



Qisda Corporation Investor Conference: 2023 Q4 Results

March 6, 2024

Participants

Chairman

Peter Chen

President

Joe Huang

CFO

Jasmin Hung

GM, Information Technology Business Group

Daniel Hsueh

GM, Commercial & Industrial Business Group

Yuchin Lin

GM, Medical Business Group

Harry Yang

GM, Business Solutions Business Group

Michael Lee

GM, Networking & Communication Business Group

April Huang

CIO

Michael Wang

Agenda

1. Company Profile

CFO

Jasmin Hung

2. 2023 Q4 Financial Results

Chairman

Peter Chen

3. Business Update and Outlook

President

Joe Huang

GM of each Business Group

4. Q&A

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 that 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 as a result of 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.

1. Company Profile

CFO Jasmin Hung

Qisda Group

Qisda is a global technology group with businesses spanning information technology, medical, smart business solutions, and networking communication.

Year Established

1984

IPO Year
(Ticker 2352)

1996

Capital (NTD)

19.7B

Awards

2023 Winning 12 Awards of TCSA

2023 Winning 3 Awards of AREA

2023 HR Asia:
“ Best Companies to Work For”
(2019 – 2023 consecutively)

2023 Winning 9 Awards of TSAA

Global Presence

Manufacturing Sites : Taiwan, China,
Vietnam

Sales Offices : 200+ Locations Worldwide

R&D Centers : Taiwan, China

No. of Employees : 27,000+

2023 Revenue

NTD \$203.6B (USD\$ 6.6B)

2022 Revenue

NTD \$239.8B (USD\$ 8.2B)

Revenue Breakdown (2023)

Asia

50%

Americas

29%

Europe

19%

Others

2%

*AREA: Asia Responsible Enterprise Awards *TSAA: Taiwan Sustainability Action Awards *TCSA: Taiwan Corporate Sustainability Awards



Business Groups

Qisda Group

(2023 whole year)

Revenue
(NTD)

IT Information Technology (45% + 8%)	MEDICAL (12%)	BSG Business Solutions (16%)	NCG Networking & Communication (14%)	OTHERS (5%)
106.5B	24.6B	32.7B	28.3B	11.5B
<ul style="list-style-type: none"> ➤ Displays 71.1 B (35%) <ul style="list-style-type: none"> • Gaming • High-end • General ➤ Projectors 11.0 B (5%) ➤ IT_Other 8.8 B (5%) 	<ul style="list-style-type: none"> ➤ Medical Services <ul style="list-style-type: none"> • BenQ Medical Center in Nanjing and Suzhou • Medical Management Consulting ➤ Equipment & Consumables <ul style="list-style-type: none"> • Operating Table & Surgical Light • Ultrasound • Intraoral Scanner • Hearing Aids • Dentistry Consumables ➤ Dialyzer <ul style="list-style-type: none"> • Dialysis Equipment & Consumables • Ethanol Solution 	<ul style="list-style-type: none"> ➤ IT Intelligence Partner <ul style="list-style-type: none"> • AI Computing • Cybersecurity • Edge to Cloud Integration • Digital Transformation ➤ OT Intelligence Partner <ul style="list-style-type: none"> • Green Energy • Automation • Industrial Computer ➤ OMO Solution 	<ul style="list-style-type: none"> ➤ LAN/MAN <ul style="list-style-type: none"> • Data Switch ➤ Wireless Broadband <ul style="list-style-type: none"> • Small Cell • Wireless Router ➤ Digital Multimedia <ul style="list-style-type: none"> • IP Camera • mmWave Radar ➤ System Integration <ul style="list-style-type: none"> • Network System Service • Digital Media System Service 	<ul style="list-style-type: none"> ➤ Material <ul style="list-style-type: none"> • Functional Film • Advanced Battery Materials ➤ Other products
<ul style="list-style-type: none"> ➤ IT_HVA 15.6 B (8%) <ul style="list-style-type: none"> • Prof. Display Module • Integration Solutions 				KEY INVESTMENTS <ul style="list-style-type: none"> ➤ Equity Method <ul style="list-style-type: none"> • Darfon • Norbel Baby • Rapidtek • Topview ➤ FVOCI <ul style="list-style-type: none"> • AUO

* Purple columns represent "high value-added businesses", which account for 50% of total revenue. Medical, BSG, NCG 2023 revenue scale is between NTD 20B to 35B, reaching a meaningful economies of scale.

2. 2023 Q4 Financial Results

CFO Jasmin Hung

2023 Q4 Highlights

- ◆ **Q4 Gross margin was 16.2%, exceeding 16% for three consecutive quarters, highest in the same period in 20 years.**
- ◆ **Revenue was 50.7B (YoY -10%, QoQ +1%), net income attributable to Qisda reached 0.43B (YoY +50M, +15%), EPS was 0.22 (+0.03).**
- ◆ **HVA businesses Q4 revenue was 24.5B (QoQ +300M, +1%).**
 - Medical: Revenue grew 6% QoQ. GM%, OI% and OI amount grew QoQ and YoY.
 - NCG: Revenue grew 16% QoQ. OI% and OI amount grew QoQ.
 - BSG: Revenue decreased 7% QoQ. GM% increased QoQ and YoY.
- ◆ **IT business Q4 revenue was 27B (QoQ +400M, +1%).**
 - IT_Original: Revenue increased by 700M QoQ, +3%, Display's revenue has risen for three consecutive quarters and grew YoY as well.
 - IT_HVA: Revenue decreased by 320M QoQ, -9%, GM% decreased QoQ.

