



矽創電子股份有限公司

8016:TT

Investor Conferences Q1 2017

Strategic Marketing Director

Jacky Chou 周德雲

Investor Relations Officer

Vivian Mao 毛廷方



About Us

Company Name	Sitronix Technology Corp.
Established	July 9, 1998
Market capitalization	USD 350 million
Chairman and CEO	Vincent Mao <small>Yup, he's literally Chairman Mao.</small>
President	William Wang
Employees	Parent: 361 Group: 623
Headquarters	Hsinchu, Taiwan
Sales offices	Taipei, Shenzhen, Shanghai
IPO Listing	December 25, 2003



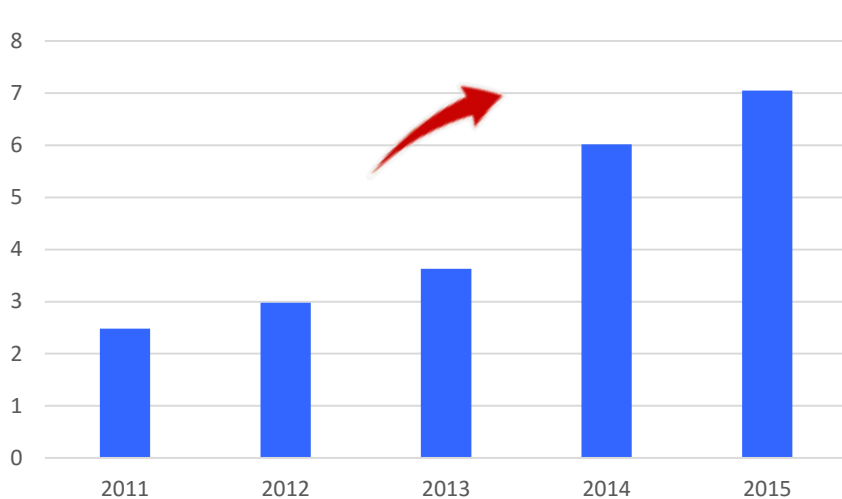
Headquarters
Tai Yuen Hi-Tech Industrial Park, Hsinchu, Taiwan

