



# Hitron Investor Conference

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TWSE Stock Code : 2419

February 29, 2024



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# Disclaimer

This presentation may contain forward-looking based on current assumption and forecasts made by Hitrontech management. Various known and unknown risk, uncertainties and other factors could lead to material differences between the actual future result, financial situation, development or performance of the company and the estimates given here.

# Business Outlook



# The decrease was larger than expected in 2023 2H, leading to a full-year decline

**During the customer inventory adjustment period, actively adjust the structure to prepare for future growth**

- 1. The factory capacity distribution:** two factories in mainland China have merged into one
- 2. Actively develop new markets:** new markets in Asia will become growth drivers
- 3. Specific market allocation and core competitiveness developments :**
  - Hitron specializes in branding, focusing on marketing and software added value
  - Alpha specializes in professional ODM/OEM, expand scale
  - IDT integrates Transnet to improve synergy

**The projects were successful, build solid foundation for future growth**

# NCG's projects in 2023

Projects		Participating manufacturers	Content
Closed	Beyond-5G LEO plan	Alpha · Rapidtek · GCE · TUC	<ul style="list-style-type: none"> <li>➤ Cooperation in LEO satellite ground receiving equipment</li> <li>➤ Many optimization contents are independently completed by Taiwanese companies</li> </ul>
	Resilient supply chain smart factory plan	Transnet	<b>Build Alpha's all-round 5G AIoT smart factory</b> <ul style="list-style-type: none"> <li>➤ 5G networking, AI image interpretation, AMR automatic handling cooperation</li> </ul>
	The world's first 5G smart yacht operation and construction plan	Transnet	Create the world's first hardware anchor 5G AIoT smart harbor
	Taipei Dome	IDT	<ul style="list-style-type: none"> <li>➤ Large-scale field broadcast image transmission and central control system</li> <li>➤ Advertising system</li> </ul>
In Progress	Domestic electric bus Intelligent sensing main control system development plan	Alpha · Tron Energy	<b>Cooperate with an electric bus manufacturer to build the first domestic ADAS electric bus</b> <ul style="list-style-type: none"> <li>➤ Develop domestic bus AI image algorithm and radar perception fusion system</li> <li>➤ In response to domestic regulatory requirements, the ADAS main control system was developed to drive the ZF chassis control system.</li> </ul>
	Manufacturing low-carbon and smart upgrading project	Alpha · Transnet	<ul style="list-style-type: none"> <li>➤ It is expected to complete the development of low-carbon energy-saving equipment and energy management platform for the central factory within 2 years</li> <li>➤ Conduct carbon inventory and introduce carbon reduction measures in industrial supply chains</li> </ul>
	5G private network practices ESG model Wufeng Ecological Intelligent Stadium Plan	IDT · Taiwan Optical Platform · Yuan Fwu	With the ESG transformation of the stadium as the core, it combines eight application field solutions to achieve goals such as stadium ecological maintenance, personnel health and safety monitoring, and meeting the needs of golfers.

# NCG ESG : Awards in 2023

## 第16屆 TCSA台灣永續獎

永續綜合績效  
台灣百大永續典範企業獎



## 第16屆 TCSA台灣永續獎

永續報告  
電子資訊製造業第一類  
金獎



## 第3屆 TSAA永續行動獎

環保包材專案(SDGs12)  
銀獎



## 科管局 優良事業單位評選

推動職場工作平權  
優等獎



# Outlook in 2024: Specific market Allocation, strengthen synergy, and pursue growth

- Organizational restructuring to enhance the development of Hitron's telecommunication channels
- Alpha is a professional ODM/OEM company, develops emerging markets and new customers
- SI integration and continue to grow
- M&A



# The growth strategy remains unchanged in 2024: focus, synergy, and growth

- Optimize switches, wired and wireless broadband

## Growth

### Optimization of current business

- ✓ To increase the proportion of high-end product and gross profit
- ✓ Utilizing the original channels to provide more products and services

- 5G private network deployment, aim to LEO satellite

## Innovation

### Innovative products and services

- ✓ Focus on pursuing continuous innovation
- ✓ Leverage the strengths of software to innovate end to end services continuously

**AIoT**

### Expand into channels

- ✓ New channels
- ✓ New markets: data center, Telecom Network, Automotive Electronics
- ✓ Vertical markets

