WPG Holdings

WPG Holdings Ltd.
(3702.TT/3702.TW)
4Q20 Earning Release

Mar. 31st., 2021

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
- 4Q20 Financial Highlights — Cliff Yuan
- Q&A — Cliff Yuan

Result Highlights

Unit:NT$million

item	4Q20	3Q20	4Q19	QoQ(%)	YoY(%)	2020	2019	YoY(%)
Net Sales	159,044	169,987	145,773	(6.4)	9.1	609,886	527,601	15.6
Gross Margin	3.60%	3.62%	3.97%	-2 bp	-37 bp	3.78%	4.25%	-47 bp
Operating Expenses	(3,207)	(3,398)	(3,273)	(5.6)	(2.0)	(13,000)	(12,716)	2.2
Operating Income	2,525	2,759	2,515	(8.5)	0.4	10,050	9,713	3.5
Operating Margin	1.59%	1.62%	1.73%	-4 bp	-14 bp	1.65%	1.84%	-19 bp
Net Income	2,087	2,257	1,735	(7.5)	20.3	8,123	6,453	25.9
EPS (NT$)(1)	1.24	1.34	1.03			4.77	3.84	
Net Book Value (NT$)(1)	33.04							
Total Assets	233,977	234,450	230,347			233,977	230,347	
Total Liabilities	167,974	170,301	166,380			167,974	166,380	
Total Equity	66,003	64,149	63,967			66,003	63,967	
Net Working Capital	105,747	100,973	116,830			105,747	116,830	
Free Cash Flow	(1,152)	20,210	998			17,825	(1,414)	
KEY Indices(2)								
ROWC	*9.6%*	*10.9%*	*8.6%*	-138 bp	+94 bp	*9.5%*	*8.3%*	+119 bp
NWC/Sales	*0.17*	*0.15*	*0.20*			*0.17*	*0.22*	
ROE	*12.9%*	*14.2%*	*11.8%*	-126 bp	+117 bp	*12.6%*	*11.0%*	+165 bp
Gearing	1.15	1.12	1.18			1.15	1.18	
(1).Weighted average common shares outstanding	1,679	1,679	1,679			1,679	1,679	

(2).Annualized

Statements of Comprehensive Income

Unit:NT$million

Item	4Q20	3Q20	QoQ(%)	4Q19	YoY(%)	2020	2019	YoY(%)
Revenue	159,044	169,987	(6.4)	145,773	9.1	609,886	527,601	15.6
COGS	(153,311)	(163,830)	(6.4)	(139,985)	9.5	(586,836)	(505,173)	16.2
Gross Profit	5,733	6,157	(6.9)	5,788	(1.0)	23,050	22,428	2.8
Gross Margin	3.60%	3.62%		3.97%		3.78%	4.25%	
Operating Expenses	(3,207)	(3,398)	(5.6)	(3,273)	(2.0)	(13,000)	(12,716)	2.2
Operating Income	2,525	2,759	(8.5)	2,515	0.4	10,050	9,713	3.5
Operating Margin	1.59%	1.62%		1.73%		1.65%	1.84%	
Net Non-operating Items	(27)	48	NM	(397)	(93.2)	(162)	(1,525)	(89.4)
Net Financing costs	(413)	(418)	(1.4)	(573)	(28.0)	(1,889)	(2,292)	(17.6)
Foreign Exchange Gains/Losses	62	155	(59.9)	110	(43.3)	680	554	22.7
Others	323	311		66		1,047	213	
Profit Before Tax	2,498	2,807	(11.0)	2,118	18.0	9,888	8,188	20.8
Tax	(389)	(522)	(25.4)	(365)	6.7	(1,687)	(1,682)	0.3
Extraordinary Gain	-	-	N/A	-	N/A	-	-	N/A
Minority	(22)	(28)		(17)		(77)	(53)	
Profit After Tax	2,087	2,257	(7.5)	1,735	20.3	8,123	6,453	25.9
Net Margin	1.31%	1.33%		1.19%		1.33%	1.22%	
EPS (NT$)(1)	1.24	1.34		1.03		4.77	3.84	
Tax %	16%	19%		17%		17%	21%	
(1).Weighted average common shares outstanding	1,679	1,679		1,679		1,679	1,679	

Balance Sheet

Unit:NT$million	4Q20		3Q20		4Q19	
item	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	11,107	5	13,048	6	10,332	4
Accounts Receivable - Trade	111,610	48	113,513	48	112,731	49
Inventory	57,100	24	56,721	24	67,722	29
Current Assets	198,011	85	200,700	86	205,966	89
Others	35,966	15	33,749	14	24,381	11
Total Assets	233,977	100	234,450	100	230,347	100
Current Interest-bearing Debt	70,402	30	61,333	26	79,950	35
Accounts Payble	62,963	27	69,261	30	63,623	28
Accrued Liabilities and Others	13,291	6	12,315	5	13,386	6
Current Liabilities	146,656	63	142,909	61	156,959	68
Long-term Interest-bearing Debt	18,643	8	24,647	11	7,331	3
Others	2,675	1	2,745	1	2,090	1
Total Liabilities	167,974	72	170,301	73	166,380	72
Total Equity	66,003	28	64,149	27	63,967	28
KEY Indices(1)						
Net Working Capital (NT$million)	105,747		100,973		116,830	
AR Turnover (Days)	65		60		69	
Inventory Turnover (Days)	34		35		45	
AP Turnover (Days)	39		36		41	
Average Collection Periods (Days)	59		60		72	
Current Ratio	135%		140%		131%	
Gearing	1.15		1.12		1.18	

