



2018 Fourth Quarter Investor Conference

**Presented by Cheryl Yang
February 19, 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.
- In addition, any financial information contained here within is presented in conformity with International Financial Reporting Standards (IFRSs).
- Except as required by law, our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure, 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

- 1. Overview**
- 2. Financial Update**
- 3. Business Outlook**
- 4. Recap of Recent Major Events**
- 5. 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 8,000 customers
- Over 2,300 headcounts in 4Q18 (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

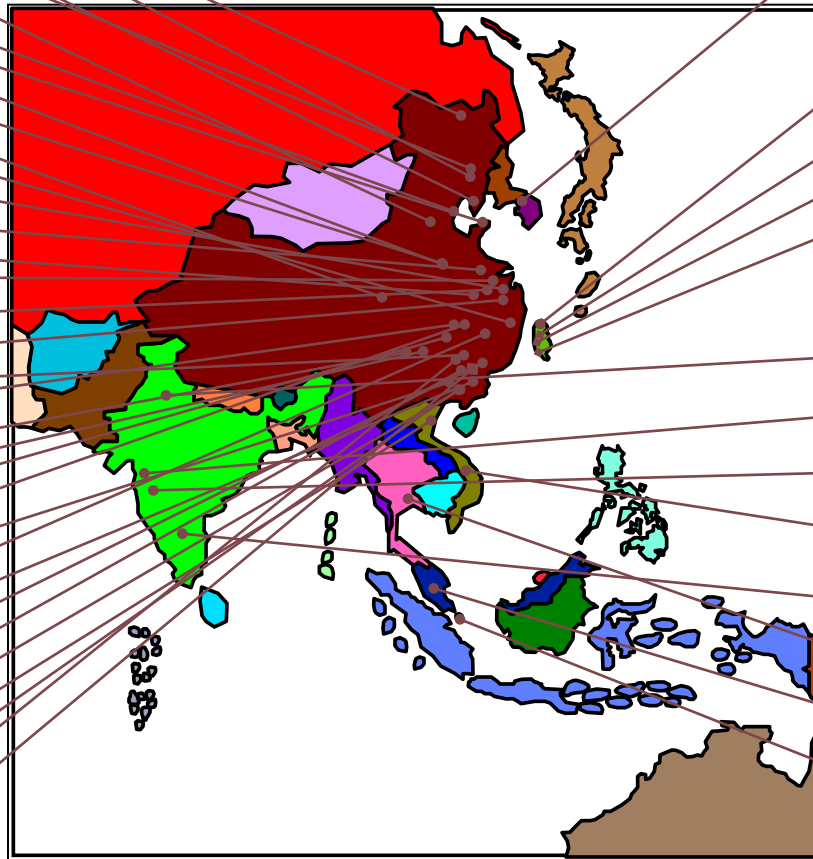


1. Overview

China Offices (33)

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

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

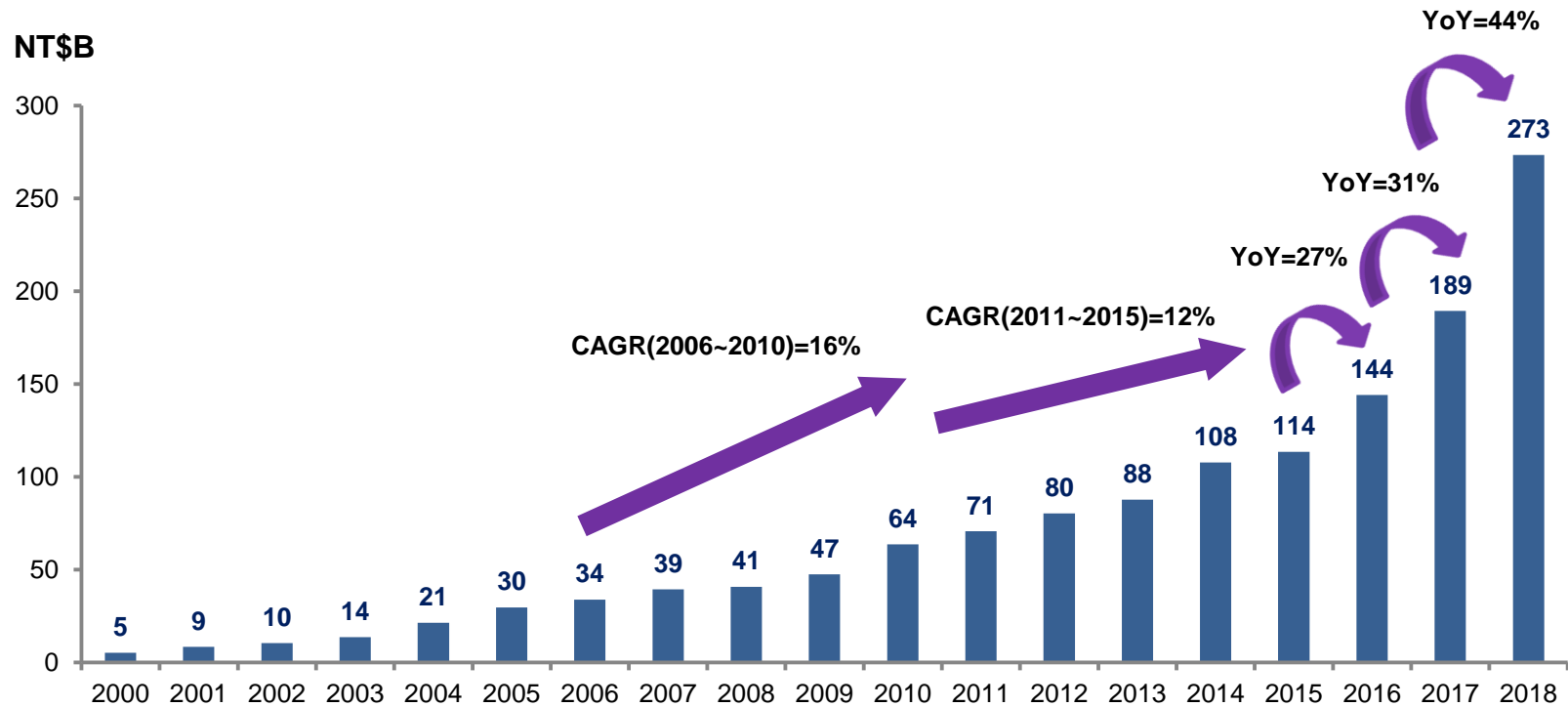
Penang, Malaysia

Singapore



1. Overview

NR (Net Revenue)



