



## COMPANY UPDATE

**Largan Precision (3008.TW)**

Neutral

**1Q as weak as it gets, but pixel migration may resume gradually****What's changed**

Largan reported in-line Jan sales of NT\$338 mn (-1% mom, -44% yoy). The continued muted sales momentum seems to indicate that the handset inventory correction may not become worse, but there are no signs of sustainable demand recovery either, in our view. The potential near-term rush orders, as we have widely seen in the NB and LCD segments, do not seem to be obvious in the handset segment (at least not widely seen in the top 5 handset OEM circles).

**Implications**

We continue to see downside risk to 1Q09E revenues (GSe: -26% qoq) and gross margin estimate because of a much lower utilisation rate to cover overheads (GSe: -420 bp qoq). However, we believe the potential revenue downside in 1Q09 should not be the reason for investors to sell the shares, as we believe the market has priced in a very weak order outlook in 1Q09, and the sequential recovery in 2Q09 will become more likely if we see more downside in 1Q09. Despite the sluggish 1Q09 outlook, our industry checks indicate that Largan has started to deliver the 3MP EDoF (Extended Depth-of-Field) auto-focus (AF) lens in small volumes, and could also start design-in activities of the 5MP EDoF AF lens in 2Q09 (targeting the Christmas season), a promising progress to potentially resume the industry pixel count upgrade momentum, as EDoF solutions may be widely adopted by handset makers in the mid-high end models, unlike the wafer-level lens technology that is largely confined to the low-end VGA side for one specific OEM. We feel share price downside is limited at this level, and await further clarity from its results conference call on February 10. We maintain our Neutral rating.

**Valuation**

Our 12-m TP of NT\$235 is based on 13.5X 2009E EPS, supported by DCF.

**Key risks**

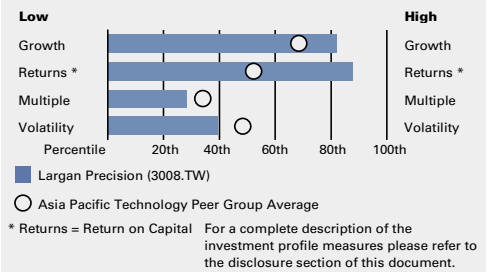
Slower-than-expected pixel upgrade cycle; intense competition.

**INVESTMENT LIST MEMBERSHIP**

Neutral

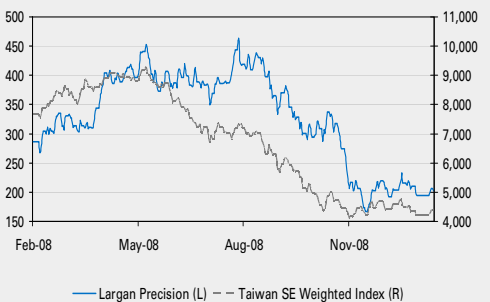
**Coverage View: Neutral**Taiwan:  
Hardware

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**Investment Profile**

Key data	Current
Price (NT\$)	203.00
12 month price target (NT\$)	235.00
Market cap (NT\$ mn / US\$ mn)	26,179.9 / 777.3
Foreign ownership (%)	15.7

	12/07	12/08E	12/09E	12/10E
EPS (NT\$)	20.23	23.84	16.99	22.89
EPS growth (%)	(34.7)	17.8	(28.7)	34.7
EPS (diluted) (NT\$)	20.23	23.84	16.99	22.89
EPS (basic pre-ex) (NT\$)	20.23	23.84	16.99	22.89
P/E (X)	10.0	8.5	11.9	8.9
P/B (X)	2.5	2.2	2.0	1.7
EV/EBITDA (X)	13.8	5.5	6.7	4.7
Dividend yield (%)	5.4	4.7	5.6	4.0
ROE (%)	26.7	27.9	17.5	20.5

**Price performance chart**

Share price performance (%)	3 month	6 month	12 month
Absolute	(37.0)	(49.5)	(29.1)
Rel. to Taiwan SE Weighted Index	(28.1)	(21.1)	24.7

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 2/05/2009 close.

