

PEGATRON



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2020 Second Quarter Business Review

August 13, 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.

2Q2020 Consolidated Financial Result

Consolidated Income Statements

| <i>(NT\$ Mn)</i> | <u>1H2020</u> | | <u>1H2019</u> | | <u>YoY</u> |
|--|---------------|-------------|---------------|-------------|--------------|
| Net Revenue | 606,321 | 100% | 593,480 | 100% | 2.2% |
| COGS | 585,831 | 96.6% | 576,676 | 97.2% | 1.6% |
| Gross Profit | 20,490 | 3.4% | 16,804 | 2.8% | 21.9% |
| Operating Expense | 14,322 | 2.4% | 13,424 | 2.3% | 6.7% |
| Operating Income (Loss) | 6,168 | 1.0% | 3,380 | 0.6% | 82.5% |
| Net Non-Operating Income (Loss) | 6,309 | 1.0% | 2,611 | 0.4% | 141.6% |
| FX Gain (Loss) | 611 | 0.1% | 140 | 0.0% | 336.4% |
| Others | 5,698 | 0.9% | 2,471 | 0.4% | 130.6% |
| PBT | 12,477 | 2.1% | 5,991 | 1.0% | 108.3% |
| Tax | (3,367) | 0.6% | (2,462) | 0.4% | 36.8% |
| Net Income | 9,110 | 1.5% | 3,529 | 0.6% | 158.1% |
| Net Income Attributable to the Parent | 8,619 | 1.4% | 4,796 | 0.8% | 79.7% |
| EPS | 3.30 | | 1.84 | | 79.3% |

Consolidated Income Statements (Quarter-over-Quarter)

| <i>(NT\$ Mn)</i> | 2Q 2020 | | 1Q 2020 | | QoQ | 2Q 2019 | | YoY |
|---------------------------------------|---------|-------|---------|-------|----------|---------|-------|--------|
| Net Revenue | 327,843 | 100% | 278,478 | 100% | 17.7% | 299,365 | 100% | 9.5% |
| COGS | 313,518 | 95.6% | 272,313 | 97.8% | 15.1% | 289,233 | 96.6% | 8.4% |
| Gross Profit | 14,325 | 4.4% | 6,165 | 2.2% | 132.4% | 10,132 | 3.4% | 41.4% |
| Operating Expense | 7,874 | 2.4% | 6,447 | 2.3% | 22.1% | 7,172 | 2.4% | 9.8% |
| Operating Income (Loss) | 6,451 | 2.0% | (282) | -0.1% | -2387.6% | 2,960 | 1.0% | 117.9% |
| Net Non-Operating Income (Loss) | 4,327 | 1.3% | 1,981 | 0.7% | 118.4% | 1,299 | 0.4% | 233.1% |
| FX Gain (Loss) | (21) | 0.0% | 632 | 0.2% | -103.3% | (5) | 0.0% | 320.0% |
| Others | 4,348 | 1.3% | 1,349 | 0.5% | 222.3% | 1,304 | 0.4% | 233.4% |
| PBT | 10,778 | 3.3% | 1,699 | 0.6% | 534.4% | 4,259 | 1.4% | 153.1% |
| Tax | (2,827) | 0.9% | (540) | 0.2% | 423.5% | (1,331) | 0.4% | 112.4% |
| Net Income | 7,951 | 2.4% | 1,159 | 0.4% | 586.0% | 2,928 | 1.0% | 171.6% |
| Net Income Attributable to the Parent | 7,074 | 2.2% | 1,545 | 0.6% | 357.9% | 3,465 | 1.2% | 104.2% |
| EPS | 2.71 | | 0.59 | | 359.3% | 1.33 | | 103.8% |

