

WT MICROELECTRONICS 文晔科技



2017 First Quarter Investor Conference

Presented by Cheryl Yang

May 9, 2017

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Agenda

- 1. Overview**
- 2. Financial Update**
- 3. Business Outlook**
- 4. Questions and Answers**



1. Overview

Achieved economies of scale and continued operation improvement

- A leading Asian semiconductor distributor, founded in 1993 and listed in 2000 (ticker: 3036 TT)
- Strategic focus on Asia region and Automotive & Internet of Things (IoT) applications
- 2016 revenues of NT\$144bn, up 27% YoY
- 45 offices in Asia (30 offices in China and 15 offices in Korea, Taiwan, and South Asia) with over 8,000 customers
- Around 1,800 headcounts (over 500 sales, 150 PMs, and 350 FAEs)
- Completion of warehouse semi automation (total 6 warehouses in Taiwan, HK, Shenzhen China, Shanghai China, Korea, and Singapore)
- Completion of B2B service platform for major vendors and customers

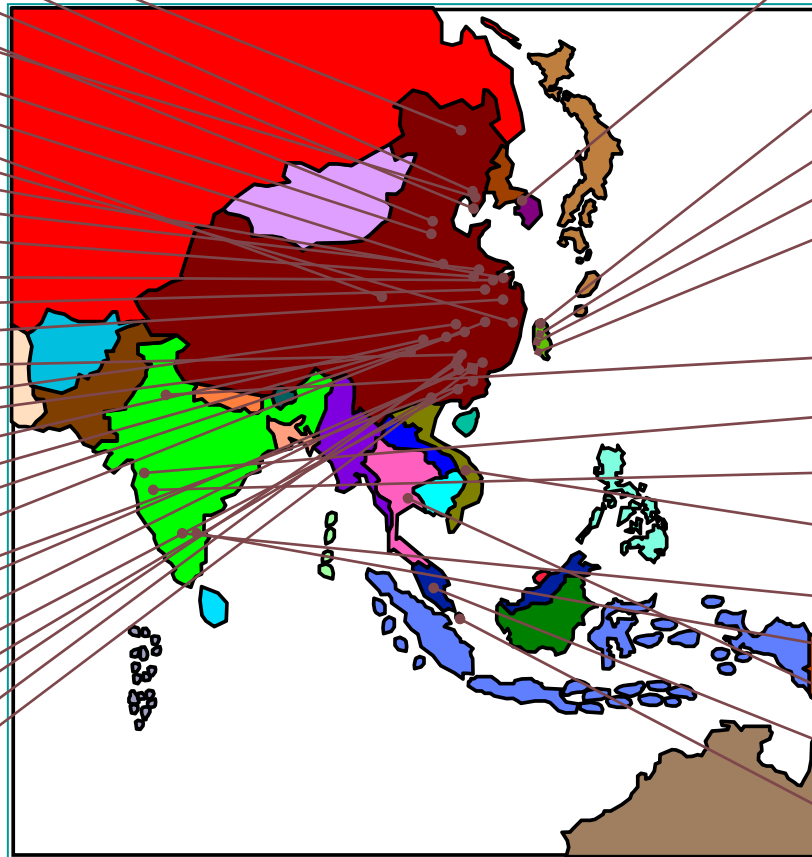


1. Overview

China Offices (30)

Harbin
Shenyang
Dalian
Beijing
Qingdao
Zhengzhou
Jinan
Xian
Ningbo
Shanghai
Wuxi
Suzhou
Kunshan
Nanjing
Hangzhou
Wenzhou
Hefei
Chengdu
Chongqing
Changsha
Wuhan
Fuzhou
Fuqing
Xiamen
Dongguan
Shunde
Guangzhou
Zhuhai
Hong Kong
Shenzhen

Offices Across Asia



Korea Office (1)

Seoul

Taiwan Offices (4)

