

**PEGATRON**



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## **2017 First Quarter Business Review**

May 9, 2017

- 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.

## **1Q2017 Consolidated Financial Result**

# PEGATRON

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

<i>(NT\$ Mn)</i>	1Q 2017		4Q 2016		QoQ	1Q 2016		YoY
Net Revenue	238,999	100%	360,484	100%	-33.7%	256,382	100%	-6.8%
COGS	227,038	95.0%	343,354	95.2%	-33.9%	241,570	94.2%	-6.0%
Gross Profit	11,961	5.0%	17,130	4.8%	-30.2%	14,812	5.8%	-19.2%
Operating Expense	6,384	2.7%	8,103	2.2%	-21.2%	8,036	3.1%	-20.6%
Operating Income (Loss)	5,577	2.3%	9,027	2.5%	-38.2%	6,776	2.6%	-17.7%
Net Non-Operating Income (Loss)	(469)	-0.2%	(33)	0.0%	1321.2%	(275)	-0.1%	70.5%
FX Gain (Loss)	(1,281)	-0.5%	(510)	-0.1%	151.2%	(755)	-0.3%	69.7%
Others	812	0.3%	477	0.1%	70.2%	480	0.2%	69.2%
PBT	5,108	2.1%	8,994	2.5%	-43.2%	6,501	2.5%	-21.4%
Tax	(955)	0.4%	(2,355)	0.7%	-59.4%	(1,660)	0.6%	-42.5%
Net Income	4,153	1.7%	6,639	1.8%	-37.4%	4,841	1.9%	-14.2%
Net Income Attributable to the Parent	3,882	1.6%	5,866	1.6%	-33.8%	4,106	1.6%	-5.5%
EPS	1.51		2.28		-33.8%	1.58		-4.4%

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	<u>1Q2017</u>	<u>4Q2016</u>	<u>QoQ</u>	<u>1Q2016</u>	<u>YoY</u>
Cash and Equivalents	108,698	108,713	(15)	110,770	(2,072)
AR (Net)	63,793	93,316	(29,523)	78,984	(15,191)
Inventory (Net)	88,620	107,319	(18,699)	86,618	2,002
Other Current Assets	50,318	54,878	(4,560)	53,943	(3,625)
Total Current Assets	311,429	364,226	(52,797)	330,315	(18,886)
Investment	1,577	1,524	53	1,816	(239)
Fixed Assets (Net)	64,546	66,861	(2,315)	71,325	(6,779)
Other Assets	11,407	11,334	73	13,720	(2,313)
Total Non-Current Assets	77,530	79,719	(2,189)	86,861	(9,331)
Total Assets	388,959	443,945	(54,986)	417,176	(28,217)
Short-term Borrowings	32,404	31,685	719	51,904	(19,500)
AP	119,138	171,266	(52,128)	101,950	17,188
Other Current Liabilities	45,865	51,286	(5,421)	56,091	(10,226)
Total Current Liabilities	197,407	254,237	(56,830)	209,945	(12,538)
Long-term Loans	8,565	4,523	4,042	9,824	(1,259)
Other Liabilities	3,119	3,163	(44)	3,789	(670)
Total Liabilities	209,091	261,923	(52,832)	223,558	(14,467)
Paid-in Capital	25,749	25,752	(3)	26,028	(279)
Capital Surplus	78,217	78,214	3	78,975	(758)
Retained Earnings	51,986	48,105	3,881	46,761	5,225
Others	(9,300)	(3,799)	(5,501)	1,482	(10,782)
Treasury Stocks	(2)	(2)	0	(2,073)	2,071
Net Equity	179,868	182,022	(2,154)	193,618	(13,750)
Total Liabilities and Net Equity	388,959	443,945	(54,986)	417,176	(28,217)
Current Ratio	158%	143%	-	157%	-
Debt Ratio (TTL Liabilities / TTL Assets)	54%	59%	-	54%	-
Interest-bearing Debt Ratio	11%	8%	-	15%	-

