



矽創電子股份有限公司

8016:TT

## Investor Conferences Q2 2017

Strategic Marketing Director  
Jacky Chou 周德雲

Investor Relations Officer  
Vivian Mao 毛廷方



# ~~Fun~~ Facts

NO FUN IN TAIWAN  
NOW GET BACK TO WORK

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



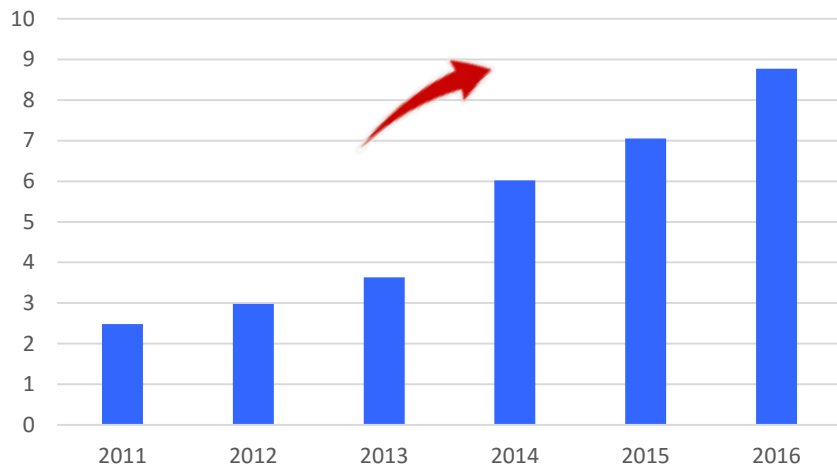
Headquarters  
Tai Yuen Hi-Tech Industrial Park, Hsinchu, Taiwan

