

ADVANTECH

Enabling an Intelligent Planet

Advantech Investor Conference

研華科技法人說明會

6 November, 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.



3Q24 Financial Results

NT\$ mn	3Q 2024	%	2Q 2024	%	QOQ	3Q 2023	%	YoY	YT3Q2024	%	YT3Q2023	%	YoY
Net Sales	14,950	100.0%	14,644	100.0%	2%	15,006	100.0%	0%	43,473	100.0%	49,430	100.0%	-12%
Gross Profit	6,173	41.3%	5,931	40.5%	4%	6,017	40.1%	3%	17,652	40.6%	19,942	40.3%	-11%
Operating Expense	3,721	24.9%	3,765	25.7%		3,511	23.4%		11,116	25.6%	10,505	21.3%	
Operating Profit	2,452	16.4%	2,166	14.8%	13%	2,506	16.7%	-2%	6,536	15.0%	9,437	19.1%	-31%
Non-operating Items	291	1.9%	467	3.2%		582	3.9%		1,236	2.8%	1,100	2.2%	
Pretax Profit	2,743	18.3%	2,633	18.0%	4%	3,088	20.6%	-11%	7,772	17.9%	10,537	21.3%	-26%
Tax Expenses	493	3.3%	523	3.6%		531	3.5%		1,444	3.3%	2,019	4.1%	
Net Income to Parent	2,258	15.1%	2,113	14.4%	7%	2,583	17.2%	-13%	6,364	14.6%	8,547	17.3%	-26%
EPS (NT\$)	2.61		2.46			3.01			7.39		9.98		

3Q24

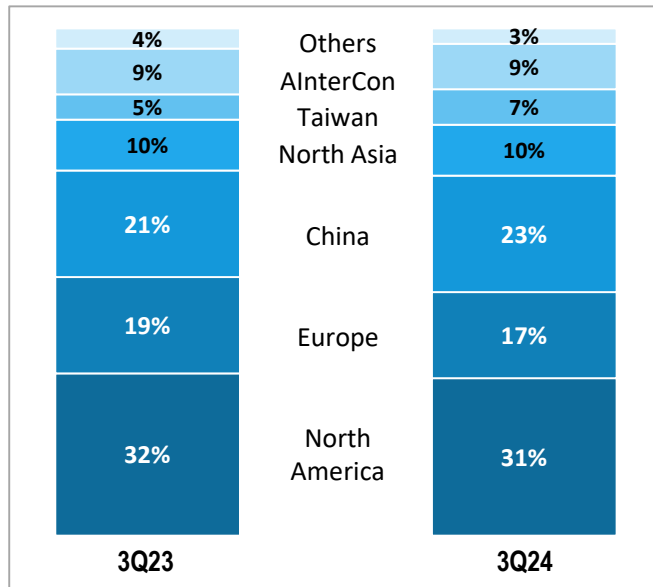
- Top line was flattish in YoY and bottom line decreased with double digits YoY.
- In terms of QoQ, both top line and bottom line increased by 2% and 7%, respectively.
- The OP% improved as compare to previous quarter.
- The Effective Tax rate was 17.97% in 3Q24.

3Q24 YTM

- Both top line and bottom line underperformed with double digits declined YoY.
- The GP% remained at 40.6% and the OP% was affected by the reduced base of revenue.

3Q24 Sales By Region

US\$m	3Q24	3Q23	YoY %	Rev %
North America	422	510	-17%	31%
Europe	225	308	-27%	17%
China	315	328	-4%	23%
North Asia	144	167	-14%	10%
Taiwan	90	76	+18%	7%
Asia & InterCon	126	138	-9%	9%
Others	38	73	-48%	3%
Total	1,360	1,600	-15%	100%



North Asia

US\$m	3Q24	YoY
AJP	77	-27%
AKR	67	+10%

Asia & InterCon

US\$m	3Q24	YoY
AAU/NZ	9	-26%
ASEAN	34	-2%
India	17	-6%
Russia & CIS	4	+14%
LATAM	16	+2%
ME&A	46	-15%

3Q24 Performance By SBG

US\$ mn		Revenue	Rev. %	YoY	Gross Margin	Operating Profit	OP Margin
Industrial-IoT	(IIoT)	401	30%	-4%	50%~55%	120	30%
Embedded-IoT	(EIoT)	341	25%	-19%	35%~40%	67	20%
Applied Computing	(ACG)	205	15%	-14%	30%~35%	35	17%
Industrial Cloud & Video	(ICVG)	138	10%	-24%	40%~45%	21	15%
Service-IoT	(SIoT)	116	9%	-22%	45%~50%	10	8%
Advantech Service + /Others	(AS+)	159	11%	-17%	25%~30%	13	8%
Total		1,360	100%	-15%	41.3%	204	15%

* unallocated expenses -\$62M

- **IIoT YoY -4%** : Declined due to weak demand of iFactory projects and channel sales, while Semiconductor related projects have shown a rebound.
- **EIoT YoY -19%** : Demand for Energy, Gaming, and Healthcare projects have declined due to a high base period.
- **ACG YoY -14%** : Demand growth in Video and Energy projects but offset by the decline of healthcare sector.
- **ICVG YoY -24%** : Demand for video equipment and network projects underperformed, while Edge AI server has increased.
- **SIoT YoY -22%** : Demand for transportation and medical projects remain weak.

Balance Sheet & Key Indices

NT\$ mn	3Q24		3Q23		2Q24	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	17,753	27%	18,292	27%	25,004	35%
Account receivable	9,271	14%	9,763	15%	9,172	13%
Inventory	9,912	15%	10,850	16%	9,243	13%
Total Assets	66,395	100%	66,955	100%	72,362	100%
Account payable	6,472	10%	6,429	10%	6,610	9%
ST debt	311	0%	540	1%	306	0%
LT debt	1,458	2%	1,609	2%	1,506	2%
Total Liabilities	17,770	27%	20,460	31%	26,374	36%
Total Equity	48,625	73%	46,495	69%	45,988	64%
Key Indices						
Inventory turnover days	105		116		102	
AR turnover days	58		58		59	
AP turnover days	67		63		68	
CCC (cash conversion cycle)	96		111		93	

4Q24 Guidance

Based on the exchange rate assumption of US\$1 to NT\$31.7 managements expect the 4Q24 guidance as below:

Items	4Q24 Estimation
Consolidated Revenue	US\$ 480M ~ 500M
Gross Margin	39.0% ~ 41.0%
Operating Margin	14.5% ~ 16.5%

Q&A

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