

Gemtek Company profile



March 13, 2018

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Safe Harbor Notice

- **The following presentation may contain forward-looking statements regarding, among other things, our financial condition, future expansion plans and business strategies based 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.**
- **The company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. The actual results could differ materially from those contained in these forward-looking statements.**

About Gemtek

- Established: 1988
- Location office: Hsinchu Industrial Park, Hsinchu, Taiwan(Headquater)
- Global Total Employees:≈ 3,100 (TWN: 930)
- Capital: NT\$3.2 Billion (US\$109.5 Million)



Hsinchu Headquarter

Floor Space: 322,000 SQF
Land Area: 215,000 SQF



Czech Republic

Plant Size: 102,000 SQF



Chang Shu Plant

Plant Size: 441,600.SQF
Land Size: 1,635,520.SQF



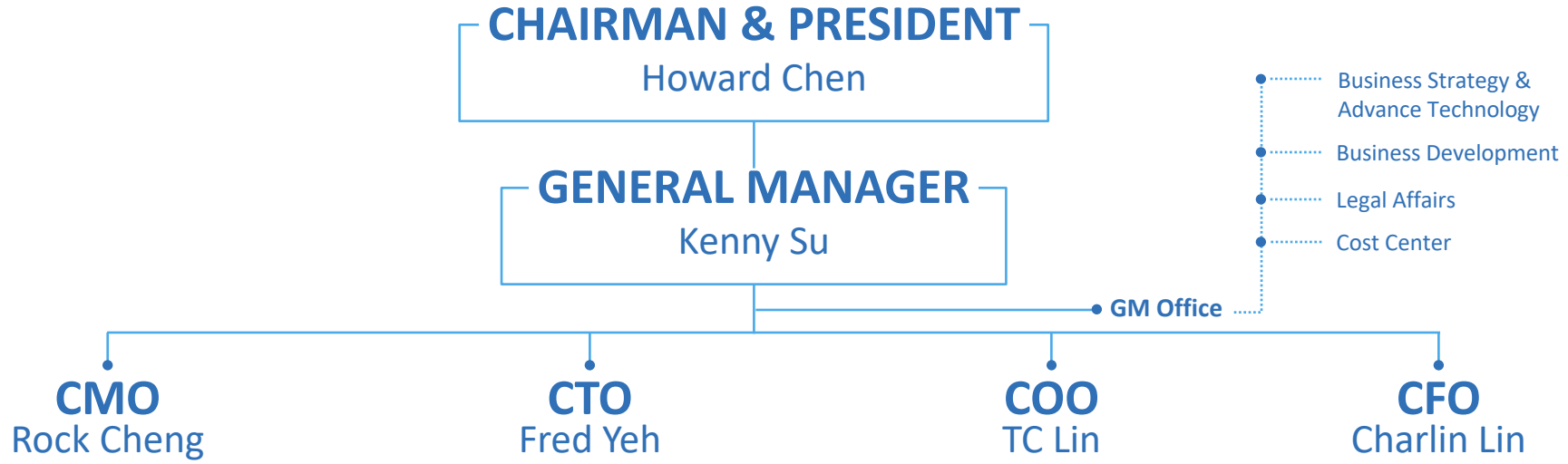
KuShan Plant

Plant Size: 330,000 SQF
Land Area: 150,000 SQF

Certified Sites:

