



HannStar Board Corporation (5469)

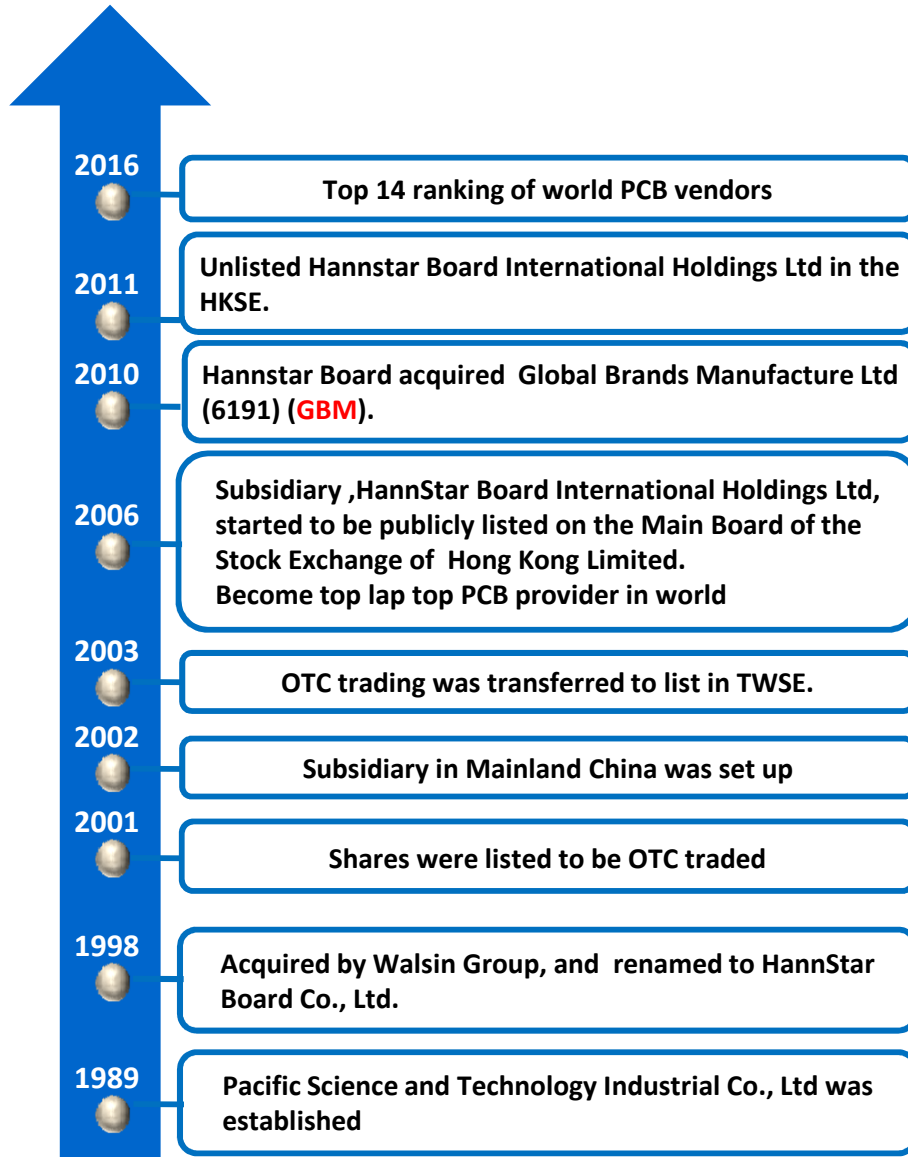
2017 Investor Conference

Date: May 12, 2017

- The statements in this release are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance, financial condition or results of operations of Hannstar Board Corporation (the “ Company”) to be materially different from what may be implied by such forward-looking statements.
- The Company undertakes no obligation to update these forecasts and forward-looking statements for events or circumstances that occur subsequent to such date.
- The statements in respect of historical matters may contain unaudited information, which may have certain deficiency or weakness so as not to fairly present financial condition or the result of operations of the Company.

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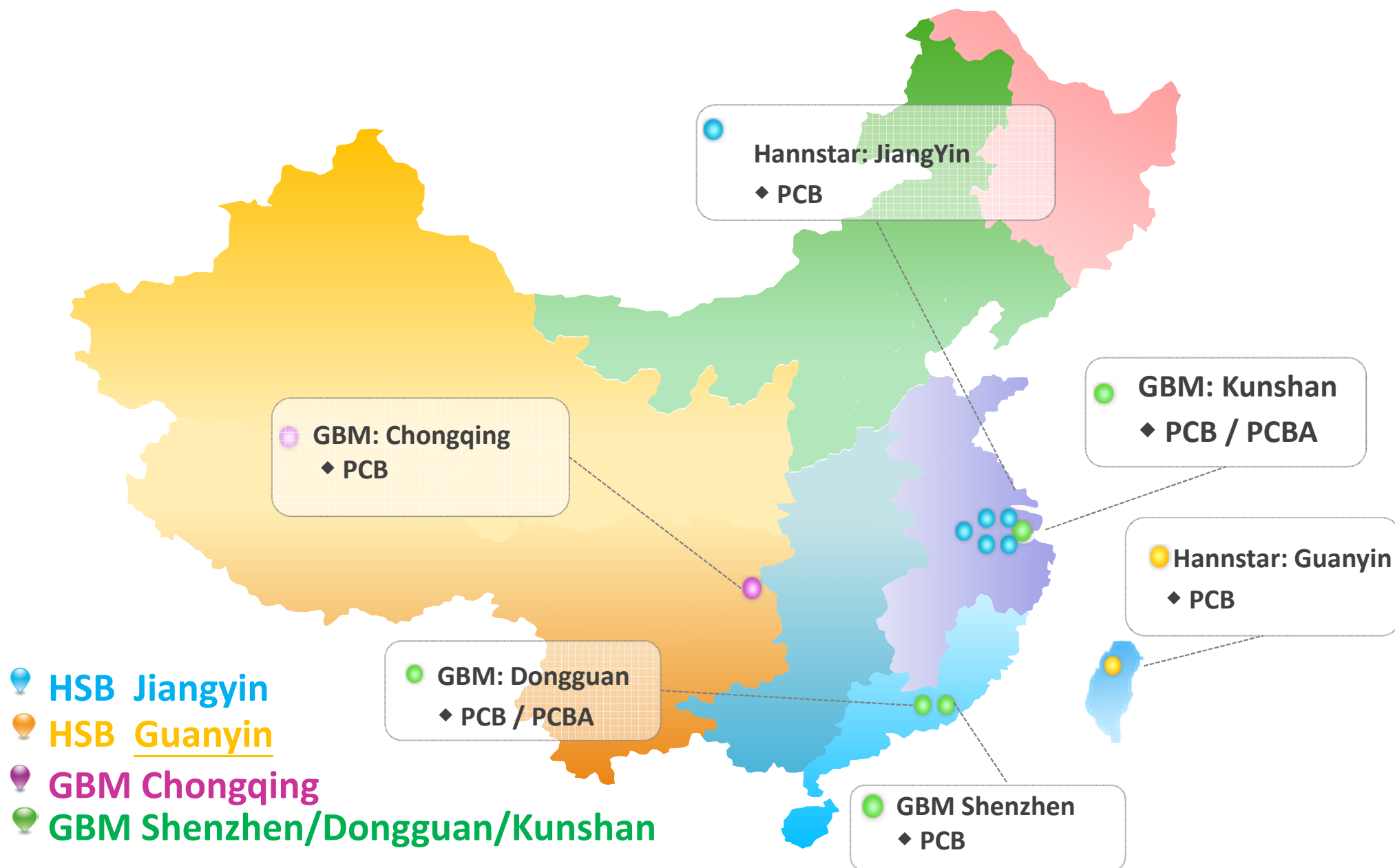
Introduction

















