

PSA

PASSIVE SYSTEM ALLIANCE

Prosperity Dielectrics Co., Ltd.

Investment Forum 2017
Prosperity Dielectrics Corporation
(Stock code: 6173)

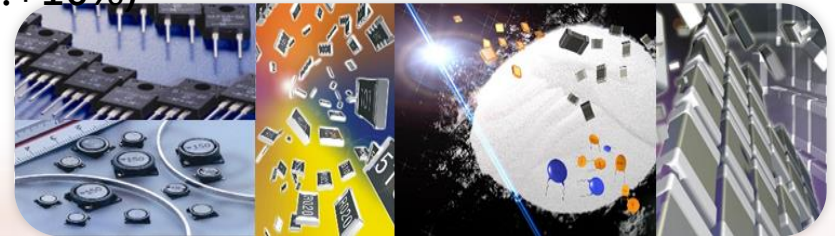
About PDC

Prosperity Dielectrics Corp :

- Established June, 1990
- Capital NTD 1.72 Billion
- Employee 1,226
- Brand PDC, Frontier
- Revenue NTD 2.68 Billion/2016 Y,
NTD 1.5 Billion/2017 H1 (YoY:+16%)

Branch Office/ Plant :

- Taiwan Taoyuan / Yangmei Plant
- China Wujiang/ Yongzhou Plant /Dongguan Office



Production experience :

- Powder Since 1995 (21 years)
- MLCC/CR Since 1990 (26 years)
- Coil Since 1972 (44 years)

