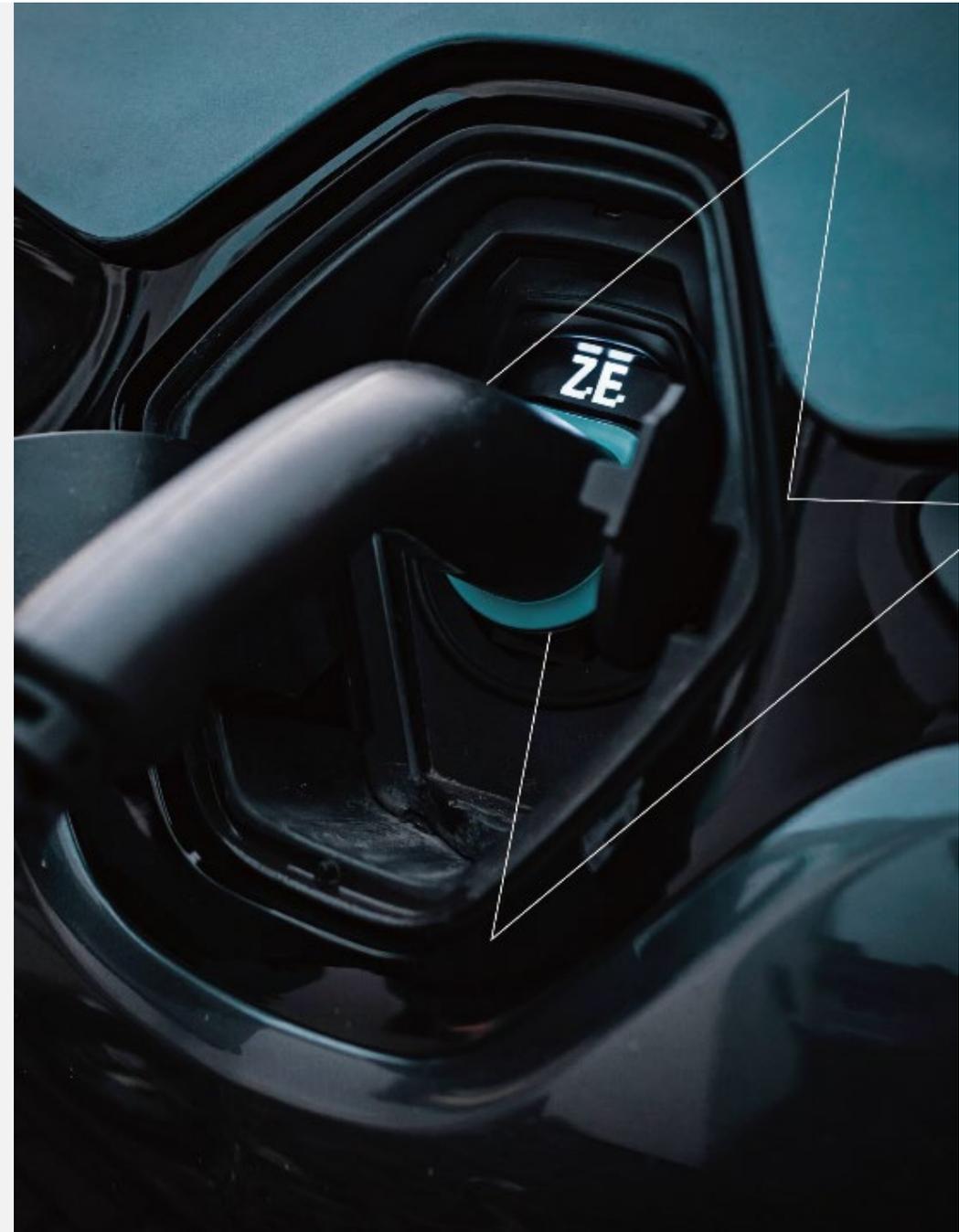




Phihong Technology 4Q 2022 Investor Conference

31 March 2023





Disclaimer

This presentation contains forward-looking statements which are subject to risks, uncertainties, and assumptions, some of which are beyond our control. Actual results may differ materially from those expressed or implied by these forward-looking statements. Please refer to the information on the MOPS website as the main basis for any adjustments that have been made. (<http://mops.twse.com.tw/mops/web/index>)

The financial figures hereby are based on International Financial Reporting Standards (IFRS) and have been reviewed by auditor.

