

Wistron Corporation

Investor Presentation



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Corporate Overview

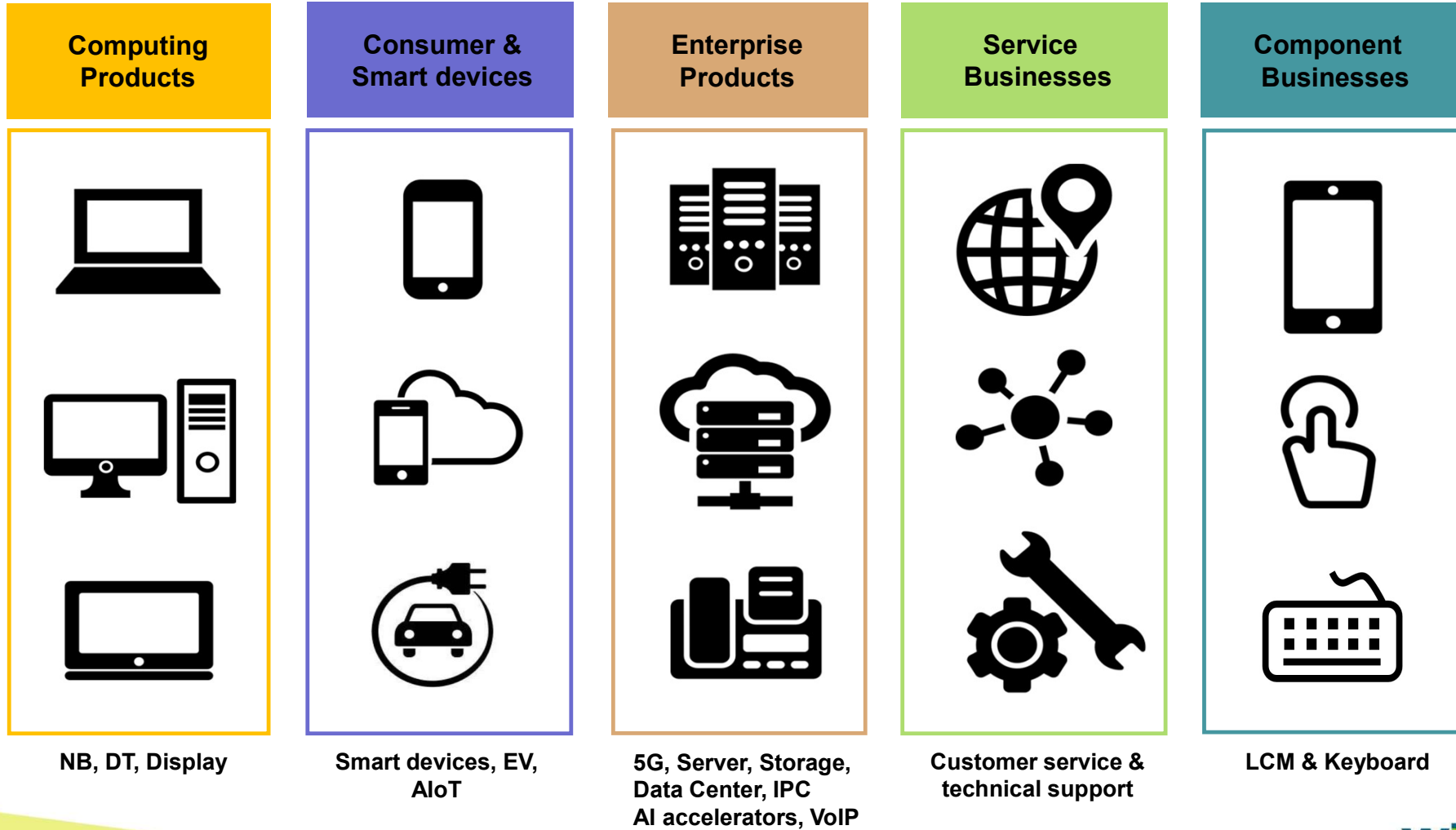


Financial Snapshot

NT\$ B	2016		2017		2018		2019		2020		2021'1H	
Revenue	659.9		836.1		889.5		878.3		845.0		378.2	
Gross Profit	31.6	4.8%	31.6	3.8%	37.6	4.2%	42.2	4.8%	46.0	5.4%	22.6	6.0%
Operating Profit	6.0	0.9%	5.9	0.7%	10.8	1.2%	13.3	1.5%	14.4	1.7%	6.4	1.7%
Net Profit	3.0	0.4%	3.9	0.5%	4.9	0.6%	6.8	0.8%	8.6	1.0%	4.3	1.1%



