wistron

Wistron Corporation

Investor Presentation

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Corporate Overview

Corporate Development

- **2001** — Acer carved out DMS business and certain HIB businesses and formed Wistron Corporation
- **2003** — Listed on the Taiwan Stock Exchange by the code 3231.TW on August 19, 2003
- **2008** — Acquired the monitor business from Lite-On
- **2016** — Set up Wistron Medical Tech and Wistron Digital Tech to further expand product portfolio
- **2016** — Wiwynn listed on the Taiwan Stock Exchange, and remains a consolidated entity for Wistron
- **2020** — Sold China smart device assembly business to Luxshare.
- **2021** — Acquired KOE for automotive LCM business from JDI.

Product Development

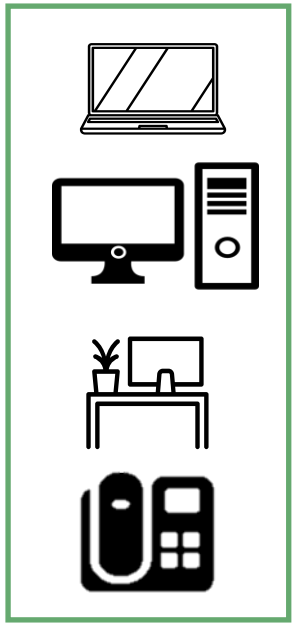
- Desktop & Notebook
- Consumer Electronics & Enterprise Solutions
- 5G, AI, EV, AIoT, Medical and more...

Financial Snapshot

NT$ B	2018		2019		2020		2021		2022		2023	
Revenue	889.5		878.3		845.0		862.0		984.6		867.1	
Gross Profit	37.6	4.2%	42.2	4.8%	46.0	5.4%	51.1	5.9%	69.7	7.1%	69.0	8.0%
Operating Profit	10.8	1.2%	13.3	1.5%	14.4	1.7%	16.4	1.9%	27.4	2.8%	27.4	3.2%
Net Profit	4.9	0.6%	6.8	0.8%	8.6	1.0%	10.5	1.2%	11.1	1.1%	11.5	1.3%

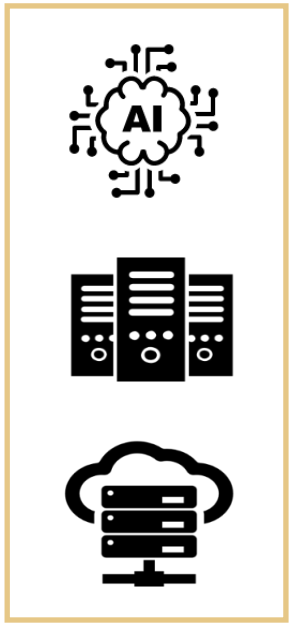
A Technology Powerhouse for ICT Products

Client Products



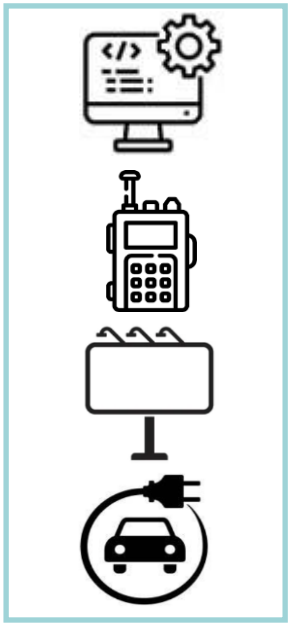
NB, DT, Monitor, VoIP, Peripherals

Enterprise & Networking



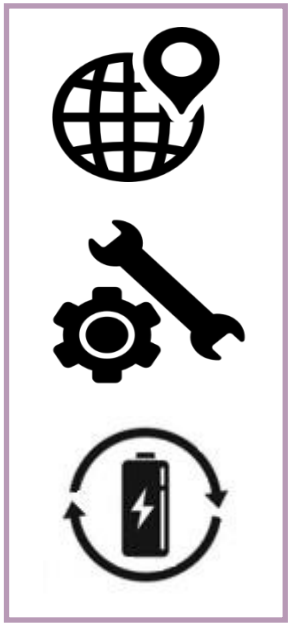
Server, Storage, AI Server, GPU Accelerator Card Switch, Router

