



Qisda Corporation Investor Conference: 2024 Q3 Results

Nov. 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

Joshua Tzeng

GM, Networking & Communication Business Group

April Huang

Agenda

1. Company Profile

CFO

Jasmin Hung

2. 2024 Q3 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

- 2024 HR Asia: "Best Companies to Work For" (2019 – 2024 consecutively)
- 2024 Winning AREA Award for two consecutive years
- 2024 FinanceAsia "Asia's best company"
- 2023 Winning 12 Awards of TCSA
- 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 : 26,000+

2024 First Three Quarters Revenue
NTD \$147.6B (USD\$ 4.6B)

2023 Revenue
NTD \$203.6B (USD\$ 6.6B)

Revenue Breakdown by Area (2024 Q3 YTD)

Asia	54%
Americas	27%
Europe	18%
Others	1%

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



Business Groups

Qisda Group

(till 2024 Q3)

Revenue
(NTD)

IT Information Technology (48% + 7%)	MEDICAL (13%)	BSG Business Solutions (15%)	NCG Networking & Communication (11%)	OTHERS (6%)
81.4B	18.8B	22.4B	15.8B	9.1B
<ul style="list-style-type: none"> ➤ Displays 55.7B (38%) <ul style="list-style-type: none"> • Gaming • High-end • General ➤ Projectors 7.0B (5%) ➤ IT_Other 8.3B (6%) 	<ul style="list-style-type: none"> ➤ Medical Services <ul style="list-style-type: none"> • Nanjiang BenQ Hospital • Suzhou BenQ Hospital • 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 10.4B (7%) <ul style="list-style-type: none"> • Prof. Display Module • Integration Solutions 				<ul style="list-style-type: none"> ➤ KEY INVESTMENTS ➤ 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"

2. 2024 Q3 Financial Results

CFO Jasmin Hung

2024 Q3 Highlights

- ◆ **Q3: Revenue and profits grew QoQ. Revenue was 50.8B (QoQ +0.9B, +2%), operating income 1.25B (QoQ +0.06B), profit attributable to Qisda 1.05B (QoQ +0.39B) and EPS 0.54 (QoQ +0.2).**
 - GM% reached 16.8% (QoQ +0.1ppt), highest in 20 years on quarterly basis and surpassing 16% for six consecutive quarters. OI% was 2.5%, risen for three consecutive quarters.
- ◆ **IT business revenue was 28.8B (QoQ +1.5B, +5%).**
 - Display: Revenue grew 5% QoQ, GM%, OI% and OI amount grew YoY and QoQ.
- ◆ **HVA business revenue was 22.9B (QoQ +0.1B).**
 - Medical: Revenue grew 1% QoQ. GM% and OI% decreased QoQ.
 - BSG: Revenue grew 5% QoQ. GM%, OI% and OI amount increased QoQ.
 - NCG: Revenue decreased 13% QoQ. GM%, OI% and OI amount increased QoQ.
- ◆ **Q3 YTD: Revenue 147.6B (YoY -5.4B, -4%), net profit attributable to Qisda 1.97B (YoY -0.58B), EPS 1.0 (YoY -0.29)**
 - GM% was 16.5% (YoY +0.2ppt), highest in the same period in 20 years.
 - Demand for display continues to grow, revenue 55.7B (YoY +3.6B, +7%), GM%, OI% and OI amount grew YOY.
- ◆ **The Board on Sep. 23 approved a tender offer to acquire 13.95% equity in NORBEL BABY at NTD 175 per share, aiming to enhance Qisda's presence in the medical retail channels market.**

Consolidated Statement of Comprehensive Income (Quarterly)

Unit : NT\$ Million

	2024 Q3		2023 Q3		YoY		2024 Q2		QoQ	
	amt	g%	amt	g%	amt	g%	amt	g%	amt	g%
Net Sales	50,794	100%	50,370	100%	424	1%	49,857	100%	937	2%
Cost of Goods Sold	(42,282)		(41,993)		(289)		(41,538)		(744)	
Gross Margin	8,512	16.8%	8,377	16.6%	134	2%	8,319	16.7%	193	2%
Operating Expenses	(7,267)	-14.3%	(7,027)	-14.0%	(240)		(7,134)	-14.3%	(133)	
Operating Income	1,245	2.5%	1,350	2.7%	(106)	-8%	1,185	2.4%	60	5%
Net non-operating Income	200		774		(574)		158		42	
Profit(Loss) before Tax	1,445	2.8%	2,125	4.2%	(680)	-32%	1,343	2.7%	101	8%
Net Income	1,196	2.4%	1,549	3.1%	(353)	-23%	806	1.6%	390	48%
Net income attributable to Qisda	1,053	2.1%	1,202	2.4%	(149)	-12%	663	1.3%	390	59%
EPS (NT\$) (a)	\$0.54		\$0.61		-\$0.07		\$0.34		\$0.20	

