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INVESTOR RELATIONS

Primax Electronics 1Q 2023 Financial Results

Primax Speakers

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Meeting Agenda

Quarterly Results
& Update

🕒 30'

Trends & Growth
Opportunities

🕒 10'

Investor Questions
& Feedback

🕒 20'

Safe Harbor And Disclaimer

Primax's presentation contains forward-looking statements subject to significant risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In this context, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions.

Actual results may differ materially from those contained in the forward-looking statements due to risk and uncertainties resulting from a number of important factors. Such factors include, but are not limited to: our highly competitive environment; the cyclical nature of our business; our ability to develop new products; and our successful execution in new business developments, etc. All forward-looking statements in this presentation are based on information available to us as of the date hereof, and we undertake no obligation to update these forward-looking statements for new information, future events, otherwise, or update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

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PRIMAX HIGHLIGHTS OF THE QUARTER

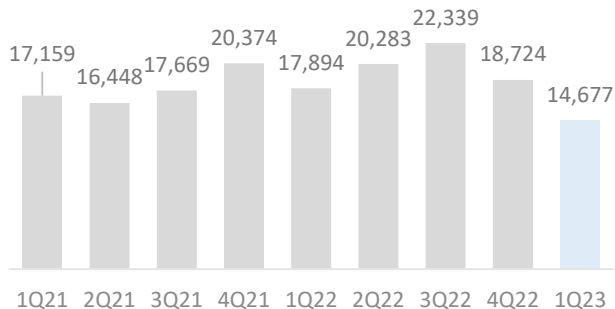
1Q23 Revenue
NTD 14.7 Billion
Down 18% YoY

1Q23 GM 14.9%
Up 2.3 ppt YoY

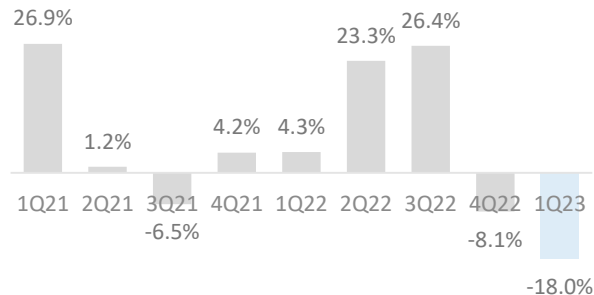
PRIMAX

- Information products dropped YoY from weak demand and led to a slowdown of PC / NB / gaming / MFPs
- Smart lifestyle was also negatively impacted from weak consumer sentiment leading to slow audio sales
- Auto / Industrial AIoT grew YoY but was impacted as customers are pushing back delivery schedule / model transition

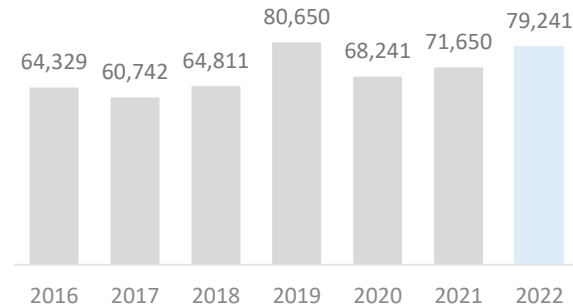
Quarterly Revenue (NTD million)



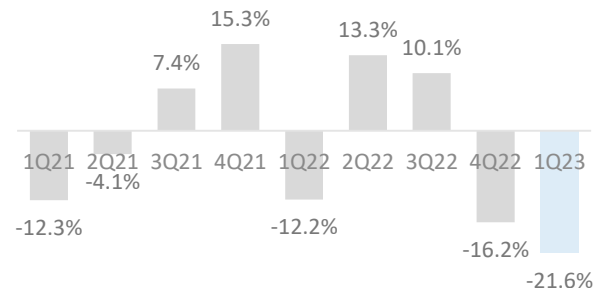
Revenue Growth Rate YoY (%)



Annual Revenue (NTD million)

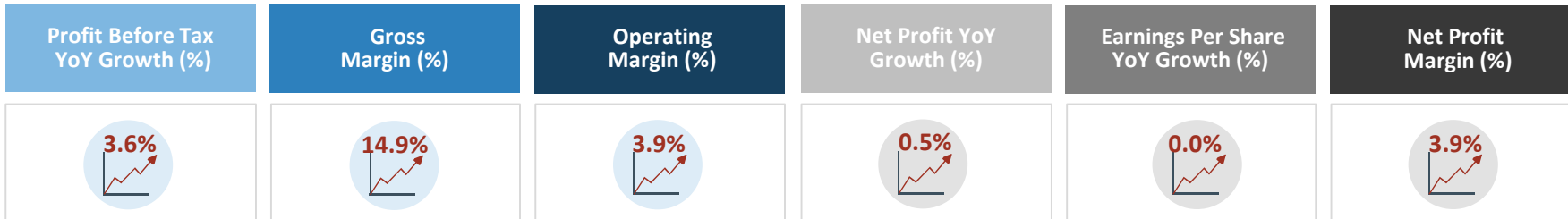


Revenue Growth Rate QoQ (%)

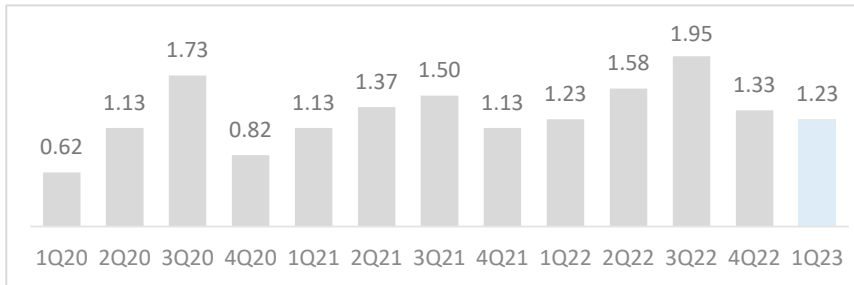


PRIMAX FINANCIAL DASHBOARD

Primax 1Q23 Highlights – Profit Before Tax (PBT), Gross Margin, Operating Margin, EPS, And Return On Equity And Assets

