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Investor Conference
2024 Q2 Results

August 12, 2024

Agenda

一. **2024 Q2 Financial Results and Business Summary**

二. **Operational Outlook**

三. **Q & A**

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Safe Harbor Notice

We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans, and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us.

We undertake no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events, or otherwise. In light of these risks, uncertainties, and assumptions, the forward-looking events might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.

一. 2024 Q2 Financial Results and Business Summary

Statement of Comprehensive Income (Consolidated)

Amount：NT$ Thousand

	2024 Q1		2024 Q2		2023 Q2	
Net sales	1,906,186	100.0%	2,167,776	100.0%	2,364,200	100.0%
Cost of Good Sold	(1,380,731)		(1,579,822)		(1,739,848)	
Gross Margin	525,455	27.6%	587,954	27.1%	624,352	26.4%
Operating Expenses	(451,199)	-23.7%	(468,005)	-21.6%	(495,641)	-21.0%
Operating Income	74,256	3.9%	119,949	5.5%	128,711	-5.4%
Non-operating Income and Expenses	680		(7,033)		7,834	
Profit(Loss) before Tax	74,936	3.9%	112,916	5.2%	136,545	5.8%
Net Income	54,831	2.9%	81,185	3.7%	99,375	4.2%
Shareholders of the company	51,950	2.7%	72,884	3.4%	97,597	4.1%
EPS(NT$)(a)	$0.45		$0.64		$0.85	

(a) EPS was calculated based on total Weighted -average
Outstanding shares (thousand shares)   114,488   114,488   114,488

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Statement of Comprehensive Income (Consolidated)

Amount：NT$ Thousand

	YTD 2024 Jan.-Jun.		YTD 2023 Jan.-Jun.	
Net sales	4,073,962	100.0%	4,912,345	100.0%
Cost of Good Sold	(2,960,553)		(3,605,652)	
Gross Margin	1,113,409	27.3%	1,306,693	26.6%
Operating Expenses	(919,204)	-22.6%	(973,884)	-19.8%
Operating Income	194,205	4.8%	332,809	6.8%
Non-operating Income and Expenses	(6,353)		(14,174)	
Profit(Loss) before Tax	187,852	4.6%	318,635	6.5%
Net Income	136,016	3.3%	225,526	4.6%
Shareholders of the company	124,834	3.1%	223,058	4.5%
EPS(NT$)(a)	$1.09		$1.95	

