CATCHER

Catcher Technology

2017 Q3 Earnings Conference

2017/11/07

Disclaimer

This presentation contains “forward-looking statements”- that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as “expects” , “anticipates”, “intends”, “plans”, “believes”, “seeks”, or “will”.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to different materially from those contained in any forward-looking statement. Such factors include, but are not limited to: our highly competitive environment; the cyclical nature of our business; our ability to develop new products; and our successful execution in new business developments.

3Q17 Financial Summary

- Rev/GP/OP > +30% yoy; core profit 2nd highest all time/ 1st in Q3.
- Rev. hit historical high NT$27.4bn, up 48% qoq / 32% yoy; thanks to the strong demand of Smartphone, NB & tablet PC.
- GP 11.7bn, up 31% qoq / 32% yoy, 17% higher than Q3/2015.
- GM 42.6%, flattish yoy; within historical range amid mix change.
- OP 9.2bn, up 30% qoq/ 32% yoy. OPM 33.4%, within historical range .
- NPBT 10.8bn, up 55% qoq / 72% yoy. Margin 39.4%, up 1.8% qoq / 9.1% yoy.
- NPAT 7.4bn, up 80.5% qoq / 65.2% yoy. Margin 26.9%, up 4.8% qoq / 5.3% yoy.
- Basic EPS NT$9.59. NT$5.31/ 2Q17 , NT$5.80/ 3Q16.
- CAPEX NT$5.2bn in Q3 vs 2.02bn (2016)
- D&A NT$2.9bn in Q3 vs 2.77bn (2016)
- EBITDA 12.1bn vs 9.7bn (2016)

9M17 Financial Summary

- Net sales NT$60.5bn, up 9.8% yoy, historical high.
- GP 27.7bn, up 23.8% yoy. GM 45.8%, up 5.2% yoy.
- OP 21.6bn, up 22.1% yoy. OPM 35.6%, up 3.5% yoy.
- NPBT 20.8bn, up 11.0% yoy. Margin 34.5%, up 0.4% yoy.
- NPAT 13.6bn, up 8.6% yoy. Margin 22.4%, down 0.3% yoy.
- Basic EPS 17.62. EPS of 9M16 was NT$16.21.
- CAPEX 9.6bn vs 6.3bn (2016)
- D&A was 8.4bn. vs 8.4bn (2016)
- EBITDA 29.9bn vs 26.06bn (2016)

3Q17 vs. 2Q17 P/L

(In NTD mn)	3Q17 Amount	3Q17 %	2Q17 Amount	2Q17 %	qoq
Revenue	**27,422**	*100.0%*	18,500	*100.0%*	*48.2%*
GP	**11,671**	*42.6%*	8,904	*48.1%*	*31.1%*
OPEX	**2,506**	*9.1%*	1,854	*10.0%*	*35.1%*
OP	**9,165**	*33.4%*	7,049	*38.1%*	*30.0%*
NPBT	**10,801**	*39.4%*	6,964	*37.6%*	*55.1%*
NPAT	**7,388**	*26.9%*	4,094	*22.1%*	*80.5%*
EPS (NTD)	**$ 9.59**		$ 5.31		
EBITDA	**12,089**	*44.1%*	9,798	*53.0%*	*23.4%*

•EBITDA = Operating Profit + Depreciation + Amortization

3Q17 vs. 3Q16 P/L

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	3Q17		3Q16		
(In NTD mn)	**Amount**	*%*	Amount	*%*	*yoy*
Revenue	**27,422**	*100.0%*	20,731	*100.0%*	*32.3%*
GP	**11,671**	*42.6%*	8,840	*42.6%*	*32.0%*
OPEX	**2,506**	*9.1%*	1,884	*9.1%*	*33.0%*
OP	**9,165**	*33.4%*	6,956	*33.6%*	*31.8%*
NPBT	**10,801**	*39.4%*	6,289	*30.3%*	*71.7%*
NPAT	**7,388**	*26.9%*	4,471	*21.6%*	*65.2%*
EPS (NTD)	**$ 9.59**		$ 5.80		
EBITDA	**12,089**	*44.1%*	9,740	*47.0%*	*24.1%*

