WPG Holdings Ltd.
(3702.TT/3702.TW)
2Q23 Earning Release

August 22th, 2023

Safe Harbor Notice

- These forward-looking statements, which may include statements regarding WPG' future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on WPG' current expectations.

- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our ability to successfully expand our capacity; our dependence on key personnel; general economic and political conditions, including those related to the IC industry; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.

- Our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.

Agenda

■ Welcome	
■ 2Q23 Financial Highlights & 3Q23 Outlook	Cliff Yuan/ Scott Lin
■ Q&A	Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	2Q23	2Q23 Forecast	1Q23	2Q22	QoQ(%)	YoY(%)	1H23	1H22	YoY(%)
Net Sales	156,690	142 ~ 152B	144,754	199,056	8.2	(21.3)	301,443	408,921	(26.3)
Gross Margin	3.88%	3.7% ~ 3.9%	3.88%	3.88%	+0 bp	+0 bp	3.88%	3.87%	+1 bp
Operating Expenses	(3,620)		(3,678)	(3,955)	(1.6)	(8.5)	(7,298)	(7,830)	(6.8)
Operating Income	2,466		1,941	3,775	27.0	(34.7)	4,408	7,996	(44.9)
Operating Margin	1.57%	1.3% ~ 1.45%	1.34%	1.90%	+23 bp	-32 bp	1.46%	1.96%	-49 bp
Net Income	2,317	1898 ~ 2103	685	2,897	238.3	(20.0)	3,002	6,341	(52.7)
EPS (NT$)(1)	1.14	0.89 ~ 1.01	0.41	1.49			1.55	3.54	
Net Book Value (NT$)(1)	41.05								
Total Assets	289,946		283,927	336,990			289,946	336,990	
Total Liabilities	210,105		201,269	261,146			210,105	261,146	
Total Equity	79,841		82,657	75,844			79,841	75,844	
Net Working Capital	131,935		135,317	175,800			131,935	175,800	
Free Cash Flow	5,243		15,418	(9,508)			20,662	(29,712)	
KEY Indices(2)									
ROWC	*7.5%*		*5.7%*	*8.6%*	+174 bp	-111 bp	*6.7%*	*9.1%*	-241 bp
NWC/Sales	*0.21*		*0.23*	*0.22*			*0.22*	*0.21*	
ROE	*11.6%*		*3.4%*	*15.9%*	+822 bp	-435 bp	*7.5%*	*17.4%*	-994 bp
Gearing	1.15		1.18	1.74			1.15	1.74	
(1).Weighted average common shares outstanding	1,679		1,679	1,679			1,679	1,679	

(2).Annualized

Statements of Comprehensive Income

Unit:NT$million

Item	2Q23	1Q23	QoQ(%)	2Q22	YoY(%)	1H23	1H22	YoY(%)
Revenue	156,690	144,754	8.2	199,056	(21.3)	301,443	408,921	(26.3)
COGS	(150,603)	(139,134)	8.2	(191,325)	(21.3)	(289,737)	(393,095)	(26.3)
Gross Profit	6,087	5,619	8.3	7,730	(21.3)	11,706	15,826	(26.0)
Gross Margin	3.88%	3.88%		3.88%		3.88%	3.87%	
Operating Expenses	(3,620)	(3,678)	(1.6)	(3,955)	(8.5)	(7,298)	(7,830)	(6.8)
Operating Income	2,466	1,941	27.0	3,775	(34.7)	4,408	7,996	(44.9)
Operating Margin	1.57%	1.34%		1.90%		1.46%	1.96%	
Net Non-operating Items	1,135	(1,075)	NM	(179)	NM	60	(227)	NM
Net Financing costs	(1,402)	(1,509)	(7.1)	(899)	56.0	(2,911)	(1,532)	90.0
FX Gains/Losses	66	117	(43.7)	127	(48.3)	183	233	(21.5)
Investment Income/Losses	2,366	253	834.2	508	366.0	2,619	944	177.5
Others	105	64	65.2	84	24.9	169	128	31.7
Profit Before Tax	3,601	866	315.8	3,596	0.2	4,468	7,769	(42.5)
Tax	(1,268)	(171)	643.4	(694)	82.7	(1,439)	(1,382)	4.2
Minority	(16)	(11)		(5)		(27)	(46)	
Profit After Tax	2,317	685	238.3	2,897	(20.0)	3,002	6,341	(52.7)
Net Margin	1.48%	0.47%		1.46%		1.00%	1.55%	
EPS (NT$)(1)	1.14	0.41		1.49		1.55	3.54	
Tax %	35%	20%		19%		32%	18%	
(1).Weighted average common shares outstanding	1,679	1,679		1,679		1,679	1,679	

Balance Sheet

Unit:NT$million	2Q23		1Q23		2Q22	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash & Marketable Securities	14,542	*5*	14,310	*5*	12,645	*4*
Accounts Receivable - Trade	107,759	*37*	101,015	*36*	146,126	*43*
Inventory	99,617	*34*	103,038	*36*	118,872	*35*
Current Assets	244,564	*84*	241,092	*85*	296,001	*88*
Others	45,382	*16*	42,835	*15*	40,989	*12*
Total Assets	289,946	*100*	283,927	*100*	336,990	*100*
Current Interest-bearing Debt	80,070	*28*	83,985	*30*	104,420	*31*
Accounts Payble	75,440	*26*	68,736	*24*	89,198	*26*
Accrued Liabilities and Others	22,696	*8*	15,681	*6*	23,663	*7*
Current Liabilities	178,206	*61*	168,402	*59*	217,282	*64*
Long-term Interest-bearing Debt	27,536	*9*	29,227	*10*	41,102	*12*
Others	4,362	*2*	3,640	*1*	2,762	*1*
Total Liabilities	210,105	*72*	201,269	*71*	261,146	*77*
Total Equity	79,841	*28*	82,657	*29*	75,844	*23*
KEY Indices(1)						
Net Working Capital (NT$million)	131,935		135,317		175,800	
AR Turnover (Days)	*61*		*70*		*68*	
Inventory Turnover (Days)	*61*		*70*		*52*	
AP Turnover (Days)	*44*		*49*		*42*	
Average Collection Periods (Days)	*79*		*91*		*78*	
Current Ratio	*137%*		*143%*		*136%*	
Gearing	*1.15*		*1.18*		*1.74*	