Subsidiaries

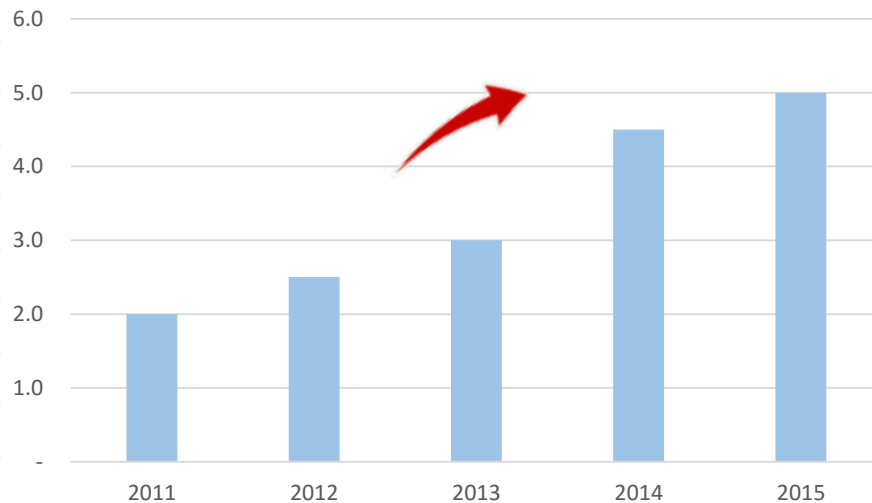


Let the Numbers Speak

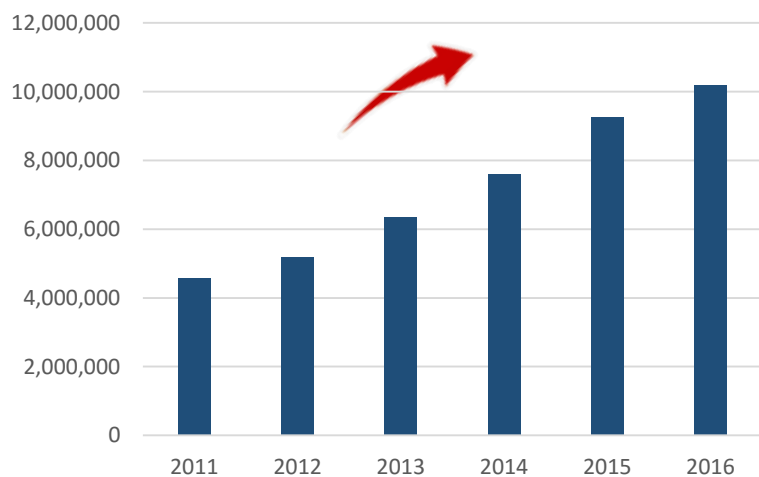
EPS



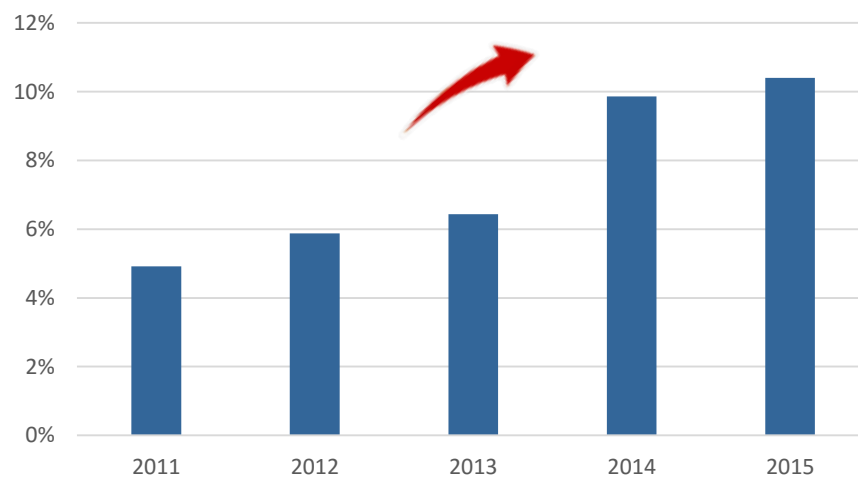
Cash Dividend



Revenue

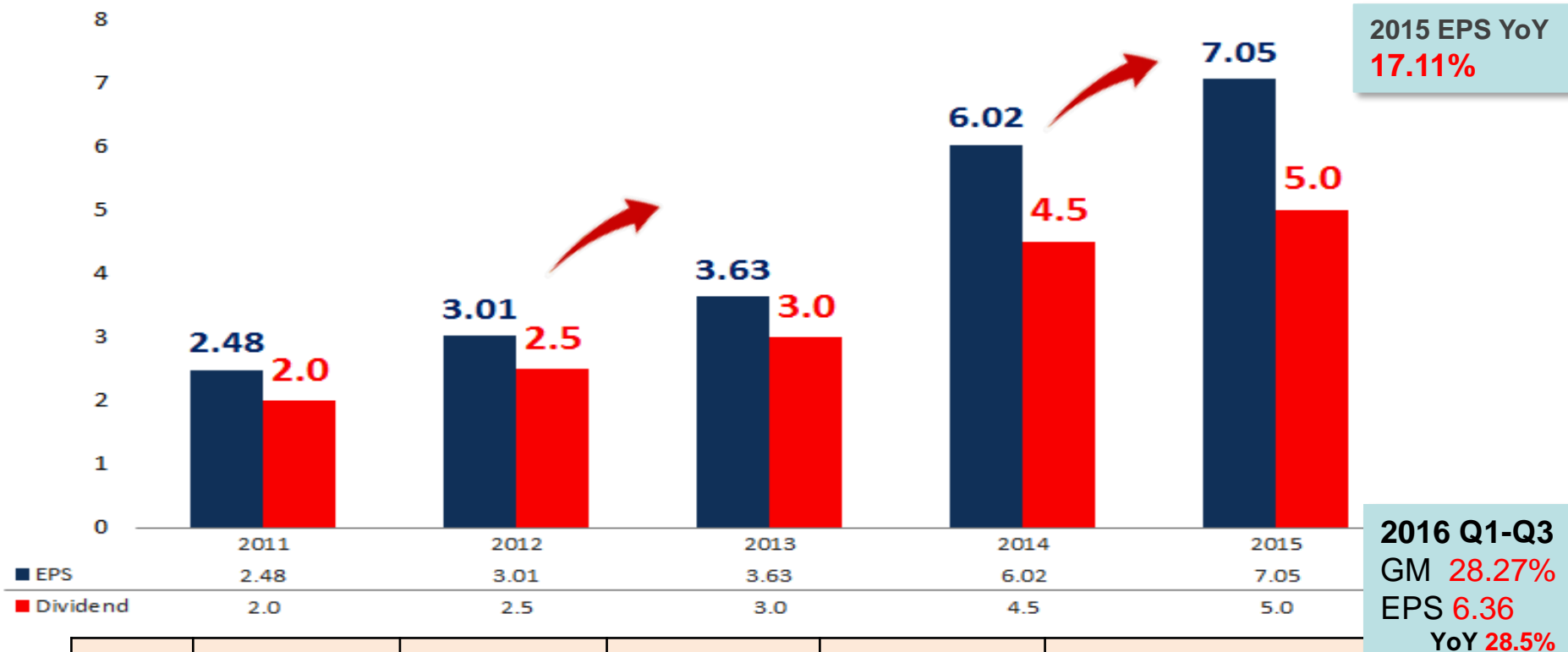


Operating Margin



Growing GM, EPS & Dividends

Unit: NT\$



Year	Q1		Q2		Q3		Q4		Annual		
	GM	EPS	GM	EPS	GM	EPS	GM	EPS	GM	EPS	Cash Dividend
2016	30%	1.97	27%	1.87	27%	2.53					
2015	29%	1.65	25%	1.33	26%	1.97	27%	2.10	27%	7.05	5.0
2014	29%	1.22	27%	1.23	26%	1.60	27%	1.97	27%	6.02	4.5
2013	24%	0.72	26%	0.77	24%	0.99	23%	1.15	24%	3.63	3.0
2012	29%	0.61	26%	0.87	24%	0.78	24%	0.74	25%	3.01	2.5

Sitronix at a Glance

	2013	2014	2015
Revenue	6,337,663	7,595,150	9,266,108
Gross profit	1,517,837	2,065,742	2,481,024
Operating income	407,829	748,494	963,462
Profit before tax	500,308	847,776	1,027,452
Net income (profit attributable to parent)	428,565	711,517	835,434
EPS	3.63	6.02	7.05

Gross margin %	24	27	27
Operating margin %	6.4	9.9	10.4

Cash & cash equivalents	979,279	1,198,436	1,758,239
Accounts receivable	748,615	913,775	799,677
Inventories	1,099,663	1,048,468	1,268,817
Total assets	4,941,364	6,322,702	6,826,247

Short-term borrowings	44,805	507,235	345,090
Accounts payable	606,823	964,759	1,195,636
Long-term notes	30,000	15,000	0
Total liabilities	1,276,364	2,232,944	2,456,700

Total capital stock	1,191,376	1,191,376	1,191,376
Total equity	3,665,000	4,089,758	4,369,547

Unit: NT\$ thousands except EPS and margins
Accounting standard: IFRS

The Curious Case of Sitronix

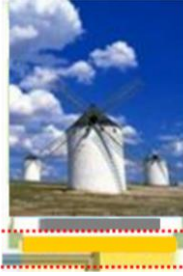


Disclaimer: the photo on the left is not an actual photo of our competitors. It's a group of Walmart customers on Black Friday. But you get the idea.