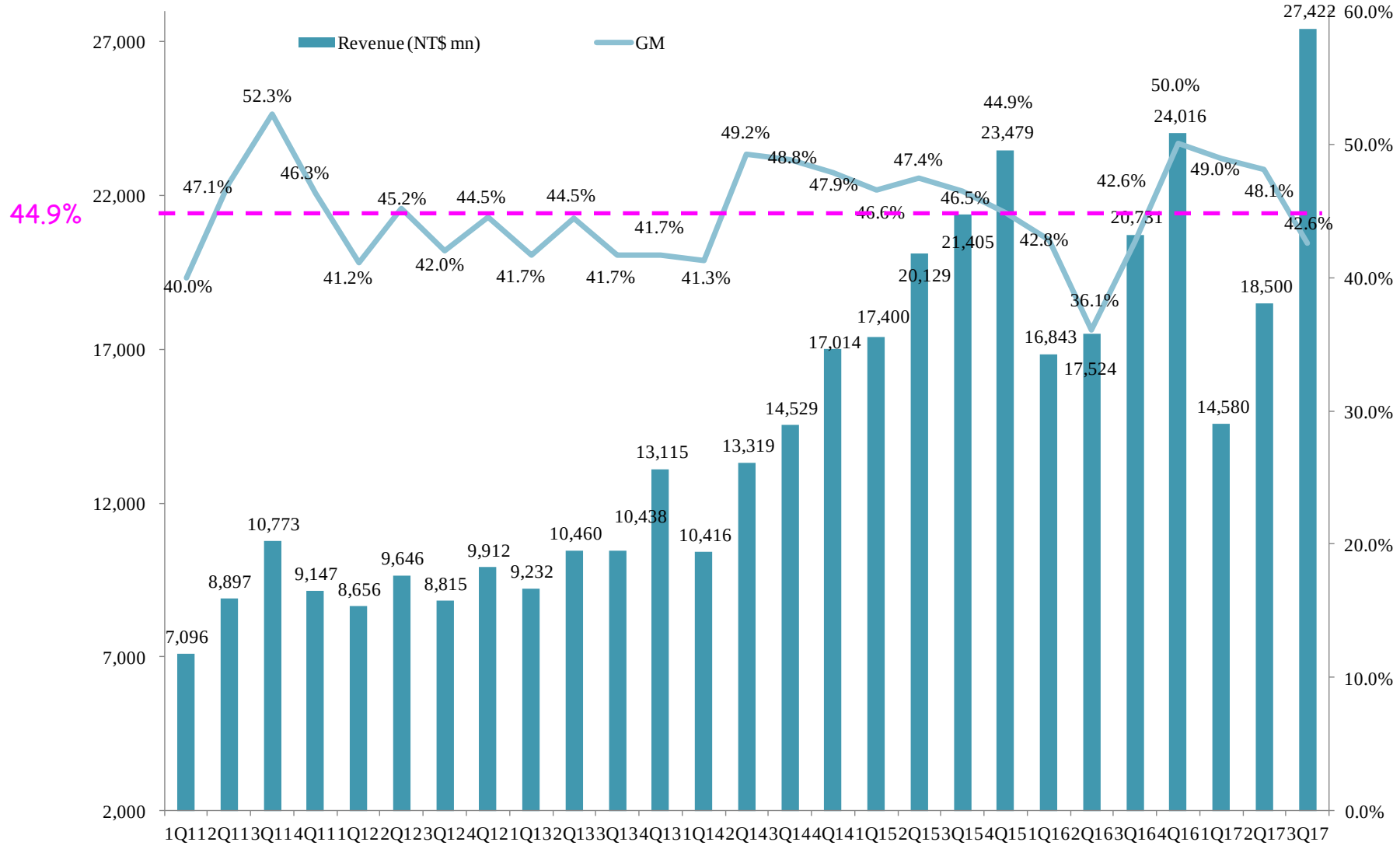
•EBITDA = Operating Profit + Depreciation + Amortization

