



Apacer
Access the best

www.apacer.com



Apacer

Apacer Technology Inc. 2018 Investor Conference

【 Stock Code : 8271 】

March, 7th , 2018

Disclaimer

The predictive information mentioned in the present briefing and as promulgated simultaneously is set up on the grounds of the information obtained by the Company through internal and external sources. The operating outcome, financial conditions and outcome in business operation that might actually occur in the future, might possibly differ from these predictive information either explicitly or implicitly. The very reasons might come from a variety of risks and such factors might be beyond the control by the Company.

The future outlook contained in the present briefing reflects the Company's perspective to date. In case of a change or adjustment toward such perspective in the future, the Company assumes no responsibility to remind or to update once more.

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Agenda

- **Company Profile**
- **Industrial Trends**
- **2018 Major Product & Technology**
- **2017 Financial Performance**
- **Future Plan**
- **Q&A**

The Apacer logo is rendered in a white, serif typeface. The letters are closely spaced, and the 'A' features a prominent, slightly curved top edge. The background of the slide is dark blue with a pattern of thin, light blue lines that create a sense of depth and movement, resembling a stylized wave or a series of overlapping planes.

Company Profile

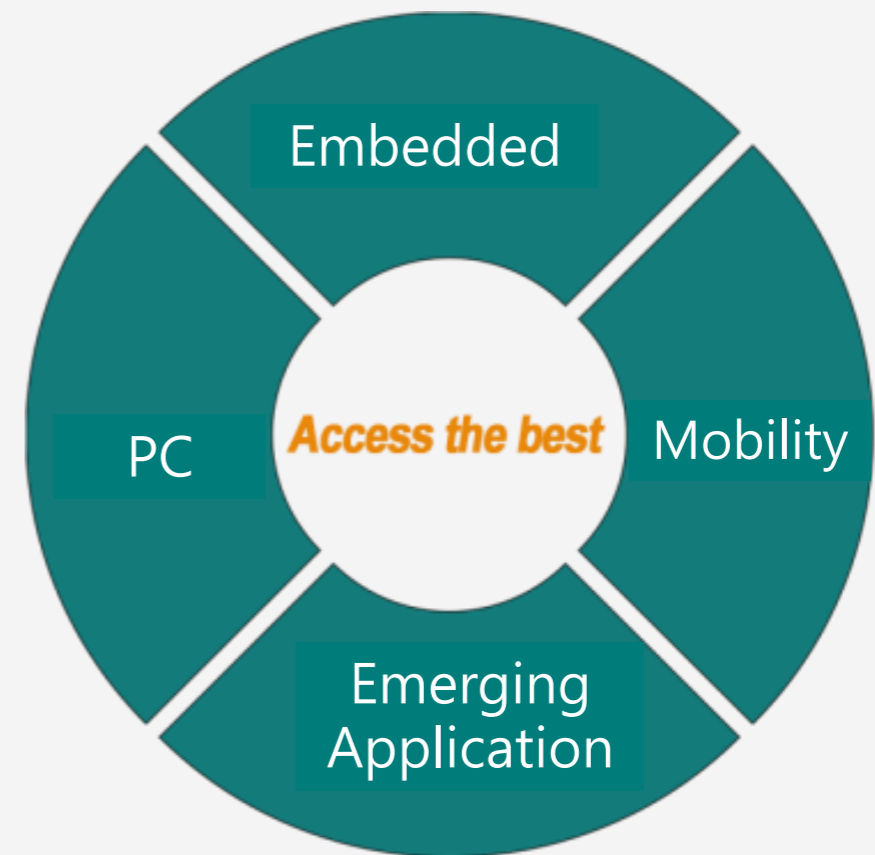
Introduction



- **Founded: April, 1997**
- **Headquarters: Taiwan**
- **Subsidiaries: America, China, India, Japan, Netherlands**
- **Total Employees: 544 (HQ: 469 & Subsidiaries: 75)**
- **2017 Revenue: NT\$10.04B**

