



**WPG Holdings Ltd.
(3702.TT/3702.TW)
3Q18 Earning Release**

Nov. 2nd, 2018

Safe Harbor Notice



- **These forward-looking statements, which may include statements regarding WPG' future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on WPG' current expectations.**
- **Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our ability to successfully expand our capacity; our dependence on key personnel; general economic and political conditions, including those related to the IC industry; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.**
- **Our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.**

Agenda



■ **Welcome**

■ **3Q18 Financial Highlights & 4Q18 Outlook** **Cliff Yuan**

■ **Q&A**

**Simon Huang/
Scott Lin/
Cliff Yuan**

Result Highlights



Unit: NT\$million

item	3Q18	3Q18 Forecast	2Q18	3Q17	QoQ(%)	YoY(%)	Ytd18	Ytd17	YoY(%)
Net Sales	150,362	142 ~ 150B	139,533	146,667	7.8	2.5	413,307	394,049	4.9
Gross Margin	4.32%	4.1% ~ 4.3%	4.34%	4.19%	-3 bp	+12 bp	4.33%	4.25%	+7 bp
Operating Expenses	(3,566)		(3,364)	(3,423)	6.0	4.2	(9,847)	(9,417)	4.6
Operating Income	2,926		2,697	2,730	8.5	7.2	8,031	7,333	9.5
Operating Margin	1.95%	1.85% ~ 1.98%	1.93%	1.86%	+1 bp	+8 bp	1.94%	1.86%	+8 bp
Net Income	1,769		2,204	2,026	(19.8)	(12.7)	5,863	5,663	3.5
EPS (NT\$) ⁽¹⁾	1.02		1.21	1.11			3.27	3.20	
Net Book Value (NT\$) ⁽¹⁾	30.24								
Total Assets	211,647		196,817	190,753			211,647	190,753	
Total Liabilities	158,597		143,994	139,401			158,597	139,401	
Total Equity	53,050		52,823	51,352			53,050	51,352	
Net Working Capital	113,322		108,435	98,580			113,322	98,580	
Free Cash Flow	(1,939)		(10,954)	(1,318)			(7,336)	3,812	
KEY Indices⁽²⁾									
ROWC	10.3%		9.9%	11.1%	+38 bp	-75 bp	9.4%	9.9%	-47 bp
NWC/Sales	0.19		0.19	0.17			0.21	0.19	
ROE	13.6%		17.0%	16.1%	-338 bp	-251 bp	15.0%	15.0%	+2 bp
Gearing	1.36		1.26	1.27			1.36	1.27	
(1).Weighted average shares outstanding	1,736		1,825	1,824			1,795	1,769	

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit: NT\$ million

Item	3Q18	2Q18	QoQ(%)	3Q17	YoY(%)	Ytd18	Ytd17	YoY(%)
Revenue	150,362	139,533	7.8	146,667	2.5	413,307	394,049	4.9
COGS	(143,871)	(133,472)	7.8	(140,515)	2.4	(395,429)	(377,300)	4.8
Gross Profit	6,492	6,061	7.1	6,153	5.5	17,878	16,750	6.7
Gross Margin	4.32%	4.34%		4.19%		4.33%	4.25%	
Operating Expenses	(3,566)	(3,364)	6.0	(3,423)	4.2	(9,847)	(9,417)	4.6
Operating Income	2,926	2,697	8.5	2,730	7.2	8,031	7,333	9.5
Operating Margin	1.95%	1.93%		1.86%		1.94%	1.86%	
Net Non-operating Items	(670)	(42)	1,511.0	(268)	149.7	(772)	(399)	93.4
Net Financing costs	(665)	(564)	17.8	(460)	44.3	(1,742)	(1,278)	36.3
Foreign Exchange	(13)	36	NM	101	NM	233	324	(28.1)
Others	8	487		91		737	555	
Profit Before Tax	2,256	2,655	(15.0)	2,462	(8.3)	7,259	6,934	4.7
Tax	(475)	(442)	7.5	(425)	11.8	(1,360)	(1,222)	11.3
Minority	(13)	(10)		(11)		(36)	(48)	
Profit After Tax	1,769	2,204	(19.8)	2,026	(12.7)	5,863	5,663	3.5
Net Margin	1.18%	1.58%		1.38%		1.42%	1.44%	
EPS (NT\$) ₍₁₎	1.02	1.21		1.11		3.27	3.20	
Tax %	21%	17%		17%		19%	18%	
(1).Weighted average shares outstanding	1,736	1,825		1,824		1,795	1,769	

Unaudited, Prepared by WPG based on TIFRS.

Balance Sheet



Unit: NT\$million

item	3Q18		2Q18		3Q17	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	8,418	4	7,568	4	7,039	4
Accounts Receivable - Trade	109,188	52	98,305	50	95,356	50
Inventory	67,689	32	64,593	33	61,078	32
Current Assets	196,965	93	181,451	92	176,225	92
Others	14,683	7	15,366	8	14,528	8
Total Assets	211,647	100	196,817	100	190,753	100
Current Interest-bearing Debt	73,225	35	67,455	34	61,196	32
Accounts Payable	63,555	30	54,463	28	57,854	30
Accrued Liabilities and Others	12,083	6	13,833	7	6,885	4
Current Liabilities	148,862	70	135,752	69	125,935	66
Long-term Interest-bearing Debt	8,497	4	6,963	4	12,319	6
Others	1,238	1	1,279	1	1,147	1
Total Liabilities	158,597	75	143,994	73	139,401	73
Total Equity	53,050	25	52,823	27	51,352	27

KEY Indices⁽¹⁾

Net Working Capital (NT\$million)	113,322	108,435	98,580
AR Turnover (Days)	63	60	56
Inventory Turnover (Days)	42	43	39
AP Turnover (Days)	37	37	35
Average Collection Periods (Days)	67	67	61
Current Ratio	132%	134%	140%
Gearing	1.36	1.26	1.27

