



# Promate Electronics Co. Ltd.

## 2020 Institutional Investor Conference

[www.promate.com.tw](http://www.promate.com.tw)

Stock Ticker:  
6189 .TW

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# Management Team



**Chairman  
Eric Chen**

NCTU Electro Physics

Texas Instruments  
CF Investment Chairman  
Weikeng Board  
Promate Solutions Board  
Promate Electronics Chairman



**COO  
Cheer Du**

NTU Economics  
NTU EMBA

Glimmer Inc. Chairman  
CF Investment Director  
Weikeng Board  
Promate Electronics COO  
Promate Solutions Chairman



**Executive VP  
Mark Chen**

FJU Electrical Engineering

Promate Electronics Exec. VP



**GCG GM  
Frank Deng**

TPCU Electrical Engineering

Promate Electronics GCG GM



**Special Assistant  
Andy Chen**

University of California, Irvine  
Computer Engineering

Promate Group  
Chairman Special Assistant  
Promate Solutions  
BD Director  
Promate Japan Inc. CEO

## PROMATE Group



Since 1986

Taiwan's **#8** Distributor of Semi-Conductor components

 **#1** Distributor for GD BU

TWSE listed since 2004 :

TWSE 6189

Capital : 1.79B (NTD)

Market Cap : 5.97B (NTD)



Since 2000

Professional OEM/ODM of **HMI & Industrial IoT** for Medical, Fitness, Smart Retail, Industrial Market Segment

TPEX listed since 2015 :

TPEX 6577

Capital : 380M (NTD)

Market Cap: 2.78B (NTD)

\*Market Cap Calculated: 2020H1 6MA(M)

# Business Philosophy / Vision / Strategy



## Business Philosophy

Passion · Innovation  
Partnership · Social Responsibility

Passion, Professional, Partnership



## Vision

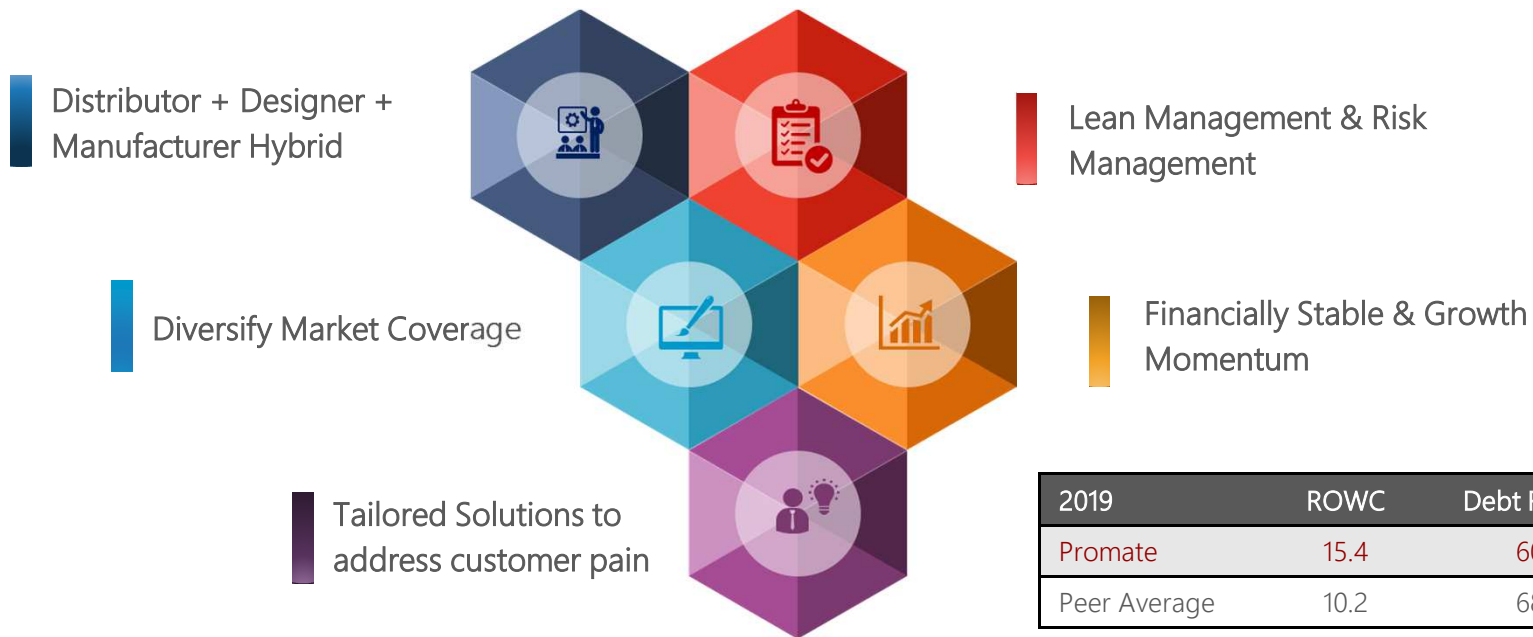
Become the world's top electronic component channel and solution provider

