

Wistron Corporation

Investor Presentation



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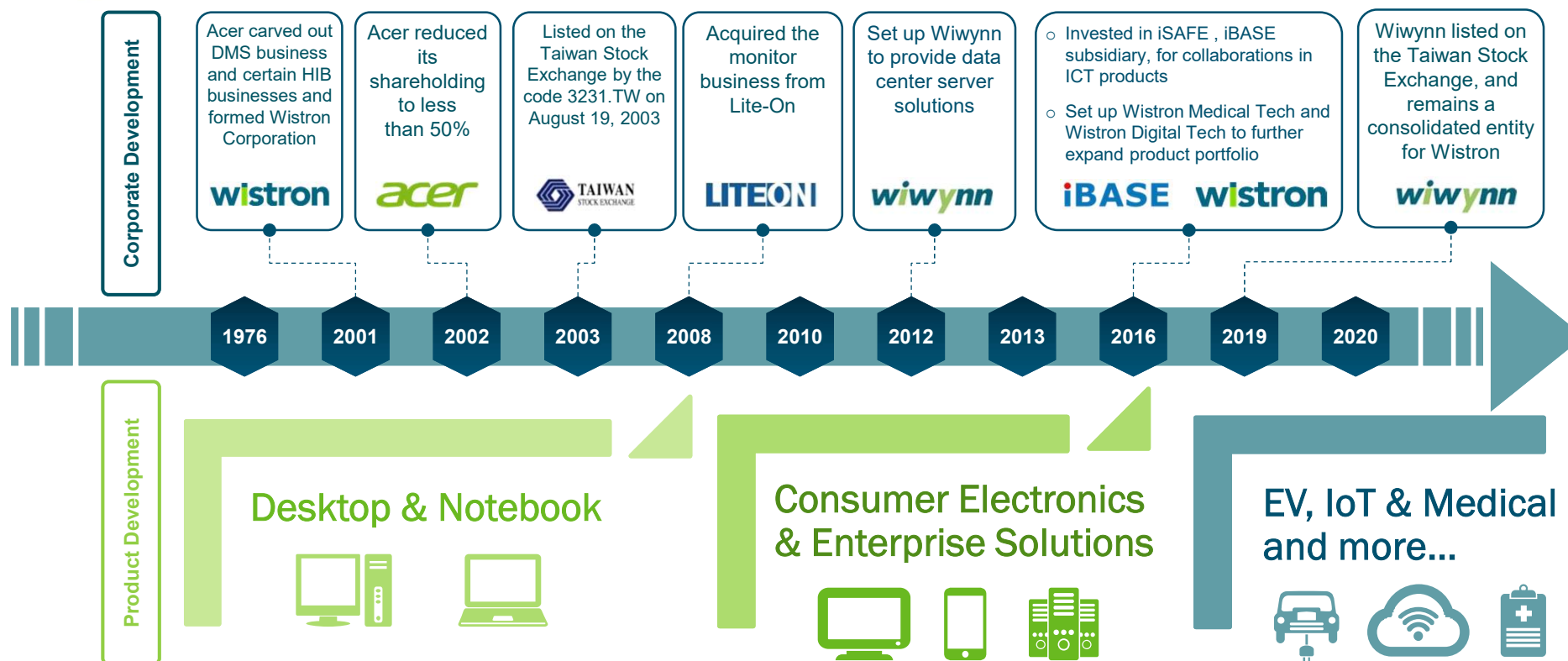
