



Hitron Investor Conference

TWSE Stock Code : 2419

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- Operational Overview and Future Outlook
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- Q&A

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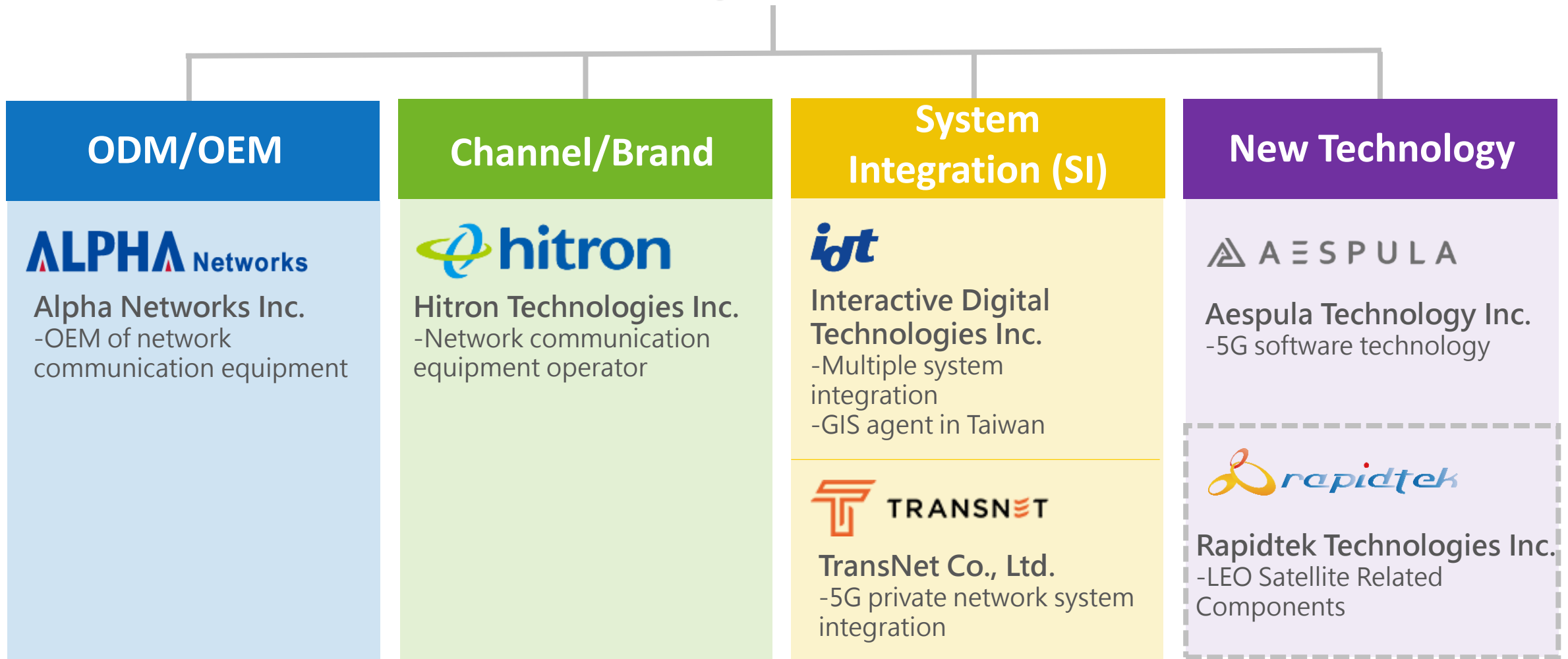


Disclaimer

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.