2. Financial Update

2018 result highlights

- Strong revenue growth of 44% YoY
- Solid operating profit growth of 34% YoY
- Stable net profit growth of 10% YoY
- Return on net working capital improved 2.3ppt YoY to 11.9%
- Operating cash cycle reduced 14 days YoY to 58 days



2. Financial Update

Statement of Comprehensive Income

Unit: NT\$M

Key accounts	4Q18		4Q18 Guidance	3Q18		QoQ	4Q17		YoY
	Amount	%		Amount	%		Amount	%	
Net Operating revenues	85,762	100.00%	85B~91B	84,771	100.00%	1%	59,844	100.00%	43%
Gross profit	2,705	3.15%	3.2%~3.4%	3,096	3.65%	-13%	2,456	4.10%	10%
Operating expenses	(1,420)	-1.65%		(1,392)	-1.64%	2%	(1,373)	-2.29%	3%
Operating income	1,285	1.50%	1.6%~1.8%	1,704	2.01%	-25%	1,083	1.81%	19%
Financing costs	(538)	-0.63%		(431)	-0.51%	25%	(318)	-0.53%	69%
Others	19	0.02%		(17)	-0.02%		94	0.16%	
Earning before tax	766	0.89%		1,256	1.48%	-39%	859	1.44%	-11%
Income tax expense	(175)	-0.20%		(268)	-0.32%	-35%	(156)	-0.26%	12%
Non-Controlling Interests	-	-		-	-		-	-	
Profit after tax	591	0.69%		988	1.16%	-40%	703	1.18%	-16%
EPS (in dollars)	1.06			1.79			1.44		



2. Financial Update

Statement of Comprehensive Income

Unit: NT\$M

Key accounts	Y2018		Y2017		YoY
	Amount	%	Amount	%	
Net Operating revenues	273,416	100.00%	189,419	100.00%	44%
Gross profit	10,649	3.89%	8,421	4.45%	26%
Operating expenses	(5,391)	-1.97%	(4,503)	-2.38%	20%
Operating income	5,258	1.92%	3,918	2.07%	34%
Financing costs	(1,698)	-0.62%	(963)	-0.51%	76%
Others	61	0.02%	150	0.08%	
Earning before tax	3,621	1.32%	3,105	1.64%	17%
Income tax expense	(842)	-0.31%	(585)	-0.31%	44%
Non-Controlling Interests	-	-	-	-	
Profit after tax	2,779	1.01%	2,520	1.33%	10%
EPS (in dollars)	5.02		5.26		



2. Financial Update

Balance Sheet

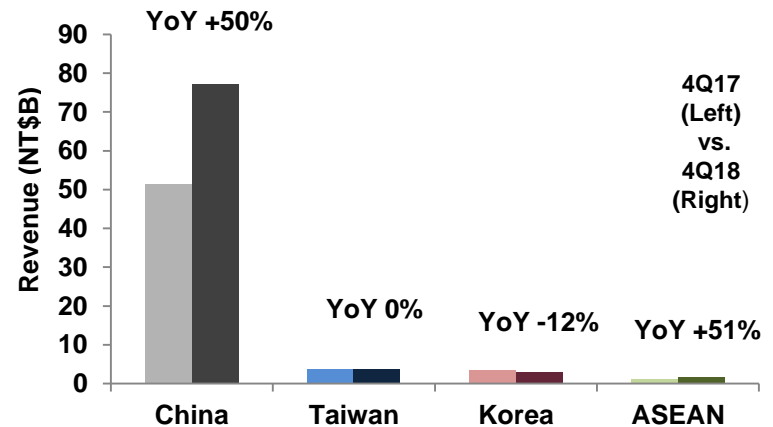
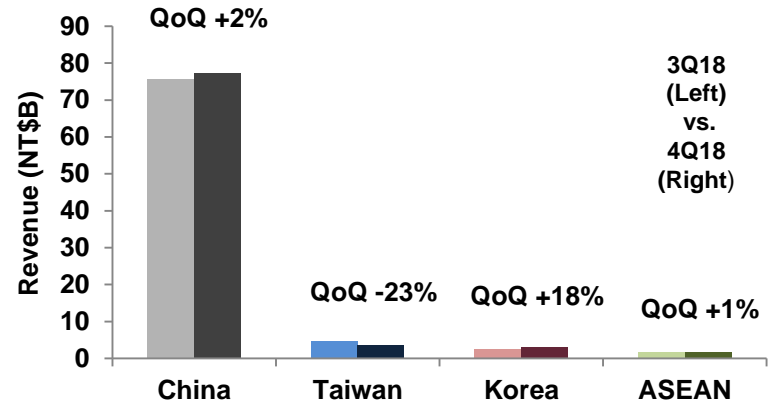
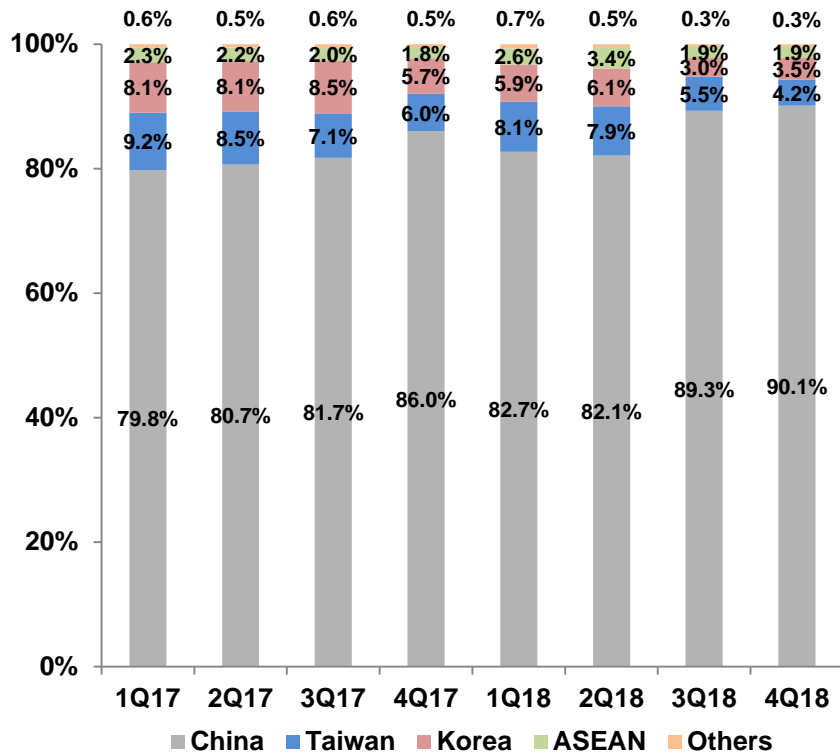
Unit: NT\$M