(a) EPS was calculated based on total Weighted -average
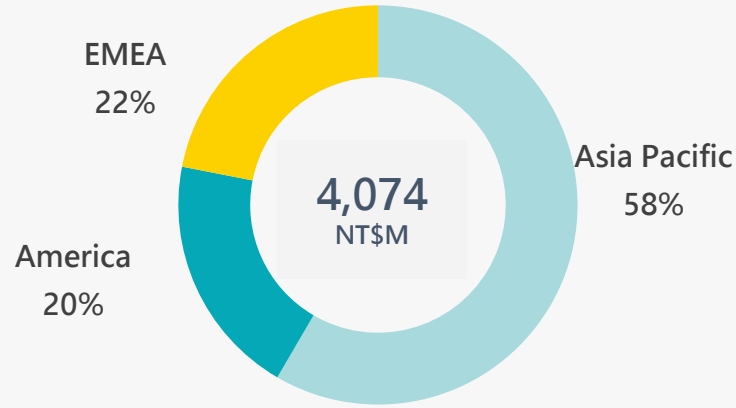
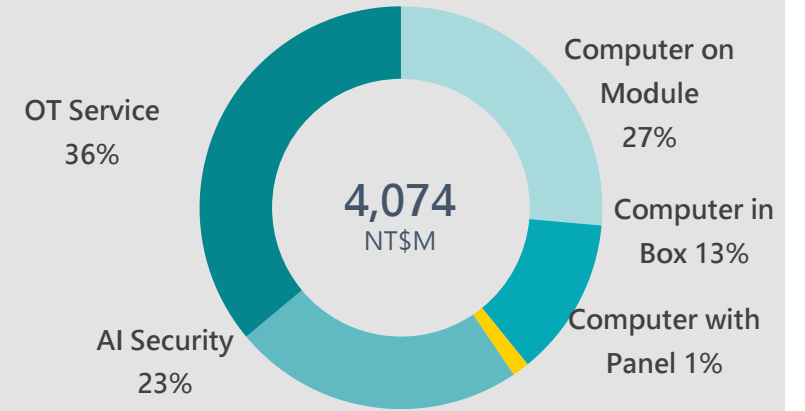Outstanding shares (thousand shares)   114,488   114,488
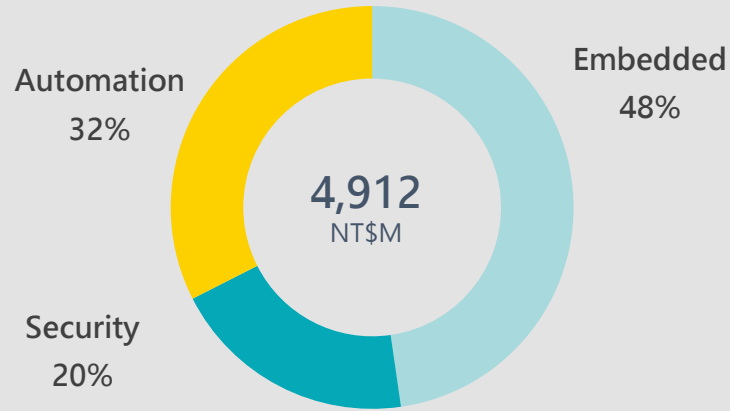
