

# **BizLink Holding Inc** **3665.TT**



## **Investor Presentation**

3Q 2023 Version

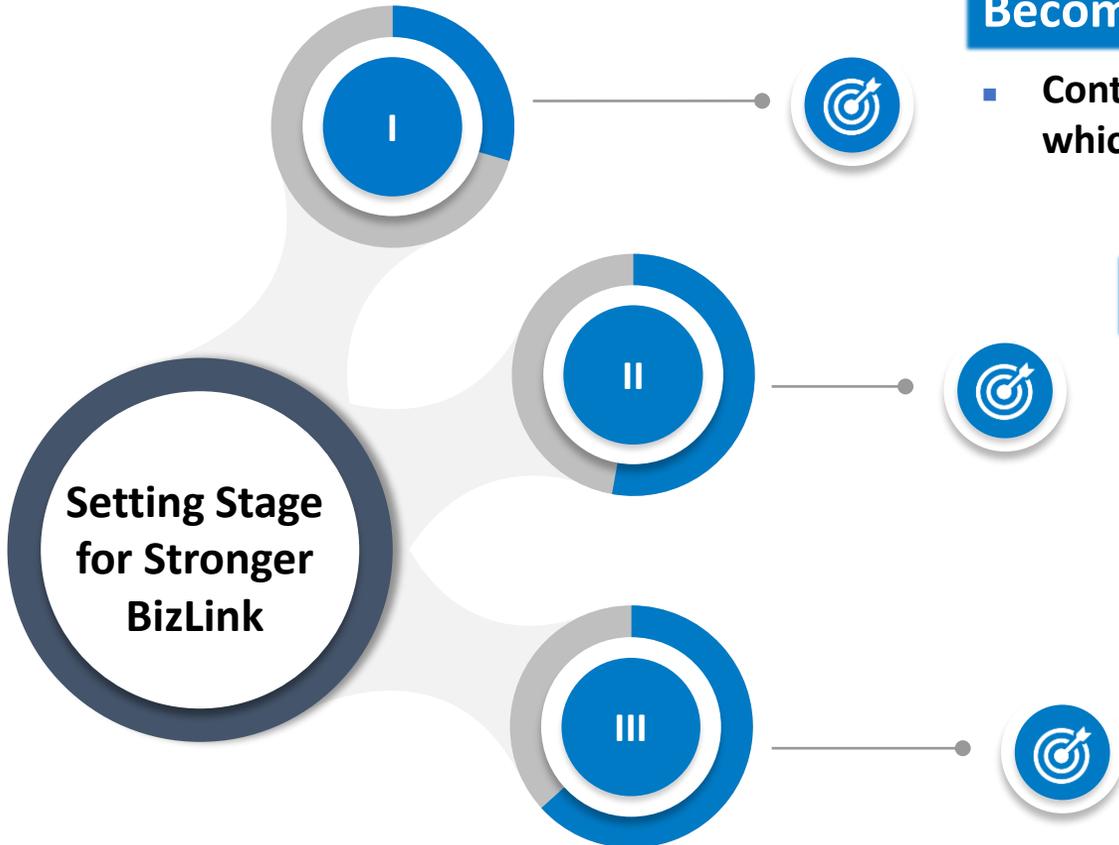
Nov 2023

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# I. Corporate Highlights: Third Quarter 2023



## Becoming Leaner and Nimbler

- Continuing to implement new checks and balances to improve operations, which is starting to lead to some cost efficiencies

## Becoming the Go-to Partner

- Reduce customers' supply chain risk across regions and end-markets
- Raise exposure to more customized system-level, assembly projects
- Co-develop next gen technologies and products with customers

## Becoming More Resilient

- Much stronger cash flow position given consistent performance over past few quarters
- Gradually addressing and moving past legacy issues to prepare for tougher times ahead

