



# 2023 Third Quarter Investor Conference

November 3, 2023

# Safe Harbor Notice

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

# Agenda

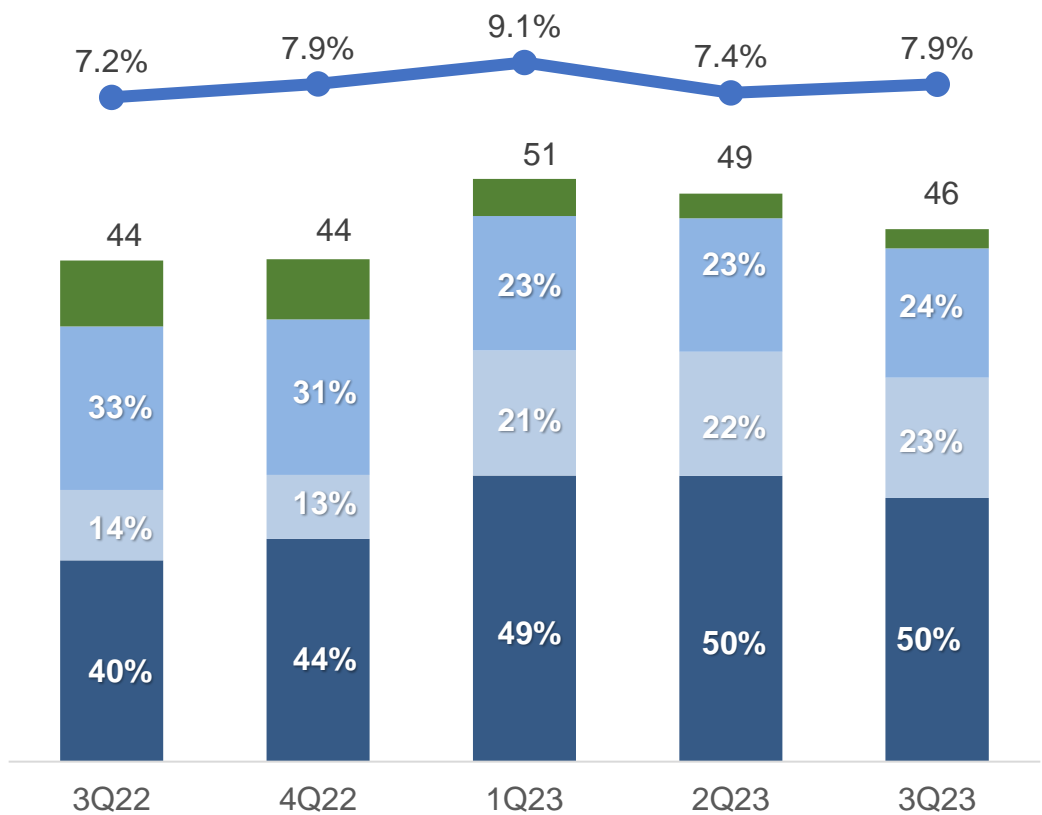
- **3Q23 Financial Results**
- **4Q23 Outlook and Recap of Recent Major Events**
- **Q&A**

# Statements of Comprehensive Income

<i>(In NT\$ billions unless otherwise noted)</i>	3Q23	2Q23	3Q22	3Q23 Over 2Q23	3Q23 Over 3Q22
Operating Revenue	46	49	44	(6%)	6%
<b>Gross Margin</b>	<b>7.9%</b>	<b>7.4%</b>	<b>7.2%</b>	<b>0.5ppts</b>	<b>0.7ppts</b>
Operating Expenses	2	2	2	(3%)	8%
<b>Operating Margin</b>	<b>3.7%</b>	<b>3.4%</b>	<b>3.0%</b>	<b>0.3ppts</b>	<b>0.7ppts</b>
Non-Operating Income and Expenses	0.1	0.5	10.6	(82%)	(99%)
Net Profit Attributable to Owners	2	1	10	60%	(83%)
<b>Profit Margin</b>	<b>3.5%</b>	<b>2.1%</b>	<b>21.7%</b>	<b>1.4ppts</b>	<b>-18.2ppts</b>
EPS (NT Dollar)	0.41	0.27	2.63	0.14	(2.22)
EBITDA	5	4	14	8%	(66%)

