WPG Holdings

WPG Holdings Ltd.
(3702.TT/3702.TW)
3Q16 Earning Release

Nov 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	
3Q16 Financial Highlights	Cliff Yuan
Q&A	Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	3Q16	2Q16	3Q15	QoQ(%)	YoY(%)
Net Sales	142,259	133,759	140,469	6.4	1.3
Gross Margin	4.17%	4.28%	4.05%	-11 bp	+12 bp
Operating Expenses	(3,376)	(3,321)	(3,341)	1.6	1.1
Operating Income	2,555	2,398	2,342	6.5	9.1
Operating Margin	1.80%	1.79%	1.67%	+.3 bp	+13 bp
Net Income	1,867	1,553	1,617	20.2	15.5
EPS (NT$)(1)	1.12	0.94	0.98		
Net Book Value (NT$)(1)	28.02				
Total Assets	177,523	171,867	188,286		
Total Liabilities	130,106	125,734	140,872		
Total Equity	47,417	46,133	47,414		
Net Working Capital	92,235	90,020	97,842		
Free Cash Flow	(346)	164	(6,160)		
KEY Indices(2)					
ROWC	*11.1%*	*10.7%*	*9.6%*	+42 bp	+151 bp
NWC/Sales	*0.16*	*0.17*	*0.17*		
ROE	*15.8%*	*13.3%*	*14.1%*	+248 bp	+170 bp
Gearing	1.15	1.17	1.35		
(1).Weighted average shares outstanding	1,674	1,656	1,656		

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit:NT$million

Item	3Q16	2Q16	QoQ(%)	3Q15	YoY(%)
Net operating Revenue	142,259	133,759	6.4	140,469	1.3
COGS	(136,328)	(128,040)	6.5	(134,787)	1.1
Gross Profit	5,931	5,719	3.7	5,682	4.4
Gross Margin	4.17%	4.28%		4.05%	
Operating Expenses	(3,376)	(3,321)	1.6	(3,341)	1.1
Operating Income	2,555	2,398	6.5	2,342	9.1
Operating Margin	1.80%	1.79%		1.67%	
Net Non-operating Items	(284)	(368)	(22.7)	(383)	(25.8)
Net Financing costs	(370)	(350)	5.7	(352)	5.2
Others	86	(17)		(31)	
Profit Before Tax/Minority	2,271	2,031	11.8	1,959	15.9
Tax	(398)	(473)	(15.9)	(341)	16.6
Minority/Accounting Principle Change	(6)	(5)		(1)	
Profit After Tax/Minority	1,867	1,553	20.2	1,617	15.5
Net Margin	1.31%	1.16%		1.15%	
EPS (NT$)(1)	1.12	0.94		0.98	
Tax %	18%	23%		17%	
(1).Weighted average shares outstanding	1,674	1,656		1,656	

Unaudited, Prepared by WPG based on TIFRS.

Balance Sheet

Unit:NT$million	3Q16		2Q16		3Q15	
item	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	7,078	4	8,004	5	10,250	5
Accounts Receivable - Trade	94,033	53	86,498	50	93,167	49
Inventory	50,927	29	53,854	31	60,686	32
Current Assets	163,811	92	158,526	92	174,538	93
Others	13,712	8	13,341	8	13,748	7
Total Assets	177,523	100	171,867	100	188,286	100
Current Interest-bearing Debt	52,631	30	48,093	28	62,512	33
Accounts Payble	52,725	30	50,332	29	56,011	30
Accrued Liabilities and Others	12,510	7	10,328	6	7,934	4
Current Liabilities	117,866	66	108,753	63	126,457	67
Long-term Interest-bearing Debt	11,168	6	15,878	9	13,428	7
Others	1,072	1	1,103	1	987	1
Total Liabilities	130,106	73	125,734	73	140,872	75
Total Equity	47,417	27	46,133	27	47,414	25
KEY Indices(1)						
Net Working Capital (NT$million)	92,235		90,020		97,842	
AR Turnover (Days)	58		56		57	
Inventory Turnover (Days)	35		39		39	
AP Turnover (Days)	34		34		35	
Average Collection Periods (Days)	58		61		61	
Current Ratio	139%		146%		138%	
Gearing	1.15		1.17		1.35	

(1).Annualized

Unaudited, Prepared by WPG based on TIFRS.