## II. Financial Highlights: Third Quarter 2023

### TOTAL SALES

3Q23

**NT\$ 13.15B**

### GPM

3Q23

**26.69%**

### OPM

3Q23

**10.75%**

### NET PROFIT

3Q23

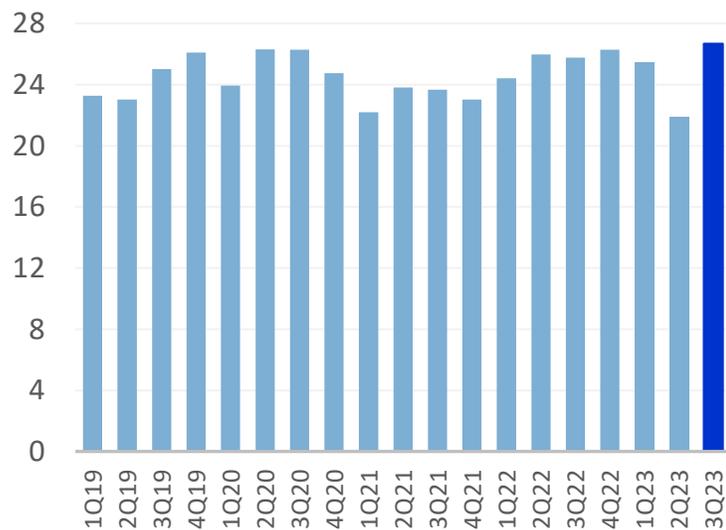
**NT\$ 740M**

### EPS

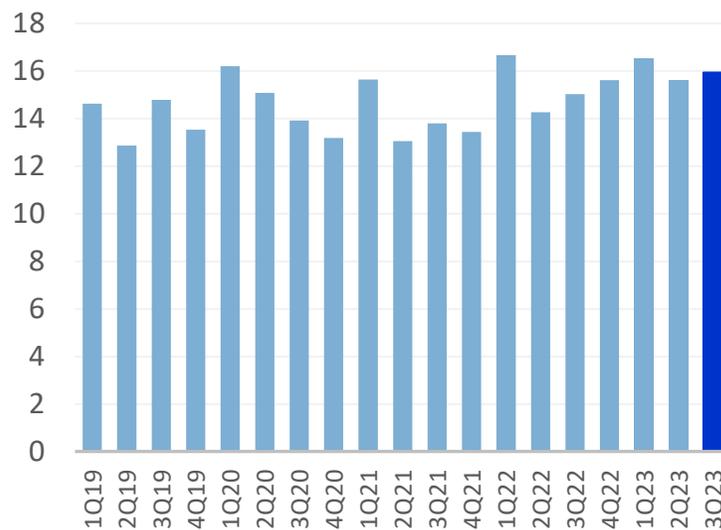
3Q23

**NT\$4.54**

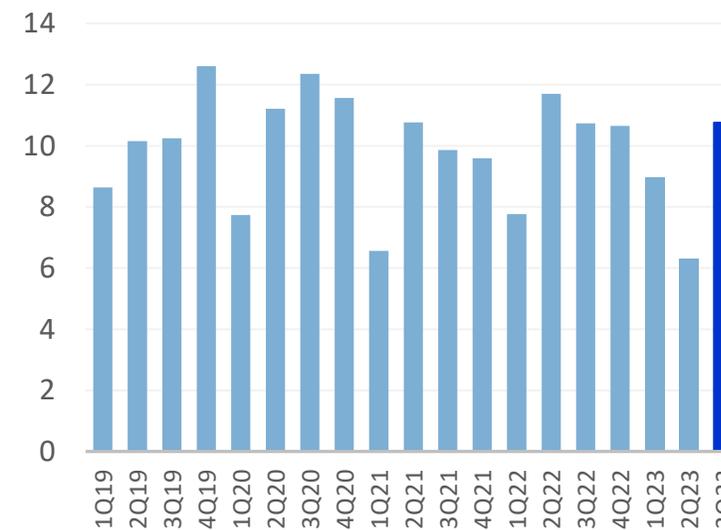
### GROSS MARGIN



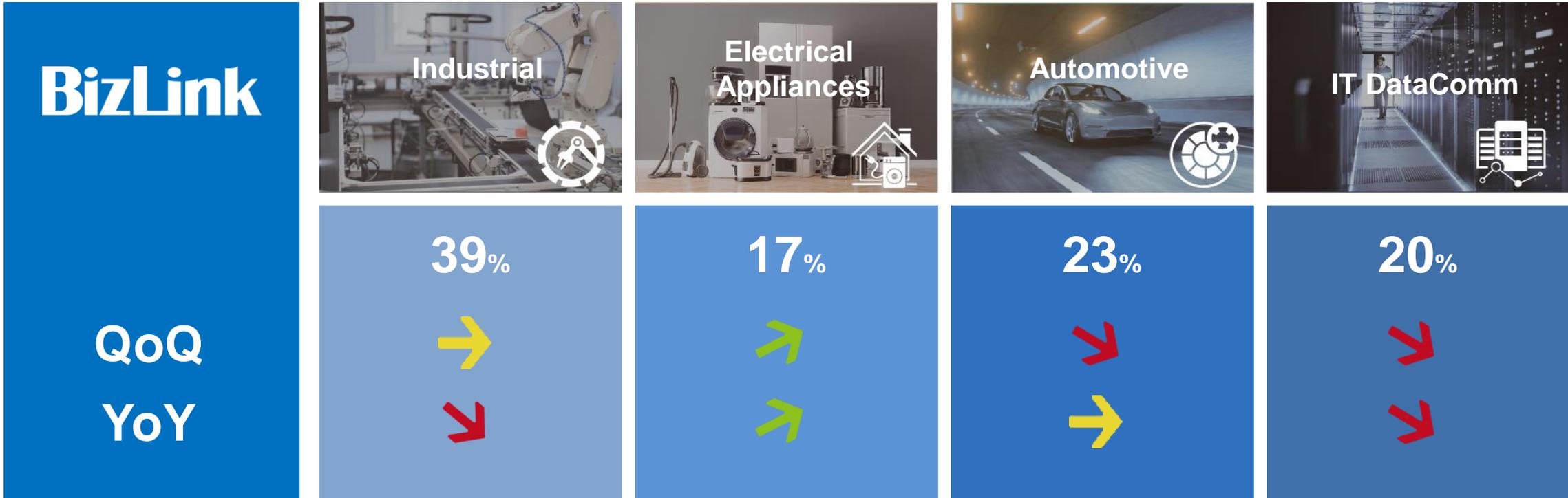
### OPEX RATIO



### OPERATING MARGIN



# II. Financial Highlights: Third Quarter 2023



Categories	FA	Healthcare	Capital Eqpt	Energy	EV	Silicone	Non-EV	HPC	Peripherals
QoQ	↓	↓	→	↓	↓	↓	↓	↓	↓
YoY	↓	↓	↓	→	↓	→	→	↓	↓

## II. Financial Highlights: Third Quarter 2023

### Resilient Margins

GPM\* currently stabilizing at 26% for six quarters  
+  
Strict opex control for five quarters  
=  
Stabilizes OPM

GPM\*: Adjusted to exclude inventory impacts

### Positive FCF

Higher operating cash flow levels for four quarters  
+  
Continued capex control  
=  
Healthy cash balance

### Cash Conversion Cycle

- Keeping under control
- Will reduce further in next few quarters

### Capital Allocation

Higher cash balance allows for:

