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2019.05.03

Safe Harbor Statement



- Zenitron's forward-looking statements, which may include statements regarding its results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on Zenitron's current expectations.
- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our dependence on key personnel; general economic and political conditions; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.
- In addition, any financial information contained here within is presented in conformity with International Financial Reporting Standards (IFRSs)
- The financial statement for the first Quarter, 2019 was unaudited.
- Except as required by law, our release of forward-looking statements at any particular time does not create any duty of disclosure, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.

Agenda



- 1. Overview Tommy Yeh, CFO
- 2. Financial Update

 Tommy Yeh, CFO
- 3. Business Outlook Andrew Chou, CEO
- 4. Questions and Answers Team

1.Overview



- ➤ A solution-centric distributor of semiconductor and electronic components, founded in 1982 and listed in 2000 (ticker: 3028 TT)
- Contract manufacturers, namely B2B markets, are the majority customers. The secondary being retail (B2C) market.
- > 2018 revenues of NT\$31.0bn, up 13% YoY
- ➤ 15 offices and 31 logistic centers in Greater China with over 3,800 customers
- Over 700 headcounts (192 sales, 148 PMs, and 90 FAEs)

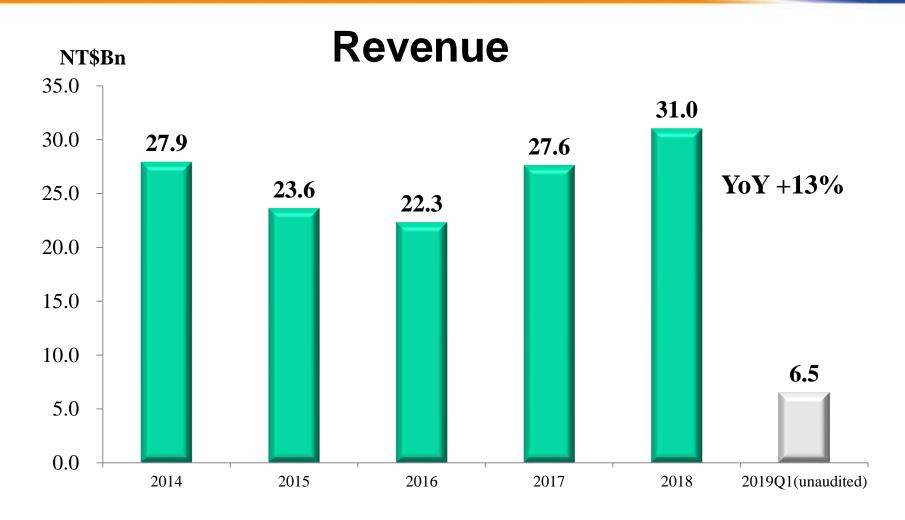
1.Overview





1.Overview







Statement of Comprehensive Income

unit:NT\$m

Vov coounto	Y20	18	Y20	%YoY	
Key accounts	\$	%	\$	%	% 101
Net Operating Revenue	31,080	100.0%	27,576	100.0%	13%
Gross Profit	1,813	5.8%	1,478	5.4%	23%
Operationg Expenses	(1,119)	-3.6%	(988)	-3.6%	13%
Operating Income	694	2.2%	490	1.8%	42%
Financing Cost	(206)	-0.7%	(117)	-0.4%	76%
others	51	0.2%	143	0.5%	-64%
Earning Before Tax	539	1.7%	517	1.9%	4%
Income Tax Expense	(130)	-0.4%	(85)	-0.3%	54%
Profit After Tax	409	1.3%	432	1.6%	-5%
EPS (in dollars)	1.90		2.02		-6%



