

Advantech

1Q22 Result Earnings Conference

May 2022



Agenda

Advantech Investor Conference | 16:00pm on May 4th 2022

Topic	Speaker
1. 1Q 2022 Financial Results	Grace Liao IR Manager
2. Business Update and 2Q22 Guidance	Eric Chen CFO & President of General Management
3. Q & A Session	Linda Tsai President of Industrial IoT Eric Chen CFO & President of General Management

Safe Harbor Notice

- This presentation contains forward-looking statements and is subject to risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements.
- The projections should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.

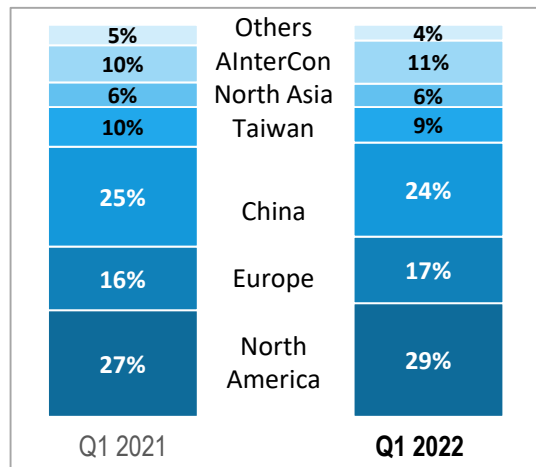
1Q22 Financial Results

NT\$ mn	1Q 2022		4Q 2021		QOQ	1Q 2021		YoY
Net Sales	16,120	100.0%	15,744	100.0%	2%	13,161	100.0%	22%
Gross Profit	6,157	38.2%	6,000	38.1%	3%	5,209	39.6%	18%
Operating Expense	3,143	19.5%	3,291	20.9%		2,922	22.2%	
Operating Profit	3,015	18.7%	2,707	17.2%	11%	2,287	17.4%	32%
No-operating Items	155	1.0%	-30	-0.2%		130	1.0%	
Pretax Profit	3,170	19.7%	2,677	17.0%	18%	2,417	18.4%	31%
Tax Expenses	602	3.7%	402	2.6%		488	3.7%	
Net Income to Parent	2,572	16.0%	2,273	14.4%	13%	1,913	14.5%	34%
EPS (NT\$)	3.32		2.93			2.48	0.0%	

- Both Revenue & Profit for 1Q22 set Company's new records
- Effective Tax rate was 18.99% in 1Q22
- For non-operating items, Advantech booked NT\$129 mn FX gain in 1Q22.

1Q22 Sales By Region

US\$m	1Q22	1Q21	YoY %	Rev %
North America	166	126	+32%	29%
Europe	99	75	+31%	17%
China	135	119	+14%	24%
North Asia	52	47	+11%	9%
Taiwan	35	29	+19%	6%
Asia & InterCon	66	44	+50%	11%
Others	25	23	+ 6%	4%
Total	578	463	+25%	100%



US\$m	North Asia	
AJP :	\$28.0M	GR%: +8%
AKR:	\$23.8M	GR%: +16%

US\$m	Asia & InterCon	
AAU/NZ	\$3.6	GR%: -4%
ASEAN	\$12.1	GR%: +14%
India	\$7.3	GR%: +74%
Russia	\$3.1	GR%: -2%
LATAM	\$4.7	GR%: +33%
ME&A	\$34.8	GR%: +89%

1Q22 Performance By SBG

1Q22 US\$ mn		Revenue	YoY	Rev. %	Gross Margin	Operating Profit	OP Margin	
	Industrial IOT	179	+7%	31%	45~50%	55	30.5%	
	Embedded IOT	135	+27%	23%	30~35%	27	20.3%	
	Allied DMS	Applied Computing	81	+86%	14%	40~45%	11	13.1%
		Cloud IOT	54	+6%	9%	35~40%	8	14.3%
	Service IOT	64	+66%	11%	30~40%	9	13.7%	
	Advantech Service Plus (AS+)	65	+14%	11%	15~20%	6	9.6%	
	Other unallocated expenses					(8)		
	Total	578	+25%	100%		108	18.7%	

- **IloT YoY +7%** : Rev. growth lower than average due to high base last year.
- **EIoT YoY +27%** : driven by strong demand in Medical projects and Gaming sector back to growth.
- **ACG YoY +86%** : Mainly due the contribution of Medical projects and the low base last year.
- **SloT YoY+66%** : driven by major breakthrough in iHealthcare, iCity and iMobile solutions.

Balance Sheet & Key Indices

NT\$ mn	1Q22		4Q21		1Q21	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	11,974	20%	12,988	22%	14,508	27%
Account receivable	10,892	18%	10,292	18%	8,978	17%
Inventory	15,366	25%	12,517	22%	8,846	17%
Total Assets	61,186	100%	57,793	100%	53,576	100%
Account payable	7,404	12%	7,487	13%	5,731	11%
ST debt	603	1%	506	1%	429	1%
LT debt	315	1%	67	0%	241	0%
Total Liabilities	25,467	42%	19,430	34%	21,680	40%
Total Equity	35,719	58%	38,363	66%	31,896	60%
Key Inices						
Inventory turnover days	128		102		94	
AR turnover days	60		60		61	
AP turnover days	68		59		57	
CCC	120		103		98	

- **Debt Ratio** reached 42% due to Dividend Payable increased in Current Liabilities.
- **Inventory level** set new company record due to component shortage, however HRI remained low.

2Q22 Guidance

Based on the exchange rate assumption of US\$1 to NT\$28.9, managements expect the 2Q22 guidance as below

Items	2Q22 Estimation
Consolidated Revenue	US\$ 530M ~ 550M
Gross Margin	36.5% ~ 38.5%
Operating Margin	16.0% ~ 18.0%

Q & A

Co-Creating the Future of the IoT World

