



Darwin Precisions Corporation 2021 Results Investor Conference

達運精密工業股份有限公司
2021年法人說明會

Oct. 19, 2021

■ Agenda

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

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.

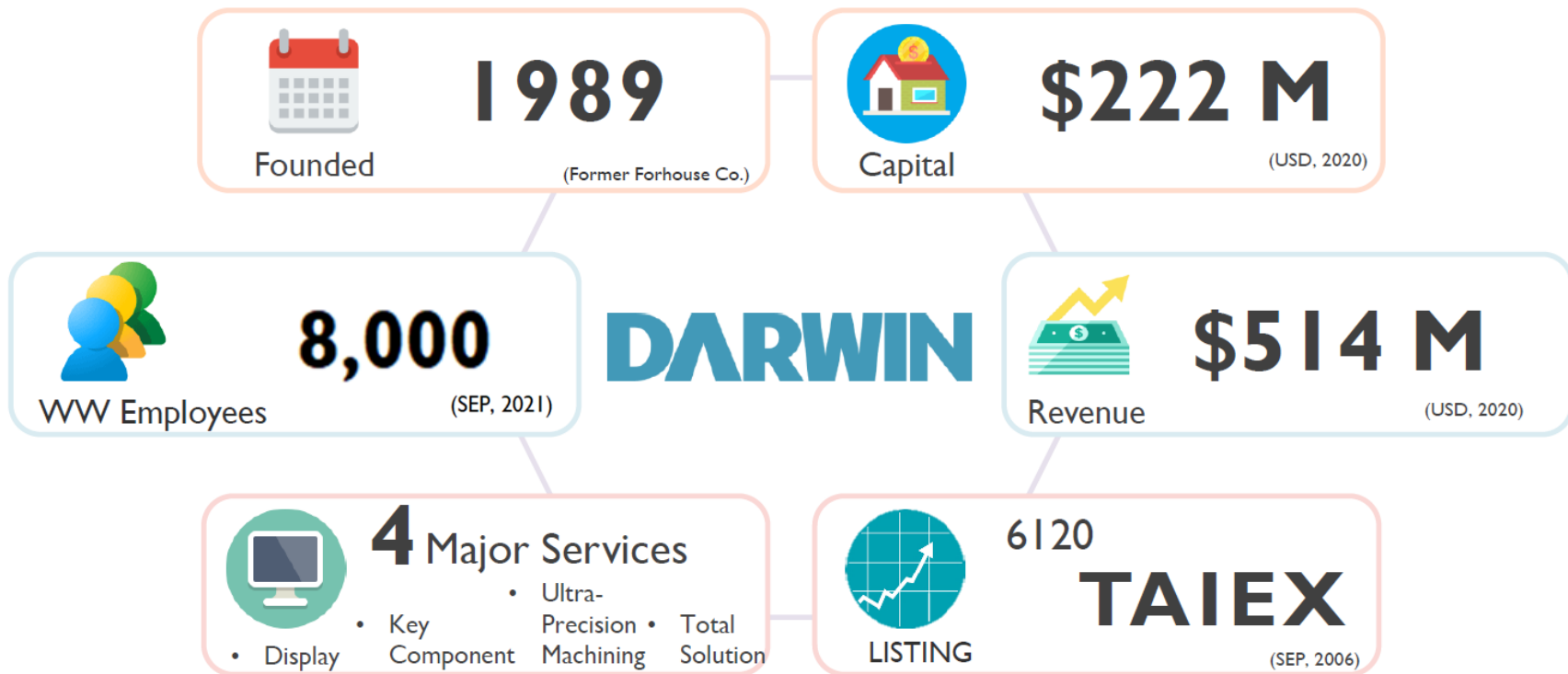
We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events might not occur and our actual results could differ materially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

