



2024 Third Quarter Investor Conference

November 08, 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

- 3Q24 Financial Results
- 4Q24 Outlook
- Q&A

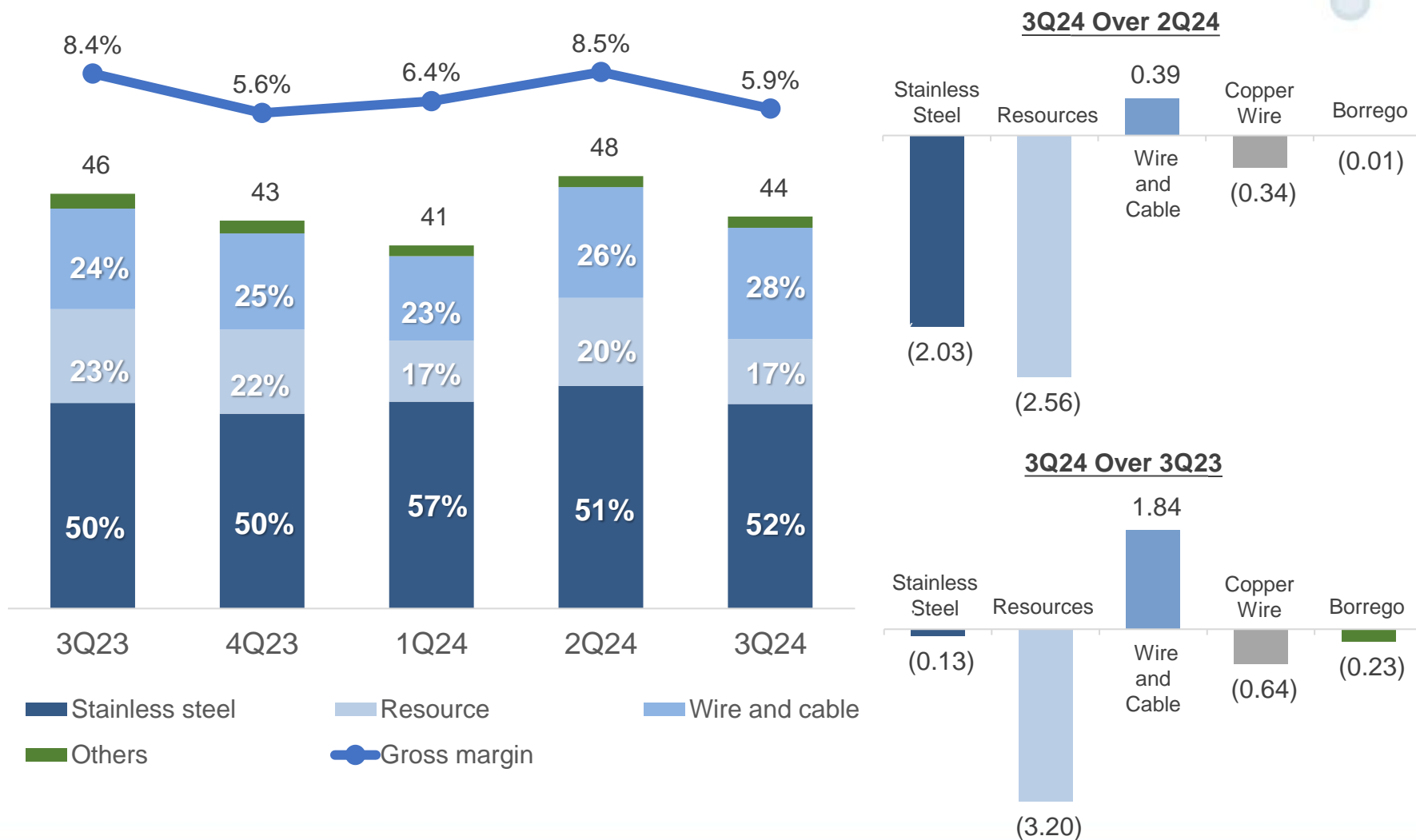
Income Statement

| <i>In NT\$ billions unless otherwise noted</i> | 3Q24 | 2Q24 | 3Q23 | 3Q24 over 2Q24 | 3Q24 over 3Q23 |
|--|-------------|-------------|-------------|----------------------|----------------------|
| Operating Revenue | 43.8 | 48.3 | 46.3 | (9%) | (5%) |
| Gross Margin | 5.9% | 8.5% | 8.4% | (2.6%) | (2.5%) |
| Operating Expenses | 2.4 | 2.5 | 1.9 | (5%) | 21% |
| Operating Margin | 0.5% | 3.4% | 4.2% | (2.9%) | (3.7%) |
| Non-Operating Income and Expenses | (0.1) | 1.0 | 0.6 | (113%) | (123%) |
| Net Profit Attributable to Owners | 0.4 | 2.2 | 2.0 | (84%) | (82%) |
| Profit Margin | 0.8% | 4.5% | 4.3% | (3.7%) | (3.5%) |
| EPS (NT Dollar) | 0.09 | 0.55 | 0.49 | (0.46) | (0.40) |
| EBITDA ¹ | 3.0 | 4.0 | 4.3 | (25%) | (31%) |

