



# 宏致電子股份有限公司

## 股票代號 3605

## ACES Electronics Co., Ltd.

## Investor Conference

Nov 22, 2019

- **ACES Group Established in Nov. 1996.**
  - **Over 5,000 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**



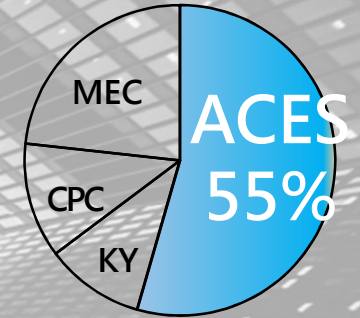
# ACES GROUP





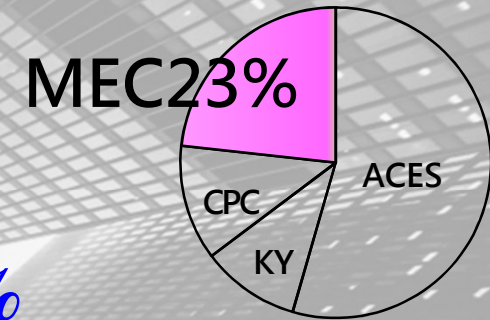
# Plant Overview-宏致 ACES

**Proportion : Taiwan 11% / China 89%**



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
<b>Marketing Sales</b> 	<b>R&amp;D Tooling Molding Stamping Connector and Cable Assembly</b> 	<b>Sales R&amp;D Tooling Molding Stamping Assembly</b> 	<b>Sales R&amp;D Tooling Molding Stamping Connector Assembly Automotive parts</b> 	<b>Plating</b> 

# Plant Overview-龍翰 MEC



**Proportion : PHIL 46% / SZ 45% / DG 9%**

**龍翰科技**

**MEC IMEX Inc.**

**Marketing  
Sales  
Product Design  
High Speed  
Cable**



**龍翰菲律賓**

**MEC Electronics  
(Philippines) Corp.**

**AC/DC Power Cord,  
Appliance Cable,  
Industrial Cable**



**蘇州瀚騰**

**SUZHOU Hanteng  
Electronics Tech. Co., Ltd.**

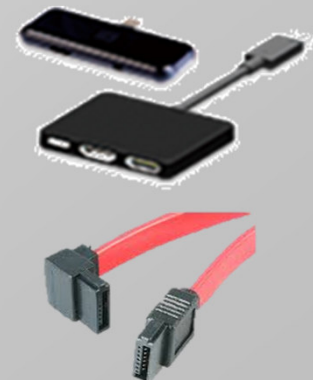
**LVDS Cable  
Automotive  
Cable , Wire  
Harness,**