Major Business

HannStar Board Corporation (**HSB**) mainly fabricates conventional PCBs & HDI PCBs applicated to notebook, computer, set-top-box, flat TV, game console, communication device and all kinds of consumer electronics. Recently, also stepped into new field of applications ,ex. server, automotive type, etc .





Rank	Maker	2016
1	Nippon Mektron	 Japan
2	Zhen Ding Technology	 Taiwan
3	TTM Technologies	 United States
4	Unimicron	 Taiwan
5	Compeq	 Taiwan
6	Tripod	 Taiwan
7	Young Poong	 South Korea
8	SEMCO	 South Korea
9	Sumitomo Denko	 Japan
10	KB Group	 China
11	Ibiden	 Japan
12	Nanya	 Taiwan
13	AT&S	 Austria
14	Hannstar Board (PSA)	 Taiwan

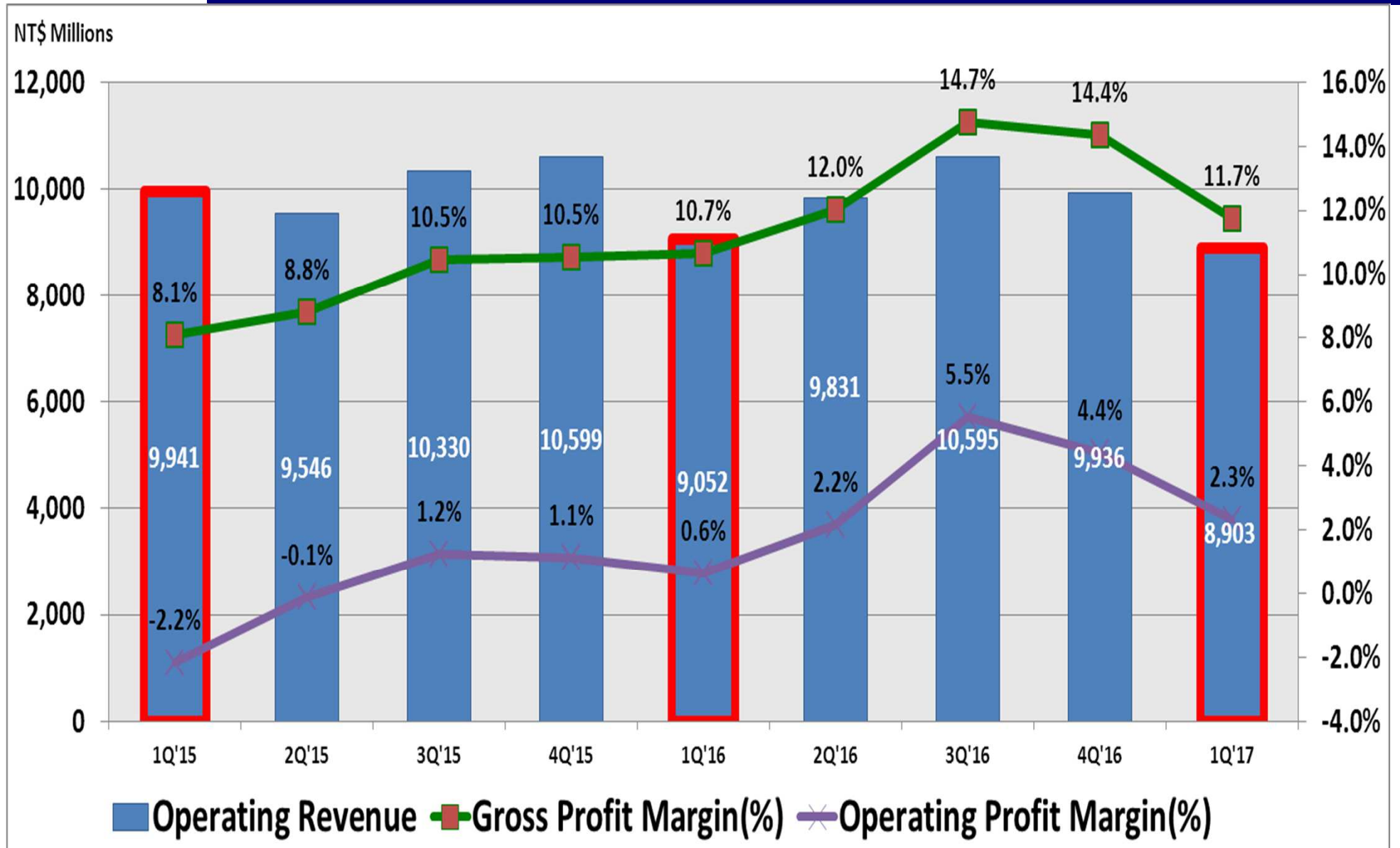
Financial Results

NT\$ Millions	2015	2016	Growth(%)	1Q'17
Operating Revenue	40,417	39,415	-2%	8,903
Gross Profit	3,846	5,135	34%	1,046
Operating Profit	16	1,295	7837%	207
Net Profit Before Tax	390	1,643	321%	191
Net Profit	160	1,257	684%	107
Net Income to Shareholders of the Parent Company	365	945	159%	125
Contribution From GBM	(134)	219	-264%	(10)
Contribution From HSB	499	726	45%	135
EPS (NT Dollar)	0.81	2.10	159%	0.28
Gross Profit Margin(%)	9.5%	13.0%		11.7%
Operating Profit Margin(%)	0.0%	3.3%		2.3%
Net Profit Margin(%)	0.4%	3.2%		1.2%

Statement of Profit & Lose –Consolidated(by Q)

