

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



## **Investor Presentation**

2Q 2023 Version

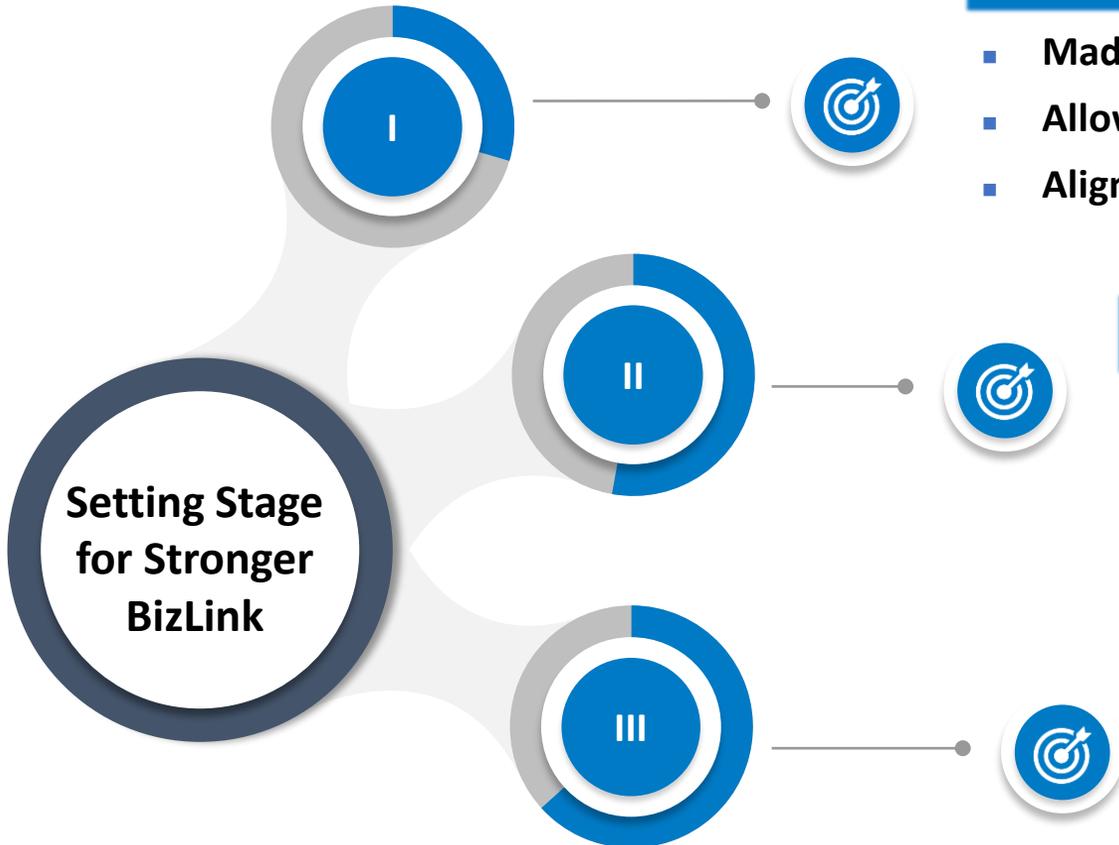
Aug 2023

# Safe Harbor Statement

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# I. Corporate Highlights: Second Quarter 2023



## Creating a More Focused Enterprise

- Made organizational changes and created COO role for dedicated management
- Allow top management greater attention for strategy development
- Align management talent and resources to form unique and unified culture

## Optimizing our Internal Processes

- Formed centralized service centers for Manufacturing and Accounting
- Progress with ongoing Excellence Initiatives to improve global Sales, Operations, and Finance functions
- Further digitize and automate across Group for greater efficiency

## Raising ESG Efforts for Long-term Benefits

- Form site-level action plans, set milestones, build momentum, and work as one to reach Group goals
- We are releasing our latest ESG summary to share our plans, targets, and progress so far

