



誠信 創新 客戶導向

Xintec Inc.

2017 Q1 Investor Conference

2017/03/27

Safe Harbor Notice



誠信 創新 客戶導向

- Xintec's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.



誠信 創新 客戶導向

FINANCIAL STATUS UPDATE

Comprehensive Income Statement



誠信 創新 客戶導向

Comprehensive Income Statement

(NT\$M)

	4Q'16	3Q'16	4Q'15	QoQ	YoY
Net Revenue	807	1,044	1,026	-22.8%	-21.4%
Gross Margin	-192	-46	48	-314.4%	-502.8%
Gross Margin (%)	-23.8%	-4.4%	4.7%	-19.4ppt	-28.5ppt
Operating Expense	-112	-121	-118	+7.4%	+4.6%
Other Operating Income and Expense	8	-1	-13	+1446.8%	+162.8%
Operating Margin	-36.8%	-16.1%	-8.0%	-20.7ppt	-28.7ppt
Non-Operating Income and Expense	-7	-9	-6	+24.3%	-11.9%
Net Income	-273	-146	-76	-86.9%	-257.9%
Net Profit Margin	-33.9%	-14.0%	-7.4%	-19.9ppt	-26.4ppt
EPS (NT\$)	-1.01	-0.54	-0.28	-86.7%	-256.6%
ROE (%)	-20.9%	-10.8%	-5.2%	-10.1ppt	-15.7ppt
Wafer shipment (kpcs 8 inch-equi.)	135	171	162	-20.7%	-16.2%
Avg. FX rate (US/NT)	31.8	31.8	32.6	-0.2%	-2.7%

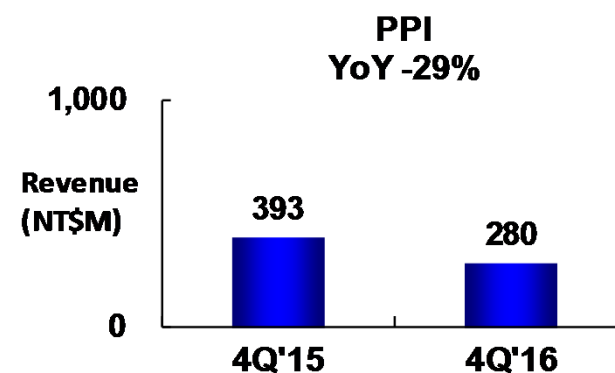
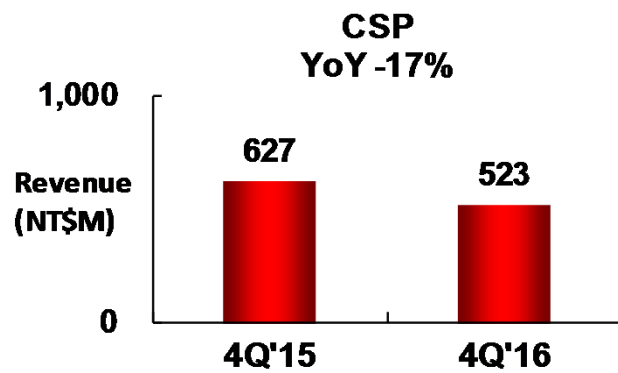
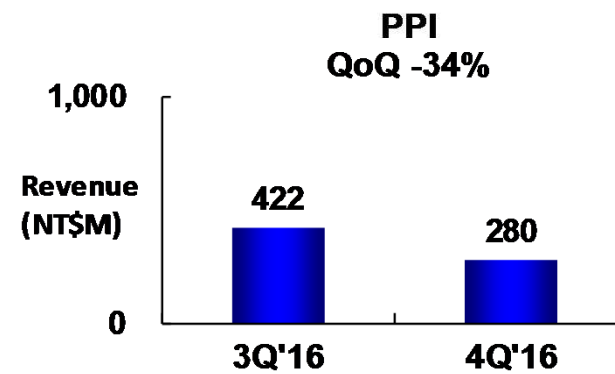
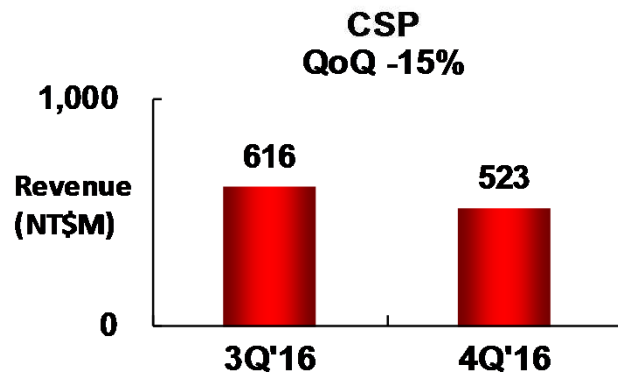
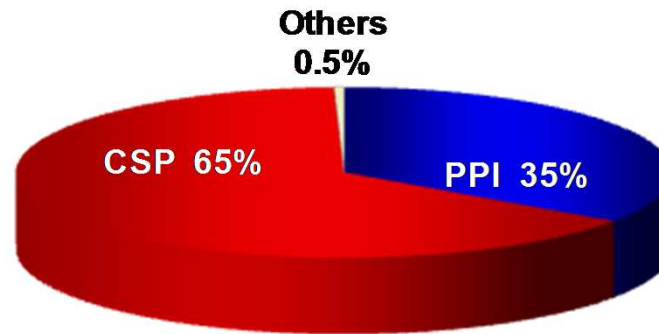
* Weighted average outstanding shares were 270mn unit on 4Q'16.

