



# **Darwin Precisions Corporation 2023 Results Investor Conference**

達運精密工業股份有限公司  
2023年法人說明會

Sep. 28, 2023



*Passion  
Quality  
Innovation*

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# Agenda

- Company Introduction
- Financial Report
- Business Overview
- Business Strategy & Improvement

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# Safe Harbor Notice

We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us.

We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

# Company Introduction

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# About Darwin

Founded  
**2005**

Revenue  
**484.6M**

USD. 2022

Capital  
**208.9M**

USD. 2023/08

Employees  
**6,300**

2023/08

**4 Major Services**

- Display
- Key Component
- Ultra-Precision Machining
- Total Solution

Listing  
**6120**

TAIEX



# Global Presence



\* Investments in Associates  
\*\* Strategic Investment

# Financial Report

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# Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except EPS/LPS

	2Q23		QoQ %	1Q23		QoQ %	4Q22	
Net Sales	4,617,087	100%	42%	3,257,264	100%	11%	2,926,837	100%
Cost of Goods Sold	(4,255,957)	(92%)	27%	(3,351,125)	(103%)	15%	(2,908,372)	(99%)
Gross Profit (Loss)	361,130	7.8%	485%	(93,861)	(2.9%)	(608%)	18,465	0.6%
Operating Expenses	(273,562)	(5.9%)	0%	(273,264)	(8.4%)	0%	(272,111)	(9.3%)
Operating Profit (Loss)	87,568	1.9%	124%	(367,125)	(11.3%)	(45%)	(253,646)	(8.7%)
Net Non-operating Income	81,258	1.8%	201%	26,989	0.8%	(97%)	904,814	30.9%
Profit (Loss) before Tax	168,826	3.7%	150%	(340,136)	(10.4%)	(152%)	651,168	22.2%
Net Profit (Loss)	104,272	2.3%	134%	(307,638)	(9.4%)	(176%)	403,372	13.8%
Basic Earnings (Loss) Per Share (NT\$)	0.16			(0.46)			0.62	
Operating Profit (Loss) + D&A	309,852	6.7%	322%	(139,698)	(4.3%)	(557%)	(21,264)	(0.7%)

※They are only reviewed rather than audited.



# Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except EPS/LPS

	For the six-month periods ended June 30				YoY %
	2023		2022		
Net Sales	7,874,351	100%	8,593,047	100%	(8%)
Cost of Goods Sold	(7,607,082)	(97%)	(8,555,718)	(100%)	(11%)
Gross Profit (Loss)	267,269	3.4%	37,329	0.4%	616%
Operating Expenses	(546,826)	(6.9%)	(554,700)	(6.5%)	(1%)
Operating Profit (Loss)	(279,557)	(3.6%)	(517,371)	(6.0%)	46%
Net Non-operating Income	108,247	1.4%	475,487	5.5%	(77%)
Profit (Loss) before Tax	(171,310)	(2.2%)	(41,884)	(0.5%)	(309%)
Net Profit (Loss)	(203,366)	(2.6%)	(123,074)	(1.4%)	(65%)
Basic Earnings (Loss) Per Share (NT\$)	(0.31)		(0.18)		
Operating Profit (Loss) + D&A	170,154	2.2%	(25,887)	(0.3%)	757%

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# Consolidated Balance Sheet Highlights

