

**PEGATRON**



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## **2020 First Quarter Business Review**

May 14, 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.

## **1Q2020 Consolidated Financial Result**

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

<i>(NT\$ Mn)</i>	1Q 2020		4Q 2019		QoQ	1Q 2019		YoY
Net Revenue	278,478	100%	418,012	100%	-33.4%	294,115	100%	-5.3%
COGS	272,313	97.8%	403,020	96.4%	-32.4%	287,443	97.7%	-5.3%
Gross Profit	6,165	2.2%	14,992	3.6%	-58.9%	6,672	2.3%	-7.6%
Operating Expense	6,447	2.3%	7,695	1.8%	-16.2%	6,253	2.1%	3.1%
Operating Income (Loss)	(282)	-0.1%	7,297	1.7%	-103.9%	419	0.1%	-167.3%
Net Non-Operating Income (Loss)	1,981	0.7%	3,543	0.8%	-44.1%	1,313	0.4%	50.9%
FX Gain (Loss)	632	0.2%	(875)	-0.2%	-172.2%	145	0.0%	335.9%
Others	1,349	0.5%	4,418	1.1%	-69.5%	1,168	0.4%	15.5%
PBT	1,699	0.6%	10,840	2.6%	-84.3%	1,732	0.6%	-1.9%
Tax	(540)	0.2%	(2,389)	0.6%	-77.4%	(1,131)	0.4%	-52.3%
Net Income	1,159	0.4%	8,451	2.0%	-86.3%	601	0.2%	92.8%
<b>Net Income Attributable to the Parent</b>	<b>1,545</b>	<b>0.6%</b>	<b>8,225</b>	<b>2.0%</b>	<b>-81.2%</b>	<b>1,331</b>	<b>0.5%</b>	<b>16.1%</b>
EPS	0.59		3.15		-81.3%	0.51		15.7%

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	1Q2020		4Q2019		QoQ	1Q2019		YoY
Cash and Equivalents	166,179	28%	145,796	26%	20,383	150,657	27%	15,522
AR (Net)	163,958	27%	206,338	36%	(42,380)	149,169	27%	14,789
Inventory (Net)	124,265	21%	106,063	19%	18,202	139,448	25%	(15,183)
Other Current Assets	48,758	8%	17,637	3%	31,121	15,594	3%	33,164
<b>Total Current Assets</b>	<b>503,160</b>	<b>84%</b>	<b>475,834</b>	<b>83%</b>	<b>27,326</b>	<b>454,868</b>	<b>81%</b>	<b>48,292</b>
Fixed Assets (Net)	78,065	13%	80,249	14%	(2,184)	88,435	16%	(10,370)
<b>Total Non-Current Assets</b>	<b>93,125</b>	<b>16%</b>	<b>94,686</b>	<b>17%</b>	<b>(1,561)</b>	<b>104,325</b>	<b>19%</b>	<b>(11,200)</b>
<b>Total Assets</b>	<b>596,285</b>	<b>100%</b>	<b>570,520</b>	<b>100%</b>	<b>25,765</b>	<b>559,192</b>	<b>100%</b>	<b>37,093</b>
Short-term Borrowings	133,389	22%	70,466	12%	62,923	121,806	22%	11,583
AP	178,312	30%	218,102	38%	(39,790)	164,981	30%	13,331
<b>Total Current Liabilities</b>	<b>379,886</b>	<b>64%</b>	<b>345,587</b>	<b>61%</b>	<b>34,299</b>	<b>340,680</b>	<b>61%</b>	<b>39,206</b>
Long-term Loans	28,938	5%	27,015	5%	1,923	25,572	5%	3,366
<b>Total Liabilities</b>	<b>413,843</b>	<b>69%</b>	<b>377,274</b>	<b>66%</b>	<b>36,569</b>	<b>370,772</b>	<b>66%</b>	<b>43,071</b>
<b>Total Equity</b>	<b>182,442</b>	<b>31%</b>	<b>193,246</b>	<b>34%</b>	<b>(10,804)</b>	<b>188,420</b>	<b>34%</b>	<b>(5,978)</b>
<b>Total Liabilities and Equity</b>	<b>596,285</b>	<b>100%</b>	<b>570,520</b>	<b>100%</b>	<b>25,765</b>	<b>559,192</b>	<b>100%</b>	<b>37,093</b>
Current Ratio	132%		138%		-	134%		-
Debt Ratio (TTL Liabilities / TTL Assets)	69%		66%		-	66%		-
Interest-bearing Debt Ratio	27%		17%		-	26%		-

