

# 2012 1H Financial Results

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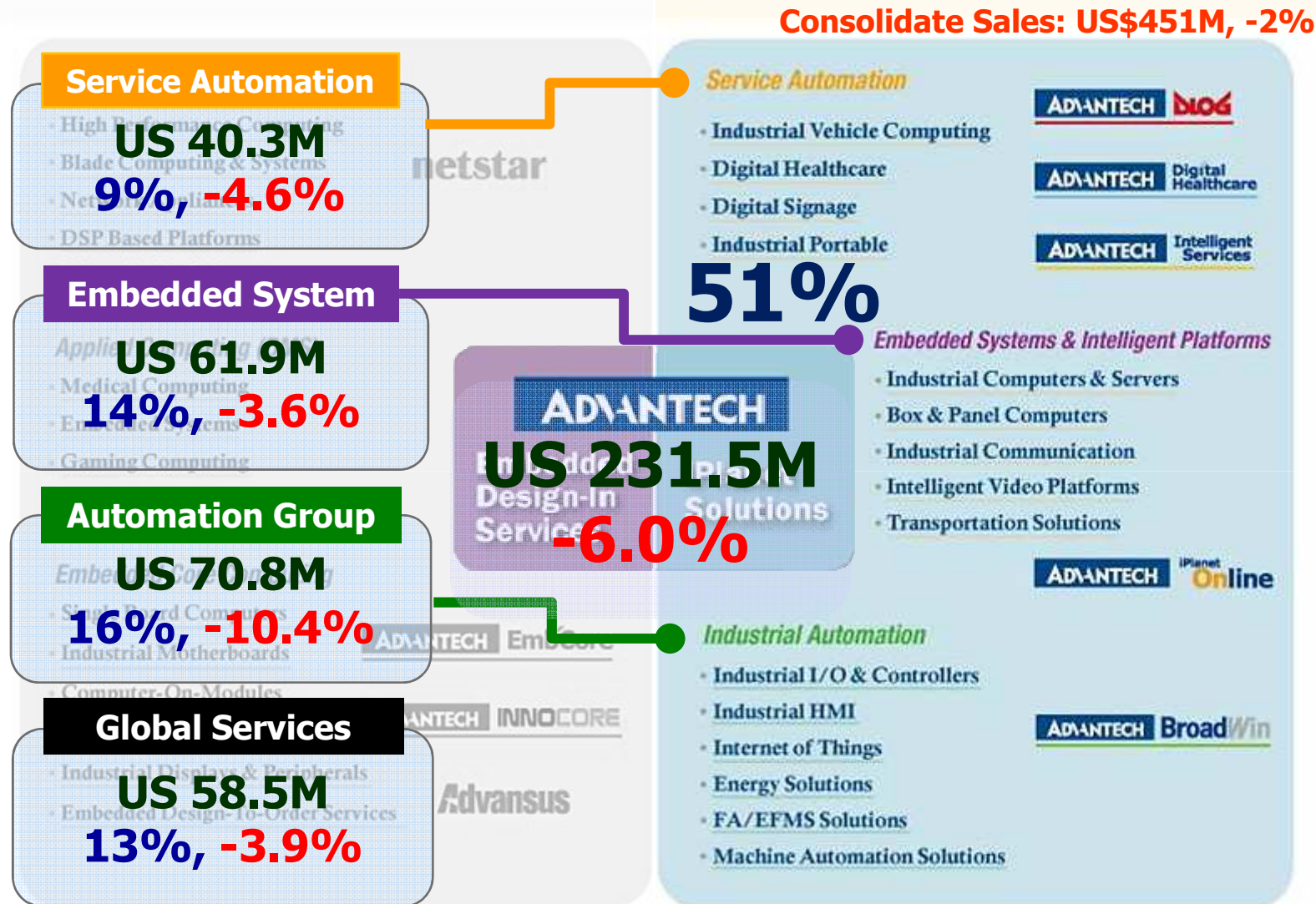
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# Y2012 YTM Financial Highlights

NT\$ M	2011	2012	2012		consolidate	
	1H	*1H	1Q	*2Q	QoQ%	YoY%
Net Sales	13,448	13,511	6,267	7,244	15.6%	0.5%
Gross Profit %	38.8%	40.0%	39.8%	40.0%	0.2%	1.2%
Operating Expense	3,062	3,423	1,674	1,749	4.5%	11.8%
Operating Profit %	16.0%	14.6%	13.1%	15.9%	2.8%	-1.4%
Non-Operating Income	177	104	78	26	-66.7%	-41.2%
Net Profit AT	1,881	1,728	750	978	30.4%	-8.1%
EPS - (NT\$)	3.40	3.10	1.35	1.75	29.6%	-8.8%