Industrial & Automotive



IPC, Enterprise Mobility, Professional Display Automotive

Service & Recycling



Repair and
Spare Parts Services
Technical support
Recycling Solutions

Wistron's Resilient Business Positions

Top 3

- Notebook PC
- Display Monitor
- Enterprise Server MB
- ICT Industry After-sales Services (by Revenue)

Top 2

- Desktop PC

Top 1

- AI Server Baseboard
- Network Security Device
- Enterprise Mobility (Industrial Handheld) Device

End-to-End Solutions Offering One-Stop Shop

Design

- Software
- Industrial design
- Electronic / mechanical engineering

Manufacturing & Logistics

- Assembly services
- Quality management and control services
- Global supply chain management

After-Sales Services

- Managed customer support services
- Project / program planning

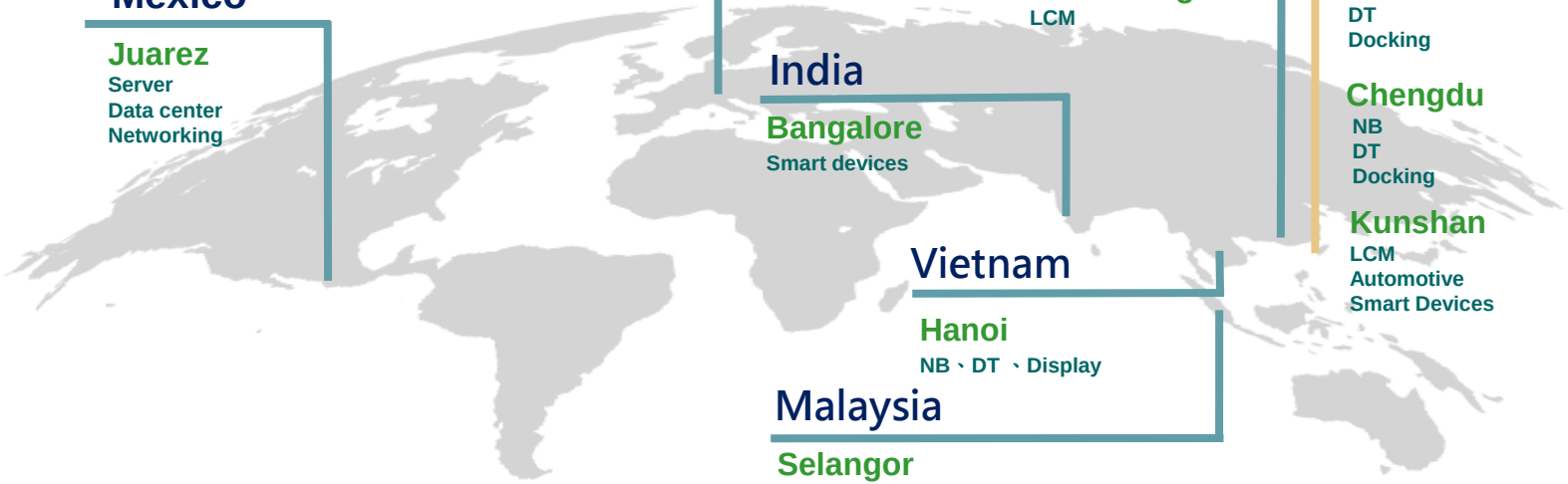
Technical Services

- LCM modules
- Recycling
- Industrial computers
- Enterprise storage

End-to-End Extensive Services from Product Concept to After-Sales Support

- 1,500 Software Engineers
- 8,800 Engineers
- 6,500 Patents
- 1,900 U.S.A. Utility Patents

