



增你強股份有限公司  
Zenitron Corporation

# 2023 Investor Conference

2023.11.23



# Safe Harbor Statement

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- All financial information contained here within is presented in conformity with International Financial Reporting Standards (IFRSs)
- Zenitron's forward-looking statements, which may include statements regarding its results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on Zenitron's current expectations.
- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our dependence on key personnel; general economic and political conditions; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.
- Except as required by law, our release of forward-looking statements at any particular time does not create any duty of disclosure, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.

# AGENDA

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- 1 Overview CFO
- 2 Financial Update CFO
- 3 Operation Outlook CEO
- 4 Q&A TEAM

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# OVERVIEW

# Overview

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- Founded in 1982, a pioneer among Taiwan semiconductor & electronic component distributors
- OTC listed in 2000 and Taiwan Stock Exchange listed in 2002 (ticker: 3028 TT)
- Our mission is to **provide value-added total solutions and services** with leading technology in all aspects
- Contract manufacturers, namely B2B markets, are the majority customers. The secondary being retail (B2C) market

established	revenue	employee	FAE	product lines	customers
in 1982 (40yrs+)	NT\$40bn (2022)	756 (2023/Oct.)	110 (2023/Oct.)	80+	5,000+

# OUR Global Operations

- Headquarters
- Sales Offices : 18
- Warehouses : 5



● Shanghai



● Shenzhen



● Hong Kong



● Bangkok



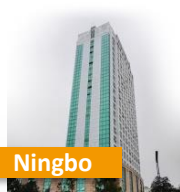
Headquarters



Taipei



Beijing



Ningbo



Qingdao



Suzhou



Nanjing



Wuhan



Hefei



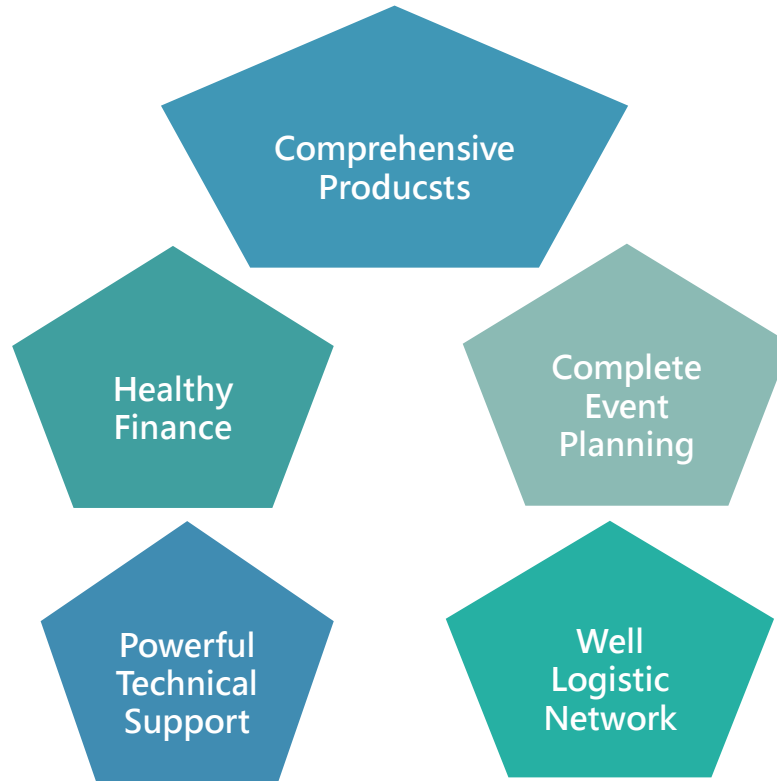
Chengdu



Xiamen

# Our advantages

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- Stable and strong financial structure.
- Sufficient working capital support from major financial institutions
- Robust and reliable credit rating.

