

Wistron Corporation

Investor Presentation



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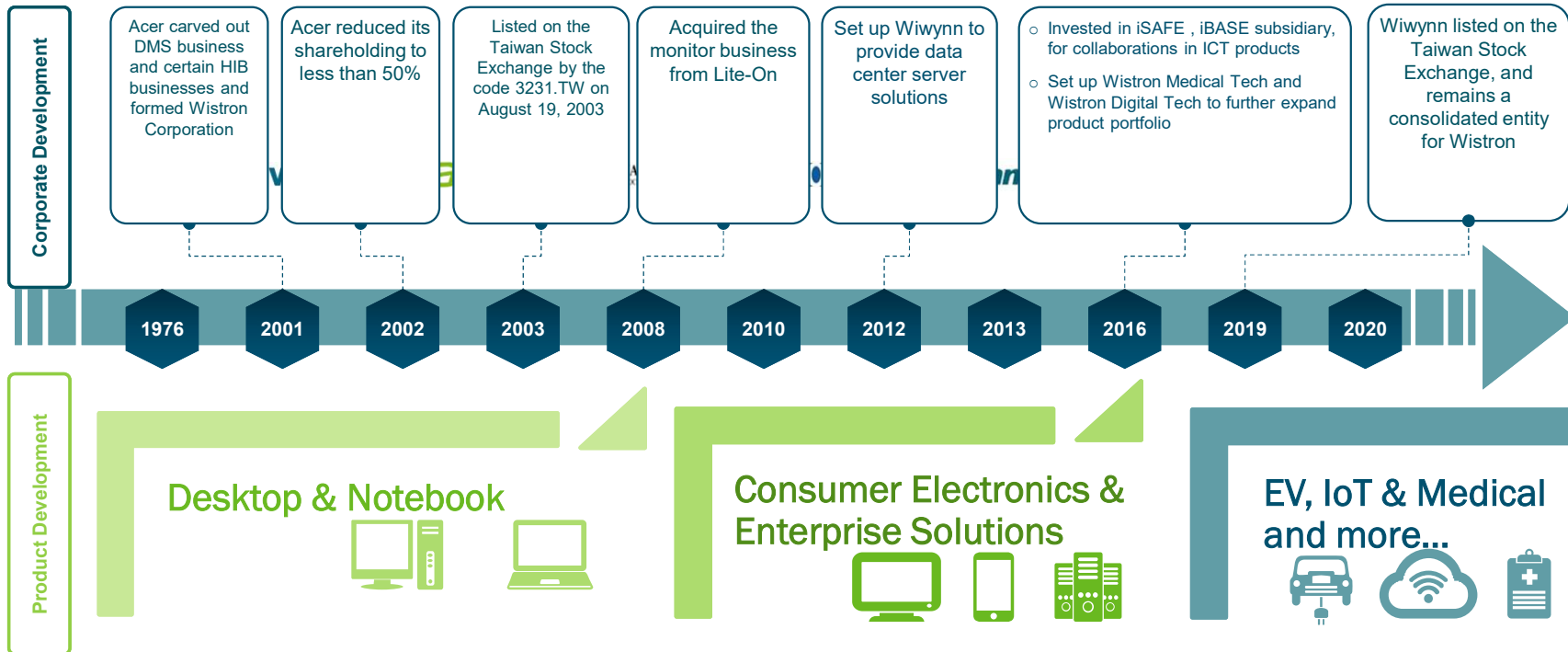
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Corporate Overview