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

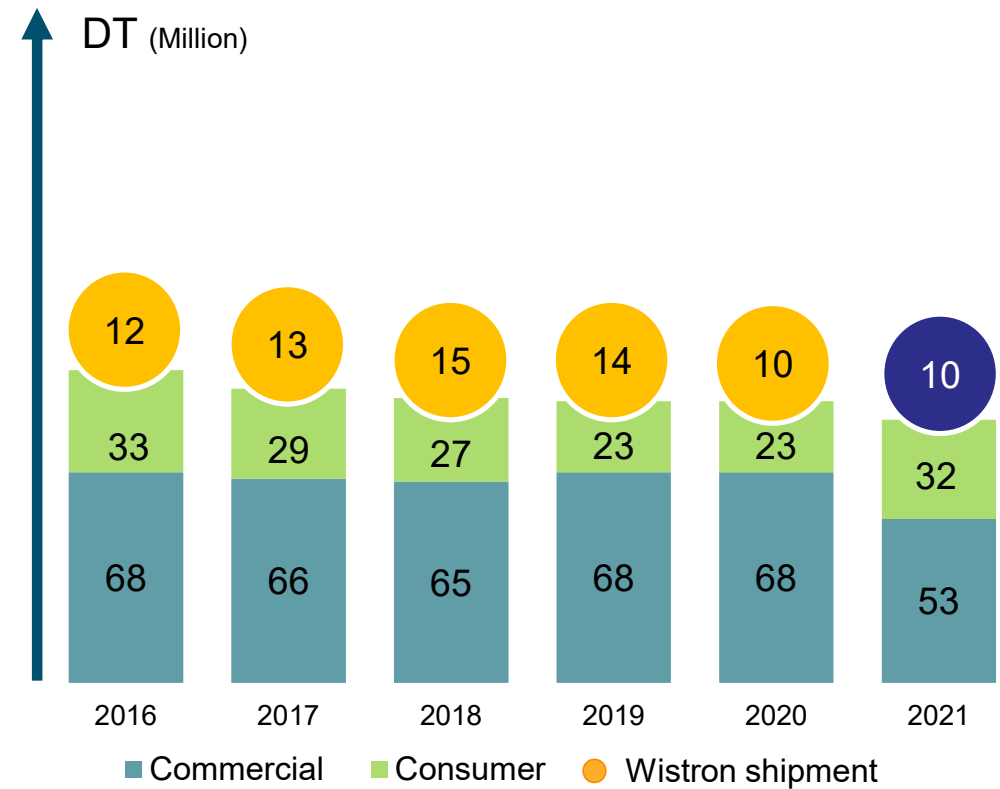
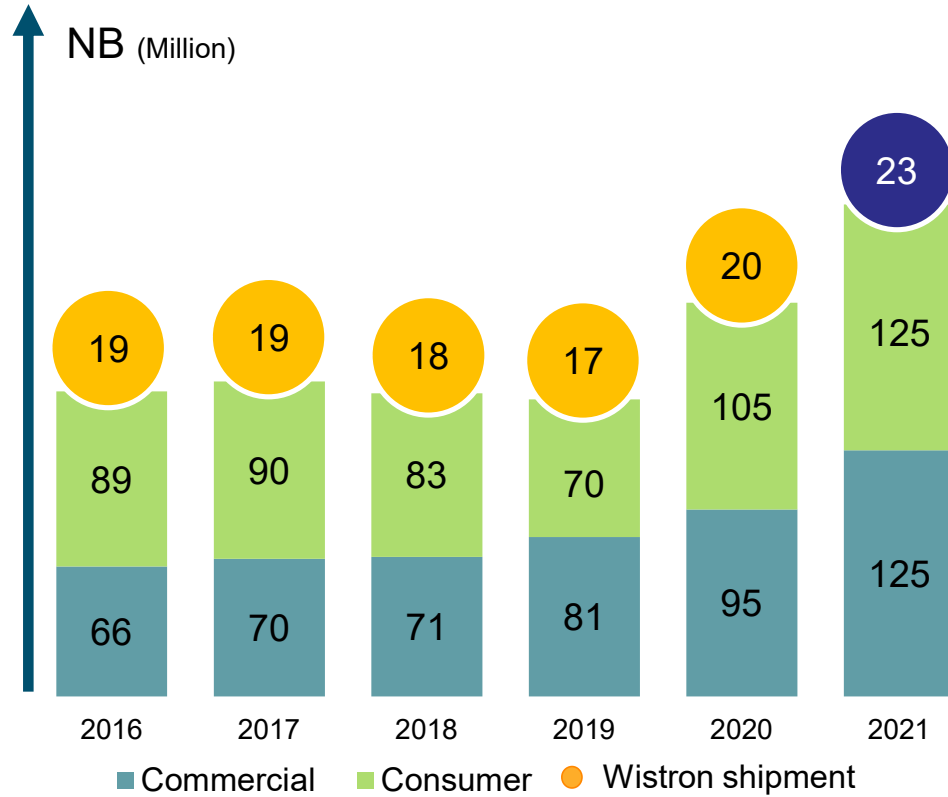


