



TKS

THINKING ELECTRONIC INDUSTRIAL CO., LTD.

**LEGAL PERSON BRIEFING SESSION
2020 Q1**

Disclaimer

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**Company
Introduction**



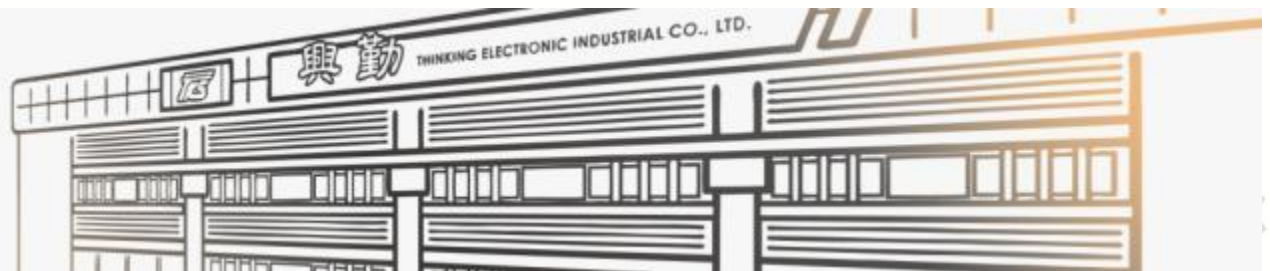
**Competitive
Strength**



**Major
Markets**

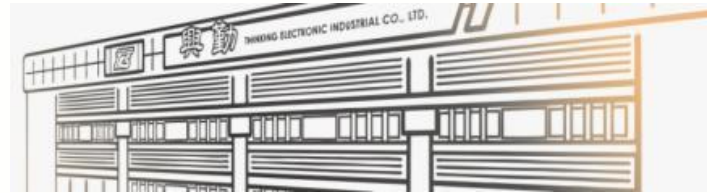


**Operation
Overview**



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



Over-Voltage Protection



General Protection



Primary Protection



ESD Protection

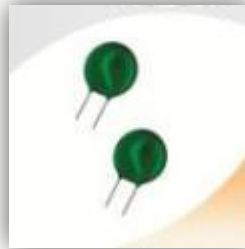


