

TAI-SOL ELECTRONICS CO., LTD. (3338)

4Q 2022 Investor Conference

2022. 12. 16

Outline

1. 3Q22 Financial Results

Jim, President

2. FY23 Business Outlook & product highlights

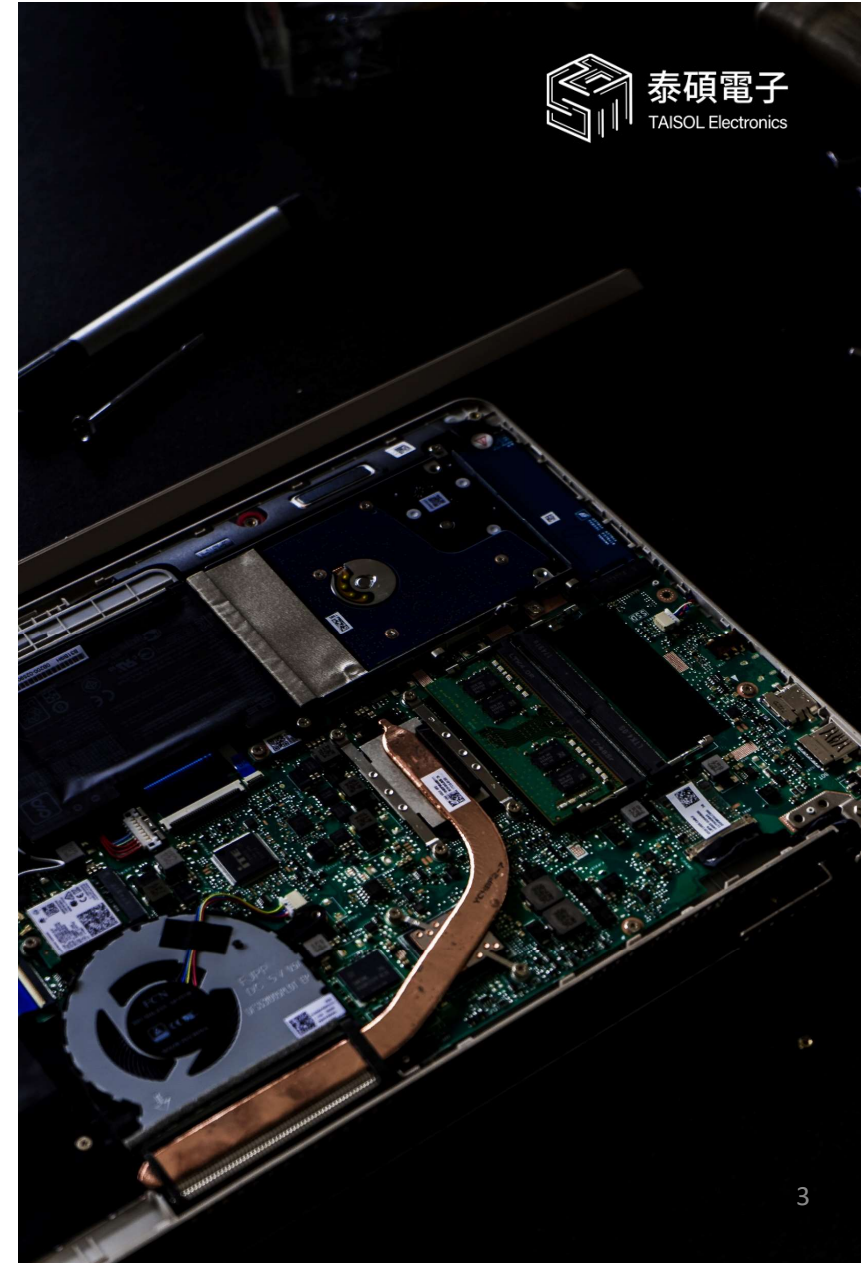
Kevin, Executive Vice President

3. Q & A

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TaiSol's statements of its current expectations are forward-looking statements subject to change without notice, whether as a result of new information, further events or otherwise. Company undertakes no obligation to update or revise the information publicly.

