



# **2020 Third Quarter Investor Conference**

**Presented by Cheryl Yang  
November 6, 2020**

# 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
- 2019 revenues of NT\$335bn, up 23% YoY
- 45 offices in Asia (28 offices in China and 17 offices in Korea, Taiwan, and South Asia) with over 9,000 customers
- Over 2,300 headcounts (over 700 sales, 250 PMs, and 450 FAEs)
- Completion of warehouse semi automation (total 5 warehouses in Taiwan, HK, Shenzhen China, Korea, and Singapore)
- Completion of B2B service platform for major vendors and customers
- “Digital Transformation” on going (More details in [2019 WT ESG Report](#))

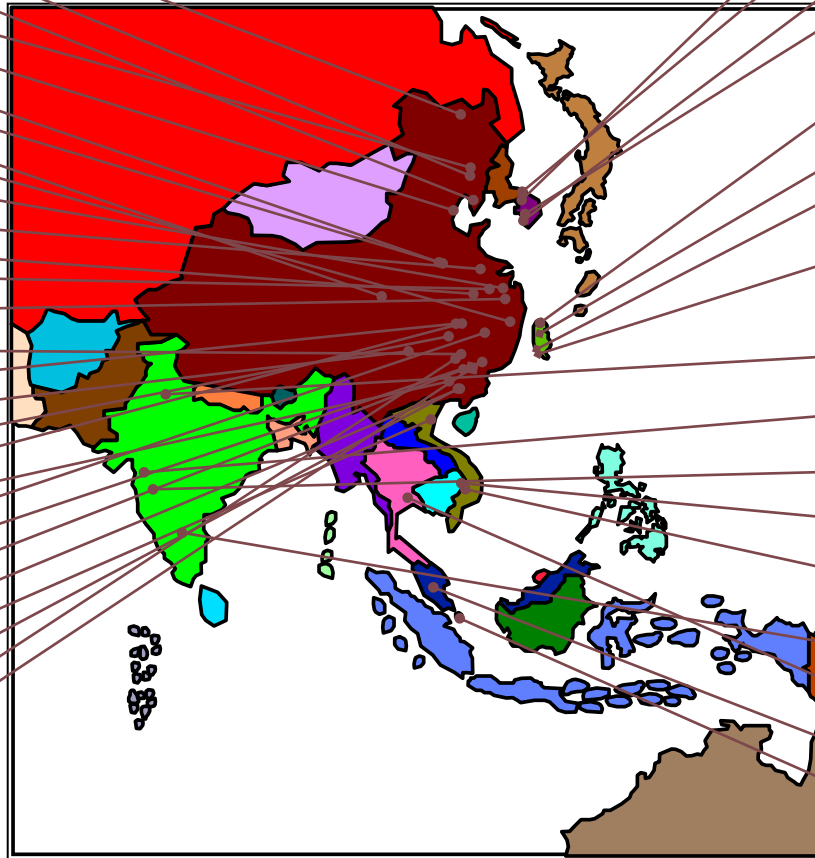


# 1. Overview

## China Offices (28)

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

## Offices Across Asia



## Korea Offices (4)

Seoul  
Gyeonggi-do  
Daegu  
Gwangju

## Taiwan Offices (4)

Taipei, Headquarters  
Hsinchu  
Taichung  