Consolidated Balance Sheet

| <i>(NT\$ Mn)</i> | 2020/6/30 | | 2019/12/31 | | Diff | 2019/6/30 | | Diff |
|---|----------------|-------------|----------------|-------------|----------------|----------------|-------------|----------------|
| Cash and Equivalents | 176,682 | 28% | 145,796 | 26% | 30,886 | 145,433 | 27% | 31,249 |
| AR (Net) | 189,862 | 30% | 206,338 | 36% | (16,476) | 150,370 | 28% | 39,492 |
| Inventory (Net) | 119,530 | 19% | 106,063 | 19% | 13,467 | 116,550 | 22% | 2,980 |
| Other Current Assets | 49,512 | 8% | 17,637 | 3% | 31,875 | 19,287 | 4% | 30,225 |
| Total Current Assets | 535,586 | 85% | 475,834 | 83% | 59,752 | 431,640 | 81% | 103,946 |
| Fixed Assets (Net) | 77,960 | 12% | 80,249 | 14% | (2,289) | 86,097 | 16% | (8,137) |
| Total Non-Current Assets | 92,708 | 15% | 94,686 | 17% | (1,978) | 101,140 | 19% | (8,432) |
| Total Assets | 628,294 | 100% | 570,520 | 100% | 57,774 | 532,780 | 100% | 95,514 |
| Short-term Borrowings | 139,084 | 22% | 70,466 | 12% | 68,618 | 99,733 | 19% | 39,351 |
| AP | 190,864 | 30% | 218,102 | 38% | (27,238) | 150,840 | 28% | 40,024 |
| Total Current Liabilities | 405,242 | 64% | 345,587 | 61% | 59,655 | 312,505 | 59% | 92,737 |
| Long-term Loans | 29,826 | 5% | 27,015 | 5% | 2,811 | 33,820 | 6% | (3,994) |
| Total Liabilities | 440,559 | 70% | 377,274 | 66% | 63,285 | 351,092 | 66% | 89,467 |
| Equity Attributable to the Parent | 152,981 | 24% | 157,665 | 28% | (4,684) | 147,181 | 28% | 5,800 |
| Total Equity | 187,735 | 30% | 193,246 | 34% | (5,511) | 181,688 | 34% | 6,047 |
| Total Liabilities and Equity | 628,294 | 100% | 570,520 | 100% | 57,774 | 532,780 | 100% | 95,514 |
| Current Ratio | 132% | | 138% | | - | 138% | | - |
| Debt Ratio (TTL Liabilities / TTL Assets) | 70% | | 66% | | - | 66% | | - |
| Interest-bearing Debt Ratio | 27% | | 17% | | - | 25% | | - |

Consolidated Cash Flows Statement

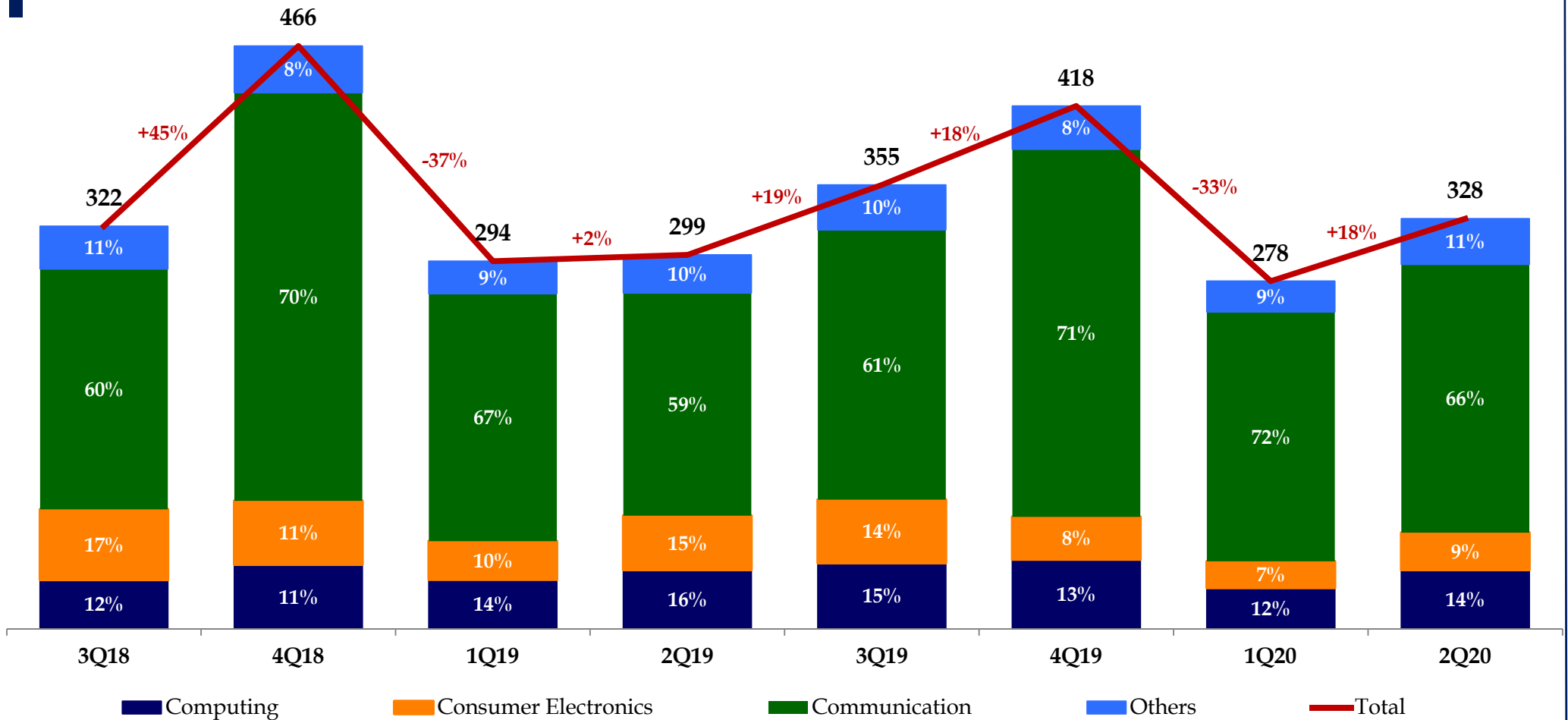
| <i>(NT\$ Mn)</i> | 1H2020 | 1H 2019 |
|--|-----------------|----------------|
| Cash Flows from Operating Activities: | (31,195) | 24,896 |
| Cash Flows from Investing Activities: | (6,803) | (5,083) |
| Cash Flows from Financing Activities: | 70,391 | 18,974 |
| Impact from Changes in FX Rate | (1,507) | 578 |
| Net Increase in Cash | 30,886 | 39,365 |
| Cash, beginning of the period | 145,796 | 106,068 |
| Cash, end of the period | 176,682 | 145,433 |

