



## 1Q17 Investor Conference

June, 2017

# Safe Harbor Statement

Except for the statements in respect of historical matters, the statements contained in this release are “forward-looking statements” subject to risks and uncertainties which may make actual performances and results differ materially from those contained in the forward-looking statements, including the financial stability of international market, demand in end market, supply chain management, impact of competitive products and pricing, exchange rate fluctuations, and other risks beyond the control of the company.

# Company Profile

- **Founded in September 2003**
- **Publicly listed in December 2004 on Taiwan Stock Exchange (TWSE)**
- **Paid-in Capital: NT\$4,345 million**
- **Number of employees: more than 4,300 worldwide**
- **Business Model: DMS (Design, Manufacturing, and Services)**

# Worldwide Locations



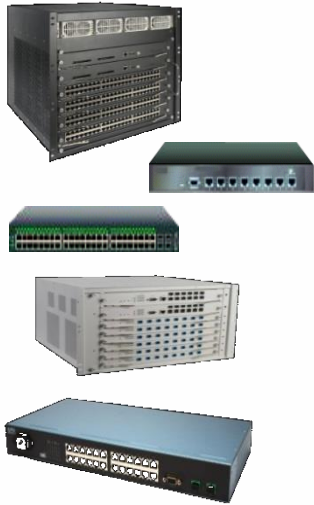
- **Headquarters** : Hsinchu Taiwan
- **Factories (3)** : Hsinchu Taiwan, Dougguan China, Changshu China
- **R&D Centers (4)** : Hsinchu Taiwan, Taipei Taiwan, Chengdu China, Irvine USA
- **Sales Offices (4)** : Hsinchu Taiwan, Santa Clara USA, Tokyo Japan, Dougguan China
- **RMA Centers (3)** : Hsinchu Taiwan, Irvine USA, Changshu China

# Diversified and Complete Product Offerings

Sales %  
1Q17

61%

## LAN / MAN



- Enterprise Switch
- Data Center Switch
- SMB Switch
- Carrier Ethernet Switch

23%

## Wireless Broadband



- WLAN Router
- WLAN AP
- WLAN Module
- xDSL Router/IAD
- 3G /LTE Small Cell
- LTE Router
- GPON ONT
- G.fast DPU/CPE
- Carrier AP

16%

## Digital Multimedia



- IP-STB
- IP Camera
- Network Attached Storage
- Network Video Recorder
- Power Line Communication
- IoT Gateway / Sensor

<=1%

## Mobile Enterprise Solutions



- Intelligence Radar

# Alpha Networks' Outstanding Accomplishments

- Winning of the subsidies of TDP (Technology Development Programs) from the Government

## 5G Mobile Network

2016 Department of Industrial Technology

The A+ Industrial Innovation R&D Program

M-ECHO (Mobile-Edge Cloud Hetnet Orchestra)

## ADAS Telematics

2016 Industrial Development Bureau

Taiwan Industrial Innovation Platform High-value Program

Automotive Sensor Fusion of Integrated Radar & Camera for FCW System Development Program

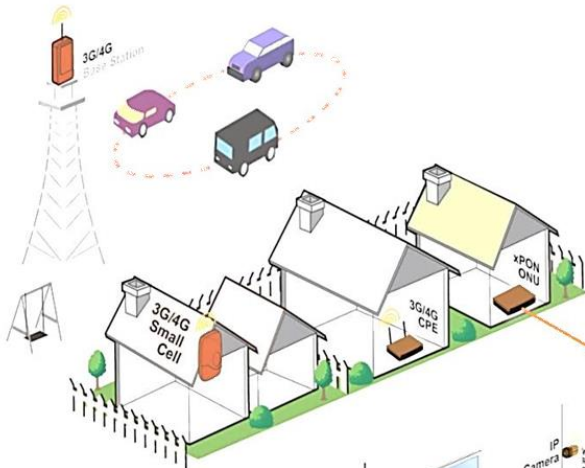
# Alpha Networks' Complete Product Portfolio

