

PASSIVE SYSTEM ALLIANCE  
WALSIN TECHNOLOGY CORPORATION

# Nomura Asia Tech Group Meeting Walsin Technology Corporation

(Stock code: 2492.TW)

February 25, 2020

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# Financial Performances & Sales Breakdowns

# WTC Quarterly Financial Performances

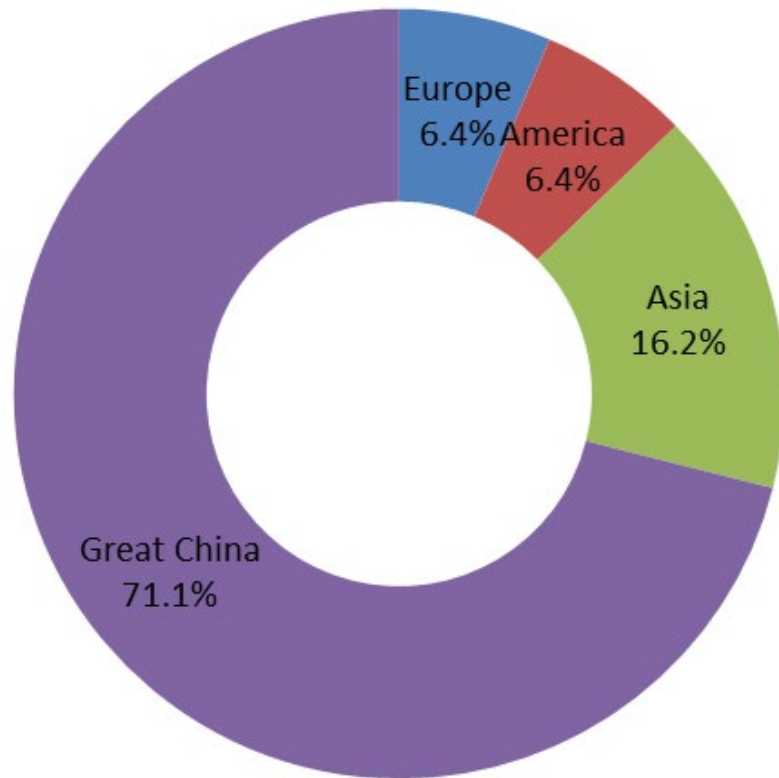
In Million NTD Except NTD for Earnings Per Share

	2016Y					2017Y					2018Y					2019Y				QoQ	YoY
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	3Q growth%	3Q 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	7,879	7,251	23,424	-8.0%	-59.8%
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	2,918	2,102	8,561	-28.0%	-83.5%
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%	37.0%	29.0%	36.5%	-8.0%	-41.8%
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	2,255	1,491	6,482	-33.9%	-87.1%
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%	28.6%	20.6%	27.7%	-8.0%	-43.5%
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	1,471	1,727	5,506	17.4%	-81.2%
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%	18.7%	23.8%	23.5%	5.1%	-27.0%
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	3.03	3.57	11.37	17.8%	-81.2%

