

PRiMAX



Primax Electronics (4915 TT)
2Q18 Earnings Conference

31 Jul 2018

2Q18 Result



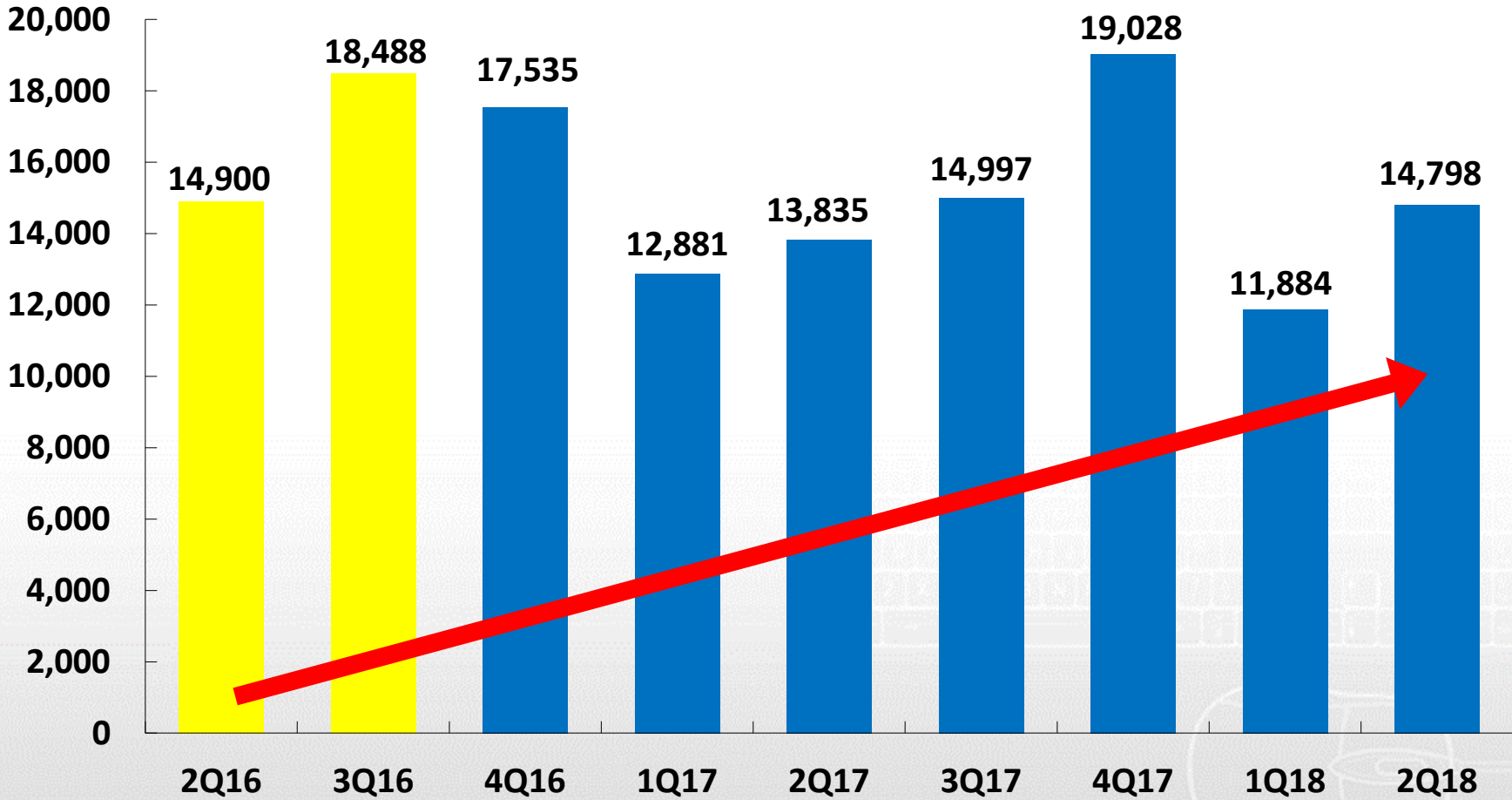
Amount : NTD M

| | Q2 18 | Q1 18 | Q2 17 | QoQ | YoY |
|---|---------------|---------------|---------------|--------------|---------------|
| Net Sales | 14,798 | 11,884 | 13,835 | 24.5% | 7.0% |
| COGS | 13,081 | 10,423 | 12,052 | | |
| Gross Profit | 1,716 | 1,460 | 1,783 | | |
| <i>Gross Margin</i> | <i>11.6%</i> | <i>12.3%</i> | <i>12.9%</i> | <i>-0.7%</i> | <i>-1.3%</i> |
| Operating Expense | 1,320 | 1,216 | 1,191 | | |
| <i>Operating Expense %</i> | <i>8.9%</i> | <i>10.2%</i> | <i>8.6%</i> | <i>-1.3%</i> | <i>0.3%</i> |
| Operating Income | 396 | 244 | 592 | 62.2% | -33.0% |
| <i>Operating Margin</i> | <i>2.7%</i> | <i>2.1%</i> | <i>4.3%</i> | <i>0.6%</i> | <i>-1.6%</i> |
| Non-operating Items | 47 | 208 | 88 | | |
| Income before Tax | 443 | 453 | 680 | -2.2% | -34.9% |
| Income Tax | 92 | 107 | 183 | | |
| Net Income (Loss) from Continuing Operations | 351 | 346 | 497 | 1.4% | -29.4% |
| Income (Loss) from Discontinued Operations | 0 | 0 | 0 | | |
| Net Income | 351 | 346 | 497 | 1.4% | -29.4% |
| <i>Net Margin</i> | <i>2.4%</i> | <i>2.9%</i> | <i>3.6%</i> | <i>-0.5%</i> | <i>-1.2%</i> |
| Net income attributed to Primax | 339 | 352 | 462 | -3.9% | -26.7% |
| EPS (NT\$) | 0.76 | 0.80 | 1.05 | | |