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# Largan Precision: Summary financials

Profit model (NT\$ mn)	12/07	12/08E	12/09E	12/10E	Balance sheet (NT\$ mn)	12/07	12/08E	12/09E	12/10E
<b>Total revenue</b>	<b>5,882.4</b>	<b>7,471.0</b>	<b>6,330.7</b>	<b>7,766.3</b>	Cash & equivalents	4,216.1	5,902.0	6,950.9	9,282.6
Cost of goods sold	(2,604.2)	(3,500.4)	(3,273.9)	(3,800.6)	Accounts receivable	1,781.9	2,043.0	2,440.2	2,711.1
SG&A	(158.9)	(403.0)	(378.6)	(424.9)	Inventory	620.5	572.2	736.1	750.6
R&D	(202.6)	(434.2)	(353.3)	(446.9)	Other current assets	97.0	149.3	169.4	186.3
Other operating profit/(expense)	0.0	0.0	0.0	0.0	<b>Total current assets</b>	<b>6,715.4</b>	<b>8,666.6</b>	<b>10,296.6</b>	<b>12,930.7</b>
ESO expense	--	--	--	--	Net PP&E	4,162.9	4,908.4	4,733.5	4,780.1
<b>EBITDA</b>	<b>3,468.5</b>	<b>3,695.8</b>	<b>2,863.6</b>	<b>3,596.7</b>	Net intangibles	2.5	2.5	2.5	2.5
Depreciation & amortization	(551.6)	(562.4)	(538.8)	(502.8)	Total investments	204.8	221.1	221.1	221.1
<b>EBIT</b>	<b>2,916.9</b>	<b>3,133.4</b>	<b>2,324.8</b>	<b>3,093.9</b>	Other long-term assets	86.5	86.8	96.8	106.9
Interest income	54.1	57.9	95.1	140.9	<b>Total assets</b>	<b>11,172.0</b>	<b>13,885.3</b>	<b>15,350.4</b>	<b>18,041.2</b>
Interest expense	0.0	0.0	0.0	0.0	Accounts payable	247.7	321.5	356.4	355.5
Income/(loss) from uncons. subs.	10.2	12.9	0.0	0.0	Short-term debt	24.3	90.8	90.8	90.8
Others	21.0	34.7	0.0	0.0	Other current liabilities	739.8	1,505.1	1,739.5	1,889.5
<b>Pretax profits</b>	<b>3,002.1</b>	<b>3,238.9</b>	<b>2,419.9</b>	<b>3,234.8</b>	<b>Total current liabilities</b>	<b>1,011.8</b>	<b>1,917.5</b>	<b>2,186.8</b>	<b>2,335.9</b>
Income tax	(432.3)	(163.9)	(228.2)	(283.4)	Long-term debt	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	Other long-term liabilities	39.5	43.0	49.5	54.6
<b>Net income pre-preferred dividends</b>	<b>2,569.9</b>	<b>3,075.0</b>	<b>2,191.7</b>	<b>2,951.5</b>	Total long-term liabilities	39.5	43.0	49.5	54.6
Preferred dividends	0.0	0.0	0.0	0.0	<b>Total liabilities</b>	<b>1,051.3</b>	<b>1,960.5</b>	<b>2,236.3</b>	<b>2,390.5</b>
<b>Net income (pre-exceptionals)</b>	<b>2,569.9</b>	<b>3,075.0</b>	<b>2,191.7</b>	<b>2,951.5</b>	<b>Preferred shares</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Post-tax exceptionals	0.0	0.0	0.0	0.0	<b>Total common equity</b>	<b>10,120.6</b>	<b>11,924.8</b>	<b>13,114.1</b>	<b>15,650.8</b>
<b>Net income</b>	<b>2,569.9</b>	<b>3,075.0</b>	<b>2,191.7</b>	<b>2,951.5</b>	Minority interest	0.0	0.0	0.0	0.0
EPS (basic, pre-except) (NT\$)	20.23	23.84	16.99	22.89	<b>Total liabilities &amp; equity</b>	<b>11,172.0</b>	<b>13,885.3</b>	<b>15,350.4</b>	<b>18,041.2</b>
