



Darwin Precisions Corporation 2024 Results Investor Conference

達運精密工業股份有限公司
2024年法人說明會

Sep. 26, 2024



*Passion
Quality
Innovation*

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

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About Darwin

Founded
2005

Revenue
570 M

USD. 2023

Capital
209 M

USD. 2024/08

Employees
5,900

2024/08

4 Major Services

- Display
- Key Component
- Ultra-Precision Machining
- Total Solution

Listing
6120

TAIEX

International Presence



* Investments in Associates
** Strategic Investment

Financial Report

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Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except EPS/LPS

	2Q24		QoQ %	1Q24		QoQ %	4Q23	
Net Sales	5,253,092	100%	5%	4,997,856	100%	6%	4,735,015	100%
Cost of Goods Sold	(4,994,121)	(95%)	3%	(4,860,412)	(97%)	8%	(4,487,977)	(95%)
Gross Profit	258,971	4.9%	88%	137,444	2.8%	(44%)	247,038	5.2%
Operating Expenses	(264,503)	(5.0%)	(6%)	(281,518)	(5.6%)	(8%)	(306,195)	(6.5%)
Operating Profit (Loss)	(5,532)	(0.1%)	96%	(144,074)	(2.9%)	(144%)	(59,157)	(1.2%)
Net Non-operating Income	101,259	1.9%	2%	98,827	2.0%	143%	40,706	0.9%
Profit (Loss) before Tax	95,727	1.8%	312%	(45,247)	(0.9%)	(145%)	(18,451)	(0.4%)
Net Profit (Loss)	(2,562)	0.0%	97%	(84,382)	(1.7%)	(132%)	263,557	5.6%
Basic Earnings (Loss) Per Share (NT\$)	(0.00)			(0.13)			0.39	
Operating Profit (Loss) + D&A	224,046	4.3%	164%	84,719	1.7%	(52%)	176,126	3.7%

Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except EPS/LPS

	For the six-month periods ended June 30				YoY %
	2024		2023		
Net Sales	10,250,948	100%	7,874,351	100%	30%
Cost of Goods Sold	(9,854,533)	(96%)	(7,607,082)	(97%)	30%
Gross Profit	396,415	3.9%	267,269	3.4%	48%
Operating Expenses	(546,021)	(5.3%)	(546,826)	(6.9%)	(0%)
Operating Profit (Loss)	(149,606)	(1.5%)	(279,557)	(3.6%)	46%
Net Non-operating Income	200,086	2.0%	108,247	1.4%	85%
Profit (Loss) before Tax	50,480	0.5%	(171,310)	(2.2%)	129%
Net Profit (Loss)	(86,944)	(0.8%)	(203,366)	(2.6%)	57%
Basic Earnings (Loss) Per Share (NT\$)	(0.13)		(0.31)		
Operating Profit (Loss) + D&A	308,765	3.0%	170,154	2.2%	81%

Consolidated Balance Sheet Highlights

Amount : NT\$ Thousands

	Jun. 30, 2024		QoQ %	Mar. 31, 2024		QoQ %	Dec. 31, 2023	
Cash and cash equivalents	5,306,169	29%	0%	5,292,328	29%	(1%)	5,332,533	29%
Accounts receivable	4,412,934	24%	6%	4,147,217	23%	3%	4,044,041	22%
Inventories	1,478,835	8%	(2%)	1,510,042	8%	15%	1,318,803	7%
Financial assets at amortized cost-current & non-current ⁽¹⁾	907,806	5%	10%	826,262	5%	(10%)	918,900	5%
Other financial assets-current & non-current ⁽¹⁾	571,345	3%	(11%)	643,258	4%	(7%)	694,740	4%
Short-Term Debt ^(a)	923,345	5%	2%	905,470	5%	(0%)	907,211	5%
Long-Term Debt	1,469,200	8%	(8%)	1,601,521	9%	(21%)	2,021,392	11%
Total Liabilities	9,221,898	50%	2%	9,060,350	49%	1%	9,003,624	49%
Equity	9,273,365	50%	0%	9,256,534	51%	0%	9,221,771	51%
Total Assets	18,495,263	100%	1%	18,316,884	100%	1%	18,225,395	100%
AR Turnover (Days) ^(b)	74		(0)	75		(8)	83	
Inventory Turnover (Days) ^(c)	27		1	27		(1)	28	
AP Turnover (Days) ^(d)	76		3	73		(7)	80	
Cash Cycle (Days)	25		(3)	28		(3)	31	
Financial Debt to Equity ^(e)	26%		(1%)	27%		(5%)	32%	