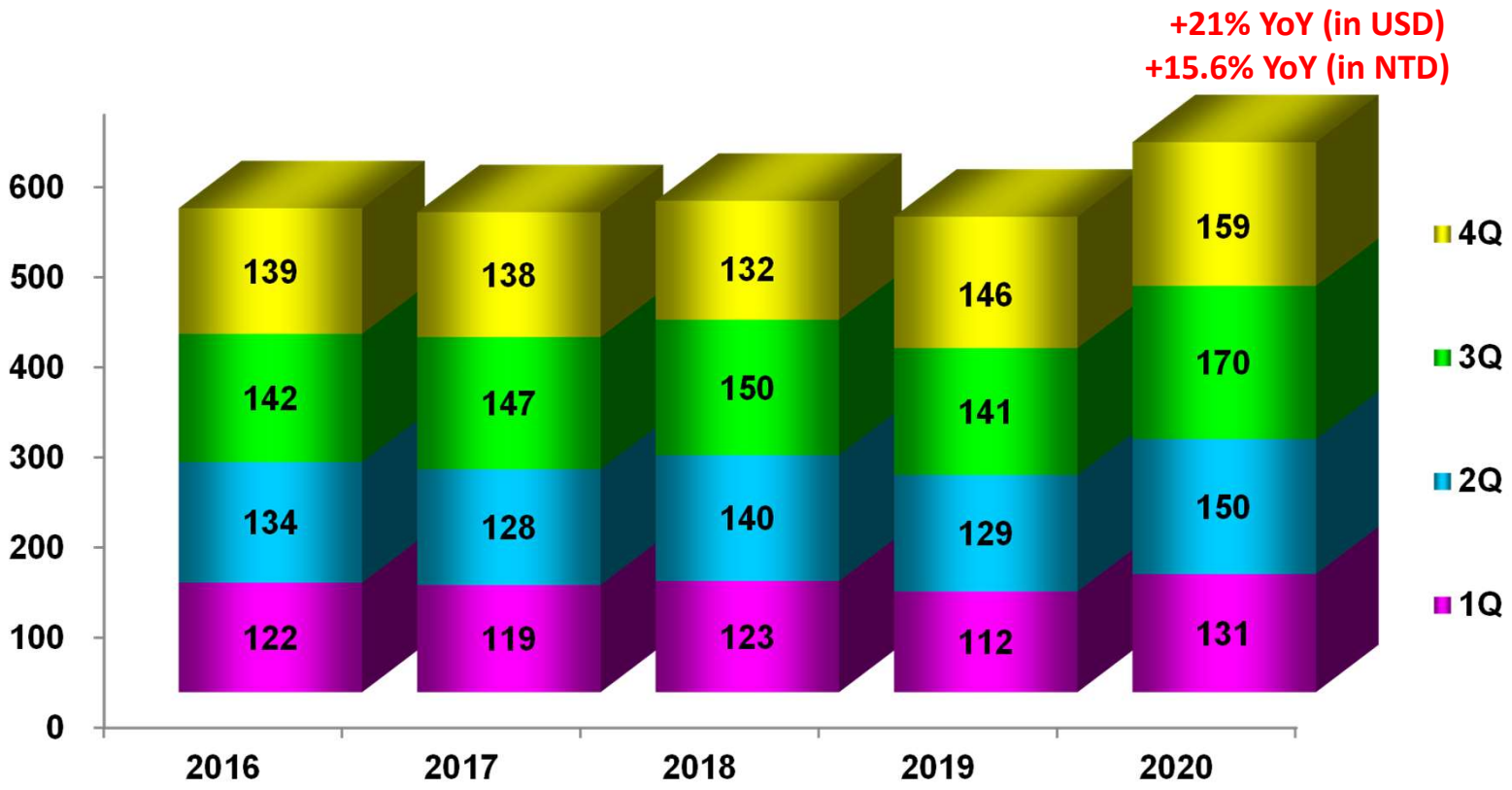
(1).Annualized

Cash Flows

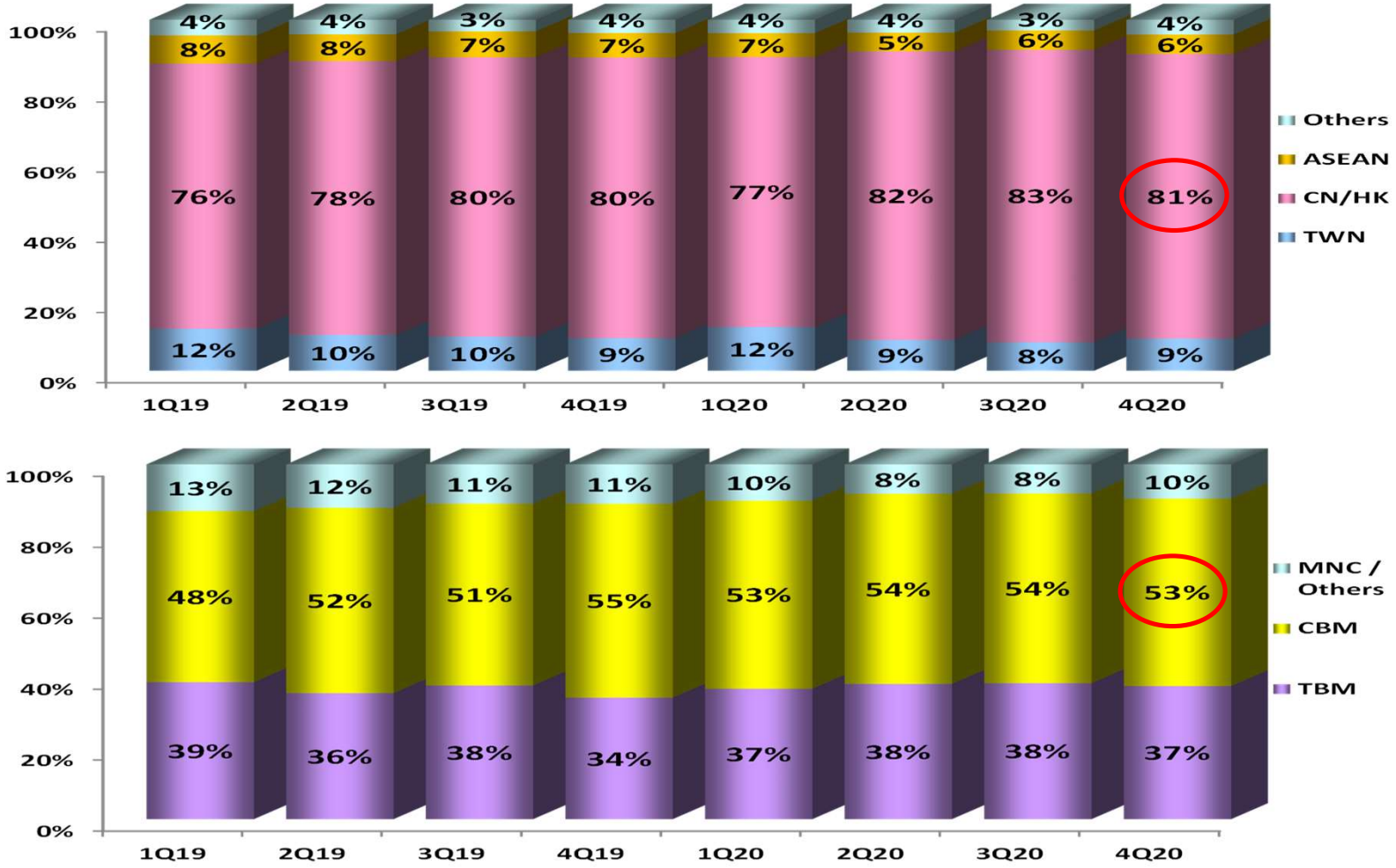
Unit: NT$million	4Q20	3Q20	4Q19	2020	2019
-Income before Income Tax	2,498	2,807	2,118	9,888	8,188
-Changes of NWC	(4,564)	20,031	(3,063)	11,074	(6,938)
-Adjustment & Others	914	(2,628)	1,944	(3,136)	(2,663)
From Operation	**(1,152)**	**20,210**	**998**	**17,825**	**(1,414)**
-Other Financial Instruments	(1,155)	(342)	(941)	(908)	(901)
-Capital Expenditure	(473)	(210)	(112)	(6,038)	(355)
-Marketable Financial Instruments	(1,251)	(399)	21	(1,704)	(49)
-Others	1,106	(1,505)	(8,016)	(445)	(8,028)
From Investment	**(1,773)**	**(2,456)**	**(9,048)**	**(9,095)**	**(9,333)**
-Financial Debt	3,066	(11,783)	11,544	1,765	11,245
-Cash Dividends	-	(4,145)	-	(4,145)	(4,533)
-Preferred Shares	-	-	-	-	9,995
-Others	(203)	6	(104)	(374)	(454)
From Financing	**2,863**	**(15,922)**	**11,440**	**(2,754)**	**16,251**
Cumulative translation adjustments	**(1,871)**	**(1,528)**	**(2,998)**	**(4,949)**	**(2,630)**
Net Cash Position Change	**(1,933)**	**305**	**392**	**1,027**	**2,876**
Ending Cash Balance	**11,020**	**12,953**	**9,993**	**11,020**	**9,993**