## Strategy

Channel Agency : Continued introduction of niche products, customer relations maintenance, and improve financial structure.

Solution : Focus on medical, fitness and special application markets, new business opportunities in traditional industries, expand design service business, and search for strategic partners.

# Core Competence



2019	ROWC	Debt Ratio
Promate	15.4	60%
Peer Average	10.2	68%

\*ROWC=(Operating Income-Allowance for Inventory Valuation) / (A/R + Inventory - A/P)

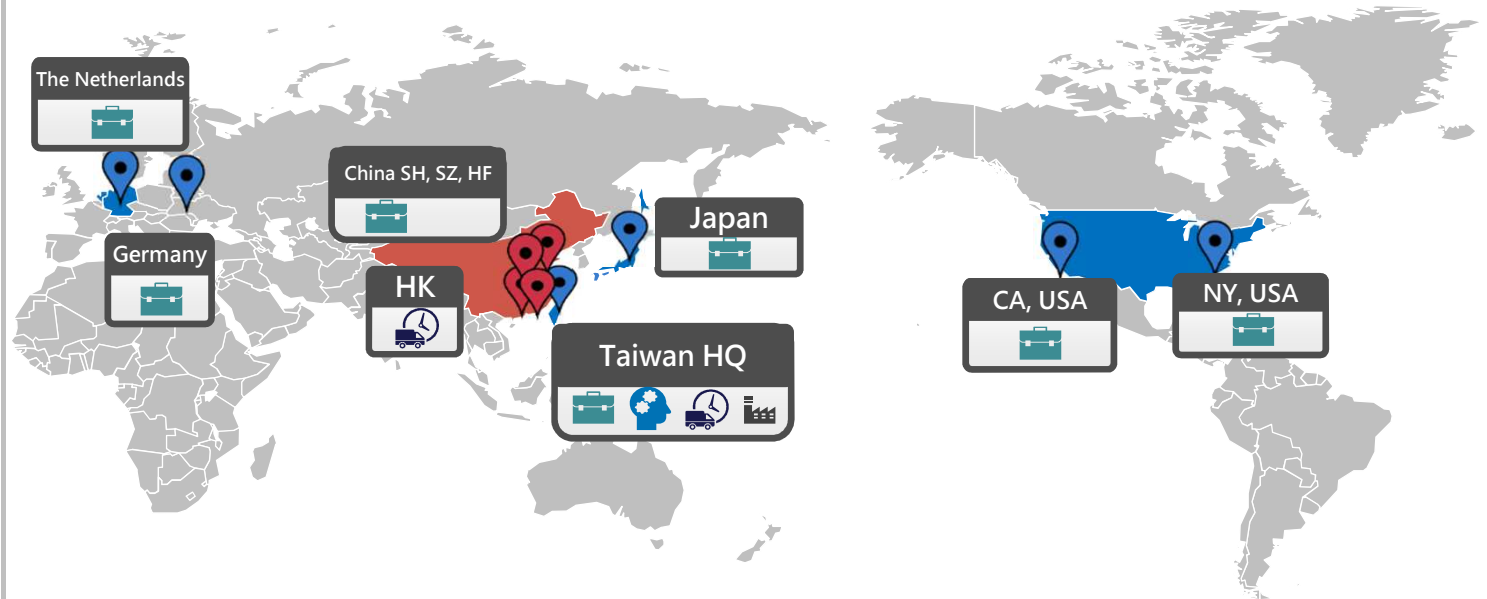
# Global Footprint



WW Offices  
**10**

Revenue  
**22B+**  
(NTD/2019)

