

偉詮電子股份有限公司 Weltrend Semiconductor, Inc.

Investor Conference

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Safe Harbor Notice

Forward-looking Statements

Weltrend's statements and any others in this release that refer to business outlook, future plans, and expectations are forward-looking statements that involve a number of risks and uncertainties. Statements that refer to or are based on projections, uncertain events or assumptions also identify forward-looking statements. Such statements are based on management's expectations as of the date of this earnings release and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Weltrend presently considers the following to be important factors that could cause actual results to differ materially from the company's expectations.

1H18 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	1H18	%	1H17	%	YoY %
Net sales	1,257,666	100	1,055,130	100	19.20
Cost of good sold	(958,013)	(76)	(795,102)	(75)	20.49
Gross Profit	299,653	24	260,028	25	15.24
Operating Exp.	(248,004)	(20)	(219,539)	(21)	12.97
Selling & Adm.	(106,159)	(9)	(93,609)	(9)	13.41
R & D Exp.	(141,845)	(11)	(125,930)	(12)	12.64
Operating Income	51,649	4	40,489	4	27.56
Net Non-Operating Income	182,308	15	29,995	3	507.79
Income Before Tax	233,957	19	70,484	7	231.93
Income Tax Exp.	(44,424)	(4)	(15,212)	(2)	192.03
Net Income	189,533	15	55,272	5	242.91
EPS	0.85		0.25		

2Q18 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	2Q18	%	2Q17	%	YoY %
Net sales	667,640	100	559,921	100	19.24
Cost of good sold	(504,224)	(76)	(421,425)	(75)	19.65
Gross Profit	163,416	24	138,496	25	17.99
Operating Exp.	(136,552)	(20)	(120,051)	(22)	13.74
Selling & Adm.	(58,235)	(8)	(50,458)	(9)	15.41
R & D Exp.	(78,317)	(12)	(69,593)	(13)	12.54
Operating Income	26,864	4	18,445	3	45.64
Net Non-Operating Income	155,853	23	48,971	9	218.26
Income Before Tax	182,717	27	67,416	12	171.03
Income Tax Exp.	(37,117)	(5)	(16,262)	(3)	128.24
Net Income	145,600	22	51,154	9	184.63
EPS	0.66		0.23		

2Q18 Consolidated Income Statement (QoQ)

(Expressed in NT\$K)

	2Q18	%	1Q18	%	QoQ %
Net sales	667,640	100	590,026	100	13.15
Cost of good sold	(504,224)	(76)	(453,789)	(77)	11.11
Gross Profit	163,416	24	136,237	23	19.95
Operating Exp.	(136,552)	(20)	(111,452)	(19)	22.52
Selling & Adm.	(58,235)	(8)	(47,924)	(8)	21.52
R & D Exp.	(78,317)	(11)	(63,528)	(11)	23.28
Operating Income	26,864	4	24,785	4	8.39
Net Non-Operating Income	155,853	23	26,455	4	489.12
Income Before Tax	182,717	27	51,240	8	256.59
Income Tax Exp.	(37,117)	(5)	(7,307)	(1)	407.96
Net Income	145,600	22	43,933	7	231.41
EPS	0.66		0.20		

Balance Sheet Summary

(Expressed in NT\$K)

	2018/6/30	2017/12/31
Cash & Financial Assets - current	2,955,734	2,616,290
Notes & Accounts receivable	807,307	784,549
Inventories	527,932	424,677
Property, Plant and Equipment	209,749	202,369
Other assets	112,151	224,828
Total assets	4,612,873	4,252,713
Notes & Accounts payable	424,096	342,599
Other current liabilities	753,486	539,375
Noncurrent liabilities	81,324	76,521
Stockholders' equity	3,353,967	3,294,218

A 29-year IC Design Company

Founded	Founded in the Hsinchu Science Park in July, 1989
Capital	NT\$1.78 billion (US\$59.3 millions)
Headcount	279 (as the end of 2Q18)
Main Business	<ul style="list-style-type: none">▪ Self-owned brand IC product development and sales▪ ASIC product development and sales▪ Value-added resale (VAR) for international name brand components (ex. ROHM)
Honors	<ul style="list-style-type: none">▪ In 1995, awarded with Taiwan's 4th National Award of Outstanding Small & Medium Enterprises, being the first company from Science Park to win the title.▪ First listed on Taiwan OTC market in 1997 and then subsequently listed on Taiwan's mainboard, TAIEX, in 2000 (Ticker 2436).▪ Awarded with "Taiwan Technology Fast 50" by Deloitte and named multiple times as one of companies with best ROE and ROI by renowned financial magazines in Taiwan.▪ ADAS R&D Team Awarded with the 17th Annual Technology Management Award by CSMOT.▪ Ranked Top 20% in 2016 Corporate Governance Evaluation and Awarded Most Improved Company.

Q & A

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THANK YOU!