WPG Holdings

WPG Holdings Ltd.
(3702.TT/3702.TW)
3Q19 Earning Release

Oct. 30th, 2019

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.**

- **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
- 3Q19 Financial Highlights — Cliff Yuan
- Q&A — Cliff Yuan

Result Highlights

Unit:NT$million

item	3Q19	2Q19	3Q18	QoQ(%)	YoY(%)	Ytd19	Ytd18	YoY(%)
Net Sales	140,821	129,176	150,362	9.0	(6.3)	381,829	413,307	(7.6)
Gross Margin	4.25%	4.40%	4.32%	-16 bp	-7 bp	4.36%	4.33%	+3 bp
Operating Expenses	(3,412)	(3,104)	(3,564)	9.9	(4.3)	(9,425)	(9,845)	(4.3)
Operating Income	2,567	2,584	2,927	(0.6)	(12.3)	7,215	8,033	(10.2)
Operating Margin	1.82%	2.00%	1.95%	-18 bp	-12 bp	1.89%	1.94%	-5 bp
Net Income	1,785	1,629	1,769	9.6	0.9	4,718	5,863	(19.5)
EPS (NT$)(1)	1.06	0.97	1.02			2.81	3.27	
Net Book Value (NT$)(1)	32.93							
Total Assets	219,983	197,156	211,387			219,983	211,387	
Total Liabilities	154,693	143,241	158,346			154,693	158,346	
Total Equity	65,290	53,914	53,041			65,290	53,041	
Net Working Capital	114,117	104,766	113,192			114,117	113,192	
Free Cash Flow	(7,986)	(4,078)	(1,898)			(2,770)	(7,295)	
KEY Indices(2)								
ROWC	*9.0%*	*9.9%*	*10.3%*	-87 bp	-135 bp	*8.4%*	*9.5%*	-103 bp
NWC/Sales	*0.20*	*0.20*	*0.19*			*0.22*	*0.21*	
ROE	*12.0%*	*12.1%*	*13.6%*	-11 bp	-162 bp	*10.6%*	*15.0%*	-447 bp
Gearing	1.01	1.17	1.36			1.01	1.36	
(1).Weighted average common shares outstanding	1,679	1,679	1,736			1,679	1,795	

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit:NT$million

Item	3Q19	2Q19	QoQ(%)	3Q18	YoY(%)	Ytd19	Ytd18	YoY(%)
Revenue	140,821	129,176	9.0	150,362	(6.3)	381,829	413,307	(7.6)
COGS	(134,842)	(123,488)	9.2	(143,871)	(6.3)	(365,188)	(395,429)	(7.6)
Gross Profit	5,979	5,687	5.1	6,492	(7.9)	16,640	17,878	(6.9)
Gross Margin	4.25%	4.40%		4.32%		4.36%	4.33%	
Operating Expenses	(3,412)	(3,104)	9.9	(3,564)	(4.3)	(9,425)	(9,845)	(4.3)
Operating Income	2,567	2,584	(0.6)	2,927	(12.3)	7,215	8,033	(10.2)
Operating Margin	1.82%	2.00%		1.95%		1.89%	1.94%	
Net Non-operating Items	(348)	(388)	(10.1)	(670)	(48.0)	(1,146)	(773)	48.2
Net Financing costs	(562)	(538)	4.3	(665)	(15.5)	(1,719)	(1,742)	(1.3)
Foreign Exchange Gains/Losses	136	155	(12.2)	(11)	NM	444	235	89.0
Others	77	(5)		5		130	734	
Profit Before Tax	2,219	2,196	1.0	2,257	(1.7)	6,070	7,260	(16.4)
Tax	(421)	(554)	(24.0)	(475)	(11.4)	(1,317)	(1,360)	(3.2)
Minority	(13)	(13)		(14)		(35)	(37)	
Profit After Tax	1,785	1,629	9.6	1,769	0.9	4,718	5,863	(19.5)
Net Margin	1.27%	1.26%		1.18%		1.24%	1.42%	
EPS (NT$)(1)	1.06	0.97		1.02		2.81	3.27	
Tax %	19%	25%		21%		22%	19%	
(1).Weighted average common shares outstanding	1,679	1,679		1,736		1,679	1,795	

Unaudited, Prepared by WPG based on TIFRS.

Balance Sheet

Unit:NT$million	3Q19		2Q19		3Q18	
item	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	9,634	4	6,195	3	8,419	4
Accounts Receivable - Trade	107,960	49	94,282	48	108,996	52
Inventory	70,279	32	65,649	33	67,689	32
Current Assets	203,638	93	180,768	92	196,613	93
Others	16,344	7	16,387	8	14,774	7
Total Assets	**219,983**	**100**	**197,156**	**100**	**211,387**	**100**
Current Interest-bearing Debt	68,091	31	56,499	29	74,825	35
Accounts Payble	64,122	29	55,164	28	63,492	30
Accrued Liabilities and Others	12,639	6	16,014	8	11,880	6
Current Liabilities	144,851	66	127,678	65	150,196	71
Long-term Interest-bearing Debt	7,645	3	13,320	7	6,897	3
Others	2,196	1	2,243	1	1,252	1
Total Liabilities	**154,693**	**70**	**143,241**	**73**	**158,346**	**75**
Total Equity	**65,290**	**30**	**53,914**	**27**	**53,041**	**25**
KEY Indices(1)						
Net Working Capital (NT$million)	114,117		104,766		113,192	
AR Turnover (Days)	66		63		63	
Inventory Turnover (Days)	46		50		42	
AP Turnover (Days)	40		40		37	
Average Collection Periods (Days)	71		72		67	
Current Ratio	141%		142%		131%	
Gearing	1.01		1.17		1.36	