Global Manufacturing Footprint



Czech Republic

Brno
Server
Data center

Mexico

Juarez
Server
Data center
Networking

India

Bangalore
Smart devices

Taiwan

Hsinchu
AI Server, GPU Module, IPC, Server, Storage, Switch

Kaohsiung
LCM

China

Zhongshan
Server
VoIP
DT
Display
Keyboard
Network devices

Chongqing
NB
DT
Docking

Chengdu
NB
DT
Docking

Kunshan
LCM
Automotive
Smart Devices

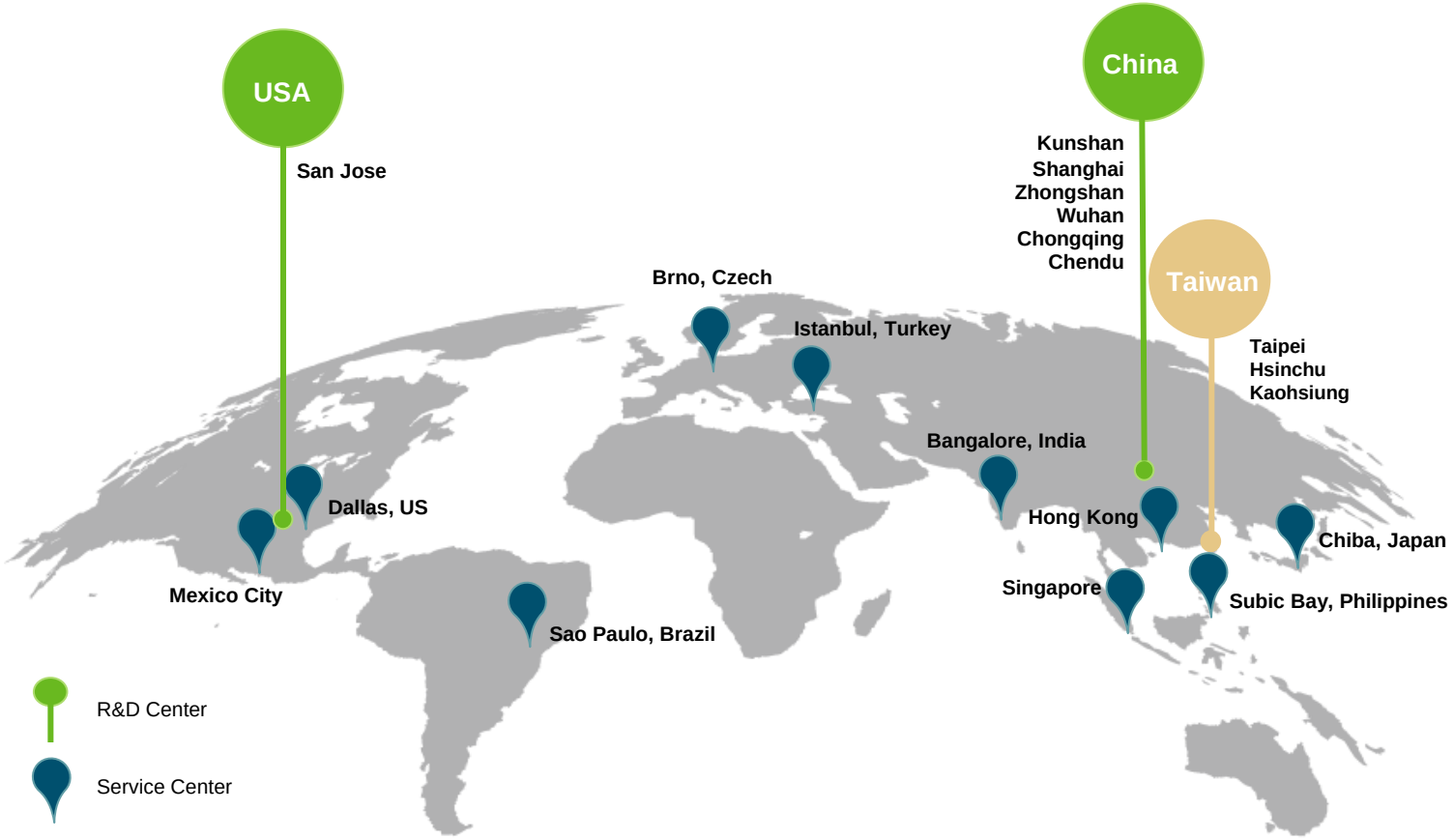