Taipei, Headquarters
Hsinchu, R&D
Taichung
Tainan

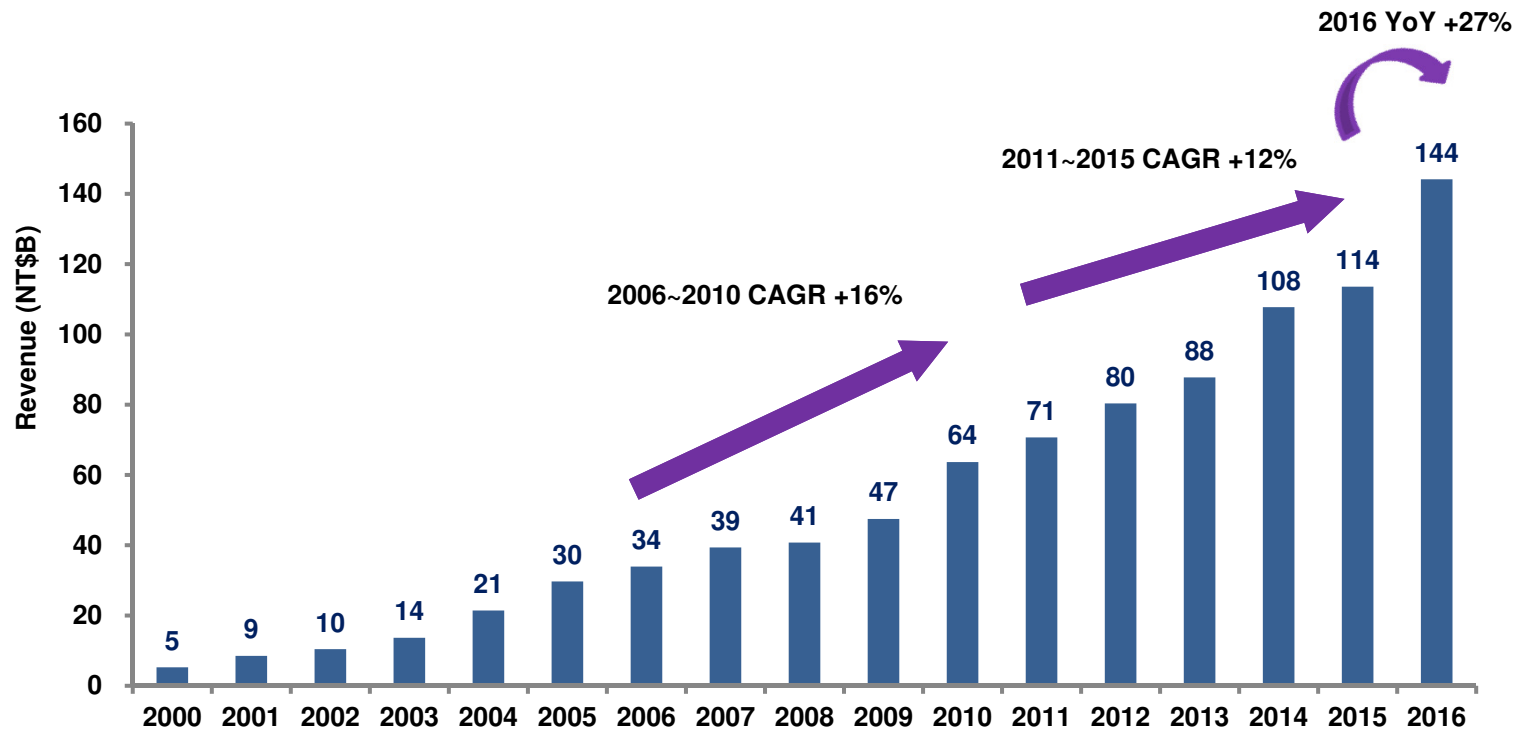
South Asia Offices (10)

New Delhi, N. India
Mumbai, N. India
Pune, N. India
Vietnam
Bangalore, S. India
Chennai, S. India
Bangkok, Thailand
Penang, Malaysia
Singapore



1. Overview

NR (Net Revenue)