TVS Diode



Spark Gap Protector

Over-Current Protection



NTC ICL



Ceramic PTC Thermistor



Polymer PTC Thermistor

Over-Temperature Protection



NTC Thermistor



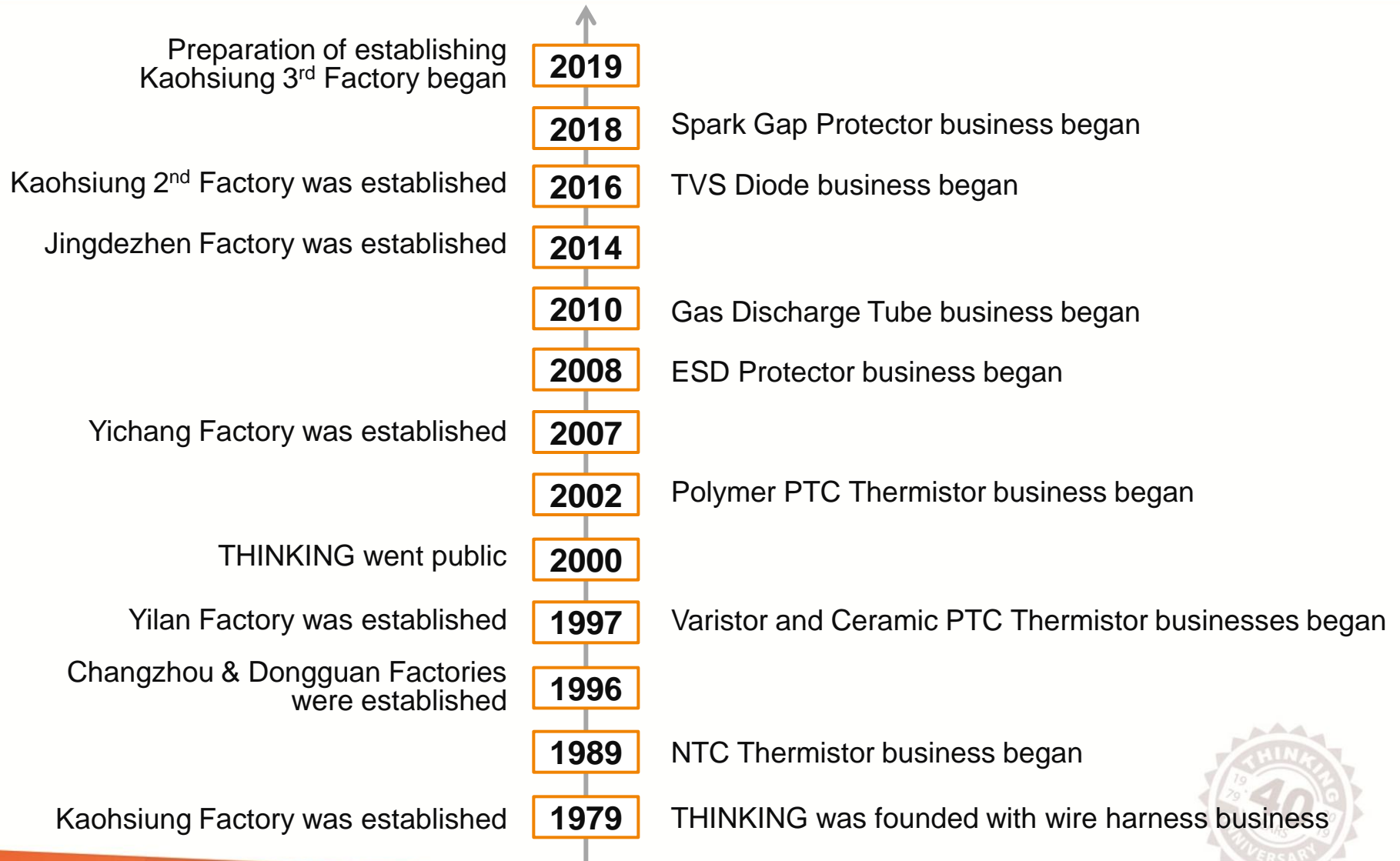
Ceramic PTC Thermistor



Temperature Sensor



Milestone





**Company
Introduction**



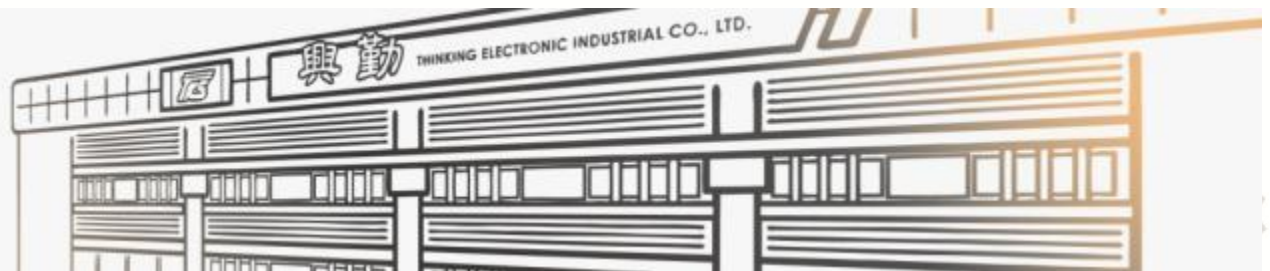
**Competitive
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**Major
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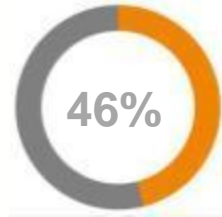


