

2017 Earnings Conference 6164

Ledtech Electronics Corp.

2017/11/06

Disclaimer

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- 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

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 designerto 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



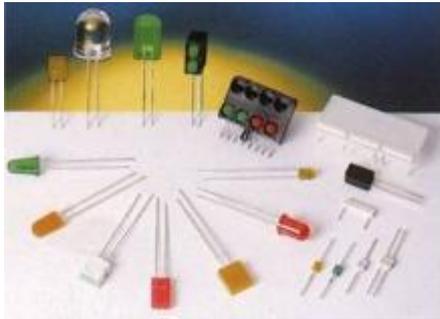
- 上游 Industry upstream : Epi-Wafer
- 中游 Industry middlestream : LED-Chip
- 下游 Industry downstream : LED package and module(Ledtech)

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



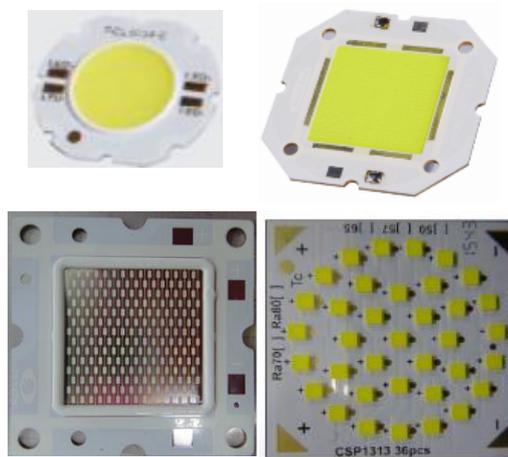
High Power LED



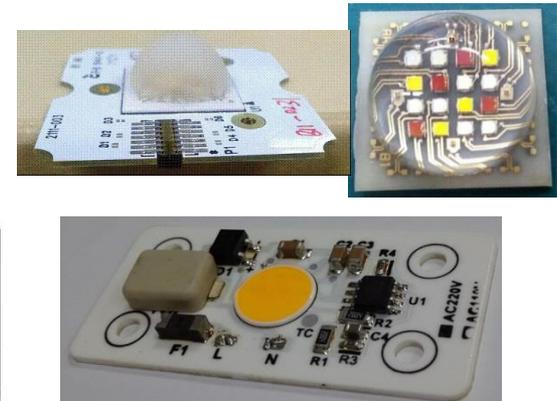
LED Display



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

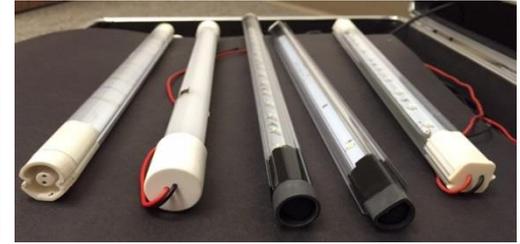
High/Low Bay
Light

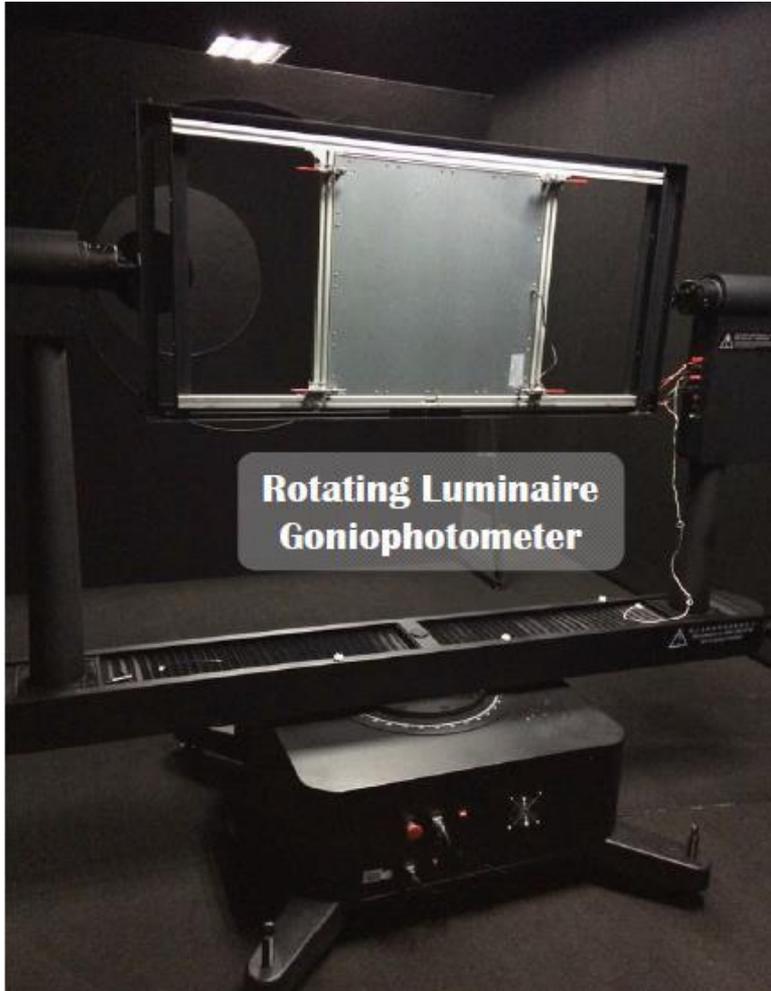




Products Introduction

Low-temperature Lighting Successful Projects







**Thermal Shock Tester
For components**



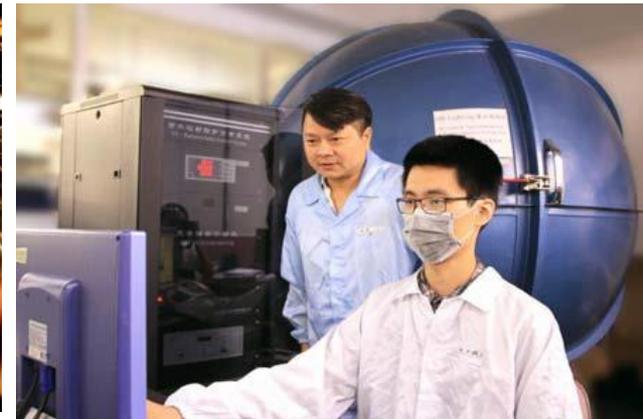
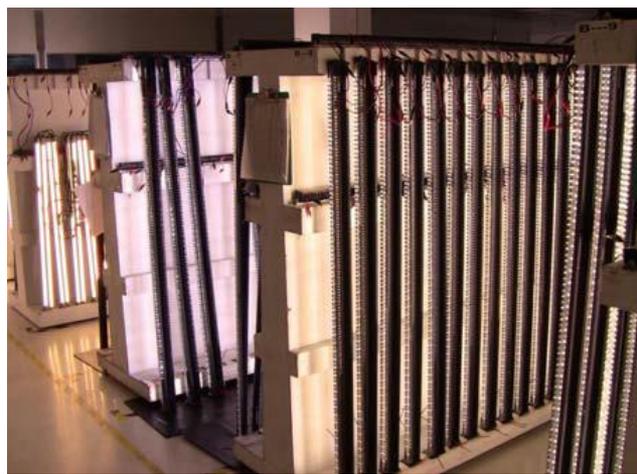
**Temp. Environment Tester
For components**



