

Sitronix

矽創電子股份有限公司
8016:TT

Investor Conferences Q4 2016

Spokesperson
Jacky Chou

Investor Relations Officer
Vivian Mao



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: 347 Group: 608
Headquarters	Hsinchu, Taiwan
Sales offices	Taipei, Shenzhen, Shanghai
IPO Listing	December 25, 2003



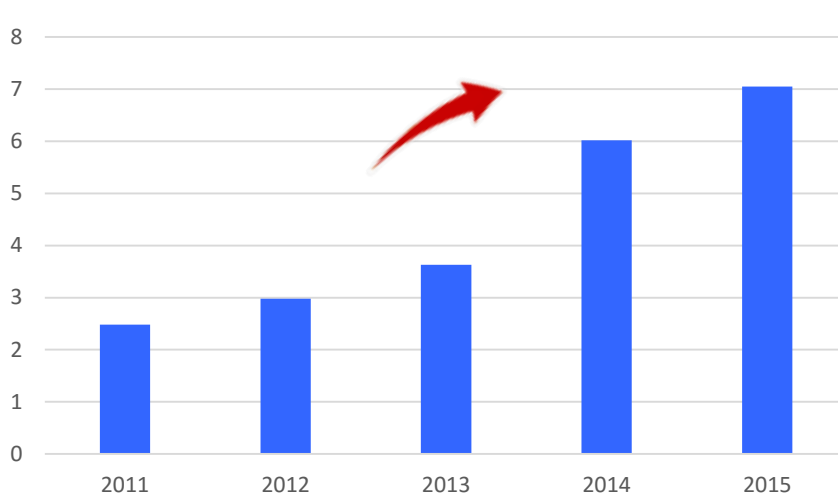
Headquarters
Tai Yuen Hi-Tech Industrial Park, Hsinchu, Taiwan