(1). Annualized

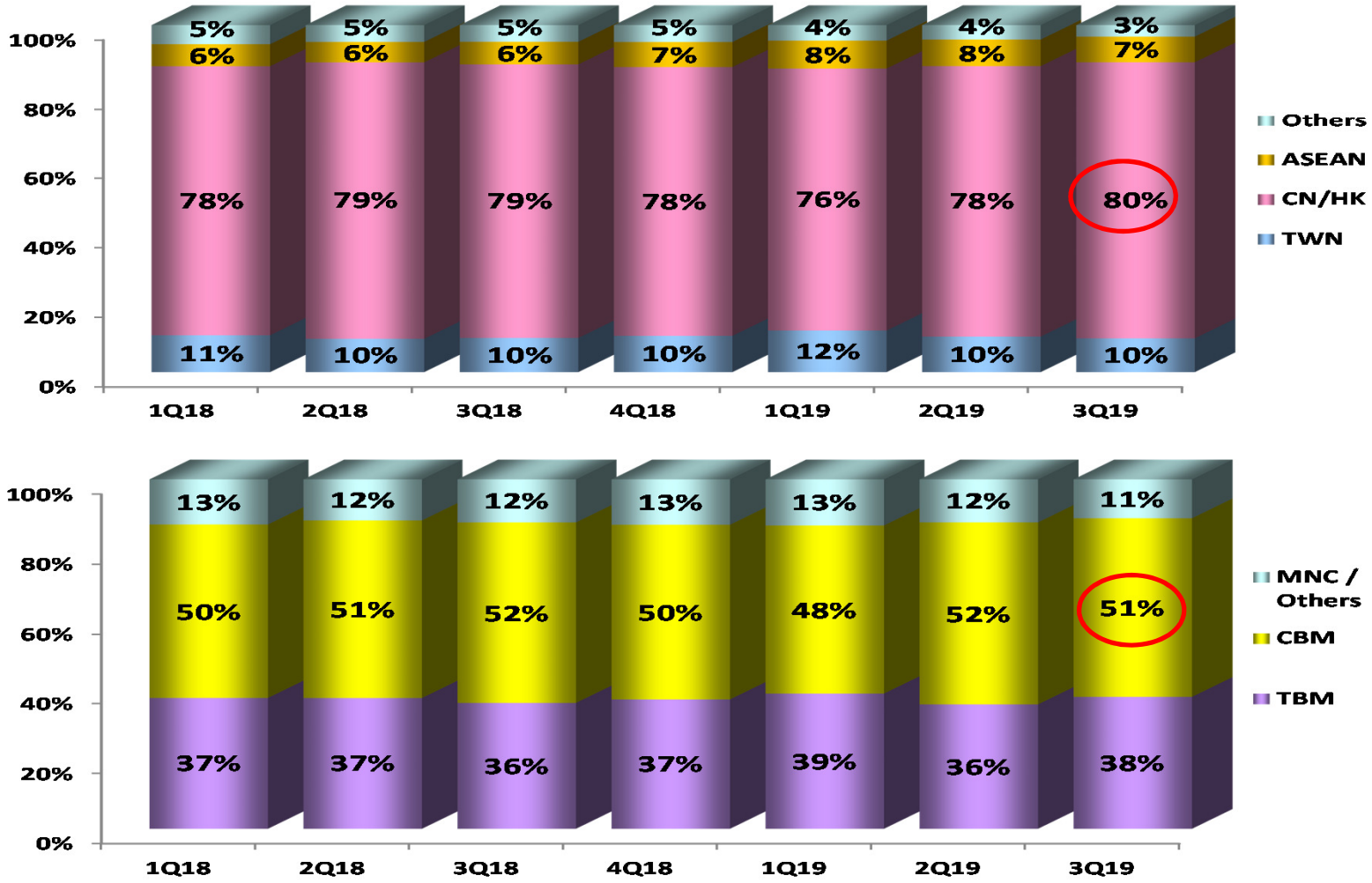
Unaudited, Prepared by WPG based on TIFRS.

Cash Flows

Unit:NT$million	3Q19	2Q19	3Q18	Ytd19	Ytd18
-Income before Income Tax	2,219	2,196	2,257	6,070	7,260
-Changes of NWC	(9,433)	(5,922)	(4,851)	(4,316)	(11,065)
-Adjustment & Others	(771)	(352)	696	(4,523)	(3,491)
From Operation	**(7,986)**	**(4,078)**	**(1,898)**	**(2,770)**	**(7,295)**
-Other Financial Instruments	(99)	(149)	(603)	49	(384)
-Capital Expenditure	(48)	(27)	(426)	(170)	(551)
-Marketable Financial Instruments	(1)	(71)	344	(70)	746
-Others	42	7	327	30	34
From Investment	**(105)**	**(240)**	**(358)**	**(161)**	**(154)**
-Financial Debt	6,131	4,765	7,305	(300)	11,734
-Cash Dividends	(4,533)	-	(4,380)	(4,533)	(4,380)
-Preferred Shares	9,995	-	-	9,995	-
-Others	230	(120)	1	1	16
From Financing	**11,821**	**4,645**	**2,926**	**5,163**	**7,370**
Cumulative translation adjustments	**(294)**	**262**	**191**	**251**	**1,372**
Net Cash Position Change	**3,437**	**590**	**860**	**2,483**	**1,293**
Ending Cash Balance	**9,600**	**6,163**	**8,391**	**9,600**	**8,391**