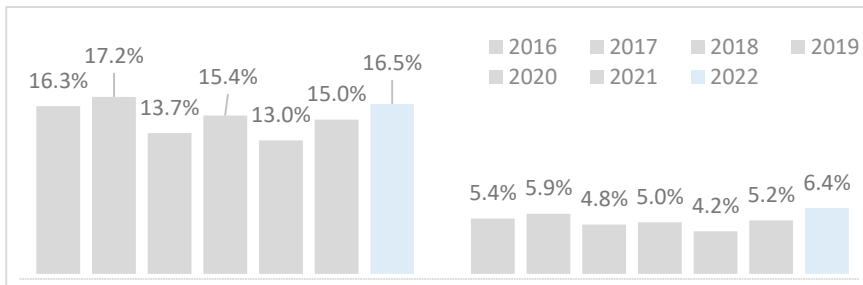


Quarterly Earnings Per Share (NTD)



1Q23 profit and EPS dragged down by weak PC / gaming and consumer audio demand

Return On Equity And Return On Assets (%)

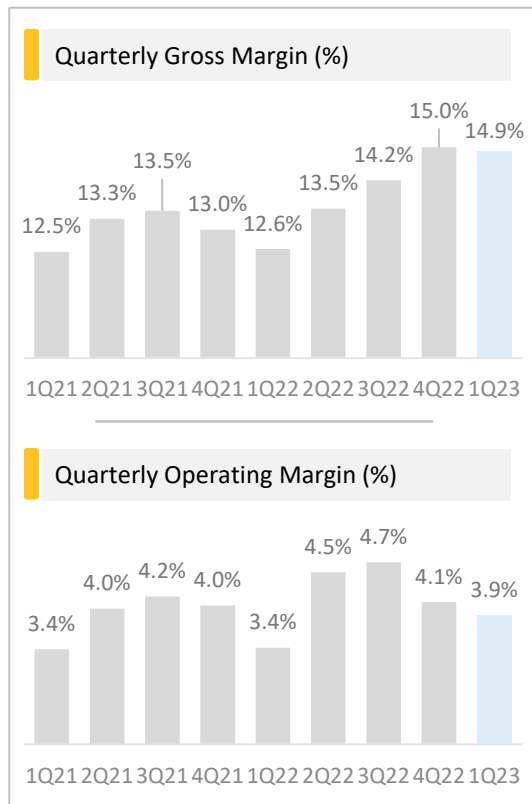


Primax 2016-2022 Return On Equity



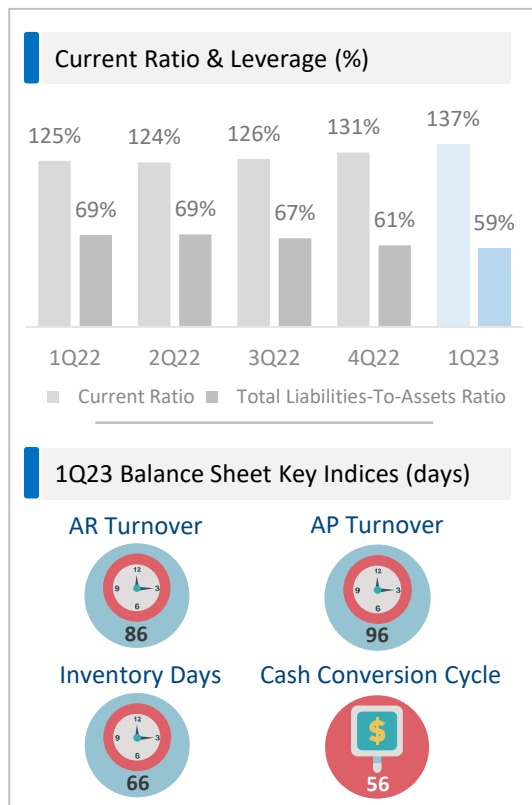
Primax 2016-2022 Return On Assets

PRIMAX INCOME STATEMENT



(NTD million)	1Q 2023	4Q 2022	1Q 2022	QoQ	YoY
Net Sales	14,677	18,724	17,894	-21.6%	-18.0%
COGS	12,486	15,915	15,643		
Gross Profit	2,191	2,808	2,252	-22.0%	-2.7%
Gross Margin (%)	14.9%	15.0%	12.6%	-0.1 ppt	2.3 ppt
Operating Expense	1,619	2,043	1,639	-20.8%	-1.2%
Operating Expense (%)	11.0%	10.9%	9.2%	0.1 ppt	1.8 ppt
Operating Income	572	765	613	-25.2%	-6.7%
Operating Margin (%)	3.9%	4.1%	3.4%	-0.2 ppt	0.5 ppt
Non-operating Items	141	28	74		
Income before Tax	712	793	687	-10.2%	3.6%
Income Tax	139	164	144		
Net Income	573	629	543	-8.9%	5.5%
Net Margin (%)	3.9%	3.4%	3.0%	0.5 ppt	0.9 ppt
NI attributed to Primax	555	602	552	-7.8%	0.5%
EPS (NTD)	1.23	1.33	1.23	-7.5%	0.0%

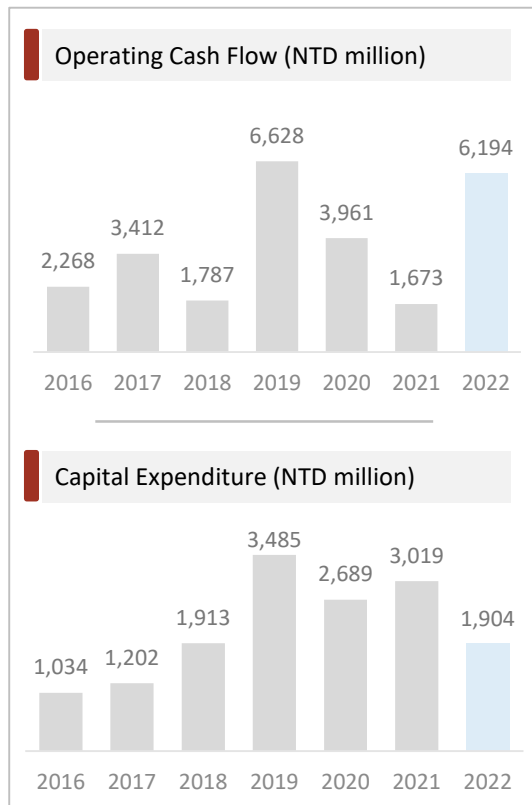
PRIMAX BALANCE SHEET



(NTD million)

