



宏致電子股份有限公司

股票代號 3605

ACES Electronics Co., Ltd.

Investor Conference

Dec 20, 2018

- **ACES Group Established in Nov. 1996.**
 - **Over 6,000 employees worldwide**
 - **Headquarters: Taiwan Taoyuan**
 - **Factories: Taiwan 、 China (Dongguan 、 Kunshan 、 Suzhou) 、 Philippines 、 Vietnam**
 - **Overseas Sales Offices: Japan 、 Singapore 、 Philippines 、 Germany 、 USA**
- **We are focusing on designing/producing/selling high technique connectors, cables assemblies, dongles, and solution of electronic devices.**
- **End Product including: Industry 4.0, IPC, Medical, Cloud Computing, Server, Automotive, Transportation, Laptop Computing, Consumer Electronics**



ACES GROUP

MEC 龍翰

連接線事業群
Cable Group

MEC Taiwan
台北龍翰

MEC HT Suzhou
瀚騰瀚騰

MECHPT Dongguan
東莞奇翰

MEC Philippnes
龍翰菲律賓

MEC USA
龍翰美國辦公室

ACES 宏致

連接器事業群
Connector Group

ACES Taiwan
台灣宏致(總部)

ACES PEC Taiwan
台灣精工中心

ACES Japan
宏致日本辦公室

ACES USA
宏致美國辦公室

ACES Singapore
宏致新加坡辦公室

ACES Kunshan
昆山宏致

ACES Dongguan
東莞 宏致

GALIS Kunshan
Plating

昆山加利斯
金屬工藝中心

CPC 志展

通路暨射頻事業群
**Sales Channel
& RF Group**

CPC Taiwan
台北志展

CPC Vietnam
越南

CPC Germany
德國辦公室

Plant Overview-ACES



總部	精工中心	東莞宏致	昆山宏致	加利斯金屬工藝
Headquarters	Precision Engineering Center	Dongguan Plant	Kunshan Plant	Galis Plating
Marketing Sales	R&D Tooling Molding Stamping Connector and Cable Assembly	Sales R&D Tooling Molding Stamping Assembly	Sales R&D Tooling Molding Stamping Assembly	Plating
				
台灣/ 桃園 Taoyuan, Taiwan	台灣/ 桃園 Taoyuan, Taiwan	中國大陸/ 東莞 Dongguan, China	中國大陸/ 昆山(青陽廠, 長江廠) Kunshan, China	中國大陸/ 昆山 Kunshan, China

Plant Overview-MEC



龍翰科技

MEC IMEX Inc.

Marketing
Sales
Product
Design



台灣/ 台北

Taipei, Taiwan

東莞奇翰

MEC Homepride
Tech. Inc.

Dongle Cable,
Data Cable
(USB, HDMI,
VGA, Mini DIN),
Appliance Cable



中國大陸/ 東莞

Dongguan, China

蘇州瀚騰

SUZHOU Hanteng
Electronics Tech. Co., Ltd.

Micro Coaxial
Cable
LVDS Cable
Wire Harness



中國大陸/ 蘇州

Suzhou, China

龍翰菲律賓

MEC Electronics
(Philippines) Corp.

AC/DC Power Cord,
Appliance Cable,
Automotive Cable, ,
Wire Harness,
Industrial Cable



東南亞/ 菲律賓

Manila ,Philippines

Plant Overview-CPC



志展實業

CPC Headquarters

德國宏高

CPC Dongguan

志展越南

Vietnam Plant

Sales
Logistic
Engineering



台灣/ 台北

Taipei, Taiwan

Sales
Warehouse



德國/ 慕尼黑

Germany

RF Connector
RF Cable
Zinc Die Casting
Aluminum Die Casting
Barrel Plating
Hanging Plating
Lathe / CNC