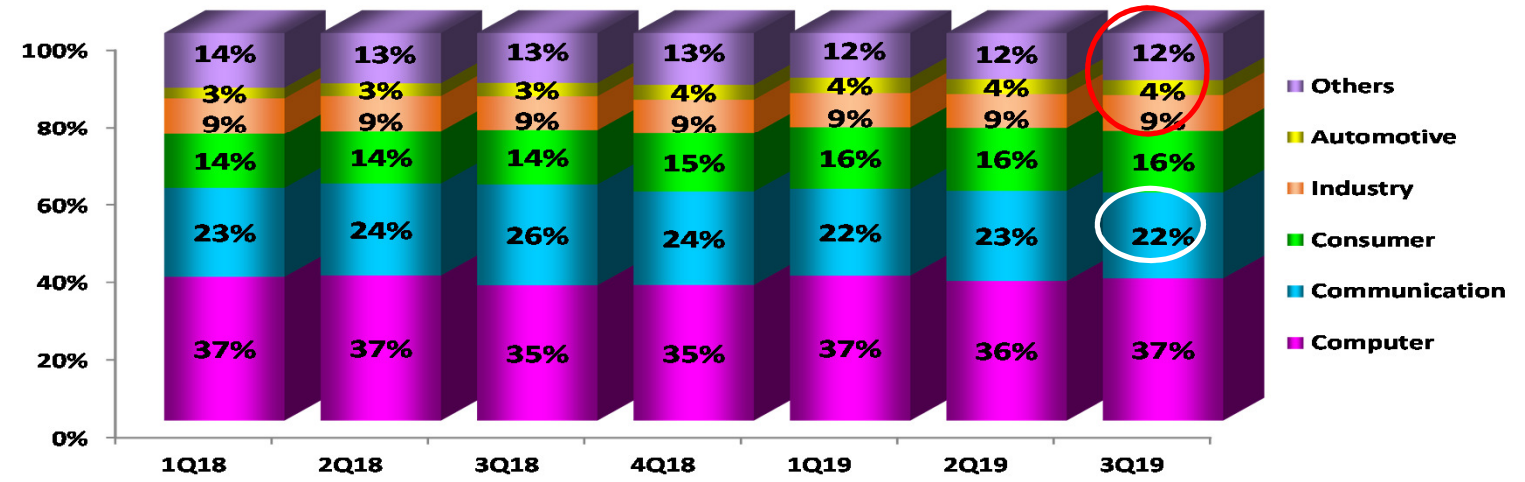
Unaudited, Prepared by WPG based on TIFRS.

