

PASSIVE SYSTEM ALLIANCE  
WALSIN TECHNOLOGY CORPORATION

# Cathay Securities Investment Forum Q2 2019

## Walsin Technology Corporation

(Stock code: 2492.TW)

June. 20, 2019

# Contents

1. Walsin Technology Financial Performances
2. Walsin Technology Sales Breakdowns
3. Passive Components Market Outlook
4. Business Focus in Corresponding to the Market Outlook

# WTC Quarterly Financial Result of 2016~2019.Q1

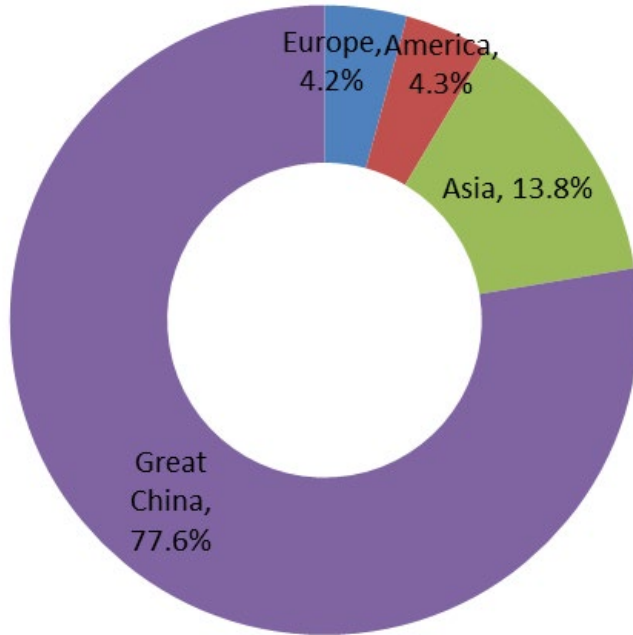
In Million NTD Except NTD for Earnings Per Share

	2016Y					2017Y					2018Y					2019Y		YoY
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	Total	1Q growth%
Net Sales	4,226	4,624	4,946	4,694	18,491	4,650	5,128	5,911	5,956	21,645	6,642	11,384	18,049	11,679	47,755	8,294	8,294	24.9%
Gross Profit	958	1,129	1,169	1,114	4,369	1,059	1,252	1,585	1,726	5,622	2,377	6,451	12,773	7,244	28,846	3,541	3,541	49.0%
Gross Profit (%)	22.7%	24.4%	23.6%	23.7%	23.6%	22.8%	24.4%	26.8%	29.0%	26.0%	35.8%	56.7%	70.8%	62.0%	60.4%	42.7%	42.7%	6.9%
N.O.P.	486	611	632	570	2,299	526	694	976	1,097	3,293	1,745	5,566	11,578	6,313	25,201	2,736	2,736	56.8%
N.O.P. (%)	11.5%	13.2%	12.8%	12.2%	12.4%	11.3%	13.5%	16.5%	18.4%	15.2%	26.3%	48.9%	64.1%	54.1%	52.8%	33.0%	33.0%	6.7%
Net Income	394	508	674	575	2,152	397	443	864	905	2,609	1,309	4,367	9,162	4,866	19,705	2,308	2,308	76.3%
Net Income (%)	9.3%	11.0%	13.6%	12.3%	11.6%	8.5%	8.6%	14.6%	15.2%	12.1%	19.7%	38.4%	50.8%	41.7%	41.3%	27.8%	27.8%	8.1%
EPS(NTD)	0.71	0.91	1.22	1.11	3.95	0.77	0.86	1.69	1.83	5.15	2.71	9.03	18.95	10.06	40.75	4.77	4.77	76.0%