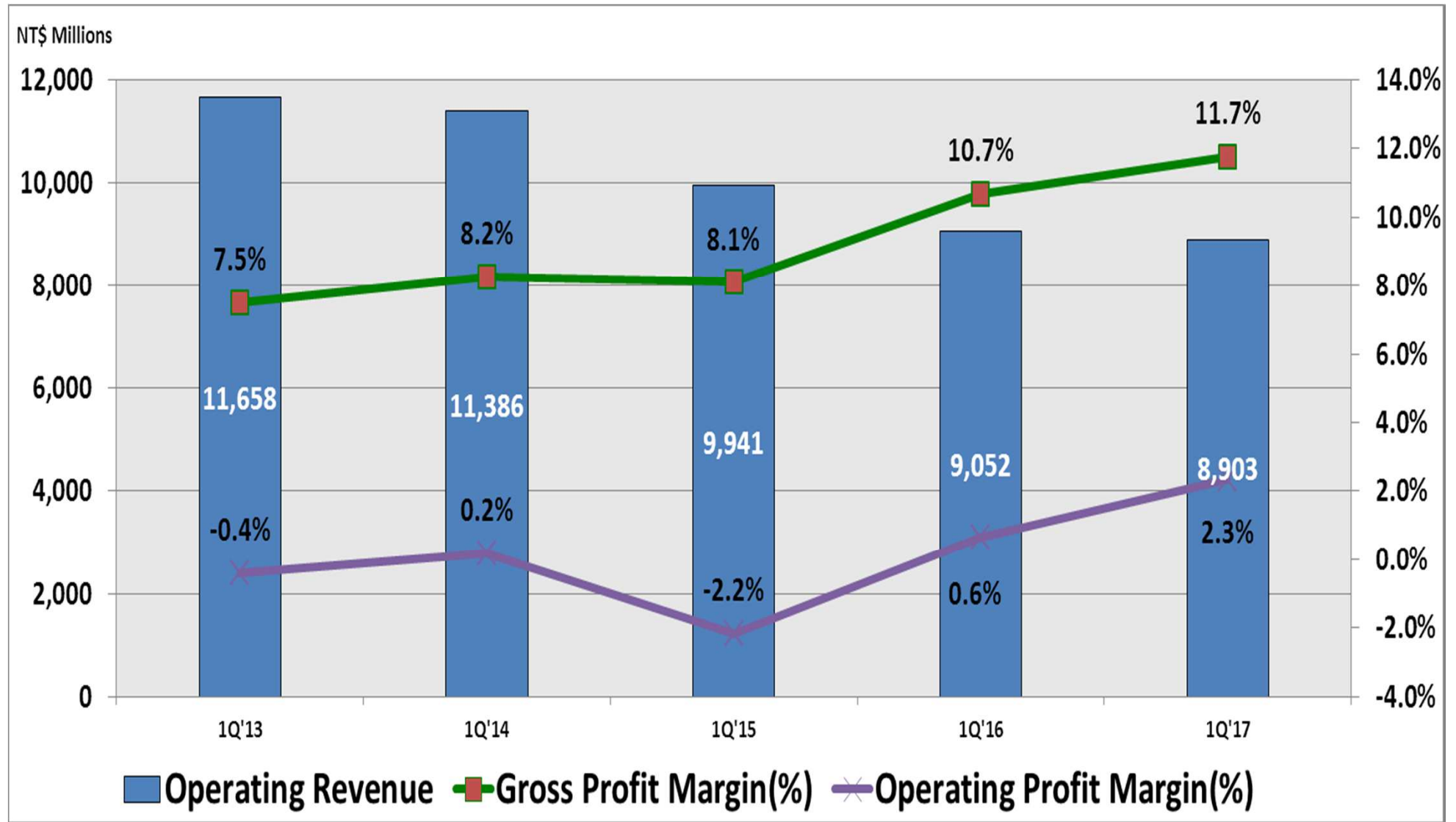
	2015				2016				2017
NT\$ Millions	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Operating Revenue	9,941	9,546	10,330	10,599	9,052	9,831	10,595	9,936	8,903
Gross Profit	805	842	1,082	1,117	966	1,181	1,561	1,426	1,046
Operating Profit(Loss)	(217)	(12)	128	118	57	212	588	439	207
Net Profit(Loss) Before Tax	(121)	170	313	27	92	278	669	605	191
Net Profit(Loss)	(170)	122	292	(84)	59	205	519	474	107
Net Income(Loss) to Shareholders of the Parent Company	(32)	73	277	46	27	165	411	342	125
Contribution From GBM	(89)	29	9	(83)	25	28	75	91	(10)
Contribution From HSB	58	45	267	129	2	137	336	251	135
EPS (NT Dollar)	(0.07)	0.16	0.62	0.10	0.06	0.36	0.92	0.76	0.28
Gross Profit Margin(%)	8.1%	8.8%	10.5%	10.5%	10.7%	12.0%	14.7%	14.4%	11.7%
Operating Profit Margin(%)	-2.2%	-0.1%	1.2%	1.1%	0.6%	2.2%	5.5%	4.4%	2.3%
Net Profit Margin(%)	-1.7%	1.3%	2.8%	-0.8%	0.6%	2.1%	4.9%	4.8%	1.2%

Trend of Revenue and Gross Margin-Consolidated (by Quarter)



NT\$ Millions	1Q'13	1Q'14	1Q'15	1Q'16	1Q'17
Operating Revenue	11,658	11,386	9,941	9,052	8,903
Gross Profit	875	938	805	966	1,046
Operating Profit(Loss)	(46)	19	(217)	57	207
Net Profit(Loss) Before Tax	(65)	46	(121)	92	191
Net Profit(Loss)	(63)	13	(170)	59	107
Net Income(Loss) to Shareholders of the Parent Company	(44)	23	(32)	27	125
Contribution From GBM	(12)	(7)	(89)	25	(10)
Contribution From HSB	(32)	29	58	2	135
EPS (NT Dollar)	(0.10)	0.05	(0.07)	0.06	0.28
Gross Profit Margin(%)	7.5%	8.2%	8.1%	10.7%	11.7%
Operating Profit Margin(%)	-0.4%	0.2%	-2.2%	0.6%	2.3%
Net Profit Margin(%)	-0.5%	0.1%	-1.7%	0.6%	1.2%

Trend of Revenue and Gross Margin- Consolidated (First Quarter)