# II. Financial Highlights: Second Quarter 2023

**TOTAL SALES**  
2Q23  
**NT\$ 13.0B**

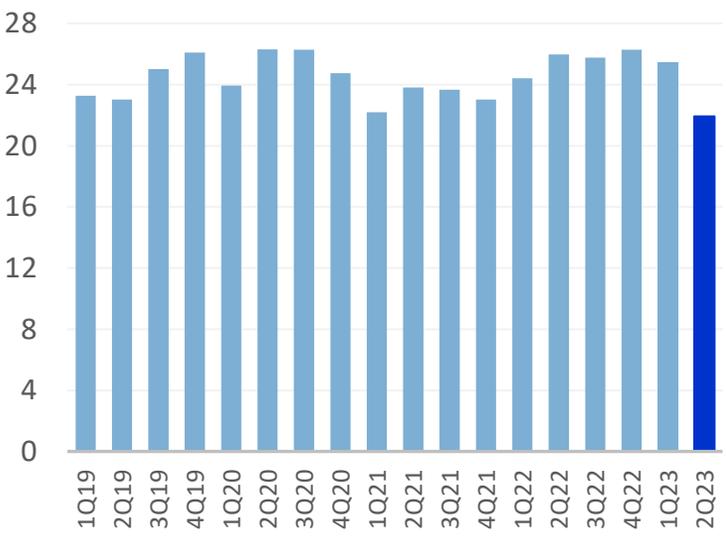
**GPM**  
2Q23  
**21.92%**

**OPM**  
2Q23  
**6.32%**

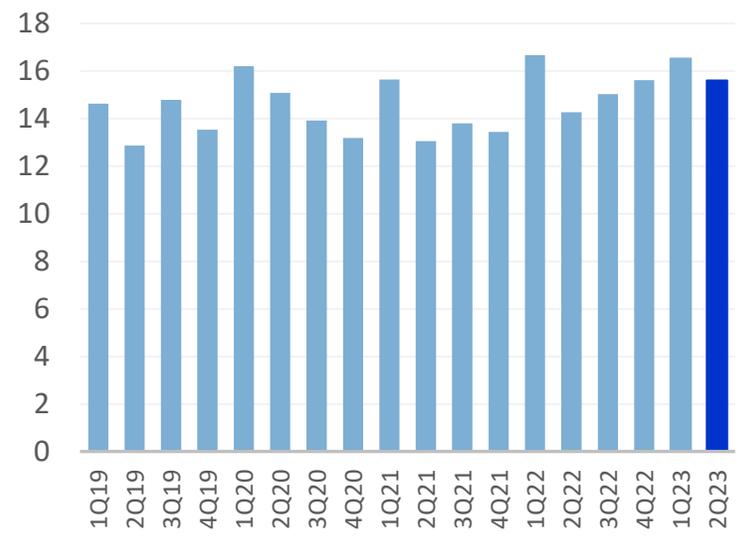
**NET PROFIT**  
2Q23  
**NT\$ 441M**

**EPS**  
2Q23  
**NT\$2.75**

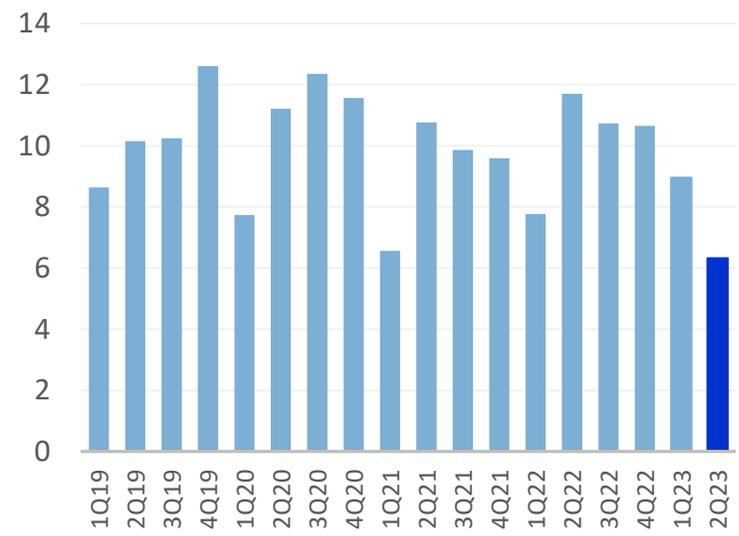
**GROSS MARGIN**



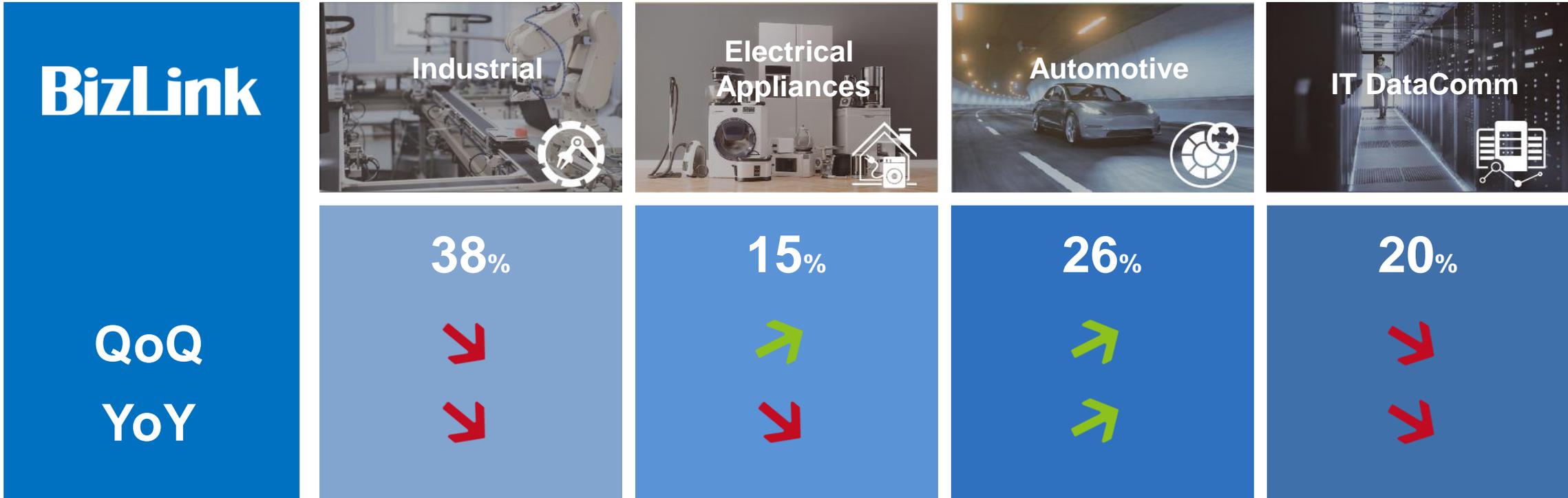
**OPEX RATIO**



**OPERATING MARGIN**



# II. Financial Highlights: Second Quarter 2023



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

## II. Financial Highlights: Second Quarter 2023

### Resilient Margins

GPM\* currently stabilizing at 26% for multiple quarters  
+  
Continued opex control  
=  
Stabilizes OPM

### Positive FCF

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

### Cash Conversion Cycle

- Noticeably lower in 2Q 2023
- We will work to reduce further in 2H 2023
- Will take time to revert back to prior levels

### Net Gearing Ratio

Higher cash balance in 2Q 2023 allows for:

