

MEDIATEK

聯發科技 2017年第四季法人說明會 MediaTek 2017-Q4 Investor Conference

January 31, 2018



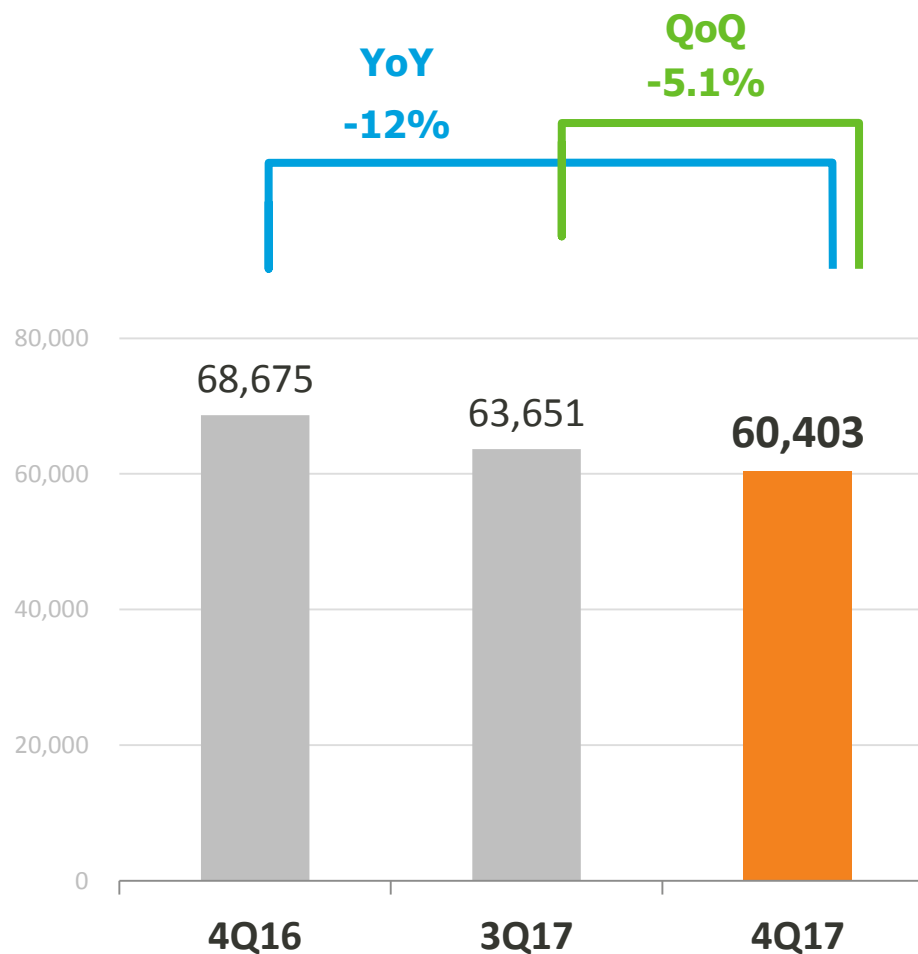
Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this presentation are forward looking statements that are subject to risks and uncertainties that could cause actual results to differ materially, including the impact of competitive products and pricing, timely design acceptance by our customers, timely introduction of new technologies, ability to ramp new products into volume, industry wide shifts in supply and demand for semiconductor products, industry overcapacity, availability of manufacturing capacity, financial stability in end markets, and other risks.

