



Hitron Investor Conference

TWSE Stock Code : 2419

Present by : Patrick Chiu

12/9/2019

Agenda



2019 Q3 Financial Status



Manufacturing & Factory Expansion



New Market Segment and Cloud platform Application



Q&A

Disclaimer

This presentation may contain forward-looking based on current assumption and forecasts made by Hitrontech management. Various known and unknown risk, uncertainties and other factors could lead to material differences between the actual future result, financial situation, development or performance of the company and the estimates given here.

2019 Q3 Financial Report

Consolidated Comprehensive Income (QoQ)

NT Million

	2019		2018		Var.
	Q3	%	Q3	%	%
Net Sales	2,450	100.0%	2,998	100.0%	-18%
Cost of Goods Sold	1,916	78.2%	2,543	84.8%	-25%
Gross Profit	534	21.8%	455	15.2%	18%
Operating Expense	398	16.3%	377	12.6%	6%
Operating Profit	136	5.6%	78	2.6%	74%
Non-OP Income & Expenses	(28)	-1.1%	28	1.0%	-199%
Income after Tax	97	3.9%	63	2.1%	54%
Net Income Attributable to Owners of Parent	65	2.7%	39	1.3%	65%
EPS (NT\$1)	0.29		0.16		81%



Y2019 Financial Report

Consolidated Comprehensive Income (YoY)

NT Million	2019		2018		Var.
	Q1~Q3	%	Q1~Q3	%	%
Net Sales	7,853	100.0%	6,601	100.0%	19%
Cost of Goods Sold	6,331	80.6%	5,303	80.3%	19%
Gross Profit	1,522	19.4%	1,298	19.7%	17%
Operating Expense	1,170	14.9%	1,047	15.9%	12%
Operating Profit	352	4.5%	251	3.8%	40%
Non-OP Income & Expenses	(59)	-0.7%	(9)	-0.1%	523%
Income after Tax	249	3.2%	164	2.5%	52%
Net Income Attributable to Owners of Parent	148	1.9%	98	1.5%	51%
EPS (NT\$1)	0.67		0.41		63%

