



2019 First Quarter Investor Conference

Presented by Cheryl Yang

May 8, 2019

Safe Harbor Statement

- WT's forward-looking statements, which may include statements regarding its results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on WT's current expectations.
- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our dependence on key personnel; general economic and political conditions; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.
- In addition, any financial information contained here within is presented in conformity with International Financial Reporting Standards (IFRSs).
- Except as required by law, our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.



Agenda

- 1. Overview**
- 2. Financial Update**
- 3. Business Outlook**
- 4. Recap of Recent Major Events**
- 5. Questions and Answers**



1. Overview

Strong secular growth with economies of scale

- 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
- 2018 revenues of NT\$273bn, up 44% YoY
- 48 offices in Asia (33 offices in China and 15 offices in Korea, Taiwan, and South Asia) with over 8,000 customers
- Over 2,300 headcounts (over 700 sales, 250 PMs, and 500 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

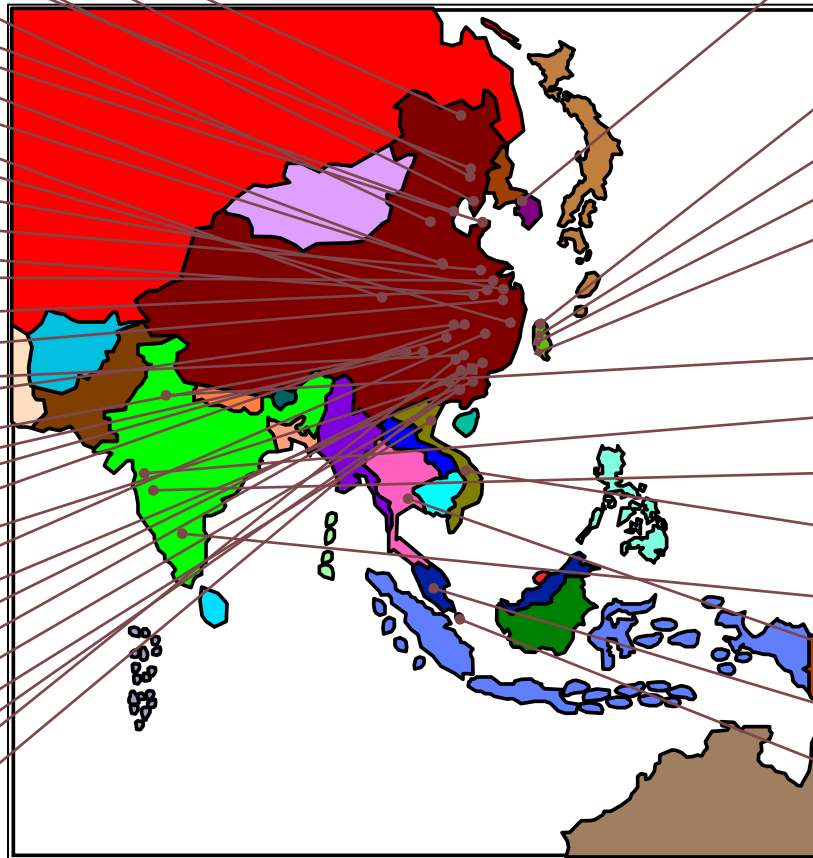


1. Overview

China Offices (33)

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

Offices Across Asia



Korea Offices (2)

Seoul

Taiwan Offices (4)