NCG Members (Networking Communication Group)

NCG (Alpha Networks)





2022 Q3 Finance Statement



2022 Q4 Summary

- **New Revenue Milestone for Month, Quarter & Year**
 - December Revenue **NT1.38 Billion**
 - Q4 Revenue **NT3.68 Billion**
 - Annual Revenue **NT12.32 Billion**
- **Annual net Income NT482 Million, also hit historical high**
- **EPS NT\$1.50, is the highest in the past 7 years**

2022 Q4 Financial Report

NT Million	2022		2021		YoY		2022		YoY	
	Q4	%	Q4	%	AMT	%	Q3	%	AMT	%
Net Sales	3,675	100.0%	2,358	100.0%	1,318	56%	3,163	100.0%	513	16%
Cost of Goods Sold	(2,896)	-78.8%	(1,817)	-77.1%	(1,080)	59%	(2,515)	-79.5%	(381)	15%
Gross Profit	779	21.2%	541	22.9%	238	44%	647	20.5%	132	20%
Operating Expense	(554)	-15.1%	(432)	-18.3%	(122)	28%	(474)	-15.0%	(80)	17%
Operating Profit	225	6.1%	108	4.6%	117	107%	173	5.5%	52	30%
Non-OP Income(Expenses)	(33)	-0.9%	4	0.2%	(37)	-1035%	(30)	-0.9%	(3)	10%
Income before Tax	192	5.2%	112	4.7%	80	71%	144	4.5%	48	34%
Income Tax	4	0.1%	(25)	-1.1%	29	-116%	18	0.6%	(14)	-78%
Income after Tax	196	5.3%	87	3.7%	109	126%	125	4.0%	71	56%
Net Income Attributable to Owners of Parent	132	3.6%	21	0.9%	111	533%	108	3.4%	24	22%
EPS (NT\$1)	0.41		0.06		0.35		0.34		0.07	

2022 Annual Financial Report

NT Million	2022		2021		YoY	
	AMT	%	AMT	%	AMT	%
Net Sales	12,318	100.0%	9,682	100.0%	2,637	27%
Cost of Goods Sold	(9,607)	-78.0%	(7,717)	-79.7%	(1,890)	24%
Gross Profit	2,711	22.0%	1,964	20.3%	747	38%
Operating Expense	(1,914)	-15.5%	(1,668)	-17.2%	(246)	15%
Operating Profit	797	6.5%	296	3.1%	501	169%
Non-OP Income(Expenses)	(66)	-0.5%	12	0.1%	(78)	-630%
Income before Tax	732	5.9%	308	3.2%	423	137%
Income Tax	(124)	-1.0%	(87)	-0.9%	(37)	42%
Income after Tax	608	4.9%	221	2.3%	387	175%
Net Income Attributable to Owners of Parent	482	3.9%	72	0.7%	411	574%
EPS (NT\$1)	1.50		0.22		1.28	

2022 Annual Balance Report

NT Million	2022/12/31		2021/12/31		YoY	
	AMT	%	AMT	%	AMT	%
Cash Equivalents	2,386	19.5%	3,175	28.9%	(790)	-25%
AR	2,525	20.6%	1,797	16.4%	728	40%
Inventory	3,849	31.5%	3,453	31.4%	396	11%
PP & E	2,246	18.4%	1,964	17.9%	282	14%
Other Assets	1,233	10.0%	597	5.4%	636	106%
Total Assets	12,238	100.0%	10,986	100.0%	1,252	11%
Current Liabilities	6,058	49.5%	5,463	49.7%	596	11%
Other Liabilities	120	1.0%	116	1.1%	4	3%
Total Liabilities	6,178	50.5%	5,579	50.8%	599	11%
Common Stock	3,213	26.3%	3,290	29.9%	(77)	-2%
Other Equity	2,847	23.2%	2,117	19.3%	729	34.4%
Total Equity	6,060	49.5%	5,407	49.2%	653	12%
Total Liabilities & Equity	12,238	100.0%	10,986	100.0%	1,252	11%

2022 Q4 Operating Results

➤ Revenue increase quarter by quarter

2022 Q4 consolidated revenue was NT\$3.68 billion, 16% growth from the third quarter and year-on-year growth of 56% growth. The cumulative revenue in 2022 is NTD12.32 billion with annual growth rate of 27%.

