

Advantech 2Q 2022 Results Analyst Meeting

2022/8/3



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.

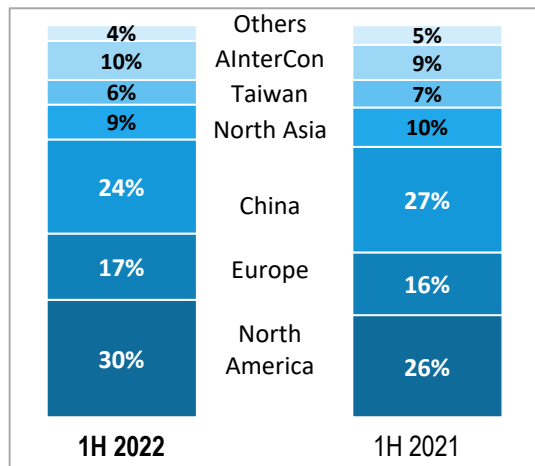
2Q22 Financial Results

NT\$ mn	2Q 2022	%	1Q 2022	%	QOQ	2Q 2021	%	YoY	1H22	%	1H21	%	YoY
Net Sales	16,824	100.0%	16,120	100.0%	4%	14,210	100.0%	18%	32,944	100.0%	27,371	100.0%	20%
Gross Profit	6,499	38.6%	6,157	38.2%	6%	5,217	36.7%	25%	12,657	38.4%	10,426	38.1%	21%
Operating Expense	3,392	20.2%	3,143	19.5%		3,020	21.3%		6,534	19.8%	5,942	21.7%	
Operating Profit	3,107	18.5%	3,015	18.7%	2%	2,197	15.5%	41%	6,123	18.6%	4,484	16.4%	36%
No-operating Items	30	0.2%	155	1.0%		80	0.6%		185	0.6%	210	0.8%	
Pretax Profit	3,137	18.6%	3,170	19.7%	-1%	2,277	16.0%	38%	6,308	19.1%	4,694	17.1%	34%
Tax Expenses	674	4.0%	602	3.7%		462	3.3%		1,275	3.9%	950	3.5%	
Net Income to Parent	2,458	14.6%	2,572	16.0%	-4%	1,790	12.6%	37%	5,030	15.3%	3,703	13.5%	36%
EPS (NT\$)	3.17		3.32			2.31	0.0%		6.49		4.79	0.0%	

- Both Revenue & Profit for 1H22 set Company's new records
- Benefit from operating leverage, OP% higher than historical level
- Effective Tax rate was 20.2% in 1H22

1H22 Sales By Region

US\$m	1H22	1H21	YoY %	Rev %
North America	343	250	+37%	30%
Europe	194	154	+25%	17%
China	271	266	+2%	24%
North Asia	102	95	+8%	9%
Taiwan	72	63	+14%	6%
Asia & InterCon	117	90	+31%	10%
Others	52	52	+0%	4%
Total	1,151	970	+19%	100%



US\$m North Asia

AJP	55	GR%: +5%
AKR	47	GR%: +12%

US\$m Asia & InterCon

AAU/NZ	7	GR%: -20%
ASEAN	27	GR%: +19%
India	11	GR%: +59%
Russia	4	GR%: -43%
LATAM	9	GR%: +29%
ME&A	59	GR%: +57%

1H22 Performance By SBG

1H22 US\$ mn		Revenue	YoY	Rev. %	Gross Margin	Operating Profit	OP Margin	
	Industrial IOT	342	0%	30%	50% ~ 55%	104	30%	
	Embedded IOT	273	+21%	24%	30% ~ 35%	60	22%	
	Allied DMS	Applied Computing	157	+62%	14%	35% ~ 40%	27	17%
		Cloud IOT	128	+27%	11%	35% ~ 40%	24	19%
	Service IOT	119	+47%	10%	35% ~ 40%	16	14%	
	Advantech Service Plus (AS+)	132	+9%	11%	20% ~25%	13	10%	
	Other unallocated expenses					(31)		
	Total	1,151	+19%	100%	38%	213	19%	

- EIoT YoY **+21%** : driven by strong demand in Medical, Automotive and Gaming sectors
- ACG YoY **+62%** : Mainly contributed by Medical projects and North American DMS projects
- ClIoT YoY **+27%** : Benefit from Cybersecurity and 5G opportunities
- SlIoT YoY **+47%** : Strong sales momentum from InterCon Medical projects and Europe iCity projects

Balance Sheet & Key Indices

NT\$ mn	2Q22		1Q22		2Q21	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	12,785	20%	10,410	17%	14,275	25%
Account receivable	11,927	18%	10,892	18%	10,157	18%
Inventory	15,358	24%	15,366	25%	10,713	19%
Total Assets	64,751	100%	61,186	100%	57,314	100%
Account payable	7,895	12%	7,404	12%	7,782	14%
ST debt	647	1%	603	1%	402	1%
LT debt	274	0%	315	1%	166	0%
Total Liabilities	26,972	42%	25,467	42%	23,758	41%
Total Equity	37,779	58%	35,719	58%	33,556	59%
Key Indices						
Inventory turnover days	125		128		98	
AR turnover days	62		60		61	
AP turnover days	69		68		68	
CCC	118		120		91	

- **Inventory turnover days** were slightly lower than 1Q22 and expected to return 4Q21 level by end of 2022

3Q22 Guidance

Based on the exchange rate assumption of US\$1 to NT\$29.8, managements expect the 3Q22 guidance as below

Items	3Q22 Estimation
Consolidated Revenue	US\$ 590M ~ 610M
Gross Margin	37.5% ~ 39.5%
Operating Margin	17.5% ~ 19.0%

Q & A

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