

# PRiMAX



**Primax Electronics (4915 TT)**

**2Q20 Earnings Conference**

**31 Jul 2020**

# 2Q20 Result



## Record Q2 EPS

Amount : NTD M

	Q2 20	Q1 20	Q2 19	QoQ	YoY
<b>Net Sales</b>	<b>16,251</b>	<b>13,524</b>	<b>16,704</b>	<b>20.2%</b>	<b>-2.7%</b>
<b>COGS</b>	<b>14,410</b>	<b>11,999</b>	<b>14,833</b>		
<b>Gross Profit</b>	<b>1,842</b>	<b>1,525</b>	<b>1,871</b>	<b>20.7%</b>	<b>-1.6%</b>
<i>Gross Margin</i>	<i>11.3%</i>	<i>11.3%</i>	<i>11.2%</i>	<i>0.1%</i>	<i>0.1%</i>
<b>Operating Expense</b>	<b>1,444</b>	<b>1,320</b>	<b>1,475</b>		
<i>Operating Expense %</i>	<i>8.9%</i>	<i>9.8%</i>	<i>8.8%</i>	<i>-0.9%</i>	<i>0.1%</i>
<b>Operating Income</b>	<b>398</b>	<b>205</b>	<b>396</b>	<b>93.8%</b>	<b>0.5%</b>
<i>Operating Margin</i>	<i>2.4%</i>	<i>1.5%</i>	<i>2.4%</i>	<i>0.9%</i>	<i>0.1%</i>
<b>Non-operating Items</b>	<b>204</b>	<b>60</b>	<b>92</b>		
<b>Income before Tax</b>	<b>602</b>	<b>266</b>	<b>488</b>	<b>126.8%</b>	<b>23.5%</b>
<b>Income Tax</b>	<b>132</b>	<b>58</b>	<b>110</b>		
<b>Net Income</b>	<b>470</b>	<b>207</b>	<b>378</b>	<b>127.0%</b>	<b>24.6%</b>
<i>Net Margin</i>	<i>3%</i>	<i>2%</i>	<i>2%</i>	<i>1%</i>	<i>1%</i>
<b>Net income attributed to Primax</b>	<b>503</b>	<b>276</b>	<b>413</b>	<b>82%</b>	<b>22%</b>
<b>EPS (NT\$)</b>	<b>1.13</b>	<b>0.62</b>	<b>0.93</b>		