	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022
Cash	7,158	6,285	6,713	5,087	7,529
Notes & Accounts Receivable	13,086	14,338	16,639	15,340	13,811
Inventory	8,627	9,354	10,302	12,984	14,257
Total Current Assets	32,038	33,260	39,276	40,261	42,796
Fixed Assets	8,220	8,247	8,083	7,846	7,933
Total Assets	45,988	47,264	53,340	54,111	56,927
Notes & Accounts Payable	12,300	14,039	16,177	15,869	17,078
S-T Borrowings	1,373	489	3,510	6,145	8,837
Others	0	0	435	407	449
Total Current Liabilities	23,369	25,336	31,086	32,546	34,283
L-T Borrowings	464	464	978	1,555	1,604
Total Liabilities	26,986	28,970	35,619	37,605	39,287
Total Equity	19,002	18,294	17,721	16,506	17,640
Net Debt-To-Equity (%)	-28%	-29%	-13%	16%	17%

PRIMAX STATEMENT OF CASH FLOWS



(NTD million)

	1Q23 YTD	4Q22 YTD	3Q22 YTD	2Q22 YTD	1Q22 YTD
From Operations	379	6,194	3,658	(1,028)	(1,816)
- Income Before Tax	712	3,629	2,836	1,646	687
- Depreciation & Amortization	485	1,887	1,409	938	464
- Notes & Accounts Receivable	1,262	(2,066)	(3,975)	(1,890)	(347)
- Notes & Accounts Payable	(1,739)	(3,655)	(1,516)	(1,824)	(616)
- Inventory	727	3,811	2,863	180	(1,116)
- Other Operating Sources	(1,069)	2,588	2,041	(78)	(888)
From Investment	(383)	(534)	(1,718)	(3,136)	(3,162)
- Fixed Assets	(355)	(1,904)	(1,424)	(863)	(453)
- Others & Amortized Cost*	(28)	1,370	(294)	(2,273)	(2,709)
From Financing	838	(4,533)	(507)	4,146	7,341
- S-T Borrowings	884	(1,541)	1,479	4,114	6,806
- L-T Borrowings	0	(997)	(48)	501	593
- Cash Dividend		(1,411)	(1,411)		
- Other Financing Sources	(46)	(584)	(527)	(469)	(58)
Net Cash Position Change	834	1,128	1,433	(19)	2,364
Effect of Foreign Currency	39	318	441	266	326
Cash At Beginning of Year	6,285	4,839	4,839	4,839	4,839
Ending Cash Balance	7,158	6,285	6,713	5,087	7,529

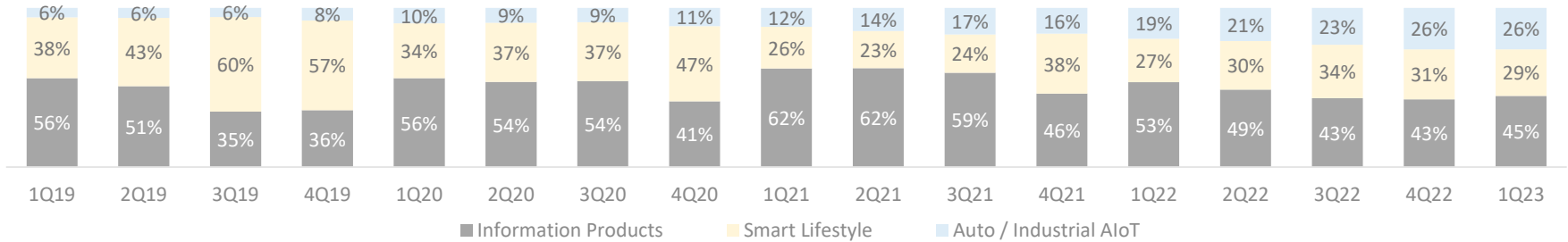
Note: *Financial Assets Measured At Amortized Cost

REVENUE BREAKDOWN NEW RECLASSIFICATION

New Reclassification Better Shows Future Trend Of Business Growth And Opportunities

New Classification

* May Not Add Up Due To Rounding



(Growth YoY, %)

Better shows trend and depicts where growth and value is coming from

Legend for Growth YoY, %:

- 1Q20 (grey)
- 2Q20 (grey)
- 3Q20 (grey)
- 4Q20 (grey)
- 1Q21 (grey)
- 2Q21 (grey)
- 3Q21 (grey)
- 4Q21 (grey)
- 1Q22 (light blue)
- 2Q22 (light blue)
- 3Q22 (light blue)
- 4Q22 (dark blue)
- 1Q23 (dark blue)



