

WPG Holdings Ltd.

(3702.TT/3702.TW)

4Q13 Earning Release

Feb. 7th, 2014

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. Consequently, the selected comparison financial information to be included in our quarterly earning releases in 2013 may differ materially from those released historically.
- 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

Kathryn Chen

■ 4Q13 Financial Highlights & 1Q14 Outlook

Cliff Yuan

■ Q&A

Simon Huang/
Scott Lin/
Cliff Yuan

Result Highlights

Unit:NT\$million

item	4Q13	4Q13 Guidance	3Q13	4Q12	QoQ(%)	YoY(%)
Net Sales	111,297	95~100B	107,757	90,460	3.3	23.0
Gross Margin	4.07%	4.5% ~ 4.7%	4.65%	4.68%	-57 bp	-61 bp
Operating Expenses	(3,123)		(3,229)	(2,889)	(3.3)	8.1
Operating Income	1,410		1,779	1,346	(20.7)	4.8
Operating Margin	1.27%	1.35% ~ 1.55%	1.65%	1.49%	-38 bp	-22 bp
Net Income	1,011		1,334	944	(24.2)	7.2
EPS (NT\$) ⁽¹⁾	0.61		0.81	0.57		
Net Book Value (NT\$)⁽¹⁾	24.03					
 Total Assets	134,924		137,454	119,886		
Total Liabilities	95,042		98,872	81,803		
Total Equity	39,882		38,581	38,083		
Net Working Capital	68,537		68,740	59,676		
 Free Cash Flow	1,563		(1,638)	3,655		
 KEY Indices⁽²⁾						
ROWC	8.2%		10.3%	9.0%	-212 bp	-79 bp
NWC/Sales	0.15		0.16	0.16		
ROE	10.4%		13.9%	10.1%	-354 bp	+32 bp
Gearing	1.03		1.11	0.84		

(1).Weighted average shares outstanding

(2).Annualized

Unaudited, Prepared by WPG based on IFRS.
The Benchmark of Distribution

Result Highlights

Unit:NT\$million

item	2013	2012	YoY (%)
Net Sales	406,268	360,614	12.7
Gross Margin	4.57%	5.02%	-45 bp
Operating Expenses	(12,309)	(11,858)	3.8
Operating Income	6,258	6,237	0.3
Operating Margin	1.54%	1.73%	-19 bp
Net Income	4,762	4,556	4.5
EPS (NT\$)⁽¹⁾	2.87	2.77	
Total Assets	134,924	119,886	
Total Liabilities	95,042	81,803	
Total Equity	39,882	38,083	
Net Working Capital	68,537	59,676	
Free Cash Flow	(4,570)	233	
KEY Indices⁽²⁾			
ROWC	9.1%	10.5%	-132 bp
NWC/Sales	0.17	0.17	
ROE	12.2%	12.2%	+8 bp
Gearing	1.03	0.84	

(1).Weighted average shares outstanding

(2).Annualized

Unaudited, Prepared by WPG based on IFRS.
The Benchmark of Distribution

Statements of Comprehensive Income

Unit:NT\$million

Item	4Q13	3Q13	QoQ(%)	4Q12	YoY(%)
Net operating Revenue	111,297	107,757	3.3	90,460	23.0
COGS	(106,763)	(102,749)	3.9	(86,225)	23.8
Gross Profit	4,534	5,007	(9.5)	4,235	7.1
Gross Margin	4.07%	4.65%		4.68%	
Operating Expenses	(3,123)	(3,229)	(3.3)	(2,889)	8.1
Operating Income	1,410	1,779	(20.7)	1,346	4.8
Operating Margin	1.27%	1.65%		1.49%	
Net Non-operating Items	(183)	(178)	3.3	(199)	(7.7)
Net Financing costs	(258)	(232)	10.9	(83)	210.2
Others	74	55		(116)	
Profit Before Tax/Minority	1,227	1,601	(23.4)	1,147	6.9
Tax	(214)	(266)	(19.4)	(204)	5.1
Minority/Accounting Principle Change	(1)	(1)		1	
Profit After Tax/Minority	1,011	1,334	(24.2)	944	7.2
Net Margin	0.91%	1.24%		1.04%	
EPS (NT\$) ⁽¹⁾	0.61	0.81		0.57	
Tax %	17%	17%		18%	

(1).Weighted average shares outstanding

Unaudited, Prepared by WPG based on IFRS.

The Benchmark of Distribution

Balance Sheet & Key Indices

Unit:NT\$million

item	4Q13		3Q13		4Q12	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	9,464	7	8,324	6	8,921	7
Accounts Receivable - Trade	71,885	53	69,348	50	59,592	50
Inventory	34,496	26	40,194	29	33,339	28
Current Assets	120,639	89	122,979	89	106,425	89
Others	14,286	11	14,475	11	13,461	11
Total Assets	134,924	100	137,454	100	119,886	100
Current Interest-bearing Debt	47,817	35	48,221	35	36,109	30
Accounts Payable	37,845	28	40,802	30	33,255	28
Accrued Liabilities and Others	5,415	4	5,247	4	5,116	4
Current Liabilities	91,076	68	94,270	69	74,480	62
Long-term Interest-bearing Debt	3,232	2	3,729	3	6,441	5
Others	734	1	873	1	883	1
Total Liabilities	95,042	70	98,872	72	81,803	68
Total Equity	39,882	30	38,581	28	38,083	32

KEY Indices₍₁₎

Net Working Capital (NT\$million)	68,537	68,740	59,676
AR Turnover Days	58	57	61
Inventory Turnover Days	32	35	37
AP Turnover Days	34	35	37
Average Collection Periods Days	56	57	61
Current Ratio	132%	130%	143%
Gearing	1.03	1.11	0.84