# 2Q20 YTD Result



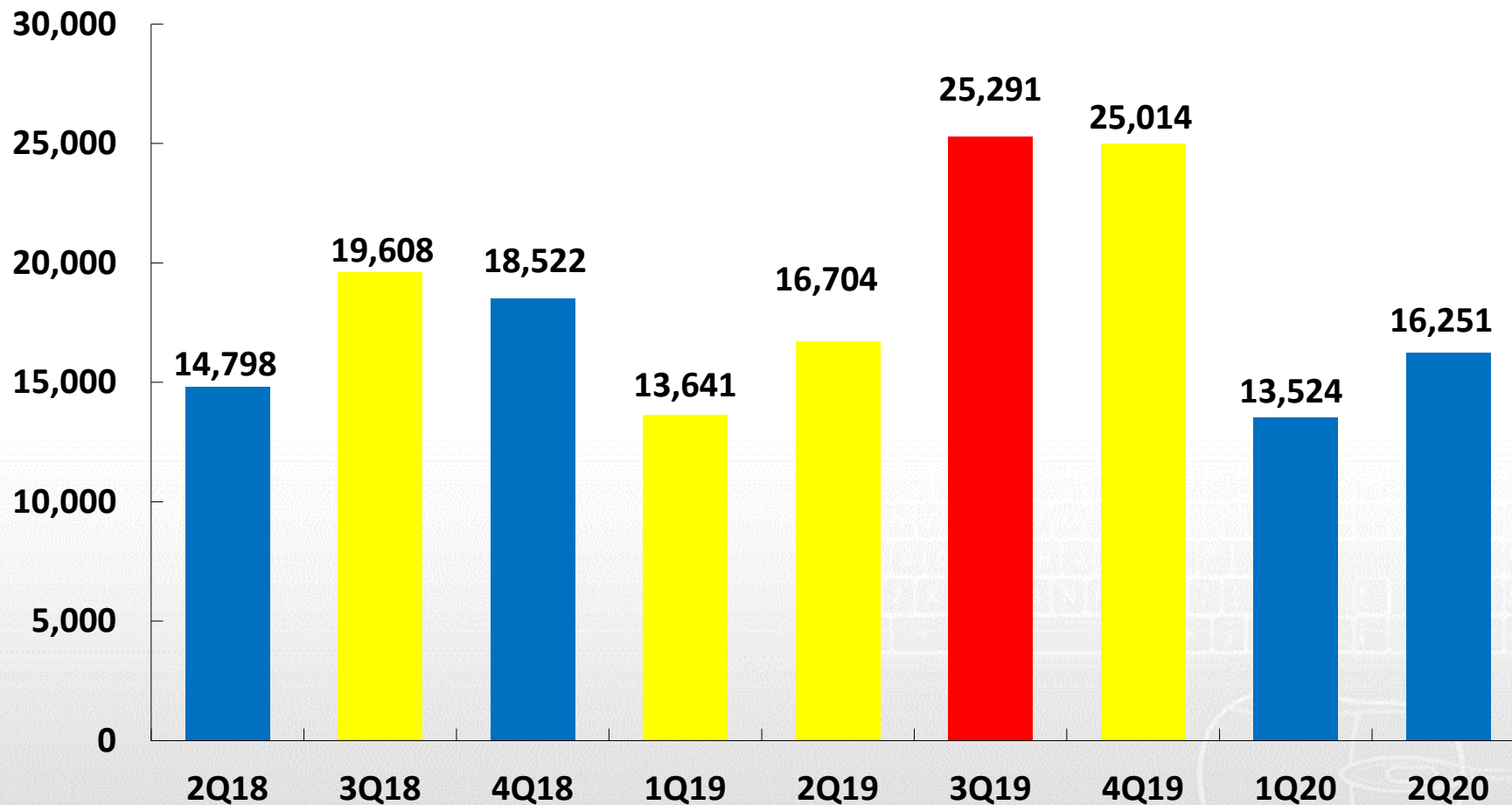
Amount : NTD M

	Q2 20 YTD	Q2 19 YTD	YoY
<b>Net Sales</b>	<b>29,776</b>	<b>30,345</b>	<b>-1.9%</b>
<b>COGS</b>	<b>26,409</b>	<b>26,861</b>	
<b>Gross Profit</b>	<b>3,367</b>	<b>3,485</b>	<b>-3.4%</b>
<i>Gross Margin</i>	<i>11.3%</i>	<i>11.5%</i>	<i>-0.2%</i>
<b>Operating Expense</b>	<b>2,763</b>	<b>2,868</b>	
<i>Operating Expense %</i>	<i>8.9%</i>	<i>9.5%</i>	<i>-0.6%</i>
<b>Operating Income</b>	<b>603</b>	<b>617</b>	<b>-2.2%</b>
<i>Operating Margin</i>	<i>2.4%</i>	<i>2.0%</i>	<i>0.4%</i>
<b>Non-operating Items</b>	<b>265</b>	<b>248</b>	
<b>Income before Tax</b>	<b>868</b>	<b>865</b>	<b>0.3%</b>
<b>Income Tax</b>	<b>190</b>	<b>195</b>	
<b>Net Income</b>	<b>678</b>	<b>670</b>	<b>1.1%</b>
<i>Net Margin</i>	<i>2.9%</i>	<i>2.2%</i>	<i>0.7%</i>
<b>Net income attributed to Primax</b>	<b>779</b>	<b>769</b>	<b>1.3%</b>
<b>EPS (NT\$)</b>	<b>1.75</b>	<b>1.73</b>	