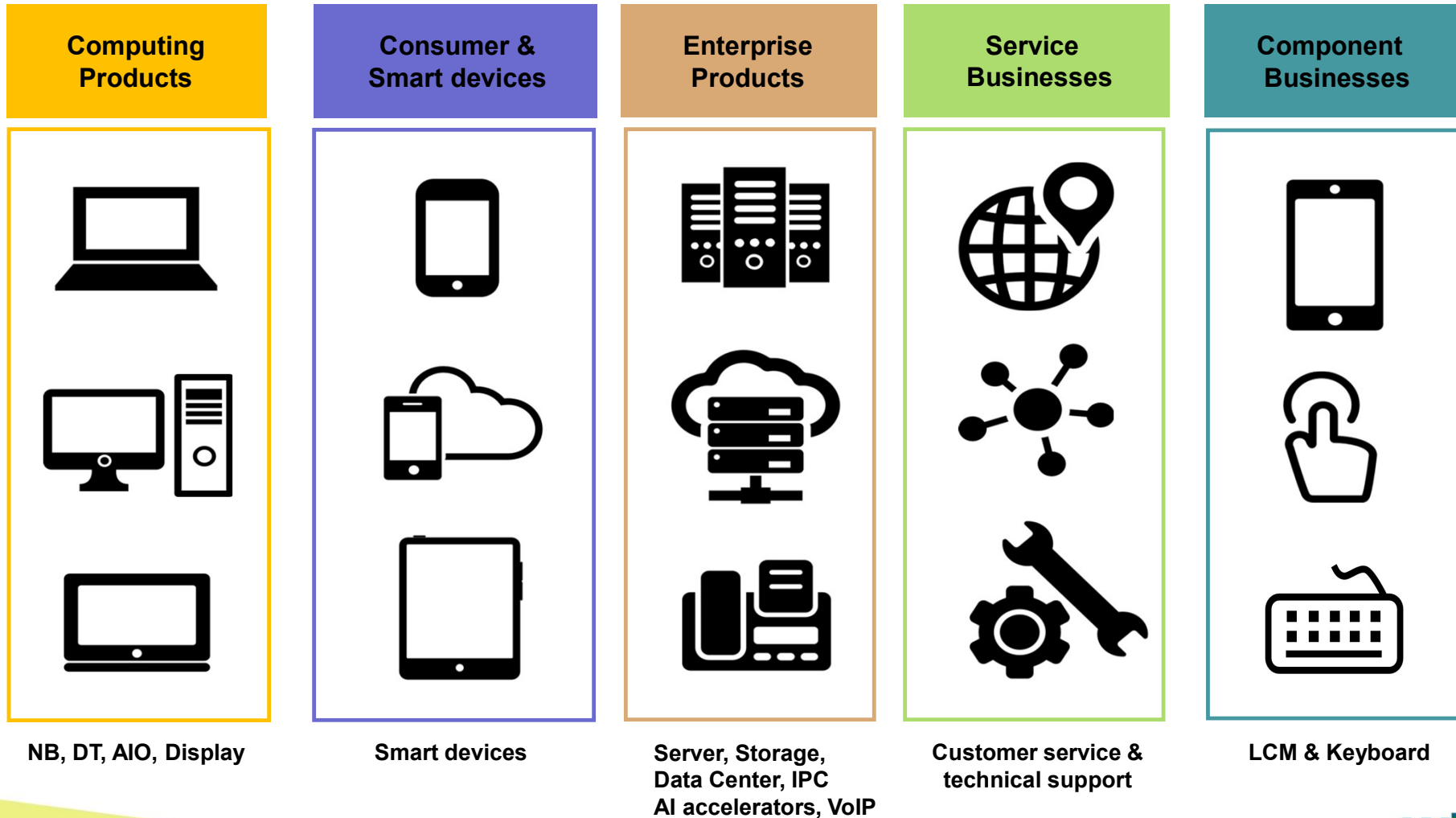


Financial Snapshot

NT\$ B	2016		2017		2018		2019		2020	
Revenue	659.9		836.1		889.5		878.3		845.0	
Gross Profit	31.6	4.8%	31.6	3.8%	37.6	4.2%	42.2	4.8%	46.0	5.4%
Operating Profit	6.0	0.9%	5.9	0.7%	10.8	1.2%	13.3	1.5%	14.4	1.7%
Net Profit	3.0	0.4%	3.9	0.5%	4.9	0.6%	6.8	0.8%	8.6	1.0%



A Technology Powerhouse for ICT Products



Multiple Growth Drivers In Place



Core Business

- Notebook
- Desktop
- Server
- Monitor



Value-added Business

- AI accelerators
- IPC
- Professional Display
- Smart devices
- Components
- Services