Taipei, Headquarters
Hsinchu
Taichung
Tainan

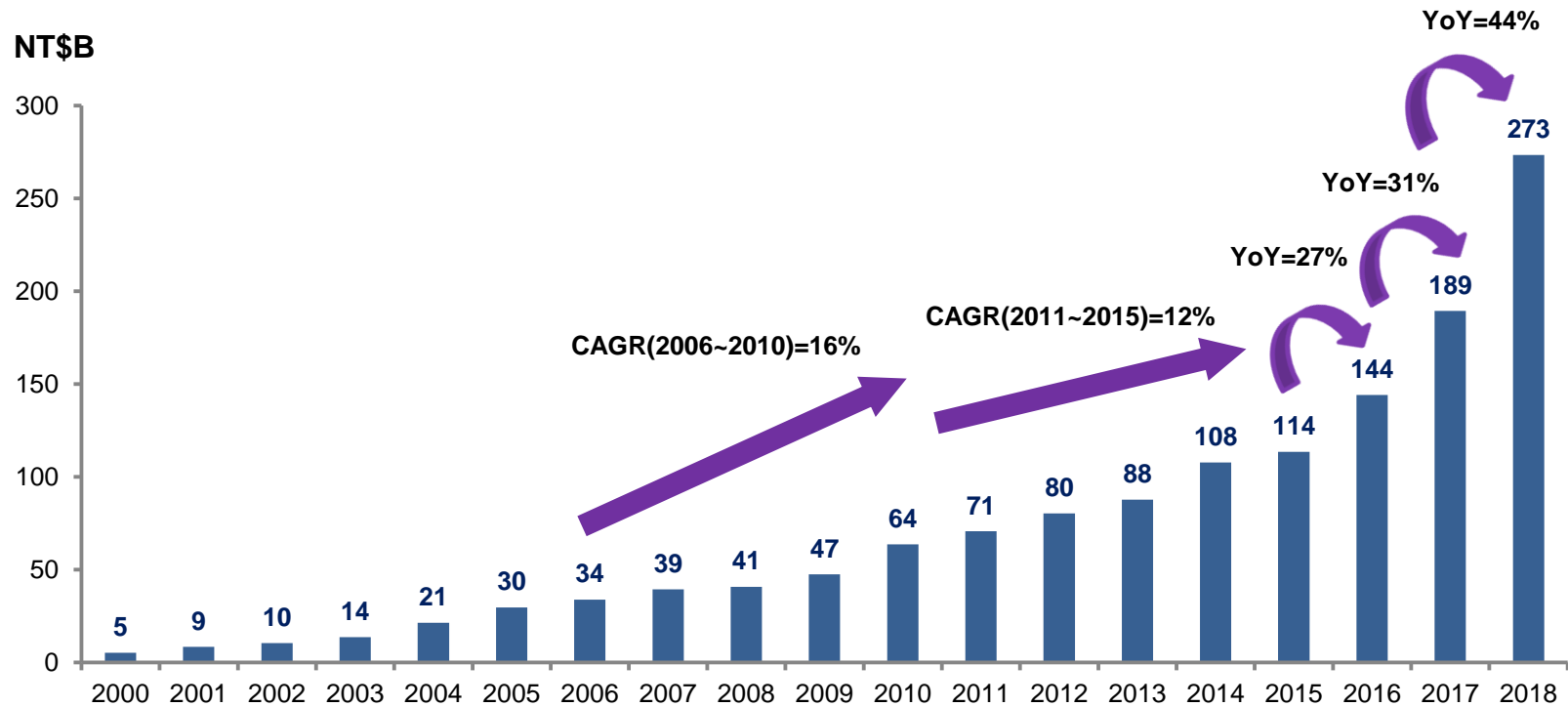
South Asia Offices (9)

New Delhi, N. India
Mumbai, N. India
Pune, N. India
Vietnam (2)
Bangalore, S. India
Bangkok, Thailand
Penang, Malaysia
Singapore



1. Overview

NR (Net Revenue)



2. Financial Update

Statement of Comprehensive Income

Unit: NT\$M

Key accounts	1Q19		1Q19 Guidance	4Q18		QoQ	1Q18		YoY
	Amount	%		Amount	%		Amount	%	
Net Operating revenues	67,474	100.00%	65B~70B	85,762	100.00%	-21%	49,635	100.00%	36%
Gross profit	2,322	3.44%	3.3%~3.5%	2,701	3.15%	-14%	2,288	4.61%	1%
Operating expenses	(1,300)	-1.93%		(1,420)	-1.66%	-8%	(1,247)	-2.51%	4%
Operating income	1,022	1.51%	1.4%~1.6%	1,281	1.49%	-20%	1,041	2.10%	-2%
Financing costs	(527)	-0.78%		(538)	-0.63%	-2%	(346)	-0.70%	52%
Others	(5)	0.00%		23	0.03%		18	0.04%	
Earning before tax	490	0.73%		766	0.89%	-36%	713	1.44%	-31%
Income tax expense	(105)	-0.16%		(175)	-0.20%	-40%	(133)	-0.27%	-21%
Non-Controlling Interests	-	-		-	-		-	-	
Profit after tax	385	0.57%		591	0.69%	-35%	580	1.17%	-34%
EPS (in dollars)	0.67			1.06			1.05		