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

### Inventories

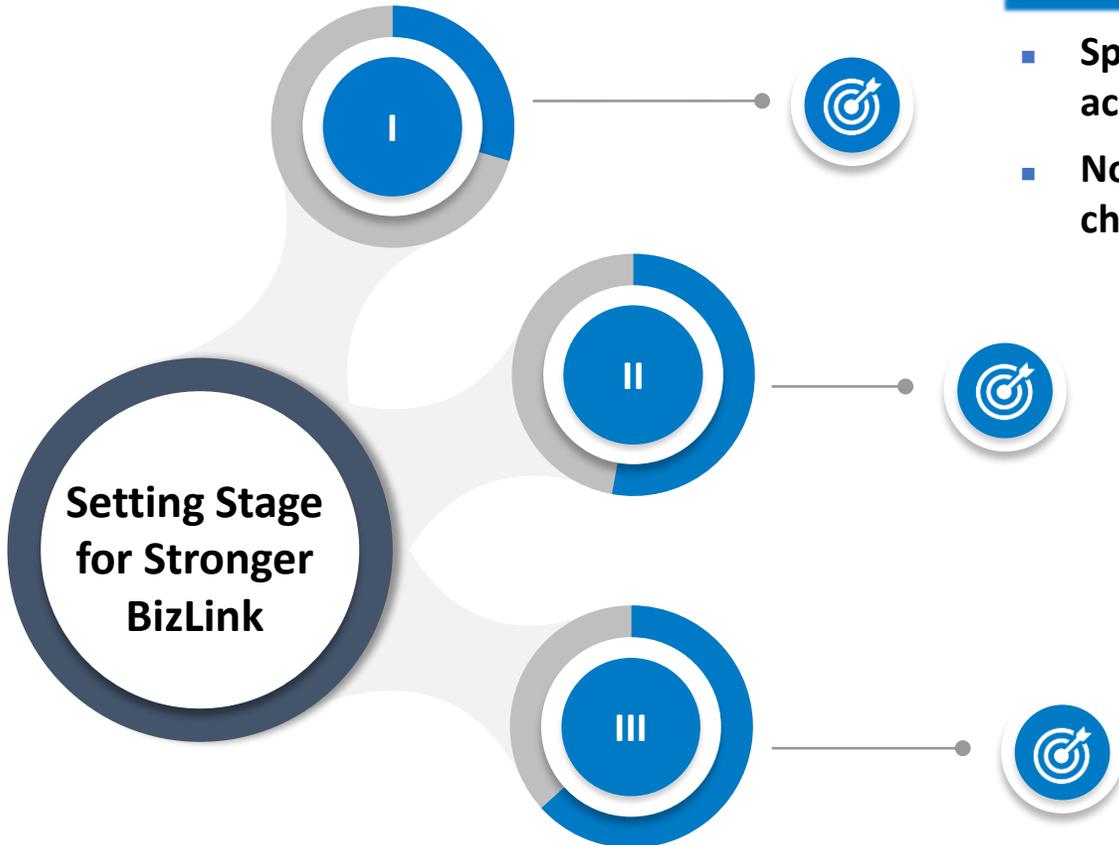
- 1H 2023: bulk of estimated adjustments
- 4Q 2023: possible write-backs start

### Long-term Profits

Actively pursuing:

- Higher TAM growth potential
- Higher GPM niche areas

# III. Operational Highlights: Second Quarter 2023



## Realizing our 4 x 4 Strategy

- Speed up capability and production transfer for our four Strategic Industries across our four regions
- Normalize crosstalk across our businesses to strategize and react to market changes sooner

