



Coretronic Corporation 2016 2nd Quarter Results

July 27th, 2016



Responsibility Innovation Superiority Entrepreneurship

Disclaimer

Except for historical information contained herein, the matters set forth in this presentation are forward-looking statements that are subject to significant risks and uncertainties and actual results may differ materially from those contained in any forward-looking statements.

The forward-looking statements in this release reflect the current belief of Coretronic as of the date of this release and Coretronic undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.



Statement of Comprehensive Income (Consolidated) - QoQ

Amount: NT\$ Million Except Per Share Data

	2Q'16		1Q'16		QoQ	2Q'15		YoY
Net Sales	13,572	100%	13,896	100%	(2.3%)	16,939	100%	(19.9%)
Cost of Goods Sold	(11,459)	(84.4%)	(11,832)	(85.1%)	(3.2%)	(14,873)	(87.8%)	(23.0%)
Gross Profit	2,113	15.6%	2,064	14.9%	2.4%	2,066	12.2%	2.3%
Operating Expenses	(1,842)	(13.6%)	(1,867)	(13.4%)	(1.3%)	(1,825)	(10.8%)	1.0%
Operating Income	271	2.0%	197	1.4%	37.5%	241	1.4%	12.3%
Non-operating Income, Net	194	1.4%	217	1.6%	(10.9%)	252	1.5%	(23.1%)
Income Before Tax	465	3.4%	414	3.0%	12.1%	493	2.9%	(5.8%)
Net Income	233	1.7%	283	2.0%	(17.8%)	325	1.9%	(28.4%)
Shareholders of the Parent Company	292	2.1%	322	2.3%	(9.3%)	317	1.9%	(7.8%)
Minority Interests	(59)	(0.4%)	(39)	(0.3%)	(51.6%)	8	0.0%	(807.7%)
Basic EPS (NT\$)^(a)	0.54		0.59			0.58		
EBITDA	753	5.5%	687	4.9%	9.5%	810	4.8%	(7.1%)

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares of each quarter (543m shares in 2Q'16, 1Q'16 and 2Q'15)

Statement of Comprehensive Income (Consolidated) - YoY

Amount: NT\$ Million Except Per Share Data

	1H'16		1H'15		YoY
Net Sales	27,469	100%	32,746	100%	(16.1%)
Cost of Goods Sold	(23,291)	(84.8%)	(28,793)	(87.9%)	(19.1%)
Gross Profit	4,177	15.2%	3,953	12.1%	5.7%
Operating Expenses	(3,709)	(13.5%)	(3,549)	(10.8%)	4.5%
Operating Income	468	1.7%	404	1.2%	16.0%
Non-operating Income, Net	411	1.5%	507	1.5%	(19.0%)
Income Before Tax	879	3.2%	911	2.8%	(3.5%)
Net Income	515	1.9%	620	1.9%	(16.9%)
Shareholders of the Parent Company	614	2.2%	607	1.9%	1.1%
Minority Interests	(99)	(0.3%)	13	0.0%	(866.6%)
Basic EPS (NT\$)^(a)	1.13		1.12		
EBITDA	1,440	5.2%	1,562	4.8%	(7.9%)

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares (543m shares in 1H'16 and 1H'15)

Balance Sheet Highlight (Consolidated)

Amount: NT\$ Million

	2Q'16	1Q'16	QoQ	2Q'15
Cash and Cash Equivalents	14,750	14,456	2.0%	15,917
Notes & Accounts Receivable, Net (including related)	13,599	14,196	(4.2%)	18,803
Accounts Receivable Sold	(1,688)	(2,144)	(21.3%)	(2,035)
Inventory	6,695	7,211	(7.2%)	7,019
Short Term Debt ^(a)	2,347	2,586	(9.2%)	5,289
Long Term Debt	0	0	-	404
Equity	24,496	25,561	(4.2%)	24,128
Total Assets	46,002	47,389	(2.9%)	53,361
Inventory Turnover (Days) ^(b)	55	55		45
Debt to Assets	47%	46%		55%
Return on Equity ^(c)	5%	6%		6%
Net Worth Per Share (NT\$) ^(d)	41.0	42.8		40.2

