



PARPRO Investor Relations 3Q, 2018 Result

December 2018

Disclaimer

- ▶ PARPRO's presentation contains forward-looking statements subject to significant risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In this context, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions.
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- ▶ All forward-looking statements in this presentation are based on information available to us as of the date hereof, we undertake no obligation to update these forward-looking statements for new information, future events, otherwise, or update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Financials



PARPRO Consolidated Results (3Q, 2018)

NT\$mn	3Q18	2Q18	3Q17	QoQ	YoY
Revenue	2,159	2,230	2,023	-3%	7%
Gross Profit	535	560	529	-5%	1%
Operating Profit	133	125	93	7%	43%
Non-operating profit	-31	17	10		
Pretax profit	103	143	103	-28%	0%
Net Profit After Tax(before minority)	76	116	81	-34%	-6%
Minorities interest	1	34	60	-96%	-98%
Net profit	75	82	21	-9%	256%

Profitability

Gross Margin	24.8%	25.1%	26.1%	
Operating Margin	6.2%	5.6%	4.6%	
Pretax Margin	4.8%	6.4%	5.1%	
Net Margin	3.5%	3.7%	1.0%	

NOTE1: Audited financial result, this consolidated Anderson(1528.TW)(In June 2017, Parpro obtained more than half of directors seats at Anderson, judging that the company has the substantive ability to dominate the activities of the company, so it is classified as a subsidiary, and the subsidiary of Anderson all included in the main body of the consolidated financial statements.

NOTE 2: Parpro participated the new rights issues in Anderson on August 17 2017(or total funding of NT\$206,758K), the ownership stake on Anderson increased from 13.38% to 19.95%.

PARPRO Results (3Q, 2018)

NT\$mn	3Q18	2Q18	3Q17	QoQ	YoY
Revenue	953	920	669	4%	42%
Gross Profit	182	178	113	2%	61%
Operating Profit	91	79	26	15%	250%
Non-operating profit	2	16	5	-88%	-60%
Pre tax Profit	93	95	31	-2%	200%
Net profit	75	82	21	-10%	252%

Profitability

Gross Margin	19.1%	19.3%	16.9%
Operating Margin	9.6%	8.6%	3.9%
Pretax Margin	9.8%	10.3%	4.6%
Net Margin	7.8%	8.9%	3.1%

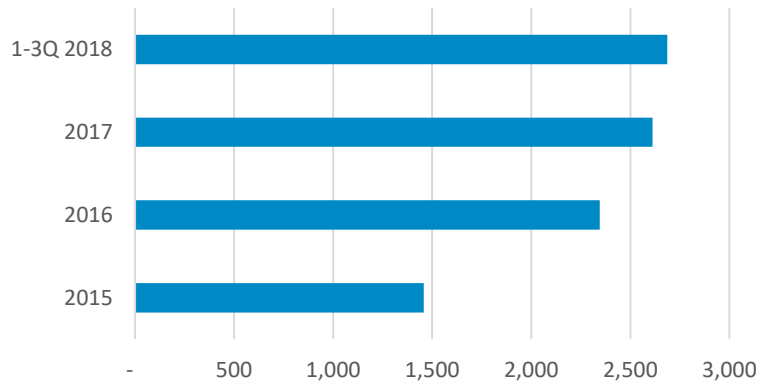
Note 1: This is PARPRO only (not audited financial version), Anderson(1528 TW) listed as equity investment income based on equity income method. Parpro equity investment income was NT\$5.3m in 2Q 2018, but dropped to NT\$0.48m in 3Q2018 mainly due to Anderson FX loss.

Note 2: Parpro participated the new rights issues in Anderson on August 17 2017(or total funding of NT\$206,758K), the ownership stake on Anderson increased from 13.38% to 19.95%

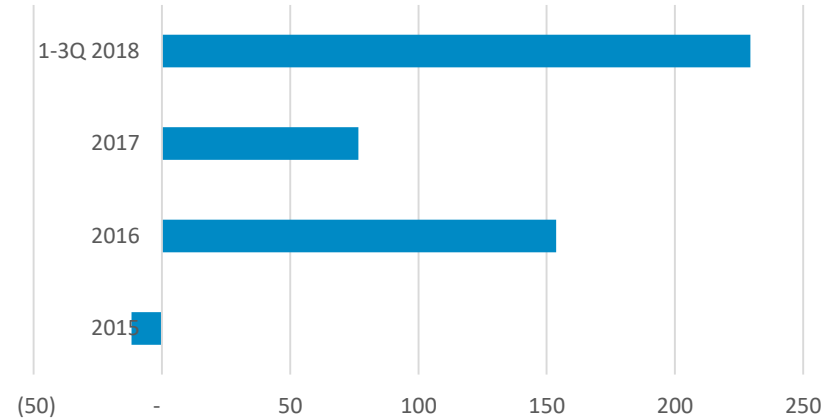
PARPRO Revenue/Operating Profit

2018 1-3Q- YOY

Sales (NT\$m)



Operating Profit(NT\$m)