Company Introduction

Passion • Quality • Innovation

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About Darwin



Around The Globe



Financial Report

Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except LPS

	2Q21		QoQ %	1Q21		QoQ %	4Q20	
Net Sales	4,790,925	100%	3%	4,636,084	100%	3%	4,505,467	100%
Cost of Goods Sold	(4,828,706)	(101%)	1%	(4,771,676)	(103%)	6%	(4,505,820)	(100%)
Gross Loss	(37,781)	(0.8%)	72%	(135,592)	(2.9%)	(38311%)	(353)	(0.0%)
Operating Expenses	(305,738)	(6.4%)	2%	(299,057)	(6.5%)	(2%)	(304,565)	(6.8%)
Operating Loss	(343,519)	(7.2%)	21%	(434,649)	(9.4%)	(43%)	(304,918)	(6.8%)
Net Non-operating Income	76,457	1.6%	80%	42,414	0.9%	80%	23,617	0.5%
Loss before Tax	(267,062)	(5.6%)	32%	(392,235)	(8.5%)	(39%)	(281,301)	(6.2%)
Net Loss	(238,902)	(5.0%)	31%	(347,014)	(7.5%)	(44%)	(241,793)	(5.4%)
Basic loss per share (NT\$)	(0.36)			(0.52)			(0.36)	
Operating Loss + D&A	(62,829)	(1.3%)	58%	(149,165)	(3.2%)	(918%)	(14,651)	(0.3%)

※They are only reviewed rather than audited.

Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except LPS

	For the six-month periods ended June 30				YoY %
	2021		2020		
Net Sales	9,427,009	100%	6,018,664	100%	57%
Cost of Goods Sold	(9,600,382)	(102%)	(6,380,142)	(106%)	50%
Gross Loss	(173,373)	(1.8%)	(361,478)	(6.0%)	52%
Operating Expenses	(604,795)	(6.4%)	(612,987)	(10.2%)	(1%)
Operating Loss	(778,168)	(8.3%)	(974,465)	(16.2%)	20%
Net Non-operating Income	118,871	1.3%	102,216	1.7%	16%
Loss before Tax	(659,297)	(7.0%)	(872,249)	(14.5%)	24%
Net Loss	(585,916)	(6.2%)	(800,611)	(13.3%)	27%
Basic loss per share (NT\$)	(0.88)		(1.20)		
Operating Loss + D&A	(211,994)	(2.2%)	(452,896)	(7.5%)	53%

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Consolidated Balance Sheet Highlights

Amount : NT\$ Thousands

	Jun. 30, 2021		QoQ %	Mar. 31, 2021		QoQ %	Dec. 31, 2020	
Cash and cash equivalents	5,841,331	30%	(1%)	5,904,251	30%	18%	4,997,976	25%
Financial assets at fair value through profit or loss - current ⁽¹⁾	14,128	0%	(5%)	14,817	0%	(98%)	629,530	3%
Accounts receivable	3,068,063	16%	(1%)	3,103,715	16%	(8%)	3,372,483	17%
Inventories	1,725,516	9%	7%	1,605,321	8%	3%	1,554,646	8%
Non-current financial assets at amortised cost ⁽¹⁾	262,008	1%	0%	261,792	1%	-	-	-
Short-Term Debt ^(a)	53,040	0%	(8%)	57,350	0%	0%	57,350	0%
Long-Term Debt	3,770,773	20%	(0%)	3,770,800	19%	1%	3,724,138	19%
Total Liabilities	10,104,232	52%	1%	9,983,047	51%	2%	9,813,335	50%
Equity	9,213,863	48%	(3%)	9,518,233	49%	(4%)	9,928,245	50%
Total Assets	19,318,095	100%	(1%)	19,501,280	100%	(1%)	19,741,580	100%

AR Turnover (Days) ^(b)	59	(5)	64	(2)	66
Inventory Turnover (Days) ^(c)	31	1	30	(2)	32
AP Turnover (Days) ^(d)	69	3	67	3	64
Cash Cycle (Days)	21	(6)	27	(8)	35
Financial Debt to Equity ^(e)	42%	1%	40%	2%	38%

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(1) Non-current financial assets at amortised cost : These are major the deposits over one-year maturity in the end of the month of 2021.

