WPG Holdings

WPG Holdings Ltd.
(3702.TT/3702.TW)
4Q16 Earning Release

Feb. 7th, 2017

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
- 4Q16 Financial Highlights — Cliff Yuan
- Q&A — Simon Huang/ Cliff Yuan

Result Highlights

Unit:NT$million

item	4Q16	3Q16	4Q15	QoQ(%)	YoY(%)	2016	2015	YoY(%)
Net Sales	139,313	142,259	142,601	(2.1)	(2.3)	536,864	515,536	4.1
Gross Margin	4.16%	4.17%	3.91%	-1 bp	+25 bp	4.21%	4.16%	+5 bp
Operating Expenses AR write off	(4,874)	(3,376)	(3,524)	44.4	38.3	(14,647)	(12,976)	12.9
Operating Income	920	2,555	2,054	(64.0)	(55.2)	7,969	8,474	(6.0)
Operating Margin	0.66%	1.80%	1.44%	-113.6 bp	-78 bp	1.48%	1.64%	-16 bp
Net Income	372	1,867	1,245	(80.1)	(70.1)	5,347	5,420	(1.3)
EPS (NT$)(1)	0.22	1.12	0.75			3.20	3.27	
Net Book Value (NT$)(1)	29.29							
Total Assets	177,516	177,498	179,052			177,516	179,052	
Total Liabilities	127,093	130,081	130,734			127,093	130,734	
Total Equity	50,422	47,417	48,318			50,422	48,318	
Net Working Capital	94,317	92,260	97,324			94,317	97,324	
Free Cash Flow	(6,451)	(206)	(3,210)			7,503	(9,273)	
KEY Indices(2)								
ROWC	*3.9%*	*11.1%*	*8.4%*	-718 bp	-454 bp	*8.4%*	*8.7%*	-26 bp
NWC/Sales	*0.17*	*0.16*	*0.17*			*0.18*	*0.19*	
ROE	*3.0%*	*15.8%*	*10.7%*	-1,273 bp	-768 bp	*10.9%*	*11.7%*	-73 bp
Gearing	1.26	1.25	1.38			1.26	1.38	
(1).Weighted average shares outstanding	1,703	1,674	1,656			1,672	1,656	

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Result Highlights (proforma)

Unit:NT$million

item	4Q16	3Q16	4Q15	*QoQ(%)*	*YoY(%)*	2016	2015	*YoY(%)*
Net Sales	139,313	142,259	142,601	(2.1)	(2.3)	536,864	515,536	4.1
Gross Margin	4.16%	4.17%	3.91%	-1 bp	+25 bp	4.21%	4.16%	+5 bp
Operating Expenses	(3,326)	(3,376)	(3,524)	(1.5)	(5.6)	(13,099)	(12,976)	0.9
Operating Income	2,468	2,555	2,054	(3.4)	20.1	9,516	8,474	12.3
Operating Margin	1.77%	1.80%	1.44%	-2.5 bp	+33 bp	1.77%	1.64%	+13 bp
Net Income	1,668	1,867	1,245	(10.7)	33.9	6,643	5,420	22.6
EPS (NT$)(1)	0.98	1.12	0.75			3.97	3.27	
Net Book Value (NT$)(1)	30.06							
Total Assets	179,748	177,498	179,052			179,748	179,052	
Total Liabilities	128,030	130,081	130,734			128,030	130,734	
Total Equity	51,719	47,417	48,318			51,719	48,318	
Net Working Capital	96,549	92,260	97,324			96,549	97,324	
Free Cash Flow	(6,451)	(206)	(3,210)			7,503	(9,273)	
KEY Indices(2)								
ROWC	*10.2%*	*11.1%*	*8.4%*	-85 bp	+178 bp	*9.9%*	*8.7%*	+115 bp
NWC/Sales	*0.17*	*0.16*	*0.17*			*0.18*	*0.19*	
ROE	*13.5%*	*15.8%*	*10.7%*	-230 bp	+275 bp	*13.4%*	*11.7%*	+175 bp
Gearing	1.22	1.25	1.38			1.22	1.38	
(1).Weighted average shares outstanding	1,703	1,674	1,656			1,672	1,656	

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit:NT$million

Item	4Q16	3Q16	QoQ(%)	4Q15	YoY(%)	2016	2015	YoY(%)
Revenue	139,313	142,259	(2.1)	142,601	(2.3)	536,864	515,536	4.1
COGS	(133,519)	(136,328)	(2.1)	(137,022)	(2.6)	(514,248)	(494,086)	4.1
Gross Profit	5,794	5,931	(2.3)	5,579	3.9	22,616	21,450	5.4
Gross Margin	4.16%	4.17%		3.91%		4.21%	4.16%	
Operating Expenses	(4,874)	(3,376)	44.4	(3,524)	38.3	(14,647)	(12,976)	12.9
Operating Income	920	2,555	(64.0)	2,054	(55.2)	7,969	8,474	(6.0)
Operating Margin	0.66%	1.80%		1.44%		1.48%	1.64%	
Net Non-operating Items	(402)	(284)	41.7	(469)	(14.2)	(1,247)	(1,321)	(5.6)
Net Financing costs	(410)	(370)	10.6	(428)	(4.2)	(1,521)	(1,433)	6.1
Others	7	86		(41)		274	113	
Profit Before Tax	518	2,271	(77.2)	1,586	(67.4)	6,722	7,153	(6.0)
Tax	(124)	(398)	(68.9)	(331)	(62.6)	(1,337)	(1,718)	(22.2)
Minority	(22)	(6)		(9)		(38)	(15)	
Profit After Tax	372	1,867	(80.1)	1,245	(70.1)	5,347	5,420	(1.3)
Net Margin	0.27%	1.31%		0.87%		1.00%	1.05%	
EPS (NT$)(1)	0.22	1.12		0.75		3.20	3.27	
Tax %	24%	18%		21%		20%	24%	
(1).Weighted average shares outstanding	1,703	1,674		1,656		1,672	1,656	

Unaudited, Prepared by WPG based on TIFRS.

Balance Sheet

Unit:NT$million	4Q16		3Q16		4Q15	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash & Marketable Securities	8,497	*5*	7,078	*4*	9,509	*5*
Accounts Receivable - Trade	92,469	*52*	94,033	*53*	92,271	*52*
Inventory	48,845	*28*	50,927	*29*	50,295	*28*
Current Assets	163,819	*92*	163,746	*92*	165,487	*92*
Others	13,696	*8*	13,752	*8*	13,564	*8*
Total Assets	177,516	*100*	177,498	*100*	179,052	*100*
Current Interest-bearing Debt	67,696	*38*	62,275	*35*	59,605	*33*
Accounts Payble	46,997	*26*	52,699	*30*	45,243	*25*
Accrued Liabilities and Others	5,823	*3*	7,504	*4*	6,738	*4*
Current Liabilities	120,516	*68*	122,478	*69*	111,586	*62*
Long-term Interest-bearing Debt	5,504	*3*	6,524	*4*	18,002	*10*
Others	1,073	*1*	1,079	*1*	1,146	*1*
Total Liabilities	127,093	*72*	130,081	*73*	130,734	*73*
Total Equity	50,422	*28*	47,417	*27*	48,318	*27*
KEY Indices(1)						
Net Working Capital (NT$million)	94,317		92,260		97,324	
AR Turnover (Days)	*61*		*58*		*59*	
Inventory Turnover (Days)	*34*		*35*		*37*	
AP Turnover (Days)	*34*		*34*		*34*	
Average Collection Periods (Days)	*61*		*58*		*63*	
Current Ratio	*136%*		*134%*		*148%*	
Gearing	*1.26*		*1.25*		*1.38*	