Tainan

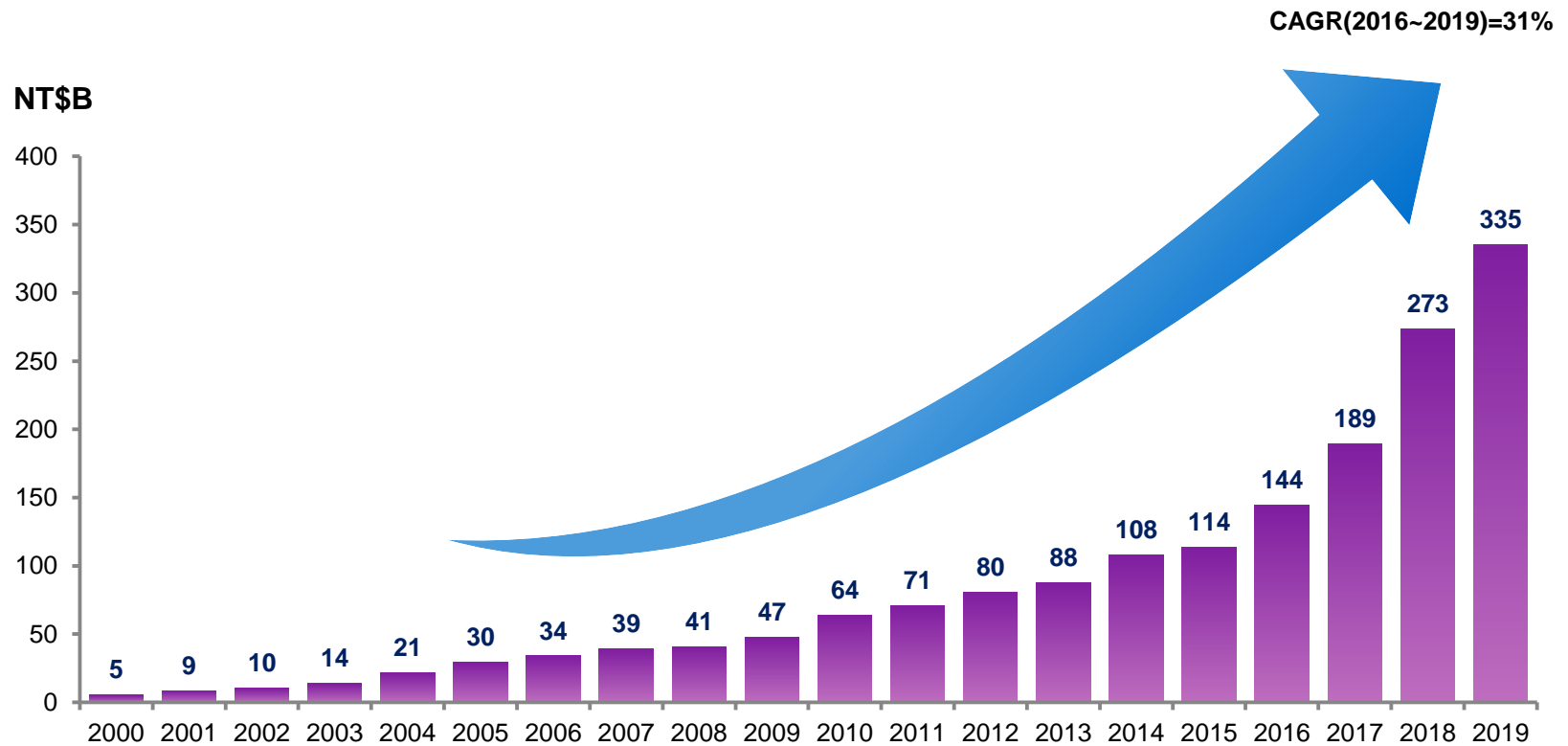
## South Asia Offices (9)

New Delhi, N. India  
Mumbai, N. India  
Pune, N. India  
Hanoi, Vietnam  
Ho Chi Min, Vietnam  
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	3Q20		2Q20		QoQ	3Q19		YoY
	Amount	%	Amount	%		Amount	%	
Net Operating revenues	91,862	100.00%	74,724	100.00%	23%	96,191	100.00%	-5%
Gross profit	2,761	3.01%	2,503	3.35%	10%	2,977	3.09%	-7%
Operating expenses	(1,354)	-1.47%	(1,317)	-1.76%	3%	(1,428)	-1.48%	-5%
Operating income	1,407	1.53%	1,186	1.59%	19%	1,549	1.61%	-9%
Financing costs	(180)	-0.20%	(249)	-0.33%	-28%	(485)	-0.50%	-63%
Others	220	0.25%	48	0.06%	358%	(35)	-0.04%	n.m.
Earning before tax	1,447	1.58%	985	1.32%	47%	1,029	1.07%	41%
Income tax expense	(295)	-0.32%	(196)	-0.26%	51%	(212)	-0.22%	39%
Profit after tax	1,152	1.25%	789	1.06%	46%	817	0.85%	41%
EPS (in dollars)	1.46		1.07			1.38		
Weighted average shares (M shares)	787		737			590		