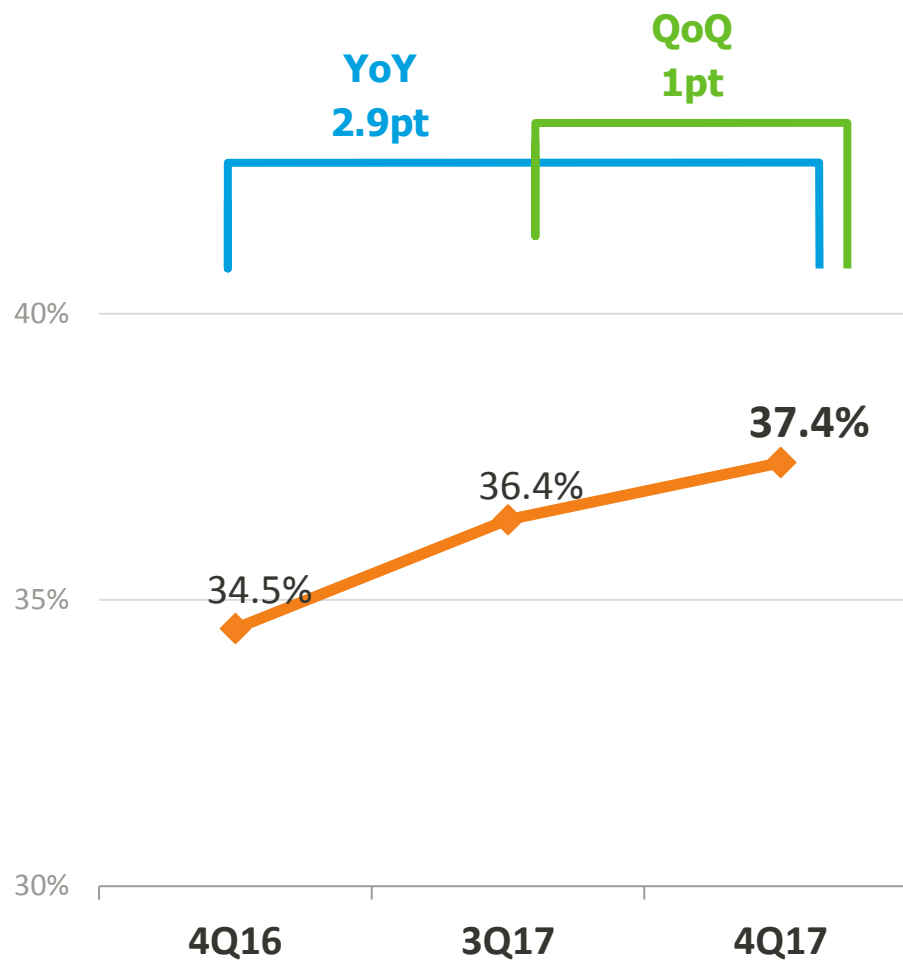
This presentation also includes Non-Taiwan-International Financial Reporting Standards (Non-TIFRS) financial measures which exclude share-based compensation, amortization of acquisition related assets, tax effect and other items. The information should be considered in addition to, not as a substitute for, Taiwan-International Financial Reporting Standards (TIFRS). Earnings distribution is made accordance with financial statements based on TIFRS.

Consolidated Revenue

(NT\$ million)