Quarterly Financial Performance

	4Q2022		3Q2022		QoQ	4Q2021		YoY
	NTD mm	%	NTD mm	%	%	NTD mm	%	%
Revenue	3,853	100.0	3,804	100.0	1.3	3,774	100.0	2.1
COGS	3,063	79.5	3,265	85.8	(6.2)	3,260	86.4	(6.0)
Gross Profit	790	20.5	539	14.2	46.6	514	13.6	53.7
Opex	597	15.5	564	14.8	5.9	522	13.8	14.4
Operating Income / (Loss)	193	5.0	(25)	(0.6)	872.0	(8)	(0.2)	2,512.5
Other Income / (Loss)	(63)	(1.6)	101	2.7	(162.4)	1	0.0	(6,400.0)
Profit Before Tax	130	3.4	76	2.1	71.1	(7)	(0.2)	1,957.1
Tax	(72)	(1.9)	(52)	(1.4)	38.5	(8)	(0.2)	900.0
Net Income / (Loss)	58	1.5	24	0.7	241.7	(15)	(0.4)	486.7
EPS	0.15	NA	0.06	NA	NM	(0.04)	NA	NM
EBITDA	246	6.4	185	4.9	33.0	81	2.1	303.7

Note: Company filings.

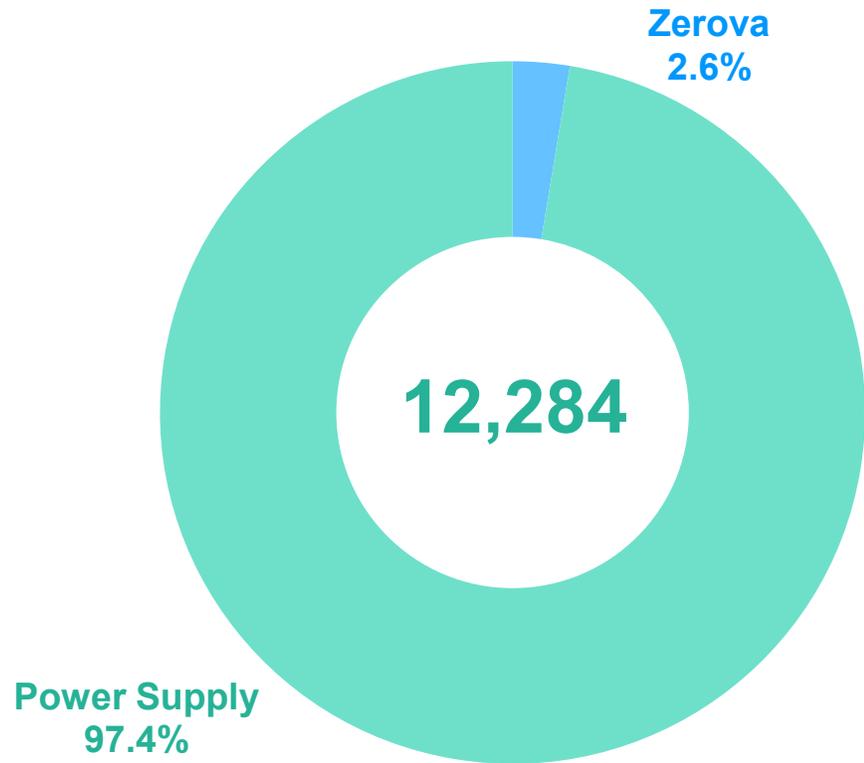
