

WT MICROELECTRONICS 文晔科技



# **2019 Third Quarter Investor Conference**

**Presented by Cheryl Yang  
November 11, 2019**

# Safe Harbor Statement

- WT's forward-looking statements, which may include statements regarding its results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on WT's 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 dependence on key personnel; general economic and political conditions; 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

- 1. Overview**
- 2. Financial Update**
- 3. Business Outlook**
- 4. Questions and Answers**



# 1. Overview

## Strong secular growth with economies of scale

- A leading Asian semiconductor distributor, founded in 1993 and listed in 2000 (ticker: 3036 TT)
- Strategic focus on Asia region and Automotive & Internet of Things (IoT) applications
- 2018 revenues of NT\$273bn, up 44% YoY
- 48 offices in Asia (33 offices in China and 15 offices in Korea, Taiwan, and South Asia) with over 9,000 customers
- Over 2,300 headcounts (over 700 sales, 250 PMs, and 500 FAEs)
- Completion of warehouse semi automation (total 6 warehouses in Taiwan, HK, Shenzhen China, Shanghai China, Korea, and Singapore)
- Completion of B2B service platform for major vendors and customers

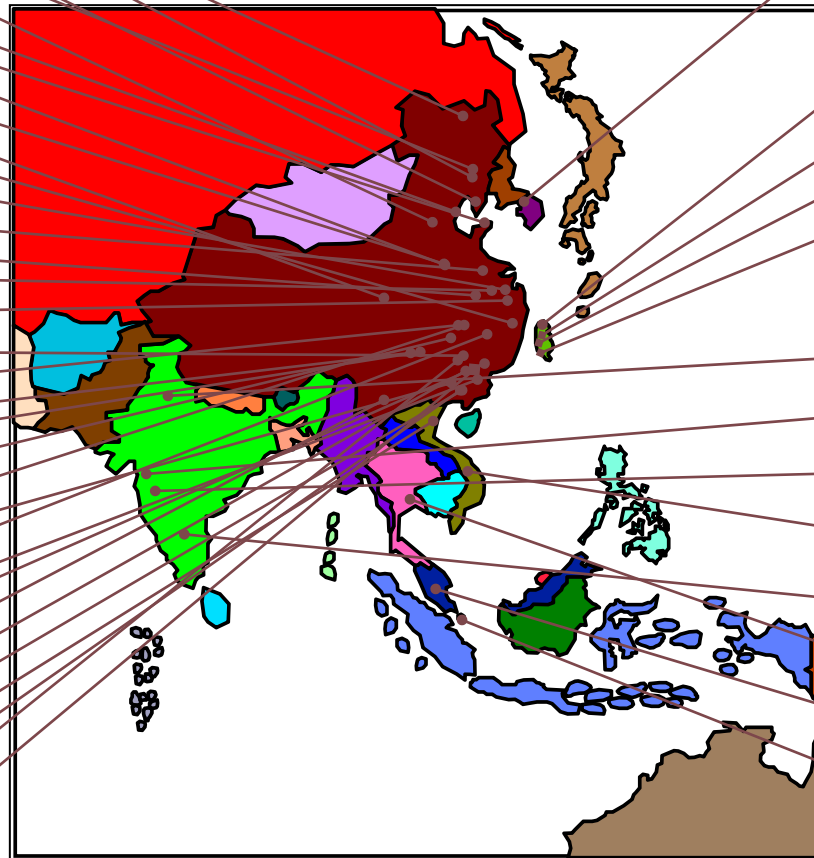


# 1. Overview

Harbin  
Shenyang  
Dalian  
Beijing  
Tianjin  
Qingdao  
Yantai  
Zhengzhou  
Jinan  
Xian  
Ningbo  
Shanghai  
Wuxi  
Suzhou  
Nanjing  
Hangzhou  
Wenzhou  
Hefei  
Chengdu  
Mianyang  
Chongqing  
Changsha  
Wuhan  
Fuzhou  
Fuqing  
Xiamen  
Nanning  
Dongguan  
Foshan  
Guangzhou  
Zhuhai  
Hong Kong  
Shenzhen

## China Offices (33)

## Offices Across Asia



## Korea Offices (2)

Seoul

## Taiwan Offices (4)

Taipei, Headquarters

Hsinchu

Taichung

Tainan

## South Asia Offices (9)

New Delhi, N. India

Mumbai, N. India

Pune, N. India

Vietnam (2)