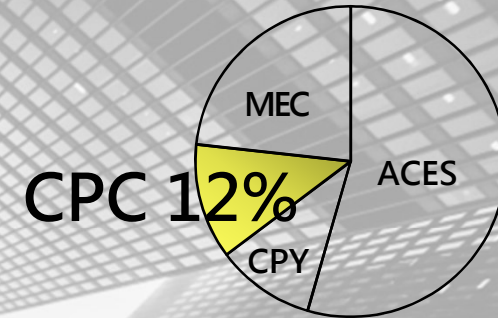
**東莞奇翰**

**MEC Homepride  
Tech. Inc.**

**Dongle Cable,  
Data Cable  
Appliance Cable**



# Plant Overview- 志展 CPC



志展實業

CPC Headquarters

德國宏高

CPC Germany

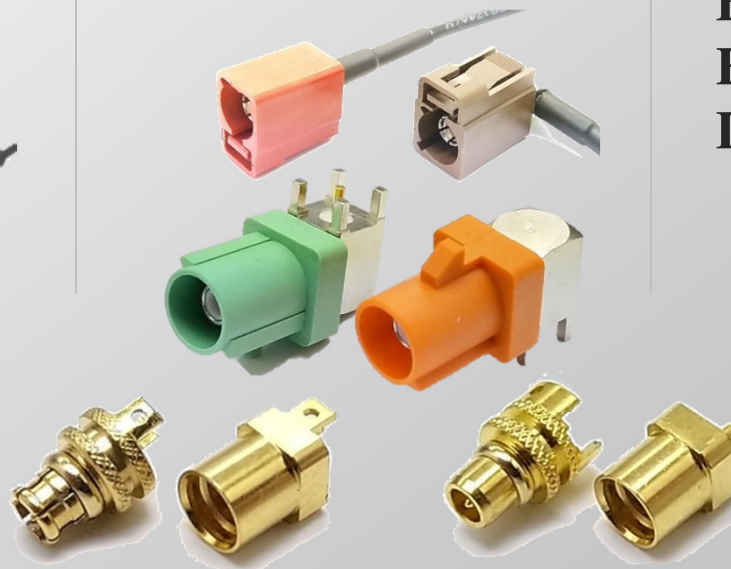
志展越南

Vietnam Plant

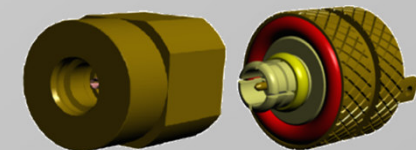
Sales R&D  
RF Connector  
RF Cable  
Supply Chain



Sales  
Logistic

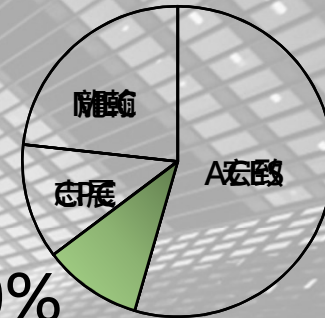


RF Connector  
RF Cable  
Zinc Die Casting  
Aluminum Die Casting  
Barrel Plating  
Hanging Plating  
Lathe / CNC





# Plant Overview-廣迎新KY



KY 10%

廣迎新工業

KY Taiwan

東莞廣迎

KY Dongguan

蘇州廣迎

KY SUZHOU

Stamping Metal  
CNC  
RFI Connector



C-Type conn.