* * ROE were yearlized number.

Revenue Analysis on 4Q'16



誠信 創新 客戶導向



Balance Sheet & Financial Indices



誠信 創新 客戶導向

Balance Sheet (NT\$M)	4Q'16		3Q'16		4Q'15	
	Amt	%	Amt	%	Amt	%
Cash & marketable securities	1,209	14.3%	742	9.3%	824	9.7%
Accounts receivable	551	6.5%	625	7.8%	585	6.9%
Inventories	171	2.0%	200	2.5%	240	2.8%
Property, plant and equipment	6,129	72.7%	6,086	76.1%	6,562	77.0%
Total Assets	8,434	100.0%	8,000	100.0%	8,519	100.0%
Current liabilities	1,214	14.4%	1,081	13.5%	1,593	18.7%
Long-term loans	2,078	24.6%	1,523	19.0%	1,049	12.3%
Total Liabilities	3,329	39.5%	2,629	32.9%	2,667	31.3%
Total Equity	5,105	60.5%	5,371	67.1%	5,852	68.7%
Important Financial Indices						
Days of receivable	67		57		57	
Days of inventory	17		18		21	
Current ratio (x)	1.7		1.5		1.1	
Assets productivity (x)	0.5		0.7		0.6	

* Outstanding shares were 270mn unit on Dec 31, 2016.

* * Assets productivity = yearly revenue / avg. of property, plant and equipment

Cash Flow Statement



誠信 創新 客戶導向

Cash Flow Statement (NT\$M)	4Q'16	3Q'16	4Q'15
	Amt	Amt	Amt
Cash Balance-Beginning	742	803	852
Cash inflow from operating	97	210	311
Capital expenditure	-175	-244	-411
Disposal of property, plant and equipment	0	0	22
Cash Dividend	0	-134	0
Term Loans	553	113	63
Cash Balance-Ending	1,209	742	824
Depreciation&Amortization	266	310	315
Free Cash Flow	-78	-34	-78

* Free Cash Flow = Cash inflow from operating - Capital Expenditure + Disposal of property, plant and equipment

* * Capital Expenditure NT\$876M on Y2016 and NT\$1,332M on Y2015.

