

IEI Integration Corp. (ticker : 3022) Investor Conference

23, Aug., 2016



Smart City

Disclaimer

- IEI Integration's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Agenda

□ H1 FY2016 Financial Result

□ Business Outlook

□ Q&A

Company Overview

- Company Name : **IEI Integration Corp.**
- Establishment : April 1997
- Date of Listing : 2002
- Capital : NT\$ 3,283,144,250
- Chairman : Meiji Chang
- General Manager : Jordan Jiang, Ph.D.
- Number of employees : 469 ppl (RD: 223 ppl)
- Address : No.29, Zhongxing Rd., Xizhi Dist.,
New Taipei City, Taiwan
- Product : Industrial computer



Industrial integrated IoT
Solution Provider



Quality Network
Appliance Provider



Unique Electronic
Manufacturing Service



Intelligent Medical System
Provider



Leading Automation System
Products Provider



Professional Chassis
Manufacturer



iEi GROUP

威強電集團



威聯通科技
QNAP SYSTEMS INC.



威強電工業電腦
iEi Integration Corp.



芯发威达电子
Armorlink SH Corp.



洋威數控
MOTORCON INC.



百視美
BriteMED Technology Inc.



兴威电脑(昆山)
XINGWEI Computer CO.,LTD



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IEI Company Introduction

IEI keeps providing prompt and localized services to our worldwide customers to achieve “**Global Localization (Globalization).**” To provide this kind of service, IEI uses a global network of **over 300 distributors in Asia and America** to bring the fastest response time when servicing customers' needs. IEI has set up warehouses in Mainland China and the U.S.A. to offer comprehensive system integration of hardware, software, customer-driven service and global logistics support.



Income Statement (Consolidated)

Amount: NT\$ Thousand

	H1 FY2016	H1 FY2015	YoY
Net sales revenue	3,226,724	3,693,725	-13%
Cost of sales	2,106,245	2,483,965	-15%
Gross profit from operations	1,120,650	1,209,597	-7%
Gross margin	35%	33%	
Operating expenses	592,291	614,275	-4%
Net operating income	528,359	595,322	-11%
Non-operating income & expenses	263,974	279,267	-5%
Net income	623,684	659,581	-5%
EPS	1.90	2.01	-5%

Balance Sheet (Consolidated)

Amount: NT\$ Thousand

	2016.06.30	2015.12.31
Current assets	7,681,530	8,102,499
Non-current assets	3,915,617	3,880,683
Total assets	11,597,147	11,983,182
Current liabilities	3,746,048	3,966,474
Non-current liabilities	566,031	530,655
Total liabilities	4,312,079	4,497,129
Capital stock	3,283,144	3,283,144
Additional paid-in capital	972,312	972,312
Retained earnings	3,026,194	3,059,139
Other equity interest	3,418	171,458
Total equity	7,285,068	7,486,053

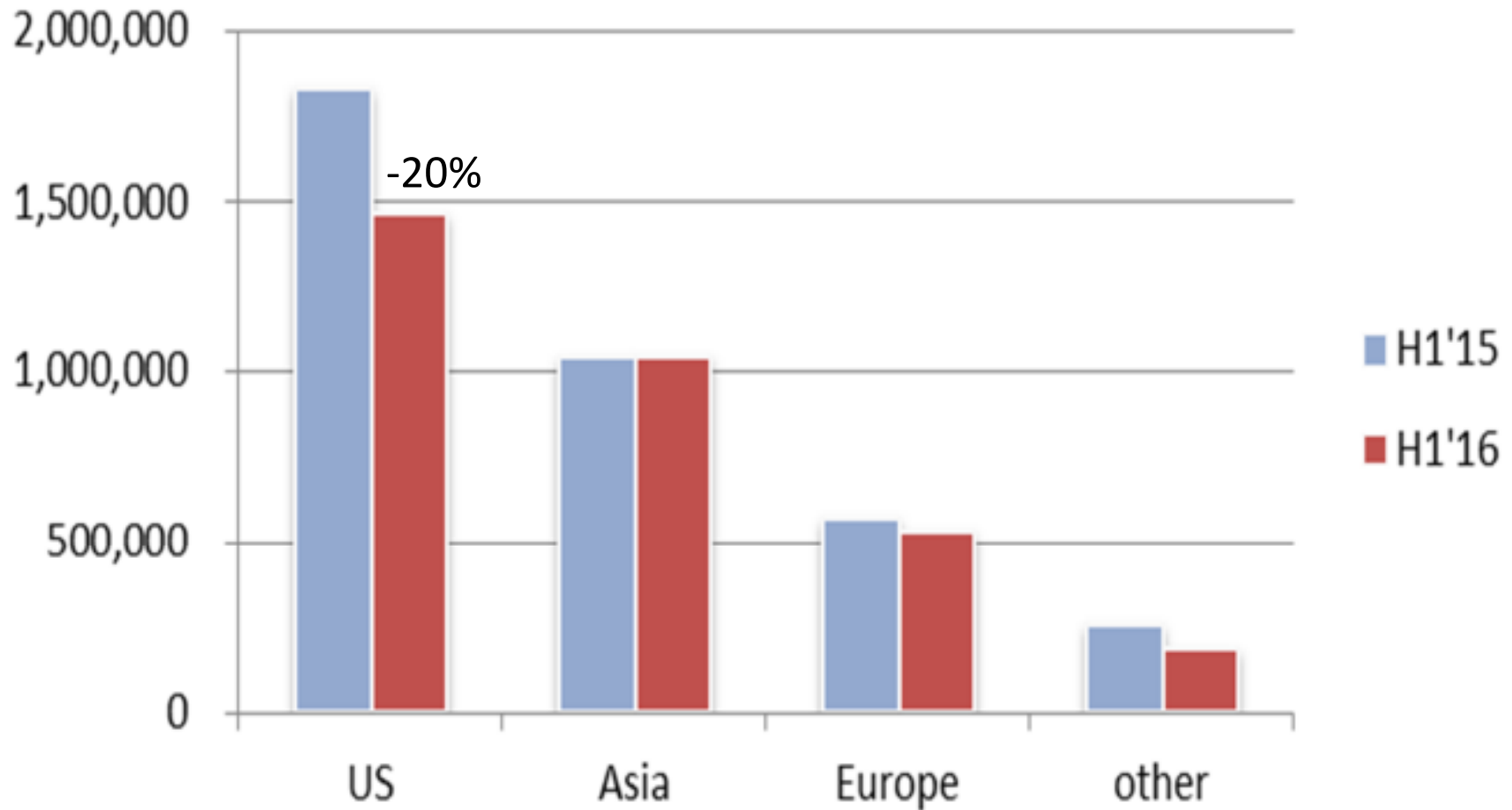
Financial Highlights (Consolidated)