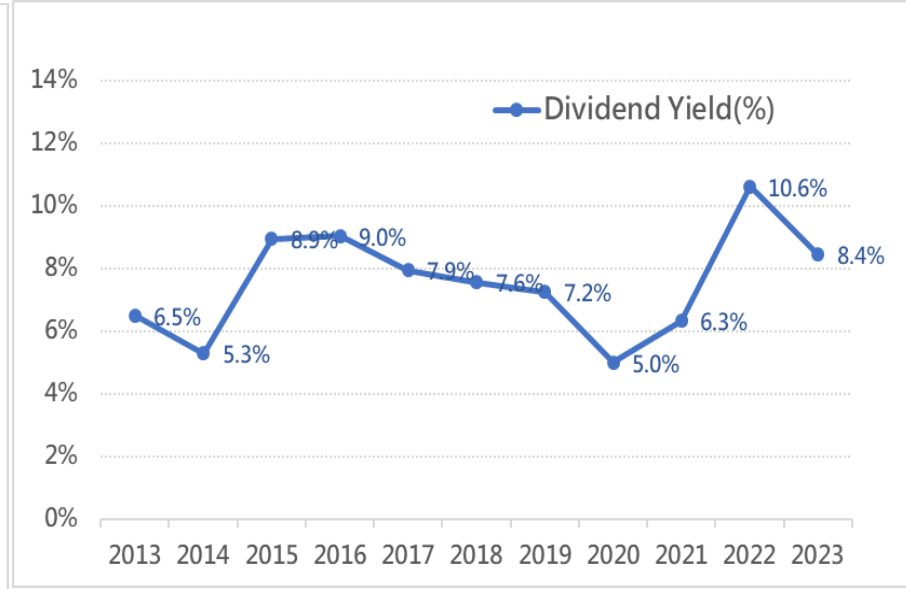
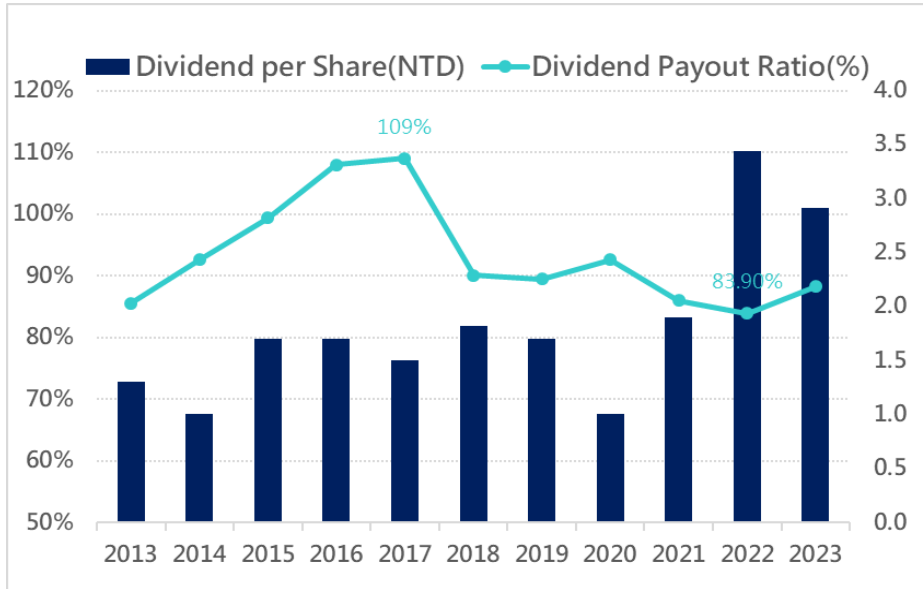
- FAE team solutions lead to products time to markets
- Real time experience technical support
- Zenitron Zone website as an applied technology communication zone

- Comprehensive product lines in all applications
- Powerful marketing and operation infrastructure.

- Partners: Joint technical seminars, team buildings, product trainings, external event planning and participate in internal corporation events.
- Clients: Client-side product seminars, product technical seminars for specific industries

- Accurate WMS in inventory management.
- Real time ERP system for B2B / CRM.
- Global logistic.

# Dedicated to creating well ROE



\*Dividend payout ratio: current year dividend per share / previous year Earnings Per Share(EPS)

\*Dividend yield: dividend per share / previous day stock price before Ex-Dividend Date



