

# *Sitronix*

矽創電子股份有限公司  
8016:TT

## Investor Conferences Q3 2016

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                |
| President             | William Wang               |
| Employees             | Parent: 330    Group: 560  |
| Headquarters          | Hsinchu, Taiwan            |
| Sales offices         | Taipei, Shenzhen, Shanghai |
| IPO Listing           | December 25, 2003          |

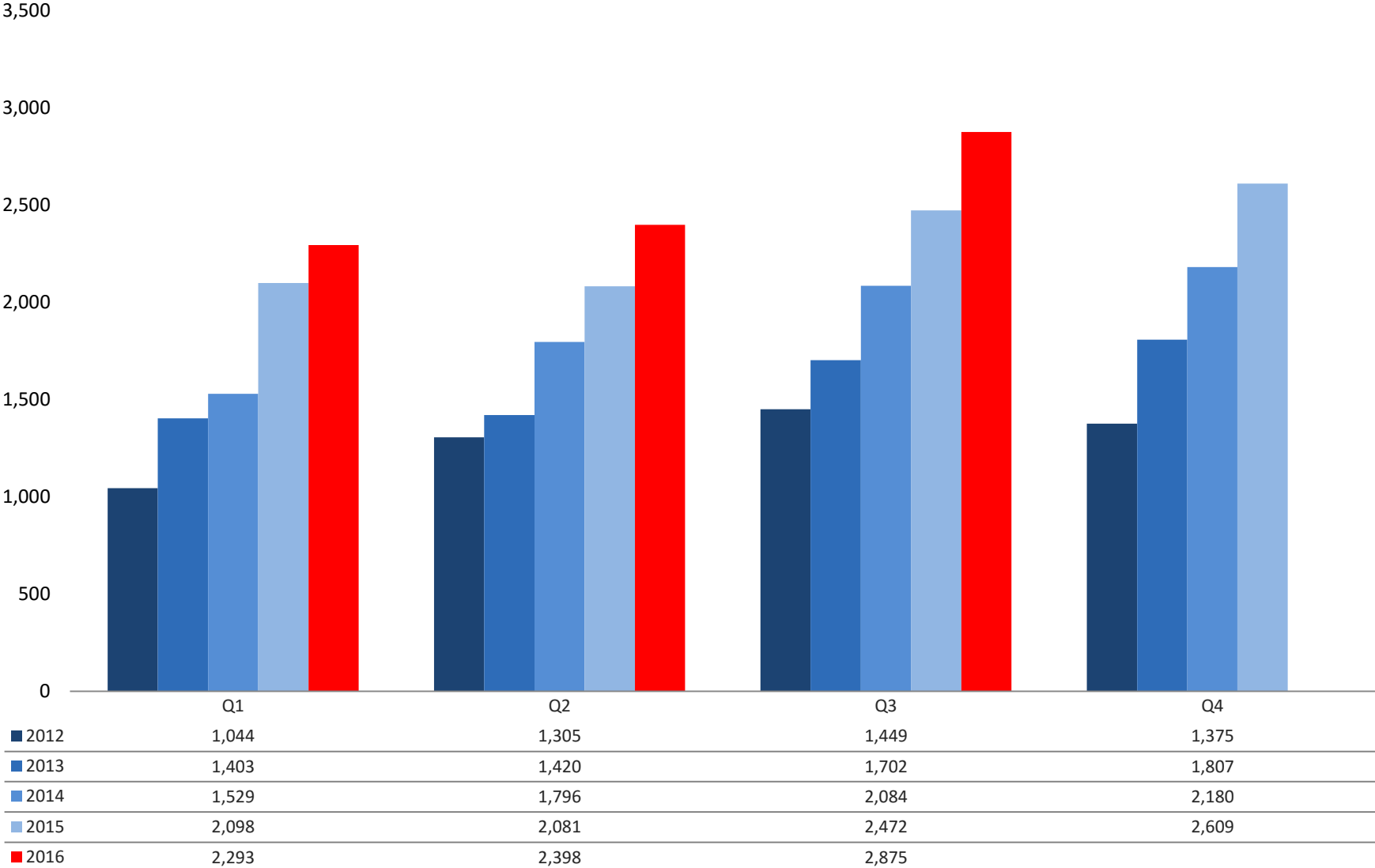


Headquarters  
Tai Yuen Hi-Tech Industrial Park, Hsinchu, Taiwan

## Subsidiaries

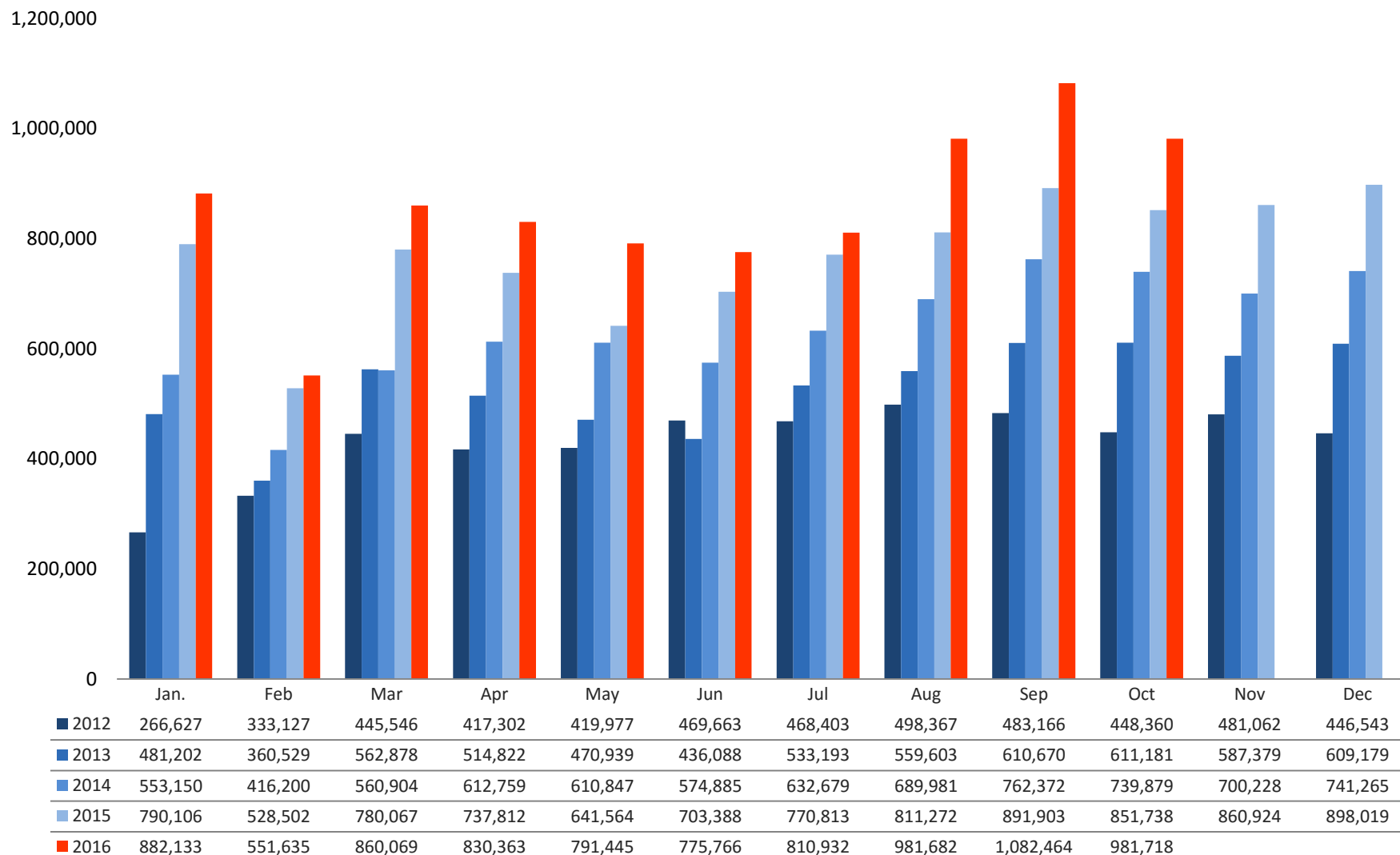


# Quarterly Revenues 2012 - 2016



Unit: NT\$ millions

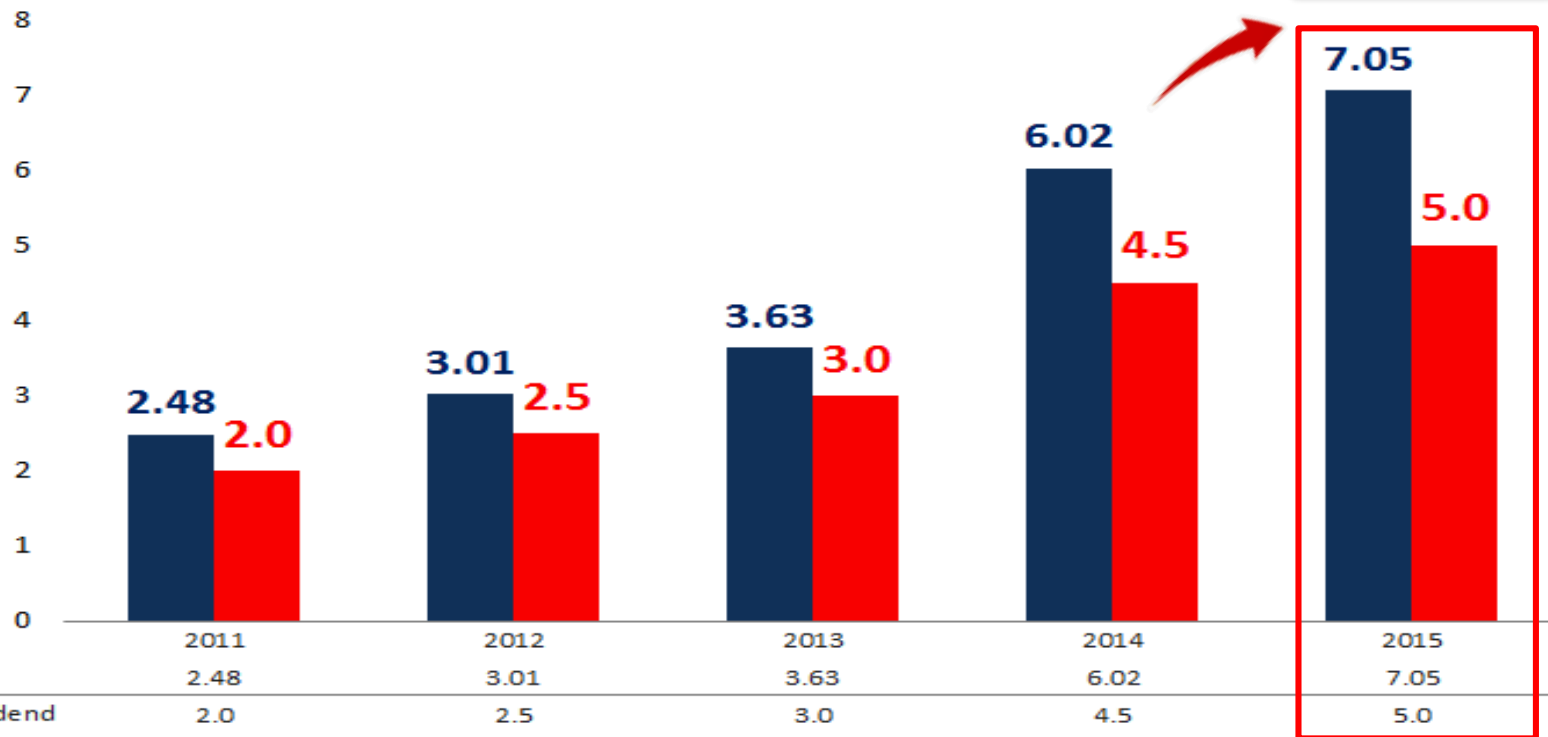
# Monthly Revenue, 2012 - 2016



Unit: NT\$ thousands

# GM, EPS & Dividends

2015 EPS YoY  
17.11%



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

# Product Mix

Mobile Displays