Amount: NT\$ Thousand ; day

	2016.06.30	2015.12.31
cash equivalents & current financial asset	5,706,164	6,119,552
Account Receivable	711,952	761,368
Inventory	987,299	972,149
Short -term Borrowings	997,156	1,644,881
Account Payable	1,104,916	1,255,662
Days Sales Outstanding	41.59	40.51
Days on Hand	84.88	77.49
Account Payable Days	102.24	108.96
Return on Equity	8.4%	15.86%

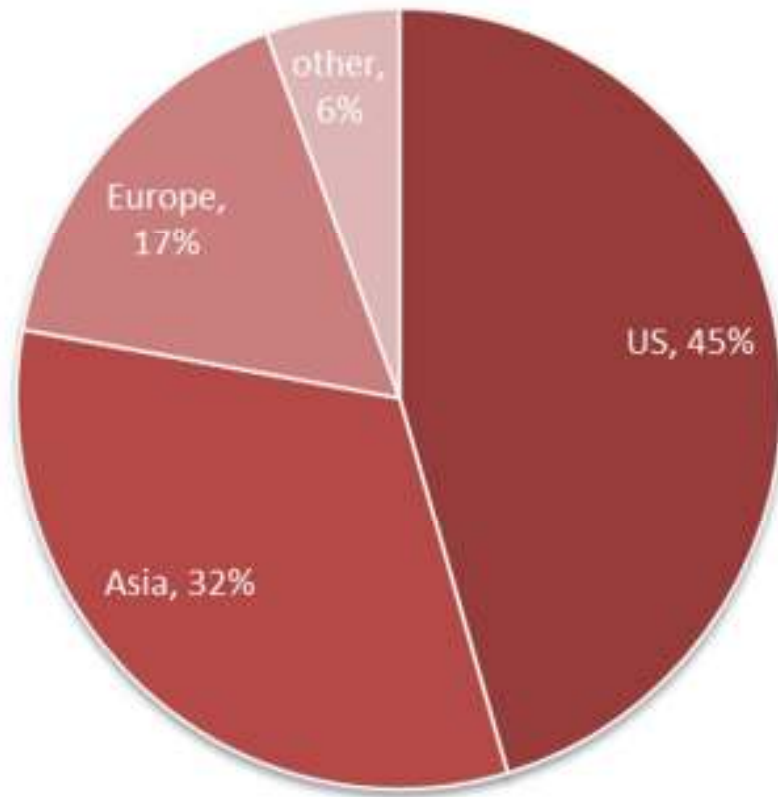
Revenue by Region

NT\$ Thousand

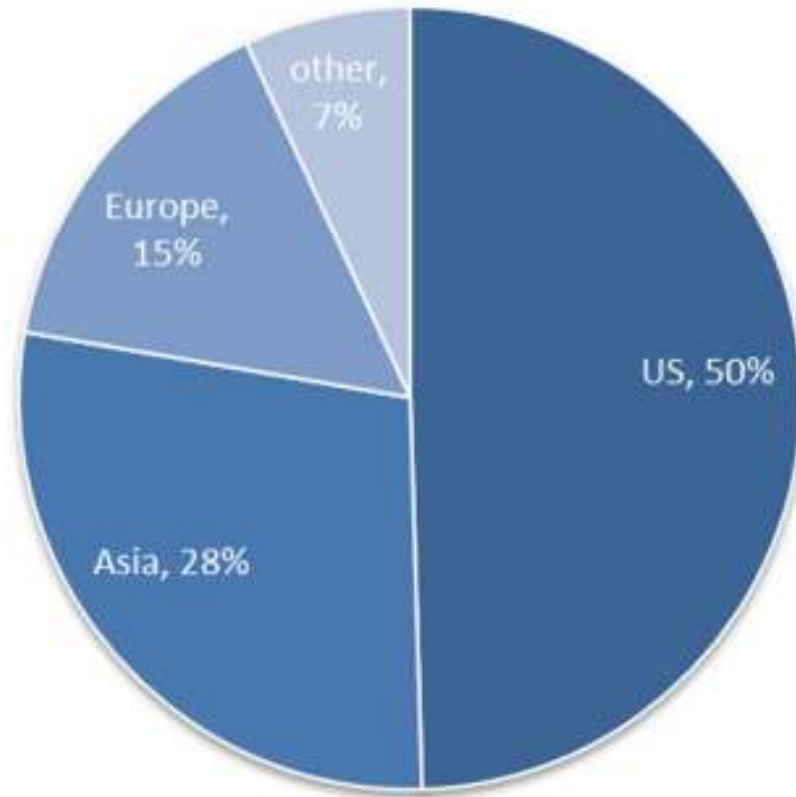


Revenue by Region

