

# 2017 Earnings Conference 6164

Ledtech Electronics Corp.

2017/11/06

# Disclaimer

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- Contents of this presentation are based on CPAcertified financial statements prepared in accordance with IFRS. The full content and data are subject to the financial statements.
- The presentation may contain statements regarding the future based on current expectations and are subject to known or unknown risks or uncertainties. Actual future results may differ significantly.
- Unless otherwise required by law, the Company is not obliged to update its future prospects in response to new information or future events.

# Agenda

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I、Company Introduction

II、Products Introduction


III、Operating Results

IV、Future Prospects






**1977.09** : Ledtech Electronics Corp. was established in Taiwan with an initial capital of NTD 5 Millions



**1980.11** : Moved to the current HQ in Xindian District and still possesses the old one on Banqiao District



**1992.07** : We established the “Zhao Qing Ledtech Electronics Corp.” in China.



**1996.12** : We established “Ledtech USA” in L.A..



**1997.05** : Initial Public Offerings

2002.04 : We went public in OTC.

2007.01 : We established “Energyled Corp. “ for lighting products.

2007.12 : We established the “立曜  
ENERGYLED CORPORATION” in China.

2008.10 : LEDTECH went public in TWSE. (TWSE:  
6164)

2010.10 : We established the “立能  
ENERGYLED ELECTRONICS CORPORATION” in China.

### The First Decade

- Focus on the indicator light source for applications from 7-segment displays, monitors, game consoles, audio equipments, to home appliances.

### The Second Decade

- Concentrate on high value-added LED modules for industrial applications, mainly used on modems, remote controllers, or indicators for high-end equipments or automobiles.

### The Third Decade

- Strengthen automation production scale: to transform the company from a component provider to a module design to increase product added-value by using LED as a point light source to linear and even surface light source to engage in LED core technology and solidify lighting application fundamentals

### The Fourth Decade

- Usher into LED lighting era with the efficiency improvement in blue, green, and 4-element red/yellow chips.  
“Incandescent light bulbs lit the 20th century; the 21st century will be lit by LED lamps.” When the Royal Swedish Academy of Sciences stated it in 2014, Ledtech Group also stepped into niche market lighting segment

### The Next Decade

- Usher into LED lighting era with the efficiency improvement in blue, green, and 4-element red/yellow chips.  
“Incandescent light bulbs lit the 20th century; the 21st century will be lit by LED lamps.” When the Royal Swedish Academy of Sciences stated it in 2014, Ledtech Group also stepped into niche market lighting segment



# Products Introduction

## Industrial Structure



- 上游 Industry upstream : Epi-Wafer
- 中游 Industry middlestream : LED-Chip
- 下游 Industry downstream : LED package and module(Ledtech)

Components : Lamp 、 Display 、 SMD 、 Back light 、 High power 、 Chip on board leds

- 應用 Applications : Led light source and lighting fixture(Energyled)

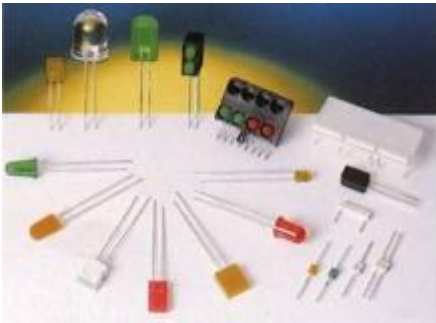
Finish products : commercial lighting (Light Bulb 、 Tubes 、 Panel light 、 Down light)

Industrial lighting(Spotlight 、 Flood light 、 High bay light 、 Street light)

