



2023 Fourth Quarter Investor Conference

February 23, 2024

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

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

Statements of Comprehensive Income

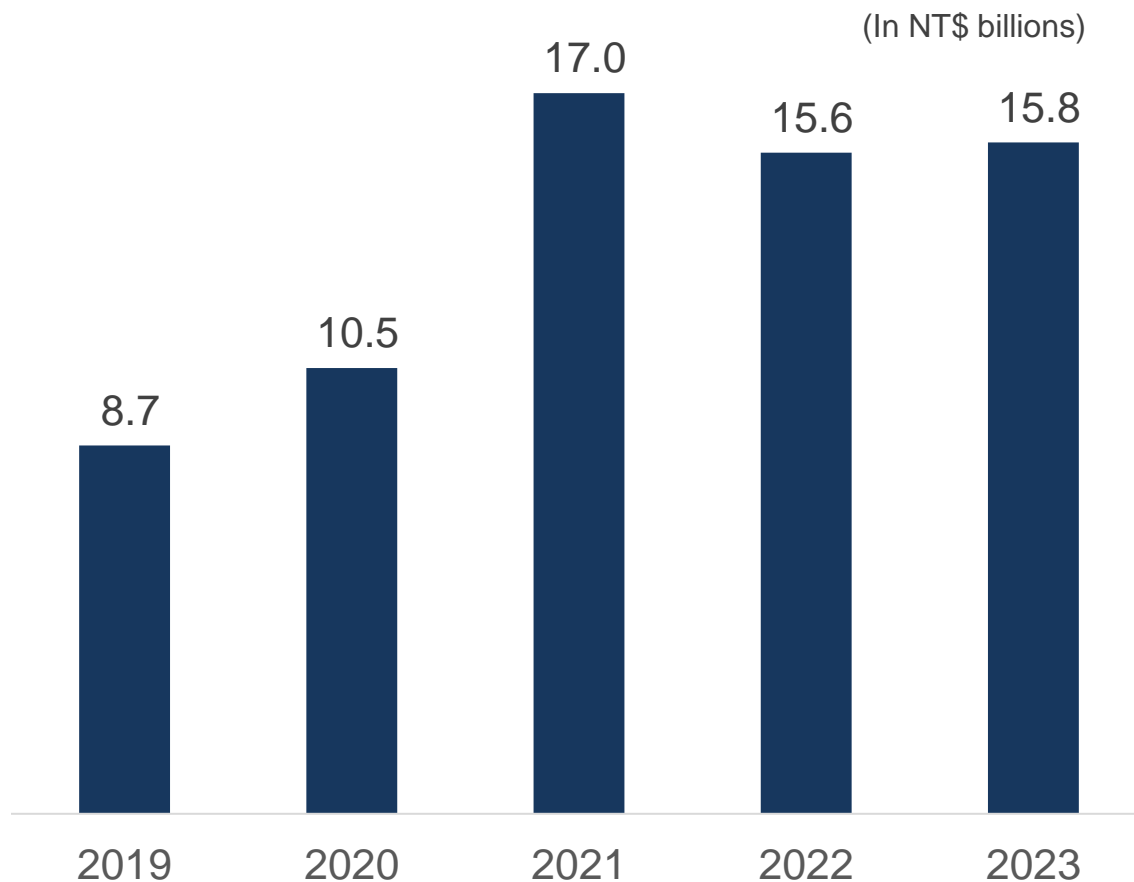
- EPS is NT\$1.32 for FY23, and cash dividend per share is scheduled to be NT\$1.1.

<i>In NT\$ billions unless otherwise noted</i>	FY23	FY22	4Q23	3Q23	4Q22	4Q23 Over 3Q23	4Q23 Over 4Q22
Operating Revenue	189.8	180.4	43.3	46.3	43.7	(7%)	(1%)
Gross Margin	7.6%	9.6%	5.7%	7.9%	7.9%	-2.2ppts	-2.2ppts
Operating Expenses	8.2	7.8	2.4	1.9	2.1	21%	11%
Operating Margin	3.3%	5.3%	0.3%	3.7%	3.0%	-3.4ppts	-2.7ppts
Non-Operating Income and Expenses	1.2	13.9	0.2	0.1	-0.9	169%	(126%)
Net Profit Attributable to Owners	5.1	19.4	0.4	1.6	0.6	(77%)	(36%)
Profit Margin	2.7%	10.7%	0.9%	3.5%	1.4%	-2.6ppts	-0.5ppts
EPS (NT Dollar)	1.32	5.45	0.08	0.41	0.08	(0.33)	-
EBITDA ¹	15.8	15.6	3.4	4.3	2.7	(22%)	25%

