



漢微科

Investor Conference

October 16, 2015

AGENDA

- **3Q15 Highlights and Financial Results**
- **2015 Market status and Outlook**
- **Q & A**

Speakers

許金榮 **CY Shu / Chairman**

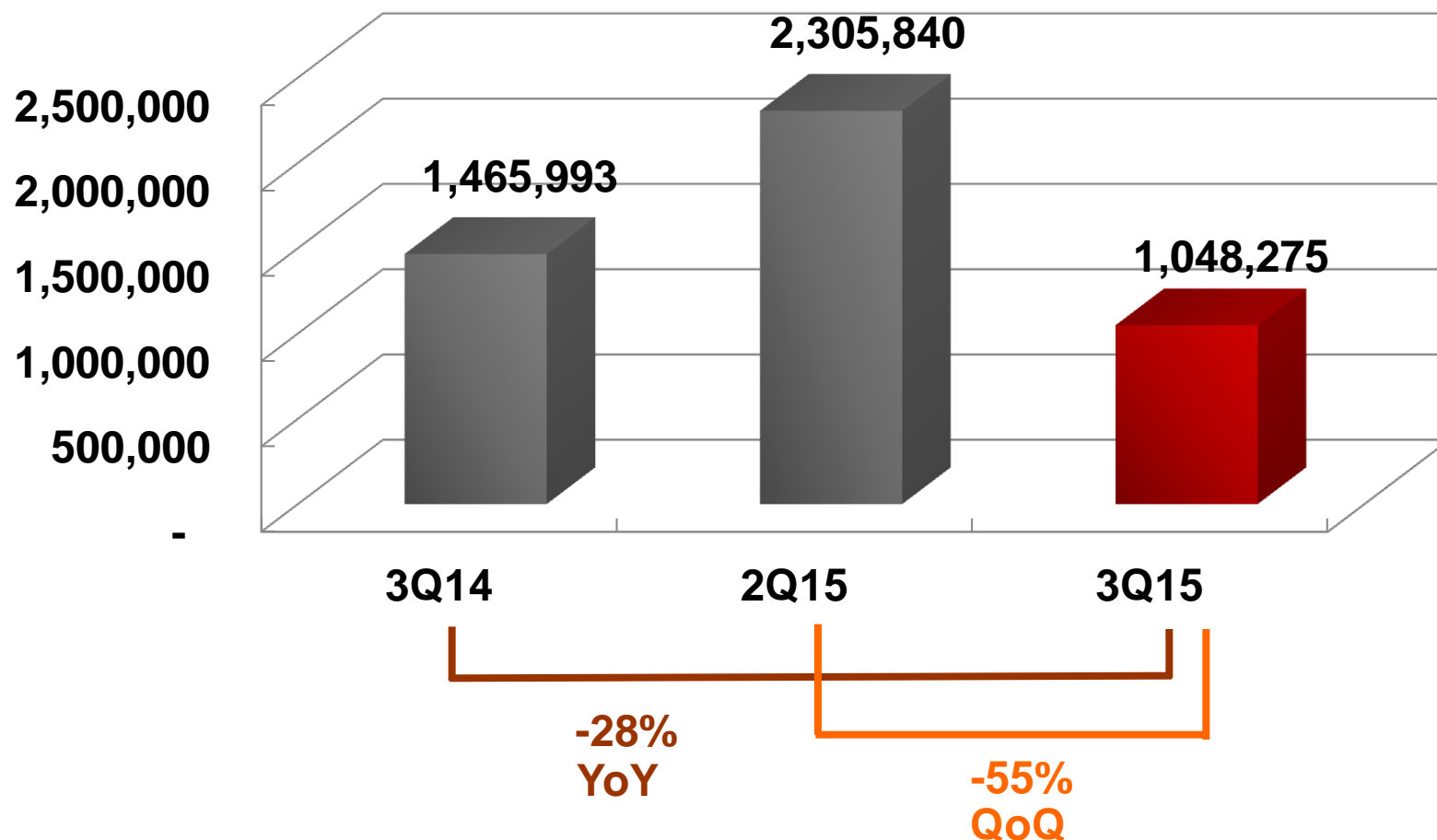
潘中石 **Chung-Shih Pan/ President**

沈孝廉 **Leo Shen/ CFO**

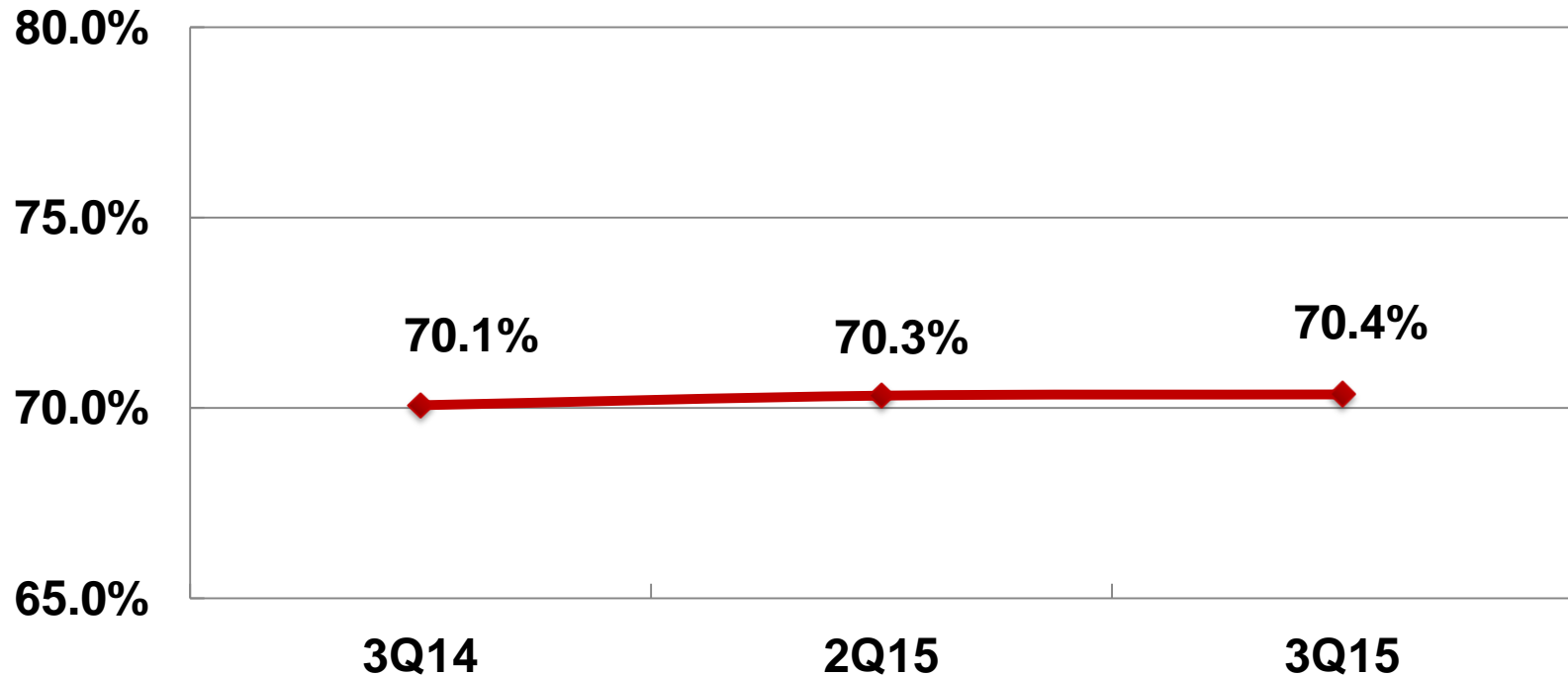
- **HMI's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.**
- **Please consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements.**
- **The forward-looking statements contained in this presentation are made only as of the date of this presentation and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.**

Operating revenue (Consolidated)

(In NT\$ Thousands)