(a) EPS was calculated based on total weighted-averaged outstanding shares (1,961m shares)

Consolidated Statement of Comprehensive Income (Q3 YTD)

Unit : NT\$ Million

	2024 Q3		2023 Q3		YTD YoY	
	amt	g%	amt	g%	amt	g%
Net Sales	147,566	100%	152,928	100%	(5,362)	-4%
Cost of Goods Sold	(123,224)		(128,058)		4,834	
Gross Margin	24,341	16.5%	24,869	16.3%	(528)	-2%
Operating Expenses	(20,984)	-14.2%	(20,726)	-13.6%	(258)	
Operating Income	3,357	2.3%	4,144	2.7%	(786)	-19%
Net non-operating Income	233		1,314		(1,081)	
Profit(Loss) before Tax	3,590	2.4%	5,457	3.6%	(1,867)	-34%
Net Income	2,397	1.6%	3,841	2.5%	(1,444)	-38%
Net income attributable to Qisda	1,973	1.3%	2,550	1.7%	(577)	-23%
EPS (NT\$) (a)	\$1.00		\$1.30		-\$0.29	

(a) EPS was calculated based on total weighted-averaged outstanding shares (1,965m shares)

Consolidated Balance Sheet Highlights

Unit : NT\$ Million

	2024.09.30		2024.06.30		QoQ		2023.09.30		YoY	
	amt	g%	amt	g%	amt	g%	amt	g%	amt	g%
Cash & Equivalent	24,334	12%	23,065	12%	1,269	6%	23,320	12%	1,015	4%
Other Financial Assets - Current	3,180	2%	4,491	2%	(1,311)	-29%	406	0%	2,774	683%
Accounts Receivable	39,375	20%	39,183	20%	192	0%	40,730	22%	(1,355)	-3%
Inventory	41,578	21%	38,944	20%	2,634	7%	38,386	20%	3,192	8%
L-T Investments	8,590	4%	8,533	4%	58	1%	8,534	5%	56	1%
Property, plant and equipment	42,597	21%	42,497	22%	100	0%	40,932	22%	1,665	4%
Intangible Assets	10,879	5%	9,555	5%	1,324	14%	9,720	5%	1,159	12%
Total Assets	199,241	100%	195,823	100%	3,418	2%	189,027	100%	10,214	5%
Fin. Debt	75,261	38%	67,039	34%	8,222	12%	62,351	33%	12,911	21%
Accounts Payable	32,356	16%	32,584	17%	(229)	-1%	33,068	17%	(713)	-2%
Other Liabilities	27,942	14%	32,408	17%	(4,466)	-14%	29,470	16%	(1,527)	-5%
Toal Liabilities	135,560	68%	132,032	67%	3,528	3%	124,889	66%	10,671	9%
Equity	63,682	32%	63,791	33%	(109)	0%	64,138	34%	(456)	-1%