Statement of Comprehensive Income

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unit:	IVI	MILLER

Voy accounts	1Q19(unaudited)		4Q18		9/000 -	1Q18		%YoY
Key accounts	\$	%	\$	%	%QoQ -	\$	%	70101
Net Operating Revenue	6,492	100.0%	8,291	100.0%	-22%	6,954	100.0%	-7%
Gross Profit	406	6.3%	454	5.5%	-11%	374	5.4%	9%
Operationg Expenses	(288)	-4.4%	(318)	-3.8%	-9%	(249)	-3.6%	16%
Operating Income	117	1.8%	137	1.6%	-14%	125	1.8%	-6%
Financing Cost	(61)	-0.9%	(67)	-0.8%	-9%	(39)	-0.6%	57%
others	57	0.9%	25	0.3%	129%	59	0.8%	-3%
Earning Before Tax	113	1.7%	95	1.1%	19%	145	2.1%	-22%
Income Tax Expense	(38)	-0.6%	(22)	-0.3%	75%	(49)	-0.7%	-22%
Profit After Tax	75	1.2%	73	0.9%	3%	96	1.4%	-22%
EPS (in dollars)	0.35		0.32		9%	0.44		-20%



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Balance Sheet

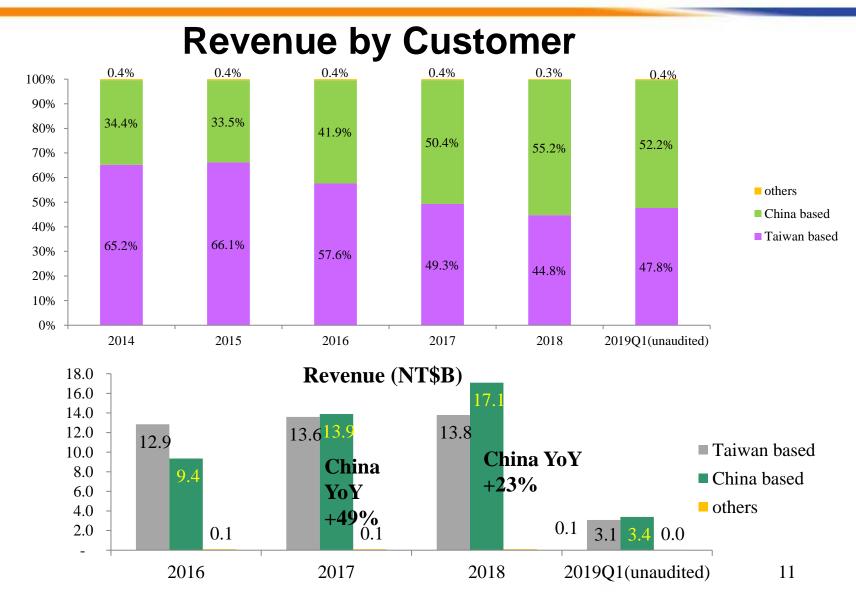
Unit:N i \$m						
Koviooounto	19Q1(unaudited)		2018Q4		2018Q1	
Key accounts	\$	%	\$	%	\$	%
Cash and cash equivalents	1,498	8%	1,364	8%	1,161	8%
Accounts receivable	7,184	44%	8,129	49%	6,649	44%
Inventory	4,932	36%	5,812	35%	5,489	36%
Other current assets	828	7%	669	4%	1,109	7%
Non-current assets	771	5%	741	4%	834	5%
Total Assets	15,213	100%	16,714	100%	15,242	100%
Short-term loans	6,406	39%	7,381	44%	5,872	39%
Accounts payable	2,783	23%	3,589	21%	3,458	23%
Other current liabilities	1,165	6%	1,196	7%	910	6%
Other liabilities	241	1%	182	1%	182	1%
Total Liabilities	10,595	68%	12,348	74%	10,421	68%
Total Equity	4,618	32%	4,366	26%	4,821	32%
Indices						
Current ratio	139%		131%		141%	
Debt/Assets ratio	70%		74%		68%	
Debt/Equity ratio	229%		283%		216%	



Revenue by Geography (ship-to destination)