Financial assets at fair value through profit or loss - current : These are major the structured products that have guaranteed income in the end of the month of 2020.

(a) Short-term debt refers to all interest bearing 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	
	2021	2020
From Operating Activities	755,457	(876,810)
Loss before Tax	(659,297)	(872,249)
Depreciation & Amortization	566,174	521,569
Net Change in Working Capital	848,580	(526,130)
From Investing Activities	134,306	102,646
Capital Expenditure	(275,158)	(426,200)
Investment Decrease ⁽¹⁾	294,839	534,153
Disposals of property, plant and equipment	112,365	2,228
From Financing Activities	57,511	362,172
Net Change in Debt	42,325	366,324
Net Change in Cash ⁽²⁾	843,355	(588,474)
Ended balance of Cash and cash equivalents	5,841,331	3,863,354

Notes :

(1) Investment Decrease : These are major disposals of the structured products that have guaranteed income.

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

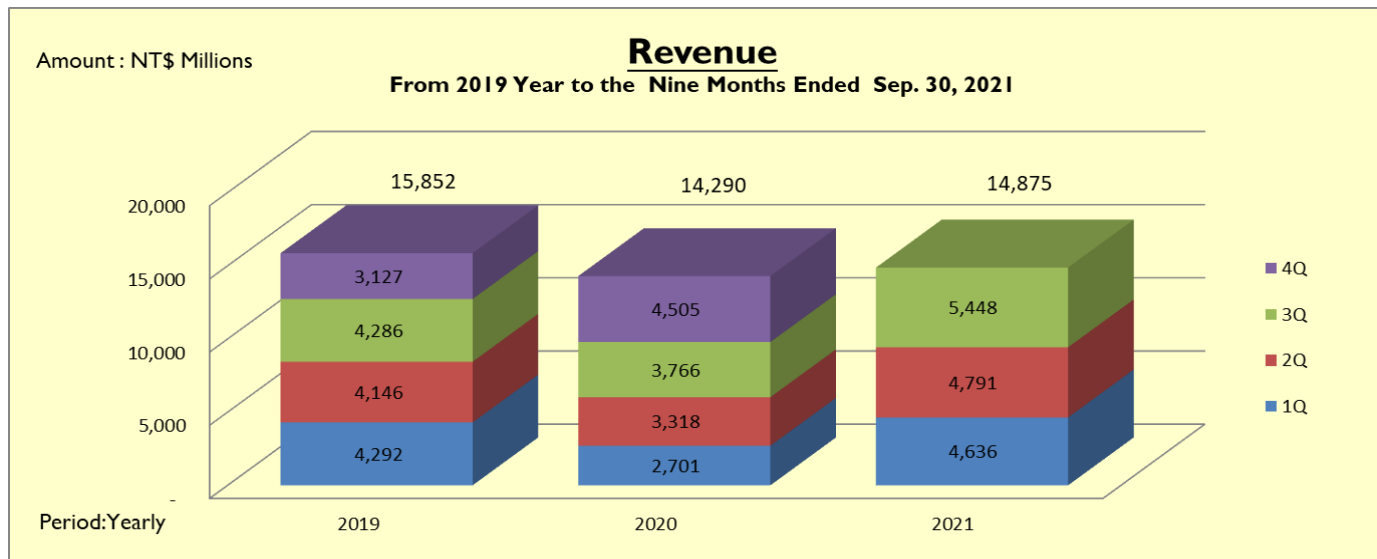
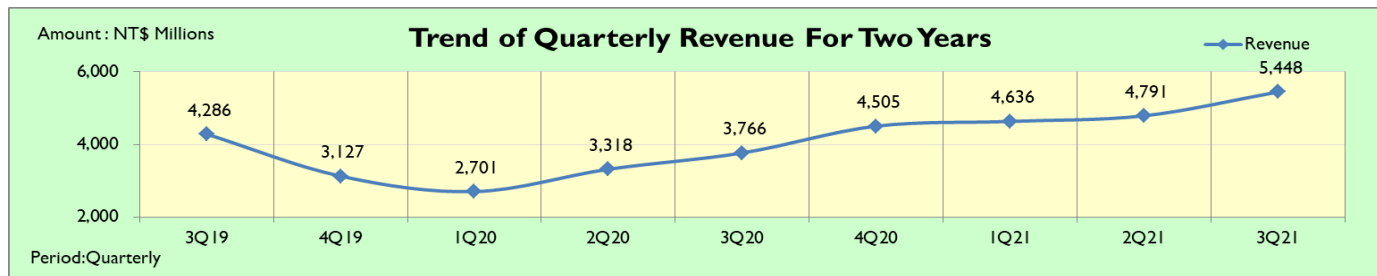
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Business Overview