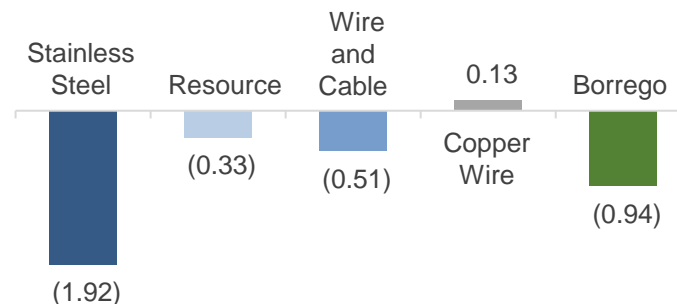
# 3Q23 Operating Revenue by Business Groups (BG)

(In NT\$ billions)

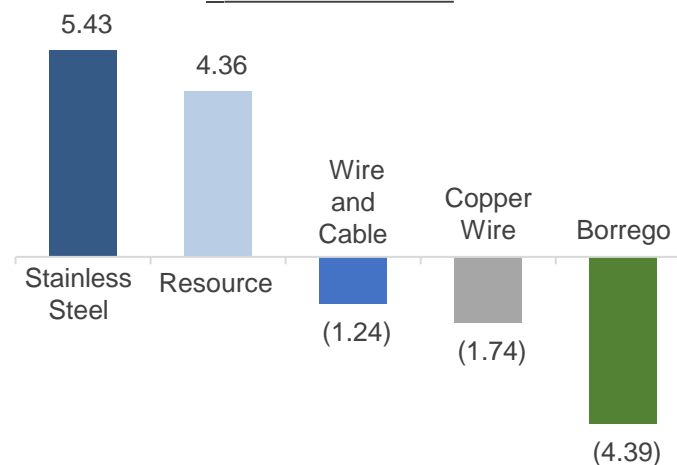


■ Stainless steel    
 ■ Resource    
 ■ Wire and cable  
■ Others    
● Gross margin