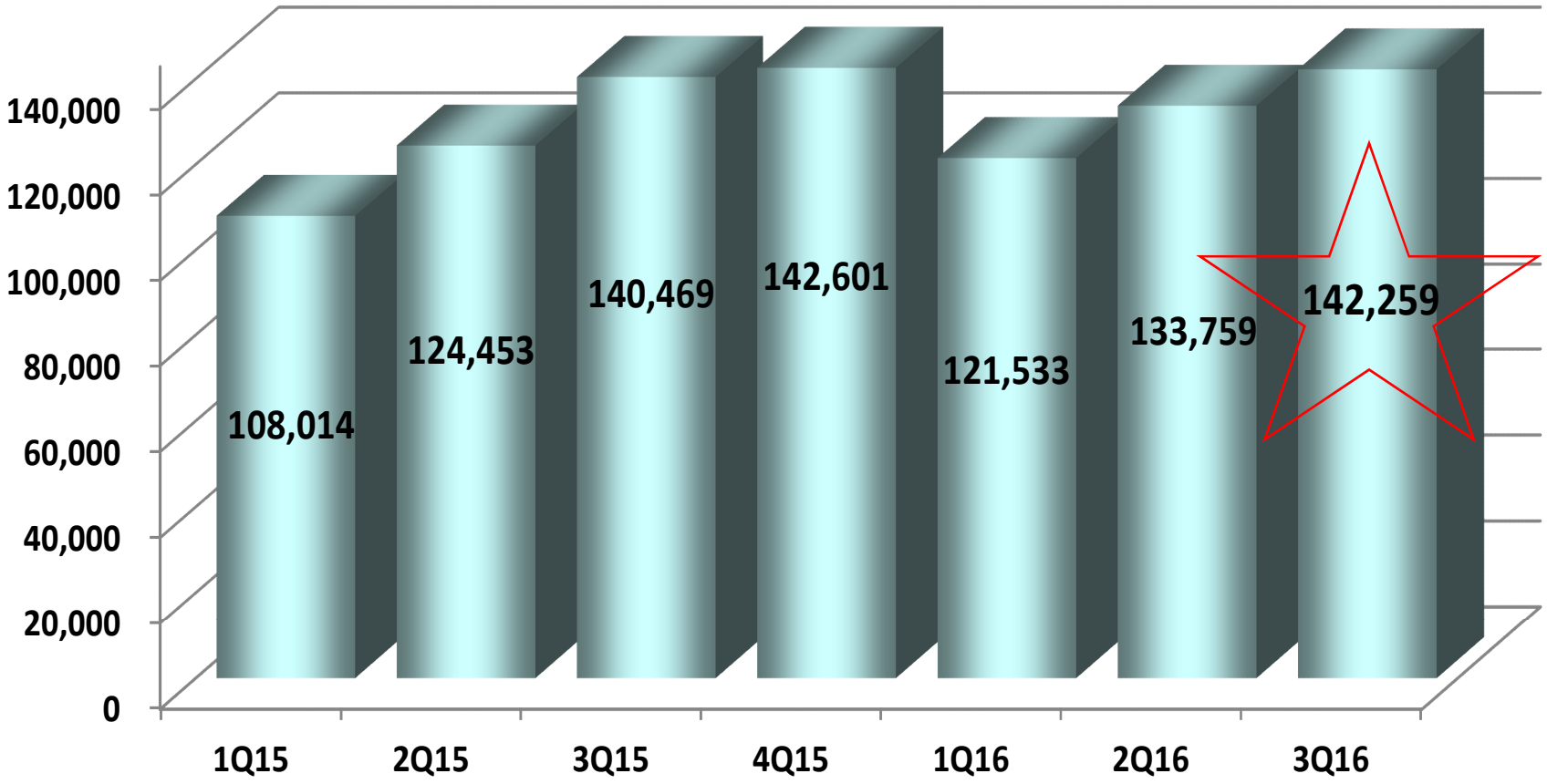
Cash Flows

Unit:NT$m	3Q16	2Q16	3Q15
-Income before Income Tax	2,271	2,031	1,959
-Changes of NWC	(2,073)	(3,229)	(7,079)
-Adjustment & Others	(544)	1,362	(1,040)
From Operation	**(346)**	**164**	**(6,160)**
-Financial Instrument	(446)	(462)	(1,023)
-Capital Expenditure	62	(33)	11
-Acquisition of subsidiaries	-	-	5
-Others	(555)	10	(131)
From Investment	**(939)**	**(485)**	**(1,138)**
-Financial Debt	6,054	(1,039)	10,004
-Cash Dividends	(3,974)	-	(4,139)
-Others	9	20	54
From Financing	**2,089**	**(1,020)**	**5,919**
Cumulative translation adjustments	**(1,715)**	**(143)**	**3,074**
Net Cash Position Change	**(912)**	**(1,483)**	**1,695**
Ending Cash Balance	**7,055**	**7,967**	**10,195**

Unaudited, Prepared by WPG based on TIFRS.

