

PEGATRON



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2020 Third Quarter Business Review

November 12, 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.

3Q2020 Consolidated Financial Result

Consolidated Income Statements

<i>(NT\$ Mn)</i>	1Q~3Q 2020		1Q~3Q 2019		YoY
Net Revenue	941,957	100%	948,275	100%	-0.7%
COGS	907,532	96.3%	918,162	96.8%	-1.2%
Gross Profit	34,425	3.7%	30,113	3.2%	14.3%
Operating Expense	22,016	2.3%	20,504	2.2%	7.4%
Operating Income (Loss)	12,409	1.3%	9,609	1.0%	29.1%
Net Non-Operating Income (Loss)	9,577	1.0%	5,019	0.5%	90.8%
FX Gain (Loss)	693	0.1%	392	0.0%	76.8%
Others	8,884	0.9%	4,627	0.5%	92.0%
PBT	21,986	2.3%	14,628	1.5%	50.3%
Tax	(5,230)	0.6%	(4,795)	0.5%	9.1%
Net Income	16,756	1.8%	9,833	1.0%	70.4%
Net Income Attributable to the Parent	15,436	1.6%	11,093	1.2%	39.2%
EPS	5.91		4.25		39.1%

Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	3Q 2020		2Q 2020		QoQ	3Q 2019		YoY
Net Revenue	335,636	100%	327,843	100%	2.4%	354,795	100%	-5.4%
COGS	321,702	95.8%	313,518	95.6%	2.6%	341,486	96.2%	-5.8%
Gross Profit	13,934	4.2%	14,325	4.4%	-2.7%	13,309	3.8%	4.7%
Operating Expense	7,694	2.3%	7,874	2.4%	-2.3%	7,079	2.0%	8.7%
Operating Income (Loss)	6,240	1.9%	6,451	2.0%	-3.3%	6,230	1.8%	0.2%
Net Non-Operating Income (Loss)	3,269	1.0%	4,327	1.3%	-24.5%	2,407	0.7%	35.8%
FX Gain (Loss)	82	0.0%	(21)	0.0%	-490.5%	252	0.1%	-67.5%
Others	3,187	0.9%	4,348	1.3%	-26.7%	2,155	0.6%	47.9%
PBT	9,509	2.8%	10,778	3.3%	-11.8%	8,637	2.4%	10.1%
Tax	(1,863)	0.6%	(2,827)	0.9%	-34.1%	(2,333)	0.7%	-20.1%
Net Income	7,646	2.3%	7,951	2.4%	-3.8%	6,304	1.8%	21.3%
Net Income Attributable to the Parent	6,817	2.0%	7,074	2.2%	-3.6%	6,297	1.8%	8.3%
EPS	2.61		2.71		-3.7%	2.41		8.3%

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	2020/9/30		2019/12/31		Diff	2019/9/30		Diff
Cash and Equivalents	150,230	24%	145,796	26%	4,434	138,936	23%	11,294
AR (Net)	200,991	31%	206,338	36%	(5,347)	220,978	36%	(19,987)
Inventory (Net)	145,715	23%	106,063	19%	39,652	131,597	22%	14,118
Other Current Assets	44,951	7%	17,637	3%	27,314	19,115	3%	25,836
Total Current Assets	541,887	85%	475,834	83%	66,053	510,626	84%	31,261
Fixed Assets (Net)	80,774	13%	80,249	14%	525	82,555	14%	(1,781)
Total Non-Current Assets	96,443	15%	94,686	17%	1,757	98,128	16%	(1,685)
Total Assets	638,330	100%	570,520	100%	67,810	608,754	100%	29,576
Short-term Borrowings	128,491	20%	70,466	12%	58,025	95,850	16%	32,641
AP	209,500	33%	218,102	38%	(8,602)	238,319	39%	(28,819)
Total Current Liabilities	407,514	64%	345,587	61%	61,927	389,701	64%	17,813
Long-term Loans	30,227	5%	27,015	5%	3,212	26,702	4%	3,525
Total Liabilities	443,630	69%	377,274	66%	66,356	421,505	69%	22,125
Equity Attributable to the Parent	159,022	25%	157,665	28%	1,357	152,747	25%	6,275
Total Equity	194,700	31%	193,246	34%	1,454	187,249	31%	7,451
Total Liabilities and Equity	638,330	100%	570,520	100%	67,810	608,754	100%	29,576
Current Ratio	133%		138%		-	131%		-
Debt Ratio (TTL Liabilities / TTL Assets)	69%		66%		-	69%		-
Interest-bearing Debt Ratio	25%		17%		-	20%		-

