

**WPG Holdings Ltd.  
(3702.TT/3702.TW)  
2Q13 Earning Release**

Aug. 2nd, 2013

# 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. Consequently, the selected comparison financial information to be included in our quarterly earning releases in 2013 may differ materially from those released historically.
- 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**

- **2Q13 Financial Highlights & 3Q13 Outlook**

**Cliff Yuan**

- **Q&A**

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

# Result Highlights

Unit:NT\$million

item	2Q13	2Q13 Guidance	1Q13	2Q12	QoQ(%)	YoY(%)
Net Sales	100,630	96~101B	86,563	90,961	16.3	10.6
Gross Margin	4.78%	4.5% ~ 4.7%	4.87%	5.26%	-9 bp	-48 bp
Operating Expenses	(3,122)		(2,836)	(3,037)	10.1	2.8
Operating Income	1,689		1,380	1,746	22.3	(3.3)
Operating Margin	1.68%	1.5% ~ 1.7%	1.59%	1.92%	+8 bp	-24 bp
Net Income	1,377		1,040	1,268	32.4	8.6
EPS (NT\$) <sub>(1)</sub>	0.83		0.63	0.78		
Net Book Value (NT\$) <sub>(1)</sub>	22.75					
<b>Total Assets</b>	<b>132,210</b>		<b>125,042</b>	<b>122,240</b>		
<b>Total Liabilities</b>	<b>94,440</b>		<b>84,898</b>	<b>85,460</b>		
<b>Total Equity</b>	<b>37,770</b>		<b>40,144</b>	<b>36,780</b>		
<b>Net Working Capital</b>	<b>66,194</b>		<b>60,566</b>	<b>58,796</b>		
<b>Free Cash Flow</b>	<b>(3,437)</b>		<b>(1,236)</b>	<b>(4,056)</b>		
<b>KEY Indices<sub>(2)</sub></b>						
ROWC	10.2%		9.1%	11.9%	+109 bp	-168 bp
NWC/Sales	0.16		0.17	0.16		
ROE	14.5%		10.7%	13.8%	+390 bp	+77 bp
Gearing	0.94		0.83	0.78		

(1).Weighted average shares outstanding

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.  
The Benchmark of Distribution

# Statements of Comprehensive Income

Unit:NT\$million

Item	2Q13	1Q13	QoQ(%)	2Q12	YoY(%)
Net operating Revenue	100,630	86,563	16.3	90,961	10.6
COGS	(95,820)	(82,348)	16.4	(86,177)	11.2
Gross Profit	4,810	4,216	14.1	4,783	0.6
Gross Margin	4.78%	4.87%		5.26%	
Operating Expenses	(3,122)	(2,836)	10.1	(3,037)	2.8
Operating Income	1,689	1,380	22.3	1,746	(3.3)
Operating Margin	1.68%	1.59%		1.92%	
Net Non-operating Items	14	(105)	NM	(27)	NM
Net Financing costs	(193)	(194)	(0.5)	(211)	(8.4)
Others	207	89		184	
Profit Before Tax/Minority	1,703	1,275	33.6	1,719	(0.9)
Tax	(325)	(235)	38.4	(450)	(27.9)
Minority/Accounting Principle Change	(1)	(0)		(1)	
Profit After Tax/Minority	1,377	1,040	32.4	1,268	8.6
Net Margin	1.37%	1.20%		1.39%	
EPS (NTD) <sub>(1)</sub>	0.83	0.63		0.78	
Tax %	19%	18%		26%	

(1).Weighted average shares outstanding

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The Benchmark of Distribution

# Balance Sheet

Unit:NT\$million

item	2Q13		1Q13		2Q12	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	8,442	6	7,746	6	8,195	7
Accounts Receivable - Trade	66,100	50	60,889	49	56,282	46
Inventory	39,053	30	36,417	29	39,077	32
<b>Current Assets</b>	<b>118,013</b>	<b>89</b>	<b>110,944</b>	<b>89</b>	<b>109,651</b>	<b>90</b>
Others	14,197	11	14,098	11	12,589	10
<b>Total Assets</b>	<b>132,210</b>	<b>100</b>	<b>125,042</b>	<b>100</b>	<b>122,240</b>	<b>100</b>
<b>Current Interest-bearing Debt</b>	<b>39,248</b>	<b>30</b>	<b>36,403</b>	<b>29</b>	<b>35,186</b>	<b>29</b>
Accounts Payable	38,959	29	36,740	29	36,564	30
Accrued Liabilities and Others	9,710	7	5,045	4	9,345	8
<b>Current Liabilities</b>	<b>87,916</b>	<b>66</b>	<b>78,188</b>	<b>63</b>	<b>81,095</b>	<b>66</b>
Long-term Interest-bearing Debt	5,659	4	5,810	5	3,626	3
Others	865	1	901	1	740	1
<b>Total Liabilities</b>	<b>94,440</b>	<b>71</b>	<b>84,898</b>	<b>68</b>	<b>85,460</b>	<b>70</b>
<b>Total Equity</b>	<b>37,770</b>	<b>29</b>	<b>40,144</b>	<b>32</b>	<b>36,780</b>	<b>30</b>

## KEY Indices<sup>(1)</sup>

Net Working Capital (\$)	66,194	60,566	58,796
AR Turnover (Days)	58	64	54
Inventory Turnover (Days)	36	39	40
AP Turnover (Days)	36	39	37
Average Collection Periods (Days)	57	63	57
Current Ratio	134%	142%	135%
Gearing Ratio	0.94	0.83	0.78

(1).Annualized

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The Benchmark of Distribution

# Cash Flows

Unit:NT\$million

item	2Q13	1Q13	4Q12
-Income before Income Tax <sub>(1)</sub>	1,703	1,275	1,144
-Changes of NWC	(5,605)	(951)	1,115
-Adjustment & Others	465	(1,560)	1,231
<b>From Operation</b>	<b>(3,437)</b>	<b>(1,236)</b>	<b>3,490</b>
-Financial Instrument	313	367	(12)
-Capital Expenditure	(52)	(782)	(48)
-Effect on changes of consolidated subsidiaries	(4)	(6)	30
-Others	147	(47)	(1)
<b>From Investment</b>	<b>404</b>	<b>(467)</b>	<b>(31)</b>
-Financial Debt	3,421	(337)	(2,489)
-Others	(0)	(0)	(71)
<b>From Financing</b>	<b>3,421</b>	<b>(337)</b>	<b>(2,560)</b>
<b>Cumulative translation adjustments</b>	<b>309</b>	<b>898</b>	<b>(502)</b>
<b>Net Cash Position Change</b>	<b>697</b>	<b>(1,142)</b>	<b>396</b>
<b>Ending Cash Balance</b>	<b>8,427</b>	<b>7,730</b>	<b>8,872</b>

(1).Minority interest is included.

