



WIN Semiconductors

Wireless • Information • Networking



Company Presentation

May 2015

Safe Harbor Notice



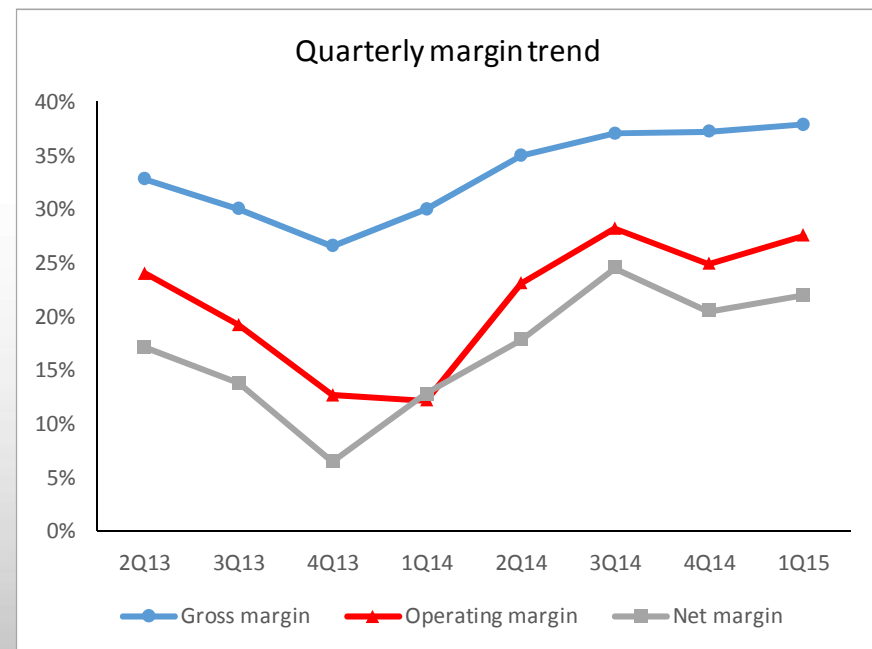
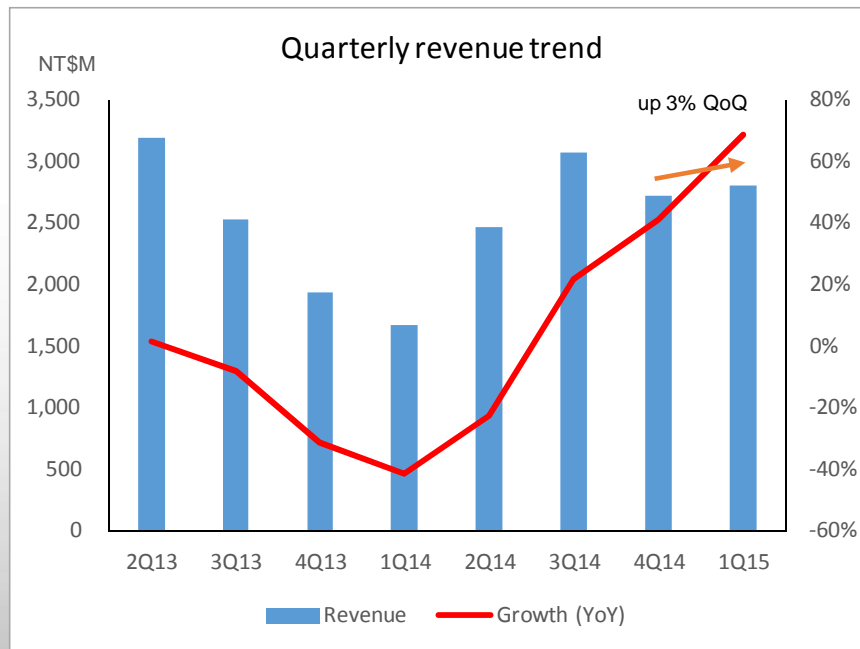
- *This presentation contains certain forward-looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.*
- *Except as required by law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.*

Quarterly Results

Revenue & Margin Trend



- 1Q15 revenues up 3% QoQ, driven by robust demand from customers, especially from Infrastructure and Cellular related orders.
- 1Q15 GM improved 0.6pp sequentially to a record high of 37.9%, which is a combined result of improving product mix and higher utilization rate. OPM increased 2.7pp to 27.6% as a result of stringent opex control.

