

# TSC

*The Smarter Choice.*

➤ [www.tscprinters.com](http://www.tscprinters.com)

## TSC Auto ID Technology Co., Ltd.

### Investor Presentation

August-2018

# Agenda



Company Profile

Industry Overview

Company Growth Drivers

2018 Q2 Financial Highlights

# About TSC



/// [www.tscprinters.com](http://www.tscprinters.com)

## LOCALIZED SERVICE & SUPPORT

- Over 15 global locations
- 2 ISO-certified factories: Taiwan + Tianjin



## INDUSTRY LEADERSHIP

- 25 years of experience building rugged and reliable barcode printers
- More than 4 million barcode printers installed worldwide
- Top-5 global barcode printer manufacturer

## COMPANY HIGHLIGHTS

- Publically listed on Taiwan Stock Exchange
- Winner of Forbes 200 Best Under a Billion Award
- Winner of Taiwan Excellence Award for product innovation

# TSC's History Milestones



Acquisition of Printronix Thermal/AIDC Business **2016**

Expansion to Russia & Middle East **2011**

Listed on the Taiwan Stock Exchange **2008**

Spin-off from parent company **2007**

Moved to Li Ze Plant **2006**

Production assembly in Tianjin Plant **2003**

Expansion to Europe **2002**

Expansion to Americas **1996**

Parent company Taiwan  
Semiconductor sets up **1991**  
Printer Division, for OEM  
Partnership with Eltron



TSC Auto ID

# TSC Markets

**Transport &  
Logistics**

**Retail**

**Manufacturing**



# TSC Markets

Healthcare

Hospitality &  
Service

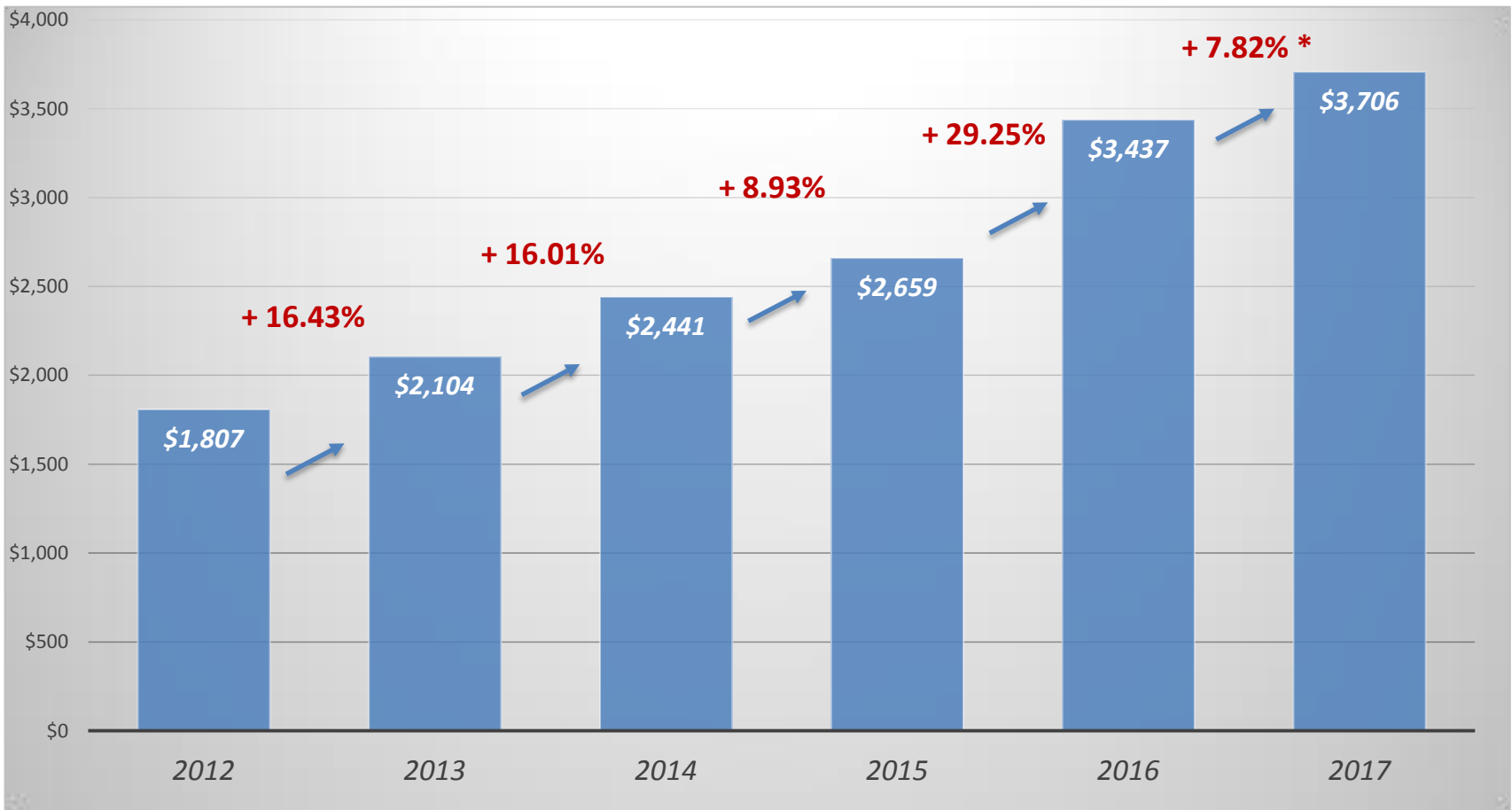
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# Y2012 - 2017 revenue and growth rate (YOY %)