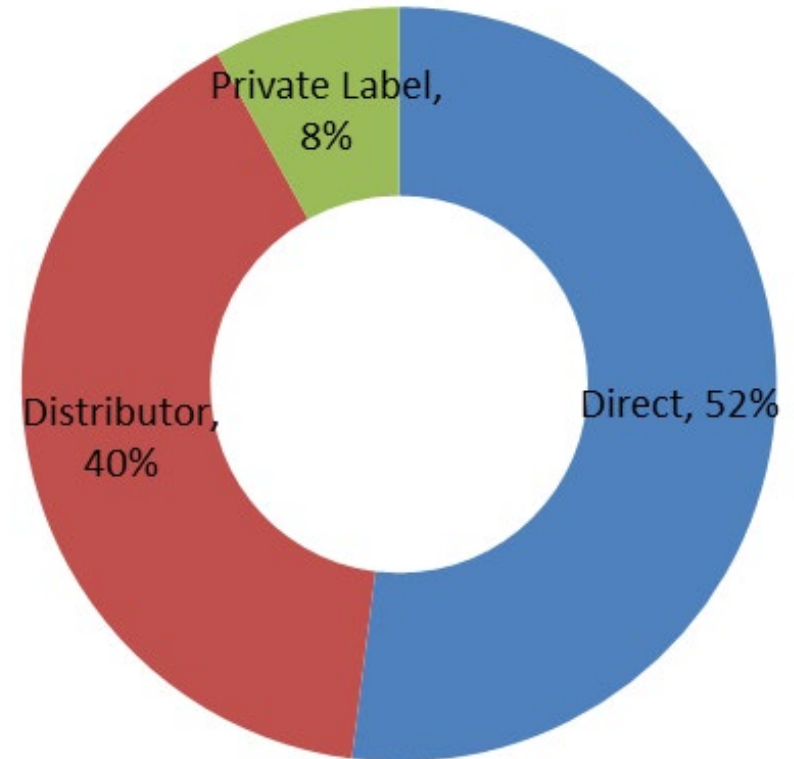
- Note:**
1. The weighted average number of outstanding shares applicable for Y2016 to Y2019 when calculating EPS are 545,469,744 shares and 506,173,297 shares and 483,500,120 shares and 484,435,940 shares, respectively.
  2. Changes of YoY/QoQ gross profit, NOP, and net income were presented in differences of two percentages while the rest of the changes were displayed in growth ratio.
  3. 2019Y operating result (Pre-CPA verified) : NOP 7,700MNTD and Income before tax 8,967MNTD. (declared on 2020.02.14)

# 2019 Walsin Sales Breakdown by Channel & by Region

2019 Revenues Breakdown by Channel

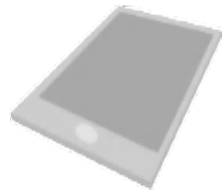


2019 Revenues Breakdown by Region



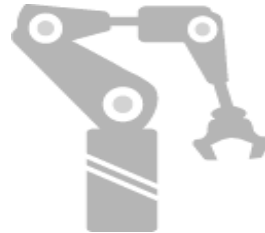
# 2019 Walsin Sales Breakdown by Segments

2019 Sales by End-Use Application Segments



**32.9%**

Communication



**28.2%**

Industrial



**17.4%**

PC & Peripherals



**14.3%**

Consumer & Displays



**6.6%**

Automotive



# Passive Components Market Outlook

# 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
- The Q1 and Q2 of 2020 world economy is affected by the coronavirus and the US-China trade war may cause supply chain shifting