2023 Whole Year Highlights

- ◆ **Whole year revenue reached 203.6B (YoY -36.2B, -15%); Gross margin was 16.2% (YoY +1.8ppt), highest in 20 years.**
 - IT business revenue was 106.5B (-35B, -25%), mainly due to decrease in demand for IT products.
 - HVA businesses revenue was 101.2B, exceeding 100B for 2 consecutive years, account for 50% of whole year revenue (YoY +5%)
 - Medical: Revenue grew 20% YoY. GM%, OI% and OI amount grew YoY.
 - BSG: Revenue grew 3% YoY. GM% grew YoY.
 - NCG: Revenue decreased 16% YoY. GM% and OI % decreased due to inventory adjustments on clients side.
 - Net income attributable to Qisda decreased around 5.3B YoY; this is mainly due to the sale of 100% shares in BenQ (Hong Kong) Limited in 2022, which contributed a gain of approximately NTD 5.3B.
- ◆ **Cash dividend NTD 1.2 per share, payout ratio around 79%.**
- ◆ **Group entities apply for public listing sequentially:**
 - Norbel Baby (6844) will be listed on Taipei Exchange (TPEX) on Mar. 8, 2024.
 - Data Image (3168) will be listed on the Taiwan Stock Exchange (TWSE) on March 26, 2024.
 - BenQ BM Holding Cayman Corp.: The board resolved on Jan. 18, 2024 to prepare and submit its listing application to HKEX for initial public offering (IPO).

Consolidated Statement of Comprehensive Income (Quarterly)

Unit : NT\$ Million

	2023 Q4		2022 Q4		YoY		2023 Q3		QoQ	
	amt	g%	amt	g%	amt	g%	amt	g%	amt	g%
Net Sales	50,667	100%	56,117	100%	(5,450)	-10%	50,370	100%	297	1%
Cost of Goods Sold	(42,461)		(47,351)		4,891		(41,993)		(468)	
Gross Margin	8,207	16.2%	8,766	15.6%	(559)	-6%	8,377	16.6%	(171)	-2%
Operating Expenses	(7,339)	-14.5%	(7,289)	-13.0%	(50)		(7,027)	-14.0%	(312)	
Operating Income	868	1.7%	1,477	2.6%	(609)	-41%	1,350	2.7%	(483)	-36%
Net non-operating Income	(5)		(335)		330		774		(780)	
Profit(Loss) before Tax	862	1.7%	1,141	2.0%	(279)	-24%	2,125	4.2%	(1,262)	-59%
Net Income	675	1.3%	1,016	1.8%	(341)	-34%	1,549	3.1%	(875)	-56%
Net income attributable to Qisda	426	0.8%	372	0.7%	54	15%	1,202	2.4%	(776)	-65%
EPS (NT\$) (a)	\$0.22		\$0.19		\$0.03		\$0.61		-\$0.39	

(a) EPS was calculated based on total weighted-averaged outstanding shares (1,967m shares)

Consolidated Statement of Comprehensive Income (YTD)

Unit : NT\$ Million

	2023		2022		YTD YoY	
					amt	g%
Net Sales	203,595	100%	239,837	100%	(36,243)	-15%
Cost of Goods Sold	(170,519)		(205,276)		34,757	
Gross Margin	33,076	16.2%	34,561	14.4%	(1,485)	-4%
Operating Expenses	(28,065)	-13.8%	(28,709)	-12.0%	644	
Operating Income	5,011	2.5%	5,852	2.4%	(841)	-14%
Net non-operating Income	1,309		10,771		(9,462)	
Profit(Loss) before Tax	6,320	3.1%	16,623	6.9%	(10,304)	-62%
Net Income	4,516	2.2%	11,079	4.6%	(6,563)	-59%
Net income attributable to Qisda	2,976	1.5%	8,252	3.4%	(5,276)	-64%
EPS (NT\$) (a)	\$1.51		\$4.20		-\$2.68	

(a) EPS was calculated based on total weighted-averaged outstanding shares (1,967m shares)