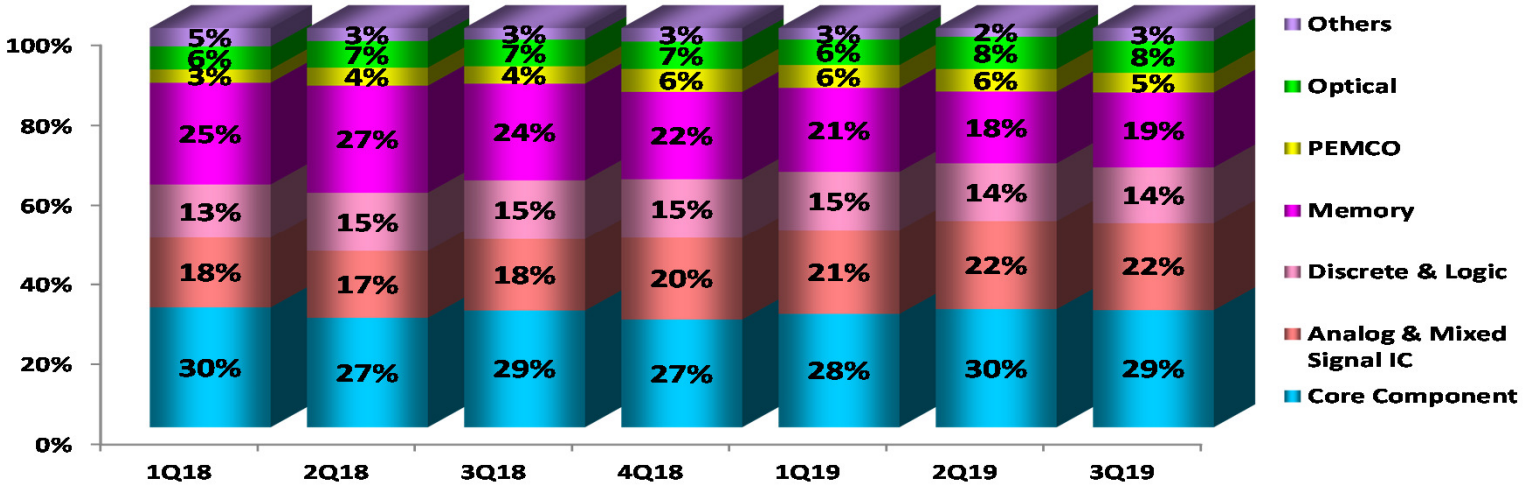
Sales breakdown by Geography/ Customer



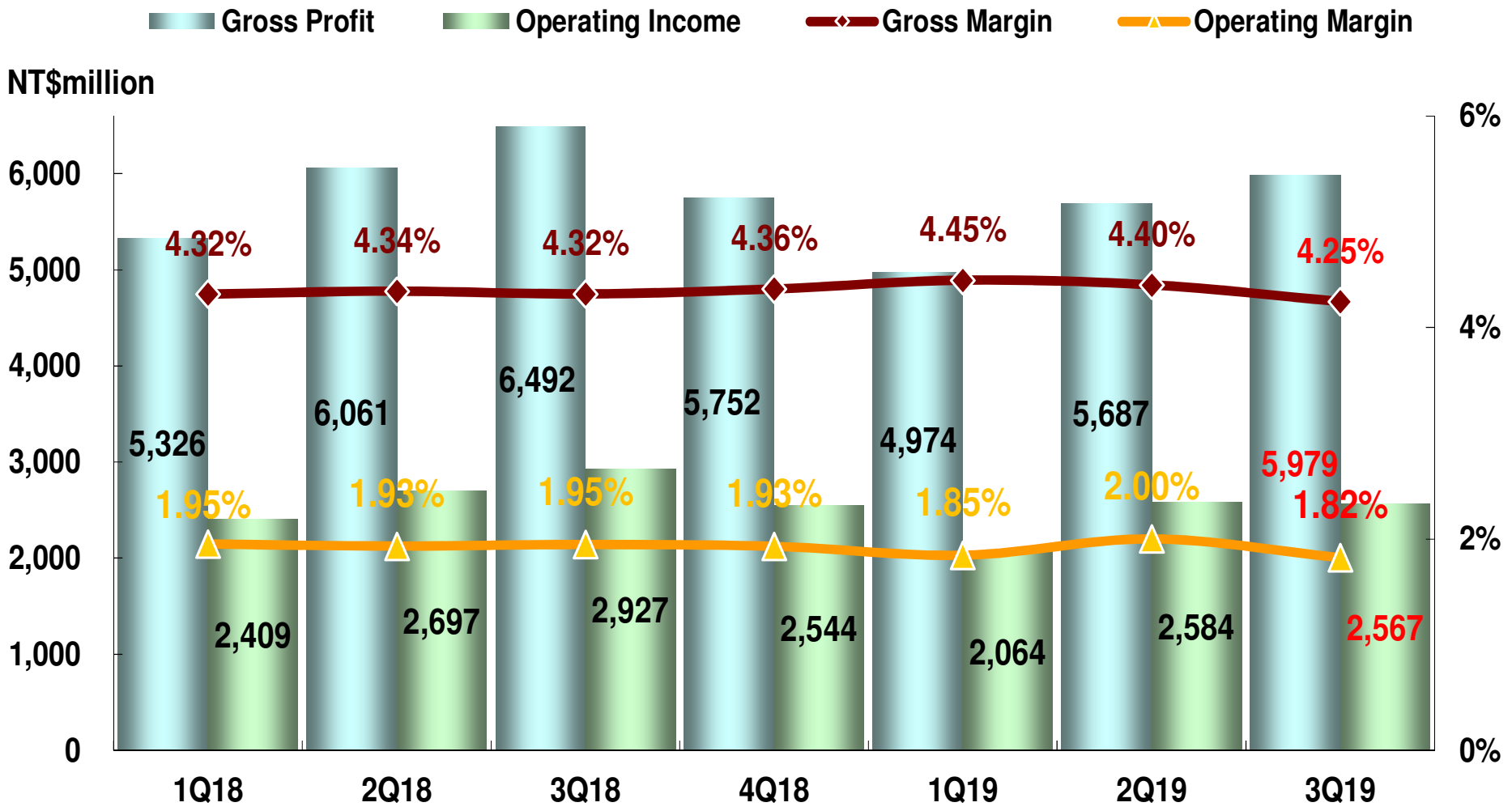
TBM：Taiwan-Based Customers
CBM：China Based Customers