(OTG) Adapter



Combo USB  
Receptacles



Stamping Metal



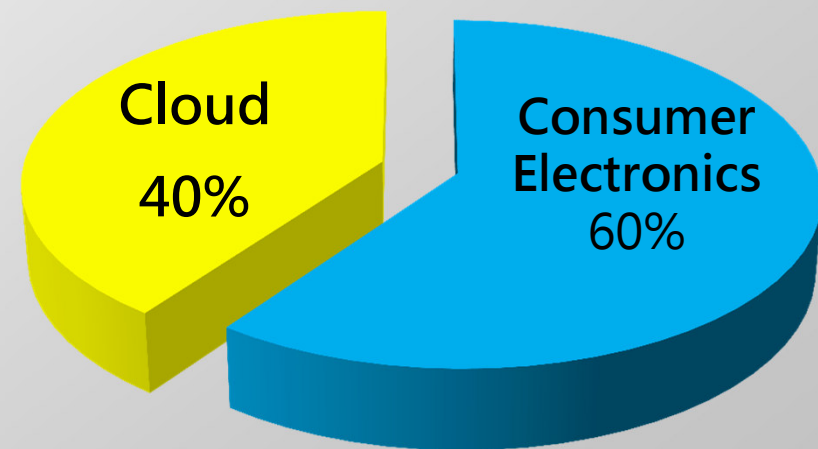
Stamping Metal



# Plant Overview-廣迎新KY

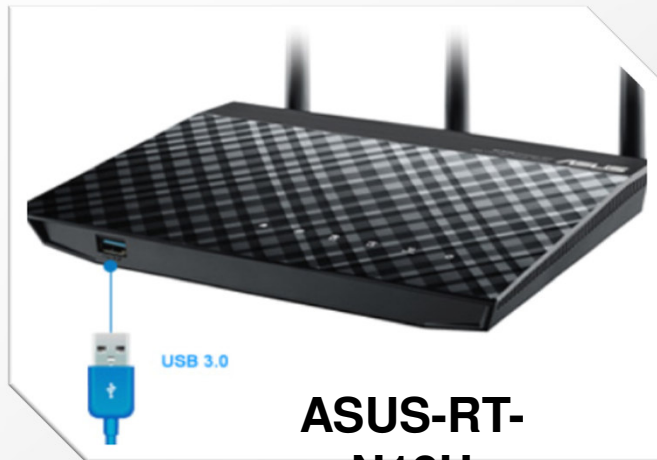


- Established : 1991
- HQ : New Taipei City, Taiwan
- Capital : USD 9 Million
- Products/Services :
  - Stamping Metal
  - Connector & Accessory
  - Electroplating Service
  - Tooling Parts
- Yearly Revenue about USD 30 Million





# USB RFI



**ASUS-RT-  
N18U**



**TP-LINK Archer C3150**

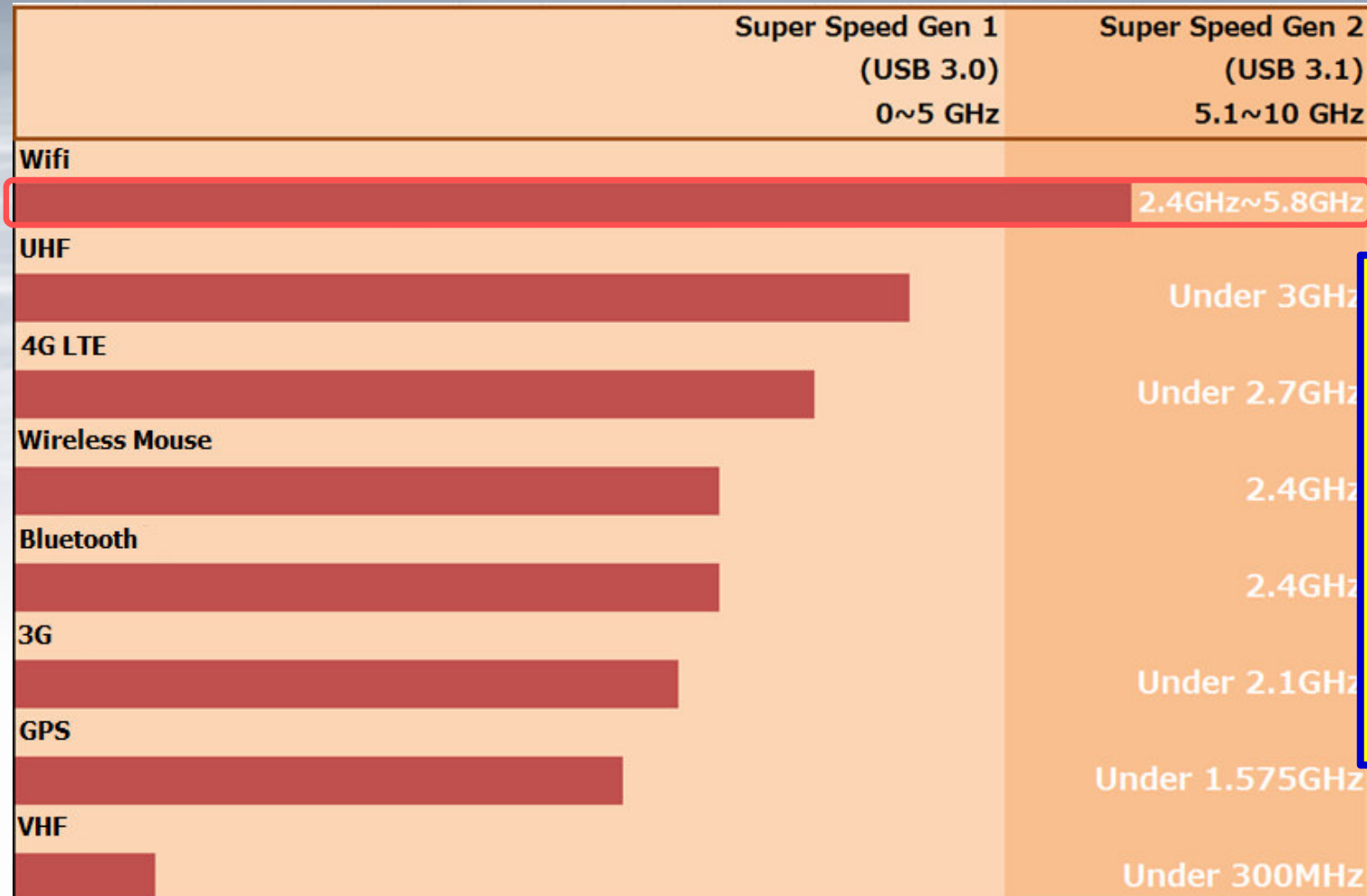
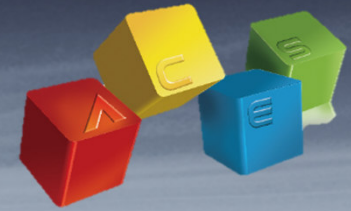