2015 ~ 2017 H1 Financial Performances

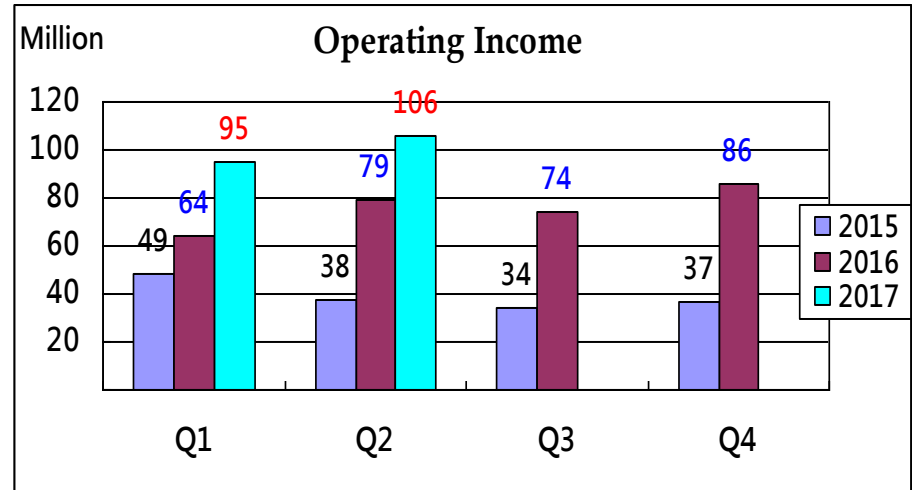
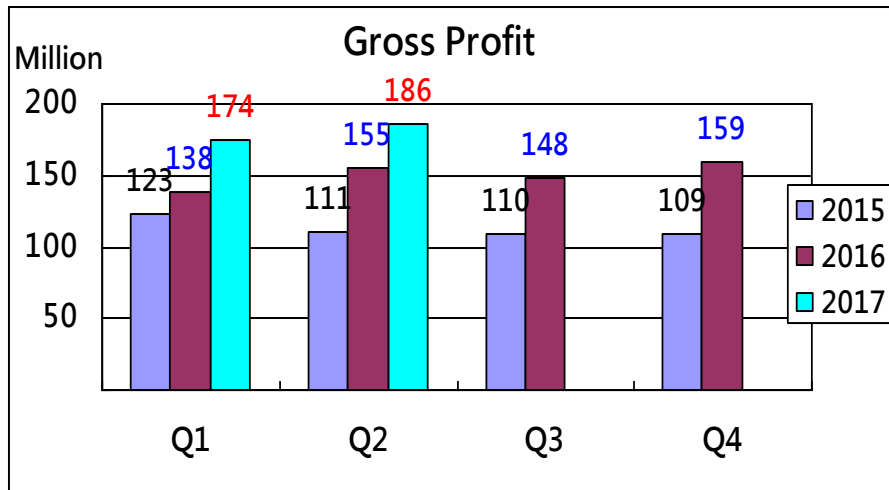
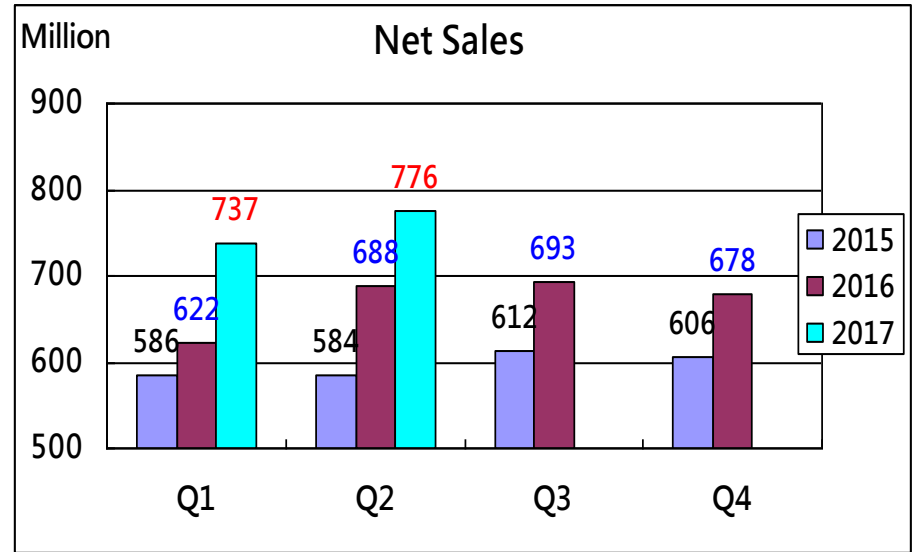
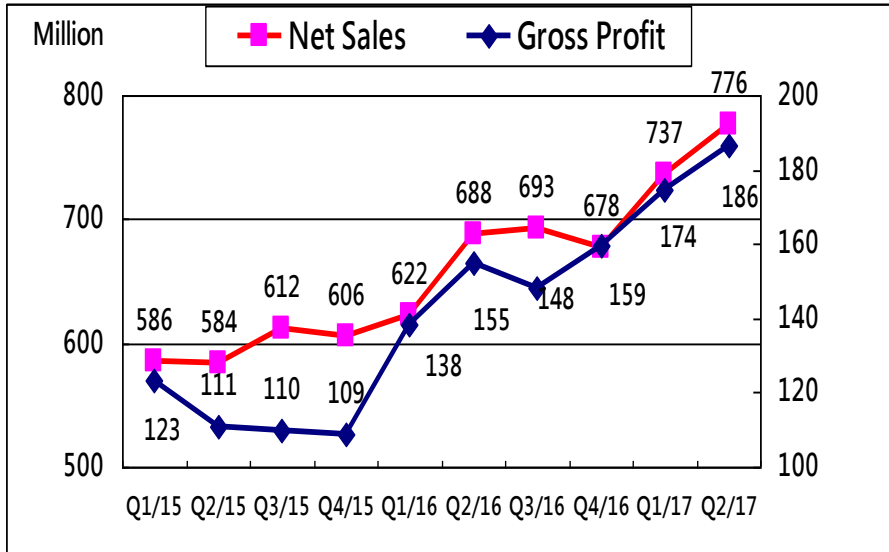


Financial result of 2015~2017 H1

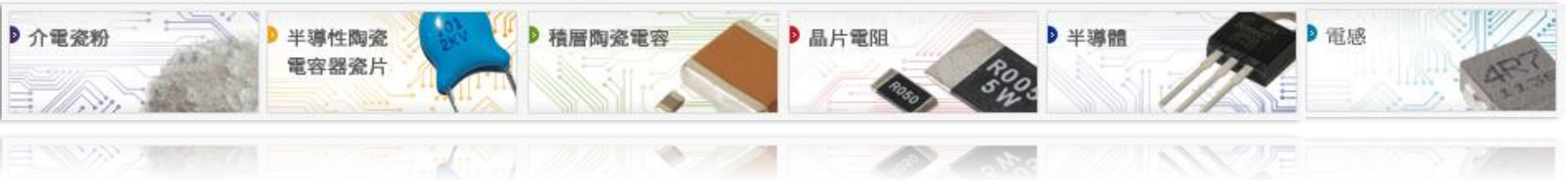
In Million NTD Except NTD for Earnings Per Share