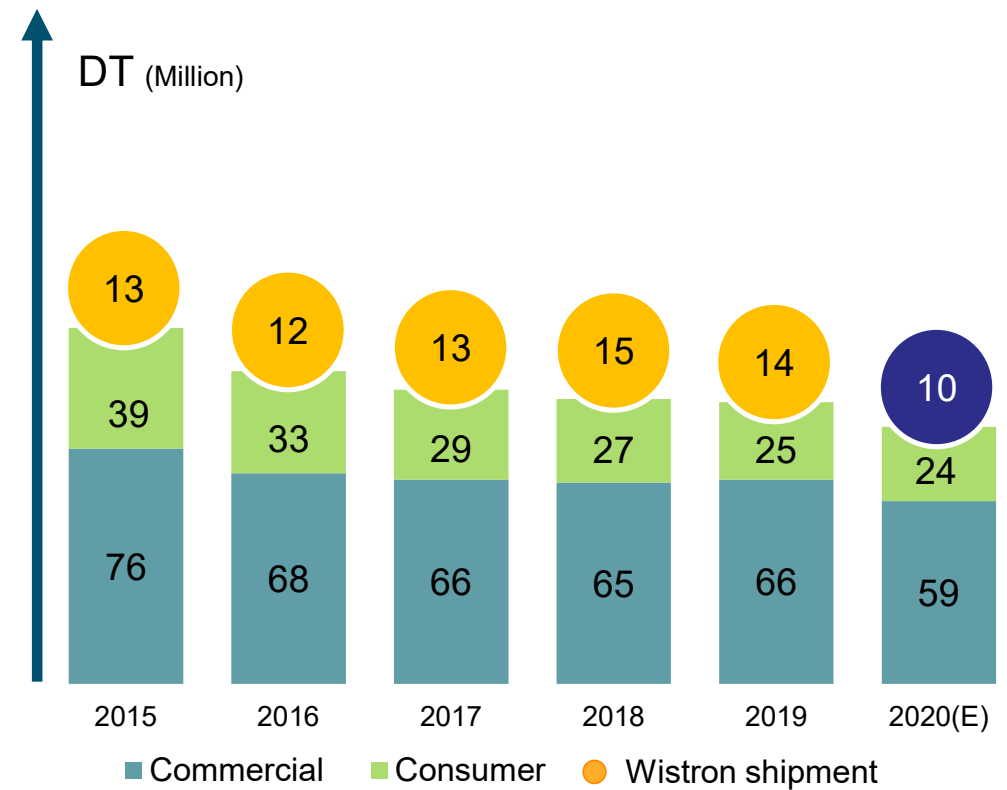
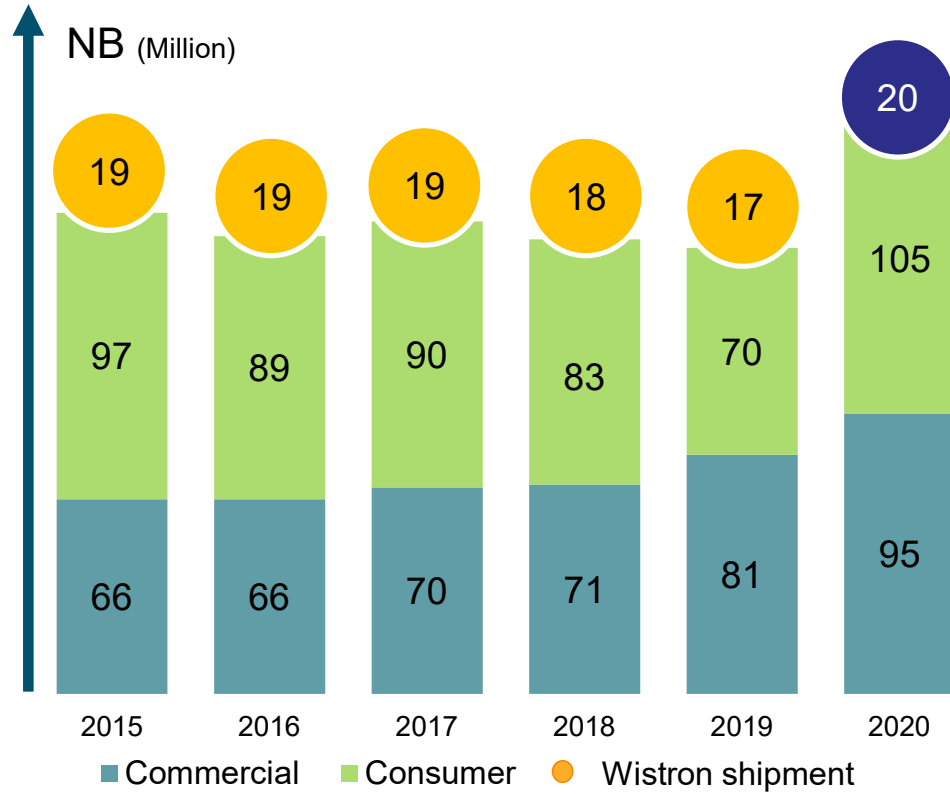