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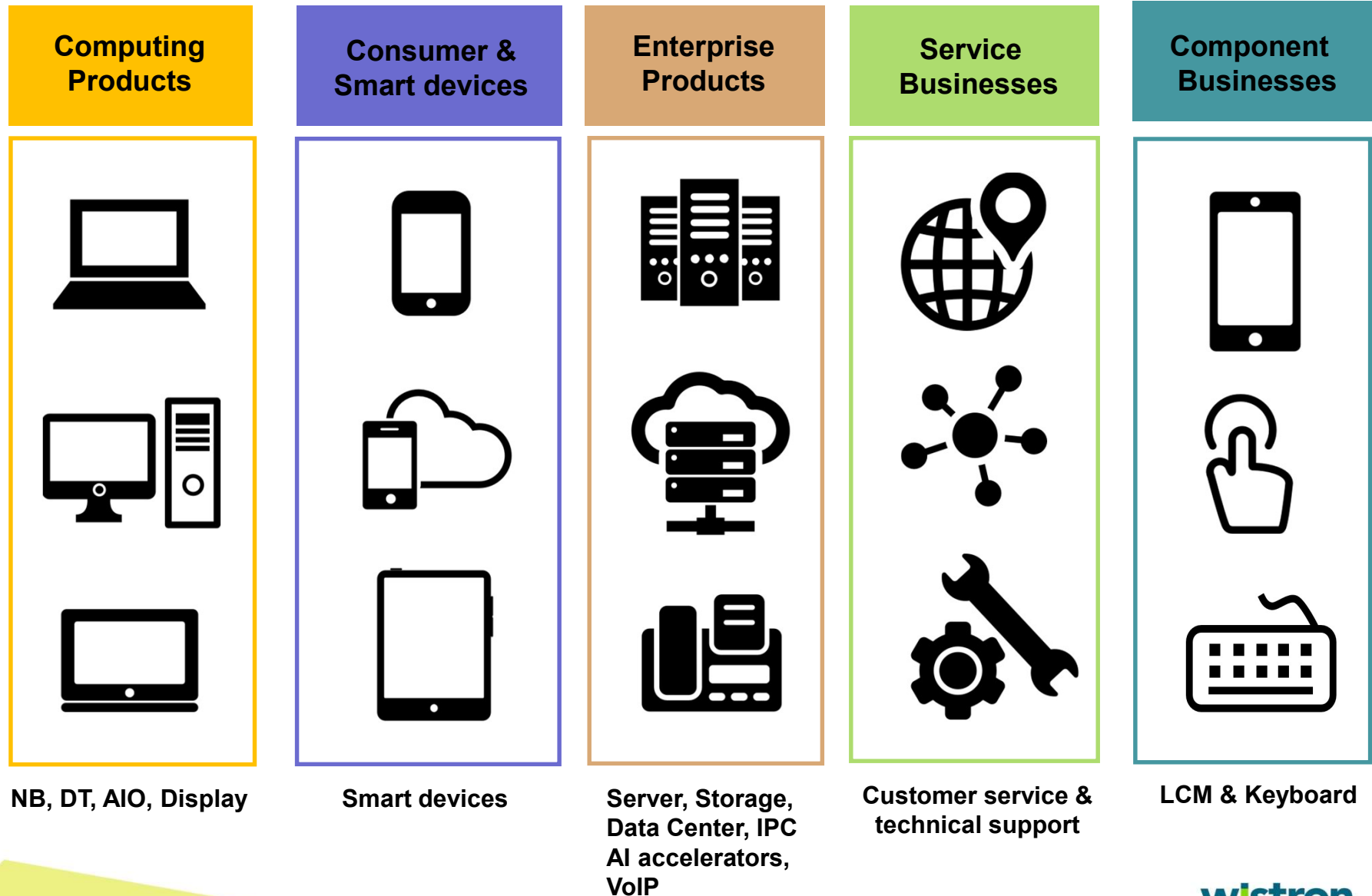
Corporate Overview