Consolidated Revenue

Unit: NT$billion

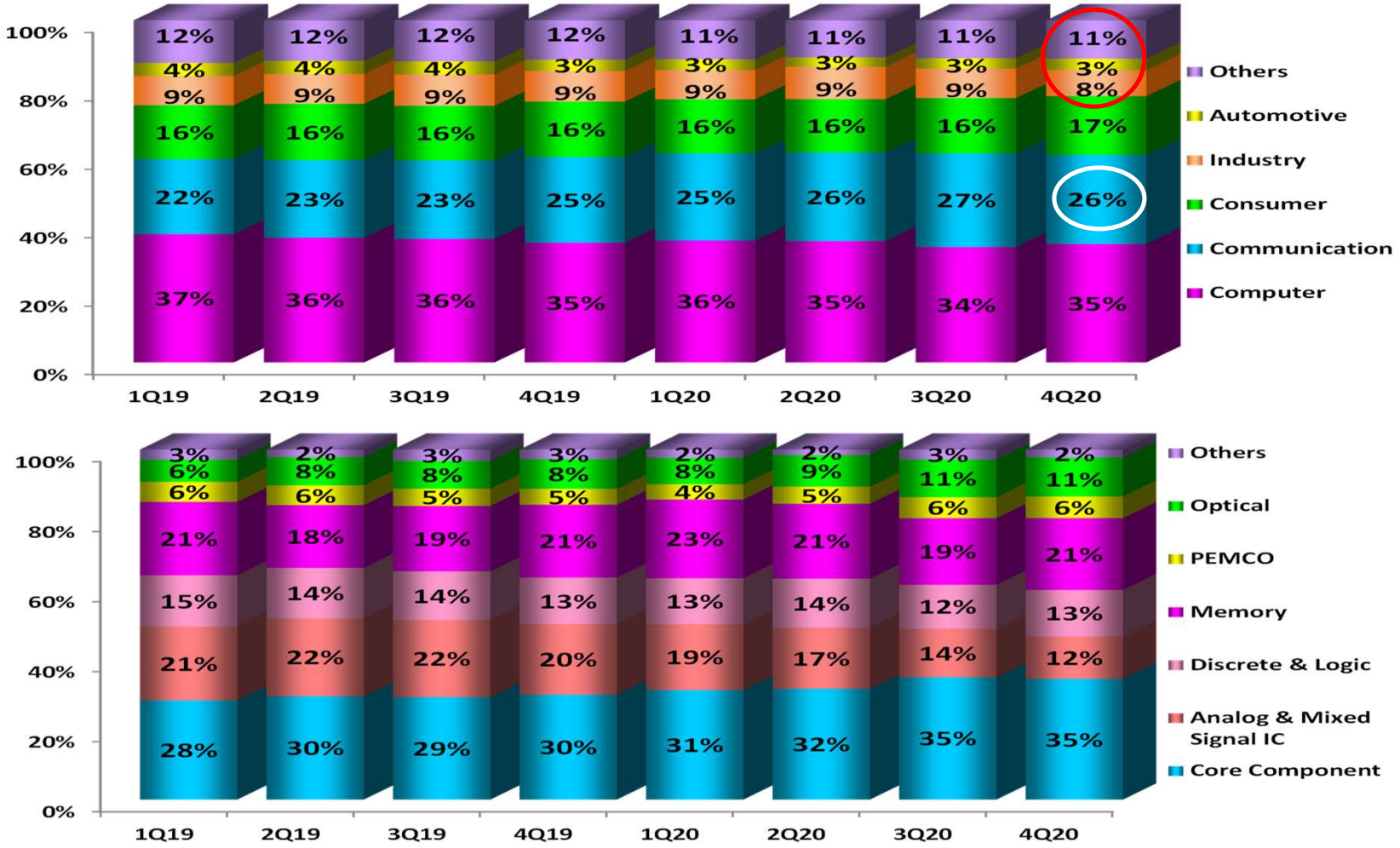


Sales breakdown by Geography/ Customer

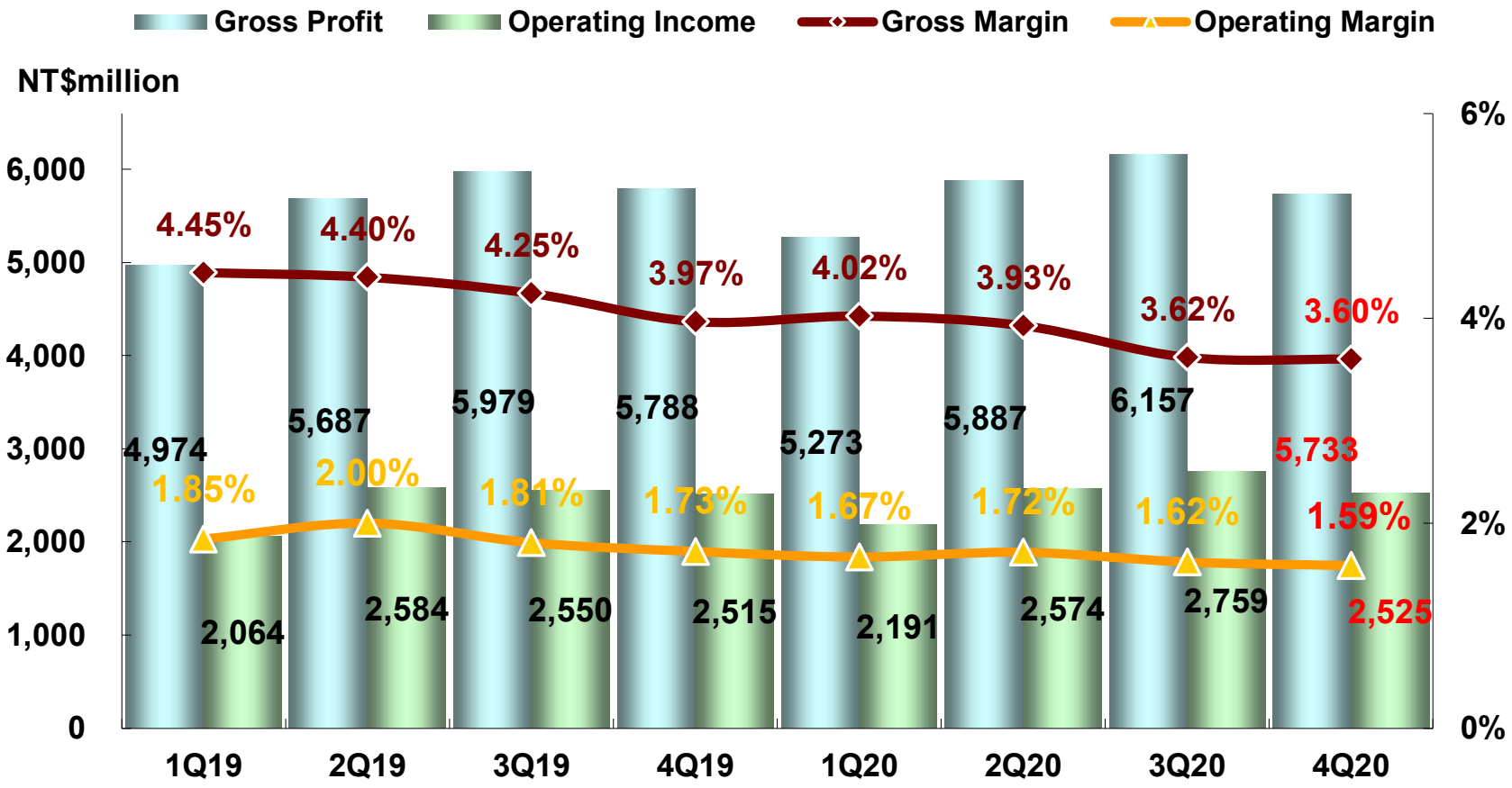