WW Customers  
**350+**



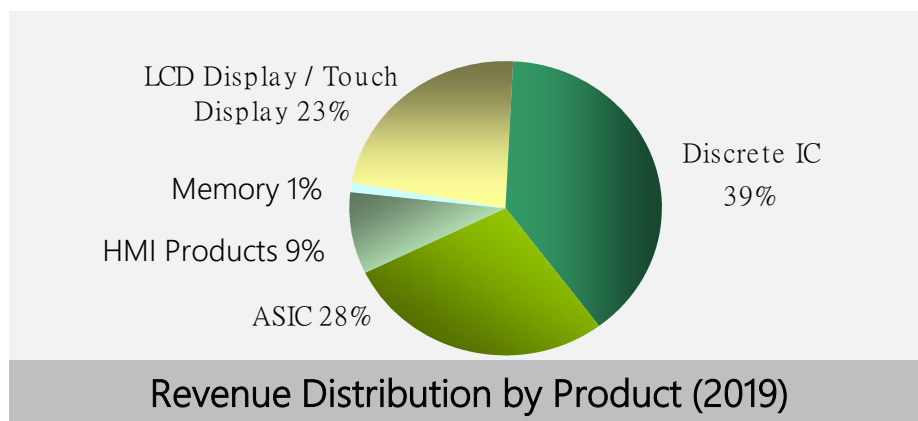
# Distribution Snapshot (PMT)



Brands  
47

## Strategy

Focusing on display, discrete IC, ASIC, supporting customers in OEM, ODM, EMS with turn-key solutions and value-added design in service