Financial Snapshot

NT\$ B	2015	2016	2017	2018	2019
Revenue	623.3	659.9	836.1	889.5	878.3
Gross Profit	29.4 4.7%	31.6 4.8%	31.6 3.8%	37.6 4.2%	42.2 4.8%
Operating Profit	2.4 0.4%	6.0 0.9%	5.9 0.7%	10.8 1.2%	13.3 1.5%
Net Profit	1.3 0.2%	3.0 0.4%	3.9 0.5%	4.9 0.6%	6.8 0.8%

An “Industrial Brand Name” for ICT Products



Multiple Growth Drivers In Place



Core Business

- Notebook
- Desktop



Growth Business

- Server
- AI accelerators
- IPC
- Display
- Smart devices
- Components
- After Sales Services

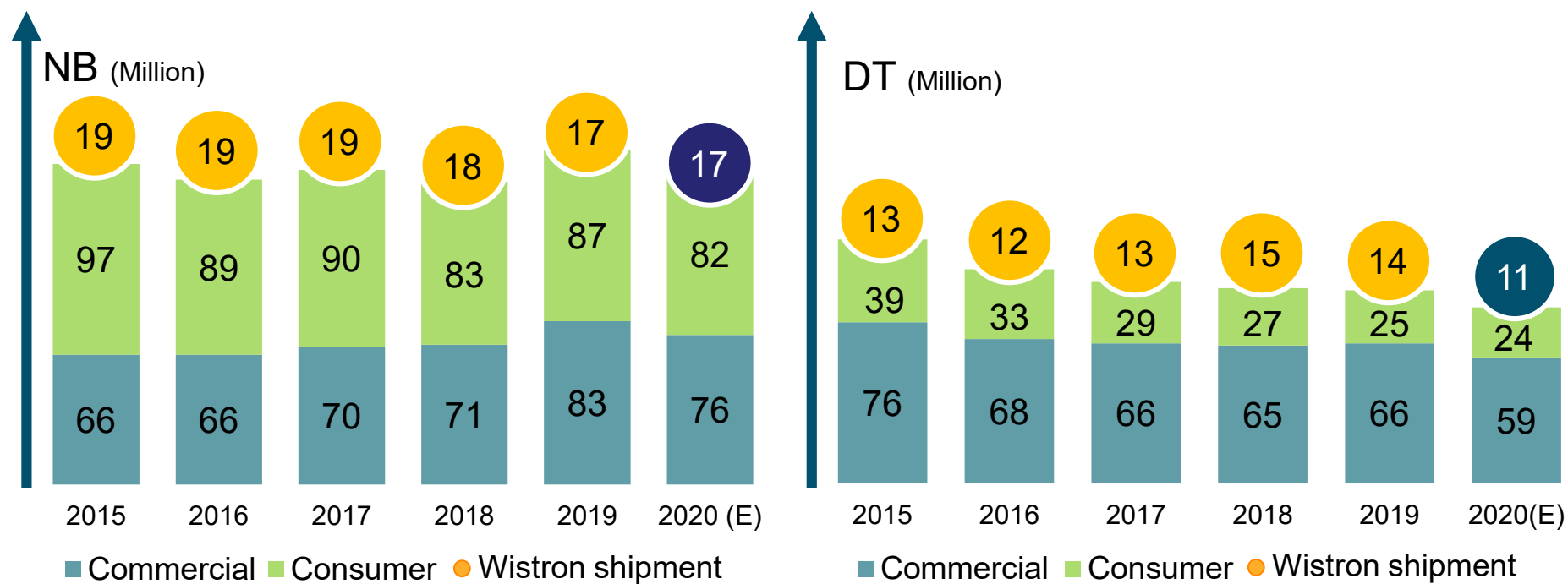


Future Investment

- 5G – Network & Edge
- SSD Storage
- Automotive Devices
- Medical

Digital Transformation

PC Demand Stabilized





End-to-End Solutions Offering One-Stop Shop

Design

- Software
- Industrial design
- Electronic / mechanical engineering

After-Sales Services

- Managed customer support services
 - Project / program planning

Manufacturing & Logistics

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

Technical Services

- LCM modules
- Recycling
- Industrial computers
