



Darwin Precisions Corporation 2020 Results Investor Conference

達運精密工業股份有限公司
2020年法人說明會

Oct. 22, 2020

■ Agenda

- Company Introduction
- Financial Report
- Business Overview

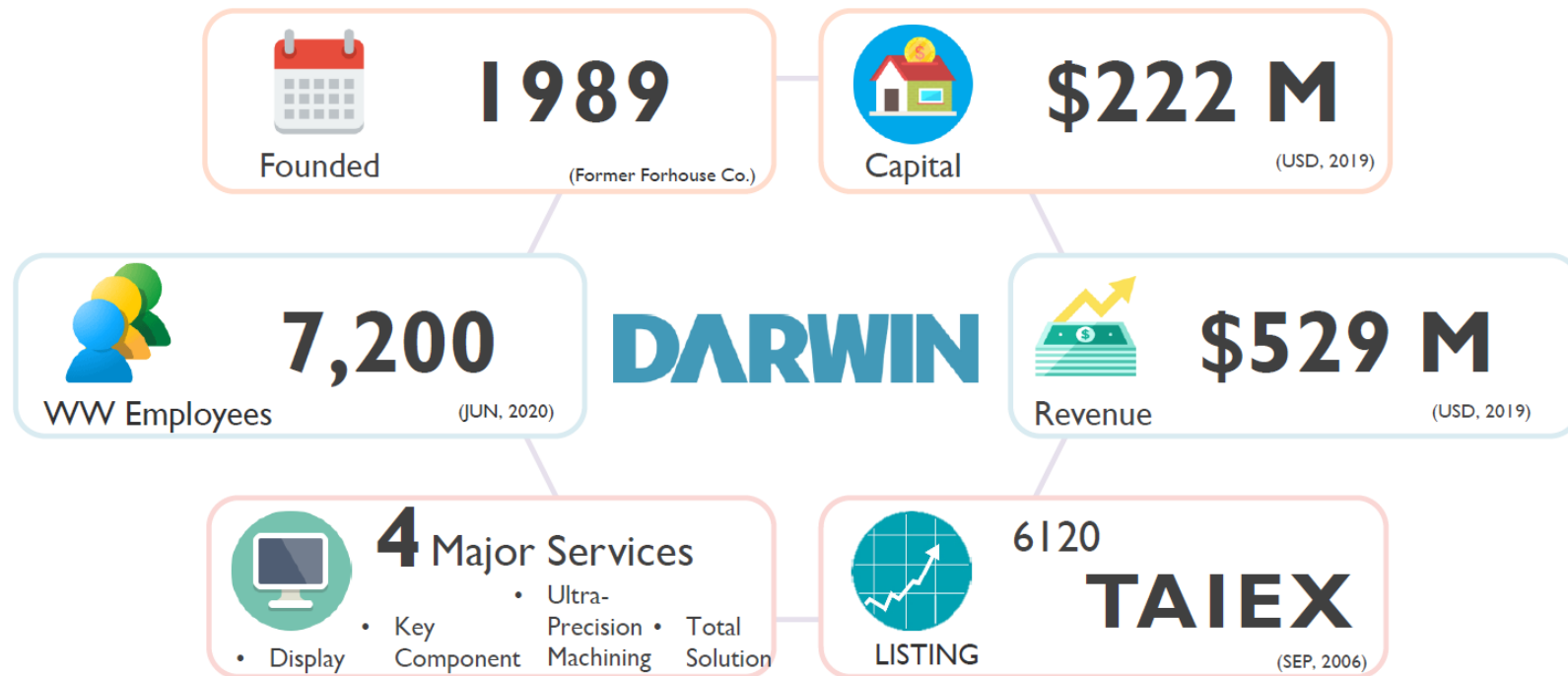
Safe Harbor Notice

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

About Darwin



Around The Globe



Financial Report

Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except EPS

	2Q20		QoQ %	1Q20		QoQ %	4Q19	
Net Sales	3,317,647	100%	23%	2,701,017	100%	(14%)	3,127,059	100%
Cost of Goods Sold	(3,523,869)	(106%)	23%	(2,856,273)	(106%)	(6%)	(3,034,789)	(97%)
Gross Profit (Loss)	(206,222)	(6.2%)	(33%)	(155,256)	(5.7%)	(268%)	92,270	3.0%
Operating Expenses	(306,726)	(9.2%)	0%	(306,261)	(11.3%)	28%	(238,908)	(7.6%)
Operating Profit (Loss)	(512,948)	(15.5%)	(11%)	(461,517)	(17.1%)	(215%)	(146,638)	(4.7%)
Net Non-operating Income(Loss)	61,056	1.8%	48%	41,160	1.5%	232%	(31,173)	(1.0%)
Profit (Loss) before Tax	(451,892)	(13.6%)	(8%)	(420,357)	(15.6%)	(136%)	(177,811)	(5.7%)
Net Profit (Loss)	(422,347)	(12.7%)	(12%)	(378,264)	(14.0%)	(121%)	(170,853)	(5.5%)
Basic EPS (NT\$)	(0.63)			(0.57)			(0.26)	
Operating Profit (Loss) + D&A	(244,113)	(7.4%)	(17%)	(208,783)	(7.7%)	(292%)	108,659	3.5%

※They are only reviewed rather than audited.

Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except EPS

	For the six-month periods ended June 30				YoY %
	2020		2019		
Net Sales	6,018,664	100%	8,438,674	100%	(29%)
Cost of Goods Sold	(6,380,142)	(106%)	(7,979,953)	(95%)	(20%)
Gross Profit (Loss)	(361,478)	(6.0%)	458,721	5.4%	(179%)