Unaudited, Prepared by WPG based on TIFRS.  
The Benchmark of Distribution

# Result Highlights

Unit:NT\$million

item	1H13	1H12	YoY (%)
Net Sales	187,194	171,815	9.0
Gross Margin	4.82%	5.21%	-38 bp
Operating Expenses	(5,957)	(5,922)	0.6
Operating Income	3,069	3,021	1.6
Operating Margin	1.64%	1.76%	-12 bp
Net Income	2,417	2,219	8.9
EPS (NTD) <sub>(1)</sub>	1.46	1.36	
<b>Total Assets</b>	<b>132,210</b>	<b>122,240</b>	
<b>Total Liabilities</b>	<b>94,440</b>	<b>85,460</b>	
<b>Total Equity</b>	<b>37,770</b>	<b>36,780</b>	
<b>Net Working Capital</b>	<b>66,194</b>	<b>58,796</b>	
<b>Free Cash Flow</b>	<b>(4,673)</b>	<b>(2,742)</b>	
<b>KEY Indices<sub>(2)</sub></b>			
ROWC	9.3%	10.3%	-101 bp
NWC/Sales	0.18	0.17	
ROE	12.8%	12.1%	+71 bp
Gearing	0.94	0.78	

(1).Weighted average shares outstanding

(2).Annualized

# Statements of Comprehensive Income

Unit:NT\$million

Item	1H13	1H12	YoY(%)
Net operating Revenue	187,194	171,815	9.0
COGS	(178,168)	(162,871)	9.4
Gross Profit	9,026	8,943	0.9
Gross Margin	4.82%	5.21%	
Operating Expenses	(5,957)	(5,922)	0.6
Operating Income	3,069	3,021	1.6
Operating Margin	1.64%	1.76%	
Net Non-operating Items	(91)	(189)	(51.6)
Net Financing costs	(388)	(433)	(10.4)
Others	297	244	21.5
Profit Before Tax/Minority	2,978	2,833	5.1
Tax	(559)	(623)	(10.2)
Minority/Accounting Principle Change	(1)	9	
Profit After Tax/Minority	2,417	2,219	8.9
Net Margin	1.29%	1.29%	
EPS (NTD) <sub>(1)</sub>	1.46	1.36	
Tax%	19%	22%	