**ASUS-RT-  
AC5300**



**TP-LINK Talon  
AD7200**

# USB RFI



EMI  
interference  
problem  
caused  
seriously on  
these band  
segments

RFI (Radio Frequency Interference)

# Strategic Planning for main market category



## Industry

UPS, Industrial &  
IPC, Medical  
Equipment

## Cloud

Computing  
Communication  
Server

## Automobile

Transportation

## Laptop Computer

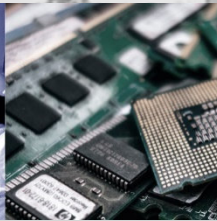
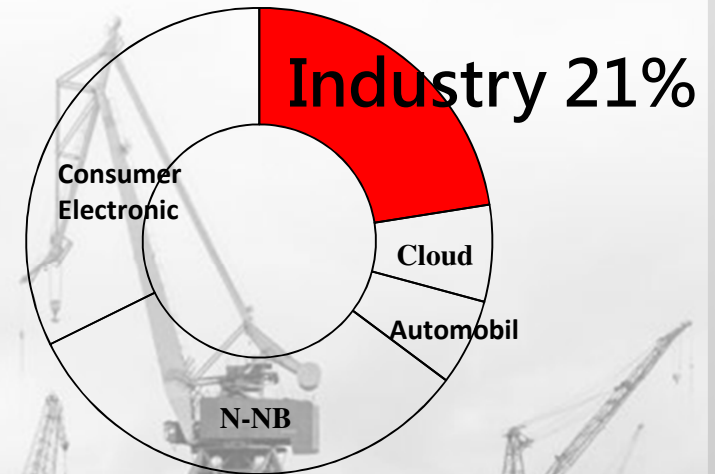
Consumer  
Electronics



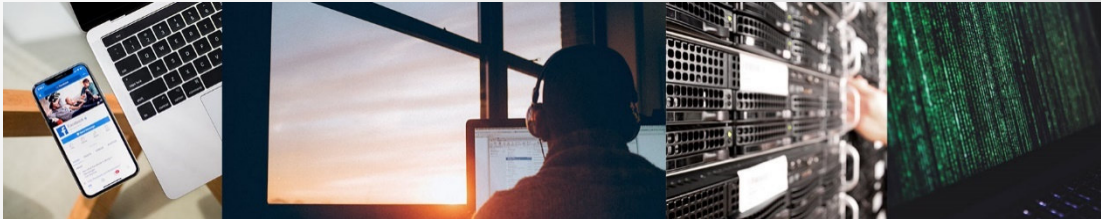
ICAN



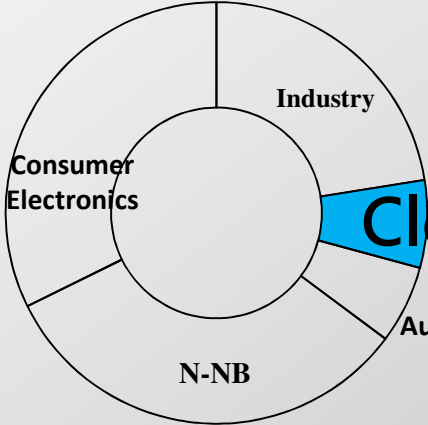
## Industrial & Industry 4.0 / IPC / Medical