Key accounts	4Q18		3Q18		4Q17	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	3,250	4	2,818	3	2,288	3
Accounts receivable	35,294	38	46,421	47	32,326	43
Inventory	46,875	51	42,894	43	33,114	44
Other current assets	2,509	2	2,706	2	2,625	4
Non-current assets	4,820	5	4,890	5	4,813	6
Total Assets	92,748	100	99,729	100	75,166	100
Short-term loans	28,812	31	25,748	26	25,862	34
Accounts payable	38,103	41	47,066	47	24,463	33
Other current liabilities	3,360	4	5,077	5	2,125	3
Long-term loans	123	-	185	-	982	1
Other liabilities	538	-	571	1	1,653	2
Total Liabilities	70,936	76	78,647	79	55,085	73
Total Equity	21,812	24	21,082	21	20,081	27
Indices	4Q18		3Q18		4Q17	
Current ratio	125%		122%		134%	
Debt/Assets ratio	76%		79%		73%	
Debt/Equity ratio	325%		373%		274%	
Gearing ratio	1.18		1.10		1.22	



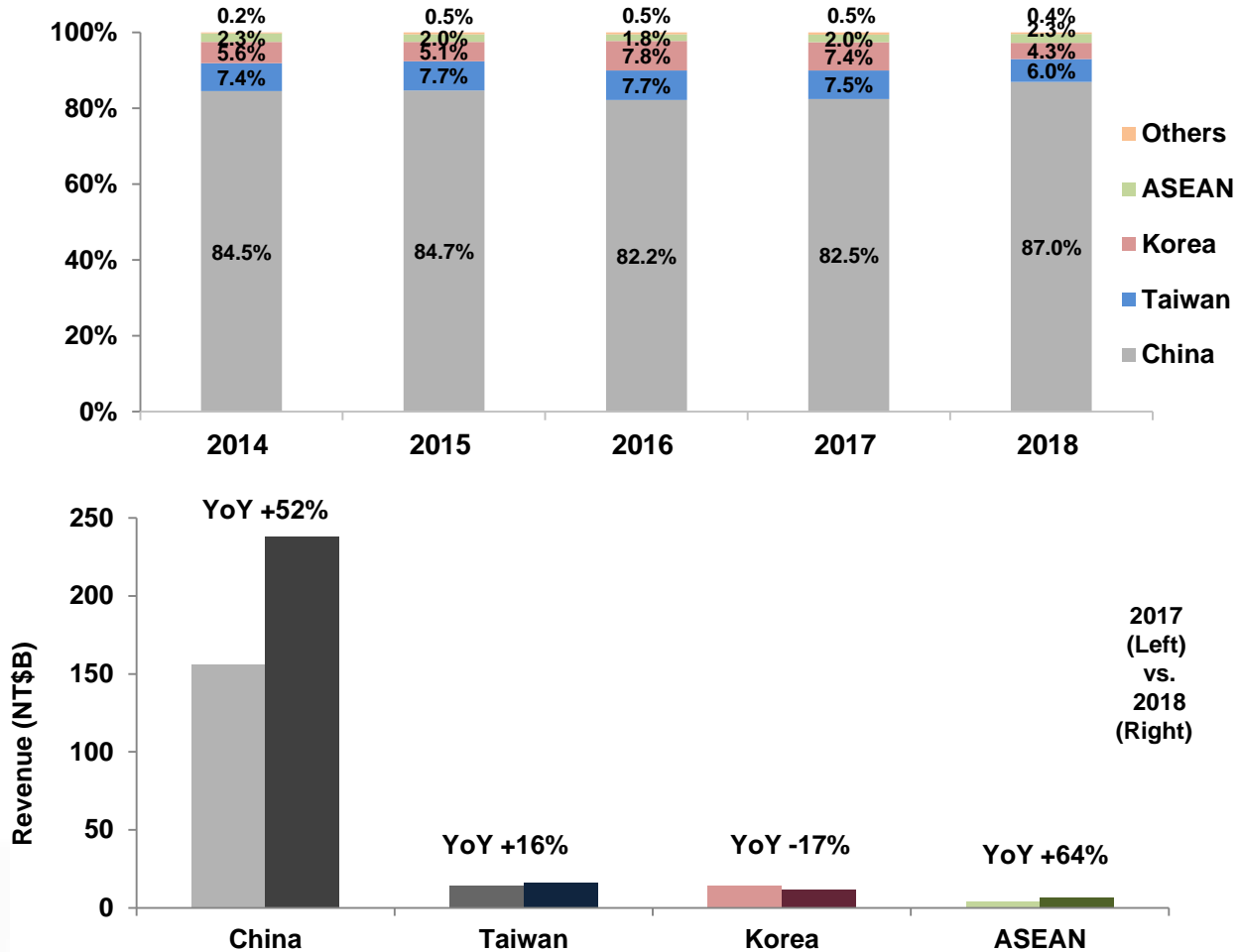
2. Financial Update

NR by Geography (Ship-to Destination)



