

**Powertech Technology Inc.**  
**Second Quarter of Year 2018**  
**Institutional Investors Conference**

Jul 24, 2018



6239.TW

# Safe Harbor Statement

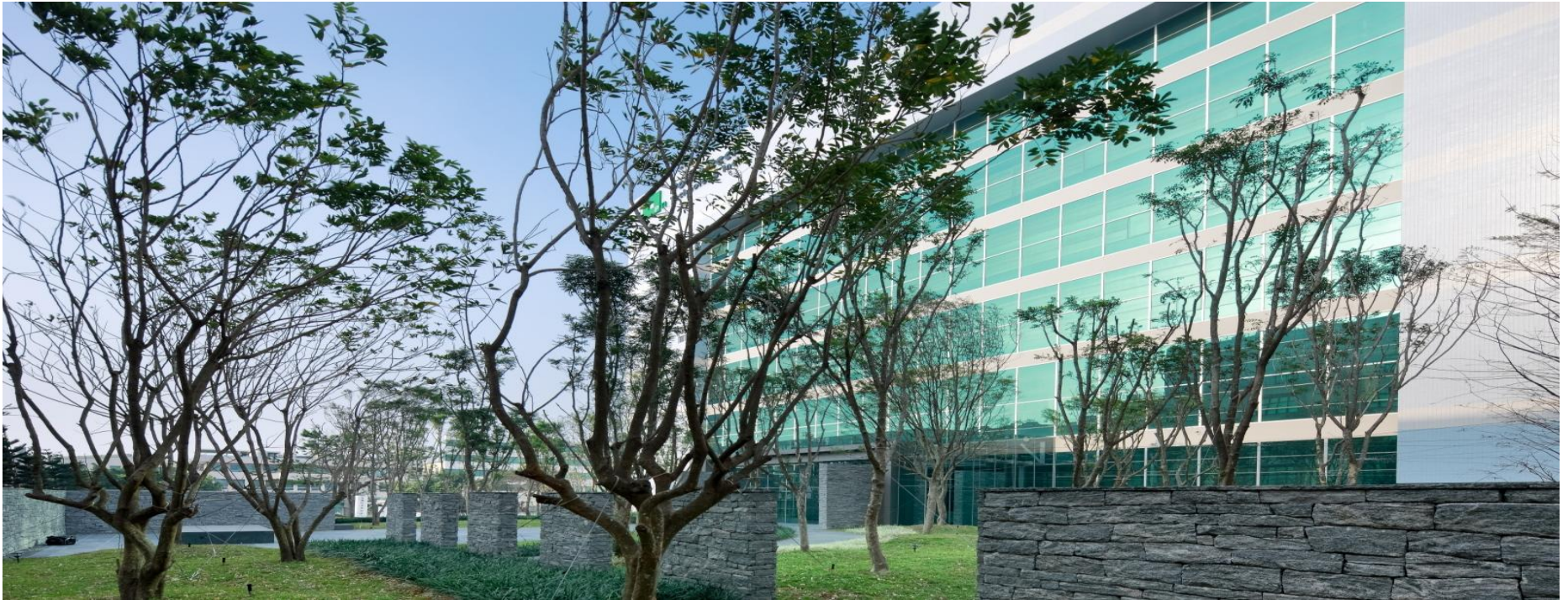
**This following presentation may include predictions, estimates or other information that might be considered forward-looking.**

**These forward-looking statements are based on information available to PTI as of the date of this conference and current expectations, forecasts and assumptions, and involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements and please keep in mind that except as required by law, we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements.**

# Agenda

- **2Q18 Financial Results**
- **Business Updates**
- **Q&A**

# 2Q18 Financial Results



## QoQ Comparison of 2Q18

### Consolidated Statement of Comprehensive Income

(NTD M)