# Quarterly Sales



Amount : NTD M

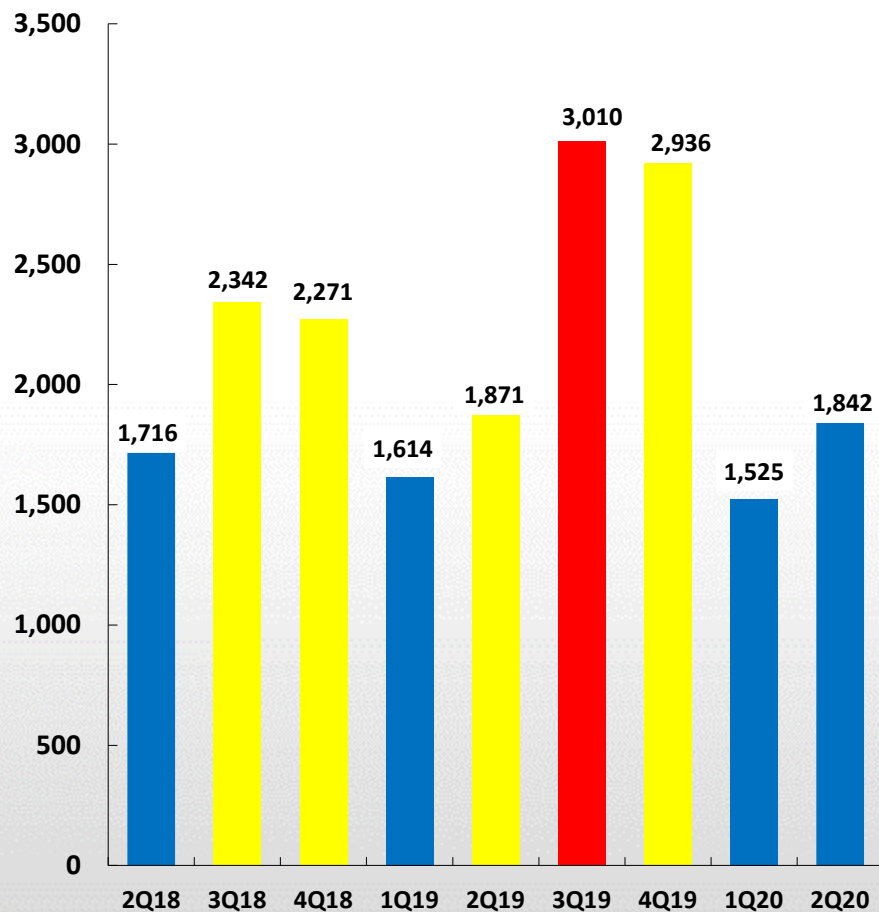


# Gross Profit 、 Gross Margin

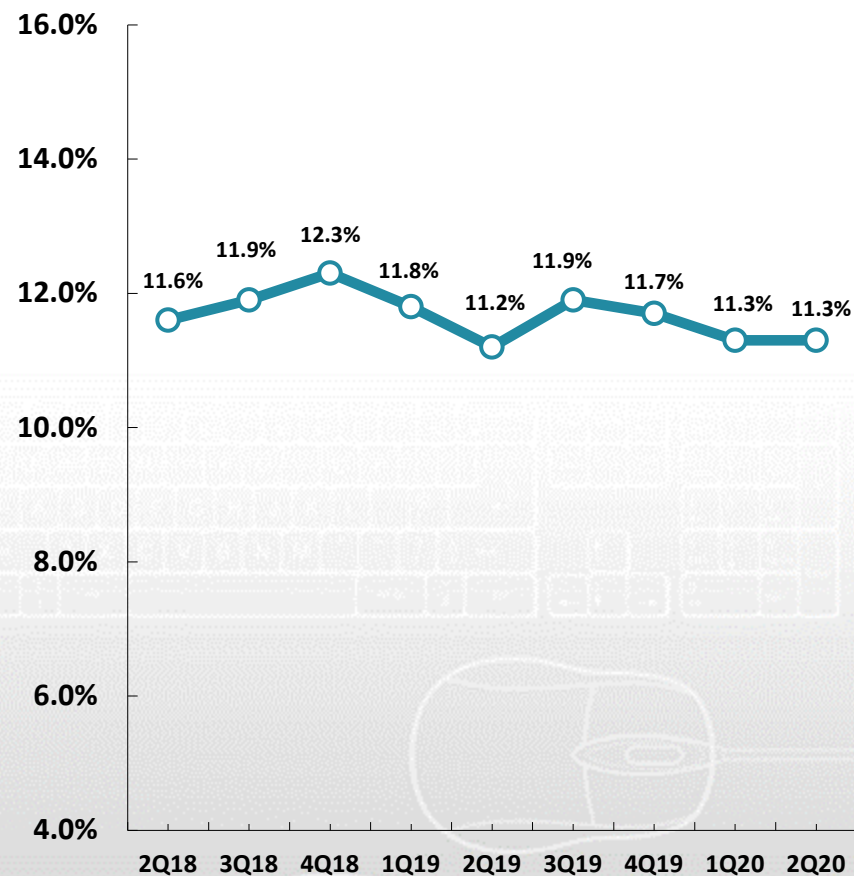


## Gross Profit

Amount : NTD M



## Gross Margin

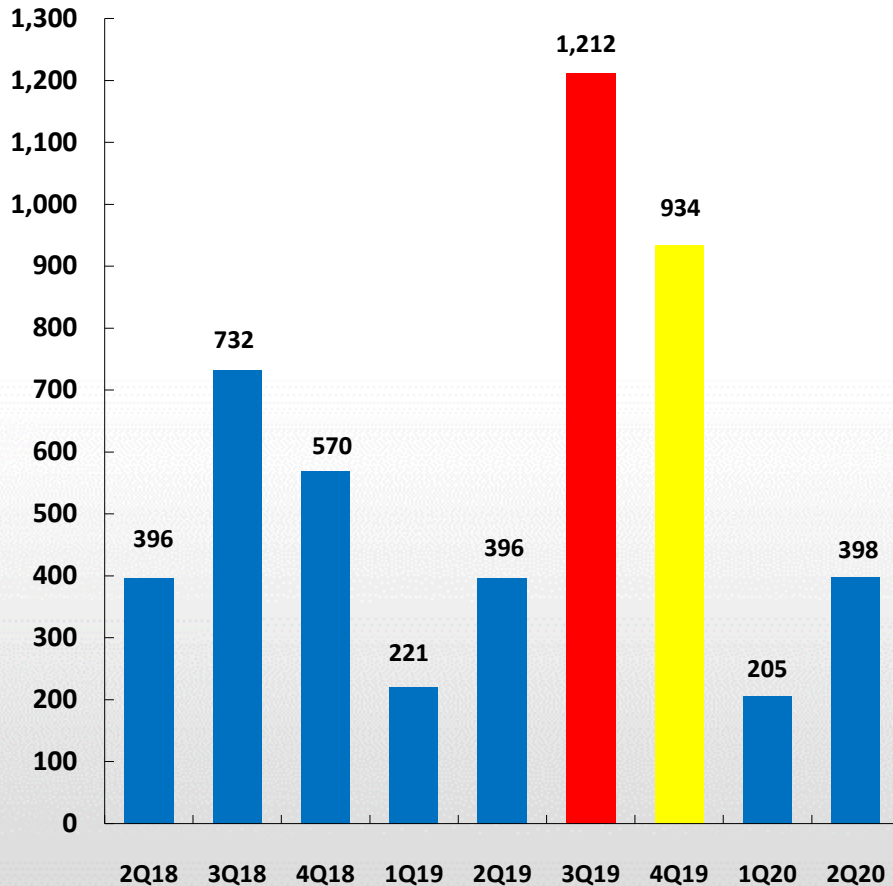


# Operating Income 、 Operating Margin

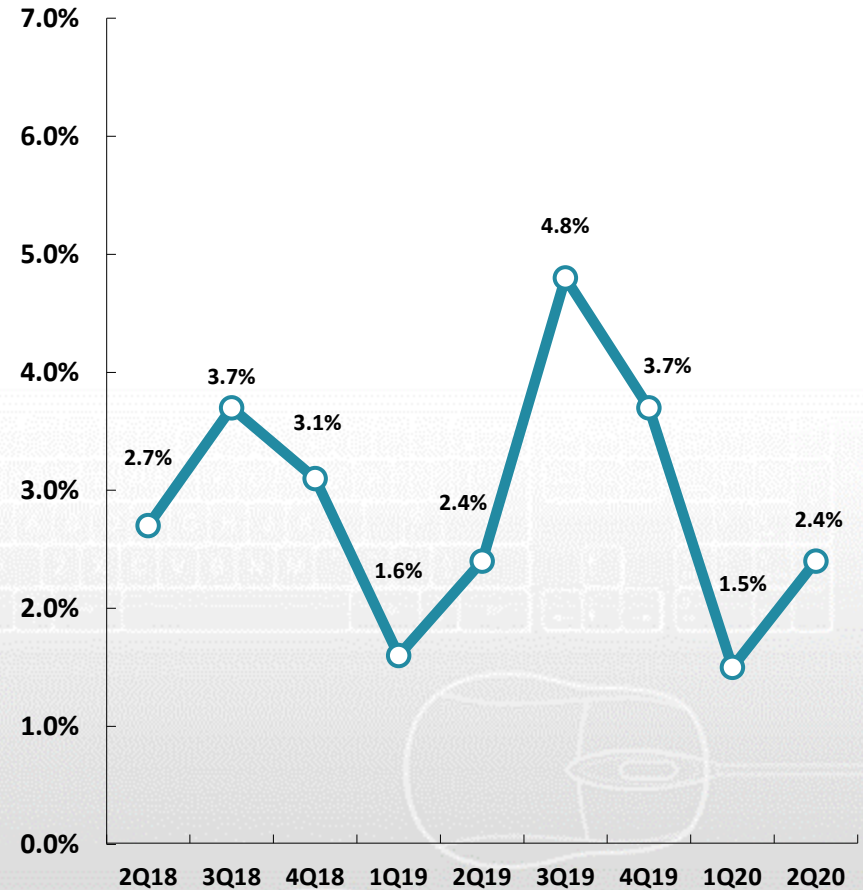


## Operating Income

Amount : NTD M

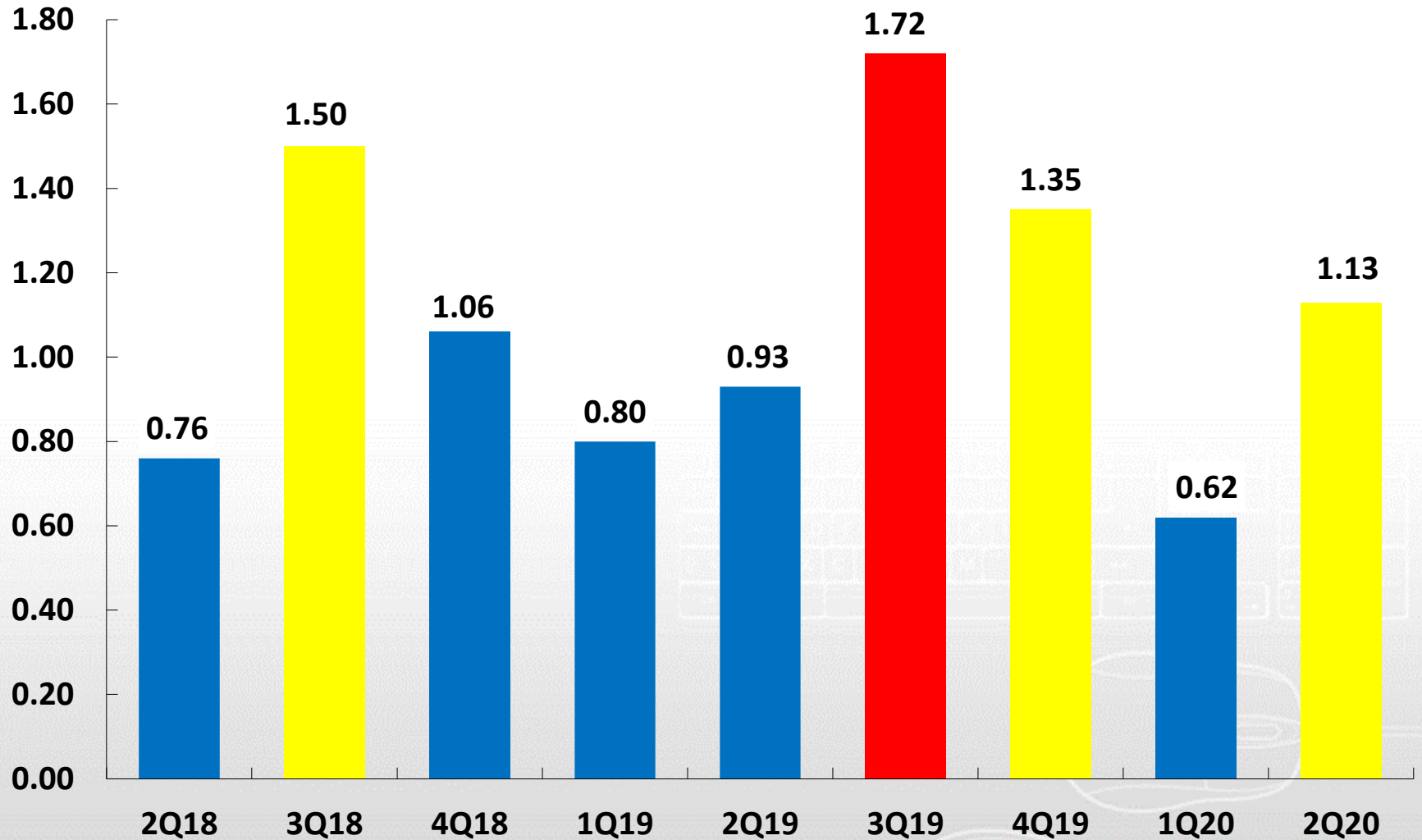


## Operating Margin





Amount : NTD



# 2Q20 Balance Sheet



Selected items from Balance Sheet

(Amount : NTD M)

	2020/6/30		2019/6/30	
	Amt	%	Amt	%
Cash	10,958	24%	4,333	10%
Notes and Accounts receivable	11,967	26%	14,325	32%
Inventory	7,241	16%	8,169	18%
<b>Total Current Assets</b>	<b>33,569</b>	<b>73%</b>	<b>30,045</b>	<b>68%</b>
Fixed Assets	6,389	14%	6,688	15%