9M17 vs. 9M16 P/L

(In NTD mn)	9M17 Amount	9M17 %	9M16 Amount	9M16 %	yoy
Revenue	**60,502**	*100.0%*	55,098	*100.0%*	*9.8%*
GP	**27,712**	*45.8%*	22,378	*40.6%*	*23.8%*
OPEX	**6,146**	*10.2%*	4,712	*8.6%*	*30.4%*
OP	**21,566**	*35.6%*	17,666	*32.1%*	*22.1%*
NPBT	**20,849**	*34.5%*	18,789	*34.1%*	*11.0%*
NPAT	**13,572**	*22.4%*	12,492	*22.7%*	*8.6%*
EPS (NTD)	**17.62**		$ 16.21		
EBITDA	**29,974**	*49.5%*	26,064	*47.3%*	*15.0%*

•EBITDA = Operating Profit + Depreciation + Amortization

Revenue & GM


Revenue (NT$ mn)
GM
44.9%
27,000
22,000
17,000
12,000
7,000
2,000
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
7,096
8,897
10,773
9,147
8,656
9,646
8,815
9,912
9,232
10,460
10,438
13,115
10,416
13,319
14,529
17,014
17,400
20,129
21,405
23,479
16,843
17,524
20,751
24,016
14,580
18,500
27,422
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52.3%
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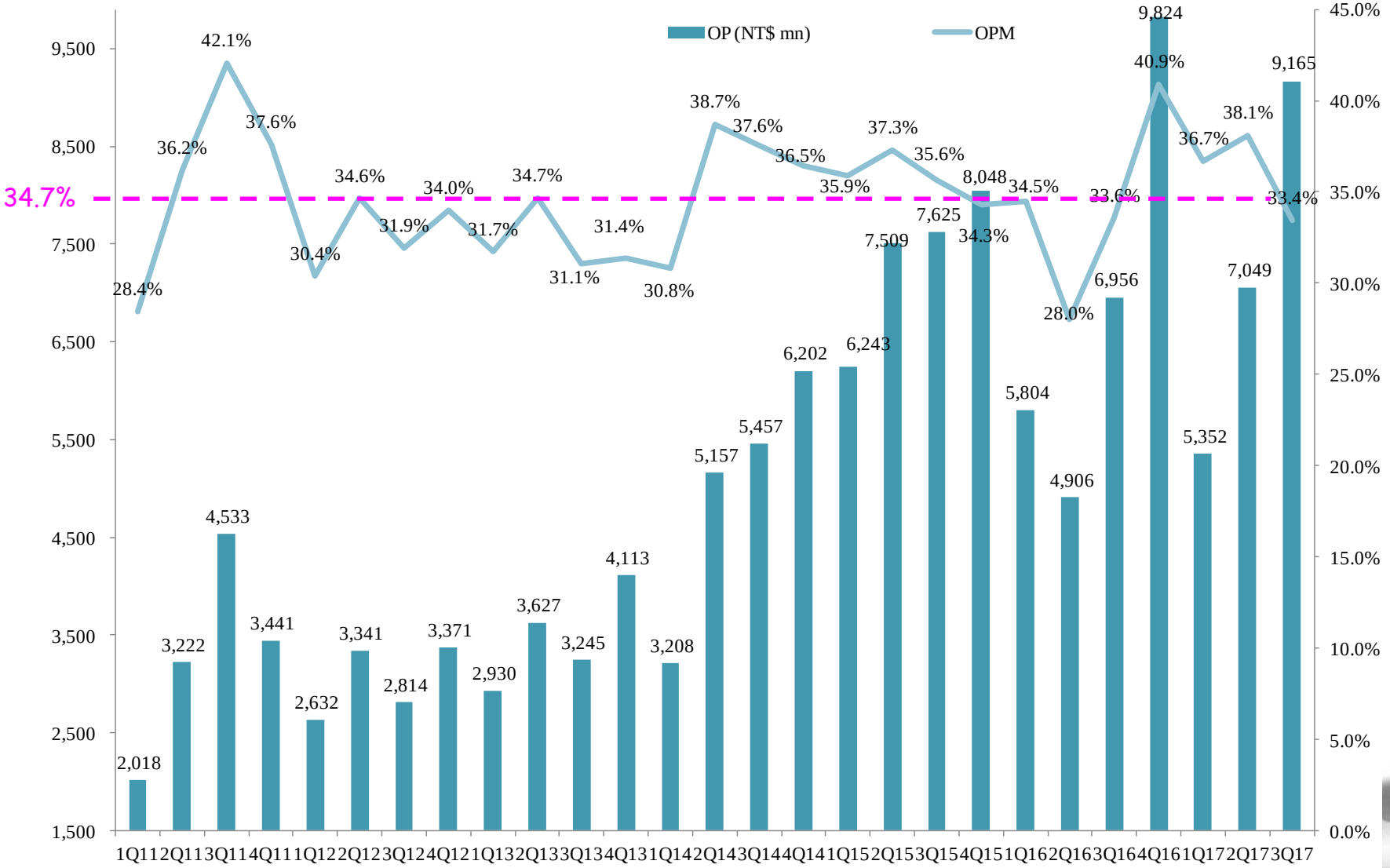
3Q17