Account	2Q18	%	1Q18	%	QoQ %
Net Sales	17,214	100%	15,909	100%	8.2%
Operating Costs	13,573	78.9%	12,660	79.6%	7.2%
Gross Margin	3,641	21.2%	3,249	20.4%	12.1%
Operating Expenses	1,033	6.0%	908	5.7%	13.8%
Operating Income	2,608	15.2%	2,341	14.7%	11.4%
Non-Operating Income(Expense)	108	0.6%	(219)	-1.4%	-149.5%
Income Before Income Tax	2,716	15.8%	2,122	13.3%	28.0%
Income Tax Expenses	647	3.8%	456	2.9%	41.9%
Net Income	2,069	12.0%	1,666	10.5%	24.2%
Shareholders of the parent	1,678	9.7%	1,291	8.1%	30.0%
Non-Controlling Interests	391	2.3%	375	2.4%	4.1%
EPS (NT\$)	2.16		1.66		30.1%

Remark 1. The financial statement of 2Q18 was un-audited.

2. Outstanding shares of 2Q18 were 779,147K shares.

## YoY Comparison of 2Q18 Consolidated Statement of Comprehensive Income

(NTD M)

Account	2Q18	%	2Q17	%	YoY %
Net Sales	17,214	100%	13,928	100%	23.6%
Operating Costs	13,573	78.9%	11,023	79.1%	23.1%
Gross Margin	3,641	21.2%	2,905	20.9%	25.3%
Operating Expenses	1,033	6.0%	851	6.1%	21.4%
Operating Income	2,608	15.2%	2,054	14.7%	27.0%
Non-Operating Income(Expense)	108	0.6%	304	2.2%	-64.3%
Income Before Income Tax	2,716	15.8%	2,358	16.9%	15.2%
Income Tax Expenses	647	3.8%	573	4.1%	12.9%
Net Income	2,069	12.0%	1,785	12.8%	15.9%
Shareholders of the parent	1,678	9.7%	1,410	10.1%	19.0%
Non-Controlling Interests	391	2.3%	375	2.7%	4.1%
EPS (NT\$)	2.16		1.81		19.3%

Remark 1. The financial statement of 2Q18 was un-audited.

2. Outstanding shares of 2Q17& 2Q18 were 779,147K shares .



## Semi Annual Comparison of 2Q18

### Consolidated Statement of Comprehensive Income

(NTD M)

Account	1H18	%	1H17	%	YoY %
Net Sales	33,124	100%	26,588	100%	24.6%
Operating Costs	26,234	79.2%	20,925	78.7%	25.4%
Gross Margin	6,890	20.8%	5,663	21.3%	21.7%
Operating Expenses	1,941	5.9%	1,562	5.9%	24.3%
Operating Income	4,949	14.9%	4,101	15.4%	20.7%
Non-Operating Income(Expense)	(110)	-0.3%	9	0.0%	-1325.0%
Income Before Income Tax	4,839	14.6%	4,110	15.5%	17.7%
Income Tax Expenses	1,103	3.3%	843	3.2%	30.9%
Net Income	3,736	11.3%	3,267	12.3%	14.3%
Shareholders of the parent	2,970	9.0%	2,576	9.7%	15.3%
Non-Controlling Interests	766	2.3%	691	2.6%	10.8%
EPS (NT\$)	3.82		3.31		15.4%

Remark 1. The financial statement of 2Q18 was un-audited.

2. Outstanding shares of 2Q17& 2Q18 were 779,147K shares .

## Consolidated Balance Sheet as of Jun 30, 2018

(NTD M)

Account	Amount	%
<b>Current Assets</b>	<b>40,329</b>	<b>37.9%</b>
- Cash and Cash Equivalents	19,880	18.7%
<b>Non-Current Assets</b>	<b>66,028</b>	<b>62.1%</b>
<b>Total Assets</b>	<b>106,357</b>	<b>100.0%</b>
<b>Current Liabilities</b>	<b>28,559</b>	<b>27.0%</b>
<b>Non-Current Liabilities</b>	<b>28,445</b>	<b>26.7%</b>
<b>Total Liabilities</b>	<b>57,004</b>	<b>53.6%</b>
<b>Equity Attributable to Shareholders of the Parent</b>	<b>37,765</b>	<b>35.5%</b>
<b>Non-Controlling Interests</b>	<b>11,588</b>	<b>10.9%</b>
<b>Shareholders' Equity</b>	<b>49,353</b>	<b>46.4%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>106,357</b>	<b>100.0%</b>

- Remark
1. Net worth per share as of Jun 30, 2018 was NT\$48.47.
  2. The financial statement of 2Q18 was un-audited.
  3. Outstanding shares of 2Q18 were 779,147K shares.