Bangalore, S. India

Bangkok, Thailand

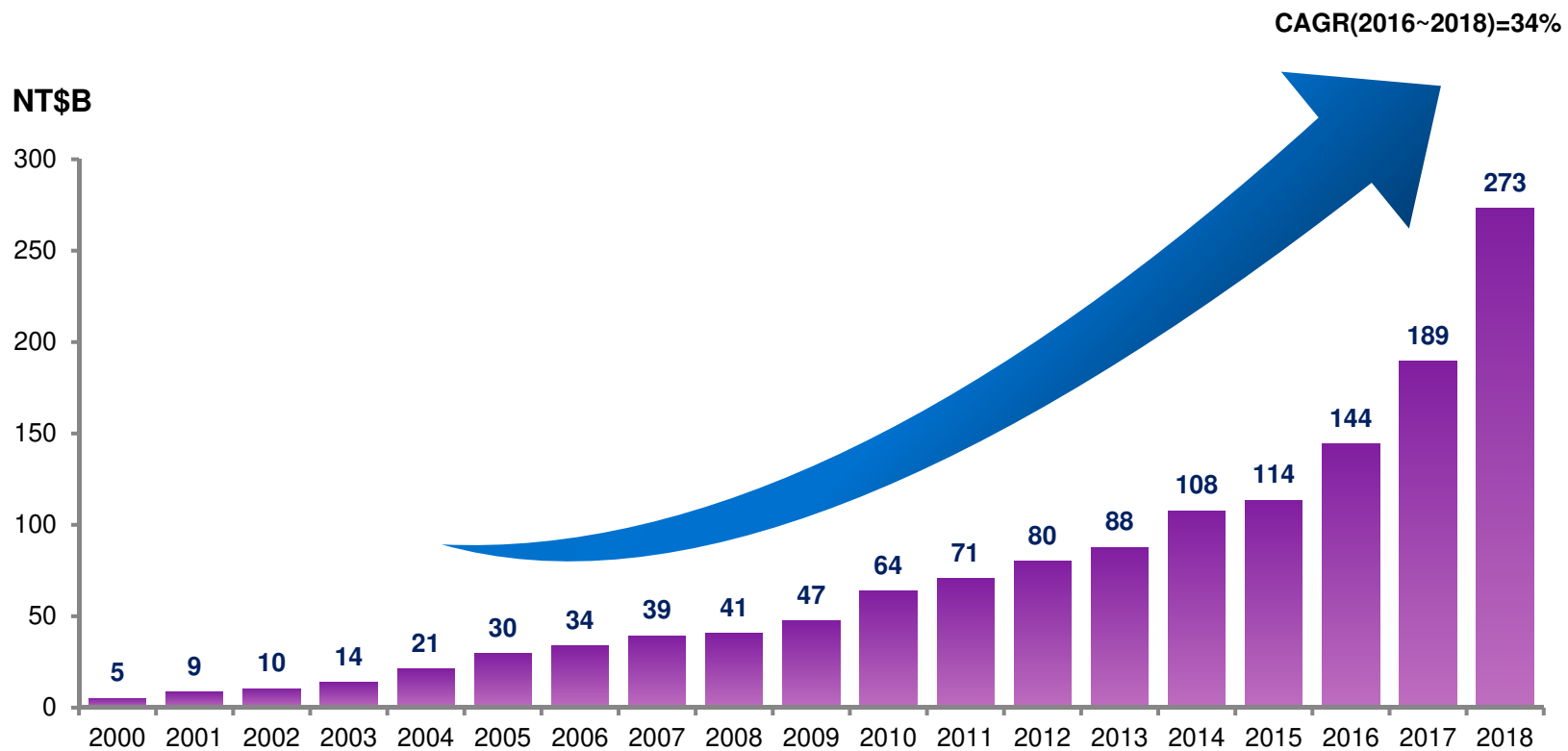
Penang, Malaysia

Singapore



# 1. Overview

## NR (Net Revenue)



## 2. Financial Update

### Statement of Comprehensive Income

Unit: NT\$M

Key accounts	3Q19		3Q19 Guidance	2Q19		QoQ	3Q18		YoY
	Amount	%		Amount	%		Amount	%	
<b>Net Operating revenues</b>	<b>96,191</b>	<b>100.00%</b>	<b>87B~93B</b>	<b>74,748</b>	<b>100.00%</b>	<b>29%</b>	<b>84,771</b>	<b>100.00%</b>	<b>13%</b>
<b>Gross profit</b>	<b>2,977</b>	<b>3.09%</b>	<b>3.1%~3.3%</b>	<b>2,688</b>	<b>3.60%</b>	<b>11%</b>	<b>3,096</b>	<b>3.65%</b>	<b>-4%</b>
Operating expenses	(1,428)	-1.48%		(1,364)	-1.82%	5%	(1,392)	-1.64%	3%
<b>Operating income</b>	<b>1,549</b>	<b>1.61%</b>	<b>1.5%~1.7%</b>	<b>1,324</b>	<b>1.78%</b>	<b>17%</b>	<b>1,704</b>	<b>2.01%</b>	<b>-9%</b>