Consolidated Balance Sheet Highlights

Unit : NT\$ Million

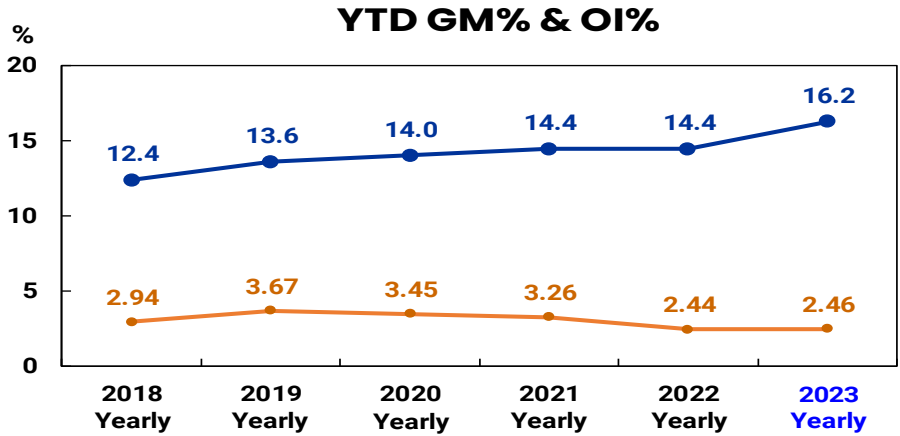
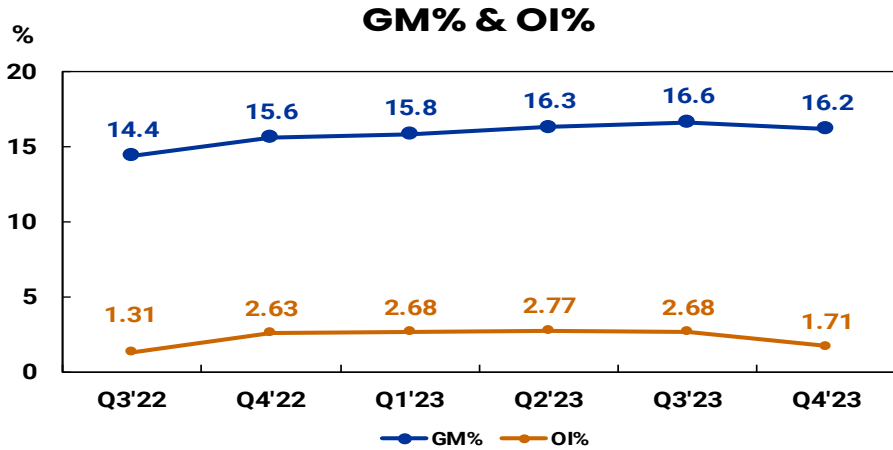
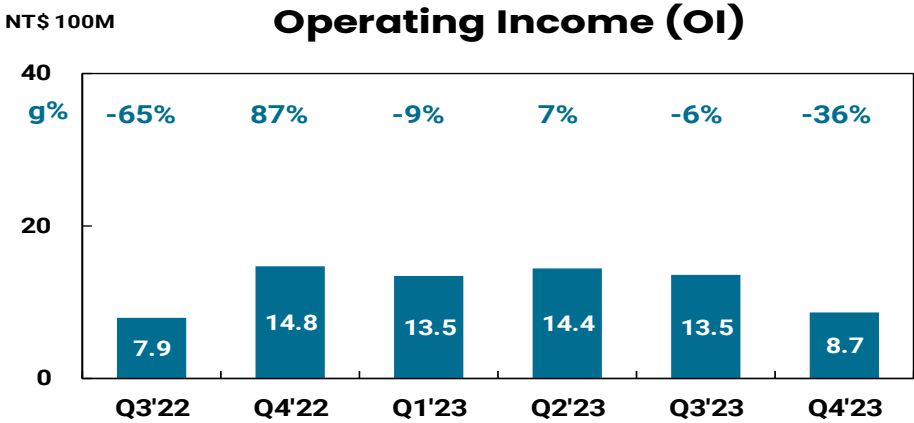
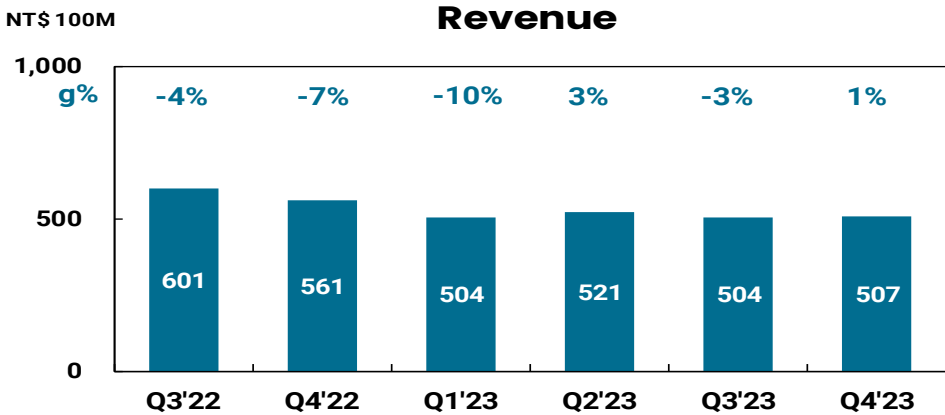
	2023.12.31		2023.09.30		QoQ		2022.12.31		YoY	
	amt	g%	amt	g%	amt	g%	amt	g%	amt	g%
Cash & Equivalent	25,473	14%	23,316	12%	2,157	9%	31,203	16%	(5,730)	-18%
Accounts Receivable	38,042	20%	40,730	22%	(2,688)	-7%	40,150	21%	(2,108)	-5%
Inventory	37,931	20%	38,386	20%	(454)	-1%	43,870	23%	(5,939)	-14%
L-T Investments	8,314	4%	8,534	5%	(220)	-3%	5,479	3%	2,834	52%
Financial assets at fair value through other comprehensive income-non-current	12,070	6%	11,328	6%	742	7%	10,231	5%	1,839	18%
Total Assets	188,424	100%	189,027	100%	(603)	0%	193,416	100%	(4,992)	-3%
Fin. Debt	64,521	34%	62,351	33%	2,171	3%	62,687	32%	1,834	3%
Accounts Payable	30,468	16%	33,068	17%	(2,600)	-8%	29,038	15%	1,430	5%
Toal Liabilities	124,330	66%	124,889	66%	(559)	0%	125,478	65%	(1,148)	-1%
Equity	64,094	34%	64,138	34%	(45)	0%	67,937	35%	(3,844)	-6%

Financial Ratios

	2023.12.31	2023.09.30	QoQ	2022.12.31	YoY
AR Turnover (Days)	73	76	-3	70	+3
Inventory Turnover (Days)	88	88	+0	84	+4
AP Turnover (Days)	64	66	-2	62	+2
Cash Conversion Cycle (Days)	97	98	-1	92	+5
Current ratio	127%	125%	+2 ppt	143%	-16 ppt