Subsidiaries

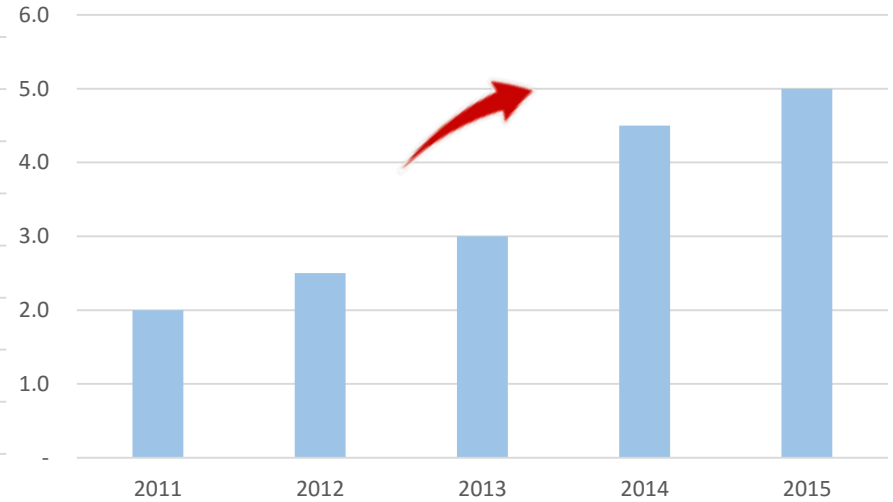


Let the Numbers Speak

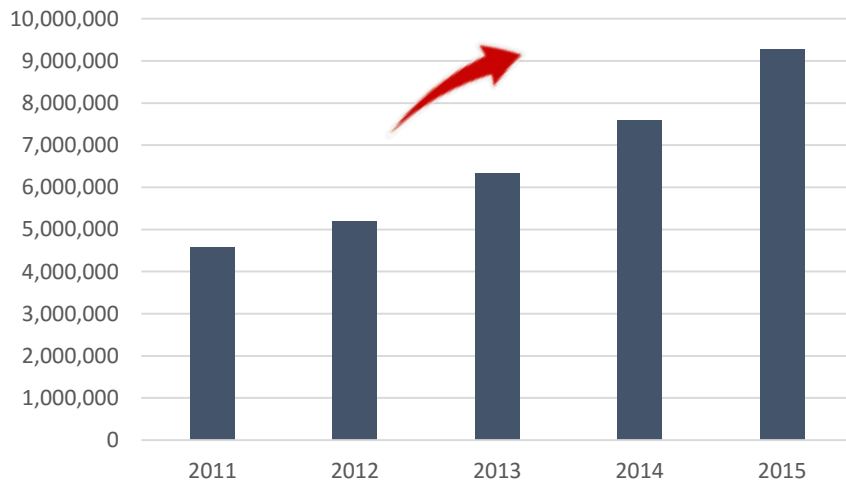
