

Primax 4915 TT

26 February 2021

4Q20 Financial

PRIMAX



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- Primax's presentation contains forward-looking statements subject to significant risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In this context, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions.
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- All forward-looking statements in this presentation are based on information available to us as of the date hereof, we undertake no obligation to update these forward-looking statements for new information, future events, otherwise, or update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

4Q2020 Income Statement

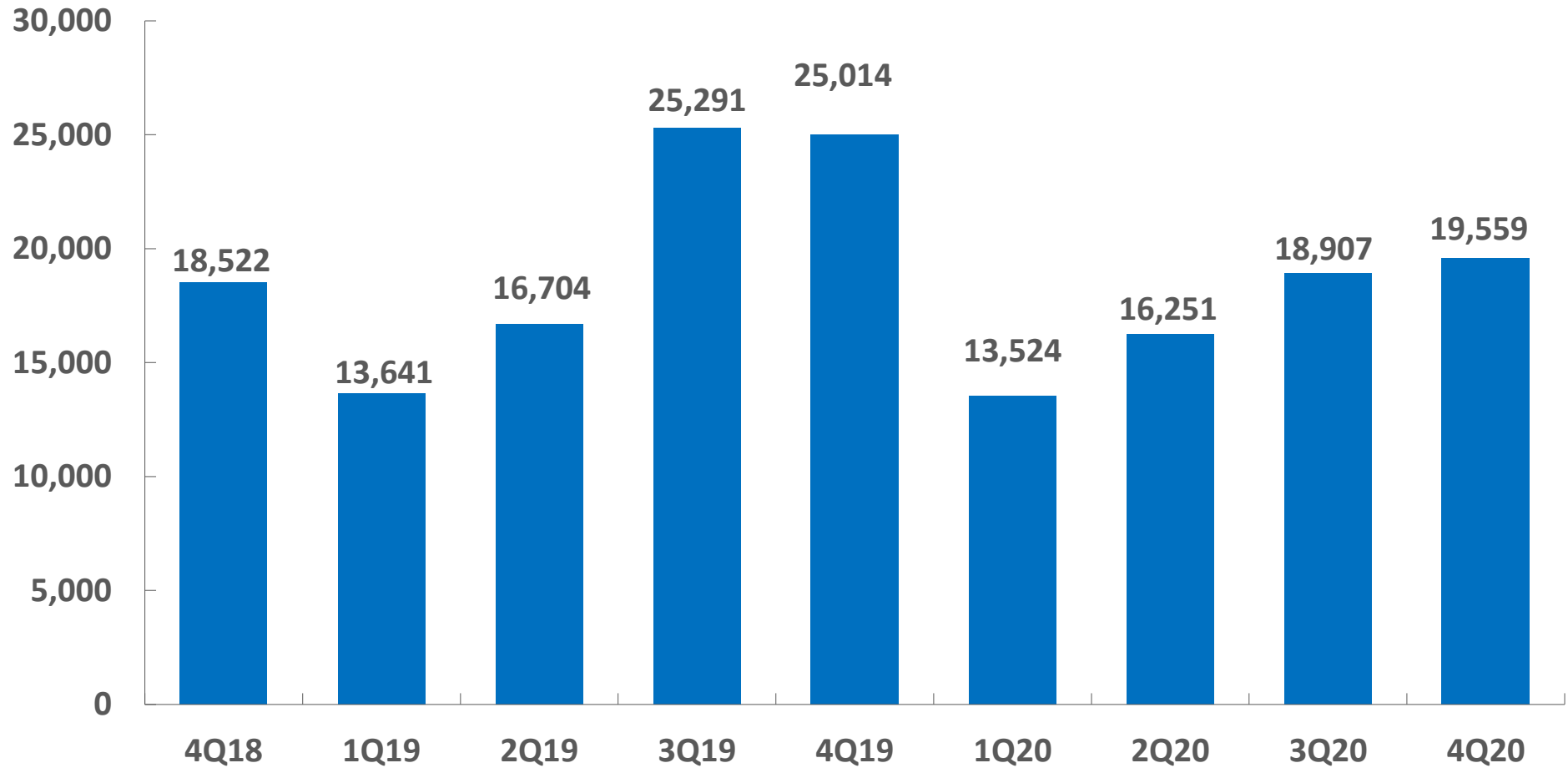


Amount : NTD M	Q4 20	Q3 20	Q4 19	QoQ	YoY
Net Sales	19,559	18,907	25,014	3.5%	-21.8%
COGS	17,269	16,452	22,078		
Gross Profit	2,290	2,454	2,936	-6.7%	-22.0%
Gross Margin	11.7%	13.0%	11.7%	-1.3%	0.0%
Operating Expense	1,490	1,558	2,002		
Operating Expense %	7.6%	8.2%	8.0%	-0.6%	-0.4%
Operating Income	801	896	934	-10.6%	-14.3%
Operating Margin	4.1%	4.7%	3.7%	-0.6%	0.4%
Non-operating Items	(254)	168	(52)		
Income before Tax	547	1,063	882	-48.6%	-38.0%
Income Tax	109	235	193		
Net Income	438	828	689	-47.1%	-36.4%
Net Margin	2.2%	4.4%	2.8%	-2.1%	-0.5%
Net income attributed to Primax	367	773	602	-52.5%	-39.0%
EPS (NT\$)	0.82	1.73	1.35		