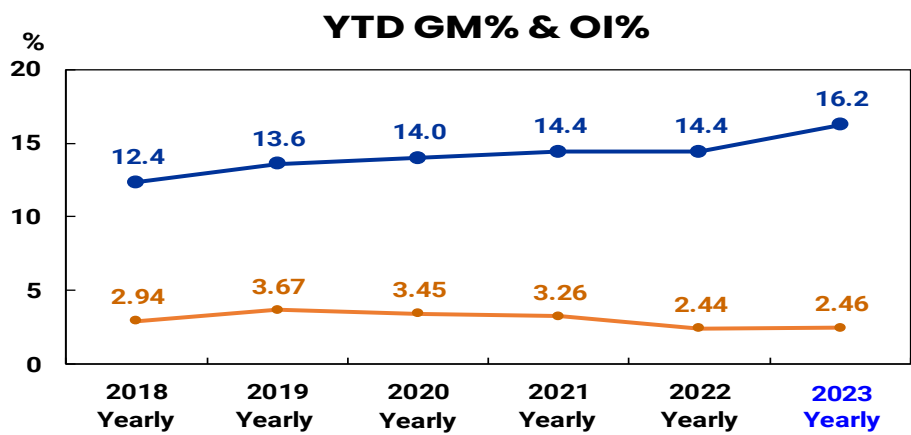
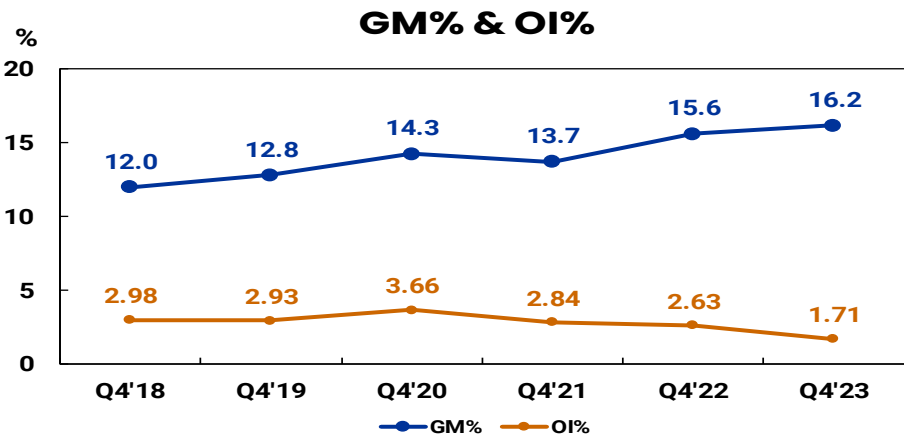
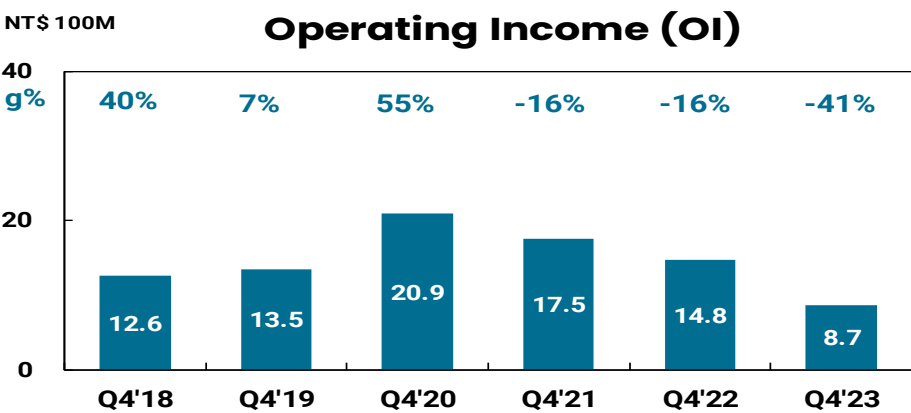
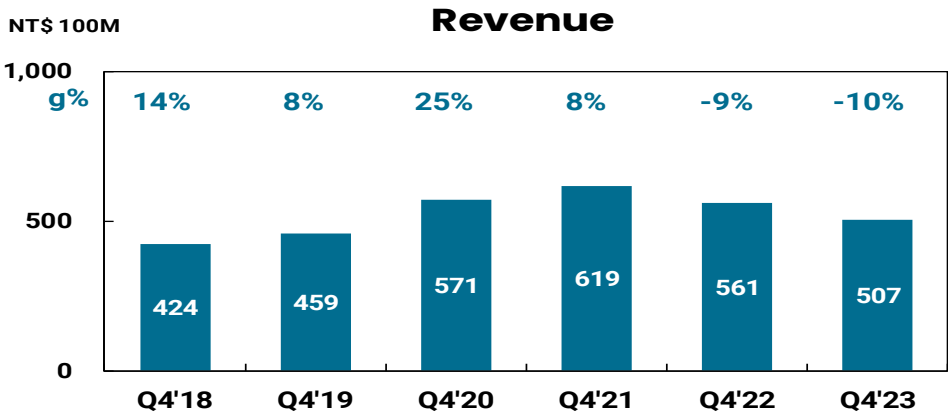
Financial Trend – Quarterly Trend

- Q4 Gross Margin was 16.2%, exceeding 16% for three consecutive quarters.