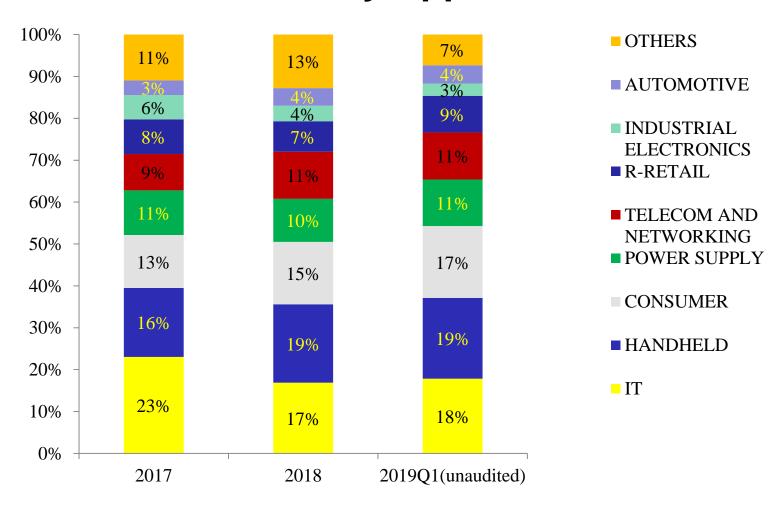




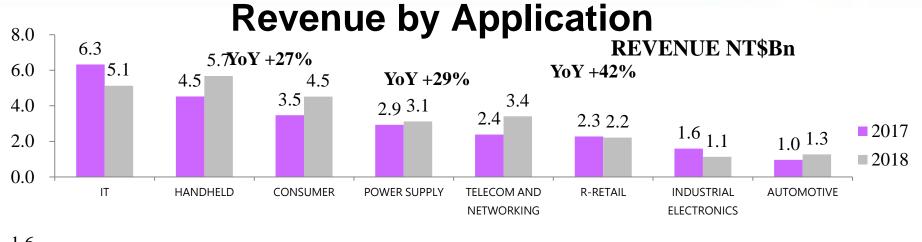


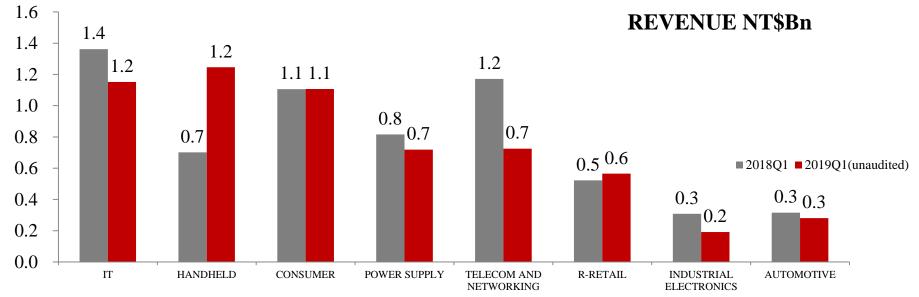


Revenue by Application









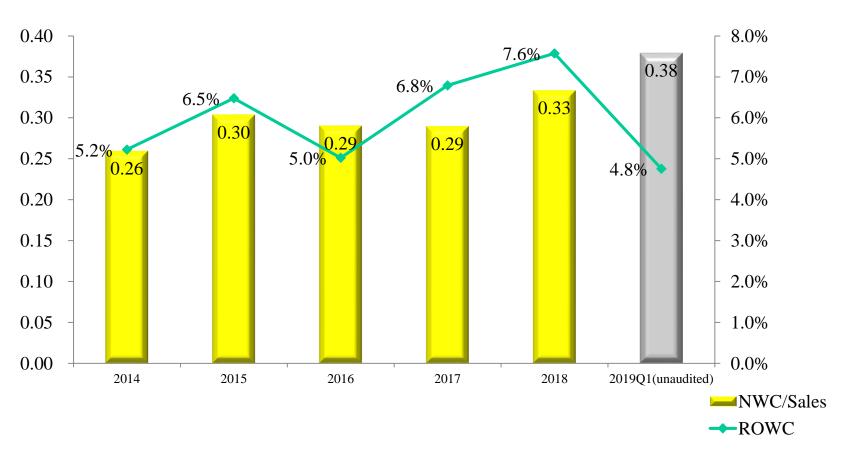


ROE vs. EPS



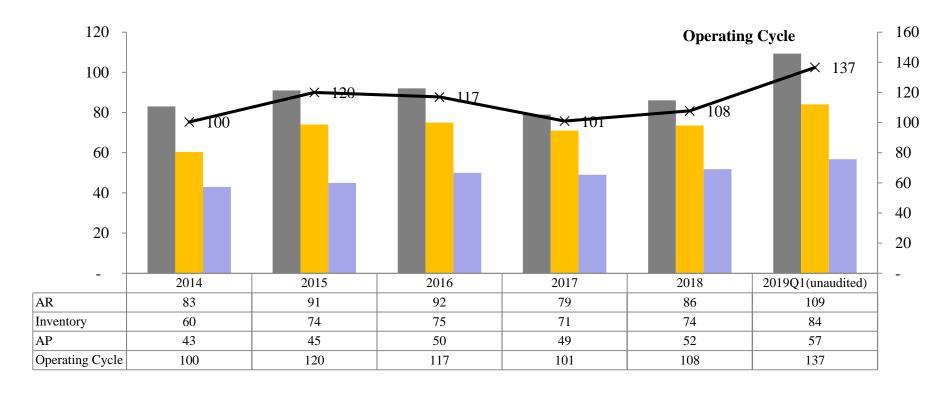


ROWC vs. NWC/Sales





Operating Cash Cycle





3. Business outlook



- 2019 growth momentum: Server/Telecom & Networking/New Energy/Type C /Handheld Device/Consumer Electronics
- > 19Q1 revenue in line with expectation:
 - impact of U.S.- China trade war most affected in 18Q4 for south China market
 - Q1 telecom & networking revenue slided due to account mapping, while smart phone key account upside made up the lost revenue; IT market declined yoy due to shortage of Intel chips
 - Growth of Taiwan server market sustained sales of Q1 power related products
 - Emerging China OBC (On Board Charger) market compensated lost revenue due to downturn on traditional auto electronics
 - Retail channel market added up Q1 revenue during Chinese lunar new year holidays
 - Little change in smart phone market, China key account in line with expectation

3. Business outlook



- > 19Q2 an iconic quarter to kick off growth, expected to keep grow QoQ
- ➤ Looking forward to demand pick up in IT & peripherals market with Intel chip shortages relieved after mid of 19Q2

AUTOMOTIVE	Sluggish in China auto market, while new energy cars will see upturn instead
CONSUMER	Note book panel makers expected to substantially pull in after mid of Q2 to prepare for NB brands rolling out in Q3
HANDHELD	Q2 demand flat