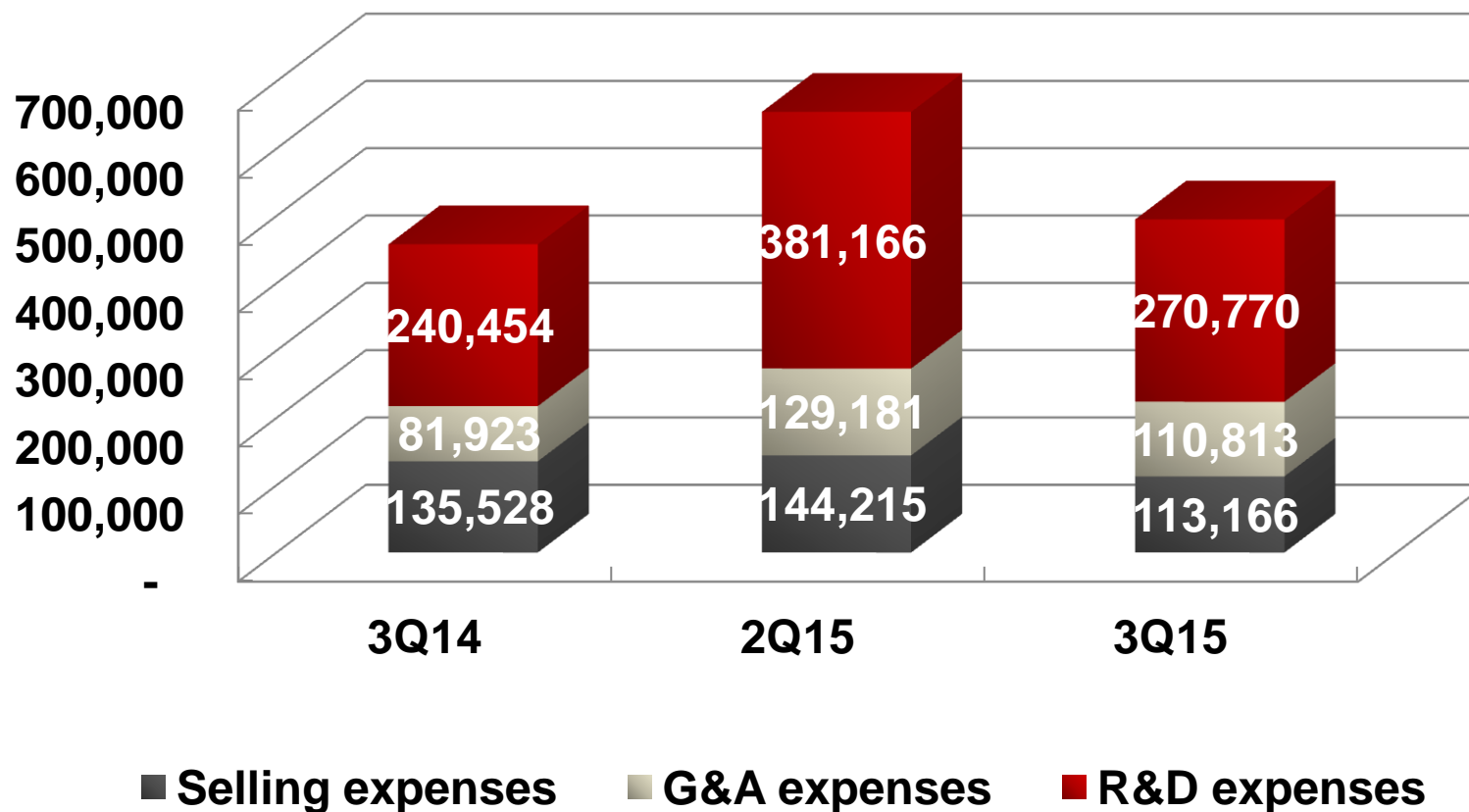


Gross Margin (Consolidated)