TBM：Taiwan-Based Customers
CBM：China Based Customers

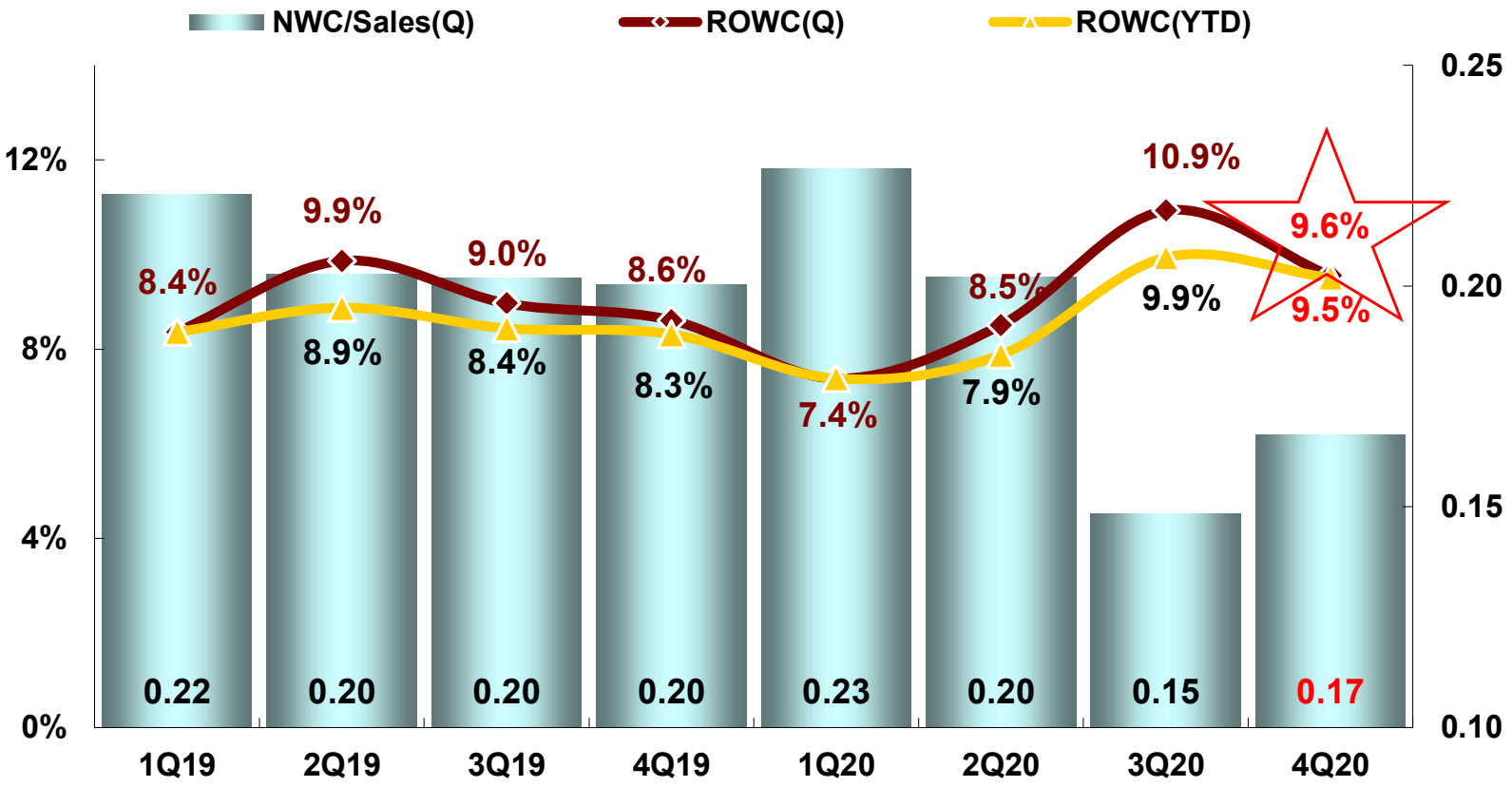
Sales breakdown by Application/ Device Type