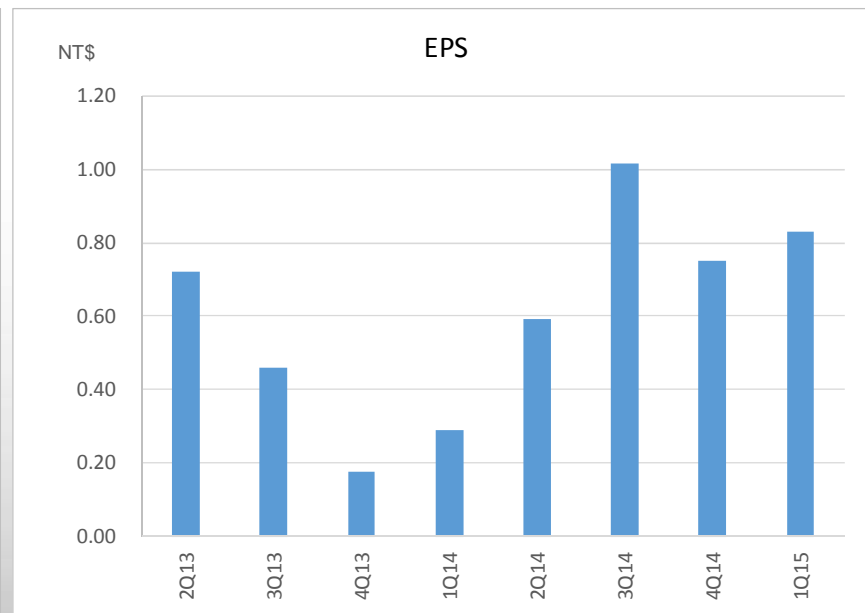
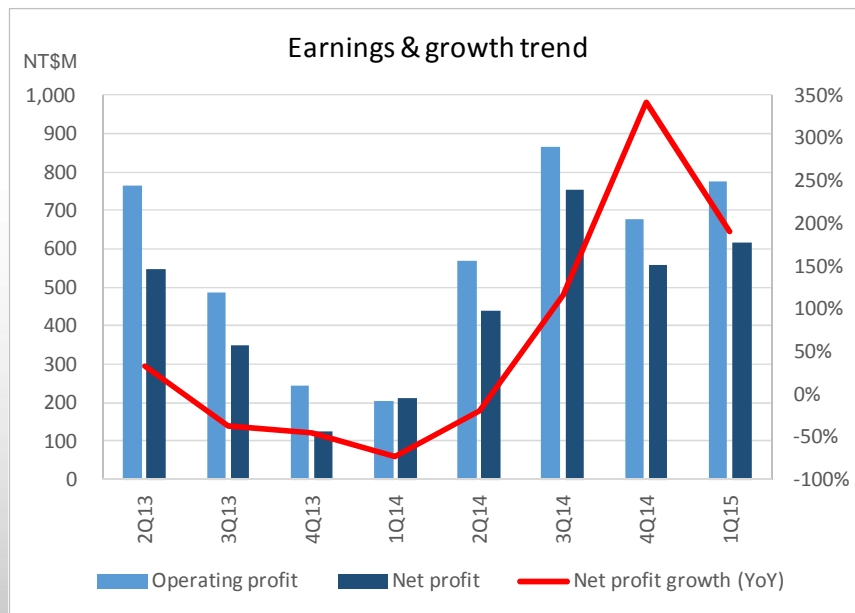


Source: company.

Earnings Trend



- 1Q15 net profit increased 11% QoQ to NT\$618mn, and increased 190% YoY. The solid growth was driven by the aforementioned improvements in core operations, including sales growth and margin expansion.
- 1Q15 EPS came in at NT\$0.83, compared to NT\$0.75 in 4Q14.

