



Dynamic Electronics Co., Ltd.

2019 Quarter Two Investor Conference

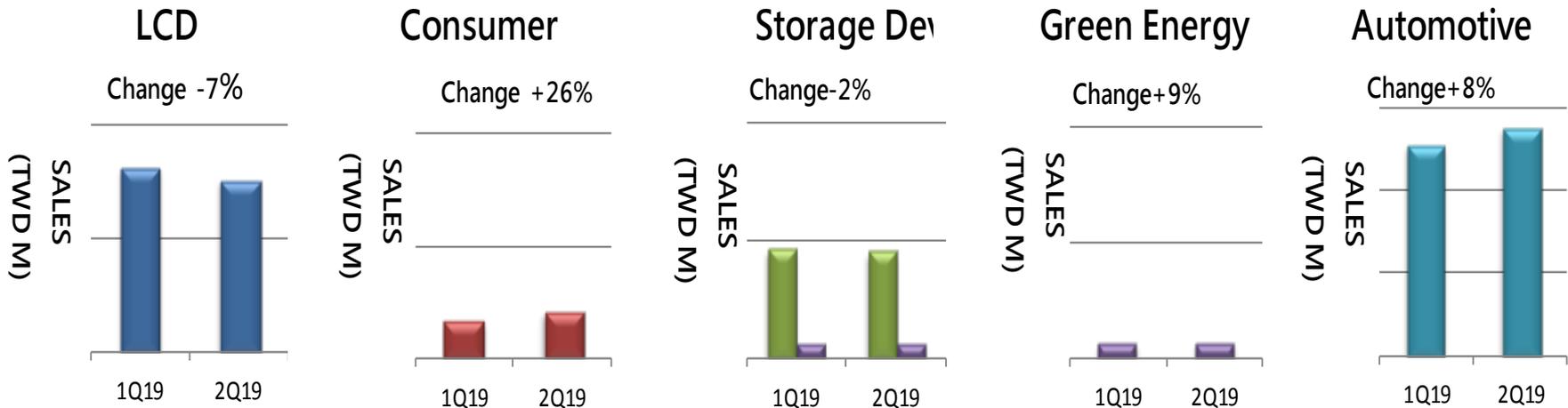
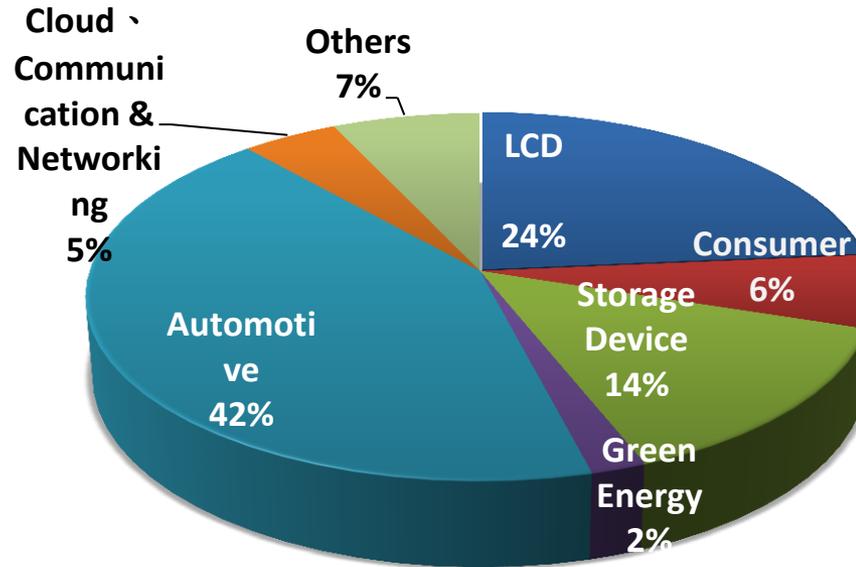
Aug. 13, 2019



