WPG Holdings

WPG Holdings Ltd. (3702.TT/3702.TW) 1Q15 Earning Release

May 5th, 2015

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
- 1Q15 Financial Highlights & 2Q15 Outlook — Cliff Yuan
- Q&A — Simon Huang/ Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	1Q15	1Q15 Guidance	4Q14	1Q14	*QoQ(%)*	*YoY(%)*
Net Sales	108,014	108 ~ 113B	117,076	102,342	(7.7)	5.5
Gross Margin	4.46%	4.4% ~ 4.7%	4.32%	4.70%	+14 bp	-24 bp
Operating Expenses	(2,814)		(3,280)	(2,898)	(14.2)	(2.9)
Operating Income	2,000		1,778	1,909	12.5	4.8
Operating Margin	1.85%	1.6% ~ 1.8%	1.52%	1.87%	+33 bp	-1 bp
Net Income	1,398		1,346	1,396	3.9	0.1
EPS (NT$)(1)	0.84		0.81	0.84		
Net Book Value (NT$)(1)	27.66					
Total Assets	157,752		160,347	141,783		
Total Liabilities	111,848		115,227	99,483		
Total Equity	45,904		45,120	42,299		
Net Working Capital	82,101		88,472	71,148		
Free Cash Flow	5,947		(6,042)	(1,709)		
KEY Indices(2)						
ROWC	*9.7%*		*8.0%*	*10.7%*	+171 bp	-99 bp
NWC/Sales	*0.19*		*0.19*	*0.17*		
ROE	*12.3%*		*12.7%*	*13.6%*	-37 bp	-129 bp
Gearing	1.08		1.22	0.99		

(1).Weighted average shares outstanding

(2).Annualized

Statements of Comprehensive Income

Unit:NT$million

Item	1Q15	4Q14	QoQ(%)	1Q14	YoY(%)
Net operating Revenue	108,014	117,076	(7.7)	102,342	5.5
COGS	(103,200)	(112,018)	(7.9)	(97,534)	5.8
Gross Profit	4,814	5,058	(4.8)	4,807	0.1
Gross Margin	4.46%	4.32%		4.70%	
Operating Expenses	(2,814)	(3,280)	(14.2)	(2,898)	(2.9)
Operating Income	2,000	1,778	12.5	1,909	4.8
Operating Margin	1.85%	1.52%		1.87%	
Net Non-operating Items	(245)	(142)	73.0	(177)	38.9
Net Financing costs	(330)	(322)	2.5	(277)	19.4
Others	85	180		100	
Profit Before Tax/Minority	1,755	1,636	7.3	1,732	1.3
Tax	(355)	(290)	22.8	(337)	5.6
Minority/Accounting Principle Change	(2)	(1)		1	
Profit After Tax/Minority	1,398	1,346	3.9	1,396	0.1
Net Margin	1.29%	1.15%		1.36%	
EPS (NT$)(1)	0.84	0.81		0.84	
Tax %	20%	18%		19%	

(1).Weighted average shares outstanding

Balance Sheet

Unit:NT$million	1Q15		4Q14		1Q14	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash & Marketable Securities	9,304	*6*	11,201	*7*	10,108	*7*
Accounts Receivable - Trade	72,216	*46*	82,250	*51*	70,077	*49*
Inventory	55,163	*35*	47,374	*30*	41,297	*29*
Current Assets	143,849	*91*	146,246	*91*	127,272	*90*
Others	13,903	*9*	14,101	*9*	14,510	*10*
Total Assets	157,752	*100*	160,347	*100*	141,783	*100*
Current Interest-bearing Debt	46,198	*29*	52,656	*33*	48,588	*34*
Accounts Payble	45,278	*29*	41,151	*26*	40,226	*28*
Accrued Liabilities and Others	6,364	*4*	6,429	*4*	5,508	*4*
Current Liabilities	97,840	*62*	100,236	*63*	94,323	*67*
Long-term Interest-bearing Debt	13,192	*8*	14,102	*9*	4,156	*3*
Others	815	*1*	889	*1*	1,005	*1*
Total Liabilities	111,848	*71*	115,227	*72*	99,483	*70*
Total Equity	45,904	*29*	45,120	*28*	42,299	*30*
KEY Indices(1)						
Net Working Capital (NT$million)	82,101		88,472		71,148	
AR Turnover Days	*65*		*63*		*63*	
Inventory Turnover Days	*45*		*39*		*36*	
AP Turnover Days	*38*		*36*		*37*	
Average Collection Periods Days	*72*		*66*		*62*	
Current Ratio	*147%*		*146%*		*135%*	
Gearing	*1.08*		*1.22*		*0.99*	