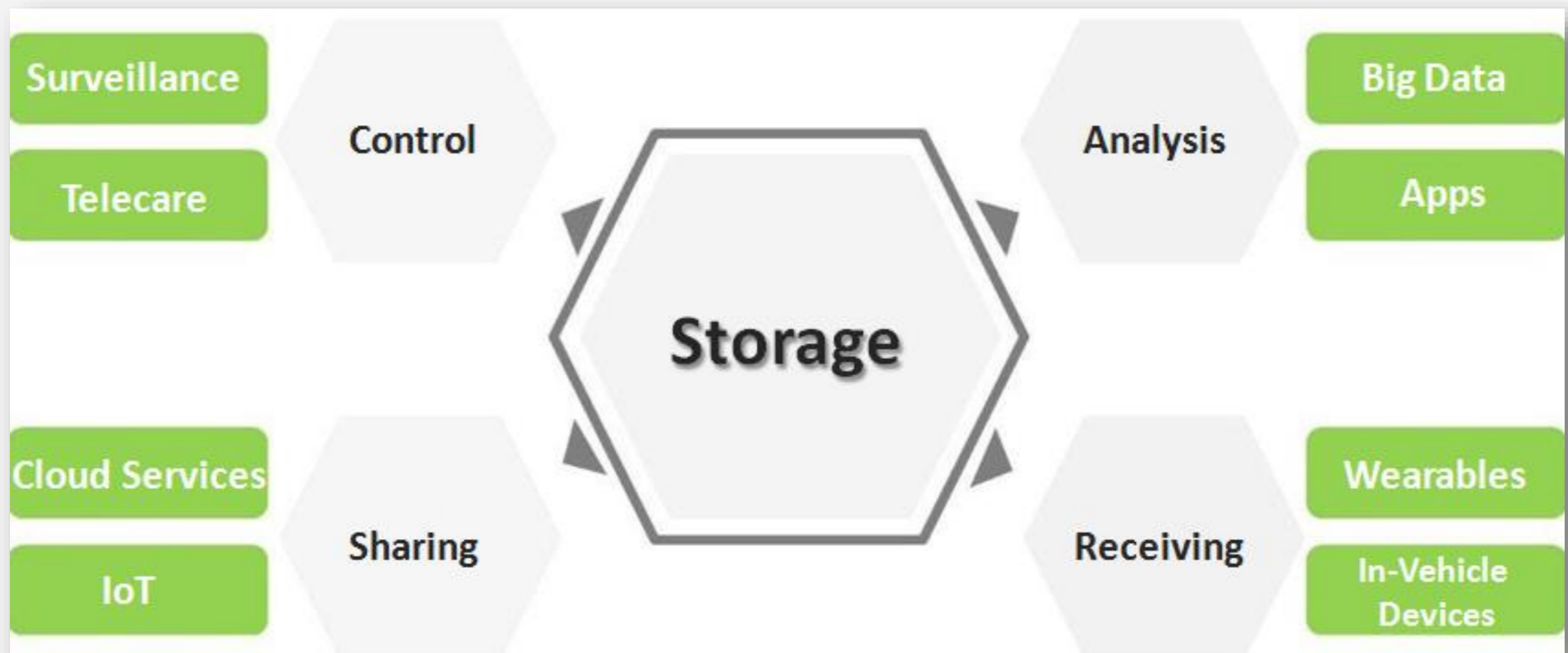
History and Business Scope

- 2016** The leader in integrated information service solutions centering on digital storage.
- 2013** Integrator of digital storage, innovative application & value-added services.
- 2009** Leader in DRAM & digital application & innovation.
- 2007** Digital application leader .
- 2005** Digital application innovator .
- 2002** Digital application integrator.
- 1999** Digital storage supplier.
- 1997** Memory manufacturer



Eco-system of Information Service Integration

Strengthening core storage technologies, Apacer will develop the integrated ecosystem for data storage, reception, analysis, control, and sharing services.



Vision and Mission



Vision

To become the leader in integrated information service solutions centering on digital storage.

Mission

Committed to the motto “Access the best”, Apacer is a reliable integrator of digital storage, innovative application, and value-added services.

Product line

With consolidated ability for R&D, design, manufacturing, and marketing, Apacer provide trusted products and services with a view to pursue perfection and share memory.

Industrial Solutions



- SATA SSD Series
- PATA SSD Series
- Flash Card SSD Series
- USB SSD Series
- PCIe SSD Series

Computer-related



- Desktop/ Notebook Computer Memory
- Server Memory
- Overclocking Memory
- Gaming Memory
- Consumer SSD

Mobile Peripherals



- USB Flash Drive / OTG
- Portable Hard Drive
- Memory Card
- Card Reader
- Mobile Accessory
- Power Bank

