

PEGATRON



PEGATRON

2020 Second Quarter Business Review

August 13, 2020

- **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.

2Q2020 Consolidated Financial Result

Consolidated Income Statements

<i>(NT\$ Mn)</i>	<u>1H2020</u>		<u>1H2019</u>		<u>YoY</u>
Net Revenue	606,321	100%	593,480	100%	2.2%
COGS	585,831	96.6%	576,676	97.2%	1.6%
Gross Profit	20,490	3.4%	16,804	2.8%	21.9%
Operating Expense	14,322	2.4%	13,424	2.3%	6.7%
Operating Income (Loss)	6,168	1.0%	3,380	0.6%	82.5%
Net Non-Operating Income (Loss)	6,309	1.0%	2,611	0.4%	141.6%
FX Gain (Loss)	611	0.1%	140	0.0%	336.4%
Others	5,698	0.9%	2,471	0.4%	130.6%
PBT	12,477	2.1%	5,991	1.0%	108.3%
Tax	(3,367)	0.6%	(2,462)	0.4%	36.8%
Net Income	9,110	1.5%	3,529	0.6%	158.1%
Net Income Attributable to the Parent	8,619	1.4%	4,796	0.8%	79.7%
EPS	3.30		1.84		79.3%

Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	2Q 2020		1Q 2020		QoQ	2Q 2019		YoY
Net Revenue	327,843	100%	278,478	100%	17.7%	299,365	100%	9.5%
COGS	313,518	95.6%	272,313	97.8%	15.1%	289,233	96.6%	8.4%
Gross Profit	14,325	4.4%	6,165	2.2%	132.4%	10,132	3.4%	41.4%
Operating Expense	7,874	2.4%	6,447	2.3%	22.1%	7,172	2.4%	9.8%
Operating Income (Loss)	6,451	2.0%	(282)	-0.1%	-2387.6%	2,960	1.0%	117.9%
Net Non-Operating Income (Loss)	4,327	1.3%	1,981	0.7%	118.4%	1,299	0.4%	233.1%
FX Gain (Loss)	(21)	0.0%	632	0.2%	-103.3%	(5)	0.0%	320.0%
Others	4,348	1.3%	1,349	0.5%	222.3%	1,304	0.4%	233.4%
PBT	10,778	3.3%	1,699	0.6%	534.4%	4,259	1.4%	153.1%
Tax	(2,827)	0.9%	(540)	0.2%	423.5%	(1,331)	0.4%	112.4%
Net Income	7,951	2.4%	1,159	0.4%	586.0%	2,928	1.0%	171.6%
Net Income Attributable to the Parent	7,074	2.2%	1,545	0.6%	357.9%	3,465	1.2%	104.2%
EPS	2.71		0.59		359.3%	1.33		103.8%

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	2020/6/30		2019/12/31		Diff	2019/6/30		Diff
Cash and Equivalents	176,682	28%	145,796	26%	30,886	145,433	27%	31,249
AR (Net)	189,862	30%	206,338	36%	(16,476)	150,370	28%	39,492
Inventory (Net)	119,530	19%	106,063	19%	13,467	116,550	22%	2,980
Other Current Assets	49,512	8%	17,637	3%	31,875	19,287	4%	30,225
Total Current Assets	535,586	85%	475,834	83%	59,752	431,640	81%	103,946
Fixed Assets (Net)	77,960	12%	80,249	14%	(2,289)	86,097	16%	(8,137)
Total Non-Current Assets	92,708	15%	94,686	17%	(1,978)	101,140	19%	(8,432)
Total Assets	628,294	100%	570,520	100%	57,774	532,780	100%	95,514
Short-term Borrowings	139,084	22%	70,466	12%	68,618	99,733	19%	39,351
AP	190,864	30%	218,102	38%	(27,238)	150,840	28%	40,024
Total Current Liabilities	405,242	64%	345,587	61%	59,655	312,505	59%	92,737
Long-term Loans	29,826	5%	27,015	5%	2,811	33,820	6%	(3,994)
Total Liabilities	440,559	70%	377,274	66%	63,285	351,092	66%	89,467
Equity Attributable to the Parent	152,981	24%	157,665	28%	(4,684)	147,181	28%	5,800
Total Equity	187,735	30%	193,246	34%	(5,511)	181,688	34%	6,047
Total Liabilities and Equity	628,294	100%	570,520	100%	57,774	532,780	100%	95,514
Current Ratio	132%		138%		-	138%		-
Debt Ratio (TTL Liabilities / TTL Assets)	70%		66%		-	66%		-
Interest-bearing Debt Ratio	27%		17%		-	25%		-

