WPG Holdings

WPG Holdings Ltd. (3702.TT/3702.TW) 1Q16 Earning Release

May 4th, 2016

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.**

- **In addition, beginning on January 1, 2013, any financial information contained here within is presented in conformity with TIFRS (International Financial Reporting Standards as endorsed for use in R.O.C.). We have historically presented our consolidated financial statements in accordance with ROC GAAP, including our consolidated financial statements for the year ended December 31, 2012.**

- **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
- 1Q16 Financial Highlights — Cliff Yuan
- Q&A — Simon/ Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	1Q16	4Q15	1Q15	*QoQ(%)*	*YoY(%)*
Net Sales	121,533	142,601	108,014	(14.8)	12.5
Gross Margin	4.26%	3.91%	4.46%	+34 bp	-20 bp
Operating Expenses	(3,076)	(3,524)	(2,814)	(12.7)	9.3
Operating Income	2,095	2,054	2,000	2.0	4.8
Operating Margin	1.72%	1.44%	1.85%	+28.3 bp	-13 bp
Net Income	1,555	1,245	1,397	24.9	11.3
EPS (NT$)(1)	0.94	0.75	0.84		
Net Book Value (NT$)(1)	28.85				
Total Assets	167,914	179,052	157,717		
Total Liabilities	119,341	130,734	111,808		
Total Equity	48,573	48,318	45,909		
Net Working Capital	87,119	97,324	82,057		
Free Cash Flow	13,977	(3,210)	5,981		
KEY Indices(2)					
ROWC	*9.6%*	*8.4%*	*9.8%*	+118 bp	-13 bp
NWC/Sales	*0.18*	*0.17*	*0.19*		
ROE	*13.0%*	*10.7%*	*12.3%*	+225 bp	+68 bp
Gearing	1.12	1.38	1.08		

(1).Weighted average shares outstanding

(2).Annualized

Statements of Comprehensive Income

Unit:NT$million

Item	1Q16	QoQ(%)	4Q15	1Q15	YoY(%)
Net operating Revenue	121,533	(14.8)	142,601	108,014	12.5
COGS	(116,361)	(15.1)	(137,022)	(103,200)	12.8
Gross Profit	5,172	(7.3)	5,579	4,814	7.4
Gross Margin	4.26%		3.91%	4.46%	
Operating Expenses	(3,076)	(12.7)	(3,524)	(2,814)	9.3
Operating Income	2,095	2.0	2,054	2,000	4.8
Operating Margin	1.72%		1.44%	1.85%	
Net Non-operating Items	(193)	(58.9)	(469)	(246)	(21.4)
Net Financing costs	(391)	(8.7)	(428)	(330)	18.2
Others	198		(41)	85	
Profit Before Tax/Minority	1,903	20.0	1,586	1,755	8.4
Tax	(342)	3.4	(331)	(356)	(3.8)
Minority/Accounting Principle Change	(5)		(9)	(2)	
Profit After Tax/Minority	1,555	24.9	1,245	1,397	11.3
Net Margin	1.28%		0.87%	1.29%	
EPS (NT$)(1)	0.94		0.75	0.84	
Tax %	18%		21%	20%	

(1).Weighted average shares outstanding

Unaudited, Prepared by WPG based on TIFRS.

Balance Sheet

Unit:NT$million	1Q16		4Q15		1Q15	
item	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	9,486	6	9,509	5	9,304	6
Accounts Receivable - Trade	77,450	46	92,271	52	72,210	46
Inventory	55,912	33	50,295	28	55,163	35
Current Assets	154,384	92	165,487	92	143,733	91
Others	13,530	8	13,564	8	13,984	9
Total Assets	**167,914**	**100**	**179,052**	**100**	**157,717**	**100**
Current Interest-bearing Debt	48,241	29	59,605	33	46,205	29
Accounts Payble	46,242	28	45,243	25	45,316	29
Accrued Liabilities and Others	7,129	4	6,738	4	6,221	4
Current Liabilities	101,612	61	111,586	62	97,741	62
Long-term Interest-bearing Debt	16,640	10	18,002	10	13,186	8
Others	1,089	1	1,146	1	881	1
Total Liabilities	**119,341**	**71**	**130,734**	**73**	**111,808**	**71**
Total Equity	**48,573**	**29**	**48,318**	**27**	**45,909**	**29**
KEY Indices(1)						
Net Working Capital (NT$million)	87,119		97,324		82,057	
AR Turnover (Days)	64		59		65	
Inventory Turnover (Days)	42		37		45	
AP Turnover (Days)	36		34		38	
Average Collection Periods (Days)	69		63		72	
Current Ratio	152%		148%		147%	
Gearing	1.12		1.38		1.08	

(1).Annualized

Unaudited, Prepared by WPG based on TIFRS.

