



# **Darwin Precisions Corporation 2022 Results Investor Conference**

達運精密工業股份有限公司  
2022年法人說明會

Oct. 4, 2022



*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

*Passion*  
*Quality*  
*Innovation* ▶▶▶

**DARWIN**

# About Darwin

Founded  
**2005**

Revenue  
**678 M**

USD. 2021

Capital  
**223 M**

USD. 2020

Employees  
**5300**

2022/06

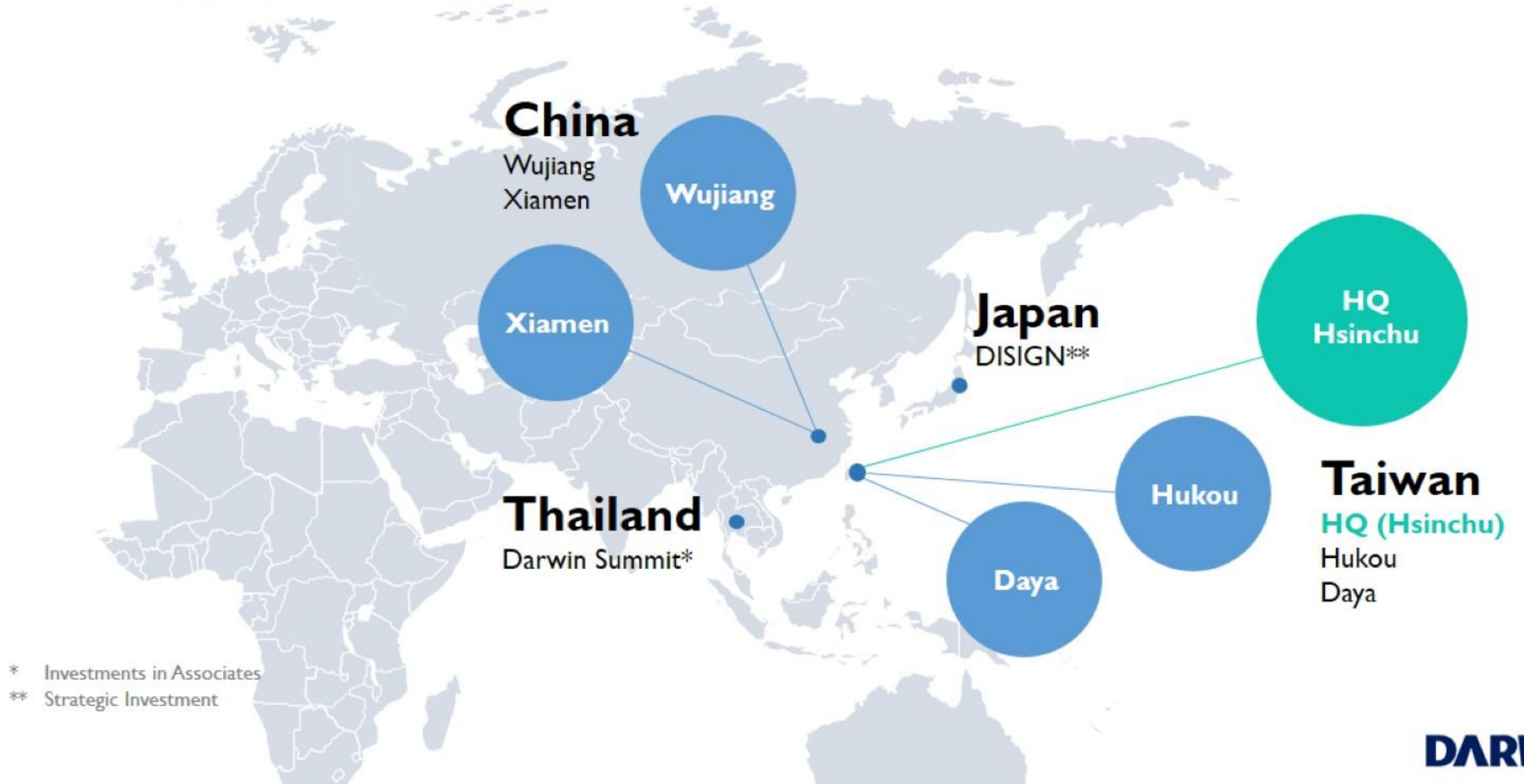
**4 Major Services**

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

Listing  
**6120**

TAIEX

# Global Presence



\* Investments in Associates

\*\* Strategic Investment

# Financial Report

*Passion*  
*Quality*  
*Innovation* ▶▶▶

**DARWIN**

# Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except EPS/LPS

	2Q22		QoQ %	1Q22		QoQ %	4Q21	
Net Sales	3,580,899	100%	(29%)	5,012,148	100%	(7%)	5,409,599	100%
Cost of Goods Sold	(3,620,057)	(101%)	(27%)	(4,935,661)	(98%)	(7%)	(5,283,969)	(98%)
Gross Profit (Loss)	(39,158)	(1.1%)	(151%)	76,487	1.5%	(39%)	125,630	2.3%
Operating Expenses	(272,717)	(7.6%)	(3%)	(281,983)	(5.6%)	(26%)	(380,308)	(7.0%)
Operating Profit (Loss)	(311,875)	(8.7%)	(52%)	(205,496)	(4.1%)	19%	(254,678)	(4.7%)