- Earlier debt repayment
- Potential tuck-in M&A

### Inventories

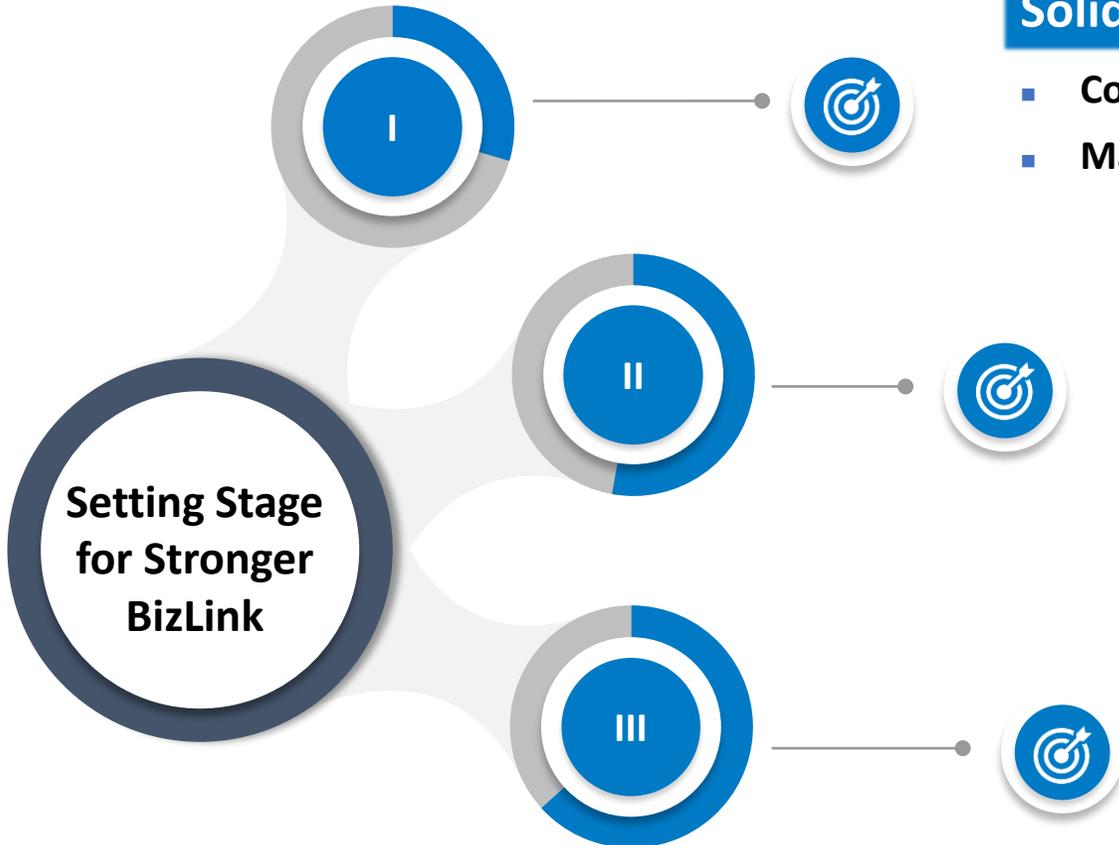
- 1H 2023: bulk of estimated adjustments
- 2H 2023: no abnormally high adjustments

### Long-term Profits

Actively pursuing:

- Higher TAM growth potential
- Higher GPM niche areas

# III. Operational Highlights: Third Quarter 2023



## Solidifying the BizLinker Family

- Co-founders still deeply involved in leading and in managing daily activities
- Many senior and junior staff bring in-depth experience and fresh ideas