越南/ 海陽

Hai Duong, Vietnam

Global Service Network



Strategic Planning for main market category



Industry

UPS, Industrial &
IPC, Medical
Equipment

Cloud

Computing
Communication
Server

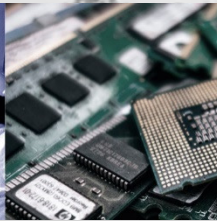
Automobile

Transportation

Laptop Computer

Consumer
Electronics

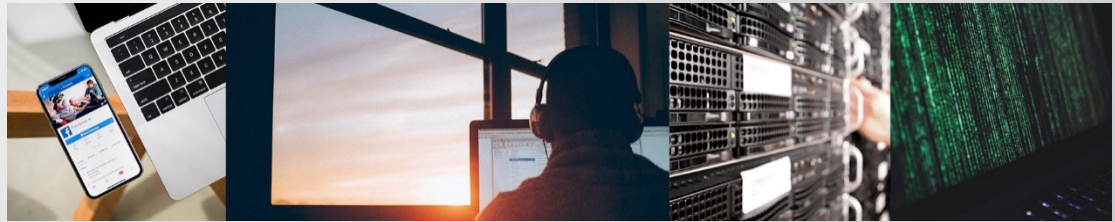
Industrial & Industry 4.0 / IPC / Medical



- Cable and Connector for Industrial Equipment
- Cable and Connector for IPC
- Cable and Connector for Medical Equipment



Cloud Computing & Communication and Server



- High Speed Connector and Cable
- High Power Connector
- RF connector (Radio Frequency Connector) and Cable
- Other Connector and Cable



Automobile / Transportation



- Connector & Cable for Advanced Driver Assistance Systems
- Electronic Control Module
- Connector & Cable for Electric Vehicle

Laptop Computer / Consumer Electronics



- High technique Connectors & Harness for Note Book and Peripheral products
- High technique Connectors & Harness for Smart Phone
- Connector & Cable for Smart Home
- Dongles
- USB/HDMI/IO Cable