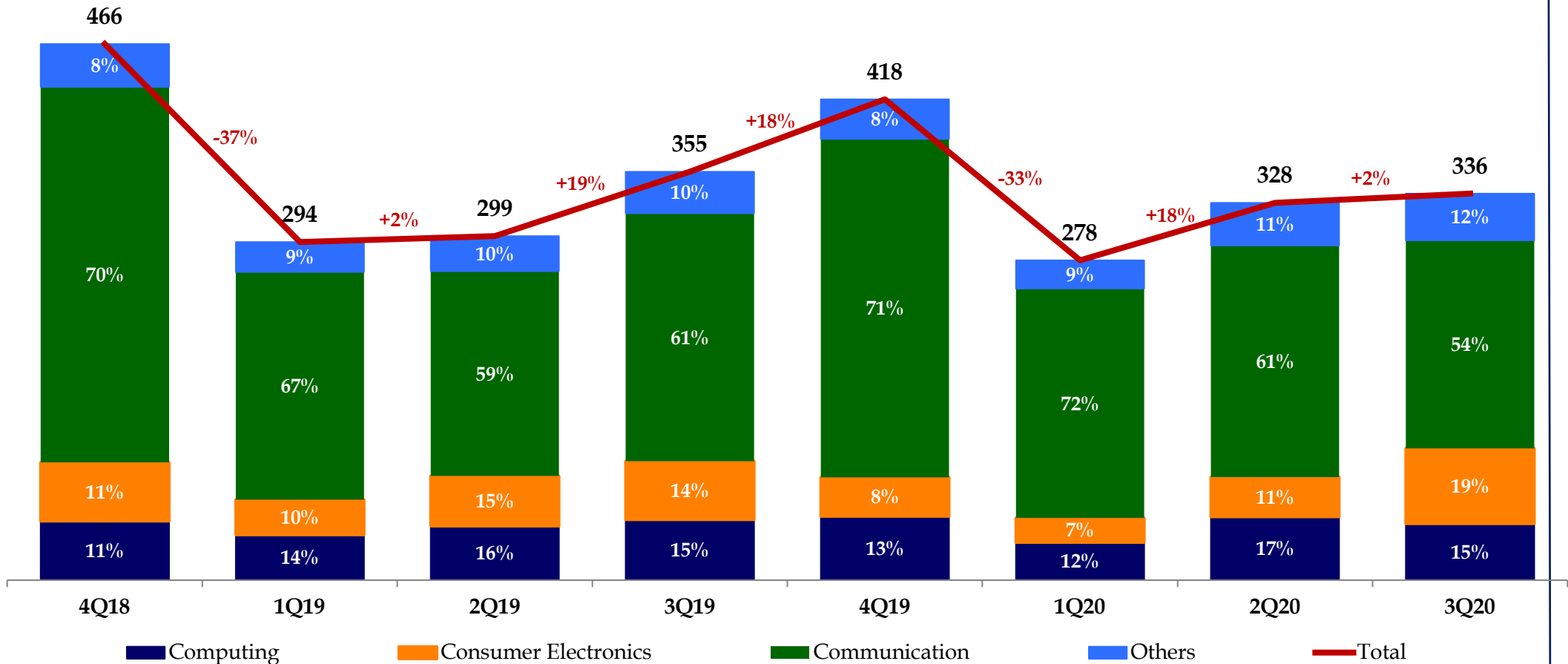
Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	<u>1Q~3Q 2020</u>	<u>1Q~3Q 2019</u>
Cash Flows from Operating Activities:	(27,474)	41,972
Cash Flows from Investing Activities:	(12,665)	(7,086)
Cash Flows from Financing Activities:	47,337	(2,094)
Impact from Changes in FX Rate	(2,764)	76
Net Increase in Cash	4,434	32,868
Cash, beginning of the period	145,796	106,068
Cash, end of the period	150,230	138,936
Note:	<u>1Q~3Q 2020</u>	<u>1Q~3Q 2019</u>
Depreciation and amortization	13,573	13,986