Future Investment

- 5G – Network & Edge
- Cloud Application
- SSD Storage
- Automotive
- Medical

Digital Transformation

Historical PC Demand





End-to-End Solutions Offering One-Stop Shop

Design

- Software
- Industrial design
- Electronic / mechanical engineering

Manufacturing & Logistics

- Assembly services
- Quality management and control services
- Global supply chain management

After-Sales Services

- Managed customer support services
- Project / program planning

Technical Services

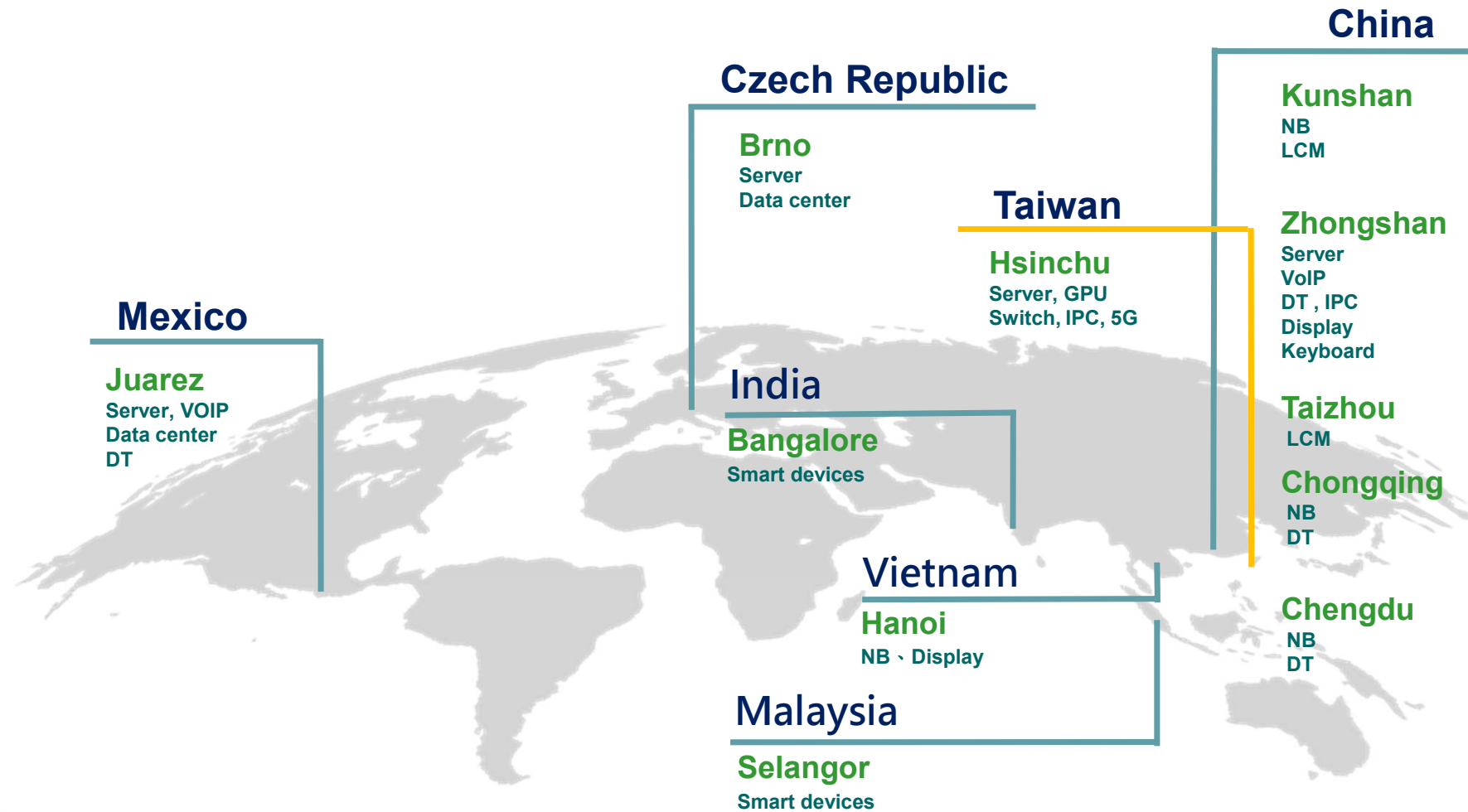
- LCM modules
- Recycling
- Industrial computers
- Enterprise storage