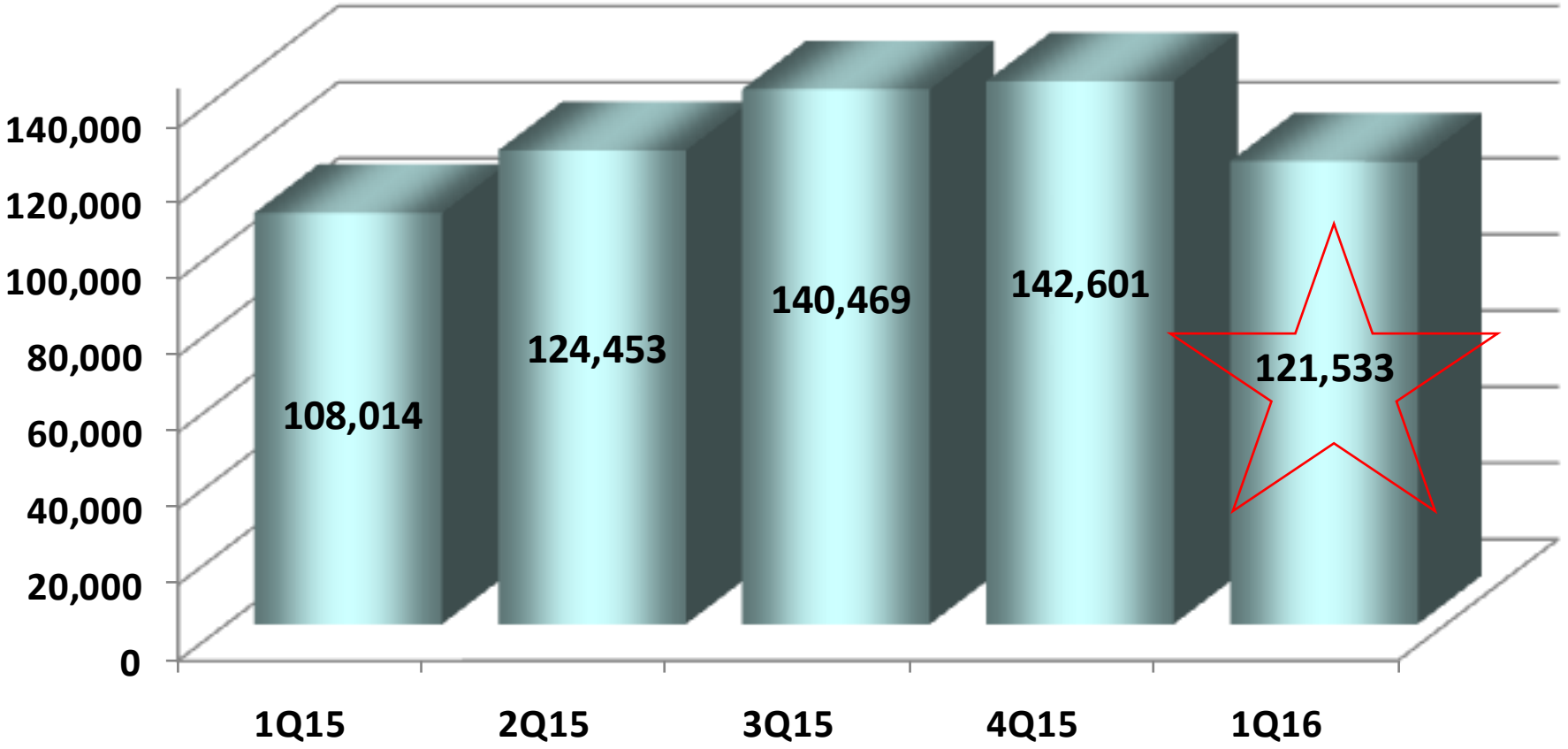
Cash Flows

Unit:NT$m	1Q16	4Q15	1Q15
-Income before Income Tax	1,903	1,586	1,755
-Changes of NWC	10,204	208	6,414
-Adjustment & Others	1,870	(5,004)	(2,188)
From Operation	**13,977**	**(3,210)**	**5,981**
-Financial Instrument	(49)	494	96
-Capital Expenditure	-	(91)	(47)
-Others	51	85	47
From Investment	**2**	**489**	**96**
-Financial Debt	(12,676)	1,885	(7,388)
-Others	(5)	(25)	22
From Financing	**(12,681)**	**1,860**	**(7,365)**
Cumulative translation adjustments	**(1,295)**	**112**	**(612)**
Net Cash Position Change	**3**	**(749)**	**(1,901)**
Ending Cash Balance	**9,450**	**9,447**	**9,284**

Unaudited, Prepared by WPG based on TIFRS.

