

ITEQ

*Your Partner of  
Advanced Materials & Mass Lam Service*

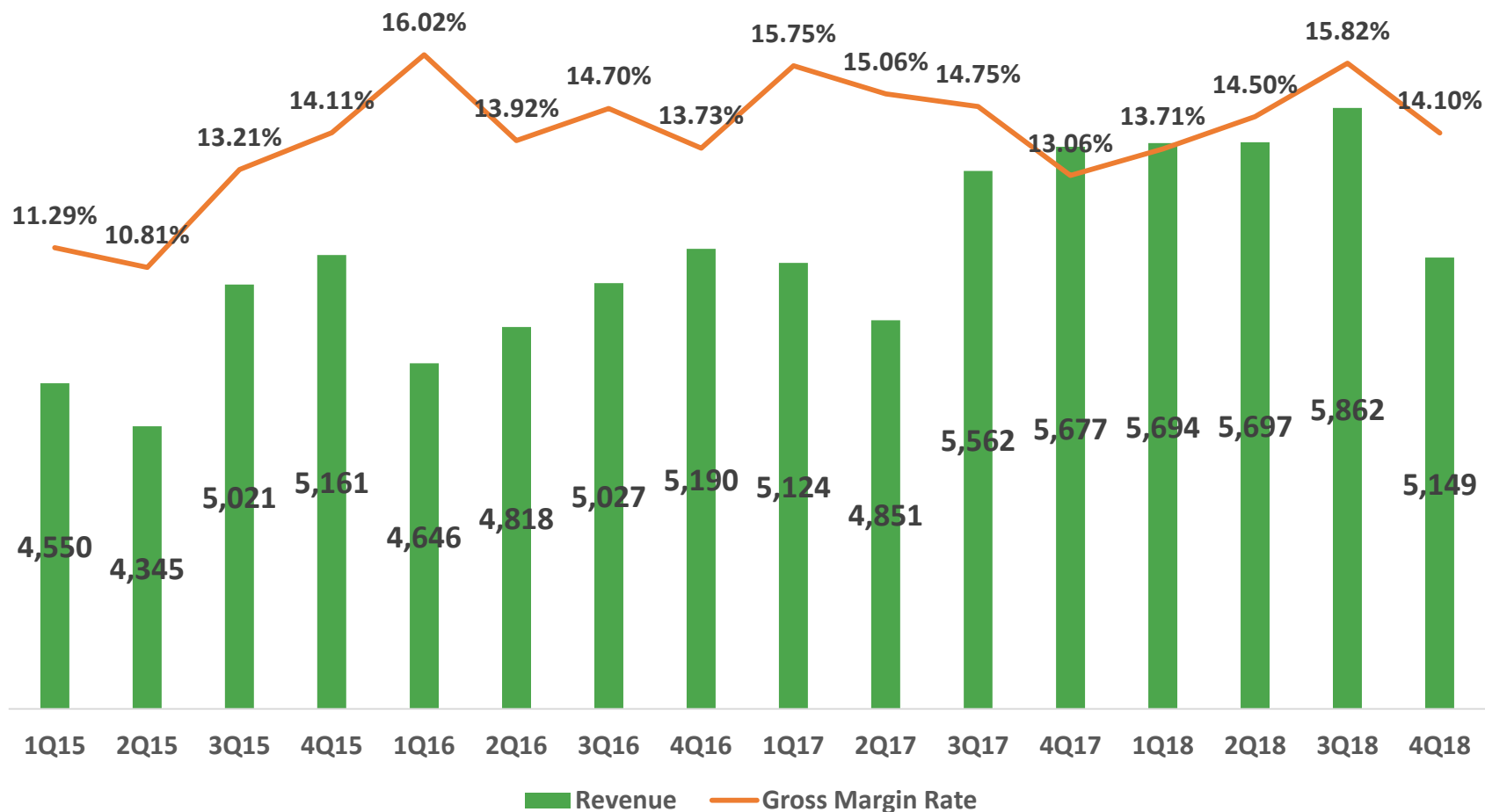
# ITEQ Corporation

## Company Presentation

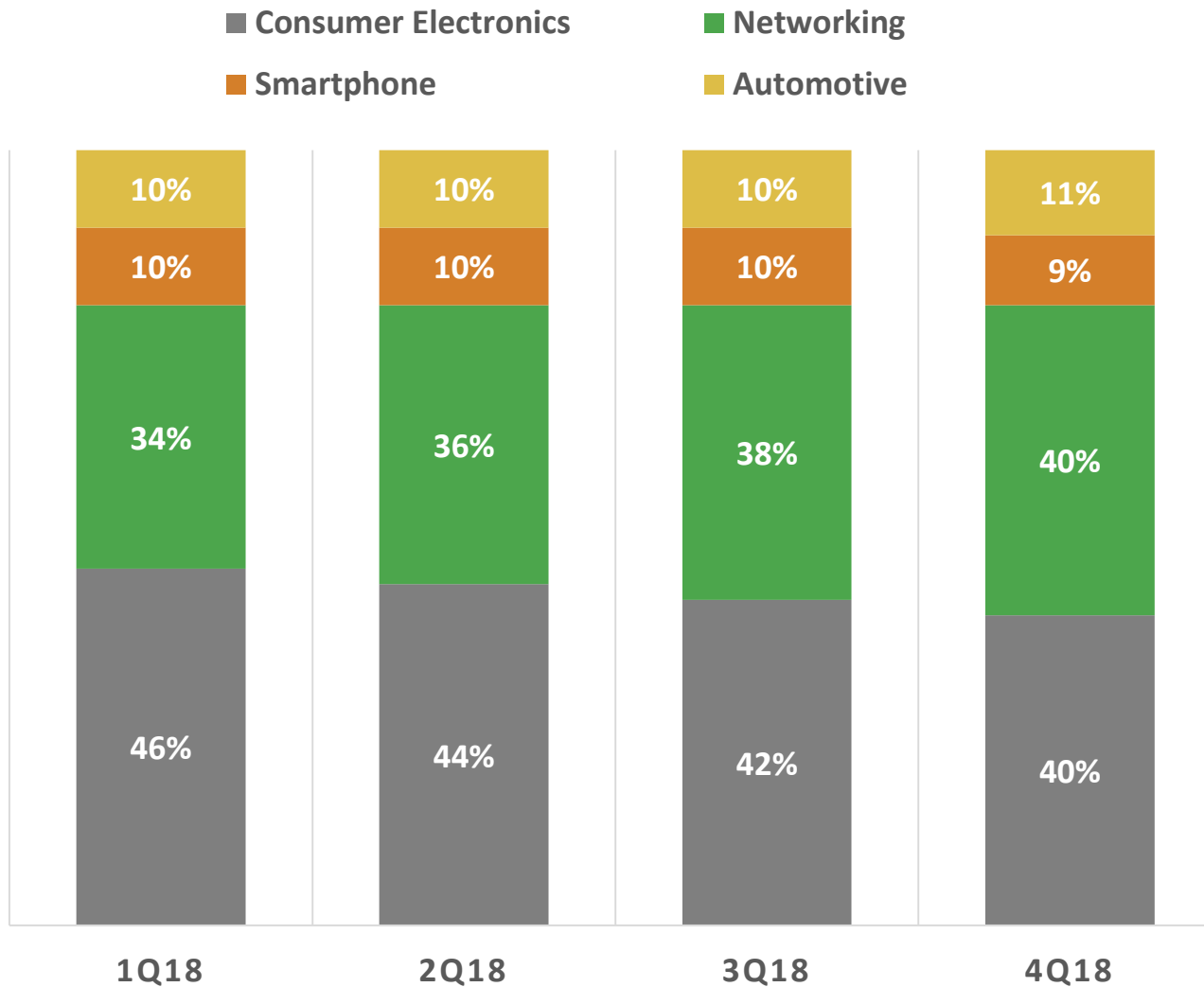
- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.
- Our actual results of operations, financial condition or business prospects may differ from those expressed or implied in these forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, international economic conditions, supply chain issues, exchange rate fluctuations and other risks and factors beyond our control.
- The forward-looking statements in this release reflect the current belief of ITEQ as of the date of this release. ITEQ undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.