¹ EBITDA= Operating Income + Depreciation+ Amortization + Cash Dividend from Investment under Equity Method

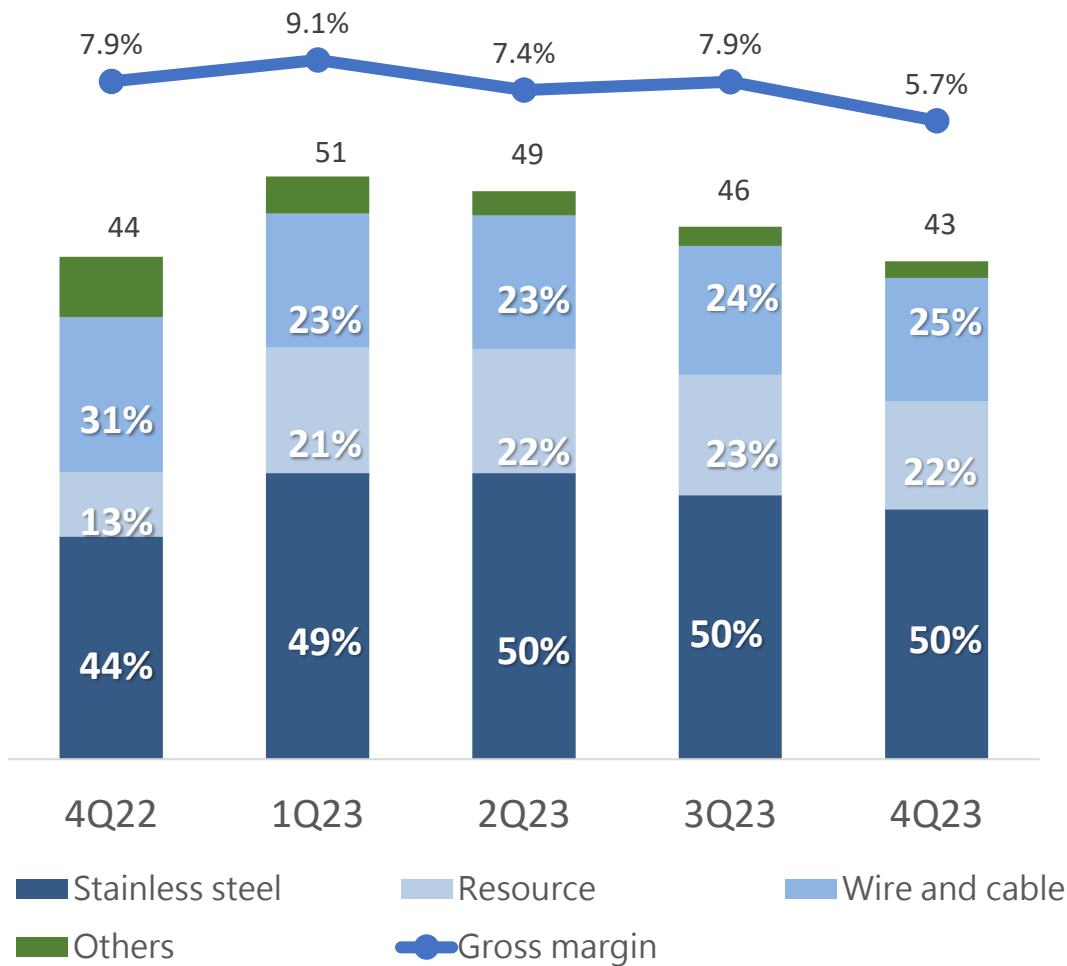
Trend of Annual EBITDA

- Annual EBITDA for FY23 achieved NT\$15.8 billion, marking a NT\$0.2 billion rise compared to the preceding year.