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## FINANCIAL UPDATE

# Statement of Comprehensive Income



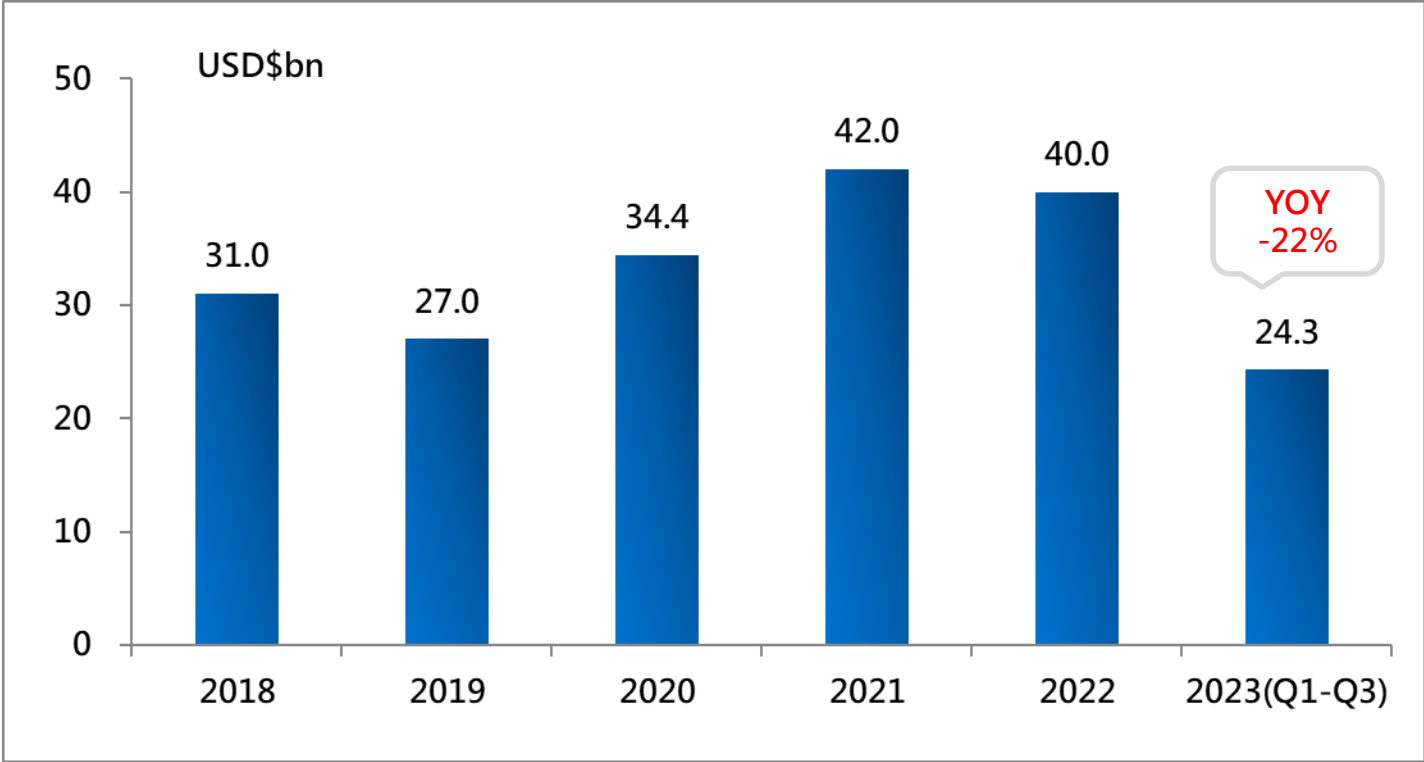
unit:NT\$Mn

Key accounts	Y2023Q3		Y2023Q2		%QoQ	Y2023Q1~Q3		Y2022Q1~Q3		%YoY
	\$	%	\$	%		\$	%	\$	%	
Net Operating Revenue	9,110	100%	7,877	100%	16%	24,293	100%	31,391	100%	-23%
Gross Profit	653	7%	529	7%	24%	1,775	6%	2,085	7%	-15%
Operating Expenses	-398	-4%	-326	-4%	22%	-1,069	-3%	-1,136	-4%	-6%
Operating Income	255	3%	203	3%	26%	706	2%	949	3%	-26%
Financing Cost	-117	-1%	-107	-1%	10%	-351	-1%	-192	-1%	83%
Others	105	1%	57	1%	85%	188	1%	-12	0%	-1622%
Earning Before Tax	243	3%	153	2%	59%	543	2%	744	2%	-27%
Income Tax Expense	-48	-1%	-37	0%	29%	-118	0%	-155	0%	-24%
Profit After Tax	195	2%	116	1%	68%	425	1%	590	2%	-28%
EPS (in dollars)	0.86		0.52		65%	1.91		2.73		-30%