# 2. Financial Update

## Balance Sheet

Unit: NT\$M

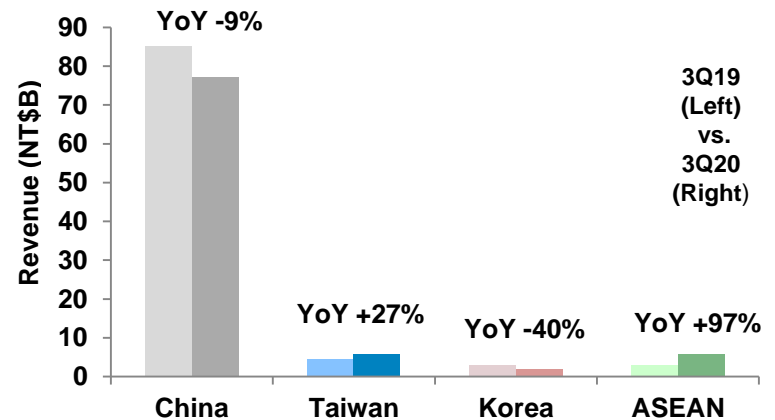
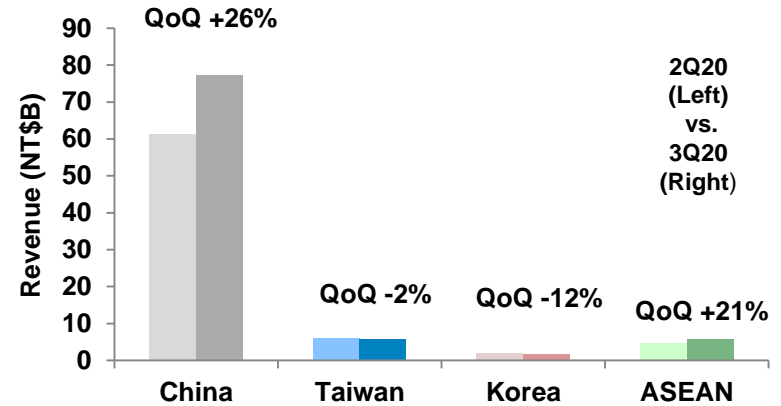
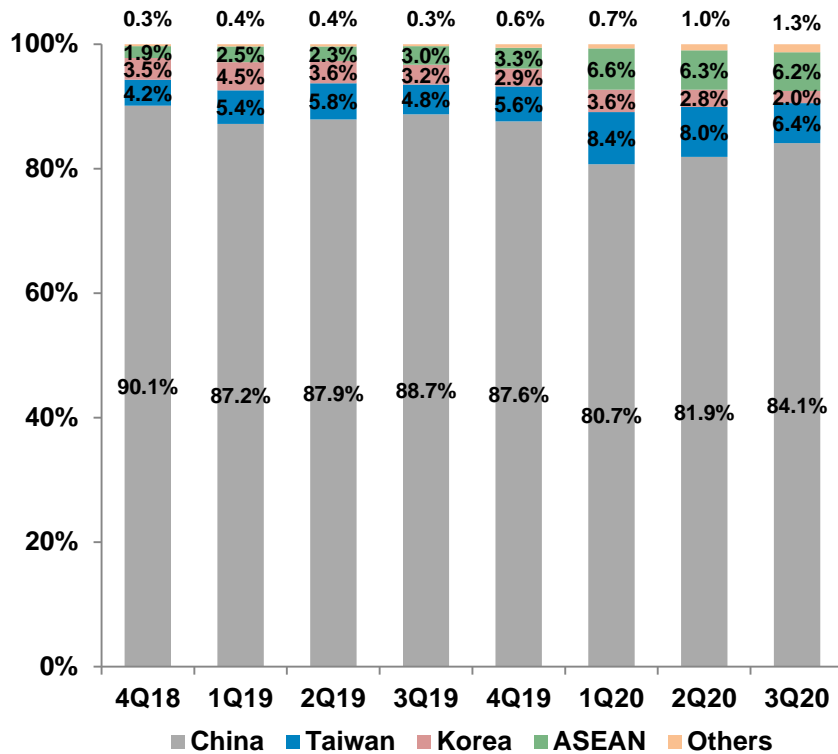
Key accounts	3Q20		2Q20		3Q19	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	4,675	4	5,050	4	6,421	6
Accounts receivable	49,840	42	43,322	38	45,438	44
Inventory	41,881	36	46,753	41	42,768	42
Other current assets	2,388	2	2,147	1	2,959	3
Non-current assets	18,580	16	17,938	16	5,199	5
<b>Total Assets</b>	<b>117,364</b>	<b>100</b>	<b>115,210</b>	<b>100</b>	<b>102,785</b>	<b>100</b>
Short-term loans	27,891	24	30,037	26	31,158	30
Accounts payable	45,633	39	42,989	37	42,374	41
Other current liabilities	2,951	2	4,402	4	3,523	4
Long-term loans	800	1	-	-	-	-
Other liabilities	1,445	2	1,547	1	2,226	2
<b>Total Liabilities</b>	<b>78,720</b>	<b>67</b>	<b>78,975</b>	<b>69</b>	<b>79,281</b>	<b>77</b>
<b>Total Equity</b>	<b>38,644</b>	<b>33</b>	<b>36,235</b>	<b>31</b>	<b>23,504</b>	<b>23</b>
Indices	3Q20		2Q20		3Q19	
Current ratio	129%		126%		127%	
Debt/Assets ratio	67%		69%		77%	
Debt/Equity ratio	204%		218%		337%	
Gearing ratio	0.62		0.69		1.05	