OP & OPM


OP (NT$ mn)
OPM
34.7%
9,500
8,500
7,500
6,500
5,500
4,500
3,500
2,500
1,500
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
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3,208
5,157
5,457
6,202
6,243
7,509
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2Q17
3Q17

Consolidated Balance Sheet

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(In NT$ mn)	3Q17		2Q17		3Q16	
Total Assets	**201,337**	***100%***	**186,065**	***100%***	**174,884**	***100%***
Cash	18,350	*9%*	31,170	*17%*	51,017	*29%*
Current Asset	141,475	*70%*	129,298	*69%*	115,086	*66%*
Fixed Asset	48,717	*24%*	47,264	*25%*	52,765	*30%*
Total Liabilities	**75,925**	***38%***	**69,327**	***37%***	**61,496**	***35%***
Current Liab.	72,063	*36%*	64,581	*35%*	55,226	*32%*
Long-term Liab.	3,862	*2%*	4,746	*3%*	6,270	*4%*
Shareholders Equity	**125,329**	***62%***	**116,598**	***63%***	**113,172**	***65%***
Total Liab. & Equity	201,337	*100%*	186,065	*100%*	174,884	*100%*
BVPS	162.7		151.3		146.9	

•BVPS was calculated based on 2017 weighted average shares of 770,391k

Consolidated Cash Flow

(NT$ mn)	9M17	9M16
Beginning Balance	29,667	65,679
Cash from operating activities	18,287	9,597
Depreciation & Amortization	8,408	8,397
Cash from investing activities	(32,237)	(28,248)
Capital Expenditure	(9,607)	(6,266)
Cash from financing activities	2,230	7,564
Short-term & Long-term loans	2,280	8,046
FX Impact	403	(3,574)
Change in cash	(11,317)	(14,661)
Ending Balance	18,350	51,018
EBITDA	29,974	26,064
Free Cash Flow	8,680	3,331

•EBITDA=Operating Profit+Depreciation+Amortization
•Free cash flow=Cash from operating activities-Capital Expenditure

Executive Overview

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2017 Review:

- Growth in all product lines: Smartphone, NB, Tablets.
- Record high Q3 Rev., +48% qoq、+32% yoy.
- Oct. Rev. record high 12.39 bn; Strong growth in Q4 qoq/yoy.
- Another year of solid execution & financial performance.

2018 Outlook:

- Strong growth in all product lines; new applications on pipeline.
- Larger capex to support growth.
- Q1 only affected by less working days; Strong Q1/H1 yoy growth.
- Expect another year of strong growth.