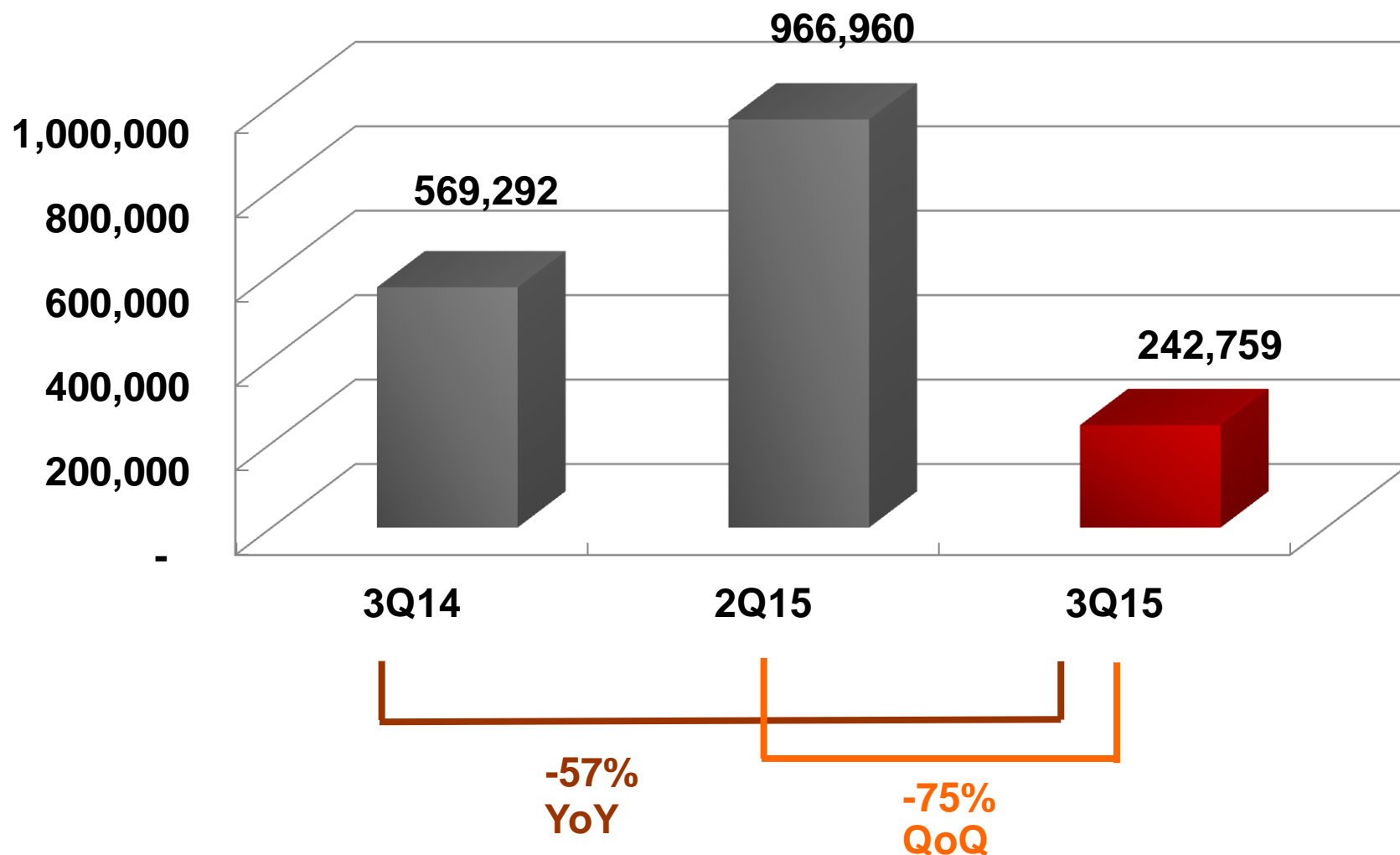
Operating Expenses (Consolidated)

(In NT\$ Thousands)