Gross Margin vs. Operating Margin

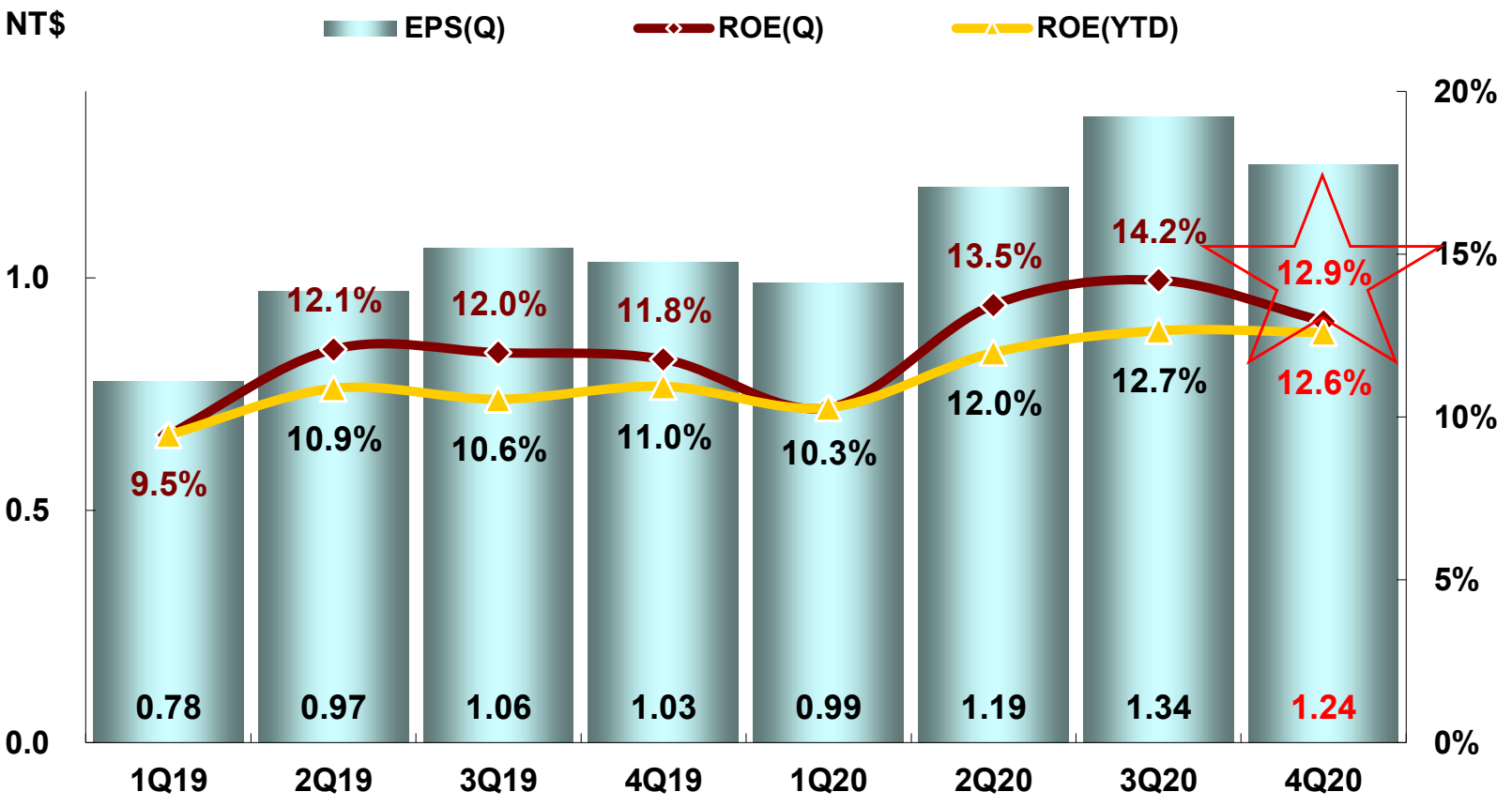


ROWC vs. NWC/Sales



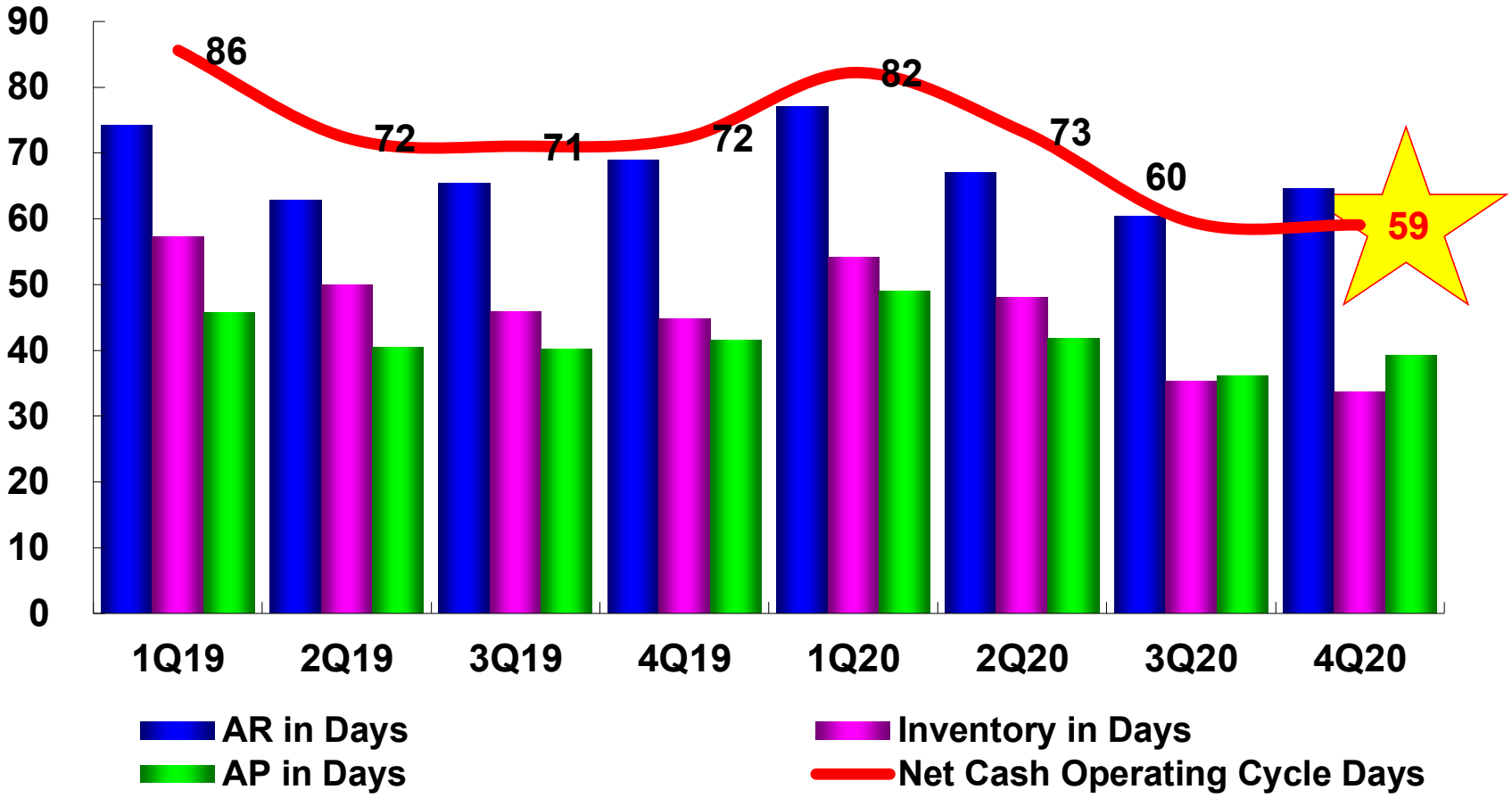
Note：Annualized

ROE vs. EPS



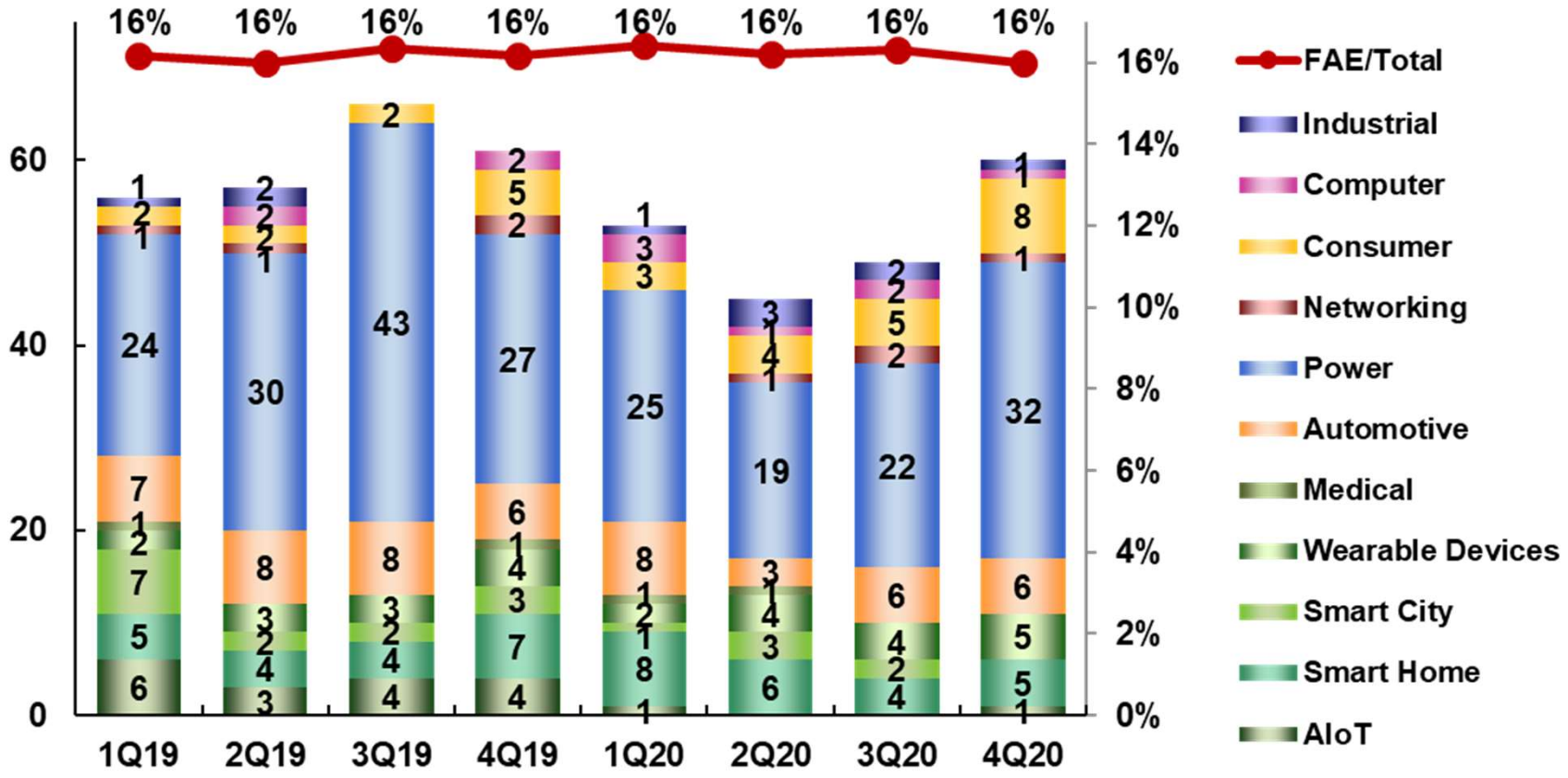
Note：Annualized

Operating Cash Cycle



Note：Annualized

More Solutions Launched



https://www.wpgdadatong.com/tw

60 Solutions Launched in 4Q20

穿戴裝置

主動降噪藍牙耳機方案	2020-12-24
自我調整主動降噪的藍牙耳機方案	2020-12-23
TWS藍牙耳機方案	2020-12-22
Windows電腦端Swift pair快速配對功能的耳機方案	2020-11-03
實現穿戴設備SDNN檢測方案	2020-10-12

智能家居

一套完整的智能家居開發系統（包含 網關板、APP、雲服務）	2020-12-04
溫溼度節點方案	2020-11-30
3D人臉識別E-LOCK方案	2020-11-20
可直接量產的E-Lock方案	2020-11-19
3D人臉識別E-Lock方案	2020-10-23

AIoT

AI圖像辨識方案	2020-11-09

消費類

新型冠狀病毒快篩機的人機介面(HMI)方案	2020-12-28
接近感應的呼梯控制器	2020-12-17
深度學習 2D人臉識別方案	2020-12-08
液晶電視區域調光解決方案	2020-12-03
多指手勢判斷方案	2020-11-16
商用條形屏顯示方案	2020-11-10
CMOS光學追蹤技術應用於BLDC增壓泵方案	2020-11-02
TFT 顯示屏方案	2020-10-15

工業類

3D物件夾取系統方案	2020-11-04

通訊類

乙太無源光纖網路之傳輸技術方案	2020-10-28

