

Wiwynn Introduction

2019.03.21



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Born for the New Business Model

New Business Model

The decline of PC market and the rise of cloud computing have made Wistron determined to become a TSP

CSPs such as FB and MSFT approached Taiwanese ODMs for hyperscale data center optimized IT solutions





- ◆ Established on April 2, 2012
- ◆ Listed on the Taiwan Emerging Stock on Nov. 13, 2017

**A Value Partner for Customers
in Cloud Service Business**



$$\text{Customer Value} = \frac{\text{Workload Performance}}{\text{Total Cost of Ownership}}$$



Mission

“Provide Data Centers with Workload-Optimized IT Solutions and the Best TCO”

2022

258B

Mobile App
Downloads*¹

28.5B

Networked
Devices*²

396EB

IP Traffic per
Month*²

137EB+

Data Stored in Data
Centers*³

Source 1: App Annie, <https://www.appannie.com/en/insights/market-data/app-annie-2017-2022-forecast/>

Source 2: Cisco, <https://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/white-paper-c11-741490.html>

Source 3: Cisco (until 2021), <https://www.cisco.com/c/en/us/solutions/collateral/service-provider/global-cloud-index-gci/white-paper-c11-738085.html>



2022

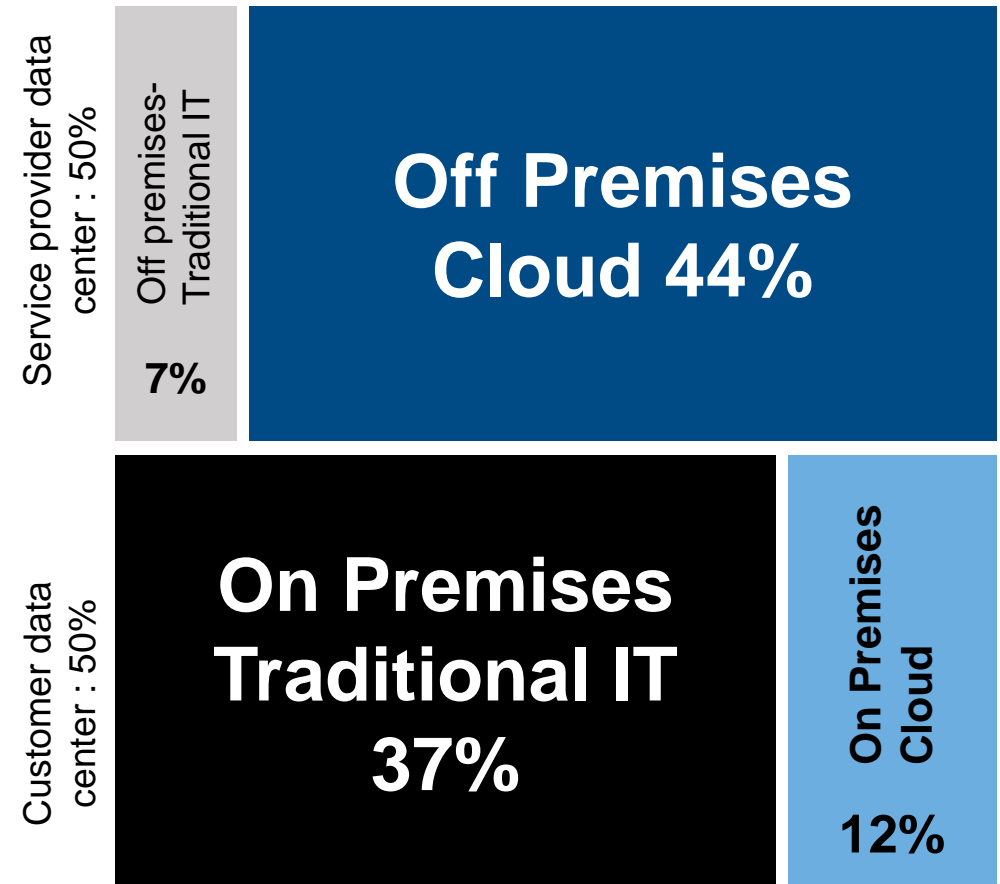
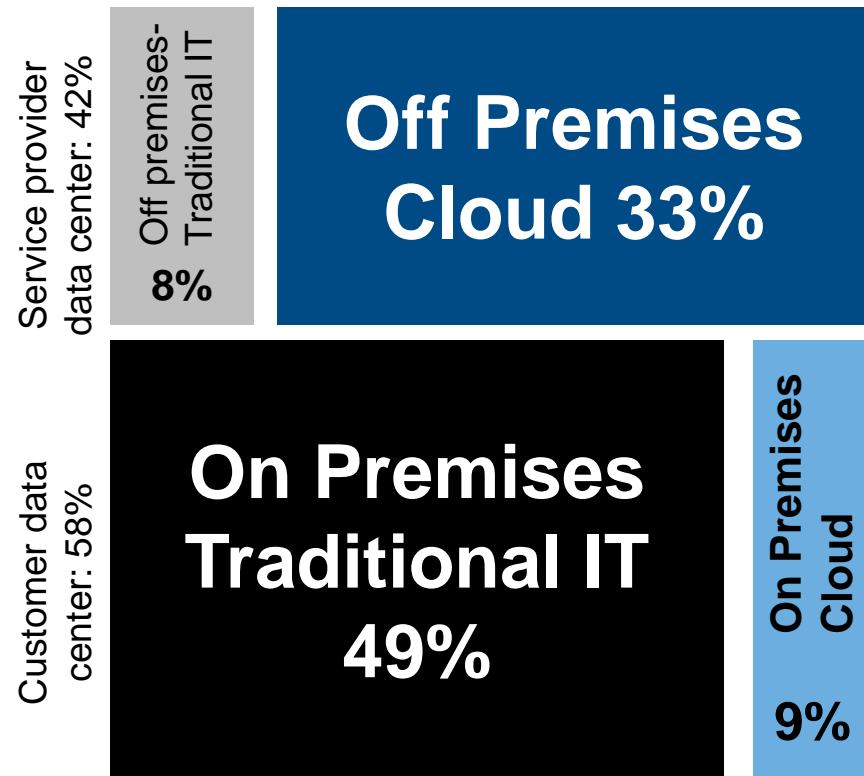
Vigorously Growing
Demands on Data Centers



WW Cloud IT Infrastructure Market Forecast by Deployment Type (USD)

