



Dynamic Electronics Co., Ltd.

2018 Quarter Two Investor Conference

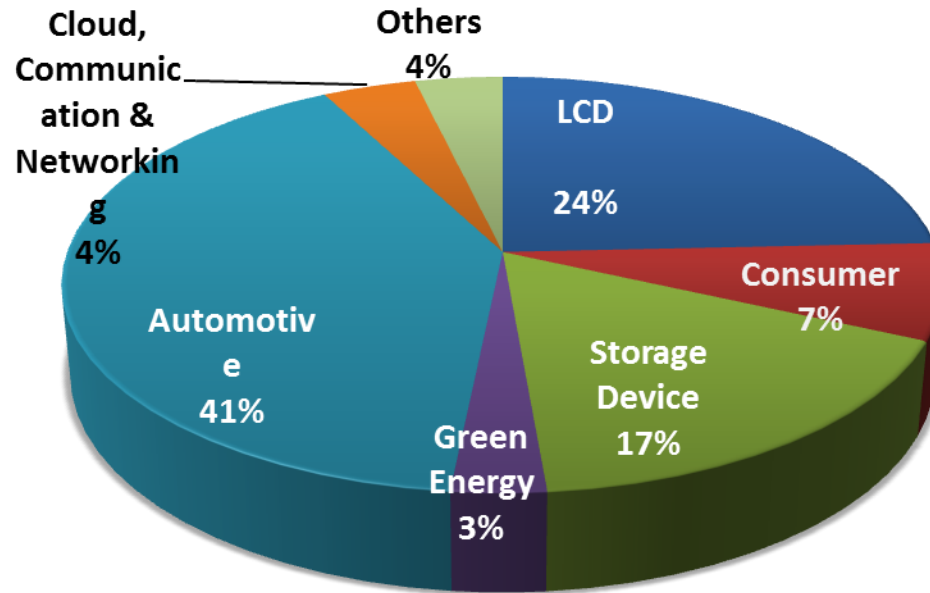
Aug. 15, 2018



1. Operation Overview of 2018 Q2
2. Future Prospects
3. Recent Major Events

Operation Overview of 2018 Q2

2018 Q2 Revenue by Application



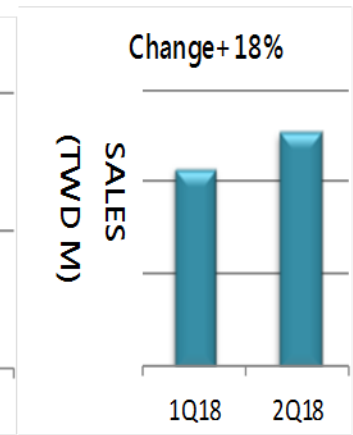
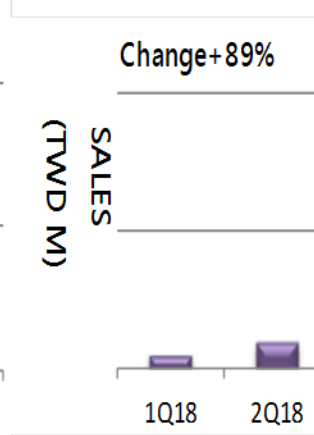
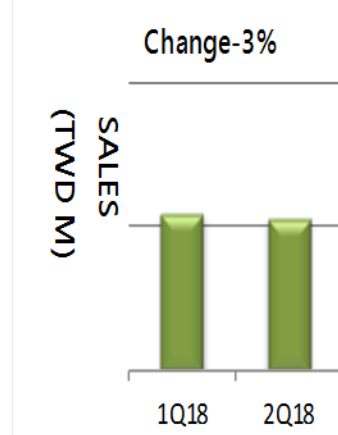
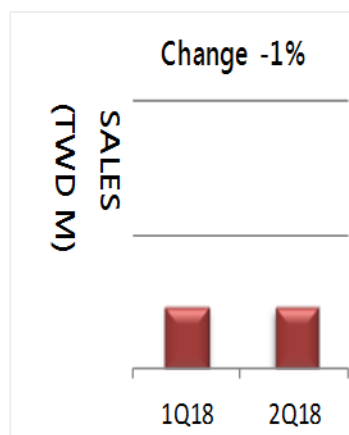
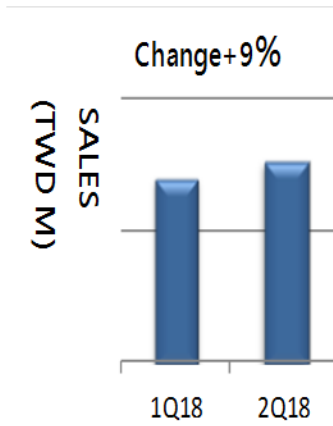
LCD