**Operation
Overview**



Major Markets

Information
and
Communication
Technology




Power Supply


Computer


Consumer
Electronics


Telecom

Home Appliances
and
Lighting




Home Appliances


Lighting

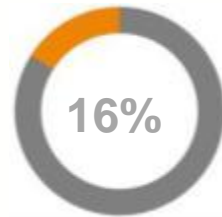
Automotive
and
Industrial




Industrial


Automotive

Medical
and
Others



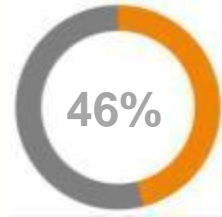

Medical

Other
Other
applications


Distributor

Major Markets

Information
and
Communication
Technology




Power Supply


Computer


Consumer
Electronics


Telecom

Home Appliances
and
Lighting




Home Appliances


Lighting

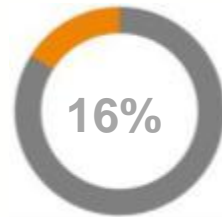
Automotive
and
Industrial




Industrial


Automotive

Medical
and
Others




Medical

Other
Other
applications


Distributor



**Company
Introduction**



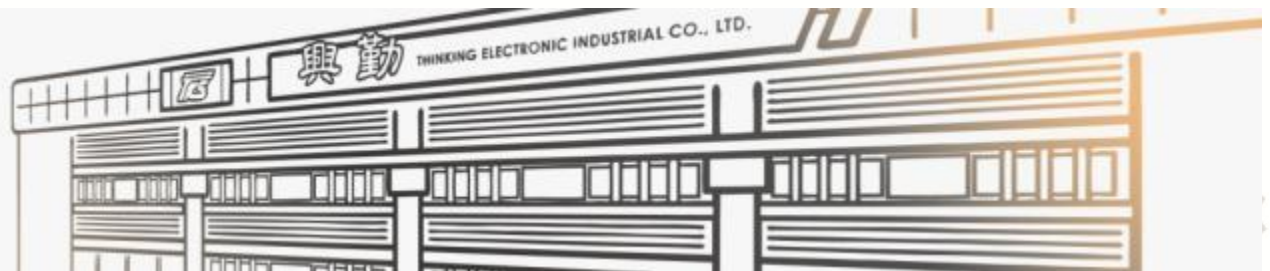
**Competitive
Strength**



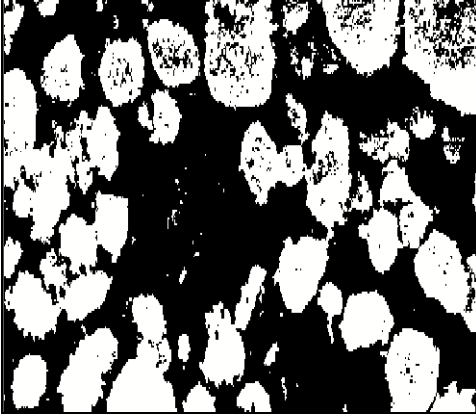



**Major
Markets**



**Operation
Overview**



- THINKING controls from material to production to ensure product quality.

Material Development	Front-end Processing	Product Design	Back-end Processing
			
<ul style="list-style-type: none"> ● Material design ● Material processing 	<ul style="list-style-type: none"> ● Laminating & stacking ● Printing ● Sintering ● Surface finishing 	<ul style="list-style-type: none"> ● SMD type product design ● Lead type product design ● Sensor assembly 	<ul style="list-style-type: none"> ● Packaging & assembly ● Measurement ● Automation



UL and TUV Certified Laboratory

- Reliability laboratories of THINKING passed the CTDP (Client Test Data Program) of UL and witness testing qualification of TUV. Therefore, THINKING can offer product verification services.



