

**PEGATRON**



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## **2023 Second Quarter Business Review**

Aug 10, 2023

- **Financial Results**
- **Business Highlight**

- Pegatron's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

## **2Q2023 Consolidated Financial Result**

## Consolidated Income Statements

<i>(NT\$ Mn)</i>	1H 2023		1H 2022		YoY
Net Revenue	598,845	100%	606,699	100%	-1.3%
COGS	577,953	96.5%	580,576	95.7%	-0.5%
Gross Profit	20,892	3.5%	26,123	4.3%	-20.0%
Operating Expense	14,994	2.5%	15,074	2.5%	-0.5%
Operating Income (Loss)	5,898	1.0%	11,049	1.8%	-46.6%
Net Non-Operating Income (Loss)	3,426	0.6%	(291)	0.0%	-1277.3%
FX Gain (Loss)	(203)	0.0%	(546)	0.1%	-62.8%
Others	3,629	0.6%	255	0.0%	1323.1%
PBT	9,324	1.6%	10,758	1.8%	-13.3%
Tax	(2,450)	0.4%	(2,644)	0.4%	-7.3%
Net Income*	6,774	1.1%	7,919	1.3%	-14.5%
Net Income Attributable to the Parent	6,135	1.0%	4,783	0.8%	28.3%
EPS	2.30		1.79		28.5%

\*Net profit/loss from discontinued operation is included.

## Consolidated Income Statements (Quarter-over-Quarter)

<i>(NT\$ Mn)</i>	2Q 2023		1Q 2023		QoQ	2Q 2022		YoY
Net Revenue	280,708	100%	318,137	100%	-11.8%	283,338	100%	-0.9%
COGS	270,179	96.2%	307,774	96.7%	-12.2%	268,730	94.8%	0.5%
Gross Profit	10,529	3.8%	10,363	3.3%	1.6%	14,608	5.2%	-27.9%
Operating Expense	7,455	2.7%	7,539	2.4%	-1.1%	7,900	2.8%	-5.6%
Operating Income (Loss)	3,074	1.1%	2,824	0.9%	8.9%	6,708	2.4%	-54.2%
Net Non-Operating Income (Loss)	2,133	0.8%	1,293	0.4%	65.0%	157	0.1%	1258.6%
FX Gain (Loss)	8	0.0%	(211)	0.1%	-103.8%	(631)	0.2%	-101.3%
Others	2,125	0.8%	1,504	0.5%	41.3%	788	0.3%	169.7%
PBT	5,207	1.9%	4,117	1.3%	26.5%	6,865	2.4%	-24.2%
Tax	(1,676)	0.6%	(774)	0.2%	116.5%	(2,016)	0.7%	-16.9%
Net Income*	3,499	1.2%	3,275	1.0%	6.8%	4,771	1.7%	-26.7%
<b>Net Income Attributable to the Parent</b>	<b>3,127</b>	<b>1.1%</b>	<b>3,008</b>	<b>0.9%</b>	<b>4.0%</b>	<b>3,116</b>	<b>1.1%</b>	<b>0.4%</b>
EPS	1.17		1.13		3.5%	1.17		0.0%

\*Net profit/loss from discontinued operation is included.

## Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	2023/6/30		2022/12/31		Diff	2022/6/30		Diff
Cash and Equivalents	79,836	15%	84,577	13%	(4,741)	96,885	16%	(17,049)
AR (Net)	156,221	29%	190,247	30%	(34,026)	189,209	31%	(32,988)
Inventory (Net)	137,813	26%	199,442	31%	(61,629)	173,208	28%	(35,395)
Other Current Assets	26,217	5%	28,222	4%	(2,005)	39,241	6%	(13,024)
<b>Total Current Assets</b>	<b>400,087</b>	<b>74%</b>	<b>502,488</b>	<b>79%</b>	<b>(102,401)</b>	<b>498,543</b>	<b>81%</b>	<b>(98,456)</b>
Fixed Assets (Net)	81,379	15%	79,690	13%	1,689	76,396	12%	4,983
<b>Total Non-Current Assets</b>	<b>138,828</b>	<b>26%</b>	<b>133,735</b>	<b>21%</b>	<b>5,093</b>	<b>120,661</b>	<b>19%</b>	<b>18,167</b>
<b>Total Assets</b>	<b>538,915</b>	<b>100%</b>	<b>636,223</b>	<b>100%</b>	<b>(97,308)</b>	<b>619,204</b>	<b>100%</b>	<b>(80,289)</b>
Short-term Borrowings	56,305	10%	86,863	14%	(30,558)	115,913	19%	(59,608)
AP	139,415	26%	202,467	32%	(63,052)	176,708	29%	(37,293)
<b>Total Current Liabilities</b>	<b>273,652</b>	<b>51%</b>	<b>365,436</b>	<b>57%</b>	<b>(91,784)</b>	<b>372,836</b>	<b>60%</b>	<b>(99,184)</b>
Long-term Loans	39,996	7%	44,602	7%	(4,606)	43,035	7%	(3,039)
<b>Total Liabilities</b>	<b>328,854</b>	<b>61%</b>	<b>421,655</b>	<b>66%</b>	<b>(92,801)</b>	<b>422,983</b>	<b>68%</b>	<b>(94,129)</b>
<b>Equity Attributable to the Parent</b>	<b>179,911</b>	<b>33%</b>	<b>182,489</b>	<b>29%</b>	<b>(2,578)</b>	<b>167,453</b>	<b>27%</b>	<b>12,458</b>
<b>Total Equity</b>	<b>210,061</b>	<b>39%</b>	<b>214,568</b>	<b>34%</b>	<b>(4,507)</b>	<b>196,221</b>	<b>32%</b>	<b>13,840</b>
<b>Total Liabilities and Equity</b>	<b>538,915</b>	<b>100%</b>	<b>636,223</b>	<b>100%</b>	<b>(97,308)</b>	<b>619,204</b>	<b>100%</b>	<b>(80,289)</b>
Current Ratio	146%		138%		-	134%		-
Debt Ratio (TTL Liabilities / TTL Assets)	61%		66%		-	68%		-
Interest-bearing Debt Ratio	18%		21%		-	26%		-