| <i>Note:</i> | 1H2020 | 1H 2019 |
|--------------------------------------|--------------|--------------|
| Depreciation and amortization | 9,124 | 9,400 |

Business Highlight

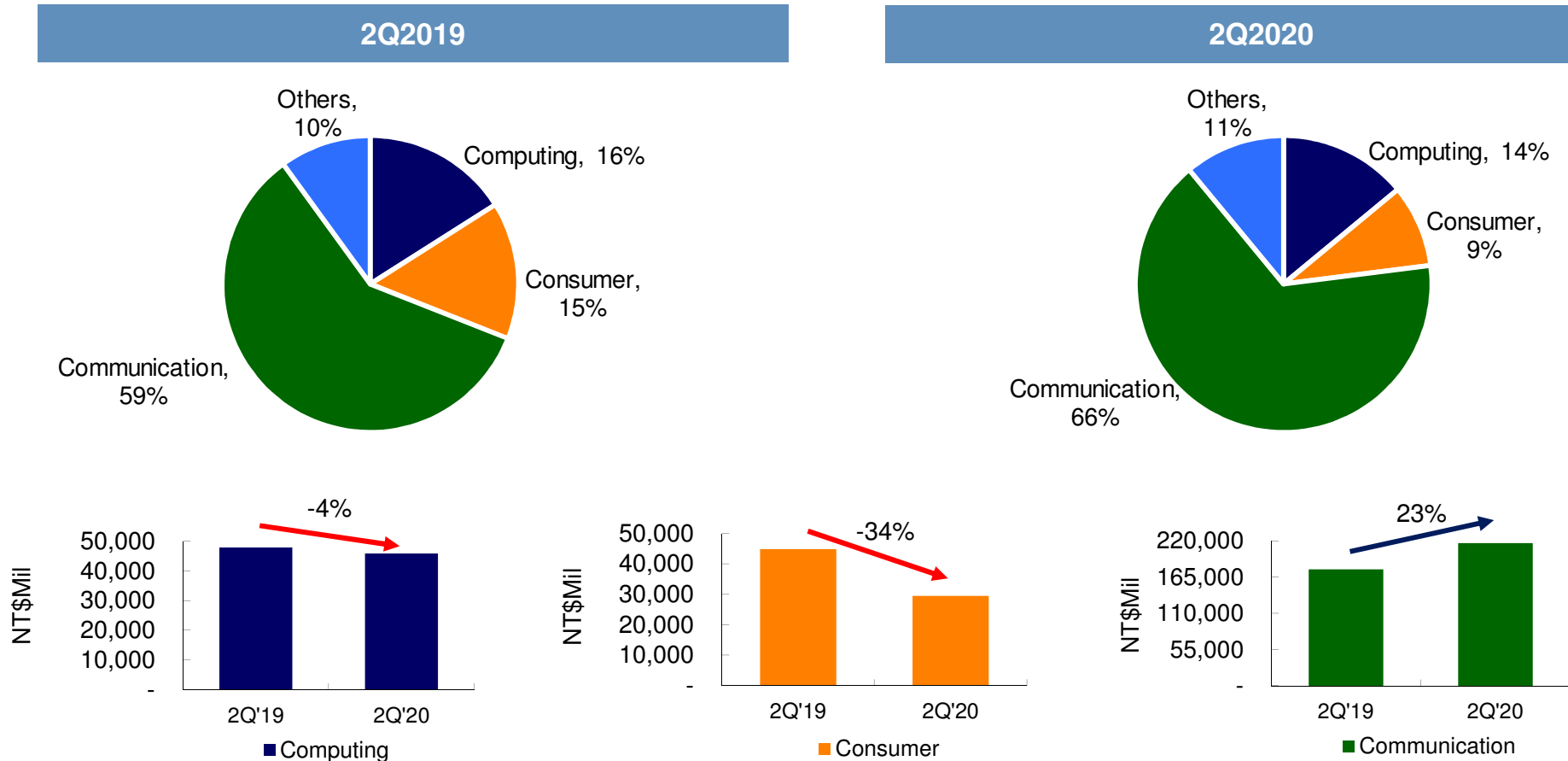
Consolidated Revenue Trend

Unit: NTD Bn



Consolidated revenue totaled NT\$328Bn in 2Q2020, increased by 18% QoQ and by 10% YoY, mainly driven by better contribution from Computing and Communication segments.