2017: \$111.6B

2022: \$148.1B



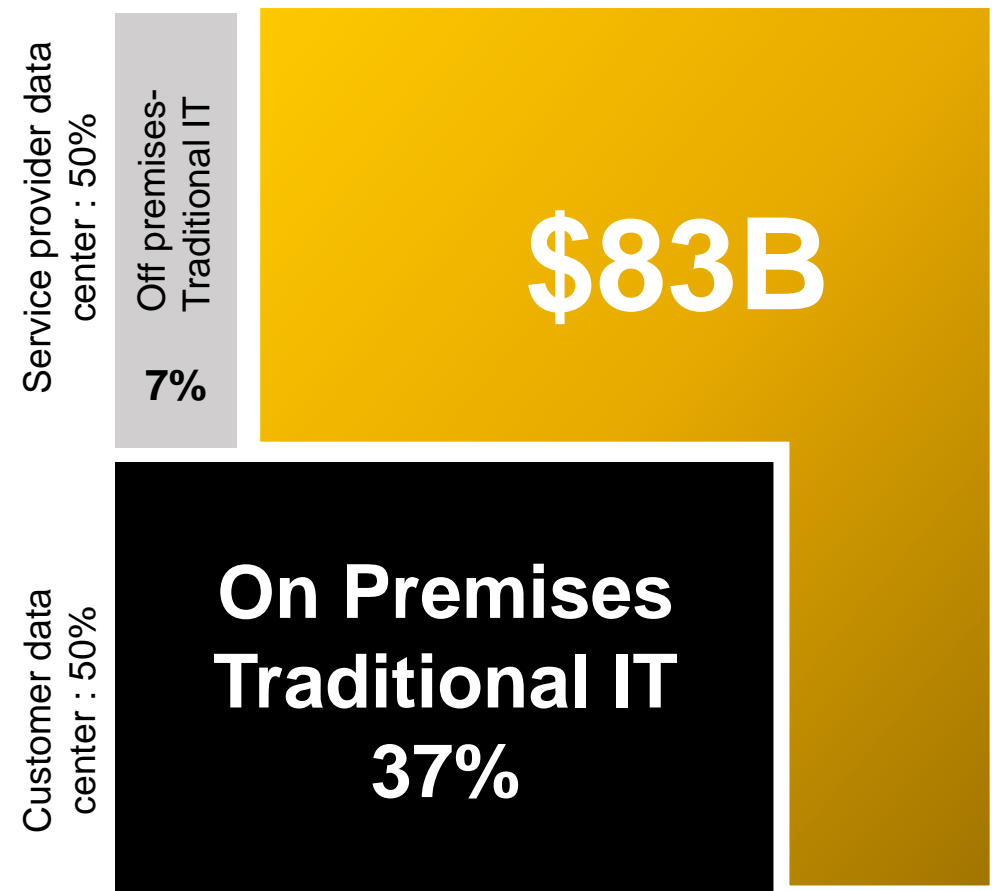
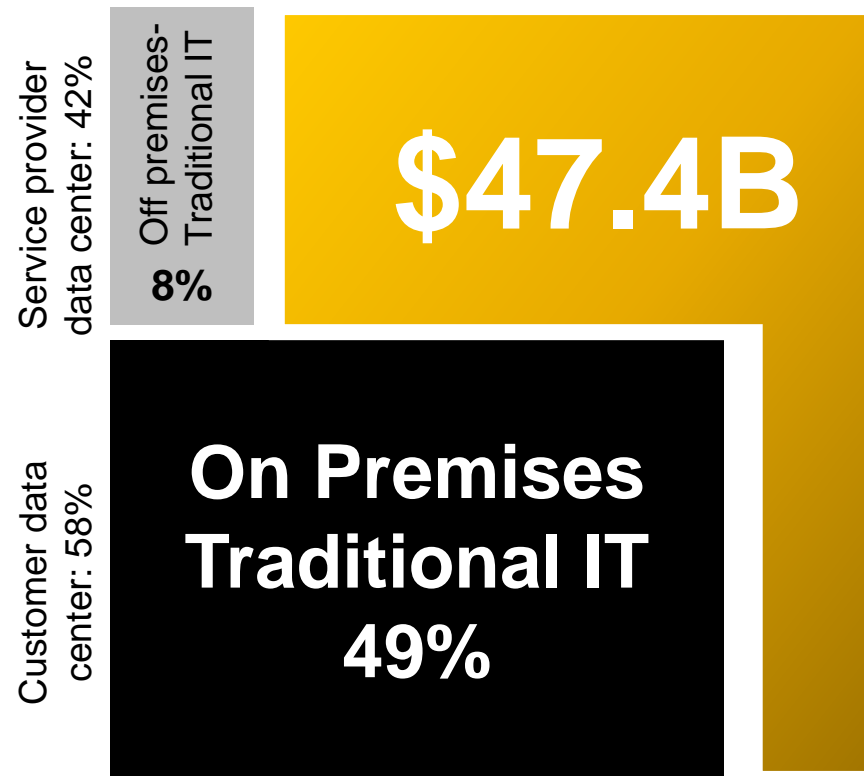
Source: IDC Quarterly Cloud Infrastructure Tracker, Sep. 2018



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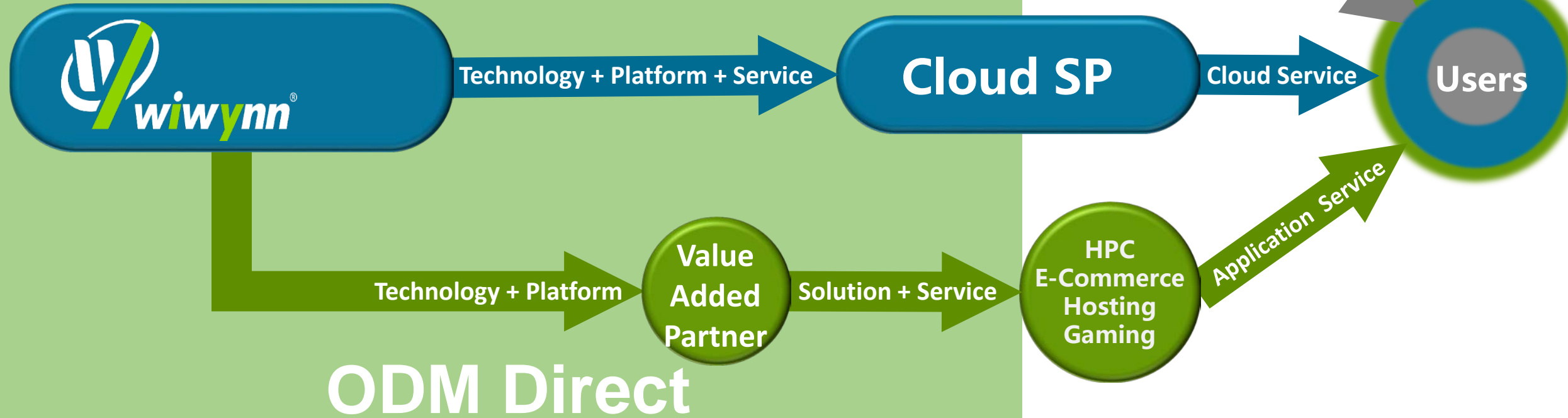


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ODM Direct – New Business Model Enabled by Cloud SP