# Revenue & Gross Margin Rate

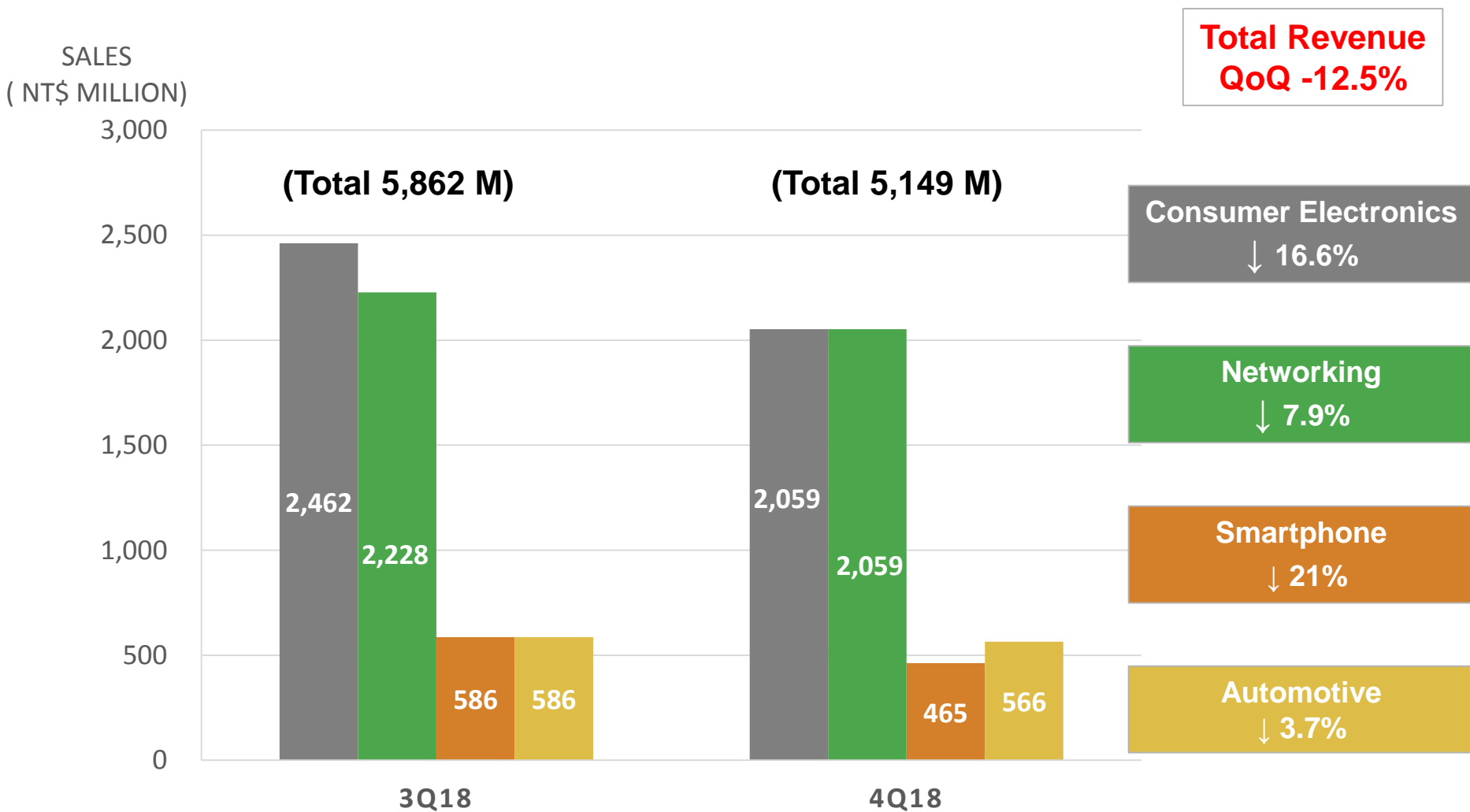
(Million NTD)