Annual Financial Performance

	FY2022		FY2021		YoY
	NTD mm	%	NTD mm	%	%
Revenue	14,018	100.0	12,284	100.0	14.1
COGS	11,876	84.7	10,811	88.0	9.9
Gross Profit	2,142	15.3	1,473	12.0	45.4
Opex	2,128	15.2	1,812	14.7	17.4
Operating Income / (Loss)	14	0.1	(339)	(2.7)	104.1
Other Income / (Loss)	174	1.2	41	0.3	424.4
Profit Before Tax	188	1.3	(298)	(2.4)	163.1
Tax	(117)	(0.8)	(15)	(0.1)	780.0
Net Income / (Loss)	71	0.5	(313)	(2.5)	122.7
EPS	0.19	NA	(0.92)	NA	NM
EBITDA	597	4.3	42	0.3	1,421.4

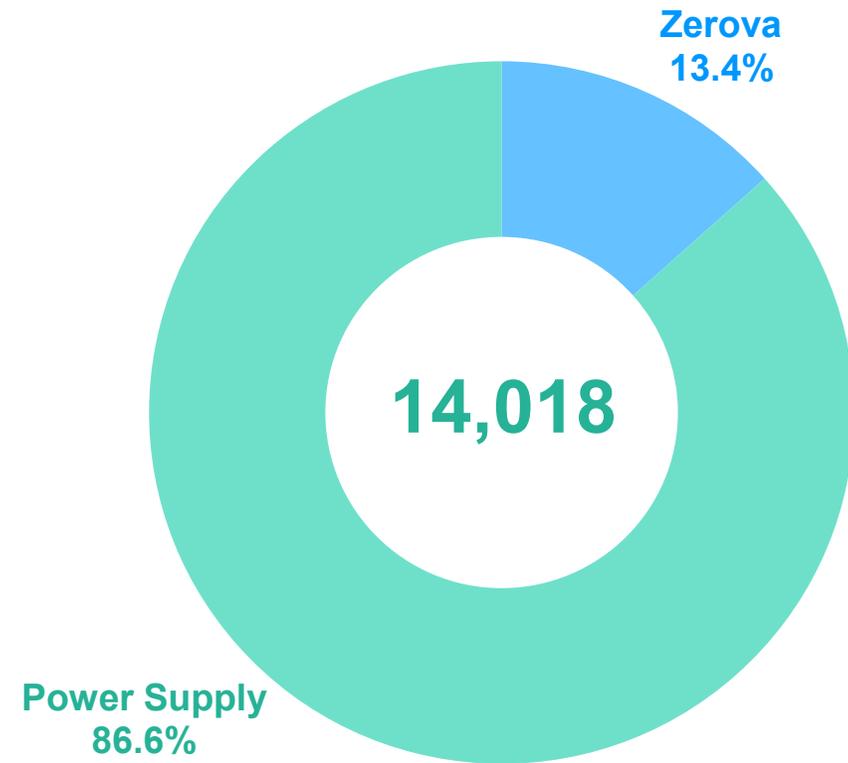
Note: Company filings.

Zerova is Driving Growth and Achieving Higher Revenue Contribution

FY2021 (NTD mm)

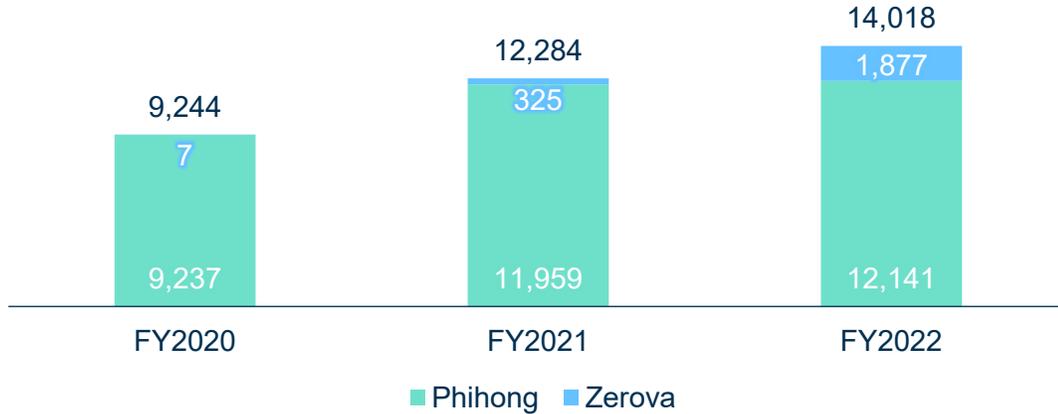


FY2022 (NTD mm)