Industrial & Automotive Displays

SoC

Mobile Display Driver IC

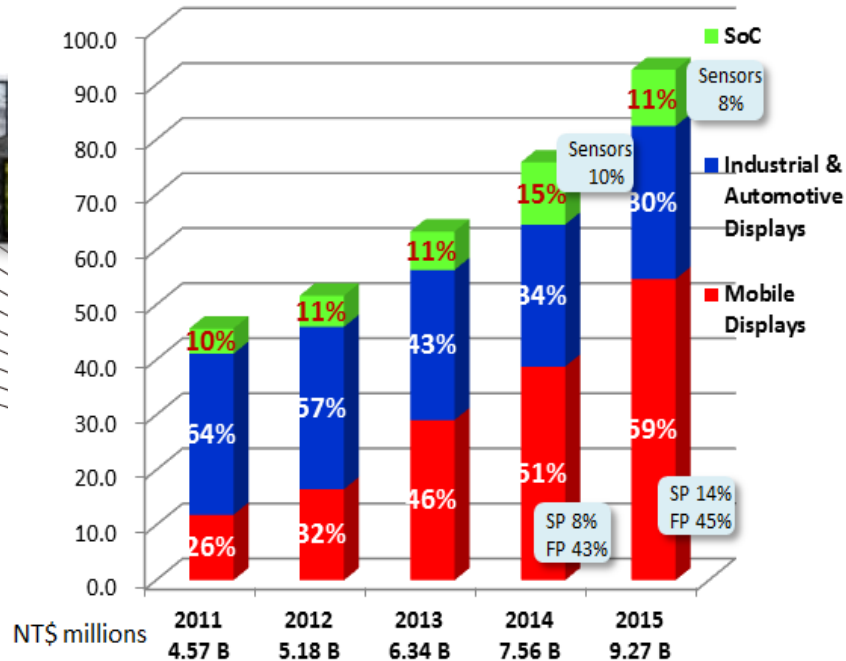
Industrial Display Driver IC

Automotive Display Driver IC

Touch Controller IC



Subsidiary  
 **FORCELEAD** (68.09%)



Subsidiaries

- mCore** (87.12%)
- INFINNO** (45.76%)
- sensortek** (61.41%)

# Product Mix: high growth & high gross margin

## High growth, low baseline

Mobile DDI



FORCELEAD



## High gross margin & niche markets

### Industrial DDI

|                  |            |                   |            |
|------------------|------------|-------------------|------------|
| E-Payment        | Dev. Phone | Office Appliances | Medical    |
| Home Application | Appliance  | Dash-Cams (new)   | Wearable   |
| Toy              | POS System | Others            | Industrial |

Touch Products



### Automotive DDI



INFINNO

mCore



# 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: > 500M pcs



Wearable, healthcare, sports & IOT devices

## Smartphone DDI 2014-15

HVGA 480x320 - Zero Cap.

WVGA 800x480

HD720 1280x720

2014: > 30M pcs

2015: > 80M pcs



## Smartphone DDI 2016:

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

WVGA 800x480 (Q4 15) - Zero Cap.

HD720 1280x720 (2016) - Zero Cap.

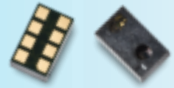
FHD 1920x1080 (2016) - Zero Cap.



## Light sensors



**Ambient Light Sensors**  
CMOS Circuit



**Proximity Sensors**  
CMOS circuit

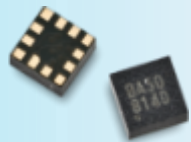


### 2-in-1 P-sensors for smartphones



**Smartphone market**

2014: >80M pcs  
2015: >100M pcs



## MEMS sensors

**Accelerometers**  
CMOS Circuit  
MEMS Process

2014  
**Tablet market**



2015 - 2016  
**Smartphone market**  
→ > 20M (2015)