Quarterly Sales



Amount : NTD M

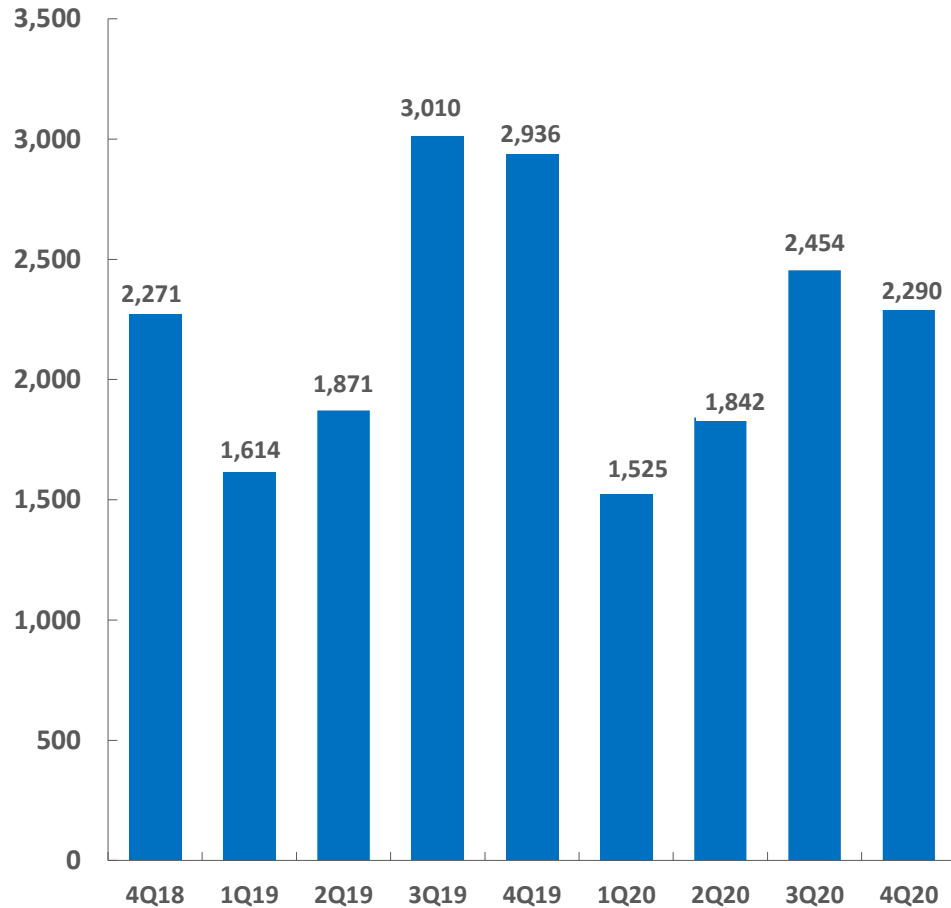


Gross Profit & Gross Margin

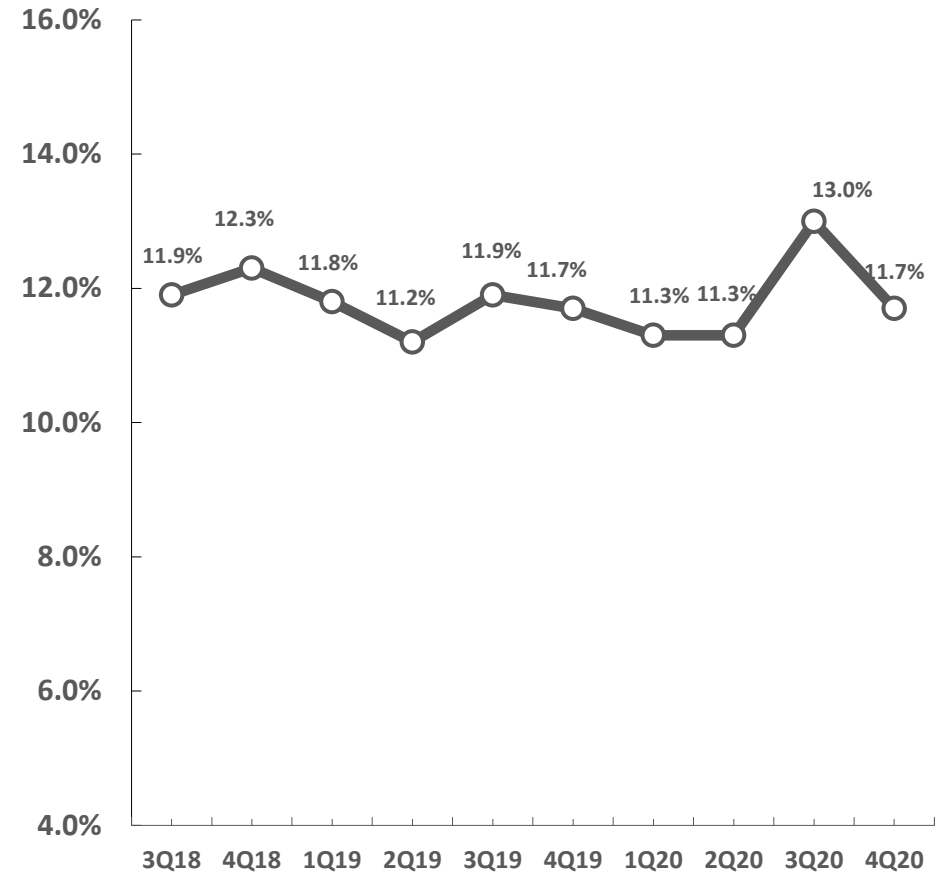


Gross Profit

Amount : NTDM



Gross Margin

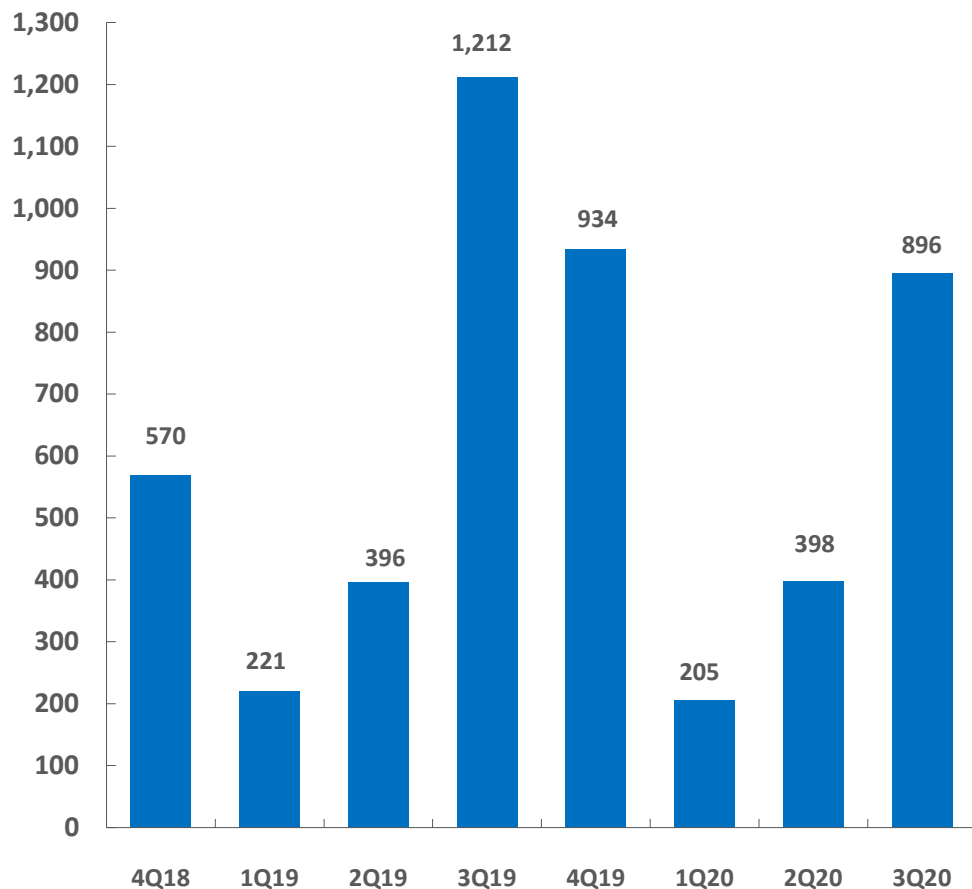


