

**PEGATRON**



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## **2017 Fourth Quarter Business Review**

March 15, 2018

- **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.

**2017 & 4Q2017 Consolidated Financial Result**

## Consolidated Income Statements (2017 vs. 2016)

<i>(NT\$ Mn)</i>	2017		2016		YoY
Net Revenue	1,193,809	100%	1,157,710	100%	3.1%
COGS	1,147,139	96.1%	1,094,643	94.6%	4.8%
Gross Profit	46,670	3.9%	63,067	5.4%	-26.0%
Operating Expense	27,671	2.3%	30,653	2.6%	-9.7%
Operating Income (Loss)	18,999	1.6%	32,414	2.8%	-41.4%
Net Non-Operating Income (Loss)	1,414	0.1%	(3,335)	-0.3%	-142.4%
FX Gain (Loss)	(1,555)	-0.1%	(4,383)	-0.4%	-64.5%
Others	2,969	0.2%	1,048	0.1%	183.3%
PBT	20,413	1.7%	29,079	2.5%	-29.8%
Tax	(4,398)	0.4%	(6,942)	0.6%	-36.6%
Net Income	16,015	1.3%	22,137	1.9%	-27.7%
<b>Net Income Attributable to the Parent</b>	<b>14,683</b>	<b>1.2%</b>	<b>19,340</b>	<b>1.7%</b>	<b>-24.1%</b>
EPS	5.66		7.50		-24.5%

## Consolidated Income Statements (QoQ)

<i>(NT\$ Mn)</i>	4Q 2017		3Q 2017		QoQ	4Q 2016		YoY
Net Revenue	377,561	100%	336,868	100%	12.1%	360,484	100%	4.7%
COGS	365,514	96.8%	325,311	96.6%	12.4%	343,354	95.2%	6.5%
Gross Profit	12,047	3.2%	11,557	3.4%	4.2%	17,130	4.8%	-29.7%
Operating Expense	7,399	2.0%	7,169	2.1%	3.2%	8,103	2.2%	-8.7%
Operating Income (Loss)	4,648	1.2%	4,388	1.3%	5.9%	9,027	2.5%	-48.5%
Net Non-Operating Income (Loss)	849	0.2%	555	0.2%	53.0%	(33)	0.0%	-2672.7%
FX Gain (Loss)	(375)	-0.1%	(33)	0.0%	1036.4%	(510)	-0.1%	-26.5%
Others	1,224	0.3%	588	0.2%	108.2%	477	0.1%	156.6%
PBT	5,497	1.5%	4,943	1.5%	11.2%	8,994	2.5%	-38.9%
Tax	(1,522)	0.4%	(742)	0.2%	105.1%	(2,355)	0.7%	-35.4%
Net Income	3,975	1.1%	4,201	1.2%	-5.4%	6,639	1.8%	-40.1%
Net Income Attributable to the Parent	3,725	1.0%	3,639	1.1%	2.4%	5,866	1.6%	-36.5%
EPS	1.42		1.40		1.4%	2.28		-37.7%

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	4Q2017	3Q2017	QoQ	4Q2016	YoY
Cash and Equivalents	107,444	113,809	(6,365)	108,713	(1,269)
AR (Net)	149,414	191,989	(42,575)	93,316	56,098
Inventory (Net)	123,875	140,429	(16,554)	107,319	16,556
Other Current Assets	14,666	13,446	1,220	54,878	(40,212)
Fixed Assets (Net)	78,075	74,848	3,227	66,861	11,214
<b>Total Assets</b>	<b>488,236</b>	<b>551,273</b>	<b>(63,037)</b>	<b>443,945</b>	<b>44,291</b>
AP	186,896	240,965	(54,069)	171,266	15,630
<b>Total Current Liabilities</b>	<b>291,327</b>	<b>357,046</b>	<b>(65,719)</b>	<b>254,237</b>	<b>37,090</b>
<b>Total Liabilities</b>	<b>308,512</b>	<b>374,780</b>	<b>(66,268)</b>	<b>261,923</b>	<b>46,589</b>
<b>Total Equity</b>	<b>179,724</b>	<b>176,493</b>	<b>3,231</b>	<b>182,022</b>	<b>(2,298)</b>
<b>Total Liabilities and Equity</b>	<b>488,236</b>	<b>551,273</b>	<b>(63,037)</b>	<b>443,945</b>	<b>44,291</b>
Current Ratio	136%	129%	-	143%	-
Debt Ratio (TTL Liabilities / TTL Assets)	63%	68%	-	59%	-
Interest-bearing Debt Ratio	13%	12%	-	8%	-