Information Products



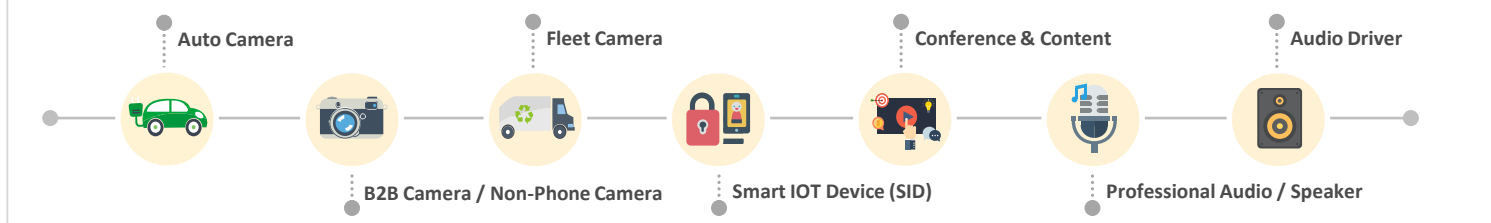
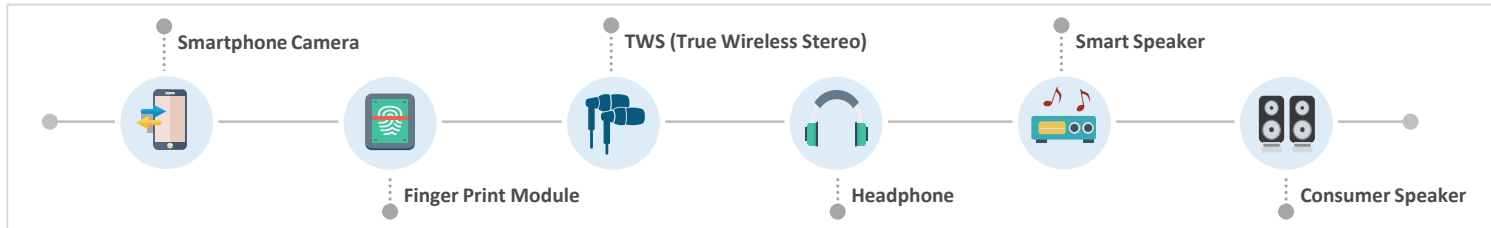
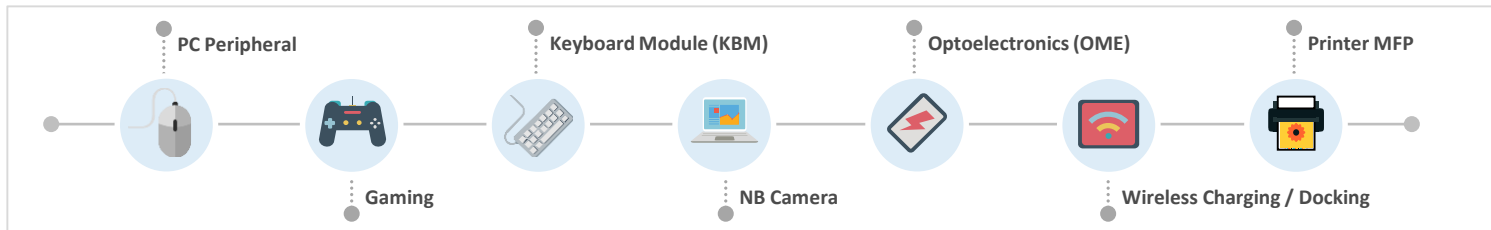
Smart Lifestyle



Auto / Industrial AIoT

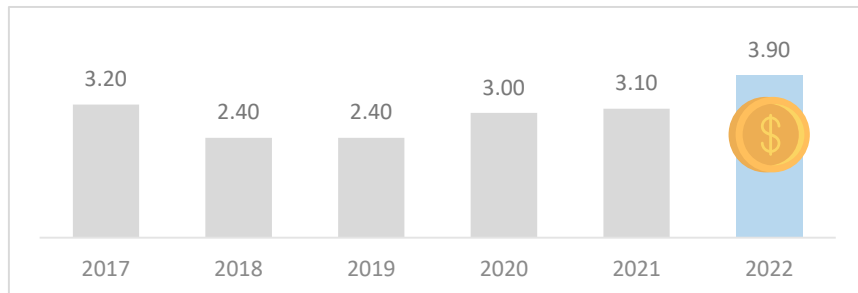
PRIMAX – PRODUCT PORTFOLIO NEW RECLASSIFICATION

Product Portfolio Reclassification

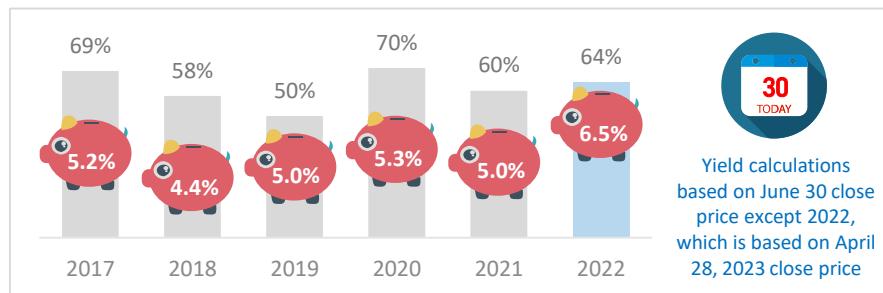


CASH DIVIDEND AND 2023 CALENDAR

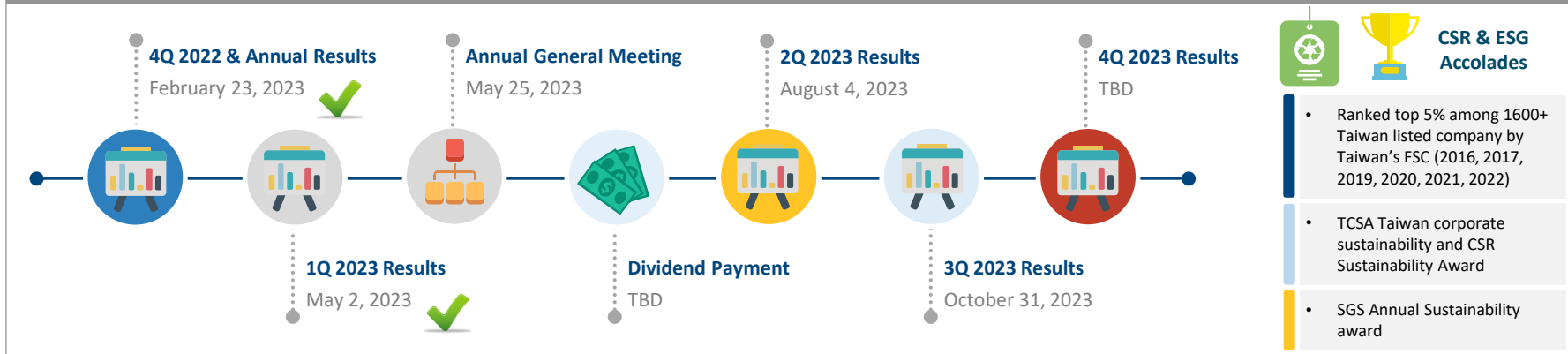
Cash Dividend Per Share (NTD)



Cash Dividend Payout And Dividend Yield (%)








