



聯詠科技股份有限公司
NOVATEK MICROELECTRONICS CORP.

FOR IMMEDIATE RELEASE

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David Chen
Novatek, Investor Relations
Phone: +886 3 567 0889 ext 25212
Contact : ir@novatek.com.tw
Website : www.novatek.com.tw

Novatek Announces 2017 Third Quarter Consolidated Financial Result & Fourth Quarter Outlook:

**First Three Quarters Revenue & PAT Reached
NT\$35.12B & NT\$3.71B Respectively
With EPS of NT\$6.10**

Hsin-chu, Taiwan, ROC – November 7th, 2017 – Novatek (TSE:3034), a leading global Display IC total solution provider, today announced its first three quarters consolidated financial result of 2017 and the fourth quarter outlook at the analyst meeting.

Revenue, operating expense, and operating income in the first three quarters of 2017 reached NT\$35.12 billion, NT\$5.86 billion, and NT\$4.19 billion, representing year-over-year increase of 2.01%, 7.11%, and -2.91%, respectively. The gross profit margin in the first three quarters of 2017 up to 28.60%, from 28.41% in the first three quarters of 2016. Net income in the first three quarters of 2017 decreased by 1.05% year-over-year to NT\$3.71 billion, with earnings per share of NT\$6.10.

The third quarter revenue was up by 5.02% quarter-over-quarter to NT\$12.40 billion from NT\$11.81 billion in Q2'17, and increased by 3.14% year-over-year from NT\$12.02 billion in Q3'16. The increase in the third quarter revenue was resulted by the seasonal demand of SOC business, and help by better product mix, the third quarter gross margin was up quarter-over-quarter to 29.01% from 28.28% in Q2'17, and bit the guidance.

The third quarter operating expenses increased slightly quarter-over-quarter to NT\$2.00 billion from NT\$1.96 billion in Q2'17 and increased year-over-year from NT\$1.87 billion in Q3'16. Third quarter operating income increased both quarter-over-quarter to NT\$1.60 billion from NT\$1.38 billion in Q2'17 and year-over-year from NT\$1.46 billion in Q3'16

Novatek's 2017 Q3 net income was NT\$1.55 billion, which increased quarter-over-quarter by 26.81% from NT\$1.23 billion in Q2'17 and year-over-year increased by 26.66% from NT\$1.23 billion in Q3'16. Earnings per share for Q3'17 were NT\$2.55, compared with NT\$2.02 in Q3'16.

Management expects overall performance for the fourth quarter 2017:
Revenue is expected to be between NT\$11.6 billion and NT\$12.0 billion
Gross profit margin is expected to be between 27.5% and 29.0%
Operating profit margin is expected to be between 11% and 13%



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Sales & Profits

Million NT dollars	Q3'17	QoQ	Q2'17	Q3'16	YoY
Net Sales	12,398	5.02%	11,806	12,021	3.14%
Net Gross Profit	3,596	7.71%	3,339	3,331	7.97%
(Margin %)	29.01	0.73%p	28.28	27.71	1.30%p
Operating Income	1,596	15.36%	1,384	1,462	9.18%
Net Income	1,554	26.81%	1,226	1,227	26.66%
EPS (NT\$)	2.55		2.01	2.02	

Sales Breakdown by Product

Million NT dollars	Q3'17	QoQ	Q2'17	Q3'16	YoY
SoC	4,516	9.35%	4,130	4,513	0.07%
Display Driver IC	8,000	2.81%	7,781	7,562	5.79%
Total	12,516	5.08%	11,911	12,075	3.65%

About Novatek

Novatek was established in 1997, specializing in display-centered total solutions ranging from full line of display ICs and SoC for all display applications. The Company is the world's largest supplier of display driver ICs, and is ranked as the world 10th largest and Taiwan's 2nd largest fabless company in terms of sales revenue in 2016. For more information, please visit the company's web site at www.novatek.com.tw.