PRIMAX ELECTRONICS

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投資人關係 致伸科技 2023 第一季財務報告



PRIMAX ELECTRONICS



Primax Speakers

YY Hsiao General Manager | CFO | Taiwan

Ellen Tseng Senior Director | Investor Relations | Taiwan



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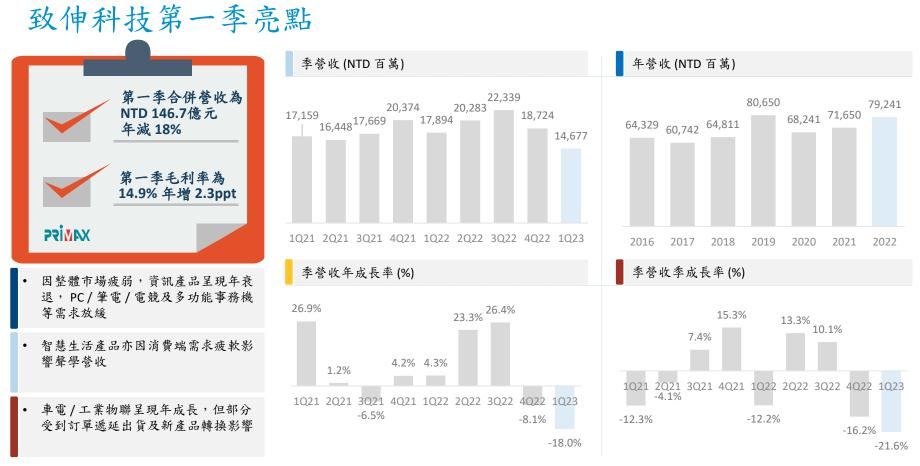
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INVESTOR RELATIONS & QUARTERLY UPDATE | 3

致伸科技財務簡覽表

致伸第一季亮點 – 稅前利益、毛利率、營業利益率、每股盈餘、股東權益報酬率、資產報酬率



致伸科技損益表



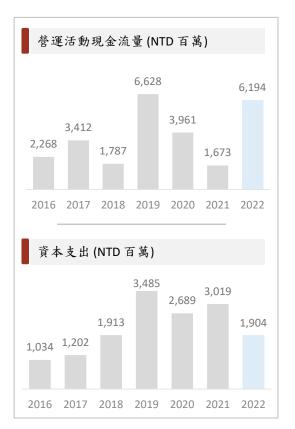
(NTD 百萬)	1Q 2023	4Q 2022	1Q 2022	QoQ	YoY
淨營收	14,677	18,724	17,894	-21.6%	-18.0%
銷貨成本	12,486	15,915	15,643		
營業毛利	2,191	2,808	2,252	-22.0%	-2.7%
毛利率 (%)	14.9%	15.0%	12.6%	-0.1 ppt	2.3 ppt
營業費用	1,619	2,043	1,639	-20.8%	-1.2%
營業費用率(%)	11.0%	10.9%	9.2%	0.1 ppt	1.8 ppt
營業利益	572	765	613	-25.2%	-6.7%
營業利益率(%)	3.9%	4.1%	3.4%	-0.2 ppt	0.5 ppt
業外收益	141	28	74		
税前利益	712	793	687	-10.2%	3.6%
所得稅	139	164	144		
淨利	573	629	543	-8.9%	5.5%
淨利率 (%)	3.9%	3.4%	3.0%	0.5 ppt	0.9 ppt
淨利歸屬母公司業主	555	602	552	-7.8%	0.5%
每股盈餘 (NTD)	1.23	1.33	1.23	-7.5%	0.0%

致伸科技資產負債表



(NTD 百萬)	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022
	7,158	6,285	6,713	5,087	7,529
應收帳款與票據	13,086	14,338	16,639	15,340	13,811
庫存	8,627	9,354	10,302	12,984	14,257
流動資產	32,038	33,260	39,276	40,261	42,796
固定資產	8,220	8,247	8,083	7,846	7,933
總資產	45,988	47,264	53,340	54,111	56,927
應付帳款與票據	12,300	14,039	16,177	15,869	17,078
短期借款	1,373	489	3,510	6,145	8,837
其他	0	0	435	407	449
流動負債	23,369	25,336	31,086	32,546	34,283
長期借款	464	464	978	1,555	1,604
總負債	26,986	28,970	35,619	37,605	39,287
股東權益	19,002	18,294	17,721	16,506	17,640
淨負債權益比(%)	-28%	-29%	-13%	16%	17%