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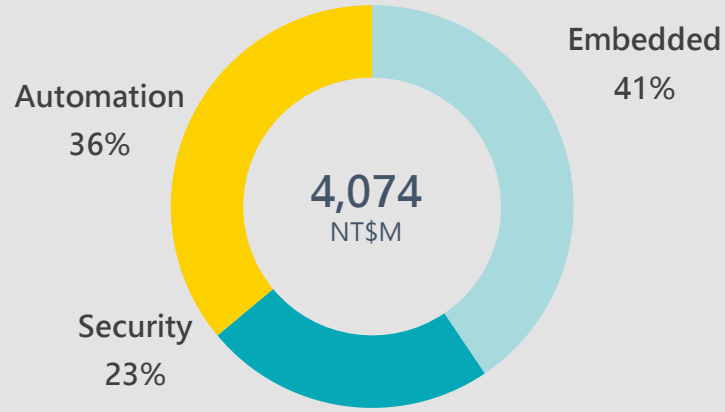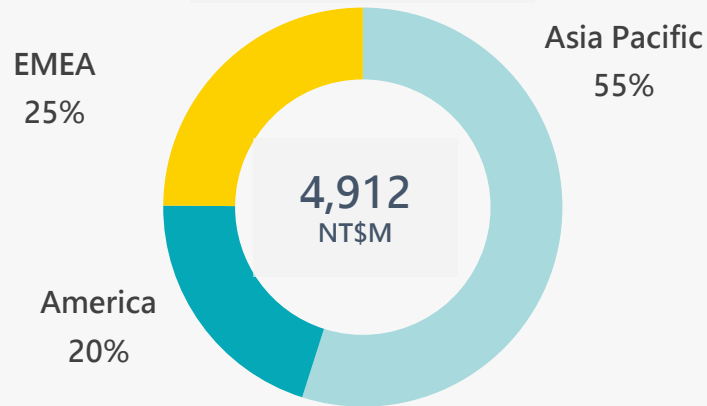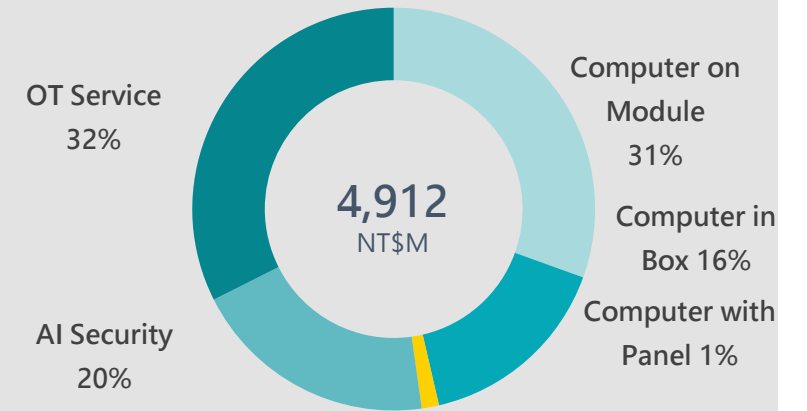
Balance Sheet Highlights (Consolidated)