(1).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Cash Flows

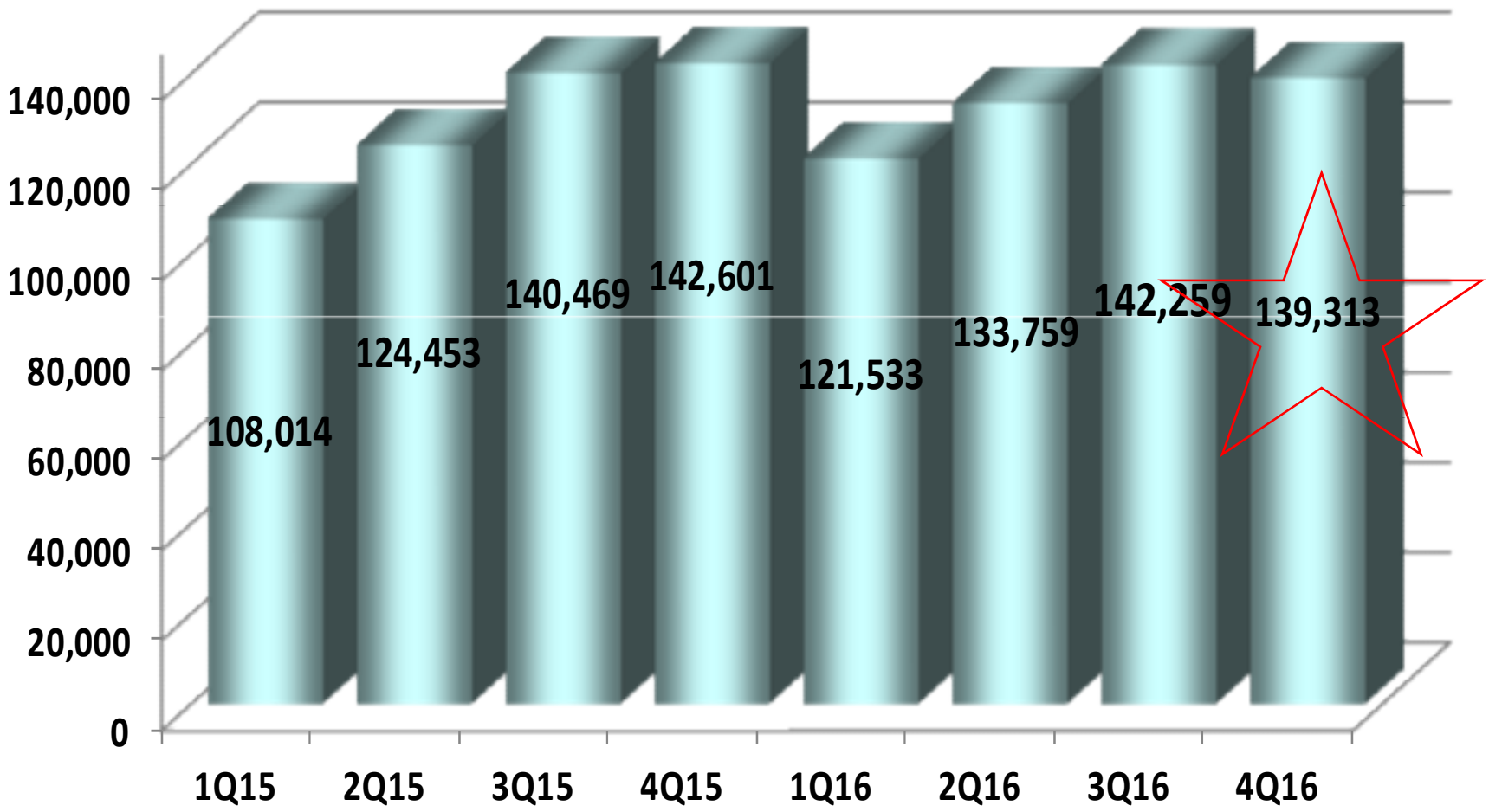
Unit:NT$million

item	4Q16	3Q16	4Q15	2016	2015
-Income before Income Tax	518	2,271	1,586	6,722	7,153
-Changes of NWC	(1,894)	(2,260)	(176)	3,007	(8,702)
-Adjustment & Others	(5,075)	(217)	(4,619)	(2,226)	(7,724)
From Operation	**(6,451)**	**(206)**	**(3,210)**	**7,503**	**(9,273)**
-Financial Instrument	858	(446)	494	(109)	(668)
-Capital Expenditure	-	(37)	(91)	(99)	(149)
-Acquisition of subsidiaries	-	(4)	-	(34)	(51)
-Others	(74)	(592)	85	(607)	76
From Investment	**784**	**(1,079)**	**489**	**(849)**	**(791)**
-Financial Debt	5,503	6,112	1,885	(2,008)	10,769
-Cash Dividends	-	(3,974)	-	(3,974)	(4,139)
-Others	36	(27)	(25)	(5)	(3)
From Financing	**5,538**	**2,112**	**1,860**	**(5,987)**	**6,627**
Cumulative translation adjustments	**1,532**	**(1,738)**	**112**	**(1,655)**	**1,699**
Net Cash Position Change	**1,403**	**(912)**	**(749)**	**(988)**	**(1,738)**
Ending Cash Balance	**8,458**	**7,055**	**9,447**	**8,458**	**9,447**

Unaudited, Prepared by WPG based on TIFRS.

