



**WPG Holdings Ltd.
(3702.TT/3702.TW)
2Q20 Earning Release**

Aug. 18th, 2020

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.
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Agenda



- **Welcome**

- **2Q20 Financial Highlights**

Cliff Yuan

- **Q&A**

**Scott Lin/
Cliff Yuan**

Result Highlights



Unit: NT\$ million

item	2Q20	1Q20	2Q19	QoQ(%)	YoY(%)	1H20	1H19	YoY(%)
Net Sales	149,811	131,045	129,176	14.3	16.0	280,855	241,008	16.5
Gross Margin	3.93%	4.02%	4.40%	-9 bp	-47 bp	3.97%	4.42%	-45 bp
Operating Expenses	(3,313)	(3,082)	(3,104)	7.5	6.7	(6,394)	(6,013)	6.3
Operating Income	2,574	2,191	2,584	17.5	(0.4)	4,766	4,648	2.5
Operating Margin	1.72%	1.67%	2.00%	+5 bp	-28 bp	1.70%	1.93%	-23 bp
Net Income	2,120	1,659	1,629	27.8	30.2	3,779	2,933	28.8
EPS (NT\$) ₍₁₎	1.19	0.99	0.97			2.18	1.75	
Net Book Value (NT\$) ₍₁₎	31.36							

Total Assets	239,439	248,922	197,156			239,439	197,156	
Total Liabilities	176,310	183,065	143,241			176,310	143,241	
Total Equity	63,129	65,857	53,914			63,129	53,914	
Net Working Capital	121,017	118,806	104,766			121,017	104,766	

Free Cash Flow	(925)	(308)	(4,078)			(1,233)	5,215	
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KEY Indices₍₂₎

ROWC	8.5%	7.4%	9.9%	+113 bp	-136 bp	7.9%	8.9%	-100 bp
NWC/Sales	0.20	0.23	0.20			0.22	0.22	
ROE	13.5%	10.3%	12.1%	+315 bp	+136 bp	12.0%	10.9%	+110 bp
Gearing	1.33	1.23	1.17			1.33	1.17	

(1).Weighted average common shares outstanding

1,679	1,679	1,679			1,679	1,679	
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(2).Annualized

Statements of Comprehensive Income



Unit: NT\$million

Item	2Q20	1Q20	QoQ(%)	2Q19	YoY(%)	1H20	1H19	YoY(%)
Revenue	149,811	131,045	14.3	129,176	16.0	280,855	241,008	16.5
COGS	(143,923)	(125,772)	14.4	(123,488)	16.5	(269,695)	(230,347)	17.1
Gross Profit	5,887	5,273	11.7	5,687	3.5	11,160	10,661	4.7
Gross Margin	3.93%	4.02%		4.40%		3.97%	4.42%	
Operating Expenses	(3,313)	(3,082)	7.5	(3,104)	6.7	(6,394)	(6,013)	6.3
Operating Income	2,574	2,191	17.5	2,584	(0.4)	4,766	4,648	2.5
Operating Margin	1.72%	1.67%		2.00%		1.70%	1.93%	
Net Non-operating Items	2	(186)	NM	(388)	NM	(183)	(797)	(77.0)
Net Financing costs	(484)	(575)	(15.9)	(538)	(10.2)	(1,058)	(1,158)	(8.6)
Foreign Exchange Gains/Losses	165	297	(44.4)	155	6.2	462	308	50.2
Others	321	92		(5)		413	53	
Profit Before Tax	2,576	2,006	28.5	2,196	17.3	4,582	3,851	19.0
Tax	(436)	(340)	28.4	(554)	(21.3)	(776)	(896)	(13.4)
Minority	(20)	(7)		(13)		(27)	(22)	
Profit After Tax	2,120	1,659	27.8	1,629	30.2	3,779	2,933	28.8
Net Margin	1.42%	1.27%		1.26%		1.35%	1.22%	
EPS (NT\$) ₍₁₎	1.19	0.99		0.97		2.18	1.75	
Tax %	17%	17%		25%		17%	23%	
(1).Weighted average common shares outstanding	1,679	1,679		1,679		1,679	1,679	

Balance Sheet



Unit: NT\$million		2Q20		1Q20		2Q19	
item		<i>Amount</i>	%	<i>Amount</i>	%	<i>Amount</i>	%
Cash & Marketable Securities		12,693	5	13,262	5	6,195	3
Accounts Receivable - Trade		111,497	47	108,632	44	94,282	48
Inventory		69,940	29	81,536	33	65,649	33
Current Assets		208,643	87	219,773	88	180,768	92
Others		30,795	13	29,149	12	16,387	8
Total Assets		239,439	100	248,922	100	197,156	100
Current Interest-bearing Debt		79,256	33	78,538	32	56,499	29
Accounts Payable		60,420	25	71,363	29	55,164	28
Accrued Liabilities and Others		16,216	7	14,576	6	16,014	8
Current Liabilities		155,892	65	164,477	66	127,678	65
Long-term Interest-bearing Debt		18,507	8	16,602	7	13,320	7
Others		1,911	1	1,986	1	2,243	1
Total Liabilities		176,310	74	183,065	74	143,241	73
Total Equity		63,129	26	65,857	26	53,914	27
KEY Indices⁽¹⁾							
Net Working Capital (NT\$million)		121,017		118,806		104,766	
AR Turnover (Days)		67		77		63	
Inventory Turnover (Days)		48		54		50	
AP Turnover (Days)		42		49		40	
Average Collection Periods (Days)		73		82		72	
Current Ratio		134%		134%		142%	
Gearing		1.33		1.23		1.17	