Low-temperature lighting



### LED Lamp



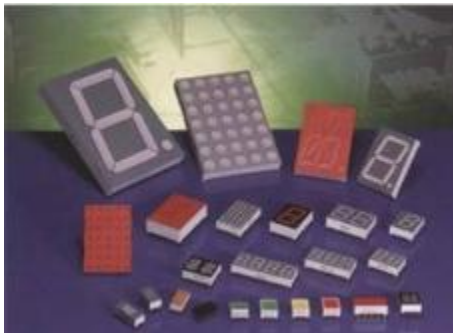
### SMD LED



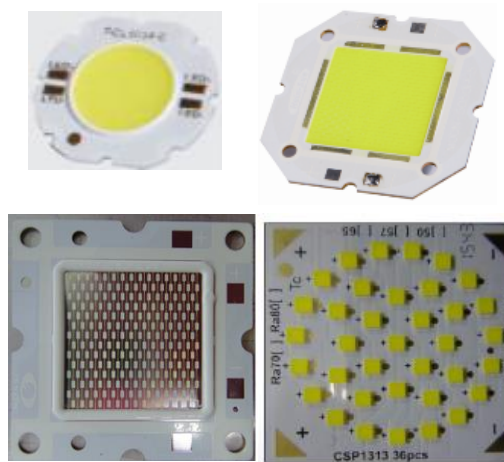
### High Power LED



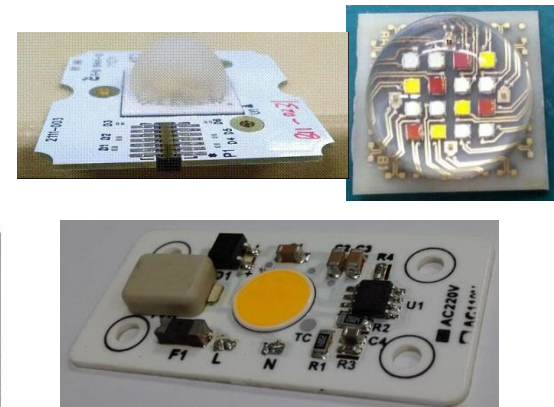
### LED Display



### Chip On Board LED



### COB NEW LED





Sharp Cash Register / Japan



Haier Washing Machine / China



LG Kimchi Fridge / Korea



LG Dios Ref. / Korea



M-BENZ / Germany



Porsche Cayenne / Germany





# Products Introduction

Commercial Lighting  
Successful Projects

Led Tubes













# Products Introduction

Industrial Lighting  
Successful Projects

High/Low Bay  
Light

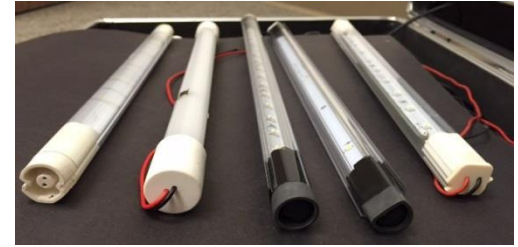




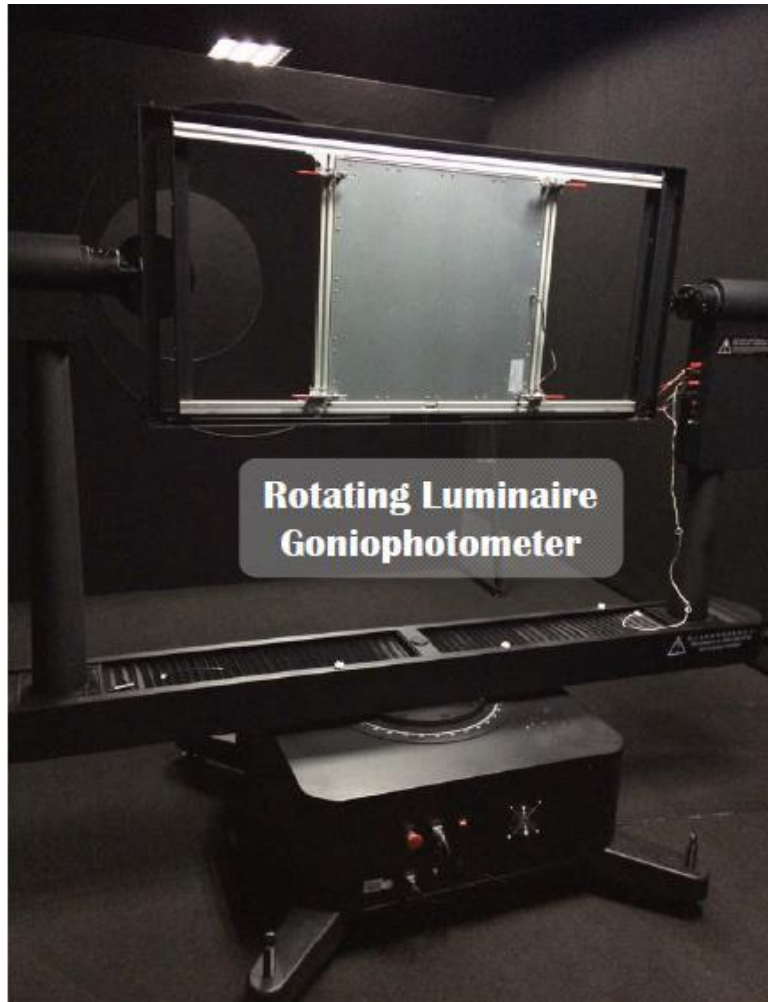


# Products Introduction

## Low-temperature Lighting Successful Projects









**Thermal Shock Tester  
For components**



**Temp. Environment Tester  
For components**



**Salt Spray Tester  
For components**

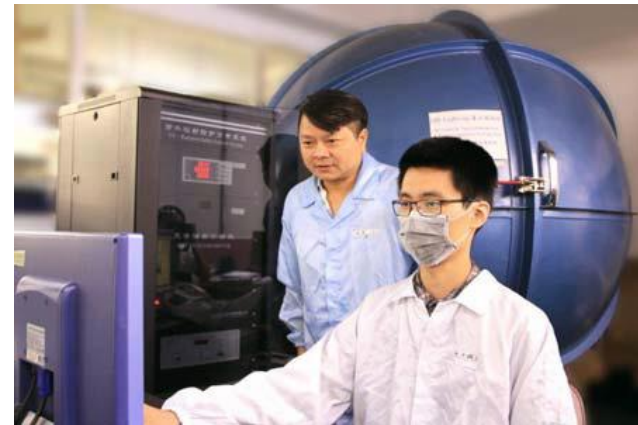


**Temp. Environment Tester  
For tubes**



# Products Introduction

## Testing Equipments



# Products Introduction

Convenience Store  
Successful Projects



Phase one : 2007 in Taipei

Low Temp. Lighting



Commercial Lighting



Phase two : 2009 in Taipei 101

2010 in Taipei



General Lighting



Phase three : 2011 in Chiayi City

2016 in Taipei



Phase four :  
2015 in New  
Taipei City



Signage Lighting

Total 3,135 Stores in Taiwan

Since 2007 low temp. lighting has been installed more than 2,800 stores

2014~2017 will install general lighting around 2,800 stores, too.