Emerging applications



- Spectroradiometer
- Spectral Irradiance Meter
- Cube
- CANBus

Global Presence



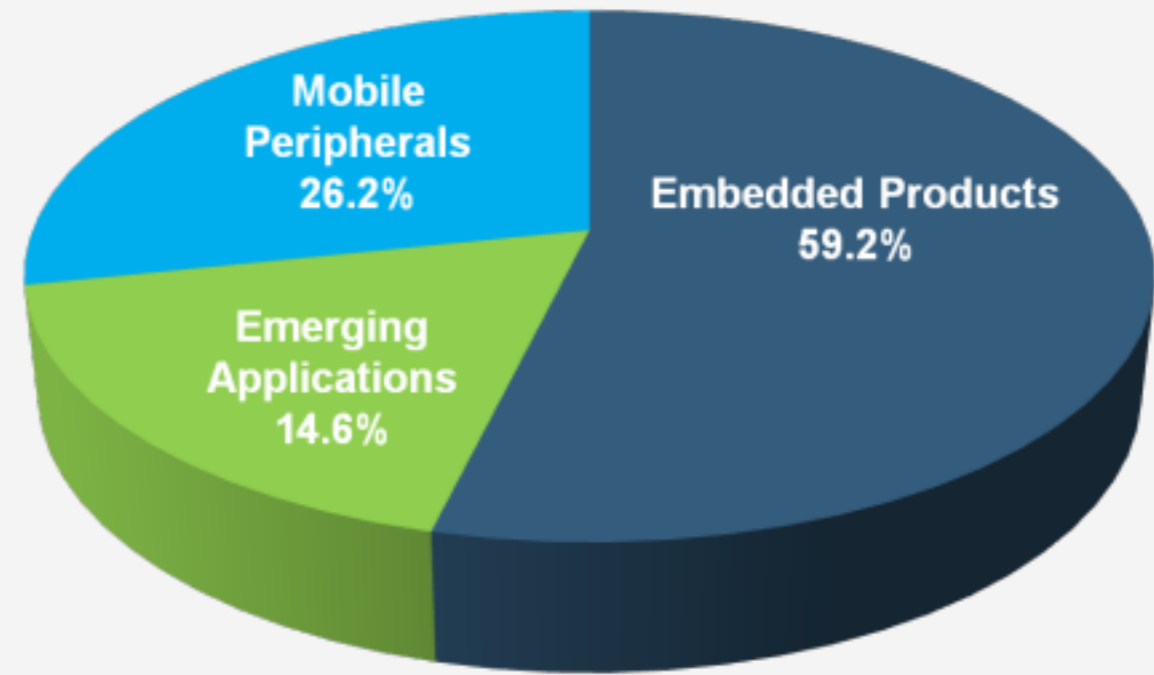
Core Competence

Apacer

- Complete SOP for product design
- Competitive manufacturing capability
- Quality management system
- Comprehensive global logistic system
- Ongoing customer service enhancement
- Worldwide channel penetration

Patented Technology

Total Patents 240
(Pending Included)



Advanced mobile storage device



Next-generation DDR technology



High capacity/speed SSD technology



Global Ranking

Ranked Top supplier of industrial SSD for 5 consecutive years by Gartner, from 2012 to 2016

Table 10. Revenue Market Share Ranking for SSD Subcategories, Worldwide, 2016

| Rank | PC SSD | | | Enterprise SSD | | Industrial SSD |
|------|------------------|------------------|-----------------|-----------------|-----------------|----------------------------|
| | Entry-Level | Mainstream | SATA | PCIe | SAS | |
| 1 | Kingston Digital | Samsung | Intel | Samsung | Samsung | Apacer |
| 2 | Samsung | Western Digital | Samsung | Western Digital | Western Digital | Swissbit |
| 3 | Lite-On | Toshiba | Western Digital | Intel | Toshiba | Smart Modular Technologies |
| 4 | Western Digital | Lite-On | SanDisk | Google | Hitachi | Innodisk |
| 5 | SK hynix | Kingston Digital | Toshiba | Lite-On | SanDisk | Virtium |

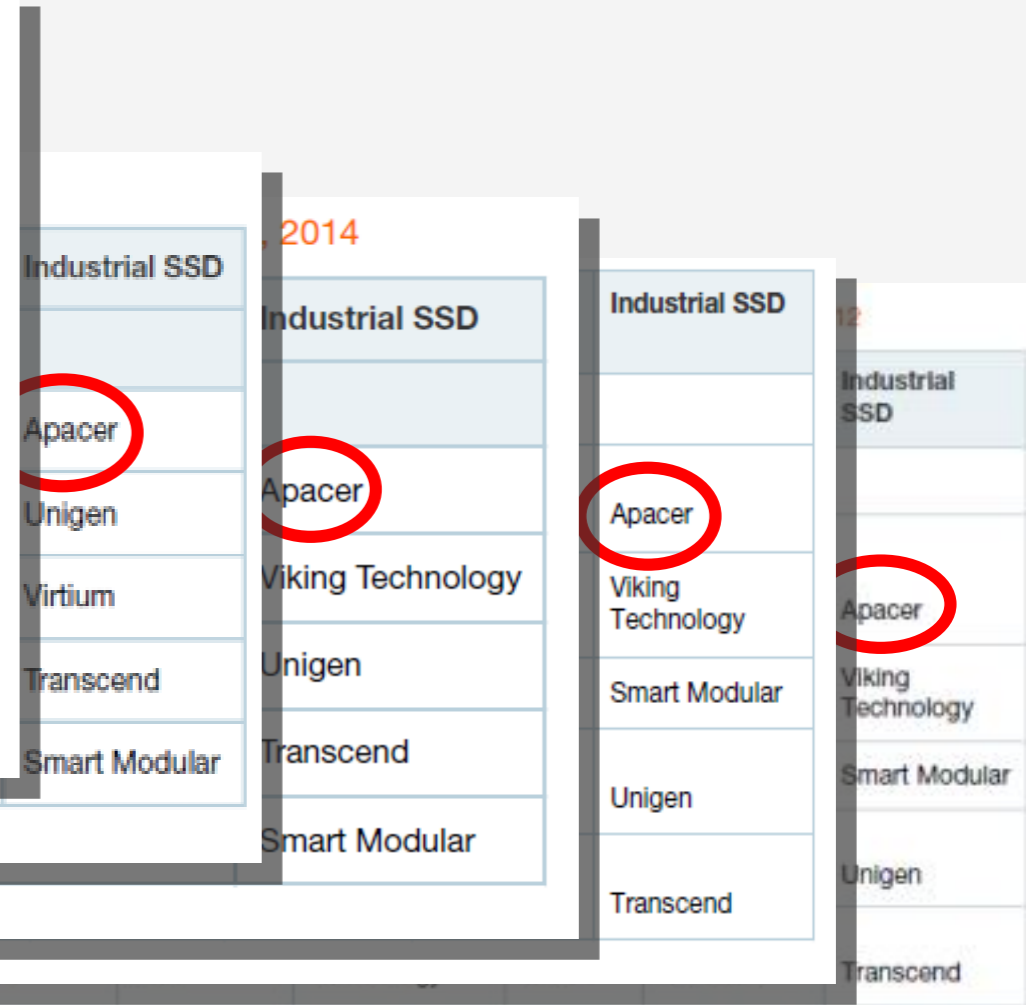
Source: Gartner (May 2017)