(1). Annualized

Cash Flows

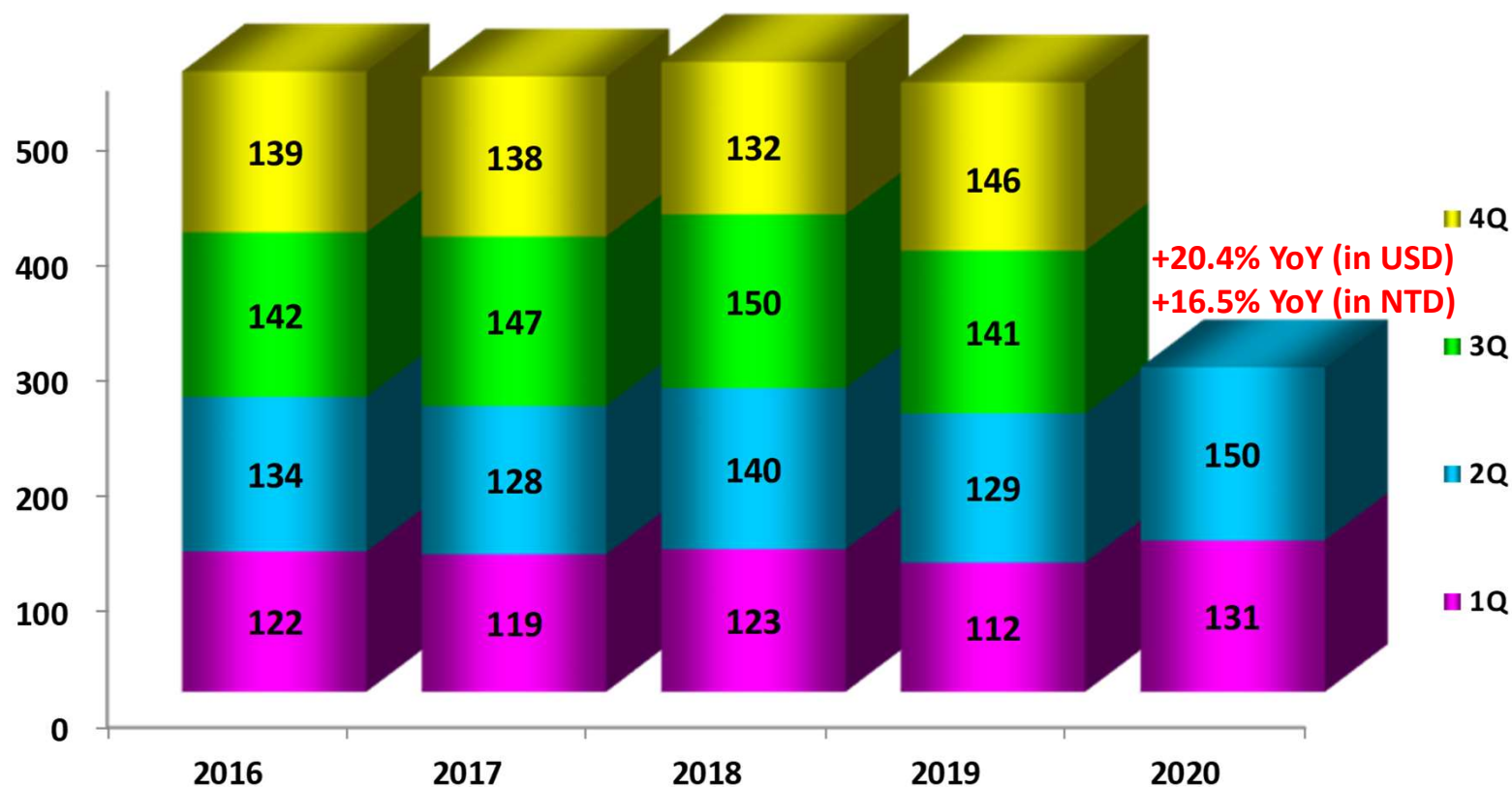


Unit:NT\$million	2Q20	1Q20	2Q19	1H20	1H19
-Income before Income Tax	2,576	2,006	2,196	4,582	3,851
-Changes of NWC	(2,312)	(2,081)	(5,922)	(4,393)	5,116
-Adjustment & Others	(1,189)	(233)	(352)	(1,422)	(3,752)
From Operation	(925)	(308)	(4,078)	(1,233)	5,215
-Other Financial Instruments	17	571	(193)	588	166
-Capital Expenditure	(269)	(5,086)	(27)	(5,355)	(122)
-Marketable Financial Instruments	(66)	11	(70)	(54)	(70)
-Others	0.5	(45)	49	(45)	(29)
From Investment	(317)	(4,548)	(240)	(4,865)	(56)
-Financial Debt	2,623	7,859	4,765	10,482	(6,430)
-Others	(66)	(112)	(120)	(178)	(228)
From Financing	2,557	7,748	4,645	10,305	(6,659)
Cumulative translation adjustments	(1,893)	343	262	(1,550)	545
Net Cash Position Change	(579)	3,235	590	2,656	(953)
Ending Cash Balance	12,649	13,228	6,163	12,649	6,163