# 2Q18 Business Highlights



## Key Highlights for 2Q18 Results

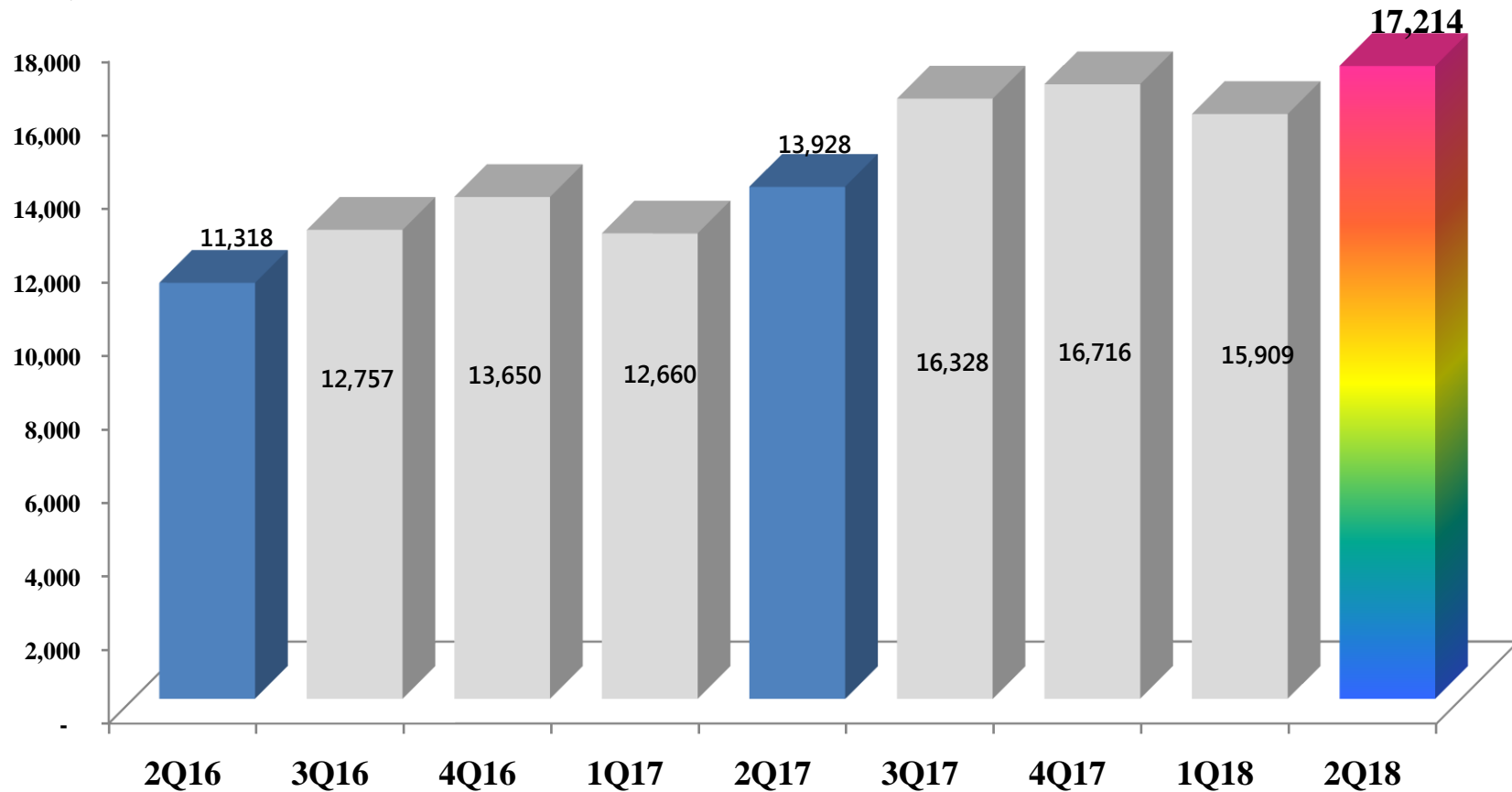
	Revenue	Gross Margin %	EPS
2Q18	◎ NT\$17.21 b QoQ up 8.2% YoY up 23.6%	◎ 21.2% QoQ up 0.8% YoY up 0.3%	◎ NT\$2.16/share QoQ up 30.1% YoY up 19.3%
1H18	◎ NT\$33.12 b YoY up 24.7%	◎ 20.8% YoY down 0.5%	◎ NT\$3.82/share YoY up 15.4%



