

PEGATRON



PEGATRON

2015 Third Quarter Business Review

November 9, 2015

- 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.

3Q2015 Consolidated Financial Result

Consolidated Income Statements

<i>(NT\$ Mn)</i>	1Q-3Q 2015		1Q-3Q 2014		YoY
Net Revenue	801,729	100%	667,792	100%	20.1%
COGS	749,880	93.5%	628,271	94.1%	19.4%
Gross Profit	51,849	6.5%	39,521	5.9%	31.2%
Operating Expense	25,402	3.2%	21,682	3.2%	17.2%
Operating Income (Loss)	26,447	3.3%	17,839	2.7%	48.3%
Net Non-Operating Income (Loss)	795	0.1%	(1,679)	-0.3%	147.3%
FX Gain (Loss)	(1,852)	-0.2%	(280)	0.0%	-561.4%
Others	2,647	0.3%	(1,399)	-0.2%	289.2%
PBT	27,242	3.4%	16,160	2.4%	68.6%
Tax	(6,782)	0.8%	(4,010)	0.6%	69.1%
Net Income	20,460	2.6%	12,150	1.8%	68.4%
Net Income Attributable to the Parent	16,997	2.1%	8,978	1.3%	89.3%
EPS	6.60		3.86		71.0%
Excluding Impact from ECB Valuation	1Q-3Q 2015		1Q-3Q 2014		YoY
Valuation Gain (Loss) on ECB	(239)		(2,342)		-
PBT	27,481		18,502		48.5%
Net Income Attributable to the Parent	17,236		11,320		52.3%
EPS	6.70		4.87		37.5%

Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	3Q 2015		2Q 2015		QoQ	3Q 2014		YoY
Net Revenue	309,538	100%	217,929	100%	42.0%	236,703	100%	30.8%
COGS	288,668	93.3%	204,025	93.6%	41.5%	221,483	93.6%	30.3%
Gross Profit	20,870	6.7%	13,904	6.4%	50.1%	15,220	6.4%	37.1%
Operating Expense	9,052	2.9%	8,166	3.7%	10.8%	8,152	3.4%	11.0%
Operating Income (Loss)	11,818	3.8%	5,738	2.6%	106.0%	7,068	3.0%	67.2%
Net Non-Operating Income (Loss)	(1,187)	-0.4%	1,535	0.7%	-177.3%	958	0.4%	-223.9%
FX Gain (Loss)	(1,462)	-0.5%	(70)	0.0%	-1988.6%	470	0.2%	-411.1%
Others	275	0.1%	1,605	0.7%	-82.9%	488	0.2%	-43.6%
PBT	10,631	3.4%	7,273	3.3%	46.2%	8,026	3.4%	32.5%
Tax	(3,119)	1.0%	(1,542)	0.7%	102.3%	(1,847)	0.8%	68.9%
Net Income	7,512	2.4%	5,731	2.6%	31.1%	6,179	2.6%	21.6%
Net Income Attributable to the Parent	6,014	1.9%	4,656	2.1%	29.2%	4,748	2.0%	26.7%
EPS	2.31		1.82		26.9%	2.03		13.8%
Excluding Impact from ECB Valuation	3Q 2015		2Q 2015		QoQ	3Q 2014		YoY
Valuation Gain (Loss) on ECB	0		0		-	(24)		-
PBT	10,631		7,273		46.2%	8,050		32.1%
Net Income Attributable to the Parent	6,014		4,656		29.2%	4,772		26.0%
EPS	2.31		1.82		26.9%	2.04		13.2%