## Subsidiaries

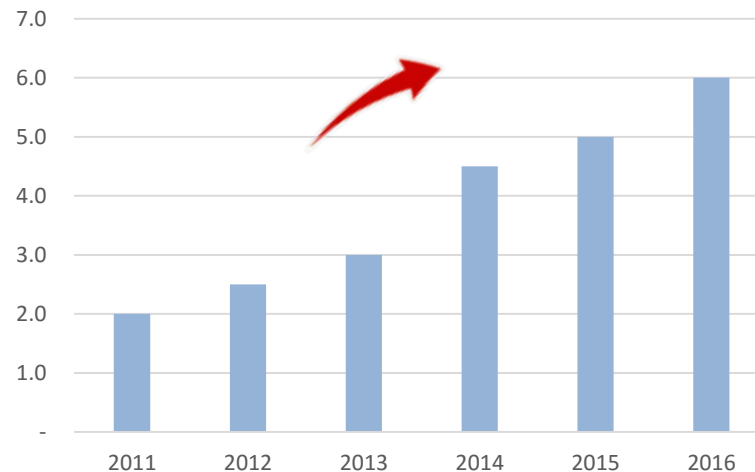


# Let the Numbers Speak

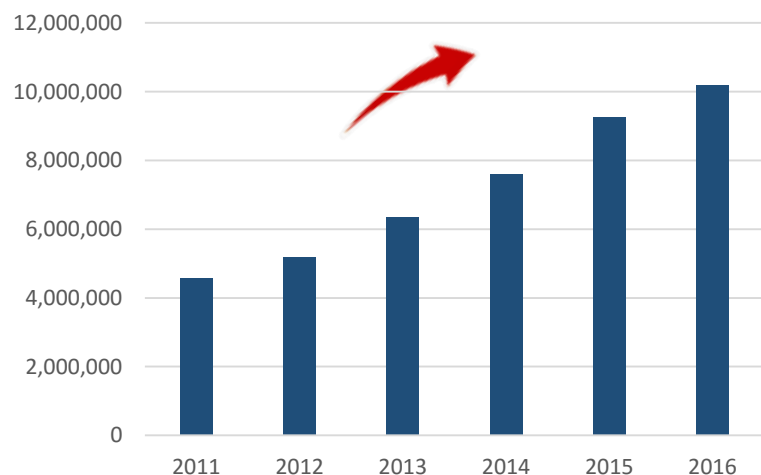
## EPS



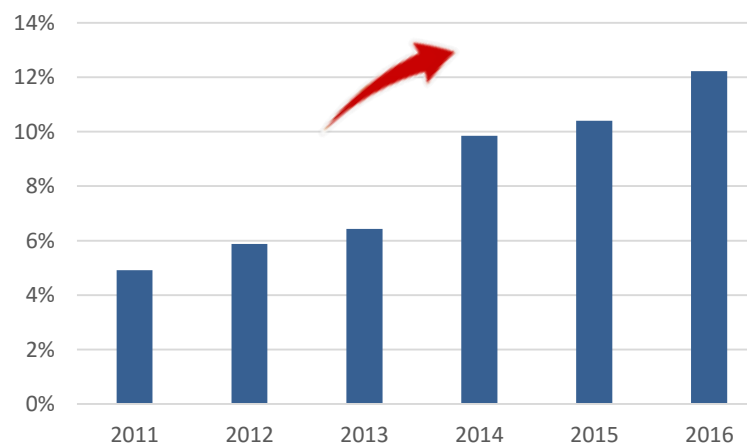
## Cash Dividend



## Revenue

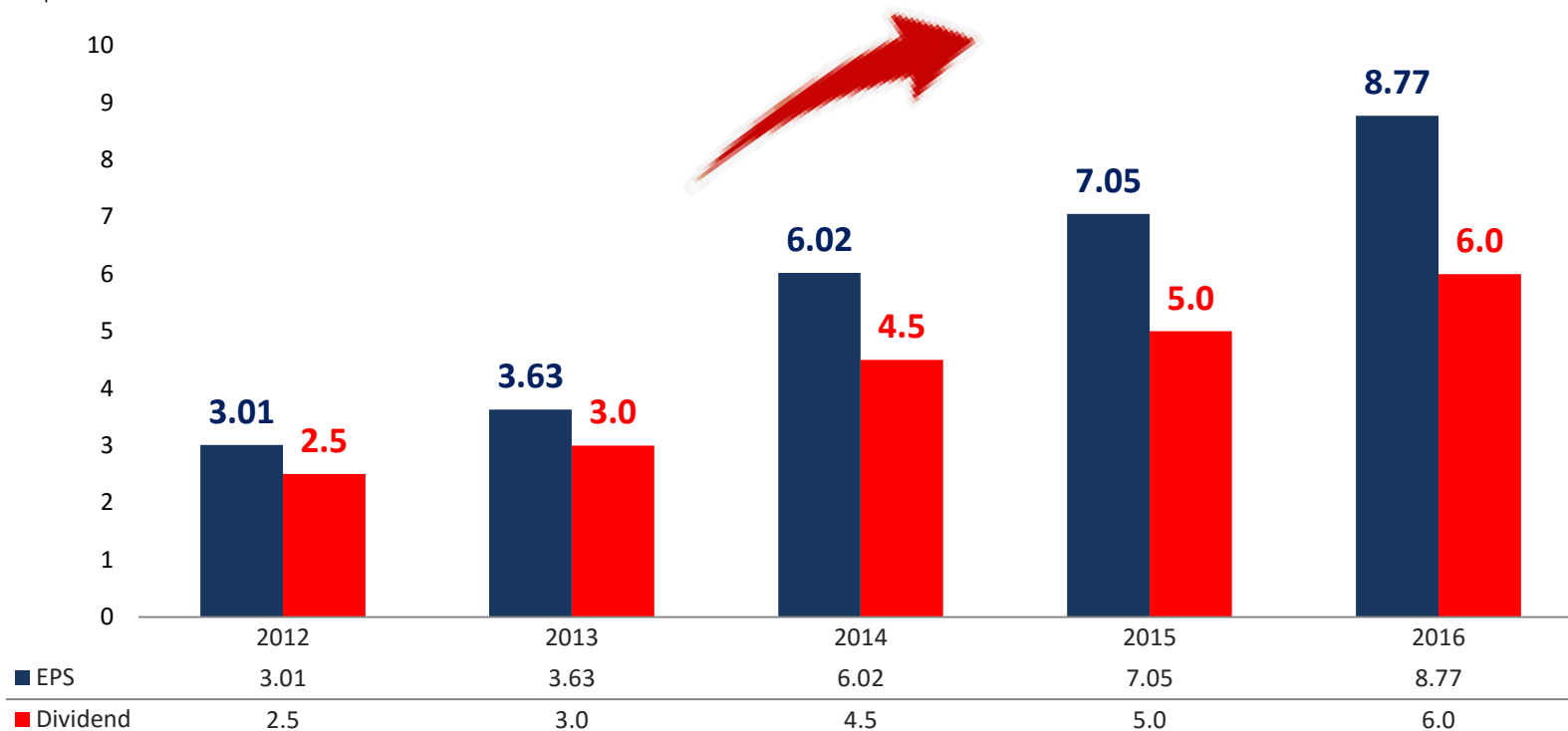


## Operating Margin



# Growing GM, EPS & Dividends

Unit: NT\$



Year	Q1		Q2		Q3		Q4		Annual		
	GM	EPS	GM	EPS	GM	EPS	GM	EPS	GM	EPS	Cash Dividend
2017	29%	1.38									
2016	30%	1.97	27%	1.87	27%	2.53	28%	2.41	28%	8.77	6.0
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