Prepared by Coretronic on a consolidated basis

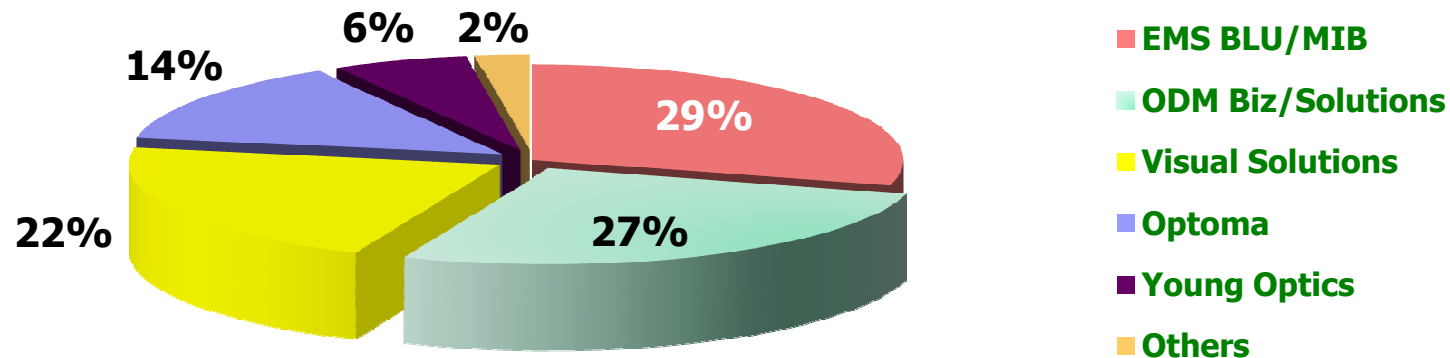
(a) Short term debt = short term bank loan + current portion of long term loan

(b) Calculated by dividing the average inventory into the annualized cost of goods sold during such period, then multiplying by 365 days

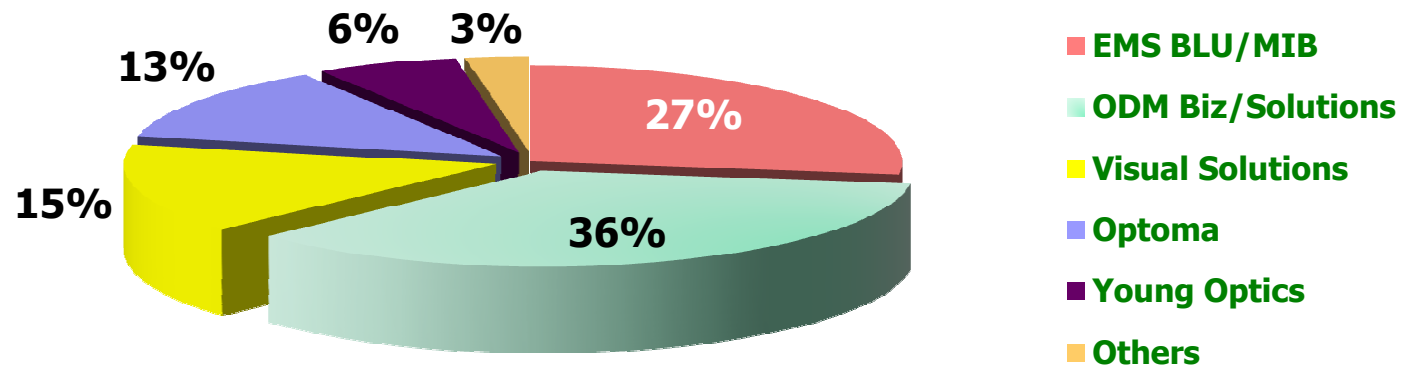
(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 2Q'16(543m shares), 1Q'16(543m shares), 2Q'15(543m shares)

Consolidated Sales Breakdown (By Revenue)