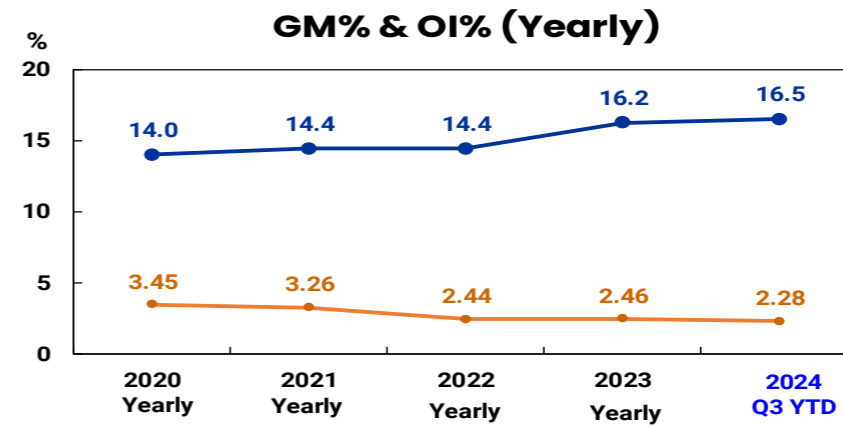
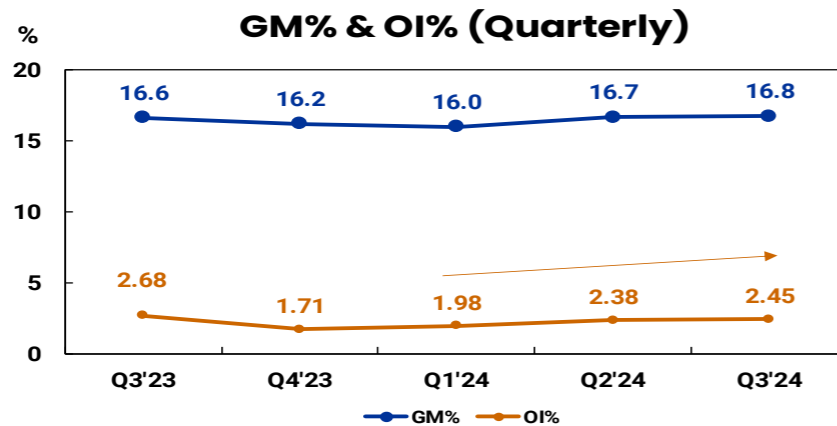
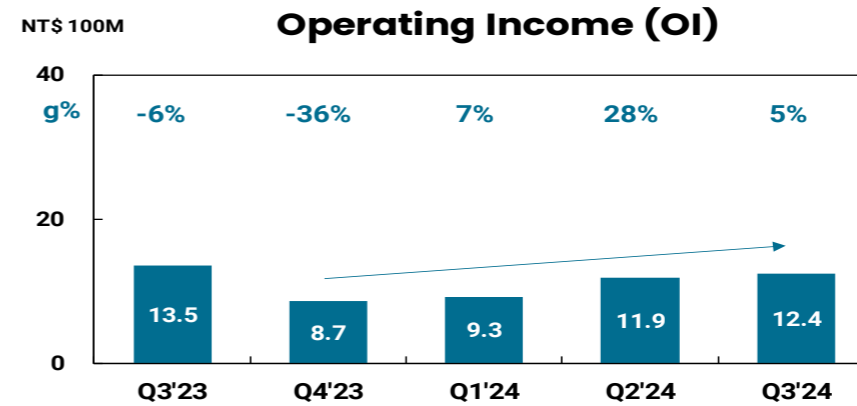
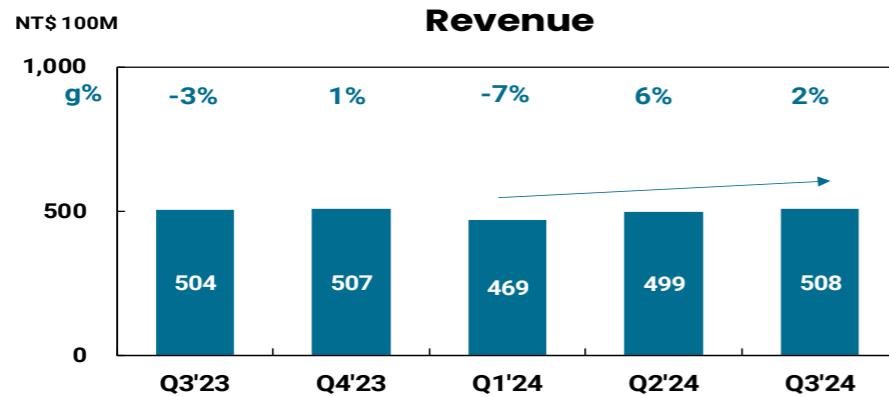
* Fin. Debt included long term and short term financial debts and lease obligations payable

Financial Ratios

	2024.09.30	2024.06.30	QoQ	2023.09.30	YoY
AR Turnover (Days)	74	74	+0	75	-1
Inventory Turnover (Days)	88	87	+1	88	+0
AP Turnover (Days)	70	71	-1	66	+4
Cash Conversion Cycle (Days)	92	90	+2	97	-5
Current ratio	125%	124%	+1 ppt	125%	+0 ppt