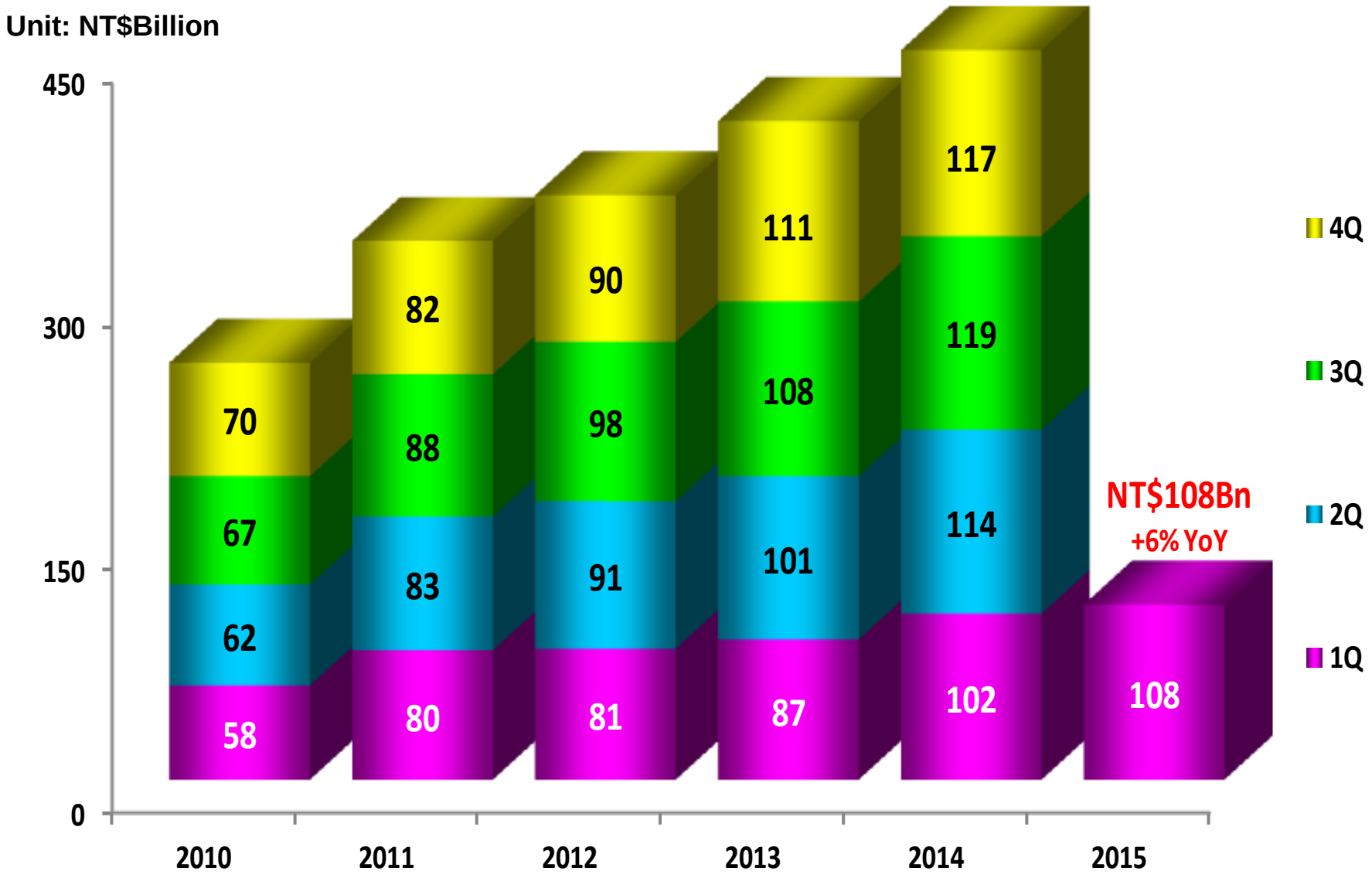
(1).Annualized

Cash Flows

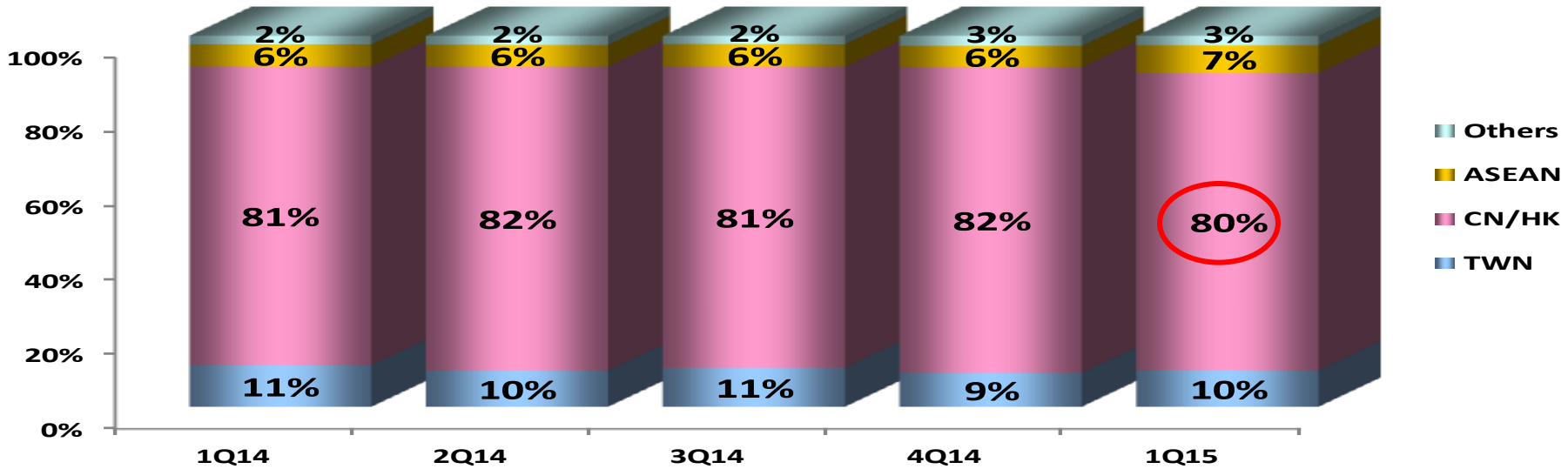
Unit:NT$million

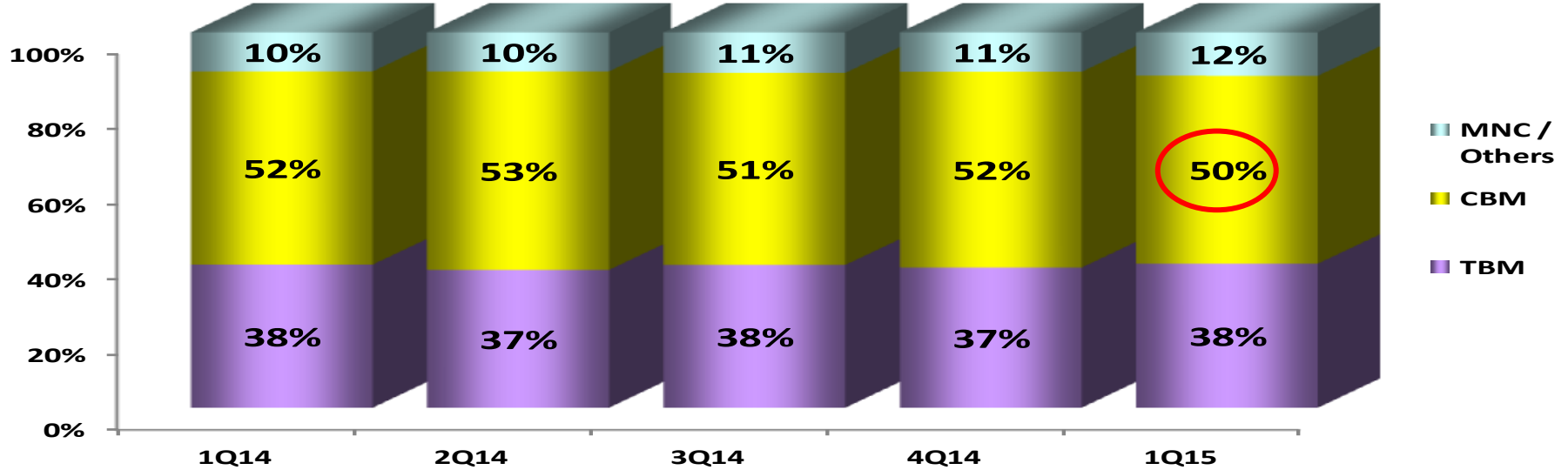
item	1Q15	4Q14	1Q14
-Income before Income Tax	1,755	1,636	1,732
-Changes of NWC	6,371	(6,858)	(2,710)
-Adjustment & Others	(2,179)	(820)	(731)
From Operation	**5,947**	**(6,042)**	**(1,709)**
-Financial Instrument	(90)	(111)	(381)
-Capital Expenditure	(8)	264	(20)
-Others	265	(112)	132
From Investment	**167**	**42**	**(269)**
-Financial Debt	(7,388)	4,428	1,676
-Others	0	6	-
From Financing	**(7,388)**	**4,434**	**1,676**
Cumulative translation adjustments	**(625)**	**2,082**	**922**
Net Cash Position Change	**(1,898)**	**515**	**620**
Ending Cash Balance	**9,287**	**11,185**	**10,078**