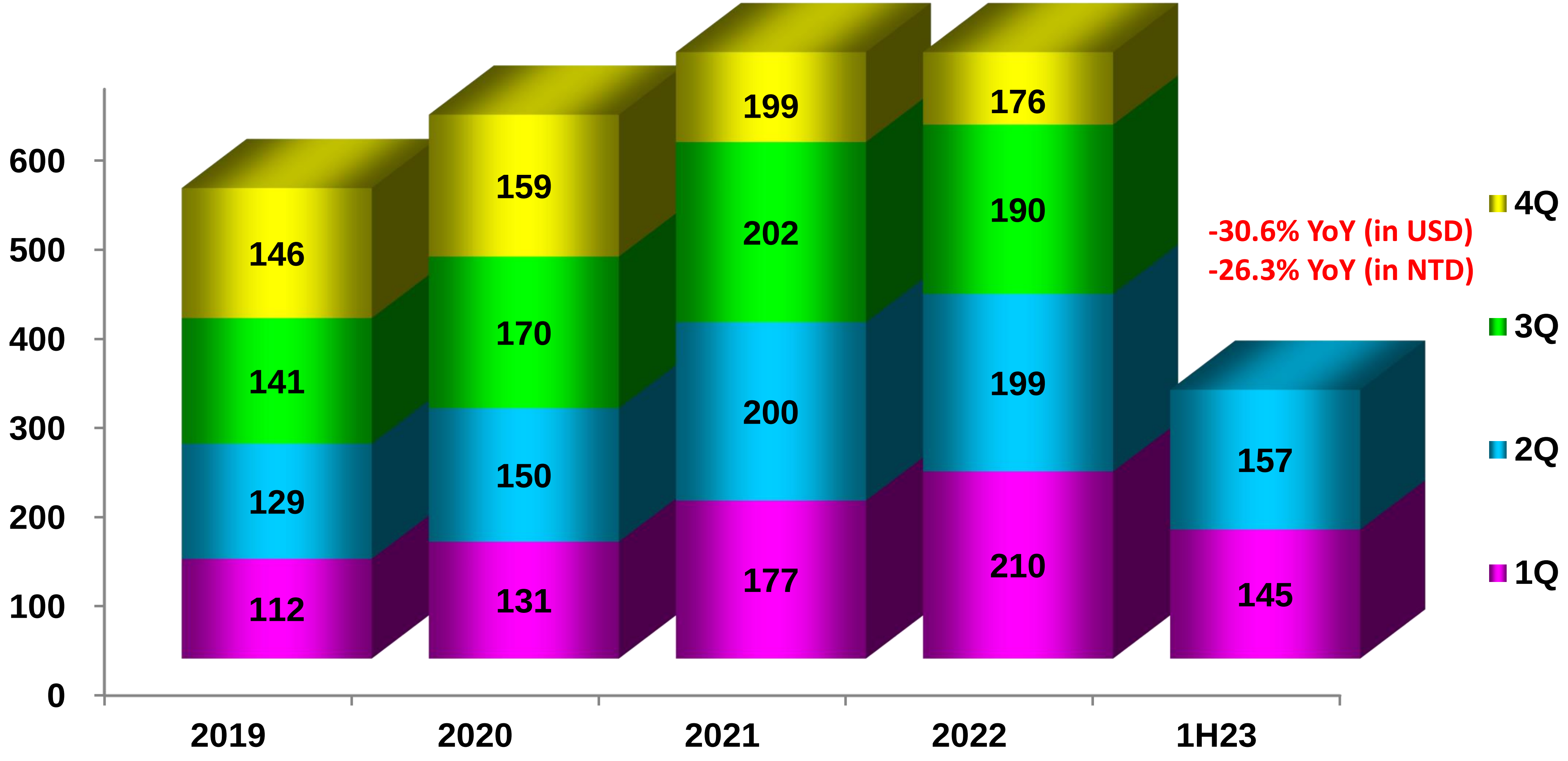
(1).Annualized

Cash Flows

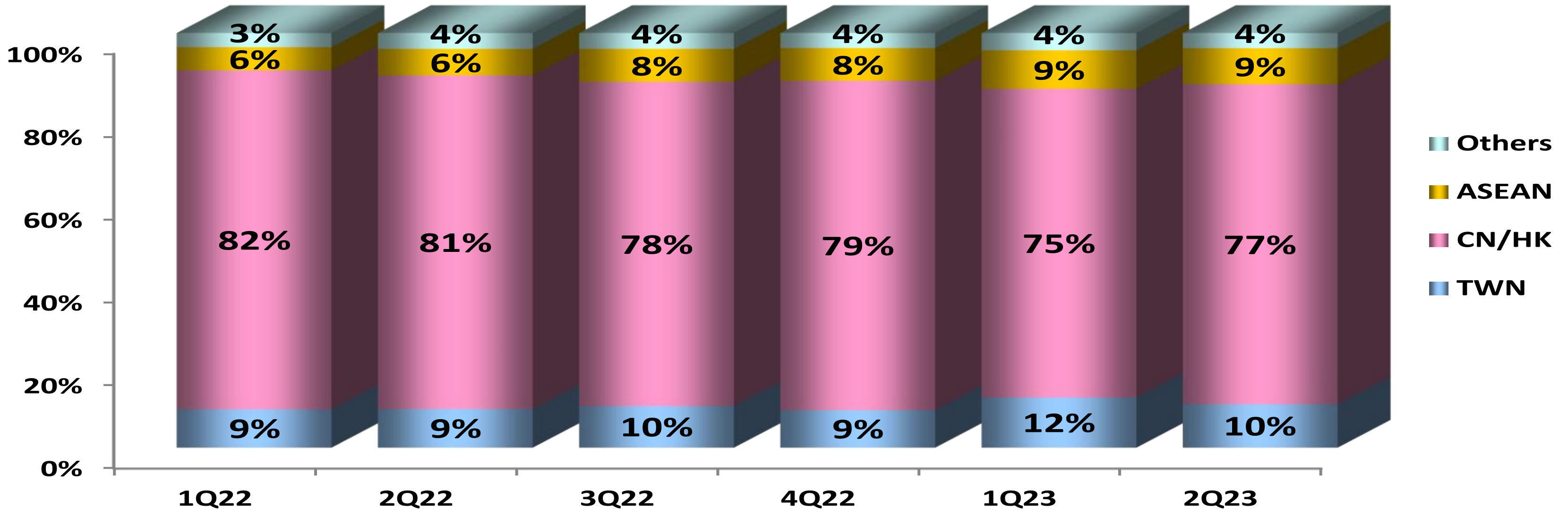
Unit:NT$million	2Q23	1Q23	2Q22	1H23	1H22
-Income before Income Tax	3,601	866	3,596	4,468	7,769
-Changes of NWC	4,237	15,526	(11,094)	19,763	(31,221)
-Adjustment & Others	(2,596)	(974)	(2,010)	(3,569)	(6,260)
From Operation	**5,243**	**15,418**	**(9,508)**	**20,662**	**(29,712)**
-Other Financial Instruments	(110)	503	(218)	393	(440)
-Capital Expenditure	(279)	(90)	(152)	(369)	(383)
-Acquisition of subsidiaries	(240)	-	-	(240)	-
-Marketable Financial Instruments	12	21	(3)	33	(838)
-Others	19	5	(26)	24	(131)
From Investment	**(598)**	**439**	**(399)**	**(159)**	**(1,792)**
-Financial Debt	(6,266)	(17,115)	4,732	(23,382)	24,145
-Others	(53)	(54)	(99)	(108)	(311)
From Financing	**(6,320)**	**(17,170)**	**4,633**	**(23,490)**	**23,835**
Cumulative translation adjustments	**1,904**	**(984)**	**3,025**	**920**	**5,893**
Net Cash Position Change	**230**	**(2,296)**	**(2,249)**	**(2,067)**	**(1,777)**
Ending Cash Balance	**14,531**	**14,301**	**12,631**	**14,531**	**12,631**