Source: Gartner (May 2016)

Source: Gartner (May 2015)

Source: Gartner (June 2014)

Source: Gartner (June 2013)



Global Ranking

Ranked the world's 8th highest turnover DRAM manufacturer for 2 consecutive years.

Table: Global Revenue Ranking of DRAM Module Makers, 2015~2016

| Company | Country | Global Revenue Ranking | | DRAM Module Gross Sales Revenue (USD Million) | | | Market Share (%) | |
|----------------------------|---------------|------------------------|----------|--|--------------|----------------|---------------------|----------------|
| | | 2016 | 2015 | 2016 | 2015 | YoY % | 2016 | 2015 |
| Kingston Technology | US | 1 | 1 | 5,037 | 5,400 | -6.72% | 72.55% | 68.36% |
| SMART Modular Technologies | US | 2 | 3 | 275 | 350 | -21.43% | 3.96% | 4.43% |
| Ramaxel | China | 3 | 2 | 274 | 450 | -39.11% | 3.95% | 5.70% |
| ADATA Technology | Taiwan | 4 | 4 | 232 | 219 | 6.14% | 3.35% | 2.77% |
| igo | China | 5 | 5 | 230 | 205 | 12.20% | 3.31% | 2.60% |
| Transcend Information | Taiwan | 6 | 6 | 162 | 194 | -16.50% | 2.33% | 2.45% |
| MA Labs | US | 7 | 7 | 85 | 150 | -43.33% | 1.23% | 1.90% |
| Apacer Technology | Taiwan | 8 | 8 | 69 | 120 | -42.50% | 0.99% | 1.52% |
| Team Group | Taiwan | 9 | 10 | 60 | 70 | -14.29% | 0.86% | 0.89% |
| Corsair Memory | US | 10 | 9 | 58 | 113 | -48.67% | 0.84% | 1.43% |
| Others | | | | 460 | 620 | -26.75% | 6.63% | 7.95% |
| Total Revenue | | | | 6,942 | 7,899 | -12.11% | 100.00% | 100.00% |

Note: Module makers have diverse business operations. However, this ranking is based solely on their annual DRAM module revenues.