2019 Q3 Financial Report

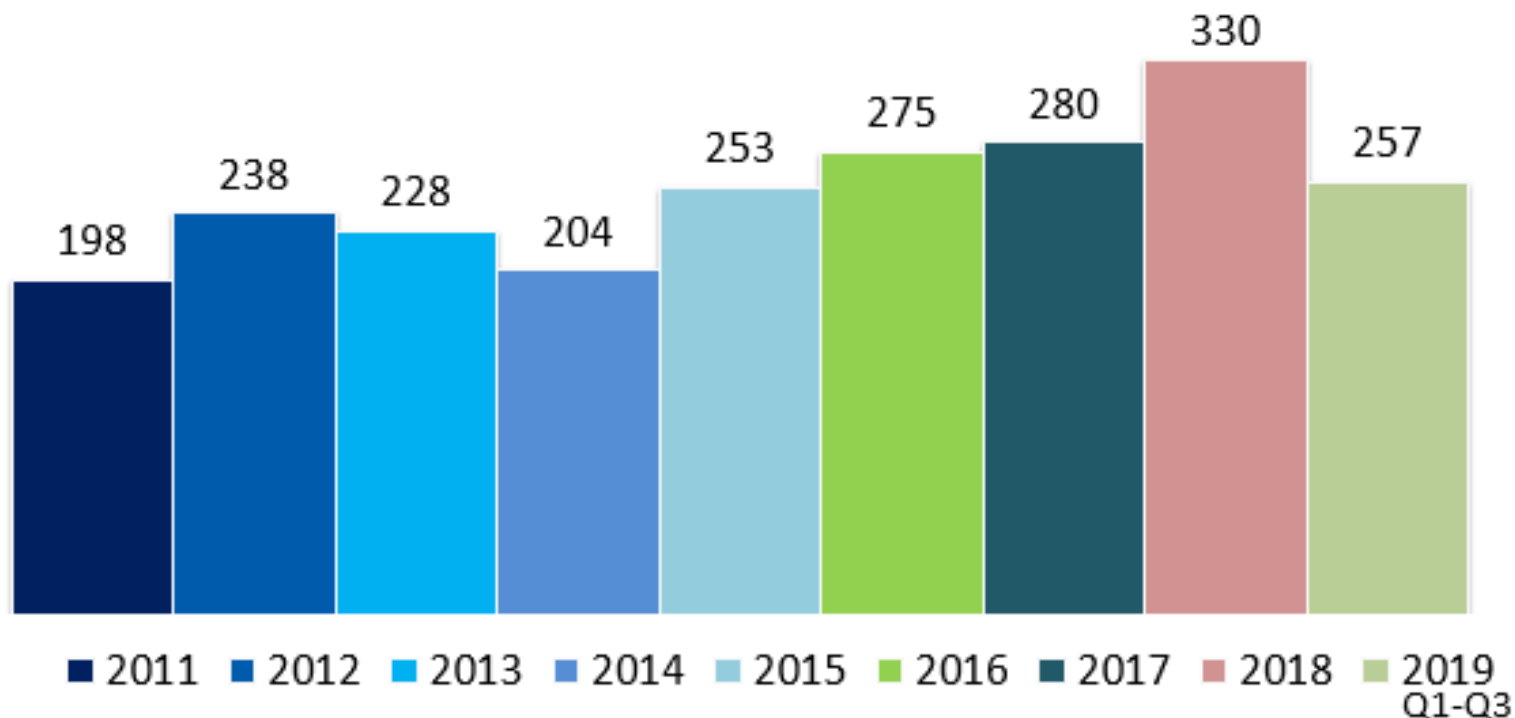
Consolidated Balance Sheet

NT Million	2019/9/30		2018/12/31		Var.	2018/9/30		Var.
	AMT	%	AMT	%	%	AMT	%	%
Cash Equivalents	1,888	24.6%	2,241	22.5%	-16%	1,858	19.6%	2%
AR	1,697	22.1%	1,973	19.8%	-14%	2,028	21.3%	-16%
Inventory	2,029	26.5%	3,310	33.2%	-39%	3,172	33.4%	-36%
PP & E	1,142	14.9%	959	9.6%	19%	985	10.4%	16%
Other Assets	915	11.9%	1,478	14.9%	-38%	1,454	15.3%	-37%
Total Assets	7,672	100.0%	9,961	100.0%	-23%	9,498	100.0%	-19%
Current Liabilities	3,687	48.1%	5,885	59.0%	-37%	5,261	55.4%	-30%
Other Liabilities	167	2.2%	195	2.0%	-15%	496	5.2%	-66%
Total Liabilities	3,854	50.2%	6,080	61.0%	-37%	5,757	60.6%	-33%
Common Stock	2,290	29.8%	2,243	22.5%	2%	2,243	23.6%	2%
Other Equity	1,528	19.9%	1,638	16.5%	-6.7%	1,498	15.8%	2%
Total Equity	3,818	49.8%	3,881	39.0%	-2%	3,741	39.4%	2%
Total Liabilities & Equity	7,672	100.0%	9,961	100.0%	-23%	9,498	100.0%	-19%



