



# 2017Q3 Earnings Conference

Edimax Technology

Nov. 15, 2017





## Safe Harbor Notice

Edimax Technology's statement of its current expectations are forward-looking statements which are subject to significant risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements.



## Agenda



- ✓ Financial Result
- ✓ Revenue and Profit by Segment
- ✓ Others
- ✓ Q & A



# Statements of comprehensive income

## for 2017Q3

In NTD Thousands

Subjects	2016Q3	2017Q3	2017Q2	YoY	QoQ
Operating Revenue	1,235,957	1,511,807	1,399,366	275,850	112,441
Gross Profit	358,991	359,375	364,333	384	(4,958)
Operating Expense	353,754	365,933	353,811	12,179	12,122
Operating Profit	5,237	(6,558)	10,522	(11,795)	(17,080)
Non-operating Income & Expense	(23,429)	16,343	4,806	39,772	11,537
Income before Tax	(18,192)	9,785	15,328	27,977	(5,543)
Income Tax	(1,012)	(14,469)	(8,869)	(13,457)	(5,599)
Income after Tax	(19,204)	(4,684)	6,459	14,520	(11,143)
Income Attributable to Parent	(23,006)	(21,934)	(10,374)	1,072	(11,560)

# Statements of comprehensive income **EDIMAX** for 201709YTD

In NTD Thousands

Subjects	201609YTD	201709YTD	YoY
Operating Revenue	3,757,143	4,173,357	416,213
Gross Profit	1,047,102	1,083,762	36,660
Operating Expense	999,326	1,074,780	75,454
Operating Profit	47,776	8,982	(38,795)
Non-operating Income & Expense	22,708	(45,806)	(68,515)
Income before Tax	70,484	(36,824)	(107,309)
Income Tax	(18,336)	(27,675)	(9,339)
Income after Tax	52,148	(64,499)	(116,647)
Income Attributable to Parent	54,505	(82,869)	(137,375)
EPS (in NTD)	0.30	-0.45	—



# Balance Sheet for 201709



In NTD Thousands

Subjects	2016/9/30	%	2016/12/31	%	2017/9/30	%
Cash & cash equivalents <sup>(*)</sup>	990,402	16	830,093	13	734,655	11
Accounts/Notes receivable	923,124	15	1,140,453	18	1,238,428	19
Inventories	1,310,680	21	1,277,274	20	1,568,739	24
Property, plant and eqips	2,427,720	39	2,454,618	39	2,490,477	37
Other assets	628,598	10	573,326	9	607,861	9
<b>Total assets</b>	<b>6,280,524</b>	<b>100</b>	<b>6,275,763</b>	<b>100</b>	<b>6,640,160</b>	<b>100</b>
Short-term borrowings	325,500	5	126,500	2	677,150	10
Accounts/Notes payable	1,095,943	17	1,212,045	19	1,259,944	19
Long-term borrowings <sup>(**)</sup>	1,622,306	26	1,601,418	26	1,538,754	23
Bonds payable <sup>(**)</sup>	292,892	5	295,078	5	297,292	5
Other liabilities	483,175	8	552,365	9	574,927	9
<b>Total liabilities</b>	<b>3,819,816</b>	<b>61</b>	<b>3,787,406</b>	<b>60</b>	<b>4,348,067</b>	<b>65</b>
<b>Total equity</b>	<b>2,460,708</b>	<b>39</b>	<b>2,488,357</b>	<b>40</b>	<b>2,292,093</b>	<b>35</b>

Note \* : Cash & cash equivalents subject above includes short-term bonds.

Note \*\*: reclassification of the above subjects is made for better understanding and comparison, such as long-term borrowings, bonds payable, property and etc.