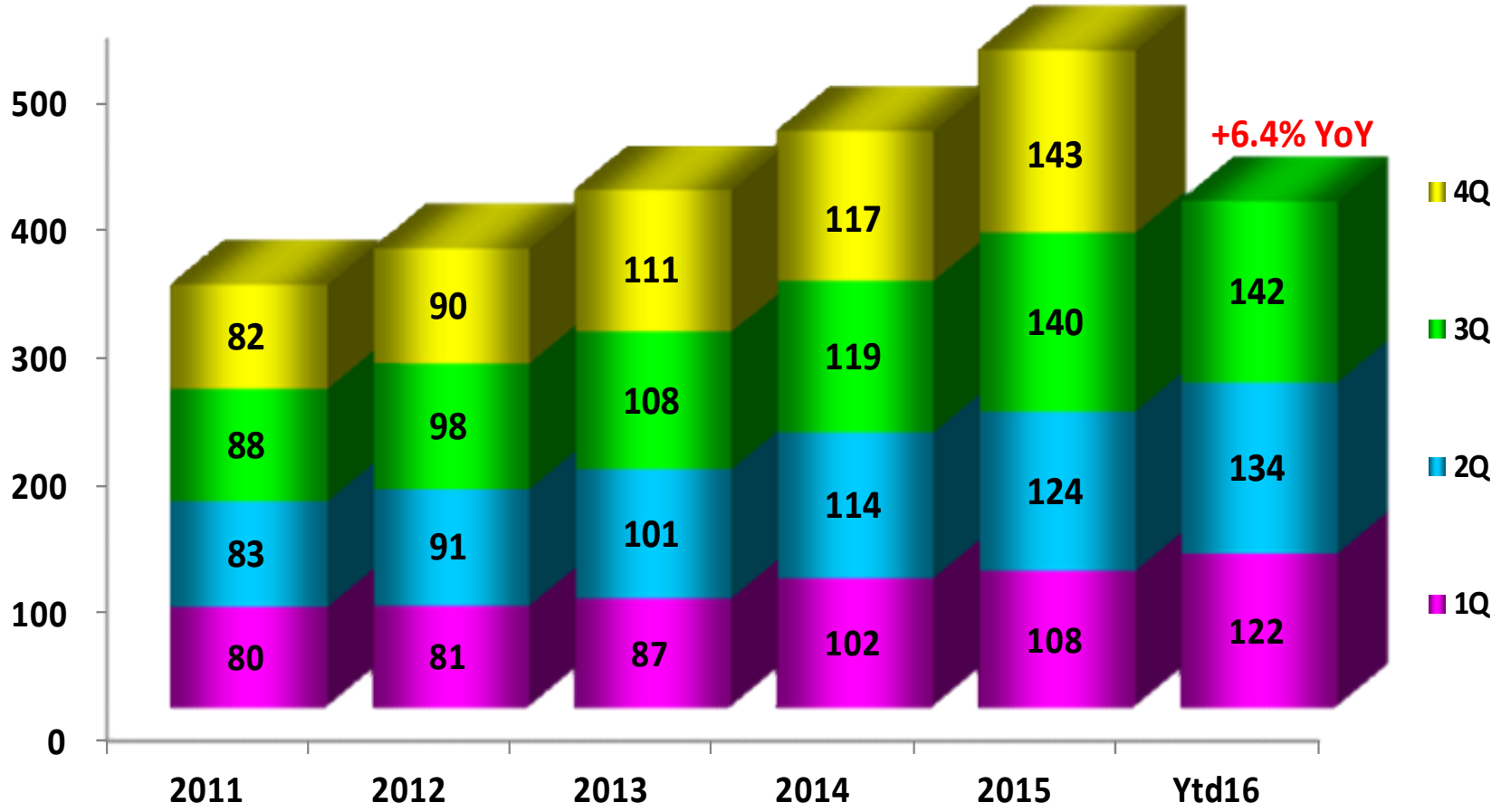
Consolidated Revenue

Unit: NT$million

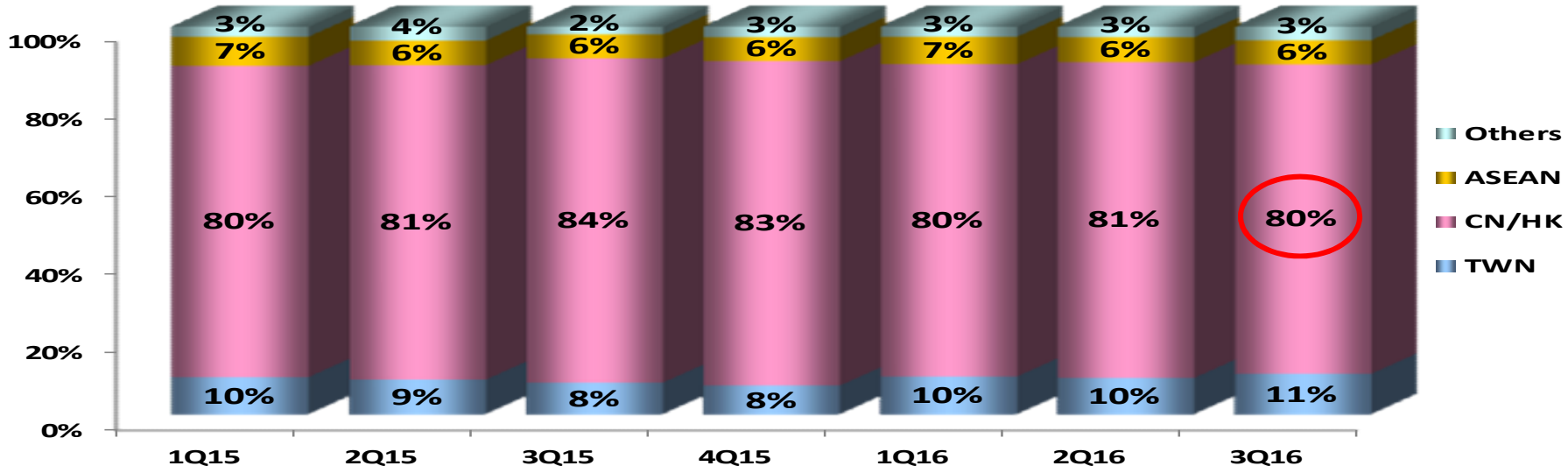


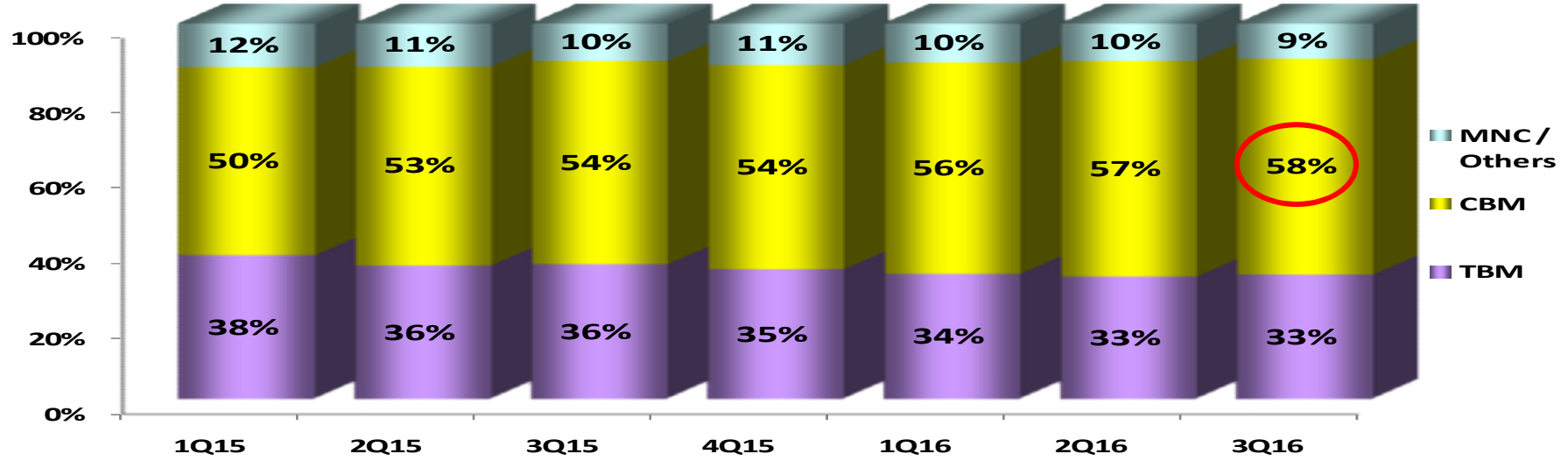
Consolidated Revenue

Unit: NT$billion