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

3Q24 Operating Revenue by Business Groups (BG)

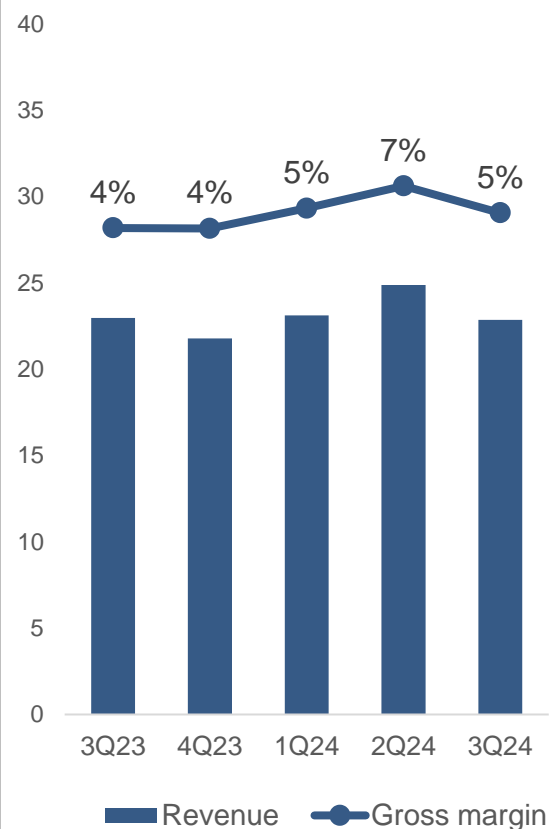
(In NT\$ billions)



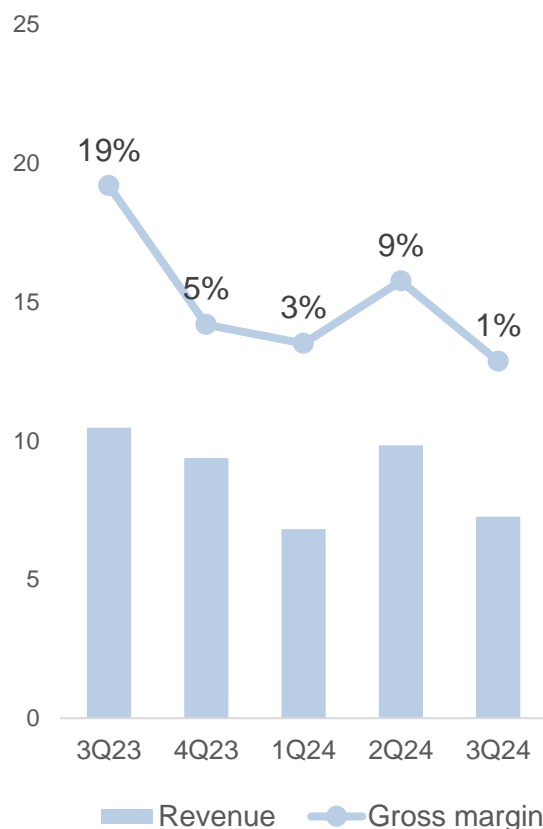
3Q24 Operating Revenue and Gross Margin by BG

(In NT\$ billions)

