

# Investor Conference

## — The First Half of Year 2016

July 28, 2016



# Agenda



## Financial Report

Iris Chen,  
Finance Director

## Business Outlook

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CFO

## Q&A

# Disclaimer



**These presentations and discussions contain certain forward-looking statements with respect to the results of operation, financial condition and current expectation about future events. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.**

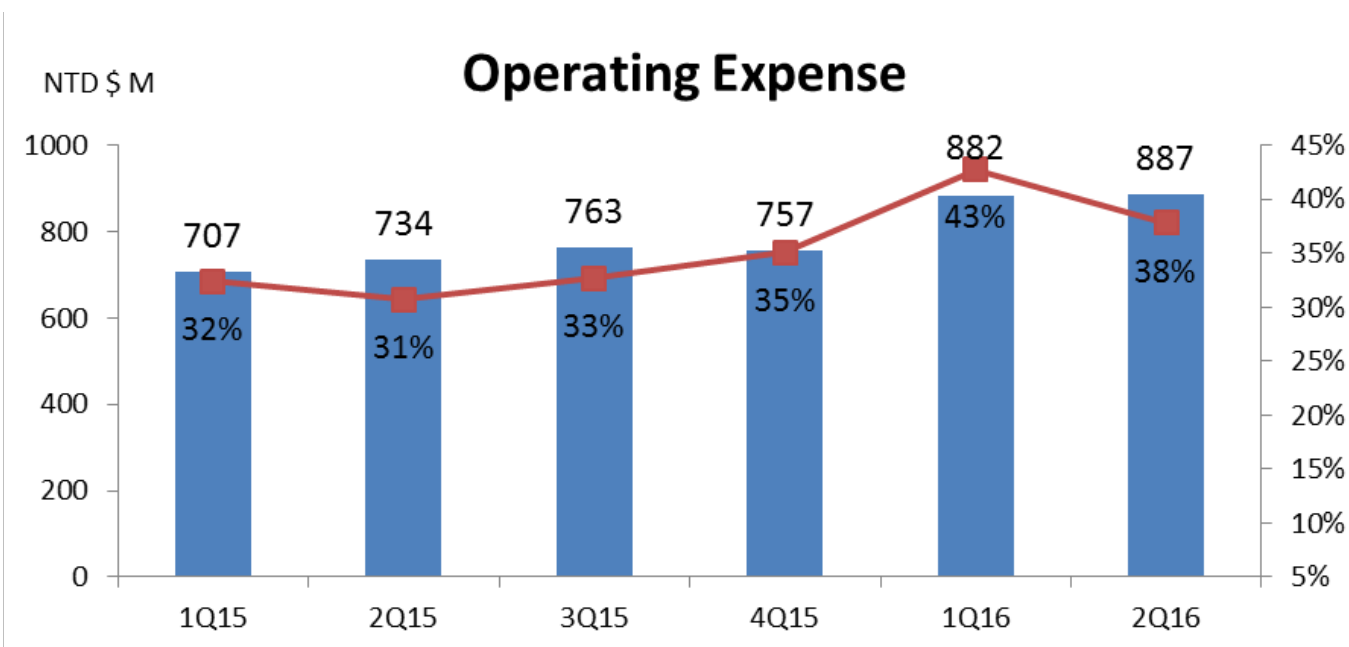
**We undertake no obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise. The actual result could differ materially from those anticipated in these forward looking statements.**

# Statement of Comprehensive Income



<i>Amount : NT\$ Million</i>	1H'16		1H'15		YoY	2Q'16		1Q'16		QoQ
	Amount	%	Amount	%	%	Amount	%	Amount	%	%
<b>Net Sales</b>	<b>4,411</b>	<b>100.0</b>	<b>4,578</b>	<b>100.0</b>	<b>-3.6</b>	<b>2,347</b>	<b>100.0</b>	<b>2,064</b>	<b>100.0</b>	<b>13.7</b>
COGS	2,467	55.9	2,646	57.8	-6.8	1,341	57.1	1,126	54.5	19.1
<b>Gross Profit</b>	<b>1,944</b>	<b>44.1</b>	<b>1,932</b>	<b>42.2</b>	<b>0.7</b>	<b>1,006</b>	<b>42.9</b>	<b>938</b>	<b>45.5</b>	<b>7.3</b>
Operating Expenses	1,769	40.1	1,442	31.5	22.7	887	37.8	882	42.7	0.5
<b>Operating Income</b>	<b>175</b>	<b>4.0</b>	<b>490</b>	<b>10.7</b>	<b>-64.3</b>	<b>119</b>	<b>5.1</b>	<b>56</b>	<b>2.7</b>	<b>113.8</b>
Other Income/Expenses	2	0.0	-27	-0.6	NA	-13	-0.5	14	0.7	NA
<b>Income Before Tax</b>	<b>177</b>	<b>4.0</b>	<b>463</b>	<b>10.1</b>	<b>-61.8</b>	<b>107</b>	<b>4.6</b>	<b>70</b>	<b>3.4</b>	<b>52.4</b>
<b>Net Income</b>	<b>150</b>	<b>3.4</b>	<b>355</b>	<b>7.8</b>	<b>-57.8</b>	<b>93</b>	<b>3.9</b>	<b>57</b>	<b>2.8</b>	<b>62.4</b>
<b>Basic EPS(NT\$)</b>	<b>0.7</b>		<b>1.77</b>		<b>-60.5</b>	<b>0.43</b>		<b>0.26</b>		<b>65.4</b>