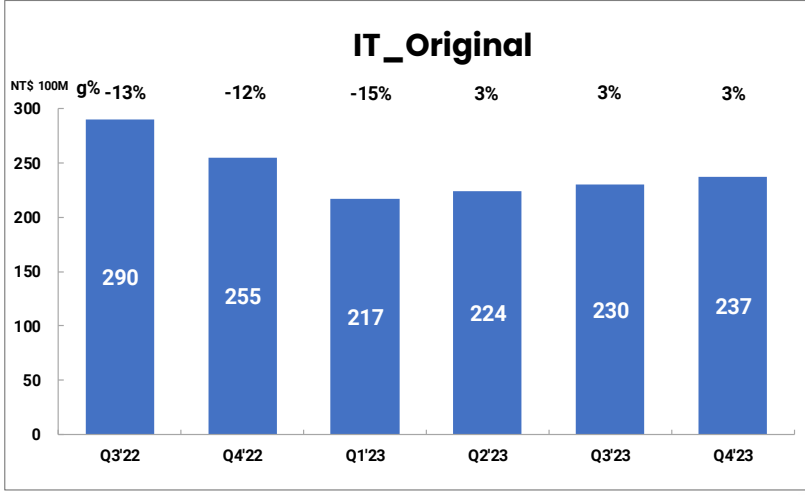
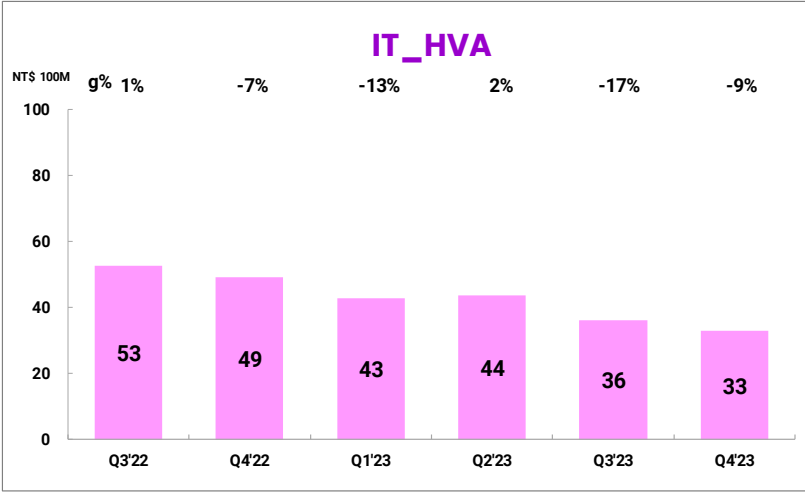
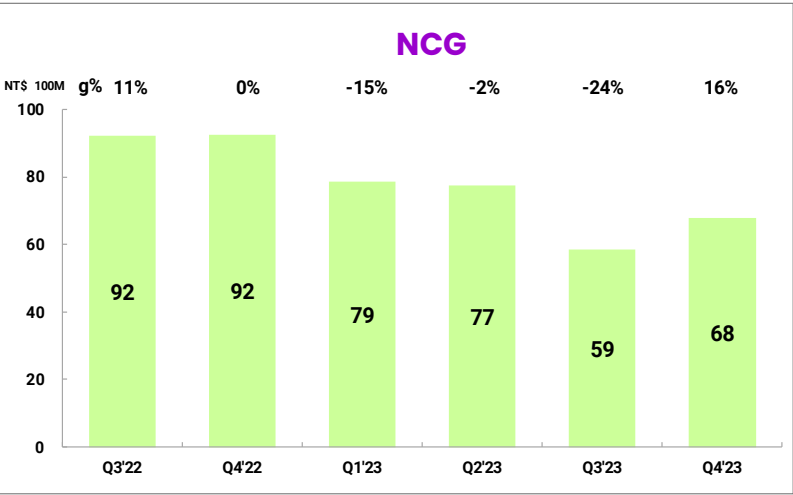
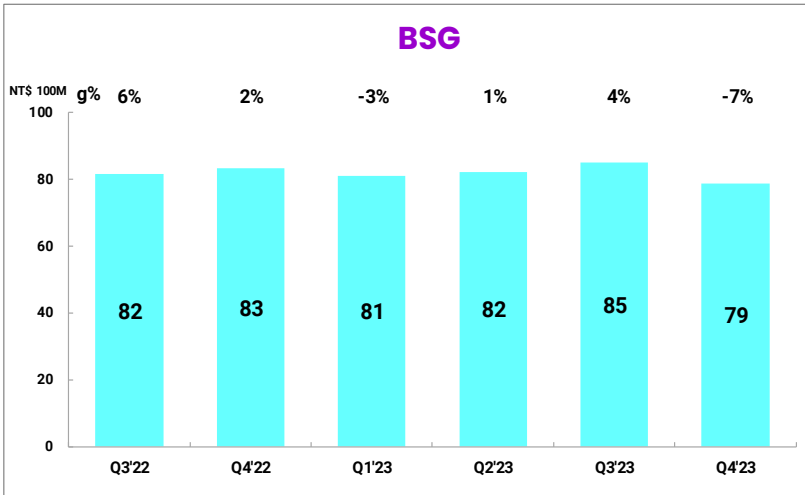
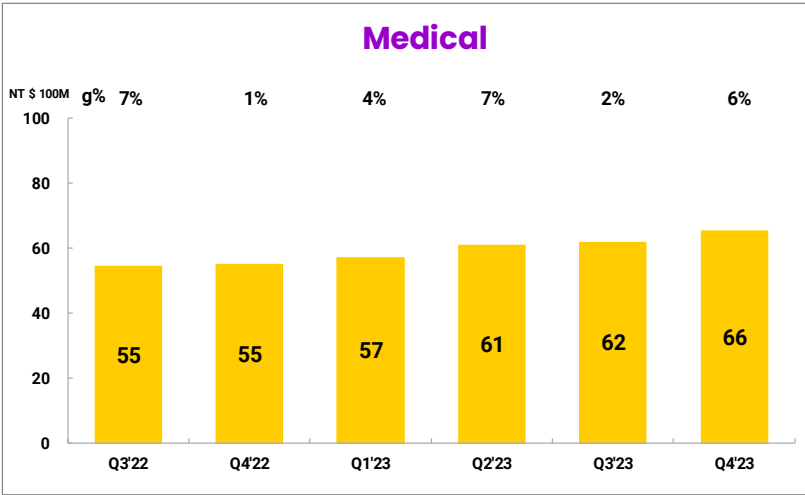
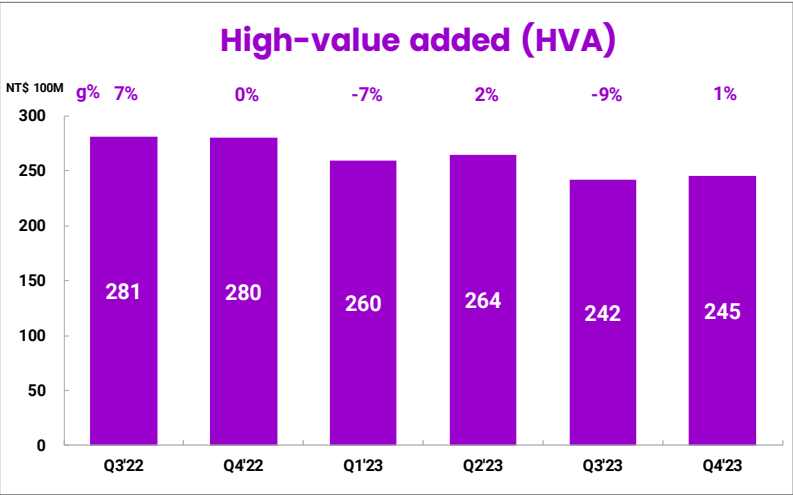


Financial Trend – Q4 YOY

- Gross Margins for Q4 and the year were both 16.2%, the highest level in 20 years.