	2015 Y			2016 Y			2017 Y	Y-Y
	H1	H2	Total	H1	H2	Total	H1	Growth%
Net Sales	1170	1218	2388	1310	1371	2681	1513	16%
Gross Profit	234	219	452	293	308	601	361	23%
Gross Profit(%)	20.0%	17.9%	18.9%	22.4%	22.4%	22.4%	23.8%	
N.O.P	86	71	157	144	160	304	201	40%
N.O.P(%)	7.4%	5.8%	6.6%	11.0%	11.7%	11.3%	13.3%	
Net Income	71	66	137	139	111	250	154	11%
Net Income(%)	6.1%	5.4%	5.7%	10.6%	8.1%	9.3%	10.2%	
EPS(NTD)	0.39	0.35	0.74	0.76	0.60	1.36	0.84	11%

2015~2017 H1 Net sales, Gross profit & Operating Income Trend



Market Opportunities



WW demand forecasts per end-use app

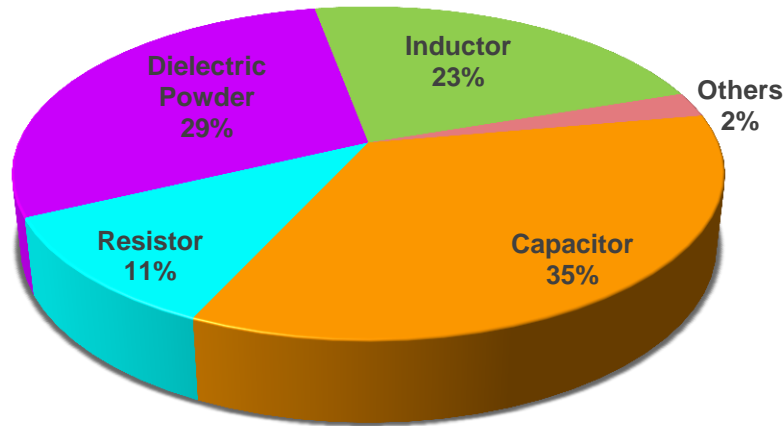
Application	2017 Estimates		2022 Forecast		Trend
	Share ratio	Value (Billion USD)	Share ratio	Value (Billion USD)	
Telecommunications	39%	8.64	42%	12.0	↗ 39%
Computers	15%	4.47	16%	4.60	↗ 3%
Consumer	16%	3.62	12%	3.40	↘ 6%
Automotive	16%	3.50	16%	4.60	↗ 31%
Power & Industrial	10%	2.33	10%	2.90	↗ 24%
Specialty	4%	0.82	4%	1.10	↗ 35%
Total	100%	23.38	100%	28.60	↗ 22%

source : Paumanok Publications . Inc. March 2017

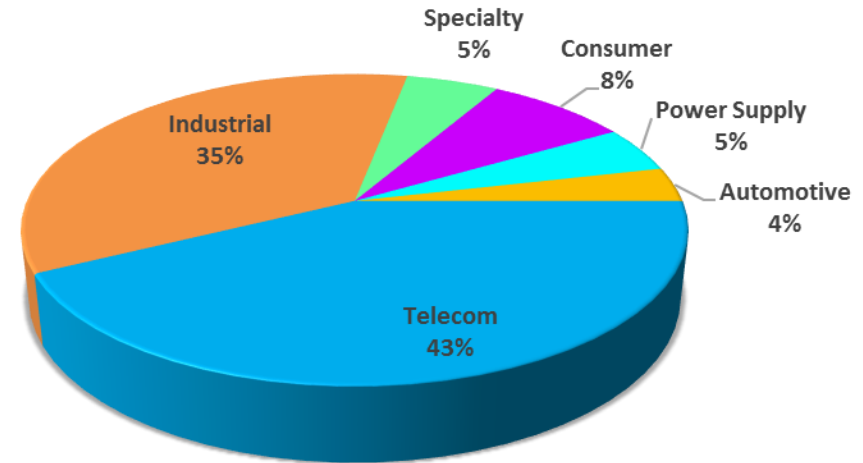
1. 2017~2022 majority growth of passive component revenue will be coming from the following end product applications: telecommunication, industrial related, power supply, automotive and applications of specialty products.
2. Demand from consumer electronic device will gradually decrease, but computing industry will grow slightly.