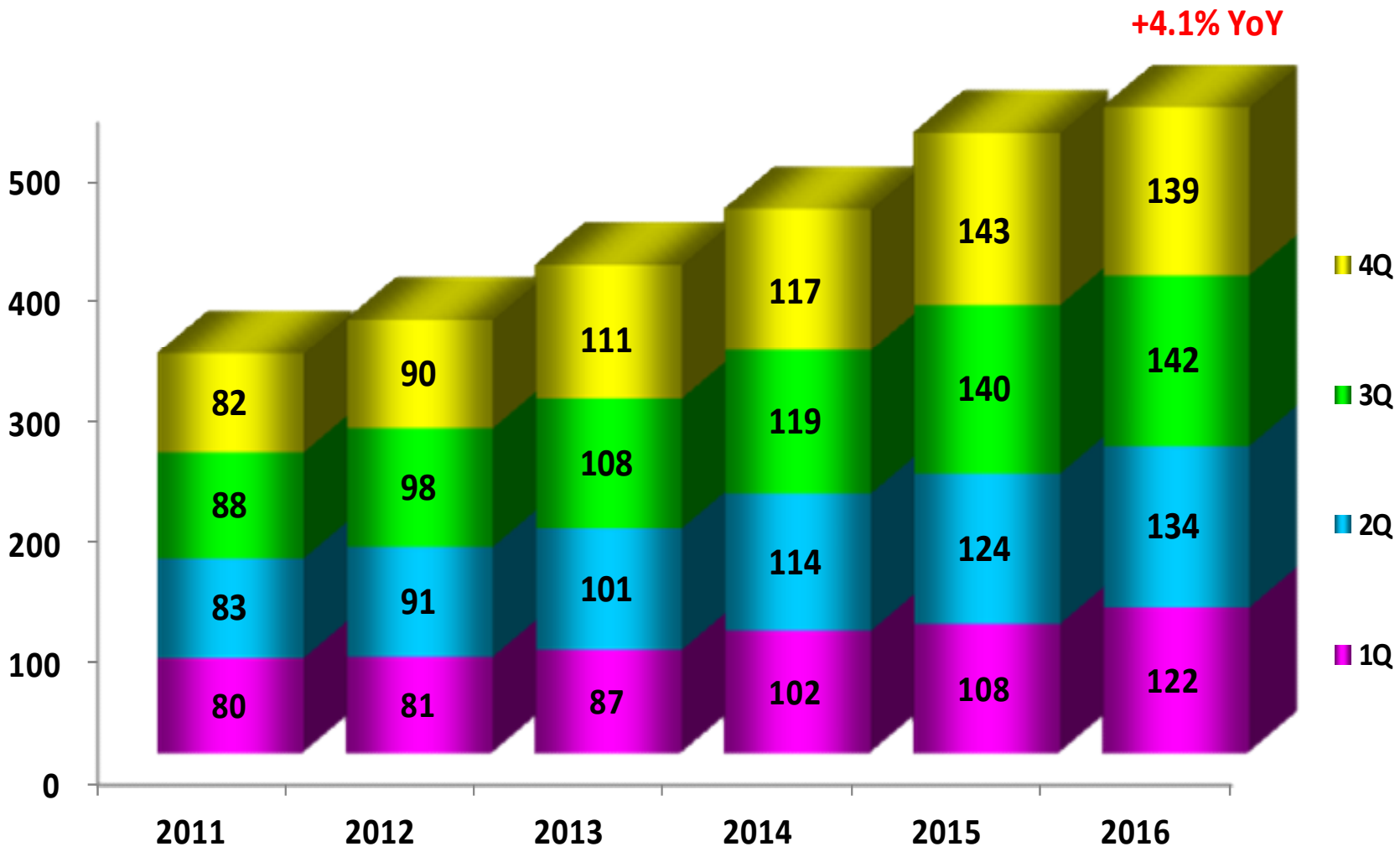
Consolidated Revenue

Unit: NT$million

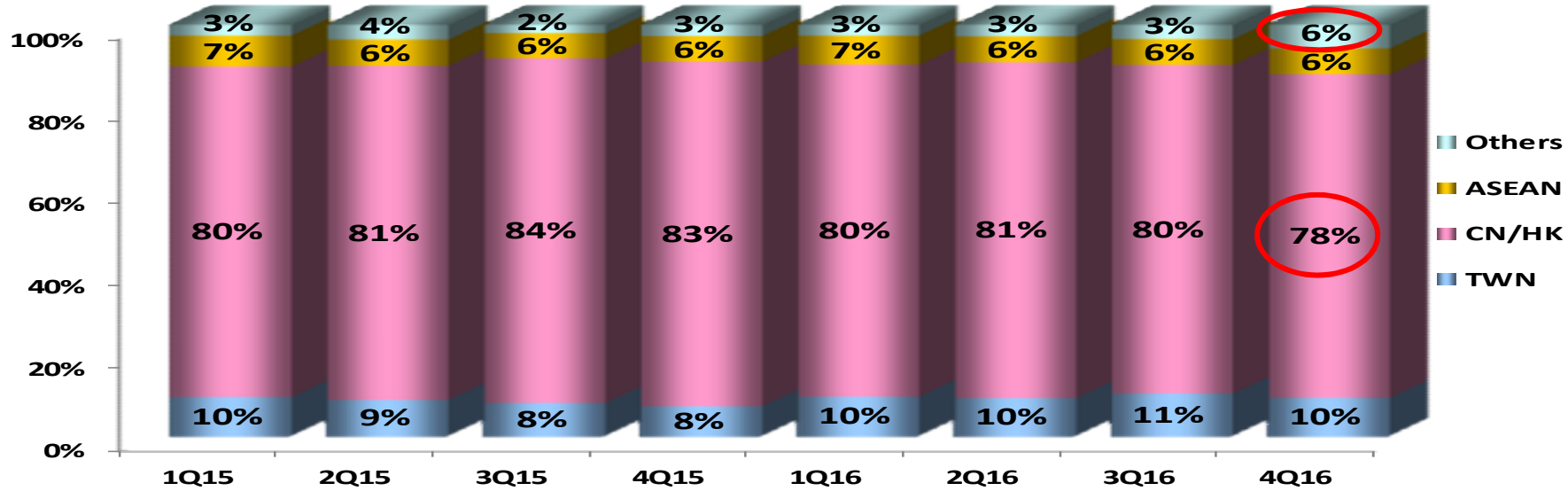


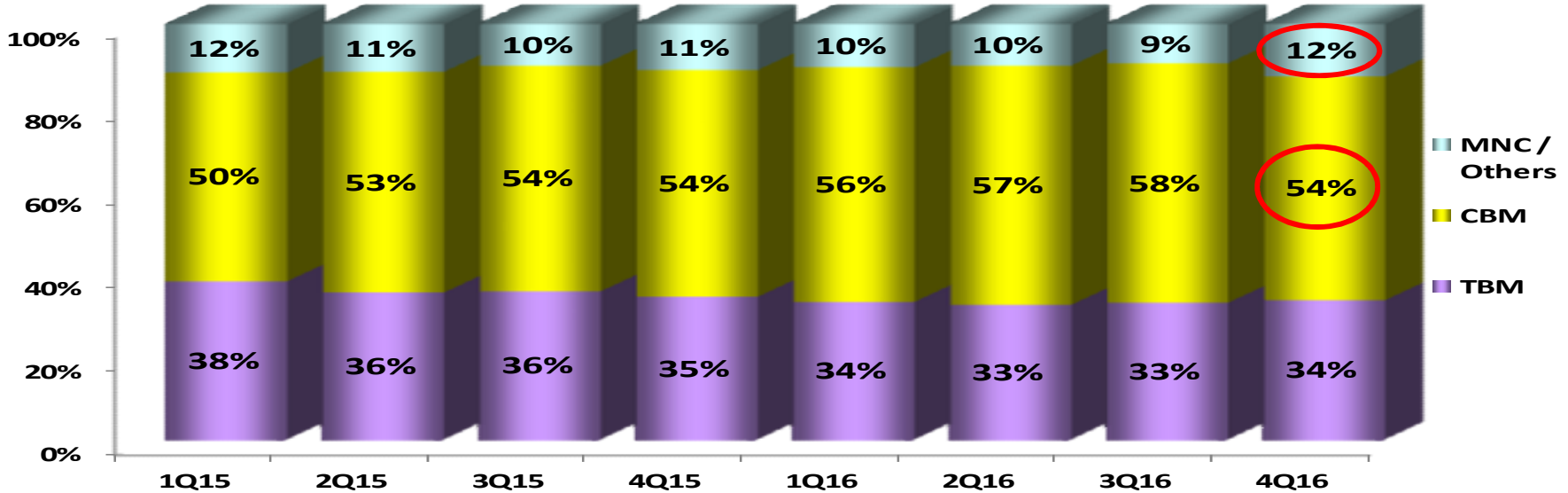
Consolidated Revenue

Unit: NT$billion