- Enterprise storage

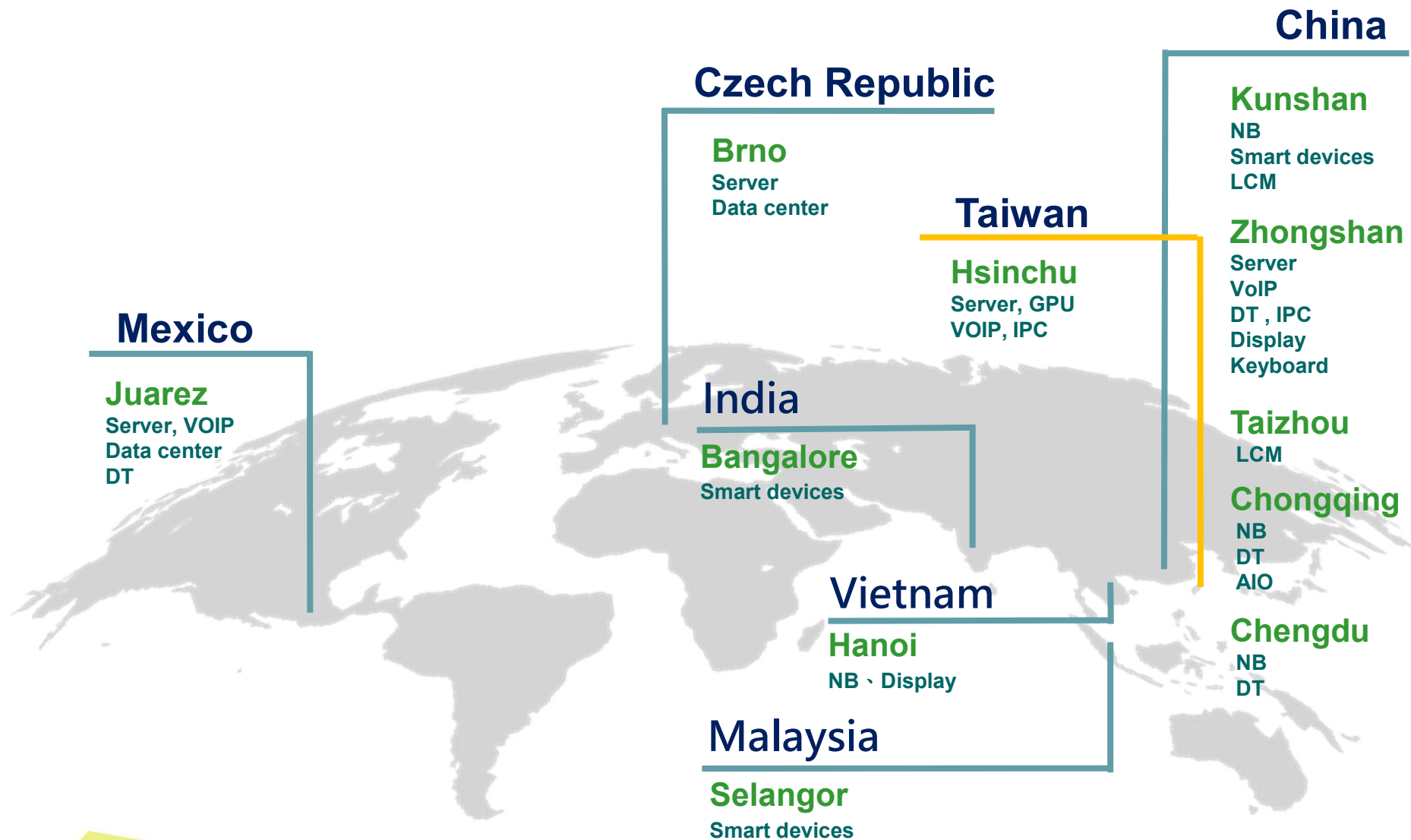


End-to-End Extensive Services from Product Concept to After-Sales Support





Global Manufacturing Footprint

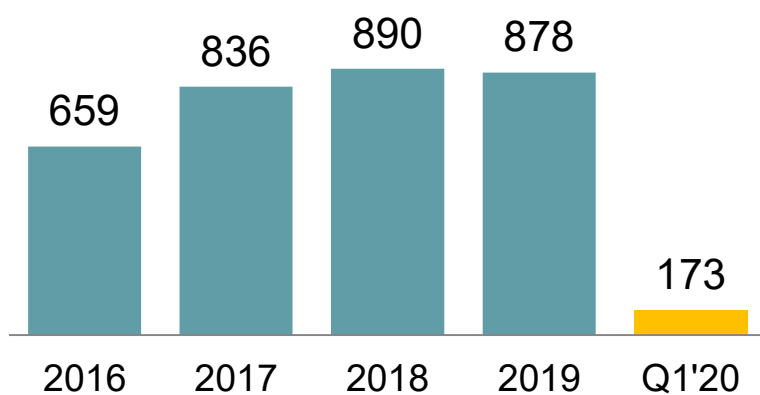


Global Coverage – R&D and Service Centers

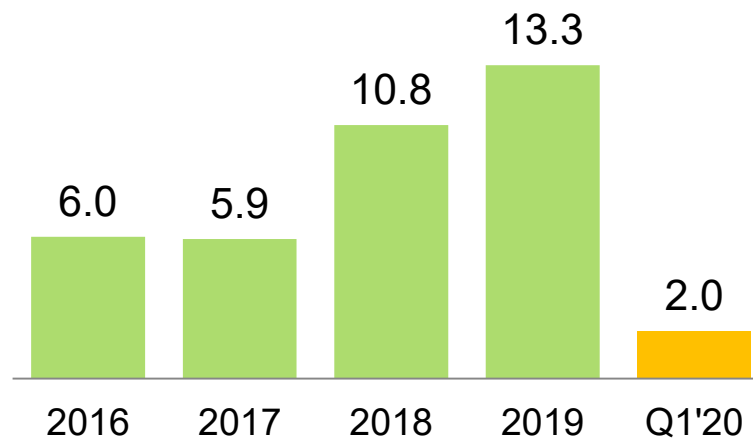


Financial Highlights

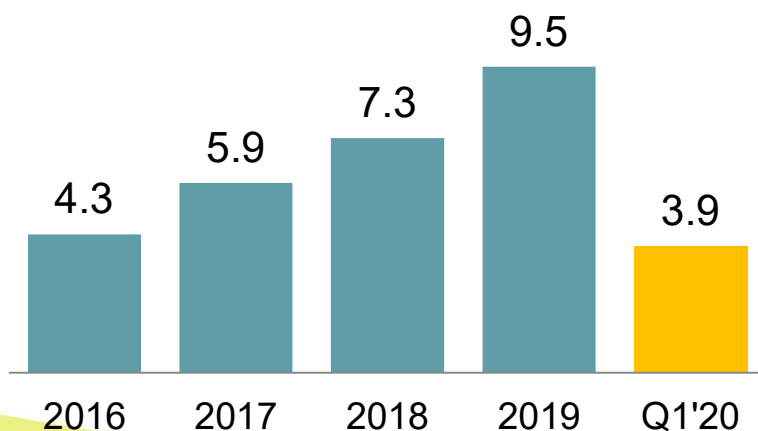
Revenue (NT\$ B)



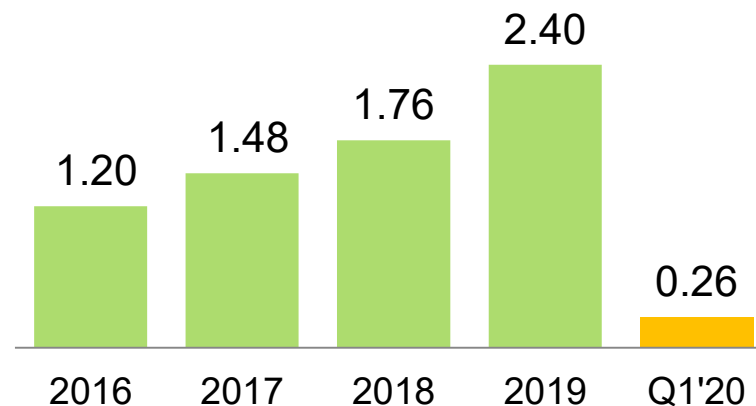
Operating Income (NT\$ B)



ROE (%)



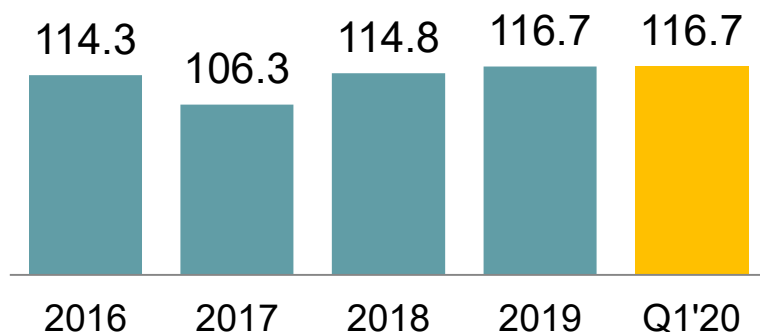
EPS (NT\$)



