q2019



Driven by new product launch and better demand, revenue from Communication segment grew by 37% QoQ. Revenue from Computing segment remained relatively stable, while that of Consumer Electronics declined by 33% QoQ going into low season.

## Q & A