Net Non-operating Income	201,076	5.6%	(27%)	274,411	5.5%	(56%)	619,476	11.5%
Profit (Loss) before Tax	(110,799)	(3.1%)	(261%)	68,915	1.4%	(81%)	364,798	6.7%
Net Profit (Loss)	(137,346)	(3.8%)	(1062%)	14,272	0.3%	(85%)	93,786	1.7%
Basic Earnings (Loss) Per Share (NT\$)	(0.21)			0.02			0.14	
Operating Profit (Loss) + D&A	(65,301)	(1.8%)	(266%)	39,414	0.8%	1202%	(3,576)	(0.1%)

※They are only reviewed rather than audited.



# Comprehensive Income Statement Highlights

Amount : NT\$ Thousands, except EPS/LPS

	For the six-month periods ended June 30				YoY %
	2022		2021		
Net Sales	8,593,047	100%	9,427,009	100%	(9%)
Cost of Goods Sold	(8,555,718)	(100%)	(9,600,382)	(102%)	(11%)
Gross Profit (Loss)	37,329	0.4%	(173,373)	(1.8%)	122%
Operating Expenses	(554,700)	(6.5%)	(604,795)	(6.4%)	(8%)
Operating Profit (Loss)	(517,371)	(6.0%)	(778,168)	(8.3%)	34%
Net Non-operating Income	475,487	5.5%	118,871	1.3%	300%
Profit (Loss) before Tax	(41,884)	(0.5%)	(659,297)	(7.0%)	94%
Net Profit (Loss)	(123,074)	(1.4%)	(585,916)	(6.2%)	79%
Basic Earnings (Loss) Per Share (NT\$)	(0.18)		(0.88)		
Operating Profit (Loss) + D&A	(25,887)	(0.3%)	(211,994)	(2.2%)	88%

※They are only reviewed rather than audited.