Business Highlight

Consolidated Revenue Trend

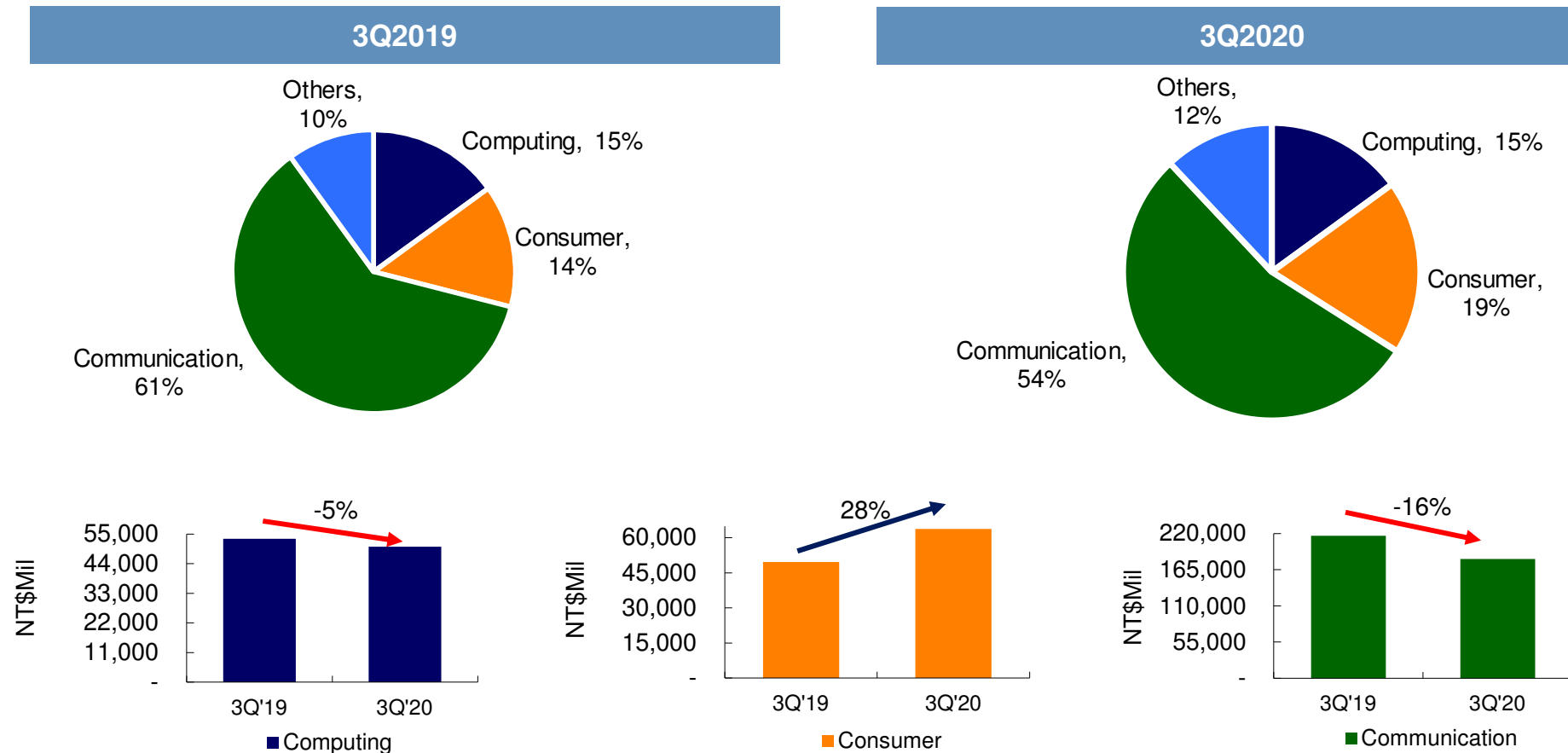
Unit: NTD Bn



Consolidated revenue totaled NT\$336Bn in 3Q2020, up by 2% QoQ but down by 5% YoY. QoQ increase was driven by seasonal demand from Consumer Electronics segment, while YoY decline is mainly attributable to different product launch schedule from Communication segment.