\*un-audited

# Y2012 YTM By Product - 1/2



% of Sales, YoY Growth

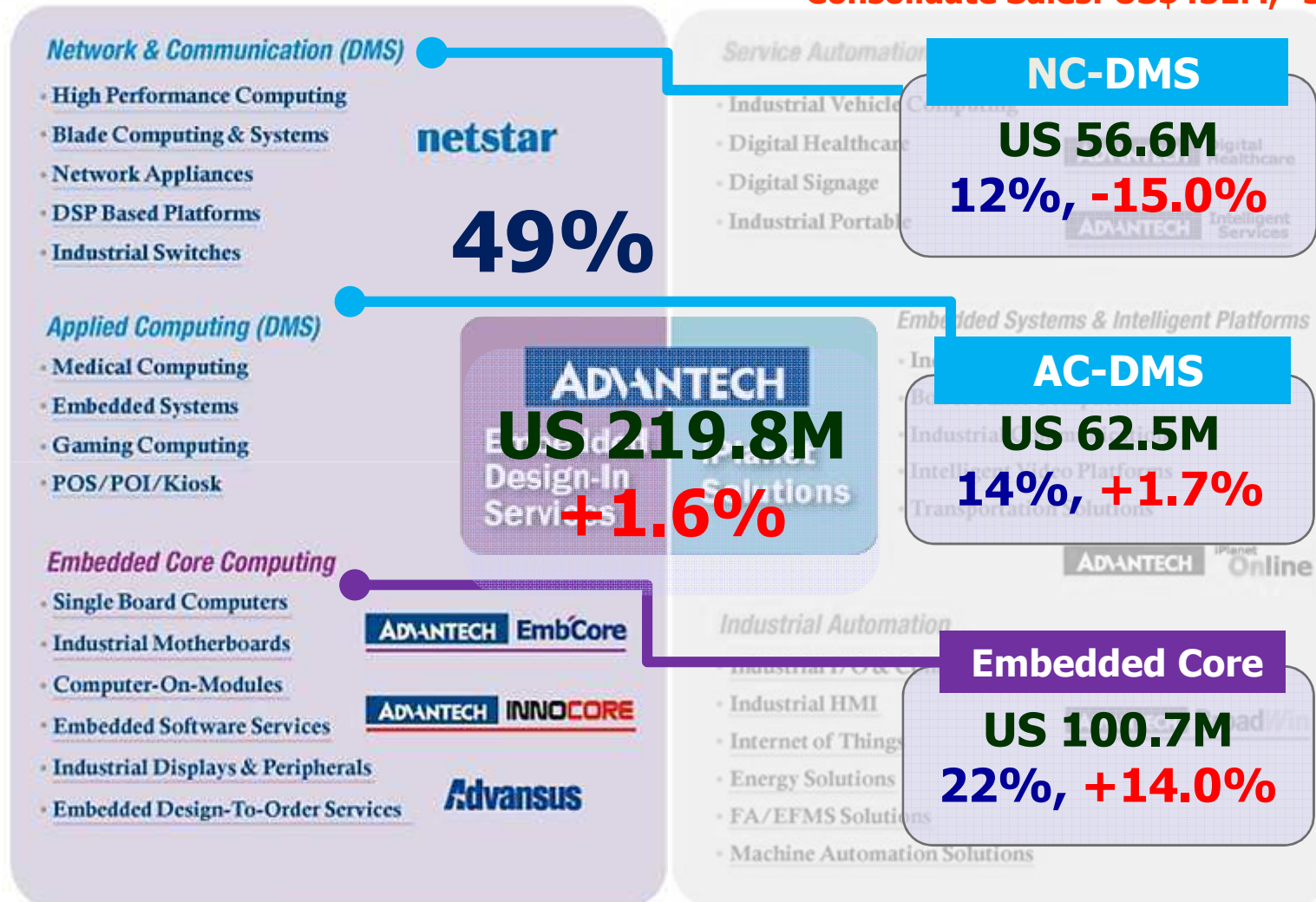
Advantech Corporate Structure and Growth Engines

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# Y2012 YTM By Product - 2/2