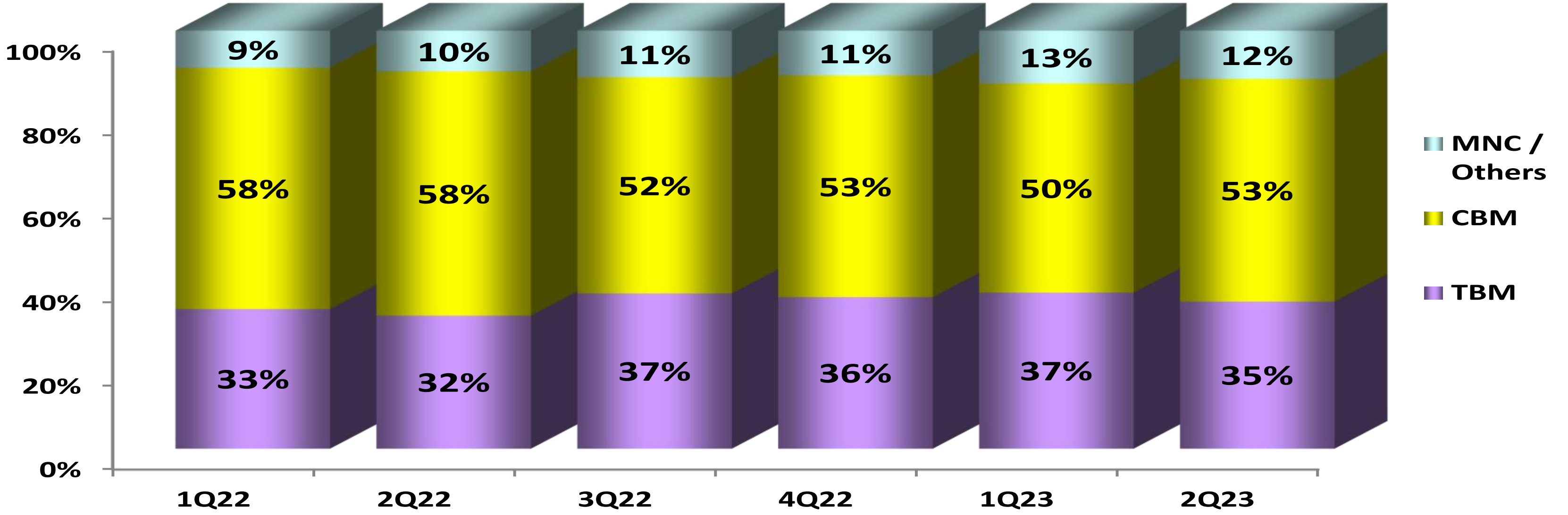
Consolidated Revenue

Unit: NT$billion



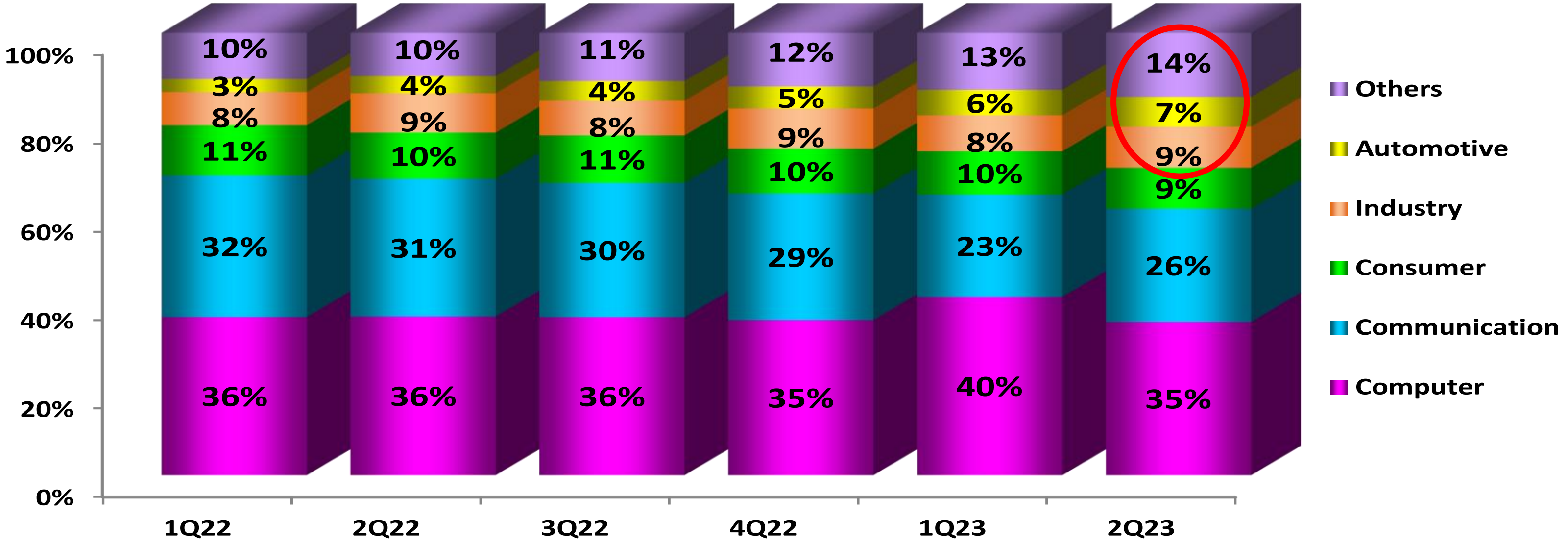
Sales breakdown by Geography/ Customer

