

BizLink Holding Inc **3665.TT**

Investor Presentation

4Q 2023 Version

Mar 2024



Safe Harbor Statement

The contents of this presentation are based on available information, and the Company's views when made. The information in this presentation may contain descriptions of the future prospects of the Company and its subsidiaries, and are subject to risks and uncertainties, which may cause actual results to be materially different from any future result.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information or later developments. This presentation is provided for information purposes only. The Company, its consultants, its representatives, and the presenter are not liable for any damages resulting from the use of the contents in this presentation.

I. Corporate Highlights: Fourth Quarter 2023

Benefits emerging from post-merger organizational optimization to integrate capabilities and production

- BizLink's operations have become much more flexible, leading to sustainable free cash flow
- Strived towards an optimized capital structure and significantly reduced debt levels
- Achieved considerable and lasting improvements in our cash flow and balance sheet
- Developed new products to expand our value proposition within customer's supply chain

2024 to be year of recovery led by rising mix of higher-value added areas with profits to outgrow sales

- Began to see HPC sales recover, driven by AI demand for higher-power and higher-speed products
- Continued to see capital equipment sales recover as semi cap industry investments gradually returned
- Maintain course to provide R&D and production capabilities in key regions with new sites on the way
- Become closer to our customers to win more new opportunities while reducing emissions and risk