EPS (basic, post-except) (NT\$)	20.23	23.84	16.99	22.89	<b>BVPS (NT\$)</b>	<b>79.68</b>	<b>92.47</b>	<b>101.69</b>	<b>121.36</b>
EPS (diluted, post-except) (NT\$)	20.23	23.84	16.99	22.89					
<b>EPS excl. ESO expense (basic) (NT\$)</b>	<b>20.23</b>	<b>27.39</b>	<b>20.33</b>	<b>27.39</b>					
<b>EPS excl. ESO expense (dil.) (NT\$)</b>	<b>20.23</b>	<b>27.39</b>	<b>20.33</b>	<b>27.39</b>					
DPS (NT\$)	10.89	9.55	11.43	8.15					
Dividend payout ratio (%)	53.8	40.1	67.3	35.6					
Free cash flow yield (%)	5.7	11.7	10.0	13.4					
					<b>Ratios</b>	<b>12/07</b>	<b>12/08E</b>	<b>12/09E</b>	<b>12/10E</b>
<b>Growth &amp; margins (%)</b>	<b>12/07</b>	<b>12/08E</b>	<b>12/09E</b>	<b>12/10E</b>	ROE (%)	26.7	27.9	17.5	20.5
Sales growth	(19.9)	27.0	(15.3)	22.7	ROA (%)	23.9	24.5	15.0	17.7
EBITDA growth	(25.0)	6.6	(22.5)	25.6	ROACE (%)	41.4	50.2	34.0	44.4
EBIT growth	(29.1)	7.4	(25.8)	33.1	Inventory days	89.9	62.2	72.9	71.4
Net income growth	(33.9)	19.7	(28.7)	34.7	Receivables days	119.7	93.4	129.2	121.1
EPS growth	(34.7)	17.8	(28.7)	34.7	Payable days	35.0	29.7	37.8	34.2
Gross margin	55.7	53.1	48.3	51.1	Net debt/equity (%)	(41.4)	(48.7)	(52.3)	(58.7)
EBITDA margin	59.0	49.5	45.2	46.3	Interest cover - EBIT (X)	NM	NM	NM	NM
EBIT margin	49.6	41.9	36.7	39.8					
					<b>Valuation</b>	<b>12/07</b>	<b>12/08E</b>	<b>12/09E</b>	<b>12/10E</b>
<b>Cash flow statement (NT\$ mn)</b>	<b>12/07</b>	<b>12/08E</b>	<b>12/09E</b>	<b>12/10E</b>	P/E (analyst) (X)	10.0	8.5	11.9	8.9
Net income pre-preferred dividends	2,569.9	3,075.0	2,191.7	2,951.5	P/B (X)	2.5	2.2	2.0	1.7
D&A add-back	551.6	562.4	538.8	502.8	EV/EBITDA (X)	13.8	5.5	6.7	4.7
Minorities interests add-back	0.0	0.0	0.0	0.0	Dividend yield (%)	5.4	4.7	5.6	4.0
Net (inc)/dec working capital	332.3	(139.1)	(526.2)	(286.3)					
Other operating cash flow	171.2	718.8	686.2	769.0					
<b>Cash flow from operations</b>	<b>3,624.9</b>	<b>4,217.1</b>	<b>2,890.5</b>	<b>3,936.9</b>					
Capital expenditures	(719.6)	(1,216.9)	(363.9)	(549.4)					
Acquisitions	0.0	(1,129.8)	(10.0)	(10.1)					
Divestitures	227.7	1,033.4	0.0	0.0					
Others	(213.9)	48.1	0.0	0.0					
<b>Cash flow from investments</b>	<b>(705.7)</b>	<b>(1,265.1)</b>	<b>(374.0)</b>	<b>(559.5)</b>					
Dividends paid (common & pref)	(1,383.1)	(1,232.0)	(1,474.2)	(1,050.7)					
Inc/(dec) in debt	(238.8)	66.5	0.0	0.0					
Common stock issuance (repurchase)	0.0	0.0	0.0	0.0					
Other financing cash flows	(226.3)	(100.4)	6.5	5.1					
<b>Cash flow from financing</b>	<b>(1,848.2)</b>	<b>(1,265.9)</b>	<b>(1,467.8)</b>	<b>(1,045.7)</b>					
<b>Total cash flow</b>	<b>1,071.0</b>	<b>1,686.0</b>	<b>1,048.8</b>	<b>2,331.7</b>					

