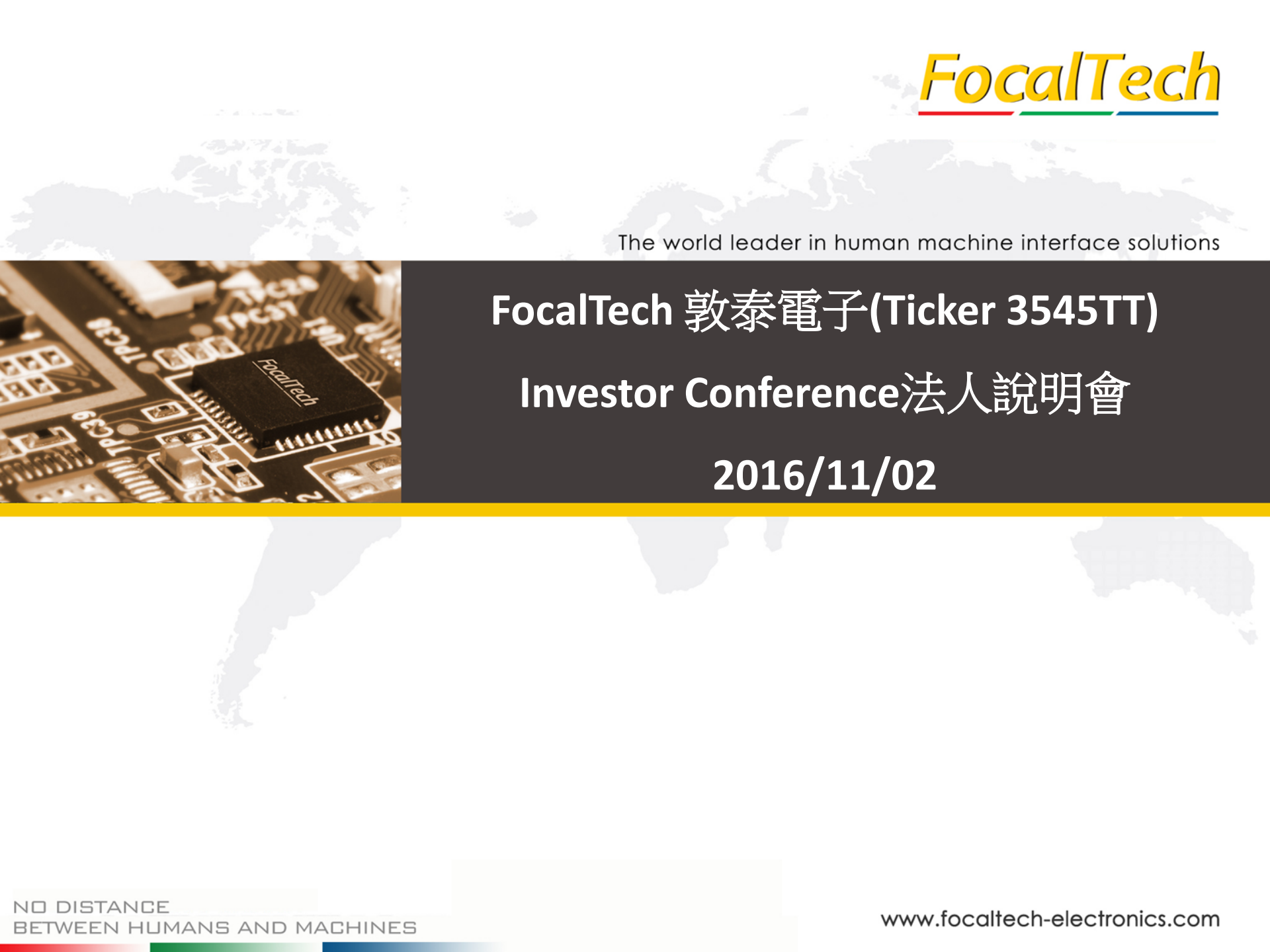




FocalTech



The world leader in human machine interface solutions



FocalTech 敦泰電子(Ticker 3545TT)

Investor Conference 法人說明會

2018/02/09

NO DISTANCE
BETWEEN HUMANS AND MACHINES

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2017 Q4 Summary/106年第4季總結 (1)

- Revenue of Q4 is NT\$2.77B, which represents a 15% QoQ decline and 3% YoY increase. This seasonal decline is consistent with the 14% decrease in smart phone shipment by mainland phone manufacturers in Q4.