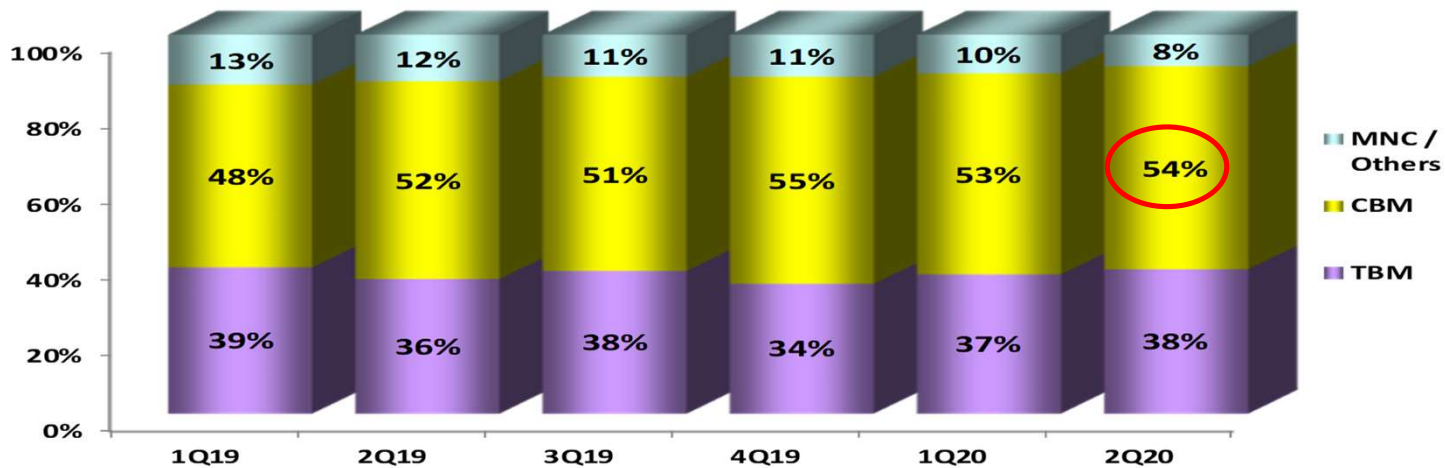
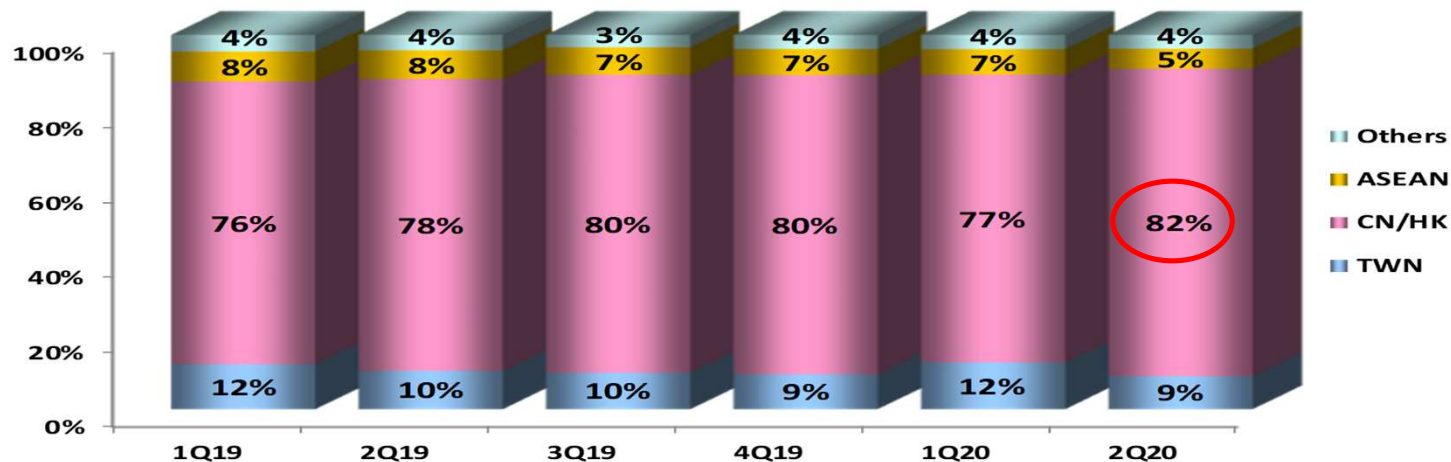
Consolidated Revenue