ISO 9001
ISO 14001
ISO 13485
OHSAS 18001
TL9000
C-TPAT

Organization Chart



2017 JAN-SEP Financial Results

2017 JAN-SEP Income Statement

Units: NT\$ Thousands; Consolidated

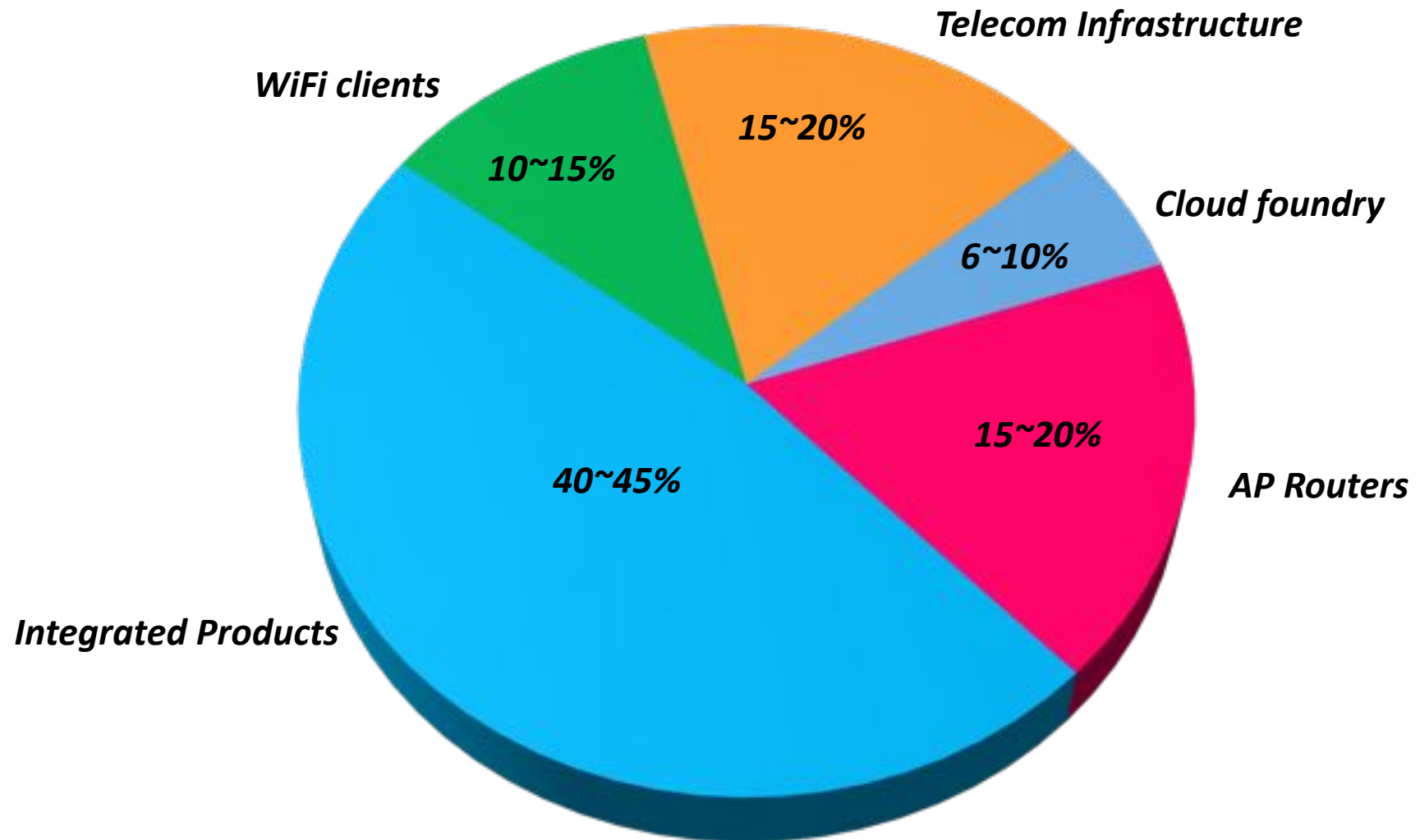
	September 30 2017		September 30 2016	
	Amount	%	Amount	%
Sales Revenue (k)-	10,165,661	100%	10,895,600	100%
Gross Profit(K)	1,373,724	14%	1,682,350	15%
Operating Income	102,714	1%	237,738	2%
Non-Operating income and expense	337,713	3%	253,094	3%
Net Profit After Tax (k)	400,016	4%	417,618	3%
EPS after tax	1.30		1.40	

2017 JAN-SEP Balance Sheet

Units: NT\$ Thousands; Consolidated

Asset	September 30 2017		Liability and Equity	September 30 2017	
	Amount	%		Amount	%
Cash Equivalents	2,559,267	17%	Short-term borrowing	1,256,500	8%
A/R	3,469,581	22%	A/P	2,870,502	18%
Inventory	2,038,402	13%	Other Payables & Current Liabilities	1,254,590	9%
Other Current Assets	841,230	6%	Non-current Liabilities	183,183	1%
Non-current Asset	6,584,219	42%	Total Liabilities	5,564,775	36%
Total Assets	15,492,699	100%	Total Equity	9,927,924	64%
			Total Liabilities & Equity	15,492,699	100%

2017 JAN-SEP Breakdown by Product



Future Outlook and New Technology

Core business model (CM,OEM,ODM)

- Increase production lines utilization rate
- Seize opportunity to increase revenue
- Focus on the product of Telecom infrastructure
Ex: LTE CPE, small cell, Pre-5G product

Internet Of Things

- Cooperate with SI or ISP on LPWAN market
- Provide total solution of Wifi service platform
- Focus on AIoT market and related product
EX: Vita, AI module, Sensor kit

5G Strategy

- 5G NR (New Radio), **Release 15** commercial schedule is in Q2 2019
- Before 2019, Pre 5G or Non standard (NSTD) 5G is the contingent approach priori to 3GPP standard release (Rel. 15 and higher)
- Gemtek 5G road map are based both on NSTD 5G in 2018 and full 5G NR release in 2019 and 2020 (IMT2020)
- Gemtek 5G product development road map are focusing on **small cell, CPE and Cellular IOT modules**

Meet Gemtek ViTA AI Controller

Giga+ Connectivity

Full Wi-Fi Coverage

Background Scan

Local Analytics



Voice Service

Cloud Service

IoT Service

IoT Vision – Gemtek Smart World



Green Living in the Internet of Things



Market Trend and Product Introduction

State of Operation and 2018 Outlook

● Revenue and Margin Challenge

- Inventory adjustment by clients.
- The shortage and price hike of components.

● 2018 outlook

- Cooperating with worldwide tier 1 operators, increasing telco market share.
- Launching Pre-5G related products.
- 5G main focus: Small cell , CPE and Cellular IoT modules.
- Focus on high value-added market.
 - AI Voice controller and sensors
 - LPWAN vertical market
 - Cellular IoT product



THANK YOU



Q & A