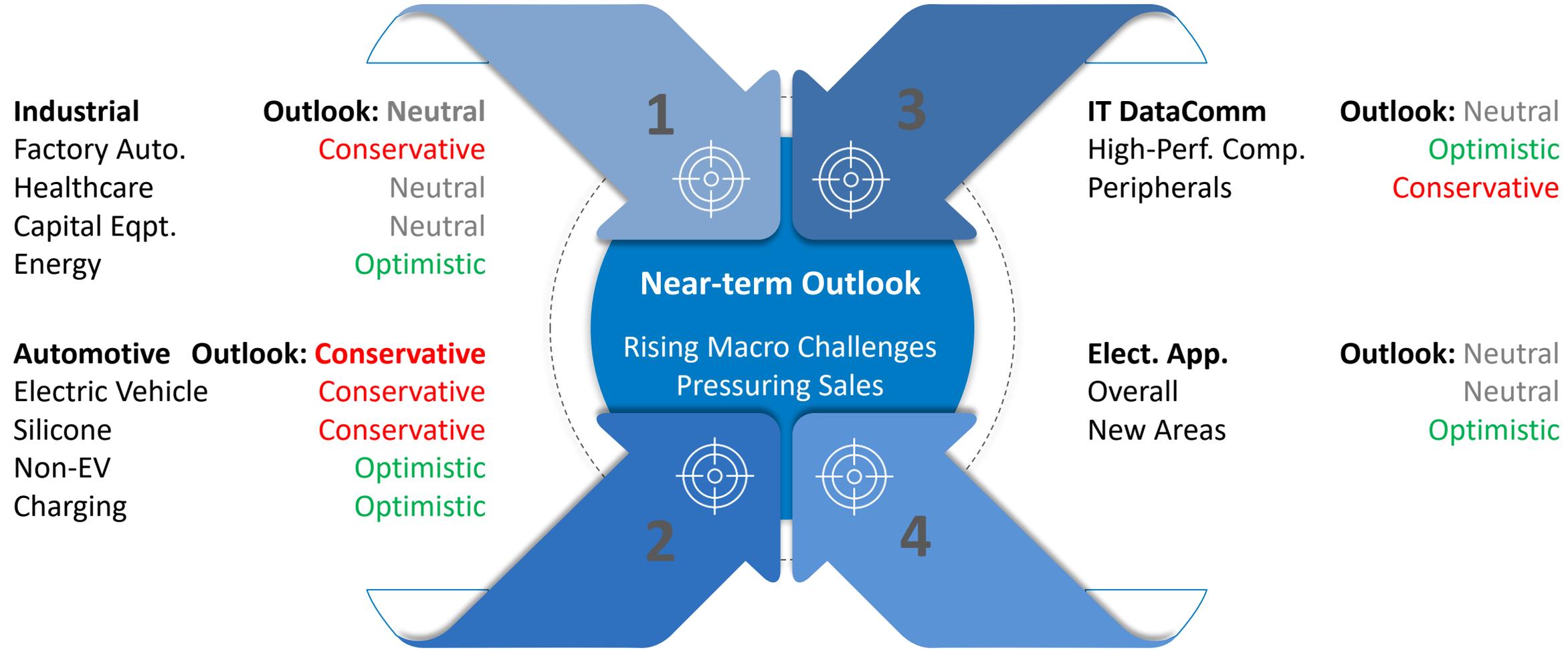
## Reducing Our Volatility

- Realize new opportunities to offset temporarily weaker areas
- Boost and stabilize profitability via product mix & higher efficiency
- Strengthen balance sheet by deleveraging and raising cash levels

