



**PAX Global Technology Limited (327.HK)**

**2018 Interim results**



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# Agenda

- 2018 interim results snapshot
- 2018 full year guidance

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# **2018 interim results snapshot**

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## 2018 interim results snapshot

- **Revenue: HKD 1,875.6 M**
  - YoY change: +16.8%
  - Overseas market, YoY change: +46.4%
- **Gross profit margin: 38.5%**
  - YoY change: - 320 basis points
- **Profit for the period: HKD 254.3 M**
  - YoY change: +0.2%
- **Profit attributable to the owners of the Company: HKD 258.5 M**
  - YoY change: - 2.4%
- **Proposed 2018 interim dividend: HKD 0.04 per ordinary share**



# 2018 interim– Revenue by region

**LACIS** +57.0%

**Brazil**

- Leader in payment terminal market
- Strong growth in traditional terminals

**Russia**

- Highly recognized by major acquiring banks
- "2018 FIFA World Cup" drives demand

**China** -45.2%

- Keen market competition
- Product mix keeps changing
- Strong shipment volume of QR code payment terminal series

**EMEA** +49.1%

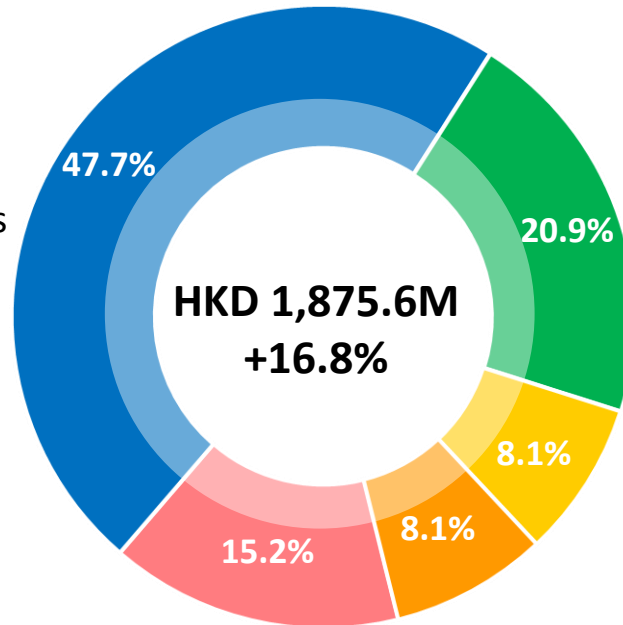
- Significant growth in European countries
- More acquiring banks in Gulf Cooperation Council (GCC) region transition to PAX payment solutions

**APAC** +45.0%

- Meaningful contribution from newly acquired subsidiary Kwang Woo in Korean market
- Expanding sales network in Japan

**USCA** +2.3%

- Newly launched smart electronic cash register (“ECR”) series is highly recognized
- Continuous expansion in client base



■ Latin America and the Commonwealth of Independent States

■ China

■ Europe, the Middle East and Africa

■ Asia Pacific (excluding China)

■ United States and Canada



## 2018 interim– Operating expenses

<i>HKD '000</i>	For the six months ended 30 June 2018 (unaudited)	For the six months ended 30 June 2017 (unaudited)	+/-
Selling expenses	192,394	195,083	-1.4%
Administrative expenses	262,848	209,885	+25.2%
R&D expenses <i>(included in administrative expenses)</i>	143,894	119,290	+20.6%

- **Administrative expenses increased by 25.2%**
  - Increase in general expenses
  - Increase in certification expenses in both China market and overseas regions
  - Increase in R&D investment in the U.S. subsidiary



## 2018 interim – Working capital

<i>HKD '000</i>	<b>As at 30 June 2018</b>	<b>As at 31 December 2017</b>	<b>As at 30 June 2017</b>
Trade and bills receivables	1,885,139	1,703,414	1,743,572
Inventories	1,328,727	918,452	728,849
Trade and bills payables	1,314,216	953,084	704,928
Cash and cash equivalents	1,965,876	2,165,224	1,774,549
<b><i>Turnover days</i></b>			
Trade and bills receivables	178	158	182
Inventory	184	138	143
Trade and bills payables	178	138	137
Cash conversion	184	158	188





## FY 2018 guidance

- **Topline:** **+15 to 25%**
- **Gross profit margin:** **34 to 37%**
- **Operating profit margin:** **11 to 13%**

Guidance remains the same as given in March 2018

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# Appendix

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# Appendix: New products in 2018

**E800**



- New generation of integrated smart retail terminal
- Combines core retail peripherals and payment into a single elegant housing unit with small desktop footprint
- Powered by Android technology

**E600**



- Mobile retail POS
- Handheld portable wireless mini ECR
- Powered by Android technology

**A930**



- Smart POS
- Powered by Android technology



# Appendix: New products in 2018 (QR Series)

QR50



QR55



QR65



QR15



QR10





## **Investor relations contacts**

- **Ethan Cheung, Chief Financial Officer**
- **Calvin Pei, Assistant Vice President - Corporate Finance & Strategy**
- **Mina Pang, Investor Relation Manager**

Email: [ir@pax.com.hk](mailto:ir@pax.com.hk)

TEL: +852 2500 8510