✓ 2Q18 Revenue set a record high.

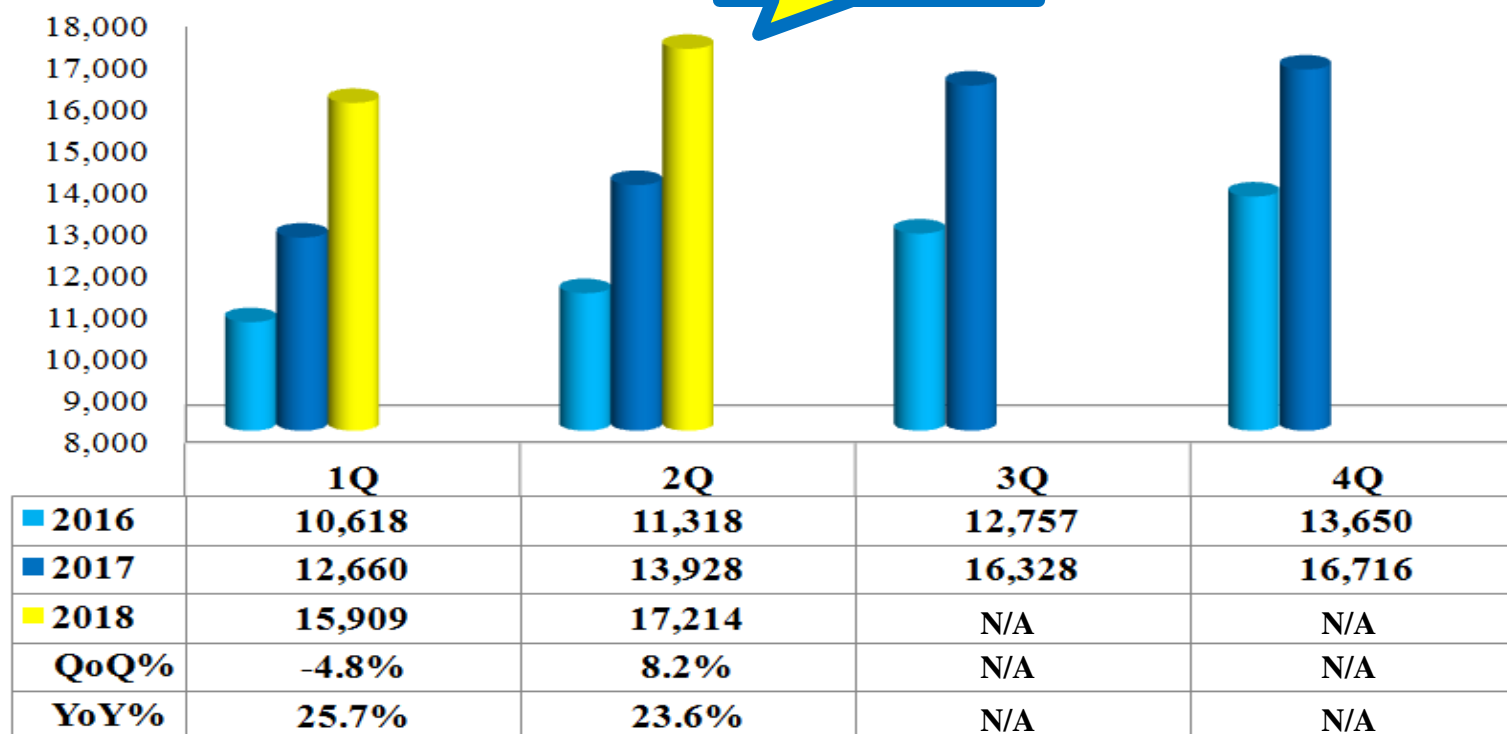
# PTI Consolidated Revenue

(In NTD M)