Unit: NT\$billion

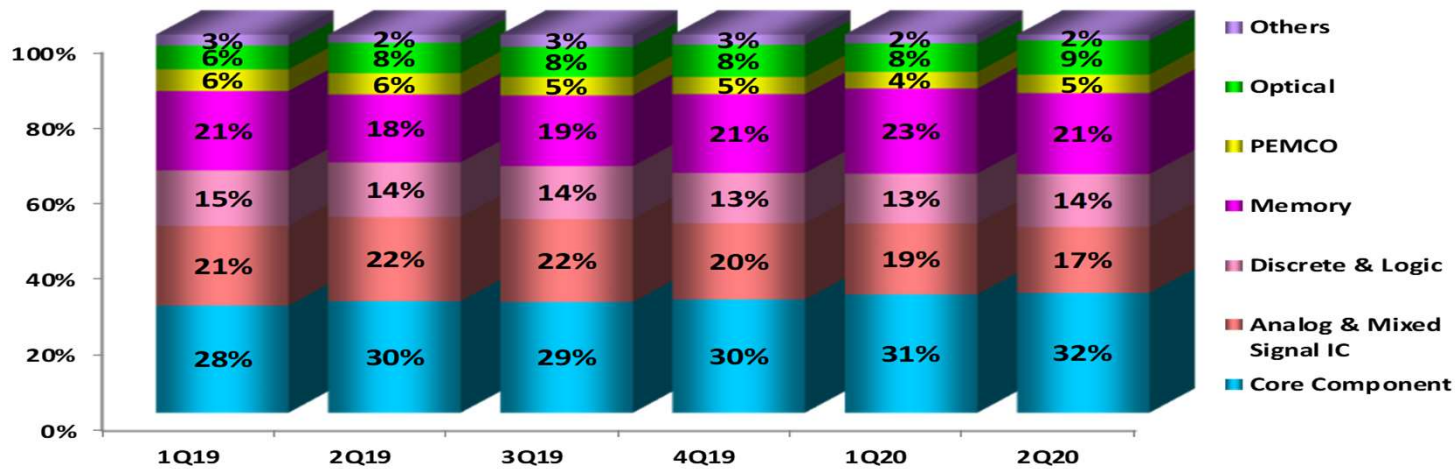
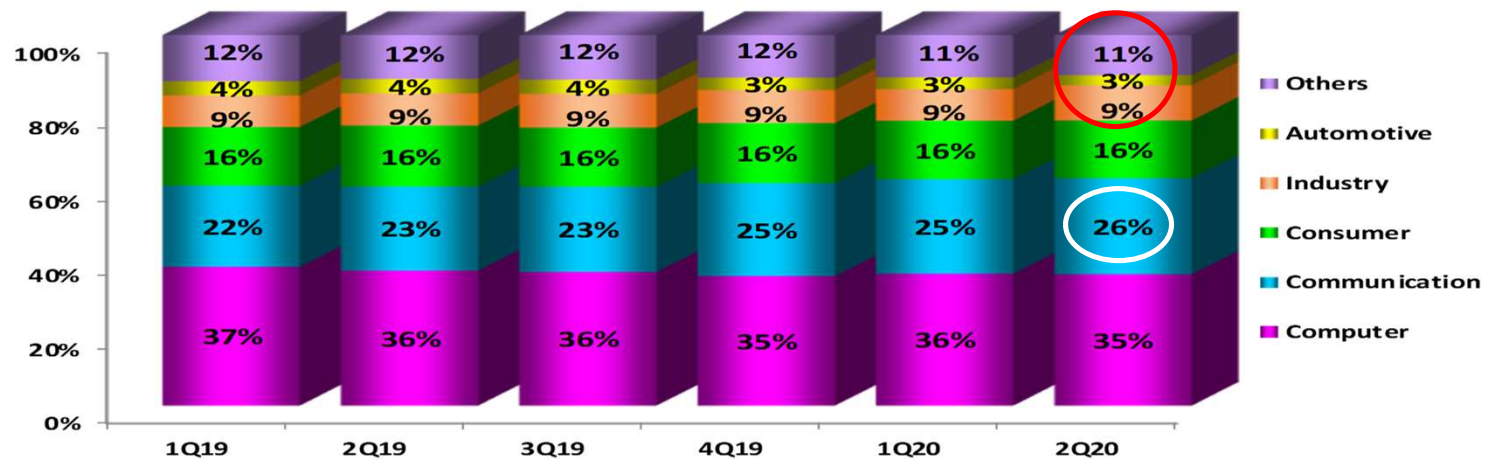