Vietnam

Hanoi
NB、DT 、Display

Malaysia

Selangor
Smart devices

Global Coverage – R&D and Service Centers



Wistron Group Companies

Wistron Corporation

Industry-leading provider of ICT products, services and systems

Wiwynn Corporation

The best solution provider for customer in cloud services business

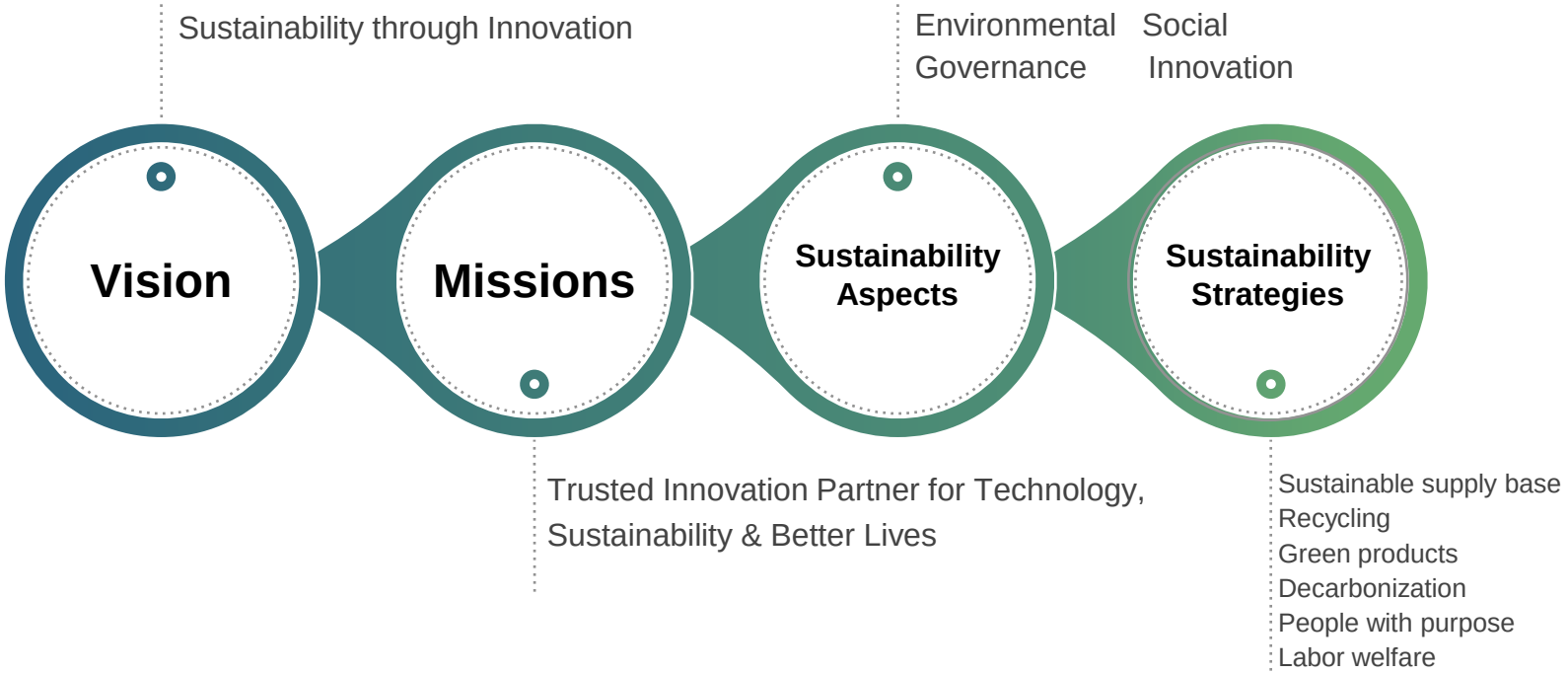
Wistron Information Technology & Services Corporation

