



THINKING ELECTRONIC INDUSTRIAL CO., LTD.

**LEGAL PERSON BRIEFING SESSION
2020 Q3**



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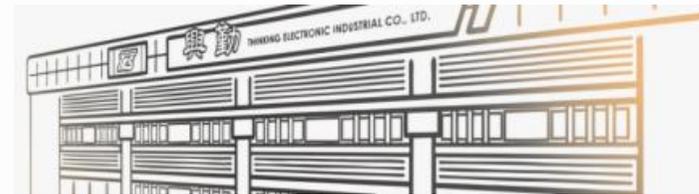
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Company Introduction

- Established in 1979 as a protective component manufacturer
- Owns 7 factories and 3800 employees.
- 2019 Revenue: NTD 5814 million



● THINKING Factories

Taiwan



Kaohsiung 2nd Factory



Kaohsiung 1st Factory



Yilan Factory

East China



Changzhou Factory



Jingdezhen Factory

South China



Dongguan Factory

Central China



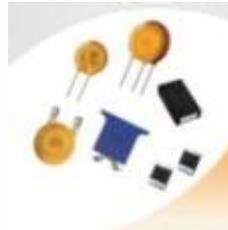
Yichang Factory





THINKING Products

Over-Voltage Protection



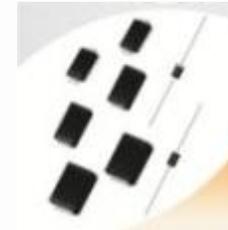
General Protection



Primary Protection



ESD Protection

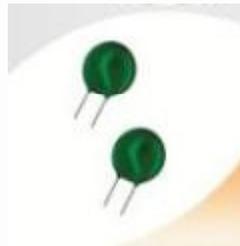


TVS Diode



Spark Gap Protector

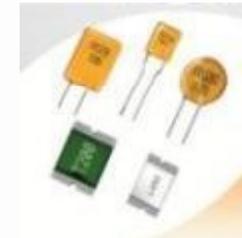
Over-Current Protection



NTC ICL



Ceramic PTC Thermistor



Polymer PTC Thermistor

Over-Temperature Protection



NTC Thermistor



Ceramic PTC Thermistor

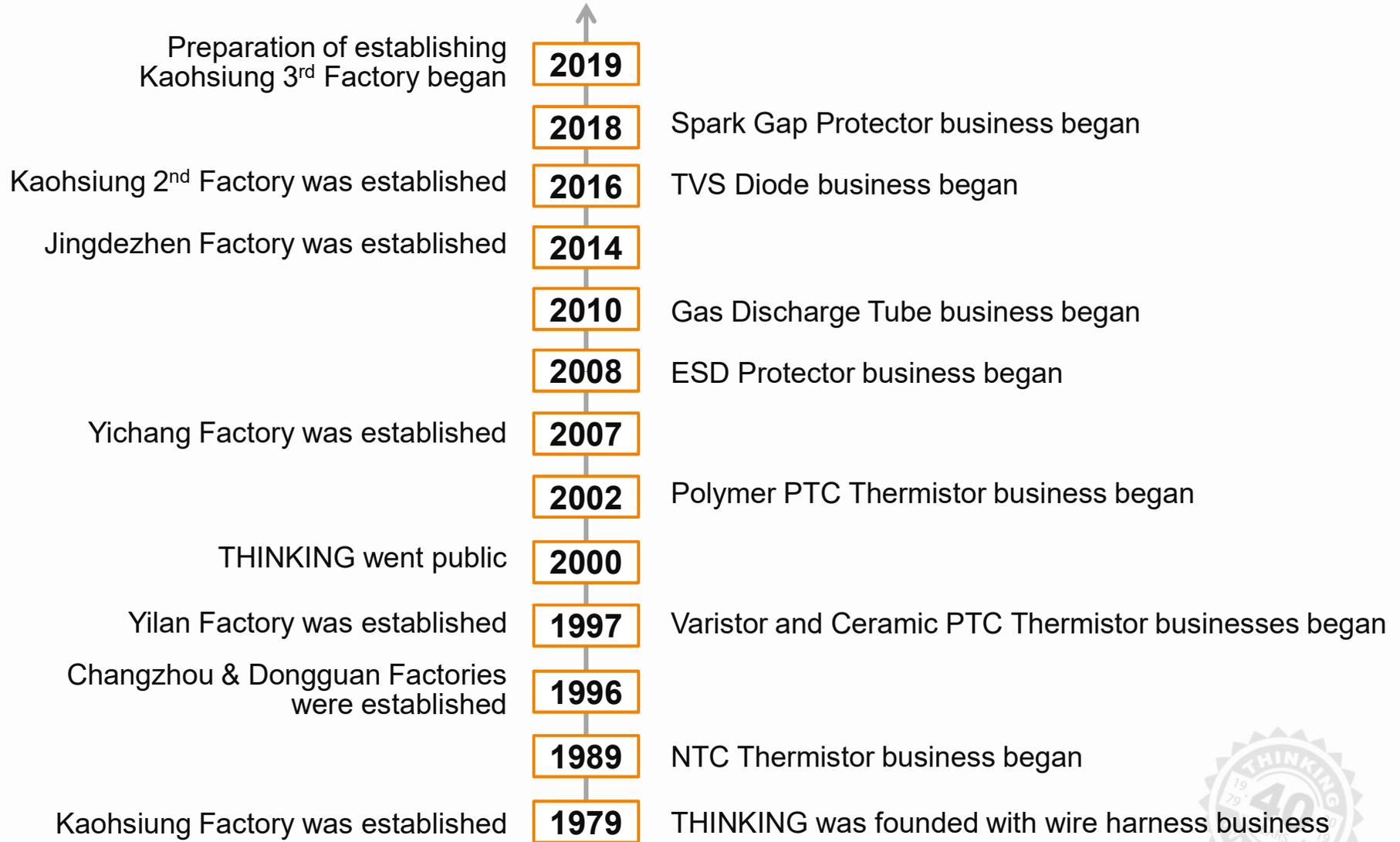


Temperature Sensor





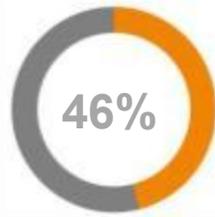
Milestone





Major Markets-2019Y

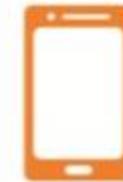
Information
and
Communication
Technology



Power Supply



Computer



Consumer
Electronics



Telecom

Home Appliances
and
Lighting



Home Appliances



Lighting

Automotive
and
Industrial

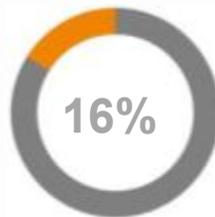


Industrial



Automotive

Medical
and
Others



Medical

Other

Other
applications



Distributor





Operation Overview: Yearly Consolidated Income Statement

Unit: Thousand NTD

| Item | 2019Q3 | 2020Q2 | 2020Q3 | QoQ | YoY |
|-----------------------------------|--------------|--------------|--------------|-------------|-------------|