## Agenda

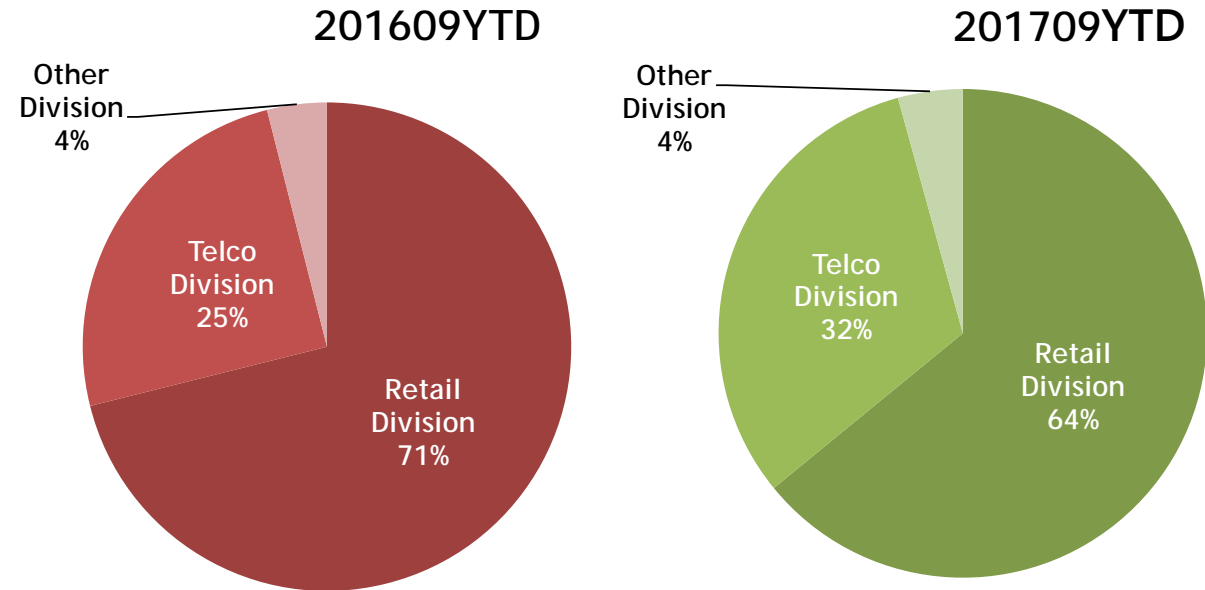


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## Sales & contribution by segment

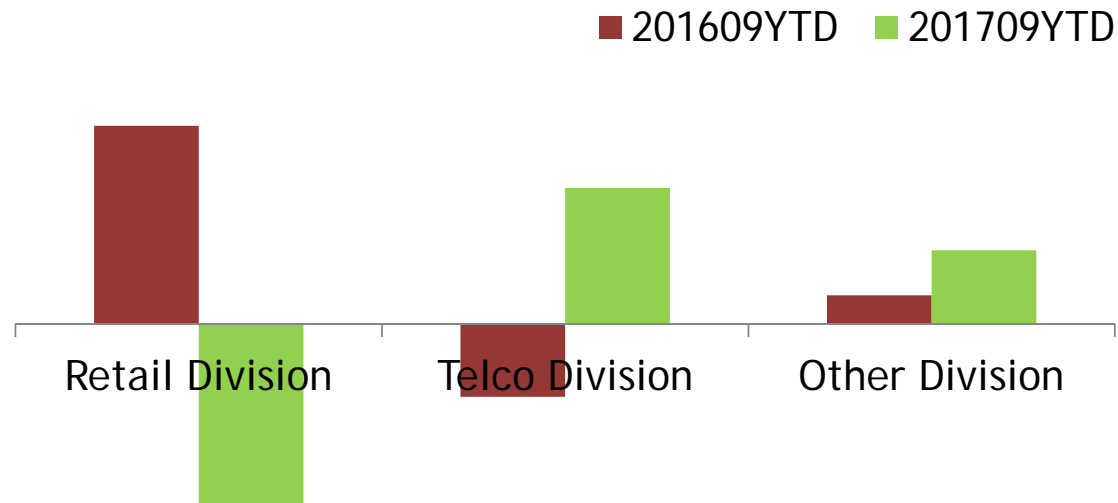


In NT Thousands

	201609YTD	201709YTD	Growth %
Retail BU	2,671,244	2,674,667	0.1%
Telco BU	937,501	1,319,684	40.8%
Others	148,398	179,006	20.6%