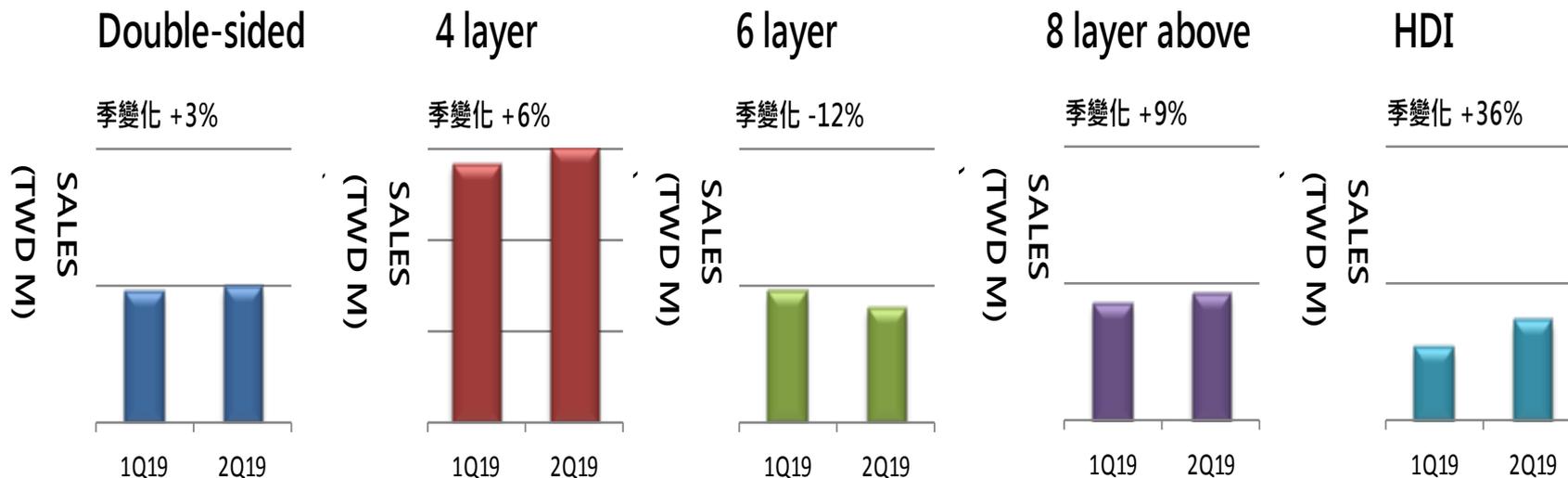
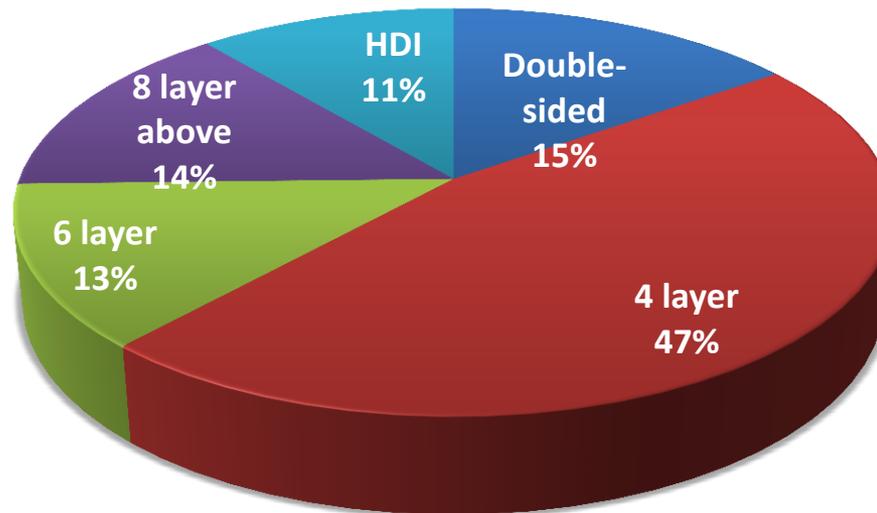
Content

1. Operation Overview of 2019 Q2
2. Recent Major Events

2019 Q2 Revenue by Application



2019 Q2 Revenue by Process



Applications of Automotive Boards

- A. Conventional : Infotainment system, Body control, Powertrain, Car wireless charger, Car battery, Car key, USB, Tire pressure detection, Engine control, Car antenna, Airbag, Car light, Interior control, Brake, Engine ignition control, Electronic control unit, Dynamic control unit
- B. HDI: Camera, Sensor, Reversing radar, Car multimedia, Communication
- C. Heavy Copper: Central junction box, Charge controller, DC converter
- D. Semi-flex: Junction box, EPS (Electronic Power Steering), Parking assistance system, Laser scanner, Multi-domain controller
- E. High Frequency: Short-range radar (24Ghz), Medium/long range radar (77/79Ghz)
- F. Rigid-flex: Camera module, LiDAR

Consolidated Income Statement

Accounts (TWD 100M)	2Q19	1Q19	Q-o-Q Change%	2Q18	Y-o-Y Change%	Q1-Q2 2019	Q1-Q2 2018	Y-o-Y Change%
Sales Revenue	32.33	30.52	5.9 %	31.41	2.9 %	62.85	59.72	5.3 %
Gross Profit %	10.5 %	8.8 %	1.7 %	6.6 %	3.9 %	9.7 %	6.5 %	3.1 % pts
Operating expenses	2.76	2.56	7.5 %	2.93	(5.9)%	5.32	5.46	(2.5)%
Operating Income%	2.0 %	0.4 %	1.6 %	(2.7)%	4.7 %	1.2 %	(2.6)%	3.8 % pts
Non-operating income/expenses	(0.40)	(0.25)	(64.4)%	(1.10)	63.4 %	(0.65)	(1.22)	46.9 %
Net Income (loss)	0.12	(0.39)	132.1 %	(1.95)	(106.4)%	(0.26)	(2.78)	(90.5)%
Net Income (loss)%	0.4 %	(1.3)%	1.7 %	(6.2)%	6.6 %	(0.4)%	(4.7)%	4.2 % pts
EPS(NTD)	0.05	(0.14)	135.7 %	(0.69)	(107.2)%	(0.09)	(0.99)	(90.9)%
ROE (%)	1.3 %	(3.9)%	5.2 %	(19.6)%	20.9 %	(1.3)%	(14.0)%	12.7 % pts
Quantity(M SF)	807	791	2.0 %	853	(5.4)%	1598	1638	(2.4)%
Average exchange	30.99	30.83	0.5 %	29.55	4.9 %	30.99	29.55	4.9 %

* The weighted average shares to 281,059,335 of ordinary shares outstanding during the second quarter of 2019.