# Consolidated Balance Sheet Highlights

Amount : NT\$ Thousands

	Jun. 30, 2022		QoQ %	Mar. 31, 2022		QoQ %	Dec. 31, 2021	
Cash and cash equivalents	5,353,823	29%	(8%)	5,798,330	29%	(3%)	5,958,728	30%
Accounts receivable	2,251,926	12%	(29%)	3,188,687	16%	(12%)	3,627,464	18%
Inventories	1,753,553	10%	12%	1,565,358	8%	(7%)	1,691,159	9%
Financial assets at amortized cost-current & non-current <sup>(1)</sup>	1,050,684	6%	(20%)	1,313,881	7%	86%	706,340	4%
Other financial assets-current & non-current <sup>(1)</sup>	271,526	1%	7685%	3,488	0%	-	-	-
Short-Term Debt <sup>(a)</sup>	180,132	1%	435%	33,654	0%	(60%)	83,440	0%
Long-Term Debt	3,243,174	18%	(12%)	3,682,146	19%	(0%)	3,690,021	19%
Total Liabilities	9,151,577	50%	(11%)	10,312,366	52%	(3%)	10,642,262	54%
Equity	9,111,275	50%	(2%)	9,343,412	48%	1%	9,213,258	46%
Total Assets	18,262,852	100%	(7%)	19,655,778	100%	(1%)	19,855,520	100%
AR Turnover (Days) <sup>(b)</sup>	69		7	62		0	62	
Inventory Turnover (Days) <sup>(c)</sup>	42		12	30		(1)	31	
AP Turnover (Days) <sup>(d)</sup>	94		17	76		4	72	
Cash Cycle (Days)	18		2	16		(4)	20	
Financial Debt to Equity <sup>(e)</sup>	38%		(2%)	40%		(1%)	41%	

※They are only reviewed rather than audited.

(1) Financial assets at amortized cost-current & non-current : These are major the deposits of more than 3 months or 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	
	2022	2021
<b>From Operating Activities</b>	189,607	755,457
Loss before Tax	(41,884)	(659,297)
Depreciation & Amortization	491,484	566,174
Net Change in Working Capital	(259,993)	848,580
<b>From Investing Activities</b>	(544,227)	134,306
Capital Expenditure	(222,428)	(275,158)
Investment Decrease (Increase) <sup>(1)</sup>	(587,809)	294,839
Disposals of property, plant and equipment	269,136	112,365
<b>From Financing Activities</b>	(352,790)	57,511
Net Change in Debt	(351,089)	42,325
<b>Net Change in Cash <sup>(2)</sup></b>	<b>(604,905)</b>	<b>843,355</b>
<b>Ended balance of Cash and cash equivalents</b>	<b>5,353,823</b>	<b>5,841,331</b>

※They are only reviewed rather than audited.

Notes :

(1) Investment Decrease (increase) :  
A. These are major acquisitions of the deposits of more than 3 months or 1 year maturity and the deposits are set as pledge in 2022.