(1).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Cash Flows

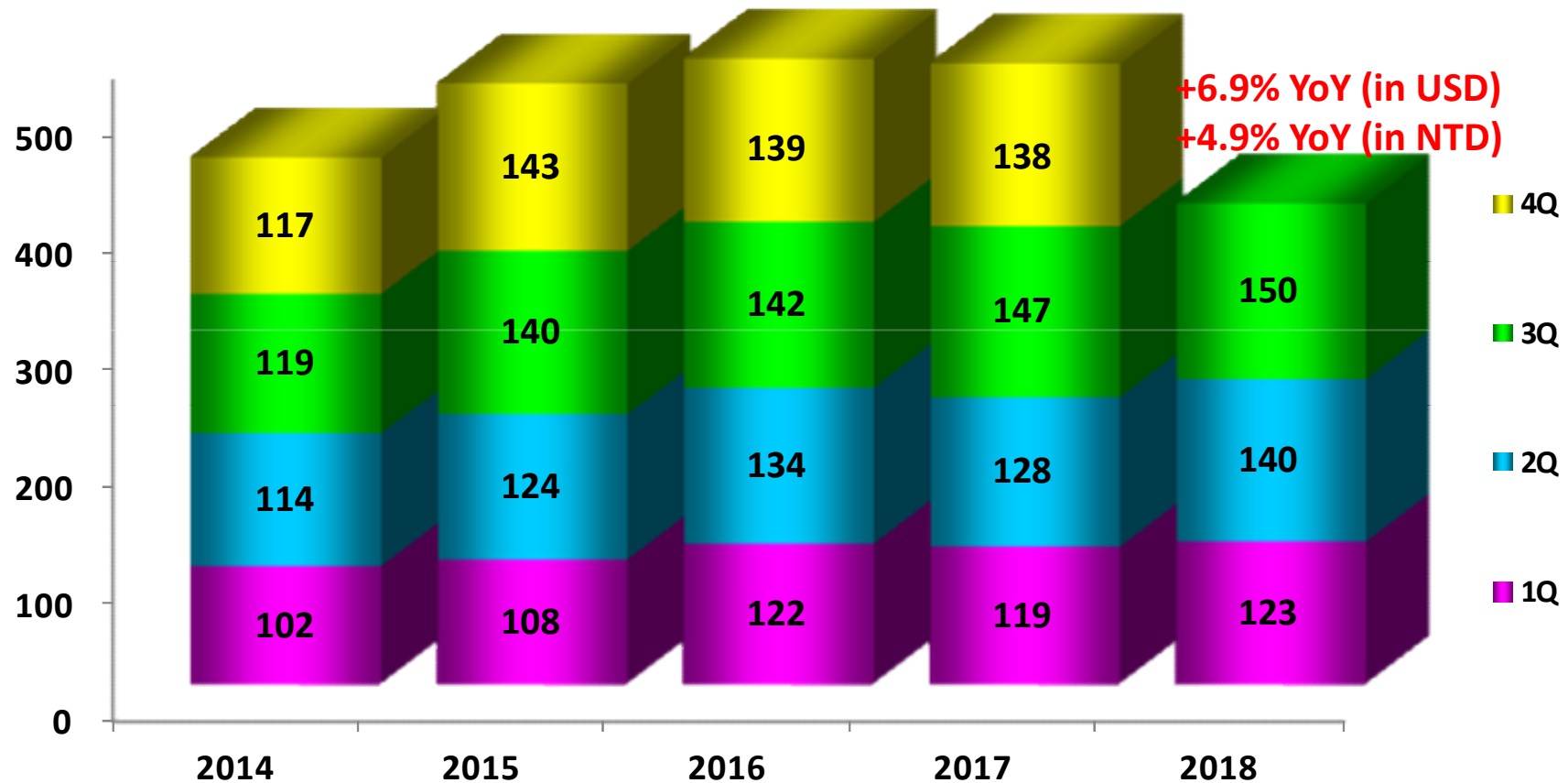


Unit: NT\$million	3Q18	2Q18	3Q17	Ytd18	Ytd17
-Income before Income Tax	2,256	2,655	2,462	7,259	6,934
-Changes of NWC	(4,675)	(13,354)	(2,423)	(10,889)	(3,781)
-Adjustment & Others	480	(255)	(1,356)	(3,707)	660
From Operation	(1,939)	(10,954)	(1,318)	(7,336)	3,812
-Other Financial Instruments	(601)	283	202	(324)	251
-Capital Expenditure	(62)	(35)	(69)	(321)	(905)
-Marketable Financial Instruments	277	281	(101)	679	(101)
-Others	197	(153)	(4)	(18)	(17)
From Investment	(188)	376	162	16	(772)
-Financial Debt	7,305	8,827	6,348	11,734	3,848
-Cash Dividends	(4,380)	-	(4,178)	(4,380)	(4,178)
-Others	(1)	(8)	(155)	15	(46)
From Financing	2,924	8,819	2,015	7,369	(377)
Cumulative translation adjustments	63	2,644	(493)	1,244	(4,098)
Net Cash Position Change	860	885	367	1,293	(1,435)
Ending Cash Balance	8,391	7,530	7,022	8,391	7,022