EPS



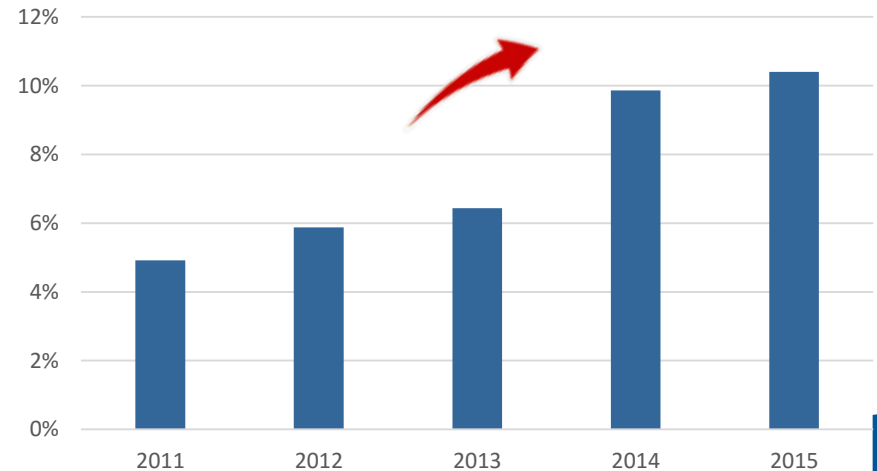
Cash Dividend



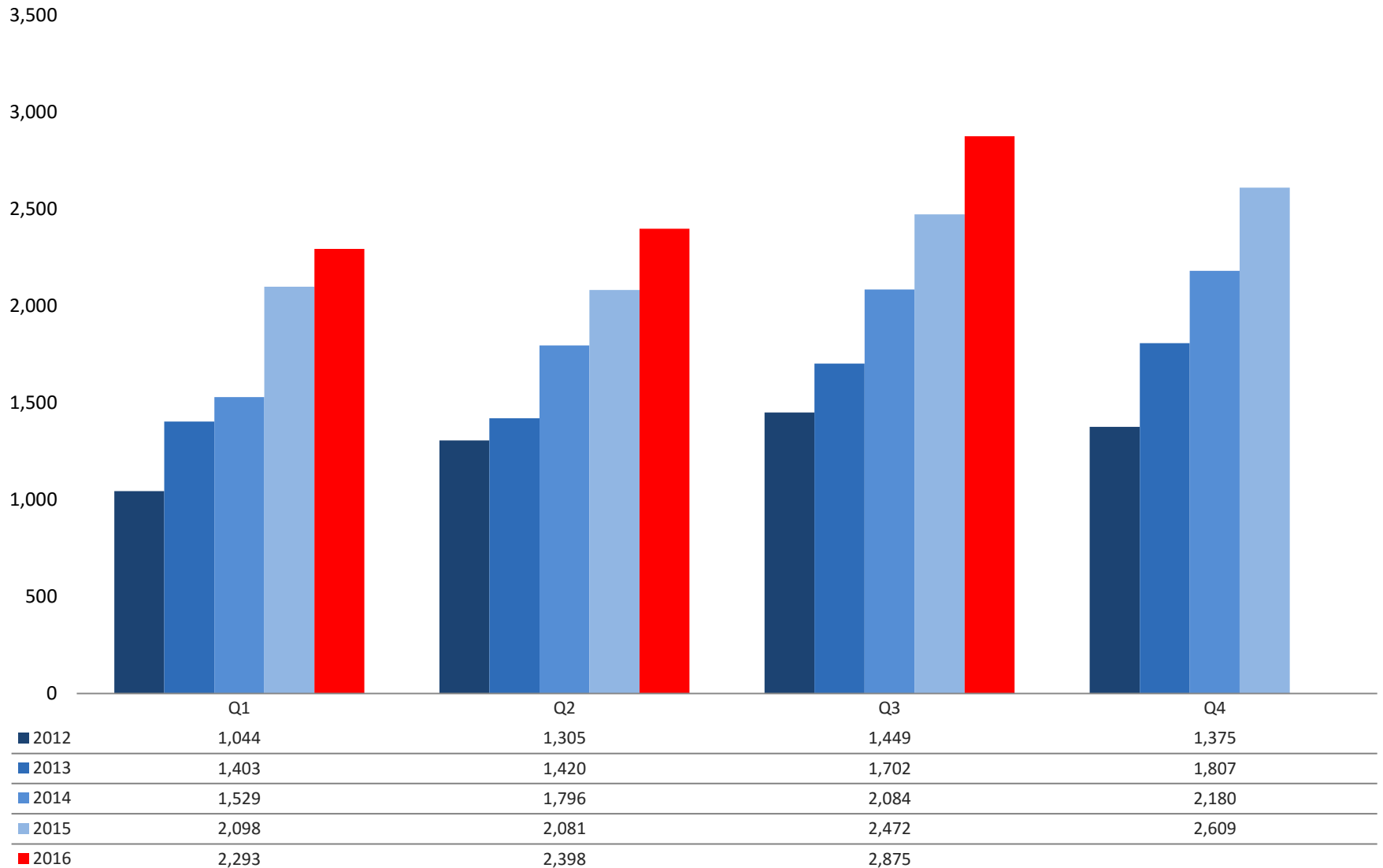