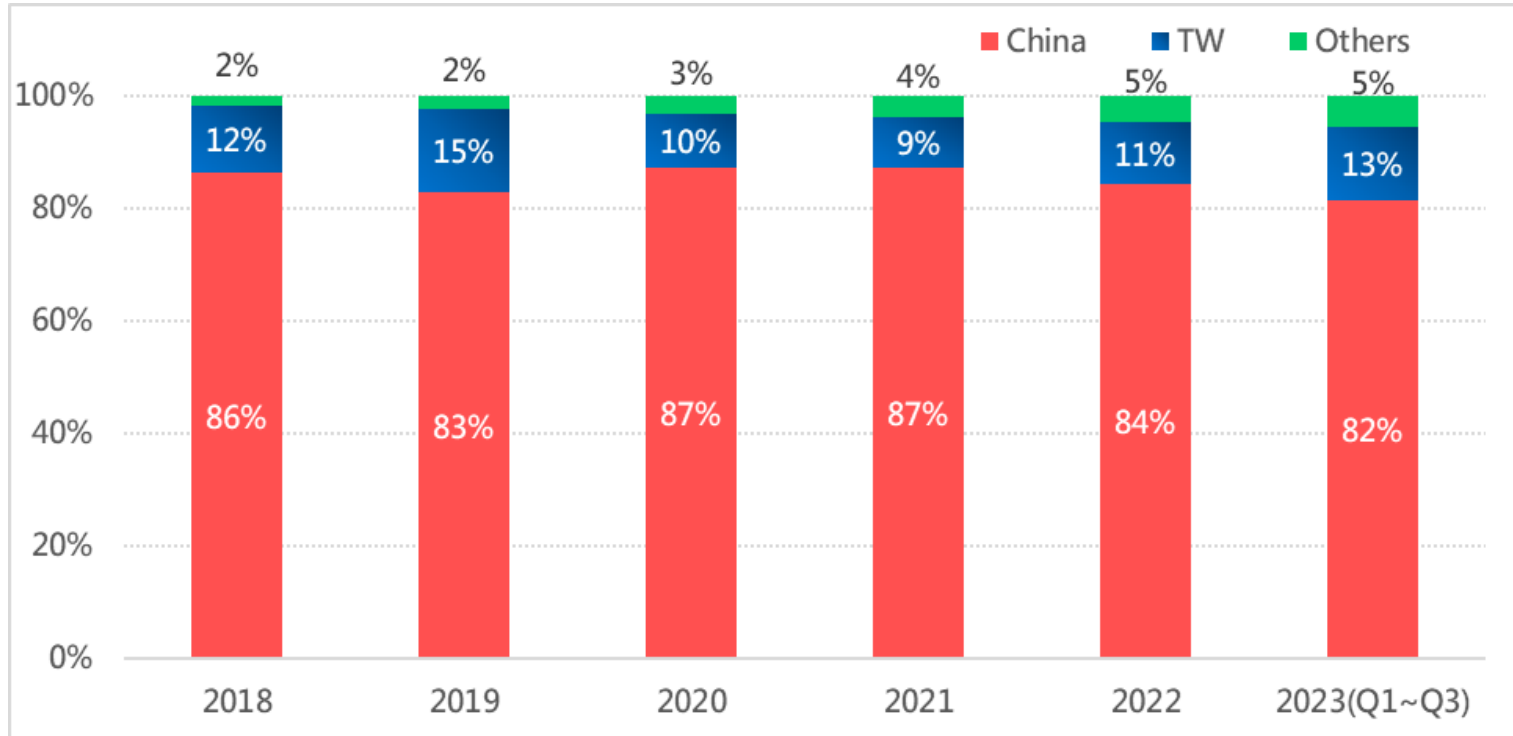
# Balance Sheet

Key accounts	Unit:NT\$Mn					
	2023/9/30		2023/6/30		2022/9/30	
	\$	%	\$	%	\$	%
Cash and cash equivalents	1,833	8%	1,365	7%	1,394	6%
Accounts receivable	9,151	41%	7,537	38%	8,645	37%
Inventory	9,472	43%	9,262	46%	11,880	50%
Other current assets	305	1%	312	2%	342	1%
Non-current assets	1,309	6%	1,471	7%	1,312	6%
<b>Total Assets</b>	<b>22,069</b>	<b>100%</b>	<b>19,946</b>	<b>100%</b>	<b>23,573</b>	<b>100%</b>
Short-term loans	10,728	49%	9,704	49%	13,003	55%
Accounts payable	4,423	20%	2,969	15%	3,442	15%
Other current liabilities	920	4%	1,276	6%	972	4%
Other liabilities	235	1%	483	2%	672	3%
<b>Total Liabilities</b>	<b>16,306</b>	<b>74%</b>	<b>14,432</b>	<b>72%</b>	<b>18,089</b>	<b>77%</b>
<b>Total Equity</b>	<b>5,763</b>	<b>26%</b>	<b>5,514</b>	<b>28%</b>	<b>5,484</b>	<b>23%</b>
<b>Indices</b>						
Current ratio	129%		132%		128%	
Debt/Assets ratio	74%		72%		77%	
Debt/Equity ratio	283%		262%		330%	