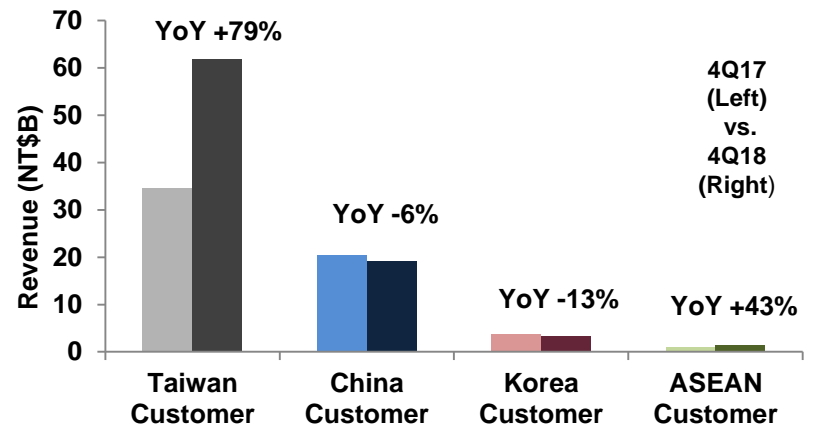
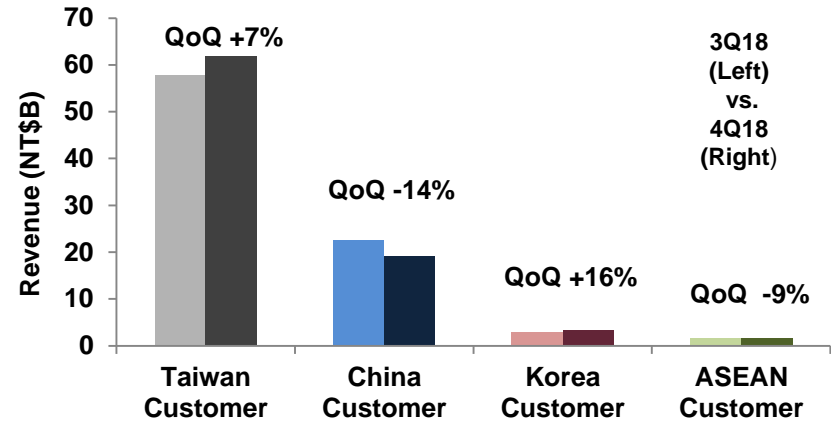
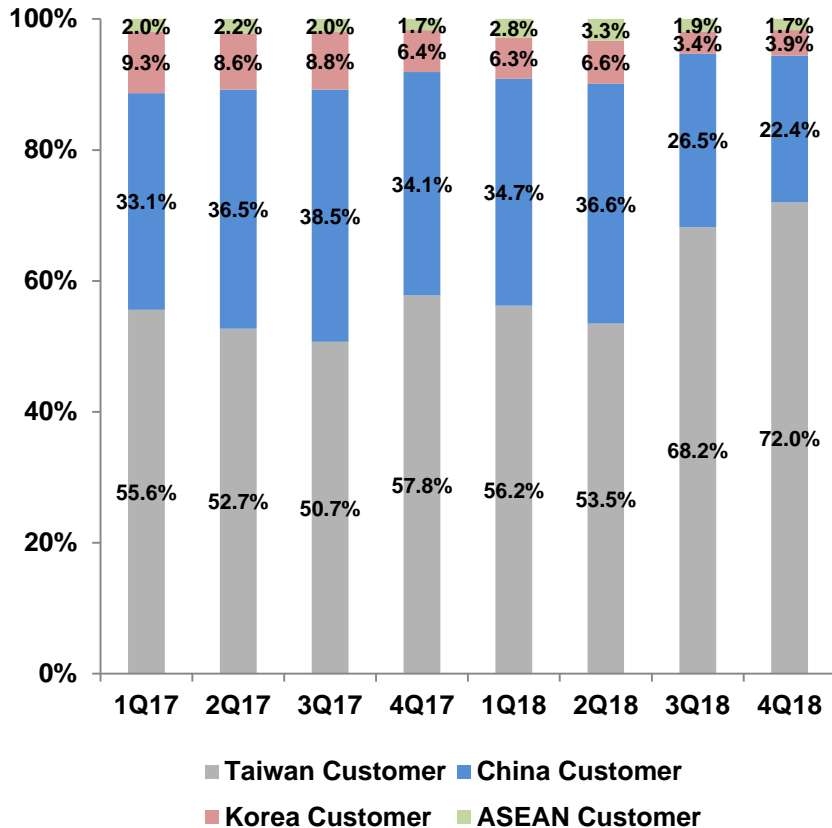
2. Financial Update

NR by Geography (Ship-to Destination)