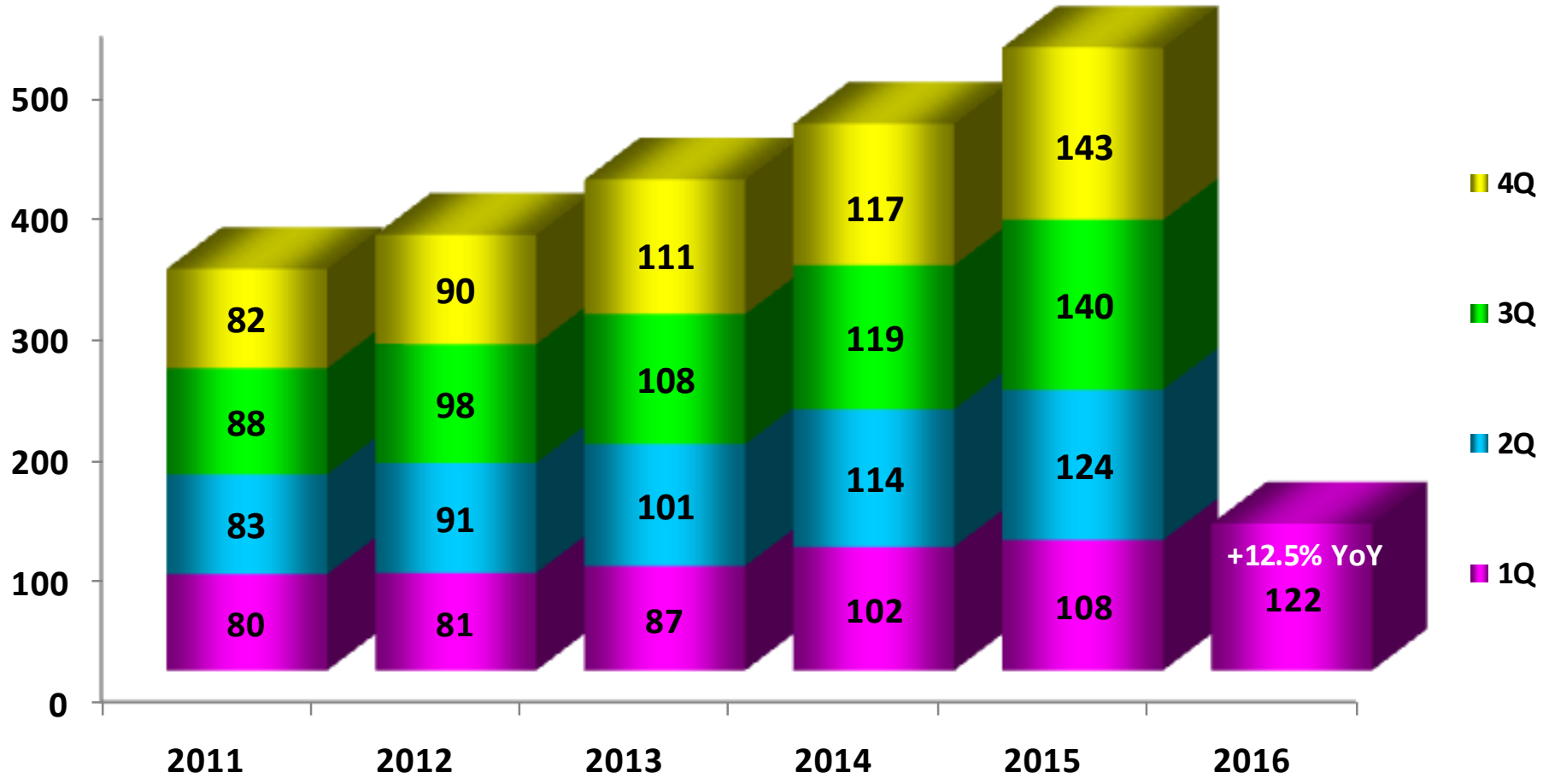
Consolidated Revenue

Unit: NT$million

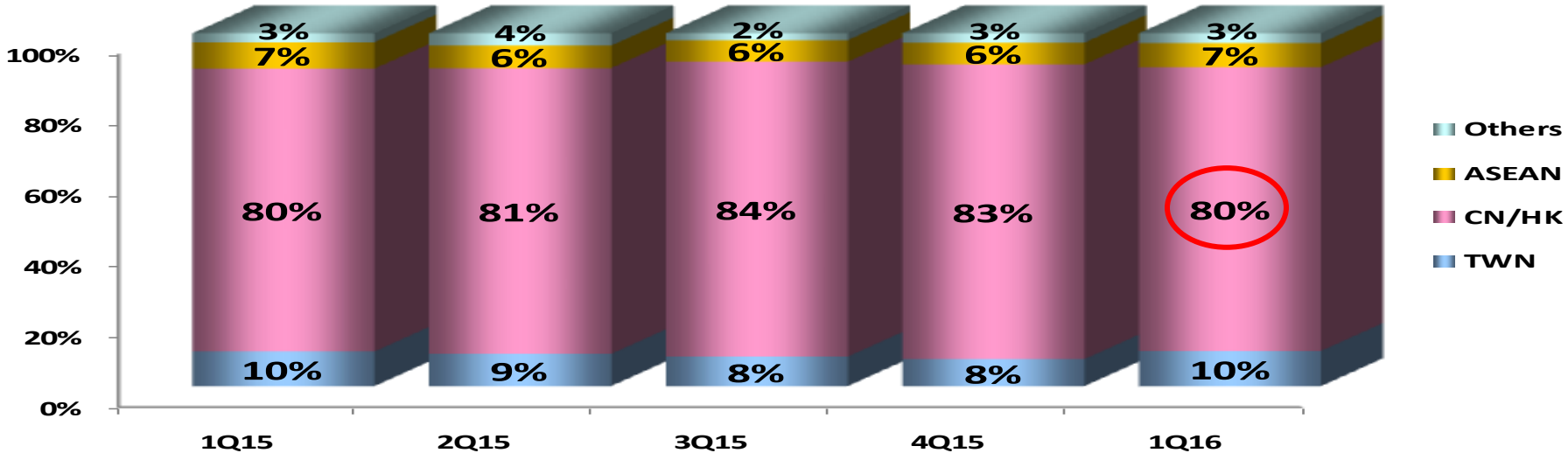


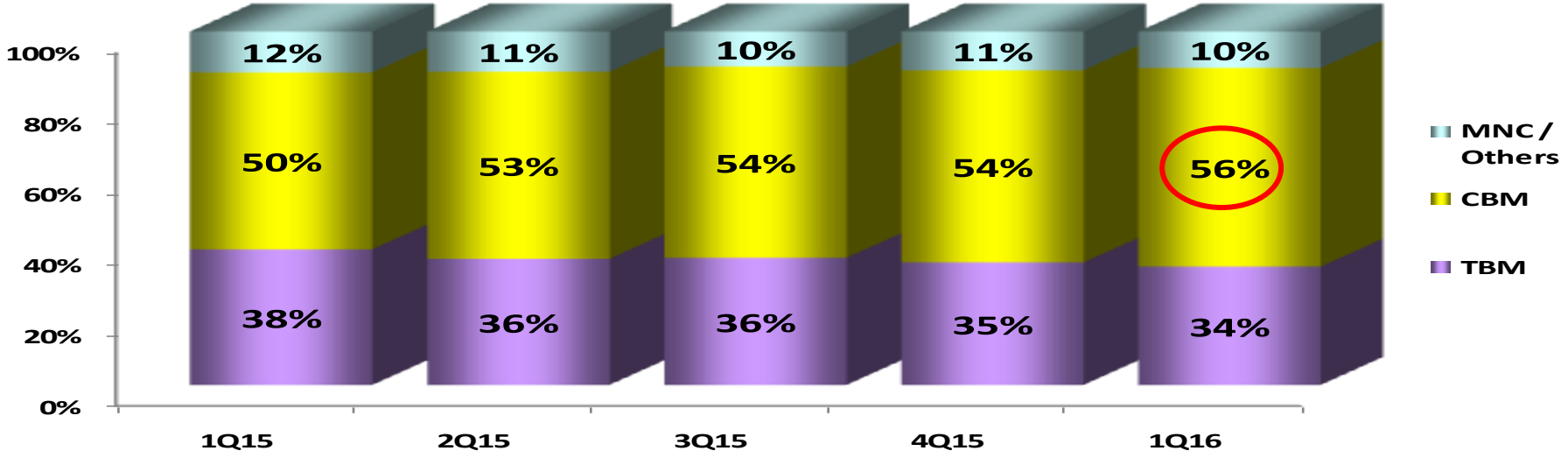