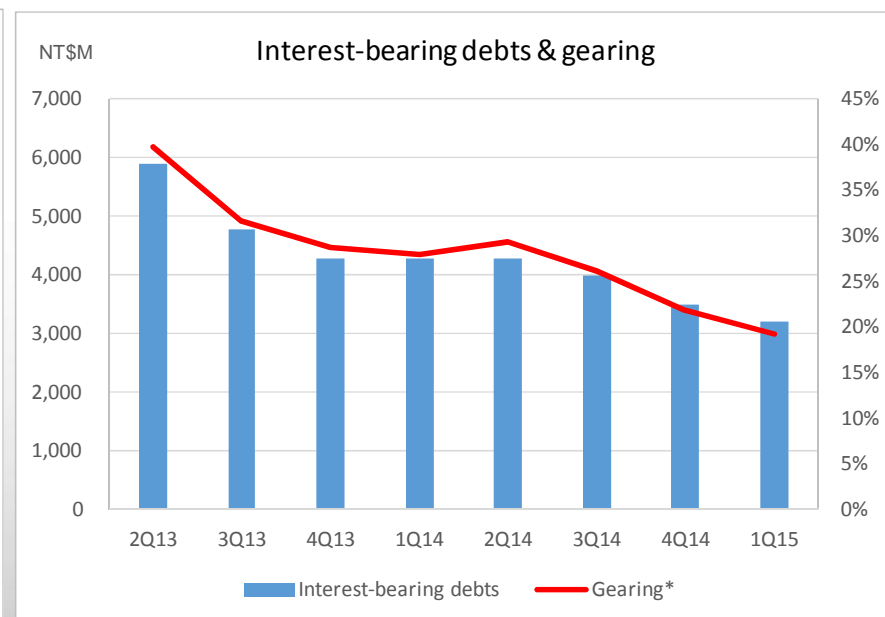
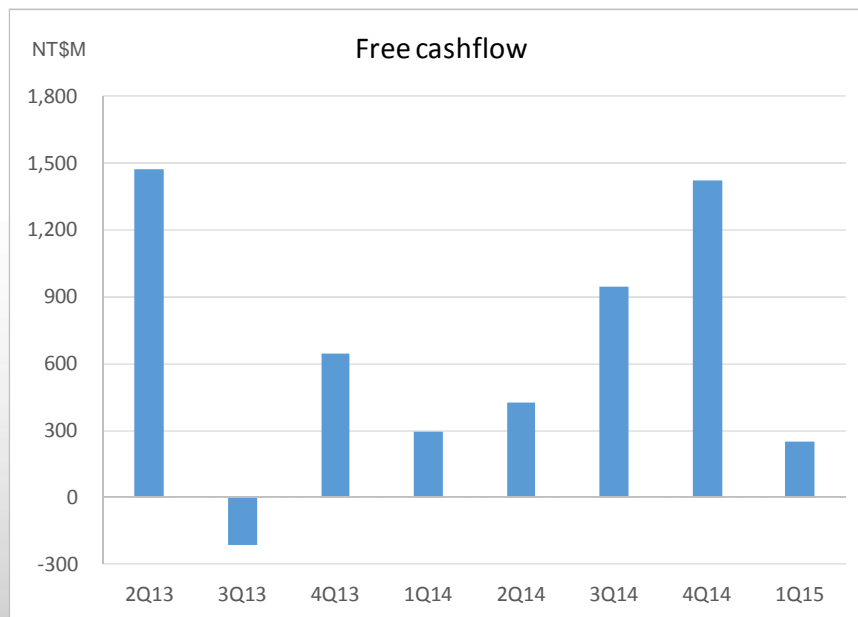


Source: company.