# Sitronix at a Glance

	2013	2014	2015	2016
Revenue	6,337,663	7,595,150	9,266,108	10,189,747
Gross profit	1,517,837	2,065,742	2,481,024	2,881,882
Operating income	407,829	748,494	963,462	1,245,724
Profit before tax	500,308	847,776	1,027,452	1,258,485
Net income (profit attributable to parent)	428,565	711,517	835,434	1,041,837
EPS	3.63	6.02	7.05	8.77
Gross margin %	24	27	27	28
Operating margin %	6.4	9.9	10.4	12.2
Cash & cash equivalents	979,279	1,198,436	1,758,239	2,104,983
Accounts receivable	748,615	913,775	799,677	925,263
Inventories	1,099,663	1,048,468	1,268,817	1,619,849
Total assets	4,941,364	6,322,702	6,826,247	7,362,468
Short-term borrowings	44,805	507,235	345,090	19,580
Accounts payable	606,823	964,759	1,195,636	1,366,303
Long-term notes	30,000	15,000	0	0
Total liabilities	1,276,364	2,232,944	2,456,700	2,345,940
Total capital stock	1,191,376	1,191,376	1,191,376	1,206,376
Total equity	3,665,000	4,089,758	4,369,547	5,016,528

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

# The Curious Case of Sitronix



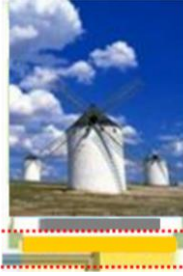
**Disclaimer: the photo on the left is not an actual photo of our competitors. It's a group of Walmart customers on Black Friday. But you get the idea.**



# 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

by parent company Sitronix

### Feature Phone Display Driver IC



Subsidiary  
**FORCELEAD** 68.09%

## Industrial & Automotive Displays

by parent company Sitronix

### Industrial Display Driver IC



by parent company Sitronix

### Automotive Display Driver IC



## SoC

by parent company Sitronix

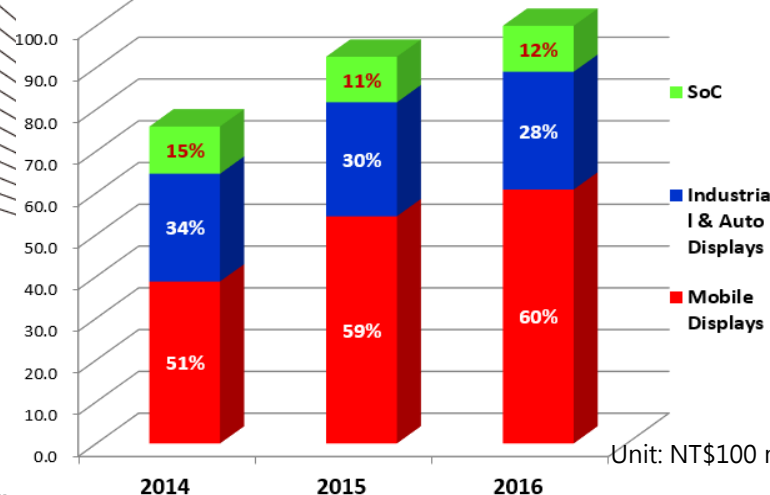
### Touch Controller IC



Subsidiaries  
**mCore** 90.73%

**infinno** 63.99%

**sensortek** 61.41%





# Mobile Display Driver ICs



## Feature phone DDI

QQVGA 160x120 - Zero Cap.

QCIF 220x176 - Zero Cap.

QVGA 320x240 - Zero Cap.

WQVGA 400x240 - Zero Cap.

2014: > 450M

2015-16: > 500M



Wearable, healthcare, sports & IOT devices

## Smartphone DDI

HVGA 480x320 - Zero Cap.

WVGA 800x480 - Zero Cap.