## Consolidated Cash Flows Statement

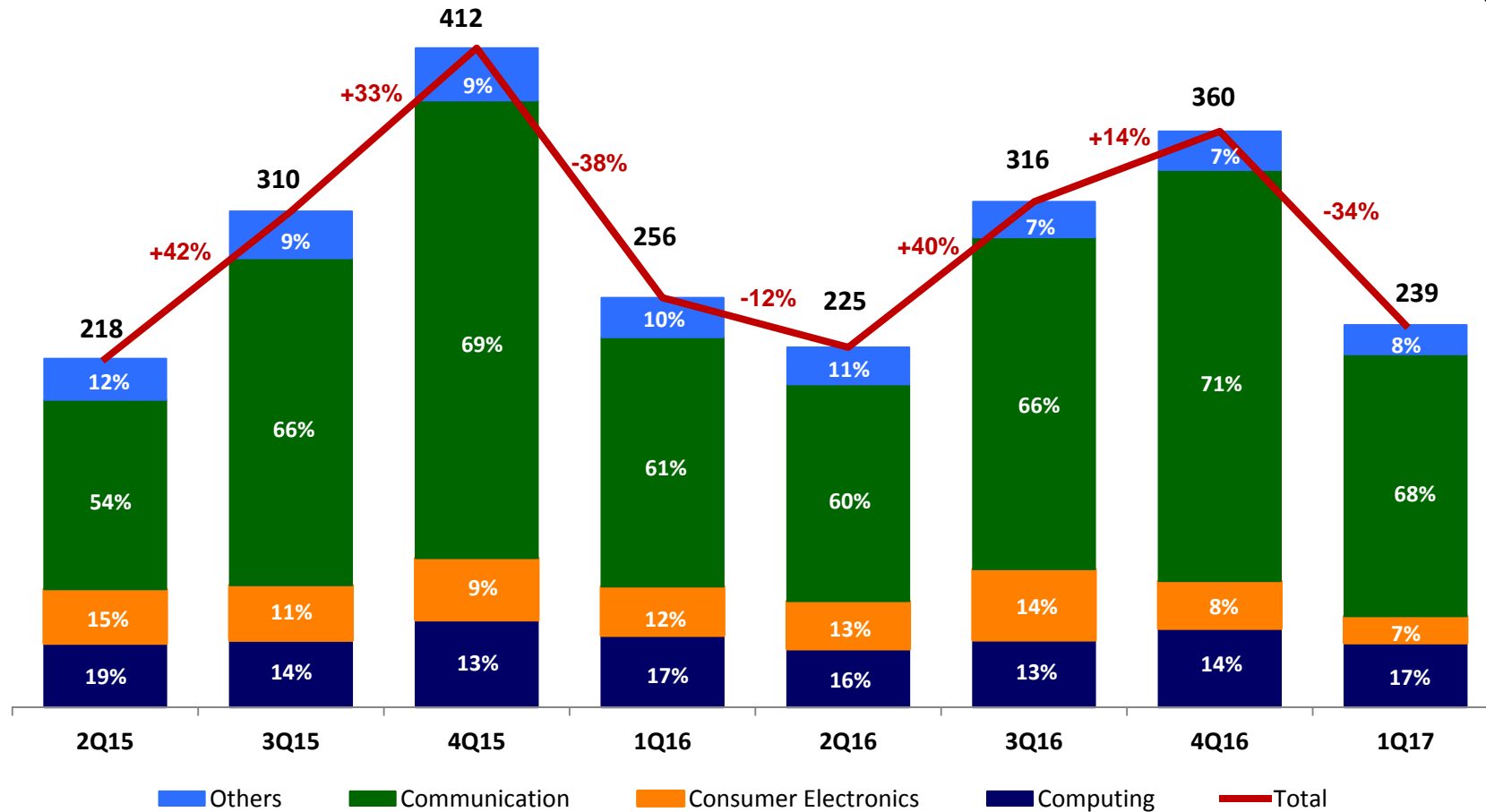
<i>(NT\$ Mn)</i>	1Q2017	1Q2016
<b>Cash Flows from Operating Activities:</b>	2,339	14,249
<b>Cash Flows from Investing Activities:</b>	(3,481)	(4,299)
<b>Cash Flows from Financing Activities:</b>	4,824	(684)
<b>Impact from Changes in FX Rate</b>	(3,697)	(1,057)
<b>Net Increase in Cash</b>	(15)	8,209
<b>Cash, beginning of the period</b>	108,713	102,561
<b>Cash, end of the period</b>	108,698	110,770
<b>Note:</b>	1Q2017	1Q2016
<b>Depreciation and amortization</b>	3,124	3,335