End-to-End Extensive Services from Product Concept to After-Sales Support

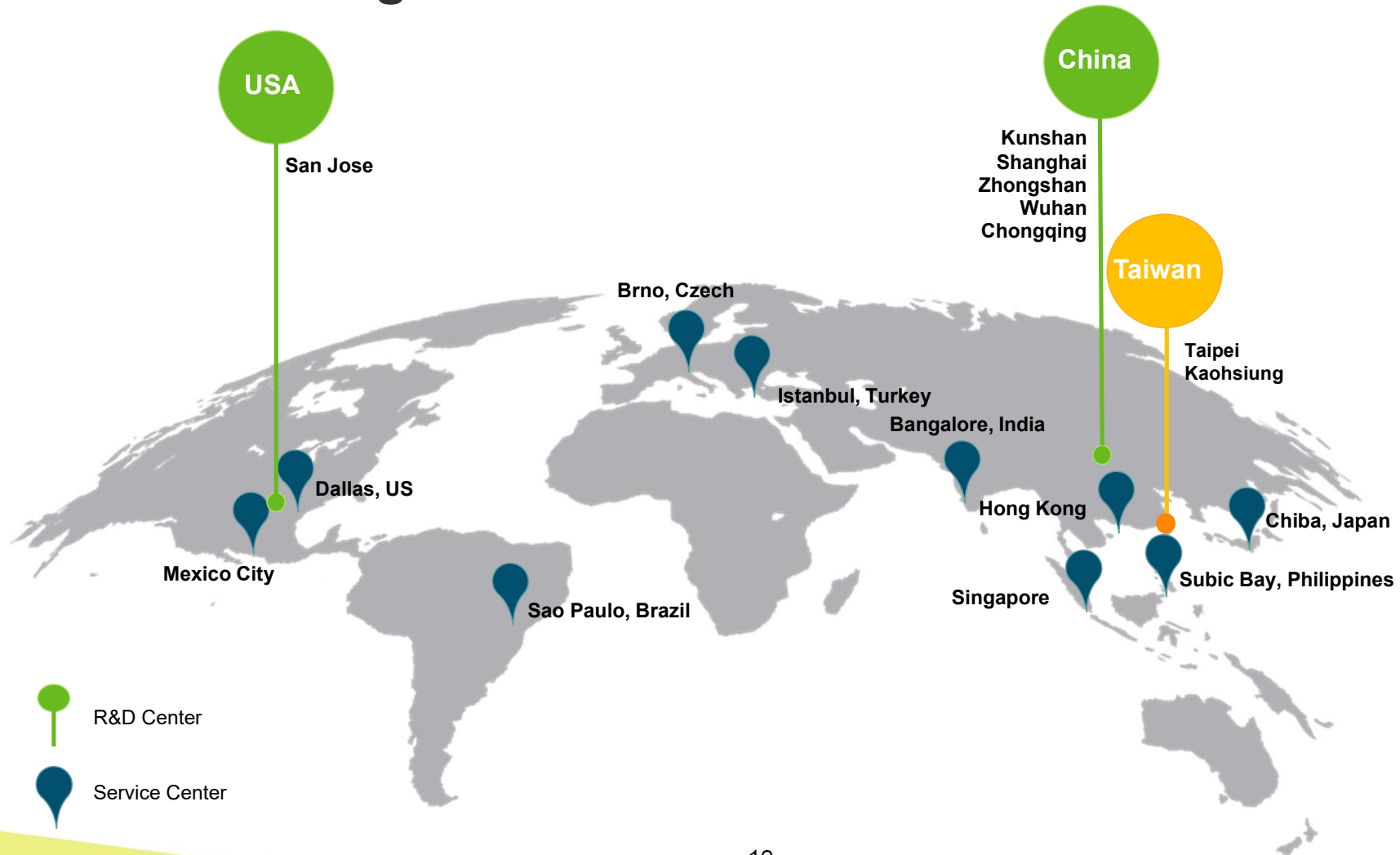


Global Manufacturing Footprint





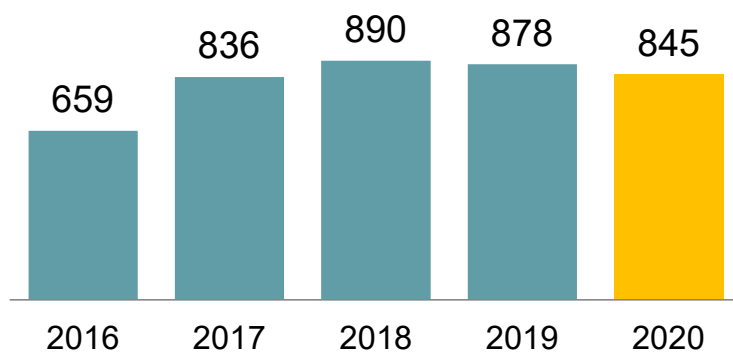
Global Coverage – R&D and Service Centers