B. These are major disposals of the structured products that have guaranteed income in 2021.

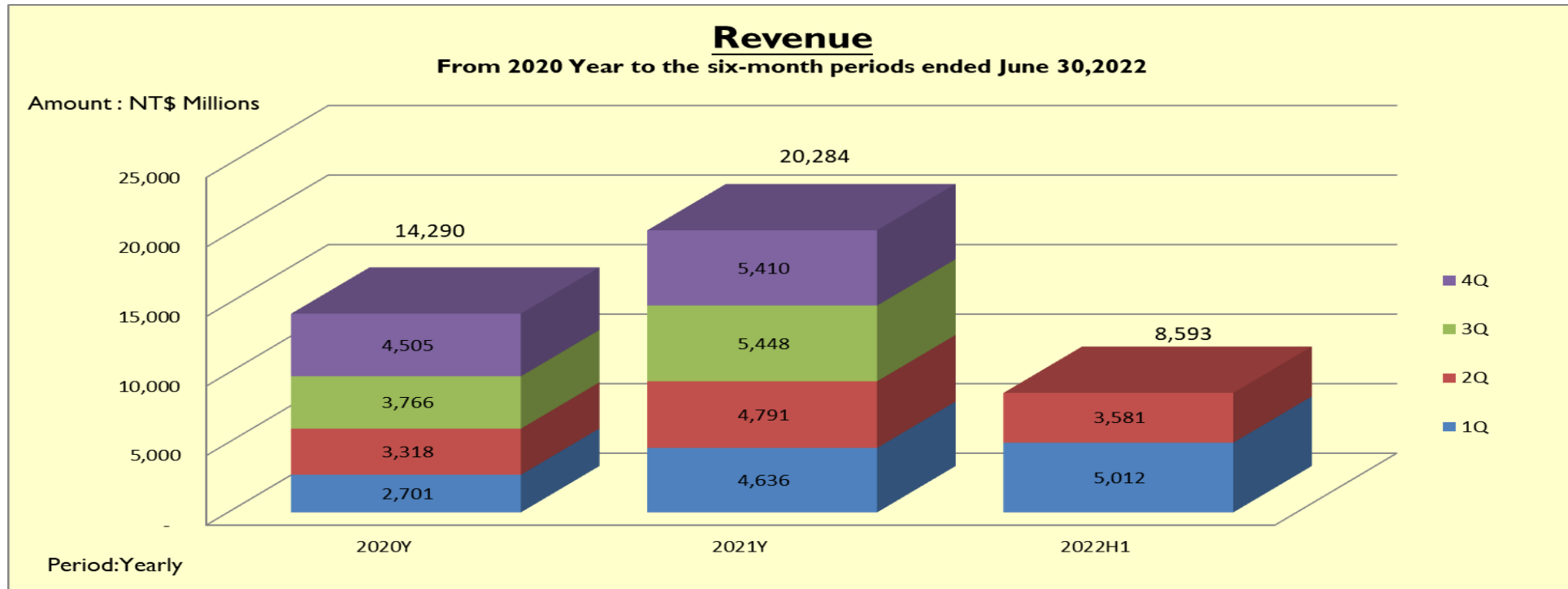
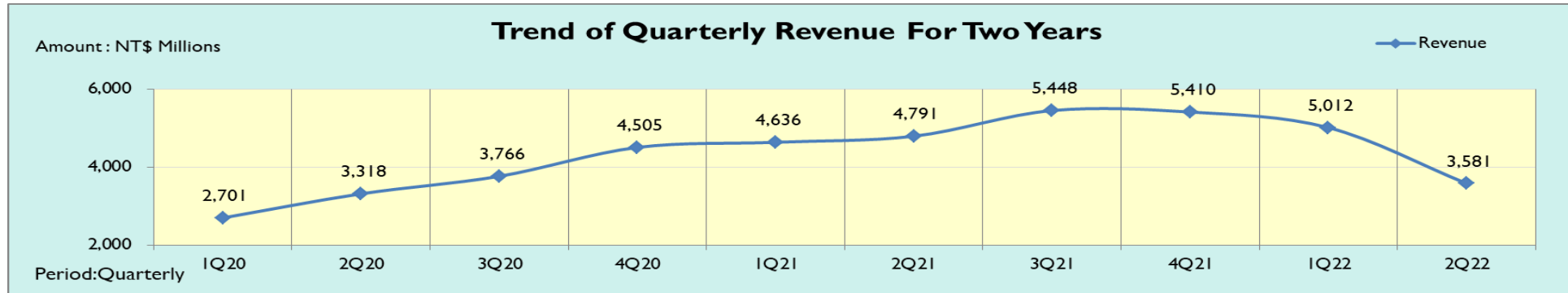
(2) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries.