Revenue



Operating Margin

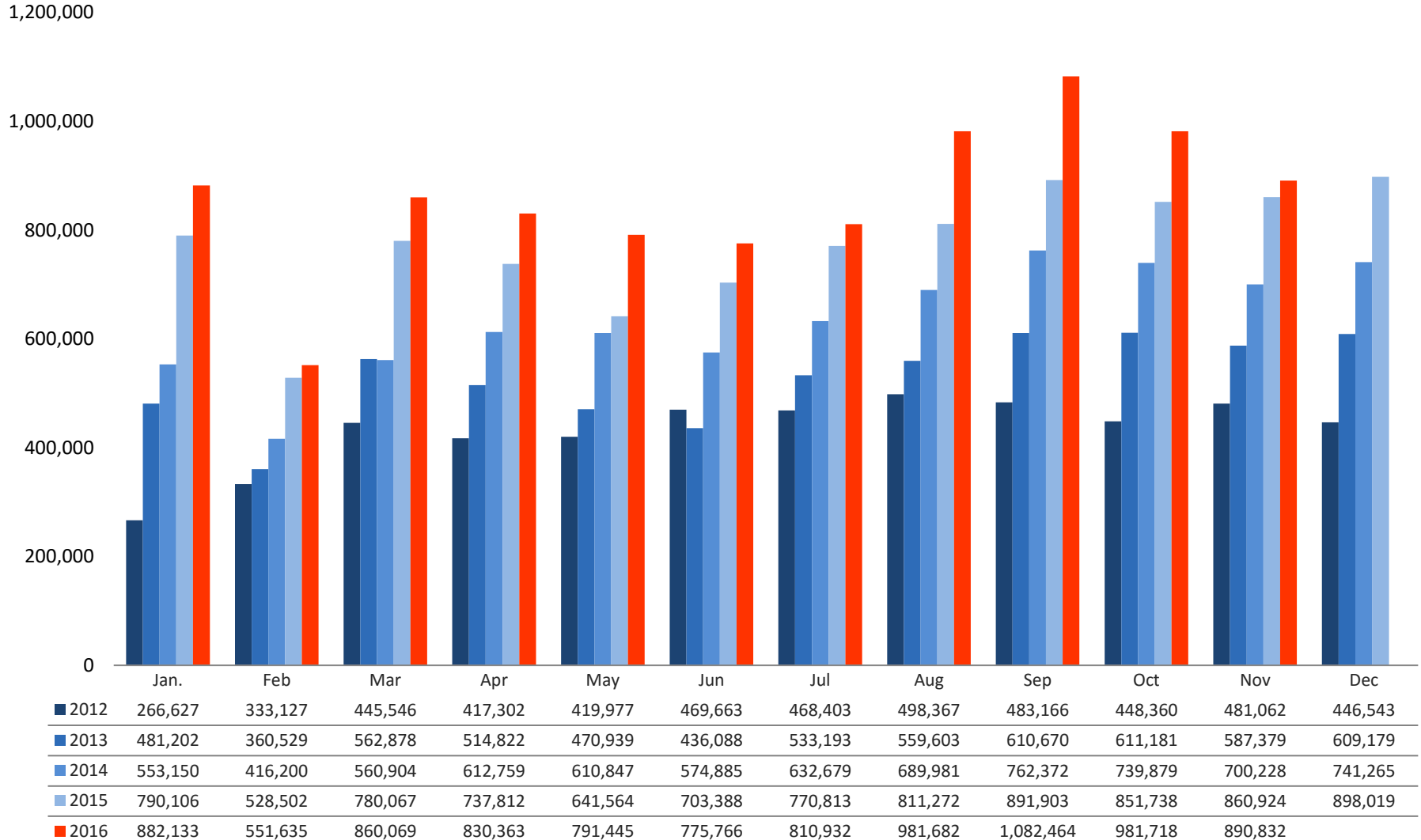


Positive YoY Revenue Growth Every Quarter...