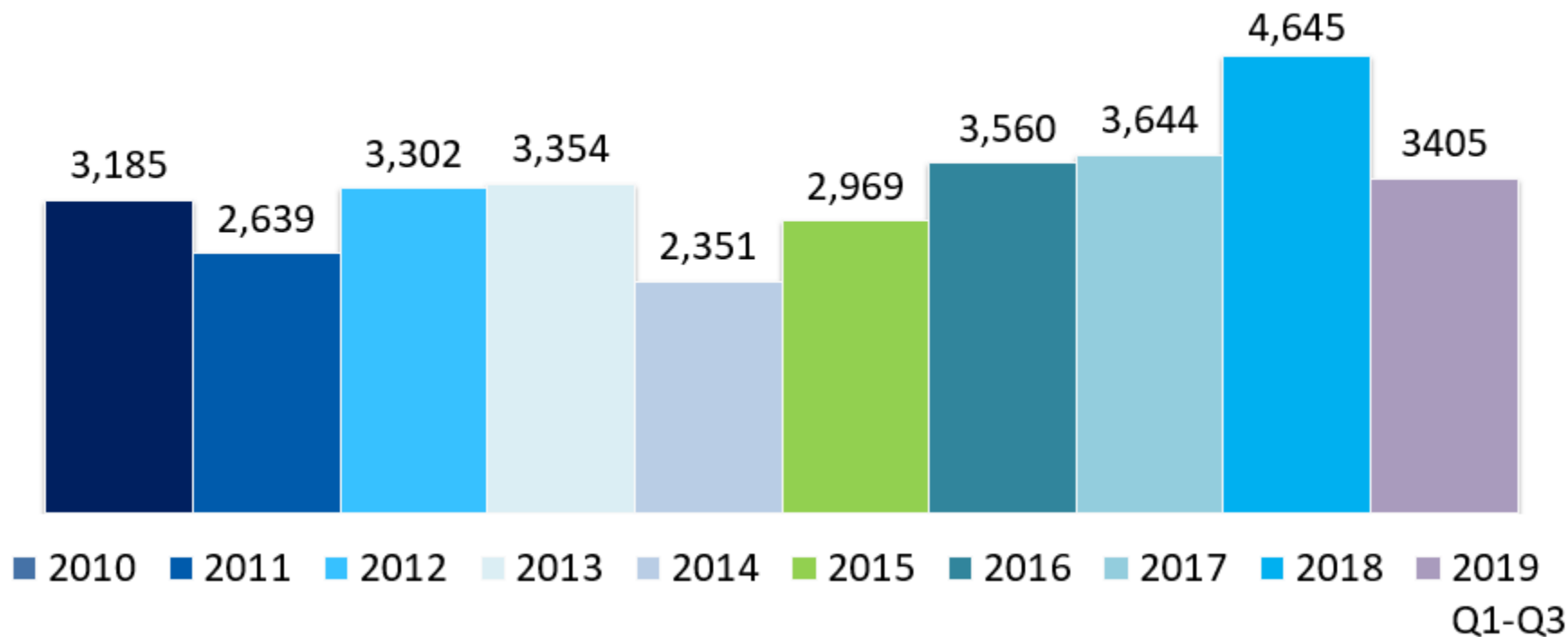
Worldwide Revenue Growth

Consolidated Sales(Million/USD)



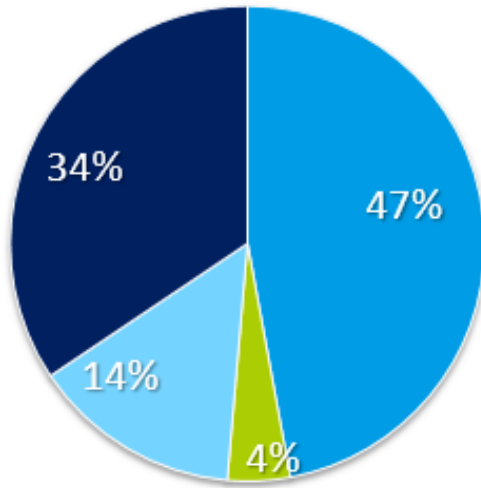
Global Shipping Volume

Volume (k)

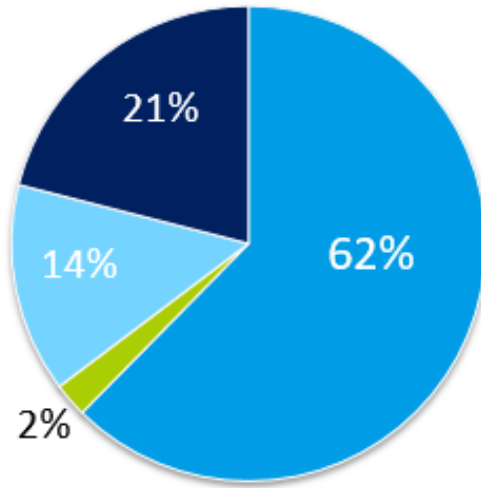


CM Shipping Volume/ Area

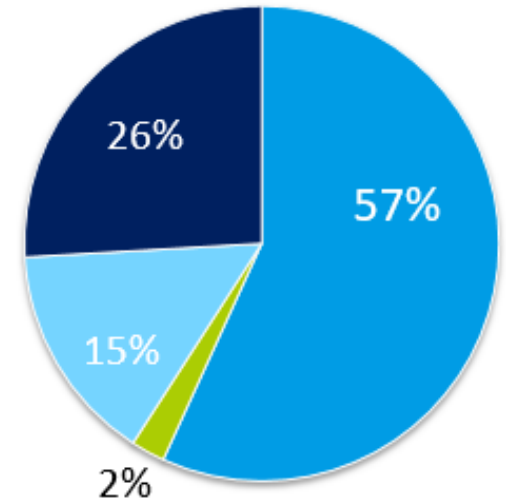
2017



2018



2019 Q3



APAC



NA



CALA



EMEA



Hitron Manufacturing Facilities



Hitron Factory Expansion Plan

	2019	2020	2021
Own Production Capacities	680 K/mo	1080 K /mo	1320 K/mo
Factories Location	PRC, Taiwan	PRC, Taiwan, Vietnam	PRC, Taiwan, Vietnam