2018~2021 will install signage lighting around 2,800 stores.

# Operating Results

# 3Q17 Results

| <i>In NT thousand</i>         | 3Q17    |       | 2Q17    |       | QoQ | 3Q16    |       | YoY |
|-------------------------------|---------|-------|---------|-------|-----|---------|-------|-----|
|                               | Amount  | %     | Amount  | %     | %   | Amount  | %     | %   |
| Net Sales                     | 306,812 | 100.0 | 341,795 | 100.0 | -10 | 353,784 | 100.0 | -13 |
| COGS                          | 219,542 | 71.6  | 233,238 | 68.2  | -6  | 254,558 | 72.0  | -14 |
| Gross Profit                  | 87,270  | 28.4  | 108,557 | 31.8  | -20 | 99,226  | 28.0  | -12 |
| Operating Expense             | 79,677  | 26.0  | 87,853  | 25.7  | -9  | 77,597  | 21.9  | 3   |
| Operating Profit              | 7,593   | 2.5   | 20,704  | 6.1   | -63 | 21,629  | 6.1   | -65 |
| Other Income/Expense          | 2,722   | 0.9   | 11,309  | 3.3   | -76 | -9,335  | -2.6  | 129 |
| Profit Before Tax             | 10,315  | 3.4   | 32,013  | 9.4   | -68 | 12,294  | 3.5   | -16 |
| Income Tax Expenses           | 4,212   | 1.4   | 10,327  | 3.0   | -59 | 4,476   | 1.3   | -6  |
| Non-Controlling Interest      | 64      | 0.0   | 124     | 0.0   | -48 | 113     | 0.0   | -43 |
| Profit Attributable to Parent | 6,167   | 2.0   | 21,562  | 6.3   | -71 | 7,705   | 2.2   | -20 |
| After Tax EPS                 | 0.06    |       | 0.22    |       |     | 0.07    |       |     |
| Shares:( thousand shares)     | 100,000 |       | 100,000 |       |     | 110,000 |       |     |