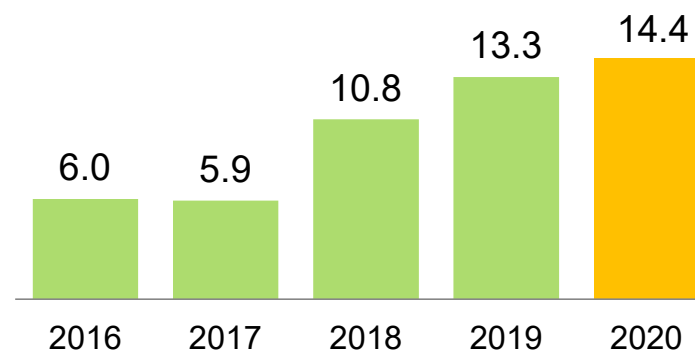


Financial Highlights

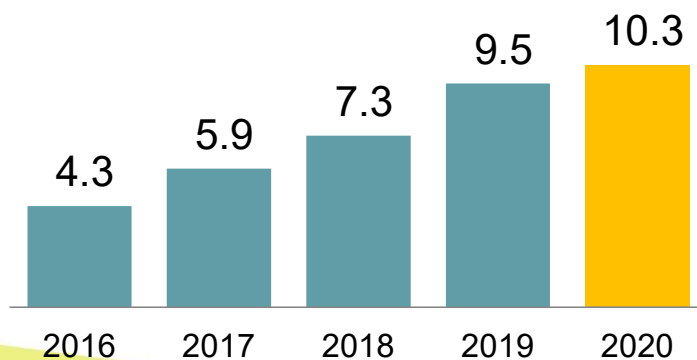
Revenue (NT\$ B)



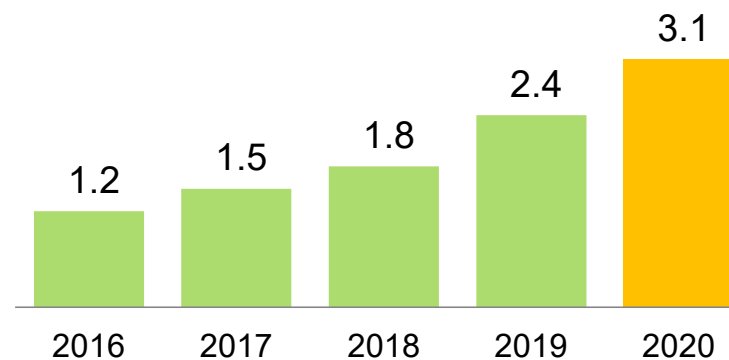
Operating Income (NT\$ B)



ROE (%)



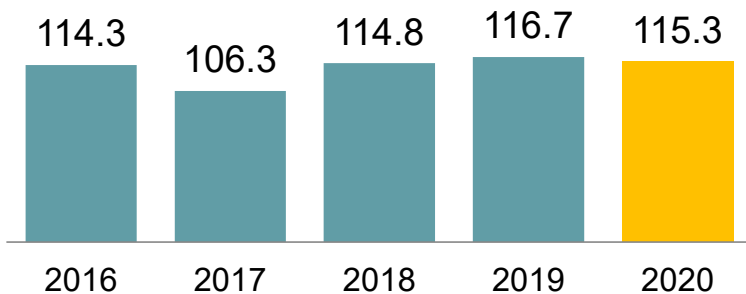
EPS (NT\$)



