

**PEGATRON**



# **PEGATRON**

## **2018 Fourth Quarter Business Review**

March 14, 2019

- **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.

**2018 & 4Q2018 Consolidated Financial Result**

## Consolidated Income Statements (2018 vs. 2017)

<i>(NT\$ Mn)</i>	2018		2017		YoY
Net Revenue	1,340,002	100%	1,193,809	100%	12.2%
COGS	1,299,233	97.0%	1,147,139	96.1%	13.3%
Gross Profit	40,769	3.0%	46,670	3.9%	-12.6%
Operating Expense	28,838	2.2%	27,671	2.3%	4.2%
Operating Income (Loss)	11,931	0.9%	18,999	1.6%	-37.2%
Net Non-Operating Income (Loss)	3,125	0.2%	1,414	0.1%	121.0%
FX Gain (Loss)	567	0.0%	(1,555)	-0.1%	-136.5%
Others	2,558	0.2%	2,969	0.2%	-13.8%
PBT	15,056	1.1%	20,413	1.7%	-26.2%
Tax	(3,940)	0.3%	(4,398)	0.4%	-10.4%
Net Income	11,116	0.8%	16,015	1.3%	-30.6%
Net Income Attributable to the Parent	11,115	0.8%	14,683	1.2%	-24.3%
EPS	4.25		5.66		-24.9%

# PEGATRON

## Consolidated Income Statements (QoQ)

<i>(NT\$ Mn)</i>	4Q 2018		3Q 2018		QoQ	4Q 2017		YoY
Net Revenue	465,847	100%	322,004	100%	44.7%	377,561	100%	23.4%
COGS	453,771	97.4%	311,287	96.7%	45.8%	365,514	96.8%	24.1%
Gross Profit	12,076	2.6%	10,717	3.3%	12.7%	12,047	3.2%	0.2%
Operating Expense	7,490	1.6%	7,162	2.2%	4.6%	7,399	2.0%	1.2%
Operating Income (Loss)	4,586	1.0%	3,555	1.1%	29.0%	4,648	1.2%	-1.3%
Net Non-Operating Income (Loss)	1,351	0.3%	33	0.0%	3993.9%	849	0.2%	59.1%
FX Gain (Loss)	167	0.0%	(140)	0.0%	-219.3%	(375)	-0.1%	-144.5%
Others	1,184	0.3%	173	0.1%	584.4%	1,224	0.3%	-3.3%
PBT	5,937	1.3%	3,588	1.1%	65.5%	5,497	1.5%	8.0%
Tax	(2,360)	0.5%	(729)	0.2%	223.7%	(1,522)	0.4%	55.1%
Net Income	3,577	0.8%	2,859	0.9%	25.1%	3,975	1.1%	-10.0%
Net Income Attributable to the Parent	3,272	0.7%	2,830	0.9%	15.6%	3,725	1.0%	-12.2%
EPS	1.25		1.08		15.7%	1.42		-12.0%

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	4Q2018	3Q2018	QoQ	4Q2017	YoY
Cash and Equivalents	106,068	98,906	7,162	107,444	(1,376)
AR (Net)	198,884	166,375	32,509	149,414	49,470
Inventory (Net)	164,988	185,921	(20,933)	123,875	41,113
Other Current Assets	12,865	13,753	(888)	14,666	(1,801)
Fixed Assets (Net)	87,606	86,048	1,558	78,075	9,531
<b>Total Assets</b>	<b>584,351</b>	<b>566,645</b>	<b>17,706</b>	<b>488,236</b>	<b>96,115</b>
AP	228,075	236,573	(8,498)	186,896	41,179
<b>Total Current Liabilities</b>	<b>370,401</b>	<b>357,776</b>	<b>12,625</b>	<b>291,327</b>	<b>79,074</b>
<b>Total Liabilities</b>	<b>397,904</b>	<b>384,775</b>	<b>13,129</b>	<b>308,512</b>	<b>89,392</b>
<b>Total Equity</b>	<b>186,447</b>	<b>181,870</b>	<b>4,577</b>	<b>179,724</b>	<b>6,723</b>
<b>Total Liabilities and Equity</b>	<b>584,351</b>	<b>566,645</b>	<b>17,706</b>	<b>488,236</b>	<b>96,115</b>
Current Ratio	130%	130%	-	136%	-
Debt Ratio (TTL Liabilities / TTL Assets)	68%	68%	-	63%	-
Interest-bearing Debt Ratio	20%	17%	-	13%	-