## 3Q23 Over 2Q23

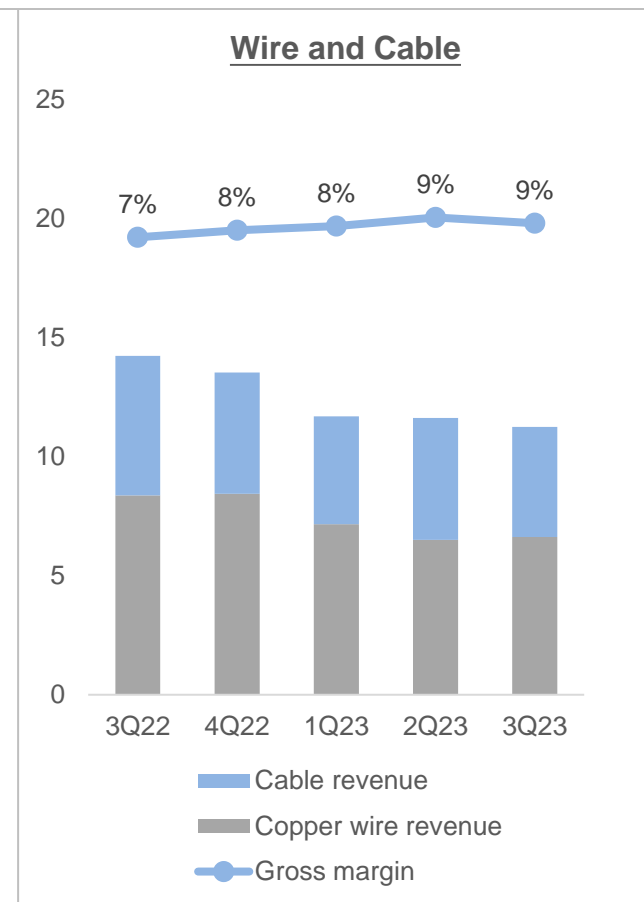
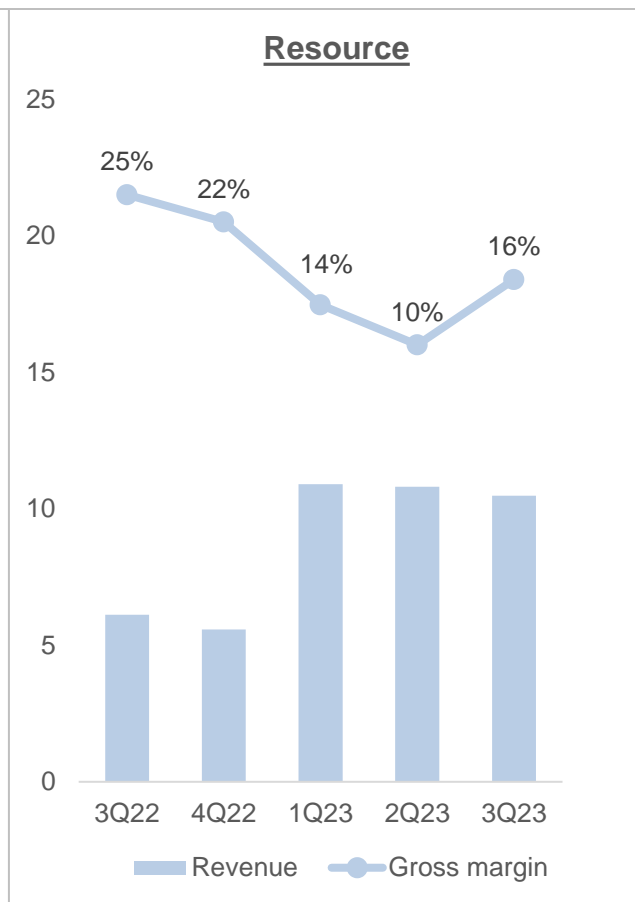
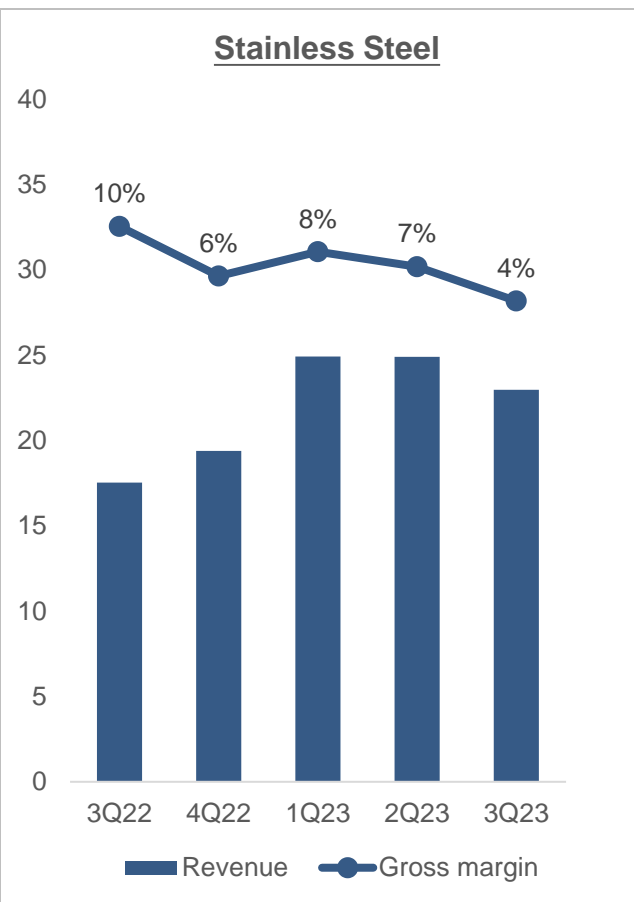