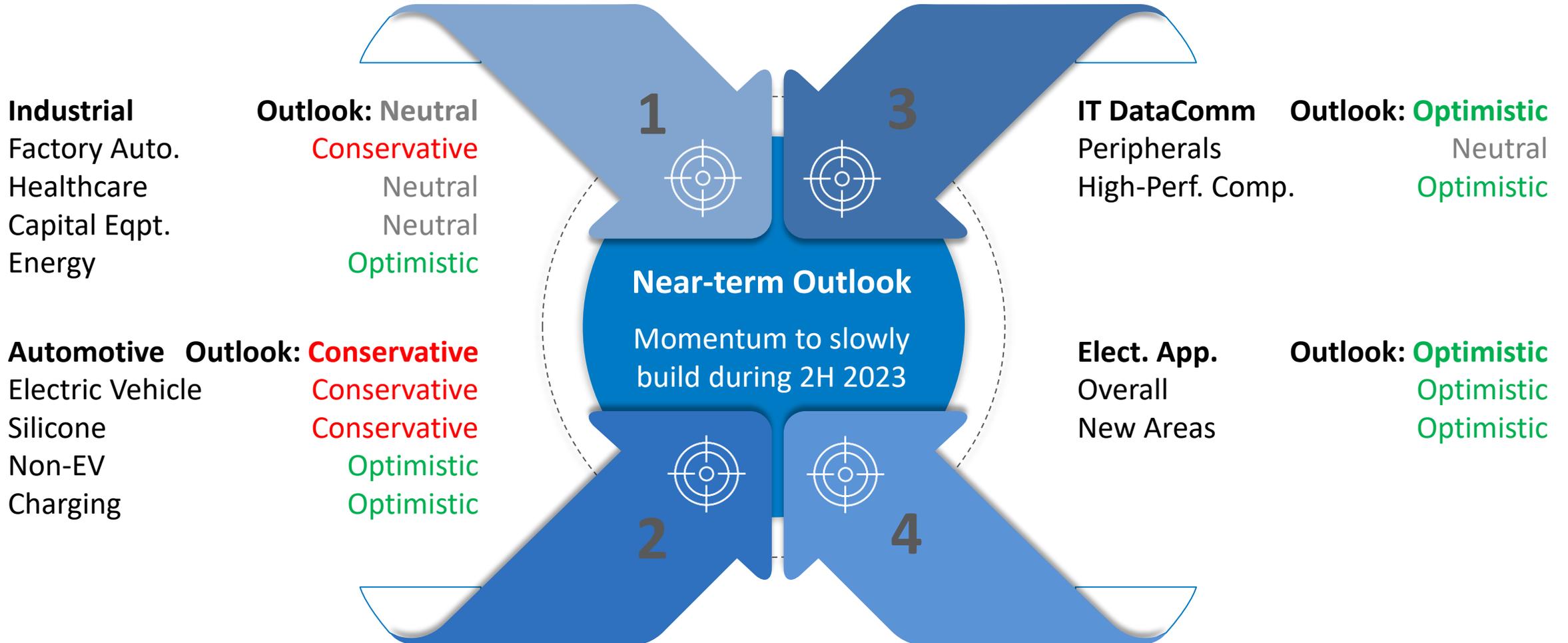
## Solidifying our Industry Position

- Selectively form external partnerships for market penetration and product development opportunities
- Establish closer relationships with chosen universities and new hires to prepare our future talent and leaders