Consolidate Sales: US\$451M, -3%



% of Sales, YoY Growth

Advantech Corporate Structure and Growth Engines

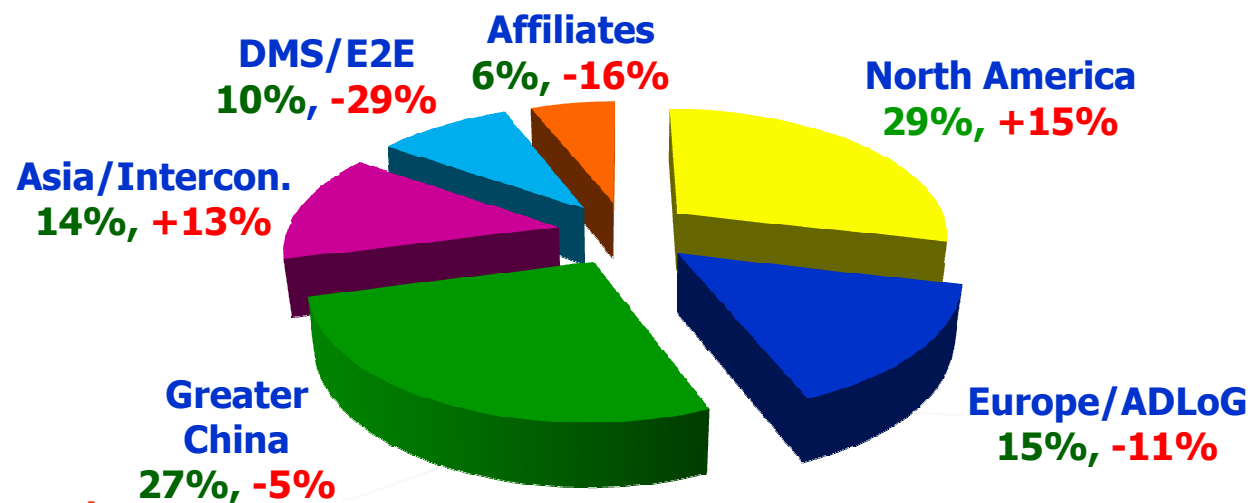
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# Y2012 YTM By Region/Sales Forces

Consolidate Sales: US\$451M, -2%

USD\$ M	2011 1H	2012 1H	GR%	%
North America	112	129	+15%	29%
Europe/ADLoG	78	70	-11%	15%
Greater China	128	122	-5%	27%
Asia/Intercon.	60	68	+13%	15%
DMS/E2E	60	42	-29%	10%
Affiliates	25	21	-16%	5%
<b>Total</b>	<b>463</b>	<b>451</b>	<b>-2%</b>	<b>100%</b>



% of Sales, YoY Growth

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# Y2012 YTM Working Captial

NT\$ M	2010	2011	consolidate 2012	
	Year-End	Year-End	1Q End	*2Q End
<b>Cash Position</b>	2,228	3,396	4,596	5,718
<b>Account Receivable</b>	3,338	4,116	4,164	4,863
<b>DSO(Days)</b>	47	58	59	65
<b>Inventory</b>	3,531	3,892	3,850	3,998
<b>DOH(Days)</b>	83	90	92	89
<b>Account Payable</b>	1,759	1,998	2,353	2,873
<b>Days</b>	41	46	56	64

\*un-audited

# Industrial Insights

- \*1 Following the IPC has become a global leader in the field, start from 2010, Advantech is also the leading player in Embedded Computing Technology (ECT). The leading trend in the first half of 2012 is more clearly.
2. Smarter city & IoT industry continues to heat up, major international companies such as IBM, GE, NEC also optimistic about prospects for development in areas such as digital healthcare, energy saving and smarter transportation. We believe the growth of related industries for an “Intelligent Planet” can be expected in the next decade.
3. Although the network communications business group (NC-DMS) revenue declined due to its telecommunications customers poor business performance, but Advantech has excellent manufacturing and designing capacity. In the long run, for the design and manufacture of telecommunications operations outsourcing services, we still has a considerable advantage.

\* Broker Research

# Major Events & 2H Outlook

1. Sales dropped in greater China and European region due to weak requirements. But in North America, South Korea and emerging markets shows strong demand.
2. The revenues of Q3 is expected to close with Q2, Q4 will be stronger than Q3 , 2H GP will be close to the level of first half average.
3. The first phase of Linkou collaborative R&D campus has been contracting and under construction, expected to be finished in the end of 2014. it will fulfill Advantech next decade biz expansion in Taiwan.
4. Established three overseas subsidiaries - India, Indonesia and Mexico.
5. Ranked 11<sup>th</sup> as “2012 corporate citizen – large enterprise award” of Commonwealth Magazine





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