# Operating Profit by segment



In NT Thousands

	201606YTD	201709YTD	Growth %
Retail BU	61,524	(56,142)	-191%
Telco BU	(22,636)	42,252	287%
Others	8,888	22,872	157%





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## Comtrend will Conduct Private Placement



- ◆ Comtrend Corporation, a subsidiary company of Edimax, will issue new common shares within 2,114,123 shares through private placement.
  - Each share in this private placement is at par value of NTD10 and temporarily priced at NTD14.7.
  - The board meeting is authorized to decide the actual date to price and final price for this private placement within the scope not be less than the percentage approved by the shareholder meeting of Comtrend.
- ◆ Strategy Investor: Humax
  - The placee for this private placement for issuing common shares was chosen according to the concerning regulations.
  - Considering the rapidly changing market, to facilitate the competition ability, expand the selling channels and enhance the business complex achievements, Comtrend will invite strategy investor, Humax, to be as the placee.
  - Humax was established in the year 1989, it is a listed company in Korea, its consolidated revenue of 2016 is NTD36,477,281,000, which contributed net profit to parent company for NTD169,924,000.
  - Humax is one of the top three Set Top Box manufacturers in the world, its clients includes the cable TV service providers and telecommunication operators; Humax has been positive in expending broadband device products, from the expected cooperation in operation and technology, it will facilitate the stable growth of Comtrend by exploring selling channels and the same targeted markets, on the other hand, Humax will be benefited from the more perfect product categories. Therefore this private placement will mutually benefit both parties.
- ◆ The rights and liabilities related to the common shares issued in this private placement for increasing capital are same to the issued common shares of Comtrend. According to the Act of Stock Exchange, the issued shares from the private placement are prohibited from transaction for the term of three years except for the conditions specified in the Act.
- ◆ This private placement will be reviewed for approval by Investment Commission, Ministry of Economic Affairs and other concerning authorities, so that it could be definitely effective.



## Agenda



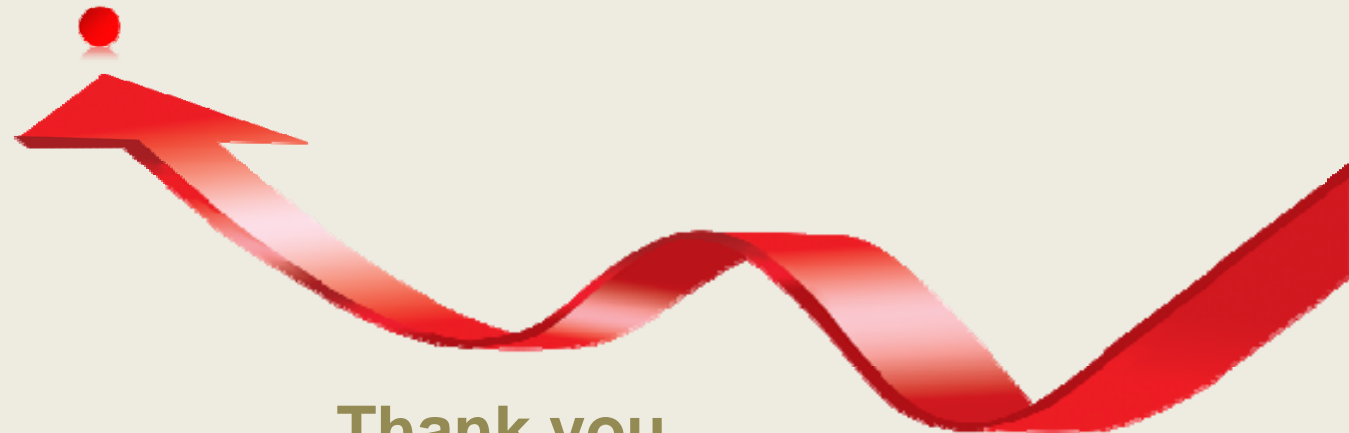
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For more information regarding Edimax, please visit  
[www.edimax.com.tw](http://www.edimax.com.tw)

For all inquiries, suggestions and comments, please write to  
[ir@edimax.com.tw](mailto:ir@edimax.com.tw)



**Thank you**