## Consolidated Cash Flows Statement

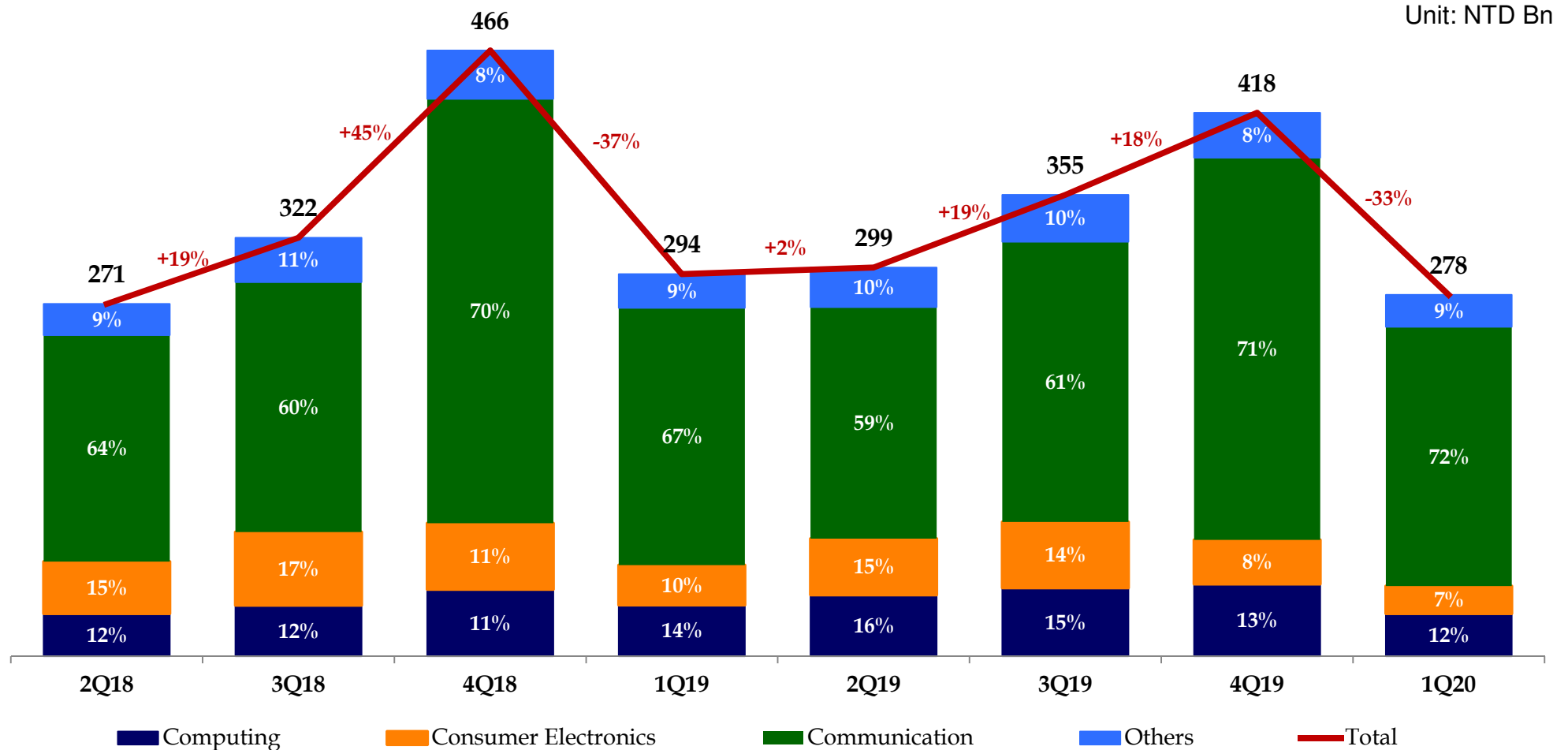
<i>(NT\$ Mn)</i>	1Q2020	1Q 2019
Cash Flows from Operating Activities:	(41,454)	14,142
Cash Flows from Investing Activities:	(2,580)	(3,051)
Cash Flows from Financing Activities:	64,329	33,196
Impact from Changes in FX Rate	89	303
Net Increase in Cash	20,384	44,590
Cash, beginning of the period	145,795	106,068
Cash, end of the period	166,179	150,658