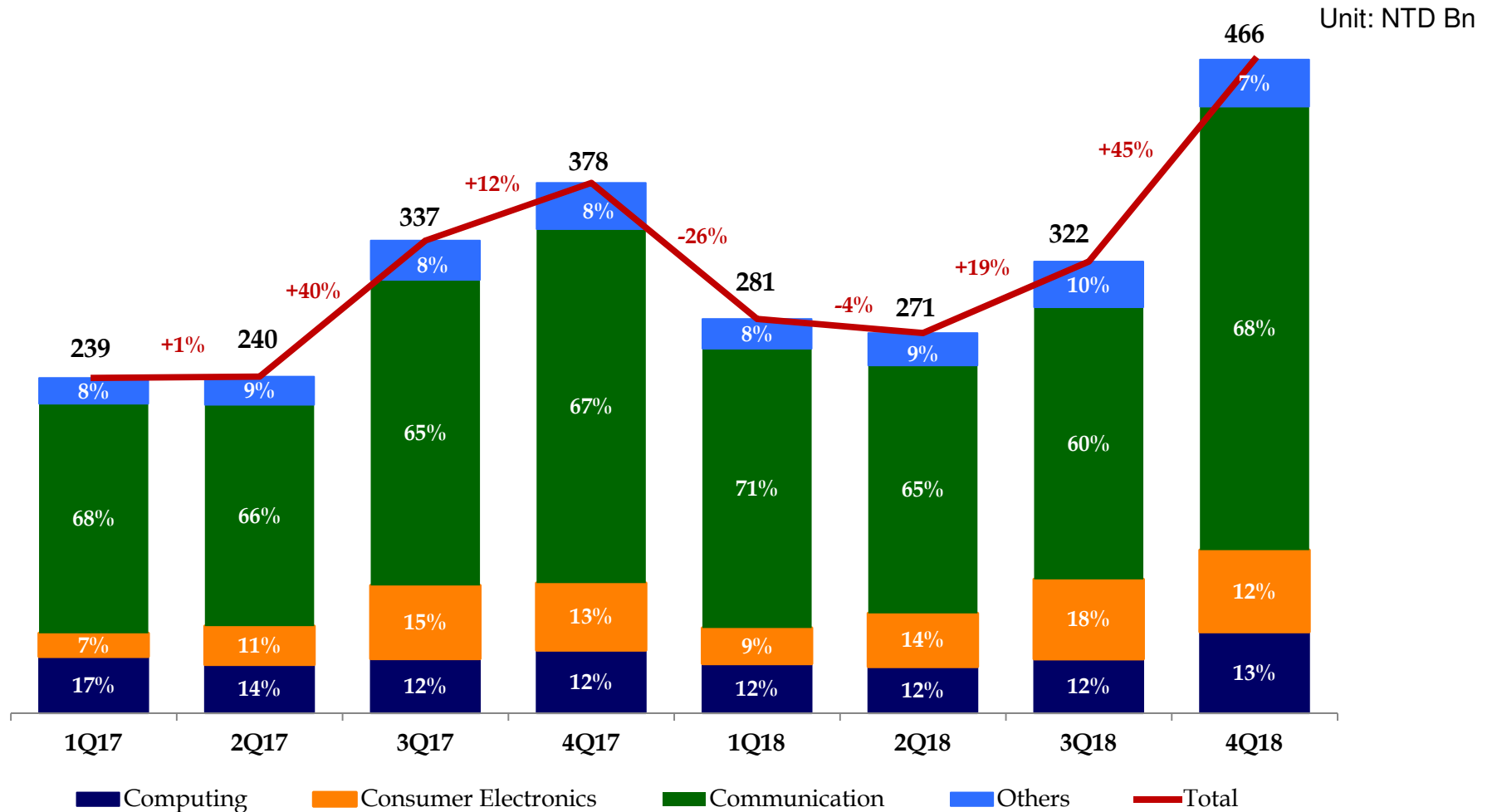
## Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	2018	2017
Cash Flows from Operating Activities:	(23,148)	18,824
Cash Flows from Investing Activities:	(24,979)	(27,165)
Cash Flows from Financing Activities:	45,142	11,266
Impact from Changes in FX Rate	1,609	(4,194)
Net Increase in Cash	(1,376)	(1,269)
Cash, beginning of the period	107,444	108,713
Cash, end of the period	106,068	107,444
<i>Note:</i>	2018	2,017
Depreciation and amortization	16,476	13,109