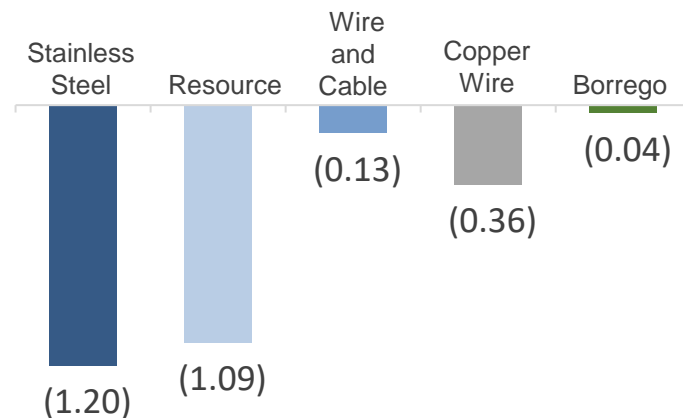


4Q23 Operating Revenue by Business Groups (BG)

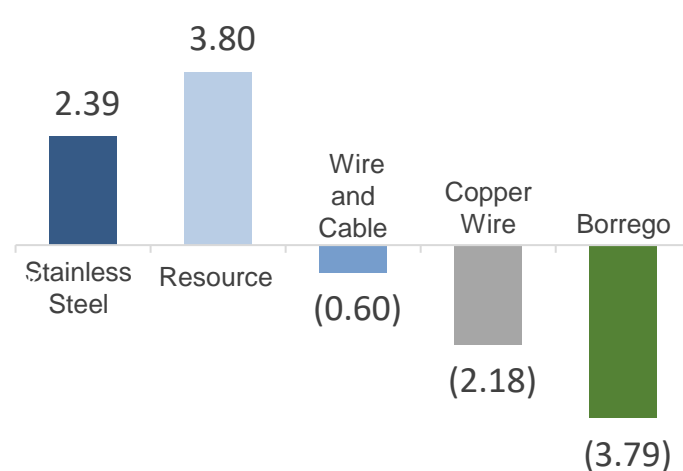
(In NT\$ billions)