2Q'16 Consolidated Sales : NT\$14 Billion



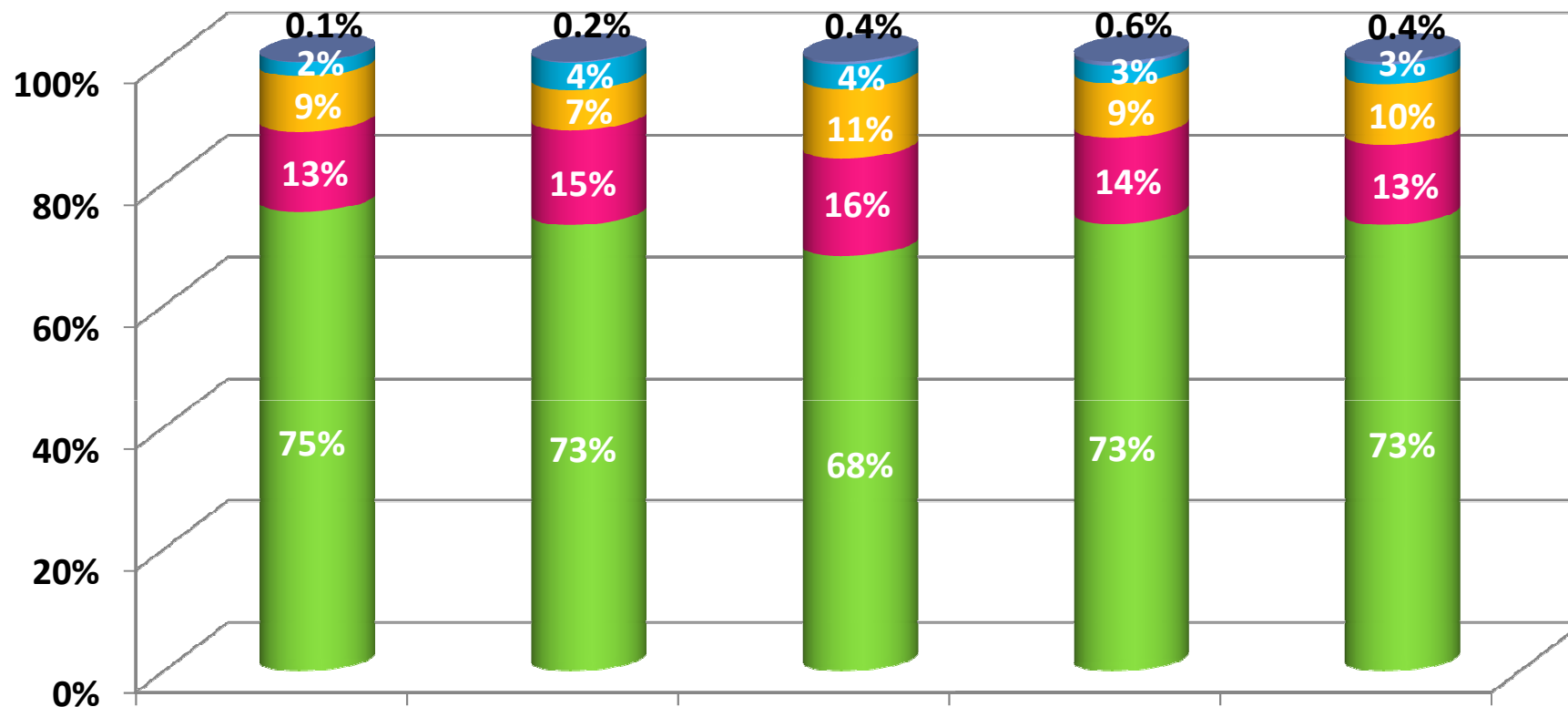
1Q'16 Consolidated Sales : NT\$14 Billion

2Q16 Visual Solutions Business Review

- ◆ **2Q16 total sales of NT\$4,077M with 21% QoQ and 12% YoY increase**
- ◆ **Coretronic unveils various revolutionary visual solutions at IFC and InfoComm USA 2016**
 - ✓ **Worldwide 1st DLP laser 4K UHD UST home cinema providing the most immersive experience**
 - ✓ **134" roll-type interactive solutions for intuitive experience**
 - ✓ **Worldwide 1st all-in-one interactive UST projector with automatic blending solutions and camera module**

Visual Solutions Sales Breakdown (By Revenue)

■ Lamp
 ■ SSI
 ■ Large Venue
 ■ Solutions
 ■ New Business



Sales
(NT\$ Million)

\$3,644

\$4,706

\$3,984

\$3,380

\$4,077

Prepared by Coretronic on a combined basis (Taiwan & China)