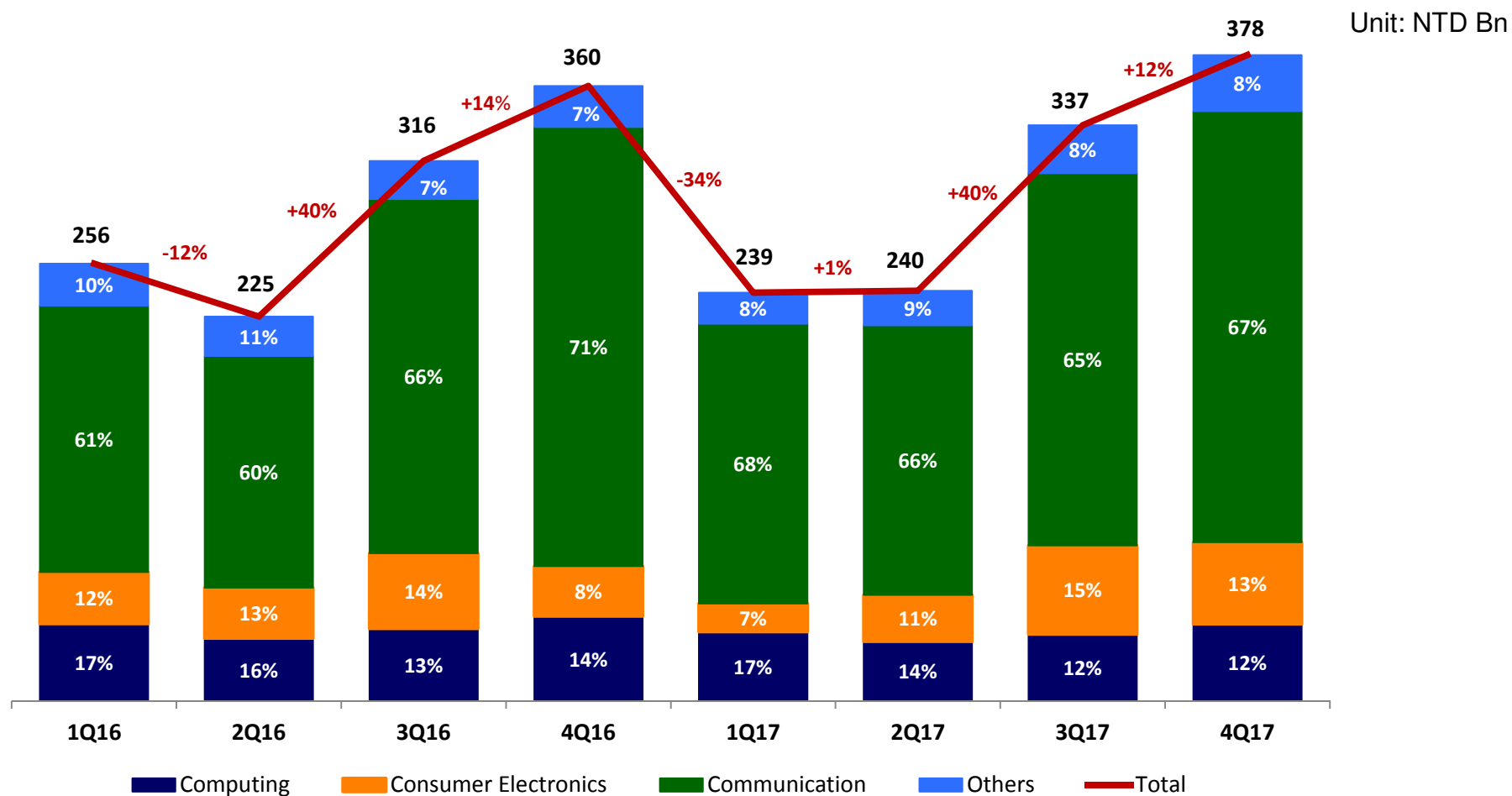
## Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	2017	2016
<b>Cash Flows from Operating Activities:</b>	18,824	71,831
<b>Cash Flows from Investing Activities:</b>	(27,165)	(20,431)
<b>Cash Flows from Financing Activities:</b>	11,266	(40,870)
<b>Impact from Changes in FX Rate</b>	(4,194)	(4,378)
<b>Net Increase in Cash</b>	(1,269)	6,152
<b>Cash, beginning of the period</b>	108,713	102,561
<b>Cash, end of the period</b>	107,444	108,713
 <i>Note:</i>	 2017	 2016
<b>Depreciation and amortization</b>	13,109	12,912