# Operating Results

## 3Q17YTD Results

| <i>In NT thousand</i>         | 3Q17    |       | 3Q16      |       | YoY |
|-------------------------------|---------|-------|-----------|-------|-----|
|                               | Amount  | %     | Amount    | %     | %   |
| Net Sales                     | 981,083 | 100.0 | 1,140,373 | 100.0 | -14 |
| COGS                          | 679,629 | 69.3  | 832,153   | 73.0  | -18 |
| Gross Profit                  | 301,454 | 30.7  | 308,220   | 27.0  | -2  |
| Operating Expense             | 247,158 | 25.2  | 260,140   | 22.8  | -5  |
| Operating Profit              | 54,296  | 5.5   | 48,080    | 4.2   | 13  |
| Other Income/Expense          | 8,044   | 0.8   | 100,012   | 8.8   | -92 |
| Profit Before Tax             | 62,340  | 6.4   | 148,092   | 13.0  | -58 |
| Income Tax Expenses           | 20,075  | 2.0   | 25,787    | 2.3   | -22 |
| Non-Controlling Interest      | 48      | 0.0   | 394       | 0.0   | -88 |
| Profit Attributable to Parent | 42,217  | 4.3   | 121,911   | 10.7  | -65 |
| After Tax EPS                 | 0.42    |       | 1.06      |       |     |
| Shares:(thousand shares)      | 100,000 |       | 110,000   |       |     |

# Operating Results

## Other Incomes/Other Expenses

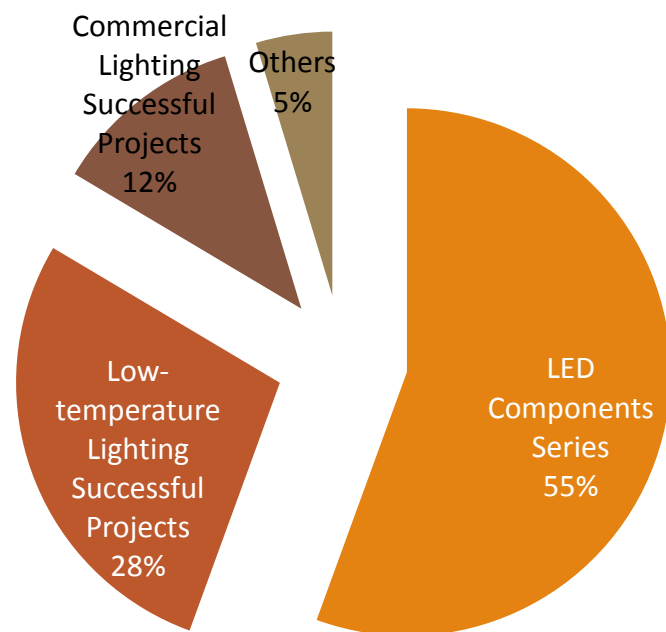
| <i>In NT\$ thousand</i> | 3Q17    | 3Q17YTD |
|-------------------------|---------|---------|
| Net Interest            | 497     | 2,530   |
| FX                      | 4,412   | 2,127   |
| Others                  | (2,187) | 3,387   |
| Total OI OE             | 2,722   | 8,044   |