## Capitalizing on Emerging Opportunities

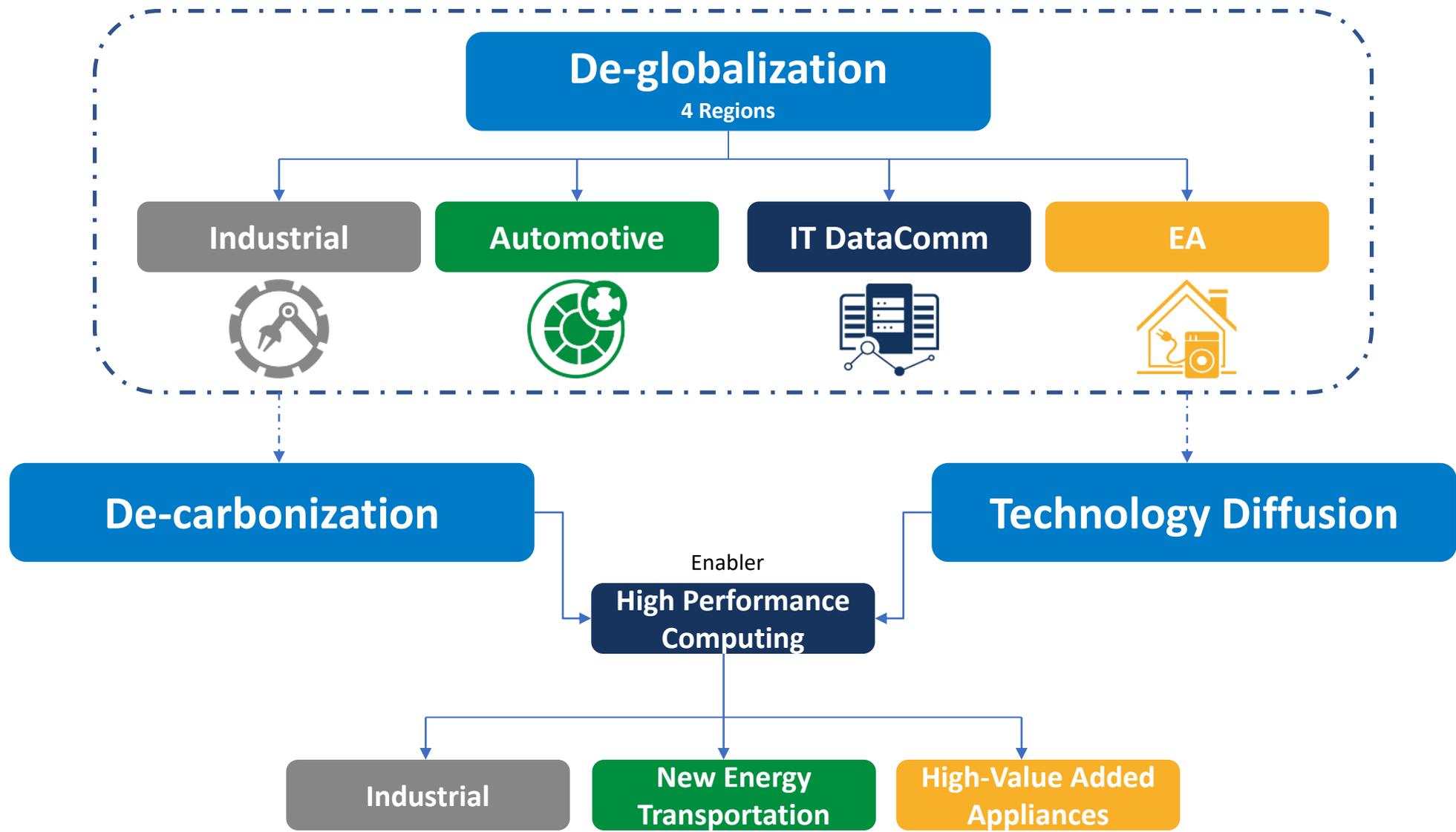
- Promote existing solutions and capabilities within Industrial and EA in new target end-markets
- Dive deeper into existing end-markets within IT DataComm and Automotive for more complex solutions