A leader in contract software development

Wistron NeWeb Corporation

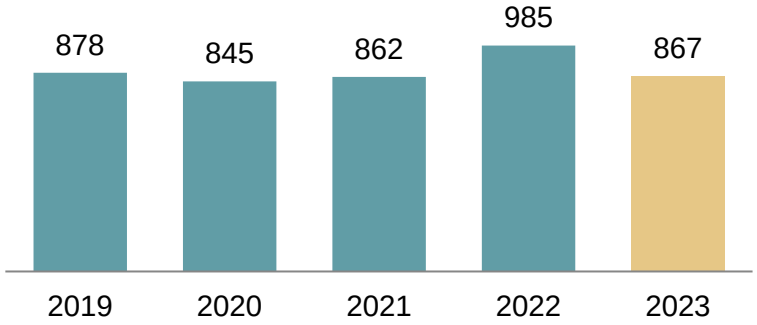
Industry-leading provider of broadband communications, IoT, and automotive products

Wistron's Vision and Missions

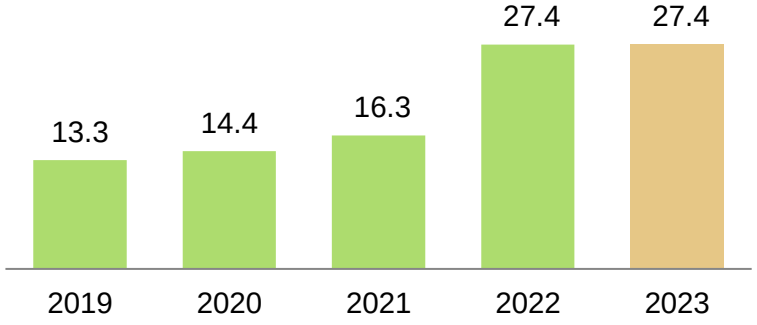


Financial Highlights - 1

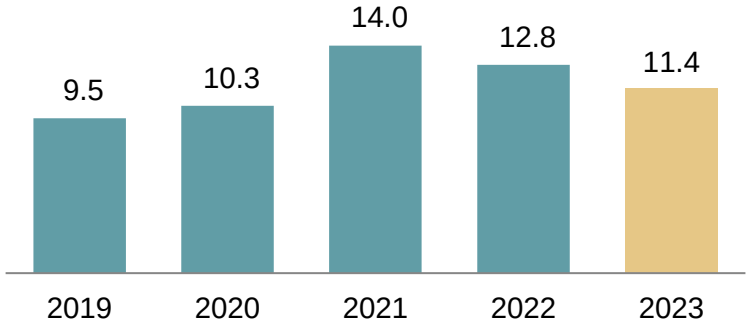
Revenue (NT$ B)



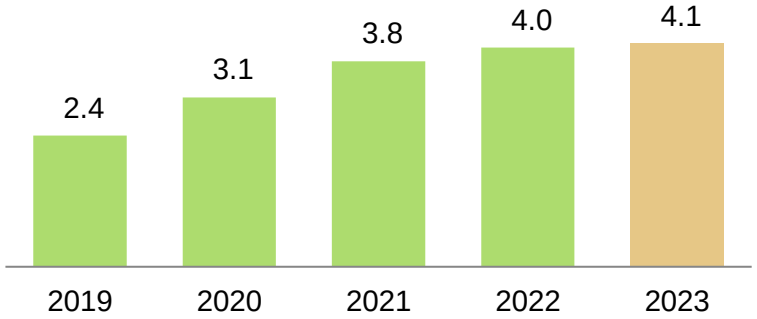
Operating Income (NT$ B)