Consolidated Revenue

Unit: NT$billion



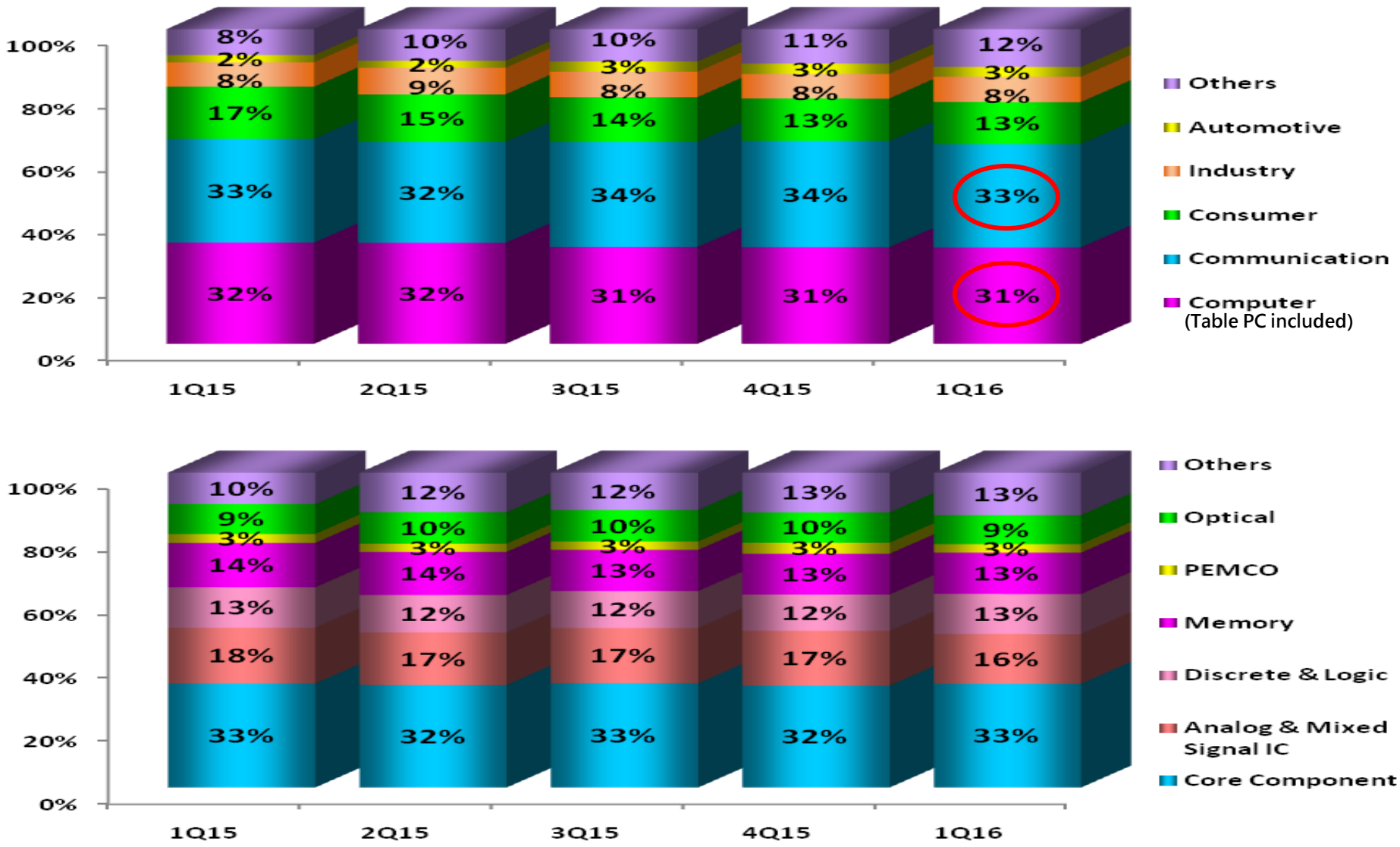
Sales breakdown by Geography/ Customer



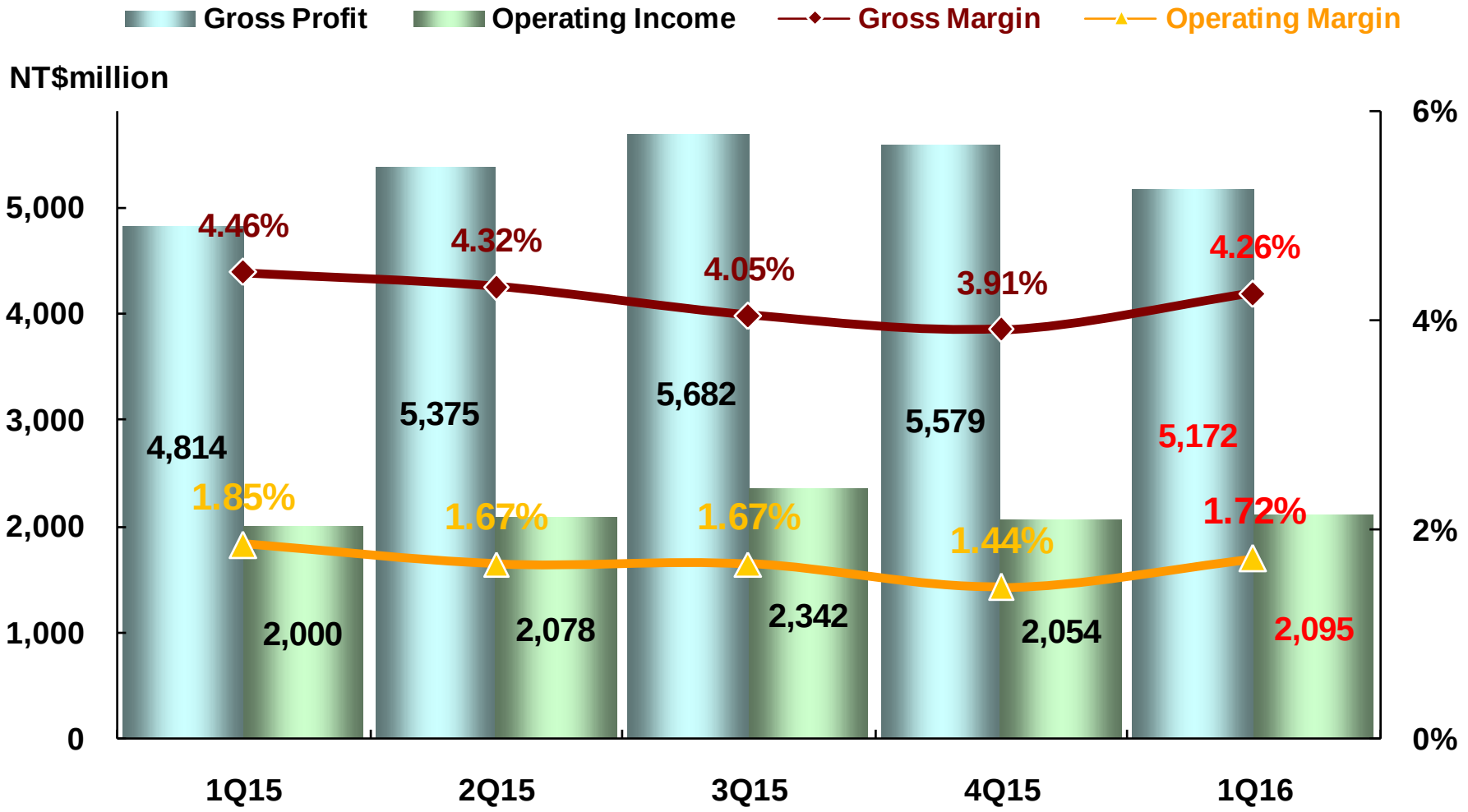


