

# 2018Q2 Update

July 26<sup>th</sup> 2018



# Disclaimer Statement

---

This presentation and release may contain ‘forward-looking statements’ which may include projections on future results of operations, financial condition and business prospects based on our own information and other sources.

The actual results of operations, financial condition and business prospects may differ from those explicitly or implicitly indicated in those forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, supply chain issues, global economic conditions, exchange rate fluctuation and other risks and factors beyond TPK’s controls.

The forward-looking statements in this presentation, if any, only reflect the current view of TPK Holding Co., Ltd. as of the date of its release. TPK undertakes no obligation to update those forward-looking statements for events or circumstances that occur subsequently.

# Disclosure Notice

## 公告原則

---

- All financial numbers are prepared in accordance with IFRS which is approved by regulators in Taiwan
- All financial numbers are unaudited
- 本公司財務報表係依照臺灣主管機關認可之國際財務報導準則編製
- 所有財務數字均為本公司自結數

# 2Q18 Result Summary

## 2018年第二季營運簡報

---

| NT\$ | Revenues | Net Profits | EPS    |
|------|----------|-------------|--------|
| 2Q18 | 17.8 bn  | (227 mn)    | (0.56) |

- Revenues decline mainly attributed to inventory adjustment and product transitioning as legacy product entering EOL.
- Profitability was negatively affected by unfavorable product mix and utilization rate below breaking even.
- Mid and large size product (11" and above) accounted for 46% in Q2, representing NB and vertical market touch penetration accelerating.
- Expects robust revenue growth momentum in 2H.