2. Financial Update

Statement of Comprehensive Income

Unit: NT\$M

Key accounts	1Q17		1Q17	4Q16		QoQ	1Q16		YoY
	Amount	%	Guidance	Amount	%		Amount	%	
Net Operating revenues	38,378	100.00%	36B~38B	45,452	100.00%	-15.56%	27,229	100.00%	40.95%
Gross profit	1,797	4.68%	4.65%~4.85%	1,913	4.21%	+0.47ppt	1,535	5.64%	-0.96ppt
Operating expenses	(979)	-2.55%		(1,541)	-3.39%	-0.84ppt	(953)	-3.50%	-0.95ppt
Operating income	818	2.13%	2.0%~2.2%	372	0.82%	+1.31ppt	582	2.14%	-0.01ppt
Financing costs	(205)	-0.53%		(180)	-0.40%	+0.13ppt	(91)	-0.34%	+0.19ppt
Others	2	-		3	0.01%		2	0.01%	
Earning before tax	615	1.60%		195	0.43%	215.38%	493	1.81%	24.75%
Income tax expense	(112)	-0.29%		3	0.01%	-3833.33%	(90)	-0.33%	24.44%
Non-Controlling Interests	-	-		-	-		-	-	
Profit after tax	503	1.31%		198	0.44%	154.04%	403	1.48%	24.81%
EPS(in dollars)	1.06			0.42		152.38%	0.90		17.78%



2. Financial Update

Balance Sheet

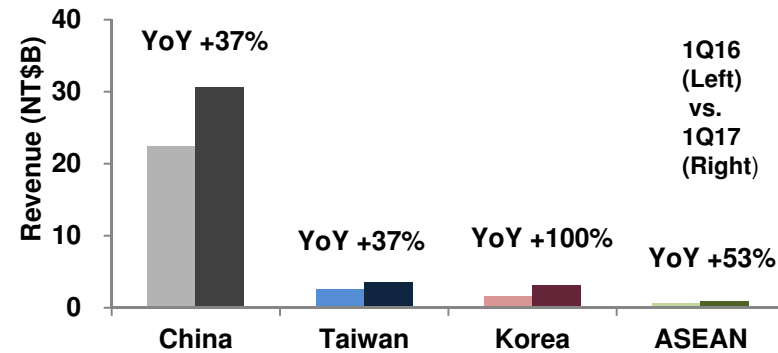
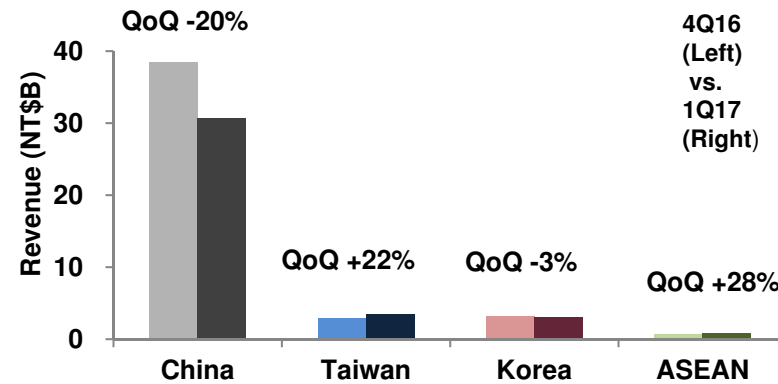
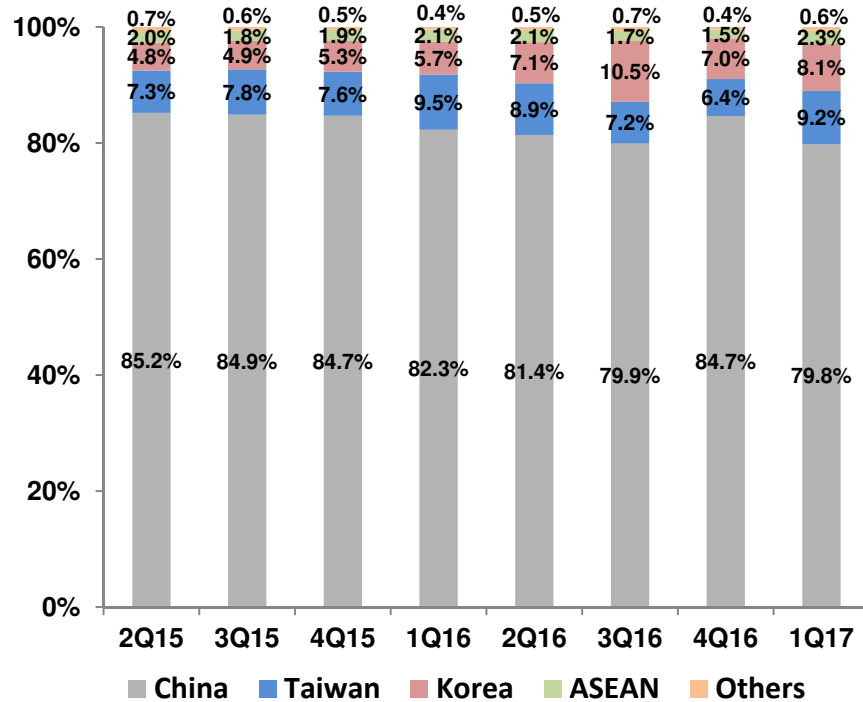
Unit: NT\$M