# SOC

# Touch Products

## C-Touch

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

## STN / Mono TFT

- Audio
- Dashboard

## Industrial

Touch + DDI  
total solution

## Color TFT

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

## Automotive



## Smartphone

## In-cell touch → TDDI

- Smartphone display drivers with touch

# Industrial Display Driver ICs

Office Automation

Industrial Instruments

Portable medical devices  
Healthcare products  
Wearable & sports devices

Home automation



# Automotive Display Driver ICs

< 6 inch displays



7- 9 inch displays



Segment TN

Character TN

Graphic STN

Mono TFT

Color TFT



# Supplier of IOT Devices and Solutions



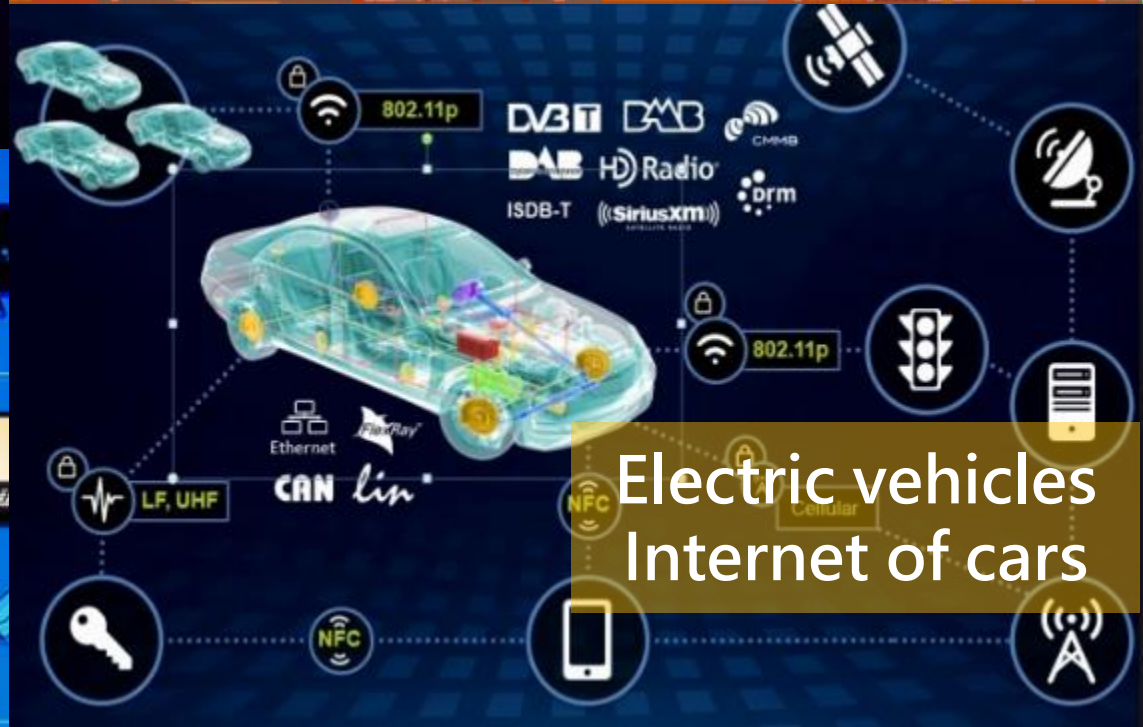
Mobile internet devices  
Mobile payment



