

# Primax Electronics 4915 TT

29 Oct 2020

3Q20 Earnings Conference

**PRIMAX**





## Record EPS 、 2<sup>nd</sup> High GM 、 OPM

Amount : NTDM

	Q3 20	Q2 20	Q3 19	QoQ	YoY
<b>Net Sales</b>	<b>18,907</b>	<b>16,251</b>	<b>25,291</b>	<b>16.3%</b>	<b>-25.2%</b>
<b>COGS</b>	<b>16,452</b>	<b>14,410</b>	<b>22,280</b>		
<b>Gross Profit</b>	<b>2,454</b>	<b>1,842</b>	<b>3,010</b>	<b>33.3%</b>	<b>-18.5%</b>
<i>Gross Margin</i>	<b>13.0%</b>	11.3%	11.9%	1.6%	1.1%
<b>Operating Expense</b>	<b>1,558</b>	<b>1,444</b>	<b>1,799</b>		
<i>Operating Expense %</i>	8.2%	8.9%	7.1%	-0.6%	1.1%
<b>Operating Income</b>	<b>896</b>	<b>398</b>	<b>1,212</b>	<b>125.1%</b>	<b>-26.1%</b>
<i>Operating Margin</i>	<b>4.7%</b>	2.4%	4.8%	2.3%	-0.1%
<b>Non-operating Items</b>	<b>168</b>	<b>204</b>	<b>(45)</b>		
<b>Income before Tax</b>	<b>1,063</b>	<b>602</b>	<b>1,167</b>	<b>76.6%</b>	<b>-8.9%</b>
<b>Income Tax</b>	<b>235</b>	<b>132</b>	<b>263</b>		
<b>Net Income</b>	<b>828</b>	<b>470</b>	<b>904</b>	<b>76.1%</b>	<b>-8.3%</b>
<i>Net Margin</i>	4.4%	2.9%	3.6%	1.5%	0.8%
<b>Net income attributed to Primax</b>	<b>773</b>	<b>503</b>	<b>764</b>	<b>53.7%</b>	<b>1.2%</b>
<b>EPS (NT\$)</b>	<b>1.73</b>	<b>1.13</b>	<b>1.72</b>		