2. Financial Update

Balance Sheet

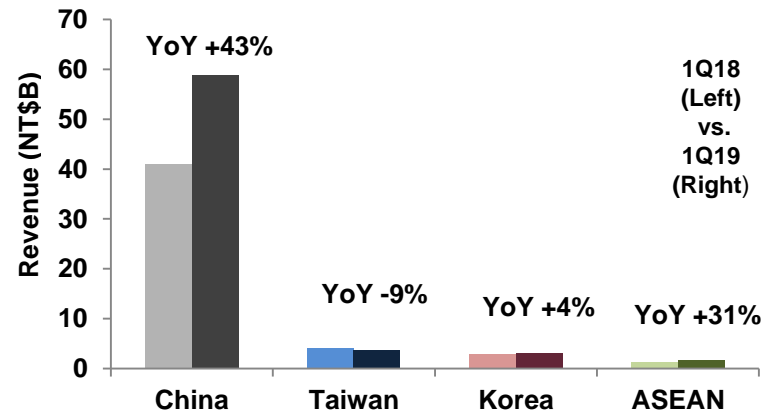
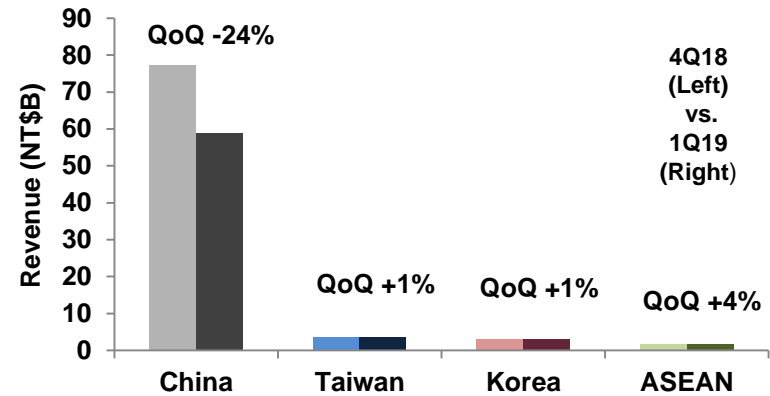
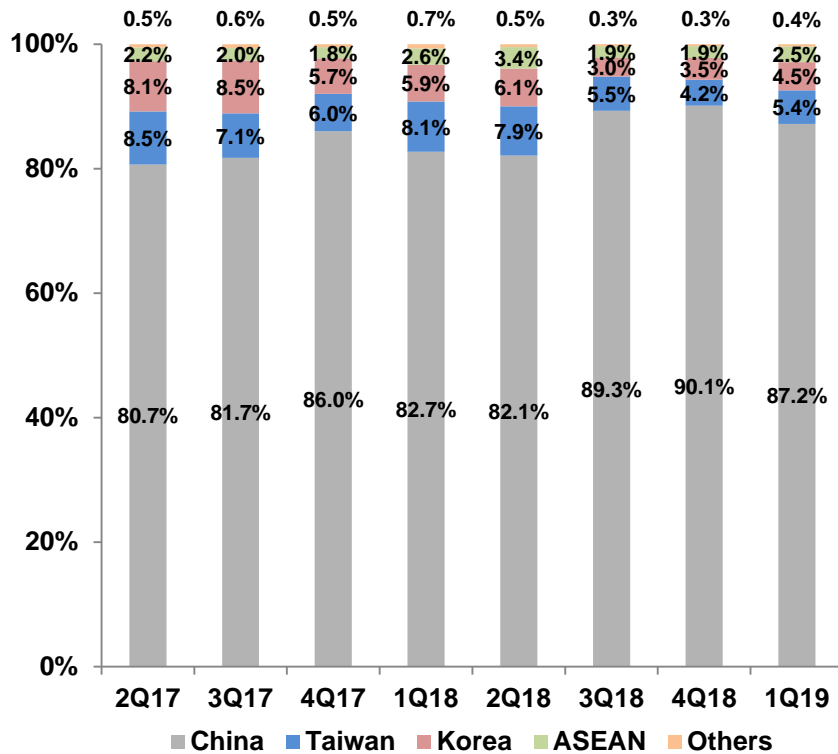
Unit: NT\$M