Smart city  
Intelligent transportation systems



Smart home  
Smart grid



Electric vehicles  
Internet of cars

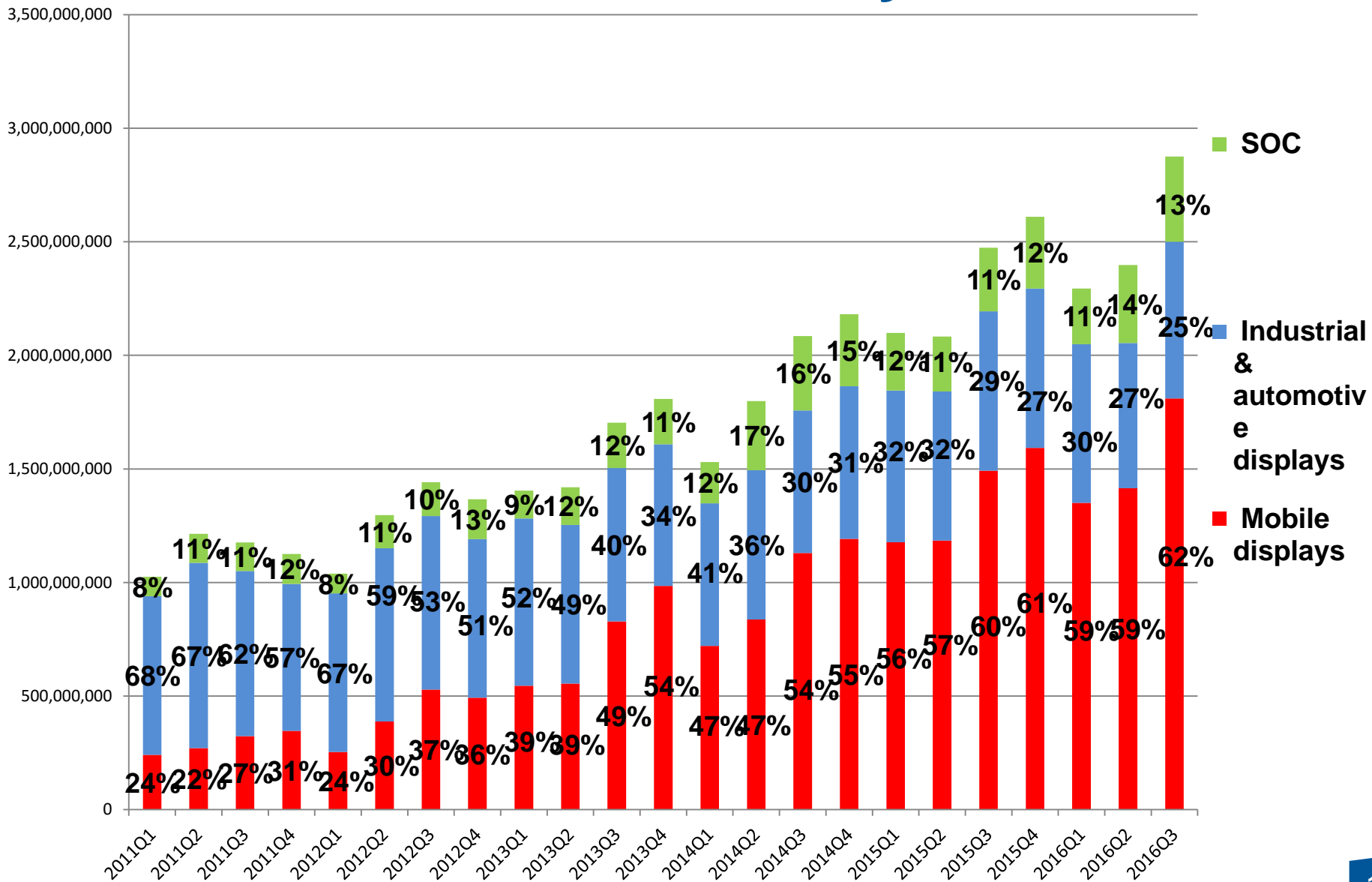
# High Product Variety New Applications



**TN / STN / mono TFT / color TFT display driver ICs**  
**ABL sensors / P-sensors / G-sensors**  
**Power IC / Touch IC / e-Payment MCU systems**



# Revenue Breakdown by Product





# Monthly Revenue, 2013 - 2016

| (K) ntd      | 2013             | Quarterly | 2014             | YoY          | Quarterly | 2015             | YoY          | Quarterly | 2016             | YoY          | Quarterly |
|--------------|------------------|-----------|------------------|--------------|-----------|------------------|--------------|-----------|------------------|--------------|-----------|
| 1            | 481,202          |           | 553,150          | 15.0%        |           | 790,106          | 42.8%        |           | 882,133          | 11.6%        |           |
| 2            | 360,529          |           | 416,200          | 15.4%        |           | 528,502          | 27.0%        |           | 551,635          | 4.4%         |           |
| 3            | 562,878          | 1,404,609 | 560,904          | -0.4%        | 1,530,254 | 780,067          | 39.1%        | 2,098,675 | 860,069          | 10.3%        | 2,293,837 |
| 4            | 514,822          |           | 612,759          | 19.0%        |           | 737,812          | 20.4%        |           | 830,363          | 12.5%        |           |
| 5            | 470,939          |           | 610,847          | 29.7%        |           | 641,564          | 5.0%         |           | 791,445          | 23.4%        |           |
| 6            | 436,088          | 1,421,849 | 574,885          | 31.8%        | 1,798,491 | 703,388          | 22.4%        | 2,082,764 | 775,766          | 10.3%        | 2,397,574 |