TBM：Taiwan-Based Customers
CBM：China Based Customers

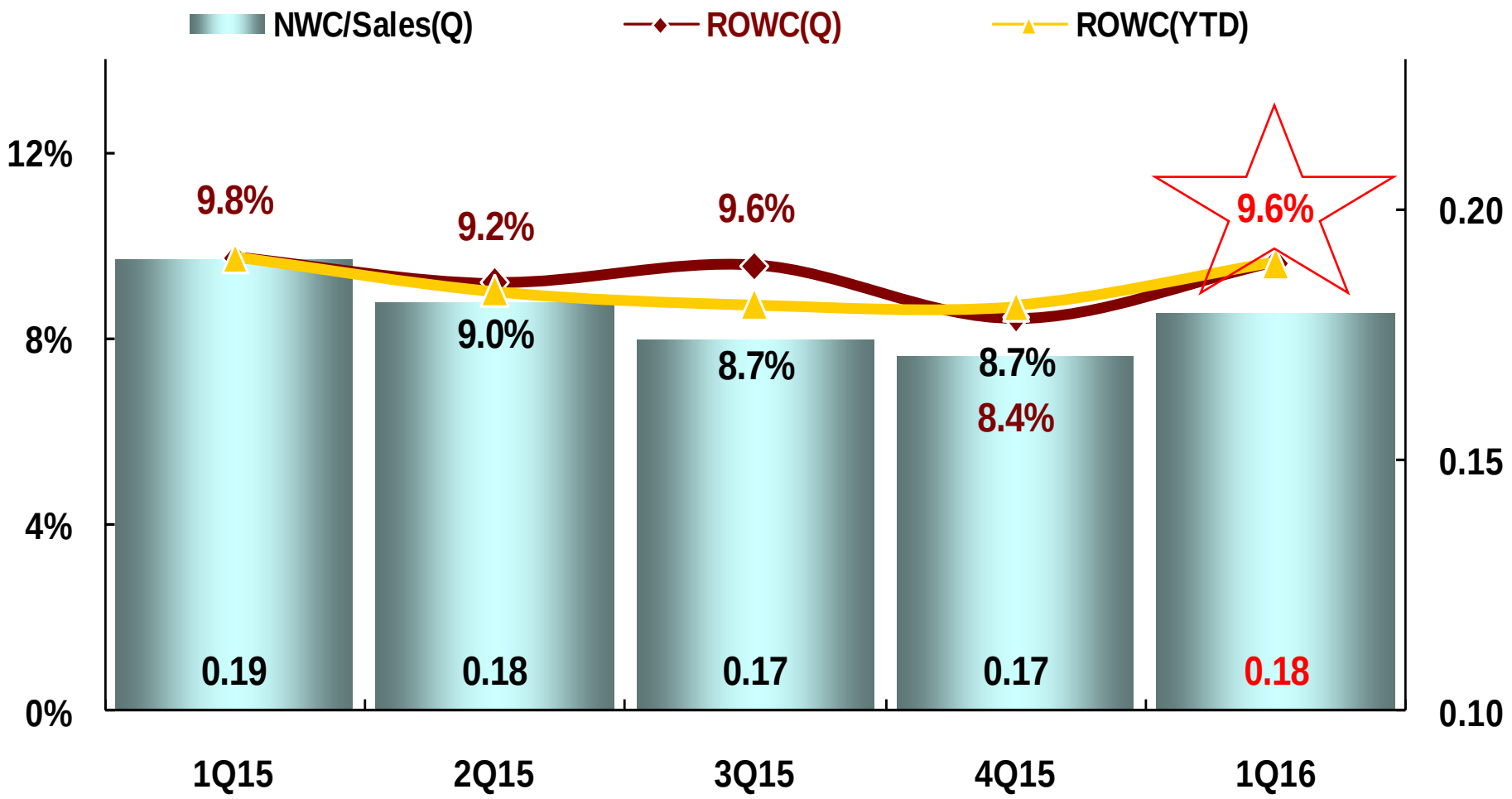
Sales breakdown by Application/ Device Type