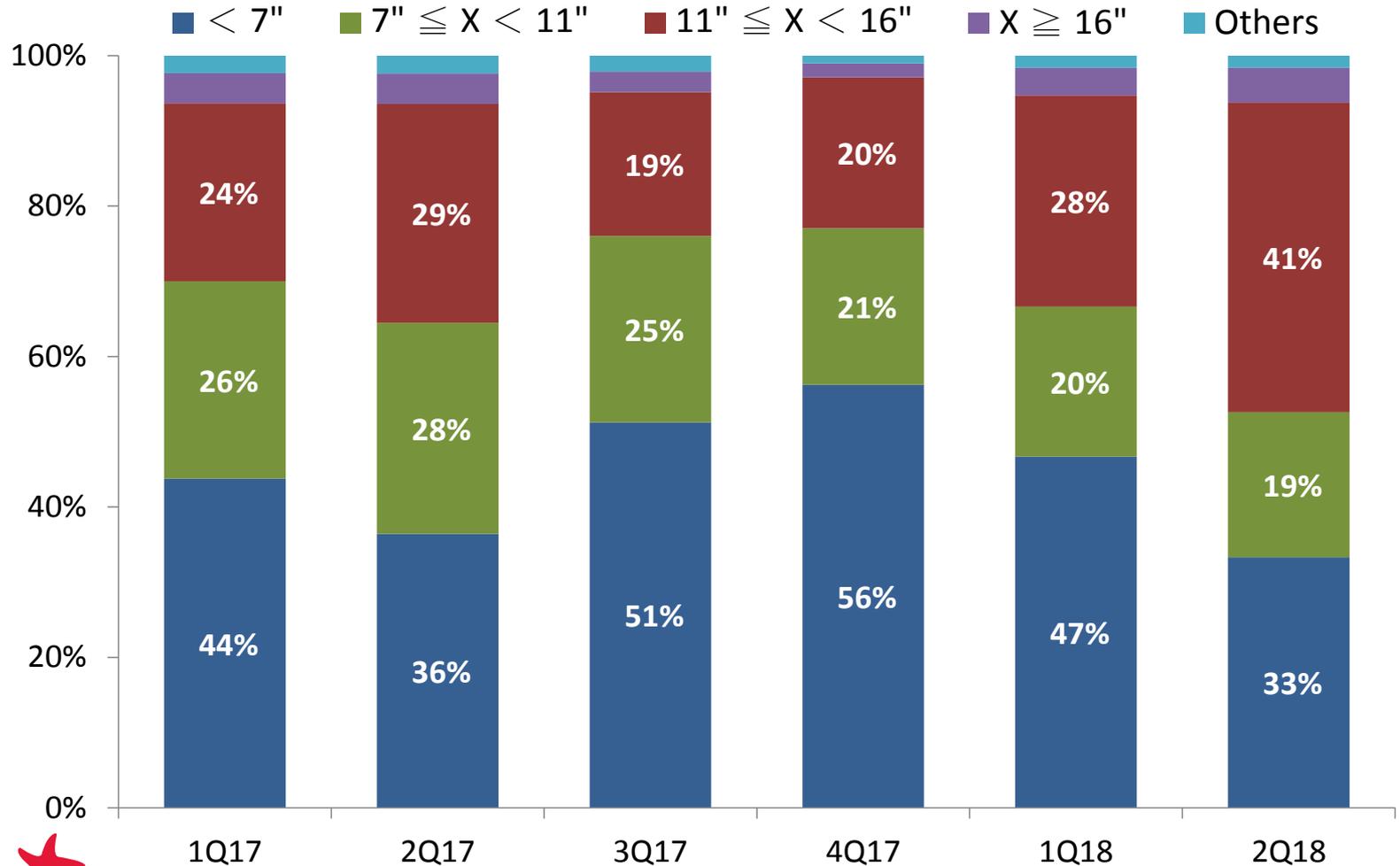
# 2Q18 Profit & Loss

## 2018年第二季損益表

| Profit & Loss              | 2Q18          | 1Q18          | QoQ            | 2Q17          | YoY            |
|----------------------------|---------------|---------------|----------------|---------------|----------------|
| (NT\$ million)             |               |               |                |               |                |
| <b>Revenues</b>            | <b>17,791</b> | <b>20,854</b> | <b>(14.7%)</b> | <b>22,407</b> | <b>(20.6%)</b> |
| COGS                       | (17,619)      | (19,622)      |                | (20,897)      |                |
| <b>Gross Profits</b>       | <b>172</b>    | <b>1,231</b>  |                | <b>1,510</b>  |                |
| Operating Expenses         | (1,067)       | (1,008)       |                | (1,080)       |                |
| SG&A                       | (846)         | (761)         |                | (874)         |                |
| R&D                        | (221)         | (247)         |                | (205)         |                |
| <b>Operating Profits</b>   | <b>(895)</b>  | <b>223</b>    |                | <b>430</b>    |                |
| Non-Op Inc/(Exp)           | 413           | 22            |                | 85            |                |
| <i>Int Inc/(Exp)</i>       | <i>(40)</i>   | <i>(41)</i>   |                | <i>(203)</i>  |                |
| <i>FX Gain/(Loss)</i>      | <i>192</i>    | <i>(68)</i>   |                | <i>(124)</i>  |                |
| <i>Others</i>              | <i>261</i>    | <i>131</i>    |                | <i>412</i>    |                |
| <b>Earnings Before Tax</b> | <b>(482)</b>  | <b>245</b>    |                | <b>516</b>    |                |
| Income Tax                 | 288           | (179)         |                | (176)         |                |
| <b>Net Income (Parent)</b> | <b>(227)</b>  | <b>68</b>     |                | <b>327</b>    |                |
| <b>EPS (Parent)</b>        | <b>(0.56)</b> | <b>0.17</b>   |                | <b>0.95</b>   |                |
| <b>EBITDA</b>              | <b>1,436</b>  | <b>2,248</b>  |                | <b>2,835</b>  |                |
| <b>Margin:</b>             |               |               |                |               |                |
| GM                         | 1.0%          | 5.9%          |                | 6.7%          |                |
| OM                         | (5.0%)        | 1.1%          |                | 1.9%          |                |
| NM                         | (1.3%)        | 0.3%          |                | 1.5%          |                |
| Op Exp                     | (6.0%)        | (4.8%)        |                | (4.8%)        |                |

# Quarterly Sales by Form Factors

## 季營收結構



# 2Q18 Balance Sheet

## 2018年第二季資產負債表

| <b>Balance Sheet</b>                | <b>6/30/2018</b> | <b>3/31/2018</b> |
|-------------------------------------|------------------|------------------|
| (NT\$ million)                      |                  |                  |
| Cash Equivalents                    | 16,759           | 21,609           |
| Debt Inv with no active market      | 6,941            | 4,992            |
| Receivables                         | 6,756            | 5,386            |
| Inventories                         | 6,634            | 5,609            |
| <b>Current Assets</b>               | <b>38,880</b>    | <b>38,829</b>    |
| <b>Long-term Investments</b>        | <b>258</b>       | <b>253</b>       |
| <b>PP&amp;E</b>                     | <b>34,907</b>    | <b>32,349</b>    |
| <b>Total Assets</b>                 | <b>78,026</b>    | <b>75,045</b>    |
| ST Loans                            | 11,677           | 17,653           |
| Payables                            | 11,675           | 8,860            |
| <b>Current Liabilities</b>          | <b>31,843</b>    | <b>32,430</b>    |
| <b>LT Loans</b>                     | <b>6,827</b>     | <b>3,756</b>     |
| <b>Total Liabilities</b>            | <b>41,488</b>    | <b>38,603</b>    |
| Common Shares                       | 4,067            | 4,067            |
| <b>Total Shareholder's Equities</b> | <b>36,537</b>    | <b>36,442</b>    |
| <b>Ratio Analysis:</b>              |                  |                  |
| Quick Ratio                         | 1.01             | 1.02             |
| Current Ratio                       | 1.22             | 1.20             |
| ROE (YTD Annualized)                | (0.9%)           | 0.7%             |
| Net Debt to Equity                  | 0.05             | Net Cash         |

Note: PP&E includes prepayments.



touching tomorrow, today