**Business Highlight**



## Consolidated Revenue Trend

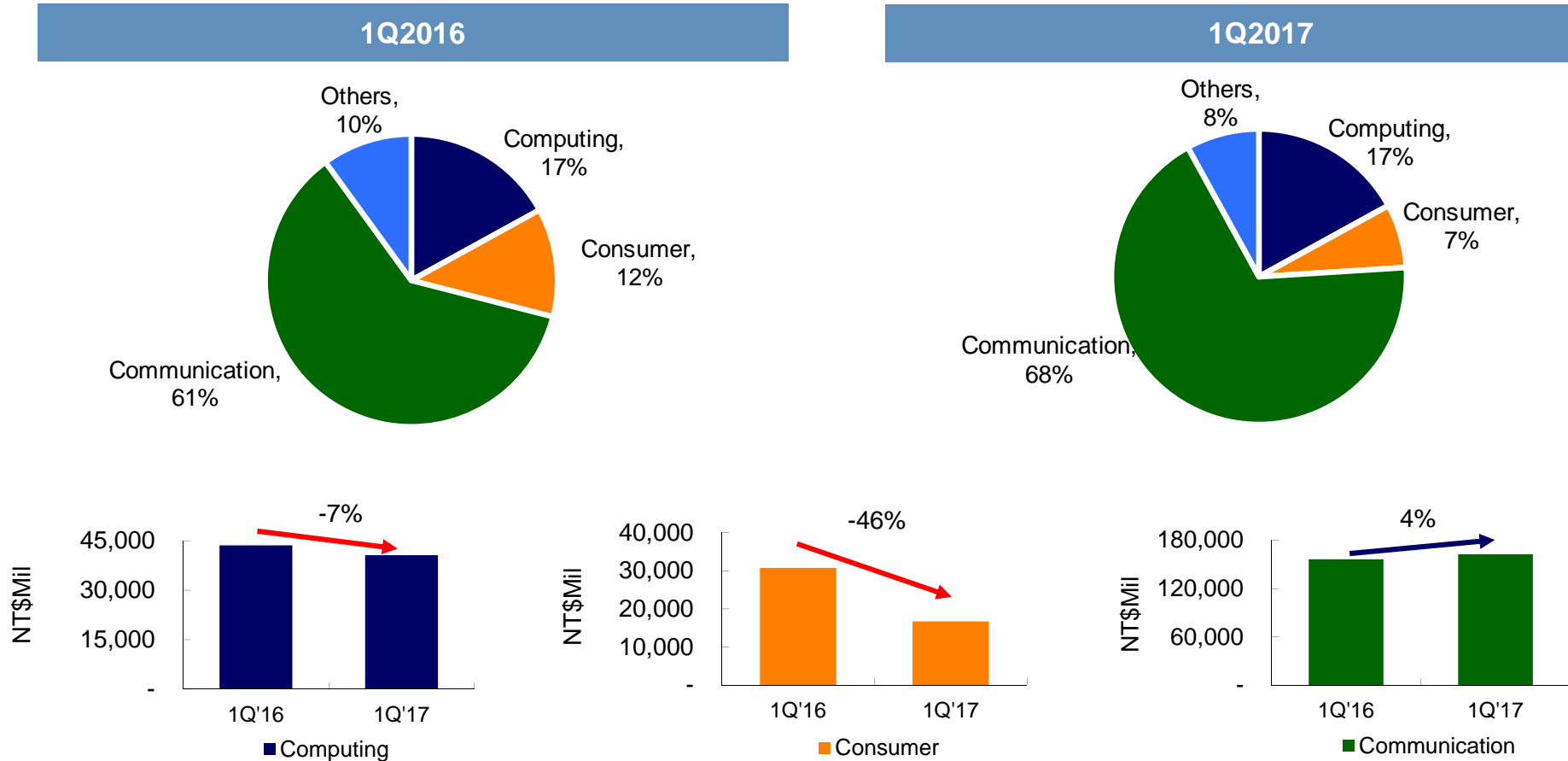
Unit: NTD Bn



Consolidated revenue totaled NT\$239Bn in 1Q2017 and declined by 34% QoQ due to fewer working days and low season throughout three product segments.