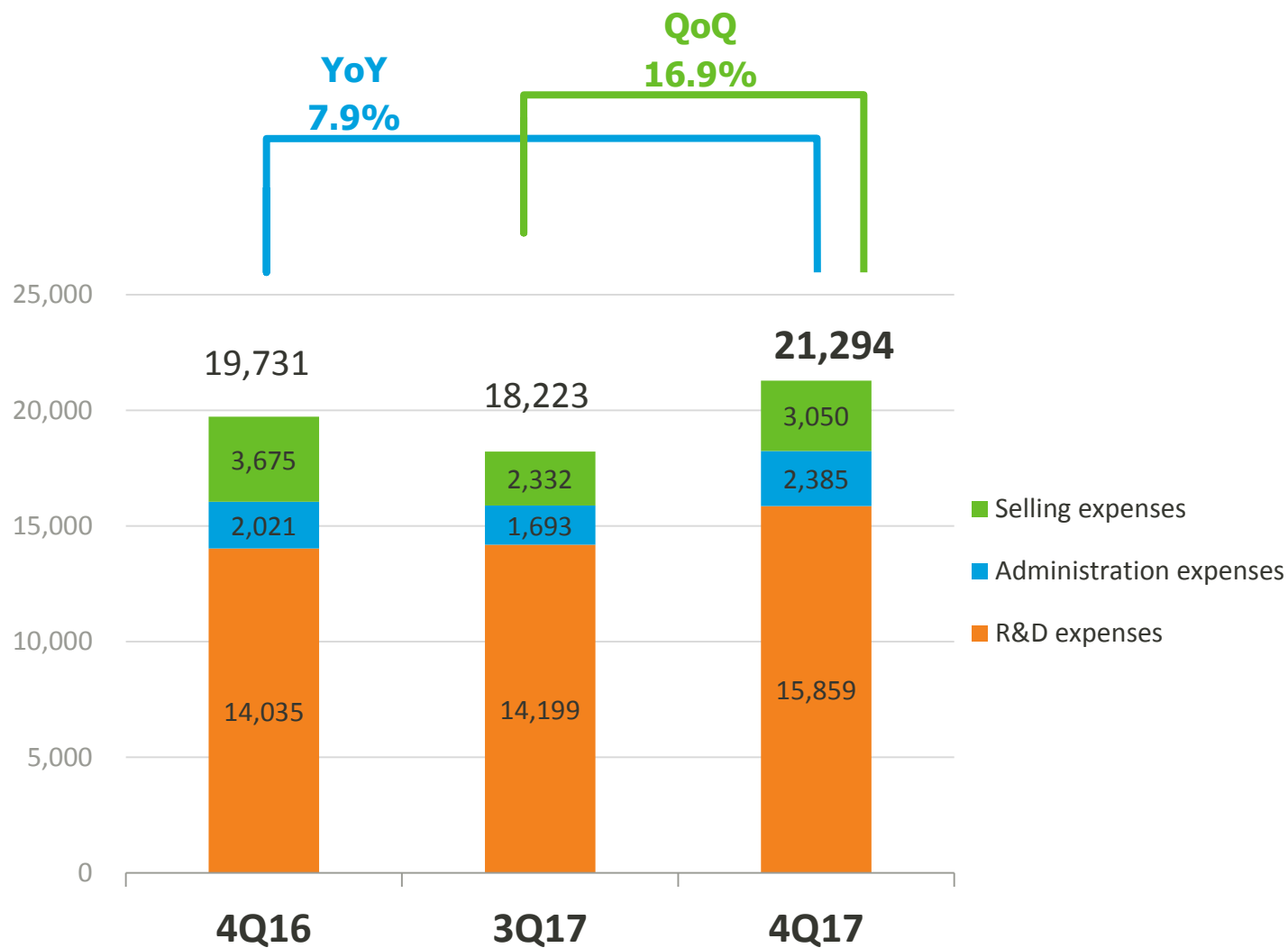


Consolidated Gross Margin



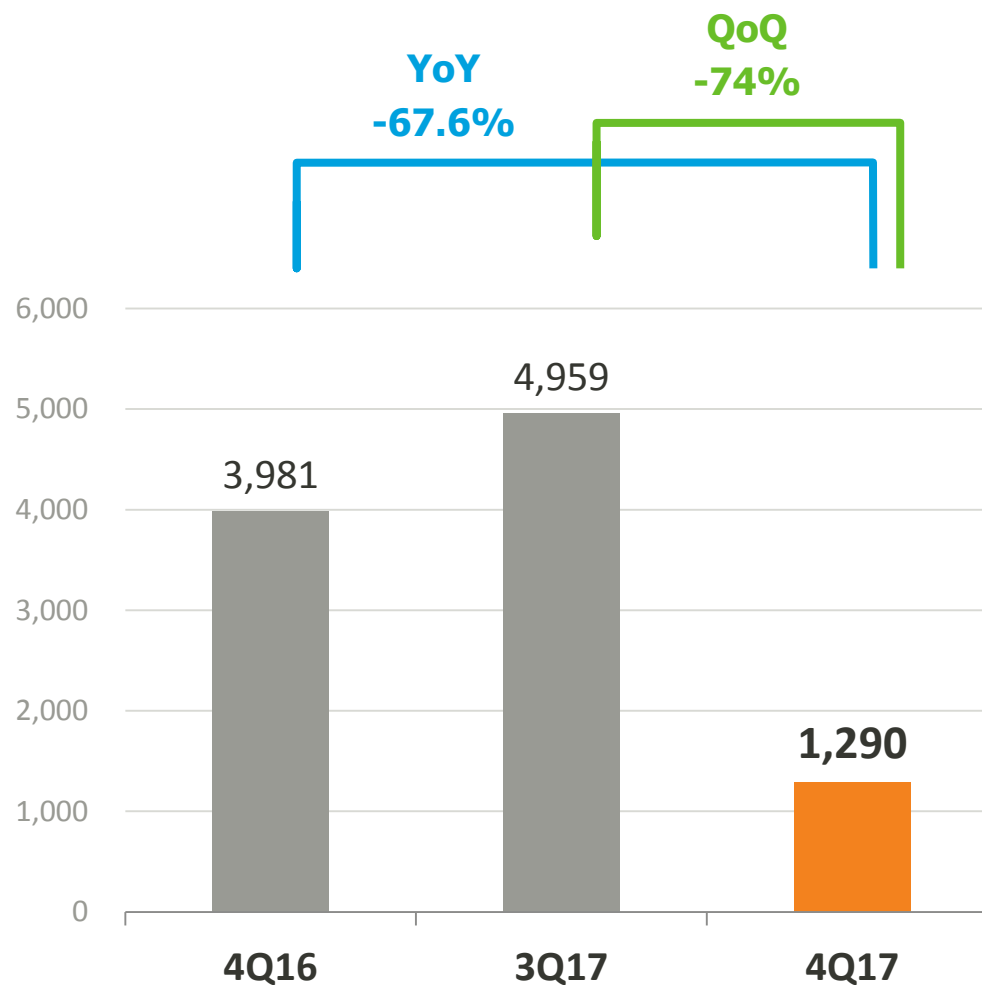