Financial Calendar For 2023 And CSR & ESG Awards



PRIMAX – 2Q23 REVENUE AND PROFIT OUTLOOK

Primax – 2Q23 Revenue Outlook

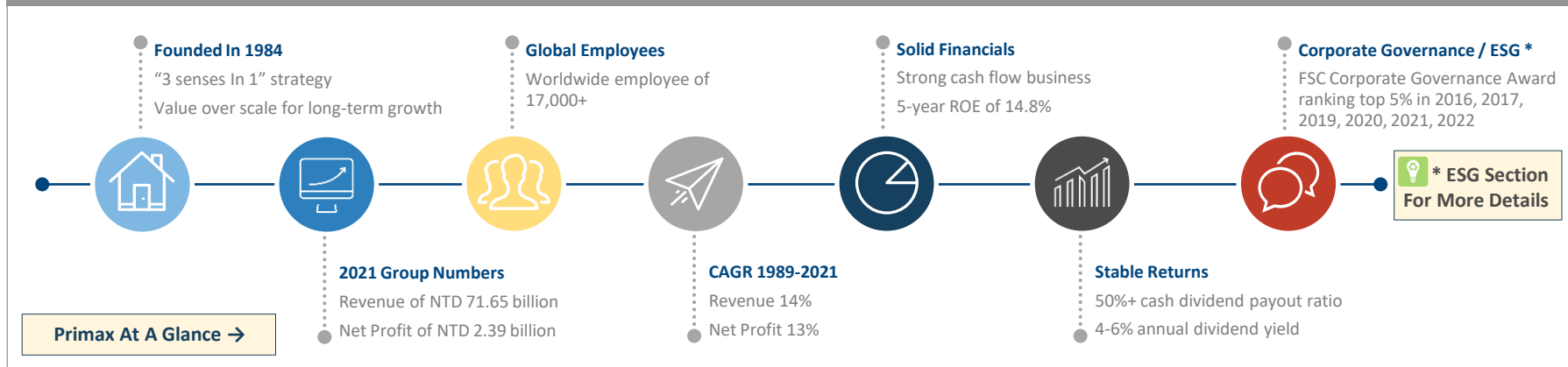
Revenue Segment	Growth	Remarks
 Revenue Outlook		<ul style="list-style-type: none"> ✓ 2Q23 down double-digit YoY ✓ PC weakness weighing down ✓ Weak demand for consumer audio and other consumer products
 Information Products		<ul style="list-style-type: none"> ✓ Biz equipment demand slowing down ✓ PC and gaming to see YoY decline ✓ Some rush orders for gaming
 Smart Lifestyle		<ul style="list-style-type: none"> ✓ Weak demand for consumer audio ✓ Delays on smart speaker projects on weak consumer sentiment
 Industrial AIoT / Auto		<ul style="list-style-type: none"> ✓ New business as a percent of total revenue will continue to grow ✓ Some project delays on murky outlook

Primax – 2Q23 Profit And Margin Outlook

Profit Segment	Growth	Remarks
 Profit Outlook		<ul style="list-style-type: none"> ✓ 2Q23 profit likely to be flattish (\pm) YoY ✓ GM YoY improvement from mix ✓ Monitoring Opex in 2Q23
 Information Products		<ul style="list-style-type: none"> ✓ Information products to see significant cost reduction measures ✓ Opex ratio high from falling sales
 Smart Lifestyle		<ul style="list-style-type: none"> ✓ 2Q23 to see YoY profit decline ✓ Weak consumer demand weighing down profitability
 Industrial AIoT / Auto		<ul style="list-style-type: none"> ✓ New products with higher GM and gradually improving scale ✓ Scale over profitability as first priority

PRIMAX GROWTH STRATEGY AND CORE COMPETENCY






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

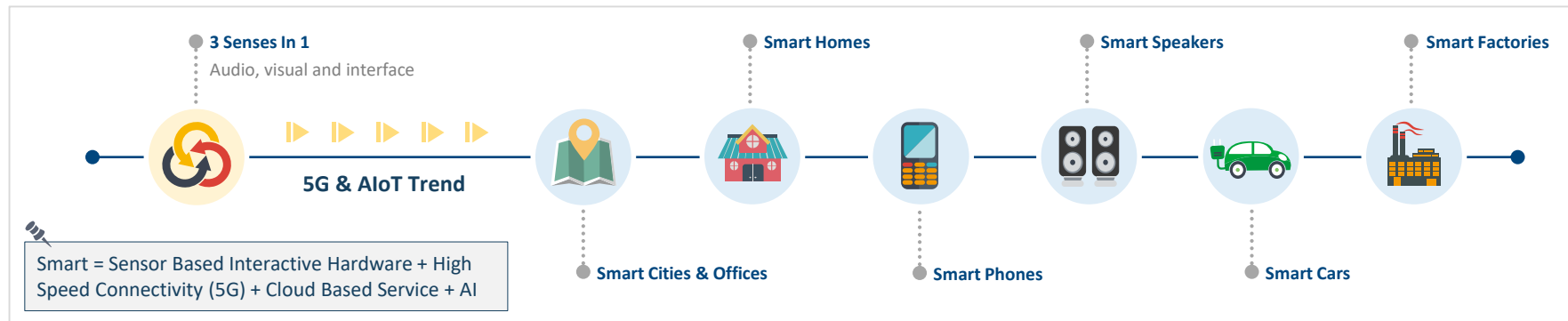


3 Senses In 1 Uniquely Positioned	Long History of Re-Investing	ODM Design Service Provider	Moving Away From Low Value Add	Diversifying To Mitigate Risks
<ul style="list-style-type: none"> ✓ 3 senses in 1 strategy ✓ A value added approach ✓ All in one solutions provider ✓ Visual, audio and interface expertise 	<ul style="list-style-type: none"> ✓ Long, proven track record since 1984 ✓ Achieving through product life cycle transition ✓ New technology evolution 	<ul style="list-style-type: none"> ✓ Positioned as the go to ODM design service provider ✓ Original design and manufacturing ✓ Flexible approaches with long lasting client relations 	<ul style="list-style-type: none"> ✓ Less me-too business ✓ Moving to higher margin products ✓ Focus on cloud based service providers in need of a reliable long-term hardware provider 	<ul style="list-style-type: none"> ✓ China, Thailand and Czech manufacturing ✓ Singapore treasury center ✓ US early engagement engineering team ✓ Taiwan and UK R&D and pilot run site

RIDING ON THE TREND OF SMART EVERYTHING

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

Work From Home	IoT / AIoT	Smart Home	Auto Related & EV	New Audio
 <p>Conference, Webcam</p>	 <p>Fleet Management, Smart Access, B2B Camera, Surveillance</p>	 <p>Smart Access (Smart Lock, Smart Doorbell)</p>	 <p>Car ADAS (Visual), Car Audio</p>	 <p>Hearing Aid, New Variation Of Audio</p>