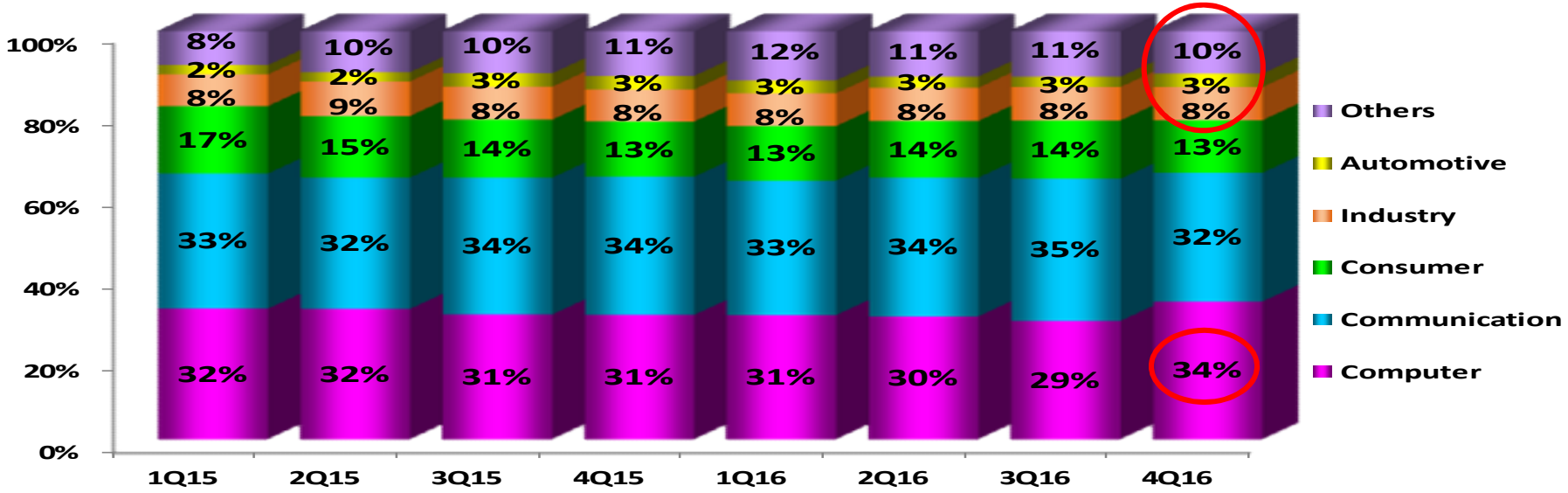
Sales breakdown by Geography/ Customer

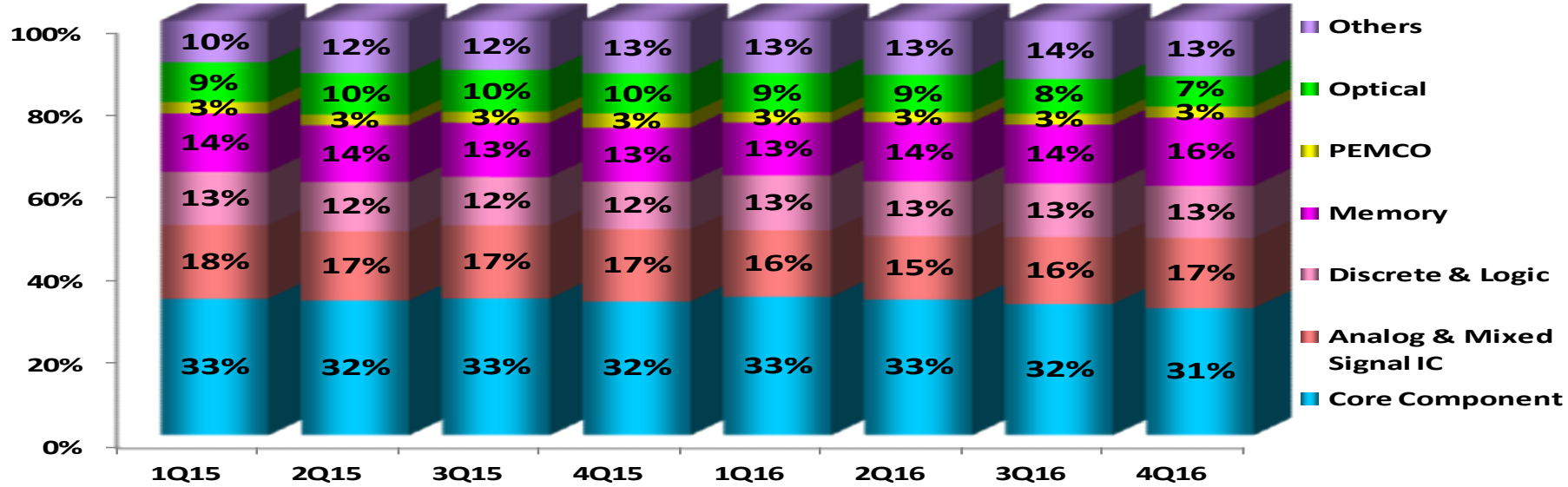




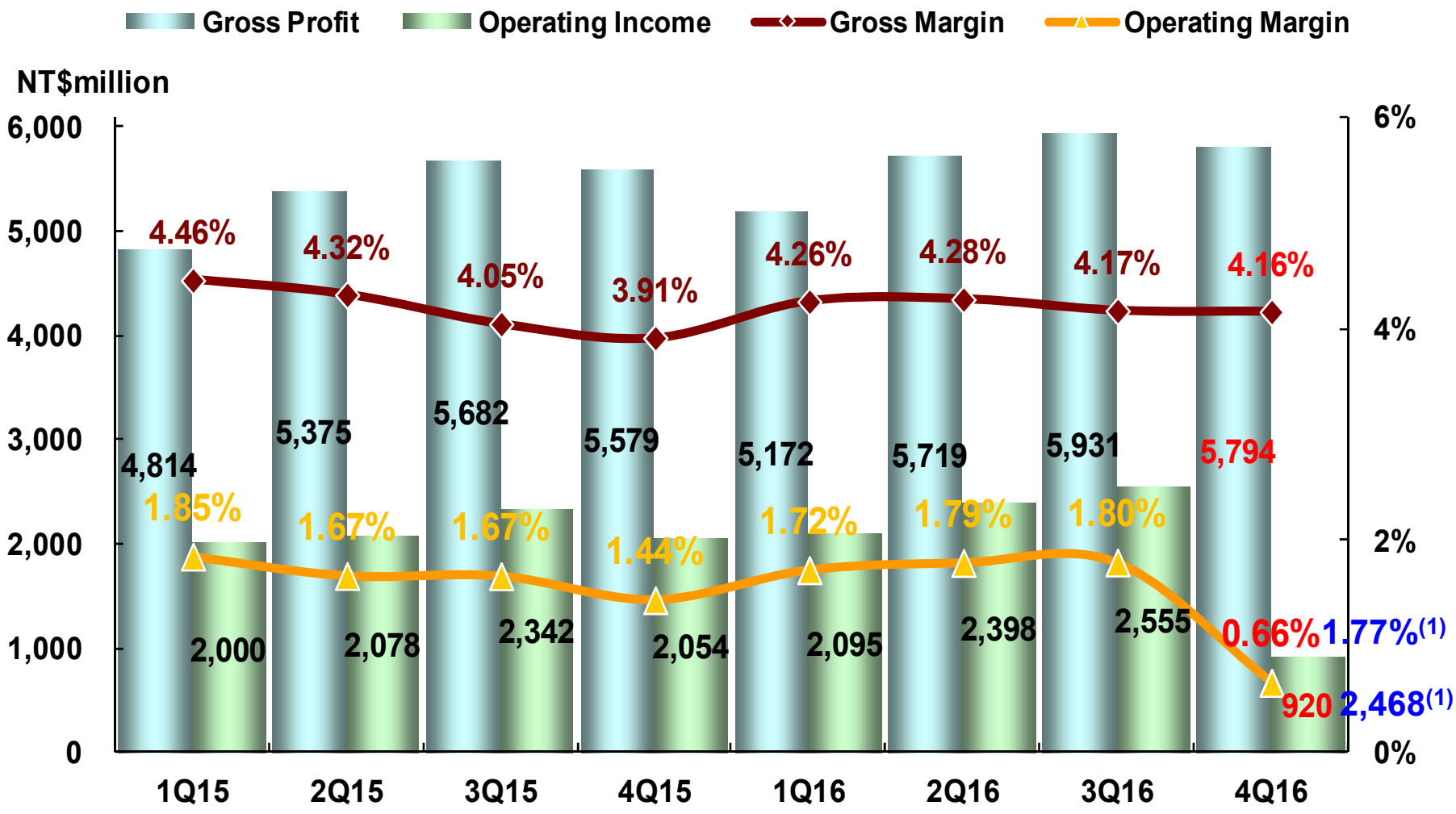
TBM：Taiwan-Based Customers
CBM：China Based Customers