Key accounts	1Q19		4Q18		1Q18	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	2,360	3	3,335	4	2,542	3
Accounts receivable	34,692	38	36,127	39	31,765	41
Inventory	47,034	51	46,875	50	35,426	46
Other current assets	2,108	2	2,547	2	2,929	4
Non-current assets	5,398	6	4,941	5	4,837	6
Total Assets	91,592	100	93,825	100	77,499	100
Short-term loans	31,921	35	28,812	31	29,385	38
Accounts payable	32,055	35	37,998	40	22,239	29
Other current liabilities	3,091	3	4,474	5	3,451	4
Long-term loans	-	-	123	-	670	1
Other liabilities	1,245	2	610	1	1,703	2
Total Liabilities	68,312	75	72,017	77	57,448	74
Total Equity	23,280	25	21,808	23	20,051	26
Indices	1Q19		4Q18		1Q18	
Current ratio	129%		125%		132%	
Debt/Assets ratio	75%		77%		74%	
Debt/Equity ratio	293%		330%		287%	
Gearing ratio	1.27		1.17		1.37	



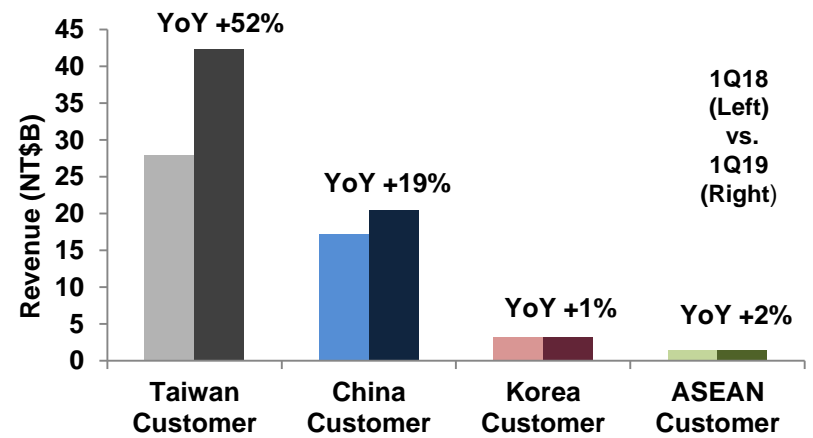
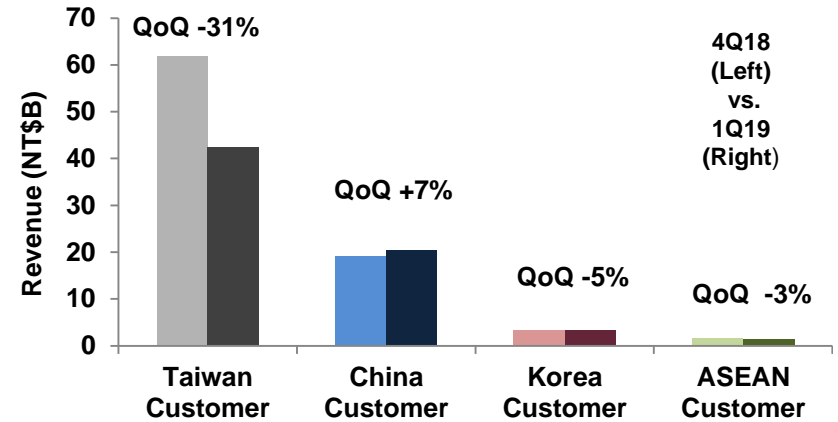
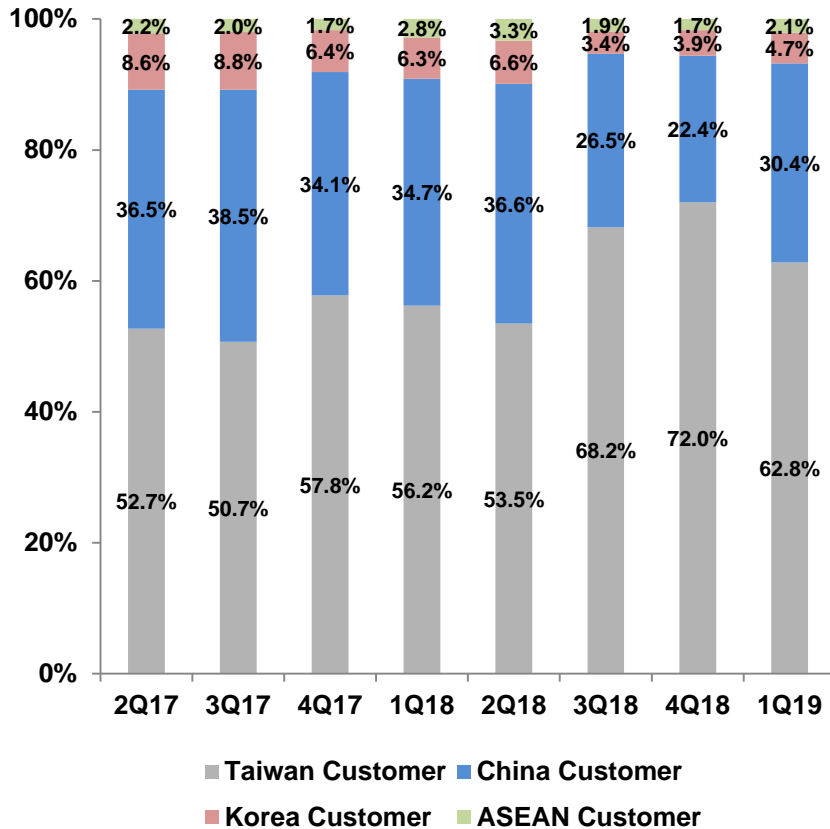
2. Financial Update