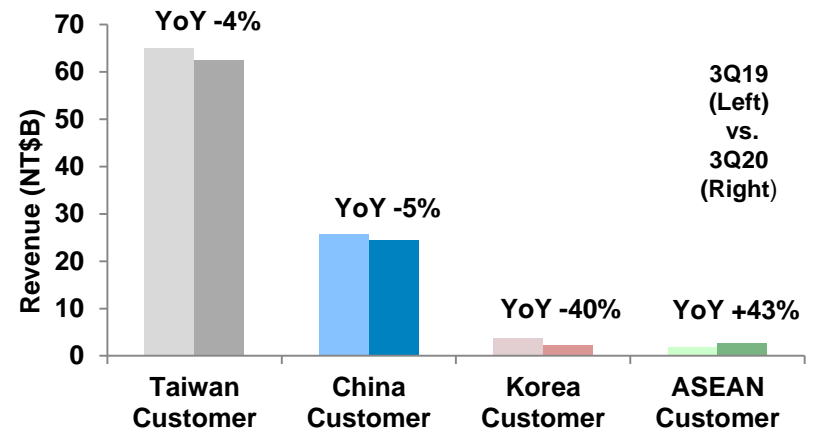
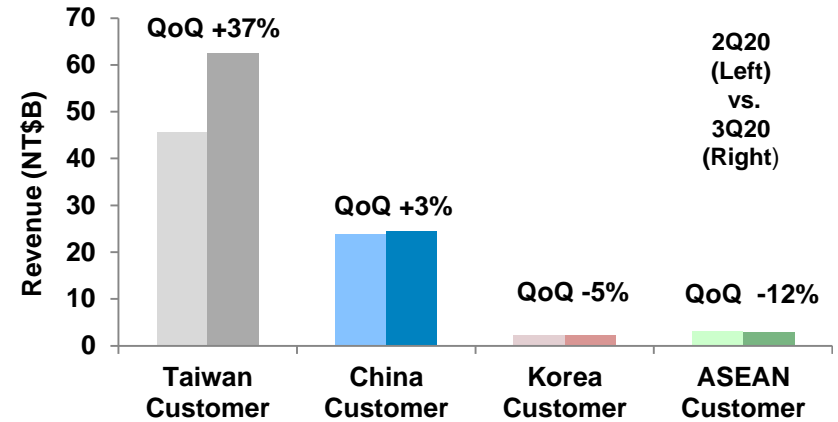
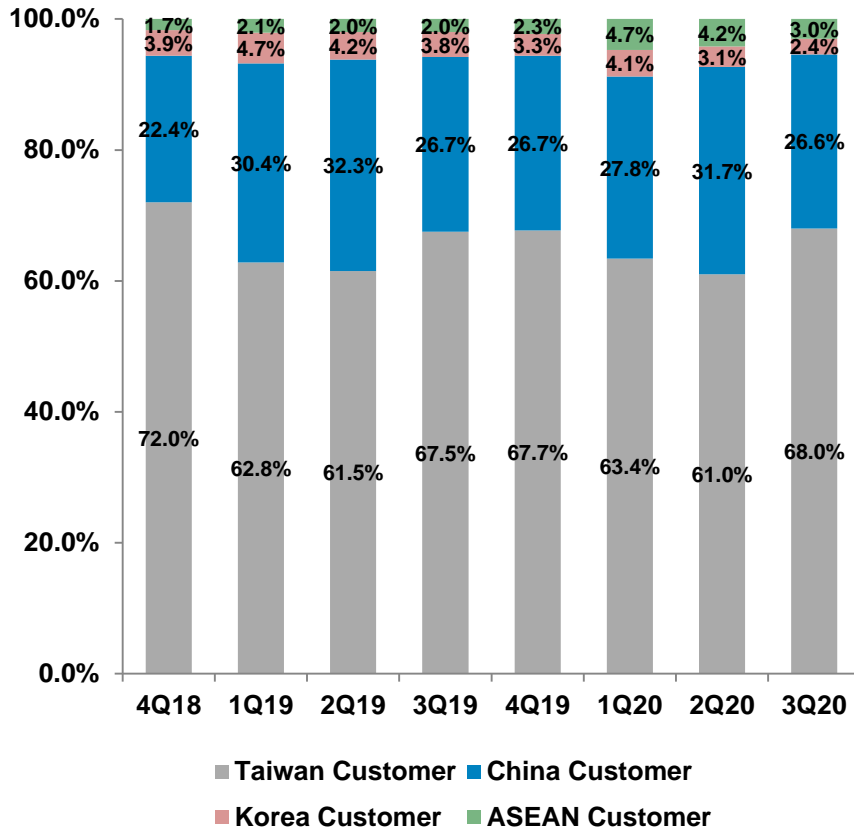
# 2. Financial Update