Traditional ODM



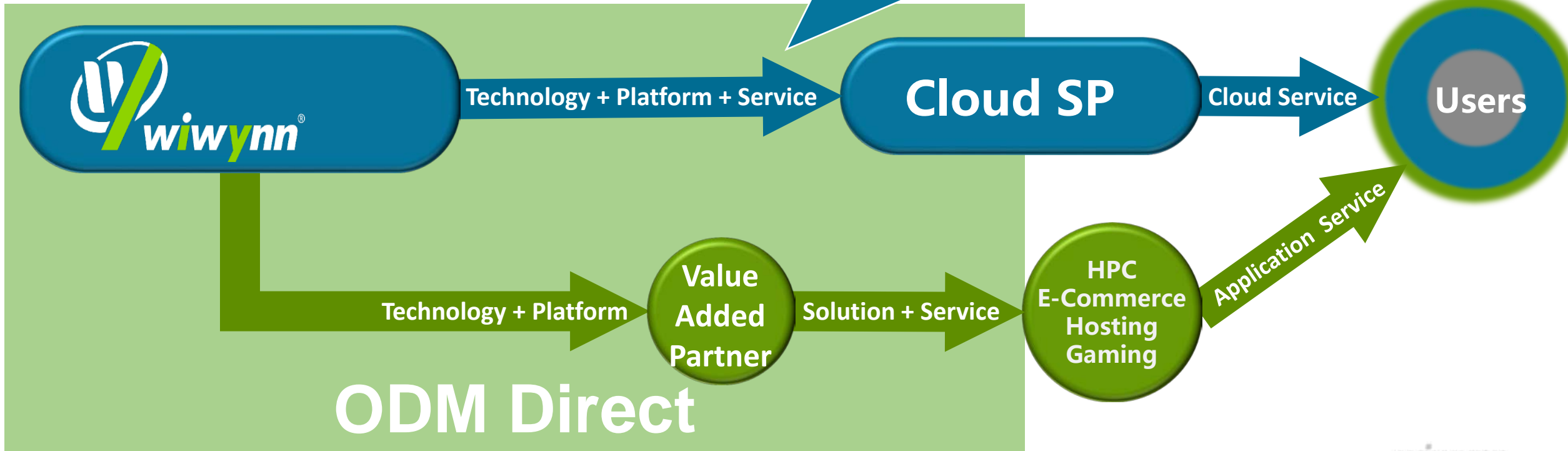
ODM Direct



ODM Direct – New Business Model Enabled by Cloud SP

 +  **Workload-Optimized IT Solutions and the Best TCO**

Energy Time





Target Market Segments

Top 7 CSP

facebook

aws

Microsoft

Google

Alibaba.com™

Tencent 腾讯

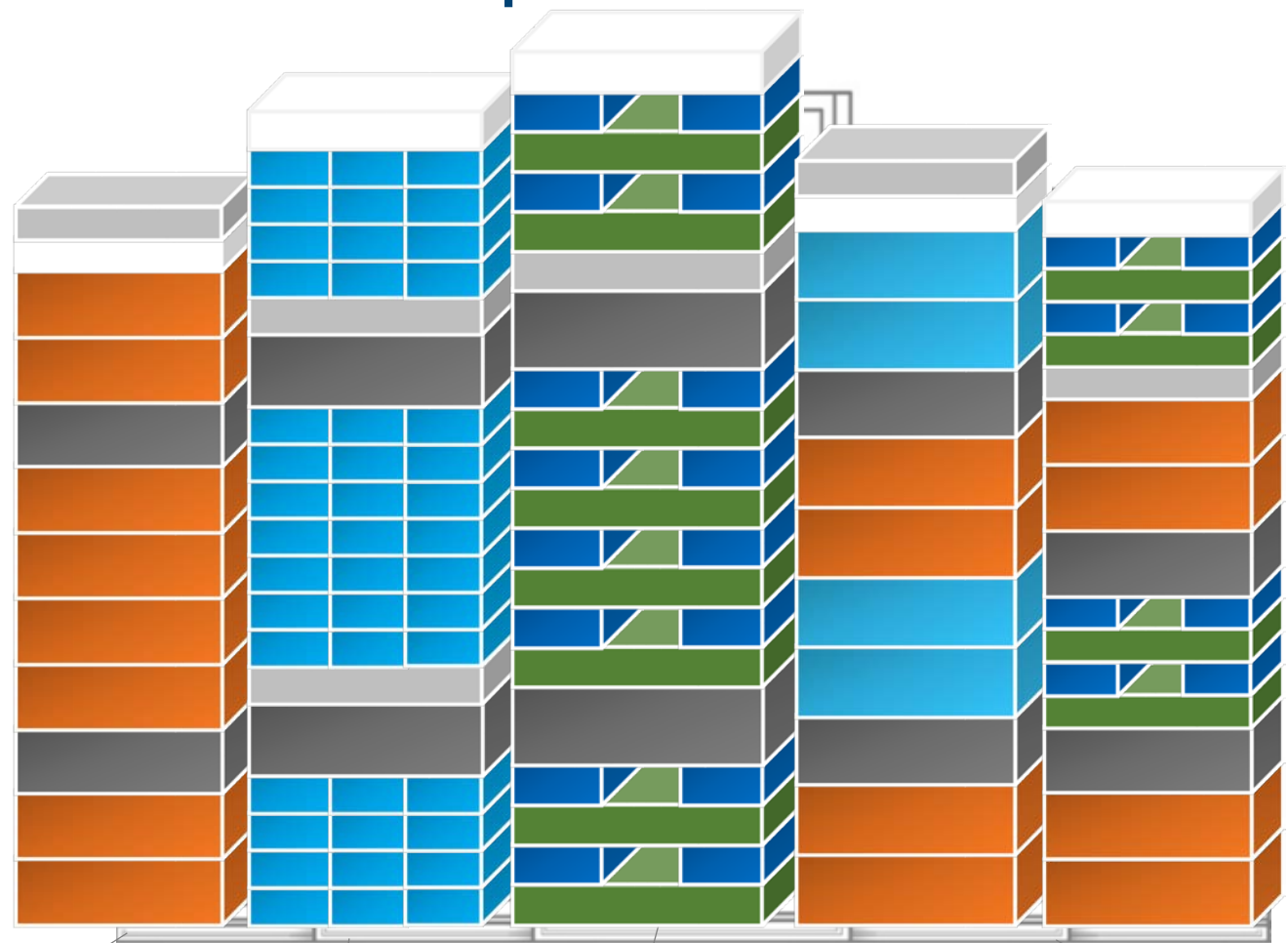
Baidu 百度

Next Wave










Wiwynn Racks - Optimized for Various Workloads



Rack Infrastructures


- Open Compute Project 12V 
- Open Compute Project 48V 
- Project Olympus 
- EIA 19" Rack Series 
- Proof of Concept (Hack) 