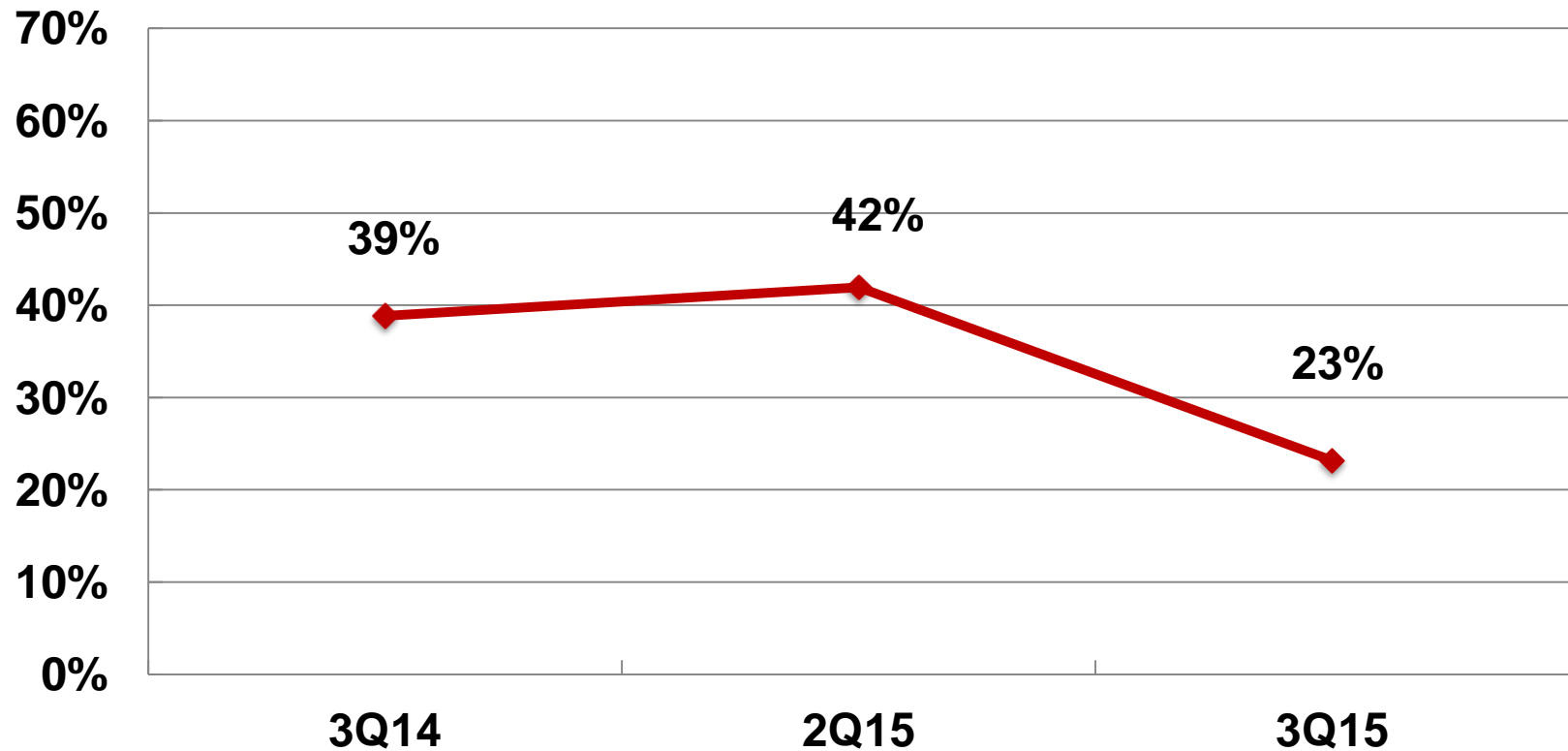


Operating Profit (Consolidated)

(In NT\$ Thousands)

