



Compal Electronics, Inc. 4Q18 Consolidated Financial Results



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March 22, 2019

Agenda

- **Welcome**
- **4Q18 & 2018 Financial Results**
- **Business Outlook**
- **Q&A**



Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this presentation are forward looking statements that are subject to risks and uncertainties that could cause actual results to differ materially. These forward looking statements are not based on historical facts but rather on management's expectations regarding future growth, results of operations, performance, future capital and other expenditures, competitive advantages, business prospects and opportunities. Statements in this presentation about our future plans and intentions, results, level of activities, performance, goals or achievements or other future events constitute forward looking statements. Wherever possible, words such as "anticipate", "believe", "expect", "may", "could", "will", "potential", "intend", "estimate", "should", "plan", "predict", or the negative or other variations of statements reflect management's current beliefs and assumptions and are based on the information currently available to our management.

Investors are cautioned not to place undue reliance on these forward looking statements, which are made as of the date of this presentation and we assume no obligation to update or revise any forward looking statements.

4Q18 Consolidated I/S

NT\$ Million

	4Q 2018		3Q 2018		4Q 2017		QoQ	YoY
Net Sales	280,302	100.0%	253,408	100.0%	254,840	100.0%	11%	10%
Gross Margin	8,755	3.1%	7,389	2.9%	8,391	3.3%	18%	4%
Operating Exp	6,078	2.2%	5,483	2.2%	5,945	2.3%		
Operating Margin	2,677	1.0%	1,906	0.8%	2,446	1.0%	40%	9%
Non-Operating Items	-116	0.0%	2,471	1.0%	141	0.1%		
Pre-Tax Income	2,561	0.9%	4,377	1.7%	2,587	1.0%	-41%	-1%
Income Tax	706	0.3%	515	0.2%	401	0.2%		
Net Income	1,855	0.7%	3,862	1.5%	2,186	0.9%	-52%	-15%
Net Income to Parent	1,695	0.6%	3,733	1.5%	2,098	0.8%	-55%	-19%
Net Income to Minority	160		129		88			
EPS (NT\$)	0.39		0.86		0.48			

Note: 1. All figures in million of NT\$ except for earnings per share; Financial data is IFRS adoption
 2. LCFC disposal gain of NT\$2,511M was recognized in Non-Operating Items in 3Q 2018

2018 Consolidated I/S

NT\$ Million

	2018		2017		YoY
Net Sales	967,706	100.0%	887,657	100.0%	9%
Gross Margin	30,567	3.2%	31,965	3.6%	-4%
Operating Exp	21,305	2.2%	22,757	2.6%	
Operating Margin	9,262	1.0%	9,208	1.0%	1%
Non-Operating Items	2,528	0.3%	-1,094	-0.1%	
Pre-Tax Income	11,790	1.2%	8,114	0.9%	45%
Income Tax	2,201	0.2%	1,956	0.2%	
Net Income	9,589	1.0%	6,158	0.7%	56%
Net Income to Parent	8,913	0.9%	5,750	0.6%	55%
Net Income to Minority	676		408		
EPS (NT\$)	2.05		1.32		

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 2. LCFC disposal gain of NT\$2,511M was recognized in Non-Operating Items in 3Q 2018

Non-operating Breakdown

NT\$ Million	4Q 2018	3Q 2018	4Q 2017	2018	2017
Interest Income, net	-418	-352	-174	-1,173	-421
Investment Gain (Loss), net	330	2,758	273	3,787	753
Gain (Loss) on FX, net	-65	-56	-103	-431	-2,004
Others	37	121	145	345	578
Non-Operating Gain (Loss)	-116	2,471	141	2,528	-1,094

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 2. LCFC disposal gain of NT\$2,511M was recognized in Non-Operating Items in 3Q 2018

4Q18 Consolidated B/S

NT\$ Million

	4Q 2018		3Q 2018		4Q 2017	
Cash and Cash Equivalents	70,297	18%	72,065	17%	70,063	19%
Account Receivable	203,774	51%	209,500	49%	177,387	49%
Inventories	79,149	20%	102,940	24%	69,513	19%
Current Assets	362,745	91%	394,171	91%	321,783	89%
Total Assets	399,795	100%	431,943	100%	363,356	100%
Accounts Payable	154,277	39%	170,568	39%	142,018	39%
Current Liabilities	274,208	69%	307,801	71%	231,956	64%
Total Liabilities	286,633	72%	320,858	74%	254,708	70%
Shareholders' Equity	113,162	28%	111,086	26%	108,648	30%
BVPS - Parent (NT\$)	\$ 24.0		\$ 23.6		\$ 23.1	

Note: All figures in million of NT\$ except for book value per share; Financial data is IFRS adoption

Earning Distribution

	2011	2012	2013	2014	2015	2016	2017	2018
NT\$								
Cash Dividends								
Cash from Retain Earnings	1.4	1.0	0.5	1.0	1.0	1.0	1.0	1.0
Cash from Capital Surplus	-	-	0.5	0.5	0.2	0.2	0.2	0.2
Total Cash Dividends	1.4	1.0	1.0	1.5	1.2	1.2	1.2	1.2
Reported EPS (NT\$)	2.53	1.47	0.57	1.63	2.01	1.88	1.32	2.05
Normalized EPS (NT\$)	2.53	1.47	1.70	2.73	2.01	2.04	2.14	1.47
Payout Ratio - Reported	55%	68%	175%	92%	60%	64%	91%	59%
Payout Ratio - Normalized	55%	68%	59%	55%	60%	59%	56%	82%

Note: 2018 dividend payout proposal is subject to the approval of Compal 2019 AGM



Q & A

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