Consolidated Cash Flows Statement

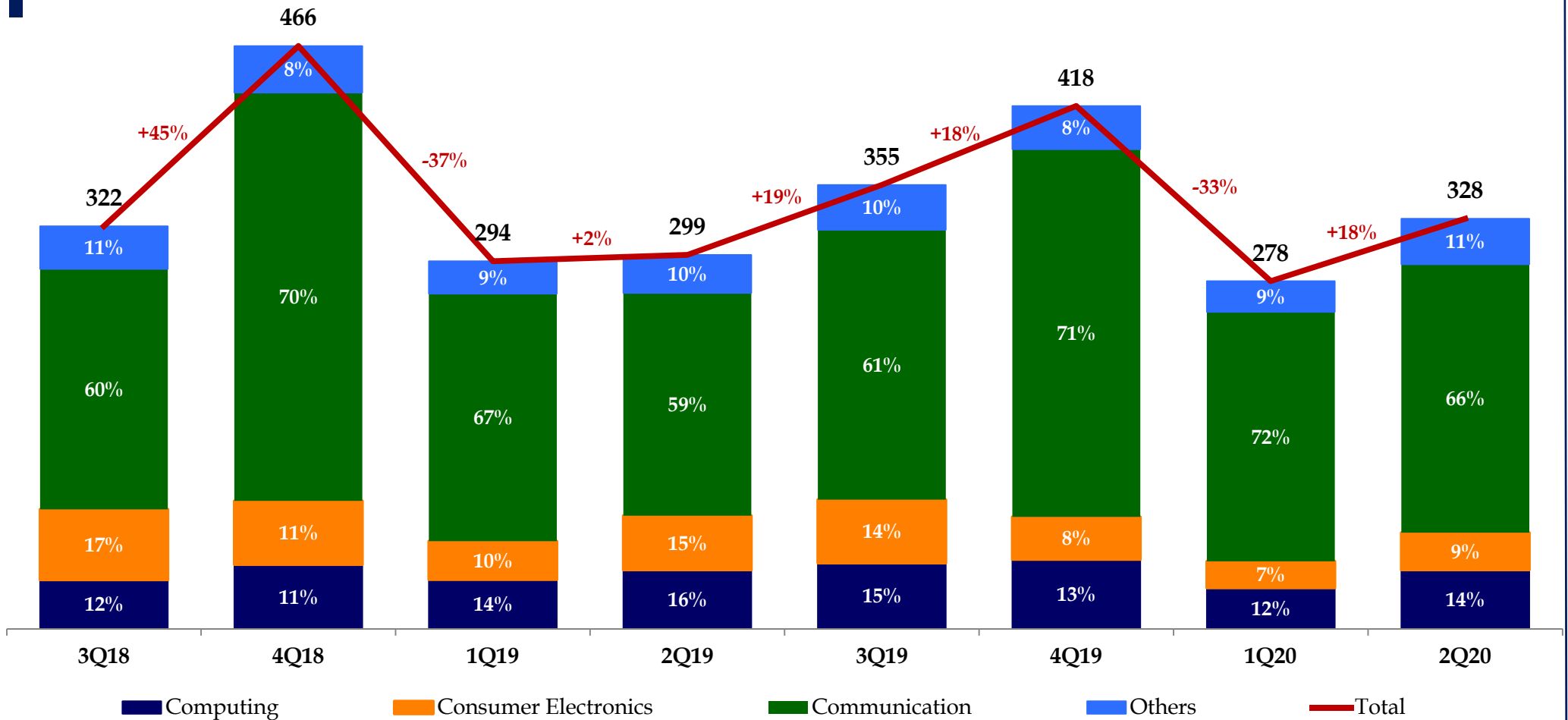
<i>(NT\$ Mn)</i>	1H2020	1H 2019
Cash Flows from Operating Activities:	(31,195)	24,896
Cash Flows from Investing Activities:	(6,803)	(5,083)
Cash Flows from Financing Activities:	70,391	18,974
Impact from Changes in FX Rate	(1,507)	578
Net Increase in Cash	30,886	39,365
Cash, beginning of the period	145,796	106,068
Cash, end of the period	176,682	145,433