Future Investment

- 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

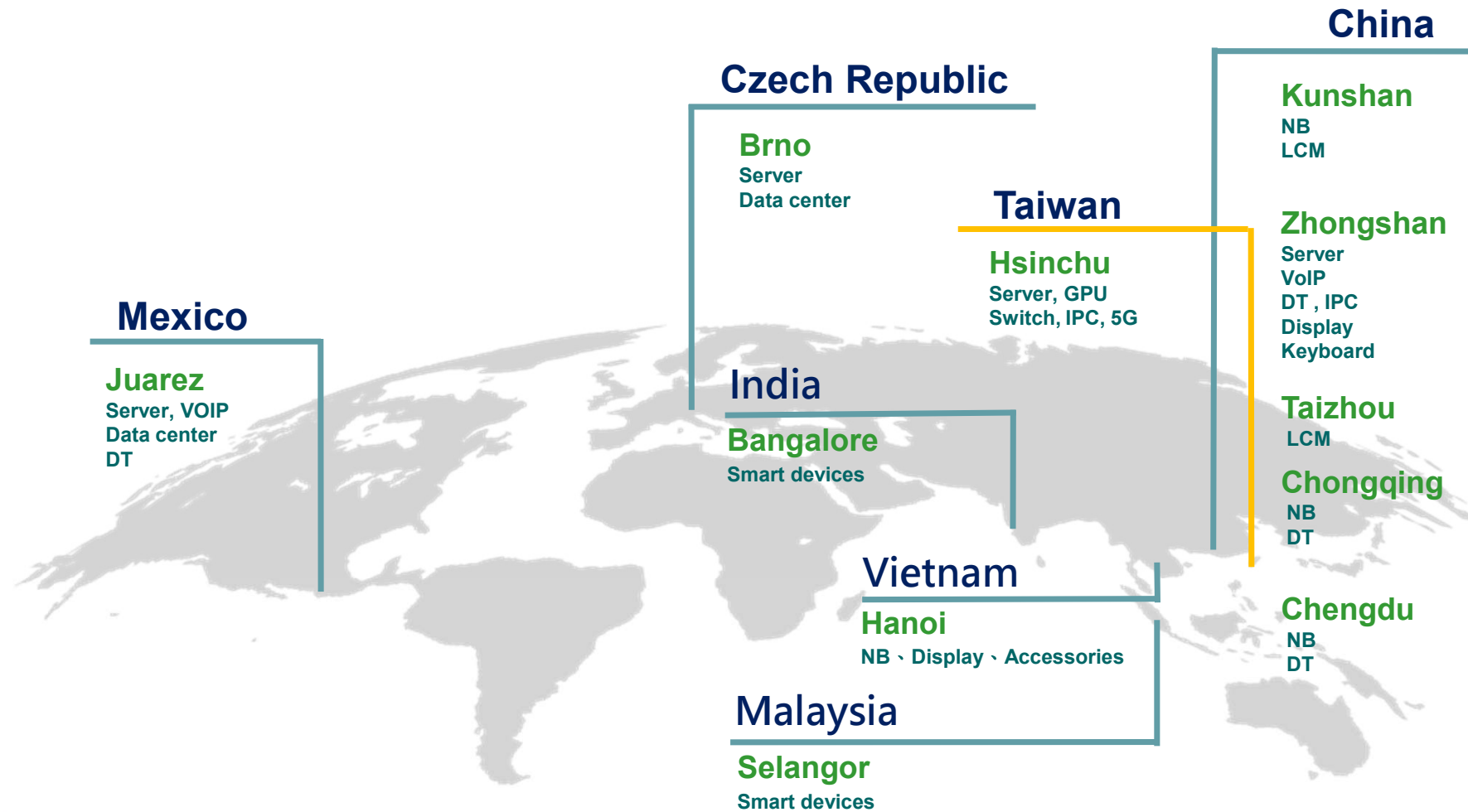
- LCM modules
- Recycling
- Industrial computers
- Enterprise storage