# PTI Consolidated Revenue Comparison by Quarter

(In NTD M)

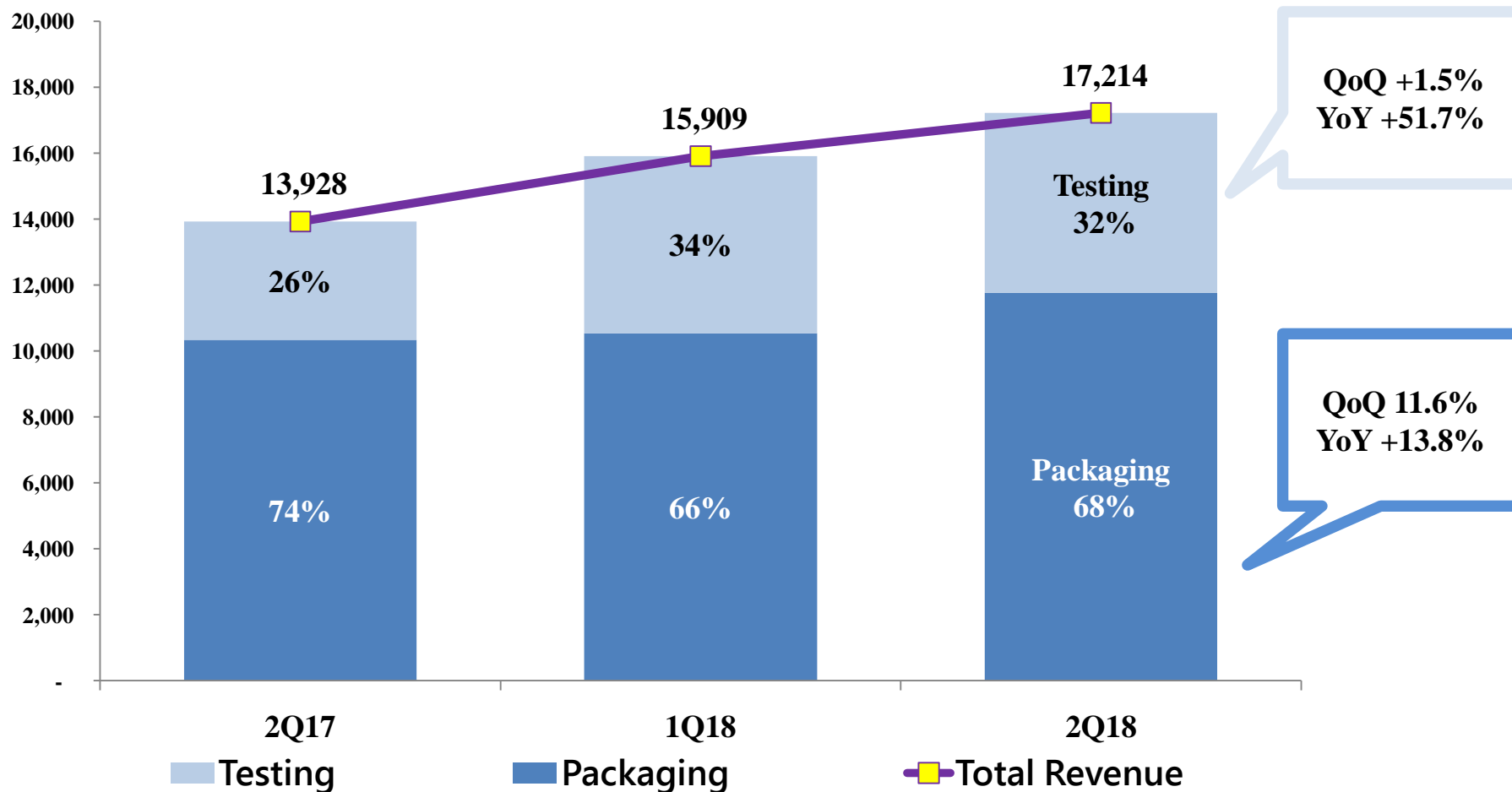


QoQ +8.2%  