 Compute Intensive

 AI Training

 Storage Intensive

 I/O Intensive

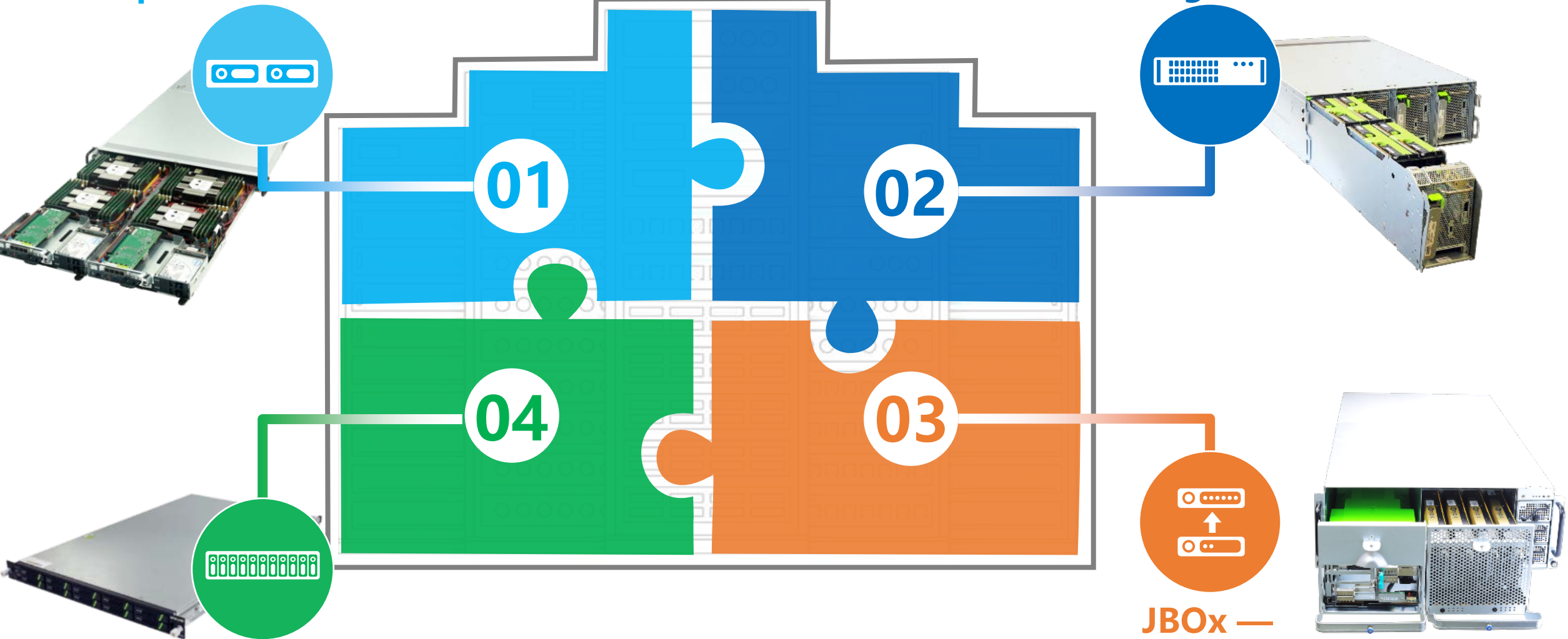
 Balanced various workloads



Wiwynn Product Lines

Compute Server

Edge & Front-End Server



Multi-Purpose & Storage Server

JBOX —
HDD, All Flash, GPU



Our Core Technologies

High Power Efficiency

High Speed

Thermal Solution

Reliability Serviceability



APPLICATIONS

Various Evolving Applications

Wiwynn technologies are focused on developing high power, high speed and thermal technologies to meet the needs of future data centers

DEMANDS

Fundamental Demands For Various Applications

INFRASTRUCTURE

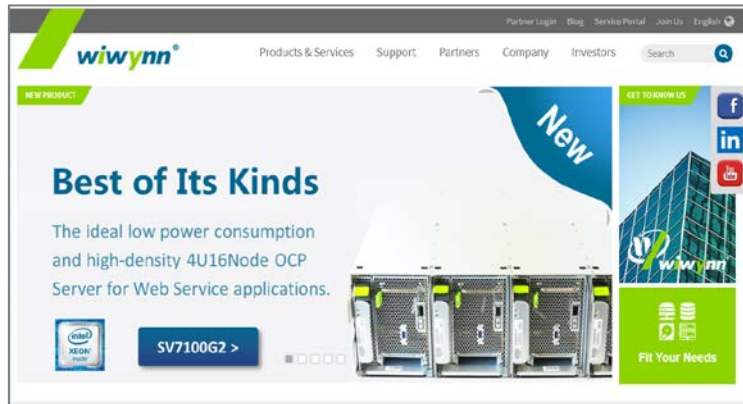
Build Blocks & IT Gears on Advanced Technologies