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



Global Manufacturing Footprint



Global Coverage – R&D and Service Centers



Think Great · Act Smart



Wistron Group Companies



wistron

**Wistron
Corporation**

Industry-leading provider of
ICT products, services and
systems



**Wiwynn
Corporation**

The best solution provider
for customer in cloud
services business

wistron
Wistron ITS

**Wistron Information
Technology & Services
Corporation**

A leader in contract
software development

WNC
Wistron NeWeb Corp.

**Wistron NeWeb
Corporation**

Industry-leading provider of
broadband communications, IoT,
and automotive products

ESG Commitment (Environment, Social, and Governance)

2017
~ 2020

MSCI ESG Ratings: AA
“Wistron is a leader in the technology hardware, storage and peripherals industry.”
– MSCI

Corporate Governance Evaluation:
Top 5% of TPEx-listed companies
– Taiwan Stock Exchange

2019
~ 2021

2010
~ 2020

Bronze Award of Taiwan Corporate Sustainability Report
– Taiwan Corporate Sustainability Committee

2019
~ 2020

Top 50 in Large Enterprises’
“Excellence in Corporate Social Responsibility”
– CommonWealth Magazine

“Best Enterprise Culture”
– National Arts & Business Award

2013

2011

“Outstanding Disclosure Award for Listed Companies’
Corporate Sustainability and Social Responsibility Reports”
– Taiwan Stock Exchange corporation(TWSE)