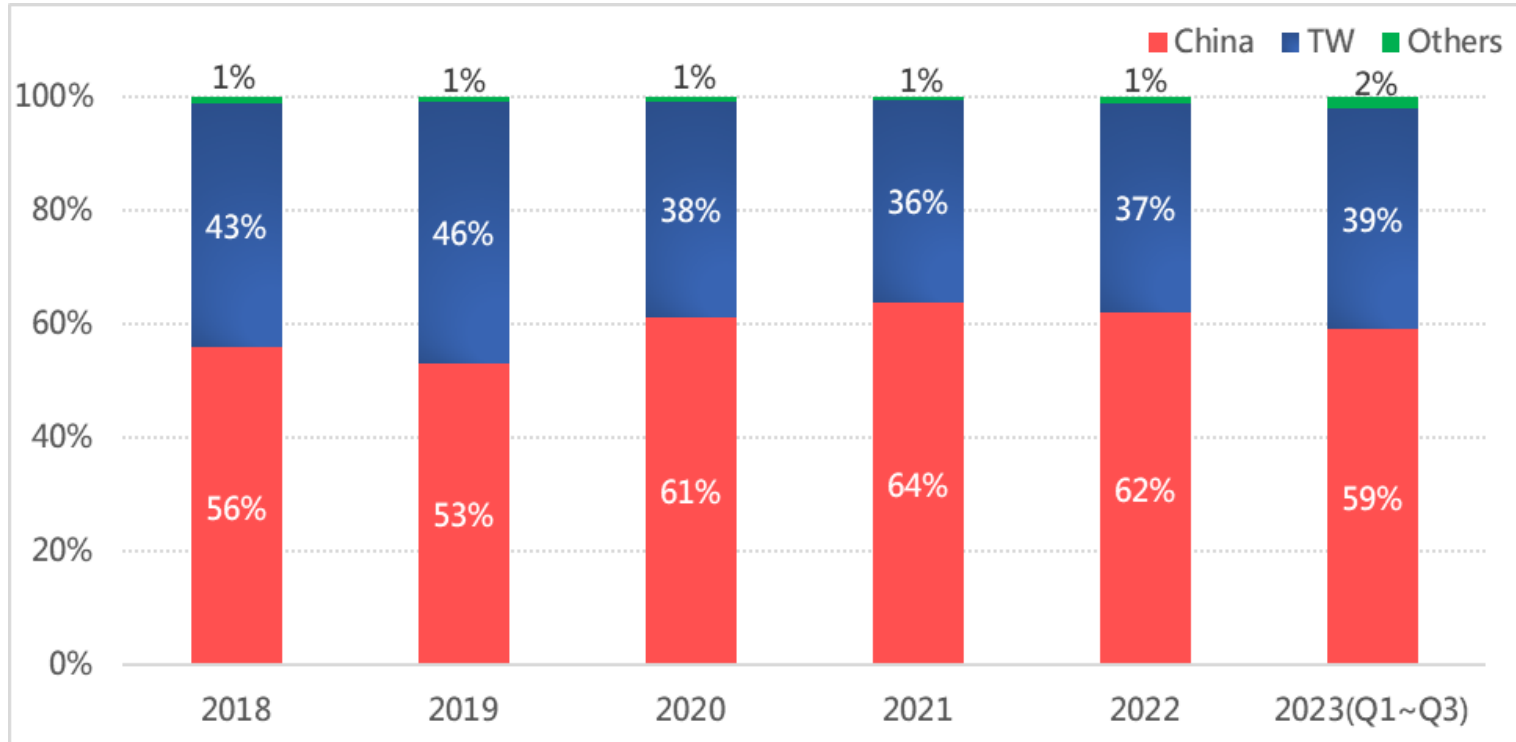
# REVENUE



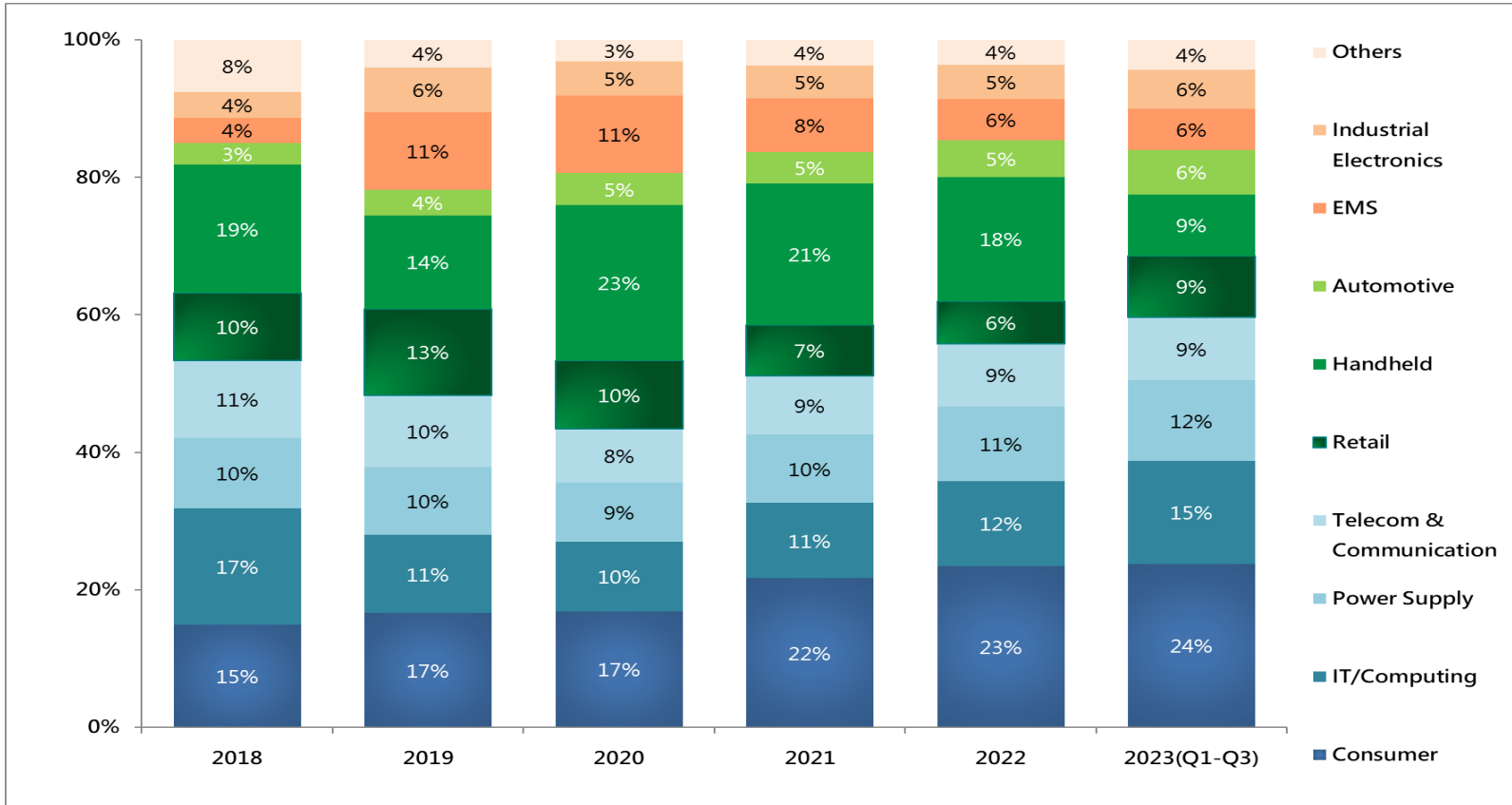