致伸科技現金流量表



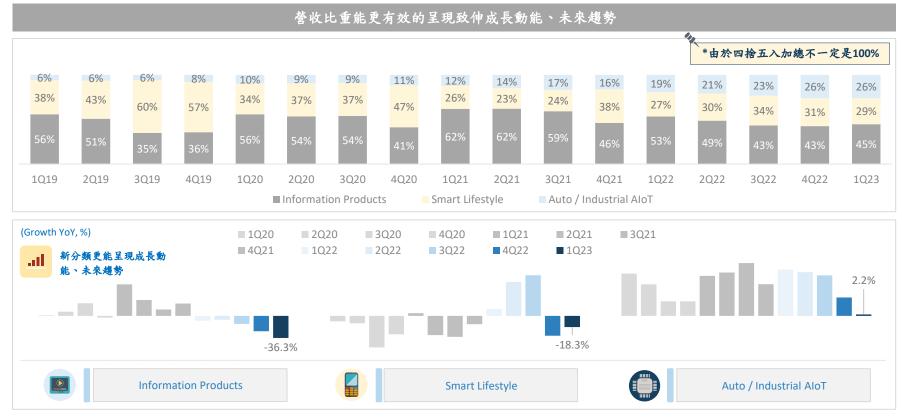
(NTD 百萬)	1Q23 YTD	4Q22 YTD	3Q22 YTD	2Q22 YTD	1Q22 YTD
營業活動之現金流量	379	6,194	3,658	(1,028)	(1,816)
- 稅前淨利	712	3,629	2,836	1,646	687
- 折舊與攤提	485	1,887	1,409	938	464
- 應收票據與帳款	1,262	(2,066)	(3,975)	(1,890)	(347)
- 應付票據與帳款	(1,739)	(3,655)	(1,516)	(1,824)	(616)
- 庫存	727	3,811	2,863	180	(1,116)
- 其他營業活動	(1,069)	2,588	2,041	(78)	(888)
投資活動之現金流量	(383)	(534)	(1,718)	(3,136)	(3,162)
- 固定資產	(355)	(1,904)	(1,424)	(863)	(453)
- 其他投資活動*	(28)	1,370	(294)	(2,273)	(2,709)
財務活動之現金流量	838	(4,533)	(507)	4,146	7,341
- 短期借款	884	(1,541)	1,479	4,114	6,806
- 長期借款	0	(997)	(48)	501	593
- 現金股利		(1,411)	(1,411)		
- 其他財務活動	(46)	(584)	(527)	(469)	(58)
本期淨現金增加數	834	1,128	1,433	(19)	2,364
匯率變動之影響	39	318	441	266	326
期初現金餘額	6,285	4,839	4,839	4,839	4,839
期末現金餘額	7,158	6,285	6,713	5,087	7,529

Note: *Financial Assets Measured At Amortized Cost

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致伸科技營收比重

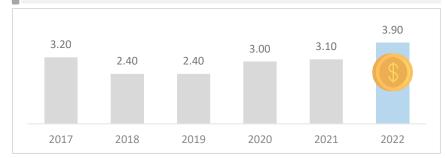


產品組合與應用

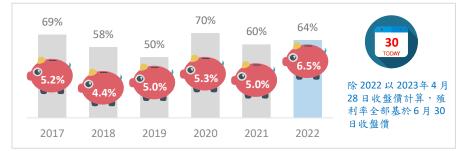


致伸科技現金股利、殖利率、財務報告行事曆

每股現金股利 (NTD)



現金股利發放率&殖利率(%)



2023 財務報告行事曆及公司治理與 ESG 獎章



致伸科技 2023 第二季營運展望

2023 第二季營收展望



2023 第二季獲利展望

致伸科技綜覽、長期成長策略與核心競爭力

Primax – A Long-Term Proven Growth Story With Unique Positioning And Core Competency



3 Senses In 1	Long History of	ODM Design	Moving Away From	Diversifying To
Uniquely Positioned	Re-Investing	Service Provider	Low Value Add	Mitigate Risks
 ✓ 三感合一策略 ✓ 一述式解決方案 ✓ 一站式解決方案 ✓ 視覺影像、聲 學、人機介面 	 ✓ 1984年以來長期 優良紀錄 ✓ 藉產品生命週期轉 變達成 ✓ 新技術發展 	 ✓ 定位為關鍵 (go to) ODM 設計服務供 應商 ✓ 原廠委託設計服 務供應商 ✓ 彈性方法和雄厚 的長期客戶關係 	 ✓ 遠離 me-too 生意 ✓ 往高毛利產品 ✓ 尋找需要長期與可 靠的硬體供應商的 雲端服務供應商為 客户 	 ♀ 中國、泰國與捷克 製造 ✓ 新加坡財務中心 ✓ 新加坡財務中心 ✓ 美國早期參與研發 工程團隊 ✓ 英國研發中心及台 灣研發與試產地點