2010
~ 2015

“CSR Top 65”
– Global Views Monthly Magazine

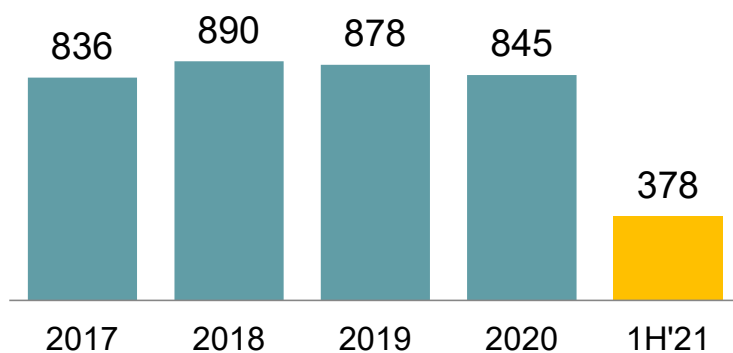
2010

“Best Overall Corporate Governance in Taiwan”
– Asia Money

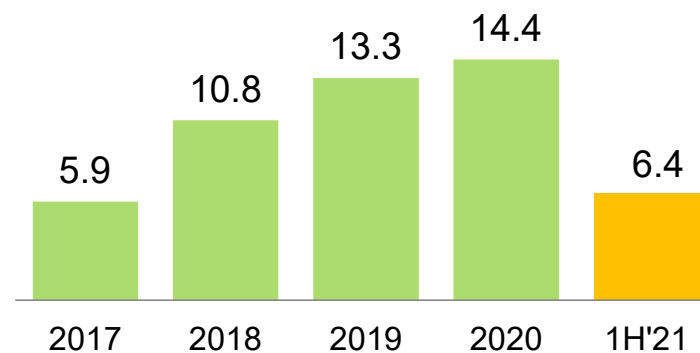


Financial Highlights

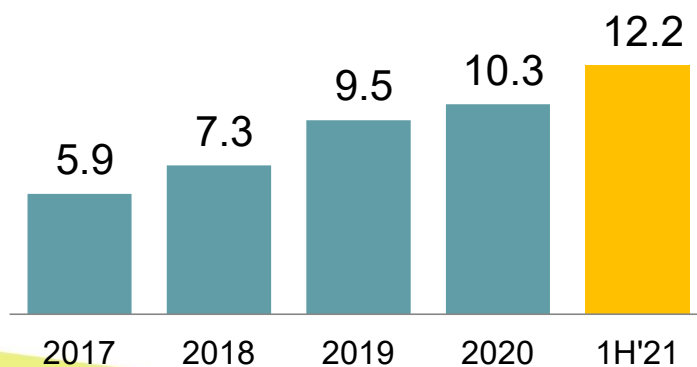
Revenue (NT\$ B)



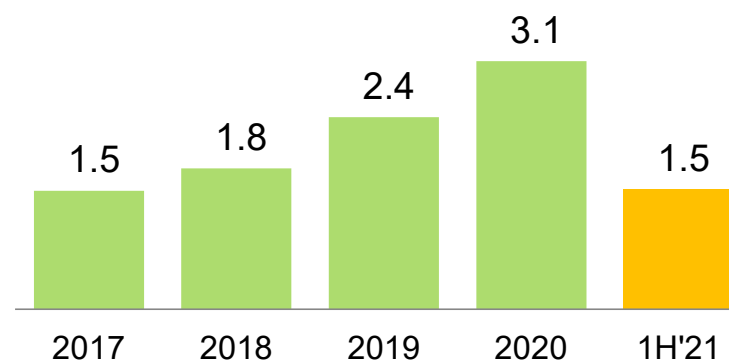
Operating Income (NT\$ B)



ROE (%)



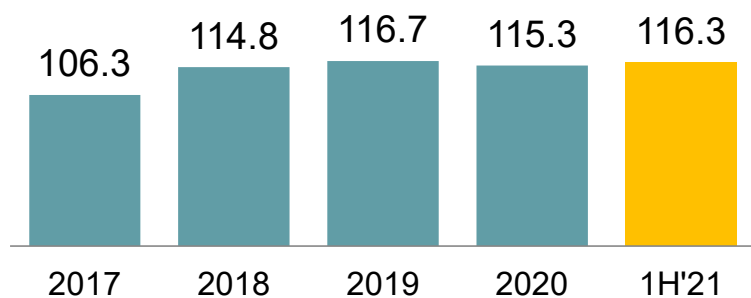
EPS (NT\$)



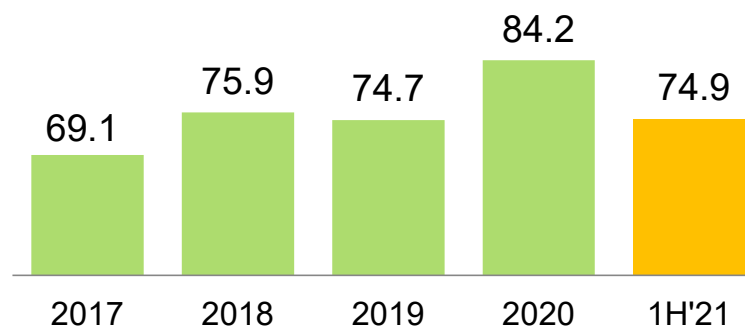


Balance Sheet Management

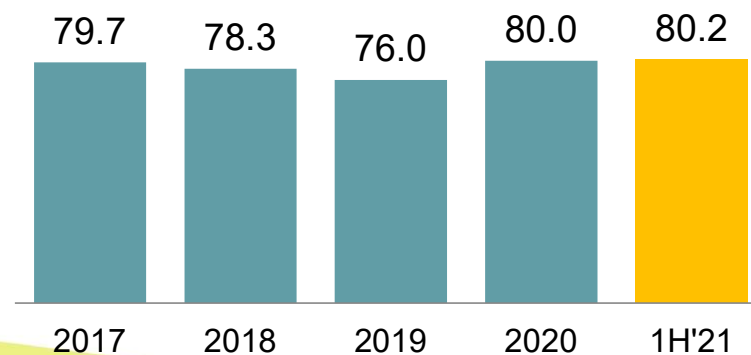
Current Ratio (%)