Key accounts	1Q17		4Q16		1Q16	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	2,913	5	2,081	4	1,706	4
Accounts receivable	20,509	36	29,302	48	23,455	49
Inventory	24,043	42	22,133	36	16,859	35
Other current assets	5,419	9	3,645	5	2,409	4
Non-current assets	4,359	8	4,243	7	3,858	8
Total Assets	57,243	100	61,404	100	48,287	100
Short-term loans	20,270	35	22,013	36	14,199	30
Accounts payable	16,484	29	18,657	30	13,625	28
Other current liabilities	2,327	4	2,118	3	1,480	3
Long-term loans	-	-	-	-	1,871	4
Other liabilities	1,546	3	1,713	3	269	-
Total Liabilities	40,627	71	44,501	72	31,444	65
Total Equity	16,616	29	16,903	28	16,843	35
Indices	1Q17		4Q16		1Q16	
Current ratio	135%		134%		152%	
Debt/Assets ratio	71%		72%		65%	
Debt/Equity ratio	245%		263%		187%	
Gearing ratio	1.09		1.20		0.85	



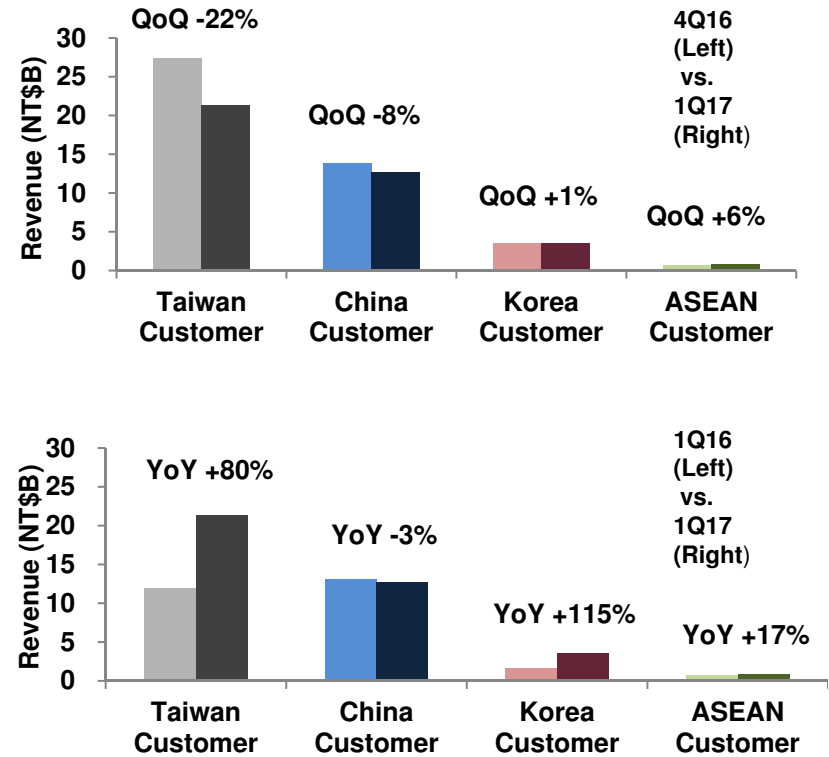
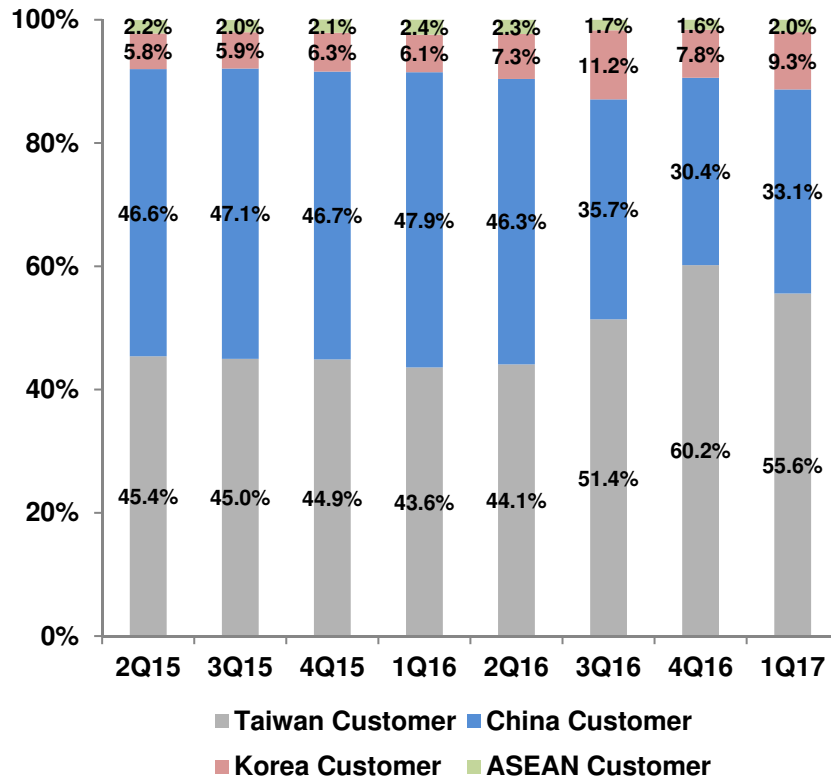
2. Financial Update

NR by Geography (Ship-to Destination)