(1) Financial assets at amortized cost-current & non-current : These are major the fixed deposits of more than 1 year maturity for the purpose of financial management.
Other financial assets-current & non-current : Mainly, the fixed deposit is pledged to the bank to issue a standby letter of credit as a guarantee for the loan.

- (a) Short-term debt refers to all interest-bearing or interest-free 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	
	2024	2023
From Operating Activities	465,101	790,179
Profit (Loss) before Tax	50,480	(171,310)
Depreciation & Amortization	458,371	449,711
Net Change in Working Capital	(43,750)	511,778
From Investing Activities	(25,786)	1,793,568
Capital Expenditure	(208,826)	(189,426)
Disposals of property, plant and equipment	1,053	564
Increase in other unearned receipts or Decrease in other accounts receivable ⁽¹⁾	44,456	2,231,952
Decrease (Increase) in other financial assets or investment ⁽²⁾	139,819	(211,532)
From Financing Activities	(571,919)	(640,365)
Net Change in Debt	(585,016)	(642,569)
Net Change in Cash⁽³⁾	(26,364)	1,823,651
Ended balance of Cash and cash equivalents	5,306,169	5,881,973

Notes :

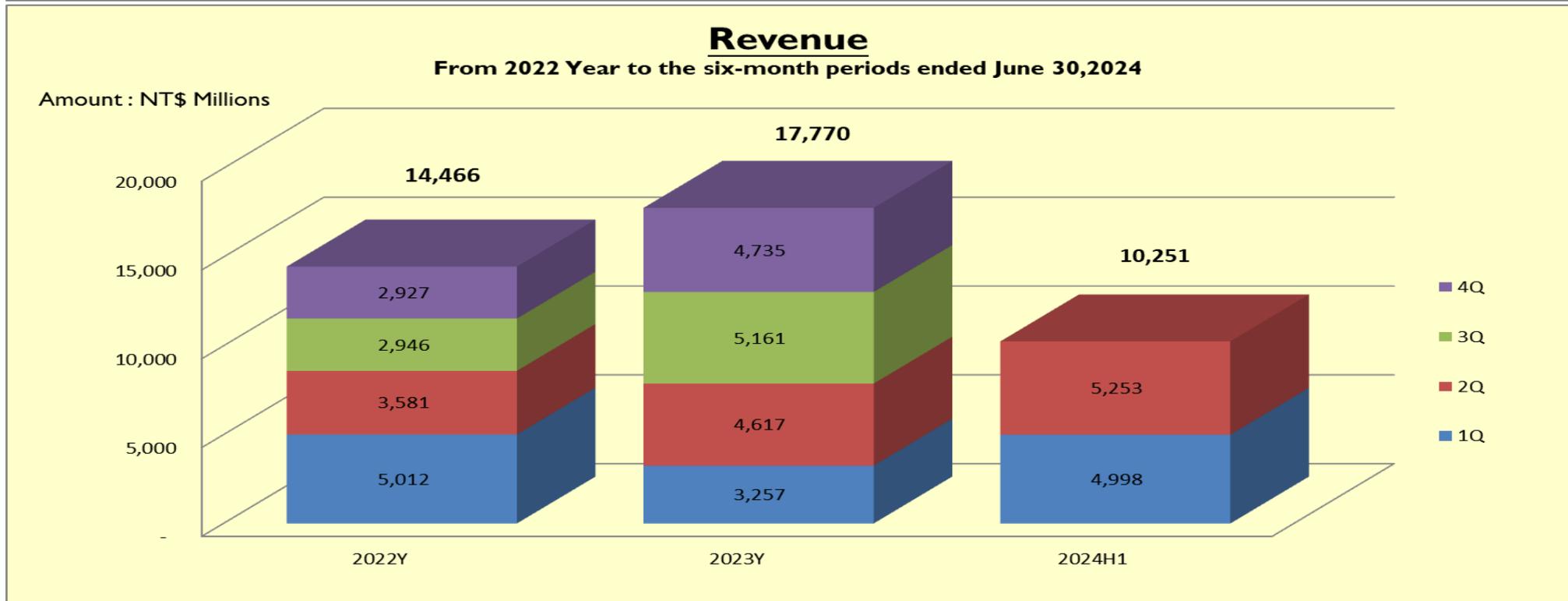
- (1) *Increase in other unearned receipts:
Increase in receipts in advance due to disposal of assets in 2024H1.
- *Decrease in other accounts receivable:
Mainly due to part of the price from the disposal of Taichung Yongfeng plant in the 4Q2022 was received in January 2023.
- (2) Decrease (Increase) in other financial assets or investment:
A. Mainly due to the release of guarantees on restricted bank deposits in 2024H1.
B. Mainly due to acquisitions of the deposits of more than 1 year maturity in 2023H1.
- (3) 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