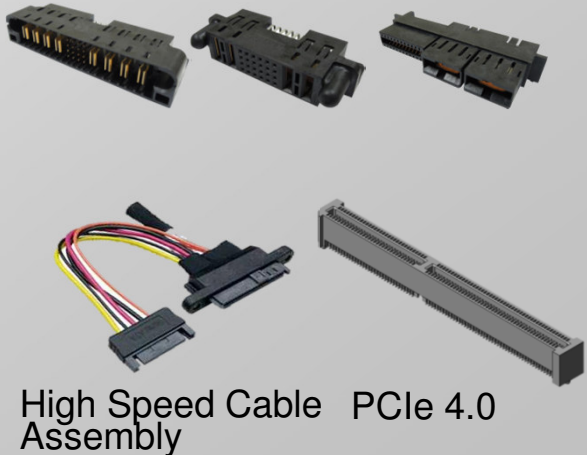
- Cable and Connector for Industrial Equipment
- Cable and Connector for IPC
- Cable and Connector for Medical Equipment



## Communication and Server



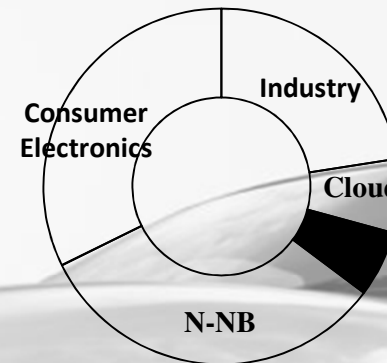
- **High Speed Connector and Cable**
- **High Power Connector**
- **RF connector (Radio Frequency Connector ) and Cable**
- **Other Connector and Cable**



# High Speed Cable PCIe 4.0 Assembly



# Automobile / Transportation

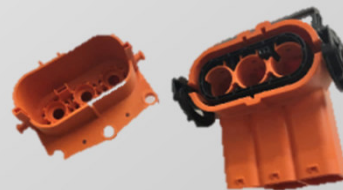


Automobile  
,6%



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

High Power Connector



Reverse Parking Sensor  
Connector & Cable Assembly

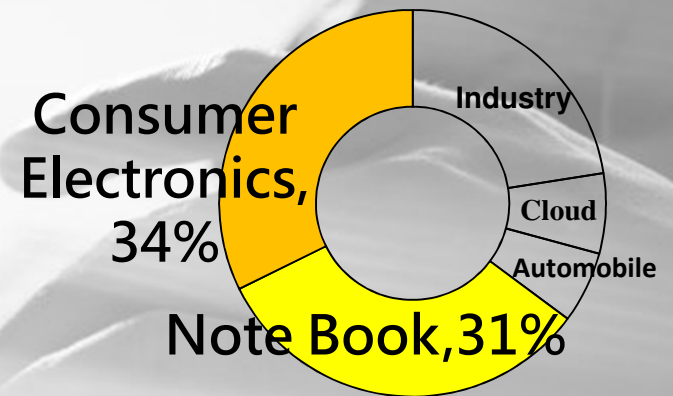


Body Control Module  
Connector





## Laptop Computer / Consumer Electronics



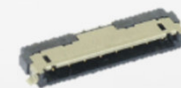
- High technique Connectors & Harness for Note Book and Peripheral products
- High technique Connectors & Harness for Smart Phone
- Connector & Cable for Smart Home
- Dongles
- USB/HDMI/IO Cable