Source: DRAMeXchange, Sep., 2017

Award



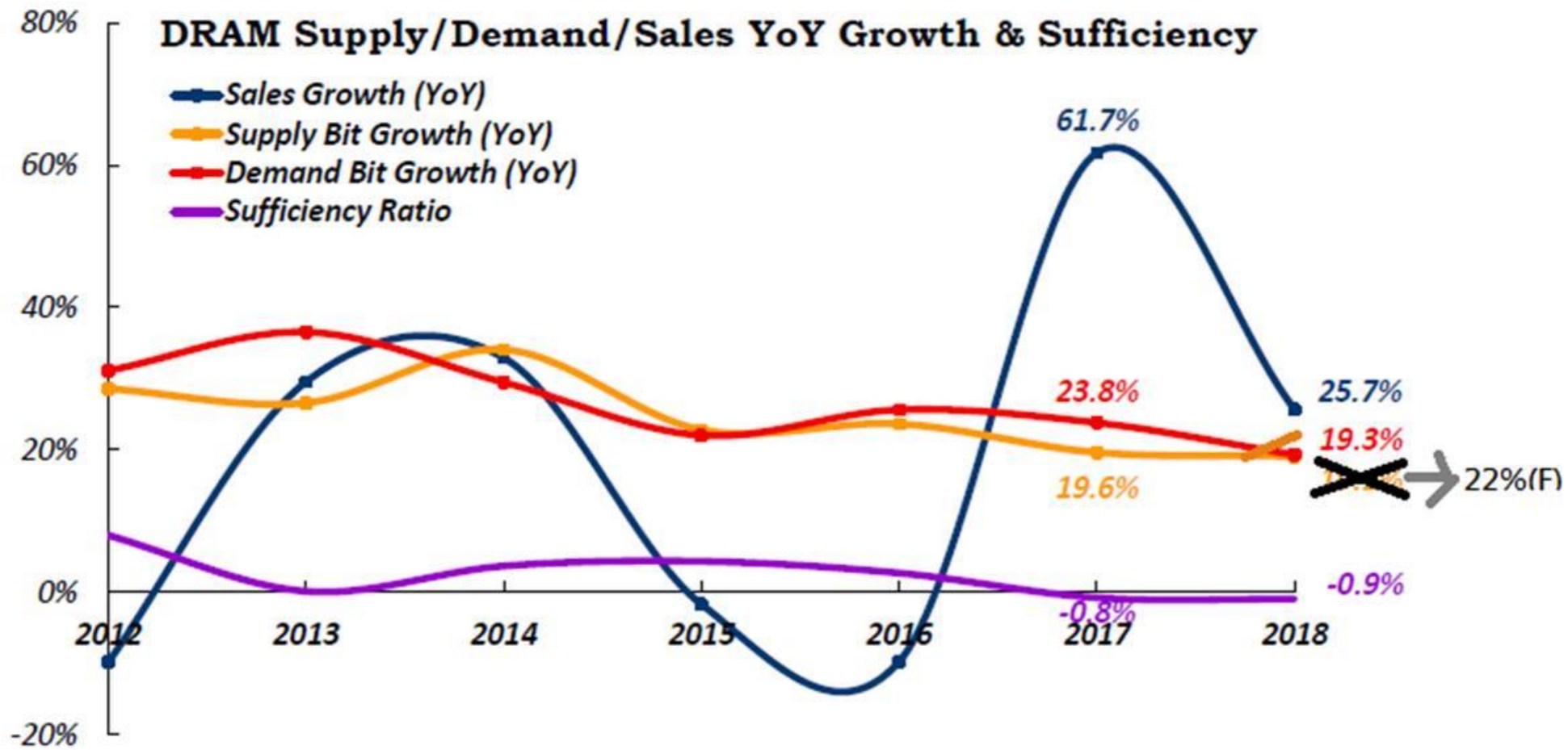
- ✓ **Top 35 Best Taiwan Global Brand**
- ✓ **Taiwan Corporate Sustainability Silver Award**
-As the only digital storage maker to have ever won this award-
- ✓ **Global Product Design Awards**
- ✓ **Global Media Award with recommendation**