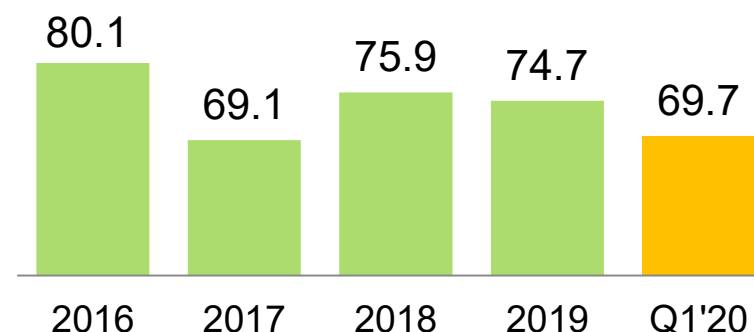


Balance Sheet Management

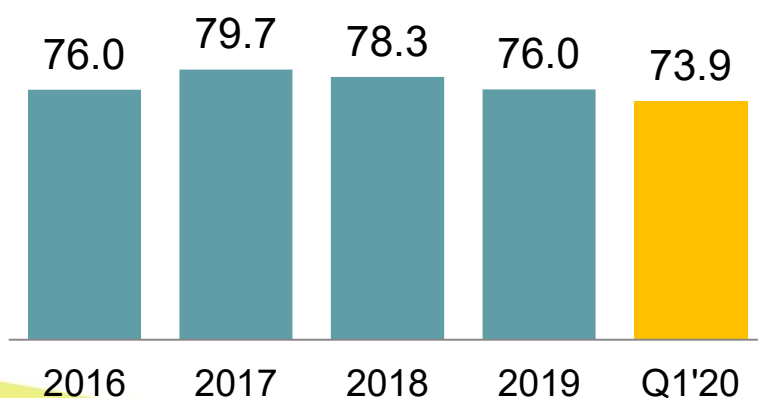
Current Ratio (%)



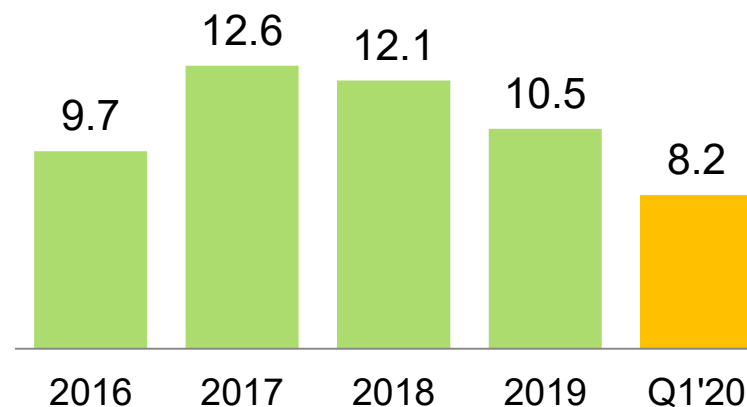
Quick Ratio (%)



Debt Ratio (%)



Equity Turnover





Dividend History

	2015	2016	2017	2018	2019
Stock (NT\$)	0.3	0.3	0.3	-	-
Cash (NT\$)	1.2	1.2	1.2	1.5	2.0
EPS (NT\$)	0.55	1.20	1.48	1.76	2.40
Total Dividend Payout (%)	273%	125%	101%	85%	83%
Cash Dividend Payout (%)	218%	100%	81%	85%	83%



Historical Income Statement

NT\$ M	2016		2017		2018		2019	
Net Revenue	659,908		836,081		889,536		878,255	
Realized gross profit	31,645	4.8%	31,639	3.8%	37,559	4.2%	42,158	4.8%
Operating expenses								
Selling	(8,883)	-1.3%	(8,181)	-1.0%	(9,226)	-1.1%	(9,243)	-1.1%
Administrative	(2,954)	-0.4%	(2,843)	-0.3%	(3,164)	-0.4%	(3,417)	-0.4%
Research and development	(13,795)	-2.1%	(14,701)	-1.8%	(14,404)	-1.7%	(16,198)	-1.8%
Total operating expenses	(25,632)	-3.9%	(25,726)	-3.1%	(26,793)	-3.2%	(28,858)	-3.3%
Operating income	6,012	0.9%	5,914	0.7%	10,766	1.2%	13,300	1.5%
Non-operating income/(expenses)								
Interest income/(expense), net	(1,048)		(1,677)		(3,676)		(2,757)	
LT investment income/(expense), net	(70)		308		409		339	
Exchange gain/(loss), net	(270)		862		1,386		761	
Other income/(expense)	134		752		774		1,133	
PBT	4,757		6,158		9,659		12,776	
Tax	(1,764)	-37.1%	(1,797)	-29.2%	(2,374)	-24.6%	(3,050)	-23.9%
Minority interest	(32)		(476)		(2,377)		(2,925)	
PAT	2,961		3,886		4,908		6,801	
Outstanding shares (M)	2,650		2,749		2,842		2,840	

Source: Company consolidated financials



Income Statement (Q1'20 vs. Q4'19 and Q1'19)