Sales breakdown by Geography/ Customer

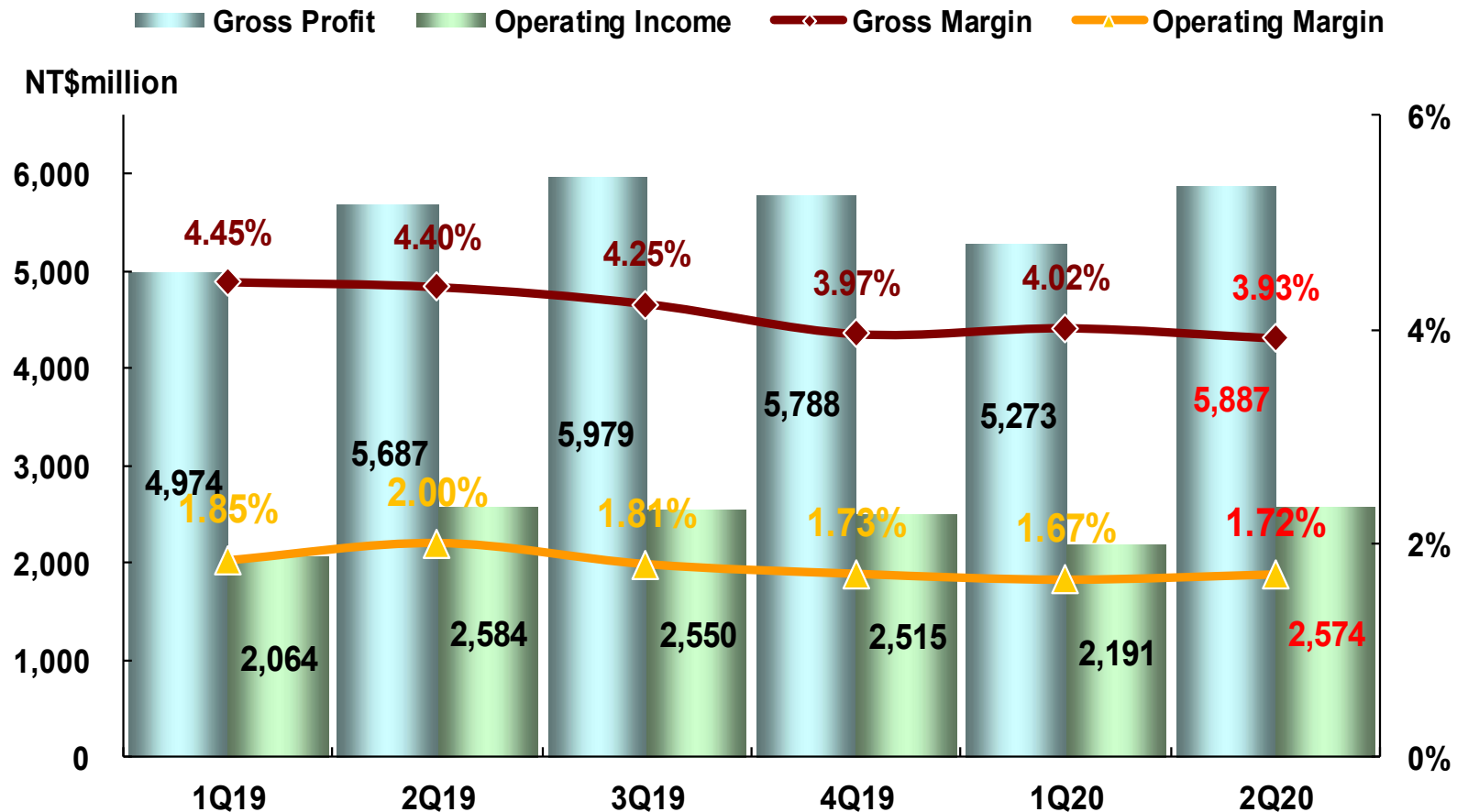


TBM : Taiwan-Based Customers
CBM : China Based Customers

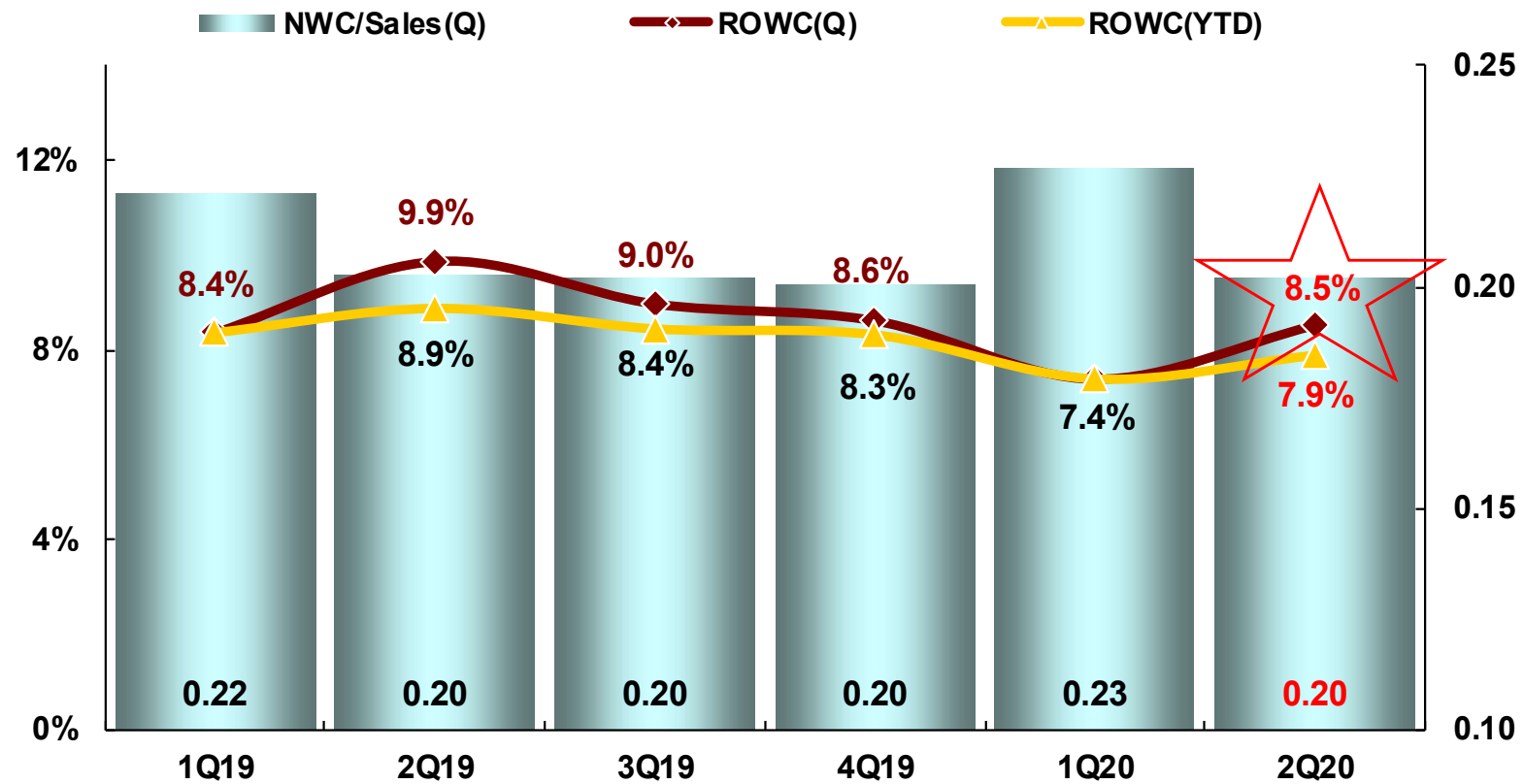
Sales breakdown by Application/ Device Type