2016 Operating Result



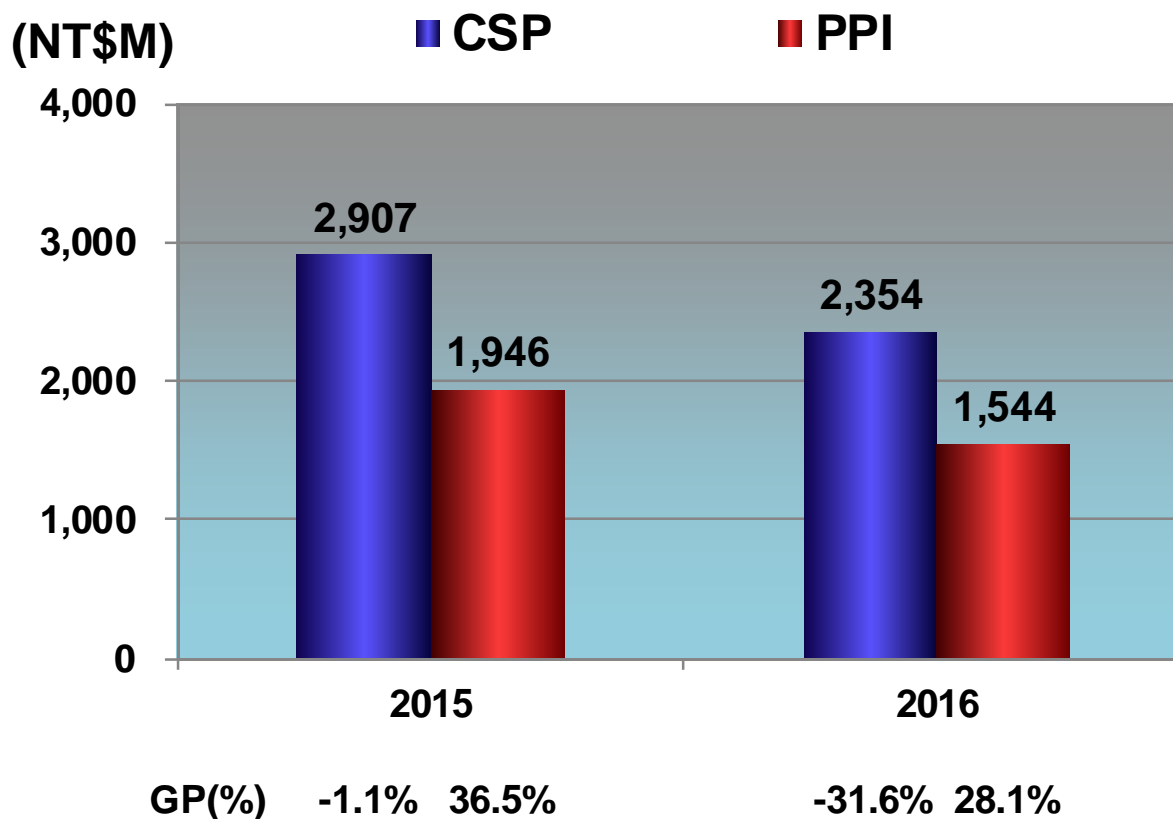
誠信 創新 客戶導向

(NT\$M)	2016	2015	YoY
Net Revenue	3,921	4,878	-19.6%
Gross Margin	(299)	691	-143.2%
Gross Margin (%)	-7.6%	14.2%	-21.8ppt
Operating Margin	-18.2%	4.8%	-23.0ppt
Net Income	(637)	147	-533.8%
EPS (NT\$)	-2.36	0.56	-522.2%
Cash inflow from operating	467	1,666	-71.9%
Depreciation & Amortization	1,221	1,284	-5.0%
Capital expenditure	(876)	(1,332)	-34.3%
Free Cash Flow	(290)	356	-181.5%
Cash Dividend	(134)	(286)	-53.0%
Cash & marketable securities	1,209	824	+46.7%
ROE (%)	-11.6%	2.8%	-14.4ppt

2016 & 2015 Revenue & GP (CSP vs PPI)



誠信 創新 客戶導向



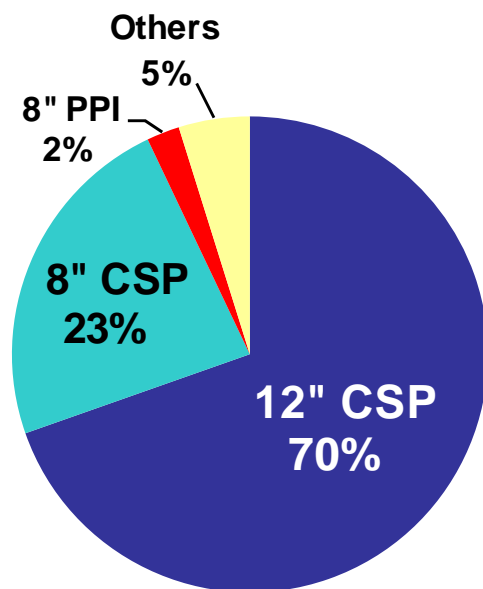
* Due to under expectation on 12 inch CSP caused overall CSP GP(%) reducing 18.7ppt in 2015 and 31.0ppt in 2016 respectively.

2016 & 2015 CapEx (CSP vs PPI)

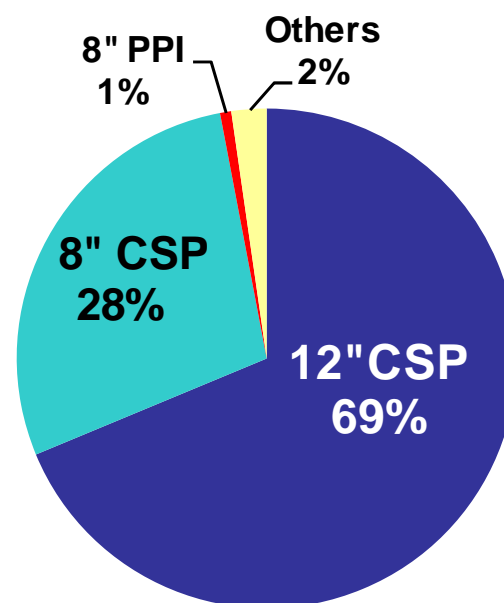


誠信 創新 客戶導向

Y2015: NT\$1,332M



Y2016: NT\$876M





誠信 創新 客戶導向

BUSINESS STATUS UPDATE

2016 Summary



誠信 創新 客戶導向

Market Trend:

- CIS CSP demand and price decline due to market shift from low to high resolution requirement. The ASP becomes very competitive and bloody.
- CSP growth is from the blooming of Automotive and Security application.
- PPI demand declines due to many packaging options available

Low Light:

- 12" CSP qualification delay to meet Automotive ramping expectation.

Forward Looking



誠信 創新 客戶導向

- Focus on booming Automotive, Surveillance and Medical application;
the price remains relatively stable in these niche products
- Speed 12” CSP ramping schedule after Automotive qualification pass
- Develop advanced and tailor made CSP technology for Android finger
print application; both capacitive and optical are ready
- Play a key role in Tier1 customer supply chain through leading
foundry’s technology integration
- Explore Sensor SiP solutions for future IoT market



誠信 創新 客戶導向

Thank You

<http://www.xintec.com.tw>

invest@xintec.com.tw