Amount : NT\$ Thousands

	Jun. 30, 2023		QoQ %	Mar. 31, 2023		QoQ %	Dec. 31, 2022	
Cash and cash equivalents	5,881,973	31%	2%	5,790,926	32%	43%	4,058,322	22%
Accounts receivable	3,273,018	17%	35%	2,433,427	14%	0%	2,430,005	13%
Inventories	1,200,964	6%	19%	1,012,297	6%	3%	984,181	5%
Financial assets at amortized cost-current & non-current <sup>(1)</sup>	1,473,577	8%	(3%)	1,514,812	8%	33%	1,142,218	6%
Other financial assets-current & non-current <sup>(1)</sup>	871,560	5%	(5%)	916,958	5%	(1%)	925,241	5%
Short-Term Debt <sup>(a)</sup>	489,394	3%	10%	446,513	2%	48%	300,794	2%
Long-Term Debt	2,953,477	16%	(4%)	3,078,422	17%	(19%)	3,787,843	21%
Total Liabilities	9,932,822	53%	11%	8,908,684	50%	1%	8,855,096	49%
Equity	8,857,039	47%	(2%)	9,053,344	50%	(3%)	9,327,794	51%
Total Assets	18,789,861	100%	5%	17,962,028	100%	(1%)	18,182,890	100%
AR Turnover (Days) <sup>(b)</sup>	56		(12)	68		0	68	
Inventory Turnover (Days) <sup>(c)</sup>	24		(3)	27		(7)	34	
AP Turnover (Days) <sup>(d)</sup>	71		2	69		4	65	
Cash Cycle (Days)	9		(18)	26		(10)	37	
Financial Debt to Equity <sup>(e)</sup>	39%		(0%)	39%		(5%)	44%	

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(1) Financial assets at amortized cost-current & non-current : These are major the fixed deposits of more than 1 year maturity for the purpose of financial management.  
Other financial assets-current & non-current : Mainly, the fixed deposit is pledged to the bank to issue a standby letter of credit as a guarantee for the loan.

(a) Short-term debt refers to all interest-bearing or interest-free debt maturing within one year and long-term debt maturing within one year.

(b) Calculated by dividing the average accounts receivable into the annualized sales during such period, then multiplying by 365 days.

(c) Calculated by dividing the average inventory into the annualized cost of goods sold during such period, then multiplying by 365 days.

(d) Calculated by dividing the average accounts payable into the annualized cost of goods sold during such period, then multiplying by 365 days.

(e) Financial Debt to Equity = (Short-Term Debt + Long-Term Debt) / Equity.

# Consolidated Cash Flow Highlights

Amount : NT\$ Thousands

For the six-month periods ended June 30

	2023	2022
<b>From Operating Activities</b>	790,179	189,607
Loss before Tax	(171,310)	(41,884)
Depreciation & Amortization	449,711	491,484
Net Change in Working Capital	511,778	(259,993)
<b>From Investing Activities</b>	1,793,568	(544,227)
Capital Expenditure	(189,426)	(222,428)
Disposals of property, plant and equipment	564	269,136
Decrease in other accounts receivable <sup>(1)</sup>	2,231,952	-
Increase in other financial assets or investment <sup>(2)</sup>	(211,532)	(587,809)
<b>From Financing Activities</b>	(640,365)	(352,790)
Net Change in Debt	(642,569)	(351,089)
<b>Net Change in Cash<sup>(3)</sup></b>	1,823,651	(604,905)
<b>Ended balance of Cash and cash equivalents</b>	5,881,973	5,353,823

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Notes :

(1) Decrease in other accounts receivable :  
Mainly due to part of the price from the disposal of Taichung Yong-feng plant in the 4Q2022 was received in January 2023.

(2) Increase in other financial assets or investment :

A. These are major acquisitions of the fixed deposits of more than 1 year maturity in 2023.

B. These are major acquisitions of the fixed deposits of more than 1 year maturity and the fixed deposits are set as pledge in 2022.