II. Financial Highlights: Fourth Quarter 2023

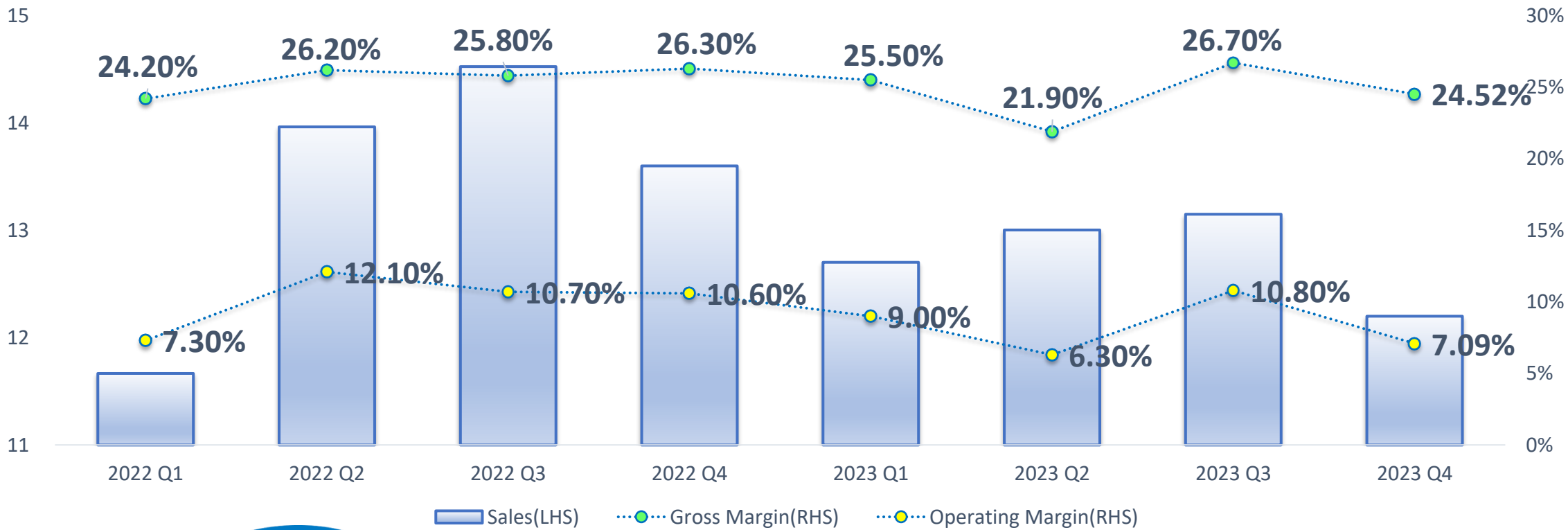
TOTAL SALES
4Q23
NT\$ 12.2B

GPM
4Q23
24.52%

OPM
4Q23
7.09%

NET PROFIT
4Q23
NT\$ 508M

EPS
4Q23
NT\$ 3.11

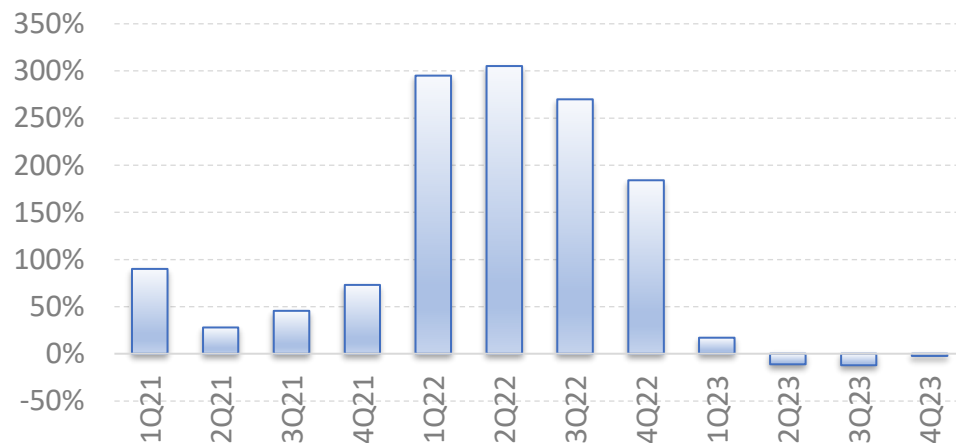


II. Financial Highlights: Fourth Quarter 2023

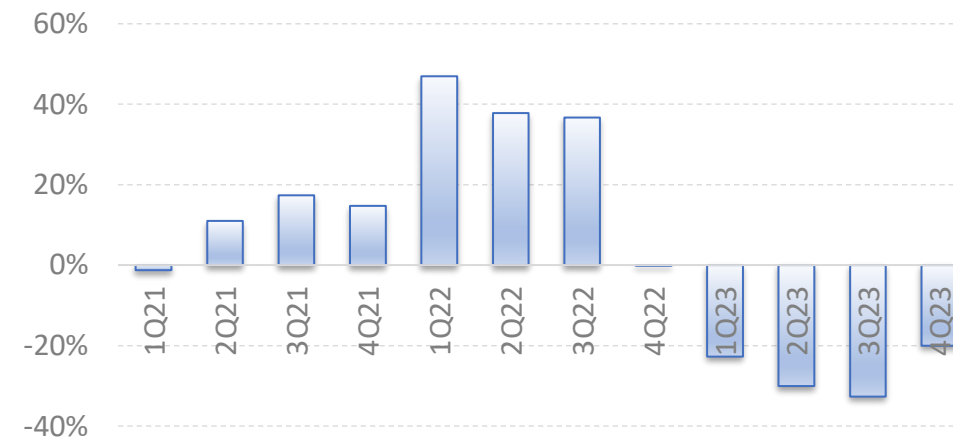
<div>BizLink</div> <div>2023 4Q</div>	<div>Industrial</div> <div>42%</div>	<div>Elect. App.</div> <div>13%</div>	<div>Automotive</div> <div>23%</div>	<div>IT DataComm</div> <div>20%</div>
QoQ	<div>→</div> <div>Est.</div> <div>→</div> <div>Actual</div>	<div>→</div> <div>Est.</div> <div>↘</div> <div>Actual</div>	<div>↘</div> <div>Est.</div> <div>↘</div> <div>Actual</div>	<div>→</div> <div>Est.</div> <div>↘</div> <div>Actual</div>
YoY	<div>↘</div> <div>Actual</div>	<div>↘</div> <div>Actual</div>	<div>↘</div> <div>Actual</div>	<div>↘</div> <div>Actual</div>