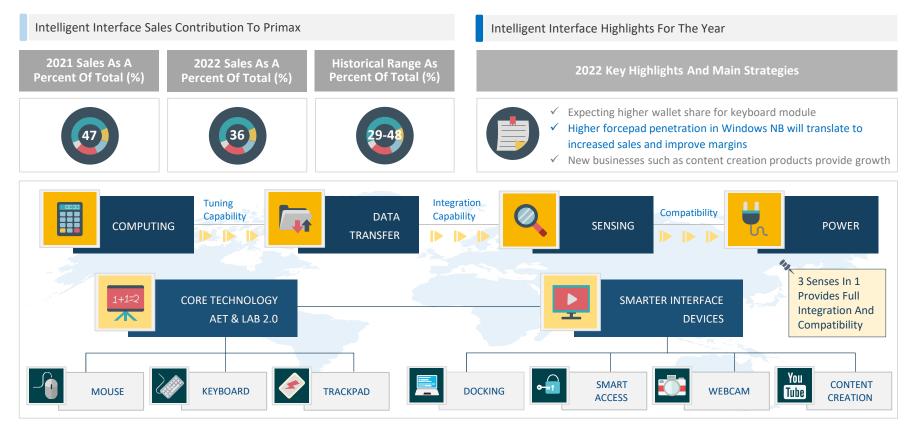
三感合一硬體解決方案供應商

Using 3 Senses In 1 To Become An Unique Hardware Solutions Provider





智慧裝置介面成長來自物聯網應用



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高附加價值視覺影像 Visual Technology Sales Contribution To Primax Visual Technology Highlights For The Year 2021 Sales As A 2022 Sales As A **Historical Range As 2022 Key Highlights And Main Strategies** Percent Of Total (%) Percent Of Total (%) Percent Of Total (%) ✓ Car ADAS demand would remain strong existing and new clients 2022 could be a harvest year for new projects While gross margin would see marginal improvement, operating margin would continue to improve significantly from scale Visual Technology Vertical Integration **Module And Systems Expanding To New Realms** The Winning Strategy From module to system / sub-system Full spectrum of integration Robot, machine vision, and wearable (AR / VR) Capability: optical, ME, EE, FW, audio Diversifying into nonand video, and RF smartphone CCM Focus on auto, \bigcirc 00 00 surveillance, conference, and door lock and doorbell Value Add Products **New Promising Projects** Automotive (car ADAS), fleet Focus on profit over quantity Expanding into industrial management, surveillance, and and wearables for future Higher value add / higher ASP / conference mid-volume long-term growth

商用設備跨足運動及監視產品

2022 Sales As A

Percent Of Total (%)

Business Equipment Sales Contribution To Primax

2021 Sales As A Percent Of Total (%)





Historical Range As Percent Of Total (%)



Business Equipment Highlights For The Year

2022 Key Highlights And Main Strategies



- ✓ Cash cow business with higher than corporate average margins and limited competition
- Back to office and hybrid work trend pushed up demand
- Expanding into fitness segment and surveillance for growth

Diversification Into Other Businesses

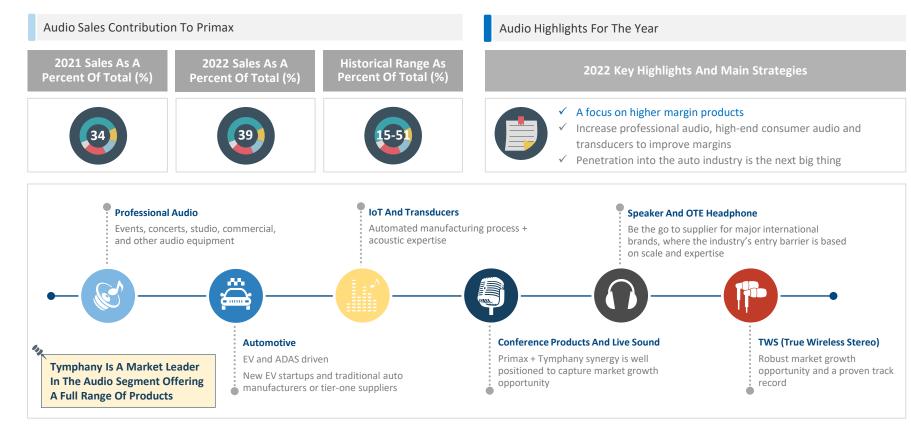




Surveillance And Fitness Are Future **Growth Drivers**

- Growing health awareness = opportunity to become a long-term hardware provider for customers
- Higher ASP with higher margins for fitness products
- A few new customers in 2022 and expecting more