Business Group Revenue Trend – Quarterly Trend



* High-Value added (HVA)= Medical + BSG+ NCG + IT_HVA

* IT_Original = Displays + Projectors + IT_Other

* IT_HVA: TopView was changed to equity method from consolidated subsidiary

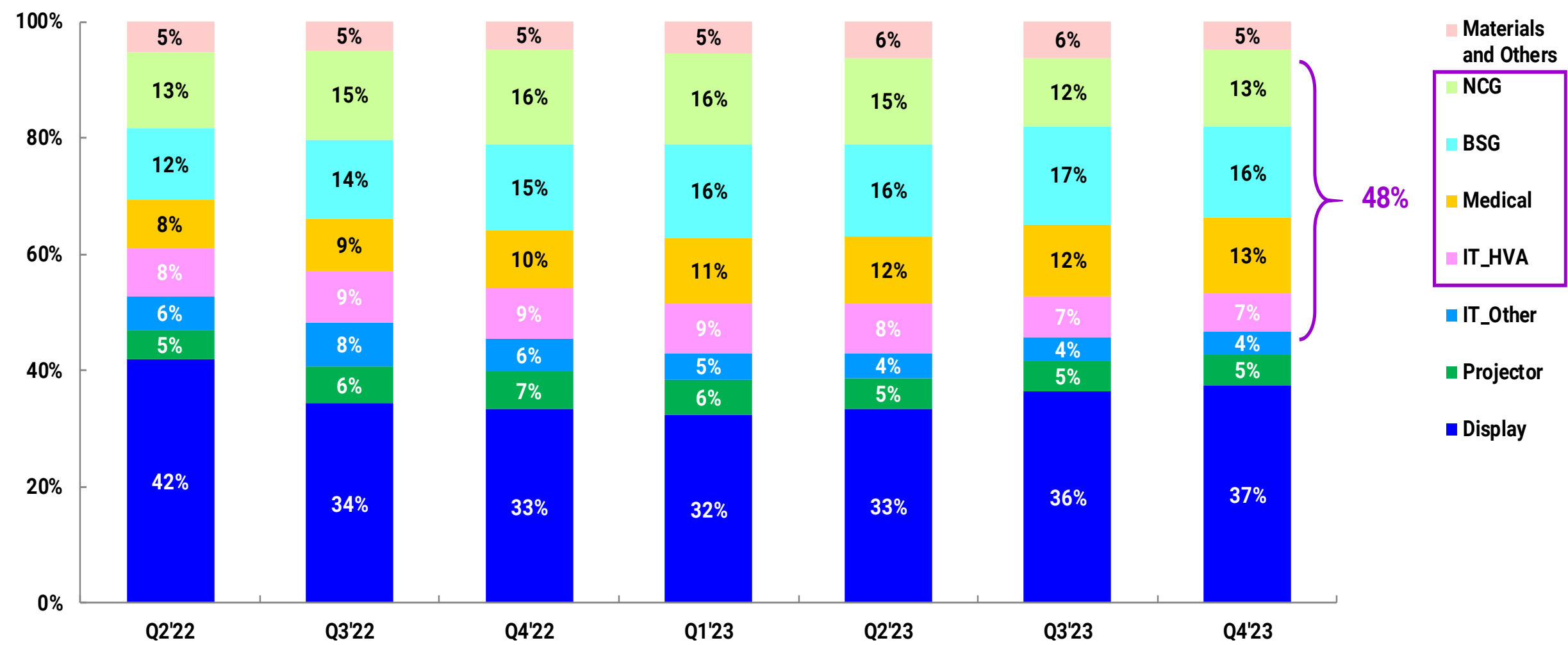
Financial highlights by Business Group – Q4

NT\$ 100M

Business Group	2023 Q4			YoY			QoQ		
	Revenue Portion	Revenue	GM% Range	Revenue Amount	Revenue Growth Rate	GM% Range	Revenue Amount	Revenue Growth Rate	GM% Range
Medical	13%	66	20-25	+10	+19%	unchanged	+4	+6%	unchanged
BSG	16%	79	20-25	-4	-5 %	upward	-6	-7%	upward
NCG	13%	68	15-20	-24	-26 %	unchanged	+9	16%	downward
IT_HVA	7%	33	20-25	-16	-33 %	downward	-3	-9%	downward
IT_Original	47%	237	10-15	-18	-7 %	upward	+7	+3%	unchanged
Others	5%	24	15-20	-2	-7 %	unchanged	-8	-24 %	unchanged

- IT_HVA: TopView was changed to equity method from consolidated subsidiary

Revenue Breakdown by Business (Quarterly)