** The ROE is the annualized data calculated by the average equity of the parent company.

Consolidated BS & Financial Indicators

Accounts (TWD 100M)	2Q19		1Q19		2Q18	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	12.23	8.9%	13.03	9.4%	14.05	10.0%
Accounts receivable	35.13	25.6%	33.06	23.8%	34.64	24.8%
Inventories	17.28	12.6%	17.50	12.6%	19.48	13.9%
Property, plant and equipment	58.24	42.4%	59.48	42.8%	55.28	39.5%
Total Assets	137.35	100.0%	138.98	100.0%	139.79	100.0%
Current liabilities	70.74	51.5%	72.74	52.3%	75.29	53.9%
Long-term loans	19.33	14.1%	18.33	13.2%	18.72	13.4%
Total liabilities	98.01	71.4%	99.36	71.5%	100.04	71.6%
Total equity	39.34	28.6%	39.62	28.5%	39.75	28.4%
Important Financial Indicator						
Average collection turnover	112		113		106	
Average inventory turnover	62		63		60	
Current ratio (Times)	1.0		1.0		1.0	
Asset productivity(Times)	0.9		0.9		0.9	

Ps. Asset productivity= Sales Revenue/ Average total Assets.

Consolidated Cash Flow Statement

(TWD 100M)	2Q19	1Q19	2Q18
Cash at beginning of period	13.03	11.63	14.78
Cash Flow from Operating	2.03	4.85	(5.64)
Capital Expenditure	(2.70)	(3.92)	(2.27)
Cash Dividends Paid			
Cash Flow from Financing	(0.68)	0.72	6.41
Investment & Other	0.28	(0.26)	0.77
Cash at end of period	11.97	13.03	14.05
Free Cash Flow	(0.67)	0.94	(7.91)

Ps. Free Cash Flow=Cash Flow from Operating-Capital Expenditure

Summary of Year 2019 Q2

- Revenue of Q2 was 3.233 billion, it grew by 5.9% comparing with Q1 and 2.9% comparing with the same period of last year. The revenue of the first half year also increased by 5.3% comparing with the same period last year.
- Gross profit margin was 10.5%, it's 1.7% up from Q1 and 3.9% up from the same period last year. It also increased by 3.1% in the first half of the year comparing with the same period last year.
- The net profit of this period was more than 12 million dollars, turning losses into gain.
- The net profit before tax of the first half of the year was positive.

Dynamic is once again awarded the top 5%



Dynamic has been awarded the top 5% of the Corporate Governance Assessment conducted by TWSE for three consecutive years, saying that the culture and implementation of corporate governance has been internalized as the DNA of Dynamic.

Dynamic agrees that corporate governance is not only a matter that the law requires, but also a matter that the company should gradually improve proactively. When corporate governance is more effective, the competitiveness of the company will be boosted, and the company will grow steadily in the long term.

Social care - Charity

The souvenir for the shareholders' meeting of Dynamic this year is still the products of the Shelter workshop, including the wool felt soap of Eden Sheep Shelter Workshop and the handmade soap made by the Starkids Workshop of Taoyuan Autism Association. The gifts bring the shareholders heartfelt warmth.



Social care - Education

Dynamic continued to help the children who graduated from the archery team of Taoyuan Municipal JiShou Junior High School. Three of them go to the National Hsinchu Commercial & Vocational High School and continue their archery learning, and Dynamic continued to support the equipment.



Dynamic President Mr. Chiu accepted the Certificate of Appreciation from the President of Hsinchu Commercial & Vocational High School.



Mid-Autumn Festival gift for the employees

This year Dynamic' s Mid-Autumn Gifts for the staff can be selected between two options. Option 1: daily commodity gift box from HueiShiang Organic Life Farm, so that our staff can enjoy the healthy and safe food, option 2: handmade biscuit gift box from Kind Garden Organization, sharing the joy and satisfaction of doing charity with our staff.



有機白米 1000 克*1
黃金玉米菓 50 克*1
甘露全麥麵條 300 克*1
黑克豉 200 克*1
有機青木瓜果乾 70 克*1
公司提袋*1



72%黑巧克力*1 包
起酥條*1 包
杏仁巧克力豆*1 包
杏仁瓦片*1 包
葵瓜子瓦片*1 包
南瓜子瓦片*1 包
巧克力餅乾*1 包
牛奶餅乾*1 包*

Thank You!

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