Slimmate  
connector0



IDC Female

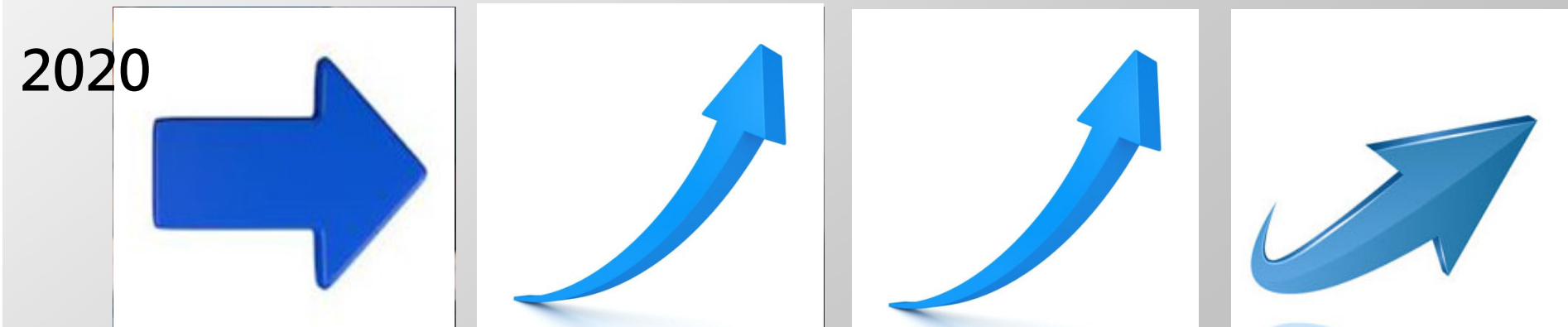


Wafer



FPC  
Connector

# Strategic Planning for main market category





# Financial Results





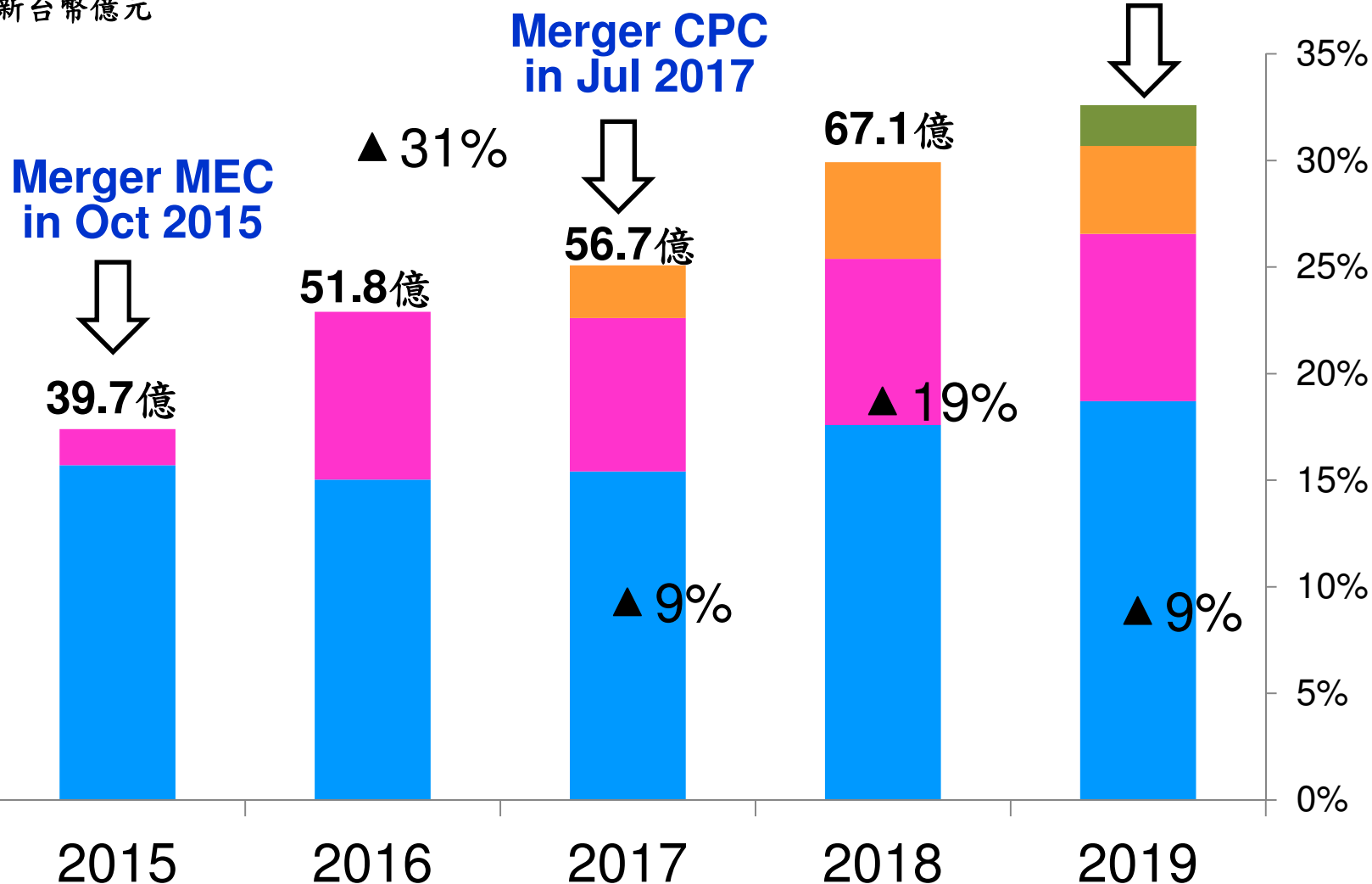
# Last 5 Years Revenue



■ KY ■ CPC ■ MEC ■ ACES ▲ YOY

Merger KY  
in Jul 2019

單位 新台幣億元



# **ACES** Consolidated Income Statement-3Q'19



<b>NTD Million</b>	<b><u>ACES</u></b>	<b><u>MEC</u></b>	<b><u>CPC</u></b>	<b><u>KY</u></b>	<b><u>Group</u></b>
<b>Revenue</b>	<b>\$1,187</b>	<b>\$468</b>	<b>\$240</b>	<b>\$203</b>	<b>\$2,058</b>
<b>Margin %</b>	<b>33%</b>	<b>9%</b>	<b>15%</b>	<b>18%</b>	<b>25%</b>
<b>SG&amp;A %</b>	<b>22%</b>	<b>12%</b>	<b>15%</b>	<b>19%</b>	<b>19%</b>
<b>Operating Income %</b>	<b>11%</b>	<b>-3%</b>	<b>~0%</b>	<b>-1%</b>	<b>6%</b>

# ACES Consolidated Income Statement-2019 YTM



NTD Million	<u>ACES</u>	<u>MEC</u>	<u>CPC</u>	<u>KY</u>	<u>Group</u>
Revenue	\$3,129	\$1,336	\$690	\$591	\$5,240
Margin %	29%	8%	15%	18%	22%
