

3Q18 Operating Results

November 12, 2018



Financial Review

3Q18 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	3Q18		2Q18		QoQ % Change	3Q17		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	4,593	100.0	5,204	100.0	(11.8)	4,901	100.0	(6.3)
Cost of Goods Sold - Product	3,275	71.3	3,688	70.9	(11.2)	3,533	72.1	(7.3)
Gross Profit 1	1,318	28.7	1,516	29.1	(13.1)	1,368	27.9	(3.6)
Inventory Related Gain/(Loss)	22	0.5	(34)	(0.6)		22	0.4	
Gross Profit 2	1,340	29.2	1,483	28.5	(9.6)	1,389	28.3	(3.6)
Operating Expenses	1,266	27.6	1,427	27.4	(11.3)	1,451	29.6	(12.8)
Operating Income	74	1.6	55	1.1	34.2	(62)	(1.3)	
Total Non-Op. Inc. (Loss)	(1)	(0.0)	(98)	(1.9)		158	3.2	
Income Before Tax	73	1.6	(43)	(0.8)		96	2.0	
Tax (Exp.) / Income	(45)	(1.0)	(29)	(0.6)		(22)	(0.5)	
Net Income	29	0.6	(72)	(1.4)		74	1.5	
Non-controlling Interests	(23)	(0.5)	18	0.3		(39)	(0.8)	
Consolidated Income	6	0.1	(54)	(1.0)		36	0.7	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,420M	0.01		(0.08)			0.06		

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

3Q18 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	3Q18	2Q18
Investment Income	(15)	(15)
Sub./Aff.	(6)	(15)
Capital Gain	(9)	0
FX Gain/(Loss)	4	(41)
Fin. Income/(Exp.) & Other	11	(42)
Total Non-op Income/Loss	(1)	(98)

* The numbers are consolidated and the net income is audited/reviewed.

YT3Q18 Income Statement & YoY Comparison

Unit: NT\$ million	YT3Q18		YT3Q17		YoY % Change
	AMT	%	AMT	%	
Net Sales	14,779	100.0	14,309	100.0	3.3
Cost of Goods Sold - Product	10,499	71.0	10,563	73.8	(0.6)
Gross Profit 1	4,280	29.0	3,746	26.2	14.2
Inventory Related Gain/(Loss)	(24)	(0.2)	31	0.2	
Gross Profit 2	4,256	28.8	3,777	26.4	12.7
Operating Expenses	4,066	27.5	4,249	29.7	(4.3)
Operating Income	191	1.3	(472)	(3.3)	
Total Non-Op. Inc. (Loss)	(97)	(0.7)	210	1.5	
Income Before Tax	93	0.6	(262)	(1.8)	
Tax (Exp.) / Income	(107)	(0.7)	(3)	(0.0)	
Net Income	(14)	(0.1)	(265)	(1.8)	
Minority Interest	(22)	(0.1)	(2)	(0.0)	
Consolidated Income	(35)	(0.2)	(266)	(1.9)	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,420M	(0.05)		(0.41)		

The numbers are based on consolidated numbers and the net income is audited/reviewed.

9/30/2018 Balance Sheet & QoQ Comparison

Unit: NT\$ million	9/30/18(*) AMT	%	6/30/18(*) AMT	%	QoQ % Change
Cash & S-T Investment	3,328	19.4	3,549	20.1	(6.3)
Account Receivable	5,100	29.7	5,359	30.3	(4.8)
Inventory	3,008	17.5	2,767	15.7	8.7
Long-term Investments	2,738	16.0	2,794	15.8	(2.0)
Total Assets	17,147	100.0	17,680	100.0	(3.0)
Accounts Payable	3,711	21.6	4,056	22.9	(8.5)
Current Liabilities	7,351	42.9	7,819	44.2	(6.0)
Common Stock	6,520	38.0	6,520	36.9	0.0
Stockholders' Equity	9,089	53.0	9,117	51.2	(0.3)

*Adjusted based on IFRS15.