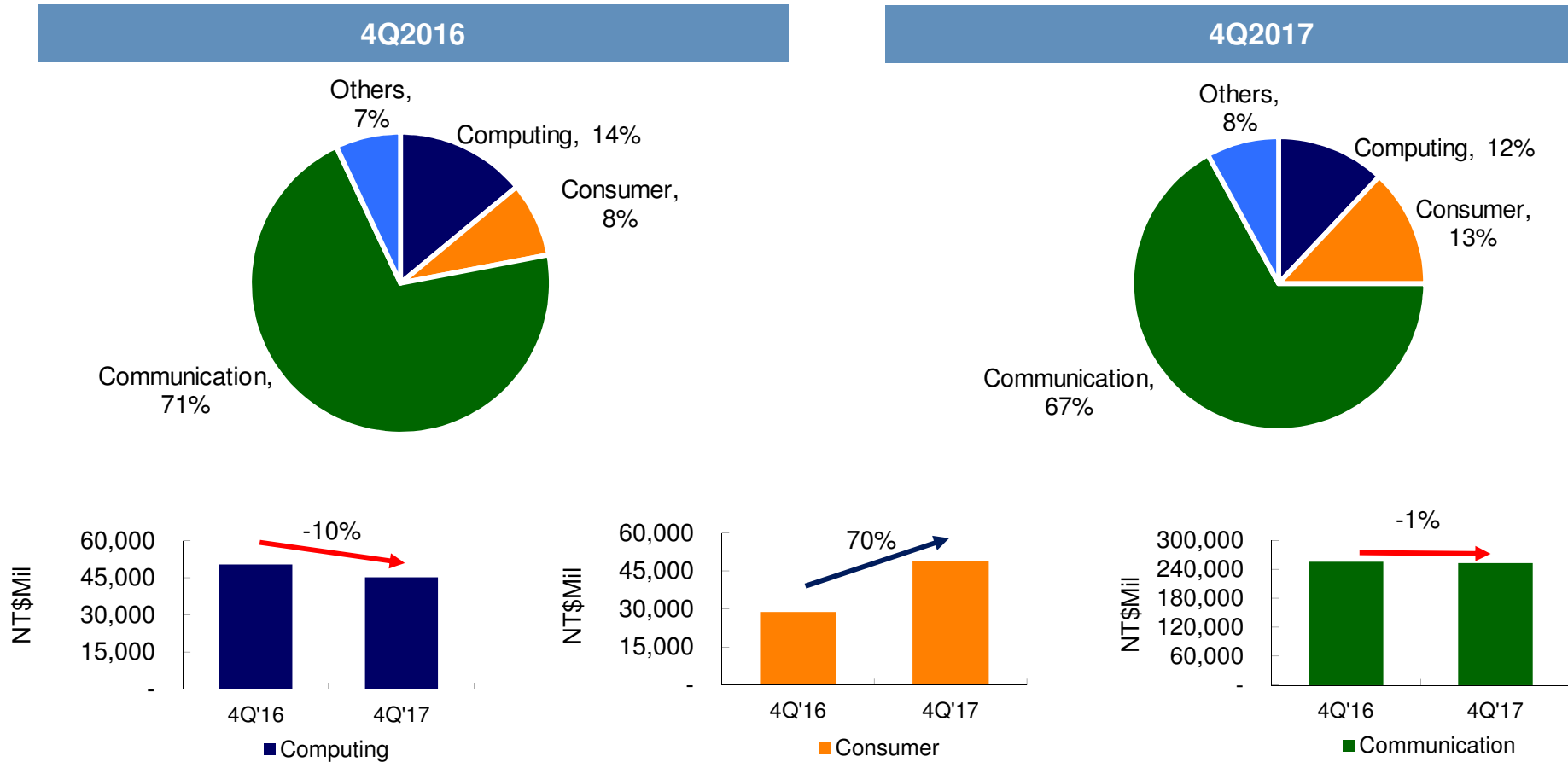
**Business Highlight**

## Consolidated Revenue Trend



Consolidated revenue totaled NT\$378Bn in 4Q2017, increased by 12% from NT\$337Bn in the previous quarter. The growth was mainly driven by increasing shipment volume in Computing and Communication segment.