- THINKING lab is awarded by provincial governments

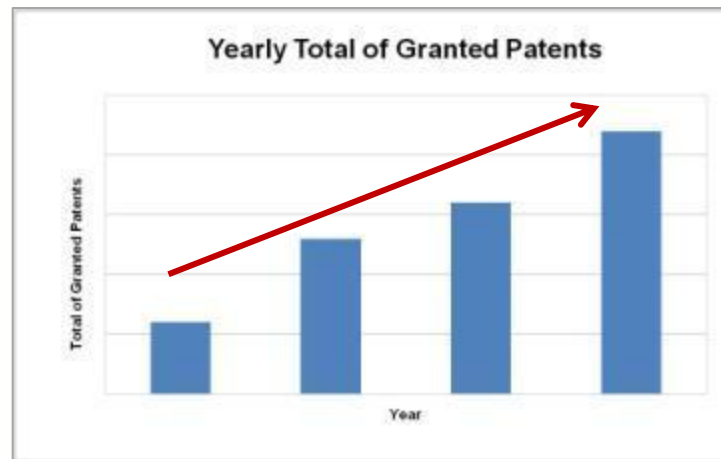


Engineering Technology Research Center



High and New Technology Enterprise

- Yearly Total of Granted Patents

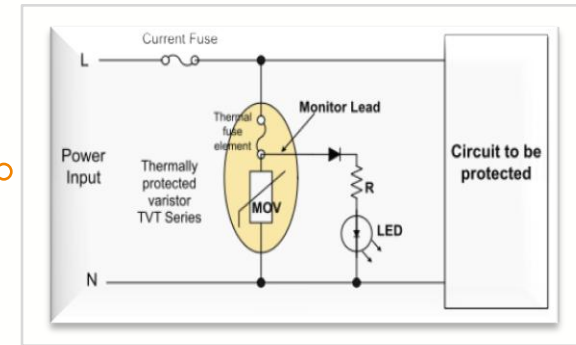


THINKING AE team provides comprehensive technical support

Technical Consultation



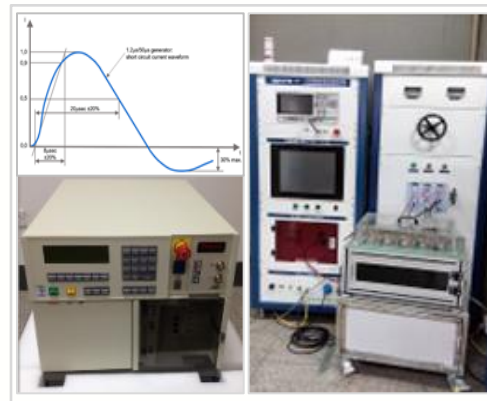
Circuit Design Assistance



Product Selection Suggestion



Product Test Service



Application Example





**Company
Introduction**



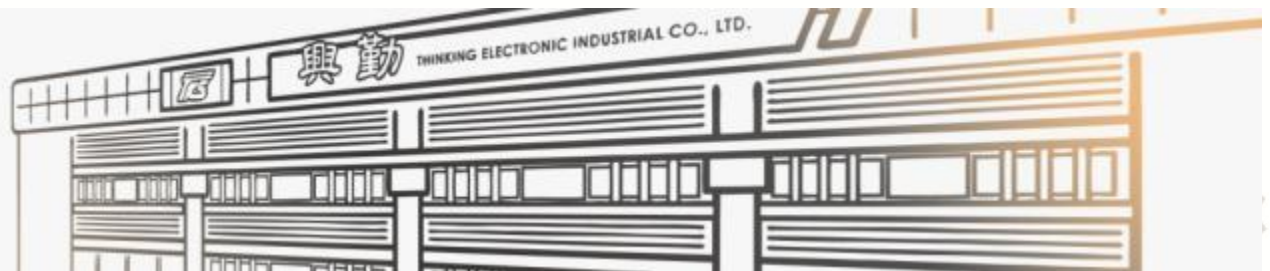
**Competitive
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**Major
Markets**



**Operation
Overview**





Operation Overview: Yearly Consolidated Income Statement

Unit: Thousand NTD

Item	2019Q1	2019Q4	2020Q1	QoQ	YoY
Net sales	1,404,060	1,522,209	1,095,742	-28.0%	-22.0%
Gross profit	549,327	635,191	424,421	-33.2%	-22.7%
Gross profit margin	39.1%	41.7%	38.7%	-3.0%	-0.4%
Operating expenses	208,962	238,442	182,607	-23.4%	-12.6%
Operating net profit	340,365	396,749	241,814	-39.1%	-29.0%
Operating profit ratio	24.2%	26.1%	22.1%	-4.0%	-2.2%
Non-operating income and expenses	-1,820	-9,616	25,921	-369.6%	-1524.2%
Net income	253,454	286,288	196,819	-31.3%	-22.3%
Earning per share (NTD)	1.95	2.25	1.56	-0.69	-0.39





Operation Overview: Consolidated Balance Sheets

Unit: Thousand NTD

Item	2019.3.31	2019.12.31	2020.3.31	%	QoQ	YoY
Cash and cash equivalent	1,887,674	1,774,594	1,903,159	21%	7.2%	0.8%
Account receivable	1,969,186	2,046,553	1,728,076	19%	-15.6%	-12.2%
Inventories	933,911	822,298	811,597	9%	-1.3%	-13.1%
Current assets	5,941,783	6,067,809	6,196,992	70%	2.1%	4.3%
Fixed assets	2,134,590	2,090,206	2,092,029	24%	0.1%	-2.0%
Non-current assets	2,690,839	2,682,706	2,691,138	30%	0.3%	0.0%
Total assets	8,632,622	8,750,515	8,888,130	100%	1.6%	3.0%
Account payable	637,352	533,753	466,938	5%	-12.5%	-26.7%
Other account payable	391,940	427,390	355,587	4%	-16.8%	-9.3%
Current liabilities	1,313,230	1,254,736	1,171,906	13%	-6.6%	-10.8%
Non-current liabilities	920,635	980,796	1,022,499	12%	4.3%	11.1%
Total liabilities	2,233,865	2,235,532	2,194,405	25%	-1.8%	-1.8%
Total equity	6,398,757	6,514,983	6,693,725	75%	2.7%	4.6%