Consolidated Revenue



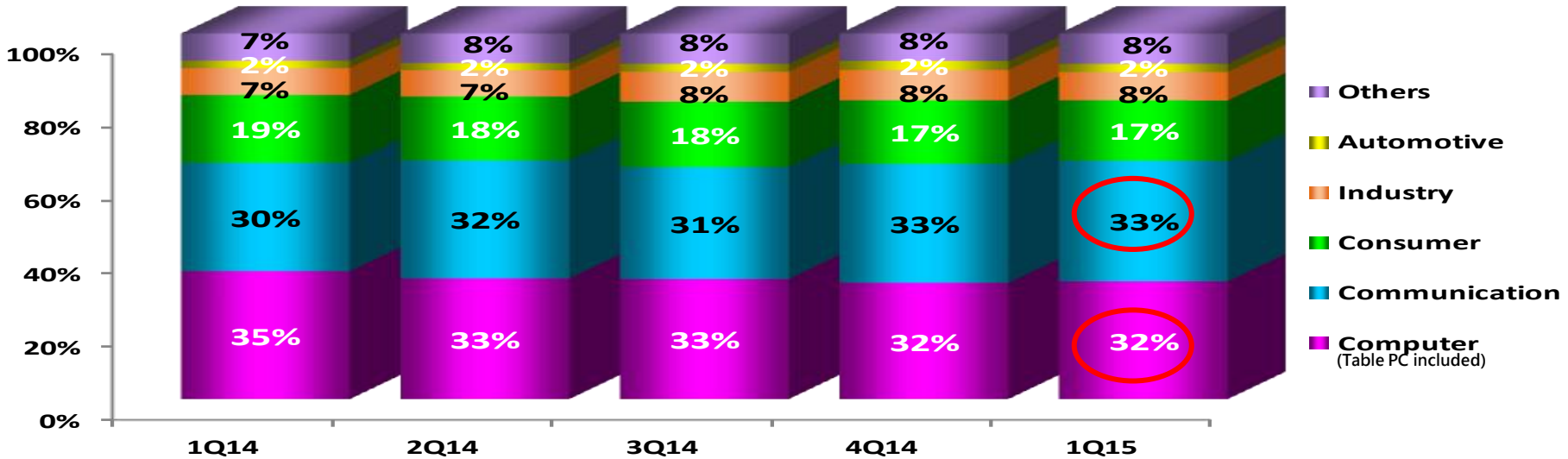
Sales breakdown by Geography/ Customer

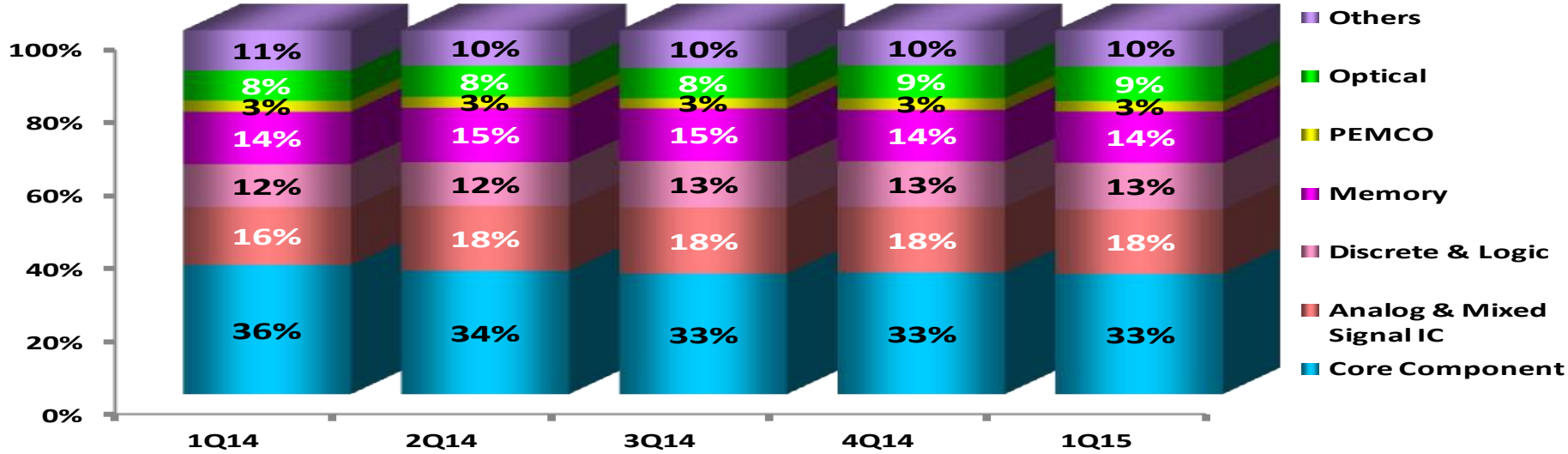




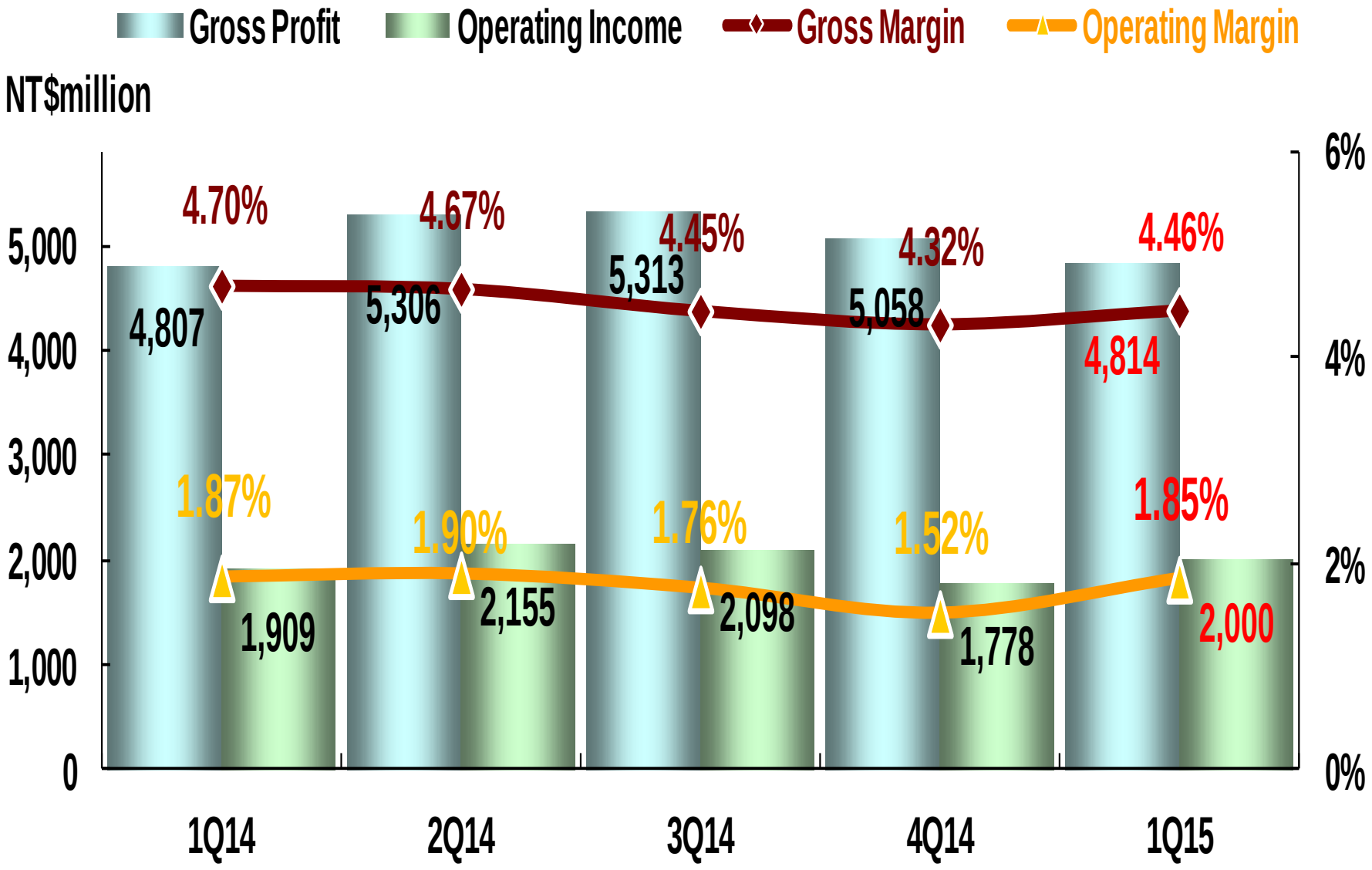
TBM：Taiwan-Based Customers
CBM：China Based Customers