SG&A %	22%	13%	16%	19%	19%
Operating Income %	7%	-5%	-1%	-1%	3%



# ACES Consolidated Income Statement-Quarter

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

	3Q'19 (Unaudited)		3Q'18 (Unaudited)		QoQ Change %
Sales Revenue <sup>(a)</sup>	2,057,629	100.0%	1,903,342	100.0%	8.1%
Cost of Goods Sold	(1,543,157)	(75.0%)	(1,463,492)	(76.9%)	5.4%
Gross Profit	514,472	25.0%	439,850	23.1%	17.0%
Operating Expenses	(387,695)	(18.8%)	(334,333)	(17.6%)	16.0%
Operating Income (Loss)	126,777	6.2%	105,517	5.5%	20.1%
Net Non-operating Income	29,507	1.4%	62,991	3.3%	(53.2%)
Income (Loss) before Tax	156,284	7.6%	168,508	8.9%	(7.3%)
Income Tax Benefit(Expense)	(4,185)	-0.2%	(24,797)	(1.3%)	(83.1%)
Net Income (Loss)	152,099	7.4%	143,711	7.6%	5.8%
EPS (NT\$) <sup>(b)</sup>	NT\$1.25		NT\$1.18		
Depreciation & Amortization	121,567	5.9%	104,060	5.5%	
EBITDA (Operating Income + D&A)	248,344	12.1%	209,577	11.0%	

(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 2019.