Financing costs	(485)	-0.50%		(486)	-0.65%	0%	(431)	-0.51%	13%
Others	(35)	-0.04%		23	0.02%		(17)	-0.02%	
Earning before tax	1,029	1.07%		861	1.15%	20%	1,256	1.48%	-18%
Income tax expense	(212)	-0.22%		(239)	-0.32%	-11%	(268)	-0.32%	-21%
Non-Controlling Interests	-	-		-	-		-	-	
<b>Profit after tax</b>	<b>817</b>	<b>0.85%</b>		<b>622</b>	<b>0.83%</b>	<b>31%</b>	<b>988</b>	<b>1.16%</b>	<b>-17%</b>
<b>EPS (in dollars)</b>	<b>1.38</b>			<b>1.06</b>			<b>1.79</b>		
Weighted average shares (M shares)	590			588			553		



## 2. Financial Update

### Balance Sheet

Unit: NT\$M

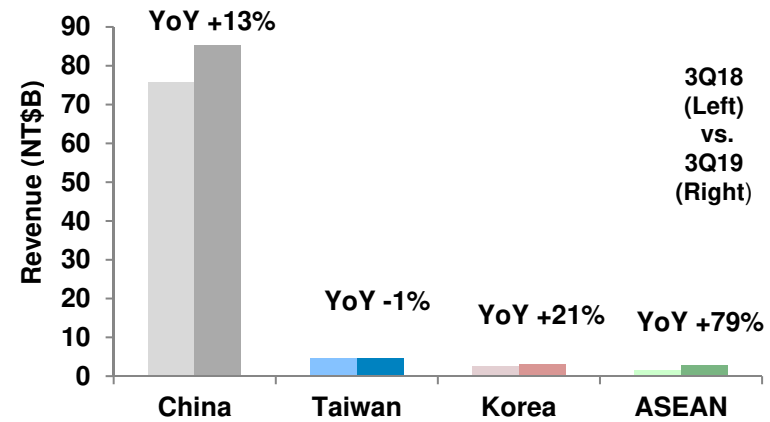
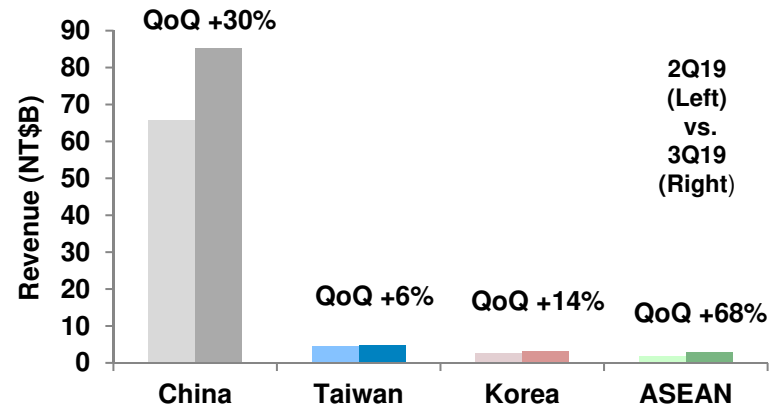
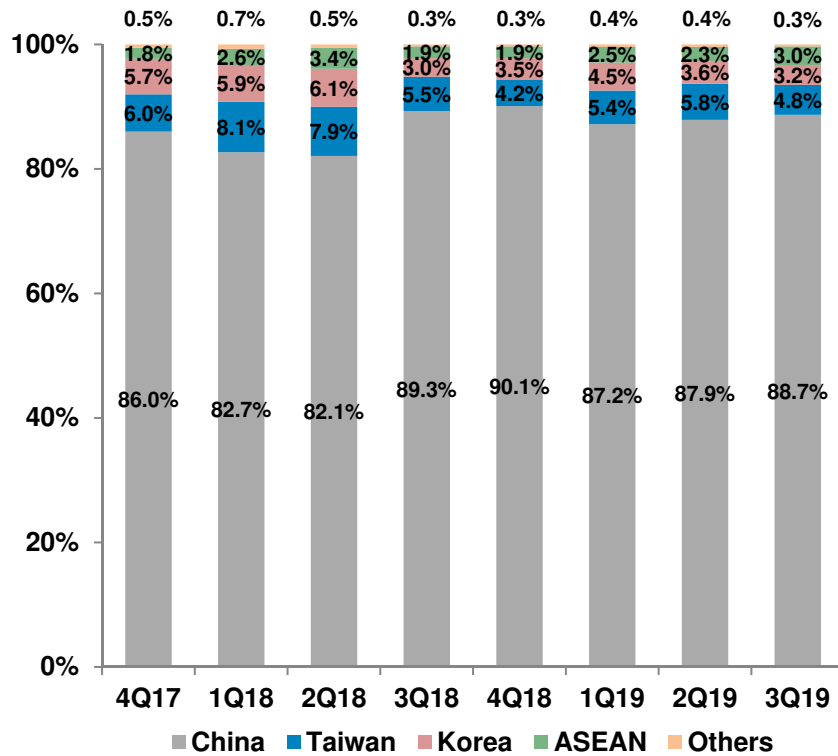
Key accounts	3Q19		2Q19		3Q18	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	6,421	6	5,018	5	2,818	3