Gross Margin vs. Operating Margin

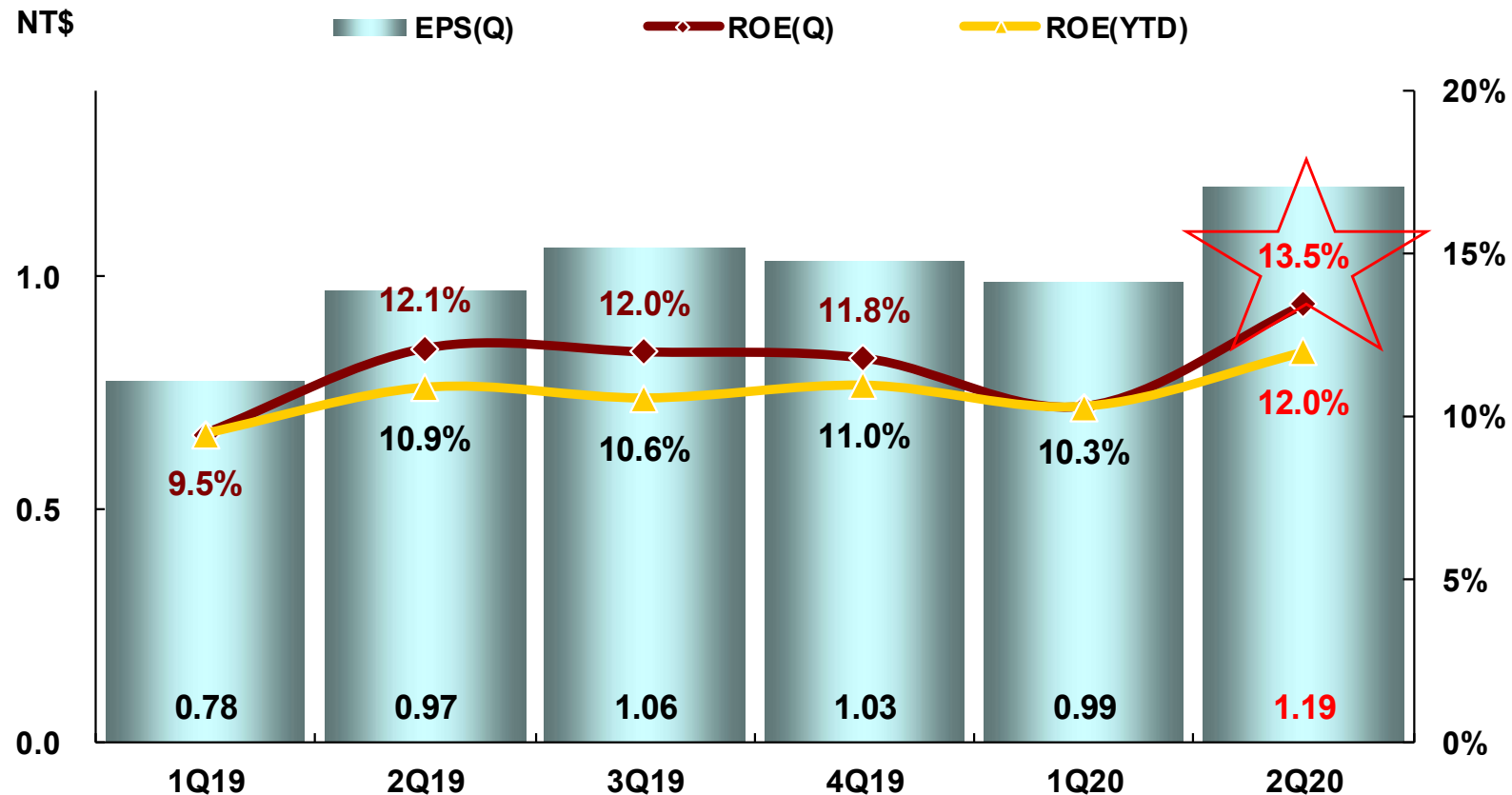


ROWC vs. NWC/Sales



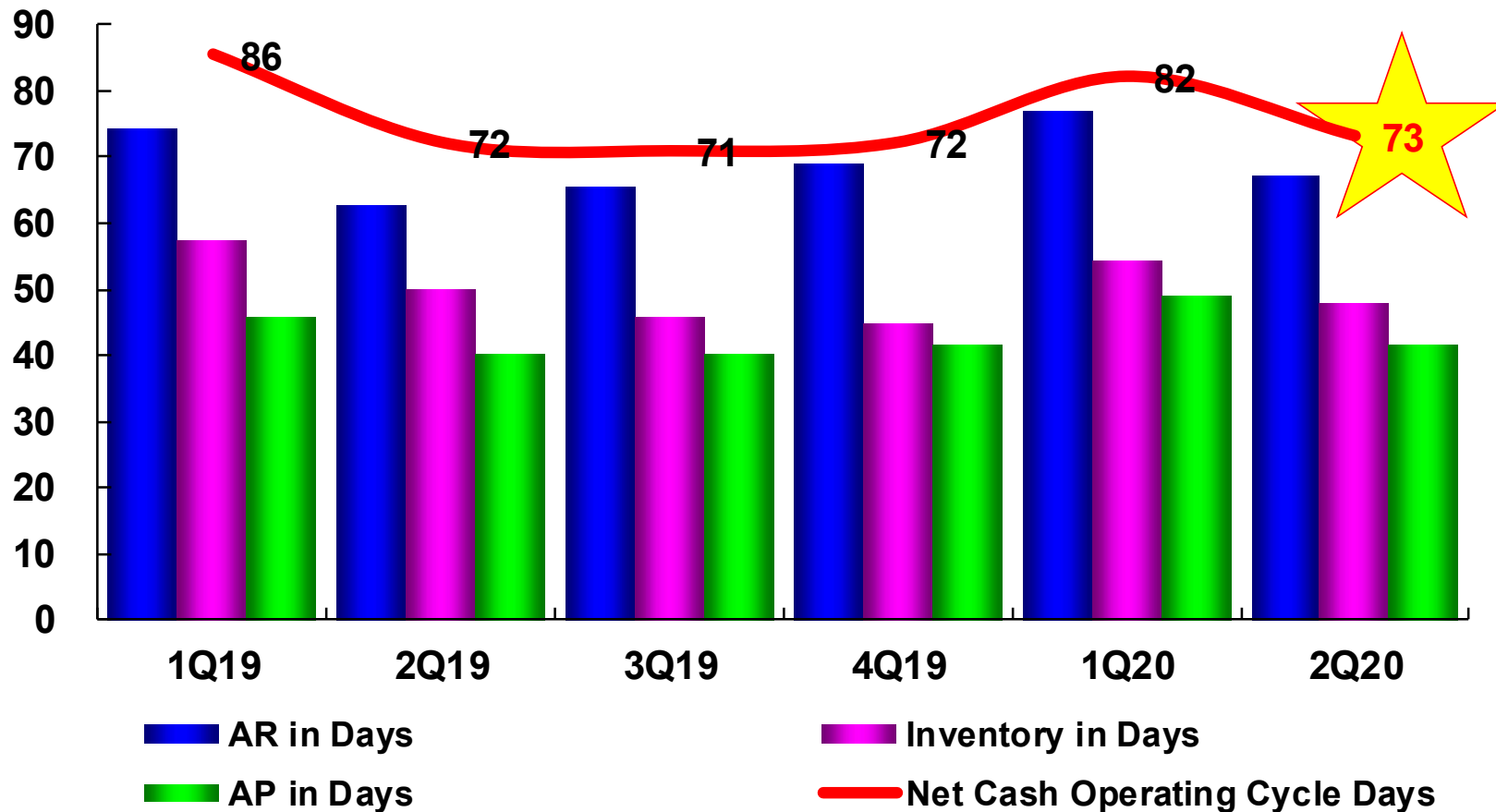
Note : Annualized

ROE vs. EPS



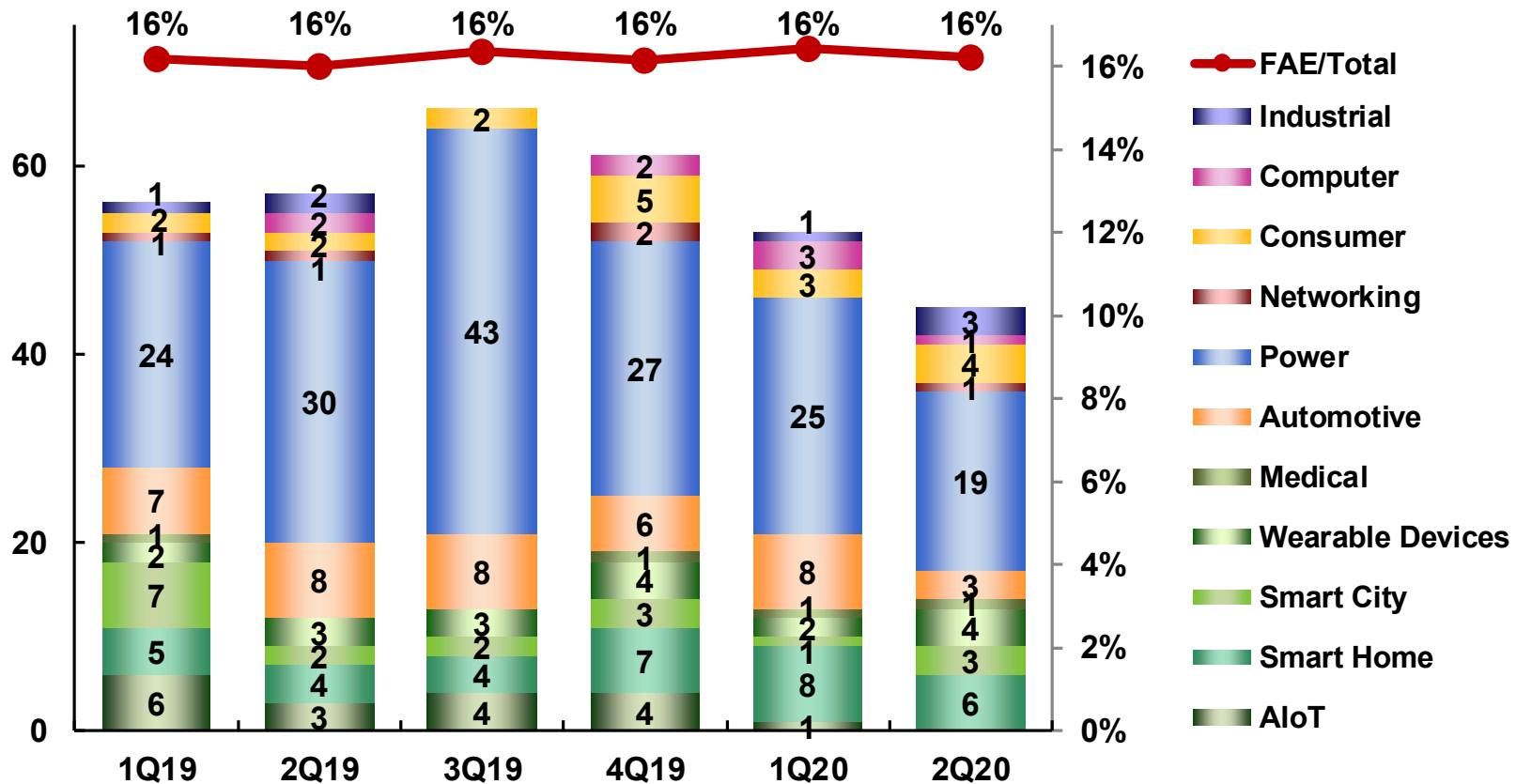
Note : Annualized

Operating Cash Cycle



Note : Annualized

More Solutions Launched



45 Solutions Launched in 2Q20



智能家居

- ▶ Wi-Fi camera and doorbell方案 2020-06-11
- ▶ "萬能遙控器殺手"方案 2020-06-05
- ▶ 智能開關方案 2020-06-03
- ▶ 智能照明方案 2020-05-27
- ▶ 藍牙智能窗簾方案 2020-04-14
- ▶ Wi-Fi 6 (802.11ax)標準5.8G高功率WLAN前端模塊解決方案 2020-04-07