Sales breakdown by Application/ Device Type

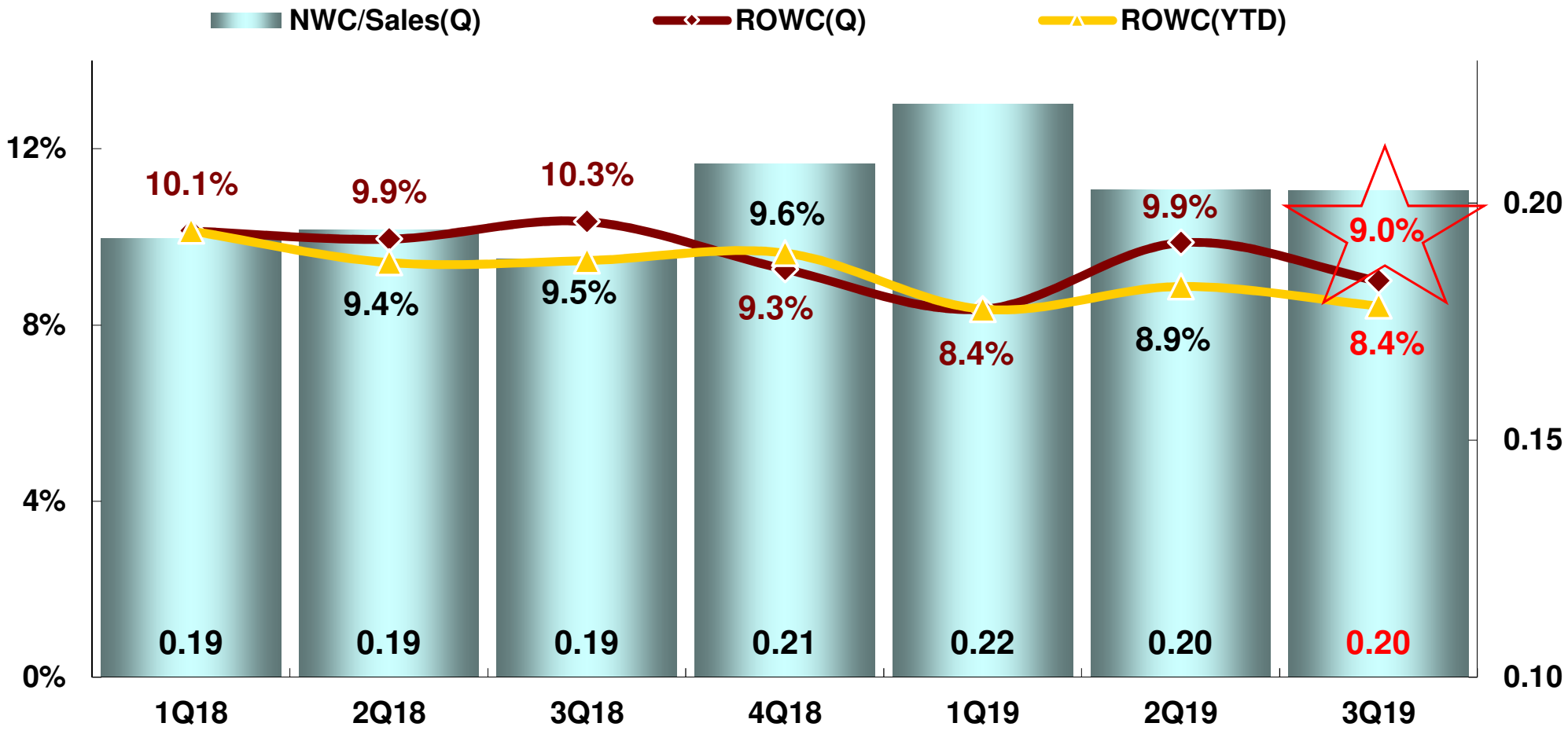




Gross Margin vs. Operating Margin

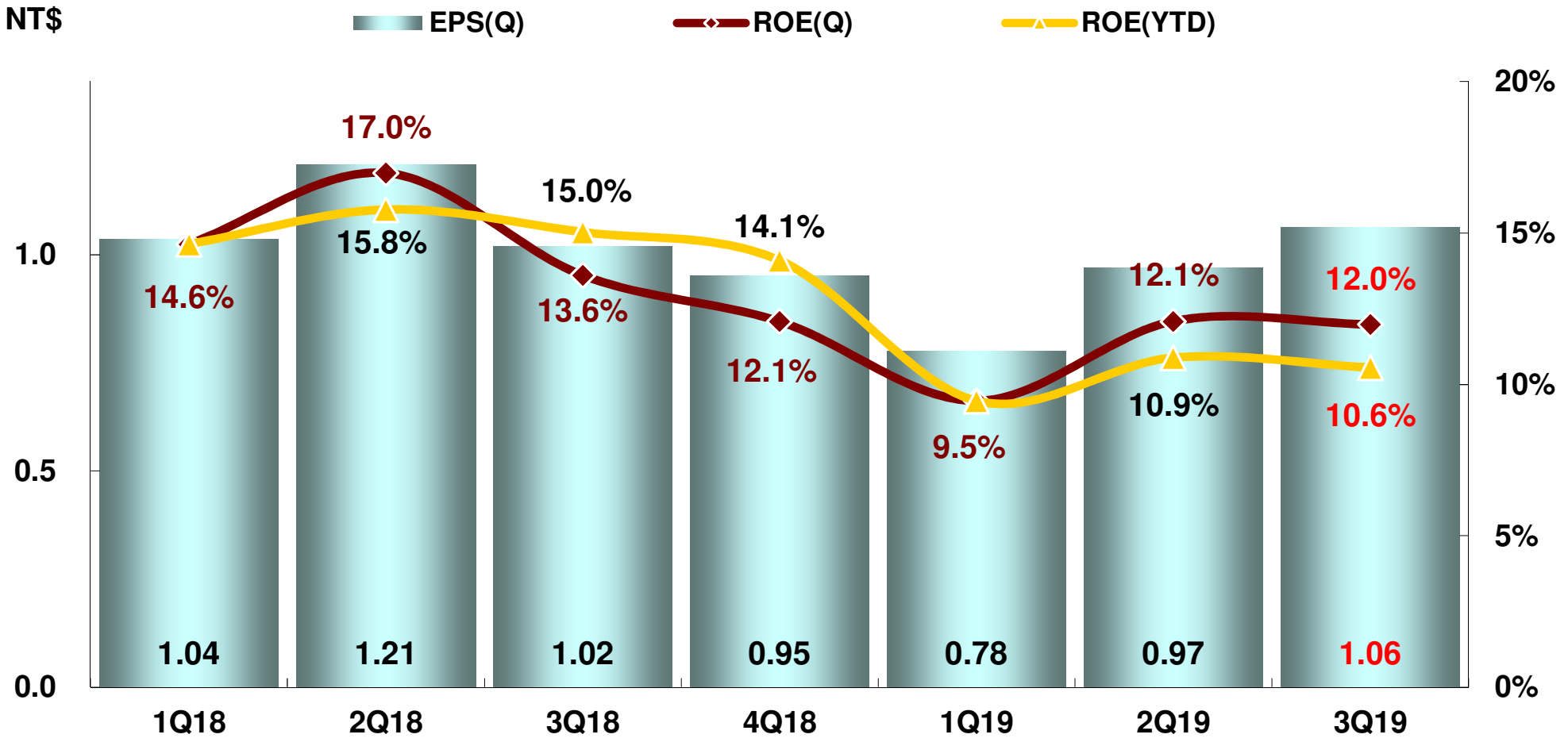


ROWC vs. NWC/Sales



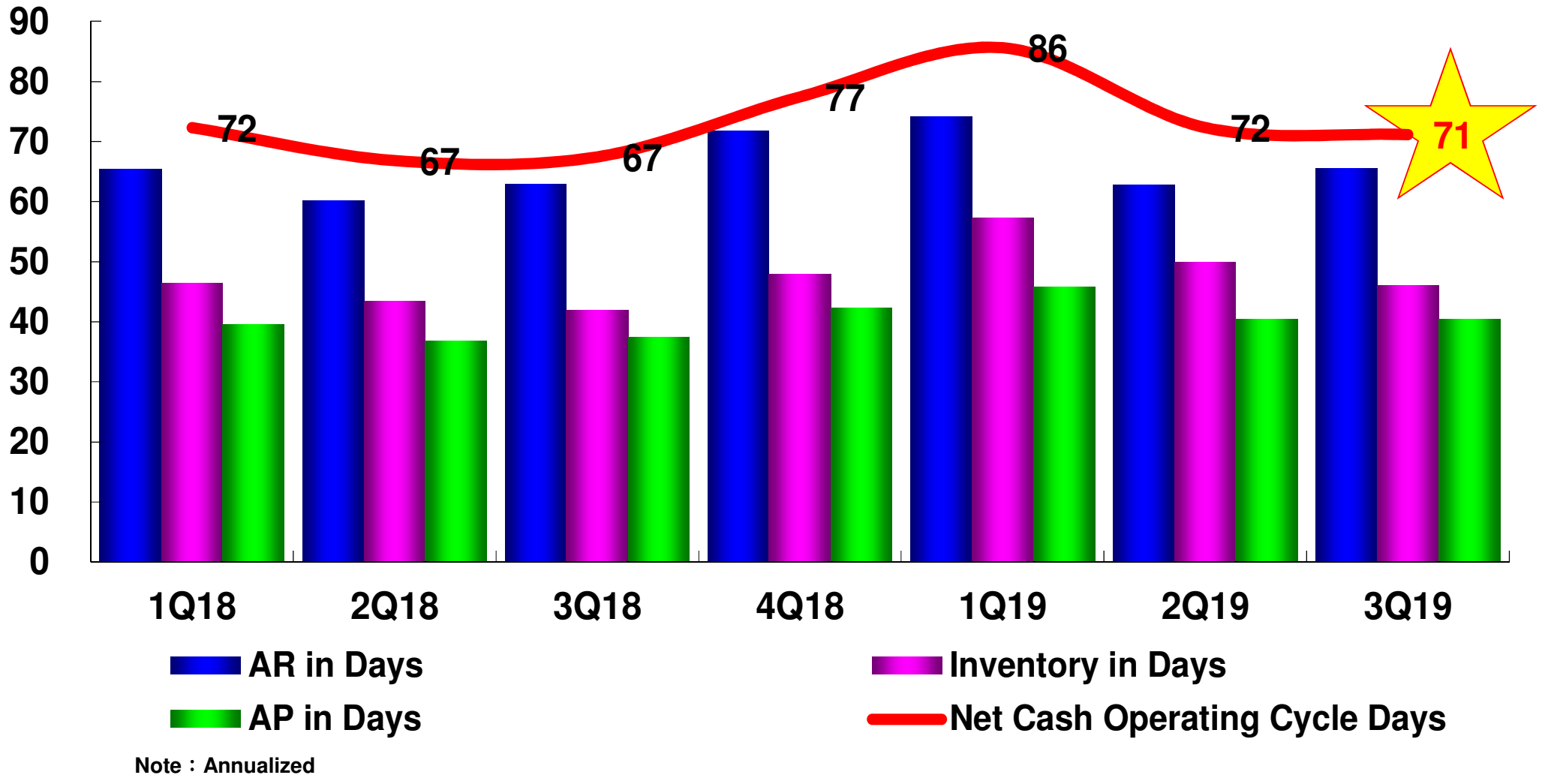
Note：Annualized