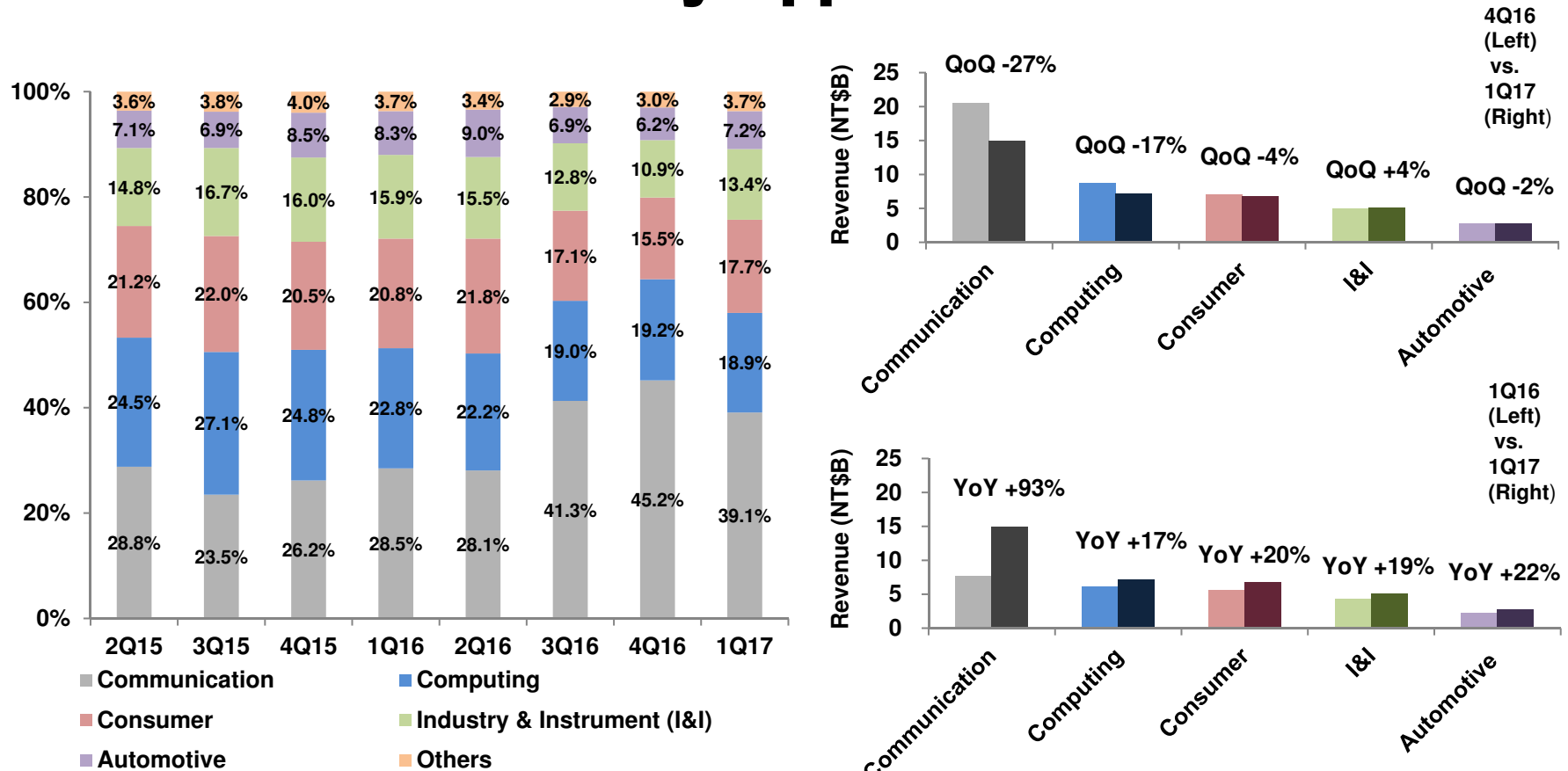
2. Financial Update

NR by Customer Base



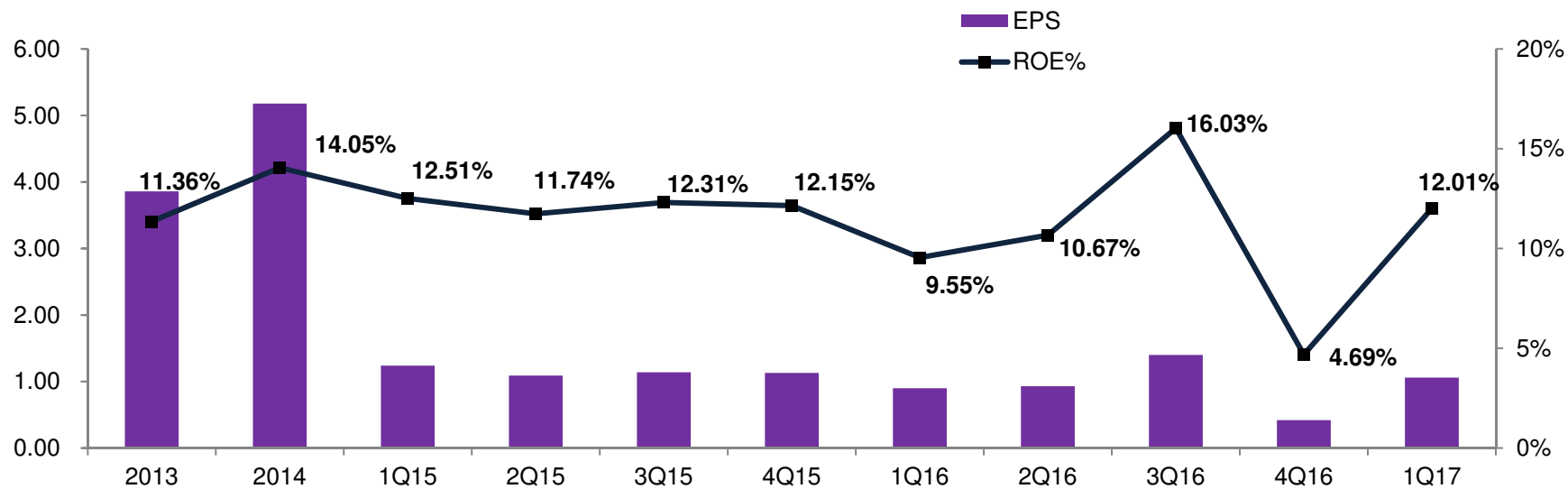
2. Financial Update

NR by Application



2. Financial Update

ROE vs. EPS

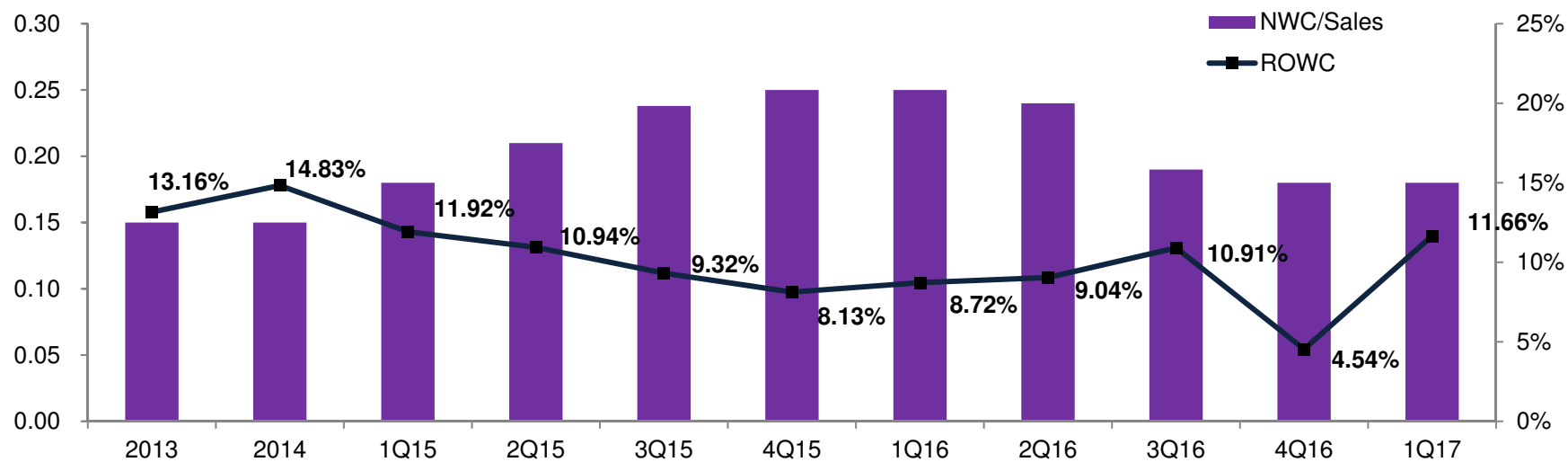


ITEM	2013	2014	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
ROE%	11.36%	14.05%	12.51%	11.74%	12.31%	12.15%	9.55%	10.67%	16.03%	4.69%	12.01%
EPS	3.86	5.18	1.24	1.09	1.14	1.13	0.90	0.93	1.40	0.42	1.06