Branding Trilogy



Website



Blog



LinkedIn

OCP Summit @ San Jose



Computex @ Taipei

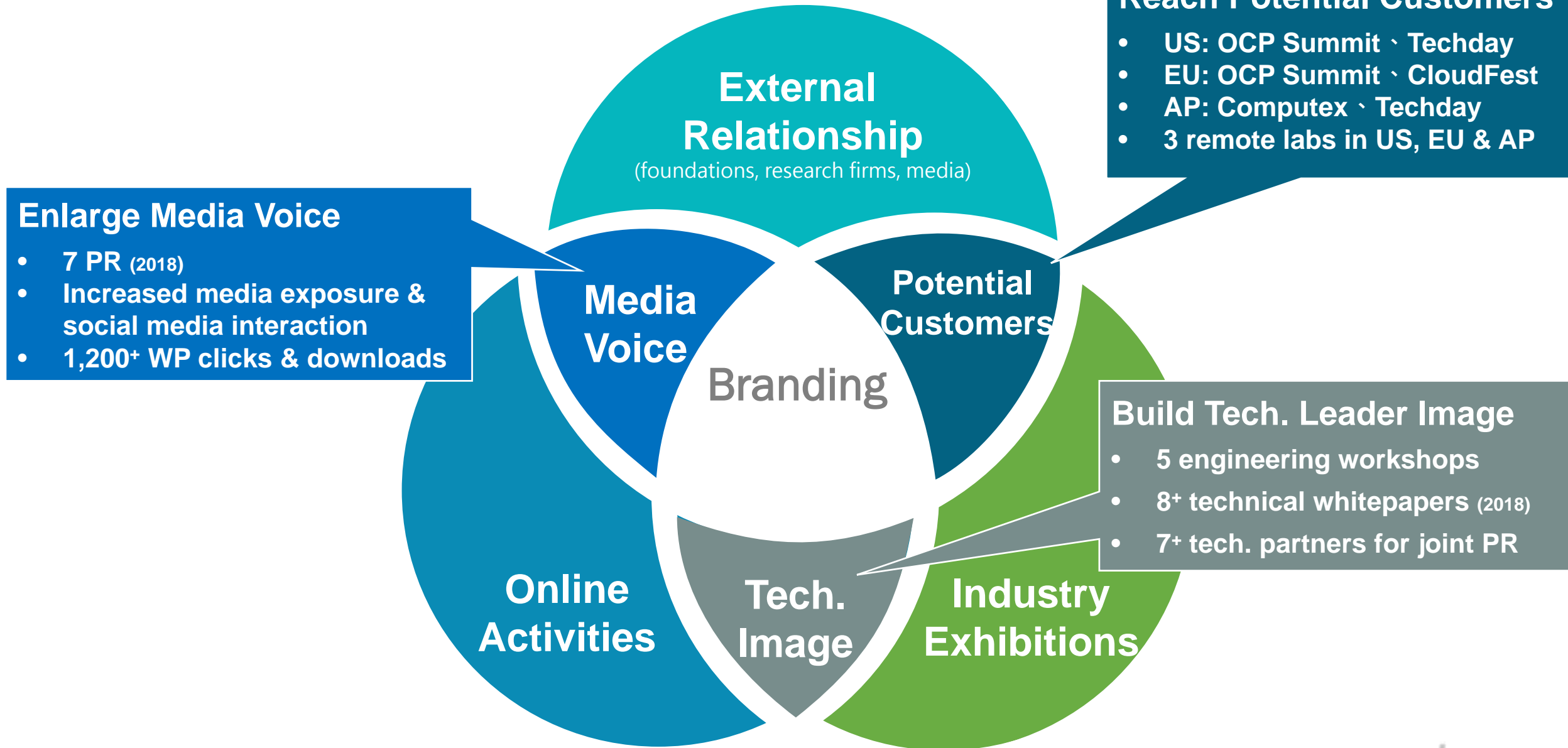


CloudFest @ Germany





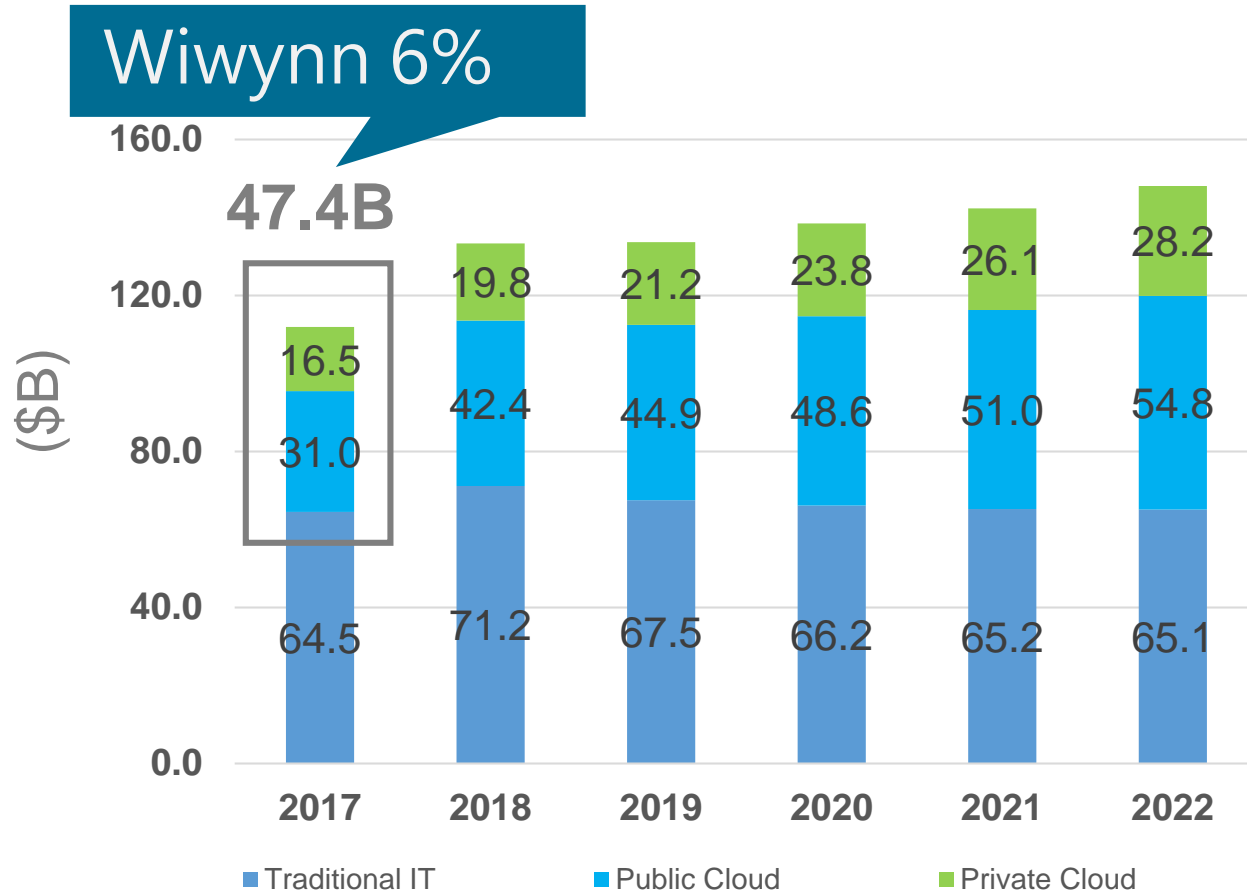
Achievements in 2018



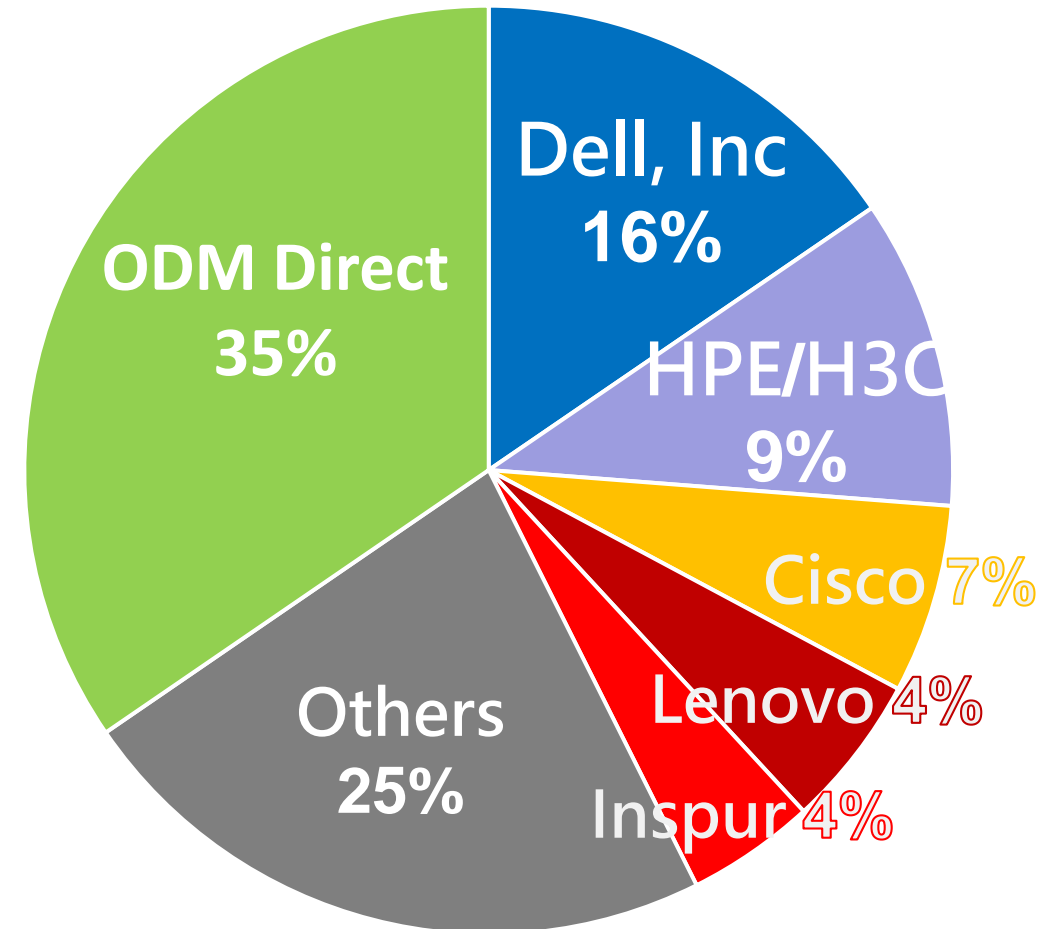


Key Player in Data Center Market