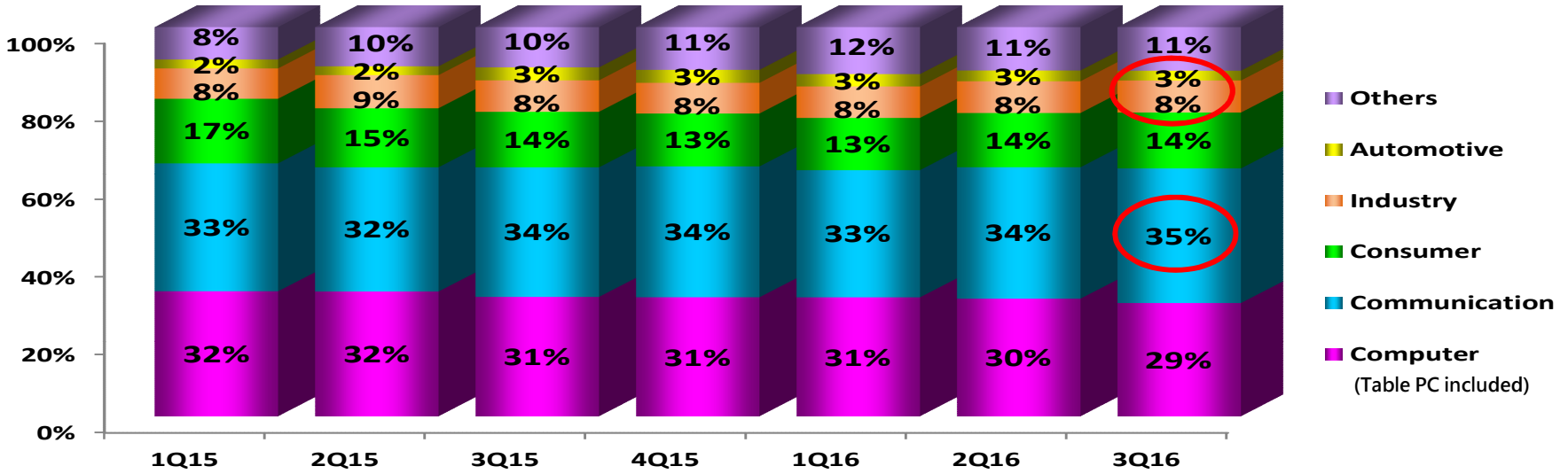
Sales breakdown by Geography/ Customer

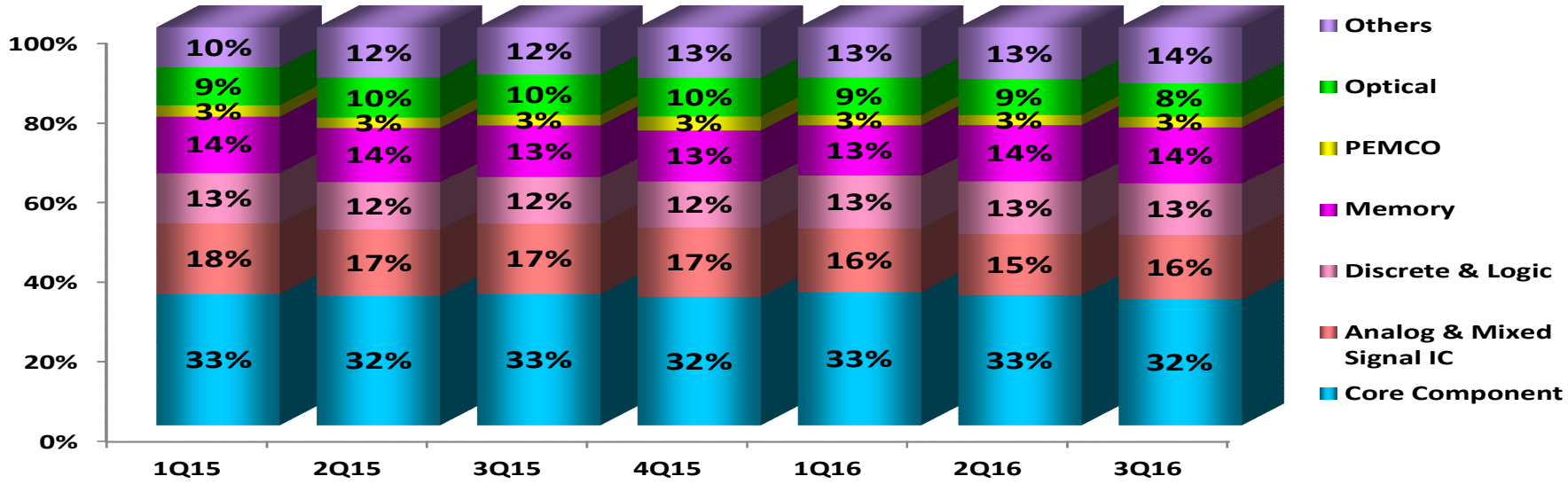




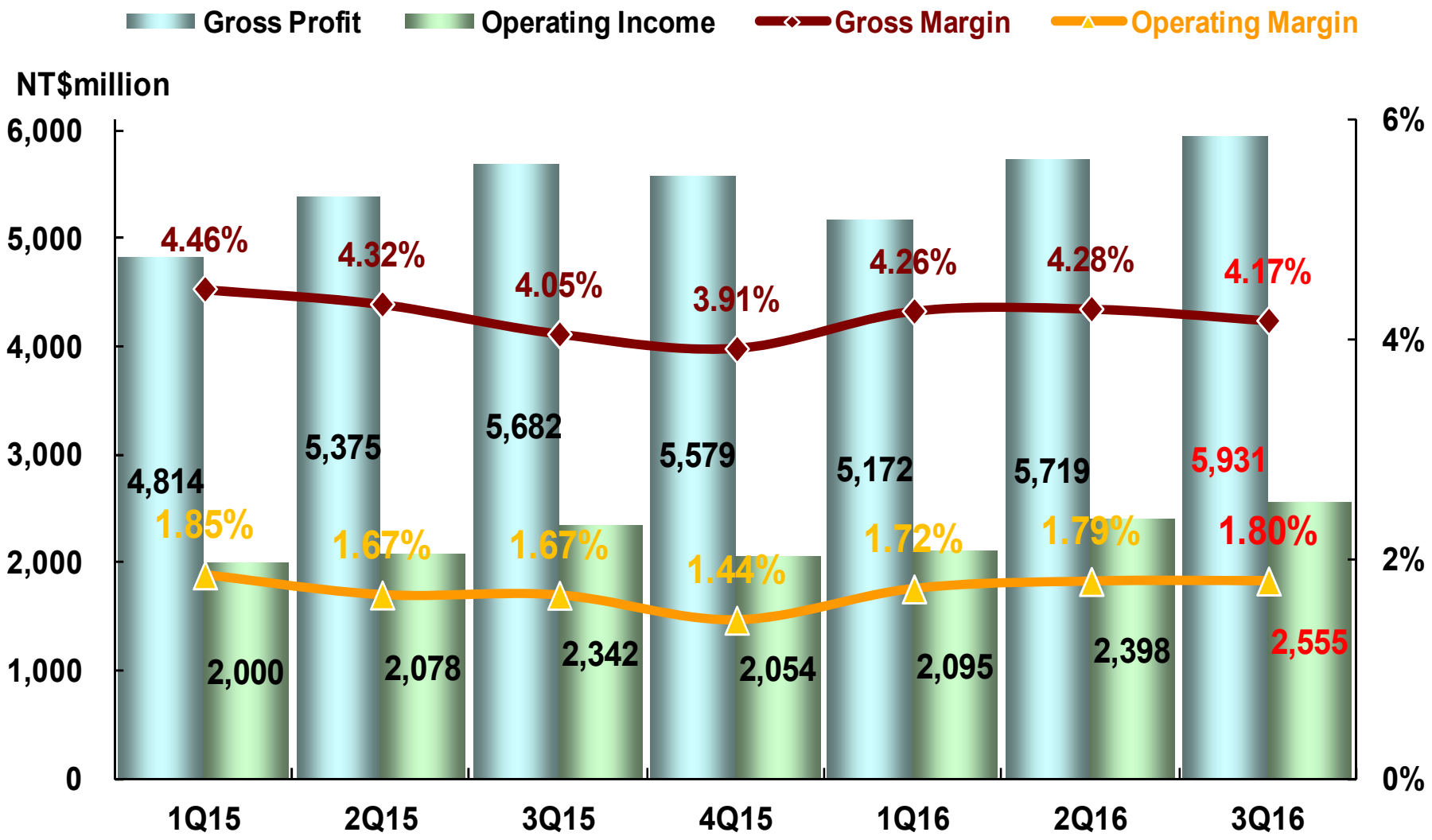
TBM：Taiwan-Based Customers
CBM：China Based Customers