1-3Q 2018 Sales growth (YoY)

 +35%

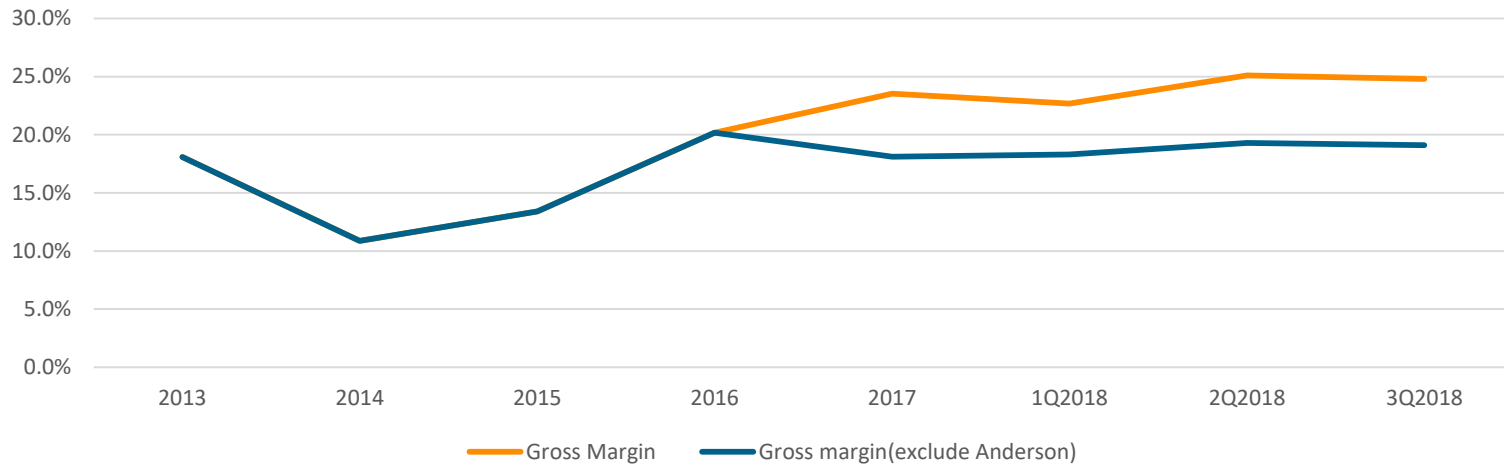
1-3Q 2018 Operating Profit growth (YoY)

 +168%

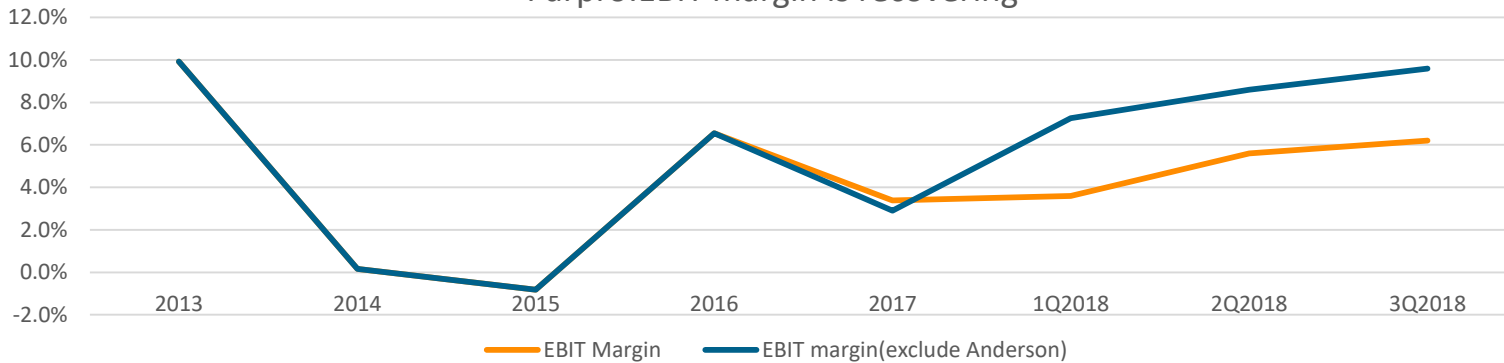
*Note: PARPRO alone, exclude Anderson(1528 TW)