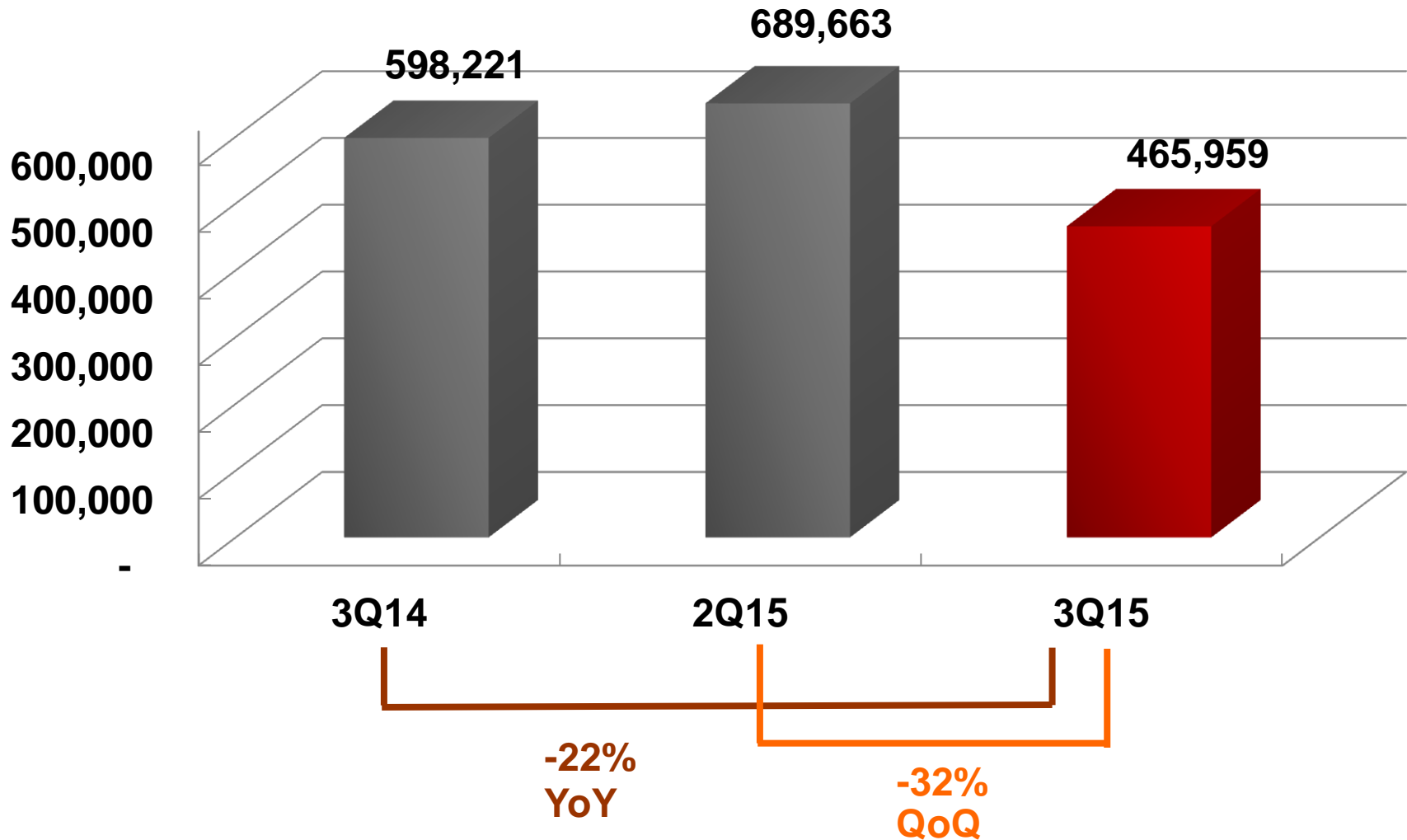


Operating Margin (Consolidated)



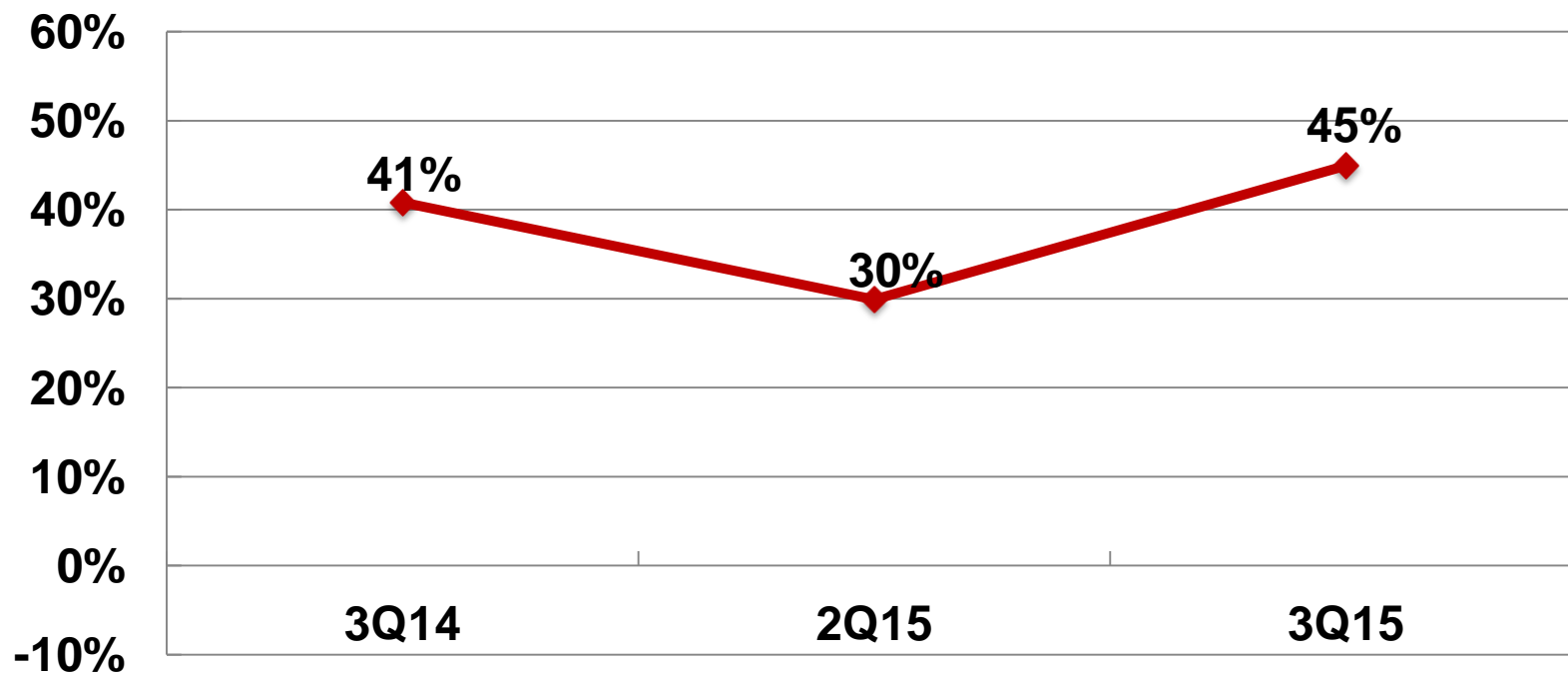
Net Income after Tax (Consolidated)