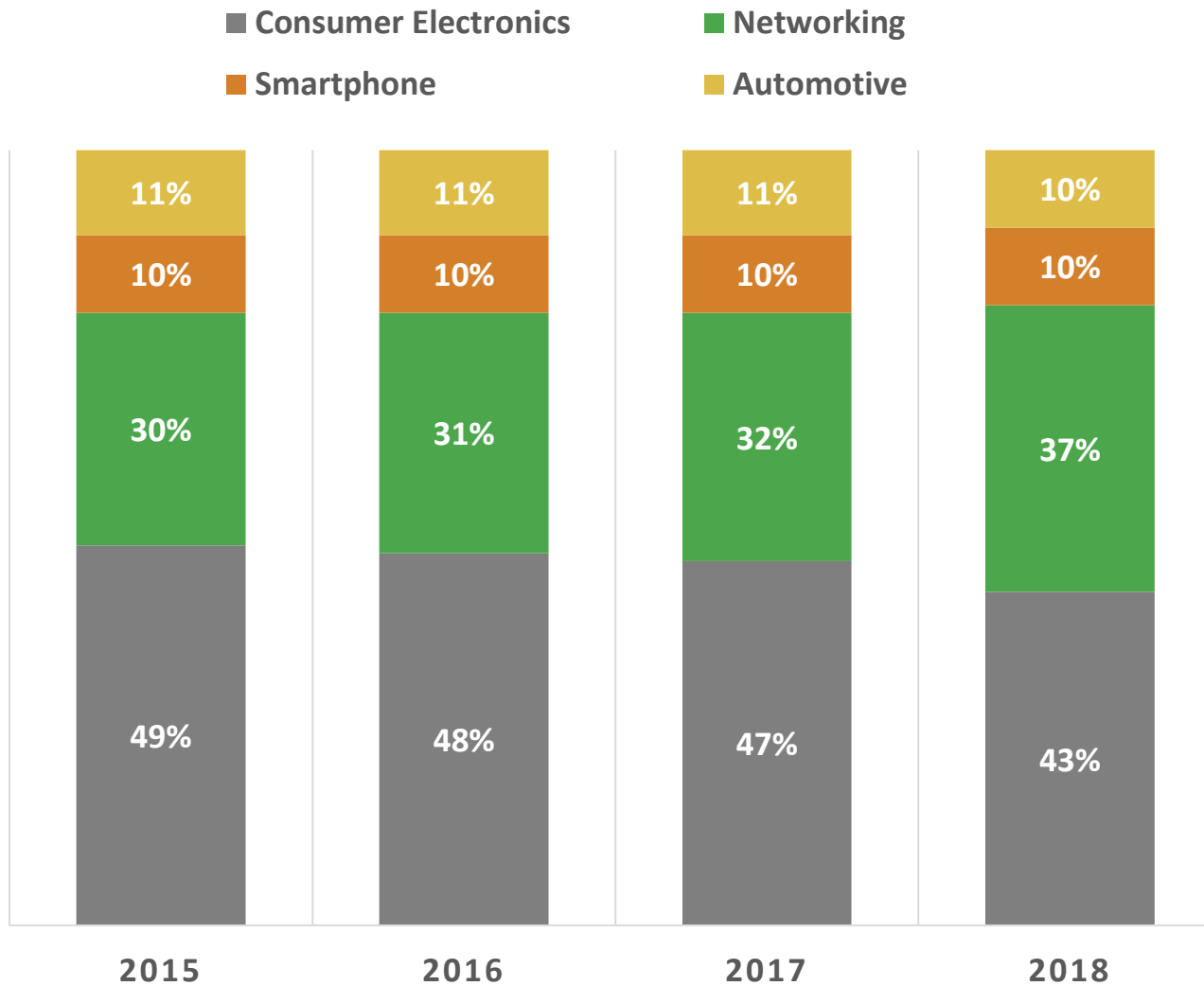
# 1Q18~4Q18 Product Mix



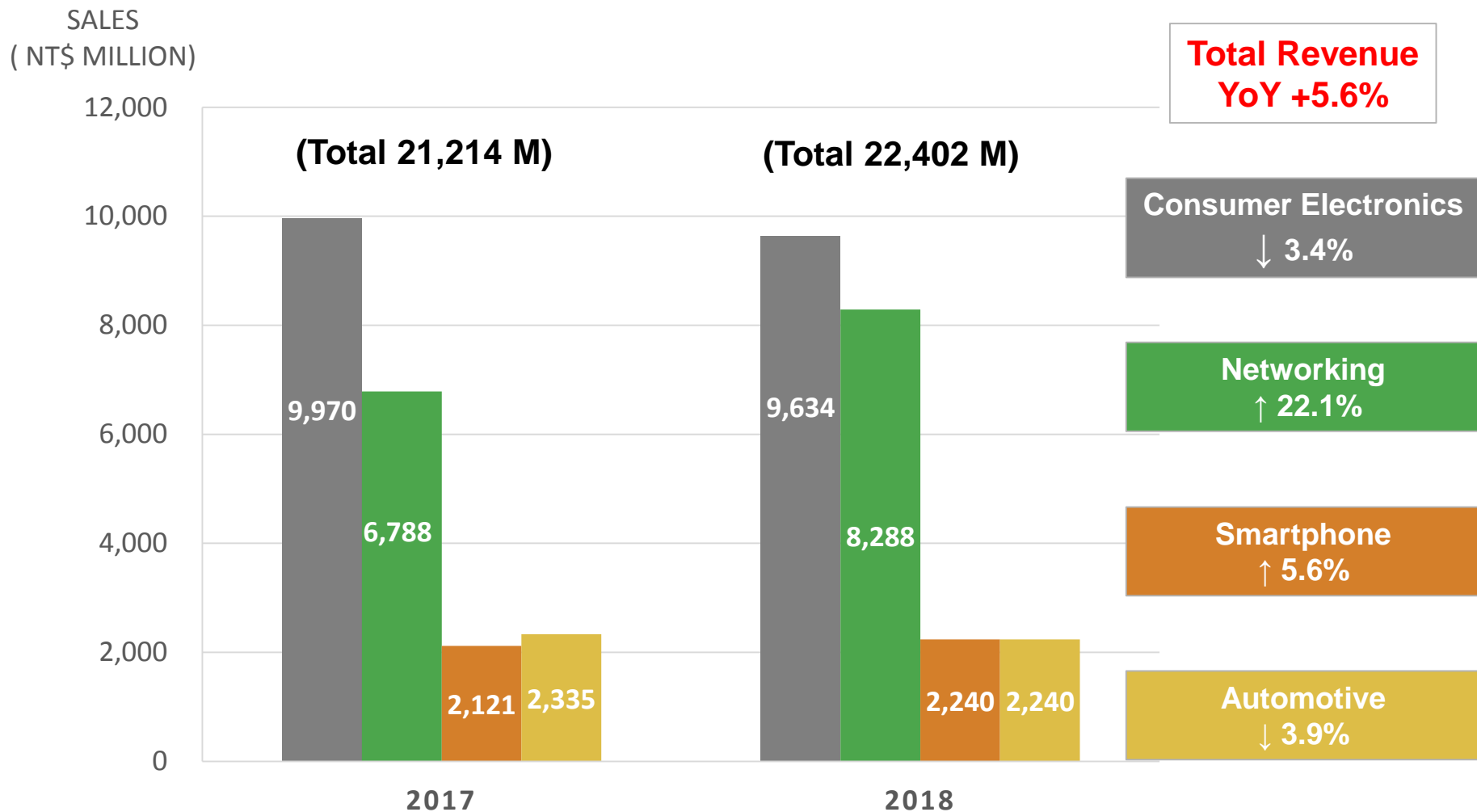
# QoQ Change



# 2015~2018 Product Mix



# YoY Change



# 4Q18 Income Statement

NTD \$Million	4Q17	3Q18	4Q18	QOQ	YOY
<b>Revenue</b>	<b>5,677</b>	<b>5,862</b>	<b>5,149</b>	<b>-12%</b>	<b>-9%</b>
Gross Profit	741	927	721	<b>-22%</b>	<b>-3%</b>
Operating Expense	367	353	391	<b>11%</b>	<b>7%</b>
<b>Operating Profit</b>	<b>374</b>	<b>575</b>	<b>330</b>	<b>-43%</b>	<b>-12%</b>
Non-Op Income / Loss	74	(34)	213		
Income before Tax	449	540	543	<b>0%</b>	<b>21%</b>
Tax Expense	131	141	17		
<b>Net Income to Parent</b>	<b>317</b>	<b>399</b>	<b>526</b>	<b>32%</b>	<b>66%</b>
<b>EPS(NT\$)</b>	<b>1.05</b>	<b>1.31</b>	<b>1.74</b>	<b>33%</b>	<b>66%</b>
<b>Key Financial Ratio (%)</b>					