(1).Weighted average shares outstanding

# Cash Flows

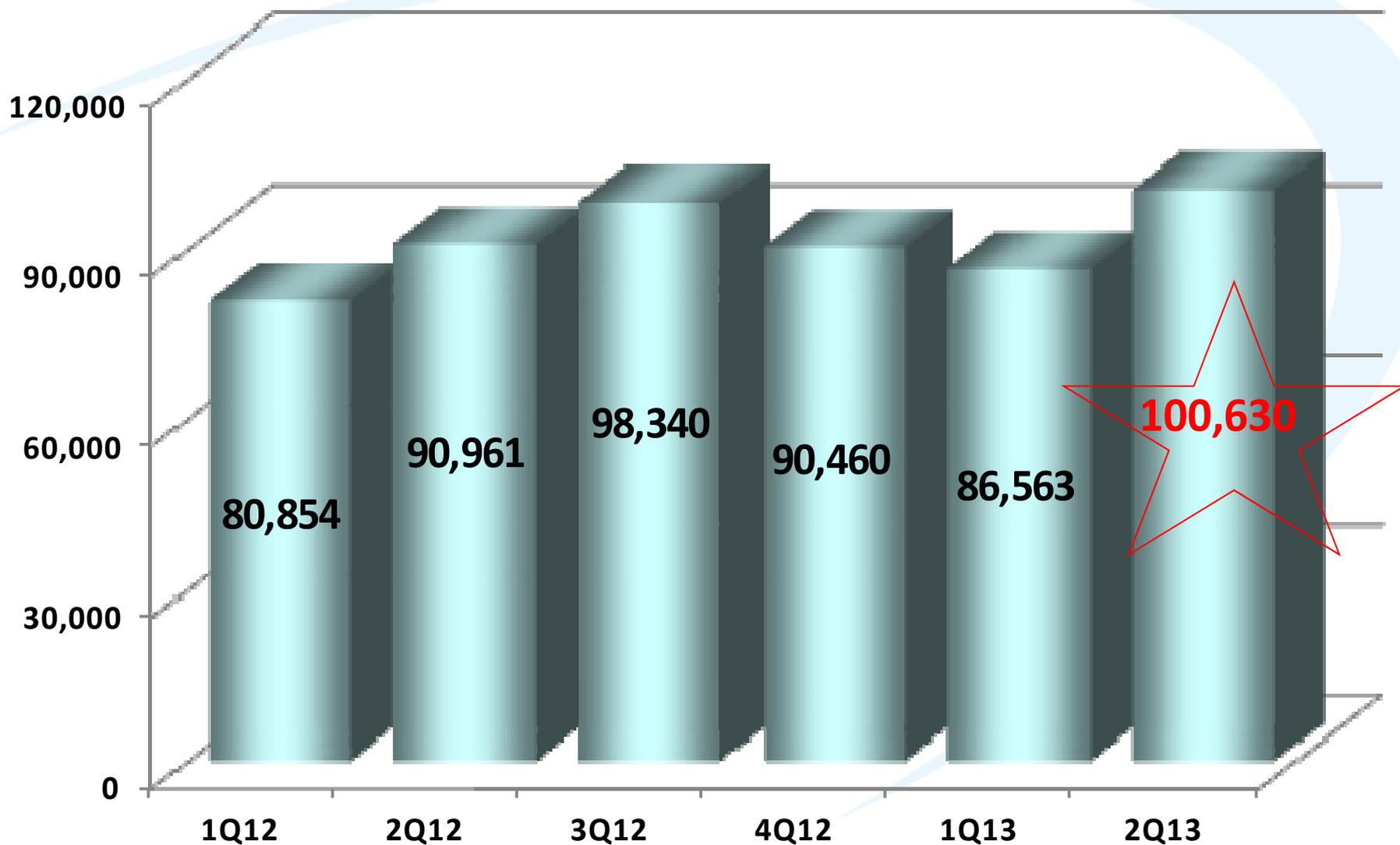
Unit:NT\$million

item	1H13	1H12
-Income before Income Tax <sub>(1)</sub>	2,978	2,833
-Changes of NWC	(6,556)	(5,645)
-Adjustment & Others	(1,095)	69
<b>From Operation</b>	<b>(4,673)</b>	<b>(2,742)</b>
-Financial Instrument	681	536
-Capital Expenditure	(834)	(1,337)
-Effect on changes of consolidated subsidiaries	(10)	(110)
-Others	100	217
<b>From Investment</b>	<b>(63)</b>	<b>(694)</b>
-Financial Debt	3,084	4,222
-Others	(0)	(5)
<b>From Financing</b>	<b>3,083</b>	<b>4,217</b>
<b>Cumulative translation adjustments</b>	<b>1,207</b>	<b>(418)</b>
<b>Net Cash Position Change</b>	<b>(445)</b>	<b>362</b>
<b>Ending Cash Balance</b>	<b>8,427</b>	<b>8,148</b>

(1).Minority interest is included.

