

# Siward Investor Conference

## SIWARD Company Presentation

*Sep. 15<sup>th</sup> 2017*



# Agenda

14:30~15:20

Topic	Speaker
Welcome	JM Tseng
Company Presentation	(Video)
Financial Report	Lynn Huang
knowing Siward ... products, capacity, sales trend	Jesse Chang
Business Summary	Tony Tseng
Q&A	

- **Financial Report**  
Financial performance, Dividends policy

## Balance Sheet

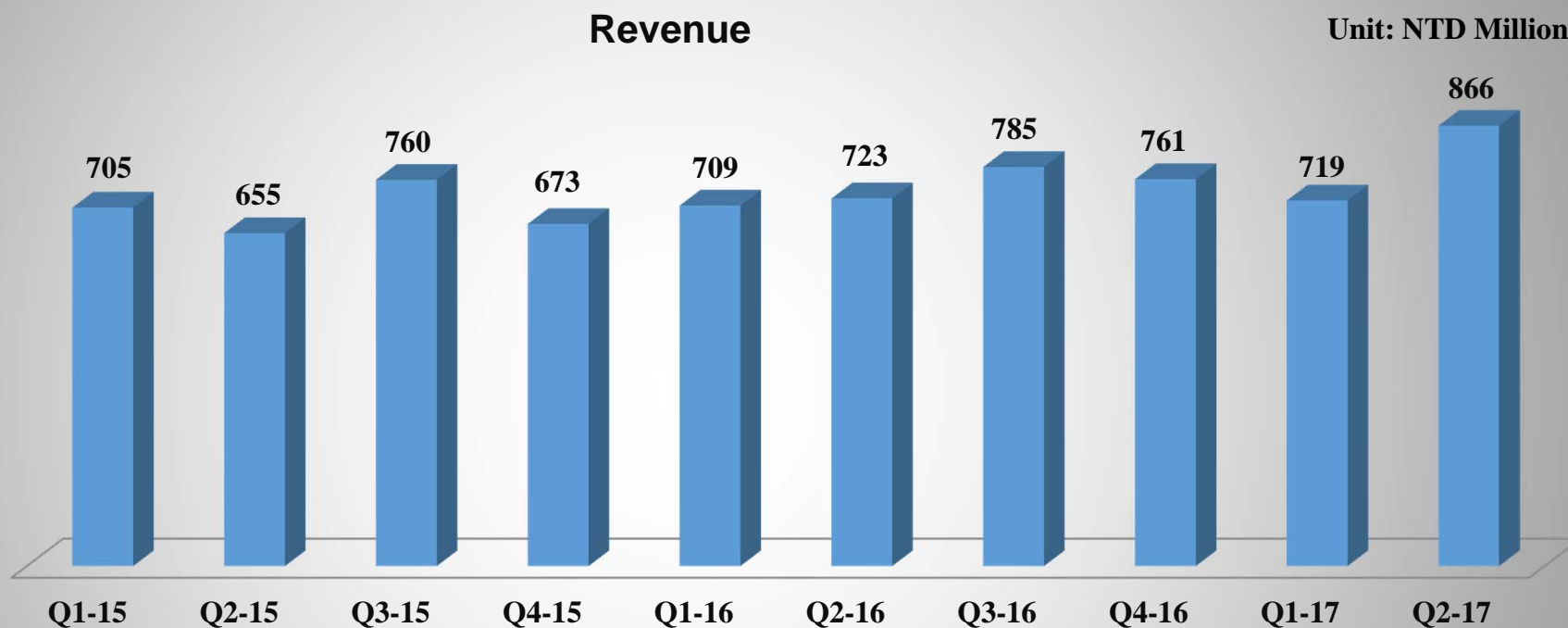
Unit: NTD'000	H1 2017	2016	H1 2016
Current Assets	2,206,644	2,316,070	2,307,691
Total Assets	4,226,429	4,118,047	4,207,121
Current Liabilities	866,836	555,840	767,452
Total Liabilities	1,427,611	1,166,290	1,356,105
Total Equity	2,798,818	2,951,757	2,851,016
Debt ratio(%)	34%	28%	32%
Current ratio(%)	255%	417%	301%
Quick ratio(%)	196%	325%	232%
Book Value Per Share (NTD)	17.56	18.52	17.88