FCF & Gearing Trend

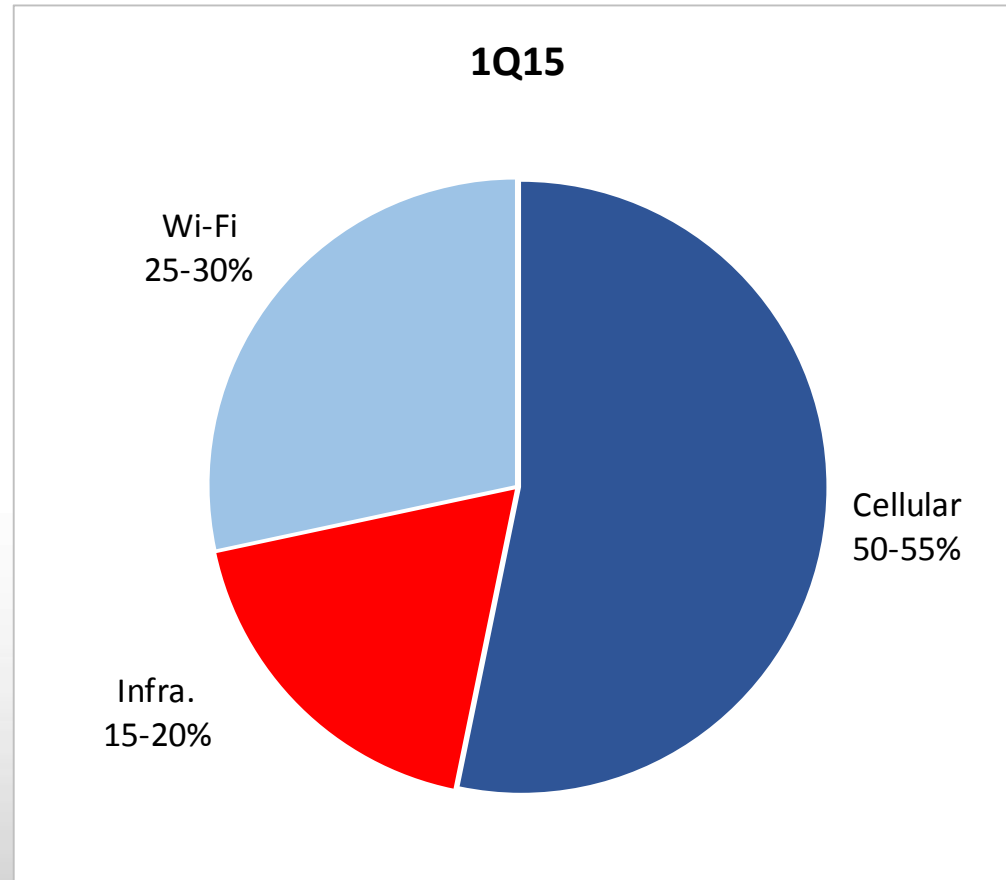
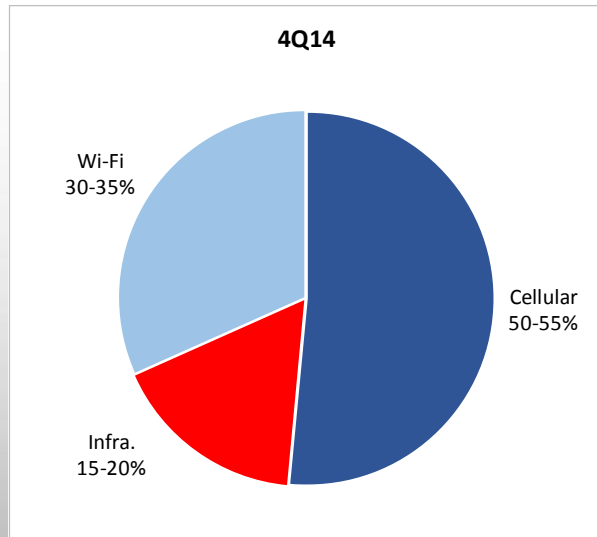
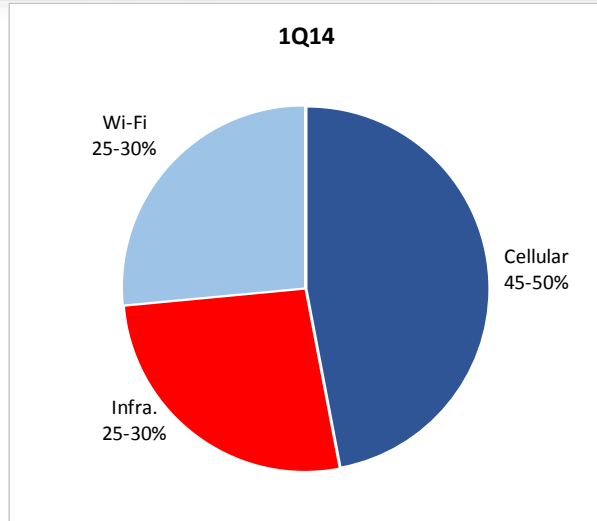