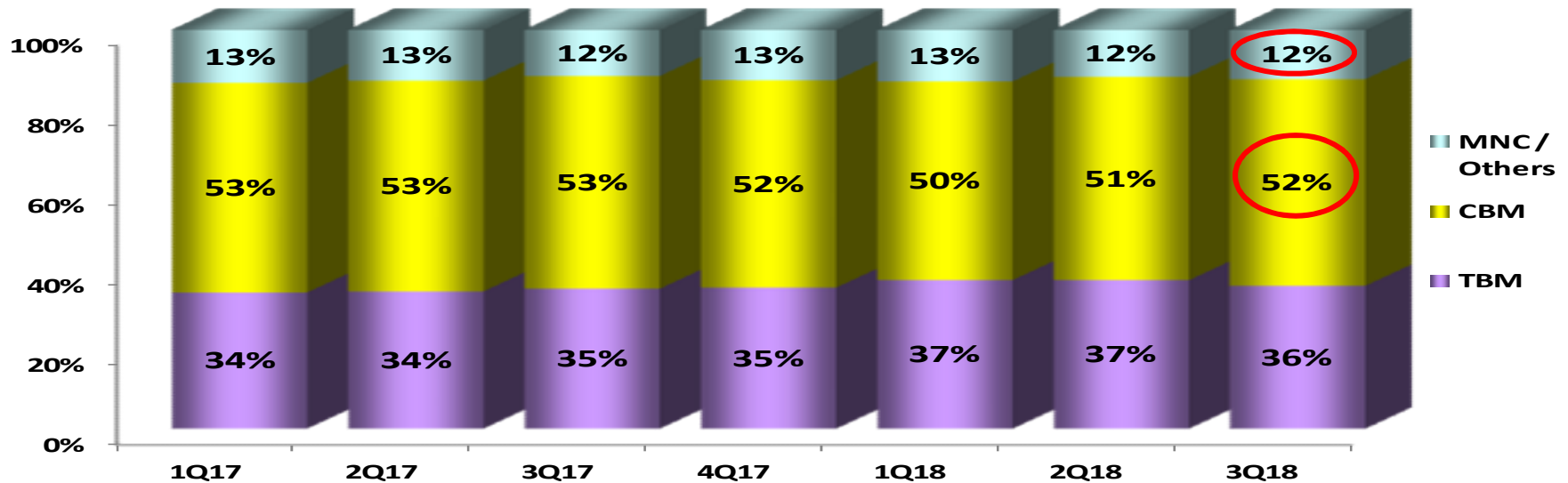
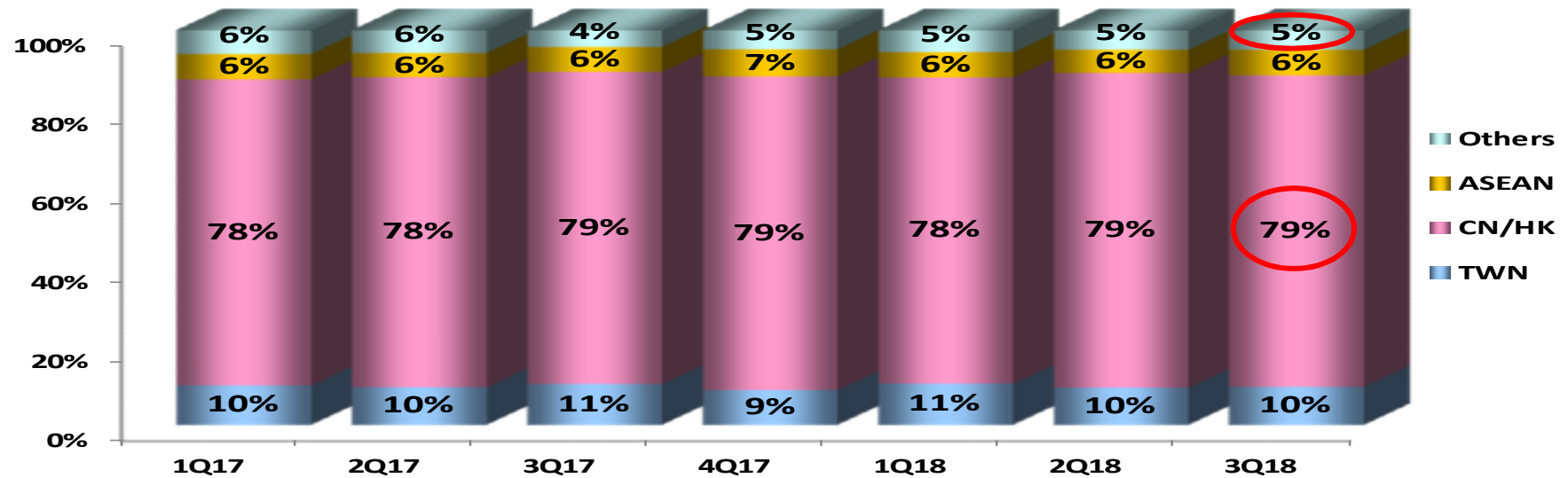
Consolidated Revenue