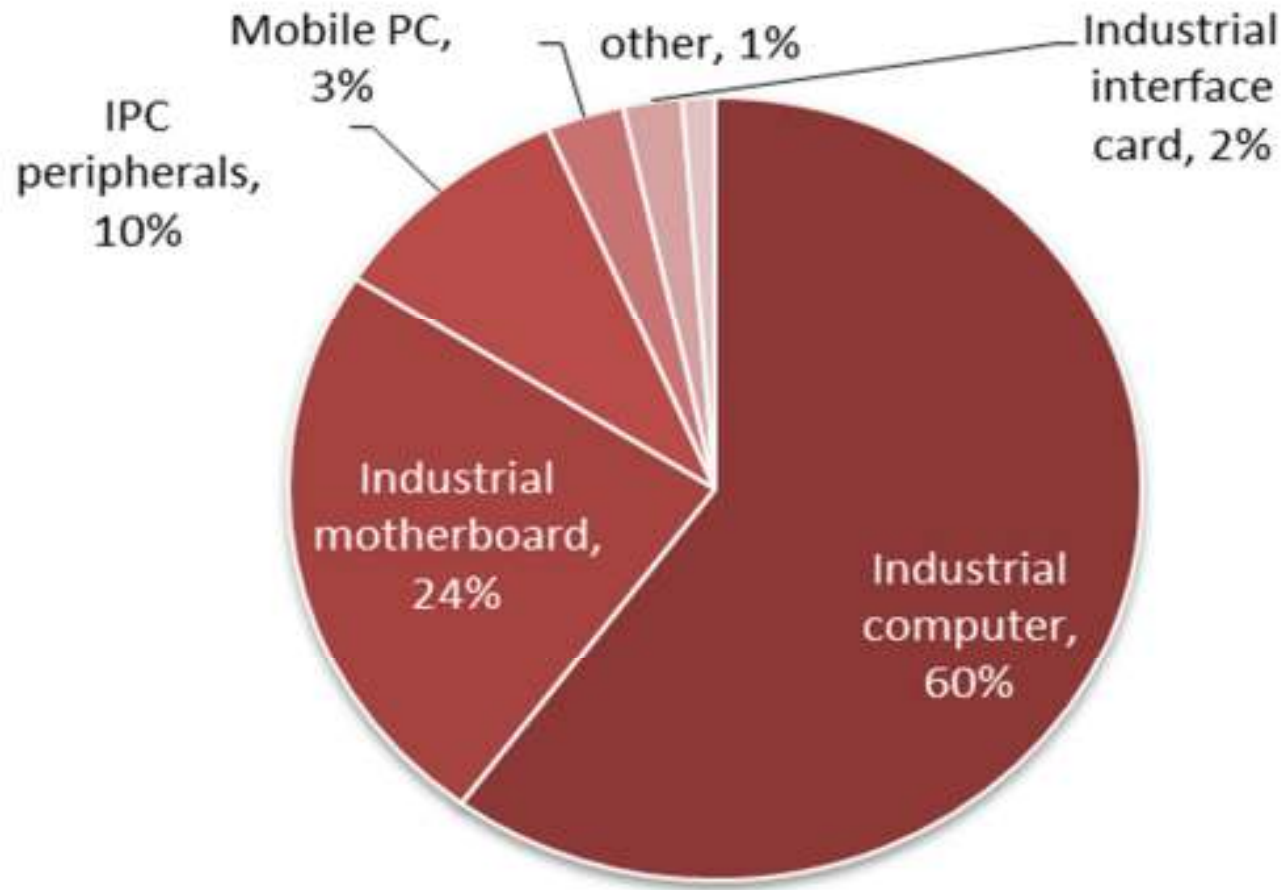
H1'16



H1'15

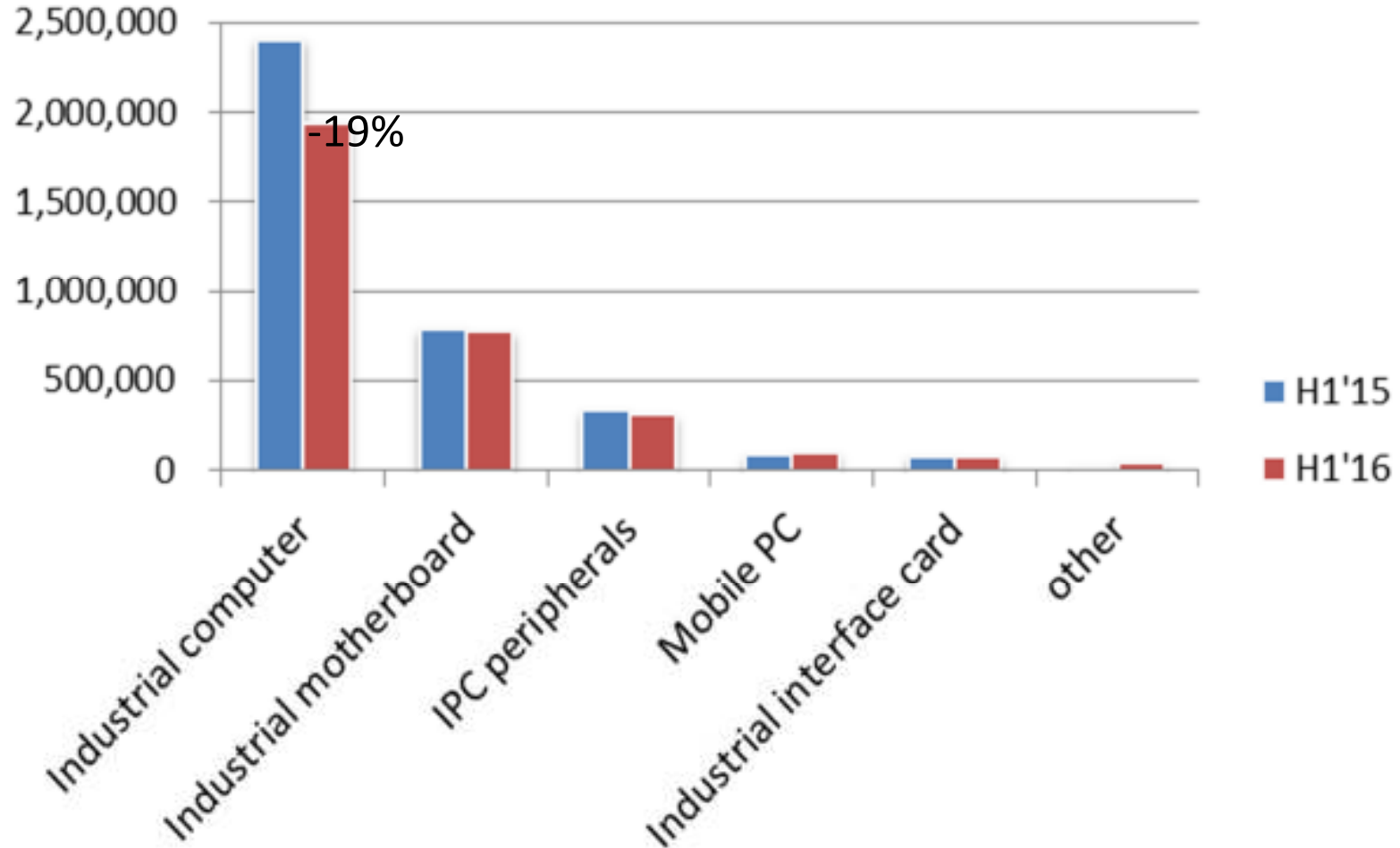


Revenue by Product Lines



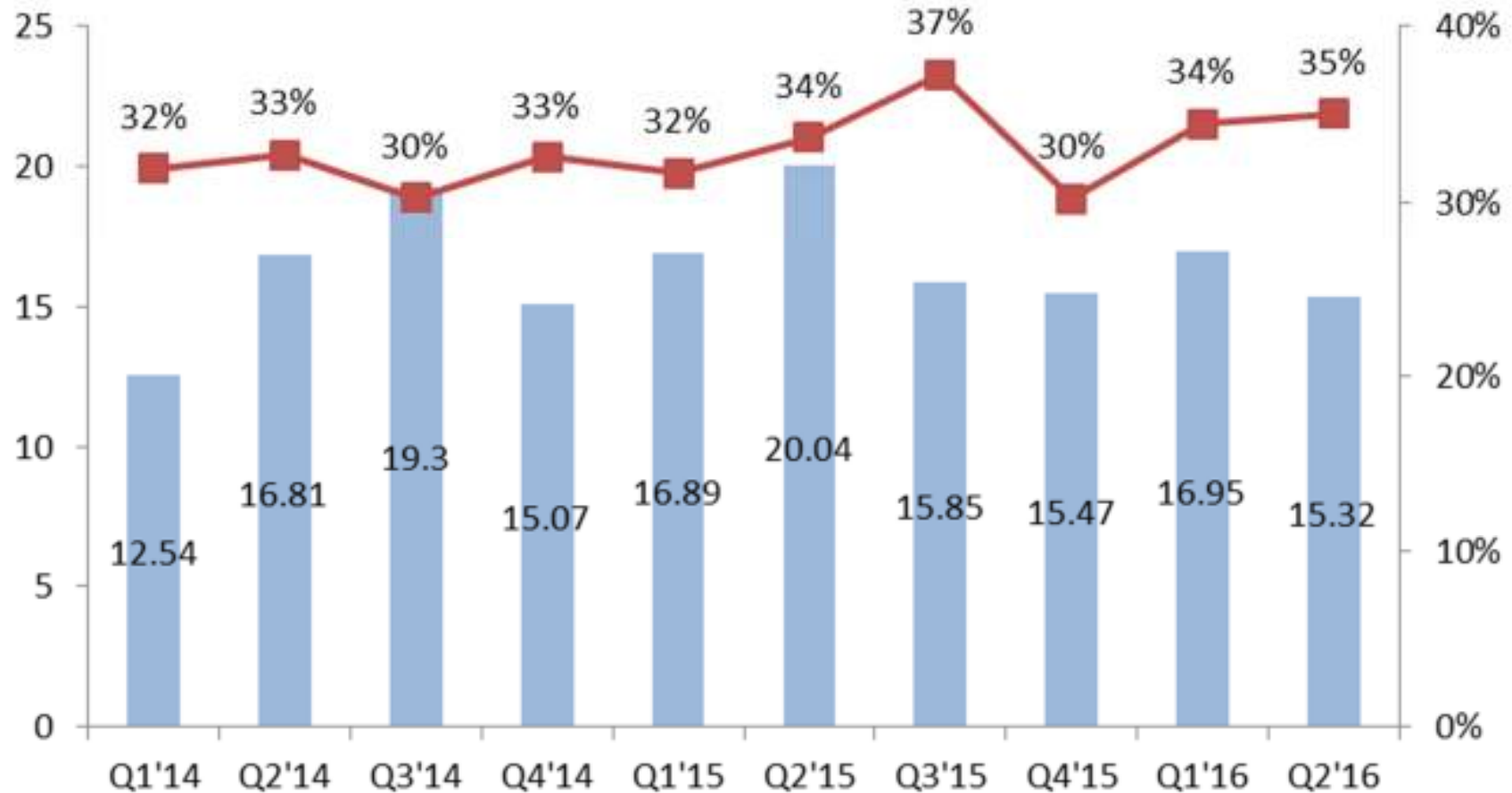
Revenue by Product Lines

Amount: NT\$ Thousand



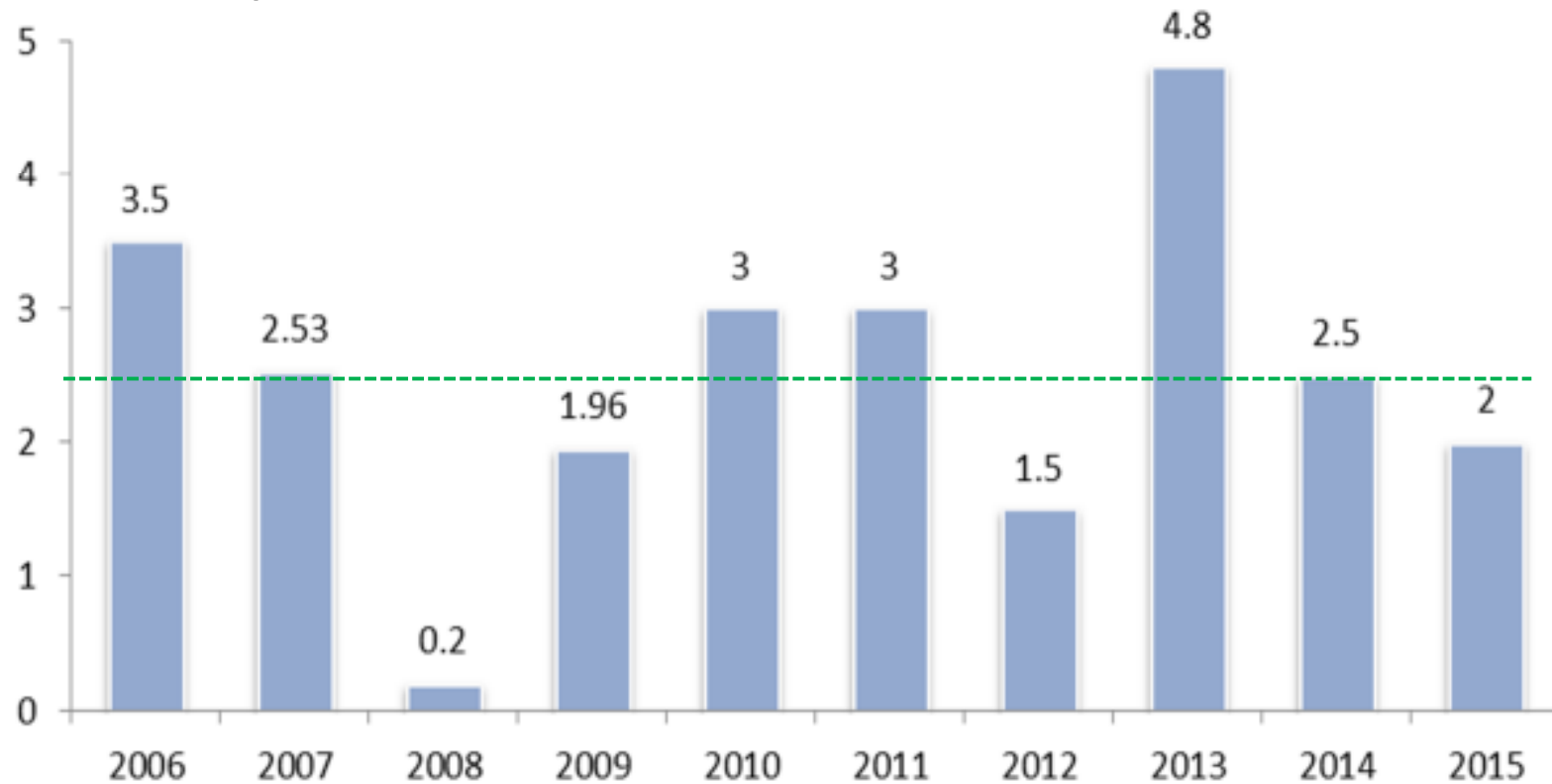