# Business Overview

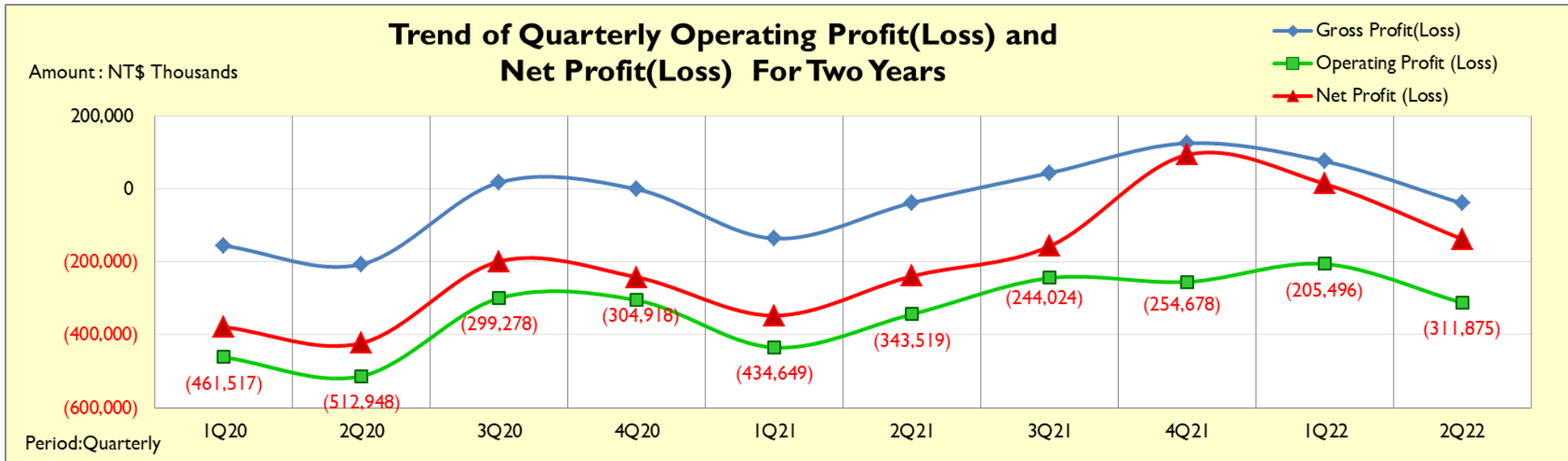
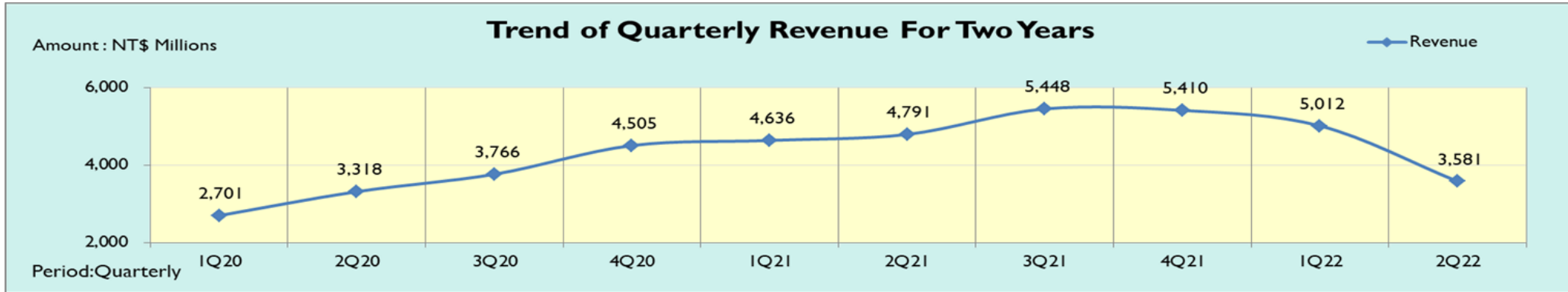
*Passion*  
*Quality*  
*Innovation* ▶▶▶