Sales breakdown by Application/ Device Type

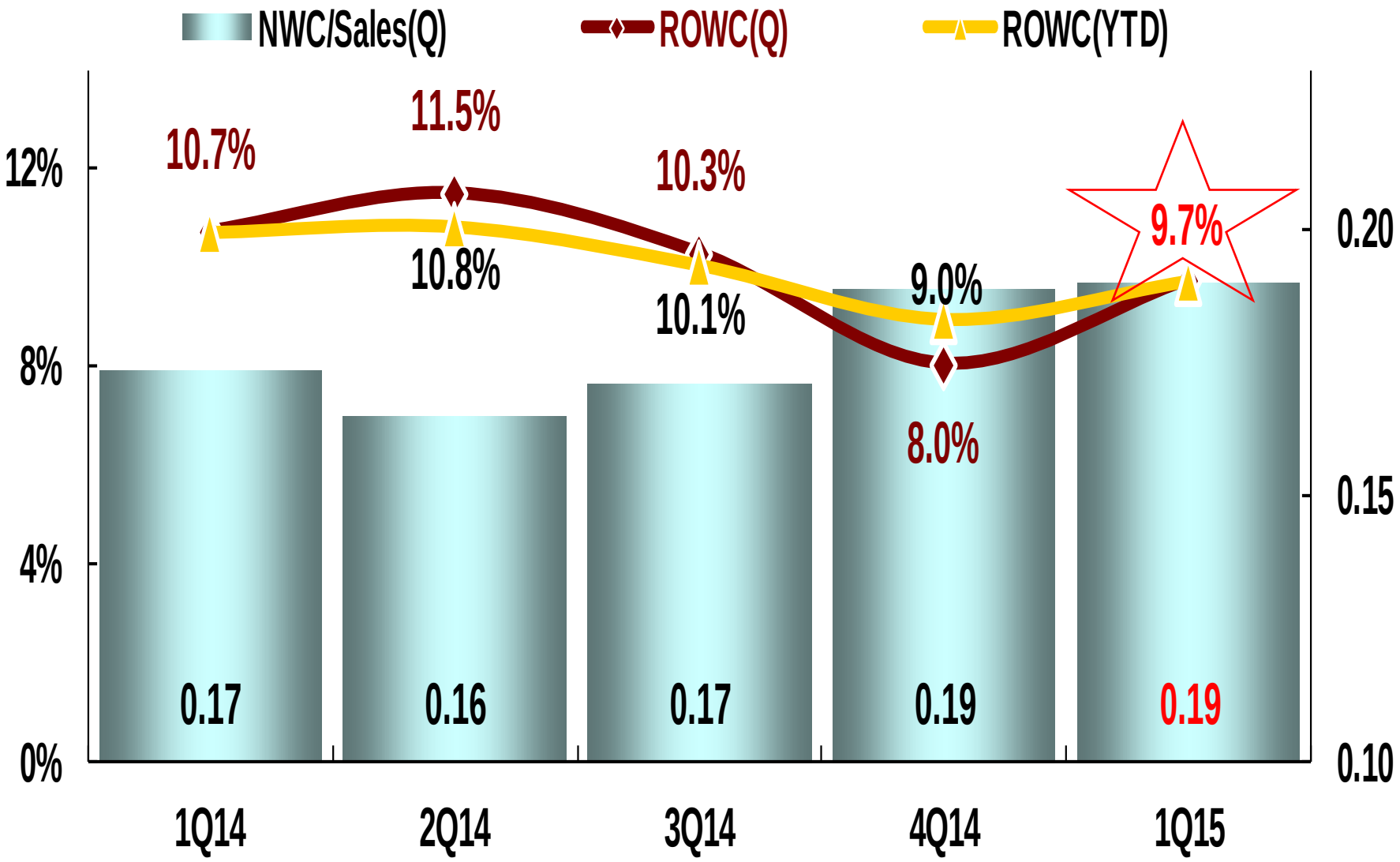




Gross Margin vs. Operating Margin

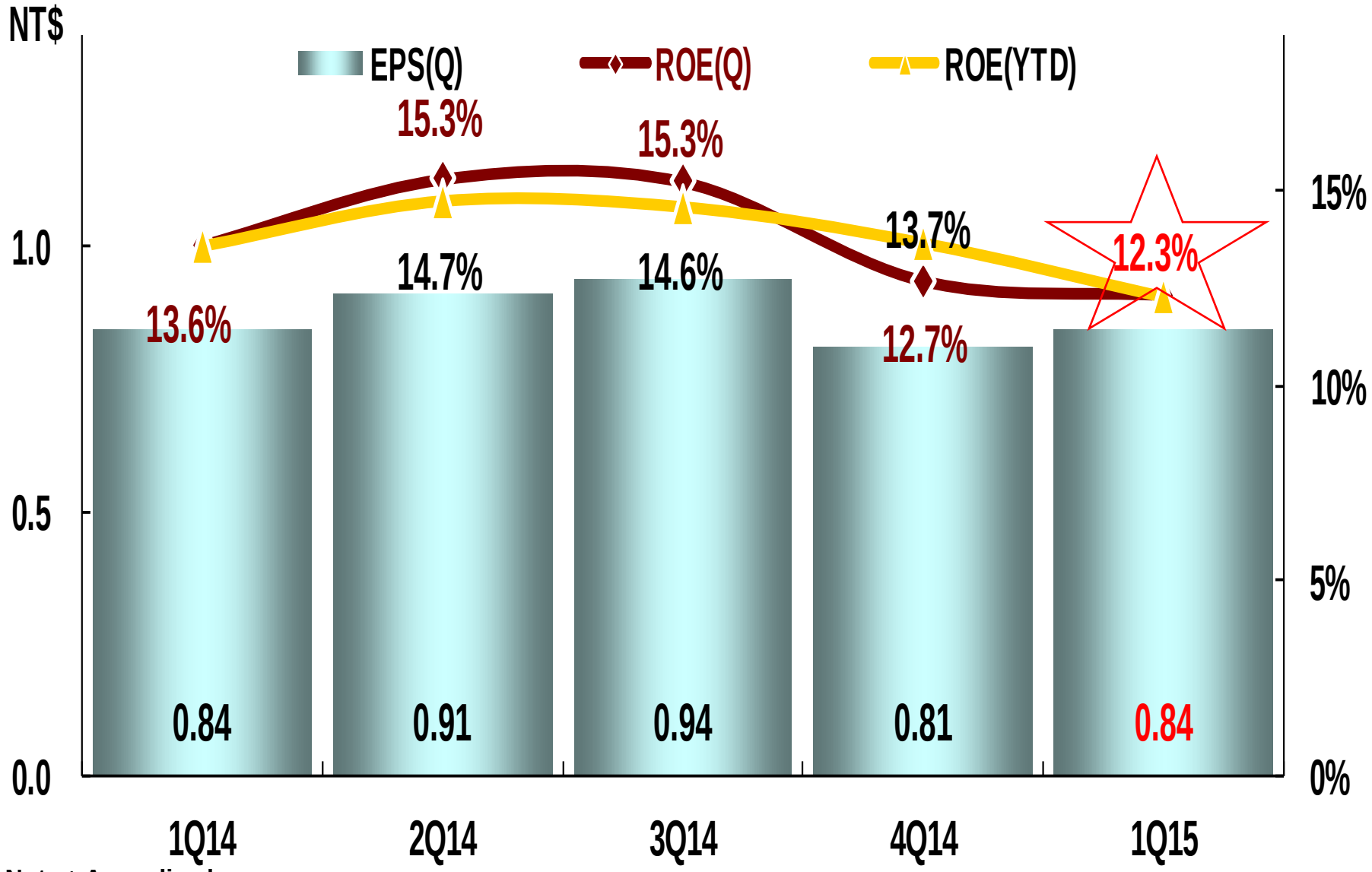


ROWC vs. NWC/Sales



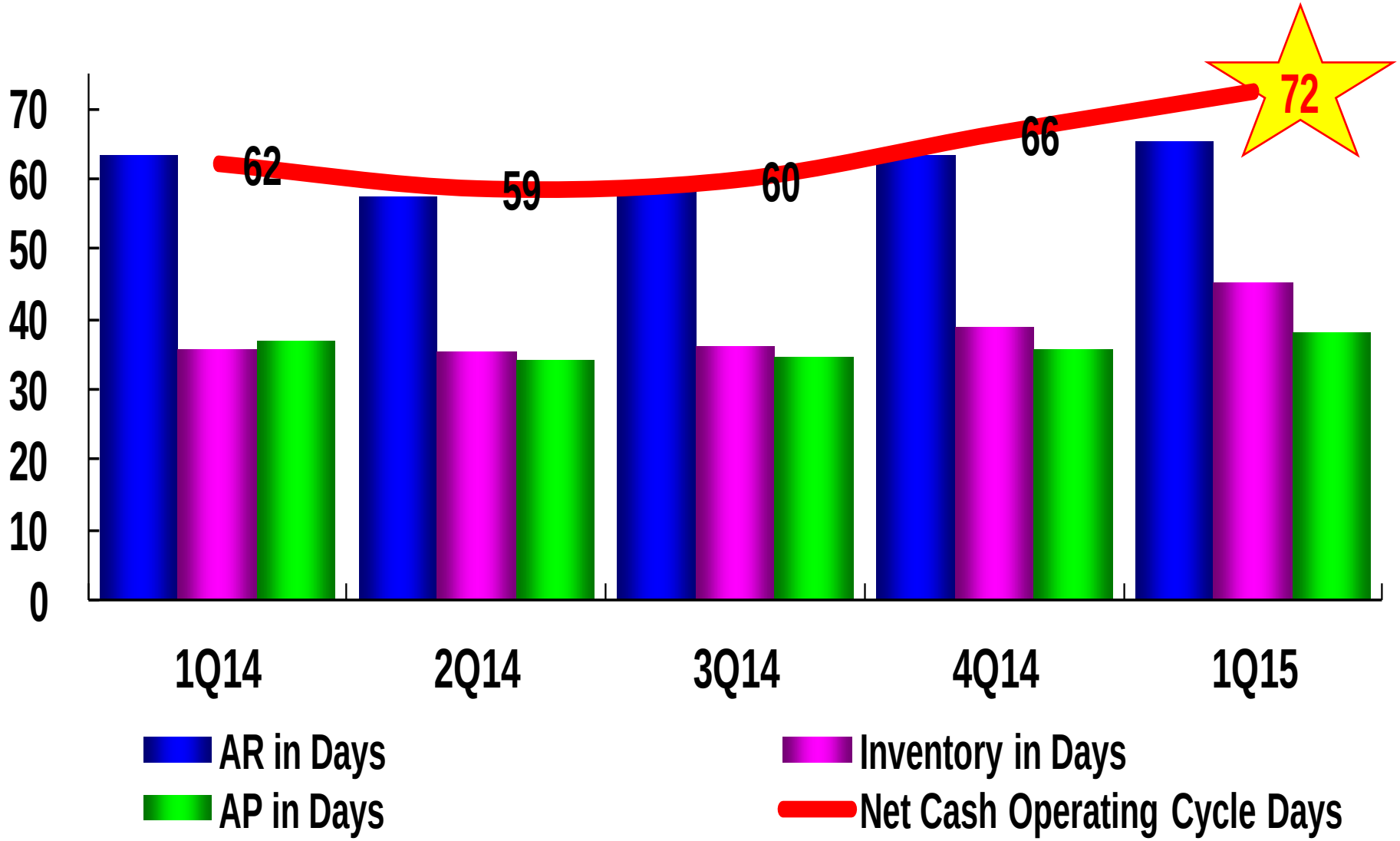
Note：Annualized

ROE vs. EPS



Note：Annualized

Operating Cash Cycle



Note：Annualized

2Q15 Guidance

Based on our current business outlook, management expects：

- **Revenues to be between NT$ 117 billion and NT$ 122 billion at a forecast FX rate of 30.5 NT dollars to 1 US dollar averaged over 2Q15.**
- **Gross profit margin to be between 4.2% and 4.5%**
- **Operating profit margin to be between 1.6% and 1.8%**

72 Solutions Launched in 1Q15

電腦&週邊

- 推出經濟與效能兼具的新一代雲端儲存方案 2015-03-11
- 推出支援進階PMBus™介面與智慧功率級的多相位Vcore解決方案 2015-03-11
- 推出平板電腦解決方案 2015-03-11
- 推出低壓(1.8V)USB 3.0解決方案 2015-03-11