<i>Note:</i>	1H2020	1H 2019
Depreciation and amortization	9,124	9,400

Business Highlight

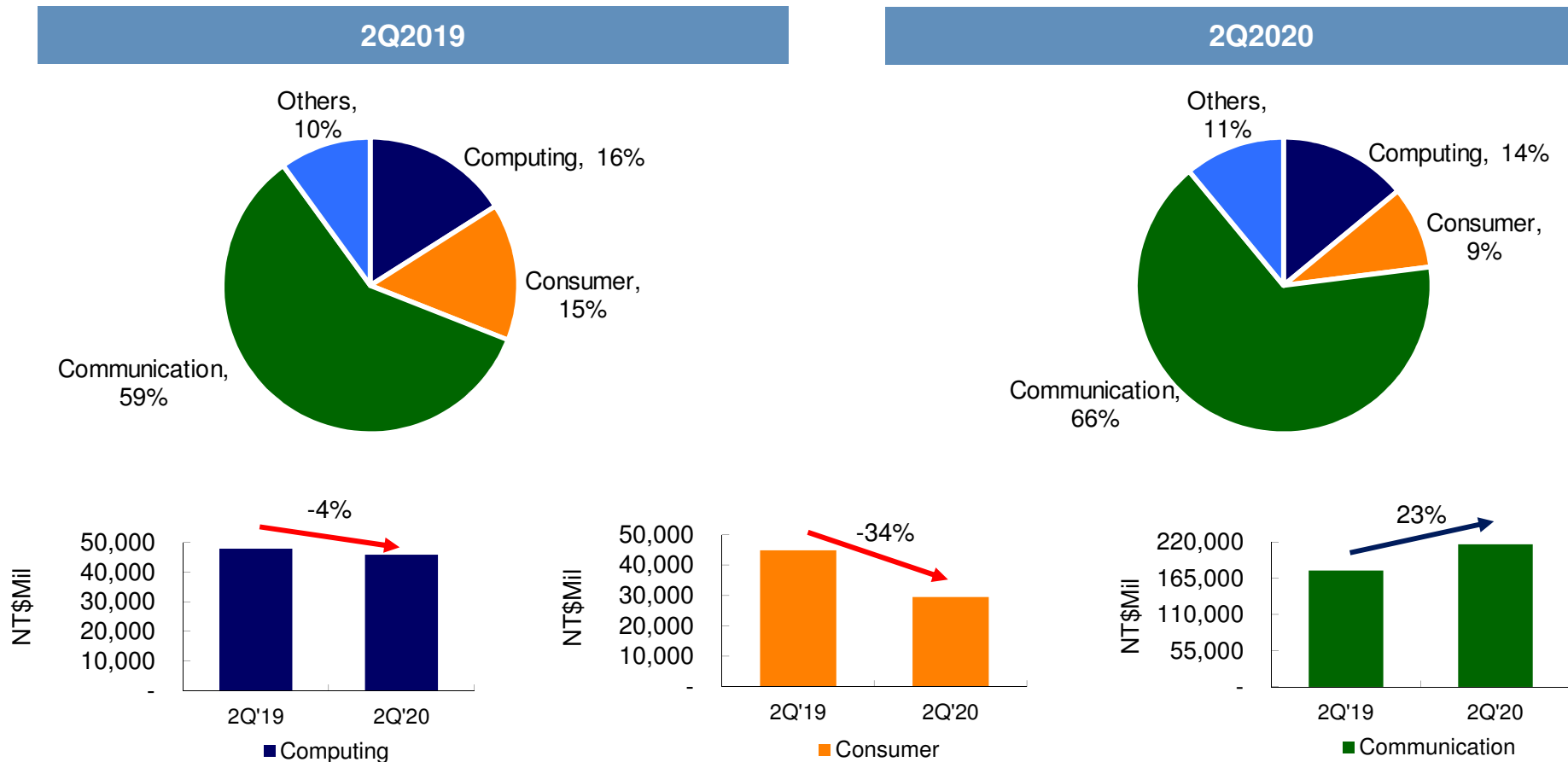
Consolidated Revenue Trend

Unit: NTD Bn



Consolidated revenue totaled NT\$328Bn in 2Q2020, increased by 18% QoQ and by 10% YoY, mainly driven by better contribution from Computing and Communication segments.