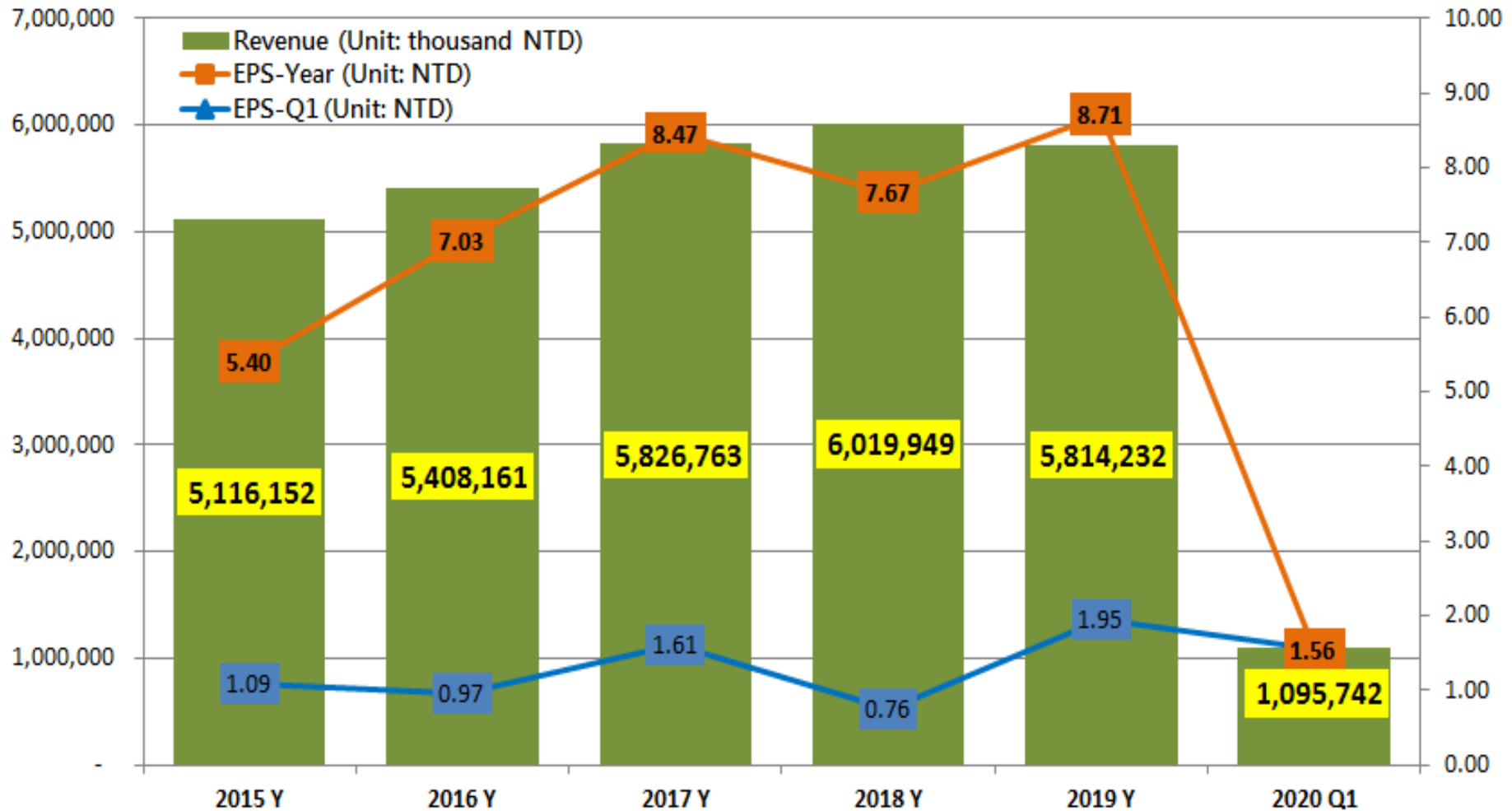
Operation Overview: Analysis of Financial Ratios

Item		2019.3.31	2019.12.31	2020.3.31	QoQ	YoY
Debt Ratio		25.87%	25.54%	24.68%	-0.86%	-1.19%
Current Ratio		452.45%	483.59%	528.79%	45.20%	76.34%
Account receivable	Turnover ratio (times)	2.77	2.82	2.32	-0.50	-0.45
	Average collection days	131.76	129.43	157.32	27.89	25.56
Inventories	Turnover ratio (times)	3.60	3.89	3.28	-0.61	-0.32
	Average inventory turnover days	101.38	93.83	111.28	17.45	9.90
Account payable	Turnover ratio (times)	5.37	5.94	5.36	-0.58	-0.01
	Average payables turnover days	67.97	61.45	68.10	6.65	0.13





Operation Overview: Revenue and EPS of Recent Years





Q&A

Thank You !





THANK YOU!

12F, No.93, Dashun 1st Rd., Zuoying Dist., Kaohsiung City, Taiwan

Tel: (07)5577660

Fax: (07)5570560

Email: thinking@thinking.com.tw

Official Website: www.thinking.com.tw