Gross Margin	13.1	15.8	14.0		
Operating Expense Ratio	6.5	6.0	7.6		
Operating Margin	6.6	9.8	6.4		
Effective Tax Rate	29.3	26.2	3.2		
Net Margin	5.6	6.8	10.2		



# 2018 Income Statement

NTD \$Million	2017	2018	YOY
<b>Revenue</b>	<b>21,214</b>	<b>22,402</b>	<b>6%</b>
Gross Profit	3,100	3,256	5%
Operating Expense	1,347	1,471	9%
<b>Operating Profit</b>	<b>1,752</b>	<b>1,784</b>	<b>2%</b>
Non-Op Income / Loss	138	407	
Income before Tax	1,891	2,192	16%
Tax Expense	646	417	
<b>Net Income to Parent</b>	<b>1,245</b>	<b>1,775</b>	<b>43%</b>
<b>EPS(NT\$)</b>	<b>4.11</b>	<b>5.86</b>	<b>43%</b>
<b>Key Financial Ratio (%)</b>			
Gross Margin	14.6	14.5	
Operating Expense Ratio	6.4	6.6	
Operating Margin	8.3	8.0	
Effective Tax Rate	34.2	19.0	
Net Margin	5.9	7.9	
Depreciation	518	527	
CAPEX	304	790	