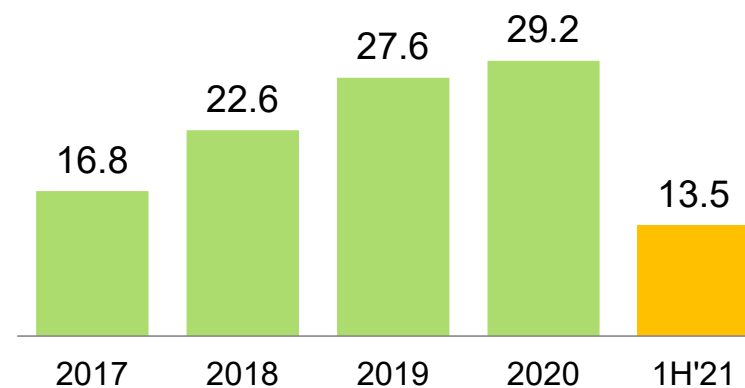
Quick Ratio (%)



Debt Ratio (%)



EBITDA (NTD\$ B)





Historical Income Statement

NT\$ M	2020		2019		2018		2017	
Net Revenue	845,012		878,255		889,536		836,081	
Realized gross profit	46,053	5.4%	42,158	4.8%	37,559	4.2%	31,639	3.8%
Operating expenses								
Selling	(8,866)	-1.0%	(9,243)	-1.1%	(9,226)	-1.1%	(8,181)	-1.0%
Administrative	(3,667)	-0.4%	(3,417)	-0.4%	(3,164)	-0.4%	(2,843)	-0.3%
Research and development	(19,049)	-2.3%	(16,198)	-1.8%	(14,404)	-1.7%	(14,701)	-1.8%
Total operating expenses	(31,582)	-3.7%	(28,858)	-3.3%	(26,793)	-3.2%	(25,726)	-3.1%
Operating income	14,471	1.7%	13,300	1.5%	10,766	1.2%	5,914	0.7%
Non-operating income/(expenses)								
Interest income/(expense), net	(460)		(2,757)		(3,676)		(1,677)	
LT investment income/(expense), net	447		339		409		308	
Exchange gain/(loss), net	1,230		761		1,386		862	
Other income/(expense)	1,157		1,133		774		752	
PBT	16,845		12,776		9,659		6,158	
Tax	(3,937)	-23.4%	(3,050)	-23.9%	(2,374)	-24.6%	(1,797)	-29.2%
Minority interest	(4,226)		(2,925)		(2,377)		(476)	
PAT	8,682		6,801		4,908		3,886	
Outstanding shares (M)	2,840		2,840		2,842		2,749	

Source: Company consolidated financials

Income Statement (1H'21 vs. 1H'20)

NT\$ M	1H 2021		1H 2020		YoY
Net revenue	378,238		394,879		-4.2%
Realized gross profit	22,662	5.99%	21,248	5.38%	6.7%
Selling	(4,393)	-1.16%	(4,326)	-1.10%	1.5%
Administrative	(2,150)	-0.57%	(1,560)	-0.40%	37.8%
Research & development	(9,700)	-2.56%	(8,820)	-2.23%	10.0%
Total operating expenses	(16,243)	-4.29%	(14,706)	-3.72%	10.5%
Operating Income	6,419	1.70%	6,542	1.66%	-1.9%
Non-operating Income/(Expenses)					
Interest income/(expense), net	(59)		(260)		
LT investment income/(expense), net	28		192		
Exchange gain/(loss), net	695		256		
Other income/(expense)	1,036		248		
PBT	8,119		6,978		16.4%
Tax	(1,888)	-23.25%	(1,627)	-23.32%	16.0%
Minority interest	(1,966)		(1,779)		
PAT	4,264		3,572		19.4%
EPS	1.53		1.27		20.5%