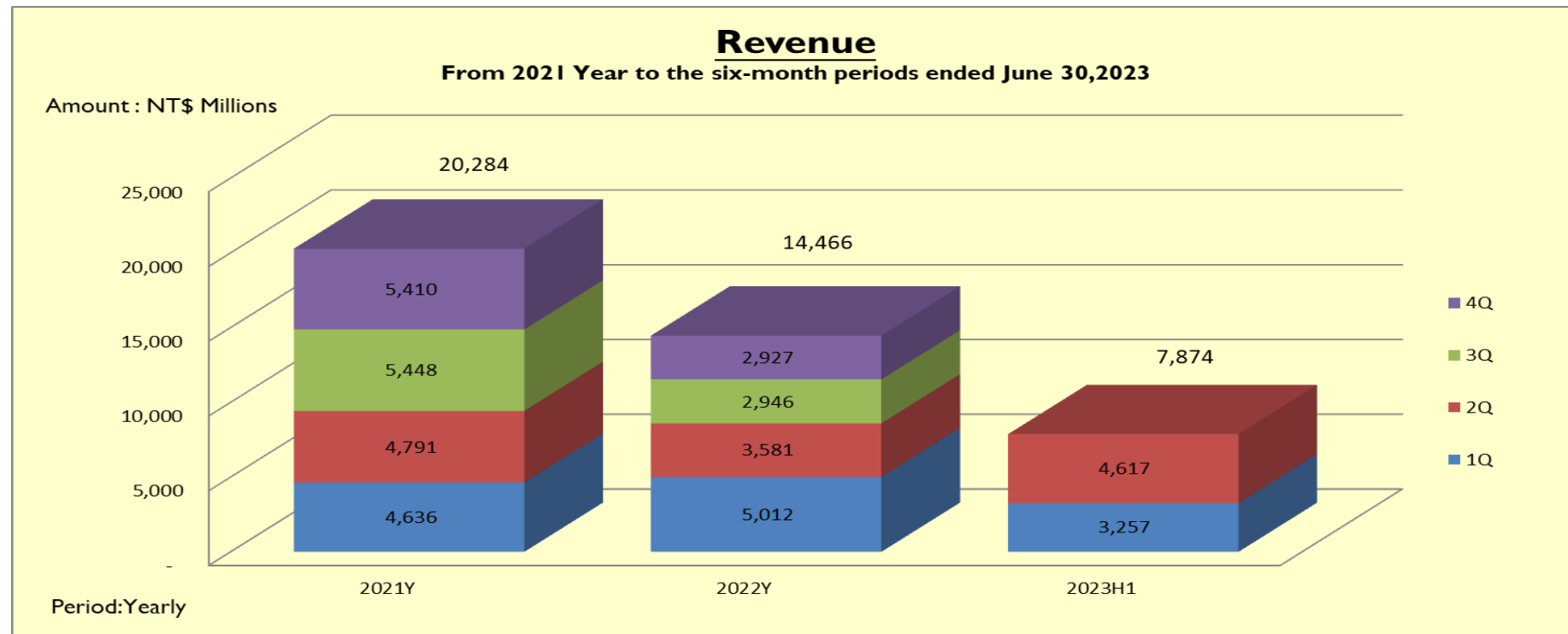
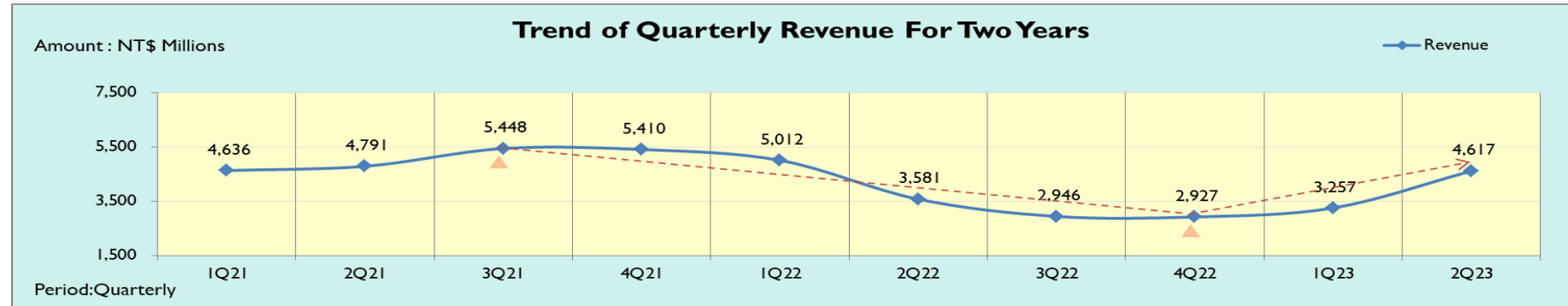
(3) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries.