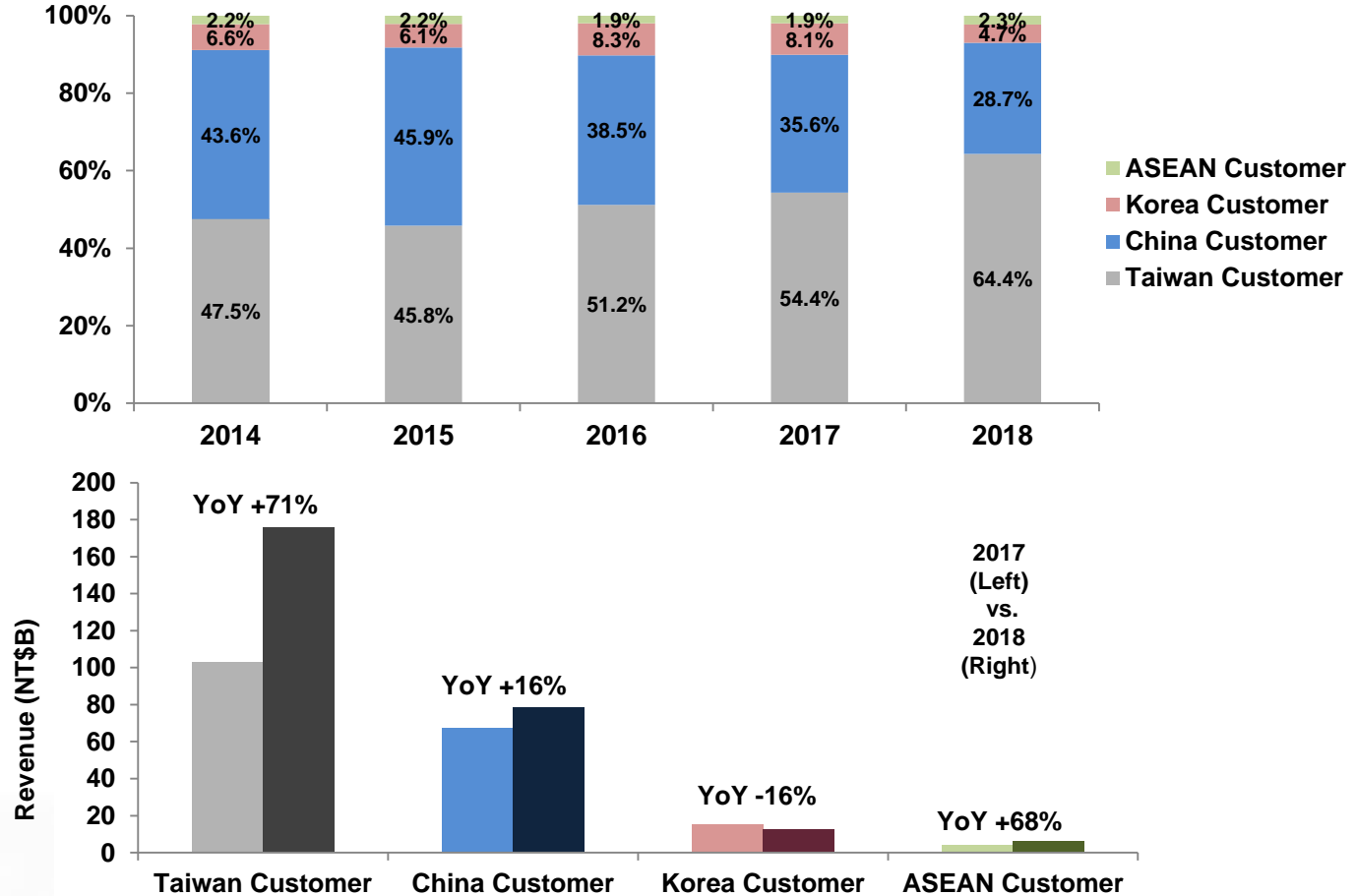
2. Financial Update

NR by Customer Base



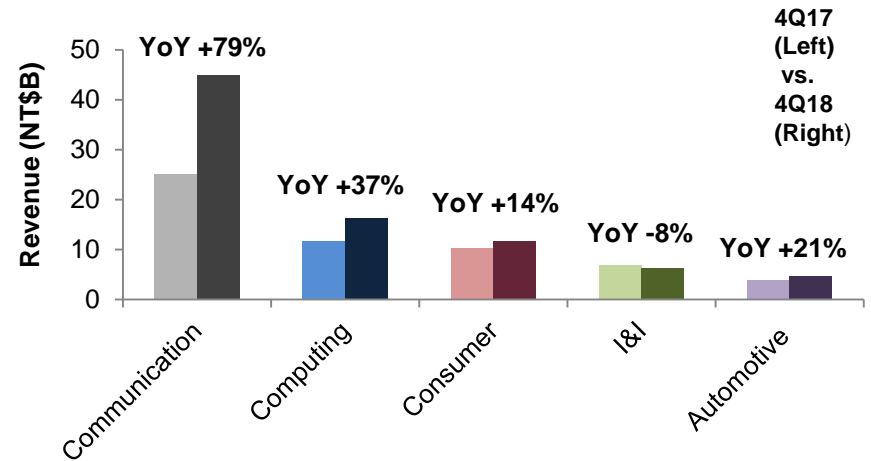
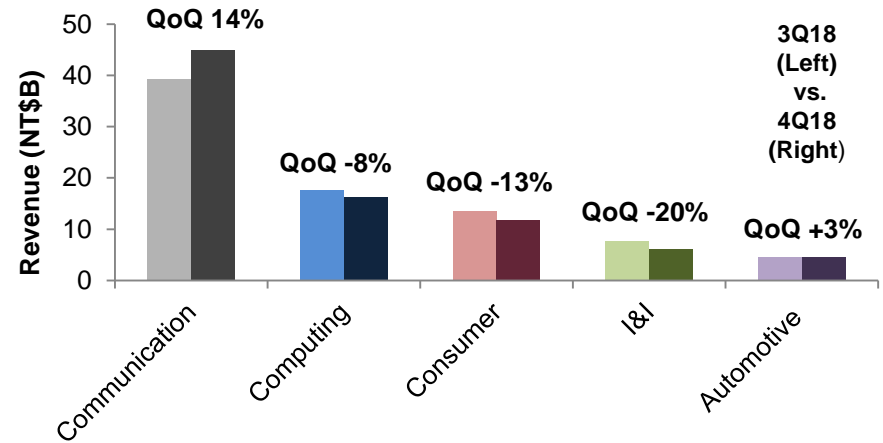
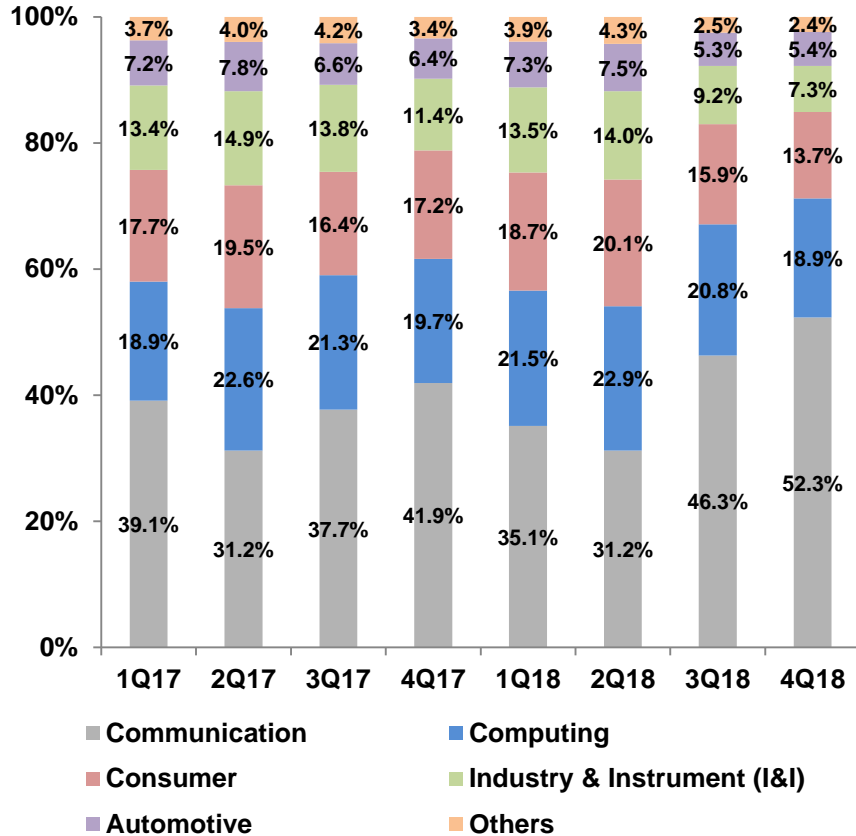
2. Financial Update