| Net sales | 1,462,770 | 1,498,545 | 1,619,691 | 8.1% | 10.7% |
| Gross profit | 626,480 | 691,122 | 781,079 | 13.0% | 24.7% |
| Gross profit margin | 42.8% | 46.1% | 48.2% | 2.1% | 5.4% |
| Operating expenses | 220,927 | 212,416 | 201,829 | -5.0% | -8.6% |
| Operating net profit | 405,553 | 478,706 | 579,250 | 21.0% | 42.8% |
| Operating profit ratio | 27.7% | 31.9% | 35.8% | 3.8% | 8.0% |
| Non-operating income and expenses | 21,943 | -9,332 | 10,812 | -215.9% | -50.7% |
| Net income | 323,677 | 336,775 | 418,950 | 24.4% | 29.4% |
| Earning per share (NTD) | 2.56 | 2.64 | 3.27 | 0.63 | 0.71 |





Operation Overview: Consolidated Balance Sheets

Unit: Thousand NTD

| Item | 2019.9.30 | 2020.6.30 | 2020.9.30 | % | QoQ | YoY |
|--------------------------------|------------------|------------------|-------------------|-------------|--------------|--------------|
| Cash and cash equivalent | 1,432,896 | 2,023,511 | 1,944,631 | 19% | -3.9% | 35.7% |
| Account receivable | 1,916,917 | 2,012,899 | 2,189,769 | 22% | 8.8% | 14.2% |
| Inventories | 853,809 | 952,932 | 1,042,569 | 10% | 9.4% | 22.1% |
| Current assets | 5,723,733 | 6,654,172 | 7,327,076 | 72% | 10.1% | 28.0% |
| Fixed assets | 2,086,036 | 2,055,824 | 2,168,369 | 21% | 5.5% | 3.9% |
| Non-current assets | 2,651,768 | 2,693,727 | 2,784,409 | 28% | 3.4% | 5.0% |
| Total assets | 8,375,501 | 9,347,899 | 10,111,485 | 100% | 8.2% | 20.7% |
| Account payable | 490,808 | 530,038 | 582,192 | 6% | 9.8% | 18.6% |
| Other account payable | 381,408 | 425,103 | 399,853 | 4% | -5.9% | 4.8% |
| Current liabilities | 1,093,525 | 1,912,108 | 2,111,246 | 21% | 10.4% | 93.1% |
| Non-current liabilities | 976,015 | 1,051,756 | 1,098,269 | 11% | 4.4% | 12.5% |
| Total liabilities | 2,069,540 | 2,963,864 | 3,209,515 | 32% | 8.3% | 55.1% |
| Total equity | 6,305,961 | 6,384,035 | 6,901,970 | 68% | 8.1% | 9.5% |