Quarterly Sales



Amount : NTDM

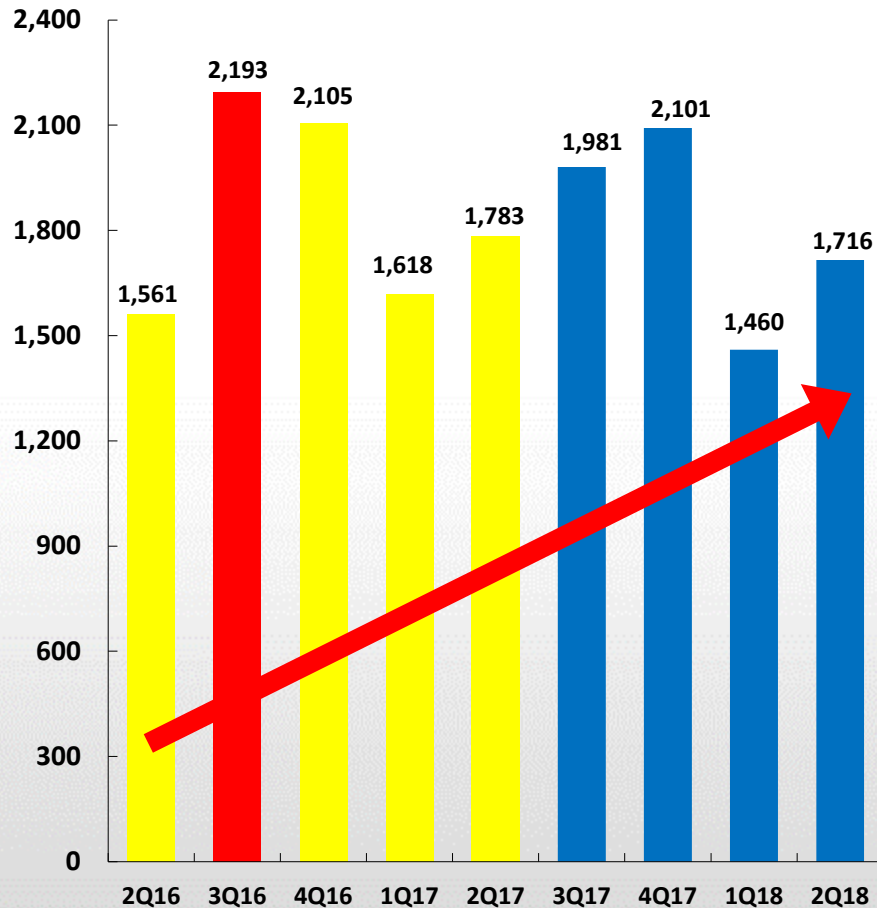


Gross Profit 、 Gross Margin

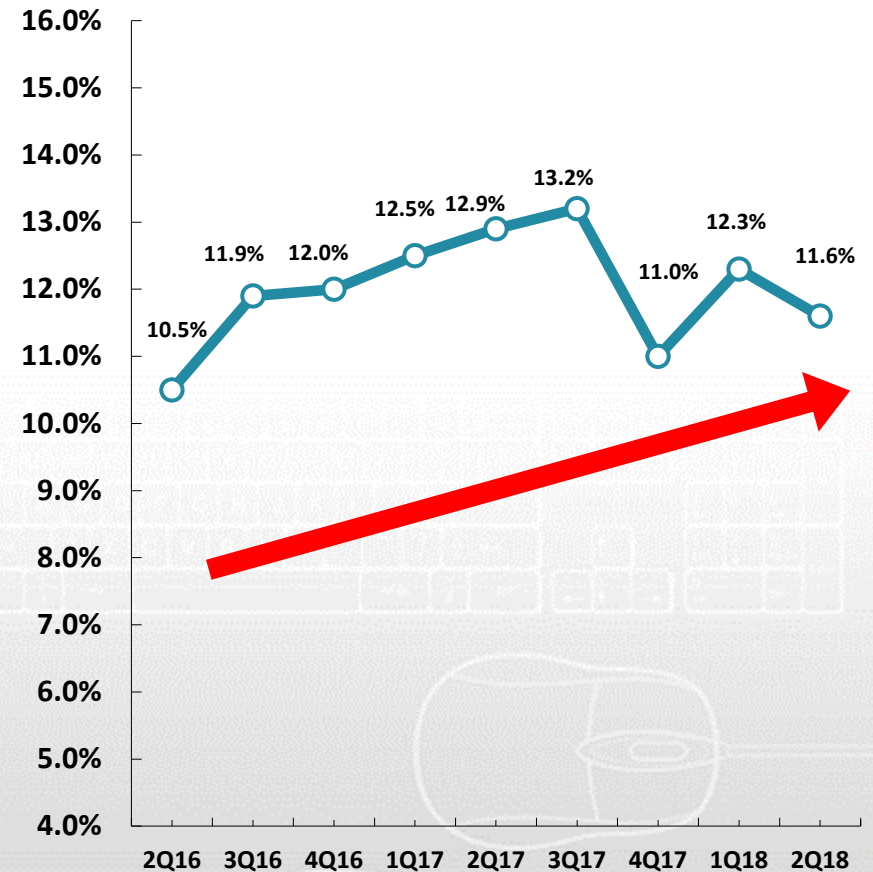


Gross Profit

Amount : NTDM



Gross Margin

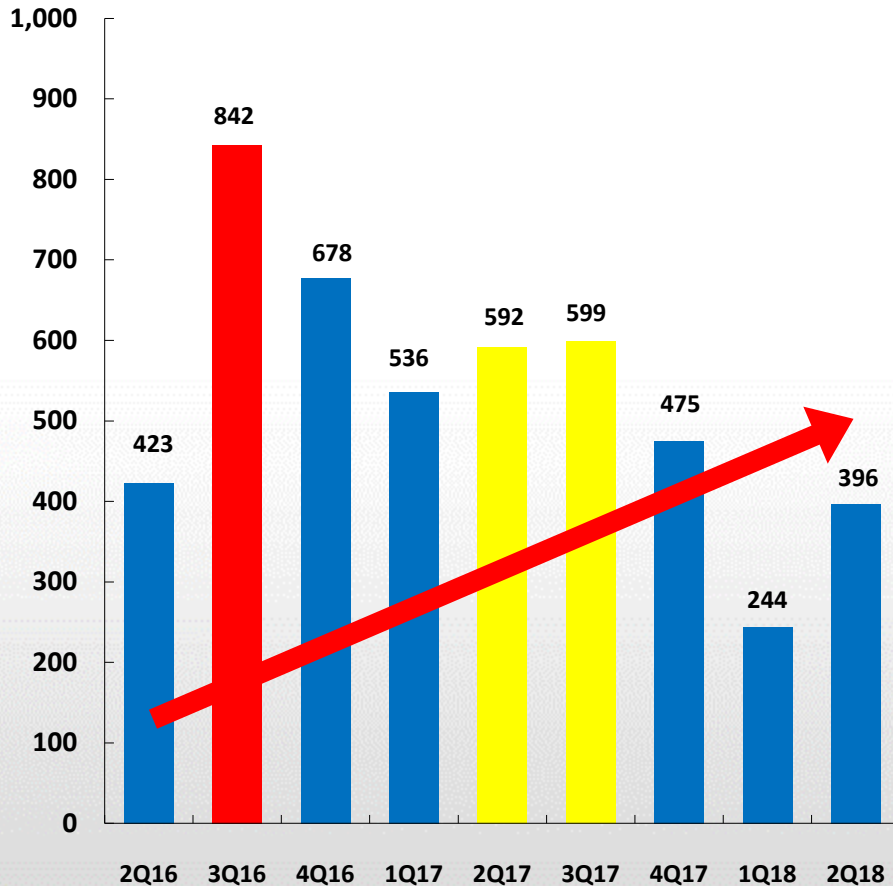


Operating Profit 、 Operating Margin

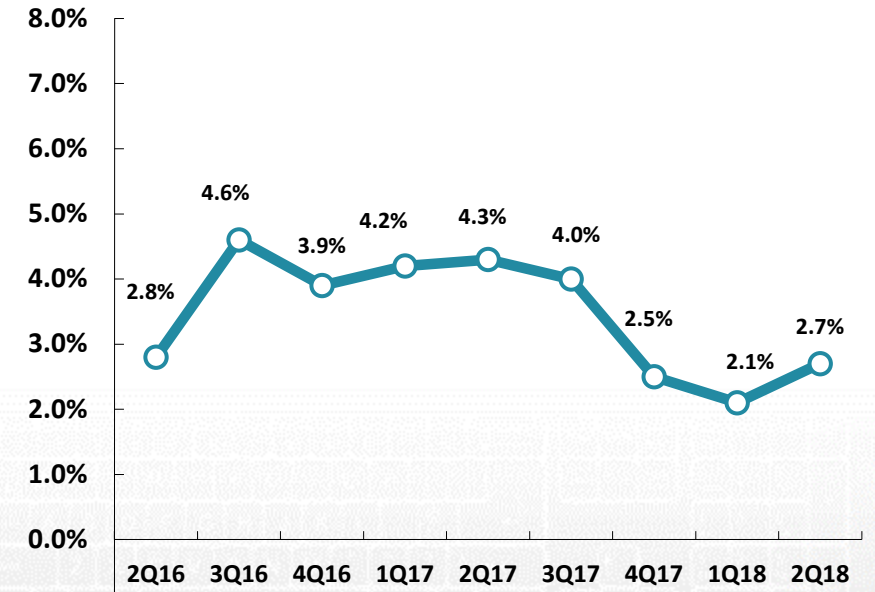


Operating Profit

Amount : NTD M



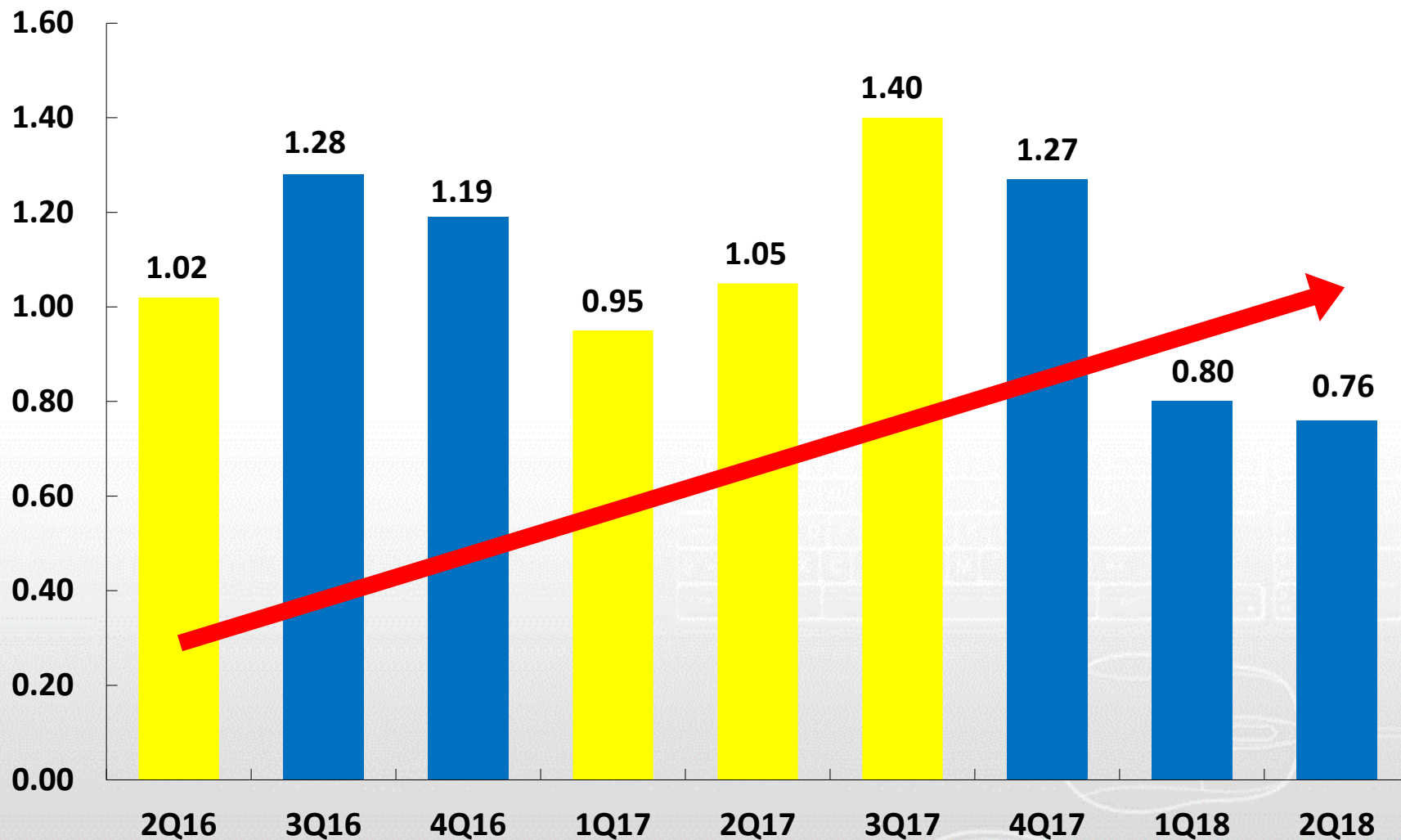
Operating Margin



EPS



Amount : NTD



2Q18 Balance Sheet



Selected items from Balance Sheet

(Amount : NTD M)

| | 2018/6/30 | | 2017/6/30 | |
|----------------------------------|---------------|-------------|---------------|-------------|
| | Amt | % | Amt | % |
| Cash | 3,537 | 10% | 5,659 | 17% |
| Notes and Accounts receivable | 12,939 | 35% | 11,345 | 34% |
| Inventory | 6,827 | 18% | 6,009 | 18% |