NR by Customer Base



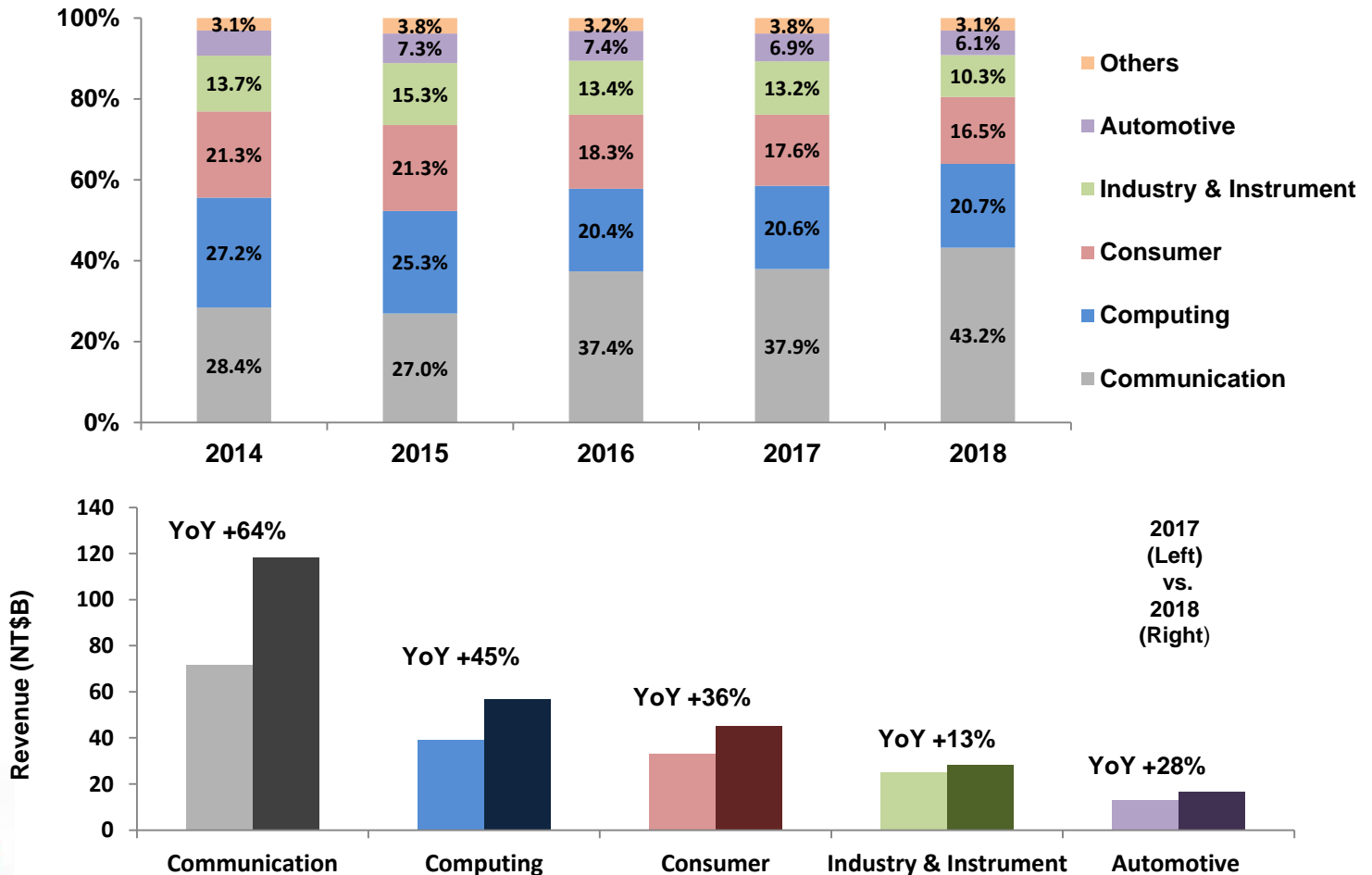
2. Financial Update

NR by Application



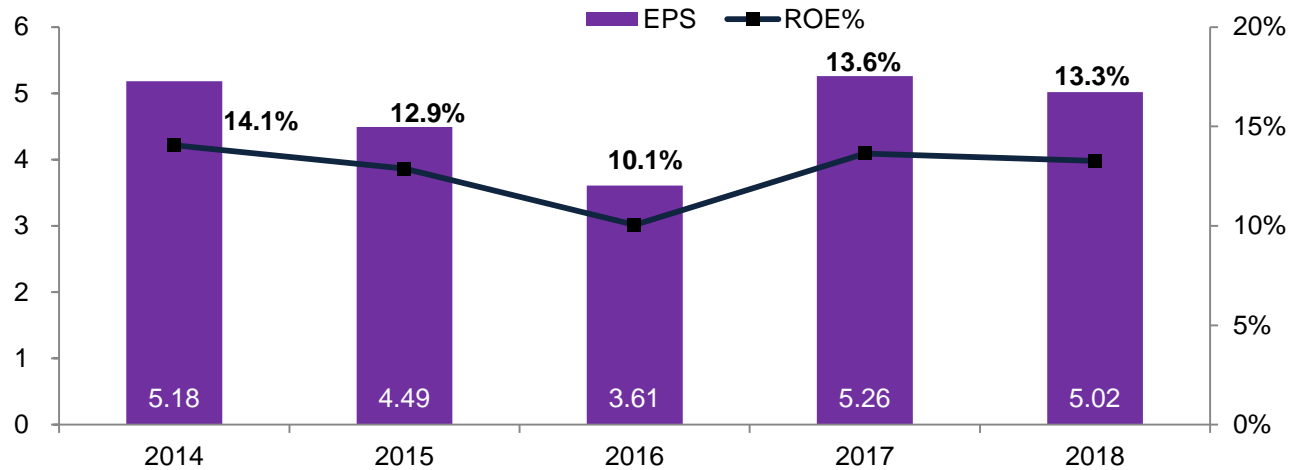