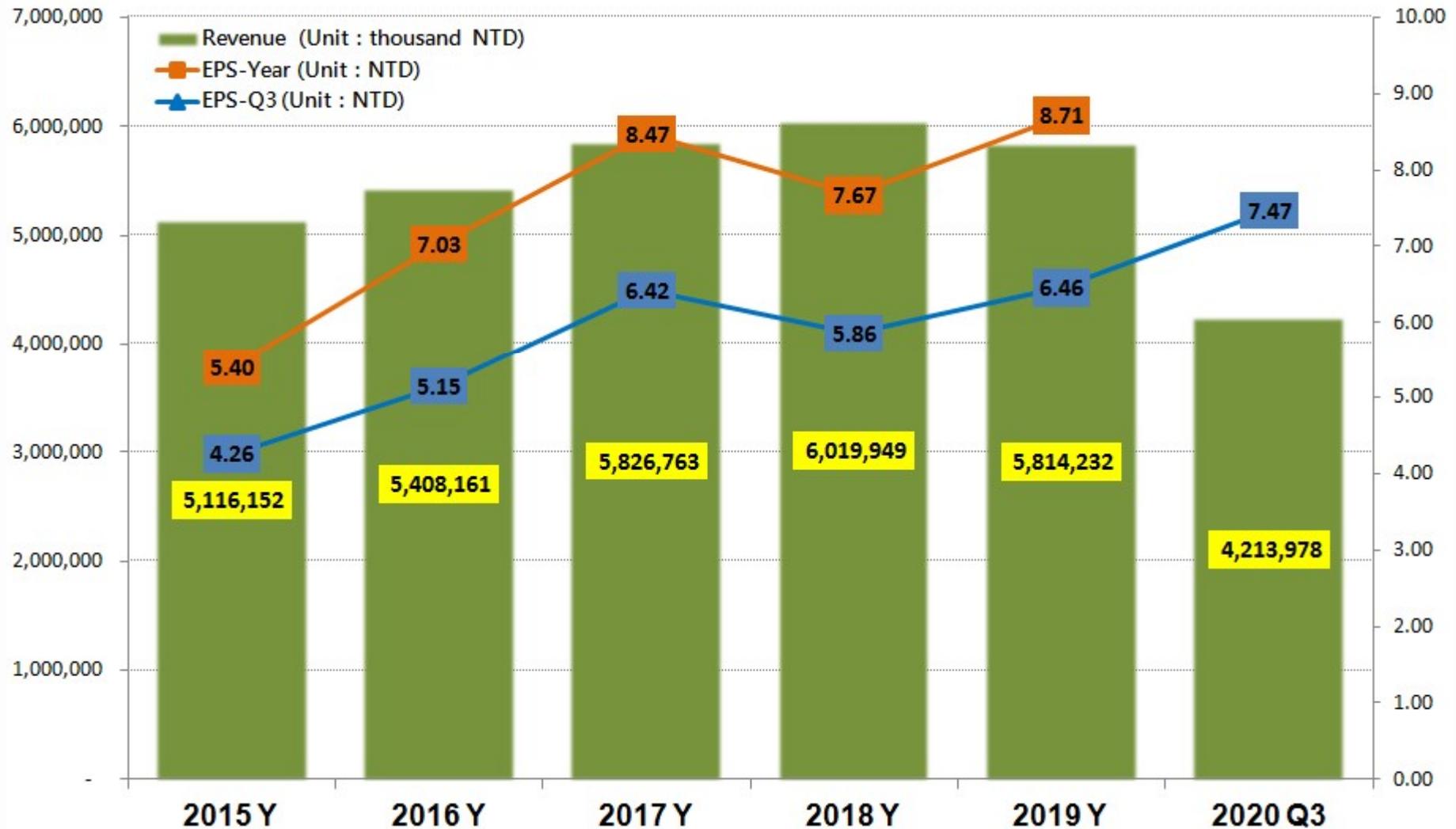
Operation Overview: Analysis of Financial Ratios