(In NT\$ Thousand)



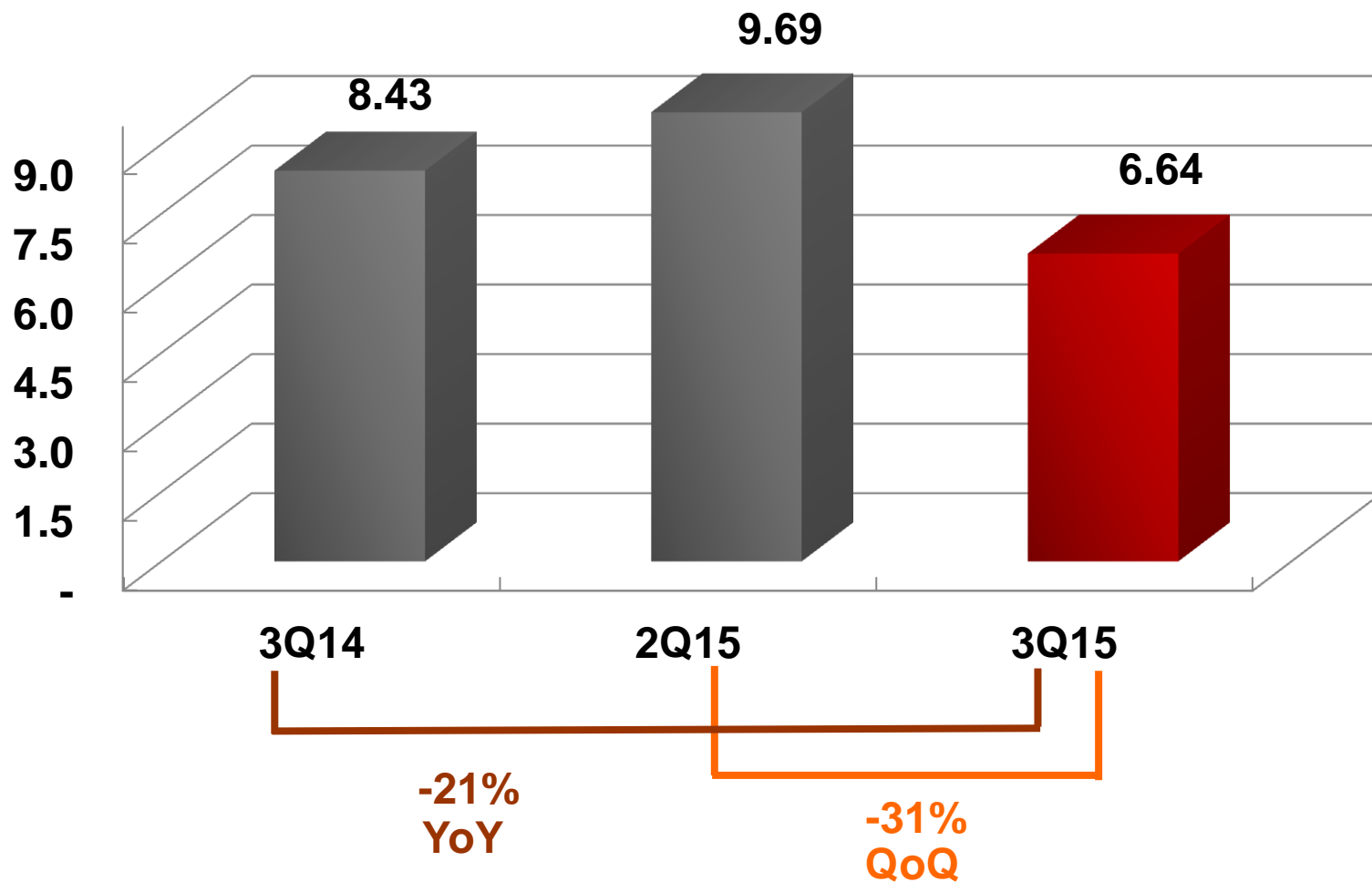
Margin of Net Income after Tax (Consolidated)

Page 9



Basic EPS (Consolidated)

(In NT\$)



Income Statement (Consolidated)

(In NT\$ Thousands)