2017 H1 Component revenue breakdown

2017 H1 Revenues Breakdown by Product



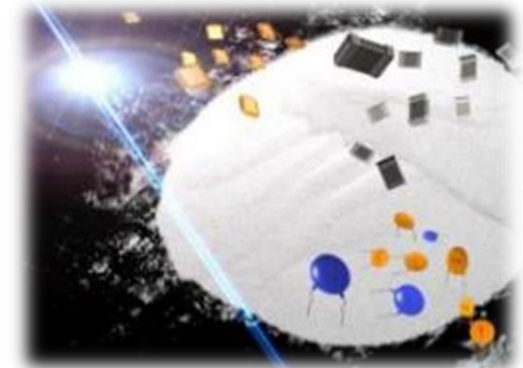
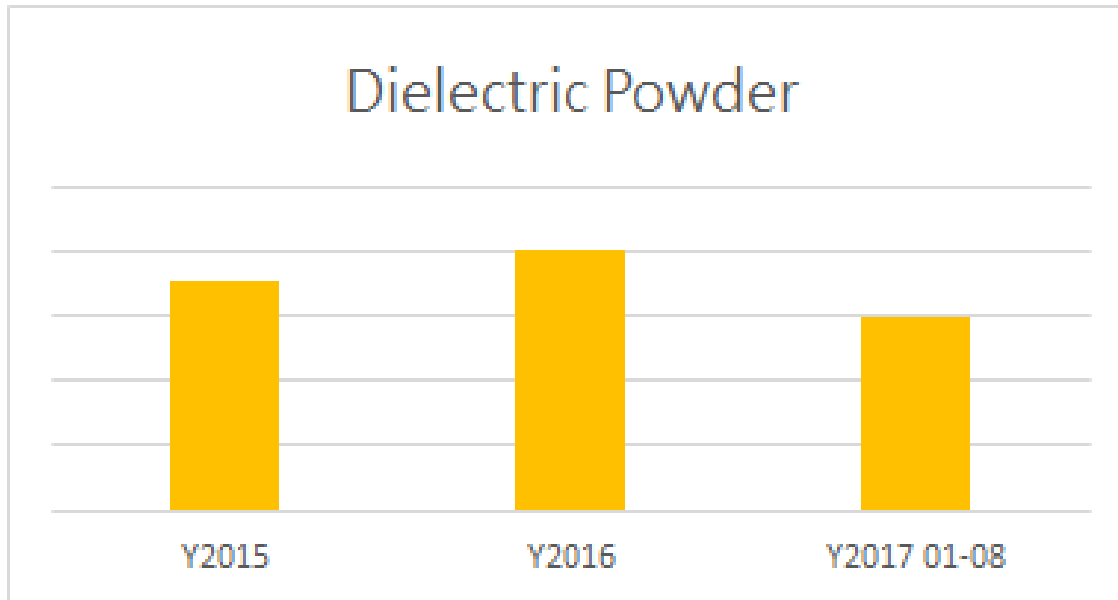
2017 H1 Revenues Breakdown by Segment



PDC focuses on high-growth industries such as telecom, industrial, automotive, specialty application, and etc. These segments in combined accounts accounts approximately 87% of PDC' s sales revenue. PDC will also focus on aligning its future product planning and development with these high-growth applications mentioned.