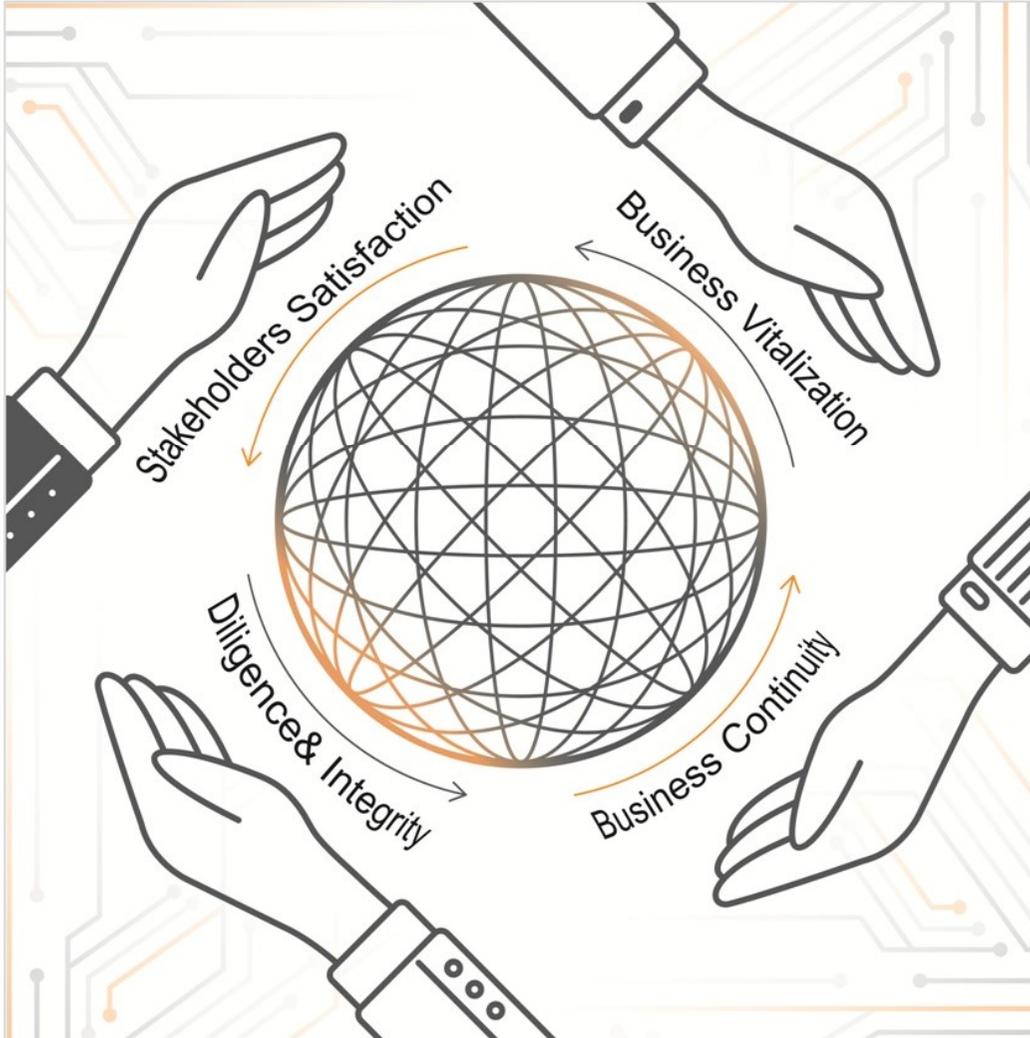
| Item | | 2019.9.30 | 2020.6.30 | 2020.9.30 | QoQ | YoY |
|--------------------|---------------------------------|-----------|-----------|-----------|--------|----------|
| Debt Ratio | | 24.70% | 31.70% | 31.74% | 0.04% | 7.04% |
| Current Ratio | | 523.42% | 348.00% | 347.04% | -0.96% | -176.38% |
| Account receivable | Turnover ratio (times) | 2.95 | 2.56 | 2.65 | 0.10 | -0.29 |
| | Average collection days | 123.93 | 142.78 | 137.60 | -5.18 | 13.67 |
| Inventories | Turnover ratio (times) | 3.86 | 3.33 | 3.31 | -0.02 | -0.55 |
| | Average inventory turnover days | 94.59 | 109.55 | 110.15 | 0.60 | 15.56 |
| Account payable | Turnover ratio (times) | 6.11 | 5.56 | 5.54 | -0.02 | -0.58 |
| | Average payables turnover days | 59.69 | 65.64 | 65.91 | 0.27 | 6.22 |





Operation Overview: Revenue and EPS of Recent Years





Q&A

Thank You !





THANK YOU!

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