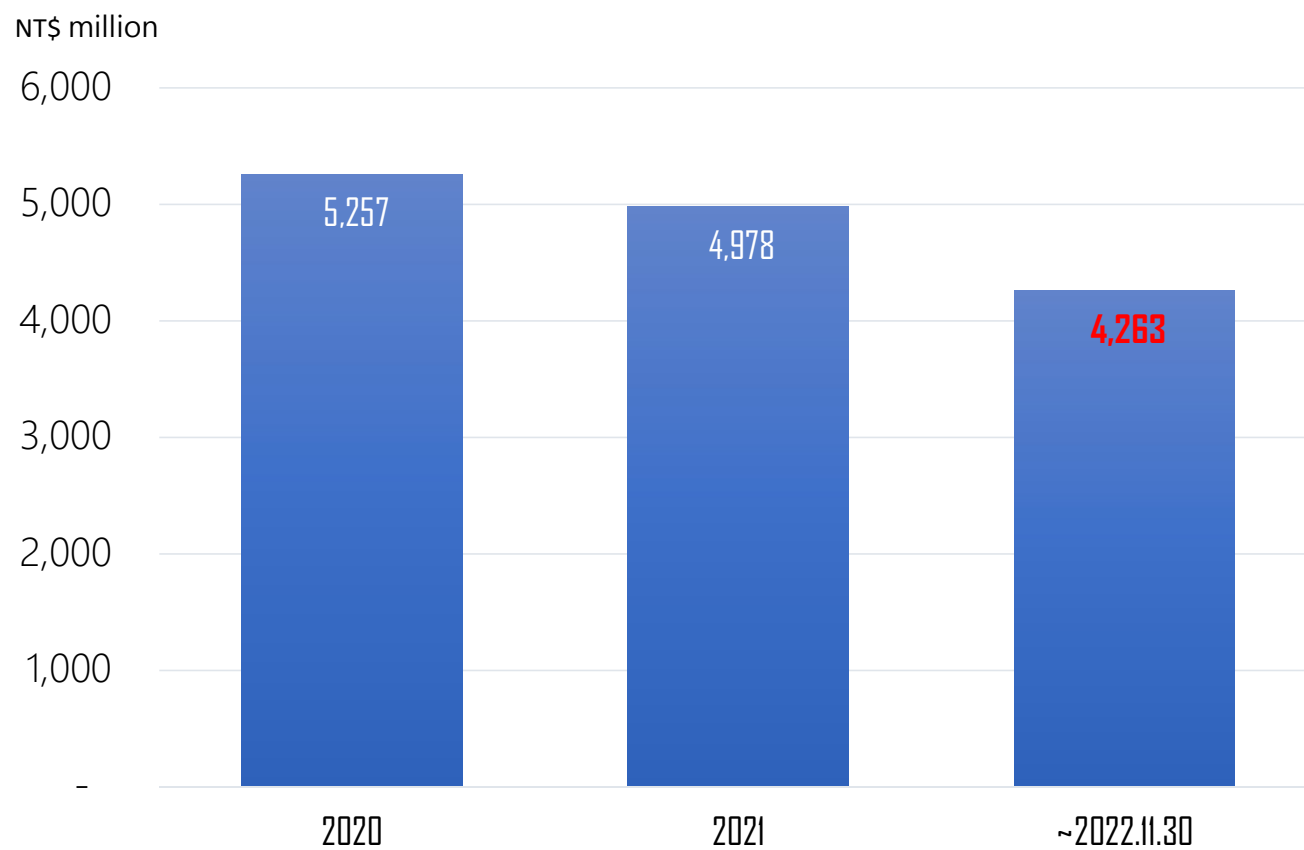
This presentation contains forward-looking statement. Such forward-looking information may be affected by significant risks and uncertainties, assumptions or other factors that may differ materially between Company's actual result and the information contained in this presentation.