(1).Annualized

Unaudited, Prepared by WPG based on IFRS.
The Benchmark of Distribution

Cash Flows

Unit:NT\$million

item	<u>4Q13</u>	<u>3Q13</u>	<u>4Q12</u>
-Income before Income Tax ₍₁₎	1,227	1,601	1,147
-Changes of NWC	607	(2,823)	1,290
-Adjustment & Others	(271)	(416)	1,218
From Operation	1,563	(1,638)	3,655
-Financial Instrument	323	(25)	(12)
-Capital Expenditure	(131)	(139)	181
-Effect on changes of consolidated subsidiaries	(4)	-	30
-Others	(124)	(96)	(207)
From Investment	64	(260)	(9)
-Financial Debt	(902)	6,316	(2,489)
-Cash Dividends	-	(3,974)	-
-Others	2	0	(103)
From Financing	(900)	2,343	(2,593)
Cumulative translation adjustments	396	(561)	(658)
Net Cash Position Change	1,123	(117)	396
Ending Cash Balance	9,433	8,310	8,872

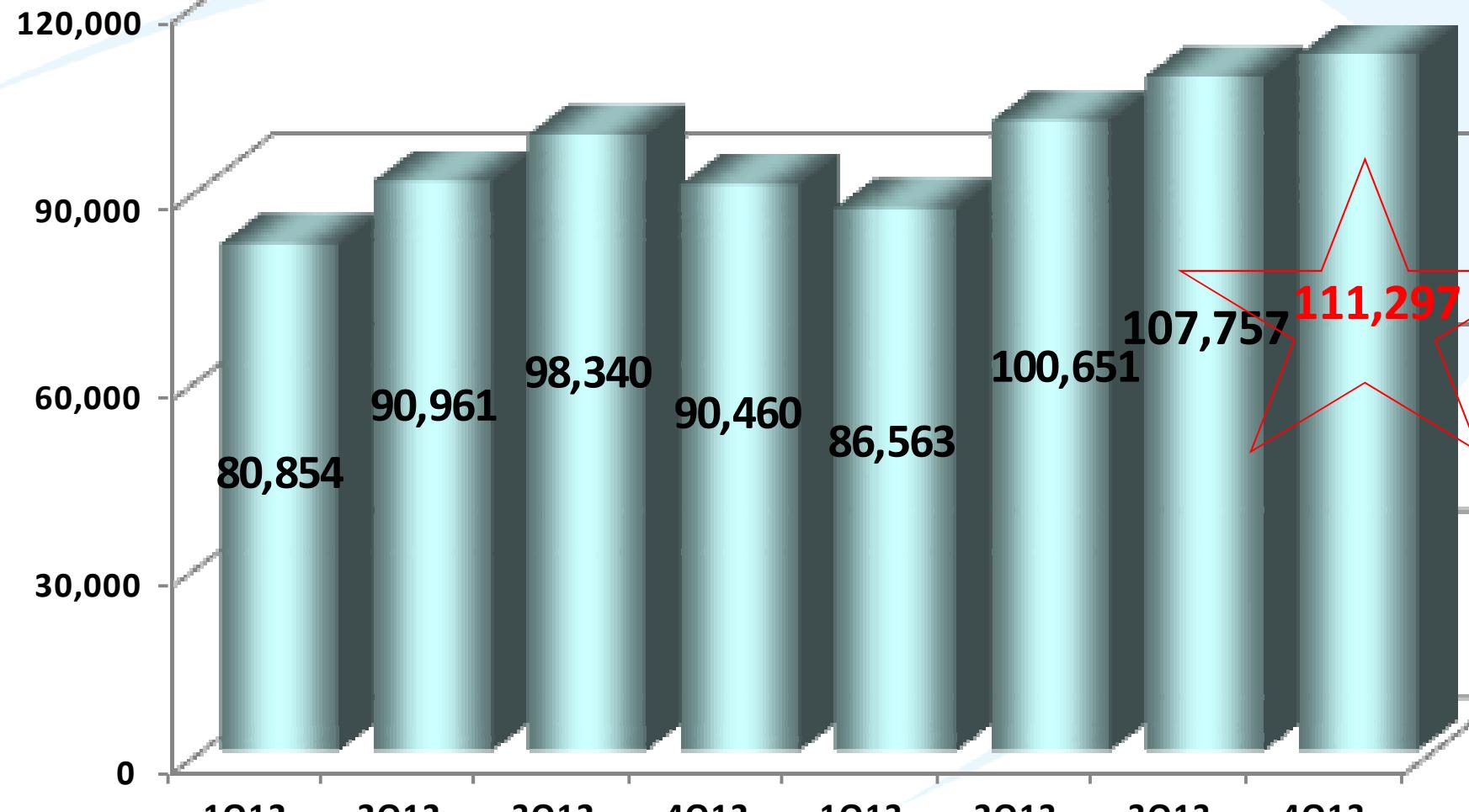
(1). Minority interest is included.

Unaudited, Prepared by WPG based on IFRS.