# Detail of Operating Expense



Amount : NT\$ Million

	1H'16		1H'15		YoY	2Q'16		1Q'16		QoQ
	Amount	%	Amount	%	%	Amount	%	Amount	%	%
Sales	533	12.1	435	9.5	22.4	267	11.4	266	12.9	0.5
Admin	480	10.9	417	9.1	15.1	237	10.1	243	11.8	-2.7
R&D	757	17.2	590	12.9	28.3	383	16.3	373	18.1	2.7
<b>Operating Expenses</b>	<b>1,769</b>	<b>40.1</b>	<b>1,442</b>	<b>31.5</b>	<b>22.7</b>	<b>887</b>	<b>37.8</b>	<b>882</b>	<b>42.7</b>	<b>0.5</b>

# Consolidated Balance Sheet Highlights



<i>Amount : NT\$ Million</i>	2016.6.30	2015.12.31	2015.6.30
Cash & Financial asset	1,877	1,775	1,777
AR	1,759	1,527	1,594
Inventory	1,819	1,741	1,979
AP	1,460	1,103	1,541
Short-term loan	577	1,534	886
<b>Liability</b>	<b>3,668</b>	<b>3,694</b>	<b>3,862</b>
<b>Equity</b>	<b>4,456</b>	<b>3,907</b>	<b>3,569</b>
<b>Total Assets</b>	<b>8,123</b>	<b>7,601</b>	<b>7,432</b>

DSO	68.0	63.1	63.8
DOH	131.7	113.7	122.5
DPO	94.8	73.5	89.0
Debt rate	45.1%	48.6%	52.0%
ROE	7.2%	16.2%	19.8%
BV/per share	20.5	19.4	17.8

# Consolidated Cash Flows Highlights



Amount : NT\$ Million

	1H'16	1H'15	YoY(\$)
<b>From Operating Activities</b>	<b>216</b>	<b>599</b>	<b>-383</b>
Income before Tax	177	463	-286
Depreciation & Amortization	144	126	18
Net Changes in Operating assets and liabilities	-113	106	-218
<b>From Investing Activities</b>	<b>-251</b>	<b>-297</b>	<b>46</b>
Bond investment without active market	-285	-148	-138
Net changes in available-for-sale financial assets	151	0	151
Capital Expenditures - PP&E and Software	-128	-179	51
<b>From Financing Activities</b>	<b>26</b>	<b>169</b>	<b>-143</b>
Issuing shares	960	0	960
Net Change in Debt	-942	158	-1100
Exchange Rate Influence	-20	-24	5
<b>Net Change in Cash</b>	<b>-28</b>	<b>447</b>	<b>-475</b>