4Q23 Over 3Q23

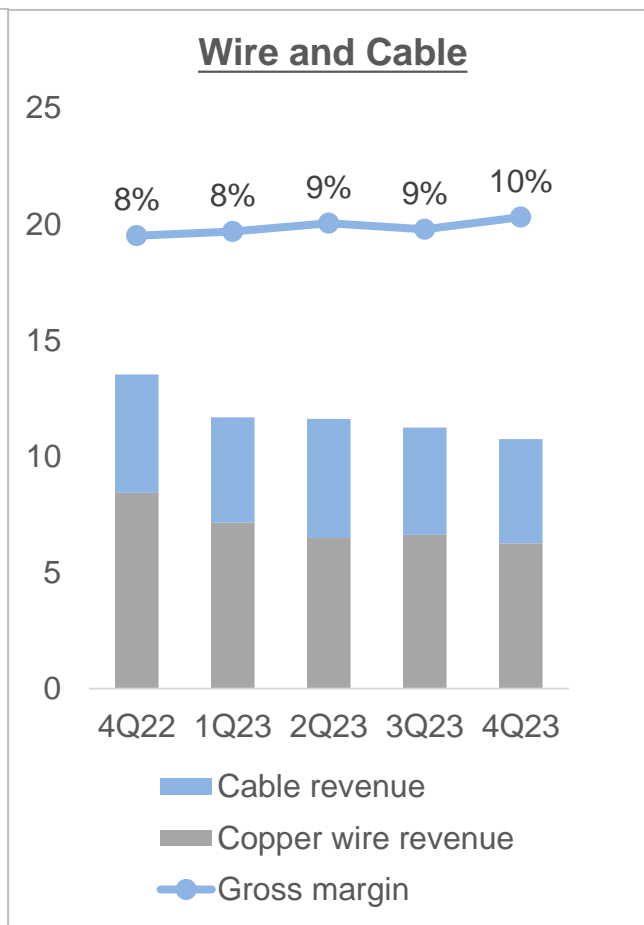
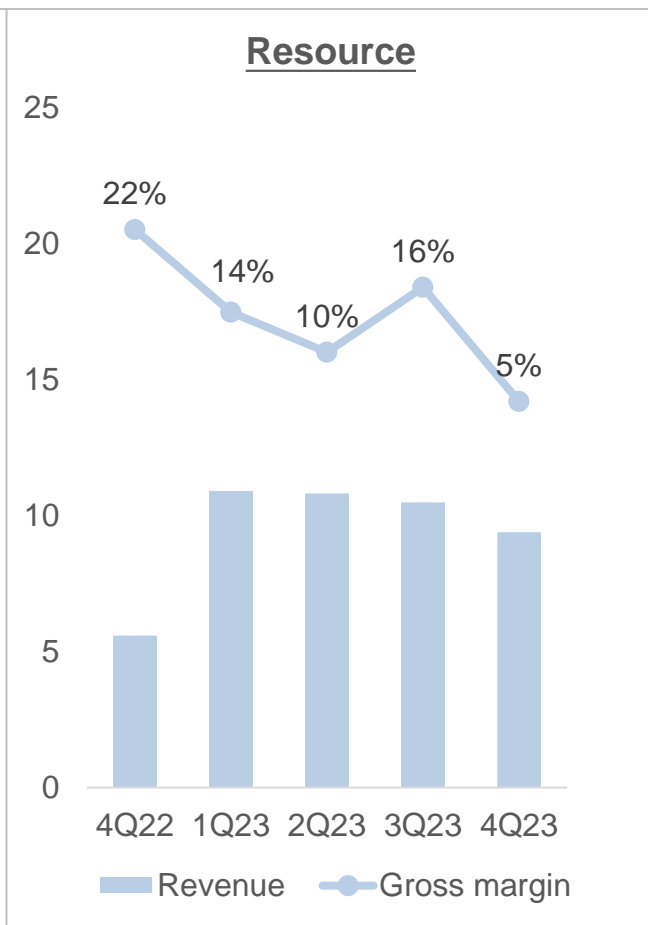
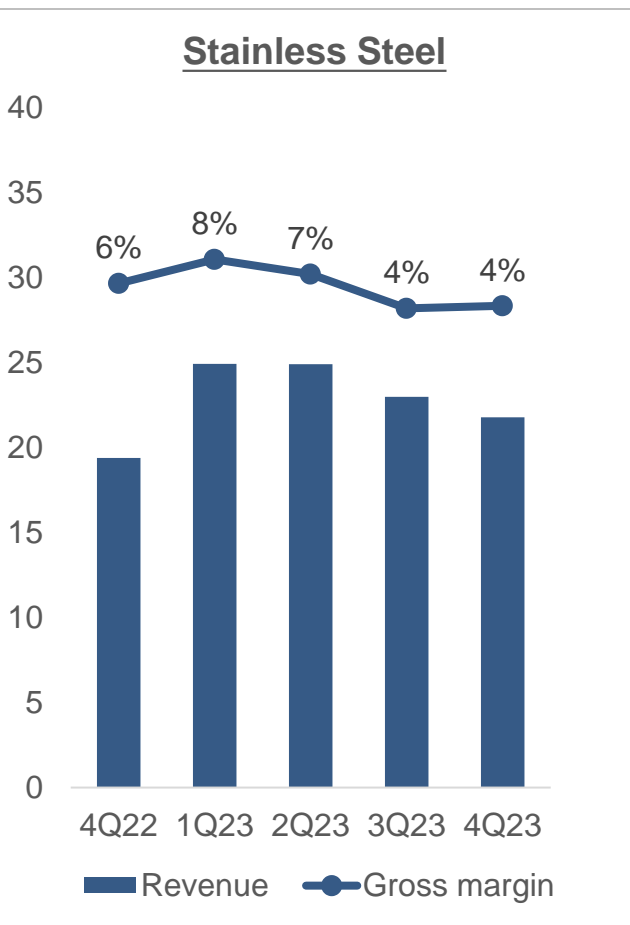