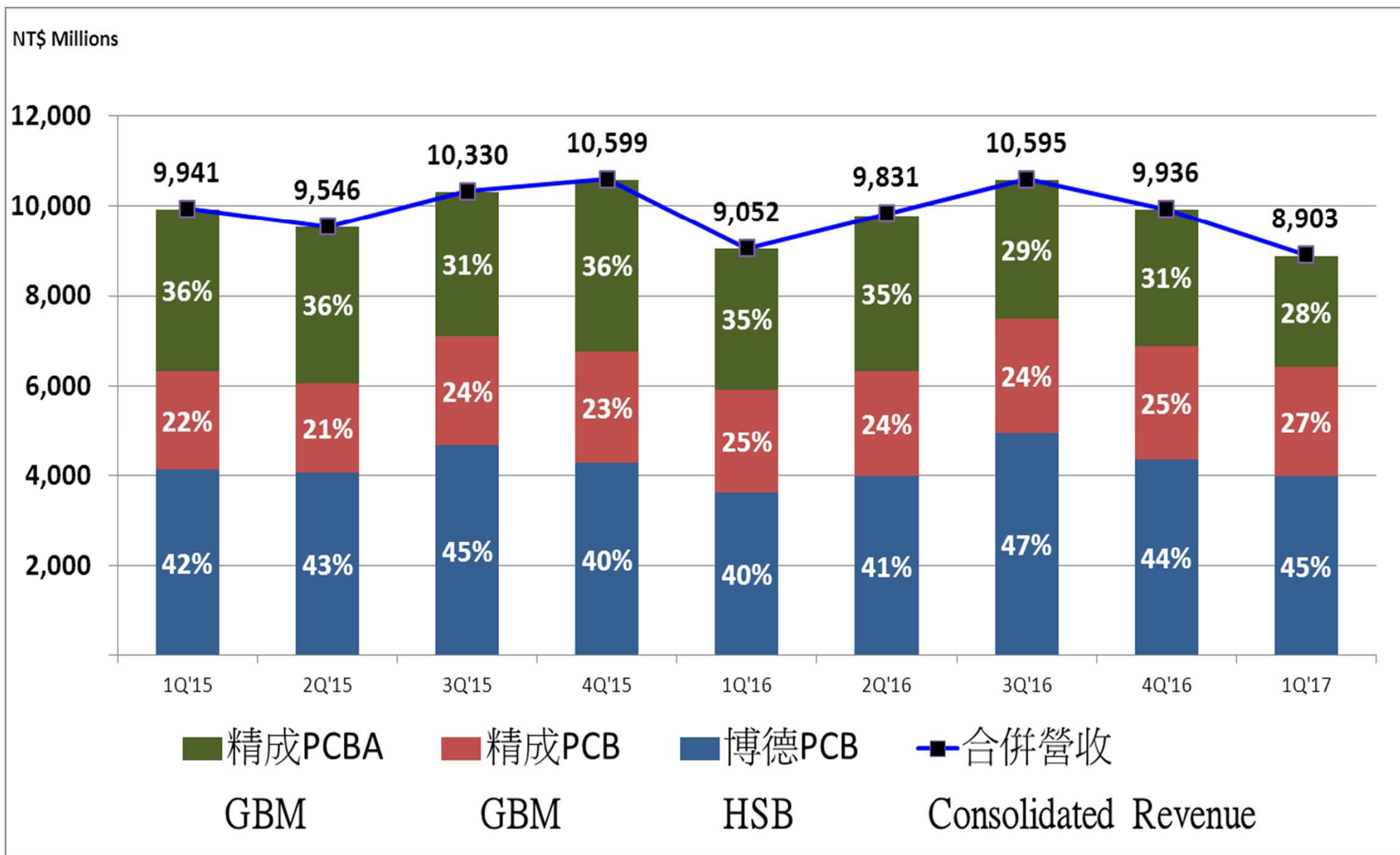
Balance Sheet - Consolidated

NT\$ Millions	Dec.31 '15	%	Dec.31 '16	%	Mar.31 '17	%
Current Assets	35,679	65%	33,561	63%	31,793	62%
Non-Current Assets	19,287	35%	19,469	37%	19,088	38%
Total Assets	54,966	100%	53,030	100%	50,881	100%
Current Liabilities	22,918	42%	22,964	43%	21,988	43%
Non-Current Liabilities	12,009	22%	9,819	19%	9,396	18%
Total Liabilities	34,927	64%	32,783	62%	31,383	62%
Total Equity Attributable to Owners of the Company	12,261	22%	12,433	23%	12,170	24%
Non-Controlling Interests	7,778	14%	7,814	15%	7,328	14%
Total Equity	20,039	36%	20,247	38%	19,498	38%
Liabilities and Equity	54,966	100%	53,030	100%	50,881	100%
Asset Value Per share (NT\$Dollars)	26.92		27.60		27.02	