Note: Last actual year may include reported and estimated data.  
Source: Company data, Goldman Sachs Research estimates.

## Analyst Contributors

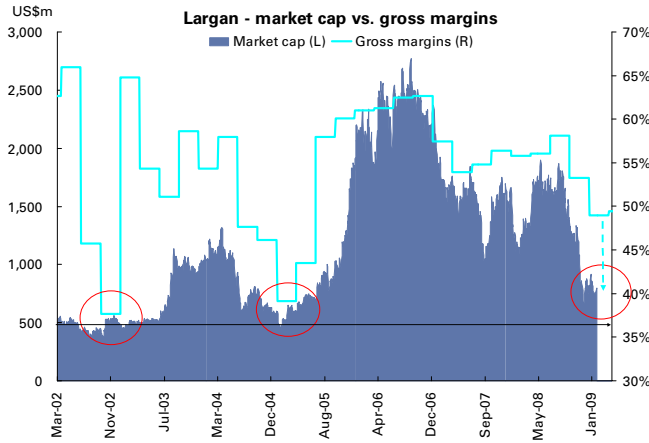
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# Exhibits

**Exhibit 1: Largan's share price (as measured by its market cap) seems to factor in very weak gross margin expectations in 1Q09**

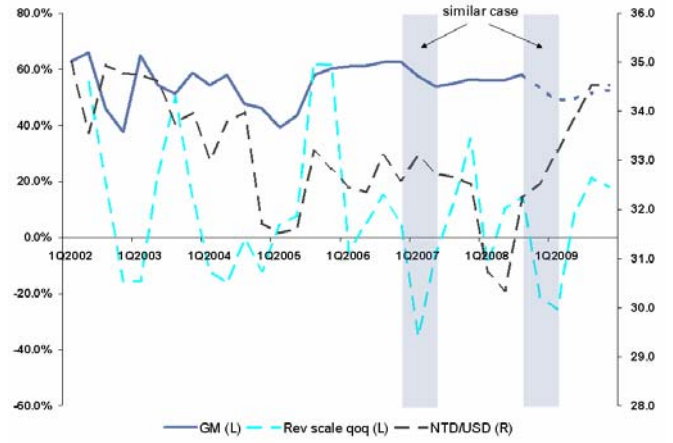
Historical market cap vs. gross margin comparison



Source: Company data, Goldman Sachs Research estimates.

**Exhibit 2: We expect 1Q09 to see downturn similar to 1Q07, but at a much severe scale**

Largan's gross margin trend



Source: Company data, Goldman Sachs Research estimates.