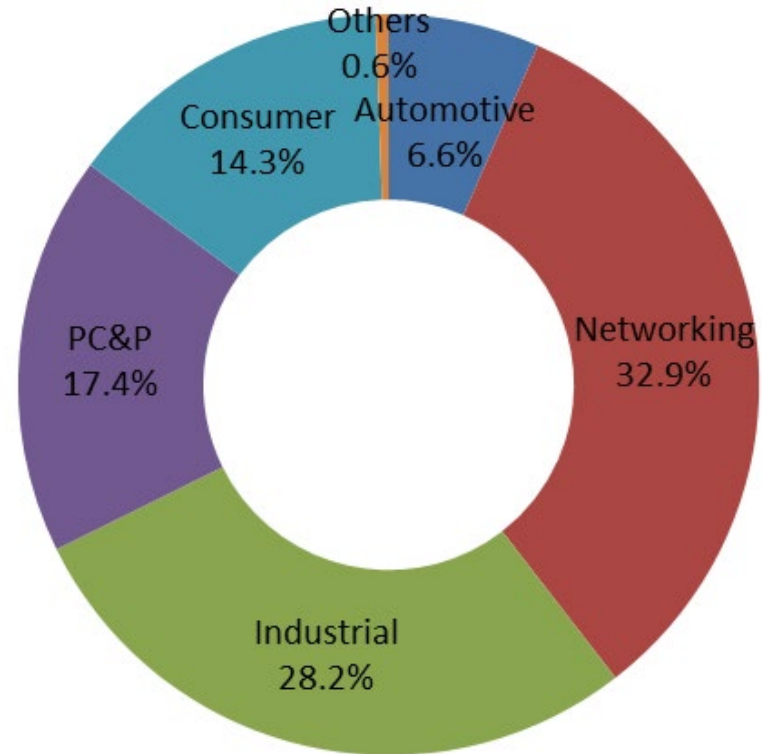


# Business Focus Corresponding to the Market Outlook

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

- Over 600+ direct and diversified customer base
- Averagely speaking, top 10 clients in combined contribute 20~25% of Walsin Technology's total Sales
- Regional or industrial impact minimized