## NR by Geography (Ship-to Destination)



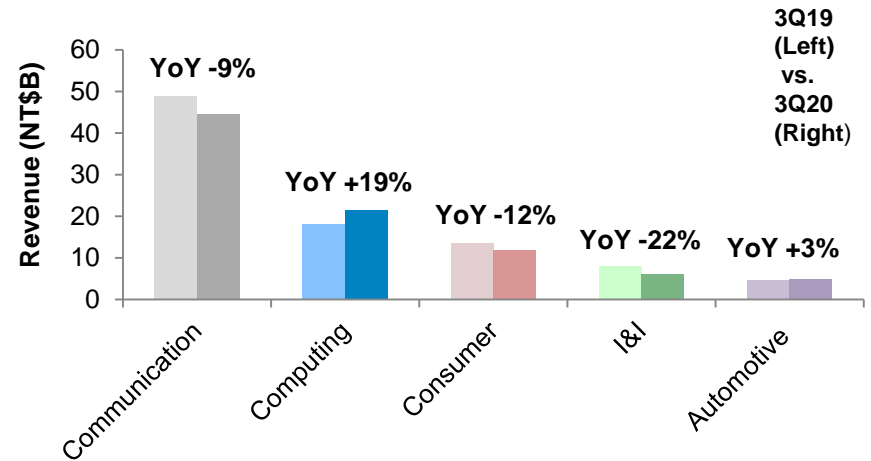
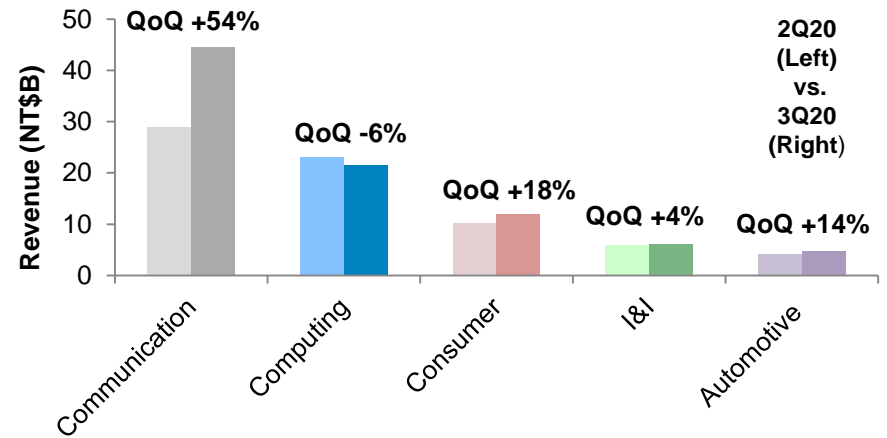
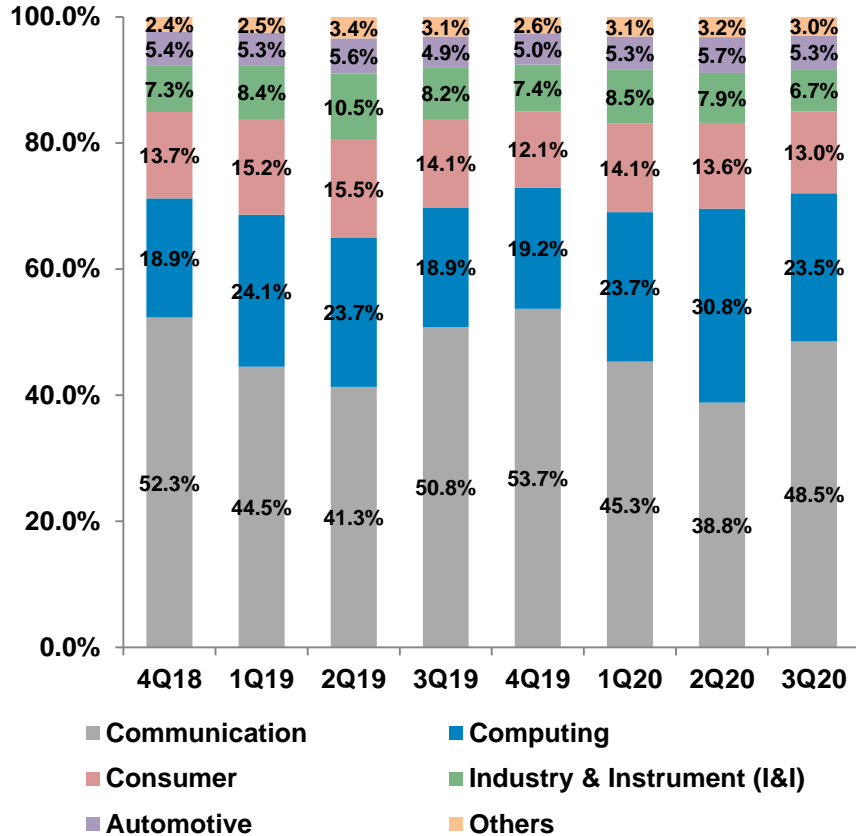
# 2. Financial Update