How We Got Here

Differentiation

AEC-Q100 QUALIFIED



“Lagging Edge”

➔ Make existing products better

➔ Market share gains



Diversification

Non-DDI product lines



Wide Range of DDI Applications

➔ One-stop shopping

➔ Risk reduction

➔ Balance GM & sales growth



A Diversified Product Portfolio

Mobile Displays

Industrial & Automotive Displays

SoC

Mobile
Display
Driver IC

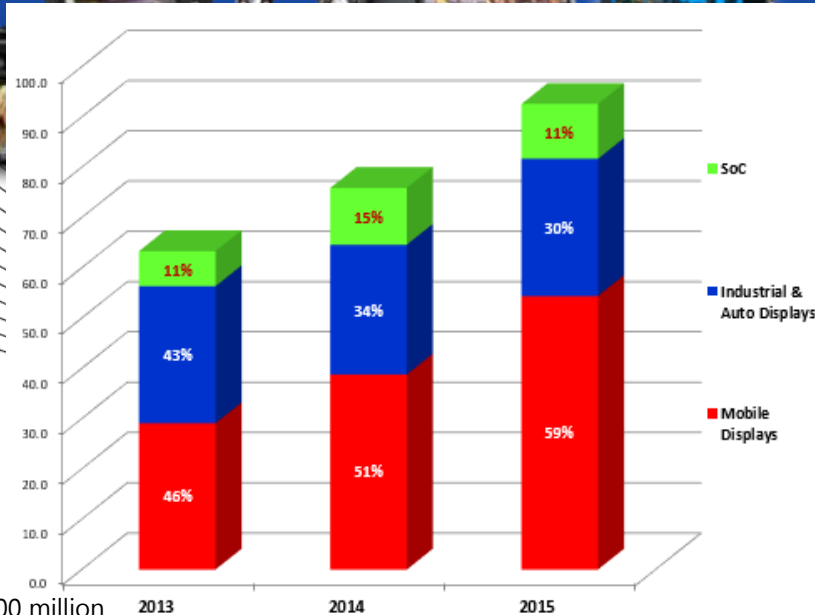
Industrial
Display
Driver IC

Automotive
Display
Driver IC

Touch
Controller IC



Subsidiary
FORCELEAD 68.09%



Unit: NT\$100 million

Subsidiaries
mCore 87.12%

infinno 45.76%

sensortek 61.41%

Mobile Display Driver ICs



Feature phone / small-sized DDI

QQVGA 160x120 - Zero Cap.

QCIF 220x176 - Zero Cap.

QVGA 320x240 - Zero Cap.

WQVGA 400x240 - Zero Cap.

2014: > 450M pcs

2015-16: > 500M pcs



Wearable, healthcare, sports & IOT devices

Smartphone DDI 2014-15

HVGA 480x320 - Zero Cap.

WVGA 800x480

HD720 1280x720

2014: > 30M

2015: > 80M

2016: > 100M



Smartphone DDI 2016:

HVGA 480x320 (Q4 14 MP) - Zero Cap.

WVGA 800x480 (Q4 15 MP) - Zero Cap.

HD720 1280x720 (2017) - Zero Cap.

FHD 1920x1080 (2017) - Zero Cap.