2015 -2017 Business Achievement & Outlook of PDC

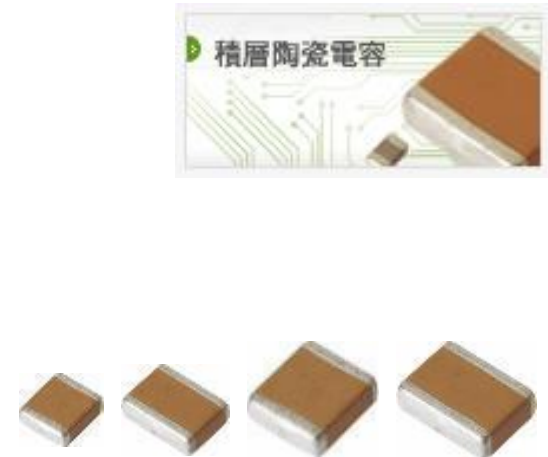
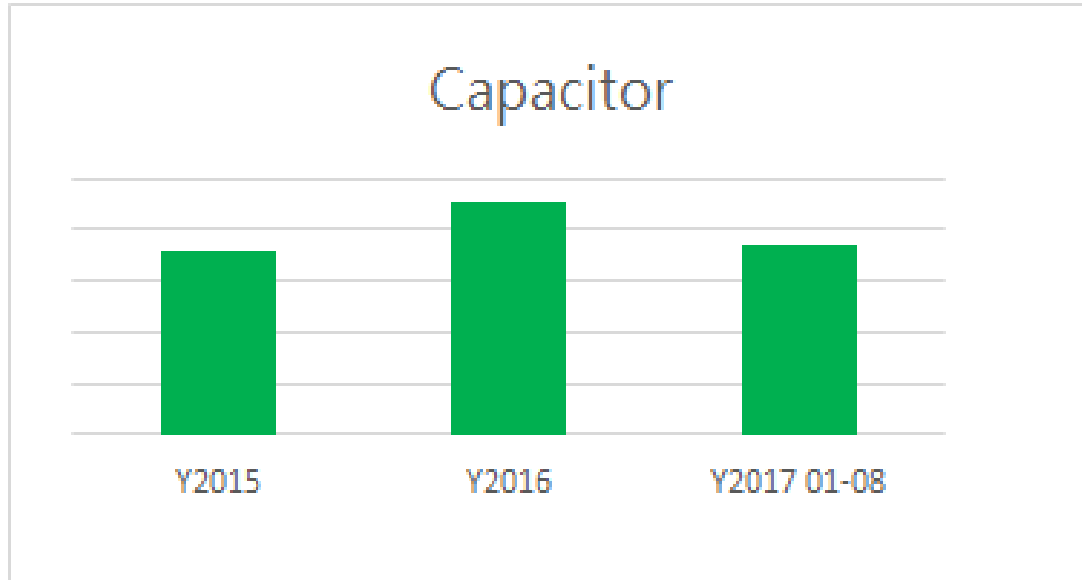
2015-2017 Revenue and Outlook of powder BU



➤ Dielectric powder:

- In response to the strong demand of MLCC, will continue expanding powder capacity in Y2017 H2
- BaTiO₃ powder market demand keeps increasing, will fulfill customers with standard product demands.
- Continue expanding capacity of high-cap MLCC powder to fulfill demands from within the PSA group and outside customers.
- PDC has successfully developed various series of RF components using LTCC raw material. The company will keep on expanding applications of these components.

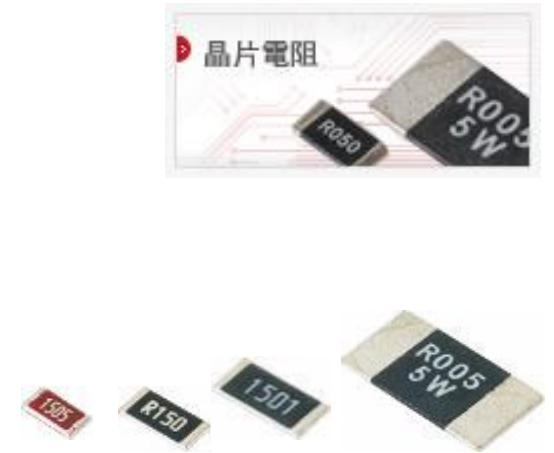
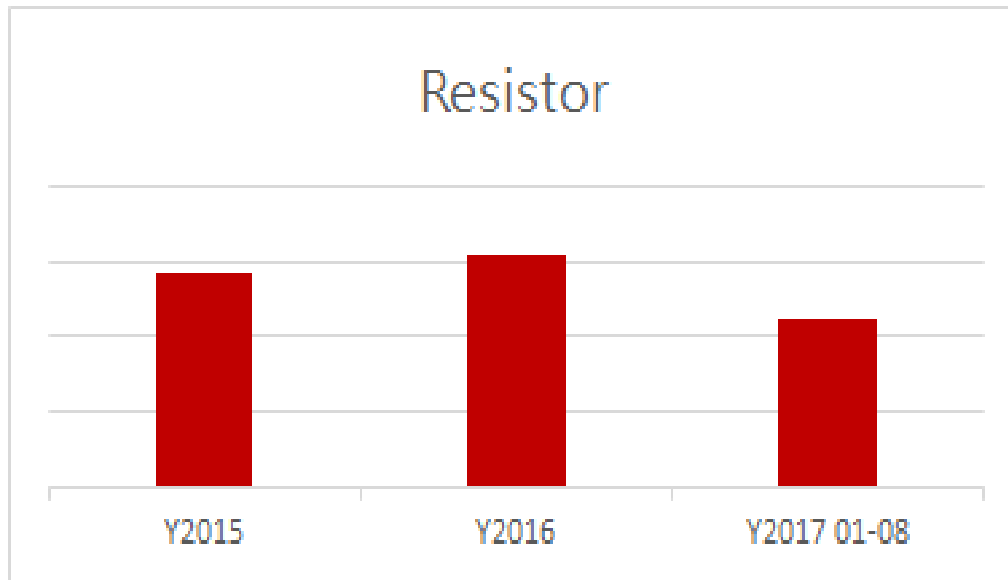
2015-2017 Revenue and Outlook of Component BU