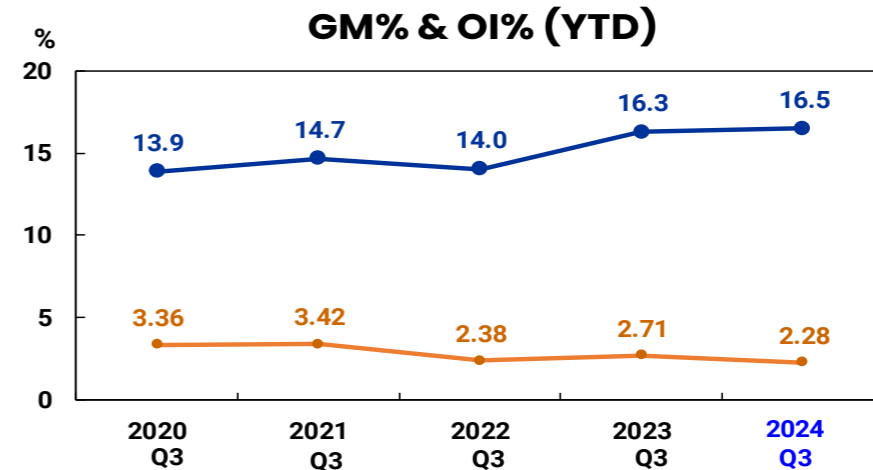
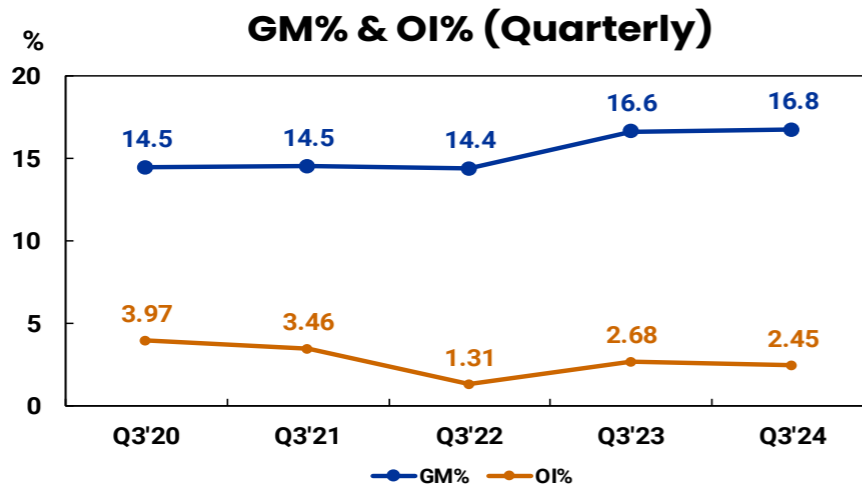
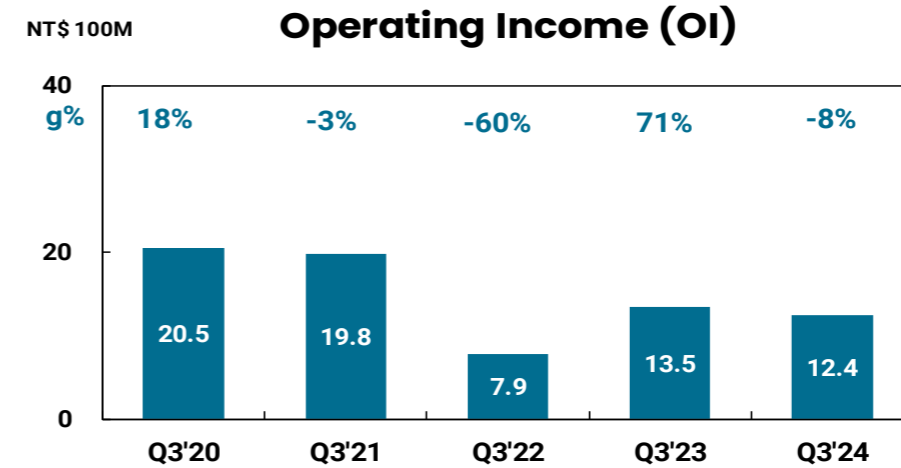
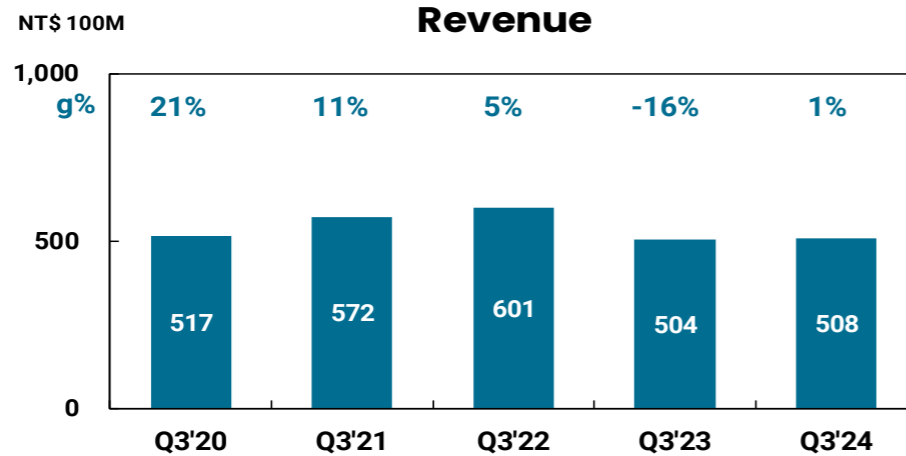
Financial Trend – Quarterly Trend