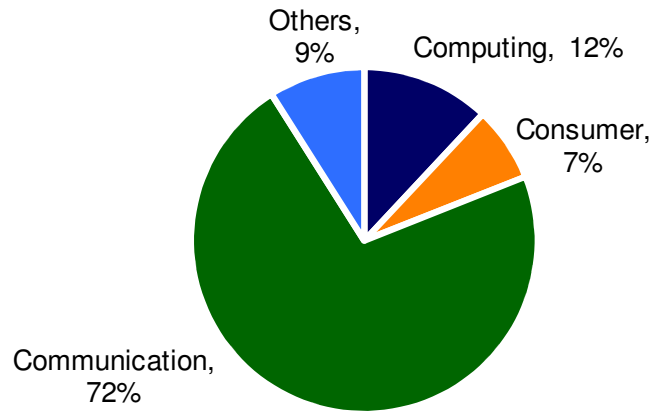
Revenue Breakdowns by Products (Year-over-Year)



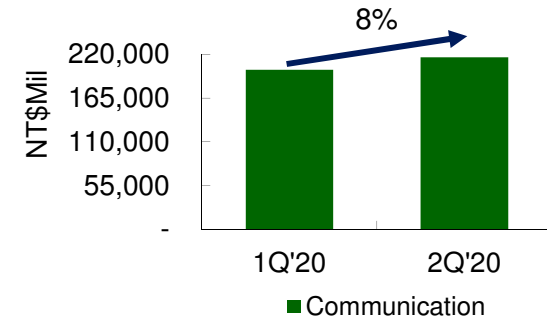
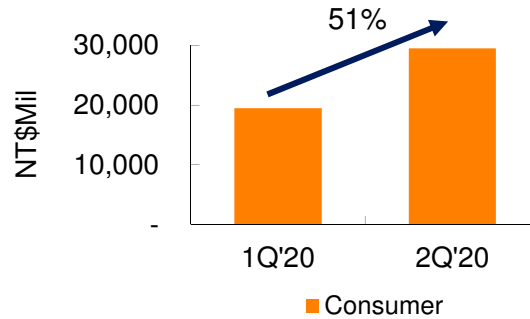
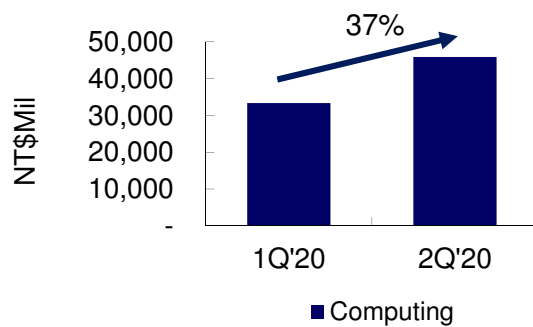
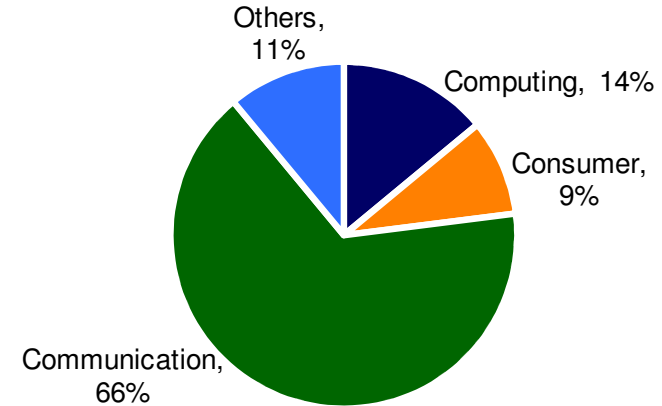
Benefitting from new product launch and better demand, revenue from Communication segment grew by 23% YoY. Revenue from Consumer segment declined by 34% YoY due to end of current product cycle, while that of Computing segment declined slightly by 4% YoY caused by product mix.

Revenue Breakdowns by Products (Quarter-over-Quarter)

1Q2020



2Q2020



Driven by increasing WFH demand and seasonality, revenue from Computing and Consumer Electronics segment was up by 37% and 51% QoQ respectively, while revenue from Communication segment also increased by 8% due to new product launch.

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