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

Key Financial Ratios

Unit: % , days	3Q18 (*)	2Q18 (*)	1Q18(*)	4Q17	3Q17
**Days A/R	88	87	83	84	81
**Days Inventory	84	81	73	81	88
**Days A/P	96	105	89	93	95
Cash Cycle	76	63	68	72	74
Current Ratio	1.61	1.57	1.59	1.56	1.57
Debt/Equity Ratio	0.84	0.90	0.83	0.87	0.81
***Net Debt/Equity Ratio	0.48	0.52	0.47	0.45	0.53
ROE	0.24	-2.4	0.6	3.2	1.6

The numbers are based on consolidated numbers and the net income is audited.

* Adjusted based on IFRS15.

** Annualized

*** Net of Cash & S-T investment

Quarterly Revenue by Region

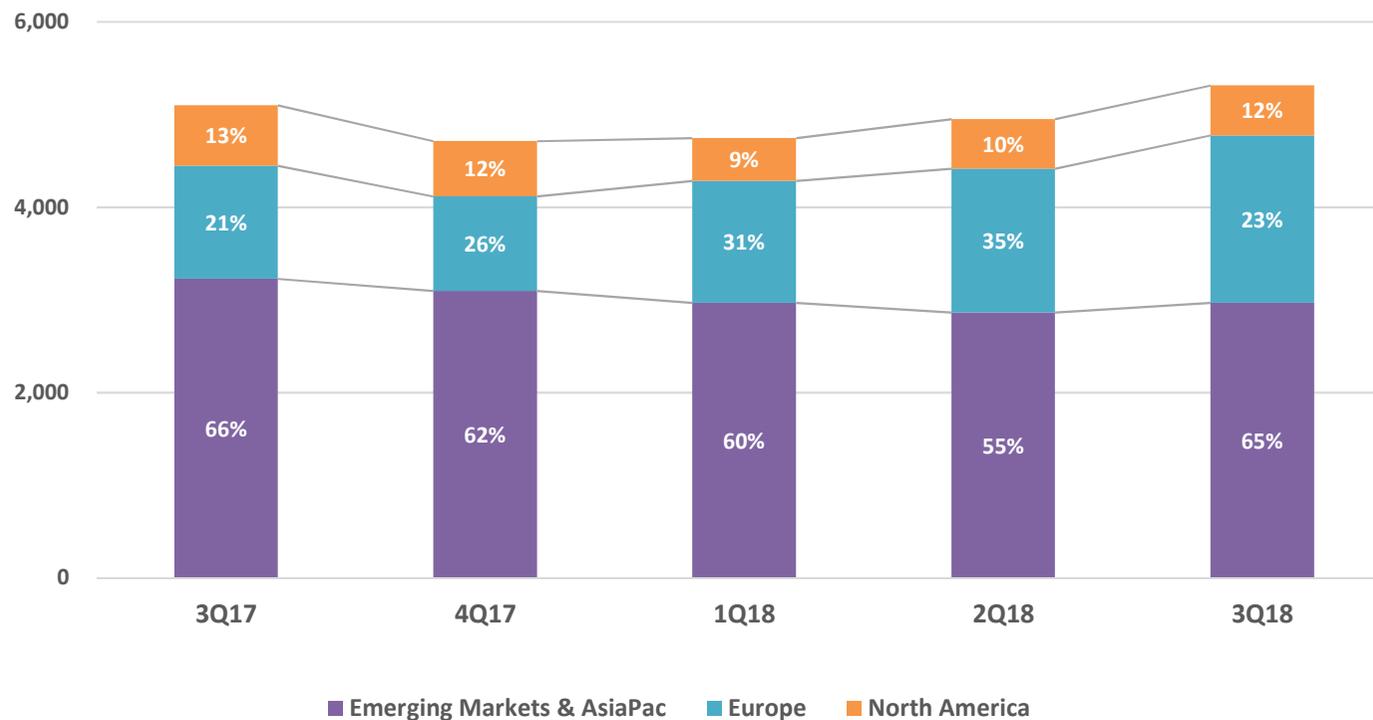
In NT\$, down 11.8% QoQ, down 6.3% YoY

- N.A. up 0.6% QoQ, down 17.7% YoY
- Europe down 39.9% QoQ, up 6.5% YoY
- Emerging Mkts & APac up 3.7% QoQ, down 8% YoY