# REVENUE %-Shipment by Geography



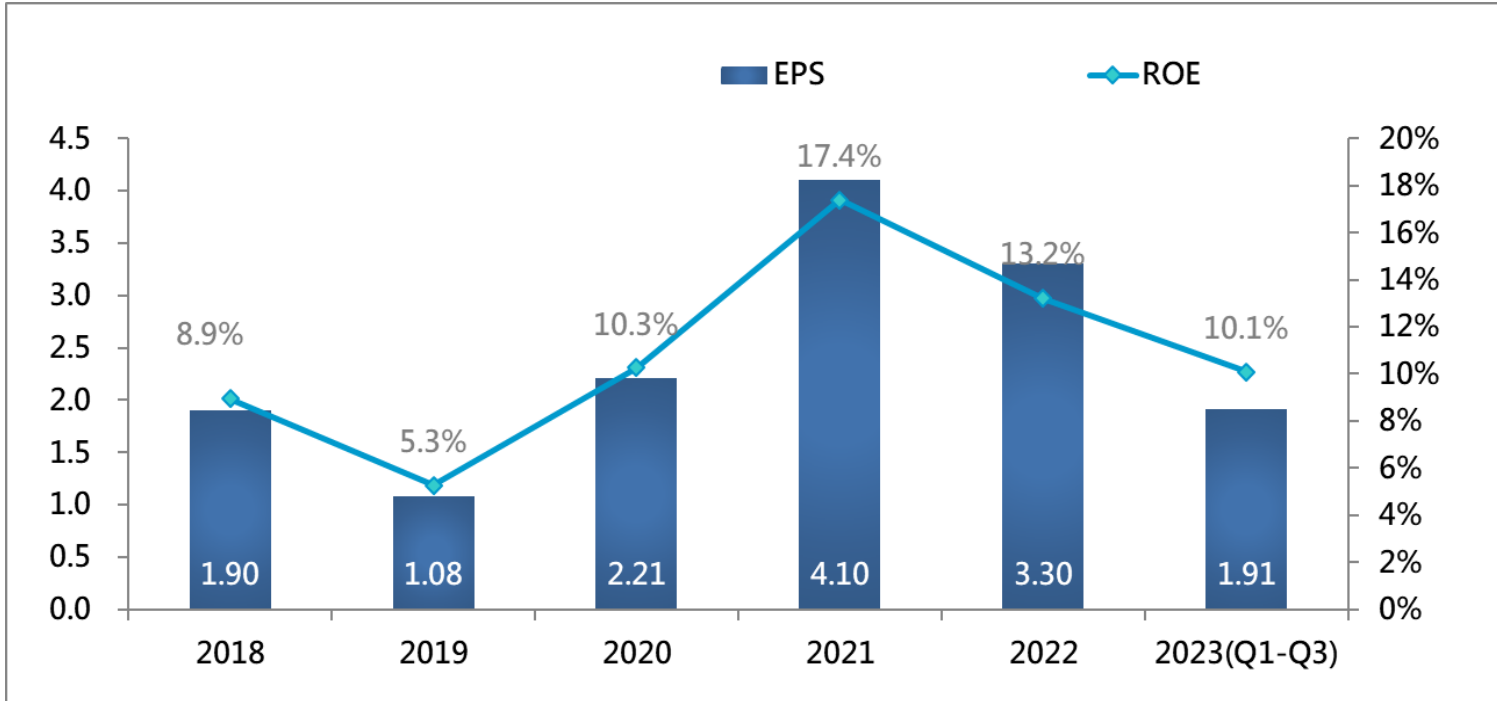
# REVENUE %- Shipment by Customer Nationality