Sales breakdown by Application/ Device Type

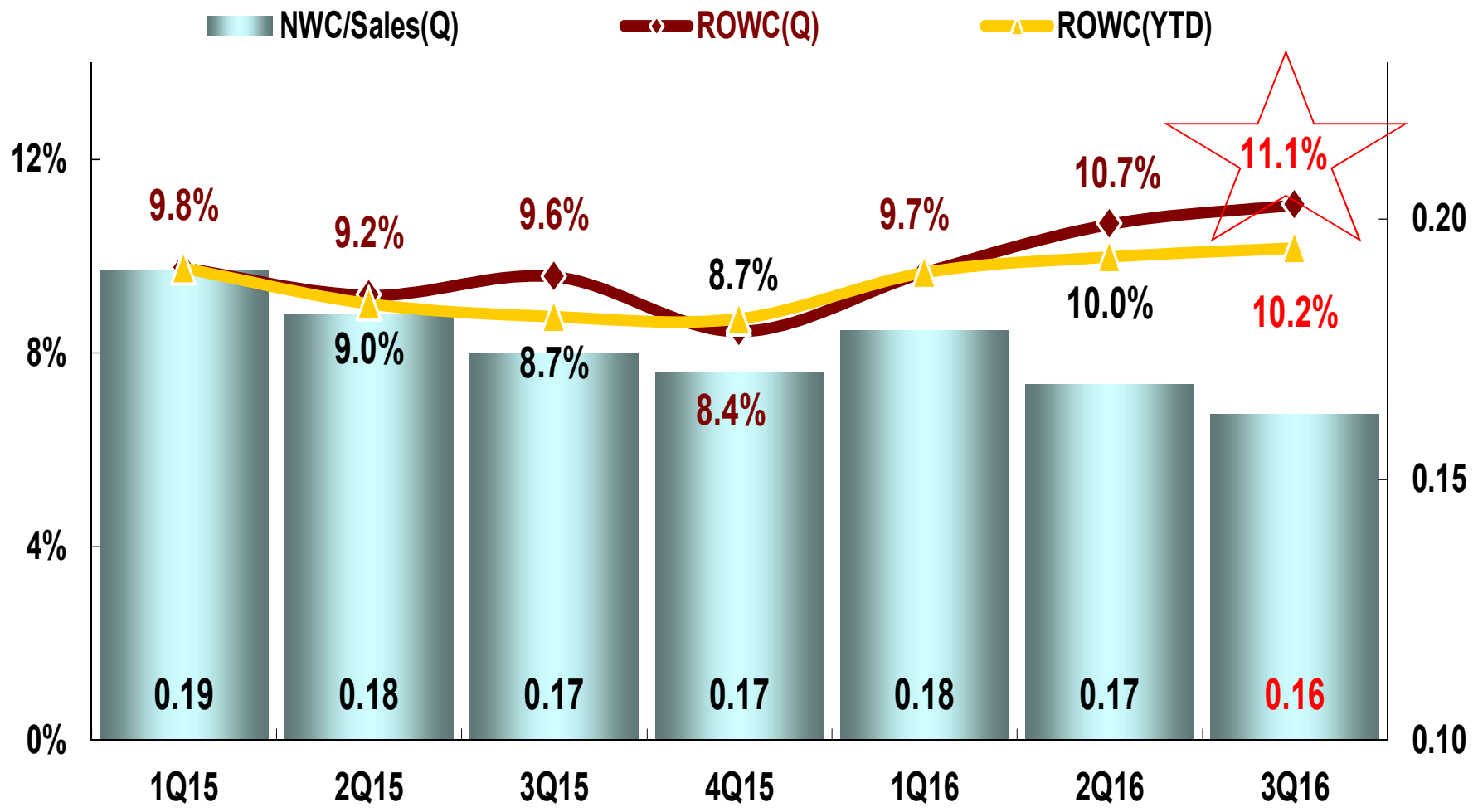




Gross Margin vs. Operating Margin

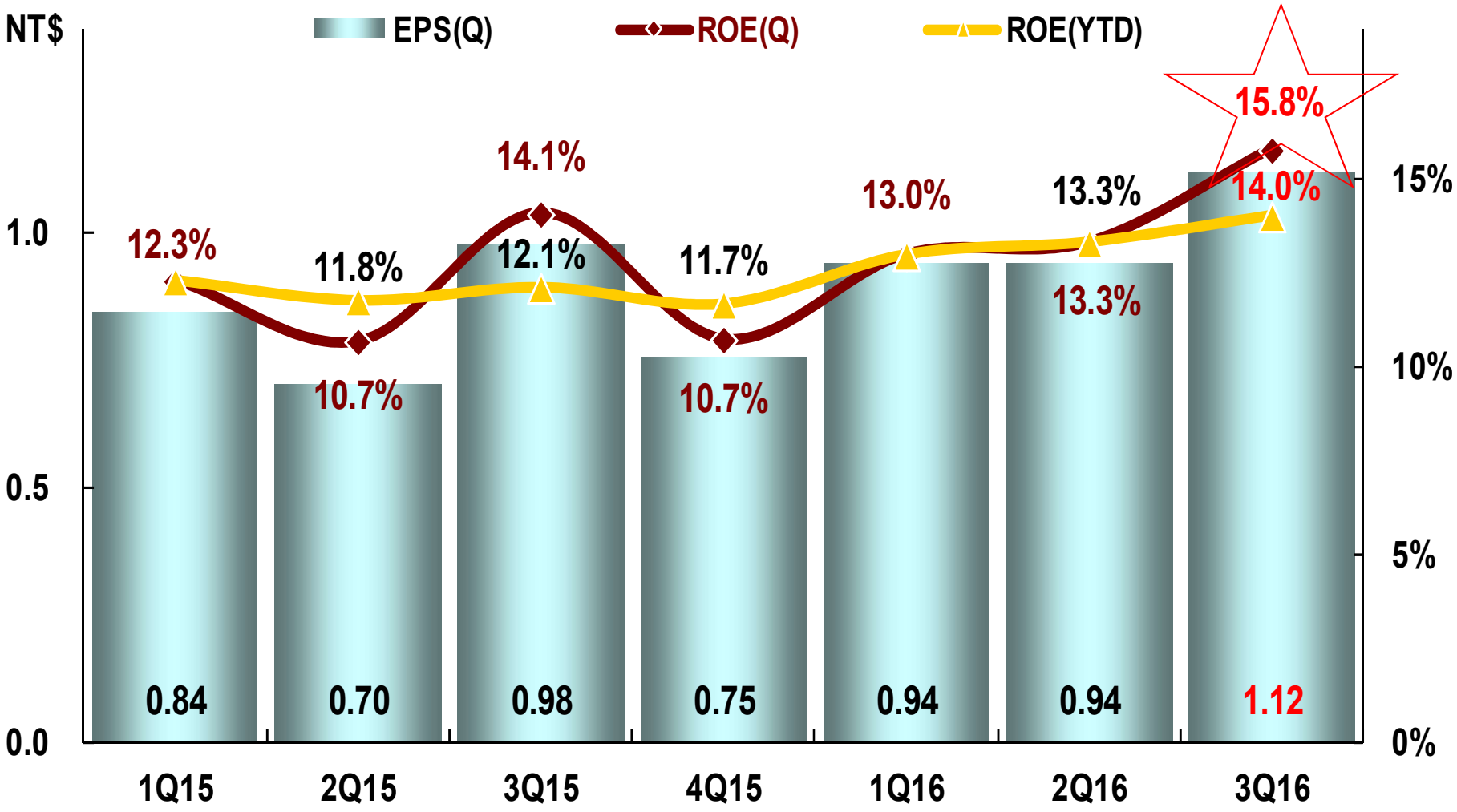


ROWC vs. NWC/Sales



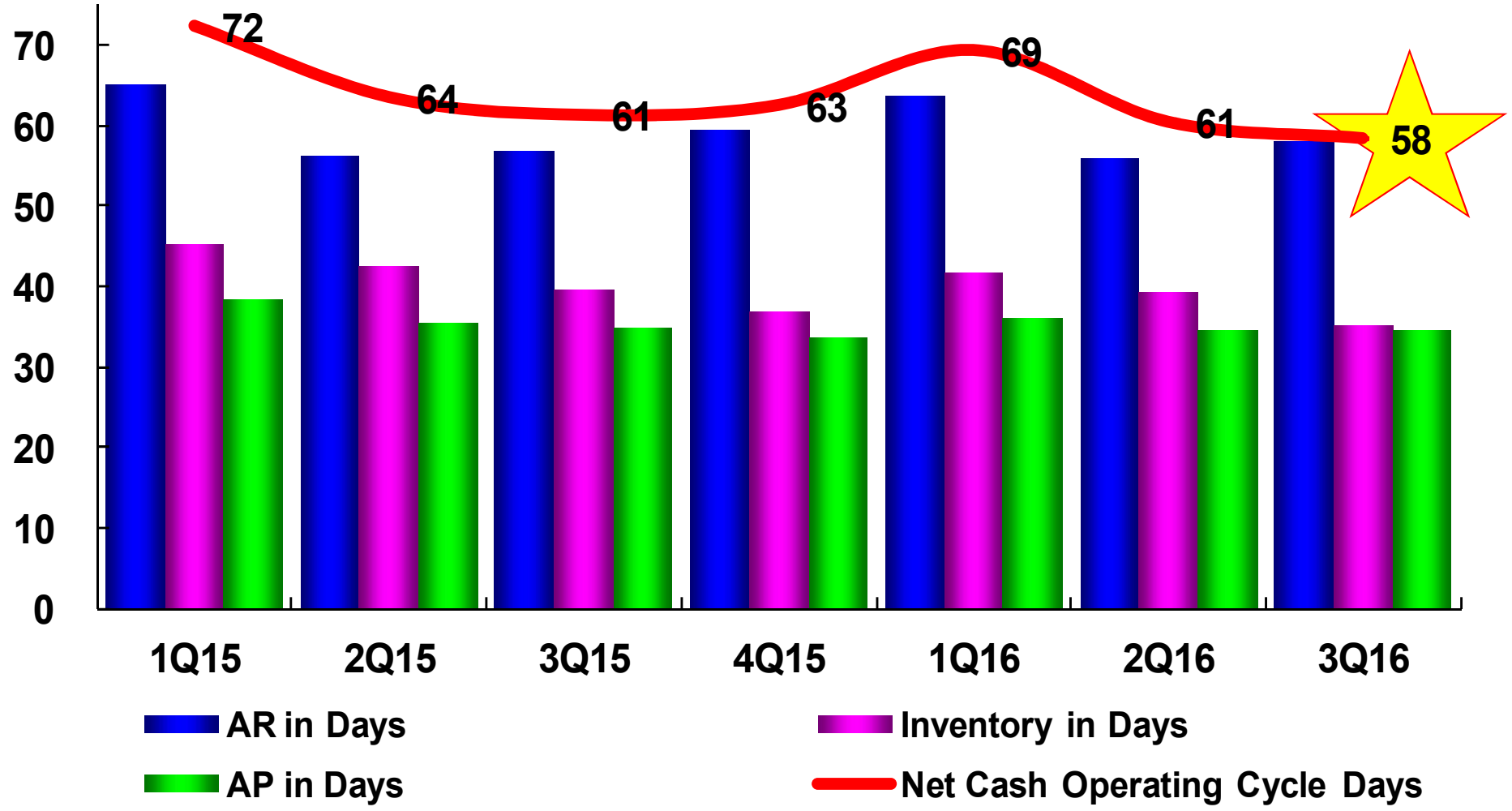
Note：Annualized

ROE vs. EPS



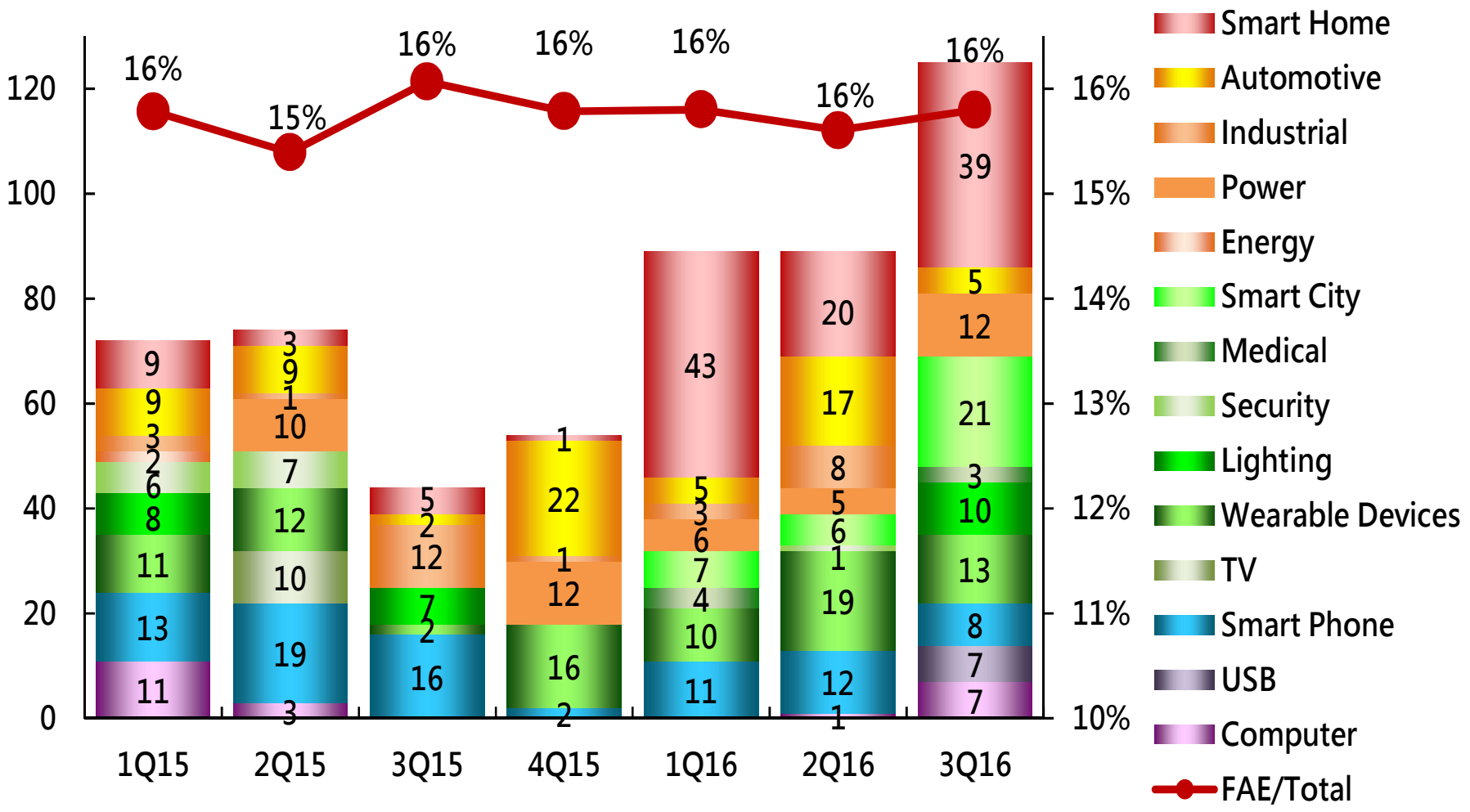
Note：Annualized

Operating Cash Cycle



Note：Annualized

More Solutions Launched



http://www.wpgholdings.com/hotchannel/index/zhtw

http://iot.wpgo2o.com/iot/index/zhtw

125 Solutions Launched in 3Q16



基於多功能智慧手環解決方案	2016-07-13
聯合廠商推出智慧健康手環	2016-07-13
基於紫外線檢測方案	2016-07-13
智慧心率感測錶	2016-07-13
基於高整合度智慧手環方案	2016-07-13
基於含UV偵測功能智慧型手錶	2016-07-13
智能運動心率手錶方案	2016-07-13
基於智慧健康手環方案	2016-07-13
基於心率耳機解決方案	2016-07-13
基於低功耗MCU的智慧手環解決方案	2016-07-13
基於藍牙4.0的智慧眼鏡解決方案	2016-07-13
運動手環方案	2016-07-13
藍牙防丟器方案	2016-07-13



力推系列於PC/伺服器電源應用	2016-09-21
力推高效UPS解決方案	2016-09-21