Operating Income & Operating Margin

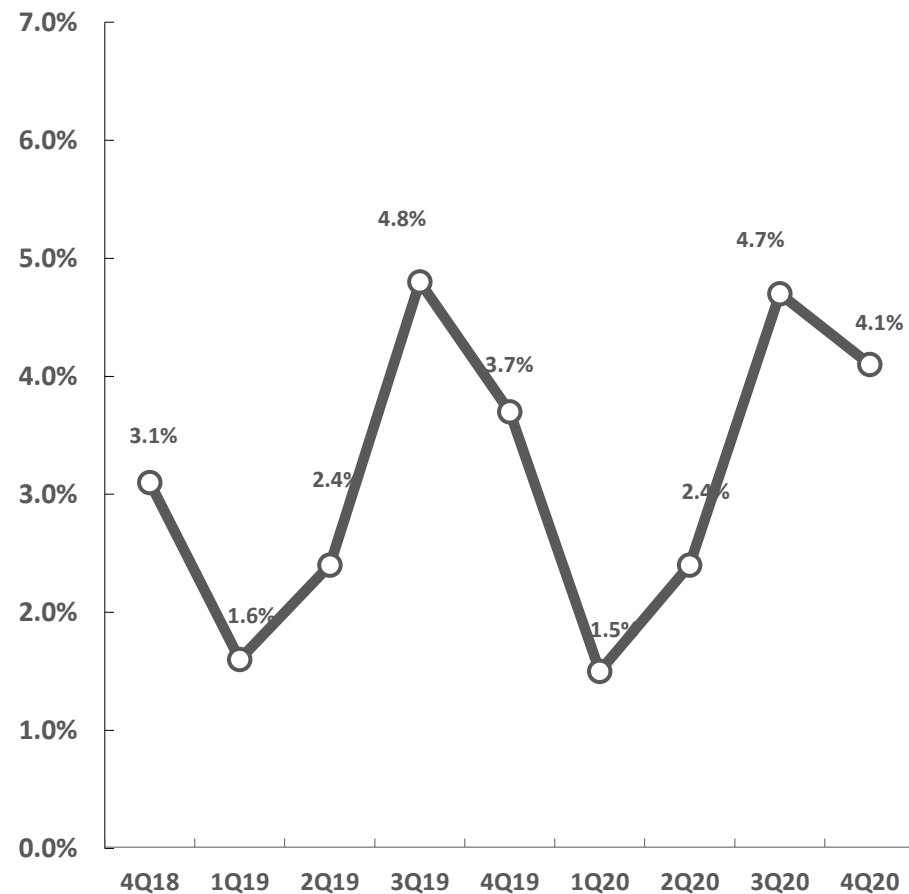


Operating Income

Amount : NTD M



Operating Margin

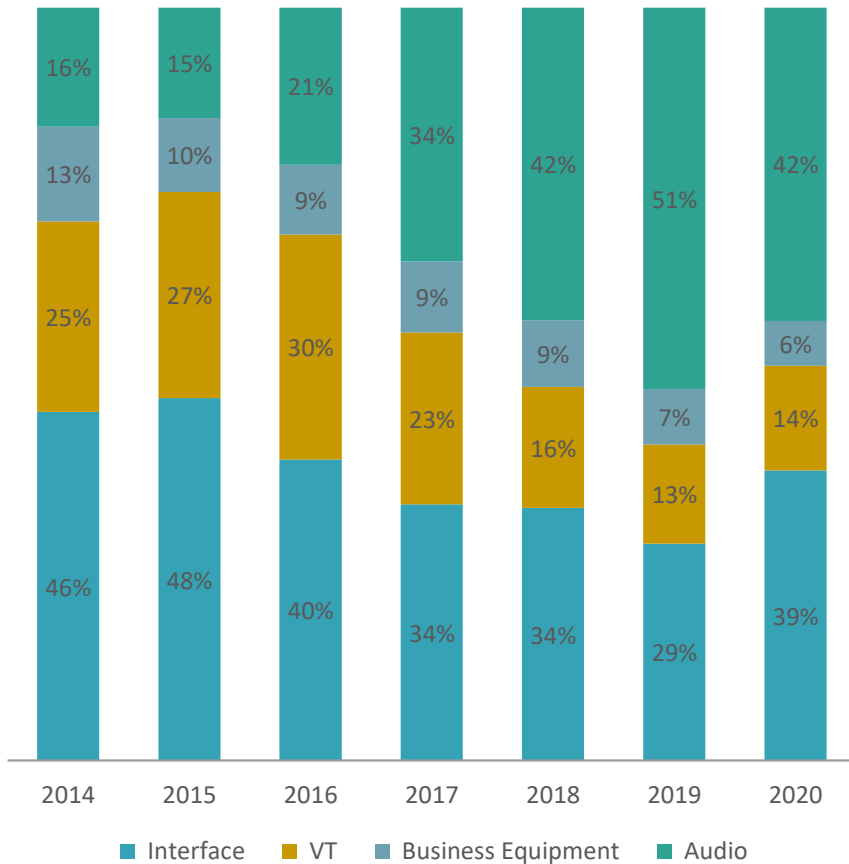


2020 Income Statement

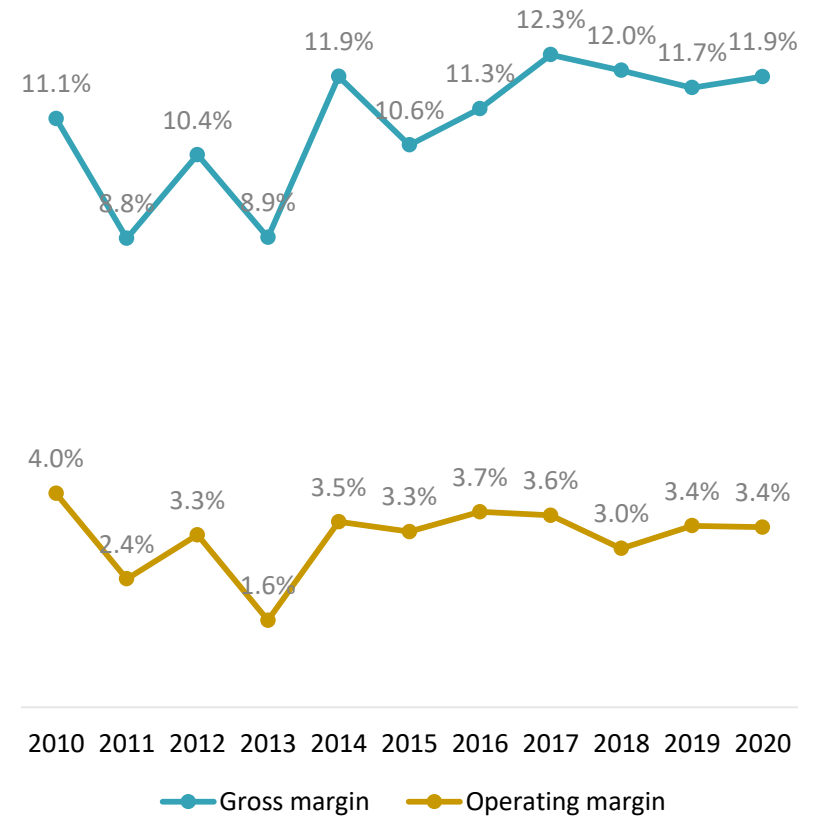


Amount : NTD M	2020	2019	YoY
Net Sales	68,241	80,650	-15.4%
COGS	60,130	71,219	
Gross Profit	8,111	9,431	-14.0%
Gross Margin	11.9%	11.7%	0.2%
Operating Expense	5,811	6,668	
Operating Expense %	8.5%	8.3%	0.2%
Operating Income	2,300	2,763	-16.8%
Operating Margin	3.4%	3.4%	0.0%
Non-operating Items	179	151	
Income before Tax	2,478	2,914	-14.9%
Income Tax	534	651	
Net Income	1,944	2,263	-14.1%
Net Margin	2.8%	2.8%	0.0%
Net income attributed to Primax	1,919	2,135	-10.1%
EPS (NT\$)	4.30	4.80	