- Revenue was the highest in last 5 quarters
- GM% was the highest in 20 years on quarterly basis and surpassing 16% for six consecutive quarters.
- OI% raised for three consecutive quarters.

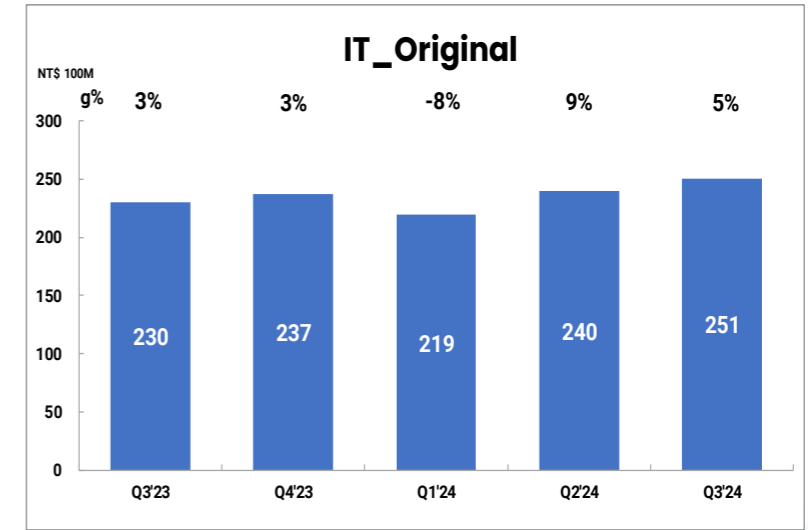
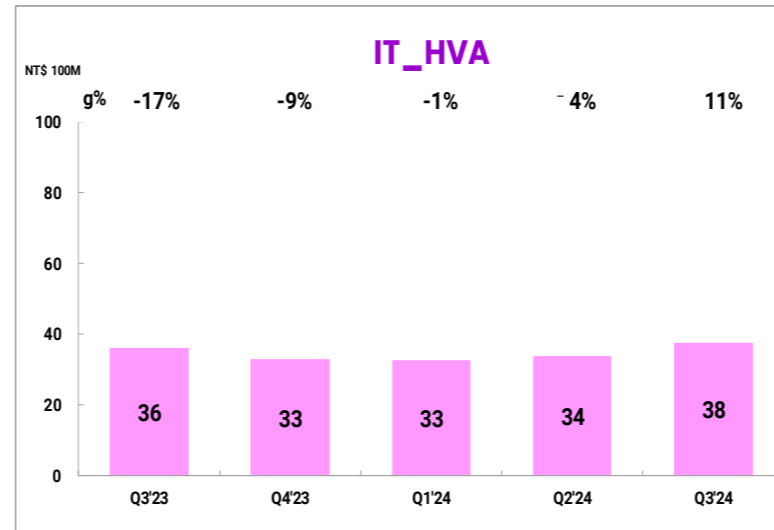