力推帶CIP功能的电源转换解决方案	2016-09-21
推出400W電視主機板高效率電源配置	2016-09-21
力推USB Type-C Only電源適配器及大電流手機直充方案	2016-09-21
快得有點狠！推出支援QC3.0的快充方案	2016-09-21
推出Type-C快充電源解決方案	2016-09-21
力推電源解決方案	2016-09-21
力推多重模式返馳式控制器於AC/DC電源產品應用	2016-09-21
推出雙向USB Type-C快充移動電源完整解決方案	2016-08-10
力推高整合低成本USB-PD電源連接器解決方案	2016-08-10
讓充電無處不在~推出帶Type-C & USB PD協議的充電方案	2016-08-10



力推 NFC移動設備支付方案	2016-08-24
力推適用行動上網之完整解決方案	2016-08-24
推出藍牙解決方案	2016-08-24
推出新的低能耗藍牙Bluetooth單片解決方案	2016-08-24
推出基於平臺的平板電腦方案	2016-08-24
力推手勢識別解決方案	2016-08-16
推出Wi-Fi /BT智能無線多室音頻方案	2016-07-27



推出全新USB Type-C擴充基座系統設計，提供音效、USB數據、功率和影像支援	2016-09-21
單電纜時代來臨~打造Type-C完善方案	2016-08-10
力推USB Type-C信號調節應用方案	2016-08-10
USB Type-C 解決方案	2016-08-10
推出USB 3.1 Type-C控制晶片	2016-08-10
推出USB-C和電力傳輸解決方案	2016-08-10
開啟 Hi-Fi 級音樂盛宴~推出Type-C&Lightning 數位耳機解決方案	2016-08-10



Type-C & USB PD Solution

125 Solutions Launched in 3Q16