# Statement of Comprehensive Income

Unit: NTD'000	2016	2015	Growth(%)	H1 2017	H1 2016	Growth(%)
Revenue	2,977,585	2,793,696	6.6%	1,585,074	1,431,623	10.7%
Gross Profit	604,990	605,491	-0.1%	258,317	311,181	-17.0%
Operating Profit	268,249	259,608	3.3%	98,993	137,506	-28.0%
Income before tax	288,954	332,015	-13.0%	90,275	127,579	-29.2%
Net Income	241,034	255,972	-5.8%	76,435	98,602	-22.5%
Gross Margin(%)	20.3%	21.7%		16.3%	21.7%	
Operating Margin(%)	9.0%	9.3%		6.2%	9.6%	
Net Margin(%)	8.1%	9.2%		4.8%	6.9%	
ROE(%)	8.2%	8.9%		2.5%	3.2%	
EPS(NTD)	1.48	1.67		0.46	0.58	

# Quarterly performance

## Revenue



	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17
Revenue(QoQ)	-4.1%	-7.1%	16.0%	-11.4%	5.3%	2.0%	8.6%	-3.1%	-5.5%	20.4%
Revenue(YoY)	20.9%	3.8%	-2.6%	-8.4%	0.6%	10.4%	3.3%	13.1%	1.4%	19.8%