Unit: NT\$billion

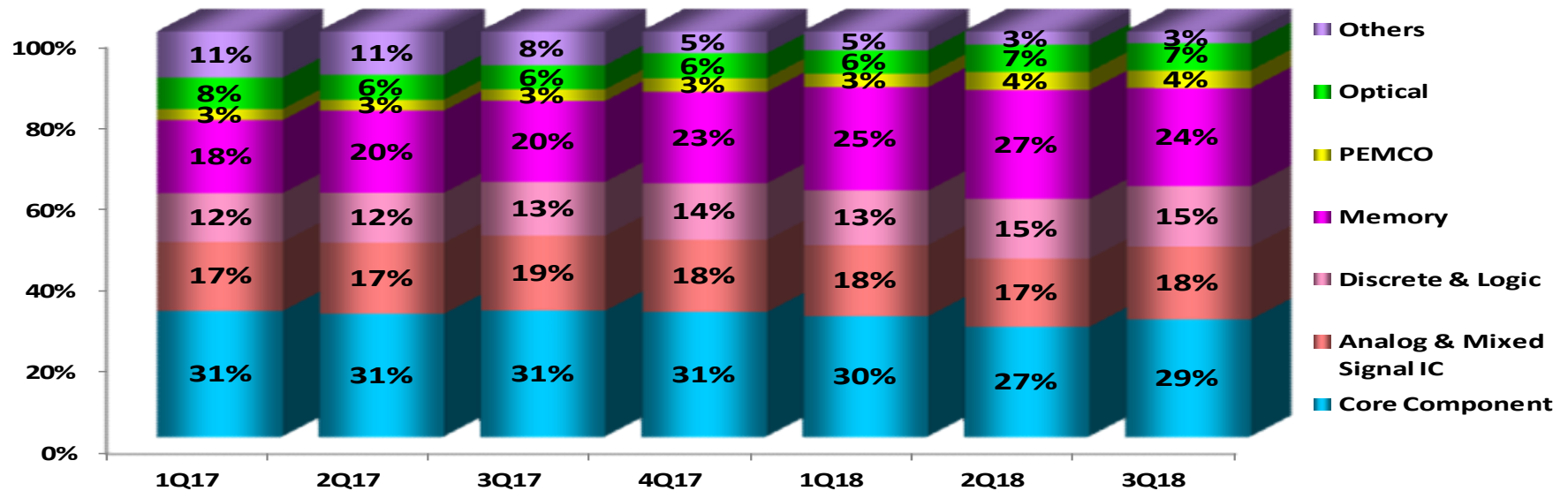
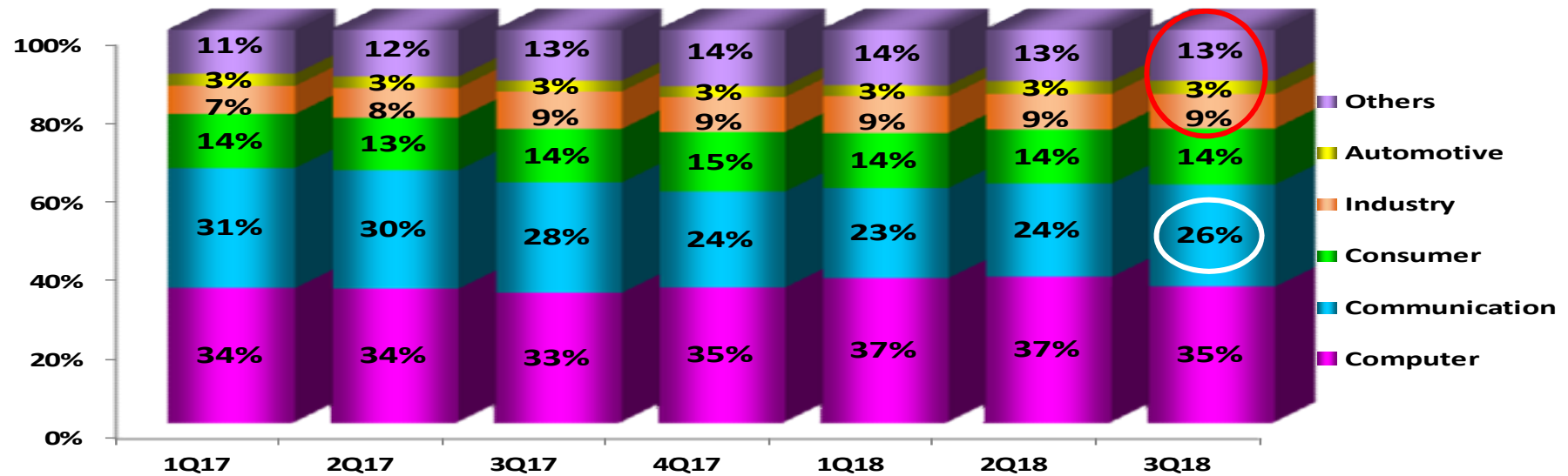