NT\$ M	Q1 2020		Q4 2019		QoQ	Q1 2019		YoY
Net revenue	173,771		250,212		-30.55%	206,205		-15.73%
Realized gross profit	8,591	4.94%	12,708	5.08%	-32.40%	8,397	4.07%	2.31%
Selling	(1,943)	-1.12%	(2,434)	-0.97%	-20.17%	(2,161)	-1.05%	-10.09%
Administrative	(696)	-0.40%	(961)	-0.38%	-27.58%	(713)	-0.35%	-2.38%
Research & development	(4,052)	-2.33%	(4,331)	-1.73%	-6.44%	(3,697)	-1.79%	9.60%
Total operating expenses	(6,691)	-3.85%	(7,726)	-3.09%	-13.40%	(6,571)	-3.19%	1.83%
Operating Income	1,900	1.09%	4,982	1.99%	-61.86%	1,826	0.89%	4.05%
Non-operating Income/(Expenses)								
Interest income/(expense), net	(334)		(540)			(733)		
LT investment income/(expense), net	42		122			47		
Exchange gain/(loss), net	76		(288)			645		
Other income/(expense)	198		619			225		
PBT	1,882		4,895		-61.55%	2,010		-6.37%
Tax	(439)	-23.33%	(1,112)	-22.72%	-60.52%	(506)	-25.17%	-13.24%
Minority interest	(716)		(945)			(514)		
PAT	727		2,838		-74.38%	990		-26.57%
EPS	0.26		1.00		-74.00%	0.35		-25.71%



Balance Sheet

NT\$M	2017/12/31		2018/12/31		2019/12/31		2020/3/31	
Cash & ST investments	66,504	20%	43,529	13%	47,412	14%	58,846	18%
A/R	94,652	29%	118,353	35%	131,884	38%	87,101	27%
Inventory	92,241	28%	89,614	26%	85,570	25%	101,347	31%
Other current assets	16,809	5%	23,931	7%	13,882	4%	12,086	4%
Total current assets	270,206	83%	275,427	81%	278,748	81%	259,380	80%
LT equity investments	6,121	2%	6,514	2%	6,727	2%	6,729	2%
Property, plant and equipment	36,653	11%	42,868	13%	40,673	12%	40,622	13%
Other assets	13,674	4%	14,293	4%	18,028	5%	17,191	5%
Total assets	326,653	100%	339,103	100%	344,176	100%	323,922	100%
ST Borrowings	82,595	25%	61,013	18%	57,377	17%	69,955	22%
Current portion of LT loans	8,133.96	2%	-	0%	2,407	1%	-	0%
A/P	133,111	41%	139,467	41%	138,445	40%	113,023	35%
Other current liabilities	30,352	9%	39,399	12%	40,700	12%	39,293	12%
Total Current Liabilities	254,192	78%	239,879	71%	238,929	69%	222,271	69%
LT loans	733	0%	20,234	6%	15,752	5%	12,082	4%
Other liabilities	5,307	2%	5,458	2%	5,594	2%	4,969	2%
Total liabilities	260,232	80%	265,571	78%	260,275	76%	239,322	74%
Shareholders' equity	66,421	20%	73,532	22%	83,901	24%	84,599	26%



Cash Flows

NT\$M	2020Q1	2019	2018
Cash* (Beginning of period)	47,411	43,529	66,504
Cash flow from Operation			
Consolidated PBT	2,010	12,776	9,659
Depreciation & amortization	2,492	10,083	8,249
Profit/loss of financial assets & liabilities at fair value	(58)	383	98
Changes in A/R	45,003	(15,155)	(22,799)
Changes in A/P	(25,715)	634	4,202
Changes in inventories	(15,751)	2,562	4,378
Others	(355)	7,312	369
Cash provided by operating activities	7,626	18,595	4,156
Cash flow from Investment			
Capex	(1,970)	(7,557)	(9,822)
Others	(156)	(1,217)	(4,922)
Cash provided by investing activities	(2,126)	(8,774)	(14,744)
Cash flow from Finance			
Increase (decrease) in ST borrowings	12,480	(2,630)	(23,231)
LT debt	(6,301)	(1,773)	11,051
Payment on cash dividends	-	(4,227)	(3,208)
Treasury stock transferred to employees	-	448	761
Change in non-controlling interests	3	3,878	-
Others	(596)	(778)	1,063
Cash provided by financing activities	5,586	(5,082)	(13,565)
Effect of exchange rate change & subsidiaries consolidated	348	(856)	1,178
Cash (End of period)	58,845	47,412	43,529

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