ROE vs. EPS



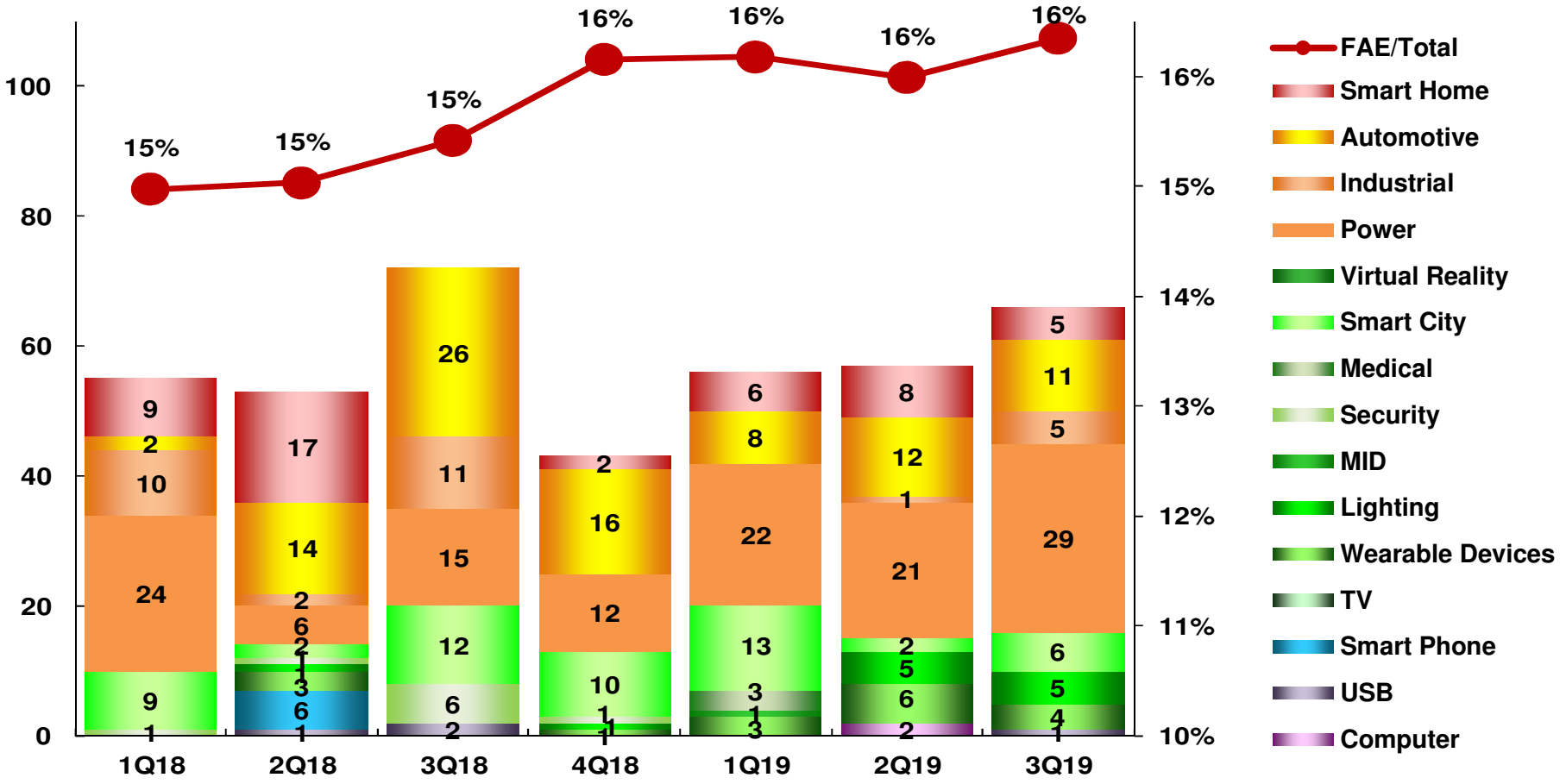
Note：Annualized

Operating Cash Cycle



Note：Annualized

More Solutions Launched



https://www.wpgholdings.com/hotchannel/index/zhtw
https://www.wpgdadatong.com/MainPage

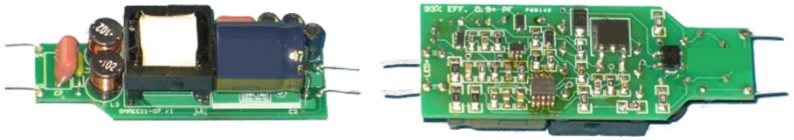
66 Solutions Launched in 3Q19

LED照明

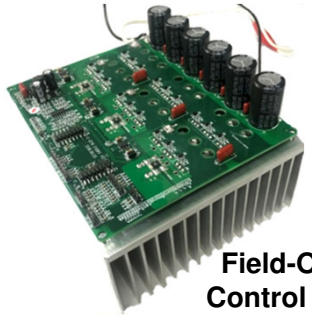
智能PWM控制晶片針對LED研討方案	2019-09-09
功率因數改善的22W LED控制器方案	2019-08-15
高效率/低待機功耗/低THD/高PF的150W照明方案	2019-08-09
高功率因子之LED照明方案	2019-07-10
LED與LED driver的高效率50W光引擎方案	2019-07-01