4Q23 Over 4Q22



4Q23 Operating Revenue and Gross Margin by BG

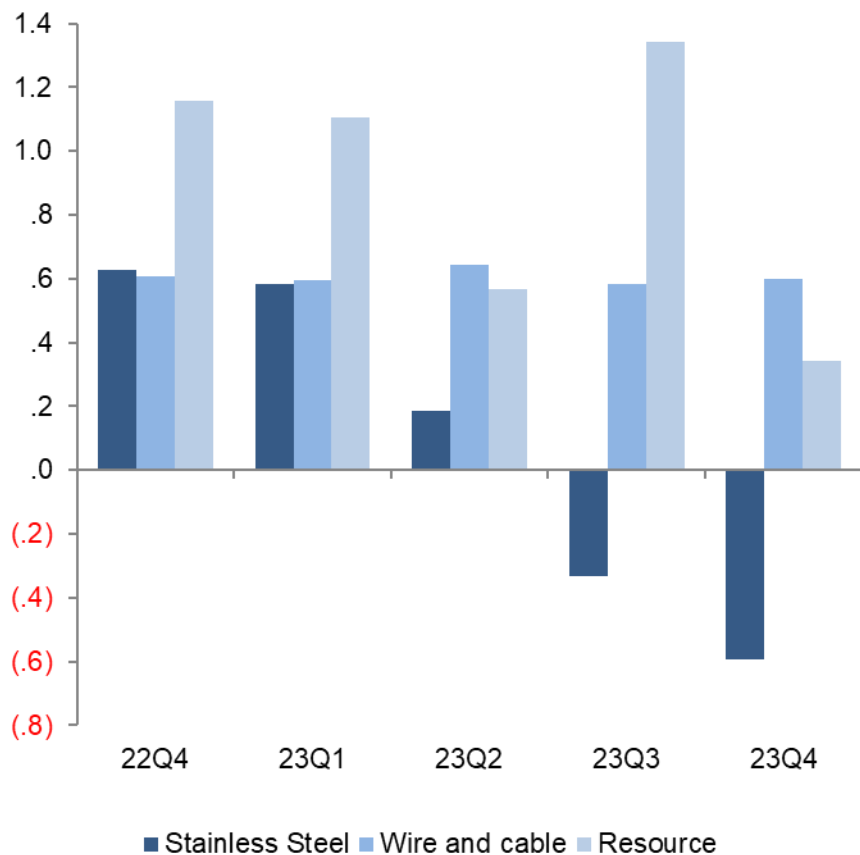
(In NT\$ billions)



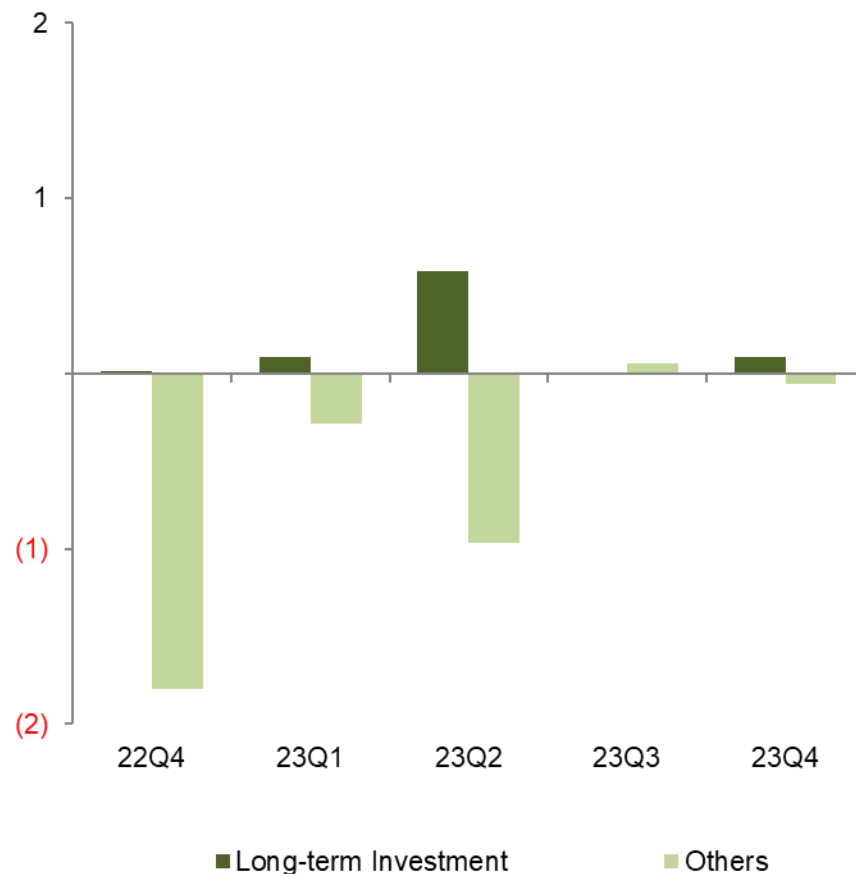
4Q23 Net Profit by BG

(In NT\$ billions)