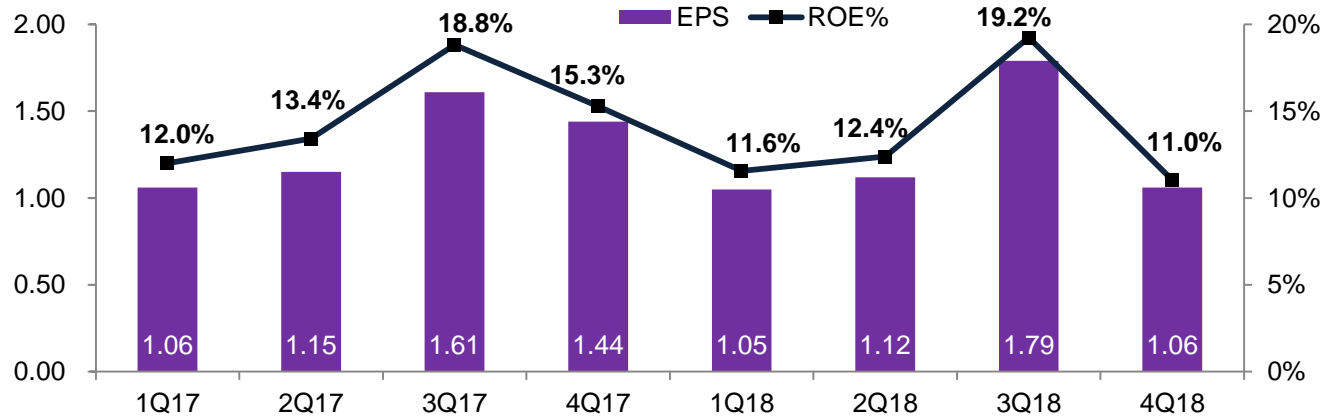
2. Financial Update

NR by Application



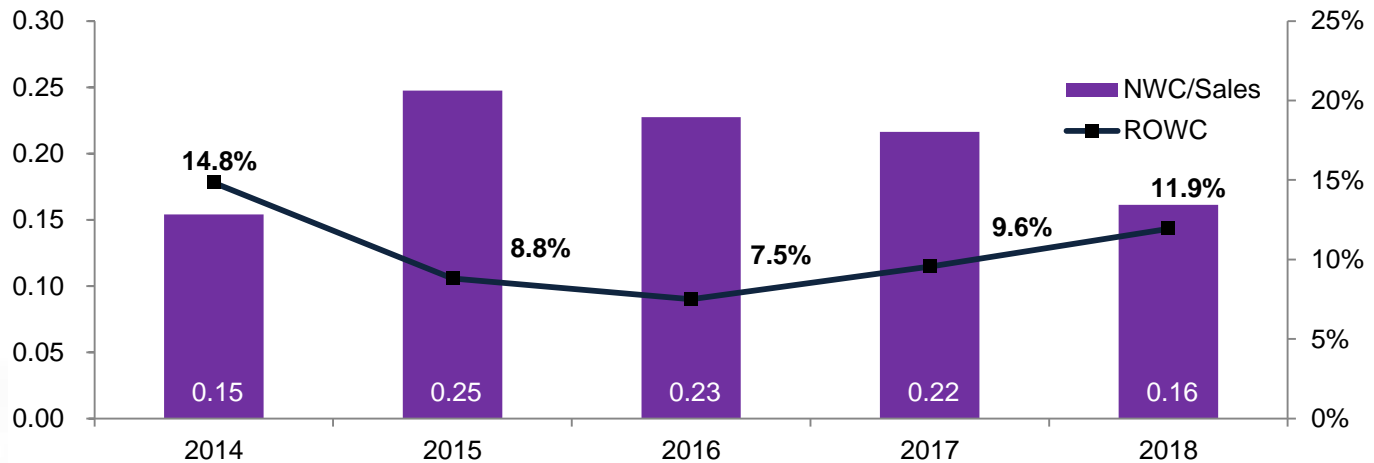
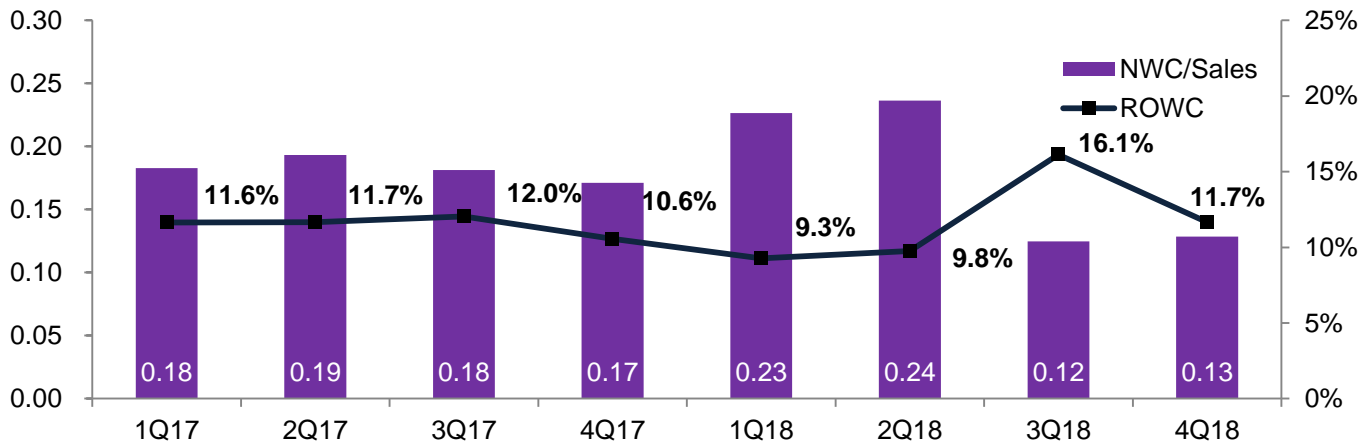
2. Financial Update