II. Financial Highlights: Fourth Quarter 2023

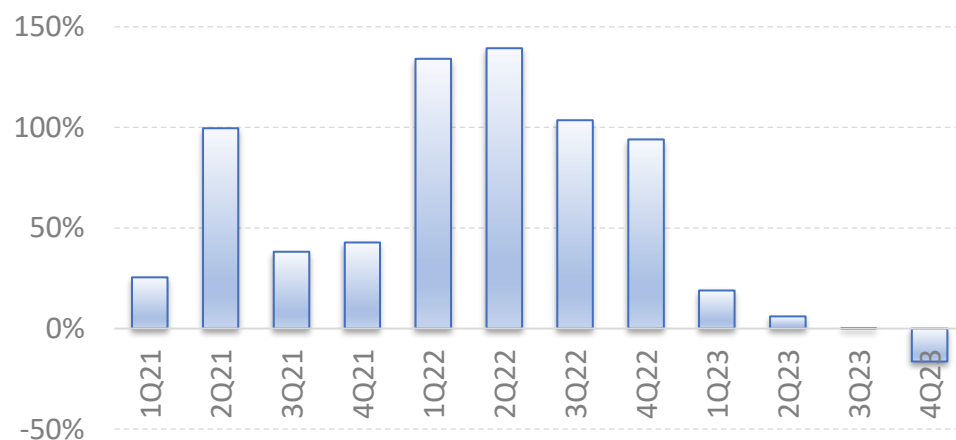
Industrial YoY Sales



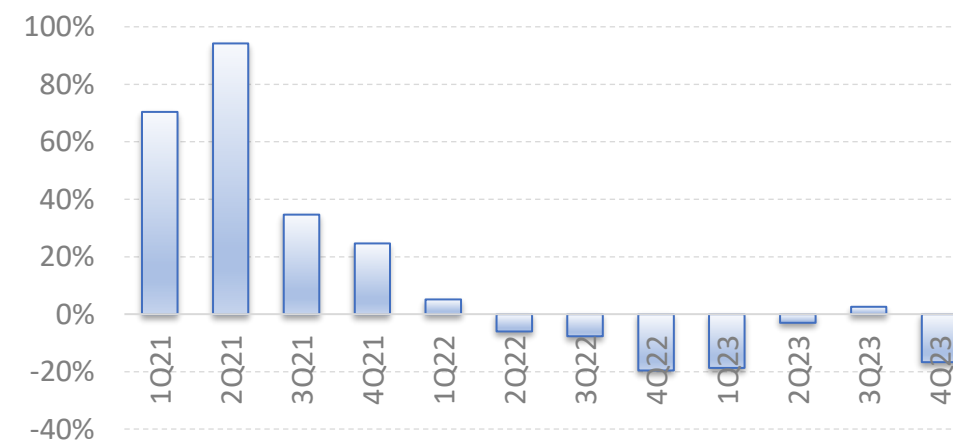
IT DataComm YoY Sales



Automotive YoY Sales



Elect. App. YoY Sales



II. Financial Highlights: Fourth Quarter 2023

Financial Results Highlights

- Significantly improved operational efficiency and productivity, and strictly managed our supply chains
 - Operating cash flow and FCF hit record high: boosted capital allocation flexibility
 - Considerably deleveraged: refinanced debt to replace with better terms
 - Continued to invest in 4x4, realized new business opportunities

Financial Strategy

- Maintain high operational and financial discipline: gradually build cash buffer
 - Continue to invest in our future, capacity constraints should not limit ability to win business
 - Continue to look for suitable M&A targets with capability, customer, and capacity (our 3 C's) key
- Multiple businesses have double-digit CAGR's ahead of them: take advantage early to reap gains
- Adapting to rising ESG standards while looking for ways to further boost our "Green Revenues"