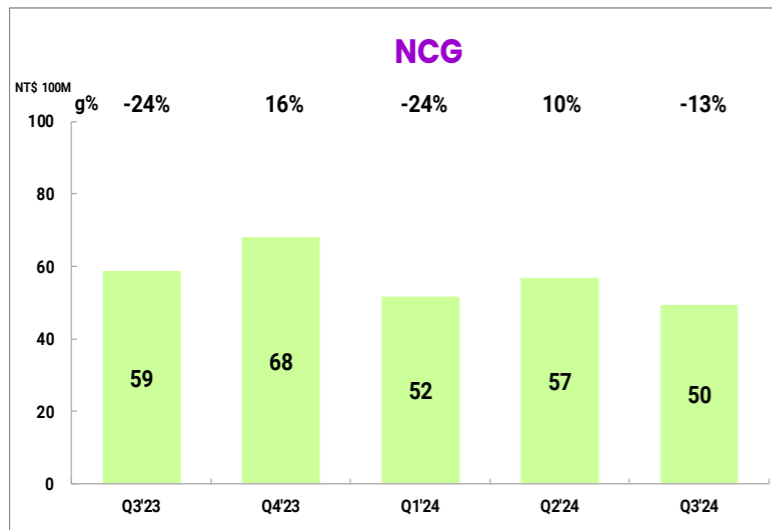
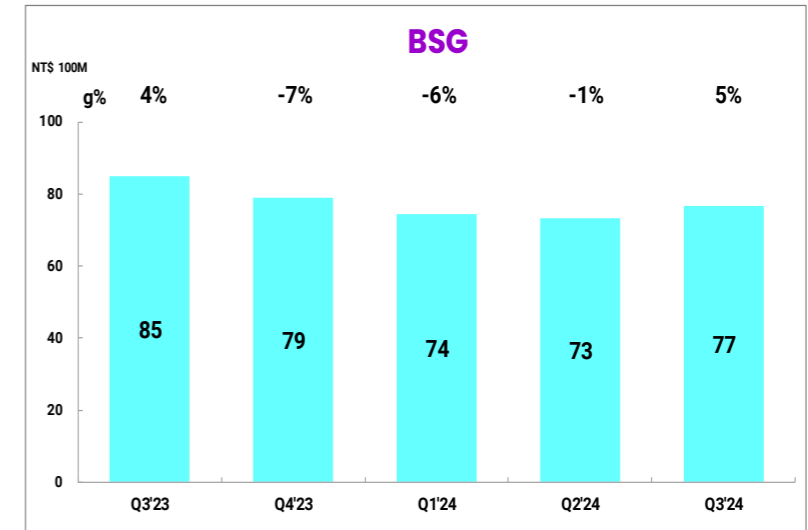
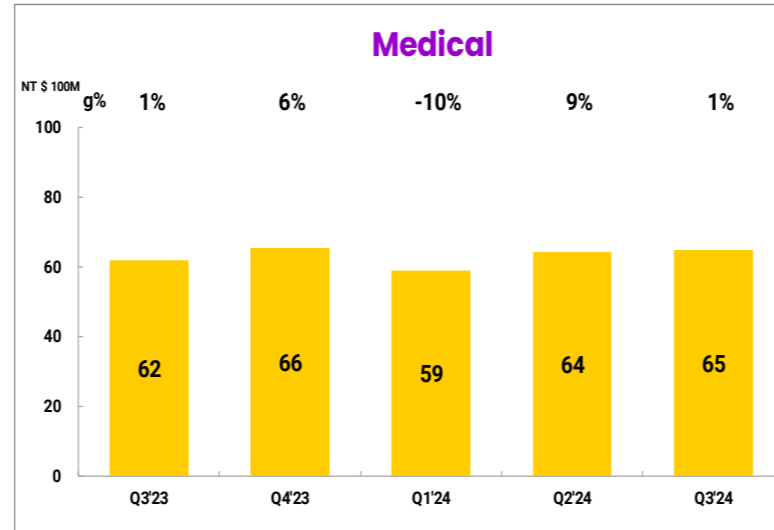
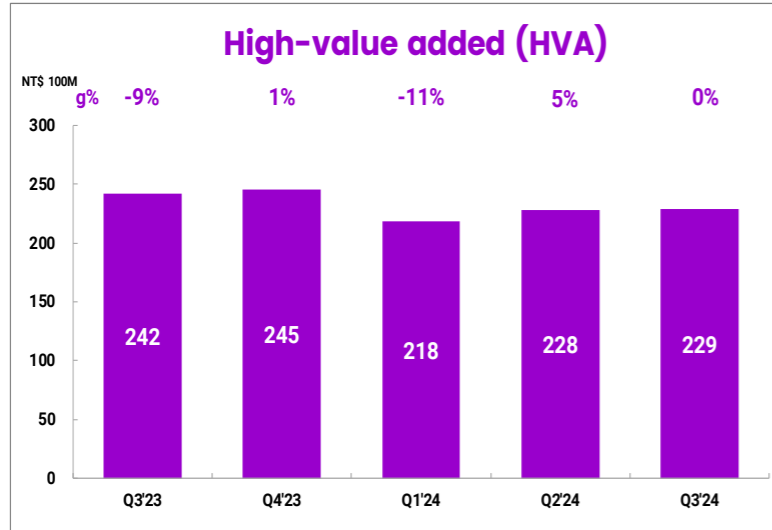


Financial Trend – Q3 YoY

- Q3 YTD GM% was 16.5%, highest in 20 years on the same period.