## Mobile & Broadband

LTE Router/Small Cell

LTE -A/ 5G C-RAN

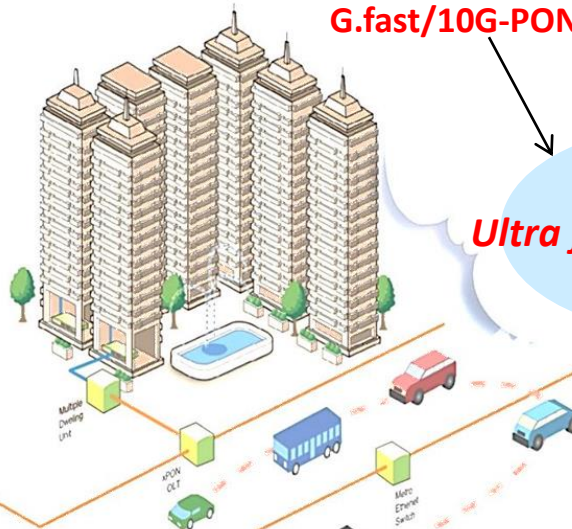
**5G Solution**



## Mobile & Broadband

VDSL/PON

G.fast/10G-PON

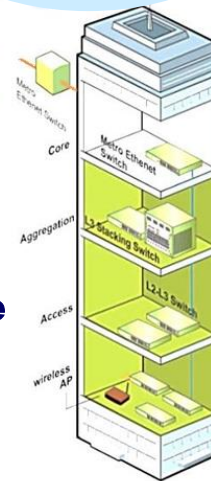


## Wireless

WL Router/ Enterprise AP  
Module/ Extender  
11ac Wave2

**11ax**

**Ultra fast, reliable solution**



## LAN/MAN

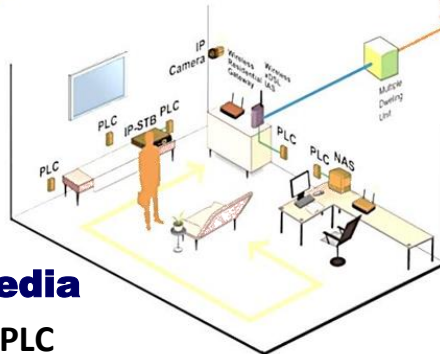
Data Center Switch  
Enterprise/SMB Switch  
Carrier Switch  
Industrial Switch  
1G/10G/40G/  
**2.5G/ 5G/ 50G**  
**25G/100G/200G/400G**

## Mobile Enterprise Solutions

24GHz/77GHz

Radar Fusion

AVB Camera



**Automotive solution**

## Digital Multimedia

IP-Cam/NAS/STB/PLC

Smart Home  
Intelligence Hub

**Smart home solution**

# Financial Data



# Consolidated Statements of Comprehensive Income YoY

NT\$ Millions	1Q 2017		1Q 2016		YoY	
	Amount	%	Amount	%	Amount	%
Net Revenue	4,765	100	5,190	100	(425)	(8.2)
Cost of Goods Sold	3,949	82.9	4,443	85.6	(494)	(11.1)
<b>Gross Profit</b>	816	17.1	746	14.4	70	9.4
Operating Expenses	594	12.5	646	12.4	(52)	(8.0)
<b>Operating Income</b>	222	4.7	100	1.9	122	122.0
Non-Op. Inc. (Loss)	(8)	(0.2)	8	0.2	(16)	(200.0)
Income Before Tax	214	4.5	108	2.1	106	98.1
<b>Net Income</b>	172	3.6	78	1.5	94	120.5
EPS (NT\$)	0.40		0.18			