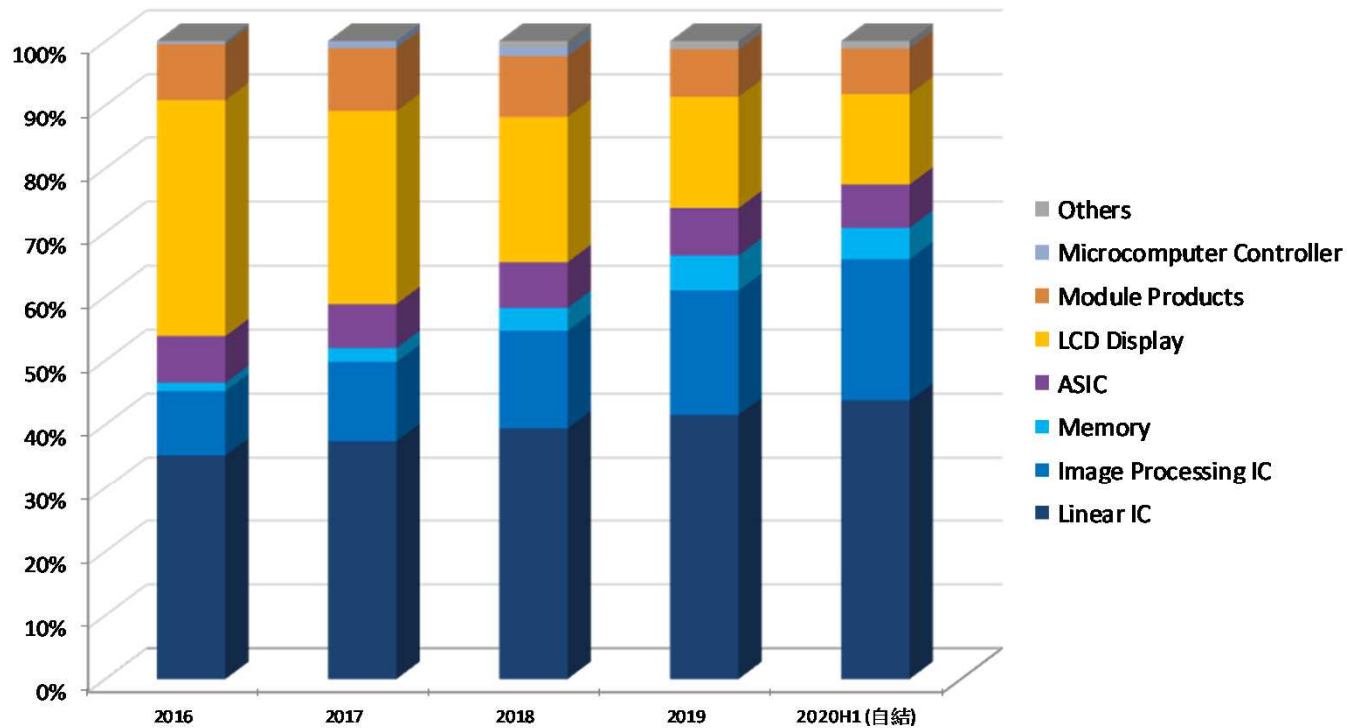


## Successful Value Added



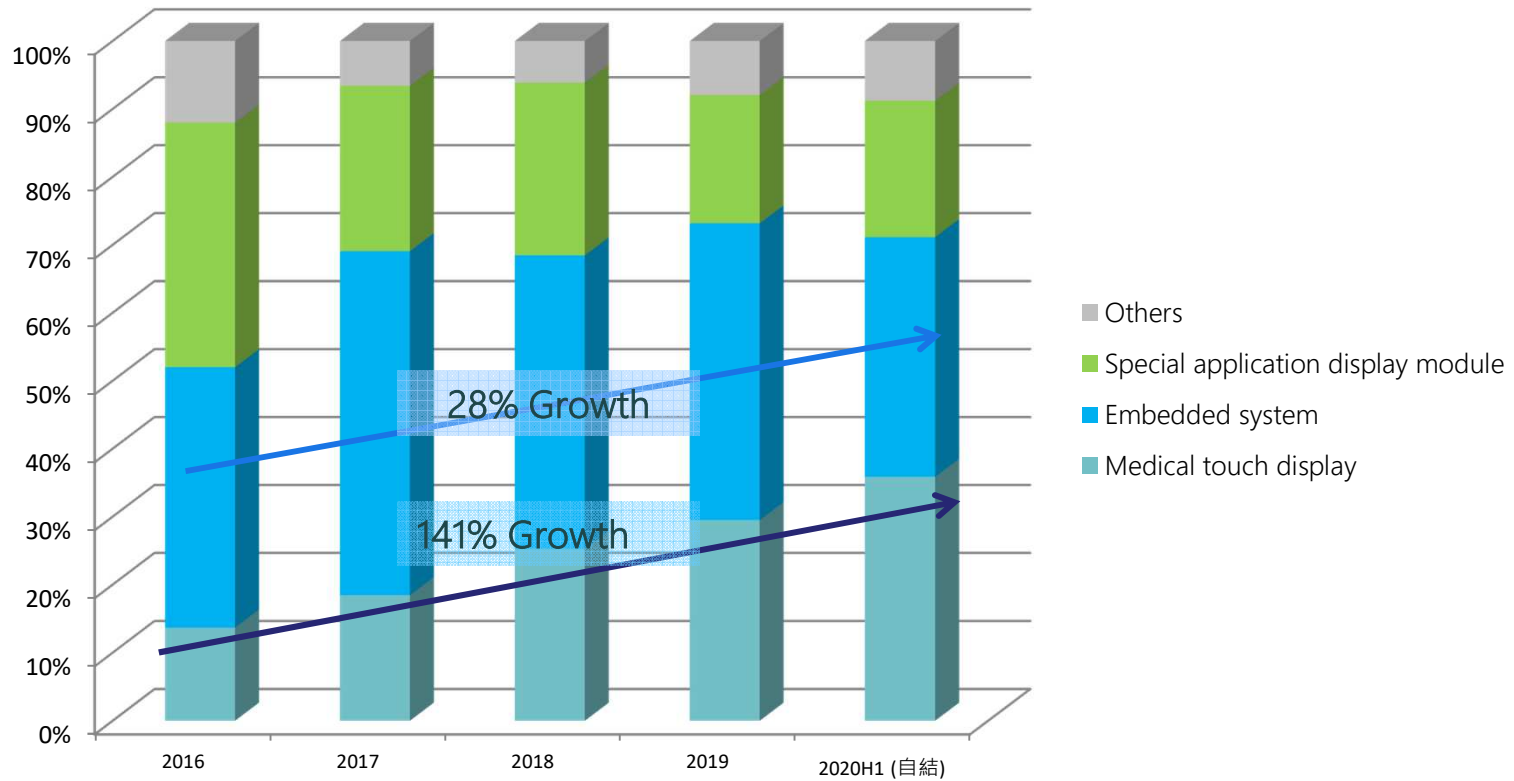


# PMT Performance

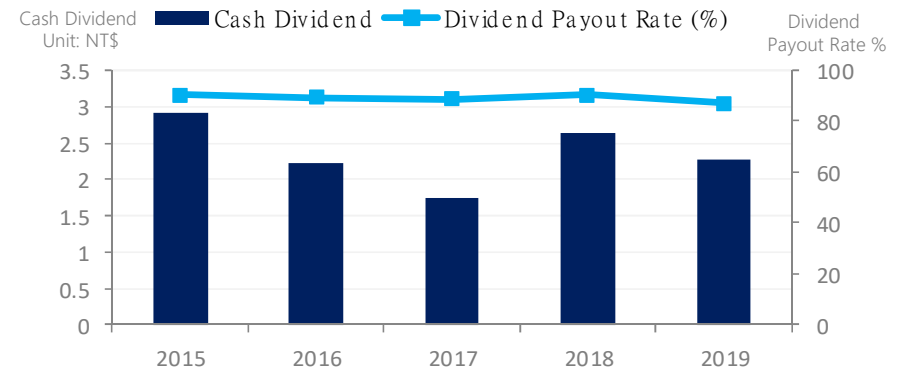
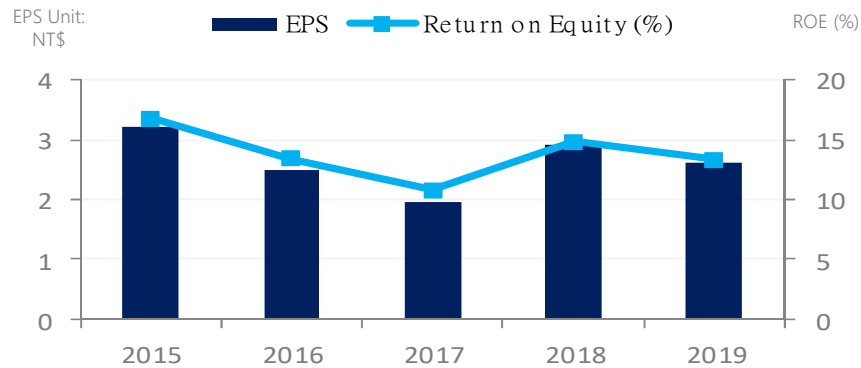
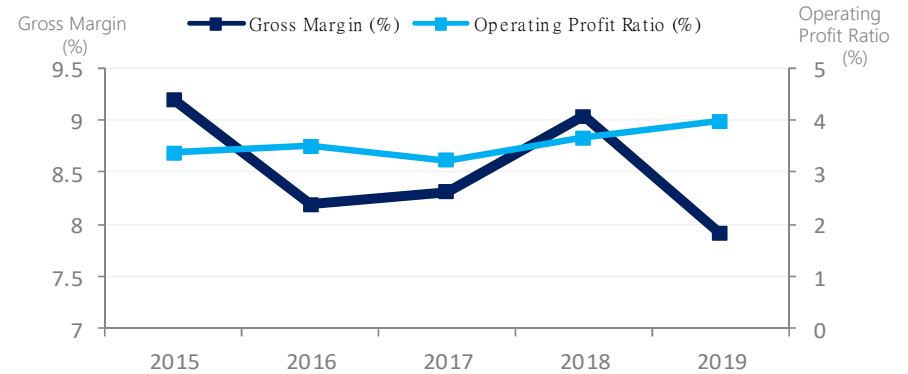
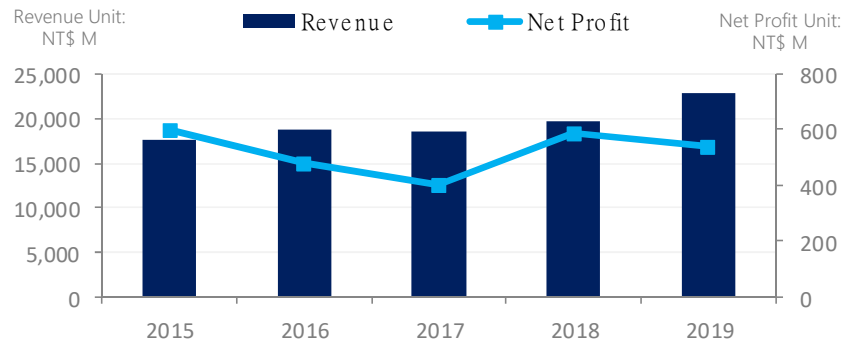


- 2019 Linear IC revenue growth of 43.15% from 2016
- 2019 Image processing IC revenue growth of 134.67% from 2016
- 2019 Memory revenue growth of 413.47% from 2016
- 2019 Special application IC revenue growth of 23.50% from 2016