# Business Outlook

*Jeff Chou*  
**CFO**

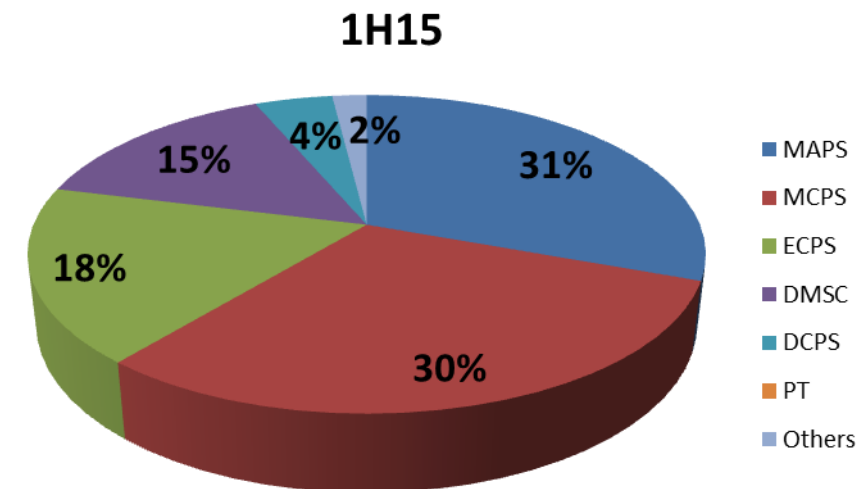
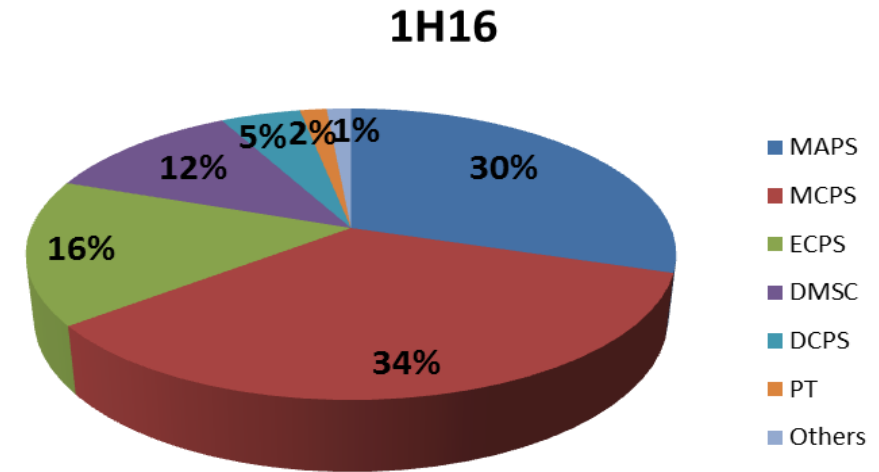
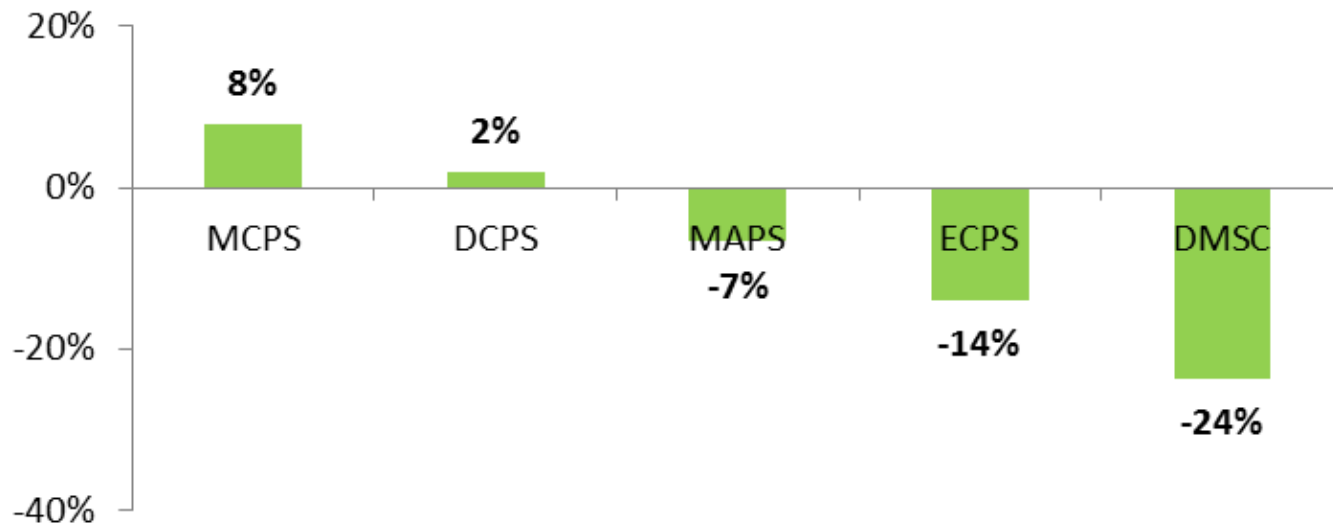