**Exhibit 3: Largan's quarterly profit model (consolidated; NT\$m)**  
 non-GAAP basis

Summary P&L (non-GAAP)	1Q2008	2Q2008	3Q2008	4Q2008E	1Q2009E	2Q2009E	3Q2009E	4Q2009E	2007	2008E	2009E	2010E
<b>Net sales</b>	<b>1,713</b>	<b>1,884</b>	<b>2,159</b>	<b>1,715</b>	<b>1,277</b>	<b>1,388</b>	<b>1,682</b>	<b>1,984</b>	<b>5,882</b>	<b>7,471</b>	<b>6,331</b>	<b>7,766</b>
Cost of good sold (COGS)	(757)	(828)	(905)	(803)	(652)	(701)	(815)	(940)	(2,604)	(3,293)	(3,108)	(3,578)
<b>Gross profits</b>	<b>956</b>	<b>1,056</b>	<b>1,255</b>	<b>912</b>	<b>625</b>	<b>686</b>	<b>868</b>	<b>1,044</b>	<b>3,278</b>	<b>4,178</b>	<b>3,222</b>	<b>4,189</b>
Operating expenses	(111)	(118)	(115)	(110)	(101)	(107)	(107)	(111)	(361)	(454)	(426)	(459)
S&A	(71)	(74)	(93)	(79)	(74)	(78)	(78)	(81)	(159)	(317)	(310)	(333)
R&D	(39)	(43)	(23)	(31)	(27)	(29)	(29)	(31)	(203)	(136)	(115)	(126)
<b>Operating profits</b>	<b>845</b>	<b>938</b>	<b>1,139</b>	<b>802</b>	<b>524</b>	<b>580</b>	<b>761</b>	<b>933</b>	<b>2,917</b>	<b>3,724</b>	<b>2,797</b>	<b>3,730</b>
<b>Non-operating income/(loss)</b>	<b>(135)</b>	<b>15</b>	<b>210</b>	<b>16</b>	<b>21</b>	<b>25</b>	<b>24</b>	<b>25</b>	<b>85</b>	<b>105</b>	<b>95</b>	<b>141</b>
<b>Earnings before tax (EBT)</b>	<b>710</b>	<b>953</b>	<b>1,349</b>	<b>818</b>	<b>545</b>	<b>604</b>	<b>785</b>	<b>957</b>	<b>3,002</b>	<b>3,830</b>	<b>2,892</b>	<b>3,871</b>
Income tax credit/(expense)	(52)	(138)	(55)	(53)	(35)	(133)	(47)	(55)	(432)	(297)	(270)	(338)
Extraordinary gain/(loss)	-	-	-	-	-	-	-	-	-	-	-	-
Minority interests	-	-	-	-	-	-	-	-	-	-	-	-
<b>Earnings after tax (EAT)</b>	<b>659</b>	<b>815</b>	<b>1,294</b>	<b>765</b>	<b>510</b>	<b>471</b>	<b>738</b>	<b>903</b>	<b>2,570</b>	<b>3,533</b>	<b>2,622</b>	<b>3,533</b>
<b>EPS (NT\$)</b>	<b>5.11</b>	<b>6.32</b>	<b>10.04</b>	<b>5.93</b>	<b>3.95</b>	<b>3.66</b>	<b>5.72</b>	<b>7.00</b>	<b>20.23</b>	<b>27.39</b>	<b>20.33</b>	<b>27.39</b>
<b>EPS (NT\$, fully diluted)</b>	<b>5.11</b>	<b>6.32</b>	<b>10.04</b>	<b>5.93</b>	<b>3.95</b>	<b>3.66</b>	<b>5.72</b>	<b>7.00</b>	<b>20.23</b>	<b>27.39</b>	<b>20.33</b>	<b>27.39</b>
<b>Ratio analysis and assumptions</b>												
<b>As % of sales</b>												
Gross margin	55.8%	56.0%	58.1%	53.2%	48.9%	49.5%	51.6%	52.6%	55.7%	55.9%	50.9%	53.9%
Operating expense ratio	-6.5%	-6.3%	-5.3%	-6.4%	-7.9%	-7.7%	-6.4%	-5.6%	-6.1%	-6.1%	-6.7%	-5.9%
Operating margin	49.3%	49.8%	52.8%	46.8%	41.0%	41.8%	45.2%	47.0%	49.6%	49.9%	44.2%	48.0%
Pre-tax margin	41.5%	50.6%	62.5%	47.7%	42.7%	43.6%	46.7%	48.3%	51.0%	51.3%	45.7%	49.8%
Tax rate (as % of EBT)	7.3%	14.5%	4.0%	6.5%	6.5%	22.0%	6.0%	5.7%	14.4%	7.8%	9.3%	8.7%
Net margin	38.4%	43.3%	59.9%	44.6%	39.9%	34.0%	43.9%	45.5%	43.7%	47.3%	41.4%	45.5%
<b>Qoq growth (%)</b>												
Sales	-9.5%	10.0%	14.6%	-20.6%	-25.5%	8.7%	21.2%	17.9%				
Gross profits	-10.4%	10.5%	18.8%	-27.3%	-31.5%	9.9%	26.4%	20.3%				
Operating profits	-12.6%	11.0%	21.4%	-29.6%	-34.7%	10.7%	31.2%	22.6%				
Non-operating profits	NM	NM	1320.2%	-92.3%	31.0%	16.8%	-0.9%	1.8%				
Pre-tax profits	-26.4%	34.2%	41.5%	-39.3%	-33.4%	10.9%	29.9%	22.0%				
Net profits	-23.7%	23.8%	58.8%	-40.9%	-33.4%	-7.5%	56.5%	22.3%				
EPS (weighted averaged)	-24.9%	23.8%	58.8%	-40.9%	-33.4%	-7.5%	56.5%	22.3%				
<b>YoY growth (%)</b>												
Sales	28.5%	49.9%	54.2%	-9.4%	-25.5%	-26.3%	-22.1%	15.7%	-19.9%	27.0%	-15.3%	22.7%
Gross profits	24.9%	55.7%	63.4%	-14.6%	-34.6%	-35.0%	-30.8%	14.5%	-27.9%	27.4%	-22.9%	30.0%
Operating profits	23.9%	56.3%	70.6%	-17.0%	-38.0%	-38.2%	-33.2%	16.3%	-29.1%	27.7%	-24.9%	33.4%
Non-operating profits	NM	NM	509.6%	NM	NM	67.1%	-88.3%	54.3%	54.0%	23.7%	-9.8%	48.2%
Pre-tax profits	-3.5%	59.0%	92.1%	-15.2%	-23.3%	-36.6%	-41.8%	17.0%	-28.0%	27.6%	-24.5%	33.9%
Net profits	-4.8%	127.2%	97.3%	-11.4%	-22.6%	-42.2%	-43.0%	18.0%	-33.9%	37.5%	-25.8%	34.7%
EPS (weighted averaged)	-6.3%	123.8%	94.3%	-12.7%	-22.6%	-42.2%	-43.0%	18.0%	-34.7%	35.4%	-25.8%	34.7%
<b>Dividend policies</b>												
Cash dividends (NT\$ per share)									10.89	9.55	11.43	8.15
Payout ratio (%)									35.6%	47.9%	47.9%	47.9%