# Consolidated Balance Sheets 1Q17 vs. 4Q16 vs. 1Q16

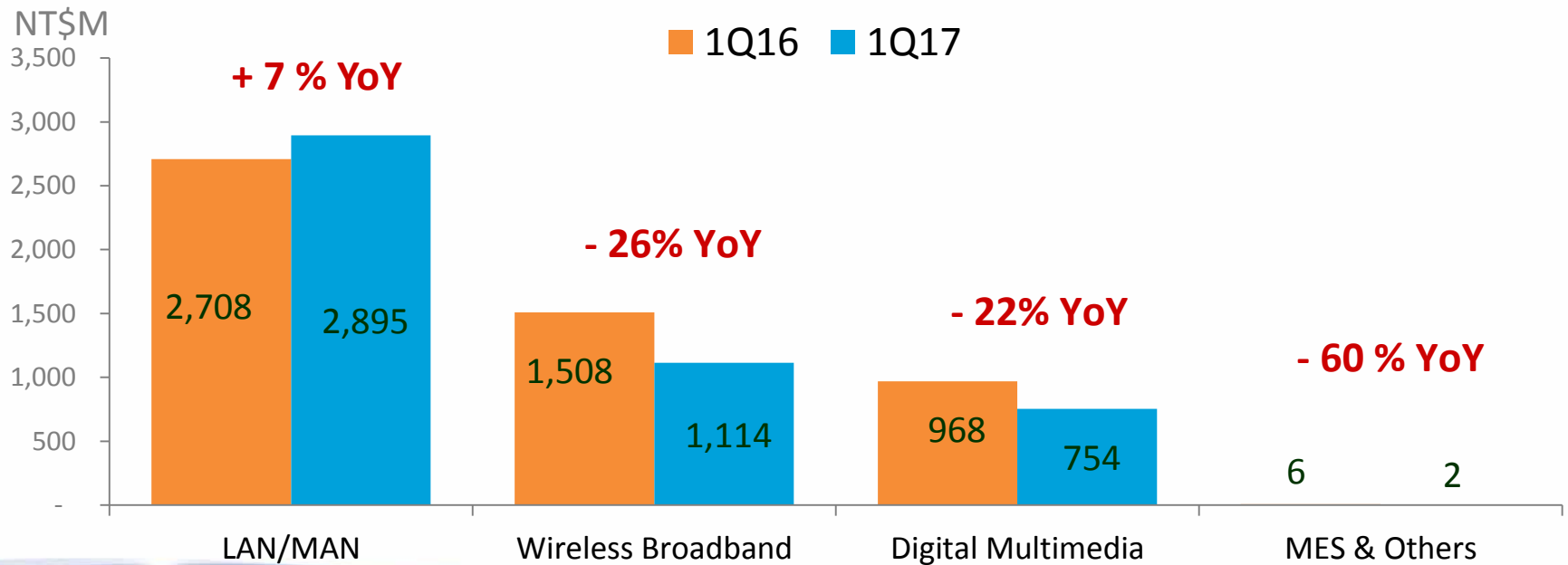
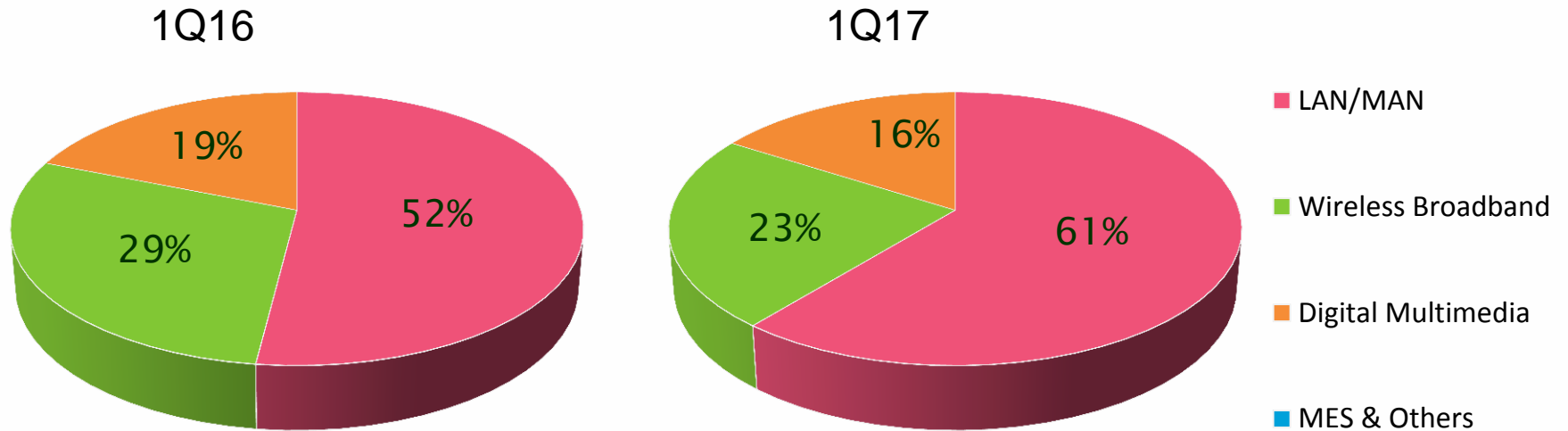
NT\$ Millions	31-Mar-17		31-Dec-16		31-Mar-16	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	2,918	21.2	1,890	13.3	2,742	18.8
Accounts Receivable	3,333	24.3	3,649	25.6	3,862	26.5
Inventories	2,963	21.6	3,130	21.9	3,818	26.2
Other Current Assets <sup>Note</sup>	1,786	13.0	2,715	18.9	724	4.9
Non-current Assets	2,742	20.0	2,878	20.2	3,408	23.4
<b>Total Assets</b>	<b>13,742</b>	<b>100.0</b>	<b>14,262</b>	<b>100.0</b>	<b>14,554</b>	<b>100.0</b>
Current Liabilities	4,765	34.7	5,298	37.1	4,935	33.9
Non-current Liabilities	422	3.0	445	3.1	1,122	7.7
<b>Total Liabilities</b>	<b>5,187</b>	<b>37.7</b>	<b>5,743</b>	<b>40.3</b>	<b>6,057</b>	<b>41.6</b>
<b>Shareholders' Equity</b>	<b>8,555</b>	<b>62.3</b>	<b>8,519</b>	<b>59.7</b>	<b>8,497</b>	<b>58.4</b>

## Key Indices

A/R Turnover Days	67	63	68
Inventory Turnover Days	72	68	78
A/P Turnover Days	82	69	70

(Note) Other current assets includes deposits with original maturities of more than three months:  
 2017/03/31 NT\$1,395M , 2016/12/31 NT\$2,353M , 2016/03/31 NT\$ 310M

# 1Q17 Revenue Breakdown by Products & YoY Comparison



*Thank You.*

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