Gross Margin vs. Operating Margin

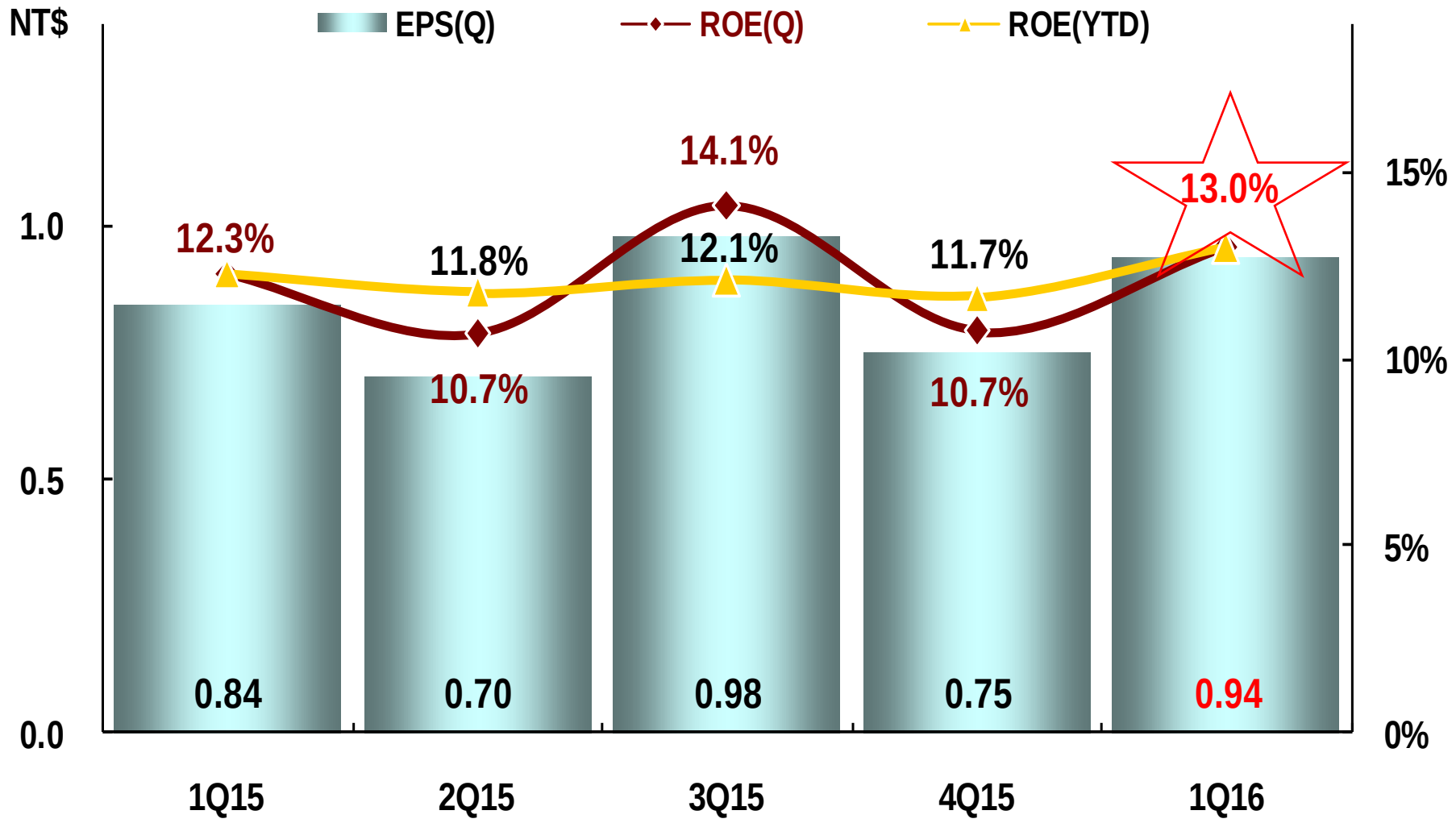


ROWC vs. NWC/Sales



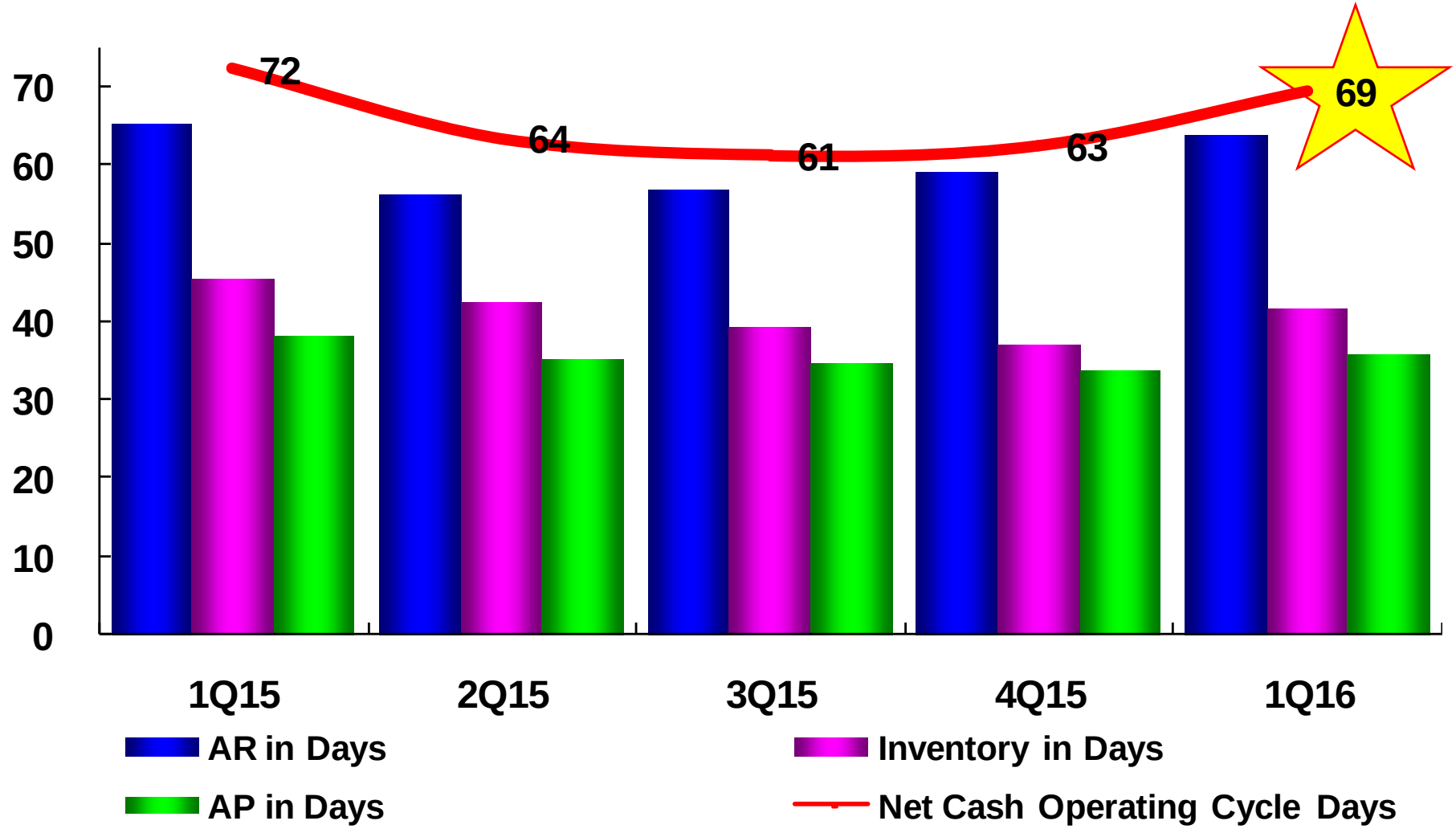
Note：Annualized

ROE vs. EPS



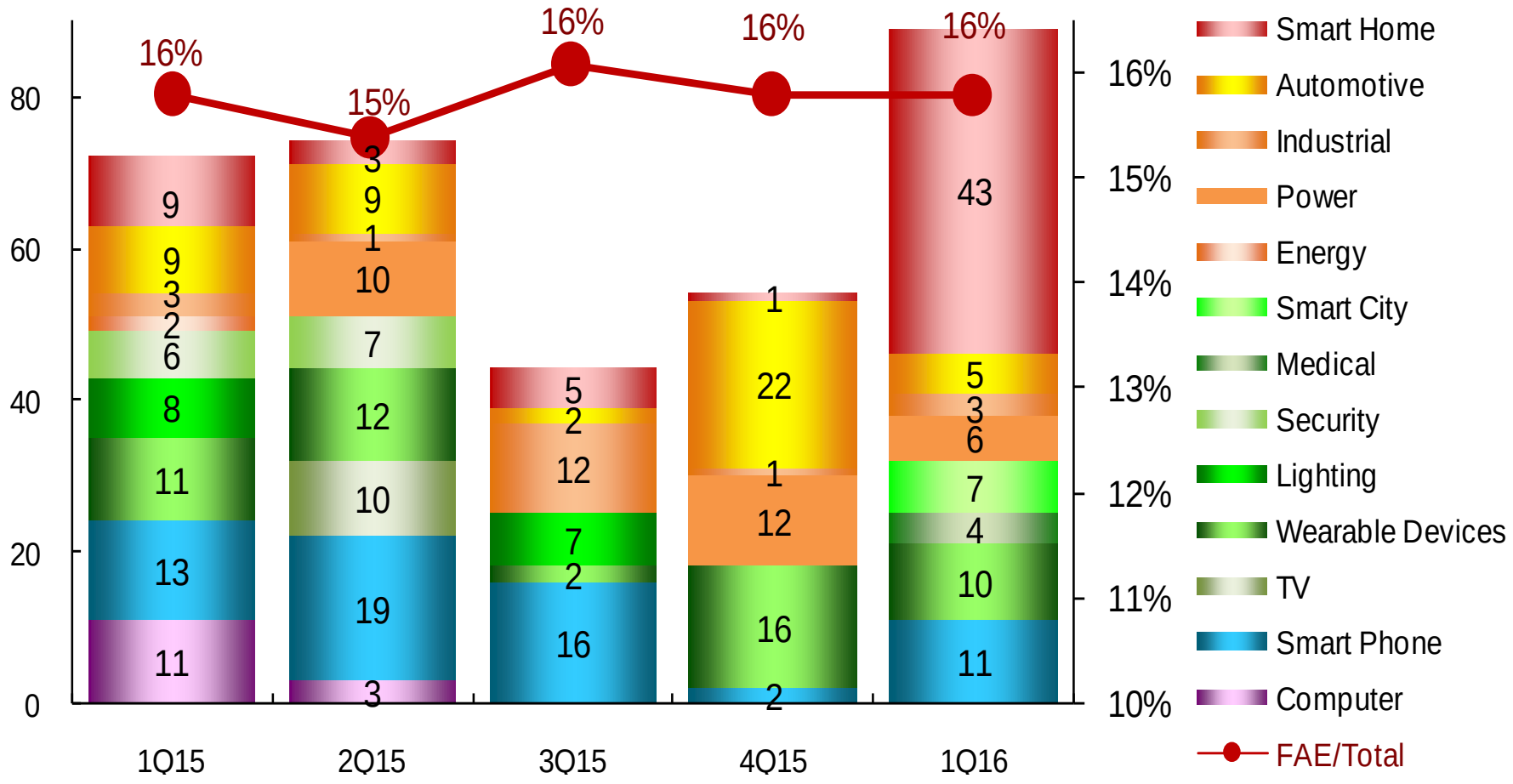
Note：Annualized

Operating Cash Cycle



Note：Annualized

IoT Dominated

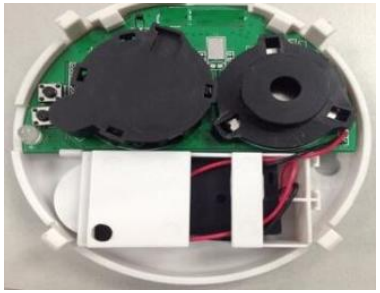


http://iot.wpgo2o.com

89 Solutions Launched in 1Q16

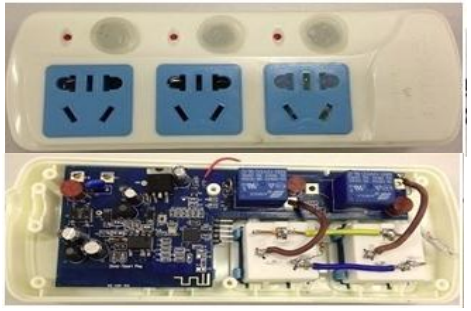
推出智能家居以及智能家居周边配件的应用方案	2016/2/24
推出眾多應用于智慧家居的 Smart Sensor 解決方案	2016/2/24
重磅推出智慧家居七件套	2016/2/24
力推SoC元件及Highflying無線模塊於智能家居方案應用	2016/2/24
推出智慧型機器人方案	2016/1/25
推出藍牙4.0遙控風扇方案	2016/1/25
推出智慧保險箱	2016/1/25
基於“NFC魔法刷”方案	2016/1/25
接入APP的開發套件方案	2016/1/25
BLE智慧型室內空調循環扇方案	2016/1/24
BLE水族箱水位偵測方案	2016/1/24
可通過手機APP控制的開發套件	2016/1/24
可通過APP控制的開發套件	2016/1/24
接入物聯平臺的低功耗WIFI方案	2016/1/24
