



AAC TECHNOLOGIES (HKEX: 02018)

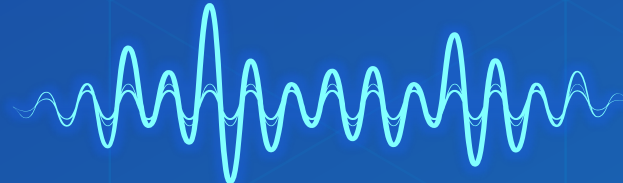
A Strong Start to 2017

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Q1 Revenue up 66% and Net Profit up 72% YoY

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**Driven by Strong Non-Acoustic and Dynamic components,
up 225% and 14% respectively YoY**



12 May 2017



Growth

- ◆ Q1 sets the base for the year.
- ◆ Actively promote higher standard of audio performance, lead the industry to upgrade
- ◆ Equip with extensive capabilities on different designs of RF Mechanical solutions catering customer requirements and latest RF standards
- ◆ Strong Haptics design and production technology help customers upgrade to more advanced solutions
- ◆ Well prepared Optical solutions for debut cooperation with more customers; Under close monitoring for CAPEX requirement.





YoY review: Q1 2017 vs Q1 2016

- ◆ Most profitable Q1 in our history. Revenue up 66%. EPS up 72%
- ◆ Wider customer base for RF Mechanical business and leading position in haptics led non-acoustic sales soared 225% (52% of sales)
- ◆ Stereo sound and waterproof features with increasing speaker box adoption in PRC customers drove ASP up. Acoustic sales up 14% (45% of sales)
- ◆ GP Margin improved by 1.1ppt to 41.6%, thanks to better product mix
- ◆ Relatively higher taxation charges for subsidiaries of new businesses. YoY Growth rate of NP Margin was largely in-line with GP Margin. Scope for margin to improve when economy of scale and tax concession kick-in





YoY : Q1 2017 vs Q1 2016

<i>Unit: RMB mn</i>	Q1 2017	Q1 2016	YoY Change
Revenue	4,215	2,545	+66%
Gross Profit	1,754	1,031	+70%
<i>Gross Profit Margin</i>	41.6%	40.5%	+1.1ppt
Net Profit	1,062	619	+72%
<i>Net Profit Margin</i>	25.2%	24.3%	+0.9ppt
Basic EPS (RMB)	0.86	0.50	+72%



QoQ Review: Q1 2017 vs Q4 2016

- ◆ Q1 is seasonal quiet period. New models launch of some Android phones with higher spec in acoustic solutions and more RF mechanical projects alleviated such impacts
- ◆ Though revenue declined 27%, overall GP Margin maintained at 41.6%, similar to Q4 peak season
- ◆ Sales from non-acoustic exceeded acoustic segment, delivered more than half of the total sales
- ◆ Continued to invest in R&D (8% of sales) to prepare for upcoming business opportunities

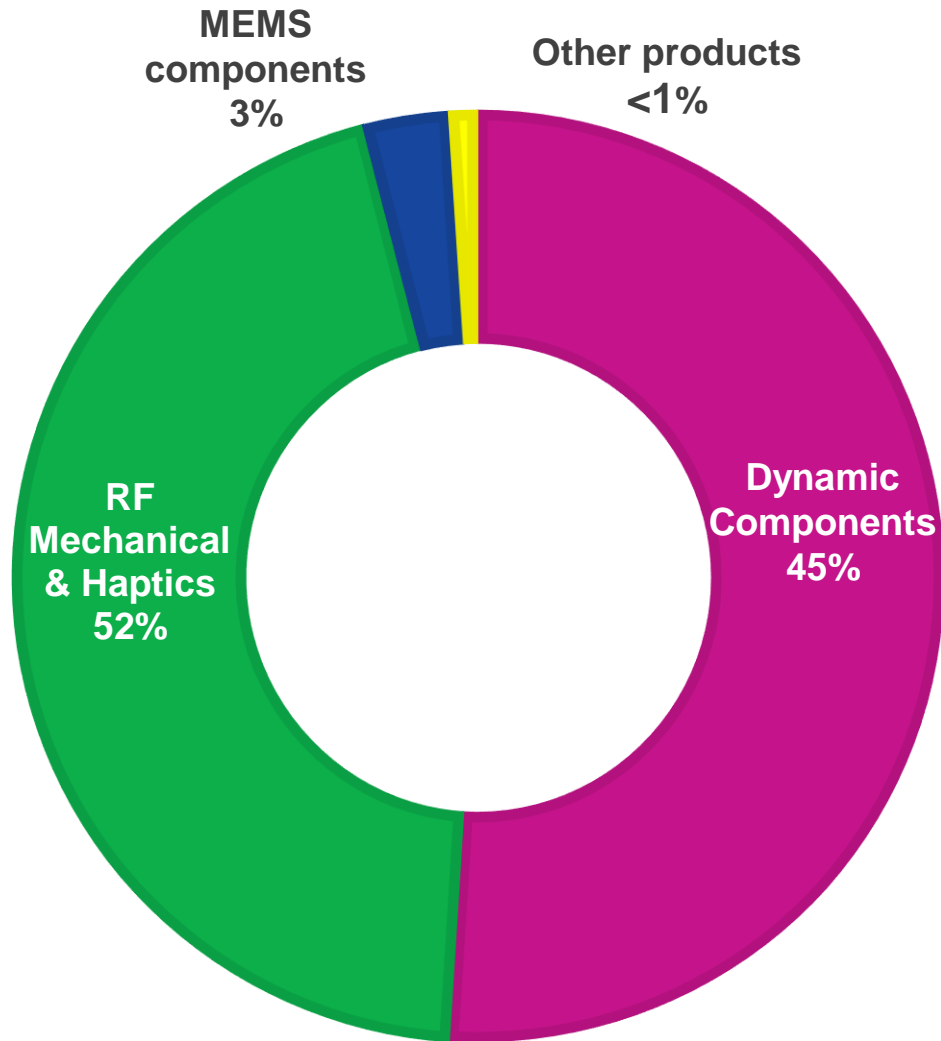


QoQ: Q1 2017 vs Q4 2016

<i>Unit: RMB mn</i>	Q1 2017	Q4 2016	QoQ Change
Revenue	4,215	5,737	-27%
Gross Profit	1,754	2,394	-27%
<i>Gross Profit Margin</i>	41.6%	41.7%	-0.1ppt
Net Profit	1,062	1,571	-32%
<i>Net Profit Margin</i>	25.2%	27.4%	-2.2ppt
Basic EPS (RMB)	0.86	1.28	-32%



Revenue Breakdown (Q1 2017)



Dynamic Components:

45%

- Speaker Box: 28%
- Receiver: 13%
- Speaker: 5%

Non-Acoustics (RF Mechanical + Haptics)

52%

MEMS Components

3%

Other Products

<1%

100%

Top 5 Customers: 91% (Q4 2016: 96%)

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