# 3Q20 YTD Result



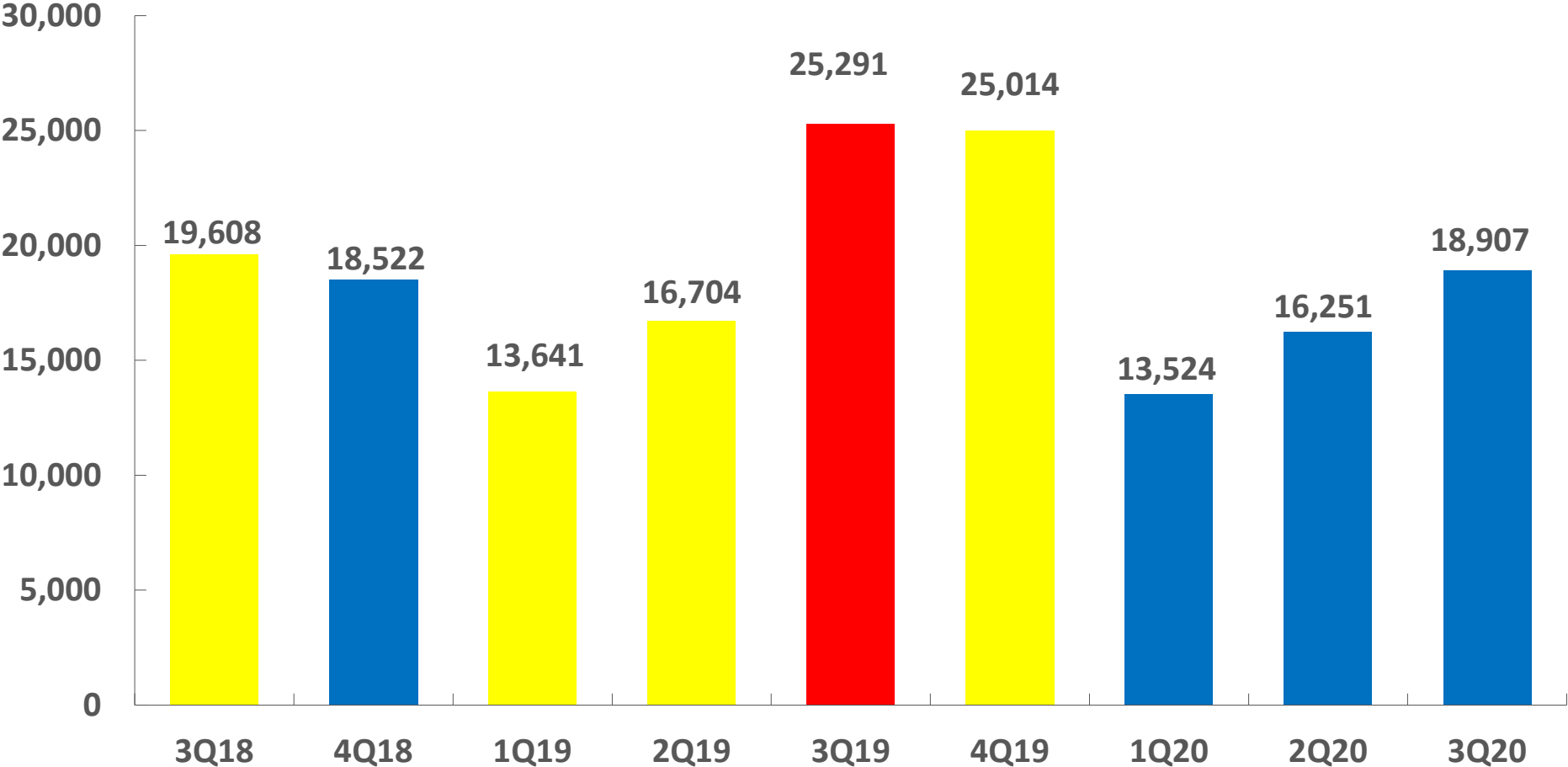
Amount : NTDM

	Q3 20 YTD	Q3 19 YTD	YoY
<b>Net Sales</b>	<b>48,682</b>	<b>55,636</b>	<b>-12.5%</b>
<b>COGS</b>	<b>42,861</b>	<b>49,141</b>	
<b>Gross Profit</b>	<b>5,821</b>	<b>6,495</b>	<b>-10.4%</b>
<i>Gross Margin</i>	<i>12.0%</i>	<i>11.7%</i>	<i>0.3%</i>
<b>Operating Expense</b>	<b>4,322</b>	<b>4,667</b>	
<i>Operating Expense %</i>	<i>8.9%</i>	<i>8.4%</i>	<i>0.5%</i>
<b>Operating Income</b>	<b>1,499</b>	<b>1,828</b>	<b>-18.0%</b>
<i>Operating Margin</i>	<i>3.1%</i>	<i>3.3%</i>	<i>-0.2%</i>
<b>Non-operating Items</b>	<b>432</b>	<b>204</b>	
<b>Income before Tax</b>	<b>1,931</b>	<b>2,032</b>	<b>-4.9%</b>
<b>Income Tax</b>	<b>425</b>	<b>458</b>	
<b>Net Income</b>	<b>1,506</b>	<b>1,574</b>	<b>-4.3%</b>
<i>Net Margin</i>	<i>3.1%</i>	<i>2.8%</i>	<i>0.3%</i>
<b>Net income attributed to Primax</b>	<b>1,552</b>	<b>1,533</b>	<b>1.3%</b>
<b>EPS (NT\$)</b>	<b>3.48</b>	<b>3.45</b>	