| Total Current Assets | 25,447 | 69% | 23,957 | 72% |
| Fixed Assets | 4,945 | 13% | 4,444 | 13% |
| Total Assets | 37,032 | 100% | 33,159 | 100% |
| Notes and Accounts Payable | 13,576 | 37% | 12,637 | 38% |
| S-T Borrowings | 689 | 2% | 548 | 2% |
| CPLTD | 66 | 0% | 216 | 1% |
| Total Current Liabilities | 20,718 | 56% | 19,387 | 58% |
| L-T Borrowings | 265 | 1% | 111 | 0% |
| Total Liabilities | 22,415 | 61% | 21,220 | 64% |
| Total Equity | 14,618 | 39% | 11,939 | 36% |

Key Indices

| | | |
|---------------------------------------|-------|-------|
| AR Turnover (days) | 70 | 71 |
| AP Turnover (days) | 118 | 113 |
| Inventory Turnover (days) | 50 | 47 |
| Cash Conversion Cycle (days) | 1 | 5 |
| Current Ratio (%) | 122.8 | 123.6 |
| Total Liabilities-to-Assets Ratio (%) | 60.5 | 64.0 |
| Return on Equity (%) (annualized) | 10.2% | 15.4% |

2Q18 Cash Flow



Amount : NTD M

| | Q2 18 YTD | Q2 17 YTD |
|---|----------------|----------------|
| From Operation | (1,989) | 415 |
| - Income before tax | 896 | 1,270 |
| - Depreciation and amortization | 781 | 741 |
| - Notes and Accounts receivable | 540 | 2,744 |
| - Notes and Accounts payable | (2,927) | (4,569) |
| - Inventory | 265 | 929 |
| - Other Operating Sources / (Uses) | (1,545) | (700) |
| From Investment | (1,782) | (1,315) |
| - Fixed Assets | (728) | (658) |
| - Changes in Equity investments under equity method | (1,357) | 0 |
| - Other Investing Sources / (Uses) | 303 | (37) |
| From Financing | (555) | 308 |
| - S-T Borrowings | (504) | 548 |
| - L-T Borrowings | (109) | (274) |
| - Other Financing Sources / (Uses) | 58 | 35 |
| Net Cash Position Change | (4,326) | (592) |
| Effect of foreign currency exchange translation | 42 | (108) |
| Cash at beginning of year | 7,821 | 6,360 |
| Ending Cash Balance | 3,537 | 5,659 |



- ❖ Strong QoQ Topline growth
- ❖ Tymphany-Premium Acoustics & Consumer Smart Audio well-balanced
Another record 2H
- ❖ Automotive multi-camera modules MP





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Thank you!



- ❖ All figures stated above are unaudited and subject to audit amendments
- ❖ All number has reflected Global Tek restatement
- ❖  Record Quarter
- ❖  Historical Record High





- ❖ We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us.
- ❖ We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events in the conference might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