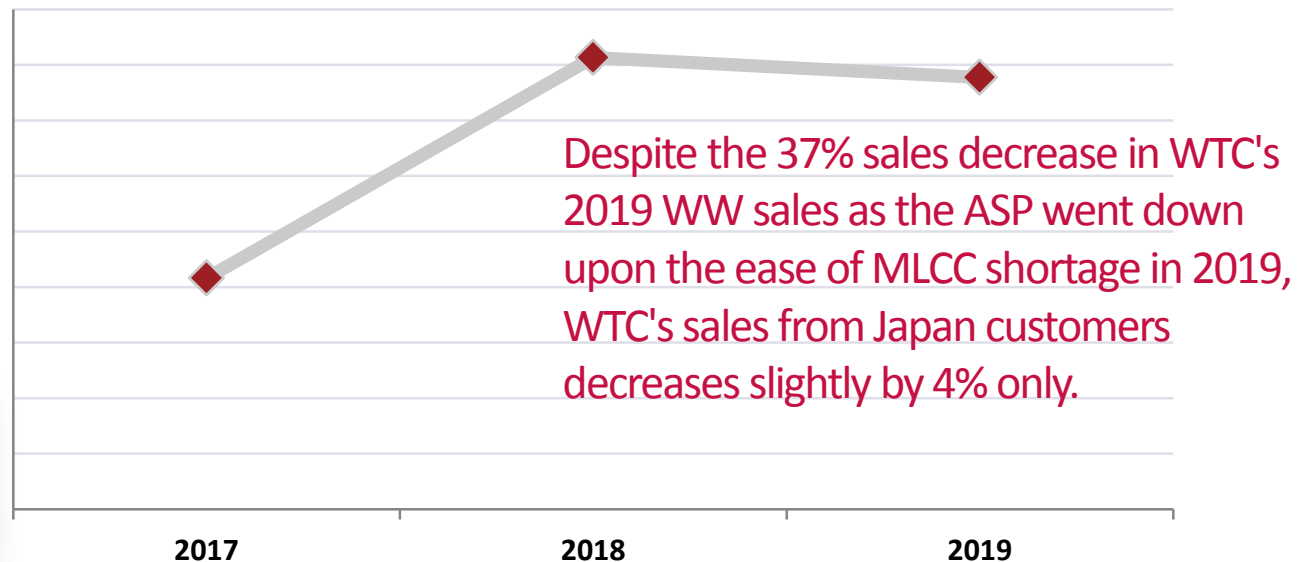
2019 WTC Sales Breakdown by Segment



# To Further Penetrate Japan Market via Local Sales Platform

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

2017~2019 Sales Contribution from Japan customers



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

## KAMAYA Ipoh Plant, Malaysia

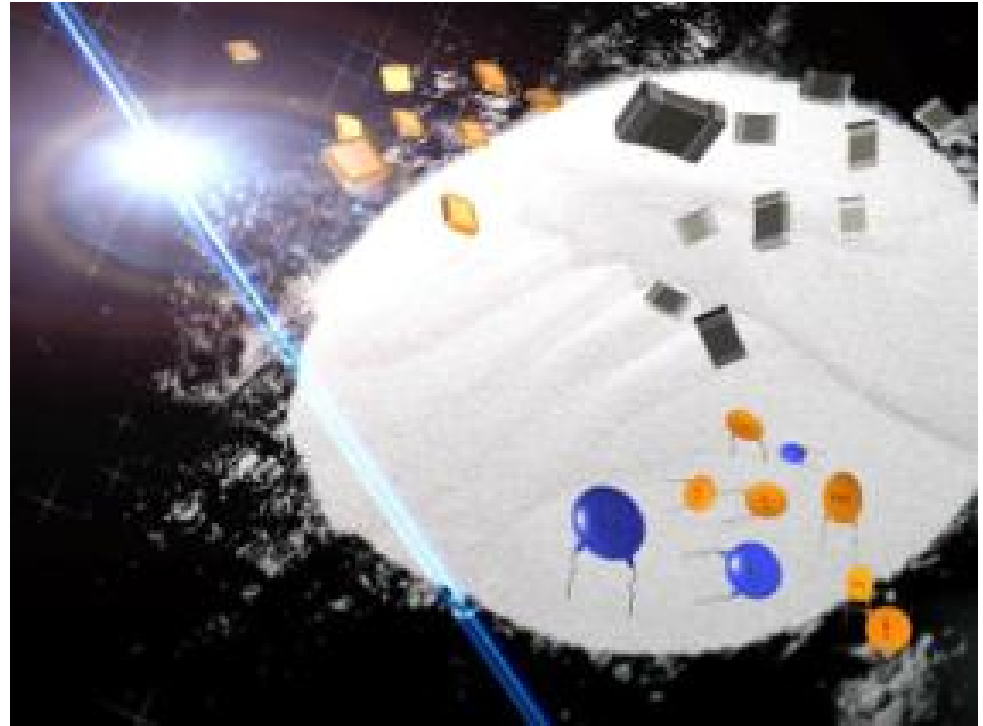
- Built in July, 2018
- Comply with VDA6.3 and AEC-Q200 conformed
- IATF16949 certified



**Making Walsin one of the few suppliers in the industry with volume production capacity for automotive-grade MLCC and Chip Resistor**

# 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



# PSA Group Resources Integrated for 5G

## PSA Group Resources Integrated for 5G

Combining Professions From Expertise



信昌電子陶瓷  
Prosperity Dielectrics Co., Ltd.

### Walsin Technology --- RF Design and RF Component

- Over 25Years Experience On Ceramic RLC Development & Manufacturing
- LTCC Circuit Design, Process, and Integrated Passive Device know how
- Customized Antenna Design, Measurement, and Manufacturing.

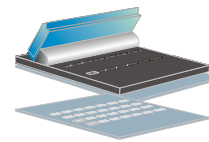
### Inpaq Technology Co., LTD --- RF Antenna

- Strong Antenna Design, Simulation & Manufacturing
- Antenna Measurement and Tuning Capability.
- Magnetic Material Integration and Process.

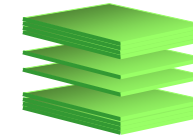
### Prosperity Dielectrics Co., LTD --- Material

- Professional Material Knowledge In Ceramic Dielectric Powder.
- Sophisticated Ceramic Component Maker and Magnetic Component Technology.

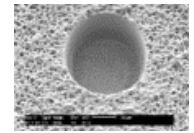
## WALSIN INPAQ



Screen Printing  
Technology - **R**

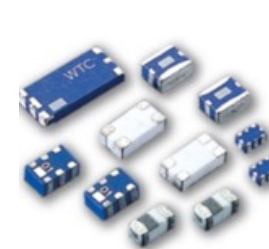


Multilayer Stacking  
Technology - **C**



Laser Via Drilling  
Technology - **L**

**Core Technologies**  
**R&D Design Capability**  
**Matured LTCC Process**



# Thank you

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