Consumer

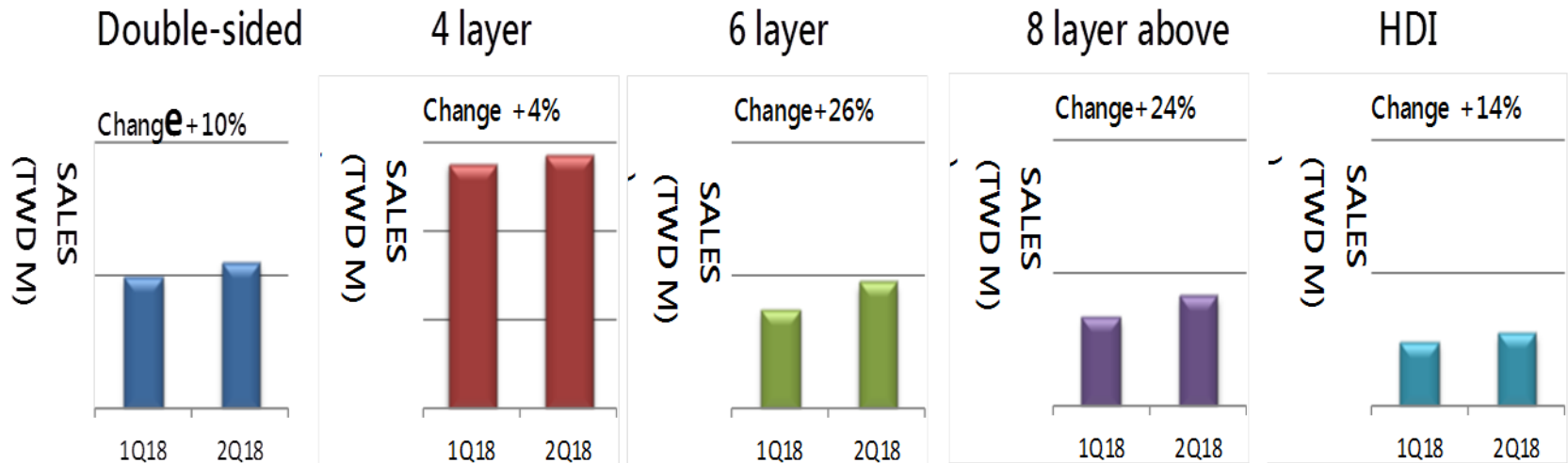
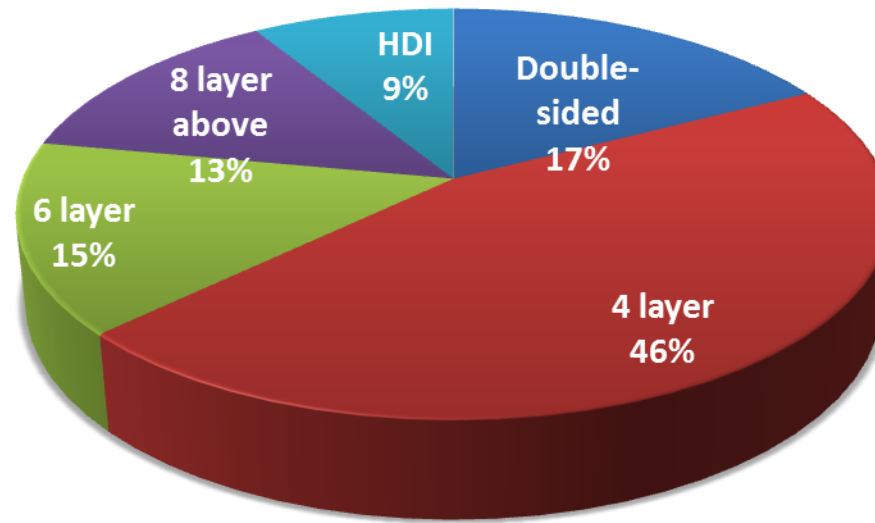
Storage Device