ROE (%)

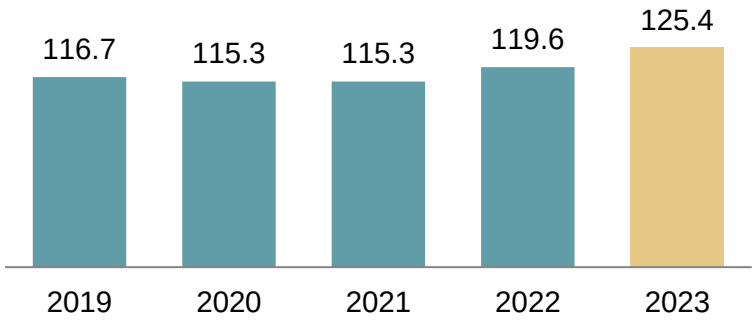


EPS (NT$)

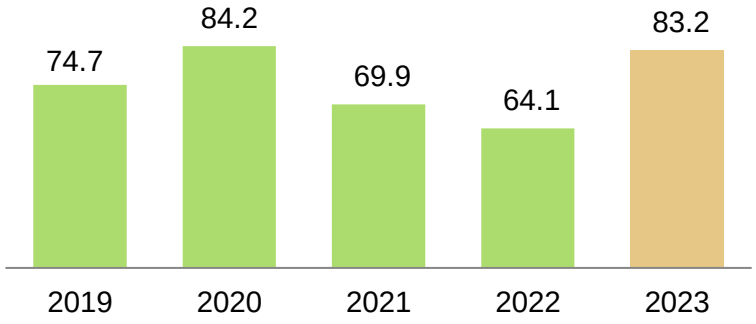


Financial Highlights - 2

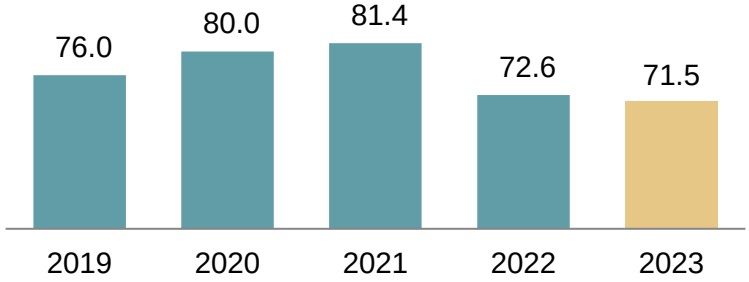
Current Ratio (%)



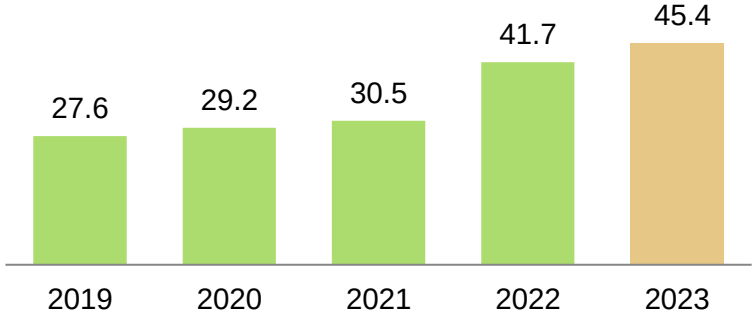
Quick Ratio (%)



Debt Ratio (%)



EBITDA (NTD$ B)