Accounts receivable	45,438	44	37,211	40	46,421	47
Inventory	42,768	42	44,285	47	42,894	43
Other current assets	2,959	3	2,317	2	2,706	2
Non-current assets	5,199	5	5,268	6	4,890	5
<b>Total Assets</b>	<b>102,785</b>	<b>100</b>	<b>94,099</b>	<b>100</b>	<b>99,729</b>	<b>100</b>
Short-term loans	31,158	30	33,089	35	25,749	26
Accounts payable	42,374	41	31,396	34	47,066	47
Other current liabilities	3,523	4	4,639	5	5,076	5
Long-term loans	-	-	-	-	185	-
Other liabilities	2,226	2	2,305	2	571	1
<b>Total Liabilities</b>	<b>79,281</b>	<b>77</b>	<b>71,429</b>	<b>76</b>	<b>78,647</b>	<b>79</b>
<b>Total Equity</b>	<b>23,504</b>	<b>23</b>	<b>22,670</b>	<b>24</b>	<b>21,082</b>	<b>21</b>
Indices	3Q19		2Q19		3Q18	
Current ratio	127%		129%		122%	
Debt/Assets ratio	77%		76%		79%	
Debt/Equity ratio	337%		315%		373%	
Gearing ratio	1.05		1.24		1.10	