Sales breakdown by Application/ Device Type



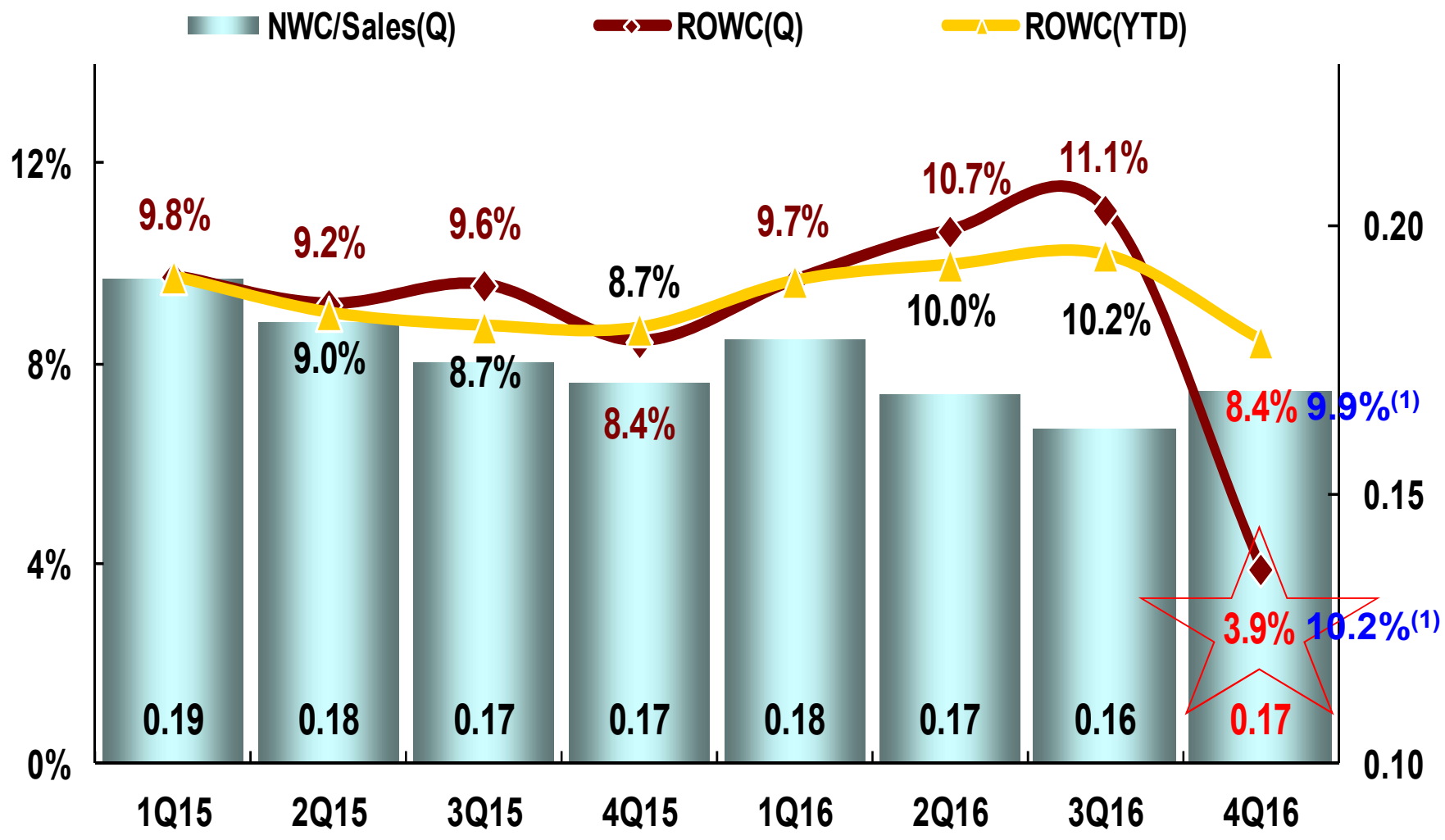


Gross Margin vs. Operating Margin



(1) Proforma

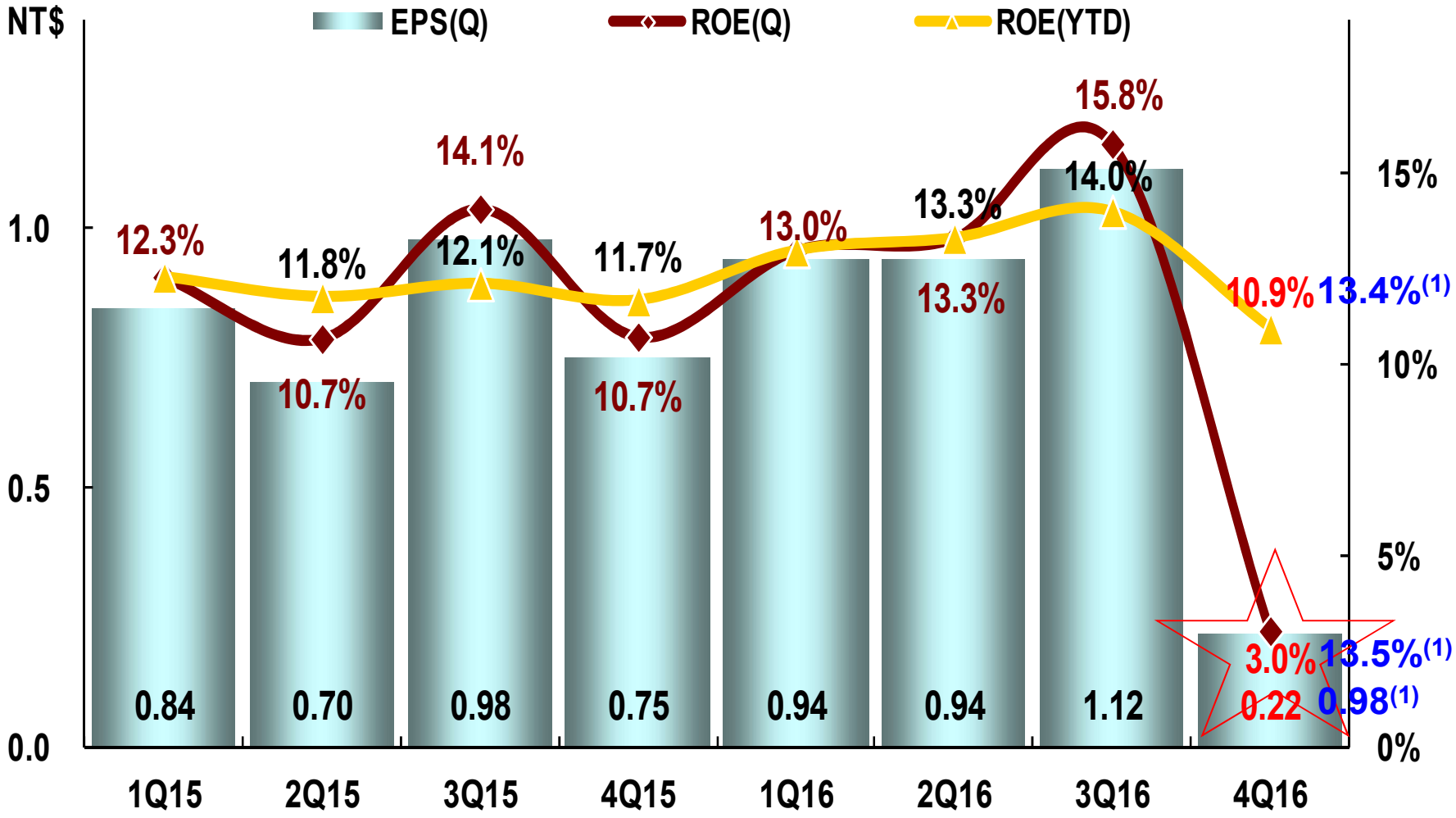
ROWC vs. NWC/Sales



(1) Proforma

Note：Annualized

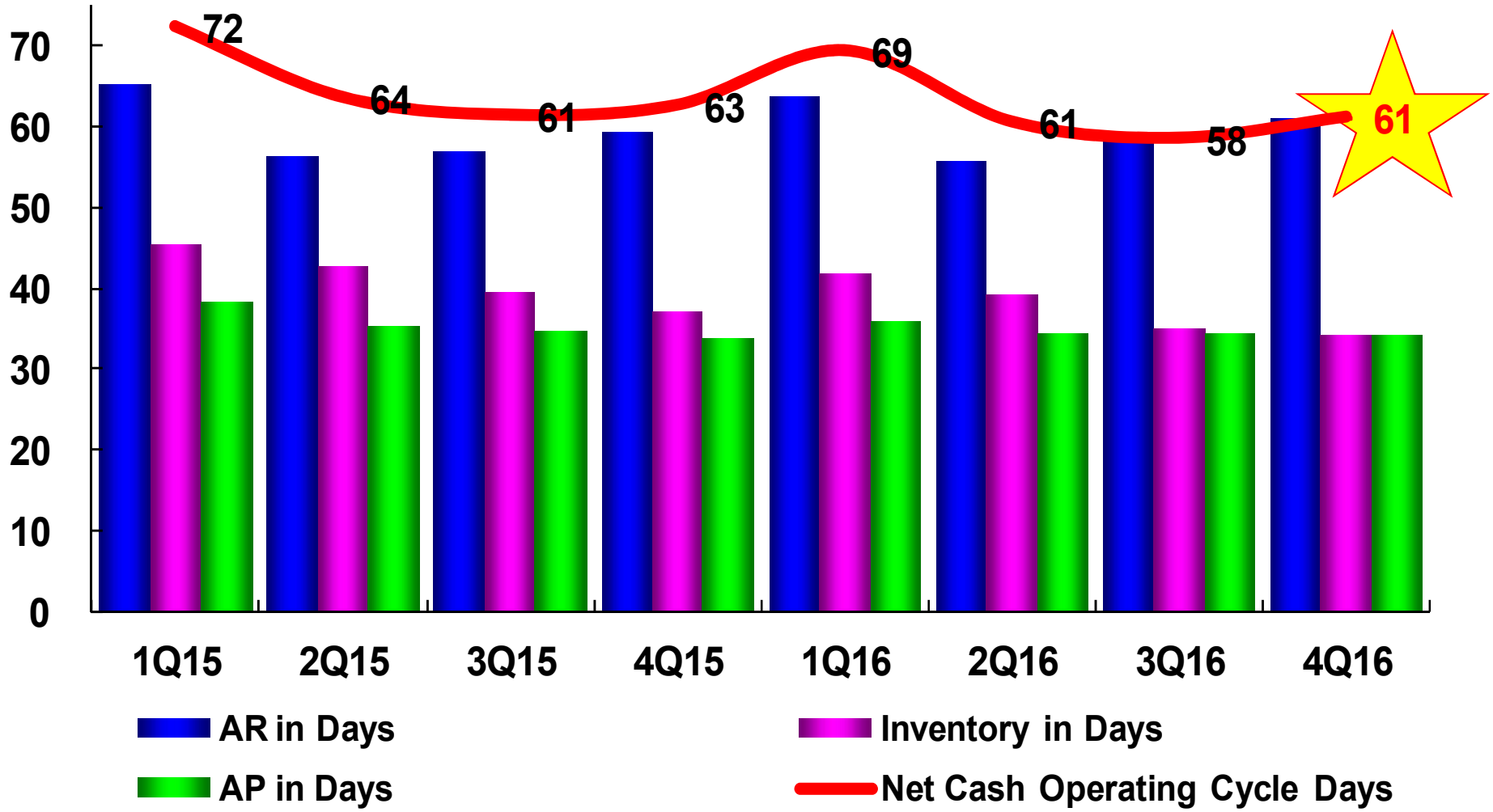
ROE vs. EPS



(1) Proforma

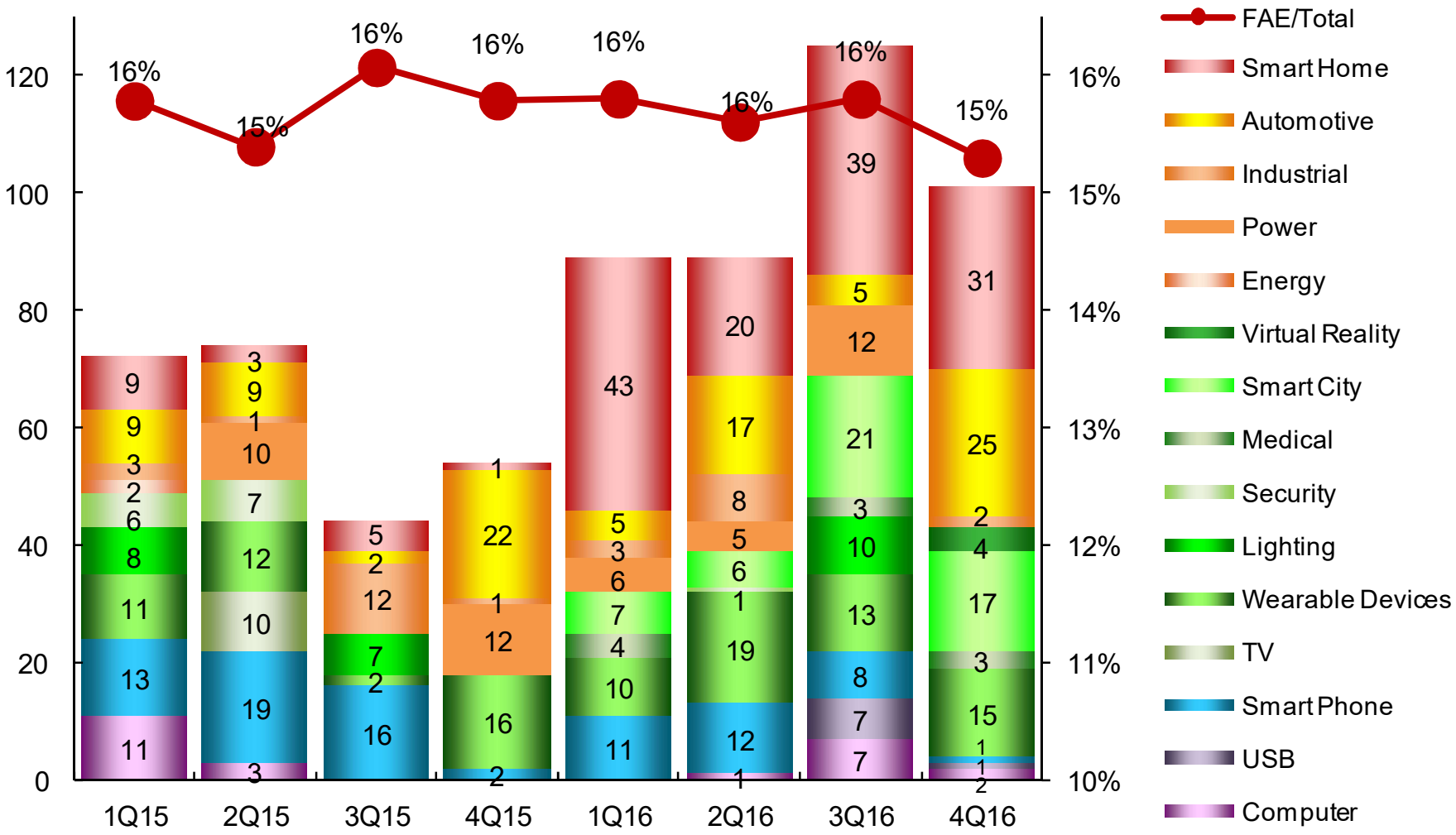
Note：Annualized

Operating Cash Cycle



Note：Annualized

More Solutions Launched ..



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

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