Executive Overview

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Sector Outlook:

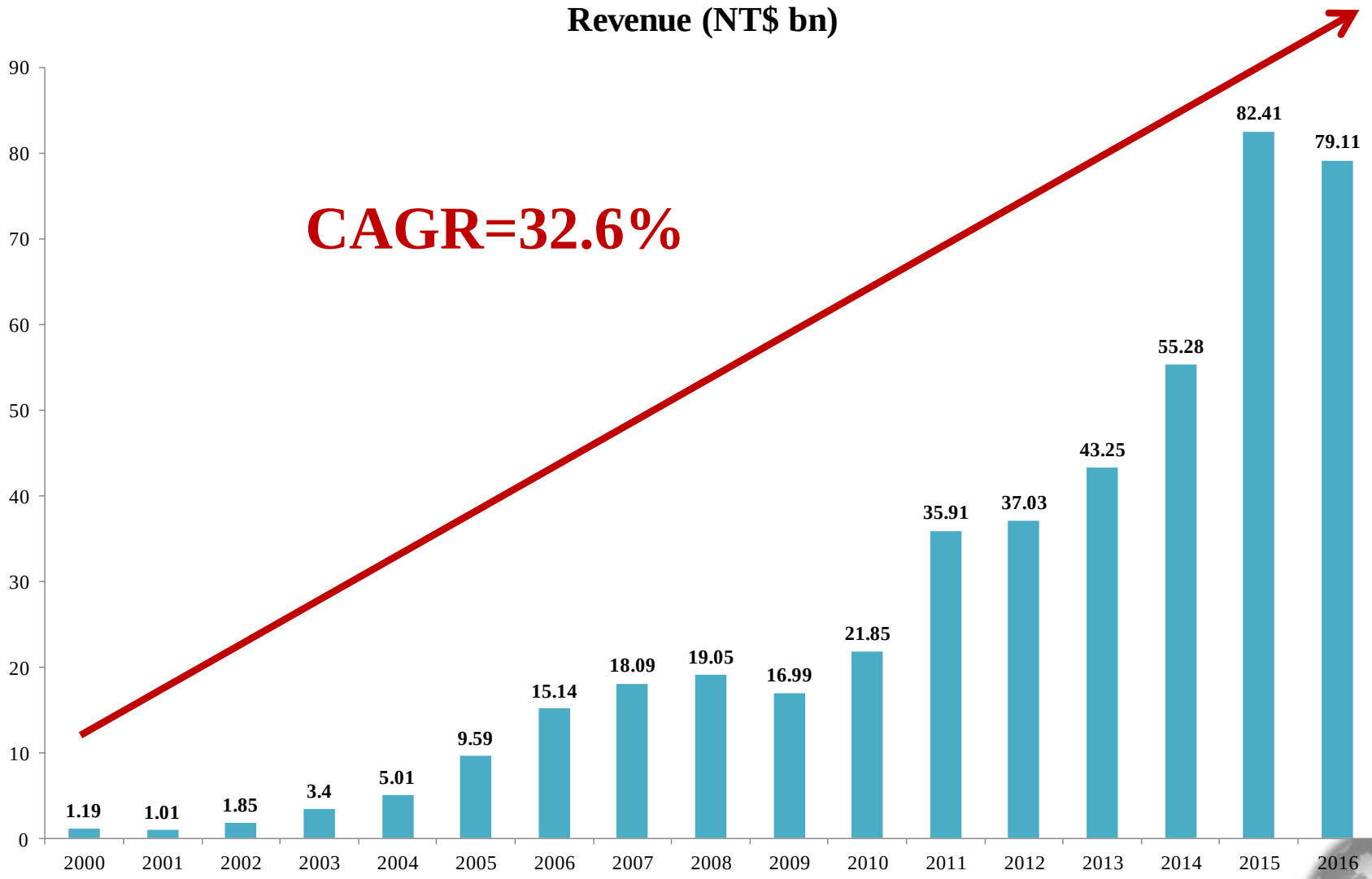
- More predictable in Material/Design.
- More stable competition landscape.
- Design trend favors to premium metal/ composite material.
- Execution & Profitability => Long Term Sustainability.