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Industrial Trends

Global DRAM Supply and Demand in 2018

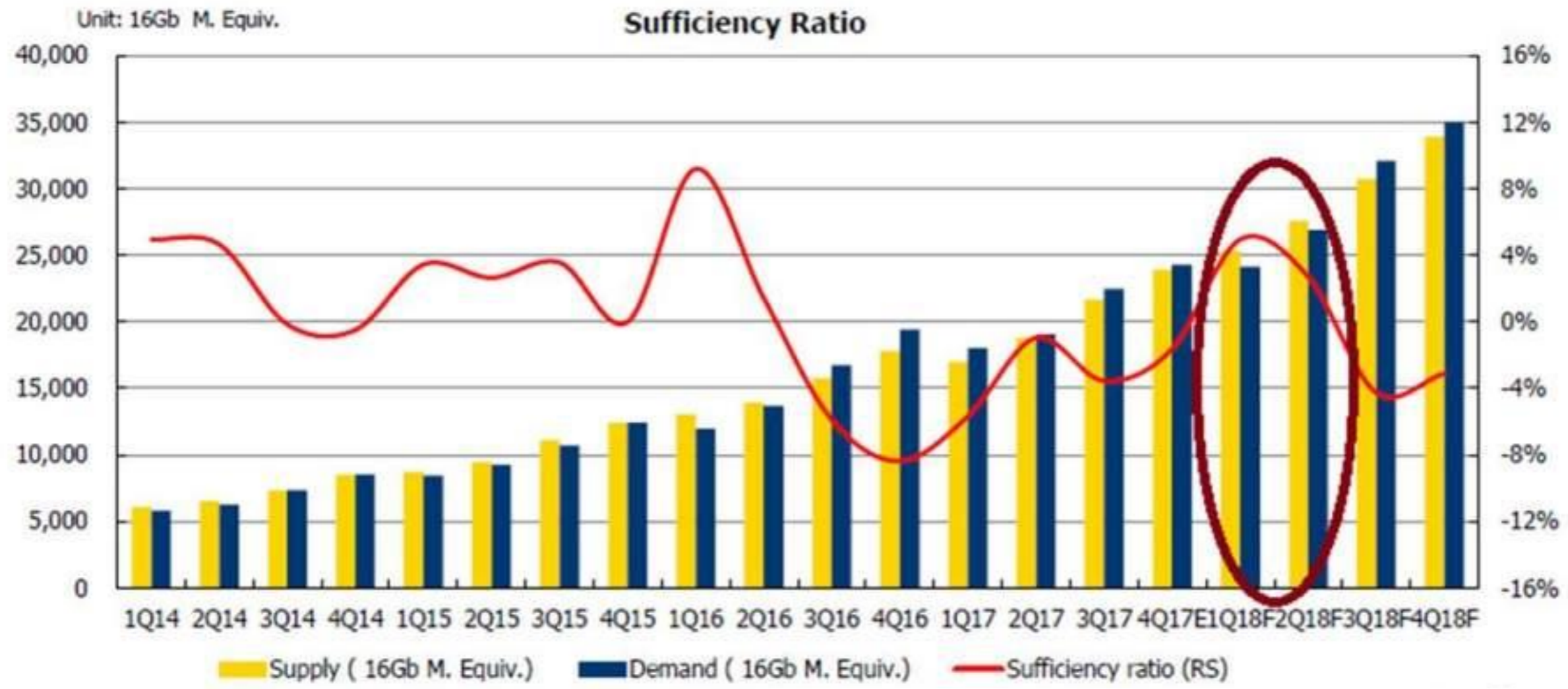


Source: DRAMeXchange, Nov., 2017

| Company | Current Generation | Under Transition | Next Generation | Ready Schedule |
|------------------|--------------------|------------------|-----------------|----------------|
| Samsung | 25/20nm | 1Xnm | 1Ynm | 1Q18 |
| SK Hynix | 25nm | 20nm | 1Xnm | 4Q17 |
| Micron/Inotera | 20nm | | 1Xnm | 2Q18 |
| Micron/Hiroshima | 25nm/20nm | 1Xnm | 1Ynm | TBD |
| Micron/Rexchip | 25nm | 1Xnm | 1Ynm | TBD |
| Nanya | 30nm/30nm shrink | 20nm | | |
| Powerchip | 30nm | 25nm | 25nmS | TBD |

Source: Company Data, *inSpectrum* estimates, Oct 2017

Global NAND Supply and Demand in 2018



Source: DRAMeXchange, Nov., 2017

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**2018 Major Product &
Technology**

Industrial Solutions

Focused Technology of SSD

- Performance
- Reliability
- Endurance
- Application

Industrial DRAM

- DDR4 2666
- DDR4 XR-DIMM
- 32GB DDR4



Application areas

- IoT 、 Medical 、 Gaming 、
Transpiration 、 Military

Target Market

U.S.A. 、 Europe 、 China 、
Asia Pacific

Vertical Market Segment

SSD & DRAM Vertical Application



MILITARY/ AEROSPACE



- Aerospace
- Missile
- Radar base
- Warplane
- Submarine

NETWORKING /SERVER



- NAS
- Server
- Switch
- Firewall
- VOIPs

RETAIL INTERACTIVE DEVICE



- POS
- ATM
- Kiosk
- Digital Signage
- Barcode Scanner

MEDICAL IMPLEMENT



- Apnea Monitoring
- Fetal Monitoring
- Magnetic Resonance
- Metering Equipment

CASINO GAMING



- Slot Machine
- Electronic Roulette
- Multiplayer Game
- Stations

PC/ IPC



- Desktop/Notebook
- Tablet PC
- Handheld Devices
- Thin Client
- In-Vehicle
- Automation

SURVEILLANCE



- IP Camera
- NVR
- DVR

Emerging Applications Solutions

IIoT Solution Ready Package

- Developing IIoT gateway with system integration capability
- Offering CAN Open module and RF module for Factory 4.0 market

IoV Telematics Solutions

- Offering CAN Bus (OBD/J1939/J1708), GNSS/3G/4G modules and OBD tracker for fleet management market



Optics System Solutions

- Providing optics equipment and service for LED/Panel industry
- Possessed of OEM and SI capability



PC & Gaming Products

Major Product

- RGB PANTHER Modules
- DDR4 2666
- M.2 PCIe Gen 3 x2 SSD

Software Technology

- RGB Controllable Software
- Compatibility with All Leading Mainboards
- SSD Optimization