YoY +23.6%

Total
48,343
59,632
33,123

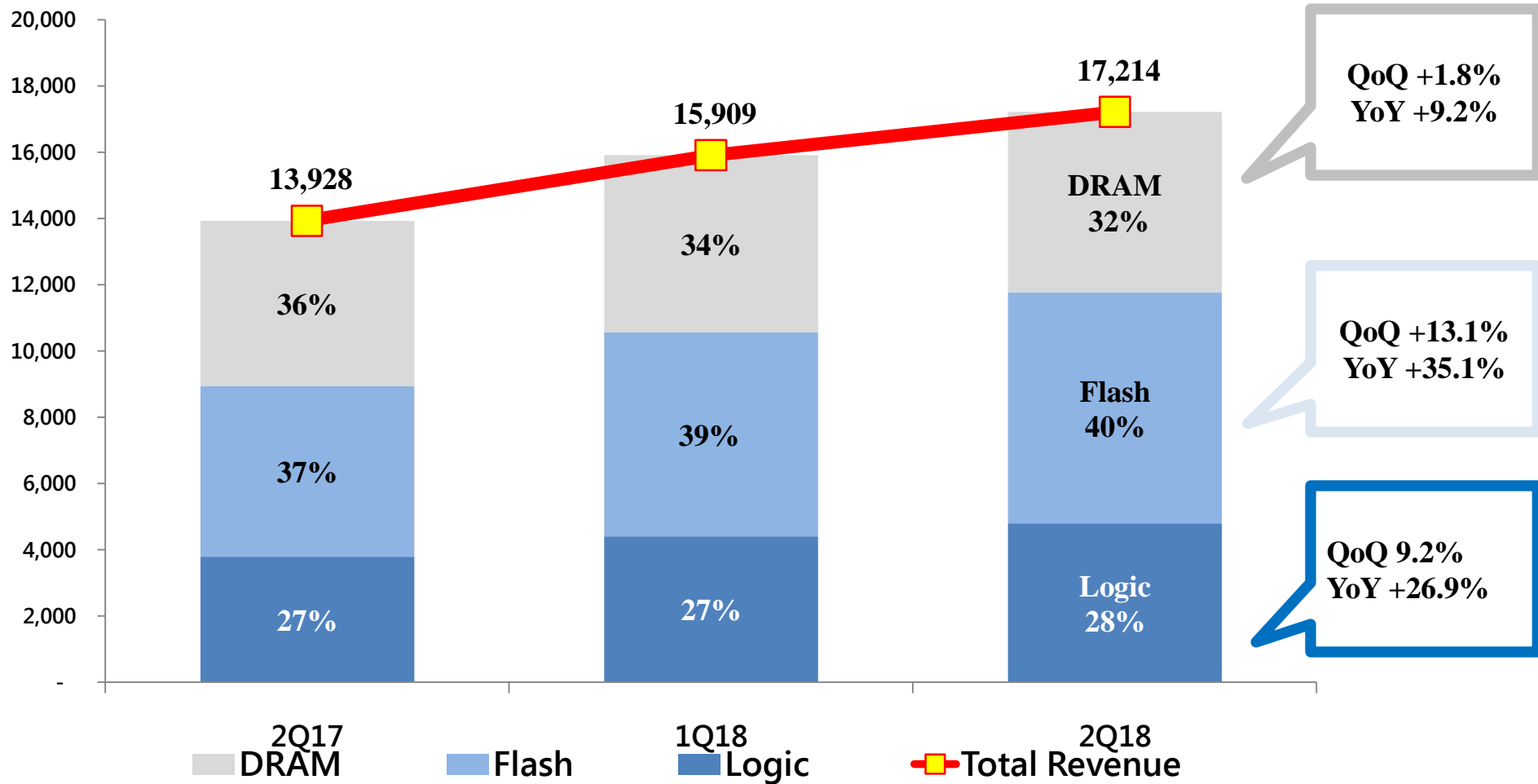
## Quarterly Consolidated Revenue % By Service