The Benchmark of Distribution

Consolidated Revenue

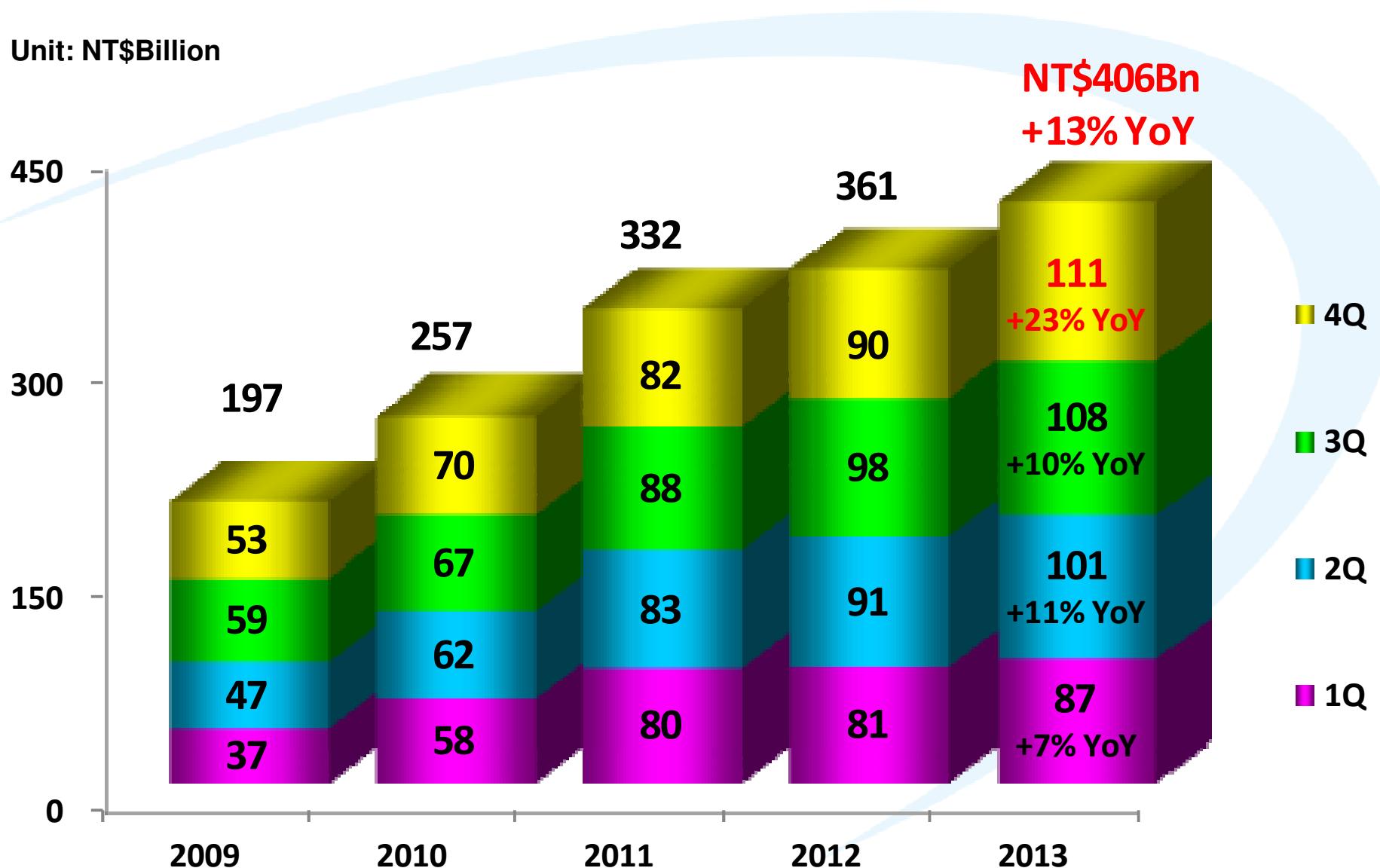
Unit: NT\$million



Unaudited, Prepared by WPG based on IFRS.
The Benchmark of Distribution