III. Operational Highlights: Fourth Quarter 2023




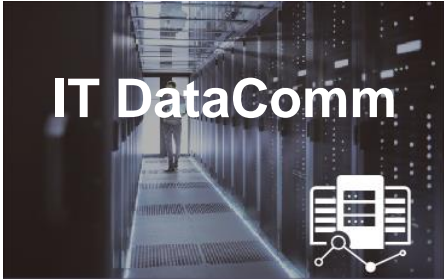
Near-term Outlook: Improving

- Operating environment still challenging: some businesses continue to recover, others to take time before bottoming
 - Improving: High-Performance Computing, Capital Equipment, Healthcare, Energy
 - Offset by: Factory Automation (looking to bottom), Peripherals and Electric Vehicles to stay weak
- Worst is over and expect moderate YoY growth this year
- Inventory write-backs and lower interest plus further cost controls

2024: Industrial and IT DataComm

- Industrial: multi-quarter normalization coming to an end but not at full potential yet
 - Capital Equipment: industry downcycle is over but recovery will take time
- IT DataComm: near-term HPC sales growth more than offsetting Peripherals
 - HPC: began volume shipments of higher-valued data and power products

III. Operational Highlights: First Quarter 2024 Outlook

<div>BizLink</div> <div>2024 1Q</div> <div>QoQ</div>	<div>Industrial</div> <div></div>	<div>Elect. App.</div> <div></div>	<div>Automotive</div> <div></div>	<div>IT DataComm</div> <div></div>	
	<div>→</div> <div>Est.</div>	<div>→</div> <div>Est.</div>	<div>↘</div> <div>Est.</div>	<div>➤</div> <div>Est.</div>	
	<div>Highlights</div>	<div>Capital Eqpt</div>	<div>Hair Care</div>	<div>Charging</div>	<div>HPC</div>
	<div>Lowlights</div>	<div>Factory Auto.</div>	<div>Kitchen</div>	<div>EV</div>	<div>Peripherals</div>

Q&A

APPENDIX: Investment Thesis



Producing Locally for Local Demand

- ✓ 34 production sites in 4 regions
NorAm, Europe, SEA, East Asia
- ✓ Each major region is high-mix and high-volume production ready and NPI capable
- ✓ Win more business sooner while lowering lead times, risks, costs, emissions, and uncertainty by being closer to customers



Applying Our Core Expertise

- ✓ Solutions Provider for
Industrial, IT DataComm, Auto, Elect. App.
- ✓ Moving up value chain to supply more complex products to enhance our position
- ✓ Riding MegaTrends while reducing sales in volatile legacy areas to stabilize growth, and become more flexible and capable



Realizing More Than Just 1+1

- ✓ Strict due diligence of M&A targets and successful post-merger integration for longer-term profit and cash flow growth
- ✓ Finished 3 key M&A deals with planned integration and optimization efforts done and with collaboration initiatives ongoing
- ✓ Target to increase share of wallet at clients