Consumer Products

Digital Storages

- 2nd Generation AH650 Fingerprint USB
- Video Class micro SD Card



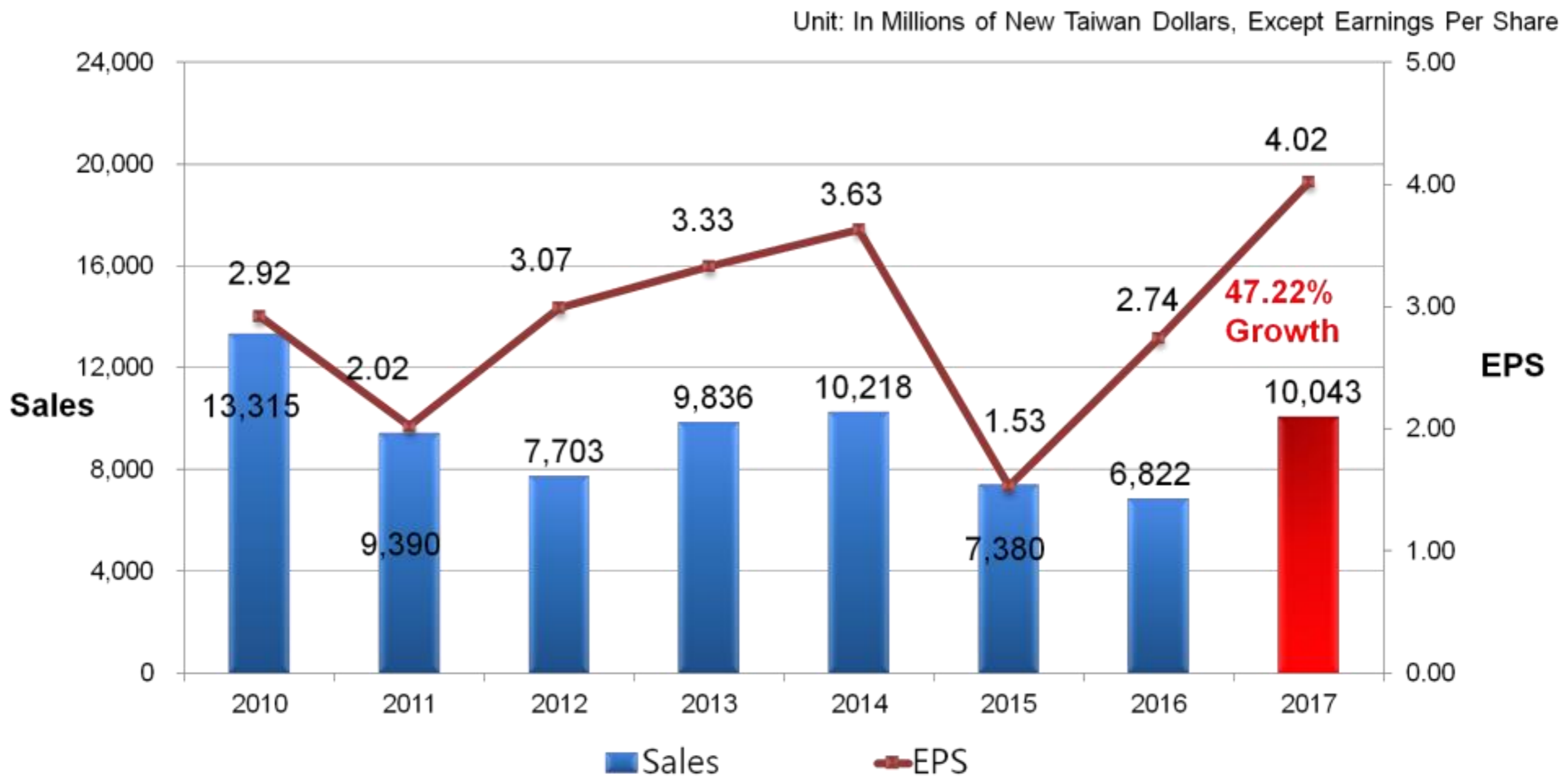
Product Features

- UHS Video Speed Class 30 (V30)
- 4K Ultra HD 、 3D Video Recording 、 Fast-action consecutive shooting

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2017 Financial Performance

Sales Trend and Earning



Consolidated Income Statement

Unit: In Millions of New Taiwan Dollars, Except Earnings Per Share

| | 2017 | | 2016 | | YoY |
|-----------------------------------|---------------|------------|--------------|------------|-----------|
| | Amount | % | Amount | % | % |
| Net revenue | 10,043 | 100 | 6,822 | 100 | 47 |
| Cost of good sold | 8,744 | 87 | 5,666 | 83 | 54 |
| Gross profit | 1,299 | 13 | 1,156 | 17 | 12 |
| Operating expenses | 824 | 8 | 750 | 11 | 10 |
| Income from operation | 475 | 5 | 406 | 6 | 17 |
| Non-operating income and expenses | (2) | 0 | 19 | 0 | (110) |
| Income before income tax | 473 | 5 | 425 | 6 | 11 |
| Net income | 405 | 4 | 349 | 5 | 16 |
| Basic earnings per share | 4.02 | | 2.74 | | |