PARPRO : Margin overview

Paropro: Gross Margin likely stabilizing

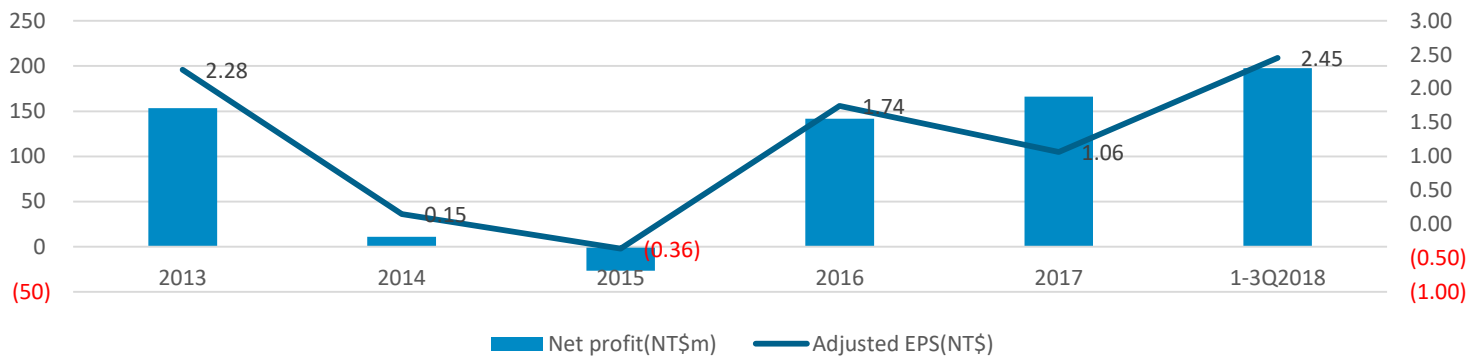


Parpro:EBIT margin is recovering

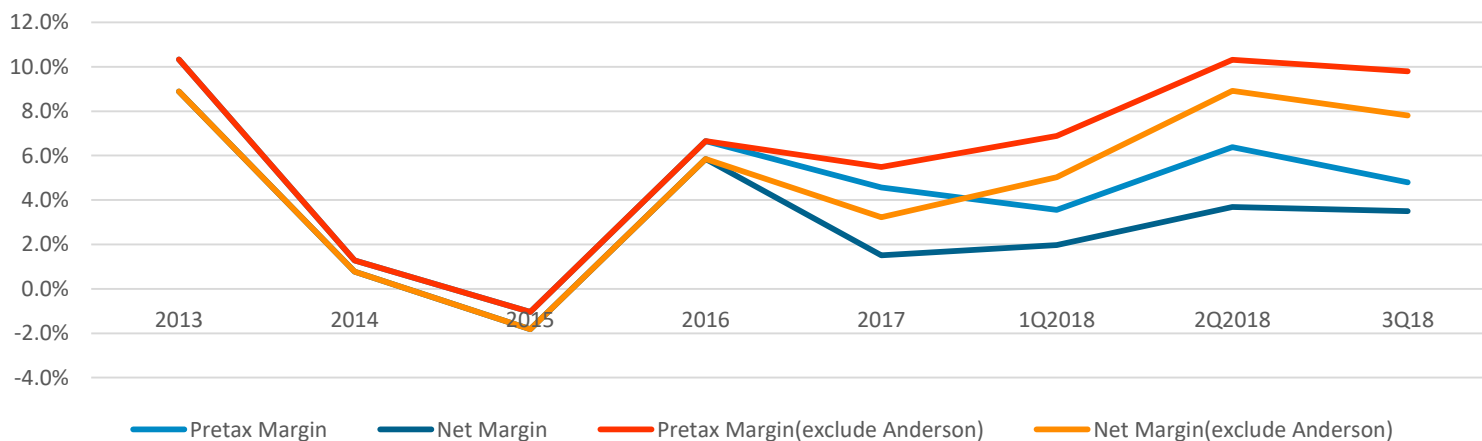


PARPRO: Net Profit & EPS

Parpro: Net Profit & EPS



Parpro: Pretax/Net margin trend



PARPRO: Balance Sheet Overview

Balance Sheet(NT\$m)	2016	2017(consolidated Anderson)	1H2018(Consolidated Anderson)	Sep 30, 2018(excluding Anderson)
TOTAL CURRENT ASSETS	1,377	5,613	6,267	6,207
TOTAL ASSETS	2,671	8,409	9,104	9,033
TOTAL LIABILITIES	1,477	4,873	5,434	5,202
SHAREHOLDERS' EQUITY	1,193	3,536	3,671	3,831
TOTAL LIABILITIES AND EQUITY	2,671	8,409	9,104	9,033

Note: Audited financial results, this consolidated Anderson (1528.TW) result(Parpro obtained more than half of directors seats at Anderson, judging that the company has the substantive ability to dominate the activities of the company, so it is classified as a subsidiary, and the subsidiary of Anderson all included in the main body of the consolidated financial statements.

NOTE 2: Parpro participated the new rights issues in Anderson on August 17 2017(or total funding of NT\$206,758K), the ownership stake on Anderson increased from 13.38% to 19.95%.

Balance Sheet(NT\$m)	2016	2017(exclude Anderson)	1H2018(exclude Anderson)	Sep 30, 2018(exclude Anderson)
TOTAL CURRENT ASSETS	1,377	1,384	1,825	1,817
TOTAL ASSETS	2,671	2,722	3,165	3,359
TOTAL LIABILITIES	1,477	1,514	1,833	1,956
SHAREHOLDERS' EQUITY	1,193	1,208	1,332	1,403
TOTAL LIABILITIES AND EQUITY	2,671	2,722	3,165	3,359

Note: This is PARPRO only (not audited version)