101 Solutions Launched in 4Q16

- 推出門區控制解決方案 2016-11-23
- 推出車載資訊娛樂、ADAS和儀表板等汽車應用設計使用 2016-11-23
- 推出首款雙埠四通道解串列集線器，實現更快、更靈活的ADAS應用 2016-11-23
- 推出多功能車載資訊娛樂系統解決方案 2016-11-23
- 推出超質感行車記錄儀解決方案 2016-11-23
- 力推無源無鑰匙開關(PKE)/(PKG)系統解決方案 2016-11-23
- 力推DC/DC轉換器,滿足汽車所需之高性能電源系統應用 2016-11-23
- 推出LED Driver IC晶片 DRL 解決方案 2016-11-23
- 推出360度全景行車記錄儀和VR 360運動攝影機方案 2016-11-23
- 基於Wifi車載影音導航系統完整解決方案 2016-10-28
- 基於3G-R的四核智慧後視鏡方案 2016-10-28
- 聯合推出GSM OBD Tracker 2016-10-28
- 聯合推出汽車GPS衛星定位防盜系統 2016-10-28
- 聯合推出4G車載後視鏡方案 2016-10-28
- 推出將 Wi-Fi 功能加入電動車充電站的參考設計 2016-10-19
- 推出低能耗藍牙，可啟動車輛診斷裝置 2016-10-19
- 推出系統晶片，瞄準自動駕駛汽車感測器資料整合中央電腦 2016-10-19
- 推出同步降壓DC/DC穩壓器，可消除汽車應用中的開關節點振鈴雜訊 2016-10-19
- 推出車載影音導航系統完整解決方案 2016-10-19
- 推出汽車GPS衛星定位防盜系統 2016-10-19
- 推出車載智慧雲鏡完整解決方案 2016-10-19
- 力推集成中高端車載資訊娛樂系統主機解決方案 2016-10-19
- 力推汽車LED大燈解決方案 2016-10-19

- 基於GPS&北斗雙模加GPRS基帶追蹤定位裝置 2016-10-07
- 基於無線藍牙OBDII方案 2016-10-07

- 力推助力 VR sensor Hub 應用 2016-11-09
- 力推系列助力VR應用 2016-11-09
- 帶你進入另一個世界~推出VR一體機解決方案 2016-11-09
- 力推適用VR虛擬現實之完整解決方案 2016-11-09