Consolidated Operating Expenses

(NT\$ million)

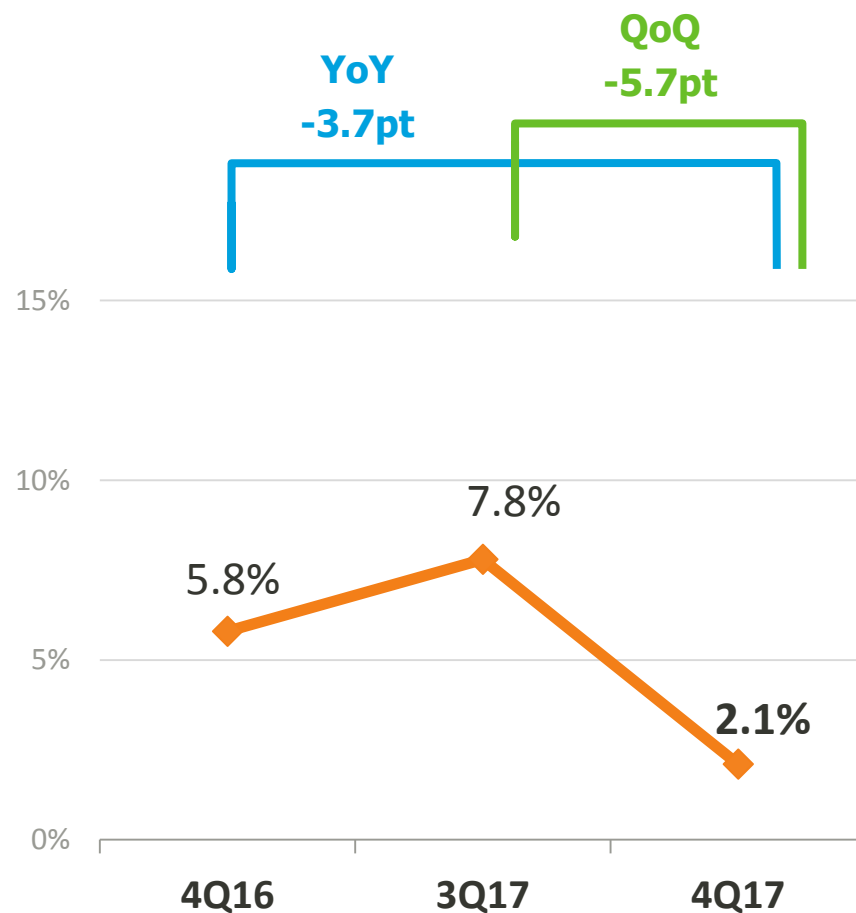


Consolidated Operating Income

(NT\$ million)