推出遙控藍牙4.0小車方案	2016/1/23
推出基於APP的門鈴/報警器按鈕	2016/1/23
推出RGB LED方案	2016/1/23
推出防盜報警方案	2016/1/23
推出ZigBee SOS緊急按鈕方案	2016/1/23
推出ZigBee 門磁探測器方案	2016/1/23
推出紅外家電控制方案	2016/1/23
推出紅外探測器方案	2016/1/23

Gesture Recognition Solution



Wireless Smoke Detector Solution

推出智慧壁面開關方案	2016/1/22
推出智慧壁面插座方案	2016/1/22
基於BLE智慧型健身計數器方案	2016/1/22
推出智慧門鎖方案	2016/1/21
推出智慧窗簾方案	2016/1/21
高品質數位音訊藍牙音箱解決方案	2016/1/21
帶有APP的穿戴產品無線充電方案	2016/1/21
推出LED 燈方案	2016/1/20
推出按摩器方案	2016/1/20
推出 ZigBee 轉WIFI閘道方案	2016/1/20
推出BLE轉WIFI閘道方案	2016/1/20
推出ZigBee轉WIFI閘道方案	2016/1/20
推出可視門鈴方案	2016/1/20
推出20W藍牙燈管方案	2016/1/20
Smart BLE-WiFi Gateway方案	2016/1/20
Wi-Fi智能LED照明方案	2016/1/20
BLE的星型網路的濕度和溫度感測器節點方案	2016/1/20
BLE智慧照明無EMI方案	2016/1/19
Zigbee雙色 LED燈驅動方案	2016/1/19
Zigbee RGB LED燈驅動方案	2016/1/19
智慧溫濕度感測器方案	2016/1/19