# Sales breakdown by product



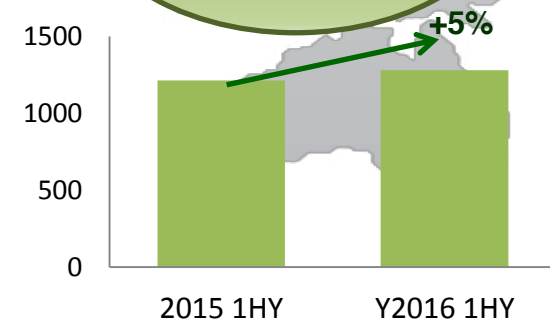
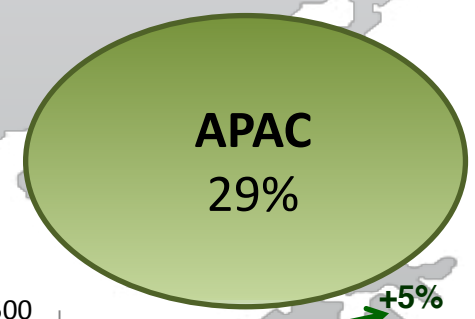
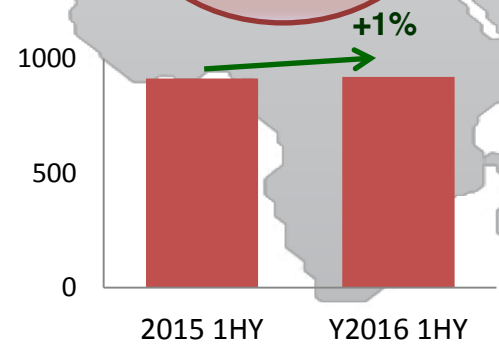
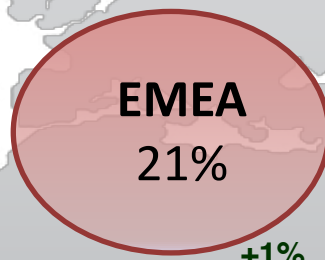
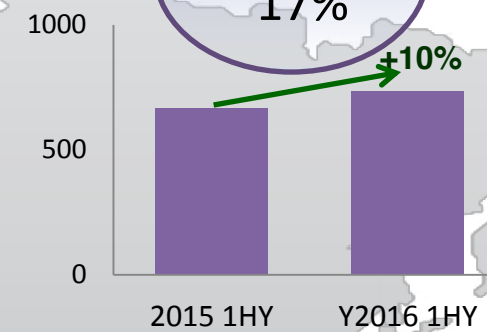
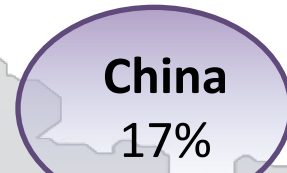
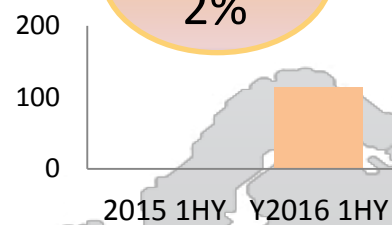
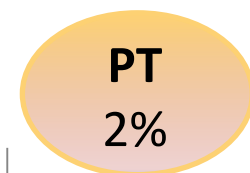
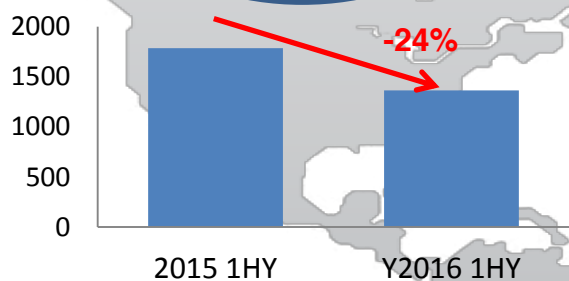
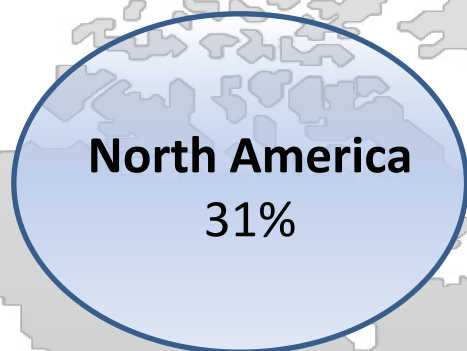
## YOY Revenue Growth Rate



# Geographic Footprint & 2016 Claimed New DW



Amount : NT\$ Million



RBU	1HY claimed DW
AATI	8
EMEA	12
CHN	2
APAC	12

# Q&A



**ADLINK**  
**TECHNOLOGY INC.**