*BSG: Business Solutions Group

*IT: IT products

*IT_Other: other IT products

*NCG: Networking and Communication Group

*IT_Display: Displays

*IT_Projector: Projectors

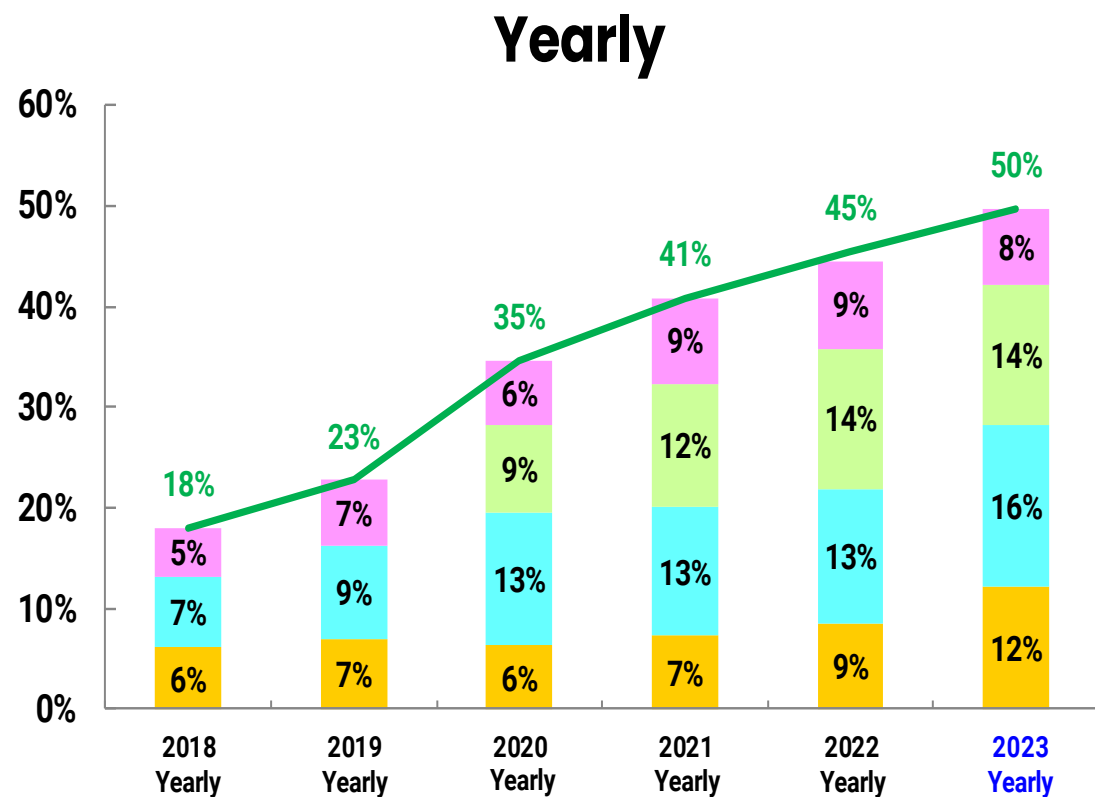
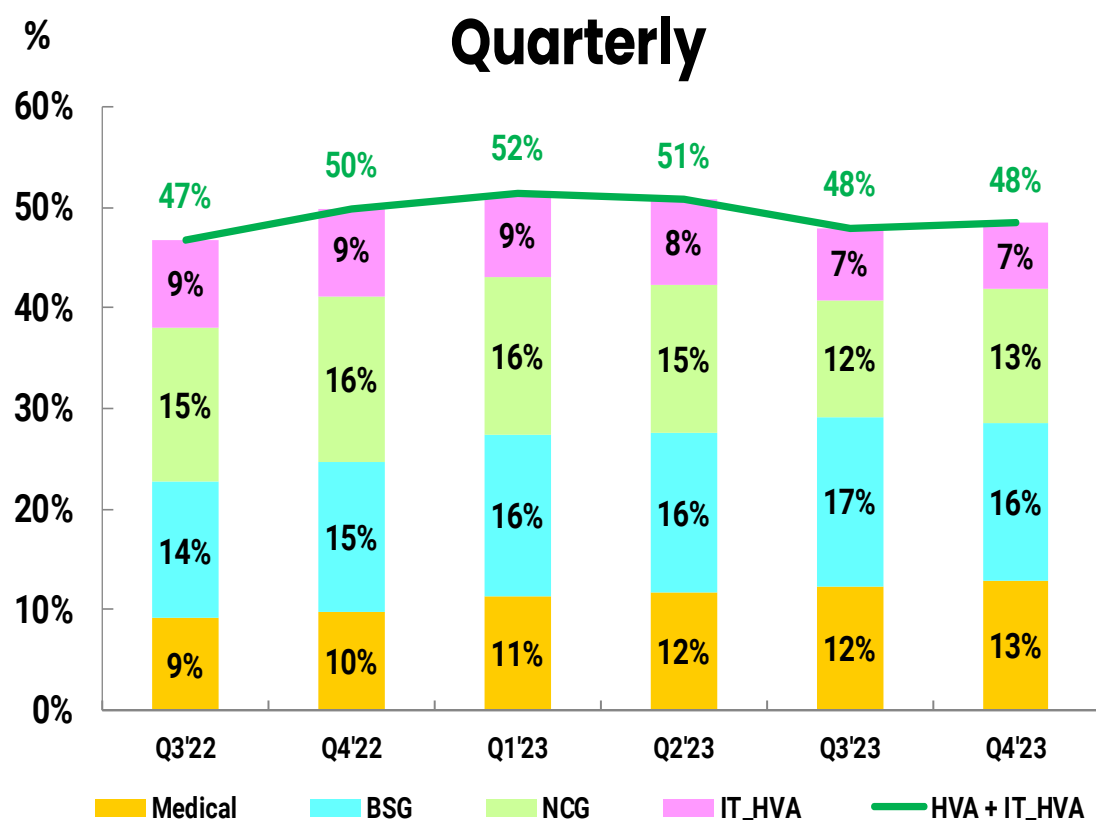
*Medical: medical services, equipment & consumables, dialyzer, medical management consulting

*IT_HVA: prof. display module, integrated solutions, high-end video surveillance (TopView was changed to equity method from consolidated subsidiary)

*Materials and Others: BenQ Materials and other products

High Value-added Revenue Portion Trend

- High value-added businesses YTD revenue accounts for 50%.



• IT_HVA: : TopView was changed to equity method from consolidated subsidiary

Qisda Group's Listed Companies Results (YoY)

			2023			2022			YoY Differences		
Business Group	Company	Qisda's stake	Revenue (NTD Million)	Net Income* (NTD Million)	EPS (NTD)	Revenue (NTD Million)	Net Income* (NTD Million)	EPS (NTD)	Revenue (NTD Million) YoY%	Net Income* (NTD Million) YoY%	EPS (NTD)
IT	DatImage (ROTC)	38.4%	3,916	279	4.02	4,922	422	6.08	-1,005 -20%	-143 -34%	-2.06
	SIMULA (OTC)	51.1%	2,039	-83	-1.04	4,231	249	3.12	-2,192 -52%	-333 -133%	-4.16
Medical	BenQ Medical Tech (TSE)	55.0%	4,543	115	2.57	4,377	180	4.04	166 4%	-66 -36%	-1.47
	ConcordMed (ROTC)	22.0%	833	43	1.28	889	51	1.52	-56 -6%	-8 -16%	-0.24
	DIVA (OTC)	13.6%	894	73	1.25	949	50	0.85	-55 -6%	23 46%	+0.41 highest in the same period in 8 years
BSG	DFI (TSE)	55.1%	9,184	362	3.16	10,992	528	4.61	-1,808 -16%	-167 -32%	-1.45
	AEWIN (OTC)	28.3%	1,969	27	0.45	2,463	154	2.60	-494 -20%	-127 -83%	-2.15
	Ace Pillar (TSE)	26.5%	3,052	-21	-0.19	3,762	79	0.70	-711 -19%	-100 -127%	-0.89
	Partner Tech (ROTC)	68.2%	2,717	109	1.45	2,736	136	1.81	-19 -1%	-27 -20%	-0.36
	MetaAge (TSE)	51.4%	19,814	592	3.14	17,311	413	2.19	2,503 14%	179 43%	+0.95 highest in the same period in 22 years
NCG	Alpha (TSE)	60.0%	28,272	548	1.01	33,634	917	1.69	-5,362 -16%	-369 -40%	-0.68
	Hitron (TSE)	37.3%	9,404	5	0.02	12,318	482	1.50	-2,915 -24%	-477 -99%	-1.49
	IDT (OTC)	18.7%	2,243	262	6.26	2,048	215	5.43	195 10%	47 22%	+0.83 highest in the same period in 2 years
Materials	BenQ Materials (TSE)	43.6%	17,128	414	1.29	15,540	1,296	4.04	1,587 10%	-881 -68%	-2.75