INDUSTRIAL ELECTRONICS	Drones and mining machine market relatively weak compared to last year
IT	After mid of Q2, PMIC/Mosfet/T-Con/Flash memory products expected to ship greatly on NB/PC/Battery/Panel markets
POWER SUPPLY	Industrial power & traditional adapter market much impacted in Q1; telecom power (5G base station)/OBC/adapter applications will benefit from demand pick up in telecom/IT/EV market in Q2;
R-RETAIL	China E-commerce top players to have promotion events in Q2, stimulating consumer buying sentiment
TELECOM AND NETWORKING	With U.SChina trade war settled down, IOT/networking equipment to gain momentum after Q2

3.Business outlook



- US-China trade war impact to be slowly alleviated
- Due to demand increase in European auto factory-installed touch panel market, products in touch IC/T-con/Driver IC for high resolution panel to be gaining momentum
- Broader applications of Type-C getting started from Q3: Adapter/Power Bank/Docking
- Peak season of air conditioner in Q2, bringing business opportunities of MCU/IGBT/IPM
- After trade war tension easing, Q2 will see bigger business in SJ Mosfet / SiC Mosfet / E. Cap for 5G telecom power market.
- EV OBC applications keep increasing, SiC Mosfet / Diode will bring profit and revenue growth
- Normalized Intel chip supply on NB/PC markets leads to PMIC revenue's great increase
- In response to greater demand on telecom market due to big data applications, A loT products to be widely used in home appliance and industrial market
- > PS4 power application a small bright spot in Q2/Q3
- Flash memory price to be stabilized in Q2 after sliding for 3 quarters