(In NTD M)



## Quarterly Consolidated Revenue % By Product

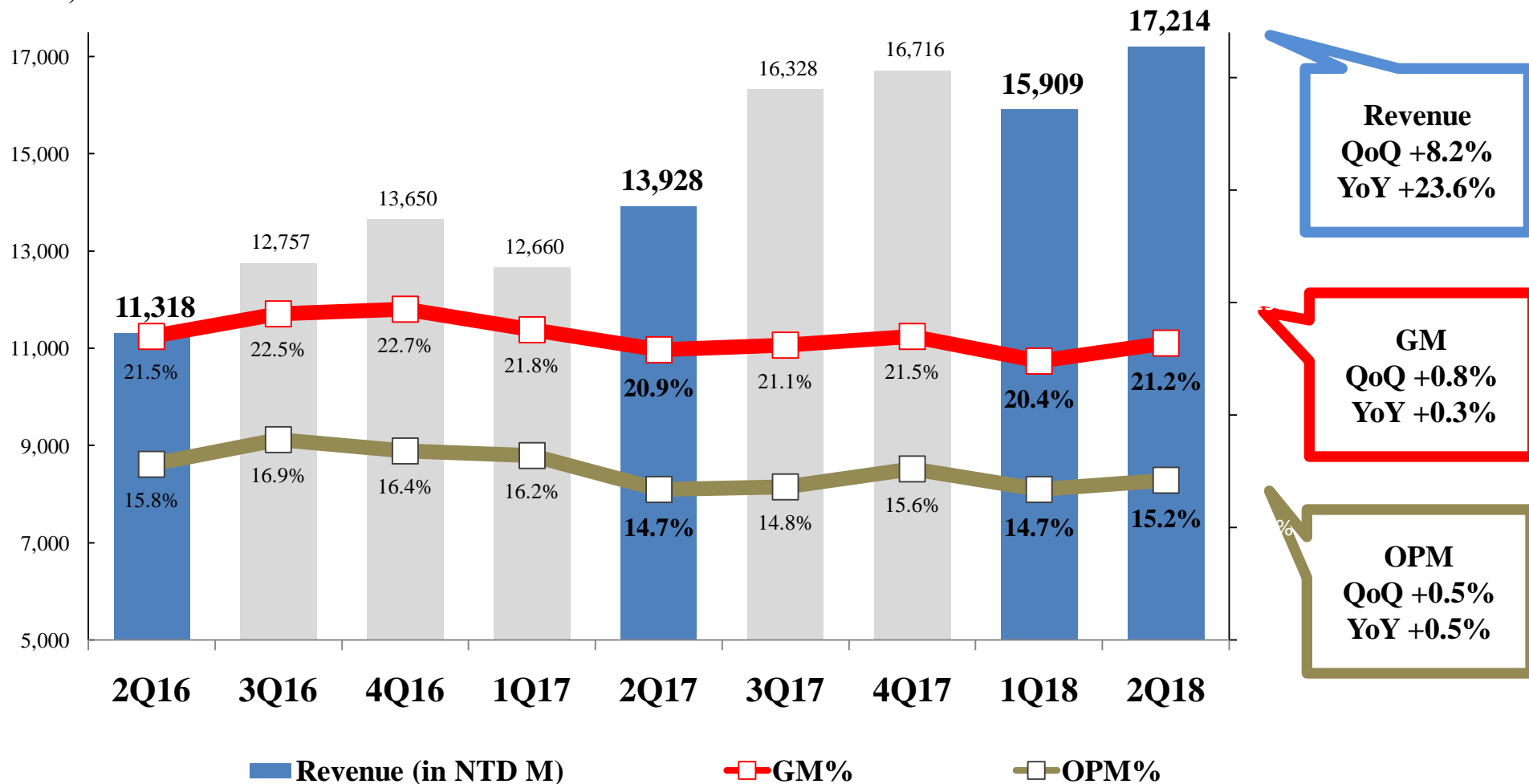
(In NTD M)