Quarterly Revenue & Gross Margin

Amount: NT\$ 100 mio



Cash Dividend from 2006 to 2015

Unit: NT\$/share



Business Outlook

Jordan Jiang, Ph.D.
General Manager



IoT Market Forecast

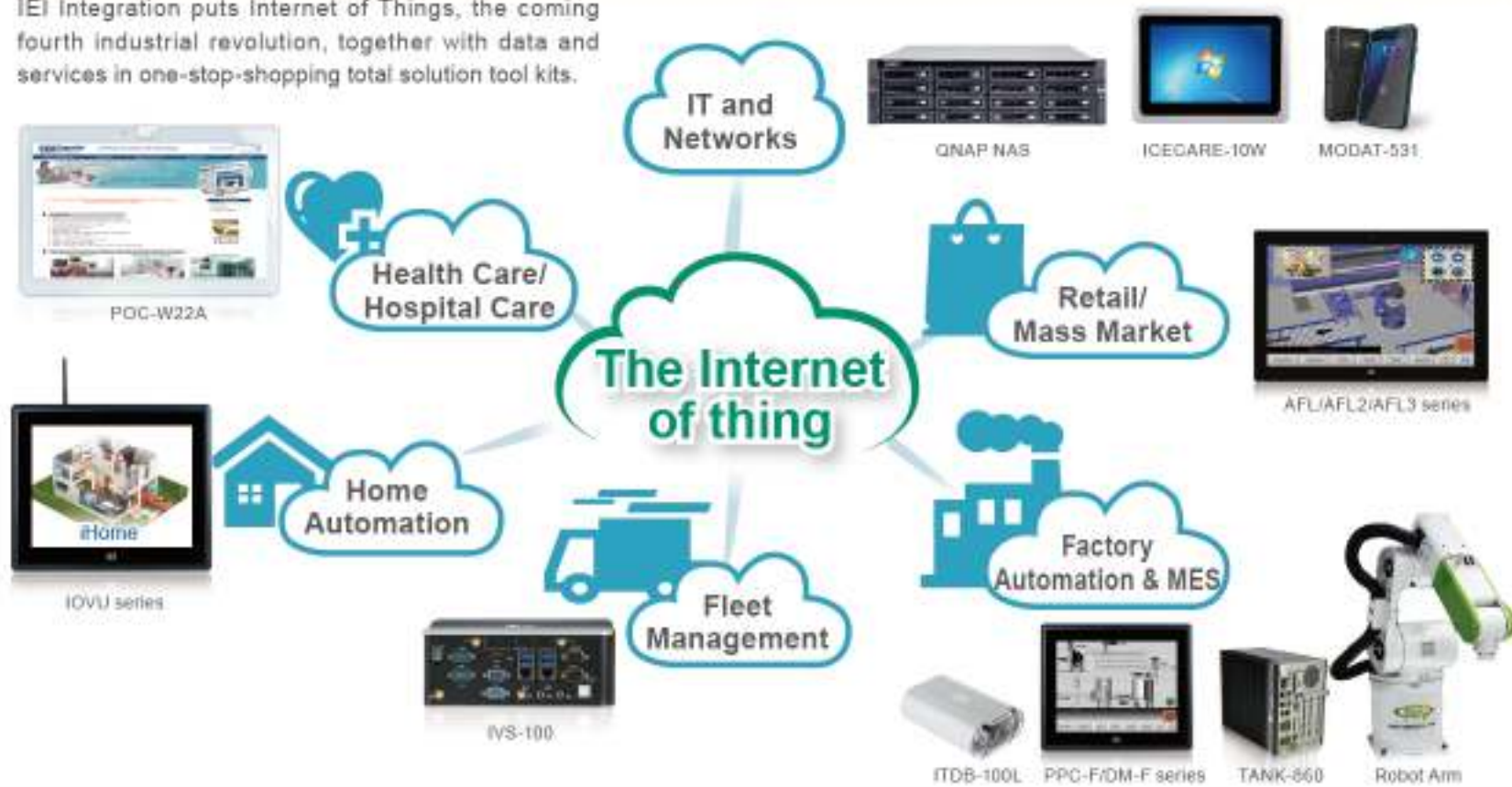


Source: McKinsey Global Institute, 2015