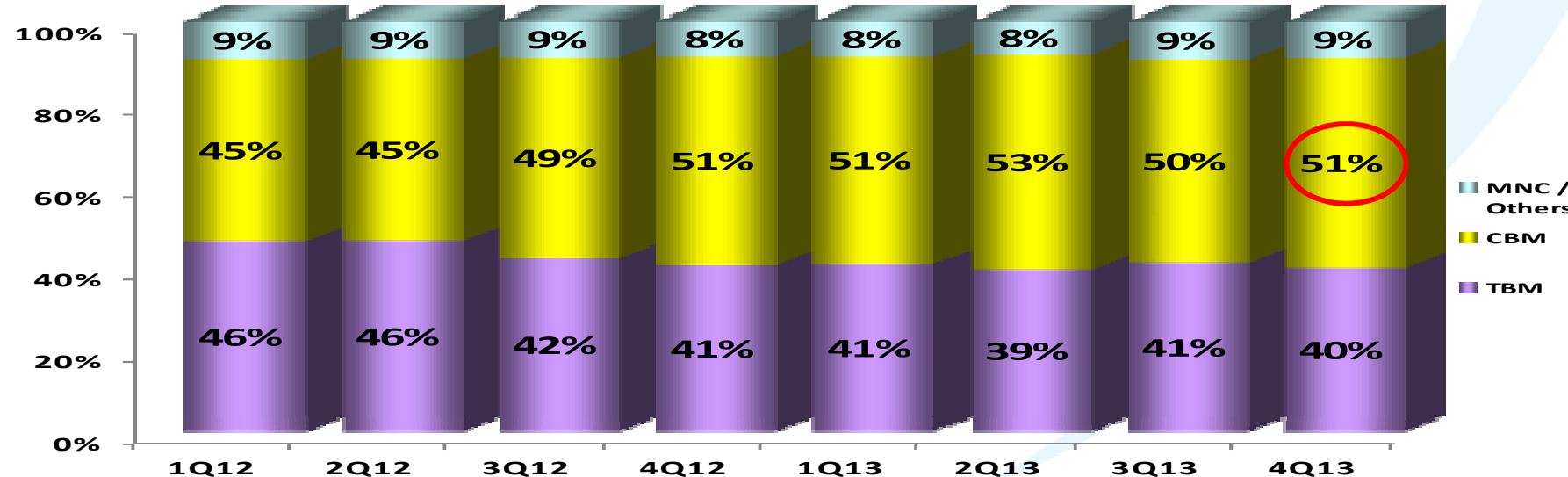
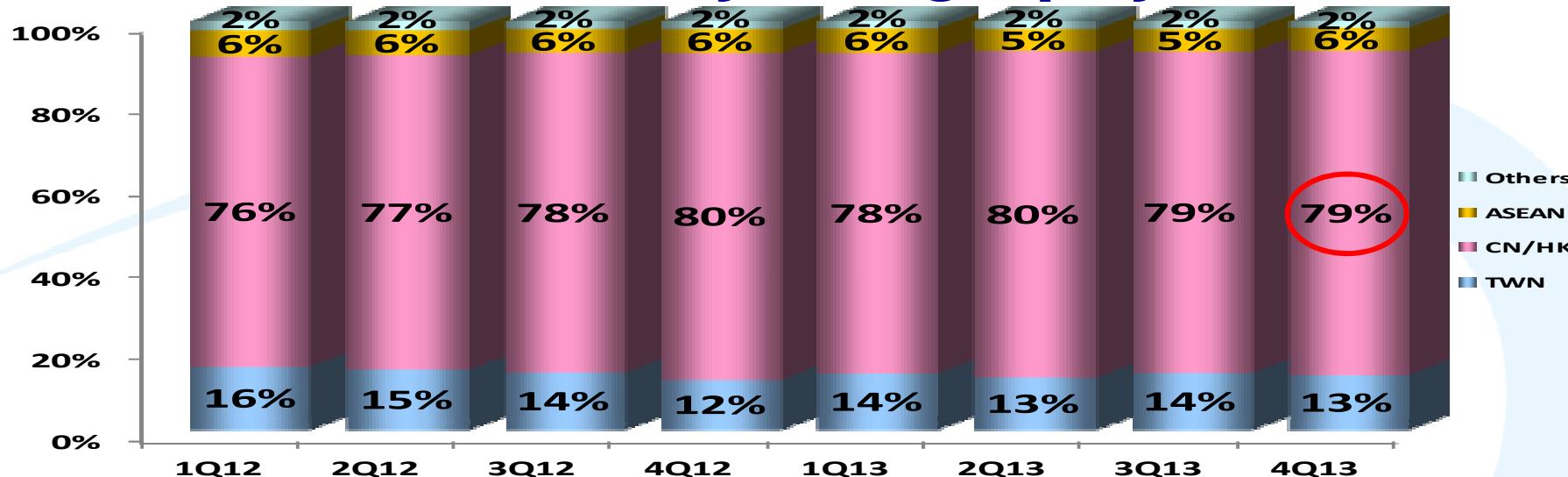
Consolidated Revenue

Unit: NT\$Billion



Unaudited, Prepared by WPG based on IFRS.