Suzhou Manufacturing Facilities

Hitrontech Suzhou Factory



Location Suzhou Industrial Park
Surface 20000 M^2
Capacity 800K/mo
Certificate ISO 9001, ISO 14001,
TL9000, ISO 14064-1,
OHSAS 18000



Targets of HVN Production Facilities

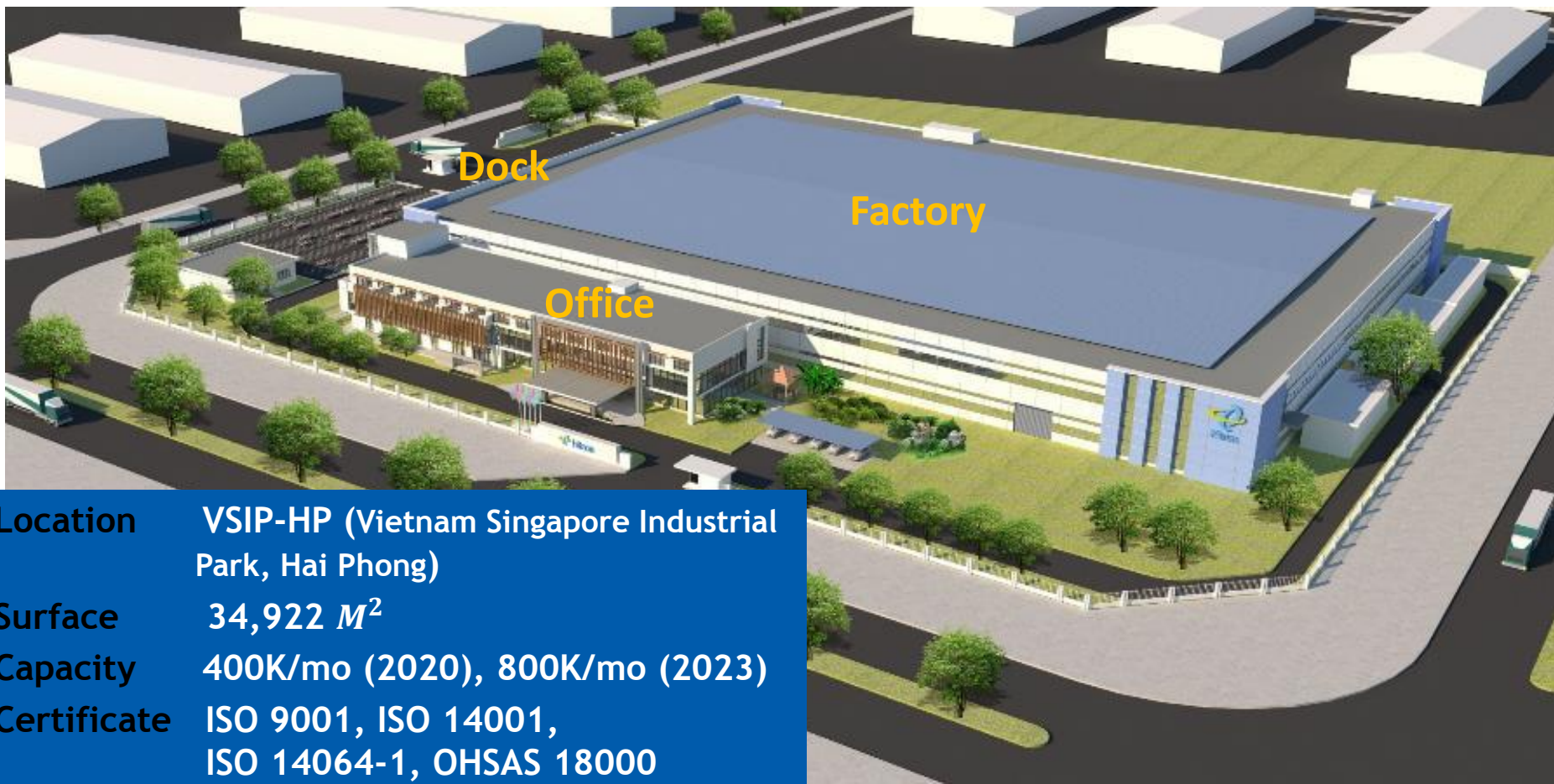
- Meet capacities demand for 2020~2025
- Save Tariff against US-China trade war
- Maintain/Reduce the production cycle time
- Reduce Potential Risks
- Control the Cost