## Quarterly Consolidated Revenue, GM% and OPM%

(In NTD M)



# 3Q18 Business Outlook



# Market Outlook for 3Q18

## Traditional high season for electronic products and semiconductors.

### ➤ End products :

- Key growth drivers are Mobile phone, Data Center, Communication, and Automotive products.
- Demand for PC, Desktop, Tablets, and Notebook remain weak except for Ultra-NB.
- Positive and stable for consumers DRAM on gaming, TV, STB, and IoTs.
- Growing demands of 5G, Big data, and AI have created massive opportunities for semiconductor industry.

### ➤ DRAM :

- Balanced supply and demand in the market.
- Positive growth for storage on Server, Data Center, and Mobile RAM.
- Positive for Niche DRAM, Consumer ( TV, STB &IoT) ,Graphic, and Gaming.

### ➤ Flash :

- Stable supply and demand in the market.
- Positive demands for eMCP and eMMC on Mobile device and SSD in Server, Data Center, Enterprise devices, and Cloud computing.

### ➤ Logic :

- Positive for Communication, Consumer ,and Automotive products.
- Soft demand of Cryptocurrency and chance to rebound in late 3Q18.

# PTI Outlook for 3Q18

## ➤ DRAM : Remain Conservative

- Stable volume for Commodity RAM with fully loaded capacity.
- Niche DRAM stays highly positive for Graphic and mild for consumer.
- Conservative for Mobile RAM with product mix change.

## ➤ Flash : Stay Positive

- Increasing demands on eMCP and eMMC for Mobile phone.
- Highly positive on SSD demand for PC, Enterprise devices, and Data Center.

## ➤ Logic : Sustain Moderate

- Fair for Conventional packages.
- Continue growing in advanced packaging and testing business.
- Expect stronger growth in WLP/ bumping business.
- Continue developing uprising technology and packaging business.

## ➤ Overall, PTI projects an optimistic sequential growth for 3Q18.

## Business Focus

- Maintain & grow biz with existing key customers.
- Continue to perform manufacturing excellence.
- Reinforce Sales to develop more biz opportunities.
- Well-established space & capacity expansion for  
NAND flash and Flip-chip.
- Expand advanced packaging biz such as,  
Flip-chip, SiP/MCP, TSV (2.1D/2.5D/3D ) & FO.
- Continue RD efforts to master process and packaging capability to  
provide solutions for future products.



# Q&A







**Powertech Technology Inc.**

[www.pti.com.tw](http://www.pti.com.tw) TEL: (886) 3 5980300

**Powertech Technology (Suzhou) Ltd.**

[www.ptisuz.com.cn](http://www.ptisuz.com.cn) TEL: (86) 512 62523333

**Powertech Technology (Singapore) Pte. Ltd.**

[www.pti-sg.com](http://www.pti-sg.com) TEL: (65) 64128181

**Powertech Semiconductor (Xi'an) Co. Ltd.**

[www.ptixa.com](http://www.ptixa.com) TEL: (86) 29 81022888

**Powertech Technology Japan Ltd.**

[www.pti-jp.com](http://www.pti-jp.com) TEL: (81) 3 67218888

**Powertech Technology Akita Inc.**

[www.pti-akita.com](http://www.pti-akita.com) TEL: (81) 18 8862011

**Greatek Electronics Inc.**

[www.greatek.com.tw](http://www.greatek.com.tw) TEL: (886) 37 638568

**Tera Probe, Inc.**

[www.teraprobe.com](http://www.teraprobe.com) TEL: (81) 45 4761011

**TeraPower Technology Inc.**

[www.terapower.com.tw](http://www.terapower.com.tw) TEL: (886) 3 5982828

*Thank you*