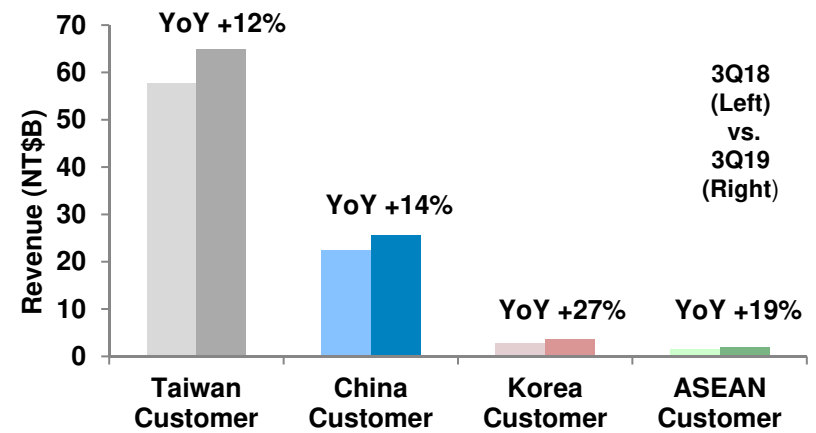
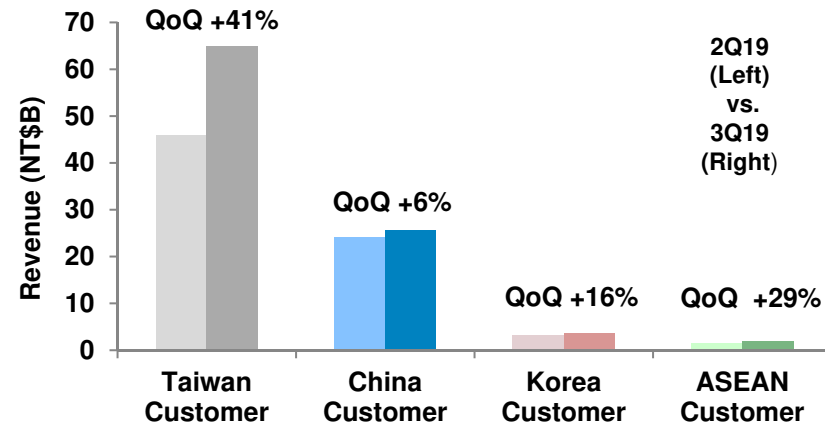
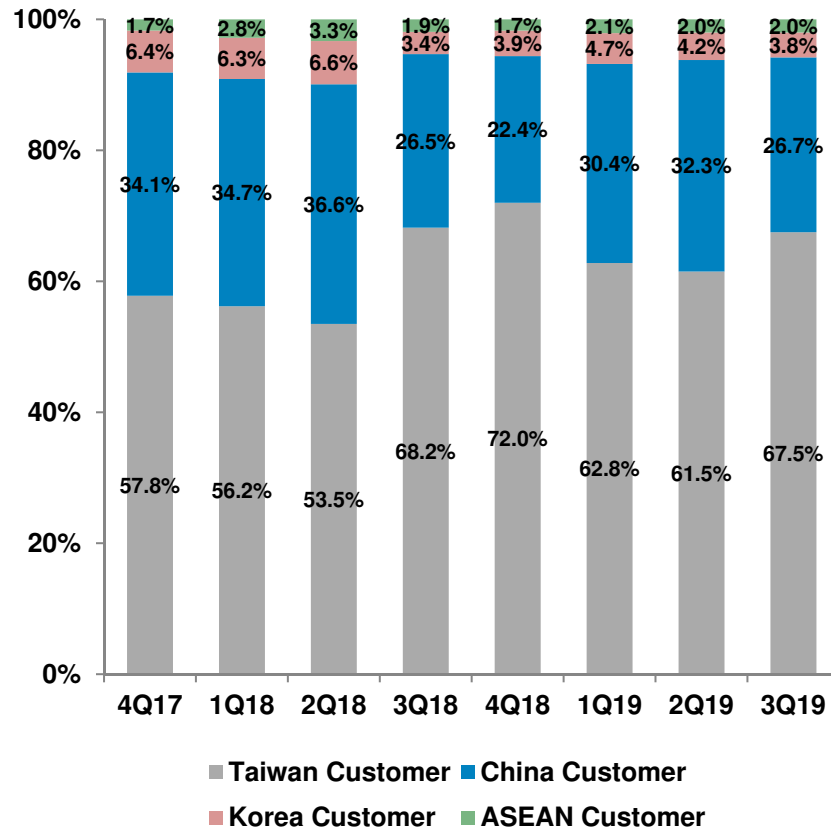
# 2. Financial Update