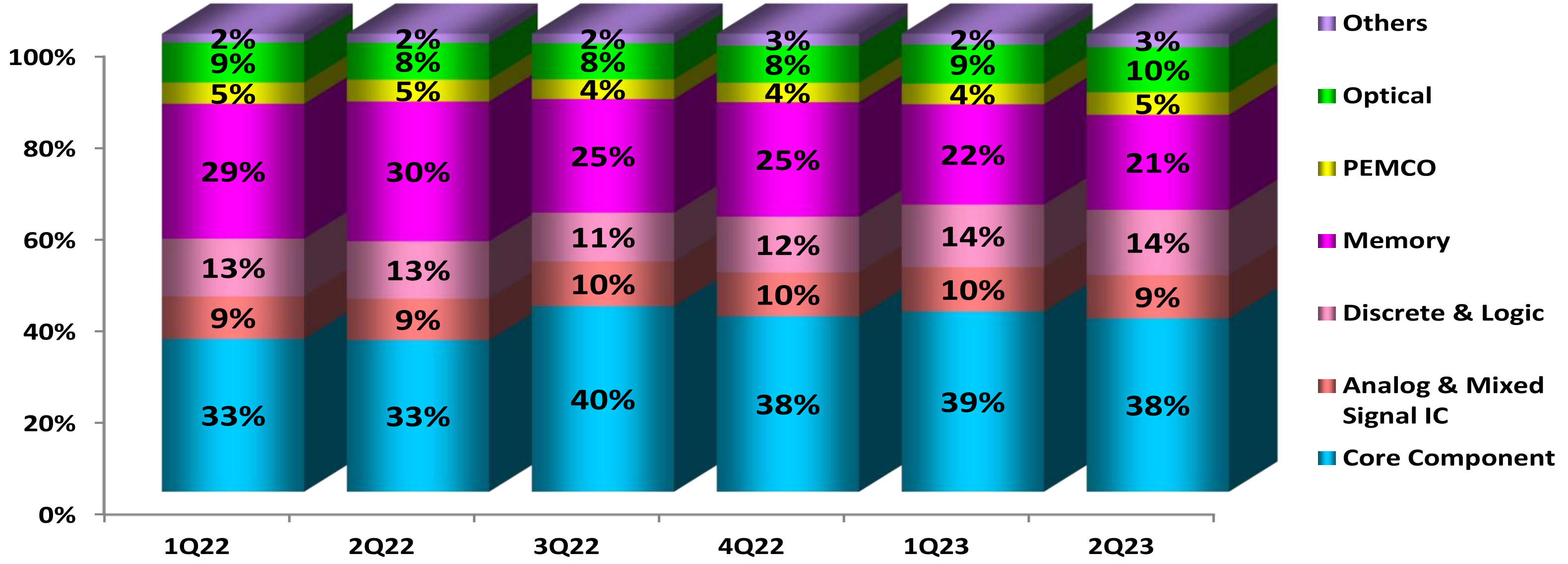




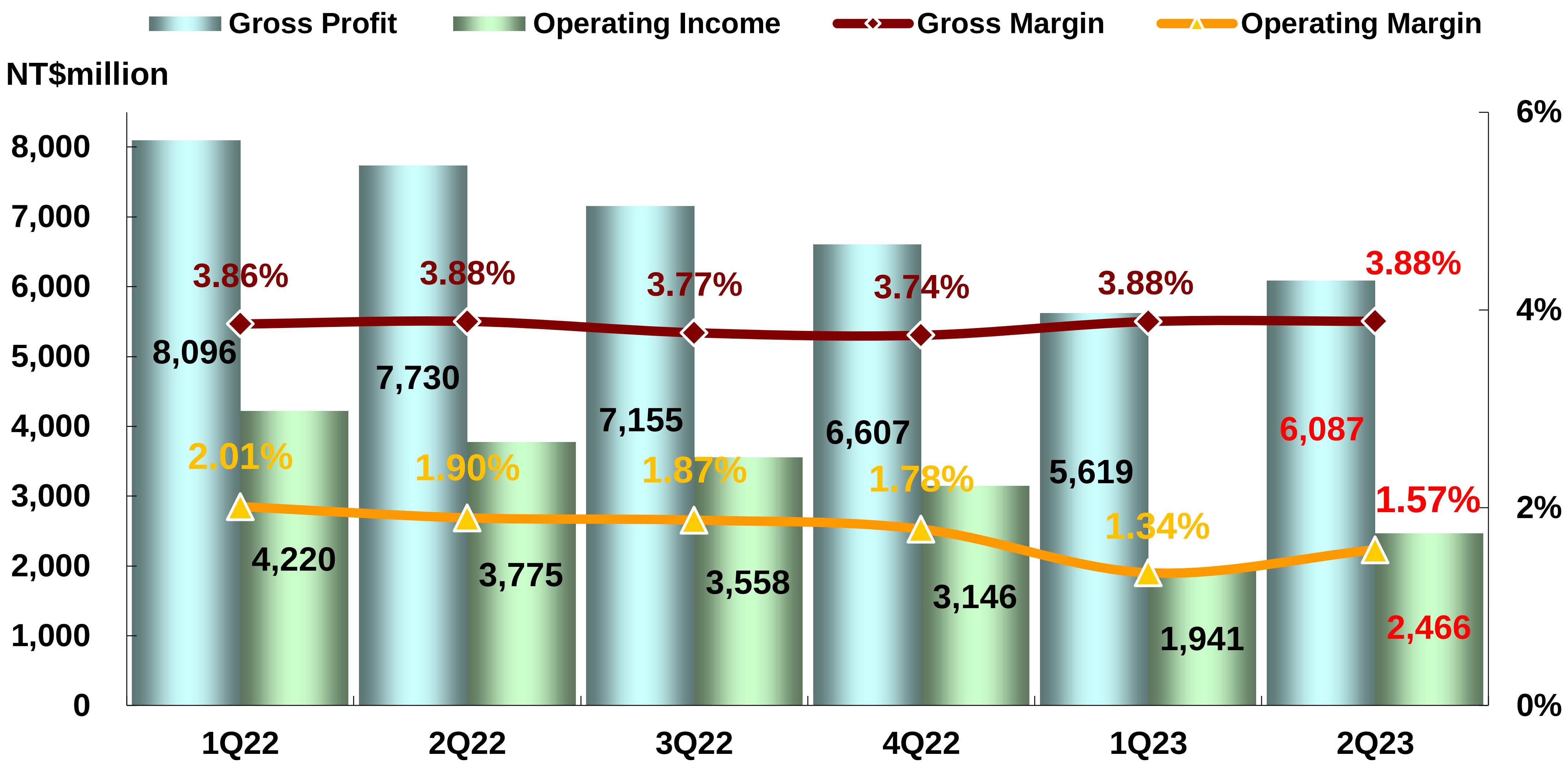
TBM：Taiwan-Based Customers
CBM：China Based Customers