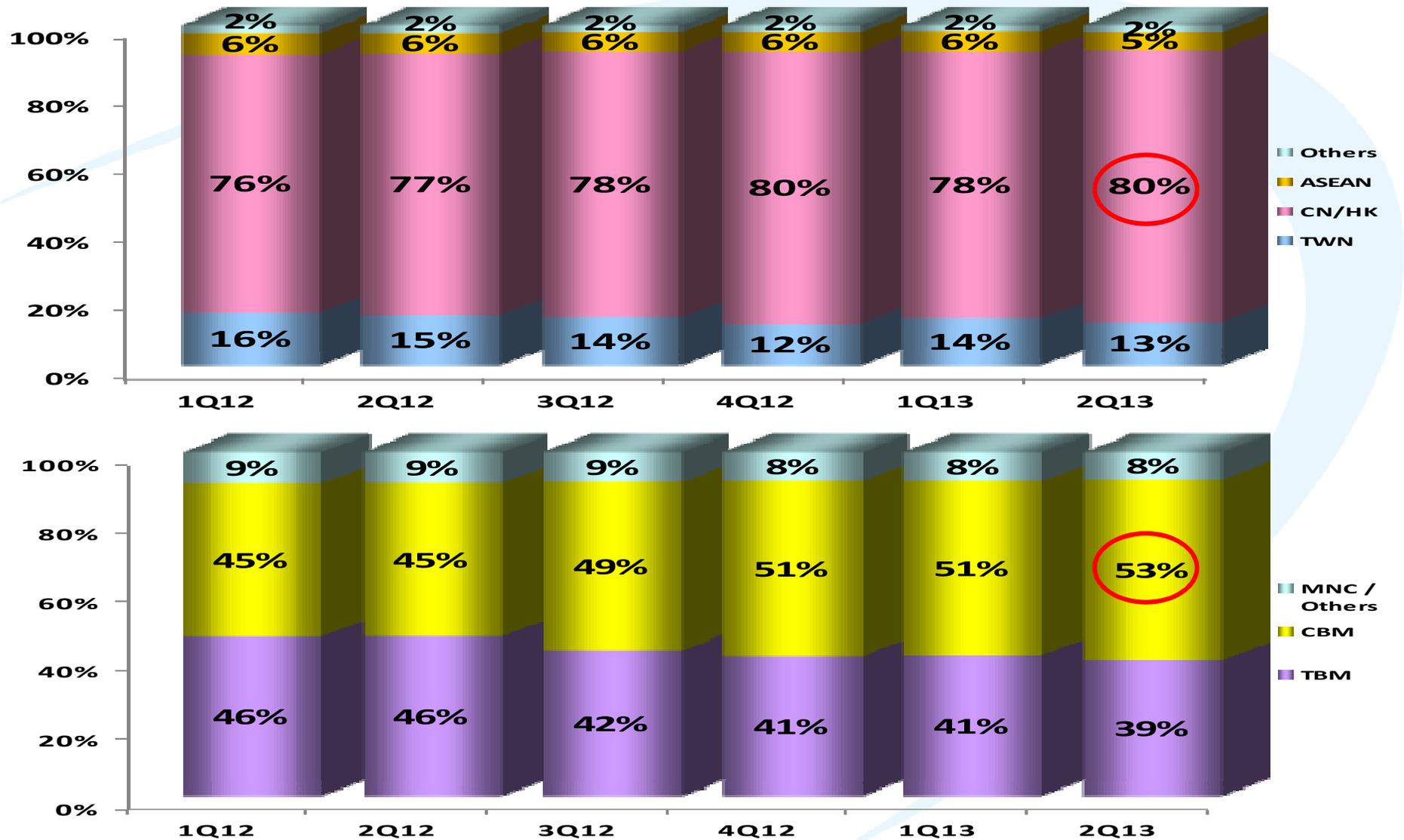
# Consolidated Revenue

Unit: NT\$million



Unaudited, Prepared by WPG based on TIFRS.  
The Benchmark of Distribution

# Sales breakdown by Geography/ Customer



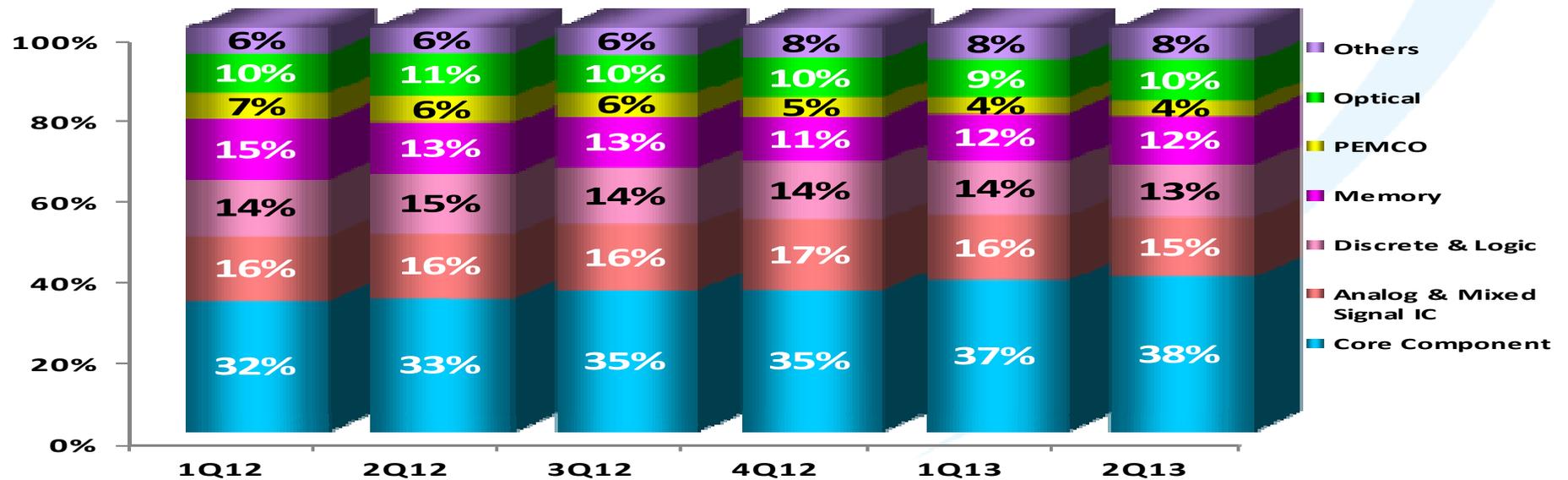
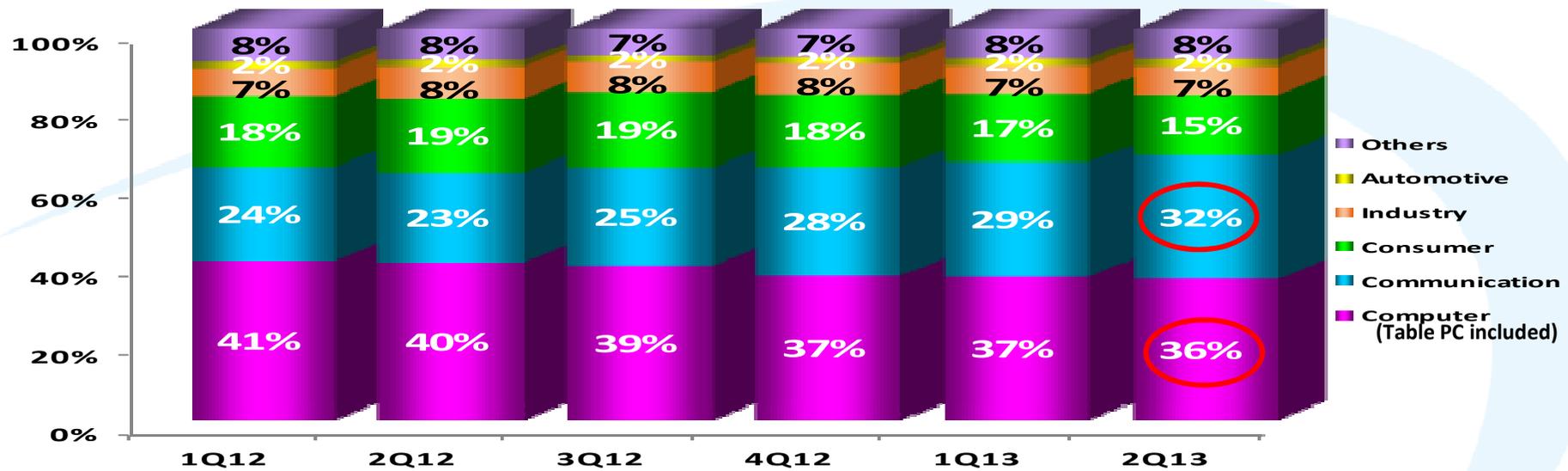
TBM : Taiwan-Based Customers