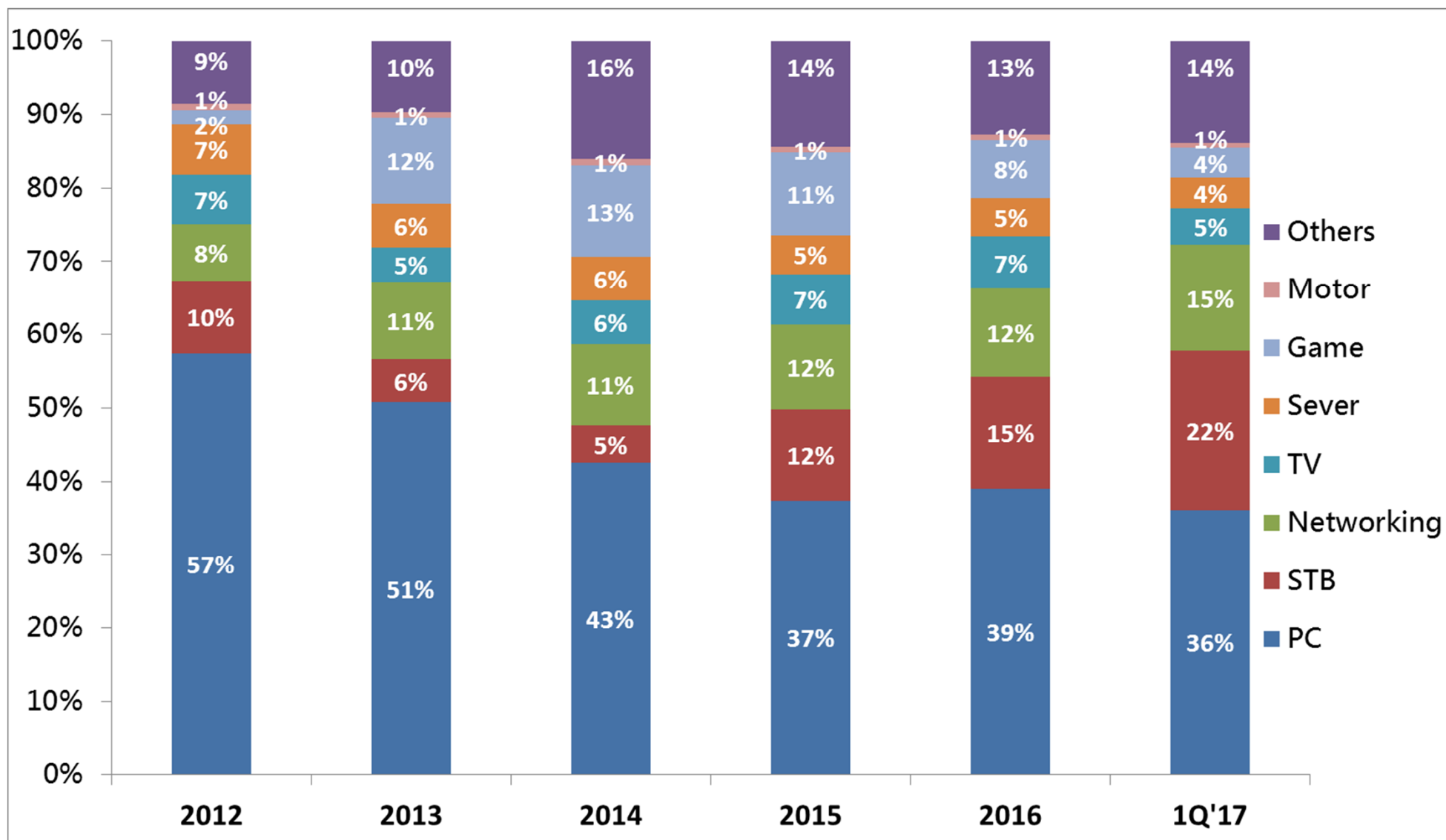
Statement of Cash Flows -Consolidated

NT\$ Millions	2015	2016	1Q'17
Cash From Operating Activities	2,336	4,954	716
Cash From/(Used In) Investing Activities	3,138	(1,417)	75
Cash from/(Used In) Financing Activities	(3,725)	(2,896)	(457)
Others	115	(1,091)	(698)
Increase/(Decrease) In Cash	1,863	(451)	(364)
Beginning Balance	8,072	9,935	9,484
Ending Balance	9,935	9,484	9,121