Sales breakdown by Application/ Device Type

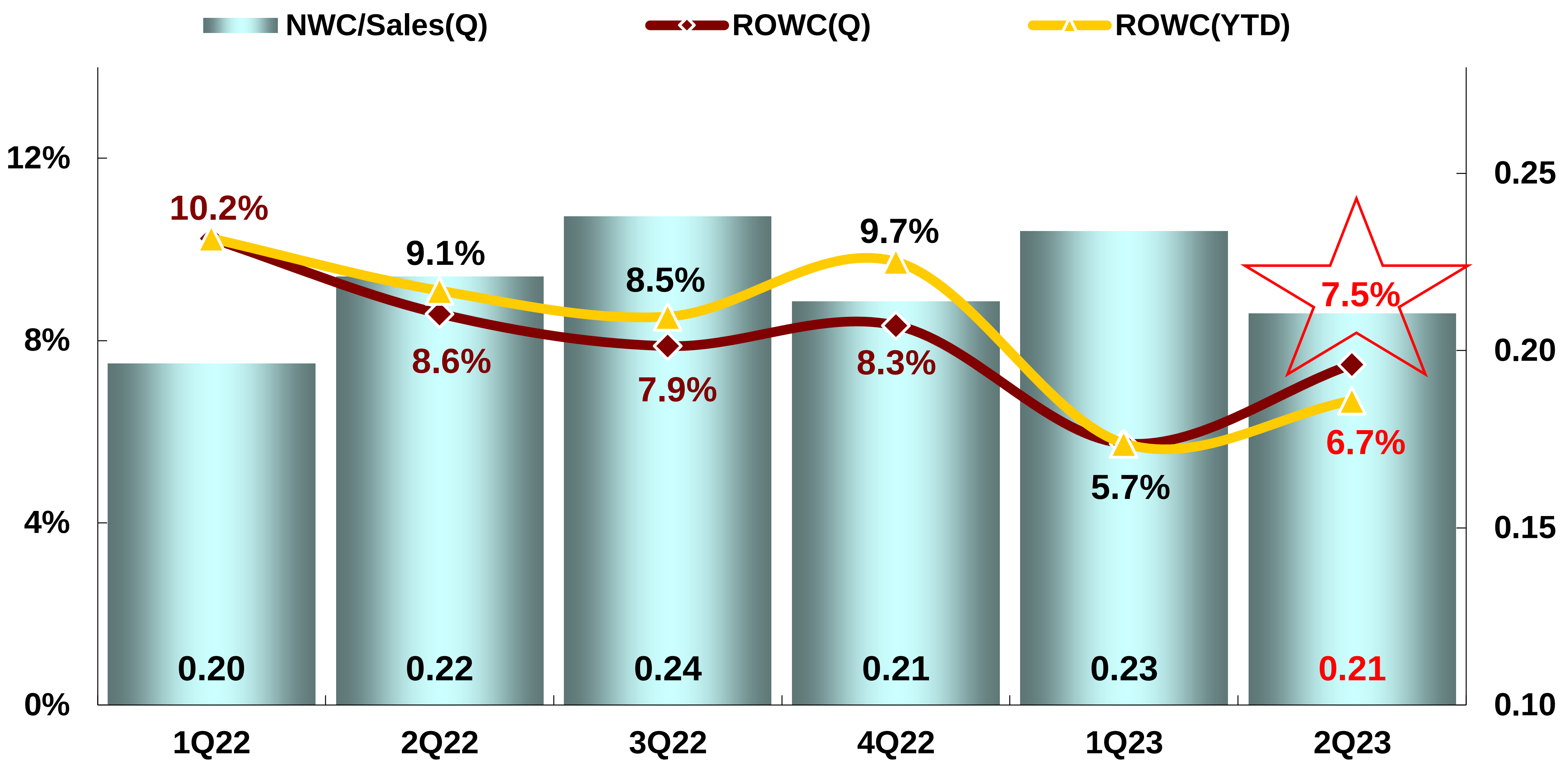




Gross Margin vs. Operating Margin

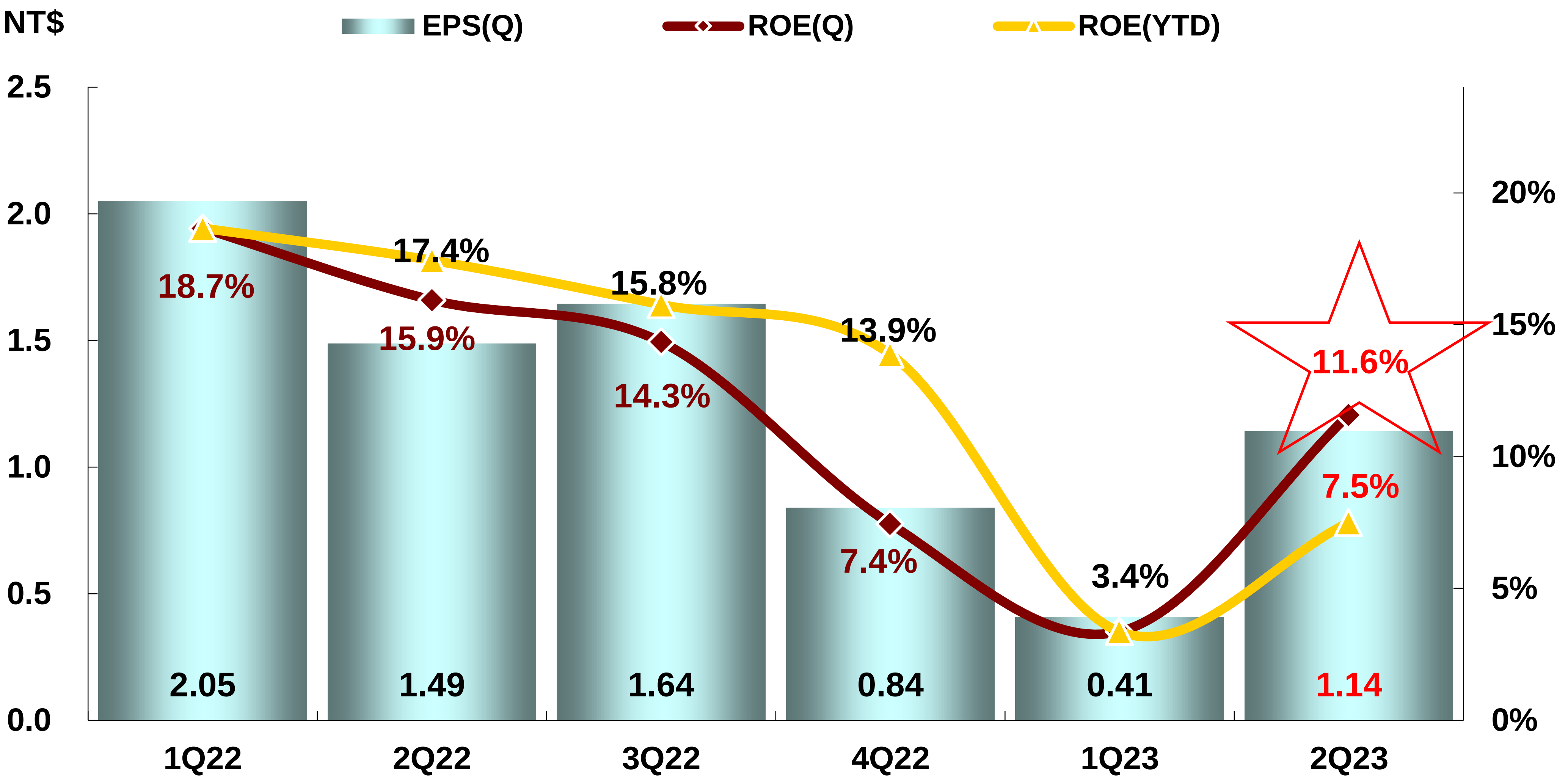


ROWC vs. NWC/Sales



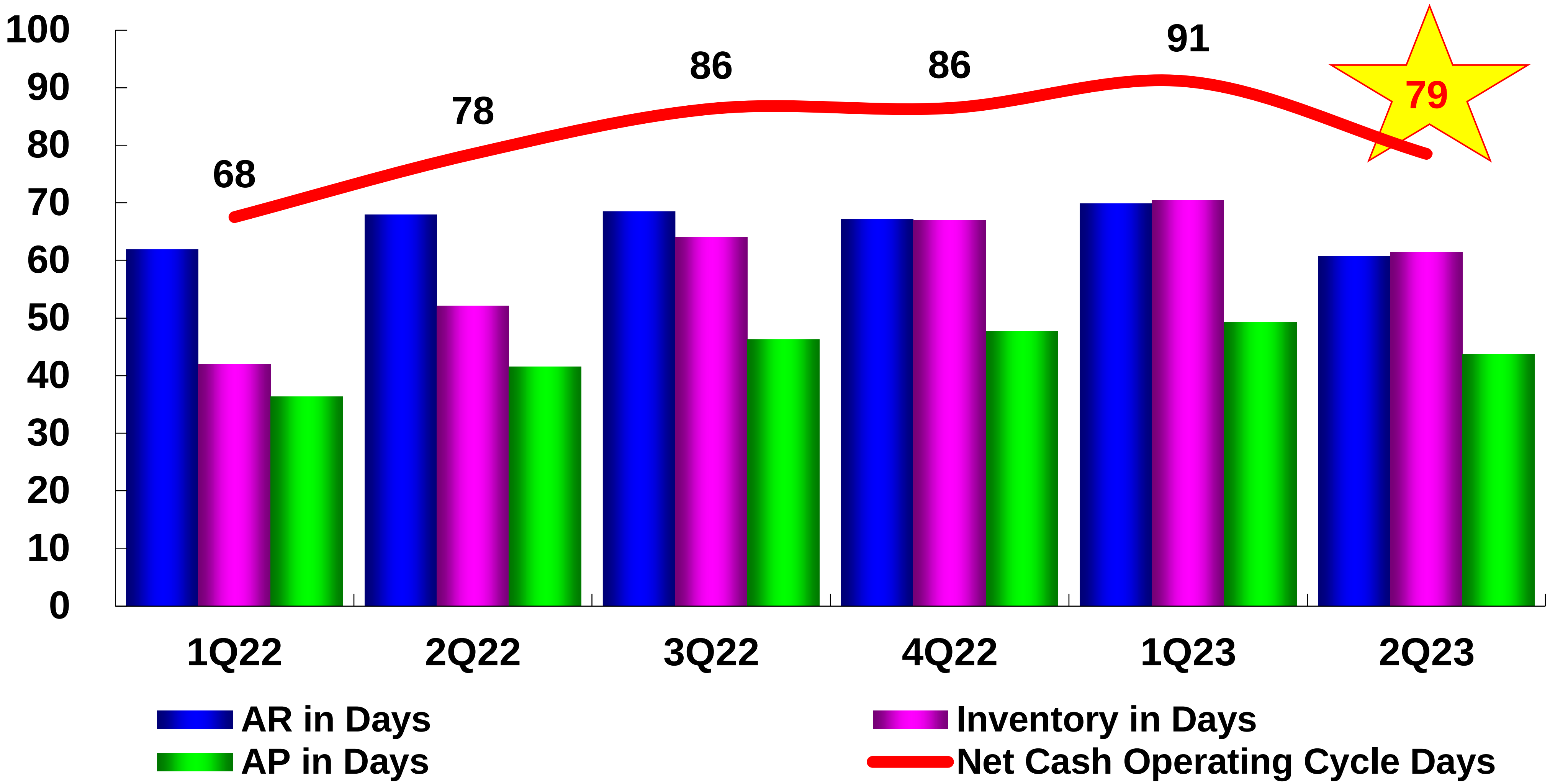
Note：Annualized

ROE vs. EPS