Vietnam Manufacturing Facilities



Source: VSIP

New Factory Design



Location	VSIP-HP (Vietnam Singapore Industrial Park, Hai Phong)
Surface	34,922 M^2
Capacity	400K/mo (2020), 800K/mo (2023)
Certificate	ISO 9001, ISO 14001, ISO 14064-1, OHSAS 18000

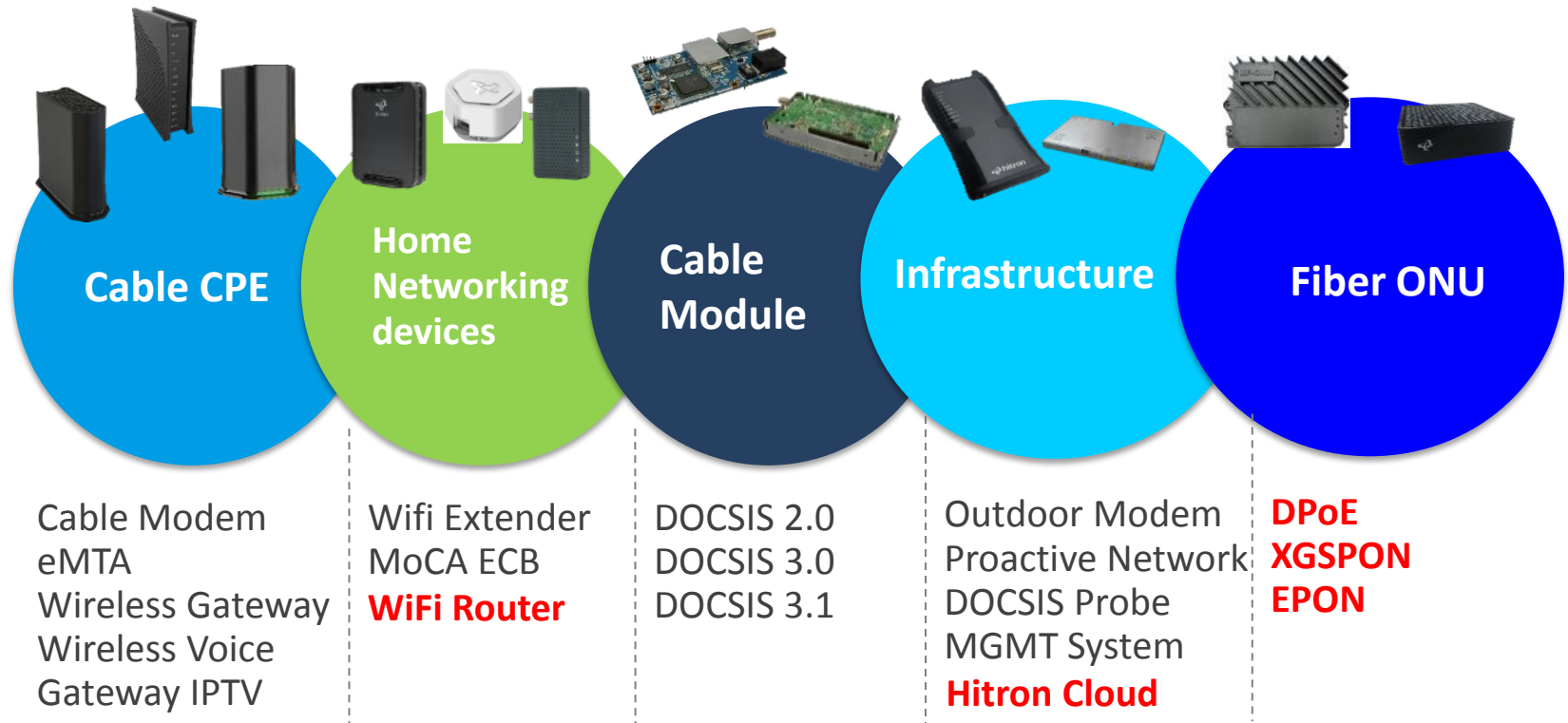
Production Capacities of HVN

	2020	2023 After
Building Surface	21,430 M2	38,480 M2
SMT equipment and Capacity	9 high speed lines 400~450K set	16 high speed line Target: 800 K set
DIP equipment and Capacity	4 automatic lines+ 1 Rework Line + 5 automatic solder 400-460K set	4 automatic lines+ 2 Rework Line +8 automatic solder 800K set
Test+ Assembly+ Packing	11 Long lines +22Test cell Lines 400-460 K set	18 Long lines + 32 Test Cell Lines 800 K set