Sales breakdown by Geography/ Customer

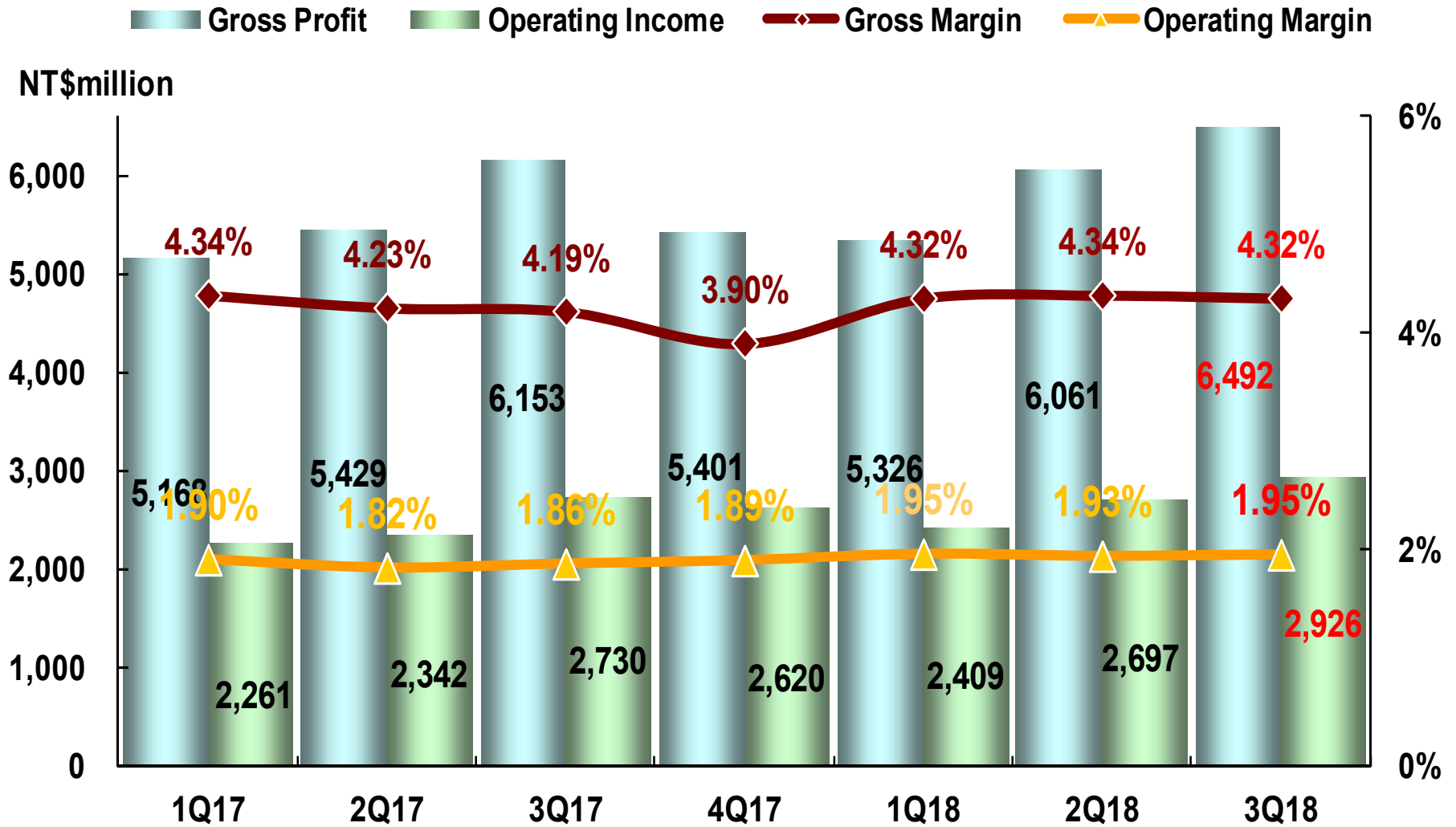


TBM : Taiwan-Based Customers
 CBM : China Based Customers

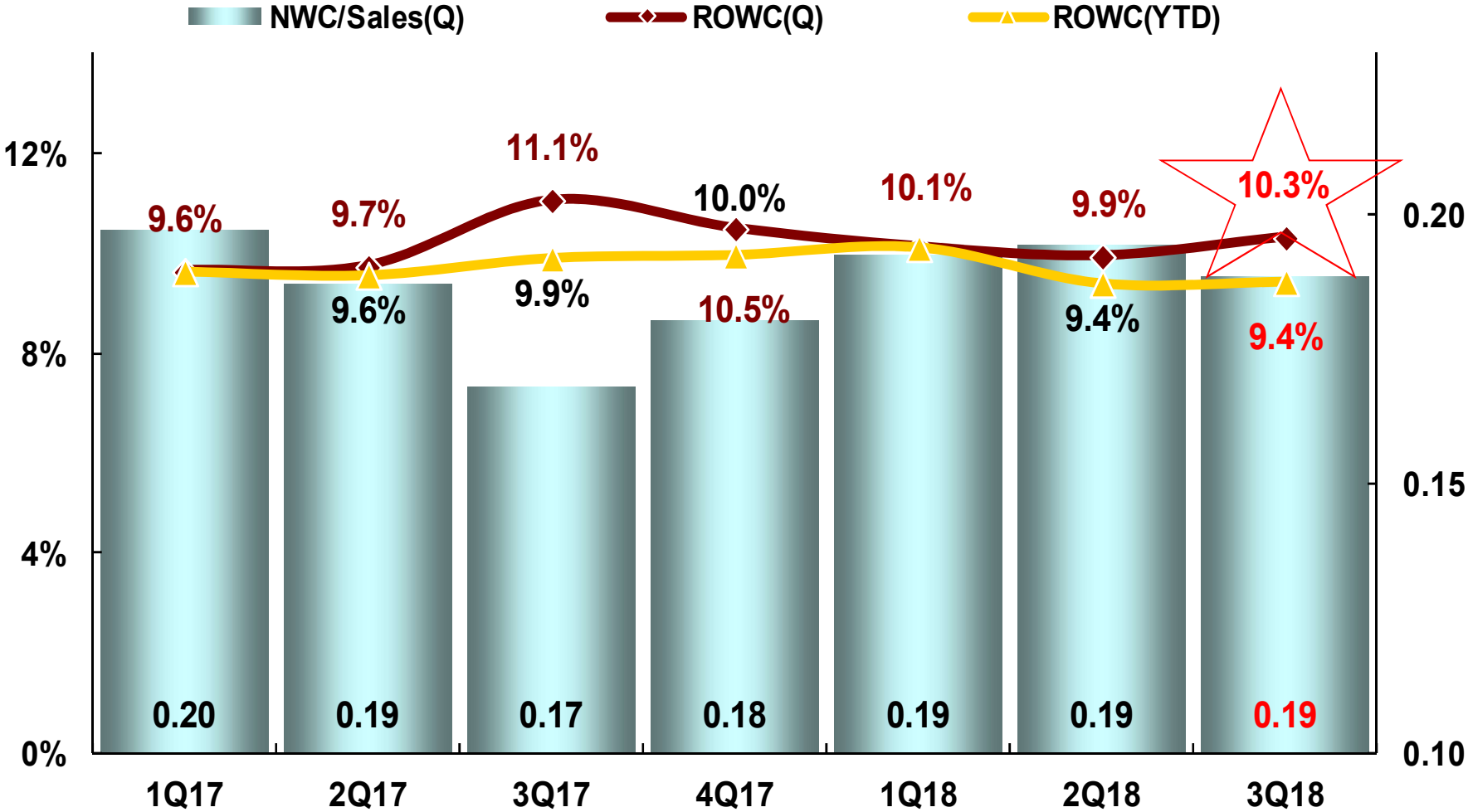
Sales breakdown by Application/ Device Type