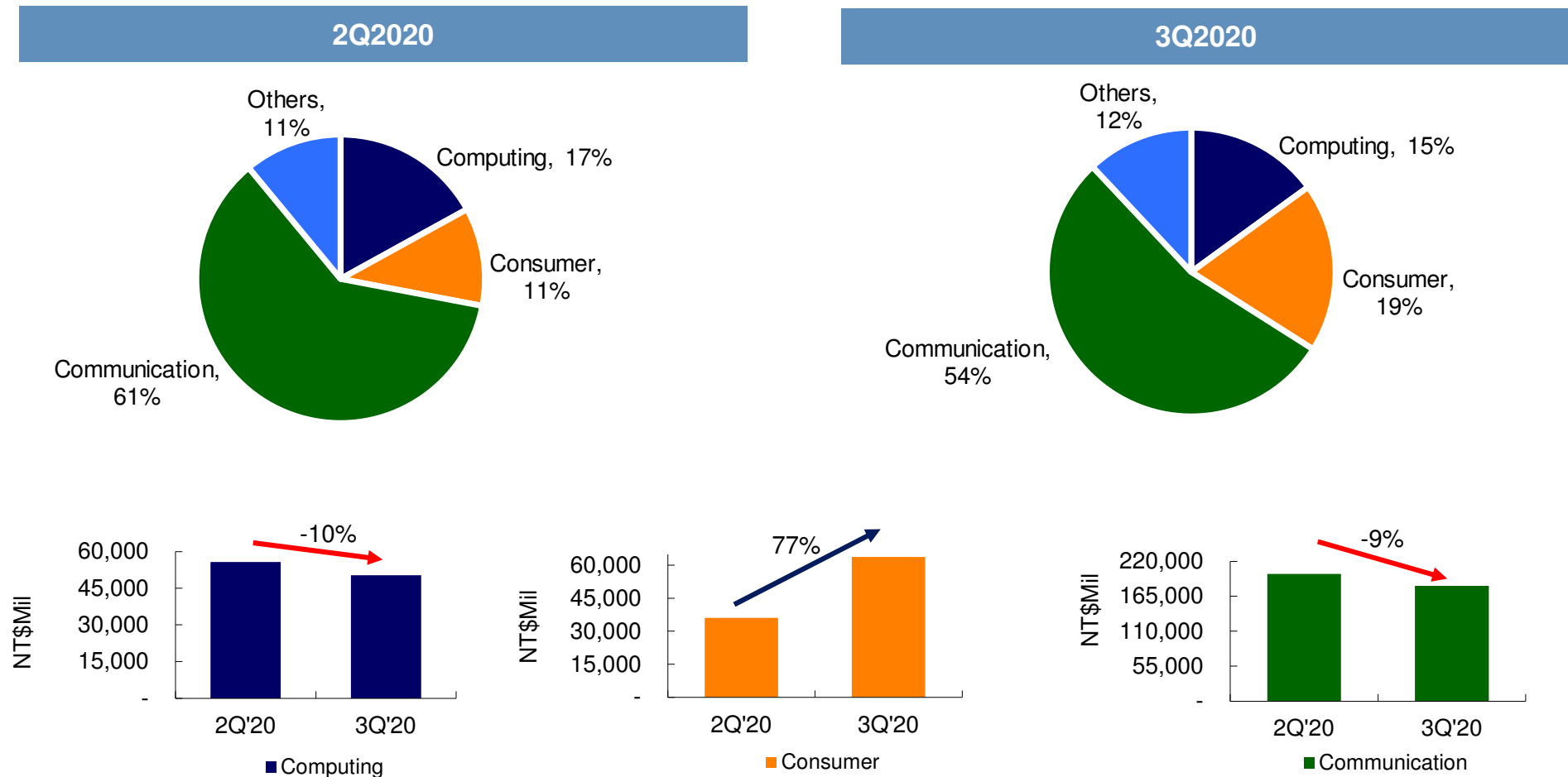
*Revenue breakdown percentage in 2Q20 has been revised.

Revenue Breakdowns by Products (Year-over-Year)



Benefitting from new product launch, revenue from Consumer Electronics segment grew by 28% YoY. Revenue from Computing segment declined slightly by 5% YoY due to product mix, while that of Communication segment declined by 16% YoY due to different product launch schedule.

Revenue Breakdowns by Products (Quarter-over-Quarter)



Revenue from Computing declined by 10% QoQ due to different product mix, and Consumer Electronics segments was up 77% QoQ mainly driven by seasonal demand, while revenue from Communication segment declined by 9% ahead of new product pull out.

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