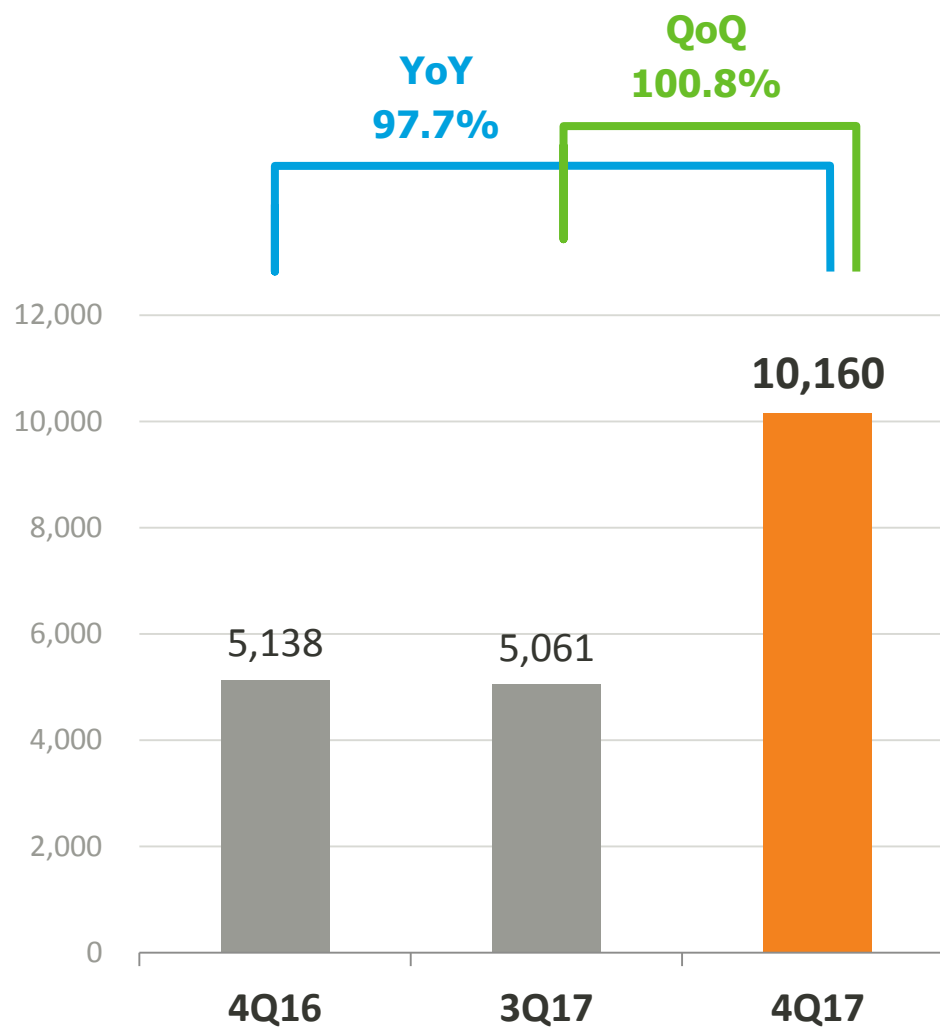


Consolidated Operating Margin