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

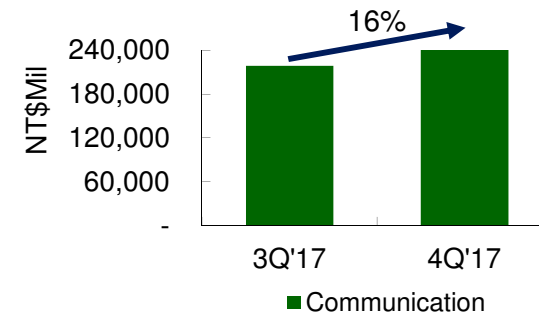
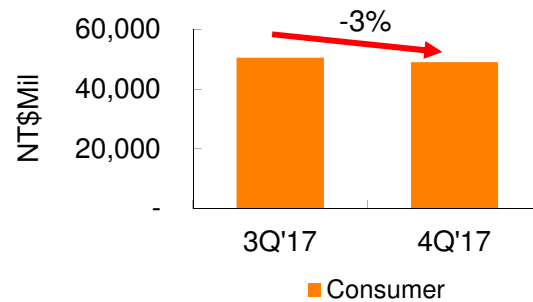
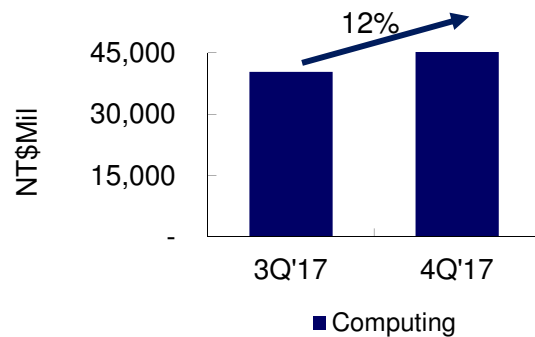
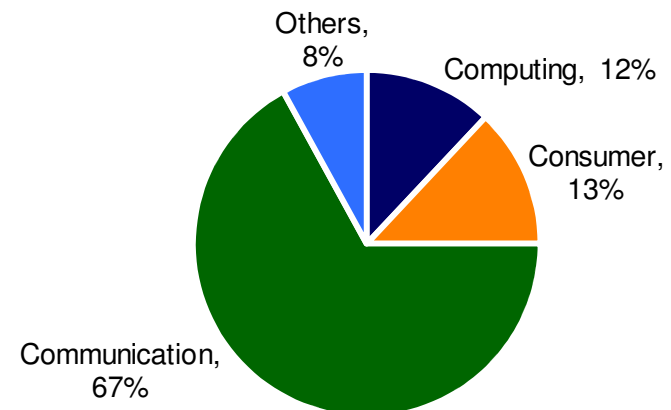
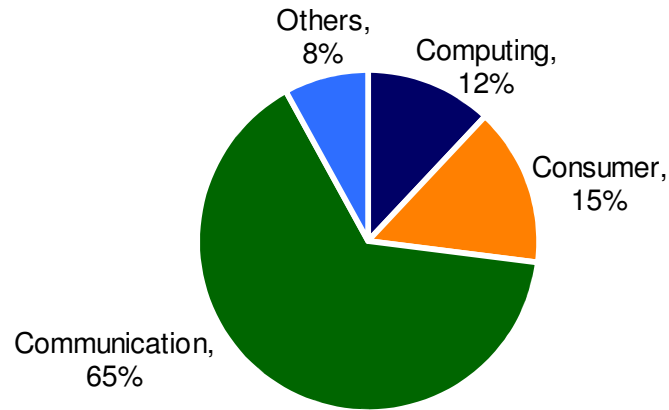


Benefitting from broader product range and customer base, revenue from Consumer Electronics segment grew by 70% YoY and revenue contribution increased to 13% from 8% in a-year-ago quarter. As a result of weaker demand, revenue from Computing segment declined by 10% YoY, while that of Communication segment remained flattish YoY.

## Revenue Breakdowns (Quarter-over-Quarter)

3Q2017

4Q2017



Entering peak season, revenue from Computing and Communication segments grew by low to mid teens QoQ, while Consumer Electronics declined by a mere 3% QoQ, above seasonal pattern.

## Q & A