# ACES Consolidated Income Statement

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

	September 30, 2019 (Unaudited)		September 30, 2018 (Unaudited)		YoY Change %
Sales Revenue <sup>(a)</sup>	5,240,294	100%	5,104,364	100%	2.7%
Cost of Goods Sold	(4,069,542)	(77.7%)	(4,086,501)	(80.1%)	(0.4%)
Gross Profit	1,170,752	22.3%	1,017,863	19.9%	15.0%
Operating Expenses	(1,008,032)	(19.2%)	(921,121)	(18.0%)	9.4%
Operating Income (Loss)	162,720	3.1%	96,742	1.9%	68.2%
Net Non-operating Income	108,881	2.1%	81,375	1.6%	33.8%
Income (Loss) before Tax	271,601	5.2%	178,117	3.5%	52.5%
Income Tax Benefit (Expense)	(33,478)	(0.6%)	(26,420)	(0.5%)	26.7%
Net Income (Loss)	238,123	4.5%	151,697	3.0%	57.0%
EPS (NT\$)	NT\$1.99		NT\$1.34		
Depreciation & Amortization	337,676	6.4%	315,188	6.2%	
EBITDA (Operating Income + D&A)	500,396	9.5%	411,930	8.1%	

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

(b) Accounting Firm: KPMG Certified Public Accountants



# Last 5 Years Results

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

	September 30, 2019 (Unaudited)		2018 (Audited)		2017 (Audited)		2016 (Audited)		2015 (Audited)	
Sales Revenue <sup>(a)</sup>	5,240,294	100%	6,710,893	100%	5,665,958	100%	5,184,340	100%	3,967,901	100%
Cost of Goods Sold	(4,069,542)	(77.7%)	(5,337,999)	(79.5%)	(4,572,737)	(80.7%)	(3,964,726)	(76.5%)	(2,969,363)	(74.8%)
Gross Profit	1,170,752	22.3%	1,372,894	20.5%	1,093,221	19.3%	1,219,614	23.5%	998,538	25.2%
Operating Expenses	(1,008,032)	(19.2%)	(1,237,562)	(18.4%)	(1,065,828)	(18.8%)	(1,067,219)	(20.6%)	(934,466)	(23.6%)
Operating Income (Loss)	162,720	3.1%	135,332	2.0%	27,393	0.5%	152,395	2.9%	64,072	1.6%
Net Non-operating Income	108,881	2.1%	117,071	1.7%	58,718	1.0%	118,621	2.3%	136,749	3.4%
Income (Loss) before Tax	271,601	5.2%	252,403	3.8%	86,111	1.5%	271,016	5.2%	200,821	5.1%
Income Tax Benefit (Expense)	(33,478)	(0.6%)	(30,049)	(0.4%)	(23,472)	(0.4%)	(65,604)	(1.3%)	(50,530)	(1.3%)
Net Income (Loss)	238,123	4.5%	222,354	3.3%	62,639	1.1%	205,412	4.0%	150,291	3.8%
EPS (NT\$)	NT\$1.99		NT\$1.92		NT\$0.61		NT\$1.57		NT\$1.22	
Depreciation & Amortization	337,676	6.4%	414,248	6.2%	394,887	7.0%	389,795	7.5%	433,115	10.9%
EBITDA (Operating Income + D&A)	500,396	9.5%	549,580	8.2%	422,280	7.5%	542,190	10.5%	497,187	12.5%

(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.**