ZigBee-based Smart Switch Solution

ZigBee-based Door Alarm Solution

89 Solutions Launched in 1Q16

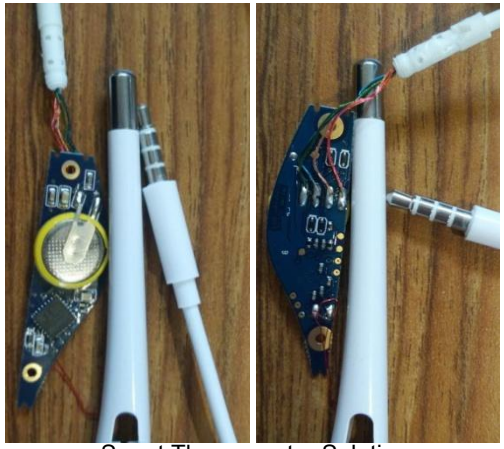
推出APP應用方案	2016/1/25
推出智慧 LED屏方案	2016/1/24
推出LoRa技術之城市閘道器方案	2016/1/24
推出LoRa技術之城市路燈節點方案	2016/1/24
閘道機架構下之LoRa技術停車位管理系統	2016/1/24
推出LoRa技術之小區環控平台方案	2016/1/23
四軸飛行器	2016/1/22

推出雙向QC3.0快充移動電源完整解決方案	2016/3/16
推出高整合度USB PD電源轉接器解決方案	2016/3/16
推出支援QC2.0的快充方案	2016/3/16
推出車規電源管理晶片輸出穩壓器，實現尺寸更小、更經濟實惠的車載資訊娛樂系統	2016/3/16
推出針對混合動力、電動車和電網儲能的16 節整合鋰離子監控器和保護器	2016/3/16
推出全新Sub-1 GHz解決方案，憑藉單顆扭扣電池將連接範圍擴展至20公里	2016/3/16

推出醫療級動作感測器，加快植入式醫療應用的開發腳步	2016/2/24
推出電子秤	2016/1/25
閘道機架構下之LoRa技術病患生理狀態監測系統	2016/1/23
智慧體溫棒方案	2016/1/23

推出抗噪電容感測技術，可用於溫控器與門禁應用	2016/2/24
推出智能門禁解決方案	2016/2/24
全新超低功耗的FRAM在資料和應用代碼範圍，達到彈性的記憶體使用	2016/1/6

Quadcopter Solution



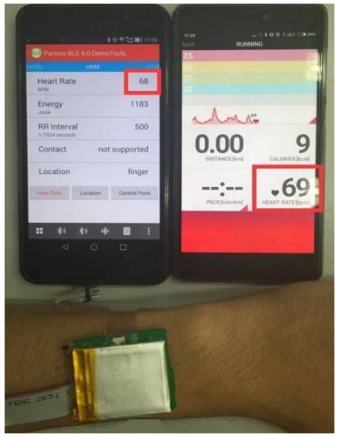
Smart Thermometer Solution

89 Solutions Launched in 1Q16

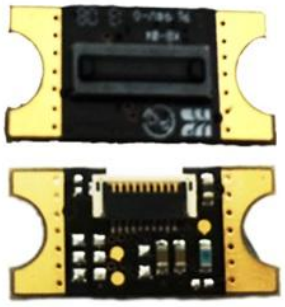
力推適用智能手機之完整解決方案	2016/1/27
推出系列中最小的微控制產品已投入量產，同時推出簡易上手的開發套件	2016/1/27
推出系列 3G 智慧手機方案	2016/1/27
推出指紋識別、高畫質音效手機周邊應用方案	2016/1/27
推出解決 “USB 永遠插不準” 的 Type-C 方案	2016/1/27
推出新款動作感測器大幅提升智慧型手機及平板電腦的使用者介面性能和防手震功能	2016/1/27
推出智慧放大器為新一代智慧手機帶來全新音訊體驗	2016/1/27
推出無線MCU LaunchPad，為業界首顆單晶片、低功耗且內建可編程 MCU的Wi-Fi解決方案	2016/1/27
力推三合一感測器模組於智慧手機應用	2016/1/27
力推虹膜識別檢測解決方案	2016/1/27
推出具有高速存取的3G智慧手機方案	2016/1/6

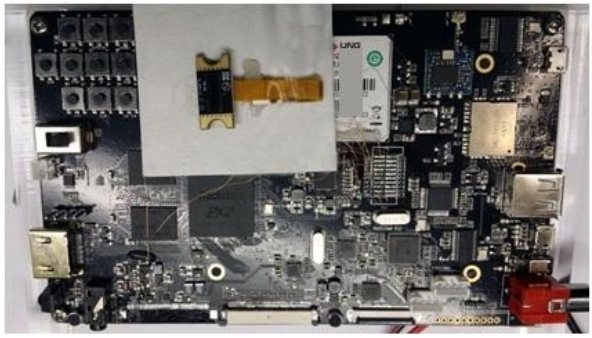
推出運動手環方案	2016/1/25
智慧健康照護手環	2016/1/25
開發的穿戴式運動手錶	2016/1/25
高集成度智慧手錶解決方案	2016/1/25
藍牙智慧電子煙方案	2016/1/24
支持APP運動—藍牙精簡協定的智慧手環方案	2016/1/24
推出防丟方案	2016/1/23
BLE紫外線監測方案	2016/1/23
心率演算法方案	2016/1/23
BLE動作模式蒐集方案	2016/1/22

推出胎壓監測方案	2016/1/25
PKE汽車無鑰匙門禁系統解決方案	2016/1/25
BLE車用左右後視鏡馬達控制方案	2016/1/24
智慧雨刷解決方案	2016/1/24
智能汽車追蹤器方案	2016/1/20



Heart Rate Monitor Solution





Fingerprint Verification Solution

Recap of Recent Major Events

- **WPG Holdings Moved to New Office at 8F., No.489, Sec. 2, Tiding Blvd., Neihu Dist., Taipei, Taiwan (2016/02/01)**
- **WPG Board of Directors Approved NT$2.4 Cash Dividend Per Share (2016/04/26)**
- **WPG Board of Directors Resolved to Sign MOU of Office Building Acquisition (2016/04/26)**

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