- Free cash flow (FCF) continued to be positive for the past 6 quarters as a result of our rigid control on capex and improvements in efficiency.
- Interest-bearing debts fell to below NT\$3.3bn and gearings declined to a historical low since listing, reinforcing our solid balance sheet position.



* Gearing = interest-bearing debts / equity
Source: company.

Product Mix



Source: company.

Financial Summary

Consolidated Statements of Comprehensive Income - Quarterly



Unit: NTD Million	1Q'14	4Q'14	1Q'15	QoQ	YoY
Net revenue	1,667	2,713	2,807	+3%	+68%
Gross profit	500	1,011	1,063	+5%	+113%
<i>Gross margin (%)</i>	<i>30.0%</i>	<i>37.3%</i>	<i>37.9%</i>		
Operating expenses	(297)	(334)	(288)	-14%	-3%
<i>Operating expenses rate (%)</i>	<i>-18%</i>	<i>-12%</i>	<i>-10%</i>		
Operating income	204	677	774	+14%	+281%
<i>Operating margin (%)</i>	<i>12.2%</i>	<i>24.9%</i>	<i>27.6%</i>		
Non-operating incomes and expenses	46	38	(32)		
Income before income tax	250	715	742	+4%	+197%
Income tax expense	(37)	(157)	(124)		
Net income	213	557	618	+11%	+190%
<i>Net margin (%)</i>	<i>12.8%</i>	<i>20.5%</i>	<i>22.0%</i>		
EPS (NT\$)	0.29	0.75	0.83	+11%	+186%
Other comprehensive income, net	121	82	78		
Comprehensive income	334	639	697	+9%	+109%
Annualized ROE(%)	6%	14%	15%		
Approx. Utilization (%)	45%	80%	80%		
Depreciation	459	466	468		
CAPEX	232	282	499		

Non-operating Items



Unit: NTD Million	1Q'14	1Q'15
Foreign exchange gains (losses)	6	(22)
Gains (losses) on disposals of property, plant and equipment	-	-
Gains (losses) on disposals of investments	(55)	1
Gains on financial assets (liabilities) at fair value through profit or loss, net	121	2
Share of loss of associates and joint ventures accounted for using equity	(6)	(14)
Others	(18)	0
Total	48	(32)

Consolidated Balance Sheets



(Unit: NTD Million)	Major Item	2014/3/31		2014/12/31		2015/3/31	
		\$	%	\$	%	\$	%
	Cash and cash equivalents	1,694	8%	2,677	12%	2,897	13%
	Current financial assets at fair value through profit or loss	1,772	8%	1,321	6%	903	4%
	Current available-for-sale financial assets	668	3%	677	3%	698	3%
	Notes and accounts receivable, net	617	3%	690	3%	936	4%
	Inventories	1,047	5%	1,500	7%	1,915	8%
	Long-term investments	1,126	6%	1,603	7%	1,896	8%
	Net property, plant and equipment	13,828	65%	12,923	59%	12,939	57%
	Total Assets	21,281	100%	21,816	100%	22,689	100%
	Current liabilities	2,141		2,749		3,172	
	Long-term borrowings	3,724		2,938		2,666	
	Total Liabilities	6,036	28%	5,876	27%	6,026	27%
	Common stock	7,402		7,422		7,434	
	Total Equity	15,245	72%	15,940	73%	16,663	73%
	Book value per share (NT\$)	20.60		21.48		22.41	
	Key Indices						
	Current ratio (<i>Current assets / Current liabilities</i>)	285%		259%		242%	
	Debt ratio (<i>Total liabilities / Total assets</i>)	28%		27%		27%	

Q & A

For more information regarding WIN
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For all inquiries, suggestions, and comments
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