➤ Balance of Region Share

In terms of regions, compared to Q4 last year, North America grew 52%, Europe grew 164%, South America grew 69% while Asia-Pacific grew 47%. The balanced development of each region makes Hitron's overall growth healthier.

➤ Enrichment of Product Portfolios

PON, Extender and other products have started mass production and shipments, which will help accelerate the balance of product portfolios.

➤ Profit Improvement

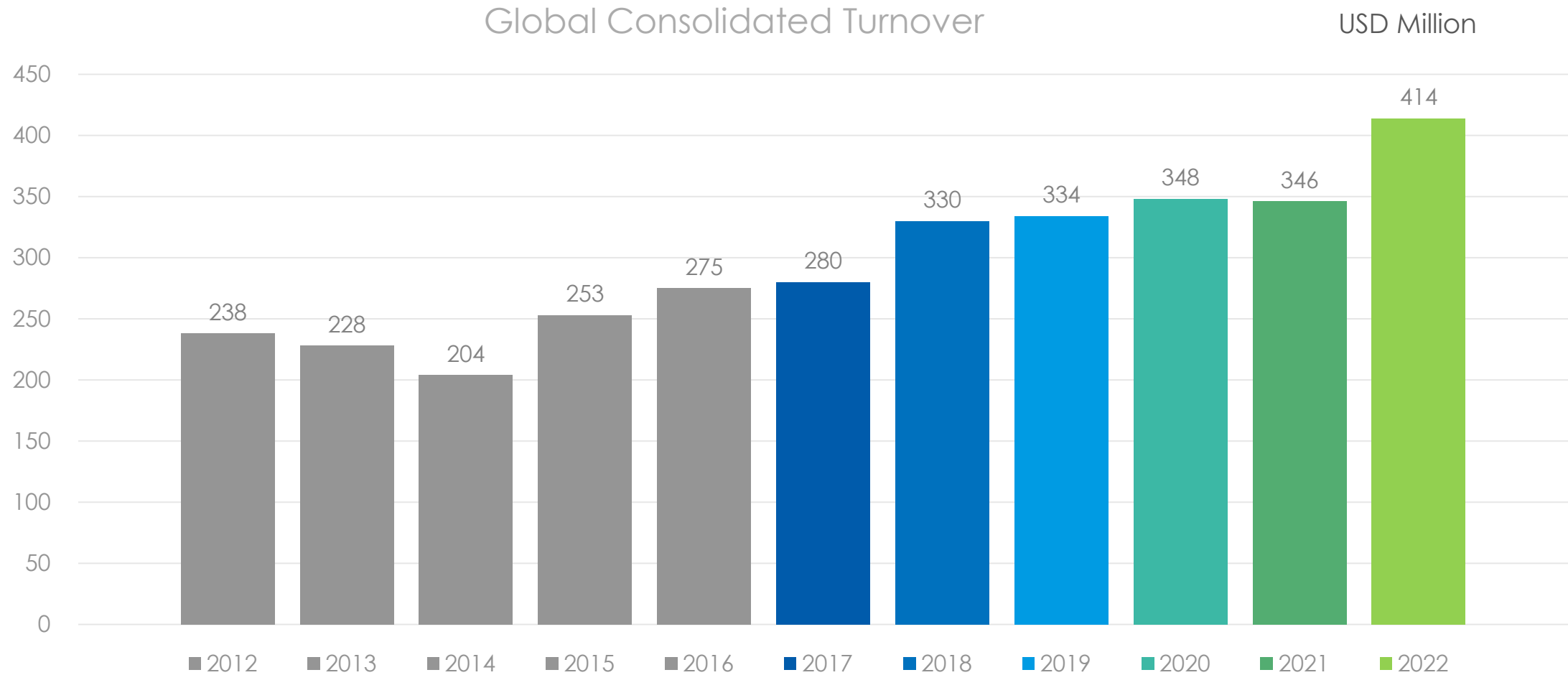
The increase in scale, improvement in operations, production efficiencies and the expansion of product mix resulted in an overall profit increase compared with last year.