The Benchmark of Distribution

Sales breakdown by Geography/ Customer



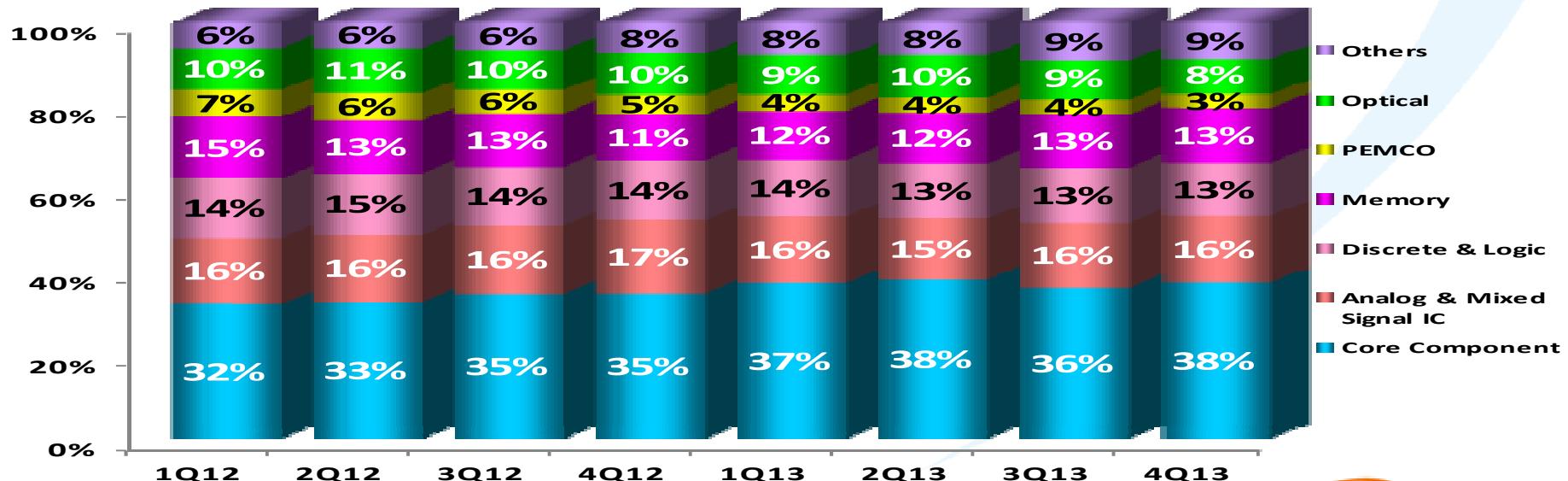
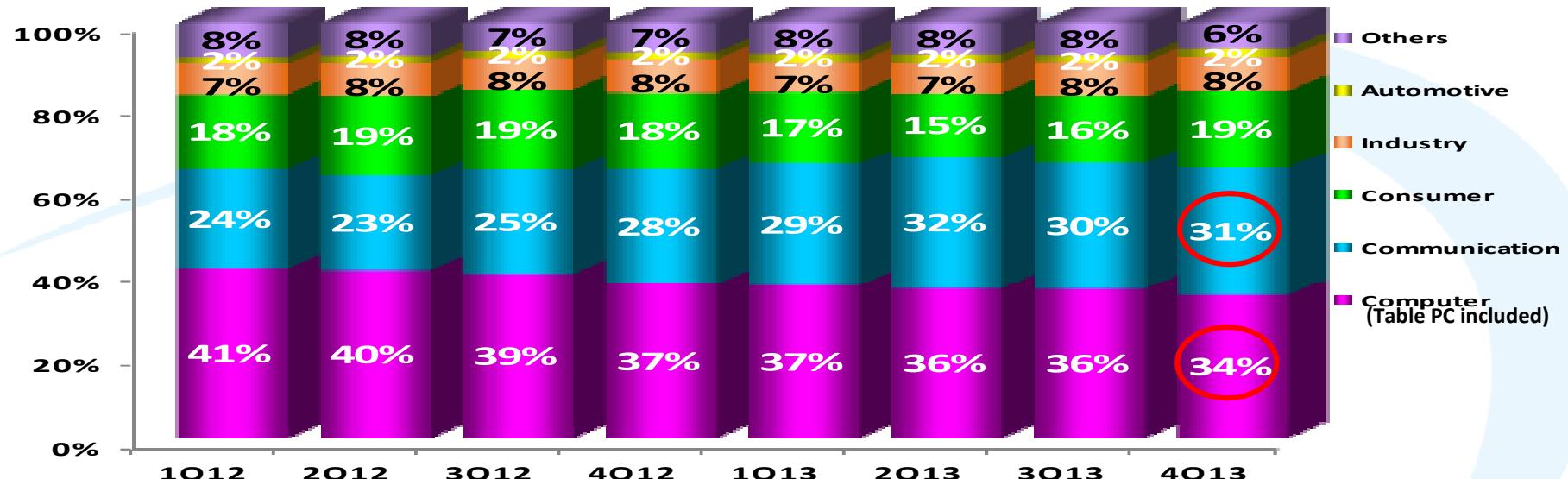
TBM : Taiwan-Based Customers

