

Advantech Investor Conference

研華科技法人說明會

31 July , 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.



2Q24 & 1H24 Financial Results

2024年第二季暨上半年營運結果

NT\$ mn	2Q 2024	%	1Q 2024	%	QOQ	2Q 2023	%	YoY	1H24	%	1H23	%	YoY
Net Sales	14,644	100.0%	13,879	100.0%	6%	17,028	100.0%	-14%	28,523	100.0%	34,423	100.0%	-17%
Gross Profit	5,931	40.5%	5,548	40.0%	7%	7,014	41.2%	-15%	11,479	40.2%	13,925	40.5%	-18%
Operating Expense	3,765	25.7%	3,630	26.2%		3,585	21.1%		7,395	25.9%	6,994	20.3%	
Operating Profit	2,166	14.8%	1,917	13.8%	13%	3,429	20.1%	-37%	4,084	14.3%	6,931	20.1%	-41%
No-operating Items	467	3.2%	479	3.5%		339	2.0%		946	3.3%	518	1.5%	
Pretax Profit	2,633	18.0%	2,397	17.3%	10%	3,768	22.1%	-30%	5,029	17.6%	7,449	21.6%	-32%
Tax Expenses	523	3.6%	428	3.1%		763	4.5%		951	3.3%	1,489	4.3%	
Net Income to Parent	2,113	14.4%	1,993	14.4%	6%	3,004	17.6%	-30%	4,107	14.4%	5,964	17.3%	-31%
EPS (NT\$)	2.46		2.32			3.51			4.78		6.97		

2Q24

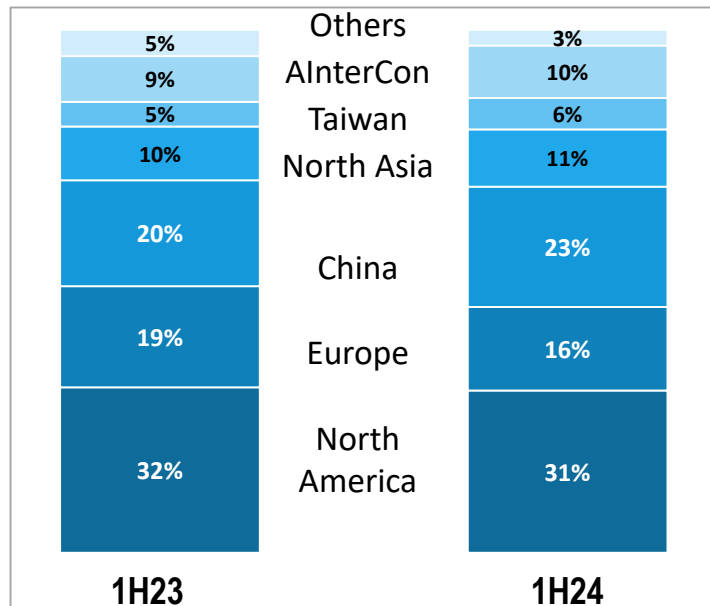
- Both top line and bottom line increased with single-digit QoQ.
- The OP% was slightly improved as compare to previous quarter.
- Non-op items: Recognized disposal gain of 5F, Donghu Manufacture Center for NT\$85mn.

1H24

- Both top line and bottom line underperformed with double digit declined YoY.
- The OP% was affected by reduced base of revenue.

1H24 Sales By Region

US\$m	1H24	1H23	YoY %	Rev %
North America	275	356	-23%	31%
Europe	145	218	-34%	16%
China	211	228	-8%	23%
North Asia	95	116	-18%	11%
Taiwan	59	53	+12%	6%
Asia & InterCon	86	99	-13%	10%
Others	26	56	-52%	3%
Total	897	1,126	-20%	100%



North Asia

US\$m	1H24	YoY
AJP	51	-32%
AKR	44	+7%

Asia & InterCon

US\$m	1H24	YoY
AAU/NZ	6	-33%
ASEAN	22	-5%
India	11	-17%
Russia & CIS	2	-19%
LATAM	11	-2%
ME&A	34	-15%

1H24 Performance By SBG

US\$ mn		Revenue	Rev. %	YoY	Gross Margin	Operating Profit	OP Margin
Industrial-IoT	(IIoT)	257	29%	-13%	50%~55%	78	30%
Embedded-IoT	(EIoT)	224	25%	-25%	35%~40%	44	20%
Applied Computing	(ACG)	134	15%	-17%	30%~35%	23	17%
Industrial Cloud & Video	(ICVG)	96	11%	-26%	40%~45%	14	15%
Service-IoT	(SIoT)	81	9%	-22%	45%~50%	8	10%
Advantech Service + /Others	(AS+)	105	11%	-21%	25%~30%	9	9%
Total		897	100%	-20%	40.2%	128	14.3%

* unallocated expenses -\$48M

- **IIoT YoY -13%** : Declined due to weak demand of iFactory projects and channel sales, while Semiconductor related projects have shown a rebound.
- **EIoT YoY -25%** : Due to the decline in Energy, Gaming, Healthcare projects.
- **ACG YoY -17%** : Demand for Healthcare and Automation has decreased, while Video streaming and Energy sectors have increased.
- **ICVG YoY -26%** : Demand for Network security and Video steaming have declined to due a high base period.
- **SIoT YoY -22%** : The transportation, medical and hospitality projects have continued to experience decline.

Balance Sheet & Key Indices

資產負債表與關鍵指數

NT\$ mn	2Q24		1Q24		2Q23	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	25,004	35%	23,203	33%	19,919	28%
Account receivable	9,172	13%	8,948	13%	10,782	15%
Inventory	9,243	13%	9,604	14%	11,624	17%
Total Assets	72,362	100%	71,046	100%	70,258	100%
Account payable	6,610	9%	6,190	9%	5,680	8%
ST debt	306	0%	574	1%	614	1%
LT debt	1,506	2%	1,647	2%	1,545	2%
Total Liabilities	26,374	36%	27,791	39%	27,083	39%
Total Equity	45,988	64%	43,255	61%	43,175	61%
Key Indices						
Inventory turnover days	102		106		107	
AR turnover days	59		60		56	
AP turnover days	68		67		59	
CCC (cash conversion cycle)	93		99		106	

3Q24 Guidance

Based on the exchange rate assumption of US\$1 to NT\$32.5, managements expect the 3Q24 guidance as below:

Items	3Q24 Estimation
Consolidated Revenue	US\$ 450M ~ 470M
Gross Margin	39.0% ~ 41.0%
Operating Margin	14.0% ~ 16.0%

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