PRIMAX – INTELLIGENT INTERFACE GROWTH

Intelligent Interface Sales Contribution To Primax

2021 Sales As A Percent Of Total (%)



2022 Sales As A Percent Of Total (%)



Historical Range As Percent Of Total (%)

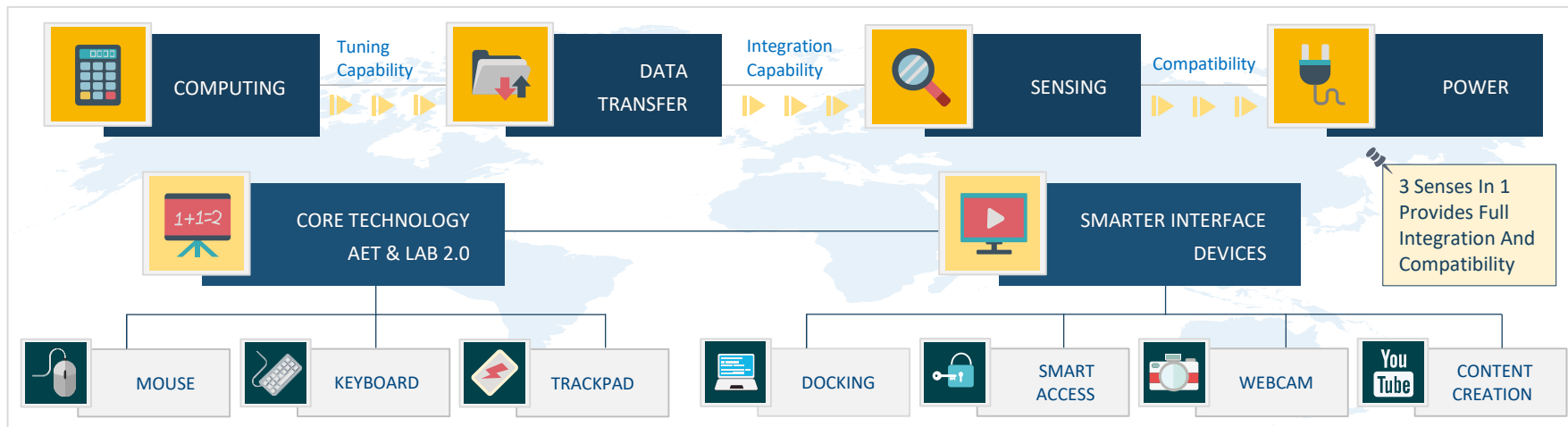


Intelligent Interface Highlights For The Year

2022 Key Highlights And Main Strategies



- ✓ Expecting higher wallet share for keyboard module
- ✓ Higher forcepad penetration in Windows NB will translate to increased sales and improve margins
- ✓ New businesses such as content creation products provide growth



PRIMAX – VISUAL TECHNOLOGY IN PROMISING REALMS

Visual Technology Sales Contribution To Primax

2021 Sales As A Percent Of Total (%)



2022 Sales As A Percent Of Total (%)



Historical Range As Percent Of Total (%)

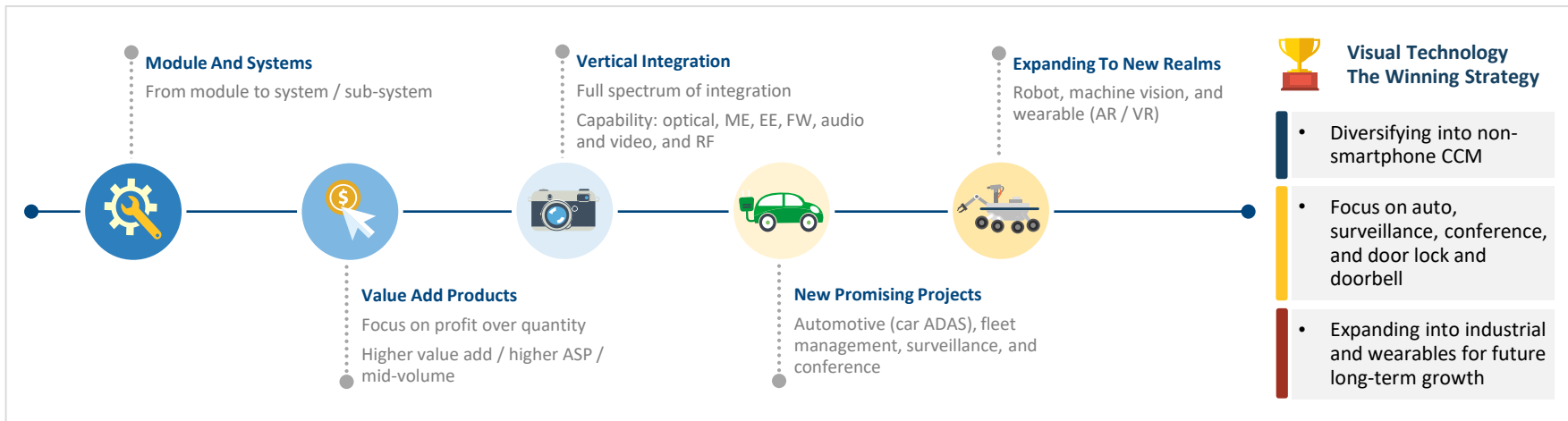


Visual Technology Highlights For The Year

2022 Key Highlights And Main Strategies



- ✓ 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



PRIMAX – BUSINESS EQUIPMENT IS A CASH COW

Business Equipment Sales Contribution To Primax

2021 Sales As A
Percent Of Total (%)



2022 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

PRIMAX – WELL POSITIONED IN AUDIO SEGMENT

Audio Sales Contribution To Primax

2021 Sales As A Percent Of Total (%)



2022 Sales As A Percent Of Total (%)



Historical Range As Percent Of Total (%)