CBM : China Based Customers

Unaudited, Prepared by WPG based on IIFRS.

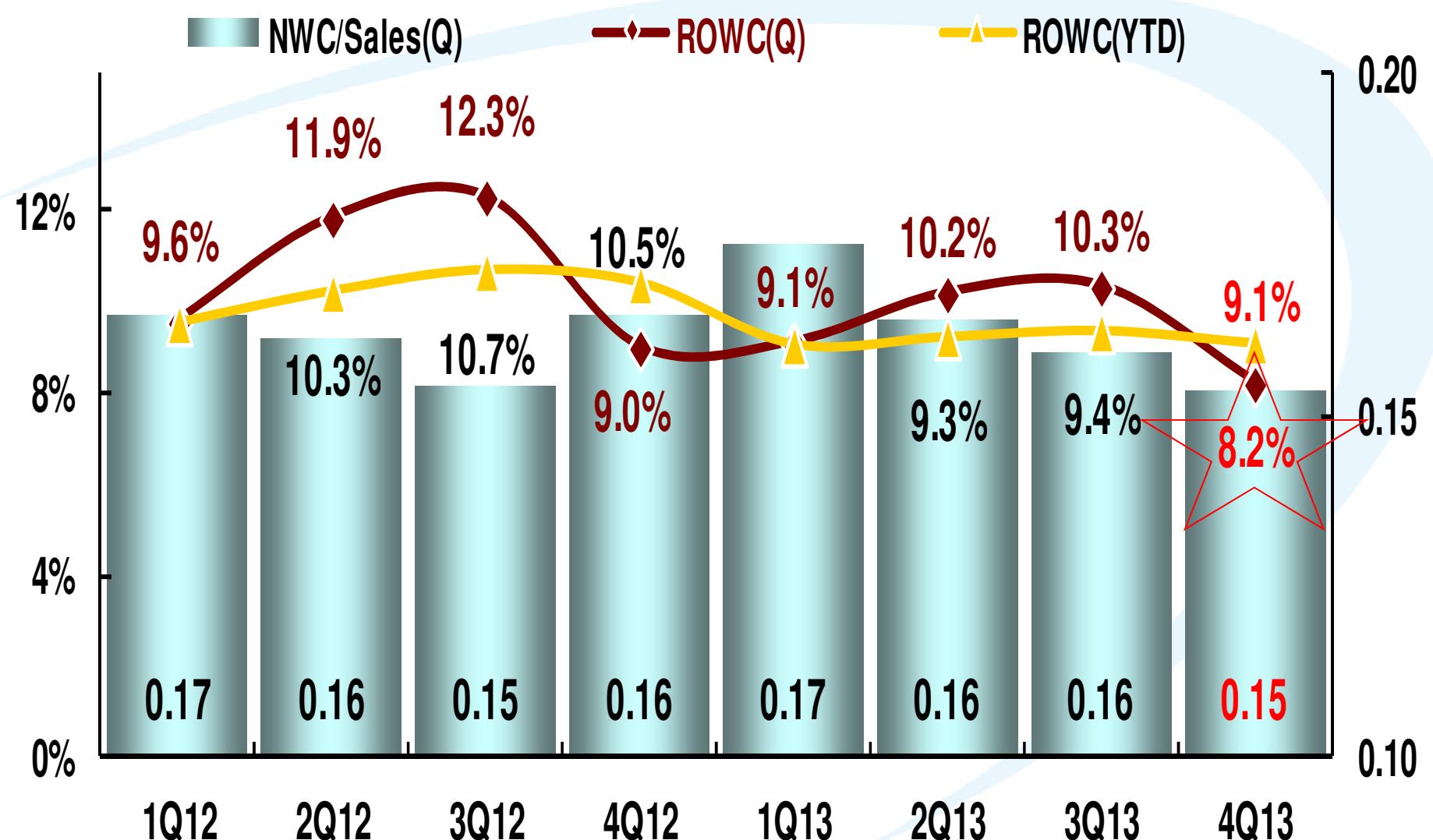
The Benchmark of Distribution

Sales breakdown by Application/ Device Type



Unaudited, Prepared by WPG based on IFRS.
The Benchmark of Distribution

ROWC vs. NWC/Sales

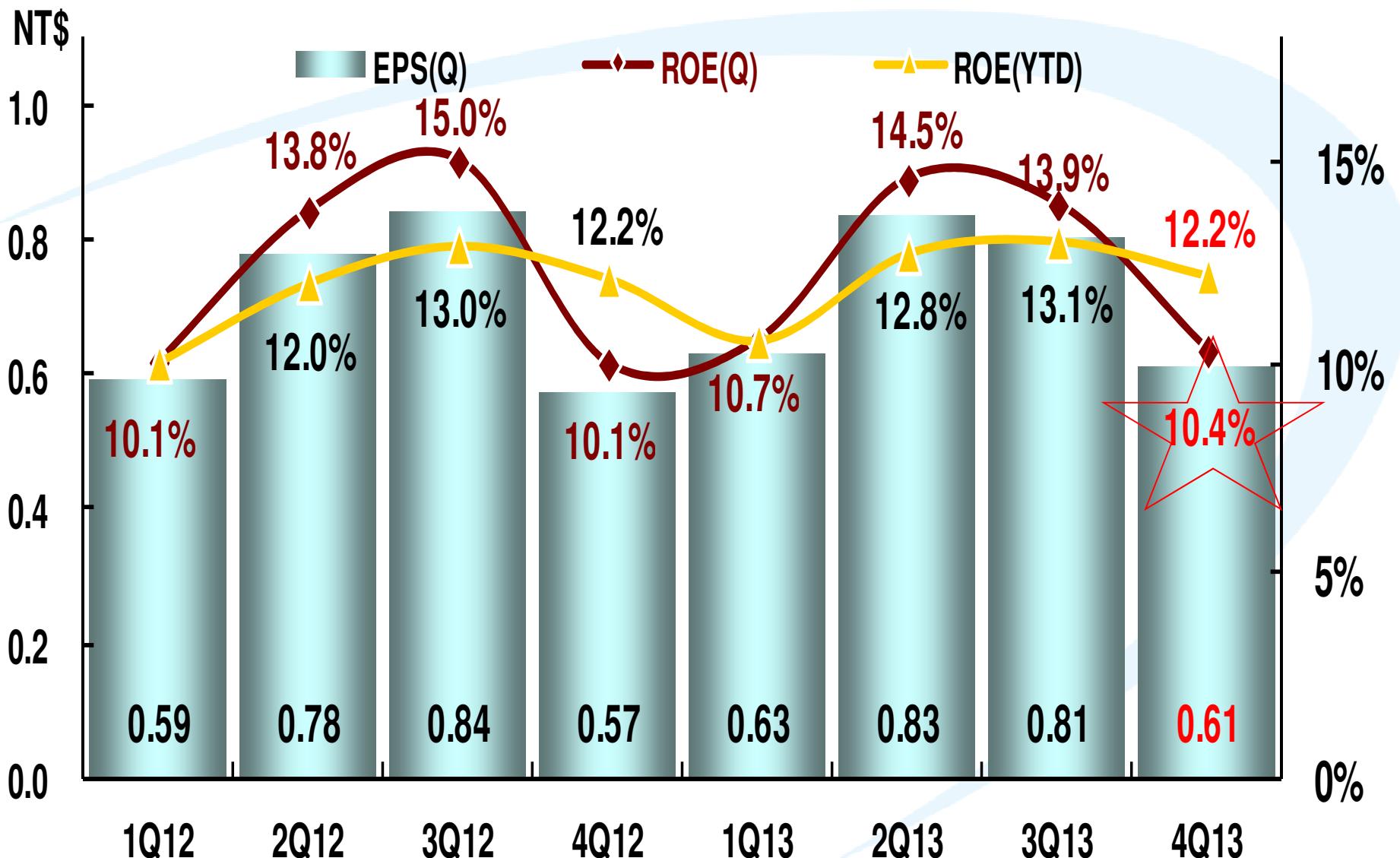


Note : Annualized

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The Benchmark of Distribution