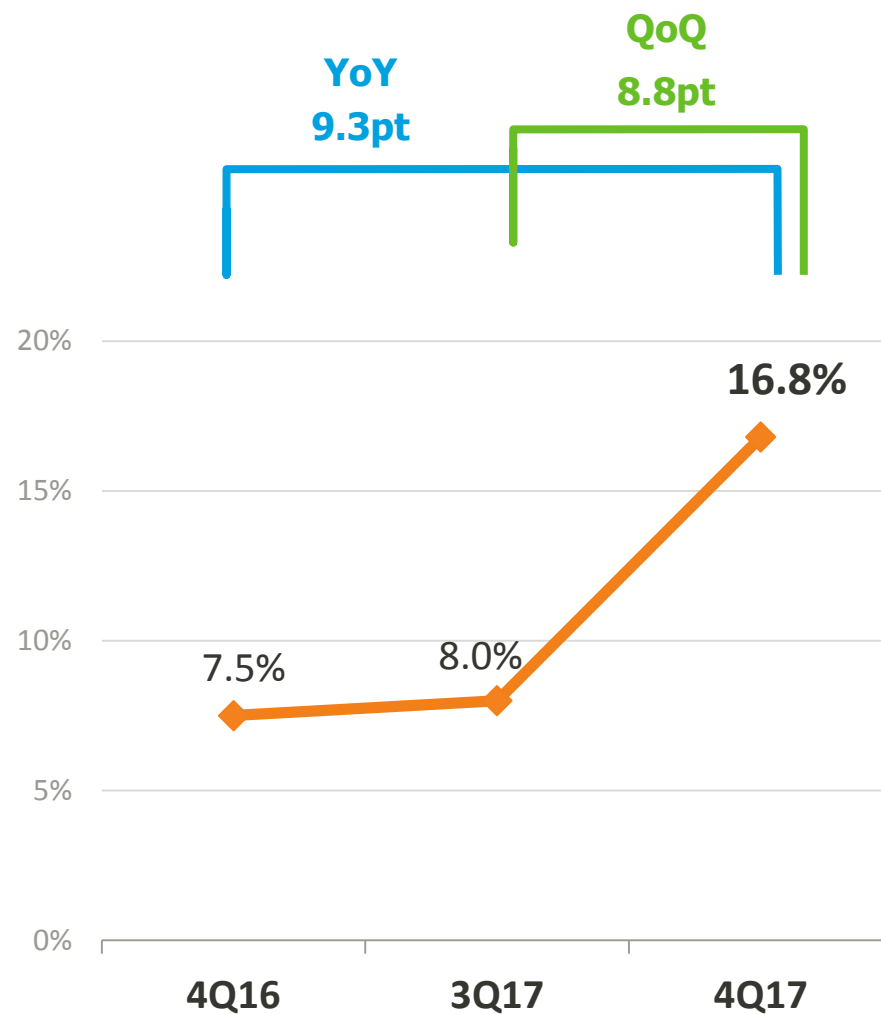


Consolidated Net Income

(NT\$ million)