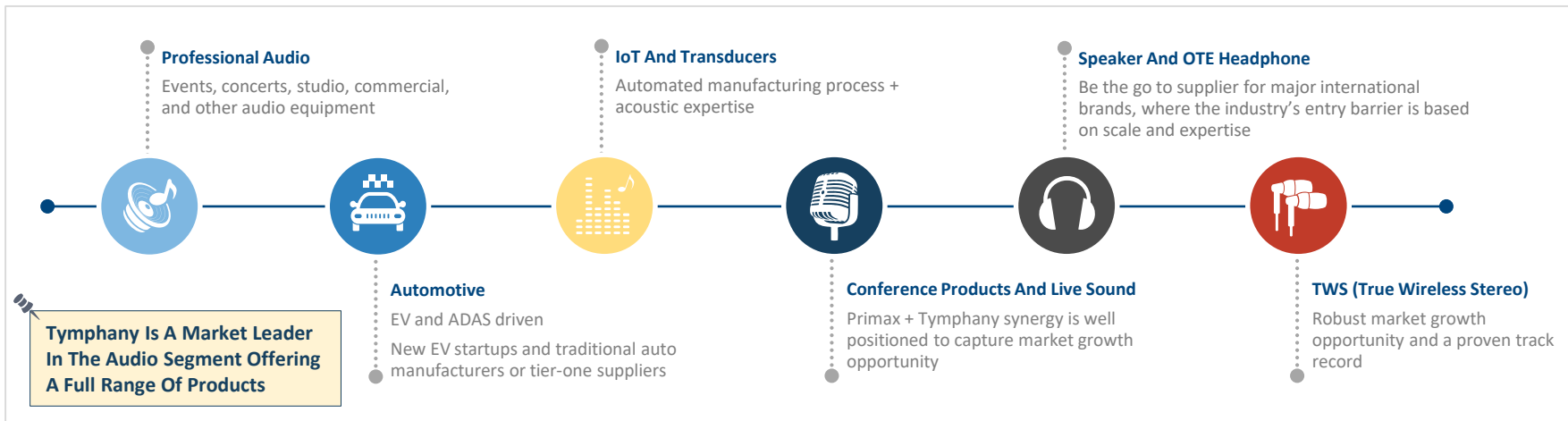


Audio Highlights For The Year







2022 Key Highlights And Main Strategies




- ✓ A focus on higher margin products
- ✓ Increase professional audio, high-end consumer audio and transducers to improve margins
- ✓ Penetration into the auto industry is the next big thing



PRIMAX – KEY INVESTMENT THESIS

Key Investment Thesis	Why Primax?	Key Investment Thesis	Why Primax?
 <p>Growth Opportunities</p>	<ul style="list-style-type: none"> ✓ 3 senses in 1 strategy ✓ Car electronics (EV / ADAS / audio), fleet management ✓ Surveillance, smart door lock and doorbell and smart access 	 <p>Capital Deployment</p>	<ul style="list-style-type: none"> ✓ Increase dividend payout ✓ Less capex and strong free cash flow generating ability ✓ Prudent M&A plans and less impairment losses
 <p>Capitalizing On Mega Trends</p>	<ul style="list-style-type: none"> ✓ AIoT, smart home, 5G / cloud / AI, auto, new audio and fitness equipment ✓ Wearables (AR / VR) and robotics (industrial applications) 	 <p>Shareholder Return</p>	<ul style="list-style-type: none"> ✓ Historically paid out 50-70% of earnings as cash dividend ✓ Cash dividend yield of 4-6% ✓ ROIC > 13% and ROE at about 15%
 <p>Margin And Profit Expansions</p>	<ul style="list-style-type: none"> ✓ Better product and customer mix ✓ Increase new businesses and focus on low-medium volume but higher margin and / or ASP products 	 <p>Sustainability, ESG And CSR</p>	<ul style="list-style-type: none"> ✓ Management has strong commitment to CSR / ESG ✓ Primax is often ranked as one of the best CSR /ESG listed entities in Taiwan

An aerial photograph of a white wind turbine standing in a vast, green agricultural field. The field is divided into irregular plots by dark lines, possibly irrigation canals or roads. The background shows a hazy horizon under a bright sky.

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
- ✓ No child labor or forced compulsory labor
- ✓ Gender equality and zero tolerance on discrimination and harassment

PRIMAX SUSTAINABILITY AND ESG COMMITMENT

Primax Management – A Long-Term Dedicated Commitment



Sustainable ESG And Green Commitments

- ✓ Dedicated sustainability and ESG office led by Chairman, with annual reports submitted to Board of Directors regularly
- ✓ Publish certified sustainability annual reports in Chinese and English
- ✓ Transparent quarterly and regular financial disclosures in Chinese and English
- ✓ Establish system for long-term traceable trend and sustainable strategy on environmental (manufacturing) and social (labor) issues

FSC Corporate Governance Award



Ranked top 5% for best corporate governance among all listed entities by Taiwan's FSC (2016, 2017, 2019, 2020, 2021, 2022)

Taiwan TCSA Sustainability Award



TCSA Taiwan CSR Sustainability Platinum Award ranking top 50 among all listed companies

CommonWealth ESG Award



Ranked by Common Wealth Magazine as one of Taiwan's best ESG company (top 50 award)

HR Asia Best Company Award



HR Asia award as one of the best companies to work for in Asia in 2021

ISS And S&P Global Participation



Participated in global ESG evaluation programs for corporate sustainability assessment (CSA)

Joins RE100 Global Initiative











Joined RE100 on April 29, 2022 with aims of using 100% renewable energy and be carbon neutral by 2040

RBA Standards & Implementation



Reduce carbon emission, power consumption and improve labor environment to meet RBA standards