Consolidated Balance Sheet

Unit In Millions of New Taiwan Dollars

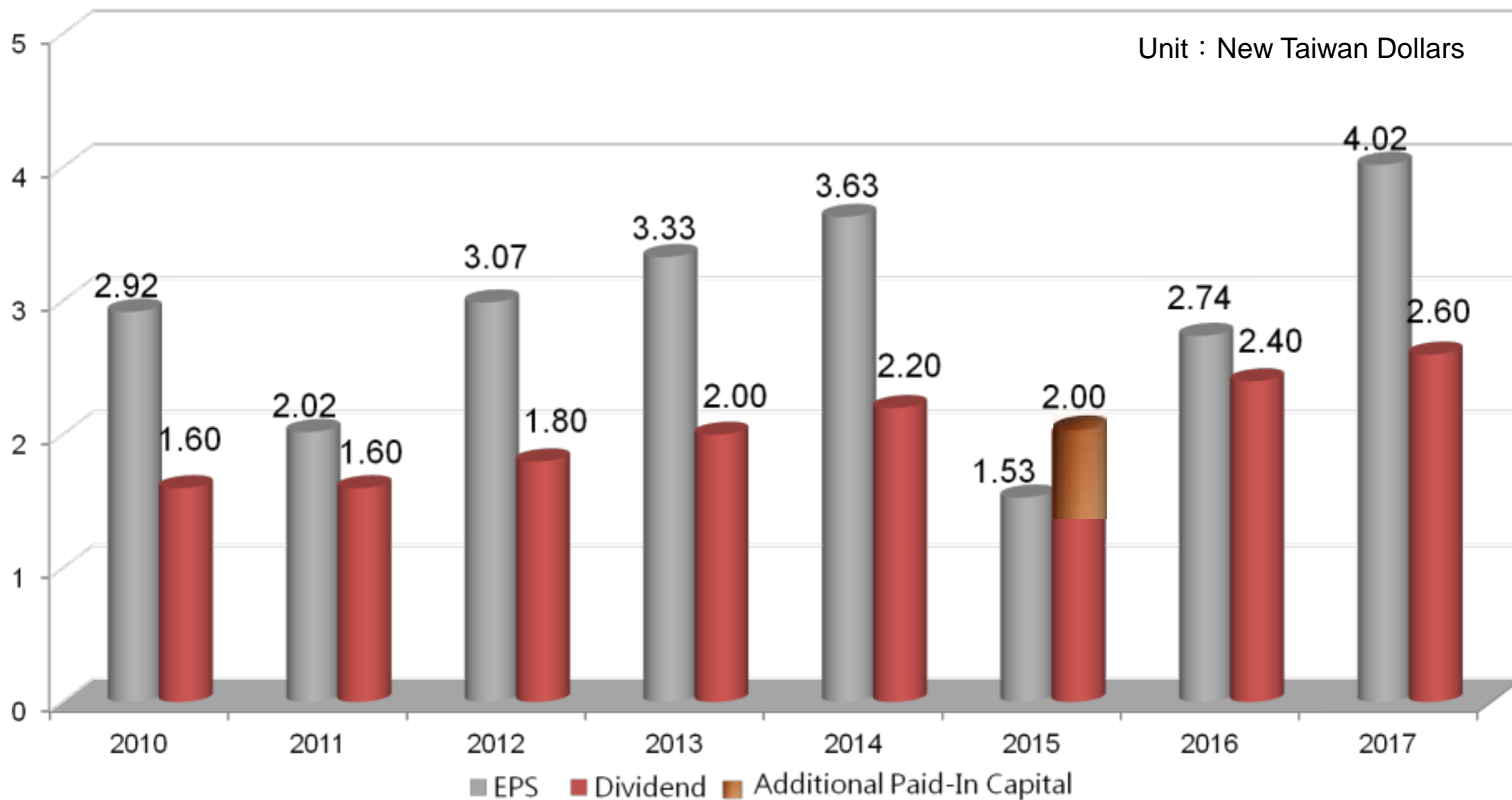
| | 2017 | | 2016 | | YoY |
|-------------------------------|--------------|------------|--------------|------------|-----------|
| | Amount | % | Amount | % | % |
| Cash and cash equivalents | 592 | 13 | 525 | 14 | 13 |
| Notes and accounts receivable | 1,294 | 28 | 987 | 26 | 31 |
| Inventories | 1,606 | 35 | 1,287 | 34 | 25 |
| Property, plant and equipment | 899 | 19 | 903 | 25 | - |
| Total assets | 4,633 | 100 | 3,841 | 100 | 21 |
| Short-term loans | 492 | 11 | 129 | 4 | 282 |
| Accounts payable | 1,092 | 23 | 852 | 22 | 28 |
| Total liabilities | 2,065 | 45 | 1,412 | 37 | 46 |
| Capital stock | 1,009 | 21 | 1,009 | 26 | - |
| Total equity | 2,568 | 55 | 2,429 | 63 | 6 |

Consolidated Cash Flow

Unit: In Millions of New Taiwan Dollars

| | 2017 | 2016 |
|---|------------|------------|
| | Amount | Amount |
| Income before income tax | 473 | 425 |
| Adjustments | 50 | 44 |
| Net cash generated by operating activities | 39 | 137 |
| Net cash used by investing activities | (86) | (55) |
| Net cash generated (used) by financing activities | 131 | (747) |
| Effect of exchange rate changes | (17) | (4) |
| Net increase (decrease) in cash and cash equivalents | 67 | (669) |
| Cash and cash equivalents, beginning of period | 525 | 1,194 |
| Cash and cash equivalents, end of period | 592 | 525 |

Dividend



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Future Plan

Future Plan



Integration

Customization

Innovation

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Q & A