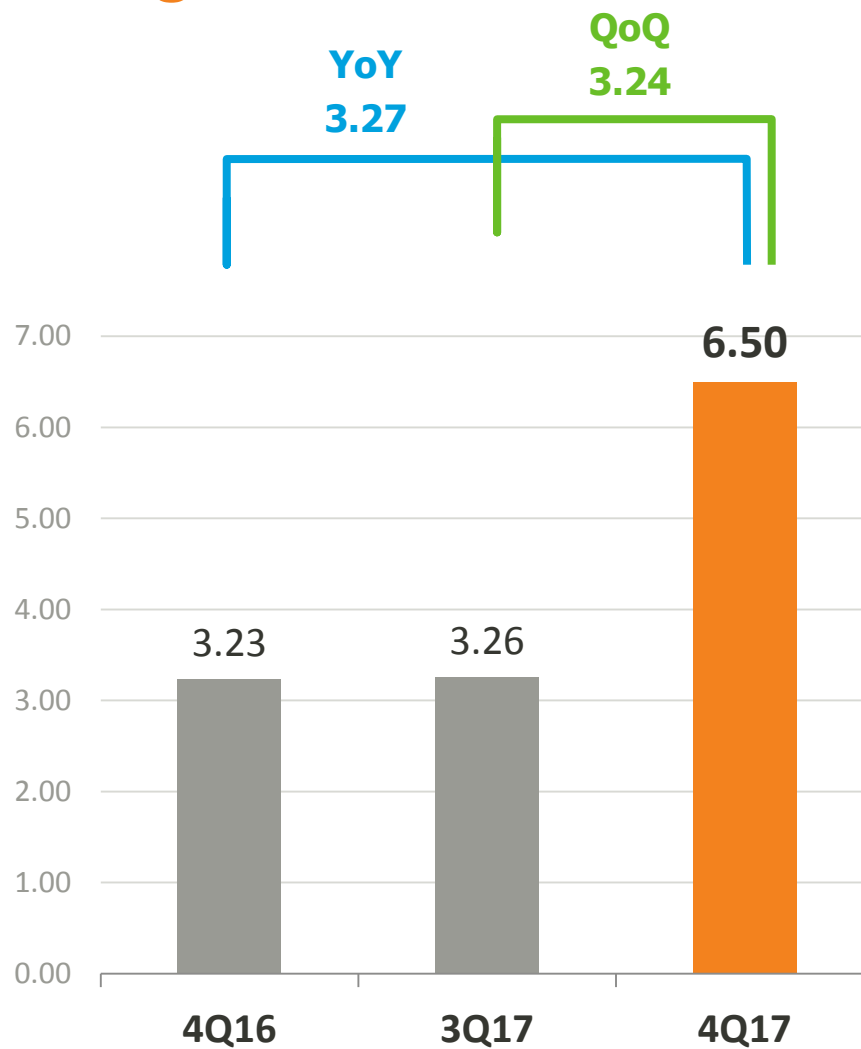


Consolidated Net Profit Margin



Consolidated Earnings Per Share

(NT\$)



Taiwan-International Financial Reporting Standards (TIFRS)

Financial Statements

Consolidated Income Statement (Unaudited)

(In NT\$ millions, except earnings per share)

(In NT\$ millions, except EPS)	4Q17	3Q17	4Q16	Q-Q	Y-Y
Net Sales	60,403	63,651	68,675	(5.1%)	(12.0%)
Operating costs	(37,819)	(40,469)	(44,963)		
Gross profit	22,584	23,182	23,713	(2.6%)	(4.8%)
Selling expenses	(3,050)	(2,332)	(3,675)		
Administration expenses	(2,385)	(1,693)	(2,021)		
R&D expenses	(15,859)	(14,199)	(14,035)		
Operating expenses	(21,294)	(18,223)	(19,731)		
Operating income	1,290	4,959	3,981	(74.0%)	(67.6%)
Net non-operating income	9,445	662	1,586		
Net income before income tax	10,735	5,621	5,568		
Income tax expense	(575)	(560)	(430)		
Net income	10,160	5,061	5,138	100.8%	97.7%
EPS attributable to the parent(NT\$)	6.50	3.26	3.23		

Note: Sums may not equal totals due to rounding.

Supplemental Information: Percentage of Revenue

	4Q17	3Q17	4Q16
Gross profit	37.4%	36.4%	34.5%
Selling expenses	(5.0%)	(3.7%)	(5.4%)
Administration expenses	(3.9%)	(2.7%)	(2.9%)
R&D expenses	(26.3%)	(22.3%)	(20.4%)
Operating income	2.1%	7.8%	5.8%
Non-operating income	15.6%	1.0%	2.3%
Income tax expense	(1.0%)	(0.9%)	(0.6%)
Net income	16.8%	8.0%	7.5%

Note: Sums may not equal totals due to rounding.

Consolidated Income Statement (Unaudited)

(In NT\$ millions, except earnings per share)

(In NT\$ millions, except EPS)	2017	2016	Y-Y
Net Sales	238,216	275,512	(13.5%)
Operating costs	(153,330)	(177,322)	
Gross Profit	84,886	98,190	(13.5%)
Selling expenses	(10,465)	(12,414)	
Administration expenses	(7,431)	(7,015)	
R&D expenses	(57,171)	(55,685)	
Operating Expenses	(75,067)	(75,114)	
Operating Income	9,819	23,076	(57.4%)
Net Non-operating Income	17,418	4,137	
Net Income Before Income Tax	27,237	27,213	
Income tax expense	(3,167)	(3,182)	
Net Income	24,070	24,031	0.2%
EPS Attributable to the Parent(NT\$)	15.56	15.16	

Note: Sums may not equal totals due to rounding.

Supplemental Information: Percentage of Revenue

	2017	2016
Gross profit	35.6%	35.6%
Selling expenses	(4.4%)	(4.5%)
Administration expenses	(3.1%)	(2.5%)
R&D expenses	(24.0%)	(20.2%)
Operating income	4.1%	8.4%
Non-operating income	7.3%	1.5%
Income tax expense	(1.3%)	(1.2%)
Net income	10.1%	8.7%

Note: Sums may not equal totals due to rounding.