# PSC Performance



# Financial Track Records (Consolidated)



# Thank You

# Appendix

# 1H20 Financial Results (Promate Group Consolidation)



NT\$M	1H19	1H20	YoY	Notes
Revenues	10,774.7	12,206.1	13.3%	<ul style="list-style-type: none"> <li>• Despite the Covid-19 pandemic, our revenues increases compared to the same quarter last year. Given the extended work from home requirement, demand for laptop components have gone up.</li> <li>• The foreign exchange rates has had slight impact on the gross margin.</li> <li>• The growth of revenue and proper control of expenses resulted in increased operating income compared to the previous year.</li> <li>• FX gain (loss) decrease: Mainly due to the exchange rate fluctuation (5.25%) between Taiwanese and US dollar in the second quarter.</li> </ul>
Gross Profit	891.0	961.5	7.9%	
Gross Margin %	8.3%	7.9%	-0.4ppt	
Selling expenses	(364.6)	(368.3)	1.0%	
G&A expenses	(67.0)	(61.9)	-7.6%	
R&D expenses	(39.5)	(44.8)	13.3%	
Operating Income	419.9	486.5	15.8%	
Operating Margin %	3.9%	4.0%	0.1ppt	
Interest income (expenses)	(50.3)	(38.1)	-24.2%	
FX gain(loss)	24.1	(36.5)	-251.3%	
Other non-operating income (expenses)	(2.6)	1.2	-146.3%	
TAX expenses	(84.9)	(73.3)	-13.6%	
Net Income	306.2	339.8	10.9%	
EPS(NTS)	1.52	1.69	11.2%	

# 1H20 Financial Results (Promate Solutions)



NT\$M	1H19	1H20	YoY	Notes
Revenues	882.6	880.8	-0.2%	<ul style="list-style-type: none"> <li>Reason for decreased revenue: Compared to product line distribution from last year, medical products increased from 28% to 36%, embedded systems decreased from 44% to 35%, the other product lines remains the same.</li> <li>Increase in Gross Profit: Due to the increase in the proportion of higher gross profit medical products shipped</li> <li>The increase of medical products shipped and proper control of expenses resulted in increased operating income compared to the previous year.</li> <li>FX gain (loss) decrease: Mainly due to the exchange rate fluctuation (5.25%) between Taiwanese and US dollar in the second quarter</li> </ul>
Gross Profit	240.4	260.2	8.2%	
Gross Margin %	27.2%	29.5%	+2.3ppt	
Selling expenses	(66.8)	(68.5)	2.5%	
G&A expenses	(18.4)	(15.6)	-15.1%	
R&D expenses	(37.6)	(43.3)	15.0%	
Operating Income	117.6	132.8	13.0%	
Operating Margin %	13.3%	15.1%	+1.8ppt	
Interest income (expenses)	3.4	2.7	-20.8%	
FX gain(loss)	7.1	(2.2)	-130.9%	
Other non-operating income (expenses)	(1.1)	1.2	-205.1%	
TAX expenses	(24.9)	(24.6)	-0.9%	
Net Income	102.0	109.9	7.8%	
EPS(NTS)	2.67	2.87	7.5%	

# Experienced Leader Team - Promate Solutions



Name and Position	Function	Years in industry	Education / Experience
Eric Chen Founder	Founder and Board Member	40+	NCTU Electro physics Education/Experience
Cheer Du Chairman and CEO	Vision, Strategy and Planning	40+	TI (Co. LTD) Engineer CF Investment (Co. LTD) Chairman PSC (Co. LTD) Chairman Promate (Co. LTD) GM Weikeng (Co. LTD) Director
Tim Ke GM	strategy implementation	40+	NCTU Electronics Engineering Promate Electronics VP
Phebe VP	Research and Development	25+	NTU Master of Electrical Engineering Insyde Software Deputy General Manager HTC Senior Director Promate BD Deputy General Manager
Guan Chen Senior VP	Business Development	25+	University of California Santa Barbara Bachelor of Art - General Chemistry Promate Solutions BD Deputy General Manager
Joe Chuang Senior VP	Design and Manufacturing Service	25+	M.S. in Manufacturing System Management, University of Manchester in Science and Technology, UK NCTU Master of Mechanical Engineering Promate Embedded Product Division Director
Davis Weng Senior VP	Display Product Division	25+	NTHU Master of Electrical Engineering Promate Solutions DPD Director