Source: Company data, Goldman Sachs Research estimates.

**Exhibit 4: Largan's quarterly profit model (consolidated; NT\$m)**

GAAP basis

Summary P&L (GAAP)	1Q2008	2Q2008	3Q2008	4Q2008E	1Q2009E	2Q2009E	3Q2009E	4Q2009E	2007	2008E	2009E	2010E
<b>Net sales</b>	<b>1,713</b>	<b>1,884</b>	<b>2,159</b>	<b>1,715</b>	<b>1,277</b>	<b>1,388</b>	<b>1,682</b>	<b>1,984</b>	<b>5,882</b>	<b>7,471</b>	<b>6,331</b>	<b>7,766</b>
Cost of good sold (COGS)	(794)	(875)	(980)	(851)	(684)	(731)	(861)	(997)	(3,001)	(3,500)	(3,274)	(3,801)
<b>Gross profits</b>	<b>919</b>	<b>1,009</b>	<b>1,179</b>	<b>863</b>	<b>593</b>	<b>657</b>	<b>821</b>	<b>987</b>	<b>2,882</b>	<b>3,971</b>	<b>3,057</b>	<b>3,966</b>
Operating expenses	(181)	(202)	(255)	(199)	(160)	(162)	(193)	(217)	(940)	(837)	(732)	(872)
SG&A	(87)	(94)	(124)	(99)	(87)	(90)	(97)	(104)	(300)	(403)	(379)	(425)
R&D	(94)	(109)	(131)	(100)	(73)	(71)	(96)	(113)	(640)	(434)	(353)	(447)
<b>Operating profits</b>	<b>738</b>	<b>806</b>	<b>924</b>	<b>664</b>	<b>432</b>	<b>495</b>	<b>628</b>	<b>770</b>	<b>1,942</b>	<b>3,133</b>	<b>2,325</b>	<b>3,094</b>
<b>Non-operating income/(loss)</b>	<b>(135)</b>	<b>15</b>	<b>210</b>	<b>16</b>	<b>21</b>	<b>25</b>	<b>24</b>	<b>25</b>	<b>85</b>	<b>105</b>	<b>95</b>	<b>141</b>
<b>Earnings before tax (EBT)</b>	<b>603</b>	<b>821</b>	<b>1,134</b>	<b>680</b>	<b>453</b>	<b>520</b>	<b>652</b>	<b>795</b>	<b>2,027</b>	<b>3,239</b>	<b>2,420</b>	<b>3,235</b>
Income tax credit/(expense)	(20)	(99)	(1)	(44)	(29)	(114)	(39)	(45)	(311)	(164)	(228)	(283)
Extraordinary gain/(loss)	-	-	-	-	-	-	-	-	-	-	-	-
Minority interests	-	-	-	-	-	-	-	-	-	-	-	-
<b>Earnings after tax (EAT)</b>	<b>584</b>	<b>722</b>	<b>1,133</b>	<b>636</b>	<b>424</b>	<b>405</b>	<b>613</b>	<b>750</b>	<b>1,716</b>	<b>3,075</b>	<b>2,192</b>	<b>2,951</b>
<b>EPS (NT\$)</b>	<b>4.53</b>	<b>5.60</b>	<b>8.78</b>	<b>4.93</b>	<b>3.29</b>	<b>3.14</b>	<b>4.75</b>	<b>5.81</b>	<b>13.51</b>	<b>23.84</b>	<b>16.99</b>	<b>22.89</b>
<b>EPS (NT\$, fully diluted)</b>	<b>4.53</b>	<b>5.60</b>	<b>8.78</b>	<b>4.93</b>	<b>3.29</b>	<b>3.14</b>	<b>4.75</b>	<b>5.81</b>	<b>13.51</b>	<b>23.84</b>	<b>16.99</b>	<b>22.89</b>