Operating Expenses	(612,987)	(10.2%)	(656,901)	(7.8%)	(7%)
Operating Profit (Loss)	(974,465)	(16.2%)	(198,180)	(2.3%)	(392%)
Net Non-operating Income	102,216	1.7%	86,971	1.0%	18%
Profit (Loss) before Tax	(872,249)	(14.5%)	(111,209)	(1.3%)	(684%)
Net Profit (Loss)	(800,611)	(13.3%)	(80,246)	(1.0%)	(898%)
Basic EPS (NT\$)	(1.20)		(0.12)		
Operating Profit (Loss) + D&A	(452,896)	(7.5%)	411,274	4.9%	(210%)

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Consolidated Balance Sheet Highlights

Amount : NT\$ Thousands

	Jun. 30, 2020		QoQ %	Mar. 31, 2020		QoQ %	Dec. 31, 2019	
Cash and cash equivalents	3,863,354	20%	1%	3,821,638	20%	(14%)	4,451,828	22%
Financial assets at fair value through profit or loss - current ⁽¹⁾	949,796	5%	(36%)	1,474,476	8%	(1%)	1,489,035	7%
Accounts receivable	3,030,519	16%	12%	2,703,929	14%	(12%)	3,057,768	15%
Inventories	1,464,075	8%	(9%)	1,610,765	8%	20%	1,338,647	7%
Short-Term Debt ^(a)	57,350	0%	(0%)	57,352	0%	0%	57,352	0%
Long-Term Debt	3,447,813	18%	2%	3,387,150	18%	10%	3,081,487	15%
Total Liabilities	9,010,464	47%	3%	8,739,387	45%	(1%)	8,845,295	44%
Equity	10,024,145	53%	(5%)	10,574,993	55%	(4%)	11,050,952	56%
Total Assets	19,034,609	100%	(1%)	19,314,380	100%	(3%)	19,896,247	100%

AR Turnover (Days) ^(b)	79	(18)	97	(6)	103
Inventory Turnover (Days) ^(c)	40	(7)	47	6	41
AP Turnover (Days) ^(d)	67	(15)	82	(3)	85
Cash Cycle (Days)	51	(11)	63	3	59
Financial Debt to Equity ^(e)	35%	2%	33%	4%	28%

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(1) 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.