CBM : China Based Customers

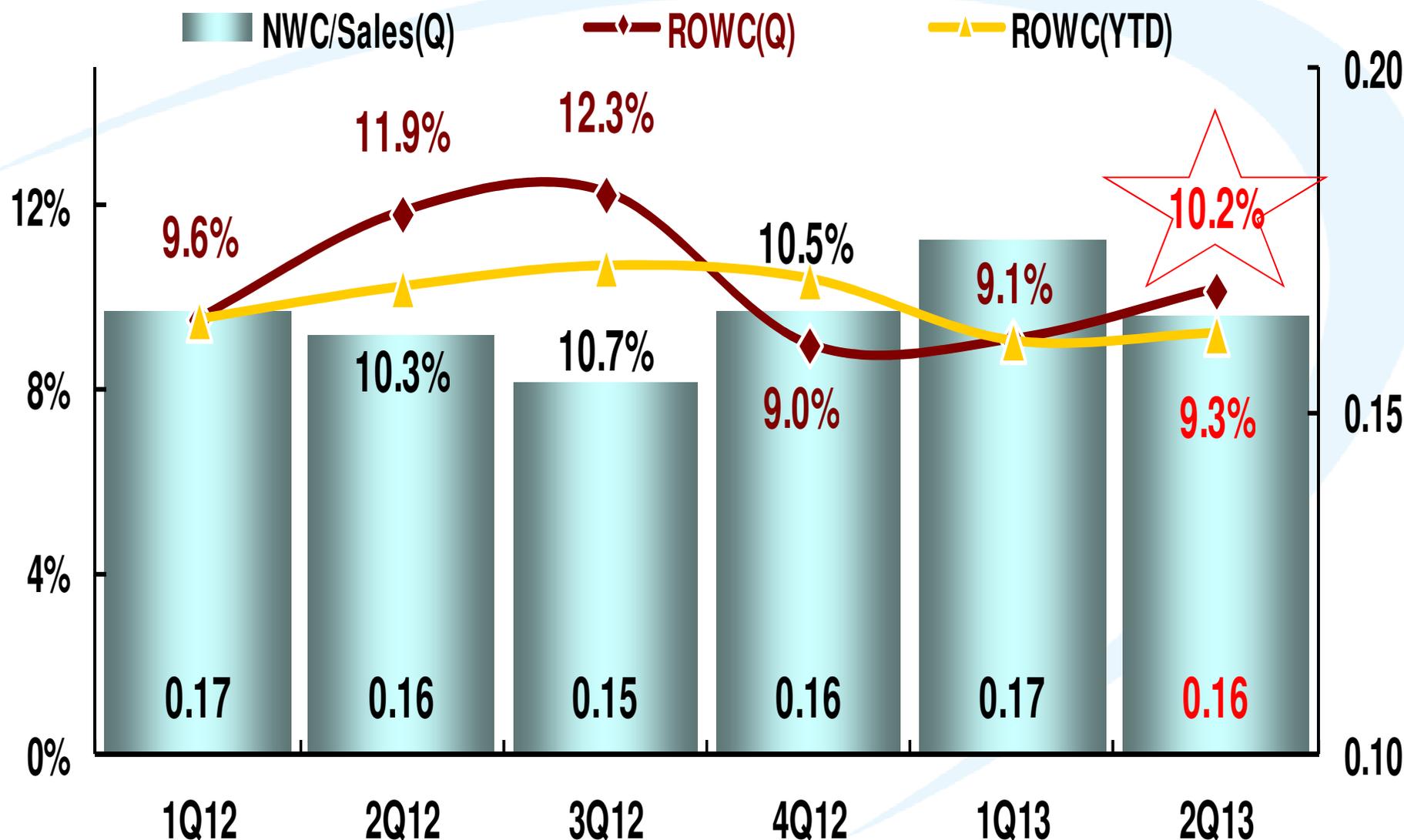
Unaudited, Prepared by WPG based on TIFRS.