# III. Operational Highlights: Second Quarter 2023



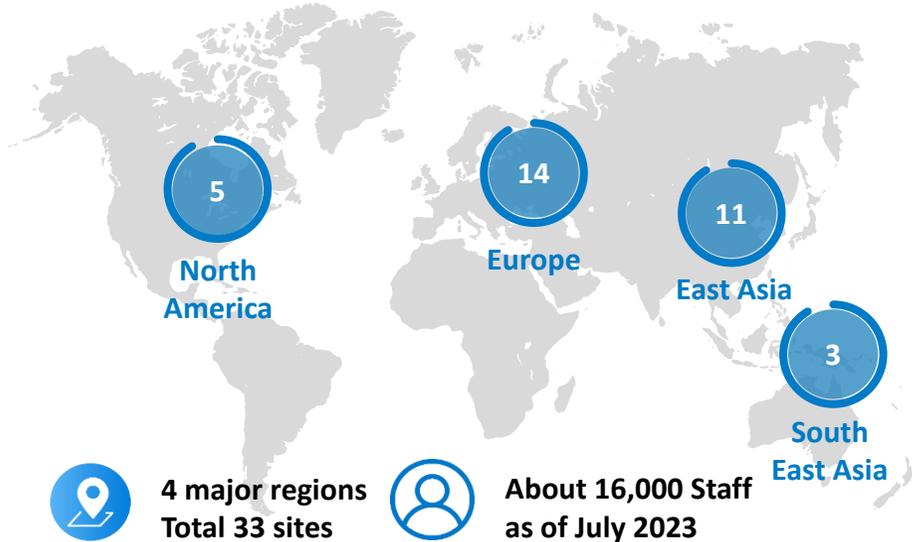
# Q&A

# APPENDIX: 3 Global Shifts + 4 x 4 Strategy

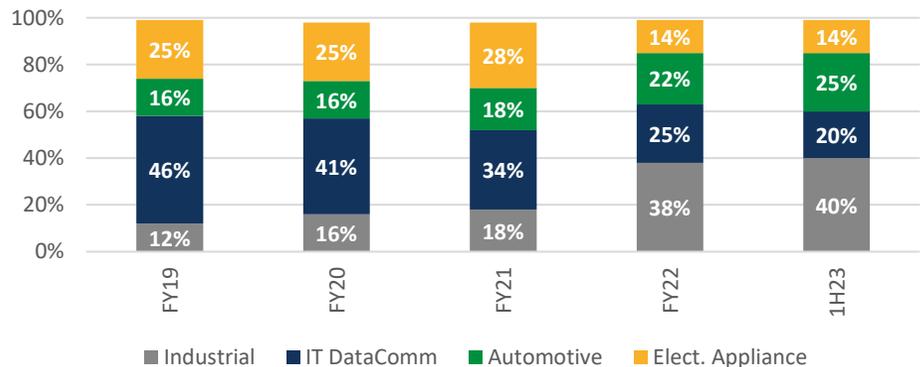


# APPENDIX: Diversification

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



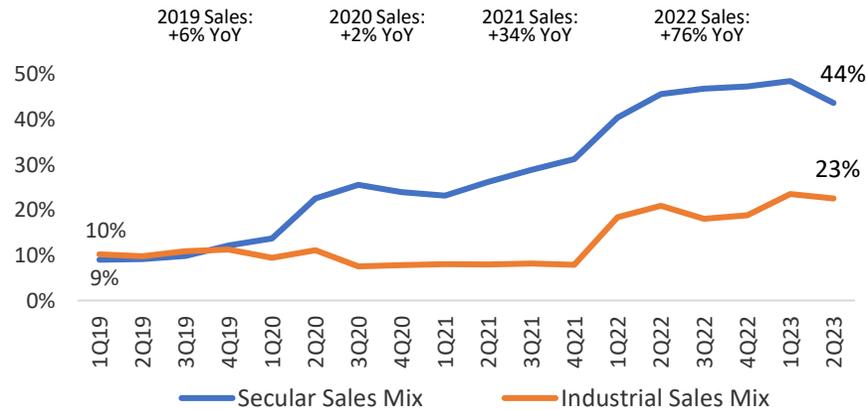
**Result** Strong free-cash-flow generation to add value to stakeholders