- 推出新一代DP to VGA解決方案 2015-03-11
- 推出WiFi藍芽單晶片適用於Tablet PC解決方案 2015-03-11
- 力推適用平板電腦以及網路攝影機之完整解決方案 2015-03-11
- 力推電源管理IC for Mobility解決方案 2015-03-11
- 推出高性能微控制器，新系列小內存容量产品 2015-03-11
- 推出经认证符合ISO 26262与IEC 61508，提供丰富多样的內存等效能 2015-03-11
- 推出Server Dimm Module方案 2015-03-11

智能手機

- 推出雙介面NFC感測器解決方案 2015-03-25
- 推出NFC標籤，將實現安全便利的物聯網串接連結 2015-03-25
- 推出高能效網路處理器，提供智慧型手機相連所需的全部功能 2015-03-25
- 推出NFC和TransferJet近場通信技術方案 2015-03-25
- 推出多款3G智慧手機解決方案 2015-03-25
- 推出Smart Audio智慧功放方案 2015-03-25
- 力推NFC手機行動支付解決方案 2015-03-25
- 推出手機應用方案 2015-03-25
- 推出智慧型手機OIS模組解決方案 2015-03-25
- 力推適用智能手機之完整解決方案 2015-03-25
- 力推近接感測器(Proximity Sensor) 2015-03-25
- 推出LTE Soc智能手机及四模十一频LTE终端芯片 2015-03-25
- 推出智能手机LCD Driver IC解決方案 2015-03-25

LED照明

- 推出超廣輸出電壓範圍、類比調光LED驅動器解決方案 2015-02-04
- 代理產品線推出智能家居照明系統解決方案 2015-02-04
- 力推LED智能照明解決方案 2015-02-04