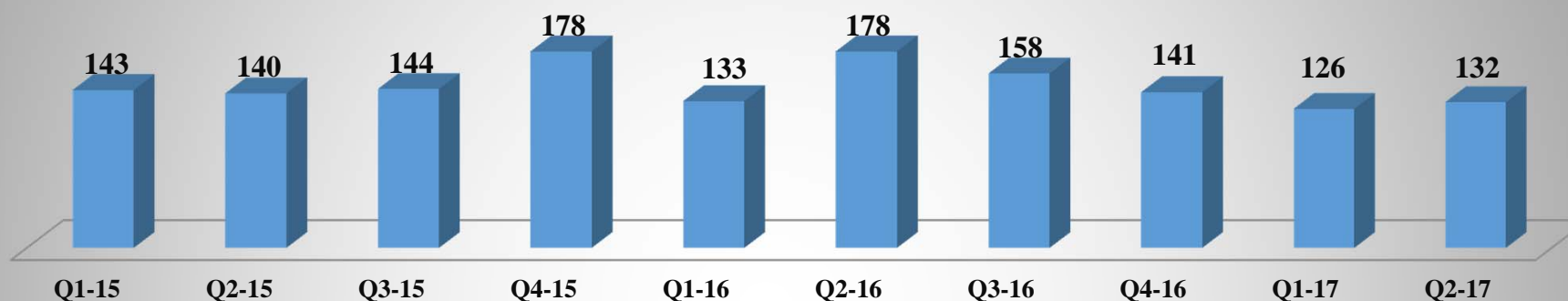
# Quarterly Performance

## Gross Profit

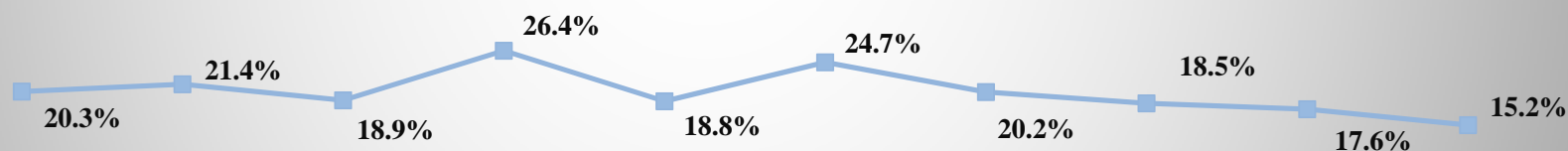


### Gross Profit

Unit: NTD Million



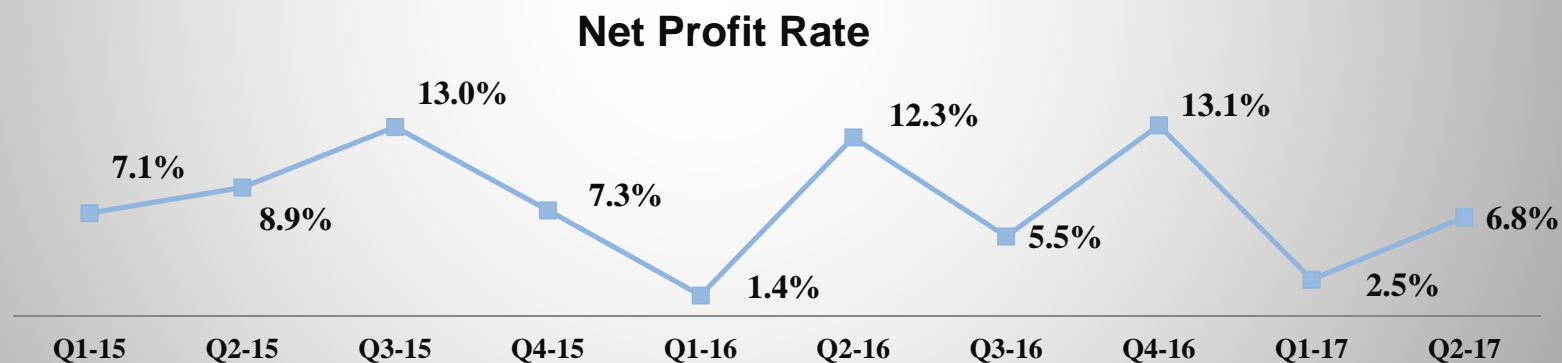
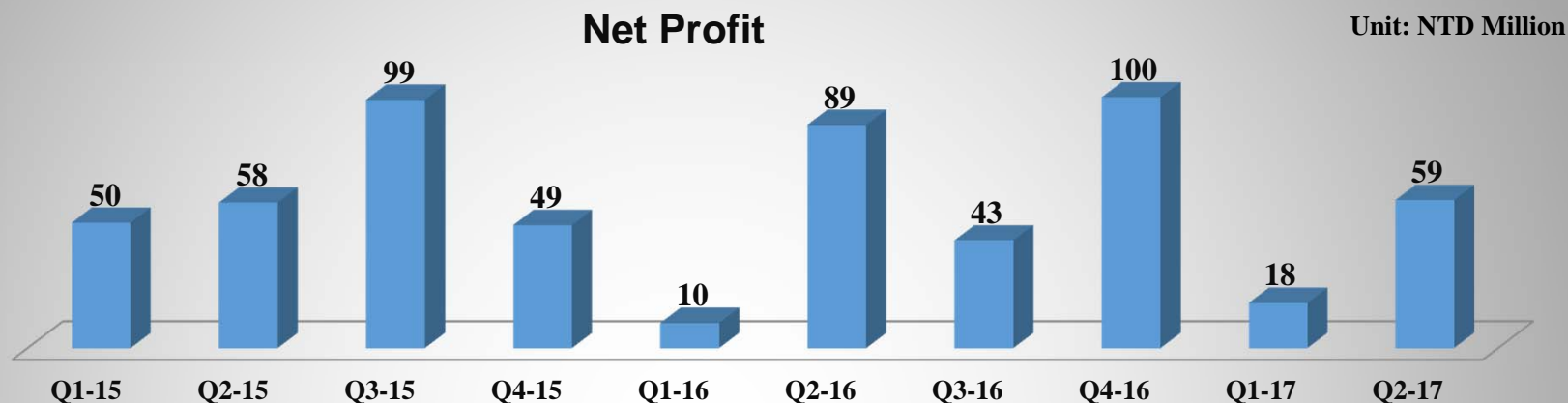
### Gross Profit Rate