NR by Geography (Ship-to Destination)



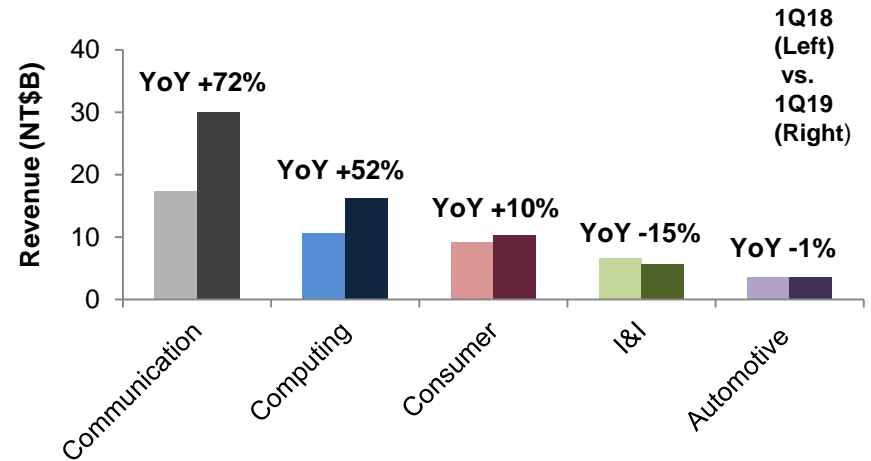
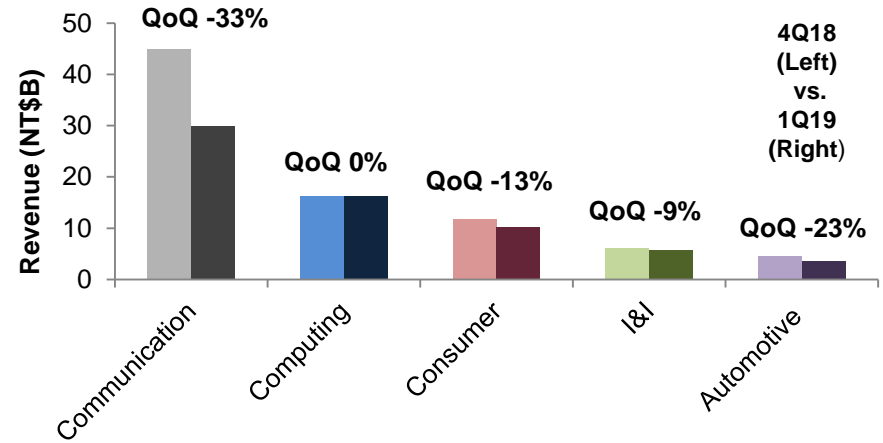
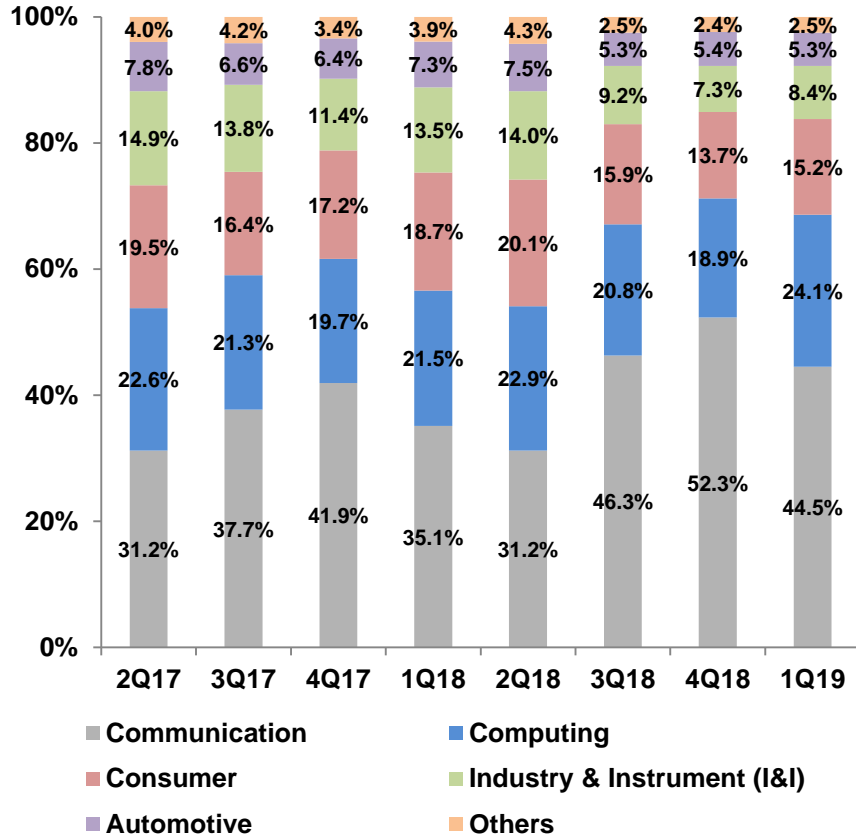
2. Financial Update