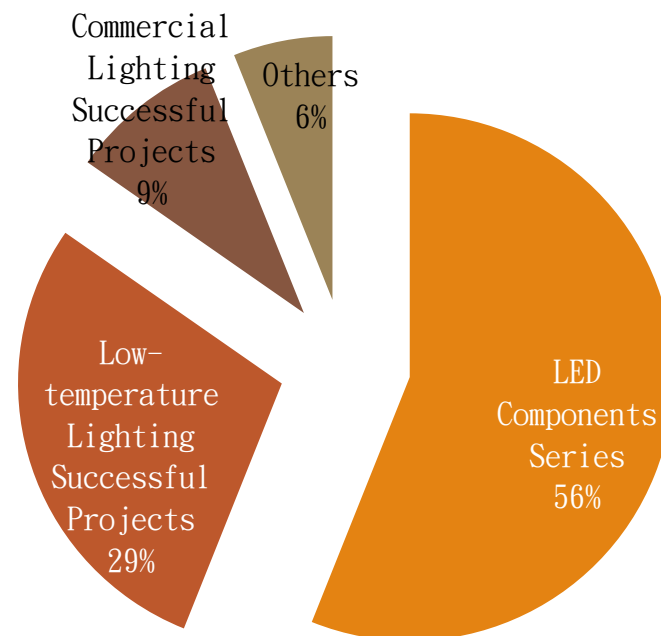
# Operating Results

## 3Q17 Revenue Contribution by Product

3Q17



2Q17



|  |  |
|--|--|
| LED Components Series                        | LAMP 、CHIP LED 、DISPLAY 、HIGH POWER 、BACKLIGHT 、COB 、SMD etc.  |
| Commercial Lighting Successful Projects      | Led Bulbs 、Led Tubes 、Panel Light 、Spot Light 、Flood Light 、Flood Light 、High/Low Bay Light 、Street Light etc. |
| Low-temperature Lighting Successful Projects | Led Bulbs 、Led Tubes etc.  |
| Others                                       | Raw materials and parts  |

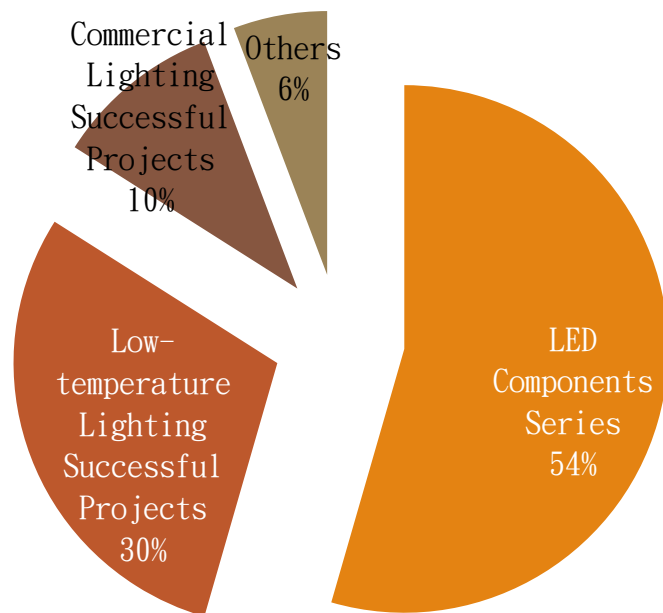


| <i>In NT thousand</i>                        | 3Q17    | 2Q17    | QoQ  |
|--|---------|---------|------|
| LED Components Series                        | 170,475 | 191,599 | -11% |
| Commercial Lighting Successful Projects      | 36,157  | 31,564  | 15%  |
| Low-temperature Lighting Successful Projects | 85,825  | 97,839  | -12% |
| Others                                       | 14,355  | 20,793  | -31% |