➤ Capacitor:

- Will continue expanding capacity in 2017-2018 to meet market demand.
- Has obtained certifications for many international key accounts, and been introduced to new biz opportunities during the ongoing MLCC supply shortage.
- Safety certified on all series of X7R and NPO BME MLCC, a product suitable for miniaturized power converter. It is a comparable product with great competence and opportunities that may replace similar products from Japan vendors.
- The company has completed the development of high reliability stacked MLCC for the automotive and industrial market. Will be the BEST choice other than the single source from Japan.

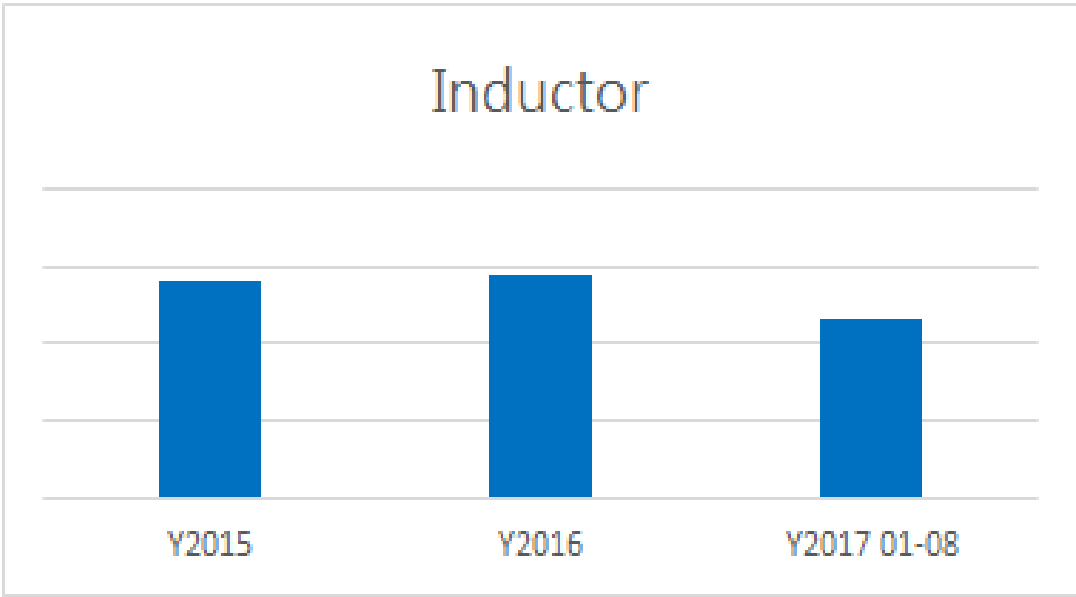
2015-2017 Revenue and Outlook of Component BU



➤ Resister:

- In order to satisfy the fast-growing demand for high voltage power and low impedance design, PDC will aggressively plan its product development roadmap and expand its production capacity for metal strip and thick film current sensing resistor between 2017 and 2018.

2015-2017 Revenue and Outlook of Component BU



➤ Inductor:

- Expand production capacities for wire-wound RF chip inductor, air coil and Balun to fulfill current orders and future demand from telecom and networking industry.

Conclusion

- **Dielectric powder - will continue increasing production capacity to fulfill internal and external customers' demand. Develop high capacitance MLCC powder and LTCC market to correspond to the company's mid-to-long term plan.**
- **MLCC - appropriately adjust and expand production capacity during the supply shortage in order to grasp new clients, and to be included in new design projects.**
- **Resistor – the company will develop its market, expand product applications, and aggressively plan its product development roadmap for low impedance resistor.**
- **Inductor - will expand production capacities and customer base for high frequency inductors, a competitive product line that addresses the specific requirements of telecom and networking industry.**

Thank you!

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