New Market Segment & Hitron Cloud Platform

Hitron Products



DOCSIS 3.1 Product Roadmap

E31N2V1-RES



32x8+OFDM DOCSIS 3.1

Ports 1*1Gig
2*Voice SIP or MGCP

Power External Battery (Option)

EN2251



32x8+OFDM DOCSIS 3.1

Ports 1*2.5Gig
2*Voice SIP or MGCP

Power External Battery (Option)

CODA-5519 CODA-5X19



32x8+OFDM DOCSIS 3.1
Dual-Band .11ax Wi-Fi 6

Wi-Fi 4x4 .11ax 2.4GHz
4x4 .11ax 5Ghz

Ports 1*2.5GigE + 2*1GigE
2*Voice SIP or MGCP

Power External Battery (Option)

MoCA 2.0 bonding (Option)

CODA-5510 & 5512 CODA-5X10 & 5X12



32x8+OFDM DOCSIS 3.1
Dual-Band .11ax Wi-Fi 6

Wi-Fi 4x4 .11ax 2.4GHz
4x4 .11ax 5Ghz

Ports 1*2.5GigE + 2*1GigE

MoCA 2.0 bonding (Option)

CODA-553X



32x8+OFDM DOCSIS3.1
Tri-Band .11ax Wi-Fi 6

4x4 2.4GHz .11ax
Wi-Fi 4x4 5GHz .11ax
4x4 6Ghz .11ax

Ports 1*2.5GigE + 4*1GigE
2*Voice (Option)

Power Battery back-up (Option)

MoCA Bonding 2.0 (Option)

2nd Half - 2019

1st Half - 2020

2nd Half - 2020



Router, Fiber and Extender Product Roadmap

CODA	DOCSIS Cable Solution
NOVA	PON Fiber Solution
ARIA	Wi-Fi Router with ETH WAN

HIVE-2100

Mesh Wi-Fi extender



Wi-Fi	2x2.11n 2x2.11ac Bluetooth LP
Ports	1*GigE
SON	EasyMesh, Multi-AP, AutoSync, Cloud, APP, Optimy

HIVE-3411

Mesh Wi-Fi extender



Wi-Fi	4x4 .11ax Backhaul 2x2.11ax 2x2.11ax
Ports	1*GigE + 1*2.5GigE
SON	EasyMesh, Multi-AP, AutoSync, Cloud, APP, Optimy

ARIA-2411

Standalone Router



Wi-Fi	4x4 .11ax 2.4GHz 4x4 .11ax 5 GHz 4x4 .11ax 6GHz (Optional 2021)
Ports	1*2.5Gbps + 4*1Gbps 2*Voice (Option)
MoCA	2.5 Bonding (Option)
Power	External Battery (Option)

ARIA-CTR

Charter case design

Wi-Fi	4x4 .11ax 2.4GHz 4x4 .11ax 5 GHz
Ports	1*2.5Gbps + 4*1Gbps
IOT	BLE (?), Z-Wave, Zigbee
Power	3-4AMP, 12V supply

HIVE-2114

Mesh Wi-Fi extender



Wi-Fi	2x2.11ax 2x2.11ax
SON	EasyMesh, Multi-AP, AutoSync, Cloud, APP, Optimy

NOVA-200X

10G EPON



Ports	1*GigE 1*10GigE
WAN	10G EPON

NOVA-210X

10G XG/XGSPON



Ports	1*GigE 1*10GigE
WAN	10G XG/XGSPON

2nd Half - 2019

1st Half - 2020

2nd Half - 2020



Products – Longer-Term Planning

12-36 Months Strategy

CODA-57



32x8+OFDM DOCSIS 3.1	
Ports	2*2.5Gbps
Upstream	5-85/204MHz Switchable

CHITA-DOS

D3.1 Voice GW	
4x4 DB .11ac/.11N	
1* 2.5Gbps	
Ports	2*Voice
External BBU option	

NOVA-1102

SFP for E/GPON or 10Gig ETH



Ports	2*1GigE
	1*2.5GigE
	1*10GigE
	2 ports Voice
MoCA	2.0 Bonding
WAN	SFP for 10G EPON or GPON
BBU	Optional External Battery Backup