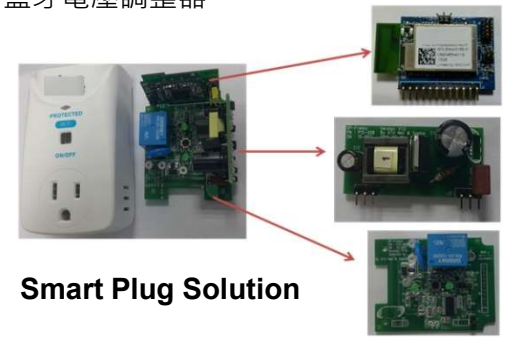
- 主推BLE Smart Lock解決方案 2016-07-27
- 力推基於Bluetooth 智能門鎖應用方案 2016-07-27
- 主推基於藍牙4.1 BLE體感遙控器 2016-07-27
- 對話智慧物聯~推出語音物聯網開發板方案 2016-07-27
- 力推適用智能家居應用裝置方案 2016-07-27
- 推出Smart Plug解決方案 2016-07-27
- 智慧魔盒~推出最新ZigBee智慧生活開發套件 2016-07-27
- 推出智慧家居解決方案 2016-07-27
- 推出藍牙4.1 BLE環境偵測器 2016-07-27
- 推出第一款無線音訊模組 2016-07-27
- 推出基於WIFI電動窗簾解決方案 2016-07-27
- 推出微控制器，應用於和Arduino之智能家居產品 2016-07-27
- 力推智能插座方案 2016-07-27
- 基於接入雲的智慧插座解決方案 2016-07-13
- 基於接入微信的物聯網網關方案 2016-07-13
- 基於物聯網網關解決方案 2016-07-13
- 智慧電視盒方案 2016-07-13
- 基於帶語音功能的物聯網開發板方案 2016-07-13
- 基於接入雲端的智慧插座解決方案 2016-07-13
- 基于ZigBee的Smart Home Box居家安控七件套方案 2016-07-13
- 智慧調光解決方案 2016-07-13
- 基於近距離感應方案 2016-07-13
- 基於支援 Arduino介面的智慧家居開發板方案 2016-07-13
- 基於結合平臺的智慧插座方案 2016-07-13
- 基於BLE多功能感測集線器方案 2016-07-13
- 基於空氣品質監控感應器 2016-07-13
- 基於BLE門磁方案 2016-07-13
- 基於藍牙BLE 4.0的智慧濕度計解決方案 2016-07-13