(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	
	2020	2019
From Operating Activities	(876,810)	219,195
Profit (Loss) before Tax	(872,249)	(111,209)
Depreciation & Amortization	521,569	609,454
Net Change in Working Capital	(526,130)	(279,050)
From Investing Activities	102,646	(917,340)
Capital Expenditure	(426,200)	(673,983)
Investment Decrease (Increase) ⁽¹⁾	534,153	(315,825)
From Financing Activities	362,172	147,886
Net Change in Debt	366,324	161,324
Net Change in Cash ⁽²⁾	(588,474)	(509,939)
Ended balance of Cash and cash equivalents	3,863,354	3,984,784

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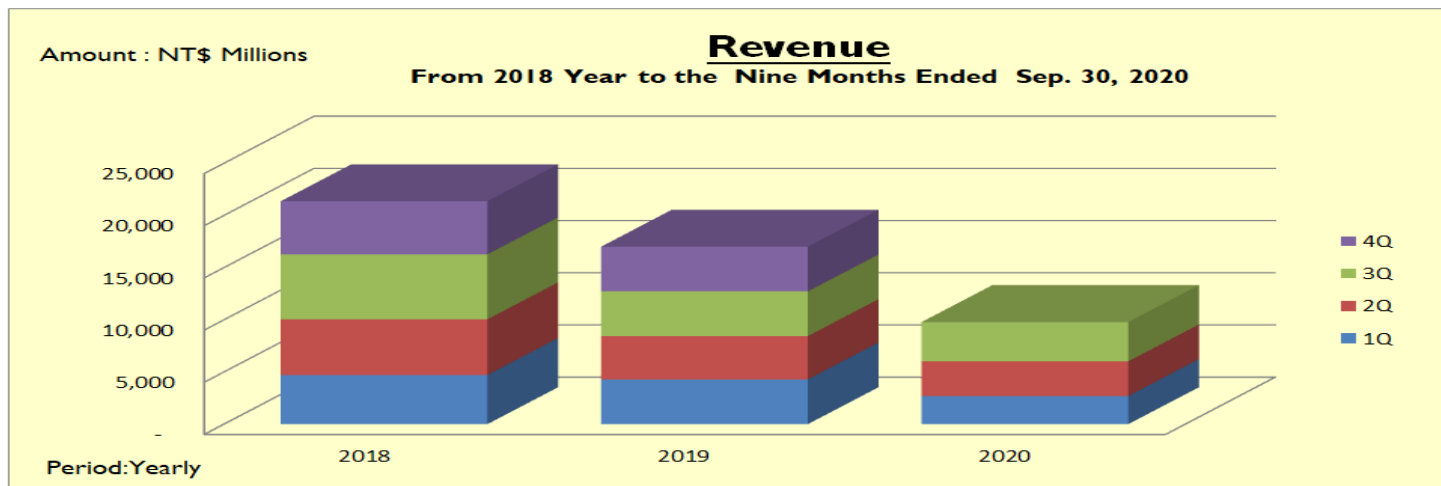
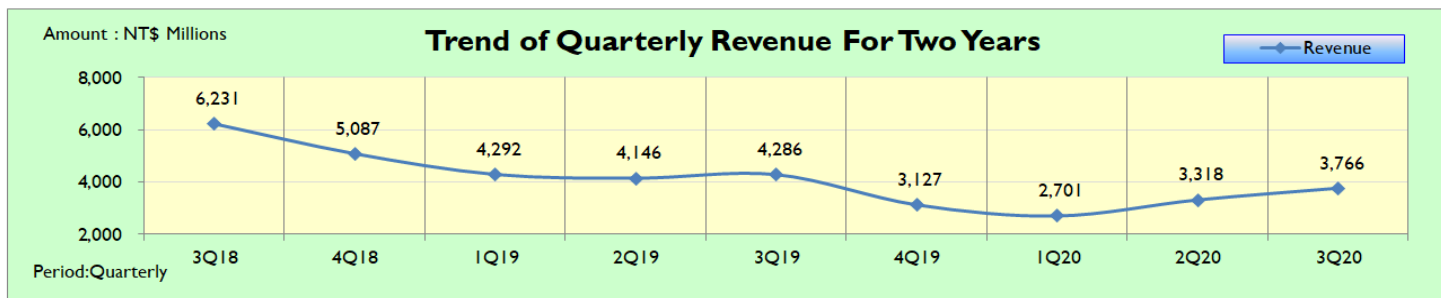
Notes :

(1) Investment Decrease (Increase) : The acquisitions of non-publicly traded equity investments are NT\$10,714K in 2019 , and the others are disposals (acquisitions) of the structured products that have guaranteed income.

