

# **4Q13 Earnings Conference**

**Lite-On Technology**

***March 27, 2014***



## Safe Harbor Notice

- Lite-On 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.
- ***The numbers of the presentation are prepared under IFRS.***

# 4Q13 Results

<i>In NT Millions</i>	4Q13		3Q13		QoQ	4Q12		YoY
	Amount	%	Amount	%	%	Amount	%	%
Net Sales	59,359	100.0	57,078	100.0	4.0	52,897	100.0	12.2
COGS	51,488	86.7	48,742	85.4	5.6	45,160	85.4	14.0
Gross Profit	7,871	13.3	8,336	14.6	-5.6	7,737	14.6	1.7
Operating Expense	5,254	8.9	5,291	9.3	-0.7	4,867	9.2	7.9
Operating Profit	2,617	4.4	3,045	5.3	-14.0	2,870	5.4	-8.8
Other Income/Expense	673	1.1	-9	0.0	-	451	0.9	49.1
Profit Before Tax	3,290	5.5	3,036	5.3	8.4	3,321	6.3	-0.9
Income Tax Expenses	833	1.4	720	1.3	15.7	561	1.1	48.4
Non-Controlling Interest	-62	-0.2	-103	-0.2	-	458	0.9	-
Profit Attributable to Parent	2,519	4.2	2,420	4.2	4.1	2,317	4.4	8.7
After Tax EPS	1.09		1.06			1.02		
Shares:(mm shares)	2,287		2,284			2,265		

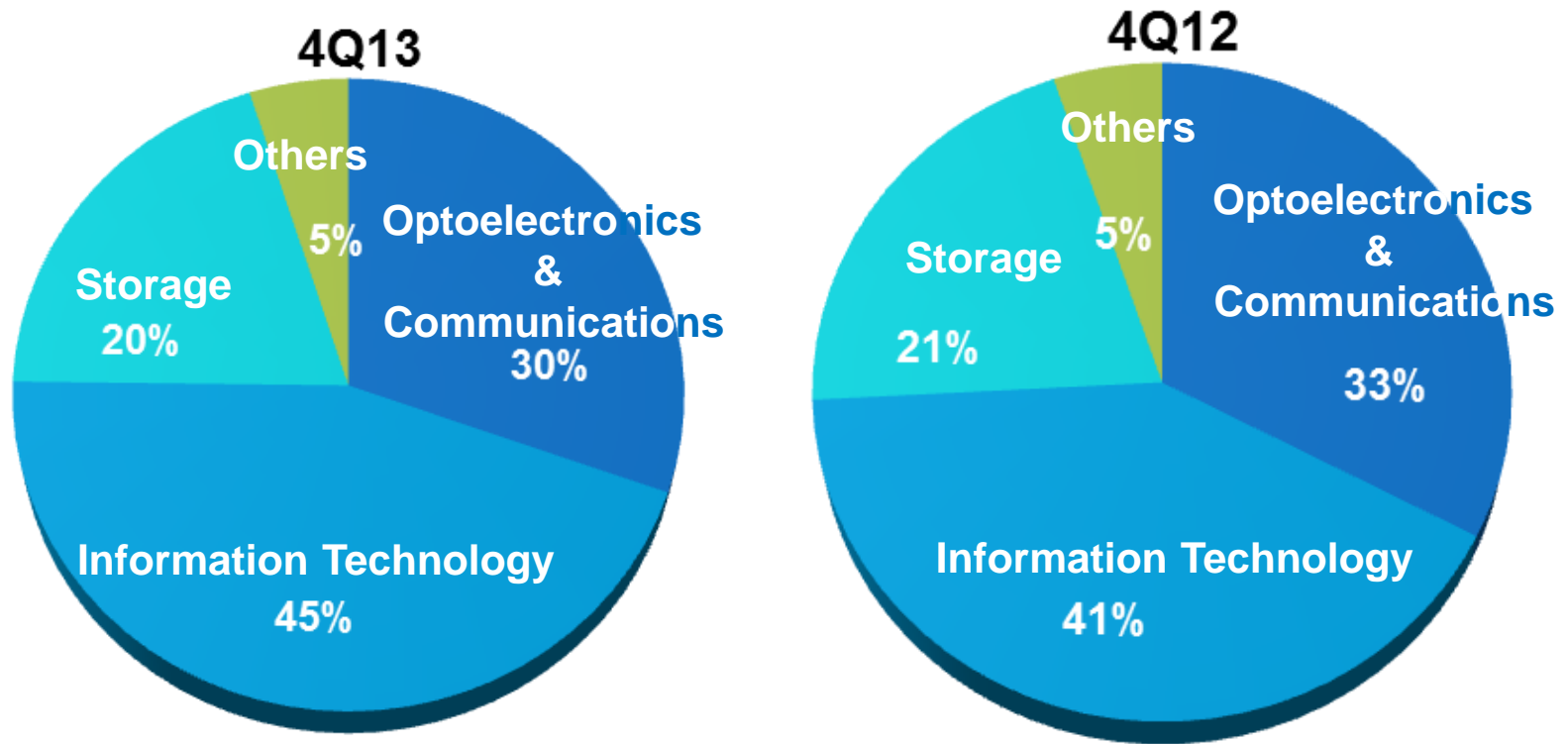
## Other Incomes/Other Expenses

In NT\$ Millions	<b>4Q13</b>	<b>2013</b>
Net Interest	193	536
FX	81	214
Others	398	728
Total OIOE	673	1,477