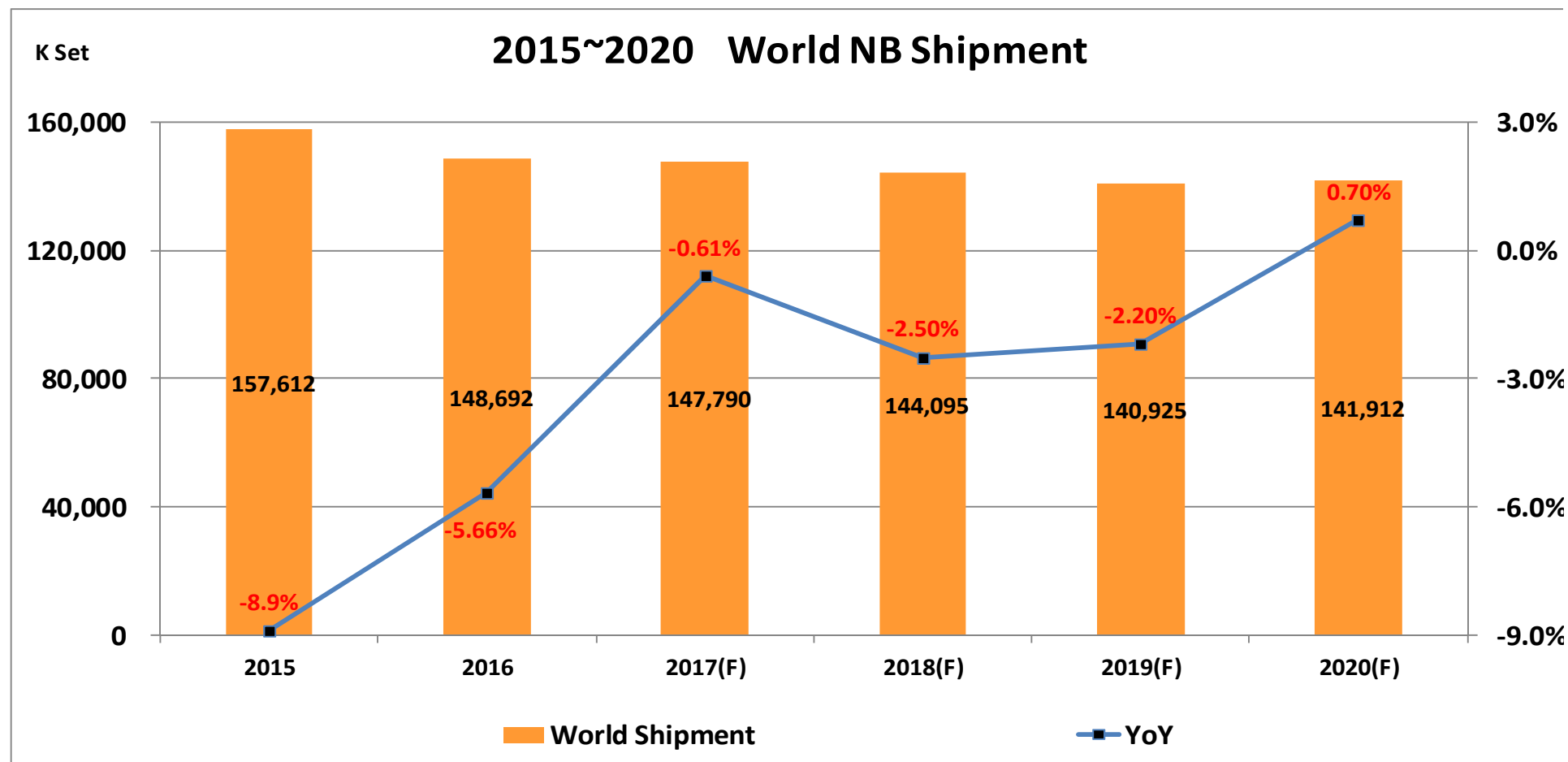
Market Review & Outlook



Diversified product line aggressively



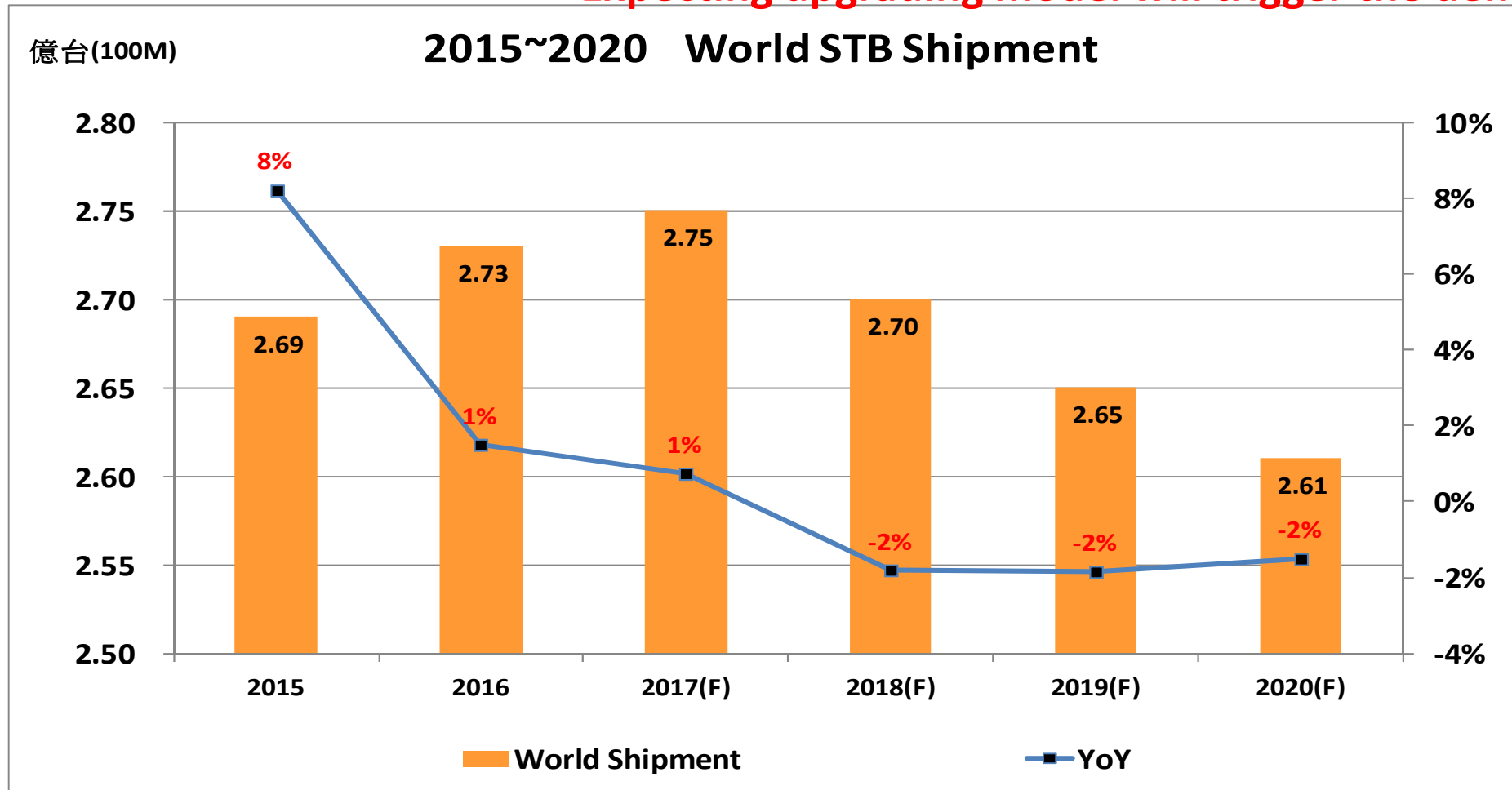
Declining rate of NB YOY slows down



Unit:K Set	2015	2016	2017(F)	2018(F)	2019(F)	2020(F)
World Shipment	157,612	148,692	147,790	144,095	140,925	141,912
YoY	-8.9%	-5.66%	-0.61%	-2.50%	-2.20%	0.70%

Resource: DIGITIMES Research 2017/04/20

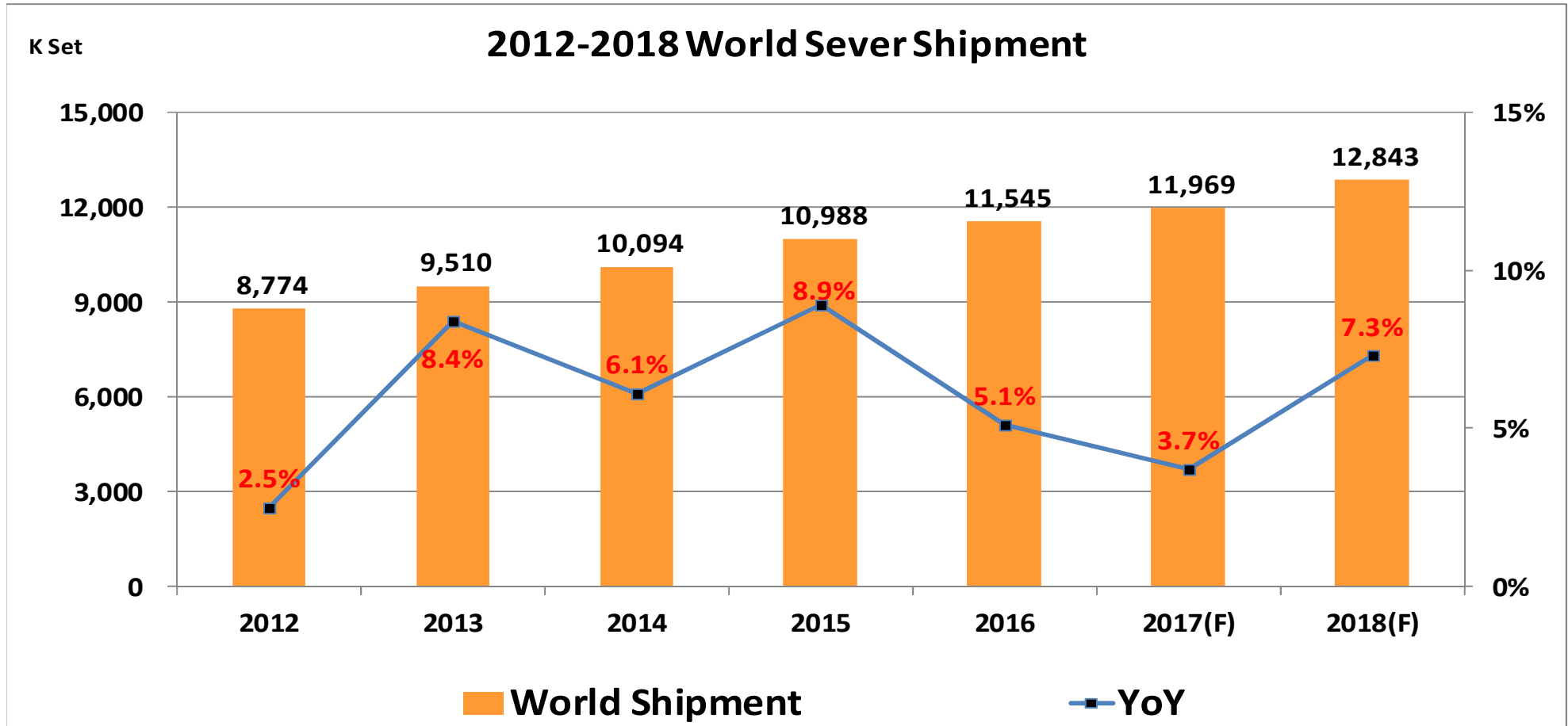
Expecting upgrading model will trigger the demand