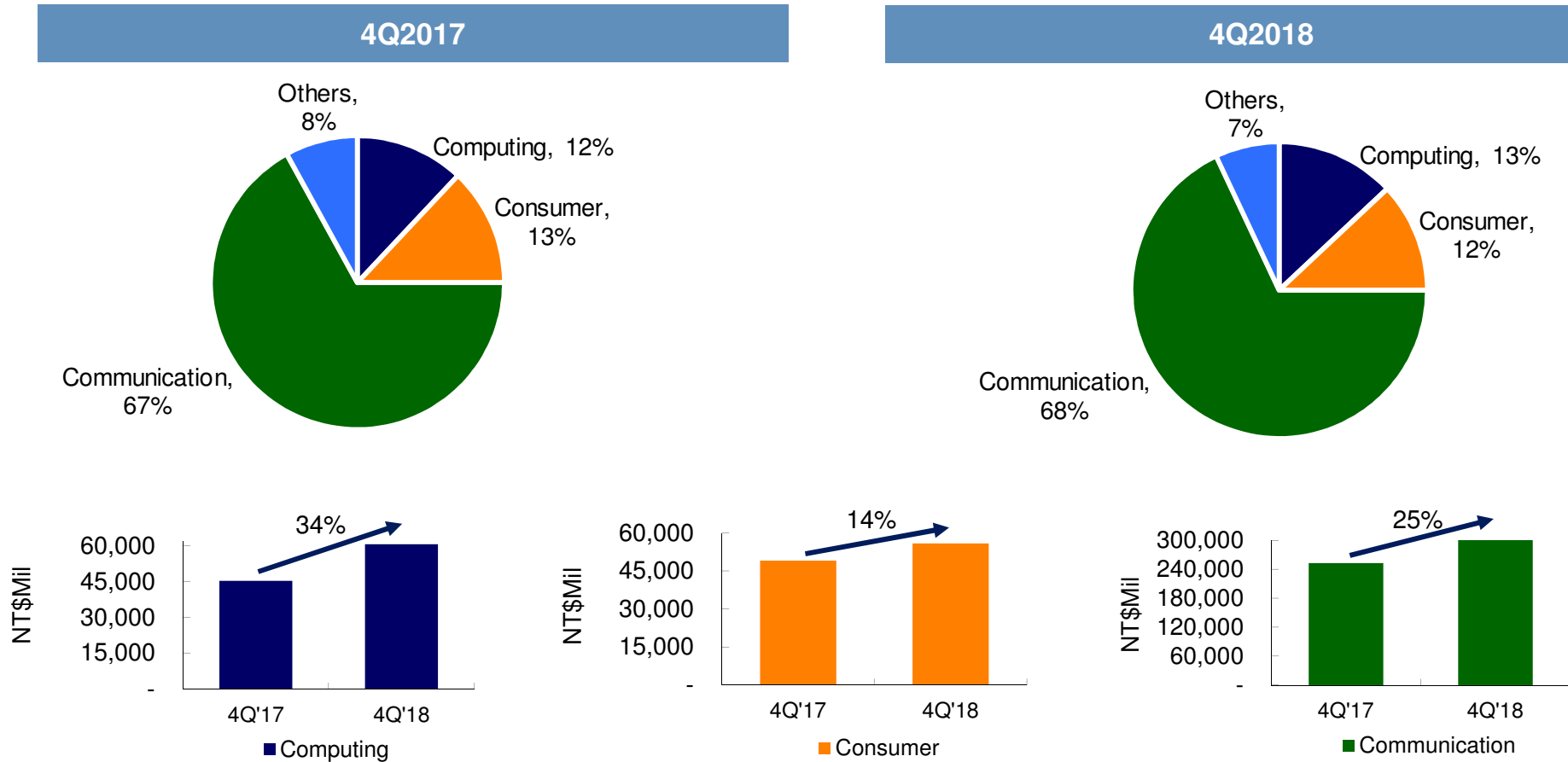
**Business Highlight**

## Consolidated Revenue Trend



Consolidated revenue totaled NT\$466Bn in 4Q2018, increased by 45% from NT\$322Bn in the previous quarter. The growth was mainly driven by increasing shipment volume in Communication and Computing segment.