## NR by Customer Base



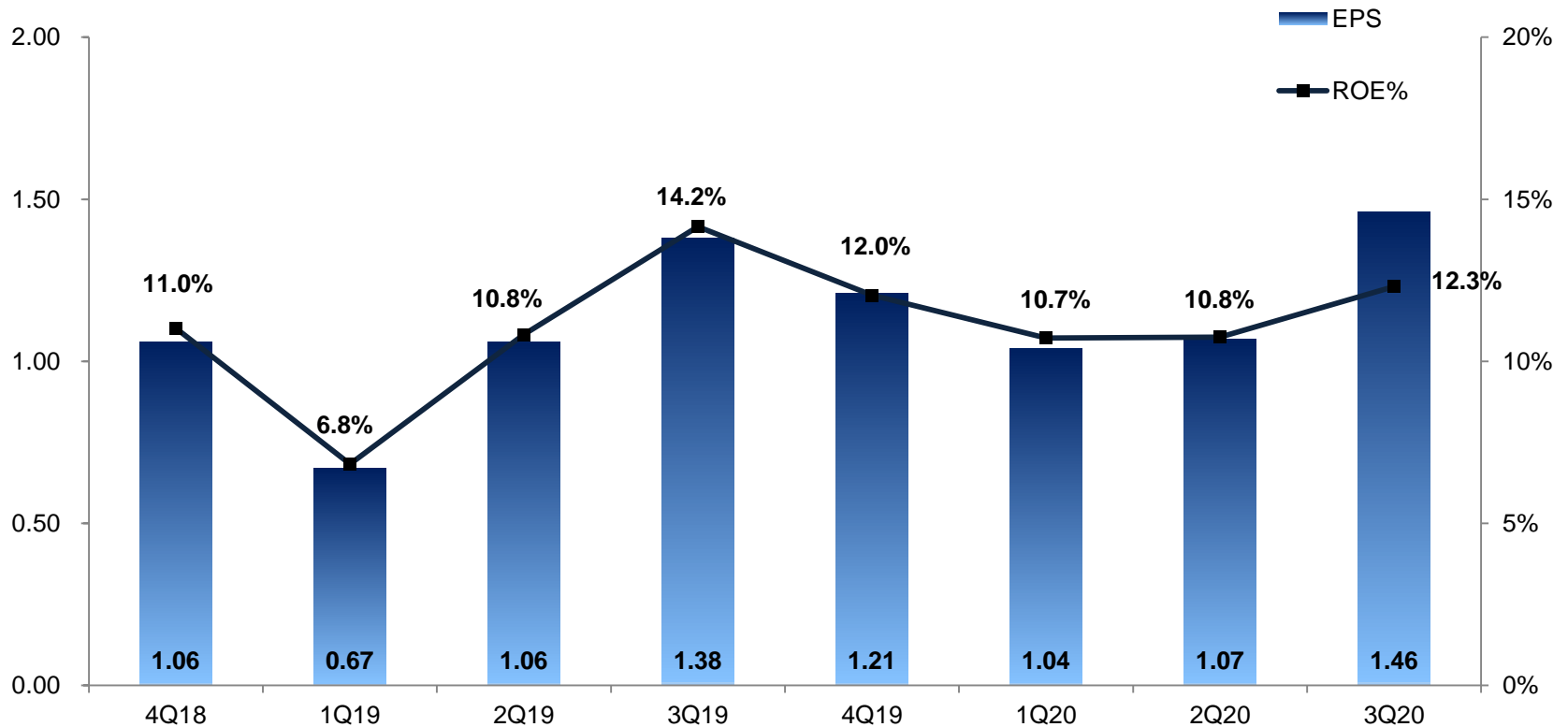
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## NR by Application