## 3Q23 Over 3Q22



# 3Q23 Operating Revenue and Gross Margin by BG

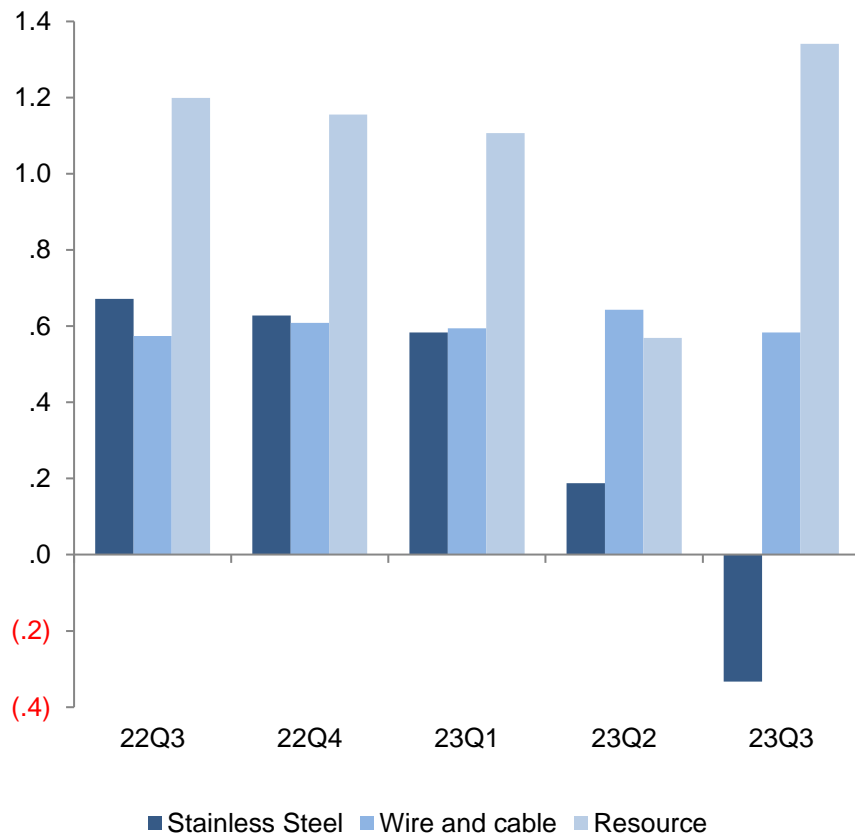
(In NT\$ billions)



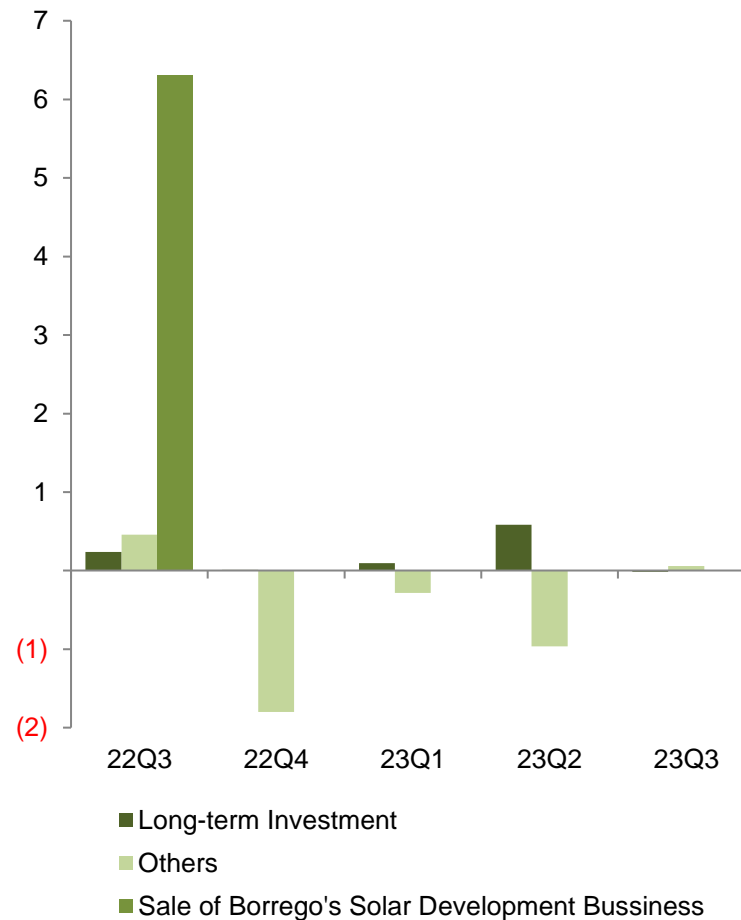
# 3Q23 Net Profit by BG

(In NT\$ billions)