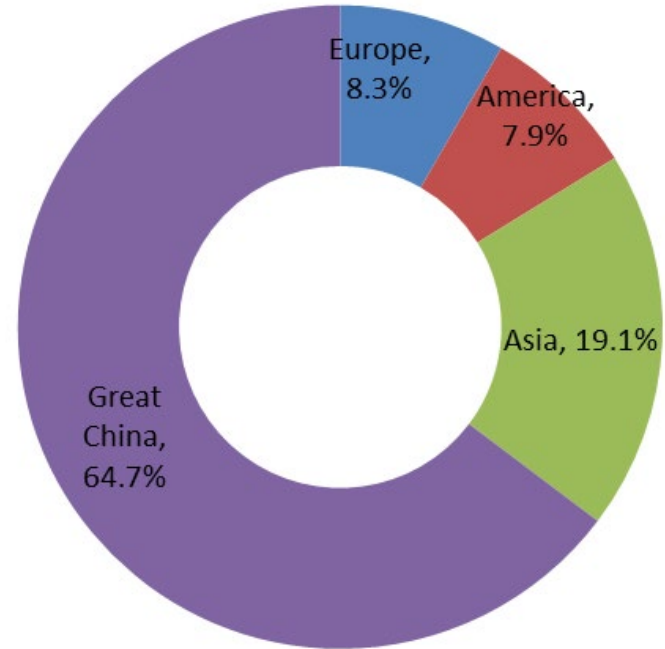
- Note:** 1. The weighted average number of outstanding shares applicable for Y2016 to Y2019 when calculating EPS are 545,469,744 shares and 506,173,297 shares and 483,500,120 shares and 483,583,495 shares, respectively.
2. Changes of YoY gross profit, NOP, and net income were presented in differences of two percentages while the rest of the changes were displayed in growth ratio.