## Overcoming Obstacles

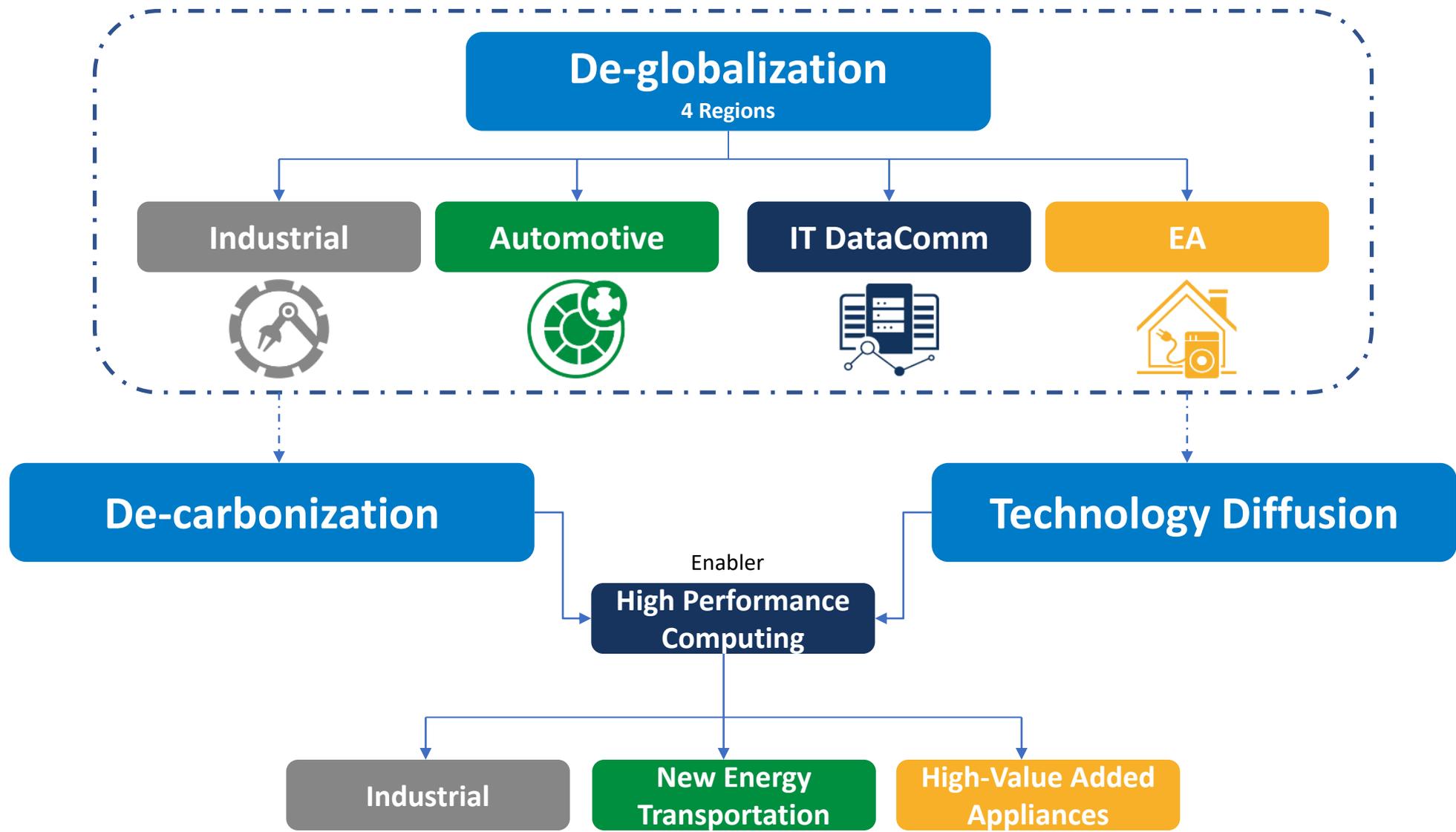
- 3Q 2023 results up QoQ: minor inventory adjustments and lower interest expense
- Macro remains challenging but we are seeing green shoots