億台(100M)	2015	2016	2017(F)	2018(F)	2019(F)	2020(F)
World Shipment	2.69	2.73	2.75	2.70	2.65	2.61
YoY	8%	1%	1%	-2%	-2%	-2%

Resource: SNL Kagan · 2016/12

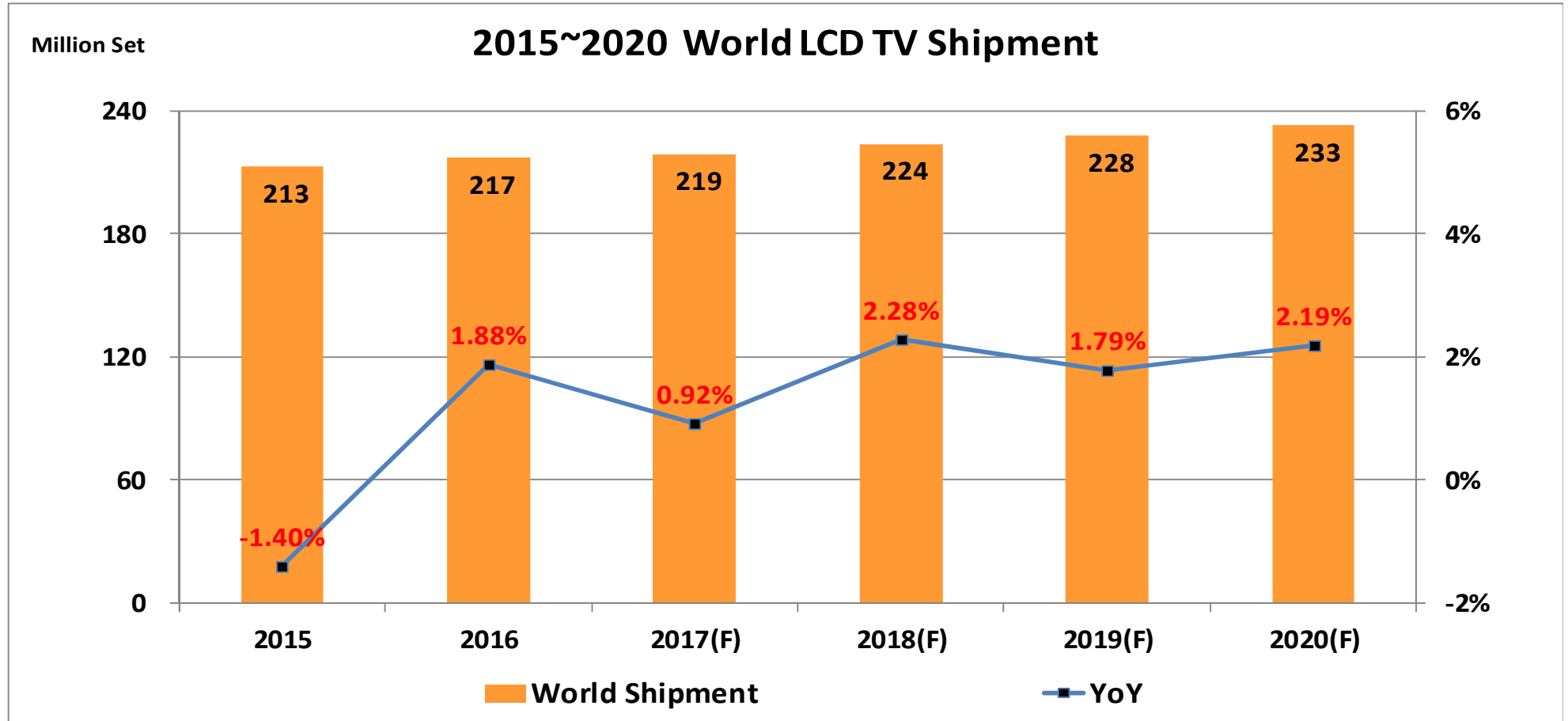
•Demand accelerates



Unit:K Set	2012	2013	2014	2015	2016	2017(F)	2018(F)
World Shipment	8,774	9,510	10,094	10,988	11,545	11,969	12,843
YoY	2.5%	8.4%	6.1%	8.9%	5.1%	3.7%	7.3%