聲學產品具優越定位



致伸科技主要投資觀點

Key Investment Thesis	Why Primax?	Key Investment Thesis	Why Primax?		
Growth Opportunities	 ✓ 3 senses in 1 strategy ✓ Car electronics (EV / ADAS / audio), fleet management ✓ Surveillance, smart door lock and doorbell and smart access 	Capital Deployment	 ✓ Increase dividend payout ✓ Less capex and strong free cash flow generating ability ✓ Prudent M&A plans and less impairment losses 		
Capitalizing On Mega Trends	 AloT, smart home, 5G / cloud / Al, auto, new audio and fitness equipment Wearables (AR / VR) and robotics (industrial applications) 	Shareholder Return	 ✓ Historically paid out 50-70% of earnings as cash dividend ✓ Cash dividend yield of 4-6% ✓ ROIC > 13% and ROE at about 15% 		
Margin And Profit Expansions	 Better product and customer mix Increase new businesses and focus on low-medium volume but higher margin and / or ASP products 	Sustainability, ESG And CSR	 ✓ Management has strong commitment to CSR / ESG ✓ Primax is often ranked as one of the best CSR /ESG listed entities in Taiwan 		

24%

Primax GHG Emissions Cut Since 2019

RE100

Pledging To Use 100% Green Energy By 2040

PRIMAX ESG HIGHLIGHTS

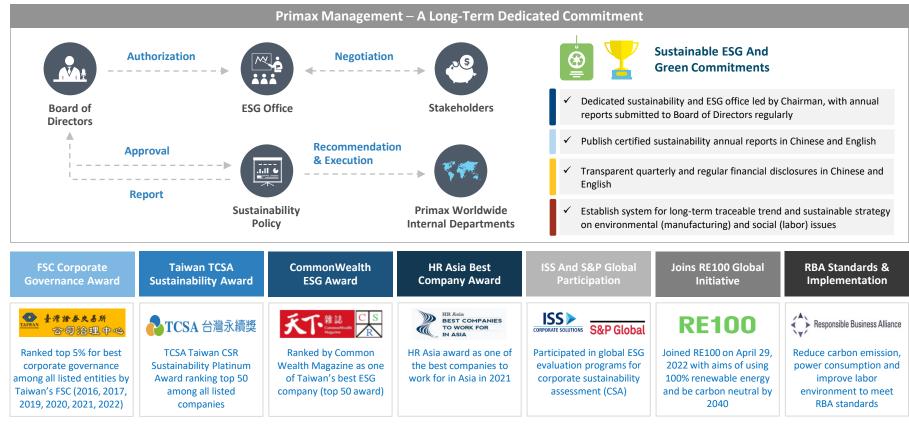
LONG-TERM COMMITMENT AND SUSTAINABILITY PERFORMANCE

Achievements

- ✓ Joined RE100 with aims of becoming carbon neutral by 2040
- ✓ Ranked top 5% for best corporate governance among all listed entities by Taiwan's FSC (2016, 2017, 2019, 2020, 2021, 2022)
- ✓ GHG emissions dropped 23.56% since 2019
- ✓ No violation of economic law, social law or related fines
- \checkmark No child labor or forced compulsory labor
- ✓ Gender equality and zero tolerance on discrimination and harassment