Business Group Revenue Trend – Quarterly Trend



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

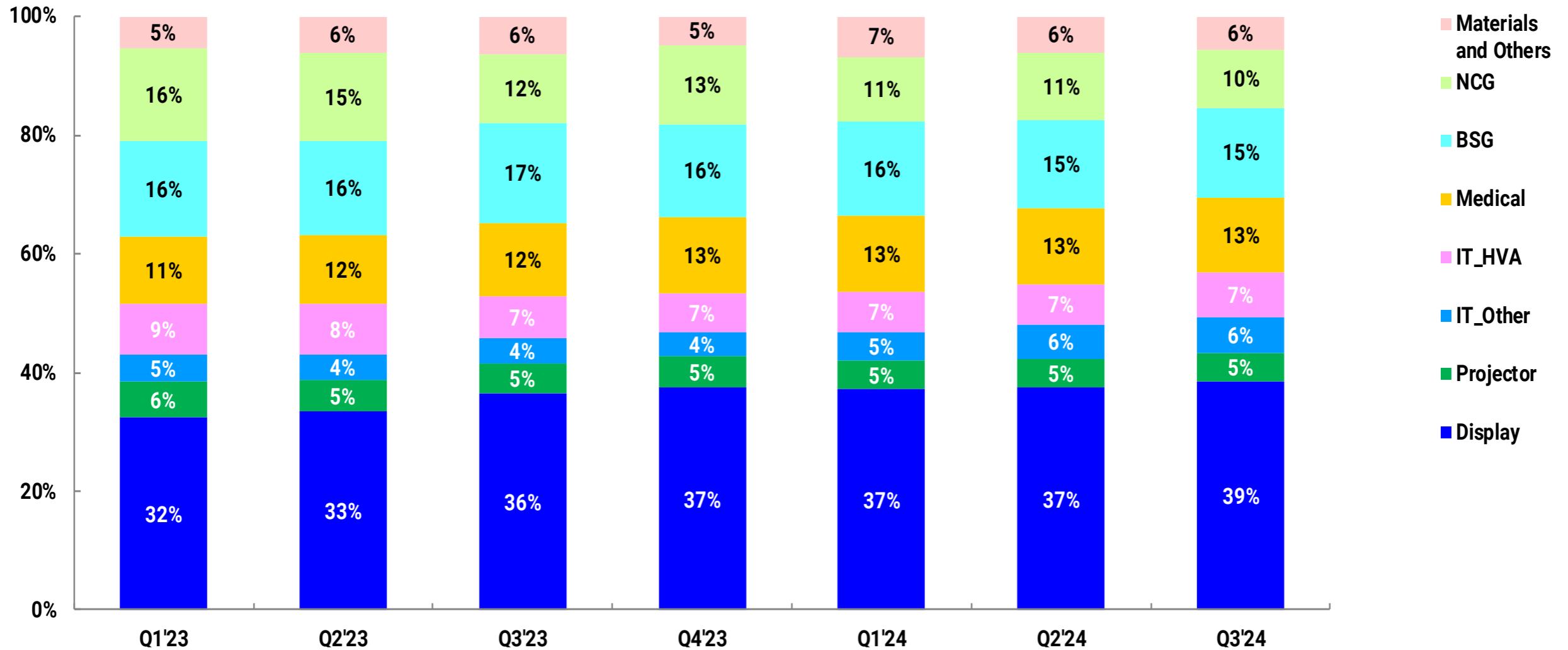
* IT_Original = Displays + Projectors + IT_Other

Financial highlights by Business Group – Q3

NT\$ 100M

Business Group	2024 Q3			YoY			QoQ		
	Revenue Portion	Revenue	GM% Range	Revenue Amount	Revenue Growth Rate	GM% Range	Revenue Amount	Revenue Growth Rate	GM% Range
Medical	13%	65	20 ~ 25	+3	+5%	unchanged	+1	+1%	downward
BSG	15%	77	20 ~ 25	-8	-10 %	upward	+3	5%	upward
NCG	10%	50	15 ~ 20	-9	-16 %	downward	-7	-13%	unchanged
IT_HVA	7%	38	20 ~ 25	+1	+4%	downward	+4	11%	downward
IT_Original	49%	251	10 ~ 15	+21	+9%	unchanged	+11	+5%	unchanged
Others	6%	29	20 ~ 25	-3	-10 %	upward	-2	-7 %	upward