WW Cloud IT Infrastructure Market by Model



1H18 WW Cloud IT Infrastructure Market Share by Vendor Revenue



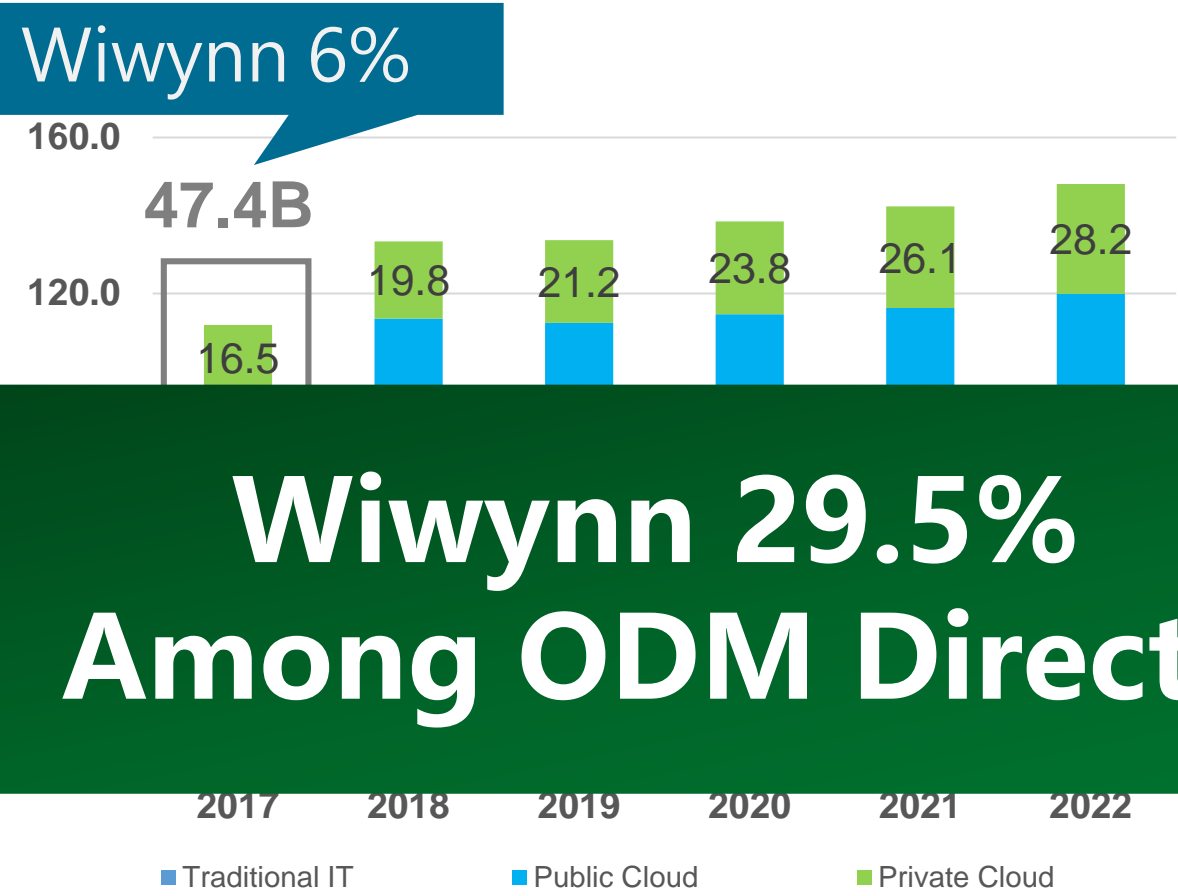
Source: IDC (Sep. '18)

*Wiwynn market share among ODM Direct is estimated by Wiwynn based on 1H18 revenue and IDC data