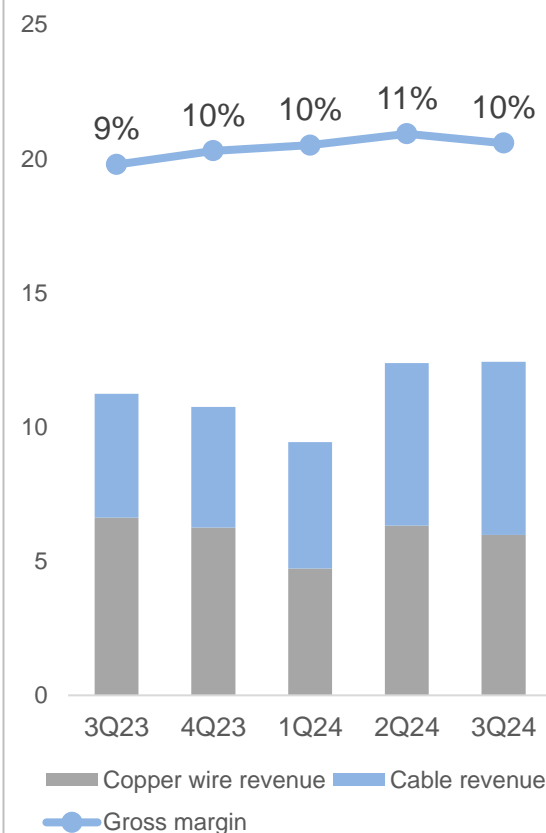
Stainless steel



Resource



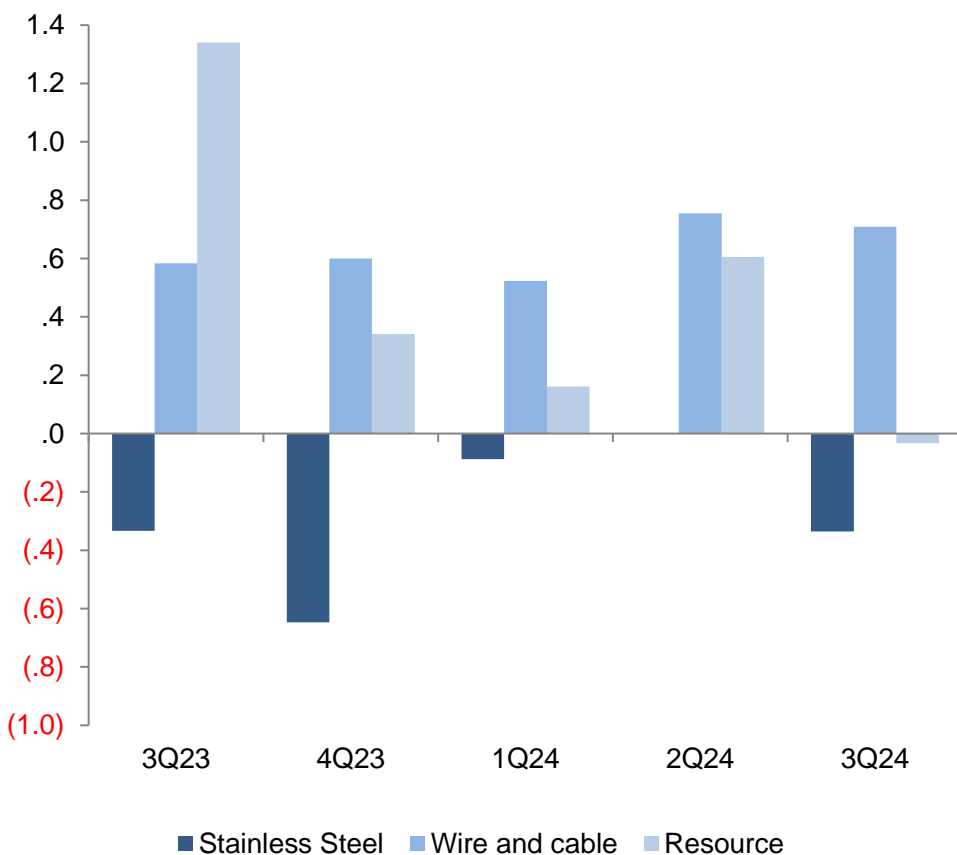
Wire and cable



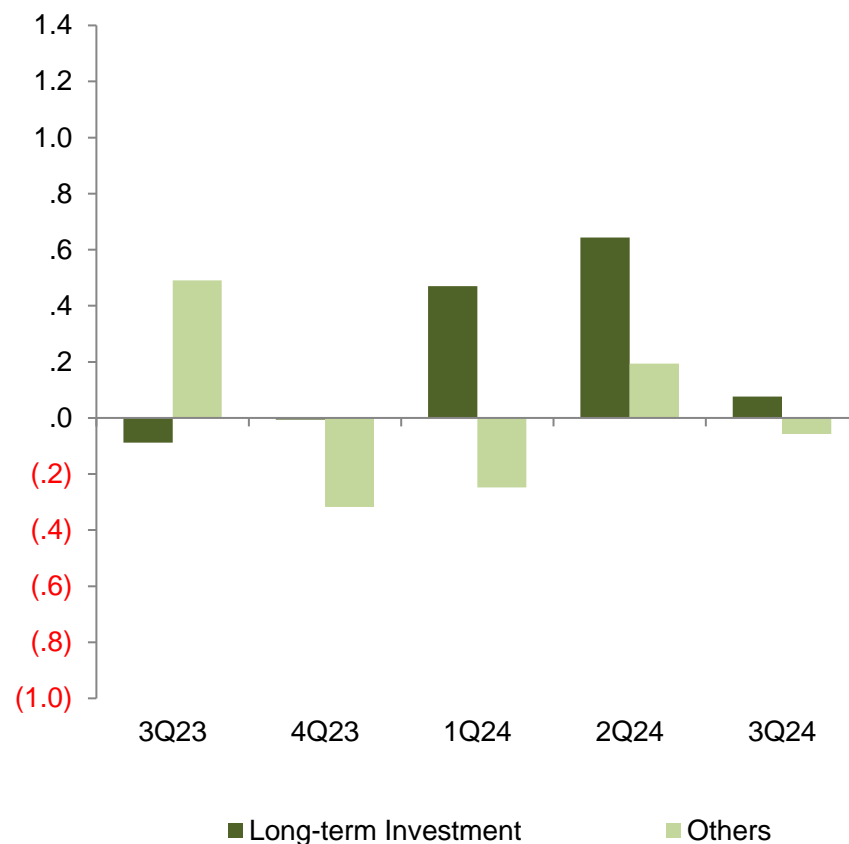
3Q24 Net Profit by BG

(In NT\$ billions)

Manufacturing Segment



Long-Term Investments and Others



Balance Sheets & Key Indices

| Selected Items from Balance Sheets | 3Q24 | | 2Q24 | | 3Q23 | |
|---|--------------|-------------|--------------|-------------|--------------|-------------|
| <i>(In NT\$ billions)</i> | Amount | % | Amount | % | Amount | % |
| Cash and cash equivalents | 8.5 | 3% | 12.1 | 5% | 13.5 | 5% |
| Accounts Receivable | 15.5 | 6% | 19.4 | 7% | 22.5 | 8% |
| Inventory ¹ | 44.5 | 17% | 43.2 | 16% | 39.7 | 14% |
| Long-Term Investments ² | 61.7 | 24% | 62.7 | 23% | 68.0 | 25% |
| Property, Plant, and Equipment ³ | 114.6 | 44% | 114.4 | 43% | 110.2 | 40% |
| Total Assets | 262.3 | 100% | 269.1 | 100% | 274.8 | 100% |
| Current Liabilities | 53.7 | 20% | 55.7 | 21% | 53.2 | 19% |
| Long-term Interest-bearing Debts | 44.1 | 17% | 46.4 | 17% | 49.5 | 18% |
| Total Liabilities | 112.6 | 43% | 116.6 | 43% | 116.5 | 42% |
| Total Shareholders' Equity | 149.7 | 57% | 152.5 | 57% | 158.3 | 58% |

Key Indices

| | | | |
|---|-----|-----|-----|
| Average Collection Days | 36 | 35 | 43 |
| Average Turnover Days | 89 | 79 | 74 |
| Current Ratio | 1.5 | 1.5 | 1.7 |
| 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> | 3Q24 | 2Q24 | 3Q23 |
|-----------------------------------|-------------|-------------|-------------|
| Beginning Balance | 12.1 | 12.3 | 24.3 |
| Cash from Operating Activities | 1.5 | 0.5 | 2.3 |
| Capital Expenditure | (3.2) | (1.9) | (4.0) |
| Equity Investments | (0.7) | 0.6 | - |