Note：Annualized

Operating Cash Cycle



Note：Annualized

3Q23 Summary Forecast

Based on our current business outlook, management expects：

Unit:NT$million

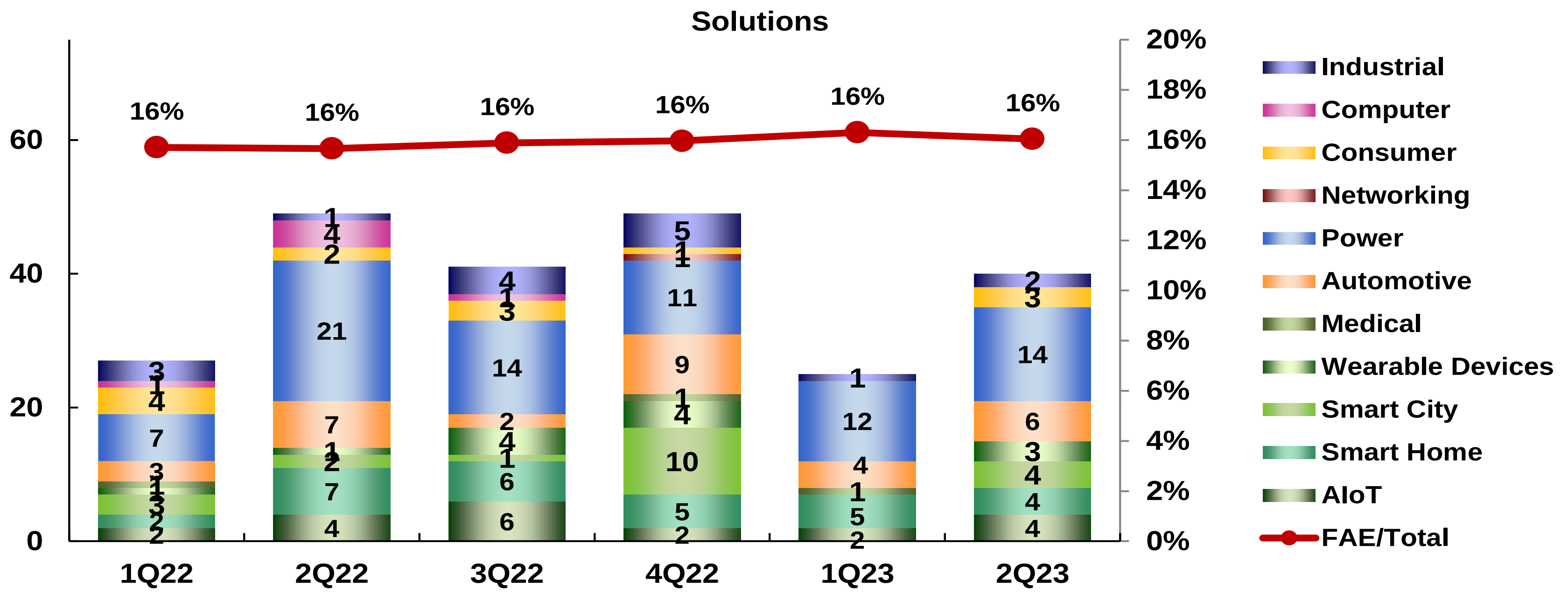
Item	3Q23 Forecast (2)			2Q23 (1)
Revenue	164,000	~	174,000	156,690
Gross Profit	6,068	~	6,786	6,087
Gross Margin	3.70%	~	3.90%	3.88%
Operating Expenses	3,608	~	3,828	3,620
Operating Income	2,460	~	2,958	2,466
Operating Margin	1.50%	~	1.70%	1.57%
Profit Before Tax	1,435	~	1,839	3,601
Profit After Tax	1,191	~	1,514	2,317
EPS (NT$)	0.71	~	0.90	1.14