3Q22 Financial Results

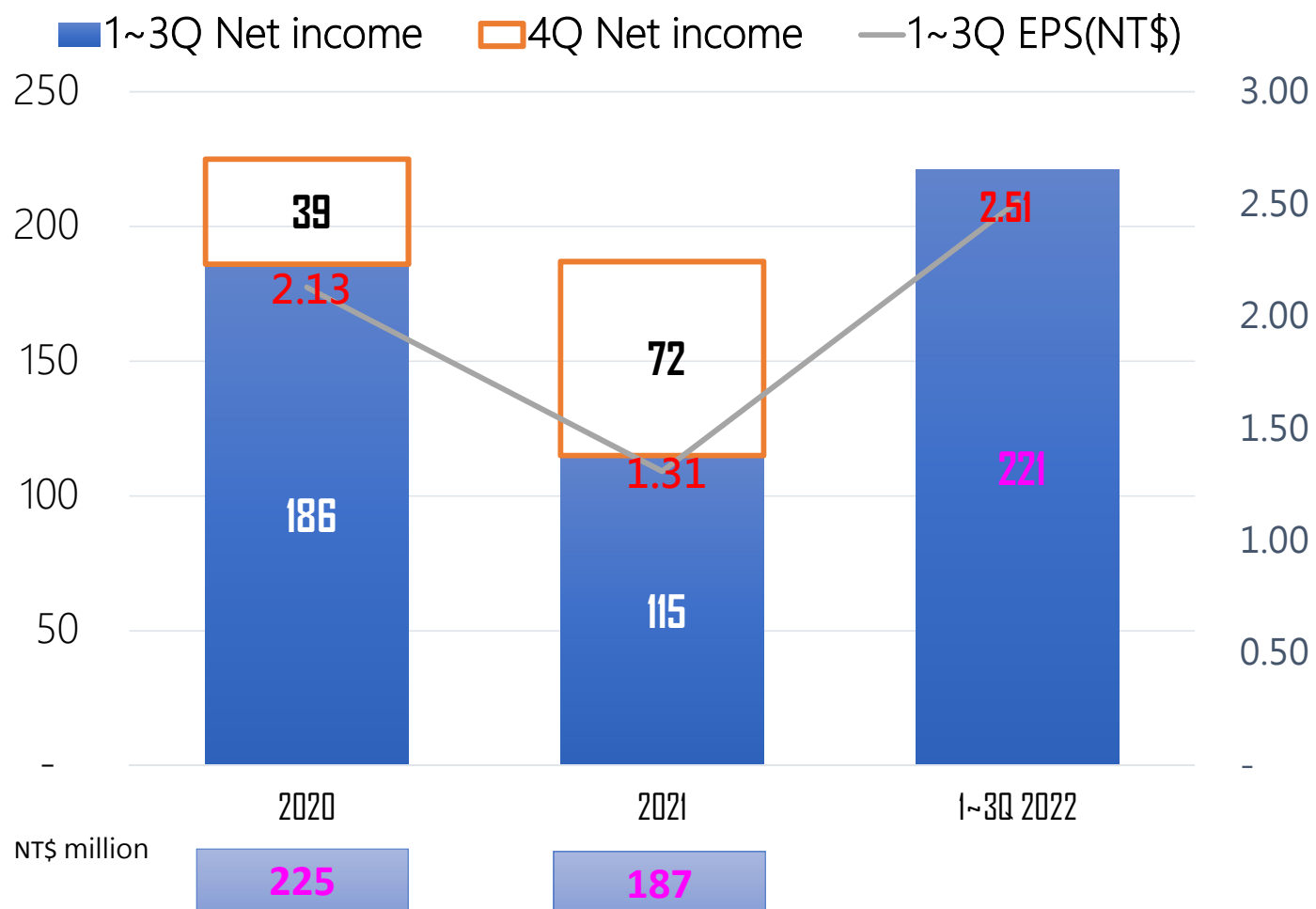
Jim, President

Sales Revenues



~ 2022.11.30
YoY Growth