<i>Note:</i>	1Q2020	1Q 2019
Depreciation and amortization	4,635	4,705

## Business Highlight

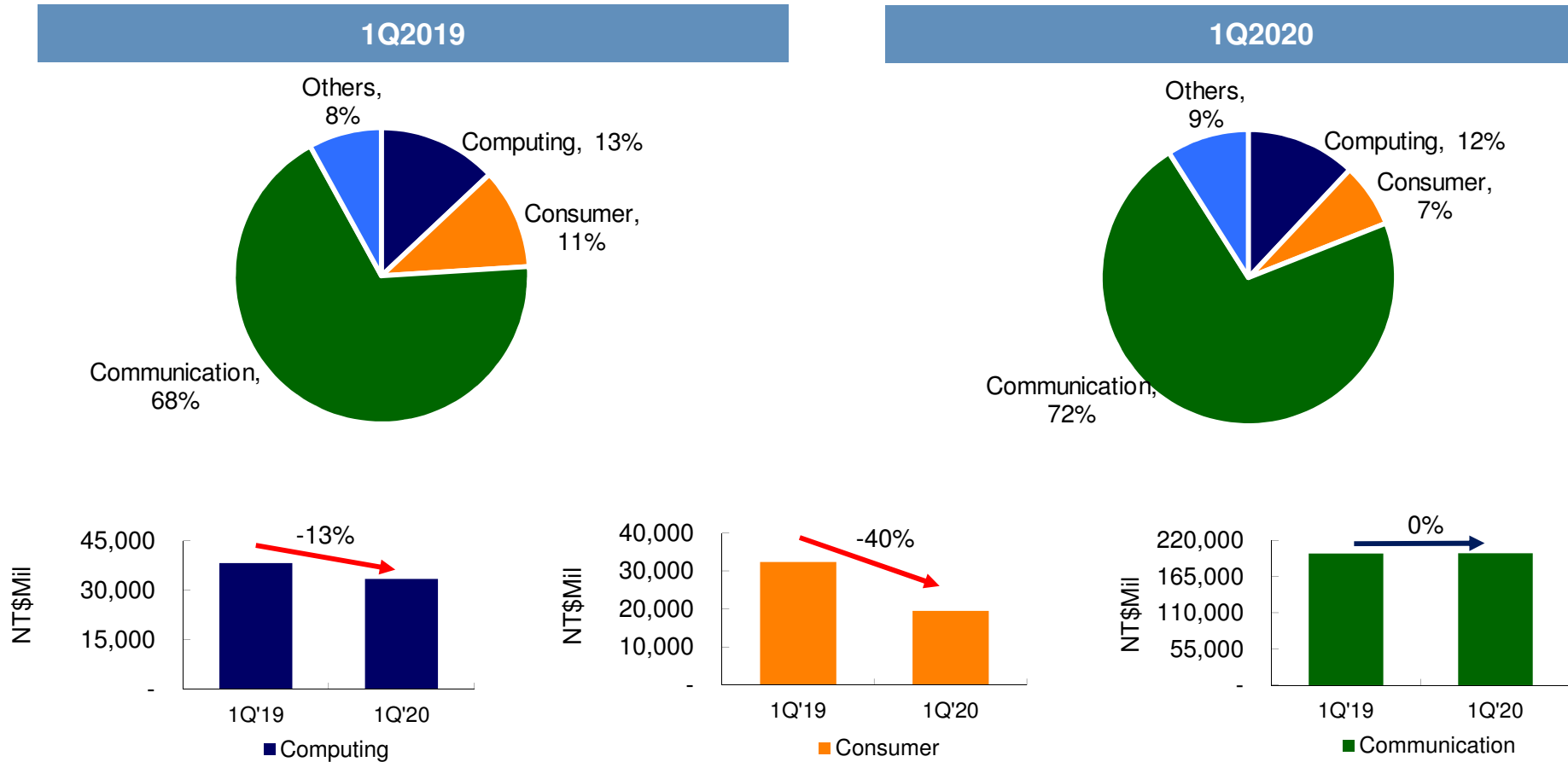


## Consolidated Revenue Trend



Consolidated revenue totaled NT\$278Bn in 1Q2020, down by 33% QoQ. The decline was attributable to less working days, product seasonality and manufacturing interruption resulted from the outbreak of COVID-19.