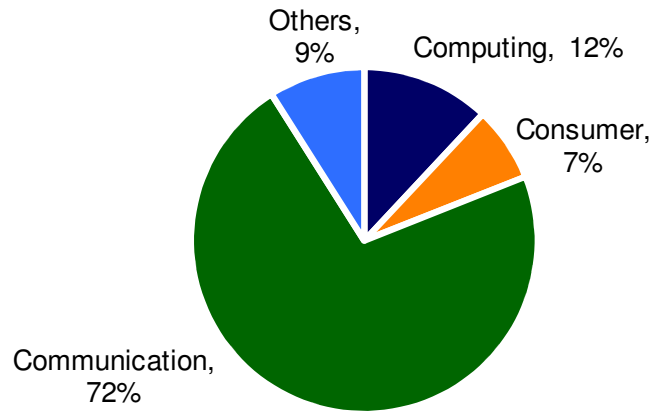
Revenue Breakdowns by Products (Year-over-Year)



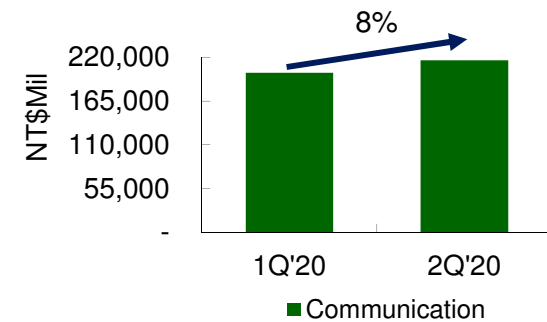
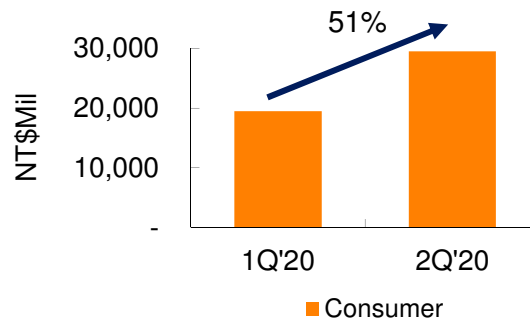
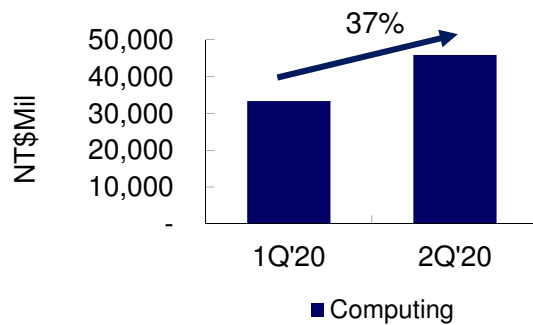
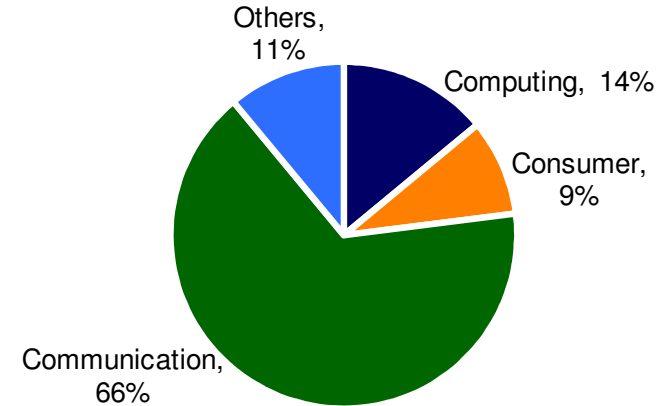
Benefitting from new product launch and better demand, revenue from Communication segment grew by 23% YoY. Revenue from Consumer segment declined by 34% YoY due to end of current product cycle, while that of Computing segment declined slightly by 4% YoY caused by product mix.

Revenue Breakdowns by Products (Quarter-over-Quarter)

1Q2020



2Q2020



Driven by increasing WFH demand and seasonality, revenue from Computing and Consumer Electronics segment was up by 37% and 51% QoQ respectively, while revenue from Communication segment also increased by 8% due to new product launch.

Q & A