Consolidated Balance Sheet

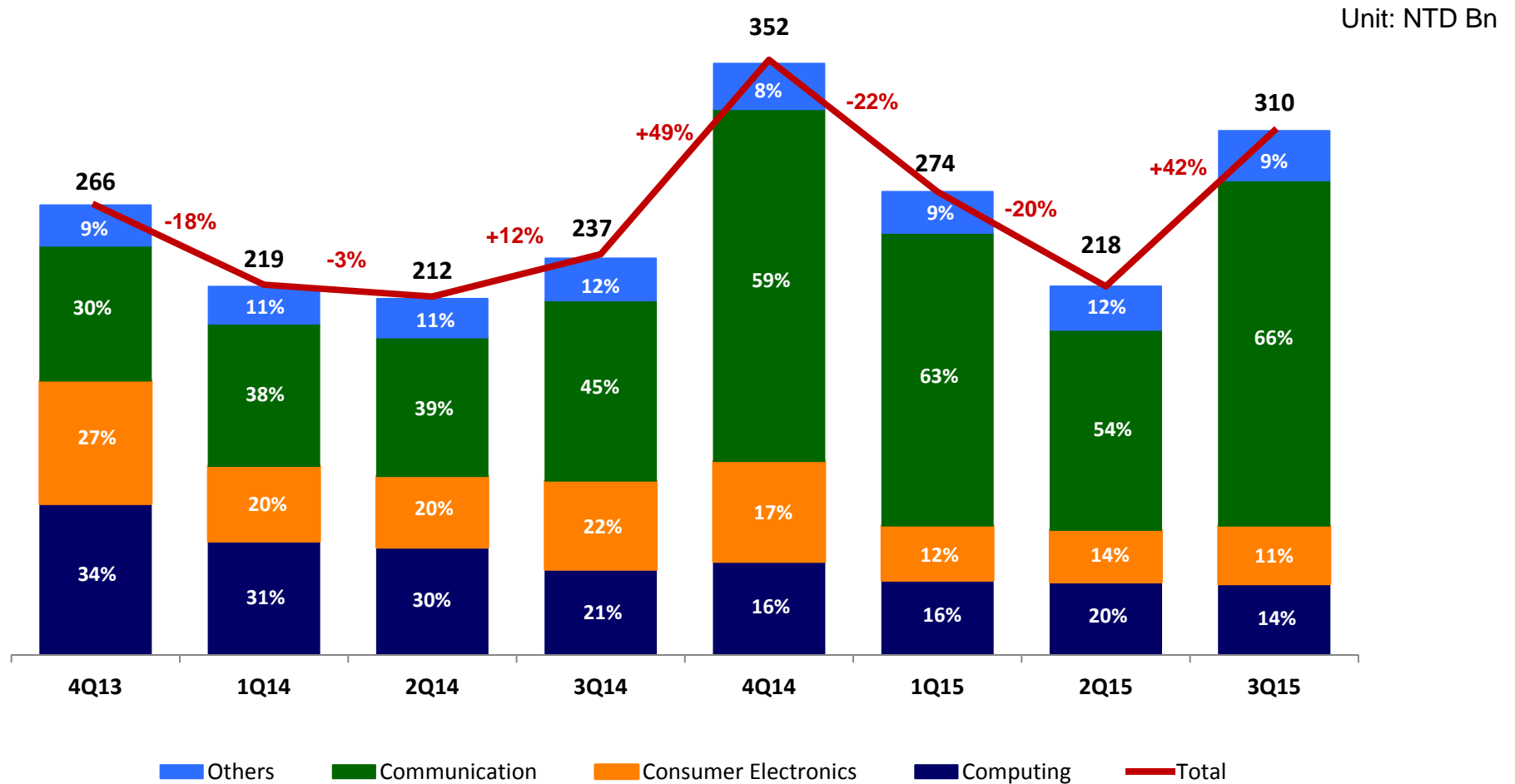
<i>(NT\$ Mn)</i>	<u>3Q2015</u>	<u>2Q2015</u>	<u>QoQ</u>	<u>3Q2014</u>	<u>YoY</u>
Cash and Equivalents	101,961	112,800	(10,839)	80,749	21,212
AR (Net)	151,501	87,784	63,717	107,838	43,663
Inventory (Net)	158,121	121,765	36,356	105,952	52,169
Other Current Assets	41,755	29,205	12,550	37,853	3,902
Total Current Assets	453,338	351,554	101,784	332,392	120,946
Investment	2,025	2,257	(232)	3,601	(1,576)
Fixed Assets (Net)	71,439	69,879	1,560	70,703	736
Other Assets	13,023	11,258	1,765	12,245	778
Total Non-Current Assets	86,487	83,394	3,093	86,549	(62)
Total Assets	539,825	434,948	104,877	418,941	120,884
Short-term Borrowings	67,260	45,765	21,495	30,168	37,092
AP	217,168	138,020	79,148	166,371	50,797
Other Current Liabilities	52,601	58,337	(5,736)	47,591	5,010
Total Current Liabilities	337,029	242,122	94,907	244,130	92,899
Long-term Loans	12,519	13,348	(829)	15,334	(2,815)
Other Liabilities	4,538	3,676	862	4,113	425
Total Liabilities	354,086	259,146	94,940	263,577	90,509
Paid-in Capital	26,032	26,033	(1)	23,679	2,353
Capital Surplus	78,922	78,922	0	67,209	11,713
Retained Earnings	35,866	29,799	6,067	23,644	12,222
Others	4,201	687	3,514	1,218	2,983
Treasury Stocks	(2)	(1)	(1)	(6)	4
Net Equity	185,739	175,802	9,937	155,364	30,375
Total Liabilities and Net Equity	539,825	434,948	104,877	418,941	120,884
Current Ratio	135%	145%	-	136%	-
Debt Ratio (TTL Liabilities / TTL Assets)	66%	60%	-	63%	-
Interest-bearing Debt Ratio	15%	14%	-	11%	-

Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	<u>1Q-3Q 2015</u>	<u>1Q-3Q 2014</u>
Cash Flows from Operating Activities:	(14,185)	31,605
Cash Flows from Investing Activities:	(9,445)	(5,997)
Cash Flows from Financing Activities:	16,594	(19,679)
Impact from Changes in FX Rate	1,308	559
Net Increase in Cash	(5,728)	6,488
Cash, beginning of the period	107,689	74,261
Cash, end of the period	101,961	80,749
<i>Note:</i>	<u>1Q-3Q 2015</u>	<u>1Q-3Q 2014</u>
Depreciation and amortization	10,270	10,345

Business Highlight

Consolidated Revenue Trend

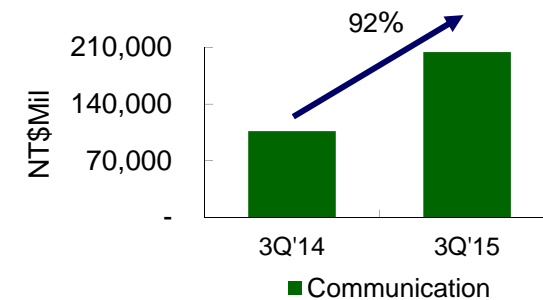
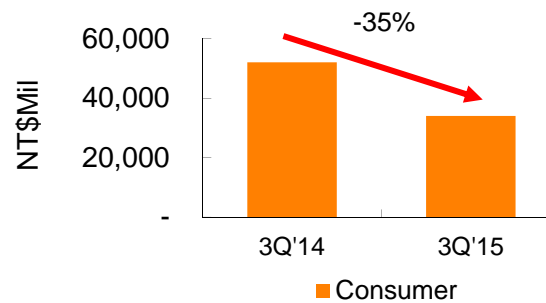
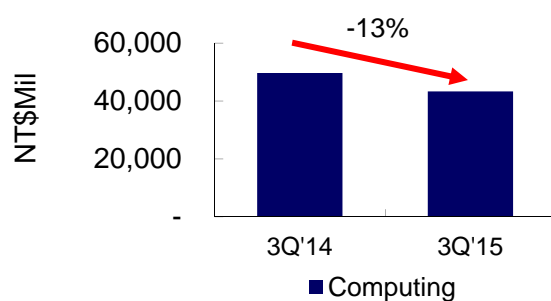
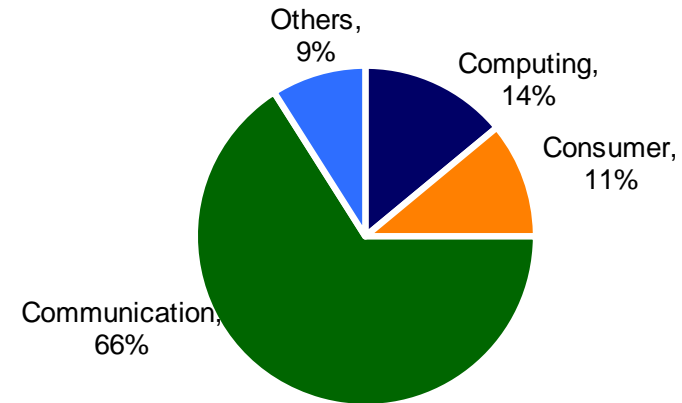
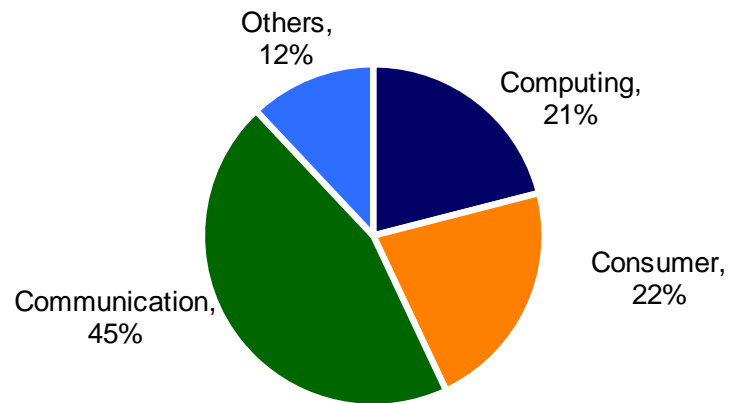


Consolidated revenue totaled NT\$310Bn in 3Q2015, increased by 42% from NT\$218Bn in the previous quarter. The growth was mainly driven by new product launch in Communication segment coupling with seasonal effect in Consumer Electronics segment.