# Business Overview

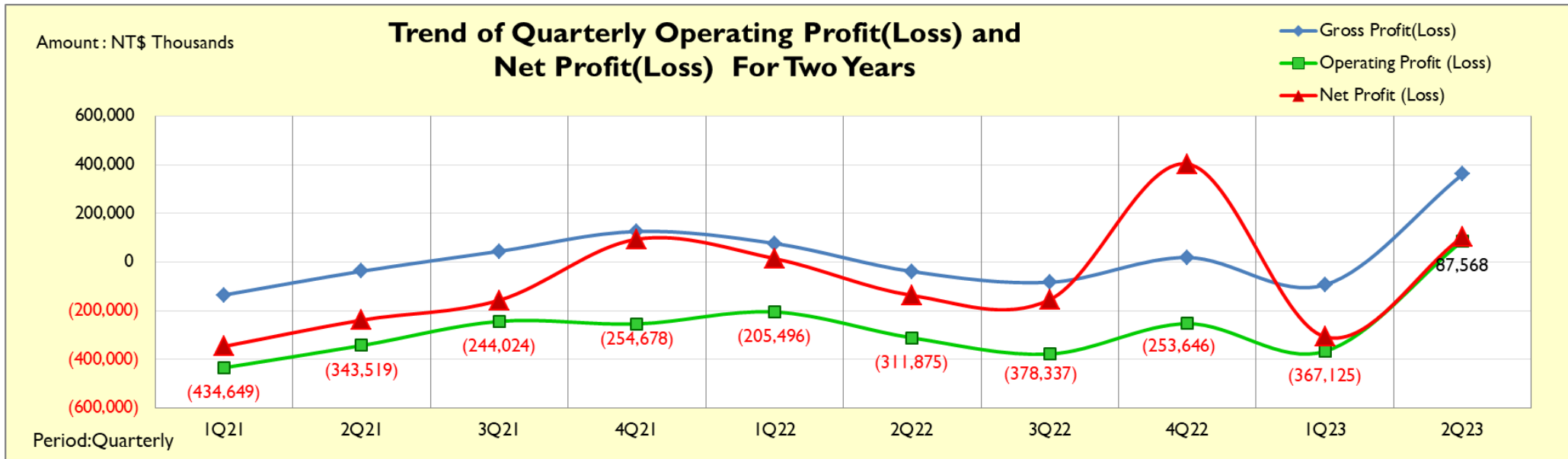
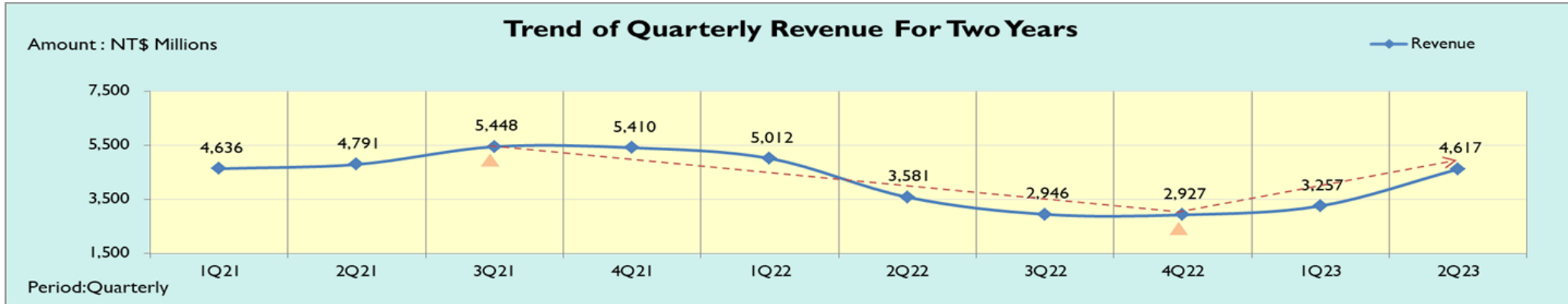
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# Trend of Consolidated Revenue