Unit: NT\$ millions

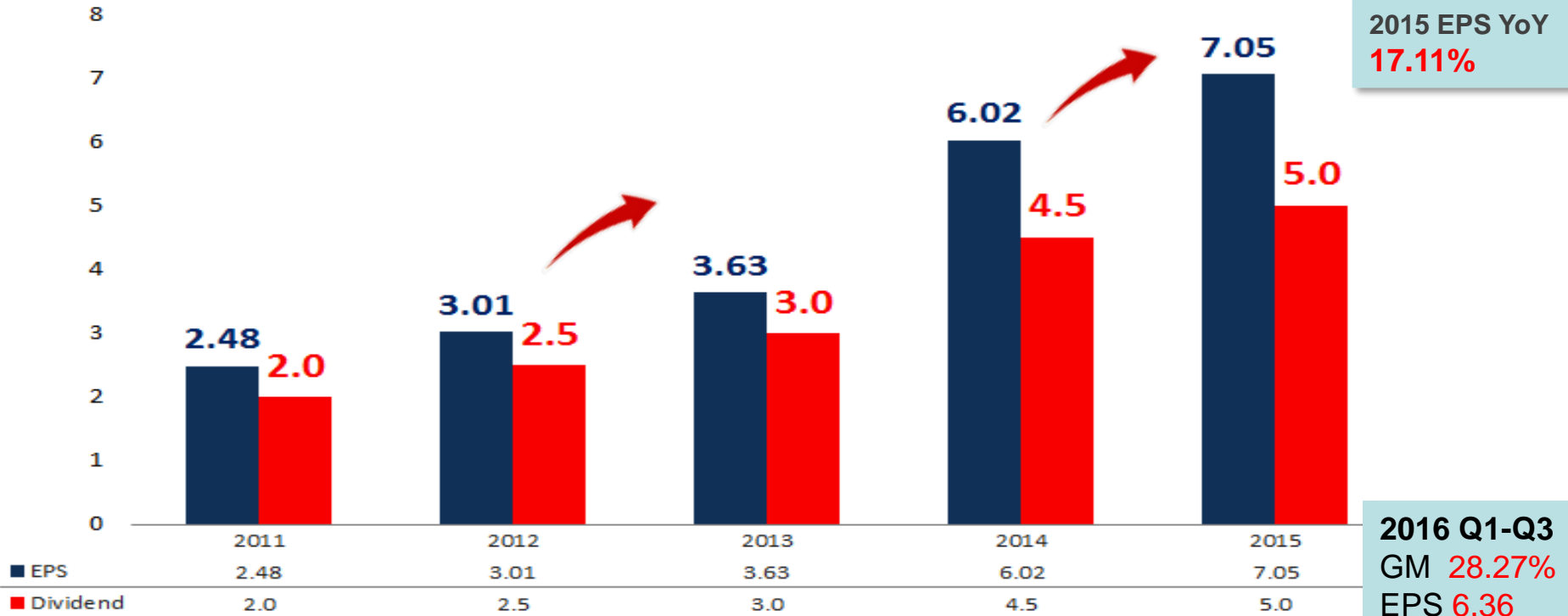
...And Every Month



Unit: NT\$ thousands

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



➔ **One-stop shopping**

➔ **Risk reduction**

➔ **Balance GM & sales growth**

Wide Range of DDI Applications



A Diversified Product Portfolio

Mobile Displays

Industrial & Automotive Displays

SoC

Mobile Display Driver IC

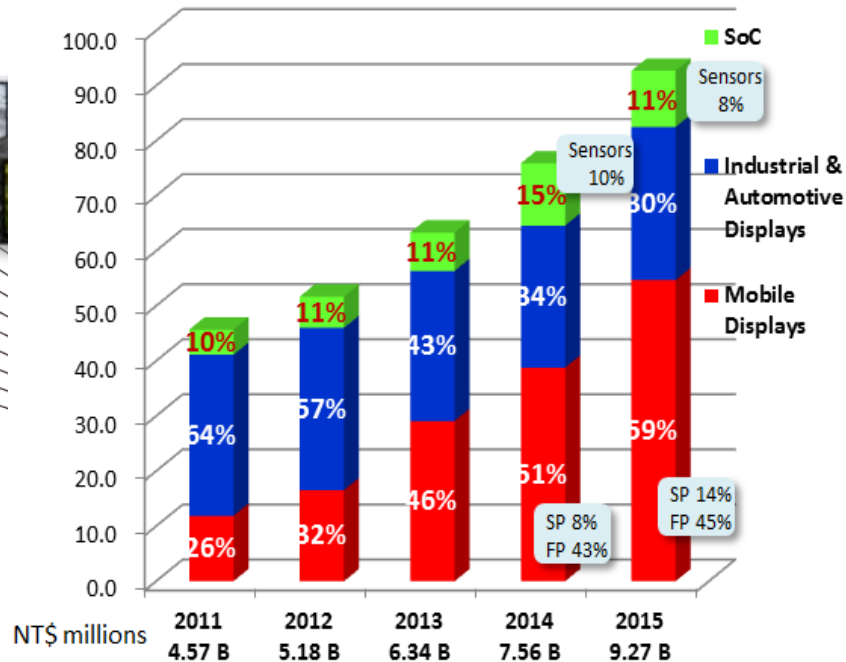
Industrial Display Driver IC

Automotive Display Driver IC

Touch Controller IC



Subsidiary
 **FORCELEAD** (68.09%)



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: > 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 MP) - Zero Cap.
 HD720 1280x720 (2016) - Zero Cap.
 FHD 1920x1080 (2016) - Zero Cap.