# 2018 vs. 1Q 2019 Walsin Sales Breakdown by Region

2018 Revenues Breakdown by Region

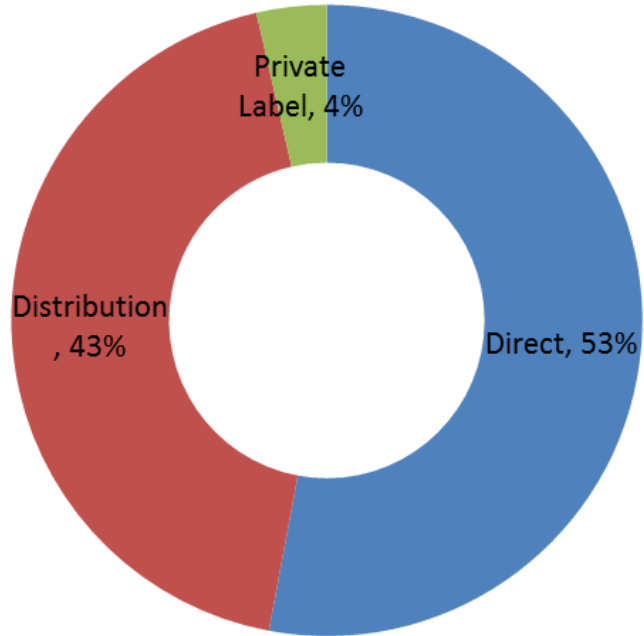


Q1 2019 Revenues Breakdown by Region

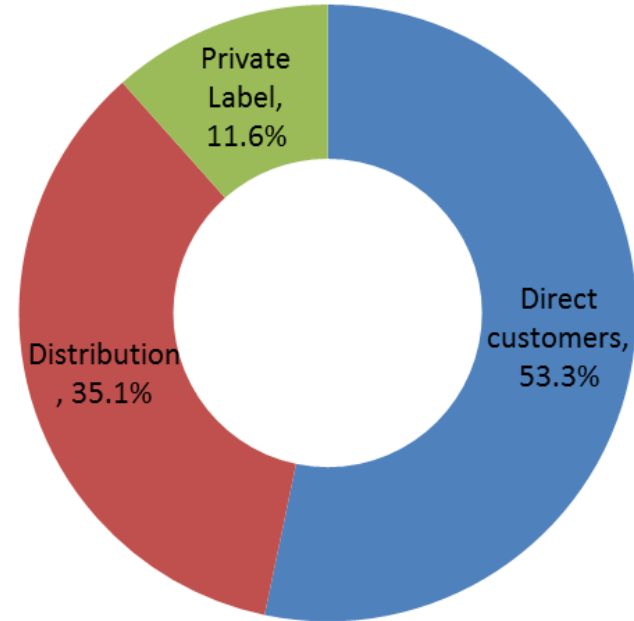


# 2018 vs. 1Q 2019 Walsin Sales Breakdown by Channel

2018 Revenues Breakdown by Channel

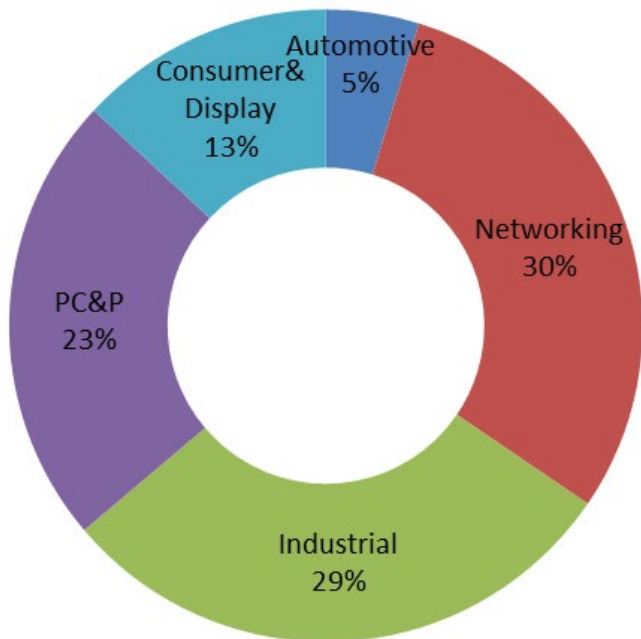


1Q 2019 Revenues Breakdown by Channel

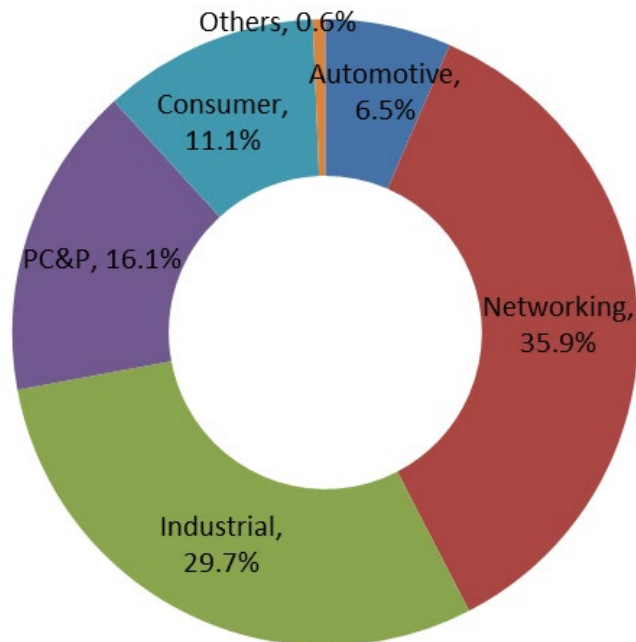


# 2018 vs. 1Q 2019 Walsin Sales Breakdown by Segments

2018 Sales by Segments



1Q 2019 Sales by Segments



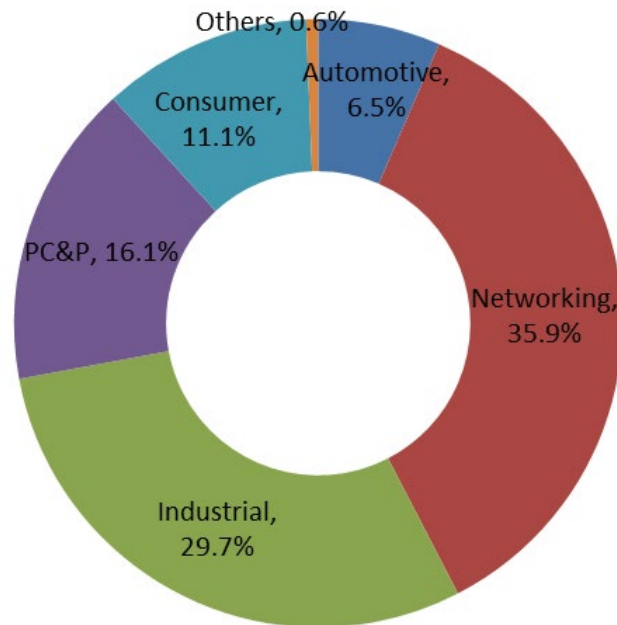
# Passive Component Market Outlook

- Passive component demand trend for automotive applications will remain due to the continuous growth of connected cars
- 5G networking devices and its peripheral applications will drive component consumption
- Limited capable MLCC suppliers that can provide wide product spectrum with reliable quality at a massive scale
- Channel destocking should come to an end in 2H 2019
- Escalating US-China trade war may cause demand uncertainty