\* Minor adjustment made on the revenue breakdown percentage in 2016.

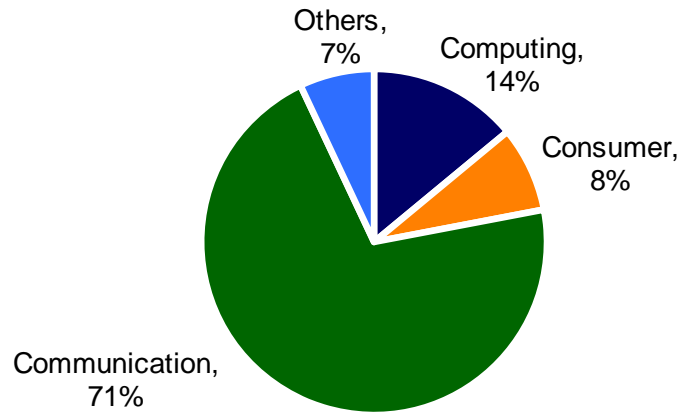
## Revenue Breakdowns by Products (Year-over-Year)



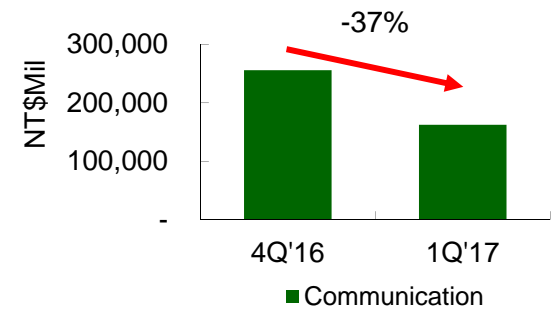
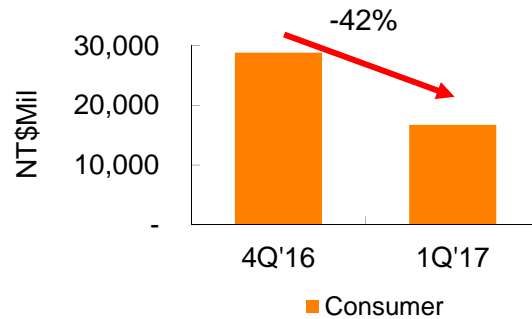
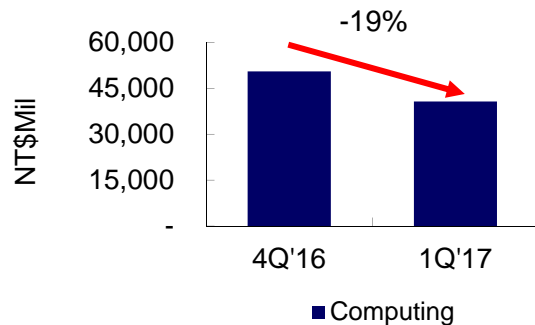
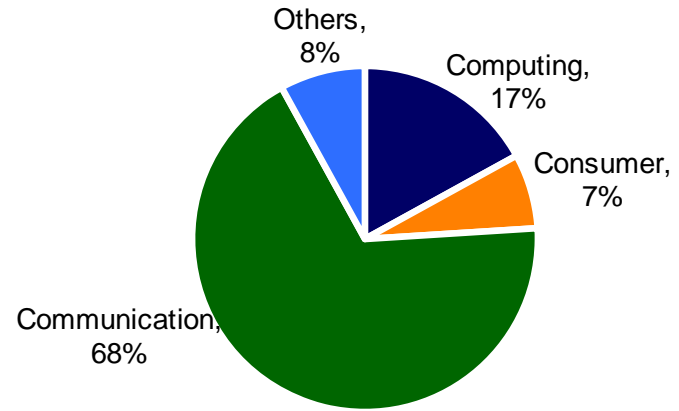
Revenue from consumer electronics declined by 46% YoY due mainly to higher base in 1Q16, while the decline in computing revenue is due to tightening component supply and weakening end demand in consumer PC.

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

4Q2016



1Q2017



Coming down from high base in 4Q2016 and seasonal effect in 1Q2017, revenue across three product segments declined QoQ.

## Q & A