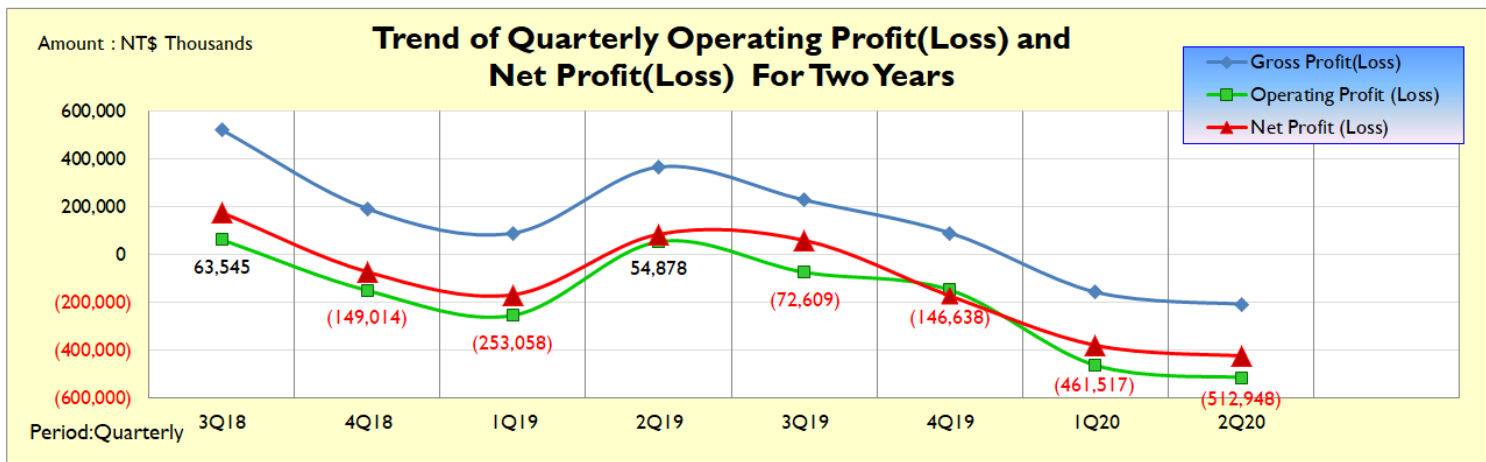
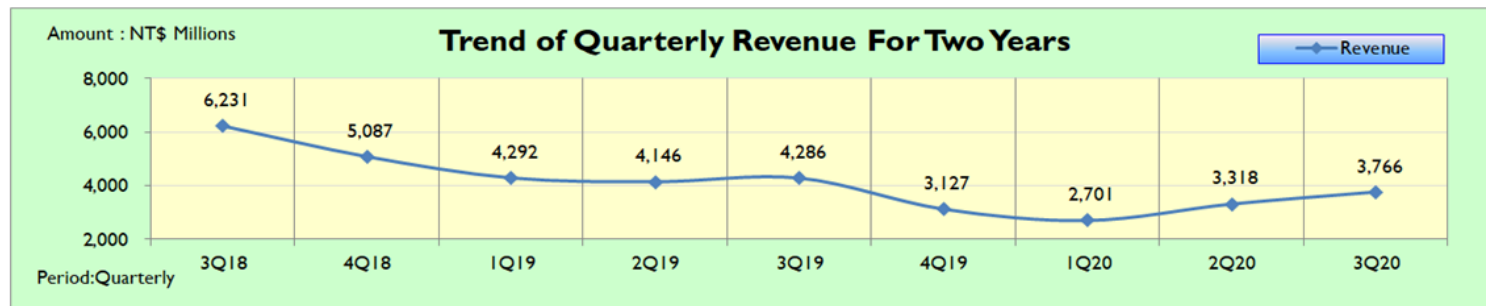
(2) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries.