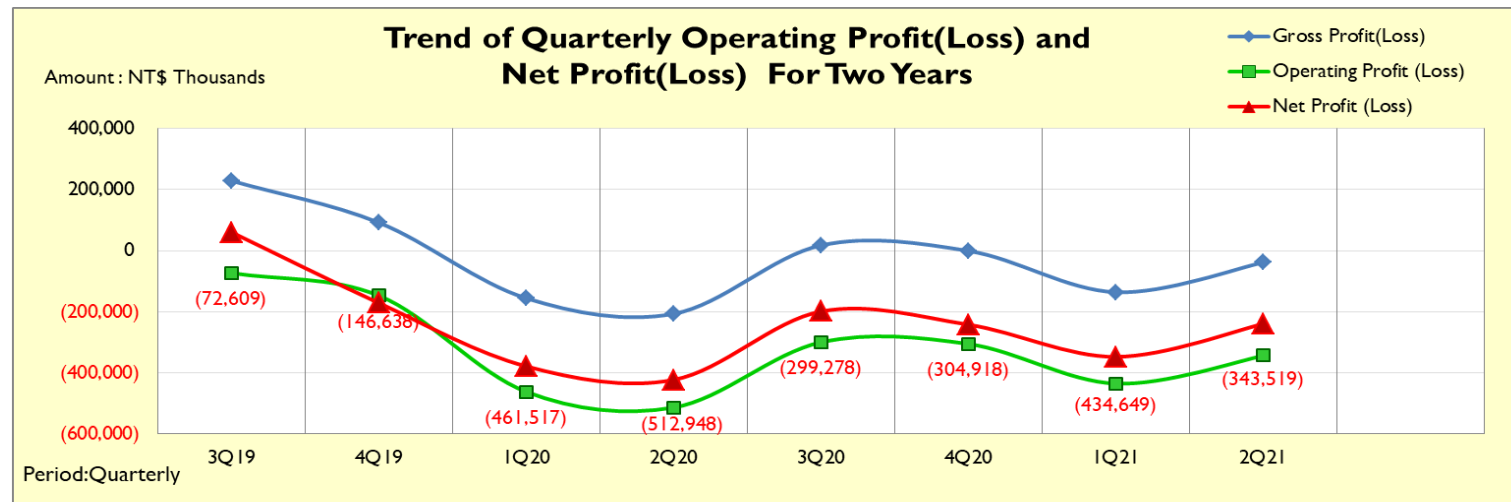
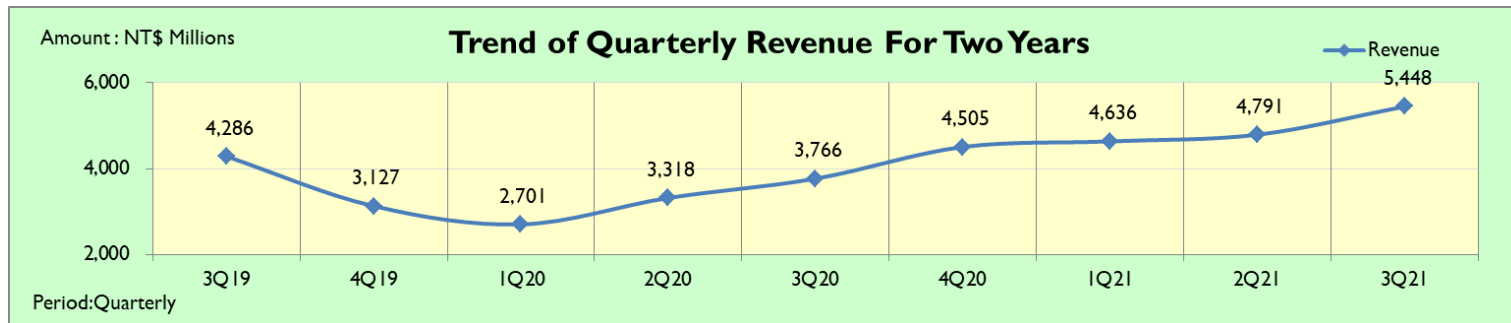
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