- 推出手勢識別方案 2016-12-21
- 聯合推出BLE印表機方案 2016-10-28

Daily Running Lamp Solution

Rear View Mirror Solution

101 Solutions Launched in 4Q16

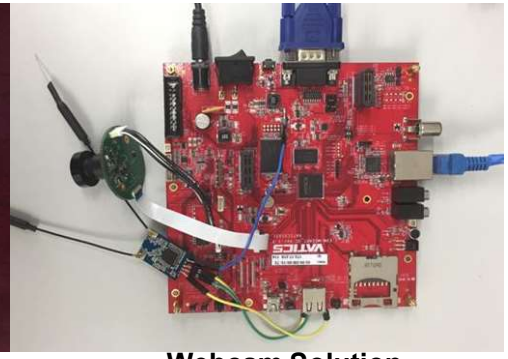
- 推出連接雲端的網路攝像頭方案 2016-12-07
- 力推Series智慧插座方案 2016-12-07
- 推出基於的NFC "魔法刷"方案 2016-12-07
- 基於DNA Kit的物聯網開發板 2016-10-28
- 基於BLE Smart Lock 解決方案 2016-10-28
- 基於WiFi+BLE空氣品質偵測系統 2016-10-28
- 基於BLE智慧門鎖 2016-10-28
- 基於Wifi雲端說故事機 2016-10-28
- 基於可接入微信的Zigbee網關方案 2016-10-28
- 基於接入Homekit Wifi智能溫控器方案 2016-10-28
- 基於接入Homekit Wifi智慧感應窗戶控制方案 2016-10-28
- 基於Wifi 智能安防開發板 2016-10-28
- 基於ZigBee溫濕度感測器+網關方案 2016-10-28
- 基於Wifi接入fog雲的RGB燈的控制 2016-10-28
- 基於WiFi智慧CO報警器解決方案 2016-10-28
- 基於WiFi智慧取暖器解決方案 2016-10-28
- 基於LoRa門窗安全偵測方案 2016-10-28
- 基於LoRa室內氣體偵測方案 2016-10-28
- 基於LoRA 長距離無線技術之空間侵入警告方案 2016-10-28
- 基於Sub-1G環境光源採集感測器設計方案 2016-10-28
- 基於BLE智慧窗簾方案 2016-10-28
- 基於BLE to RS-485之燈控方案 2016-10-28
- 基於具有語音輸入功能之BLE遙控器設計方案 2016-10-28
- 基於Scatternet BLE智慧燈光控制網絡方案 2016-10-28
- 基於Scatternet BLE智慧照明組網模組方案 2016-10-28
- 基於Qi 15W無線充電方案 2016-10-28
- 聯合推出無線中繼電源插座 2016-10-28

- 聯合推出智慧飛碟開源方案 2016-10-28
- 聯合推出BLE智慧鋼琴方案 2016-10-28
- 聯合推出Wifi微信智慧燈方案 2016-10-28
- 基於LoRA長距離無線技術之電源供應器過載警告方案 2016-10-28

- 推出雙向USB Type-C快充移動電源為VR供電最佳選擇 2016-11-09

- 推出高整合度解角器介面，提高機械人手臂控制精準度和穩定性 2016-12-07
- 基於新一代SOC機器人大腦方案 2016-10-28

Audio Iot Kit Solution



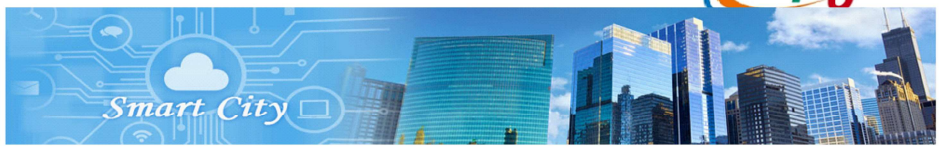
Webcam Solution

101 Solutions Launched in 4Q16

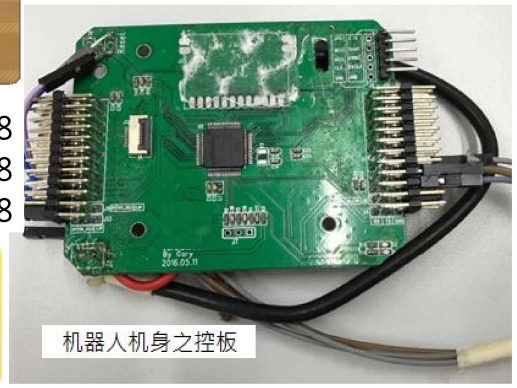
- 推出Type-C 數字耳機解決方案 2016-12-27
- 推出一款mini DSP 設計的Voice trigger控制晶片 2016-12-21
- 推出可擴展穿戴式技術解決方案 2016-12-21
- 推出老人平安手環求助系列方案 2016-12-21
- 力推穿戴式設備心率檢測解決方案 2016-12-21
- 力推32K RTC 於穿戴式裝置應用 2016-12-21
- 力推基於Type C Hi-Fi耳機方案 2016-12-21
- 力推穿戴式應用系列-業界最小最低功耗之心律感測器 2016-12-21
- 推出適用穿戴裝置之完整解決方案 2016-12-21
- 運動耳機來了！推出 NFMI 無線耳機方案 2016-12-21
- 基於有線耳機 to BLE&Type C轉接器 2016-10-28
- 基於Wifi的360度網路攝影機方案 2016-10-28
- 基於BLE智能風衣方案 2016-10-28
- 基於BLE物聯網節點之穿戴型運動手環 2016-10-28
- 基於具有支付功能的NFC智慧體感耳機 2016-10-28

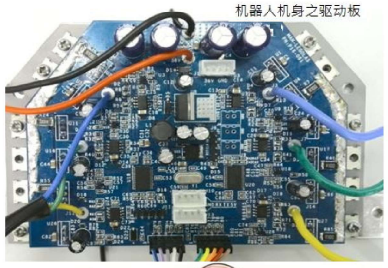
- 基於LoRA 長距離無線技術之病患臥床監控方案 2016-10-28
- 基於BLE之無線心率監控器 2016-10-28
- 基於Project ECG 的BLE健康照護服務解決方案 2016-10-28

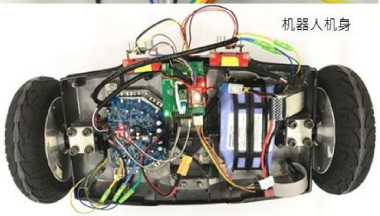
- 力推系列指紋辨識方案 2016-12-07



- 參與智慧城市建設~助力直流充電樁設計 2016-12-07
- 推出環境偵測計 2016-12-07
- 推出BLE控制晶片 2016-12-07
- 推出LoRa長距離無線技術溫度偵測方案 2016-12-07
- 推出智慧型機器人完整解決方案 2016-12-07
- 力推平臺的無線網路攝影機方案 2016-12-07
- 推出智慧隔空手勢解決方案 2016-12-07
- 基於傳感器的Zigbee停車場系統方案 2016-10-28
- 基於BLE POS機 2016-10-28
- 基於LoRA 長距離無線技術之空調系統運轉監控方案 2016-10-28
- 基於物聯網應用模組的4G智慧電錶方案 2016-10-28
- 基於LoRa的智慧水錶方案 2016-10-28
- 基於CAN to BLE的介面轉換器之油壓機監控方案 2016-10-28
- 基於BLE電子貨架 2016-10-28
- 聯合推出BLE MINI 六軸自拍無人機方案 2016-10-28
- 聯合推出GPS+GSM 資料獲取器方案 2016-10-28
- 基於NFC智慧讀寫器方案 2016-10-27







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