HIVE-XXXX

Mesh Wi-Fi extender



Wi-Fi	4x4 .11ax 6Ghz Backhaul
	2x2.11ax 5GHz
	2x2 .11ax 2.4GHz
Ports	1*GigE + 1*2.5GigE
SON	EasyMesh, Multi-AP,
	AutoSync, Cloud, APP, Optimy

HIVE-XXXX

Mesh Wi-Fi extender



Wi-Fi	4x4 .11ax 6Ghz 4x4 .11ax 2.4/5GHz switch
Ports	1*GigE + 1*2.5GigE
SON	EasyMesh, Multi-AP, AutoSync, Cloud, APP, Optimy

NOVA-XXXX

10Gig E/XG/XGS PON
Tri-Band .11ax Wi-Fi 6



Wi-Fi	4x4 2.4GHz .11ax
	4x4 5GHz .11ax
	4x4 6Ghz .11ax
Ports	1*2.5GigE + 4*1GigE 2*Voice (Option)
Power	Battery back-up (Option)
MoCA	Bonding 2.5 (Option)

HT-EMX1

MoCA 2.5 + Mesh Wi-Fi extender

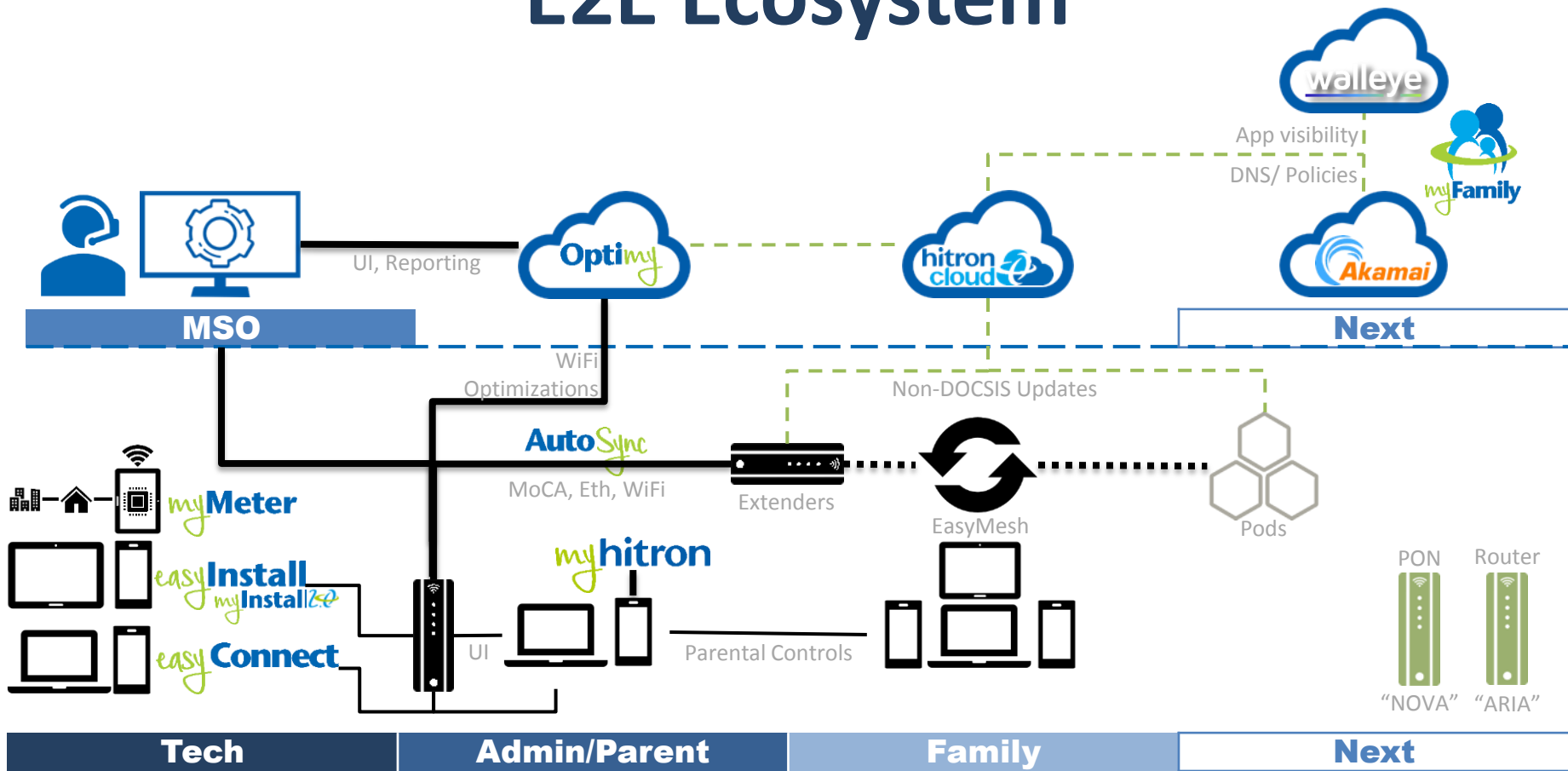


Wi-Fi	2x2 .11ax 2.4GHz 2x2 .11ax 5GHz
Ports	1*2.5GigE
TR-069	Available
UPnP	Gateway AutoSync
SON	EasyMesh, Multi-AP, AutoSync, Cloud, APP, Optimy
	MoCA <->Wi-Fi Extender ETH <->Wi-Fi Extender MoCA <->ETH Wi-Fi <->Wi-Fi EasyMesh

2021-2022



E2E Ecosystem





Data driven approach to solving problems!