# 2013 Performance

<i>In NT Millions</i>	2013		2012		YoY
	Amount	%	Amount	%	%
Net Sales	213,214	100.0	216,047	100.0	-1.3
COGS	182,714	85.7	185,489	85.9	-1.5
Gross Profit	30,501	14.3	30,558	14.1	-0.2
Operating Expense	20,458	9.6	19,680	9.1	4.0
Operating Profit	10,042	4.7	10,878	5.0	-7.7
Other Income/Expense	1,477	0.7	952	0.4	55.2
Profit Before Tax	11,520	5.4	11,831	5.5	-2.6
Income Tax Expenses	2,629	1.2	2,454	1.1	7.1
Non-Controlling Interest	136	0.1	1,989	0.9	-93.2
Profit Attributable to Parent	8,755	4.1	7,402	3.4	18.3
After Tax EPS	3.83		3.25		
Shares:(mm shares)	2,287		2,284		

# Revenue Contribution by Segment



<b>Optoelectronics &amp; Communications</b>	Optoelectronics, Camera Modules, handheld Casing and mechanical products
<b>Information Technology Products</b>	Products used in NB, DT, Tablets, servers, networking and MFP
<b>Storage</b>	Optical disk drives and solid state drives.
<b>Others</b>	LED application-LED traffic signals, street lights, general illuminations and automotive electronics. Green energy products and services.

# 4Q13 Revenue by Segment

*In NT Millions*

Revenue By Segment	4Q13	4Q12	YoY
Optoelectronics & Communications	18,065	17,259	5%
Information Technology	26,574	21,970	21%
Storage	11,812	10,929	8%
Others	2,908	2,740	6%
<b>Total</b>	<b>59,359</b>	<b>52,897</b>	<b>12%</b>

# 4Q13 PAT by Segment

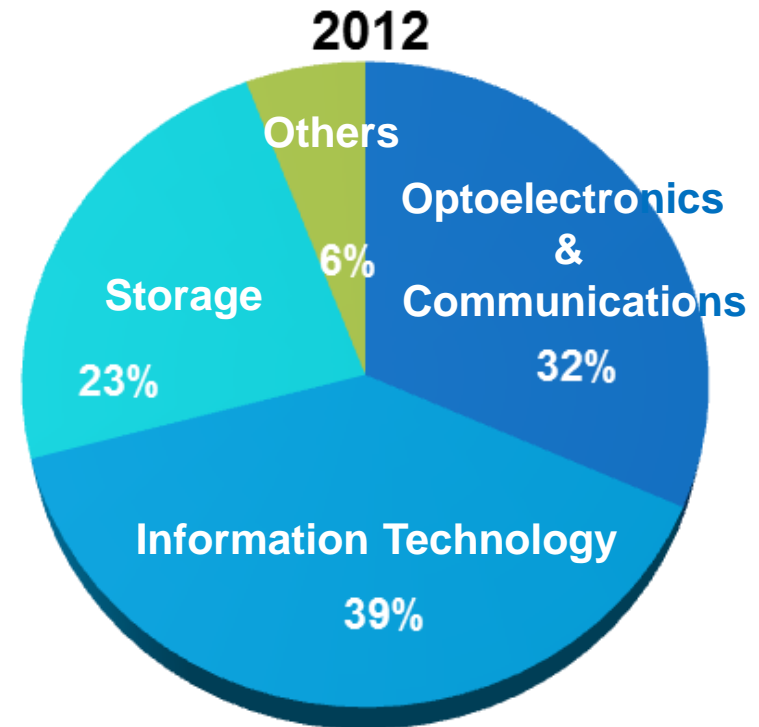
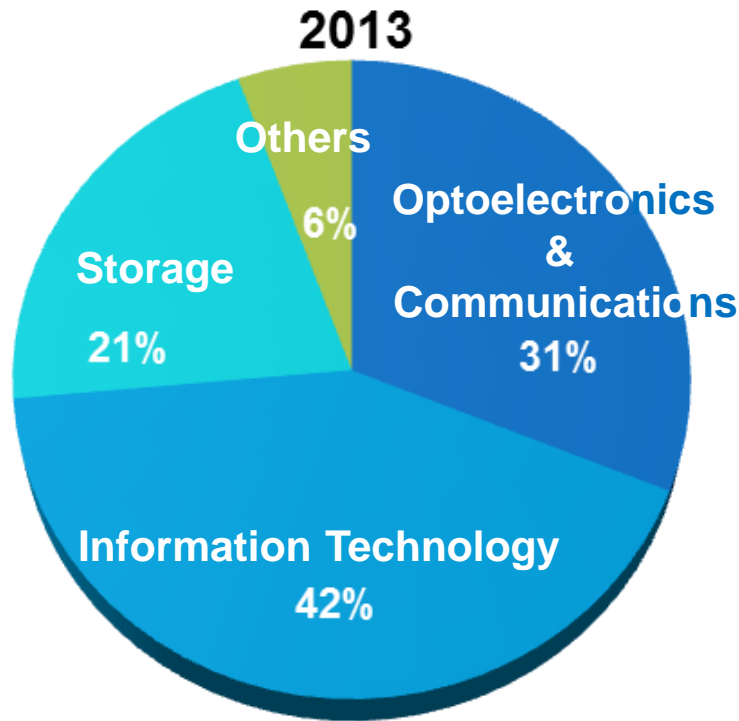
*In NT Millions*