# Quarterly Sales

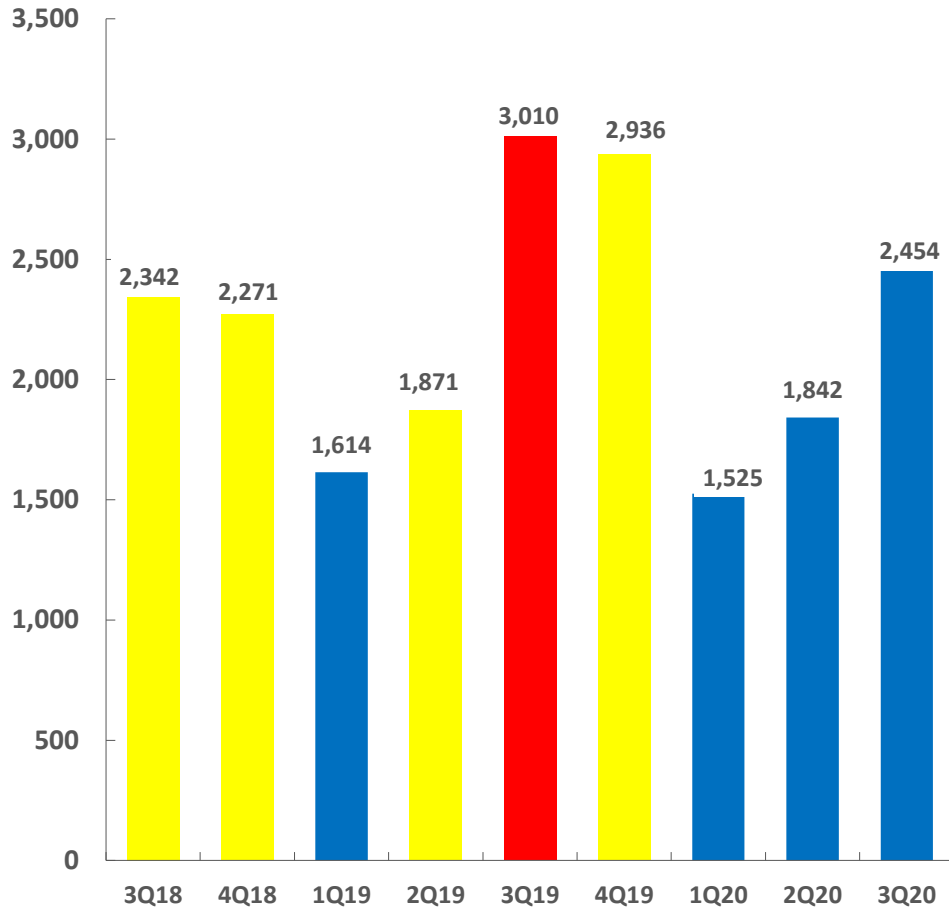


Amount : NTDM

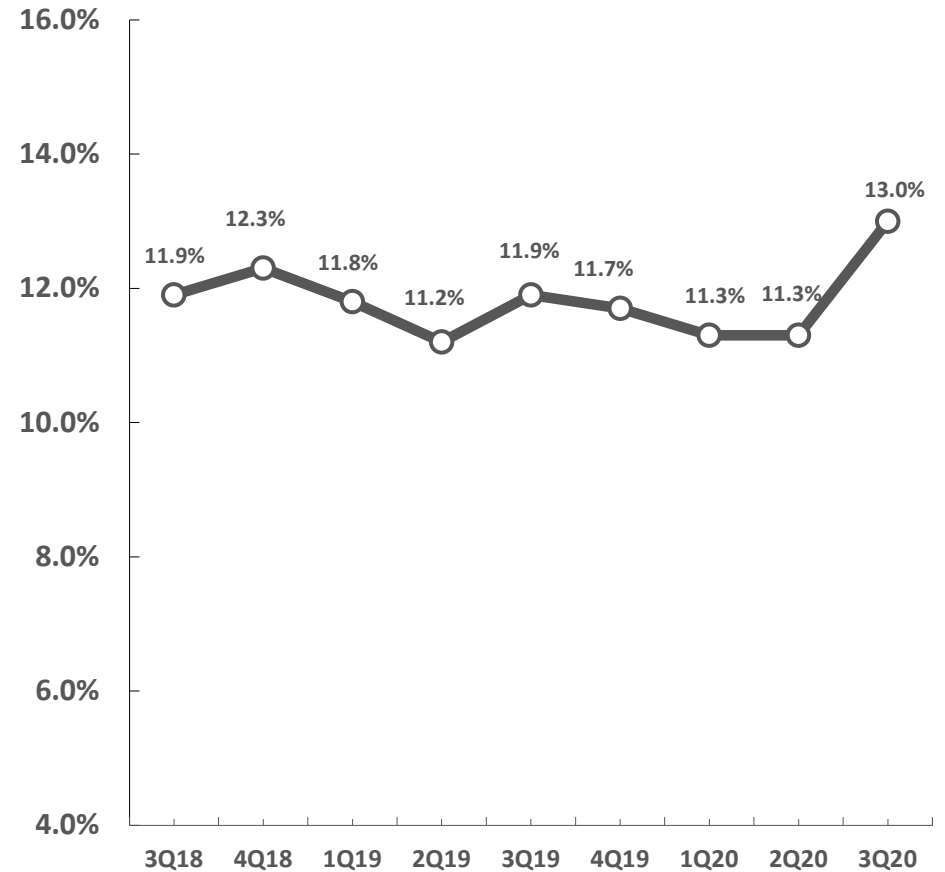


## Gross Profit

Amount : NTDM



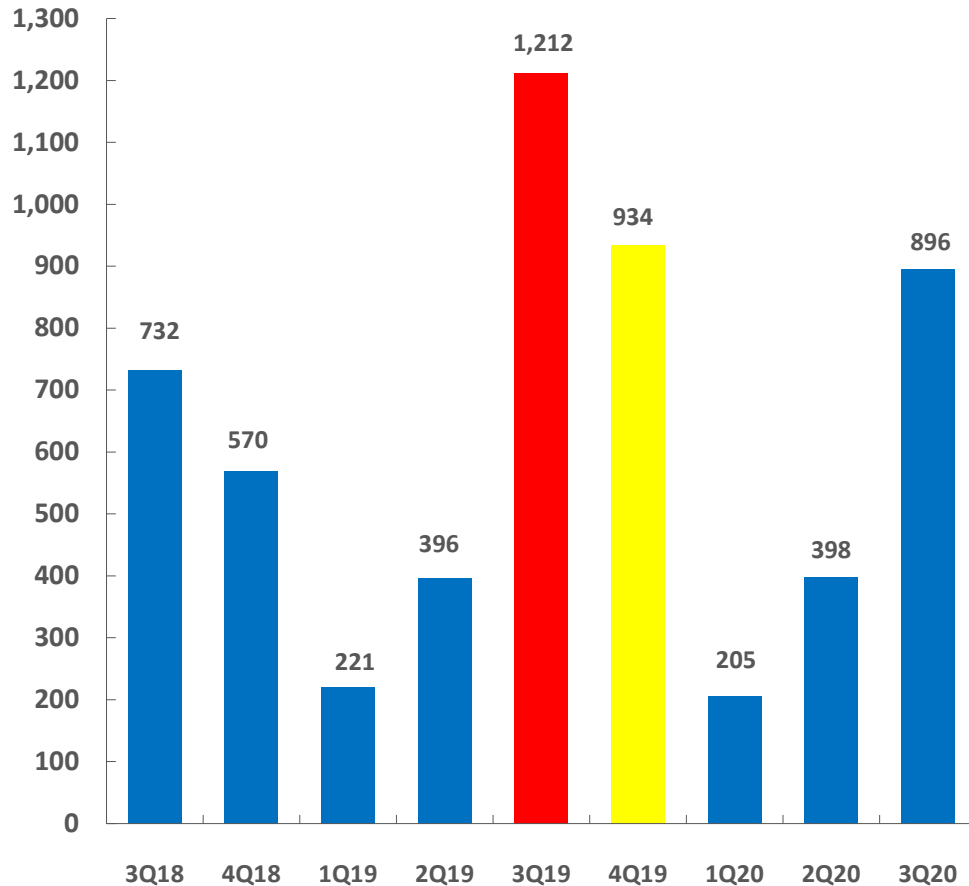
## Gross Margin



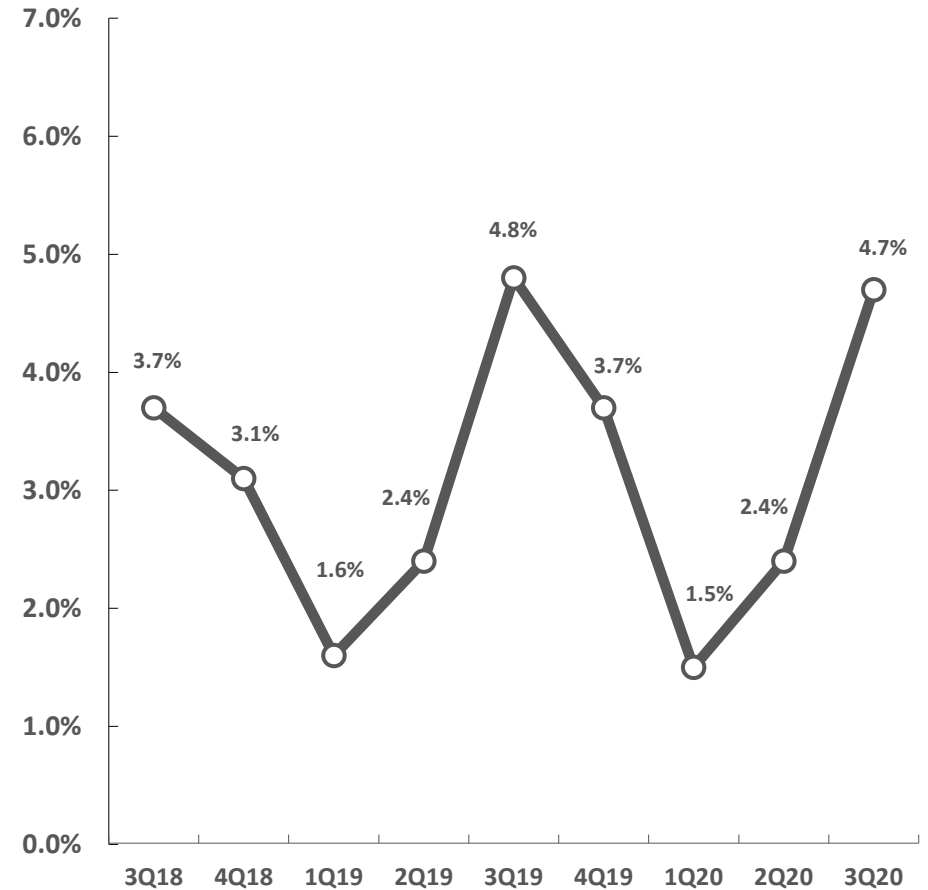


## Operating Income

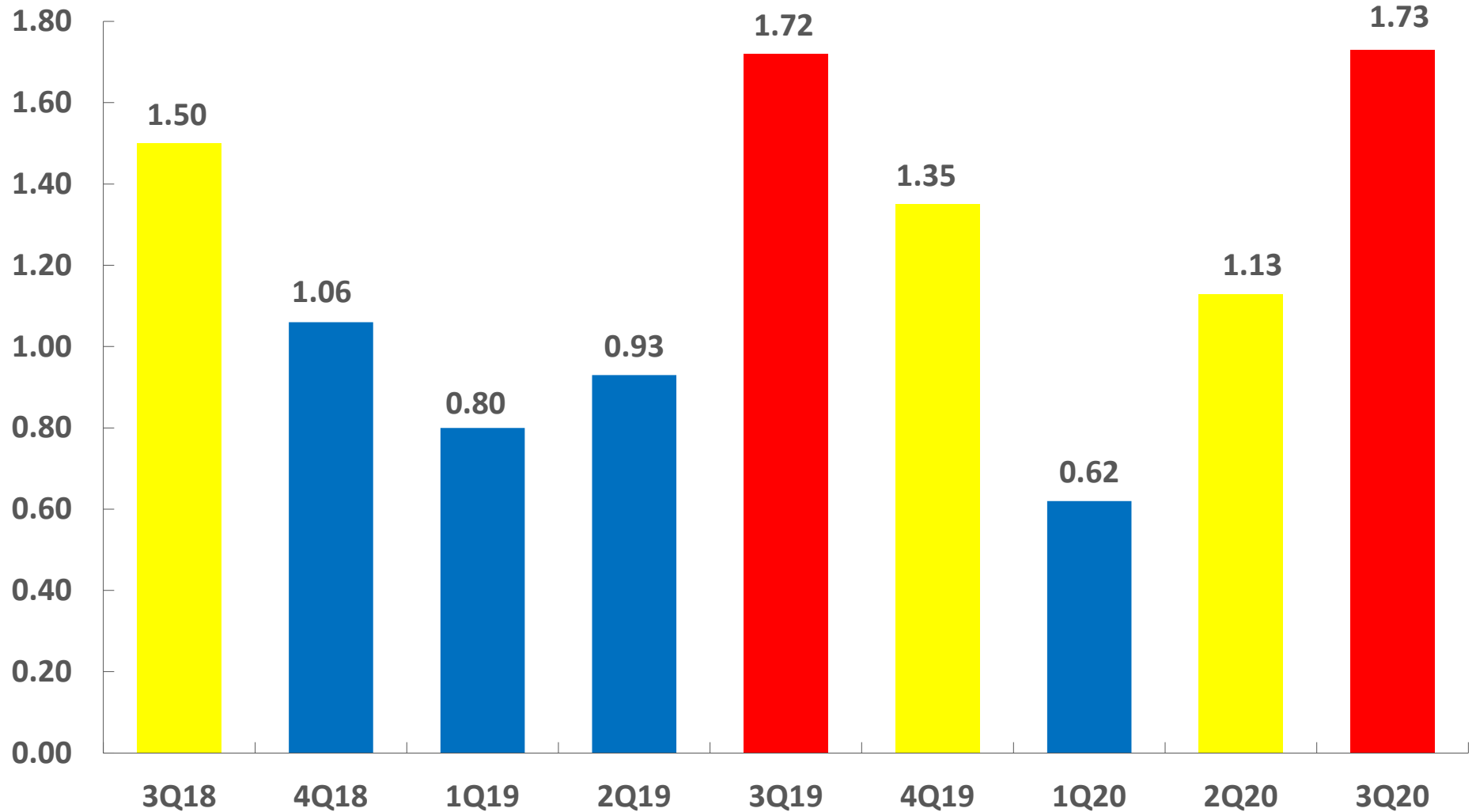
Amount : NTD M



## Operating Margin



Amount : NTD



# 3Q20 Balance Sheet



Selected items from Balance Sheet (Amount : NTD M)	2020/9/30		2019/9/30	
	Amt	%	Amt	%
Cash	10,839	22%	7,109	13%
Notes and Accounts receivable	14,807	30%	23,662	42%
Inventory	8,790	18%	10,223	18%
<b>Total Current Assets</b>	<b>37,470</b>	<b>75%</b>	<b>43,243</b>	<b>77%</b>