Industrial Display Driver ICs



Office Automation

Industrial Instruments

Home automation

Portable medical devices
Healthcare products
Wearable & sports devices



Automotive Display Driver ICs



Steady Business vs Growing Opportunities

< 6 inch displays

7- 9 inch displays



Segment TN

Character TN

Graphic STN

Mono TFT

Color TFT



SOC



Light sensors



Ambient Light Sensors

CMOS Circuit

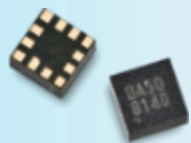


Proximity Sensors

CMOS circuit



2-in-1 P-sensors for smartphones



MEMS sensors

Accelerometers

CMOS Circuit
MEMS Process

2014
Tablet market



2016
Smartphone market
→ > 20M

SOC

Touch Products

C-Touch

- Central Information Displays (CID)
- Audio
- Rear-seat Entertainment Systems

Industrial

Automotive

Smartphone

STN / Mono TFT

- Audio
- Dashboard

Color TFT

- Central Information Displays (CID)
- Navigation
- Rear-seat Entertainment Systems

Touch + DDI
total solution



In-cell touch → TDDI

- Smartphone display drivers with touch

Monthly Revenue 2016 - 2017

(K) ntd	2016	YoY	Quarterly	2017	YoY
1	882,133	11.6%	2,293,837	600,199	-32.0%
2	551,635	4.4%		622,643	12.9%
3	860,069	10.3%			
4	830,363	12.5%	2,397,574		
5	791,445	23.4%			
6	775,766	10.3%			
7	810,932	5.2%	2,875,078		
8	981,682	21.0%			
9	1,082,464	21.4%			
10	981,718	15.3%	2,623,258		
11	890,832	3.5%			
12	750,708	-16.4%			
Total	10,189,747	10.0%			

Unit: NT\$ thousands
Accounting standard: IFRS

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In a Nutshell

Lagging Edge

Diversification

➔ One-stop shopping

➔ Risk reduction

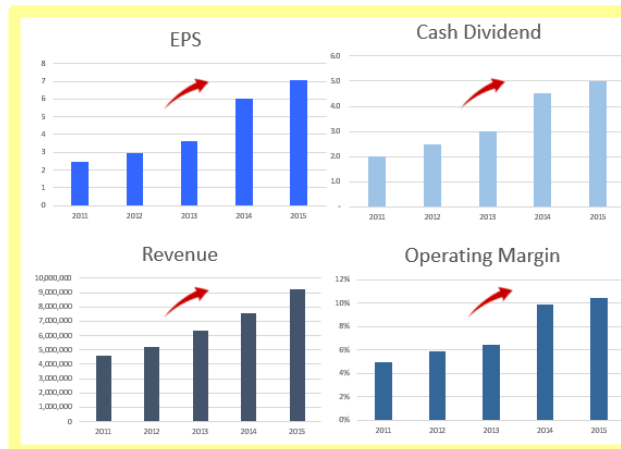
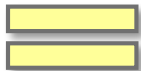
➔ Balance GM & sales growth



Differentiation

➔ Make existing products better

➔ Market share gains



We'd love to hear from you!

Strategic Marketing Director

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- ☐ I have follow-up questions.
 - ☐ Just wanted some quick updates.
 - ☐ I would like to arrange another meeting.
 - ☐ Can you guys recommend an authentic beef noodles place in Taipei?

Consolidated Income Statement, 2015 - 2016

Item	Q1-Q3 16		Q3 16		Q2 16		Q1 16		2015 annual		Q4 15		Q3 15		Q2 15		Q1 15	
	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales
Net Sales	7566489	-	2,875,078	-	2,397,574	-	2,293,837	-	9,266,108	-	2,610,680	-	2,473,989	-	2,082,764	-	2,098,675	-
Gross Profit	2139026	28%	784,176	27%	657,498	27%	697,352	30%	2,481,024	27%	694,774	27%	651,189	26%	525,675	25%	609,386	29%
Operating Expense	1206501	16%	430,533	15%	388,699	16%	387,269	17%	1,517,562	17%	395,857	15%	405,156	16%	350,335	17%	366,214	18%
Operating Income	932525	12%	353,643	12%	268,799	11%	310,083	14%	963,462	10%	298,917	11%	246,033	10%	175,340	8%	243,172	11%
Income before Tax	926929	12%	349,290	12%	276,671	12%	300,968	13%	1,027,452	11%	305,581	12%	300,896	12%	179,122	8%	241,853	12%
Net Income*	755542	10%	299,919	10%	221,562	9%	234,061	10%	835,434	9%	248,451	10%	233,418	9%	157,843	8%	195,722	9%
EPS	6.36	-	2.53	-	1.87	-	1.97	-	7.05	-	2.10	-	1.97	-	1.33	-	1.65	-