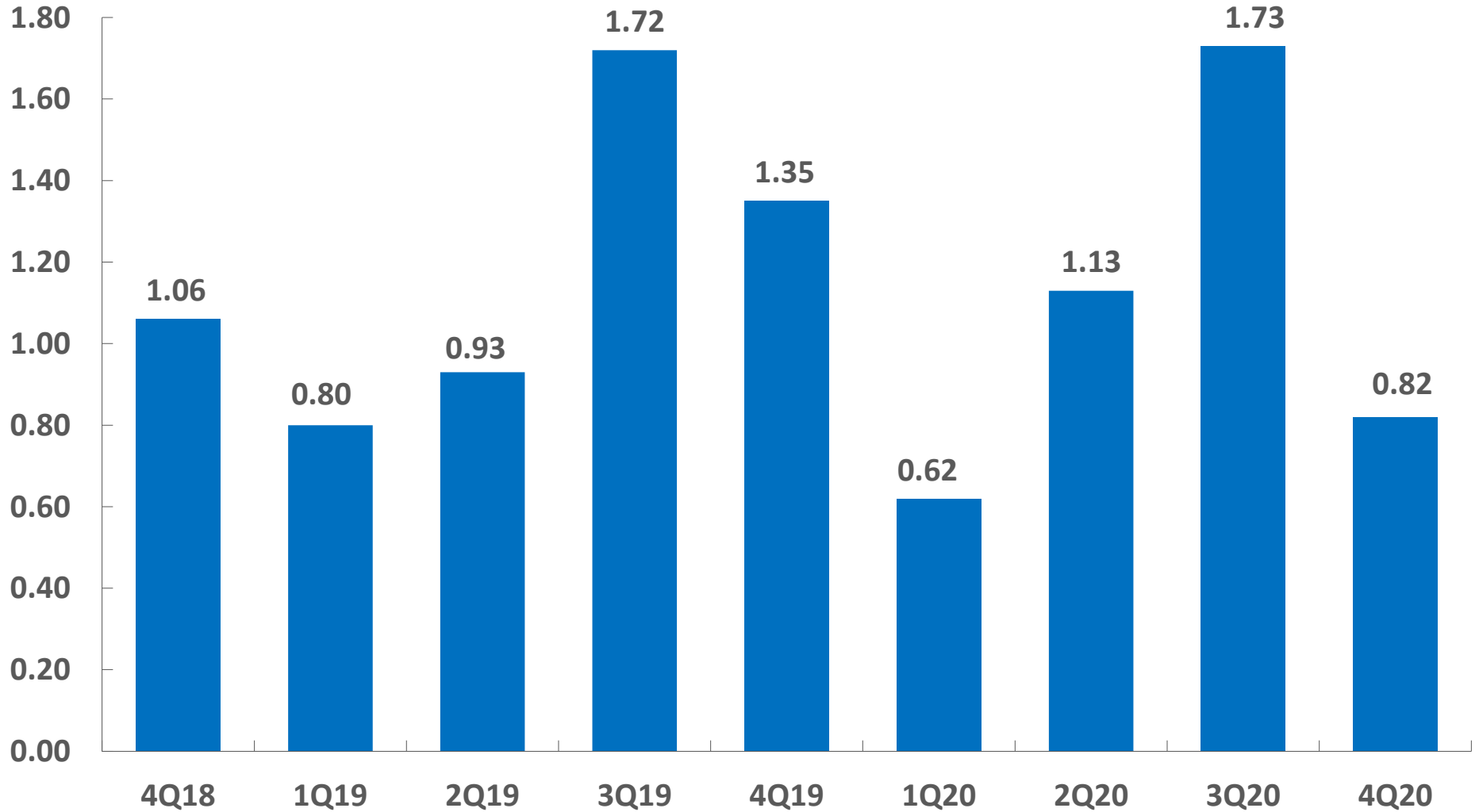
Sales by segment and Margin trend



Note: Audio represents revenue contribution from Tympany
 Note: VT= Visual Technology