Gross Margin vs. Operating Margin

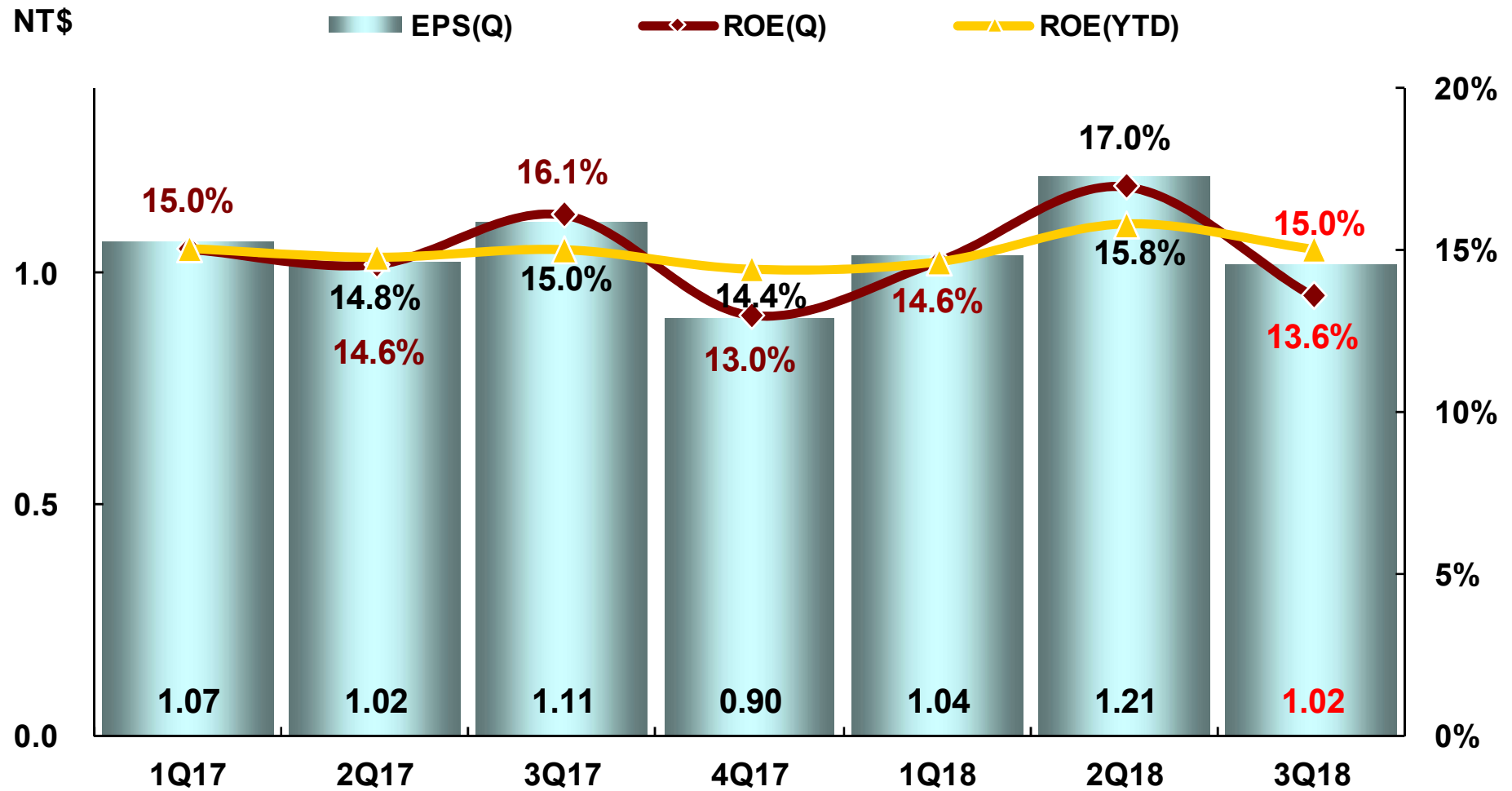


ROWC vs. NWC/Sales



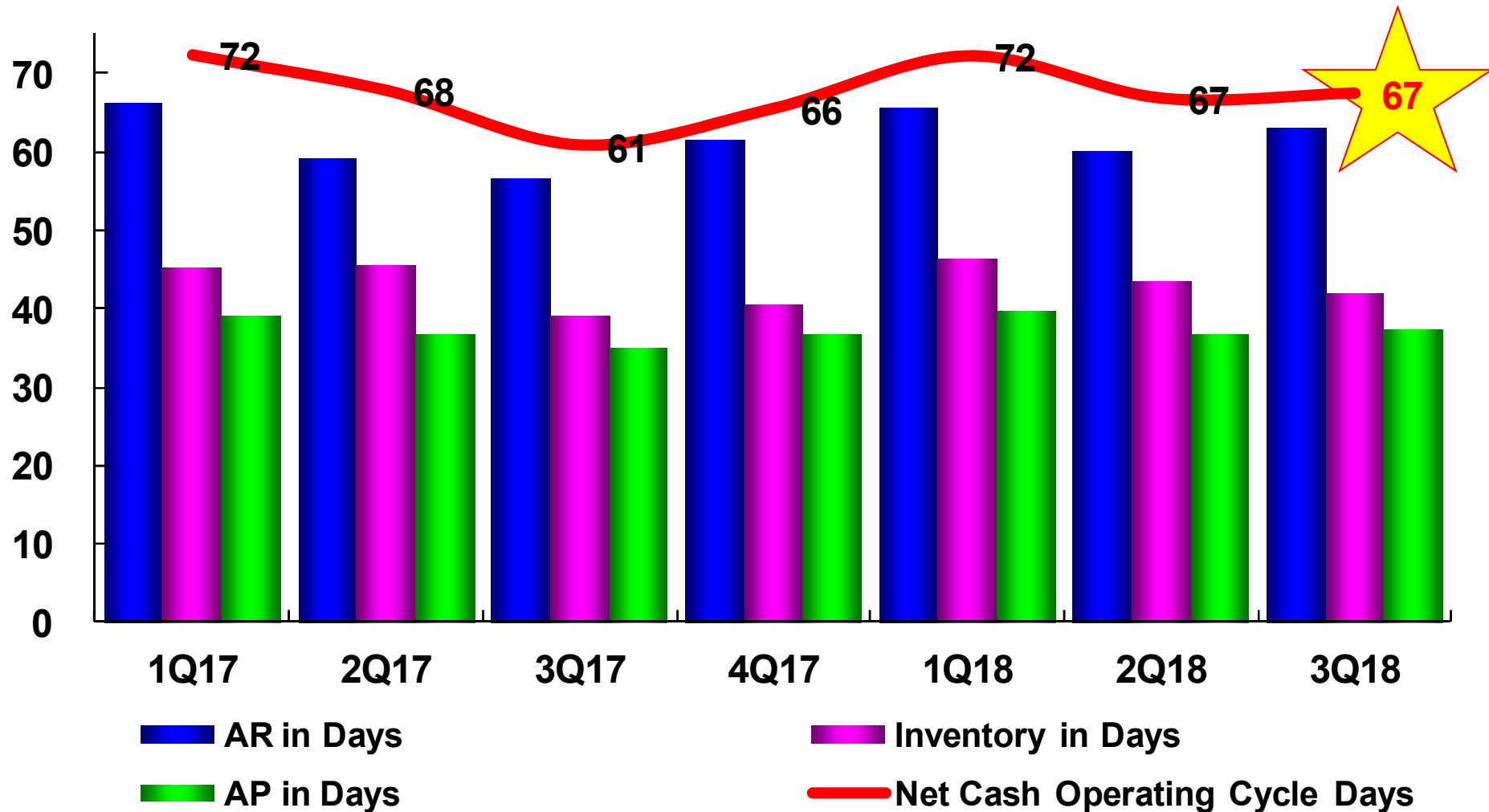
Note : Annualized

ROE vs. EPS



Note : Annualized

Operating Cash Cycle



Note : Annualized

4Q18 Summary Forecast



Based on our current business outlook, management expects :

Unit:NT\$million

Item	4Q18 Forecast		3Q18 ⁽¹⁾
Revenue	132,000	~ 138,000	150,362
Gross Profit	5,412	~ 5,934	6,492
Gross Margin	4.10%	~ 4.30%	4.32%
Operating Expenses	3,036	~ 3,243	3,566
Operating Income	2,376	~ 2,691	2,926
Operating Margin	1.80%	~ 1.95%	1.95%
Profit Before Tax	1,694	~ 1,997	2,256
Profit After Tax	1,347	~ 1,589	1,769
EPS (NT\$) ₍₂₎	0.80	~ 0.95	1.02