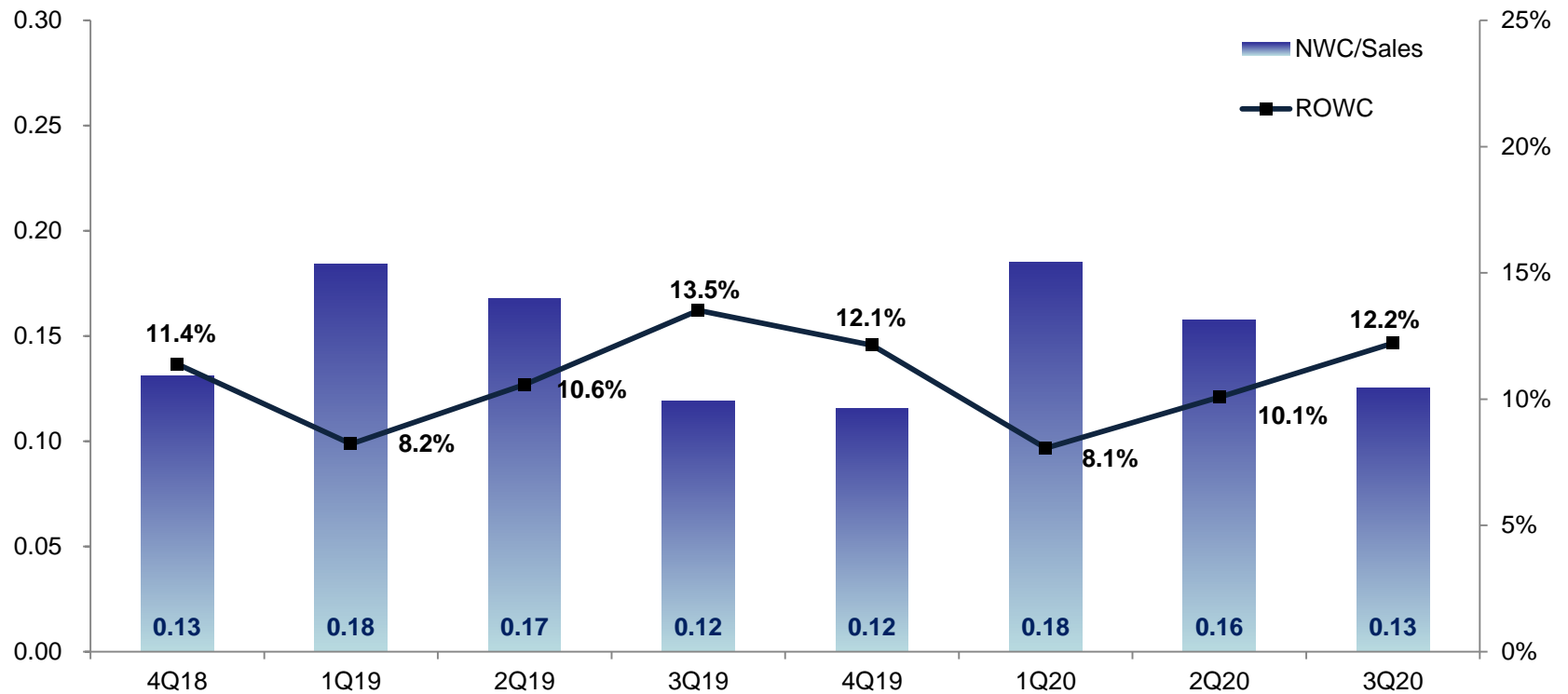
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## ROE vs. EPS