Financial Results



Last 5 Years Revenue

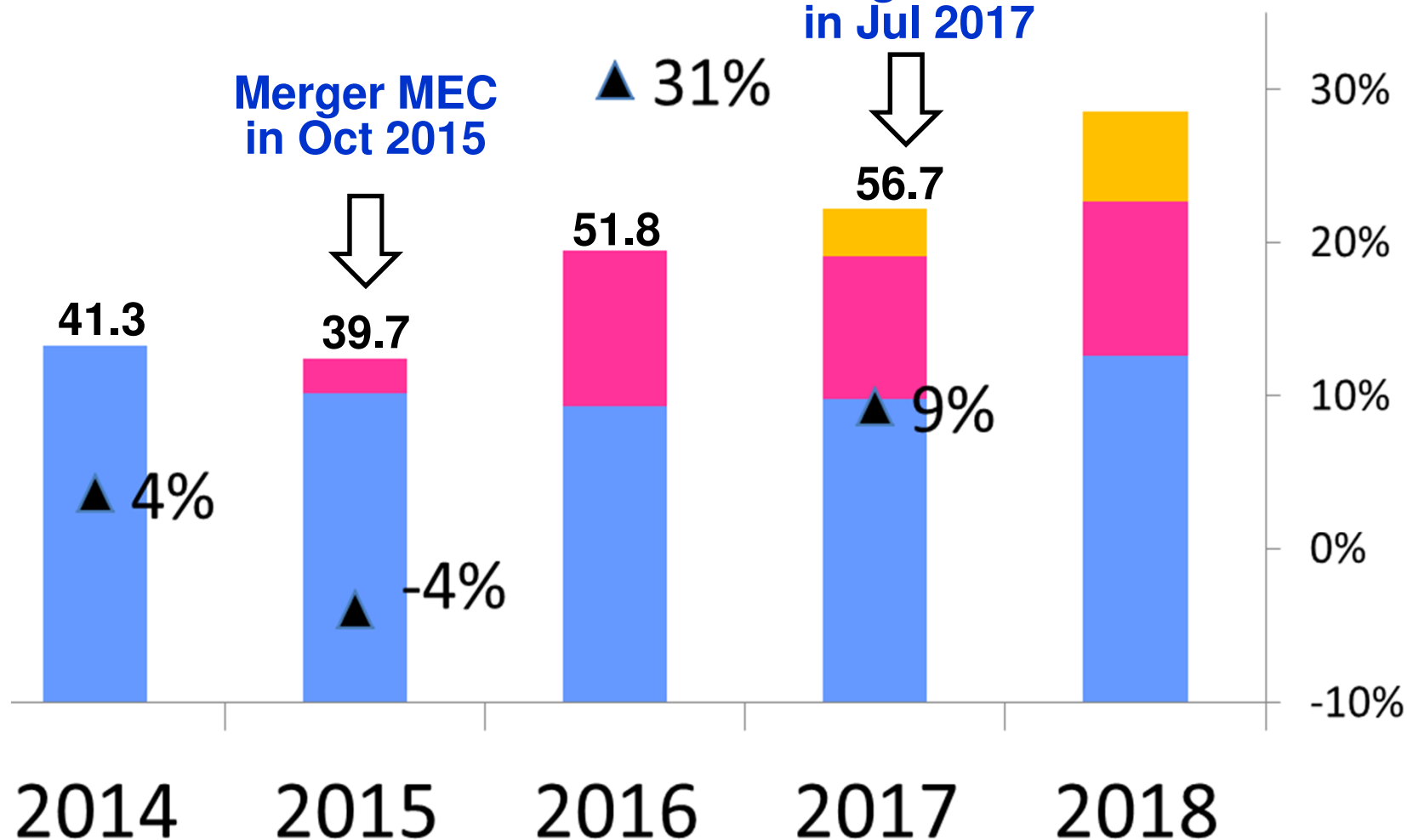


■ CPC ■ MEC ■ ACES ▲ YOY

Unit: NTD 100 million

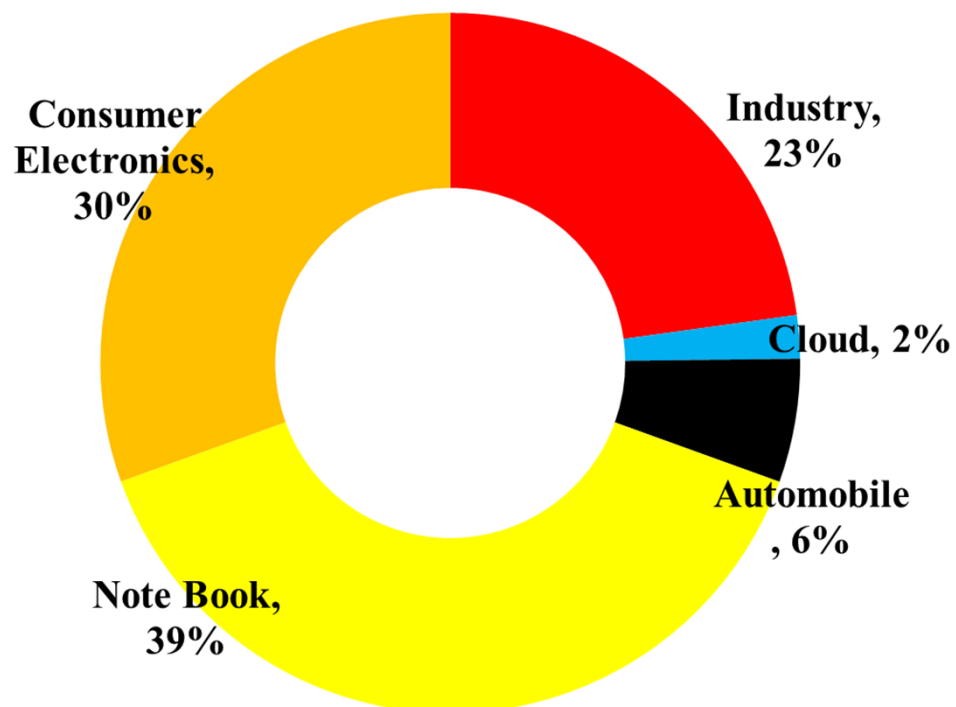
Merger CPC
in Jul 2017

Merger MEC
in Oct 2015

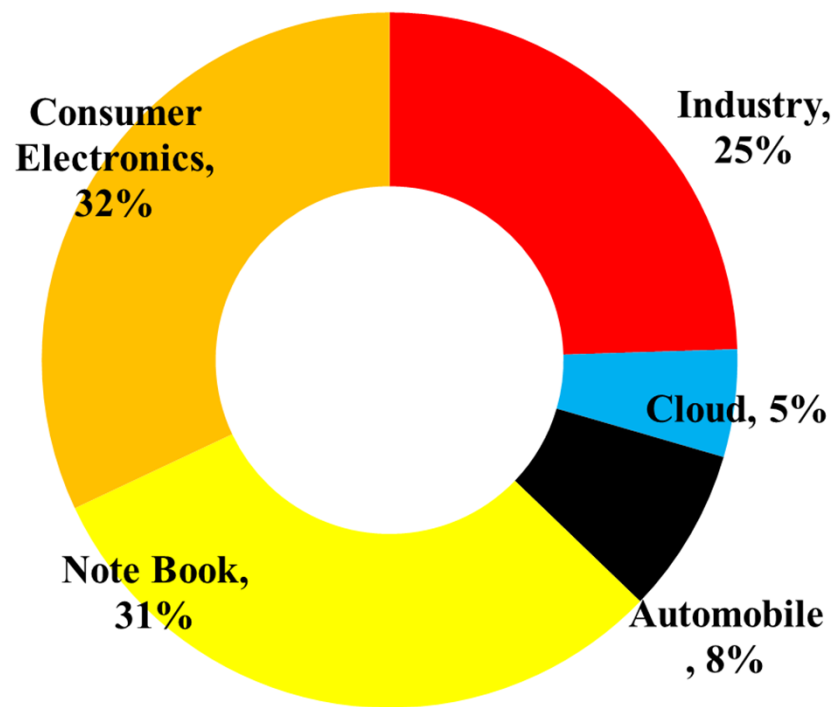




Year 2017



Year 2018



Last 5 Years Results



Unit: NT\$ Thousand (Except Per Share Data)

	September 30, 2018 (Unaudited)		2017 (Audited)		2016 (Audited)		2015 (Audited)		2014 (Audited)	
Sales Revenue ^(a)	5,104,364	100%	5,665,958	100%	5,184,340	100%	3,967,901	100%	4,133,375	100%
Cost of Goods Sold	(4,086,501)	(80.1%)	(4,572,737)	(80.7%)	(3,964,726)	(76.5%)	(2,969,363)	(74.8%)	(2,887,624)	(69.9%)
Gross Profit	1,017,863	19.9%	1,093,221	19.3%	1,219,614	23.5%	998,538	25.2%	1,245,751	30.1%
Operating Expenses	(921,121)	(18.0%)	(1,065,828)	(18.8%)	(1,067,219)	(20.6%)	(934,466)	(23.6%)	(945,445)	(22.9%)