**The Benchmark of Distribution**

# Sales breakdown by Application/ Device Type



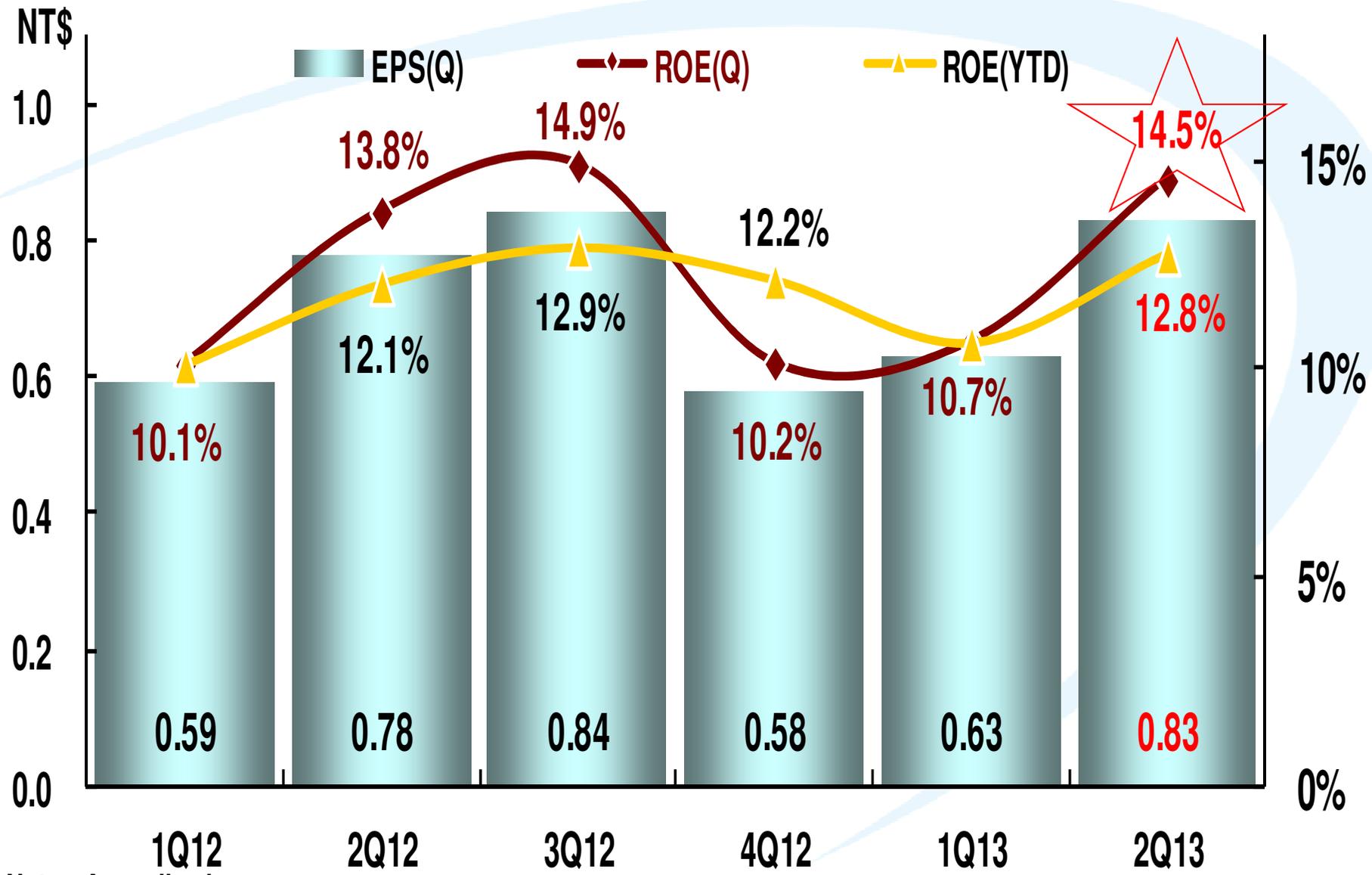
# ROWC vs. NWC/Sales



Note : Annualized

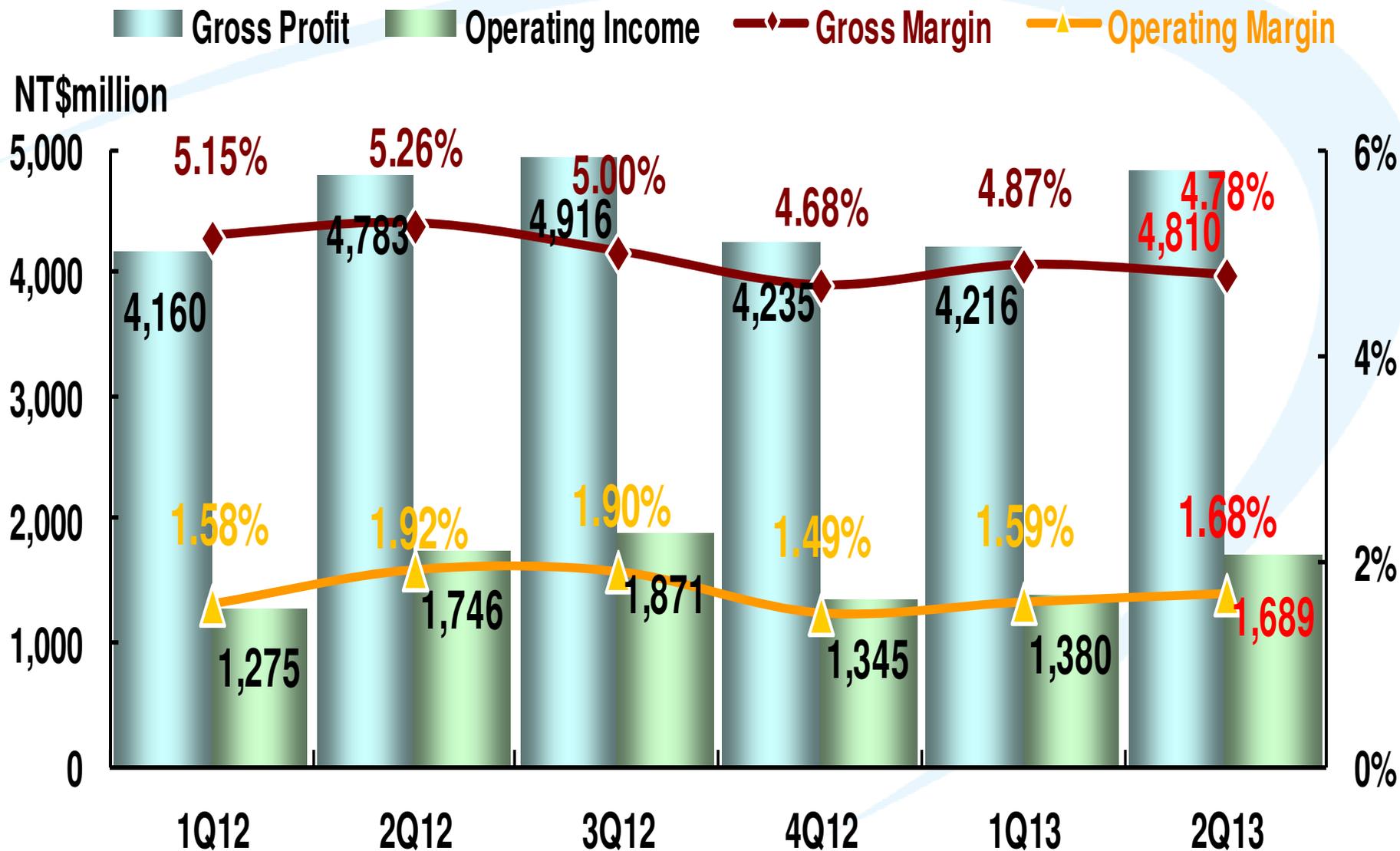
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# ROE vs. EPS