HD720 1280x720 - Zero Cap. (2017)

FHD 1920x1080 - Zero Cap. (2017)

2014: > 30M

2015: > 80M

2016: > 100M



# 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

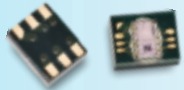
Color TFT



# SOC



## Light sensors



### Ambient Light Sensors

CMOS Circuit

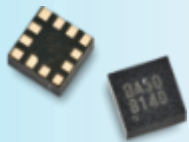


### Proximity Sensors

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

## STN / Mono TFT

- Audio
- Dashboard

## Color TFT

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

Touch + DDI  
total solution

Industrial

Automotive



Source: 各廠商; 拓墾產業研究所整理, 2014/06

# Monthly Revenue 2016 - 2017

2016	YoY	Quarterly	2017	YoY	Quarterly
882,133	11.6%	2,293,837	600,199	-32.0%	2,034,300
551,635	4.4%		622,643	12.9%	
860,069	10.3%		811,458	-5.7%	
830,363	12.5%	2,397,574	750,792	-9.6%	
791,445	23.4%				
775,766	10.3%				
810,932	5.2%	2,875,078			
981,682	21.0%				
1,082,464	21.4%				
981,718	15.3%	2,623,258			
890,832	3.5%				
750,708	-16.4%				
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

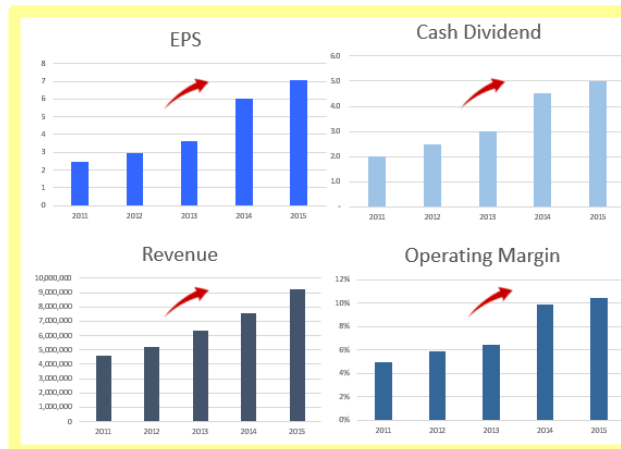
➡ Balance GM & sales growth



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

Item	Q1 17		2016 annual		Q4 16		Q3 16		Q2 16		Q1 16		2015 annual	
	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales	Results	% of sales
Net Sales	2,034,300	-	10,189,747	-	2,623,258	-	2,875,078	-	2,397,574	-	2,293,837	-	9,266,108	-
Gross Profit	592,252	29%	2,881,882	28%	742,856	28%	784,176	27%	657,498	27%	697,352	30%	2,481,024	27%
Operating Expense	399,640	20%	1,636,158	16%	429,657	16%	430,533	15%	388,699	16%	387,269	17%	1,517,562	17%
Operating Income	192,612	9%	1,245,724	12%	313,199	12%	353,643	12%	268,799	11%	310,083	14%	963,462	10%
Income before Tax	189,014	9%	1,258,485	12%	331,556	13%	349,290	12%	276,671	12%	300,968	13%	1,027,452	11%
Net Income*	164,840	8%	1,041,837	10%	286,295	11%	299,919	10%	221,562	9%	234,061	10%	835,434	9%
EPS	1.38	-	8.77	-	2.41	-	2.53	-	1.87	-	1.97	-	7.05	-

