



Coretronic Corporation 2016 3rd Quarter Results

October 31, 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

	3Q'16		2Q'16		QoQ	3Q'15		YoY
Net Sales	14,778	100%	13,572	100%	8.9%	18,336	100%	(19.4%)
Cost of Goods Sold	(12,304)	(83.3%)	(11,459)	(84.4%)	7.4%	(15,519)	(84.6%)	(20.7%)
Gross Profit	2,473	16.7%	2,113	15.6%	17.0%	2,817	15.4%	(12.2%)
Operating Expenses	(1,834)	(12.4%)	(1,842)	(13.6%)	(0.4%)	(1,922)	(10.5%)	(4.6%)
Operating Income	639	4.3%	271	2.0%	135.9%	895	4.9%	(28.6%)
Non-operating Income, Net	150	1.0%	194	1.4%	(22.7%)	100	0.5%	50.4%
Income Before Tax	789	5.3%	465	3.4%	69.8%	995	5.4%	(20.7%)
Net Income	571	3.9%	233	1.7%	145.6%	710	3.9%	(19.5%)
Shareholders of the Parent Company	600	4.1%	292	2.1%	105.5%	689	3.8%	(13.0%)
Minority Interests	(29)	(0.2%)	(59)	(0.4%)	50.3%	21	0.1%	(237.2%)
Basic EPS (NT\$)^(a)	1.35		0.54			1.27		
Basic EPS (NT\$)^(b)	1.38		0.67			1.27		
EBITDA	1,072	7.3%	753	5.5%	42.4%	1,337	7.3%	(19.9%)

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares of each quarter (443m shares in 3Q'16, 543m shares in 2Q'16 and 543m shares in 3Q'15)

(b) 3Q'16 & 2Q'16 basic EPS was calculated based on Sept. 30, 2016 outstanding shares (434m shares) and 3Q'15 basic EPS was calculated based on Sept. 30, 2015 outstanding shares (543m shares)

Statement of Comprehensive Income (Consolidated) - YoY

Amount: NT\$ Million Except Per Share Data

	Nine Months Ended September 30				YoY
	2016		2015		
Net Sales	42,246	100%	51,082	100%	(17.3%)
Cost of Goods Sold	(35,596)	(84.3%)	(44,312)	(86.7%)	(19.7%)
Gross Profit	6,651	15.7%	6,770	13.3%	(1.8%)
Operating Expenses	(5,543)	(13.1%)	(5,471)	(10.7%)	1.3%
Operating Income	1,108	2.6%	1,299	2.5%	(14.7%)
Non-operating Income, Net	560	1.3%	606	1.2%	(7.6%)
Income Before Tax	1,668	3.9%	1,906	3.7%	(12.5%)
Net Income	1,087	2.6%	1,330	2.6%	(18.3%)
Shareholders of the Parent Company	1,213	2.9%	1,297	2.5%	(6.4%)
Minority Interests	(126)	(0.3%)	33	0.1%	(476.4%)
Basic EPS (NT\$)^(a)	2.38		2.39		
Basic EPS (NT\$)^(b)	2.79		2.39		
EBITDA	2,511	5.9%	2,900	5.7%	(13.4%)

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares (509m shares in 2016 and 543m shares in 2015)

(b) Basic EPS was calculated based on the outstanding shares of the balance sheet date (434m shares in 2016 and 543m shares in 2015)

Balance Sheet Highlight (Consolidated)

Amount: NT\$ Million

	3Q'16	2Q'16	QoQ	3Q'15
Cash and Cash Equivalents	13,354	14,750	(9.5%)	14,492
Notes & Accounts Receivable, Net (including related)	17,013	13,599	25.1%	27,410
Accounts Receivable Sold	0	(1,688)	(100.0%)	0
Inventory	6,923	6,695	3.4%	9,319
Short Term Debt ^(a)	5,134	2,347	118.7%	9,509
Long Term Debt	30	0	-	394
Equity	23,242	24,496	(5.1%)	25,420
Total Assets	47,922	46,002	4.2%	63,303
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Inventory Turnover (Days) ^(b)	50	55		48
Debt to Assets	52%	47%		60%
Return on Equity ^(c)	11%	5%		12%
Net Worth Per Share (NT\$) ^(d)	48.6	41.0		42.4