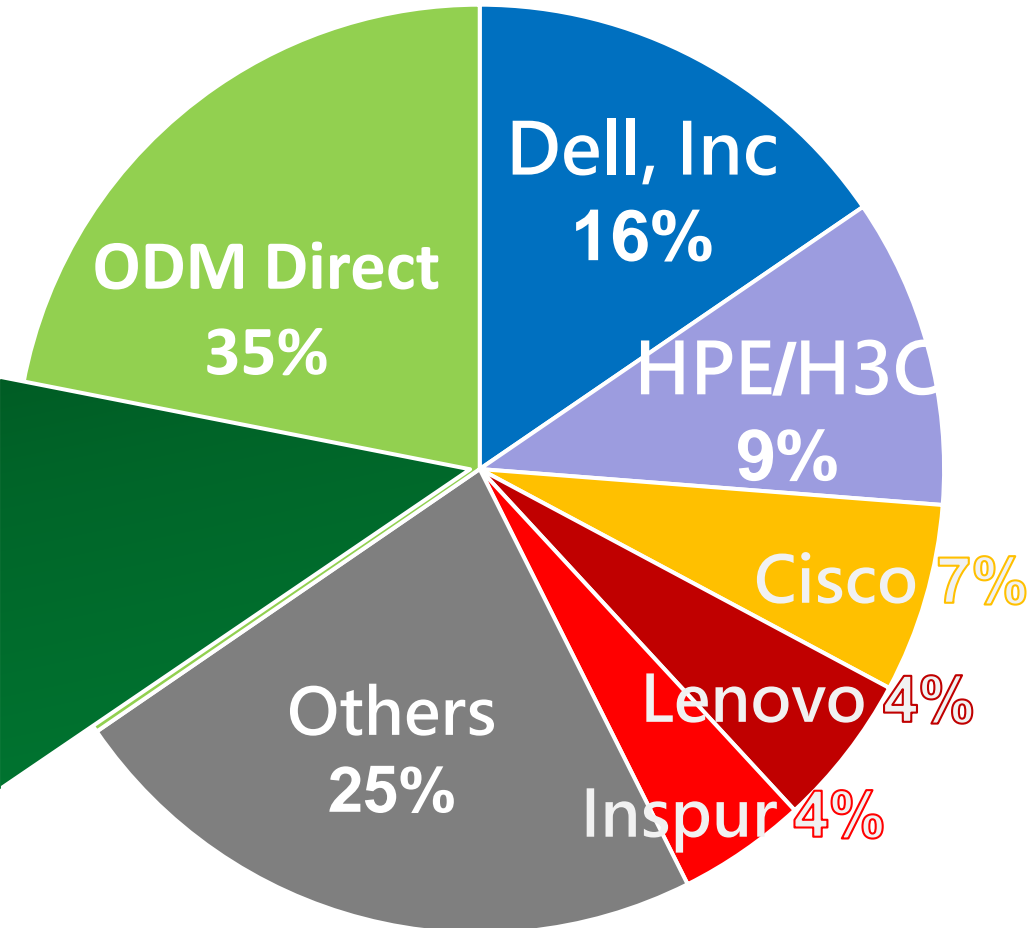


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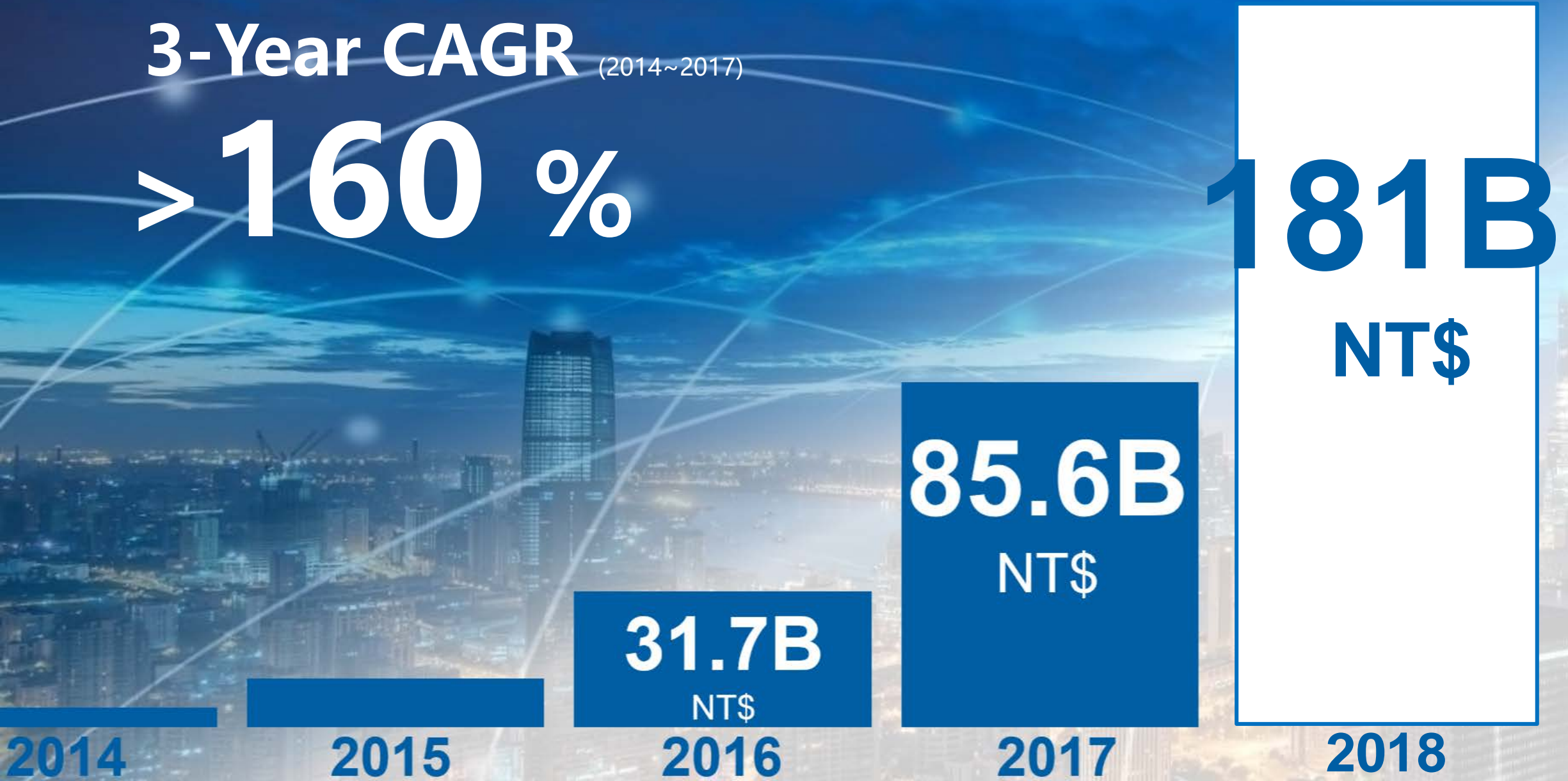
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Outpace General Market Growth

3-Year CAGR (2014~2017)

> 160 %



Investment Structure



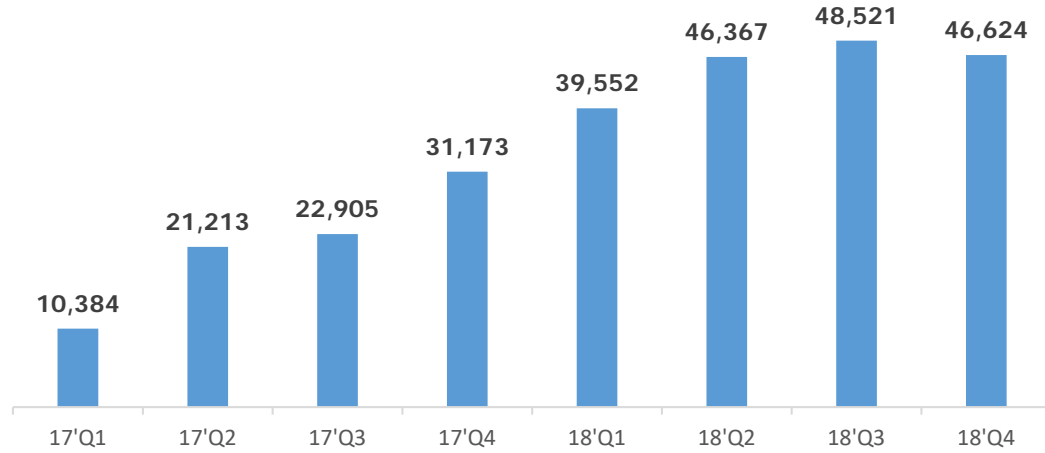
Our 7th subsidiary, WYMX (Mexico), was formed at the end of 2018