NR by Customer Base



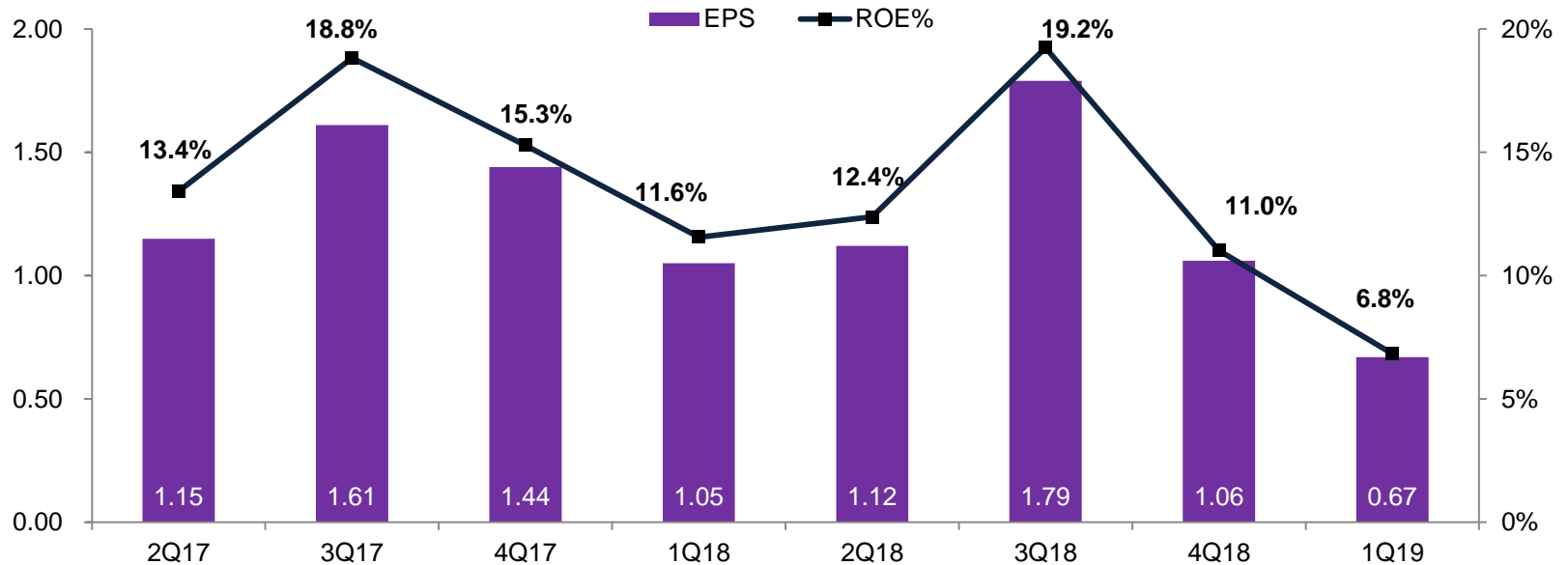
2. Financial Update

NR by Application



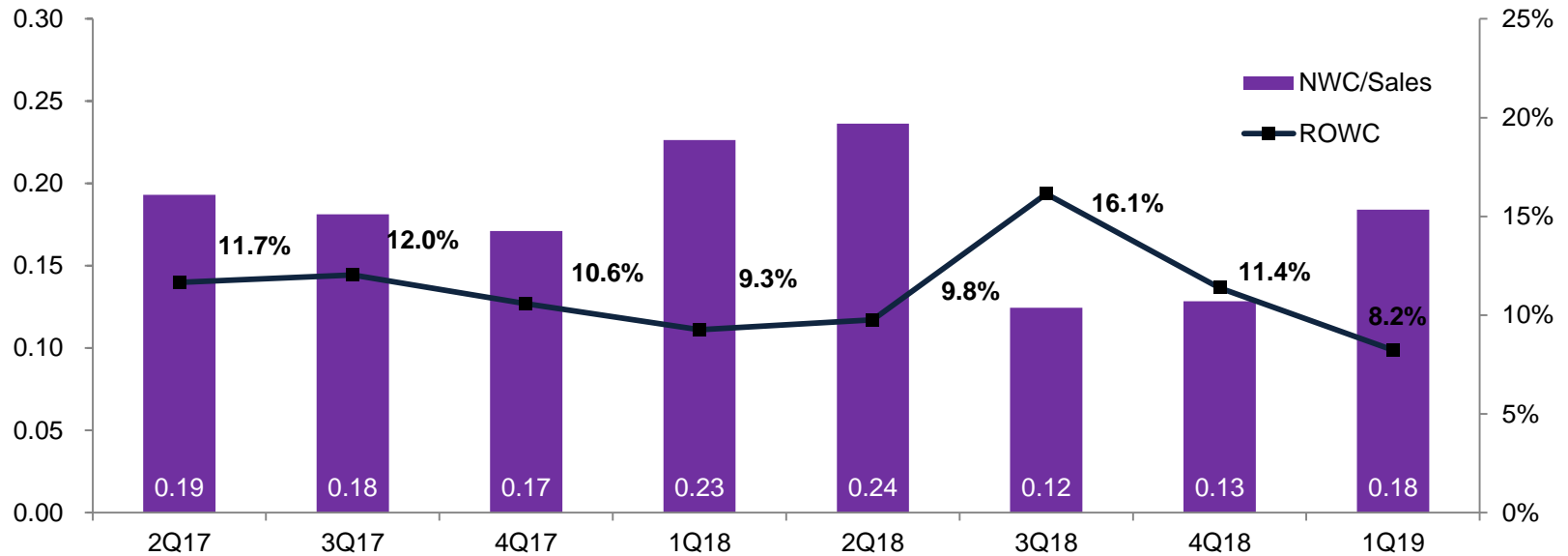
2. Financial Update

ROE vs. EPS



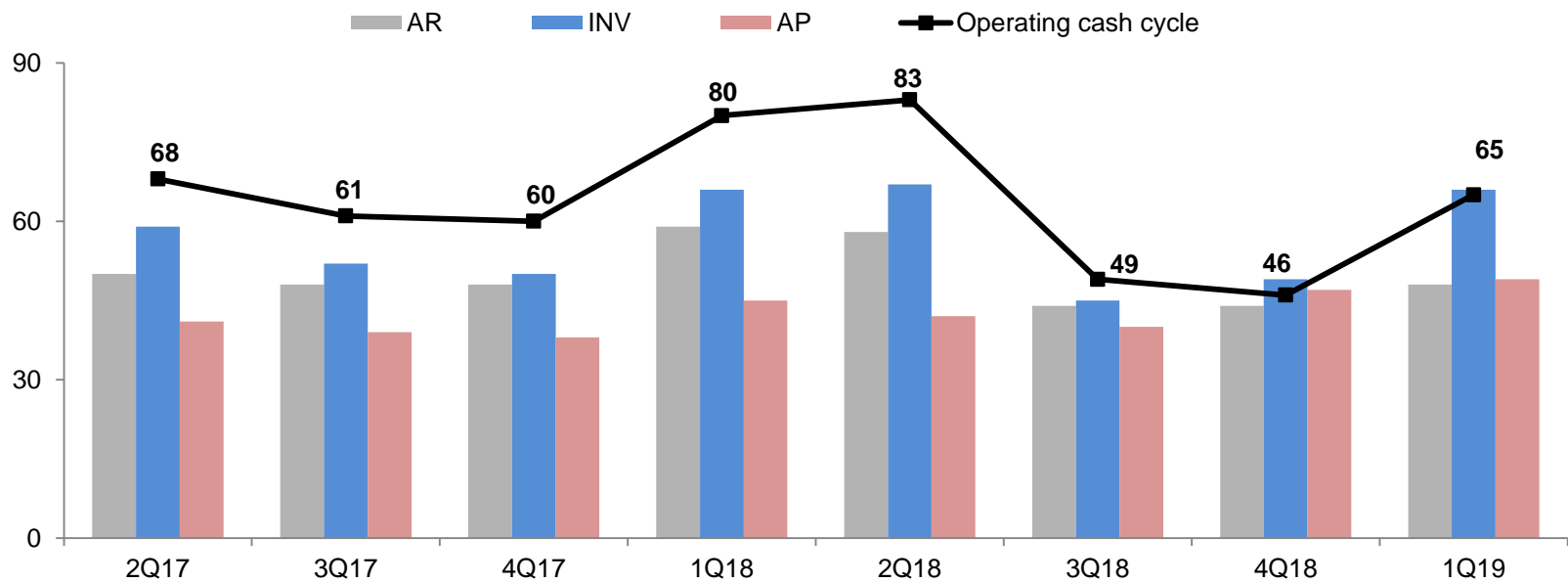
2. Financial Update

ROWC vs. NWC/Sales



2. Financial Update

Operating Cash Cycle



3. Business Outlook

We currently expect 2Q19 :

- Revenue : between NT\$71 billion ~ NT\$75 billion, at a forecast exchange rate of 30.9 NT Dollars to 1 US Dollar
- Revenue guidance between 5% ~ 11% QoQ growth and 33% ~ 41% YoY increase
- Gross profit margin : between 3.45% ~ 3.65%
- Operating profit margin : between 1.6% ~ 1.8%



4. Recap of Recent Major Events

- WT was ranked as Best Partner from NXP Semiconductors in 2018.
- WT was ranked as Outstanding Supplier Business Management from ST Microelectronics in 2018.
- WT board of directors approved the convening of the 2019 annual shareholders' meeting on June 21, 2019.





Thank You !

WT Microelectronics Co., Ltd.

Website : www.wtmec.com