Green Energy

Automotive



2018 Q2 Revenue by Process



Consolidated Income Statement

Accounts (TWD 100M)	2Q18	1Q18	Q-o-Q Change%	2Q17	Y-o-Y Change%	Q1-Q2 2018	Q1-Q2 2017	Y-o-Y Change%
Sales Revenue	31.41	28.31	11.0 %	28.73	9.3 %	59.72	56.91	4.9 %
Gross Profit %	6.6 %	6.4 %	0.2 %	11.4 %	(4.8)%	6.5 %	11.3 %	(4.7)% ppts
Operating expenses	2.93	2.53	15.8 %	3.16	(7.3)%	5.46	5.99	(8.9)%
Operating Income%	(2.7)%	(2.5)%	(0.2)%	0.4 %	(3.1)%	(2.6)%	0.7 %	(3.3)% ppts
Non-operating income/expenses	(1.10)	(0.12)	807.4 %	0.02	(5,065.9)%	(1.22)	(0.15)	(737.3)%
Net Income (loss)	(1.95)	(0.83)	(133.8)%	0.36	(641.7)%	(2.78)	0.47	(688.9)%
Net Income (loss)%	(6.2)%	(2.9)%	(3.3)%	1.3 %	(7.5)%	(4.7)%	0.8 %	(5.5)% ppts
EPS(NTD)	(0.69)	(0.30)	(130.0)%	0.13	(630.8)%	(0.99)	0.17	(682.4)%
ROE (%)	(19.6)%	(8.0)%	(11.6)%	3.4 %	(23.0)%	(14.0)%	2.3 %	(16.2)% ppts
Quantity(M SF)	853	785	8.7 %	813	4.9 %	1638	1588	3.1 %
Average exchange	29.55	29.32	0.8 %	30.42	(2.9)%	29.55	30.33	(2.6)%

* The weighted average shares to 281,059,335 of ordinary shares outstanding during the second quarter of 2018.

** The ROE is the annualized data calculated by the average equity of the parent company.

Consolidated BS & Financial Indicators

Accounts (TWD 100M)	2Q18		1Q18		2Q17	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	14.05	10.0%	14.78	11.1%	13.24	13.4%
Accounts receivable	34.64	24.8%	30.81	23.1%	28.78	29.1%
Inventories	19.48	13.9%	18.75	14.1%	13.68	13.8%
Property, plant and equipment	55.28	39.5%	52.88	39.7%	32.79	33.1%
Total Assets	139.79	100.0%	133.11	100.0%	99.04	100.0%
Current liabilities	75.29	53.9%	64.94	48.8%	52.68	53.2%
Long-term loans	18.72	13.4%	19.79	14.9%	1.17	1.2%
Total liabilities	100.04	71.6%	91.38	68.7%	58.18	58.8%
Total equity	39.75	28.4%	41.72	31.3%	40.85	41.2%
Important Financial Indicator						
Average collection turnover	106		106		106	
Average inventory turnover	60		62		52	
Current ratio (Times)	1.0		1.1		1.1	
Asset productivity(Times)	0.9		0.9		1.0	

Ps. Asset productivity= Sales Revenue/ Average total Assets.