| Acquisition of Subsidiaries | - | (0.8) | (5.9) |
| Earn-out from Disposal of Borrego | - | - | - |
| Long and Short-Term Borrowing | 3.2 | 1.0 | 0.6 |
| Cash Dividends Paid | (4.4) | - | (6.7) |
| Others | - | 0.4 | 2.9 |
| Ending Balance | 8.5 | 12.1 | 13.5 |

4Q24 Outlook

■ Stainless Steel BG


- Both the European and U.S. markets were impacted by the holiday season in 3Q24, with recovery expected in 4Q24. In Taiwan, performance is projected to remain consistent with 3Q24 levels, while demand in China's stainless steel market continues to appear sluggish.
- We plan to invest in a new stainless steel wire rod manufacturing plant with an annual production capacity of 300,000 tons. This facility is designed to enhance our cost competitiveness in key Southeast Asian and South Asian markets. Construction is expected to complete by 2Q26, with mass production slated to begin in 1H27.

■ Resource BG

- Indonesia's approvals for nickel ore mining production quotas (RKAB) are gradually increasing. While high ore premiums for nickel are expected to stabilize, their impact on production costs is likely to be delayed until 4Q24.
- Market supply and demand integration is still pending under the new government, but improvements are expected by 1Q25.

■ Wire and Cable BG

- Demand for the Taipower for Grid Resilience Strengthening Construction Plan remains strong in 4Q24.
- Demand for power cables in the private sector shows a mild decline, despite high construction activity in the technology industry.
- 4Q24 is anticipated to maintain steady profitability overall.



**Please dial +886 2 3396 1191
then press 1416508 # to join our Q&A session**

Thank you

IR@walsin.com
<http://www.walsin.com/>