Business Overview

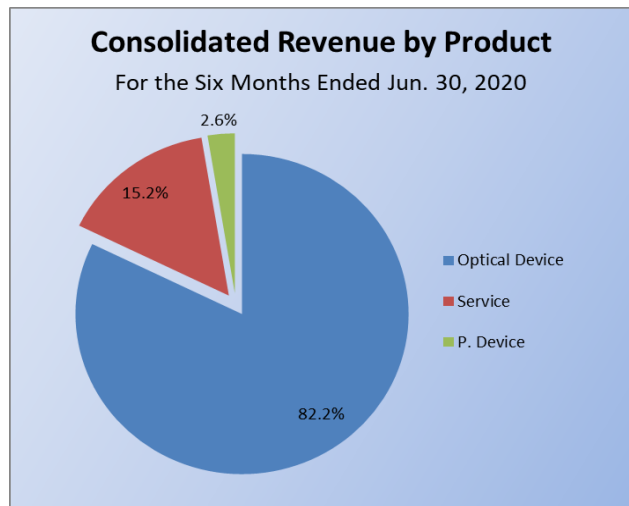
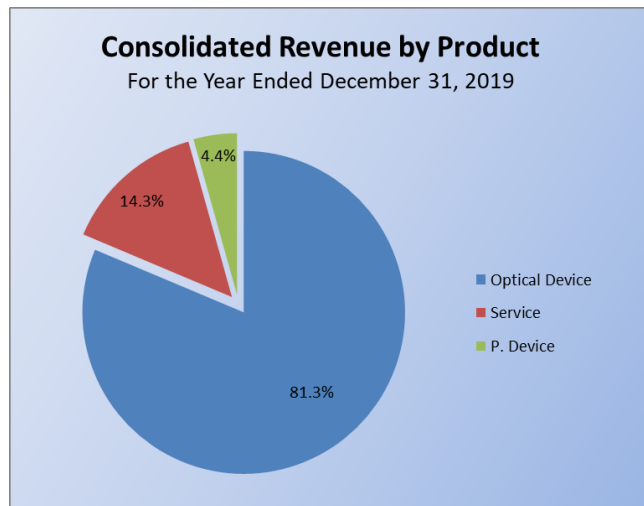
Trend of Consolidated Revenue



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



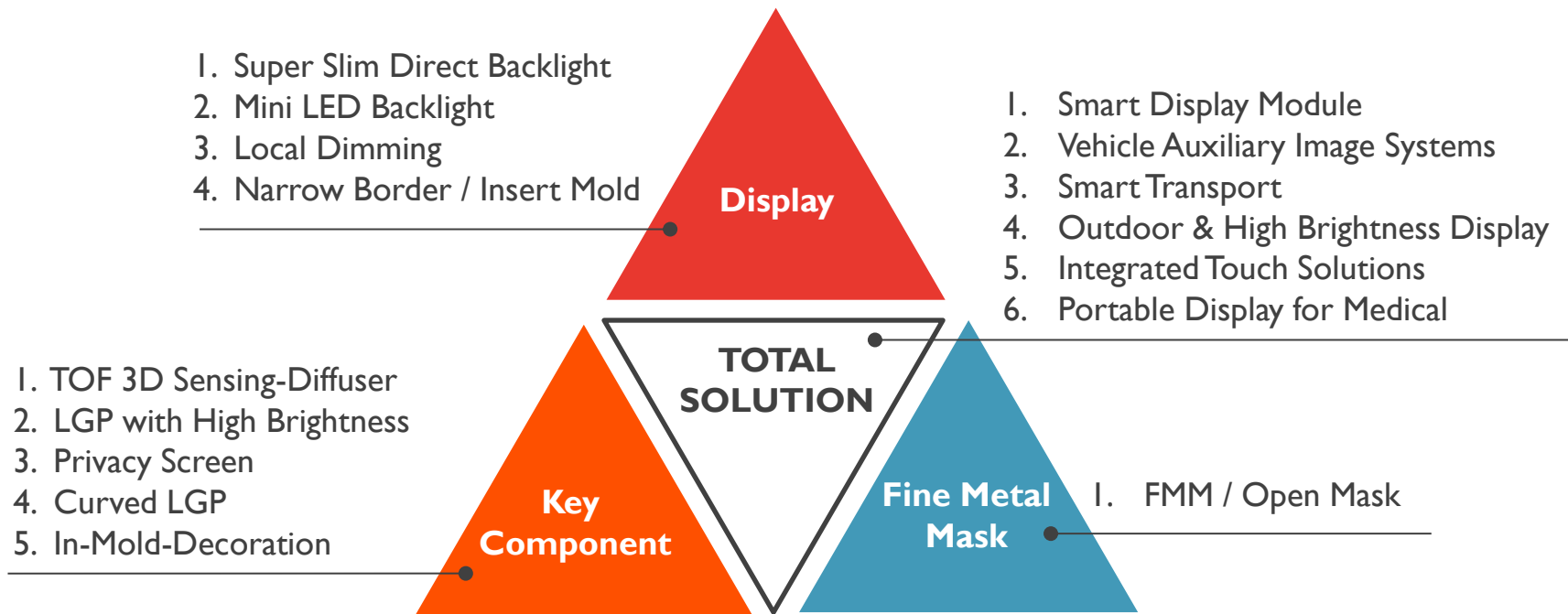
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■ Business Improvement