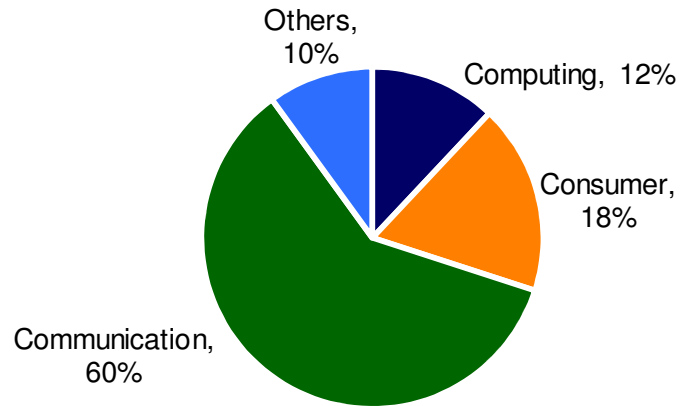
## Revenue Breakdowns by Products (Year-over-Year)



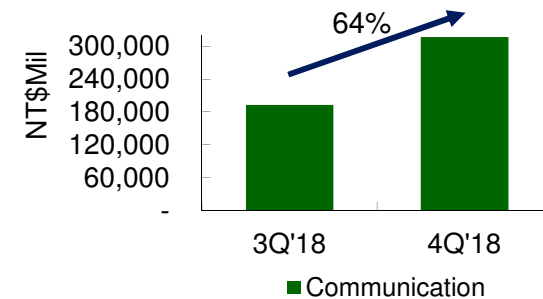
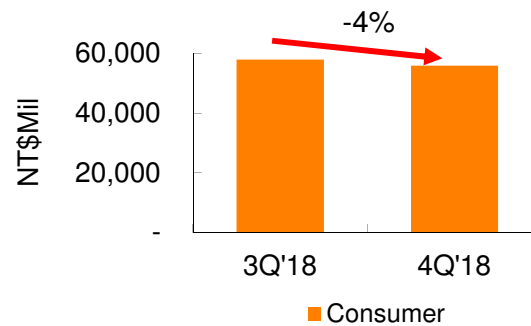
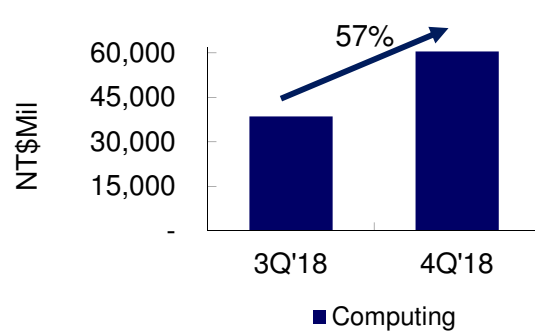
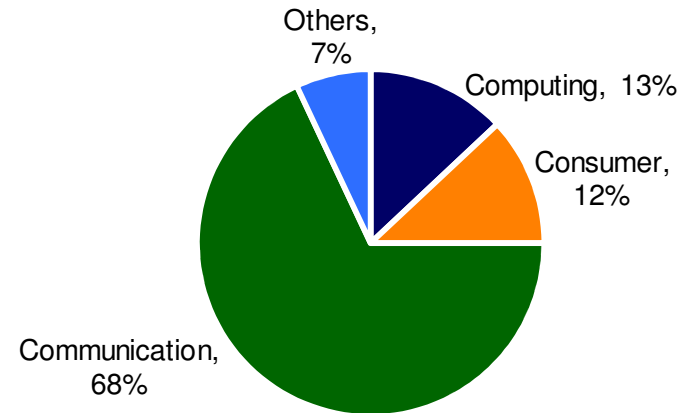
Benefitting from new product launch, revenue from Computing and Communication segments grew by 34% and 25% YoY respectively. Revenue from Consumer Electronics segment also increased by 14% YoY, mainly because of broader product range and customer base.

## Revenue Breakdowns (Quarter-over-Quarter)

3Q2018



4Q2018



Entering peak season, revenue from Computing and Communication segments grew by double-digit QoQ, while that of Consumer Electronics declined by a mere 4% QoQ, above seasonal pattern.

## Q & A