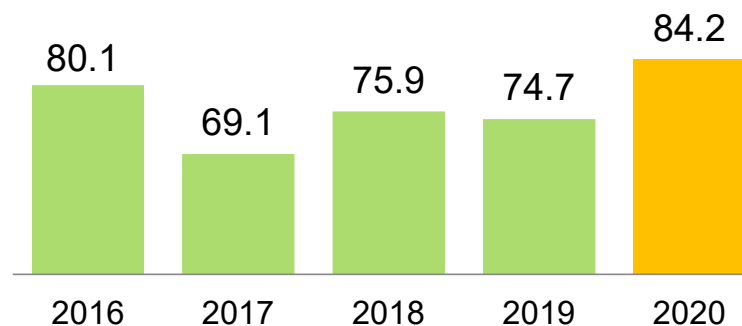


Balance Sheet Management

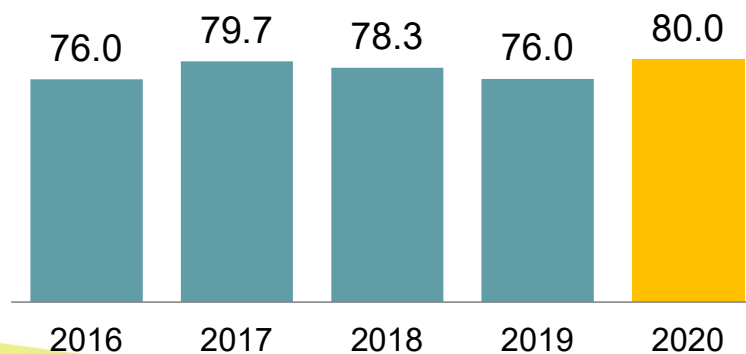
Current Ratio (%)



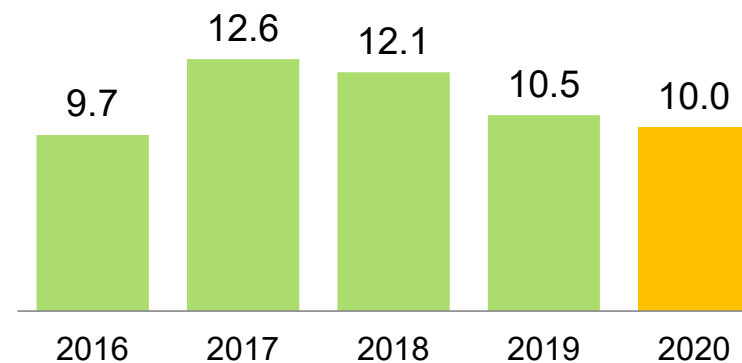
Quick Ratio (%)



Debt Ratio (%)



Equity Turnover





Historical Income Statement

NT\$ M	2017		2018		2019		2020	
Net Revenue	836,081		889,536		878,255		845,012	
Realized gross profit	31,639	3.8%	37,559	4.2%	42,158	4.8%	46,053	5.4%
Operating expenses								
Selling	(8,181)	-1.0%	(9,226)	-1.1%	(9,243)	-1.1%	(8,866)	-1.0%
Administrative	(2,843)	-0.3%	(3,164)	-0.4%	(3,417)	-0.4%	(3,667)	-0.4%
Research and development	(14,701)	-1.8%	(14,404)	-1.7%	(16,198)	-1.8%	(19,049)	-2.3%
Total operating expenses	(25,726)	-3.1%	(26,793)	-3.2%	(28,858)	-3.3%	(31,582)	-3.7%
Operating income	5,914	0.7%	10,766	1.2%	13,300	1.5%	14,471	1.7%
Non-operating income/(expenses)								
Interest income/(expense), net	(1,677)		(3,676)		(2,757)		(460)	
LT investment income/(expense), net	308		409		339		447	
Exchange gain/(loss), net	862		1,386		761		1,230	
Other income/(expense)	752		774		1,133		1,157	
PBT	6,158		9,659		12,776		16,845	
Tax	(1,797)	-29.2%	(2,374)	-24.6%	(3,050)	-23.9%	(3,937)	-23.9%
Minority interest	(476)		(2,377)		(2,925)		(4,226)	
PAT	3,886		4,908		6,801		8,682	
Outstanding shares (M)	2,749		2,842		2,840		2,840	

Source: Company consolidated financials



Income Statement (Q4'20 vs. Q3'20 and Q4'19)