Prepared by Coretronic on a consolidated basis

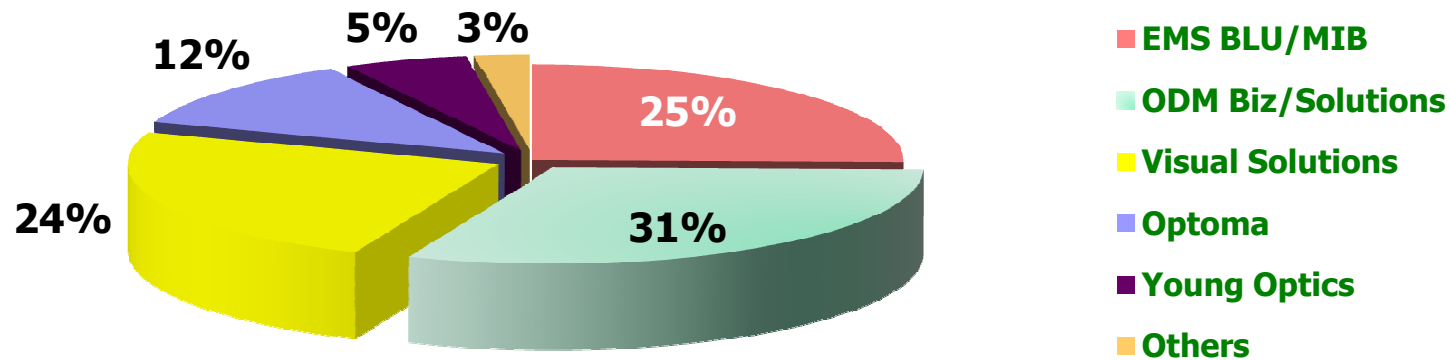
(a) Short term debt = short term bank loan + current portion of long term loan

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

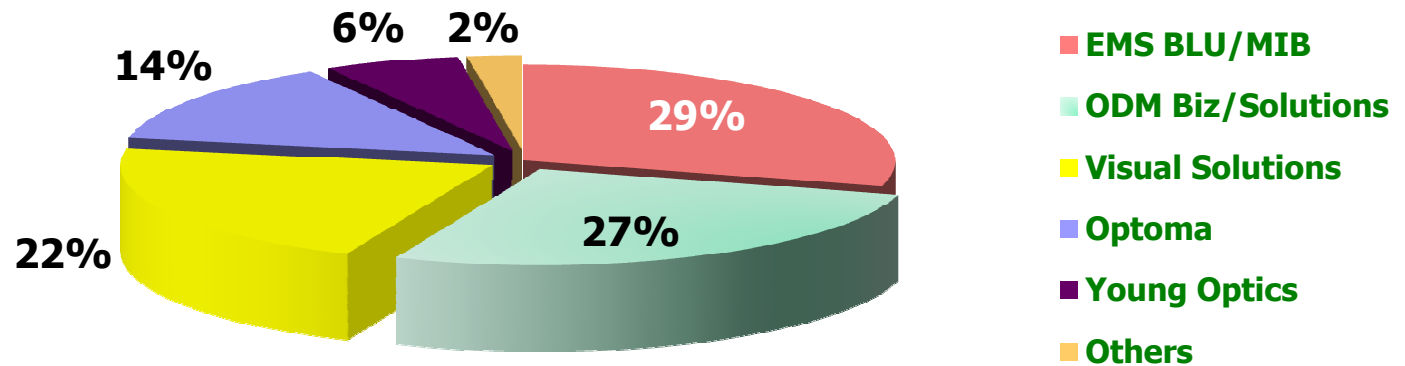
(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 3Q'16(434m shares), 2Q'16(543m shares), 3Q'15(543m shares)

Consolidated Sales Breakdown (By Revenue)