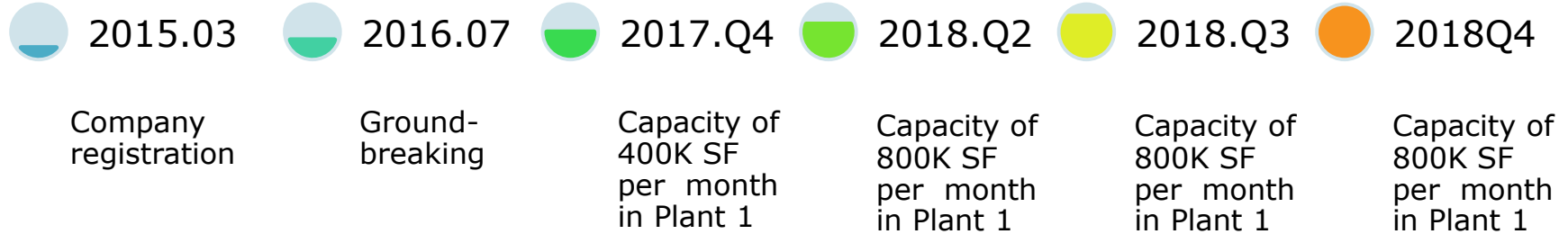
Consolidated Cash Flow Statement

(TWD 100M)	2Q18	1Q18	2Q17
Cash at beginning of period	14.78	13.50	13.24
Cash Flow from Operating	(5.64)	(2.28)	(0.46)
Capital Expenditure	(2.27)	(6.86)	(6.35)
Cash Dividends Paid			
Cash Flow from Financing	6.41	10.68	11.18
Investment & Other	0.77	(0.26)	0.33
Cash at end of period	14.05	14.78	17.94
Free Cash Flow	(7.91)	(9.14)	(6.82)

Ps. Free Cash Flow=Cash Flow from Operating-Capital Expenditure

Future Prospects

Planning and Progress of HS Plant



Maximum Output of the Quarter		400K SF/mth	750K SF/mth	750K SF/mth (F)	800K SF/mth (F)
Product Planning	LCD	V	V	V	V
	Storage		V	V	V
	Automotive			V	V
	Consumer			V	V

* The output of Q3 is expected to maintain 750K SF/mth due to the introduction of automotive and consumer products into MP. For quality control, the boards have to go twice in some processes, affecting the capacity of some production lines.

Aerial Photos of HS Plant



Administration Building



Factory Area



Dormitory + Connecting Bridge over the
Factory Area



Sewage Treatment Plant + Substation

Recent Major Events

Dynamic achieved outstanding result of top 5% in Listed Companies



In the "4th Corporate Governance Evaluation" organized by TWSE in 2018, Dynamic won the honor of "Top 5% ranking of listed company group (for consecutive 2 years). Dynamic has done a remarkable job in safeguarding shareholders' rights, treating shareholders equally, strengthening the structure and operation of the board of directors, enhancing information transparency and implementing corporate social responsibility. As a result, Dynamic was awarded by Financial Supervisory Commission.

Dynamic received "Excellent Supplier Award of Year 2018" from Asus



Dynamic has remained a long-term friendly relation with Asus. The HDI board Dynamic supplies to Asus are mainly used for Asus notebook, mobile phones, and tablets, and the products are sold all over the world.

Dynamic was selected to win Asus's "2018 Excellent Supplier Award" mainly because of Dynamic's excellent service, technology, quality and delivery. Thanks to Asus for the recognition of our overall service, Dynamic will continue to strive for excellence, and pursue sustainable development shared with Asus and all partners.

Dynamic will participate in 2018 Nagoya Automotive World Exhibition

第1回 **名古屋 オートモーティブ ワールド**

会期：2018年9月5日 [水]~7日 [金]10:00~18:00 (最終日のみ17時まで)
会場：ポートメッセ なごや 主催：リード エグジビション ジャパン(株)

招待券請求(無料) ● 出展資料請求(無料) ●

ホーム 展示会概要 出展案内 来場案内 セミナー プレスの方 お問い合わせ

カーエレクトロニクス技術 EV・HEV駆動システム クルマの軽量化技術

自動車業界における先端テーマの最新技術が一堂に出展

コネクティッド・カー 自動車部品&加工 自動運転



- Date:
2018.09.05-07
- Venue:
Portmesse Nagoya, Japan
- Booth:
13-22

Part of Dynamic' s long-term strategy is to develop technical capabilities for higher layer count, high density interconnect, high frequency and rigid-flex PCBs for automotive industry as well as "Internet of Things" and cloud computing.

In order to communicate with our customers face to face to introduce our future, we are going to be participating in AUTOMOTIVE WORLD in Nagoya Japan from Sep 5-7 2018. We will have senior sales and technical staff show samples of our product which highlight our technical and process capability.

Thank You!

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