Operating Income (Loss)	96,742	1.9%	27,393	0.5%	152,395	2.9%	64,072	1.6%	300,306	7.3%
Net Non-operating Income	81,375	1.6%	58,718	1.0%	118,621	2.3%	136,749	3.4%	264,289	6.4%
Income (Loss) before Tax	178,117	3.5%	86,111	1.5%	271,016	5.2%	200,821	5.1%	564,595	13.7%
Income Tax Benefit (Expense)	(26,420)	(0.5%)	(23,472)	(0.4%)	(65,604)	(1.3%)	(50,530)	(1.3%)	(116,200)	(2.8%)
Net Income (Loss)	151,697	3.0%	62,639	1.1%	205,412	4.0%	150,291	3.8%	448,395	10.8%
EPS (NT\$)	NT\$1.34		NT\$0.61		NT\$1.57		NT\$1.22		NT\$3.65	
Depreciation & Amortization	315,188	6.2%	394,887	7.0%	389,795	7.5%	433,115	10.9%	394,956	9.6%
Revenue from sale of scraps	170,398	3.3%	189,881	3.4%	151,165	2.9%	178,731	4.5%	258,470	6.3%
EBITDA (Operating Income + D&A)	411,930	8.1%	422,280	7.5%	542,190	10.5%	497,187	12.5%	695,262	16.8%