3Q'16 Consolidated Sales : NT\$15 Billion



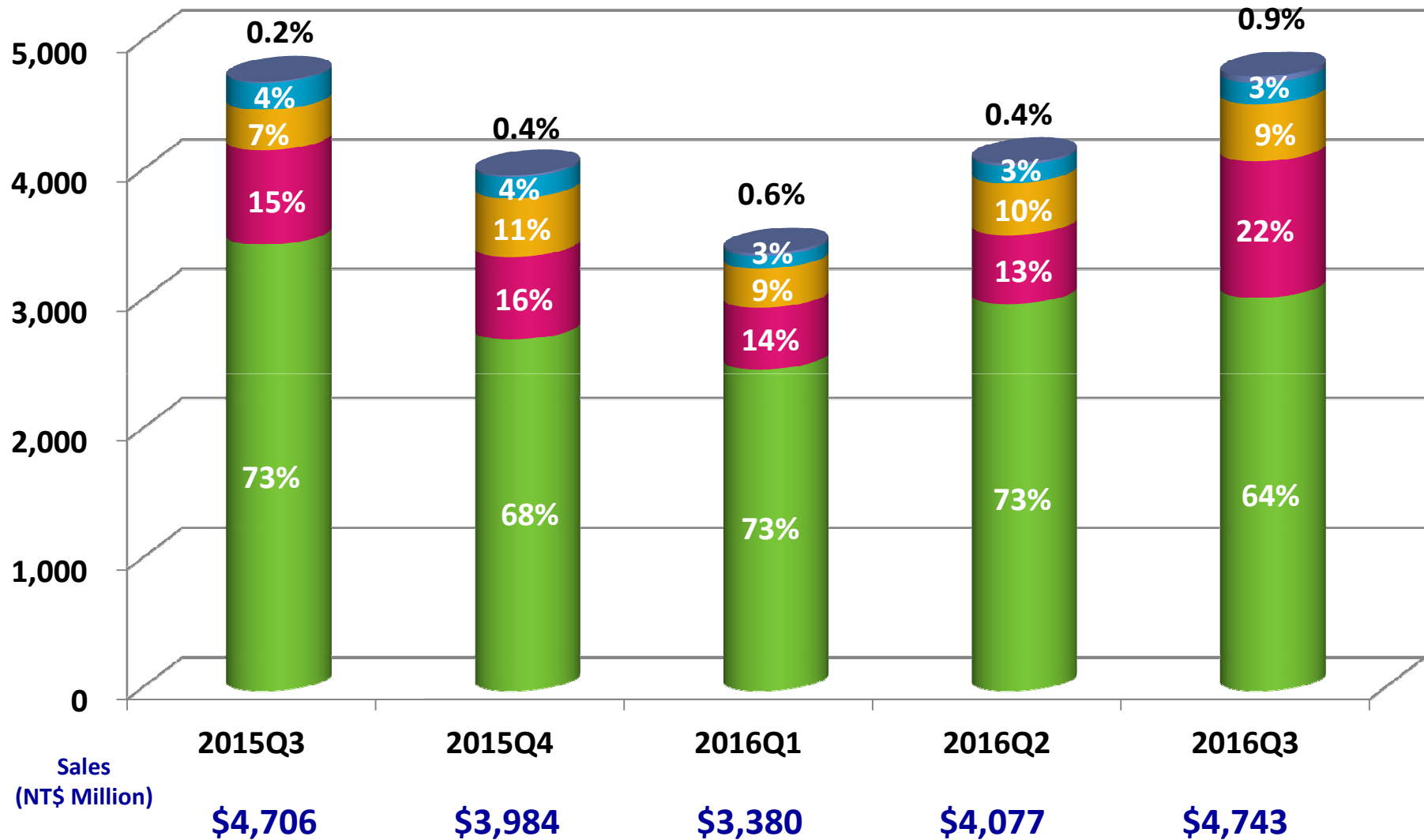
2Q'16 Consolidated Sales : NT\$14 Billion

3Q16 Visual Solutions Business Review

- ◆ **3Q16 total sales of NT\$4,743M with 16% QoQ increase**
- ◆ **Continuous growth in large venue segment**
- ◆ **Sales of SSI boost as a result of**
 - ✓ **Coretronic is the leading laser projector manufacturer with >40% market share in 1H16**
 - ✓ **Seasonality**
 - ✓ **“UST/ST laser + Interaction” has been penetrating Education Market successfully**

Visual Solutions Sales Breakdown (By Revenue)