# Impact minimized and dispersed with our broad and diversified customer base

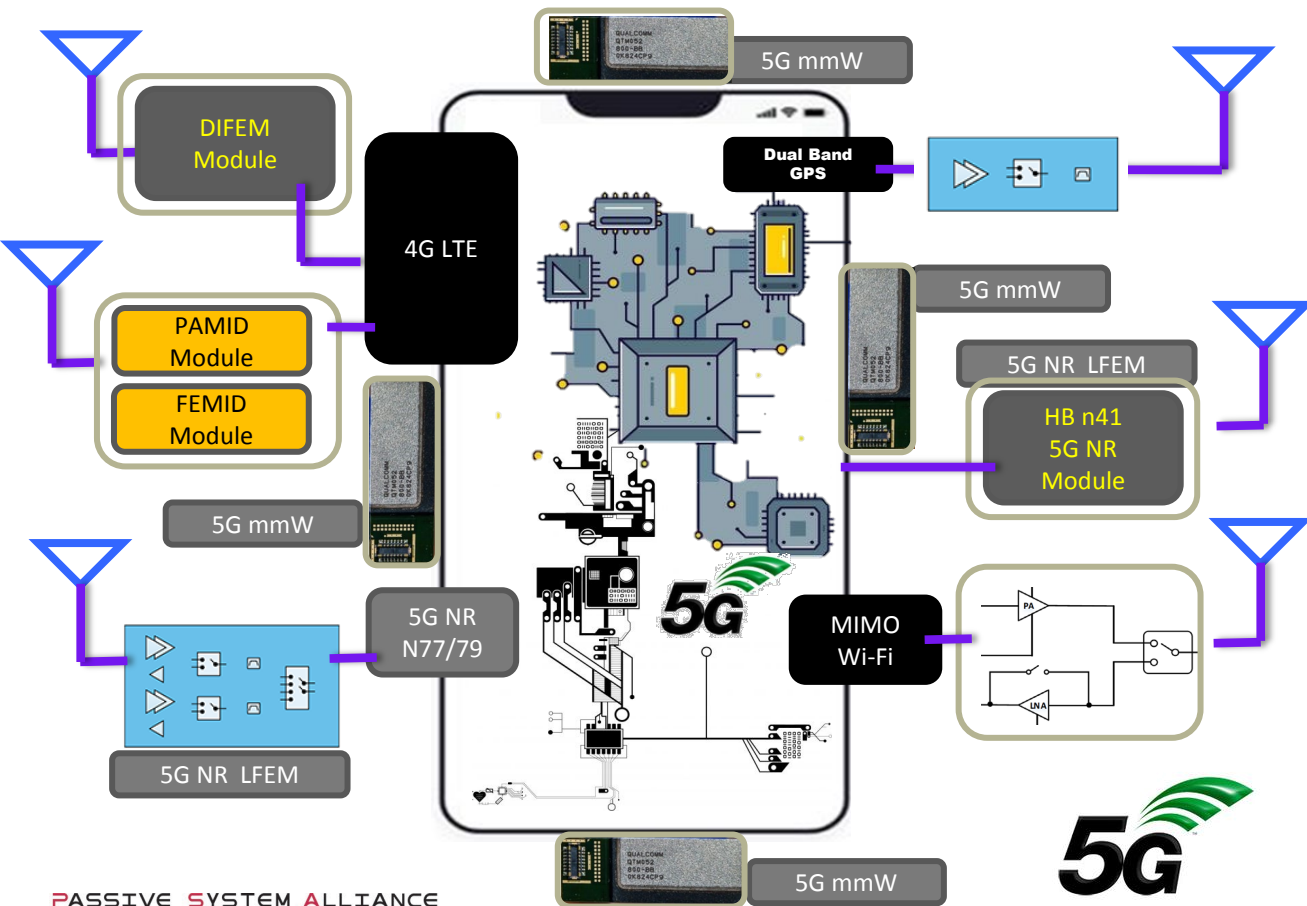
- Over 600+ direct and diversified customer base
- Top 10 clients in combined contribute 20.3% of Walsin Technology's total Sales
- Regional or industrial impact minimized