- 基於WiFi智慧冰箱方案 2016-07-13
- 基於WiFi智慧抽油煙機方案 2016-07-13
- 基於WiFi智慧空氣淨化器方案 2016-07-13
- 基於WiFi智慧熱水器機解決方案 2016-07-13
- 電動升降桌方案 2016-07-13
- 基於Wi-Fi /BT串流音樂分享方案 2016-07-13
- 基於電視藍牙音訊發射器方案 2016-07-13
- 無線話筒 2016-07-13
- Bluetooth智能門鎖 2016-07-13
- 基於NFC智慧玩具配對應用方案 2016-07-13
- 基於wifi智慧LED 2016-07-13



- 推出QC3.0+USB PD二合一Type-C車用充電器解決方案 2016-09-21
- 力推行車記錄儀及無線電源接收器完整解決方案 2016-09-21
- 基於WiFi車載影音導航系統方案 2016-07-13
- 智慧行車記錄儀方案 2016-07-13
- 基於BLE車用藍牙電壓調整器 2016-07-13



Smart Plug Solution

125 Solutions Launched in 3Q16



基於接入360雲端的網路攝像頭方案	2016-07-13
基於接入雲端的網路攝像頭方案	2016-07-13
基於接入物聯的網路攝像頭方案	2016-07-13
基於檢測當前環境顏色方案	2016-07-13
聯合廠商的互動學習成長機器人	2016-07-13
聯合廠商推出低功耗待機電池供電門鈴方案	2016-07-13
基於LoRa模組長距離GPS監控	2016-07-13
基於LoRa and FSR貨物數量(壓力)監測方案	2016-07-13
基於LoRa水質酸鹼監測方案	2016-07-13
基於LoRa長距離溫度溼度監控方案	2016-07-13
基於LoRa 光學空氣品質感測器方案	2016-07-13
基於BLE應用在工業4.0的介面轉換器方案	2016-07-13
基於LoRa技術的鐵路移動物聯網設計方案	2016-07-13
基於與Wi-Fi應用在工業4.0的介面轉換器方案	2016-07-13
基於LoRA長距離無線技術之物聯網一氧化碳警告方案	2016-07-13
基於LoRA長距離無線技術之物聯網火災監控方案	2016-07-13
禽蛋孵化溫度管理系統	2016-07-13
基於藍牙支付水錶模組方案	2016-07-13
基於Bluetooth平臺連入機智雲印表機方案	2016-07-13
基於ZigBee智慧農業灌溉系統	2016-07-13
基於智慧調光路燈	2016-07-13



基於物聯網節點之電子行動手杖	2016-07-13
智慧體溫棒方案	2016-07-13
智慧助聽器	2016-07-13



智慧生活 “來襲” ~推出Zigbee 照明多樣化 LED調光驅動方案	2016-07-13
力推適用LED照明應用裝置方案	2016-07-13
推出BLE智慧照明無EMI方案	2016-07-13
力推基於BLE4.0智能照明解決方案	2016-07-13
基於Zigbee的PWM控制LED照明方案	2016-07-13
基於藍牙無線Mesh技術智慧照明系統	2016-07-13
推出BLE智慧控制LED調光驅動方案	2016-07-13
推出LED調節NFC驅動方案	2016-07-13
推出Wifi智慧LED方案	2016-07-13
基于Mesh技术照明系统	2016-07-13



推出適用智能手機解決方案	2016-09-07
主推適用智能手機之完整解決方案	2016-09-07
打開移動支付的大門~推出近場通訊方案	2016-09-07
推出Hi-Fi audio headset晶片方案	2016-09-07
推出高性能微型NFC標籤解決方案	2016-09-07
推出新一代6軸MEMS慣性感測器模組，智慧手機升級為智慧個人助理	2016-09-07
力推低雜訊放大器多工器(LMM)於智能手機應用	2016-09-07
高保真音質,暢享聽覺盛宴~推出Smart Audio解決方案	2016-09-07



IP Camara Solution

Result Highlights

Unit:NT$million

item	Ytd16	Ytd15	YoY (%)
Net Sales	397,551	372,936	6.6
Gross Margin	4.23%	4.26%	-2 bp
Operating Expenses	(9,773)	(9,452)	3.4
Operating Income	7,049	6,420	9.8
Operating Margin	1.77%	1.72%	+5 bp
Net Income	4,975	4,175	19.2
EPS (NT$)(1)	2.99	2.52	
Total Assets	177,523	188,286	
Total Liabilities	130,106	140,872	
Total Equity	47,417	47,414	
Net Working Capital	92,235	97,842	
Free Cash Flow	13,814	(6,063)	
KEY Indices(2)			
ROWC	*10.2%*	*8.7%*	+144 bp
NWC/Sales	*0.17*	*0.20*	
ROE	*14.0%*	*12.1%*	+190 bp
Gearing	1.15	1.35	
(1).Weighted average shares outstanding	1,662	1,656	

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit:NT$million

Item	Ytd16	Ytd15	YoY(%)
Net operating Revenue	397,551	372,936	6.6
COGS	(380,729)	(357,064)	6.6
Gross Profit	16,822	15,871	6.0
Gross Margin	4.23%	4.26%	
Operating Expenses	(9,773)	(9,452)	3.4
Operating Income	7,049	6,420	9.8
Operating Margin	1.77%	1.72%	
Net Non-operating Items	(844)	(852)	(0.9)
Net Financing costs	(1,111)	(1,006)	10.5
Others	267	154	
Profit Before Tax/Minority	6,204	5,568	11.4
Tax	(1,213)	(1,387)	(12.5)
Minority/Accounting Principle Change	(16)	(6)	
Profit After Tax/Minority	4,975	4,175	19.2
Net Margin	1.25%	1.12%	
EPS (NT$)(1)	2.99	2.52	
Tax%	20%	25%	
(1).Weighted average shares outstanding	1,662	1,656	

Unaudited, Prepared by WPG based on TIFRS.

Cash Flows

Unit:NT$m	Ytd16	Ytd15
-Income before Income Tax	6,204	5,568
-Changes of NWC	5,089	(8,226)
-Adjustment & Others	2,521	(3,405)
From Operation	**13,814**	**(6,063)**
-Financial Instrument	(967)	(1,162)
-Capital Expenditure	-	(58)
-Acquisition of subsidiaries	(30)	(51)
-Others	(497)	(9)
From Investment	**(1,493)**	**(1,280)**
-Financial Debt	(7,570)	8,884
-Cash Dividends	(3,974)	(4,139)
-Others	(5)	22
From Financing	**(11,548)**	**4,767**
Cumulative translation adjustments	**(3,164)**	**1,587**
Net Cash Position Change	**(2,392)**	**(989)**
Ending Cash Balance	**7,055**	**10,195**

Unaudited, Prepared by WPG based on TIFRS.

WPG Holdings

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