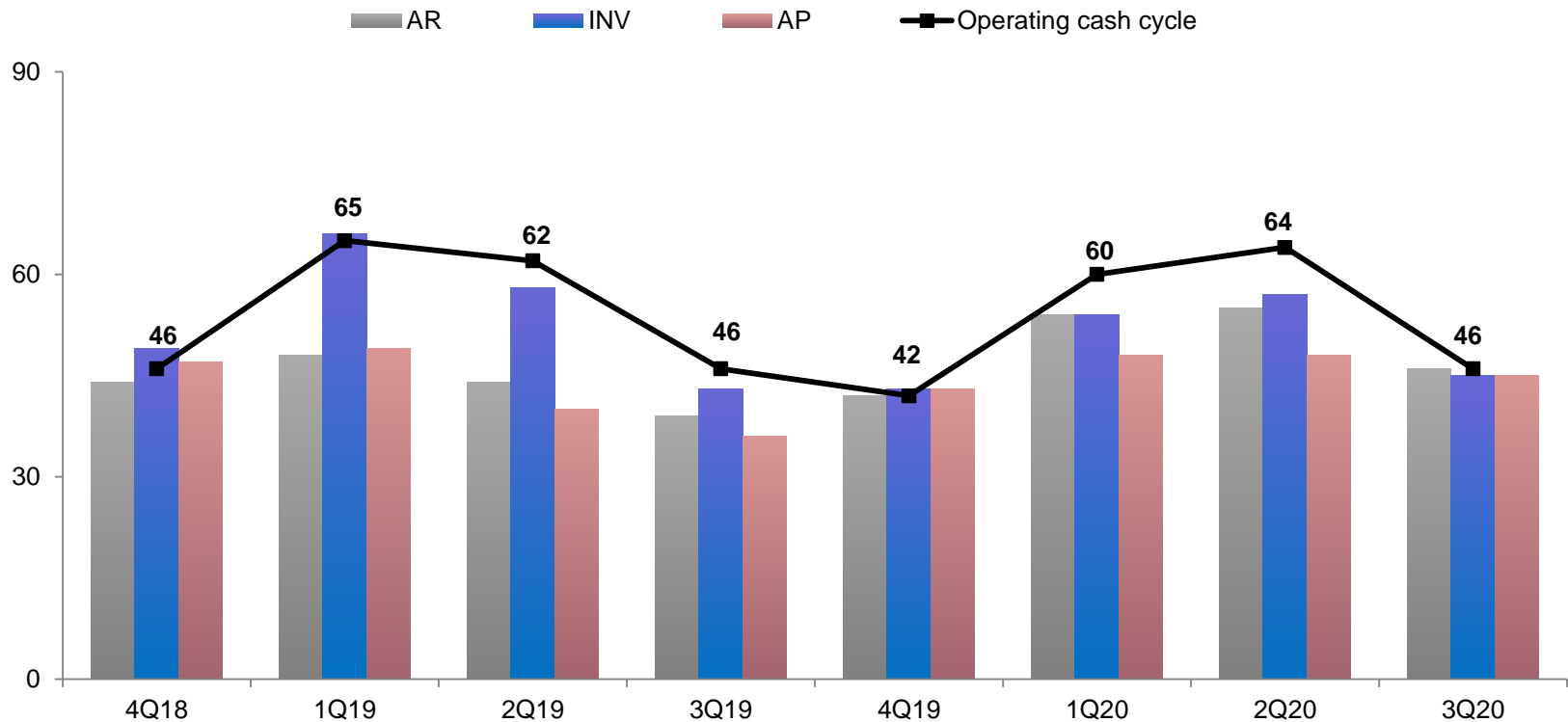
# 2. Financial Update

## ROWC vs. NWC/Sales



# 2. Financial Update

## Operating Cash Cycle



# 3. Business Outlook

## We currently expect 4Q20 :

- Revenue : between NT\$97 billion ~ NT\$103 billion, at a forecast exchange rate of 28.7 NT Dollars to 1 US Dollar
- Revenue guidance between 6% ~ 12% QoQ increase and 0% ~ 6% YoY growth
- Gross profit margin : between 2.75% ~ 2.95%
- Operating profit margin : between 1.35% ~ 1.55%







# **Thank You !**

**WT Microelectronics Co., Ltd.**

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