Q1 2019 WTC Sales Breakdown by Segment



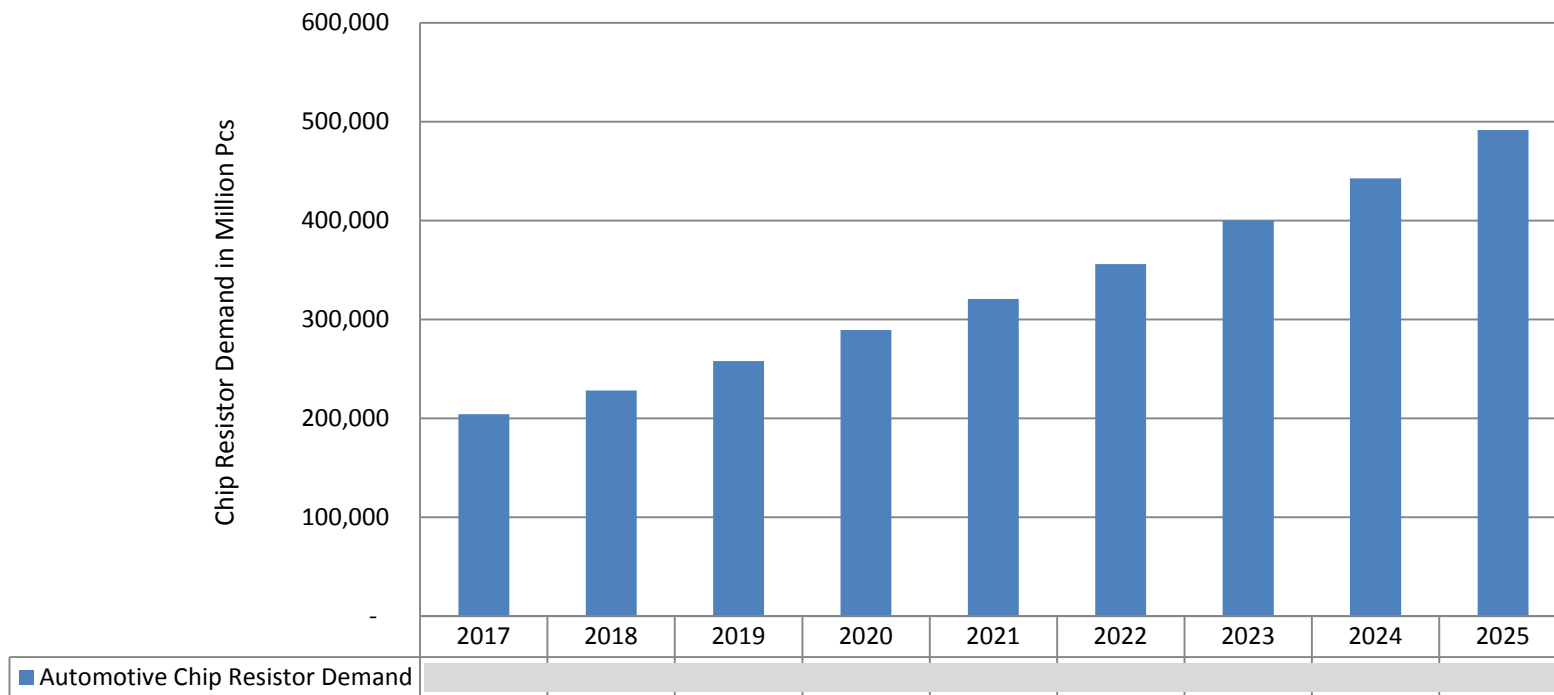


# To Aim for the Module Demand in 5G Smartphones



- Total market size for RF devices (namely antenna, amplifier, and filter) is expected to be 3 folds of the 4G LTE.
- To improve performance and to yield space, modularization is a must. Thus, unit prices are expected to increase.

# Automotive Grade Chip Resistor Demand Trend



Data source: Passive Component Industry Trend published by Fuji Chimera Research Institute, Inc. 富士總研 in September, 2018

# To Keep up with the Demand for Automotive Chip Resistor with a Dedicated Manufacturing Line

## Ipoh Plant, Malaysia

- Built in July, 2018
- Comply with VDA6.3 and AEC-Q200 conformed
- IATF16949 certified
- One of the few suppliers with volume capacity for automotive grade MLCC and Chip Resistor