2017年第4季營收27.7億元，受到智慧手機市場季節性需求疲弱影響，較上季減少15%，相較2016年Q4，則有3%成長。

- Market survey also reported a 4% reduction of yearly smartphone shipment by mainland phone manufacturers in 2017. Our yearly revenue demonstrated a 4% increase in revenue on US dollar basis. However, due to the appreciation of NTD, the revenue is recorded at NT\$10.8 billion, which represents a 2% decrease comparing to last year. The operating profit is NT\$205 million, close to 2016, due to similar margin and operating expenses.

即使2017年大陸手機總出貨量呈現微幅下滑，敦泰2017年度美元計價之營業收入仍高於2016年，但受台幣升值影響，2017年台幣營收反較前一年度減少2%至108億元。因年度綜合毛利率及營業費用與去年相當，故稅前淨利也與2016年相近為2億5佰萬。

2017 Q4 Summary/106年第4季總結 (2)

- Affected by Trump tax reform at the end of 2017, the U.S. subsidiary recognized income tax expense of NTD 246 million, which resulted in a yearly loss of NTD 103 million. The unexpected income tax recognized in 2017 is a one-time effect. In subsequent years, income tax expense will follow the new law and it is expected to be at rather insignificant level.
- 受到美國川普政府新稅改法案影響，美國子公司必須在2017年第四季認列一項特殊的所得稅費用2.46億元，造成全年度虧損1.03億元。本年度增額認列之所得稅費用係針對2017年及以前年度盈餘之一次性徵收，後續年度依據美國政府新稅改法案計算，對公司未來影響將不再具有重大性。

17'Q4 Income Statement /106年第4季損益表

Unit in NT\$ Million /單位: 新台幣佰萬元

	17' 4Q	17' 3Q	QoQ	16' 4Q	YoY
Revenue/ 營業收入	2,775	3,265	-15%	2,694	3%
Gross Profit/ 營業毛利	567	673	-16%	627	-10%
Gross Margin/ 營業毛利率	20.4%	20.6%	↓20 bps	23.3%	↓290 bps
Operating Expense/ 營業費用	557	543	3%	515	8%
Operating Income/ 營業淨利	10	129	-92%	112	-91%
Non Operating Income/ 營業外收入	18	22		47	
Profit before Tax/ 稅前淨利	28	151	-80%	158	-81%
Profit after Tax/ 稅後淨利	(260)	134	-294%	145	-279%
EPS(Basic)/ 每股盈餘(基本)	(0.87)	0.49		0.50	

2017 Income Statement / 106年損益表

Unit in NT\$ Million / 單位: 新台幣佰萬元

	2017	2016	YoY
Revenue/ 營業收入	10,798	11,018	-2.0%
Gross Profit/ 營業毛利	2,270	2,266	0.2%
Gross Margin/ 營業毛利率	21.0%	20.6%	↑40 bps
Operating Expense/ 營業費用	2,108	2,059	2.4%
Operating Income/ 營業淨利	162	207	-21.9%
Non Operating Income/ 營業外收入	42	34	
Profit before Tax/ 稅前淨利	204	241	-15%
Profit after Tax/ 稅後淨利	(103)	210	-149%
EPS(Basic)/ 每股盈餘(基本)	(0.28)	0.73	