Manufacturing Segment



Long-Term Investments and Others



Balance Sheets & Key Indices

Selected Items from Balance Sheets <i>(In NT\$ billions)</i>	4Q23		3Q23		4Q22	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	16	6%	14	5%	19	8%
Accounts Receivable	16	6%	23	8%	22	8%
Inventory ¹	37	14%	39	14%	40	15%
Long-Term Investments ²	70	26%	68	25%	61	24%
Property, Plant, and Equipment ³	111	42%	109	40%	95	37%
Total Assets	266	100%	274	100%	257	100%
Current Liabilities	51	19%	53	19%	61	24%
Long-term Interest-bearing Debts	48	18%	50	18%	50	19%
Total Liabilities	112	42%	116	42%	123	48%
Total Shareholders' Equity	154	58%	158	58%	134	52%
Key Indices						
Average Collection Days	40		43		46	
Average Turnover Days	77		73		70	
Current Ratio	1.6		1.7		1.5	
Ratio of Long-Term Capital to Non-Current Assets ⁴	1.1		1.1		1.1	

¹ Inventory includes prepayment for purchases

² Long-term investments includes prepayments for investments

³ Property, Plant, and Equipment (PPE) includes intangible assets

⁴ 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>	23Q4	23Q3	22Q4
Beginning Balance	13.5	24.2	23.3
Cash from Operating Activities	13.4	2.3	3.5
Capital Expenditure	(3.8)	(4.0)	(5.2)
Equity Investments	(0.4)	-	(6.3)
Acquisition of Subsidiaries	-	(5.9)	(5.1)
Long and Short-Term Borrowing	(3.0)	0.6	5.4
Cash Dividends	-	(6.7)	-
Others	(3.4)	3.0	3.8
Ending Balance	16.3	13.5	19.4

Recap of Recent Major Events and Outlook

■ Submarine Cable

The blueprint for the 2nd stage of the 3rd phase of the government's offshore wind power development and localization policies is well-defined. Walsin is in close communication with developers and suppliers. Furthermore, the progress of collaboration with NKT in plant construction and expertise transfer surpasses expectations, ensuring the timely supply of domestically-produced submarine cables.

■ Development of market penetration expansion in Europe

- January 2024 – Cogne, the Italian subsidiary, acquired a 65% stake in Italy's Com.Steel Inox for 28 million euros. This strategic move aims to fortify essential raw material sources for the stainless steel production process and further implement the concept of a circular economy.
- February 2024 – Cogne acquired 100% stake in Germany's Mannesmann Stainless Tubes for 135 million euros. This strategic acquisition is intended to streamline the supply chain and enhance the development of the seamless tube business.
- Over the last two years, crucial acquisitions have been successfully executed to solidify the strategic framework for stainless steel. Acquiring Cogne and SMP has propelled our expansion into high-end materials, including aerospace & defense, oil and gas, specialty energy, medical, automotive & transportation, industrial & machinery etc. Concurrently, the acquisition of Inox has secured upstream clean materials, while the MST acquisition has broadened our presence in downstream high-end product applications through vertical integration. With a dedicated operational team in place, we are poised to leverage synergies in products, equipment, certifications, channels, and more. This positions Walsin uniquely in the manufacturing of stainless steel and nickel-based alloys in Europe.

Recap of Recent Major Events and Outlook



- **Resource BG**

- The nickel market is currently experiencing an oversupply situation. Despite this, there is an anticipated slow but steady growth in overall nickel demand due to its usage in batteries and stainless steel. The performance in 1Q24 is expected to remain consistently low.
- The Indonesian government has indicated its refusal to issue licenses for RKEF production. Concurrently, nickel metal production facilities lacking cost competitiveness are initiating capacity shutdowns, including the nickel sulfide production lines in Australia.

- **Stainless Steel BG**

- Order volumes have shown a notable recovery, with prices not yet fully keeping pace.
- The source of these orders is yet to be determined between inventory replenishment and a potential increase in end-demand. The overall performance in 1Q24 is projected to slightly improve.

- **Wire and Cable BG**

- The robust demand for Grid Resilience Strengthening Construction Plan and construction in the large-scale technology industry are expected to lead to a stable performance throughout the year.
- However, the performance in 1Q24 is projected to be slightly lower than 4Q23 due to the impact of Chinese New Year.



**Please dial +886 2 3396 1191
then press 1602023 # to join our Q&A session**

Thank you

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