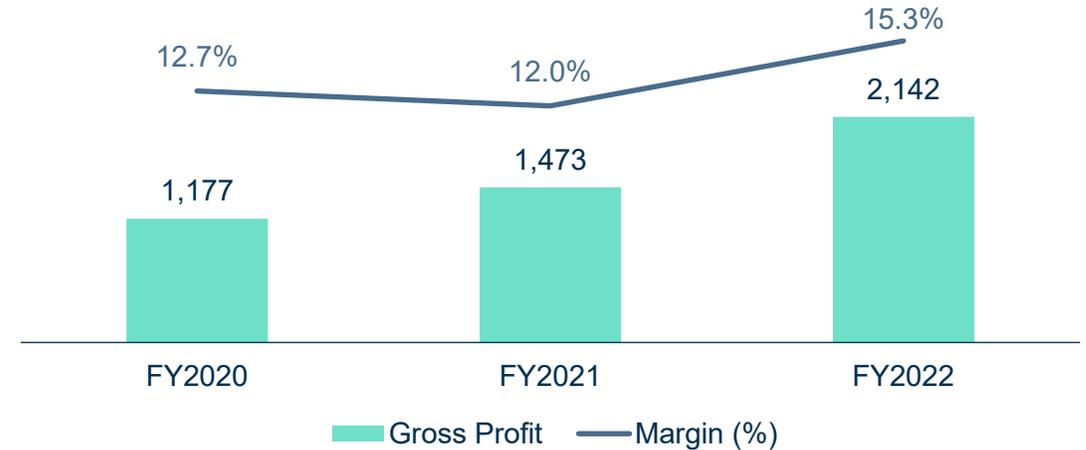


Continued Improvement in Margin Profile

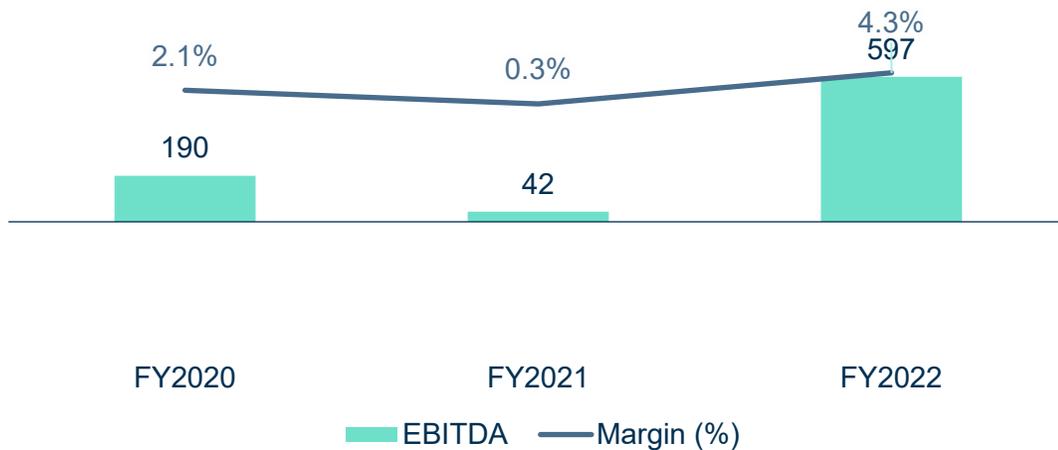
Revenue (NTDmm)