# 2018 Balance Sheet

NTD \$Million	2017	2018
<b>Total Assets</b>	<b>18,040</b>	<b>18,695</b>
Cash	3,357	3,697
Marketable Securities	505	0
NR / AR	8,283	8,807
Inventories	1,541	1,591
Fixed Assets	2,830	3,050
<b>Total Liabilities</b>	<b>10,754</b>	<b>10,703</b>
Short-term Debt	3,125	3,766
NP / AP	4,860	4,272
Long-term Debt	824	906
<b>Total Equity</b>	<b>7,286</b>	<b>7,979</b>
<b>Key Financial Ratio (%)</b>		
ROE	17.5	23.2
ROA	7.1	9.9
Debt ratio	59.6	57.3

# 2012 – 2018 Dividend Payout

Year	EPS(NT\$)	Dividend(NT\$)	Cash Dividend(NT\$)	Pay-out Ratio(%)
2012	3.34	2.5	2.5	75%
2013	2.52	2.2	2.2	87%
2014	1.62	1.2	1.2	74%
2015	1.92	1.6	1.6	83%
2016	3.13	2.5	2.5	80%
2017	4.11	3.1	3.1	75%
2018	5.86	3.8	3.8	65%

Note: To be decided by 2018 annual shareholder permanent conference

# *Thank You*