-4.5%

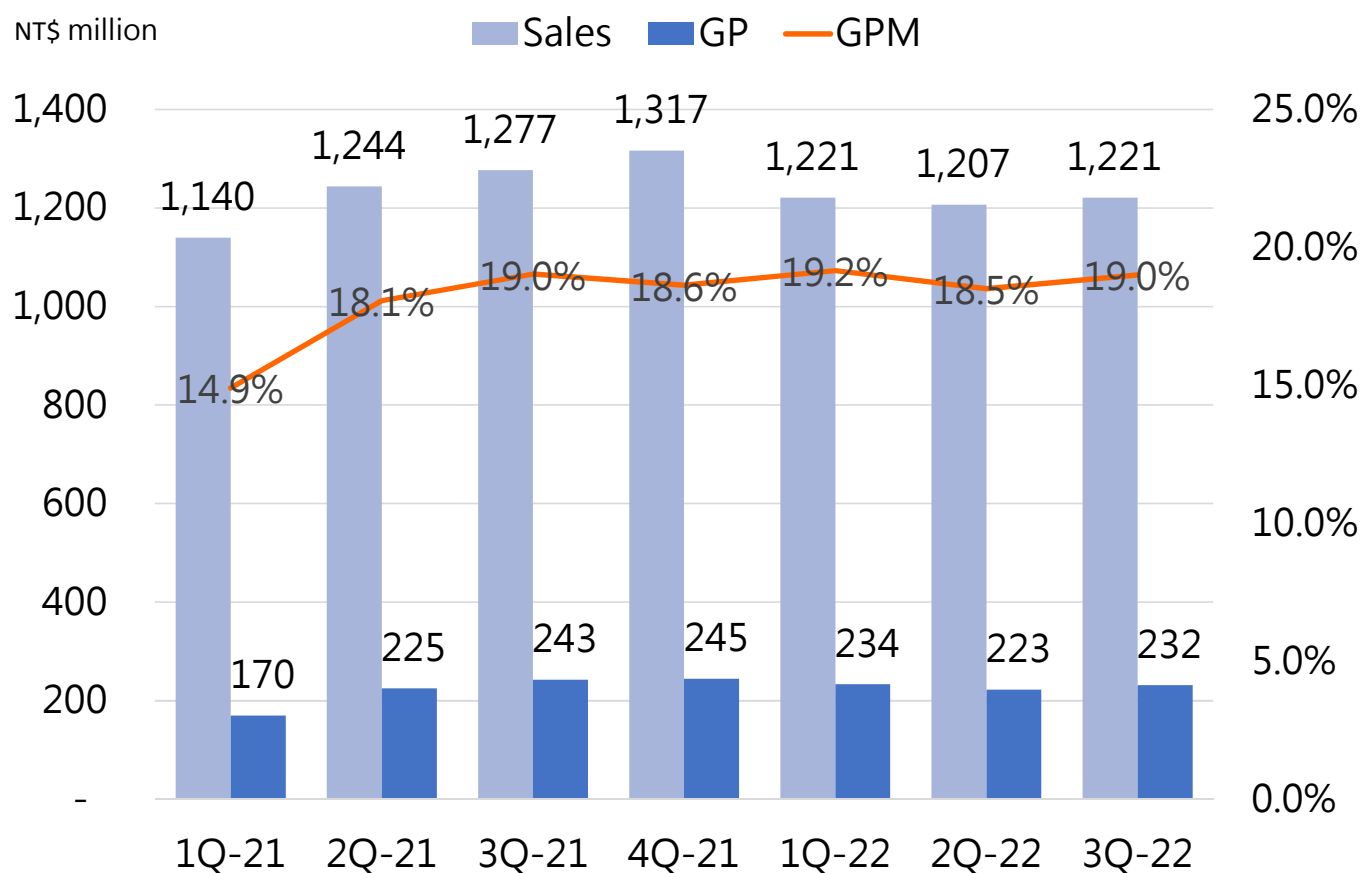
Net Income & EPS



1~3Q 2022
YoY Growth
+92%

3Q 2022 EPS
0.91 (NT\$)