Historical Income Statement

NT$ M	2023		2022		2021		2020		2019	
Net Revenue	867,057		984,619		862,083		845,012		878,255	
Realized gross profit	68,983	8.0%	69,729	7.1%	51,135	5.9%	46,053	5.4%	42,158	4.8%
Selling	(10,828)	-1.2%	(11,433)	-1.2%	(9,467)	-1.1%	(8,866)	-1.0%	(9,243)	-1.1%
Administrative	(6,870)	-0.8%	(5,815)	-0.6%	(4,531)	-0.5%	(3,667)	-0.4%	(3,417)	-0.4%
Research and development	(23,894)	-2.8%	(25,008)	-2.5%	(20,761)	-2.4%	(19,049)	-2.3%	(16,198)	-1.8%
Total operating expenses	(41,593)	-4.8%	(42,257)	-4.3%	(34,760)	-4.0%	(31,582)	-3.7%	(28,858)	-3.3%
Operating income	27,390	3.2%	27,472	2.8%	16,375	1.9%	14,471	1.7%	13,300	1.5%
Non-operating income/(expenses)										
Interest income/(expense), net	(6,237)		(3,998)		(573)		(460)		(2,757)	
LT investment income/(expense), net	764		776		117		447		339	
Exchange gain/(loss), net	1,477		3,664		1,350		1,230		761	
Other income/(expense)	927		(3,203)		1,965		1,157		1,133	
PBT	24,321		24,711		19,234		16,845		12,776	
Tax	(6,055)	-23.0%	(5,693)	-23.0%	(4,506)	-23.4%	(3,937)	-23.4%	(3,050)	-23.9%
Minority interest	(6,794)		(7,855)		(4,260)		(4,226)		(2,925)	
PAT	11,472		11,162		10,468		8,682		6,801	
Outstanding shares (M)	2,900		2,901		2,782		2,840		2,840	
EPS	4.08		4.01		3.76		3.10		2.40	

Income Statement (2023 vs. 2022)

NT$ M	2023		2022		YoY
Net revenue	867,057		984,619		-11.9%
Realized gross profit	68,983	7.96%	69,729	7.08%	-1.1%
Selling	(10,828)	-1.25%	(11,433)	-1.16%	-5.3%
Administrative	(6,870)	-0.79%	(5,815)	-0.59%	18.1%
Research & development	(23,894)	-2.76%	(25,008)	-2.54%	-4.5%
Total operating expenses	(41,593)	-4.80%	(42,257)	-4.29%	-1.6%
Operating Income	27,390	3.16%	27,472	2.79%	-0.3%
Non-operating Income/(Expenses)					
Interest income/(expense), net	(6,237)		(3,998)		
LT investment income/(expense), net	764		776		
Exchange gain/(loss), net	1,477		3,664		
Other income/(expense)	927 *		(3,203) *		
PBT	24,321		24,711		-1.6%
Tax	(6,055)	-24.90%	(5,693)	-23.04%	6.4%
Minority interest	(6,794)		(7,855)		
PAT	11,472		11,162		2.8%
EPS	4.08		4.01		1.7%

Note: Company recognized NT$251 million and NT$4.4 billion stock revaluation losses from Luxshare investments in both 2023 and 2022.

Income Statement (Q4'23 vs. Q3'23 and Q4'22)

NT$ M	Q4 2023		Q3 2023		QoQ	Q4 2022		YoY
Net revenue	230,540		217,040		6.2%	263,854		-12.6%
Realized gross profit	21,412	9.29%	17,042	7.85%	25.6%	22,678	8.59%	-5.6%
Selling	(2,725)	-1.18%	(2,749)	-1.27%	-0.9%	(3,078)	-1.17%	-11.5%
Administrative	(1,834)	-0.80%	(1,744)	-0.80%	5.2%	(1,776)	-0.67%	3.3%
Research & development	(6,318)	-2.74%	(5,753)	-2.65%	9.8%	(7,129)	-2.70%	-11.4%
Total operating expenses	(10,877)	-4.72%	(10,246)	-4.72%	6.2%	(11,984)	-4.54%	-9.2%
Operating Income	10,535	4.57%	6,796	3.13%	55.0%	10,694	4.05%	-1.5%
Non-operating Income/(Expenses)								
Interest income/(expense), net	(1,482)		(1,522)			(1,817)		
LT investment income/(expense), ne	347		159			293		
Exchange gain/(loss), net	(2,736)		3,013			(1,806)		
Other income/(expense)	458		(52) *			837 *		
PBT	7,122		8,394		-15.2%	8,201		-13.2%
Tax	(1,807)	-25.37%	(2,201)	-26.22%	-17.9%	(1,902)	-23.19%	-5.0%
Minority interest	(1,978)		(1,491)			(2,222)		
PAT	3,337		4,702		-29.0%	4,076		-18.1%
EPS	1.18		1.67		-29.3%	1.46		-19.2%

Note: Company recognized NT$ 595 million revaluation gain from Luxshare investments in Q4 2022 and NT$ 425 million revaluation loss in Q3 2023.