	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17
Gross Profit(QoQ)	-5.9%	-2.1%	2.9%	23.6%	-25.3%	33.8%	-11.2%	-10.8%	-10.6%	4.8%
Gross Profit(YoY)	26.5%	-2.8%	-12.2%	17.1%	-7.0%	27.1%	9.7%	-20.8%	-5.3%	-25.8%

# Quarterly Performance

## Net Profit

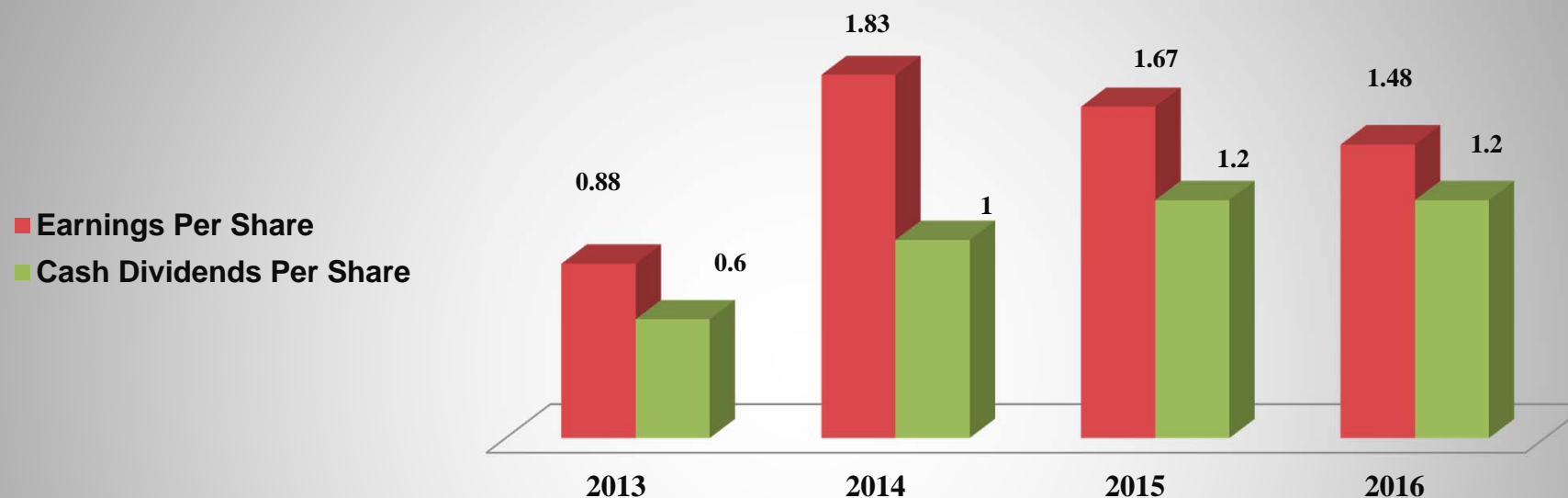


	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17
Net Profit(QoQ)	-49.3%	24.9%	47.1%	-44.1%	-80.6%	772.8%	-55.5%	139.9%	-80.9%	172.1%
Net Profit(YoY)	35.1%	-26.6%	33.8%	-52.4%	-80.0%	53.4%	-56.6%	104.1%	80.0%	-33.7%



# Dividend Policy

EPS and DPS



Unit : NTD	2013	2014	2015	2016
Earnings Per Share	0.88	1.83	1.67	1.48
Cash Dividends Per Share	0.6	1	1.2	1.2
Avg. Stock Price	12.07	19.64	19.85	18.8
Payout ratio(%)	68.18	54.64	71.86	81.08
Yields(%)	4.97	5.09	6.05	6.38