**DARWIN**

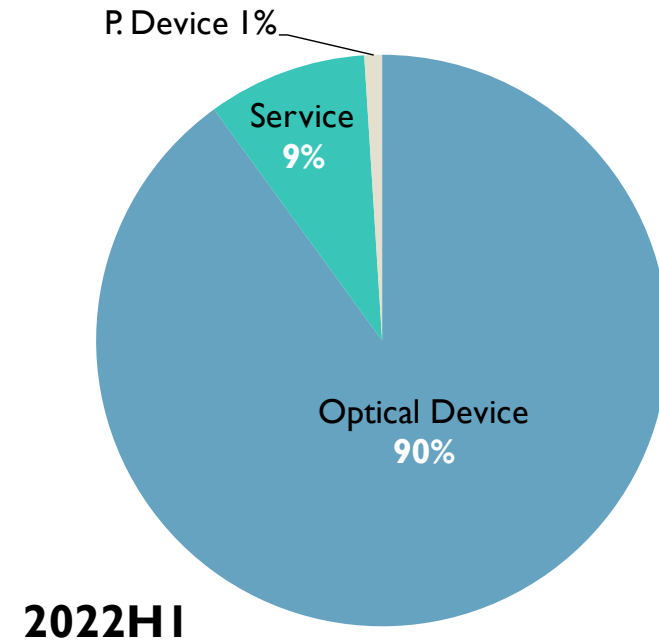
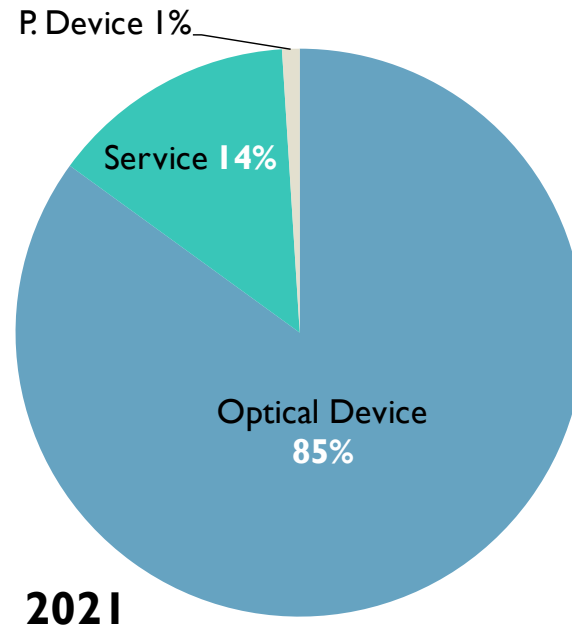
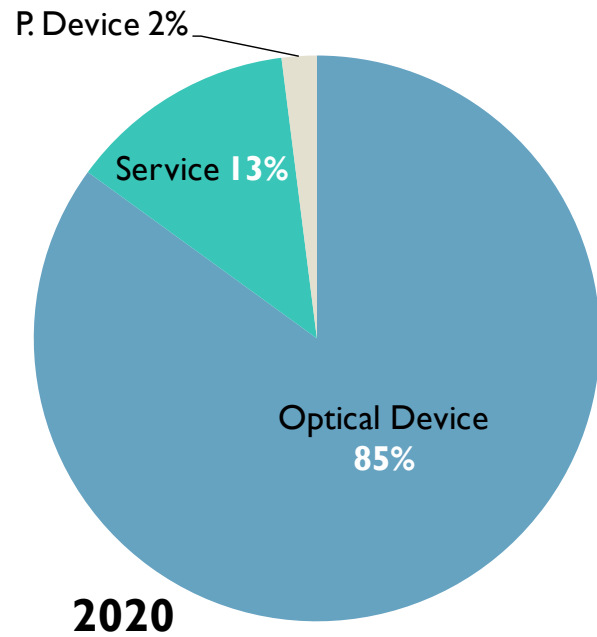
# Trend of Consolidated Revenue