Inventory ADS

inventory (M NTD)	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Hitron Consolidated Total amount (F/R Net Amount)	3,451	3,584	3,575	3,454	4,809	4,874	4,620	3,849
Hitron Factory ADS (including in transit material and FG in factory)	75	110	111	112	118	98	68	58
Hitron RO ADS (including RO warehouse and in transit FG)	53	65	75	92	81	60	71	70

Global Turnover Over the Years

2012 – 2022

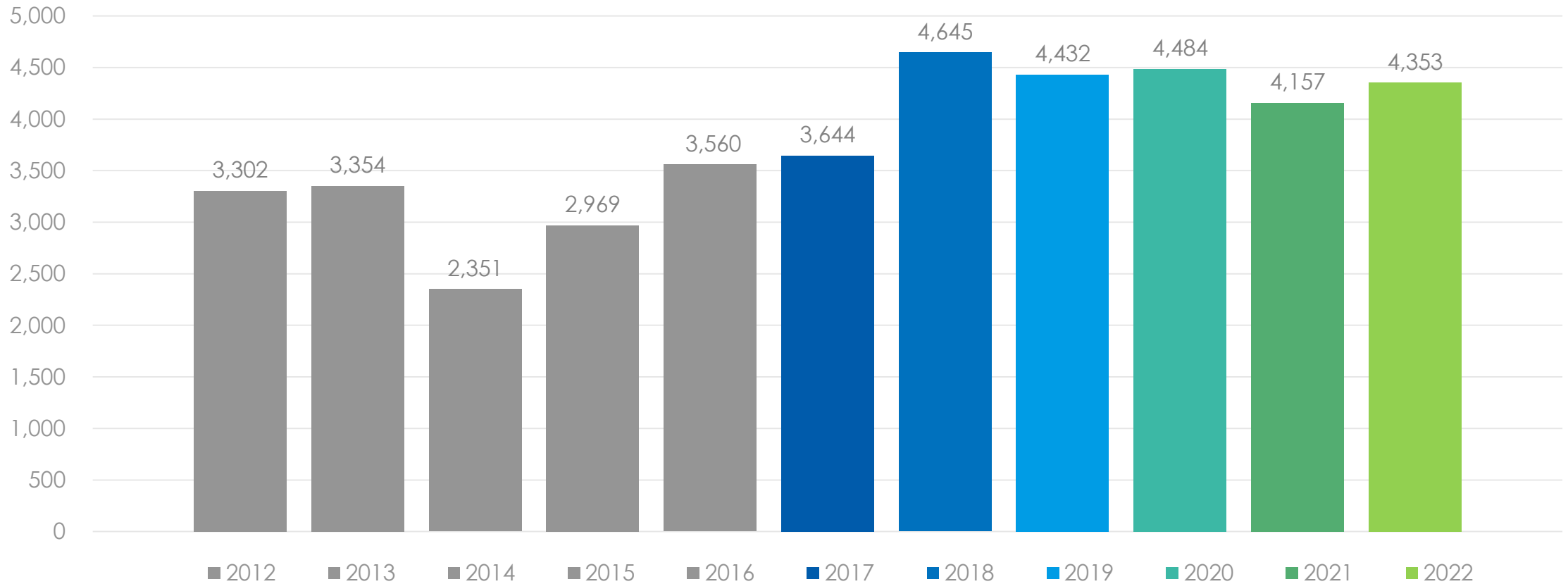


*US dollars calculated based average exchange rate of the year

Global Shipments Over the Years

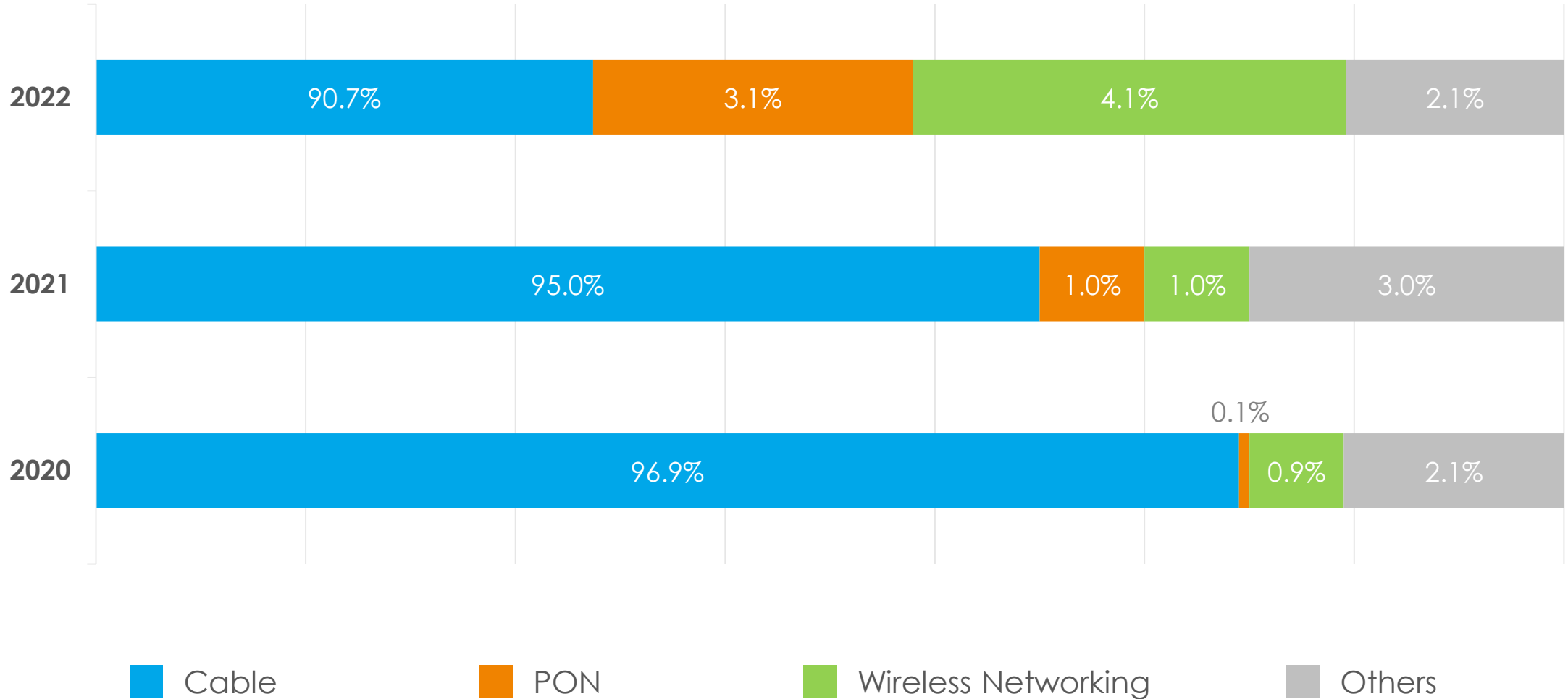
2012 – 2022

Unit (thousands)



Shipments

By Product Category



Highlights and Outlook for 2023 Q1

- As the supply chain situation has improved significantly, inventory control will continue to strengthen and aim to reduce procurement costs.
- The operating efficiency of the Vietnam factory continues to improve. Boosted by the increase in ratio of local procurement, reduction of transportation and logistics costs as well as reduction of inventories.
- Strengthen software research and development capabilities to provide more differentiated products and increase gross profits.
- In terms of the market, continue to introduce new products in North America to increase the degree of interdependence with customers and accelerate the development of new customers in markets such as Europe, Asia and South America.
- Accelerating the alignment of product line enrichment and balance of regional development, to create economies of scale and increase profitability.



Growing Hitron 、 More Products 、 More Markets

Current and future development of new products and markets



Q & A



Thank you.