<b>Profit After Tax By Segment</b>	<b>4Q13</b>	<b>4Q12</b>	<b>YoY</b>
Optoelectronics & Communications	570	1,056	-46%
Information Technology	1,977	1,669	18%
Storage	598	713	-16%
Others	(688)	(678)	-2%
<b>Total</b>	<b>2,457</b>	<b>2,760</b>	<b>-11%</b>

**\*Note:** PAT numbers in Other Segment included employee bonus expenses, ~ 15% of PBT and income taxes



# Revenue Contribution by Segment



<b>Optoelectronics &amp; Communications</b>	Optoelectronics, Camera Modules, handheld Casing and mechanical products
<b>Information Technology Products</b>	Products used in NB, DT, Tablets, servers, networking and MFP
<b>Storage</b>	Optical disk drives and solid state drives.
<b>Others</b>	LED application-LED traffic signals, street lights, general illuminations and automotive electronics. Green energy products and services.

# 2013 Revenue by Segment

*In NT Millions*

Revenue By Segment	2013	2012	YoY
Optoelectronics & Communications	66,334	68,369	-3%
Information Technology	90,554	84,672	7%
Storage	44,382	50,463	-12%
Others	11,944	12,543	-5%
<b>Total</b>	<b>213,214</b>	<b>216,047</b>	<b>-1%</b>