# 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

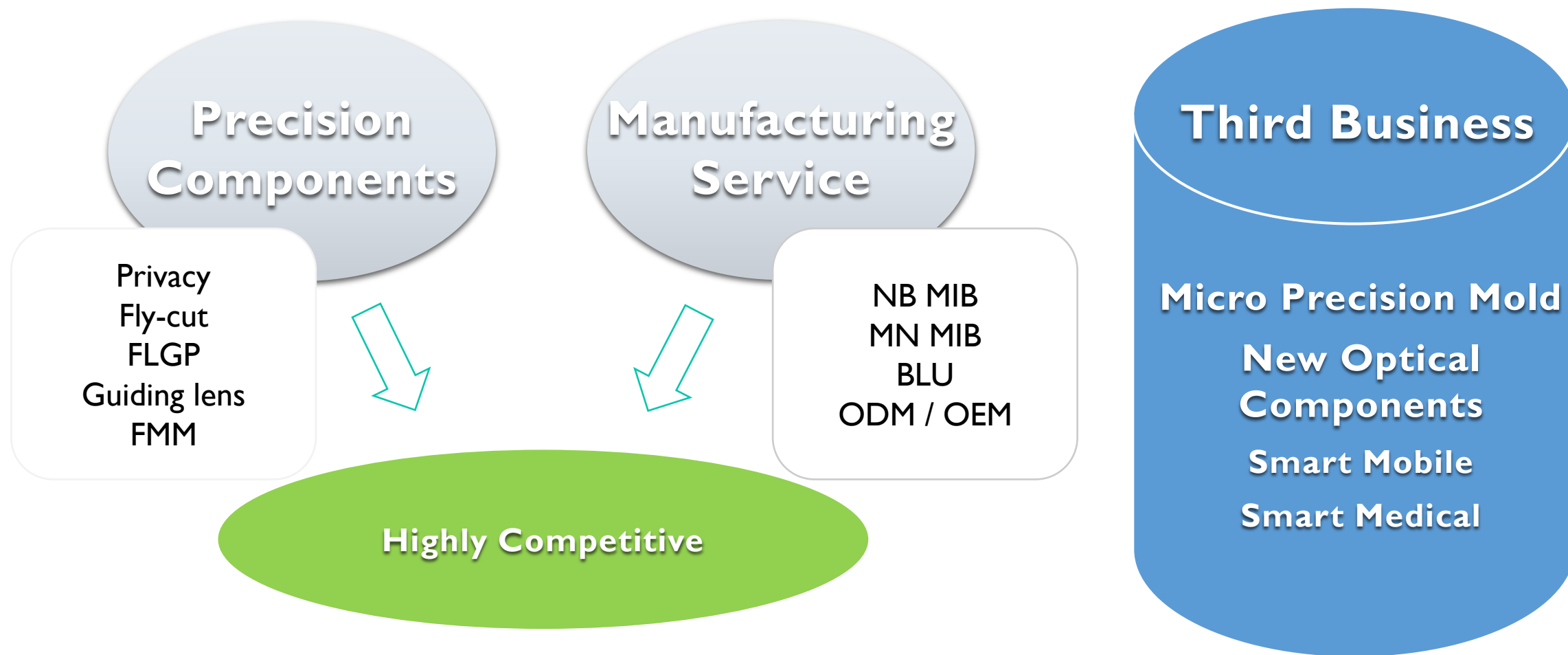
# Business Strategy & Improvement

Passion  
Quality  
Innovation ▶▶▶

**DARWIN**



# Business Strategy



# Business Improvement

## ✓ Concentrating on resources, Improving manufacturing capability

- Reorganize non-competitive factories : 2021 Q2 SZ; 2022 Q2 YF
- Improve smart manufacturing capability : WJ NB productivity 25% up  
: XM MNT capacity 30% up

## ✓ Enhancing technology value and optimizing product portfolio

- Develop privacy & high bright light-guide product : NB, MNT, Car Display
- Enhance high-level NB portfolio : Increase high-level NB ratio
- Develop Mini LED backlight product : Car Display backlight from edge type to direct type
- Develop big size FMM technology : Ultra Thin FMM for Smartphone / Large size FMM for NB

# Business Improvement

## ✓ Expanding Integration Service Business

- Phase in smart mobile : Combine Intelligent display with EV Charger
- Phase in field application : University Campus / Port Cruise Terminal
- Customized Manufacturing Service

## ✓ Lean Production Management

- Flexible Manufacturing – Cost & quantity reaction in time
- Improving scrap & obsolete
- Executing intelligent manufacturing project

Passion  
Quality  
Innovation ▶▶▶



<https://www.darwinprecisions.com>  
ir@darwinprecisions.com

**DARWIN**



*Passion*  
*Quality*  
*Innovation* ▶▶▶