* Listed on the English translation of our financial statements as
"Profit (loss), attributable to owners of parent"

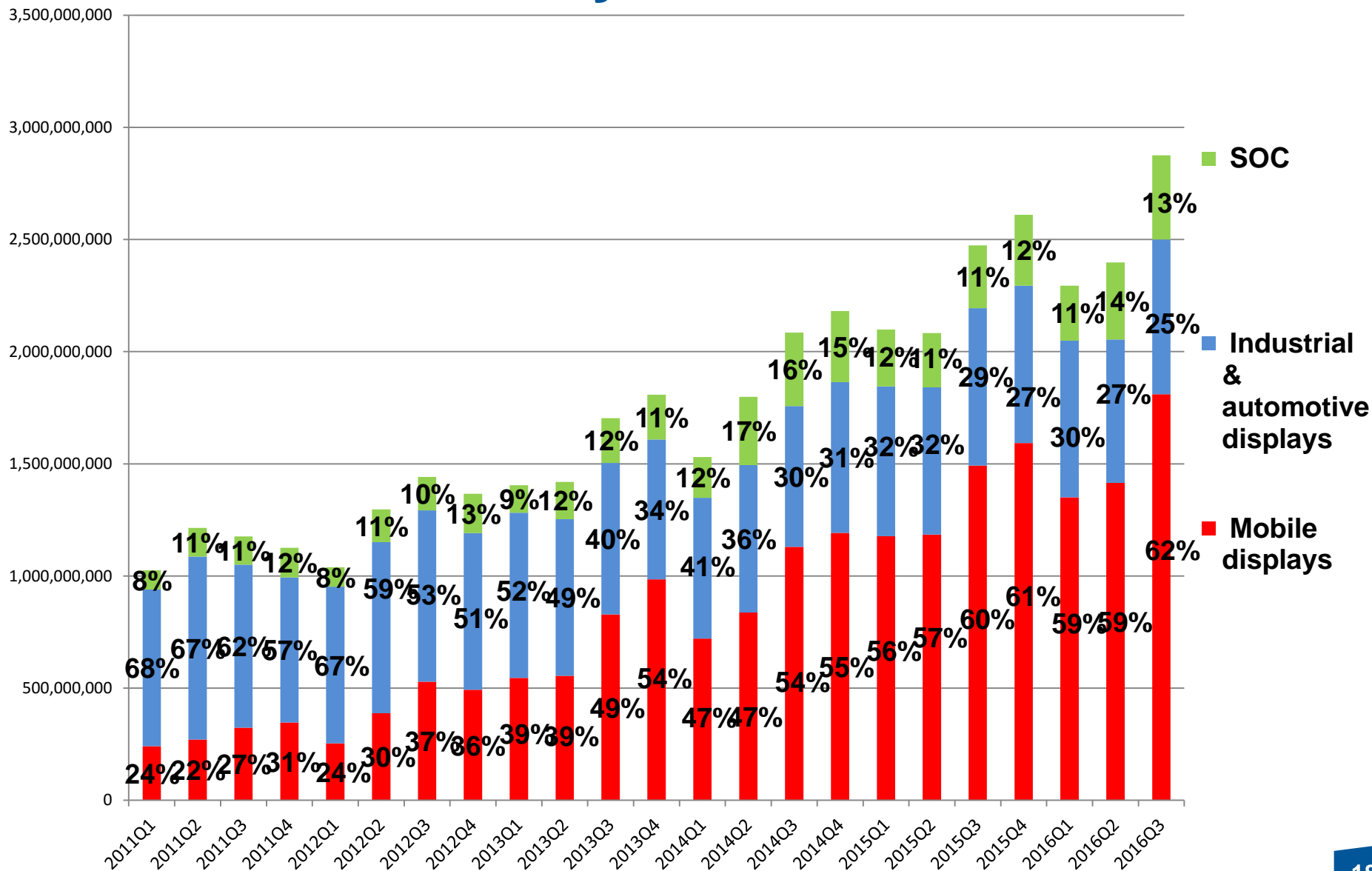
Unit: NT\$ thousands (except EPS)
Accounting standard: IFRS