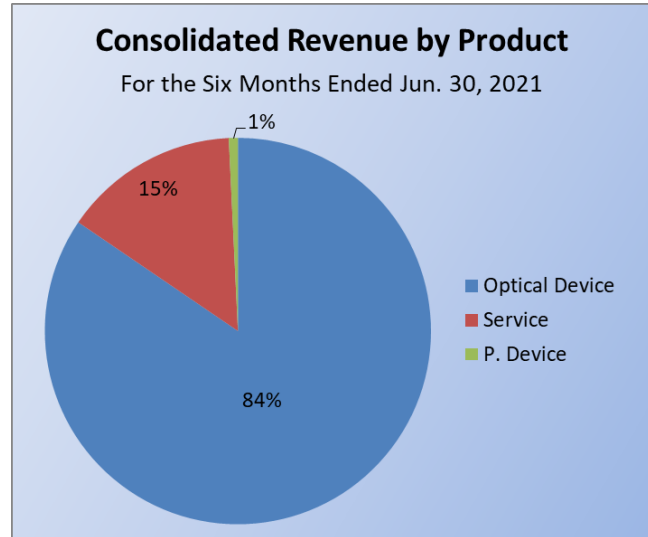
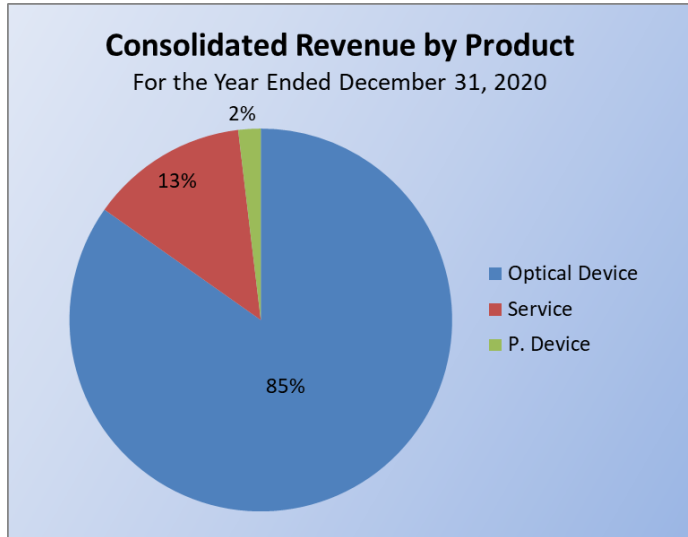
Trend of Consolidated Revenue