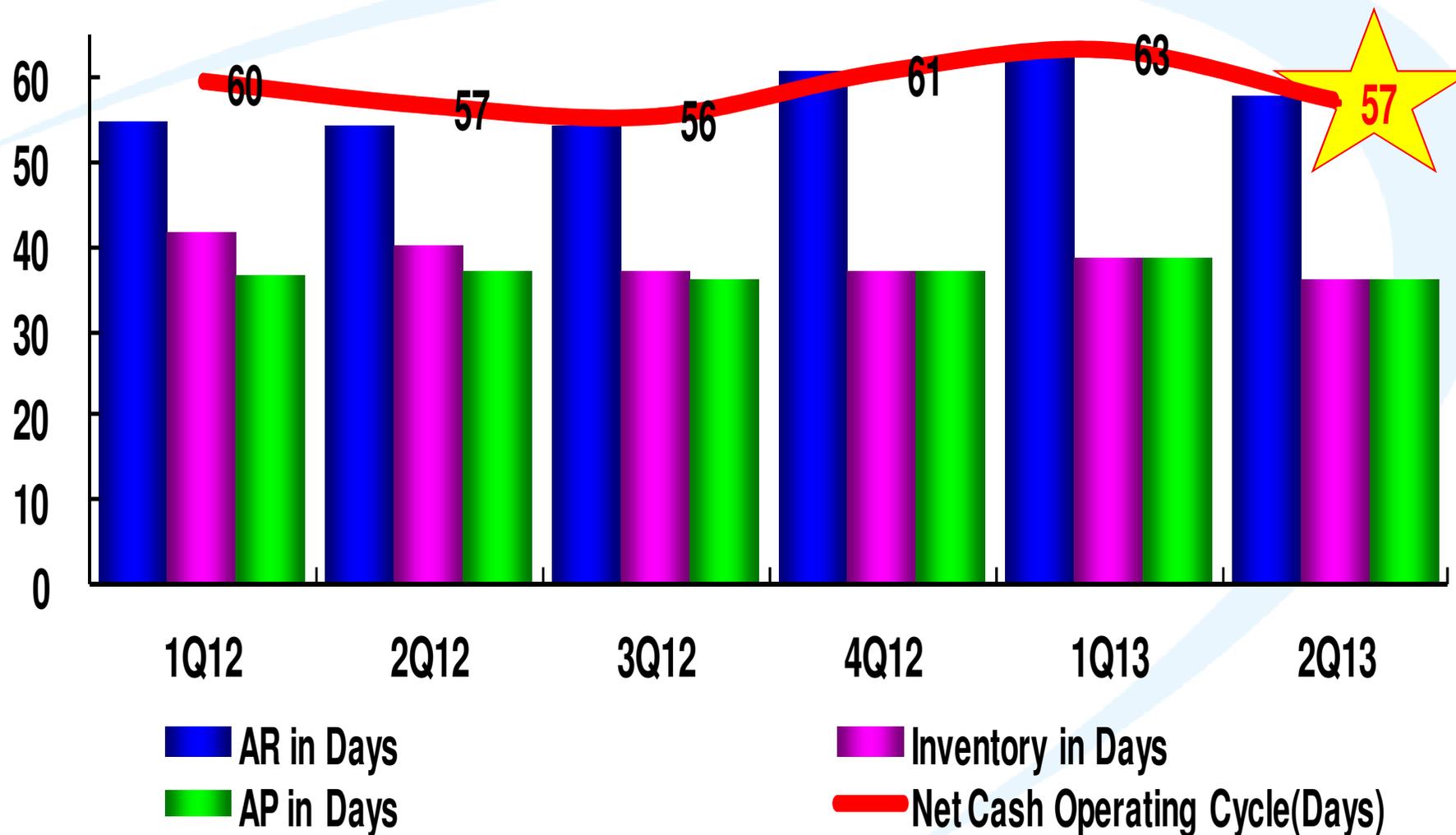
Note : Annualized  
 Unaudited, Prepared by WPG based on TIFRS.  
 The Benchmark of Distribution

# Gross Margin vs. Operating Margin



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The Benchmark of Distribution

# Operating Cash Cycle



# 3Q13 Guidance

Based on our current business outlook, management expects :

- Revenues to be between NT\$ **105** billion and NT\$ **110** billion at a forecast FX rate of 30.1 NT dollars to 1 US dollar averaged over 3Q13.
- Gross profit margin to be between **4.6%** and **4.8%**
- Operating profit margin to be between **1.65%** and **1.85%**

# Recap of Recent Major Events

## ■ 50 Solutions Launched in 2Q13 :



- ▶ 推出高集成·高效率無刷直流電機驅動方案
- ▶ 力推微控制器的直流無刷風機控制方案
- ▶ 力推電機馬達驅動解決方案為馬達驅動控制及風扇設計用戶提供簡易的驅動解決方案
- ▶ 推出馬達控制解解決方案
- ▶ 力推適用馬達控制之完整解決方案
- ▶ 力推多品牌馬達控制方案
- ▶ 推出無線充電 IC 應用方案
- ▶ 推出無線充電元件解決方案
- ▶ 力推無線充電解決方案
- ▶ 推出系列 Qi 標準無線充電方案
- ▶ 推出一攬子智能電網解決方案為智能電網用戶提供豐富和灵活的半導體器件解決方案
- ▶ 推出智慧綠色能源管理解決方案
- ▶ 推出智慧電網元組件解決方案
- ▶ 力推適用智能電表之完整解決方案
- ▶ 推出智能電表方案
- ▶ 推出整合芯片智能電網方案



- 2013-06-05 ▶ 推出藍牙 4.0 無線傳輸技術的遠距醫療方案 2013-05-08
- 2013-06-05 ▶ 推出遠端醫療整合方案 2013-05-08
- 2013-06-05 ▶ 推出遠端醫療照護解決方案 2013-05-08
- 2013-06-05 ▶ 推出遠端醫療照護解決方案 2013-05-08
- 2013-06-05 ▶ 力推 uEnergy 平台適用於醫療照護方案 2013-05-08
- 2013-06-05 ▶ 力推全新一代 SOC 適用於手持式醫療系統與在醫療市場上創新解決方案 2013-05-08



- 2013-05-22 ▶ 推出多媒体播放盒方案 2013-05-08
- 2013-05-22 ▶ 推出智能電視解決方案 2013-05-08
- 2013-05-22 ▶ 推出智能電視整合解決方案 2013-05-08
- 2013-05-22 ▶ 力推適用各種智能電視暨辨識系統需求之解決方案 2013-05-08

