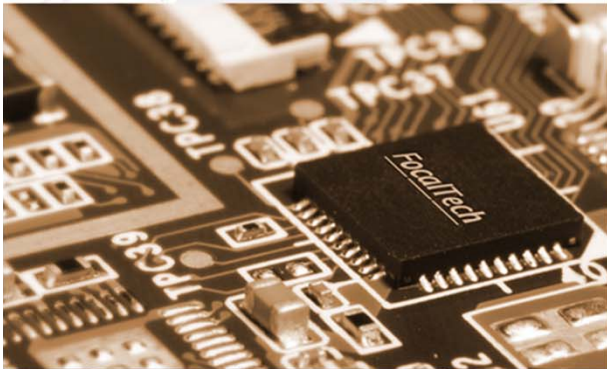




FocalTech

The world leader in human machine interface solutions



FocalTech Investors Conference

2016/03/01

NO DISTANCE
BETWEEN HUMANS AND MACHINES

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Income Statement (Ticker 3545: FocalTech)

Unit in NT\$ Million / 單位: 新台幣佰萬元

	2015 Q3	2015 Q4	QoQ	2015
Revenue/ 營業收入	2,900	2,948	2%	11,480
Gross Profit/ 營業毛利	504	536	6%	1,967
Gross Margin/ 營業毛利率	17.4%	18.2%		17.1%
Operating Expense/ 營業費用	553	523	-5%	2,120
Operating Income/ 營業淨利	(49)	13		(153)
Non Operating Income/ 營業外收入	235	37	-84%	395
Profit before Tax/ 稅前淨利	186	50	-73%	242
Profit after Tax/ 稅後淨利	200	29	-85%	236
EPS(Basic)/ 每股盈餘(基本)	0.49	0.11		0.62

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Balance Sheet (Ticker 3545: FocalTech)

Unit in NT\$ Million / 單位: 新台幣佰萬元

	2015.9.30	2015.12.31	QoQ
Cash & Market Securities/ 現金及其他金融資產	8,227	7,098	-14%
Accounts Recievable/ 應收帳款	1,670	1,588	-5%
Inventory/ 存貨	2,257	2,544	13%
Other Current Assests/ 其他流動資產	176	152	-14%
Other Non Current Asset/ 其他非流動資產	3,820	3,807	0%
Total Assets/ 資產總計	16,150	15,189	-6%
Current Liabilities/ 流動負債	3,339	2,313	-31%
Non Current Liabilities/ 非流動負債	1,276	1,320	3%
Owner's Equitiy/ 股東權益	11,535	11,556	0%
Total Liabilities and Owners' Equity/ 負債與權益	16,150	15,189	-6%
Net Worth per share/ 每股淨值	39.38	39.40	
AR Days (Annual Basis)	59	50	
Inventory Days (Annual Basis)	90	98	

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2015 Q4 Financial / Business Summary

- Inventory correction ended in Q3 and Q4 revenue was mildly up 2% QoQ to NT\$2,948M.

隨著產業鏈庫存調整於第三季告一段落，第4季營收微幅成長2%至 29.48億元。

- With better gross margin and lower OP expenses, Q4 operating profit turned positive to NT\$13M.

第4季由於毛利率提升及營業費用下降，使營業淨利轉正，為1仟3佰萬元。

- Gross profit was NT\$536M, up 6% QoQ. As product mix continued to improve, gross margin increased 80bps to 18.2% in Q4. Product profitability is under continuing improvement as GM was 15.5% in Q1, 17.2% in Q2, 17.4% in Q3 and 18.2% in Q4.

由於產品組合持續優化，第4季毛利率提升至18.2%，毛利金額增加6%，達5.36億元。全年毛利率由第1季的15.5%到第2季的17.2%，第3季的17.4%，再到第4季的18.2%，顯示在產品的獲利率方面確實有穩定的改善。

2015 Q4 Financial / Business Summary

- Net income before tax of Q4 was NT\$50M, down 73% QoQ. The decline was mainly attributed to less non-op gain.

第4季因業外收益較少，因此稅前淨利較第3季為低，降為NT\$ 5千萬。

- The total revenue in 2015 was actually below the simple addition of 2 companies' separate revenue in 2014.

104年度營收低於兩家公司103年度營收的總和。

- This is the result of careful selection of products that will give us better GM and lower risk in the long run.

係公司慎選長期能提供較佳獲利與較低風險的產品的結果。

- The R&D expense maintained $\geq 11\%$ throughout the year. This affected the net income but is good for the long run.

全年研發費用佔營收比重逾11%，雖影響淨利但有利長期布局。

2015 Q4 Financial / Business Summary

- The BOD proposed to distribute the cash dividends of NT\$ 212 million, all the net income generated in 2015 excluding the legal reserve. Cash dividend per share is NT 0.7222.

董事會提議把扣除法定公積後之2015年度稅後淨利2.12億元，全數作為股利發放。預估每股現金股利為0.7222元。

2016 Outlook

- FocalTech's touch controller market share in China is well maintained at ~50% in 2015 and is expected to remain the same in 2016. As to LCD drivers, we expect the higher shipment and market share for FHD segment in 2016 would result in 30% market share in China.

敦泰在2015年總出貨量近7億顆。2016年敦泰將繼續維持在中國觸控市場，保持約50%佔有率。驅動IC方面，預期2016年在FHD解析度產品的出貨增加下，取得中國手機LCD Driver市場 30% 的市佔率。

- As to the smartphone shipment in 2016 Q1, it is expected to be softer comparing to Q4. This is due to seasonal decline in addition to the earthquake effect, which happened in southern Taiwan in early February. Q2 should show a solid rebound.

因農曆年節的季節性因素，再加上2月初地震對面板出貨的影響，預計今年第1季市場需求將較去年第4季下滑，但第二季應會反彈。

2016 Outlook

- Despite the YoY growth forecast of smartphone demand in China is in the range of 0~5% in 2016, Focaltech is expecting much higher growth due to a number of new products, including In-cell IDC, Fingerprint sensor, and force touch will start production in 2016.

2016年市調數據預估中國智慧型手機市場有0~5%的微幅成長，但因敦泰的一系列新產品；如內嵌式的IDC晶片，指紋辨識感測晶片及壓感晶片等的推出，敦泰在2016的營收成長應大於大盤市場的預估。

- Several IDC projects will start pilot production in 2016Q1. They include 4.2" HD/ 5"HD/ 5.5" FHD in-cell display panels. More models are aiming for mass production in Q2.

4.2"HD/5"HD/5.5"FHD等不同尺寸的內嵌式LCD面板，搭配一系列的IDC產品，將於第一季開始試量產，且將有更多機種接續於第二季進入量產。

2016 Outlook

- New generation of high-performance fingerprint solutions were introduced in the end of 2015 and will enter mass production in the next 6 months.

新一代高效能指紋辨識方案於2015年終推出，敦泰將使用自行開發的晶片及軟體，並在部分應用上利用 Precise Biometrics的演算法予以強化，預計可在6個月內進入量產。

- Several cell phones using FocalTech's Force Touch ICs are in the design phase. The MP is expected in H2 of 2016.

壓力觸控IC有數個客戶的計畫正在積極進行中，預定於2016年下半年量產。

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Thank you !

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