## NR by Geography (Ship-to Destination)



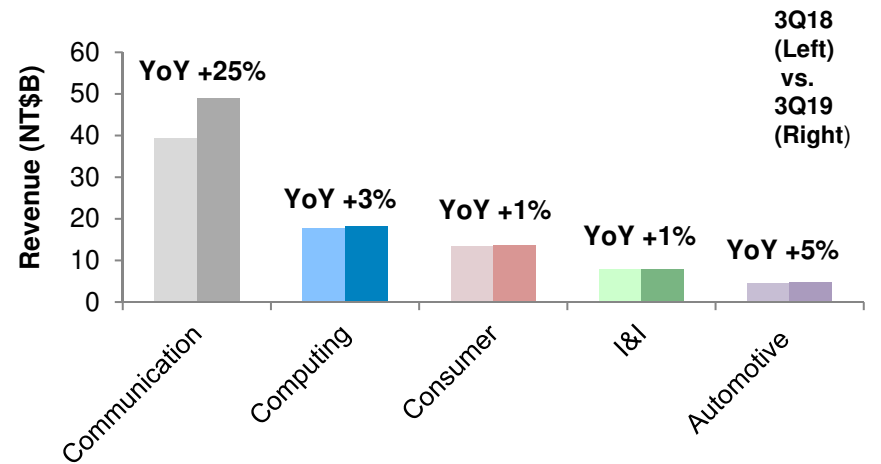
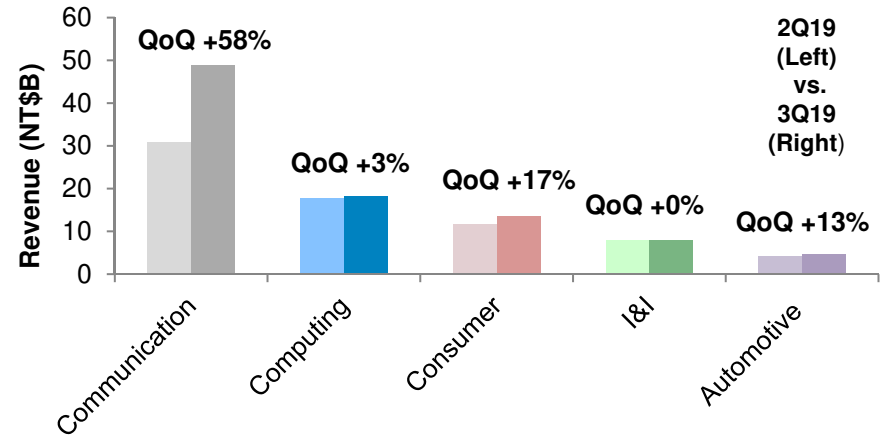
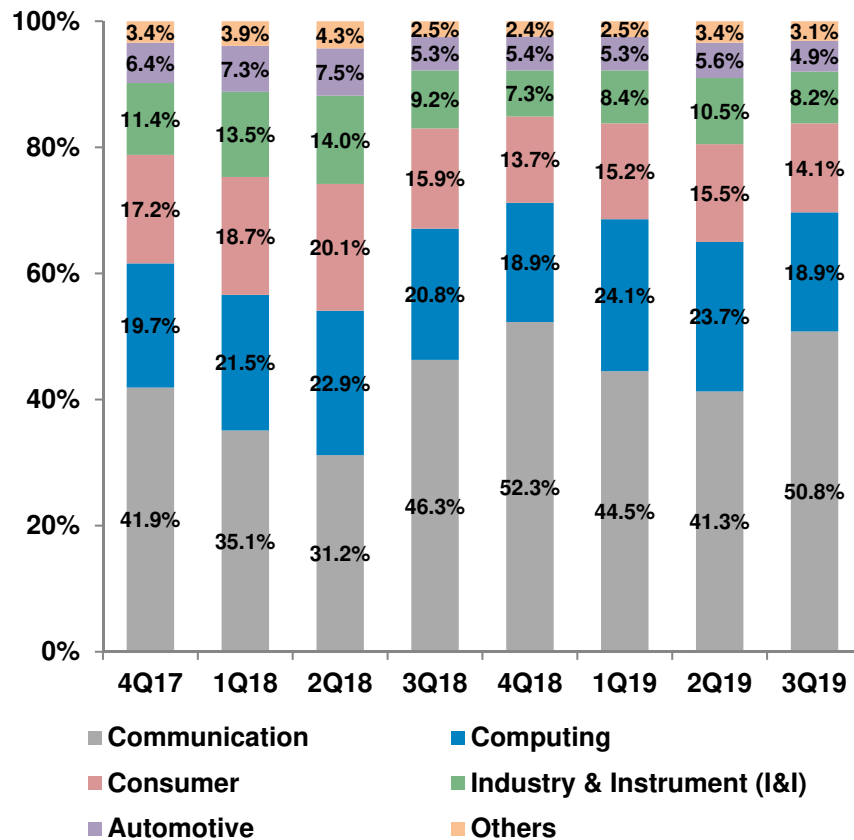
# 2. Financial Update