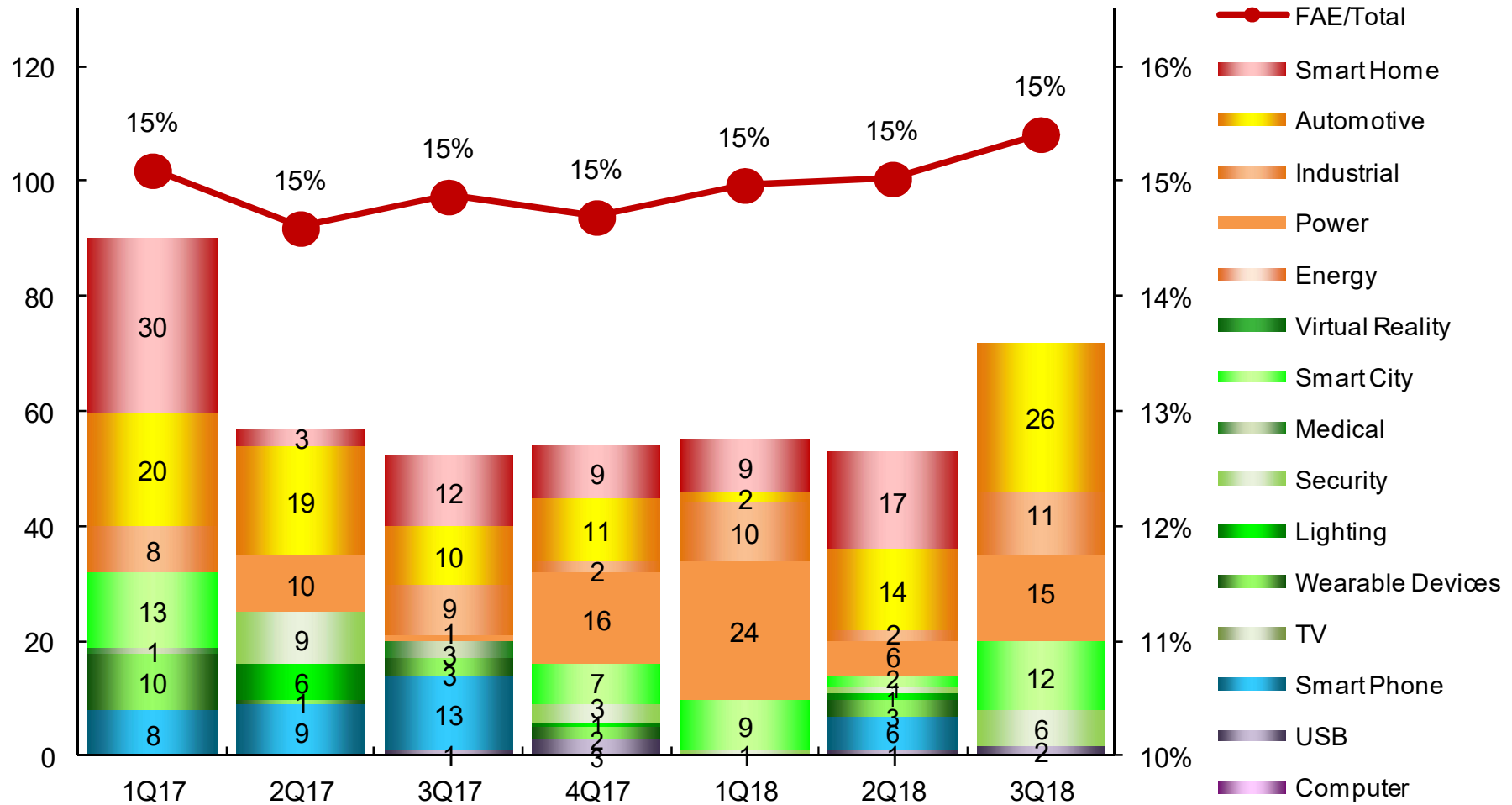
(1). Unaudited

(2). Weighted average shares outstanding

(3). At a forecast FX rate of 31 NT dollars to 1 US dollar averaged over 4Q18.

Prepared by WPG based on TIFRS.

More Solutions Launched



<http://www.wpg Holdings.com/hotchannel/index/zhtw>

<http://iot.wpg2o.com/iot/index/zhtw>

72 Solutions Launched in 3Q18

汽車電子

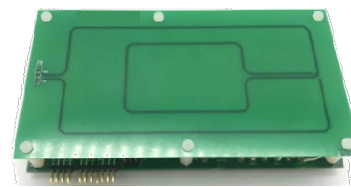
- ▶ 推出15W車載無線充電方案 2018-09-26
- ▶ 推出汽車級晶片方案 2018-09-12
- ▶ 推出車載娛樂解決方案 2018-09-12
- ▶ 推出基於T-Box解決方案 2018-09-12
- ▶ 推出適用車聯網之完整解決方案 2018-09-12
- ▶ 力推固態納米碳塗層散熱器在汽車中控導航儀應用 2018-09-12
- ▶ 推出車用大電流檢測器方案 2018-09-12
- ▶ 推出高效率升壓轉換器for GPS追蹤器 2018-09-12
- ▶ 推出全集成降壓轉換器在行車記錄儀中的應用 2018-09-12
- ▶ 推出汽車藍牙連結解決方案 2018-09-12
- ▶ 推出KES無鑰匙進入方案 2018-09-12
- ▶ 力推LED控制IC晶片於汽車智能照明解決方案 2018-09-12
- ▶ 推出高清圖像數據四合一解串器方案 2018-09-12
- ▶ 推出適用於電致變色視鏡的汽車自動調光鏡參考設計 2018-09-12
- ▶ 推出適用於中央高位剎車燈(CHMSL)的汽車類線性LED驅動器參考設計 2018-09-12
- ▶ 推出入門級音響主機顯示音訊參考設計 2018-08-08
- ▶ 推出車用乙太網路解決方案 2018-08-08
- ▶ 力推汽車多媒體娛樂系統解決方案 2018-08-08
- ▶ 力推DC/DC轉換器於車用娛樂,駕駛員輔助系統及LED照明應用 2018-08-08
- ▶ 推出先進駕駛輔助系統解決方案 2018-08-08
- ▶ 力推汽車級3D手勢識別控制器系統,避免因駕駛員處理其他任務而分神 2018-08-08
- ▶ 推出車載充電器(OBC)電源解決方案 2018-08-08
- ▶ 力推USB智能功率分配及Type-C PD車載充電器解決方案 2018-08-08
- ▶ 推出BMS一體機解決方案 2018-08-08
- ▶ 力推全新矩陣式頭燈(Matrix LED Controller)解決方案 2018-08-08
- ▶ 推出藍牙車用NFC智慧無鑰匙進入系統 2018-08-08