| 7            | 533,193          |           | 632,679          | 18.7%        |           | 770,813          | 21.8%        |           | 810,932          | 5.2%         |           |
| 8            | 559,603          |           | 689,981          | 23.3%        |           | 811,272          | 17.6%        |           | 981,682          | 21.0%        | 2,875,078 |
| 9            | 610,670          | 1,703,466 | 762,372          | 24.8%        | 2,085,032 | 891,903          | 17.0%        | 2,473,988 | 1,082,464        | 21.4%        |           |
| 10           | 611,181          |           | 739,879          | 21.1%        |           | 851,738          | 15.1%        |           | 981,718          | 15.3%        |           |
| 11           | 587,379          |           | 700,228          | 19.2%        |           | 860,924          | 22.9%        |           |                  |              |           |
| 12           | 609,179          | 1,807,739 | 741,265          | 21.7%        | 2,181,372 | 898,019          | 21.1%        | 2,610,681 |                  |              |           |
| <b>Total</b> | <b>6,337,663</b> |           | <b>7,595,150</b> | <b>19.8%</b> |           | <b>9,266,108</b> | <b>22.0%</b> |           | <b>8,548,207</b> | <b>13.9%</b> |           |

Unit: NT\$ thousands

Accounting standard: IFRS

### Strategic Marketing Director

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# 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

# SOC



8/16/32 bit MCU



DSP (digital audio)



Card readers



# SOC



Power Management ICs



AC-side power management & PWM IC



# Wide Range of Applications



Smartphone DDI



Automotive DDI

Small-size color TFT DDI



Industrial DDI



***Sitronix***