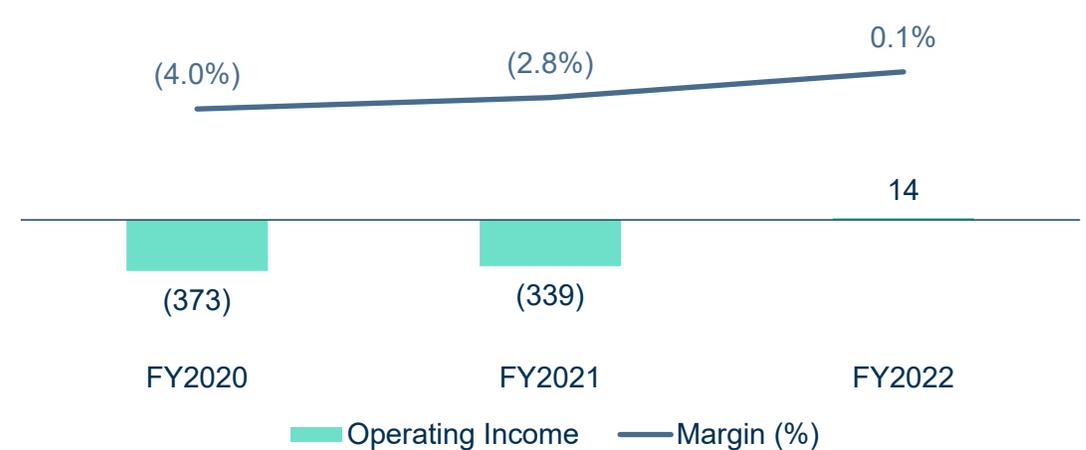
Gross Profit (NTDmm / %)



EBITDA (NTDmm / %)

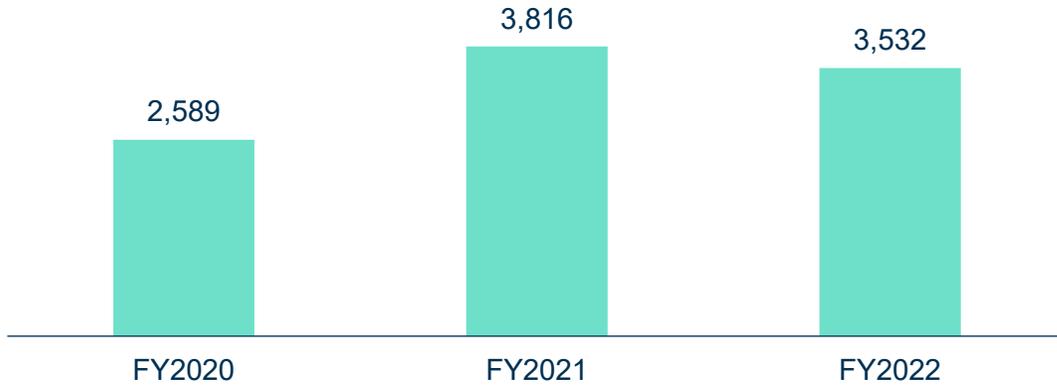


Operating Profit (NTDmm / %)