# III. Operational Highlights: Third Quarter 2023



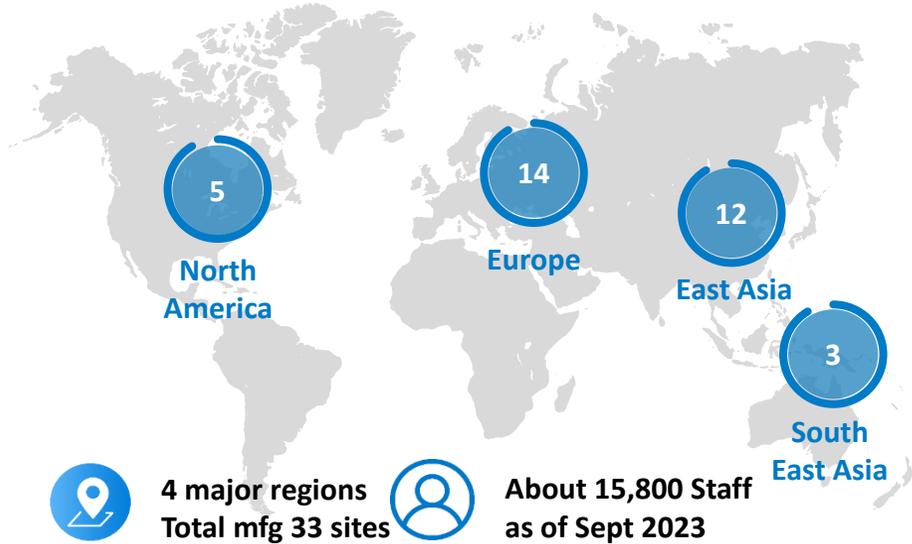
# Q&A

# APPENDIX: 3 Global Shifts + 4 x 4 Strategy

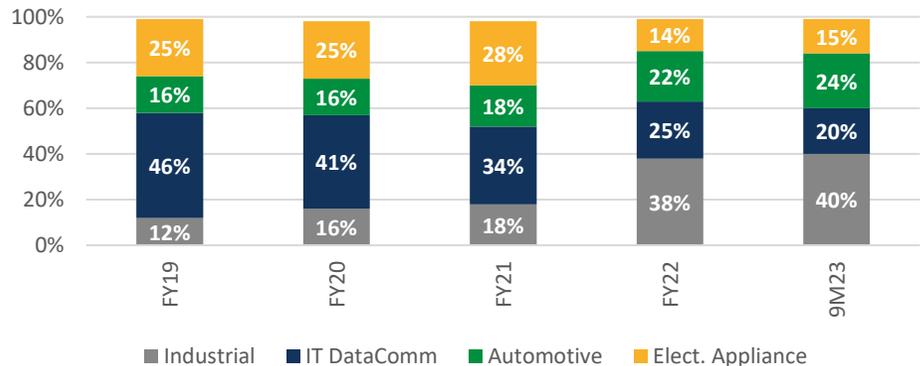


# APPENDIX: Diversification

Lower dependence on East Asia



Sales mix is more diversified now



Note:  
1. High mix low volume  
2. High volume low mix



## Industrial

- **Business nature: HMLV<sup>1</sup>**
  - Factory Automation
  - Capital Equipment
  - Healthcare
  - Energy
- **Regions: all 4 regions**



## Automotive

- **Business nature: HVLM<sup>2</sup>**
  - Electric Vehicle
  - Silicone
  - Non-EV related
  - Charging
- **Regions: all 4 regions**



## IT & DataComm

- **Business nature: HVLM**
  - High Performance Computing
  - Peripherals
- **Regions: East & Southeast Asia**



## Electrical Appliance

- **Business nature: HVLM**
  - Major and Small Appliances
  - Traditional, Connected
  - Smart, Wireless, Motorized
- **Regions: East Asia, Europe**

# APPENDIX: Bigger Picture Perspective

**Objective** Building an enterprise with stable growth through all cycles



- ✓ **Segments:** Industrial, IT, DataComm, Automotive, EA
- ✓ **Regions:** North America, Europe, Southeast Asia, East Asia



- ✓ **Secular:** Factory Automation, Capital Eqpt, HPC, EV, TMP
- ✓ **Industrial:** Energy, Other Industrial, Healthcare, Silicone



- ✓ **ESG:** Environmental, Social, Corporate Governance
- ✓ **Integration:** Business and operational aspects



**Result** Strong free-cash-flow generation to add value to stakeholders

# APPENDIX: Our Resiliency Drivers

**Secular** Long-term high growth but with up and down cycles

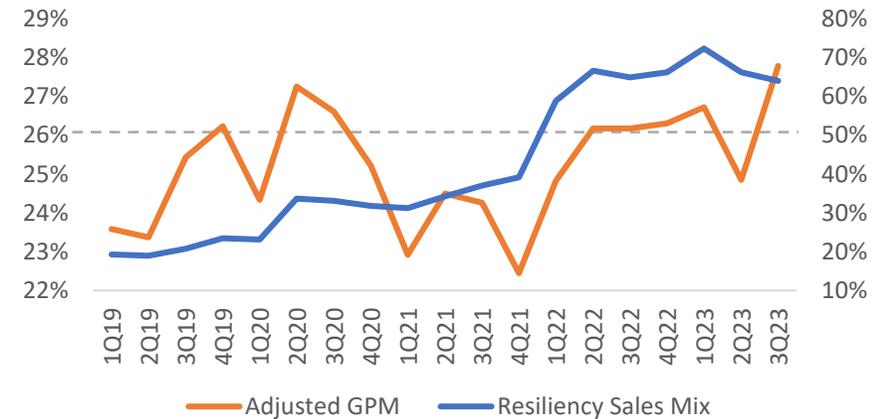
**Industrial** Long-term stable growth and stable gross margins

**Resiliency Drivers**



Leading to

**Resiliency Sales Mix vs GPM**



**Resiliency Drivers = 67% of 9M 2023 Sales**

- ✓ Secular: Have grown from 9% of 1Q 2019 sales to 43% in 3Q 2023
- ✓ Industrial: Have grown from 10% of 1Q 2019 sales to 21% in 3Q 2023

**Reducing Business Volatility at Higher Margins Over Time**

- ✓ Margin Recovery: Back to early-2017 levels despite cost inflation
- ✓ Margin Stability: Gradually rising from 1Q 2022 - 3Q 2023

Note: gross margins are excluding inventory impacts

# APPENDIX: Corporate Sustainability

Our commitment to sustainability creates long-term value for us and our stakeholders by helping us ride the green wave, mitigate climate risks, reduce costs, and build brand value.