# REVENUE %-by Application



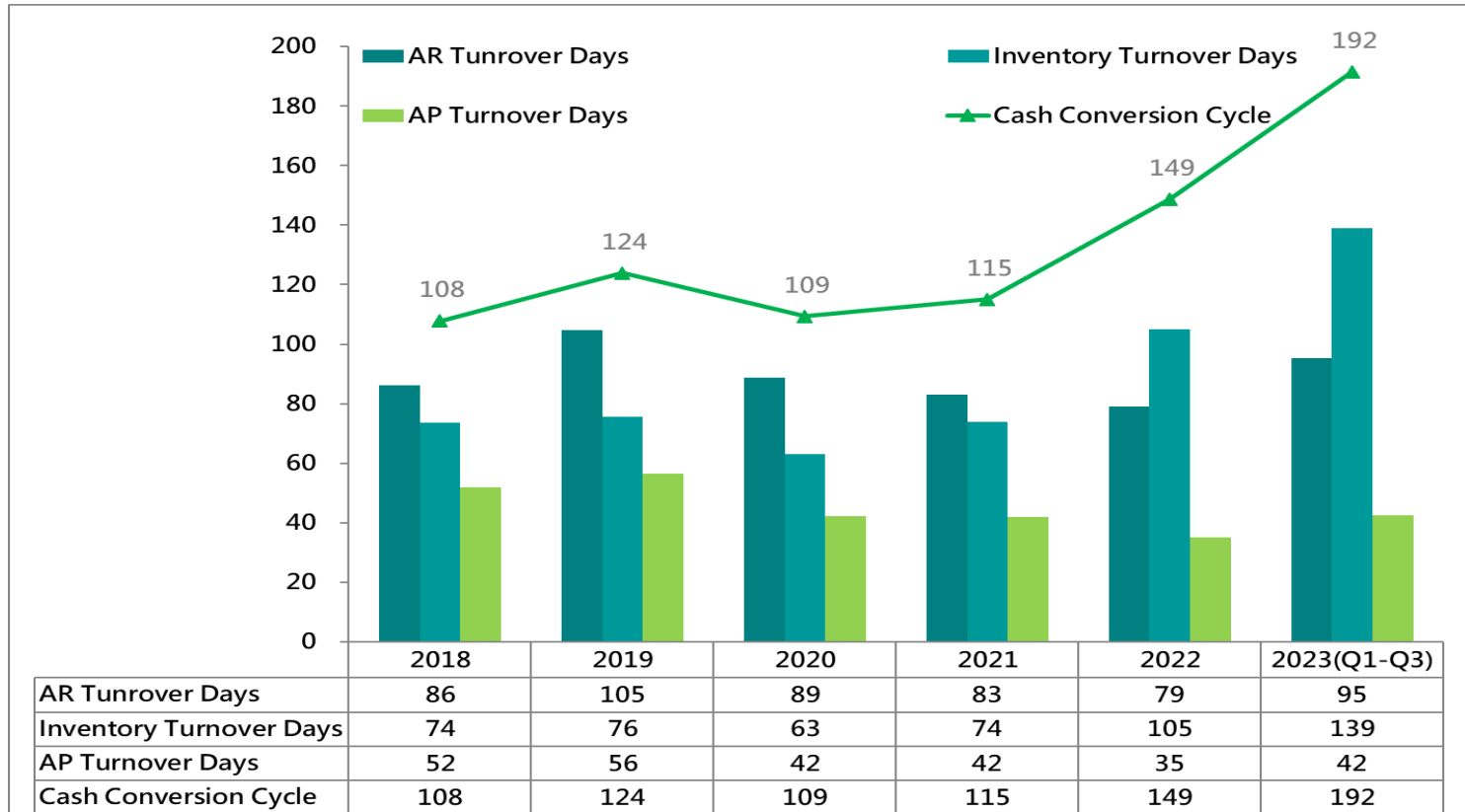
# EPS & ROE



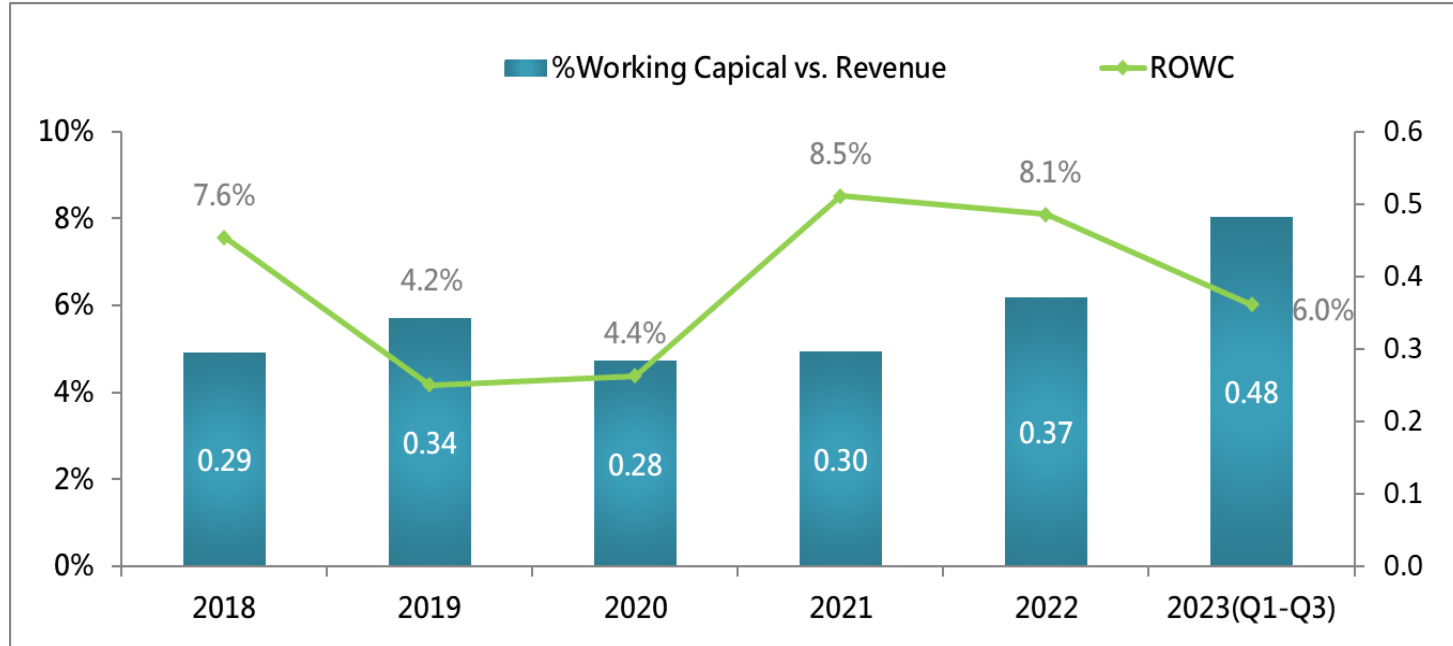
\*: ROE 2023(Q1-Q3) annualized data



# Cash Conversion Cycle



# ROWC & %Working Capital vs. Revenue



\*: 2023(Q1-Q3) ROWC annualized data

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## OPERATION OUTLOOK

# Operation Outlook

- 2024 1H demand flat and weak
- AI as a major growth momentum for market demand, boosting related application markets such as Server, MB, Server power supply industries.
- Production cut in memory market leads to price hike and revenues likely to increase next year.
- NB market relatively stable due to inventory adjusted lower to acceptable condition, enhancing demand in NB panels and laptop computers. Cell phone market has the same development.
- Automotive markets such as charging station and OBC remain steady growth. Smart Cockpit concept is also another pushing factor for automotive electronics.
- Unlike automotive and AI, other industries lack momentum
  - ✓ Subject to sluggish economy suffered by inflation and wars, small and medium household appliances and consumer markets are weak.
  - ✓ 5G / IoT in Telecom markets weak due to slow growth in Backbone Infrastructure. WiFi 7 not as expected launched , WiFi 6 is still the dominant product.

# Operation Outlook

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In response to market conditions, we take the following growth strategy.

- Keep pushing forward in AI related applications development and carefully conducting prudent inventory policy.
- Maintaining development in Automotive Electronics, constantly introducing new product lines such as Infineon and other Automotive product lines.
- Keep following up new design projects, increasing cross-selling item numbers per case, pursuing multiplied revenue increase.

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Q & A

# Q & A

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