Trend of Consolidated Operating Overview



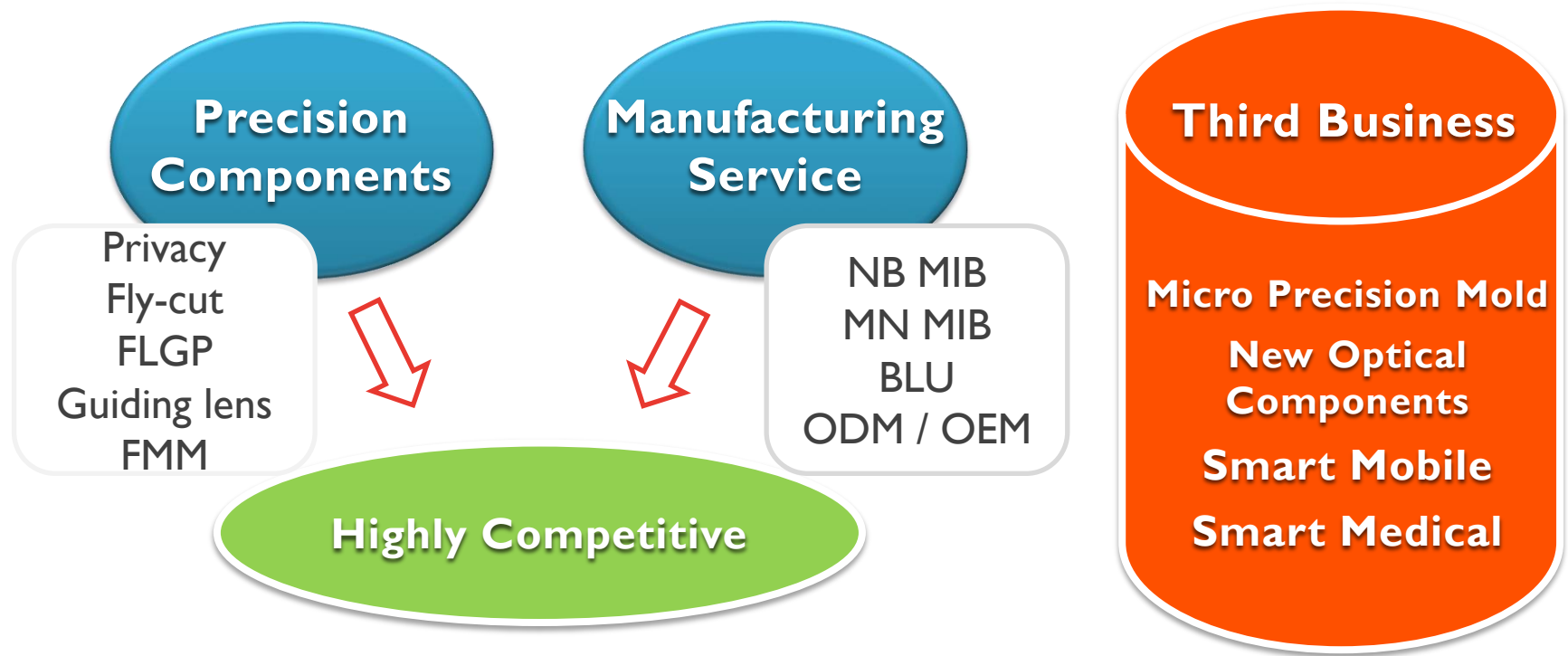
Consolidated Revenue by Product



- 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

Business Strategy



Business Improvement

- ✓ **Concentrating on resources, Improving manufacturing capability**
 - Reorganize non-competitive factories ; Improve smart manufacturing capability on WJ & XM factory
- ✓ **Enhancing technology value and optimizing product portfolio**
 - Develop privacy & high bright light-guide product; Enhance high-level NB portfolio
 - Develop Mini LED backlight product
 - Develop big size FMM technology
- ✓ **Expanding Integration Service Business**
 - Phase in smart mobile and field application



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