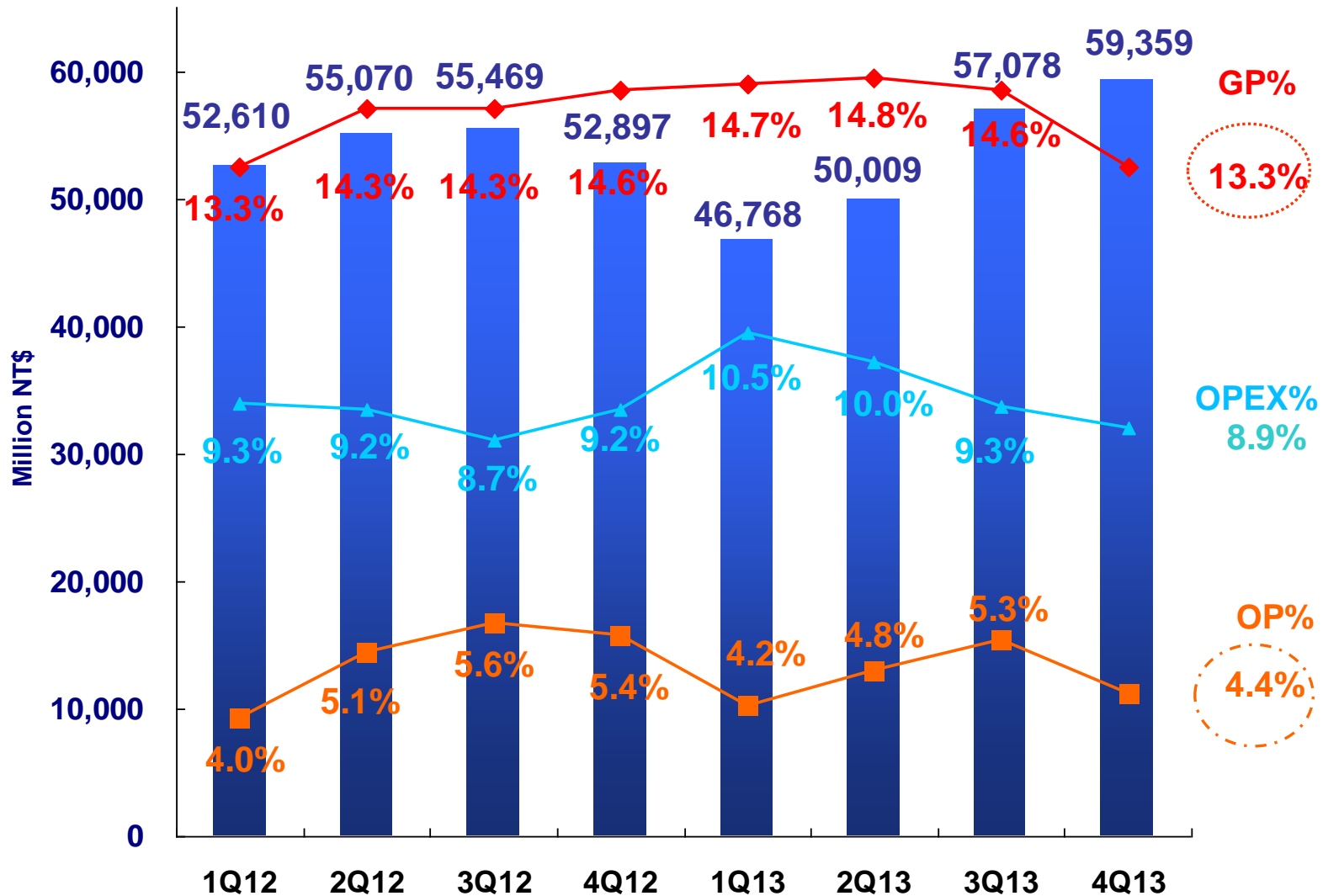
# 2013 PAT by Segment

*In NT Millions*

<b>Profit After Tax By Segment</b>	<b>2013</b>	<b>2012</b>	<b>YoY</b>
Optoelectronics & Communications	3,223	2,988	8%
Information Technology	6,561	6,211	6%
Storage	1,932	2,672	-28%
Others	(2,826)	(2,495)	-13%
<b>Total</b>	<b>8,890</b>	<b>9,376</b>	<b>-5%</b>

**\*Note:** PAT numbers in Other Segment included employee bonus expenses, ~ 15% of PBT and income taxes

# 2<sup>nd</sup> Half loaded despite weakness in subsidiaries



**Note:** 2012 Sales \$216,047 M, GP 14.1%, OPEX 9.1%, OPM 5.0%, EPS 3.25  
 2013 Sales \$213,214 M, GP 14.3%, OPEX 9.6%, OPM 4.7%, EPS 3.83

# Balance Sheet

	4Q13		3Q13		4Q12	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	65,931	31%	59,113	29%	51,225	26%
Accounts Receivable	49,500	23%	48,761	24%	44,800	23%
Inventories	27,204	13%	24,503	12%	20,566	10%
Current Assets	150,431	71%	142,028	69%	132,865	67%
Total Assets	212,361	100%	205,660	100%	197,056	100%
Short Term Debt	24,444	12%	23,277	11%	11,422	6%
Accounts Payable	60,308	28%	54,301	26%	51,990	26%
Current Liabilities	112,069	53%	101,577	49%	84,772	43%
Long Term Debt	18,508	9%	24,851	12%	19,957	10%
Total Liabilities	133,124	63%	129,824	63%	107,634	55%
Equities	79,237	37%	75,836	37%	89,421	45%
<b>Key Indices</b>						
Current Ratio (x)	1.34		1.40		1.57	
Quick Ratio (x)	1.10		1.16		1.32	
Net Cash (NT Millions)	22,978		10,986		19,847	

# Highlights

## 4Q13: Top/bottom-line expansion

- 4Q revenue of NT\$59.4 billion, up 4% Q/Q and 12% Y/Y, thanks to the yearly growth in Cloud Computing, Camera Modules, LED/Lighting, SSD, Automobile Electronics and Gaming, with EPS of NT\$1.09

## Stable Core Business Development in 2013

- 6 growth drivers accounted for 40%+ of sales, posted a yearly growth of 40% with better margin contribution in 2013.
- 2013 GPM, OPM were 14.3% and 4.7%, up 0.2% and down 0.3% Y/Y respectively, due to the weakness in subsidiaries, whereas the turnaround plans in place.

## 2013 Dividend plan

- NT\$ 2.76 dividend per share, with NT\$ 2.71 cash and NT\$0.05 stock dividend per share, resulting in payout ratio of 72% and 6.3% cash yields
- Net cash of NT\$23B, after paid down NT\$6.3Bn of L-T debt

## Strengthen Core Competence

- BOD has approved to own 100% stake of LarView to further strengthen our competence in Camera Module

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**Thank You!**