- 推出集成PFC+LLC LED商業照明方案 2015-02-04
- 推出智能照明解決方案 2015-02-04
- 推出LED照明解決方案 2015-02-04
- 力推適用LED照明應用裝置方案 2015-02-04
- 力推无线智能照明解決方案 2015-02-04

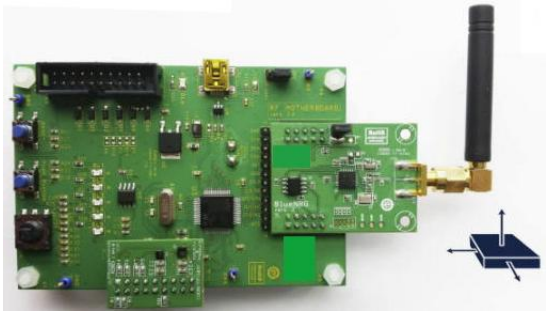
工業電子

- 推出符合QC2.0标准的15W电池充电器快充方案 2015-03-31
- 推出工業現場儀錶方案 2015-02-03
- 推出熱電偶測量儀方案 2015-02-03

能源

- 推出太陽能微型逆變器方案 2015-03-27
- 推出電池監測保護方案 2015-02-03

Thermocouple Reader Solution



Network Processor Solution

72 Solutions Launched in 1Q15

推出穿戴式裝置解決方案	2015-03-25
推出BLE低功耗藍牙智能可穿戴方案	2015-03-25
推出可穿戴設備與微信平臺互聯互通的低功耗藍牙解決方案	2015-03-25
力推穿戴式設備心率血氧檢測解決方案基於運動和健康監控應用的整合型光感測器，尺寸僅4.7x2.5x0.9毫米	2015-03-25
針對穿戴裝置應用推出系列開發平台	2015-03-25
推出Bluetooth 4.1 LE Single Mode SoC解決方案	2015-03-25
推出穿戴裝置應用方案	2015-03-25
推出穿戴裝置解決方案	2015-03-25
力推適用穿戴裝置之完整解決方案	2015-03-25
力推紫外光感測器(UV Sensor)	2015-03-25
力推智能穿戴式产品方案，基于MCU运行记步器的算法，集成按键、显示屏及电池管理功能	2015-03-25