電腦及周邊

2K Report Rate 電競鍵盤、滑鼠、耳機設計技巧大公開	2020-10-09

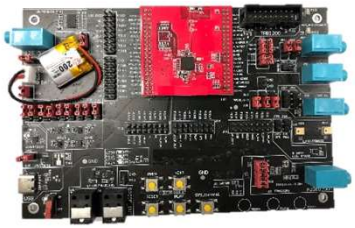
車身安全

卡車胎壓偵測方案	2020-12-31
開闢未來！雙目立體視覺帶你進入 FCW / LDW 新視野	2020-12-14
Autosys Dragon Eye ADAS 方案介紹	2020-11-26
智慧行車輔助方案	2020-11-11
AI影像辨識與車輛識別方案	2020-11-06

車身電子

車用8端口網路交換器方案	2020-12-09

3D Object Picking System Solution



ANC Bluetooth Headphones Solution

60 Solutions Launched in 4Q20

消費電源

筋膜槍電池充電管理方案	2020-12-30
直流無刷電機控制之空氣淨化器方案	2020-12-29
低待機功耗(<50毫瓦)的智能變頻空調電源方案	2020-12-25
65W ACF Type-c PD3.0充電器方案	2020-12-21
Hi-Low Side GaN MOS Driver 應用於小型化工業電源供應器方案	2020-12-11
45W PD電源適配器方案	2020-12-02
低待機功耗及快速啟動的印表機65W電源方案	2020-12-01
Hall FOC電動自行車控制器方案	2020-11-27
65W PD電源適配器	2020-11-23
雙通道之CPU 核心電源方案	2020-11-18
MCU+Gate Driver 54W-BLDC壁掛爐熱風機解決方案	2020-11-13
大功率電源適配器方案	2020-11-05
手機內部智能式電容分壓充電方案	2020-10-29
Type-C PD快充適配器方案	2020-10-26
65W PD電源適配器	2020-10-23
300W PC電源解決方案	2020-10-20
智能充電器	2020-10-16
直流無刷電機控制的吸塵器方案	2020-10-14

醫療電源

醫療級15W模塊型DC/DC電源	2020-12-16