Tablet Solution



Car Solution



# Recap of Recent Major Events

## ■ 50 Solutions Launched in 2Q13 :



- ▶ 推出遙控汽車門禁系統(Car Access System)與倒車監控之解決方案 2013-04-24
- ▶ 推出輔助倒車感應系統解決方案 2013-04-24
- ▶ 力推新一代胎壓監測系統 ( TPMS ) 單晶片解決方案 2013-04-24
- ▶ 推出車用感測器解決方案 2013-04-24
- ▶ 力推新一代車用感測器，提供極佳視覺效果 2013-04-24
- ▶ 力推一系列完整的汽車傳感器,後視系統裝置和遙控無鑰匙進入等方案 2013-04-24
- ▶ 針對汽車車身電子重磅推出多種應用解決方案 2013-04-24
- ▶ 力推無鑰匙進入及汽車防盜解決方案帶來絕佳的無鑰匙便利體驗和超凡的汽車防盜性能 2013-04-24
- ▶ 推出應用於免鑰匙感應門鎖系統解決方案 2013-04-24
- ▶ 推出車用電子之 Audio、Filter、USB、車充、內存、微控制器等等解決方案 2013-04-24
- ▶ 力推 SiRFprimaII™ 平台，將頂級的導航與資訊娛樂系統功能帶入汽車市場 2013-04-10
- ▶ 推出車用影音娛樂系統解決方案 2013-04-10
- ▶ 推出車載資訊娛樂主機解決方案 2013-04-10

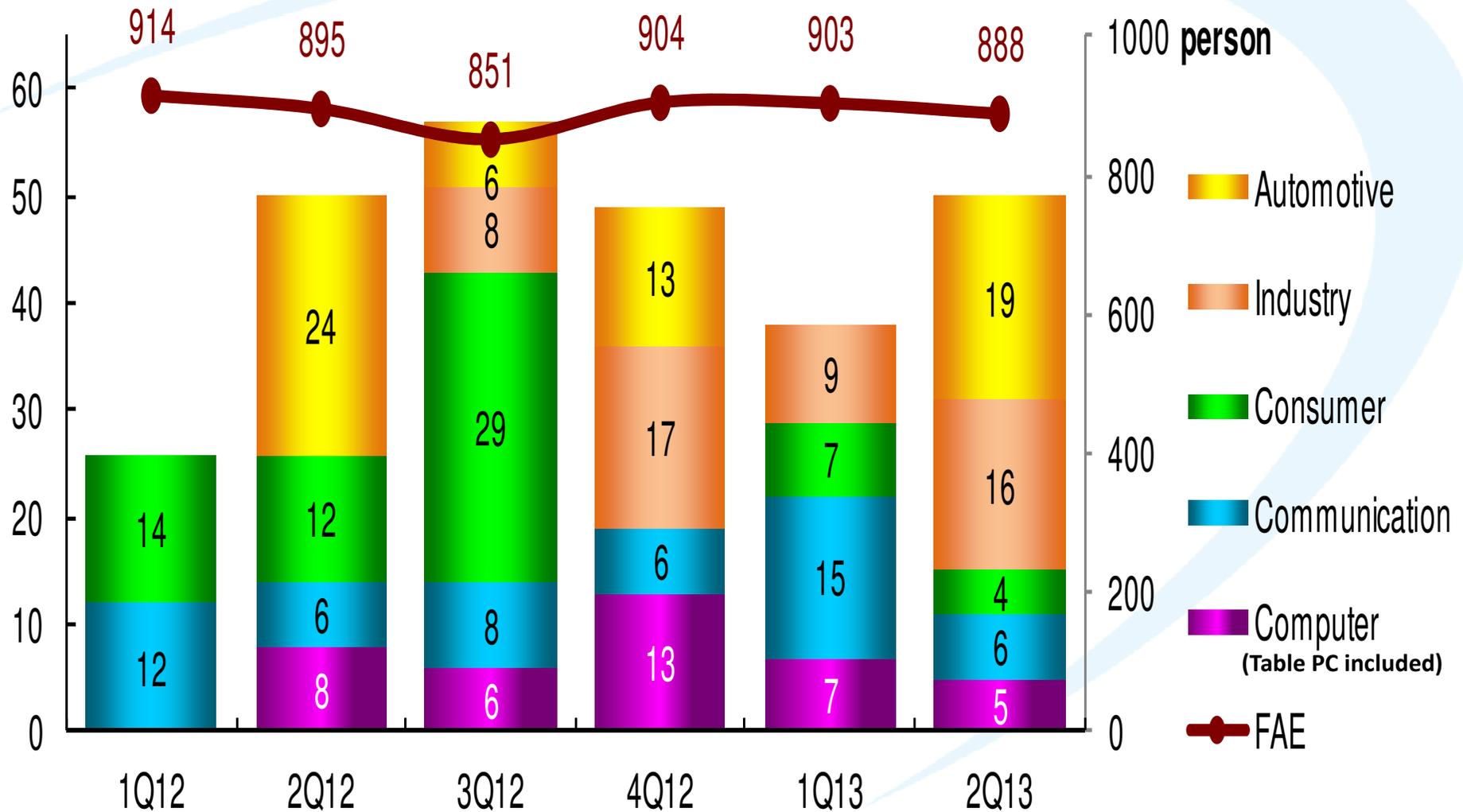


- ▶ 為車用影音娛樂系統提供整體解決方案 2013-04-10
- ▶ 推出車用影音娛樂系統解決方案 2013-04-10
- ▶ 推出車用影音娛樂主、被動整合解決方案 2013-04-10
- ▶ 推出整套車載娛樂系統解決方案 2013-04-10
- ▶ 推出車載娛樂影音及行車記錄儀整體解決方案 2013-04-10
- ▶ 推出 Car Audio 解決方案 2013-04-10



- (Table PC included)
- ▶ 推出高速存取 家庭雲端計算完整解決方案 2013-06-19
  - ▶ 推出雲端計算解決方案 2013-06-19
  - ▶ 推出保護元件、低抖動 MEMS 振盪器推動雲端計算和儲存伺服器可靠性提升的解決方案 2013-06-19
  - ▶ 力推適用雲端儲存裝置之完整解決方案 2013-06-19
  - ▶ 推出雲端運算設備方案 2013-06-19

# More Solutions Launched ...



# Recap of Recent Major Events

- **WPG Holdings ranked “Worldwide No.3, APAC No.1 in 2013 TOP 25 Global Distributors” by EETimes (2013/05)**
- **WPG Annual Shareholder meeting Approved NT\$2.4 Cash Dividend Per Share (2013/06/19)**



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