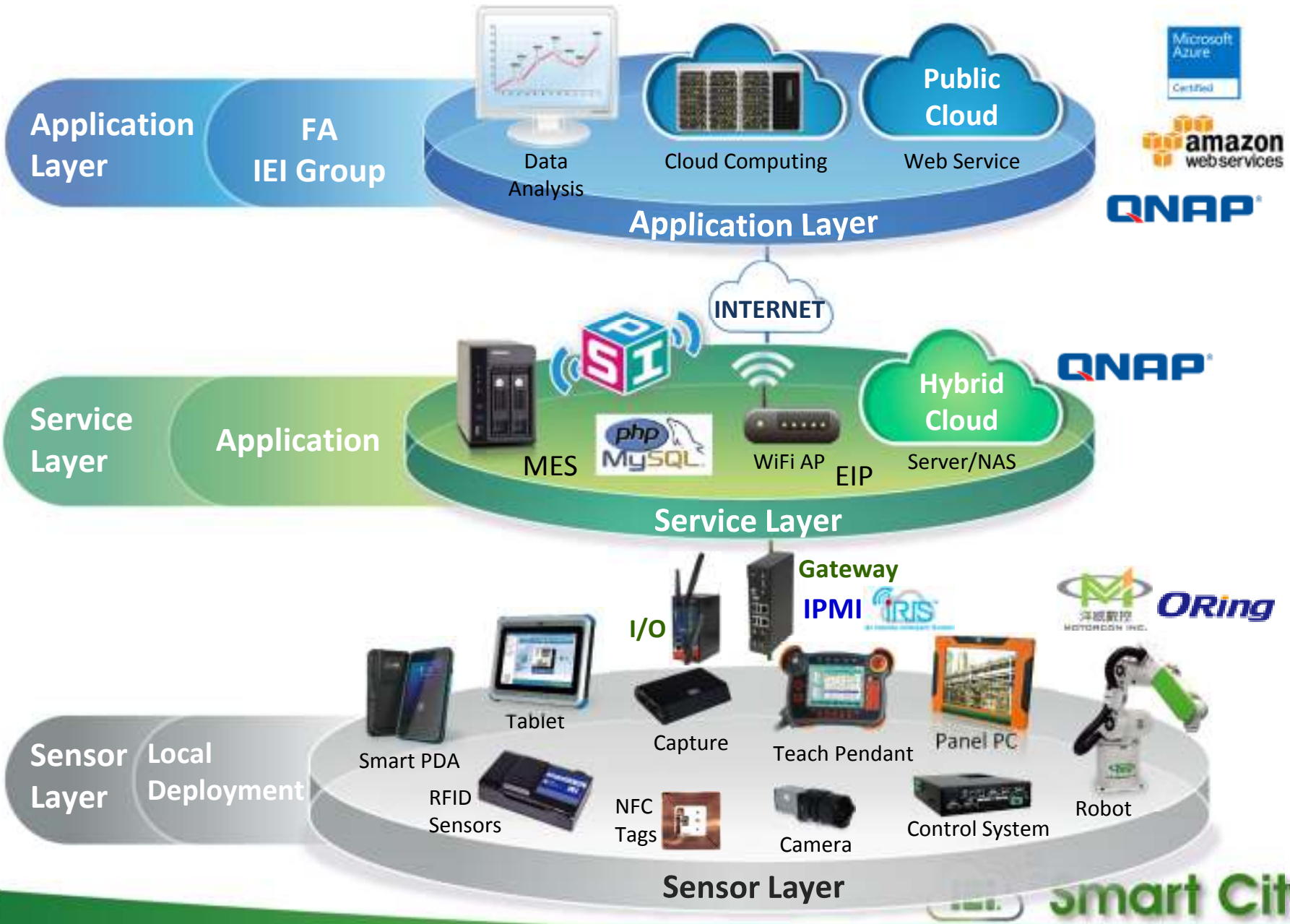
IEI's solution for IoT

The Internet of Things- Proliferation of Connected IEI Integration Device

IEI Integration puts Internet of Things, the coming fourth industrial revolution, together with data and services in one-stop-shopping total solution tool kits.