Industrial Display Driver ICs

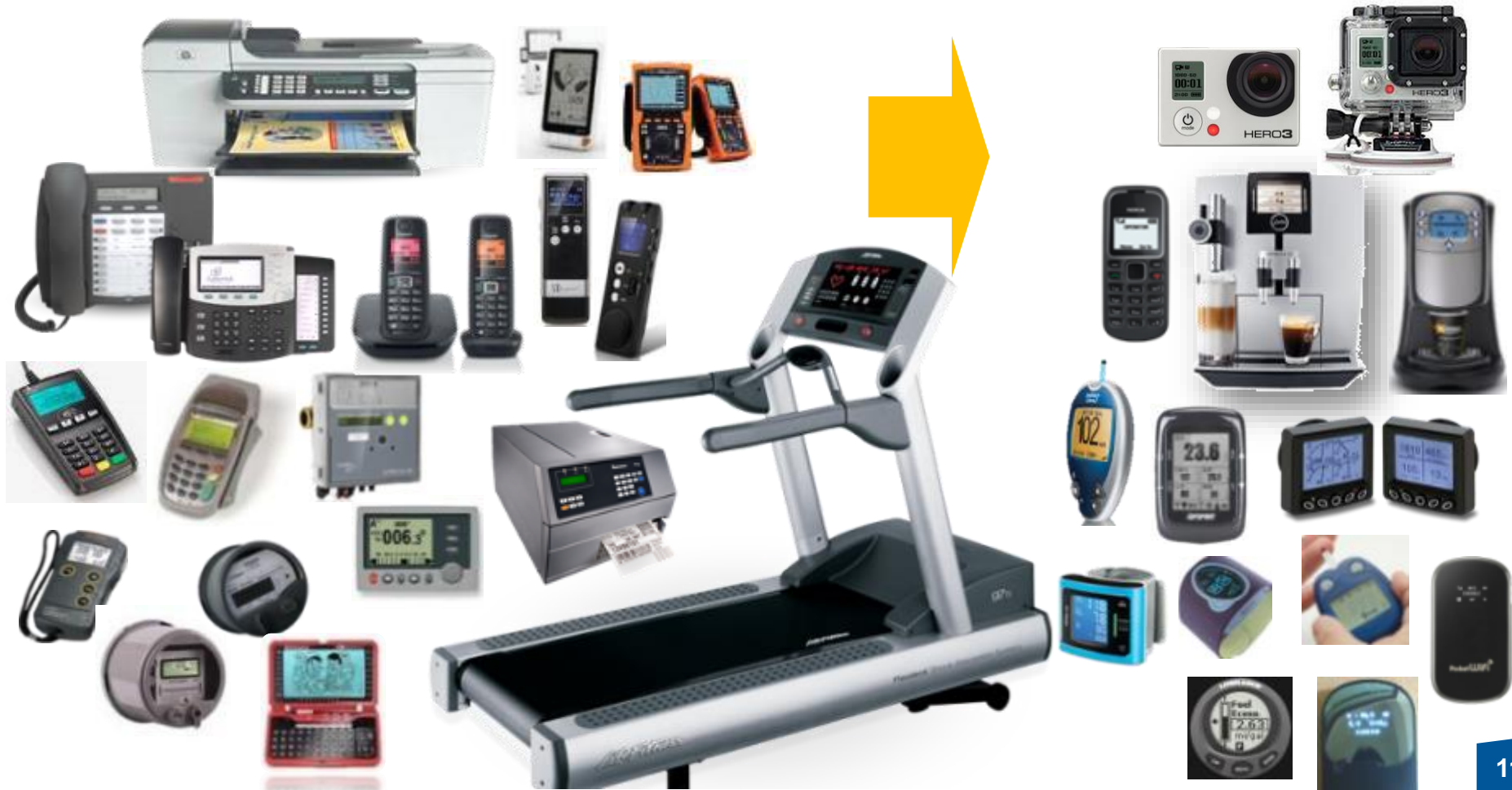


Office Automation

Industrial Instruments

Portable medical devices
Healthcare products
Wearable & sports devices

Home automation



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



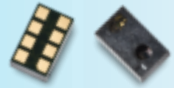
SOC



Light sensors



Ambient Light Sensors
CMOS Circuit



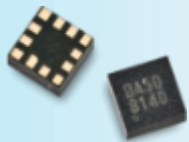
Proximity Sensors
CMOS circuit



2-in-1 P-sensors for smartphones



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

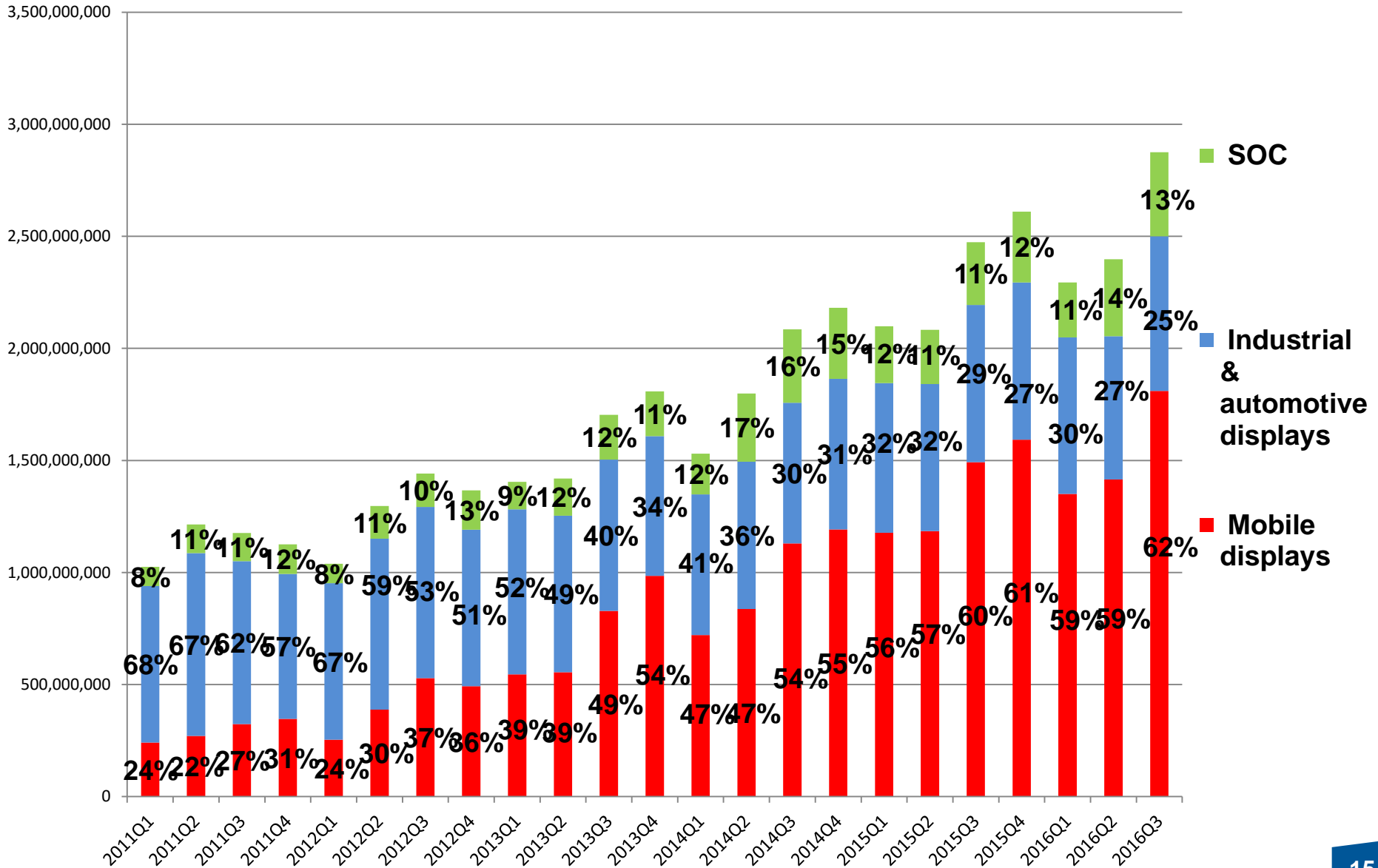


Smartphone

In-cell touch → TDDI

- Smartphone display drivers with touch

Quarterly Product Mix



Monthly Revenues 2013 - 2016

(K) ntd	2013	Quarterly	2014	YoY	Quarterly	2015	YoY	Quarterly	2016	YoY	Quarterly
1	481,202	1,404,609	553,150	15.0%	1,530,254	790,106	42.8%	2,098,675	882,133	11.6%	2,293,837