<b>Ratio analysis and assumptions</b>												
<b>As % of sales</b>												
Gross margin	53.7%	53.5%	54.6%	50.4%	46.4%	47.3%	48.8%	49.7%	49.0%	53.1%	48.3%	51.1%
Operating expense ratio	-10.6%	-10.7%	-11.8%	-11.6%	-12.6%	-11.7%	-11.5%	-10.9%	-16.0%	-11.2%	-11.6%	-11.2%
Operating margin	43.1%	42.8%	42.8%	38.7%	33.8%	35.7%	37.3%	38.8%	33.0%	41.9%	36.7%	39.8%
Pre-tax margin	35.2%	43.6%	52.5%	39.7%	35.5%	37.4%	38.8%	40.1%	34.5%	43.4%	38.2%	41.7%
Tax rate (as % of EBT)	3.2%	12.0%	0.1%	6.5%	6.5%	22.0%	6.0%	5.7%	15.3%	5.1%	9.4%	8.8%
Net margin	34.1%	38.3%	52.5%	37.1%	33.2%	29.2%	36.4%	37.8%	29.2%	41.2%	34.6%	38.0%
<b>QoQ growth (%)</b>												
Sales	-9.5%	10.0%	14.6%	-20.6%	-25.5%	8.7%	21.2%	17.9%				
Gross profits	-1.6%	9.7%	16.9%	-26.8%	-31.4%	10.8%	25.0%	20.2%				
Operating profits	15.5%	9.2%	14.6%	-28.1%	-34.9%	14.5%	26.8%	22.7%				
Non-operating profits	NM	NM	1320.2%	-92.3%	31.0%	16.8%	-0.9%	1.8%				
Pre-tax profits	-5.3%	36.1%	38.1%	-40.0%	-33.4%	14.6%	25.5%	21.9%				
Net profits	2.4%	23.7%	56.9%	-43.8%	-33.4%	-4.4%	51.3%	22.3%				
EPS (weighted averaged)	0.8%	23.7%	56.9%	-43.8%	-33.4%	-4.4%	51.3%	22.3%				
<b>YoY growth (%)</b>												
Sales	28.5%	49.9%	54.2%	-9.4%	-25.5%	-26.3%	-22.1%	15.7%	-19.9%	27.0%	-15.3%	22.7%
Gross profits	39.6%	62.0%	76.9%	-7.6%	-35.6%	-34.9%	-30.4%	14.3%	-30.7%	37.8%	-23.0%	29.7%
Operating profits	76.0%	73.7%	120.6%	3.9%	-41.5%	-38.6%	-32.1%	15.9%	-38.6%	61.4%	-25.8%	33.1%
Non-operating profits	NM	NM	509.6%	NM	NM	67.1%	-88.3%	54.3%	54.0%	23.7%	-9.8%	48.2%
Pre-tax profits	27.5%	77.3%	150.1%	6.7%	-24.9%	-36.7%	-42.5%	16.8%	-37.0%	59.8%	-25.3%	33.7%
Net profits	31.2%	160.5%	167.5%	11.6%	-27.4%	-43.9%	-45.9%	17.8%	-42.8%	79.2%	-28.7%	34.7%
EPS (weighted averaged)	29.2%	156.6%	163.5%	9.9%	-27.4%	-43.9%	-45.9%	17.8%	-43.4%	76.5%	-28.7%	34.7%
<b>Dividend policies</b>												
Cash dividends (NT\$ per share)									10.89	9.55	11.43	8.15
Payout ratio (%)									35.6%	47.9%	47.9%	47.9%

Source: Company data, Goldman Sachs Research estimates.

## Reg AC

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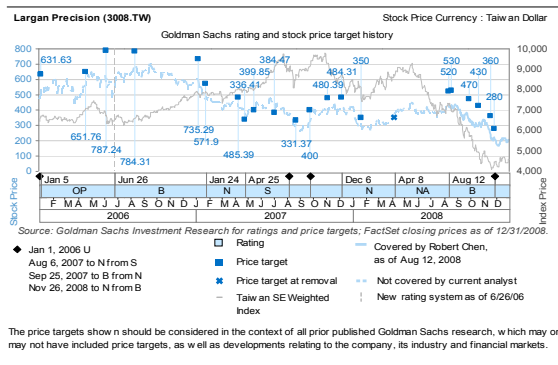
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