Resource: DIGITIMES · 2017/3

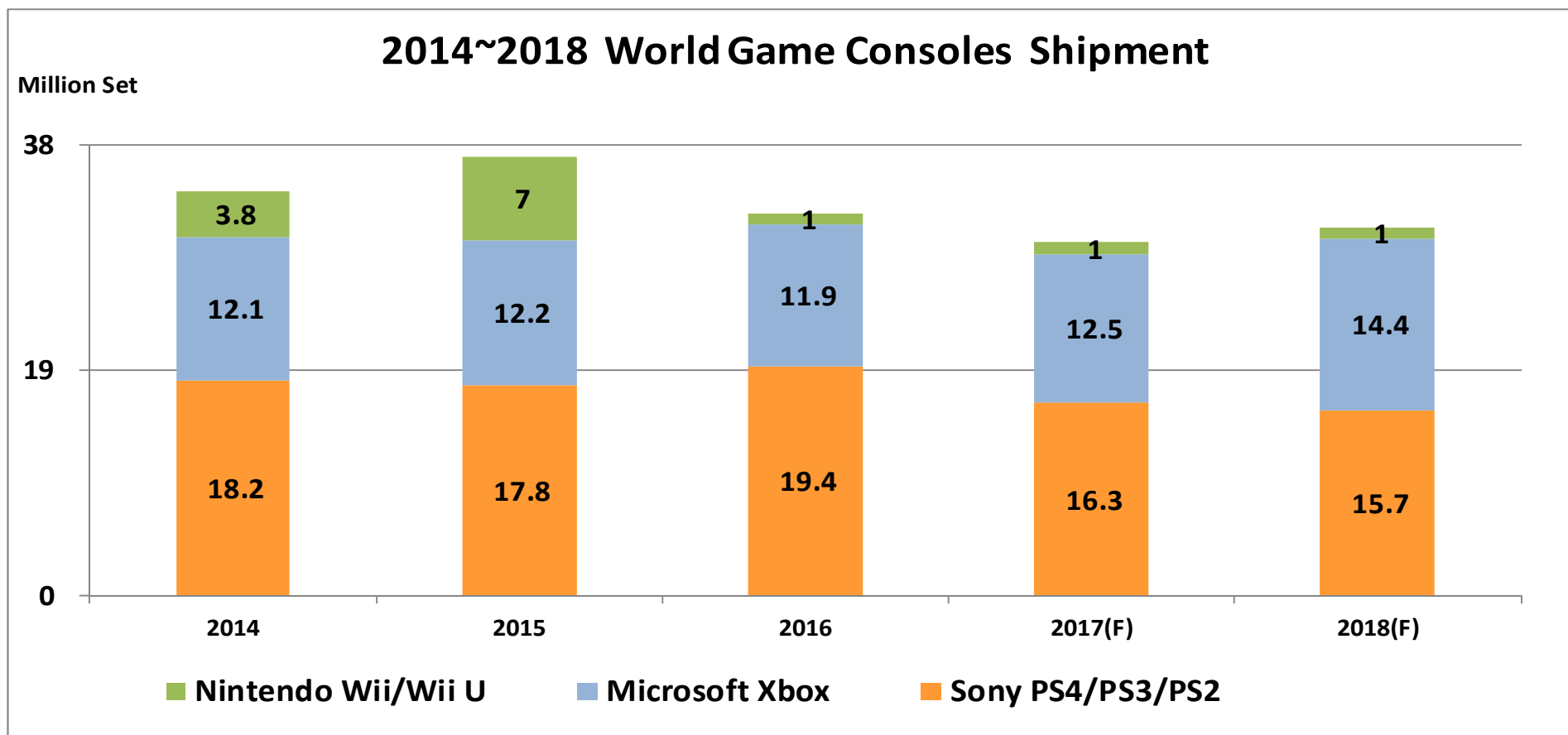
Continue to grow slightly



Unit:Million Set	2015	2016	2017(F)	2018(F)	2019(F)	2020(F)
World Shipment	213	217	219	224	228	233
YoY	-1.40%	1.88%	0.92%	2.28%	1.79%	2.19%

Resource:DIGITIMES Research 2017/04/20

Expecting new model will trigger new demand



Unit:Million Set	2014	2015	2016	2017(F)	2018(F)
Sony PS4/PS3/PS2	18.2	17.8	19.4	16.3	15.7
Microsoft Xbox	12.1	12.2	11.9	12.5	14.4
Nintendo Wii/Wii U	3.8	7	1	1	1

Resource: DIGITIMES Research 2017/02/17

HDI



- Consumer
- High steps

Auto



- Navigation
- Infotainment
- Control PNL

Hi-End Products



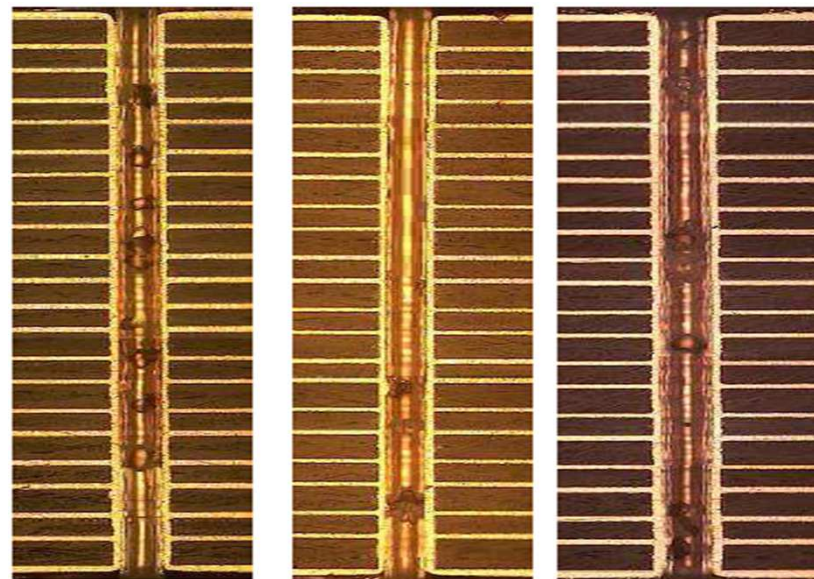
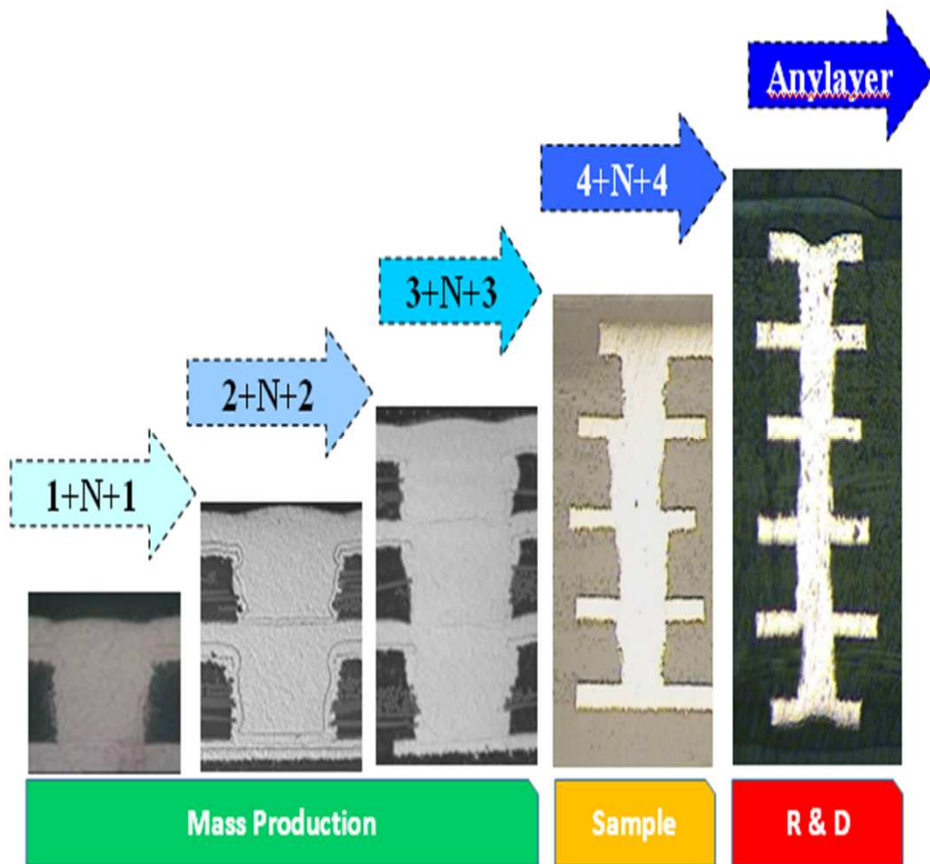
- Server
- Storage
- Base station

LCD



- TV
- NB
- Monitor

•HDI



•High layer counts



Q&A