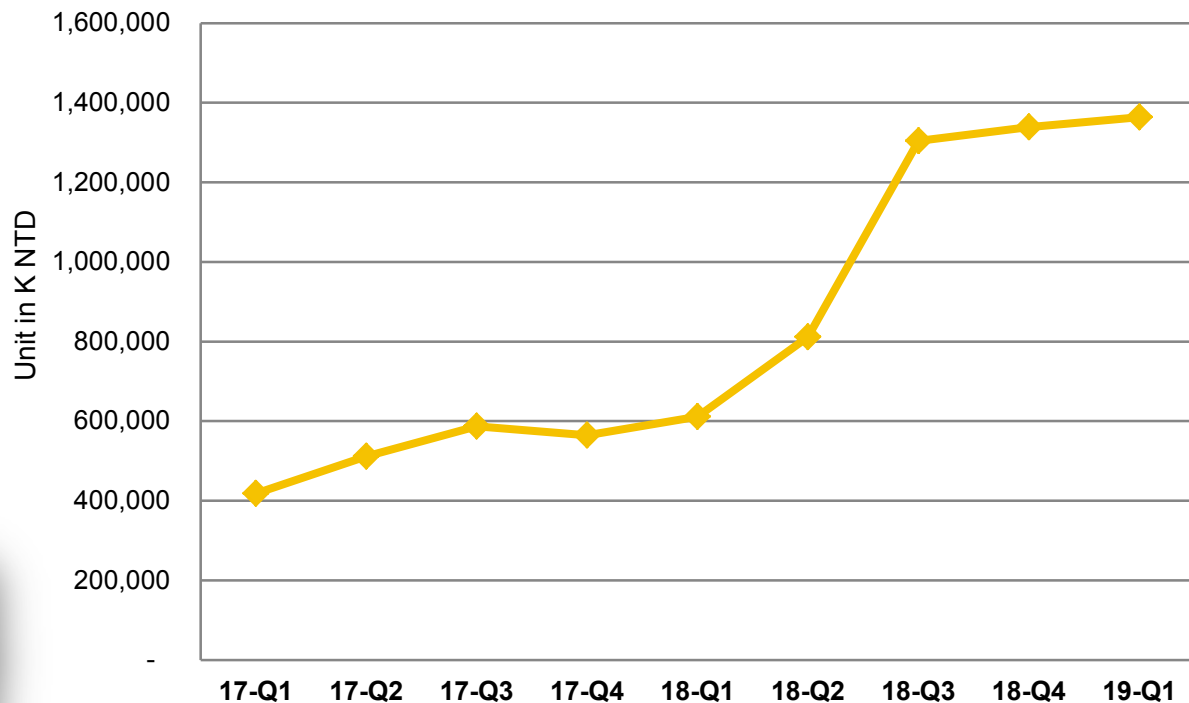


# To Further Penetrate Japan Market via Local Sales Platform

Leverage WTC's sales platform in Japan and proactively focus on Japan Key Account penetration

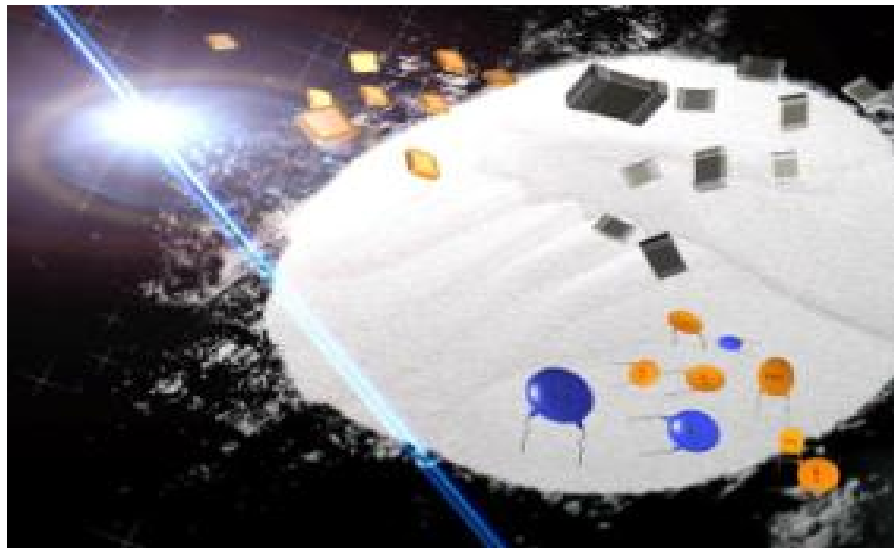


Q12017 ~ Q12019 Sales Contribution from Japan customers



# Self-Reliant Ceramic Powder - Highly Competitive Product

- Stable supply of ceramic powder
- Improved competitiveness of the finished goods
- Raw material characteristics altered and perfected based on product & application requirement



# Thank you

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