2	360,529		416,200	15.4%		528,502	27.0%		551,635	4.4%	
3	562,878		560,904	-0.4%		780,067	39.1%		860,069	10.3%	
4	514,822	1,421,849	612,759	19.0%	1,798,491	737,812	20.4%	2,082,764	830,363	12.5%	2,397,574
5	470,939		610,847	29.7%		641,564	5.0%		791,445	23.4%	
6	436,088		574,885	31.8%		703,388	22.4%		775,766	10.3%	
7	533,193	1,703,466	632,679	18.7%	2,085,032	770,813	21.8%	2,473,988	810,932	5.2%	2,875,078
8	559,603		689,981	23.3%		811,272	17.6%		981,682	21.0%	
9	610,670		762,372	24.8%		891,903	17.0%		1,082,464	21.4%	
10	611,181	1,807,739	739,879	21.1%	2,181,372	851,738	15.1%	2,610,681	981,718	15.3%	
11	587,379		700,228	19.2%		860,924	22.9%		890,832	3.5%	
12	609,179		741,265	21.7%		898,019	21.1%				
Total	6,337,663		7,595,150	19.8%		9,266,108	22.0%		9,439,039	12.8%	

Unit: NT\$ thousands

Accounting standard: IFRS

In a Nutshell

Lagging Edge

Diversification



Differentiation

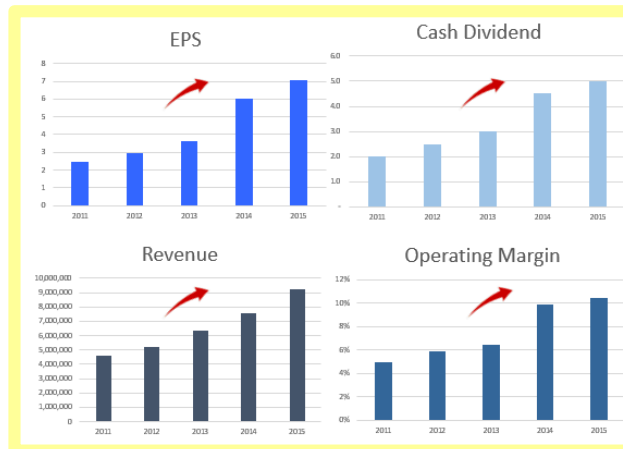
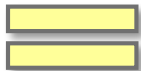
→ One-stop shopping

→ Make existing products better

→ Risk reduction

→ Market share gains

→ Balance GM & sales growth



We'd love to hear from you!

Spokesperson

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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

SOC

mCore

8/16/32 bit MCU



DSP (digital audio)



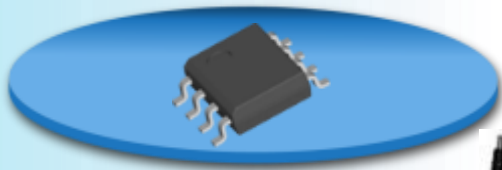
Card readers



SOC

infinno

Power Management ICs



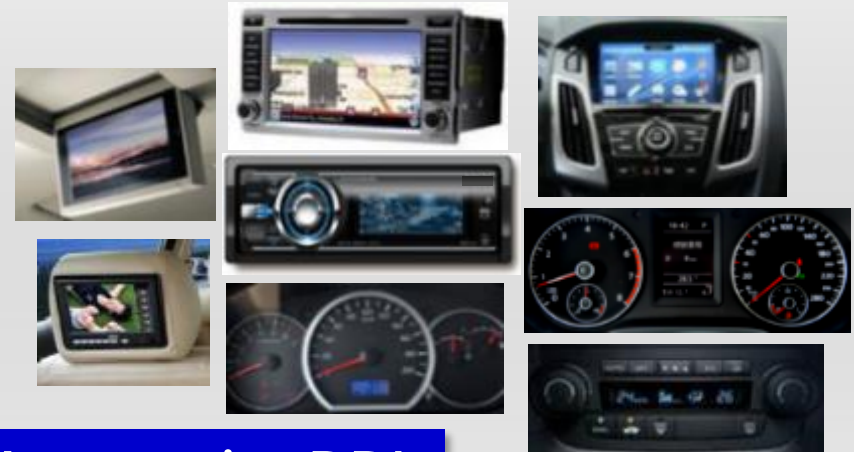
AC-side power management & PWM IC



Wide Range of DDI Applications



Smartphone DDI



Automotive DDI

Small-size color TFT DDI



Industrial DDI




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