致伸科技永續經營及 ESG 承諾



致伸科技對環境保護的承諾

	Greenhouse Gas	Carbon Emission	Water Intensity	Energy Consumption	Green Environment
Primax Goals	Setting stringent	Long-term committed	Water conservation	Aims of cutting energy	Cutting hazardous
	greenhouse gas (GHG)	target aiming to be	methods implemented in	consumption while lifting	substance usage and
	targets with deadlines	carbon neutral by 2040	buildings and factories	ratio of renewables	effective management
Achievements	 ✓ Since 2019 (base year), total GHG emissions by Primax Group is down 23.56%, while GHG emission intensity is down 13.96% ✓ 14.2M KWh of electricity were offset in 2021 or the equivalent of 11,527 tonnes of CO2e 	 ✓ Setting carbon reduction goals based on SBTi ✓ Adopted SGS TCFD for systematic identification and management of climate change risks, and received "Pioneer Award" for outstanding achievements ✓ Joined RE 100 in 2022 	 ✓ Active management and control of water usage at all offices, plants and facilities ✓ Primax Group's water intensity decreased 7.45% compared to 2020 	 ✓ Active management and control of energy consumption in all Primax facilities ✓ Primax Group's energy consumption is down 8.2% compared to 2020 	 ✓ Hazardous substance management system installed ✓ Environment management system installed ✓ Primax Group's total waste weight dropped 3.04% YoY in 2020
Certifications	ISO 14064-1 verification	Adopted SBTi approach	ISO 14046 verification	ISO 50001 certification	ISO 14001 certification
	Renewable energy	Joined and adopted TCFD	Water footprint	Energy management	IECQ QC 080000
	certificates	framework and RE 100	certificates	system installed	certification

Note: * Science Based Targets initiative (STBi), Task Force On Climate-Related Financial Disclosures (TCFD)

致伸科技永續經營成果

Са	rbon And Waste Reduction		Reaching Out And Social Care		Employee Training And Expenses		Female Participation And Gender Equality	Zero Violation And Penalty
cut C 1,685	r manufacturing sites O2e emissions by 5,593 kg in a year waste weight dropped % YoY	✓ ✓	Paid time off to employees for volunteer work, with total budget of over NTD 7.0 mn Sponsors numerous charities including KIST Taoyuan Elementary School since 2017	~	Total staff training reached 232,939 hours in 2021 100% of employees had annual training sessions for business integrity and human rights	~	Female executives was 24% of total in 2021 and growing Efforts to achieve no gender salary discrepancies Zero tolerance policy against sexual harassment	No violation of economic law social law or related fines No product or service violated any health or safety regulations No cybersecurity complaints
	Group Revenue		KMPG Ra	ting o	f 4.98 🗣 BO	D At	tendance Rate	 Risk Management
•	2021 revenue of N	TD 71			*		board's average meeting ince rate at 97.85%	Nomination and set up of risk management committee

Over 50% of independent

board of directors (BOD)

Governance & Operations

2021 R&D expense

reached NTD 2.9 billion

Duly executed and disclosed

• performance evaluation

致伸科技對供應商之要求與規範

Suppliers Complying To Primax Safety And Work Standards

2020 Suppliers 2021 Suppliers YoY Growth 1,139 Year-end figures Year-end figures Year-end

Existing Suppliers

For existing suppliers, annual risk reports and questionnaires are sent to all suppliers at year-end

Primax – Procurement Value From Qualified Suppliers

suppliers in 2021 was NTD 54 billion

Y.

Supplier Certification And Procurement Value Percent Of Total ✓ Safety and work policies are based on RBA standards and suppliers must comply ✓ Total procurement value from qualified ✓ Total procurement value from qualified

Random Compliance Checks

No less than 15-20 suppliers will be randomly chosen on an annual basis, and a team comprised of Primax professionals and third-party instructors, will conduct in-plant verifications

New Suppliers

All new applicants have to fill out extensive data and information on Primax's GP-Portal system

Information Cross-Check

Once the questionnaires are returned, a team of 139 related personnel (Primax 94, Tymphany 45) will carefully cross check all information

 Ground crews would be sent to new suppliers for on-site verification and certification

All boxes have to be checked to meet Primax's standards

Annual Checks And Teach-In

Annually, Primax will require suppliers to attend online teach-in programs regarding safety, work and environment standards and policies

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Primax's Supplier Requirement And Compliance

Primax Electronics Headquarter

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About Primax Electronics

Primiax Electronics was founded in 1984 and is a leading supplier of IT, electronic and consumer solutions. The company is headquartered at Neihu Technology Park in Taipei City. Guided by the principle of "Global Operations with R&D and Smart Manufacturing in Taiwan", Primax now operates across Asia, The Americas and Europe. Highly-efficient production sites have been established in Taiwan, China and Thailand and the company has over 10,000 employees worldwide.

Seeing the potential of cloud technology and IoT, Primax has successfully developed human-machine interface products with touch, voice control, gesture recognition and wearable functions. Vision and video products have achieved notable successes in smart surveillance systems, mobile devices, smart homes, and advanced driver assistance systems. Our insistence on maintaining high yields as well as high quality in manufacturing and development is backed by our technical expertise. Our implementation of smart system engineering has also made us an indispensable partner for leading international brands and has allowed us to build up the energy needed for future growth. For the latest news from Primax Electronics, visit our website or follow us on in the second second

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