Balance Sheet Summary (Unaudited)

(In NT\$ millions)

(In NT\$ millions)	4Q17	3Q17	4Q16
Cash & financial assets-current	170,120	148,858	153,466
Accounts receivable	16,895	21,771	20,481
Inventories	26,540	36,146	33,923
Other current assets	25,109	16,817	12,408
Funds and investments	37,772	50,123	36,971
Intangible assets	76,178	77,045	72,015
Other non-current assets	42,348	41,720	41,449
Total assets	394,963	392,481	370,712
Short-term loans	64,316	63,230	54,524
Accounts payable	23,584	27,943	24,630
Other current liabilities	39,357	36,390	40,193
Total non-current liabilities	6,358	7,018	4,702
Total equity	261,348	257,900	246,663

Note: Sums may not equal totals due to rounding..

Cash Flow Statement (Unaudited)

(In NT\$ millions)

(In NT\$ millions)	4Q17	3Q17	4Q16
Net cash provided by (used in) operating activities	16,707	6,948	9,209
Net cash provided by (used in) investing activities	(2,137)	1,358	(2,026)
Net cash provided by (used in) financing activities	1,408	(17,315)	(10,638)
Effect of changes in exchange rate on cash and cash equivalents	(101)	(13)	861
Net increase (decrease) in cash and cash equivalents	15,877	(9,021)	(2,595)
Cash and cash equivalents at the end of the period	145,338	129,462	141,349

Note : Sums may not equal totals due to rounding.

【Supplemental Information】

Reconciliations of TIFRS Results to Non-TIFRS Results

Reconciliations of TIFRS Results to Non-TIFRS Results^{Note2}

(In NT\$ millions)	4Q17	3Q17	4Q16	Q-Q	Y-Y
TIFRS operating income	1,290	4,959	3,981		
TIFRS net income	10,160	5,061	5,138		
TIFRS EPS(NT\$)	6.50	3.26	3.23		
Non-TIFRS reconciliation items	299	538	474		
Share-based compensation	(-54)	215	177		
Amortization of acquisition related assets	403	407	370		
Tax effect	(50)	(84)	(73)		
Non-TIFRS operating income	1,639	5,580	4,528	(70.6%)	(63.8%)
Non-TIFRS operating income margin (%)	2.7%	8.8%	6.6%		
Non-TIFRS net income	10,459	5,598	5,611	86.8%	86.4%
Non-TIFRS net income margin (%)	17.3%	8.8%	8.2%		
Non-TIFRS EPS(NT\$)	6.68	3.61	3.53		

Note1: Sums may not equal totals due to rounding.

Note2: Non-TIFRS financial information should be considered in addition to, not as a substitute for, TIFRS financial information. Reconciliations between TIFRS and Non-TIFRS results include share-based compensation, amortization of acquisition related assets, tax effect and other items. Earnings distribution is made in accordance with financial statements based on TIFRS.

Reconciliations of TIFRS Results to Non-TIFRS Results^{Note2}

(In NT\$ millions)	2017	2016	Y-Y
TIFRS operating income	9,819	23,076	
TIFRS net income	24,070	24,031	
TIFRS EPS(NT\$)	15.56	15.16	
Non-TIFRS reconciliation items	2,047	1,648	
Share-based compensation	614	307	
Amortization of acquisition related assets	1,766	1,598	
Tax effect	(334)	(257)	
Non-TIFRS operating income	12,200	24,981	(51.2%)
Non-TIFRS operating income margin (%)	5.1%	9.1%	
Non-TIFRS net income	26,117	25,680	1.7%
Non-TIFRS net income margin (%)	11.0%	9.3%	
Non-TIFRS EPS(NT\$)	16.86	16.21	

Note1: Sums may not equal totals due to rounding.

Note2: Non-TIFRS financial information should be considered in addition to, not as a substitute for, TIFRS financial information. Reconciliations between TIFRS and Non-TIFRS results include share-based compensation, amortization of acquisition related assets, tax effect and other items. Earnings distribution is made in accordance with financial statements based on TIFRS.

www.mediatek.com