ROE vs. EPS

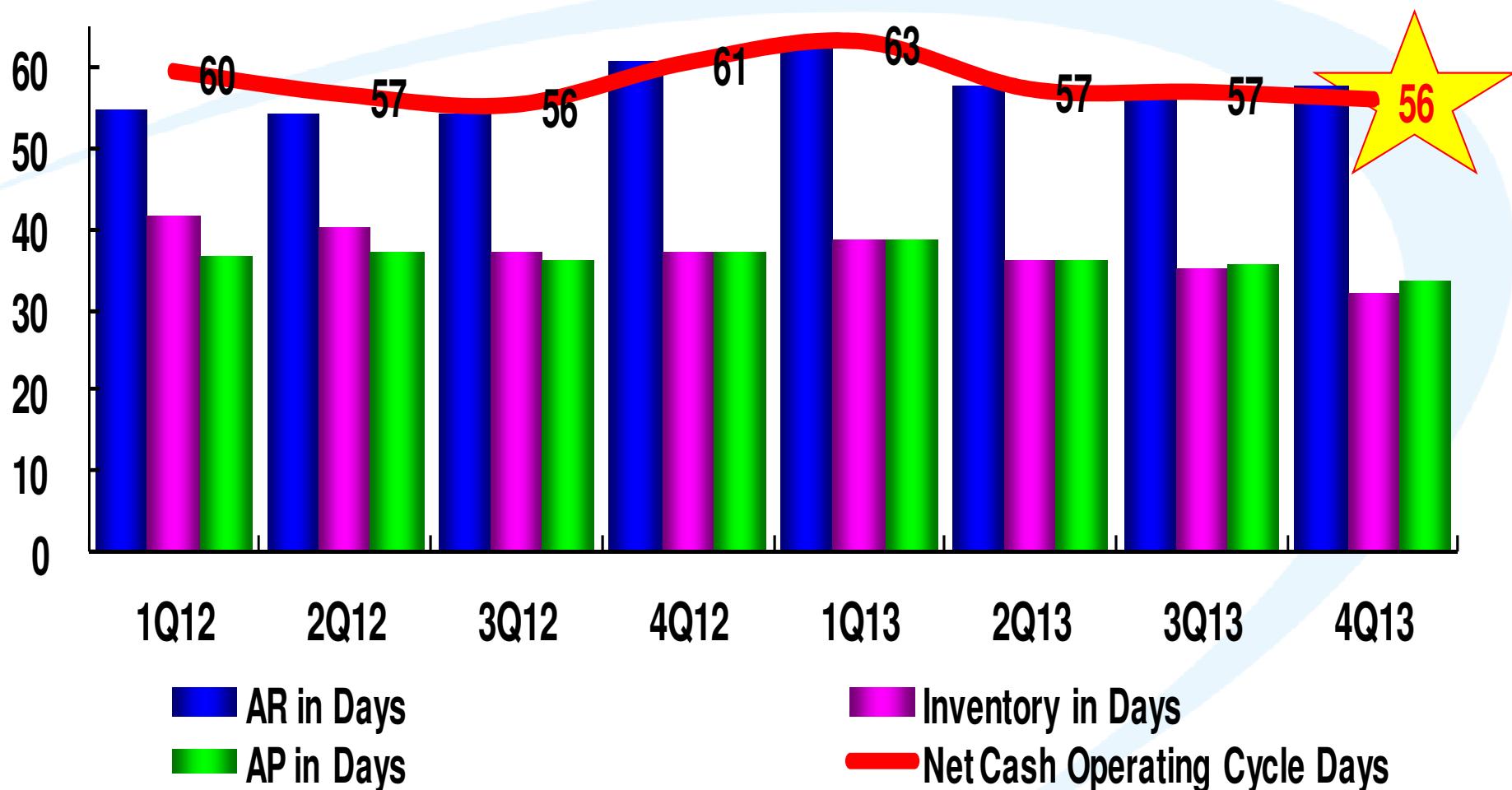


Note : Annualized

Unaudited, Prepared by WPG based on IFRS.

The Benchmark of Distribution

Operating Cash Cycle



Note : Annualized

Unaudited, Prepared by WPG based on IFRS.
The Benchmark of Distribution

1Q14 Guidance

Based on our current business outlook,
management expects :

- Revenues to be between NT\$ **95** billion and NT\$ **100** billion at a forecast FX rate of 30.2 NT dollars to 1 US dollar averaged over 1Q14.
- Gross profit margin to be between **4.3%** and **4.6%**
- Operating profit margin to be between **1.4%** and **1.65%**

38 Solutions Launched in 4Q13



- ▶ 推出遠端醫療照顧設計方案
- ▶ 推出基於藍牙 4.0 單模(BLE)無線傳輸技術的遠距醫療方案
- ▶ 主打遠端醫療照護 SoC 元件
- ▶ 推出远程医疗解决方案提供客户一站式解决方案
- ▶ 推出遠端醫療照護解決方案
- ▶ 推出高性能 Ethernet 10/100/1000 Transceiver 適用於遠端醫療照護解決方案
- ▶ 力推整系列遠端醫療照護解決方案
- ▶ 推出無線通訊解決方案
- ▶ 推出 Zigbee 和 NFC 無線通訊技術方案
- ▶ 推出多个短距离无线通信解决方案给客户提供一站式解决方案
- ▶ 推出無線通訊整合解決方案
- ▶ 推出 IEEE 802.11ac 10/100 無線區域網路可攜式路由器解决方案
- ▶ 力推整系列無線通訊傳輸技術解決方案

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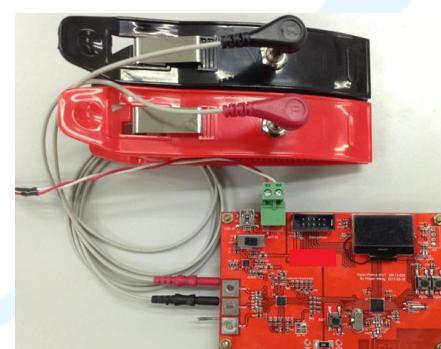
(Table PC included)