Sales Revenues & Gross Profits



3Q 2022
YoY Sales Growth
-4%

	YoY	QoQ
Sales	-4%	+1%

Consolidated Income Statement (3Q 2022)

NT\$ thousand

Item	3Q 2022		2Q 2022		QoQ	3Q 2021		YoY
Net Revenue	1,220,840	100%	1,206,708	100%	1%	1,277,316	100%	-4%
Gross Margin	231,679	19%	223,360	19%		243,123	19%	
Operating Expenses	174,432	14%	159,426	13%		163,222	13%	
Operating Margin	57,247	5%	63,934	6%		79,901	6%	
Non-operating Revenue and Expenses	56,373	5%	39,138	3%		4,088	0%	
Net Profit Before Tax	113,620	10%	103,072	9%	10%	83,989	6%	35%
Income Tax Expense	33,658	3%	24,583	2%		27,572	2%	
Net Income	79,962	7%	78,489	7%		56,417	4%	
Net Income to Shareholders of the Parent Company	79,962	7%	78,489	7%	2%	56,417	4%	42%
Quarterly EPS (NT\$)	0.91		0.89			0.64		
Accumulated EPS (NT\$)	2.51		1.60			1.31		



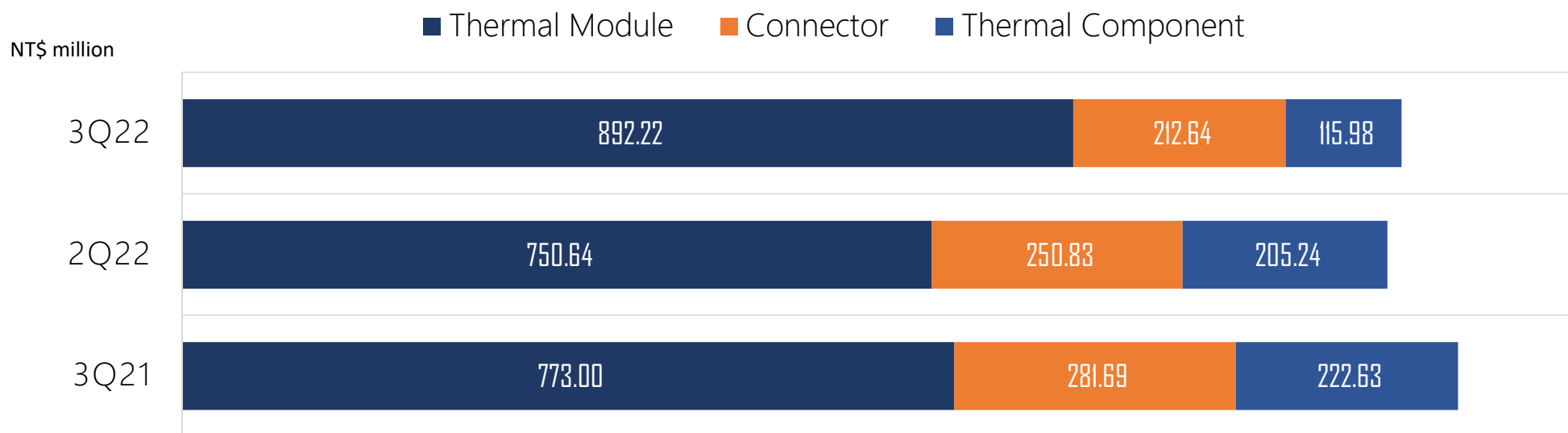
Consolidated Income Statement (1~3Q 2022)