**Salt Spray Tester
For components**



**Temp. Environment Tester
For tubes**



Products Introduction

Convenience Store
Successful Projects



Phase one : 2007 in Taipei



Low Temp. Lighting

Phase two : 2009 in Taipei 101

2010 in Taipei



Commercial Lighting



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

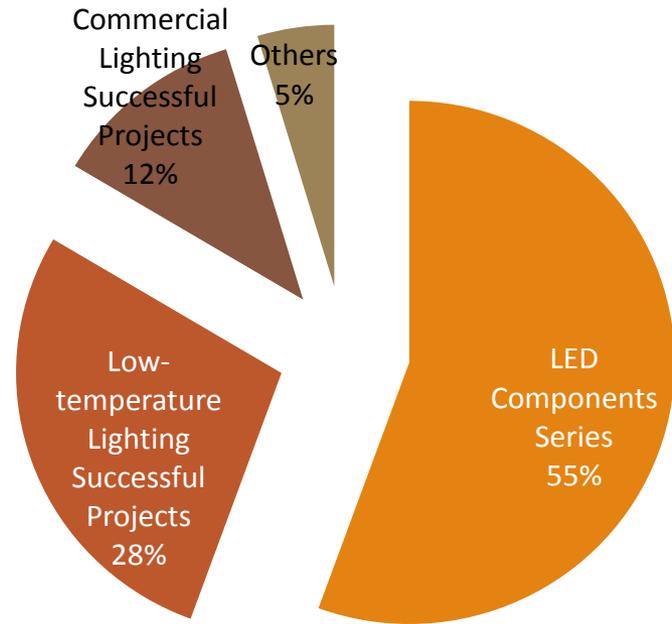
Other Incomes/Other Expenses

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

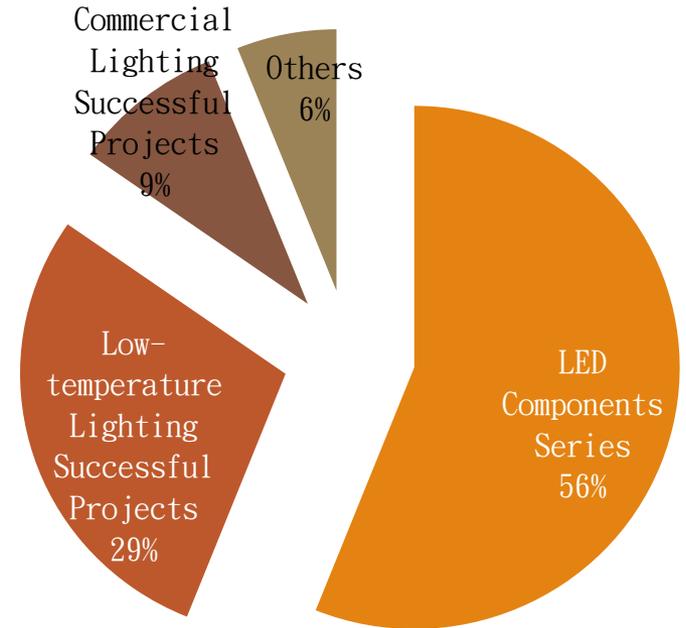
Operating Results

3Q17 Revenue Contribution by Product

3Q17



2Q17



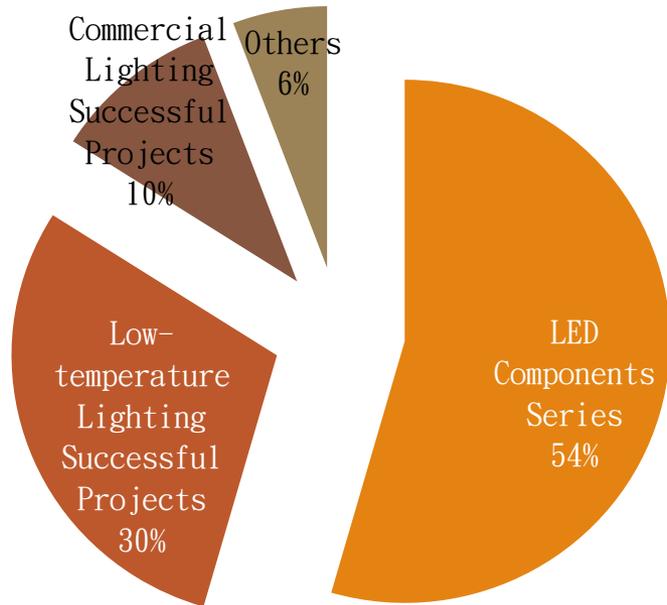
LED Components Series	LAMP 、CHIP LED 、 DISPLAY 、 HIGH POWER 、 BACKLIGHT 、 COB 、 SMD etc.
Commercial Lighting Successful Projects	Led Bulbs 、 Led Tubes 、 Panel Light 、 Spot Light 、 Flood Light 、 Flood Light 、 High/Low Bay Light 、 Street Light etc.
Low-temperature Lighting Successful Projects	Led Bulbs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

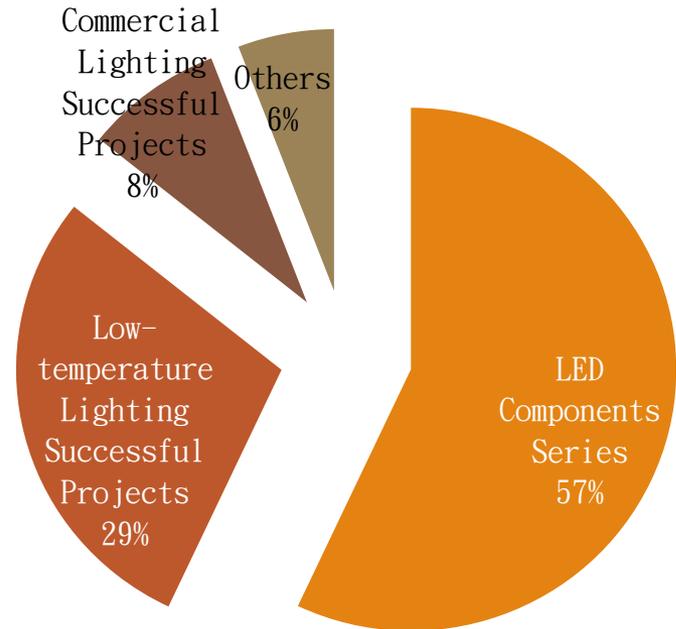
Operating Results

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

In NT thousand

	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

Thank You

Q & A