- ▶ 推出伺服器解決方案
- ▶ 推出伺服器 (Server)之主、被動元件解決方案
- ▶ 力推適用於 IPC(工業電腦)解決方案
- ▶ 推出第四代微處理器運用於伺服器產品方案
- ▶ 提供高效率的網路伺服器解決方案
- ▶ 力推伺服器(Server) VR12.5 解決方案提供 CPU core 與 Memory DDR3/4 穩定且高效率電源
- ▶ 力推高性能服務器(Server) 电源解决方案

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Zigbee Solution



Telehealth Solution

38 Solutions Launched in 4Q13



MORE >

- ▶ 力推適用多媒體盒應用之完整解決方案
- ▶ 推出多媒體方案
- ▶ 推出多媒體播放盒方案
- ▶ 推出多媒體盒解決方案
- ▶ 推出多媒體盒整合解決方案
- ▶ 推出 Set Top Box 解決方案，滿足各種需求：例如 USB、ESD、EMI、IRM...等
- ▶ 推出機上盒解決方案
- ▶ 力推 Android 機頂盒方案
- ▶ 推出機上盒系統應用方案
- ▶ 推出新一代高清互動機頂盒方案
- ▶ 力推兩款機上盒(iTV-Box & i-Dongle)參考方案，以低耗能單晶片處理器為核心，整合周邊元件，實現成本與效能極佳比值
- ▶ 力推產品在照明市場的電源解決方案
- ▶ 推出針對小家電市場的電源方案



MORE >

- 2013-12-25 ▶ 力推電源解決方案
- 2013-12-25 ▶ 力推單片機的數字電源解決方案
- 2013-12-25 ▶ 推出電源解決方案
- 2013-12-25 ▶ 推出電源應用解決方案
- 2013-12-25 ▶ 力推在網通產品的電源解決方案

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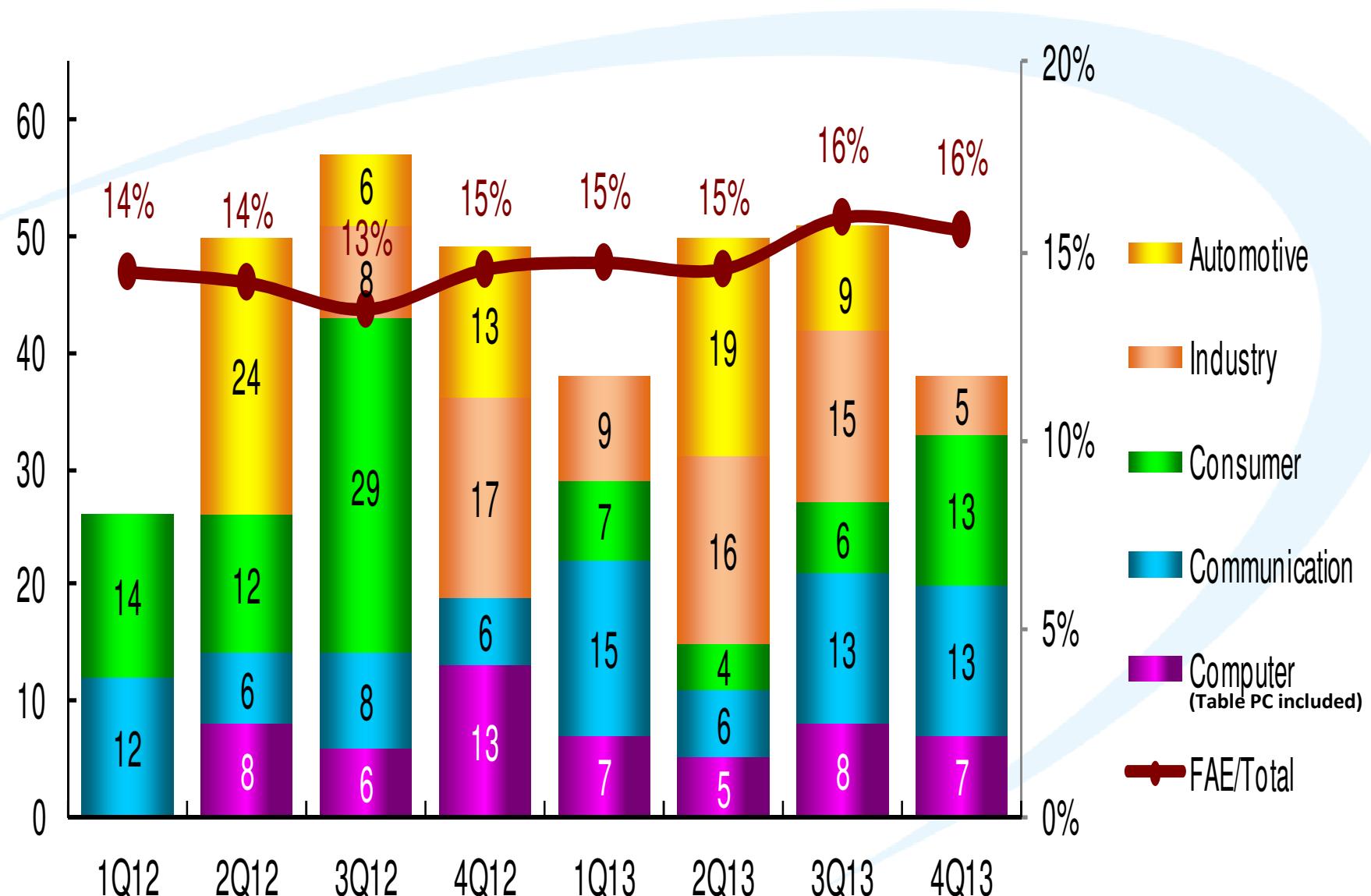


Set Top Box Solution



Multi Media Solution

More Solutions Launched ...





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