Income Statement (Q2'21 vs. Q1'21 and Q4'20)

NT\$ M	Q2 2021		Q1 2021		QoQ	Q2 2020		YoY
Net revenue	200,879		177,359		13.26%	221,107		-9.15%
Realized gross profit	12,112	6.03%	10,550	5.95%	14.81%	12,656	5.72%	-4.30%
Selling	(2,286)	-1.14%	(2,107)	-1.19%	8.50%	(2,382)	-1.08%	-4.03%
Administrative	(1,164)	-0.58%	(985)	-0.56%	18.17%	(863)	-0.39%	34.88%
Research & development	(5,320)	-2.65%	(4,380)	-2.47%	21.46%	(4,768)	-2.16%	11.58%
Total operating expenses	(8,770)	-4.37%	(7,472)	-4.21%	17.37%	(8,014)	-3.62%	9.43%
Operating Income	3,341	1.66%	3,077	1.73%	8.58%	4,642	2.10%	-28.03%
Non-operating Income/(Expenses)								
Interest income/(expense), net	(38)		(21)			73		
LT investment income/(expense),	(54)		83			150		
Exchange gain/(loss), net	470		225			180		
Other income/(expense)	3,159		(2,124)			50		
PBT	6,878		1,240		454.68%	5,096		34.97%
Tax	(1,598)	-23.23%	(291)	-23.47%	449.14%	(1,188)	-23.31%	34.51%
Minority interest	(1,129)		(837)			(1,062)		
PAT	4,151		113		3573.45%	2,845		45.91%
EPS	1.49		0.04		3625.00%	1.01		47.52%



Balance Sheets

NT\$M	2021/06/30		2021/3/31		2020/06/30	
Cash & ST Investments	51,908	13%	59,275	15%	47,256	13%
A/R	140,524	35%	119,794	31%	120,406	34%
Inventory	114,555	28%	111,483	29%	105,022	30%
Other current Assets	26,202	6%	23,804	6%	11,936	3%
Total Current Assets	333,189	83%	314,356	82%	284,620	81%
LT equity investments	7,082	2%	7,440	2%	6,581	2%
Property, plant and equipment	38,284	9%	37,373	10%	39,895	11%
Other assets	24,947	6%	24,678	6%	19,100	5%
Total Assets	403,502	100%	383,847	100%	350,196	100%
ST Borrowing	107,980	27%	110,409	29%	80,153	23%
Current Portion of LT Debt	1,226	0%	1,255	0%	10,800	3%
A/P	117,530	29%	114,064	30%	122,807	35%
Other current liabilities	59,732	15%	45,273	12%	50,774	14%
Total Current Liabilities	286,468	71%	271,001	71%	264,534	76%
LT Debt	26,474	1%	16,893	4%	1,164	0%
Bonds payable	4,992	1%	4,992	1%		0%
Other liabilities	5,744	1%	5,910	2%	5,237	1%
Total Liabilities	323,678	80%	298,796	78%	270,935	77%
Shareholders' Equity	79,824	20%	85,051	22%	79,261	23%



Cash Flows

NT\$M	2021 1H	2020 1H
Cash* (Beginning of period)	66,204	47,411
Cash flow from Operation		
Consolidated PBT	8,119	6,978
Depreciation & amortization	4,480	4,997
Profit/loss of financial assets & liabilities at fair value	2,579	59
Changes in A/R	(14,692)	11,031
Changes in A/P	4,589	(14,414)
Changes in inventories	(21,348)	(20,924)
Others	(3,927)	3,190
Cash provided by operating activities	(20,200)	(9,083)
Cash flow from Investment		
Capex	(5,955)	(4,053)
Others	(1,710)	(1,013)
Cash provided by investing activities	(7,665)	(5,066)
Cash flow from Finance		
Increase (decrease) in ST borrowings	8,082	24,119
LT debt	7,873	(6,010)
Treasury stock buy-back	-	(1,607)
Change in non-controlling interests	286	3
Others	(290)	(854)
Cash provided by financing activities	15,876	15,652
Effect of exchange rate change & subsidiaries consolidated	(2,306)	(1,658)
Cash (End of period)	51,908	47,256

* 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%