In US\$, down 14.8% QoQ, down 7.8% YoY

- N.A. down 2.2% QoQ, down 18.5% YoY
- Europe down 42.7% QoQ, up 3.3% YoY
- Emerging Mkts & APac up 0.5% QoQ, down 9.1% YoY

NT\$ mln



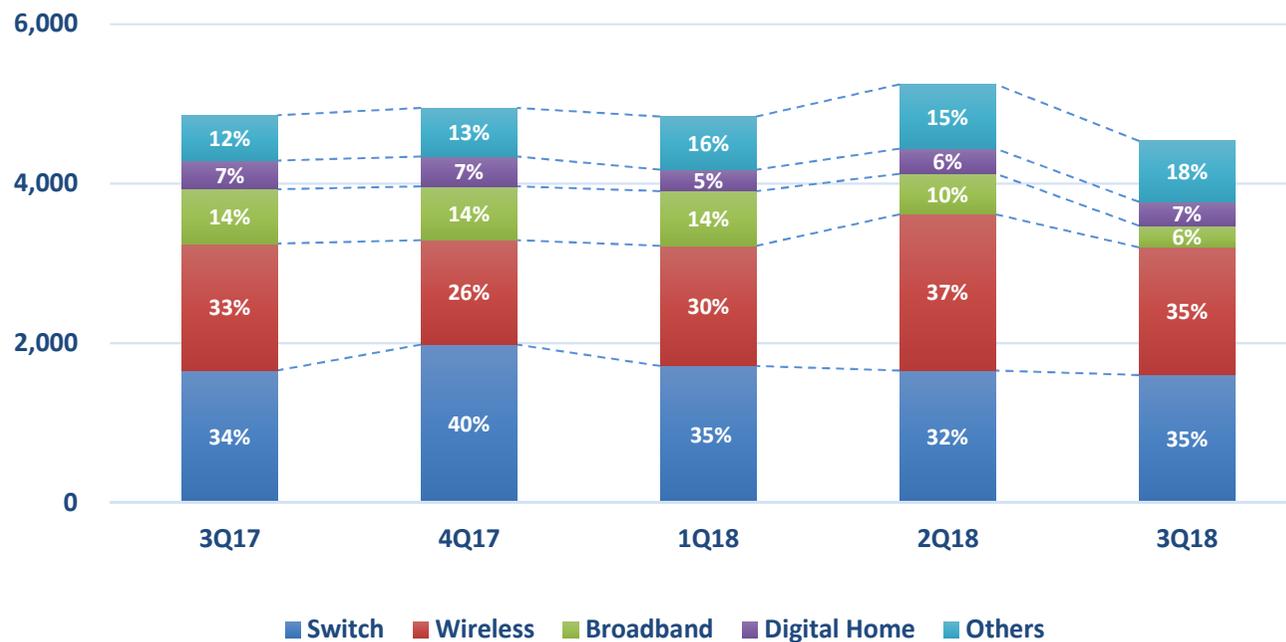
Quarterly Revenue by Product

In NT\$ terms:

- Switch down 3.4% QoQ, down 3.5% YoY
- Wireless down 18.4% QoQ, up 0.6% YoY
- B.B. down 46.7% QoQ, down 60.2% YoY
- D.H. down 4.9% QoQ, down 17% YoY

In US\$ terms:

- Switch down 6.8% QoQ, down 5.1% YoY
- Wireless down 21.2% QoQ, down 1% YoY
- B.B. down 48.5% QoQ, down 60.9% YoY
- D.H. down 8.5% QoQ, down 18.5% YoY



Safe Harbor Statement

All numbers are consolidated. Except for statements in respect of historical matters, the statements contained in this release are "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of D-Link Corporation to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.