## Manufacturing Segment



## Long-Term Investments and Others



# Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	3Q23		2Q23		3Q22	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	13	5%	24	9%	23	10%
Accounts Receivable	23	8%	21	8%	22	10%
Inventory <sup>1</sup>	39	14%	37	14%	29	13%
Long-Term Investments <sup>2</sup>	68	25%	68	25%	54	23%
Property, Plant, and Equipment <sup>3</sup>	109	40%	98	36%	84	36%
<b>Total Assets</b>	<b>274</b>	<b>100%</b>	<b>270</b>	<b>100%</b>	<b>230</b>	<b>100%</b>
Current Liabilities	53	19%	56	21%	48	21%
Long-term Interest-bearing Debts	50	18%	50	18%	40	18%
<b>Total Liabilities</b>	<b>116</b>	<b>42%</b>	<b>118</b>	<b>44%</b>	<b>97</b>	<b>42%</b>
<b>Total Shareholders' Equity</b>	<b>158</b>	<b>58%</b>	<b>152</b>	<b>56%</b>	<b>133</b>	<b>58%</b>
<b>Key Indices</b>						
Average Collection Days	43		39		41	
Average Turnover Days	73		69		72	
Current Ratio	1.7		1.7		1.8	
Ratio of Long-Term Capital to Non-Current Assets <sup>4</sup>	1.1		1.2		1.2	

<sup>1</sup> Inventory includes prepayment for purchases

<sup>2</sup> Long-term investments includes prepayments for investments

<sup>3</sup> Property, Plant, and Equipment (PPE) includes intangible assets

<sup>4</sup> Ratio of long-term capital to Non-Current Assets = (Total Shareholders' Equity + Non-Current Liabilities) / Non-Current Assets



# Cash Flows

<i>(In NT\$ billions)</i>	3Q23	2Q23	3Q22
<b>Beginning Balance</b>	<b>24.2</b>	<b>8.2</b>	<b>7.8</b>
Cash from Operating Activities	2.3	3.4	28.1
Capital Expenditure	(4.0)	(3.5)	(7.8)
Equity Investments	-	(0.4)	(0.8)
Acquisition of Subsidiaries	(5.9)	-	(4.2)
Disposal of Subsidiaries	-	-	9.2
Long and Short-Term Borrowing	0.6	(1.8)	(12.7)
Bonds Payable	-	5.3	-
Capital Injection	-	11.9	9.0
Cash Dividends	(6.7)	-	(5.5)
Others	2.9	1.1	0.2
<b>Ending Balance</b>	<b>13.4</b>	<b>24.2</b>	<b>23.3</b>

## 4Q23 Outlook *(compared with 3Q23)*

- **Stainless Steel BG** *(stable)*
  - China – unknown if there will be recovery of demand in 4Q23
  - Europe – decreased demand due to holidays yet stock has started to be offloaded
- **Wire and Cable BG** *(strong)*
  - Steady orders from Taipower for Grid Resilience Strengthening Construction Plan
  - Gross margins of sales to construction industry remain stable
- **Resource BG** *(stable)*
  - Continues to utilize a zero inventory sales strategy; selling price is in accordance with the market price
  - Raw material costs begin to stabilize

# Recap of Recent Major Events

- **Acquisitions of DLP (Sweden based) and SMP (UK based) were completed in 3Q23**
- **Increased shareholding of Sunny Metal to 79.6% through share transaction with JV partner**
  - To optimize subsidiary management and integrate nickel matte production capacity
  - Post the transaction, attributable production capacity of nickel products will remain at 8.4k tons per year
  - Estimated completion time is November 2023
- **Walsin Energy Cable System Co., Ltd. (“Walsin Cable”), a JV between Walsin Lihwa Co., Ltd. and a Danish listed NKT Group, held a groundbreaking ceremony in late September for its Kaohsiung submarine cable plant**
- **Walsin Cable became eligible for the government’s “Welcome Back Action Plan” on October 20<sup>th</sup>**
  - Services provided by the government to Walsin Cable would include land acquisition, supply of human resources, access to financing, supply of water and electricity and dedicated tax services (together “the five strategies”)

\*“Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” was abbreviated as “Welcome Back Action Plan”.

# Q&A

If you wish to ask questions verbally, please join Teams meeting with your full name and company name.

Link: <https://reurl.cc/y6Oj7M>



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