## Consolidated Cash Flows Statement

<i>(NT\$ Mn)</i>	<u>1H 2023</u>	<u>1H 2022</u>
<b>Cash Flows from Operating Activities:</b>	<b>42,554</b>	<b>(22,579)</b>
<b>Cash Flows from Investing Activities:</b>	<b>(12,673)</b>	<b>(12,339)</b>
<b>Cash Flows from Financing Activities:</b>	<b>(36,226)</b>	<b>14,029</b>
<b>Impact from Changes in FX Rate</b>	<b>1,604</b>	<b>6,750</b>
<b>Net Increase in Cash</b>	<b>(4,741)</b>	<b>(14,139)</b>
<b>Cash, beginning of the period</b>	<b>84,577</b>	<b>111,024</b>
<b>Cash, end of the period</b>	<b>79,836</b>	<b>96,885</b>

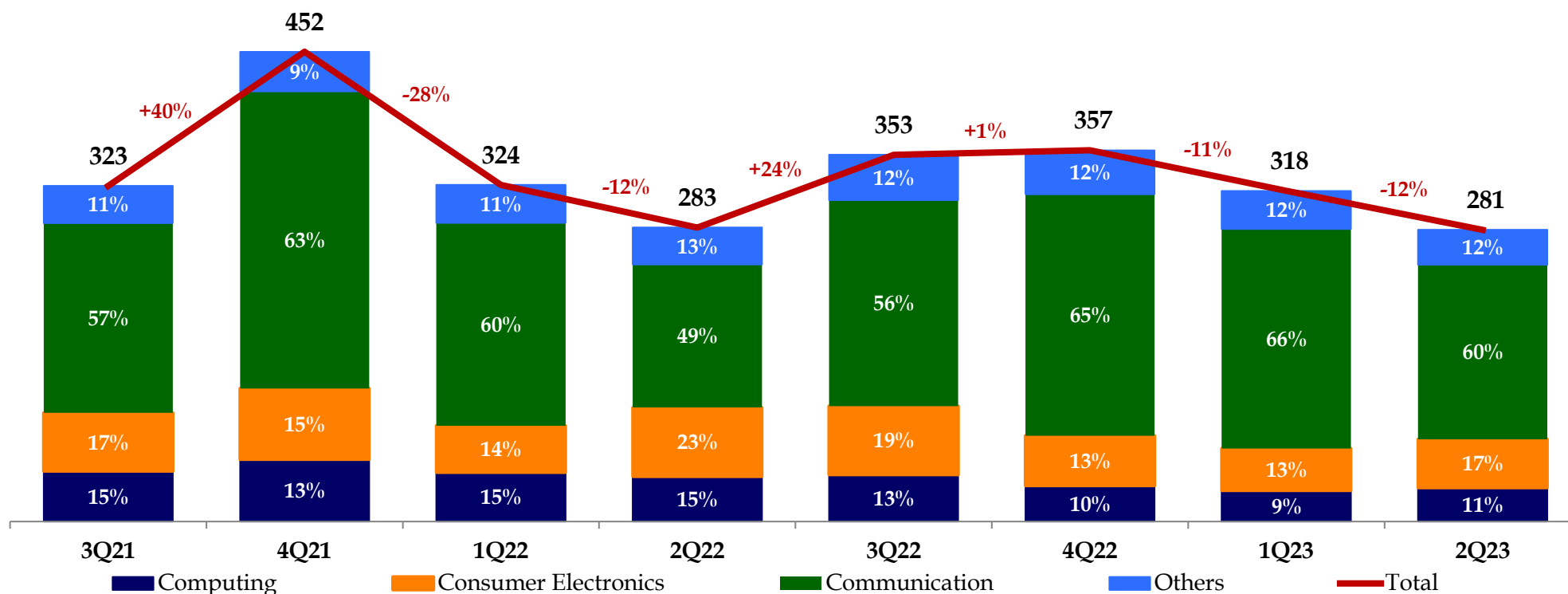
<i>Note:</i>	<u>1H 2023</u>	<u>1H 2022</u>
<b>Depreciation and amortization</b>	<b>7,464</b>	<b>7,093</b>