Catcher's Long Term Outlook:

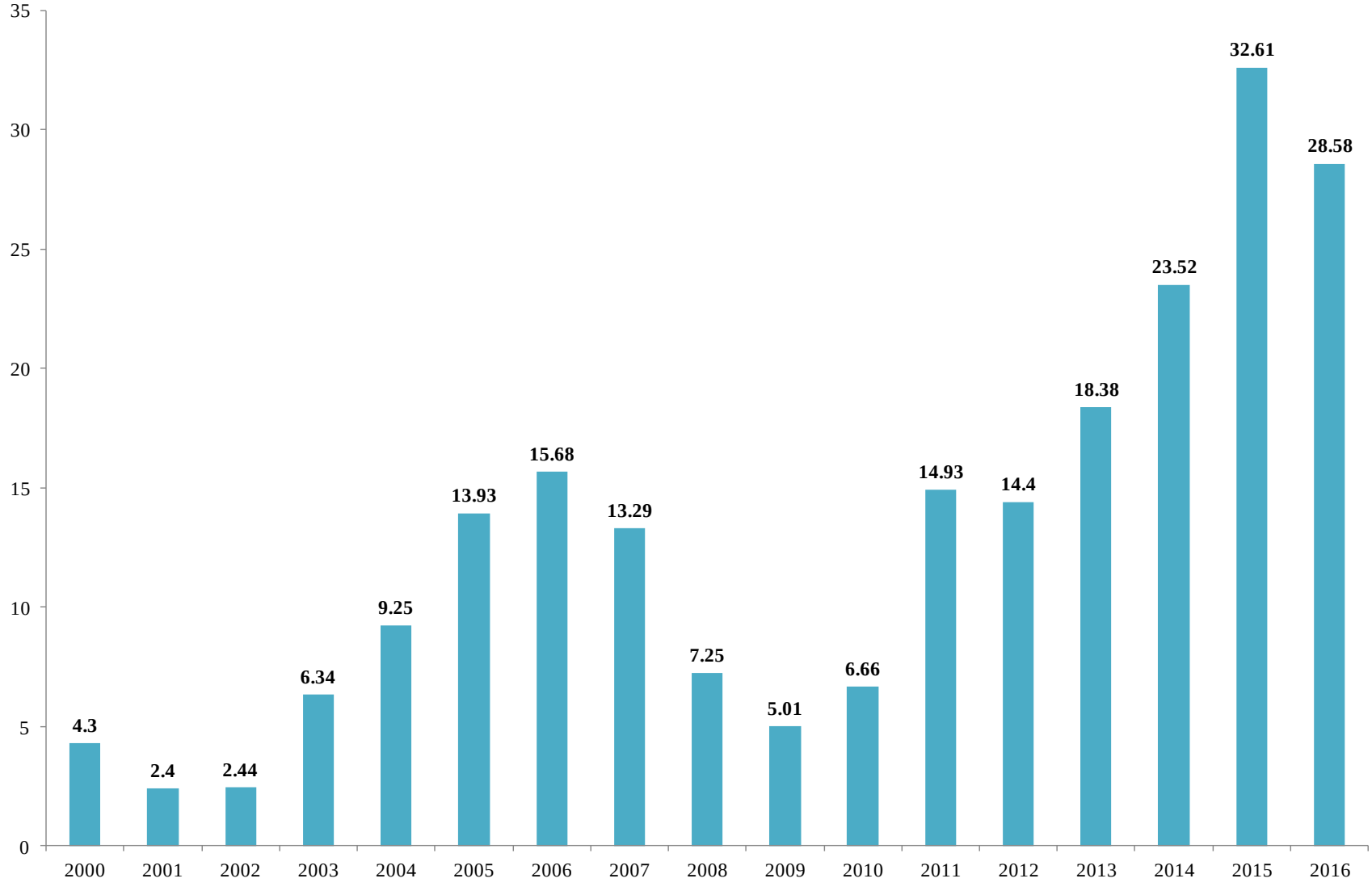
- All around capabilities matrix in Material science & processes.
- Best Know-How, Automation, & Highly Vertical Integration .
- Diversification into new customers, applications, projects, & units.
- Visible growth in existing sectors for 3-5 yrs, and potential new biz.
- Enhance integration & contribution.
- Stable pricing & profitability.
- Enhance shareholders return.

Appendix

Revenue Trend (2000 - 2016)



EPS Trend (2000 - 2016)



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