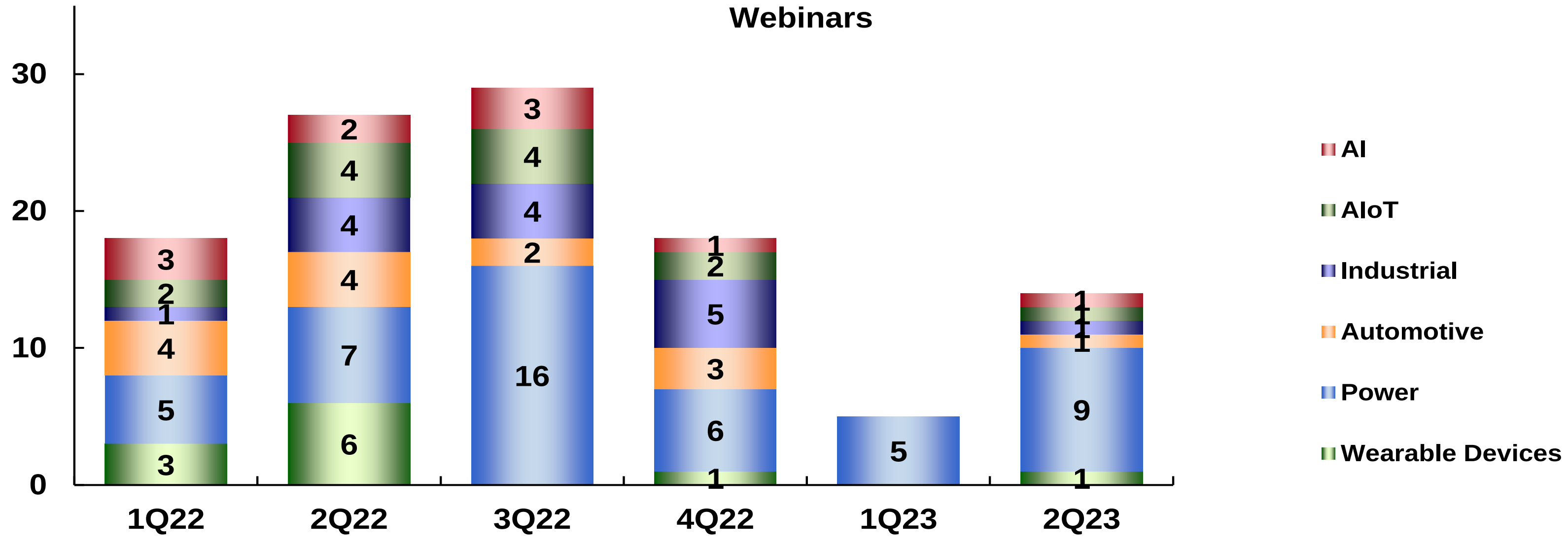
(1). Reviewed

(2). At a forecast FX rate of 31 NT dollars to 1 US dollar averaged over 3Q23.

Prepared by WPG based on IFRS.

More Solutions and Webinars





https://www.wpgdadatong.com/tw

40 Solutions Launched in 2Q23

消費電源

- 200W高功率密度遊戲適配器設計方案 2023-06-21
- 300W 電動滑板車直流無刷電機驅動方案 2023-06-19
- 最小巧、最緊湊高性能1200V碳化矽IPM的暖通方案 2023-06-02
- 有量產經驗可程控最新PFC+HFB combole IC 140W應用 2023-05-15
- 先進准諧振反激式高效能高密度15V/3A 45W GaN功率電源轉換器 2023-04-17

工業電源

- 1kw無橋CCM-PFC預穩壓器的電源方案 2023-06-27
- IPM應用於500W風機的方案介紹 2023-04-05

照明電源

- 200W LED驅動器方案介紹 2023-06-05
- 於可調光的高功率反向BUCK的500W LED 方案 2023-05-26
- 35W LED lighting應用方案 2023-04-26

新能源電源

- 高性能DSP開發的11KW三相圖騰柱PFC電源方案 2023-05-10

汽車電源

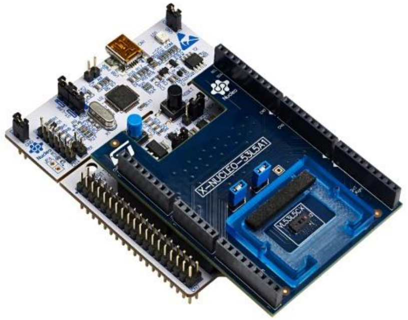
- 38V、10W同步隔離降壓轉換器評估板 2023-06-29
- 25KW雙有源橋雙向電源轉換器,以電動汽車充電統電池儲能 2023-06-12
- 1200V,SiC MOSFET+Isolated IGBT Gate Driver IC用於電動車EV充電樁方案 2023-05-24

消費類

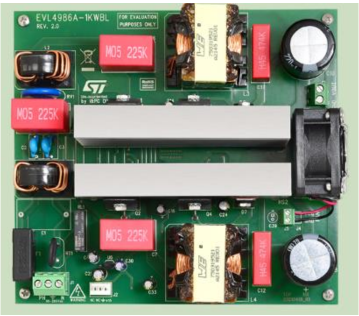
- 24 bit-96KHz/Lossless藍牙擴大機方案 2023-06-28
- 飛行時間測距感測器的手勢識別解決方案 2023-06-26
- 雙屏異顯之數位電子看板方案 2023-05-08

工業類

- 帶HMI接口的工業PLC解決方案 2023-05-01
- 機器手臂馬達控制解決方案 2023-04-13



Gesture Recognition Solution



Power Solution

IPM Solution

PD Application Solution

40 Solutions Launched in 2Q23

穿戴裝置

- 多功能TWS耳機充電倉方案 2023-05-31
- 可降噪頭戴式耳機方案 2023-05-22
- LE audio應用模組 2023-05-19

智能家居

- FEM解決方案 2023-06-25
- 智能家居之Matter應用方案 2023-06-14
- 智能中控方案 2023-06-09
- 智能烤箱方案 2023-05-29

智慧城市

- LoRa為行業提供輕量化、低成本的組網解決方案 2023-06-30
- AI智慧看板展示方案 2023-06-20
- 支援藍牙低功耗 5.0 的環境和運動感測解決方案 2023-05-25
- 電機振動檢測方案 2023-04-28

AIoT

- Security NVR 智能監控錄影儲存方案 2023-06-16
- 智慧銷售 AI 保全系統 2023-06-15
- 多用途超小體積模組板方案 2023-06-07
- 語音辨識解決方案 2023-05-12

車載娛樂

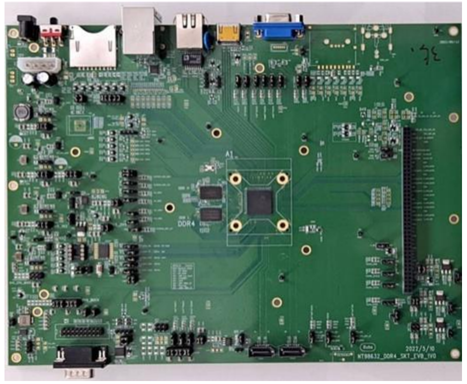
- iCockpit的方案 2023-04-13

車身電子

- 汽車OBC-DCDC評估板方案 2023-05-18
- 數字儀表顯示方案 2023-05-05
- 帶加熱HoD離手檢測+觸摸多功能方向盤方案 2023-04-24
- 汽車智能網關方案 2023-04-21
- 驅動器的小型發動機 EFI(電子控制燃油噴射系統)解決方案 2023-04-19

FEM Solution

Speech Recognition Solution



Intelligent Surveillance Video Storage Solution

Automotive Intelligent Gateway Solution

Solution Webinars in 2Q23

Recap of Recent Major Events

- Pursuant to the shareholders' meeting of WPG resolved to amend the Articles of Incorporation and change the Company‘s Chinese name, formerly known as”大聯大投資控股股份有限公司” is now changed to ”大聯大控股股份有限公司” .(2023/5/31)
- The distribution of Ordinary shares cash dividends NT$3.85 per share and Preferred shares A cash dividends NT$2 per share.(2023/8/21)

WPG Holdings

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WPG Holdings

Q&A

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Thank you

The Benchmark of Distribution