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.

(b) Accounting Firm: KPMG Certified Public Accountants

ACES Consolidated Income Statement-Quarter



Unit: NT\$ Thousand (Except Per Share Data)

	3Q'18 (Unaudited)		2Q'18 (Unaudited)		QoQ Change %
Sales Revenue ^(a)	1,903,342	100.0%	1,688,150	100.0%	12.7%
Cost of Goods Sold	(1,463,492)	(76.9%)	(1,369,374)	(81.1%)	6.9%
Gross Profit	439,850	23.1%	318,776	18.9%	38.0%
Operating Expenses	(334,333)	(17.6%)	(309,660)	(18.3%)	8.0%
Operating Income (Loss)	105,517	5.5%	9,116	0.5%	1057.5%
Net Non-operating Income	62,991	3.3%	76,017	4.5%	(17.1%)
Income (Loss) before Tax	168,508	8.9%	85,133	5.0%	97.9%
Income Tax Benefit(Expense)	(24,797)	-1.3%	(6,254)	(0.4%)	296.5%
Net Income (Loss)	143,711	7.6%	78,879	4.7%	82.2%
EPS (NT\$) ^(b)	NT\$1.18		NT\$0.68		
Depreciation & Amortization	104,060	5.5%	107,266	6.4%	
EBITDA (Operating Income + D&A)	209,577	11.0%	116,382	6.9%	

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.

(b) EPS were calculated based on total outstanding shares of 122,396K in Year 2018.

ACES Consolidated Income Statement



Unit: NT\$ Thousand (Except Per Share Data)

	September 30, 2018 (Unaudited)		September 30, 2017 (Unaudited)		YoY Change %
Sales Revenue	5,104,364	100%	4,107,868	100%	24.3%
Cost of Sales	(4,086,501)	(80.1%)	(3,280,454)	(79.9%)	24.6%
Gross Profit	1,017,863	19.9%	827,414	20.1%	23.0%
Operating Expenses	(921,121)	(18.0%)	(778,543)	(19.0%)	18.3%
Operating Income (Loss)	96,742	1.9%	48,871	1.2%	98.0%
Net Non-operating Income	81,375	1.6%	46,796	1.1%	73.9%
Income (Loss) before Tax	178,117	3.5%	95,667	2.3%	86.2%
Income Tax Benefit (Expense)	(26,420)	(0.5%)	(19,836)	(0.5%)	33.2%
Net Income (Loss)	151,697	3.0%	75,831	1.8%	100.0%
EPS (NT\$)	NT\$1.34		NT\$0.67		
Depreciation & Amortization	315,188	6.2%	291,284	7.1%	
EBITDA (Operating Income + D&A)	411,930	8.1%	340,155	8.3%	

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.

(b) Accounting Firm: KPMG Certified Public Accountants



Achieve Your Ideas.

Aces offers extensive design, engineering and manufacturing to serve variant products in industries that include computer, computer peripherals, business equipment, home entertainment and telecommunications.

Thank You.