### M&A

- ✓ To enhance capabilities and increase channel
- ✓ Integration and synergy

- Cooperate with channel partners



# 2023 Q4 Finance Statement



# 2023 Q4 Financial Report

NT Million	2023		2022		YoY		2023		YoY	
	Q4	%	Q4	%	AMT	%	Q3	%	AMT	%
Net Sales	2,208	100.0%	3,675	100.0%	(1,467)	-40%	1,579	100.0%	630	40%
Cost of Goods Sold	(1,626)	-73.6%	(2,896)	-78.8%	1,270	-44%	(1,155)	-73.2%	(471)	41%
Gross Profit	582	26.4%	779	21.2%	(197)	-25%	424	26.8%	159	37%
Operating Expense	(478)	-21.7%	(554)	-15.1%	76	-14%	(430)	-27.2%	(48)	11%
Operating Profit	104	4.7%	225	6.1%	(121)	-54%	(6)	-0.4%	110	-1753%
Non-OP Income(Expenses)	(2)	-0.1%	(33)	-0.9%	31	-94%	(17)	-1.1%	15	-88%
Income before Tax	102	4.6%	192	5.2%	(90)	-47%	(23)	-1.5%	125	-538%
Income Tax	(52)	-2.4%	4	0.1%	(56)	-1408%	12	0.8%	(65)	-524%
Income after Tax	50	2.3%	196	5.3%	(146)	-75%	(36)	-2.3%	85	-240%
Net Income Attributable to Owners of Parent	(33)	-1.5%	132	3.6%	(164)	-125%	(27)	-1.7%	(5)	20%
EPS (NT\$1)	(0.10)		0.41		(0.51)		(0.09)		(0.01)	