2. Financial Update

ROWC vs. NWC/Sales

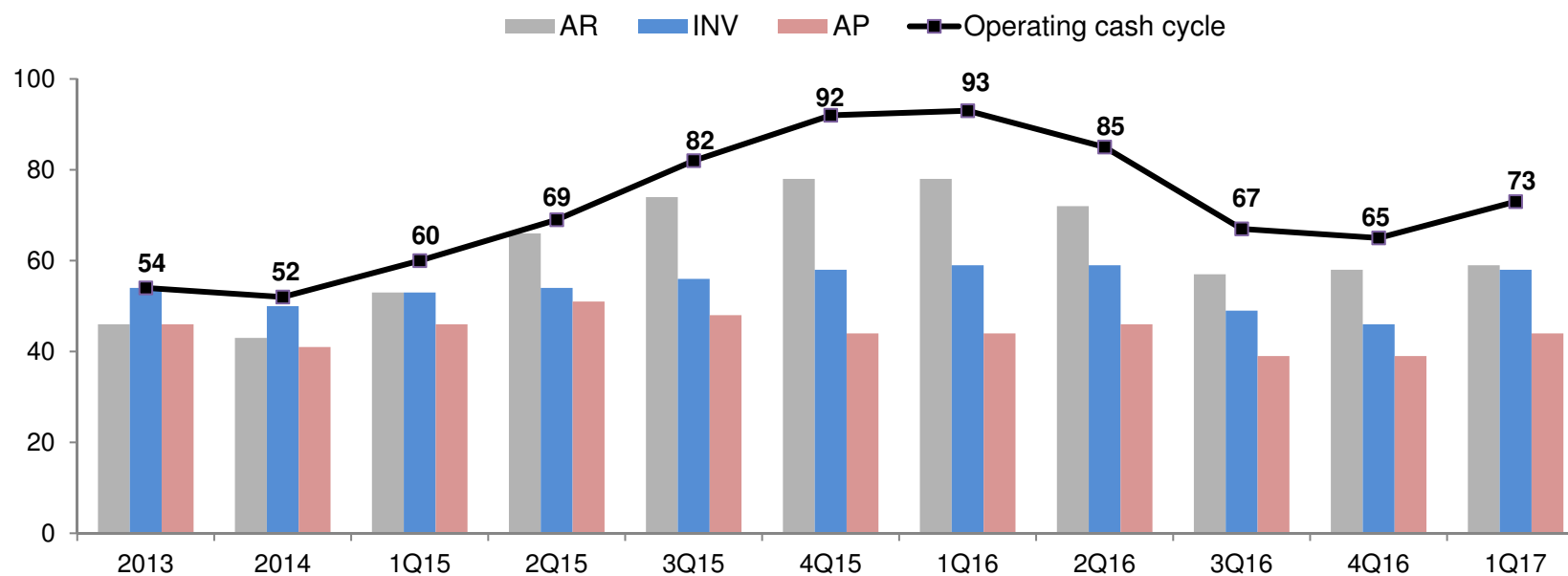


ITEM	2013	2014	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
NWC/Sales	0.15	0.15	0.18	0.21	0.24	0.25	0.25	0.24	0.19	0.18	0.18
ROWC	13.16%	14.83%	11.92%	10.94%	9.32%	8.13%	8.72%	9.04%	10.91%	4.54%	11.66%



2. Financial Update

Operating Cash Cycle



Turnover days	2013	2014	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
AR	46	43	53	66	74	78	78	72	57	58	59
INV	54	50	53	54	56	58	59	59	49	46	58
AP	(46)	(41)	(46)	(51)	(48)	(44)	(44)	(46)	(39)	(39)	(44)
Operating cash cycle	54	52	60	69	82	92	93	85	67	65	73



3. Business Outlook

We currently expect 2Q 17 :

- Revenue : between NT\$37.5 billion ~ NT\$39.5 billion, at a forecast exchange rate of 30.2 NT Dollars to 1 US Dollar
- Gross profit margin : between 4.7% ~ 4.9%
- Operating profit margin : between 2.1% ~ 2.3%





Thank You !

WT Microelectronics Co., Ltd.

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