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

Qisda Group's Listed Companies Results (YoY)

			2024 First Three Quarters			2023 First Three Quarters			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	Datalmage (TSE)	34.1%	2,623	176	2.33	3,135	238	3.42	-512	-16%	-61	-26%	-1.09	
	SIMULA (OTC)	51.1%	1,275	-90	-1.13	1,684	-60	-0.75	-409	-24%	-30	-50%	-0.38	
Medical	BenQ Medical Tech (OTC)	55.0%	3,448	79	1.76	3,334	78	1.74	114	3%	1	1%	+0.02	
	ConcordMed (ROTC)	22.0%	656	36	1.08	612	30	0.90	44	7%	6	20%	+0.18	
	DIVA (OTC)	12.1%	639	70	1.20	689	53	0.90	-50	-7%	18	34%	+0.30	highest in the same period in 9 years
BSG	DFI (TSE)	55.1%	6,599	217	1.89	7,001	277	2.42	-403	-6%	-60	-22%	-0.53	
	AEWIN (OTC)	28.3%	1,581	39	0.66	1,394	8	0.14	187	13%	31	388%	+0.52	highest in the same period in 2 years
	Ace Pillar (TSE)	26.5%	2,465	22	0.20	2,376	-15	-0.13	89	4%	36	250%	+0.33	highest in the same period in 2 years
	Partner Tech (ROTC)	68.2%	2,075	73	0.98	1,951	71	0.94	124	6%	2	3%	+0.04	
	MetaAge (TSE)	51.4%	13,466	233	1.24	15,091	517	2.75	-1,625	-11%	-284	-55%	-1.51	
NCG	Alpha (TSE)	60.0%	15,816	301	0.56	21,476	496	0.92	-5,660	-26%	-195	-39%	-0.36	
	Hitron (TSE)	37.3%	6,509	-13	-0.04	7,195	38	0.12	-686	-10%	-51	-135%	-0.16	
	IDT (OTC)	18.7%	1,651	171	3.60	1,189	115	3.08	462	39%	56	49%	+0.52	highest in the same period in 3 years
Materials	BenQ Materials (TSE)	43.6%	13,670	155	0.48	13,304	380	1.19	366	3%	-226	-59%	-0.71	

*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 Q4 Outlook

➤ **Economic is gradually recovering.**

- ◆ The global economy is experiencing a soft landing while initiating interest rate cuts in the US gradually leads to a trend of monetary easing. The US presidential election and ongoing regional conflicts are still crucial indicators.
- ◆ Display market demand remains the same. The industrial PC sector is gradually picking up quarter by quarter, with the B/B ratio returning above 1. In the networking and communication sector, demand for enterprise switches stays low, while the inventory adjustment for broadband products among European and American customers is becoming healthier, with demand gradually warming up.

➤ **Invest in mid- to long-term business drivers.**

- ◆ **IT business: Q4 sales are expected to outperform industry performance and grow QoQ and YOY.**
- ◆ **High Value-added business:**
 - Medical: Hospital operations are growing optimistically, and the listing application is currently being processed on schedule. Medical consumables and devices continue to expand overseas.
 - BSG is actively expanding into overseas markets, connecting with customers and business partners to explore new business opportunities.
 - NCG: The mass production of emerging market projects is driving revenue growth momentum.
- ◆ **Lean, Focus, and New Ventures: The tender offer of NORBEL BABY equity strengthens Qisda's presence in the medical retail channel market.**

Qisda's Supplier Convention 2024



Qisda collaborates with suppliers to create a resilient sustainable supply chain

Moving towards the goal of a 30% reduction in carbon emissions in the supply chain by 2030, nearly 700 of Qisda's suppliers have completed greenhouse gas inventory training. It is expected that by 2024, a comprehensive greenhouse gas inventory will be completed, and a carbon reduction pathway will be implemented annually, working together to create a resilient sustainable value chain.

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**
- **Development in emerging markets**
- **Investment in low earth orbit satellite technologies**
- **Enlarge 5G market share**

4. Q&A



Qisda

Value-Up Solutions