Amount : NTD



2020 Balance Sheet



Selected items from Balance Sheet (Amount : NTD M)	2020/12/31		2019/12/31	
	Amt	%	Amt	%
Cash	6,935	15%	6,701	13%
Notes and Accounts receivable	13,579	29%	19,197	36%
Inventory	10,247	22%	10,493	20%
Total Current Assets	35,110	74%	39,323	74%
Fixed Assets	6,542	14%	7,364	14%
Total Assets	47,307	100%	53,146	100%
Notes and Accounts Payable	19,001	40%	23,745	45%
S-T Borrowings	905	2%	1,092	2%
CPLTD	75	0%	28	0%
Total Current Liabilities	27,941	59%	33,563	63%
L-T Borrowings	681	1%	151	0%
Total Liabilities	31,806	67%	38,642	73%
Total Equity	15,501	33%	14,504	27%

Key Indices	2020/12/31	2019/12/31
AR Turnover (days)	81	78
AP Turnover (days)	118	118
Inventory Turnover (days)	53	48
Cash Conversion Cycle (days)	16	8
Current Ratio (%)	125.7	117.2
Total Liabilities-to-Assets Ratio (%)	67.2	72.7
Return on Equity-annualized (%)	13.0%	15.4%

2020 Cashflow Statement



Amount : NTD M	2020	2019
From Operation	3,961	6,628
- Income Before Tax	2,478	2,914
- Depreciation and Amortization	2,230	2,190
- Notes and Accounts Receivable	5,630	(3,111)
- Notes and Accounts Payable	(4,744)	5,450
- Inventory	(39)	(3,327)
- Other Operating Sources / (Uses)	(1,594)	2,511
From Investment	(2,796)	(3,579)
- Fixed Assets	(2,689)	(3,485)
- Other Investing Sources / (Uses)	(107)	(94)
From Financing	(975)	(1,098)
- S-T Borrowings	(187)	125
- L-T Borrowings	577	88
- Cash Dividend	(1,077)	(1,114)
- Other Financing Sources / (Uses)	(288)	(197)
Net Cash Position Change	190	1,951
Effect of Foreign Currency Exchange Translation	44	(241)
Cash at Beginning of Year	6,701	4,990
Ending Cash Balance	6,935	6,701



- ❖ **Intelligence Interface segment** :PC and gaming peripheral demand remain robust thanks to WFH(work from home), High growth from new business such as SmartHome, Docking, and Wireless charging
- ❖ **Visual Technology segment** : ADAS (apply to EV and advanced driving assistance system) likely show multiple growth thanks to US based EV customer. Increase higher margin non-smartphone camera module mix
- ❖ **Audio Segment**: Chiefly due to consumer audio and video conference demands, coupled with new projects kick-off, audio profitability will improve significantly on YoY basis.
- ❖ **Increase high value-added product mix**: Our strategy to gradually increase commercial and industrial contribution from AIOT(eg. Fleet management, law enforcement policy body camera) and SmartHome (Smartlock and Smartdoorbell), inject the next new wave of growth drivers
- ❖ **Diversify capacity: Thailand manufacturing site will be ready by end of 4Q01**



❖ Sales outlook: Optimistically positive, Anticipate positive YoY growth

- Due to Cov-19, WFH demand lead to overall strength in PC/Gaming/consumer segments, customers order aggressively
- Car electronics demand continue to grow robustly(ADAS camera module applied to EV and advanced driving assistance), smartphone camera module demand also pull-in in 1Q21
- Home audio and conference products demand carry over growth, new projects kick off

❖ Profit Outlook: Improve and optimize gross margin and operating margin

- Anticipate overall gross margin and operating margin significant improvement compared to 1Q20
- Intelligence interface: Profitability will remain solid thanks to strong PC/gaming demand
- Visual Technology: Chiefly due to rising car ADAS contribution, profit will show substantial Y growth
- Audio: Improve customer structure and increase high-end premium audio mix, audio profit will stabilize

❖ Increase key components inventory by 6-8weeks(IC/EE parts) to prevent shortage

❖ Outstanding financial management, reduce currency impact