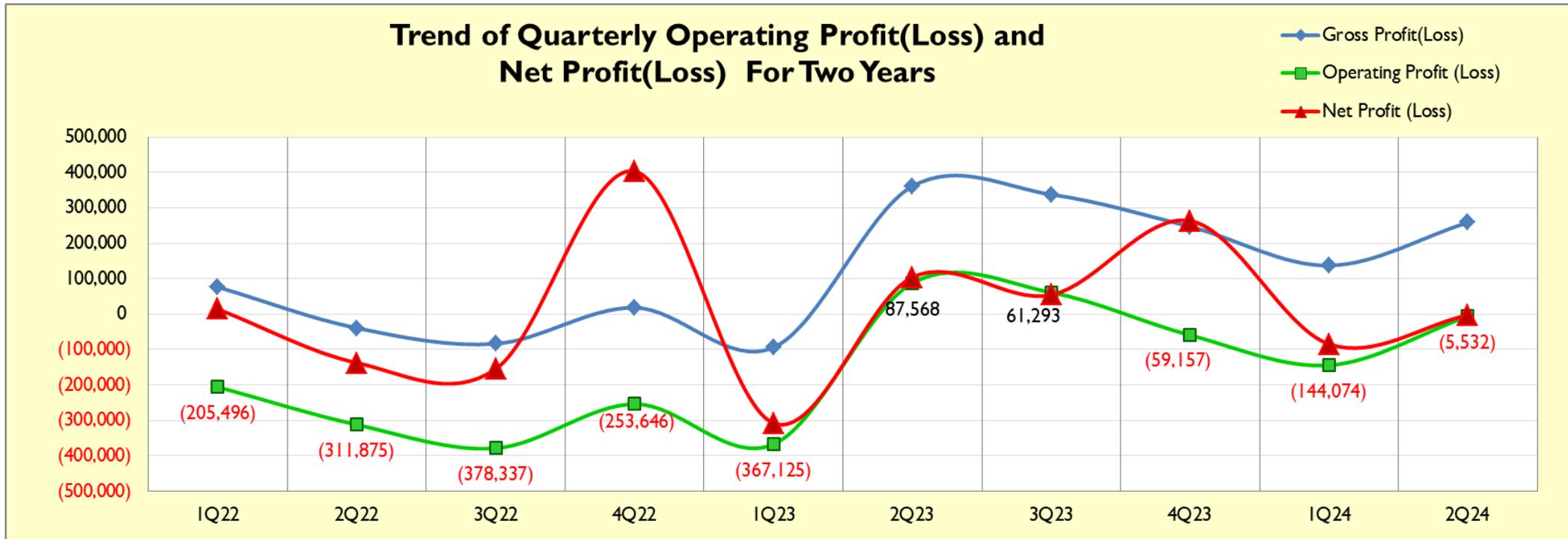
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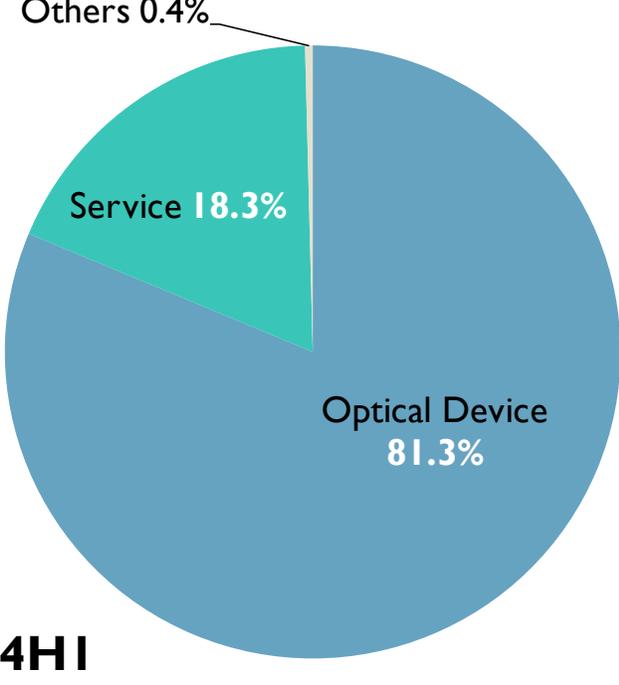