- **Investor Conference**

knowing Siward ...products, capacity, sales trend

# Who We Are

Innovative Timing solutions for things that connect the world



CY2016 revenues **\$97.9** million

Listed: TWSE

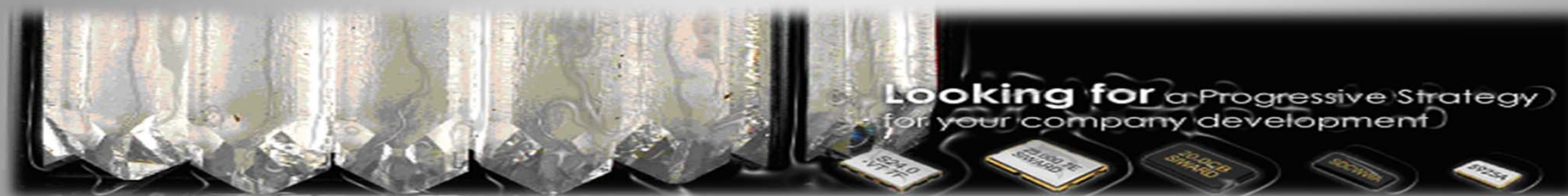
**1000+** employees worldwide

**40+** R&D engineers

**4** manufacturing sites

**7** sales & marketing offices

# Our Products



## Synthetic Quartz



## Crystal 石英晶振

### Metal Can



### Glass Weld



### Ceramic seam



### Tuning Fork



## Oscillator 振盪器

### Crystal Osc



### Voltage-controlled oscillator (VCXO)



### TCXO

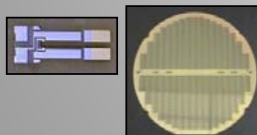


### (VC)TCXO



## Tuning Fork wafer

3" MEMS Wafer Processing



# Manufacturing sites





# Manufacturing sites

## HQ, Taichung Taiwan



### Manufacturing:

- RD Center
- Manufacture
- Sales Office

● Crystal



● Tuning Fork Xtal



● OSC



● (VC)TCXO

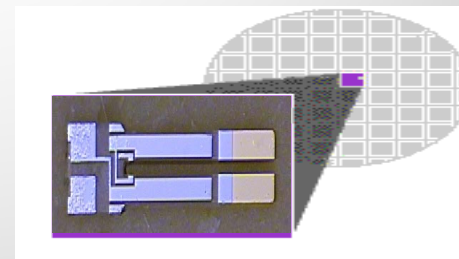


## Zhunan Taiwan

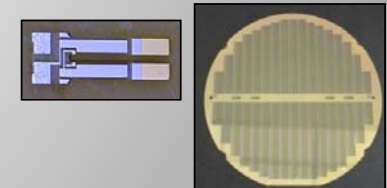


### Manufacturing:

● MEMS wafer



3" Q-MEMS Wafer Processing



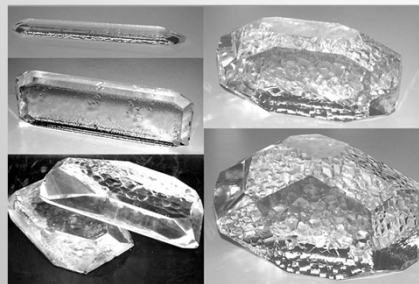
# Manufacturing sites

## Tainan Taiwan



Manufacturing:

- Synthetic Quartz Bar



## Suizhou (Taiward) China



Manufacturing:

- Crystal
- Tuning Fork Xtal



# World Ranking



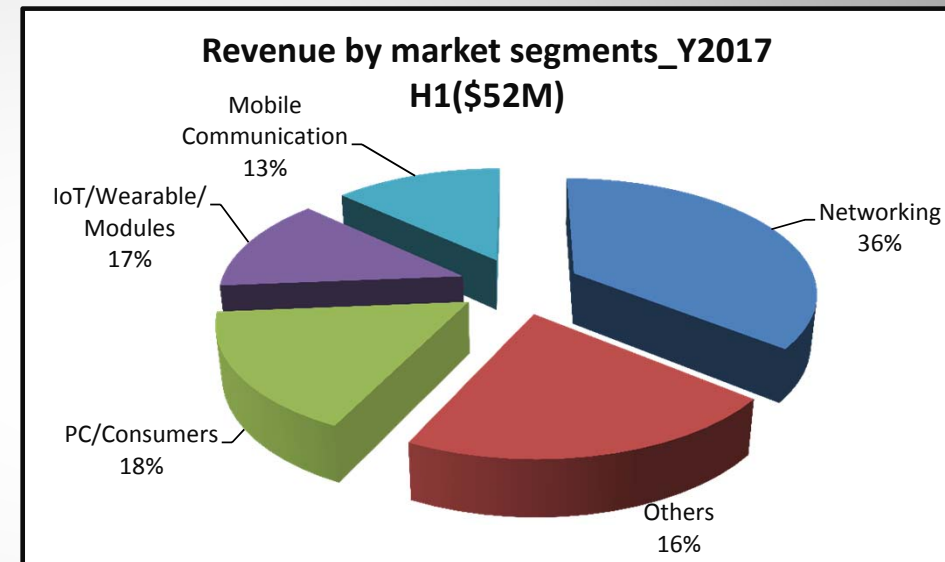
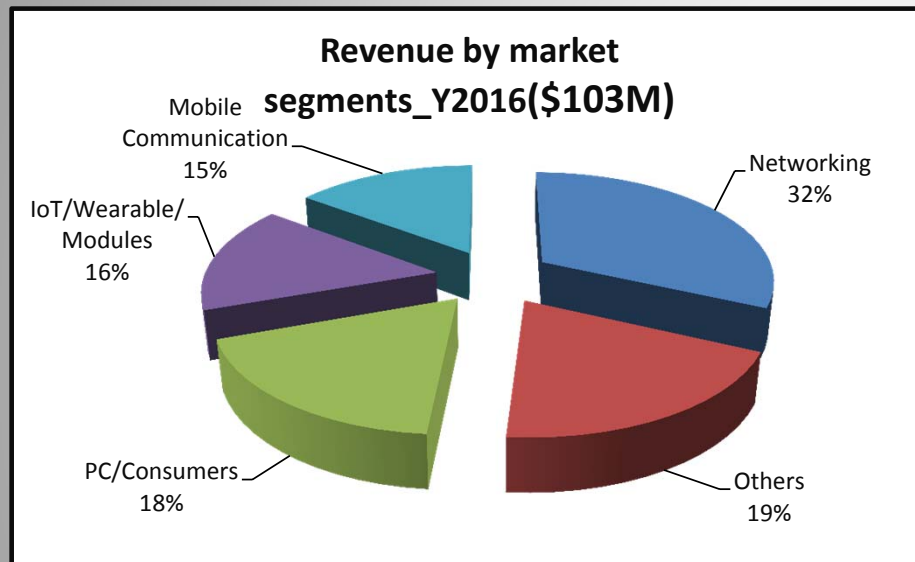
2015 Rank	2016 Rank	Company Name	Revenue(M)			Market Share(%)	
			2015	2016	Percent Change	2015	2016
1	1	Seiko Epson	\$427	\$409	-4.2%	13.8%	12.9%
2	2	NDK	\$338	\$357	5.4%	10.9%	11.3%
3	3	TXC	\$302	\$310	2.8%	9.7%	9.8%
4	4	KCD	\$301	\$287	-4.5%	9.7%	9.1%
5	5	KDS	\$201	\$212	5.5%	6.5%	6.7%
6	6	Vectron	\$163	\$160	-2.0%	5.3%	5.1%
7	7	SIWARD	\$95	\$103	8.8%	3.1%	3.3%
8	8	Hosonic	\$91	\$94	2.8%	2.9%	3.0%
N/A	9	Mega Chips	\$35	\$73	108.6%	1.1%	2.3%
10	10	Murata	\$69	\$72	5.0%	2.2%	2.3%
		Others	\$1,080	\$1,088	0.7%	34.8%	34.2%
		Total Revenue	\$3,102	\$3,165	2.0%		

World ranking # 7 , Taiwan ranking # 2 ◦

(CS&A)