NT\$ thousand

Item	1~3Q 2022		1~3Q 2021		YoY
Net Revenue	3,649,018	100%	3,660,950	100%	0%
Gross Margin	689,016	19%	637,996	17%	8%
Operating Expenses	497,527	14%	458,354	12%	
Operating Margin	191,489	5%	179,642	5%	7%
Non-operating Revenue and Expenses	107,486	3%	(14,803)	-1%	
Net Profit Before Tax	298,975	8%	164,839	4%	81%
Income Tax Expense	78,296	2%	49,953	1%	
Net Income	220,679	6%	114,886	3%	
Net Income to Shareholders of the Parent Company	220,679	6%	114,886	3%	92%
Accumulated EPS (NT\$)	2.51		1.31		

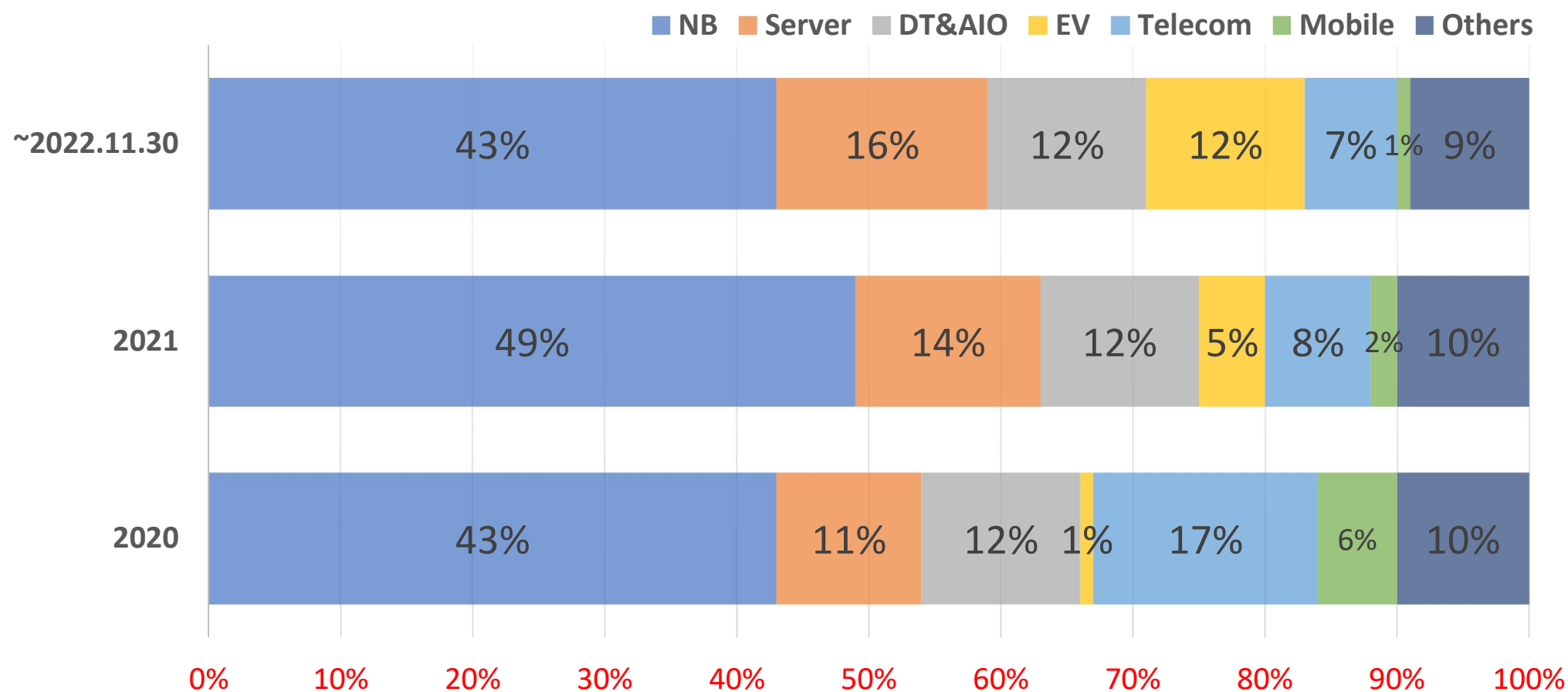


Sales Revenues by Product



PD	3Q-21	2Q-22	3Q-22	QoQ	YoY	Recap of 2022
Thermal Module	61%	62%	73%	18.9%	15.4%	Diversified products and services
Connector	22%	21%	17%	-15.2%	-24.5%	Weakened NB/DT demand
Thermal Component	17%	17%	10%	-43.5%	-47.9%	Weakened demand

Sales Revenues by Segment



FY23 Business Outlook & product highlights

Kevin, Executive Vice President

FY23 Business Outlook

EV Development

Sustainable growth in 2023

1. With the EV market driven by the government's continued commitment to net zero carbon emissions and subsidies for the industry expanding quickly, TAISOL is dedicating itself to increasing investment in EVs and related thermal technologies to meet customers' needs.
2. Key role: ADAS, charging solutions, BMS, on-board system etc.

Growth

Data Center and Cloud Server

Sustainable growth in 2023

1. The deployment of cloud data centers and IT infrastructure are set to boost developments of edge computing, HPC, and AI servers. Go into 2023, Intel/AMD/Nvidia will roll out next-generation CPU/GPU sequentially, thus increasing demands for no-brand servers, high-end air coolers, liquid coolers etc.
2. Increased demands for server, network switch, and small cells are driven by 5G Open RAN infrastructure.

Growth

HPC/NB/DT

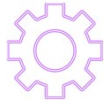
Customer inventory adjustment may last until 1H23 and ease in 2H23

1. NB shipments remain in a slump because of the epidemic, inflation, education market dipped.
2. TAISOL is cautious about inventory control while the industry slump.
3. Customer inventory adjustment may last until 1H23 and ease in 2H23.

Adjustment

EV Highlight