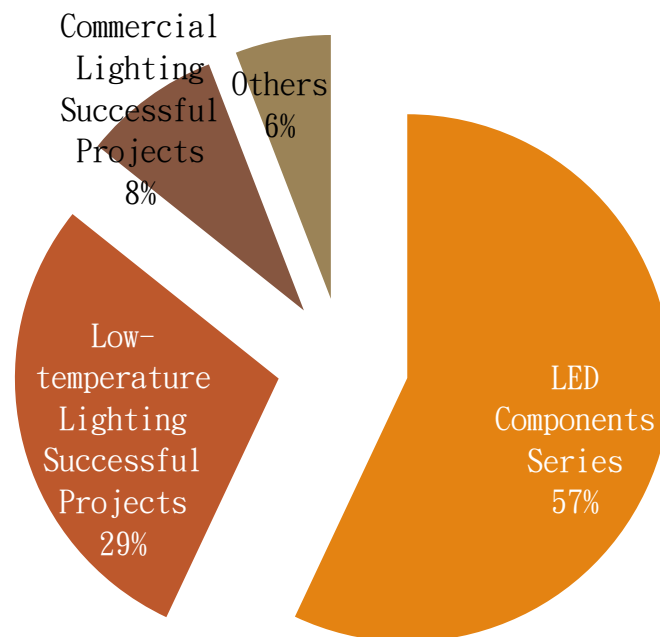
# Operating Results

## 3Q17YTD Revenue Contribution by Product

3Q17YTD



3Q16YTD



|  |  |
|--|--|
| LED Components Series                        | LAMP 、CHIP LED 、DISPLAY 、HIGH POWER 、BACKLIGHT 、COB 、SMD etc.  |
| Commercial Lighting Successful Projects      | Led Bulbs 、Led Tubes 、Panel Light 、Spot Light 、Flood Light 、Flood Light 、High/Low Bay Light 、Street Light etc. |
| Low-temperature Lighting Successful Projects | Led Bulbs 、Led Tubes etc.  |
| Others                                       | Raw materials and parts  |

| <i>In NT thousand</i>                        | 3Q17    | 2Q17    | QoQ  |
|--|---------|---------|------|
| LED Components Series                        | 534,338 | 650,056 | -18% |
| Commercial Lighting Successful Projects      | 100,561 | 95,981  | 5%   |
| Low-temperature Lighting Successful Projects | 289,774 | 327,458 | -12% |
| Others                                       | 56,410  | 66,878  | -16% |

## Operating Results

## Balance Sheet

| <i>In NT thousand</i> | 3Q17      |     | 2Q17      |     | 3Q16      |     |
|-----------------------|-----------|-----|-----------|-----|-----------|-----|
|                       | Amount    | %   | Amount    | %   | Amount    | %   |
| Cash & Equivalent     | 376,557   | 18  | 513,852   | 23  | 366,434   | 16  |
| Accounts Receivable   | 300,478   | 14  | 322,184   | 15  | 352,776   | 15  |
| Inventories           | 187,589   | 9   | 229,302   | 11  | 182,706   | 8   |
| Current Assets        | 1,329,506 | 64  | 1,512,505 | 69  | 1,582,664 | 69  |
| Total Assets          | 2,090,900 | 100 | 2,204,768 | 100 | 2,307,465 | 100 |
| Short Term Debt       | 285,000   | 14  | 245,000   | 11  | 230,000   | 10  |
| Accounts Payable      | 163,597   | 8   | 228,618   | 10  | 192,084   | 8   |
| Current Liabilities   | 604,013   | 30  | 726,101   | 33  | 580,659   | 25  |
| Long Term Debt        | 150,877   | 7   | 155,712   | 7   | 153,360   | 7   |
| Total Liabilities     | 823,400   | 40  | 955,192   | 43  | 823,168   | 36  |
| Equities              | 1,267,500 | 60  | 1,249,576 | 57  | 1,484,297 | 64  |

### Key Indices

|                   |      |      |      |
|-------------------|------|------|------|
| Current Ratio (x) | 2.20 | 2.08 | 2.73 |
| Quick Ratio (x)   | 1.89 | 1.77 | 2.41 |

## Future Prospects

## New Manufacturing Plant

Area of 74.18 acres





# Future Prospects

## New Manufacturing Plant

Enabled Day~2017/11/18





## 1. Carry out core technology:

to develop niche markets, such as automotive electronics, biomedical engineering, security, smart lighting, and low temperature, based on LED packaging core technology.

## 2. Reinforce scale production advantage:

to provide the best quality, highest performance, and most competitive products to our customers with production automation in the new facility.

## 3. Explore lighting product business:

to bring out new exporting opportunities based on domestic success in industry and commercial lighting.

## 4. Bring in strategic system partners:

to fulfill customers' demands by working with controlling system solution providers and driver manufactures.

## 5. Expand low temperature market share:

to seek new opportunity in China, Southeast Asia, India, Mid East, Africa, and Oceania, from low temperature expanding to other lighting products.

# THE END

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## Thank You

Q & A