USB傳輸應用

- ▶ 推出智能功率分配方案 2018-09-26
- ▶ 推出獨立式USB Type-C輸電控制器方案,讓設備快速、輕鬆地升級到Type-C 2018-09-26

安全監控

- ▶ 推出適用安全監控之完整解決方案 2018-08-22
- ▶ 推出AI智能攝像機 2018-08-22
- ▶ 推出可應用在500W CCTV Camera解決方案 2018-08-22
- ▶ 推出可實現10年鈕扣電池壽命並保持常開狀態的低功耗氣體感應參考設計 2018-08-22
- ▶ 推出用於延長無線超聲波氣體檢漏儀中鈕扣電池執行時間的參考設計 2018-08-22
- ▶ 推出SoC IPCAM安全監控晶片 2018-08-22



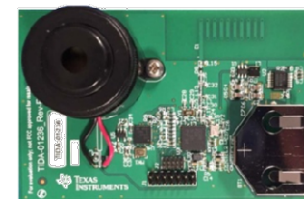
Wireless Car Charger Solution



AI Smart Camera Solution



OBC Solution



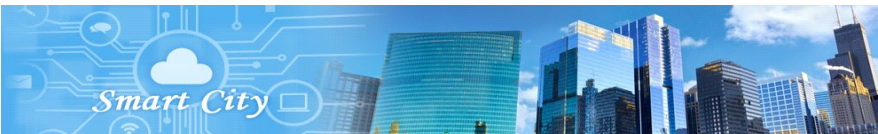
Wireless Gas Sensor Solution

72 Solutions Launched in 3Q18



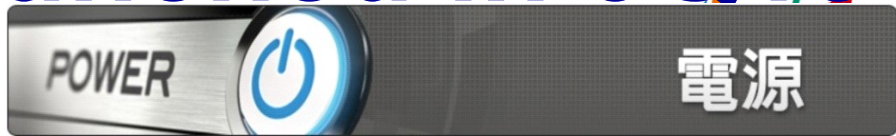
工業電子

- ▶ 力推MEMS時鐘解決方案於工業和安防系統應用 2018-08-22
- ▶ 推出工業用電源解決方案 2018-07-11
- ▶ 推出低成本高轉速電機驅動方案 2018-07-11
- ▶ 推出馬達LLC電流模式控制方案 2018-07-11
- ▶ 推出先進的直流無刷馬達控制芯片方案 2018-07-11
- ▶ 推出熱性能經優化的雙層60W無感測器BLDC電機驅動器參考設計 2018-07-11
- ▶ 推出三相BLDC馬達驅動方案 2018-07-11
- ▶ 力推適用工業電子之完整解決方案 2018-07-11
- ▶ 推出帶有微控制器且精度為±0.1°的分立式旋轉變壓器前端參考設計 2018-07-11
- ▶ 推出採用 HART®數據機的高精度環路供電式4mA至20mA現場變送器參考設計 2018-07-11
- ▶ 推出移動式電動手鑽方案 2018-07-11



Smart City

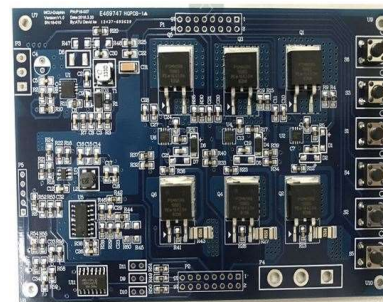
- ▶ 力推雲平台物聯網設備設計的端到端安全解決方案 2018-07-25
- ▶ 力推適用智能城市應用裝置方案 2018-07-25
- ▶ 推出數位看板解決方案 2018-07-25
- ▶ 推出智能城市IoT物聯網方案 2018-07-25
- ▶ 推出擴展應用於工業物聯網、智慧家庭解決方案 2018-07-25
- ▶ 推出低功耗無線M-Bus通信模組參考設計 2018-07-25
- ▶ 推出邊緣計算的智慧相機,可用於智慧城市與物聯網應用 2018-07-25
- ▶ 力推邊緣運算方案於智能網關運用 2018-07-25
- ▶ 推出乙太網口聯網電瓶車充電站(共用插座)方案 2018-07-25
- ▶ 推出Application Processor可應用在多媒體電子版及自動販賣機 2018-07-11
- ▶ 推出AI臉部辨識功能,可應用在多媒體數位電子看板 2018-07-11
- ▶ 推出多媒體數位電子看板解決方案 2018-07-11



POWER

電源

- ▶ 推出高整合度車用充電裝置方案 2018-09-26
- ▶ 推出通過AEC-Q-100認證的電源解決方案 2018-09-26
- ▶ 推出USB充電埠控制器和電源開關方案 2018-09-26
- ▶ 推出具有完整前端保護且符合CISPR 25 5類標準的雙路汽車USB充電器參考設計 2018-09-26
- ▶ 推出智慧充電控制器 2018-09-26
- ▶ 力推Wireless Charger無線充電解決方案 2018-09-26
- ▶ 推出隨插即用的無線充電套件,為可穿戴設備和物聯網設備帶來超小體積充電器 2018-09-26
- ▶ 推出1200W 80PLUS白金牌認證全數位化控制伺服器電源方案 2018-09-26
- ▶ 推出PEX power converter解決方案 2018-09-26
- ▶ 推出零損失自動X電容器放電IC解決方案 2018-09-26
- ▶ 推出電流型LLC-150W電源解決方案 2018-09-26
- ▶ 提供電源充電器解決方案 2018-09-26
- ▶ 推出太陽能MPPT充電控制器 2018-09-26
- ▶ 推出重磅級汽車級USB雙路Type-C充電控制器全集成方案 2018-09-26
- ▶ 推出POE供电方案 2018-08-22



High Efficiency & Low Cost Electrical Driving Solution



AI Face Recognition Solution



BLDC Motor Solution



<http://www.WPGholdings.com>
IR@WPGholdings.com



Thank you

The Benchmark of Distribution