ADAS



ECU/DCU/MDC are controllers in automotive electronics that controls one or more of the electrical systems or subsystems in a vehicle. They must work in reliable and high-temperature conditions, TAISOL jointly develops various liquid/air cooling solutions with our customers and we have now in the tooling process, acquired the mass production orders. The company is expected to grow significantly in 2Q23.

IVI System / On-Board System



Global EV penetration is rising and accelerating V2X development, TAISOL teamed up with our customers for the camera module, IVI system, on-board system etc. in the past two years, and now the company is one of the key suppliers in the EV industry. It account for a significant portion of our sales revenues in recent years.

Charging Solution / Energy Storage



With the EV supply chain taking shape, thermal management requirements in charging stations, charging piles, batteries, car electronics, and energy storage solutions are our opportunities to expand the market.



High-End Thermal Module Highlight

Server / Cloud 5G Thermal solution



5G ORAN environment means various industries can look forward to more commercial opportunities, TAISOL can help satisfy customized thermal management requirements.



Liquid Cooling



Liquid cooling is becoming mainstream, high efficiency and eco-friendly solution when CPU/GPU with a 500W TDP and above. Our cold plates reach formal production in 2022, and will ramp up continuing throughout 2023.

TAISOL also invests in immersion cooling and jointly develops with Intel and other customers.

3D VC for High-End Air Cooling



TAISOL has focused on 3D vapor chamber technologies this year to meet market and customers' needs. Compared to conventional products, it meets the most demanding electronics cooling requirements, for high-power CPU/GPU and multi-core chips, and it resolves the problem of local high-temperature. Furthermore, 3D VC also can be designed to fit in data center applications, it doesn't need to rebuild the infrastructure.





Q & A



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TAISOL Electronics

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