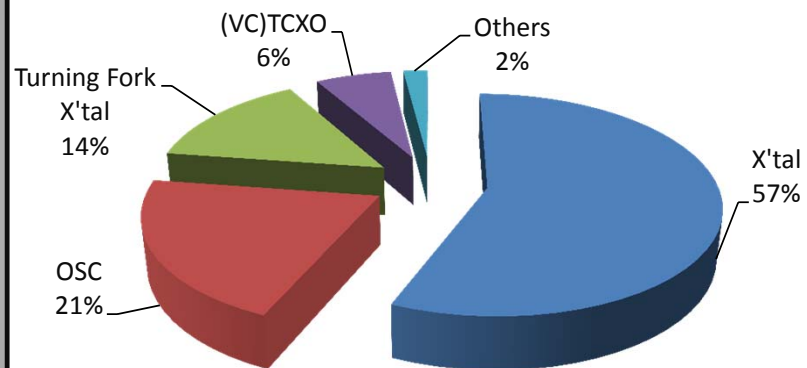
# Revenue by Market Segments



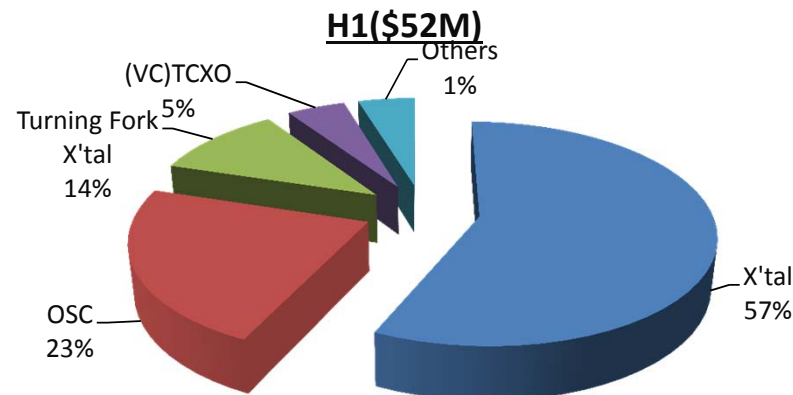
- Focus on networking industry(mobile 、 broad-band cable 、 wireless router 、 gateway 、 STB..etc) continue to growth 。
- IoT/wearable device/modules application drives for miniature products demands 。

# Revenue by Product Types

**Revenue by Product Types Y2016(\$103M)**



**Revenue by Product Types Y2017**



- Crystal are the major products , maintained at 57% of the revenue .
- Expect growth of TCXO products in Q4 2017 and 2018 .
- High stability TCXO 、 HF XO development and mass production in Q4 2017 .

# Trends & Opportunity

## A. Trends to miniature



## B. Higher OTR, higher stability requirement



## C. High stability, low jitter, low phase noise



- The IoT、wearable and WiFi、LTE modules industry requires miniature components。
- Crystal & XO products are required to operate in higher temperature range to adopt in new customer designs.
- Products for GNSS system、small cells that requires high stability low jitter phase noise TCXO & High stability HF XO had been developed for mass production in Q4 2017。

- **Business Summary**  
Investment & Alliance

# Investment & Alliance Strategy



**The combination of Rakon's technology and Siward's manufacturing will enable the capability of producing middle & high end products ◦**



## **USD10 Million Investment in Rakon a Potential Game-changer**

**20 December 2016**

Taiwanese company Siward Crystal Technology Company Limited ("Siward") is to invest USD10 million in NZX-listed Rakon Limited ("Rakon"), a transaction Rakon Managing Director Brent Robinson says could be a game-changer for both companies

.....

"Siward's manufacturing scale and expertise is a perfect complement to Rakon's leading-edge technology," Mr Robinson said.

"This partnership will give both companies a broader range of products and alternative channels into new and existing markets."

.....

Mr Robinson said Siward's highly efficient manufacturing operations coupled with Rakon's leading technology will enable each company to offer its customers new levels of value.



# Investment & Alliance Strategy



## Rakon products & applications



SPACE & DEFENCE



TELECOMMUNICATIONS



GLOBAL POSITIONING



DPCSS

USO

OCSS

OCXO

TCXO

VCXO

XO

SAW  
FILTERS

CRYSTAL  
RESONATORS

# Investment & Alliance Strategy



The alliance of SIWARD and the China largest Tuning Fork manufacturer enhanced the competitiveness of Siward to provide cost sensitive products to the market .



- **Q&A**  
Investor Conference



**Thank You**  
for your attention!

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