Unit: NT\$ Million



\* 2017 Revenue YOY growth is ~+13% in constant FX

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# TSC's Financial Summary (Y2012-Y2017)



Unit: NT\$ Million

	2012	2013	2014	2015	2016	2017
Revenue	\$1,807	\$2,104	\$2,441	\$2,659	\$3,437	\$3,706
COGS	\$1,027	\$1,172	\$1,359	\$1,417	\$1,878	\$2,032
Gross Margin	\$780	\$932	\$1,082	\$1,242	\$1,559	\$1,674
Opex	\$333	\$384	\$445	\$507	\$868	\$903
Op. Income	\$447	\$548	\$637	\$735	\$691	\$771
Non-op. Income	-\$18	\$37	\$27	\$33	\$18	\$2
PBT	\$429	\$585	\$664	\$768	\$709	\$773
PAT	\$301	\$445	\$506	\$577	\$545	\$618
EPS	8.88	13.01	13.33	15.14	14.15	16.02
Gross margin (%)	43.2%	44.3%	44.3%	46.7%	45.4%	45.2%
Opex (%)	18.4%	18.3%	18.2%	19.1%	25.3%	24.4%
Op. Income (%)	24.7%	26.0%	26.1%	27.6%	20.1%	20.8%

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# TSC's Financial Summary (2018/H1 vs. Y2017/H1)

Unit: NTD K

Item	H1_2018	H1_2017	Y/Y%	FY2017
<b>Revenue *</b>	1,936,039	1,764,422	+ 9.7%	3,705,900
<b>Gross margin</b>	860,489	804,572	+6.9%	1,673,480
<b>Operating income</b>	401,116	364,591	+10.0%	770,558
<b>Non-op. income</b>	45,637	3,536	+1,190.6%	2,162
<b>Pre-tax income</b>	446,753	368,127	+21.4%	772,720
<b>Net income</b>	328,316	283,508	+15.8%	617,759
<b>EPS</b>	8.52	7.35	+15.9%	16.02
<b>Opex % **</b>	23.7%	24.9%	-4.8%	24.4%
<b>NTD/ USD Rate</b>	29.5	30.7		30.42

\* 2018/H1 Revenue YOY growth is ~ +14% in constant FX

\*\* 2018/H1 Opex % drops to 23.7% from previous year's 24.9%

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# 2018 Q2 Financial Highlights



<i>Unit: NTD K</i>	2018 Q2	2017 Q2	Change
Revenue	1,020,365	910,591	+12%
Gross Margin	45.4%	44.5%	+0.9%
Operating Margin	22.1%	20.3%	+1.8%
EPS	5.01	4.37	+15%

- Gross margin improvement from:
  - Cost reduction initiatives from design and supplier base related activities
- Operating margin improvement from:
  - Decreased acquisition related expenses
  - Disciplined control of operational costs

# TSC's Consolidated B/S as of 2018/6/30

Unit: NTD K

Item	Amount	Item	Amount
Current Assets	2,944,786	Current Liabilities	3,065,035
Non-current Assets	3,212,324	Non-current Liabilities	248,645
Total Assets	6,157,110	Total liabilities	3,313,680
		Shareholders' Equity	2,843,430
		Total Equity & Liabilities	6,157,110

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