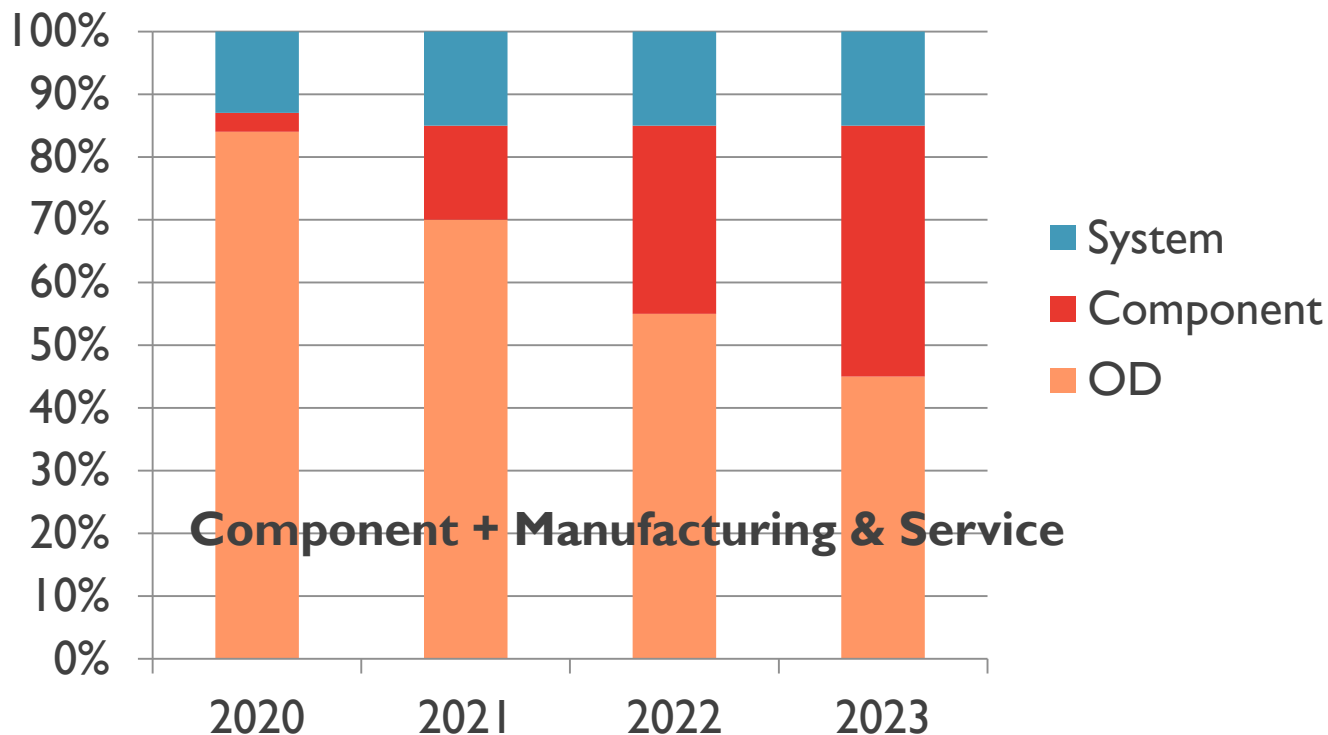
- ✓ Resource focusing, Strengthen R&D and Enlarge manufacture.
- ✓ Enhance technology value and Optimize product portfolio.
- ✓ Stabilize revenue and Improve profitability.



Component + Manufacturing & Service



■ Product sales composition (2023 Target)



DARWIN

Passion • Quality • Innovation