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

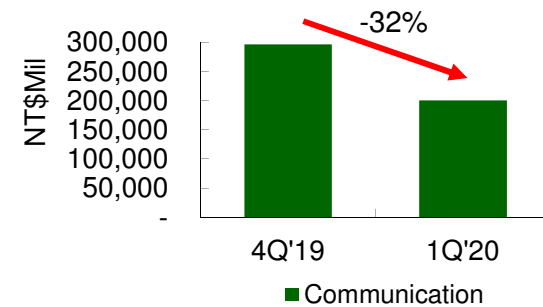
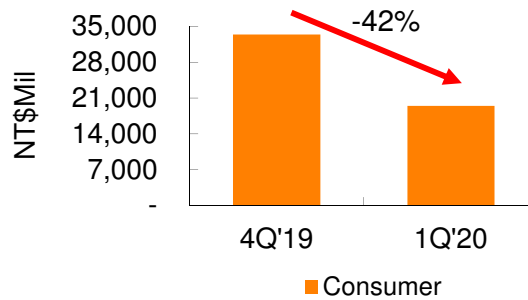
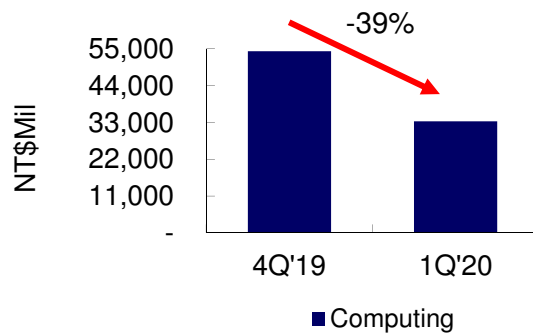
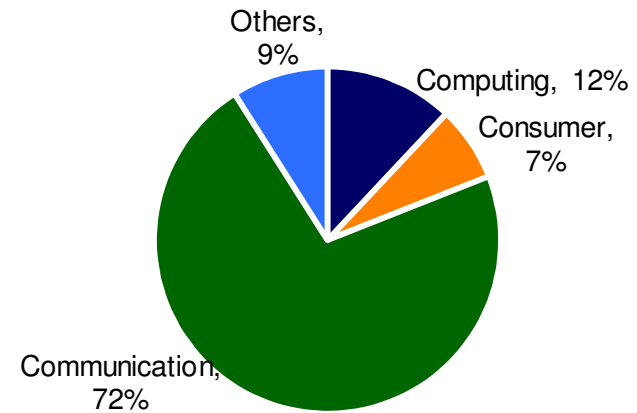
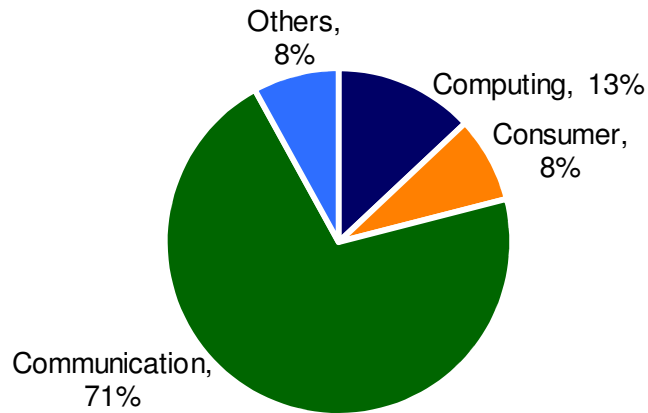


While both Computing and Consumer Electronic segments were coming down from high base in 1Q19, the outbreak of COVID-19 further impacted three product segments negatively with Computing and Consumer Electronics declining by 13% and 40% respectively and Communication remaining flattish YoY.

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

4Q2019

1Q2020



While double digits revenue decline QoQ across three product segments due to seasonality was well expected, the outbreak of COVID-19 furthered fuelled the scale of decline.

## Q & A