IEI IoT Structure

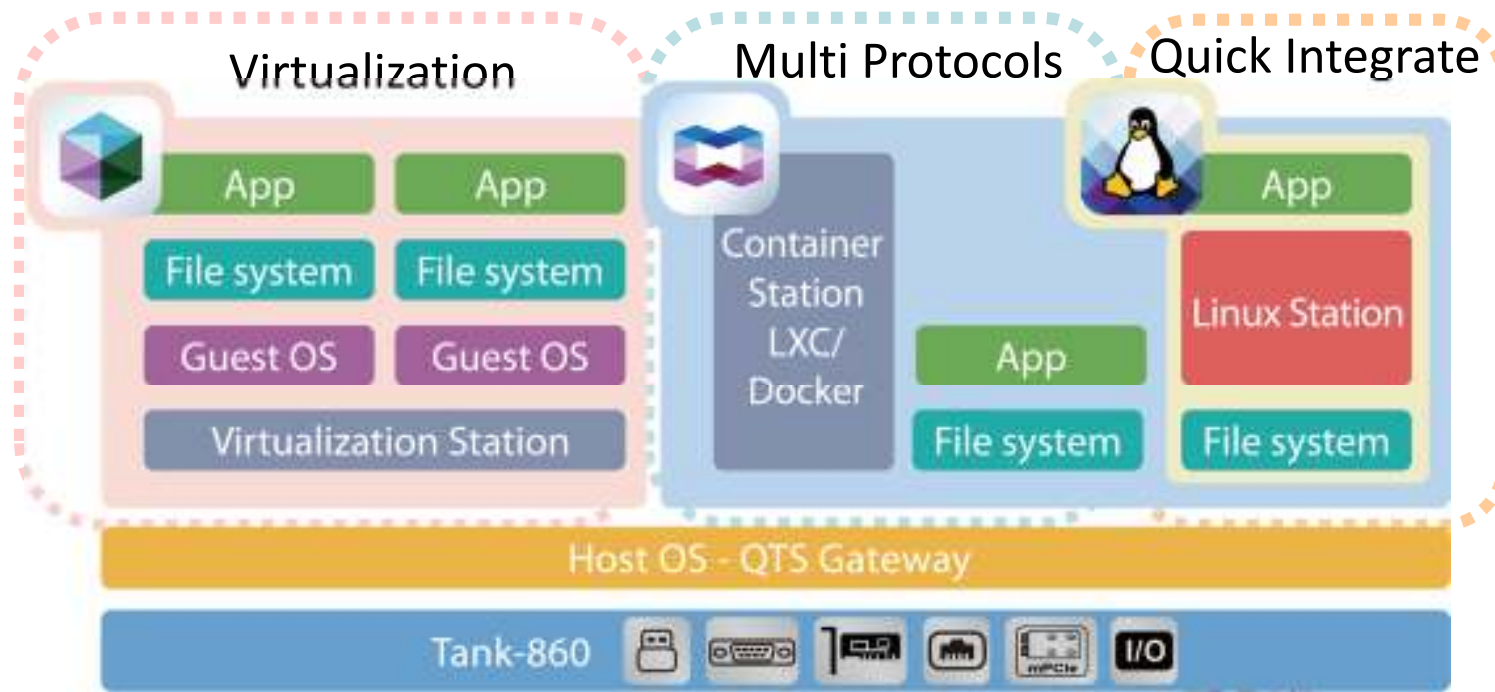


IEI's Core Competences

- Timely and flexible customization capability
- Excellent ability to integrate hardware and software
- Long-term experience in industry verticals
- Strong alliance partnerships



iEi + QNAP = QTS Gateway [Cloud Based IPC]



Target Markets

- **Smart Health**
- **Smart Building**
- **Smart Transport**
- **Smart Factory**



Q & A



Thank you!

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