NT\$ M	Q4 2020		Q3 2020		QoQ	Q4 2019		YoY
Net revenue	232,539		217,594		6.87%	250,212		-7.06%
Realized gross profit	13,110	5.64%	11,695	5.37%	12.10%	12,708	5.08%	3.16%
Selling	(2,417)	-1.04%	(2,123)	-0.98%	13.85%	(2,434)	-0.97%	-0.70%
Administrative	(1,121)	-0.48%	(986)	-0.45%	13.69%	(961)	-0.38%	16.65%
Research & development	(5,267)	-2.26%	(4,962)	-2.28%	6.15%	(4,331)	-1.73%	21.61%
Total operating expenses	(8,805)	-3.79%	(8,072)	-3.71%	9.08%	(7,726)	-3.09%	13.97%
Operating Income	4,305	1.85%	3,623	1.67%	18.82%	4,982	1.99%	-13.59%
Non-operating Income/(Expenses)								
Interest income/(expense), net	(184)		(17)			(540)		
LT investment income/(expense), net	114		141			122		
Exchange gain/(loss), net	734		240			(288)		
Other income/(expense)	(182)		1,093			619		
PBT	4,787		5,081		-5.79%	4,895		-2.21%
Tax	(1,115)	-23.29%	(1,195)	-23.52%	-6.69%	(1,112)	-22.72%	0.27%
Minority interest	(1,346)		(1,102)			(945)		
PAT	2,326		2,784		-16.45%	2,838		-18.04%
EPS	0.84		1.00		-16.00%	1.00		-16.00%

Balance Sheets

NT\$M	2020/12/31		2020/09/30		2019/12/31	
Cash & ST Investments	66,204	15%	45,137	12%	47,412	14%
A/R	127,533	30%	119,681	33%	131,884	38%
Inventory	95,054	22%	108,706	30%	85,570	25%
Other current Assets	73,169	17%	24,888	7%	13,882	4%
Total Current Assets	361,960	84%	298,412	82%	278,748	81%
LT equity investments	7,024	2%	6,661	2%	6,727	2%
Property, plant and equipment	36,572	9%	40,265	11%	40,673	12%
Other assets	23,266	5%	20,160	6%	18,028	5%
Total Assets	428,822	100%	365,498	100%	344,176	100%
ST Borrowing	102,040	24%	104,330	29%	57,377	17%
Current Portion of LT Debt	-	0%	10,474	3%	2,407	1%
A/P	114,691	27%	118,172	32%	138,445	40%
Other current liabilities	96,968	23%	45,451	12%	40,700	12%
Total Current Liabilities	313,699	73%	278,427	76%	238,929	69%
LT Debt	20,332	1%	836	0%	15,752	5%
Bonds payable	4,992	1%	-	0%	-	0%
Other liabilities	5,873	1%	5,123	1%	5,594	2%
Total Liabilities	344,896	80%	326,629	89%	260,275	76%
Shareholders' Equity	83,926	20%	81,112	22%	83,901	24%



Cash Flows

NT\$M	2020	2019
Cash* (Beginning of period)	47,412	43,529
Cash flow from Operation		
Consolidated PBT	16,845	12,776
Depreciation & amortization	10,060	10,083
Profit/loss of financial assets & liabilities at fair value	(816)	383
Changes in A/R	1,820	(15,155)
Changes in A/P	(12,407)	634
Changes in inventories	(32,799)	2,562
Others	6,628	7,312
Cash provided by operating activities	(10,669)	18,595
Cash flow from Investment		
Capex	(11,139)	(7,557)
Others	(5,140)	(1,217)
Cash provided by investing activities	(16,279)	(8,774)
Cash flow from Finance		
Increase (decrease) in ST borrowings	54,389	(2,630)
Bonds	4,992	0
LT debt	2,877	(1,773)
Payment on cash dividends	(5,681)	(4,227)
Treasury stock buy-back	(1,607)	
Treasury stock transferred to employees	-	448
Change in non-controlling interests	(1,934)	3,878
Others	(2,013)	(778)
Cash provided by financing activities	51,023	(5,082)
Effect of exchange rate change & subsidiaries consolidated	(1,940)	(856)
Cash (End of period)	69,546	47,412

* Capex = Acquisition to property, plant and equipments + Addition to equity-accounted investees
+ Acquisition of financial assets at fair value through other comprehensive income



Dividend History

	2016	2017	2018	2019	2020
Cash (NT\$)	1.2	1.2	1.5	2.0	2.2
Stock (NT\$)	0.3	0.3	-	-	-
EPS (NT\$)	1.20	1.48	1.76	2.40	3.10
Cash Dividend Payout (%)	100%	81%	85%	83%	71%
Total Dividend Payout (%)	125%	101%	85%	83%	71%