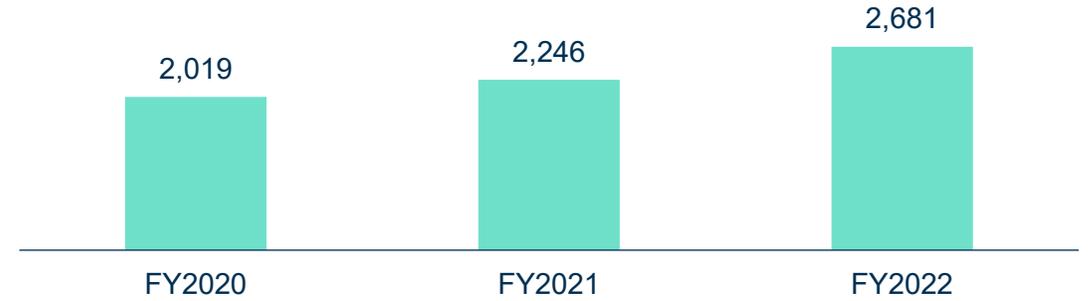


Key Balance Sheet Metrics

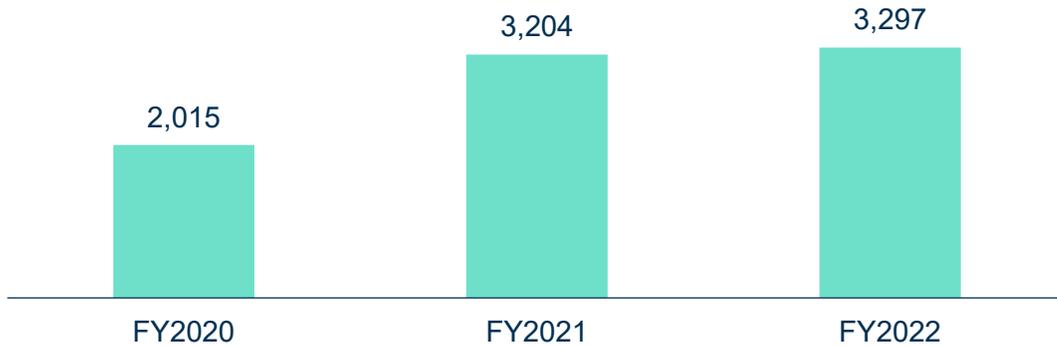
Cash (NTDmm)



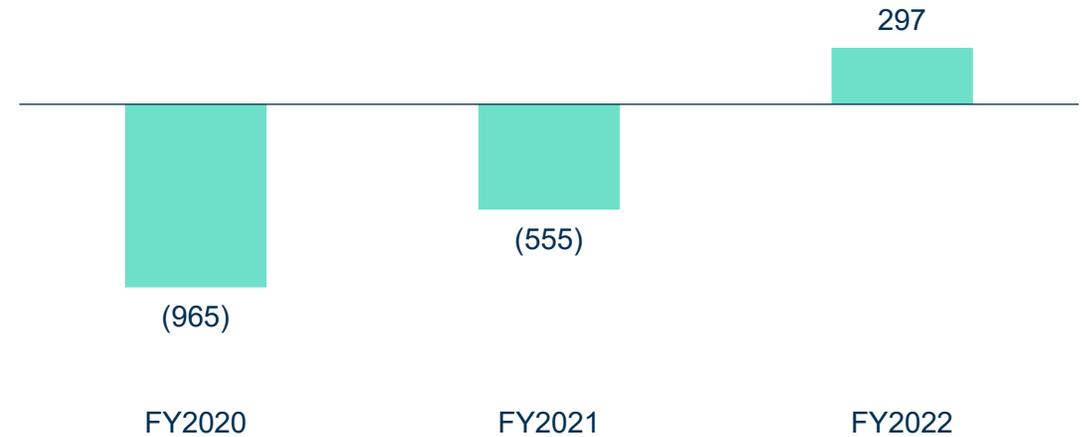
Account Receivables (NTDmm)



Inventory (NTDmm)



Net Debt ⁽¹⁾ (NTDmm)



Note: (1) Net Debt = Total Bank Debt and Notes - Cash and Short-term Investments

Clear Strategies Focusing on Sustainable Growth



Optimize cost structure by:

- Consolidate China production footprint
- Simplify corporate structure
- Minimize business process complexity



Reorient business model to focus on high margin, high-mix-low-volume production



Optimize customer and product mix by reducing consumer electronics exposure



Pursue high-quality earnings growth while minimizing volatility



Exercise financial discipline through strict capital spending and cash flow management



Scale up operation and production in key regions including US, EMEA and Japan



Invest in innovative and cutting-edge technologies to strengthen product offering



Grow new and recurring revenue streams to achieve diversification



Develop a differentiated business model anchoring on core strengths



Focus on cost competitiveness and profitability



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