推出照明多樣化LED調光驅動方案	2015-03-27
推出無線智慧照明LED調光驅動方案	2015-03-26
推出高速存取的智慧家居安防系統閘道解決方案	2015-03-11
推出高溫藍牙智慧無線微控制器，適用於智能照明應用	2015-02-04
推出智能家居及遠端照顧的方案	2015-01-21
推出適用於家庭智能照明的無線控制設計方案	2015-01-21
推出WiFi適用於智能家居無線區域網路產品	2015-01-21
力推方案透過智慧型手機掌握家庭自動化	2015-01-21
力推適用智能家居之完整解決方案	2015-01-21

推出1GB DDR3、4GB eMMC车载后视镜方案	2015-03-18
推出車用娛樂導航解決方案	2015-01-21
推出入門、中階汽車先進駕駛輔助系統(ADAS)解決方案	2015-01-21
推出Car remote方案	2015-01-21
推出基於WIFI互聯技術的車載影音導航系統方案	2015-01-21
推出車載後視鏡方案	2015-01-21
力推胎壓檢測方案	2015-01-21
力推車用影音平台及周邊整合的解決方案	2015-01-21
力推汽車照明用最小LED	2015-01-21

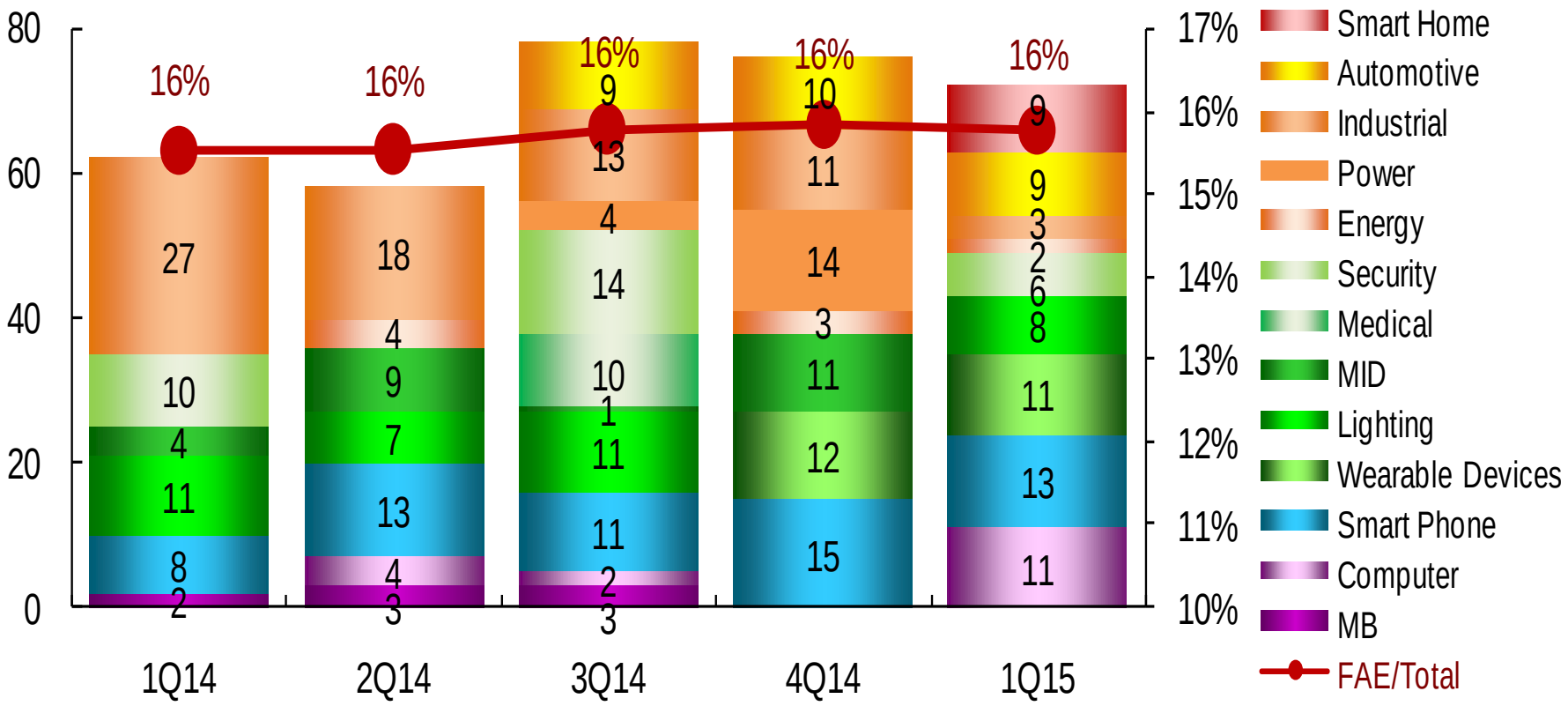
推出IP Camera網路攝像頭監控方案	2015-03-11
推出智能家居IP Camera安防系統解決方案	2015-01-21
推出智慧家居安防系統終端解決方案	2015-01-21
推出智慧家居安防系統閘道解決方案	2015-01-21
力推安防視頻監控和樓宇對講系統方案	2015-01-21
推出SOC適用於安防解決方案	2015-01-21

Rearview Mirror Solution

Smart Building-Thermostat Solution

Smart Watch Solution

More Solutions Launched ..



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

Recap of Recent Major Events

- **WPG Holdings Received an “A++” ranking in “Transparency and Information Disclosure” from Taiwan's Securities and Futures Institute (2015/4)**

- **WPG Holdings Acquire 44.21% shares of Genuine C&C INC. (OTC:5384) (2015/04/15)**

- **WPG Board of Directors Proposes NT$2.5 Cash Dividend Per Share (2015/04/28)**

WPG Holdings

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