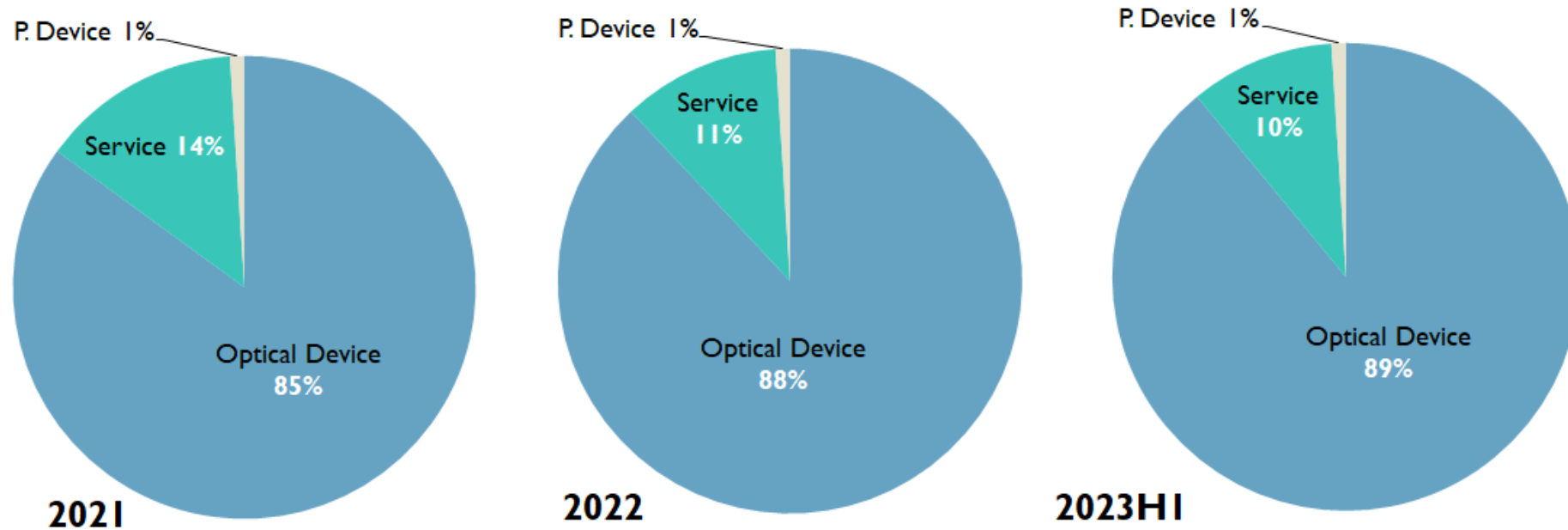


# Trend of Consolidated Operating Overview





# Consolidated Revenue by Product



## Optical Device

Component / Backlight / Module / SET  
PMMA Material Application  
Precision Mold Design & Manufacturing and others

## Service

Technical Machining & Integrated Service

## P. Device

Precision Device Application

# Business Strategy & Improvement

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## Optoelectronics

### Mini LED

- ✓ Car Display

### Privacy

- ✓ Car, NB

### High brightness & Energy saving

- ✓ Car, NB

### Fine Metal Mask

- ✓ 18 um Ultra Thin FMM for WQHD(+) Smartphone
- ✓ Large Size FMM for IT
- ✓ Focus on China Market

## Manufacturing Service

### Product portfolio optimization

- ✓ Mini LED Car Display
- ✓ AHVA /oTP /LBL NB
- ✓ Borderless/Camera/Curve MNT

### OEM → OEM<sup>+</sup> → ODM

- ✓ Car/GD/NB BLU
- ✓ MNT

### Smart Manufacturing

- ✓ Automation & Lean Production
- ✓ Setup Training System for Automation

## Development

### Smart field total solution

- ✓ Smart Mobil : Bus / Yacht Station
- ✓ Smart City : Port Cruise Terminal

### Microstructure technology applications

- ✓ Micro Array Patch
- ✓ UFO Touch

### Precision Etching process applications

- ✓ Lead frame for QFN

# 2023 : Focus and Enhance Profitability

- Efficient backlight / light guide plate:  
High brightness & energy-saving, privacy, Mini LED.
- Services of Manufacturing optimization :  
OEM->OEM<sup>+</sup>->ODM, increase High-level model ratio.
- Integration Services : Develop field program & overseas market.
- P-Device : Enhance China market cooperation.

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