**E**  
Energy generation & conservation

**S**  
Social empowerment & improvement

**G**  
Governing for sustainable excellence

## Our Actions

GHG Emission Reduction Target

Renewable Energy Generation

FTSE-Russell Green Revenues

Employee Engagement Activities

Zero Accidents Policy

Contributions to Society

TWSE Corporate Governance

Strong Internal Policies

Encourage Positive Behavior

## Our Results

Consistent Improvement: Newsweek & CDP

Sustainalytics: Low-Risk Rating

Consistent Improvement: Newsweek

Optimal Working Environment: Retention & Hiring

BizLinker: One Team, One Target

Global Corporate Functions

# APPENDIX: Capital Allocation

## Fund-Raising History: Five Rounds

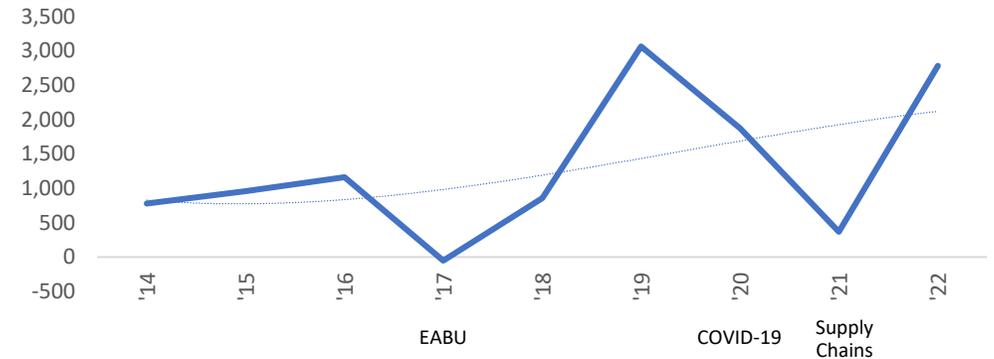
### Tapping into Capital Markets to Boost Strategic Flexibility

2023 - ECB-5 (\$150m), Capital Increase (pending)	Status	No Conversion
2022 - ECB-4 (US\$125m) + GDR-2 (US\$104.2m)	Status	Partial Conversion
2019 - ECB-3 (US\$100m) + GDR-1 (US\$80.4m)	Status	Fully Converted
2018 - ECB-2 (US\$100m)	Status	Recalled, No Dilution
2016, 2018 - ECB-1 (US\$80m), CI (NT\$630m)	Status	Fully Converted

Complement

## Operating Cash Flow (NTD, M)

### Volatile Macro Operational Environment



## Capital Intensity Ratio

### Supporting Long-term Growth



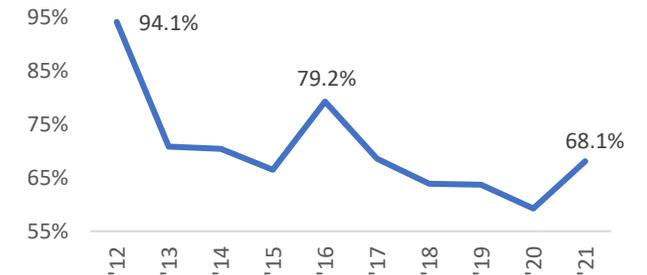
## Unique Competitive Advantage: M&A

### Strong Strategic Selection and Integration

2022 - INBG	Sales CAGR: +19.3%	Sales CAGR: +35.9%	Landmark
2020 - Speedy			Bolt-On <b>Selective Diversification</b>
2018 - Teralux			Bolt-On
2017 - EABU			Landmark <b>Gradual and Consistent Profitability</b>
2016 - Jo Yeh, Spinneret	Organic	Consolidated	Bolt-On

## Dividend Payout Ratio

### Appealing to Broader Investor Base



# Contact us

**Mike Wang**

Manager, Investor Relations

T +886 2 8226 1000 ext. 2663

E [mike\\_wang@bizlinktech.com](mailto:mike_wang@bizlinktech.com)

## Stay Connected

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## Upcoming IR Activities

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**Nov 15: Taipei, Daiwa**

**Nov 16: Taipei, UBS**

**Nov 22-23: Taipei, Citi**

**Dec 06: Taipei, Yuanta**