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

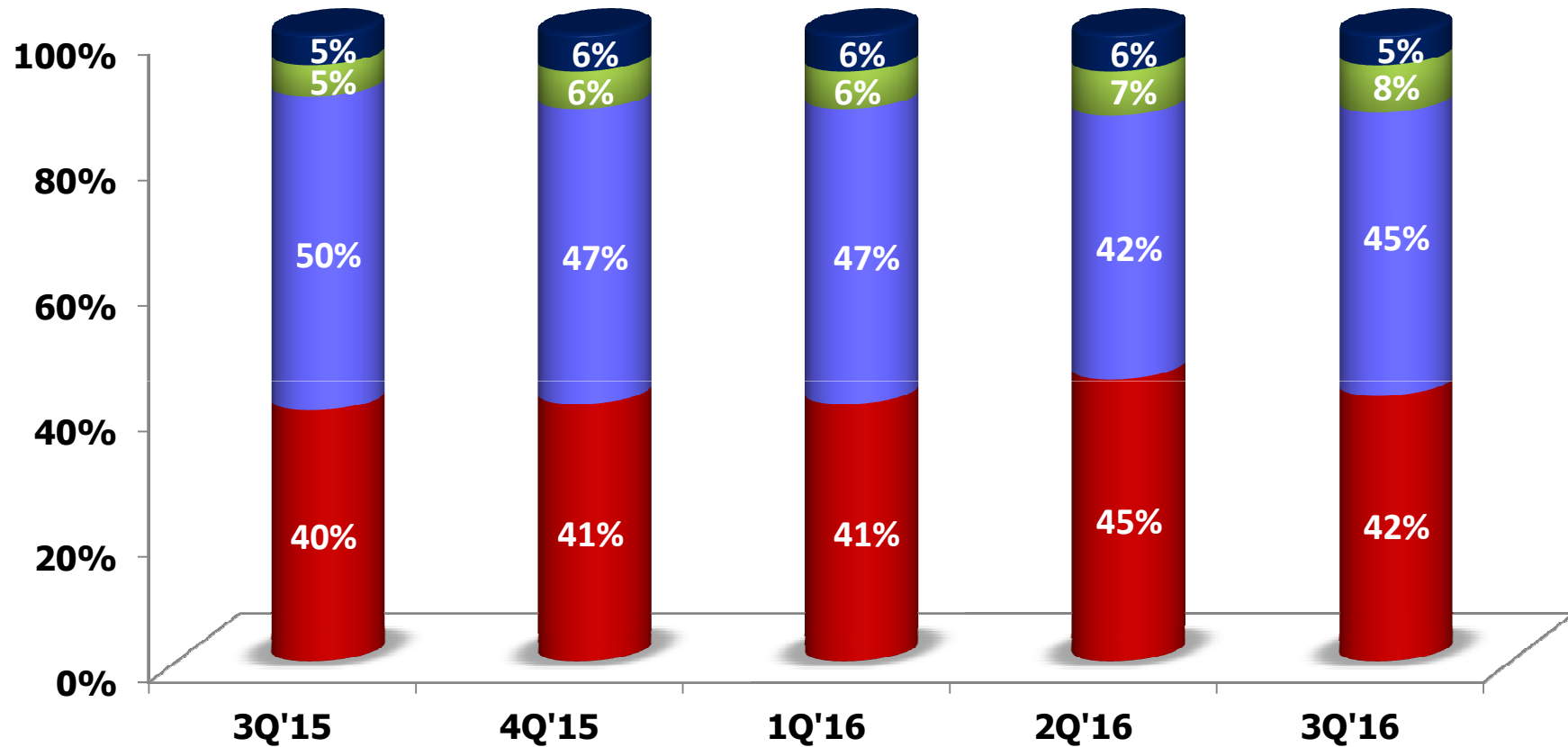


3Q16 Energy Saving Business Review

- ◆ **The overall Sales revenue of Energy Saving Business was NT\$ 8,672 million in 3Q16, with 9.6% QoQ increase due mainly to the growth from ODM and Solutions Business.**
- ◆ **The overall shipment was 15.4 million units, up 14% QoQ.**
- ◆ **3Q16 Revenue Summary:**
 - **EMS BLU/MIB revenue up 2% QoQ.**
 - **ODM business with 19% QoQ increase.**
 - **Solutions and Components revenue up 20% and drop 4% QoQ respectively.**

Energy Saving Sales Breakdown (By Revenue)

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



Sales (NT\$ Million)
 \$12,441
 \$10,956
 \$9,111
 \$7,915
 \$8,672

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

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 Responsibility Innovation Superiority Entrepreneurship



Thank you

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



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