**Business Highlight**

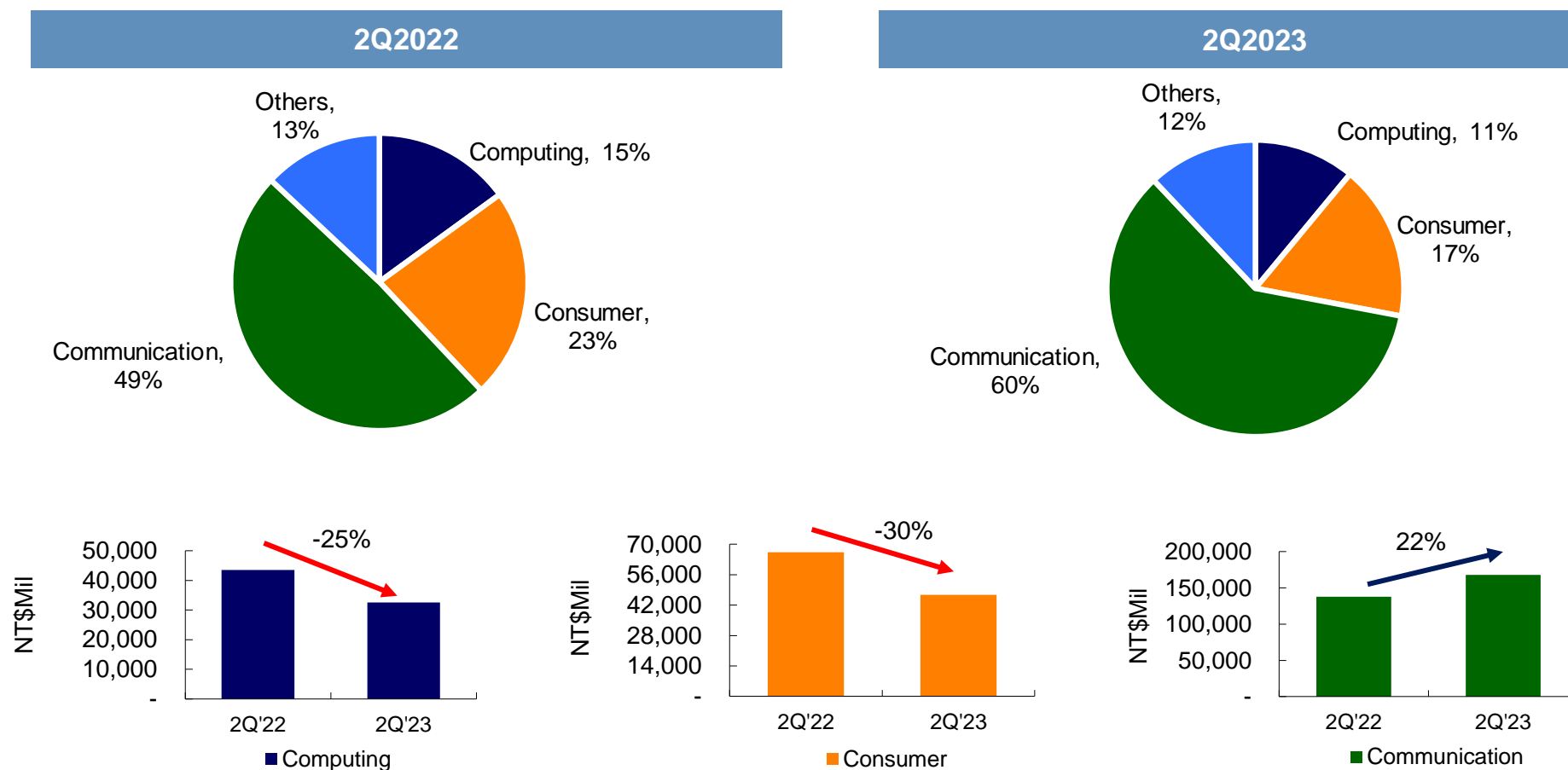
## Consolidated Revenue Trend

Unit: NTD Bn



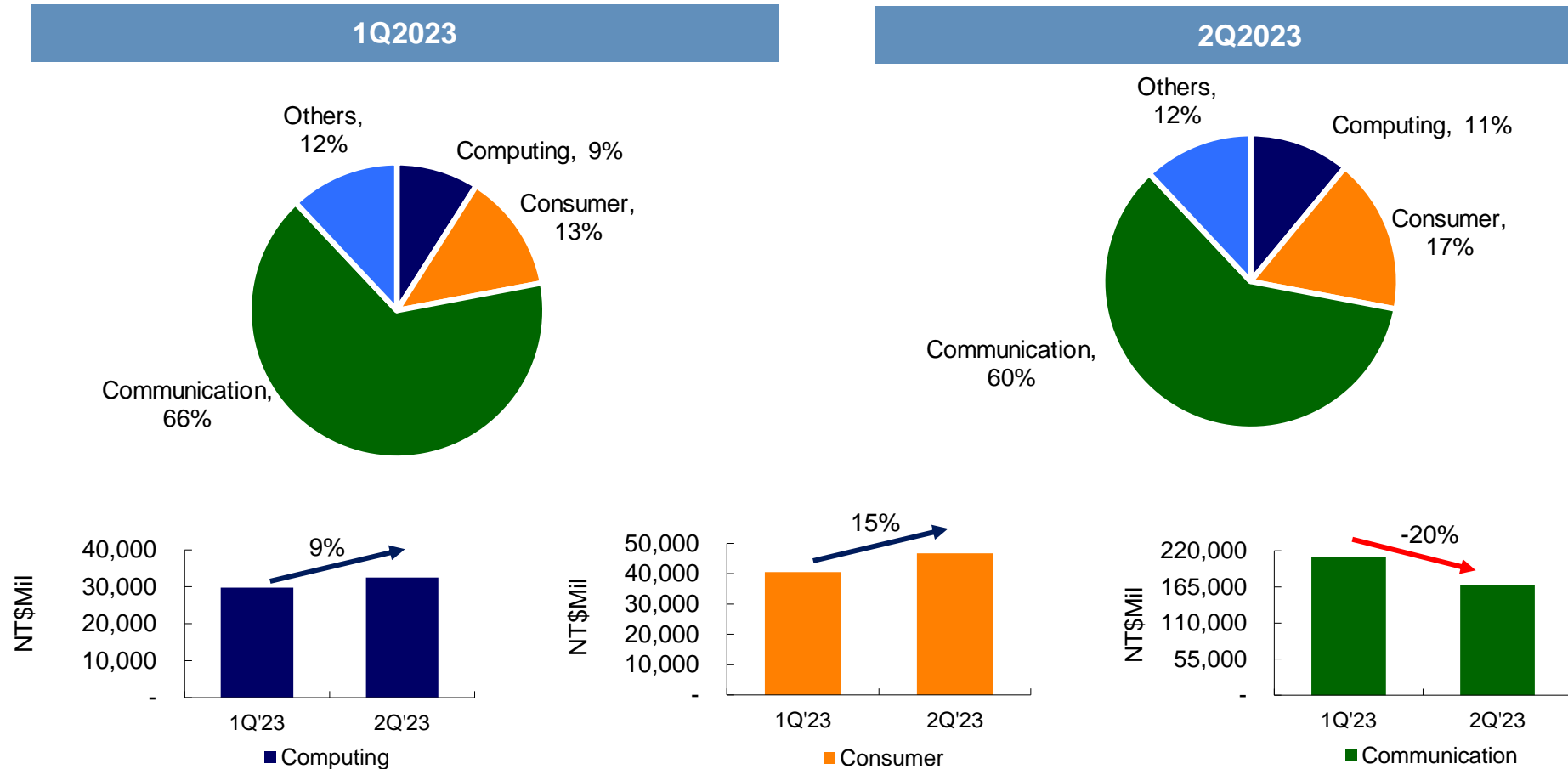
Consolidated revenue totaled NT\$281Bn in 2Q2023, decreased by 12% QoQ due to low season, while it slightly declined by 1% YoY, mainly because the revenue shrink from Computing and Consumer Segments was mostly offset by the YoY revenue growth from Communication Segment.

## Revenue Breakdown by Products (Year-over-Year)



Revenue from Computing and Consumer Electronic Segments declined by 25% and 30% YoY respectively due to weaker end demand, while that of Communication Segment increased by 22% YoY mainly attributable to better shipment.

## Revenue Breakdown by Products (Quarter-over-Quarter)



Driven by stronger inventory pull-out and better demand from Computing and Consumer Segments, the revenue contributions were up by 9% and 15% QoQ respectively, while the revenue from Communication Segment was down by 20% QoQ due to low season.

## Q & A