Consolidated Balance Sheet, 2015 - 2016

Item	2016/9/30	6/30/2016	03/31/2016	12/31/2015	09/30/2015	06/30/2015	03/31/2015
Total Assets	7,136,838	7,134,542	6,798,930	6,826,247	6,515,668	7,299,798	6,788,601
Current Assets	5,606,692	5,651,646	5,329,582	5,220,219	4,808,743	5,614,364	5,058,980
Cash & Equivalents	2,124,860	1,979,971	1,836,009	1,758,239	1,127,178	1,260,175	1,285,325
AR	844,236	798,234	820,068	799,677	1,056,958	943,147	994,373
Inventory	1,483,129	1,499,057	1,415,024	1,268,817	1,486,743	1,759,585	1,317,271
Total Liability	2,480,325	2,805,979	2,141,541	2,456,700	2,385,566	3,487,090	2,509,965
AP	1,427,808	1,251,273	1,110,311	1,195,636	972,241	1,293,716	1,054,514
Shareholder Eqt.	4,656,513	4,328,563	4,657,389	4,369,547	4,130,102	3,812,708	4,278,636

Unit: NT\$ thousands
Accounting standard: IFRS

Quarterly Product Mix



SOC

mCore

8/16/32 bit MCU

DSP (digital audio)



Card readers



SOC

infinno

Power Management ICs

AC-side power management & PWM IC



Wide Range of DDI Applications



Smartphone DDI



Automotive DDI

Small-size color TFT DDI



Industrial DDI



Feature Phones: Smartphones' Unexpected Rival

- **Price:** 2016 average global price:
 - ▶ smartphones = \$256
 - ▶ feature phones = \$19
- India's educated urban mass = 6% of the working population; average annual income is \$5,385.
- Most emerging-market customers prepay for voice and data.
- **Battery life:** in many emerging markets, electricity service can be intermittent.
- **Convenience:** e.g. iTel's speech-to-text system, M-Pesa's mobile payment via text, etc.


About Sitronix

Sitronix Technology Corporation (8016:TT) is a Taiwan-based fabless semiconductor company that primarily focuses on display driver ICs (DDIs) for entry-level mobile phones, industrial displays, and automotive systems. Sitronix is the feature phone DDI market leader with a global footprint spanning Africa, Latin America, Southeast Asia, and other regions. In recent years, the company has also seen tremendous growth in its smartphone and sensor businesses.

Sitronix's philosophy is to pursue two goals: diversification and differentiation. The idea of diversification is reflected in our products and the range of customers that we serve. As one of the few DDI companies that offer different display technologies – from TN, STN to TFT – for a wide range of applications, along with non-DDI products such as sensors, MCUs, touch controller ICs and power management ICs, Sitronix serves a large variety of customer segments.

As Sitronix strives to make the best components for our customers, we thrive on differentiation and value creation. Sitronix's patented solutions give our customers a competitive edge by helping them reduce production costs and lead time, while increasing the reliability of the products. Sitronix's diversification and differentiation strategies have led to consistent growth as the company builds strong partnerships with its customers.

Sitronix was established in 1998 and has been listed on the Taiwan Stock Exchange (TWSE) under code 8016 since the year 2003. The company is headquartered in Hsinchu, Taiwan, with offices in Taipei, Shenzhen, and Shanghai.



Learn more about us at
www.sitronix.com.tw

Sitronix