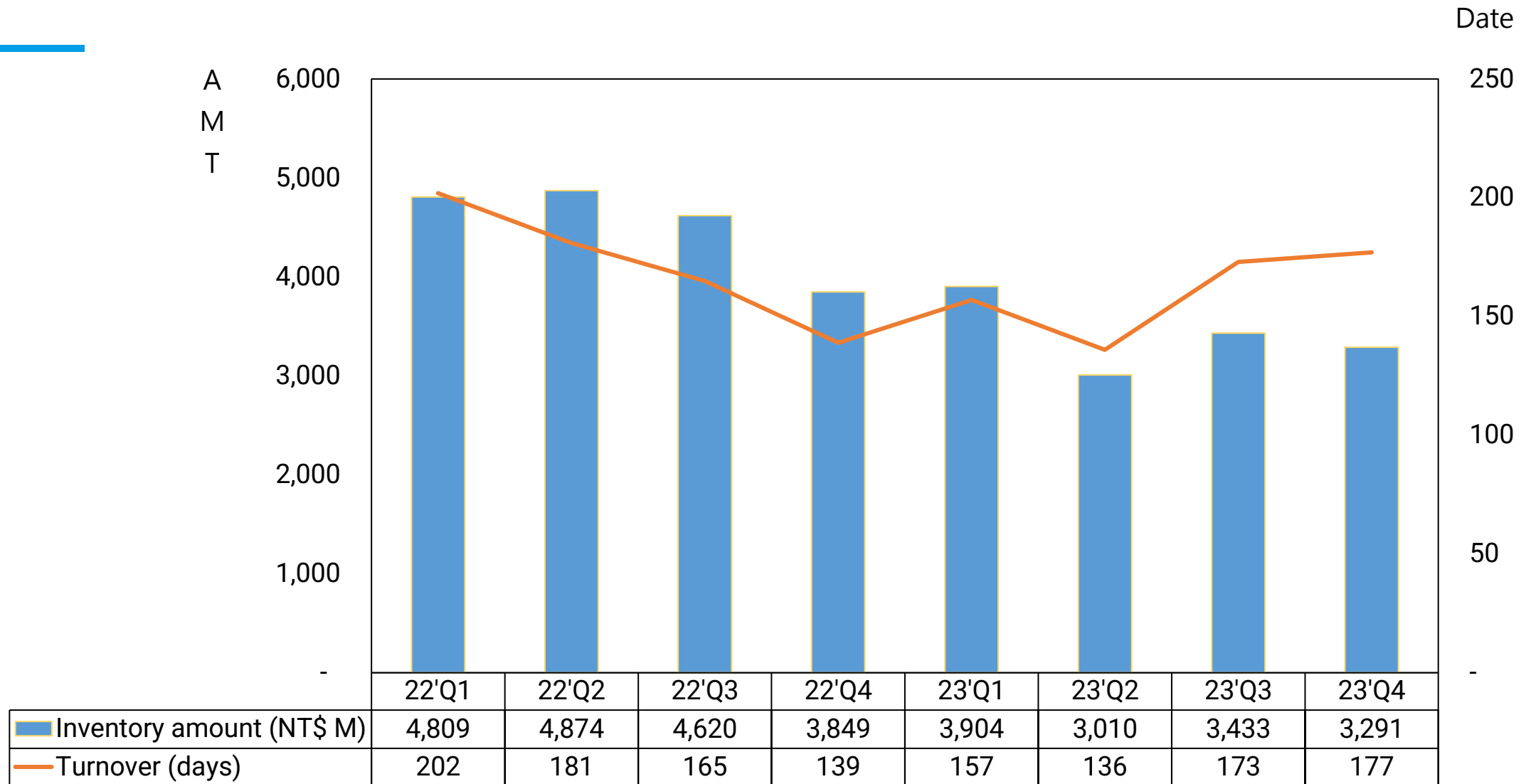
# 2023 Annual Financial Report

NT Million	2023		2022		YoY	
	AMT	%	AMT	%	AMT	%
Net Sales	9,404	100.0%	12,318	100.0%	(2,915)	-24%
Cost of Goods Sold	(7,376)	-78.4%	(9,607)	-78.0%	2,232	-23%
Gross Profit	2,028	21.6%	2,711	22.0%	(683)	-25%
Operating Expense	(1,770)	-18.8%	(1,914)	-15.5%	144	-8%
Operating Profit	258	2.7%	797	6.5%	(539)	-68%
Non-OP Income(Expenses)	(69)	-0.7%	(66)	-0.5%	(4)	6%
Income before Tax	189	2.0%	732	5.9%	(543)	-74%
Income Tax	(25)	-0.3%	(124)	-1.0%	99	-80%
Income after Tax	164	1.7%	608	4.9%	(444)	-73%
Net Income Attributable to Owners of Parent	5	0.1%	482	3.9%	(477)	-99%
EPS (NT\$1)	0.02		1.50		(1.49)	

# 2023 Annual Balance Report

NT Million	2023/12/31		2022/12/31		YoY	
	AMT	%	AMT	%	AMT	%
Cash Equivalents	2,001	19.0%	2,386	19.5%	(385)	-16%
AR	1,861	17.7%	2,525	20.6%	(664)	-26%
Inventory	3,291	31.3%	3,849	31.5%	(558)	-14%
PP & E	2,123	20.2%	2,246	18.4%	(123)	-5%
Other Assets	1,233	11.6%	1,233	10.1%	1	0%
<b>Total Assets</b>	<b>10,509</b>	<b>100.0%</b>	<b>12,238</b>	<b>100.0%</b>	<b>(1,729)</b>	<b>-14%</b>
Current Liabilities	3,152	30.0%	6,058	49.5%	(2,906)	-48%
Other Liabilities	1,335	12.7%	120	1.0%	1,215	1011%
<b>Total Liabilities</b>	<b>4,487</b>	<b>42.7%</b>	<b>6,178</b>	<b>50.5%</b>	<b>(1,692)</b>	<b>-27%</b>
Common Stock	3,213	30.6%	3,213	26.3%	0	0%
Other Equity	2,809	26.6%	2,847	23.3%	(38)	-1.3%
<b>Total Equity</b>	<b>6,022</b>	<b>57.3%</b>	<b>6,060</b>	<b>49.5%</b>	<b>(38)</b>	<b>-1%</b>
<b>Total Liabilities &amp; Equity</b>	<b>10,509</b>	<b>100.0%</b>	<b>12,238</b>	<b>100.0%</b>	<b>(1,729)</b>	<b>-14%</b>

# Inventory down trend





# Growing Hitron 、 More Products 、 More Markets

Current and future development of new products and markets

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# Q & A





**Thank you.**

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