智慧城市

- ▶ 人臉識別門禁測溫系統方案 2020-06-18
- ▶ 冷鏈運輸溫度記錄儀方案 2020-06-08
- ▶ GPS, LoRa的運輸物品保鮮監控及追蹤器方案 2020-04-29

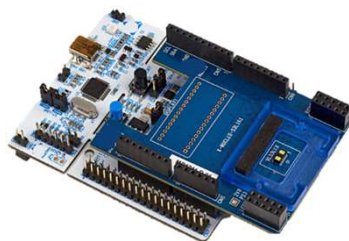


智慧醫療

- ▶ AI平台上的主動式跌倒警示系統方案 2020-05-22



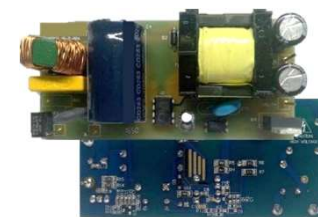
Smart Home Universal
Remote Controller Solution



Face Recognition Temperature
Measurement System Solution



Type-C PD Power Supply
Solution



Wall Plug Power Adapter
Solution



電源

- ▶ 100W汽車電子水泵解決方案 2020-06-29
- ▶ 新一代汽車遠近光LED大燈驅動方案 2020-06-23
- ▶ USB PD3.0協議NB電源適配器方案 2020-06-16
- ▶ Low EMI 24V DC轉換之醫療顯示器電源方案 2020-06-15
- ▶ 200W投影機電源解決方案 2020-05-29
- ▶ 高效率交錯式數位控制PFC的2KW服務器電源方案 2020-05-28
- ▶ PD3.0車用充電方案 2020-05-26
- ▶ All-in-one防水散熱風機方案 2020-05-20
- ▶ 永磁同步馬達控制之電動摩托車方案 2020-05-18
- ▶ 130W LED Lighting之Adapter方案 2020-05-12
- ▶ 雙N Chanel MOSFET BLDC低壓電動工具方案 2020-05-08
- ▶ 全集成MOS的30W牆插式電源適配器方案 2020-05-06
- ▶ 高效率與高功率密度Type-C PD電源方案 2020-04-27
- ▶ 100W智能三合一(PWM-電阻-1-10V)-LED調光電源方案 2020-04-20
- ▶ IMVP9 Vcore電源方案 2020-04-17
- ▶ TypeC應用在NB端充電方案 2020-04-13
- ▶ E-meter电源管理中的應用方案 2020-04-09
- ▶ 低功耗太陽能光伏充電控制板方案 2020-04-03
- ▶ 智能空調主控板DC/DC電源方案 2020-04-01

45 Solutions Launched in 2Q20



電腦&週邊

- ▶ Gaming Keyboard+Mouse+Headset三合一方案 2020-04-30



消費類

- ▶ 智慧門鈴方案 2020-06-30
- ▶ 智能檯燈方案 2020-06-17
- ▶ 小家電Touch觸摸面板方案 2020-06-01
- ▶ 8K信號之HDMI2.1 Active Cable方案 2020-05-14

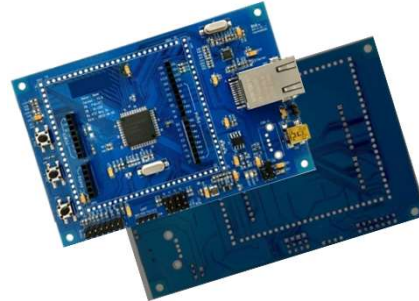


通訊類

- ▶ 手機攝像頭OIS(光學防抖)應用方案 2020-04-22



Smart Doorbell Solution



Industrial Control Networks Solution



工業類

- ▶ 電機控制核心板方案 2020-06-24
- ▶ 工業控制網絡應用方案 2020-05-19
- ▶ 4通道12G UHD-SDI分配器方案 2020-04-15



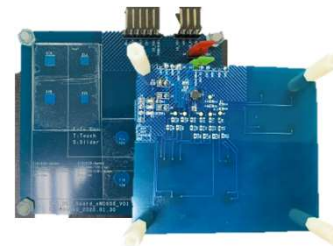
汽车电子

- ▶ LIN總線汽車 RGB 氛圍燈方案 2020-06-12
- ▶ 直流無刷水泵FOC方案 2020-05-15
- ▶ 智慧汽車BMS動力電池管理一體式系統方案 2020-04-24

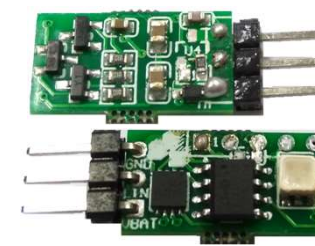


穿戴裝置

- ▶ ANC多功能音頻開發板方案 2020-06-22
- ▶ TWS入耳檢測及觸摸鍵 2020-06-19
- ▶ TrueWireless Mirroring技術的ANC+TWS耳機方案 2020-06-09
- ▶ 支持微軟swift pair功能之TWS耳機方案 2020-05-21



True Wireless Earbuds Solution



True Wireless Earbuds Solution

Recap of Recent Major Events



- Shareholders' Meeting Approved NT\$2.4 Cash Dividend Per Common Share and NT\$0.57534247 Cash Dividend Per Preferred Shares A (2020/06/24)
- WPG Has Acquired 10.11% Common Shares of T3EX Global Holdings (2020/07)



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