

Advantech Investor Conference

研華科技法人說明會

30th April, 2024



Safe Harbor Notice

- Advantech's statement of its current expectations are forward-looking statements which are subject to significant 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.



1Q24 Financial Results

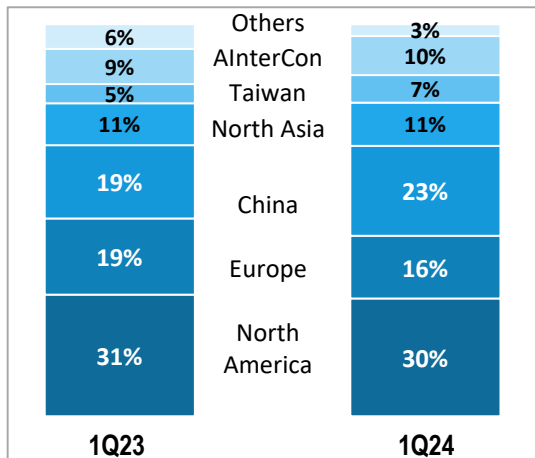
NT\$ mn	1Q 2024	%	4Q 2023	%	QOQ	1Q 2023	%	YoY
Net Sales	13,879	100.0%	15,138	100.0%	-8%	17,396	100.0%	-20%
Gross Profit	5,548	40.0%	6,220	41.1%	-11%	6,911	39.7%	-20%
Operating Expense	3,630	26.2%	3,529	23.3%		3,409	19.6%	
Operating Profit	1,917	13.8%	2,691	17.8%	-29%	3,502	20.1%	-45%
Non-operating Items	479	3.5%	38	0.3%		179	1.0%	
Pretax Profit	2,397	17.3%	2,730	18.0%	-12%	3,680	21.2%	-35%
Tax Expenses	428	3.1%	458	3.0%		725	4.2%	
Net Income to Parent	1,993	14.4%	2,291	15.0%	-13%	2,959	17.0%	-33%
EPS (NT\$)	2.32		2.67			3.80		

1Q24

- For Non-operating items, FX gained NT\$172mn.
- The Effective Tax rate was 17.9% in 1Q24.

1Q24 Sales By Region

US\$m	1Q24	1Q23	YoY %	Rev %
North America	133	177	-25%	30%
Europe	72	111	-36%	16%
China	100	107	-6%	23%
North Asia	48	61	-21%	11%
Taiwan	30	28	+9%	7%
Asia & InterCon	43	51	-14%	10%
Others	17	36	-54%	3%
Total	443	571	-22%	100%



North Asia

US\$m	2023	YoY
AJP	26	-33%
AKR	22	-1%

Asia & InterCon

US\$m	2023	YoY
AAU/NZ	3	-41%
ASEAN	11	+0%
India	6	-24%
Russia & CIS	1	-21%
LATAM	5	-2%
ME&A	17	-14%

1Q24 Performance By SBG

US\$ mn		Revenue	Rev. %	YoY	Gross Margin	Operating Profit	OP Margin
Industrial-IoT	(IIoT)	122	28%	-19%	50%~55%	36	29%
Embedded-IoT	(EIoT)	108	25%	-30%	35%~40%	23	21%
Applied Computing	(ACG)	66	15%	-15%	30%~35%	11	17%
Industrial Cloud & Video	(ICVG)	50	11%	-27%	40%~45%	8	16%
Service-IoT	(SIoT)	42	9%	-13%	45%~50%	4	10%
Advantech Service + /Others	(AS+)	55	12%	-24%	25%~30%	5	9%
Total		443	100%	-22%	40.0%	61*	13.8%

* unallocated expenses -\$26M

- **IIoT YoY -19%** : Due to weak demand of iFactory in Europe and North America, while China continued to be subdued.
- **EIoT YoY -30%** : Due to project slowdown in Board level DMS.
- **ACG YoY -15%** : Demand for Healthcare and Automation projects declined due to high base period.
- **ICVG YoY -27%** : Due to the decrease in shipment of Video Streaming Equipment, Cloud Platform and Cybersecurity
- **SIoT YoY -13%** : Due to the decline in Smart City projects.

Balance Sheet & Key Indices

NT\$ mn	1Q24		4Q23		1Q23	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	23,203	33%	21,199	31%	17,072	25%
Account receivable	8,948	13%	9,271	13%	11,319	16%
Inventory	9,604	14%	9,804	14%	13,325	19%
Total Assets	71,046	100%	69,056	100%	69,575	100%
Account payable	6,190	9%	6,089	9%	6,654	10%
ST debt	574	1%	344	0%	857	1%
LT debt	1,647	2%	1,611	3%	1,506	2%
Total Liabilities	27,791	39%	20,246	29%	29,839	43%
Total Equity	43,255	61%	48,810	71%	39,736	57%
Key Indices						
Inventory turnover days	106		106		112	
AR turnover days	60		55		57	
AP turnover days	67		64		62	
CCC (cash conversion cycle)	99		97		107	

2Q24 Guidance

Based on the exchange rate assumption of US\$1 to NT\$32.0, managements expect the 2Q24 guidance as below

Items	2Q24 Estimation
Consolidated Revenue	US\$ 435M ~ 455M
Gross Margin	39.0% ~ 41.0%
Operating Margin	14.0% ~ 16.0%

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