Balance Sheet / 資產負債表

Unit in NT\$ Million / 單位: 新台幣佰萬元

	2017.12.31	2017.9.30	QoQ
Cash & Market Securities/ 現金及其他金融資產	4,018	4,806	-16%
Accounts Receivable/ 應收帳款	1,258	1,496	-16%
Inventory/ 存貨	2,686	3,345	-20%
Other Current Assets/ 其他流動資產	212	221	-4%
Other Non Current Asset/ 其他非流動資產	5,371	5,438	-1%
Total Assets/ 資產總計	13,544	15,307	-12%
Current Liabilities/ 流動負債	2,544	3,848	-44%
Non Current Liabilities/ 非流動負債	257	416	57%
Total Equity/ 權益總計	10,743	11,042	-3%
Total Liabilities and Owners' Equity/ 負債與權益	13,544	15,307	-12%
Net Worth per share/ 每股淨值	35.98	36.98	
AR Days (Annual Basis)	44	47	
Inventory Days (Annual Basis)	112	127	

Future Outlook / 未來展望(1)

- Due to the reduction in working days during Chinese New Year, the component demand is typically low in the first quarter. Therefore, the revenue in Q1 of 2018 is expected to have limited decrease from the fourth quarter of 2017 due to the IDC shipment.

根據歷史經驗，因春節影響，工作天數減少，大陸手機的生產量將在第一季來到全年度低點，故預計2018年第一季營收，將較2017年第四季下降，但因有IDC的支撐，下降幅度有限。

- Looking forward to 2018, with the trend of larger aspect ratio in display panel, continuous promotion by the panel supply chain and by the handset brands, the penetration of full in-cell panels will continue to accelerate. IDC products will become one of the Company's major operating momentum in 2018.

展望2018年，儘管智慧手機市場已趨飽合，但因手機面板屏佔比的改變，加上面板供應鏈及手機品牌商的擴大採用，全內嵌式面板滲透率將持續增長，IDC產品將成為本公司2018年營運成長動能的主力之一。

Future Outlook / 未來展望(2)

- In order to expand the business, FocalTech continues to widen the applications with traditional out-cell products. This includes home appliances, industrial control, automotive and other applications using medium to large display panels.

原有產品線方面，敦泰將持續深化既有手機、平板、穿戴等市場之外，已開始擴展應用至家電、工控及車用等各類市場，擴大公司營運及獲利的新能量。

- AMOLED display technology is the focus of future investments by major panel makers. FocalTech has already started the development of touch controllers and display drivers in this field. Presently, products of touch controller have reached the level of mass production for smart phones and wearable devices.

AMOLED顯示面板是目前各面板廠新技術、新產線的投資重心，敦泰投入開發AMOLED顯示面板相關之觸控與驅動的晶片產品，目前在觸控方面已有初步成果並已開始量產。

Future Outlook / 未來展望(3)

- The arrival of high display-to-panel ratio requirement for the smartphone is leaving little or no room for the fingerprint sensor on the front panel. An industry-wide R&D effort has been underway in order to find a solution to this problem.

隨著智慧型手機高屏占比設計風潮，手機正面已無空間可放置指紋辨識感測器。產業鏈正投入龐大資源，冀望尋找適當的解決方案。

- Last month, FocalTech reported a breakthrough to sense the fingerprint on the display panel by optical approach. In particular, our method can facilitate fingerprint sensing either with AMOLED panel or LCD panel, which supports multiple area sensing.

上個月，敦泰發表光學式屏內指紋感測方案，支援屏下多點指紋讀取，可同時用於AMOLED及LCD顯示屏體的手機，是產業前所未有的創新，讓全螢幕手機正面指紋解鎖功能得以實現。

- In addition to fingerprint sensing, our optical technology also provides biometric measuring capacity such as pulse rate and blood pressure. We also demonstrated a non-invasive way of measuring blood sugar level with a smartphone.

除了指紋感測，敦泰的光學技術可提供多樣化的生物訊號量測功能，例如心率、血壓與非侵入式血糖偵測。

Phones with Full Screen Display



Xiaomi mix
FT8716U
FHD+ 17:9

Xiaomi mix2
FT8716U
FHD+ 18:9
COF

SHARP S2
FT8716U
FHD+ 17:9

vivo V7+
FT8006M
HD+ 18:9

Gionee 大金刚2
FT8006M
HD+ 18:9

TP on AMOLED MP Records : Luxurious Watches

Hugo Boss



Armani



Montblanc



Louis Vuitton



Fossil



Guess



Michael Kors



Movado



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Thank you !

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