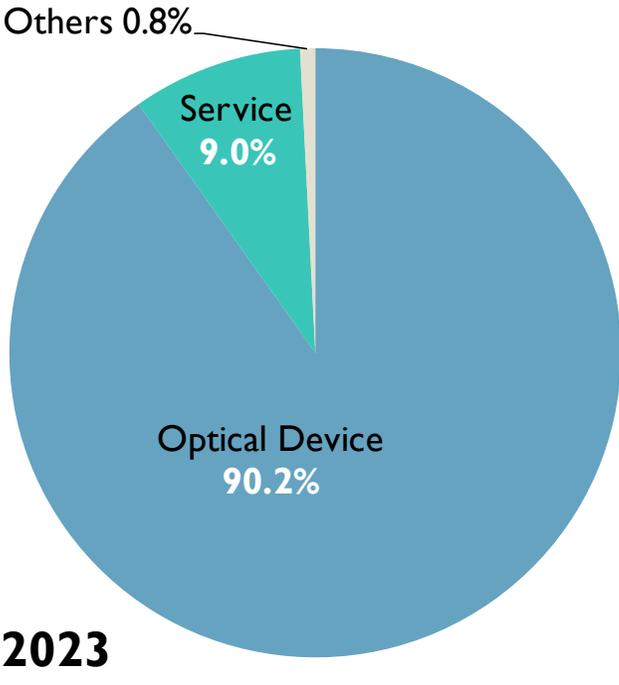
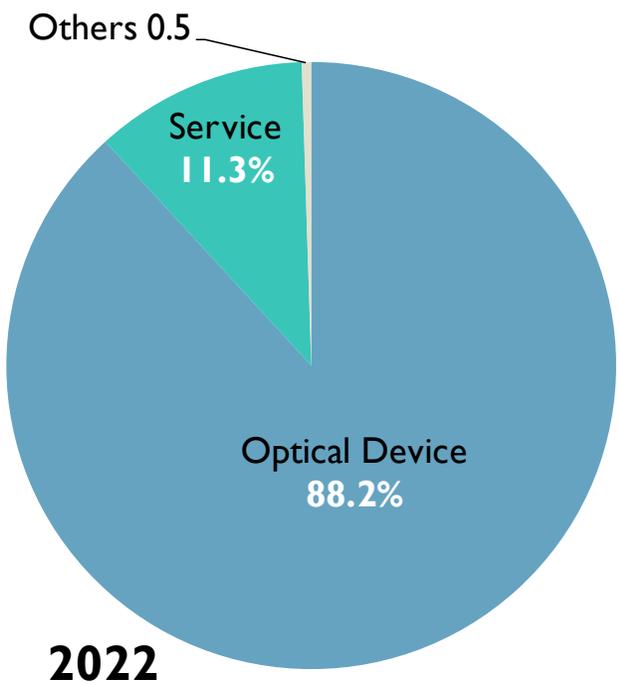
Trend of Consolidated Revenue