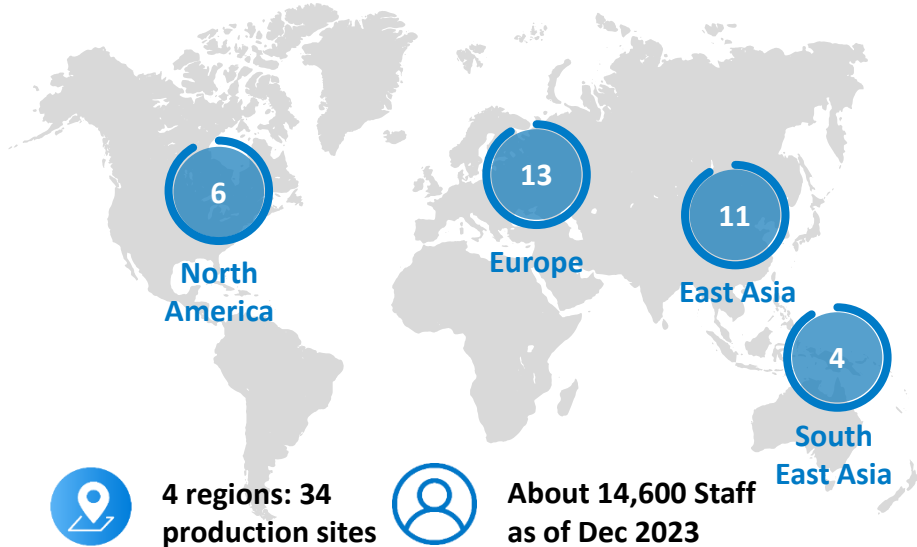


Solidifying our Financial Structure

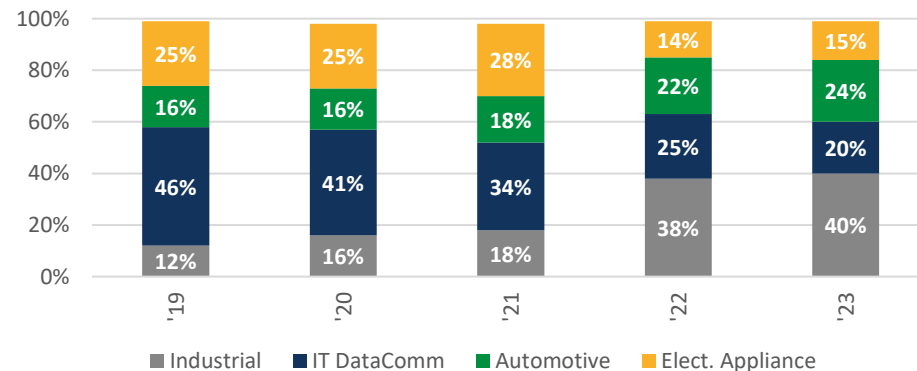
- ✓ Target stable FCF and sound balance sheet to increase our capital allocation flexibility to fund our earnings growth internally
- ✓ Achieve long-term growth with our brand-name NorAm and European customers
- ✓ Financial soundness one of keys to becoming customers' preferred partner

APPENDIX: Diversification

Global Footprint and Capabilities



Sales mix is more evened out now



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



Industrial

- Business nature: **HMLV¹**
 - Capital Equipment
 - Energy
 - Healthcare
 - Factory Automation
- Regions: all 4 regions



Automotive

- Business nature: **HVLM²**
 - Silicone
 - Charging
 - Non-EV related
 - Electric Vehicle
- Regions: all 4 regions



IT & DataComm

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



Electrical Appliance

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

APPENDIX: Bigger Picture Perspective

Objective

Building an enterprise with stable growth through all cycles



Focused on
Interconnects

For Multiple
Applications

With Sustainability
in Mind



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

- ✓ **Diversification Strategy:** High-Performance Computing, Capital Eqpt, EV + Charging, Factory Automation, Healthcare, Silicone, Energy, TMP, Smart Home

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



Result

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

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			Our Results	
GHG Emission Reduction Target	Renewable Energy Generation	FTSE-Russell Green Revenues	Consistent Improvement: Newsweek & CDP	Sustainalytics: Low-Risk Rating
Employee Engagement Activities	Zero Accidents Policy	Contributions to Society	Consistent Improvement: Newsweek	Optimal Working Environment: Retention & Hiring
TWSE Corporate Governance	Strong Internal Policies	Encourage Positive Behavior	BizLinker: One Team, One Target	Global Corporate Functions