Fixed Assets	6,505	13%	6,469	12%
<b>Total Assets</b>	<b>50,179</b>	<b>100%</b>	<b>55,984</b>	<b>100%</b>
Notes and Accounts Payable	17,114	34%	22,539	40%
S-T Borrowings	6,530	13%	8,315	15%
CPLTD	0	0%	28	0%
<b>Total Current Liabilities</b>	<b>31,201</b>	<b>62%</b>	<b>37,758</b>	<b>67%</b>
L-T Borrowings	364	1%	0	0%
<b>Total Liabilities</b>	<b>35,403</b>	<b>71%</b>	<b>41,959</b>	<b>75%</b>
<b>Total Equity</b>	<b>14,776</b>	<b>29%</b>	<b>14,024</b>	<b>25%</b>







<i>Amount : NTD M</i>	<b>Q3 20 YTD</b>	<b>Q3 19 YTD</b>
<b>From Operation</b>	<b>2,049</b>	<b>(704)</b>
- Income Before Tax	1,931	2,032
- Depreciation and Amortization	1,682	1,640
- Notes and Accounts Receivable	4,413	(7,542)
- Notes and Accounts Payable	(6,630)	4,244
- Inventory	1,416	(2,892)
- Other Operating Sources / (Uses)	(763)	1,814
<b>From Investment</b>	<b>(2,131)</b>	<b>(3,219)</b>
- Fixed Assets	(2,008)	(3,168)
- Other Investing Sources / (Uses)	(123)	(51)
<b>From Financing</b>	<b>4,330</b>	<b>6,020</b>
- S-T Borrowings	5,438	7,348
- L-T Borrowings	186	(63)
- Cash Dividend	(1,077)	(1,095)
- Other Financing Sources / (Uses)	(216)	(171)
<b>Net Cash Position Change</b>	<b>4,247</b>	<b>2,097</b>
<b>Effect of Foreign Currency Exchange Translation</b>	<b>(109)</b>	<b>22</b>
<b>Cash at Beginning of Year</b>	<b>6,701</b>	<b>4,990</b>
<b>Ending Cash Balance</b>	<b>10,839</b>	<b>7,109</b>



- ❖ Stable Topline Outlook
- ❖ Home Audio New Project Go MP
- ❖ StreamCam New Project Go MP
- ❖ Solid Financial Management to Mitigate FX Risk



- ❖ Covid-Deferred New Projects to Contribute Revenues and Profits
- ❖ Tymphony Profit Recovery : New Headphone & Premium Audio
- ❖ New Visual Technology :  
Automotive 、 Conference 、 IoT
- ❖ Stable PC Cash Cow :  
Smart Home 、 Dockings to Contribute New Revenues
- ❖ Thailand Manufacturing Site Diversifying Concentration Risk

- All figures stated above are unaudited and subject to audit amendments
-  Quarter Record
-  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.