PRIMAX COMMITMENT ON GREEN OPERATIONS

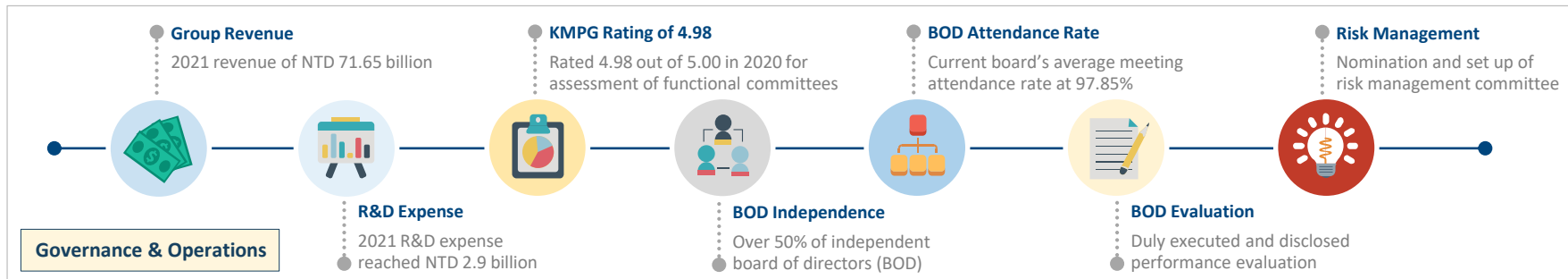
	Greenhouse Gas	Carbon Emission	Water Intensity	Energy Consumption	Green Environment
 <p>Primax Goals</p>	Setting stringent greenhouse gas (GHG) targets with deadlines	Long-term committed target aiming to be carbon neutral by 2040	Water conservation methods implemented in buildings and factories	Aims of cutting energy consumption while lifting ratio of renewables	Cutting hazardous substance usage and effective management
 <p>Achievements</p>	<ul style="list-style-type: none"> ✓ 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 	<ul style="list-style-type: none"> ✓ 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 	<ul style="list-style-type: none"> ✓ Active management and control of water usage at all offices, plants and facilities ✓ Primax Group’s water intensity decreased 7.45% compared to 2020 	<ul style="list-style-type: none"> ✓ Active management and control of energy consumption in all Primax facilities ✓ Primax Group’s energy consumption is down 8.2% compared to 2020 	<ul style="list-style-type: none"> ✓ Hazardous substance management system installed ✓ Environment management system installed ✓ Primax Group’s total waste weight dropped 3.04% YoY in 2020
 <p>Certifications</p>	 <p>ISO 14064-1 verification Renewable energy certificates</p>	 <p>Adopted SBTi approach Joined and adopted TCFD framework and RE 100</p>	 <p>ISO 14046 verification Water footprint certificates</p>	 <p>ISO 50001 certification Energy management system installed</p>	 <p>ISO 14001 certification IECQ QC 080000 certification</p>

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

PRIMAX SUSTAINABILITY PERFORMANCE

Primax's Major Sustainability Achievements in 2021






Carbon And Waste Reduction	Reaching Out And Social Care	Employee Training And Expenses	Female Participation And Gender Equality	Zero Violation And Penalty
 <ul style="list-style-type: none"> ✓ Major manufacturing sites cut CO2e emissions by 1,685,593 kg in a year ✓ Total waste weight dropped 3.04% YoY 	 <ul style="list-style-type: none"> ✓ 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 	 <ul style="list-style-type: none"> ✓ Total staff training reached 232,939 hours in 2021 ✓ 100% of employees had annual training sessions for business integrity and human rights 	 <ul style="list-style-type: none"> ✓ Female executives was 24% of total in 2021 and growing ✓ Efforts to achieve no gender salary discrepancies ✓ Zero tolerance policy against sexual harassment 	 <ul style="list-style-type: none"> ✓ No violation of economic law, social law or related fines ✓ No product or service violated any health or safety regulations ✓ No cybersecurity complaints

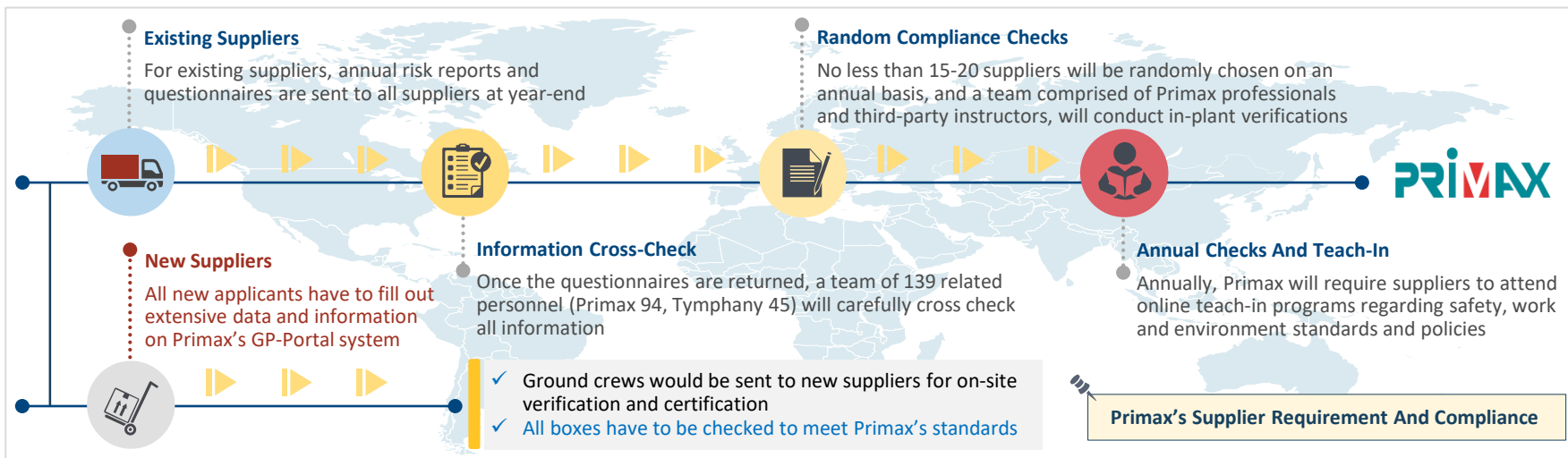


PRIMAX SUPPLIER REQUIREMENTS AND COMPLIANCE

Suppliers Complying To Primax Safety And Work Standards

Primax – Procurement Value From Qualified Suppliers

2020 Suppliers	2021 Suppliers	YoY Growth	Supplier Certification And Procurement Value	Percent Of Total
 <p>1,139 Year-end figures</p>	 <p>1,878 Year-end figures</p>	 <p>+ 64.9% Year-end figures</p>	 <ul style="list-style-type: none"> ✓ Safety and work policies are based on RBA standards and suppliers must comply ✓ Total procurement value from qualified suppliers in 2021 was NTD 54 billion 	 <p>≈ 80% of total revenue</p>



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About Primax Electronics

[Primax 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.

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