Trend of Consolidated Operating Overview



Consolidated Revenue by Product



Optical Device

Component / Backlight / Module / SET, PMMA Sheet / Resin, Precision Mold Design & Manufacturing

Service

Technical Machining & Integrated Service

Others

Precision Device Application
Smart Field Application

Business Strategy & Improvement

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Business Direction:

Optimizing Core Business and Diversified Development

➤ Optimize Core Business

- ◆ Continuously optimize the panel modules, light guide plates, and backlight modules for laptops, monitors, and automotive displays. Enhance business operations and innovative technological capabilities, and improve product market competitiveness through equipment upgrades and automation.
- ◆ Utilizing ultra-precision processing technology, focus on the development and customer integration of high-end models for the IT and automotive markets: ultra-thin, high-brightness, low-power, borderless, and privacy backlight modules.
- ◆ Continuously expand system integration services, providing customers with professional displays, high-brightness outdoor solutions, energy-efficient designs, and system manufacturing solutions.

Business Direction:

Optimizing Core Business and Diversified Development

➤ Diversified Development

- ◆ Leverage microstructure technology to enter the biomedical applications related to aesthetic and medical fields.
- ◆ Utilizing core competencies in microstructure and system integration to develop medical testing chips, instruments, and system integration technologies and products for biomedical and organ chips applications.
- ◆ Integrating floating image touch technology to launch into the non-contact elevator button market (Taipei 101, National Taichung Theater), and leading the way in innovative public health applications in the post-pandemic era.
- ◆ Smart fields: Focusing on smart medical, smart transportation, smart retail, smart customer service, and smart entertainment. Deploy smart display products and intelligent management systems in select ports, airports, stations, campuses, and concert halls to validate technology and application markets, and further expand into overseas markets.

Manufacturing Service

MNT

- Increase the proportion of large-size/high-end models
- Mass Production of borderless manufacturing technology
- Energy-Saving Technology ES9.0

NB

- High-end models with narrow bezel /high frequency/dimming modules
- Enter the tablet energy-saving and high-efficiency LGP field

Car

- Switchable privacy technology
- Ultra-thin/high-brightness/low-power Mini LED BLU

System Integration

Integrated Services

- Professional Displays: On Camera MNT
- Public Displays: Bar type / Curve
- Educational: IWB
- Medical: Surgical Light Control Panel
- Energy-saving: e-Paper Display

Smart Field Solutions

- Smart Entertainment: Energy-saving / Artistic
- Smart Retail: Shelf Management / People Tracking
- Smart Transportation: AI Algorithms / Panoramic Photography
- Smart Customer Service: Real-time Interactive Translation
- Smart Healthcare: Bed Information Services

Development

Aesthetic Medical

- Extension of ultra-precision processing technology
- Develop biodegradable formulations for application in face mask membranes and dissolvable films
- Dissolvable Microcrystal Products

UFO TOUCH

- Combination of optical and floating image touch technology
- Intuitiveness of the operating experience
- Development of Multi-Application Products

Biomedical Testing

- Utilizing precision molding & optical design technology to develop chips, instruments, and testing solutions

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