	3Q15	%	2Q15	%	3Q14	%	QoQ	YoY
Sales revenue	1,048,275	100	2,305,840	100	1,465,993	100	-55%	-28%
Operating costs	(310,767)	(30)	(684,318)	(30)	(438,796)	(30)		
Operating margin	737,508	70	1,621,522	70	1,027,197	70	-55%	-28%
Selling expenses	(113,166)	(11)	(144,215)	(6)	(135,528)	(9)		
G&A expenses	(110,813)	(10)	(129,181)	(6)	(81,923)	(6)		
R&D expenses	(270,770)	(26)	(381,166)	(16)	(240,454)	(16)		
Total operating expenses	(494,749)	(47)	(654,562)	(28)	(457,905)	(31)	-24%	8%
Operating income	242,759	23	966,960	42	569,292	39	-75%	-57%
Non-operating G&L	318,721	31	(49,053)	(2)	110,708	7	-750%	188%
Profit before income tax	561,480	54	917,907	40	680,000	46		
Income tax expense	(95,521)	(9)	(228,244)	(10)	(81,779)	(5)		
Net income	465,959	45	689,663	30	598,221	41	-32%	-22%
Other comprehensive income	54,322	5	(12,531)	(1)	12,736	1		
Total comprehensive income	520,281	50	677,132	29	610,957	42		
Basic EPS	6.64		9.69		8.43		-31%	-21%

Balance Sheet (Consolidated)

Page 12

(In NT\$ Thousands)

	3Q15	%	2Q15	%	3Q14	%
Cash and cash equivalents	9,784,463	62	8,379,252	50	5,577,977	43
Financial assets at fair value through profit or loss	613,368	4	918,364	6	1,100,255	9
Bond investment without active markets-current	-	-	833,220	5	2,159,820	17
Accounts receivable	1,429,793	9	3,098,759	18	1,479,361	11
Other receivables	5,761	-	8,351	-	31,050	-
Inventories	2,720,597	17	2,368,490	14	1,783,096	14
Prepayments	100,562	1	120,000	1	93,366	1
Other current assets	45,742	-	29,647	-	5,048	-
Available-for-sale financial assets-noncurrent	32,524	-	7,450	-	4,412	-
Property, plant and equipment	958,395	6	965,529	6	584,277	5
Intangible assets	23,504	-	24,709	-	13,206	-
Deferred income tax assets	50,129	1	50,129	-	48,626	-
Other assets	9,601	-	7,990	-	8,201	-
Total assets	15,774,439	100	16,811,890	100	12,888,695	100
Accounts payable	197,546	1	226,757	1	120,654	1
Other payables	1,640,241	10	3,077,646	18	901,429	7
Current income tax liabilities	123,152	1	229,700	2	158,543	1
Provision for liabilities-current	1,693,059	11	1,687,980	10	1,219,852	10
Other current liabilities	81,331	1	81,972	-	15,223	-
Non-current liabilities	95,257	-	85,167	1	72,947	-
Equity	11,943,853	76	11,422,668	68	10,400,047	81
Total liabilities and equity	15,774,439	100	16,811,890	100	12,888,695	100

Statement of Cash Flow (Consolidated)

Page 13

(In NT\$ Thousands)

	<u>9 months ended Sep 30, 2015</u>	<u>9 months ended Sep 30, 2014</u>
Cash at beginning of period	7,396,471	5,370,702
Cash inflow from operating activities	2,576,872	2,083,569
Decrease (Icrease) in financial assets at fair value through profit or loss	491,873	(1,100,000)
Acquisition of bond investments without active markets-current	1,257,760	731,265
Acquisition of PP&E	(308,550)	(369,770)
Distribution of cash dividend	(1,562,000)	(1,136,000)
Other activities	(67,963)	(1,789)
Cash at end of period	<u>9,784,463</u>	<u>5,577,977</u>

- Macro uncertainties result in soft end market demand and negative impact on capital spending in 2015, but demand for EBI remain strong in the long-term prospect
 - expect m-to-m or Q-to-Q fluctuation
 - weak 3Q, stabilizing in 4Q
- Key growth drivers for EBI in 2016
 - logic: 10nm ramp up and 7nm R&D
 - memory: vertical structure
- HMI's technology leadership is at comfortable distance with competitors and target to widen the gap through intensive R&D investment

Q & A

[http://www.hermes-microvision.com/
investor@hermes-microvision.com](http://www.hermes-microvision.com/investor@hermes-microvision.com)