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

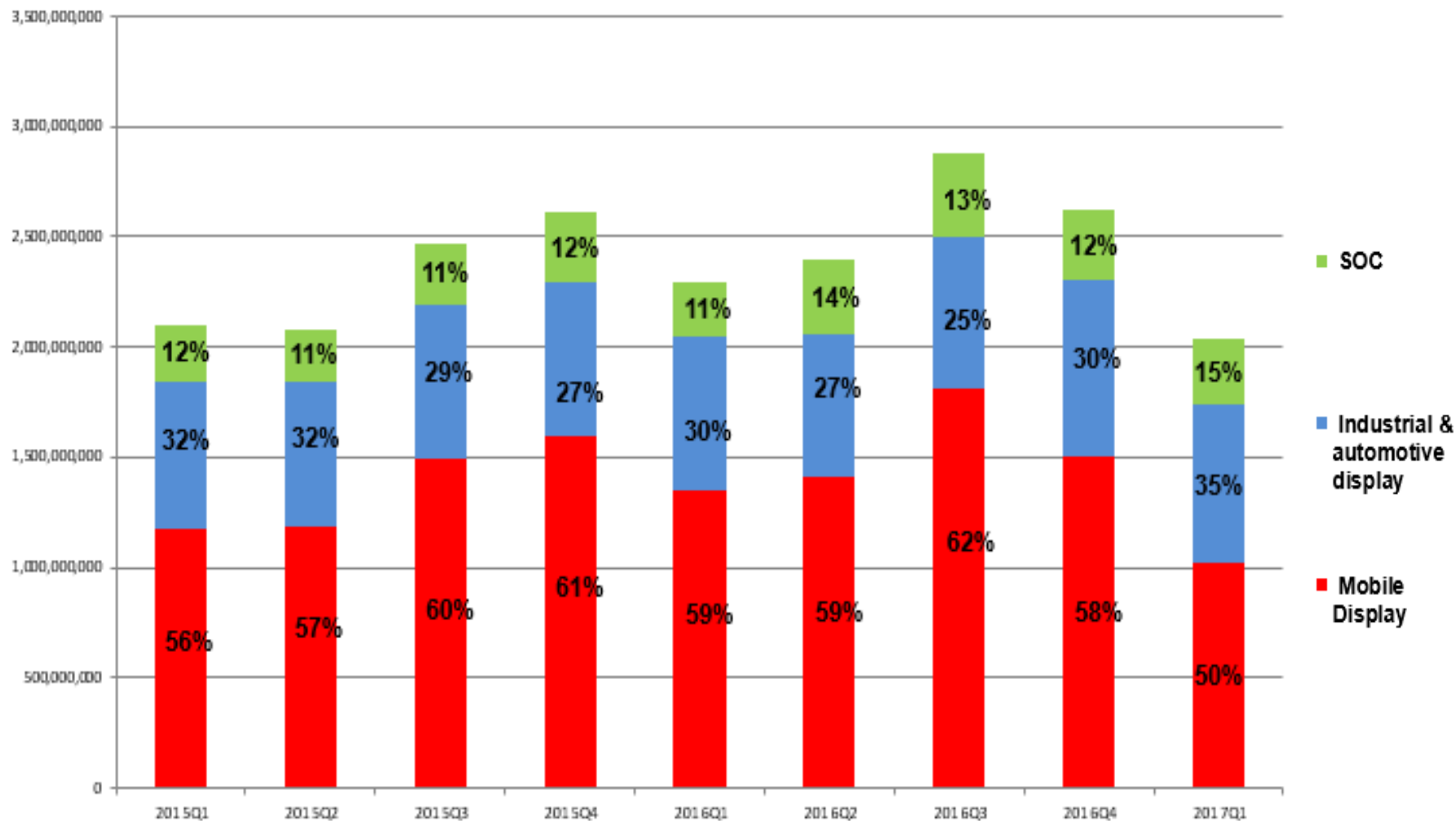
Unit: NT\$ thousands (except EPS)  
Accounting standard: IFRS

# Consolidated Balance Sheet

Item	2017/3/31	2016/12/31	2016/9/30	6/30/2016	03/31/2016	12/31/2015	09/30/2015	06/30/2015	03/31/2015
Total Assets	7,606,598	7,362,468	7,136,838	7,134,542	6,798,930	6,826,247	6,515,668	7,299,798	6,788,601
Current Assets	5,910,276	5,704,160	5,606,692	5,651,646	5,329,582	5,220,219	4,808,743	5,614,364	5,058,980
Cash & Equivalents	1,904,997	2,104,983	2,124,860	1,979,971	1,836,009	1,758,239	1,127,178	1,260,175	1,285,325
AR	814,051	925,263	844,236	798,234	820,068	799,677	1,056,958	943,147	994,373
Inventory	2,082,906	1,619,849	1,483,129	1,499,057	1,415,024	1,268,817	1,486,743	1,759,585	1,317,271
Total Liability	2,373,420	2,345,940	2,480,325	2,805,979	2,141,541	2,456,700	2,385,566	3,487,090	2,509,965
AP	1,377,563	1,366,303	1,427,808	1,251,273	1,110,311	1,195,636	972,241	1,293,716	1,054,514
Shareholder Eqt.	5,233,178	5,016,528	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



# Wide Range of DDI Applications



Smartphone DDI



Automotive DDI

Small-size color TFT DDI



Industrial DDI



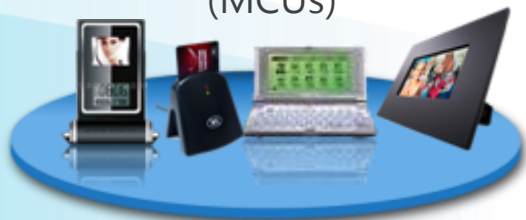


# SOC

## mCore

8 & 16-bit  
microcontroller units  
(MCUs)

DSP (digital audio)



Card readers



# SOC

## infinno

Power Management ICs

AC-side power management & PWM IC




# 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](http://www.sitronix.com.tw)

***Sitronix***