ROE vs. EPS



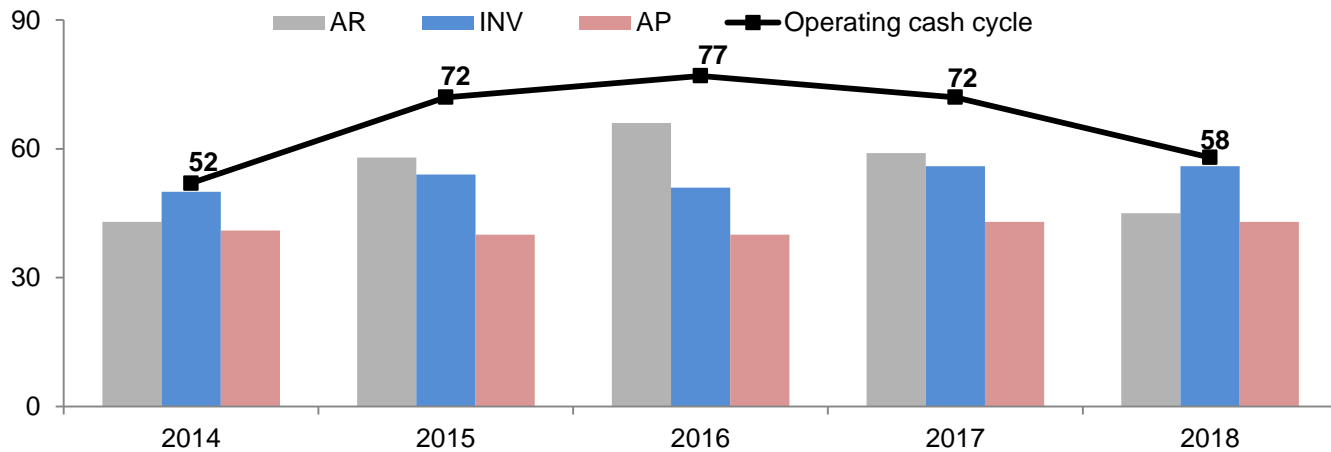
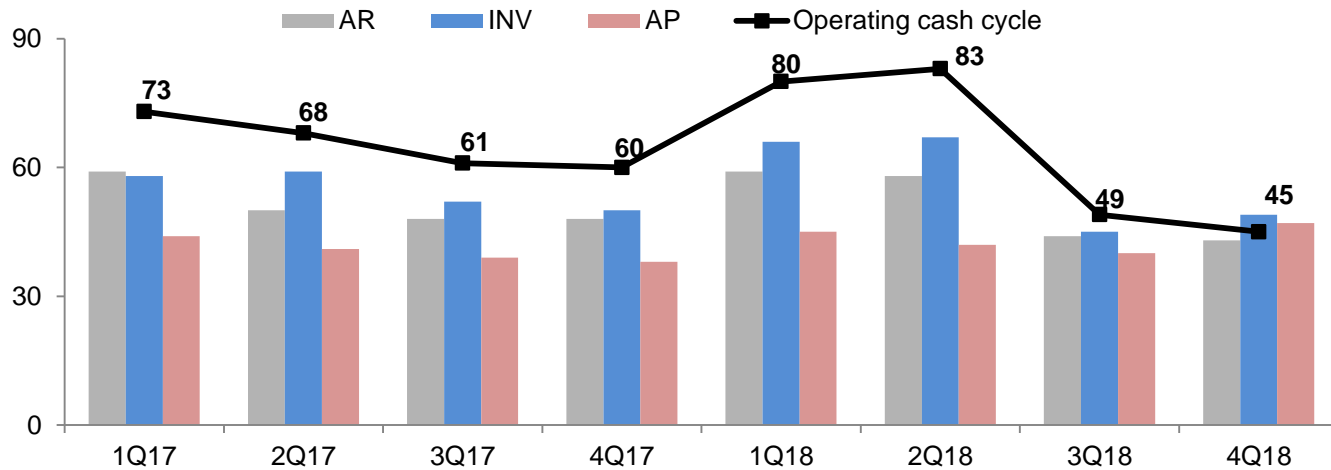
2. Financial Update

ROWC vs. NWC/Sales



2. Financial Update

Operating Cash Cycle



3. Business Outlook

We currently expect 1Q19 :

- Revenue : between NT\$65 billion ~ NT\$70 billion, at a forecast exchange rate of 30.8 NT Dollars to 1 US Dollar
- Revenue guidance between 18% ~ 24% QoQ decrease and 31% ~ 41% YoY increase
- Gross profit margin : between 3.3% ~ 3.5%
- Operating profit margin : between 1.4% ~ 1.6%



4. Recap of Recent Major Events

- WT was ranked as Top 10 Global Branded Distributor Awards in 2018 by ESM、 EET and EDN (Aspencore).
- WT published first Corporate Social Responsibility (CSR) Report for the year of 2017. (http://www.wtmec.com/WT/?page_id=12183)





Thank You !

WT Microelectronics Co., Ltd.

Website : www.wtmec.com