APPENDIX: Capital Allocation

Fund-Raising History: Five Rounds

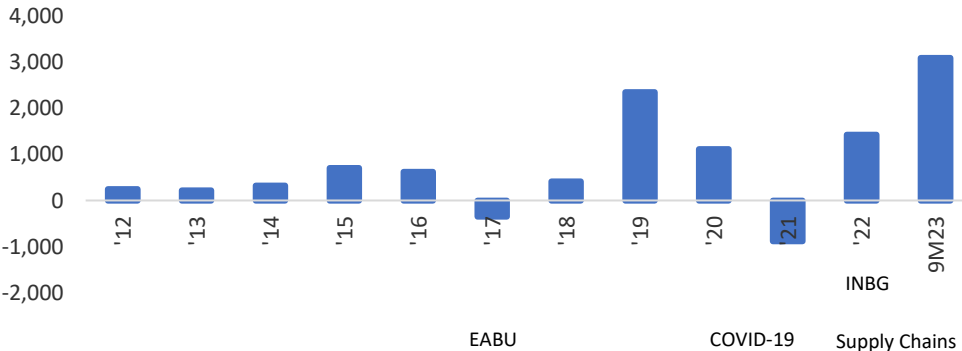
Tapping into Capital Markets to Boost Strategic Flexibility

2023 - ECB-5 (\$150m), CI (NT\$1.15B)	Status	No Conversion
2022 - ECB-4 (US\$125m) + GDR-2 (US104.2m)	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\$0.63B)	Status	Fully Converted

Complement

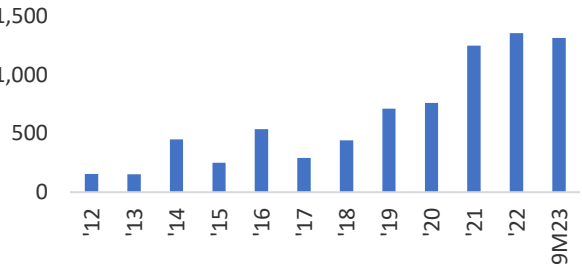
Free Cash Flow (NTD, M)

Building Solid Foundation with Stronger FCF



Capital Expenditures (NTD, M)

Supporting Long-term Growth



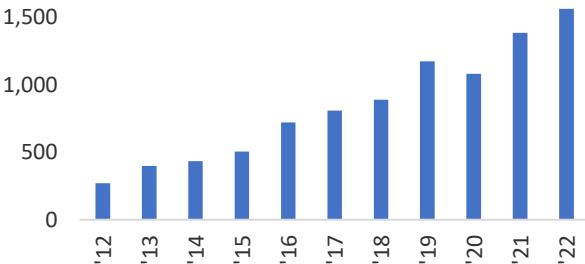
Unique Competitive Advantage: M&A

Strong Strategic Selection and Integration

2022 - INBG	Sales CAGR: +19.3%	Sales CAGR: +35.9%	Landmark
2020 - Speedy			Bolt-On
2018 - Teralux			Bolt-On
2017 - EABU			Landmark
2016 - Jo Yeh, Spinneret	Organic	Consolidated	Bolt-On

Dividends Paid (NTD, M)

Appealing to Broader Investor Base



APPENDIX: Condensed Income Statement

	2019	2020	2021	2022	2023 9M
Sales	23,092,145	22,537,767	28,564,375	53,757,171	38,856,196
GPM	24.36%	25.34%	23.21%	25.65%	24.70%
Opex	3,215,562	3,265,296	3,971,071	8,218,883	6,223,372
OPM	10.44%	10.85%	9.31%	10.36%	8.68%
Non-OP	-74,997	-189,786	-17,006	-253,812	-677,127
Net Profit	1,837,640	1,820,296	2,021,972	3,853,107	1,804,189
NPM	7.96%	8.08%	7.08%	7.17%	4.64%
EPS (NT\$)	15.34	13.84	15.05	25.00	11.26