* Net income attributable to Qisda

IT : TopView was changed to equity method from consolidated subsidiary

3. Business Update and Outlook

Chairman Peter Chen

President Joe Huang

GM of each Business Group

2024 Q1 Outlook

➤ **Respond Prudently to Global Economic Uncertainties**

- ◆ Recent factors such as regional wars, the China real estate crisis, combined with inflation and rising interest rates, have all impacted the pace of global market recovery. This situation brings challenges to operations, which require cautious response.
- ◆ While the balance of market supply and demand has gradually been restored, the recovery of market demand appears to be relatively weak in Q1 2024.

➤ **Business Drivers**

◆ **High Value-added business:**

- The operation of hospital business and medical products is on the rise.
- BSG is optimistic about the demand of digital transformation and IT infrastructure.
- NCG is preparing for long-term growth opportunities.

- ◆ **IT business:** Demand is slowly picking up and the optimization of IT high value-added product lines is in progress.

- ◆ **Group entities apply for public listing sequentially.**

Qisda ESG Commitment and Recognition

Qisda Group commits in expand influence in sustainability,

➤ 7 companies totally won over 30 Sustainability Awards in 2023.



Qisda

- **Companies with approved SBTi targets**
- **S&P Global CSA Score 2023** Top 5%
- **TCSA Overall performance**
Top 100 Sustainability Model Award
- **Asia Pacific Enterprise Awards**
Entrepreneur of The Year Award
- **Dow Jones Sustainability**
Emerging Markets #3 in the THQ (Computers & Peripherals and Office Electronics) Taiwan
- **Sustainability Report** Platinum Award
- **Global Corporate Sustainability Award (GCSA)**
ESG Sustainability Report – Bronze Award
- **Best Companies to Work for in Asia**
Have been consecutive winners for five years
- **Asia Responsible Enterprise Awards**
Green Leadership Award / Corporate Sustainability Award
- **EEWH Green Building Label** Silver Class

**BenQ
Materials**

Sustainability Report
GCSA ESG Report

Platinum Award
Silver Award

**Alpha
Networks**

Overall performance
ESG Report

Top 100 Sustainability
Model Award
Gold Award

Hitron

ESG Report

Silver Award

DFI

ESG Report

Gold Award

MetaAge

ESG Report
One-way performance

Silver Award
Talent Development
Leader

**ACE
PILLAR**

ESG Report

Bronze Award

2024 Strategic Directions

IT

- Continuous development high-end displays such as OLED display and medical displays
- Utilize VN leading advantages, continue to increase yield and add new product lines to expand benefits
- Development in interactive flat panel display
- Expansion in medical oral scanner

Medical

- Medical devices and pharmaceuticals as dual growth engines to expand in distribution channels
- In-depth development in dialysis market
- Expansion in healthcare service
- Development in smart healthcare

BSG

- Edge to Cloud Integration
- Cybersecurity
- HPC (AI computing)
- Green energy, automation (smart manufacturing), new infrastructure

NCG

- Increase penetration in telecom markets
- Investment in low earth orbit satellite technologies
- Enlarge 5G market share

Medical Overview



BenQ Medical Center,
Nanjing & Suzhou



Guigang Donhui Hospital



Medical
Consultancy



Surgical Equipment



Ultrasound



Medical Display



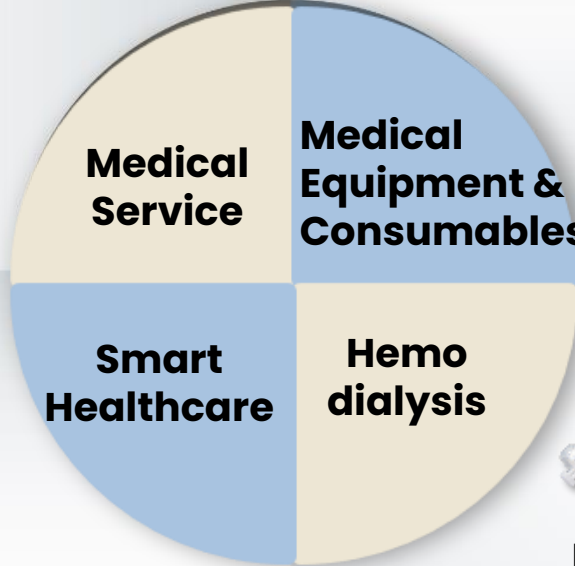
Dental
Supplies



Pharmaceutical channel



Hearing Service



Medical
Consumables



Medical
Facemask



Isopropyl
Alcohol



Smart Hospital
Smart Operation Room
Smart Dialysis Center
Digital dentistry



AI Health
Examination



Genetic Test



Cell Therapy



Dialyzer



Dialysate/Dialysis Powder



Disinfection & Sterilization



Dialysis
Machine



Dialysis Center

4. Q&A



Qisda

Value-Up Solutions