<b>Total Assets</b>	<b>46,251</b>	<b>100%</b>	<b>44,281</b>	<b>100%</b>
Notes and Accounts Payable	12,557	27%	14,592	33%
S-T Borrowings	7,678	17%	3,642	8%
CPLTD	0	0%	68	0%
<b>Total Current Liabilities</b>	<b>28,406</b>	<b>61%</b>	<b>25,694</b>	<b>58%</b>
L-T Borrowings	222	0%	205	0%
<b>Total Liabilities</b>	<b>32,516</b>	<b>70%</b>	<b>29,597</b>	<b>67%</b>
<b>Total Equity</b>	<b>13,736</b>	<b>30%</b>	<b>14,684</b>	<b>33%</b>



# 2Q20 Cash Flow



Amount : NTD M

	Q2 20 YTD	Q2 19 YTD
<b>From Operation</b>	<b>(647)</b>	<b>(962)</b>
- Income Before Tax	868	865
- Depreciation and Amortization	1,135	1,081
- Notes and Accounts Receivable	7,246	2,058
- Notes and Accounts Payable	(11,188)	(3,855)
- Inventory	3,080	(421)
- Other Operating Sources / (Uses)	(1,788)	(688)
<b>From Investment</b>	<b>(1,378)</b>	<b>(2,056)</b>