Amount：NT$ Thousand

	2024.06.30		2023.12.31		2023.06.30	
Cash and cash equivalents	1,813,138	20%	1,490,285	16%	1,583,745	13%
Accounts receivable (Including the related parties)	1,985,285	22%	1,939,296	22%	2,534,311	22%
Inventories	1,668,721	18%	1,893,457	21%	3,182,075	27%
Property, plant and equipment	2,329,811	25%	2,548,819	28%	2,614,858	22%
Total assets	9,225,324	100%	9,101,605	100%	11,938,130	100%
Current liabilities	3,304,140	36%	2,909,498	32%	4,561,504	38%
Non-current liabilities	1,145,159	12%	1,209,225	13%	1,811,879	15%
Equity	4,776,025	52%	4,982,882	55%	5,564,747	47%
Net Worth/Share(NT$)	25.88		27.62		26.53	
Net worth per share was calculated based on total outstanding shares(thousand shares)	114,488		114,488		114,488	

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Key Financial Ratios (Consolidated)

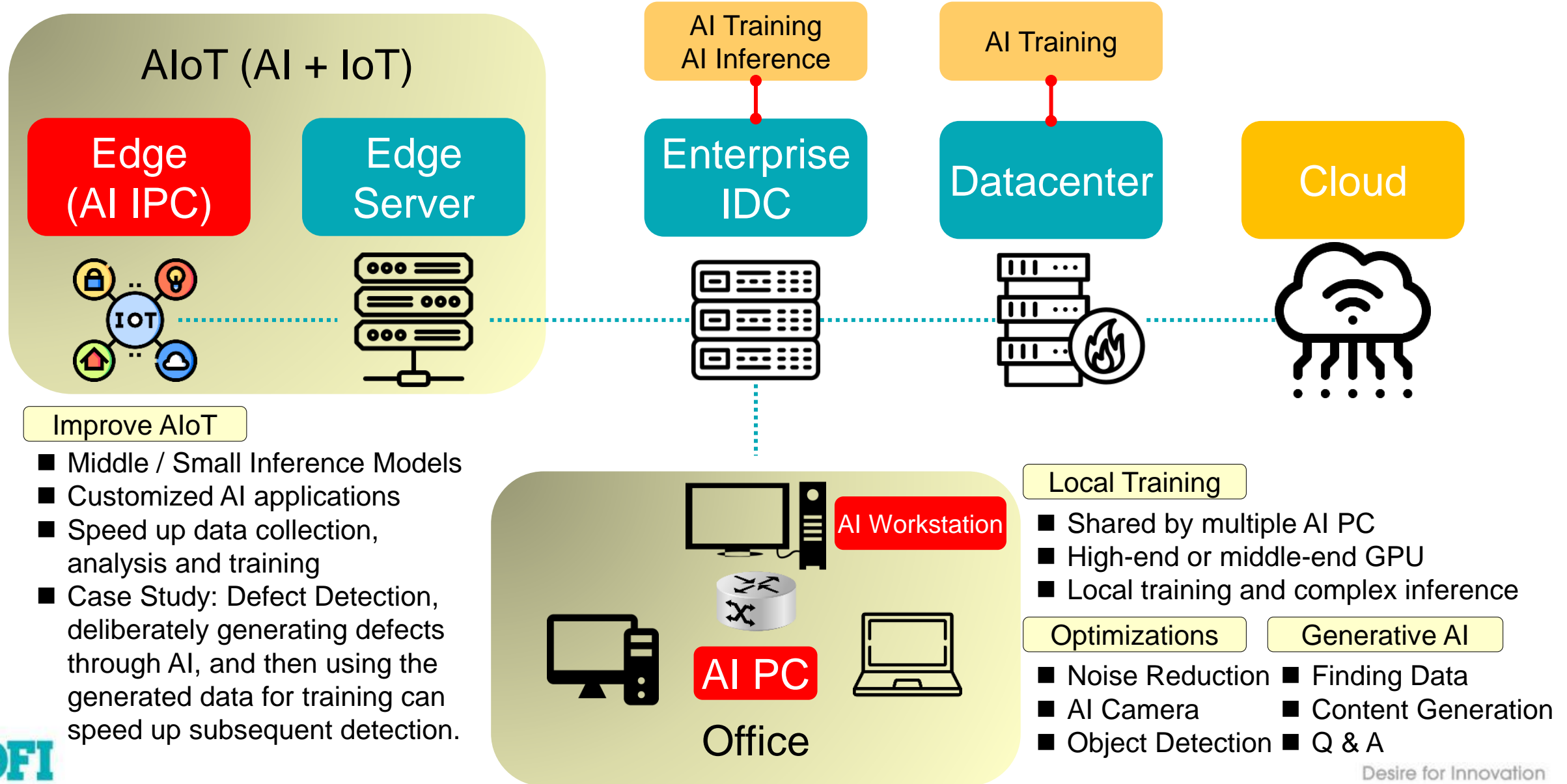|	2024.06.30	2023.12.31	2023.06.30
AR Turnover(Days)	88	98	65
Inventory Turnover(Days)	110	174	107
AP Turnover(Days)	64	83	61
Cash Conversion Cycle(Days)	134	189	111
ROE(annualized) (a)	5.6%	6.5%	8.0%
Current ratio	171%	188%	164%
Fin.Debt(b)/Total Assets	19%	21%	21%

(a)Annualized net income / Average total equity

(b)Fin.debt included long term and short term financial debts

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二. Operation Outlook

Overall AI Application Scenario

AIoT (AI + IoT)

- Edge (AI IPC)
- Edge Server

AI Training / AI Inference — Enterprise IDC

AI Training — Datacenter

Cloud

Improve AIoT

- Middle / Small Inference Models
- Customized AI applications
- Speed up data collection, analysis and training
- Case Study: Defect Detection, deliberately generating defects through AI, and then using the generated data for training can speed up subsequent detection.

Office

- AI Workstation
- AI PC

Local Training

- Shared by multiple AI PC
- High-end or middle-end GPU
- Local training and complex inference

Optimizations

- Noise Reduction
- AI Camera
- Object Detection

Generative AI

- Finding Data
- Content Generation
- Q & A

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Overall AI-Optimized Portfolio

Advanced Matrix Engines (AMX)