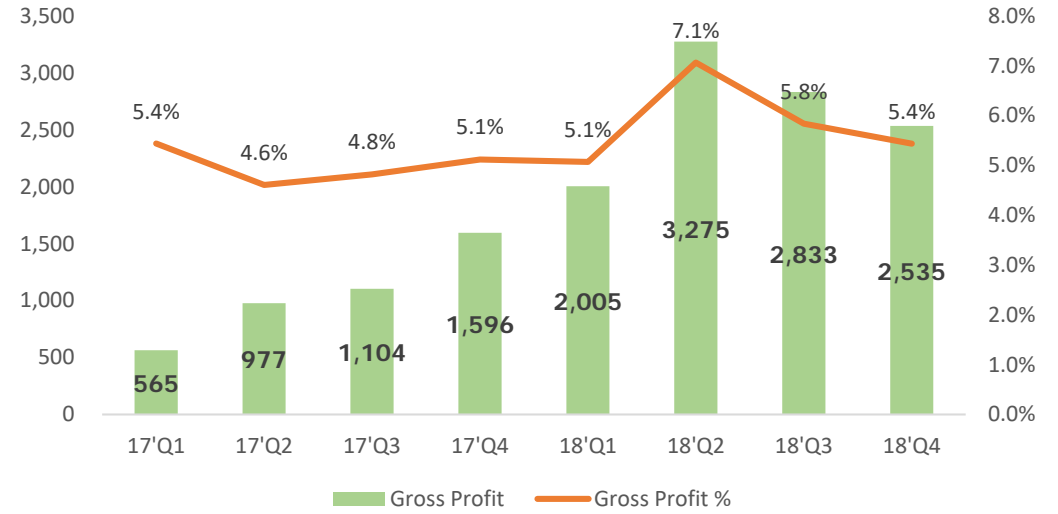


Financial Highlights

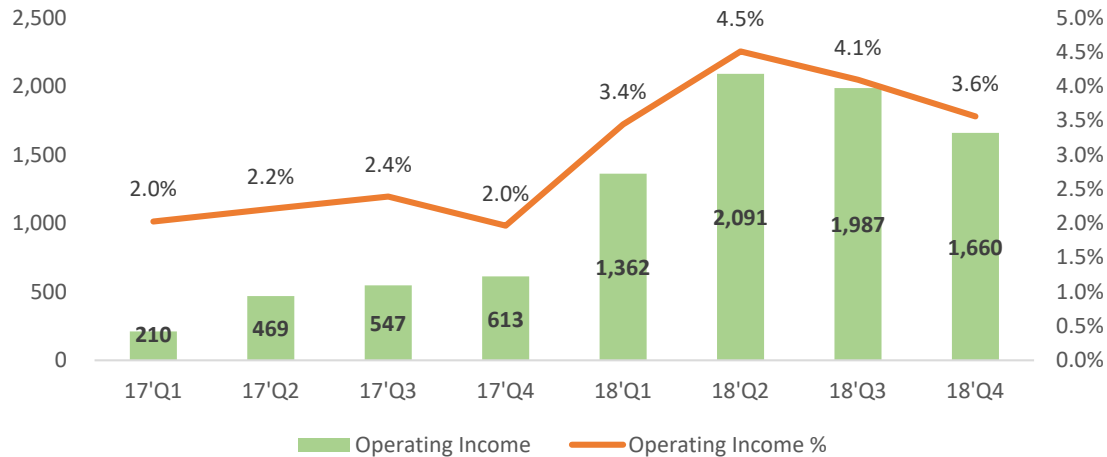
Revenue (NT\$ M)



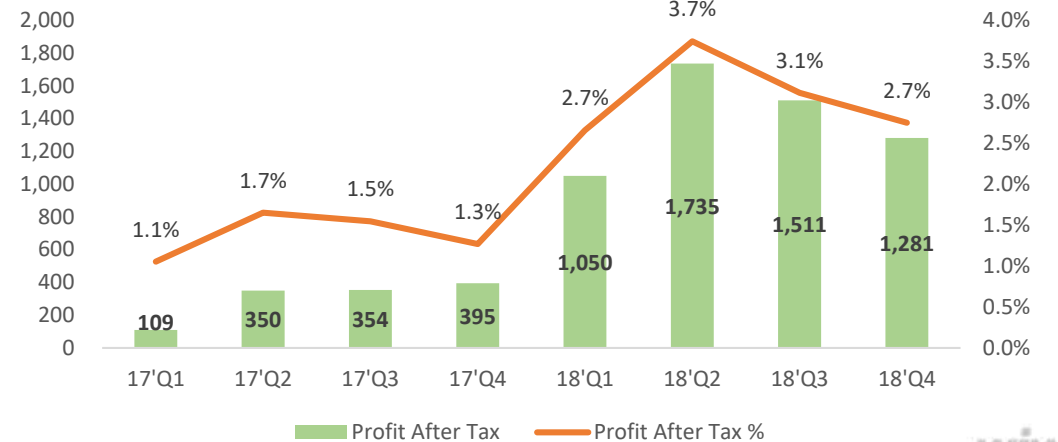
Gross Profit (NT\$ M)



Operating Income (NT\$ M)



Profit After Tax (NT\$ M)





2018 Income Statement QoQ (Consolidated)

(in NT\$ Million)

	18'Q4		18'Q3		QoQ
Revenue	46,624	100%	48,521	100%	-3.9%
Gross Profit	2,535	5.4%	2,833	5.8%	-10.5%
Operating Expense	875	1.9%	846	1.7%	3.4%
Operating Income	1,660	3.6%	1,987	4.1%	-16.5%
Non-operating Income/(Loss)	(58)	-0.1%	(63)	-0.1%	-9.1%
Profit Before Tax	1,602	3.4%	1,924	4.0%	-16.7%
Profit After Tax	1,281	2.7%	1,511	3.1%	-15.2%
EPS Basic (NTD \$)	8.38		9.94		
EPS Diluted (NTD \$)	8.29		9.82		



2018 Income Statement YoY (Consolidated)

(in NT\$ Million)

	2018		2017		YoY
Revenue	181,065	100%	85,674	100%	111.3%
Gross Profit	10,647	5.9%	4,242	5.0%	151.0%
Operating Expense	3,547	2.0%	2,403	2.8%	47.6%
Operating Income	7,101	3.9%	1,839	2.1%	286.1%
Non-operating Income/(Loss)	(7)	0.0%	(197)	-0.2%	-96.4%
Profit Before Tax	7,093	3.9%	1,642	1.9%	331.9%
Profit After Tax	5,578	3.1%	1,208	1.4%	361.5%
EPS Basic (NTD \$)	38.00		9.73		
EPS Diluted (NTD \$)	36.31		9.05		



2018 Balance Sheet (Consolidated)

(in NT\$ Million)

	12/31/2018		09/30/2018		QoQ		12/31/2017		YoY	
Cash	1,404	5%	1,446	4%	(43)	-3%	6,399	25%	(4,996)	-78%
AR	9,586	34%	15,066	38%	(5,480)	-36%	9,369	36%	217	2%
Inventory	13,864	49%	22,735	57%	(8,871)	-39%	9,163	35%	4,701	51%
Others asset	3,351	12%	593	1%	2,757	465%	942	4%	2,409	256%
Total asset	28,204	100%	39,841	100%	(11,637)	-29%	25,873	100%	2,331	9%
Bank loan	8,485	30%	9,048	23%	(563)	-6%	5,042	19%	3,443	68%
AP	5,402	19%	18,515	46%	(13,113)	-71%	15,609	60%	(10,207)	-65%
Other liability	3,541	13%	2,826	7%	715	25%	2,206	9%	1,335	61%
Total liability	17,427	62%	30,388	76%	(12,960)	-43%	22,856	88%	(5,429)	-24%
Total Equity	10,777	38%	9,453	24%	1,323	14%	3,016	12%	7,760	257%

Thank You
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