- Fixed Assets	(1,305)	(2,109)
- Other Investing Sources / (Uses)	(73)	53
<b>From Financing</b>	<b>6,485</b>	<b>2,260</b>
- S-T Borrowings	6,586	2,439
- L-T Borrowings	44	(34)
- Other Financing Sources / (Uses)	(145)	(145)
<b>Net Cash Position Change</b>	<b>4,460</b>	<b>(758)</b>
<b>Effect of Foreign Currency Exchange Translation</b>	<b>(203)</b>	<b>100</b>
<b>Cash at Beginning of Year</b>	<b>6,701</b>	<b>4,990</b>
<b>Ending Cash Balance</b>	<b>10,958</b>	<b>4,333</b>

# 2H20 Outlook



- ❖ **Maintain Stable Earning Structure      Control Expense**
- ❖ **Covid NB 、 Gaming Demand Continues**
- ❖ **Visual Technology New Progress in  
Police Body Cam, ADAS Cam & Smart Home**
- ❖ **Thailand Site Go MP**
- ❖ **Solid Financial Management to Generate Financial Income**





## Post COVID

- ❖ **Deferred New Projects to Contribute Revenues Substantially**
- ❖ **Tymphony New Headphone & Premium Audio Projects go MP**
- ❖ **New Visual Technology Project MP from  
Police Body Cam 、 ADAS Cam 、 Smart Home 、 Fleet Management**
- ❖ **Visual & Acoustic Integrated Smart Products**
- ❖ **Stable PC & Biz Equipment**
- ❖ **Thailand Manufacturing Site to Account ~5% Output  
Diversifying Concentration Risk**





# PRIMAX



**Thank you!**



- ❖ All figures stated above are unaudited and subject to audit amendments
- ❖  Record Quarter
-  Historical Record High





- ❖ We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us.
- ❖ We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events in the conference might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