# APPENDIX: Our Resiliency Drivers

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

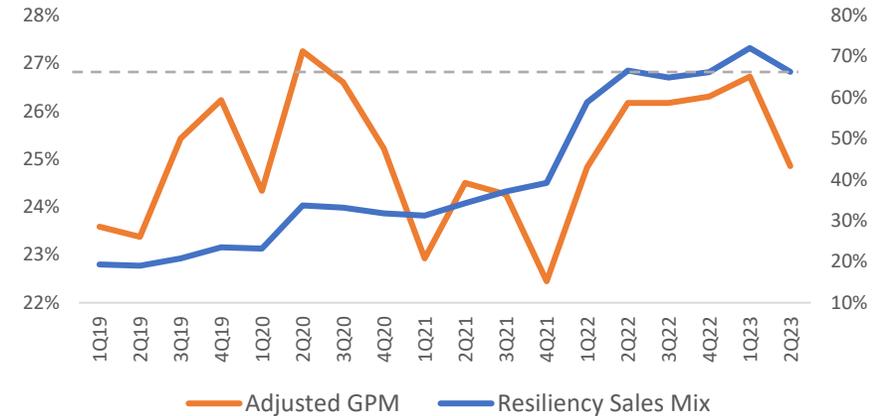
**Industrial** Long-term stable growth and stable gross margins

**Resiliency Drivers**



Leading to

**Resiliency Sales Mix vs GPM**



**Resiliency Drivers = 69% of 1H 2023 Sales**

- ✓ Secular: Have grown from 9% of 1Q 2019 sales to 44% in 2Q 2023
- ✓ Industrial: Have grown from 10% of 1Q 2019 sales to 23% in 2Q 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 - 2Q 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

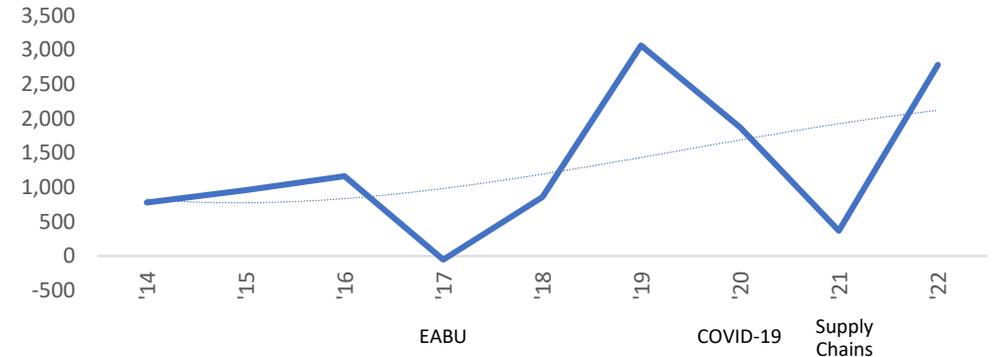
### Tapping into Capital Markets to Boost Strategic Flexibility

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



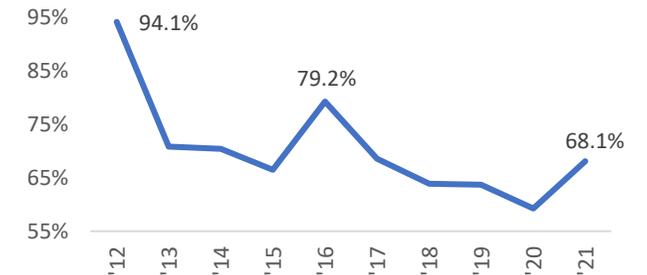
## Unique Competitive Advantage: M&A

### Strong Strategic Selection and Integration

2022 - INBG	Sales CAGR: +16.4%	Sales CAGR: +30.1%	Landmark
2020 - Speedy			Bolt-On <b>Selective Diversification</b>
2018 - Teralux			Bolt-On
2017 - EABU			Landmark
2016 - Jo Yeh, Spinneret	Organic	Consolidated	Bolt-On <b>Gradual and Consistent Profitability</b>

## Dividend Payout Ratio

### Appealing to Broader Investor Base



# Contact us

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## Upcoming IR Activities

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**Sept 11-12: NY, Auerbach Grayson**

**Sept 13-14: NY, Macquarie**