HitronCloud Features

	Phase-1 (Launched in 2018)
	Phase-2 (Q2 2020)
	Phase-3 (Q4 2020)

Cloud services that take a data driven approach to solving problems in the home

Whole Home Features

OptiMy

(Wi-Fi diagnostics & optimization)

MyHitron App Remote Management

Birth Certificate

Intelligent Self Installation

Operator Tools

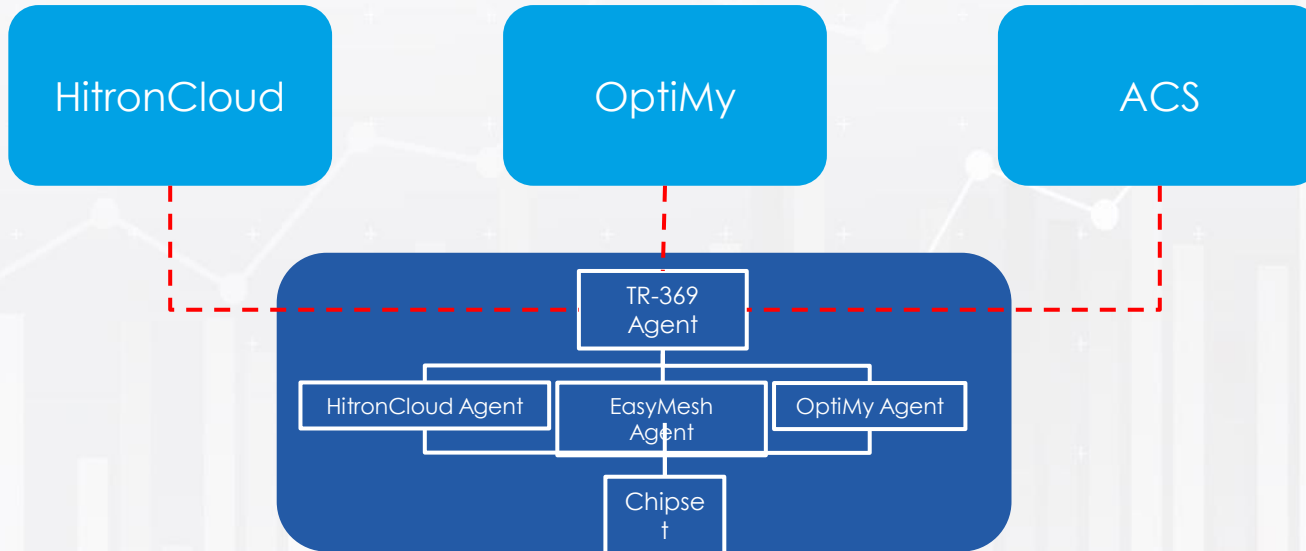
Restore RG config from backup

Advanced support capabilities

Firmware Management System

Action-based CSR GUI

Standardization Plan



Today

- Proprietary agents
- EasyMesh integration
- Aligned cloud architecture w/ TR-369

Mid Term

- TR-369 adoption
- Wi-Fi Alliance Data Elements
- Proprietary agents
- EasyMesh evolution

Long Term

Complete move towards standardization once the specs are ready to support the requirements of the industry



Gracias

Merci

Grazie

謝謝

Danke

Obrigado

Thank you

고맙습니다

ありがとうございます