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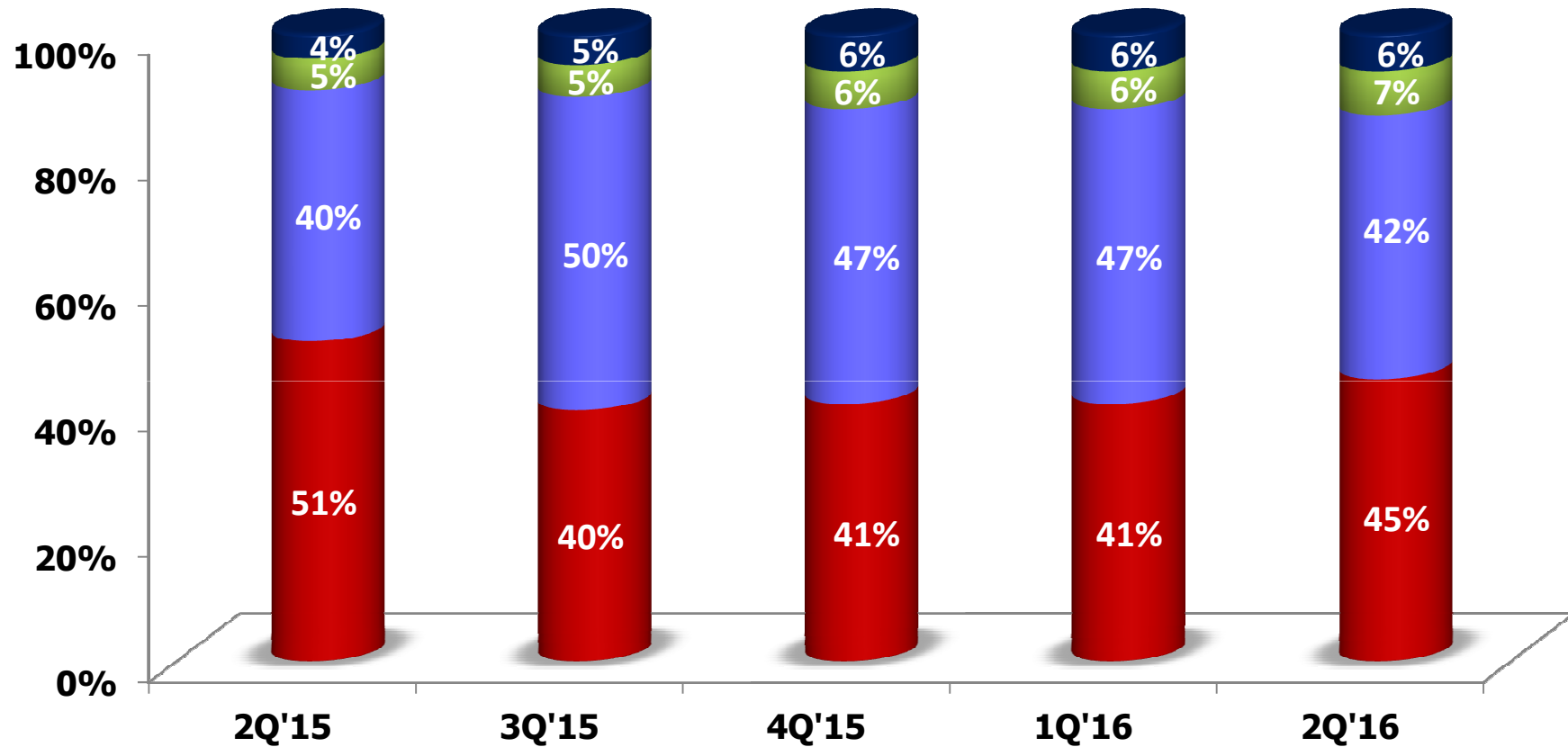
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2Q16 Energy Saving Business Review

- ◆ **The overall Sales revenue of Energy Saving Business was NT\$ 7,915 million in 2Q16, drop 13% QoQ due to regular slow season.**
- ◆ **The overall shipment was 13.6 million units, similar with 1Q16.**
- ◆ **2Q16 Revenue Summary:**
 - **EMS BLU/MIB revenue drop 4% QoQ.**
 - **ODM business with 24% QoQ decrease.**
 - **Solutions and Components revenue drop 2% and 3.6% QoQ respectively.**

Energy Saving Sales Breakdown (By Revenue)

■ EMS BLU/MIB
 ■ ODM Business
 ■ Solutions
 ■ Components(Others)



Sales (NT\$ Million)
 \$11,601
 \$12,441
 \$10,956
 \$9,111
 \$7,915

Prepared by Coretronic on a combined basis (Taiwan & China)

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Thank you

Any further questions, please feel free to e-mail: ir@coretronic.com



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