工業電子

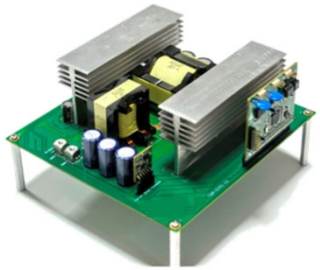
適用於工業網關之PoE(以太網供電)方案	2019-09-16
適用於太陽能串式逆變器的10kW三相3級並網逆變器方案	2019-09-02
AC-DC 360W數字化服務器電源方案	2019-08-20
雙路PoE冗餘服务器電源應用方案	2019-08-06
應用於UPS的400 V DC-BUS方案	2019-07-22



LED Driver Solution



Field-Oriented Control Solution



DC-BUS Solution

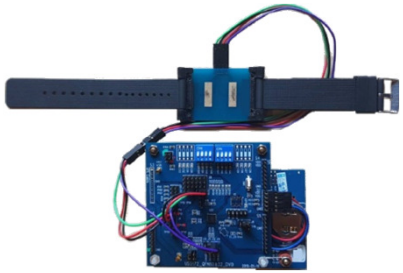
POWER 電源

90W Type-C平板/筆電 電源適配器方案	2019-09-30
500W蓄電池充電器方案	2019-09-26
諧振控制器及同步整流控制器適用於AIO電腦電源的大功率適配器方案	2019-09-25
CPU IMVP 8/9 Vcore電源方案	2019-09-24
65W USB Type-C PD ACDC adapter方案	2019-09-20
TYPEC 2x15W之車充方案	2019-09-19
通訊電源散熱風扇應用方案	2019-09-18
5kW低電壓高電流應用於堆高機，高爾夫球車的電機控制方案	2019-09-12
12W高效率Standby PC電源解決方案	2019-09-11
應用於吸塵器的500W FOC電機控制方案	2019-09-06
電機空氣壓縮機方案	2019-09-05
16相數30A(max.)高階顯示卡電源方案	2019-09-03
高效率/高功率密度30W TPYE-C PD充電器方案	2019-08-30
TYPE-C 筆電充電器方案	2019-08-28
PC電源/通訊產品/服務器/筆記本散熱風扇應用方案	2019-08-27
双端口USB Type-C™电力输送 (PD) notebook移动电源方案	2019-08-23
5V/2A網絡攝像機PoE電源應用	2019-08-22
PFC+LLC 170W LCD TV電源方案	2019-08-19
Buck-Boost充電器支援QC/PD 2串電芯行動電源應用	2019-08-14
三相BLDC馬達驅動之割草機應用方案	2019-08-07
冰箱壓縮機及自動洗碗機幫浦控制板方案	2019-08-02
BLDC熱水器排風扇方案	2019-07-30
太陽能升壓轉換器和鋰離子電池充電器	2019-07-26
240w Adapter電源方案	2019-07-24
汽車螢幕背光自動調整及溫度保護方案	2019-07-18
3-phase BLDC Motor之吊扇應用方案	2019-07-17
60W PD快充Type-C輸出電源適配器方案	2019-07-12
多通道LED驅動器的大型LCD面板背光方案	2019-07-04
數位電源方案	2019-07-02

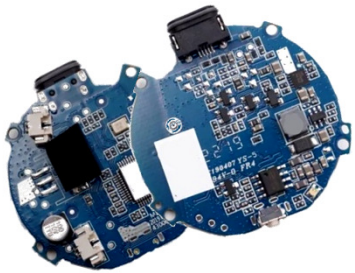
66 Solutions Launched in 3Q19

先進輔助駕駛方案	2019-09-23
ADAS域控制器解決方案	2019-08-29
汽車級12通道LED驅動器的汽車尾燈方案	2019-08-12
車用數位儀錶板方案	2019-08-05
在車用T-BOX(Telematics BOX)第一級降壓轉換器方案	2019-08-01
汽車防眩目自我調整遠光燈系統(ADB)方案	2019-07-25
跳頻PKE/RKE無鑰匙門禁系統	2019-07-23
數位高清影像(SerDes)之四路行車影像方案	2019-07-15
汽車儀表+車載娛樂雙作業系統解決方案	2019-07-09
汽车LED灯照明方案	2019-07-08
AVM 360°立體環景監控系統方案	2019-07-03

右聲道USB輸出的外賣耳機頭盔一體化設計方案	2019-08-16
文字訊息傳輸方案	2019-08-13
有自動感測撥放功能的TWS耳機	2019-07-19
ECG心電&BIA身體組成智慧手錶感測器方案	2019-07-11



Health Sensor Smartwatch Solution



TWS Bluetooth Speaker Solution

TWS藍牙音箱設計方案	2019-09-27
藍牙膽石機解決方案	2019-09-17
入侵警告方案	2019-08-21
TWS藍牙音箱方案	2019-08-08
雙模全自動智能門鎖Turnkey方案	2019-07-23

USB雙目人臉識別方案	2019-09-10
SPS無源溫度標籤應用於冷鏈運輸的UHF標籤讀取器方案	2019-09-04
LoRa加藍牙校園學生安全及定位解決方案	2019-08-26
LoRa無線訊號傳輸之太陽能農場資料傳輸解決方案	2019-07-29
視覺演算法之人臉識別開發系統	2019-07-16
雙目VSLAM空間定位方案	2019-07-05

Type-C轉接Display port影像轉換器方案	2019-07-31

Bluetooth plus LoRa Tracking Device Solution

ADAS Domain Controller Solution

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