Revenue Breakdowns by Products (Year-over-Year)

3Q2014

3Q2015

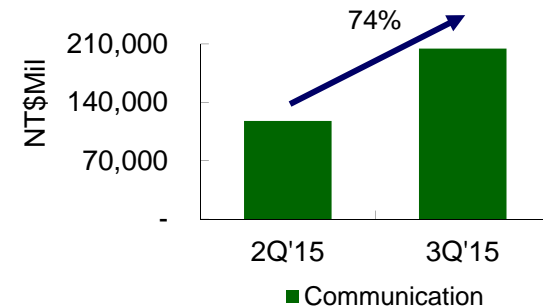
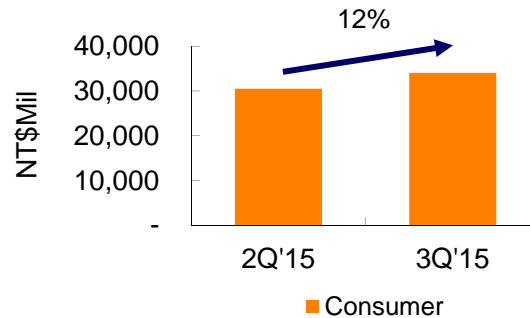
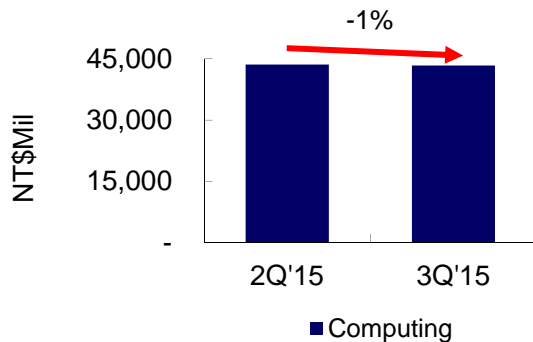
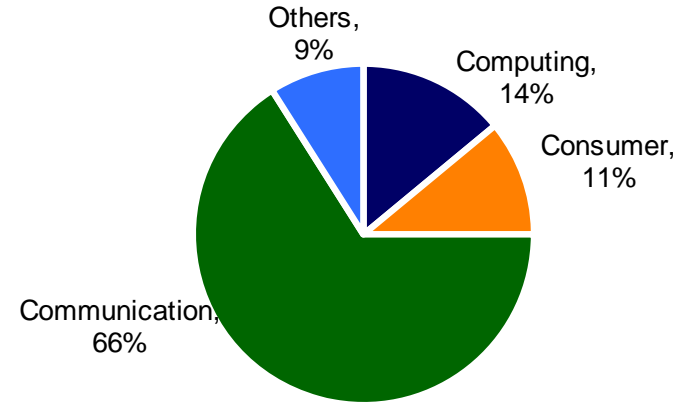
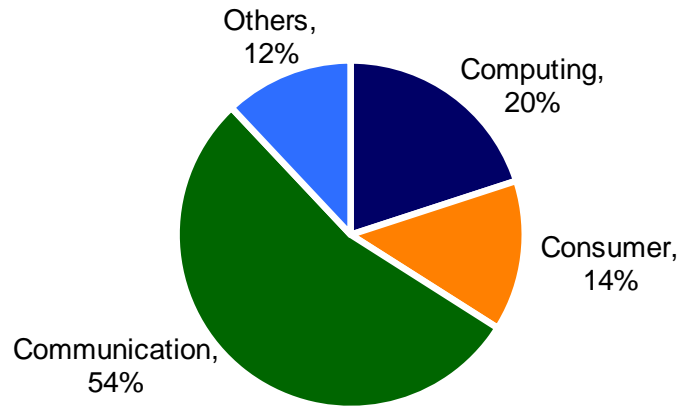


Driven by better demand, revenue from Communication grew by 92% YoY and revenue contribution increased to 66% from 45% in a-year-ago quarter. Reflecting challenging PC industry, revenue from Computing segment declined by 13% YoY, whilst that of Consumer Electronics segment also trended down by 35% YoY due to the change of product portfolio.

Revenue Breakdowns by Products (Quarter-over-Quarter)

2Q2015

3Q2015



Driven by new product launch, revenue from Communication segment increased by 74% QoQ. Entering the traditional peak season, revenue from Consumer Electronics segment also grew by 12% QoQ, while revenue from Computing segment declined by 1% on a QoQ basis due to lower ASP.

- NB shipment volume to grow by 20% ~ 25%
- MB & DT shipment volume to grow by 10% ~ 15%
- Revenue from non-computing segment to grow by 25% ~ 35%

Q & A