Dimmable LED 100W Driver

BLDC Electric Machine Control Air Purifier Solution

照明電源

戶外400W-IP67防水LED電源	2020-12-10
高效率和低THD可調光LED 100W驅動器	2020-11-25
150W LED天井燈的電源方案	2020-11-24

通訊電源

乙太網路供電系統(PoE)受電裝置(PD)解決方案	2020-11-12

汽車電源

電子節氣門位置傳感器ETC優選器件方案	2020-10-27
車內空調循環扇方案	2020-10-21
800W汽車風機解決方案	2020-10-13

工業電源

具功率因數調整之半橋諧振同步整流數位電源方案	2020-12-18
BLDC 電動搬運車方案	2020-12-15
開關電源的智慧電錶方案	2020-12-07
500W全橋相移零電壓切換直流-直流轉換器數位電源方案	2020-11-17
無限多組迴路控制參數 電源數位化全面啟動	2020-10-30
10W智能電表電源方案	2020-10-19

Medical 15W Modular DC/DC Power

BLDC Electric Carrier Solution

Recap of Recent Major Events

- WPG named Mike Chang as its new Chief Executive Officer and KD Tseng as Chief Sustainability Officer. (2021/1/1)
- WPG Holdings Introduced “Employee Stock Ownership Trust” (ESOT) in January 2021.
- WPG Board of Directors Resolved to Convene the 2021 Annual Shareholders’ Meeting. (2021/3/30)

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