## NR by Customer Base



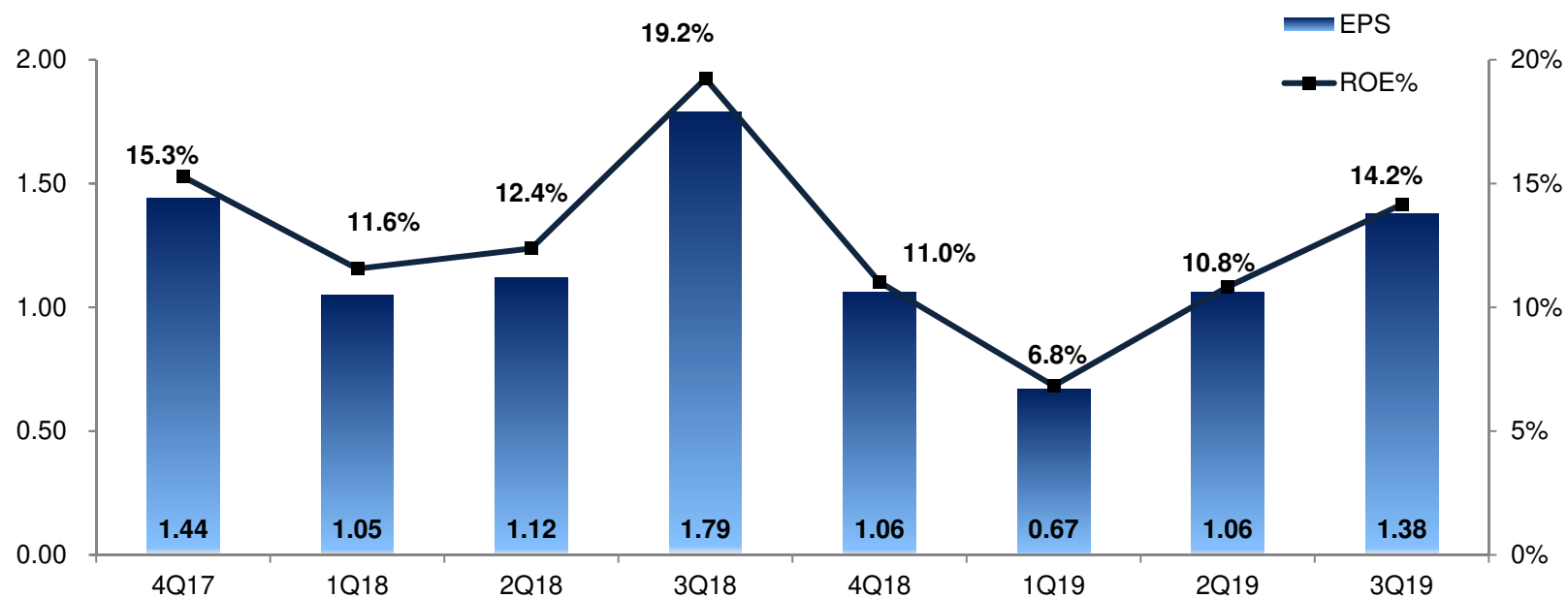
# 2. Financial Update

## NR by Application



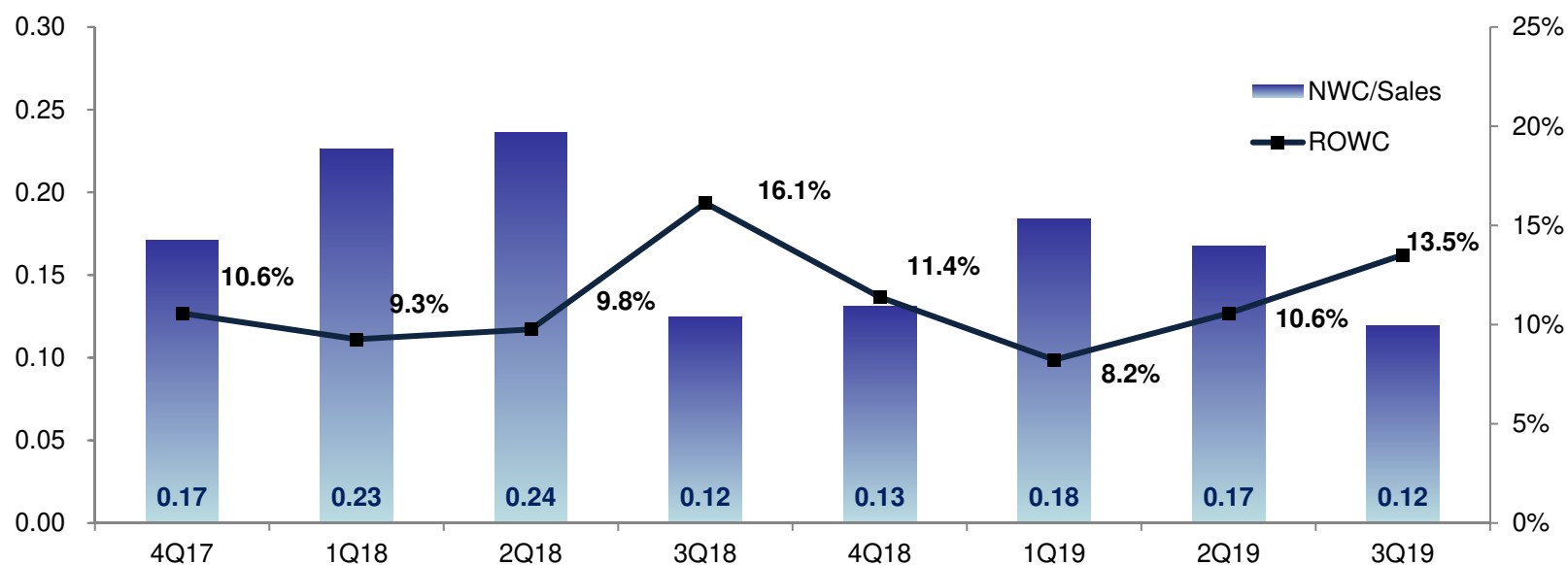
## 2. Financial Update

### ROE vs. EPS



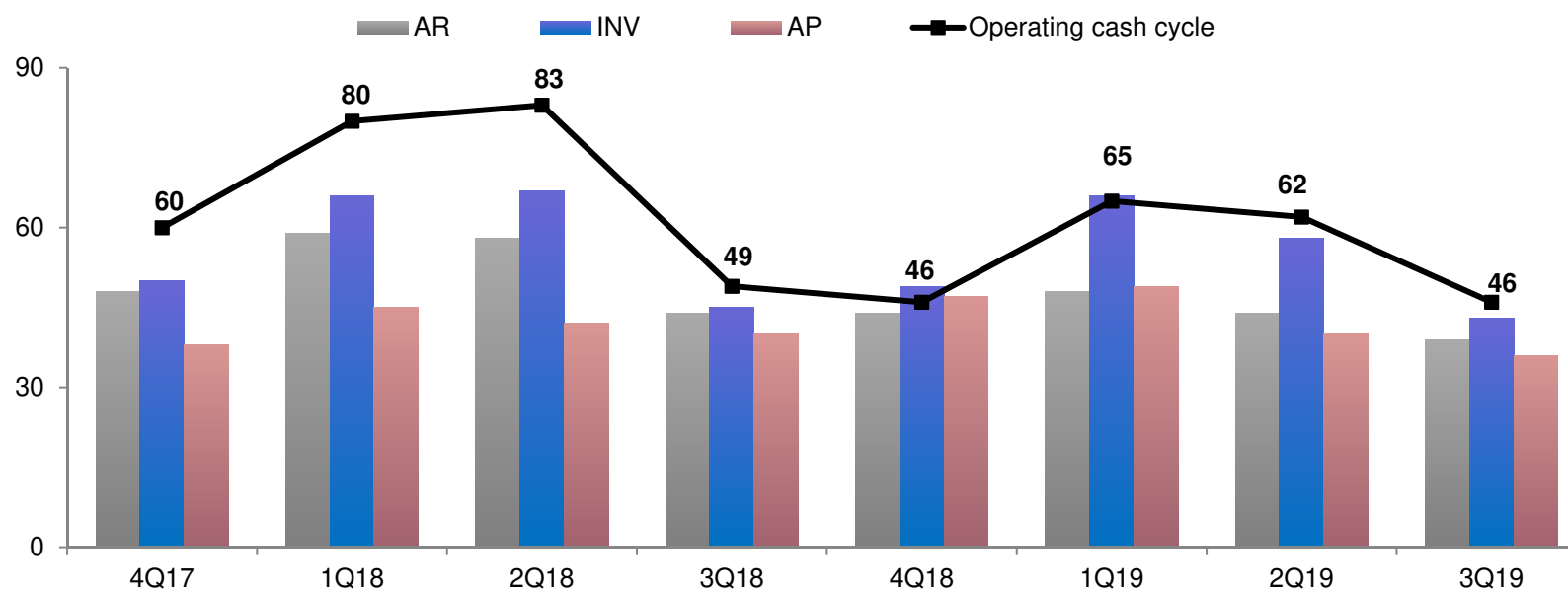
## 2. Financial Update

### ROWC vs. NWC/Sales



## 2. Financial Update

### Operating Cash Cycle



## 3. Business Outlook

### **We currently expect 4Q19 :**

- Revenue : between NT\$94 billion ~ NT\$100 billion, at a forecast exchange rate of 30.5 NT Dollars to 1 US Dollar
- Revenue guidance between 2% QoQ decrease to 4% QoQ increase and 10% ~ 17% YoY growth
- Gross profit margin : between 2.9% ~ 3.1%
- Operating profit margin : between 1.4% ~ 1.6%







# **Thank You !**

**WT Microelectronics Co., Ltd.**

**Website : [www.wtmec.com](http://www.wtmec.com)**