Balance Sheets

NT$ M	2023/12/31		2023/09/30		2022/12/31	
Cash & ST Investments	75,232	17%	57,014	12%	66,337	15%
A/R	121,342	27%	143,702	31%	100,234	23%
Inventory	119,720	26%	133,647	29%	156,889	36%
Non-current assets classified as held for sale	29,384	6%	25,964	6%		0%
Other current Assets	15,783	3%	17,601	4%	19,526	5%
Total Current Assets	361,461	80%	377,928	81%	342,986	79%
LT equity investments	18,849	4%	17,346	4%	15,256	4%
Property, plant and equipment	46,598	10%	47,103	10%	51,515	12%
Other assets	25,483	6%	22,920	5%	23,151	5%
Total Assets	452,391	100%	465,297	100%	432,908	100%
ST Borrowing	95,940	21%	103,965	22%	114,279	26%
Current Portion of LT Debt	4,498	1%	8,326	2%	5,527	1%
A/P	119,394	26%	126,585	27%	108,850	25%
Liabiliteis related to Non-current assets classified as held for sale	8,464		7,616	2%		0%
Other current liabilities	59,956	13%	55,675	12%	58,069	13%
Total Current Liabilities	288,252	64%	302,167	65%	286,725	66%
LT Debt	19,582	2%	16,936	4%	10,949	3%
Bonds payable	6,943	2%	9,442	2%	9,439	2%
Other liabilities	8,851	2%	8,742	2%	7,142	2%
Total Liabilities	323,628	72%	337,287	72%	314,255	73%
Shareholders' Equity	128,763	28%	128,010	28%	118,653	27%

Cash Flows

NT$ M	2023	2022
Cash* (Beginning of period)	66,337	70,154
Cash flow from Operation		
Consolidated PBT	24,321	24,711
Depreciation & amortization	12,345	11,016
Profit/loss of financial assets & liabilities at fair value	345	4,131
Changes in A/R	(21,126)	68,884
Changes in A/P	12,860	(71,078)
Changes in inventories	20,882	17,308
Others	(1,408)	(1,532)
Cash provided by operating activities	48,219	53,440
Cash flow from Investment		
Capex	(15,059)	(16,082)
Others	395	(657)
Cash provided by investing activities	(14,664)	(16,739)
Cash flow from Finance		
Increase (decrease) in ST borrowings	(17,834)	(37,371)
LT debt	5,145	(10,176)
Payment on cash dividends	(7,401)	(6,257)
Partial disposal of interests in subsidiaries without loss of control	1,625	7,391
Treasury stock transferred to employees	568	113
Change in non-controlling interests	(4,858)	(2,498)
Others	(450)	432
Cash provided by financing activities	(23,205)	(48,366)
Effect of exchange rate change & subsidiaries consolidated	(646)	7,849
Cash (End of period)	76,041	66,337

* Capex = Acquistion to property, plant and equipments + Addition to equity-accounted investees
+ Additons to intangible assets

Dividend History

	2019	2020	2021	2022	**2023**
Cash (NT$)	2.0	2.2	2.2	2.6	**2.6**
Stock (NT$)	-	-	-	-	**-**
EPS (NT$)	2.40	3.10	3.76	4.01	**4.08**
Cash Dividend Payout (%)	83%	71%	59%	65%	**64%**
Total Dividend Payout (%)	83%	71%	59%	65%	**64%**