APPENDIX: Condensed Balance Sheet

	2019		2020		2021		2022		2023 Q3	
Cash & Equiv.	9,020,132	37.56%	5,360,003	23.59%	3,209,592	12.55%	8,497,568	15.90%	10,733,107	18.97%
Inventory	4,077,127	16.98%	4,649,474	20.47%	6,378,838	24.94%	12,323,217	23.06%	11,164,563	19.73%
Net A/R	4,836,085	20.14%	5,235,100	23.04%	7,005,579	27.39%	10,060,143	18.82%	9,639,264	17.04%
Fixed Assets	2,505,708	10.43%	3,224,081	14.19%	3,864,308	15.11%	10,018,018	18.74%	11,689,179	20.66%
Total Assets	24,013,108		22,717,189		25,572,481		53,446,242		56,576,662	
Current Liab.										
Short-term Debt	64,500	0.27%	259,833	1.14%	827,652	3.24%	748,542	1.40%	3,222,522	5.70%
A/P	3,371,163	14.04%	3,501,322	15.41%	4,492,550	17.57%	5,547,952	10.38%	4,994,248	8.83%
Other Payables	1,243,287	5.18%	1,372,585	6.04%	1,571,126	6.14%	3,004,797	5.62%	3,210,231	5.67%
Current Portion of LT Debt	2,391,131	9.96%	55,719	0.25%	1,362,561	5.33%	2,477,952	4.64%	1,910,869	3.38%
Long-term Liab.										
Debt Payable	2,824,912	11.76%	2,739,430	12.06%	0	0.00%	3,728,371	6.98%	8,891,299	15.72%
Long-term Debt	451,012	1.88%	385,162	1.70%	314,664	1.23%	10,283,057	19.24%	4,918,122	8.69%
Total Liabilities	11,756,682	48.96%	9,439,664	41.55%	10,422,339	40.76%	30,942,218	57.89%	32,388,988	57.25%
Shareholder Equity	12,256,426	51.04%	13,277,525	58.45%	15,150,142	59.24%	22,504,024	42.11%	24,187,674	42.75%

APPENDIX:

Condensed Cash Flow Statement

	2019	2020	2021	2022	2023 Q3
Starting Cash	3,560,272	9,020,132	5,360,003	3,209,592	8,497,569
Net Cash from Operating	3,060,503	1,871,527	364,965	2,779,419	4,396,885
Cash Flow from Investing					
PP&E	-710,585	-759,861	-1,244,650	-1,350,475	-1,309,899
Others	-498,747	-1,276,117	-230,831	-9,737,947	-1,201,622
Net Cash From Investing	-1,209,332	-2,035,978	-1,475,481	-11,088,422	-2,511,521
Cash Flow from Financing					
Debt Issuance	3,031,000	0	0	3,426,445	4,481,495
Capital Increase	2,423,699	0	0	2,880,000	0
Increase in Short-Term Debt	0	189,949	584,341	6,332,989	8,351,157
Decrease in Short-Term Debt	0	0	0	-6,431,131	-5,983,075
Increase in Long-term Debt	92,173	0	112,036	12,078,209	7,334,769
Decrease in Long-term Debt	0	-13,914	-170,926	-58,848	-13,741,077
Cash Dividends	-888,881	-1,174,657	-1,082,724	-1,385,649	-1,564,463
Others	-780,197	-2,827,513	-275,558	-2,981,077	788,173
Net Cash from Financing	3,877,794	-3,826,135	-832,831	13,860,938	-333,021
Net Cash Inflow (Outflow)	5,459,860	-3,660,129	-2,150,411	5,287,977	2,235,538
Ending Cash	9,020,132	5,360,003	3,209,592	8,497,569	10,733,107
Free Cash Flow (Outflow)	2,349,918	1,111,666	-879,685	1,428,944	3,086,986

Contact us

Mike Wang

Manager, Investor Relations

T +886 2 8226 1000 ext. 52663

E mike_wang@bizlinktech.com

Jimmy Hsu

Deputy Manager, Investor Relations

T +886 2 8226 1000 ext. 52794

E jimmy_hsu@bizlinktech.com

Stay Connected

@BizLinkTechnology



@BizLink Group

Upcoming IR Activities

Mar 19-21: Taipei, BofA Conference