Server+GPU
Support PCIe *(e.g. IPC, MB)*
Deployed Use Case **AI Training BKC**

Training + Inference

Inference
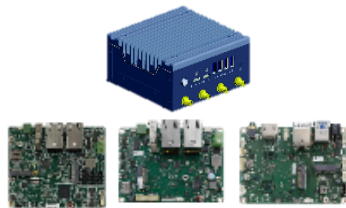
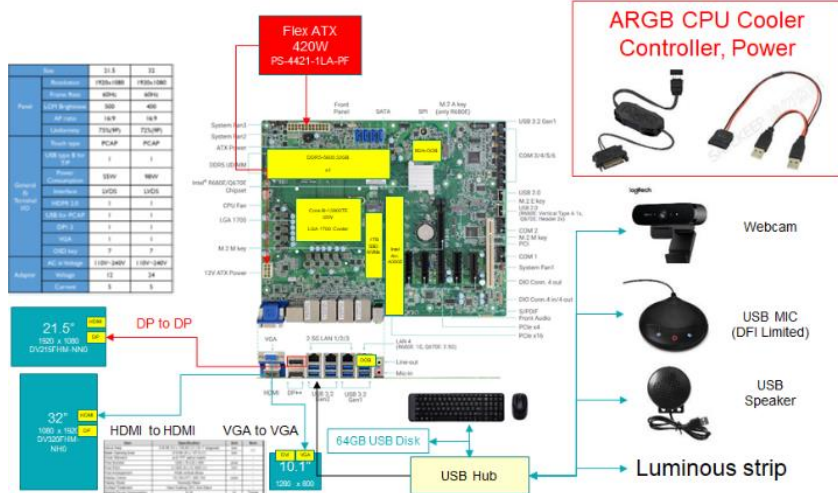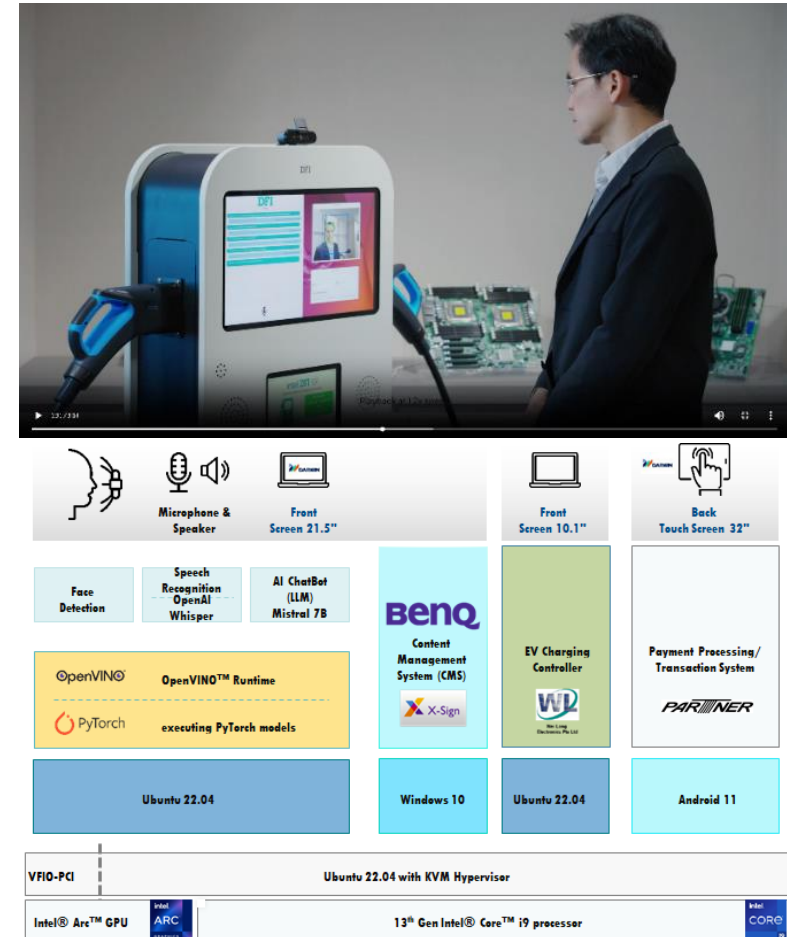| 0.2 ~ 2 TOPS	13 ~ 15 TOPS	26 TOPS	34 ~ 39 TOPS	6.75 ~ 8.4 TFLOPS	8.25 ~ 18.55 TFLOPS	20 ~ 100 TOPS	40 TFLOPS	100 ~ 300 TFLOPS
INT8	INT8	INT8	INT8	FP16	FP32 / FP16	INT8	FP16	BF16 / FP16

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Solution Demo: AI EV Charger

Virtualized Workload Consolidation

Hardware

Software

Ξ. Q & A

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Thank you